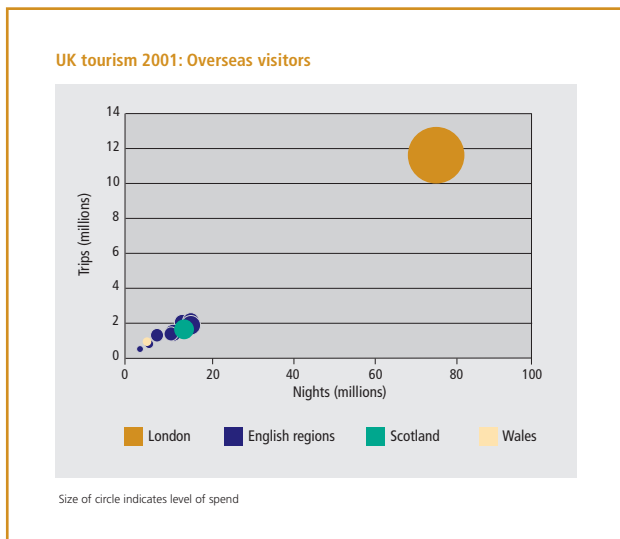


# Welcome ARRIVALS

## How UK hoteliers can connect with – and benefit from – the RDAs and the new-look BTA

More British people than ever are going abroad for their long holidays, but moves are afoot to reverse the outbound flow and to improve the support and marketing of the UK's regions. The English Tourism Council is to be incorporated into the British Tourist Authority and England's Regional Development Agencies have been handed major new tourism responsibilities, working alongside the Regional Tourism Boards to create new regional brands and marketing platforms. So where does all this leave tourism operators, particularly hoteliers, within the regions? How can they contribute to and benefit from the process of change? What can they realistically expect of the RDAs? How can they help themselves most effectively within the new tourism architecture? **Richard Tibbott**, chairman of Locum Destination Consulting, addressed these questions at the 10th Annual Hotel General Managers Conference organised by the Master Innholders, held at The Dorchester in London.

What's happening in our industry? When you look at the overseas picture, London totally dominates. One of the perpetual difficulties of investment projects when thinking about tourism is trying to work out where our overseas visitors, our high-value visitors, are. In small quantities they travel outside of London and they find niche specialist projects. But very few of them wander aimlessly about the country looking for things to do and amble into a Tourist Information Centres wondering what to do on a Tuesday. In fact, Scotland's research finds that the vast majority of overseas visitors who go to Scotland know exactly where they are going to go, they have clear itineraries, which are subject to word of mouth and the scrutiny of family and friendship networks. They are very clear about where their actual destinations are.



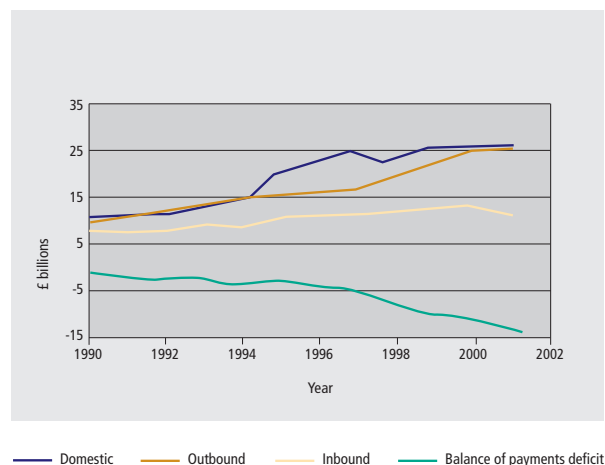
### The '80/20' problem

Liverpool is emerging as a major UK destination. Yoko Ono gave generously of her time, making three trips to help launch the rebranded Liverpool John Lennon airport in 2002. The success of the budget airlines is now one of the major phenomena of the UK tourism industry. Liverpool John Lennon airport has what I call the 80/20 problem - 80 per cent of all visitors are outbound, and just 20 per cent inbound. It's really about taking the UK citizens abroad to wonderful places such as Nice and Barcelona. Unfortunately we haven't yet mastered the trick of bringing the people from those places back here, and this is presenting a strategic problem to UK plc.

