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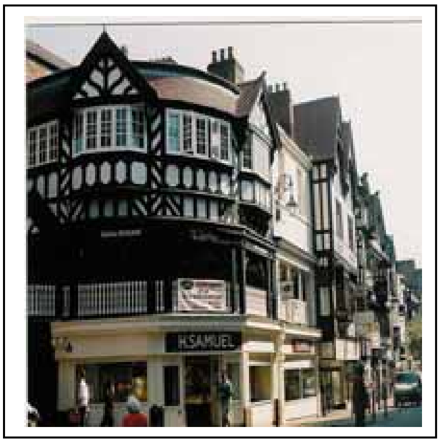
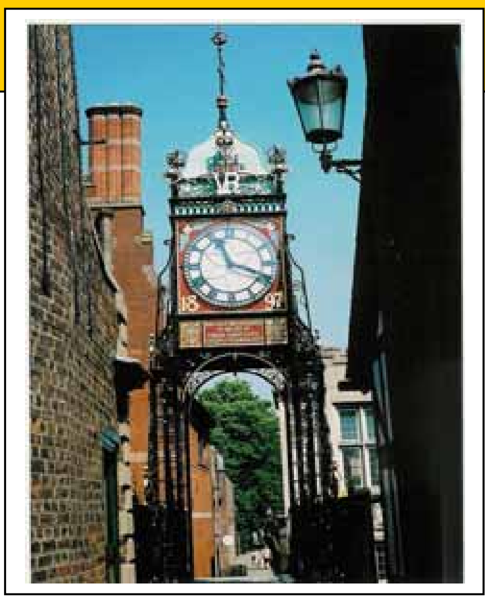
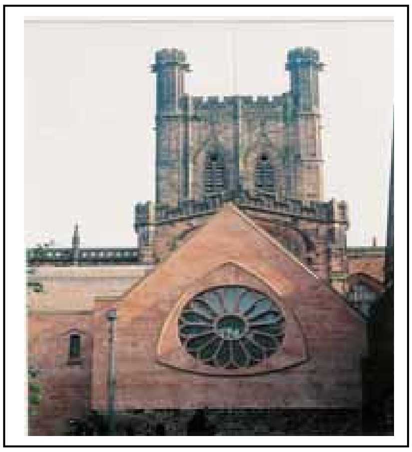
CHESTER
PLACE MARKETING STRATEGY

Chester in 2015:
An elegant historic boutique city that is:

- **A "must-see" European destination**
- **An "energy centre" for the economic sub-region**
- **A beacon of retail quality, range and distinctiveness**
- **Recognised as a leader in applying world-class solutions to the development of small historic cities**







CONTENTS

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July 2006

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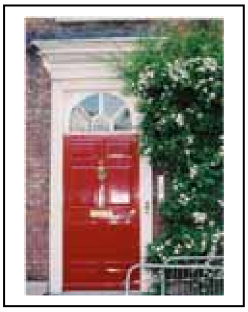
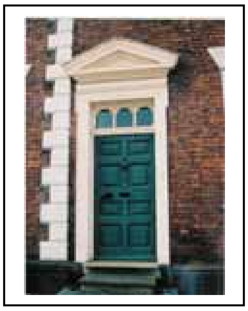




CHESTER
PLACE MARKETING STRATEGY

Part 1: The Road Map

Vision and Recommendations

Chester in 2015:
An elegant historic boutique city that is:

- **a "must-see" European destination;**
- **an "energy centre" for the economic sub-region;**
- **a beacon of retail quality, range and distinctiveness;**
- **recognised as a leader in applying world-class solutions to the development of small historic cities.**

CONTENTS

1. Vision

Chester in 2015

Chester aims to become:

A ***boutique*** city that is:

- a ***"must-see" European*** destination;
- an "***energy centre"*** for the economic sub-region;
- a beacon of ***retail*** quality, range and distinctiveness;
- recognised as a ***leader in applying world-class solutions*** to the development of small historic cities.

