Edinburgh 2020 Tourism Strategy

Mid-term Review

September 2016

EDINBURGH2020
THE EDINBURGH TOURISM STRATEGY

Contents

The following supporting documents can be accessed at www.etag.org.uk

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THE EDINBURGH TOURISM STRATEGY

SQW

Executive Summary

1. The Strategy Review has considered the continuing relevance of the targets and priorities that were set out in 2012. It has reviewed the performance of the tourism market and wider economic trends, as well as the performance of the destination. It looked at what has been delivered, the lessons that have been learned about leadership and delivery, and has prioritised the key actions between now and 2020.

2. The 2020 Strategy continues to reflect the main issues facing the industry and the actions that will help to address them. Even though much has changed, a lot remains the same. The Review has re-emphasised the importance of tourism to the city, and Scotland, and the key strategic areas for action.

Value of Tourism

3. Tourism is one of the most important and successful sectors in Edinburgh and is growing. The city sells £1.3 billion of services to staying visitors, supporting around 30,000 jobs and paying wages and salaries of around £400 million each year. Between 2010 and 2015 the cumulative expenditure by visitors has been over £7 billion.

4. It is not just about the economic benefits. Tourism is an important part of the way the city works more generally and in improving the quality of life. Everyone benefits from the services that it enables. For example, residents benefit from the range of restaurants and bars, museums and galleries and from the Festivals events that are held. Without tourists, many of these services and facilities may not exist. The thousands of tourism-related jobs in the city also provide opportunities for residents, particularly young people, enabling them to live independently and study in the city. In addition, tourism underpins the overall reputation of the city at both a national and international level. The sector plays a key role in improving the image and reputation of the city as a place in which to live, work, study, visit and invest.

Tourism performance

5. Visits by tourists and their spending have grown rapidly. The total spending by visitors staying overnight has increased by 30% from 2010 to 2015. This is faster than in Scotland as a whole, and the UK. Growth has come from both domestic visitors (33% more than in 2010) and from overseas visitors (27% more than 2010).

6. England is by the far the biggest market, but shrunk slightly to 2014, before a very strong year in 2015. Other key markets like Ireland and Italy have contracted recently, while trips from within Scotland, the USA and Germany have increased.

7. Tourism performance in terms of number of trips has been above the targets set in the Strategy, but it has been weaker against the targets to increase the average visitor spend and to increase the proportion of trips in October to March (Table 1).

Table 1: Progress against the four strategy targets

Three strategy targets	Progress to 2015	On track to hit 2020 strategy targets?	
Increase the number of visits to the city by one third	Increased by 18% to date	Slightly ahead of target growth	☺
Increase total expenditure by 3% a year	Increased by 21% (after adjusting for inflation)	Broadly on target	😐
Increase the average spending of visitors to the city by 10% (at 2010 prices)	Increased by 3% (after adjusting for inflation)	Slightly below target growth	☹
Reduce seasonality across the sector	Proportion of trips Oct to March down from 40% to 38% - below target	Below target	☹

Leadership and Delivery

8. The Strategy has acted as the catalyst for improving leadership across the tourism sector in Edinburgh. The formation of the Strategic Implementation Group (SIG) in 2012 helped to give the Strategy and the sector visibility, credibility and influence at both the national and local level and ensuring a common, shared sense of ambition amongst its members.

9. The Review offers an opportunity for the SIG to recalibrate and build on its leadership position. Extending its engagement beyond the core group will be key in securing buy-in from partners and investment in the sector going forward.

10. Progress has been made in terms of delivery against all strategic priorities set out in Edinburgh 2020. The Strategic Delivery Report[1] captures what has been delivered to date and highlights the many different stakeholders and partners involved in delivering tourism-related activity across the city.

Driving Growth

11. While the tourism economy has performed well we cannot be complacent. It is essential that we focus on the key priority areas to ensure we meet the growth projections. However, there is also an opportunity to increase the rate of growth to match other European cities that have achieved substantially greater growth than Edinburgh over the same period.

12. With that in mind Strategy partners felt that there is an opportunity to be even more ambitious, and that the city should introduce a new "stretch target", which if achieved could generate a further £400 million of tourist spending by 2020.

13. Growth will be dependent on a combination of investment, capacity building and marketing. Safeguarding and maintaining existing levels of investment and finding new sources of investment are essential. More specifically, meeting the Strategy objectives will require:

- Investment:
    - ➢ Investment in the Festivals and support for the new Events Strategy

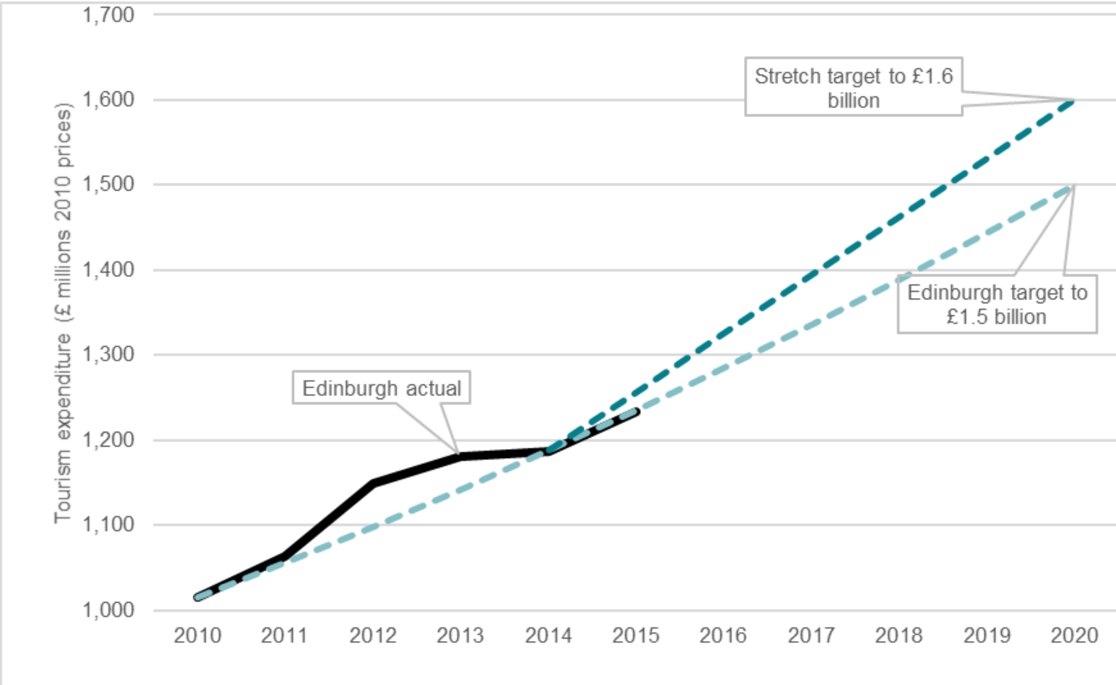
[1] SE (2016), Edinburgh 2020 Strategy Delivery Report, January 2016

- Investment in maintenance of public realm and retaining our World Heritage status

- Capacity building:
  - Better distribution of visitors throughout the year and across a wider geography
  - Pipeline hotel developments delivered
  - Rail capacity increases
  - Airport growth continues and benefits from changes to APD
- Marketing:
  - Growth from key markets and rapid growth from emerging markets
  - Investment in additional marketing support and support for attracting conference business

14. Figure 1 shows the 2020 tourism expenditure target, the new "Stretch" target and performance to 2015.

Figure 1: Tourism spend in Edinburgh and the "stretch target"



Source: SQW

Strategic Priorities

15. The Review has reinforced the findings of the original strategy but brings some changes in emphasis as set out below:

Table 2: Key Review findings

Investing in our core assets	The main message was the importance of maintaining Edinburgh's core tourism assets, specifically the quality of the historic built environment and supporting the world-class Edinburgh Festivals, a key driver for both visits and promoting Edinburgh/Scotland's global profile.
Balanced growth	The failure to address the large variation of visitor numbers between the peak season and the 'shoulder' months is one of the biggest barriers to further growth and to increasing the sustainability of the tourism sector. The other key issue is the increasing density of visitors in the core area of the Old and New Towns during peak periods.
Visitor experience	While Edinburgh provides a very high level of visitor experience, there are elements that must be improved, particularly such as wi-fi access, wayfinding and the cleanliness and quality of environment. Failure to deliver on these hygiene factors is a threat to future growth.
Stronger, more sustainable businesses	Data for the hospitality and tourism sectors indicates that productivity (the output per worker) has not grown much over the past 20 years. This matters because of the size of the sector. Increasing productivity would improve profitability, wages and investment, underpinning a more sustainable tourism industry in the city.
Importance of marketing	Achieving the targets set out in the Strategy will require investment in tourism marketing. The themes identified for promotional activity within the original Strategy were raised again as the main areas for Edinburgh tourism marketing to focus on.
Digital	Digital underpins all of these areas and will be key for driving all aspects including the quality of the visitor experience, new products and service innovation, and growing markets.

Source: SQW

16. The findings of the Review reinforce the need to prioritise activity between now and 2020. It has therefore brought a renewed focus; the action areas below reflect the themes above and set out more specifically where the focus of intervention should be going forward.

1. Influencing Investment

17. Ensuring continuing investment in Edinburgh's core tourism product is essential. In order to sustain growth, there needs to be significant levels of investment in the city infrastructure, maintaining and protecting the city's world class environment, visitor attractions and developing the festivals. Over the coming years, there will be less public sector funding available and therefore more innovative forms of financing will be required. There needs to be more proactive collective leadership in planning for tourism development beyond 2020, linking to wider national and regional strategies, the Edinburgh and South East Scotland City Region Deal and the Edinburgh City Vision.

18. The new 'stretch' target up to 2020 will serve to ensure that the city avoids complacency around future growth and provide a case for additional investment. More needs to be done to educate and inform the wider city on the importance of tourism to economic development, whether that is through providing a wide range of employment opportunities, or helping to promote the city's sectoral assets internationally. The Strategy has an important influencing role with partners beyond the city to facilitate new investment.

2. *Quality of Experience*

19. Increasing competition and visitors' desires to try new destinations mean that Edinburgh must ensure it provides a high quality experience and good value for money. Evidence from visitor surveys indicates that Edinburgh does provide a very high level of visitor experience, but there are elements that must be improved, such as wi-fi access, wayfinding and the cleanliness and quality of environment in busy areas.

20. Digital technology is now central to the visitor experience. From planning and booking through to travelling and sharing experiences. Supporting the continued development of this must be a priority. The availability of free wi-fi throughout the city and in attractions and venues, provides a platform to further improve visitor experience. Virtual and augmented reality, online ticketing and digital interpretation are creating the opportunity to provide new and enhanced visitor experiences around the city's existing assets.

21. Finally, extending frontline training to ensure that staff can provide information about the wider destination will enhance visitor experience and provide opportunities to cross sell and generate additional spend. We recommend that the sector also benchmarks the quality of its visitor experience relative to competitor destinations.

3. *January to March*

22. Since 2010, while the number of visitors has grown over the year the number visiting in the January to March period had actually declined by 2014. Growth has been concentrated in the other three quarters of the year. This is a major barrier to achieving the Strategy's growth targets. It is also a barrier to improving profits, productivity, investment and generally enabling a more sustainable tourism industry in the sector.

23. While the Strategy has helped in the focus and development of the 'Winter Product', there should be a more refined focus on the January to March period. The city has a strong cultural offer throughout the year and more could be made of this during shoulder months. This requires greater support for marketing, promotion and possibly event development. A new group will be set up to investigate the potential role for supporting an event and marketing.

4. *World Class Meetings City*

24. The focus the Strategy must be on the growth of discretionary business tourism driven by the MICE (Meetings, Incentives, Conferences, and Exhibitions) market. Although the number of delegates attending conferences is relatively small in the context of all visitors to Edinburgh, these types of events generate high levels of economic impact and play an important role in showcasing the city both for future leisure and business trips and supporting the city's key industries, academic sectors and inward investment.

25. Over the last couple of years there has been a closer relationship between the Marketing Edinburgh Convention Bureau, the Edinburgh International Conference Centre (EICC) and the Edinburgh Hotels Association, which is resulting in a more strategic approach to bidding for events. A new Business Tourism Group is being set up to develop this further.

5. Extending the footprint

26. The popularity of Edinburgh's core Old and New Town areas is creating increasing challenges as visitor numbers grow, resulting in a high density of visitors during peak periods. There is a danger that this will start to impact of the quality of the visitor experience and create friction between local residents and the tourism sector, as well as limiting potential growth. Extending the footprint has the power to increase the length of stays and encourage more repeat visits.

27. This involves providing more things to see and do and raising awareness of these among visitors. It also means highlighting opportunities among businesses (and potential businesses) beyond the core areas. There are now more opportunities to do this as technology and transport are helping to spread accommodation more widely and make it easier to promote local attractions and activities. Improvements to wayfinding (signage, online navigation tools etc.) are also important in helping visitors feeling confident, secure and informed enough to explore beyond the core city.

6. Achieving Growth

> *"Our fastest route to growth will be to make more money from those investments we have already made and those resources we already employ. Improve our profitability and new investment will follow" (New Zealand 2025 strategy)*

28. The work in developing the China, Accessible Tourism and Youth Travel markets should be supported, as each of these are large and growing global markets where Edinburgh has strong potential. Themed years and anniversary events provide the opportunity for the industry to focus and collaborate around unique, one-off opportunities.

29. We propose an Edinburgh Tourism Productivity Programme, led by ETAG and SE, which would include:

- Working with businesses to encourage better management and leadership
- Working with businesses to make more and better use of digital technologies, specifically in analysing and managing businesses
- Providing support for developing innovations that can improve productivity
- Working with Skills Development Scotland on support for skills and training - ETAG should work with SDS to ensure that the city benefits from skills support.