I was amused when I heard recently that Cardiff International airport should be christened Tom Jones International, because these days it might get some recognition of where Cardiff is. And certainly the positive branding of Liverpool using the John Lennon phenomenon and the connection to popular culture is a very important stimulus. But what is the British media doing? A recent *Daily Express* promotion offered '30,000 seats for £10', and they're not the only newspaper doing this. People who have never read the *Daily Express* in their lives come in to the office with bundles of them under their arm wondering what the offer is today. 'Oh no it's Vienna today, I don't want to go there, we'll wait till tomorrow - it might be Barcelona!' This is a serious phenomenon, and one which we are not seeing in Spain, Germany, Holland or Italy. It is something special here in the UK.

What has this meant for the UK's tourism balance of payments? Domestic tourism goes up, British people going abroad goes up, increasingly so as the currency changes helped us, and overseas visitors flag behind. A great brand, Britain, not working. And this has meant that the balance of payments on tourism has dropped by

UK tourism expenditure



Source: British Tourist Authority

about £10 billion in 11 years. In other industry sectors this would be so serious that intervention and strategic planning would be called for, and there are signs of the shoots of that thinking in the UK, thank goodness. If this had happened in the agriculture industry, there would have been a howl of protest and lots of action. Actions to come are promised.

## Key UK trends

The figures for staying visitors are on the up, but what's behind that increase? The answer is visits to friends and relatives. All of us with children in their early twenties and late teens are astonished at their tourism behaviour. Two of my children went off to celebrate Hogmanay in Edinburgh. They had never been there in their lives before, but they'd heard of it - it's cool, and it's part of contemporary culture. This phenomenon is not just about going to see granny, it's about people with discretionary income in their pocket behaving somewhat astonishingly. Locum has recently been tracking the tourism behaviour in Carlisle, for example, and it's incredible how many kids know people in Carlisle and go there because it's conveniently juxtaposed between a long hike up the M6 and interesting places in Scotland.

Business tourism is booming, while growth in conventional holiday trips and leisure behaviour is smaller, and we need to be clear that the growth is in short breaks and not long holidays, because there are large sectors of the industry that have spent time and a lot of pain adjusting to this. It was 1997 when going abroad for your holiday overtook staying at home. To the French this would be astonishing, but it's something that we have clearly embraced. There has been a major switch to short breaks. Short breaks have boomed while long holidays have plummeted, and the average length of stay has dropped. These are serious issues. Hotel occupancy is also dropping. There is the burgeoning self-catering accommodation phenomenon. These are structural and fundamental changes, and any thinking about the future needs to take them into account.

So thinking about the future, what's going up? Business tourism, visits to friends and relatives, especially by the young, short breaks, holiday villages, urban tourism, activity tourism. It really is extremely interesting to see the burgeoning mountain bike and extreme sports phenomenon. Going down are longer holidays and the overall length of stay. Also going down are B&Bs and guesthouses that aren't strong and clearly differentiated, but this isn't happening in certain parts of Britain, where they are networked, working together and collaborating. And visitor attractions also appear to be going down. Visitor attractions are going to be big news over the next few years. Fortunately many of those that Locum has helped in the UK are doing OK, but many Millennium Projects are now experiencing seven-figure deficits, their balance sheets are shot to hell, and one wonders where they will be in five years' time. The number of attraction operators that are competent is not great. Of course, Merlin and the other leading operators are excluded from that statement.

## What is the system doing?

So what is the system doing about all this? There are new moves to try to sort out the organisation of tourism. But actually, tourism organisation in Great Britain has got a legacy of the 1950s or 1970s at best. Marketing competency in some places is excellent, while in other places, on a big picture destination basis, it is frankly puerile.

What about the funding of marketing? Invariably it is either just enough or not enough. And investment in product development is more about grant methods than consumer needs. Much of Britain has been deluged with European regional development funds. At Locum, we've had a succession of delightful people coming to our office asking for help with projects, some of which will never see the light of day. The notion that you can cover Britain wall to wall with yet more heritage centres, new product and new attraction ideas is a highly speculative proposition, especially when so much of it is jointly funded by the public purse.

