

Turning scenarios into a strategy map: Our ambition for Scottish tourism

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ABSTRACT

KEYWORDS: cognitive mapping, Scotland, tourism, strategy, scenarios

VisitScotland has set out a vision for the Scottish tourism industry in which tourism will be the 'first and everlasting industry' of Scotland. This vision is driven by an ambition to increase tourism revenue by 50 per cent within the next ten years.

In order to achieve that objective, a strategy map is used to provide direction that sets out the size and shape of the industry.

A constructivist interpretation paradigm and a cognitive mapping methodology are used to bring structure to the phenomenon of tourism futures by using a software package called Decision Explorer. This paper describes tourism being shaped by changes in demographics and in monetary policy. The consumer will be price-sensitive and/or sophisticated. Scotland will be recognised as a leisure destination rather than a tourism destination, with revenue growth much more likely to be derived from retail and leisure activities rather than the traditional sectors of accommodation and transport. But as tourism develops in Scotland, faster growth will be seen from European and short-haul markets compared to traditional long-haul markets. Shifts in demand as a result of demographic changes will result in visitors staying more with friends rather than with relatives, particularly in urban locations. A decreasing labour supply will result in more dependency on labour substitutes and the newer technologies.



INTRODUCTION: SCOTLAND

Scotland is a small nation on the edge of Europe, but the people have big hearts and souls. In 2002 tourism in Scotland was worth £4.5bn, 4 per cent of GDP and 8 per cent of all employment. Over the next ten years the ambition is to grow tourism revenue by 50 per cent, making tourism a £6bn industry representing 6 per cent of GDP and 10 per cent of employment. This ambition is driven

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by a long-term vision of making tourism Scotland's 'first and everlasting industry', and it has come about as the result of VisitScotland's scenario work¹ in which four scenarios were created that described possible futures for Scottish tourism.

These four scenarios follow different paths and are shaped by different circumstances. The Dynamic scenario creates a £10bn tourism economy with tourism being the number-one industry in Scotland. The Weekend Getaway sees tourism based upon consumerism and play. The value of tourism in this scenario is £7.6bn. Yesterday's Destination demonstrates that tourism is based upon the past, a scenario in which the tourism industry is too complacent. An uncompetitive industry means that growth will be only 1 per cent per annum and the industry valued at £5.1bn. Finally, Exclusive Scotland illustrates that the Scottish economy has failed as deflation has taken the soul out of the country, and unfavourable exchange rates result in international high-spending tourists flocking to exclusive resorts. Tourism in this scenario is a £2.6bn industry.

STRATEGIC MAPPING: THEORETICAL UNDERPINNING AND RESEARCH METHODOLOGY

The vision and ambition have caught the imagination of Scotland's political leaders and the scenarios have created a shared language of understanding. The next step is to deliver a strategy which will make that vision and ambition real. The term 'strategy' is derived from the Greek *strategos*, meaning a general set of manoeuvres carried out to overcome an enemy. A strategy map outlines a 'general', not a specific, set of manoeuvres in map format.

A strategy map is constructed using the principles of cognitive mapping, which represents an individual's thoughts regarding a problematic situation. The map itself shows a series of linked ideas, with arrows indicating how one idea might lead to another — it is a signed directional map expressing chains of cause and effect between the issues relating

to the problem area(s). The theory of cognitive mapping draws upon Kelly's personal construct theory² as a process of constructing and eliciting a person's understanding of a problem. Eden and Ackermann³ use these principles as means to map the qualitative aspects of messy problems. This approach emphasises equally the importance of discussion and content through the software package Decision Explorer.

Decision Explorer (DE) was used as a viewing tool to articulate and shape an account of issues, options and emerging decision making. DE allows a visual display and analysis of cognitive maps in such a manner 'as to permit "multiple viewpoints", "holding of concepts", "tracing of concepts" and "causal relationship management"'.⁴

The researchers set about constructing such a strategy map based upon the individual cognitive maps that had been analysed as part of VisitScotland's wider scenario planning programme.⁵ VisitScotland's research into the markets in 2010⁶ and 2020⁷ were folded into the strategy map in order to stretch and bring in a full account of tourism futures. These maps were clustered into a number of emergent themes and issues, including demographics, future homes, retail leisure, accommodation, attractions, eating and drinking, travel and transport, information, events, quality, business tourism, future directions, demand and supply. An example of a cluster is found in Figure 1. 2015 has been used for illustrative purposes in order to capture the right decisions and circumstances which will be required to deliver the stated vision and ambition.