Action Plan summary

30. The table below summarises the main actions to be undertaken Strategic Priorities which they are addressing.

Table 2: Action Plan summary

Action	Delivery	Lead	Timescale
Influencing Investment			
Increase investment in the Edinburgh 2020 strategic priorities	• Ensure tourism is central to the City Deal	SIG / ETAG	Sept 16 – March 17
	• Develop a structured programme of comms to inform key stakeholders	ETAG	Sept 16
	• Engage with Scottish Government at ministerial level	SIG (identify lead individual)	Sept 16
	• Develop a “hearts & minds” campaign to inform Edinburgh	Marketing Edinburgh	Ongoing
	• Ensure more effective use of partner resources	SIG / ETAG	Ongoing
Provide the evidence to inform and support investment decisions	Create a “Tourism Observatory” to identify, collate and communicate market evidence to support and prioritise future investment	ETAG	Est March 2017 – ongoing
Quality of Experience			
Action	**Delivery**	**Lead**	**Timescale**
Horizon scanning and monitoring quality & competitiveness of visitor experience	• Ensure ongoing horizon scanning to monitor new developments, competitor activity and market trends	Tourism Observatory	2017 / 2018
	• International benchmarking via learning journeys to competitor or comparator destinations	ETAG	2017/2018
	• Deliver leadership development opportunities	ETAG	2017/2018
Ensure that Edinburgh tourism sector has the capacity to adopt and exploit new technology to deliver new and improved visitor experiences	• ETAG digital tourism programme	ETAG	Ongoing
	• Digitising the Festivals City activity	Festivals Forum	Ongoing
	• Maximise opportunities around new city centre free wifi service	ETAG	Ongoing
Optimise the value and opportunity around Edinburgh’s existing visitor and cultural assets	• Support the delivery of Thundering Hooves 2.0	Festivals Forum	Ongoing
	• Creating higher visibility of and integration between Edinburgh’s cultural venues and the tourism sector	Edinburgh Cultural Venues Group	Ongoing
	• Continue work to utilise Edinburgh’s City of Literature status, including support for the new Netherbow development	City of Literature Trust/Netherbow Initiative	Ongoing

Action	Delivery	Lead	Timescale
	• Continue work to utilise Edinburgh's World Heritage status, including support for the new Tron Kirk development	Edinburgh World Heritage	Ongoing
	• Continue to promote Our Edinburgh across industry partners and stakeholders	ETAG	Ongoing
Monitor visitor feedback to inform investment priorities, ensure quality is sustained and issues identified/addressed	• Utilise 3rd party user generated content to provide information and insights, both qualitative and quantitative	Tourism Observatory	Ongoing
January to March			
Create a short life Jan-March working group to define activity going forward	• Audit existing city visitor offer across all aspects of the visitor journey during Jan – March • Identify gaps and potential for additional activity • Create Jan – Mar strategy and action plan • Develop and enhance Jan – Mar marketing	ETAG	Sept – Dec 16
Embed Jan – March as a priority for activity and investment by all 2020 partners	• Champion through Edinburgh 2020 comms plan and ongoing sector engagement	SIG	Ongoing
Maximise existing cultural offer	• Explore potential for joint packaging and marketing of tourism and cultural offer	Edinburgh Cultural Venues Group	Ongoing
World Class Meetings City			
Establish Business Tourism Delivery Group	• Strengthen city wide partnership approach to improve bidding and quality of offer	ME/EICC – supported by ETAG	2016
Update of Edinburgh Accommodation Audit	• Review and update the need for additional 4* plus accommodation to support the market	Tourism Observatory	2017
Secure an agreed approach with VisitScotland in relation to the use of subvention funding to recognise industry support in kind	• Ongoing discussions with VisitScotland	ME/EICC	2017
Grow value of business tourism through new venue development	• Multi-purpose venue to sear 2000+ delegates in plenary	TBC	TBC
Extending the Footprint			
Action	**Delivery**	**Lead**	**Timescale**

Action	Delivery	Lead	Timescale
Deliver new Wayfinding system for Edinburgh	• Progress the City ID concept work to full implementation and identify and secure funding sources	Transport for Edinburgh	2018
Drive strategic engagement	• Establish relationships with key partners and stakeholders in the city region • Raise awareness of opportunity to extend the tourism footprint and maximise existing visitor offer	ETAG	2017
Improve linkages and collaborative working within the city and wider city region	• Increase visibility of the range and breadth of the Edinburgh offer	Marketing Edinburgh	2017
	• Identify B2B comms routes to increase the visibility of the wider visitor product and opportunities for partners to collaborate to amplify messaging to the visitor market.	ETAG	Ongoing
	• Continue to ensure ETAG offers open access to stakeholder and businesses to exploit opportunities	ETAG	Ongoing
Achieving Growth			
Business development	• Ongoing business support programme for the Edinburgh tourism sector • Enhanced cross agency working to deliver a more cohesive business development programme • Enhanced comms to ensure business awareness of available support	ETAG	Ongoing
Identify and develop new market opportunities	• Continued support for China, Accessible and Youth Travel markets	ETAG and specific Delivery/ Industry Groups	Ongoing
	• Horizon scanning and analysis of additional new market opportunities	Tourism Observatory	Ongoing
Exploit Themed Years, Anniversaries etc.	• Establish short-life working groups for specific years, anniversaries	ETAG	As appropriate

1. Introduction

1.1 Tourism is one of the most important sectors in Edinburgh. **The city sells £1.3 billion of services to staying visitors, which supports around 30,000 jobs, and pays wages and salaries of around £400 million, per year.** Tourism has grown strongly over the period of the Edinburgh 2020 Strategy with visitor spending rising 30% from £1.0 billion in 2010[2]. Between 2010 and 2015 the cumulative expenditure by visitors has been over £7 billion. More specifically, since the Strategy launched five years ago tourism spending has risen by around £700 million. This economic activity also has further knock on effects (or multiplier effects) for other sectors[3].

1.2 It is not just about the economic benefits. Tourism is an important part of the way the city works more generally. Everyone benefits from the services that it enables. For example, residents benefit from the range of restaurants and bars, museums and galleries and from the Festivals events that are held. Without tourists, many of these services and facilities may not exist. The thousands of tourism-related jobs in the city also provide opportunities for residents, particularly young people, enabling them to live independently and study in the city.

1.3 Finally, the facilities and services that tourism supports also underpin the positive reputation of the city. Quality of life, culture, restaurants, bars, parks, public realm, transport and retail, are all part of the tourism offer and are increasingly important in attracting people and businesses to cities. An attractive city to visit is one where people want to live, work and start businesses.

Scope of the Review

1.4 This Review is not about developing a new tourism strategy and there is no doubt that, by and large, the current Strategy continues to reflect the main issues facing the industry and the actions that would help address them. Even though much has changed, a lot remains the same. The task of the Review was to:

- Test the continuing relevance of the Strategy targets and priority action areas
- Review performance to date
- Review the current and projected tourism market and wider economic trends
- Review what's been delivered to date
- Identify lessons learned in leadership and delivery approach
- Ultimately identify and prioritise actions between now and 2020

[2] The 2015 figure uses a three-year average
[3] The Scottish Government's Input-Output Multiplier Tables estimate a multiplier effect of 1.5 for the accommodation and food services sectors. This means that every £1 of increased demand generates a further £0.50 of output in other sectors in Scotland. On that basis, direct demand of £1.3 billion would generate a total output of around £2 billion once these multiplier effects are included. http://www.gov.scot/Topics/Statistics/Browse/Economy/Input-Output/Mulitipliers

Headline findings

1.5 The main findings of the Review are:

- The main priorities of the Strategy continue to be relevant. If anything the rationale for these priorities, particularly promoting a year round destination, has become even stronger, although there are some changes in definition and emphasis.
- The tourism economy has performed very well over the last five years in line with the targets set by the Strategy. However, growth is skewed heavily towards the spring and summer, and other cities in Europe have been able to grow more quickly.
- There is an opportunity to be even more ambitious by introducing a new stretch target, which if achieved could generate a further £400 million of tourist expenditure by 2020.
- Growth in Edinburgh's tourism sector makes an important contribution to wider economic development strategies in Edinburgh and across Scotland. Specifically, the sector makes an important contribution to the Scottish Government's four priorities of investment, innovation, inclusive growth and internationalisation.
- In order to meet existing targets, all partners need to explicitly recognise the critical importance of maintaining the city's core assets, the historic city centre, World Heritage status and the Festivals. There is a continuing challenge in Edinburgh to avoid complacency and to invest in the product to maintain the city's global appeal.
- Strategy partners need to have a stronger role in influencing bigger policy areas such as the Edinburgh and South East Scotland City Region Deal and investment in the public realm, ensuring that tourism is recognised for what it brings to the city and receives the investment it requires.
- A new tourism intelligence observatory should be created to provide better research to help make the case for tourism investment, inform decision-making and react more quickly to trends.
- A new Strategic Priority has been introduced to focus on Achieving Growth and business productivity aimed at helping businesses to make more of the city's assets. This encapsulates support for leadership and more, and better, use of digital technology
- A small number of working groups should be set up under the Strategic Priorities, reporting to the Strategy Implementation Group, which itself will play a more strategic and proactive role, including specific sessions to look longer term at tourism in the city.

2. Market context

Economic background

2.1 The global economy has recovered slowly since the financial crisis and recession in 2009. Challenges in the Eurozone and weak growth in China have also meant subdued demand over the past few years. Growth in the UK has also been fairly weak, although employment has recovered to pre-recession levels. Understanding the effects of the economy on the volume of tourism to Edinburgh is not straightforward. The limited growth in UK incomes and weaker Sterling has helped increase the number of "staycations". Relative to the Euro, Sterling is back to the same level as in 2012, having been through a period of being both weaker and then stronger in the past year. Against the US Dollar, the Pound has weakened significantly over this period, making the UK more affordable to US visitors.

2.2 The effects of the UK's Referendum vote to leave the EU will not become clear until new trading arrangements with the EU (and other countries) are in place, and this could take many years. The immediate effect has been a weakening of Sterling relative to other currencies. This makes trips to the UK better value (and the costs of UK residents travelling abroad, more expensive) both of which could increase tourism demand. However, there may also be other effects on visitor patterns and on the costs of delivering tourism services. For example, if it becomes harder to recruit the right staff, or if the costs of imported goods rise, there would be pressure to increase prices in the hospitality sector (which would then reduce demand). There may also be implications for related services, such as for airlines operating between the UK and EU and possibly on perceptions of the UK (and Edinburgh) as a welcoming place to visit.

2.3 The downturn in the economy since 2009 has also generated a greater focus on value, and this may be a longer term trend[4], where consumers place price over brand loyalty. This has supported the growth of budget hotels and the development of the sharing economy. The focus on value makes achieving the Strategy's objective of increasing the average visitor expenditure per trip harder, although in Edinburgh, expenditure has remained high relative to the rest of the UK[5]. By way of comparison, expenditure per trip is £261 in Edinburgh compared with £194 in Manchester.

Wider themes and trends

2.4 A number of other themes and trends were identified through the Review consultations and background research. These issues are likely to have an impact on future growth not only up to 2020 (the Strategy period) but also over the longer term. These themes are set out in Table 2-1.

[4] https://www.visitengland.com/sites/default/files/visit_england_report_print_tcm30-39493.pdf
[5] Source: GBTS (2012-2014)

Table 2-1: Themes from consultations and research

Themes	Comments
Security	• One of the most significant changes raised through the consultations has been the impact of terrorism. Recent attacks in Paris and Brussels have raised fears of further attacks in European cities. This has effects on other destinations, for example London experienced a decline in in-bound air reservations of 2.4% in the first quarter of 2016[6]. Scotland and Edinburgh are not considered to be likely targets and are seen as relatively safe destinations. While this is recognised by potential domestic and European visitors, for long haul visitors, particularly the large numbers from the USA, recent alerts and fears about travelling in Europe will also impact on Scotland, particularly where Scotland is part of a bigger European tour.
Technology	• The main changes are around the use of social media, review sharing, price comparison, new marketing channels, more accessible, tailored content, booking and payment systems, and mobile access. Implementing these new technologies costs money, takes time and requires training, but failing to engage risks missing opportunities and losing business. • Information technology is an increasingly key element of Scottish tourism, with 70% of respondents in the 2015 Scotland Visitor Survey using websites to help plan their holiday or short break in Scotland. In addition, the Scottish Tourism Alliance notes that 57% of all travel reservations are now made online[7].
Sharing economy	• Enabled by technology and driven by the demands for authentic and unique experiences (and value), the "sharing economy" is playing a growing part of tourism experience. The possibilities for the sharing economy go beyond just accommodation and include, car or bicycle hire, equipment, tools or even people's time[8]. Airbnb figures showing that the number of summer travellers staying with Airbnb hosts rose globally from roughly 47,000 in 2010 to almost 17 million in 2015[9] It offers opportunities for those that move quickly, but also challenges in how it can be managed and the potential implications for traditional tourism business models.
Focus on value	• The downturn in the economy since 2009 has also generated a greater focus on value, and this may be a longer term trend[10]. This is also true of the trend for "mercurial" consumption – also accelerated by the downturn – where consumers place price over brand loyalty. This has supported the growth of, for example, budget hotels and Airbnb. This focus on value makes achieving the Strategy's objective of increasing the average visitor expenditure per trip harder, although in Edinburgh, expenditure has remained high relative to the rest of the UK
Mobile	• Mobile technology will increasingly be at the heart of consumer interaction with brands, offering a raft of opportunities for communication, customisation, promotion and loyalty. A report from Grant Thornton argues that, 'Hotel companies that can deliver effective mobile-centric personalisation will become brands of choice for the guests of 2020', highlighting research that finds that 46% of millennials agree that being able to check in/out with a mobile device would motivate them to return[11]. For cities like Edinburgh with growing numbers of visitors from emerging markets (e.g. China), customisation is extremely important.
Social media	• Similarly, social media and online travel agents (OTAs) like Expedia and Booking.com will likely become further integrated in the sector, providing increased opportunity for the sharing of user-generated content. However, whilst such platforms provide an opportunity to build brand awareness[12], in the digital

[6] ECM | Forward keys Air Travellers' Traffic Barometer (2016)
[7] The Scottish Tourism Alliance (2016) *Tourism Scotland 2020: Mid Term Review 2016*
[8] Toposophy (2015) DMSs and the Sharing Economy
[9] Airbnb (2015) *Airbnb Summer Travel Report: 2015*
[10] https://www.visitengland.com/sites/default/files/visit_england_report_print_tcm30-39493.pdf
[11] Grant Thornton (2015) *Hotels 2020: Welcoming Tomorrow's Guests*
[12] Deloitte & Oxford Economics (2013) *Tourism: Jobs and Growth - The Economic Contribution of the Tourism Economy in the UK*

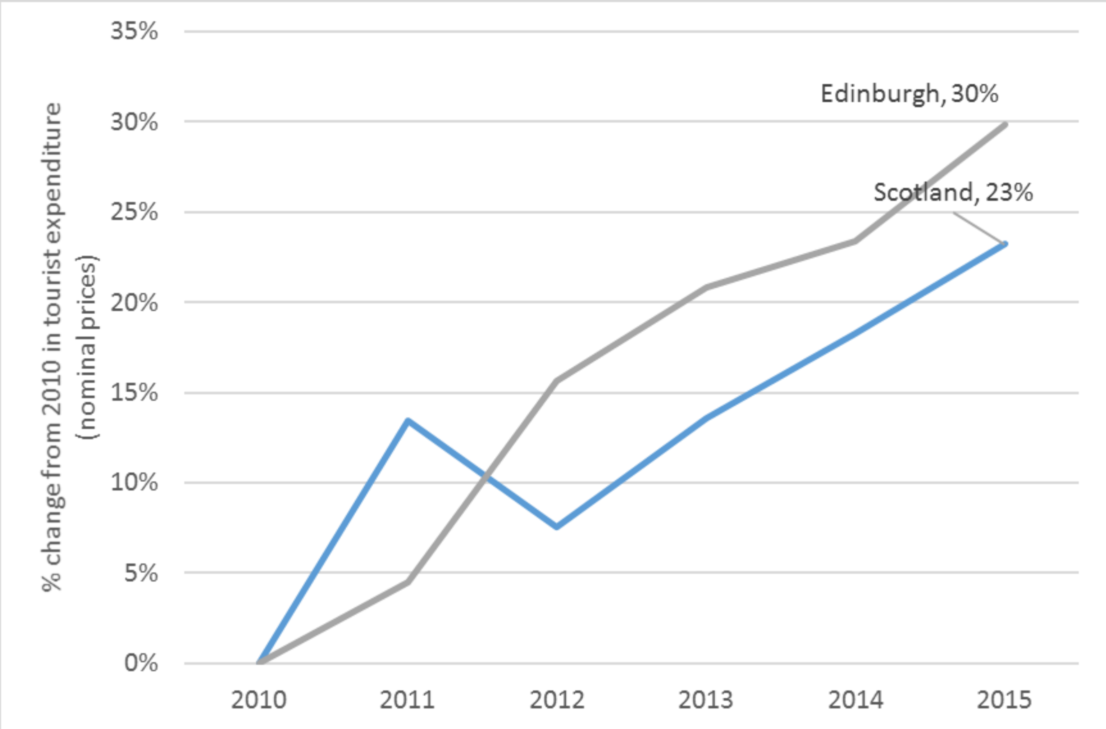
Themes	Comments
	world convenience and price are becoming more prevalent than brand recognition in driving leisure guests' booking decisions[13]. • Despite the increasing importance of digital technology, Deloitte and Oxford Economics note that investment within the tourism sector lags behind other sectors. A holistic approach to technology is required, particularly as consumers increasingly use multiple platforms (mobile, tablet, computer etc.). Companies will need to build a flexible technological architecture to reach consumers on all platforms[14].

