

BATP performance review: 31st March 2022

1. Context

1.1 The BATP ‘sales funnel’

The BATP is a complex, multi-faceted programme which, in essence seeks to:

- Stimulate interest within its target audiences in its key target markets.
- Capitalise on this interest by generating new business leads and converting these into new investment, conferences and events and visits.

We have identified a clear process or ‘sales funnel’ via which these objectives will be achieved:

1. **Outputs** - initial engagement with the programme’s target audiences of investors and associated intermediaries, conference organisers, sporting federations, travel trade professionals and leisure tourists in key target markets via marketing campaigns, media activity, events and sales missions – seeking to stimulate market interest and generate initial business leads.
2. **Outcomes** – (i) raising awareness of the UK’s and the region’s offer, promoting positive sentiment by communicating the key strengths which resonate with our target sectors and demographic groups and (ii) converting potential leads into opportunities and bids – where potential investors, conference and event organisers, travel trade professionals and sponsors articulate their requirements and we make a business case for the UK and the region.
3. **Impacts** – successful landing of investments, conferences, events and international and domestic visitors.

This process is illustrated in the diagram below.

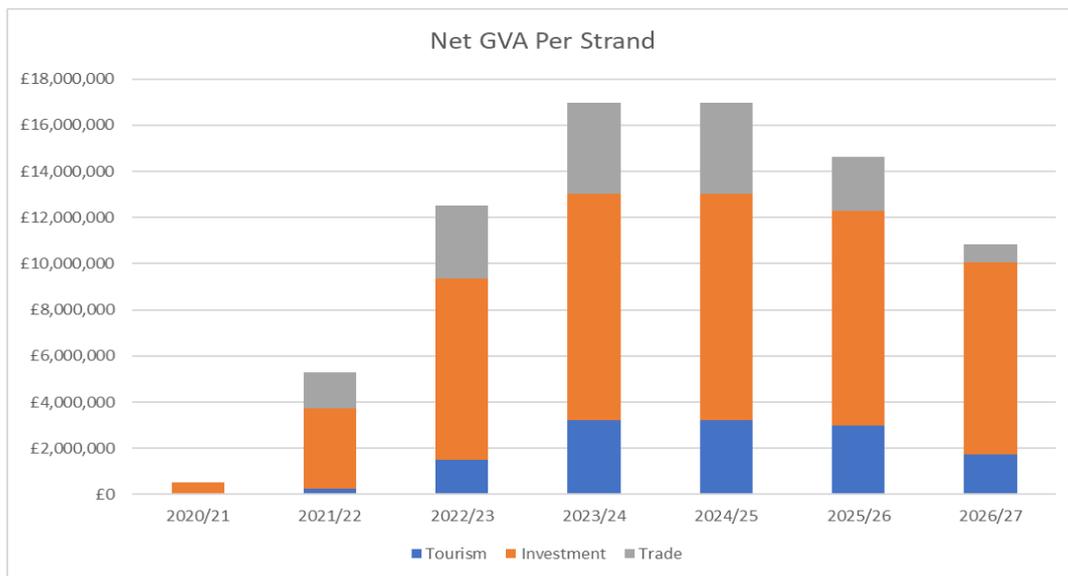
| | Work streams - inward investment, capital investment, MICE and sporting events, leisure tourism, UK House, exports | Indicative timeline |
|--|--|----------------------------|
| Level 2 operational outputs - engaging with the market, creating interest and generating leads | Marketing campaign audience reach - website and social media traffic | From Autumn 2021 |
| | Media campaign reach and market spread | |
| | Events, workshops, familiarisation visits and sales missions organised | |
| | Attendees attracted to events, workshops, familiarisation visits and sales missions | |
| | Leads generated via engagement with attendees | |
| Level 1 intermediate outcomes - changing perceptions and converting leads into opportunities | Perceptions shift achieved in terms of: | From Summer 2022 |
| | Awareness of the UK and WM offer within key target audiences | |
| | Positive sentiment in relation to the UK and WM offer within key target audiences | |
| | Likelihood of recommending the UK and the WM to clients or actively investing or visiting | |
| level 1 final impacts - projects and deals landed, jobs and GVA generated | Leads converted into opportunities - potential investment projects, conferences or events or visits to the UK or the WM, export opportunities for WM firms | 2023-2027 |
| | Opportunities won - investment projects, conferences and events landed, export deals completed | |
| | Value of investment projects, export deals, visitor expenditure | |
| | Jobs created by investment projects | |
| | GVA generated by investment projects, conferences and events, domestic and overseas visitors attracted, export deals | |

