HIGHLAND eXperience TOURS

DBA DESIGN EFFECTIVENESS AWARDS 2010

FOR PUBLICATION

Project Title	Highland Experience Tours Rebrand
Category	1.0 Corporate/Brand Identity
Sub Category	1.2 Design and implementation costs under £100,000
Client Company	Highland Experience Tours Ltd.
Design Consultancy	H&A Graphic Design Ltd.
Current Date	2nd June 2010

EXECUTIVE SUMMARY

The tourism industry is a tough playing field, especially in Scotland where there are so many attractions fighting for each visitor's pound, dollar or yen. However, one dynamic and passionate tour company has managed to achieve real growth thanks to a rebranding exercise which allowed it to really differentiate itself from its competitors.

In a world of identikit brochures all featuring the same glens and tartans, Highland Experience Tours (HET) employed H&A to come up with a new marketing approach that emphasised the experience that visitors would have on their trips. This approach has proved extremely effective and has allowed HET to get noticed and grow.

Following a rebranding and redesign of all the company's key marketing tools, the results prove that HET's investment in design has borne fruit:

- Business generated through the HET shop increased by **40%**
- HET Agent sales jumped by **200%**
- HET online sales went up by **50%**
- Within two months, HET had realized a full return on their spend with H&A

By the end of 2009 HET had enjoyed an overall increase in turnover of over 60% compared to 2008. This growth was achieved with no other major spend on PR or publicity and took place within the context of an unpredictable tourism market where visitors were looking for 'credit crunch' value.

220 words

PROJECT OVERVIEW

OUTLINE OF PROJECT BRIEF

Highland Experience Tours (HET) is a tour provider operating in Scotland's competitive tourism market. As part of its drive to position itself as a leader in this market, HET approached H&A to refresh its brand and marketing material. The aim of the project was to help HET clearly differentiate itself from its competitors and get over its unique USPs - and so increase turnover and overall customer numbers.

The key marketing/business objectives were:

- To define HET more clearly in the market place
- To strengthen the HET brand
- To increase turnover and overall customer numbers

DESCRIPTION

HET is based in Edinburgh. It provides a wide range of single and multi-day minibus tours around Scotland. Tourists are the main stay of HET's business and the company caters to both foreign and domestic visitors.

HET was formed in 2005 and has pursued a programme of incremental growth since then, adding tours and buses as its turnover has increased. HET's aim from the start has been to be a market leader in the Scottish tours industry and provide a service that is acknowledged as being the best in terms of quality and value.

At the time of the rebranding project, HET operated six vehicles (ranging from a 16 seater to a 41 seater) and had a flagship office in a prime position half way up Edinburgh's Royal Mile. It employed four full-time management staff, six full time drivers and up to 15 part-time drivers at the peak of the season.

OVERVIEW OF MARKET

The Scottish tourism market makes up a significant part of the national economy. This means that nationally HET competes against a wide variety of tourist attractions and companies.

In its particular sector of the tourism market, HET operates in a highly competitive business environment that contains a large number of competitors. There are ten direct competitors operating in the EH1 postcode alone (EH1 is where HET is based); all offer tours to predominantly the same locations at very similar prices.

At the time of the re-branding exercise, the Scottish tourism market was in a state of some flux. According to VisitScotland, in 2009 domestic tourists increased the number of trips they took by +2.6% (compared to 2008). At the same time, per capita expenditure fell by over 2.7%. Over the same period, International Tourism increased by 3%, while their average spend per night decreased by 2%.

VisitScotland commented that the recessionary conditions experienced over 2009, compared to the turbulent credit crunch environment of 2008, produced some interesting trends. Consumers were increasingly concerned about value for money and the 'staycation' idea became more apparent over the year. This meant that HET's potential customer base was increasing, but that the company was having to fight for customers looking for the best value.

Overall, the 2009 season was seen by HET as a key opportunity for expansion because of the rise of the 'staycation' market and because of the tourism boost that the Homecoming Scotland 2009 celebrations were expected to produce. However, the company's management recognised that to make a significant step forward – and fully capitalise on the expected spike in Scottish tourism numbers – it would need to make significant improvements to its brand image and to its key communication and marketing tools.

PROJECT LAUNCH DATE

The new brand and associated communication materials, signage and website was rolled out during February and March 2009 in time for HET's key summer season.

SIZE OF DESIGN BUDGET

<£15,000 design and consultancy fees paid to H&A Graphic Design.

