Greater Lincolnshire
VISITOR ECONOMY DIGITAL ADOPTION STUDY

Final Report - March 2021

Prepared for:
Business Lincolnshire
Greater Lincolnshire Local Enterprise Partnership
Lincolnshire County Council

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CONTENTS

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EXECUTIVE SUMMARY

The Purpose of the Research

This research was commissioned by Greater Lincolnshire LEP (GLLEP) to inform a strategy and action plan for digital adoption in the visitor economy. Its aims were to:

- Assess the current levels of digital adoption amongst accommodation and attraction providers across Greater Lincolnshire as well as their digital capabilities, attitudes and aspirations.
- Examine barriers to adoption and identify support required to overcome these barriers.

The project involved a telephone survey of accommodation operators and research into good practice in other destinations in developing visitor economy digitalisation.

Key Findings

The survey of accommodation operators highlighted:

- High levels of website adoption (87% of business) and use of third-party booking platforms (78%). Use of social media was also relatively high – 65%.
- Adoption of other forms of digital marketing was, however, lower. For example, of businesses with a website, half (52%) took online bookings via it and a third (34%) accepted online card payments. In terms of SEO about two-fifths were proactive – 23% constantly updated their site content in relation to search terms and a further 16% knew the key terms and had incorporated them into site content.
- Just over a third of businesses (36%) had a customer database – about half (53%) of these businesses used it to send customers e-newsletters, updates, and/or special offers.

From this research, three broad groupings of accommodation businesses can be identified – proactive, good and ok/poor. All groups have high adoption of a website in some form and generally use third-party booking platforms. In terms of the characteristics of these groups:

- The ‘ok/poor’ group, which accounted for 50% of businesses, was much less likely to take online bookings and credit card payments, use SEO, and use a customer database for marketing. Their use of social media (particularly among the ‘poor’ adopter group) was also lower than other groups. Self-catering businesses were more likely to rate themselves in this group.

- The 'good' group accounted for 37% of businesses. It was relatively active with about half taking online card payments and using SEO. Use of social media was high and about a quarter used a customer database for marketing.
- 'Proactive' businesses were the smallest group – 13%. They were the most likely businesses to have a website, use SEO (around two-thirds), use social media, and use a customer database for marketing (nearly half).

About half of businesses were interested in developing their digital marketing – this was highest among businesses rating their current adoption as 'good', and medium/large businesses. In terms of potential interest in digital advice and training, there was most interest in 'making the most of your website' and 'making the most of social media'. Online training was the preferred training method.

Among other destinations, Scotland stands out in its approach. Whilst it is recognised that this is a national strategy and the availability of resources has been factored in enabling this to happen, there are elements to the Scottish approach that recommend it to wider settings. The Digital Tourism Scotland (DTS) programme arose from the national level tourism strategy and has consistently delivered since 2015. The six core partners in the programme have distinctive roles in delivery and the programme is delivered through a range of channels (e.g. workshops, surgeries, awareness-raising sessions, group support and online content). It is supported by a specific DTS website which has a wide range of resources that can be independently accessed by businesses.

Lincolnshire has two strands of work which are on-going at a strategic level. These include a programme of infrastructure works to improve connectivity across Greater Lincolnshire, and the promotion and development of digital knowledge and skills with individuals and businesses. Business Lincolnshire delivers (through CDi Alliance) digital marketing training and mentoring. This is accessed via Growth Hub Advisors. Courses are currently not specifically targeted at the visitor economy. There is however a separate programme being run by CDi Alliance (funded by the Coastal Communities Fund) which is specifically a digital adoption support programme for visitor economy businesses. However, this has geographical restrictions due its funding. In terms of the visitor economy, there is a limited amount of information on the Business Lincolnshire website specifically targeted at the visitor economy sector, but this is being addressed. At present there isn't a county-wide DMO to provide a trade section of a destination website.

Implications for Forward Strategy

The delivery of digital adoption programmes for visitor economy businesses across the UK has been fragmented and driven by the availability of funding, and in many cases is not specifically targeted at tourism businesses. There is often a lack of clarity about who is doing what. This is also true of Lincolnshire.

The starting point and guiding principles for Lincolnshire going forward should be a clear strategy for digital adoption in the visitor economy that:

- Sets out what Business Lincolnshire and its partners are seeking to achieve and why.
- Is delivered over the medium-long term within the funding parameters available.
- Is appropriately resourced, with partnerships in place with clear roles.
- Is inclusive and has full geographic coverage of the GLLEP area and includes all businesses in the visitor economy sector.
- Is evidenced via case studies of the benefits and impacts at business level and via broader PR/promotion of the scheme/s with stakeholders.
- Is integrated with clear links to other provision and can deliver one place for digitalisation delivery for the visitor economy.
- Is differentiated with slightly different offers for 'poor' adopters at the beginning of the digital journey and those with reasonable levels of adoption, and different business types.

Within this over-arching approach, the research indicates the need for a package of measures tailored for the sector, with strands of support that can deliver financial assistance, knowledge exchange and skills training through a variety of media, together with 1-2-1 support.

There is an opportunity to further develop the Business Lincolnshire website to deliver a comprehensive gateway and hub for supporting visitor economy businesses. This should clearly pull together funding available for the sector, training opportunities and other business support. It is recommended that this support will include a bank of resources – webinars, podcasts, 'e- training' bundles, factsheets, and toolkits to cover aspects of digital adoption and wider business support of relevance to the visitor economy sector. This should be developed so that it can be independently accessed by businesses, but also supported with opportunities for live engagement in group, peer to peer and 1-2-1 formats. Case studies of digital adoption for visitor economy businesses, clearly demonstrating the benefits at an individual operator level should also be part of this mix.

Recommended next steps include: - setting the strategy, identifying key partners and resources, and beginning to prioritise action.

1 INTRODUCTION

1.1 Background and Purpose of the Research

1.1.1. The Greater Lincolnshire LEP (GLLEP) is promoting growth in the visitor economy as one of its priorities. However, a perceived barrier to achieving this is a lack of digital adoption and utilisation amongst accommodation and attraction operators. Formal research was required to understand the breadth and depth of the challenge and opportunity, and to develop a strategy to encourage digital adoption across the sector. Hotel Solutions was commissioned in January 2021 to deliver this work.

1.1.2. The purpose of the study as set out in the brief was:

- To assess the current levels of digital adoption amongst accommodation providers across Greater Lincolnshire as well as their digital capabilities, attitudes, and aspirations. Where sample sizes would allow, differences by business type and characteristics of accommodation operator as well as by location would be identified.
- To examine barriers to adoption and identify support required to overcome these barriers.
- To draw out from this evidence the implications for a strategic and operational plan to help move visitor economy businesses along the journey to digital adoption.

1.2 Approach

1.2.1. The study was required to be completed in a very tight timeframe of six weeks during the first quarter of 2021. The nation was under lockdown during the survey period, and clearly the hospitality sector has been massively impacted by the associated restrictions, with many businesses closed and staff on furlough. The approach to the study methodology has been mindful of this and to the effect this might have had on visitor economy business respondents as well as stakeholders consulted. To a large extent these challenges have been overcome.

1.2.2. A major objective of the study has been to secure quantitative data about the scale and nature of digital adoption amongst visitor economy businesses, and for this reason the prime focus of the work has been on primary research with visitor accommodation operators. The survey was conducted by Computer Aided Telephone Interview; details of the sampling framework and methodology can be found in section 2.

1.2.3. To complement this, and to help add flavour and understanding to the hard data, two strands of qualitative research were undertaken along the CATI survey.

- The first was a review of current activity to promote digital adoption in the Greater Lincolnshire LEP area. This has included interviews with a cross-section of stakeholders including Business Growth Hub Advisors, specialist partners delivering digital advice and training on behalf of Business Lincolnshire and local authority Tourism Officers. We have also reviewed the Business Lincolnshire website in terms of courses, training and funding available to visitor economy businesses for digital adoption and any online resources to support this. This has provided a valuable baseline position of current and recent provision as well as some insight into gaps and additional requirements from a wider stakeholder perspective going forward.
- The second was a review of digital adoption activities and business support in other destinations, both generally and in terms of programmes specifically targeted at the visitor economy. The purpose was to identify good practice at LEP and DMO level to feed into future digital adoption strategy and action for the Greater Lincolnshire visitor economy sector.

In both cases the work was undertaken via a combination of desk research and email plus telephone consultations.

2 BUSINESS SURVEY KEY FINDINGS

2.1 Survey Methodology

2.1.1. This section of the report summarises the results of the survey conducted among accommodation businesses in Greater Lincolnshire. The survey was conducted by telephone interviewing during late February and early March 2021. The sample was drawn from a database provided by GLLEP – this was primarily based on a Global Tourism Solutions database (used in the STEAM analysis) supplemented by data provided by Tourism Officers and Hotel Solutions (from a previous project relating to pub accommodation in Lincolnshire).

2.1.2. The sample universe and final sample are summarised in the following table:

Sample and Sample Universe				
	Sample Universe		Sample	
	No.	%	No.	%
Total	1902	100	165	100%
Serviced	948	50%	65	39%
Self-catering	580	30%	60	36%
Caravan and camping	374	20%	40	24%
Boston	58	3%	11	7%
East Lindsey	898	47%	69	42%
Lincoln	68	4%	16	10%
North East Lincolnshire	123	6%	15	9%
North Kesteven	140	7%	9	6%
North Lincolnshire	103	5%	4	2%
South Holland	84	4%	4	2%
South Kesteven	280	15%	22	13%
West Lindsey	123	6%	15	9%
Unknown	25	1%	-	1

2.1.3. The sample was selected on a random basis – i.e., every 10th or 11th record in the database. The overall sample was 165 respondents. The target sample had been 200 businesses but lockdown related issues (with many businesses closed or staff furloughed) and database issues (e.g., out of date records) meant this was not achievable in the timescale available. The serviced accommodation sector was more problematic, and, in the end, the sample is slightly under-represented compared to the overall supply – serviced establishments accounted for 39% of the sample, compared to 50% of the supply.

2.1.4. The analysis in the following sections looks at differences in digital adoption and interest in support by different groups of businesses. Given that the sample sizes for these groups are relatively small (typically 50 – 100 respondents) the results should be treated as indicative; they will be subject to reasonable margins of error.

2.2 Business Characteristics

Type and Size of Business

2.2.1. Businesses were categorised into three broad groupings – small, medium, and large businesses. These are defined as follows:

Business Size Categories and Sample Universe				
Definition	**Serviced**	**Self-catering**	**Caravan and Camping**	**All**
Small	5 or less bedrooms	1 unit	10 or less pitches	n/a
Medium	6 – 25 bedrooms	2-5 units	11- 40 pitches	n/a
Large	More than 25 bedrooms	More than 6 units	More than 40 pitches	n/a
Sample Universe (estimated[1] %)				
Small	78%	60%	38%	63%
Medium	19%	28%	37%	26%
Large	3%	12%	26%	11%

1. Based on GTS database. NB some businesses had missing values.

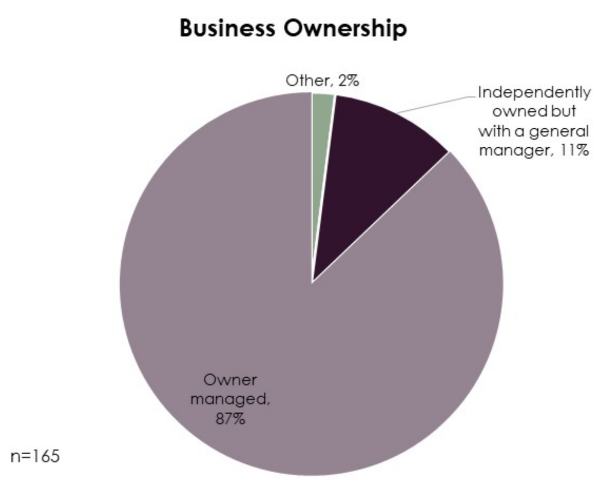
2.2.2. The following table summarises the sample breakdown by business size.

Business Size - Sample				
Business Size	**Serviced (%) (n=65)**	**Self-Catering (%) (n=60)**	**Caravan (%) (n=40)**	**All (%) (n=165)**
Small	49%	37%	40%	42%
Medium	43%	43%	20%	38%
Large	8%	20%	40%	20%

The sample shows a slight bias towards medium and larger businesses, with smaller businesses under-represented (this was particularly the case in the serviced and self-catering sectors). This may have been caused by poorer database records for smaller businesses and possibly lockdown related issues.

Business Management and Ownership

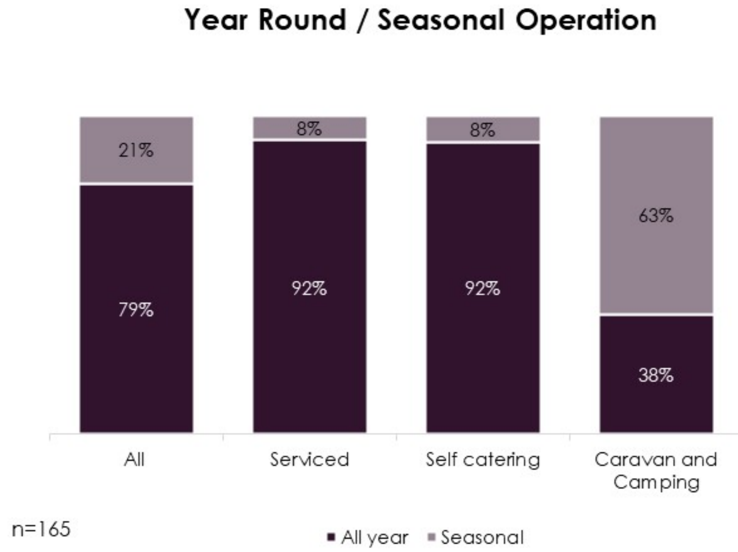
2.2.3.