Stepping-stones

Once a strategy map has been constructed, the next stage moves the process to the point where strategy becomes conscious and purposeful — what Eden and Ackermann⁸ refer to as 'journey-making'. Here the process involves reflecting upon the emergent strategy, discussing manifestations, strategic conversations and identifying patterns of decision making and purposeful strategic direction. From the strategic maps the decision

The consumer will be price-sensitive and/or sophisticated. Consumers who are price-sensitive are from the world of WalMart and easyJet. Sophisticated consumers are those who will indulge themselves or others, have high disposable incomes and expect luxury. They may be business travellers flying to Edinburgh with easyJet, but they will stay in a five-star hotel. This is a world where consumers will spend less on transport, but indulge themselves with activities and experiences at the destination. Consumers spend less on transport, accommodation and food, but more on leisure services and activities.

The tourism industry must recognise that Scotland is a leisure destination rather than a tourist destination. In Scotland today there is an increase in short-break holidays, driven by higher disposable income. The future competition is not so much from other destinations, but rather from other areas of household leisure expenditure.

Scottish tourism will experience shifts in demand over the next ten years as a result of demographic changes. One will see more visiting friends and relatives in urban locations, because this is where the population is located, with fewer tourists staying in traditional rural holiday destinations — they will still visit such places, but through day excursions from their urban base. Cities with high population densities will see substantially more tourism. For example, because of the continuing trend of building one- and two-bedroom flats, one will see an increase in hotels in urban destinations as these new hotels become the 'new spare bedroom'. Scotland must recognise these new demand factors and realise that some businesses will become unsustainable, therefore it must back tomorrow's winners, not today's losers.

Future size

Scottish tourism in 2015 will be a £6bn industry representing 6 per cent of GDP and 10 per cent of employment. Table 1 outlines the value and volume of expenditure, and

Table 2 breaks that expenditure down into categories.

In 2015 the £6bn tourism industry in Scotland will break down into a £4bn holiday sector; a £1.2bn business tourism sector; and a £0.7bn visiting friends and relatives (VFR) sector (Table 1). Growth will come from revenue rather than trips (in real prices).

The UK domestic market will continue to be the predominant market for Scottish tourism and will represent a £5bn spend, as against £1bn for international tourism. The UK tourism market will gain £3.5bn from holidays, £1bn from business tourism and £0.45bn from VFR. One can expect to see a relative decrease in UK business tourism as a percentage of total UK tourism because more business trips will be taken within one day as companies try to drive down costs (although in absolute terms spend/trips will increase), while real growth will come from the holiday market. Business trips will see a relative decrease in spend in the incentive travel market as companies move towards more low-cost options and seek other ways of recognising staff.

If growth is faster than expected, a more optimistic forecast is a £7.6bn industry in 2015, predominately driven by the forces of the weekend Getaway and Dynamic Scotland scenario.⁹ In order for this rate of growth to occur, demand factors such as favourable exchange rates, a stronger American market, emerging markets such as Russia and the Middle East, growth in business tourism, extended-stay short breaks and a very advantageous perception image influenced by the media and advertising would all have to prevail.

On the supply side, international flights, a uniform high-quality experience and similar levels of quality in accommodation would have to be in place. But if growth is at a slower pace a £5.2bn industry will prevail, driven by unfavourable exchange rates and the resultant outbound tourism, an uncompetitive industry, lack of investment in products and infrastructure and poor quality, resulting in Scotland being a second-choice destination.

