A Situational Analysis of the Walsall Illuminations

An Interim Report to Walsall MBC

14 February 2006

Contents

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1: Introduction

Background

1.1 As far back as 1875, light based events were being held at the Arboretum in Walsall. It was not until 1951 when a one week light display was held as part of the Festival of Britain, that the Illuminations became a regular event in Walsall.

1.2 Still held at the Arboretum, ten minutes walk from the Town Centre, the Illuminations are now an annual fixture in the Walsall cultural calendar. The event takes place over six weeks between mid-September and October, attracting upwards of 200,000 paying visitors from across the West Midlands and the UK. From relatively low-tech beginnings the event has now progressed to themed displays and laser shows to (see Figure 1-1) to attract audiences.

Figure 1-1 – Sample displays from Walsall Illuminations

1.3 However, while the longevity and tradition of the event means it is well regarded by many in the town, there is a feeling that event needs to 'reinvent' itself, if it is to remain a relevant offer in an increasingly crowded visitor economy. This concern is reflected in the declining visitor numbers over the last five years to the Illuminations – visitor numbers at the 2005 event were 188,500, down from a peak of around 200,000.

A Situational Analysis of the Walsall Illuminations

1.4 To address this situation, in August 2005 Walsall MBC commissioned SQW Ltd (SQW) and The Tourism Company to undertake a situational analysis for the Walsall Illuminations event. The aims of the study are twofold:

- To assess the:
    - Economic impact of the event,
    - Wider benefits of the event for Walsall, and
    - Strategic fit of the Illuminations with wider initiatives in the town and the wider West Midlands
- Make recommendations for the future operation and delivery of Walsall Illuminations.

1.5 This report takes a necessarily top-down strategic view of the Illuminations event. The report will inform Phase 2 of SQW's work to generate consensus on the future direction for the Illuminations and to develop a business/marketing plan to deliver this. In parallel with this Situational Analysis study, the consultancy firm Vision XS has undertaken a 'Visitor Experience Analysis' to examine in detail the quality of the event experience.

The content of this report

1.6 This draft report represents an initial Situational Analysis of the Illuminations and is based on the following activities undertaken by SQW and the Tourism Company:

- Stakeholder consultations with 15 consultees (See Annex A for full list)
- Two visits to the Illuminations
- A workshop with Tourism businesses and support organisations in Walsall
- An economic impact assessment based on data from survey by Vision XS
- A meeting with Vision XS and attendance at a Vision XS workshop.

1.7 The remainder of this report is structured as follows:

- Section 2 – Background and strategic context
- Section 3 – Qualitative views on the Illuminations
- Section 4 – Economic Analysis
- Section 5 – Initial ideas for event development.

2: Background and Strategic Context

Background

2.1 In this Section, we assess the strategic context for the study. Increasingly, tourism and the visitor economy are being recognised as major economic drivers, with the potential to draw in high levels of 'new' spend to economies. The West Midlands is no exception, with the Regional Economic Strategy explicitly referring to the economic potential of the Visitor Economy.

2.2 More specifically, this Section looks at the West Midlands Visitor Economy Strategy and its sister document the Regional Marketing Strategy. While there is no direct reference to the Illuminations in either of these documents, they guide the region's strategic direction for tourism and drive resource allocation for future actions to develop the visitor economy. Locally, we examine the key strategic drivers for tourism in the Black Country and at the level of Walsall, and reflect on the findings of the 2003 Walsall Tourism Impact Assessment.

The West Midlands' Regional Economic Strategy

2.3 The RES sets out four 'Pillars' of strategic imperative to develop the economy of the West Midlands. Under the first Pillar 'To develop a diverse and dynamic business base' – there is an explicit challenge noted about the need to develop the visitor economy of the region.

2.4 The RES notes that in 2002 the visitor economy accounted for over 28,000 businesses and generated over £6billion for the West Midlands economy. However, the RES also suggests the visitor economy could be improved by increasing workforce skills and developing its offer to cater for a more sophisticated audience.

Tourism West Midlands and the Visitor Economy Strategy

2.5 The key strategic agency for tourism in the West Midlands is Tourism West Midlands (TWM), a multi agency group comprising public and private bodies and encompassing the Tourism and Leisure Cluster Action Group (COG). The remit for TWM includes ensuring delivery of the West Midlands' Visitor Economy Strategy, through bodies such as Visit Heart of England Tourism and the Regional Centre for Tourism Business Support.

2.6 The Visitor Economy Strategy sets out a vision that by 2010, 'the West Midlands visitor economy will be recognised for its continuing growth, and for the excellence of a number of sophisticated, world class urban and rural destinations for business and leisure visitors. . .'.

Strategic Aims

2.7 The Strategy sets out three aims to deliver the Vision for the Visitor Economy, namely to:

- Add value to the West Midlands' Visitor Economy

- Enhance the West Midlands for residents and visitors
- Support local businesses and cultural life

2.8 Under the first aim, there is an ambition to attract higher spending over-night visitors, business custom and visitors from outside the region, clearly targeted at boosting the impact of tourism on the West Midlands' economy. Attracting business and overnight visitors is perhaps beyond the aegis of the Illuminations, but, we note in Section 4, the Illuminations manages to attract a good number of visitors from outside the West Midlands.

2.9 Perhaps of greatest relevance to the Illuminations is ambition under the third Aim namely 'to enhance and promote what is distinctive and unique about the region/sub-region'. Clearly, the Illuminations are a unique event in the region and contribute to the colour and vibrancy of the Black Country and Walsall visitor economies.

2.10 The Strategy also identifies five Themes around which they will develop the tourism product. One of the themes is 'Festivals and Events' and the Strategy highlights the need to co-ordinate and support regional festivals, an ambition clearly of relevance to the Illuminations.

Key Destinations

2.11 The strategy identifies the key destinations and gateways that are crucial for the Visitor economy in the region, such as Birmingham, Alton Towers, Ironbridge, but notably nowhere in the Black Country. However, Walsall is identified as one of the centres for future development and interestingly, the Strategy notes that investment into these future destinations 'must be sustained'.

The Importance of local authority delivery partners

2.12 Local Authority partners are identified as being essential delivery agents for the Strategy. The ambition of the Strategy is to create sub-regional 'Destination Management Partnerships' into which local authorities would contribute. A long list of roles for Local Authority partners is set out, including funding, promoting and marketing tourism activities.

