



March 2 022

Foundations for Recovery Heritage and Cultural Tourism Strategic Plan

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1. Introduction

Strategies must anticipate future demand and consumer trends – and past performance is no indication of future growth. In particular tourism markets have seen unprecedented upheaval since 2020 which could lead the sector in many different directions. This in turn increases the level of risk attached to new investment in tourism products and makes it very difficult to set out a development path. Therefore, in this assessment, three elements are included:

- A set of four possible future scenarios for tourism demand in North Carrick (and more widely across Ayrshire);
- A risk-based assessment of the mix of products and marketing messages
- An increasing need for real-time visitor feedback; and
- The means to adjust and adapt – change horses – when unanticipated challenges arise.

2. Strategies and plans

The *Developing and Managing Tourism in Coastal North Carrick Report*¹ dated March 2021 is a recent review of information gathered from published sources, with additional inputs from a survey of local businesses, residents and visitors (64 responses) and stakeholder interviews (29). The report also references previously published community plans from 2019. Its conclusions are made in the context of the COVID-19 pandemic because market data as well as survey and interview responses will be coloured by experiences in 2020 at the height of restrictions.

The report establishes some important building blocks for wider North Carrick product and brand development:

- A separate Coastal North Carrick brand would work against longstanding consumer awareness of Ayrshire and the destination marketing work of VisitScotland, Ayrshire and Arran Destination Alliance and other bodies.
- The focus should be on developing strong narratives supporting the area's history and heritage including Burns Country, Robert the Bruce, maritime and farming heritage, and Clan Kennedy. Activities include adventure tourism (walking, cycling, water-based sports).
- Visitors should have the highest quality of experience through linking things to see and do, and places to eat and stay.

¹ *Developing and Managing Tourism in Coastal North Carrick Report*, Carey-Wardrop March 2021

The *Scotland Outlook 2030* strategy² published in 2020 outlines an ambition “...to enrich the lives of those who live here and visit us; it will protect and preserve our places, with Scotland’s tourism industry acting as pioneers for delivering responsible tourism”.

Its emphasis is firmly on addressing current imperatives: climate change and its effect on travel patterns; responsible tourism that gives back more to communities than it takes out; and higher business costs from higher-waged and better qualified staff with increased running costs through energy and taxation. The increasing importance of digital communication and platforms means destinations and products in Scotland need to adapt, integrate and invest in maintaining a high profile.

Scotland Outlook also predicts little change in our core markets. Scotland has a ‘green’ image in many European markets that can be capitalised on as it transitions to a net-zero economy. Sustainability is seen as a core point of differentiation for Scotland in future years³. Overall focus at strategic level is on ‘transformational tourism’ which requires a different response from destinations, residents and businesses.

What is Transformational Tourism?

It is a movement amongst consumers to travel with purpose and cause. Maximising their time, giving something back to the destination they visit and consciously off-setting the impact of their travel.

3. Market indicators

According to the World Tourism Organisation (WTO), global tourism experienced a mild 4% upturn in 2021, with 15 million more international tourist arrivals (overnight visitors) than in 2020 but remained 72% below the levels of pre-pandemic year 2019 according to preliminary estimates. This follows a 73% plunge in international travel in 2020, the worst year on record for tourism due to the COVID-19 pandemic⁴.

There are no tourism statistics for North Carrick in isolation; it is a small geographic area with a visiting pattern that is difficult to quantify. A hiatus in national tourism surveys in 2020-21 because of COVID-19 restrictions is, in reality, of little consequence in looking forwards as exceptional years need to be excluded from time-series trends.

The Carey-Wardrop report strikes a note of caution in looking at market data. In particular it suggests 2019 may have been the high point in international tourism for a decade or more. COVID-19, climate change and post-pandemic economic hangovers are likely to depress international travel for a prolonged period. 2020 and 2021 saw significant increases in the number of people taking domestic breaks with an observed trend domestic visitors to “seek out rural locations to escape urban crowds and as a way to enhance their sense of well-being through reconnecting with nature”.