Table 1: Projection of volume and value of tourism in 2015

	2002				2015 (median)				2015 (optimistic)				2015 (pessimistic)			
	Spend £m	%	Trips (million)	%	Spend £m	%	Trips (million)	%	Spend £m	%	Trips (million)	%	Spend £m	%	Trips (million)	%
UK tourists																
Holidays	2,469	67	12	65	3,510	69	13.7	62	3,900	65	14.6	61	2,924	68	12.0	64
Business	839	23	2.8	15	1,000	20	3.3	15	1,440	24	4.3	18	688	16	2.1	11
VFR	331	9	3.3	18	455	9	4.3	20	540	9	4.3	18	602	14	4.1	22
Other	43	1	0.4	2	86	2	0.7	3	120	2	0.7	3	86	2	0.6	3
Total	3,682	100	18.5	100	5,051	100	22	100	6,000	100	24.0	100	4,300	100	18.7	100
Overseas tourists																
Holidays	412	51	0.8	52	483	45	1	52	672	42	1.2	50	405	45	1.0	60
Business	146	18	0.3	17	226	21	0.3	16	384	24	0.5	20	189	21	0.2	12
VFR	194	24	0.4	26	267	25	0.4	22	400	25	0.5	21	225	25	0.4	21
Other	59	7	0.1	5	96	9	0.2	9	144	9	0.2	9	81	9	0.1	7
Total	811	100	1.6	100	1,072	100	2	100	1,600	100	2.3	100	900	100	1.7	100
Overall total																
Holiday	2,881	64	12.8	64	3,993	65	14.7	62	4,572	60	15.8	60	3,329	64	13.0	64
Business	985	22	3.1	15	1,226	20	3.6	15	1,824	24	4.8	18	877	17	2.3	11
VFR	525	12	3.7	18	722	12	4.7	20	940	12	4.8	18	827	16	4.5	22
Other	102	2	0.5	2	86	1	0.9	4	264	3	0.9	3	167	3	0.7	3
Total	4,493	100	20.1	100	6,123	100	23.9	100	7,600	100	26.3	100	5,200	100	20.4	100

Source VisitScotland; IPS; UKTS

Table 2: Projection of spending categories for tourism in 2015

	2002		2015 median		2015 optimistic		2015 pessimistic	
	<i>Spend</i> £m	%	<i>Spend</i> £m	%	<i>Spend</i> £m	%	<i>Spend</i> £m	%
UK tourism								
Leisure and retail	552	14	981	19	1,260	21	645	15
Entertainment	442	12	570	11	780	13	516	12
Eating and drinking	773	21	1,040	21	1,200	20	903	21
Accommodation	884	24	1,099	22	1,380	23	1,032	24
Travel	847	24	1,109	22	1,140	19	989	23
Other	184	5	252	5	240	4	215	5
Total	3,682	100	5,051	100	6,000	100	4,300	100
Overseas tourism								
Leisure and retail	211	26	310	29	496	31	225	25
Entertainment	24	3	75	7	144	9	27	3
Eating and drinking	170	21	234	22	368	23	198	22
Accommodation	268	33	321	30	448	28	288	32
Travel	73	9	96	9	112	7	90	10
Other	65	8	36	3	32	2	72	8
Total	811	100	1,072	100	1,600	100	900	100
Overall Tourism								
Leisure and retail	763	17	1,291	21	1,756	23	870	17
Entertainment and attractions	466	10	645	10	924	12	543	10
Eating and drinking	943	21	1,274	21	1,568	21	1,101	21
Accommodation	1,152	26	1,420	23	1,828	24	1,320	25
Travel	920	21	1,205	20	1,252	16	1,079	21
Other	249	5	288	5	272	4	287	6
Total	4,493	100	6,123	100	7,600	100	5,200	100

Source VisitScotland; IPS; UKTS

Shifts in expenditure patterns (Table 2) show more money being spent on retail, leisure and entertainment-based activity, and upon the principles of indulgence and hedonism. Consumers spend on themselves or partners or family. This money is likely to be spent upon retail products rather than on accommodation and travel. These categories show a slight downward shift, as the product is viewed as a commodity, although the luxury market is still substantial. This stabilisation reflects the fact that European visitors are less prone to fluctuations in exchange rates and visitors are coming to Scotland for leisure breaks and activities rather than long-haul and long-stay holidays.