To conclude

2.13 The Strategy sets out in broad terms the future direction of travel for the Visitor Economy in the West Midlands. There is a sense that partners, not unreasonably, should back winners, with a view to boosting the economic impact of tourism on the region. For Walsall and the Black Country, the strategy acknowledges that there is work to do to develop the tourism offer, but there is little hard commitment in terms of the scale and scope of resources available to do this. Given the sub-region and Walsall are lower down the tourism pecking order; It is likely that the monies available for development will not be of any magnitude.

The Regional Marketing Strategy

2.14 Dovetailing with the Visitor Economy Strategy is the West Midlands Marketing Strategy, which sets out to promote and enhance the perception of the West Midlands. UK wide research informing the Strategy identified that awareness of the region was low, with variable levels of awareness about the sub-regions. It was also observed that on the whole the perception of the Black Country was a negative one.

2.15 The Strategy notes that the West Midlands needs to be successfully 'packaged' with specific programmes such as the Visitor Economy, International and Cultural Strategies combining to enhance the region's image.

2.16 Under Objective 2 of the Strategy – Improving the region's image among key audiences – tourism and the visitor economy get specific mentions. Leisure and Business visitors are identified as being one of the key groups to target 'whose perceptions have an impact on the economic well being of the region'.

2.17 The Regional Marketing Strategy is, perhaps not surprisingly, a more ephemeral document than the Visitor Economy Strategy. Changing long-held perceptions of an area takes time and is not an exact science. How the Illuminations ties into the Strategy is difficult to gauge. On the one hand, a strong Illuminations event will contribute positively to the perception of the area, although the traditional nature of the event may be the sort of image the region is trying to shed. This highlights one of the conundrums for the Illuminations management – whether to develop a more progressive and external facing event that may alienate a core audience; or to stick with tradition at the risk of losing strategic relevance.

The Visitor Economy of the Black Country

2.18 The West Midlands Visitor Economy Strategy advocated the development of 'Sub-Regional Destination Management Partnerships' to co-ordinate sub-regional visitor economy development. Locum Destination Consulting, on behalf of the Black Country Consortium, produced 'The Black Country Visitor Economy: Vision and Strategic Framework' in March 2004.

2.19 The framework highlights the need for the Black Country to develop a co-ordinated tourism offer and strategy and tap into the opportunities presented by significant destination centres on the Black Country's fringes. The emphasis is on developing the necessary critical mass throughout the sub-region for it to be regarded as a visitor economy destination.

2.20 Although the Illuminations are mentioned briefly in the Strategy, they are not presented as a major sub-regional asset. However, the regeneration of Walsall Town Centre is seen as significant, as is the development of the Walsall Waterfront. Also mentioned is the Leather Museum and Walsall Art Gallery as potential trip generators to the area. What is critical is that the Walsall offer stands up to scrutiny and punches its weight within the sub-region. The Illuminations could be a significant part of the critical mass needed within the sub-region. However, it seems that there is little current appreciation of the event in the strategic development process.

Tourism in Walsall

2.21 In 2003, a Tourism Impact Assessment was undertaken for the Walsall Local Authority area. Noteworthy findings include:

- Annually, 4.4 million visitors came to Walsall, of which 9 per cent stayed overnight
- In total, visitors spend around £180m pa in Walsall, of which 35% was by overnight visitors – this is broadly in keeping with the regional level of 36%
- Of the £180m spent, £61m was spent on retail; £59m on catering; £23m on transport; £19m on accommodation; and £18m on entertainment and leisure
- 4,990 jobs in the Walsall economy were dependent upon multiplier spend from the tourism sector, 3,755 directly and 1,235 indirectly.

Connectivity within Walsall MBC and local partners

2.22 The extent to which the Illuminations, and the wider visitor economy, are reflected in the strategic ambitions of Walsall MBC and its partners will give some indication of the political capital and potentially resources the event can rely on in future.

2.23 Walsall MBC's Corporate Plan sets out the Vision and Priorities for the Council for the next year. As part of the Vision, the Council makes reference to a cultural renaissance and the desire that Walsall residents will be proud of their borough and what it will become. The Strategic priorities for the Council include 'encouraging everyone to feel proud of Walsall' and 'strengthening the local economy' – under both of which actions to develop the Illuminations could be considered.

2.24 The Walsall Regeneration Company (WRC) has a remit to deliver physical regeneration across parts of the Borough. The WRC has already put together an innovative suite of proposals designed to regenerate Walsall physically and economically, for example the Walsall Waterfront development. One of the plans afoot is to regenerate the area outside the Walsall Art Gallery to create a plaza area, designed to attract and promote the visitor economy in the town. While there is little direct cross-over, there should certainly be scope for Illuminations management to tie in their work into the physical regeneration activity being undertaken by the WRC.

Conclusions

2.25 Clearly, the visitor economy is important for the West Midlands, with partners placing significant strategic emphasis on developing and growing the sector. Attractions now have to provide more than just a 'visitor experience', but also need to show measurable economic impact for their areas and the region.

2.26 Positioning the Illuminations in the strategic milieu is easy in the sense that it fits neatly under the Festivals and Events theme of the Regional Tourism Strategy, for example. However, not surprisingly, much of the strategic thinking is focussed on backing internationally renowned places or events e.g. Iron Bridge or Stratford. Realistically, Walsall Illuminations will not be able to compete with major regional attractions, but this should not detract from efforts to better position the event within the regional visitor economy and contribute to the local quality of life.

2.27 Against this background, the impression is that the Illuminations are very much a locally focussed event, whose fortunes will be determined by decisions from within the local authority. To date, we have seen little evidence to suggest that the Illuminations or events development is a strategic priority for the Council. In the last three years, Walsall MBC has placed a major emphasis on improving its performance and core service delivery to residents. Within this context, it perhaps is not surprising that Illuminations have not been a top priority.

2.28 Major development of the event will not only require resources, but also awareness raising at a political level as to the potential benefits of a new and revitalised event. Assuming the Council continues to improve, there should be more political capital to address the challenge of developing the event.

3: Qualitative views on the Illuminations

3.1 This Section provides an overview of the qualitative messages emerging from the Stakeholder consultations, the workshop held with Black Country tourist businesses and support organisations and of our thoughts and impressions from two visits to the Illuminations.