Most businesses in the sample (87%) were owner managed, with 11% independently owned (with a general manager). Serviced establishments were more likely to be independently owned (20%). Self-catering was predominantly owner managed (97%).

Seasonality

2.2.4 Serviced and self-catering businesses were typically operating on a year- round basis. Caravan and camping were more likely to be seasonal.



Business Life Stage

2.2.5. Businesses were asked at what life stage they were, and how long they had operated under the same ownership.

Business Life stage		
Business Life stage	**% of businesses**	**Average no. of years' operating under current ownership**
Newly established	6%	1
Established and growing	29%	13
Established and comfortable	56%	18
Established but slightly declining business	6%	20
Winding down	4%	19

Over half of businesses (56%) categorised themselves as 'established and comfortable' - these had been operating, on average, for 18 years. Just under a third were 'established and growing'.

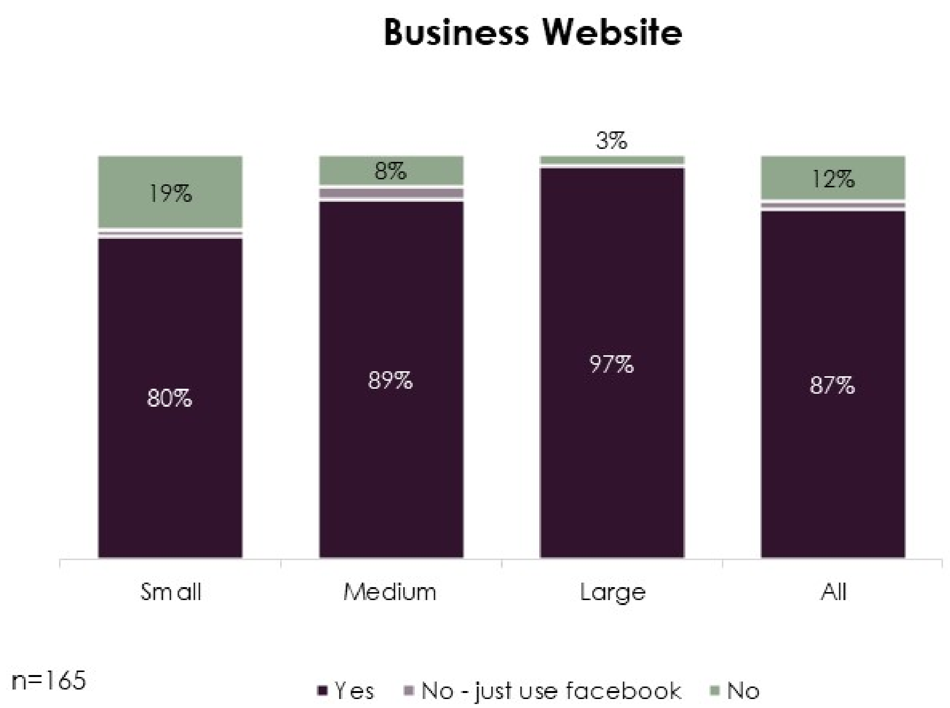
The average length of business operation was 16 years with:

- 46% of businesses operating under the same ownership for 10 years or less;
- 32% for 11- 20 years
- And 21% for more than 20 years.

2.3 Digital Adoption

Website

2.3.1. Most businesses had a website (87%) with 1% just using Facebook. The rest (12%) had no website. Smaller businesses were less likely to have a site – 19% did not.



Reasons for not having a website included: Don't need one; not really relevant to us; use an alternative (Airbnb, social media); Under development; Not got round to it; and Cost.

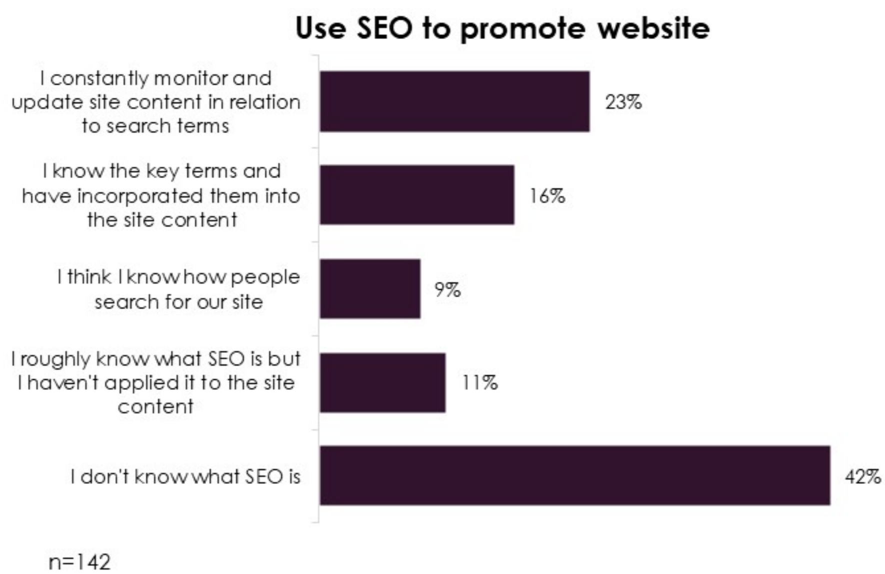
2.3.2. The following table summarises the level of adoption of different functions on operators' websites – 64% provided on-line availability, 54% online bookings and 34% on-line card payments.

The cells highlighted in green are higher than average, the ones in red lower than average.

Website Function			
	On-line availability of your product	On-line booking	On-line card payments
Serviced	75%	64%	39%
Self-catering	67%	54%	39%
Caravan and Camping	38%	28%	19%
Small	55%	39%	21%
Medium	86%	75%	53%
Large	41%	38%	25%
10 years or less	76%	61%	42%
11-20 years	59%	46%	30%
20+ years	42%	42%	23%
All	**64%**	**52%**	**34%**
Sample base: Businesses with a website: N=143			

Serviced, medium sized and more newly established businesses were more likely to have availability, on-line booking, and card payment functions on their website. Long established businesses, and caravan and camping business were less likely to.

2.3.3. Use of Search Engine Optimisation (SEO) was mixed. About a quarter (23%) of businesses were proactive and constantly updated their site content in relation to search terms. A further 16% knew the key terms and had incorporated them into site content. The remaining three- fifths (61%) were much less active with two fifths (41%) indicating they did not know what SEO was.

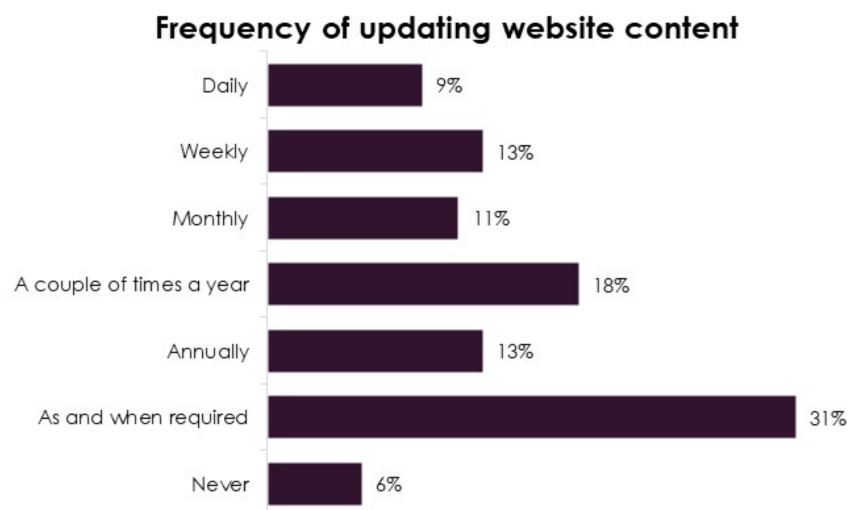


2.3.4. There were variations by business type and size (green, in the following table is higher than average, red lower than average).

Extent SEO is used	Serviced (n=58)	Self-catering (n=52)	Caravan & Camping (n=32)	Small (n=55)	Medium (n=55)	Large (n=32)	All (n=142)
I constantly monitor and update site content in relation to search terms	22%	8%	47%	13%	31%	25%	23%
I know the key terms and have incorporated them into the site content	16%	21%	9%	20%	7%	25%	16%
I think I know how people search for our site	7%	14%	3%	6%	11%	9%	9%
I roughly know what SEO is, but I haven't applied it to the site content	3%	19%	9%	9%	15%	6%	11%
I don't know what SEO is	52%	39%	31%	53%	36%	34%	42%

Caravan and camping, and medium sized business were the most proactive in their use of SEO (NB these groups did not fully overlap – i.e., some medium businesses were not necessarily caravan and camping). Small businesses and serviced businesses (these two groups largely overlapped) were the least proactive in SEO use.

2.3.5. Businesses most commonly (31%) updated their website content 'as and when required' – this could be frequently or infrequently depending on the business.

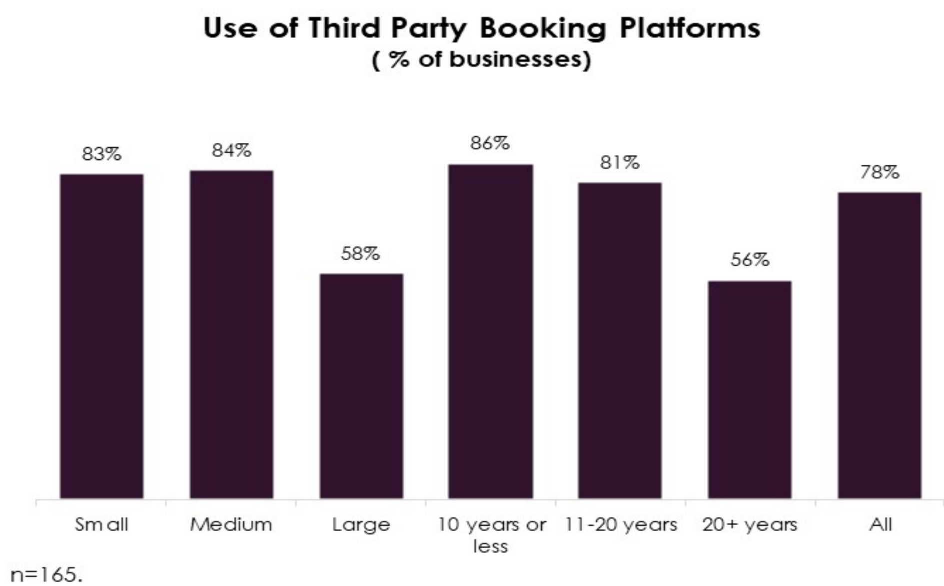


n=143

Just over a fifth (22%) updated on a weekly or daily basis while just under a third (31%) were updating a couple of times a year or annually.

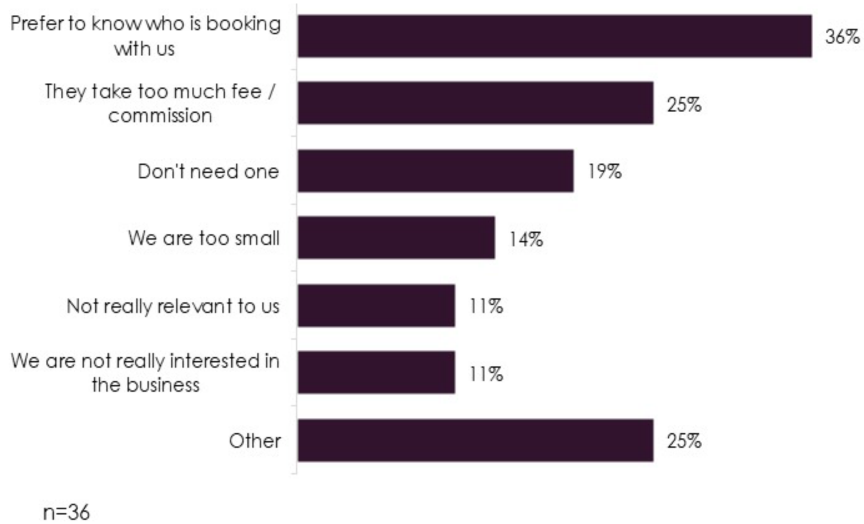
Third Party Booking Platforms

2.3.6. About four-fifths of businesses (78%) were using third party booking platforms. While this did not vary significantly by business category, there were some variations by size and age of business.



