

# Marketing England



As Chairman of the British Hospitality Association, **Bob Cotton** represents over 425,000 hospitality and tourism professionals. He has long argued that while Scotland and Wales have their own highly effective marketing organisations to promote themselves to foreign and, particularly, domestic visitors, England lacks an equivalent body. If it is to persuade more of its residents to holiday at home, he argues, England is in desperate need of its own marketing vehicle, funded jointly by Government and the private sector, and capable of pulling all of England's promotional activities together to create a recognisably English brand.



BRITISH TOURIST AUTHORITY



In the early part of the 1990s, the UK inbound tourism industry enjoyed almost seven years of continuous growth - from 17.1m visits in 1991 to 25.7 million in 1998. Since then, the figures have been static and in 2001, with the Foot and Mouth outbreak, the September 11th tragedy and the economic downturn in America, the industry experienced its worst year for a decade.

A closer look at the figures shows where the problems lie: the UK's share of international travel arrivals is falling, and falling faster than that of our main economic competitors.

Increasing numbers of UK residents are taking a holiday abroad - 52 per cent in 2000 compared with 44 per cent in 1995. Spend on holidays abroad of four nights or more, totalling some £19 billion, is out of kilter with expenditure at home - only some £8.6 billion by British residents on holidays of four nights or more in the UK.

The average length of stay of overseas visitors is slowly declining - 10.5 nights in 1995, 7.2 nights in 2000 - while the number of nights spent on holiday in Britain by British residents has hardly moved in ten years.

In the last five years, the industry's prosperity has come from the rising spend of overseas visitors (£11.7 billion in 1995 to £12.8 billion in 2000), growing business travel spending, and improved short break figures. The short break market has also been on a roll.

However, last year's events have changed this picture. Overseas visitor numbers (February 2001- February 2002) are down by seven per cent and revenue from overseas tourists is down by 17 per cent to £10.7 billion - its lowest since 1994 - resulting in a balance of payments deficit on the tourism account of over £15 billion. In other words, Britain has a fight on its hands to recoup visitors lost last year and to encourage more British people to holiday at home.

For some businesses, the damage inflicted by the Foot and Mouth outbreak and the September 11th tragedy is continuing. London is still suffering although other businesses in the provinces have seen a gratifying upturn in business in the last six months. Tourism is always at the mercy of outside events. How quickly will American travellers regain the confidence, and the will, to fly abroad? How quickly will the US move out of recession? What are the prospects for the UK economy? How easy will it be to encourage more British people to holiday in Britain?

In this scenario, it is the right time to question how well tourism in Britain is equipped to meet the challenges that lie ahead. Do we have in place the right tourism structures and policies that will help us bring back overseas visitors and, just as importantly, encourage domestic travel? Do we have the right organisations with the right responsibilities in place? And do they have the right resources to carry out those responsibilities? The answer to all these questions must be no.

### England's promotional deficit

To begin with, Britain has no marketing plan to promote tourism nationwide and there is no comprehensive, coordinated action plan which takes in the marketing needs of all the various regions.

The English Tourism Council has no marketing remit nor does it have any resources to promote tourism in England - even though Scotland and Wales have their own tourism organisations. Yet England attracts 75 per cent of all overseas and domestic visitors.

At the same time, the BTA has overall responsibility for promoting England, Scotland, Wales and Northern Ireland overseas, yet devolved government has given Scotland and Wales the responsibility to promote each country throughout the UK and, increasingly, overseas, possibly leading to competition with the BTA.

Of course, many will argue that VisitScotland and the Wales Tourist Board should be able to promote overseas. As they are devolved parliaments and assemblies, with their own authority, they should be able to make their own decisions. This is true, except that almost all their funding continues to come from Westminster and the principal contributor to the total tax take is England.

In fact, very little authority has been devolved to the regions. We still have central funding for BTA. Scotland and Wales are still dependent on Westminster funding. VAT and other fiscal duties, including tax on fuel - critically important to Scotland and Wales as tourist destinations - are issues decided in Westminster, together with airport taxes, employment regulations, food safety and fire safety legislation - and much else besides. Devolved tourism is, in fact, a misnomer.

In England, while the BTA is responsible for marketing the country overseas, no single organisation is responsible for marketing it to the home market although marketing does fall under the remit of the Regional Tourist Boards (RTBs), which have many other roles and responsibilities.

