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Introduction:

Under the guidance of a newly created Tourism Forum for England's northwest, work is now underway by the Northwest Development Agency to create a **Tourism Vision** for the region. Nationally, there is a new focus on tourism, a focus that is leading to a number of changes at both national and regional levels. The Tourism Vision for England's northwest project is a response to these changes and the challenges they represent.

The work is being carried out by Locum Destination Consulting in association with The Henley Centre who will be handling the key foresight component of the project. The aim is to publish the vision and the accompanying strategic framework for tourism at the start of January 2003, and to develop action plans based upon the strategy for publication by the end of March. In doing this, the agency is responding to the new responsibilities it has been given by Government for tourism in the region from April 2003.

The purpose of this **Green Paper** is to stimulate new thinking, and debate on the tourism issues that face the region.

Background:

Tourism is one of the priority clusters identified by the NWDA within the Regional Economic Strategy and will remain so. The importance of tourism to the regional economy has been emphasised by the events of last year. In response to these events, the Government is giving all RDAs new responsibilities for funding Regional Tourist Boards. These new responsibilities take effect from April next year.

Within England’s Northwest there are currently two separate Regional Tourist Boards, the North West Tourist Board covering Cheshire, Lancashire, Manchester and Merseyside, and Cumbria Tourist Board covering Cumbria. There is no over-arching regional strategy, although the two Boards are working together in areas such as sustainable
tourism, ICT and skills development, all funded by the Agency.

Last year, the Agency provided significant amounts of emergency funding support to rural areas of the region in response to the outbreak of Foot and Mouth Disease. The impact of the disease has led to all three rural counties in the region developing Rural Recovery plans that fit within the strategic planning framework set out in the Agency’s Rural Renaissance document. These plans must also fit within a broader regional framework if they are to have the maximum impact.

Yet despite the national attention given to tourism last year, it still remains something of a Cinderella industry within the UK. This is even though **tourism generates an estimated £36 billion of spending nationally and £3.25 billion within the region.**

If **tourism is the hidden giant** of the regional economy, it is in part because **it is both difficult to define and difficult to measure.** Activities such as taking a taxi or eating in a restaurant are classified as tourism related if undertaken by a visitor from outside the region, but not if by a resident. Renovations to a house can be classified as tourism investment if the house is a bed and breakfast establishment. A great deal of the infrastructure that local authorities are responsible for has relevance to tourism – but how much? Taking a wider view, approximately fifty percent of Kodak’s business is related to tourism.

The World Tourism Organisation defines tourism as the ‘activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes’. Tourism includes visits by people from overseas and from others parts of the UK, it includes day trips as well as longer stays, and it also includes visits to friends or relations.

The impact the region creates on all visitors is important in terms of the messages they send and the image they create. Exports in particular have a key role
in defining how a country or a region is perceived; think of malt whisky. Equally, export success is linked to wider economic success through the increased exposure to both competition and to new ideas. A vibrant, successful and exciting image for England’s north-west will also have an impact on the way we see ourselves and on the way we are perceived by inward investors, who themselves will be business tourists at some point.

The Commonwealth Games has provided an excellent demonstration of the power of visitors to bring about change in an urban environment. It also demonstrates that visitors can be virtual as well as real; they can experience the region through a range of different media, and increasingly via the Internet. One route to success is to make sure that our virtual visitors become real ones by providing images and information that inspire them to experience the region for themselves.

Tourism is going through some fundamental changes. In recent years, the balance has swung decisively away from UK residents taking holidays here, to the majority being taken overseas. There has been an equally strong move away from the traditional two-week break towards short breaks. People now typically go abroad for their main holidays and take short breaks within the UK, but even this short-break market is under threat from cheap flights. It can be easier and cheaper for someone in London to fly to Rome for a weekend than to come to the Lake District for example. There have been big rises in people visiting friends and relations, and in business tourism, which have generally benefited urban, rather than rural, areas.

Changes in the UK class structure and the wealth profile mean that we are much now richer and are becoming more demanding in our expectations, but have less time.

The inexorable rise of brands means that for many people, it is the brand name that provides the assurance of quality they seek, not a system of stars or diamonds or other symbols, yet many tourism
businesses in the region are small, independently run and so far less able to take advantage of the benefits provided by a strong brand image.

Given that the domestic tourism industry is dominated by a large number of small businesses, a key challenge for them, for the wider industry and for the Agency is how to respond to the changes taking place, and how to speak and act decisively in making this response.

Tourism depends upon and is linked to workforce skills, transport, infrastructure and image; investments and improvements in these areas are vital to making tourism more successful in the future. Tourism is a major component of the wider cultural sector, in which the Northwest is second only to London. A number of different regulatory systems impact upon tourism, with planning policies in particular playing a significant role. A key challenge for tourism is the need to balance the pressure for increased tourism with the protection of the environment on which much of the product depends. The NWDA’s planning facilitation service aims to help reconcile such competing pressures in order to bring about sustainable developments.

The work of both Local Authorities and tourism partnerships has particular significance given their important role in destination marketing and information provision. Decisions on such issues as public toilets, on street furniture, on road repairs and on street cleaning, as well as on planning, all have an effect on visitors and on both the broader tourism product and the image of the North West.

