

REPORT TO: ENVIRONMENTAL SERVICES COMMITTEE ON 30th OCTOBER 2002

SUBJECT: EVALUATION OF WHISKY FESTIVAL 2002; REQUEST FOR FUNDING FOR 2003 EVENT.

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. Reason for Report

1.1 To inform members of an evaluation of The Whisky Festival which took place in May, 2002, and to consider a request for further funding support for the 2003 event.

2. Background

2.1 At the Committee of 13 March, 2002, (item 15 refers) members approved match funding a contribution from the private sector of up to £10,000 towards the marketing of the 2002 Spirit of Speyside Whisky Festival, subject to an evaluation of the 2002 festival being provided to the Council's Tourism Working Party and the Council, to include an audited statement and business Plan including any budgetary implications for the Council, by September 2002.

2.2 The Tourism Action Plan for Moray (approved at this Committee on 6 May 2002) (item 8 refers) allocated funding to assist in developing Moray as an events-led visitor destination. A request to provide financial assistance for marketing the 2003 Whisky Festival has now been received.

3. The Proposals

3.1 The following evaluation has been carried out by the Festival organisers, which is made up of members of the Tourism Forum and distillery representatives.

3.2 Promotion

A budget of £44,000 was provided by Moray Council, Moray Badenoch and Strathspey Enterprise and the private sector, for publicity and promotion which included:

Taking part in an exhibition in the Hague, and other national and international PR and Press Trips.

Direct contact with the Whisky Club

4000 direct mailing contacts

35,000 leaflets to British Travel Authority

Promotion on the Internet, press, TV, radio, posters

The support from the Tornado Display Team and Ewan McGregor brother of Ft.

Lt. Colin McGregor generated much media interest.

The media exposure is thought to be worth well over £100,000

3.3 Events

- 146 separate events were organised over the period of the Festival, and only one had to be cancelled. All 145 events, which took place, were privately sponsored mainly by accommodation providers, distilleries, restaurants and some shops. The majority of them were paying events, with tickets sold either privately or through the TIC. They ranged from guided distillery tours to lectures, nosing, tasting, blending your own whisky and a ceilidh.
- It is estimated that all events were at 80 – 100% capacity
- 3,600 tickets were sold and it is estimated that 280 people attended the few free events.
- The total cost of staging the events is estimated to be in excess of £85,000, this was wholly funded by the private sector.

3.4 **Economic Impact**

- Research carried out by AGTB and the Festival Organisers shows that 1457 bednights were recorded as being directly linked to the Festival. However it is estimated that over 1700 bednights were sold as the research was carried out only amongst Tourist Board members.
- The number of day visitors is estimated at 400 - 500 over the period.
- The total spend for visitors staying overnight in Moray is estimated at £195,000, and indirect spend is estimated to be £53,000.
- Day visitors spend is estimated at £45,000 in total.
- A secondary impact, which is impossible to quantify, is the level of promotion for Moray as a destination that the Festival attracts. This promotion was using posters, press, TV, radio Internet and in particular the RAF Tornado Display Team.

3.5 **Debriefing**

All event organisers were invited to a debriefing meeting.

Those attending agreed that the Whisky Festival 2002 is the most successful yet. This has been echoed by other members of the trade.

- It has been suggested that the co-ordination of events could be improved to ensure no competition or gaps. This has already been taken on board by the Committee and early registration of events has been asked from the trade.
- Some would like the leaflets made available earlier and more of them. However the printing cost may be prohibitive and better targeted e-mailing is probably the answer.
- There is widespread support for a 5 years event marketing strategy, which has recently been commissioned by MBSE. This is seen as essential for the future of the Whisky Festival

3.6 **Conclusion of the Evaluation**

- 3.6.1 The information in this report regarding the 2002 event, has been compiled from correspondence with the Festival Organisers and an event evaluation meeting, and not from a formal audited statement and Business Plan. However, based on the satisfaction registered by the Trade members and organisers it appears that the 2002 Whisky Festival has been successful. The investment in marketing has been essential to the success of the festival. The Council's contribution of £10,000 was increased by a further £119,000, and resulted in expenditure of nearly £300,000 within the Moray area. Any further information regarding evaluation of the event will be reported at the Committee.
- 3.6.2 A five years event strategy/business plan, commissioned by MBSE, is currently being prepared. It is expected that it will address some of the issues such as:
- Implementing formal evaluation.
 - Forward business planning.
 - Financial sustainability.

This will also help achieve the Council's requirements to have information about forward planning and post-event evaluation of the event, to assist in assessing best use of the Council's contribution.