### Strategic confusion

RTBs are expected to work in conjunction with the Regional Development Agencies (RDAs), because each RDA is responsible for the economic prosperity of its region - and that includes tourism. But if the RTB is responsible for promoting tourism, what exactly is the RDA's tourism role? And what is the RTB's relationship with its RDA?

Curiously, and oft forgotten, there is yet another layer because English local authorities are also involved in tourism promotion - as are Area Tourist Boards in Scotland and similar bodies in Wales - to such an extent that local authorities in England reportedly spent some £93 million on tourism promotion last year.

Closer examination shows that 27 per cent of England's local authorities allocated less than £10,000 to tourism, but 11 per cent allocated more than £500,000. In the South West, the public sector spent £7.5 million on tourism promotion.

What is the role of the local authority with regard to tourism, and what is the relationship between local authorities, the RTBs and the RDAs? Local authorities produce local guides, other publications and promotional activities and they pay for



*'The English Tourism Council has no resources to promote tourism in England - even though Scotland and Wales have their own tourism organisations'*





A recent poster advertisement produced by VisitScotland

Tourism Information Centres, tourism staff, and local authority-owned tourist attractions. Yet some (or all) of these activities are supposedly the responsibility of the RTB.

Clearly, there is confusion about roles and responsibilities, about finance, about resource in UK tourism marketing. Unfortunately, with all these agencies producing promotional material to attract visitors to their own region, there is no organisation providing an overall plan for encouraging the British to stay at home this year - or any other year. There is no clear structure and too much confusion, no coordination and no cooperation.

While devolved powers undoubtedly give a warm feeling to those in Scotland and Wales (but not England) in a time of crisis, like last year, a tourism strategy for the whole of Britain is what is even more important. What is needed is a strategy which brings together all the different strands that affect tourism - marketing, funding, research - so that a coherent action plan can be drawn up that shows the whole industry the way forward.

### Public-private partnership

So, how best can Britain plc coordinate its efforts to ensure that the Holiday in Britain message hits home hardest and most cost-effectively, both domestically and overseas?

Here, we have two developments which may well alter the course of tourism in Britain. Firstly, the government has given an additional £20 million to the BTA for its Million Visitor Campaign, which aims to attract 1 million visitors, spending over £500 million, from the key markets of the US, Canada, France, Germany, Holland, Belgium and Ireland. And secondly, the government recognises that the tourism structure in England has serious fault lines.

The significance of the additional funding to the BTA lies in the matched £5 million cash contribution from leading companies in the industry and their £15 million contribution in kind. As the first such public-private partnership in the industry, this is a major step forward and may well pave the way for future funding for England. This is because the Million Visitor Campaign initiates a true partnership in which all the interested parties - commercial, local and national government - are working together in its detailed planning and execution.

### A new brand for England

Persuading the government of the need for this extra funding through a public-private partnership has been a success story. Just as significant has been the new-found conviction that leaving England without some central marketing organisation does not make sense. The culture secretary, Tessa Jowell, has gone on record saying that the lack of strong coordination to market England's tourist assets is putting the country at a competitive disadvantage. A new arrangement for marketing England, with a strong regional and national dimension, was needed, she said.

What form this will take is not yet clear but a central, coordinating body needs to pull all of England's promotional activities together to create a recognisably English brand under which the regions can promote their own attractions. A vehicle needs to be established, which can leverage finance from commercial, central, regional and local funding into coordinated national marketing projects. In this way, new and existing funds will be combined to promote England nationally, not piecemeal, as at present, by region. There will be announcements soon but the DCMS appears to agree with this approach.

The progress which has been made on these two projects is laying the foundations for a more successful future. The partnership created for the Million Visitor Campaign, which includes international tourism and hotel groups, key associations including BHA, BTA and other agencies as well as regional, local and central government, is surely the blueprint on which we should develop a marketing organisation for England. In reorganising the country's tourism structure, some financial resource will be required because there will be a cost in developing and promoting the England brand, so English tourism must have a rock solid but expanding partnership between the public and the private sectors. In this way, Government funding will be supported by the very commercial businesses that will be a major beneficiary of these activities.

Incidentally, and importantly, the Government also gains. Funding tourism promotion is an investment in which the Treasury gains through VAT, excise duties and other taxes. If Britain attracts £500 million additional revenue this year, the government, through VAT, and duties, will earn over £100 million - not a bad return for its £20 million investment