A great many of the region’s leisure-oriented businesses such as pubs, restaurants and clubs rely on visitors even though they may not think of them all as tourists. Expected changes in licensing laws will have a real impact on these businesses, bringing new opportunities to provide services and add value.

The complexities of the tourism sector means that it will impact upon, and should be taken into account by, many other regional and national strategies.

Turning tourism into an engine of growth for the region requires the Agency to take the lead by developing a new vision, a vision that will inspire and set out the key
principles on which we, as well as others in both the public and private sectors, can base decisions.

A Strategic Framework:

The Tourism Vision project is the key first step towards the development of a regional tourism strategy. The output of the project will be a succinct and visionary document outlining the strategic framework for the development of tourism in the region. From this, the second step will be the development of a set of action plans that will map out how the vision can be implemented. These action plans will identify the support needs required and the organisational structures and roles necessary to provide this support. The vision, the strategic framework and the action plans that follow will together define the strategy.

The Tourism Vision itself will be informed by three primary components;

1) Work on benchmarking England's northwest with other areas internationally;

2) An assessment of the economic impact of tourism in the region, leading to a better and more robust mechanism for such assessments, and;

3) Foresight work that will look into the future for tourism, building and evaluating a number of scenarios and choosing the best one for the region in terms of fit, likelihood, the opportunity provided and the degree of risk.

Mike Shields, the Chief Executive of the NWDA, is chairman of a newly created regional Tourism Forum that is guiding the work on the Vision, and which involves representatives from key cultural and tourism organisations within the region.

More information about the brief is available on the NWDA web site: www.nwda.co.uk

If the New Vision is to succeed it must make sense within the broader regional economic context, it must reach into other strategies and it must inspire and make sense to the business men and women who make up the industry.
Tourism is a priority cluster for the Agency, and sits within Business Development. The Tourism Cluster head is James Berresford and he is happy to be consulted on tourism issues generally. The Tourism Vision project is being steered by Phil Reddy. Both James and Phil welcome comments and questions. Contact details for both are included in the Tourism Forum members list below.
The Tourism Cluster:

Tourism is an enormously complex component of any economy. It is not an industry, but is, like exports, a demand function, driven by consumption. This means that it reaches into many parts of the economy and has a presence, large or small, in every corner of the region, as the diagram below illustrates:

[Diagram showing the interconnections between various tourism-related sectors such as Environment, Transport, Accommodation, and Business Support, with the Customer at the center.]
The tendency is often to think of tourism simply as people taking holidays. In reality, it is far more diverse. For example:

- The boom in business tourism has had a very visible impact on the amount of hotel stock in cities and at major road junctions;
- The increasing propensity of young people to visit friends they have met at university or college is helping to stimulate the youth-oriented cultural explosion in destinations like Liverpool and Manchester;
- The appeal of rurally based recreations opens up new possibilities in land based tourism;
- Match day visits to major football clubs account for a high proportion of hotel room occupancy in the clubs’ town or city, but some, like Liverpool, are unable to meet the demand from overseas supporters;
- Educational establishments like universities, and health establishments like hospitals, typically generate substantial numbers of visitors;
- Caravan holiday villages are a growing, and often disparaged and neglected, feature of the tourism industry in coastal areas.

The Changing Tourism Situation:

Tourism exists within a dynamic situation – changes in leisure habits, the impact of technological developments, changes in travel patterns, etc. The region’s tourism strategy needs to reflect these changes and be ‘future proofed’.

The UK tourism market has been undergoing rapid change. **The number of people taking long holidays in the UK has been in precipitous decline** as the number of British residents taking holidays abroad has risen. The slow rise (until recently) in visits from overseas has only partially compensated for this.

At the same time, however, the number of people taking short breaks – at home and abroad – has boomed, to the benefit of urban
destinations such as Manchester and Liverpool in particular. However, the figures can be deceptive, as much of the increase in short breaks can be attributed to people visiting friends and family.

**Business tourism has also expanded at a rapid pace,** in line with the growth in the economy. This growth has benefited urban or near-urban destinations far more than rural areas.

Low cost budget airlines have had a huge outbound tourism impact, they have a growing inbound potential and are a major stimulus of airport growth – notably at Liverpool’s John Lennon Airport.

There have been other structural changes. For example, **there has been a big switch from serviced accommodation to self-catering for long breaks,** and internationally, there has been significant growth in the cruise-line sector and in educational and medical ‘tourism’. The prospect of changes to Gambling legislation has big implications for Blackpool in particular, while changes in licensing laws have implications for tourism and leisure businesses throughout the region.

The effects of these changes are very visible in the region. Cities and motorway locations are brimming with new branded hotels, whereas rural areas have seen little hotel development and are typically dominated by the independent sector and by smaller establishments.

Destinations like Manchester and Liverpool are clear winners – the enormous investment by the public and private sectors has transformed them into major tourist destinations. By contrast, traditional seaside resorts like Morecambe and Blackpool have been clear losers.

