Grand Valley State University

From the Selected Works of Paul Matthew Stansbie

2006

Impact of European Union Funding on Tourism in the Grampian Region

R Nash

D Koyabe

Paul Matthew Stansbie, *Grand Valley State University*

Available at: https://works.bepress.com/paul_stansbie/2/

Impact of European Union Funding on Tourism in the Grampian Region

Robert Nash^{1,*}, Doris Koyabe¹ and Paul Stansbie²

¹*Aberdeen Business School, Robert Gordon University, Scotland*

²*Department of Hospitality and Tourism, Grand Valley State University, USA*

ABSTRACT

The European Union (EU) has no specific tourism policy. Even though there are divergent views on its involvement in regional development, there is a consensus on the fact that the EU is involved by its principle role of 'Subsidiarity'. There is also continued participation of the EU in activities related to tourism development in the community. Undoubtedly, the EU is having an impact on regional development of members states. Research carried out shows the contribution of the EU in regional development and tourism. The EU funding has tended to focus on peripheral areas and where traditional industries are declining. Tourism related projects (such as visitor attractions) have benefited from such funding programmes, on the assumption that these projects will create employment and increase visitor numbers, as well as promote the economies of these regions. Consequently, this paper considers the contributions of EU funding of tourism attractions in the Aberdeen and Grampian region of Scotland and issues affecting the effectiveness of the attractions themselves. Copyright © 2006 John Wiley & Sons, Ltd.

Accepted April 2006

Keywords: EU funding; peripheral areas; Scotland.

INTRODUCTION

Tourism contributes considerably towards creation of jobs, maintaining a destinations image and to the overall improvement of economies. In recent years tourism has made an enormous contribution to job creation in the European Union (EU). It is estimated that 8 million people are employed in this sector in the EU and these figures represent approximately 5% of total employment. Additionally, in the year 2000, the five top leading tourist destinations in the world were in the EU (Directorate-General for Enterprise, 2003a). In terms of Scotland there were 18 million visitors in 2003 and the industry is worth £4.4 billion (Scotexchange.net, 2006a). In the Aberdeen and Grampian region 'tourists took 1.6 million trips to the region and spent £331 million per year in the area' (Scotexchange.net, 2006b).

The Aberdeen and Grampian regions are located in northeast Scotland and this area is considered to be peripheral and reliant on the declining industries of agriculture and fishing (although the oil industry is a major employer in parts of the area, particularly Aberdeen City). Over the past years, the EU has been involved in developing this region through funding different tourism projects such as visitor attractions. Funding has been provided over phases identified as 'Objective Programmes', with each programme having specific aims. These EU funds tend to be available for capital investment for new project or attraction developments. However, Nash and Martin (2003) argue that the effect of such funding is leading to the development of attractions that may not be viable in the short term. This study seeks to identify the contri-

*Correspondence to: R. Nash, Aberdeen Business School, Robert Gordon University, Garthdee Phase 1, Garthdee Road, Aberdeen AB10 7QG, UK.
E-mail: r.nash@rgu.ac.uk

Figure 1. Northeastern Scotland: European Structural Funds (2000–2006) (source: Directorate General for Enterprise, 2003b).

bution of the EU in the development of tourism in northeast Scotland (Figure 1). The focus is on EU funded projects in the Aberdeen and Grampian region. Aberdeen City is excluded as it does not fall under the areas eligible for funding.

LITERATURE REVIEW

European Union Structural Funds and tourism

The European Community recognises tourism as a vital economic asset for the member states (McDonald *et al.*, 2003). The target regions for development are characterised by stunted growth, low income and high rates of unemployment. To ensure the effective disbursement of funds the EU has prepared different financial support instruments identified in the Treaty of Rome as 'financial instruments'. These have come to be known as Structural Funds and are essentially a form of subsidy, which imposes some obligations on the wealthier regions and states. Each instrument identifies the policy objectives to be pursued and monitors the effective use of the funds.

Figure 2. Growth of the EU Structural Funds (1975–2006) (source: adapted from Wallace and Wallace, 2000).

Structural Funds group together the following:

- European Regional Development Funds (ERDF);
- European Social Fund (ESF);
- European Agricultural Guidance and Guarantee Fund (EAGGF);
- Financial Instrument for Fisheries Guidance (FIFG).

The ERDF and EAGGF and the initiative programmes have direct influence on tourism. Other Community funding programmes initiatives are: Leader, Interreg, Equal, The Cohesion Fund and Instrument for Structural Policies for Pre-Accession ISPA. The principle objective of the financial instruments is devoted to eliminating structural weaknesses that hamper economic growth within regions or member countries. Structural funds have grown to become a significant part of the EU budget, as illustrated by Figure 2. The 'Enlarged' plot on the graph is the EU membership that includes new states admitted in 2002 and those joining in 2006; the percentage is based on 1999 prices. Over time, Structural Fund expenditure in pursuit of cohesion has become one of the EU's core activities (Wallace and Wallace, 2000; Pinder, 2001; McDonald *et al.*, 2003).