Source: SQW

Visitor expenditure patterns

2.5 Figure 2-1 shows the change in tourism expenditure in Scotland and Edinburgh since 2010. This is made up of overseas and GB domestic tourism spending and is shown using nominal (money of the day) prices. In Scotland expenditure overall has grown by 23% over the five years, while growth in Edinburgh has been 30%. The stronger Edinburgh figures appear to support the wider trend of faster tourism growth in the cities.

Figure 2-1: Change in visitor spend, Edinburgh and Scotland (2010-2015)



Source: GBTS and IPS 2010 -2015. Edinburgh figures use a 3 year average

Scotland 2010 to 2015

2.6 Tourism expenditure in Scotland has risen from £4.1 billion to £5.1 billion between 2010 and 2015. Allowing for inflation this represents real growth of 16%, although the number of trips has grown more slowly. VisitScotland reports that this is in line with competitor

[13] Grant Thornton (2015) *Hotels 2020: Welcoming Tomorrow's Guests*
[14] Euromonitor International (2014) *The New Online Travel Consumer*

markets[15], although it remains below trend for the national target of reaching £5.5 billion (in 2011 prices) by 2020.

2.7 Germany, France and the USA are the main overseas markets for Scotland, along with Canada and Australia. Of the emerging markets, China is now the market spending most on outbound travel globally. Although most of this is within the Asia-Pacific, the number of Chinese visitors to Europe is growing at a rapid rate. India continues to grow quickly but Russia and Brazil have faced enormous economic challenges which have impacted on the outbound trips.

2.8 Expenditure by international visitors to Scotland has grown more slowly than the domestic (GB) market. Domestic expenditure grew from £2.5 billion to £3.3 billion, while overseas expenditure rose from £1.4 billion to £1.7 billion between 2010 and 2015.

Edinburgh 2010 to 2015

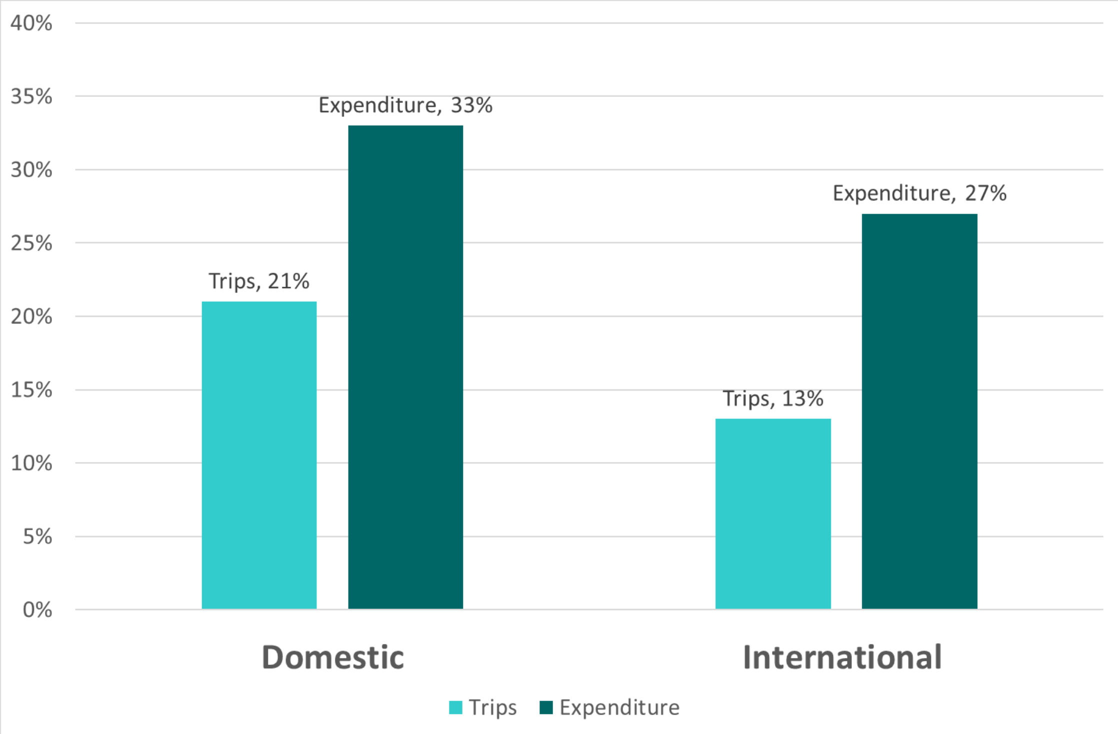
2.9 Between 2010 and 2015 the number of trips to Edinburgh grew 18%. This comprised an increase in domestic visitors of 410,000 from 1.96 million to 2.37 million (21%) and a 13% rise in overseas visits (from 1.31 million to 1.48 million).

2.10 Tourism expenditure has grown more quickly. Spending by domestic overnight visitors to Edinburgh increased from £491 million to £653 million (33%), while the value of spending by overseas visitors has risen from £524 million in 2010 to £665 million in 2015 (27%).

2.11 Combined, this represents an increase of just over £300 million to £1,318 million (growth of 30%). After allowing for inflation the increase in *real terms* is 21%. These figures are summarised in Figure 2-2.

[15] VisitScotland (2015) Work Stream one: Data Review for the TS2020 – Mid Term Review

Figure 2-2: Change in domestic & international expenditure (in current prices) and trips to Edinburgh between 2010 and 2015

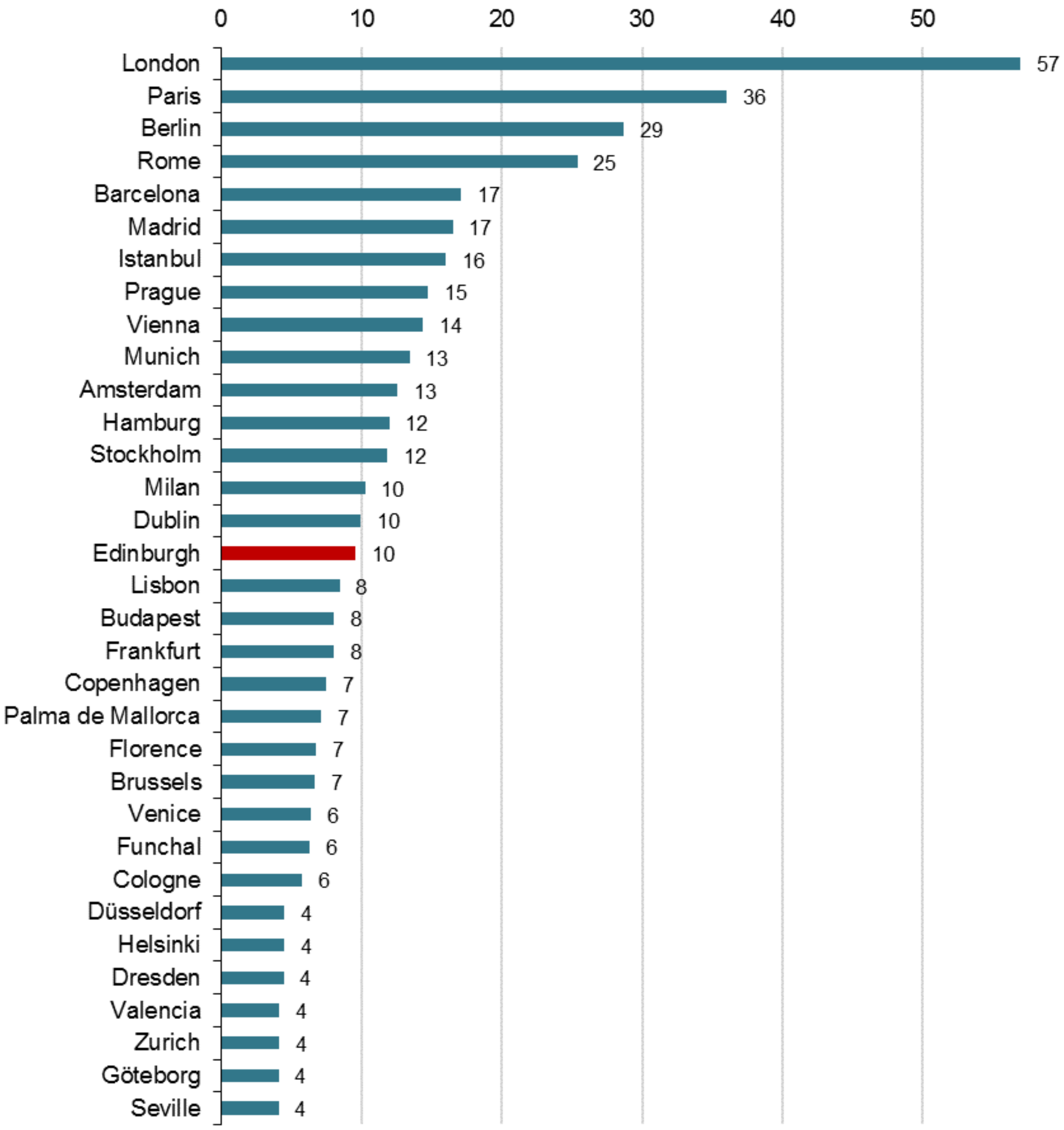


Source: GBTS, UKTS and IPS from VisitScotland and VisitBritain,, suing 3 year averages

Growing importance of cities

2.12 As a member of European Marketing Cities, it is possible to compare the scale and rate of growth of tourism in Edinburgh. Based on the 2014 data for bed nights, Edinburgh was 16th among the ECM cities, behind, for example, Stockholm, Amsterdam, Vienna, Munich and Dublin in terms of the number of *commercial* bed nights. Figure 2-3 shows the number of commercial bednights reported by ECM for each city, including an estimate for Edinburgh.

Figure 2-3: European Cities all paid bed nights (2014, in millions)



Note: For some cities ECM have made adjustments to complete the data series
Source: European Cities Marketing, GBTS and IPS (2014), SQW analysis

2.13 In recent years, city tourism has consistently grown faster than national tourism. Over the past five years, the growth in the number of bed nights sold, reported by the European Cities Marketing member cities, has increased at a faster rate than the average for the EU28 nations. The average annual growth rate for ECM cities (between 2010 and 2014) was 5.8%, while for EU28 nations the average annual growth in the same time period was 4.6%. VisitEngland also provides evidence of the pattern of faster growth in cities. It reports that annual average growth in domestic trips to cities (2008 - 2014) has been 3% compared with a 1% growth overall.

2.14 While cities are certainly important in attracting visitors, there is also demand for destinations that also allow visitors to "escape" the city. An implication of this trend is for people to combine different destination types on one trip. **Given Edinburgh's geography, it is well placed to offer both urban and countryside experiences**. More rural breaks can easily include a day trip to the city, and city breaks can be combined with trips out to other parts of the region.

2.15 The VisitScotland Visitor Survey in Edinburgh[16] found that more than half of Edinburgh's visitors were here as part of a tour or visiting other parts of the region. **It emphasises the importance of different destinations working together and to communicate the overall attraction of that area, rather than simply competing with one another**. This includes links with the wider city region, Glasgow and Dundee.

[16] VisitScotland (2012) Scotland Visitor Survey 2011

3. Strategy performance

3.1 This section reviews the performance of the Strategy against its targets and in delivering the actions that were set out in 2012. It finds that there has been good progress in relation to the high level tourism numbers, however, there has been less improvement in the (real terms) spend per visitor and in seasonality. It also finds that many of the projects and actions that were identified have been delivered. However, there are improvements that can be made to the structure and the way in which the delivery groups work.

Performance against targets

3.2 The Strategy sets out a number of targets for 2020. These are intended to strike a balance between being ambitious as well as achievable. There are three quantified objectives for 2020:

- to increase the number of visits to the city by one third
- to increase the average spending of visitors to the city by 10% (at 2010 prices) and increase total visitor expenditure to £1,500 million by 2020
- to reduce seasonality across the sector.

3.3 As measured by the number of trips tourism performance has been above the targets set in the Strategy, but it has been weaker against the targets to increase the *average* visitor spend and to increase the proportion of trips in October to March (Table 3-1).

Table 3-1: Progress against the four strategy targets

Three strategy targets	Progress to 2015	On track to hit 2020 strategy targets?	
Increase the number of visits to the city by one third	Increased by 18% to date	Slightly ahead of target growth	☺
Increase total expenditure by 3% a year	Increased by 21% (after adjusting for inflation)	Broadly on target	😐
Increase the average spending of visitors to the city by 10% (at 2010 prices)	Increased by 3% (after adjusting for inflation)	Slightly below target growth	☹
Reduce seasonality across the sector	Proportion of trips Oct to March down from 40% to 38% - below target	Below target	☹

Increase the number of visits to the city by one third

3.4 The target is to increase the number of overnight visits from 3.27m visits to 4.39m visits - an increase of 3% per annum. By 2015, the number of visitors was ahead of projections at 3.85 million[17].

Increase the average spending of visitors by 10% by 2020

3.5 The target is to increase the average visitors' spending in the city by 10% by 2020 from £310.40 to £341.44 (in 2010 prices). By 2015 expenditure had risen to £319.86 (in 2010 prices), an increase of 3%. Expenditure by overseas visitors has grown more quickly than domestic visitors. The relatively modest increase in visitor spend reinforces the need to encourage the industry to collaborate and where possible generate cross-selling opportunities.

Table 3-2: Edinburgh tourism spend patterns (2010 and 2015)

	2010		2015 (2010 prices)		change	
	Per trip	**Per night**	**Per trip**	**Per night**	**Per trip**	**Per night**
UK visitors (£)	250.51	94.97	254.19	99.04	1.47%	4.29%
Overseas visitors (£)	400.00	75.94	418.24	84.34	4.56%	11.06%
All	**310.40**	**84.09**	**319.86**	**98.13**	**3.05%**	**16.69%**

Source: SQW, IPS, GBTS

Increase total visitor expenditure to £1,500 million by 2020

3.6 Combining the increase in trips and the increase in expenditure is expected to generate an extra £485 million per annum by 2020, taking the total visitor spending from £1,015 million to £1,500 million (in 2010 prices).

3.7 To date expenditure has increased by £300 million to £1,318 (growth of 30%). After allowing for inflation the increase in *real terms* is 21% (by £217 million to £1,232 million), marginally below the projections for 2015. Figure 3-1 shows this growth relative to the Edinburgh target line. Over the first five years, Edinburgh has grown quickly, although the weaker 2014 expenditure figures brought the value back to the target line.