1.2 Timelines for benefits realisation

As lead times for much of the activity to move through the funnel are often quite considerable at FBC stage it was forecast that the benefits of the programme will continue to accrue well beyond the end of the Games. For example:

- FDI attraction activity often has long lead times – up to 5 years in some cases
- Exporters will typically take significant time to develop new markets.
- We expect to land conferences and events scheduled in 2023 and beyond
- We expect international leisure visitor numbers to grow from 2023 onwards

The timeline for benefits realisation, therefore, extends to 2027. The diagram below shows how headline net GVA generated by the programme was forecast to build momentum in 2021/22 and 2022/23, peak in 2023/24 and 2024/25 before starting to tail off in 2025/26 and 2026/27.



Source: BATA Full Business Case

1.3 2027 targets

The targets set for the programme at Full Business Case stage are set out below.

| 2027 targets | |
|--------------------------|---|
| Inward investment | 141 projects landed in the UK of which 75 will be in the West Midlands, creating 925 jobs |
| Capital investment | 18 projects landed creating 104 jobs |
| MICE and sporting events | 11 MICE meetings and 8 sporting events generating a £2m economic impact |
| Sponsorship | 12 sponsors secured generating £20m of income |
| Exports | 900 businesses supported and £6.5m export deals generated |
| Leisure tourism | 22,000 international visitors attracted to the UK generating £12m of economic impact. 39,000 domestic and international visitors to the West Midlands generating £18m of economic impact. |
| Marcomms | Enhance perceptions of the UK and the West Midlands. Achieve 1.3bn audience reach |

Source: BATA Full Business Case

1.4 How are we attributing outcomes and impacts to B ATP activity?

Assessing the additionality of the programme – i.e. the inward and capital investment projects attracted and associated jobs created, MICE and sporting events landed, export deals generated, visitors attracted and associated expenditure and perceptions shift achieved which are directly attributable to the programme, as distinct from those which would have happened anyway – is a critical element of our evaluation strategy. This additionality is being evidenced in the following ways:

1. Analysis based on the CRM and other management information systems of WMGC, DIT and VB – which document the chain of events, meetings and discussions that led to these outcomes and impacts – and whether or not these were associated with the B ATP.
2. Where additionality cannot be assessed in this way we have commissioned primary research to fill the gap – for example:

To evidence the extent to which our marketing campaigns and media activity are helping shift perceptions of the UK and the West Midlands among our target audiences we are running three waves of perceptions research (a baseline wave has already been completed in 2021, to be followed by surveys in autumn 2022 and autumn 2023). This will track, for example:

- i. Changes in the proportion of key audiences with a good level of awareness, positive perceptions and which are actively considering the UK and/or West Midlands proposition.
- ii. The proportion that can recall seeing and being influenced by B ATP marketing and communications activity.

We are running two waves of regional visitor surveys (in summer/autumn 2022 and summer/autumn 2023) which will identify:

- People's motivations to visit – and the proportion that can recall seeing and being influenced by B ATP marketing and communications activity and The sources of information people utilise to plan their visit – and the proportion that use the digital visitor information platform and mobile visitor information pop ups being funded by the B ATP. This analysis will be combined with data on overall numbers of visitors to the region in 2022 and 2023 to estimate the number of visitors to the region, and associated expenditure we can attribute directly to the B ATP.
- Displacement - whether visits have taken place instead of ones to other parts of the UK or visits at other times of the year.

Survey work with attendees at UK House will provide key outcome data such as new FDI and capital investment leads generated, subsequent investment landings and the volume and value of new export deals generated by sector and country of origin.