European Union funding is provided over phases identified as 'Objective Programmes', with each programme having specific aims

(Wallace and Wallace, 2000; Pinder, 2001; McDonald *et al.*, 2003). Tourism projects benefiting from EU funds have aimed to improve and regenerate the regions or establish:

- (i) new visitor attractions such as museum, galleries, historic buildings, monument, heritage sites, gardens, etc.;
- (ii) cultural interpretative centers;
- (iii) health sport and marine facilities;
- (iv) walkways, trails;
- (v) urban amenity through regeneration;
- (vi) tourism business networks.

European Union involvement in tourism developments in the Aberdeen and Grampian region

The funding involved in the Aberdeen and Grampian region is Objective 2 of the Structural Funds, which 'aims to revitalise all areas facing structural difficulties, whether industrial, rural, urban or dependent on fisheries. Though situated in regions whose development level is close to the Community average, such areas are faced with different types of socio-economic difficulties that are often the source of high unemployment' (European Commission, 2004). In the Aberdeen and Grampian region the areas of concern include a decline in traditional activities in rural areas and difficulties affecting fisheries activity.

Visitor attractions are vital components of Scottish tourism and currently the number of attractions are estimated at nearly 1000, with 'Aberdeen and Grampian having a total of 78 paid and free attractions second to the Highlands of Scotland which has 87' (Ashred *et al.*, 2003, p. 16). Authors such as Boniface and Cooper (2001, p. 30) are of the view that, 'visitor attractions are the "*raison d'être*" for tourism as they encourage visits, trips or cause to travel and hence developing an industry of its own'. Walsh-Heron and Steven (1990, p. 9) add that attractions are 'managed to provide satisfaction to customers, have appropriate facilities and may or may not charge an admission'. The majority are 'not-for-profit', where ownership may be a combination of the following: public sector, voluntary sector, charitable trusts, preservation societies, religious bodies, historic Scotland and National Trust for

Scotland. The major stakeholders being VisitScotland, National Trust for Scotland, Scottish Enterprise and Historic Scotland 'who promote and manage visitor attractions in Scotland' (Watson *et al.*, 2004, p. 40). Many visitor attractions have been initiated by key funding bodies, such as National Trust funds, Heritage lottery funds, Scottish Enterprise funds and the EU (Fyall *et al.*, 2003). The overall influence of visitor attractions within Aberdeen and Grampian region is significant. These attractions increase tourist numbers (including local visitors) and bring revenue to the region. They also provide a source of income to the local government through taxes from paid employees and sales taxes on items bought (souvenirs) in the attractions (Swarbrooke, 2002a; Fyall *et al.*, 2003).

The focus of this study was on EU funded visitor attractions within Grampian, in regions considered as peripheral by the EU. The attractions in this area were established as a 'possible solution for regional as well as tourism development in the region' (Wanhill, 1995, p. 68). However, the majority are heritage attractions and these tend to be comparatively unsuccessful in attracting new consumers. This is partly due to the pervading market conditions, where ever more attractions are pursuing fewer visitors and facing increased competition from other sectors (Swarbrooke, 2001; Garrod *et al.*, 2002; Lennon, 2004). This is of great concern to the Grampian region where there are a comparatively large number of EU funded heritage based visitor attractions, with similar themes, who compete amongst themselves for visitors. This is compounded by the fact that the area is 'directly affected by the lack of coordination or a unified policy at regional level' (Nash and Martin, 2003, p. 177). A lack of cooperation between the key organisations involved has meant disjointed tourism policy development and consequently EU funding has not been utilised to its full potential.

Models based on analysis of strength, weaknesses, opportunities and threat (SWOT) can assist in identifying key issues of the business environment (Johnson and Scholes, 1999) and can focus on the strategic capability of the attractions. Table 1 outlines the prevalent characteristics of visitor attractions in the region.