Future direction

As tourism strives to be Scotland's number-one industry, a strategic conversation will be created and maintained about the economic and societal value of tourism in Scotland. Tourism will be a service provider and a manufacturing industry. For example, tourism supports many jobs in the education and the construction industry as well as helping support the drinks and farming industries. Tourism will be a seamless economy, where local destinations provide the basis for a close partnership between providers and manufacturers, such as woollen manufacturers, cheese producers and restaurants in Arran. These community partnerships will make tourism a

high-quality and sustainable industry, and, most importantly, an all-year-round industry.

The importance of tourism in the economy will mean less parochialism and more positive media messages. By 2015 one will see stronger partnerships with key international players such as Whitbread, MacDonald Hotels, Hilton and BA through key account management and industry engagement.

STEPPING-STONES IN THE NEXT TEN YEARS

If the tourism industry wants to be the 'first and everlasting industry' of Scotland, a strategy or stepping-stone action plan needs to be put in place that will deliver a growth rate and will result in the value of tourism being £6.1bn by 2015 at least. Such a strategy is based upon market growth from European and south of England markets, which regard Scotland as a activity and leisure destination rather than a long-haul traditional holiday destination.

Hub tourism

The past few years have seen a shift in tourism from rural to city locations. This has been driven by a number of factors, including the foot-and-mouth epidemic of 2001, budget carriers and city breaks. This trend will continue for a number of reasons.

- Cities offer a wider range of and a higher standard of accommodation.
- Population densities, ie visiting friends.
- Cities offer a diversity of bedroom stock.
- Scotland's cities offer a better transport infrastructure, ie a three-hour journey from point of origin will be possible from more markets.
- Historically, tourism demand is based upon city tourism rather than rural tourism.
- Decline of the 14-day touring holiday in Scotland, which included a substantial part of the itinerary being in rural locations.

- Cities offer an all-year-round experience as against rural tourism, which is more seasonal.

Cities and rural locations will work together as tourism hubs and spokes. The towns and cities will act as gateways to rural locations. Providers in the countryside will focus upon activities and experiences, such as walking, golf, adventure sports and, for example, traditional Celtic cultural activities. It is important that rural tourism continues to focus on these areas, particularly in gaining access to the short-break leisure market. In rural locations businesses will close if they are not willing to invest in a high-quality experience focusing on the leisure activity market. One will also see new entrepreneurial businesses start up, focusing on the leisure market rather than traditional Scottish products. Growth in rural locations will come from businesses that are economically viable all year round and focus on experiences in micro-segmented markets. One will see more of examples such as Arran (Scotland in miniature), the Ratho Adventure Centre, the Mod, the Mountain Bike World Cup, the Climbing World Cup, the St Andrews Bay Hotel, Gleneagles Apartments and the Aviemore Highland Resort.

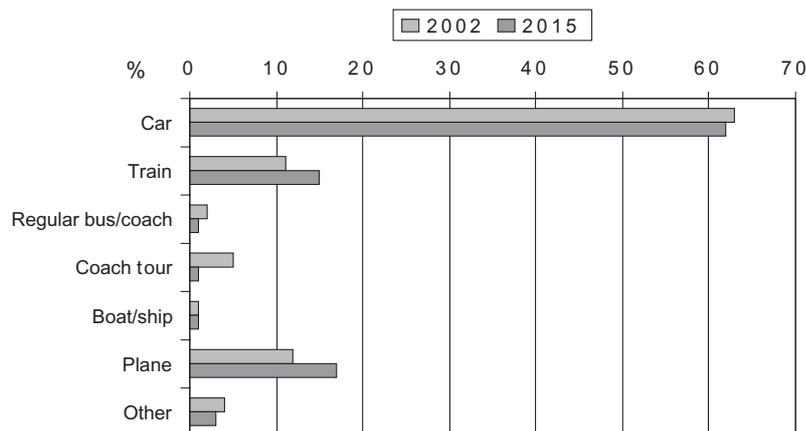
Sustainability for rural tourism is dependent upon the focus being placed on growing markets and meeting the needs of those visitors rather than attempting to attract a diverse market. Businesses which do not recognise this imperative will close because of simple economic reality: their product will not sell. The Scottish tourism industry must recognise this by 'focusing on success'; this will drive success, rather than relying on declining markets or promoting those providers offering inferior experiences.

