

## **APPENDIX C**

### **Review of Destination Marketing of the District**

#### **1. Background/Context**

As part of the outline review of services provided by the Regeneration and Planning Service, Cabinet (5<sup>th</sup> November 2013) resolved to review council's approach to the Strategic Management and marketing of the district in support of the visitor economy.

This report has been prepared by the Assistant Head (Communications) and is structured along the following lines:

- Summary of the role the visitor economy plays in Lancaster District and how this could develop in the next few years;
- An analysis of the strategic destination management and visitor marketing role
- Outline options for change within this context.

#### **2. The visitor economy in the Lancaster District**

Both the Council's Corporate Plan and its Local Development Framework Core Strategy recognise that the Visitor Economy is one of the key economic drivers for the District. Our district's visitor economy is worth more than £300 million, brings in more than six million visitors annually and supports over five thousand jobs (STEAM data).

Major regeneration initiatives are planned for the next 5 – 10 years and present a significant opportunity to transform the district and grow the market share for visitors.

The city council's destination strategy and destination marketing function is responsible for working with partners, including Marketing Lancashire, the universities, BID, LAP and others, to market the district. Whereas some of these organisations have traditionally marketed aspects of the district to their target audiences, the city council has provided holistic destination wide marketing, promoting the full mix of offer, including service providers as well as what to do/see/go. Importantly too the city council has taken the lead in encouraging and facilitating partnership working and approaches, which in turn have led to more joined up and effective results.

Recognising the significant opportunities for the district to benefit further from the visitor market, a branding exercise has been undertaken in order to support partners and enable them and the city council to work together to ensure the district is best placed to deliver a cohesive branding implementation plan and thereby attract growing numbers of people who wish to visit, work or invest here.

#### **3. To what extent does the Council engage in destination marketing?**

Core areas of work are:

- Community leadership on destination marketing matters
- Liaison and communication with existing businesses to capture and address issues where appropriate
- Share opportunities for tourism businesses to support initiatives and drive up own business
- Information and advice for start ups
- Research/ Monitoring and collecting visitor economy statistics
- Identifying potential areas of visitor development
- Liaising with partners on tourism infrastructure issues such as signage
- Destination marketing (inc Visitor Guide, Attractions, Visitor Website, LOIS)
- Specific 'campaigns to target staying visitors, eg events, attractions, things to do, student open days
- Thematic campaigns (inc Festivals by the Sea, Guided Walks)
- Partnership programming/marketing (WW1, Lancaster Unlocked, Witches, Event Forums)
- Marketing the Visitor Information Centres
- Management of the online shop for the VICs.
- Various marketing support (ad hoc e.g TERN, Way of the Roses)
- Industry liaison

The destination marketing team work closely with VICs on a range of areas including campaign fulfilment (mail shots responding to enquiries), product knowledge (businesses using their customer facing centres for updating), updating the Destination Management System (which powers CCC and VL websites, support with staffing for consumer travel shows or pop up information stands (eg Uni Visit Days and staff resource is equivalent to 2 FTEs).

## **5. Net Costs**

Staffing Costs £92K

Destination marketing budget:

This budget is used to support the development and delivery of a range of destination and thematic marketing campaigns aimed at attracting visitors to the different parts of the district, in line with the themes emerging from the branding exercise. Some are done solely by the city council and some in partnership. Main areas of activity include the main accommodation and attractions guides, to what's on, specific attractions and events, partnership projects and product promotion, as well as supporting activities such as photography, distribution, internet provision, traditional advertising and online advertising and is approximately £62,400K in total as per the 2014/15 draft estimates). This budget also includes a £10,500 contribution to Marketing Lancashire activity.

Research and destination and benchmarking budget: This is used for subscriptions to bodies, payment for destination research and benchmarking and is £10,000 as per the 2014/15 draft estimates.

## Options

The options presented take the following factors into consideration:

- The Council's financial challenges;
- The emerging branding strategy and need to be cognisant with plans for the two emerging destinations; and
- Opportunities for a more joined up partnership approach to destination marketing arising from the branding strategy and for increased partnership with Marketing Lancashire.