Table 1. Summary of SWOT analysis

Strength	Weaknesses
Unique due to their heritage	Common theme with little variation
Eligibility for public funding	Reliant on same target market
Environment friendly	Most attaining maturity status
Has support of local community	Within close geographical location of each other
High capital outlay to set-up	Dependence on subsidies for funding
	Growing visitor apathy
	Limited space
Opportunities	Threats
Diversification of product	Competition from new theme attractions such as science and technology based attractions
Collaborate with other attractions to create a chain of attractions	Dwindling funding from EU and other bodies
Accessibility — improve roads, increase frequency of transport service, cheaper air fares and accommodation	The neighbouring cities and expanded EU have rich heritage; cheaper flights and accommodation: better value for money
Explore providing more interactive offerings	
Expansion and refurbishment	

RESEARCH METHODS

This research combined different approaches. Questionnaires were designed to identify the impact of EU funding on tourism in Aberdeen and Grampian, and to determine user requirements and their expectations. Ten pilot interviews were conducted to test and amend the initial questionnaire and to ensure that final findings are valid and could form a 'sound basis for generalisation or further action' (Oppenheim, 1999, p. 64). Purposive sampling was used to identify and select cases that met the research objectives (Saunders *et al.*, 2000). Initial telephone contact was made to elicit their participation in the survey. The data collection process involved two main stages. Firstly, semi-structured questionnaires were used in face to face interviews with the organizations, with the intention of obtaining in-depth evidence (Remenyi and Williams, 1996). The respondents included representatives from Macduff Marine Aquarium, Bennachie Visitor Centre and Forest walks, Peterhead Maritime Heritage, Scottish Lighthouse Fraserburgh Museum and Aberdeenshire Council.

The second phase involved self-administered questionnaires, which were given in person to a sample of participants, who included visitors to the attractions and residents of the region under study. In total the

survey sample contained 145 respondents, with a return of 107 valid responses. The statistical package SPSS was chosen for data manipulation to enable cross-tabulation and comparison of variables to produce appropriate findings for discussion with the reviewed literature. The completed questionnaires were sequentially numbered and filed as they were received. This ensured that all questionnaires were accounted for and enabled ease of future reference. The data analysis technique used depended on the data collection method used. The case-study data were descriptive in nature, at best they served to complement the literature reviewed. These were analysed using conventional tools such as PESTE and SWOT models. Analysis of secondary data served to compare the performance of the projects with the EU objectives.

Results from the survey method were coded to ease data entry and to minimise typographical errors. Using SPSS, appropriate variables were created and the relevant data codes for each questionnaire entered on computer to create a data file. The initial statistical analysis performed was to test the data for reliability by computing the internal consistency using Cronbach's alpha, the target alpha value should be between 0.7 and 1.0. Line graphs and bar graphs are used to present the results and where appropriate figures and explana-

Figure 3. Distribution by age.

Figure 4. Distribution by gender.

tions are included. Of the 145 self-administered questionnaires sent out, there were 107 usable responses. To ease computations, 100 were selected for further analysis. This yielded a Cronbach's alpha of 0.7636, indicating that the data selected were valid and reliable. Figures 3 and 4 provide the demographic characteristics of the respondents.

DISCUSSION

It should be mentioned at this stage that the data collected from the Peterhead Maritime Heritage are incomplete in places, due to the reluctance on the part of the management of this attraction to discuss, or inform the research. This was predominantly as a result of the fact that the attraction has been the subject considerable press comment and criticism as a result of its performance and its eventual failure as an attraction.

All the attractions are located in peripheral areas with struggling economies. In contrast, neighbouring Aberdeen City has a strong business economy that is buoyed by the rich oil industry. There is a spill-over effect from Aberdeen City to the neighbouring economies but the impacts are lessened by distance from the city. The case studies involved four visitor attractions situated in the Aberdeen and Grampian region and they are all over 25 miles from Aberdeen City (see below). In terms of

Figure 5. Percentage visits by case-study attractions.

Figure 6. Media through which respondents hear about the attractions.

actual visitor numbers to each of the attractions they were as follows: Macduff Marine Aquarium, 54 105 per year in 2005; Peterhead Maritime Heritage, visitor numbers in 2004 were 3820 but they ceased trading as an attraction in that year; Bennachie Centre, 35 836 visitors used the visitor centre in 2004; Scottish Lighthouse Museum Fraserburgh, 11 213 for 2005.

These figures are supported by the respondent feedback in terms of attraction visitation. Figure 5 illustrates the percentage of respondents who have visited each of the attractions.

More than a quarter of the respondents have visited Bennachie Centre. The popularity of the attraction may be due to its local visitor base (see later discussion) and the outdoor activities it provides (including environmental and sports related activities). The attraction receives positive reviews from visitors as most of them are local repeat visitors who have heard of it by word of mouth (see Figure 6). Macduff recorded good visitor numbers and this could be attributable to the fact that it is the only marine aquarium in the region and

the attraction has an appeal for children and school parties. However, Peterhead had the lowest visits due to seasonal closure and local resident resistance to the development (Nash and Martin, 2003). The Scottish Lighthouse had low numbers as a result of its accessibility (Nash and Martin, 2003).