Transport

Figure 2 represents the shift in modes of transport to and around Scotland from 2002 to 2015. The main points are as follows.

- In 2015 UK tourists will make 17 per cent of trips to Scotland by air transport.

Figure 2 Main mode of transport to/around Scotland by UK visitors



This is based upon an increase in air traffic from the low-cost carriers and the success of the Scottish Executive's Route Development Fund. This will substantially support the increases expected to take place in weekend city breaks.

- By 2015 rail transport will represent 15 per cent of trips to Scotland by UK tourists. This will result from the improvements being made to the East Coast and West Coast lines bringing tourists from London and the south-east, along with tourists from markets along these rail corridors.
- 2015 will reflect investment decisions about transport reflected in increased tourism trips.
- Expansion in the number of tourism trips will be driven by a three-hour journey time that is based upon accessibility and low cost. This may not be achievable until after 2015, but provision should be made now in order for this to happen.

New products and experiences

By 2015 one will see a new set of products, different to those of today, which tourists can use with ease in order both to make the decision to visit Scotland and to choose experiences during the trip. Instead of gener-

ic brochures, VisitScotland is developing myvisitscotland.com, a unique and tailored set of information delivered via the internet, SMS and zonal mapping. Zonal mapping is a technology which tells people how far they are away from the nearest seafood restaurant, for example, or the number of restaurants within ten minutes' walking distance.

New products, again driven by technology, could see the development of an electronic tourist pass which could be used, for example, to pay for public transport, for access to attractions and for meals in restaurants, all via the pass which could be 'topped up' before and during a trip. A refinement of this idea would be the development of a 'hub pass' which would be used to gain access to transport/attractions in a specific city area. This could be further developed to provide for timed entry to attractions in order to manage tourist traffic at peak and off-peak times.

Scotland invented the hydro,¹⁰ which means it is well placed for trends in health and well-being. The spa market has been well established in mainland Europe and has become a popular activity for women. One will see more developments, such as Zen Spa packages at the Dundee Apex Hotel. The importance of well-being is already well established as a retail product. Outlets such as

Arran Aromatics will replace traditional tourism souvenir outlets, as visitors become more concerned with purpose and usefulness rather than with tourism novelty.

General awareness of Scotland as a high-quality environment is well established,¹¹ making experiences such as bird-watching and dolphin-watching more important. Scotland has a strong identity with a rural landscape, where activities such as walking and cycling will still dominate in 2015. These activities are already being supplemented with adventure sports such as white-water bugging, sailing, snowboarding and rock climbing.

Scotland's cultural resources capture the growing interest in Celtic culture with a high-quality experience. Tartan, whisky and the Highlands are strong icons of Scotland. Travellers, in particular families and the older generation, will be drawn to this experience. With a growing interest in genealogy as a hobby, visitors will be drawn to Scotland to trace their roots and the associated history of Scotland's traditions. The emergence of cultural activities will see the growth of 'yesterday's' experiences, such as craft activities in which visitors use their hands through painting, pottery and woodcarving.

In these ways Scotland will expand its product portfolio, reflecting the pleasure-seeking and hedonistic nature of a market in which fun and adventure are central. The cultural experience will be a thriving Celtic connection, representing a resonance of contemporary Scotland. The natural landscapes and icons will be seen as escapism for those who work in metropolitan areas.

