Digital Tourism Scotland evaluation

Final Report

for

Scottish Enterprise

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1 Introduction

Overview

1.1 Developments in ICT and Digital Technologies are transforming how we live and work and will continue to impact on economies around the world. Digital technology is a key sector within Scotland and is also an enabler throughout the economy, driving productivity and growth across all sectors. To ensure that firms working in Scotland can support the pace of change and development and stay at the forefront of innovation, they must have access to the digital skills they need. Many sectors are now looking at how they can harness the benefits of digital technology to ensure they remain competitive and enhance productivity, and tourism is no exception.

1.2 Tourism in Scotland is a well-established and mature sector, which is world renowned for its diverse offer, including city-based tourism, business tourism, culture and the arts, sports and adventure tourism, events and festivals, rural destinations, marine tourism, food and drink, the outdoors, and history. The rapid development of digital technology brings innovation in to tourism, but it also means that visitor expectations are higher and constantly evolving as technology develops. There is also a growing demand for tailor-made offers beyond mass tourism and technology has a central role in this. Increasingly, visitors and potential visitors expect to be able to digitally access information, book their accommodation, activity and travel, access peer to peer reviews and more. This means that in order to remain internationally competitive the Scottish tourism sector needs to adapt to make use of digital technologies that can meet visitor experience expectations at every stage of the process. If it fails to do so Scottish tourism will lose out to other parts of the world, as was highlighted in the Tourism Scotland 2020 strategy (TS2020).[1]

1.3 The use of digital technologies both during and in the planning of trips has become known as digital tourism. The growth of this has meant that the distribution channels for tourism products are now primarily digital and digital technologies also play a large part in all stages of the visitor experience. The importance of digital tourism has meant that it is vital for tourism businesses to be able to effectively use digital technologies. This formed the rationale behind the Digital Tourism Scotland (DTS) programme as it sought to provide digital support to tourism businesses that could help to overcome the current skills gap in the sector and support business and wider economic growth. The programme was launched in 2015 and in 2018 Scottish Enterprise commissioned ekosgen and associate partners Context Economics, Opus and IBP Strategy and Research to undertake an evaluation of the programme.

The DTS programme

1.4 The DTS programme offers sector specific digital support to tourism businesses in Scotland. DTS is run as a partnership programme and has six main delivery partners: Scottish Enterprise, Highlands and Islands Enterprise, Scottish Tourism Alliance, VisitScotland, Skills Development Scotland and Business Gateway. The programme is also supported through part funding by the Scottish Government. Following a pilot from March to August 2015, the programme has been operational since November 2015 and has included the following strands of activity:

- A programme of workshops to provide practical support on key topics for tourism businesses;
- Awareness-raising sessions aimed at larger audiences with a focus on enhancing understanding of digital technologies and the opportunities and benefits they offer to tourism businesses;
- Group support for collaborative digital projects involving multiple partners;

[1] http://scottishtourismalliance.co.uk/page/national-strategy/

- Surgeries to provide one to one support; and
- Online content for easy to access information and digital learning modules.

1.5 A detailed description of the programme and its activities is provided at chapter three.

1.6 Support delivered through the programme is designed to be complementary to general digital business support by focusing on issues of particular relevance to tourism businesses. The programme team has worked closely with Destination Management Organisations (DMOs) and other local tourism partnerships and industry groups to identify key topics. Since its launch, the programme has delivered support to 2,250 unique businesses through almost 5,300 engagements.

The evaluation

Objectives

1.7 In November 2018 a team led by ekosgen and comprising Context Economics, Opus and IBP Strategy and Research was commissioned by Scottish Enterprise (SE) to undertake an evaluation of DTS. The programme is now in the final year of the initial approval period and so DTS partners were keen to commission an independent evaluation of its performance to date. The evaluation has the following objectives:

- Review and assess the impact of the DTS Programme in contributing towards the objectives/priorities of the national, regional and sector strategies:
- Review and assess the extent to which DTS support has alleviated market failure and provide insight into whether a market failure rationale for public sector intervention in this area still exists;
- Assess the appropriateness of the sector-specific approach;
- Assess progress against SMART objectives set for the overall Programme;
- Provide a quantifiable economic impact assessment of DTS in terms of GVA and employment, as well as commenting on the value for money of DTS Partner’s investment over the time period;
- Assess the extent to which DTS support is contributing toward the ambition to increase productivity (driven by increased adoption of digital technologies) in the tourism sector and increase the amount of online bookable services in the sector;
- Inform the DTS partners on the future direction in relation to supporting digital in the tourism sector including recommendations on the most appropriate future approach; particularly in less urban areas as well as future themes/areas of focus that should be considered;
- Assess changes in business behaviours, confidence and business aspiration as a result of DTS support including leadership and decision-making capability in relation to investment and digital change; and
- Report on the effectiveness of the DTS partnership and delivery model to support the digital agenda in the tourism sector and its appropriateness to other sectors.

Method

1.8 The study methodology was based around the following three strands of activity:

- **Desk research**: Desk research consisted of a review of the DTS programme documentation and the national and SE strategies listed in the objectives section. In addition to document review, the desk research strand included review and analysis of programme monitoring information.

- **Consultation and focus group programme**: Consultations and focus groups were undertaken with partnership staff and other key stakeholders from the tourism sector. This consisted of 32 one to one consultations and four focus groups. Lines of enquiry focused on stakeholders' perspectives on the strategic rationale and aims of the programme, its content and delivery, its success in reaching tourism businesses and the impact the programme has had. Details of stakeholders consulted with are provided at Appendix 1.
- **Primary research with participants**: Fieldwork with participants comprised a telephone survey of 180 businesses. This was followed by LiveMinds focus group forums to which 36 businesses were invited, as well as a number of in-depth business interviews. The fieldwork aimed to capture quantitative and qualitative data on participants' views of the programme and any impact participation has had on their business.

Structure of the report

1.9 The report is structured as follows:

- **Chapter 2** provides an overview of the strategy and policy context including how DTS has contributed to the objectives/priorities of the strategies listed in the objectives section;
- **Chapter 3** gives an overview of the DTS programme including the market failures it is addressing, its rationale and development, structure and delivery, budget and expenditure and performance to date;
- **Chapter 4** assesses the effectiveness of the partnership and delivery model;
- **Chapter 5** provides an overview of the business beneficiary experience;
- **Chapter 6** evaluates the impacts the programme has delivered for participant businesses and the wider sector; and
- **Chapter 7** provides a conclusion of the study and outlines recommendations flowing from its findings.

1.10 The following appendices are also provided:

- **Appendix 1** contains a list of the organisations consulted with as part of the stakeholder consultation and focus group programme; and
- **Appendix 2** provides a profile of the businesses that responded to the telephone survey.

2 Strategic context

Headline messages

- DTS contributes to an array of national and sectoral strategic priorities.
- This includes all four priorities of the Scottish Economic Strategy: investment, innovation, inclusive growth and internationalisation.
- The programme is also well aligned with the digital and visitor experience priorities of the Tourism 2020 strategy, which will likely have a greater focus on digital in the upcoming refresh.
- DTS makes a key contribution to the Digital Strategy for Scotland by enabling better use and uptake of digital opportunities in the tourism sector.
- DTS complements HIE's activity to improve access to digital technologies in the Highlands and Islands and also increases digital awareness. The programme also contributes more generally to HIE's remit of economic and community development in the Highlands and Islands.
- The programme also contributes to Scottish Enterprise's activity themes by supporting economic growth and the attractiveness of Scotland as a tourism destination through its digital support.
- Through its digital upskilling, which in turn promotes economic growth and the continuing international reputation of Scottish tourism, DTS supports the strategic objectives of all six partner organisations.
- DTS is one of a number of digital support products available to businesses in Scotland. It has aligned itself to the wider digital support landscape in terms of target audience and programme content.

Introduction

2.1 It is clear that the DTS programme contributes to an array of national and sectoral strategic priorities. This chapter discusses a number of key strategies and their alignment with DTS, including sector specific strategies, strategies focused on the wider Scottish economy and strategic objectives of DTS partners. This includes:

- Scottish Economic Strategy;
- Tourism Scotland 2020 and Mid-Term Review;
- Scotland's Digital Strategy;
- Digital Highlands and Islands;
- Scottish Enterprise Business Plan; and
- Highlands and Islands Enterprise Business Plan.

Policy context

Scottish Economic Strategy

2.2 Scotland's Economic Strategy (SES)[2], published by the Scottish Government in March 2015, aims to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth and ensuring that everyone in Scotland has the opportunity to fulfil their potential. The focus on outcomes and a whole economy approach led to the development of an economic framework for Scotland which is centred on two pillars: Increasing competitiveness and tackling inequality. The SES has four priorities to achieve this: investment, innovation, inclusive growth, and internationalisation, and DTS has a role to play in all four:

- **Priority 1:** Investing in our people, infrastructure and assets in a sustainable way:
  - DTS offers investment in people as it seeks to raise digital skills. In turn this provides investment in businesses as the utilisation of digital technology can support sustainable business growth. Such investment is particularly positive in the tourism sector as tourism is identified in the strategy as one of the key sectors where Scotland has a distinct comparative advantage and thus a focus for targeted interventions. Another aspect of DTS is that it can help to build and connect Scotland's tourism infrastructure, and particularly its digital technology infrastructure.
- **Priority 2:** Promoting Inclusive Growth:
  - Tourism is a key sector in the Scottish economy, particularly in rural and remote rural areas that may tend to experience slower rates of growth. The tourism sector also has strong links and interdependencies with other key sectors in the rural economy including food & drink, farming and fishing. Through its interventions the DTS programme has focused on reaching areas across the country, including remote and rural areas where digital technology may be particularly important in reaching, engaging and 'doing business with' visitors. In doing so DTS is helping businesses in more remote and rural areas to improve their productivity and reach, and ultimately, grow.
- **Priority 3:** Innovation: An economy where growth is based on innovation, change and openness to new ways of doing things:
  - DTS aims to make the tourism sector in Scotland more innovative in its use of digital technologies. It does this through both awareness raising on what opportunities are available to make businesses more open to change and through providing businesses with the practical skills to be able to implement such opportunities. In doing so the overall objective is to support and drive economic growth through digital innovation in the tourism sector. Supporting innovation in the tourism sector is important given its scale and international reputation, and the adoption of digital technologies is vital if Scotland is to maintain its world leading position.
- **Priority 4:** Internationalisation: A country with an international outlook and focus, open to trade, migration and new ideas:
  - Scotland's tourism offer and attraction of visitors from across the world is a key part of its international outlook. As mentioned above, through supporting digital innovation in Scottish tourism DTS is helping the sector to maintain its international reputation and offer. This is vital both in maintaining and growing international tourism and spend in Scotland and also in building Scotland's wider reputation and brand.

[2] Scottish Government (2015) *Scotland's Economic Strategy*

Tourism Scotland 2020 and Mid-Term Review

2.3 Tourism Scotland 2020 or TS2020, Scotland's national tourism strategy[3], was developed by the Tourism Leadership Group in partnership with the public sector. It was launched in June 2012, with the overarching vision to:

> *'Make Scotland a destination of first choice for high quality, value for money and memorable customer experience, delivered by skilled and passionate people'*

2.4 Scottish Tourism Alliance have led and coordinated the delivery of the strategy on behalf of the Tourism Leadership Group.

2.5 Based on market opportunities aligned with Scotland's capabilities, it provides a common agenda for the industry focused on Scotland's long term tourism growth ambitions. The Strategy sets out a plan to drive growth in key markets by strengthening existing assets and building the industry's capabilities. It aims to build on existing good practice to develop a strong network of destination and local partnerships, who can share best practice and improve the overall quality of the visitor offer. Key performance indicators have been set to measure progress made under the strategy, including to grow visitor spend by £1 billion from £4.5 billion to £5.5 billion by 2020 – a 22% uplift.

2.6 The Strategy identifies a key need to ensure better digital connectivity for visitors, and making better use of data and analytics, but it largely stops short of digital tourism as we now understand it and as tourists and visitors expect.

2.7 The strategy was reviewed in 2016, and strengthening digital capabilities was included as one of four key priorities, addressing some of the gaps in the original strategy. However, the strategy is currently being reviewed to inform a refresh, which will likely see digital tourism becoming an even more prominent focus.

2.8 In terms of the existing priorities from the 2016 review, Digital Tourism Scotland has a particular role to play in:

- **Priority 1: Strengthen Digital Capabilities:** DTS is a key intervention for providing digital upskilling to the sector. It is unique in offering tourism specific digital support which means that it is able to focus on the most important opportunities, technologies and skills/capabilities for tourism businesses. Through working closely with partners to align its support offer with business need and provide Information and signposting on the digital opportunities available to businesses, DTS has delivered support across the country. This support is aimed at various digital skill levels, meaning that DTS can help to strengthen the digital capabilities of tourism businesses at all stages and in all geographies.
- **Priority 3: Quality of the Visitor Experience:** The use of digital technology is an important aspect of the visitor experience, across all stages of their visit, but perhaps particularly at the planning stage. Visitors have high expectations of the level of digital connectivity and tools available to them and therefore constantly reviewing and improving the digital capabilities of the sector is a key part of delivering a higher quality visitor experience and remaining competitive. Through collaborative approach, SE has maximised the benefit of its partners' insight and research to develop the DTS programme. This helps to upskill businesses in response to identified sector trends and requirements. As such, DTS can play in important role in improving visitor experience. This remains of importance as there are continuing gaps in Scotland's digital tourism offer, particularly in terms of the 'in visit' digital experience, which is becoming increasingly important.

[3] http://scottishtourismalliance.co.uk/page/national-strategy/

Digital Strategy for Scotland

2.9 The Digital Strategy for Scotland was launched in March 2017[4] as a refresh of Scotland's Digital Future: A Strategy for Scotland, which was published in March 2011.[5] The 2011 strategy outlined the government's plans and actions for ensuring Scotland takes full advantage of digital technology. An important aspect of this was the need to grow the digital economy and use digital technologies to fuel economic development across all sectors.

2.10 As with the previous strategy, the Digital Strategy for Scotland highlights the need for better use of digital technologies across all sectors. A key part of its vision is the development of 'internationally competitive, digitally mature businesses across all sectors'. Tourism is highlighted as one of a number of sectors that can particularly benefit from digital technology and Digital Tourism Scotland is mentioned as a key success in the period since the launch of the Digital Future Strategy.

2.11 DTS makes a clear contribution to the Digital Strategy for Scotland as it seeks to enable better use of digital technologies and uptake of digital opportunities in a key sector for Scotland. Through its practical support and awareness raising DTS can grow the use of digital technology in the tourism sector across Scotland and in doing so improve productivity, visitor experience and economic growth.

Digital Highlands and Islands

2.12 Digital Highlands and Islands is the Highlands and Islands' arm of the Scottish Government's superfast broadband programme. The programme is being led by HIE in partnership with BT and is aiming to deliver fibre based internet services to 86% of premises in the region. Digital Highlands and Islands has important links with DTS as it is providing the technology needed to enable businesses to utilise digital technologies.[6] As well as supporting the rollout of superfast broadband, HIE's other work in the area of digital technologies involves awareness raising around digital technologies, including through Scotland's first digital technology centre, #hellodigital, which seeks to connect businesses with technology.[7] DTS complements this activity very well as it also aims to improve understanding of digital technologies and how they can be utilised to best effect by businesses.

Scottish Enterprise Business Plan

2.13 Scottish Enterprise's 2018-2019 Business Plan sets out the organisation's key aims and plans for the financial year.[8] It identifies the four delivery themes for activity, three of which align particularly well with DTS:

- **More international trade and investment for Scotland**: DTS is working to support the Scottish tourism sector to sustain and improve its international reputation through optimising businesses' use of digital technologies. Promoting Scotland as an attractive destination and maintaining its appeal to international visitors also delivers on the ScotlandisNow promise to make Scotland more attractive to live in, invest in, educate in and visit.
- **Accelerating business growth**: Through enabling better use of digital technologies DTS is looking to support growth amongst tourism businesses. Digital upskilling can help to promote growth across sectors by supporting innovation and improved productivity and in the tourism sector in particular it is important for marketing and meeting visitor expectations. DTS activities to improve awareness and implementation of digital technologies by tourism businesses therefore have a big role to play in accelerating their growth. Whilst there has been progress within digital marketing there is a need for greater focus on embedding digital processes into tourism businesses' operations.

[4] https://www.gov.scot/publications/scotlands-digital-future-strategy-scotland/pages/1/

[5] https://www.gov.scot/publications/realising-scotlands-full-potential-digital-world-digital-strategy-scotland/pages/1/

[6] http://www.hie.co.uk/regional-information/digital-highlands-and-islands/default.html

[7] http://www.hellodigital.scot/

[8] https://www.scottish-enterprise.com/media/1955/business-plan-2018.pdf

- **Realising major economic opportunities**: Digital Technologies are a key opportunity for tourism businesses to grow their visitor reach and improve their productivity. They are also an opportunity that can become a threat if not acted upon as this could mean that areas that do make use of digital opportunities can overtake Scotland in their reputation and attractiveness as a tourism destination. Through its sector specific digital support provision DTS is looking to enable Scottish tourism businesses to realise the opportunity offered by digital.

Highlands and Islands Enterprise Operating Plan

2.14 HIE's Operating Plan sets it outs key areas of work for the financial year. It has four priorities, all of which align well with DTS[9]:

- **Accelerating business growth**: As noted earlier in the chapter, digital technologies can be particularly important for enabling growth within tourism businesses in remote and rural communities that may struggle to reach visitors through more traditional, non-digital routes. DTS provision has included all areas of the Highlands and Islands and through digital upskilling it can play an important role in accelerating the growth of tourism businesses in the region.
- **Strengthening communities**: Tourism is a very important sector for the Highlands and Islands and this is particularly the case for more remote and fragile areas. Through providing digital skills that can strengthen tourism businesses DTS can play a role in strengthening such communities and helping to provider greater opportunities for jobs and economic growth.
- **Supporting growth sectors**: HIE has identified tourism as a growth sector for the region and clearly DTS can play a key role in helping to grow and strengthen tourism businesses through enabling better usage of digital technologies to improve their productivity, visitor experience and market reach.
- **Developing regional attractiveness**: Digital technologies are important for developing marketing and branding and improving visitor experience. Through enabling the use of digital DTS is supporting tourism businesses to make the Highlands and Islands a more attractive tourism destination, which can have a wider knock on effect on its attractiveness to investors.

Contribution of DTS to strategic objectives

2.15 As shown in the previous section, the programme fits well with a number of national and sector specific strategies. This section will now consider the alignment of DTS with the strategic objectives of the six organisations that comprise the programme partnership: Scottish Enterprise, Highlands and Islands Enterprise (HIE), Scottish Tourism Alliance (STA), VisitScotland, Skills Development Scotland (SDS) and Business Gateway.

2.16 Scottish Enterprise is Scotland's main economic development agency, covering all areas outside of the Highlands and Islands. It works with a variety of partners to identify opportunities for the Scottish economy and more generally promote and support economic growth. Its core objectives that DTS contributes to are[10]:

- **Supporting more companies and sectors to innovate through increased research and development, new products, services, markets and business models**: The aim of the programme is to enable tourism businesses to make new and better use of the digital technologies available to them and it therefore plays an important role in supporting businesses to innovate and develop their products, services and markets.

[9] http://www.hie.co.uk/common/handlers/download-document.ashx?id=51616c45-f432-480b-839e-687e24d0f471

[10] https://www.scottish-enterprise.com/media/1955/business-plan-2018.pdf

- **Supporting more companies and sectors to internationalise and compete in growing markets around the world**: A key part of the rationale for DTS is to ensure that Scottish tourism can maintain its strong reputations as an international leader in the sector. Tourism is a crowded market and in order to compete on a global stage it is vital that Scottish tourism businesses can optimise their use of digital technologies. DTS is helping them to do this through digital awareness raising and practical support.

2.17 HIE is the economic development agency for the Highlands and Islands and it plays a similar role in the region to that of Scottish Enterprise elsewhere in the country, although it also has a community development remit. HIE's overarching vision is for 'the Highlands and Islands to be a highly successful and competitive region in which increasing numbers of people choose to live, work, study and invest' and DTS contributes to this in a number of ways.[11] Firstly, particularly given the importance of tourism for the economy across the Highlands and Islands (including remote and fragile areas), DTS can contribute to HIE's remit for economic development in the region by supporting businesses to make better use of digital technologies to improve their productivity. This also contributes to community development, particularly in remote and fragile communities that may be heavily reliant on the tourism sector.

2.18 The STA is the representative body for the Scottish tourism industry, comprising over 250 trade associations, businesses, destination groups and other organisations with an interest in tourism. Its mission is 'to shape a vibrant visitor economy for Scotland'.[12] DTS makes a key contribution to this by helping businesses to improve their digital presence in order that they can provide a better visitor experience and grow. Overall this can help Scotland to maintain and grow its international reputation for tourism.

2.19 VisitScotland is the National Tourism Organisation for Scotland and is the lead delivery agency for the Scottish visitor economy, with a key role of marketing Scotland as a tourism destination. For VisitScotland the programme's provision of tourism specific digital support is a particularly good fit with its activity theme of digital leadership, which aims to support better use of digital technology in the tourism industry. DTS also contributes to the organisation's core aim of delivering sustainable and inclusive economic growth throughout Scotland as it seeks to deliver digital support that can enable growth for tourism businesses of all sizes and in locations across the country.[13]

2.20 SDS is Scotland's national skills agency, which aims to support Scotland's people, businesses and economy through its work around skills planning and development to help improve the alignment between education and training and industry needs. SDS has four main goals, of which DTS particularly contributes to the following two[14]:

- **Employers have high performing, highly productive, fair and equal workplaces**: Digital technologies have a key role to play in improving the performance and productivity of businesses across all sectors and are particularly important for marketing and visitor experience in tourism. Therefore through its digital upskilling DTS can make a key contribution.
- **People have the right skills and confidence to secure good work and progress in their careers**: Digital skills are and will continue to be vitally important across all areas of the economy, including tourism. By providing individuals working in the tourism sector with better digital skills DTS is helping to improve the future employability and potential career path of participants.

[11] http://www.hie.co.uk/about-hie/what-we-do.html

[12] http://scottishtourismalliance.co.uk/page/about-the-scottish-tourism-alliance/

[13] https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/annual-and-corporate-reports/visitscotland-corporate-plan-2017---20.pdf

[14] https://www.skillsdevelopmentscotland.co.uk/

2.21 Business Gateway is a publicly funded business support service delivered through local authorities across Scotland. Given the importance of utilising digital technologies to grow tourism businesses and maintaining Scotland's international reputation for tourism, the advice and support provided by DTS is well aligned with Business Gateway's core objective and function of providing business advice that can contribute to the economic wellbeing of Scotland, and specifically with Business Gateway's portfolio of digital support.[15]

The wider digital support landscape

2.22 DTS is one of a number of digital support products available to businesses in Scotland. These are summarised below.

Business Gateway

2.23 As noted above, DTS has aligned its digital support with Business Gateway's activity. Business Gateway itself provides a range of digital support to all businesses at a beginners/basic level.