2. Performance overview as at 31st March 2022

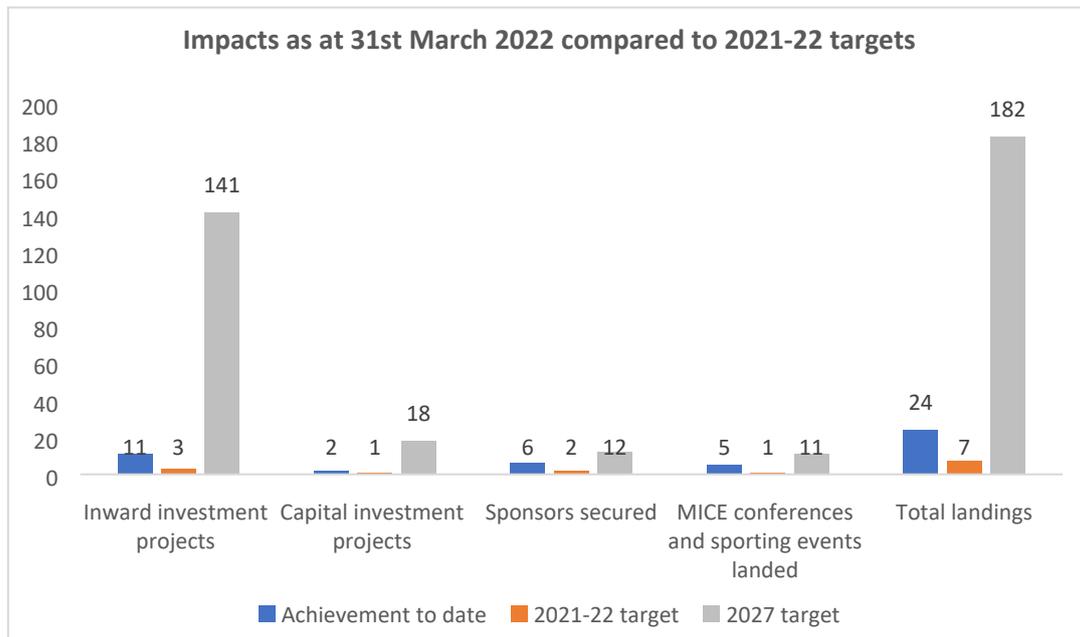
While as we reported in the previous update progress to 31st December 2021 was encouraging, with the programme delivering more than forecast at that stage by the Full Business Case (FBC), activity has ramped up significantly in the first quarter of 2022.

This has been underpinned by a successful mix of in-person and virtual events and sales missions including QBR activity in India, Australia and Singapore/Malaysia, a mission to Expo 2020 Dubai and a range of additional UK-based and overseas MICE and travel trade missions and events.

While this activity has supported a substantive up-tick in media coverage, social media posts and new website visits, by the end of March audience reach had increased exponentially to nearly 690 million.

All this has fuelled strong growth in our pipeline of leads and opportunities and a healthy crop of new landings. While we still have a significant way to go to realise all of the benefits of the programme (required by 2027 as per the FBC) at the end of March 2022:

- 11 inward investment projects had been landed, more than triple the target of 3 set in the Full Business Case for the end of 2021-22.
- 2 capital investment projects had been landed, double the FBC target for this stage in the programme (1).
- 5 MICE and sporting events had been landed, five times the target for this stage (1)
- 6 B ATP sponsors had been secured, three times the target (2)

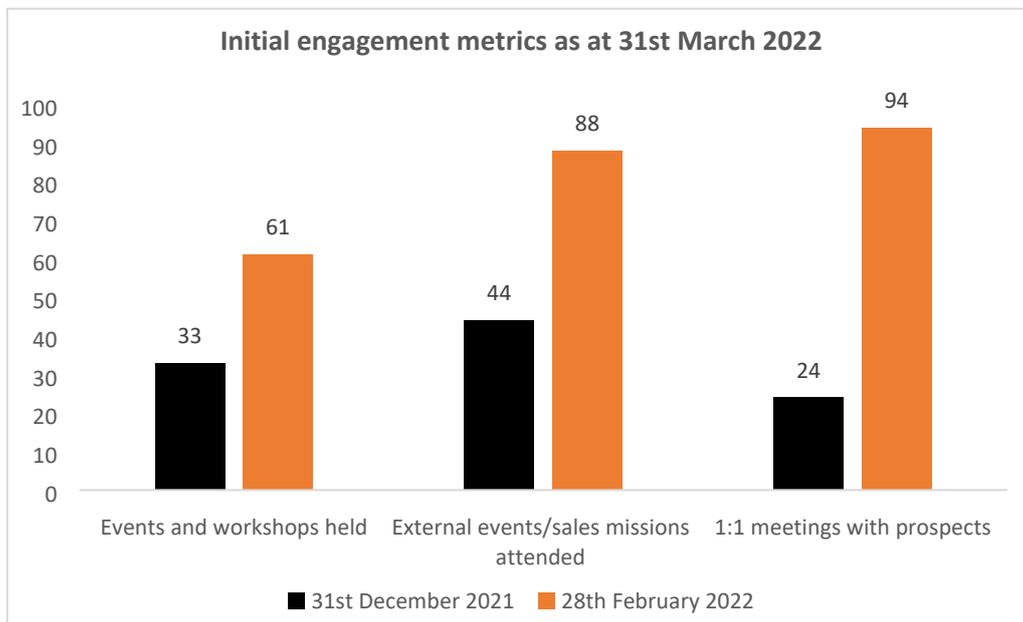


3. Outputs

Market activation activity was ramped up significantly over the period January-March 2022 with:

- QBR activity in India, Australia and Singapore/Malaysia focusing on our inward investment, capital investment and tourism offers
- A mission to Expo 2020 Dubai focusing on our capital investment offer
- Additional UK-based travel trade missions and events
- A MICE mission to the US to engage with the wider North American market

Over the period the number of both events and workshops held and events and sales missions attended doubled, while the number of 1:1 meetings with prospects nearly tripled.

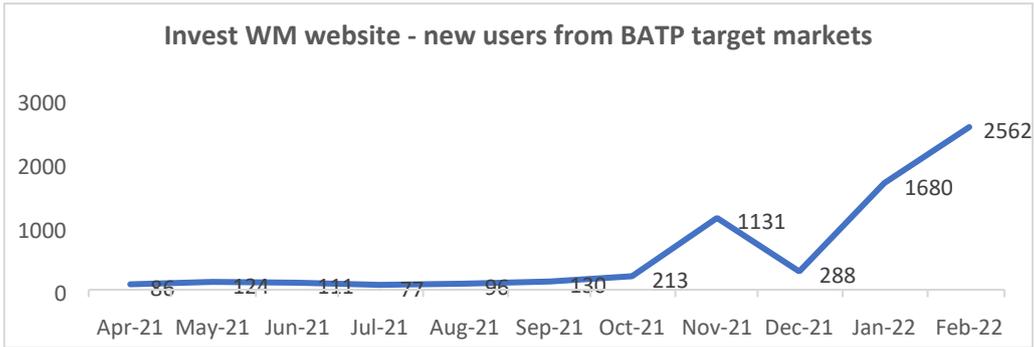


This activity has supported a substantive up-tick in media coverage, with a 75% increase in hits to nearly 800 and tripling in global reach to nearly 690m. Nearly 640 hits have been secured in primary BATP markets, which represents total 114% of the programme's three-year overall target.

Coverage includes some of the world's most prestigious and influential travel trade titles, including National Geographic Traveler, Conde Nast, Lonely Planet and a dedicated West Midlands feature in Spain's most widely read and internationally-recognised paid newspaper, El Pais.

The marketing team, meanwhile, has delivered tranches of social media linked to a wide range of relevant sectors and themes including proftech, gaming, the HQ economy, tech talent, quality of life, the global growth programme, innovation in life sciences and capital attraction. The team has achieved more social interactions (likes, comments, clicks) in Q1 2022 than in Q1-Q3 2021 combined.