3.2 The 14 stakeholders consulted included the Management Team for the Illuminations, strategic players within Walsall e.g. the WRC, the Chamber of Commerce, concession stall holders operating at the event, a local councillor and the Arboretum user group. Annex B has a full list of consultees.

Key messages

Image and Profile

3.3 The Illuminations were viewed with remarkable fondness by the large majority of consultees. For many in the town, the event is a long-standing family tradition, engrained in the culture of Walsall. Furthermore, the Illuminations are an exclusive event in the region and are an excellent way of raising the profile of the town within the West Midlands – "perhaps after the football club, the Illuminations are the only things that raise the external profile of the town". The 'exclusivity' of the event is inextricably linked with the high profile it generates for the town and on a cautionary note, significant moves away from an Illuminations focussed event, risk diluting the event to 'just another funfair'.

3.4 The flipside to the generally positive view of the profile of the event was a consensus that the Illuminations is old-fashioned and fails to reflect Walsall's wider aspirations to project a more modern and dynamic image. Re-shaping the event for a modern audience, while maintaining its exclusivity in the region and retaining a traditional feel, will be one of the key challenges for Phase 2 of the work.

The Core Product

3.5 In an increasingly competitive visitor economy offer, maintaining the status quo will not, in the long term, be enough to sustain or grow visitor numbers. This general view was corroborated by the work undertaken by Vision XS which highlighted the lack of any stand-out experiences for visitors as they walk around the park.

3.6 The main Illuminations offer is two-dimensional painted displays adorned with coloured light bulbs. While these retain some of the traditional feel of the event, the core product needs 'livening up'. Past a certain age of visitor, the lights do little more than provide 'a nice backdrop' to a walk around the park. Widely noted was that expectations have risen among young people as to what they expect from entertainment offers. Highly sophisticated computer games are now commonplace and the real magic of the Illuminations has been lost for all but the very youngest visitors (3-4 years old).

3.7 The organisers of the event have a good understanding of the event's market and so have a relatively good track record in introducing new features. For instance, the Ferris Wheel, introduced this year, has been well received well and gained high ratings in Visions XS's visitor experience impact assessment. However, it is true to say that without clear objectives for the event and with severe resource constraints, new developments appear piecemeal. For instance, the event has commissioned a number of approaches to incorporating art with varying levels of success. Some sculptural commissions have been deemed successful, but others have lacked sufficient impact when set against the rest of the event.

The Core Audience

3.8 The core audience for the Illuminations is families with young children. The Illuminations should think carefully about moving away from this core audience; attracting the over-tens would require a higher impact visitor experience, something that would come at a financial cost and could alienate existing family clientele.

3.9 However, if the ambition of Walsall MBC is grow the visitor numbers to the Illuminations, this may require them to tap into new local markets. The Illuminations currently attracts circa 200,000 people per annum, of which we estimate 50% are from within Walsall (population 250,000), as such there may be limited additional capacity in the young families market. Alternatively, the event could look to retain its 'family feel' and market itself more creatively to young families outside of the Borough.

3.10 Attracting more external visitors would serve two additional purposes: to improve the economic impact of the event, with more new money flowing into the Walsall economy; and to get fresh blood into a town that it is still shackled with a negative images, despite ongoing regeneration efforts.

3.11 A second potential untapped market is the Black Minority Ethnic communities in the Black Country. The Illuminations could, for example, tie in with other light festivals such as Diwali to appeal to a wider audience. However, this approach risks alienating the core audience and the Illuminations management were mindful of the need to keep visitor numbers up. Further, there was a strong suggestion that BME communities were already well represented at the Illuminations, suggesting the need for specifically targeted events may be modest.

Location

3.12 The Illuminations are synonymous with the Arboretum and there is little real appetite for a change of location. Moving the event might risk losing the cachet and tradition of the event, something that takes a long time to build up, but is easily lost.

3.13 In some quarters there was a feeling that the event would struggle to encourage footfall either to or from the town. Indeed, parents are unlikely to want to head into town after taking their children to the event. However, while this is a valid concern, there is potentially much more the event could do, at a relatively low cost, to promote its presence in and around the town centre. Creating a feel across the town that the Illuminations are taking place was seen in some quarters as critical to improving the impact and buy-in to the event.

Timing

3.14 The consultations threw up a lively debate surrounding the timing of the event. There were those advocating moving the event to slightly later in the year to become a Christmas event, whilst others thought an extension of the event to include Halloween would be beneficial. There were also advocates of an earlier event held in the summer – generally, however, this idea got short shrift with other consultees who noted the requirement for darkness for the lights to be effective.

3.15 In terms of a slightly later event to take advantage of Halloween and potentially Christmas, one of the main concerns was the poor weather in November. However, an analysis of rainfall data for the UK and the West Midlands does not bear this theory out – while November is wet, October has been the wettest month four out of the last six years measured.

Staffing and Event Management

3.16 The majority of consultees were positive about the staffing and management of the event. It was widely recognised that the Illuminations rely on the dedication and goodwill of Council staff whose fulltime jobs are not always focussed on running the event, reducing risk taking and novel approaches.

3.17 Apparent was that the main focus of the event staff is on delivery, with insufficient time and capacity to think strategically about the direction of the event. The event is expected to produce a net income for the Council. Although not necessarily a bad thing in itself, the need to provide income appears to have contributed to the development of a 'safety in continuity' approach to the event.

Pricing Policy

3.18 To remain competitive with other similar priced visitor attractions e.g. cinema/ten-pin bowling etc the Illuminations pricing policy was considered important. Indeed, the price of the event was already felt by some to be expensive – adults pay circa £5, children £3.50, with family tickets available from £12-£15.

3.19 Set against the context of declining visitor numbers, there was perhaps a temptation to raise ticket prices, so the event continues to 'wash its face' financially (In 2004, the event made a loss). This should almost certainly be avoided, unless there was a significant investment in the visitor experience.

Strategic Position and Partner Buy-in

3.20 It is clear the Illuminations exists in relative isolation from the rest of Walsall, both geographically and strategically. This isolation is reflected in the lack of wider partner buy-in to the event.