How visitors know about the attractions

Almost 50% of the respondents had heard of the attractions by word of mouth. Figure 6 identifies that word of mouth was the dominant medium in disseminating information about attractions and suggests that most of the visitors are from within the vicinity of the attractions (as confirmed by analysis of the respondent's residence). This is supported by data from the attractions themselves, which suggest the visitors tend to be dominated by local residents and local school parties. Although it is essential to have local support the dominance of local visitors does not maximise the revenue potential of the attractions. Certainly in the case of Bennachie one of their established goals is to limit tourist numbers to restrict damage to the environment but attract local visitors, to what is acknowledged as a local attraction (F. Gordon, Personal Communication, 2004).

Why do the respondents visit?

The feedback from the managers at all four of the attractions was that the local market dominated the visits to attractions (especially in the case of Bennachie). This is supported by findings from the second phase of the research, where friends and family were 35% of the visitors and they provide the largest volume of visitors (Figure 7). These are people who are visiting local residents and who come to the attractions as a result of visiting with friends and family. They are the main target group of visitor attractions in the Grampian region as a result of the buoyant oil-related industrial and business sector in Aberdeen City. The oil industry attracts workers to the area who are in turn visited by friends and family (VFRs). The percentages are based on actual visitors to the attractions; this constitutes 72% of the respondents.

Figure 7. Reasons for visiting attractions.

Why they do not visit

Although 28% of the respondents had not visited any of the attractions, only 40% of the respondents 'occasionally' or 'regularly' visit the attractions; indicating there is potential for more visitors and considerably more local involvement (especially in the case of Peterhead). This raises concern as to whether local involvement and improved access to local facilities (other objectives of EU funded projects) are being achieved. This was certainly not the case in Peterhead where the attraction performed very poorly and is now limited to seasonal opening. Seasonality compounds the problems facing the sector in the area. The main reasons impacting negatively on visitor numbers to the attractions (Figure 8) are weather, alternative forms of tourism and lack of transport, which between them account for 88% of the reasons not to visit attractions. Weather is uncontrollable; however preference for alternative forms of tourism could be an indicator of apathy towards the attractions. This is understandable if most of the visitors are from the region. Accessibility has been criticised as being poor because some of the roads were considered to be poor, sign-posting was considered to be insufficient and the transport services were criticized as irregular or not dependable. Ten per cent of respondents do not visit simply because they do not have information on the attractions. On a larger scale this also presents a potential target group. A cross tabulation of the variables on the questionnaires identified that the most significant reason why people do not visit attractions is preference for alternative tourism attractions,

Figure 8. Factors limiting visits to attractions.

which included alternative local events and science based attractions (Satrosphere in Aberdeen City). About 15% were put off by the entry fee, which suggests there may be an argument for following the example of Wales where access to local authority attractions is free. This raises the wider debate about whether local authority run attractions should be for the education and recreation of the local community, and therefore free, or whether they should be subject to the same commercial pressures as private sector attractions.

Suggested improvement to visitor attractions

The normal distribution curves for the ratings of the various aspects of the visitor attractions were plotted and superimposed to produce Figure 9. The curves for management, facilities, quality and visitor experience are symmetrical about the average rating. Whereas marketing, information technology and sign posting are symmetrical and below average. Visitor experience and facilities closely match, indicating a strong correlation between the two, and marketing and sign-posting/accessibility are also comparable.

Over 50% of respondents considered the promotion and marketing of the attractions inadequate and only 21% thought the sign-posting good. These can be partly explained by a lack of funds available for marketing in general (especially local authority funds). In the case of Bennachie the centre deliberately do not advertise the through road signage and this is used as a control mechanism by the management to reduce crowding at the sites.

Figure 9. Respondents' rating of visitor attraction.

The focus is very much on an attraction for the locals (F. Gordon, Personal Communication, 2004) and tourists are not encouraged to find their way to the centre.

The findings in Figure 10 are supported by suggestions made by respondents in respect of what they wanted improved in the attractions, as illustrated by Figure 10. The main areas identified for improvement are accessibility and signage, information technology and quality and displays. There was general acceptance that the quality of the attractions (in particular the Bennachie Centre and the Macduff Marine Aquarium) were of an acceptable standard but there was concern that more could be done to improve displays and interpretation. The responses concerning the Peterhead Maritime Museum suggested a poor quality

Figure 10. Respondents' suggestions for improvements.

associated with the attraction, which supports earlier comments about local antipathy towards this attraction.

The most common suggestion identified under 'Other' was marketing and promotion. Almost 60% of the respondents were aware that public funds are used to finance visitor attractions, and 25% were opposed to the use of public funds in supporting visitor attractions (again raising the wider debate about local authority funding of attractions).

