

CABINET

Destination Branding 29 July 2014

Report of Chief Officer (Regeneration and Planning)

PURPOSE OF REPORT			
To provide information on the two new destination brands for Lancaster (including the Lune Valley) and Morecambe Bay and propose arrangements for the future management and use of the brands.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	26 th June 2014		
This report is public.			

RECOMMENDATIONS OF Councillor Ron Sands

It is recommended that:

- (1) The Council works jointly with Marketing Lancashire to agree and develop secure, sustainable, long term management arrangements for two new destination brands for Lancaster (including the Lune Valley) and Morecambe Bay, working with district partners and Cumbria Tourism, as appropriate.
- (2) The new destination branding is used for all relevant visitor information produced by the Council. The "City, Coast and Countryside" banner is retained for service and corporate communications.
- (3) Cabinet considers the two options set out in this report.
- (4) Tourism businesses are provided with information regarding their promotion opportunities, as required.
- (5) Funding referred to is used to support the additional activities anticipated to ensure that destination branding for Lancaster and Morecambe Bay is effective and that general fund revenue budgets are updated accordingly, subject to a formal review of this activity after Year 1.

1.0 Introduction

- 1.1 Following Cabinet's endorsement of the destination branding approach in June 2013, the council has been working with a wide range of partners to develop two major new destination brands for Lancaster (incorporating the Lune Valley) and for Morecambe Bay. These brands will underpin visitor marketing for the district, and beyond, in the future. It is anticipated that, by working with Marketing Lancashire and other partners, the Council can ensure that both Lancaster and Morecambe Bay achieve a national, and potentially international, profile as great places to visit. This in turn will lead to improved economic impact achieved as a result of improved visitor numbers, visitor spend and jobs.
- 1.2 Both brands have been developed using a wide partnership approach with a high level of engagement and buy in via the individual Branding Steering Groups. A full list of partners is included at Appendix C. A series of consultations and work with focus groups as part of Phase 1 of the Branding project, identified strong consensus for the two destinations, which are seen as complementary and can be mixed and matched as required. Following extensive stakeholder engagement and consumer testing, clear attributes for the two brands have emerged.
- 1.3 The Lancaster brand identifies Lancaster (including the Lune Valley) as "One of England's most vibrant, historic cities, where culture and heritage captivate and inspire visitors." Lancaster's attributes include:
- Lancaster Castle and Heritage Attractions
 - Architecture, Fabric of the City Hidden Spaces
 - The River Lune (Lungs of the city): access to countryside, walking and biking
 - Theatre, Arts and Events/ Festivals
 - Independent and Quirky: shopping, coffee, pubs
- 1.4 The Morecambe Bay brand identifies Morecambe Bay as "One of England's emerging destinations, incomparable to anything in the UK" and "an inspiring coastal area" with attributes that include:
- Big (and changing) views across the Bay
 - Rich cultural heritage
 - Outstanding nature and wildlife
 - Diverse and authentic towns and villages to explore
 - Outdoor activities: walking and cycling (for all) and watersports
- A more detailed summary of the key elements of each of the brands is included at Appendix A
- 1.5 At this stage, the brand designs, toolkit and guidelines are in draft form and are expected to be approved by the Branding Steering Groups in August, at

which time the final brand designs can be made widely available.

- 1.6 A launch event for each brand is anticipated in early autumn, which will bring in tourism businesses and a range of other organisations with a view to the brands being widely taken up across the two destinations.
- 1.7 In addition, a limited number of workshops will be provided for business groups to assist them in using the brands effectively to market their products and services.
- 1.8 This report proposes arrangements to take destination branding forward through its next stages, to achieve the maximum impact for the visitor economy.

2.0 Proposal Details

Image library

- 2.1 To bring the brands to the point where they can be used for marketing purposes, an image library is required. This should cover all aspects of the brand essence and be widely available for use by all those marketing visitor services across both destinations. Work is ongoing at present to identify any existing “on brand” images that can be used but it is likely that some gaps will be identified and it may be necessary to procure professional photography to create a full suite of images. A small budget is available for this and officers are seeking a cost effective solution within budget although there are some concerns around quality of work and obtaining licence free images for wide use that may impact on costs. It is anticipated that some contributions from partners may be available.