OUTLINE OF DESIGN SOLUTION

Before the project started H&A were commissioned by HET to research the market. From this report (see *Appendix A: only in confidential version)*) H&A made a number of recommendations on how HET could improve the return on its marketing spend.

From these recommendations HET commissioned H&A to:

- Define HET more clearly in the market place
- Strengthen the HET brand
- Roll-out new branding across all marketing materials

It was clear that a major challenge facing the company was the fact that it was not strongly differentiated from its competitors. Its marketing material and messages were strikingly similar to those of other Highland tour companies and they gave potential customers no real reason to choose HET over the competition.

H&A worked with the managers and staff at HET to identify the company's key customers, its channels to markets and its key brand strengths. This research was used to strongly position the company, to create a new HET brand essence and to focus and simplify HET's marketing material and the messages it carried.

It was clear that HET's key strength was the quality of its tours and, in particular, the personal touch that the company's highly experienced and engaging guides brought to each tour. Another key strength was the company's ability to provide a more bespoke experience than that provided by its competitors.

To highlight these strength and to differentiate HET in the market, H&A shifted the focus of HET's marketing from simply providing details of the tours (which were, at first glance, very similar to those of its competition) to showing customers what they really wanted to know: that if they booked with HET they would have an unforgettable, fun and, most importantly, Scottish experience.

A new brand essence was developed ('The Best Way to Experience Scotland') and a new logo was designed for the company. The new logo placed a clear emphasis on the word 'experience' using a customised, hand-written typeface that incorporated a Saltire. HET's corporate colours were also updated to give a more modern, Scottish feel (see page 6).

Using this new brand essence and logo, H&A then redesigned the look and feel of HET's marketing materials, including its 2009 tour brochure, shop signage and POS material. Design templates were supplied to 'reskin' the existing website and a corporate folder and agent pack was produced. Written content was developed from scratch and, in order to differentiate HET from the competition, its focus was shifted from 'buses and views' to 'people and fun'. Visually, larger photographic images were used, and a scrapbook feel was introduced – again to reinforce the 'experience' message (see page 7).

429 words

HIGHLAND
eXperience
TOURS

New HET logo

Highland Experience
Tours

Old HET logo

The new brand essence

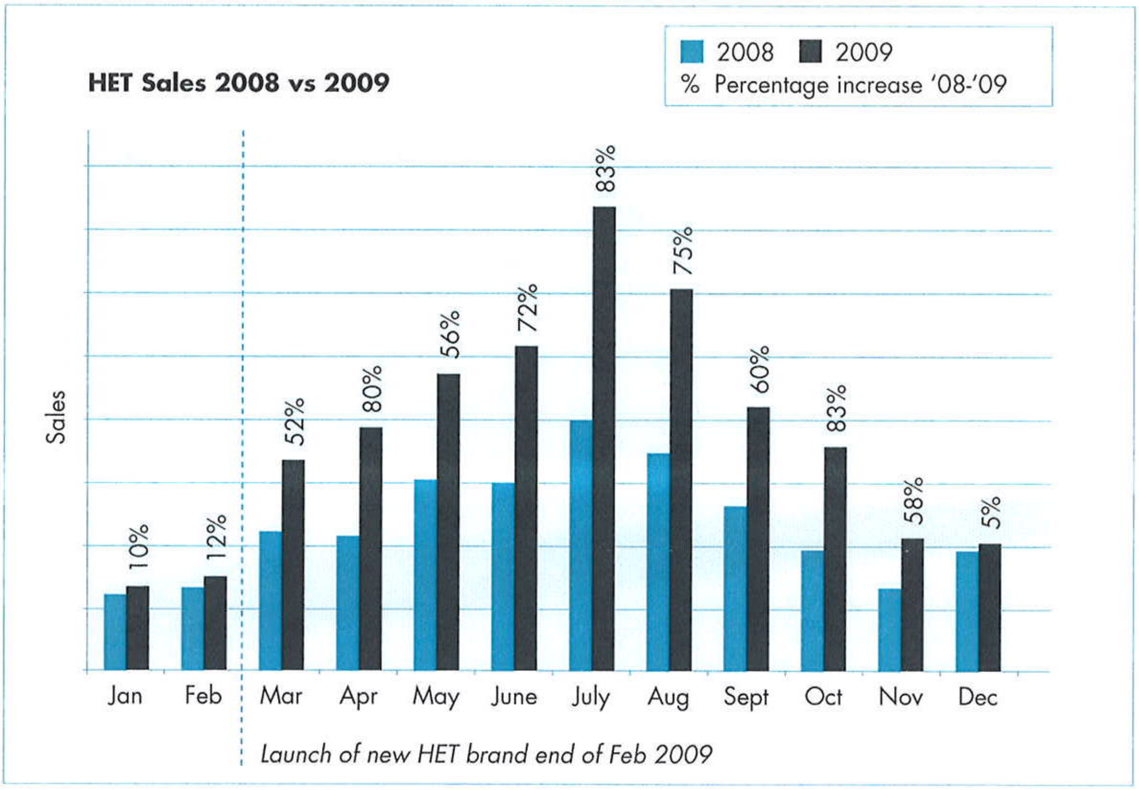
Examples of new corporate and marketing material