² <https://scottishtourismalliance.co.uk/scotland-outlook-2030-overview/>

³ VisitScotland Insights-Trends

⁴ <https://www.e-unwto.org/doi/abs/10.18111/wtobarometereng.2022.20.1.1>

Scotland's new strategy suggests the market is open to more opportunities to uncover, showcase and move visitors around all of Scotland's assets creating memorable experiences for all types of visitor to enjoy, talk about and share. A move to relieve pressure on honeypot destinations would be good news for less well-known areas such as North Carrick⁵.

However, we have little evidence on which to make assumptions about future market behaviour, indeed uncertainty is the only thing we are sure of. Scotland's Viewpoint⁶ (Feb 22) reports that 59% of Scots adults are likely to take holidays or a break this year with 20% having booked already. This suggests the domestic market is a long way from full recovery to pre-pandemic levels when the figures were closer to 75-80%. Of those intending to take a holiday, the summer is the most likely season although there is a significant number waiting for later in the year, suggesting people are putting off making decisions. The good news is that Scotland is the preferred destination for over half (53%) which is encouraging for the home market. Holidays in Scotland are relatively more appealing to empty nesters rather than families – who prefer to travel to England.

The *COVID-19 Consumer Tracking Report* (Feb 22)⁷ shows the UK public thinks 'the worst has passed' and people are more comfortable with activities such as shopping, walking in a country park and eating in a restaurant (up 44%pts since Jan 21). But there remain significant minorities of people who will avoid activities such as going to the cinema, nightclubs, indoor entertainment and indoor restaurants – suggesting a longer term return to 'fully normal' behaviours. These are particularly noticeable in older age groups. Flexible booking and payment, free cancellation and rebooking conditions are all seen as essential in allaying these fears. There is higher confidence in taking tourist trips in the UK in 2022 (37%) compared to a year ago (27%) and the groups most likely to do this are families and those in higher social grades. This mirrors closely the Scotland's Viewpoint findings. Notably the gap between UK and overseas trips taken in 2021 is larger than the gap in UK overseas/trip intention in 2022, suggesting overseas travel is set to pick up at a faster rate than domestic travel this year.

VisitBritain in its *Inbound COVID-19 Sentiment Tracker*⁸ looks at the impact on overseas markets. Overall, 8 in 10 respondents would consider an international leisure trip in the next 12 months from August 2021 with 50% saying they would 'definitely' consider travelling – showing a steady and more established desire to travel despite prolonged pandemic uncertainties. While Australia and Norway have a more reserved attitude, France, Italy, the Irish Republic, India and the US show the most positive sentiment towards travelling abroad. By age, whilst younger demographics still have the highest propensity to travel there is a growing sentiment for travel for older generations as the vaccination rate increases. It is actually those aged 55+ who are more likely to have already decided (and booked) their next international leisure trip. Interestingly, travellers are getting more

⁵ <https://scottishtourismalliance.co.uk/scotland-outlook-2030-overview/>

⁶ <https://www.56degreeinsight.com/s/Scotlands-Viewpoint-January-2022-Holiday-plans.pdf>

⁷ VisitScotland *COVID-19 Consumer Tracking Report Waves 40-42* (February 2022)

⁸ VisitBritain *Inbound COVID-19 Sentiment Tracker Wave 3* (Sept 2021)

responsible and willing to discover new / less crowded places in a safer and more sustainable way. The role of the travel agents is valued in the uncertainty context, while leaving booking until last minute remains obviously dominant in the current market conditions.

4. Short term drivers of change

Tourism markets are influenced by global factors including macroeconomic variations, conflict and most recently pandemic. So a small area can only react to larger market influences rather than exert any real influence, so its role is in adding weight to the Ayrshire (and Arran) and Scotland brands and maximising market share in Scotland. This means marketing has twin aims:

- Support brand Scotland in building market share (by value); and
- Increasing market share within Scotland.

In the short term – as we come out of the Covid-19 pandemic, there remains some volatility in the economy which makes short term planning a challenge. Economic growth in Scotland should mean that GDP should return to pre-pandemic levels during 2022, although growth rates remain unpredictable. The Fraser of Allander Institute⁹ suggests the outlook is for the Scottish economy to meet pre-pandemic levels in the Spring, but Omicron casts a shadow over the speed of recovery in 2022 as restrictions are increased. The economy is now expected to get back to pre-pandemic levels in May 2022.