3.21 Within the Council it was noted that the event is becoming increasingly hard to sell and that partners take the event for granted. Indeed, the Council attracts criticism from residents asking why the Council is running an Illuminations event, rather than focussing on core activities.

3.22 The New Art Gallery could do more to arrange complementary exhibitions to coincide with the Illuminations. There was some confusion on the part of some consultees as to why a light-based exhibition at the town's museum started after the Illuminations have finished.

3.23 Town centre traders were not actively supporting the event, but given the lack of any cross-over between the Illuminations and town centre traders this was not surprising.

Wider Benefits

3.24 The widely held view was that the Illuminations are not well integrated into the wider town and as such there is little trickle down of economic benefit to the town centre. There is little link up with retailers in the town and one consultee observed that "if you were in town you wouldn't know the Illuminations were on".

3.25 Some consultees felt that, given the location of the Arboretum, this lack of connectivity with the town centre was unavoidable, while others thought much more could be done to draw visitors into the town centre or vice versa, visitors from the town centre could be drawn to the Illuminations. Data from the survey, however, suggests that the vast majority of people attending the Illuminations make a specific decision to do so – it was very rarely an event people attended by a chance visit to Walsall. It was noted that in previous years, lights have been placed in streets leading to the Arboretum, not something done in 2005. This lack of presence outside the Arboretum potentially adds to the feeling of separation from the town.

Conclusions

3.26 This Section has presented an overview of the range of partner opinions about if and how the Illuminations should be taken forward. On the one hand, there were relatively conservative traditionalists who do not necessarily recognise the need for wholesale change to the event. Set against this, there were clearly people with more assertive views that the Illuminations needs to be modernised and transformed, if it is to remain a relevant event that contributes to the cultural life and economic performance of the Borough. These viewpoints were largely drawn along the lines of Walsall residents (e.g. concession holders, local councillor etc) and the more strategic level consultees who are likely have a keener eye on the purse strings and the numbers of visitors coming through the door.

3.27 To develop a meaningful business plan and marketing strategy for the Town, we will need to generate some level of consensus on how to take the event forward. This will require an open session to discuss the various options and to assuage any fears that stakeholders might have about developing the event.

4: Economic impact

Introduction

4.1 The Economic Impact Assessment (EIA) of the Walsall Illuminations is based upon data collected during a Vision XS survey carried out during the 2005 Illuminations event. Figure 4-1 sets out the logic and vocabulary of our economic impact assessment.

Figure 4-1 – Economic impact calculation

Figure 1: The gross-net output adjustment vocabulary

Gross visitor spend	⇨	The gross spend by visitors to the Illuminations
Gross attributable spend	⇨	Spend directly attributable to Illuminations visitors
Gross additional spend	⇨	Gross attributable spend less any 'deadweight' or non-additional output – i.e. output that would have been secured without the Illuminations
Net economic impact	⇨	Gross attributable spend less output leaking to beneficiaries outside the relevant area, less displacement or substitution effects, plus multiplier effects in the form of income or supplier (sometimes called linkage) effects

Visitor Expenditure

4.2 In order to fully understand the level of economic impact generated by the event we have constructed a model that details each of the strands of expenditure by the various groups and to avoid double counting. The three main areas of economic impact we have examined are:

- Spend by visitors to the event
- Spend by concession holders selling goods/merchandise at the event
- Spend by Walsall MBC in putting on the Illuminations event.

4.3 To note, in developing this economic impact analysis of the Walsall Illuminations, it has not always been possible to work with data from the same year. For example, the visitor survey data is from 2005, but the budget figures for the event are for 2004 (Walsall MBC do not yet have figures for the 2005 event). However, as we understand it the expenditure/income figures will not have changed to the extent that it is likely to over/under estimate the economic impact of the event.

Spend by visitors to the Illuminations

Attendee numbers and profile

4.4 Table 4-1 highlights the number of visitors attending the 2005 Illuminations. The total number of visitors attending the event was 189,000. There are no concrete data on the exact numbers of adult and children visitors to the event. Walsall MBC only measures numbers of Adult, Concession (including OAPs, unemployed adults, and children) and Family tickets sold.

Table 4-1 – Breakdown of attendees 2005 (Source: Walsall MBC and Vision XS)

	Adults	Children (4-16)	Total
2005	113,000 (60%)	76,000 (40%)	189,000 (100%)

4.5 During the survey by Vision XS survey, 215 adults were surveyed and asked 'how many adults and children are in your group'. From the data received 67% of visitors were classified as adults and 33% children. From their separate visitor experience study, Vision XS counted 55% adult visitors and 45% of visitors were children. In lieu of definitive data, we have estimated that 60% of visitors were adults and 40% were children.

Attributed Spend

Adults

4.6 To derive spend metrics per head, visitors were asked how much they had 'personally' spent during their trip to the Illuminations. Scrutiny of the survey data suggests that in the large majority of cases, adult respondents (the survey only asked adults' questions) quoted spend levels for the whole family or group with whom they attended the Illuminations. This is a reasonable response, given that one family member may pay for the whole trip – but it makes disaggregation of spend per head metrics challenging.

4.7 Rather than trying to assess which visitors were quoting group or individual spend levels – tricky to do – the first assumption is that adult respondents were quoting for their total group expenditure. This is a less crude assumption than it first appears – in many cases respondents attended the event as a family, where one family member might be expected to pay for the large majority of the expense. Further, an analysis of the data on ticket prices suggests that in 90% of responses, the adult survey respondent was referring to money spent for the whole group, and not just for them as an individual. This analysis was validated by cross checking the total group size against the amount spent on tickets.

Children

4.8 No interviews were conducted with children and as such no proxy data is available for their possible spend levels. However, given that the majority of children attending the event are below ten years old (85% according to Vision XS data), we consider it unlikely that they are spending significant amounts independently of their parents while attending the event. Our second significant assumption therefore is that children do not themselves spend money at the Illuminations.

Average Spend per Adult Visitor

4.9 We have assumed survey respondents were quoting for total group expenditure, yet in many cases there was more than one adult per group. For the purposes of the impact assessment, we need to calculate the average spend per adult visitor. This was done by dividing total spend of all survey respondents (gross group spend) by the total number of adults respondents said were their parties visiting the Illuminations (gross number of adults). The average spend were adult head is as shown in Table 4-2, below.

