SUBMISSION FROM VISIT SCOTLAND

1. Introduction to VisitScotland

VisitScotland is Scotland’s national tourism organisation supporting the Scottish Government’s Economic Strategy and the industry growth ambition detailed in the tourism industry strategy, The Tourism Framework for Change, to ‘maximise the economic benefit of tourism to Scotland’. Our vision is ‘one team for tourism, working in partnership to exceed visitor expectations’.

Our core activities are:

- Marketing – to domestic and international visitors
- Information Provision - through literature, digital media and VisitScotland Information Centres (VICs)
- Quality Assurance – assurance provided to visitors and advice provided to tourism businesses.
- Securing and supporting major sporting and cultural events through the events directorate EventScotland.

International Marketing

Approximately 2.3m visitors arrive in Scotland every year from overseas spending more than £1.4 billion annually. VisitScotland prioritises its international markets according to the size of the potential market; propensity to travel of the country’s population; direct access from these markets; interests of the target market’s population and alignment with Scotland’s product offering.

VisitScotland’s international campaigns include:

European Touring Campaign: ‘Meet the Scots’ has a budget of £1.25 million and generated nearly £97 million additional expenditure in 2010.

Long Haul Touring Campaign ‘I Am a Scot’ with a budget of £898,274 generated £57 million in additional expenditure in 2009.

UK and Ireland Marketing

More than 12.47m visitors arrive in Scotland every year from the United Kingdom and Ireland. They spend £2,736m annually. This year the ‘Surprise Yourself’ campaign has replaced the previous Perfect Day, Autumn Moments and Winter White campaigns. The 2011-12 campaign has generated an additional £68m for the visitor economy from a dedicated budget of £2.78m.

Business Tourism Unit

Business tourism is worth £809m to Scotland approximately 20% share of total tourism expenditure in Scotland. The main focus of the Business Tourism Unit (BTU) is to promote Scotland as a destination for corporate conferences, professional associations’ conventions, incentive programmes for high-achievers and
exhibitions. VisitScotland’s new Conference Bid Fund will allow us to continue to expand work in this important area.

**VisitScotland Information Centres (VICs)**

VisitScotland has a network of more than 100 VisitScotland Information Centres (VICs) spread throughout Scotland, welcoming more than 5 million visitors per year. The majority of the VICs are open all year however there are some which are seasonal and are only open from April to October.

Many VICs have undergone extensive refurbishment in the recent years as part of a rolling capital investment programme.

**Quality Assurance Schemes**

Quality Assurance (QA) is a grading and classification scheme with almost 8900 businesses taking part. The grading refers to the intrinsic quality of the business and its outputs. This is the Star award. The classification categorises the business by facilities and services, and type. The classification is represented by the Designator.

The main designators are Hotel, Small Hotel, Guest House, B&B, Budget Hotel, Country House Hotel, Inn, Camping Park, Holiday Parks, Touring Park, Hostel, Campus Accommodation, Scotland’s Best Bars, EatScotland Visitor Attraction, Tour, Self Catering, Serviced Apartment, and Exclusive Use Venue.

**Digital and Media Strategy**

VisitScotland’s aim is that VisitScotland.com becomes the definitive guide to visiting Scotland, inspiring visitors through a single source on everything the country has to offer.

Content from all over Scotland - from accommodation and restaurants to walking and wildlife - will feature on the site to give visitors the most comprehensive picture of Scotland ever produced. The improved website is part of VisitScotland’s new digital and media strategy, led by VisitScotland’s new Digital and Media director and will focus on improving the consumer experience and providing tourism businesses with opportunities to reach potential visitors.

The strategy will focus on giving tourism businesses a quick and easy way to update their information as well as bringing in more tourism spend for individual businesses and their local economies.

From a consumer perspective, VisitScotland.com will improve the visitor experience through innovations including improved online booking, User Generated Content, and a geomapping facility which will provide them with richer information about Scotland.

The strategy was developed from extensive consumer research and focus groups to look at how we could improve the website for visitors.
Partnership Working

VisitScotland is committed to working together to encourage the right conditions for achieving sustainable economic growth by listening to insight provided by industry and using it to shape their offering and support. VisitScotland works with a range of partners and stakeholders including tourism businesses, industry bodies, including Destination Organisations, local authorities as well as offering businesses specialist advice. Funding is also provided through the VisitScotland Growth Fund to assist local businesses to work together to run promotional activity.

Major Events / Event Tourism

VisitScotland’s events directorate EventScotland invested £3.7 million in Scotland’s events industry in 2010/2011. This investment generated £57.5 million in additional revenue for Scotland’s economy.

