

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 6 March 2013

Subject: Christmas 2012 Summary

Report of: Chief Executive

Summary

This report provides an overview of the Christmas activity promoted by the Council including Christmas markets, the lighting scheme, events and an integrated communications campaign and the extent to which it drives economic growth. The report provides a summary of activity, an evaluation of the results to provide the evidence that investment in Christmas events and activities drives economic growth.

Recommendations

The January 2012 Executive Report on Christmas recommended using financial impact of activity promoted by the Council as a baseline for future investment for Christmas activities to support economic growth. This recommendation has been followed.

That the report be noted.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	£71.33m gross spend attributable to the markets during Christmas.
Reaching full potential in education and employment	Supports existing retail jobs (retail supports approximately 8% of total Manchester jobs or 25k people employed) plus anticipated additional jobs related to the Christmas peak.
Individual and collective self esteem – mutual respect	Satisfaction levels with visitors and residents in the city centre are high for the Christmas overall experience.
Neighbourhoods of Choice	Creating Manchester city centre as a shopping destination for Christmas.

Financial Consequences – Revenue

The Christmas lighting scheme cost £339k from the Communications budget to supply, install, de-rig and maintain.

The Christmas communications allocation was £117k and this combined with private sector and Visit England funding, this supported an overall co-ordinated campaign promoting Manchester with a media spend £323k. This has generated a media value estimated to be over £3.5m.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers below.

- January 2012 Executive - Christmas Performance
(http://www.manchester.gov.uk/egov_downloads/Christmas.pdf)
- Alterline Christmas Research, 2012

1.0 Introduction

- 1.1 This report summarises the performance and direct economic impact of Christmas communications, events and the markets organised by the Council. It compares previous Christmas performance and provides a baseline for future strategies to drive continued economic growth.

2.0 Background

- 2.1 The overall strategy for the Council's Christmas related promotions in Manchester is to drive economic growth and improve on 2011's economic performance. There are three elements to the Council's activity:
- A coordinated communications campaign promoting Manchester as a destination to shop and visit at Christmas
 - The festive lighting scheme and events calendar
 - The extensive markets offer that adds to the Christmas retail mix
- 2.2 A private and public sector Christmas marketing campaign for Manchester, combined with an extensive events calendar to attract shoppers and one of the best Christmas Markets in Europe can work in partnership to attract new tourism and visitors, high spending shoppers and encourage repeat visits during this crucial trading period. This supports the estimated 25k jobs in retail and associated services and additional jobs created by the season peak.

3.0 2012 Christmas Communications strategy

- 3.1 Marketing Manchester, Manchester City Council and Cityco worked together with partners to develop a multi-channel promotional campaign for Christmas 2012, which built on the success of the 2011 Christmas Campaign. The aim was to attract more high spending shoppers and tourists into Manchester from Greater Manchester, the wider North-West and beyond.
- 3.2 £117k of Council funding (£90k to Marketing Manchester for regional, national and international marketing from ERF to support growth and £27k from the Council's Corporate Communications budget to promote Manchester) was matched by Visit England and added to by private sector investment. This investment was combined to ensure a high impact media campaign to support continued retail growth. Total value of Christmas campaign expenditure was £323k.
- 3.3 The contributions to the marketing campaign from the private sector and supporting partners totalled over £100k. Manchester Arndale was the headline sponsor with other contributing partners included Abode, Bali Health Lounge, Britannia Hotels, Chester Zoo, Cornerhouse, Cross Country Trains, De Vere Whites, Disney – Lion King, Great Northern, Hilton Manchester Deansgate, Lowry Outlet Mall, Manchester Markets, Metrolink, MOSI, NCP, The Palace Hotel, The Place, The Royal Exchange, Selfridges, Spinningfields, Stagecoach Manchester, System One Travel, Tatton Park, The John Rylands Library, The Lowry, Malmaison, The Trafford Centre and Urban Exchange.

