



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

ECONOMY, ENERGY AND TOURISM COMMITTEE

Wednesday 15 January 2014

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ECONOMY, ENERGY AND TOURISM COMMITTEE

1st Meeting 2014, Session 4

CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

DEPUTY CONVENER

*Dennis Robertson (Aberdeenshire West) (SNP)

COMMITTEE MEMBERS

*Christian Allard (North East Scotland) (SNP)

*Marco Biagi (Edinburgh Central) (SNP)

*Chic Brodie (South Scotland) (SNP)

*Alison Johnstone (Lothian) (Green)

*Mike MacKenzie (Highlands and Islands) (SNP)

*Hanzala Malik (Glasgow) (Lab)

*Margaret McDougall (West Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Caroline Packman (Homecoming Scotland)

Malcolm Roughead OBE (VisitScotland)

CLERK TO THE COMMITTEE

Stephen Imrie

LOCATION

Committee Room 4

Scottish Parliament

Economy, Energy and Tourism Committee

Wednesday 15 January 2014

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Murdo Fraser): Good morning, ladies and gentlemen, and welcome to the first meeting in 2014 of the Economy, Energy and Tourism Committee. I welcome the committee members, witnesses and any visitors who are with us. I wish those of you whom I have not seen so far a happy new year.

I remind everyone to turn off—or, at least, to turn to silent—all mobile phones and other electronic devices so that they do not interfere with the committee's work. We have no apologies this morning. Chic Brodie is running late but should be with us shortly.

Item 1 on the agenda is a decision on taking business in private. Is the committee content that we take item 3 in private later in the meeting and at future meetings and to take item 4 in private?

Members indicated agreement.

Tourism and Major Events in 2014

09:31

The Convener: Under agenda item 2, we are considering plans for tourism and major events in 2014, following up some work that the committee did last year. I am delighted to welcome back to the committee Malcolm Roughead, who is the chief executive of VisitScotland, and Caroline Packman, who is the director of homecoming Scotland.

Before we get into questions, would you like to say something by way of introduction, Malcolm?

Malcolm Roughead OBE (VisitScotland): Thank you, convener.

I thank you all for the opportunity to present to the committee as Scotland welcomes the world in this exciting year for us all. For us, this year, the tourism industry reaches the pinnacle of the winning years, about which you have no doubt heard. Those are eight key milestone events that, over the past few years, have helped to prepare the industry for 2014 and, importantly, beyond.

According to the recent research that was prepared by Deloitte, the visitor economy is worth more than £11.6 billion to Scotland each year. VisitScotland and its partners are determined to ensure that that success story continues.

Scotland has a commanding and enviable position in global tourism with strong interest in its product from around the world. That is exemplified by the likes of the endorsement by Lonely Planet Publications of Scotland's position within the top three places in the world to visit this year. That led on from CNN's endorsement of Scotland as the place to visit last year. In fact, only this week, the *New York Times* featured an article placing Scotland in the top 20 places to visit this year.

However, as much as those accolades and plaudits are welcome, there is clearly no room for complacency. We have to fight hard to get people here. We have to ensure that the experience that they have when they are here is second to none and then we have to fight even harder to get them to come back.

The committee will have read about the activity that we have undertaken and planned for this year. I hope that you have also noticed the strength of the partnerships that are in place and the plans to evaluate the outcomes and achievements of the year. To us, partnership is fundamental to success.

I thank all the members of the committee for their interest in the events of 2014 and their

support for them. If members would like to attend any of the more than 430 events that are taking place across the length and breadth of the country, we would be more than delighted to assist them in doing so.

The industry is in good shape. There is a strong sense of collaboration and partnership, not only within the narrow definition of the tourism industry but across the wider visitor economy. Clearly, 2014 is a unique opportunity for us to position Scottish tourism on a global stage and I assure the committee that we are doing everything that we can with our partners to ensure that we take full advantage of that opportunity.

The Convener: Thank you for that introduction, Mr Roughead. You have touched on a number of issues that I am sure members will want to tease out in questioning.

I will start by asking about a late submission that you made to the committee, which arrived on Monday. In it, you tell us that it has now been agreed that VisitScotland will take on a leadership role in delivering the Bannockburn live event. Can you explain the background to that, and why it came about? Will there be any change in the tone of the event, or is it simply an administrative change, with the event remaining the same organisationally?

Malcolm Roughead: Certainly. The event weekend includes the Pipefest in Stirling, the armed forces day and Bannockburn live, so our taking on the role is more to do with the fact that we have a lot more experience than the National Trust for Scotland in coping with marketing myriad events and dealing with the logistics. For that reason, we have decided that we are happy to take on the stewardship of the Bannockburn live event.

That does not mean that there is any change in the partners: they are all still sitting round the table. We are still working with Stirling Council, the Ministry of Defence and others—the change concerns a straightforward assignment of responsibility.

The Convener: So the programme that is planned for the day is not changing as a result.

Malcolm Roughead: That is right. Caroline Packman can say a bit more about the event itself, but in essence the change is much more about the logistics and the management.

Caroline Packman (Homecoming Scotland): The event is still designed as a commemoration of the 700th anniversary of the battle of Bannockburn. It will include spectacular battle re-enactments, and other activities to ensure that it appeals to all the family. There will be a clan village, literature, music, storytelling, food and

drink, and arts and crafts. The event is designed to appeal to everyone, which has been the intention from the outset.

The steering group meetings have been going on for well over a year now, and the planning is well under way. We are working with Unique Events, which is a very well-respected company in the industry, and it continues to manage the programme for us. To all intents and purposes the change is—as the convener suggested—simply an administrative change.

The Convener: You will remember that the committee produced a report last year on the Bannockburn event and the homecoming more generally, in which we expressed our concern that the level of visitors from North America might not match the level that we had in 2009.