Table 4-2 – Average spend per adult visitor (£s)

On-site spend		**Off-site spend**				
Tickets	Food/Drink and rides	Travel	Food & Drink	Accommodation	Retail	TOTAL spend per adult head
5.32	5.00	0.36	0.42	0.12	0.26	11.48

4.10 Notably, the large majority of total spend (81%) is on the site of the Walsall Illuminations, reiterating the impression that the event exists in relative isolation from the wider economy of Walsall.

Total Gross Expenditure

4.11 Estimated gross expenditure is calculated by multiplying the total number of adult visitors by the spend per head levels calculated in Table 4-2. The total gross expenditure for the 2005 Illuminations event was £1,274,000.

Table 4-3 – Estimated gross estimated spend (£s)

On-site spend		**Off-site spend**				
Tickets	Food/Drink and rides	Travel	Food & Drink	Accommodation	Retail	TOTAL
590,000	555,000	40,000	47,000	13,000	29,000	1,274,000

Additionality of Spend

4.12 Not all of the expenditure will be additional to the Walsall area. The calculations must first take into account the deadweight effects of those visitors who were in Walsall anyway, and spending money, for other reasons than attending the Illuminations.

Main reason for visit to Walsall

4.13 As part of the Illuminations survey, visitors were asked 'Are the Illuminations the main reason for your visit to Walsall?'. This may seem an unlikely question given that people were questioned at the Illuminations. However, it could be that people were in Walsall on a business trip for example, and decided to visit the Illuminations as a spur of the moment decision – true in the case of one respondent. In such cases, these visitors' spend is discounted. Table 4-4 shows the survey responses to the question: "Was visiting the Illuminations the main purpose of your visit to Walsall?'

Table 4-4 – Was the Illuminations the main purpose of your visit to Walsall?

Year	**Yes**	**No**
2005	98%	2%

4.14 Not surprisingly, the vast majority of respondents cited attending the Illuminations as the main reason for their visit to Walsall. For other events held in the town centre, such as the Streets Alive Festival, the reverse is true, with only 2-3% of attendees deliberately coming to the town centre to attend the event. In this respect, the Walsall Illuminations is pretty impressive at drawing in visitors specifically for the event.

Geographical Displacement

4.15 The other factor to take into consideration is the origin of the visitors to the Illuminations and what activity they would have undertaken instead of attending the Illuminations.

4.16 Local people from Walsall who would have 'stayed at home' instead of attending the event are not likely to generate any additional spend in this area through their attendance at the Illuminations. In economic impact studies it is usual to assume that this expenditure would have been made somewhere else in the local economy at some other time, if the event had not taken place.

4.17 Table 4-5 sets out visitors' suggestions as to what they would have done as an alternative to visiting the Illuminations. Clearly, the large majority of all visitors would have stayed at home rather than attending the Illuminations. Other popular choices include going to the cinema, pub, or restaurant.

Table 4-5 – Alternatives to attending the Illuminations

	Local (10miles)		**Regional (10-30 miles)**		**UK (>30 miles)**	
	No.	%	No.	%	No.	%
Home	75	77%	40	68%	26	70%
Cinema	9	9%	5	8%	1	3%
Meal/pub	7	7%	8	14%	5	14%
Other	4	4%	0	0%	4	11%
Friends/family	2	2%	5	8%	1	3%
Shopping	1	1%	0	0%	0	0%
Work	0	0%	1	2%	0	0%
Total	98	100%	59	100%	37	100%

NB – These data discount people who answered 'Don't Know'

4.18 The data strongly suggests that visitors would have either stayed at home or undertaken a leisure pursuit close to home, such as going to the pub or to the cinema, rather than attending the Illuminations. As such, the Illuminations are unlikely to have levered spending that would not have occurred anyways. As such, the spending at the Illuminations by regional and national visitors will be highly additional for the Walsall economy – if it wasn't for the Illuminations, these visitors wouldn't have visited Walsall and spent their money locally.

4.19 With the data from 4-5 in mind, and in keeping with the displacement factors used in the Walsall Events Economic Impact study by SQW, it is estimated that only 5% of spend by local people would be truly additional to the Walsall economy – i.e. without the Illuminations only 5% of the total local visitor spend would have leaked out of the local economy. For those visitors from other parts of the West Midlands, it has been estimated that 95% of their spending in Walsall was additional, while 100% additionality has been attributed to visitors from other parts of the UK.

Table 4-6 – Geographical displacement factors applied

	Number of visitors	**Displacement factor applied**
Local	110	5%
West Midlands	64	95%
UK	39	100%

4.20 Table 4-6 outlines the numbers of people attending the event from locally (within 10 miles of Walsall), regionally (from 10-30 miles away from Walsall) and from the UK (over 30 miles away from Walsall) and the displacement factors applied to each group.

Leakage of Impacts out of Walsall

4.21 Some of the money spent at the Illuminations will leak out of the Walsall economy – for example not all of the concessions holders trading at the event are based in Walsall. Also, the ticket money spent goes directly to Walsall MBC to host the event, but not all the money Walsall spends in putting on the Illuminations is spent within the local economy. As such, some of the money, despite being spent locally, will leak out of the Walsall economy. Table 4-7 below highlights the spend that can be attributed to the local, regional and UK economies.

Table 4-7 – Leakage of spend out of the Walsall economy

	Leakage of spend (%)			
Spend type	Walsall	Regional	UK	Comment
On-site				
Tickets	62%	12%	27%	Based on spend levels for hosting the event provided by Walsall MBC
Concessions	80%	20%	0%	80% of concession holders are based in Walsall and 20% in the West Midlands
Off-site				
Travel	15%	70%	15%	No data available – conservative estimates made
Food and Drink	40%	40%	20%	No data available – conservative estimates made
Accommodation	75%	20%	5%	No data available – conservative estimates made
Retail	75%	20%	5%	No data available – conservative estimates made

4.22 Applying the additionality, displacement and leakage factors to the gross spend levels attributed to the event in Table 4-3, we can derive the net attributable visitor spend for Walsall:

- **£428,000 net expenditure at the level of the Walsall economy**

Spending by concession holders and Walsall MBC

4.23 In hosting the Illuminations event, Walsall MBC and the concession stall holders will spend money within the local, regional and UK economies. However, in the case of Walsall MBC the authority roughly breaks even (or in some cases make a loss) in hosting the event. As such, there is no additional spend in the Walsall economy, above and beyond that which is accounted for in ticket sales. Accounting for Walsall MBC's spend to host the event would be double counting.

