

Marketing Edinburgh Ltd
Annual Review



2018/2019







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01

Chairman's Message

The results speak for themselves – another great year of delivery against its objectives for Marketing Edinburgh. The report you're reading now details success across a number of functions, deliverables and partnerships.

We shouldn't be surprised – the Marketing Edinburgh team has consistently delivered for years.



Gordon Roberston
Chairman

This year? A return on investment of 90:1. For every pound spent by the Council, the team delivered £90 back into Edinburgh's economy.

It has surpassed expectations against a backdrop of reducing resources and a wider debate on city priorities.

It's right that Marketing Edinburgh is involved in the discussion on these priorities.

After all, it works at the heart of them.

Marketing Edinburgh developed and implemented the award-winning City Vision 2050 campaign on behalf of the city. It also assisted the Council in its successful campaign to win the right to consult publicly and politically on whether or not to levy tourists.

In 2018–2019 Marketing Edinburgh stepped up to the plate and did its bit.

My fellow Board members and I are proud to work with such a dynamic and dedicated team and we congratulate them on another fantastic year.

But as with all aspects of the Council given its funding settlement, we face uncertainty ahead.

People that follow Marketing Edinburgh's course will know that the Board and the management team have been alive to the changes coming and last year invested in exploring different models for the city to best reflect its requirement.

Well, events caught up with us at the beginning of 2019 and we find ourselves having to transform or cease to exist, following a 34% cut in Council funding and an additional cut to income that will reduce Council funding to zero by April 2020.

It's an important debate for the city and one which I'm delighted to say will have full participation across a range of funders, partners and stakeholders.

We passionately believe that there is a role for an organisation that manages tourism in Edinburgh and manages the city's brand and reputation in this area.

An organisation that takes the views of all, from residents to the tourism businesses, from Councillors to visitors and all those in between.

We have clear direction that such an organisation cannot expect funding from the Council.

Our task is to explore that and we have months of hard work ahead of us to do just that.

But any model that appears at the end of this process will owe a great debt to the hard work and success of Marketing Edinburgh this year and in a number of previous years. We're confident and we're excited by the future.

I hope that those reading this report will join with us in the discussion about Marketing Edinburgh's future and agree a way forward that will see many more years of success, supporting the City and delivering economic impact.



02 Commercial & Membership

Hillary Bett
Head of Commercial & Membership



The Commercial and Membership department of Marketing Edinburgh is responsible for revenue generation for the company over three key streams; Convention Edinburgh Membership, Digital Advertising Sales and Delegate Accommodation Sales.

Convention Edinburgh Membership

This year marked the introduction of loyalty awards recognising members with 5+, 10+ and 15+ years of continuous membership of Convention Edinburgh. Over 100 members were recognised in these categories. Membership fee income over the loyalty period from those organisations has exceeded £1.2M. In the financial year 2018/2019 the members contributed £285,000 in subscriptions. This year the in-kind value of contributions from our members for accommodation, food and beverage and transportation to support our client programs exceeded the £50,000 target to deliver £103,000. This essential support ensured we delivered over 106 buyer visits to the city and managed 23 site inspections for conferences with combined economic value of £30M. Member numbers fluctuated in the

year between 228 and 247 with 95% renewing their membership in 2018/2019 membership year into the 2019/2020 financial year. Support for the Convention Edinburgh membership program remains very strong.

Digital Advertising Sales

Digital sales have risen from £45,000 in 2016/2017 financial year to £53,185. This is a relatively new income stream having only commercialised the edinburgh.org website two years ago. It remains a channel with potential moderate growth year on year. Key campaigns were carried out on behalf of Social Bite, Musselburgh Race Course, Edinburgh Rugby, Waverley Mall and Edinburgh Zoo. Marketing Edinburgh's media channels offer the opportunity to market to an audience of over half a million every month over the edinburgh.org website, Facebook, Twitter and Instagram. Clients have valued the results from their advertising campaigns with us and are particularly pleased with the exceptional reach and opportunities to see (OTS) these channels can produce. Advertising spend with Marketing Edinburgh increased by 18% on last year.