This is a vision of a city that makes its mark in the world: somewhere that people want to visit, live, work and study in because they know it is a city with a unique historic environment that cares about its heritage, offers a contemporary lifestyle, and has a dynamic perspective on its future.

It is about what type of city Chester aspires to become as well as how Chester does things. It is about vision, growth and intelligent implementation. And, significantly, it is an aspiration that is not limited by city walls or administrative boundaries.

Chester's unique historic environment, compact size and range of quality shops and markets offer an accessible and enjoyable experience - somewhere people will want to live, work and visit because it is an intriguing, romantic, culturally vibrant and stylish city.

As a dynamic, vibrant boutique city, Chester in 2015 will be characterised by the following attributes:

- A prosperous, exciting, vibrant place to live
- One of Europe's best cared for, most walkable and most visited historic "boutique" cities
- The Rows have World Heritage Site status
- A reputation as Britain's foremost Roman heritage interpretation site
- England's most appealing shopping centre – the capital of small city quality and specialist shopping in a historically rich environment
- A vibrant mini city-region that plays a leading role as the service and entertainment hub of the economic sub-region
- Attracts some of Britain's best knowledge workers in the software, pharmaceutical, biotech/biomedical and healthcare industries, energy and environment technologies, business and professional services, who choose to live in Chester and work in the booming sub-region or live in the sub-region and look to Chester as the "energy centre" of the sub-region
- Has a healthy economic mix of retail, visitor economy/tourism, services, knowledge industries (e.g. software, pharmaceutical, biotech/biomedical and healthcare industries, energy and environment technologies), business and professional services, light manufacturing and aerospace
- Achieves a sustainable balance between the needs of residents and the demands of external customers, including regional residents and visitors
- Its reputation as a vibrant city, with a wide range of cultural, entertainment and sporting facilities and practical university courses has gained Chester a reputation as an educational centre, with increasing numbers of students selecting Chester as their first choice of university
- Host to some of Britain's top restaurants and boutique hotels
- Easy to reach by road, rail and air
- Consistently featured as one of Britain's top 5 "most desirable" cities, Chester is somewhere that those who can choose where they want to live, work and visit, want to be
- Is viewed as the "Bruges of England" – a "must-see" historic city, offering a historically unique, well-interpreted, high quality, contemporary visitor offer

Chester's Place Marketing Strategy defines what Chester needs to do to become the place that this vision for 2015 foresees.
The Place Marketing Strategy is produced in three parts:

- **The Road Map** (Part 1), which provides an overview of actions required for the place marketing of Chester.

- **The Rationale** (Part 2), which gives the reasons for pursuing these particular actions with an analysis of what Chester currently offers and the aspirations for the city.

- **The Evidence - Appendices** (Part 3), which provide the detailed data collected during the development of this place marketing strategy

2. Executive Summary

What is Place Marketing?

London is cosmopolitan, Paris glamorous and New York vibrant. Of course they have many other defining characteristics too, but their great strength, is that each has its own special character in the eyes of the world. Each is perceived to have different strengths, or at least a different mix of strengths. The image of a city, or a country, is critical to its ability to attract people to come and live and work there, as well as to visit. Somewhere that is attractive as a place in which to live and work will find it easier to attract businesses to invest, as long as the underlying economic infrastructure, opportunities and incentives are in place.

A sense of place is determined primarily by a place's physical environment, cultural history, character of the people and products the place makes. Chester is not renowned for any iconic produce, in the way that Nottingham is for lace or Norwich for mustard. Nor are Cestrians renowned as having a distinctive character or accent in the way, for instance, that Liverpudlians, Glaswegians or Geordies are. **Chester must therefore rely on its physical and architectural environment and cultural history to define its sense of place.** Fortunately in these two areas it has a strong and unique identity: ***"Chester's face is its fortune"***.[1]

The Challenge

Chester is a historically unique city whose success to date has depended largely on its position as a natural focus within a relatively wealthy region comprising West Cheshire, South Wirral plus North Wales. Key contributors to Chester's economic success have been high quality retail, tourism and, more recently, financial services. However the city's current performance, even in these relatively successful sectors, will not be sufficient to ensure Chester's continued prosperity let alone become a city that makes its mark in the world. Chester is by no means in crisis, but nor is its continued success guaranteed.