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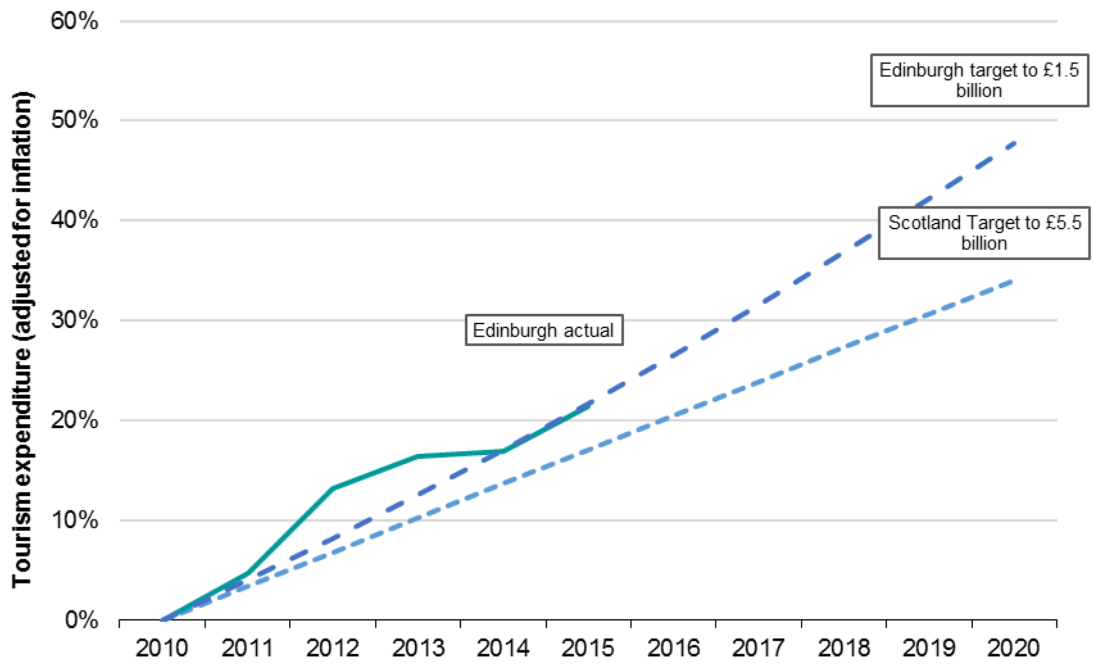
[17] This figure combines data from the IPS, the Great Britain Travel Survey (GBTS) and an estimate for Northern Ireland

Figure 3-1: Edinburgh and Scotland expenditure targets and performance (% change in tourism expenditure from 2010 - adjusted for inflation)



Source: SQW, GBTS, IPS, TS 2020 and VisitScotland. Edinburgh data uses three year averages

Reducing seasonality

3.8 The target is to achieve *50% of the additional visits* during the months of October to March. The aspiration is that by 2020, 50% of *the additional 1.12m trips* to Edinburgh (over the 2010 base) are in the October to March period. Overall this would change the current 40:60 split among all visitors (October to March: April to September) to 43:57.

3.9 In 2015, the proportion of visits during the months of October to March remained at 38% of the total (the same as 2014). This is due to the more rapid increase in summer months outstripping the growth also experienced during the winter months. In fact, the number of visits in October to March has increased from 1.31m in 2010 to 1.42m in 2015 (9% increase).

3.10 Over the last five years the vast majority of growth in visitors has taken place during the summer months. There has been some growth during the October to December quarter but limited change in the number of visitors coming during the January to March period. The challenges of developing Edinburgh as a year-round destination form one of the themes of the Strategy.

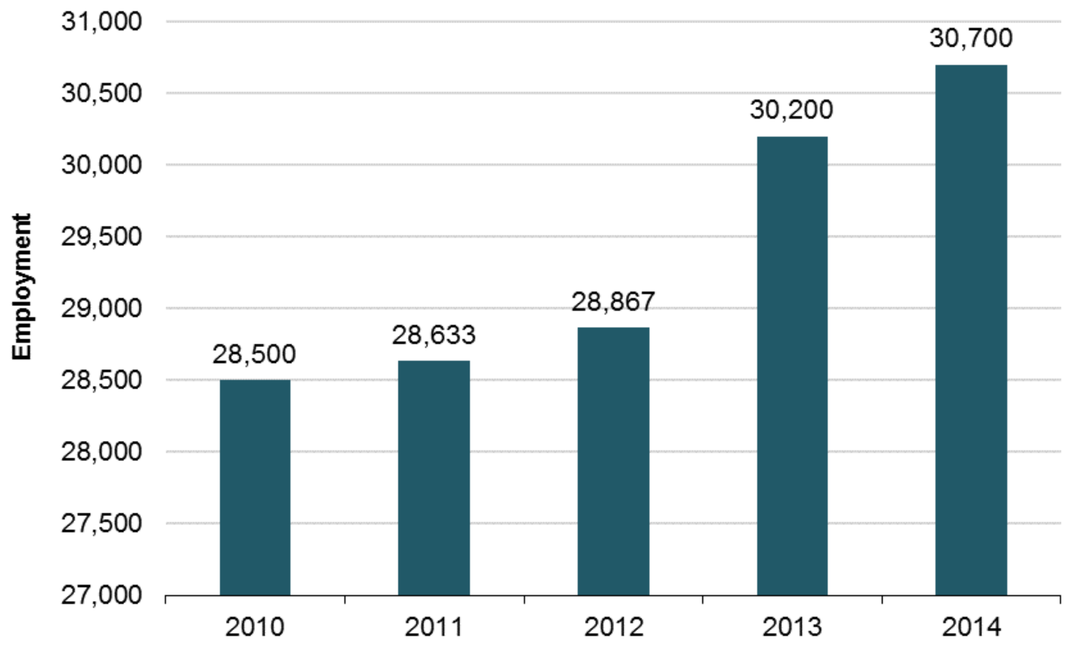
Employment in sustainable tourism-related sectors

3.11 The Scottish Government provides estimates of the number of jobs in each local authority[18]. This measures the number of jobs in sectors that provide tourism services, for example bars and restaurants, art galleries, museums etc. It therefore includes jobs supported by local

[18] Scottish Government, ONS (Business Register and Employment Survey (BRES)

spending and not just visitors. Data is from the Scottish Government Growth Sector database. The analysis uses three year averages to provide a more robust assessment. The Scottish Government figures show that since 2010, over 2,000 additional tourism jobs have been created in the city.

Figure 3-2: Employment in Edinburgh's tourism-related sectors (2010-2014)



Source: Scottish Government Growth sector database for Edinburgh (accessed June 2016)

3.12 An alternative approach to calculating changes in tourism-related employment is to use the additional visitor expenditure and an average turnover per tourism job estimate. In the Deloitte study for VisitBritain[19], it was estimated that the average across the UK is around £54,000 per FTE job. As highlighted earlier, the value of tourism expenditure in Edinburgh has increased by £217 million over the last five years. Using the Deloitte estimate, this increase has supported an additional 4,000 tourism jobs in Edinburgh.

Tourism-related investment

3.13 Edinburgh has seen many changes since the Strategy was launched in 2012. These include a number of big investments in the city's transport infrastructure, but also refurbishments to a number of venues and galleries. The main changes have been:

- the launch of the £780m tram project in 2014 and Transport for Edinburgh in 2013
- Edinburgh Airport five year £150m expansion of the airport terminal building and new routes
- redevelopments of both Waverley (£130m) and Haymarket (£25m) stations, and the building of the new Borders Railway (£294m)

[19] Deloitte and Oxford Economics (2013), Tourism: Jobs and Growth – the Economic Contribution of the Tourism Economy in the UK

- the £30m expansion of the Edinburgh International Conference Centre (EICC) which opened in 2013, and the reopening of the Assembly Rooms after a £9m restoration in 2012.
- Work is nearly complete on the £41m Edinburgh Gateway station at Gogar and other investments are bring made as part of the Edinburgh Glasgow Rail Improvement Programme.

3.14 Looking forward, the most significant investment in the city in the next few years is the £850m St James Quarter development. Once complete, it will provide 850,000 sq ft of retail space, five-star hotel accommodation and up to 250 new private residential apartments.

3.15 Two of the city's key attractions are also expanding their facilities with the National Museum of Scotland investing £14m in 10 new galleries (opening in the summer of 2016) and the Scottish National Gallery planning to expand into Princes Street Gardens (£15m).

3.16 The agreement of the Edinburgh and South East Scotland City Region Deal, which is expected in late 2016, will put in place the opportunity for further investment in Edinburgh and the rest of the South East region.

Hotel investment

3.17 Edinburgh has over 200 hotels and 13,500 rooms, making it the third largest hotel market in the UK after London and Manchester. Over the last four years, 10 new hotels have been built in the city with an additional 1,400 rooms (12% increase). As shown below, the vast majority of the additional rooms have been in budget hotels.

Table 3-3: Hotel investment (2012-16)

Name	Type	No. of rooms
Tune Hotels, 7-8 Clifton Terrace	Budget	179
Old Town Chambers, 3 Roxburgh's Court	Serviced apartments	32
Hotel ibis, 77 South Bridge	Budget	259
Motel One, 10-15 Princes Street	Budget	140
ibis Styles, 19 St Andrew Square	Budget	103
Hotel ibis, 6 Lochside View	Budget	161
Village Urban Resort, 140 Crewe Road South	Four Star	181
Mercure, 38 Gardner's Crescent	Four Star	102
hub Edinburgh Royal Mile	Budget	121
Premier Inn Edinburgh City Centre	Budget	127
Total		1405

Source: City of Edinburgh Council (2015) and AMPM (2016)

3.18 The hotel market remains buoyant with a further 2,000 hotel rooms in the pipeline to come through by 2018. Most of this additional supply will be budget hotel accommodation with the exception of a five-star hotel as part of the St James Quarter development. There are also some hotel developments still to receive planning consent and these would account for another 2,000 rooms.

Occupancy and room rates

3.19 Hotel occupancy rates provide a good measure of the level of tourism activity, although they are affected by changes in the supply of rooms. The data used here is provided by STR Global. There is no target in the Strategy for occupancy or revenue per room, which would be expected to respond to changes in demand.

3.20 Between 2010 and 2015, average hotel occupancy has increased by 6%. There have been larger increases in revenue per available room (RevPAR) and the average daily room rate (ADR), increasing by 12% and 17% respectively. The figures shown below show continued demand for hotel accommodation in Edinburgh which bodes well for continued growth.

Table 3-4: Accommodation progress indicators (2010-2015)

Indicator	2010	2011	2012	2013	2014	2015	Change 2010-15 (%)
Average hotel occupancy %	76.85	79.69	77.32	79.69	80.54	81.50	6.05
Average Daily Room Rate (ADR) £	78.41	77.63	78.29	82.18	86.44	87.90	12.10
Revenue Per Available Room (revPAR) £	61.35	62.97	60.54	65.48	69.62	71.65	16.79

Source: STR Global 2010-15

Longer term issues for tourism in Edinburgh

3.21 There are a range of issues and trends which will impact on future growth in the city beyond the timescale of the Strategy post-2020. Many of these are global in nature and include demographic changes (ageing population and growing middle classes), more visitors from emerging markets, a shift in demand from advanced to emerging destinations, global political and security issues, advances in technology and sustainability.

3.22 There are a number of issues which are also more specific to Edinburgh and that were highlighted in the Review consultations. The main issues in an Edinburgh context are:

- Infrastructure investment – for the city to continue to grow as a visitor destination, significant investment will be required in transport, public realm, maintaining the historic built environment
  - ➢ On top of the current transport investments, there are proposals to extend the Tram route to Leith and Newhaven, and also to the south of the city. Further investment in our train network will also be important to ensure good access, particularly for domestic visitors
  - ➢ Pedestrianisation of George Street to develop the city's café culture and create new event space

- ➢ The redevelopment of Princes Street (and potentially Princes Street Gardens) remains a key long term priority – this could potentially include top quality hotel and restaurant

- ➢ Developing Edinburgh's Waterfront as a visitor destination needs to be considered beyond 2020

- ➢ Many of these initiatives are likely to be eligible for support from the new Edinburgh and South East Scotland City Region Deal. There needs to be continued influencing activity to ensure the tourism needs of the city are clearly presented and understood

- Growth of Edinburgh Airport – continued growth of the Airport will play a key role in growing the number of international visitors to Edinburgh and there is expected to be further investment in the Airport's infrastructure and facilities

- There are also plans to develop West Edinburgh as an International Business Gateway and improved road infrastructure in and around the Airport and the Gogar area will certainly be required to facilitate this growth

- Continued investment in the tourism product – as well as the need to invest in physical infrastructure, major investment will also be required to develop and improve the core tourism product in Edinburgh around the Festivals and cultural offer

  - ➢ Implementing Thundering Hooves 2.0 – implementing the 10-year strategy for Edinburgh's Festivals will need continued investment and commitment from all stakeholders in the city. The Strategy highlights the need to focus on festival infrastructure, developing stronger educational links, strong branding and marketing, use of new technologies, and product innovation.

- Digital infrastructure and exploitation – digital technology is a key enabler for tourism both from the visitor experience and in terms of helping tourism businesses to operate more effectively and productively. Improving productivity amongst Edinburgh's tourism businesses will require ongoing support in order to improve the sector's competitiveness.

- Ongoing constitutional and political uncertainty – one implication of the UK vote to leave the EU could be a second Scottish Independence Referendum which could have implications for tourism-related investment.

3.23 A greater understanding of the importance of tourism to the city's economy will help partners make the case for new and continuing investment in tourism. It will also help to encourage a more proactive approach to longer term tourism planning beyond 2020.

3.24 Influencing and informing is such an important area for the Edinburgh 2020 Strategy and as a result a new Strategic Priority on Influencing Investment has been introduced. Some of the longer term issues mentioned above are also relevant to the other Strategic Priorities which we will go on to discuss shortly.

4. Delivering the Strategy

Leadership

4.1 The Edinburgh 2020 Tourism Strategy has helped improve leadership across the tourism sector in Edinburgh. In 2012 it was recognised that a mechanism was needed to bring together the public and private sectors together at a senior level to champion the tourism sector, review progress against the objectives and provide a forum for discussing and resolving key issues and challenges as they arise. The response to this was the creation of the Edinburgh 2020 Strategy Implementation Group (SIG).

4.2 The SIG has been instrumental in giving the Strategy visibility, credibility and influence at both the national and local level and ensuring a common, shared sense of ambition amongst its members. There have been challenges around the extent to which that common, shared sense of ambition is cascading from the members to their respective organisations/ stakeholders/ members. Addressing this issue should be a priority over the coming years.

4.3 There has also been a challenge around communicating the SIG's role to the wider tourism sector and in particular clarity around its role in terms of leading/supporting activity, rather than acting as a formal approval/funding group. Reviewing and extending communications around the SIG Terms of Reference should help to address this issue.

4.4 The SIG should continue to meet six times a year, including an annual longer term visioning session to consider tourism post 2020. SIG meetings will include updates from each of the themes and from the specific "short-life" work groups that are developing recommendations and options.

