



Glasgow City Council

Executive Committee

**Report by Councillor George Ryan, Executive Member for
Business and the Economy**

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Item 4

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Ext: 76006

Funding for tourism 2009/10: Glasgow City Marketing Bureau and VisitScotland

Purpose of Report:

The purpose of this report is to describe the funding arrangements with Glasgow City Marketing Bureau and to seek approval of funding for VisitScotland for financial year 2009/10.

Recommendations:

It is recommended that Committee

- approves funding of £475,000 towards VisitScotland's operating costs in Glasgow in 2009-10;
- notes that the Council has annual Service Level Agreements in place with Glasgow City Marketing Bureau and VisitScotland.

Ward No(s):

Citywide:

Local member(s) advised: Yes

No

Consulted: Yes

No

PLEASE NOTE THE FOLLOWING:

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1. BACKGROUND

- 1.1 Glasgow City Marketing Bureau (GCMB) was established by the Council in 2005 following the Area Tourist Board reorganisation. VisitScotland (VS) was established at the same time and has 14 area offices, each functioning as a single point of contact for tourism businesses. The Glasgow office is the lead agency in the provision of information to existing and potential leisure tourists in the Glasgow and West area and manages the Visitor Information Centre in George Square and Glasgow Airport. Its work is complemented by that of GCMB which is responsible for discretionary business and events tourism.
- 1.2 In terms of policy development GCMB has taken the lead co-ordinating role in developing both the Glasgow Tourism Strategy and the Glasgow Events Strategy. In operational terms it is responsible for marketing Glasgow for business and events tourism, for 'bidding' to secure conferences and events, for managing the Glasgow air route fund, for promoting Glasgow nationally and internationally through the Glasgow brand, "Glasgow – Scotland with Style," and managing the website www.seeglasgow.com. Leisure tourism, however, continues to be the responsibility of VisitScotland and the Glasgow office has been responsible for producing marketing campaigns which have attracted visitors including the Winter White campaign and the Relationship Marketing Programme.

2. GCMB AND VS WITHIN THE STRATEGIC FRAMEWORK

- 2.1 Glasgow's **Economic Development Strategy** has as its vision "...a world class city achieving its potential to deliver sustainable wealth and well-being for all its citizens." GCMB directly addresses two of the main 'step change' themes. It contributes to "building the metropolitan core" and "international positioning" by working to competitively position the city region through the brand, and to develop and manage marketing and development programmes for major events and business tourism. Specifically, the Glasgow brand is critical to the success of the city's international positioning.
- 2.2 The Economic Development Strategy identifies tourism as a key industry that will help the city achieve the step change that is necessary to fulfil its ambitions for the future. **Glasgow's Tourism Strategy** to 2016 is in line with this and sets out three strategic targets that define these ambitions:
- To raise the number of tourists from 2.8 million to 3.4 million;
 - To grow tourism income from £700 million to £1 billion;
 - To grow tourism-related employment from 31,000 to 40,000;
 - To increase capacity by 3,000 premier hotel bedrooms.

- 2.3 Each organisation has a role to play in reaching these ambitions and is described in sections 3 and 4.

3. GCMB ACHIEVEMENTS 2008/09

- 3.1 GCMB's achievements can be summarised as follows:

Events

- An additional 3 major new events secured including the MOBO awards which is moving out of London for the first time and is expected to generate a worldwide TV audience in excess of 250m people.

Business Tourism

- 203 conferences secured and are expected to generate 484,000 delegate days and generate revenue of £129m.

Marketing

- The Christmas Wrapped Up campaign delivered increased volume traffic to the city centre to shop over the festive period.

IT

- Delivery of an online accommodation booking system;
- Delivery of bespoke micro sites as part of integrated marketing campaigns for eg Christmas Wrapped Up, Winterfest and World Pipe Band Championships.

Public Relations

- Delivery of 114 media familiarisation visits
- Corporate PR coverage reached an audience of 31.8m with an advertising equivalence of £1.12m against a target of 25m and £0.6m.

4 VS ACHIEVEMENTS 2008/09

4.1 VS plays a considerable role in delivering the ambitions in terms of leisure tourism.

Achievements include:

- Publications such as the Glasgow Map, Accommodation Guide and Visitor Guide. The latter proved particularly effective as 76% of survey respondents said that the guide helped turn a potential visit into a definite one;
- Campaigns such as Winter White which generated total economic benefit to Glasgow of £10.2m in 2007 and European Cities which generated £2.8m. In addition, the European Touring campaign is VisitScotland's largest annual campaign for the whole of Scotland in the biggest European markets with an overall budget of £900,000 in 2009. Over 100 businesses are featured in the campaign and the economic benefit to Glasgow in 2008 was £6.5m;
- Relationship Marketing Programme which encourages repeat visits from UK customers generated £7.9m for Glasgow;
- VisitScotland's consumer PR team works closely with the travel and lifestyle media in the biggest European markets to ensure consistent, positive media coverage for Glasgow. Regular coverage supports the two main consumer marketing campaigns - cities and touring. The estimated PR value to Glasgow of European coverage in 2008/09 was £3.6m.
- The Spring touring campaign is VisitScotland's biggest marketing initiative in the US and had an estimated economic impact of £3.6m in Glasgow;
- PR activity in North America and Australasia – Media coverage secured by the consumer PR team generated economic impact of £7.2m
- Scotland's annual business-to-business event for the travel trade – VisitScotland Expo, was in Glasgow for the first of two consecutive years in 2009. Over 800 buyers attended and the estimated economic impact over two years is £3.4m, excluding the benefit of new business anticipated.
- Providing information to over 237,000 visitors at the Information Centres in George Square and Glasgow Airport and on-site information to more than 24,000 conference delegates;

- EventScotland, the national events organisation that is responsible for attracting, creating and developing events, works closely with the Council and GCMB to secure major events for the city and over 40 events have been either secured or supported by EventScotland with a total investment of £3.3m helping to achieve an estimated economic return of over £28m.
- Nearly £0.5m of Homecoming Scotland funding has been invested in Glasgow, including Celtic Connections, Aye Write! and the Homecoming finale event at the SECC.

5. GCMB PLANS FOR 2009/10

5.1 Events

Glasgow City Marketing Bureau is responsible for developing, creating and bidding for major events in line with the key opportunities identified in the Events Strategy. It chairs the Strategic Major Events Forum, the body responsible for making tactical decisions about which events Glasgow should either 'bid' for, or 'seek to grow'. The main KPI for 2009/10 is to increase the number of unique visitors to major GCMB-led events to a target of 300,000. DRS funding for events goes through GCMB so that the Events Bureau can manage their marketing, ensure that they are effectively managed and meet the targets set for them. Approval for this funding is included in this report.

5.2 Business Tourism

GCMB focuses on attracting conferences and conventions that match the strengths of the city. Academic, medical, scientific and business are the core conference types and there are over 2,000 ambassadors who help bring in conferences, with 858 of these being currently active. The following have been set as targets for the forthcoming year:

- Achieve target 399,000 convention delegate room nights stays to metropolitan Glasgow City Council
- Achieve forecast conference delegate direct expenditure of £135m
- Increase Convention Bureau membership revenue from £200,000 to £210,000
- Increase conference Accommodation Booking Revenue from £100,000 to £200,000
- Increase the number of active Convention Bureau Ambassadors 950, representing 10% growth

Progress against these targets will be reported at the end of this financial year.

5.3 Marketing

Glasgow's brand 'Glasgow: Scotland with style' is a fundamental element of the Economic Development and Tourism Strategies and has created an extremely positive impact since it was launched 5 years ago. The brand was developed with the objective of generating the customers to sustain investments already made in the city region's visitor and business infrastructure and to attract new customers.

Key performance indicator for 2009/10 is to:

- Increase brand awareness by 6% as measured by independent research undertaken by TNS Travel and Tourism placing Glasgow in the top 10 European cities in competitive set;

5.4 Public Relations

PR plays an important role in overcoming negative perceptions of Glasgow and actively targeting media that will have the biggest impact on the opinions of decision-makers. Work is ongoing with creative professionals in Glasgow to develop ideas for media relations activity that will communicate fresh messages and images on art, Mackintosh, design, events, music, retail and sport. Targets for 2009/10 include:

- Corporate PR coverage seen by 27m, equivalent value £800,000;
- Consumer PR coverage seen by 100m, equivalent value £10m;
- PR to host 110 journalist visits to the city.

5.5 IT

The www.seeglasgow.com website plays a significant role in bringing visitors to the city, increasing awareness of Glasgow and its products and raising the profile of the city's events. An online accommodation booking system has now been launched in response to consumer demand. This will make it easier for visitors to book their accommodation. The Bureau has built microsites for several events/projects that will have the most impact, including the World Pipe Band Championships, Glasgow River Festival, UNESCO World Music bid, Doors Open Day and Winterfest. These sites increase the levels of awareness of Glasgow's tourism product and increase visitor numbers. The KPI for 2009/10 is to grow seeglasgow.com unique visits by 10% to 1.8m and page views by 20% to 2.1m

6 VISITSCOTLAND PLANS FOR 2009/10

Campaigns and publications

- 6.1 VS supports and promotes Glasgow through all of its activities and recognises the significant role that the city plays for the tourism industry in Scotland. VS leads on attracting leisure tourism to Glasgow and has global reach in their year-round programme of marketing and PR campaigns in the UK and in the city's biggest international markets.
- 6.2 Publications fulfil a range of needs including providing details of quality-assured places to stay, the range of things to see and do and of specific activities such as golf or walking. Marketing campaigns that have been successful in 08/09 will continue in 09/10. The main ones are:
 - Winter White – the main campaign for the UK marketing during traditionally quiet months between November and March. This positions Glasgow as a year-round destination and attracts visitors on the strength of the quality experiences on offer. Suggestions for Glasgow as a short-break destination place strong emphasis on the quality of the city's attractions, events, shopping and restaurants;
 - Perfect Day 2009 – a high profile spring campaign will have a dedicated Glasgow section this year. Part of a national campaign, it positions Glasgow as an alternative to overseas holidays for the target 'affluent southern explorers' and 'southern travel junkies' customer groups. The campaign will include Charles Rennie Mackintosh, events and festivals, shopping, museums and galleries, family days out and 'beyond the city.'

- Autumn Campaign – building on the success of the 2008 television advertising campaign which communicated the message about Glasgow and Edinburgh's events and festivals to 36m people over one month, the campaign will be repeated. It will be re-edited with a Homecoming Scotland message to encourage bookings from UK visitors who had delayed leisure travel due to the economic climate. This campaign is part of a range of marketing tactics that are being used to help tourism businesses attract businesses in the economic downturn.
 - European Cities - takes the message about Glasgow and its winter events programme to Scotland's biggest European markets in the run-up to Celtic Connections. Short breaks are promoted on the strength of low cost air access from France, Germany, Italy, Spain and others. The majority of the activity is online and is supported by inserts in city travel magazines popular with the target audience;
 - European Touring Campaign – is VS's largest annual campaign for the whole of Scotland in the biggest European markets and has a budget of £900,000 in 2009. It targets millions of potential first-time and repeat car-touring visitors from Germany, France, and other European countries. Over 100 Glasgow businesses feature in the campaign and the city's events programme is prominently featured.
 - North America and Australasia – a significant part of VS's role is to develop the knowledge, awareness and passion for Scotland among the US travel trade, which is done through the SCOTS (Specialist Counsellors on Travel to Scotland) programme. Homecoming Scotland is the emphasis in 2009 and the largest ever US direct mail campaign to 26,000 households has been carried out already this year.
 - PR – supports campaigns in Europe, North America and Australasia
 - Expo 2009 and 2010 – VisitScotland's annual event for the travel trade was brought to Glasgow for the first of two consecutive years in April 2009. Over 800 buyers from tour operators, wholesalers, coach tour operators and so on attend. Apart from the direct economic benefit of the event itself, Glasgow businesses benefit hugely from the new business they generate.
 - Information Centres – aim to enable visitors to get the most out of their visit to Glasgow and to provide additional support for conference delegates.
 - VisitScotland.com/Glasgow is the section of the website that is specific to Glasgow and includes things to see and do, arts and culture, eating and drinking, shopping, nightlife and so on.
 - EventScotland is the national events agency and a directorate within VS. It continues to work with partners to secure and support further events to showcase Glasgow as a world leading events destination.
- 6.3 In addition, to offset the challenges currently being faced by businesses in the economic climate, VS has frozen prices on the marketing opportunities that businesses buy from them, including Quality Assurance products, marketing opportunity packages. These products represent around 80% of customers so the majority of business customers will benefit. Changes have also been made to the VS Growth Fund to enable more businesses to secure additional marketing funding.

7. GCMB BUDGET FOR 2009/10

- 7.1 The Council has budgeted to provide £4.223 million in 2009/2010 towards a total budget requirement of £4.98 million.

8. VS BUDGET FOR 2009/10

It is proposed to pay VisitScotland £475,000 in 2009/2010. This represents a reduction of 32% from 2008/2009 and has largely been achieved by a reduction in the cost of printed material.

9. REPORTING

- 9.1 Under the terms of the Service Level Agreement (SLA) in place between the Council, and both organisations there is a requirement to provide a range of performance information on a quarterly basis and a report at the end of every financial year. Payment of the contribution is subject to this report being satisfactory and to the terms of the Service Level Agreement being met.

10. SERVICE IMPLICATIONS

Financial:	Provision has been made in the budget for the financial contributions detailed in the report.
Legal:	An updated Service Level Agreement will be required.
Personnel:	None
Service Plan:	The work of GCMB directly contributes to the objectives of the Economic Development Strategy and the Tourism Strategy (Service Plan Priorities 2.12 and 2.7).
Environmental:	None

Development and Regeneration Services
KI (100-09)
20 May 2009