Other rural destinations, like the Lake District, which have a more middle-class customer base than coastal resorts, have been in between – some parts of the industry doing well, others doing poorly, with the majority ‘getting by’. A significant number of tourism businesses choose to remain small; such ‘lifestyle’ businesses may not be easy to persuade to invest in new facilities or higher quality. Yet standing still is simply not an option for any business that wishes to survive.
The question of tourism growth, particularly in rural areas, is a complex and sometimes delicate one; while for many involved in regional and sub-regional economics, tourism has great potential, there can often be unease or opposition from those who see such growth as a possible threat to their way of life.

A key issue for the region is how these trends are going to continue and develop in the future, and what impact this has on where investment should be targeted.

**The Economic Case for Tourism:**

Tourism statistics and models are notoriously easy to misread and misinterpret, which is why there is often a discrepancy between rosy headline tourism figures and gloomy prognosis by operators.

Treatment of people Visiting Friends and Relatives (VFR) by the UK Travel Survey is a particular minefield that often leads to inaccurate conclusions.

Recent revisions to the research methodology of the UK Travel Survey further complicate matters.

While it may be psychologically more uplifting to present a picture of success and improvement, good long-term strategy is better served by realism and accuracy. A vital component of the regional strategy is the collection of better data and the establishment of a robust economic model that will accurately report on the real value of tourism to the region.
The Importance of Transport Infrastructure:

The efficiency and effectiveness of the region’s transport infrastructure will have a crucial impact on the success of the region’s tourism offer. This is especially true given the increasing importance of short stay tourism – whether leisure or business.

Some of issues to be addressed are:

- How effective can Liverpool and Manchester Airports be in attracting incoming business?
- What impact could the expansion of budget services, as epitomised by Easyjet in Liverpool, have?
- Will there be a role for smaller airports like Blackpool and Carlisle?
- What impact will improvements in the West Coast line have on regional destinations?
- What obvious gaps in the rail system will hinder development if not rectified?
- What challenges will increasing road congestion create? How can the North West respond effectively to congestion in other areas that has a negative impact on the region?
- What road improvements are needed in order to fulfil tourism potential?
- Will rural areas like the Lake District National Park need more radical initiatives to get people out of their cars?
- What needs to be done to encourage the cruise industry? From a regional perspective, what would be the best location for terminals? Is there any prospect of attracting home-porting?

The opportunities and challenges presented by transport infrastructure will be a core part of the strategy.

The Information Revolution:

Technological developments are having a radical impact on the way in which tourism information is
disseminated, and the way in which consumers seek information and make reservations.

Modern Information and Communications Technologies (ICTs) are already widely used in the collection, management and delivery of tourism information services. Most obviously they provide the opportunity to deliver pre-trip information worldwide at a low cost to the consumer where and when they want it.

However this is only one of a number of important opportunities that can be addressed via a coherent ICT-driven destination information strategy and customer-oriented information services. The ability to re-use digital data in many different formats, to share it between organisations, to target and personalise its delivery, to track customer use and to identify unfulfilled requirements, to monitor data and service quality, to provide integrated services to mobile users, to optimise inventory and load factors and to develop customer databases and a low-cost direct marketing capability, both pre- and post-arrival are just some of the applications that can be used today.

For the future the combination of geo-coded data and mobile devices offers exciting commercial opportunities to develop new, sustainable and commercially attractive services of real relevance to the visitor and resident alike.

Much work has already been carried out in this field by organisations such as Transport Direct. Close attention needs to be paid to the opportunities that ICT provides to deliver digital economies of scale and to capture customer data and preferences. Another benefit is that modern ICT allows any well-designed solutions to be easily integrated into relevant national, and other external systems, such as EnglandNet.

The Growing Significance of Events & Festivals:

As the Manchester Commonwealth Games have demonstrated, **major events can have a huge impact on tourism**, and at a variety of levels – spend by participants and visitors, provision of infrastructure, image etc.

Many parts of the North West see events as a cornerstone of their strategy. Liverpool, for example, is
currently in a strong position to become European Capital of Culture in 2008 and plans big celebrations of its 800th anniversary. Cumbria intends to make itself a ‘Festival County’ as part of its Rural Action Zone project.

But events are typically expensive, whether one-off or regular, and require large public sector financial intervention. There may be logic in having a more tightly co-ordinated and planned regional programme. In this respect Barcelona is a model as each year it chooses a theme around which it develops an events programme.

The Challenge of Prioritisation:

**A key objective of the tourism strategy will be to identify areas for prioritisation in terms of tourism development.** As tourism is so pervasive and is seen by so many as the primary route to regeneration, it will be difficult to do this without disappointing some people and organisations. Yet unless clear priorities are set, it will be impossible to achieve the degree of change that is necessary. More or less every part of the region believes that it has, or potentially has, a strong tourism offer.

This is further complicated by the fact that some traditional tourism areas are in decline, with substantial elements that are obsolete or likely to become so. Not surprisingly, stakeholders are typically not keen to acknowledge this.

**The process of creating a new Tourism Vision must be honest, objective and straightforward** and be clear about where the greatest opportunities lie, while at the same time trying to produce solutions that are seen as having a positive impact for all parts of the region.
Customers of the Future:

Business tourism is of growing significance, but is strongly affected by cyclical fluctuations in the wider economy and is also affected by the relative success of the regional economy.