Accommodation Services

A year with steep competition in our market place and where the ever-growing popularity of online travel agencies such as Booking.com, Trivago, Kayak, Expedia make the achievement of over £1M in bedroom sales through our own booking platform particularly impressive. Of the 122 conferences Convention Edinburgh assisted in bringing to the city, 37% appointed Convention Edinburgh to run their accommodation service for them. Significant contracts were Case 2018 Conference, The Cochrane Colloquium and the European Association of Hematopathology with a combined purchase of more than £366,000 of bed nights through our platform.

MEMBERSHIP & COMMERCIAL KPIS

TARGET

ACTUAL

Membership Income	£335,000	£388,000
Digital Advertising	£50,000	£53,185
Accommodation Services Commission	£950,000 room sales generating £95,000 commission	£1,086,100 room sales generating £108,610 commission
Total Sales	£480,000	£549,795

03 Business Tourism

Amanda Ferguson
Head of Business Tourism



Business Tourism, which Convention Edinburgh (CE) champions for the city, plays a key role in Edinburgh's economy delivering direct financial benefits through visitor spend across the year. Indirectly it delivers long-term benefits by profiling the city's centres of excellence, stimulating the knowledge economy and facilitating connections and collaboration. Ultimately conferences are a catalyst for innovation, progress and economic growth.

CE is responsible for positioning and promoting Edinburgh as a world-renowned, dynamic, business events destination. This aims to keep Edinburgh front of mind with event planners in key national and international markets, and to generate business event enquiries.

CE plays a pivotal role in bidding for large association conferences. This

involves close liaison with venues (e.g EICC, Edinburgh First, the Royal College of Surgeons, hotels etc) and our local ambassadors (industry experts who present the bid). This requires a collaborative approach to present the full city-offering in terms of conference venue, social venues, access and accommodation.

CE has a wider remit in helping to shape conferences, build relevant connections across the city for associations and thereby maximise their impact. This not only gives Edinburgh a competitive edge when bidding, it starts the legacy process for a conference, creating wider inclusive benefits for the city that can continue to grow and outlive the actual event. As the conduit between local businesses, academia and the public sector, CE is ideally placed to work with conference

planners to deliver a successful event, develop their legacy ambitions and bring about positive change across the city.

What is the economic impact of business events and how is it measured?

The value of a business tourist (delegate) has been calculated by VisitBritain to be worth twice that of a leisure visitor. It represents spend on accommodation, taxis, venue hire, and in restaurants, bars and shops whilst in Edinburgh. Business events also tend to take place out with July and August. In terms of good growth for tourism, the business events market is therefore very lucrative and sustainable.

By way of example, the European Orthodontic Society which held their annual conference in Edinburgh in June 2018 brought 2,000 international delegates into Edinburgh for four days.

Each delegate was worth £514 per day. The total direct economic impact for Edinburgh was therefore £4.1M.

It should be noted there is no established measurement to capture the impact of business tourism on the knowledge economy and wider legacy for the city.

Economic Impact 2018/2019

In financial year 2018/2019 CE working with members secured 115 business events worth £72.4M. These will take place in future years, attracting 46,875 delegates to the city and 164,537 bed nights.

Significant wins included:

TED Summit 2019 – £2.7M

World One Health Congress 2020 – £3.3M

The decline in conference wins experienced in 2016/17, which resulted from the Brexit referendum has halted however growth remains flat. The uncertainty around Brexit continues to affect the city’s ability to win conferences. The long-term nature of this market means that this drop in conference wins will only start to play out

in 2019/20 and 2020/21 as these events now take place. The number of confirmed conferences and anticipated delegates in these years is currently lower than would be expected.