2.24 In addition it delivers the **Digital Boost** programme, launched in February 2016 and funded by Digital Scotland against specific actions set out in Scotland's Digital Strategy. It aims to support post-beginner/intermediate level digital support to businesses across all sectors in Scotland. As part of the package of support, businesses can:

- Undertake a digital health check to assess digital strengths and weaknesses, identify areas for improvement and technology adoption and determine support required to improve digital performance;
- Attend free workshops delivered locally, aimed at a wide range of issues such as back office business processes, search engine optimisation, social media and networking, online content, etc.;
- Access online digital guides and complete online tutorials on subjects such as paid advertising, cyber resilience and digital marketing; and
- Access free one-to-one digital support from a Digital Boost adviser, to benefit from knowledge and expertise to enhance business performance and digital capability.

2.25 Its funding was extended for a further year in May 2018, with an additional £1.7 million in funding and is likely to run for a further year to the end of March 2020.

HIE Digital Support

2.26 The **Digital Engagement programme** was first established in November 2012 as the ICT Business Support and Community Programme. It originally aimed to support the 25% of Highlands and Islands businesses that were then not online, to get online, and to support the 75% already online to make better use of the broadband provision that was available to them. The programme also looked to complement HIE's role in leading on the roll-out of superfast broadband in the Highlands and Islands by engaging with businesses and giving them the skills to utilise connectivity. The programme streamlined and aligned the digital business support available from Business Gateway, HIE, Se and SDS into one coherent programme.

2.27 More recently, its efforts have been focused on delivering intensive digital support and digital demonstration to account managed businesses and communities, or those with high growth potential and digital ambition, with additional focus on cyber resilience and digital skills development. The current programme finishes at the end of March 2019.

[15] https://www.bgateway.com/about

2.28 The successor to this programme is the **Digital Technology and Innovation programme** (DTI) which aims to will work with businesses to build digital awareness and knowledge. It aims to increase productivity and growth amongst businesses and organisations across the region through digital technology adoption. The programme will help to increase digital technology readiness and digital maturity across the region's business base. Delivered over a five-year period, it includes masterclasses, digital conferences and one-to-one specialist advice. The programme will be focused across HIE's key priority sectors (Creative Industries, Food and Drink, Sustainable Tourism, Life Sciences, Finance and Business Services and Renewable Energy) and Technology and Advanced Engineering (TAE) sub-sectors (Timber, Marine and Agriculture) and Space.

2.29 HIE intends to build on established links with The Data Lab Innovation Centre (the Bayes Centre) in Edinburgh, CENSIS (Centre for Sensory and Imaging Systems) Centre for Excellence in Glasgow, and the UK Digital Catapult, which has centres across the UK as part of this new programme.

2.30 HIE can also offer digital support through its Specialist Advice programme to account managed companies although this is sometimes opened up to non-account-managed businesses.

Other Support

2.31 SE offers **Digital Expert Support**, a programme which is open to all businesses and provides digital support from a framework of approved consultants.

2.32 The **Digital Growth Fund** is a key element of the Digital Strategy for Scotland.[16] The Digital Growth Fund will make available up to £36 million of loans, over a three year period from 2018/19 to 2020/21, to support the development of Scottish business's digital skills and capability. The establishment of the Fund reflected an identified need to improve digital skills across Scotland's SME base, and thus drive productivity and growth in the Scottish economy.

2.33 The **Digital Development Loan** (DDL)[17] is the first scheme delivered under this Fund. DDL was launched in June 2018, and makes £2 million available. The loans are made to companies who wish to improve their digital capabilities and processes in areas such as cyber security, data analytics and software engineering. The loan also covers staff digital skills development.

Digital skills initiatives

2.34 There are a number of initiatives aimed at stimulating the uptake of digital skills, that may be of relevance to tourism businesses or those entering (or considering to enter) the tourism industry. One such scheme is the Digital Xtra Fund, which aims to widen access for young people to extracurricular computing related projects in Scotland, to stimulate interest in and enthusiasm for computer science. A partnership of SDS, HIE, Education Scotland and ScotlandIS developed the fund as part of a programme of activity dedicated to developing skills and making extracurricular computing clubs accessible to young people in Scotland. It specifically seeks to improve participation of girls and underrepresented groups in digital, dispel negative perceptions about computing science, and promote digital technologies as an attractive career path.[18]

2.35 The Digital World initiative, led by SDS and the Digital Scotland Business Excellence Partnership, is a marketing campaign aimed at promoting careers and retraining opportunities in the

[16] https://www.gov.scot/publications/realising-scotlands-full-potential-digital-world-digital-strategy-scotland/pages/3/

[17] https://digitaldevelopmentloan.org/

[18] http://www.digitalxtrafund.scot/

Digital Technology industry and in Digital Technology roles, and the variety of opportunities for such careers.[19]

2.36 CodeClan is Scotland's first industry-led digital skills academy. With campuses in Edinburgh, Glasgow and in the Highlands and Islands as part of the Northern Innovation Hub, CodeClan offers courses for those looking to reskill or upskill in digital technology, and is targeted at businesses as well as individuals.[20]

[19] https://www.digitalworld.net/

[20] https://codeclan.com/

3 The Digital Tourism Scotland programme

Headline messages

- DTS has been developed in response to market failures around the use of digital technologies in the tourism sector and also because the digital support available did not fully meet the needs of tourism businesses.
- The rationale has also been informed by the Tourism 2020 and Digital Scotland strategies.
- The overall aim of the programme is to improve digital skills and capabilities of tourism businesses so they can contribute to the sector's growth ambitions as highlighted in the Tourism 2020 strategy.
- The programme is delivered through a partnership structure involving six key organisations.
- The programme's two main objectives have been to increase the number of tourism businesses offering online booking services and improving business productivity within the sector.
- DTS content has been developed and updated to reflect emerging opportunities and areas of need.
- Delivery methods have included workshops, surgeries, awareness-raising sessions, group support and online content.
- The programme has a total budget of £1.2m to cover the entire period of delivery.
- In the period to December 2018 the programme achieved just over 5,500 engagements. The vast majority of these were through workshops and awareness-raising sessions.

Introduction and market failure

3.1 This chapter provides an overview of the Digital Tourism Scotland Programme, beginning with the market failure it has sought to address. It goes on to provide a detailed description of the programme's rationale and development, and how it is structured and delivered. Finally, the chapter offers a breakdown of programme expenditure and income and industry engagement to date.

3.2 The market failures the programme has sought to address are outlined in the project's final approval paper[21], and were discussed during the consultations for this work. Overall the tourism sector is seen to have lagged behind others in productivity, which can be improved through the adoption of digital technologies. This was noted by consultees across a number of areas, with particular issues highlighted including low availability of online booking and low response rates to online reviews.

3.3 These failures relate to the size and structure of the sector, which is seen as somewhat unwieldly because of the relatively large number of businesses, the majority of which are SMEs, often micro businesses with zero to nine employees (74% of tourism businesses in Scotland were micro sized in 2018 and a further 23% were in the small sizeband with 10-49 employees).[22] Compounding this, they are also geographically dispersed over the length and breadth of the country, often, though not exclusively, in quite remote and rural locations. The high proportion of small businesses in disparate and rural locations means that there are issues around the availability of digital support, a lack of digital

[21] Scottish Enterprise (2014) *Digital Tourism Scotland Programme final approval paper*

[22] Scottish Government (2019) *Growth Sector Statistics Database*

connectivity, lack of time and expertise (particularly within micro businesses). There is also a tendency towards small businesses that are run as lifestyle businesses and lack growth ambition.

3.4 At the time of the DTS launch digital support was sporadic and disjointed and there was a lack of sector specific support that reflected the needs and trends within tourism. Support was not available to growth companies in all areas of Scotland and in some areas was not available at all. The support that was available was disjointed, covering discrete topics with no signposting as to the level of digital knowledge required, rather than offering a cohesive learner journey. As a result there was a need for more dynamic support that could better respond to emerging opportunities and trends, particularly as tourism businesses have particular digital needs beyond those of most businesses. These needs are related to the rise of digital tourism and with it the expectation from visitors that they will be able to plan and book trips online as well as having access to in-visit digital services such as real-time booking and Wi-Fi access. Perhaps due to a poor fit with their interests or level of expertise, it was also noted that tourism businesses who had attended generic digital support sessions sometimes failed to put into practice what they have learned.

3.5 Another constraint is that small tourism businesses in particular often don't take a strategic approach to training and their use of digital technologies. As noted earlier this can reflect a lack of interest in spending time and money on digital innovation, particularly for lifestyle businesses. Even for those businesses who want to make better use of digital technologies there can be a lack of understanding of what technologies are available to them and what tourists expect. As part of this consultees also noted that some businesses can lack an understanding of the reasons why they should use digital technologies as well as not having the technical know-how.

3.6 Finally digital infrastructure and poor connectivity, particularly in remote and rural areas is also a key market failure as this means that in certain areas even those businesses that are motivated to make use of digital technologies are not able to implement them due to a lack of connectivity. As noted in the previous chapter, work is currently being carried out to extend the availability of superfast broadband across Scotland, and the Scottish government aims to achieve 100% coverage by 2021.

Rationale and development

3.7 The overall aim of the DTS programme is to improve the understanding and use of digital technologies by tourism businesses with a view to enabling economic growth. The programme is targeted at tourism businesses across all subsectors as well as DMOs and industry groups that represent regions and clusters of businesses. It aims to provide sector specific support, which can enhance the digital skills and knowledge of tourism businesses across Scotland, and is additional to the cross-sectoral support available through programmes such as Business Gateway's Digital Boost. Key areas DTS aims to address through its digital support offer include improving productivity, improving visitor experience and increasing the number of businesses providing online booking services. Since 2017 objectives have been realigned to focus specifically on productivity and online bookings.

3.8 DTS was established in response to the market failures identified above. It was also driven by two key strategic drivers: the TS2020 strategy, which (with the exception of Business Gateway) the main programme partners were involved in producing, and Scotland's Digital Future: A Strategy for Scotland. The TS2020 strategy was published in 2012 and highlighted the need for the sector to make better use of digital technologies in order that tourism in Scotland can continue to grow and maintain its position as a world leader. Scotland's Digital Future Strategy was published in 2011 and outlined the Scottish government's approach to ensuring Scotland takes full advantage of the opportunities offered by digital technologies. The strategy specifically supported a sector specific approach to digital technologies to accelerate sector growth.

3.9 After the publication of the TS2020 strategy, the need for a joined up sector specific digital support programme was discussed by Scottish Enterprise, VisitScotland, Scottish Tourism Alliance (STA) and the Scottish Government. There was a strong willingness from all partners to co-develop the digital agenda for tourism and develop a programme of support. This development was then led by Scottish Enterprise who commissioned research to establish the market failure of digital support and highlight the approach to be taken if a tourism specific digital support programme was to be put in place.

3.10 Following on from the publication of the research a Digital Tourism Scotland Programme Working Group was set up. Funding was secured from the Scottish Government with approval through the Digital Business Excellence Partnership. Following this further, funding was agreed with Scottish Enterprise, with the programme being approved by Scottish Enterprise in November 2014. Delivery began seven months later in June 2015, with a period of pilot delivery up to October 2015 followed by the official launch in November.

Programme structure, content and delivery

Structure

3.11 DTS is delivered through a partnership structure involving six main organisations/programmes: Scottish Enterprise, Highlands and Islands Enterprise (HIE), STA, VisitScotland, Skills Development Scotland and Business Gateway. In addition to these six organisations, the Scottish Government acts as main funder alongside Scottish Enterprise. As part of its role in providing digital support through Digital Boost and its other products, Business Gateway also acts a delivery partner for DTS. The six organisations that make up the partnership are all represented on a working group, with COSLA providing representation for Business Gateway and therefore Digital Boost. The working group agrees the operation plan and support and monitors the delivery of the programme.

3.12 For the first year it was felt that Scottish Enterprise had led on the operational delivery of the programme whilst keeping partners informed. Since 2017, however there has been a shift towards a partnership approach with each partner having specific roles and contributions to make. In particular, VisitScotland took on the lead role for developing a new programme website and its content plan, marketing and communications and supported attendee recruitment, whilst HIE has used existing contracts to develop tourism specific digital webinars and increase business engagement with DTS. HIE has done this through co-ordinating programme communications via contracted destinations and monitoring engagement levels. The other partners have taken more of a supportive role across various activities.

3.13 In addition to their overall operational, planning and delivery responsibilities, one of the main roles of partners has been awareness-raising and signposting for tourism businesses via their own channels, e.g. website. HIE, Scottish Enterprise and VisitScotland have also undertaken engagement with DMOs and other destination organisations to support them in promoting DTS to members and in organising the delivery of workshops and awareness-raising sessions.

3.14 In the Highlands and Islands, HIE contracted DMOs to undertake a range of local business engagement activity on their behalf to maximise the benefits of DTS. This included: a business survey to establish a baseline of local business capability; co-ordinating awareness-raising sessions and liaising with national delivery partners on venues for workshops. Alongside the promotional work, DMOs also committed time to develop their own digital capability, with a view to increasing the digital ambition of the destination. Initially HIE contracted the promotion and organisation of DTS activities entirely to DMOs but this did not work very well due to lack of time for DMO staff so HIE now also plays a supporting role. Within SE, Tourism Destination Managers are responsible for working with local partners to support destination development activity including the promotion and business engagement activities related to DTS. SE also maintain relationships with a wider range of destinations and industry groups across the Scottish Enterprise region that want to deliver DTS locally or to members.

3.15 The actual delivery of on the ground support is undertaken by two main suppliers – Elevator and RGB. Elevator deliver workshops and awareness-raising sessions whilst RGB deliver group support. Both suppliers subcontract trainers as required. In the period from June 2015 to June 2018 LMW consulting also delivered workshops, awareness-raising sessions and surgeries.

Programme content and delivery

3.16 To respond to the market failure there has had to be careful thinking around the programme content to ensure it is relevant and can be applied by businesses, reflects emerging technologies and takes account of the varying degrees of digital knowledge. Delivery methods are also critical due to the issues around the profile of sector and geographic dispersal mentioned above. This means that delivery methods need to ensure support is accessible, particularly for the smaller and more remote businesses that may have the greatest level of need.

3.17 The programme comprises:

- A programme of topic-based workshops delivered in a range of locations;
- Awareness-raising events delivered across Scotland and focused on emerging technologies and the benefits they offer tourism businesses;
- A series of live webinars, video podcasts and live tutorials
- Group support for businesses looking to develop collaborative projects; and
- Online content offering easy to access modules and articles on key digital opportunities.

3.18 In its first two years, the programme also included one hour surgeries, but it was found that these were covering very basic themes/support and so as of 2018 it was decided that these queries could be covered through existing online content and Digital Boost one-to-one support.

3.19 SE's Digital Expert support was part of the original Programme approval paper and thus DTS offer. However, due to a lack of resources it wasn't feasible to deliver nationwide and this follow-up support was accordingly scaled back significantly.

3.20 It was also felt that removing the surgeries would help to focus the programme on its re-scoped (as of 2017) SMART objectives of increasing the number of businesses offering online booking services and improving productivity.

3.21 As noted above, the objectives of the programme were re-scoped and streamlined in 2017 in order to provide a better focus for activity and collaborative work. This reflects the ongoing iterative approach as quarterly reviews with the DTS partnership have been used to inform ongoing rationale and ensure content reflects need. Such processes are important for ensuring the programme continues to address market failure of the support offer not being aligned with emerging opportunities.

Workshops

3.22 Workshops have been a key strand of DTS activities since its inception in 2015. The focus for workshops is on practical skills training that can be integrated into tourism businesses and promote business growth. Alongside the re-scoping of the programme objectives the content of the workshops has been reviewed to be more aimed at participants with intermediate/advanced skills. The workshops are delivered in locations across Scotland. Workshops were initially between three and five hours long (half or full day sessions) but for the last year it was decided to only deliver half day sessions. Workshop attendance costs £25 per participant, although income generating membership groups have the option of paying £150 per workshop and then offering free attendance to their members, as long as non-members can attend for the £25 fee. Each workshop aims to have between 7 and 15 participants.

3.23 Workshops are specifically aimed at people with a post-basic/ intermediate or advanced level of digital skills. Those seeking more basic level courses are signposted to Digital Boost or relevant online resources; VisitScotland also provide basic level support. Alongside the re-scoping of the programme objectives in 2017, the content of the workshops has been reviewed to be more specifically aimed at participants with intermediate/advanced skills in order to support continuous digital learning. The topics covered are grouped into the following themes:

- Digital marketing foundation which provides skills and knowledge for producing effective digital marketing that can support business growth;
- Data management and analysis which includes workshops on using software such as google analytics and how to make best use of data;
- Being data driven which covers improving user experience and increasing conversions and online bookings;
- Content creation which includes workshops on written, photographic and video content;
- Social media which provides skills for particular social media platforms and more general knowledge on cross-platform tools such as instant messaging; and
- Online reviews which offers guidance on how to use and respond to online reviews.[23]

Awareness-raising events

3.24 Awareness-raising events are a core activity of Digital Tourism Scotland delivery. They are less practically based than workshops and aim to provide advice on what digital opportunities are available and how they can benefit tourism businesses. Awareness-raising sessions are not as targeted at a particular digital skill level as workshops because they are more generally about raising awareness of digital technologies and encouraging innovation rather than providing digital skills. The events are free, last an hour and are delivered as standalone events and as part of wider industry events such as annual conferences or thematic events.

3.25 As with workshops they are delivered across Scotland to ensure they are as accessible as possible. Awareness-raising events cover various topics within the following categories:

- Latest trends – covering new technologies and applications;
- Inspirational – covering the opportunities digital can offer tourism businesses;
- Create insight – offering a deeper understanding of what businesses can gain from applying a particular digital trend/technology;
- De-mystifying digital – focused on digital fundamentals to support tourism businesses; and
- Practical tips – providing useful advice for businesses to apply in their work.[24]

Group support

3.26 The provision of group support was added to the programme in June 2017 with the aim of supporting industry/destination groups with the scoping and planning of collaborative digital projects. This was partly in response to an identified lack of available support for the development of collaborative projects with a focus on utilising digital technologies to implement plans. Groups in receipt of support are given up to three days of targeted support.[25] This includes the completion of a digital capability audit, and a search engine optimisation (SEO) audit, as well as assistance in developing solutions for customer management, segmentation, social media/website performance, etc. Group projects supported through this stream have also benefitted from the development of digital action plans for

[23] Digital Tourism Scotland (2018) *Workshop and Awareness sessions Autumn/Winter 2018*

[24] Ibid.

[25] Ibid.

groups looking to reposition the marketing of their destination or attraction or looking to utilise data in developing audience segmentation and their consumer proposition. Through the provision of group support DTS aimed to help build a pipeline of projects which may in future apply to VisitScotland's Growth Fund for funding.

Video Podcasts and Webinars

3.27 DTS support includes a series of live webinars, video podcasts and live tutorials. These have been provided through an existing HIE contract, which had been utilised to develop and deliver at least two tourism focused digital webinars each quarter. Businesses can access this content as a live stream or at a later date through YouTube. Over the 2016/17 financial year 19 webinars were produced, achieving live stream view of just under 8,000 and just under 2,000 further views via YouTube. Topics covered included website MOT, online booking and social media usage.

Online content

3.28 As well as the webinar and video content mentioned above, the DTS website also has a topic library featuring case studies and articles on topics including customer relationship management, social media and google analytics. Further content includes a visitor feedback learning hub, providing 21 modules to support tourism businesses in using digital tools to collect, aggregate and analyse customer feedback in order to grow their business.

Programme budget and expenditure

3.29 Upon approval in 2015, DTS secured a total budget of £1.2m to fund three years of delivery. This comprised £561,757 from Scottish Enterprise core budget and £656,757 of Digital Scotland Business Excellence Partnership (DSBEP) funding. DSBEP also provided £113,557 of funding for the pilot delivery prior to the three year approval. In March 2018 it was agreed that the project would be extended for a year to June 2019 but no further budget was approved. A breakdown of spending during the first three years of delivery is provided at Table 3.1. There is a remaining c.£160,000 to be spent between January and June 2019. This will be mainly used to fund workshop and online delivery.

Table 3.1: Digital Tourism Scotland expenditure, 2014-2018

Programme element	Year 1 spend +pilot (Mar 15-Mar16)	Year 2 spend (Apr16-Mar17)	Year 3 Spend (Apr 17-Mar18)	Year 4 Spend (Apr18 to Dec 18)	Total spent to date
Project Development Phase and Intensive Support pilot project	£113,557	-	-		£113,577
Portal Design Maintenance & Online Support Resources Including Listening to our Visitors online programme	£50,576	£29,481	£123,278	£9,595	£212,930
Workshops One to Many Awareness-raising events+ 1x conference	£126,830	£211,650	£155,562	£84,161	£578,203
Marketing and PR	£13,952	£18,791	£81,047	£2,160	£115,950
Other	-	£246	-		
Total Project Costs	**£304,915**	**£260,168**	**£359,887**	**£95,916**	**£1,020,886**

Source: Scottish Enterprise (2018) Digital Tourism Scotland project review paper

3.30 It should be noted that this table represents core DTS budget expenditure only; additional aligned partner spend is not included. For VisitScotland and HIE this is significant, though it is difficult to fully quantify. However, HIE estimate that expenditure in excess of £355,000 has been aligned to

DTS activity through livestreaming of DTS webinars and Facebook Live, and through business engagement activity undertaken by DMOs.

3.31 In the period to December 2018 the programme generated £50,000 net through fees for the workshops. It is forecast that a total of £60,000 of income will be generated by June 2019, though forecasting of income is dependent on total number of attendees.

Programme performance (2015-2018)

3.32 As of December 2018 the Digital Tourism Scotland programme had supported:

- 14 regional and industry events through provision of trainers to speak at sessions and run workshops;
- 6 groups via intensive support;
- 62 surgeries; and
- 435 workshops and awareness-raising sessions.

3.33 These events have been delivered to 7,223 individuals/groups (including six groups receiving intensive support). Businesses engaged in the programme were referred via a variety of channels. As shown at Table 3.2, the vast majority of these (73%) were delegates at awareness-raising events or workshops. Within the 7,223 groups/individuals, 2,250 unique businesses had received support. As well as on the ground delivery, there have been just over 22,500 visits to the Digital Tourism website. Also, as mentioned above, over 2016/17 nineteen webinars achieved live views of 7,852 and a further 1,902 at a later date via YouTube.