Impact of European Union funding

European Union funding is directed at eliminating structural weaknesses that hamper economic growth and develop poor regions within member states. These are regions facing major changes in the industrial, services and fisheries sector, rural areas in decline and disadvantaged urban areas. Nash and Martin (2003, p. 176) suggest that the 'effectiveness of the EU in its attempts to reduce economic imbalances has been largely unsuccessful as it has burdened Grampian with subsidisation costs, especially in rural heritage related tourism projects'. This adverse influence by the EU can be linked to its role of subsidiarity, whereas in the context of its role of provision of funds the EU could be seen as effective in fulfilling its role as an enabler. However, the European Regional Fund committed almost £87 million to the region in 2004 (European Commission, 2004).

For the period 1994 to 2006 (Figure 11), funding has increased from 28% to 30% of the total eligible costs for projects. Wanhill's (1997) research on peripheral area tourism in Europe highlighted the contribution of EU funds in the creation of small-medium enterprises in the

peripheral regions. He points out that the fragmented nature of the industry as well as a wide range of disparate businesses provide a further challenge to evaluating contributions of EU funding. This complements the findings by Nash and Martin (2003), who identified a similar problem with many individual stakeholders in the Grampian region. In terms of the level of EU funding for the attractions the figures are as follows: Macduff Marine Aquarium, £280 007; Peterhead Maritime Heritage, £539 890; Bennachie Centre, £400 000; Scottish Lighthouse Museum Fraserburgh, £250 474.

The managers of each attraction were asked about their individual objectives and these are listed below:

Macduff Marine Aquarium	to create awareness of the product and to attract visitors
Peterhead Maritime Heritage	to become a major tourist attraction and to attract visitors
Bennachie Centre	to attract <i>local</i> visitors and to provide an interpretation centre and orientation point for visitors
Scottish Lighthouse Museum Fraserburgh	to attract visitors and to inform visitors

It is no surprise that the objectives of the managers (generally to attract visitors, although predominantly local visitors at Bennachie) tended to reflect the objectives associated with the EU in terms of the development of the attractions. The EU objectives centre on economic regeneration through the creation of jobs and local income generation based on the development of the attractions and increased visitor numbers. More specifically the EU objectives focused on factors that have a substantial effect on the development of visitor attractions such as:

- (i) community involvement;
- (ii) the contribution of new developments to the economies of areas in which attractions are located;
- (iii) improvements in standard of living;
- (iv) improving support infrastructure;
- (v) population adjustments.

Figure 11. European Union funding (source: Scottish Executive, 2004).

Community involvement

There is an apparent lack of consultation and involvement of the public in the implementation of the local projects. Almost 80% of respondents indicated that they have never been consulted; of which 41% were willing to participate, if consulted. This is an important finding given the EU's insistence on local community involvement. The findings from the visitors in respect of the apparent lack of involvement are surprising in relation to the Bennachie Centre, which was initiated and funded by local groups and the local authorities. The data collected from three of the attraction managers (Bennachie, Fraserburgh and Macduff) suggest that their attractions were developed as a result of ideas and enthusiasm from local groups. This is especially evident in the case of Bennachie where there has been considerable ongoing local support. The attraction is well supported by local repeat visitors and there is a very active local community action group (the Baillies of Bennachie) working alongside the management in restoration and fund raising activities. However, this was not the case at the Peterhead Maritime Museum where the attraction was developed as a result of the local Council's desire for the project. The findings from this case tend to support the comments made by the visitors about the lack of involvement and consultation. This particular attraction met with local resistance from the start and this existed throughout its life as an attraction. This local antipathy was partly responsible for the attraction failing and eventually closing and being

reopened on a seasonal basis. There have been attempts to re-focus the attraction by using the building as an out-reach arm of a local College (Banff and Buchan) during the closed season and opening again as an attraction in the summer season. This has had some limited success.

Possible contributions of visitor attractions

Figure 12 is a plot of the normal distribution curves for possible contributions of visitor attractions suggested by the respondents. Most of the respondents from the survey were in agreement with the attraction managers in that they thought the visitor attractions contributed to increasing visitor numbers and the conservation of heritage and the natural environment. It is of significance that most respondents were neutral on the suggestion that visitor attractions contribute towards increasing support businesses and creation of employment. This is supported by the fact that only three full time jobs were created at two of the attractions (Fraserburgh and Bennachie). The Peterhead attraction made no comment concerning the benefits that the attraction development had made to the region, and in terms of employment creation there are no full-time staff employed at the attraction. However, this is not the case at Macduff Marine Aquarium who suggested that the local economy benefited to the tune of £5million over the period 1998–1999, with the individual attraction employing 10 full time staff. This could be explained by the fact that the Macduff attrac-

Figure 12. Benefit of visitor attractions to the region.

tion has visitor numbers in excess of 54 000 per annum. There was more support for the suggestion that the attractions assist in improving the infrastructure, but the tendency was for the respondent's to disagree with the premise that the development of the attractions help to achieve some of the core objectives of the EU, which are to:

- increase support businesses;
- create of employment;
- improve the local infrastructure.