**Leisure is a discretionary item of consumer spending**; there are an enormous number of ways in which people can choose to spend, both their money and their leisure time. A generation is growing up now that has spent considerable time in the virtual world of computer games; these are becoming increasingly realistic and exciting. **We cannot afford to assume that existing leisure patterns will remain the same** – they clearly do not – nor that we can easily predict how these will change in the future.

There are very many reasons why people might choose to visit this, or any other region, and why they actually do visit; heritage, shopping, scenery, nightlife, education, sport, culture etc., and combinations of these.

**A central purpose of the Tourism Vision is to identify and present those market segments that offer the most potential** and to identify what can be done in order to attract them.

To do this there are many multi-dimensional ways of segmenting the tourism market. One can start, for example, by segmenting according to type of visit (Staying Leisure, Staying Business, Day Leisure etc.) and then sub-segment by primary purpose of visit (Culture, Shopping, Conference etc.) and then further sub-segment by age and socio-demographic status. Or one could do the same thing in a different order, or choose different segments.
Some examples of different segmentation models are shown below:

<table>
<thead>
<tr>
<th>Traditional</th>
<th>English Tourism Council</th>
<th>Scottish Tourist Board</th>
<th>ACORN</th>
<th>A Commercial Air-Miles Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK resident</td>
<td>Youth</td>
<td>Young urbanites</td>
<td>Thriving</td>
<td>Go native</td>
</tr>
<tr>
<td>Overseas</td>
<td>Pre-family</td>
<td>Young activists</td>
<td>Expanding</td>
<td>Adventurers</td>
</tr>
<tr>
<td>Business traveller</td>
<td>Families</td>
<td>Family escapes</td>
<td>Rising</td>
<td>People like us</td>
</tr>
<tr>
<td>Tour group</td>
<td>Young families</td>
<td>Grey panthers</td>
<td>Settling</td>
<td>Packaged</td>
</tr>
<tr>
<td>Special interest</td>
<td>Older families</td>
<td></td>
<td>Aspiring</td>
<td></td>
</tr>
<tr>
<td>School groups</td>
<td>Empty nesters</td>
<td>Greys</td>
<td>Striving</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singles</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Couples</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Another way of thinking of tourism is in three dimensional terms. In one dimension is the destination – the place that visitors go to, in a second dimension is the activity that they engage in – shopping, walking, etc., and in the third is the market segment they come from – as in the examples above. The points at which these three dimensions intersect strongly represent tourism opportunity.

One of the starting points for the process of developing a Tourism Vision is the need to identify which destinations, activities and segments offer the greatest potential, and how they are likely to evolve in years to come.

**Quantity versus Value:**

In our increasingly mobile society, **day trips dominate** when it comes to the total number of tourism trips, but **day-trippers spend much less than staying visitors**, especially when they are visiting rural locations.

In Cumbria, for example, staying visitors represent only about 20% of all visits but generate 85% of total tourism spend. Given that the quality of the environment is the primary reason for visiting a destination like the Lake District, there is a need for a
clearly defined approach to the management of visitors to ensure that the environment is protected.

Iconic architecture can play a very important role in attracting visitors and in defining the image of a region; think of the impact of The Angel of the North. There has been a renaissance in modern architecture in the last decade and new investments in public art. While this renaissance has had a big impact in cities, there has been much less impact in rural areas. One challenge is to find ways, in which good modern design can play a role in rural regeneration.

Business visitors bring big benefit to City economies. The need for full service convention facilities (with integrated hotel, exhibition and meeting facilities) is a common theme for city region tourism strategies.

Market segmentation requires an understanding of the value of attracting different types of customer and whether the return they bring justifies the costs (such as any environmental impact).

Developing Tourism Skills:

Tourism in the region supports around 250,000 jobs; chefs, cooks, bar staff, waiting staff, receptionists, hotel managers and tour guides are but a few of the many different jobs within the sector. Yet the image is that many of these are seasonal, or part-time and that many are low paid. On the other hand, there are very real and urgent recruitment problems for many tourism businesses, which represent a major barrier to expansion in many cases.

The region needs a successful, high quality, high added value tourism sector in order to be able to offer challenging, rewarding and exciting careers.

A well qualified, skilled, committed and motivated workforce is crucial to the success of all businesses, but this is particularly true of tourism with its strong emphasis on service. Changing the culture of service so that we can match the best in Europe will take both time and effort. Changing the expectations of both parents and children so that careers in tourism are
seen as a positive and desirable choice will not be easy either, yet both are surely essential to longer-term success.

With the support of the Agency, the region is leading the way with the creation of the first ever tourism workforce development plan.

A More Regional, Brand-oriented Approach to Tourism Marketing:

Tourism marketing strategy in the UK has been moving from a local, district-oriented approach to one that focuses on regions, themes and brands.