Covid-19

The past two years has shown rapid returns to near-normal levels of visits to retail and recreational venues as lockdown restrictions are eased, tempered by the on-off nature of restrictions as governments react to the variants. In the summer of 2021, KPMG observed a particularly strong level of demand because of *staycationing*, particularly in rural destinations away from urban centres. They say: “We expect this seasonal pattern of summer destinations to continue in the medium term, given the uncertainty related to local COVID-19 outbreaks and rules in other tourist hotspots globally¹⁰.”

Staff shortages and wage inflation

Tourism and hospitality businesses were hit very hard by government restrictions. Losing staff because of the downturn in business is compounded by a general tightening in labour markets because of Brexit and increasing competition for staff. This in turn is fuelling wage inflation. Unemployment in Scotland is around 2%pts lower than in 2019. Headline employment rates are moving towards pre-pandemic high levels reaching 74.1%

⁹ [The Fraser of Allander Institute FAI Quarterly Economic Review. \(December 2021\).](#)

¹⁰ [KPMG UK Regional Economic Outlook January 2022](#)

in the last quarter of 2021. Indicators for economically inactive and unemployed people continue to trend downwards. Youth unemployment also fell sharply.

Inflation and energy costs

Inflationary pressures, largely caused by the pandemic, are starting to cause problems for businesses and individuals with the Bank of England predicting peak of 7.25% in April and a year of increasing hardship for low income groups. The signs are that disposable income will fall in 2022 from a combination of inflation, increased energy costs and increased National Insurance payments.

5. Market scenarios

The Fraser of Allander Institute (FAI) in its 2021 report *COVID-19 and Scottish Tourism in 2021*¹¹ lays out a set of scenarios for the short and medium term future of tourism in Scotland. This points out “the return of domestic trips, “staycations” and possibilities of overseas travel has been widely discussed in the media. However, COVID-19 has also so called “supply-side” impacts on businesses”. These include high rates of sickness absence, absence because of isolation, reduced capacity of restaurants, bars and venues and supply chain disruption.

FAI estimates that Scotland will see a £5.5 billion (49.3%) reduction in tourism spend in 2021 compared to its estimated baseline. This will constitute an additional demand-side shock to our economic model, which will capture the knock-on impacts of this across all sectors and across the geography of Scotland.

The Scottish Tourism Emergency Response Group (STERG)¹² produced a scenario planning toolkit which we have applied to the North Carrick strategy. These are used so that NCCBC can update and refine the scenarios in future, using the toolkit. It explains:

“A scenario isn’t a forecast or prediction, but a range of plausible outcomes based on available evidence. The question asked when testing your strategy should be what would I change, if anything, if this outcome happens? Scenarios will not provide all the answers, but they help to ask better questions and prepare for the unexpected”.

The five scenarios, adapted from the STERG initial analysis are:

Scenario 1: The Baseline Scenario is a “world-as-it-is” interpretation of how tourism looked after it restarted following lockdown in July 2020. It represents a starting point from which to consider the other scenarios as they begin to deviate from this, and look at changing consumer behaviour and business operating environments.

¹¹ <https://fraserofallander.org/covid-19-and-scottish-tourism-in-2021/>

¹² <https://www.visitscotland.org/supporting-your-business/advice/coronavirus/sterg/scenario-planning-toolkit>

Scenario Two: The Old Normal this scenario COVID-19 infection rates are managed through the introduction of vaccine or societal compliance with regulations, so we begin to live COVID-19. This results in strong consumer confidence developing resulting in ~~increasing~~ increasing tourism demand to pre COVID-19 levels.

Scenario Three: Doors Open. These remain challenging times for consumers. Concerns over possible COVID-19 infection, worries over household incomes and job security result in people watching their spending and where they go and what they do.

Scenario Four: Long Chill. This scenario assumes the implementation of physical distancing legislation, rolling localised lockdowns due to uncontrolled cases of infection, confusing regulation being introduced and then reversed has limited the capacity of tourism operators and had a lasting effect on confidence in travel among travellers.

