

Locum Statement on Destination Development

An outline of the Locum destination development “process”.

Roger Hobkinson, Locum Associate Director and Editor of this edition of LDR, writes about the Locum destination development ‘process’.

Watching a reality TV programme recently brought it home to me that Locum destination development thinking is not much different from that of a leading fast moving consumer goods business.

The essence of the programme was that ‘joe public’ had the opportunity to get their personal cooking speciality onto the shelves of Tesco, a leading international retailer. So each week you had four budding chefs dreaming of their delicacy flying off Tesco’s shelves and them making lots of money. After hours in the heat of the kitchen the contestants would come out and have to do a 30 second ‘elevator pitch’ to Allan Leighton, a leading UK businessman, about their product. Leighton wanted to hear from them: what the product is, what it might be called, who might buy it, where is it in the store, why is it different and how much will it sell for? He was often disappointed with responses.

As the programme progressed the wannabe chefs wilted under the questions fired at them by Leighton and Tesco executives. The need for absolute clarity on what the product was and the detail behind it became clear.

Translate this into the destination development sector and what does it mean? Simply that there should not be a big difference between what a destination developer should do compared to a FMCG business. Replace Allan Leighton and the senior folk of Tesco with hard-edged investment bankers, financiers, lawyers and city or government officials and the principle is the same.

It is essential to get clarity on the market at an early stage, in order to understand how the project will align with, and be taken to its market. The fundamental questions to understand include:

- What the product is?
- Where is it located?
- What is it called?
- Why is it different?
- Who will buy it?
- What is its pricing?
- How will it be brought to market?

The next step is to summarise what that all means to the client and other stakeholders.

The journey of successful destination development is, therefore, grounded in sound market research, consumer analysis, vision, market positioning, branding and financial planning.

In the era of cheap money and a generous view on risk, perhaps the development community of investors, developers, governments and their advisors have lost sight of getting the fundamentals and market relevance right at the beginning of projects.

The end gross development value of large destination development projects is likely to be significant, additional money that has been invested early on is likely to have been well spent. You really do not want to be starting your journey in the middle. To return to our supermarket analogy, Tesco would not start selling a new dessert without considering the market - who might buy it, at what price, why it is different etc.

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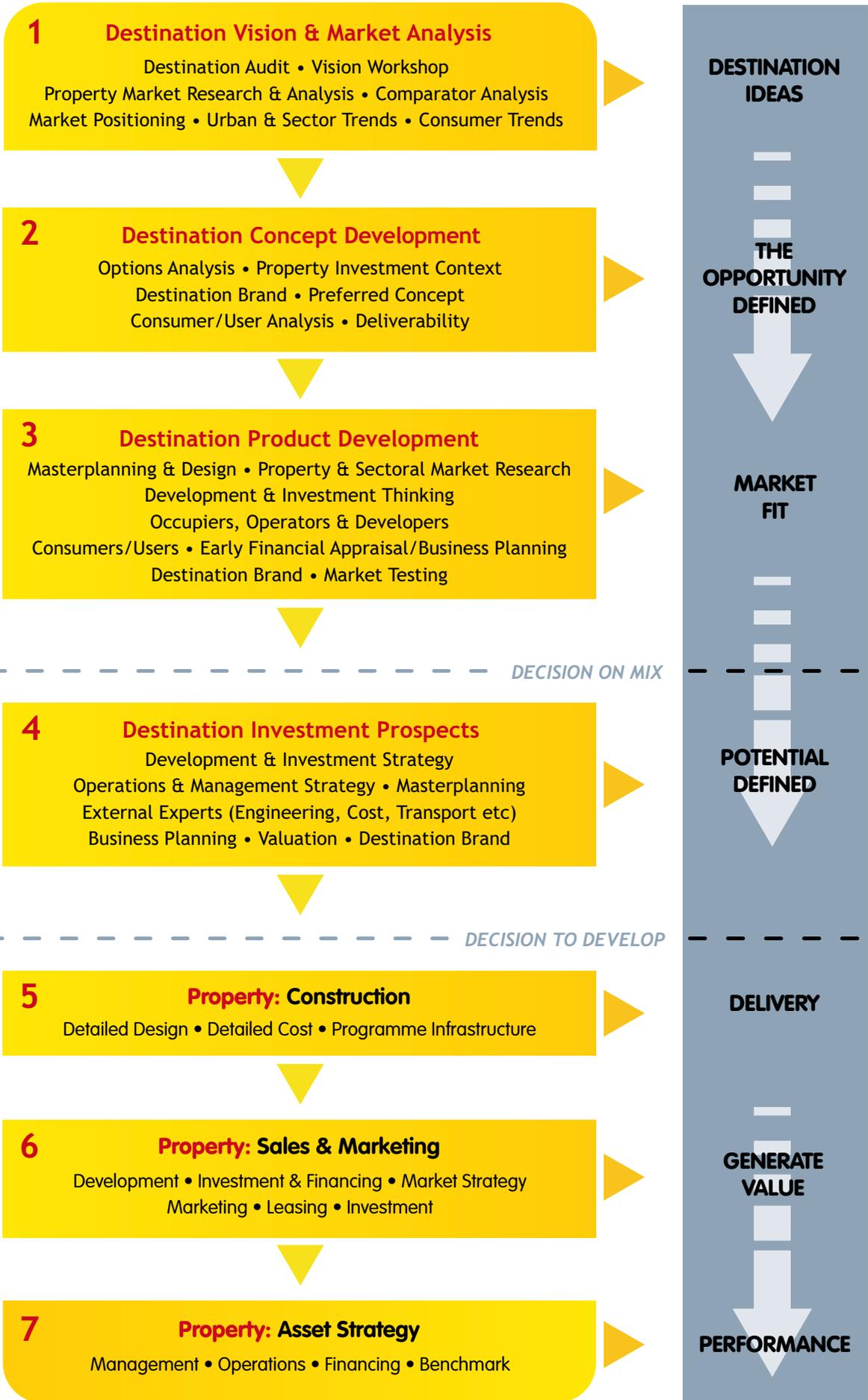


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