This is a reflection of a number of influences:

- The realisation that visitors do not often think in terms of local areas, especially given increased mobility resulting from the dominance of the car as means of travel;
- The recognition that **only themes and brands are capable of connecting with distant markets** and the packagers and carriers who form the channels to such markets;
- The advent of the Regional Development Agencies and their role in the co-ordination and implementation of regional strategies, as well as in funding;
- The inclination of local authorities, under budget pressures, to withdraw from tourism promotion;
- The growth of tourism partnerships with a focus on specific areas and brands;
- The need to make better use of limited resources.

It is important that the Vision builds on new strategic thinking on marketing.
Two Dimensions of Branding:

A foundation of the new thinking is that tourism development should be thought of in terms of brands and the cornerstone of a tourism strategy should be to identify the brands that have the greatest potential.

These brands can be thought of in two dimensions:

- Thematic – There are themes where the region as a whole, or parts of it, has excellence or could have excellence. The recent ‘A New Vision For Northwest Coastal Resorts’ project highlighted golf, recreation and bird watching as themes where the coast as a whole has, or could have, a world-class offer. There are many others in the region. The region has iconic football clubs like Manchester United, Manchester City, Liverpool and Everton as well as clubs of historic importance and the National Football Museum. Rugby League has its roots here and there many other facilities that all suggest a strong sports tourism theme.

- Locational – The region also has world-class brands that are defined by geographical location – for example, Chester, Manchester, Merseyside, the Lake District, Hadrian’s Wall and Blackpool. At the micro level, the region boasts famous attractor brands like the Albert Dock, Chester Zoo and Old Trafford. In many cases, typified by the resorts, there are major issues as to what they have to do if they are to remain strong destination brands. In others, like some of the mid-size towns, there is probably significant potential.

As in most parts of the country, the branding, whether thematic or locational, is generally driven by local authority funding and boundaries, and it would be naïve to think that they can be ignored.

For the purposes of the regional tourism strategy, however, the focus should be on identifying the themes and brands that have, or could have, most power and potential with consumers.

A key issue in focusing on core destination brands is how to cover peripheral areas. One method of doing
this is to market the destination brands in terms of ‘in and around’. All parts of the region could be allocated to a core brand in this way. For some locations this may be a little uncomfortable, but we should not risk undermining the success of the tourism industry by making branding compromises for political reasons.

A challenge during the subsequent action planning stage will be to assess how the structure of tourism development and marketing can be organised to fit those themes and brands.

**Hallmark Brands:**

There may also be the potential to develop hallmark brands, similar to the Blue Flag scheme for beaches or Michelin stars.

The Northwest Coastal Resorts report, for example, suggested a hallmark brand called ‘Classic Resorts’ – Resorts that aspired to the designation would have to achieve certain standards. It would act as both a vision and also as a marketing tool.

There may be opportunities for similar branding devices for other niches in the region’s tourism product.

**Creating Brands Rather than just Logos:**

Successful destinations are like successful businesses – they have a clear idea of what they are and what their image should be. In other words, what the brand is.

People commonly think of brands as logos. In fact, a brand is more holistic than that. It encompasses the physical nature of the product/service, the messages and images that it conveys to the world through advertising and other means, and the way in which consumers interpret those messages.

The last of those three elements – interpretation by the consumer – is critical. It is of no value having a brand that is well known and has strong values if those values are meaningless to target consumers.

An important part of the Tourism Vision project will be to consider how the Northwest can align all
elements of its brands – product, marketing and organisation – and what lessons can be learnt from other parts of the world.

Organisational Structure:

Organisational structure is a critically important element of any tourism strategy. The key to developing thinking on organisational structure is a functional analysis of the needs of the region’s tourism sector. Such an understanding will create a basis for discussion of the best form of support and promotion for the industry.

Major functional areas are:

- Marketing, PR and promotion (leisure and business)
- Information provision
- Product development and quality assurance
- Membership / services to providers

Any evolution of existing organisational structures should be done with the twin aims of maximising return on public sector investment and optimising private sector contribution and participation. This is an area for true public/private partnership.

All the processes included within the project will touch on organisational structure. The consultants will develop a functional analysis of tourism support requirements to enable a full discussion of options for the future form of organisational structure.

Promoting Excellence:

The regional economic strategy makes it clear that the principle themes of ‘Investing in Business and Ideas’ are the development of ‘world-class clusters of businesses’ and the ‘pursuit of excellence’.

Public sector intervention in tourism development has often been driven more by regeneration needs than market considerations, and there are good reasons for that. Tourism investment in Whitehaven, for example,
is not driven by market demands, but the results are nevertheless excellent and tourism has played a key role in the revival of the town.

The region’s cities are benefiting from very significant amounts of focused and consistent investment over a number of years. Equivalent attention has not, however, been given to the region’s most widely recognised tourism brand, The Lake District, which has suffered as a result. This is even more true for the region’s seaside resorts.

Any brand in any market that does not invest is likely to decline. A tourism strategy that has world-class clusters and pursuit of excellence as goals, may require a change in emphasis.

Often there is greater weight given to improving standards generally, as opposed to encouraging excellence. Thus, for example, resources are devoted to encouraging hotels and B&Bs to invest in basic infrastructure such as en-suite facilities, as opposed to encouraging practitioners who are ambitious enough to want to achieve true excellence and attract new markets.