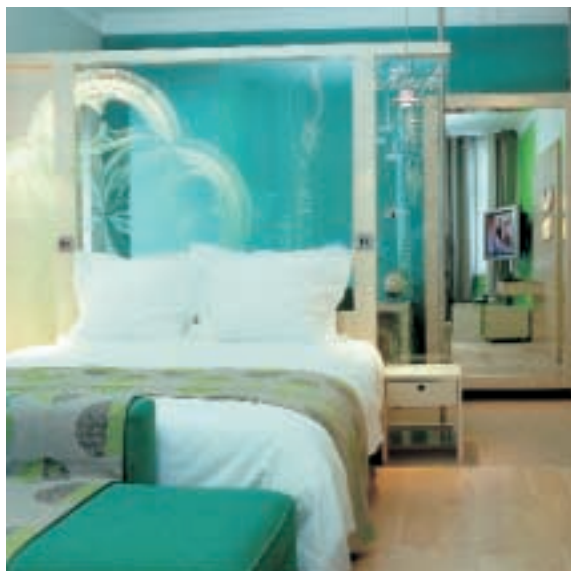
Looking at the big picture, at issues of marketing and positioning, what is happening? The British Tourist Authority's marketing propositions are all about tradition, classic heritage, royalty and the quintessentially British experience. I am starting to wonder about this traditional product and promotional method, and about whether reinventing Britain and presenting a more contemporary edge is the way forward.

UK tourism trends





'Key hoteliers can help bring contemporary edge to England's brand proposition'



## Wales and Ireland versus England

Wales and its new Assembly, with its limited powers, has thrown £30 million at tourism. And the WTB's propositions are interesting. They are about beauty, peace and tranquillity. The international proposition is 'Let curiosity be your compass'. That is, if you are a second, third or fourth time returnee to the UK and you've been to York, Chester, Bath and all those sorts of places outside London, then let curiosity be your compass. For the domestic market, there is a very solid hospitality proposition, which is saying that within an hour or so, travelling west rather than hiking up to the Lake District and battling with the M6, you can be in a totally different environment, with all the benefits and pleasures that brings. We've all seen the television advertisements and the attempts to give an idea of adventure and stress-free environment, with the peace and contemplation of Wales.

Then there are the Irish, the smartest operators in European tourism. If you look at their recent campaigns, they are saying 'Of course it's raining, of course it's green, of course it's got charm, but it's got a contemporary edge'. The advertisements they produce are about lifestyle - 'This may be down the road but it's a million miles away' - and they offer that promise of something different and perhaps extraordinary. The line used in one of their recent advertisements says it all: 'We wanted to paint the town red, but someone has got there first with every colour.' The use of scenery in this campaign is a classic example of the Irish stealing Scotland's clothes: mountains, lochside, greenery, a bit of rain in the background, a bit of golf. It looks like Scotland, but it's Ireland. The theft of Scotland's clothes is one of the main challenges for Ireland.

England, meanwhile, appears well off the pace. Big changes are afoot and key people in this profession are a part of those changes. We have to talk about where we are now. We've had years of lack of organisation about the England brand, and we've had under-funded pathetic brand wars between the regions of England, with the English proposition being lost along the way.

The 'quintessentially English' positioning remains, but does that really connect with Manchester and Liverpool and Newcastle? I'm not sure. Of course it connects with places such as Suffolk, Hampshire and Devon, they bear out the very traditional view of England. But I'm very interested in the notion of providing contemporary edge, and I'm very interested in key hoteliers aiding that contemporary edge, because they are very in touch with contemporary culture.

We need to key into and exploit elements of contemporary British culture. David Beckham has become a tourism phenomenon, he has done more for the perception of Britain in the Japanese market than any amount of money you could throw at it for promotional means. He has provided a connection with youth culture which has presented Britain as being cool, because to the Japanese, 'Beckham culture' is as profound as any sense of British culture. It's the differentiation that we have to think about in what we're trying to say to the Japanese market. I'm also really interested in celebrity chefs. One of my tourism heroes is Rick Stein. The job he did for Wales and Scotland in his *tour de force* about 'Food Heroes' was magnificent. Black-faced Beef in Mid Wales, Saltmarsh Lamb - it says it all. He conveys a sense of quality and depth that is highly relevant to tourism propositions. The links between the food and tourism

sectors are of great interest, especially to our Regional Development Agencies, and I think is another area that demands strong promotion.

## Learning from the leaders

Can we change the image? Can England become cool? Frankly, if New Zealand can, then I'm sure England can. They reinvented themselves out of a sense of desperation and peripherality. Now New Zealand is cool, it's the place for adventure sports, but it's not just about bungee jumping and canyoning, it's now a cool, wonderful place for relaxation and rejuvenation – and frankly we'd all need it after a 24-hour flight! The proposition is that this isn't California, this is New Zealand, where famous films are made, connecting to popular culture. Interestingly this tourism stuff has been used by Anchor Butter, New Zealand Lamb and New Zealand Wine. They've joined up their image and their marketing. We know now that tourism in the region does a great job for the economy, it retains talented people in the country – we see fewer Kiwis in London now. It's a platform for industrial and commercial promotion, which actually takes New Zealand into the new age economy.