Chester must now compete in a more mobile and globally connected world than that which underpinned its past prosperity. Warning signs are already emerging that Chester's competitive position is weakening. These are particularly evident in the following areas: fewer specialist and independent shops; Cheshire's slippage down the UK Gross Value Added (GVA) league which measures economic output; and limited investment in new tourism product development, compared to its main competitors, and an ageing – and therefore less economically active - population. Chester needs to address these issues now, and burnish its image, in order to secure its future.

[1] LODIS – Chester's Distinctiveness Strategy

Achieving the Vision – The Way Forward

Chester's future lies in the development of its visitor economy, retail, business and professional services and knowledge industries and, critically, on its role within the economic sub-region. And it needs to do so in a way that gives it a sustainable competitive edge. This is about both delivering against its promise and establishing a unique reputation. A city's image, character and lifestyle are important drivers of its development because they convey a unique "sense of place" to potential employees, investors, residents, students and visitors. Chester should aspire to be one of Britain's great **historic boutique cities**. This is a natural development of Chester's existing assets, tailored to future market potential. The term "boutique" evokes an appealing combination of heritage, design-driven quality, and contemporary facilities in an environment that is compact, accessible and manageable from the perspective of both visitors and residents. This is how Chester can differentiate itself from competitor cities – both large and small. This means building on Chester's existing assets, developing under-utilised assets such as the river, canal (under way) and old port (under way), and attracting the type of retail, and leisure businesses that reinforce this "sense of place".

Physical space limitations constrain the potential for business expansion and new housing within Chester. Chester's future prosperity therefore depends on the economic success of its wider sub-region, particularly North East Wales, Liverpool and Cheshire, with whom Chester must work to stimulate economic growth. Chester, as a "mini city-region" should also focus on its role as an "energy centre" and service **hub for the sub-region**, whereby regional residents look to Chester to service many of their shopping, cultural and entertainment needs.

Chester's future also depends on maintaining a reputation for **high quality retail and a range of choice in a unique historic environment**, to differentiate it from other regional shopping centres. Maintaining a competitive edge in terms of the retail offer alone will become increasingly harder, as market trends and commercial realities threaten smaller independent and specialist shops and increasingly favour the multiple retail store model, which is tending to increase city centre homogeneity and reduce retail distinctiveness.

Chester is, however, extremely fortunate in terms of both the wealth of its hinterland and its unique historic infrastructure. It must recognise its heritage as the platform upon which to build its distinctiveness. This is where the seeds of Chester's competitive edge have been sown. Chester therefore needs to **preserve, polish and promote its historical and architectural assets** in a way that appeals to visitors and engenders pride amongst residents.

It also needs to attract more **"signature" facilities**, such as iconic restaurants and boutique hotels, and to improve the range and quality of its cultural and entertainment offer. This will increase its appeal as a vibrant and interesting place to live, work and visit and contribute to the development of its "boutique" image. In order to differentiate itself from its competitors, Chester should also underpin its sense of place with the ambition of firstly becoming **Britain's foremost Roman heritage interpretation site**, and then aim to achieve **UNESCO World Heritage Site** status for the Rows. This sense of place must be reinforced by ensuring that Chester lives up to the values that will underpin its "boutique" appeal: an *intriguing, indulgent, romantic,* and ultimately *vibrant*, city.

Chester should also translate its limitations - its relatively small size and physical expansion constraints – into an opportunity. It should aim to become recognised as a ***leader in applying world-class solutions*** to the development of small historic cities: how they can overcome physical constraints, conserve their assets and achieve sustainable growth within the “knowledge economy”. Chester should strive to be seen as a centre of excellence in this area that can offer this expertise to the world.