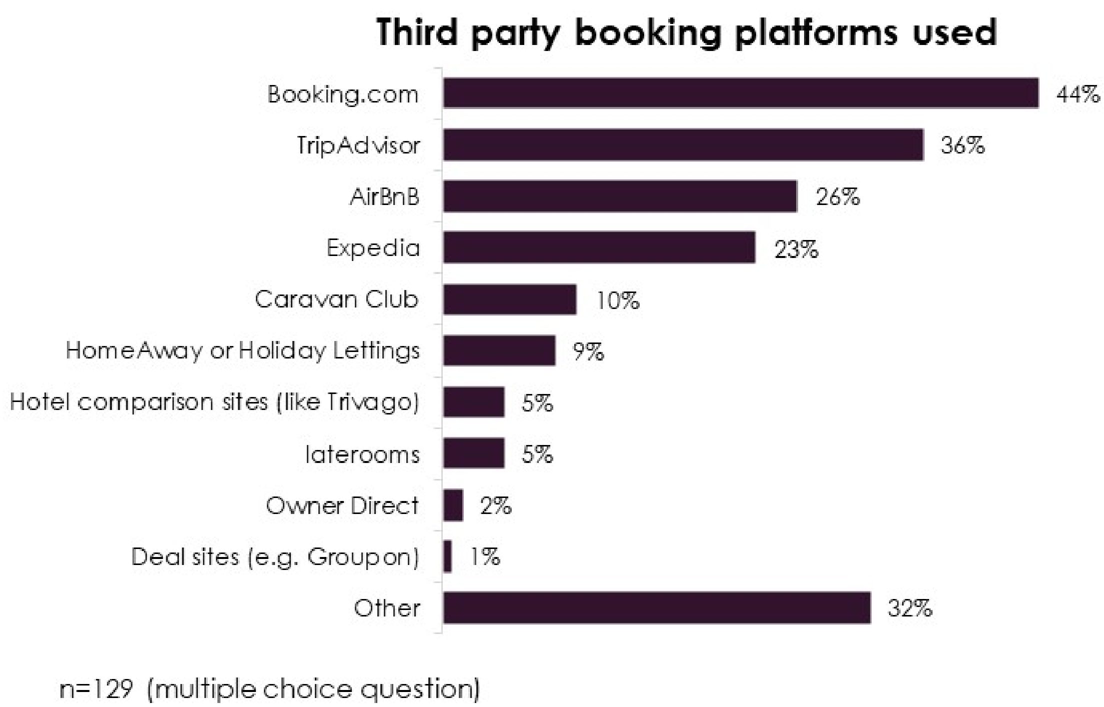
Larger and older established businesses were less likely to be featured on third party booking platforms – possibly a function of established customer bases and/or a stronger, branded presence in the marketplace.

2.3.7. A variety of reasons were given for not using third party booking platforms. The main one was a preference to know who was booking (primarily caravan businesses but also some self-catering), followed by commission levels.



Other reasons cited included: running down the business; don't understand it; and thinking about it.

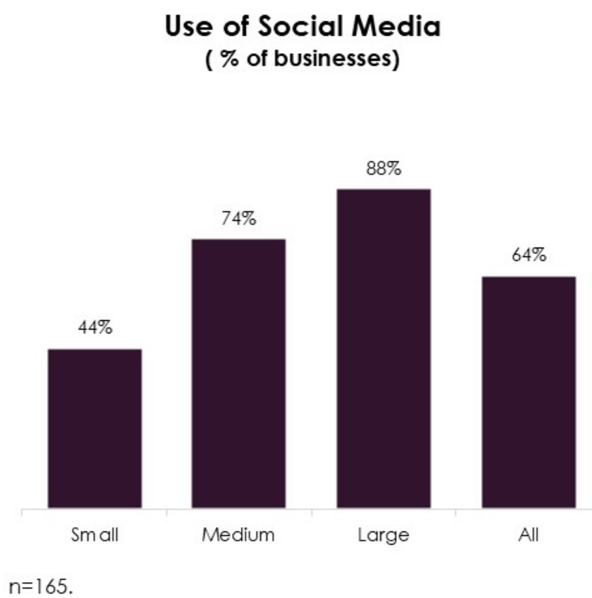
2.3.8. The main platform used was Booking.com, followed by TripAdvisor.



There were variations by business type (albeit based on small samples). Serviced were most likely to use Booking.com (78% of serviced establishments). Self-catering most typically used Airbnb (50%) and other (46%). Caravan and camping used the Caravan Club (45%) and other (48%). The 'other' category included Sykes Cottages, Hoseasons, Pitchup.com, Cottages.com and UK Campsite.

Social Media

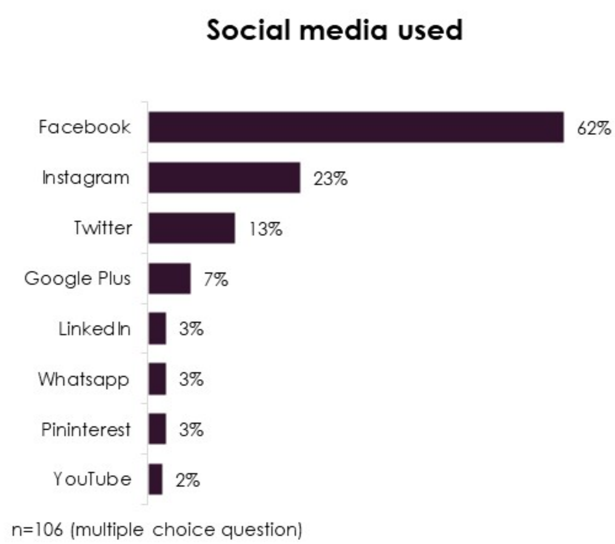
2.3.9. Two-thirds (64%) of businesses were using social media in some form to promote themselves. This was closely linked to business size – less than half (44%) of smaller businesses used social media compared to 88% of larger businesses.



Among non-social media users (sample =59), the main reason for non-adoption was 'don't need it' (73%). Other reasons included:

- Not really relevant to us or our customers – 19%
- Don't understand it (3%)
- Thinking about; just taking the business on; don't like it; not got round to it (all less than 2%).

2.3.10. Facebook was the principal form of social media used - 62% of businesses used it. This was followed by Instagram (23%) and Twitter (13%).

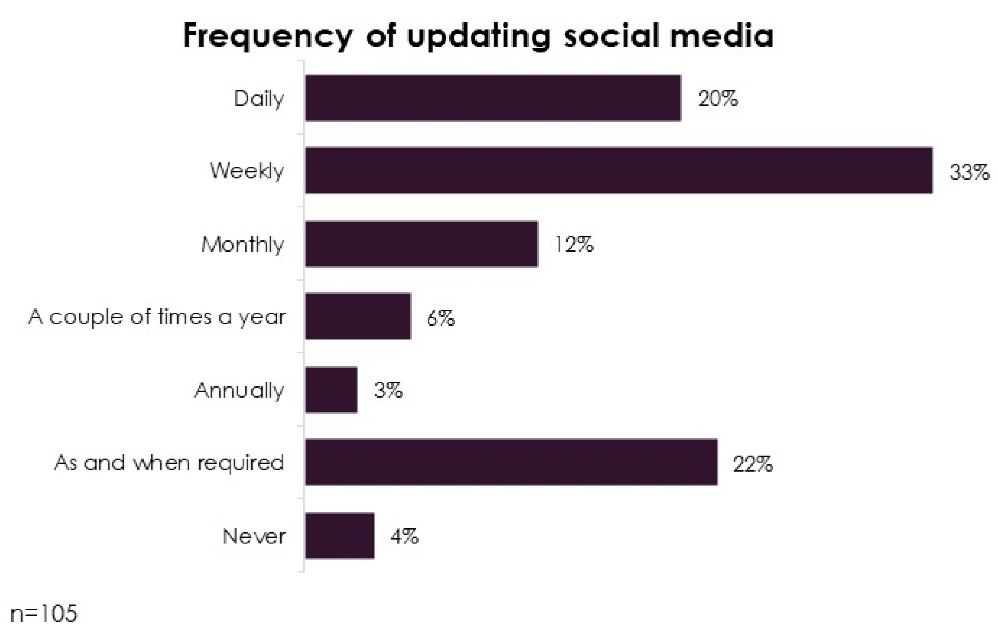


2.3.11. The commonest uses of Social Media were to provide basic information about the business and post news (both undertaken by approximately three quarters of businesses). This was particularly the case for caravan businesses (albeit based on a small sample).

Use of social media				
	Serviced (n=42)	Self-catering (n=34)	Caravan and Camping (n=29)	All (n=105)
Provide basic information about the business (e.g., contact details, description, rates)	64%	74%	90%	74%
Post news about what the business is doing	74%	65%	83%	73%
Proactively looks for new recruits and contacts	19%	18%	48%	27%
Use ads on this social media	-	27%	10%	11%
Participate in industry groups/discussions	5%	12%	3%	7%

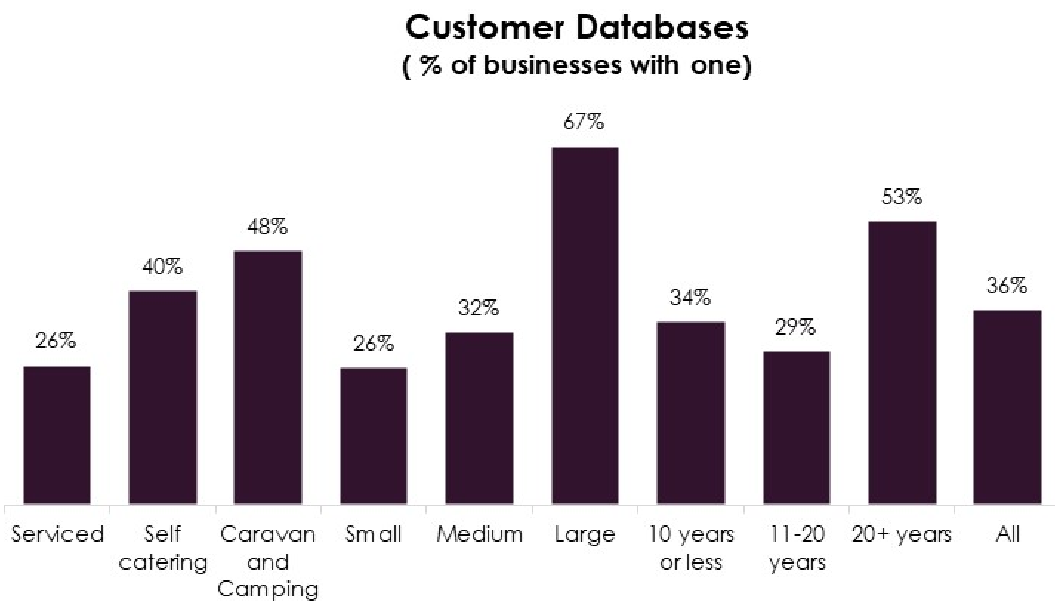
About a quarter of businesses (27%) proactively looked for recruits (particularly the case among caravan businesses) and 11% used ads on social media (more among self-catering).

2.3.12. Over half of businesses were updating their social media either daily (20%) or weekly (33%), with about a fifth (22%) doing it as and when required.



Customer Database

2.3.13. Just over a third of businesses (36%) have a customer database. The proportion was higher among large businesses, older (20+ years established) and caravan and camping businesses.



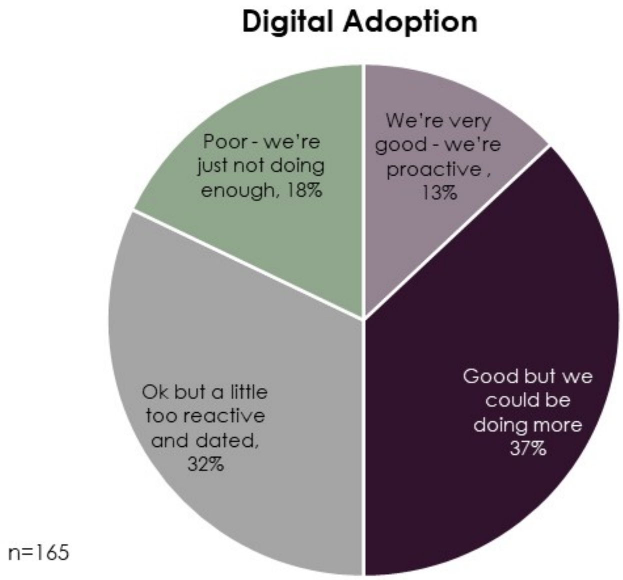
n=165.

Of those businesses that had a customer database (sample =60), less than half (47%) used it to send customers e-newsletters, updates, and/or special offers. Of those that used their databases (sample=28), about half (54%) used it twice a year, and a quarter (25%) monthly.

Digital adoption

2.3.14. Businesses were asked to rate their digital adoption. Around half felt their adoption was good to very good (with 13% indicating they were very good or proactive).

The others rated themselves as ok (32%) to poor (18%). Self-catering businesses were more likely to rate themselves as ok to poor (66%).



2.3.15. The following table highlights levels of use of certain digital tools based on a business's own classification of their levels of adoption.