Table 3.2: Individuals/groups engaged in Digital Tourism Scotland, 2015-2018

Audience type	No.	%
Workshops and awareness-raising events delegates	5,285	73%
Unique businesses supported	2,250	-
Audience reached at industry events	1,834	25%
1-2-1 surgery attendees	98	1%
Groups receiving intensive support	6	0%
Total	**7,223**	**100%**

Source: Digital Tourism Scotland (2019)

3.34 Table 3.3 shows the performance of DTS activity against its targets. It illustrates that targets for the number of unique businesses supported and the number of workshop/awareness-raising events and delegates have been exceeded, whilst there has been less progress on event and audience numbers for industry events and delivery of group support. However there has been more focus on these elements of the programme in recent months and there will continue to be delivery up until June 2019.

Table 3.3: Digital Tourism Scotland engagement performance against targets

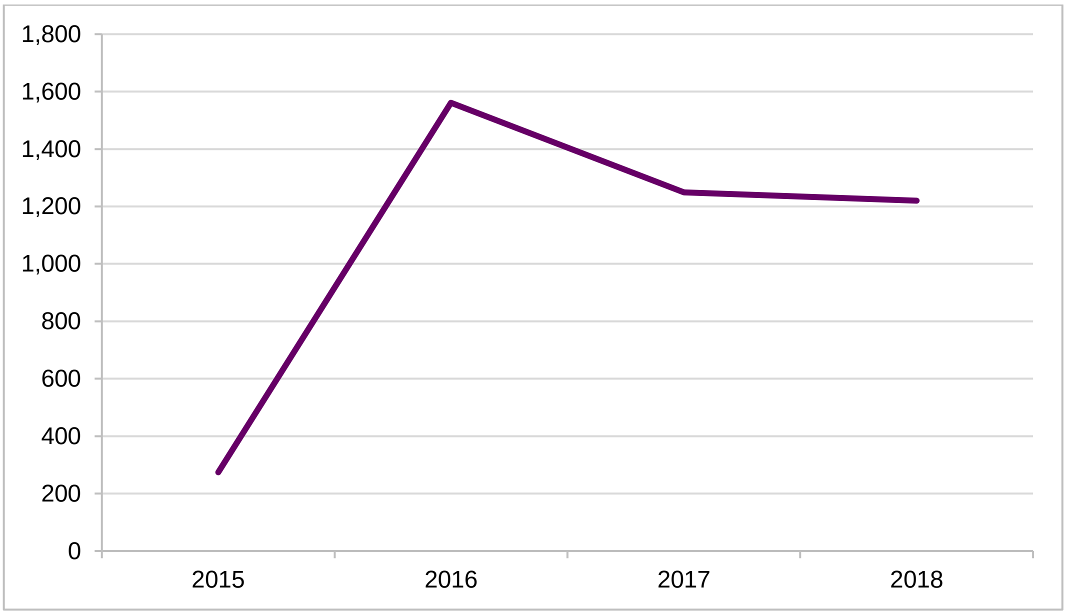
Audience type	No.	Target	% of target achieved
Workshops and awareness-raising events delegates	5,285	5,097	104%
Unique businesses supported	2,250	1,400	161%
Audience reached at industry events	1,834	3,200	57%
Groups receiving intensive support	6	10	60%
No. of workshops and awareness-raising sessions delivered	435	398	109%

Audience type	No.	Target	% of target achieved
No. of industry events supported	14	34	41%

Source: Digital Tourism Scotland (2019)

3.35 Data on the year of engagement was only available for 4,304 participants. This data suggested that engagement peaked in 2016 with 1,561 participants. Figure 3.1, shows that in 2018 engagement is likely to be higher than in 2017 (data on year of engagement was only available to November 2018). As expected the number of participants in 2015 was lower as the programme was in its establishment phase and delivery only started in June.

Figure 3.1: Programme engagement, 2015- 2018



Source: List of businesses engaged in DTS (2018)

3.36 Available data on where participants are based indicates that the Highlands and Islands accounts for the highest proportion at 43%. This was followed by SE urban (29%) and SE rural (27%) and reflects the geographical spread of events, including provision in rural communities. Table 3.4 shows the spread by local authority area and illustrates that Highland accounted for the largest number of participants (20%), followed by Argyll and Bute (13%) and Edinburgh (9%).

Table 3.4: Digital Tourism Scotland participants by local authority, 2015-2018

Local authority	No.	%	Local authority	No.	%
Highland[26]	838	20%	Stirling	62	1%
Argyll & Bute	548	13%	South Lanarkshire	43	1%
Edinburgh	368	9%	North Ayrshire	42	1%
Aberdeenshire	331	8%	Falkirk	40	1%
Perth & Kinross	262	6%	Midlothian	34	1%
Moray	207	5%	South Ayrshire	31	1%
Glasgow	186	4%	Inverclyde	25	1%
Aberdeen City	162	4%	West Lothian	25	1%
East Lothian	153	4%	Clackmannanshire	22	1%
Orkney	139	3%	East Ayrshire	18	<1%
West Dunbartonshire	126	3%	North Lanarkshire	18	<1%
Angus	122	3%	Renfrewshire	15	<1%
Fife	121	3%	Outer Hebrides	14	<1%
Scottish Borders	79	2%	Dumfries and Galloway	8	<1%
Shetland	70	2%	East Renfrewshire	6	<1%
Dundee City	69	2%	East Dunbartonshire	1	<1%
			Other	*16*	*<1%*
			Total	**4,201**	**100%**

Source: List of businesses engaged in DTS (2018)

[26] The Highland Council area covers a total of eight destinations: Aviemore and Cairngorms, Dornoch, Fort William and Lochaber, Inverness/Loch Ness, North Coast 500, North Highlands, Skye, Wester Ross

4 Partnership and delivery model effectiveness

Headline messages

- Partnership arrangements have improved over time. Whilst the right partners have been involved from the outset of the DTS Programme, roles and responsibilities have become clearer.
- In particular, the increased role of VisitScotland, both through supporting programme delivery via the website and its role regionally/locally, has been of benefit to the DTS Programme.
- The DTS Programme is most effective when there are strong local or sector organisations promoting DTS on the ground, and where these organisations have detailed understanding of the business base. The DTS Programme has required proactive local promotion.
- The DTS Programme delivery model requires physical attendance at workshops and awareness-raising sessions, in addition to web-based information. At times this has caused challenges for workshop delivery and business recruitment.
- The challenges of achieving workshop attendance have been greatest in rural areas, although not exclusively so. The digital support landscape is cluttered and there remains a degree of confusion for businesses, particularly with respect to Digital Boost.
- There is a degree of confusion regarding DTS in relation to other digital support offers. As a result, businesses are not able to differentiate, and some partners are not able to signpost effectively.
- The workshop content is strong, and the quality of trainer is perceived to be high. Where there are gaps these are greatest at the more basic skills level.
- There remains a need within the sector to increase digital capability levels, particularly at the more basic levels of knowledge and skills.
- There appears that much more could be done to embed digital learning in businesses post-DTS workshop support, so that learning is applied effectively and followed through, and benefits are fully realised.
- There is a continuing rationale for providing tourism businesses with tailored support to develop their digital technology capability and application. However, there is a question of how this can best be done with the necessary level of business engagement.

Introduction

4.1 This chapter reviews the effectiveness of partnership working and the model established to deliver the DTS programme. It considers how the programme has evolved over time, and examines both the strengths and weaknesses of the approach, including the appropriateness of the model for other sectors. The section draws heavily on the wide-ranging consultation programme with partners undertaken as part of the evaluation.

Partnership effectiveness

4.2 As the report has set out, the partnership model for DTS involves a number of partners, at different geographic scales of operation. National partners such as VisitScotland work in partnership with the Highlands and Islands and (lowland) Scotland Enterprise agencies, alongside pan-Scotland industry bodies and local and regional Destination Management Organisations (DMOs).

4.3 This complex partnership working – complex given the number of partners involved – has improved as delivery of DTS has progressed, and particularly since the mid-term review of the programme, but this has taken some time. In particular, the increased role of VisitScotland, and the VisitScotland regional structure, has enhanced partnership working, and in turn the effectiveness of DTS Programme delivery. In the earlier stages of the programme, there was a lot resting with Scottish Enterprise, including many aspects of programme delivery, including booking workshops. This overly centralised approach was not the most effective way of organising the DTS Programme.

4.4 Over time, VisitScotland has taken a more hands-on role, including its role in marketing and promoting the DTS Programme, and many regard the transfer of responsibility for management of the website to VisitScotland as positive. These changes have allowed the programme to be more geographically responsive and enabled it to reach more tourism sector businesses across Scotland.

4.5 In the Highlands and Islands in particular, there has been strong involvement of local DMOs, who have been contracted to promote DTS, undertake a range of business engagement activity and liaise with national delivery partners on workshop arrangements. This has largely been an effective model and one which allows a good partnership approach to engaging with the local tourism business base. DMOs, as local tourism business membership organisations, are well placed to understand local business need, although (as below), DMO capacity and capability varies. Whilst local delivery of DTS in the Highlands and Islands has been of benefit to some DMOs, this has not been consistent across the Highlands and Islands.

4.6 The involvement of DMOs/local tourism organisations in lowland Scotland, has been more variable, and the effectiveness of partnership arrangements (in both lowland Scotland and the Highlands and Islands) remain variable at the local and regional levels. To some extent this is inevitable given the number of local organisations and destinations. There is effectively a patchwork of delivery, with no evenness of approach across Scotland. Improving the consistency of the approach must therefore be a key consideration in any continuation of DTS. Low take-up rates in Dundee, for example, have led to a regional Tayside approach pooling the efforts of four local authorities, and this has been more successful in recent years. This approach also aligns well with the more integrated approach taken in the Tay Cities Region for economic (and tourism) development.

4.7 Some practical steps have helped to improve partnership working at a strategic/national level, including regular partnership review meetings. The right partners are involved, with VisitScotland and industry (via STA) represented, as is required.

4.8 Given the continued confusion for businesses over the DTS Programme and Digital Boost in the main (see below), despite sustained efforts to differentiate the two, partnership working could usefully be enhanced between Business Gateway and the programme (especially locally). For example, there is evidence to suggest that whilst businesses are referred from DTS to Digital Boost, there are sub-optimal referral mechanisms and signposting from Digital Boost to DTS. Further, differences in planning cycles between the two programmes make co-ordination across the two difficult. There is scope to achieve an enhanced relationship between DTS and Digital Boost through the DTS Working Group. This oversees the operational planning and co-ordination of the programme; however, there is room to improve management and co-ordination across the programme as a whole at this middle tier of the programme delivery structure, for example by strengthening local networks. This will help to address the inconsistency of local delivery.

Programme design and content

4.9 The DTS programme has been running for a number of years. In that time the awareness/workshop delivery format and structure has remained much the same. However, the content of the events has flexed and changed in line with direct feedback from the participants – and it has also been adjusted to reflect the significant and ongoing evolution in the digital landscape in general, and as it applies to the tourism sector in particular.

4.10 There continues to be a need to support the digital capability of tourism sector business at the intermediate level, with universal recognition amongst those consulted that more needs to be done to improve digital knowledge, skills and application in the sector. Trends towards multi-channel visitor access – for example in social media and the shift towards mobile search and voice access means that businesses must be alive to the ever-changing nature of digital delivery. Consumers continue to have increasing demands in terms of online booking, pre-visit itineraries, scheduling and information, and pre-booked packages of support and experiences, and the sector needs to respond and adapt to these demands, keeping up with the pace of technological development. It should be noted however that some businesses may choose to work with intermediary organisations to promote and drive these aspects of their business and therefore have less need to be digitally skilled. Nevertheless because of this evolution, together with sometimes disruptive change, there remains a tourism sector market failure in effective digital adoption.

4.11 In responding to this ongoing need, there are a range of views on the best routes for achieving this. On the whole, the DTS Programme is regarded as well designed, in terms of the layered approach, from one-to-many website information through to one-to-few support in the form of the workshop programme, although this is not a universally held view, with some advocating different models (see success of delivery model below).

4.12 The largest component of the programme in resource terms, the workshops, is generally regarded highly, and, on the whole, there is strong and positive feedback on the quality of the workshop programme and its content. Some workshops (and trainers) have been praised highly, with excellent feedback (from DMOs and sector organisations) on Instagram, the Written Content and Search Engine Optimisation workshops in particular.

4.13 Overall, the workshop programme does not have substantial gaps in the offering, and the workshop programme is widely regarded as very beneficial to those businesses who attend. Indeed, this is frequently cited feedback from those consulted, that the workshops were excellent, and that businesses who have attended have valued the workshops enormously.

4.14 Where gaps in the offer potentially exist are at both ends of the spectrum, both at the more basic level and for the more advanced IT literate businesses. There certainly appears to be a gap that remains at the most basic levels for those least digitally able. These basic needs tend to apply to a certain type of tourism business – small, accommodation providers or cafes in tourist locations, who are often the least digitally able – however, this is a substantial part of the tourism business base and one that is important to visitor experience. This suggests that the 'Educate' and 'Enthuse' elements of the Phase 1 Educate, Enthuse, Enable central themes did not go far enough in reaching the least digitally able. Whether this continues to be a role for the DTS Programme may be a moot point (other support mechanisms may be appropriate, e.g. Digital Boost, digital reviews as available through HIE or VisitScotland, or local authority-specific support), yet this basic lack of IT literacy and digital competency in the tourism sector remains. The rationale for DTS, and also wider Scottish Government digital strategy objectives to increase digital literacy in Scotland therefore still exist.

4.15 These gaps in digital proficiency can be at the very most basic level, for example the use of Eventbrite to book DTS workshops. There can be a suspicion around all things digital, with many tourism sector businesses not wishing to engage with Online Travel Agents (OTA) due to an unfounded fear this may lead to lost business in busy periods where rooms are held by OTAs and not booked, or misunderstanding the number or proportion of beds that may need to be committed to OTAs, apprehension over commission costs, etc. These types of fundamental misconceptions and barriers need to be addressed somewhere in the support infrastructure. There is some anecdotal evidence of DMOs or area partnerships arranging their own sessions dealing with platforms such as Expedia or Trivago to meet demand from their local business base, which has appeared useful in dispelling myths held about OTAs.

4.16 At the other end of the spectrum, the DTS Programme must keep pace with the technological changes, consumer behaviours, and business ambition. The Programme appears to be better able to meet these challenges. Largely, the evaluation finds that the DTS workshops are sufficiently tourism-sector relevant, although some think they could (and should) be even more so, with more support for practical application. However, there is an issue here vis-a-vis segmentation – some subject matter such as back office functions and data analytics may be more appropriate for larger companies.

4.17 The Programme is not designed to allow for follow-up and after care, given the resource required to facilitate this. However, there is a recognition that Programme design, as a result, is not maximising the benefits of the workshop sessions, for individual businesses and the sector. Translating learning from the workshop environment to operational business implementation is known to be very difficult without recourse to one-to-one assistance, particularly for the large number of micro and small businesses that attend DTS sessions. A number of stakeholders noted that in follow-ups with previous participating businesses, it was apparent that many had not yet implemented learning, or had only partially completed a digital project. More hand-holding is required to enable the businesses to embed the learning in their business; businesses need supported and encouraged to make the necessary advances in digital competency post-workshop. Some DMOs have offered this (at their own cost), post-DTS (examples being Orkney Tourism and Moray Speyside Tourism), and consultees report this as being useful for improving outcomes.

Marketing, promotion and targeting

4.18 As mentioned above under partnership working, the increased involvement of VisitScotland has improved the effectiveness of marketing and promotion; it is worth noting that DTS had no standalone web presence during its initial phase. This impacted on awareness, take-up and stimulation of demand in a number of local areas. However, there have still been challenges in recruiting businesses, particularly in certain geographic areas. This has both been in more remote rural areas, but also – perhaps surprisingly – in some larger urban areas too, e.g. Forth Valley, Dundee.

4.19 What is apparent from the evaluation is that, broadly speaking, it is those geographic areas or destinations where there is a strong local network and strong understanding of the local tourism sector that DTS Programme take-up has been greatest. Although a generalisation, there is evidence to support this view through this study, as demonstrated in Chapter 3 (e.g. Table 3.3). For example, findings from the business survey suggest that a considerable proportion of referrals to the programme are from local or sectoral tourism groups and/or destination management organisations. Other evaluations such as of destination support by both SE and HIE also recognise the importance of strong local networks.

4.20 In the Highlands and Islands, for example, the use of DMOs has largely been successful in promoting the DTS Programme and ensuring programme take-up. The DMOs have in most cases been contracted to promote the DTS Programme, providing both ‘something for the DMO to offer’ but importantly allowing the DMO to schedule DTS workshops, and to identify which workshops are most appropriate when, where and at what times of the year. Where DMOs have been effective is where they have been able to dovetail DTS with their own support, and to use their understanding of the local tourism sector business base.

4.21 The use of DMOs in effectively promoting DTS is necessarily dependent on the capacity and capability of the DMO; some smaller DMOs do not have a particularly strong digital understanding themselves (or digital capability), which can undermine the effectiveness of this approach.

4.22 The evaluation finds that, whether it is a contracted DMO, a sector organisation (for example, Wild Scotland have been contracted in Highlands and Islands to target Adventure Tourism sector businesses), or local authorities such as Falkirk Council, the DTS Programme has required significant ‘on the ground’ marketing and promotion to ensure take-up.

4.23 There are many examples of local or regional promotion. Take-up of DTS has gradually improved in Glasgow as a result of dedicated staff time and resource to promote DTS; the four Tayside local authorities have actively collectively and resourced the promotion of DTS; and DMOs across the Highlands and Islands (for example Moray Speyside Tourism, SkyeConnect, Cairngorms Business Partnership, Argyll and Isles Tourism Cooperative) have all championed the DTS Programme to increase take-up. Business Gateway has also committed resource to the promotion of and signposting to DTS in some areas. Well-resourced and mature destinations (e.g. Edinburgh) have also seen strong take-up. Take-up has improved in Fife, in part as a result of greater promotion through local tourism organisations and Fife Chamber of Commerce.

4.24 However, it should be noted that amongst many partner and delivery organisations, there is a lack of dedicated budget for marketing and promotion. Particularly amongst local authorities, this has been carried out at partners' own expense through existing resource and staff time. Whilst this is difficult to quantify in any meaningful way, there is a significant amount of in-kind resource being dedicated to the programme's delivery, and this must be taken into consideration regarding the programme's impact.

4.25 There is a suggestion that increased take-up can be achieved via more group support. This needs careful consideration and clarity about what this means. If this is promotion of the DTS Programme through strong local organisations (for example the Discover Fraserburgh Tourism Group) then this may be effective. However, evidence suggests that there was patchy success of the group project pilots, where it was not always clear what the pilot project was seeking to achieve, or whether there was sufficient capacity in the group to take forward a joint project. Further, evidence from consultations suggest that care will still be required in prioritising applicant for group support so that the most impactful projects come forward.

Fit within the digital support landscape

4.26 DTS seeks to present a sectoral specific offering to tourism related businesses. Whilst there are common elements to all digital marketing, engagement, etc., the DTS product, deployed and targeted at intermediate and advanced business users, offered specific benefits tailored to the tourism sector. This is intended to align with Digital Boost as an entry point. As such there is a perception that this represents a differentiated product for the sector.

4.27 However, there is evidence that a degree of confusion remains between the DTS offering and the non-sector specific support via Business Gateway, in particular Digital Boost. Client-facing promotional and marketing messages can be confusing, and/or lost due to conflicting or ill-informed advice or signposting. Chapter 2 sets out the business support landscape and the range of digital offers.

4.28 The ability of intermediary organisations to differentiate between the Digital Boost and DTS offers is largely down to the individuals involved and their own skillsets. Also, apart from a small number of businesses, it was acknowledged that in the absence of signposting and/or some form of informed guidance, the businesses themselves are not well-equipped to discriminate digital support offerings. As a result, often the low or no cost appeal of Digital Boost would confuse and win out over the DTS proposition. This may also be complicated by commercial 'market noise'; businesses may be approached on an almost daily basis by commercial vendors promoting their own specific product or service. As such, it can be argued that there is a lack of a USP for DTS in marketing terms.

4.29 This reinforces the need for effective 'on the ground' promotion of the DTS Programme, to enable the DTS offer to be differentiated from other digital support. This local/regional approach is required so that tourism sector businesses fully understand that the DTS Programme is tourism-relevant and tourism-specific.

4.30 There are different approaches to differentiating the DTS Programme from the Business Gateway offer in respective locations. In Fife for example, tourism businesses with more basic needs are more typically signposted to Digital Boost and those who are more advanced are directed to the

DTS workshops. In the Highlands and Islands, many DMOs plan workshops with the Business Gateways sessions in mind, to minimise potential confusion and clashes.

4.31 In some areas, Business Gateway is less active and there is inevitably less confusion (e.g. the Cairngorms Business Partnership area). However, in other areas there remains the need to differentiate the offer. The differentiation is not sufficiently clear in some geographic areas; one or two areas (remote rural locations) suggested that tourism-specific sector support could be a subset, or strand, of Digital Boost (see also delivery model below). Similarly, it may be that a DTS strand could be targeted at larger or more sophisticated businesses. Additionally, a small number of consultees suggested that there was a much higher brand awareness of the Digital Boost proposition – a result of a clear USP and larger marketing budget.

Success of the delivery model

4.32 Overall, the delivery model has been reasonably successful, although this is not without qualification. As mentioned above, the delivery model has typically been most successful where there has been sufficient business engagement, most often where local organisations best know the business base. The delivery model has also been more effective since the migration of the DTS website management to VisitScotland, and the greater involvement of VisitScotland regionally to champion the programme.

4.33 The delivery model depends on sufficient numbers of businesses attending the workshops. This model works best where there are concentrations of businesses in close geographic proximity, typically urban centres. Physical workshops need to be located in a specific place at a specific time, and businesses need to be able to attend that location at that time, and so urban centres have the best travel access and choice of venues, and critical mass of businesses.

4.34 Where the delivery model is less effective is where businesses are more geographically dispersed, travel times are greater, and there are fewer locations to choose from, which inevitably means longer travel distances and times for some businesses as well as trainers (as has been the challenge in Shetland, for example).