Retaining existing businesses and attracting **knowledge workers** in higher value growth industries requires Chester to nurture existing businesses and work with sub-regional partners , particularly those whose minimal space requirements and limited environmental impact suit Chester’s immediate environment. These will include businesses within the energy and environment technologies, biotech/biomedical and healthcare supply chains and in business, professional and financial services.

Chester should also recognise the potential of the new status of the University of Chester and West Cheshire College to enhance Chester’s image as an **attractive and intelligent** city on the national and international stage.

Within the city and sub-region, Chester already possesses many of the physical, intellectual and economic assets required to step up a gear and begin implementing this strategy. Many of the actions, particularly around collaboration and partnership, and including current or planned physical developments, are already under way. That is a considerable head start.

This Place Marketing Strategy contains a number of planning, development and resource implications that will require debate and a decision by the City Council. We have recommended that Chester develops an **enterprise strategy** that outlines its priorities and direction.

Finally, from the local community perspective, this Place Marketing Strategy is about making Chester a better place to live: the more effectively Chester can compete economically, the more prosperous it will become; and the more prosperous it becomes the more jobs it will create.

Critical Success Factors

This place marketing strategy represents a **step change** from where Chester currently is and how it works, although it is not a strategy for radical change. It recognises the assets that have made Chester successful so far and recommends building on these. But it also underlines the importance of Chester looking outward and exploiting the potential of its position in relation to its sub-region, in order to grasp the opportunities of a rapidly changing economic environment.

This will require strong leadership by Chester City Council, commitment to a common vision for Chester’s future, a clear strategic focus and the will to undertake a number of short and long-term actions. It will also require the public and private sectors to work together in partnership to bring about this future for Chester. This Place Marketing Strategy outlines how this can be done. Its success will require the following:

1. **A clear strategic focus:** on developing Chester's role as a regional economic "energy centre", mini city-region and service hub; quality retail centre; preferred university city; attractive visitor destination; and leading European "boutique city". A strong focus will be critical in uniting key players behind this vision for Chester's future.

2. **A commitment to put in place or attract the investment required:** to develop Chester's infrastructure, retail offer, visitor product and service quality to a level that can effectively compete with, and excel, its competitors.

3. **A clear understanding of Chester's boutique city aspiration**: stakeholder understanding of, and buy-in to, the boutique concept and what is required to underpin it.

4. **Good maintenance of Chester's public realm:** This means **preserving, polishing and promoting** Chester's assets. The importance of clean streets - well lit, safe, attractively maintained and in keeping with Chester's unique historic sense of place - and good interpretation and signage should not be under-estimated. Outstanding contemporary design should be pursued in new developments, which would contribute to Chester's sense of being a modern and vibrant city, without compromising Chester's sense of place (or resorting to historic pastiche).

5. **The development of strong partnerships**: between all relevant organisations and key stakeholders in both public and private sectors, including business, retail, education, and community organisations, Chester City Council, Cheshire County Council, Visit Chester and Cheshire, Mersey Dee Alliance, Cheshire and Warrington Economic Alliance etc. Each must understand the direction in which Chester is headed and play their part, according to their own expertise, in propelling Chester towards that future.

6. **Good communications.** This covers telecommunications as well as easy access to and within the city: a "well-wired" city with high speed, global digital telecommunications links, good road, rail and air connections, integrated internal public transport, car parking, efficient and safe pedestrian flows and signposting.