Digital Adoption						
	Have own website (%)	Take on-line payment (%)	Use SEO (%)[1]	Use 3rd party sites. (%)	Use social media (%)	Use customer database[2] (%)
We're very good – we're **proactive**	95	48	65	60	91	48
Good but we could be doing more	92	44	56	71	78	23
Ok but a little too reactive and dated	81	17	17	68	60	8
Poor – we're just not doing enough	86	14	16	67	31	-
All businesses	**88**	**30**	**39**	**68**	**65**	**17**

Notes: 1. Represents percent of businesses that 'constantly monitor an update site content', or 'know the key search terms and incorporate them into site content'

2. The percentage of businesses that have a customer database **and** use it

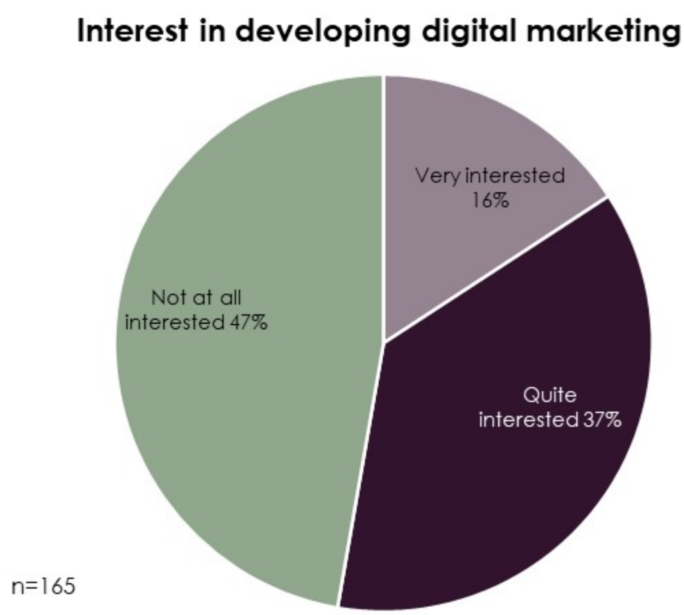
Some key points:

- There was not much difference between 'proactive' businesses and poor businesses in terms of web adoption. This was a relatively universal area of digital adoption.
- Proactive businesses were actually less likely to be using third party platforms than other groups – possibly a reflection that their own marketing was more proactive and generating business.
- In all other areas of digital adoption there was a clear difference between the groups – most notably in terms of use of a customer database. That said, differences between ok and poor businesses were only noticeable in terms of social media and, to a lesser extent, use of a customer database.

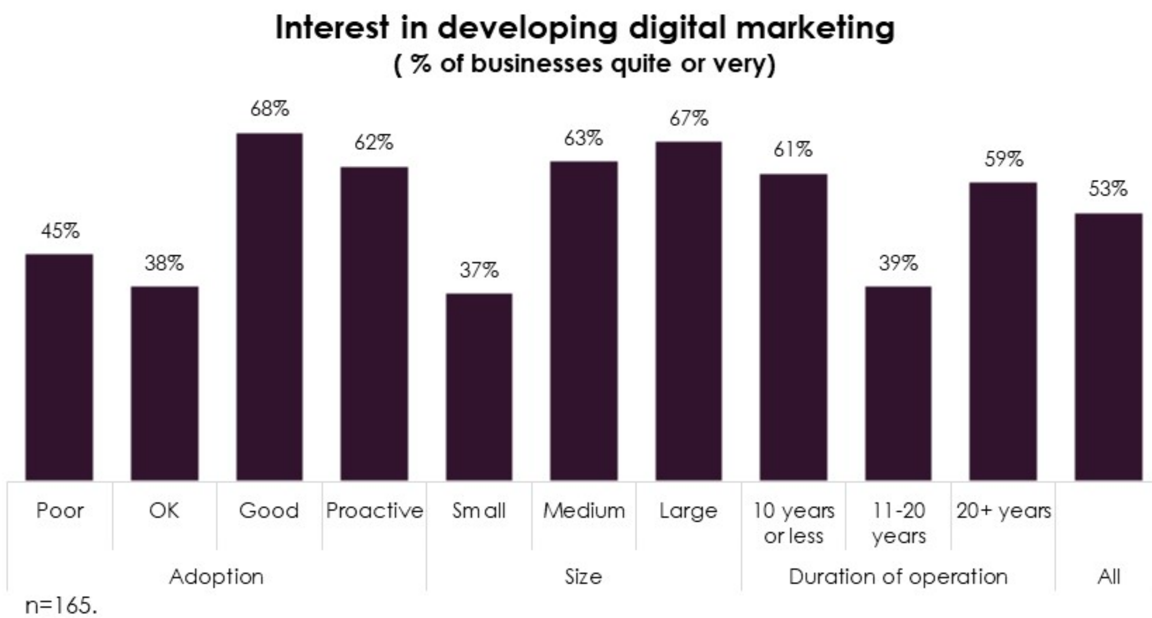
2.4 Improving Digital Adoption

Interest

2.4.1. Just over half of businesses were interested to some extent in developing their digital marketing – 16% were very interested and 38% quite interested. A significant minority (47%) were not.



While interest did not vary significantly by business type it did vary by other factors as the following chart highlights.



Businesses that were most interested in developing their digital marketing included those businesses that rated their current adoption as good, medium/large businesses and those operating for less than 10 years, or more than 20 years.

The least interested businesses were businesses rating their current adoption as ok (poor rated were more interested), small businesses and those operating for 11-20 years.

A range of reasons were given by businesses to explain their lack of interest in developing their digital marketing including:

- 'Agency does it all'.
- 'Not tech savvy'.
- 'Winding down the business'.
- 'Get enough bookings'.
- 'Happy the way we are.'
- 'Don't need it.'
- 'Don't need the extra work'.

Barriers

2.4.2. The main barrier to the adoption of digital marketing was limited expertise, followed by a lack of time (both to develop systems and keep everything updated) and investment.

Barriers to adopting digital marketing.				
	Not at all	To some extent	To a large extent	Average rating (3=to large extent)
Limited expertise	54%	24%	23%	1.7
Lack of time to develop the right systems	56%	25%	19%	1.6
Lack of time to keep everything updated	57%	26%	17%	1.6
Investment	60%	22%	18%	1.6
Limited content	72%	16%	12%	1.4
Third party fees	75%	11%	14%	1.4
Not relevant to a business our size	76%	12%	12%	1.4
Uncertainty over business	82%	14%	5%	1.2
Security concerns	83%	11%	6%	1.2

There were variations:

- For small and medium businesses, a lack of time (for development and updating), investment and third- party fees were much more significant factors than they were for large businesses.
- Self-catering businesses were more likely to cite a lack of time (for development and updating), limited expertise and limited content.
- Caravan businesses were more likely to cite investment and third-party fees as barriers.
- Businesses rating their digital adoption as ok, or poor were more likely to highlight limited content, limited expertise, and security concerns than other businesses.

Areas of advice and training

2.4.3 In terms of potential interest in digital advice and training there was most interest in 'making the most of your website' and 'making the most of social media' – possibly reflecting the higher adoption of these among businesses.

Interest in digital advice or training				
	Not useful	Fairly useful	Very Useful	Average rating (3=very interested)
Making the most of your website	54%	21%	25%	1.7
Making the most of social media	57%	27%	15%	1.6
Managing customer details and records, and how to use them	73%	18%	9%	1.4
How to take web bookings	76%	15%	9%	1.3
Working with third parties and online travel agents	81%	15%	4%	1.2
Managing finances online	84%	9%	7%	1.2
Using Teams or Zoom to participate in meetings or training online	85%	10%	5%	1.2

There were some variations. Larger businesses were more interested (than small/medium businesses) in a range of courses including making the most of a website, taking web bookings, managing customer details, and managing finances.

Training methods

2.4.4. Online training was the preferred training method (59%), followed by online fact sheets (40%) and locally based events (40%). The preference for online channels might, however, reflect current Covid-19 concerns.

Sample: Business potentially interest in some training/advice - n=76

There were some variations (albeit based on very small sample sizes). Self-catering businesses favoured locally based events (67%). Caravan and camping businesses had a strong preference for online training (80%).

2.5 Summary / Conclusions

2.5.1. Three broad groupings of accommodation businesses can be identified – proactive, good and ok/poor. All groups have high adoption of a website (80%+) in some form and generally use third party booking platforms (just over two thirds for most groups apart from the proactive group).

- The 'ok/poor' group, which accounts for 50% of businesses, is much less likely to take online bookings and credit card payments, use SEO, and use a customer database for marketing. Their use of social media (particularly among the 'poor' adopter group) is also lower than other groups. Self-catering businesses were more likely to rate themselves in this group.
- The 'good' group accounts for 37% of businesses. It is relatively active with about half taking online card payments and using SEO. Use of social media is high and about a quarter use a customer database for marketing.

- 'Proactive' businesses are the smallest group – 13%. They are the most likely businesses to have a website, use SEO (around two-thirds), use social media, and use a customer database for marketing (nearly half).

2.5.2. About half of businesses were interested in developing their digital marketing – this was highest among businesses rating their current adoption as 'good', and medium/large businesses. In terms of potential interest in digital advice and training there was most interest in 'making the most of your website' and 'making the most of social media'. Online training was the preferred training method.

3 SUPPORTING DIGITAL ADOPTION IN THE VISITOR ECONOMY

3.1. Introduction

3.1.1. Alongside the primary research with visitor economy businesses that has been undertaken at the core of this study, a second strand of work has reviewed support for digital adoption in the GLLEP area together with examples of good practice in other LEP areas and Destination Management Organisations elsewhere in the UK. To set the scene for this we have also reviewed National Tourism Organisation policy and activity which additionally highlights why digital adoption is so important for the future of the sector and makes the case for concerted and coordinated action in order to deliver digitalisation across the visitor economy.

