

**CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE**

**CALL FOR VIEWS ON THE IMPACT OF COVID-19 ON SCOTLAND'S CULTURE AND TOURISM SECTORS**

**SUBMISSION FROM EWELINA LACKA**

The cancellation of Edinburgh's August festivals will have a devastating impact on the local economy. While the health and safety of visitors is of paramount importance, it is vital that an effective recovery plan is in place to ensure a responsible and sustainable revival of tourism businesses and the employment that this brings to the city.

A project I am leading with Business School colleagues Jake Ansell and Johannes de Smedt is working with the Edinburgh Tourism Action Group to assist Edinburgh-based tourism businesses in their efforts to recover from the impact of Covid-19 by analysing data to support targeted marketing once lockdown measures are gradually lifted.

The Edinburgh Tourism Action Group comprises operators in the tourism and hospitality sector, as well as representatives from agencies and industry groups. The group covers tourism attractions, venues, events and festivals, as well as transportation and accommodation providers.

**Overview of the situation:**

Tourism embodies a significant part of the Scottish economy. Over the last few years Edinburgh in particular has benefited from an increase in visitor numbers, and associated visitors' expenditure contributing £1.5 billion to the city economy and supporting more than 33,000 jobs each year.

The on-going Covid-19 pandemic however, forced Edinburgh tourism businesses to close to adhere to social distancing measures. Although it remains unknown how long social distancing measures will be in place, it is clear that venue closure as well as event and festival cancellations have a huge impact on the tourism industry. For example, the recently announced cancellation of the August festivals alone will result in a £300 million deficit to the local economy. Many hospitality businesses have already closed and made staff redundant.

The research I am leading, supported by the university's Data-Driven Innovation initiative, aims to create a two-stage marketing communication plan, via segmentation, prediction and tracking, providing a "dashboard" for businesses to see how their recovery progresses.

**Focus on domestic tourism first:**

Although it is unknown how long social distancing measures will be in place for, it is expected that those will be lifted gradually. It is anticipated that domestic travel will be allowed prior to international tourism. Thus, initial efforts aimed at tourism recovery should be focusing on domestic visitors (including local, inter-Scotland as well as UK-wide), followed by international arrivals. Those markets, however, differ significantly in terms of visitor demographics, intentions to visit, as well as disposable income. Those differences will be more pronounced post-Covid-19, where possible recession is likely to impact spending on tourism and leisure.

To ensure effective tourism recovery, data-driven insights into domestic as well as international markets are needed. Our project's aim is to provide such insights from consolidating data from various tourist industry partners in collaboration with Edinburgh Tourism Action Group (ETAG) on demographics, as well as behavioural data which can be used to support targeted marketing once the measures are lifted (gradually). This will ensure effective targeting and communication with a domestic market, which is crucial in the first stage of the recovery. Those insights will also eventually allow tourism businesses to make data-led decisions on which international markets to focus on during the second stage of the recovery to ensure stable growth of tourism in Edinburgh.

Knowing which visitor groups to target with marketing communication based on their demographics, visit intentions and disposable income will allow tourism revival. It will also ensure that Edinburgh retains its competitive advantage in the tourism sector. The approach will consist of segmentation as well as prediction allowing production of insights developed as a dashboard. A final report will provide insights and the communication strategy along with detail of the tracking.

**Current priorities:**

Within the coming weeks, our project will establish its data needs. It is expected that ETAG will facilitate access to demographic data from its member organisations such as VisitScotland and edinburgh.org. Potential data sources include website visits and visits to social media sites, as well as any other data sources which include visitor demographic information. The academic team will obtain search data, which will serve as a proxy for intentions to visit as well as consumer confidence data indicating disposable income of potential visitors. At this stage other data sources will also be considered from potential partners including: Adara, Skyscanner and Expedia.

We anticipate having a final report by July.

The findings will inform ETAG activities aimed at the tourism sector regeneration post-Covid-19. The findings will identify specific demographic target groups intend to visit Edinburgh and what is their disposable income. All this will direct and inform a two-stage city-wide communication plan to target marketing activity at the most profitable visitor groups in a local/domestic market, as well as international markets.

The members of ETAG and the regional and national tourism industry will benefit from the project directly. When published on ETAG and other relevant tourism websites, other tourism organisations as well as local businesses will have access to the report, visualisation/dashboard and will also be able to act on its findings.

Data-driven marketing and communications decisions made based on the findings of the report will help tourism economy to recover by attracting the viable customer populations to visit, once they are able to. This will benefit Edinburgh tourism sector but also the Scottish tourism and Scottish economy at large as Edinburgh is the gateway for the whole Scottish tourism economy.

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