Brand management requirements

- 2.2 To maximise the impact of the brands and achieve a significant improvement in the profile of our two destinations and the visitor economy, there are some ongoing brand management requirements:

Infrastructure/ strategic management

- Hosting, guardianship and providing access to the brand tools and guidelines, including managing and updating the image library
- Technical administration of visitor demand, visitor profile and use of media
- Strategic planning

Marketing activity

- Day to day content management
- Branded marketing campaigns

- 2.3 Options to meet these new infrastructure and strategic management requirements have been considered but are limited. Whilst the Council needs to play an important leadership role in the strategic development of the visitor economy and in marketing the visitor offer, resources are now very stretched and it will be important to engage with other partners with relevant resources and expertise to provide cost effective and sustainable

arrangements.

- 2.4 Marketing Lancashire, the Destination Management Organisation (DMO) for Lancashire, working alongside the County Council, the City Council and partners, is uniquely placed to play an important role in future arrangements for the destination brands and to achieve the strong positioning that will be essential to achieve a national and international profile.
- 2.5 Morecambe Bay covers part of Cumbria as well as part of Lancashire and Marketing Lancashire has engaged with Cumbria Tourism as the DMO for Cumbria as well as the district authorities to ensure Morecambe Bay branding works well across the whole area.
- 2.6 A wide range of other partners, district wide and beyond, have actively contributed to the branding work so far and it is hoped that this kind of engagement will continue into the future.
- 2.7 It is proposed that the Council works jointly with Marketing Lancashire to engage with other partners to agree and develop management arrangements for the two new destination brands for Lancaster and Morecambe Bay.
- 2.8 Once the destination brands are launched, it is expected that the Council and partners will use the new brands for all visitor marketing campaigns and materials. At that time, whilst "City Coast and Countryside" would remain as a corporate strapline, its use would be phased out from the Council's Visitor Marketing as the new brands are adopted. This change is included as a recommendation of this report.
- 2.9 Tourism businesses will be encouraged to take advantage of this new opportunity to promote their businesses on a wider platform.

Costs and contributions

- 2.10 The impact of the two new brands on visitor numbers is expected to be significant over time, whilst anticipated additional costs associated with future arrangements are limited. Although some costs are unknown at this point, early indications suggest these look likely to be in the region of £10k to £15k in the current year, with any costs for future years being identified in the autumn. No budget is currently available to cover these costs. However, destination marketing brings with it an opportunity to reach out to audiences much further afield and, to do this effectively, internet and social media based marketing will be of increasing importance whilst printed materials will be an important part of the mix once visitors are in the district. The wide and increasing use of the internet is evidenced and it is known that Lancaster page views as part of the Visit Lancashire website have increased by 19% this year. Arising from these changes are some potential savings associated with the two annual Visitor Guides for Lancaster and Morecambe.
- 2.11 There are no direct costs to the Council for design and print of the Visitor Guides as these are covered by advertising revenue. Distribution costs,

however, are currently a direct cost to the council of c£10K per annum and although 40,000 copies are produced and distributed, there is no way to know how many reach the relevant target markets at the initial interest stage, making these publications relatively expensive way of achieving impact when compared with other marketing approaches.

2.12 The Council currently commissions the design, print and sale of advertising space for the Visitor Guides to the private sector and, as no direct payment is made, it is possible the private sector may wish to continue to produce the Visitor Guides. If this was not the case, local tourism businesses may wish to receive information on good alternative ways to promote their businesses. Marketing Lancashire has a Lancashire wide Visitor Guide, the district's VIC's are also an excellent vehicle for promotion and the council will continue to develop good marketing opportunities via internet, social media and locally available printed materials. If the Council determines not to continue to pay for distribution of the Visitor Guide for 2015, a decision is required before August 2014 when contractual arrangements need to be confirmed.

2.12 It is recommended as part of this report that the Council no longer finances the distribution of the two annual printed Visitor Guides but that on line information is produced as an alternative supported by relevant pocket sized leaflets and social media, as appropriate and that information is provided to businesses regarding their promotion opportunities. It is further proposed that the balance of savings is used to support the additional activities anticipated to ensure destination branding for Lancaster and Morecambe Bay is effective.