Delivery

4.5 Progress has been made in terms of delivery against the all strategic priorities set out in Edinburgh 2020. This is tracked and reported via the Strategic Delivery Report[20], updated on a quarterly basis.

4.6 A summary of progress under the main priorities and themes is set out below. The Strategy Delivery Report has a long list of priorities and actions. These are included for completeness rather than reflecting these as actions under the Strategy. For example, the large infrastructure investments are undertaken for many reasons, not just tourism. The role of the Strategy should be to seek to provide a tourism perspective, to look for opportunities for tourism and influence their implementation to achieve the best tourism outcomes.

4.7 As part of this Review we have suggested a short, more focused set of actions that relate more to what the Strategy and tourism partners can deliver directly. We have separated out the large scale activities that the Strategy should seek to influence from those that are more clearly within its scope to deliver. These actions, developed from the themes are set out in the final sections of the Review.

[20] SE (2016), Edinburgh 2020 Strategy Delivery Report, January 2016

Table 4-1: Main areas of activity from Strategic Delivery Report

Ed2020 Strategic Priority/ Theme	**Examples of progress**
World Class City Management	New groups and action plans to drive footfall to Royal Mile/ Canongate Streetscape improvements at Castlehill, Charlotte Square & Waverley Bridge Pilot waste management programme and the Clean Up Edinburgh Campaign Ongoing actions include the Edinburgh 12 initiative and a 'Bus Gate' on the Royal Mile between St Mary's Street and the Bridges
Quality of Experience	Refresh of key strategies – Thundering Hooves, Edinburgh Events Strategy 1-year pilot to create more pedestrian space on George Street Support for various groups – Castle Hill Group, Capital Group, Canongate Holyrood Initiative, Royal Mile Business Assoc, Essential Edinburgh Provision of visitor info/ market intelligence – ETAG Business Opportunity Guides, City of Literature Online Toolkit and Innovation Fund, Our Edinburgh workforce tool developed
Winter Product	Winter in Edinburgh campaign, the "City for all Seasons" Winter Business Opportunity Guide, Winter Tourism Innovation Workshops, Christmas & Hogmanay business briefings and the Field of Light Installation
World Class Meeting City	Closer joint-working between Marketing Edinburgh and EICC, and collaborative working with the national Business Tourism Industry Group Creation of Business Tourism video and promotion of Edinburgh through the Business Tourism Scotland Conference Increased collaboration with Edinburgh Hotels Association (EHA)
Extending Tourism's Footprint	Development of the Cycling Tourism Action Plan Development of the Cruise Tourism Action Plan and new signage at South Queensferry Edinburgh Bio-Quarter hotel feasibility study and ongoing engagement in the West Edinburgh International Development Partnership
Transport	Significant investment at the airport - new security hall development and terminal extension, new E gates, common bag drop and self-service check in developments. A number of new air routes have been secured or existing ones extended, with new routes to China and Hong Kong being investigated Rail investments at Haymarket and Waverley stations New Tram line was launched with a proposed extension to Leith Lothian Buses launched the new Lothian Buses App and mobile ticketing
Accommodation	Edinburgh Tourism Accommodation Audit was completed, and a hotel prospectus and hotel development review were prepared Active discussions with the Edinburgh 12 initiative, hotel developers and operators to develop schemes within the City Centre's gap sites
Technology and Business Support	Tourism Technology Edinburgh report was completed, as was the development of the Connected Capital Project which will eventually offer free Wi-Fi in the city centre ETAG was also a partner in delivering the Digital Tourism Scotland Conference in 2015 ETAG has continued over the past four years to co-ordinate a wide range of well-received tourism business development and networking events with Scottish Enterprise The Festivals Edinburgh Marketing Plan refresh was completed along with the Marketing Edinburgh Strategy and business plan. Successful delivery of "This is Edinburgh" campaign and ETAG led the development of Blogmanay Proposed City Branding and new City Vision are awaiting further developments following the award of the City Deal.

Source: Summarised from Edinburgh 2020 Strategy Delivery Report (Jan 2016)

4.8 The delivery models have varied and lessons have been learnt. There has been a move away from generic, broad strategic themed working groups to more specific and focused project Working Groups.

4.9 There has been a substantial improvement in partnership working during the life of the Strategy to date, but there remain opportunities to more effectively deliver a cohesive and coherent "One Edinburgh" approach to the delivery of the Strategy.

Feedback on Strategy performance

4.10 Consultees were asked to comment on the performance and the role of the Strategy. The table below provides a summary of main achievements of the Strategy and the areas where improvements can be made.

Table 4-2: Summary of Strategy performance

Achievements	Areas for improvement
• Overall, it was felt that the Strategy has had a positive contribution to growth and has acted as a supporting framework for the city • It has helped maintain a strong network and that it had been successful in bringing partners together - The most commonly cited example of this stronger network leading to additional visitors was in terms of helping the Airport attract new routes through organising VIP tours for investors • The Strategy had raised the profile of tourism within some of the partner organisations and helped focus activities. - For example, Edinburgh 2020 helped to inform the work of the City Council's economic development team and the City Jobs Strategy. It has also helped in developing the new Event Strategy, the Tourism Leadership Programme and the use of social media, for example Blogmanay • The Strategic Priorities continued to be relevant, although the rationales for these required updating using recent evidence & trends	• Several consultees commented on the need to for the Strategy partners to have a stronger role in influencing partners on big picture issues & long-term tourism planning - For example, it was unclear what influence the Strategy is having in City development where tourism is perhaps only one part of the rationale for investment (for example, in transport, public realm, retail development etc.) • In terms of delivery, the Strategy Action Plan groups were considered to have struggled to deliver new activity and these types of groups need to have a clearer remit • The Strategy needs to be more accessible. This would help it to have an influence with partners beyond those that are directly involved, and also help promote the importance of the sector to the city's residents and business who may not feel tourism is relevant to them • More should be done to broaden out focus of the Strategy to the wider city region and beyond (e.g. 'extending the footprint), including closer working with Glasgow • The Strategy targets were considered to be too high level and not clearly linked to what the Strategy and its actions does - there is a case for considering targets that relate directly to the outcomes of specific actions. • Several consultees felt that the strong performance of the last few years meant there was an opportunity to have more ambitious growth targets. The rationale for increasing the targets would be based on continuing forecast growth at the airport, with more international new routes, a strong pipeline of new hotel development and significant infrastructure investment through the Edinburgh and South East Scotland City Region Deal • Consultees believed that Edinburgh could do much better with more resources for

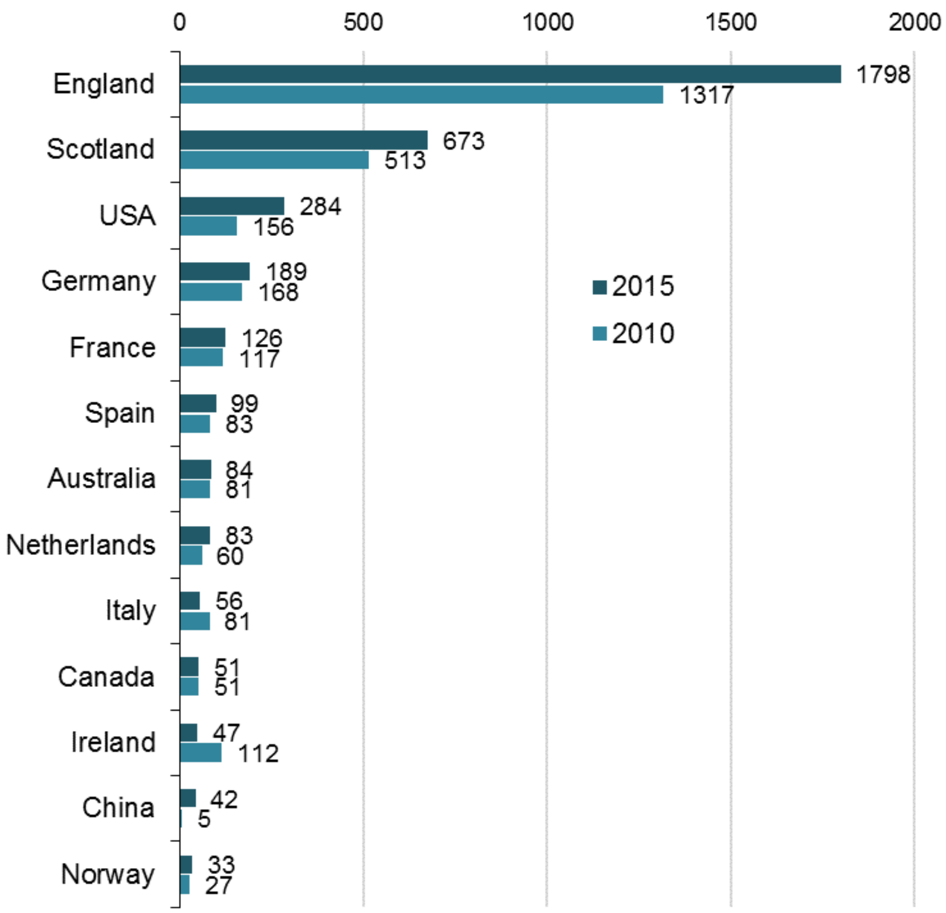
Achievements	Areas for improvement
	marketing, particularly given the investment that is made by Glasgow. Specifically, this should be around business tourism, culture and attracting visitors in the shoulder months. There was a strong sense that the city has done well over the last few years despite the fact that it has not had a strong vision and branding. Although featuring in VisitScotland campaigns there has been no bespoke international marketing of Edinburgh

Source: SQW consultations

5. Key markets

5.1 Figure 5-1 presents the key markets and their changes over the period 2010 to 2015. It shows that England, Scotland, the USA and Germany are the largest markets and have all seen significant growth. Growth in the English market has been mainly down to a very strong 2015, which saw numbers increase dramatically. Several other markets have contracted over the period, including France, Ireland and Italy, which have all faced challenging economic conditions.

Figure 5-1: Change in Edinburgh's key markets, 2010-15 (000s of trips)



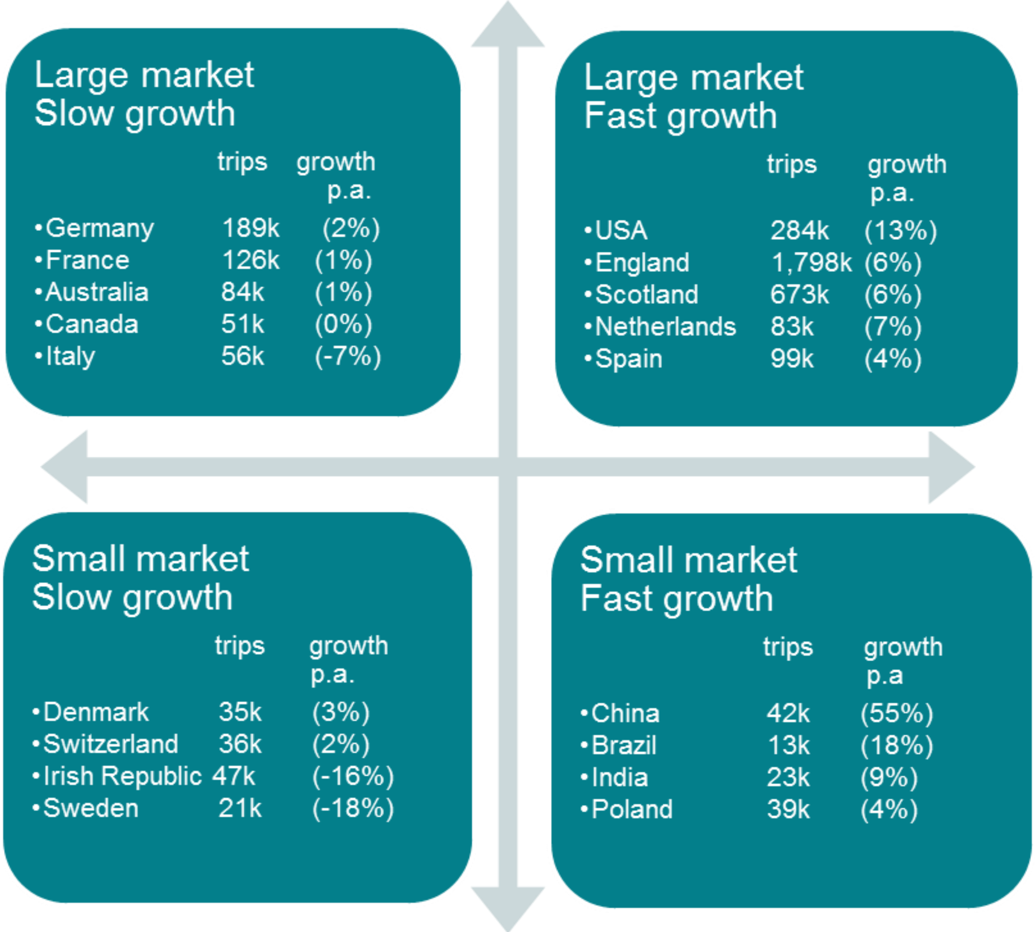
Source: SQW, IPS, GBTS

International markets

5.2 Figure 5-2 presents an analysis of the origins of visitors to Scotland. It shows the size of each overseas market in 2015, alongside *annual growth* between 2010 and 2015. The largest markets are England and Scotland, which grew by 6% a year, and the USA with growth of 13% per year), and the Netherlands 7% a year. These markets all exceeded the average of 4.4% annual growth.

5.3 The large markets which fell below 4.4% are Germany (2%), France (1%), Australia (1%) and Italy (-7%). Of the smaller markets, the fastest growing were China, Brazil, India and Poland. While the small, slower growing markets were the Denmark, Switzerland, the Irish Republic and Sweden.

Figure 5-2: Market changes (2010-2015) - number of trips and rate of growth per year



Source: IPS, GBTS data and SQW analysis

5.4 The results demonstrate how important the US market has been to achieving the Strategy's targets, but that this has also been heavily dependent on the local Scottish market, while our largest market, England, has grown far more slowly.

5.5 Among the smaller markets, the growth in Chinese visitors stands out, and it is likely that these numbers significantly under-represent the size of the market. For example, the Castle reports 150,000 Chinese visitors in 2015. Although this figure will include a small number of Chinese students living in Scotland, this would still make a major difference to the analysis. China would not only be one of Edinburgh's largest markets, it is also likely to be one of the fastest growing.

5.6 While the number of visits is broadly in line with the Strategy target, the growth in the Scottish and USA markets masks falls across the English and many of the core European markets. An issue going forward will be whether the USA growth can be maintained, but also whether the English and French markets can grow more quickly than they have over the past five years. Finally, the emerging markets, and China in particular, should continue to grow rapidly, helping to further boost the number of international visits.

5.7 In terms of any future marketing campaigns for Edinburgh, there are a number of considerations:

- Align with new air routes – Edinburgh Airport has been successful in attracting new routes and airlines in the last few years. This can provide a focus for marketing effort in the cities and countries which have new air links to Edinburgh.
- The analysis indicates a number of large markets that where growth has been slower over the past few years. England in particular has been weaker, although 2015 was much stronger (but also France, Germany and Italy). A weaker currency relative to the Euro makes the UK more attractive to these European markets and also encourages more "staycations".
- There is potential for strong growth from China and India, but estimates of numbers are less reliable. These should become a much bigger part of the market by 2020.
- New markets may emerge following Brexit – there is huge uncertainty about the implications and how this might impact on visitors coming to Edinburgh.