4.35 Despite this, the DTS Programme has largely (although not entirely) been made to work in rural geographic areas. In remote rural areas, accessing one or two businesses can be significant (e.g. Coll, Tiree); one DTS Programme workshop in Skye attracted four attendees on the day but was still regarded as highly successful by those participants (and the contracted organiser). HIE understands the geographic challenges of rurality, and have sought to accommodate the workshops via the DMO contracts, as well as through the delivery of live webcasts and tutorials to overcome the disadvantage of distance, thus allowing any business to take part regardless of location.

4.36 Overall, the DTS Programme model has allowed some flexibility in terms of workshop numbers (it has been applied less rigidly than Business Gateway workshop number requirements at times); however, the challenges of physically attending a workshop at a given time on a given day remains. And clearly the workshop model is not the only factor, there has been low engagement (at least initially) in several of the urban locations.

4.37 As the evaluation highlights, the model has relied on promotion locally or regionally or via sector organisations, and this has improved over time. The model also includes a charge of £25 per workshop, which some report has made the DTS Programme 'a more difficult sell' than Business Gateway sessions, which are free of charge, although few consulted considered the £25 charge too onerous or too high in itself. Additionally, those businesses that have engaged through the workshops consider the £25 fee less of a barrier than the time commitment to attend.

4.38 A small, but sometimes frustrating barrier to effective promotion locally, is not being able to advertise the trainer, or to know which businesses have signed up, in advance of the workshop.

Although data protection rules need to be followed, this seems overly restrictive, and acts against, say, DMOs tailoring introductions to DTS workshop sessions.

4.39 The delivery model envisages pathways and routes to more advanced digital capability, from website information, through awareness-raising to the workshops. From the consultations undertaken, it is not clear whether this is really happening. Some rural area DMOs wish to see the awareness-raising sessions on the same day as a 'lead in' to the workshops (or even individual sessions), again reflecting the potential need to differentiate the model in urban and rural areas.

What has worked well

4.40 There are several aspects that have worked well. These include the quality of the workshop content and programme, which are generally well-regarded. There has been strong positive feedback on the quality of the workshop sessions and in particular the trainers, even where there have been calls for the content to be even more tourism or location specific and relevant. All trainers involved in programme delivery are recognised as knowledgeable, enthusiastic and engaging by stakeholders and businesses alike.

4.41 Sustained involvement in the DTS programme has resulted in reported improvements in digital capability amongst the tourism business base in some areas. Locations (e.g. Moray Speyside, Fife) that have been involved in supporting DTS Programme delivery over time specifically report evidence of businesses developing their digital capabilities over that period.

4.42 The chapter has already cited the value of DMOs and local/regional bodies in supporting the DTS Programme, and this has improved the effectiveness of the DTS Programme over its most recent phase. It takes time for Programmes to become established and to be known, and the DTS Programme is clearly a valuable offering for many destination organisations. The use of the sector organisation Wild Scotland in the Highlands and Islands is a good route in to accessing Adventure Tourism sub-sector businesses, an approach which could be extended across Scotland.

4.43 Similarly, effective delivery is dependent on access to an appropriate and relevant audience for awareness sessions and workshops. In the main, this works well, with DMOs, Industry Relationship Managers, sector associations, etc. acting as effective intermediaries for the programme to identify business needs. Over time 'word of mouth' referrals have become effective in raising DTS awareness amongst appropriate businesses, but individual DMO contacts and Industry Relationship Managers etc. are identified as being particularly effective in this regard.

What has not worked so well

4.44 Some things have not worked so well. These include the ability of the DTS Programme to engage even more widely with the tourism sector, notably those that harder to reach businesses, i.e. those who are not very digitally active – such as smaller accommodation providers, which is particularly important given the focus on increasing online bookable services. Although arguably this is not the core focus of the DTS Programme, 'getting the message' across to harder to reach businesses of the need for digital literacy and digital competency is essential. There is also a recognised challenge in engaging businesses in some regions, e.g. the Western Central Belt, particularly around Glasgow, and also in the North East of Scotland.

4.45 In order for signposting to be at its most effective, a degree of technology savviness on the part of the intermediary is required, as well as a good understanding of the business models of their client organisations. Whilst digital CPD was a core part of the initial HIE contracts with DMOs, his is not always the case. As a result, there have been instances where businesses attend the wrong sessions, e.g. beginners attending an intermediate or advanced course. Similarly, there is sometimes a lack of awareness as to when to signpost to Digital Boost, rather than to DTS.

4.46 All tourism sector businesses (and indeed many non-tourism sector businesses) are vital to the visitor experience, where quality of service and quality of experience are paramount. Businesses need to be able to take online bookings, accept card payments, promote schedules, offers, packages, link into the wider visitor experience and also, respond to the continuing developments that digital technology will undoubtedly deliver. As a result the rationale for support remains strong and the tourism sector needs supported. However, the question is how that support can best be promoted and delivered to maximise its impact and effectiveness and tackle the issue. In its current form, the DTS Programme does not manage to engage enough businesses that require basic levels of digital support. This is a key issue. Awareness-raising of the importance of digital technology to businesses, whether in the tourism sector or more broadly across other parts of the Scottish economy, is not the role of a programme, but of a marketing campaign with clear, tailored and targeted messages.

4.47 There also remains a challenge to ensure businesses apply the learning from DTS workshops. The model does not allow follow-up and after care, which has substantial resource implications, however the application of learning in businesses could be enhanced, for example with more action focused outcomes from the workshops, or ideally personalised follow-up support. The lack of resource to deliver Digital Expert Support, envisaged as part of the programme at the outset, has impacted on project outcomes. Arguably, more businesses could have delivered more outcomes if this resource had been available.

4.48 The ability to reach rural businesses remains a challenge, how to run courses in remote rural locations, given the funding model. The use of webinars, and online discussion forums, questions and answers on the DTS website via log-in, can also reduce the barriers of physical location – and fits well with the usual ways of working for the public sector in the Highlands and Islands. Increasingly, those with more advanced digital capabilities are expecting this form of support; webinars can achieve the collective, network-style benefits of being in the same (virtual) space at the same time, whilst being accessible from any location with sufficient internet access. This may help to overcome some reported logistical challenges, relating to last-minute event cancellations, sometimes in a complex sequence, particularly where there is a long travel time between locations for the trainers. However, there is some anecdotal evidence to suggest that it has been difficult to secure suitable venues due to poor internet connection.

5 Experience and benefits of DTS

Headline messages

- DTS is considered to be very useful for businesses and is rated highly.
- Over half of respondents said that DTS has or will be important or vital to their overall business performance.
- Particularly positive aspects of DTS highlighted by businesses and stakeholders included the quality of trainers, the methods of engagement, the provision of new digital skills and the specific focus on tourism.
- Providing aftercare could improve the business impact of the programme.
- Digital support for businesses in Scotland is a cluttered landscape and there is a perceived lack of a consistent and comprehensive understanding of the DTS brand, what it offers and the level of the content.
- On average respondents reported that their digital skills had increased by 30% following DTS participation.
- After participating in DTS businesses were more likely to make use of a range of digital technologies.
- Respondents also reported a wide range of economic and softer benefits as a result of taking part in DTS including improved business skills (84%), increased website traffic (78%) and greater engagement with existing target market(s) (74%).

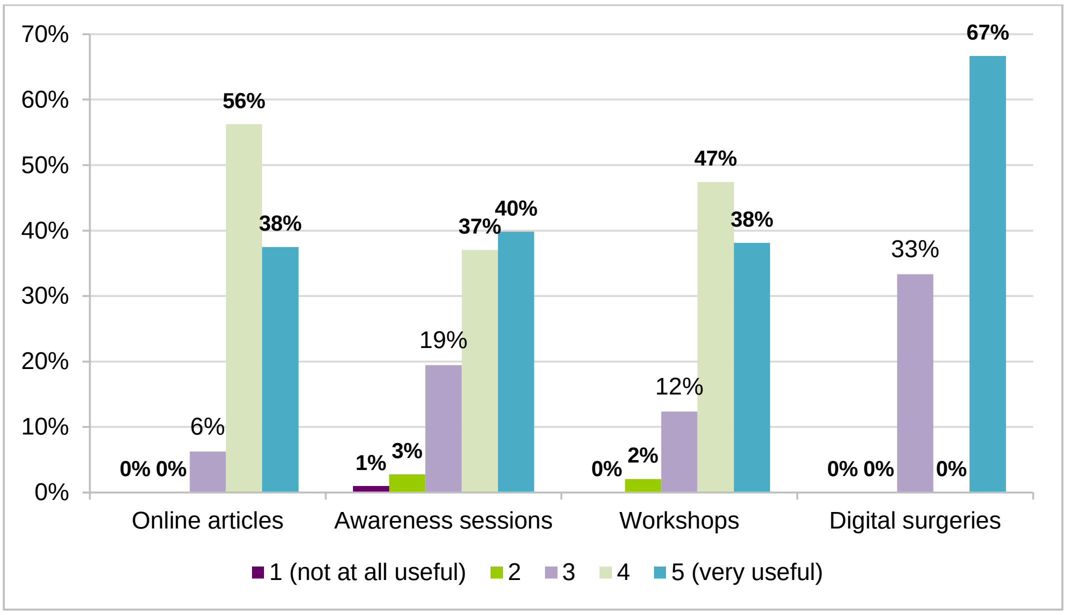
Introduction

5.1 This chapter discusses the strengths and weaknesses of the DTS programme, how it is viewed by participants and stakeholders and the benefits that it delivers to tourism businesses that participate. It draws on the evidence gathered through the stakeholder consultations, business focus groups, the telephone survey and the LiveMinds group discussions. Specifically the chapter looks at the effectiveness of support, what works well and what is less effective and could be improved. The final section gives an overview of the business benefits that have been achieved. Two case studies follow this, providing a more detailed look at the experience and benefits of the one-to-many and group support interventions.

Effectiveness of DTS support

5.2 Overall, businesses rated the DTS support highly, demonstrating that it has been useful to develop their skills and their business. As shown at Figure 5.1, across all strands of support, two thirds or more of respondents who had engaged with each type rated the usefulness of support as four or five out of five. Twenty respondents had engaged with online articles and of these, 94% rated them a four or five, compared with 67% for digital surgeries, although only nine respondents had taken part in these surgeries and so it is a small sample. Of these nine, none rated the digital surgeries a four out of five in terms of usefulness, it was the strand with the highest proportion of participants giving a rating of 5 (67%). The awareness-raising sessions had the highest proportion of participants responding to the survey reflecting its reach and the level at which it is pitched. Of the 116 who provided a response, 77% considered it to be very useful (5) or useful (4). Given that this is a key underpinning activity, it is an important and positive finding. Of the survey respondents 101 had taken part in workshops and provided a rating. Figure 5.1 shows that of this group, 85% rated the workshops as 4 or 5 in terms of usefulness, again, a very positive finding demonstrating the value of this element of DTS.

Figure 5.1: Usefulness of support[27]



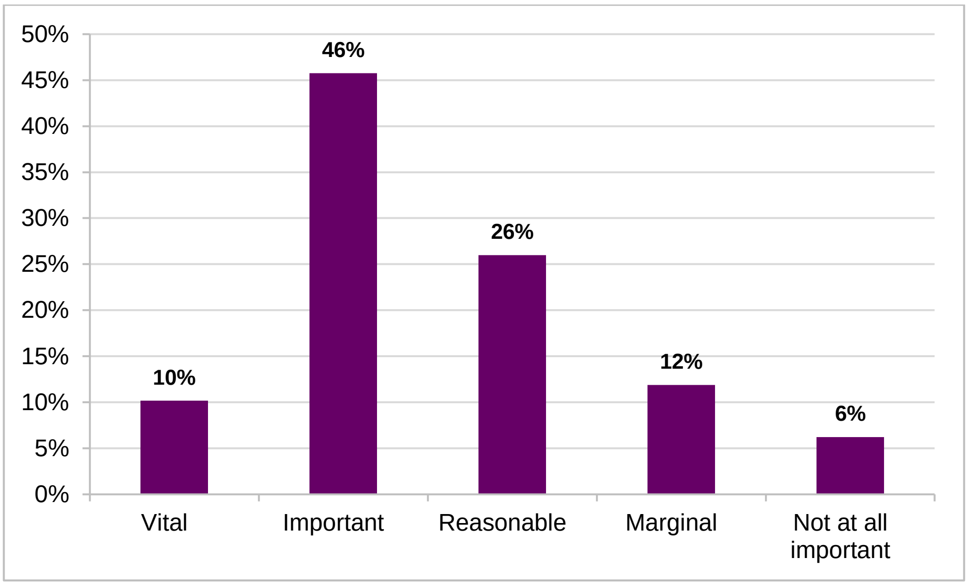
Source: ekosgen survey of businesses (2019)

5.3 Reflecting the usefulness of DTS support, over half (56%) of survey respondents said that DTS has or will be important or vital to their business performance which is the principle objective of the programme. As shown at Figure 5.2, a further 26% said that DTS has or will be reasonably important, with just 18% reporting that DTS has had only a marginal or no impact at all. Whilst this is a positive finding overall, it will be important going forward to understand how support can be enhanced so that more businesses consider it to be important or vital, and a smaller proportion consider it to have only marginal or no impact.

5.4 However, it should be noted that a number of businesses had not yet implemented learning from DTS (this is related to the demand for follow-up support to help with application of learning). DTS is aimed at enhancing sector performance and competitiveness as a whole and so it is important that it reaches in to the target population of businesses and delivers tangible economic as well as softer benefits.

[27] Respondent profile: online articles (n=20); workshops (n=101); awareness raising (n=116); digital surgeries (n=9)

Figure 5.2: Impact of DTS on business performance



Source: ekosgen survey of businesses (2019), n=180

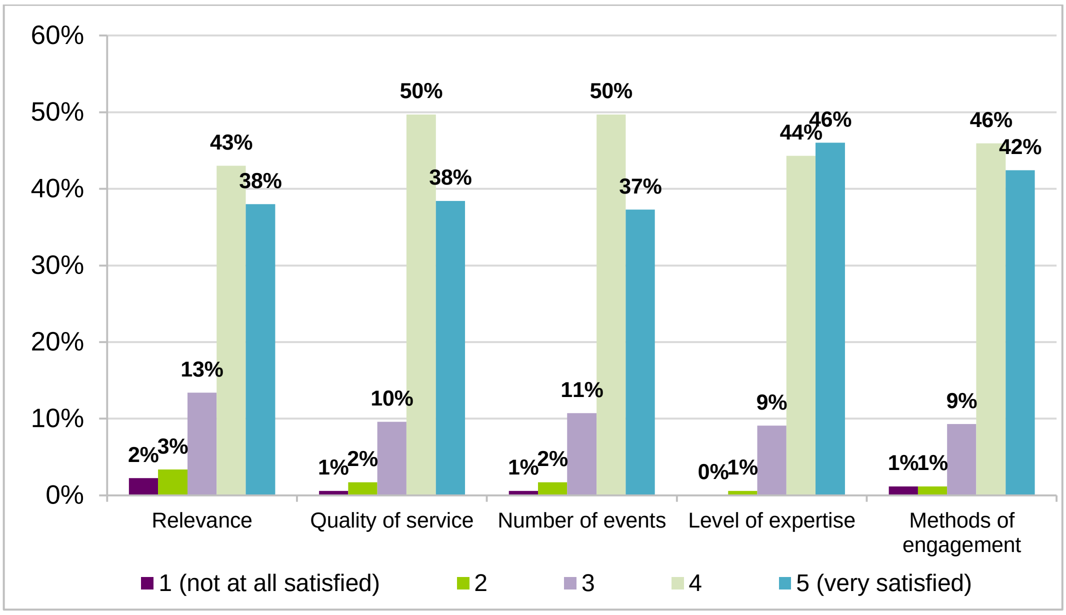
What works well

5.5 It is important to understand how satisfied participants are with the various aspects of the DTS programme in terms of its quality and how it is delivered. Figure 5.3 illustrates that broadly speaking all elements were rated highly with each one achieving a rating of four or five out of five from over 80% of respondents.

5.6 However it is notable that respondents were particularly satisfied with the level of expertise of trainers (90% rated four or five) and the ways in which they can engage (88% four or five). It is clear that DTS is considered to be high quality, relevant and gives participants an opportunity to access expert support. The feedback from participant is confirmed by stakeholders who reported on the high quality of the trainers and the fact that the expertise of the delivery staff is a key strength of the programme. It ensures its credibility and impact, illustrated by the following comment:

'The quality of delivery is good, trainers are very knowledgeable and they get high satisfaction levels from participants.'

Figure 5.3: Satisfaction with DTS support



Source: ekosgen survey of businesses (2019), n=180

5.7 In terms of the support delivered, as noted above survey respondents rated the methods of engagement particularly highly. In the qualitative fieldwork DTS participants commented on the benefits of group participation and the networking opportunities provided by DTS. Businesses taking part in the focus group discussion stated that workshops were their preferred method of delivery because they can meet and network with other organisations and individuals involved in the sector. This is seen as one of the benefits of the programme being specifically target at and designed for tourism businesses:

'All the workshops relate to tourism, which is excellent and this also provides a great opportunity for networking.'

5.8 As we might expect learning new digital skills is the most commonly reported benefit of DTS participation, and respondents tended to report that the most useful outcome is that they have acquired new digital skills and tools that they can apply in their business. This underlines the fact that DTS has been successful in delivering support that can lead to significant change in how tourism businesses apply digital technologies illustrated by the following:

'Using Google My Business; especially now we show constantly updated photos and guests can leave reviews; as a result, our enquiries have increased significantly.'

'[It has been useful in] sparking my interest and subsequent use of Google Analytics'

5.9 There is broad agreement amongst businesses and stakeholders that the tourism-specific content and targeting is an advantage of the programme. The tailored content means that it can focus on the particular needs of the tourism sector in Scotland and the specific technologies and applications relevant to tourism. It is considered that the sectoral focus makes it attractive to tourism businesses who can quickly and easily see its relevance to their operations and can benchmark what they are doing against what is possible and how other tourism businesses are harnessing the benefits of technology in Scotland and in the wider market place. In the qualitative research with participants. Businesses stated that they were more likely to participate in DTS events than generic support because of its particular focus on tourism businesses. Stakeholders also commented on the need for tourism specific content to help maintain the competitiveness of destinations. As one stakeholder pointed out:

'The fact it is tourism-specific is a huge selling point.'

5.10 Businesses and stakeholders agreed that tourism businesses in Scotland need tailored support to develop and apply skills in social media, data analytics and how to review and engage with relevant websites and platforms. They perceive that all-sector support may not provide exactly what they need in terms of detailed content and digital solutions to the challenges they face. It would also limit the sector-specific networking and knowledge sharing that DTS delivers.

Areas for improvement

5.11 Despite the many strengths of the programme, there are areas and aspects that could be strengthened and it is important to have a clear understanding of them in order to develop the offer.

5.12 The lack of follow through and after care following engagement with DTS is considered to be a weaknesses and a lost opportunity to maximise the impact. Stakeholders report that insufficient aftercare means that the programme does not achieve its full potential because participants are not supported to implement what they have learnt and so realise the business benefits. They are strongly of the view that DTS is not a programme that is solely about developing skills – developing skills and knowledge is simply the mechanism for delivering business benefits and so strengthening the tourism sector in Scotland.

5.13 Aftercare would require additional resources which is difficult in a climate of budgetary constraints. However evidence from stakeholders and participants clearly points to the fact that without appropriate aftercare many businesses struggle to implement changes which means that there is lower impact and so more limited return on investment. It is therefore arguably a false economy.

5.14 If DTS is to be effective, it must be visible and tourism businesses must understand what it offers, how it is relevant to them and the potential benefits in can deliver. Evidence from stakeholders and focus group participants indicates that there is a persistent lack of clarity and awareness about the programme and a degree of confusion about what DTS offers and the benefits. Businesses can struggle to differentiate between DTS and other digital support providers and this cluttered landscape can mean that tourism businesses are not able to access and understand information about what support is available through DTS which is detrimental to the reach of DTS in to its target audience. As an example, one stakeholder said:

'[There] is a proliferation of digital training and lots of overlap. Comms need to be clearer: because there are things being offered by Digital Boost that look like DTS, businesses are choosing these instead. They are not DTS of course, but businesses with limited knowledge don't know the difference.'

5.15 A business participant in the online focus groups suggested that whilst the courses themselves are visible, the brand of DTS is not. This is because they often access support via local tourism organisations and their association with DTS is unclear:

'The courses that are being run are incredibly visible and going through these organisations is a great way to go about it. Because of this though the actual brand of Digital Tourism Scotland is unfortunately not visible – [I] often associate the courses with the other organisations other than DTS.'

5.16 As with any sector, tourism businesses and the individuals working within them all start with different levels of skills, knowledge and experience of using digital technologies, both at work and in their personal lives. It is therefore important that they can access support at the right level for them so that is neither too basic, nor too advanced. The evidence indicates that the content is not always well matched to the existing levels of skills and knowledge of participants and that there should be scope for the learning to be more business-centred, based on the specific needs of the business and the pace that the individual learns at. However, there will need to be careful consideration of how business-centred support can be provided within the delivery model going forward and within wider business support provision. For example, one business commented on the mix of skill levels at the workshop they attended:

'The workshops should be graded according to ability/current digital technology awareness. In the same workshop you'll have people…who are digitally savvy, alongside people…who are total beginners.'

5.17 Where the level of content is not well matched with a participant's existing skill level and experience it negatively impacts on their experience of support and its usefulness, as one business commented:

'There were several of us at the workshop that could not keep up or understand what was being offered. I would suggest in future, more thorough consultation with candidates when they are deciding what workshop to attend.'

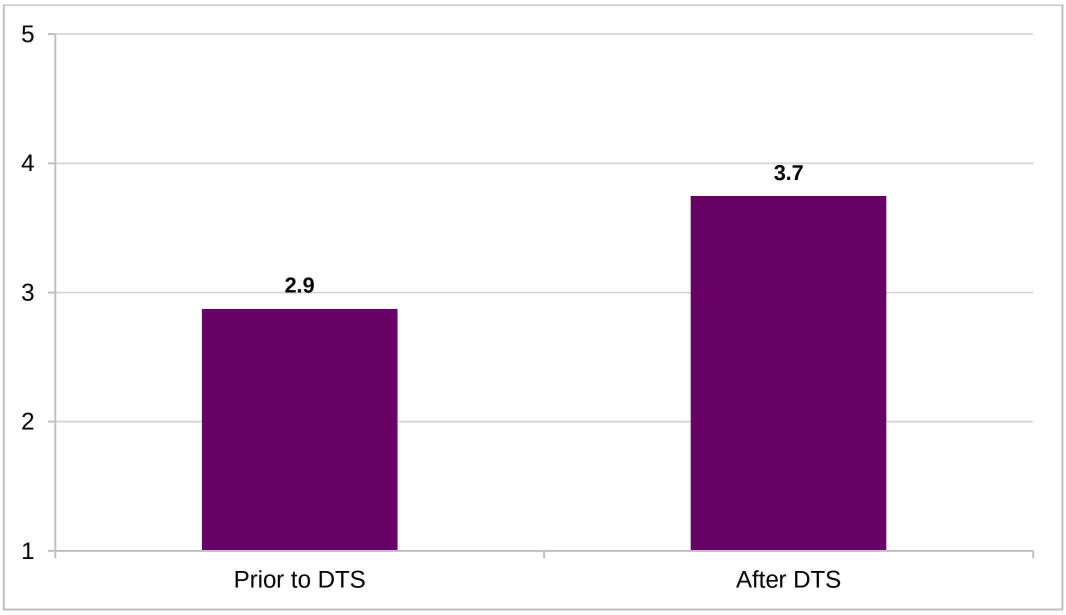
5.18 If participants do not have a positive experience and do not find the content helpful due to a mismatch with their skills they are less likely to maintain their engagement with DTS and apply what they have learned.