SUMMARY OF RESULTS

The effects of HET's new position and rebrand were immediate and sustained. Key results for the year are set out below. As illustrated (see *Graph A* below) the pick-up in sales (relative to 2008) immediately followed the launch of HET's new brand and marketing material (in Feb/March). This continued strongly throughout the rest of the year. The key Summer months saw particularly strong growth in sales – so boosting HET's revenue.

INCREASE IN SALES

- Within one month of the new brand launch HET recorded their busiest Easter weekend ever – up **50%** on the previous year
- Over the year, business generated through the HET shop increased by **40%**
- Year-on-year agent sales jumped by **200%**
- Annual online sales went up by **50%**
- By the end of the year HET had enjoyed an overall increase in turnover of over **60%** compared to 2008



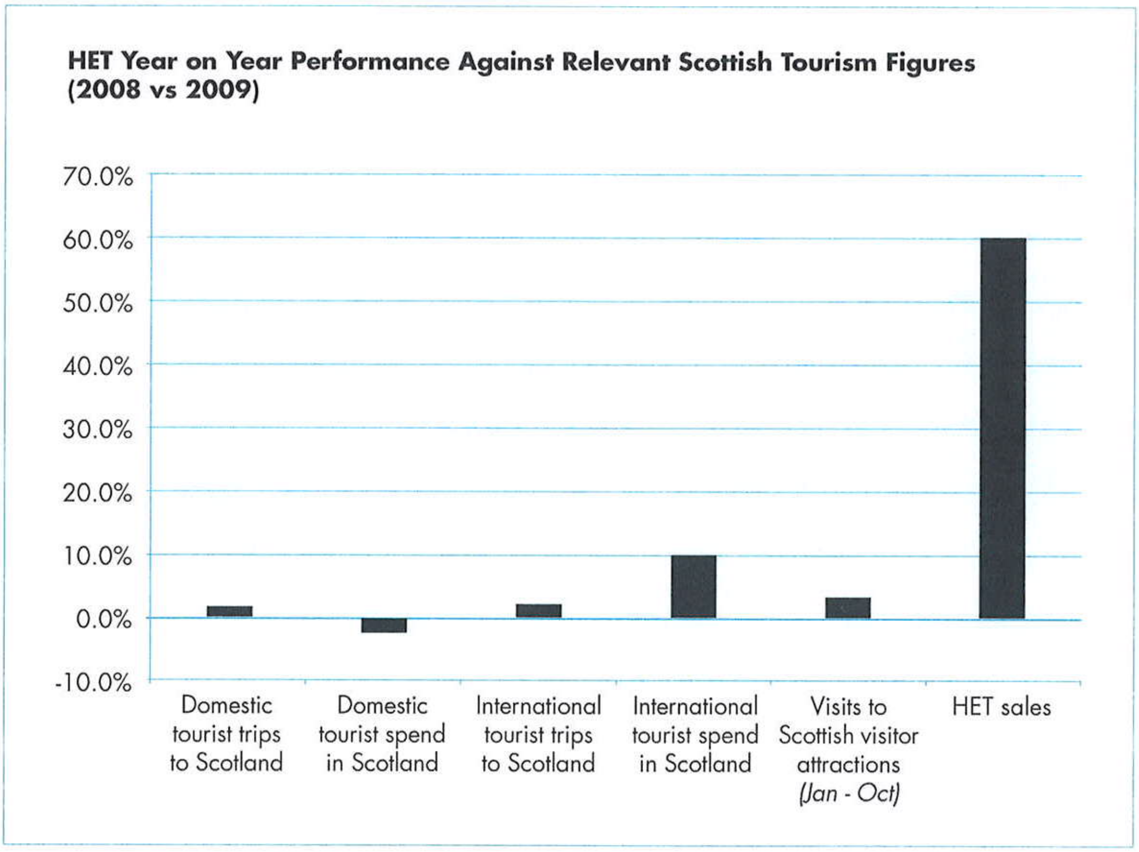
Graph A
Source: HET internal sales data (see Appendix C: only in confidential version)