Can you give us an update on where we are with that? Do you have a sense of the level of north American visitors that are likely to be coming?

Malcolm Roughead: I can give you the latest general information that we have. Obviously, independent travellers tend to decide a bit later on, but the travel trade, including companies such as CIE Tours and Globus, is predicting a fairly substantial increase in the number of visitors coming through its packaged products. That has been confirmed by our industry contacts on the ground.

Another aspect—the committee may recall that we announced this last year—concerns the new flights that are coming into Edinburgh from Chicago. The initial feedback from United Airlines is that those flights are selling extremely well at present. They are being supplemented by increases in capacity on the US Airways flights to Edinburgh from Philadelphia and on the Air Canada Rouge flights out of Toronto, which are based on demand.

The Convener: You may remember that the committee previously considered the issue of interaction with clan societies in the United States. Do you have a sense of the level of bookings that are coming from the clan societies?

Malcolm Roughead: Not specifically—although we can say that all the opportunities for clans at Bannockburn live have sold out. As you will have seen in the homecoming programme, there are a number of clan events at which clans themselves are seeking to welcome their members. I cannot put an actual figure on that, but people would book direct with the clans for those events rather than coming through us.

The Convener: As we understand it, the 2009 event was quite a success, particularly in terms of attracting North Americans to the gathering that

took place in Edinburgh, and to events elsewhere in Scotland. Will the numbers be at the same level? Are we ahead of the game or behind it? Can you give us any assessments?

Malcolm Roughead: As I said, I cannot give you an exact figure—I can give you only the anecdotal evidence. The strength of the bookings that the airlines are reporting could be specific to the homecoming event, or it could be related to the Ryder cup. Until we do a bit of detailed analysis on the provenance and dates of the bookings, it is difficult to strip that out.

The Convener: As you know, 2014 is a big year, with a lot of events taking place, and it is also a big year in politics. Lord McConnell made a call last week that campaigning on the referendum should be put to one side during the Commonwealth games. I do not necessarily need you to comment on that, but it is clear that the potential politicisation of the different events that are taking place is an issue.

Are you concerned about that? Have you issued any guidance to your partners—for example, the marketing companies that you employ—on how to deal with the potential politicisation of events?

Malcolm Roughead: The most welcome thing is that tourism has cross-party support, as do all those events. We are here to grow the visitor economy: that is our role. We have not had any of our partners question what role they should take, and I do not think that they would do so. For everyone who is involved in these events, the important thing is the economic benefit.

Dennis Robertson (Aberdeenshire West) (SNP): Good morning. From your response on the clan situation, it would appear that the clan village is a sell-out in itself. However, is there a disconnect between you and the clan chiefs with regard to what is going on in 2014? I would have thought that, in terms of partnership working, you would be working with the clan chiefs to bring things together and play an integral part in what is going on.

Caroline Packman: We have been working extremely closely with the clans, through both the Standing Council of Scottish Chiefs and the recently established Highland clan partnership group, with regard to the Bannockburn event. Seven of the clan pitches have been sold directly to clans that are based in North America, in addition to the pitches that have been sold to UK-based clans, which will be bringing in visitors from around the world.

There are 34 clan gatherings featured on our website, and we are working with the organisers to promote them. The committee may be aware that we recently set up a Scottish clan event fund, which gives clan societies and families the

opportunity to apply for funding to support their own events through 2014 and into 2015.

As you know, ancestry is one of the key themes of homecoming Scotland 2014, and that close partnership working is very much in place.

Dennis Robertson: I am delighted to hear that, and it is good to hear confirmation that you are continuing to promote the work of the clans and work with them. In my constituency, the National Trust for Scotland is reopening Drum castle, which will be a very good event for people in royal Deeside.

Continuing with the partnership theme, how often are you meeting partners such as the MOD, police and transport in developing the year of homecoming and the Bannockburn event?

Caroline Packman: A sophisticated governance structure is in place for Bannockburn live and national armed forces day. A joint liaison steering group that covers both events has been set up, and it is very much geared to ensuring the success of those two events and the other events in Stirling around that weekend. That group meets monthly. In addition, there is a joint transport and infrastructure sub-group, which meets monthly, and as of next month, we will have a joint marketing and communications sub-group, which will meet monthly. There are also the separate Bannockburn live steering group and an operational group, which meet monthly.

09:45

Dennis Robertson: It looks as though you are attending a lot of meetings on a monthly basis.

On the wider events in 2014 and perhaps going into 2015, is VisitScotland content that the rest of Scotland is getting involved in the momentous year of 2014? We have the Ryder cup, the junior Ryder cup and events in other areas of the country. Are things spread out well enough? Will there be engagement in the rest of Scotland?

Caroline Packman: The wonderful thing about the homecoming programme is that it offers opportunities for businesses and communities throughout the country to get involved. Events will happen in every local authority area of Scotland. Right from the outset, one of our objectives has been to achieve a geographical spread of events, and we have worked very closely with industry associations across the country and destination marketing associations, for example. That geographical diversity is reflected in all our marketing communications, including the new television advert that we launched just last week.

Dennis Robertson: I take it that you will promote the first-ever world sheepdog trials to be held in Scotland.

Caroline Packman: That is correct. They will be held in Tain. That is one of the new events in the calendar for 2014. We are delighted that they are coming to Scotland.

Dennis Robertson: That is fine. Thank you very much.

The Convener: I think that Margaret McDougall has a similar question about events across Scotland.

Margaret McDougall (West Scotland) (Lab): Yes. Good morning.

I want to follow up on Dennis Robertson's questioning about how involved local authorities are. From looking through your extensive programme, it occurs to me that many of the events happen on an annual basis anyway. What additionality has been brought to the year of homecoming? From my local knowledge of North Ayrshire and looking through the programme, North Ayrshire has a few events, but all bar one of them are in Arran.