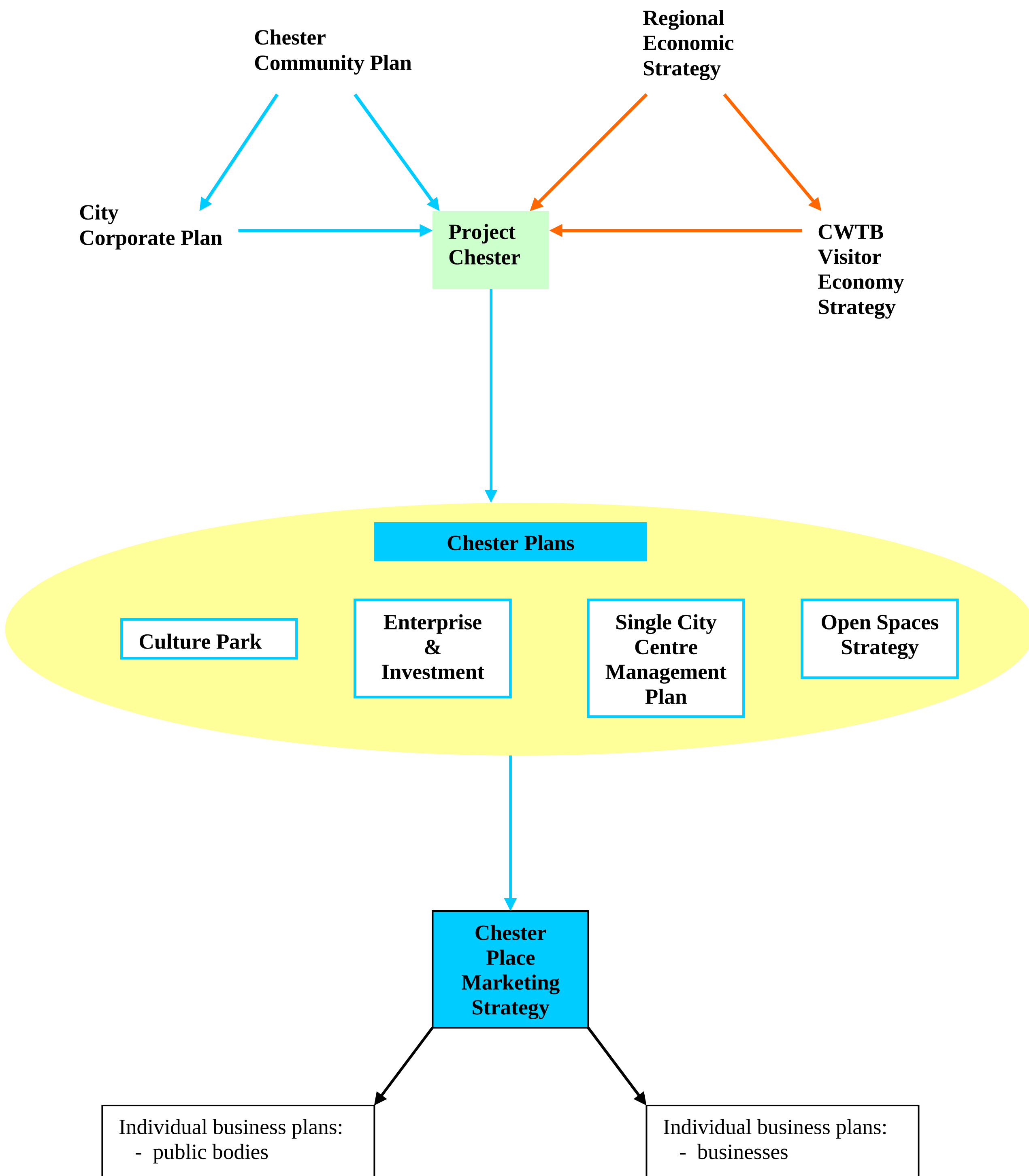
7. **Structures, policies and strategies aligned** to support the vision and to ensure all sectors of the community will benefit. This means ensuring that duplication is avoided and that all partner organisations, whether public or private at community, city or county level, communicate effectively and apply their respective skills towards a common goal.

8. **SMART targets** (SMART = specific, measurable, achievable, realistic, timed)**:** This Place Marketing Strategy outlines indicative actions. These need to be agreed and allocated to appropriate organisations and departments who will be responsible for delivering them.

3. Context

This Place Marketing Strategy sits within the context of Chester's Community Plan and the Regional Economic Strategy. It also relates to, and is informed by other specific strategies for Chester.

The diagram below shows the relationship between these key strategies and plans.