RETURN ON SPEND

Within two months of the re-branding exercise, HET's increased profits provided them with a full return on their spend with H&A.

BEATING THE MARKET

In comparison to the overall Scottish tourism market, HET's growth was impressive. As illustrated (see *Graph B*), the company's growth was significantly above that of tourism in general – beating growth in all key subsectors by a large margin.



Graph B
Source: Latest Tourism Figures from VisitScotland.org and HET internal sales data

CORPORATE GROWTH AND EXPANSION

Due to the growth in its business achieved in 2009, HET has been able to expand and, at the beginning of the 2010 season was running 12 vehicles and employing 10 full-time drivers and up to 20 part-time drivers. As stated, at the beginning of the 2009 season the respective figures were: six vehicles, six full-time drivers and up to 15 part-time drivers.

The highest profile evidence of HET's strong showing in 2009 has been its decision to open a new sales office in Glasgow and operate a series of tours starting from this city. The new office opened in time for the start of the 2010 season.

HET is now set to build on their brand position in 2010. They have asked H&A to continue the development of their marketing and communication material to reflect and drive the continued growth of the company.

	2009	2010
Full-time drivers	**6**	**10**
Part-time drivers	**15**	**20**
Vehicles	**6**	**12**
Offices	**1**	**2**

Table showing areas of HET growth and expansion
Source: HET

CHANGES IN PERCEPTION WITHIN INDUSTRY

HET's 2009 visit to the Visit Scotland Expo was their busiest ever, with all appointment opportunities with agents booked up (compared to less than 50% the year before). This shows that potential agents and partners liked the new 'look' of the company.

HET was able to convert this interest into important new contacts – shown by the significant increase in agent sales throughout 2009. It is also clear that, because the new marketing material put over the consumer benefits of an HET tour more clearly, agents were able to 'sell' the company to visitors much more easily.

AWARDS

HET were recognized for the excellence of the experience they offer customers through their nomination as a finalist in the 2009 Scottish Thistle Awards – in the 'extra mile' category.

IMPROVEMENTS IN STAFF MORALE AND RECRUITMENT

The response from HET's staff to the new look and strengthened position of the company has been very positive. According to HET's management, key benefits include:

- Sales staff have found it easier to sell the company and highlight why it is better than its competitors
- Staff training has become more focused and effective
- All staff have become more enthusiastic about working for a company with a clear vision and strong 'personality'
- Due to the increased profile of the company and its more professional appearance, HET has seen more applicants of a higher quality applying to work with it

"As soon as I saw the new Brand I loved it – it sums up perfectly what we do. Now we do what it says on the tin!"

Shelbey, HET Sales Staff

IMPROVEMENTS IN CONSUMER ATTITUDES

The company saw a significant rise in popularity. In January 2009, HET's ranking on Tripadvisor was 4 stars and it was ranked as the 44^{th} most popular attraction in Edinburgh. As at May 2010, HET had achieved the website's maximum 5-star rating and ranked as the 19^{th} most popular attraction in Edinburgh.

The following customer feedback is from tripadvisor.co.uk – it is plain that customers are getting the 'experience' message.

Following a friend's advice I took the two day tour of the Highlands and it was such a wonderful experience! The small, comfortable bus created the perfect, personal environment to meet new people and enjoy the beauty of Scotland.

The tour was wonderful- not only did we see some of the most famous spots in the highlands but we were introduced us some seemingly quite "secret" spots. Micheal, our guide, truly made the experience for us.

Thank you to Tim (TOUR GUIDE EXTRAORDINAIRE) for a wonderful experience travelling through the Scottish Highlands, wind, rain, snow and all. Tim's enthusiasm for his country, his great sense of humor and his knowledge of the history and the environment was inspiring.