Standard of living

One of the primary objectives of EU funding is to raise the standard of living of the target areas through the structural funds. Gross domestic product (GDP) provides a measure of the total economic activity in a region and hence is an indicator of the standard of living. Comparing Figures 13 and 14, there is a direct relationship between the rates of growth of funding received and the GDP of Aberdeenshire.

The managers of the attractions tended to support the suggestion that the standard of living had increased for the local population as a result of the development of the attractions (with the exception of Peterhead). They suggested that they had a positive impact on the

Figure 13. Rate of growth of gross domestic product for Aberdeenshire (source: North East Scotland Economic Forum, 2005).

local standard of living in terms of recreational facilities and access to leisure and the environment.

Supporting infrastructure

Land development statistics are used as a measure of growth of supporting infrastruc-

Figure 14. European Union funding in Aberdeenshire (source: Scottish Executive, 2004).

Figure 15. Land development (source: Aberdeen and Aberdeenshire Council, 2004).

ture. Aberdeenshire Council prepared the local Employment Land Audit which aims to bring together into one source document up-to-date and accurate information on the supply and availability of employment land in the north-east of Scotland. In particular, marketable land should be provided in sufficient quantity and quality to meet the diverse range of industrial, business and commercial (including tourism) requirements, including the expansion and growth of indigenous firms that would include tourism enterprises (Aberdeenshire Council, 2006). Figure 15 shows the land development statistics for the period 1994–2002 and for the period 1994–1999. Aberdeenshire outperformed Aberdeen City except in 1995 and 1997. In the period 2000–2003, however, Aberdeenshire's growth rate has been steady and above Aberdeen City's, with the notable exception of 2001 when Aberdeen City exhibited a dispro-

portionate growth. This is attributable to the foot and mouth disease outbreak at the time, which affected farming and could have caused a concentration of development in the city. In essence there is an inverse relationship in land development between Aberdeen City and Aberdeenshire. This supports the EU's objective of developing the region through improving the infrastructure. Although it must be acknowledged that the development of infrastructure cannot be totally justified as a result of the development of the tourist attractions, it should be noted that they will have had an impact.

Population

Generally, the rate of growth of the population between Aberdeen City and Aberdeenshire depicts an inverse relationship (Figure 16),

Figure 16. Population growth (source: Napier University, 2003).

with Aberdeenshire showing a much higher growth rate than Aberdeen City. Additionally, the population of Aberdeen City is declining whereas that of Aberdeenshire is growing. This population movement does support the objectives of the EU to increase migration from the city to the surrounding peripheral areas ensuring a population balance, and this may be due to the increased employment opportunities associated with economic developments outside the city boundaries. However, it may also reflect the higher property prices associated with the City of Aberdeen and a willingness to commute from the shire to the city. The population growth in the shire may also have a positive impact on the number of day visitors likely to visit the attractions in this study, given that they will be situated closer to the attractions and that travel time would be reduced.

CONCLUSIONS

The relatively buoyant economy in Aberdeen City (based around the oil industry) has an adverse influence the cost of accommodation, transport and other services within the peripheral areas. Allied to this the decline of traditional industries has resulted in increased unemployment and reduced economic activity, with an overall reduction in the standard of living in many of these areas. This creates room for attractions to emerge as a new economic activity, as they have the potential to create employment. A notable finding from case studies was the lack of supporting businesses

around the attractions. If the attractions cannot generate sufficient visitor numbers (as was the case with Peterhead Maritime Museum and to a lesser extent Fraserburgh Lighthouse Museum), it would be difficult for private businesses to develop on the back of these attractions. It is not the core activity of attractions to engage in support businesses, however, attractions must command sufficient visitor numbers to enable the growth of small and medium enterprises in the areas surrounding them.

Wallace and Wallace (2000), McDonald *et al.* (2003), Wanhill (1997) and Pinder (2001) have illustrated the way the EU have used structural funds for development and integration of member states. It is evident that the EU's involvement in Aberdeen and Grampian is essentially for regional development as the region falls under the objective criteria spelt out for assistance in regeneration of the economy. Tourism benefits from these funds through projects identified by organisations recognised by the EU, such as local authorities and area tourist boards. However, there is overwhelming consensus in the literature available that tourism development in Aberdeen and Grampian (and Scotland as a whole) is directly affected by lack of coordination and a lack of a unified policy at regional and local levels (Wanhill, 1997; Swarbrooke, 2001; Nash and Martin, 2003). A lack of co-operation between the key organisations involved has meant a disjointed development of tourism policy in the area and EU funding may not have been utilised to its full potential.