Business benefits of DTS

5.19 DTS has contributed to clear improvements in digital skills amongst the tourism business base but, as we have said, the programme is not intended as a skills development programme per se. It is about developing the understanding and application of digital technologies in the tourism sector so as to improve visitor experience. Ultimately the aim is that this will develop business and therefore sector performance and ensure that Scotland can maintain its world leading position.

5.20 Businesses were asked to rate their digital skills prior to engaging with DTS and afterwards. The findings are illustrated at Figure 5.4 and shows that on average survey respondents reported that the digital skills in their business had increased from an average of 2.9 to 3.7 or by 30%. The scale they were offered in the survey ran from 1 (very poor) to 5 (very good). It is therefore very encouraging to see such a market increase as a result of DTS

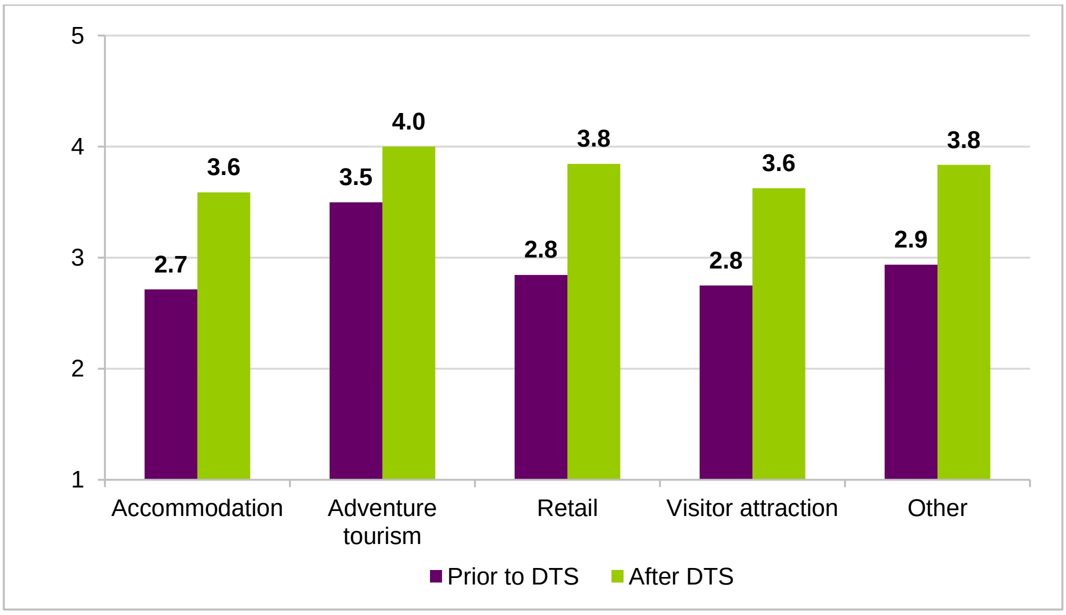
Figure 5.4: Development of digital skills through DTS



Source: ekosgen survey of businesses (2019), n=174

5.21 As shown at Figure 5.5, businesses in the Adventure tourism subsector reported the highest level of digital skills before and after engagement, moving from 3.5 prior to DTS and 4.0 after which is the smallest change reported by any subsector. The greatest impact was reported by retail businesses which saw a 35% uplift in reported skills level.

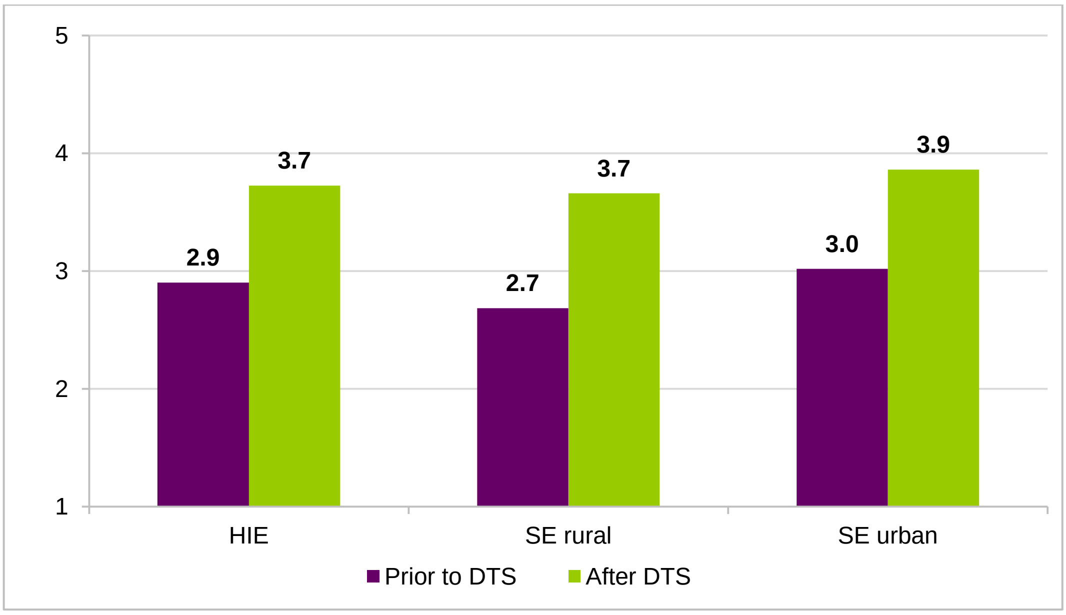
Figure 5.5: Digital skills before and after DTS by subsector[28]



Source: ekosgen survey of businesses (2019), n=174 total

5.22 Businesses in the SE rural area reported the biggest increase in skills – from 2.7 to 3.7, representing a 36% uplift. As shown at Figure 5.6, businesses in the SE urban area reported the highest level of digital skills both before and after DTS engagement, with an increase of 0.9.

Figure 5.6: Digital skills before and after DTS by geography[29]

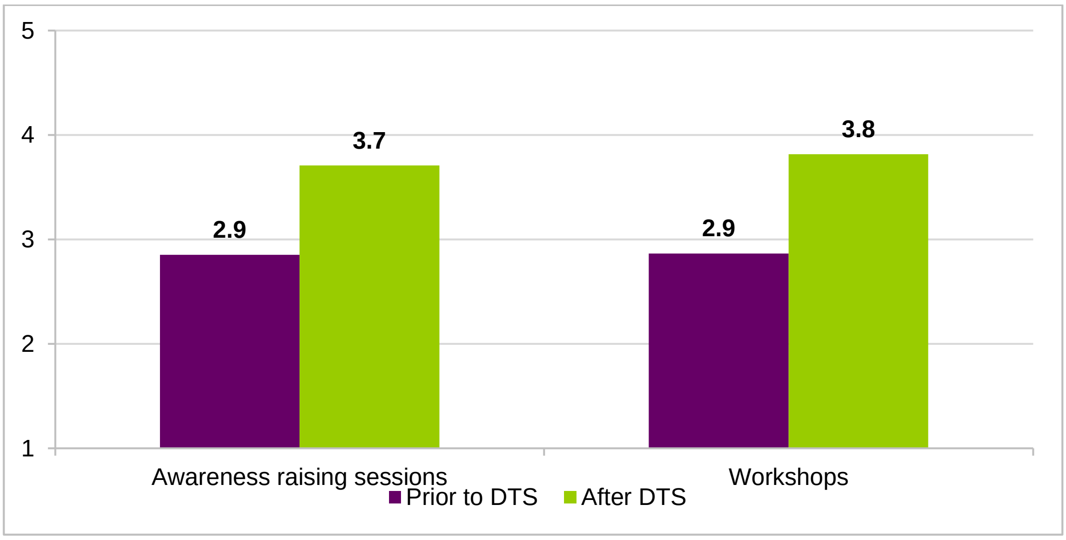


Source: ekosgen survey of businesses (2019), n=174 total

[28] Respondent profile: Accommodation (n=56); Adventure tourism (n=10); Retail (n=13); Visitor attraction (n=16); Other (n=79)
[29] Respondent profile: HIE (n=73); SE rural (n=51); SE urban (n=50)

5.23 DTS workshops focus on skills development and so it is not surprising that participants who have attended workshops report a particular increase in digital skills compared to those who had attended awareness-raising sessions. However, as shown at Figure 5.7, the difference is marginal, with an increase of 1.0 for those that attended awareness-raising sessions and 1.1 for those that attended workshops.

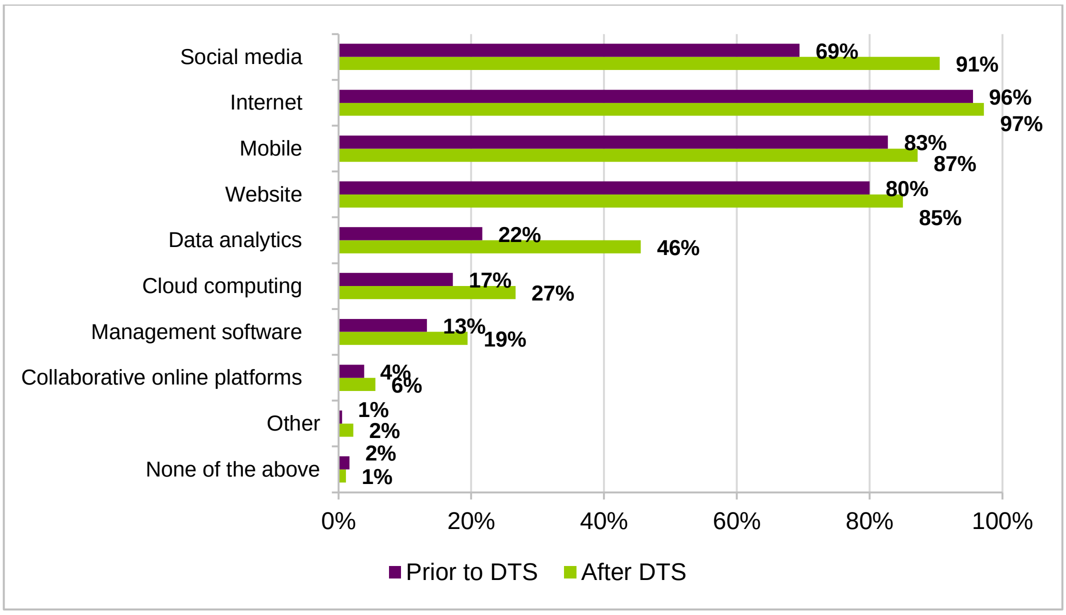
Figure 5.7: Digital skills before and after DTS by support type[30]



Source: ekosgen survey of businesses (2019), n=174 total

5.24 As well as improving their digital skills, businesses have increased their adoption of digital technologies as a result of engaging with DTS. Figure 5.8 shows the proportion of businesses using various digital technologies prior to, and after, DTS. There has been increased business use of all digital technologies since engaging with DTS. The largest increases in technological adoption have been the use of social media (69% prior to DTS and 91% now) and data analytics (22% prior to DTS, and more than doubling to 46% now).

Figure 5.8: Digital technologies used before and after DTS



Source: ekosgen survey of businesses (2019), n=180

30 Respondent profile: Awareness-raising sessions (n=110); Workshops (n=98)

5.25 Notably, there has been a six percentage point increase in the number of businesses using management software. Since online selling and booking are key features of software solutions such as Rezgo[31], this supports anecdotal evidence gained through consultations that the proportion of tourism businesses in Scotland offering online bookable services has increased. The increase across all facets of digital technologies indicates that the digital capability of businesses is increasing, and therefore so is their productivity.

5.26 Respondents in the different subsectors tended to report broadly similar patterns in the impact of DTS on their use of digital technologies although retail businesses were more likely than others to report an increase in use of cloud computing and websites and adventure tourism businesses were more likely than others to note an increase in use of management software.[32] However, the numbers of respondents in some of the sectors is low and so the findings should be treated with a degree of caution.

5.27 By geography, there was a particularly notable increase in the proportion of businesses in SE rural areas using social media (33 percentage points compared with 21 percentage points overall).[33] Whilst SE Urban and HIE based businesses were more likely to report using of more complex technologies, e.g. 25 percentage point and 26 percentage point increases respectively in use of data analytics.

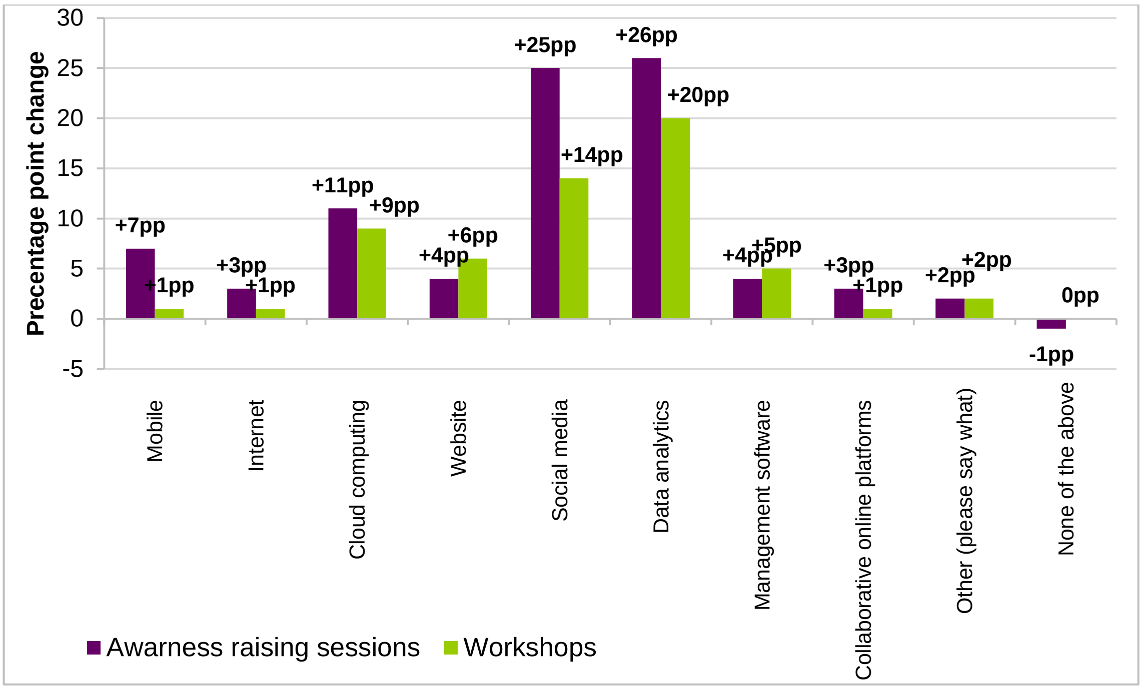
5.28 As shown at Figure 5.9, somewhat surprisingly there tended to be a greater change in the proportion of businesses who attended awareness-raising sessions using digital technologies than for businesses who attended workshops. This may reflect the fact that awareness-raising sessions are more focused on introducing new types of technologies. It is also the case that many businesses attended both awareness-raising sessions and workshops so it is likely that the impact on skills is the combined effect of both and that they have each helped to influence the uptake of new digital technologies.

[31] https://www.rezgo.com/

[32] Respondent profile by subsector: Accommodation (n=59); Adventure tourism (n=10); Retail (n=14); Visitor attraction (n=16); Other (n=81)

[33] Respondent profile by geography: HIE (n=76); SE rural (n=52); SE urban (n=52)

Figure 5.9: Change in proportion of businesses using digital technologies before and after DTS by support type[34]



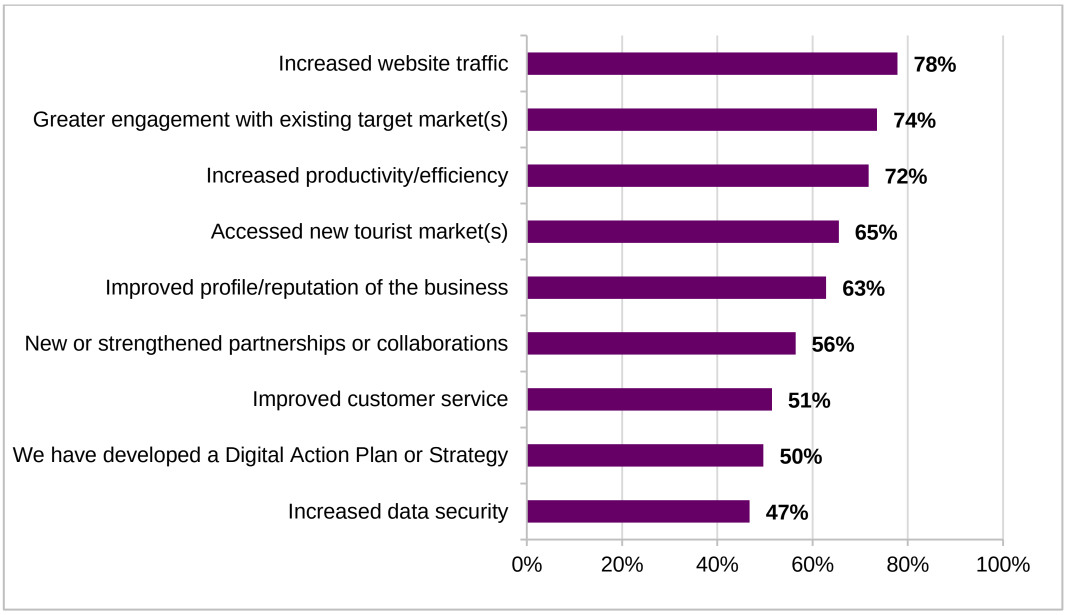
Source: ekosgen survey of businesses (2019), n=180 total

5.29 There have been significant wider economic benefits as a result of engaging with DTS. The vast majority of businesses have increased their website traffic through the support, as shown at Figure 5.10. Around three in four participants have experienced greater engagement with their existing tourist markets, and for two in three it has allowed them to access new tourist markets. This is a very positive finding and suggests that DTS support is allowing tourism businesses to increase their sales through greater market penetration. A similar proportion (72%) has increased their productivity as a result of support.

5.30 Perhaps one of the most positive findings is that half of businesses who have been supported by DTS have developed a digital action plan or strategy. This will encourage businesses to continually review and update their digital technologies. It suggests that the other benefits of DTS (i.e. increased technological adoptions, greater market penetration) will be sustained into the medium and longer term future, should the businesses succeed in carrying out their strategy.

[34] Respondent profile: Awareness-raising sessions (n=116); Workshops (n=101)

Figure 5.10: Wider economic benefits of DTS participation



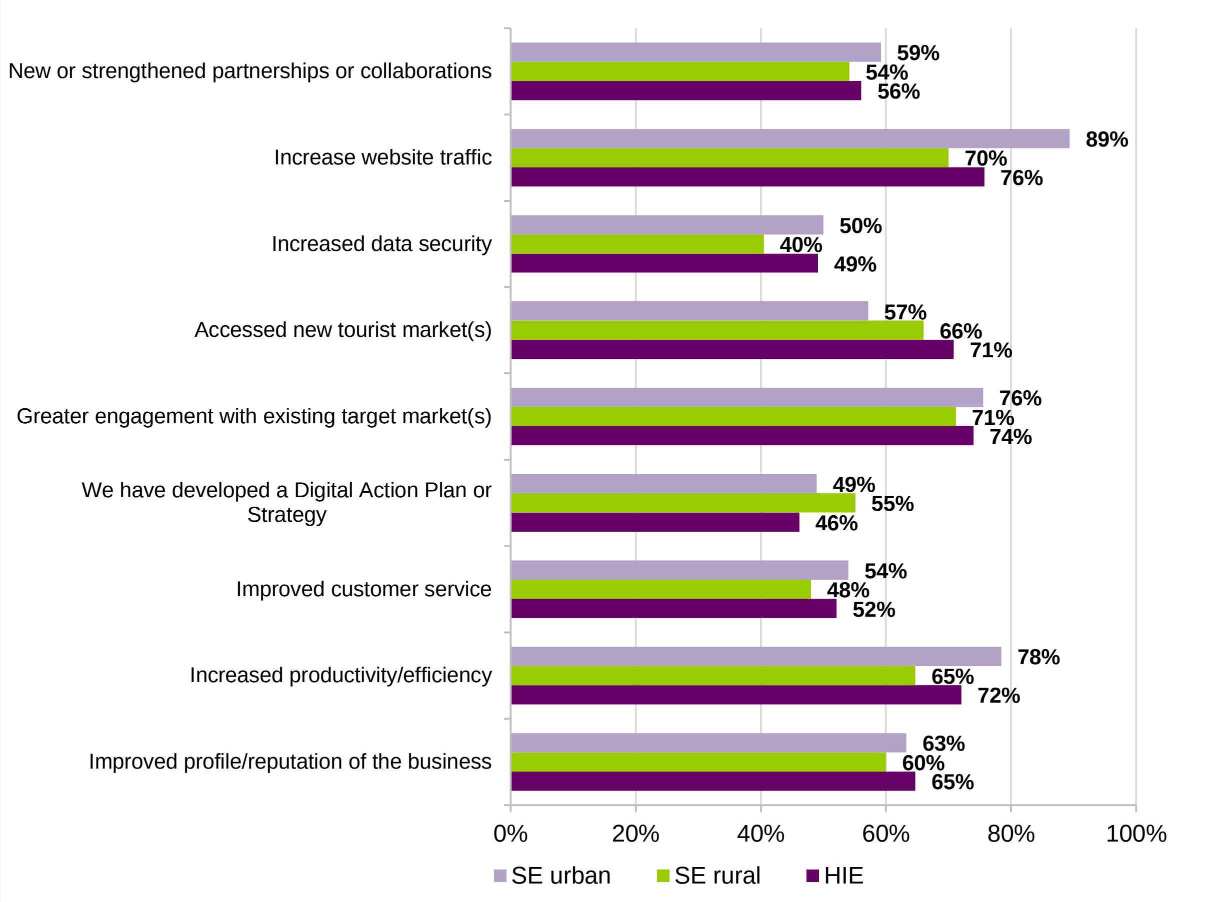
Source: ekosgen survey of businesses (2019), n=174

5.31 Overall, across all subsectors, there is strong evidence of wider economic benefits as a result of increasing their use of digital technology.[35] Of the 57 Accommodation businesses that responded to the question, over 70% reported that they had benefited from each of greater engagement with existing customers, that they have accessed new markets and that their website traffic has increased. Retail businesses reported a substantial increase in productivity and efficiency and again, that more traffic was now being driven to and through their website. Visitor attractions were also very likely to report increased efficiencies along with greater engagement with their existing customers. All of these wider benefits are likely to deliver harder economic impacts such as enhanced productivity, increased turnover and improved and reduced risk due to improved data security.

