

Extraordinary General Meeting (EGM): 22 November 2017

Background Paper

Proposal:

For New Forest Tourism Association (NFTA) to merge with Go New Forest CIC (GNF) and for NFTA to be dissolved with effect from 31st December 2017

Why?

- A merger has always been a fundamental aspiration of both NFTA and GNF as it will enable the most efficient delivery and development of local tourism via one coherent, wholly independent entity.
- This alignment of resources and cost savings will enable us to develop income growth and provide more effective destination marketing to raise the profile of tourism within the New Forest community and the world at large.
- To adjust the current bias on accommodation to all sectors of the visitor economy, particularly eating and drinking and retail as well as creating a much stronger relationship with New Forest residents and other local businesses in the wider economy.
- To provide a much greater focus in lobbying on behalf of the visitor economy and developing new funding relationships particularly in developing a coherent membership marketing strategy.

Proposed Structure

- GNF Board will be retained; the current Vice-Chair of NFTA to join GNF Board
- NFTA Steering Group to become the GNF Advisory Group to advise the GNF Board. The GNF Advisory Group to retain full responsibility for the allocation of residual NFTA funds
- NFTA Sector Groups to become GNF Sector Groups
- Little Acorns Marketing Group to continue as per recently agreed model
- GNF is a “not-for-profit” Community Interest Company; all excess income to be automatically re-invested for the benefit of the destination.

Timescales

- 12 October 2017 NFTA Steering Group votes unanimously for this proposal
- 22 November 2017 EGM – Members to vote on proposal
- 23 November 2017 If proposal agreed, transition process commences, new all-inclusive 2018 Membership/Website rate cards distributed
- 1 January 2018 New all-inclusive Annual Membership/Website advertising Year commences and runs until 31 December 2018
- 31 March 2018 Merger completed
- 1 April 2018 Basic non-advertising Membership invoices sent out for 1 April – 31 December to align with 2019 Membership Year

New Membership Pricing

Since GNF took on the responsibility of selling NFTA Membership in April, over 20 prospective advertisers have requested costings for participation in destination marketing. The vast majority of these small business contacts haven't joined and cited the overall collective cost (NFTA Membership, Web Advertising plus Assessments), as being well above the perceived market price and the reason for not advertising.

In addition, there is still a lot of confusion with existing members and new members, over the responsibilities of NFTA and GNF and what service they are paying for in their Membership fee.

It is therefore proposed that a new, lower-cost, simple all-inclusive Membership & Web advertising package is adopted to make the whole process easier to understand, aligned between sectors, as well as making it more affordable for smaller businesses to participate.

Small Business Membership & Web Advertising – Accommodation

This level amalgamates existing NFTA Membership and Website Advertising prices into one, with an overall 25% discount for smaller businesses on 2017 prices to bring the “per bedroom” rate more into line with medium/larger accommodation businesses.

Existing Costings					Proposed Costings	
Accommodation	NFTA M'Ship	Web Advert	Total	Inc Assessment	New All-Inclusive	Inc Assessment OPTIONAL*
1 Bedroom/unit	110	250	360	457	270	367
2-3 Bedroom/unit	120	288	408	505	306	403
4-6 Bedroom/unit	144	300	444	591	333	480
7-9 Bedroom/unit	203	300	503	650	377	523

(see paragraph ref Assessments on p4*)

Small Business Membership & Web Advertising - Attractions

In 2017 the average number of business page views for small NFTA attractions was 16,784 which is at a similar scale enjoyed by small accommodation providers. It is not easy to bring small attraction businesses into line with small accommodation businesses because previously the former had a free web entry with their Discover Guide advertisement. Therefore, to achieve an all-inclusive cost alignment between a small attraction and a small accommodation provider (2-3 bedroom), we propose they both pay the same total amount for all-inclusive Membership & Website Advertising as follows:

Proposed Costings				
Attraction	NFTA M'Ship	Web Allocation	Total	New All-Inclusive
1 – 25,000 visitors	135	273	408	306

It follows that we also therefore need to sever the link between web advertising and Discover Guide advertising in the future and this is covered more fully overleaf.

Medium/Large Business Membership & Web Advertising – Accommodation

This level amalgamates existing NFTA Membership and Website Advertising prices into one. To achieve commonality, we have applied the Super Basic 2017 web advertising rate to existing NFTA membership rates and applied an overall 10% discount on top.

Existing Costings					Proposed Costings	
Accommodation Rooms	NFTA M'Ship	Web Advert	Total	Inc Assessment	New All-Inclusive	Optional Assessment*
10-14	265	410	675	892	607	824
15 to 19	403	410	813	1030	732	949
20 to 29	557	410	967	1240	870	1143
30 to 39	668	410	1078	1351	970	1243
40 to 49	775	410	1185	1458	1066	1339
50+	888	410	1298	1571	1168	1441

Medium/Large Business Membership & Web Advertising – Attractions

As with the small attractions, to achieve an all-inclusive cost alignment we propose that costs are proportionately the same as medium and large accommodation providers. It is worth noting that medium and large NFTA attraction web advertisers on average received a staggering 59,572 individual business page views on the destination website in 2017.

Proposed Costings

Attraction (Visitors)	NFTA M'Ship	Web Allocation	Total
25,000 to 50,000	176	410	586
50,000 to 100,000	281	410	691
100,000 to 200,000	531	410	941
200,000 to 300,000	701	410	1111
300,000+	879	410	1289

Basic Non-Advertising Membership

This is the most basic level and will be charged at the 2017 NFTA Membership rate. It will include a basic one-line web listing of name, address and telephone number only.

Existing Members wishing to join at this non-advertising level will be invoiced 1 April 2018 for a 9-month membership to bring the membership into alignment for 1 January 2019.

Discover Guide

As mentioned previously, the link between web advertising and Discover Guide advertising will be severed. Advertising in the Discover Guide will therefore be completely separate from the new all-inclusive Membership & Web Advertising proposals in this paper. However, to create a parity between 2017 and 2018 overall business participation costs in destination PR and marketing, Discover Guide advertising rates for 2018 will be reduced by up to 25% in the Attractions Front Section and the Town & Village Section.

The free accommodation listings previously provided in the last two Discover Guides will cease, but accommodation businesses can take display advertising within the Town & Village sections of the Discover Guide at the same reduced rate as an attraction business.

Aligning the Membership Year with the Web Advertising Year

The current NFTA Membership Year runs from 1 April 2017 – 31 March 2018 and the Web Advertising Year will run from 1 January – 31 December 2018.

To align this to the new Membership/Web Advertising year 1 January – 31 December 2018, it is proposed to apply a discount of three months (Jan-Mar 2018) for current paid up NFTA businesses. Invoices for the new all-in Membership & Web package will be sent out in December 2017.

Assessments

One of the main cost barriers for some existing and certainly all recent prospective advertisers has been the added cost of the NFTA Assessment. To accommodate all views on this subject, it is proposed to create a no-cost Accommodation Charter for prospective Members to sign as the basic entry level. Existing Members can continue to participate in the Assessment Scheme or they can choose to sign the Accommodation Charter. The difference between Charter and Assessment advertisers will be clearly denoted in all promotional activities.

Summary

In the fast-changing landscape of modern tourism and hospitality, it is critical that we provide a single and effective platform to engage all local businesses in developing the New Forest as a high quality and competitive world-class destination. This proposal is designed to take us all forward with a greater clarity of purpose, whilst providing a sustainable business model to deliver all future activity. A better value membership subscription for smaller businesses will help grow membership across all sectors, which in turn will grow the destination's marketing pot.

30 October 2017