Destinations across the UK all face these conditions and subsequently domestic competition for conferences is strong. This is further compounded by new conference venues opening, for example The Event Complex Aberdeen (2019) and the International Conference Centre Wales (2019) at Celtic Manor. In terms of capacity, these cities are targeting similarly sized conferences to Edinburgh and have the additional advantage of large subvention funds making them more affordable to conference organisers. CE has for budget reasons now closed the city’s modest subvention fund which will have a further detrimental effect on the city’s competitive position.

Digital Marketing Campaign: Make it Edinburgh

In response to the challenges presented by Brexit and working with five industry

stakeholders, Marketing Edinburgh conceived of and delivered a 12-month dedicated digital campaign for the Business Events market (Make It Edinburgh) in 2018. At its core the campaign sought to keep Edinburgh front of mind with event planners, reassuring them about political uncertainty and increase business tourism enquiries. It positioned Edinburgh as a leading destination for business events thanks to its infrastructure but also its centres of excellence in Finance, Creative, Tech, Renewables, Food & Drink and Life Science.

This campaign came to an end in September 2018 having generated 147 enquiries for the city, with a conversion rate of 22%. The continued uncertainty from Brexit has created appetite in the city to extend this campaign. Funding from Edinburgh Airport, the Edinburgh Hotel Association and the EICC has allowed the campaign to recommence in April 2019 for six months with further funding being sought from industry to extend this to a full 12 months.

BUSINESS TOURISM KPI

TARGET

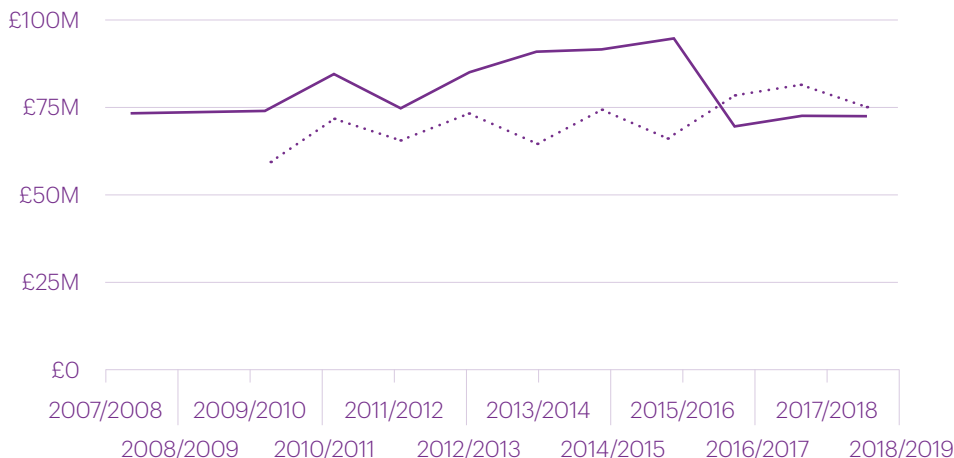
ACTUAL

Economic Impact of conferences confirmed to the city in 18/19

£75,000,000

£72,429,998

Economic Impact



—————
Economic impact of conferences won

.....
Economic impact of conferences held

04 Film



Rosie Ellison
Film Edinburgh



Film Edinburgh's role is to promote and develop the Edinburgh city region as a filming destination, attracting and facilitating film and TV productions that promote the city as an inspirational destination throughout the UK and around the world. The amount and value of filming across the UK is on an upwards trajectory thanks to UK Tax Relief for feature films and high-value TV dramas, with the value of film and high-end TV production in the UK in 2018 at over £3.1B, a 19% increase on 2017, of which £2.4B came from inward investment productions based in film studios. Following the Scottish Government's announcement of a doubling in investment in the screen sector, Edinburgh is in a good position to welcome more location filming.

Key Activities

Despite the upturn in production across the UK, 2018 was a quieter year for filming in the Edinburgh city region, with both enquiries and conversions lower than the previous year: 481 production enquiries converting to 317 filmed productions generating an economic impact for the city region of £5.7M. This includes spend on local crew and facilities, locations and services, accommodation and catering. The reduction was expected: 2017 had been an exceptional year with *Avengers: Infinity War*, *Mary Queen of Scots* and

Outlaw King all taking place during the year. Until we have a film studio it is very difficult to maintain high levels of production.