Looking forward

5.8 The pattern of future visitor numbers will be determined by a number of factors. For example, trends, events, air routes, economic conditions, etc. However, there are several forecasts that can be used to provide evidence on which to determine potential growth:

- VisitScotland forecasts show continued expenditure growth of 3.3% per annum. The key markets for Scotland also remain the same i.e. home turf, new neighbours, distant cousins and emerging markets.
- The VisitScotland analysis suggests that the UK market is mature with less scope for growth as GB residents start to take more foreign holidays again. Growth in domestic expenditure in Scotland is projected to be 2.5% pa compared with 4.4% pa from overseas markets.
- Deloitte and Oxford Economics report for VisitBritain; "Jobs and growth The Economic Contribution of the Tourism Economy" (2013) estimated real expenditure growth in Scotland of 3.9% a year.
- World Travel & Tourism Council (WTTC) estimates that international tourism expenditure to the UK will grow by 4.6% a year to 2026[21].
- The European Cities Marketing reports annual growth of 5.8% among its member cities between 2010 and 2014 as part of its evidence that city tourism has and will continue to grow more quickly than countries.

[21] World Travel & Tourism Council (WTTC), Travel & Tourism Economic Impact 2016 United Kingdom

Contribution to Scottish tourism

5.9 Edinburgh is not just a destination in itself, it is also a gateway to the rest of Scotland and part of more extensive itineraries. It is by far the dominant city in attracting international visitors. **In fact, 70% of all overseas holiday trips to Scotland stay in Edinburgh and almost 60% of all overseas tourism expenditure is made in the city**.

5.10 Edinburgh has the highest proportion of first time visitors to Scotland 44% versus 32% in Scotland as a whole[22]. We also know that most visitors visit the city as part of a wider visit that includes other parts of Scotland. Edinburgh is often the first point of arrival and provides the first impression of Scotland. The 2015 VisitScotland survey found that Edinburgh was the key arrival airport for air travellers to Scotland (56% of all visitor air arrivals compared with 22% at Glasgow).

5.11 Edinburgh is central to the experiences of overseas visitors to Scotland and to their perceptions. It is a major driver for the majority of overseas trips and therefore generates economic and reputational benefits for the rest of the country. Given that 70% of overseas holidaymakers come to Edinburgh as part of their visit to Scotland, increasing the number visiting the city will also increase the number visiting Scotland.

[22] VisitScotland (2012) Scotland Visitor Survey 2011 - http://www.visitscotland.org/pdf/External%20Scotland%20Visitor%20Survey%2011-12_pptx.pdf

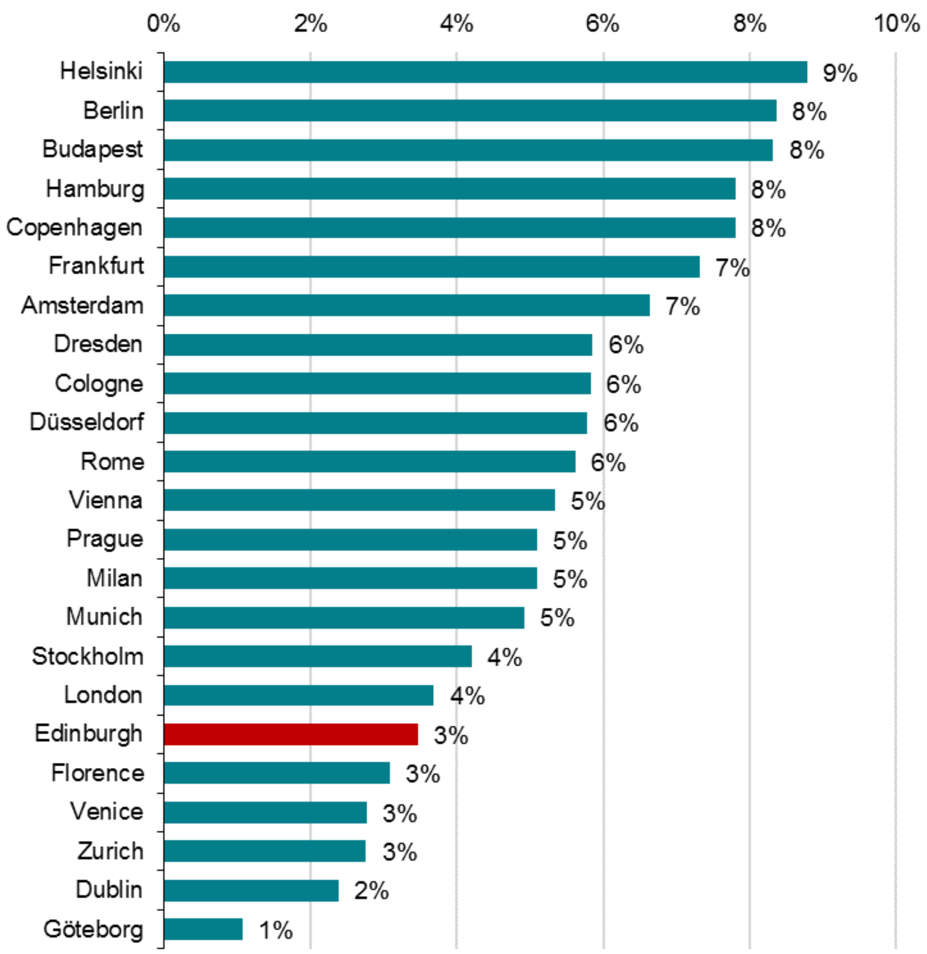
6. Stretch target

6.1 With the most recent data indicating that performance is broadly on target, a number of consultees wanted to see greater ambition, and to introduce a more stretching target.

6.2 This was based on anticipated expansion at the airport, possible changes to APD, increases in the capacity of the rail services to Edinburgh and a strong pipeline of new hotels. There are also growth opportunities in emerging markets, particularly China, and potential for growth from the English market which has lagged behind over the last two years.

6.3 Examples of the growth among many other European cities also put Edinburgh's rate of growth in perspective. Figure 6-1 shows the percentage growth in paid bed nights among the fastest growing European cities. For example, between 2010 and 2014 Copenhagen has grown by 8% a year, Frankfurt 7%, Amsterdam by 7%, and Prague by 5%. This compares with annual growth in paid bed nights of 3% in Edinburgh.

Figure 6-1: Selected fastest growing European Cities - all paid bed nights annual % growth (2010 to 2014)



Source: ECM data, GBTS and IPS

6.4 **The stretch target is an ambition rather than a projection or forecast**. It demonstrates what could be possible with the right investment and through delivering the Strategy.

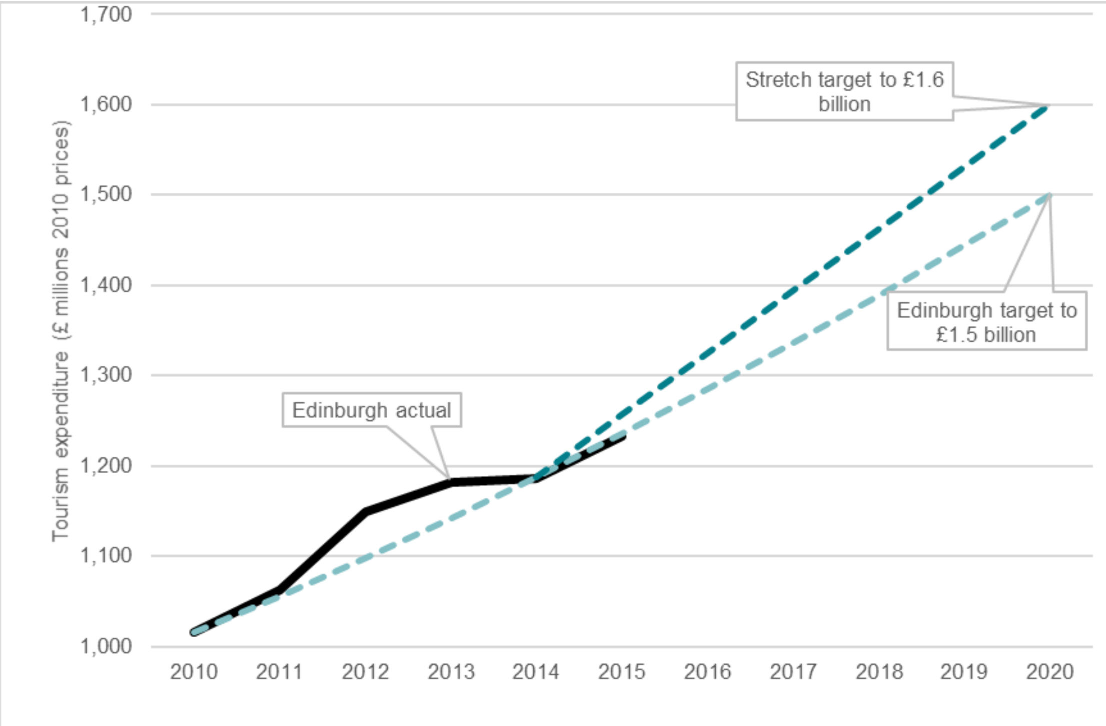
6.5 We propose that this stretch target should be:

- Tourism revenue reaching £1.6 billion (in 2010 prices).
- 4.8 million overnight visitor trips by 2020.

6.6 One of the main drivers of the stretch target is the expansion of the airport which will play a big part in growing the number of English and overseas visits more rapidly. The assumptions are that:

- International markets grow by 4.7% a year and the domestic market by 3.3% a year to 2020 (this compares with the Strategy target of 2.9% growth per annum)
- Visitor expenditure per trip reaches the current target of £341 (in 2010 prices)
- The increase in visitor numbers impacts on tourism expenditure and this target rises from £1.5 billion to £1.6 billion (in 2010 prices) by 2020.

Figure 6-2: Performance to date and the stretch target (tourism expenditure in 2010 prices)



Source: SQW

6.7 Achieving this stretch target will require a combination of new investment and marketing as well as the delivery of actions within this Strategy. Specifically:

- Airport growth continues and benefits from changes to APD
- Rail capacity increases
- Growth from key markets and rapid growth from emerging markets

- Investment in additional marketing support and support for attracting conference business
- Investment in the Festivals and support for the new Event Strategy
- Maintenance of public realm and in retaining World Heritage status
- Better distribution of visitors throughout the year and wider geography
- Pipeline hotel developments delivered.

Markets

6.8 The target represents an acceleration of growth in visits to Edinburgh, from the average of 3.6% a year between 2010 and 2014 to 4.7% from 2015 to 2020. The main overseas markets will continue to be the US, Germany, France, Spain and the Netherlands. We have assumed that these all grow by an average of around 3.5% a year. However, growth from China will be more rapid and we have assumed that the number of Chinese visitors increases to around 150,000 by 2020, while India also grows from a small base by 10% a year. More detail of the stretch target estimates of growth are in the Technical Annex.

6.9 The domestic market will grow slightly more slowly than it has over the past four years, at an average of 3.3% a year. Although the early 2015 estimates suggest that the English market is likely to have been much stronger than in the previous three years.

Capacity constraints

6.10 The target of 4.8 million trips represents an increase from the 2015 estimate of 680,000 trips by 2020 (Table 6-1). This will generate an additional 1.7 million commercial bed nights in the city over a year. After allowing for bed occupancy rates, this revised target translates into a required stock of 7,348 beds or 3,499 rooms.

6.11 There is currently a pipeline of around 4,000 rooms. However, there is potentially additional capacity through the growth of Airbnb as well as increasing occupancy rates further across the overall stock. This requires all the planned accommodation developments to come on stream by 2020 and for the non-commercial (i.e. staying with friends and relatives) market to also grow.

Table 6-1: Additional room requirement estimates for stretch target

Factors	Value
New Target (million trips)	4.78
Current Strategy target (million trips)	4.39
Current number of trips (estimated for 2015) (million trips)	4.10
Difference between new target and 2015 (million trips)	0.68
Excl VFR/non-commercial (million trips)[23]	0.48
Length of stay[24]	3.50
Additional number of bed nights (trips time average nights in millions)	1.67
Bed occupancy[25]	62.4%
Required beds in year (uplifted for bed average occupancy rate (millions)	2.68
Beds stock required (the annual figure divided by 365)	7,348
Beds per room[26]	2.1
Rooms required (bed stock divided by beds per room)	3,499

Source SQW estimates

6.12 The capacity assessment shows that even allowing for an increase in VFR/ non-commercial market, the capacity to achieve the stretch target is very tight. It is likely to require changes in the occupancy rates to ensure that demand can be met. The only scope for doing this is a significant redistribution of activity throughout the year, specifically attracting more of these visitors during October to March.

6.13 If achieved, the stretch target would deliver additional tourism expenditure of over £400 million (in 2010 prices), generating a further £130 million in wages over the next five years. By 2020, this would support a further 2,600 jobs over and above the current target.

6.14 Deloitte and Oxford Economics estimate that, for the UK as a whole, the total tax contribution related to inbound tourism was around £6.7 billion, in 2013. This is equivalent to 30% of the value of tourism overseas exports[27]. This demonstrates the long term benefit to the UK Government of further growth in Edinburgh's tourism sector.

6.15 The stretch target is a huge step up from what was already an ambitious target given past trends. It will require both new investment and strong markets over the next five years, but it also offers large rewards for Edinburgh and for Scotland.

[23] Historically staying with friends and relatives accounts for around 30% of all visitor nights
[24] This is the current average number of nights per trip (GBTS and IPS)
[25] Bed occupancy is the monthly average estimated from the Lynn Jones Edinburgh occupancy survey in 2014/15
[26] This estimate is from the CEC analysis of hotel stock which shows 43,600 beds in 20,700 rooms
[27] Deloitte and Oxford Economics report for VisitBritain; "Jobs and growth The Economic Contribution of the Tourism Economy" (2013)

7. Strategic priorities

7.1 The messages from the Review reinforce the findings for the original Strategy, although there are some changes in emphasis as per below.

Key messages

Investing in our core assets

7.2 The main message, as it was in 2012, is the importance of maintaining Edinburgh's core tourism assets, specifically the quality of the historic built environment and supporting the world-class Edinburgh Festivals, a key driver for both visits and promoting Edinburgh/Scotland's global profile.

Balanced growth

7.3 One of the biggest barriers to further growth and to increasing the sustainability of the tourism sector is the large variation of visitor numbers between the peak season and the 'shoulder' months. The analysis demonstrates that there has actually been a drop in visits between January and March. If the Strategy targets are to be met, addressing this issue will require a concerted drive by all parts of the tourism sector.

7.4 The other key issue is the increasing density of visitors in the core area of the Old Town during peak periods. There is a danger that this will start to impact of the quality of the visitor experience and create friction between the local residents and the tourism sector, as well as limiting growth due to capacity issues. Extending the quality and awareness of the product offer beyond the Old Town into the wider city and city region should be a priority.

Visitor experience

7.5 Evidence from Visitor surveys indicates that Edinburgh provides a very high level of visitor experience, but there are elements that must be improved, particularly around the basic hygiene factors for the city, such as wi-fi access, wayfinding and the cleanliness and quality of environment in busy areas.

Stronger, more sustainable businesses

7.6 Data for the hospitality and tourism sectors indicates that productivity, the output per worker has not grown much over the past 20 years. This matters because of the size of the sector. Increasing productivity would improve profitability, wages and investment, underpinning a more sustainable tourism industry in the city.