A change to the present structure is both likely and necessary if tourism is to develop as a major industry in the area (Garrod *et al.*, 2002; Fyall *et al.*, 2003; Nash and Martin, 2003). Reform has to take place from the top downwards (Scottish Executive and VisitScotland) as the local and regional composition of power and funding arrangements are dictated from there.

Besides overcoming problems related to location (peripherality), other concerns that have an impact on the future of the Grampian visitor attractions are inclusive of those common to the Scottish visitor attractions. There have been considerable changes in funding structures with the introduction of the National lottery fund and the EU Structural Funds (and the distinct possibility of these funds being reduced due to the increase of member states). Fyall *et al.* (2003) acknowledge funding from local enterprise companies as providing for ongoing revenue support/capital funding, which has a great impact on the development and reinvestment in the visitor attraction product. In contrast, Aberdeen and Grampian region is experiencing a reduction in funding from the local authorities; threatening access to revenue or capital funding for projects (Nash and Martin, 2003). A survey by VisitScotland recognised a need for attractions to appeal to a broader audience and generate greater levels of external income, in order to increase the product mix on offer and the choice for visitors. In this way attractions are generating new revenue streams, by forming partnerships with sponsoring companies, such as Macduff Marine Aquarium and Telesman.

Studies on Scottish visitor attractions (Stevens, 2000; Garrod *et al.*, 2002; Swarbrooke, 2002a; Fyall *et al.*, 2003; Lennon, 2003; Watson *et al.*, 2004) highlight the impact of challenges inherent in developing projects. They agree that the sector is sagging under an oversupply of attractions, attracting few people, becoming financial liabilities and hence threatening their own existence. These challenges adversely influence the effectiveness and viability of the EU funding in achieving its objectives. In this research the greatest departure between the EU's objectives (centred on economic regeneration through increasing employment) is that

the number of full-time jobs created are limited (13 in total between all four attractions — 10 at Macduff). A fundamental issue that arises due to the fragmented nature of the sector, results in a lack of purpose, with attractions merely being leisure outposts. This disparity can be traced to the EU's policy that treats tourism more as a product and less as a recreational need, as evidenced by the existence of the attractions (McDonald *et al.*, 2003). There is a need to review the objectives of the attractions, and co-ordinate this with the business opportunities available. Areas that should be targeted for improvement include broadening the visitor base and improving transport within the region. These are areas that rely on leadership from the local authorities.

Figure 17 summarises the intersector perceptions of the key stakeholders. These are areas where EU funding has the greatest discernible impact. The intersections on the figure indicate the commonality. Areas of particular interest are the non-overlapping segments of each sector, which highlight the dissatisfactions that create an expectation gap.

The proliferation of heritage-based attractions in Scotland raises fear that the market is saturated and the market appeal for conventional visitor attractions is waning. These may jeopardise the existence of the sector as it could lead to uncertainty and closure of individual attractions (Stevens, 2000; Swarbrooke, 2002b), such as Peterhead Maritime Museum. For the attractions to survive in the face of increasing competition, they have to adapt to new developments, such as purpose-built, multifunctional and multi-occupier forms of attractions (Stevens, 2000). Swarbrooke (2002a, p. 331) refers to this as 'the creation of the "wow factor" and the unique selling proposition'.

The high percentage of people not visiting attractions (27%) shows that there is potential to increase visitor numbers from within the region. However, to increase revenue flow in the region, boost integration, create employment and increase support businesses the visitor attractions need to broaden their visitor base beyond the local area. A trade-off between the existing constraint on capacity and desire to manage the natural environment needs to be found. Eleven per cent of the respondents indicated they visited the attractions at children's

Figure 17. Mapping the stakeholder expectations.

behest. This is an area of potential that attractions should exploit.

As mentioned earlier in the report the involvement of local authorities in the running and funding of local attractions is a cause for a wider debate. The existence of subsidised visitor attractions that are not commercially viable is under threat, creating the need to review the basis of measurement of success. Consequently the criteria should evaluate and recognise the overall 'worth' of attractions as genuine cultural assets, whose survival is otherwise threatened by the predominantly short-term economic criteria upon which 'success' is increasingly judged. For the EU to achieve its objectives (which are centred on eliminating structural weaknesses associated with economic decline and fostering economic growth), it has to continue working alongside other institutions and stakeholders in the tourism industry. At the very least by doing so, the EU should implement policies that are going to harmonise tourism activities in relation to

other sectors, thereby enhancing development of the economy of the member states.