TESTIMONIALS

"H&A starting working Highland Experience Tours in 2009. After a consultation process with Ross and his colleagues I knew we had joined with the right team to take our company forward. Throughout the rebranding process H&A understood our concept and created a winning look. They positioned our product for the 2009 tourism season in which we experienced a 60% increase in turnover. Customers can now see straight away why they should choose us. We will continue to work closely with H&A going forward."

Michael Bremner, Managing Director, Highland Experience Tours

RESEARCH RESOURCES

- Latest Tourism Figures from VisitScotland.org (see *Appendix B*)
- HET internal sales data (see *Appendix C: only in confidential version*)
- Tripadvisor.co.uk

OTHER INFLUENCING FACTORS

Was it advertising or PR?
HET did not increase its advertising or PR budgets between 2008 and 2009, so any significant increases in sales cannot be attributed to advertising or PR spend.

Did HET change their prices?
HET did not change their pricing structure or run any significant offers in 2009.

Was it just the market?
Although the overall tourism market in Scotland increased during 2009, the increase was relatively small and uneven. As highlighted in the relevant sections above, growth in tourism numbers (2.6% for domestic; 3% for international) was significantly smaller than the growth in HET's sales (60%).

Therefore it can be argued that H&A's rebranding contributed significantly to HET's growth in 2009 and has allowed the company to take its place as one of the market leaders in its sector.

APPENDIX B

LATEST TOURISM FIGURES FROM VISITSCOTLAND.ORG

Latest Tourism Figures

Provisional full year international and domestic tourism figures for Scotland will be available from May 2010. Regional factsheets will be available from August 2010.

The following information is provisional early release statistics for Scottish Tourism. The data represents the progress of Scottish Tourism to date. Additional commentary is available with each data release, outlining factors influencing the developing trends.

Domestic Tourism

2009	Trips (mil)	Nights (mil)	Spend (£ mil)	Avg length of stay (nights)	Avg spend per night	Avg spend per trip	Next Publication Date
Jan-Dec	12.47	46.08	£2,736	3.7	£59	£219	May 2010
Year to date	+2.6%	+4.3%	-2.7%	+1.6%	-6.7%	-5.2%	

Source: United Kingdom Tourism Survey (Last Updated: 12/04/2010)
% Change Year on Year shown below figure

Analysis of the UKTS for percentage change in volume and value for the year to December highlighted the following:

- With overall trips to Scotland increasing +3% and expenditure declining -3%, the volume and value by specific purpose shows increased holiday trips (+7%) and business trips (+6%) with Visiting Friends and Relatives (VFR) down -15%. Expenditure was down -4% for holidays and -5% for VFR but up +8% for business travel.
- All the macro regions for Scotland (defined North / South / East / West) showed growth in holiday trips. Overall all regions saw a growth in total trips regardless of purpose with the exception of the east which experienced increasing holiday trips but declines in VFR and business. Edinburgh and the North both showed growth in visitor expenditure with business visitor expenditure visible across a number of regions.
- Trips to Seaside (+4%) and Rural (+7%) locations saw the biggest growth. Short breaks (1-3 nights) in seaside and small town location grew in 2009 with rural and city trips of 4-7 nights being more popular. While representing a small proportion of the market, stays of 8 or more nights increased significantly across all locations (Coast, Countryside and Urban) compared to 2008.
- Domestic visitors to Scotland who travelled by Train increased +23% against last year compared to a decline in visitors by Plane, down -13%. Organised coach tours increased in popularity.
- Visitors resident in Scotland remained static overall in 2009 although Scots taking breaks of 1-3 nights in Scotland increased +9% although longer breaks (4+ nights) declined over -25%. Visitors from England increased +5% overall with short breaks (1-3 nights) declining -3% but longer stays up +12% (4-7 nights) and +22% for 8 nights or more. English residents from the North East (+35%), Midlands (+17%), London (+8%) and the South (+17%) increased their number of trips with Yorkshire visitors (-5%) and those from the North West (-7%) declining although these regions showed growth in trips of 4 to 7 nights.
- The accommodation used by visitors showed that commercial and self catering properties all proved popular with growth in trips. Discounting room rates possibly contributed in a -2% decline in overall trip expenditure by visitors staying in hotels. Overall expenditure by visitors to Guest Houses and B&B's increased +31% and +18% respectively. Camping (+6% trips) and touring caravans (+21%) proved popular especially with Scots residents. Visitors from England showed growth in trips to Self Catering (+30%) and Holiday Camps (+23%).