Importance of marketing

7.7 Achieving the targets set out in the Strategy will require more investment in tourism marketing. The themes identified for promotional activity within the Strategy were raised again as the main areas for Edinburgh tourism marketing to focus on.

Digital

7.8 Digital improvements underpin all of these areas and will be key for improving qualify of visitor experience, new product development and service innovation, and growing new markets.

Influencing Investment

7.9 Ensuring continuing investment in Edinburgh's core tourism product is essential. In order to sustain growth, there needs to be significant levels of investment in the city infrastructure, maintaining and protecting the city's world class environment, visitor attractions and developing the festivals. Over the coming years, there will be less public sector funding available and therefore more innovative forms of financing will be required.

7.10 The recent success and growth of the city's tourism sector is clear. Feedback from the Review process was that there was an opportunity to be more ambitious for the remaining years of the Strategy by setting a new 'stretch' target up to 2020. This will serve to ensure that the city avoids complacency around future growth and signals the city's ambition for the sector.

7.11 More needs to be done to educate and inform the wider city on the importance of tourism to economic development, whether that is through providing a wide range of employment opportunities, or helping to promote the city's sectoral assets internationally. The Strategy also has an important influencing role with partners beyond the city to facilitate new investment.

7.12 There needs to be more proactive collective leadership in planning for tourism development beyond 2020, linking to wider national and regional strategies, the Edinburgh and South East Scotland City Region Deal and the Edinburgh City Vision.

7.13 All of the above must be informed by robust and regular performance monitoring and reporting, to provide the evidence needed to support investment.

Table 7-1: Influencing Investment

Action	Delivery	Lead	Timescale
Increase investment in the Edinburgh 2020 strategic priorities	• Ensure tourism is central to the City Deal	SIG / ETAG	Sept 16 – March 17
	• Develop a structured programme of comms to inform key stakeholders	ETAG	Sept 16
	• Engage with Scottish Government at ministerial level	SIG (identify lead individual)	Sept 16
	• Develop a "hearts & minds" campaign to inform Edinburgh	Marketing Edinburgh	Ongoing
	• Ensure more effective use of partner resources	SIG / ETAG	Ongoing
Provide the evidence to inform and support investment decisions	Create a "Tourism Observatory" to identify, collate and communicate market evidence to support and prioritise future investment	ETAG	Est March 2017 – ongoing

Quality of Experience

7.14 The quality of visitor experience in Edinburgh is key to driving future growth. With increasing competition and visitors' desire to try new destinations, Edinburgh must ensure it provides a high quality experience and good value for money.

7.15 With an ever growing and competitive global market, it is essential that the sector is outward looking and continually benchmarking the quality of its visitor experience relative to competitor destinations, both quantitatively and qualitatively.

7.16 As previously stated, ensuring continuing investment in Edinburgh's core tourism product is essential. In order to sustain growth, there needs to be significant levels of investment in the city infrastructure, maintaining and protecting the city's world class environment, visitor attractions and developing the festivals.

7.17 Evidence from Visitor surveys indicates that Edinburgh provides a very high level of visitor experience, but there are elements that must be improved, particularly around the basic hygiene factors for the city, such as wi-fi access, wayfinding and the cleanliness and quality of environment in busy areas.

7.18 Digital technology is becoming increasingly essential, from planning and booking through to enhancing the visitor experience and the continued development of this must be a priority. The increasing availability of free wi-fi throughout the city and within key attractions and venues, along with new and more accessible technologies such as virtual and augmented reality, online ticketing and digital interpretation are creating the opportunity to provide new and enhanced visitor experiences around the city's existing assets.

7.19 Consistently high quality of customer service is crucial to the visitor experience and achieving this across all parts of the customer journey will have an impact on the city's overall quality of delivery. Extending frontline training to ensure that staff can provide information about the wider destination will create an enhanced visitor experience and provide opportunities to up and cross sell to generate additional spend.

Table 7-2: Quality of Experience

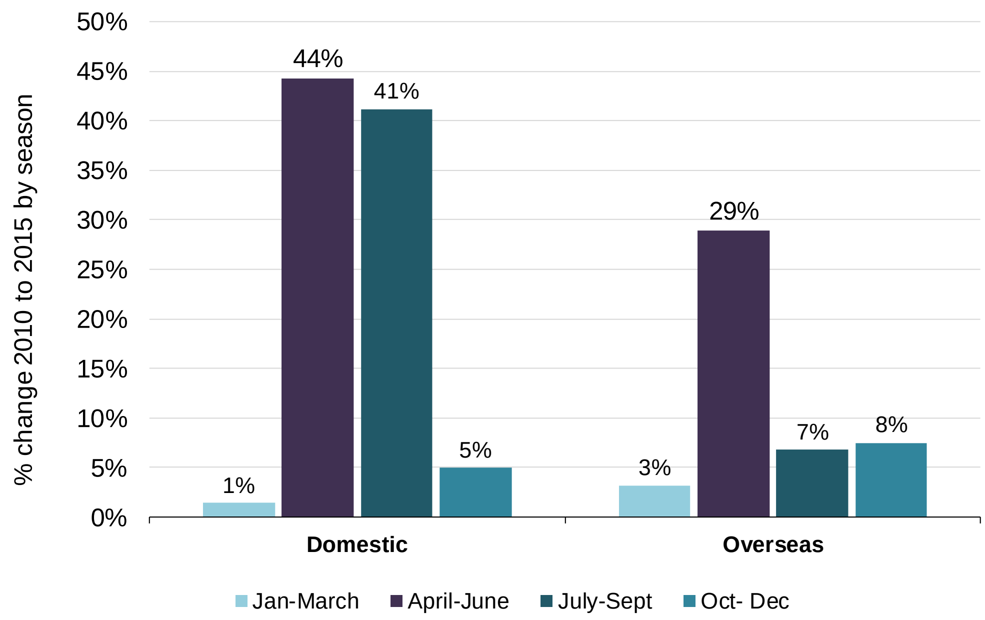
Action	Delivery	Lead	Timescale
Horizon scanning and monitoring quality & competitiveness of visitor experience	• Ensure ongoing horizon scanning to monitor new developments, competitor activity and market trends	Tourism Observatory	2017 / 2018
	• International benchmarking via learning journeys to competitor or comparator destinations	ETAG	2017/2018
	• Deliver leadership development opportunities	ETAG	2017/2018
Ensure that Edinburgh tourism sector has the capacity to adopt and exploit new technology to deliver new and improved visitor experiences	• ETAG digital tourism programme	ETAG	Ongoing
	• Digitising the Festivals City activity	Festivals Forum	Ongoing
	• Maximise opportunities around new city centre free wifi service	ETAG	Ongoing
Optimise the value and opportunity around Edinburgh's existing visitor and cultural assets	• Support the delivery of Thundering Hooves 2.0	Festivals Forum	Ongoing
	• Creating higher visibility of and integration between Edinburgh's cultural venues and the tourism sector	Edinburgh Cultural Venues Group	Ongoing
	• Continue work to utilise Edinburgh's City of Literature status, including support for the new Netherbow development	City of Literature Trust/Netherbow Initiative	Ongoing
	• Continue work to utilise Edinburgh's World Heritage status, including support for the new Tron Kirk development	Edinburgh World Heritage	Ongoing
	• Continue to promote Our Edinburgh across industry partners and stakeholders	ETAG	Ongoing
Monitor visitor feedback to inform investment priorities, ensure quality is sustained and issues identified/addressed	• Utilise 3rd party user generated content to provide information and insights, both qualitative and quantitative	Tourism Observatory	Ongoing

January to March

7.20 Although the number of visitors has grown significantly since 2010, growth has been concentrated in the April to December period. This is a major barrier to achieving the

Strategy's growth targets. It is also an issue in growing profitability, productivity, investment and generally enabling a more sustainable tourism industry in the sector.

Figure 7-1: % change in the number of visitors to Edinburgh by season 2010 to 2015

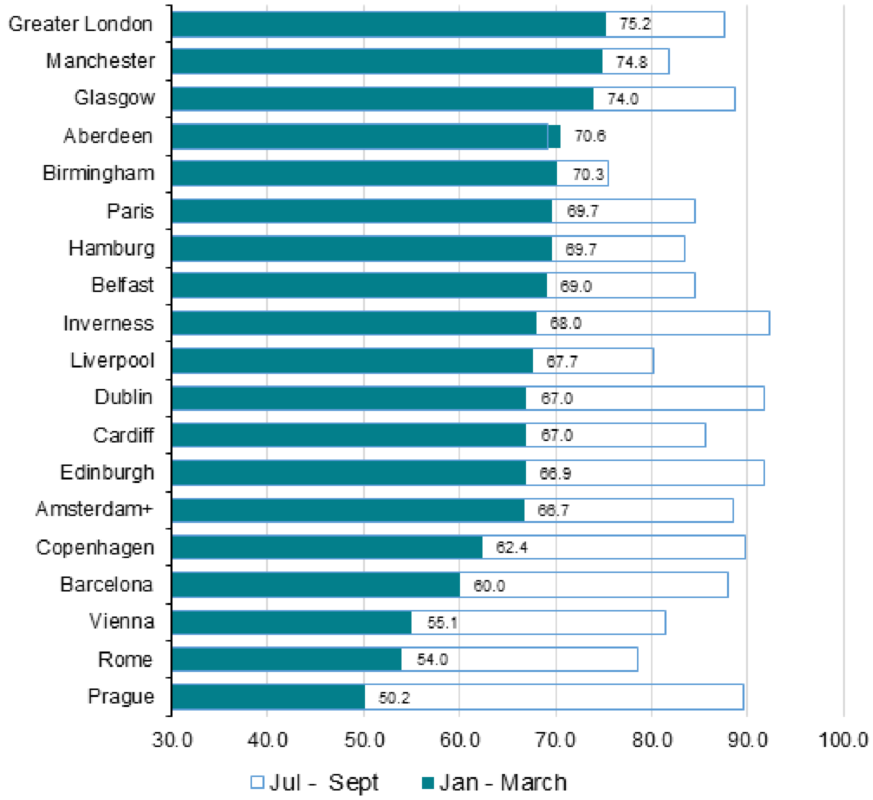


Source: IPS, GBTS data and SQW analysis

7.21 While the Strategy has helped in the focus and development of the 'Winter Product', there should be a more refined focus on the January to March period. The city has a strong cultural offer throughout the year and more could be made of this during shoulder months. This required greater support for marketing, promotion and possibly event development. A new group will be set up to investigate the potential role for supporting an event and marketing.

7.22 Figure 7-2 uses hotel occupancy data from STR to show the difference between high and low seasons across some of the main European cities. Occupancy rates are shown for Jan-March (shaded bars) and July- Sept (unshaded bars). Edinburgh shows one of the biggest differences, with one of the highest summer occupancy rates, but one of the lowest among UK cities.

Figure 7-2: % hotel occupancy rates in Jan-March (shaded bars) and July- Sept (unshaded bars) for major cities (2014 and 2015 data)



Source: STR occupancy data 2014 and 2015

7.23 The consultations tended to focus on either the introduction of a new event in this period or the support of one of the existing events. The feedback was that there is lot going on but that more support and resources would be needed to develop an event that could impact on visitor numbers. Glasgow's Celtic Connections Festival was the most common example. The city has a strong cultural offer throughout the year and more should be made of this during shoulder months and more should be done to optimise this, through greater support for marketing and promotion.

7.24 The focus on the shoulder months must not be at the expense of continued support and investment in the current year-round product.

Table 7-3: January to March

Action	Delivery	Lead	Timescale
Create a short life Jan-March working group to define activity going forward	• Audit existing city visitor offer across all aspects of the visitor journey during Jan – March • Identify gaps and potential for additional activity • Create Jan – Mar strategy and action plan • Develop and enhance Jan – Mar marketing	ETAG	Sept – Dec 16

Action	Delivery	Lead	Timescale
Embed Jan – March as a priority for activity and investment by all 2020 partners	• Champion through Edinburgh 2020 comms plan and ongoing sector engagement	Strategy Implementation Group	Ongoing
Maximise existing cultural offer	• Explore potential for joint packaging and marketing of tourism and cultural offer	Edinburgh Cultural Venues Group	Ongoing

World Class Meetings City

7.25 The focus the Strategy must be on the growth of discretionary business tourism driven by the MICE (Meetings, Incentives, Conferences, and Exhibitions) market. Non-discretionary business tourism is largely driven by wider influences, with factors such as increasing use of technology to drive business efficiencies and reduce business costs meaning there is likely to be an ongoing reduction in this market.

7.26 Although the number of delegates attending conferences is relatively small in the context of all visitors to Edinburgh, these types of events generate high levels of economic impact and play an important role in showcasing the city both for future leisure and business trips and supporting the city's key industries, academic sectors and inward investment.

7.27 Over the last couple of years there has been a closer relationship between the Marketing Edinburgh Convention Bureau, the Edinburgh International Conference Centre (EICC) and the Edinburgh Hotels Association, which is resulting in a more strategic approach to bidding for events. This work needs to be developed further.

7.28 The lack of a large scale convention venue remains a barrier to growth. The original Strategy references the requirement for a multi-use venue (capable of seating 2000+ delegates) which would service both cultural and business tourism sectors.

7.29 The limited availability of top quality conference accommodation is one potential weakness, and ties in with other feedback on the need for Edinburgh to attract more five star hotels.

7.30 Since the city does not have the resource to win bids through incentives, it must focus on providing a high quality, value for money offer building on the unique strengths of the city, particularly the potential to create a cohesive "end to end" product for the conference market through a strong city partnership.

7.31 Business tourism could play an important role in trying to address the seasonality issue in Edinburgh. For example, hotel occupancy rates are lower during the shoulder months, especially January to March, therefore there is more potential to secure additional business.

Table 7-4: World Class Meetings City

Action	Delivery	Lead	Timescale
Establish Business Tourism Delivery Group	• Strengthen city wide partnership approach to improve bidding and quality of offer	ME/EICC – supported by ETAG	2016
Update of Edinburgh Accommodation Audit	• Review and update the need for additional 4* plus accommodation to support the market	Tourism Observatory	2017

Action	Delivery	Lead	Timescale
Secure an agreed approach with VisitScotland in relation to the use of subvention funding to recognise industry support in kind	• Ongoing discussions with VisitScotland	ME/EICC	2017
Grow value of business tourism through new venue development	• Multi-purpose venue to sear 2000+ delegates in plenary	TBC	TBC

Extending the Footprint

7.32 The popularity of Edinburgh's core Old and New Town area is creating increasing challenges as visitor numbers grow, resulting in a high density of visitors during peak periods. There is a danger that this will start to impact of the quality of the visitor experience and create friction between the local residents and the tourism sector, as well as limiting growth due to capacity issues. Extending the quality and awareness of the product offer beyond the Old and New Town into the wider city and city region is therefore a priority.

7.33 This involves promoting the things to see and do and raising awareness of these among visitors. It also means highlighting opportunities among businesses to encourage and drive new collaborations which improve and broaden the visitor offer.

7.34 Improvements to wayfinding (signage, online navigation tools etc.) will be essential to facilitate visitors feeling confident, secure and informed enough to explore beyond the core city and recent/ongoing transport infrastructure improvements while facilitate travel beyond the city boundaries.