EventScotland bids for and secures major events for Scotland. Recent wins include: the 2015 World Artistic Gymnastics Championships; a three year deal for the MOBO Awards which will be held in Glasgow in 2011 (5 October), 2013 and 2015; the World Orienteering Championships which will be based in Inverness in 2015.

2014 is a big year for Scotland as we host The Ryder Cup at Gleneagles and the Commonwealth Games in Glasgow. The EventScotland team is leading the delivery of The 2014 Ryder Cup and as part of this commitment we support a wide range of golf events each year. EventScotland contributed £1.5 million in support of the Commonwealth Games 2014 bid and has since worked to attract and secure a range of events for the city to promote Glasgow’s profile as an international events destination.

2. The Opportunities Ahead

Scotland remains a leading tourism destination offering an unrivalled collection of experiences, many completely unique to the country. Each year visitors travel from across the world to experience the very best of holidays and hospitality, with many returning again and again.

Over the coming years the industry in Scotland has a once in a lifetime opportunity to accelerate its development from the Year of Creative Scotland and The Olympics in 2012, through to 2014 when the country plays host to two of the world’s biggest sporting events - The Commonwealth Games in Glasgow and The 2014 Ryder Cup at Gleneagles - as well as the next year of Homecoming. With VisitScotland the lead public sector agency in organising and delivering The 2014 Ryder Cup and Homecoming Scotland.

We have a three year window ahead - what VisitScotland calls The Winning Years - where the country can work to grow the tourism industry beyond all expectations.

Recent figures show that tourism grew in Scotland in the first six months of this year - four per cent up on visitor numbers and three per cent up on spend in very challenging economic conditions. To build on this trend VisitScotland believes that
every public sector body, every tourism business and the wider Scottish population need to understand and work to realise the potential of the industry.

These new figures of growth come in the wake of VisitScotland’s brand new marketing campaign “Surprise Yourself” - the most successful domestic campaign ever, bringing in £68 million additional spend to the Scottish economy.

As we build to 2014 Scotland is enjoying renewed growth in business tourism, improved infrastructure and increased interest from the emerging markets of India, China and Russia. There is also international recognition of VisitScotland’s Quality Assurance scheme and our creation of a new digital platform to promote Scotland.

Additionally, EventScotland and VisitScotland are working together to exploit the focus years of Creative Scotland in 2012 and Natural Scotland in 2013 in the build up to Homecoming Scotland in 2014, as well as investing in and securing world-class events for Scotland and promoting them in key visitor markets around the globe.

Tourism is the single biggest investment that can be made right now and it is a tonic for the recession. In short investment in tourism is an investment in economic recovery, growth and jobs.

This fact is recognised in the budget that has been provided to VisitScotland by the Scottish Government for 2012/13, which will allow the national tourism organisation to continue to deliver for Scotland and the tourism industry in the important years ahead. This budget is an investment in the future.

3. Our Priorities for 2012/13

Our activity over the next three years will focus on our Winning Years strategy which will see major marketing activity in Europe, North America and in emerging markets.

There will be a continuation of the successful “Surprise Yourself” campaign and a focus on the big seven events - The 2012 Olympics, the Disney-Pixar film Brave, the next focus years - Creative Scotland in 2012 and Natural Scotland in 2013 and then of course 2014 with The Commonwealth Games, The 2014 Ryder Cup and Homecoming Scotland.

Focus on attracting major international events to Scotland will continue with recent wins for world championships in gymnastics and orienteering excellent examples of how we are delivering legacy events for the country post-2014. And business tourism will be boosted through the development of the Conference Bid Fund.

Partnership working will continue across business and with other public sector agencies to bring more investment in key areas of capital projects, transport, visitor access and to attract the next generation into a career in tourism.

There will also be continued support for businesses through helping them with routes to market and funding their marketing activity through the VisitScotland Growth Fund.
VisitScotland will work to ensure the highest return on these investments and continue to save on costs by working with public sector partners to identify and deliver shared cost saving activity.

4. A Key Investment

Whilst enjoying success, it is vital that Scotland and the tourism industry do not become complacent and this is why VisitScotland has been working hard to make the case for investment.

Some key facts illustrate the scale of the industry and its importance to Scotland:

- Tourism is Scotland’s fourth largest export earner attracting inbound visitor spend worth £1.4 billion each year.
- It is an £11bn industry, employing more than 200,000 people (according to an independent report published by Deloitte).
- Business tourism is on track to be a £1 billion industry and creates a bridge between leisure tourism and inward investment.
- The case for investment can be seen in examples that include the expansion of the Scottish Exhibition and Conference Centre, the Edinburgh International Conference Centre and the Marcliffe Hotel in Aberdeen.