Caroline Packman: On the split between new and existing events, in the overall programme of 430 events, 23 per cent of the events to which we are allocating funding are new, and 15 per cent of the 430 events are new. We are providing funding support to 74 of the 430 events, and all those events will be enhanced or expanded specifically as a result of the homecoming funding. They may be able to incorporate new programming elements this year or target a new market segment. Perhaps they will market themselves overseas for the first time. In each of those cases in which we are providing funding support, it is very much based on the criteria of generating additionality and ensuring that we generate a return on the investment that we have provided.

On the events in Margaret McDougall's constituency, Arran has been particularly proactive in becoming involved with the programme, through the partner programme in particular, which is still open for events right across the country to sign up to. As a result, those events will be included in our marketing and promotional activities for the rest of the year. That invitation to become involved in the homecoming programme is very much open to any additional events that will happen.

Margaret McDougall: But what has been done to encourage local authorities where there does not seem to be that geographic spread? You said that Arran has been very much involved because it has its own tourism organisation and will get invitations. For the local authorities that have been a little bit less involved up to now, what are you doing to try to get them to become involved?

Caroline Packman: We have worked very closely with local authorities right across the

country, including on a one-to-one basis. For example, EventScotland has an on-going programme of meetings with local authority chief executives and senior officials, which was in place well before the homecoming year and which will continue beyond it. However, specifically for homecoming, we have been in contact with relevant officials in each local authority, who may be events management or economic development officials—it varies by local authority. We are also working very closely with the Society of Local Authority Chief Executives and Senior Managers, and the legacy leads grouping that has been set up, which has monthly meetings. We attend those and have follow-up meetings, too.

Those relationships have been in place right from the start. Some local authorities have indeed set up their own funding—for example, Aberdeenshire Council and Fife Council—to supplement the homecoming activities. The working relationships with local authorities are very much on-going.

Margaret McDougall: If a local authority decides to become involved now, can it still do so and is funding available?

Caroline Packman: There is no funding available any more; it has all been allocated. However, we are very happy to work with local authorities and to welcome additional events into the programme and support them with marketing and promotion.

The Convener: It would be useful to know whether any other member has a question specifically on the programme of events.

I have a follow-up question on the programme. The events that I do not see listed are the Edinburgh festival and the festival fringe. Is there any particular reason why they are not on your list?

Caroline Packman: We are working with components of the Edinburgh festival. For example, we are providing funding support for the Edinburgh mela and the Edinburgh art festival. There is also another major event that we are not in a position to make an announcement about quite yet. However, for the programme, we have split out individual components rather than group them together as the Edinburgh festival. They are integral, though, to the homecoming programme and, indeed, will be the focus of our activity in July and August.

The Convener: Okay, but you are not partnering the festival on an official basis.

Caroline Packman: We are in that we are involved with components of the festival, but we have not lumped them together as the festival.

The Convener: What I meant was that you do not have a formal link with the Edinburgh international festival as an event.

Malcolm Roughead: The Edinburgh international festival receives funding through the EventScotland mechanism. Clearly, Festivals Edinburgh is a major strategic partner for us on an on-going basis.

The Convener: Okay. Does Alison Johnstone want to follow up on this point?

Alison Johnstone (Lothian) (Green): My question is not on the programme of events.

The Convener: Right. I will come back to you. Mike MacKenzie has a question.

Mike MacKenzie (Highlands and Islands) (SNP): Thank you, convener. I am interested in getting a wee bit more information. Caroline Packman said that Homecoming Scotland is directly supporting 74 events through financial assistance or whatever.

Caroline Packman: Yes.

Mike MacKenzie: But you are not supporting the remainder of the events financially. What kind of support are you giving? Perhaps you can describe the partnership arrangement a wee bit more.

Caroline Packman: Of course. The first benefit that those events receive is that they are listed on our website as part of the events search engine. Our website receives more than 15 million visits a year, so when people come to it searching for homecoming events those events will be returned, which helps to extend their reach. In addition, if the events are, for whatever reason, particularly quirky, unusual or significant, they can be included in the public relations activity that our consumer PR teams undertake in Scotland, the UK and the rest of the world.

There is the opportunity for them to be included in the e-newsletters that we send out and they can use the homecoming brand and be part of the overall promotional activity as well.

Mike MacKenzie: So there is real added value even for those that you are not directly supporting financially.

Caroline Packman: Yes, absolutely. I am trying to do the mental arithmetic but, so far, about 346 events have seen the benefits of that to the extent of signing up to the partner programme.

Hanzala Malik (Glasgow) (Lab): What is the level of engagement with the Glasgow mela, which is the biggest mela in Scotland? Do you intend to engage with the Glasgow mela this year?

Caroline Packman: We have been talking to the organisers and it is something that we would very much like to pursue.

Hanzala Malik: You say that you do not have any more funding. Will talking help?

Caroline Packman: In terms of promoting the mela, absolutely.

Hanzala Malik: How?

Caroline Packman: In the ways that I have just described.

Hanzala Malik: I am not convinced. It is the biggest mela in Scotland and needs a lot more support than you have indicated. Considering that this is also the year of the Commonwealth games, which gives the whole thing additional importance, I would like to think that you would give the mela organisers more than just a chat.

Caroline Packman: We will certainly take it away and look at it again.

Hanzala Malik: That is very helpful.

Caroline Packman: We are also working closely with the culture 14 programme—homecoming is interwoven within that. We have strong relationships there, and we are working on a collaboration with “The Tin Forest”, which we think will be one of the flagship events of culture 14 in Glasgow. That is something else to note.

Hanzala Malik: As a follow-on question from the issue of the mela, I have noticed the sparseness of the attendance of the indigenous minority and visible minority communities in Scotland at events in Scotland. What steps are you taking to address that?