4. Recommendations for Action

Summary

Chester's future success depends on five key ingredients:

- **Building on existing assets**, and on Chester's iconic historic city centre, which is core to Chester's "sense of place" and competitive distinctiveness.
- **Pursuit of aspirational goals** to develop Chester as one of Britain's great boutique cities, Britain's foremost Roman heritage interpretation site and achievement of UNESCO World Heritage status.
- Developing Chester's role as an **"energy centre" and mini city-region** within the economic sub-region.
- **Strong leadership** by Chester City Council in pursuit of these goals and in implementing Chester's place-marketing strategy.
- **Effective partnership** between public and private sectors and between all organisations with an interest in, or capacity to influence, Chester's future.

Actions Proposed

The actions required to achieve Chester's vision fall into the following categories:

- **Primary:** Actions that are relatively simple, requiring modest or no additional investment, and potentially quick to implement, but nevertheless very important to Chester's "sense of place" – such as public realm maintenance, enforcing existing signage regulations, floodlighting the walls, interpretive signage etc.

- **Strategic Management:** Actions relating to strategic decision-making and organisational relationships that require leadership and cooperation between individuals and organisations – such as City Council leadership on implementing the place-marketing strategy, commitment to working within the economic sub-region, effective working relationships between all partner organisations.

- **Transformational:** Actions requiring major strategic decisions or investment that are core to the delivery of Chester's vision – such as riverside development, attracting "signature" restaurants and "boutique" hotels, applying for World Heritage status etc.

We have broken these down into the following sectoral groupings:

- Chester: “Mini City Region”
- Visitor Economy
- Retail
- Education
- Chester as a place to live

For each sectoral grouping we have developed a scenario for which Chester should aim in order to achieve its 2015 vision. Within each scenario key actions have been identified. In total we have identified **69 actions**. Some, such as cleaning up the city centre, are straightforward; others, such as becoming the foremost Roman heritage city, are more ambitious, being likely to require major private investment. Together they represent a critical mass of what is necessary for Chester not only to maintain its prosperity, but also to secure it for the future. Some are necessary to simply maintain competitiveness over the coming decade, while others will be required to transform Chester. Actions critical to achieving this vision for Chester that are already underway are included, along with proposed new actions, in the list proposed below.

In many cases it will be clear who should undertake each action (e.g. City Council, retailers, tourism promotional body etc.); others may require debate or new structures to establish the most appropriate body to carry them out. The important point is that this Place Marketing Strategy identifies **what** needs to be done. How things are done, when, and who does them, is a matter for stakeholders to determine, in light of available resources.

Scenario 1: Chester – Mini City-Region
– *A Great Place to Work, Invest and Do Business*

Chester in 2015

Chester is the premium service hub serving Northeast Wales, Cheshire and the western Merseyside Region. Chester provides a great place to live and a great place for entertainment and shopping. The contribution Chester makes to the quality of life of this larger economic region is a key selling point in attracting inward investment and retaining expanding businesses, particularly in the fields of energy and environment technologies, biotech and healthcare, business, financial and professional services. Chester provides a range of smaller sites for high quality office development, building on its financial services cluster, and for emerging home–grown knowledge based businesses. It is well connected by road, rail and air to its markets for goods, labour and visitors.

" Chester - the Northwest's historic economic hub."

The actions proposed below are mostly about continuing or extending Chester's current approach to economic development within the context of the sub-region.

Actions

Transformational

1. Support **promotional activity to attract inward investment and retain existing businesses within the wider economic region** with a clear and consistent branding of Chester as the premium service hub, which complements what the rest of the economic area has to offer.

2. Develop Chester city centre as the first **"fully wired"** (wi-fi) historic city centre in Europe.

Primary

3. **Close liaison** needs to be maintained with major businesses currently operating in Chester in order to understand and, where possible, reinforce, their motivation for remaining in Chester.

4. Identify **small sites** within Chester District that are suitable for development of high quality employment space and small units for indigenous knowledge based businesses.

5. Undertake measures to alleviate **labour market pressures,** including supporting the move from worklessness through to employability for particular groups of residents of Chester District; and improving economic participation rates of older people.