4.24 Concession stall holders will spend money on licences to sell at the event and on stock/wages etc. This money will be money they have received directly from visitors to the event, paying for rides, food etc. This spend has already been accounted for earlier and as with Walsall MBC, there is no additional spend by concession stall holders above and beyond the money they receive from visitors to the Illuminations.

Multipliers and economic impact

Multiplier effects

4.25 The net expenditure made in Walsall will have wider, knock on effects on the local economy and for this reason we apply two types of multiplier:

- **Output multipliers**- the ratio of change in total output of the local economy to the initial change in tourist expenditure which brought it about
- **Employment multipliers -** the effects of a change in tourist expenditure on the levels of employment in the defined area.

4.26 The main source of multipliers for visitor economy studies is the Scottish Tourism Multiplier Study1 (STMS). This provides a series of multipliers based on a study of the Edinburgh tourism economy. The spatial scale and tourism offer of Walsall is very different from that of Edinburgh and to this end using the STMS multipliers would significantly over estimate the economic impact of visitor spend in Walsall.

4.27 Based on our experience from other economic impact assessments we have used a combined output multiplier at the level of Walsall of 1.2 and an employment multiplier of £59,000 in 2005 to support one full time job in the Walsall visitor economy. These multipliers are in keeping with the economic impact study we did for the Walsall Events Programme – both the

[1] Scottish Tourism Multiplier Study 1992 by Surrey Research Group prepared for the Scottish Office, Scottish Tourist Board, Scottish Enterprise and Highlands and Islands Tourist Board.

projects operate at the same geographical scale and this approach allows for direct comparison of the two events.2

Net economic impact

4.28 Applying both the output and employment multipliers to the spend levels calculated earlier, the following impacts for the Illuminations at the level of Walsall can be calculated:

Table 4-8 – Employment and economic impacts of Walsall Illuminations

Spend type	Net Expenditure (£'s)	Total expenditure with multipliers (£s)	FTE jobs created
Visitors	428,000	513,600	8.7

4.29 In summary, the net economic impact of the Walsall Illuminations event in 2005 was as follows:

- £513,600 net expenditure contributed to the Walsall economy
- Equivalent to 8.7 jobs created within the Walsall economy

Economic impact conclusions

4.30 Some of the key messages emerging from the economic impact assessment are set out below:

- Achieving high levels of economic impact relies on bringing in new visitors to an area and getting them to spend money. On one measure, **visitor origin**, the Illuminations performs reasonably well – around 50% of visitors come from more than 10 miles away from Walsall Town Centre.
- The Illuminations are predominantly the main reason for outside visitors attending the Illuminations. As such, **much of the visitor spend is genuinely additional for the Walsall economy**. As noted earlier, this is contrast to other Walsall events such as Streets Alive festival, which do not serve to draw in new visitors to the town.
- The economic impact of the event is much reduced by the **type of visitor spending**. It is noteworthy that only 10% of the total net economic expenditure is delivered by offsite spending.
- The majority (81%) of **spending at the event is onsite**, and the majority of this money is received and subsequently re-spent by the Council. A healthy 62% of the money received by the Council is recycled into the Walsall economy (some does leak out through salaries/contracts to employees/businesses located outside the Borough).
- The **lack of offsite spending** detracts from the wider economic impact of the Illuminations and as such town centre traders feel little affinity to the event. Increasing offsite spend could create a 'virtuous circle', whereby traders see the benefits of the Illuminations and are willing to help promote and sponsor the event.

[2] To note, we have increased the employment multiplier for £58,000 used in the Walsall Events assessment by 2.1% the average level of inflation in 2005, as measured by the Consumer Price Index.

- If the Illuminations is seeking to deliver significant economic impacts for the Borough, the **main challenges** will be trying to raise the level of visitor spend (something Vision XS have flagged up) and to ensure that the wider event becomes better integrated with the wider visitor/retail economy of Walsall.

5: Product Development and Next Steps

Introduction

5.1 Having looked at the qualitative messages from consultations and work shops and the quantitative findings of the economic impact assessment, in this Section we examine what might done to improve the Illuminations in future, for example, strategic position, partner buy-in and the core product.

5.2 The ideas presented in this Section are just that, ideas. Following this report, we will hold a workshop for partners at which we will present the study findings and outline some ideas for taking the event forward. The thinking in this chapter is not meant to pre-empt the views and ideas of partners, but serve as prompts to provoke and stimulate discussions and ideas.

Strategic Issues

Setting clear objectives for the Illuminations

5.3 The Illuminations are a long-standing event in the Walsall and West Midlands' cultural calendar – the first Illuminations event was held in 1875. Clearly, this is a major strength - the sense of 'timelessness' engenders genuine affection among visitors. However, there is also a feeling that the historical legacy creates an inertia preventing change. Increasingly, cultural events have to show economic and strategic level impacts to justify their existence in the eyes of budget holders.

5.4 Walsall Illuminations needs to have a clear idea of where it is going and gain maximum support for its chosen direction whether that is a 'do nothing' scenario or a total revamp. The development of objectives for the event is a key part of the process – however, we also acknowledge that it can be hard to excite stakeholders about the process of objective setting. Reflecting this, we intend to use an options appraisal process during the next phase of our work. The process will see the creation of a series of alternative futures for the event which people will be readily able to understand and recognise.

Improving the economic impact of the event

5.5 Evident from the impact assessment is that compared with some of Walsall's other events, the Illuminations are pretty good at attracting people from the wider West Midlands and the UK to visit Walsall. This is reflected in the high numbers of people who cited that 'The Illuminations is the main reason for me visiting Walsall' – over 98% of the survey sample. However, to a large extent the event exists in isolation from the wider economy and visitor offer in Walsall. The off-site spend levels for visitors are very low, reflecting the fact that people do not go into the Town before or after a visit to the Illuminations.

5.6 The messages from the data are backed up by the consultations, with a general acknowledgement that the Illuminations are not well integrated with Town Centre or other attractions, such as the Art Gallery. The consultations also highlighted some uncertainty about the potential to expand/extend the Illuminations linkages and impact.