5.32 As shown at Figure 5.11, there are some small differences by geography for example businesses in the SE urban area were generally more likely to report wider economic benefits. In particular, 89% report an increase in website traffic compared with 76% based in SE rural areas and 70% based in the HIE geography.

[35] Respondent profile by subsector: Accommodation (n=57); Adventure tourism (n=10); Retail (n=13); Visitor attraction (n=15); Other (n=79)

Figure 5.11: Wider economic benefits of DTS participation by geography[36]

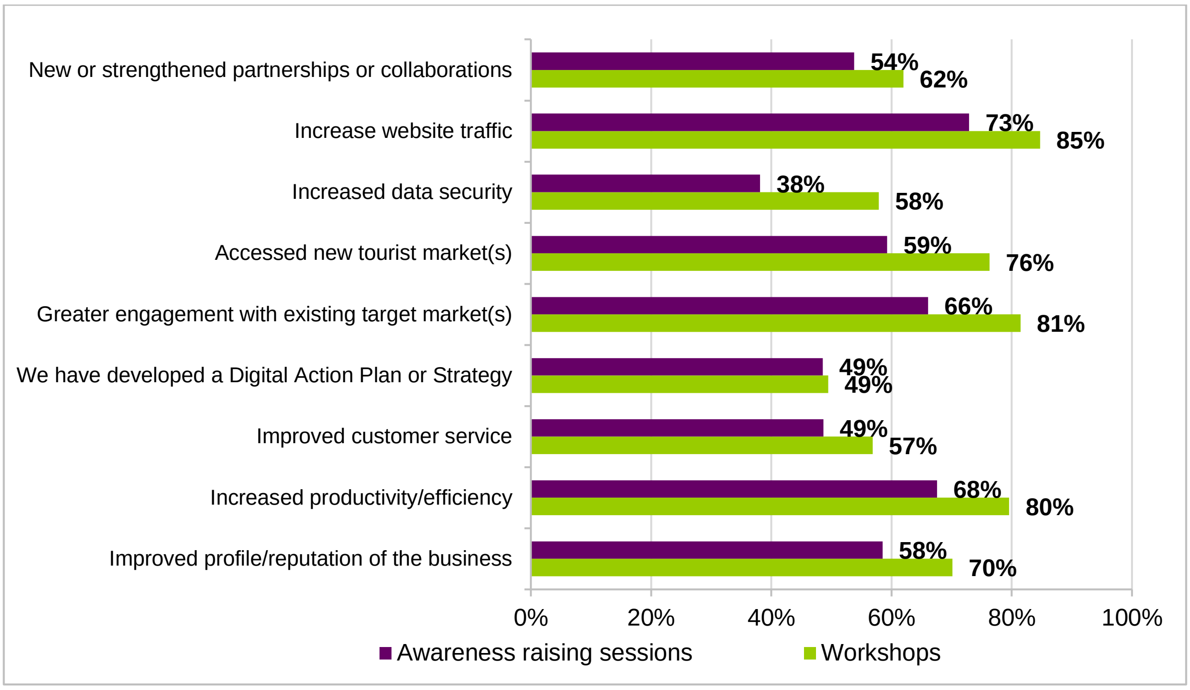


Source: ekosgen survey of businesses (2019), n=174 total

5.33 Figure 5.12 shows that businesses that had attended workshops were more likely to report all economic benefits than businesses that had attended awareness-raising sessions, perhaps reflecting their more practical focus. The benefit for which there is the greatest disparity is increased data security, which is reported by 58% of workshop participants compared with 38% who attended awareness-raising sessions. This reflects the content and level of engagement of the awareness-raising sessions and the workshops and demonstrates the value of progression from awareness-raising to workshops and from there in to increasingly specialist advice and support for some businesses. This digital journey that businesses embark on has the potential to deliver significant benefits and if these are achieved at scale, to have a substantial impact on Scottish tourism.

[36] Respondent profile: HIE (n=71); SE rural (n=52); SE urban (n=51)

Figure 5.13: Wider economic benefits of DTS by support type[37]



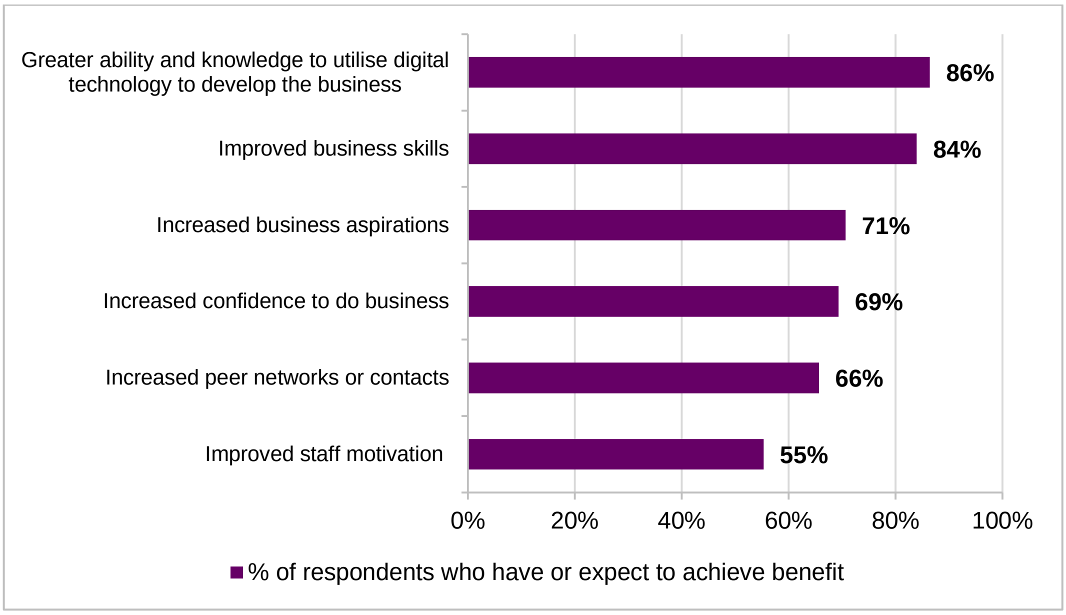
Source: ekosgen survey of businesses (2019), n=174 total

5.34 As well as the economic benefits resulting from an increase in the understanding and application of digital technology in tourism businesses, DTS has delivered a number of softer, more intangible benefits. These are important to support the sustainable development of businesses and the tourism sector by impacting on, for example, confidence, aspirations, access to peer support and motivation.

5.35 Figure 5.14 shows that 86% of respondents reported improved digital skills and there has clearly been an impact on business aspiration which is very positive. Significant benefits have also been accrued in terms of improved business skills which again is an important outcome and one that will potentially impact across a range of areas including business sustainability, productivity, profitability and growth.

[37] Respondent profile: Awareness-raising sessions (n=114); Workshops (n=98)

Figure 5.14: Softer benefits achieved through DTS



Source: ekosgen survey of businesses (2019), n=177

5.36 There are some marked differences in the softer benefits accrued by organisations operating in different tourism subsectors as a result of DTS.[38] At 88%, a particularly high proportion of the ten Adventure tourism businesses in the survey consider that their confidence to do business has increased. Although this is a small sample, it is markedly higher than the average of 71% across all participants. Similarly Visitor attractions in the survey are much more likely to report improved staff motivation at 73%, compared to an overall average of 55%.

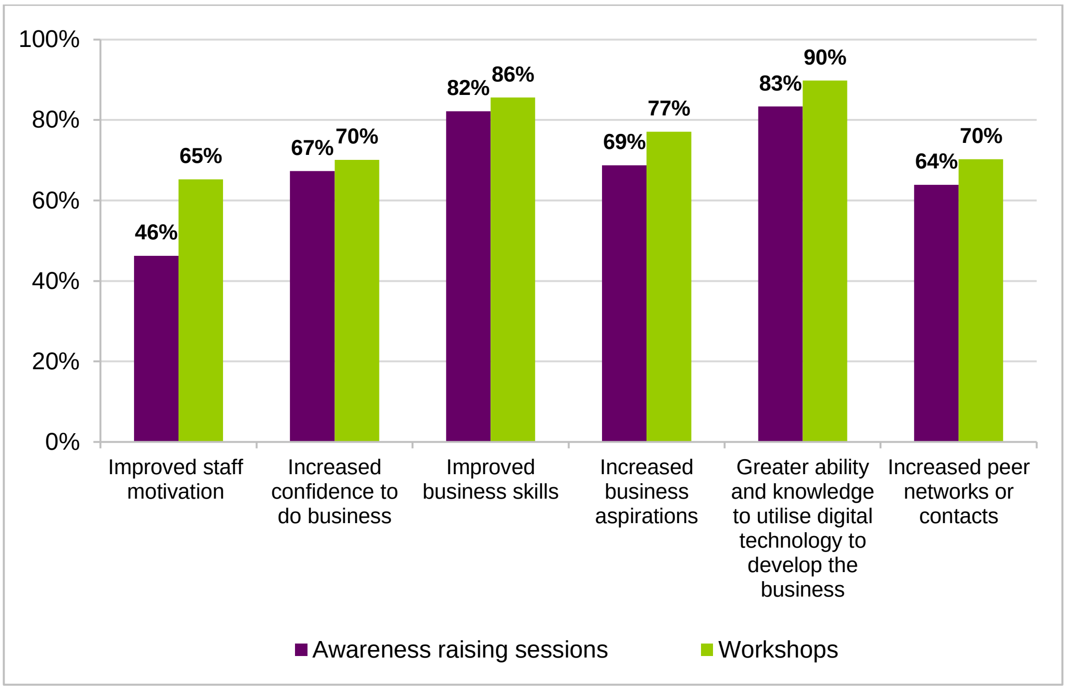
5.37 Across geographies a similar proportion of businesses report achieving softer benefits.[39] However businesses based in SE urban areas are more likely to report that DTS has enhanced their access to and involvement in peer networks and widened their contacts. The proportion in SE urban areas is 78% compared with 64% in SE rural areas and 59% based in the HIE region.

5.38 As we have seen, workshop sessions more directly enhance the digital skills of participants than awareness-raising sessions. Similarly, businesses that attended workshops are more likely to report achieving softer benefits than those only attending awareness-raising sessions. As illustrated at Figure 5.15, 65% of workshop participants stated that engagement helped them to improve staff motivation compared with 46% of those that attended awareness-raising sessions. In fact, across all of the softer benefits, workshops deliver more benefits for example, enhanced networks and peer support, and business aspirations. That is not to say that awareness-raising sessions are not useful, they deliver benefits in their own right and are a valuable route for engaging tourism businesses and then move them through the DTS support pipeline. They help businesses understand the opportunities that exist, the potential benefits and to reflect on where they have gaps in their knowledge and the extent to which, and how they apply digital technologies in their business. This understanding is a critical step that encourages businesses to consider the skills they need to acquire and their working practices.

[38] Respondent profile by subsector: Accommodation (n=58); Adventure tourism (n=9); Retail (n=14); Visitor attraction (n=16); Other (n=80)

[39] Respondent profile by geography: HIE (n=73); SE rural (n=52); SE urban (n=52)

***Figure 5.15: Softer benefits by support type*[40]**



Source: ekosgen survey of businesses (2019), n=177 total

Case studies

Case study 1: Experience and benefits of one-to-many support

Overview of the support

Over the last three years, 2,250 Scottish tourism businesses engaged with one-to-many digital workshops managed and delivered through the DTS programme. The workshops have been run across the country, with a particular focus on rural areas. Three hour workshops, charged at £25 per attendee, were delivered under the themes: digital marketing foundation; data management and analysis; being data driven; content creation; social media; and online reviews. These workshops were delivered by expert trainers to groups of typically 7-15 tourism sector attendees. The most attended sessions were those on search engine optimisation (SEO), social media and Google analytics.

The majority of businesses first became aware of DTS support through direct contact with partners (Scottish Enterprise, VisitScotland, Highlands and Islands Enterprise). As with many similar types of programmes, a sizeable proportion of people heard about it through word of mouth. The main motivator to take part was to learn more about using digital technology in their business, and particularly how it can help them to reach new markets and increase sales.

Generally, businesses that have attended DTS workshops have also accessed other strands of DTS support, in particular awareness-raising sessions which are free, one hour events covering topics such as how to manage your online reputation and how to become online bookable. A number of businesses also used online articles on the DTS website (web traffic indicates a reasonable consumption of online content) and had 1-2-1 paid digital surgeries with DTS trainers.

Experience of the support

Workshop attendees were very satisfied with the support received, particularly in terms of the expertise of the trainers delivering the workshops. The length of workshops, at three hours, was deemed to be

[40] Respondent profile: Awareness-raising sessions (n=114); Workshops (n=98)

right, allowing time for there to be a good degree of detail balanced with not being over-onerous. This is important because it can be particularly hard for small businesses to carve out time for training. Businesses also liked the one-to-many nature of workshop delivery as it gave them the opportunity to network with peers, which is considered to be very valuable.

Benefits and outcomes

The majority of attendees reported improved business skills and a greater ability and knowledge to utilise digital technology in business, as a result of the support. Business aspirations and confidence have also improved. Fewer workshop attendees had increased their contacts and networks of other tourism businesses through DTS, although they expected this to be more of a long term benefit, and may lead to sustainability of benefits if the relationships are maintained.

Since attending DTS workshops, businesses have adopted and used a greater range of digital technologies. Most were using common technologies such as the internet, mobiles and website prior to accessing DTS support, however there has been a big increase in those using more complex technologies such as data analytics and cloud computing. The support has also allowed businesses to better use social media to reach customers. This is important as it has given businesses a greater understanding of, and engagement with, their existing target markets.

As a result of the knowledge and skills gained through DTS, businesses have developed websites, written blogs, used more social media platforms, and have a better understanding of the importance of online visibility through SEO and Google rankings.

For some businesses, these benefits have translated into economic benefits, including an increase and safeguarding of sales. This has largely been as a result of increasing their market share or accessing new markets through technology adoption.

Challenges

The workshops are largely deemed to be accessible for businesses who want to attend. For some businesses, the time commitment away from work and for travel to and from workshops can make it harder to attend. There is no evidence that the £25 fee is a barrier for businesses.

Some attendees felt that the varying levels of understanding, skills and knowledge of individuals in workshops meant that the content is not always well matched to all attendees. This meant more time was spent getting those with a very basic digital understanding up-to-speed. This side-tracked from the main delivery and format of the workshop. One attendee stated that it *'might be useful to offer classes designed for people at different levels'*.

Also, attendees felt that the lack of aftercare following workshops was a challenge. They might feel they had the skills to put new technologies to use, however if they came across difficulties when doing so then they need additional support. This means that businesses struggle to implement digital changes and there is a lost opportunity to maximise business benefits.

Future support needs

DTS workshops have enabled and encouraged businesses to adopt new digital technologies to help them reach new markets and increase revenues, which were their initial aims when first engaging with DTS. This has also allowed businesses to generate a modest amount of sales.

The overall content and delivery of workshops has been a particular strength of the DTS programme, and future support should look to capitalise on this, although segmenting workshops by ability or business size could be considered. Looking forward, there is an appetite for workshop attendees to receive general updates on digital technologies for the tourism sector. In terms of specific subjects, businesses require further support with Google analytics, digital advertising, social media, content management and SEO.

Case study 2: Experience and benefits of group support

Overview of the support

A targeted, intensive support feature of the DTS programme, group support was introduced in June 2017. Its aim is to support industry representative organisations, associations, DMOs and local tourism groups to scope, plan and deliver discrete digital projects. These collaborative projects focus on implementing plans to realise business improvement and product/service development through the deployment of digital technologies.

Businesses can be referred directly to group support, or signposted following the awareness-raising or workshop sessions. Supported organisations receive up to three days of consultancy support to audit digital capabilities, develop project-specific digital plans and develop solutions ready for implementation. In some instances, groups were able to secure additional days where this was needed to maximise support. To date, four organisations have completed digital projects through the group support, and four are currently involved in live projects. There is a further pipeline of nine potential projects, but there is currently no capacity to support these. Project aims include: increased website traffic and improved social media performance; development of innovative digital content; implementation of data-driven approaches; and use digital technology to develop business partnerships and collaboration.

Experience of the support

For the groups supported, the intervention was seen as an ideal solution to address an identified digital challenge. Beneficiaries of the group support consider that it complemented the support received through the one-to-many awareness-raising sessions and workshops.

Through the support, the groups were able to identify where they had previously been going wrong in terms of delivery, or what they needed to implement in order to enhance their business or digital delivery. The solutions identified were broadly considered relevant to the organisation, i.e. in one instance, specific issues with a website promoting the offer were a recognised failing, and the digital plan set out appropriate actions to address this.

Consultants/trainers were considered to be very knowledgeable and very supportive throughout the support process. Groups considered them easy to work with, thorough and responsive to their particular needs. They were also felt to be encouraging – and stretching in terms of helping to set the expectations of the group or organisation.

However, not all support received was beneficial. For one group in particular, some actions within a digital action plan developed by the consultant were irrelevant (e.g. reviewing team/organisational structures, whereas there was no funding available to the organisation for additional or reviewed posts).

Benefits and outcomes

The group support has enabled businesses to develop an awareness of what digital capabilities were needed, and then how to use them. It has also helped to improve understanding of own capabilities – with groups now more realistic and critical in their self-assessment of digital capability. Nevertheless, the group support has helped to increase digital capability, with one group self-assessing their rating improvement from 2/5 to 4/5.

Crucially, the support has enabled the groups to properly apply the learning, with one noting that "*they were really wanting to move on implementation [of digital solutions] as we are time-poor*".

The discussions and learner journey through the groups support process are considered as important as the reporting/action plan outputs. For one group in particular, this process allowed them to immerse themselves in the process, think about the business proposition and how to implement it, and also validate their thinking with industry peers.

In some instances, the support has either led to successful VisitScotland Growth Fund applications, or a recognition of the potential for submission, and how to focus the application. Group support is considered the "*perfect pathway*" to the Fund.

There is clear added value in the group support. Beneficiaries noted that without the benefit of group support, they would either be carrying on as they previously had, or trying to implement solutions themselves – and likely without success.

However, groups consider that it is either too early to assess impacts, or where these exist it is too early or too difficult to be able to attribute these to the DTS programme.

"There has been a positive impact but [we] can't attribute it to DTS."

Challenges

The biggest challenges faced by group support beneficiaries is that the three (or five) days of support remained inadequate, and there was scope for further follow-up support to ensure correct implementation of solutions, and periodic sense-checking of delivery. Though groups recognise that aftercare is not offered by DTS, and may be difficult or resource-intensive to do, this is felt necessary maximise the benefit of the support, and keep momentum going on their digital delivery.

For larger groups and partnerships, there is a clear need for a project management role to drive the implementation plan. For example, with one project aiming to co-ordinate across a large number of websites promoting visitor accommodation and attractions to improve the quality and consistency of messaging, the lack of budget for a champion ultimately meant that a well-conceived plan was not able to be delivered.

Future support needs

Besides follow-up support and aftercare, one group noted that better signposting to additional sources of support, whether from SE and DTS partners, or other sources such as Google Grants, would be of use.

6 Economic impacts of DTS

Headline messages

- DTS support has generated modest economic benefits for participating businesses to date.
- However, businesses are more optimistic about future impacts over the next three years, reflecting the time lag associated with adopting new digital technologies.
- Almost one in four businesses has seen an increase in sales to date as a result of DTS support, rising to 44% of businesses for the next three years.
- Overall, DTS has helped to generate a £9.5m net increase in sales to date and expected over the next three years combined.
- DTS has generated a limited employment impact, likely to be as a result of digital technology adoption leading to increased productivity and sales, and not necessarily translating into job creation.
- The increase in sales to date and forecast will create a net GVA uplift of £5.1m.
- When set against the £1.2m project cost for the 2015-2019 period, this equates to a Return on Investment of £4.28 net GVA for every £1 of public monies spent.

Introduction

6.1 This chapter sets out the benefits of the DTS programme to the tourism sector in Scotland. The chapter assesses the harder, economic impacts based on SE economic impact assessment guidance. The information in this chapter is drawn largely form the business telephone survey. The economic impacts are then extrapolated up from the survey sample to the full population of businesses supported to assess the impact of the DTS programme as a whole.

Economic impact

6.2 As well as the softer business benefits around improved digital skills, greater adoption of digital technology and increased business confidence and aspirations as a result of DTS support, businesses have also achieved some economic impacts.

6.3 Businesses were asked specifically about how attending DTS workshops or awareness-raising events had impacted on their turnover and employment levels, both to date and forecast for the next three years.

Impacts to date

6.4 The reported impacts to date are shown in Table 6.1. These show that although the economic impacts achieved to date by businesses are not substantial, the most common impact has been an increase in sales/turnover, reported by almost one in four businesses (22%).

Table 6.1: Economic impacts achieved to date

Impact	Yes	No	Don't know
Increase in sales	22%	54%	23%
Safeguarding of sales	7%	72%	21%
Creation of jobs	3%	77%	20%
Safeguarding of jobs	3%	77%	20%

Source: ekosgen survey of businesses (2019)

6.5 One point to note is the significant proportion of businesses that were unsure if they had realised any of these impacts. It can often be difficult for businesses to attribute an increase in sales or employment directly to an intervention, particularly those of a workshop or masterclass nature, and this is shown through the business survey.

6.6 Employment impacts are low, with only 3% of businesses having created or safeguarded jobs. This is perhaps due to the nature of the business support received. Adopting new digital technologies and processes will increase productivity within the business, reducing costs and increasing sales revenue, however they will not always translate in job creation. For example, more efficient and effective use of social media and website can help an accommodation provider to reach new markets, but will not necessarily require them to hire additional staff to deal with an increase in bookings.