Drama highlights of 2018 included the second series of BBC thriller *Clique* about university students in Edinburgh, which filmed throughout Edinburgh for three months with three additional months spent in the city in preparation for filming; *Mr Jones*, Agnieszka Holland's feature film about a 1930s journalist who uncovers the truth about the camps in Ukraine; *Outlander* season 4 which filmed in Newhailes, Arniston and on the Hopetoun estate; *The Sopranos*, a feature film by Michael Caton Jones from Alan Warner's novel about school girls visiting Edinburgh for a singing competition; and *A Teia*, a Portuguese soap opera in which one of the lead characters spends time in Edinburgh.

Also showcasing the city region to millions of viewers around the UK were: *Aldi* advert featuring Joppa, *Bargain Hunt* featuring the Royal Mile, *Britain's Got Talent* pieces to camera, *Britain's Most Beautiful Railway*, *Countryfile*, *M&S Christmas Food* advert, *Death By Magic* (Netflix), *Seagull & Monkman's Britain*, *Secret Scotland*, *House Hunters*. Factual and light entertainment TV shows, while having a relatively low economic impact, can reach audiences of

up to 10M in the UK (*Britains' Got Talent*), while property shows often devote a full prime time hour to a region.

At the end of 2018, news came that a film studio will be opening its doors in the old Pelamis warehouse in Leith in 2019 which bodes well for our future ability to attract high-value film and TV dramas to the city region. The next hurdle will be building up the local crew base, but this will follow naturally from increased amounts of production and employment opportunities and creates the opportunity for links to local schools and colleges.

With the production workforce in mind, Film Edinburgh sponsored the well-regarded workshop for new entrants 'Hit The Ground Running' in order to bring it to Edinburgh in January 2018, recruiting 10 trainees from Edinburgh, East Lothian and the Scottish Borders. In order to raise awareness among the local crew of the depth and breadth of production personnel and services based in the region, Film Edinburgh hosted two networking events for crew and services listed in Film Edinburgh's Production Guide – our local directory of such services – with calls from the crew for these to continue (and requests for them to be more frequent!). At the end of the year, and after the annual review of listings, Film Edinburgh's Production Guide contained 282 crew, 168 production services and 58 production companies.

Film Edinburgh devoted time in 2018 to raising awareness of the service. This included giving evidence to the Scottish Parliament's Committee for Culture, Tourism, Europe and External Relations for its report into Scotland's Screen Industries and representing the Scottish Locations Network on the Screen Sector Leadership Group. At a local authority level, Film Edinburgh presented to each of the political groups represented in the City of Edinburgh Council and had regular meetings with both East Lothian Council and Scottish Borders Council economic development (tourism) officers.

The introduction of new GDPR regulations was an excellent opportunity to re-connect with every private owner of a potential filming location registered with Film

Edinburgh's Locations Library, resulting in a total of 740 active locations in Edinburgh, 138 active locations in East Lothian and 298 active locations in the Scottish Borders.

Films made in 2017 were released in 2018, providing opportunities for Marketing Edinburgh to capitalise on the on-screen promotion both locally and further afield. Film Edinburgh led on a campaign to celebrate the capital's part in *Avengers: Infinity War* with its 'City of Superheroes' campaign which ignited the city's superhero credentials over the opening weekend of the film. Activations focused on raising civic pride and included school 'dress as a superhero' day, superhero

Junior Park Run, superhero 'kids go free' on Lothian Buses, superhero-themed bar and restaurant menus, City Cabs superhero offers, *Avengers*-themed tours and rebranding of attractions, cinema offers for superhero-clad customers. The campaign results led to 9,000 page-views of the *Avengers* locations page on edinburgh.org, over 10,000 page-views of the City of Superheroes page on edinburgh.org and had a social media reach of 310,000. Media coverage was led by Edinburgh Evening News, with additional coverage in STV, The List, Scotsman and trade media KFTV, The Knowledge, Production Guild and Business Insider.