5.7 However, despite the constraints due to the location and nature of the audience, we can see considerable scope to increase the off-site spend of visitors to the Illuminations. Some of the options include:

- Stimulating additional visits to Walsall town centre and visitor attractions at other times through:
  - Development of a temporary town centre, indoor, light-based attraction for which Illuminations ticket holders would qualify for discounted or free entry
  - Joint ticketing that allows discounted or free entry to Walsall visitor attractions on nights subsequent to a visit to the Illuminations
  - Pursuit of joint promotions that will bring in new audiences
- Developing a product that will appeal to audiences that have a greater propensity to frequent the town centre during the evening of their visit (e.g. adults with no children)
- Seeking programming of complementary events in town centre locations (e.g. museum, library, art gallery, shopping centres)

Leakage of economic impacts

5.8 The second important element to consider in the economic impact of the event is 'leakage' of the visitor spend back out of the Walsall economy. For example, if a visitor spends £10 on concessions during a visit to the Illuminations, if this concession holder is from outside Walsall, it is very likely that the £10 spent simply 'leaks' out of the Walsall economy, with no added economic impact for the town. However, of the ten concessions, rides and merchandise stall holders, seven of them are based within Walsall, with the other three located in the Black Country.

5.9 Of more importance is how Walsall MBC spends its annual budget of circa £650k to host the event. During 2004, some 62% of expenditure was local, but £170k was spent outside the West Midlands. Almost certainly, some of this UK spend is unavoidable, for example in areas such as Special Features, but we would note that perhaps other elements of Walsall MBC spend could be made closer to home e.g. marketing spend and site management. However, we would note that efforts to spend locally should not comprise wider value for money or quality objectives.

Tackling the lack of "buy-in"

5.10 There is a need to develop a plan to tackle the lack of buy-in to the event witnessed from town centre traders and from other organisations. Below are some points to be considered:

- **Town centre traders** - We know from our consultation that traders don't see the Illuminations event as benefiting them. The result is that they don't actively support it. There is a need to break this cycle. We believe that the development of complementary events and products in the town centre (such as the indoor light themed attraction mentioned earlier) is one possible avenue. We also think that a greater commitment to, and investment in, the Christmas lights in the town centre would also build trust amongst traders. We will elaborate on this in the final report.

- **Council departments** - Currently, few council-managed facilities have developed events complementary to the Illuminations. This doesn't necessarily need additional resources but instead needs the commitment of senior officers in the council to provide co-ordination and leadership to bring the relevant people together. Our consultation has included a number of key post-holders in the council and their testimony will be key to identifying how we best achieve better commitment throughout all strata of the council.

The Event's Wider Role

5.11 Complementary to efforts to secure buy-in from other Council departments, should be efforts to ensure the Illuminations is more responsive to the wider agendas in play in Walsall and the West Midlands. The regeneration of the town centre continues apace, as does the Waterfront development. The Illuminations event is currently not yet locked into existing regeneration initiatives - however, we would note that Walsall MBC will soon commission consultants to develop a Regeneration Framework for the Town. Ensuring the broader cultural agenda and the Illuminations are represented in the framework development process will be an important starting point to raising the event profile.

The Illuminations' place in a modern Borough

5.12 During the consultations we were struck by Walsall's desire to carve out a distinctive niche for itself within the region. We gained the impression that the Borough wants to stand apart from the traditional Black Country brand and project itself as a modern and dynamic location. Amongst those espousing this agenda there was a concern that the Illuminations did not currently contribute to it. However, this drive to present a modern and progressive image for Walsall should also be recognised as a plus point – a revitalised Illuminations event could project the progressive image for the town being sought by some stakeholders.

Product Development

5.13 There is an issue here about how the product should be adapted to bring it up to date i.e. meeting the RES' events objective. To put in something state of the art will be expensive, who has the resources, will it get the return? The alternative is to take a phased approach, doing what they can to improve elements year by year and focus on priorities, some of which might be:

5.14 Core product development: As we have already stated, for many visitors and consultees, the Illuminations are synonymous with the large painted tableaux adorned with light bulbs. However, the consultation also flagged up concerns about whether the displays have the necessary pull to remain the main focus of the event. During the next phase of our work we will examine what the core product of the Illuminations should be. One option might be to reallocate monies currently spent on producing new tableaux to other forms of enhancements such as those below.

5.15 Signature experiences: the development of a limited number of major experiences. Dependent on budget, one or two such experiences could be commissioned each year. In drawing up guidelines for commissions, the emphasis should be on experiences which use light in creative ways and which offer immersive, interactive and undercover experiences. There may be the opportunity to develop these commissions as features with a separate admission charge in order to offset the costs.

5.16 Animating the site: We endorse Vision XS's view of the need for more show elements, and intend to explore the following areas in more detail:

- Formal show elements: improvement of sightlines and impact on visitor flows, opportunities for covered viewing. Consideration should be given to using show elements to stimulate demand during otherwise quiet periods.
- Lake-based show: The current Laser Show is well liked by visitors and receives relatively good user ratings. However, it fails to make maximum use of the lake setting. We feel this needs to be addressed.
- Increased use of informal show elements.
- Visitor Management: Review the current arrangements for visitor management, in order to maximise potential for visitor spend and ability to cope with the fluctuations in visitor numbers.
- Catering and retailing: We feel that the catering and retailing offer could be improved to contribute more significantly to the event's visitor experience and revenue streams.
- Arboretum setting: Explore ways of improving how the event relates to its Arboretum setting (e.g. further illumination of trees, interpretation)

Resourcing

5.17 Whilst we see it as an urgent matter that the Illuminations be put on a firmer financial footing, we are also aware that any recommendations for change need to accept the economic realties of the situation. This may mean that any programme for change, if agreed, may need to be evolutionary rather than revolutionary.

5.18 While there may be limited scope for additional public financing for the event, a number of stakeholders highlighted that a more concerted drive to attract private investment/sponsorship might be the most practical way of boosting the resources available to host the event.