The recessionary conditions experienced over 2009 compared to the turbulent credit crunch environment of 2008 produced some interesting trends in terms of visitor behaviour. Business tourism showed recovery across Scotland, holiday visits proved exceptionally popular and Visiting Friends and Relatives (non-holiday purposes) showed the biggest decline in terms of purpose. This supports the staycation trend which became apparent over the year.

Consumers became increasingly aware of value for money and Scots residents seemed to embrace shorter camping / touring caravan breaks compared to visitors from England who came to Scotland for longer self catering holidays. The positive outcome of this trend is the distribution of visitors around the country with all destinations (coast / rural / urban / city) seeing stable or growing numbers of trips.

Despite the falling expenditure which resulted in a number of factors including the decline in VFR market, falling room rates the strong holiday market will reinforce the Scottish tourism brand into 2010 and beyond.

International Tourism

2009	Trips (mil)	Nights (mil)	Spend (£ mil)	Avg length of stay (nights)	Avg spend per night	Avg spend per trip	Next Publication Date
Jan-Mar	440 -10%	3,363 +7%	£190 +3%	7.6 +18%	£57 -4%	£432 +14%	
Apr-Jun	680 +3%	4,385 -12%	£315 -11%	6.4 -14%	£72 +0.1%	£463 -14%	

Jul-Sep	953 -0.2%	8,935 +16%	£540 +8%	9.4 +16%	£60 -7%	£567 +8%
Oct-Dec	485 +26%	5,226 +42%	£314 +58%	10.8 +13%	£60 +12%	£647 +26%
2009* Full Year	2,558 +3%	21,908 +12%	£1,359 +10%	8.6 +9%	£62 -2%	£531 +7%

Source: International Passenger Survey. (Last Updated: 19/04/2010)
% Change Year on Year shown below figure
*Provisional

Quarter Four / 2009 was very strong in terms of inbound visitor trips to Scotland compared to Quarter Four / 2008. All regions showed double digit growth in terms of trips.

The UNWTO World Tourism Barometer showed World Tourism (international travel) declined -4% over 2009 with a growth in trips occurring in Quarter 4 of +2%:

- Europe saw international tourism fall -6% in 2009 compared to 2008 with Northern Europe (which includes UK) declining -8%. In contrast, Scotland and the UK outperformed Europe and the world in terms of trips.
- The UNWTO forecast outlook for 2010 for Europe sees a +1-3% growth in international tourism trips.

While inbound international visitor numbers have increased in Q4 to Scotland and 2009 as a whole, Airport Terminal Passenger numbers have fluctuated over the year for the principle Scottish Airports:

- **BAA Glasgow** (-11% Annual % Change), BAA Aberdeen (-9% Annual % Change) and Prestwick (-25% Annual % Change) airports saw terminal passenger numbers decline quarter on quarter over 2009.
- **BAA Edinburgh** experienced a -7% decline in terminal passenger numbers in Q1 then growth over Quarter (+2%), Quarter 3 (+5%) and Quarter 4 (+1). Resulting in an overall annual % change of +1%.

Visits to Scotland increased +26% in 2009Q4 compared to 2008Q4. UK Residents Outbound travel abroad declined -15% in 2009 according to the Office of National Statistics.

2009 Jan - Nov	Hotels (Room)	Guesthouse & B&B (Room)	Self Catering (Unit)	Hostel, Bothy & Bunkhouse (Bed)	Touring Caravan & Camping Parks* (Pitch)	Expected Publication Date
Occupancy Annual Average	63%	46%	50%	44%	45%	Feb 2010
% Change Year on Year	+0%	+2%	-1%	0%	+1%	

Source: Scottish Accommodation Occupancy Survey (Last Updated: 25/01/2010)
Period of current publication = January - November
* Touring caravan & camping pitch occupancy survey runs April to October

Occupancy levels, compared to the same period in 2008, for **November** 2009 found **Hotel** room occupancy was 59%,which is **level** compared with November 2008, and comparable to 2005-7 levels.
Areas such as Angus & Dundee (+22%) and, to a lesser extent, ALLFV (+5%) and Perthshire (+4%) show increases compared with November 2008. However, the Borders (-8%) and Fife (-7%), demonstrate relatively poorer performance compared with 2008 levels.

Guesthouse/B&B room occupancy was 29%,showing a decrease of -3% on November 2008, and marginally down on 2005-7 levels.