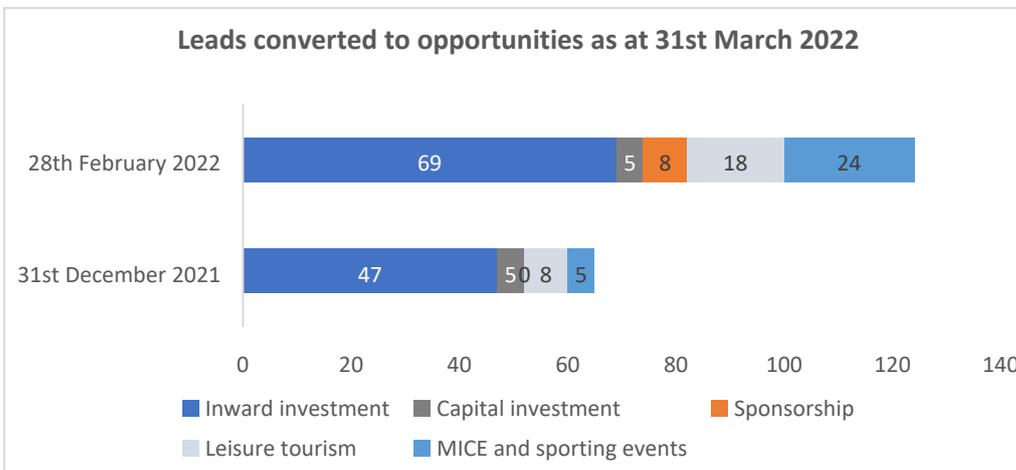
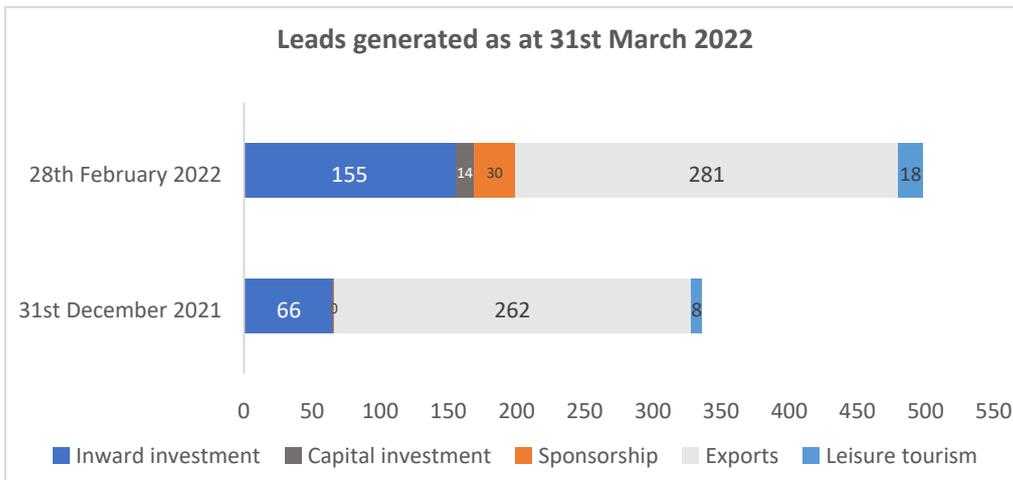
In Q1 2022 the Invest WM website, our primary 'window to the world', was an uplift in web traffic of nearly 80%, with the 5 key BATP markets comprising 46% of traffic which compares to just 5% in the last quarter of 2021.



4. Outcomes

This market activation activity has fuelled a strong growth in our pipeline of leads and opportunities:

- Leads generated increased by nearly 50% from just under 340 at the end of 2021 to nearly 500 by end of March 2022. Leads in the inward investment and leisure tourism pipelines more than doubled.
- Leads converted to opportunities increased by more than 90% from 65 to 124. In inward investment there was increase of nearly 50% to just under 70 while the MICE and sporting events team achieved an almost four fold increase in leads converted to opportunities.



5. Impacts

This strong pipeline has also yielded a healthy crop of landings:

- Inward investment projects landed have risen more than five fold from 2 at the end of 2021 to 11 at the end of March 2022, with jobs created increasing from 24 to nearly 400. Projects from 4 of the 5 BATP target markets have now been landed (Australia, Canada, India and Singapore).
- Alongside 5 expansion projects in the manufacturing sector, which include investment by US-owned Mondelez in the re-shoring of chocolate production, including the iconic Cadbury Dairy Milk bar, to the Bournville site in Birmingham, key landings include the relaunch of the UK operations of US-owned airline Flybe at Birmingham Airport and the arrival of Hong Kong owned logistics and e-fulfilment firm Super Smart Service in Wolverhampton.
- While the process of landing capital investment tends to be particularly 'slow burn', the team has successfully attracted 2 projects in the first quarter of 2022. Steel Yard is setting up retail, hospitality and events space that brings together start ups and established independent businesses in two locations in the region – Birmingham and Wolverhampton.
- The MICE and sporting events team has added to its successes in Q4 2021 (the IWG World Congress women in sport event, British Kabbadi League hosting and Global E-sports Federation championships and conference) with the British Association for Cardiovascular Prevention and Rehabilitation (BACPR) conference and the DCMS Cyber Security Launch event.
- The sponsorship team has secured 6 sponsors – EON, Reckitt, Bruntwood, PwC, Gowling and University of Birmingham.
- The leisure tourism team has worked with 17 tourism businesses in the West Midlands (including key attractions such as Shakespeare's Birthplace, West Midlands Safari Park, the Barber Institute of Fine Arts, the National Sealife Centre, Legoland Discovery Centre, the Coffin Works and Blue Badge Tours) to help them develop 'bookable product' which is required for global travel trade companies to include them on their itineraries for group tours and travel.

While we still have a significant way to go to realise all of the benefits of the programme (required by 2027 as per the FBC) at the end of March 2022 the number of inward investment projects landed was more than triple the target set in the Full Business Case for the end of 2021-22. The number of capital investment projects landed was double the FBC target for this stage in the programme, MICE and sporting events landed were five times the target for this stage and the number of BATP sponsors secured was three times the target.