At this stage no short term/immediate savings have been identified, which can be implemented from 1<sup>st</sup> April 2014. It is proposed instead to use the coming months to examine more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

### **6. Option 1 – short term**

The outcome of the brand engagement work and newly formed steering groups is already facilitating a stronger public/private sector partnership with a shared vision. This in turn should enable a shared approach to destination marketing and a shared responsibility in terms of delivery and evaluation. It will inevitably mean a review of what all providers currently deliver and each of their roles going forward.

In time it may be that those resources are no longer directly managed by the city council – discussions are being undertaken with partners about other approaches - but at this early stage in the emerging branding approach it is recommended that they are.

To help facilitate and support this approach it is recommended that the city council continue its partnership direct marketing approach, realigning its staff resources and marketing budgets to support the two brands. It is recommended that this area of work continue to be closely aligned to those responsible for arts and events commissioning and/or delivery, venue programming and ticketing provision, visitor information provision, visitor attraction marketing, as well as the council's economic development and regeneration and policy functions that support the visitor economy and corporate communications.

Therefore option 1 includes:

- continuing to provide the strategic and co-ordinating functions to encourage and support the development and effective implementation of a range of branding projects, whilst alongside delivering targeted marketing campaigns to encourage increased visitor awareness and spend
- working more closely with Marketing Lancashire to ensure Lancaster/Morecambe Bay gets maximum support to ensure growth in visitor numbers in support of the new branding and examining opportunities for a more collaborative approach.
- Aligned to this will be delivering online visitor information via the Visit Lancashire website instead of the existing citycoastcountryside site. This will potentially enable the district to reach many thousands more visitors and take

advantage of enhanced online functionality, at no additional cost to the council. NB the council would continue to be responsible for inputting the data to support this. A report detailing this option will be shared with MT for consideration.

#### **Option 1 – short term**

<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
Maintains strategic direction and expertise to support major regeneration initiatives and significant opportunity to transform the district and grow the market share for visitors.	No saving at this stage	Prospective partners are unable to deliver
Acknowledges the already reduced council resources available to deliver destination marketing.		
Encourages and supports partners in the delivery of destination marketing and secures external funding, match funding and resource		
Continued support and confidence to local businesses and potential investors		
Supports opportunity for private sector support eg BID and potential new partners		

#### **7. Option 2 – longer term**

Use the coming months to examine, with partners where appropriate, more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

Options could include:

- a) No provision of destination marketing;
- b) Strategic event support only;
- c) Strategic and commissioning;

#### **Options Analysis (including risk assessment)**

- a) No provision of destination marketing;

<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
Staff and budget savings c£164.4K pa less redundancy costs in year 1.	Potential to destabilise branding projects and strategic direction and expertise to support major regeneration initiatives and miss significant opportunity to transform the district and grow the market share for visitors.	Uncertainty as to whether the joined up work between partners will continue or will fragment without city council as driver.
	Potential negative impact on wider regeneration plans	
	Could reduce confidence of potential tourism business investors and potential to attract external and match funding reduced.	
	Potential one off redundancy costs for current staff subject to redeployment	
	Negative publicity	

b) Strategic only;

<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
As 2a, although reduced	As in 2a	As in 2a

c) Strategic and commissioning;

<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
As in option 1 but with some savings	Reduced savings	

## 8. Officer Recommendation

The officer recommendation is to adopt the two stage approach outlined above. The district now has two strong and committed groups who will work together under one vision with the potential to help significantly raise the profile of both Lancaster and Morecambe Bay as valuable visitor destinations. The city council's contribution both in strategic, resource and management terms is critical in this formative stage. To withdraw would risk destabilising the entire project. The benefit of this approach is to encourage the continuation of this joined up and therefore jointly resourced approach

with the ambition of the district developing a joined up visitor marketing strategy, budget and resources.

Longer term it may be the city council's approach can adapt, with other partners eg Marketing Lancashire, taking a stronger lead in the district. Discussions are being underway with Marketing Lancashire to examine various aspects, with a report regarding the destination website due to be considered early in the new year.

It is also recommended that this area of work continue to be closely aligned to those responsible for arts and events commissioning and/or delivery, venue programming and ticketing provision, visitor information provision, visitor attraction marketing, as well as the council's economic development and regeneration and policy functions that support the visitor economy and corporate communications.