A reputation for excellence – whatever the level or nature of the offer - is likely to be a core requirement for a successful Northwest tourism industry in the future.

Economic Data and the Credibility of the Tourism Sector:

The main obstacle faced by the proponents of tourism at both regional and national level is the difficulty of defining the sector and, as a consequence, the low priority it is afforded at the highest levels of government. The tourism industry has traditionally suffered from a credibility problem, especially when assessed against other more easily defined and monitored industries. This has normally been for one of two reasons. The sector was either too narrowly defined as culture, leisure and recreation (and therefore
its importance was undervalued), or so broadly defined that it could encompass virtually anything that contributes to the quality of life of the region (and is therefore impossible to isolate from other economic sectors). Neither approach is particularly conducive to sound economic analysis and both have done a significant disservice to the actors and agents of the tourism industry.

**A new and robust economic model is urgently required** for dealing with tourism in the North West. The Tourism Vision project will consider the application of a Tourism Satellite Account (TSA) in delivering this analysis. Locum Destination Consulting have advised that a TSA, effectively matching tourism expenditure to the output of goods and services within a given area, and tracing supply-chain value links throughout the economy, is the best model available to the region for achieving its objective.

The distillation of such an accounting framework has numerous advantages:

1. A TSA will clarify and make explicit the importance of tourism activity, often ‘buried’ in national (or regional) accounts data;
2. A TSA will enable both an analysis of changes over time and comparisons with other, more distinct and easily defined, industries;
3. There exists a set of internationally approved OECD guidelines for the derivation of such accounts, to ensure consistency;
4. It is relatively simple to add an employment module to the model that enables an estimate of the jobs that are dependent upon tourism;
5. In conjunction with Input-Output Tables, a TSA provides an economy-wide estimate of the direct, indirect and induced impacts of tourism activity (which enables the development of bespoke tourism multipliers for the North West that are invaluable for attractions, hotels, and commercial developers that need to calculate the economic impact of their capital investments);
6. A TSA can be created with reference to existing estimates of regional economic activity and tourism expenditure;
7 Adaptation for estimating the impact of one-off events such as the Commonwealth Games is relatively straightforward.

**Moves towards the production of regional tourism satellite accounts are gaining momentum** both in and outside the UK (for example in Denmark, Norway, Canada and the USA). In the UK, Wales has advanced the furthest in the development of a full TSA, and One North East is leading the English Regions in this respect. The championing of Tourism Satellite Accounts by OECD, the WTO, Eurostat and others, has meant that there is little prospect of the evolution of any acceptable alternative, making the TSA the de facto industry standard.

However, it is important to note that a TSA developed in one region is not easily or effectively transferred to another. Whilst the methodology can be replicated, the real cost of developing a TSA is in the actual implementation (research, fieldwork, data entry, analysis and the industry surveys that are essential to the process). There is also little value in applying the tourism ‘multipliers’ developed in one region to another; this would simply repeat the mistakes of previous generations of tourism economy models when a limited number of multipliers were uniformly – and arguably inappropriately – applied across the country (e.g. STEAM, Cambridge Model, Scottish Tourism Multiplier).

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**Creating a Tourism Satellite Account:**

The basic stages in the production of a TSA are:

1. Measure the demand for ‘Tourism’, by measuring the spending made by visitors. This should include:
   a) Those within the region who travel within it to other destinations – e.g. from Manchester to The Lake District;
   b) Visitors from other UK regions and from overseas, and;
   c) Visitors from the region travelling to destinations outside the region.
2 Measure other quantitative components of tourism, in particular, the numbers of visitors from outside and within the region, the size of the accommodation sector, the range and number of other tourism products such as attractions, museums, etc.

3 Measure the number of jobs in tourism

4 Measure the supply of ‘Tourism’ product, by measuring the revenue of tourism businesses. In many cases, such as restaurants, this will involve estimates of the proportion of total revenue that is derived from tourism.

5 Reconcile the demand and supply sides of the equation, using regionally appropriate factors.
Some Tourism Issues & Questions:

- How do the NWDA and its partners create the right kind of enabling environment?
- What is the impact of the region’s boundaries? These are amorphous, but also define the region and its identity. The outward facing nature of the coast has shaped the North West, so too has the region’s celtic connections with Wales, Scotland and Ireland.

- **There is a need to raise the sights of the many smaller businesses** - to look beyond the VAT threshold in one dimension, to look beyond the immediate future in another. How can this best be done?

- Strategies are about establishing the function – the opportunity, vision, themes and locations, investment framework, primary actions, etc. Action Plans are about the form - turning primary actions into second and third level actions. A good strategy is by definition a practical one, but it must also find the essence and speak to the emotions.

- What evidence is there of market failure? Where should intervention be focused? To what extent should intervention seek to support ailing or poor performing areas and to what extent should it be used to back winners? Is a desire to stimulate regeneration a valid reason for intervention if there is a lack of clear demand? What are the lead times between supply changes and demand changes - which should come first?