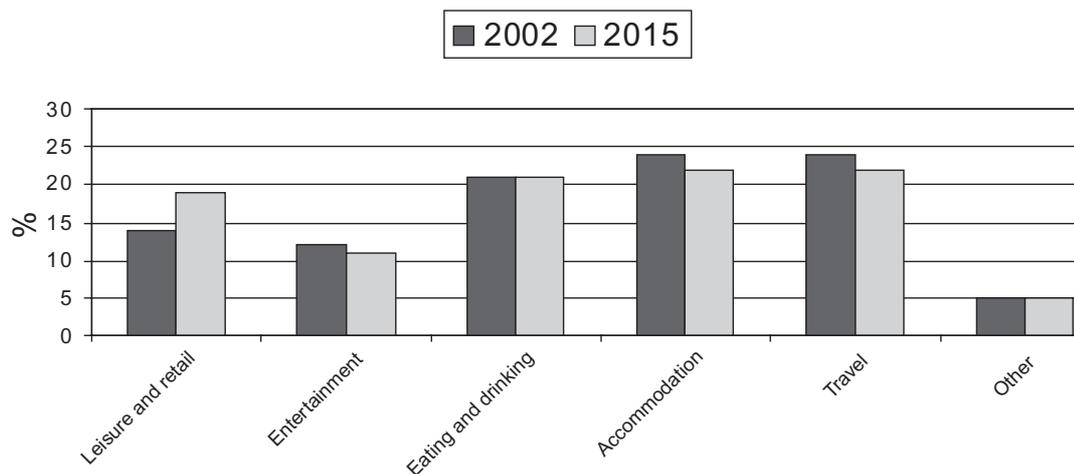
Revenue

Figure 3 represents changes in tourism expenditure by UK visitors. The main findings are highlighted below.

- Visitors will spend less on accommodation as, in general terms, it will no longer be perceived as a luxury item. In 2004 there is already disinflation within the accommodation sector, which is forcing incremental decreases in accommodation yields. In the next ten years accommodation will be bi-polar in character. The boutique luxury market and budget/self-catering market will thrive. Within the boutique luxury market, visitors will be willing to spend money on 'me' and pampering, whereas within the branded

UK categories of expenditure

Figure 3



budget sector accommodation will grow in suburban areas as visitors perceive this accommodation provider as their 'spare bedroom'. Further growth will be seen in the self-catering apartment sector as visitors move away from traditional three-star hotels to a more simple, economic and secure product.

- There will be lower spend on travel as a result of disinflation, driven by low-cost carriers making it more affordable for people to travel.
- As tourists focus on their activities at a destination, one will see more expenditure on shopping, entertainment, clothes and other products. This will result in tourism in Scotland moving more towards a retail leisure experience.
- As costs increase and yields are challenged in the traditional tourism sectors of accommodation, travel and restaurants, businesses will need to focus on the scientific principles of revenue management and pricing strategies in order to segment their visitors by price.

Market growth

As Table 3 suggests, the vast majority of Scotland's UK tourists come from within a three-hour driving time of the destination. If transport links can be improved, predominantly through rail and air links, European and south-east England markets will be within easier reach. At the moment the south-east of England contributes 20.5 per cent of trips to Scotland, with a yield per trip of £270. These visitors choose cities rather than rural locations, and the south-east is a region which contributes 33 per cent of GDP and represents 25.8 per cent of the population of the UK. This region has demographic growth, whereas Scotland's traditional markets of Scotland and northern England are experiencing long-term decline. If Scotland can become a destination within a three-hour journey time and with enough capacity at an affordable price, it can achieve a greater penetration in this market. Furthermore, Scotland is experiencing a year-on-year decline from the US market due to

Table 3: UK regional market segmentation to Scotland in 2002

UK tourism to Scotland	Revenue (£m)	Trips (millions)	Revenue per trip (£)	Regional contribution to GDP %	Market share as revenue %	Market share as trips %	Proportion of the UK population 2002 %
Scotland	1,376	9.2	150	8.1	37.3	49.7	8.6
North	729	3.5	207	21.7	19.8	18.9	24.2
London and south-east	756	2.8	270	33.3	20.5	15.1	25.8
Other	218	3.1	N/A	36.9	6.5	16.7	41.4
Total	3,682	18.5	199	100.0	100.0	100.0	100.0

unfavourable exchange rates, safety and security problems, a changing demographic profile and Americans choosing to stay at home. Although the American market will still be a substantial contributor to tourism expenditure in Scotland, European visitors will be the largest geographical zones of overseas visitors.