2018 Fimed Prouctions

Feature films/TV dramas

14 (-29%) = **£3.7M**

Factual/Light Entertainment

106 (-15%) = **£370K**

Commercials/Corporates

137 (-9%) = **£1.4M**

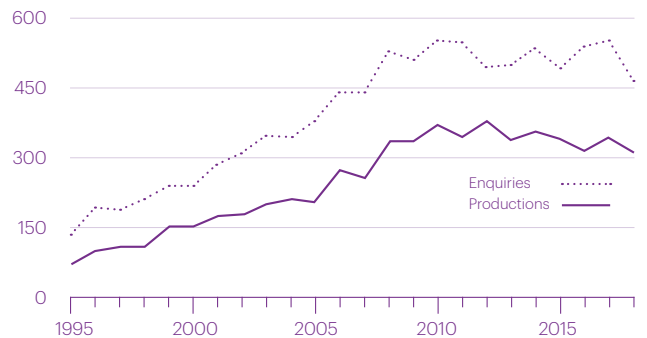
Other (shorts, art)

60 (+2%) = **£90K**

Economic impact of filming in the Edinburgh City Region 1995-2018



Filming Enquiries & Productions in the Edinburgh City Region 1995-2018



FILM EDINBURGH KPIS

TARGET

ACTUAL

Enquiries

550

481

Conversions

60%

66%

City economic impact

£7m

£5.7m

Locations

70

51

Revenue to ME

£12,000

£11,565

05 Marketing and Partnerships

Paul Wakefield
Head of Marketing & Partnerships



2018/19 was a strong year for campaign investment, creation and delivery as well as for the digital consumer channels, all managed by Marketing Edinburgh's Marketing & Partnerships team.

45% of the total Marketing & Partnerships budget was again spent on the production and distribution of three issues of the Invest Edinburgh magazine, which is managed by the Council's Economic Development Department, with a further 40% of the budget spent on company-wide PR activity, leaving a budget of just £13K for all other marketing activity. The significance of partnership work and the team's ability to leverage campaign investment from private sector partners is therefore critical to the ongoing management of consumer communications and the promotion of the city. The team has secured over £643K in partner investment, delivering a return of 50:1.

The Marketing & Partnerships team have to be very commercially focussed in order to secure partnership funding and drive additional revenue via City Pass partnerships. The team also manage all

proactive aspects of the digital advertising revenue, while also continuing to increase the value of the digital channels, to enable them to be sold commercially.

Partnerships/Campaigns

Marketing Edinburgh's model of mobilising partners across the city, to create and co-fund city campaigns, has continued to go from strength to strength, with long lasting campaign value created that is having a positive impact on Edinburgh's appeal and attractiveness to various markets and audience segments across the UK and the world.

Marketing Edinburgh successfully delivered a number of key city campaigns with partners, creating increasing levels of partner investment and audience engagement and ultimately economic benefit to the city. Examples of these campaigns are as follows:

2050 Edinburgh City Vision – the aim of the campaign was to reach every resident at least once, in order to generate visions from locals on how Edinburgh should be by 2050. The campaign reached 27M

people (50 x Edinburgh's population) and generated 550K engagements, while 20K submissions generated over 49K visions (seven times higher than New York's equivalent campaign). Also, the campaign was awarded Digital Marketing Campaign of the Year 2019 at the Edinburgh Chamber of Commerce Awards. It has also been shortlisted for two Marketing Society Awards. edinburgh2050.com

Uncover Edinburgh – an industry and city first to promote the city to a youth visitor audience during the Year of Young People. The campaign mobilised 20 social/video influencers (in pairs) with 10 themes (one theme per pair) and generated 4.9M reach and 1.3M engagements. uncoveredinburgh.org