- What is the real potential of the region? How do we maximise the potential in sustainable ways? How do we achieve / realise the potential? How can partnerships between the public and the private sector support this? What implications does this have for regulatory systems such as planning?
What motivates people to travel? What criteria are used for deciding where to go? What prevents people travelling more? Who makes the decisions in a family? How important are the needs of children? How are different needs balanced?

How do the interactions between visitor demand and product supply work? How can these interactions be changed to generate more, higher value, economic activity?

What role do access to information, perception, previous experience, quality and cost play in shaping demand?

How do organisation size and skills levels, regulations, knowledge of potential and actual customers and segments, expectations about the future, finance costs and availability affect the supply side?

Which components of the North West's tourism product are 'at risk' and need protection, which, if any should be discouraged?

Infrastructure is not just the concrete component - the railway line or airport - but the service provided using this resource - e.g. the destinations, times, costs, ease of use of flights. But is this acknowledged and acted upon?

What is the relative importance of the hardware - the reality of what is on offer, whether that is a concert hall or an area of countryside, and the software - the people, the service they provide and their attitude?

It is easy to buy an all inclusive overseas holiday, much less easy to do the same for a UK based holiday – does this matter? The providers of overseas holidays are often large organisations with clear brand identities (even if they don’t own the hotels, the airlines, or other components of the product on offer) that give consumers confidence in the offer being made. How can similar confidence be built in Northwest tourism products and offers?
The increasing ease of, and willingness to, travel is making what was once distant seem local - changing the concept of visiting and the identification made by local people and visitors of the areas they live in and visit. **Tourism takes place in many places and takes many forms.** It is no longer just the traditional centres. **How can we take advantage of the new diversity, how can we innovate in value terms?**

Health, sport, self-improvement, the chance to broaden horizons or learn something new are all increasingly important reasons for taking a holiday. The Northwest has world-class educational institutes and a successful and competitive creative industries sector. How can these assets to be turned to our advantage?

**What can we learn from the success of cities such as Barcelona or Copenhagen?**
Next Steps?

The process of developing the Tourism Vision is represented graphically in the diagram below. This Green Paper is intended to help with the first two stages of the process in particular – defining the shape and understanding the externalities.

Your comments and views on the Tourism Vision project and on Tourism and its future are important. If you would like views to be taken into account, please contact one of the members of the Tourism Forum who will pass these onto the team that is working on the project.

A list of Tourism Forum members is appended to this document.

A Tourism Vision consultation document will be available via the NWDA website in the near future.
## Regional Tourism Data for 2001:

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<thead>
<tr>
<th></th>
<th>Cumbria</th>
<th>Lancashire</th>
<th>Merseyside</th>
<th>Greater Manchester</th>
<th>Cheshire</th>
<th>England’s northwest</th>
<th>England</th>
<th>UK</th>
<th>England’s northwest as % of England</th>
<th>UK as % of UK</th>
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<td><strong>UK Residents</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trips (m)</td>
<td>4.50</td>
<td>4.10</td>
<td>2.30</td>
<td>5.00</td>
<td>2.50</td>
<td>18.20</td>
<td>131.90</td>
<td>163.10</td>
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<td>5.90</td>
<td>11.10</td>
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<td>51.10</td>
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<td>529.6</td>
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<tr>
<td>Spending (£m)</td>
<td>738</td>
<td>713</td>
<td>304</td>
<td>700</td>
<td>376</td>
<td>2,831</td>
<td>20,278</td>
<td>26,094</td>
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<td>Spend per trip</td>
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<td></td>
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<td>£155.55</td>
<td>£153.74</td>
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<td>Trips (m)</td>
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<td>4.1</td>
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<td>167.0</td>
<td>190.2</td>
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<td>Spending (£m)</td>
<td>40</td>
<td>57</td>
<td>45</td>
<td>231</td>
<td>62</td>
<td>436</td>
<td>9,922</td>
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<td>Spend per trip</td>
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<td>£513.56</td>
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<td><strong>Total</strong></td>
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<tr>
<td>Trips (m)</td>
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<td>Nights (m)</td>
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<td>13.5</td>
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<td>60.2</td>
<td>576.2</td>
<td>719.8</td>
<td>10.45%</td>
<td>8.36%</td>
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<tr>
<td>Spending (£m)</td>
<td>778</td>
<td>770</td>
<td>349</td>
<td>931</td>
<td>438</td>
<td>3,267</td>
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<td>Spend per trip</td>
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<td>£166.17</td>
<td>£199.71</td>
<td>£197.73</td>
<td>83.21%</td>
<td>84.04%</td>
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<td>Population</td>
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<td>1,414,7311</td>
<td>1,362,034</td>
<td>2,482,352</td>
<td>983,0762</td>
<td>6,729,800</td>
<td>49,138,831</td>
<td>58,789,194</td>
<td>13.70%</td>
<td>11.45%</td>
</tr>
</tbody>
</table>