3.0 Details of Consultation

There has been wide and ongoing consultation and involvement on the development of the destination brands for Lancaster, including the Lune Valley and for Morecambe Bay. Two Steering Groups comprising a wide range of partners from the public and private sector have managed the process and each of the Steering Groups appointed a Working group to take forward the key tasks of the branding work. In addition, each of the brands has been consumer tested at key stages to ensure the brands work well with visitors.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Cease funding the distribution of printed Visitor Guides for the district, using alternative ways to make up to date visitor information more widely available as part of destination marketing.	Option 2: Continue to provide funding for the distribution of the Visitor Guides and identify alternative sources of funding.
Advantages	<p>More effective in reaching potential visitors far away and works well to raise initial interest</p> <p>Much easier to provide 'real time' up to date and current information</p> <p>Demand for digital information is increasing year by year</p> <p>Extremely cost effective</p> <p>Can be high impact if supported by right skills and expertise to support content and positioning</p> <p>Timing of the change works well alongside the launch of the two new destination brands, which opens up wider opportunities</p> <p>Would allow destination marketing costs to be managed within existing budgets</p>	<p>Some tourism businesses like the Visitor Guides for marketing their services and produces</p>
Disadvantages	<p>Some tourism businesses like the Visitor Guides for marketing their products and services – details of other options would need to be provided</p>	<p>Additional budgets would be required to support destination marketing costs</p> <p>The Visitor Guides are less able than other options to reach potential visitors on the scale or in the locations required</p> <p>Information in the guides is published once and cannot be changed to reflect current activities</p> <p>Difficult to assess impact once distributed but some evidence shows that internet can be up to 5 times more effective than brochures in attracting first time visitors</p>
Risks	No specific risks identified	No specific risks identified

5.0 Officer Preferred Option (and comments)

The officer preferred option is Option 1. This represents a cost effective approach to marketing the district allowing budgets to be used to greater effect.

6.0 Conclusion

The two new 'destinations' brands for Lancaster, incorporating the Lune Valley and Morecambe Bay are the culmination of many months of work on the part of partners in the district and the South of Cumbria. Potentially these will have a significant impact on the visitor economy and jobs as well as generating future investment in these destinations and their assets. It is very important that future arrangements to ensure the brands work effectively are secure and sustainable. Proposals in this report suggest ways that this can be achieved cost effectively, working with partners and making more of opportunities to engage with visitors on a far wider scale than before, with current, up to date information about what is on offer and why these are great places to visit.

RELATIONSHIP TO POLICY FRAMEWORK

The proposals in this report are consistent with the Councils' Corporate Priority of Economic Growth and the Corporate Plan Outcome "Lancaster and Morecambe Bay will be recognised as important visitor destinations"

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

No specific impacts identified but the proposals in this report are equally relevant to rural and urban areas.

LEGAL IMPLICATIONS

It is important to confirm whether the Visitor Guides for 2015 are required as soon as possible as contractual arrangements will need to be in place by the end of August.

FINANCIAL IMPLICATIONS

Additional costs associated with destination branding are not yet confirmed but indicatively will be between £10k and £15k in Year 1 to cover the basic requirement and ensure that it is still possible to provide marketing information to visitors when they arrive. Costs for future years will be identified by autumn as a result of work currently taking place. One option included in this report that would create savings in the region of £10K per annum from the distribution costs of the district Visitor Guides, allowing the additional brand management costs to be absorbed/capped within current budgets. If the savings are not re-directed there is no clear alternative means of funding destination branding costs within the services current budgets. It should be noted however, that the Visitor Guides are produced in calendar years rather than financial years. Due to the timeframe over which the 2014 Visitor Guides are distributed during 2013/14 and the current financial year, there is only c£5K remaining in 2014/15 for re-allocation. Consequently, Year 1 activity for destination branding

costs will either need to be phased across 2014/15 and 2015/16 or alternative savings identified by the Service during the current year.

Although it is expected that partners will contribute to some costs including photography, launch events and campaigns, the infrastructure and strategic management costs will require an ongoing solution. It is possible in theory to introduce some commission charges for use of the platforms that will be provided but, in practice, this will severely undermine the wide take up of the brands that is essential for their success. On that basis, it is assumed for now that these core responsibilities and costs rest with the Council and Marketing Lancashire.

Over time, it is possible that external funding could be accessed to support destination marketing going forward and potential opportunities are at an early stage of consideration. However, it is not possible at this stage to be clear about what this would mean in delivery or financial terms. It is further recommended therefore, that a formal review of this activity is undertaken after 1 year to inform future delivery options and be fed into the appropriate annual budget cycle.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None directly as a result of this report

Information Services:

None directly as a result of this report.

Property:

None directly as a result of this report

Open Spaces:

None directly as a result of this report

SECTION 151 OFFICER'S COMMENTS

The Deputy Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None.

Contact Officer: Anne Marie Harrison

Telephone: 01524 582308

E-mail: amharrison@lancaster.gov.uk