6.7 Those who had not experienced any impacts to date where asked why not, with the most common response being that it is too early to realise any benefits, reported by 37%. This is a positive finding for the programme as it shows that for some, the benefits may just take longer to realise rather than there being none at all.

6.8 Those who had realised economic impacts to date were asked to quantify these. Most businesses were able to quantify these, and those who were unsure were applied the median figure across all quantified impacts. Table 6.2 shows the gross impacts for the survey sample of 180 businesses, and the average impact per business.

Table 6.2: Gross impacts across the survey sample: to date

Impact	Survey sample	Per business
Increase in sales	£341,000	£1,900
Safeguarding of sales	£463,000	£2,600
Creation of jobs	10	0.1
Safeguarding of jobs	12	0.1

Source: ekosgen calculations

6.9 Net adjustments were applied to these gross impacts on a case-by-case basis, based on survey responses. The adjustments used were:

- **Displacement** – the proportion of impacts that are achieved by a business at the expense of Scottish-based competitors. This occurs due to increased competition in the sector. Based on survey responses, displacement was very low at an average of 5%. However, it can often be difficult for businesses to assess the effect of increased benefits on competitors, and 5% is an unrealistically low level. Given that there is a certain competition between tourism businesses in locations (e.g. accommodation providers, adventure tourism activity operators, etc.) those adopting digital technology solutions will gain a march over non-adopting competitors. We have therefore decided to allocate a flat rate of 25%, based on BIS additionality guidance[41] for business competitiveness programmes at a regional level.

[41] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191512/Research_to_improve_the_assessment_of_additionality.pdf

- **Deadweight** – the proportion of impacts which would have occurred anyway, in the absence of the DTS programme i.e. the counterfactual. The survey found that an average of 35% of the impacts realised by businesses were deadweight. This reflects that around half of businesses felt their impacts would not have occurred at all without DTS, suggesting that they are unaware of any similar business support intervention. A small proportion of businesses felt that the intervention meant they achieved the impacts sooner than they otherwise would (by 1-2 years), while a small proportion felt their impact would have occurred anyway, making them wholly deadweight
- **Attribution** – to give an additional layer to the additionality assessment, businesses were also asked the proportion of the impacts that they think can be attributed to DTS support. This was high, at an average of 82%.

6.10 Applying these adjustments results in the net impacts shown at Table 6.3.

Table 6.3: Net impacts across the survey sample: to date

Impact	Survey sample	Per business
Increase in sales	£108,000	£600
Safeguarding of sales	£73,000	£400
Creation of jobs	1.4	0
Safeguarding of jobs	1.5	0

Source: ekosgen calculations

Forecast impacts

6.11 Businesses are much more optimistic about realising economic impacts over the next three years. Around double the number of businesses expect to achieve impacts in the future than have realised impacts to date. This is perhaps an indication of a time lag between a business being supported by DTS, and them adopting a new digital technology or practice that results in greater business benefits.

6.12 The proportions of businesses forecasting various impacts are shown in Table 6.4. These show that double the proportion of businesses who have increased sales to date (22%) expect to see an increase in their sales over the next three years as a result of DTS (44%). Those anticipating employment impacts are still relatively low.

Table 6.4: Forecast economic impacts

Impact	Yes	No	Don't know
Increase in sales	44%	26%	30%
Safeguarding of sales	14%	51%	34%
Creation of jobs	13%	53%	34%
Safeguarding of jobs	7%	58%	34%

Source: ekosgen survey of businesses (2019)

6.13 Again, businesses were asked to quantify their expected impact on sales and jobs over the next three years. The results for the survey sample and per business are shown in Table 6.5.

Table 6.5: Gross impacts across the survey sample: over the next 3 years

Impact	Survey sample	Per business
Increase in sales	£2,650,000	£14,700
Safeguarding of sales	£2,900,000	£16,000
Creation of jobs	114	0.6
Safeguarding of jobs	91	0.5

Source: ekosgen calculations

6.14 As before, gross-to-net adjustments have been applied to anticipated impacts on a case-by-case basis. In addition to those previously described, the following adjustments are been altered/applied:

- **Displacement** – again we have applied a flat displacement rate of 25% for future impacts based on BIS guidance.
- **Deadweight** – businesses were asked about the deadweight of expected future impacts, and, on average, this was reported to be greater than the deadweight level for benefits achieved to date, of 54%.
- **Attribution** – as before, attribution rates were applied to anticipated future impacts.
- **Optimism bias** – when forecasting over the next three years, businesses were asked how confident they were that these benefits will actually be achieved, on a scale of between 0% and 100% confidence. On average, businesses were 75% confident of achieving their reported future benefits. This adjustment has also been applied on a case-by-case basis to help eradicate any optimism bias.
- **Discounting** – we then applied a 3.5% annual discounting rate to net forecasts for each of the three years, in order to express impacts as present values, as per Scottish Enterprise economic impacts assessment guidance.

6.15 Applying these adjustments gives an estimate of forecast net impacts for the survey sample over the next three years, as shown at Table 6.6.

Table 6.6: Net impacts across the survey sample: over the next 3 years

Impact	Survey sample	Per business
Increase in sales	£648,000	£3,600
Safeguarding of sales	£879,000	£4,900
Creation of jobs	21	0.1
Safeguarding of jobs	15	0.1

Source: ekosgen calculations

Combined impacts

6.16 When grossing these net impacts from the survey sample (180 businesses) to the full population of tourism businesses supported by DTS across the period 2015-2019 (2,250 unique businesses, as shown in Chapter 3), gives a total net impact of the DTS programme to date (Table 6.7) and expected over the next three years (Table 6.8). These tables show that the vast majority of the impacts are expected to accrue over the next three years.

Table 6.7: Net impacts across full population supported: to date

Impact	Full population
Increase in sales	£1,355,000
Safeguarding of sales	£914,000
Creation of jobs	17
Safeguarding of jobs	18

Source: ekosgen calculations

Table 6.8: Net impacts across full population supported: over the next 3 years

Impact	Full population
Increase in sales	£8,099,000
Safeguarding of sales	£10,990,000
Creation of jobs	265
Safeguarding of jobs	183

Source: ekosgen calculations

6.17 Finally, combining the grossed-up net impacts achieved to date and those forecast over the next three years, we arrive at the total net impacts for the full population of businesses supported through DTS, shown in Table 6.9.

Table 6.9: Net impacts across full population supported: to date and over the next 3 years

Impact	Full population
Increase in sales	£9,454,000
Safeguarding of sales	£11,904,000
Creation of jobs	282
Safeguarding of jobs	201

Source: ekosgen calculations

6.18 There is an established relationship between turnover and Gross Value Added (GVA)[42] in business. This is based on the latest Scottish Government Growth Sector Statistics release[43] (2019, based on 2016 data), which relates the total turnover for the Scottish tourism sector to approximate GVA at based prices. This indicates that for the tourism sector at the Scotland level, GVA is 54.4% of turnover. Adopting this relationship to the net increase in turnover for the full DTS population of supported businesses (£9.5m) provides a net uplift in GVA to date and forecast in the future of **£5.1m**.

Return on investment

6.19 It is important to set the total net impacts against the total costs of DTS support, to give an assessment of the Return on Investment (ROI).

6.20 As set out in Chapter 3, the total project cost for delivering DTS over the 2015-2019 period is £1.2m. The estimated net GVA impact of the programme gives a total ROI of 1:4.28, or a **£4.28 uplift in net GVA for every £1 of public monies spent**. This is shown in Table 6.10.

Table 6.10: Return on Investment

Impact	Full population
Uplift in net GVA	£5,139,000
Project cost	£1,200,000
Return on Investment	£4.28

Source: ekosgen calculations

6.21 However, as noted previously, it is important to consider this in light of the additional aligned and in-kind support provided by strategic and delivery partners. In particular, both HIE and VisitScotland have committed increasing resource to the programme as delivery has progressed. For HIE in particular, this included considerable aligned expenditure through webinars, Facebook Live and business engagement activity by DMOs. Whilst this is not fully quantifiable, evidence from consultations

[42] Gross Value Added is a measure of the value of goods and services produced in an area, industry or sector of an economy.

[43] https://www2.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors

indicates that significant resource has been committed to support the programme's delivery. In effect, the return on investment of the programme is likely to be a quantum lower.

7 Conclusions and recommendations

Introduction

7.1 This chapter draws on the analysis and findings presented in the preceding chapters, and sets out the key conclusions of the report. Based on these our recommendations for future delivery are set out.

Conclusions

7.2 Delivery of DTS can be considered successful. Though the partnership has taken time to settle, arrangements at a strategic level are now effective. This can be considered to be a good example of partnership working between enterprise and skills agencies, and other national agencies. Scottish Enterprise acting as lead co-ordinating partner, and the increased role of VisitScotland has benefitted the programme. Operational planning, management and co-ordination is led through the DTS working group. However, as a secondary tier in the DTS management and delivery structure, there is room for improvement to help enhance local delivery.

7.3 Programme delivery at the local level is at its strongest and most effective where there are strong local or sectoral networks and organisations. However, because of the mix of delivery partners at this level across DMOs, local tourism and sector organisations and regional partnerships, this has resulted in a patchwork of delivery approaches with little or no consistency across the country – though a uniform delivery model is evident across the Highlands and Islands. This has had a clear impact on the level of business engagement in different parts of Scotland.

7.4 The programme content is highly regarded, and is a strength of the programme. It has evolved in response to beneficiary feedback, and also to meet the ongoing changes in digital technology. However, the programme may not been responsive enough: with many changes being based on beneficiary feedback rather than proactively responding to market changes, it is arguable that some changes have been somewhat behind the curve. However, DTS is able to deliver in line with market trends, and so there is a need to better understand whether the market is ready for support on more cutting edge trends and topics.

7.5 In the nearly four years of delivery to date, DTS has achieved considerable outputs. It has exceeded its SMART programme targets for delivery of and attendance at awareness-raising events and workshops, as well as in terms of engagement of unique businesses at the programme level. Its performance against target for group support has been reasonably good. Delivery has been particularly concentrated in the Highlands and Islands, with the region accounting for more than 40% of businesses supported at the time of reporting, reflecting the inconsistency of approach and engagement. However this imbalance in the level of uptake may also be a reflection of business type and size and therefore digital skills levels and the need for support. For example the lower uptake in the Central Belt, in particular Glasgow, may be a result of the make-up of the tourism business base there which has many larger tourism operators and accommodation providers. The digital responsibilities of these businesses are frequently controlled elsewhere, outwith the region. As well as being more advanced in their adoption of digital technology and therefore digital skills training needs, it is also important to note the existence of private sector provision in servicing larger tourism businesses especially in major urban centres.

7.6 Support provided through DTS is effective. Beneficiaries find the support useful, and many consider that it is or will be important to their business performance. The quality and relevance of the programme is a strength, and the expertise of the trainers is highlighted as a particular asset. This gives DTS a high degree of credibility for participant businesses.

7.7 This has resulted in a clear increase in digital skills and capability amongst supported tourism businesses. Further, it has resulted in an increased adoption of digital technologies in business operations. When considered in conjunction with findings from the consultation programme, DTS has contributed to an increase in online bookable services in the sector. It has also contributed to a reported increase in productivity amongst almost three quarters of beneficiaries. Supported businesses also report softer benefits such as increased confidence, aspirations and ability to make use of digital technology to develop the business.

7.8 In doing so, the programme has helped to generate the following net impacts to date and forecast over the next three years.

Table 7.1: Net programme impacts to date and over the next 3 years

Impact	To date	Next 3 years	Total
Increase in sales	£1,355,000	£8,099,000	£9,454,000
Safeguarding of sales	£914,000	£10,990,000	£11,904,000
Creation of jobs	17	265	282
Safeguarding of jobs	18	183	201

Source: ekosgen calculations

7.9 This equates to a net uplift in GVA to date and forecast in the future of **£5.1m**. The estimated net GVA impact of the programme gives a total ROI of **1:4.28**, or a £4.28 uplift in net GVA per £1 spent, based on the programme spend of c.£1.2m. However, this should be considered in light of the additional aligned and in-kind support provided by strategic and delivery partners, as evidenced through the consultations. Considerable resource has been committed to support the programme's delivery, and consequently the return on investment of the programme is likely to be a quantum lower.

7.10 The evaluation has demonstrated that the DTS programme is benefitting businesses, and developing skills, knowledge and capability. However, this is not to the extent anticipated at the programme's outset, and there are a number of reasons for this. First, despite the success of DTS in meeting its engagement target, there is a marked lack of engagement overall – though evidence suggests that there is a higher degree of engagement with the programme in the Highlands and Islands amongst the tourism business base. This indicates that programme targets have been modest, and not sufficiently stretching. A number of areas have relatively low engagement, and there remain businesses who are unaware of the potential business benefits of adopting digital technology and those who are aware but unengaged with digital skills training. Second, the lack of follow-up or aftercare support means that some businesses are not able to fully apply their learning from DTS sessions. Third, as there is continued and rapid change of digital technologies and their application, business digital needs are also constantly changing.

7.11 There remain some gaps in the programme, notably at the very basic and more advanced levels, with demand for support at the intermediate user level ongoing. DTS appears equipped to meet advanced needs and respond to the challenges of technological change. However, the lack of follow-up is a shortcoming in the programme (although the original programme did include follow-up support in the form of Digital Expert). As a result, there is a failure of beneficiaries to fully apply and benefit from their learning, and embed this within their businesses. There is a need therefore for more systematised aftercare. The appetite for post-DTS follow-up demonstrates the need for continued support or signposting to additional support to maximise the benefit from workshops and other strands of DTS support. Though there may be some resource constraints, investment in aftercare may be worthwhile to increase the efficacy of support delivered through DTS. In order to lessen the financial burden it may be worth considering delivering follow-up support in the form of online content and groups to build on what is learned at workshops. Follow-up support can also be accessed through signposting to other currently available or planned complementary digital support.

7.12 In this sense, there is a missed opportunity across a number of levels: greater engagement at the initial awareness-raising stage would undoubtedly lead to higher levels of participation in the workshops. Whilst this might ordinarily lead to greater implementation of digital services and solutions, there is a further missed opportunity in assisting supported businesses to ensure that implementation is maximised.

7.13 There is a relatively complex landscape of digital support delivery in Scotland. Confusion around the DTS branding and how it differentiates itself from programmes such as Digital Boost, the Digital Engagement programme in HIE, local authority offers, etc. means that there is a need to improve programme communications. Businesses are not able to distinguish between offers, and delivery partners are not always able to effectively signpost businesses to DTS, or the most appropriate support. Issues around content levels have previously been addressed, but it is important to ensure that guidelines on skill level are very clearly communicated to ensure that participants don't end up in the wrong workshop.

7.14 Tourism-specific content and targeting is an advantage of the programme. The tailored content means that it can focus on the particular needs of the tourism sector in Scotland and the specific technologies and applications relevant to tourism. The sectoral focus makes it attractive to tourism businesses who can quickly and easily see its relevance to their operations, and the potential benefits. Thus DTS is meeting needs of tourism businesses in Scotland.

7.15 Based on the findings of the evaluation, a market failure still exists, and there remains a clear rationale for continued intervention to support tourism businesses to improve their digital capability. For tourism businesses, as with businesses in other sectors, digital capability is increasingly important – and is a continuing need given the pace of technological change, and the continually evolving expectations of visitors as a result of this.

7.16 However, there is no clear rationale for this to be done through a separate support programme, particularly when considering the complex landscape of digital support in Scotland. Given the current environment of diminishing public sector resources, and the need for increased collaboration amongst public sector bodies to better join up delivery, this is an important consideration. Nevertheless, there is a need to be careful that the benefits of a discrete package of support for tourism businesses are not lost.

7.17 DTS may be more effective as an integrated element, strand or series of modules of a wider digital support programme, rather than being standalone. This would allow for the continuation of tourism-specific content and targeting but may help to resolve issues around branding and marketing, recognition and overlap, and better targeted funding to areas where impact can be maximised.

7.18 Such an approach would also allow for a much clearer and coherent pipeline of digital capability development to be established. The current *Digital Tourism Learning Journey* document, part of the DTS programme's supporting documentation, establishes this to an extent, however this can be better implemented across a broader package of digital support.

7.19 The identified gaps in provision at the more basic and awareness-raising level, where there is duplication of effort with other digital support offers, can be addressed through broader, non-sector specific digital support. As tourism businesses progress through the support pipeline, they can be routed through more specialist strands tailored to the needs of tourism businesses – i.e. the DTS workshops in the first instance. This can then be followed by more tailored and intensive support through products such as group support, Digital Expert, specialist advice on a one-to-one basis and so on, delivered as part of an integrated digital support programme that can be tailored to meet particular needs. This will help to ensure that the more digitally capable businesses are able to keep pace with emerging digital trends.

7.20 This reflects the content and level of engagement of the awareness-raising sessions and the workshops and demonstrates the value of progression from awareness-raising to workshops and from there in to increasingly specialist advice and support for some businesses. This digital journey that businesses embark on has the potential to deliver significant benefits and if these are achieved at scale, to have a substantial impact on Scottish tourism.

7.21 Finally, though DTS has generated a modest amount of income, this income generation is not an essential feature if cost is a potential barrier to engagement. If DTS (or future digital support for tourism businesses) is able to engage a greater number – and based on the findings of the evaluation, this is indeed possible – then a greater degree of impacts could be generated, thereby offsetting any loss of income. It should be borne in mind that no-show rates and cancellations are higher than for paid workshops, events, etc. However, the point here is that competition versus a free workshop in the support marketplace constitutes a barrier to engaging greater numbers.

Recommendations for future delivery

7.22 The evaluation demonstrates that DTS has made good progress in addressing market failure in the tourism sector, around adoption of digital technology and subsequent improvement of productivity and business growth as a result. However, these market failures still exist, and the rationale for intervention to address them continues to do so too. Based on the conclusions set out above, the following recommendations are made:

Recommendation 1: The strategic partnership approach to delivery should be maintained. There is a mature and stable partnership and working group in place, and it is ideally placed to oversee delivery of digital support, so there is value in continuing this to ensure that the provision of support is effective. The roles and responsibilities of the partnership are understood by all partners, but there may be some benefit to ensuring ongoing clarity amongst all partners through refreshed terms of reference or similar.

Recommendation 2: Consideration should be given to the refinement of the management and local delivery models in place, to ensure greater degree of consistency across Scotland, but also to drive greater engagement by tourism businesses. At the strategic level, programme delivery functions well. However, at the intermediate management and co-ordination level and local delivery level (in some areas only), there is room for improvement.

Strong local networks are key to driving participation, and partners should examine the most effective means to exploiting these, backed up by good management and organisation. Further, thought should be given to how best to replicate the role of DMOs as well-networked industry organisations in the Highlands and Islands area elsewhere in Scotland. This may be achieved through Chambers of Commerce, FSB Scotland or other business associations or groups, for example.

Recommendation 3: There is a need to also consider the best ways to address the barriers to engagement and participation for tourism businesses in particular those in the Central Belt. Barriers can be attitudinal and/or structural. Overcoming the former requires consistent messaging around the benefits of digital technology adoption and clarity around what support is on offer and the skill level targeted. Structural barriers to be addressed, more of an issue in some parts of the country than others, include location of, transport to and timing of events and workshops, which should also include the consideration of the adoption of a mix of delivery modes going forward.

Recommendation 4: Scottish Enterprise and partners should give consideration to the further segmentation of support by sub-sector and business size. However, this should be informed by market intelligence garnered regionally and locally from delivery partners and training providers. An analysis of private sector provision could also be undertaken with the aim of better understanding the degree to which this distorts the overall picture of market failure which DTS support aims to correct, and should also be done in the context of a fast-moving environment.

This may require the refreshing of some content to meet the needs of different business segments. It may also require the proactive involvement of the relevant industry bodies to help drive levels of business engagement where highly specialised digital content may be involved.

Recommendation 5: The overall content and delivery of the workshop programme should be maintained. This is a strength of the programme, and any future support should capitalise on this. Though the content has evolved well to meet the needs of tourism businesses, ways to respond better to technological changes across all levels of digital skills and industry sub-sectors should be further explored by partners.

Recommendation 6: Resource constraints notwithstanding, consideration should be given to the way in which aftercare or follow-up support can be provided to beneficiaries. This is a shortcoming of the programme, and with the ad-hoc provision from DMOs and other delivery partners, there is clear need and demand – many businesses want and need help with implementation. Streamlined delivery with other support (see Recommendation 7) may help to achieve this where available funding and resource is a constraint.

Recommendation 7: More stretching targets should be employed in future. There is recognition of the success in surpassing a number of the programme's SMART targets, but there is clear scope for engaging more businesses, whether DTS support is delivered as a standalone programme or as part of a wider digital package of support especially given the evident ongoing market failure.

Recommendation 8: The package of digital support currently provided through the DTS programme should be considered in terms of its alignment with existing and planned products and support delivery. Given the evident market failure and continuing rationale, specific digital support to tourism businesses should continue.

7.23 The challenges around availability of public sector funding and funding models notwithstanding, there is value in combining with existing and/or new broader digital support as a discrete strand. This will:

- Help to stimulate greater interest and uptake in the support, by overcoming the identified challenges regarding branding, USP and positioning in what can be a confusing digital support landscape; and
- Enable access to a broader range of support, including more tailored (to specific sub-sectors) and intensive support (for the more digitally advanced businesses) as well as follow-up support for implementation.

By integrating DTS with wider digital support, this also recognises the recommendations of the Enterprise and Skills Review, by furthering collaborative delivery to streamline and remove duplication.

Next Steps

7.24 Using the evidence base, conclusions and recommendations of this evaluation, the next step for DTS partners is to consider the future options for providing a package of digital support to tourism businesses.

- **Option 1**: Continue with the DTS programme in its current but improved format based on the recommendations around: refining and improving targeting and engagement, content development and delivery effectiveness.
- **Option 2:** Discontinue with the DTS support recognising that a degree of market failure still exists.

- **Option 3**: Consider how best to integrate and deliver DTS content with existing or planned digital and/or business support provision.

7.25 The option chosen should deliver the most efficient and effective package of tourism-specific digital support which ensures business needs are met. It must also be delivered through an effective partnership delivery model and at this stage the opportunity should be taken to review the roles and responsibilities of individual partners as well as considering what each partner can contribute in the way of funding, in-kind delivery resource and expertise. The offer and benefits of support must be consistently and effectively communicated to tourism businesses across the country and this activity may require a joined up approach to developing and executing marketing communications activity across all partner organisations.

7.26 An options appraisal should include an assessment of partners' progress towards their ambition of enabling the better use of digital technologies and uptake of digital opportunities in what is a key sector for Scotland.