Caroline Packman: We have been working with BEMIS—black and ethnic minority infrastructure in Scotland—specifically to ensure its involvement in homecoming. That is one step that we are taking. We are very keen to ensure that homecoming events appeal right across the spectrum, to all segments of the population in Scotland.

Hanzala Malik: How will that increase your numbers? Have you set any targets for that?

Caroline Packman: No. We have not broken it down to that level of detail.

Hanzala Malik: When will that happen?

Malcolm Roughead: We have to remember that it is the event organisers who are selling the tickets and, by and large, communicating with the audiences. Their knowledge of the wider audience will be further greater than ours—they are the experts. As Caroline Packman says, what we are trying to do is to give them additional platforms so that they can extend their reach.

The interesting point about the Glasgow mela is that it is clearly part of the overall Glasgow programme. We are working closely with Glasgow Life on the programme. However, you raise a good point and we will take that away and look at what our engagement with the mela is and could be.

Hanzala Malik: I do not want to accuse our guests of passing the buck, but I need stronger evidence of how they hope to engage the mela. Homecoming is not only about our cousins in North America, Australia and New Zealand visiting Scotland—

Caroline Packman: Absolutely.

Hanzala Malik: It is about us Scots visiting Scotland, too, and the indigenous minority and visible minority communities are part and parcel of that. I genuinely believe that there is a weakness there. I would very much welcome it if you were to come back to me and advise me of what additional steps you have taken to try to address that.

Caroline Packman: I am happy to do that.

Hanzala Malik: I also wanted to know what we were going to do to encourage trade during the festivals this year. I know that in some cases, there are stalls for traders as well, but that is quite limited and I think that homecoming could be a huge opportunity for our businesses to engage with people from overseas in particular—as well as our home-grown industry, of course. Do you view engaging with our businesses in that area as one aspect of homecoming? If so, how are we doing that?

10:00

Malcolm Roughead: That is a good point to raise. Clearly, areas such as food and drink and arts and crafts are part of the fabric of what people look for when they come to Scotland, and through our event contracts, we encourage Scottish food and drink providers and suppliers to be utilised as much as they can be. Obviously, different events and festivals offer different opportunities and, to make the wider business community aware of those opportunities, we work closely with the likes of the Federation of Small Businesses and Scottish Chambers of Commerce. I have covered every chamber of commerce around the country and I have another couple of meetings coming up next week. We are doing as much as we can through those organisations and their memberships to ensure that homecoming is as diverse as possible and that people take advantage of the opportunities that undoubtedly exist.

Hanzala Malik: So will there be more opportunities for businesses to advertise or even

sell their products at our events this year, or will it be a case of the status quo continuing?

Malcolm Roughead: I definitely anticipate that more people will have that opportunity to sell their products.

Hanzala Malik: How will we measure that?

Malcolm Roughead: We will look at how many people have been given concessions and how many stalls there are. Caroline Packman mentioned the Bannockburn live event, for example—we would plan to feature food and drink, arts and crafts and so on at that event. At the end of the programme, we will be able to look at how many people have been engaged and how many businesses are new to working with VisitScotland.

Hanzala Malik: Some of our businesses are very strong and very capable of marketing themselves—they do a very good job. However, there are new, up-and-coming young businesses, which are perhaps not as well endowed with either resources or experience. Is anybody going to be helping them to realise those opportunities and utilise the festival this year?

Malcolm Roughead: Such businesses are being helped through various organisations. For example, there are destination management organisations—the one that pops into my mind is in Argyll. Such organisations have myriad small businesses that could not—as you rightly say—reach out to a wider market individually but collectively can do so. Within that collective, food and drink businesses from Argyll are working with us on those opportunities. It comes back to the old sum of the parts analogy.

Caroline Packman: Scotland Food and Drink offers quite a lot of advice for food and drink suppliers, specifically on how to get involved in events, on how they can best tailor their offering and on the regulations that suppliers are required to comply with, so Scotland Food and Drink is another good source for food and drink businesses. Businesses can also identify which events are happening in their area and make direct contact with them. The first port of call for businesses to find out what events are happening can be through the homecoming Scotland website, where all the events are listed.

Hanzala Malik: That is helpful.

Mike MacKenzie: I am interested in the methodology that you use to evaluate your effectiveness. Henry Ford famously said that half the money he spent in advertising was a complete waste and that if he only knew which half it was, he would not spend it. Perhaps you can describe the mythology—[Laughter.]—the methodology that

you use to evaluate your effectiveness. That was a slip of the tongue there.

Caroline Packman: I will start with how we are planning to evaluate homecoming. We have appointed independent economic impact consultants. They are a consortium led by the Moffat centre for travel and tourism business development and include consultants from Grid Economics and from Cogentsi. The methodology that will be used to evaluate 2014 is based on a more sophisticated and much more up-to-date model than was used in 2009.

As for how all this will be measured, the consultants will carry out primary research, including audience interviews at selected events across the country throughout the year, to gather primary data, and that will be applied to a monthly multideestination model that will be able to evaluate the appropriate spend by visitors, depending on the region of the country where the event is taking place and the other parts of the country that visitors go on to visit. After all, the expenditure by someone who stays in Edinburgh city centre will be different from that by someone staying in a rural area for three days, and the model will be able to take account of that.

We will also consider the influence of homecoming itself as a motivator, first, for attending the event and, secondly, for those from outside Scotland deciding to visit Scotland, and we will weight the importance accordingly. Given how much is happening in Scotland this year, we are very keen to isolate homecoming's impact and want to be sure that the figures we get at the end of the process are robust and that there is no double-counting.

Mike MacKenzie: If you are improving the methodology from that used in 2009, will it still be possible to compare what happened in 2009?