Strategic Management

6. Ensure there is positive **engagement with the Mersey Dee Alliance, Cheshire and Warrington Economic Alliance, North Wales Liaison Group, Liverpool City Region, Cheshire County Council and Northwest Development Agency** to ensure that the positioning of Chester within the context of the Place Marketing Strategy is clearly understood.

7. Continue to develop a constructive **dialogue between all partner organisations, and between city and county authorities in particular,** on transport and economic development issues for mutual benefit.

8. Work with regional authorities to improve **public transport**, particularly rail, between the Wirral, Chester and Wrexham to service commuters who travel to work from outside the city into Chester and from Chester to the regional hinterland.

9. Work with regional authorities to develop better rail links to **Liverpool and Manchester airports.**

10. Support the **University and West Cheshire College** in identifying opportunities for working with local business.

11. Work with the University, West Cheshire College and local business to retain appropriately skilled **graduates** in Chester and the sub-region.

Scenario 2: Visitor Economy - *A Great Place to Visit*

Chester in 2015

Chester is a must-see European destination, a UNESCO World Heritage Site and Britain's foremost Roman heritage interpretation city. It attracts overseas touring and staying visitors, UK short break visitors, conference delegates and day visitors. It features consistently in the top 3 UK historic city destinations:

"Chester - a city of Rows, Romans and Romance."

The actions proposed below range from enhancing existing assets and extending the unique elements that contribute to the visitor experience and quality of life in the city, to ambitious, large-scale projects that will be necessary to achieve Chester's aspirations.

Actions

Transformational

12. Identify and develop or attract **products appropriate for the growing younger short break market,** including "signature" restaurants and boutique hotels, cultural activity, evening entertainment.

13. Attract an **international group hotel** to invest in Chester. (Primarily to increase the opportunity to draw more business visitors with business in the region to stay in Chester, attract conferences, overseas tour groups and short breaks.)

14. Develop the leisure potential of Chester's **canal** (currently under way).

15. Develop **Chester Zoo** as a major world-class zoo (currently under way).

16. Upgrade **railway station** (currently planned).

17. Develop an **entertainment/arts/theatre venue** to improve the city's cultural life for both visitors and residents.

18. Develop the **Chester Festival** as a regular event showcasing all art forms.

19. Establish Chester as a major city on the **UK festival calendar**.

20. Develop Chester's **riverside** including quality bars, cafes, bistros; develop walkway and rest stops, signage.

21. Integrate the river, canal, cultural quarter (amphitheatre) with the cathedral, walls and historic centre into **pedestrian throughways**.

22. Establish Britain’s foremost themed **Roman Heritage Interpretation Centre** to tell the story of the Romans in Britain (e.g. multi-purpose building with meeting space, visitor centre, top class restaurant, shop, classroom facilities etc.)

23. Link the Roman Heritage Interpretation Centre to **all Chester’s Roman sites.**

24. Bid for **UNESCO World Heritage** status.

25. Develop a **“Chester Welcome” programme** to ensure a consistently warm and informative reception for visitors, in order to underpin Chester’s reputation as a welcoming city.

26. Implement **Chester Culture Park** plans as a major means of enhancing the visitor experience in the city centre.

Primary

27. **Clean up the city**, particularly the Rows, historic centre and river to get rid of litter, urine, pigeon droppings, chewing gum etc.

28. Remove/cull **pigeons**.

29. Provide clean **public toilets** that are open throughout the year, or at least during the main visitor periods

30. Introduce **street animation** and events including street markets, buskers, pavement dining, and street art.

31. **Floodlight the walls** and other iconic historic architecture such as the amphitheatre.

32. Improve **signage** within the city for pedestrians, particularly to historic sites and attractions.

33. Install **interpretive facilities**, such as plaques and signboards, in keeping with Chester’s sense of place at appropriate points throughout the city.

Strategic Management

34. Improve **collaboration across the city** between administrative bodies and between the public and private sectors.

35. