

## Corporate Plan 2005 – 2008

February 2005

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## Summary

1. This plan sets out the priorities of East Midlands Tourism for the 3 year period from 2005 to 2008. Tourism is a growth industry and can be a major force to help improve the economy and build a prosperous future for the region. The plan envisages two core priorities for East Midlands Tourism: first, to effectively market the region and second, to improve the quality of the visitor experience.
2. Currently the East Midlands is placed 8<sup>th</sup> out of 9 in the tourism league table - it is our belief that the region can do much better. Our vision is that by 2010 we will have grown staying visitor spending by some 30%, or £500m, and in the process created some 15,000 jobs. This plan will move us well towards meeting that target by increasing inbound tourism spend by £79m and domestic tourism by £153m over the next 3 years.
3. As well as creating new jobs this plan will also contribute to meeting other East Midlands Development Agency (*emda*) objectives. It will encourage new business growth; support enterprises during the start-up period; encourage older people to return to the workforce; improve the levels of skills and professionalism; and boost the number of businesses within national quality standards.
4. The proposed budget over the 3 year period is £14m. This is a marketing-led plan and it is proposed to dedicate some 75% of the budget to marketing related activity. Much of the delivery will be through the region's Destination Management Partnerships who, working closely with local authorities, the private sector and other stakeholders, will be encouraged to lever further funds to maximise impact. A further 14% of the budget will be focussed on improving quality. Much of the detailed planning work for these core themes has been undertaken in 2004/05. Two other strands of activity will act in support, an investment strand which will develop the regional customer contact facility and a research strand to ensure that data is available to inform direction and to evaluate the effectiveness of the plan's activities.
5. The implementation of this plan will lead to the following outcomes:
  - An increase in visitor spending underpinning new jobs, new businesses and supporting the development of a professional and skilled workforce;
  - A considerable increase in the profile of the region, together with its constituent destinations, as a place to visit, to do business and to enjoy with friends and family;
  - A higher quality experience for both visitors and residents.
6. The strategic focus of the plan is on boosting overnight tourism, both from inbound and domestic visitors. Our aims are as follows:
  - *Marketing* – To attract and convert substantially more staying visitors to the destinations of the East Midlands region.
  - *Quality* – To raise the quality of tourism services and products to enable the region to be positioned competitively encouraging repeat visits and referrals.
  - *Investment* – To attract the tourism investment needed to build a high quality tourism offer to successfully compete with other regions of the UK.
  - *Intelligence* – To be renowned for having the best tourism knowledge and understanding and to apply that insight successfully to create growth.

## Introduction

1. This corporate plan covers the period 2005 to 2008. It reflects *emda's* Corporate Plan for the same period together with *Destination East Midlands*, the region's tourism strategy to 2010. It draws on and develops the core themes set out in EMT's transitional business plan 2004-05.
2. Tourism is a growth industry. It will deliver prosperity and jobs for the East Midlands and improve the quality of life for its residents. It is primarily a business driven by the private sector and EMT's job is to provide the foundations and the strategic direction to enable these businesses, large and small, to grow and prosper. This plan sets out the medium term priorities to make that happen.
3. Since 2003 *emda* has had strategic responsibility for the development and promotion of tourism. This role offers a significant opportunity to raise the profile and performance of an industry which has previously under-performed. Tourism represents an area of strategic added value for *emda*, which via EMT its new dedicated tourism body, will provide leadership, contribute to national priorities, promote cross-regional activity and deliver measurable results.
4. Tourism has not flourished as well as it might in the past, in part because it has not had the benefit of a strategic regional approach which has meant inefficiencies. For example research has not been focused enough to underpin and inform activity; much activity has been piecemeal or uncoordinated; and funding, especially for marketing, has either been too limited or spread too thinly.
5. We believe that to successfully grow tourism in the region requires 3 conditions:
  - Clear medium-term priorities linked to targets;
  - Properly resourced delivery – led by the region's Destination Management Partnerships (DMPs) and also involving others, especially local authorities and the private sector;
  - Clearly defined roles to ensure that all activity is adding value and that the impact of this activity is effectively measured.
6. This plan envisages two core priorities for East Midlands Tourism and its partners and two supplementary objectives in support. The two core priorities are:
  - Making Marketing Work; and,
  - Improving Quality

While the 2 supporting strands are:

- Encouraging Investment; and,
- Research and Evaluation

## Our Vision

7. Currently the East Midlands is in 8th place, out of 9 regions, in terms of both domestic and overseas tourism spending. Our vision is to grow this spending over the next 6 years by a total of 30% with total tourism spend of £1.6bn rising by some £500m to £2.1bn. We estimate that an increase of this amount will boost the numbers of full and part-time tourism jobs by some 15,000 providing a route to prosperity throughout the region.

8. The investment required to generate this level of increase is significant and much of it is already being applied at a sub-regional level which has seen some £45m invested in tourism projects over the last 2 years. However this investment will need to work harder within a more strategic framework and funds for destination marketing activity need to be significantly increased.
9. The greatest opportunity for growth is the inbound market where visitors spent £292m in the region in 2003. By contrast in the East of England region visitors spent £592m – double that of the East Midlands. While the East of England figure in part reflects proximity to London it also reflects better destination marketing over time with what are in many respects similar leisure products. In England as a whole 18% of tourism income comes from overseas visitors, in the East Midlands that figure is 7%, the lowest of any region.
10. The domestic market is also one which can see real growth provided there is a single minded approach to develop and exploit well understood market segments using modern marketing methods. The focus will be predominantly on growing short break leisure markets together with business and conference tourism.
11. The region is relatively successful in attracting the day visitor market, currently lying 6<sup>th</sup> out of 9 in the day visits spend league table. This supports the fact that many elements of the product are adequately developed and what is required is concerted marketing to different audiences and to ensure the opportunity for them to buy is made easier. This plan focuses on domestic and inbound staying visitors in the light of the relatively buoyant performance of the day visitor market and the fact that a typical overseas staying visitor spends some ten times the amount of a typical day visitor.
12. This corporate plan will run from 2005 to 2008 and will provide the framework for tourism marketing priorities until March 2008. A further 3 year plan will be put in place from April 2008 to March 2011 and the overall strategic targets are given below. Short annual plans will be developed from this framework which will set out activities, budget and key performance indicators.

## **Strategic Targets to 2010**

13. National targets are set to increase the value of tourism from a current £75bn to £100bn by 2010. EMT targets reflect that ambition in terms of the percentage increases for staying visitors to the East Midlands. These are set for the 6 year period from 2005/06 to 2010/11.
14. The overall strategic objective to 2010 is to grow the spending of inbound and domestic staying visitor markets by a total of £500m in the 6 year period to 2010/11. In summary we seek to:
  - Create significant growth in the value of inbound tourism to the East Midlands with an increase of £146m spend (or 50%) to £438m. By 2010 the region will derive a similar proportion of its income from overseas tourism as other well performing regions i.e. 12%;
  - Grow the value of domestic tourism by £338m, an increase of 25% in spend, from £1,352m to £1,690m over the period;
  - Create a vibrant and highly competitive tourism related business sector with a reputation for its high quality;

- Significantly increase in the profile of the East Midlands as a region to visit, do business and meet with friends and family.

15. As a result the East Midlands region will rise from 8th place in the RDA tourism value league to 6th place.

### **Outputs:**

- Job Creation potential – estimate of 15,000 new jobs, both full-time and part-time.
- Business Growth potential – provisional estimate of 3,000 new businesses – with the majority being micro-businesses with between 1-5 employees.
- Quality Improvement – move rapidly towards the national target of 80% accommodation stock inspected – from a level of some 25% currently (by 2010).

### **Estimated Investment Required:**

- £30m investment over the 6 year period increasing from £4m in year 1 to potentially £6m per annum subject to the delivery of annual targets.
- In the first 3 year period the indicative budget is £14m. Subject to readiness and performance DMPs will receive some 70% of this funding with 25% of their turnover initially coming from other sources rising to 50% in Year 3. DMP turnover to be between £2.5 and £4.5m at the end of Year 3.
- Sub-regional Strategic Partnership (SSP) funding to continue for sub-regional tourism training, business support and capital projects with close alignment to emerging EMT and DMP strategies. A commitment to increased marketing funding from SSPs for DMPs will be proposed for later years and other funding, from BSEM and other agencies, will be tapped as appropriate to provide bespoke tourism business support, skills improvement and other priorities.

## **The Results Expected from this Plan**

### **Core Targets**

16. The target that we set out to achieve over the next 3 years is to increase inbound tourism spending by £79m and increase domestic spending by £153m. Table 1 below estimates the growth that is likely on the basis of the long term (national) trend and identifies the effect. It also shows the targets for EMT.

<b>Table 1 Growth Targets</b>	2003 Baseline	2005 – 06 Spend	2006 – 07 Spend	2007 – 08 Spend	Total Increase
Trend <sup>1</sup>		£8.7m	£9.0m	£9.3m	+£27m
EMT Target <sup>2</sup>		<b>+£10.0m</b>	<b>+£17.0m</b>	<b>+£25m</b>	<b>+£52m</b>
<b>Overseas Staying</b> <sup>3</sup>	£292m	+£18.7m	+£26.0m	+£34.0m	+£79m
Trend <sup>1</sup>		£27.0m	£27.6m	£28.1m	+82.7m
EMT Target <sup>2</sup>		<b>+£20.0m</b>	<b>+£25.0m</b>	<b>+£25.0m</b>	<b>+70.0m</b>
<b>Domestic Staying</b> <sup>3</sup>	£1,352m	+£47.0m	+£52.6m	+£53.1m	+£153.7
<b>Total Spend Target</b> <sup>4</sup>	£1,644m				<b>£231.7</b>

1. The long term growth trend for inbound tourism is 3% per annum  
The long term growth trend for domestic tourism is 2% per annum
2. This is the annual additional spend target and represents growth above normal trend. The total EMT Target for the 3 year period is to generate an additional £122m. (i.e. £52m overseas and £70m domestic).
3. This represents the trend and net growth combined.
4. The targets depend on the surveys on which they are based. These are subject to inaccuracy and change.

17. The net growth targets (described as the 'EMT Target') may be adjusted subject to detailed marketing planning. The target presupposes a greater level of marketing effectiveness in Years' 2 and 3 relative to Year 1 of the plan. Some marketing activity will take time to return value. Both EMT and the DMPs will become more effective in later years as resources are applied, core components come on-stream (such as the customer contact facility) and economies of scale begin to bite.
18. EMT will measure its performance on the additional spend generated by promotional activity. The overall return-on-investment is targeted to be 13:1, i.e. every £1 of promotional expenditure will deliver £13 to the region in the form of visitor spending that would not have occurred without the marketing. Some £9.4m will be dedicated to promotional activity giving a return of £122m: £52m from increases in overseas tourism and £70m from domestic tourism growth.
19. This growth will also create jobs. Estimates drawn up by *Experian Business Strategies* as part of this plan's preparation foresee the creation of some 15,000 full and part-time jobs over the 6 year period. It is estimated that approximately half of these will be created in the next 3 years. The type and nature of these jobs will vary, offering a range of flexible part-time jobs together with a substantial number of full-time and seasonal opportunities. From early 2005 EMT will have calculated the tourism's economic impact tourism for each DMP area and the region as a whole using 2003 as the base year. This measure will also be used as a performance indicator.

<b>Table 2 Job Creation Targets</b>	2003 Baseline	2005 – 06	2006 – 07	2007 – 08
Trend		1670	1670	1670
Net Job Growth <sup>1</sup>	-	830	830	830
Direct Jobs <sup>2</sup>	152,000	2500	2500	2500

1. The current make up of the industry's employment base is estimated at 46% either Full-Time Employees or Self Employed and 53% Part Time.
2. There is estimated to be a further 91,000 jobs which indirectly depend on tourism expenditure – in sectors such as retailing and other services.

<b>Table 3 Other Output Targets <sup>1</sup></b>	2003 Baseline	2005 – 06	2006 – 07	2007 – 08
Employment Support <sup>2</sup>	n/a	50	100	100
New Business Growth	n/a	400	500	600
Additional Businesses Supported	n/a	200	300	400
Learning Opportunities	1500	-	2000	3000
% of Businesses Quality Assured <sup>3</sup>	25%	+10%	+10%	+5%

1. These output targets are to be reconfirmed after further assessment
2. Those over 45 returning to the workforce in tourism related employment
3. Baseline and targets are subject to further revision given new work on total stock levels.

20. Table 4 overleaf sets out the allocation for 2005-06 and the proposed allocation for the later years. In terms of percentage split spend is heavily weighted towards marketing. More detail of allocation between streams is given in paragraph 29:

Making Marketing Work	£10.5m	75%
Improving Quality	£1.9m	14%
Encouraging Investment	£0.75m	5%
Research and Evaluation	£0.75m	5%

<b>Table 4 Summary</b> <b>Provisional Allocation</b>	<b>Current</b>		<b>Capital</b>		<b>Total</b>	
	<b>12.5</b>		<b>1.5</b>		<b>14.0</b>	

<b>Table 4 Allocation</b>	2005 – 06 (£m)		2006 – 07 (£m)		2007 – 08 (£m)		Total (£m)	
	Current	Capital	Current	Capital	Current	Capital	Current	Capital
Marketing	2.97	-	3.75	-	3.85	-	10.57	-
Quality	0.28	0.25	0.5	0.25	0.4	0.25	1.93	0.75
Investment	-	0.25	-	0.25	0	0.25	0.75	0.75
Research & Evaluation	0.25	-	0.25	-	0.25	-	0.75	-
Total Split	3.5	0.5	4.5	0.5	4.5	0.5	12.5	1.5
<b>Total</b>	<b>4.0</b>		<b>5.0</b>		<b>5.0</b>		<b>14.0</b>	

21. These sums do not include other funds from *emda*, SSPs or other funding bodies that may also be available to augment the priorities or undertake related activities in areas such as training and business support. DMPs will be asked to match EMT marketing funds with other funding from their own resources, local authorities and other partners. The percentage of matched funding is likely to increase over the plan period and, in some part, be based on matched funding incentives.

### ***Background to the Targets***

22. Currently it is estimated that there are 152,000 full or part-time jobs directly supported by tourists' expenditure in the region – some 7.5% of the total workforce. A further 91,000 jobs, in areas such as retailing, are also underpinned by tourism spending. Tourism, therefore, is worth 4.1% of regional GVA. On the basis of long-term growth trends, the region can expect some 5,000 new full-time or part-time tourism jobs to be created in the region in the next 3 years. The growth targets given above aim to both increase the region's relative share of tourism and make the industry more productive and competitive.

23. The targets in this plan reflect the principal targets that *emda* has been tasked to deliver: namely new job creation, new business creation, businesses supported and learning opportunities. Strong linkage will be made to the main *emda* programmes to maximise impact, particularly with the rural and urban development programmes, together with training and business support activity. EMT will agree with DMPs a series of operational targets that serve to support these strategic objectives.

24. A supplement to this plan gives more detail of how the baselines were calculated, the proposed targets, estimates of the marketing spend needed to meet the targets and the detailed economic impact foreseen. The target is to increase spend by some £500m with an investment of £30m. For the first three years this will require a Return on Investment (RoI) of 13:1 which is in line with previous experience in other parts of the UK and in other regions of England. Inbound marketing return on investment for Britain as a whole, as calculated by VisitBritain and agreed by the NAO, is 30:1. Domestic marketing RoI is typically in a range from 7:1 to 15:1.

## Establishing the Foundations

25. Much of the work of EMT's 2004-05 transitional year has been aimed at providing a sound basis to launch this 3 year plan. This includes a range of marketing activity to test approaches; research work to better identify both the demand and supply sides; preparatory work relating to both quality improvement and marketing planning; and work with the region's DMPs to ensure they are fully fit for purpose and able to take on a broader full service role.
26. Specific examples of preparatory marketing work includes:
- Lead region role for the national TasteEngland campaign to showcase the region's strong Food & Drink offer to a national and international audiences.
  - Development of products and packages for emerging markets, for example the Nordic countries, under the theme of '*An English Short Break – less than 2 hours and 500 Krona away*'.
  - Development of inbound routes through Nottingham East Midlands Airport, focusing initially on Dublin, and the forging of better links to the travel trade, wholesalers and commercial companies.
  - Development of opportunities surrounding the region's motor-sports heritage and facilities, primarily for the domestic market.
27. In terms of research, work has included assessments of:
- the demand for tourism in the East Midlands;
  - the amount and nature of tourism supply in the region, first at DMP level, which will inform activities for the core themes of marketing, quality and investment strands.
  - the economic impact of tourism and the start of a more detailed exercise to be undertaken for each local authority district area.
  - quality issues and the development of specific delivery plans from 2005.
  - the market - to enable the identification of overseas and domestic markets and a coherent delivery plan which also sets out the way in which DMPs and EMT will work together and with others.
28. Considerable work has been undertaken in partnership with the DMPs to ensure that their roles are adequately defined and that systems are established to enable joint working and the monitoring of performance. The delivery role of the DMPs is critical and will for Year 1 of this corporate plan encompass the following:
- Leadership and Coordination
  - Marketing Planning and Delivery
  - Quality Improvement Programme including quality assurance
  - Best Practice Exchange and Review
29. The investment strand together with the research and evaluation activity will often be undertaken at the regional level with support from the DMPs and others as necessary. Any research work will be designed to be of mutual benefit to EMT, the DMPs and other stakeholders.
30. The relevance of DMPs taking a more delivery focussed role in training and business support areas will be subject to more detailed review which will examine existing and future provision in these areas and assess the requirements for the industry. 2005-06 will be treated as a transitional year as far as the development of these activities is concerned. Local authorities and other bodies, such as the LSCs and BSEM, will also have a major role to play in planning or delivering this

activity. This review will not prevent DMPs from delivering existing training and business support commitments currently offered as part of wider support services.

## Activity Strands & Budget

31. Detailed delivery plans under each strand of activity will be concluded by March 2005. Two major reviews are currently ongoing to set the marketing and quality frameworks and define the activities which will be taken forward and the outputs expected. These delivery plans will be agreed by operational stakeholders prior to implementation. Table 5 lists the activities and the indicative budget allocation.

<b>TABLE 5 Allocation by Strand</b>	<b>Proposed 2005/06</b>	<b>Provisional 2006/07</b>	<b>Provisional 2007/08</b>	<b>Total 05-08</b>	<b>% Budget</b>
<b><i>Inbound Marketing:</i></b>					
Destination Promotion	1250	1800	1600	4650	33.2%
Thematic Promotion	250	150	200	600	4.3%
Marketing Support	300	150	200	650	4.6%
<b>Total</b>	<b>1800</b>	<b>2100</b>	<b>2000</b>	<b>5900</b>	<b>42.1%</b>
<b><i>Domestic Marketing:</i></b>					
Destination Promotion	750	1250	1500	3500	25.0%
Thematic Promotion	150	300	200	650	4.6%
Marketing Support	275	100	150	525	3.8%
<b>Total</b>	<b>1175</b>	<b>1650</b>	<b>1850</b>	<b>4675</b>	<b>33.4%</b>
<b><i>Total All Marketing:</i></b>	<b>2975</b>	<b>3750</b>	<b>3850</b>	<b>10575</b>	<b>75.5%</b>
<b><i>Quality Improvement:</i></b>					
Foundation Activities	225	350	350	925	6.6%
Signature Projects	300	400	300	1000	7.1%
<b>Total</b>	<b>525</b>	<b>750</b>	<b>650</b>	<b>1925</b>	<b>13.8%</b>
<b><i>Investment:</i></b>					
Customer Contact Centre	150	150	150	450	3.2%
Visitor Services Plan	100	100	100	300	2.1%
<b>Total</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>750</b>	<b>5.4%</b>
<b><i>Research:</i></b>					
Intelligence	180	180	180	540	3.9%
Evaluation	70	70	70	210	1.5%
<b>Total</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>750</b>	<b>5.4%</b>
<b><i>Total Indicative Budget:</i></b>	<b>4000</b>	<b>5000</b>	<b>5000</b>	<b>14000</b>	<b>100.0%</b>

32. Marketing actions are likely to include a mix of campaign activity, both inbound and domestic, marketing support activity, travel trade engagement, press and PR support, product development and packaging, and on-line development. Quality actions will include a programme to encourage accommodation businesses to join the national standards and a range of signature projects aimed at repositioning the region as a quality destination in terms of developing product strengths such as food and drink.

## The Strategic Priorities

33. We propose 2 core priorities focussed around marketing and quality improvement. Two further priorities will underpin these by encouraging the right investment into tourism and providing research and intelligence to direct and inform progress.

### **Making Marketing Work**

*Strand Aim: To attract and convert substantially more staying visitors to the destinations of the East Midlands region.*

34. As was recognised in the strategy the East Midlands region is an administrative area not generally suitable for branding or promoting as a destination in itself – as, say, the Yorkshire region might be. This plan foresees a major commitment by *emda* / EMT to support the DMPs' own destination marketing strategies which will be focused around discretionary markets such as overnight conference tourism and the short-break leisure market. There will still be regional marketing related support to underpin the destination based focus. On the basis of a return on investment of 13:1 the promotional budget of £9.4m will yield £122m in additional visitor spending which represents the main EMT growth target.
35. A region-wide marketing delivery plan will identify key markets and segments, new product themes and delivery and distribution vehicles. The majority of the promotional activity will be destination based activity against existing DMP boundaries. The profile of all these destinations will be significantly raised as a result. The delivery plan will be produced in consultation with all interested stakeholders. The plan will also set out the arrangements by which EMT, the DMPs and others will work together to maximise efficiencies. An important part of this task is to ensure that local authority marketing partners have the opportunity and commitment to work alongside the new structures to maximise value added.
36. In general bridges need to be built between the DMPs and other public authorities and the commercial travel trade. These stronger links between wholesalers, suppliers and the DMPs are needed to enable better conversion to business. There also needs to be more new and innovative product development which links customers to an appealing set of products in an imaginative way. This task of product packaging will be a critical success factor in the drive for more business.
37. There will be exceptions to this model where notable regional product strengths, such as food and drink, and motor-sports can be exploited thematically across the region. There will be other opportunities at the regional level, building on the region's robust arts, cultural and sporting offers and drawing on the strength of the natural environment. Where there are opportunities identified either EMT or the DMPs will take a lead on behalf of the region as a whole, working with the appropriate partners. Current initiatives, such as the work undertaken on the student market by East Midlands International Connections, will also be supported where there is a clear link to the growth of inbound tourism.
38. DMPs will also be tasked to work together across administrative borders where there is a strong cluster of attractions which together make up a meaningful destination - in areas such as the Welland. All local authorities will be encouraged

to buy into DMP-led campaigns to benefit from economies of scale. A variety of local marketing activity will still remain appropriate within this context and DMPs will support a tiered approach depending on the product and the target markets. DMPs and local authorities will be encouraged to conclude agreements to provide a framework for cooperative marketing activity.

39. Region-wide marketing activity will be undertaken where this makes sense to do so – supporting and informing the travel trade about the opportunities in the region being an example. In this case a wide range of region-wide familiarisation visits for travel trade, press and other specialists will act as a catalyst to drive market growth and as such is likely to feature as a part of the marketing support programme.
40. As well as DMP-led marketing activity this plan foresees the development of specialist support centres which will be run by, or as joint ventures with, the DMPs. These include a regional Customer Contact Facility and an Events and Conference Alliance. The development and promotion of business tourism will be a key activity throughout.
41. These operations will exploit the considerable opportunities there are for the region in these fields and will support the main marketing programmes. Exact arrangements will be decided after feasibility is completed and interested stakeholders have been fully involved to maximise added value. There will be value in exploring the opportunities of a regional customer contact facility because:
  - Much of the region's brochure fulfilment is handled outside of the region with no economies of scale and consequent restrictions on cross-selling and conversion opportunities, CRM techniques and sales opportunities.
  - such a facility will allow a far more dynamic link between the region's customers, the travel trade, the DMPs and local authorities. It is unlikely, however, that a single DMP could justify the cost of such a facility on its own.
  - it would also enable other parts of the strategy to be better delivered, e.g. the development of a robust complaints handling system could be part of the service to allow feedback from visitors and underpin other parts of the quality improvement programme. Data from the facility is also needed to inform the investment programme.
42. Subject to the results of feasibility it is envisaged to have the facility operational in 2006/07. A suitable model would be a joint venture run by one DMP on behalf of, and for the benefit of, the entire region. The facility could act as a regional hub for fulfilment, customer relationship management and could also take on other activities such as complaints handling.
43. Business conferences and exhibitions are possibly the most lucrative part of the tourism market and greater effort needs to be applied to ensure that the region's destinations get a greater share of domestic and international business from associations and corporate buyers. Business tourism is a growth opportunity, and the East Midlands is one of the few regions where this trend is evident, but there needs to be a far greater focus on opening up the region to prospective buyers. The current fragmented approach which sees conference bureaux in each of the DMPs is likely to benefit from greater coordination of activity.

44. The full use of existing facilities will be enabled by such a specialist service which will proactively market and win business for the region. This service would work closely with the DMPs and could either be operated from within a DMP, be part of the proposed customer contact facility or be separate. The exact configuration will be subject to further assessment. Concurrently the Investment strand of this plan will examine the opportunities and need for upgraded or new exhibition, conference and meeting facilities.
45. Major events and festivals can be catalysts for regional economic growth and that the region has great potential in sports, media, the arts and other sectors that can provide a rationale for tourism. It is proposed that the DMPs will identify major events that could be held in the region working closely with other regional public bodies and the private sector. Such an approach has been successfully adopted elsewhere.
46. Another key area is to ensure that tourism potential is maximised through the region's portrayal in films, television and other consumer media. The establishment of EM Media has given this welcome impetus and EMT will work closely with EM Media to ensure that there is adequate coordination with the work of the DMPs. This will include a strong connection with place marketing when films, such as the latest version of *Pride and Prejudice*, are released to overseas and domestic audiences.
47. A priority will be given to establishing the region's DMS systems as the core fulfilment vehicles and bringing these into partnership with commercial systems. Partnerships and links with these systems will be necessary to ensure that the capabilities of the DMS systems are maximised. This will include EnglandNet for static data. The DMS systems will rapidly become the cornerstone of destination and thematic promotional activity.
48. The strategic marketing focus will be centred on overnight stays. Initially this is likely to be focussed on inbound short-haul markets particularly tapping existing and new low cost routes. The touring market from German and Dutch markets is likely to be one which can be grown although lead in times with operators will necessitate a broader approach to include travel trade engagement and PR in these markets. Products will be developed to exploit a range of new market opportunities, such as the potential of the Kings Cross / St. Pancras Eurostar terminal to increase access to the region, particularly for French and Belgian markets.
49. Presently the region is lying 6th in the league table for day visitor spending, a better performance than overnight tourism, by virtue of location and population density. It is not thought cost effective to target this market given its fickleness, the very broad range of segments involved, and the relatively low spend per head that results. There may however be tactical opportunities, based around events and festivals for example, that the DMPs will wish to exploit.
50. The detailed marketing plan, together with the template to guide DMP engagement and operations, will be prepared in partnership with the DMPs using specialist support to undertake the market and other assessments required. The plan will identify fully the emerging and growing market segments (e.g. culture, sports and youth) and the different product strengths evident in the region (e.g. market towns, cities and business tourism). The plan will also detail very specifically the ways in which the DMPs and EMT will work together with local

authorities, the private sector and other stakeholders to maximise marketing effectiveness.

## ***Improving Quality***

*Strand Aim: To raise the quality of core tourism services and products to enable the region to be positioned competitively and to encourage repeat visits and referrals.*

51. The regional tourism strategy recognises that the level of service and product quality is a key determinate of success, usually contributing later to referrals and repeat visits. It is proposed to embed a range of quality improvement activities across the region with EMT, DMPs and other stakeholders playing a key role in delivery.
52. The region's destinations will be positioned to offer high quality and best value with specific programmes put in place to address areas of concern. This positioning and activity will enable the region to build competitive advantage over time. Cooperation between many interests will be critical to improving quality.
53. While our focus will be around improving service and product quality we will also lend support to initiatives and organisations concerned with improving the quality of the broader environment and the public realm. The region has an abundance of both natural and built heritage which can be of great interest to visitors and which is important in its own right. EMT will work closely with English Heritage and other interests to maximise the opportunity and presentation of the region's historic and natural environment.
54. The aspiration is to significantly increase participation in the national quality assurance systems and to move rapidly towards the national target of 80% of accommodation stock participating in the standards. For the three years of this plan we will aim to increase participation in the 3 national schemes<sup>1</sup> by some 25% - from 25% of total stock today to 50% over the period.
55. A further objective will be to see an increase in the productivity of the industry. This reflects the DCMS tourism target and will be achieved by a range of integrated skills and business support measures which will be developed in 2005. These include business benchmarking, skills improvement, training programmes and support for enterprise and innovation. A range of bodies will be critical to these developments.
56. There is clear unanimity that destinations at every level - international, national, regional and local are becoming more aware of the need to develop their tourism products and services in terms of the quality of the visitor experience. There is now recognition that a total visitor experience is a core requirement.
57. The proposed Quality Improvement programme (QIP) confirms the importance that East Midlands Tourism places on the quality agenda. Three strands of activity are being developed:
  - Empowering people (businesses and employees)
  - Empowering visitors
  - Empowering communities

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<sup>1</sup> Operated by the AA, the RAC and VisitBritain.

58. Destinations cannot deliver great experiences except through its people and supporting communities, and they cannot deliver great experiences without understanding and meeting the needs of their visitors.

## **Foundation Activities**

59. Step 1 will be to identify key 'building blocks' needed to encourage incremental quality improvement. These put in place the foundations that the region currently lacks and will be delivered by a range of stakeholders, led by EMT and the DMPs. These building blocks are likely to include engagement on:

- Inspected only policies for accommodation and a new basic level entry category being developed at a national level.
- Complaints protocol
- Competitor benchmarking
- Adoption of best practice
- Consistency of visitor information
- Accessibility and diversity issues
- Quality as a condition of licensing
- Adoption of common ICT frameworks and skills
- Consistency / minimum standards of TIC operations
- Monitoring visitor satisfaction

## **Signature Projects**

60. Step 2 will identify quantum leaps in quality improvement via the development of a number of high profile 'Signature projects' involving DMPs, EMT and the private sector. These are likely to include:

### *Developing the Region's Student Potential*

61. By building on the 85,000+ potential workforce and the current excessively high turnover of the tourism and hospitality workforce. Outcomes will include:

- Improvement of employment practices within the region's tourism and hospitality businesses;
- Increasing the region's trained workforce;
- Improvements to customer care skills/confidence of our students who will act as ambassadors for the region
- Better business / academic links
- Improved visitor experience

### *Bringing Quality Alive*

62. By raising the profile of quality both within and outside the industry through a reinvigorated awards system and an annual tourism conference focussed on quality improvement. The outcomes will include a higher profile for the region as a destination seen to drive quality for both visitors and the industry.

### *Family Friendly Region*

63. By responding to the current importance of the VFR, day visit and short breaks market specific family friendly products will be developed with core criteria for restaurants, bars and other facilities, enhanced picnic sites, accessible footpaths,

links between attractions and schools etc. This will seek to position the East Midlands as a family friendly destination to create competitive advantage.

#### Food, Drink and Eating Out

64. By developing the region's excellence in food and drink and ensuring that current and future marketing on this subject has the strength of product to encourage repeat visits and referrals. This project will identify current excellence in regional food and dining, identify and promote those operators with commendations. The region will become a destination known for its food and drink offer and related skills in dining and catering service.
65. EMT recognises the value of a close association with the region's LSCs and other agencies concerned with improving business performance. Further work will be undertaken with these agencies to define strategy and delivery plans.
66. It is likely that bespoke solutions, some already developed will be required to drive the necessary change in performance. One example for possible regional application is the STARS project developed in Nottinghamshire with the LSC, the two SSPs and the County Council. A six point action plan includes work on an ambassador's programme, recruitment solutions, upskilling employees, awards, image and measures to address skills shortages.
67. It is proposed that delivery of these activities will be coordinated by LSCs and DMPs with the latter potentially taking a leadership role from 2006/07 to ensure that the necessary skills issues have been identified and are being addressed at the destination level. Delivery will be via the most appropriate partners led by the colleges, People 1<sup>st</sup> and other providers.
68. A variety of other opportunities to support the quality theme may be developed, for example to ensure the region's universities and colleges can optimise their resources to train and support people for tourism jobs and careers. This could develop into a 'University of Tourism' network to raise the profile of the region's core expertise and ensure consistent standards and sharing of innovation and best practice.
69. Business support is equally an area which deserves further focus within this strand of the plan. Generic business advisers have often not been able to offer the technical and professional knowledge and experience necessary. Pilot work, agreed with the Industry Best Practice Forum, will benchmark a broad sample of the region's businesses and compare to national norms. Further to that it is likely that a bespoke and integrated tourism business support programme will be rolled out in agreement with BSEM and other bodies, coordinated in due course by the LSCs and DMPs. A strategic group will oversee this development.

## **Encouraging Investment**

*Strand Aim: To attract the tourism investment needed to build a high quality tourism offer to successfully compete with other regions of England.*

70. The Tourism Strategy *Destination East Midlands* sets out a range of ambitious development options to ensure that the region is able to exploit its potential and remain competitive over the longer-term.
71. A variety of strategic developments to act as cornerstone projects are needed to reinvigorate the tourism offer. Subject to the current review of tourism supply priorities are likely to centre around the following types of development:
- Improvements to the urban hotel product in all of the region's 5 cities, particularly in Nottingham and Lincoln, coupled with activity to attract the high value brands such as those developed by Malmaison and Hotel du Vin;
  - Large and mid-sized leisure, spa and well-being products, building on the heritage of the region's spa towns, particularly destinations like Buxton;
  - Investment in mid-sized conference centres and exhibition facilities and possibly a larger facility to benefit the region as a whole;
  - Support for the development of high quality self-catering products in market towns and the countryside, particularly surrounding the Peak District, the Lincolnshire Wolds, Rutland and similar areas;
  - A number of 'Gateway' Information Centres including possibly one at NEMA, and others in the region's cities.<sup>2</sup>
  - The development of the World Heritage corridor in Derbyshire;
  - One or two major leisure-based visitor attractions - subject to further analysis - to include the feasibility of a major visitor attraction themed around the legacy of Robin Hood in Nottinghamshire.
72. While EMT will facilitate the types of developments listed above the capital spend identified in the strand will be focussed on two particular areas: encouraging the modernisation of the region's tourism information centres, and linked to this, the development of a regional customer contact centre.
73. The current Gaming Bill will result in licences for 8 major casino developments as well as opening up the market for smaller venues. The work to maximise this opportunity is being taken forward by *emda* as part of its inward investment role and close links will be maintained between EMT and *emda*.
74. EMT will work with the SSPs and other funding partners to support demand analysis and forecasting, product analysis, project feasibility, planning, site search and other professional services to attract inward investment for these major projects. EMT will work with funding bodies to ensure that they have the evidence and backing to be able to support such developments where appropriate and that they fit to the regional strategy.
75. EMT, in collaboration with the DMPs, local authorities and other stakeholders, will also provide strategic insight and analysis to support the preparation of local tourism plans which seek to regenerate key parts of the DMP's area. These area development plans will often be undertaken at local authority level.

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<sup>2</sup> A current review of Tourism Information Centres will result in a separate strategy to govern their investment and development.

76. This level of support will require additional expertise within EMT working closely with *emda*, DMPs, local authority planners and other agencies.

## ***Intelligence and Evaluation***

*Strand Aim:* – To be renowned as having the best tourism knowledge and understanding and to apply that insight successfully to create growth.

77. The data on which to base strategic decisions in tourism has traditionally been poor due to a lack of investment in surveys and other research vehicles. Often it is not possible to disaggregate data from national surveys accurately and market intelligence has not been developed to the required sophistication.

78. Working closely with *emda*'s Research team and other specialists, data will be used as an evidence base to underpin many elements of the marketing, quality and investment programmes set out previously. The programme will be run in a pragmatic way, making the best use of existing models and importing marketing research best practice where appropriate. Research work will be integrated together to ensure maximum effectiveness and enable a full strategic overview in support of the work of DMPs and local authorities. Areas are likely to include:

- Supply side analysis at DMP, and later at District Council level for participating local authorities, to assist in strategic planning, development and investment decisions;
- An assessment of tourism's volume, value and economic impact at DMP and later at each District Council level to track progress against targets and to justify public funding;
- Occupancy and yield research for both serviced and self-catering facilities to better track accommodation performance at both destination and sub-regional levels;
- Market Research to underpin the marketing programme e.g. to identify emerging and potential markets to target;
- Product Research – to underpin the investment programme, e.g. to attract, develop and package new products;
- Marketing Research to measure the effectiveness of the marketing programme and evaluate DMP and EMT performance;
- Visitor Research – to underpin the quality programme e.g. by using visitor satisfaction surveys as a tracking and feedback tool;
- Business Research – to assess the relative strengths and weaknesses of tourism companies and benchmark their current performance in order that training and other support services can be targeted and effective;

## **Delivery and Management**

79. Further to a preliminary review it is recommended that EMT should be established as a separate entity but that a strong linkage to *emda* should remain. The advantages of such an approach is that it allows:

- EMT's identity and profile as a powerful voice and champion for the tourism industry to be developed;
- a single-minded approach to the delivery of core objectives;
- strategic understanding and input from a specialist and experienced Board;
- close integration and linkage to *emda*'s other programmes and priorities.

80. An analysis of the costs and other issues involved in being a separate body is currently being undertaken. Final approval will be taken by EMT and *emda* in due course. Projected staff numbers are forecast to be no more than 10 if this is approved. EMT will be led by a Chief Executive and include a range of specialists concerned with marketing, quality, evaluation and research.
81. A key part of the delivery role is to monitor and evaluate the performance of the DMPs in the delivery of the marketing and quality programmes – where the majority of the budget will be allocated. A range of targets will be developed during 2004/05 to measure the 'Full-service' role of DMPs, which while focused on marketing will also include an important leadership and coordination role relating to quality standards, development issues and, later, business support.
82. The DMPs will leverage further funding into their organisations – and EMT will monitor this leverage which will be tied to successful draw-down in years' 2 and 3. This leverage is forecast to become very significant over the 3 year funding period but it will be generated by marketing services, membership schemes and similar opportunities derived from DMPs' operations. EMT will augment its central budget with partner marketing income where this is appropriate but this will not be a core objective as it will dilute the strategic focus.
83. Strategic targets are given at the beginning of this paper. Operational targets, (KPIs) for DMPs are likely to include:

### ***Marketing KPIs***

- Level of funding generated by DMPs from third parties, private or public, in order to support partner marketing initiatives promoting the destination;
- Value of press & PR features and editorials promoting the destination undertaken by DMPs;
- Number of unique visitors to DMP consumer-facing websites.

### ***Quality KPIs***

- Increase in accommodation businesses participating in national quality assurance scheme in each DMP area;
- Number of tourism businesses belonging to DMP-led local membership schemes or business engagement schemes.

### ***Efficiency KPIs***

- Level of funding generated by DMPs from third parties, particularly tourism businesses, by way of local membership schemes and other commercial opportunities;
- Level of funding generated by DMPs from public bodies, such as SSPs and local authorities in the DMP area, for the local development of tourism;
- Completion of a communications plan which links to key marketing objectives and is aligned with regional communication;
- Agreement and adherence to core Customer Care standards.

84. The delivery plan will include an assessment of all EMT-led activity, particularly related to the investment programme but also to include the national interface role, SSP liaison and support, stakeholder engagement and best practice transfer.

85. A further objective of the transitional business plan is to provide linkage between broader economic development programmes and tourism, maximising the synergies that exist between a vibrant tourism industry and the broader regional economy. Working closely with *emda* and other bodies this will be a key element of the delivery programme and will focus on the following programmes:
- Urban Regeneration
  - Rural Development
  - Business Support
  - Employment, Learning and Skills
86. Increasing the productivity of the industry will be a key longer-term aim and will be particularly addressed in years' 2 and 3 of this plan.
87. The EMT Board will provide the high level governance to monitor the plan's delivery and 2 groups will be established, each chaired by a member of the EMT Board, to drive the Marketing and Quality themes. Underneath these strategic groups the executive will deliver the project based activity. Oversight of the Research and Investment strands will be the responsibility of the Chief Executive reporting to the Board.
88. A key principle of EMT is the need to secure major innovation – both in terms of working process and programme activity. The region is off the pace in terms of its base level of tourism experience, knowledge and consequent performance. Alongside the core and supplementary priorities a Board member will take specific responsibility for innovation and champion new opportunities and methods, drawing both from tourism best practice and using lessons learnt elsewhere in the business world.
89. This plan is for the 3 year period until 2007-08. Centrally allocated funds have been agreed to fulfil the RDA's strategic tourism role and because of the strength of the opportunity that exists. Over the three year period EMT will encourage the DMPs to attract other forms of funding to support their longer-term development. While a proportion of this will be earned income there will be a need for partnership funding commitments from SSPs, sub-regional partners, local authorities and the private sector.

## **Partners in Delivery**

90. Tourism is a diverse industry which has relevance to a wide range of public and private stakeholders. Detailed work programmes will be concluded to involve key partners in the development of this framework, either at delivery level (and therefore working with the DMPs) or at strategic level working with EMT. An annual Business Plan will set out in more detail specific actions, outputs and budget.
91. EMT will establish a set of standards to assist its working arrangements and will strive to involve all interested parties in this plan. Ways will be found for the various regional interests to be adequately consulted and engaged and DMPs and EMT will strive to forge positive working relationships with its core delivery partners throughout the region. EMT's corporate communications will include consultation events, an intranet, newsletters and one-off events to explore key issues.

92. Of particular importance are the local authorities who have a key role to play in delivering many front-line tourism services and have other responsibilities which have a major impact on the overall quality of the destination and the experience enjoyed by visitors. Measures will be put in place to ensure that local authorities are fully engaged in the delivery of this plan and the DMPs will be tasked to ensure that they proactively involved their respective authorities in both the formulation of destination strategy and key operational issues.
93. Another set of key partners are the region's 7 Sub Regional Partnerships (SSPs). EMT will encourage close working relationships between SSPs and DMPs and also support the SSPs from the centre by providing intelligence and investment advice as required. A protocol will be developed early in 2005 to govern the relationships between the DMPs, the SSPs and EMT. This will set down a range of core principles but retain a flexible approach in the way these are implemented to allow for a range of bespoke solutions to emerge.
94. As well as the local authorities and the SSPs the following groups of interests are important to the successful development and delivery of this plan:
- The commercial tourism sector and their respective trade associations;
  - The region's Learning and Skills Councils – led by Nottinghamshire LSC;
  - Business Support East Midlands and the business advice network;
  - Voluntary and community bodies with a tourism interest;
  - Developers, investors and bankers;
  - Regional bodies with a strong operational interest in tourism, such as English Heritage, the National Trust and the National Forest;
  - Regional bodies with a strategic interest in tourism, such as the Arts Council, Sport England and Culture East Midlands;
  - Regional bodies with a strategic and financial oversight such as GOEM and the Regional Assembly;
  - Networks, such as the East Midlands International Connections.
  - Specialist bodies, such as EM Media and the Heritage Lottery Fund;
  - National tourism players with their base in the region, such as the Youth Hostels Association.
  - Universities and colleges with a research or training interest in tourism.
95. The changes to regional tourism necessitate a redefined role for some of these groupings and a revival of relationships across the board. This plan is the start of a journey which should involve many organisations to maximise the benefit to the region as a whole. EMT will undertake detailed work with many of the groups and organisations listed to ensure that this plan adds value to what is already being achieved. However the focus of this plan is closely geared towards growing visitor spending and increasing quality. There will be occasions, therefore, where it will not be possible for EMT to directly support all the diverse range of interests and activities that can take place under a tourism banner.
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