Table 7-5: Extending the Footprint

Action	Delivery	Lead	Timescale
Deliver new Wayfinding system for Edinburgh	• Progress the City ID concept work to full implementation and identify and secure funding sources	Transport for Edinburgh	2018
Drive strategic engagement	• Establish relationships with key partners and stakeholders in the city region • Raise awareness of opportunity to extend the tourism footprint and maximise existing visitor offer	ETAG	2017
Improve linkages and collaborative working within the city and wider city region	• Increase visibility of the range and breadth of the Edinburgh offer	Marketing Edinburgh	2017
	• Identify B2B comms routes to increase the visibility of the wider visitor product and opportunities for partners to collaborate to amplify messaging to the visitor market.	ETAG	Ongoing

Action	Delivery	Lead	Timescale
	• Continue to ensure ETAG offers open access to stakeholder and businesses to exploit opportunities	ETAG	Ongoing

Achieving Growth

7.35 The overarching priority for the Strategy is achieving the growth targets and in doing so developing a stronger and more sustainable industry, which creates wealth and jobs for the city and Scotland-wide.

7.36 Growth will be driven by more effectively exploiting the existing assets and the optimising the ROI on investments made to date is key. *"Our fastest route to growth will be to make more money from those investments we have already made and those resources we already employ. Improve our profitability and new investment will follow" (New Zealand 2025 strategy)*

7.37 Identifying and developing new market opportunities is fundamental to driving growth – the work in developing the China, Accessible Tourism and Youth Travel markets must be supported, as each of these are large and growing global markets where Edinburgh has strong potential.

7.38 Themed years and anniversary events provide the opportunity for the industry to focus and collaborate around unique, one-off opportunities – generating both direct benefit in terms of visitor numbers and also longer term legacy activity and positioning.

7.39 Ongoing product and service innovation is essential to maintain the quality and competitiveness of the sector in terms of visitor experience.

7.40 There is also an increasing need and opportunity for businesses to innovate around their own business models in order to achieve business efficiencies, increase productivity and drive profitability.

7.41 An Edinburgh Tourism Productivity Programme, led by ETAG and SE, which would include:

- Working with businesses to encourage better management and leadership
- Working with businesses to make more and better use of digital technologies, specifically in analysing and managing businesses. This could involve case studies, visits to good practice businesses, advice surgeries, or knowledge exchange sessions
- Providing support for developing innovations that can improve productivity. This could include working with technology sector
- Working with SDS on support for skills and training - the SDS Tourism Skills Investment Plan will set out the priorities and actions for skills development. ETAG should work with SDS to ensure that the city benefits from skills support.

Table 7-6: Achieving Growth

Action	Delivery	Lead	Timescale
Business development	• Ongoing business support programme for the Edinburgh tourism sector • Enhanced cross agency working to deliver a more cohesive business development programme • Enhanced comms to ensure business awareness of available support	ETAG	Ongoing
Identify and develop new market opportunities	• Continued support for China, Accessible and Youth Travel markets	ETAG and specific Delivery/ Industry Groups	Ongoing
	• Horizon scanning and analysis of additional new market opportunities	Tourism Observatory	Ongoing
Exploit Themed Years, Anniversaries etc.	• Establish short-life working groups for specific years, anniversaries	ETAG	As appropriate

8. Action Plan summary

8.1 The table below summarises all action areas under each of the Strategic Priorities.

Table 8-1: Action Plan summary

Action	Delivery	Lead	Timescale
Influencing Investment			
Increase investment in the Edinburgh 2020 strategic priorities	• Ensure tourism is central to the City Deal	SIG / ETAG	Sept 16 – March 17
	• Develop a structured programme of comms to inform key stakeholders	ETAG	Sept 16
	• Engage with Scottish Government at ministerial level	SIG (identify lead individual)	Sept 16
	• Develop a "hearts & minds" campaign to inform Edinburgh	Marketing Edinburgh	Ongoing
	• Ensure more effective use of partner resources	SIG / ETAG	Ongoing
Provide the evidence to inform and support investment decisions	Create a "Tourism Observatory" to identify, collate and communicate market evidence to support and prioritise future investment	ETAG	Est March 2017 – ongoing
Quality of Experience			
Action	**Delivery**	**Lead**	**Timescale**
Horizon scanning and monitoring quality & competitiveness of visitor experience	• Ensure ongoing horizon scanning to monitor new developments, competitor activity and market trends	Tourism Observatory	2017 / 2018
	• International benchmarking via learning journeys to competitor or comparator destinations	ETAG	2017/2018
	• Deliver leadership development opportunities	ETAG	2017/2018
Ensure that Edinburgh tourism sector has the capacity to adopt and exploit new technology to deliver new and improved visitor experiences	• ETAG digital tourism programme	ETAG	Ongoing
	• Digitising the Festivals City activity	Festivals Forum	Ongoing
	• Maximise opportunities around new city centre free wifi service	ETAG	Ongoing
Optimise the value and opportunity around Edinburgh's existing visitor and	• Support the delivery of Thundering Hooves 2.0	Festivals Forum	Ongoing

Action	Delivery	Lead	Timescale
cultural assets	• Creating higher visibility of and integration between Edinburgh's cultural venues and the tourism sector	Edinburgh Cultural Venues Group	Ongoing
	• Continue work to utilise Edinburgh's City of Literature status, including support for the new Netherbow development	City of Literature Trust/Netherbow Initiative	Ongoing
	• Continue work to utilise Edinburgh's World Heritage status, including support for the new Tron Kirk development	Edinburgh World Heritage	Ongoing
	• Continue to promote Our Edinburgh across industry partners and stakeholders	ETAG	Ongoing
Monitor visitor feedback to inform investment priorities, ensure quality is sustained and issues identified/addressed	• Utilise 3rd party user generated content to provide information and insights, both qualitative and quantitative	Tourism Observatory	Ongoing
January to March			
Create a short life Jan-March working group to define activity going forward	• Audit existing city visitor offer across all aspects of the visitor journey during Jan – March • Identify gaps and potential for additional activity • Create Jan – Mar strategy and action plan • Develop and enhance Jan – Mar marketing	ETAG	Sept – Dec 16
Embed Jan – March as a priority for activity and investment by all 2020 partners	• Champion through Edinburgh 2020 comms plan and ongoing sector engagement	SIG	Ongoing
Maximise existing cultural offer	• Explore potential for joint packaging and marketing of tourism and cultural offer	Edinburgh Cultural Venues Group	Ongoing
World Class Meetings City			
Establish Business Tourism Delivery Group	• Strengthen city wide partnership approach to improve bidding and quality of offer	ME/EICC – supported by ETAG	2016
Update of Edinburgh Accommodation Audit	• Review and update the need for additional 4* plus accommodation to support the market	Tourism Observatory	2017

Action	Delivery	Lead	Timescale
Secure an agreed approach with VisitScotland in relation to the use of subvention funding to recognise industry support in kind	• Ongoing discussions with VisitScotland	ME/EICC	2017
Grow value of business tourism through new venue development	• Multi-purpose venue to sear 2000+ delegates in plenary	TBC	TBC
Extending the Footprint			
Action	**Delivery**	**Lead**	**Timescale**
Deliver new Wayfinding system for Edinburgh	• Progress the City ID concept work to full implementation and identify and secure funding sources	Transport for Edinburgh	2018
Drive strategic engagement	• Establish relationships with key partners and stakeholders in the city region • Raise awareness of opportunity to extend the tourism footprint and maximise existing visitor offer	ETAG	2017
Improve linkages and collaborative working within the city and wider city region	• Increase visibility of the range and breadth of the Edinburgh offer	Marketing Edinburgh	2017
	• Identify B2B comms routes to increase the visibility of the wider visitor product and opportunities for partners to collaborate to amplify messaging to the visitor market.	ETAG	Ongoing
	• Continue to ensure ETAG offers open access to stakeholder and businesses to exploit opportunities	ETAG	Ongoing

Action	Delivery	Lead	Timescale
Achieving Growth			
Business development	• Ongoing business support programme for the Edinburgh tourism sector • Enhanced cross agency working to deliver a more cohesive business development programme • Enhanced comms to ensure business awareness of available support	ETAG	Ongoing
Identify and develop new market opportunities	• Continued support for China, Accessible and Youth Travel markets	ETAG and specific Delivery/ Industry Groups	Ongoing
	• Horizon scanning and analysis of additional new market opportunities	Tourism Observatory	Ongoing
Exploit Themed Years, Anniversaries etc.	• Establish short-life working groups for specific years, anniversaries	ETAG	As appropriate

9. Performance monitoring

9.1 Currently, the main mechanisms for monitoring the delivery of the Edinburgh 2020 Tourism Strategy are an Annual Performance Monitoring Report and the Strategic Delivery Report which is updated with a long list of tourism actions and initiatives taking place across the city.

9.2 An important additional element will be trying to capture the link between the Action Plan activities and how that then makes a difference to the performance of tourism generally in the city.

9.3 We propose that for **each of the Strategic Priority themes, ETAG prepares at least one short case study that provides qualitative evidence on the activities and outcomes that have been achieved**. This would be prepared each year, as part of the Annual Strategy Performance Report. It will also help clarify to Strategy partners, and more widely, the difference the Strategy is making.

9.4 This is potentially a very important part of promoting the Strategy and building support for it. The more people understand the difference it makes the more credibility it will have within Partner organisations. This is a high priority over the next five years.

Figure 9-1: Monitoring approach

Action Plan indicators

9.5 The table below sets out the main activity indicators for the Action Plan. Some of the indicators are in relation to one-off events, others will be monitored on an annual basis.

Table 9-1: Action Plan indicators

Strategic Priority	Activity indicators
Influencing Investment	• New City Vision launched • Tourism Observatory set up • Annual SIG tourism planning events held • Develop comms plan for SIG members • Review of future tourism funding undertaken
Quality of Experience	• Up-to-date visitor experience research undertaken • Wayfinding project implemented • New digital content on wider visitor product developed and updated • ETAG digital tourism programme delivered
Jan to Mar	• Short life (6 month) working group set up to audit existing city visitor offer during Jan – March • New annual marketing campaign launched for Jan – March • Additional visitors coming to the city influenced by Jan – March marketing campaign (through follow-up survey) • Additional visitor expenditure influenced by Jan – March marketing campaign (through follow-up survey)
World Class Meetings City	• New Business Tourism Delivery Group created • Updated Accommodation Audit produced • Number of business delegates at ME/EICC supported events • Value of business tourism spend at ME/EICC supported events
Extending the Footprint	• Wayfinding project implemented • New digital content on wider visitor product developed and updated • Number of Tourism Business Opportunity Events organised focused on extending the footprint
Achieving Growth	• Short-life working groups set up for themed years • Number of ETAG business events and workshops

Tourism indicators

9.6 The main tourism indicators listed below are already monitored in the existing Annual Performance Monitoring Report. These remain the right indicators to track the overall performance of the tourism sector.

9.7 There is one proposed change around the monitoring of visitor numbers in the October to December and January to March periods. A new indicator has also been added on the profile of Edinburgh as a destination, using the Anholt GfK-Roper City Brands Index.

Table 9-2: Key tourism indicators

Key performance area	Activity indicators	Data source
Volume	• No. of domestic overnight visitor trips	GBTS
	• No. of international overnight visitor trips	IPS
	• Total number of overnight visitor trips	GBTS/ IPS
	• No. of day trips	GBDVS
Value	• Spend per trip for domestic visitors	GBTS
	• Spend per trip for international visitors	IPS
	• Total spend per trip	GBTS/ IPS
	• Trip duration for domestic visitors	GBTS
	• Trip duration for international visitors	IPS
	• Trip duration for all visitors	GBTS/ IPS
Seasonality	• No. of visitors coming to Edinburgh during the months of October to December	GBTS/ IPS
	• No. of visitors coming to Edinburgh during the months of January to March	GBTS/ IPS
Reputation and profile	• Anholt GfK-Roper City Brands Index	GfK
Other key indicators	• GVA in tourism businesses	Scottish Government – Scottish Annual Business Statistics
	• ICCA rankings	Marketing Edinburgh
	• Airport passengers	Civil Aviation Authority
	• Festival tickets	Festivals Edinburgh
	• Occupancy and room rates	STR Global
	• Key Visitor Attraction visitor numbers	VisitScotland

Annex A: Review consultees

A.1 The following stakeholders were consulted as part of the Review process.

Table A-1: Consultees

Name	Organisation
Adam Wilkinson	Edinburgh World Heritage Trust
Adrian Harris	Edinburgh Cultural Venues Group
Al Thomson	Unique Events / Hogmanay
Alisdair Smart	Scotrail / Abelio
Amanda Wrathall	EICC
Andrew Kerr	City of Edinburgh Council
Anna Grant	City of Edinburgh Council - Planning
Audrey Jones	Edinburgh Playhouse
Brian McAteer	Essential Edinburgh
Catherine Holden	National Museum of Scotland
Cathy Craig	Scotrail / Abelio
Charlie Smith	VisitScotland
Charlie Wood	Underbelly
Danny Cusick	Scottish Enterprise
Duncan Hendry	Edinburgh Cultural Venues Group/ Festival City Theatres Trust
Frank Ross (Cllr)	City of Edinburgh Council
Gavin Barrie (Cllr)	City of Edinburgh Council
Giles Ingram	The Abbotsford Trust
Gordon Dewar	Edinburgh Airport
Gordon Rintoul	National Museums Scotland
Helen Adams	Transport for Edinburgh
James McVeigh	Festivals Edinburgh
Jim Galloway	City of Edinburgh Council
John Donnelly	Marketing Edinburgh
Julia Amour	Festivals Edinburgh
Julie Barnsley	City of Edinburgh Council – Economic Development
Julie Hunter	Scotch Whisky Experience
Kari Coghill	Historic Environment Scotland
Karl Chapman	City of Edinburgh Council – Museums and Galleries
Kat Brogan	Mercat Tours
Ken Hay	Festivals Edinburgh/ Edinburgh International Film Festival

Name	Organisation
Laura Vass	Rabbie's Small Group Tours
Lesley Williams	Marketing Edinburgh
Linda Crooks	Traverse Theatre
Lynda Dalgliesh	Royal Yacht Britannia
Lynne Halfpenny	City of Edinburgh Council - Culture and Sport
Maggie Mitchell	South Queensferry BID
Malcolm Roughead	VisitScotland
Marshall Dallas	EICC
Nesta Gilliland	Scotrail / Abelio
Patsy Convery	National Galleries of Scotland
Paul Macari	Royal College of Surgeons
Paul McCafferty	Scottish Enterprise
Paul Wakefield	Marketing Edinburgh
Pete Duncan	HAGGIS Adventures
Pete Williamson	NMS Enterprises
Richard Kington	ETAG / Edinburgh First
Riddell Graham	VisitScotland
Rob Lang	Edinburgh Airport
Robin Worsnop	ETAG / Rabbie's Small Group Tours
Roddy Smith	Essential Edinburgh
Ruthanne Baxter	City of Edinburgh Council – Museums and Galleries
Sam Smith	Borders Railway
Sir John Leighton	National Galleries of Scotland
Stephen Duncan	Historic Environment Scotland
Stuart Ward	SDI
Susan Russell	Festivals Edinburgh
Tristan Nesbitt	Edinburgh Hotels Association / Sheraton Grand