Caroline Packman: We intend to run the data against the new updated methodology and the methodology used in 2009 for the very reason that we want to make an exact like-for-like comparison and also to provide through the updated methodology what we believe to be the true economic impact of homecoming Scotland 2014.

Mike MacKenzie: Finally, I note from the written submission that VisitScotland's general target is to achieve a 20:1 return, but the target for homecoming seems to be 8:1. How do you reconcile what seem to be two radically different targets?

Malcolm Roughead: The 20:1 target is based on VisitScotland's day-to-day marketing activity, while the 8:1 figure is the standard target for events. Given the nature of such events and the amount of money that goes into logistics and so on rather than traditional marketing, the return will

be less, but 8:1 is still a pretty good standard across the country.

Mike MacKenzie: Thank you.

Alison Johnstone: First, I apologise for missing the very beginning of today's meeting.

I am probably going to pick up where my colleague Mike MacKenzie has left off, but I note that in the introduction to your submission you say:

"This increased interest in Scotland as a visitor destination is evidenced by VisitScotland's two main marketing campaigns ... delivering nearly £310m additional economic impact".

In reaching that figure, have you subtracted the investment that small businesses put into their own marketing. After all, a lot of businesses from the smallest bed and breakfast to our luxury five-star hotels have fantastic websites, which obviously helps VisitScotland a great deal. Can you attribute that £310 million directly to VisitScotland investment?

Malcolm Roughead: The appendices to our submission show exactly how we measure our reach. We take the total population figure, look at the percentage of respondents who have taken a short break or holiday in Scotland and then multiply that by the number of trips taken during the period of that activity. We know the average spend per party and we discount those who say that they might have come anyway. In many ways we are quite self-punitive, because they have to say that we definitely influenced their decision to come to Scotland particularly for that reason, which you rightly highlight.

Alison Johnstone: You are challenging yourself to generate £20 for every £1 spent on marketing. Is that normally achieved or is it a very challenging target?

Malcolm Roughead: It is always challenging, but I am delighted to say that it is achieved.

Alison Johnstone: Might you increase that target?

Malcolm Roughead: I would love to.

Alison Johnstone: I said that I would not ask you about events, but I have a specific question about the Commonwealth games. VisitScotland will have an official presence during the games in the media centre that is used by sports press. What will that presence be for? Will you hope perhaps to bump into leading international journalists and get them to see a bit of the country, and perhaps report on it? What will that person do? Will they be reporting externally, too?

Malcolm Roughead: There will be two media centres in the Commonwealth games. There is the accredited media centre, where, as you rightly say, sports journalists will be. We will be there.

Journalists nowadays do not just write about one specific topic: they are stretched to cover areas, so there is an opportunity for us to get them out and about to show not just destinations but our infrastructure. Later I will touch on our event strategy. It is important to get those advocates behind us on what we might bid for in the future.

The non-accredited media centre will be at the Teacher building in St Enoch Square, where non-specialist journalists will be from the likes of Condé Nast. That will give us a great opportunity to showcase the whole of Scotland, not just Glasgow.

Alison Johnstone: I will take a step backwards to how we arrive at the figures and the methodology used. Caroline Packman suggested a couple of consultants or agencies that are used. Techniques are becoming more sophisticated. Does it always make sense to use those external organisations? I would imagine that some of them might be very expensive. Is some in-house expertise being developed? Might that be looked at?

Malcolm Roughead: Interestingly enough, the business-as-usual measurement is done in-house. The methodology for that is accepted by all national tourism organisations. VisitBritain, VisitEngland and Visit Wales all use the same methodology, and a research group works to develop that programme.

For the homecoming methodology we took the lessons and recommendations from a previous committee, for which one set of economists came up with one number and another came up with another number. Usually the best thing to do is to bring them together to come up with one agreed number, which gives us the independent valuation that everyone is looking for.

Marco Biagi (Edinburgh Central) (SNP): I believe that the collective noun for economists is a disagreement.

In 2013, Ireland held what it called the year of the gathering. Is imitation the sincerest form of flattery? Have we been able to pick up any tricks from watching what they did that year?

Malcolm Roughead: The answer to your first question is yes; it is nice that people are looking at what Scotland is doing. Equally, we are very keen to learn from others around the world and to cherry pick best practice from everywhere.

Interestingly enough, the latest information that I have from the gathering in Ireland is that Irish tourism organisations are very happy with the success. They did not quite make the figures that they had hoped for, but their economy was in a pretty dire state, so it gave its tourism industry a boost, which is what they were looking to get from

the gathering. I think that the Irish would accept that the gathering got off to a slow start and picked up during the year. Some great events took place. Derry being the city of culture also helped.

10:15

Marco Biagi: Are there no great operational tricks to pick up?

Malcolm Roughead: Organisation was very much left to individual communities; the gathering was not organised in the same way as we organise the homecoming.

Caroline Packman: The thing to remember is that the gathering was very much focused on the Irish ancestry market, while homecoming 2014 has a much wider base, with the five themes of ancestry, food and drink, active, creative, and natural. We are targeting the ancestry market along with other overseas, UK and domestic tourism, and the Scots themselves.

Marco Biagi: The figures that you gave for the homecoming investment was £5.5 million with an anticipated return of £44 million. I do not know what figures you were referring to with regard to Ireland, but the figures that I have seen showed that the budget was €13 million and the preliminary estimated return from overseas visitors was €170 million. Do you have any comment to make on the differences in scale?

Malcolm Roughead: The only thing that I would say is that the gathering was the one event for the whole year, so the whole budget went into it. We have a wealth of activities—homecoming is only one among the Commonwealth games, the Ryder cup, and so on. If we were to aggregate everything, there would be parity.