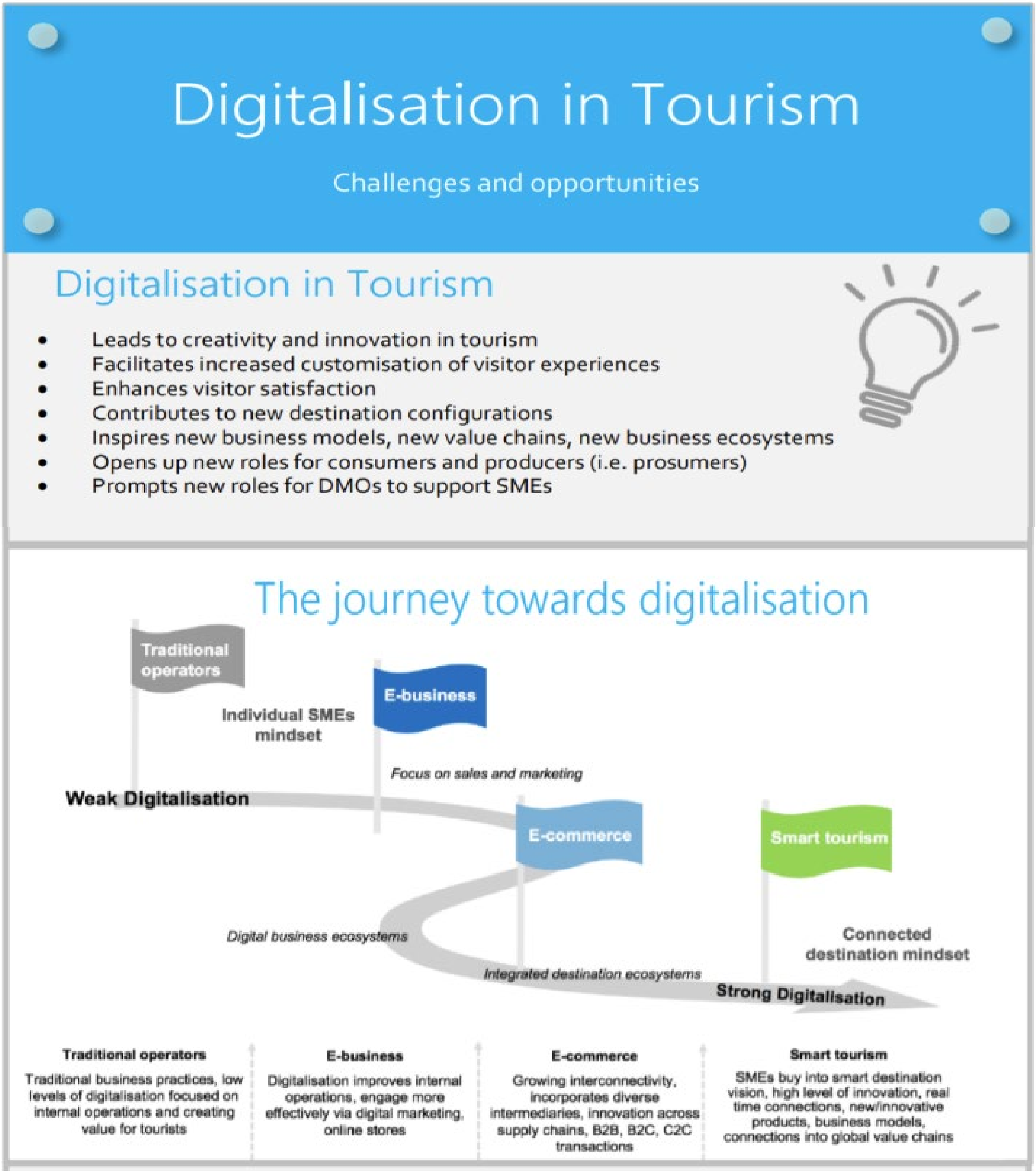
3.2. The Strategic Context

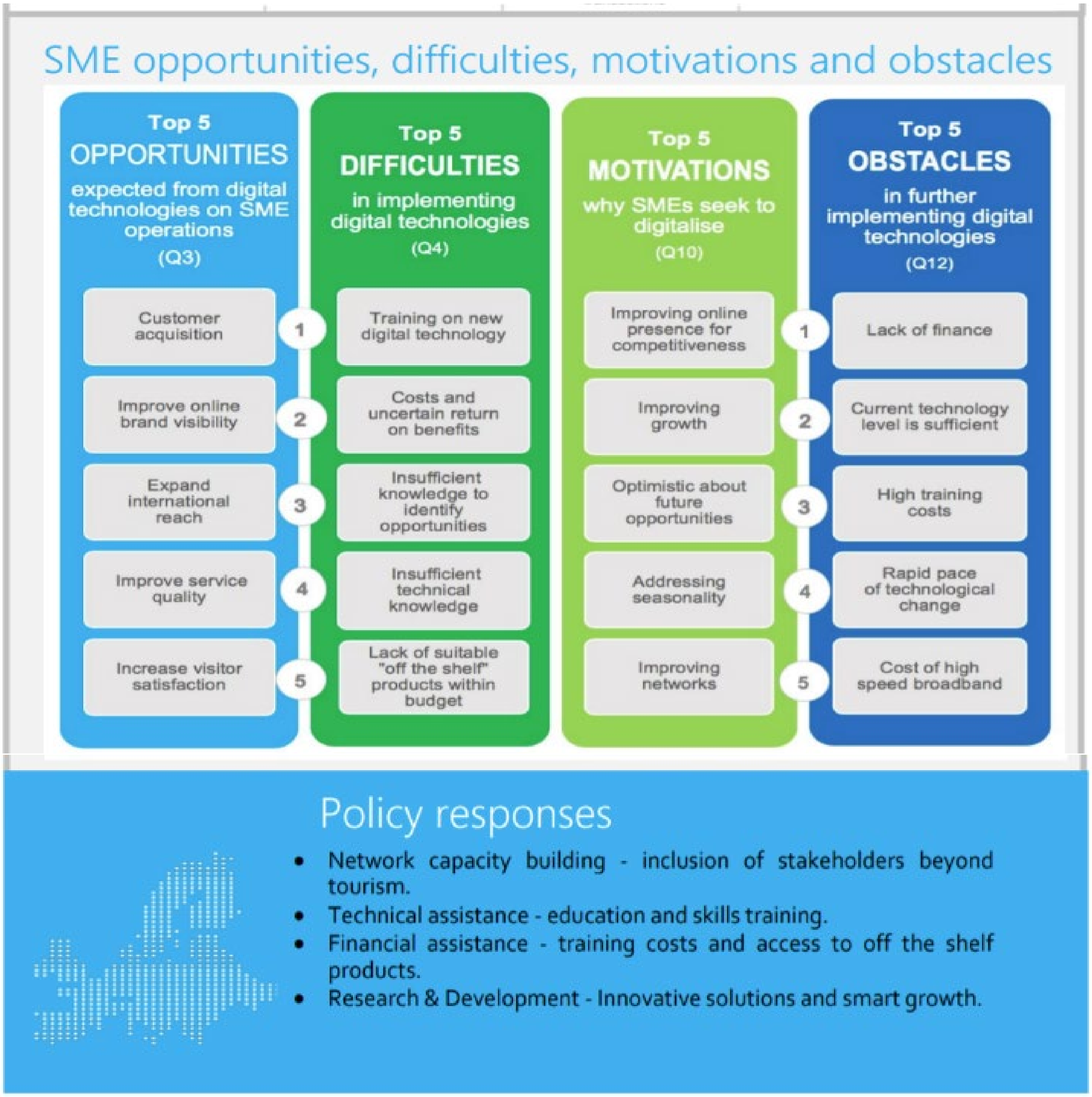
3.2.1. The challenges that particularly face the tourism industry with its very high percentage of SMEs (85%) in preparing for a digital future are recognised by the **OECD** in its 2020 publication 'Tourism Trends and Policies'. Whilst digitalisation brings opportunities in terms of access to new markets, the development of new products and services and new business processes that can free up time as well as introduce efficiencies, the report identified that 'SMEs are lagging behind in the digital transition and many small traditional tourism businesses are struggling to understand the opportunities and reap the benefits. Many lifestyle and micro-enterprises in the tourism sector are characterised by being focused on business survival, are risk-averse with a limited appetite for innovation and are often resource-constrained. From the inconsistency in the adoption of digital technologies in the sector that the OECD identifies it points out much that governments can do to support the digital transition, with the ability of intervention to particularly impact the pace of transition.

3.2.2. To counter the issues of low uptake of digital technologies, limited access to resources, (time, skills, knowledge, and finance), fear of the unknown and uncertainty around the benefits of digitalisation, the OECD report maps out a path forward for tourism policy makers to create the right framework for the digital transformation of tourism businesses. This it sees as a mix of short and long-term initiatives that foster the conditions to increase digital technology up-take, encourage SME participation by reducing barriers and enhancing opportunities to digitalisation. It also advocates positioning policy and action across a spectrum of tourism businesses from high adopting 'digital natives' through hybrids to SMEs' with low levels of digitalisation. Key actions include:

- Actively championing the digital transformation of tourism to create a digital mindset, using 'chief tourism entrepreneurs' as strategic influencers to spread the word, highlight the benefits and dissipate the fears.
- Encouraging up-take and investment in new digital technologies through:
    - Enhancing access to skills and information
    - Building an evidence base on the key issues, benefits and impacts of digitalisation for tourism SMEs.
    - Understanding the different needs of digital natives and traditional tourism businesses in order to target approaches to funding, investment and incentives.
    - Supporting accessibility and affordability of digital technologies for SMEs including initial investment and on-going costs.
- Encouraging business model innovation through digital-physical convergence:
    - Facilitating increased access to high-speed broadband and other digital infrastructure
    - Knowledge sharing through peer-to-peer networks of digital natives and traditional businesses and other public-private sector partnerships including with universities.

3.2.3. The **European Commission** also commissioned a study into Digitalisation in Tourism in 2018 which provides an in-depth analysis of challenges and opportunities. It identifies the benefits of coordinated efforts to foster an innovative digital culture in tourism SMEs in ensuring that destinations are globally competitive, but also recognises capacity-building challenges made more complex by the diversity of tourism sub-sectors and different challenges in urban, rural and island destinations. The report highlights the key needs of tourism SMEs as being around skills, finance, infrastructure, mentoring support, and policy support, and makes recommendations around each of these areas. The findings and approach are well summarised in the diagram below.


Digitalisation in Tourism
Challenges and opportunities
Digitalisation in Tourism
Leads to creativity and innovation in tourism
Facilitates increased customisation of visitor experiences
Enhances visitor satisfaction
Contributes to new destination configurations
Inspires new business models, new value chains, new business ecosystems
Opens up new roles for consumers and producers (i.e. prosumers)
Prompts new roles for DMOs to support SMEs
The journey towards digitalisation
Traditional operators
Individual SMEs mindset
E-business
Focus on sales and marketing
Weak Digitalisation
E-commerce
Smart tourism
Digital business ecosystems
Connected destination mindset
Integrated destination ecosystems
Strong Digitalisation
Traditional operators
Traditional business practices, low levels of digitalisation focused on internal operations and creating value for tourists
E-business
Digitalisation improves internal operations, engage more effectively via digital marketing, online stores
E-commerce
Growing interconnectivity, incorporates diverse intermediaries, innovation across supply chains, B2B, B2C, C2C transactions
Smart tourism
SMEs buy into smart destination vision, high level of innovation, real time connections, new/innovative products, business models, connections into global value chains



3.2.4. No review of the strategic context for digitalisation in the visitor economy would be complete without mention of **Covid-19** and the impacts of the pandemic on the hospitality sector now and going forward. At the start of 2020, digitalisation was already paramount for any hospitality company that was looking to future-proof its business, but Covid has rapidly accelerated the trends leading towards this and the need for the sector to embrace technology. With tourism businesses and visitors making much greater use of digital, contactless and cashless technologies to enhance the booking process and visitor experience, technology will be vital to capitalise on this and to begin rebuilding around the growing trends arising from the pandemic.

3.2.5. The consumption habits of Millennials (born in the early 80s-mid-90s) and Generation Z (born in the late 90s to early 2010s), who with other generations will form the bulk of the tourist market by 2040, was already driving this. They are digital natives who have grown up with accessing information enabled by digital technology quickly and directly. Emerging trends include:

- Increased use of online sources and mobile platforms to source information and book when planning trips (websites, social media)
- Decreasing use of offline sources (print media, visitor information centres, hotel concierges)
- Staying online in the destination to search and explore, share experiences and get real time up-dates
- Increased use of e-commerce payment methods instead of cash
- Embracing sharing rather than ownership, with higher levels of engagement in the sharing economy, such as Airbnb.

3.2.6. These trends in the market, accelerated by Covid, have led the All-Party Parliamentary Group (**APPG**) for Hospitality and Tourism to include in the recommendations of its 2020 'Pathway to Recovery' Report an initiative to promote technology use in the sector to support and promote recovery post-Covid. Combining this with the policy maker actions coming out of the OECD and European Commission Reports, it is clear that it is not only government that has a part to play in this, though leadership and resources may need to come from the centre; local government, regional public sector agencies, and industry professionals - both from within the visitor economy and beyond to the digital sector with the expertise and business-led organisations with commercial connectivity - all have a role to play in developing a network capable to inspiring and delivering digitalisation across the visitor economy.

3.3. National Programmes

VisitScotland

3.3.1. VisitScotland (VS) has been very pro-actively working on the digitalisation agenda with its visitor economy stakeholders. Its original Tourism Strategy highlighted four national priorities to take forward, of which 'Increasing the digital capabilities of the sector: The Digital Tourism Scotland (DTS) programme' was one. They launched Digital Tourism Scotland (DTS) in 2015, a £1.2m programme with the aim of supporting 5000 tourism businesses to harness the power of digital. It is essentially a digital skills programme aimed specifically at the tourism sector and developed in response to feedback from industry, with support, training and surgery sessions across the country. Digital Tourism Scotland is led by Scottish Enterprise in partnership with Business Gateway, Scottish Government, Highlands and Islands Enterprise, Scottish Tourism Alliance, Skills Development Scotland and VisitScotland.

3.3.2. The Scottish Tourism Alliance has reviewed the progress in delivering the strategy which provides a useful summary of the Digital Tourism Scotland initiative, its structure, content and outputs.

- It sets out the rationale behind the programme as seeking to provide digital support to tourism businesses to help overcome the skills gap in the sector and support business and wider economic growth. The digital skills it identifies as required are:
    - Digital marketing
    - Data management and analytics
    - Being data driven including online booking
    - Content creation
    - Social media
    - Managing online reviews.
- In terms of what it has delivered:
    - In its first 3 years DTS supported 5,285 tourism staff and 2,250 businesses.
    - The programme delivered workshops, surgeries, awareness-raising sessions, group support and online content, including video podcasts at venues across Scotland.
        - 14 regional and industry events groups with intensive support
        - 62 surgeries
        - 435 workshops and awareness-raising sessions

    - The DTS website has a wide range of online resources that roughly fall into four groups:
        - Supporting the digital marketing journey - Understanding the customer journey; the benefits of being online; why digital marketing is so important for businesses; essentials of digital marketing
        - Getting to know and learn from your customers - The importance of managing online reviews; gaining insights from Google Analytics; using CGM systems; defining and redefining your target market; social listening
        - Improving your online performance - Online content sharing; using good imagery online; creating good content; using email marketing; using video to improve your online marketing plan; using influencer marketing to promote your business
        - Social media, booking platforms and SEO - Using Facebook; using twitter; tips to improving social media presence; using TripAdvisor; the benefits of Google my Business; a guide to SEO; top tips for online business listing; working with OTAs; how to increase accommodation bookings online.
- The six partners in the programme had different roles in delivery:
    - Scottish Enterprise was responsible for developing the programme content and trainers
    - VisitScotland lead on developing the website and content plan, marketing and communications, and supporting attendee recruitment
    - HIE used existing contacts to develop tourism specific digital webinars and increase business engagement with DTS
    - Other partners including DMOs and Local Authorities were responsible for awareness-raising activities and signposting tourism businesses to the programme via their own channels, e.g. through website and social media.
- What participants in the programme thought about it:
    - 84% said it had improved their business skills
    - 78% said it had improved their website traffic
    - 74% said it had enabled them to have greater engagement with their target markets

- Almost 1 in 4 businesses had seen an increase in sales as a result of DTS support.

VisitEngland/VisitBritain

3.3.3. VisitEngland/VisitBritain (VE/VB) has an online Business Advice Hub that provides free resources to help tourism businesses grow. Marketing your business is one of the topics it covers within which there is an online Digital Marketing Toolkit designed to help businesses improve their online presence, become more searchable and maximise engagement. The Toolkit covers:

- Managing your website
- Creating content
- Using Google products
- Maximising social media
- Working with digital channels.