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1 Includes population figures for Blackburn and for Blackpool Unitary Authorities
2 Includes population figures for Halton and for Warrington Unitary Authorities
### Tourism Forum Members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
<th>Phone</th>
<th>Email</th>
<th>Sectoral Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martin Lee</td>
<td>Cheshire &amp; Warrington Economic Alliance</td>
<td>01606-320069</td>
<td><a href="mailto:martin.lee-cwea@lsc.gov.uk">martin.lee-cwea@lsc.gov.uk</a></td>
<td>Tourism, leisure and other businesses in the Cheshire &amp; Warrington area</td>
</tr>
<tr>
<td>Colin Potts</td>
<td>Chester City Council</td>
<td>01244-402446</td>
<td><a href="mailto:c.potts@chestercc.gov.uk">c.potts@chestercc.gov.uk</a></td>
<td>Local authority tourism and economic development specialists, TMI members</td>
</tr>
<tr>
<td>Chris Collier</td>
<td>Cumbria Tourist Board</td>
<td>015394-44444</td>
<td><a href="mailto:ccollier@bta.org.uk">ccollier@bta.org.uk</a></td>
<td>CTB members, the private sector and other stakeholders in Cumbria</td>
</tr>
<tr>
<td>Steve Partington</td>
<td>Enterprise plc</td>
<td>01772-819409</td>
<td><a href="mailto:steve.partington@enterprise.plc.uk">steve.partington@enterprise.plc.uk</a></td>
<td>Tourism, leisure and other businesses in the Lancashire area</td>
</tr>
<tr>
<td>Janet Matthewman</td>
<td>Government Office for the North West</td>
<td>0161-952-4000</td>
<td><a href="mailto:jmatthewman.gonw@go-regions.gsi.gov.uk">jmatthewman.gonw@go-regions.gsi.gov.uk</a></td>
<td>Government Office generally and DCMS in particular</td>
</tr>
<tr>
<td>Name</td>
<td>Organisation</td>
<td>Phone</td>
<td>Email</td>
<td>Sectoral Responsibility</td>
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<tr>
<td>Liz Davis</td>
<td>Greater Manchester Learning &amp; Skills Council</td>
<td>0161-261-0361</td>
<td><a href="mailto:liz.davis@lsc.gov.uk">liz.davis@lsc.gov.uk</a></td>
<td>Learning and skills organisations throughout the region</td>
</tr>
<tr>
<td>Andrew Stokes</td>
<td>Marketing Manchester</td>
<td>0161-237-1010</td>
<td><a href="mailto:andrew.stokes@marketing-manchester.co.uk">andrew.stokes@marketing-manchester.co.uk</a></td>
<td>Tourism, leisure and other businesses in the Greater Manchester area</td>
</tr>
<tr>
<td>Peter Hart</td>
<td>North West Regional Assembly</td>
<td>01942-737916</td>
<td><a href="mailto:peter.hart@nwra.gov.uk">peter.hart@nwra.gov.uk</a></td>
<td>Councillors, local authority leaders and Chief Executives and the voluntary sector in the region</td>
</tr>
<tr>
<td>Dorothy Naylor</td>
<td>North West Tourist Board</td>
<td>01942-764100</td>
<td><a href="mailto:dorothy.naylor@nwtb.org.uk">dorothy.naylor@nwtb.org.uk</a></td>
<td>NWTB members, including private and local authority, the tourism sector generally and other stakeholders, in the counties of Cheshire, Greater Manchester, Lancashire and Merseyside</td>
</tr>
<tr>
<td>James Berresford</td>
<td>NWDA</td>
<td>01925-400100</td>
<td><a href="mailto:james.berresford@nwda.co.uk">james.berresford@nwda.co.uk</a></td>
<td>NWDA Regional Tourism Sector Head</td>
</tr>
<tr>
<td>Phil Reddy</td>
<td>NWDA</td>
<td>01768-867563</td>
<td><a href="mailto:phil.reddy@nwda.co.uk">phil.reddy@nwda.co.uk</a></td>
<td>Tourism Projects Manager</td>
</tr>
</tbody>
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**A Tourism Vision for englandsnorthwest: Green Paper**
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<tbody>
<tr>
<td>Ray Kessler</td>
<td>NWDA</td>
<td>01925-400100</td>
<td><a href="mailto:ray.kessler@nwda.co.uk">ray.kessler@nwda.co.uk</a></td>
<td>Rural Renaissance initiatives</td>
</tr>
<tr>
<td>Tom Walker</td>
<td>Small Business Services</td>
<td>0161-952-4424</td>
<td><a href="mailto:twalker.gonw@go-regions.gsi.gov.uk">twalker.gonw@go-regions.gsi.gov.uk</a></td>
<td>Small business advisors and support services throughout the region</td>
</tr>
<tr>
<td>Libby Raper</td>
<td>The Cultural Consortium</td>
<td>0161-817-7421</td>
<td><a href="mailto:libby.raper@nwda.co.uk">libby.raper@nwda.co.uk</a></td>
<td>Cultural and creative industries throughout the region</td>
</tr>
<tr>
<td>Chris Brown</td>
<td>The Mersey Partnership</td>
<td>0151-227-2727</td>
<td><a href="mailto:chris.brown@merseyside.org.uk">chris.brown@merseyside.org.uk</a></td>
<td>Tourism, leisure and other businesses in the Merseyside area</td>
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</tbody>
</table>