Marco Biagi: How much support is coming to promoting the events from VisitBritain, which is, after all, tasked with promoting Scotland, England, Wales, and Northern Ireland?

Malcolm Roughead: VisitBritain is involved. It will be involved with the Commonwealth games, and it has been very helpful with the Queen's baton relay. We have worked with VisitBritain in India, New Zealand, and Australia, and we will work with it again in Canada at the end of April. It has also picked up on the homecoming theme, which it will feature as part of the general guidance on what to see and do.

Caroline Packman: We just did a big supplement in *Britain* magazine.

Christian Allard (North East Scotland) (SNP): I would like more information about the impact of marketing abroad. This is a challenging year, in which there are events such as homecoming 2014 and the Ryder cup, which is different and which

might attract a lot more European people and people from other countries. You are talking about a return of £20 on every £1 that you spend. Have you evaluated what the return will be for the countries in which marketing money is spent?

Malcolm Roughead: Yes.

Christian Allard: How did you evaluate how to spend the money prior to 2014?

Malcolm Roughead: That is a very good question. It is about prioritisation. We look at the scale of opportunity in each market. A number of elements go into deciding how attractive those markets are, one of which is the size of the outbound market.

We also look at people's propensity to travel to Scotland and ask whether there is already an affinity with Scotland, or whether we are starting from scratch. Our near neighbours in Europe are therefore very important to us. We then look at access—how easy it is for people to get to Scotland—and other barriers that come into play, such as visas and so on. All that allows us to prioritise our investment. What we think the return on that investment will be dictates how much we will spend. We do not do mass marketing in any international market. Our marketing is very focused and segment driven, and it is done after a thorough analysis of who we think is most likely to come to Scotland.

Christian Allard: Could we have some feedback after 2014 so that we know what we might expect?

Malcolm Roughead: Yes. Unfortunately, the fact that the data—which is called IPS data, because it comes from the international passenger survey—is produced at UK level first by the Office for National Statistics means that there is a delay in getting the Scottish numbers, but I think that we will have clear sight of where people came from, in what numbers and what the value of that was in April or May 2015.

Christian Allard: On the cost of marketing campaigns, how do you decide whether to have a television campaign or a low-cost campaign? Have you learned from experience in previous years—for example, 2009?

Malcolm Roughead: Yes—we have often learned from bitter experience. This is a continuous learning process. How people engage with media channels is changing rapidly. Mention has been made of social and digital media, which were not as evolved in 2009 as they are now. We take into account the types of media that people use, why they use them and where they use them. I have a good example of that. Three years ago, as Caroline Packman mentioned, 15 million people visited visitscotland.com and they did so

almost exclusively from desktop devices. Now, 20 per cent do so from mobile devices and another 20 per cent do so from tablets, which shows how the media landscape changes. That presents challenges, but it also offers a host of opportunities. We continue to do a lot of research into how best to communicate with people.

Christian Allard: What would be cost effective? Could we make savings on marketing through use of digital tools and apps?

Malcolm Roughead: We reinvest any savings that we make in more marketing and communication. We have reduced our cost per acquisition—which we measure extremely carefully—year on year because of the increasing availability of more cost-effective media.

However, there is no doubt that TV is still the medium that has mass reach, but we cannot afford to use it in every country and it would not be appropriate to do so.

Christian Allard: My final question is on food and drink, which are important for Scotland, especially in the region that I represent. We talk about marketing and television, but supermarkets are a great focus for people in deciding where to go on holiday. I was on holiday in France at Christmas. We have some fantastic exported food and drink—I am thinking particularly of whisky, which means that a corner of every supermarket is an advertisement for people to come to Scotland. Do you invest in exploiting that opportunity? Do you work with producers to do that?

Malcolm Roughead: Yes, we have a number of partners, and we have worked with Carrefour and Monoprix. Scotland Food and Drink and Scottish Development International hold events that feature food and drink, which are good opportunities to bring in travel agents.

You are right that such products stimulate interest and there is a lot of evidence that people want to go to the source of origin of a product. The whisky companies are particularly good at using labelling to tell their back stories, which makes the destination quite interesting. That is borne out by the level of interest in whisky clubs, of which there is a proliferation. However, it is not only whisky that that is true of; a range of Scottish food and drink can be utilised to help the overall destination.

Christian Allard: It would be good to have an evaluation of the impact of the different marketing methods.

Malcolm Roughead: We would be more than happy to pull together the types of activity that we run in conjunction with our partners, and an assessment of that activity.

Christian Allard: Thank you very much.

Chic Brodie (South Scotland) (SNP): I apologise for being late. I encourage you to contact every heavy goods vehicle driver to ensure that they do not jackknife their lorries at the height of the tourism season.

I think that the first comment that I heard in the Chartered Institute of Marketing was that a brand that has a story to tell has meaning and that a brand that has meaning has impact and resonance. What is the overarching story that we are trying to tell both in the homecoming and in the winning years?

Caroline Packman: The overarching story for homecoming is that it is a year-long programme of unmissable events celebrating the very best of Scotland.

Chic Brodie: No. I know what it is. What is the story? How are we packaging the whole thing? It is not about the technospeak of marketing. What is the story that we are trying to tell?

Caroline Packman: Okay. You may have seen our recent television advertising, which positions 2014 as a year of "brilliant moments"; within that, for the Scottish market, it is a year of brilliant moments right on our doorstep.

Chic Brodie: That kind of surprises me in terms of the homecoming activity. We have just heard from Mr Roughead that there has been no mass marketing. I would have thought that for the international market this was an opportunity to have, to use the words in the VisitScotland document,

"a launchpad for the years ahead".

In the first paragraph of that document is the statement:

"The ambition remains for Scotland's visitor economy to capitalise on the opportunities".

It is too late for an ambition. What are we actually doing to ensure that there is a launchpad? What are the programmes after the winning years and the homecoming?