Scenario Five: Five Winters. This could be described as the worst-case scenario. Following the equivalent of three to five quarters of "low season" levels of performance, brought on by a perfect storm of economic recession and rolling waves of infection and subsequent lockdowns, most parts of the economy are suffering from decline in consumer spend and business closures.

Scenarios overall do not paint a dynamic view of the medium term for tourism with North Carrick focusing on established domestic markets – while tracking changes in purchasing behaviour and adapting the tourism offer as needed.

	Baseline Scenario	The Old Normal	Doors Open	Long Chill	Five Winters
Which visitor segments should I focus on?	Domestic: Scotland urban and N England.	Domestic UK; some international arrivals; caravans, camping sectors strong, bounce back from restrictions?	Younger travellers & empty nester demand remains strong – other segments cautious	Caution in markets remains - demand is still domestic and probably within a day's drive.	Domestic visitors the only real option, probably Scotland/ West of Scotland only.
What are my customers' expectations – what do they need?	Safety, quality product; strong demand for self-catering (less for serviced) accommodation	Wide range of offer, good quality, authentic (local) products, experiences and wellbeing are high priorities	Price sensitive – less disposable income. Expect businesses and attractions to be fully open	Value for money a key consideration; flexibility and safety expected. A range of activities and attractions (also safe).	Access to holidays and breaks within restrictions, affordable and safe.
How do I tailor my products appropriately?	Online everything, contactless payment; flexible booking and payment, free cancellation and rebooking conditions; adaptations to customer flows etc.	Online everything, contactless payment; flexible booking and payment, free cancellation and rebooking conditions; adaptations to customer flows etc.	Online everything, contactless payment; flexible booking etc diversify products and adapt to market changes – often at short notice	Online everything, cost savings where possible, retrenching and downsizing to maintain viable businesses. Possibly more seasonal closures	Online everything, cost savings where possible, retrenching and downsizing to maintain viable businesses. More seasonal closures
How would I market this?	Strong demand for bookings and restricted product may allow premium pricing.	Domestic profile raising through online and social media; using brand channels and agencies to maximise reach.	Domestic profile raising through online and social media; using brand channels and agencies to maximise reach.	Reassurance through social media and brand channels;	Careful messaging through brand channels and social media
What would staffing and training needs be?	Fewer staff; adopting hygiene protocols; booking and payment management systems (online everything)	Retaining staff a priority; new hygiene protocols are labour intensive.	Retaining staff a priority; new hygiene protocols are labour intensive.	Highly flexible staff needed to manage rolling changes and restrictions. Pressure to retain experienced staff.	Skeleton staff with flexibility from casual hires. Training and quality suffer as a result.
What investment/ cost cuts would I need?	Safety measures, more cleaning staff, self-	Staff pay and conditions may need to improve; move everything online and contactless. Product	Safety measures, more cleaning staff, self-	Reduce costs by cutting season to profitable months only; investing in labour-saving, cost	This is about cutting costs and investing in labour-saving, cost

	certification; updated equipment.	development and innovation desirable	certification; updated equipment.	saving IT and equipment to remain viable.	saving IT and equipment to remain viable.
Would I need to develop new supplier relationships?	Broader supplier bases in response to supply chain issues; local purchasing and sourcing	Broader supplier bases in response to supply chain issues; local purchasing and sourcing	Broader supplier bases in response to supply chain issues; local purchasing and sourcing	Broader supplier bases in response to supply chain issues; local purchasing and sourcing	Broader supplier bases in response to supply chain issues; local purchasing and sourcing
What collaborations would be beneficial?	Buying consortia, local cooperatives; training organisations; Joint marketing, destination management	Training and skills are at a premium, relationships with colleges and sources of quality staff. Joint marketing, destination management	Training and skills are at a premium, relationships with colleges and sources of quality staff. Joint marketing, destination management	Pooling staff, equipment, joint marketing, destination management	Pooling staff, equipment, joint marketing, destination management

6. Capacity to grow tourism value

All destinations would like to increase the value gained from tourism, in terms of jobs, income, improved amenities, transport and desirability (as reflected in property values). Most would prefer to do this without increasing the impact of tourism from more visits and the need to provide additional facilities aimed at attracting tourism spend without the balancing benefits to residents. The limiting factor is capacity and the 'winner's curse' that comes with unplanned growth (for example the NC500). With some exceptions, day visits are of low value and (generally) add little overall value to the community because of the high cost of upkeep of amenities and the wear and tear on public realm. Staying visitors on the other hand can contribute significantly to local economies with variations depending on the type of accommodation used.