Make it Edinburgh – another city first; a highly targeted and specialist business tourism campaign to encourage additional enquiries for new conference business to the city and drive economic benefit, at a time of uncertainty surrounding Brexit. As described in the Business Tourism section on page 9, the campaign exceeded its target to achieve 6M reach, 34K engagements and 5M PR OTS

(opportunities to see) while also generating 147 enquiries.
makeitedinburgh.com

Marvel Avengers ‘City of Superheroes’

– one weekend in April dedicated to showcasing Edinburgh as the ‘City of Superheroes’, to coincide with the global film premier of Avengers: Infinity War in Scotland’s capital. Over 45 partners were Mobilised to provide a variety of themed offers, generating 7.4M digital reach and 7M PR OTS around this one-off event – putting Edinburgh on the global stage.

China Ready Social Media – this project, managed by ETAG to create and manage Chinese social media channels for the city, now has 78K combined followers and 129.6M impressions on Weibo and WeChat channels. Edinburgh’s official WeChat account is ranked in the Top 10 World DMOs WeChat channels (source: Dragon Trail). The channels provide an invaluable and direct channel to the dynamic and fast growing target market for visitors and students alike, thus securing additional economic benefit for the city.

Edinburgh-China Air Link project (E-CAL)

– June 2018 saw the inaugural direct flight between Edinburgh and Beijing, following eighteen months of hard work by Marketing Edinburgh to secure private sector investment and sponsorship in order to secure this important air route for Scotland, in conjunction with Edinburgh Airport and City of Edinburgh Council.

City Passes – Marketing Edinburgh partnered with two city pass providers in 2018/19; one existing – ‘Royal Edinburgh Ticket’ and one new – ‘Edinburgh City Pass’

– both offering visitors great value and convenience of access to a range of city attractions, thus continuing to enhance the visitor offer. Both passes are available to buy at edinburgh.org/pass

Culture – The Marketing & Partnerships team has continued its ongoing strategic marketing and commercial support of the Council’s Cultural Venues and Services: delivering an exciting new brand identity, consumer campaign and website for the Usher Hall (Everything Live! to be launched later in 2019), a bold new brand identity and website for Culture Edinburgh aimed at Edinburgh’s culture and events practitioners and community, plus, the ongoing marketing and promotional support and the continuation of the Discover:Rediscover campaign for Museums & Galleries Edinburgh.
usherhall.co.uk
cultureedinburgh.com
edinburghmuseums.org.uk

This is Edinburgh Consumer Channels

In addition to city campaigns, Marketing Edinburgh’s Marketing & Partnerships team has also continued to drive traffic to its *This is Edinburgh* consumer channels: ‘The Official Guide to Edinburgh’ the primary and highly respected online resource for local residents, visitors, students and prospective investors. On edinburgh.org total annual sessions were 1.8M (average 150K per month) 89% of the year end target of 2M. Aug-Nov performed well ahead of target otherwise a lot of months fell behind. The main reason for the shortfall is that most 2017/18 campaigns have been located on sites created by Marketing Edinburgh but that are external to edinburgh.org and so traffic has not

counted towards the figure (combined sessions are only 4% short of target when factoring in all campaign websites). Also, Uncover Edinburgh generated a digital reach of nearly 5M while no consumer website platform was created to record sessions. Organic referrals to the site (search) remain high at 81% with 48% of traffic from international locations. So overall, a very strong performance.

Social Media – Facebook, the strongest channel, continues to be hit by algorithm changes by Facebook, while Twitter and Instagram have performed well. Expanding team priorities means that servicing core social channels remains a challenge, while campaigns living off core This is Edinburgh channels also impacts negatively on KPIs. Total social followers at year-end are 456K, just 4% behind the 475K annual target, while engagement remains high (5.49%: Facebook, 2.28%: Twitter and 8.45%: Instagram).

eNews – subscribers have grown slowly, following a dramatic and a far higher than anticipated fall, post GDPR in May. Total followers are 12.7K while average open rate is well above target at 29.3% and click through rate (CTR) a healthy 17.5%.