Appendices

Appendix 1: Consultee organisation list

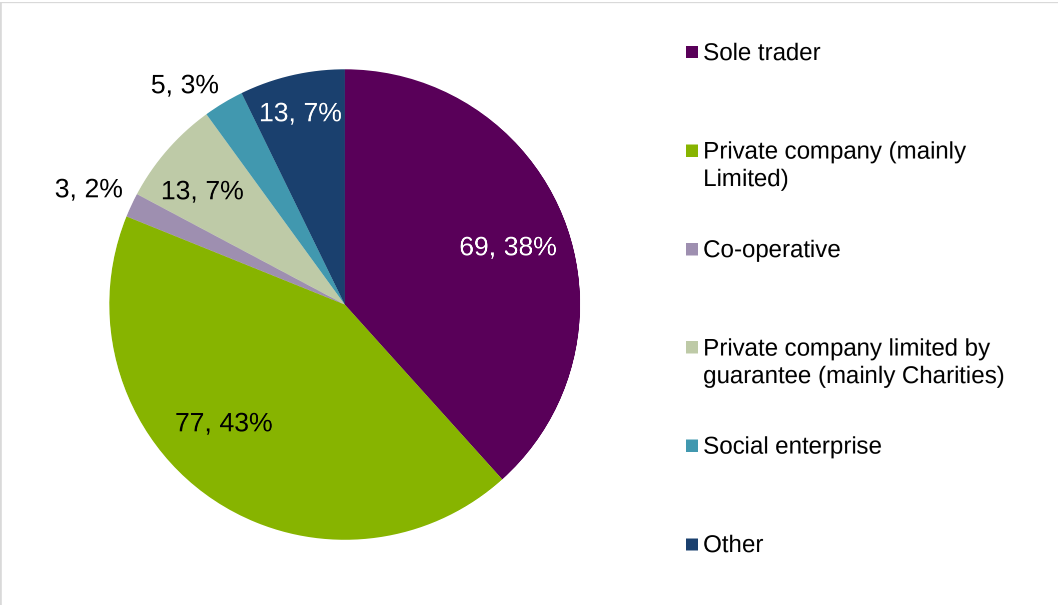
Angus Council
Argyll & the Isles Tourism Co-operative
Association of Scotland's Self-Caterers
Association of Scottish Visitor Attractions
Business Gateway/COSLA
Caithness Chamber of Commerce
Central Scotland Green Network Trust/John Muir Way
Craft Scotland
Edinburgh Tourism Action Group
Elevator
Fife Council
Fife Tourism Partnership
Highlands and Islands Enterprise
Midlothian and Borders Tourism Group
Moray Speyside Tourism
NE 250
Orthic Consulting
Outer Hebrides Tourism
Perth & Kinross Council
Perthshire Tourism Partnership
RGB Associates
Sail Scotland
Scottish Tourism Alliance
Scottish Enterprise
Skills Development Scotland
SkyeConnect
Visit Arran
Visit Cairngorms/Cairngorms Business Partnership
Visit East Lothian/East Lothian Council
Visit Inverness Loch Ness
Visit Orkney
VisitScotland
VisitAberdeenshire
VisitFalkirk
VisitScotland
Wild Scotland

Appendix 2: Survey respondent profile

The following appendix provides a profile of the 180 businesses who participated in the telephone survey. It covers their business type, size in terms of employees and turnover, business stage, sub-sector and location and their engagement with DTS in terms of year of first access, support types accessed and number of engagements.

In terms of organisation type, as shown at Figure A2.1, 43% of respondents were private (mainly limited) companies. This was followed by sole trader, which accounted for 38% of respondents. The remainder were split between private company limited by guarantee (7%), other (7%), social enterprise (3%) and co-operative (2%).

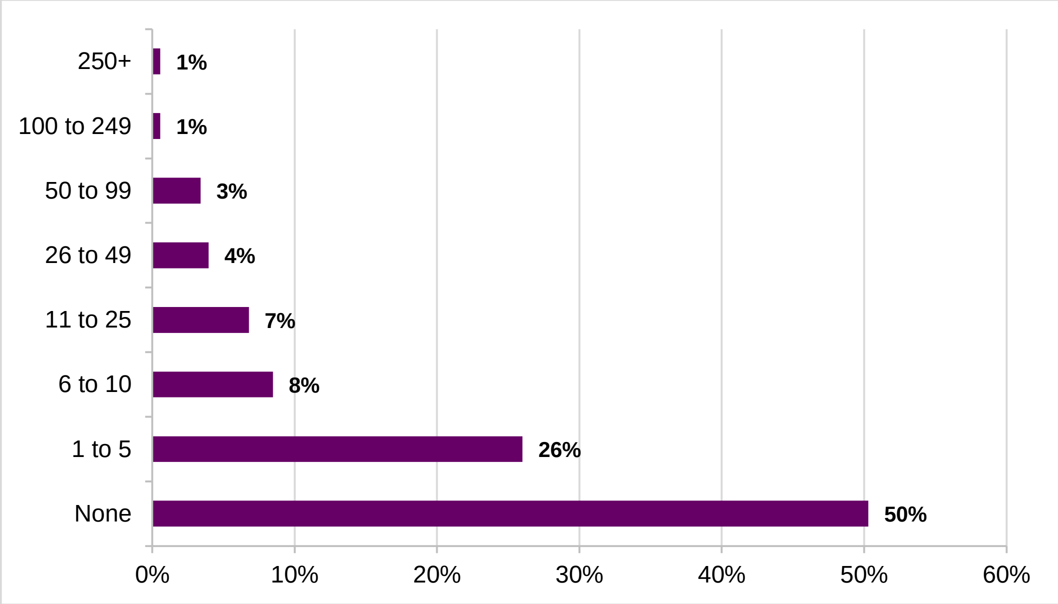
Figure A2.1: Survey respondents by organisation type



Source: ekosgen survey of businesses (2019), n=180

Figure A2.2 shows the survey respondents by the number full-time employees they have. Perhaps unsurprisingly as smaller businesses may be more likely to access support programmes, half (50%) did not have any full-time staff and a further 26% employed one to five full-time staff members. Less than 10% of respondents employed 26 full-time staff members or more.

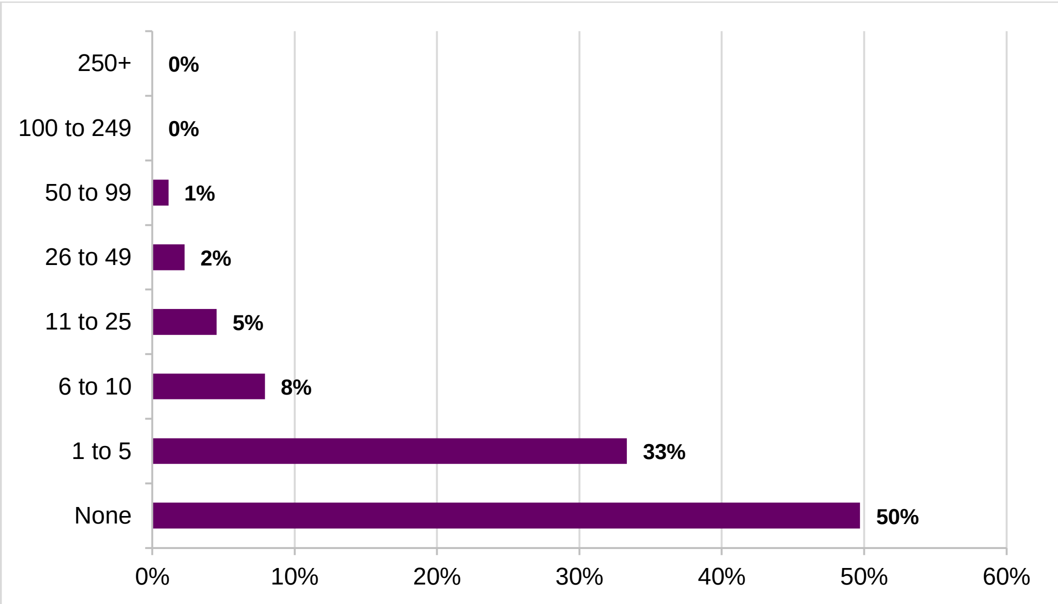
Figure A2.2: Survey respondents by full-time employees



Source: ekosgen survey of businesses (2019), n=177

As shown at Figure A2.3, respondents tended to employ even smaller numbers of part-time staff. Again 50% had no part-time staff members, whilst a further 33% employed just one to five part-time staff members. Only 3% of respondents had 26 or more part-time staff members.

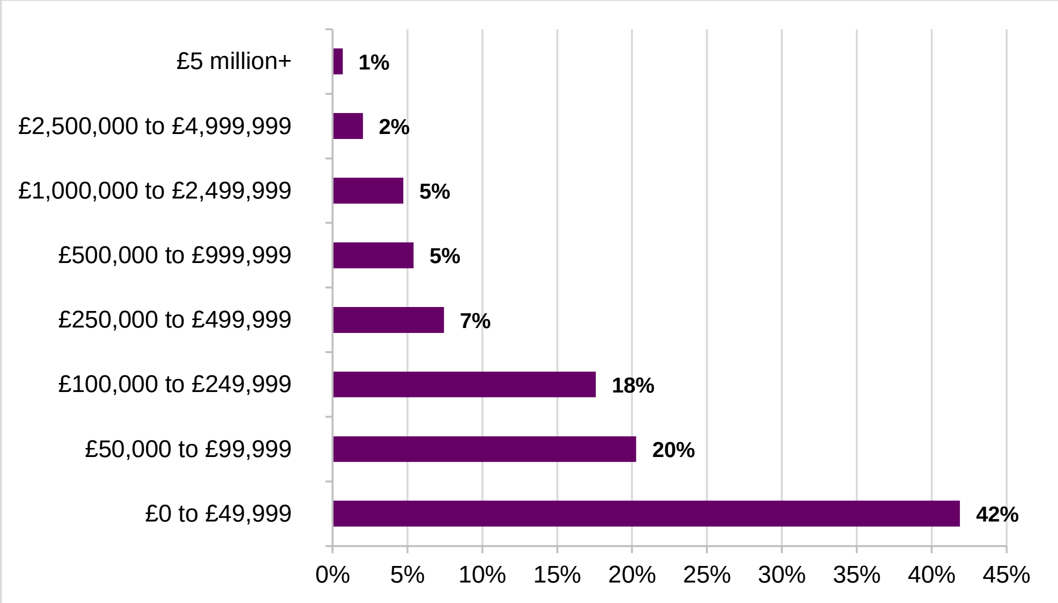
Figure A2.3: Survey respondents by part-time employees



Source: ekosgen survey of businesses (2019), n=175

The tendency towards smaller businesses was also reflected in turnover rates. As shown at Figure A2.4, 42% of respondents had a turnover of less than £50,000 and a further 20% had a turnover of £50,000-£99,999. Just 20% of respondents had a turnover of £250,000 or more.

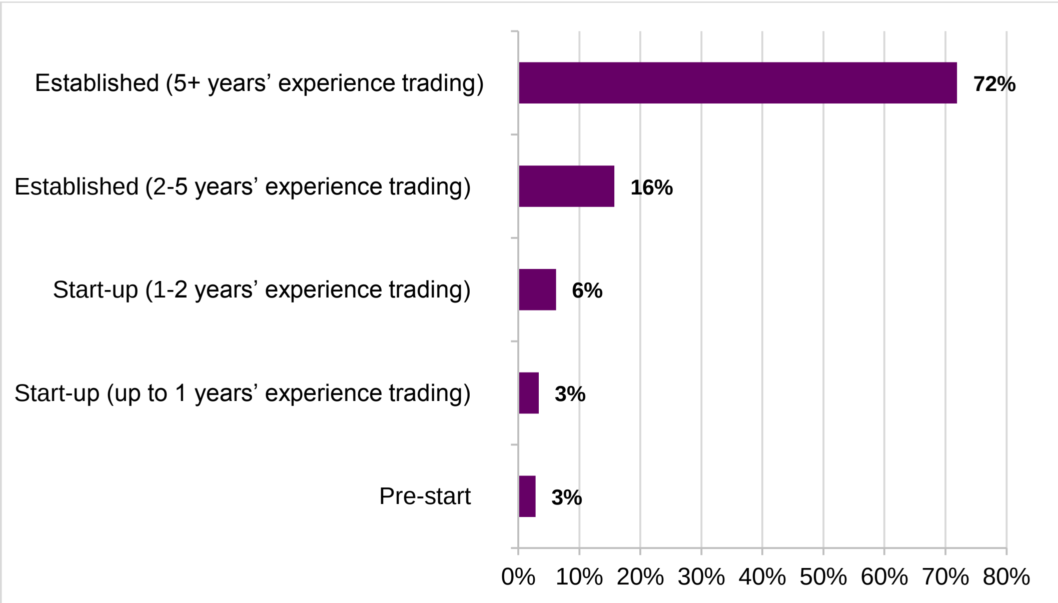
Figure A2.4: Survey respondents by turnover



Source: ekosgen survey of businesses (2019), n=148

Figure A2.5 shows the survey respondents by business stage. Just under three-quarters of respondents (72%) were established and had been trading for five years or more. A further 16% had been trading for 2-5 years, only a small number (12%) were at a start-up or pre-start stage.

Figure A2.5: Survey respondents by business stage



Source: ekosgen survey of businesses (2019), n=178

As shown at Table A2.1, respondents represented 17 sub-sectors and a further 14% said they belonged to an "other" sub-sector. These included crats and designers in a range of mediums. The most common sub-sector was accommodation, which accounted for one third (33%) of all respondents. This was followed by visitor attraction (9%) and retail (8%).

Table A2.1: Survey respondents by sub-sector

Sub-sector	No. of respondents	%
Accommodation	59	33%
Other	26	14%
Visitor attraction	16	9%
Retail	14	8%
Adventure tourism	10	6%
Museums, heritage and culture	9	5%
Hospitality	8	4%
Golf	7	4%
Guided tours	6	3%
Heritage	5	3%
Tour operator	5	3%
Walking and self-drive holidays	4	2%
Destination management	3	2%
Business tourism	2	1%
Events	2	1%
Whisky	2	1%
Bike tours	1	1%
Festival	1	1%
Total	**180**	**100%**

Source: ekosgen survey of businesses (2019)

Table A2.2 shows respondents' main business location by local authority. As with DTS participants overall, the most common local authority was Highland, which accounted for 19% of all survey respondents. This was followed by Argyll and Bute (13%) and Aberdeenshire (12%), which were also two of the most common local authorities for all DTS participants. In total respondents represented 24 out of the 32 Scottish local authorities. The geographic split by HIE/SE geography was similar to that of participants overall, at 42% HIE, 29% SE rural and 29% SE urban.

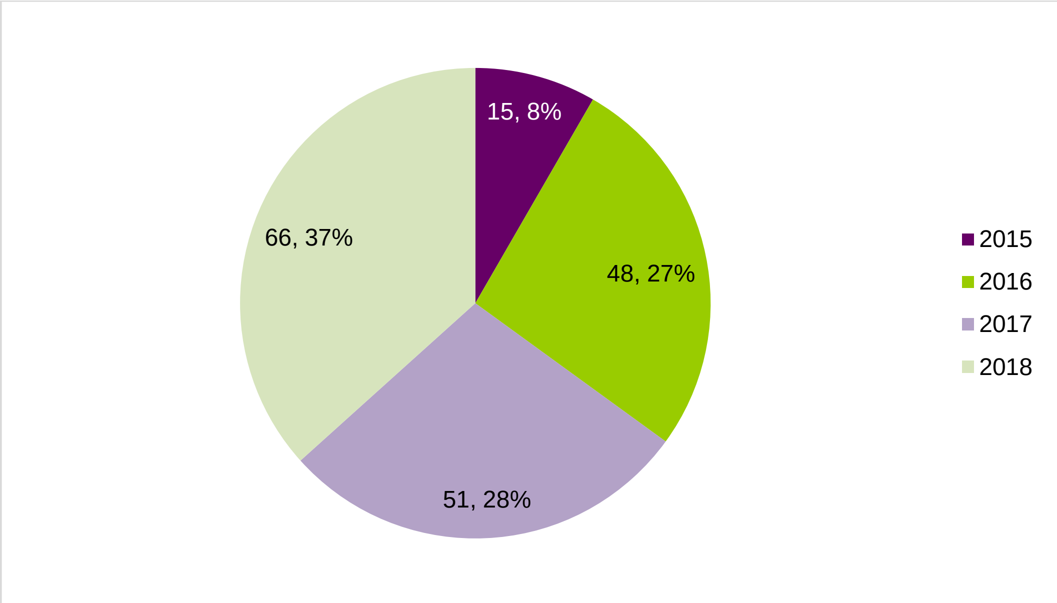
Table A2.2: Survey respondents by main business location

Local authority	No.	%	Local authority	No.	%
Highland	35	19%	Aberdeen City	4	2%
Argyll and Bute	23	13%	Angus	4	2%
Aberdeenshire	22	12%	Fife	4	2%
City of Edinburgh	17	9%	Falkirk	3	2%
Perth and Kinross	8	4%	Midlothian	3	2%
Scottish Borders	8	4%	North Ayrshire	3	2%
Glasgow City	7	4%	West Dunbartonshire	3	2%
Dundee City	6	3%	West Lothian	3	2%
Orkney Islands	6	3%	Renfrewshire	2	1%
East Lothian	5	3%	Western Isles	2	1%
Moray	5	3%	Clackmannanshire	1	1%
Shetland Islands	5	3%	East Renfrewshire	1	1%
			Total	**180**	**100%**

Source: ekosgen survey of businesses (2019)

In terms of respondents' participation in DTS, as shown at Figure A2.6 the weighting was towards those who had participated more recently, with 37% having first accessed DTS in 2018. This is a little different from participants overall as the highest number of total participants was in 2016. This is to be expected as those who have received support more recently are more likely to agree to participate in a survey.

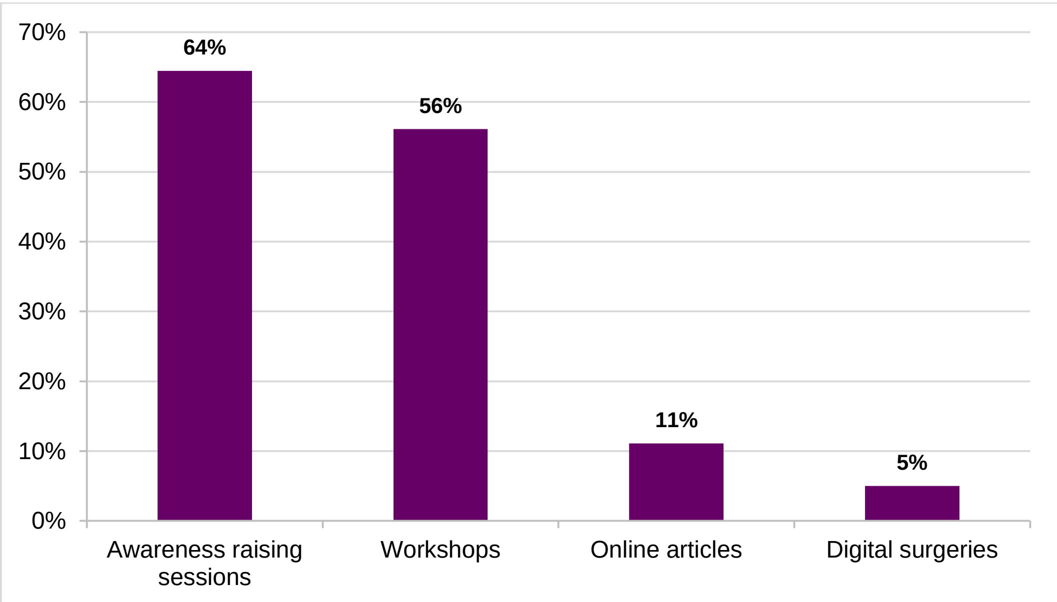
Figure A2.6: Survey respondents by year they first accessed DTS support



Source: ekosgen survey of businesses (2019), n=180

The breakdown of the support survey respondents had received through DTS is shown at Figure A2.7. Reflecting the overall figures, the most commonly accessed support types were awareness-raising sessions (64%) and workshops (56%).

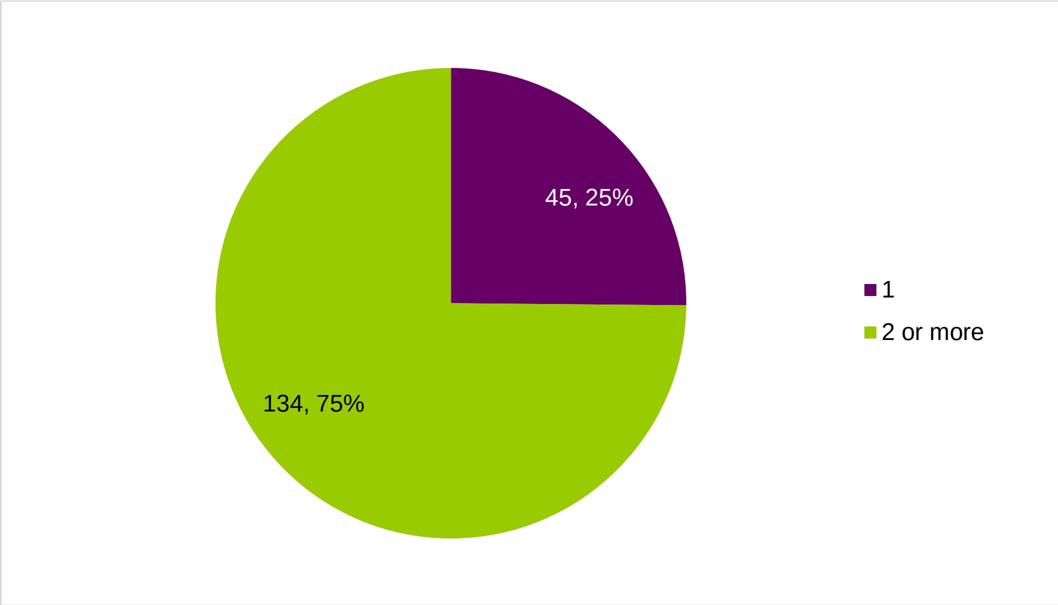
Figure A2.7: Support types accessed by survey respondents



Source: ekosgen survey of businesses (2019), n=180

In terms of their level of engagement, as shown at Figure A2.8, three-quarters (75%) of respondents had accessed two or more workshops or awareness-raising events, with just 25% having only accessed one. This suggests that respondents had a good first experience of DTS and that there has been some success in achieving the programme's aim of moving businesses along a learning pathway.

Figure A2.8: Respondents by number of events attended



Source: ekosgen survey of businesses (2019), n=180