In practical terms the basics of car parks, toilets and places to eat are required for all visitors, and – to some extent – this is being addressed at community level. But an overview for North Carrick (and Ayrshire generally) is needed.

Growth will depend on the ability to use existing accommodation and visitor facility capacity more efficiently through higher occupancy rates, better seasonal and geographical spread and raise prices

Scotland's future tourism strategy *Scotland Outlook 2030* states "Tourism is no longer just about tourists; it's about people. Success means more than numbers; it's about enrichment and prosperity for residents and our visitors¹³".

Therefore, for North Carrick:

- Investment should aim to increase the opportunities for visitors to stay longer and spend more
- Investment in infrastructure, amenities and attractions should give a high priority to community benefits and resilient businesses

7. Connecting with visitors

Access to markets has changed out of all recognition in recent years reflecting the transition to digital communication and the massive increase in information available instantaneously. This has some implications:

- The way people purchase tourism products has changed, and may well continue to change as the digital world evolves. Digital transformation of businesses has increased as a result of the pandemic¹⁴ with nearly half of all businesses increasing investment in digital experiences

¹³ <https://scottishtourismalliance.co.uk/scotland-outlook-2030-overview/>

¹⁴ KPMG: Digital Fuel <https://assets.kpmg/content/dam/kpmg/uk/pdf/2021/09/kpmg-digital-fuel.pdf>

built around the customer. This presents opportunities to connect directly with visitors before, during and after a visit.

- But the way the products are experienced has changed less dramatically. Although online and remote technology allows hygiene protocols to be observed, for example with ordering food and contactless payments.
- Quality is improving as a direct result of the power of comparison. Digital transparency means poor quality is found out quickly and consumers seem less tolerant of poor quality.

For an area like North Carrick, there is little point in projecting a brand to wider markets but there is an opportunity for developing local itineraries and packages of experiences to support higher level branding at the Ayrshire and Scotland level. But clear, simple messaging and ease of access (purchasing, information) will have the greatest impact.

8. Criteria for NCCBC tourism and heritage projects

By analysing the medium term future for tourism in the area and current strategic direction from government and sector bodies, a set of criteria has been developed to assess investment and tourism activity against. The question is "to what extent does this investment meet these criteria, and benefit the community?" Residents and businesses – through previous consultations – agree there should be a balance between visitor and resident needs and community benefit is of equal importance to growing visitor income. These criteria are:

1. A key aim is to build viable businesses (including attractions) that employ local people and have a long-term future. Investment in infrastructure, amenities and attractions should give a high priority to community benefits and resilient businesses.
2. Investments should contribute to Net Zero targets and improve the built and natural environment.
3. Investment should aim to increase the opportunities for visitors to stay longer and spend more
4. Domestic markets are the first priority; staying visitors are much more valuable than day visitors and contribute more to communities.
5. Marketing and promotion needs to support longstanding consumer awareness of Ayrshire and the destination marketing work of VisitScotland, Ayrshire and Arran Destination Alliance and other bodies. Share of voice within this framework is the main objective.
6. Investment in tourism infrastructure, attractions, amenities and environmental improvements needs to be maintained to a high standard – lifecycle costs are as important as capital costs.
7. The focus should be on developing strong narratives supporting the area's history and heritage including Burns Country, Robert the Bruce, maritime and farming heritage, and Clan Kennedy. Activities include adventure tourism (walking, cycling, water-based sports).

8. Visitors should have the highest quality of experience through linking things to see and do, and places to eat and stay. Itineraries and packages are needed rather than catalogues of attractions.

NCCBC

**Foundations for Recovery
Heritage and Cultural Tourism
Strategic Plan**

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