- Contra agreements were also made with First Transpennine and Northern Rail who provide in-kind marketing collateral in exchange for joining the campaign.
- 3.4 The main focus of the campaign was to promote events, activities, attractions and special offers to bring residents and visitors into the city, to drive increased frequency of visit and higher footfall. Marketing Manchester distributed 500k printed calendars promoting these offers and events through a range of channels, including leaflet racks, press inserts, a door drop to targeted high spend postcodes, hand-to-hand through Manchester Evening News city centre vendors and via direct mail.
 - 3.5 Out of home advertising was used to bring the campaign messages to life, using 96, 48, 12 and 6 sheet posters and digital screen sites targeting ABC1 demographic surrounding Manchester and the North West. 35 panels were booked within nearby towns and cities such as Liverpool, Blackburn, Chester, Rochdale and Stockport. Using artwork which featured the campaign characters with calls to action back to visitmanchester.com/Christmas. Sites were live throughout November and December. A total of £20,201 was invested by Marketing Manchester on outdoor advertising with an overall media value of £110,400.
 - 3.6 Television advertising also formed part of the multi channel approach with a 20 second advert running at strategic time throughout November and December at a cost of £73,411. The advert ran on ITV Granada and Central West and reached 7.9 million viewers in the Granada region and 4.8 million viewers in the Central West region. The advert aired within the Royal Variety Performance, Coronation Street, I'm a Celebrity, Emmerdale and the X Factor finale.
 - 3.7 The campaign was extended internationally with partner airlines, covering Ireland in partnership with Ryanair and Flybe and Germany in partnership with Easyjet. Activity in each market included e-messaging to airline contact databases, web competitions to win a weekend break in Manchester and local print advertising.
 - 3.8 A national press advertising campaign took place throughout November and December with full page adverts featuring in The Times, The Independent and The Guardian with a combined reach of over 1.9 million. Regional adverts were featured in The Metro (NW), Northern Life, Manchester Evening News, Birmingham Mail and Yorkshire Evening Post, with a combined reach of over 1.1 million.
 - 3.9 All elements of the campaign were supported by Public Relations to drive publicity in local, national and international media. The media value of the coverage achieved and measured is estimated at £2.9m (Total Advertising Value Equivalent – the standard industry measure) with over 337 articles over the Christmas period both locally and nationally. The coverage was overwhelmingly positive (96% of the articles were positive).

Media Coverage Details

	Print	Broadcast	Online	Magazines
Local	26	2	7	
Regional	75	126	51	3
National	14	4	17	11
International			1	
			Grand Total	336

- 3.10 Radio advertising to compliment television advertising ran through November and December on Real Radio, Key 103, Smooth and TFM, with a total reach of 970,000 listeners.
- 3.11 To support the offline activity a Christmas area was created at visitmanchester.com/Christmas, which showcased events, attractions, hotels, transport partners and special offers. The digital campaign included 12 e-communications sent to over 400,000 contacts with a 16% open rate (an increase of 3% year on year), display advertising across a number of sites and search engine optimisation. This activity helped to drive 752,756 page views across visitmanchester.com/Christmas (an increase of 94% on 2011). Unique page views were 359,687 (a 25% increase on 2011). To drive data capture 6 competitions ran on the site, generating over 8,000 entries and nearly 3,000 opt ins. Social media was also used to promote the campaign with 112 tweets sent to 28,000 followers of @visit_MCR, 100 posts to 9,000 facebook fans, and 17 blog articles to 500 readers.
- 3.12 The Council's collaborative approach with Visit Manchester and internal customers resulted in 6% more pageviews of 'Christmas related content' on Manchester.gov.uk throughout November and December compared to the same period last year (419k vs 395k). November/December also saw 1,053,626 visits to the wider Manchester.gov.uk website (a 7% increase year on year), whilst page views remained static at 3.5 million. Manchester Markets content received 615k page views compared to 636k for the same period last year (-3.28%).
- 3.13 The Council website also enjoyed a significant amount of social 'buzz' with over 5000 mentions of #McrChristmas and over 13,500 mentions of "Manchester Christmas markets", "Christmas Manchester", "Manchester switch on", "Manchester markets", "Manchester ice rink" and "Arndale grotto" across social platforms. This year @Mcrsanta tweeted 261 times and increased followers to 1,750 over the period)
- 3.14 Rich media content (video, live streaming etc.) on the Council's website received over 14,500 views and reflects how popular this type of media has become and strengthens the need to continue to develop new rich content on the Manchester.gov.uk site.