PR – 26 press trips achieving over 31M PR OTS. In addition, a total 325 articles were produced; generating a further 650M PR OTS in a range of quality regional, national and international publications.

This is Edinburgh’s reach continues to show significant and exciting growth, year on year, across all of its channels; both online and offline. In the last four years, The Official Guide to Edinburgh has reached over 79M.

PARTNERSHIP KPIS

TARGET

ACTUAL

Partnership revenue

£613,000

£643,200

New partners signed

4

6

Partner retention

80%

100%

06 Operations

Gail Thorburn
Head of Operations



Operations exists to support the key business functions in ensuring that the environment, facilities and processes are fit for purpose, ensuring the smooth delivery of the business.

This philosophy allows the functions to focus entirely on the delivery of their objectives.

During 2018/2019 further processes were developed and refined to ensure a more efficient support operation.

Key Activities for 2018/2019

Operational Budget

The Operations budget for 2018/2019 was once again scrutinised to reduce costs.

Further savings in operational costs were identified in several other areas including stationery procurement, professional fees and copy and printing costs.

IT Upgrade

2018/2019 saw the final phase of the three year project of the upgrade to Marketing Edinburgh's IT system and equipment upgrade.

The new system is operating well and has considerably improved efficiency and functionality.

Audit

French Duncan conducted the annual accounting audit for 2017/2018.

It was pleasing to note that once again Marketing Edinburgh achieved a clean audit.

Staff Benefits

Following on from the results obtained during the staff survey, a report paper detailing potential changes to staff benefits has been prepared and will be submitted to the Board of Directors for consideration at the April 2019 Board meeting.

GDPR

During 2018/2019, Marketing Edinburgh has appointed a Data Protection Officer for four hours each month to assist and advise with GDPR.

This service has enabled us to be more confident that we are meeting all obligations in relation to GDPR legislation.

We also achieved Cyber Essentials accreditation in June 2018.

OPERATIONAL KPIS

To achieve Cyber Essentials Accreditation

TARGET

July 2018

ACTUAL

June 2018

To identify further opportunities to make financial savings over the operations aspect of the business by reviewing suppliers

Savings of between £2K and £4K to be made

Savings in excess of £6.5K identified

Achieve clean accounting audit

August 2018

August 2018



07 Appendix

KPIs	2017/2018 Achieved	2018/19 Target	2018/2019 Achieved
Commercial & Membership			
Membership Revenue	£356K	£335K	£388K
Accommodation Services Commission	£121K	£95K	£108.6K
Digital Advertising Revenue	£46K	£50K	£53.2K
Business Tourism			
Economic Impact	£72.25M	£75M	£72.4M
Film			
Enquiries	559	550	481
Conversion Rate	62%	60%	66%
Locations	71	70	51
Economic Impact	£16.1M	£7M	£5.7M
Film Revenue	£12.6K	£12K	£11.6K
Industry Workshops	-	2	4
Marketing & Partnerships			
Partner investment	£569K	£613K	£643.2K
New partners signed	6	4	6
Partnership retention	100%	80%	100%
edinburgh.org sessions	1.9M	2M	1.8M
Social followers	415K	475K	456K
eNews Subscribers	27.4K	32K	12.7K
China Ready Social Media followers	61.5K	75K	78K
PR OTS (opportunities-to-see)	888.9M	900M	681M
Usher Hall Income	TBC	£2.31M	£2.31M
Museums & Galleries Edinburgh Income	£775K	£1.245M	£TBC
Museums & Galleries Edinburgh Footfall	620K	764K	775K
Operations			
Achieve Cyber Essentials Accreditation	-	July 2018	June 2018
Financial Savings	-	£2-4K	£6.5K
Achieve Clean Accounting Audit	-	August 2018	August 2018

Please refer to the relevant sections within the reports on the previous pages, for full commentary and explanation of KPI achievements.





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