‘Pride and Passion’

A major part of creating a strategic conversation about tourism is looking at its value and potential. This means accepting the brand of Scotland that delivers a dramatic, enduring and human image¹² in which the people of Scotland embrace the industry. ‘Pride and Passion’ is a £2m project which aims to create a strategic conversation about Scotland in which the value of the industry is communicated to and a dialogue built up with the industry. This project means working with industry through the Scottish Tourism Forum in order to communicate a message that tourism is *the* industry of Scotland. This means talking up the industry through:

- ambassador programmes which capture best practice and stories about Scottish tourism; such programmes ensure that those who are passionate about tourism are its champions and spokespersons
- encouraging entrepreneurship through the Thistle Award winners, to ensure that industry winners get recognition and enhanced opportunities in the marketplace
- focusing on service that delivers ‘moments of truth’; this ensures that service and quality is constant, not patchy.¹³

Everlasting future

The industry’s responsibility for a sustainable future means that those who have responsibility for tourism now must ensure that the right decisions are taken today in order to ensure an everlasting future industry for generations to come. VisitScotland’s proposals include the following.

- The Green Tourism Business Scheme membership will grow by at least 30 per cent in the next ten years, as the industry recognises that a clean environment and a high-quality product are key drivers in consumer choice.
- As quality is now recognised as a hygiene factor rather than a distinguishing factor, it is important to deliver a consistent experience which is not spoiled by the minority. By making its quality assurance scheme compulsory, VisitScotland will ensure that businesses which deliver a poor-quality product are unable to practise.
- The quality assurance programme will be extended to other industries such as retailing and activity holiday centres in order to capture non-traditional tourism experiences.
- These quality assurance schemes will connect training to high standards of quality, in order to ensure consistency and investment in people.
- A 100 per cent money-back guarantee will be offered to visitors who did not enjoy their experience.
- VisitScotland will invest an extra £3m in its quality assurance programme over the next six years in order to deliver these ambitions.

Destination marketing

With destinations such as Australia, California, Dubai, the north of England and Ireland continuously investing in marketing and every other part of the world promoting their country as a tourism destination, the next six years are not going to be easy. Rather, the result will be a very competitive environment. In order just to stay competitive it is important for the tourism industry to maintain a level of investment in destination marketing. The Scottish Executive recently announced an extra £17m for such a programme. This marketing will be done in partnership with the private sector, which will account for 30 per cent of all advertising expenditure. VisitScotland will measure the success of its advertising on every £1 spent

on destination marketing by monitoring expenditure; the objective is that for every £1 of marketing expenditure visitors will spend £15 on revenue.

Other factors

- Scotland will continue to invest in developing Scottish tourism as a brand. Scotland must be emotionally accessible to the population of the UK.
- VisitScotland will become a private-public sector partnership, leading to the public sector having a minority shareholding in 2015.
- Fiscal policy constraints may see the introduction of a bed tax for the tourism industry, the income from which will be used to support the industry directly.
- VisitScotland will develop a well-balanced arts, cultural and sports events strategy that will drive activity with reasons to visit. This strategy will focus on secondary international and UK events, such as the Under-21 Rugby World Cup.
- Because of demands on labour by 2015, VisitScotland will aim to develop products that maintain high quality through labour substitutes, ie self-catering, self-service concepts and budget accommodation. Where products include service, it will be professional, informed and excellent. This will be linked to a quality assurance programme.
- Scotland will see the closure of attractions/accommodation which are not economically viable or where there is a situation of oversupply and poor quality.
- VisitScotland is committed to visit-scotland.com until at least 2012.
- Scotland will have a tourism satellite account by 2005 in order to measure its value.
- As Scotland is not an international tourism destination the word 'tourism' will be replaced with 'leisure'. In understanding that, the industry will realise that the competition is other items of expenditure that focus on the leisure Pound, not other destinations.

THE STEPPING-STONES

Figure 4 sets out the necessary stepping stones for our ambition for Scottish Tourism. The growth of tourism in Scotland will come from revenue. In order to achieve this revenue growth VisitScotland will focus on the south-east of England and Europe, where at the moment Scotland has a low market penetration. Transport will be the key to enhanced penetration and VisitScotland will use niche-targeted customer relationship marketing to remind people of the ease of access to Scotland.