3.3.4 There are also links to digital skills training from Google, Barclays, Lloyds, Make It Click and the offer of a free workshop on how to increase business performance through technology, provided through the Learn to Grow programme. Free one-to-one digital support for SMEs is offered by Digital Boost, with mentoring, workshops/webinars, and online resources. Visit Britain also has a series of webinars available (live and recorded) which include topics around digital adoption and particularly marketing.

3.3.5. The approach by VE/VB is quite different to that adopted by VisitScotland. The latter is underpinned in long term strategy, has dedicated resources, structure and partners with individual roles and responsibilities; it is a much more joined up programme with consistency and continuity which DTS delivers and oversees. Whilst Covid has forced delivery to be online, there has clearly been a good deal of face-to-face delivery by DTS, both one to one and though workshops. VE/VB support appears to be limited to the Digital Marketing Toolkit plus webinars, as part of the broader Business Advice Hub, and really acts as more of a portal to other mechanisms of delivery of digital support.

3.4. Regional & Local Programmes

LEPs and Business Growth Hubs

Business Lincolnshire

3.4.1. Whilst the importance of digital infrastructure and skills features in the regional strategies and priorities of the GLLEP, the overarching digital strategy is not underpinned financially by national government (as is the case with DTS) and is therefore budget reliant. The two strands of work which are on-going at a strategic level are:-

- To improve connectivity across Greater Lincolnshire in terms of the physical infrastructure and architecture needed to underpin digitalisation.
- To promote the development of digital knowledge and skills with individuals and businesses.

Whilst the latter has been aggravated by business lockdown, advice, support, and training has been taking place remotely.

3.4.2. Business Lincolnshire works with business support programme provider CDi Alliance to design and deliver digital marketing training and mentoring[1]. This is accessed via Growth Hub Advisors who have the initial contact with businesses, do a diagnostic of their needs, and refer them onto specialist help. Businesses can access three, six, or twelve hours of time, and CDi Alliance have 16 specialists to deliver this, including some that are based in the Lincolnshire area. They have created and delivered a series of interactive masterclasses around digital adoption which are run over a number of weeks and limited to 14 delegates. However, these are not courses specifically targeted at the visitor economy, and, in some programmes visitor economy businesses are excluded by the funding streams including the current ERDF programme. There is, however, a separate programme being run by CDi Alliance funded by the Coastal Communities Fund which is specifically a digital adoption support programme for visitor economy businesses. It is geographically constrained due to the source of funding, so only covers VE businesses within five miles of the coast between Boston and Mablethorpe. Run over six weeks the

[1] To qualify businesses must be enrolled with Business Lincolnshire, be SMEs, and have been legally established for at least12 months.

cohort work together through their digital journey and the peer to peer support and development is an important element of the training. Course modules include:

- Introduction to digital marketing
- Developing a good marketing plan
- Overview of digital technology
- Having an effective website
- Attracting more visitors to your website
- Simplifying social media for success
- Integrating Facebook into your business
- Using Twitter to connect to your business
- Powerful PR
- Using Instagram to promote your business
- Using Linkedin to attract new business
- An overview of alternative social media channels.

3.4.3. CDi Alliance estimate they have helped around 100 tourism businesses over the past five years, and feel strongly that they have only just scratched the surface in terms of what is needed, particularly away from urban areas. They can see clear need for more support for rural and coastal businesses which are more physically remote and isolated. The two biggest issues they see as barriers to digital engagement are a lack of understanding about how the market/customers are finding information and booking, and a lack of understanding of the digital solutions to resolve the issue.

3.4.4 Business Lincolnshire has also worked with other partners and providers to fund specific initiatives. These include:

- Visit Lincoln were commissioned by Business Lincolnshire to deliver a Peer Network Programme to help visitor economy business leaders grow and develop their organisations, through interactive short courses with trained facilitators and small cohort groups, in addition to one-to-one support. The Business Lincolnshire Instagram Bootcamp course that ran in August 2020 was also delivered with Visit Lincoln, led by digital marketing agency Boudica, and run via a series of e-learning bundles, podcasts and webinars.

- E-Factor Group, who have been delivering business advice and support in the North East Lincolnshire area only supported by ERDF funding. This business advice extends to visitor economy businesses and digital adoption training through a combination of 1-2-1 advice and training courses.
- NBV who businesses under 12 months old are referred to.

3.4.5. Business Lincolnshire has factsheets and podcasts/webinars online that can be independently accessed, including coverage of online marketing. However much of this is currently for businesses generally not specifically for visitor economy businesses. There is also a Digital Support Programme for eligible businesses, where Digital Growth grants of £1000-£5000 are available for the purchase of technology, consultancy support and to fund IT solutions such as websites and e-commerce platforms. And from 8th March 2021 a Digital Voucher Scheme has been launched by Lincolnshire County Council to support businesses with 1-2-1 specialist digital advice and new technology, to the value of £1000-£5000 up to 100% of project costs.

3.4.6. In terms of the visitor economy, there is currently a limited amount online that is specifically targeted at the sector on the Business Lincolnshire website, although this is being addressed. Visitor economy specific information includes links to an overview of the sector, the Instagram Bootcamp that ran in August 2020, the Pub Development Programme and accommodation development advisory guide, links to the VisitEngland Business Advice Hub, and the Covid Survival to Recovery Paper produced by Hotel Solutions.

3.4.7. Through the Business Lincolnshire Growth Hub, a wider programme of dedicated support for visitor economy businesses is also available through a fully funded Visitor Economy Specialist Advisor, with the aim of helping visitor economy businesses to diversify, increase productivity, reach new markets, and generate more sales. This is fully funded 1-2-1 support that is tailored to support the needs of each business.

. **Leicester & Leicestershire LEP/ LLEP Business Gateway**

3.4.7. The Leicestershire Digital Growth Programme is a £12.6m project that is funded by a combination of ERDF, East Midlands Chamber (EMC) and Leicestershire County Council. It is delivered by the Chamber and provides dedicated support to SMEs to introduce and explore new and emerging ICT products and services. It is also not specifically targeted at visitor economy businesses. Eligible businesses receive a minimum of 12 hours of funded support through awareness-raising webinars, strategic action-planning workshops, 1-2-1 digital business advice and technology grant funding of £2k-£25k. Webinar and workshop topics include:

- Website planning and ecommerce
- SEO, optimization and management
- Email marketing, CRM and Automation
- Social media
- Paid digital advertising
- Visual marketing
- Cloud computing

3.4.8. The programme is running over 6 years, from 2016 to 2022 and is targeted to deliver the following outcomes:

- 1188 enterprises receiving at least 12 hours of support – including 208 new businesses supported
- 181 enterprises supported to introduce new product and processes
- 12 enterprises taking up broadband with speeds of at least 30 Mbps.

3.4.9. For high growth businesses there is also Digital Upscaler project run by EMC, covering Leicestershire, Derbyshire, and Nottinghamshire. This is a £1.9m project to support ambitious businesses to scale up through embracing new technologies. 1-2-1 Digital Adviser support is supplemented by technology grants of £10k-£50k.

3.4.10. Like Business Lincolnshire, through the LLEP Business Gateway Growth Hub, they are also offering a wider programme of dedicated support for visitor economy businesses, with the aim of helping them to reach new markets and generate more sales. The package offers a series of expert-led webinars and smaller group clinics, as well as marketing advice and support and digital support. The latter involves free digital consultancy support and separate digital marketing support, guided by a Business Growth Adviser that will tailor the support to the needs of the business.

D2N2 LEP & Growth Hub

3.4.11. D2N2 LEP has also run a similar Digital Growth Programme and Upscaler Project with East Midlands Chamber 2016-2019, and subsequently is being delivered by the D2N2 Growth Hub to 2022. The EMC programme helped 1300 businesses with more than 31,000 hours of free digital support and gave out over £1.8m of grant funding to 310 businesses unlocking £2.87m of private sector investment. Support included 340 action-planning workshops and 48 awareness-raising seminars. More than £66.8m was invested in the programme by EMC, Derby City, Derbyshire County, Nottingham City, Nottinghamshire County, Rushcliffe Borough, and the ERDF. These programmes are for all businesses and are not targeted at the visitor economy, though funding has been secured for dedicated visitor economy support by DMOs (see below).

Destination Marketing & Management Organisations

Visit County Durham

3.4.11. Visit County Durham (VCD) has been proactive as part of its broader business advice programme (which has its own section on their website) in supporting partners in adopting digital opportunities and practices. They have an excellent series of online toolkits covering a wide range of topics, and this includes an Online Support Toolkit which sets out succinctly how to make the most of an online presence.

Online Support Toolkit
Making the Most of Your Online Presence

Visit County Durham

81% of people book holidays online

The rise in the use of people using online tools for information and holiday inspiration continues to increase. It is important that your online presence is up-to-date and that you are visible to potential customers.

Google accounts for over **79%** of all global desktop search traffic

Your website

- Make sure that you check and update the content of your website frequently – do your prices and opening times vary throughout the year?
- Read the content as if you were a visitor – would you be able to find out all the answers to queries you may have?
- Highlight your USPs (Unique Selling Points) – why should someone visit you over a competitor?
- Online booking – can be the difference between getting a booking straight away and someone going to a competitor.
- Check that external links from your website work and link to the correct places.
- Embed your social media feed to show that you are proactive in promoting your business.

Imagery

- Use good quality images (VCD website minimum use 950x535 pixels). Ensure that images aren't too large as these can slow a website down. Google will penalise this during a search which could result in your website being lower down the pages in the search returns.
- Alt text descriptions should be used to describe an image on a webpage which is displayed if the image fails to load on a user's screen or to help screen-reading tools describe images to visually impaired readers. For example "a wooden bar with 4 bar stools and a barman standing behind the bar".

Your listing on **thisisdurham.com**

- VCD Partners are entitled to an enhanced advert which includes text, up to 6 images, a direct link to your website and much more. The VCD Partnership Team are available to help and advise about getting the most out of your enhanced entry.
- Use your extranet access to update your record and information. (you can get this by emailing partners@visitcountydurham.org).
- Ensure that your description has header sections such as 'location' and 'about us'.

1.27m Views

946,661 Users

2.8m Page views

1:48 mins Average session duration

Device usage for accessing thisisdurham.com

53% 30% 17%

Search Engine Optimisation

SEO is related to how your website is found using key search terms such as 'hotels in Durham'. To ensure that your website is ranked highly;

1. Make sure that your web copy is clear, concise and compelling.
2. Familiarise yourself with key industry search terms relevant to your business.
3. Insert keywords into your web copy to ensure that they add useful information that is helpful and interesting e.g. location, offer, facilities.

Hints & tips

Google

- Familiarise yourself with Google's priorities to ensure that your website is higher up the pages in searches – low word count and limited imagery means falling down in the rankings with less opportunities for exposure.

- Use short videos as well as photographs to promote your business.
- Use any awards and gradings you have to promote the quality of your business.
- Benchmark against your competitors.
- Keep information up-to-date and factually correct.
- Use additional content from strong sources such as Facebook and Twitter feeds, YouTube videos and TripAdvisor reviews.
- Use Google analytics to analyse in-depth detail about the visitors on your website.
- Ensure your website is mobile friendly.

For more information

- ABTA holiday report - abta.com/sites/default/files/2018-10/Holiday%20Habits%20Report%202018%20011018.pdf
- 15 SEO Statistics for 2019 - impactbnd.com/blog/seo-statistics
- Google support - support.google.com/webmasters/answer/7451184?hl=en
- Google Analytics - analytics.google.com

3.4.12. The toolkit is part of a wider package of support of training courses and 1-2-1 mentoring. Pre-Covid, annual training courses were held on maintaining business pages on thisisdurham.com; use of VCD's extranet to keep information up to date; using social media and how to take advantage of their own consumer social media work; and photography and video using smartphones. VCD have also promoted the benefits of adopting online booking systems and the power of channel management (rooms, tickets, and tables). A VCD partnership benefit is the opportunity to have 1-2-1 support to review the business's own digital presence and how it could be enhanced. VCD also promote stakeholder digital training and funding opportunities from VisitBritain/VisitEngland (TXGB), Durham County Council, Business Durham etc.

3.4.13. Since Covid, the need to embrace digital practices has increased and more and more businesses are adopting and seeing the benefits. The pandemic has also meant changing the way VCD works in terms of growing their own suite of digital assets and delivery to partners – webinars, online presentations, COVID Business Support Hub and enhancing B2B social media communications (Twitter, Facebook, and LinkedIn) to promote marketing opportunities, disseminate information/guidance and best practice, and training. They dovetail their offer with the online work of stakeholder organisations, linking and promoting the recovery training webinars delivered by VisitBritain/VisitEngland, Digital Drive County Durham, Business Durham, and higher education partners New College Durham and East Durham College, as well as the national Skills Toolkit and Be the Business. More funding is now available for businesses to upgrade or develop digital assets (IT equipment, broadband take up, websites, software, and training) from local, regional, and national COVID recovery and business development funds, and Digital Drive County Durham.