VisitScotland believes that tourism can bring immediate and sustainable growth to Scotland’s economy. This is a belief reinforced by the Deloitte report. As well as the impressive economic and employment results, as an industry, tourism is growing faster than others including manufacturing, utilities and retail and is also the bedrock of other high yield sectors such as transport, farming and food and drink.

- Visitor numbers grew by four per cent and spend by three per cent in the first six months of this year.
- Event tourism is a growth industry in its own right, and a key part of VisitScotland’s work through its directorate EventScotland.
- EventScotland’s investment in events delivered £57.5 million to the economy in 2010/11.
- Already World Championships in gymnastics and orienteering have been secured for 2015.
- More than £2 billion worth of investment is underway or planned in the tourism sector in Scotland. Examples include the Scottish Hydro Arena (£124 million) and the V&A in Dundee (£45 million).
- Tourism business start-ups demonstrate perfectly the spirit of entrepreneurship.

5. Budget Overview

These are the projected budgets based on the recent Scottish Government announcement, which shows a clear commitment to develop and grow tourism in Scotland.
### INCOME

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<th>2010/11</th>
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<tr>
<td>Scottish Government Funding (including Capital &amp; non-cash)</td>
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<td>Other income</td>
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<td><strong>Total Resource</strong></td>
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### EXPENDITURE

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<th>2012/13</th>
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<td>Marketing activities</td>
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<td>Partnership Engagement</td>
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<td>Support Services</td>
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<td><strong>Total Operating Cost</strong></td>
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<td><strong>Total Cash Expenditure</strong></td>
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<td>Non Cash</td>
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<tr>
<td><strong>Total</strong></td>
<td>65.09</td>
<td>56.09</td>
<td>62.20</td>
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**Note**

Ring Fenced DEL Included in SG funding* 3.35 3.35 5.54

*This includes money for the promotion and delivery of The 2014 Ryder Cup, Homecoming Scotland 2014 and years of focus activity.

The budget for 2012/13 will enable VisitScotland to continue to deliver its core activities which generate more than £400 million for Scotland each year from key marketing campaigns. This equates to a return of £20 for every £1 invested. The budget for 2012/13 will enable VisitScotland to continue to achieve these high returns through our marketing campaigns, including activity around The Winning Years.

Our campaigns are major success stories as demonstrated through the European Touring campaign which generated an additional £97 million and the “Surprise Yourself” campaign which has generated £68 million.

The “Surprise Yourself” campaign, promoting familiar images of Scotland with a twist, was launched earlier this year and has enjoyed a terrific response within the UK and Ireland market and filming is now complete to ensure that every corner of Scotland will be showcased throughout the campaign.
Funding for a conference bid fund will enable our Business Tourism Unit to attract even more business events to Scotland and the high yields associated with these international corporate meetings.

Further successes include the VisitScotland Growth Fund which has benefitted more than 700 businesses across the country. The Fund encourages businesses to work and market themselves collaboratively to maximise the impact of tourism in their area.

The next few years, The Winning Years, will provide the opportunity to bring economic growth to the country by focusing the country on tourism. VisitScotland and EventScotland will be targeting their marketing and event expertise to maximise these opportunities, whilst enthusing the industry to make sure businesses get involved and enjoy the benefits.

This is very much about catching the moment with new products, capital investment and securing the legacy from 2012 and The Olympics through to Scotland’s major year in 2014. VisitScotland is working to ensure that tourism is the hero of the Scottish economy, delivering through the Commonwealth Games, The 2014 Ryder Cup and Homecoming Scotland.

Then there are further opportunities, including VisitScotland’s work with Disney-Pixar around the release of animated film _Brave_, set in a mythical Scotland. VisitScotland is working to make this film event deliver for Scotland.

6. Conclusion

It is crucial that we work together to make tourism a Scottish success story.

VisitScotland is changing the way it works with the tourism industry - moving from a commercial relationship to a partnership one. Events are being held throughout the country to listen to tourism businesses and work with them to grow tourism together. This has seen us develop new and innovative ways of working with Destination Organisations throughout Scotland.

VisitScotland will use the 2012/13 budget invested by the Scottish Government to continue to support tourism businesses by providing access to markets and customers, through destination marketing campaigns and by encouraging businesses to work together.

Scotland has some unique and inspirational opportunities ahead and VisitScotland will use its budget and partnership approach to ensure that the tourism industry and the country as a whole benefits from them.

Campaigns like “Surprise Yourself”, plus The Winning Years and the major opportunities in 2014 will deliver economic growth and jobs to the country. VisitScotland will ensure its budget is spent to ensure the highest possible return on that investment, whilst working to deliver increased efficiencies across the organisation and we are working with SE and HIE - Strategic Forum to look at savings across a range of organisations.
VisitScotland
20 October 2011