Malcolm Roughead: First, we could debate all day whether mass marketing or segmented focus marketing is the right approach. I think that it is really down to resource and prioritisation. However, in terms of where we are going, you are absolutely right that 2014 is not the be-all and end-all; it is about 2015 and beyond. For quite some time we have been out there securing business for the out years. We already have events for 2015 on the books, such as the International Paralympic Committee world swimming championships, the Turner prize, the world mountain biking championships, the world orienteering championships and the world gymnastics championships.

A question that I am often asked when I am out around the country is "What happens after 2014?". I explain that five world championships are taking place in Scotland in 2015. That is the kind of message that we have to start getting out there.

Chic Brodie: Part of the winning years is the Ryder cup. I had meetings last week with the Professional Golfers Associations of Europe and the Professional Golfers Association Scotland on a project that I hope will bear some fruit in the near future. I know from talking to the Scottish PGA that it is scrambling around looking for money to have tournaments the year after next and the years after that. How are you helping it?

Malcolm Roughead: In terms of Scottish golf post-2014, quite apart from the British open, which we know will come back to St Andrews in 2015, and the Scottish open, we will also have the women's British open. We also work very closely with the Scottish Golf Union and the Scottish PGA on the challenge tour. I think that the Scottish PGA's issue is not so much whether VisitScotland or EventScotland is working with it and helping it as it is wider sponsorship. As you know, the climate is difficult for that. However, I do not need to tell the Scottish PGA that; it is more than aware of it, although we are trying to work with it as much as possible.

Chic Brodie: I understand that Mr Roughead, but if you are saying that your ambition is to capitalise on the opportunities of 2014—no doubt we will argue about whether the Commonwealth games or the Ryder cup is the bigger opportunity; I am swayed by the latter—what you have described is hardly doing that, is it? You said that you hope that a major organisation will be involved in the Ryder cup. I know that the organisers will have to look for corporate sponsors. However, surely our major tourism marketing board should assist in some way.

Malcolm Roughead: I think that we are assisting. We are already putting money into the Ryder cup event, but clearly we are not able to fund it fully. If it is to be sustainable, private sector partners will have to come in. We are working through all strata of golf, from the very top of the professional game right down to the juniors coming through the system from the junior clubgolf initiative, which has been a huge success. It is also about working with golf clubs. Working with our partners in Scottish Enterprise, we have presented a lot of business upskilling programmes to allow the clubs to take advantage of the opportunities that are afforded by not just the Ryder cup but by golf in general. There is also the issue of sustainability for golf clubs. I am sure that anyone who plays golf will know that membership of golf clubs is falling and that participation has

suffered over the past few years, but that is a world trend.

10:30

Chic Brodie: Membership is not falling in every case. There are clubs that have problems, but there are also clubs that are growing. It would be helpful if somebody from VisitScotland attended the next meeting of the cross-party group on golf to see exactly what is going on.

I turn to a more local issue. When I read the submission, I saw that there was, understandably, a lot of emphasis on the connection with Glasgow. However, spreading out from Glasgow, I have had meetings with tourism organisations and those responsible for tourism in local authorities in the south of Scotland. I have questions on two issues. First, what engagement do you have in the south of Scotland? Secondly, this year is the 100th anniversary of the death of John Muir, who, as you know, worked with American Presidents and helped to develop Yosemite. I know that there is some activity, but a major international opportunity to attract people from California and across the States appears to have been missed. Is that the case?

Caroline Packman: The John Muir festival is the signature event in the homecoming programme. It is one of the key events in the calendar. It starts on 17 April with the official international opening of the Kelpies in Falkirk and a fabulous event called "Home" and continues with the official opening of the John Muir way in Dunbar.

Chic Brodie: Is that the one that the First Minister is opening?

Caroline Packman: That is correct. That will be followed by a programme of community-led events right along the length of the way. There will probably be around 60 events in total over a period of around 10 days. There is a huge amount of activity happening around John Muir.

Chic Brodie: How much of that has been communicated to people in California and John Muir societies in the States?

Caroline Packman: We have worked very closely with them. The John Muir festival is one of the key events that have been focused on in the marketing activity that has been undertaken to date in North America. I am aware that you have requested a separate meeting on that subject; we are liaising with your office to put that in the diary. It is certainly one of the events that we have seen as having the most appeal to the North American audience.

Chic Brodie: Okay. Thank you.

What about engagement with local tourism people? Again, in terms of communication à la PGA, I do not see a lot of evidence in the conversation that I am having on the outspread of communications through some of the local tourism organisations.

Malcolm Roughead: All that I can say is what I said at the beginning of the meeting.

Chic Brodie: I apologise for being late.

Malcolm Roughead: We have been out, and we are talking to all the destination management organisations, and specifically with golf organisations. We work very closely with Golf Tourism Scotland, which represents a number of the major players in the golfing industry, and we have been working on an on-going basis with local authorities, Scottish Chambers of Commerce, the Confederation of British Industry, the Institute of Directors and the FSB. I will be in Dumfries shortly to talk to the destination management group down there, which we have helped with its creative place initiative. There is a lot of on-going work that is not specific to any event, but which we see as business as usual.

Chic Brodie: Can I ask a couple more quick questions?

The Convener: Quickly.

Chic Brodie: I would like to talk about localism again. My colleague Mr Malik asked about local procurement. There was the possibility of a local, very good ice-cream manufacturer selling ice cream at the open championship at Muirfield last year. However, it was turned down in favour of an ice-cream manufacturer in London. I know that that is not your responsibility and recognise the importance of competition, but what surety can we give local businesses that we will emphasise the local procurement of all services and all products as best we can?