3.4.14. If resources – financial and staff – were readily available VCD feel the most effective way to encourage digital adoption is through 1-2-1 training, supported by toolkits / how to… guides and online resources. Businesses use different channels and have varying levels of experience and understanding of the digital world and the importance of keeping them updated; a generic approach via online training, etc. is helpful but does not drive the level of digital adoption needed. The most effective VCD training programmes have been those that delivered 1-2-1 sessions, tailored specifically at an individual business website, social media channels, review sites and broader online presence.

. **Visit Peak District & Derbyshire**

3.4.15. Marketing Peak District and Derbyshire is a very strong and active Destination Marketing Organisation that has been very successful at securing particularly European/ERDF funding for multiple programmes to boost product development, marketing and skills across their area. In 2016 they applied with their partners Derbyshire County Council, Peak District National Park Authority, Derbyshire Dales District Council and High Peak Borough Council and secured £1.49m of business support funding via the ERDF. The first phase Growing and Developing the Visitor Economy in Derbyshire project ran from 2016-2019 and delivered £1.3m of business support to over 700 SMEs through 12hours of support via workshops, 121 specialist advice and grants. The project strands were: Pedal Peak for Business; Inspired by the Peak District; Promoting Peak District Products; Supporting Market Towns; plus business support workshops.

3.4.16. Phase 2 of the ERDF project runs until 2022 and has a £1.2m fund focused on fully funded business support workshops and a small grants scheme. Grants of £1000-£10,000 (50% of project costs) are available for three types of project. Digitalisation is one of these, the development of valuable digital assets such as online booking systems, up-dated websites, and cashless payment facilities to help businesses respond to changes in consumer behaviour. The other strands are secure cycle storage and maintenance equipment for visitor use, and internationalisation, such as website translation or booking and payment systems to encourage international visitors.

Visit Isle of Man

3.4.17. Visit Isle of Man began a programme of support for the digitalisation of visitor economy businesses following the development of a new external destination website in 2010/11 which required a transition to enable online booking. The DMO began working with industry to get them to upload their details and availability directly to the site, through training in classroom settings supported by mentors to help and guide businesses. With further refreshes of the website which had remained customer-facing, they introduced a Trade section which is now widely used to communicate with businesses. It acts as a hub for VE businesses and first port of call for information and enquiries whether about funding, training or other business support. The use of the trade website has accelerated with the pandemic, and its content has been ramped up to include the various support available to business as a result of Covid-19 impacts and help and advice to get visitor ready when the borders re-open.

3.4.18. It should be noted that Visit Isle of Man has an on-going training budget direct from Government, which enables it to plan its trade engagement schedule 12-18 months ahead. Support is delivered through a mix of 1-2-1 mentoring, training sessions and workshops, in venue and online, recorded resources for independent access, and drop-in sessions at different venues around the island – also attended by the Government's Enterprise support Team who are able to advise on technical queries eg around eligibility for funding. There has been an active programme of training and support around digital marketing for the tourism industry, delivered with external marketing consultants Simply Marketing. Interactive online workshops are supplemented by 1-2-1 marketing zoom calls. The programme has been steered by industry feedback on what it is they are most interested in. Sessions have typically focused on social media, You Tube, Twitter, Instagram, Facebook. Attendance is typically 40-50 businesses, and in 2019 for example 16 workshops were delivered.

3.4.19. Associated funding for marketing and digital support includes:

- Up to £15,000 towards marketing training courses to increase digital reach and better understand customers and their needs
- Up to £10,000 towards the cost of improving a business' online booking system, creating/up-grading a website and increasing website functionality
- Up to £5000 towards the cost of a marketing consultant assessing a business' marketing strategy and branding to help them compete more effectively in the market place
- Up to £10,000 for a digital marketing strategy audit, including website analytics
- Up to £10,000 for an assessment of email marketing processes
- Up to £10,000 towards an audit of social media platforms and the creation of new platforms with associated training.

3.4.20. Now that these courses and other support have been run over a few years, some additional trends are appearing:

- The first of these is the differing needs of digital adopters and non-adopters in terms of the support required and the scope and nature of training sought. Non-adopters still require entry level support and training, but those businesses already on the road to digital adoption are starting to request more advanced support for example on website analytics;
- New businesses coming into the supply are often more innovative and keen to adopt new practices, particularly because they are looking to grow their businesses. There is a natural churn in the visitor economy sector, and there is an opportunity to engage with this very receptive group in the early stages of establishing their businesses;
- There is an acceptance by the DMO that there is an element of the supply that it is unlikely will move along the digitalisation journey with them DMO, who will continue to do things the way they have always done them;
- Many of the businesses that Visit Isle of Man are dealing with are time-constrained so online courses and resources that can be accessed at any time remain popular options;
- With greater levels of digital adoption, VIoM are beginning to develop peer to peer support networks and influencers, encouraging them to blog to push out messages about best practice and the benefits of digital marketing. They have also developed some case studies which are shared online. Linkedin has also proven to be a useful channel for communicating with the industry.

Local Tourism Officer Perspectives on SME Digital Needs

3.4.21. Tourism Officers and Business Advisors were asked for their views on the digital adoption needs of visitor economy businesses in their respective areas as part of this research. Whilst anecdotal, it provides another perspective, coming from those who are in day-to-day contact with tourism businesses in their area. As such, it can add some depth and colour to the quantitative data collected through the CATI survey, and therefore a useful strand inputting to thinking around solutions to the barriers, challenges and needs identified. Some key messages include:

- The responses indicated a **polarisation of levels of digital adoption**, with some considerably engaged and others unaware of the possibilities. At an overall level it was felt that smaller providers were less engaged as were smaller B&Bs and individual cottages, and older operators. Whereas larger businesses, hotels and inns tended to be higher skilled in digital adoption terms. The exception to this is newer businesses that may be small and not in these categories but tend to want to engage around digital adoption. Feedback also indicated that there are some businesses that have a certain level of digital engagement and then seem to have stopped – for example a website that is out of date.
- The **barriers to engagement** were identified as:
  - Perceived cost, in terms of buying equipment/infrastructure and on-going costs
  - Lack of time because they are running the business
  - Lack of required skills – and fear of looking out of touch in trying to acquire these skills
  - Misconceptions about what the market wants – my customers like to speak to me about the accommodation so prefer to book by phone – rather than appreciating that much of the market now searches for, checks availability of, books and pays for accommodation online
  - Prior bad experiences of trying and encountering problems with digital technology
  - Not understanding the technology or the jargon/terminology
  - Not knowing what they don't know – the benefits or how the technology can help deliver them
- The routes to overcoming these barriers in terms of the **best means to encourage, inspire and deliver digital adoption strategies and actions** were identified as:
  - In-depth support, 1-2-1 in the business setting to get businesses started on the route to digital adoption
  - Grants – to cover technology and course costs
  - Online courses that can be done in their own time
  - Online larger webinars where they can just listen and learn without fear of the need to interact and show understanding to a wider audience
  - Interactive workshops, presently needing to be online and there may be an on-going need for this in time-constrained businesses, but also face to face,

enabling businesses to build networks that will benefit not only their digital adoption but also wider business growth

  - Peer to peer networks, both of businesses at a similar point in their journey to digital adoption, and engagement with others who can share their journey, skills and experiences, as well as their expertise
  - Providing evidence of the benefits of digital adoption to businesses across type, location and scale, through visitor accommodation case studies that will bring home the advantages of going down this route, in terms of both sales/ income and business efficiency/reduced costs.

- Given that a number of strands of the collective research for this study point to SMEs in the tourism sector not knowing what they don't know - i.e. lacking awareness of both the benefits of digital adoption and also the mechanisms to deliver this – we asked consultees what the best means might be to **raising their awareness**. There clearly are already a number of networks and communication channels in place at a local level that could be exploited to deliver this message. Tourism Officers and local Business Advisors are trusted by their SMEs and they are listened to, presenting a much gentler and less threatening means to encourage dipping a toe into the water of digital engagement. These include e. newsletters, online and face to face forums, personalized group topic emails, and Tourism Officer forums, happening weekly, monthly and bi-monthly. All are happy to be part of pushing out the message to digitally engage and the benefits this can bring.
- Several of the consultees provided **examples of good practice** businesses that would make good case studies around digital adoption and the benefits it has brought.

4 IMPLICATIONS FOR FORWARD STRATEGY & ACTION

4.1. Key Messages Emerging from the Research

4.1.1. The business survey has identified that there is an audience amongst visitor economy businesses to be supported along the digitalisation journey. Over half of businesses were interested in improving their digital adoption, and whilst larger and medium sized businesses and those with good/proactive levels of adoption had higher levels of interest (62-68%), even 45% of those with poor levels of adoption expressed an interest.

4.1.2 From the findings of the business survey, review of regional and destination digital adoption activities (particularly for the visitor economy) and consultations with delivery partners and other tourism industry stakeholders, we draw out below some key messages that should inform future strategy and action to support and drive forward digitalisation in the visitor economy across Greater Lincolnshire.

A Strategic Approach

4.1.3. Much of what we have seen in terms of the delivery of digital adoption programmes for visitor economy businesses across the UK has been fragmented and driven by the availability of funding, and in many cases is not specifically targeted at tourism businesses. There is often a lack of clarity about who is doing what and which agency has secured the funding to run a particular programme, and whilst partners have generally been good at publicising the availability each other's courses, support, and financial assistance, it lacks co-ordination. This is also true of Lincolnshire.

4.1.4. It is to be hoped that the current opportunity to bid for funds provides a chance to be much more strategic and joined up in approach. We believe that the starting point and guiding principles should be:

- A clear strategy that sets out:
    - What you are seeking to achieve and why;
    - The desired impacts of the actions and interventions, with measurable outcomes;
- To demonstrate how this may be delivered over the medium-long term:

    - Demonstrating future programme support and deliverables as well as short term actions and programmes
    - Providing consistency and continuity over time and across the county
- That is effectively resourced:
    - With partnerships in place with clear roles in terms of:
        - Overall design of the programme;
        - Delivery experts – trainers/specialists;
        - Event organisers;
        - Marketing and communications;
        - Website content/online materials;
        - Awareness-raising and signposting businesses:
            - With local grounding and diffusion;
            - Using existing networks and communications e.g. of Tourism Officers and Partnerships;
            - Potentially identifying digital adoption Ambassadors/innovators;
    - Appropriate funding:
        - The opportunity to bid for a complete programme.
        - Coordinating use of funds for a broader reach
- That is inclusive:
    - Has full geographic coverage – covering all of the GLLEP area;
    - Includes all businesses in the VE sector;
    - Or a wider digital adoption strategy with a dedicated VE strand;
    - That extends to new/start-up businesses (not 12months+);
- That is evidenced:
    - Via case studies of the benefits and impacts at business level, across different types and size of VE business;
    - Via broader PR/promotion of the scheme/s with stakeholders across multiple channels;
- That is integrated:
    - With clear links to other provision or that brings those other providers within the whole as partners;
    - That can deliver one place for digitalisation delivery for the VE;
- That is differentiated:

  - With slightly different offers for poor adopters at the beginning of the digital journey – up-scalers for those with reasonable levels of adoption;
  - Slightly different offers for accommodation, attractions, and broader tourism/hospitality businesses.

A Package of Complementary Measures Tailored to Different Business Needs

4.1.5. The review of regional and DMO activity identified several strands of support being delivered in full or part. Programmes are typically made up of a package of offers including:

- Financial assistance direct to businesses in terms of grants or vouchers
  - Typically for hardware, software, websites development/up-grading, apps, e-marketing campaigns, online booking systems, cashless payment systems, and consultancy support
- Infrastructure grants
  - For improved connectivity, broadband solutions, routers
- Knowledge exchange/digital skills advice
  - Participative events, online and face to face, workshops, masterclasses, longer courses with weekly short sessions, peer to peer networks
  - Online resources for independent access and learning – digital toolkits and fact sheets, webinars, podcasts, e-training bundles
- Consultancy support
  - 1-2-1 mentoring, digital auditing, signposting

4.1.6. The business survey research findings indicated that advice and training relating to making the most of your website and social media marketing had the greatest levels of interest, and these seem to be popular also in other destinations.

4.1.7. Online training was the preferred training method emerging from the survey, followed by factsheets and locally based events. However, there were some variations by type and size of business.

4.1.8 Interestingly, 1-2-1 mentoring did not score highly in the survey but consultations both with Lincolnshire stakeholders and other destinations ranked 1-2-1 mentoring at the top of the list. There may be variations in need that we have been unable to fully draw out in this survey due to sample sizes; looking at the barriers to adoption, 1-2-1 mentoring may be for example more important to poor adopters who need that level of intensive support at the outset of their digital journey, but with familiarity and increasing confidence then group, peer and independent learning may have greater appeal.

The key point here is that there is a need for a mixed approach to delivery – one size does not fit all.

A Comprehensive Gateway & Delivery Hub for Supporting Visitor Economy Businesses

4.1.8. The Business Lincolnshire website is and should be the portal for visitor economy businesses accessing support and advice across the piece. An improvement in navigation, depth of visitor economy specific content and relevant links to other parts of the website, grant funding streams for example, is recommended. Whilst much of this information is elsewhere on the site, most businesses would not necessarily know where to look and it is recommended that everything needs to be in one place clearly dedicated to the visitor economy.