4.0 2012 Festive Lighting Scheme and Events

- 4.1 The Council and its key partners continued to provide the vision and direction to create a festive portfolio of activity across the Christmas period that will differentiate the city centre offer and provide a solid platform on which the business and retail sector can build to deliver a positive festive experience for residents and visitors alike.
- 4.2 Manchester's festive package extends beyond simply the provision of illuminated street decoration, however the city centre Festive Lighting scheme is the visual foundation of Manchester's Christmas 'offer' in what is an increasingly competitive marketplace for visitor numbers and the associated economic benefit.
- 4.3 The contract to install and maintain the city's Festive Lighting Scheme was awarded to MK Illuminations in 2010 following a three year tender; the scheme cost £339.2k in 2012 to supply, install, de-rig and maintain. The scheme, in its final year, continued to prioritise the provision of high impact, low energy lighting supporting our low carbon agenda incorporating the installation of LED lights in trees across the city. The dominant colours were red and white and Santa was revamped with the added LED feature to carry key campaign messages and a call to action directing viewers to the manchester.gov website. The city's investment in the festive lighting has also realised significant investment from the private sector to extend the coverage of the scheme into areas such as New York Street, London Road and Spinningfields in addition to the key retail frontages.
- 4.4 The Christmas Lights Switch On event on 9 November launched the festive period with an estimated 20,000 people in and around Albert Square on the evening to watch performances from The Wanted, Misha B, The Last Party – a local North Manchester band from Collyhurst - and characters from the well known children's television channel, CBBC's 'Hacker and Dodge'. There was also the additional stage content provided by theatre partners across the city. Key 103 supported the event as media partner.
- 4.5 Capitalising on an ever growing audience, Livestreaming of the Switch On event took place for the very first time in 2012. This was groundbreaking for the Christmas Lights Switch On making it accessible to a worldwide audience. The live web cam feed, was seen in 120 countries by up to 50,000 people including viewers from as far afield as Thailand and Hong Kong, to Kuwait, Ethiopia and the Caribbean.
- 4.6 The portfolio of festive activity spread across the key public spaces in the city centre with Festive Markets in Albert Square, Brazennose Street, Lincoln Square, King Street, St Ann's Square, Exchange St, New Cathedral Street and Exchange Square.
- 4.7 This was the fifth year that Spinningfields has played host to the city's only open air ice rink providing a quality family attraction in Hardman Square from 22 November to the 6 January. The Ice Rink was contracted to private operators – Cousins with no support funding required from the Council.

Spinningfields Management Company reports that 32,000 skaters utilised the facilities this year.

- 4.8 The Piccadilly Ice Festival transformed Piccadilly Gardens over the weekend 8 – 9 December attracting 25,000 visitors. Led by Ice Sculptures ‘Glacial Art’ – North West Company, a magical forest of ice sculptures was created with the aid of chainsaws and chisels inspired by a festive and wintery theme. There was the opportunity for children and adults to have a go at ice sculpting and contribute to Wishing A Merry Christmas to Manchester carved from a three metre wall of ice.
- 4.9 Funfair & New Year’s Eve Fireworks – the request to facilitate the hosting of fairground rides in the city centre over the Christmas/new year period – 27 December through to 6 January was a late addition to the festive programme to generate income to fund fireworks on New Years Eve.
- 4.10 In liaising with the fairground operator, the main criteria was to a) avoid creating a negative impact on the city centre retail and hospitality operations during this busy period, b) target suitable hard standing areas available to minimise impact on the public realm and c) provide an environment that enhances the city centre offer and minimises impacts on other operations. Activity was developed and sited in St Ann’s Square, Cathedral Gardens, Exchange Square and Corporation Street.
- 4.11 The fairground activation added an additional layer of family activity in the city centre, attracting 50,000 visitors across the period of the operation. However, given the short timeframe to deliver, it has been acknowledged future activity of this scale/nature will require a lengthier planning and consultation period with all key partners/stakeholders. Whilst concerns were raised about the appropriateness of a funfair by retailers through Cityco there were very few complaints received.
- 4.12 The fees generated from the fairground operation funded the free, non-ticketed fireworks display on New Years Eve which took place at the Town Hall with a public audience of in excess of 8,000 welcoming the New Year in at Albert Square.

5.0 Christmas Markets Summary

- 5.1 Whilst the key objective of the Christmas markets is to animate the city and drive footfall by differentiating Manchester from other destinations, the Market also makes a financial contribution of £285k to the Council.
- 5.2 Once again the Christmas Market expanded its operation to fill the gap in Exchange square where the Wheel had stood for a number of years. The development of this area included the new 16m high German Windmill, new stalls and an elevated platform seating area, all of which had the desired effect of establishing Exchange Square as the second major destination location of the market after Albert Square.