3.7 2003 Festival

- 3.7.1 Members approved a £60,000 budget for the financial year 2002/03 for implementing the Moray Tourism Action Plan, of which £25,000 has been allocated to support Events. The Whisky Festival Committee has now submitted a request to the Council for funding for the next Whisky Festival. The request if approved will be accommodated within that budget.

- 3.7.2 The proposed marketing and promotional costs for 2003 are as follows:

| | |
|--|----------------|
| Design, Artwork and setting costs | £ 2,800 |
| Printing of Flyer | £ 2,000 |
| Printing of Posters | £ 600 |
| Printing of Programme | £ 7,675 |
| Direct Mail Shots (3 lots @ £1,585) | £ 4,755 |
| Distribution of all items | £ 2,500 |
| Administration/Postage | £ 750 |
| Tornado Display Team promotional items | £ 1,500 |
| Development of web site | £ 850 |
| Banners | £ 2,000 |
| Contingency Monies | £ 2,000 |
| Consumer PR | <u>£ 6,000</u> |
| | £33,430 |

The Council has been asked if it will contribute £10,000 towards these costs. A contribution will be sought from MBSE, and the private sector will contribute through advertisements in the programme and leaflet (£5,500 anticipated).

- 3.7.3 Private sector expenditure towards the staging of the various events that are held is around £55,000, with other expenses such as e-marketing (£4,000) and attendance at

trade shows and exhibitions (£15,000). In-kind support from AGTB in the form of press releases; media visits; public relations etc is estimated at around £10,000.

- 3.7.4 The 2003 Whisky Festival is planned for 2-5 May. Event planning has commenced and enquiries from visitors are already being received. The organisers are anxious to proceed with further publicity requirements.

3.8 Assessment

- 3.8.1 The Whisky Festival is a key element of the strategy to promote Moray as an events based destination. The information provided and satisfaction expressed by trade members and organisers would tend to confirm this position.

- 3.8.2 There is general feeling that the Whisky Festival is a good event; brings people into the area; helps in the wider promotion of Moray as a visitor destination. The level of information supplied in evidence of this by the organisers is more anecdotal than the formal statements and plans requested by the Council and this is an aspect that must be improved on for any future contributions made by the Council.

Despite this it is considered to represent good value for Moray Councils contribution and continued funding towards the event is justified.

- 3.8.3 On this basis, it is proposed that the Council continue to support the Whisky Festival. Provision is made for this in the Tourism Action Plan, and a budget allocation is available. As part of this award, explicit conditions would be attached regarding a post event evaluation report.

- 3.8.4 a) Targets/anticipated outcomes should be identified **in advance** of the event; data and information collected; analysis made of whether the festival achieved its expectations.

For example

- The number of events to be held.
 - Number of participants in events.
 - The number of bed nights recorded.
 - Expenditure generated.
- b) A comparison with previous years results should be made (thus consistent, quantifiable indicators are required).
- c) A breakdown of actual expenditure on marketing and promotional activities should be provided, including details of any services, which were tendered for (e.g. printing costs etc).
- d) Thoughts on how the festival could become more financially self-sufficient in future, and reduce/remove the need for public sector finance.
- e) This information should be submitted to the Council in a formal written report prepared by the Festival organisers.

This information, and the outcome of the MBSE consultancy study, will allow better methodology to be applied to evaluations in future. The study should assist business

planning and identify how the Festival can become more financially sustainable and will help show value for money from the Council's contribution.

4. Financial Implications

4.1 Funding is available within the Tourism Action Plan budget to support the 2003 Whisky Festival.

5. Staffing Implications

5.1 None

6. Sustainable Development Implications

6.1 The event assists in the development of a sustainable Tourism Industry.

7. Corporate

7.1 The event assist in the implementation of the joint Moray Economic Development Strategy.

8. Consultations

8.1 None

9. Recommendations

9.1 It is recommended that the Committee agrees:-

- 1. To note the evaluation of the Whisky Festival 2002**
- 2. To contribute £10,000 towards the Whisky Festival 2003 subject to**
 - (a) the organisers confirming the proposals for the event (section 3.7 of this report),**
 - (b) acceptance of the conditions regarding provision of a formal written evaluation of the event (as set out in section 3.8 of this report),**
 - (c) confirmation of contributions from Moray Badenoch and Strathspey Enterprise and the private sector towards marketing and promotion.**

Author of Report: Pierre Masson, Business Projects Officer
Mark Cross, Principal Planning Officer

Background Papers:

Ref: PM/ESL