4.1.9. There is considerable scope for Business Lincolnshire to build upon its own library/garage/warehouse of resources for visitor economy businesses here, with toolkits, factsheets, webinars, podcasts, and online DIY courses. For example, the current Business Lincolnshire website visitor economy page has a link to the Visit England Business Advice Hub that includes a Digital Marketing Toolkit that is worthy of pulling out separately. And it is suggested that associated materials from the many courses that have been run could be made relevant for the visitor economy and included for businesses to download as documents and webinars. There are also many more great resources on other LEP, DMO and Growth Hub websites that could be shared or used to model similar resources for Greater Lincolnshire. Case studies of digital adoption for visitor economy businesses should also be part of this mix.

4.1.10. In other parts of the country where there are strong and active DMOs, including at county level, they have taken the lead on business support for the visitor economy, including digital adoption support, and have secured funding for this. Marketing Peak District & Derbyshire is a good example. Visit Isle of Man also take the lead on digital adoption for the visitor economy sector via a Trade platform on their website, which covers financial assistance as well as digital and wider business support. Whilst a new Visit Lincolnshire consumer website has been developed there is currently not a strategic tourism DMO covering Lincolnshire/Greater Lincolnshire. Should this change then a Trade section to that website would also be a route to dissemination and awareness-raising about business support for visitor economy businesses. Furthermore, Tourism Officers from each of the Districts have agreed that the information could be repeated on each District's site, thus further maximising accessibility for businesses. This might need further thought alongside the short- and longer-term role that the Business Lincolnshire website needs to perform for visitor economy businesses, and the linkages between them.

Setting Priorities and Action

4.1.11. We suggest that Business Lincolnshire, the Greater Lincolnshire Local Enterprise Partnership and the Tourism Officers Group review these findings and options for delivery with their digital programme advisers and potential delivery partners to help tease out some of these nuances through their hands-on experience and help prioritise where the main focus of activity should be alongside secondary strands of activity. Support for digitalisation needs to be set in the broader context of support, financial and otherwise, sought by visitor economy businesses, and thought given to how best to enable them to find out about and access the resources they need.

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APPENDIX

Appendix 1: Questionnaire

Greater Lincolnshire Visitor Economy Digital Adoption Study

Good morning / afternoon / evening. My name is .... and I am calling from TSE on behalf of the Business Lincolnshire Growth Hub.

We are looking to speak with tourism businesses across Greater Lincolnshire to gain an understanding of their current adoption and usage of digital technologies.

We would appreciate it if you could spare 10 to 15 minutes to complete a short survey. Are you the appropriate person to speak to – we ideally need to talk to the owner, manager or marketing manager?
If no: try to speak to the appropriate individual - If yes: Is now a convenient time to talk?

→ If yes, continue with interview.
→ If no: Can we can arrange to call you back at a more convenient time?
RECORD CALL BACK DAY/TIME

Q1 ID from database:

____

Firstly, can I confirm your company details? Refer to database records, check with respondent and record accordingly.

Q2 Your name:

____

Q3 Name of business:

____

Q4 Local Authority location of business:

- ❑ Boston BOS
- ❑ East Lindsey ELY
- ❑ Lincoln LIN
- ❑ North East Lincolnshire NEL
- ❑ North Kesteven NKN
- ❑ North Lincolnshire NLi
- ❑ South Holland SHO
- ❑ South Kesteven SKN
- ❑ West Lindsey WLY

Q5 Type of business:

- ❑ Serviced
- ❑ Self-catering
- ❑ Caravan and camping

Q6 Size of business: in terms of numbers of bedrooms, or self-catering units or caravan pitches/units (Response option: absolute number)

____

Q7 What is your position in the business?

- ❑ Owner
- ❑ General Manager
- ❑ Head of Marketing or Marketing Manager
- ❑ Other (please specify below)

Q8 Other position in business:

____

Q9 Does your business have its own website?

- ❑ Yes, Go to Q12
- ❑ No - just use Facebook. Go to Q10.
- ❑ No Go to Q10

Q10 Why not? Do not read list, just select all mentioned.

- ❑ Can't afford it/Cost
- ❑ Not really relevant to us
- ❑ Not got round to it
- ❑ Don't need one
- ❑ Other (specify below)

Q11 Other reason why not have a website:

____

Go to Q15.

Q12 Does your website have the following functions?

	Yes	No
Online availability of your product	❑	❑
Online booking	❑	❑
Online card payments	❑	❑

Q13 To what extent do you use SEO to improve the chances of people finding your website? Read list.

- ❑ I constantly monitor and update site content in relation to search terms
- ❑ I know the key terms and have incorporated them into the site content
- ❑ I think I know how people search for our site
- ❑ I roughly know what SEO is, but I haven't applied it to the site content
- ❑ I don't know what SEO is

Q14 Typically (pre-Covid), how often do you publish new pieces of content/ update the content on your website?

- ❑ Daily
- ❑ Weekly
- ❑ Monthly
- ❑ A couple of times a year
- ❑ Annually
- ❑ As and when required
- ❑ Never

Q15 Is your business featured on any third-party booking platforms?

- ❑ Yes, Go to Q18
- ❑ No Go to Q16

Q16 Why not? Do not read list, just select all mentioned.

- ❑ They take too much fee/Commission
- ❑ Not really relevant to us
- ❑ We are too small
- ❑ We are not really interested in the business
- ❑ Prefer to know who is booking with us
- ❑ Not got round to it
- ❑ Don't need one
- ❑ Other (please specify below)

Q17 Other reason why not use a third-party platform:

____

Go to Q20.

Q18 Which third party platforms? Select all that apply.

- ❑ Expedia
- ❑ Trip Advisor
- ❑ Hotel comparison sites like Trivago
- ❑ Booking.com
- ❑ Airbnb
- ❑ Deal sites such as Secret Escapes, Living Social, Groupon, Wowcher
- ❑ Laterooms
- ❑ HomeAway or Holiday Lettings
- ❑ Other (specify below)
- ❑ Caravan Club
- ❑ Owner Direct

Q19 Other third-party platform:

____

Q20 Do you use any of the following social media platforms to promote your business? Read list and select all that apply.

- ❑ Facebook
- ❑ Google Plus
- ❑ LinkedIn
- ❑ Twitter
- ❑ Snapchat
- ❑ Other (specify below)
- ❑ Pinterest
- ❑ WhatsApp
- ❑ I don't use social media. for my business Go to Q25
- ❑ Instagram
- ❑ YouTube

Q21 Other social media:

____

Q22 Which of these do you tend to use the most (or which has the most followers)? Read list and select one.

- ❑ Facebook
- ❑ Google Plus
- ❑ LinkedIn
- ❑ Twitter
- ❑ Snapchat
- ❑ Other
- ❑ Pinterest
- ❑ WhatsApp
- ❑ Instagram
- ❑ YouTube

Q23 Thinking about this social media platform, which of the following does your business do? Read list and select all that apply.

- ❑ Proactively looks for new recruits and contacts
- ❑ Post news about what the business is doing
- ❑ Provide basic information about the business (e.g., contact details, description, rates)
- ❑ Use ads on this social media
- ❑ Participate in industry groups/discussions

Q24 Typically (pre-COVID), how often do you publish new pieces of content/update the content on your social media?

- ❑ Daily
- ❑ A couple of times a year
- ❑ Never
- ❑ Weekly
- ❑ Annually
- ❑ Monthly
- ❑ As and when required

Go to Q27.

Q25 Why not? Do not read list, just select all mentioned.

- ❑ Not relevant to us or our customers
- ❑ Not got around to it
- ❑ Don't need it
- ❑ Don't understand social media
- ❑ Don't have a lot to say
- ❑ Other (please specify below)

Q26 Other reason why not:

____

Q27 Do you have a customer database that includes email details?

- ❑ Yes, Go to Q28
- ❑ No Go to Q30

Q28 Do you ever send these customers e-newsletters, updates, special offers?

- ❑ Yes, Go to Q29
- ❑ No Go to Q30

Q29 Normally (pre-COVID), approximately how often would you do this?

- ❑ Weekly
- ❑ Monthly
- ❑ Every couple of months
- ❑ A couple of times a year
- ❑ Less often than that

Q30 Overall, how would you rate your business's current adoption of digital marketing? Read list.

- ❑ We are very good - we are proactive
- ❑ Good but we could be doing more
- ❑ OK but a little too reactive and dated
- ❑ Poor - we are just not doing enough

Q31 How interested are you in potentially further developing your business's digital marketing?

- ❑ Very Go to Q33
- ❑ Quite Go to Q33
- ❑ Not at all Go to Q32

Q32 Why do you say that?

____

____

Q33 To what extent do you see the following as barriers to your business adopting digital marketing more on this scale - not at all, to some extent or to a large extent? Read list. Randomise list each time.

	Not at all	To some extent	To a large extent
The investment required	❑	❑	❑
Uncertainty over the future of the business	❑	❑	❑
Lack of time to develop the right systems	❑	❑	❑
Lack of time to keep everything updated	❑	❑	❑
Limited content on our business to provide exciting updates	❑	❑	❑

Limited expertise or knowledge to undertake digital marketing properly	❑	❑	❑
Concerns over the lack of security with online marketing	❑	❑	❑
Not prepared to pay third-party booking fees	❑	❑	❑
Not relevant to a business of our size	❑	❑	❑

Q34 Which of the following areas of digital advice or training would be useful for your business on this scale - not useful, fairly useful, or very useful? Read list.

	Not useful	Fairly useful	Very useful
Making the most of your website	❑	❑	❑
How to take web bookings	❑	❑	❑
Managing customer details and records, and how to use them	❑	❑	❑
Making the most of social media	❑	❑	❑
Working with third parties and online travel agents	❑	❑	❑
Using Teams or Zoom to participate in meetings or training online	❑	❑	❑
Managing finances online	❑	❑	❑
Other (please specify overleaf)	❑	❑	❑

None Go to Q37 ❑
Don't know Go to Q37 ❑

Q35 Other area of digital advice or training that would be helpful:

____

Ask Q36 if answered ‘fairly useful’ or ‘very useful’ to anything in Q34.

Q36 Which of the following training methods would your business be likely to prefer? Read list and select all that apply.

❑ Online training
❑ Locally based training events
❑ A Help Line
❑ Online fact sheets
❑ One-to-one training/mentoring

Q37 Finally, I just need to ask a couple more questions about your business. Which of the following best describes the status of your business/organisation? Read list and select one.

❑ Public/Not for profit sector
❑ Owner-managed
❑ Independently owned but with a general manager
❑ Part of a larger organisation
❑ Other (please specify below)

Q38 Other status of business/organisation:

Q39 Are you typically open all year or on a seasonal basis?

- ❑ All year
- ❑ Seasonal

Q40 Approximately how long has the business been operating in its current ownership?
In number of years.

Q41 How would you describe the life stage of your business pre-COVID?
Read list.

- ❑ Newly established
- ❑ Established and growing
- ❑ Established and comfortable
- ❑ Established but slightly declining business
- ❑ Winding down

That is the survey completed, thank you for your time.

Appendix 2: Useful Links

VisitScotland	https://www.visitscotland.org/supporting-your-business/digital-skills
	https://www.visitscotland.org/supporting-your-business/digital-skills/getting-started
	https://www.visitscotland.org/supporting-your-business/digital-skills/digital-essentials
	https://www.visitscotland.org/supporting-your-business/digital-skills/know-your-customers
	https://www.visitscotland.org/supporting-your-business/digital-skills/improving-performance
VisitBritain	https://www.visitbritain.org/business-advice/market-your-business/digital-marketing-toolkit
	https://www.visitbritain.org/business-events-webinar-power-digital-marketing
	https://www.visitbritain.org/business-recovery-webinar-get-your-business-visible-google-google-digital-garage
Business Lincolnshire	https://www.businesslincolnshire.com/industry-support/visitor-economy/
	https://www.businesslincolnshire.com/industry-support/visitor-economy/instagram-bootcamp/
Visit Lincoln	https://www.visitlincoln.com/blog/fully-funded-peer-network-programme-for-sme-leaders
Leicester & Leicestershire Digital Growth Hub	https://www.emc-dnl.co.uk/about-us/initiatives-and-programmes/digital-growth-programme/
D2N2 Digital Growth Programme	https://d2n2lep.org/1300-businesses-helped-by-digital-growth-programme-backed-by-d2n2/
Visit County Durham	https://www.visitcountydurham.org/business-resources/business-support-toolkits
	https://www.visitcountydurham.org/downloads/online-toolkit.pdf
Visit Peak District & Derbyshire	https://www.visitpeakdistrict.com/industry/business-support
	https://www.visitpeakdistrict.com/industry/news/2020/11/12/digitalisation-grants-of-up-to-ps10-000-available-for-derbyshire-visitor-economy-businesses-a2532
Visit Isle of Man	https://www.visitisleofman.com/trade/business-resources
	https://www.visitisleofman.com/trade/coronavirus-information/marketing/digital-media-advice-for-trade-partners
	https://www.visitisleofman.com/trade/business-resources/tourism-development-support-schemes/marketing-and-digital-support
	https://www.visitisleofman.com/trade/coronavirus-information/marketing/podcast-series