5.3 In addition to the developments in Exchange Square new innovations for the Christmas Markets included:

- New layout and entrance area on Albert Square
- Additional covered seating area and new entrance arch on Albert Square
- New Italian Food Houses on Albert Square
- New toilet facilities on Brazennose Street
- Extension to covered seating area on Brazennose Street
- New craft traders houses on Exchange Street
- New Coffee House on Exchange Street
- New Beer House on New Cathedral Street
- New location of the traditional day market stalls on Exchange Square
- Extension of the trading days for the traditional market stalls to include mid week.
- Providing use of the traditional market stalls to local charities.
- Extended recycling on the market and the introduction of food waste recycling

5.4 In 2012 visitors to the Albert Square market were counted on 5 occasions as detailed below:

ALBERT SQUARE					
Dates 2011		Footfall count	Dates 2012		Footfall count
Saturday 19 November 11		75,051	Saturday 17 November 12		78,428
			Friday 23 November 12		40,155
Sunday 4 December 11		50,817	Sunday 2 December 12		63,692
			Wednesday 12 December 12		36,126
Saturday 17 December 11		72,537	Saturday 22 December 12		42,365
Estimate footfall on Albert Square 2011		1.5m	Estimate footfall on Albert Square 2012		1.67m
			Demonstrating an increase footfall of approximately:		11%

5.5 The large crowds on Albert Square were accommodated by investment in new stalls and a revised layout to ensure crowd safety and crowd flow eliminating previous pinch points. In total only one accident on the square was reported due a trip on the cobbles.

5.6 Anecdotally, most market traders are reporting an excellent trading year exceeding their expectations given the present economic climate and in comparison with other events they have traded at elsewhere in the country. In particular a number of traders reported that the Saturday 1 December 2012 offered them the best trading day since many of them had started the market, in some instances this is over 13 years.

5.7 We once again had a successful media relationship with BCC Radio Manchester which included them broadcasting for a whole week from the

Exchange Square market site. The market was also featured in the following 'things to do' and 'best Christmas market' articles:

- 03/11/12 Guardian Guide - "Out and About column"
- 10/11/12 The Daily Mirror - Best Christmas Markets feature.
- 25/11/12 The Daily Mirror - Manchester in the top 10 cities for a Christmas Break.
- 26/11/12 MSN (web) - Christmas Markets in Europe: 10 of the best.
- 02/12/12 Sunday Express - "We Love..." feature... Christmas in Manchester.
- 11/12/12 Guardian (Northerner Blog) - Features Manchester Market's 'Kissing Mugs'.
- 23/12/12 Sunday Mirror - Great UK days out column.

6.0 City Centre Footfall and Retail Performance

6.1 City Footfall Figures.

At the four locations where there are footfall counters in the city centre (King Street, Market Street, New Cathedral Street and Exchange Square) the combined total average shows a 3.3% increase in footfall figures during the campaign period, when compared to the same period in 2011.

	2012	2011
Exchange Square	1,953,530	1,912,702
King Street	1,723,068	1,527,601
Market Street	3,183,480	3,289,873
New Cathedral	1,448,016	1,311,662
TOTAL	8,310,106 (+3.3%)	8,043,849

In November the average footfall was up 1.4% on 2011, higher than the national increase of 0.2%. In December it was up 7% even though the national average was down -0.5%. Proving Manchester is bucking the trends and growing faster than other shopping destinations in the UK.

6.2 Manchester Arndale has reported the centre exceeded the 40 million footfall mark for the year - the highest ever on record. On Saturday 3 December 232k visits were recorded, the highest ever recorded for one day and the week ending 4 December footfall exceeded 1 million shoppers. The last week before Christmas the highest ever weekly footfall figure was recorded at 1.168m visitors an increase of +8.9% on 2010. The sales have also proved positive and since Boxing Day footfall has tracked ahead of last year by 7.5%.

6.3 Other major city centre retailers are also suggesting a positive festive trading period that differed from last year in that the bulk of trading came later on in the festive period. Several major retailers are reporting their best ever festive trading period in Manchester. Boxing Day was also highlighted as a major trading success but sales in January for other major city centre retailers have been slower than Manchester Arndale due to the weather. This is also reflected in city centre footfall in January being 8-12% down on last year.

7.0 Shopper Survey research highlights.

- 7.1 To measure the success of the Christmas activity research was commissioned by Alterline, an independent Manchester based research company who interviewed shoppers during the festive period
- 7.2 804 shoppers were interviewed during the period 11th – 23rd December at 6 locations across the city centre: Market Street (outside the Arndale), King Steet, Spinningfields, Albert Square, Piccadilly Gardens and Exchange Square.
- 7.3 The following key headlines have been summarised for this report based on shoppers surveyed:
- 23% of respondents were in Manchester that day to specifically visit the Christmas Markets, 83% of respondents had visited the Christmas Markets so far already in the Christmas period and 78% had visited or intended to visit the Albert Square Christmas Markets on the day they were interviewed.
 - Average spend per person for all those interviewed in all locations was £57.15. This breaks down as follows:

	2012	2011
Shopping	£34.98	£40.02
Attractions	£2.58	£5.88
Food	£12.81	£15.14
Accommodation	£4.12	£2.79
Travel	£2.22	£2.67
Other	£0.45	£0.38
Total	£57.15	£66.88

- Spend and footfall comparison since the last commissioned research are summarised below:

Markets Customer Research	2012	2011	Difference
Average spend of shoppers interviewed at just Albert Square Christmas Market	£42.71	£49.54	-14%
Estimated visitor numbers for markets	1.67m	1.50m	+11%
Total markets gross spend	£71.33m	£74.31m	-4%
Total spend of those who specifically came for the markets (23% in 2012, 16% in 2011)	£16.41m	£11.89m	+39%

- Therefore, based on those surveyed, average spend appears to have decreased for the festive period, however, the growth in footfall at the Christmas markets and across the city have helped to maintain total spend resulting with only a small decline on 2011.

- However, due to the higher % of people who have visited specifically for the markets, spend attributable in Manchester due to the markets taking place has actually increased by 39%.
- 49% of respondents had seen some sort of advertising promoting Manchester at Christmas showing the communications campaign had strong awareness and 40% had seen the advertising images when prompted.
- 3.5% of respondents said the advertising they had seen greatly influenced their visit that day, 8% had been slightly influenced. Therefore, based on the 3.18m shoppers counted on Market Street during the Christmas period and the 3.5% of those who came as a direct result of the communications campaign with an average spend of £57.15, the value of those additional attracted shoppers through communications is £6.36m.
- Therefore the communications campaign return on investment of £19.7 for every £1 spent on communications (£323k total communications allocated budget but the Council's contribution was £117k and the overall media value was estimated to be £3.5m).
- Of the 4% of respondents who had seen the leaflet, 52% said they found it useful/effective.
- Of the 3% of respondents who had used the website, 89% found it very or quite effective.
- 86% of respondents agree Manchester City Centre is family friendly (58% strongly agree and 28% agree)
- 79% of respondents rated their visit as excellent (42%) or good (36%)
- 9 out of 10 respondents were satisfied with their visit to Manchester (55% very satisfied and 34% satisfied)

8.0 Additional information

- 8.1 The November city centre hotel occupancy rate for 2012 was tremendous with 3 occasions where the city centre reported 100% occupancy (1st, 24th, 28th December) and 2 with 99% occupancy (2nd, 6th), this helped to deliver an increased overall occupancy of 86% a 2% increase on 2011.
- 8.2 Metrolink sales figures show an increase in adult saver tickets over the campaign period of 48% and 18.5% on family savers which shows an increase in off peak saver tickets purchased across the network during the campaign period.
- 8.3 First Transpennine Express, Northern Rail, Metrolink, System One, Stagecoach, Cross Country and NCP all helped promote the Christmas messages to their customers. Special offers supported the Christmas peak to drive additional footfall and travel prizes provided for Christmas competitions.

9.0 Conclusion

- 9.1 Overall the Christmas strategy supported the Council's priority of economic growth. The economic impact overall of the Christmas activity shows a decline in average spend countered by evidence of increasing footfall across the city (bucking decreases nationally) supporting total spend growth.

- 9.2 The communications campaign delivered over £3.5m of added value through in-kind support, PR coverage and through media partnerships and tie-ins. Overall the campaign delivered a return on investment of £19.70 for every £1 invested in communications.
- 9.3 Markets attracted more people, estimated to be 1.67m visitors and although average spend was down, the increased footfall countered the majority of the decrease in average spend. Almost a quarter of all people interviewed came to Manchester specifically for the markets, a big increase on 2011 and underlines the importance of the markets in driving footfall, spend in the city and Manchester as a Christmas shopping destination of choice.
- 9.4 Residents and visitors overall enjoyed the Christmas offer and 79% described it as excellent or good and 9 out of 10 visitors interviewed were satisfied or very satisfied with their Christmas Manchester experience. The Christmas offer, especially the markets and light switch on generate extremely positive media coverage and help engender pride in the city.
- 9.5 Based on the increased footfall and satisfaction ratings Manchester was a destination of choice for shoppers this Christmas and continues to be a key driver of retail performance that is bucking the national trends of decreasing high street footfall.
- 9.6 The communications, events and market teams are already working with partners on next Christmas to ensure we maintain growth in continuing challenging times to support the jobs dependent on the retail and service sector in Manchester. The opportunity of a new lighting scheme, further innovation to the markets offer and a continued collaborative marketing approach will support Christmas 2013.