Both Edinburgh & Lothians and ALLFV showed a significant decrease of -7% respectively in occupancy compared with 2008, with Fife also negatively impacted (-6%). However, **significant increases** were witnessed in Dumfries & Galloway (+23%).

Self-catering unit occupancy was 30%, a marginal increase of +1% compared to 2008 levels, however down marginally looking back at the 2005-7 period. In terms of area, significantly lower occupancy figures were witnessed in both Aberdeen & Grampian (-16%) and Angus & Dundee (-11%), compared to the same period of the year prior. However, Highlands (+8%) and Edinburgh & Lothians (+7%) reported significant increases over 2008 levels.

Hostel (including Bunkhouse & Bothy) bed occupancy was 23%,which is a -1% decline on last year's results, however consistent with 2005-7 levels.

The SAOS shows that the hotel sector is continuing to perform in line with both 2008 and previous years occupancy figures with a level trend becoming apparent.

Occupancy levels in the **Hotels** sector particularly being assisted by special offers and deals as consumers, both in terms of leisure and business travel, become more price sensitive. Both Tayside and the 'Scottish Heartlands' in general performing well in November in terms of Hotel occupancy is indicative of a good Autumn season for the areas concerned, assisted by Perthshire Amber events and related Autumn activities around the ensuing period.

For the **Guesthouse and B&B** sector, the results are somewhat less encouraging, particularly across the regions, highlighted particularly by the continued declines in the Edinburgh & Lothians area (against a very encouraging Apr-Aug period in terms of occupancy levels).

Again it should be noted that the profile of Guesthouse/B&B respondents to the survey in the Edinburgh area has shifted towards smaller businesses, corresponding with reports that some smaller independent serviced accommodation providers are concerned about the heavy discounts being implemented by larger hotels and accommodation chains as mentioned above.

Scottish Visitor Attractions Barometer

2009 Jan - October	Scotland Total (mil)	Rural Location (mil)	Seaside Location (mil)	Urban Location (mil)	Paid Admission (mil)	Expected Publication Date
Visitor No's	31.6	11.7	1.9	18.0	10.5	See Note
% Change Year on Year	+3.6%	+2.3%	+6.1%	+3.2%	+3.3%	
Sample Size	502	219	66	217	206	

Source: Visitor Attraction Barometer (Last Updated: 29/12/2009)
Visitor Attraction Barometer runs January to October

The year Jan to Oct 2009 total visits show an **increase of +3.6%** visits compared to the same period of last year. October visitation figures compared to last year report level performance (+7.8%).

Looking at area specific performance for October, the Borders (+26.1%), Shetland (+24.7%), Orkney (+15.1%) and Aberdeen & Grampian (+11.2%) show particularly positive increases compared to October 2008. However, Ayrshire & Arran (-8%) witnessed decreases compared to October last year.

In terms of attraction category, Church/Abbey/Cathedral (+17.0%), Country/Forest Parks (+15.0%), Transport Related (+15.0%) and Wildlife/Zoo Farm/Nature Reserve (+12.8%) sectors all show significant gains. However, Historic House/Palaces (-9.7%) and Industrial/Craft Premises (-8.8%) categories experienced decreases comparing October 2009 with October 2008.

Attractions in Seaside (+15.3%) and Urban (+10.5%) locations performed well, whereas those in Rural locations (+2.0%) reported comparatively flatter performance.

Larger attractions (50,000+ annual visits) were found to be performing well (+8.3%), with Mid-sized (20,000-50,000 visits) and Smaller attractions (<20,000) only to a marginally lesser degree (+4.3% and +5.2% respectively). Free attractions experienced increases of +10.2% compared with October 2008, with Paid attractions reporting a somewhat less positive trend (+2.8%) on last year.

In terms of additional commentary 'School half-term holidays', 'Improved weather' and 'Strong exchange rate for overseas visitors' were typical influences provided to support any reported positive visitation performance. Reasons for negative impacts included 'Fuel costs' and 'Early closures'.

Note: This is the last monthly report from the Visitor Attractions Barometer for 2009.

Disclaimer

Due to the methodology of collecting the information all figures are considered provisional and may be subject to change upon revision. The data shown may not total or add to 100% due to rounding. As with all surveys the data is subject to sampling errors. Future publication dates are approximate, VisitScotland are subject to data provision from third parties and as such cannot guarantee the availability of specific data.