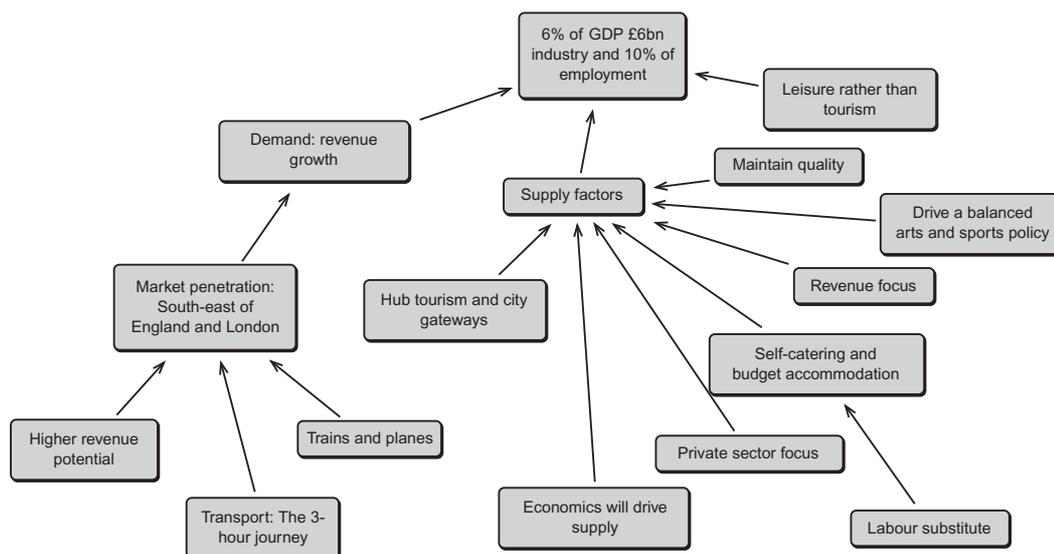
VisitScotland will ensure that Scotland thrives as the UK's number-one short-break market by basing its strategy on leisure activity and spending on goods and services. It will ensure that the Scottish tourism economy is sustainable through a private sector focus. Revenue generation will come through retail spend rather than accommodation spend. VisitScotland will follow demographic and demand trends, which will result in the growth of the self-catering and budget accommodation sector. The holiday and VFR markets will generate this demand rather than business tourism. One will see the closure of attractions and accommodation providers which cannot maintain high quality and are not economically viable. Scotland's cities will act as gateways for tourism. VisitScotland recognises the future labour supply problem, therefore it will strive for labour substitutes where possible and a well-trained professional workforce which has the respect of the Scottish population.

CONCLUSION: SCOTLAND'S AMBITIONS FOR TOURISM

VisitScotland's vision is for tourism to be Scotland's 'first and everlasting industry'; such vision in the first instance means putting in place a strategy based upon the ambition to increase tourism expenditure by 50 per cent in the next ten years. Many of the ideas in this paper have focused on the necessary stepping-stones for growth. Such stepping-stones may not be the right ideas, but the proposition has caught the imagina-

The stepping-stones for Scottish tourism

Figure 4



tion of stakeholders, industry leaders and politicians. The scenario paper¹⁴ provided an outline of possible futures for Scottish tourism, and drew one main conclusion: the industry cannot afford to stand still, and has to improve the product continually.

The ambition for a £6bn industry in the next ten years is bold; without doubt tourism is the world's most important industry, with holidays being available at both the South and North Poles — and everywhere in between. With the expansion of the EU and the resultant ease of travel between and within countries and the improvements in transport, destinations such as Poland and Estonia will, in 2015, be only three hours' flying time away, easily accessible from many European markets.

Scotland's core product, the short break, is under threat as more and more destinations compete for the same markets. Scotland cannot stand still, nor can it be parochial. This paper sets out to challenge the reader's mental model of Scottish tourism and to create a debate about the future. The players and businesses of Scottish tourism realise that they must adapt or exit the industry. Tour-

ism is everyone's business, and other destinations realise that. The paper is a 'living document' and throws down the gauntlet in order to create that strategic conversation about the future.

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