REFERENCES

- Aberdeenshire Council. 2004. *Aberdeen and Aberdeenshire Employment Land Audit 2004*. www.aberdeenshire.gov.uk/statistics (accessed 28 March 2004). See <http://www.aberdeenshire.gov.uk/statistics/land/empauidit.asp#one> (accessed 28 March 2006).
- Ashred N, Bereziat C, Graham M, Lennon JJ, Moffat Centre for Travel and Tourism Business Development. 2003. *The 2002 Visitor Attraction Monitor*. Moffat Centre for Travel and Tourism Business Development, Glasgow Caledonian University; 7–125.
- Boniface BG, Cooper C. 2001. *Worldwide Destinations: the Geography of Travel and Tourism*. Butterworth-Heinemann: Oxford.
- Cardoso C, Ferreira L. 2000. The effect of European economic integration on tourism. *International Journal of Contemporary Hospitality Management* 12(7): 1–10.

- Clive A. 2000. *The European Union: Structure and Process*, 3rd edn. Biddles: 140–145.
- Directorate-General for Enterprise. 2003a. http://europa.eu.int/comm/enterprise/services/tourism/index_en.htm (accessed 23 November 2004).
- Directorate General for Enterprise. 2003b. http://europa.eu.int/comm/regional_policy/atlas/united_kingdom/factsheets/pdf/fact_ukm1_en.pdf (accessed 23 February 2005).
- European Commission. 2004. http://europa.eu.int/comm/regional_policy/objective2/index_en.htm (accessed 29 March 2006).
- Fyall A, Garrod B, Leask A. 2003. *Managing Visitor Attractions: New Directions*. Butterworth-Heinemann.
- Garrod B, Fyall A, Leask A. 2002. Scottish visitor attractions: managing visitor impacts. *Journal of Tourism Management* 25: 265–279.
- Johnson G, Scholes K. 1999. *Exploring Corporate Strategy*, 5th edn. Prentice Hall: London.
- Lennon JJ. 2004. Revenue management and customer forecasts: a bridge too far for the UK visitor attractions sector? *Journal of Revenue and Pricing Management* 2(4): 336–352.
- Lickorish LJ, Jefferson A, Bodlender J, Jenkins CL. 1991. *Developing Tourism Destinations Policies and Perspectives*. Longman Group: London.
- McDonald M, Contributors. 2003. *European Community Tourism Law and Policy*. Blackhall Publishing: Dublin.
- Napier University. 2003. <http://www.nubs.napier.ac.uk/nubs/HTM/Research/attractions/revenue.htm> (accessed 18 November 2003).
- Nash R, Martin A. 2003. Tourism in peripheral areas. The challenges for North East of Scotland. *International Journal of Tourism Research* 5: 161–181.
- North East Scotland Economic Forum. 2005. <http://www.neser.org.uk/datasheet.cfm?datasheetid=13> (accessed 28 February 2005).
- Oppenheim AN. 1999. *Questionnaire Design, Interviewing and Attitude Measurement*. Cassell: London.
- Pinder J. 2001. *The European Union: a Very Short Introduction*. Oxford University Press: New York.
- Remenyi D, Williams B. 1996. The nature of research: qualitative or quantitative, narrative or paradigmatic? *Information Systems Journal* 6: 131–146.
- Saunders M, Lewis P, Thornhill A. 2000. *Research Methods for Business Students*, 2nd edn. Prentice Hall: London.
- Scottish Executive. 2004. <http://www.scotland.gov.uk/News/Releases> (accessed 21 January 2005).
- Scotexchange. 2006a. *Tourism in Scotland*. http://www.scotexchange.net/know_your_market/kym_essentials_-_knowyourmarket_-_kym-essentials/tourisminscotland2003.htm (accessed 27 March 2006).
- Scotexchange. 2006b. *Tourism in Aberdeen and Grampian*. http://www.scotexchange.net/know_your_market/tourism_in_your_area/kym_aberdeen_and_grampian_-_aberdeengrampian_-_index.htm (accessed 27 March 2006).
- Stevens T. 2000. The future of visitor attractions. *Travel and Tourism Analyst* 1: 61–85.
- Swarbrooke J. 2001. Key challenges for visitor attraction managers in the UK. *Journal of Leisure Property* 1(4): 318–336.
- Swarbrooke J. 2002a. Heritage tourism in the UK — a glance at things to come. *Insights*. English Tourist Council.
- Swarbrooke J. 2002b. *The Development and Management of Visitor Attractions*, 2nd edn. Reed Educational & Professional.
- Wallace H, Wallace W. 2000. *Policy-making in the European Union*, 4th edn. Oxford University Press: New York.
- Walsh-Heron J, Steven T. 1990. *The Management of Visitor Attractions and Events*. Prentice Hall: New Jersey.
- Wanhill S. 1995. Tourism in the peripheral areas of Europe. *Tourism Management* 16: 67–72.
- Wanhill S. 1997. Peripheral area tourism: a European perspective. *Journal of progress in tourism and Hospitality Research* 3: 47–70.
- Watson S, McCracken M, Hughes M. 2004. Scottish visitor attractions: managerial competence requirements. *Journal of European Industrial Training* 28(1): 39–66.