Malcolm Roughead: In our event contracts, we seek to encourage people to source local produce. Again, this goes back to an earlier question. Part of the attraction is that people want local produce, local arts and crafts, local food and drink and so on and we encourage that as much as we can within the limits of procurement law.

Of course, the issue is not just local but healthy produce. To date, the response has been very encouraging; indeed, the fact that more and more events are turning to local suppliers is something that has to be encouraged.

Chic Brodie: Where are the economic consultants based?

Caroline Packman: They are based out of Glasgow Caledonian University.

Chic Brodie: So that is their headquarters.

Caroline Packman: Yes, that is correct.

Chic Brodie: Okay.

Dennis Robertson: I have a question for Malcolm Roughead. Are you content that the hotel industry, restaurateurs and so on have actually raised standards? One criticism that we have heard in the past is that some hotel and guest house accommodation is not of a standard that would make people return. In your opening remarks, you said that one of the challenges is to ensure that people have an experience that is second to none and that they would make a return visit. Are you content that the industry stepped up to the plate and improved standards?

Malcolm Roughead: I am not content, because we can always improve. After all, we are only as good as people's last visit. Standards across the world are improving—interestingly, the initial impression that visitors from the rest of the world have of vacations is that accommodation should be of a very high standard, such as that found in Shangri-La or Mandarin Oriental-type hotels. That becomes the benchmark for everyone. Not everyone is looking for a five or six-star experience, but they are all looking for a friendly welcome and a value-for-money experience, which, of course, can mean many things apart from cheapness.

Am I convinced that we have made progress? Yes. A lot of progress has been made over the years, but I think that a lot more can be made. I am afraid to say that this is a never-ending journey, but we have to rise to the challenge because the competition is fierce and people will vote with their wallets and go elsewhere if they do not get the service levels that they expect.

Dennis Robertson: Another criticism is that many restaurants, especially in some rural areas, close early, which obviously makes it very difficult for people to get evening meals, dinners and so on. Are you working closely with the industry on opportunities not just in 2014 but beyond to encourage businesses to stay open longer?

Malcolm Roughead: Yes—through the likes of the Scottish Tourism Alliance and other organisations that represent the industry. You will have noticed that whereas tourism flows used to be very lumpy, with a huge peak in the summer months and a trough thereafter, more of a spread has occurred over the past 10 years and the shoulder months are now becoming much more important. We can have that spread only if businesses stay open, and we need to convince them that the opportunity exists and that people will come if there is enough for them to see and do and, as you have rightly pointed out, if there are places where they can eat.

Dennis Robertson: Finally, are you promoting Scotland as an all-year-round destination?

Malcolm Roughead: Absolutely.

The Convener: Chic Brodie has a brief follow-up question.

Chic Brodie: I also hope that VisitScotland plays a role in ensuring that no port communication will ever have the logo "Pure dead Brilliant".

You talked about hotels. Do you think that it is right that—if it is true—the host hotel is charging £1,250 a night, including tickets, for the Ryder cup?

Malcolm Roughead: It certainly does nothing for the events industry going forward if we are seen to be involved in price gouging. Just a couple of years ago, the hoteliers in Glasgow and Glasgow City Marketing Bureau signed a price charter that said there would be responsible pricing—of course, the definition of that is with the beholder. However, but I think that everybody would accept that there is always a premium for such major events.

Chic Brodie: There is a premium and there is a premium.

Malcolm Roughead: Exactly. What is an acceptable premium? It is my impression that those rooms will not sell at that price.

Chic Brodie: I am told that they are full—if that is the price, including tickets.

Malcolm Roughead: I am not sure about that.

Chic Brodie: Beyond 2014, people may feel disappointed—

Malcolm Roughead: You raise a good point, and that situation would concern us in the context of the events industry going forward. We have positioned ourselves as Scotland the perfect stage, and major events are already coming to Scotland. We are seen as a desirable place to come to host not just events but conferences, so it is absolutely fundamental that we address that issue.

Hanzala Malik: Markets will drive their own prices—market prices dictate themselves—and competition is healthy. Are you supporting small bed and breakfasts and hotels to ensure that they are online, so that our visitors have as many choices as possible? That would also allow the pricing structure to level out, as there would be a range of prices. What mechanism exists at present, and what are your aspirations for that for the future?

Malcolm Roughead: We have a dedicated contact centre that seeks to place people who are

struggling to find affordable accommodation when they come here. Sometimes, we put them out in Ayrshire, Stirlingshire or wherever if accommodation is available at the price that they are looking for. We are doing that for the Ryder cup and throughout the whole summer for the festivals.

We have also been working with non-traditional tourism businesses and people who may want to let out their homes. We have a list of letting agents who are used to the area, as certain laws have to be observed—

Hanzala Malik: I am sorry to interrupt, but I know that time is short. I presume that your list is not exhaustive. Are you hoping to achieve an exhaustive list, so that people can simply visit your website instead of having to find agents and other people?

Malcolm Roughead: We have 6,000 businesses on our website. On top of that, we are talking to more than 1,000 businesses that normally do not work with VisitScotland because they do not see themselves as being part of the tourism industry. Is the list exhaustive? No, because there are other agents who represent other groupings. However, we feature those on the website and will signpost people to them.

Hanzala Malik: That is excellent. Thank you.

The Convener: I have one last question. Whenever you come to the committee, Mr Roughead, we always ask you about VisitScotland's target for increasing tourism revenue by 50 per cent between 2005 and 2015. We have a year to go—are we going to make it?

Malcolm Roughead: That is the industry target and it is difficult to achieve, as I say every time. We are doing our utmost to get there, but we will have a better picture of whether we can achieve that at the end of 2014.

The Convener: That will be a no, then. We will let you off the hook. I thank both Caroline Packman and Malcolm Roughead very much for coming. It has been very helpful.

10:44

Meeting continued in private until 11:09.

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