Spain is one of the world-wide winners of tourism, with a 15-year-old brand campaign. Spain is currently rethinking and reinventing itself. The place of Flamenco, Gaudi, sun and night-clubs has been given a new image by the latest Tourspain advertising campaign. It contains astonishing adverts, like the one based on Dali, which would look at home on the front cover of GQ magazine.

## UK challenges and opportunities

Back in Britain, there is a rethink going on. By about April we will probably know what the organisation will be. What I hope is that along with the reorganisation that we don't wait another year or so to start making England a little bit more contemporary. The danger is that we have an aging proposition for an aging market. New markets are essential.

Regional Development Agencies have been handed the baton and they, collectively, are saying to Government, 'We know how to do this stuff, we work with other sectors, we work in automotives, electronics, we know how to get the economy going on a regional basis.' So there are new economic strategies and budgets for tourism, and a new organisation of tourism based on *brands* not local government.

Public officials vary in quality and experience, and even the good public sector tourism professionals are subject to the desire to present their town as if it was the centre of the universe. It is ego marketing. Very slow decision making, failure to join up. The borough engineer, for example, halts the railways at the seaside in the prime season. This doesn't actually happen anymore, but it used to happen in some resorts that we know about until quite recently. In 2002, there was one local authority who, in the wake of all of the stress of 9/11, closed the public toilets in a major UK destination and at the same time wondered why the RDA was a little anxious about their requests for financial help and support, through collaborative marketing and product investment.



Everybody has a role to play, and the role of the hotelier as commentator and promoter is important. We conducted about 60 tourism seminars in 2002, all the best people are hoteliers. Some of the hoteliers come into the room angry, they are fed up, they have seen mismanagement and misuse of resources. But what I say to them is come a second time, keep talking, keep working consistently, because you're right and eventually your message will come across. Frankly, the RDAs want to hear from the private sector, because that's what tourism is. It's about filling bedspaces and serving meals and giving people a good time.

The regional brands need to be based not on political geography but on what people can buy into. So 'The Lake District' is more relevant than 'Cumbria' as a marketable proposition. We need industry to work together in a networked way. Why should anyone have an attraction that can't connect with its local hoteliers, or a hotelier that believes he is in direct, life-or-death competition with the guy three doors down? We have to reach beyond that to broader markets, if we are going to have anything relevant to say to the masters of the new regional economy.

## The marketing distribution funnel

So who is going to do what? Few hoteliers can talk to the world. At Locum, we visualise the marketing distribution framework within which tourism operators exist in terms of a funnel. We're trying to shuffle as many international visitors as possible into the top of the funnel. The idea is that when enterprises find them at the bottom end of the funnel, they are easy to target; operators can aim with a rifle rather than a blunderbuss, crashing around at the top of the funnel. It's the job of the BTA, then Welsh Tourist Board and VisitScotland to draw people into the top of the funnel, it's the job of the new regional tourism organisations to present coherent regional brand propositions. That's what the new architecture of brand thinking in England and the UK has to be about. And beyond that the role of the key carriers, the easyJets and the Ryanairs of this world, and destination partnerships. In very interesting, progressive

places like Manchester and Sale, this isn't about spending public money to boost the image of Manchester, it's about partnership with hundreds of people in the subregion to market and promote *all* of their business. It's not something that can be done *for* operators, it's going to be something that is done *with* operators and supported by operators. And then the industry networks, joining up, so there are competent linkages at the local level. There are outstanding examples of this working well in Scotland, which are well worth looking at, as there are in other parts of the UK.

So, how does a destination do it? Is there a destination management organisation (DMO) that you can relate to and engage with? Is it competent and switched on? Are there people there that you would be happy to employ? Does it have a brand that means something or is it tired old stuff, much the same as ten years ago? Is it networked, connected with people, enabled to compete more strongly by pooling some of your budgets? Does this organisation actively seek and use your advice, and act on it? Do you contribute to it consistently and get what you deserve? Because the goal is to make destinations work *for your business*. Within a year or so, I predict that every region in the UK will have this kind of organisation and I urge all hoteliers to recognise that they are the major players in the business.