Staffing and Structures

Management Structure

5.19 One of the most fundamental issues to emerge during consultations was whether the event would be more effectively run outside of the council's structure. Although no detailed plans were proposed, options might include providing a revenue grant to an external events company that would run and manage the event. This could be an attractive option for a number of reasons:

- New knowledge/expertise about event management/marketing
- Transfer of some risk/management burden to a third party
- Additional resources to improve displays or hire new facilities

5.20 Handover of the event to a private sector operator would be, to some extent, a leap of faith and not without risks. The Illuminations is a high profile event and the council team have experience of delivering it successfully – in marketing speak the Illuminations is a reasonably strong brand, but strong brands can quickly lose their lustre. Indeed, the legacy of privately run Illuminations event that doesn't meet visitors' expectations may be very damaging - consumers are increasingly discerning about how they spend their leisure time and may not return following a bad experience.

5.21 There is also the obvious question of profit. Is it possible to run the Illuminations to the scale/standard expected and return the sorts of profits that might interest the private sector? Having run the event for many years, the council is likely to have generated numerous efficiencies in managing the event which may not be directly transferred to a private company. The profit question is one we would look to explore in the next phase of the work.

5.22 Finally, we would note that if the private sector were to get involved, it would almost certainly want devolution of decision making on key elements of the event e.g. design, staffing and potentially pricing. This may free up time for council staff, none of whom is directly employed to run the event. However, the potential loss of creative and financial control of the event would almost certainly be an unattractive proposition for Walsall MBC.

5.23 However, despite these potential misgivings, we believe the option of increased engagement with the private sector is one that should be explored. There are a range of strategies that could be employed to ensure Walsall MBC retains an acceptable level of control of the event e.g. phased hand-over; handover of only part of the event, for example the entertainments; and binding agreements about pricing structures/marketing/staffing etc.

Strategic Focus

5.24 More time needs to be devoted to the strategic development of the event. With current staffing levels this would be difficult. Although budgetary pressures on the Illuminations are fierce, at a minimum we would like to explore the potential for a year-round Illuminations' Manager post. We also believe that there is a strong argument for the creation of a

Commercial Manager's post. This post-holder would negotiate and monitor commercial and concession contracts; develop sponsorship deals and copyright negotiations.

Target Markets

5.25 At this stage, we do not see much benefit from a wholesale repositioning of the event away from its current core market of families with young children. However, we believe that a higher priority needs to be placed on developing additional features of interest to the whole family. There may also be some scope for developing events that offer a distinctly different experience from the rest of the Illuminations (e.g. those who might be interested in an experience that makes more of the natural setting). Where such plans are put forward, consideration will be given to ways in which these offerings can be introduced without alienating the core audience.

5.26 We believe that the local market will remain a crucial bedrock for the Illuminations. However, our final proposals are likely to contain recommendations that seek to create a product offer that has more potential to attract a greater proportion of non-local audiences.

Timing

5.27 The key issues section posed a number of questions regarding the timing of the Illuminations event. Key amongst these were whether the event should be re-timed to include Halloween and/or whether it should become more of a Christmas-themed event taking place later in the year.

5.28 Although we are yet to develop our considered view of these issues, we believe that there are some strong benefits to both these propositions:

- **Christmas / Festive themed event** - Re-scheduling the event to start in November and run through to mid December offers the following benefits:
  - ➢ Easy themeing and strong marketing hooks: A Christmas-themed event provides good opportunities for marketing. A festive theme would also be a strong replacement for the suggestion that the event should seek to move away from simply a light focussed event
  - ➢ Increased potential for non-local audiences: Families with young children may well be more inclined to travel further for a festive, family-themed event
  - ➢ Earlier start times: November and December would allow start times of 4.30pm and 5pm. This provides more opportunities for post-Illumination visits to the town centre.
  - ➢ Considerable potential to add additional elements: Amongst the elements that lend themselves to this event would be a temporary ice rink, German Christmas market, craft market, Santa's Grotto
  - ➢ Option to link to Christmas Lights: Greater linkages could be made with the town centre's Xmas lights

- **Halloween** - Extending the event by a few days would allow the Illuminations be open during Halloween (31 October). Interest in Halloween in the UK has been rising rapidly in recent years and we see this trend eventually reaching levels seen in the US. There, some theme parks experience their busiest night of the year on Halloween. Already, the Illuminations include some Halloween-themed displays and walk-around characters. A modest investment in some Halloween-specific elements (ghost and ghouls characters etc) could generate considerable revenue on Halloween evening.

Location

5.29 Having gone through the consultation process, we judge that there is little appetite for the location of the core event to be changed. It is true that many feel that the Arboretum isolates the event from the town centre and there are those who would like to see the event relocated or stopped because of the damage and disruption it causes to the Arboretum. Our view is that finding an alternative venue would be difficult and would require considerable additional cost to develop the infrastructure necessary for an event of this scale. The Arboretum is already an important part of the event and could be made more of with further illumination of the Arboretum's features and interpretation of its special qualities. Plans for a Heritage Lottery Fund application for the Arboretum also offer opportunities.

6: Next Steps

6.1 This report will serve to inform Phase Two of the Illuminations work. In consultation between Walsall MBC and key members of the study team we will need to consider the next steps, in the light of this report and the work done by Vision XS. In particular, we will need to focus on:

- Generating consensus within Walsall MBC as to the strategic direction for the Illuminations, for example, what it's for and how it is managed?
- Understanding how this links into the very clear operational recommendations from Visions XS
- Translating collective thinking on the above into a workable forward plan for the event.

Annex A: List of consultees

Table A-1 – List of consultees

Name	Position	Organisation
Tim Challans	Assistant Director	Walsall Council
Garry Perry	Portfolio Holder for Leisure & Culture	Walsall Council
Barry Sanders	Councillor & Champion for Arboretum	Walsall Council
Terry Blyde	Group Coordinator Sport, Play & Recreation	Walsall Council
Barry Jenkins	Chair	Arboretum User Group
Keith Stanley	Head of Walsall Chamber	Black Country Chamber (Walsall Division)
Robert Blower	Head of Communications	Walsall Council
Bob Slassor	Designer	Walsall Council
Alison Maxam	Tourism Development Coordinator	Walsall Council
Louise Oakley	Study Steering Group	Walsall Council
Antonia Pompa	Study Steering Group	Walsall Council
Sunita Lal Kooner	Venue Development Manager (Box Office)	Walsall Council
Pat Humphries	Concessions holder	KP Amusements
Will Evans	Development Director	Walsall URC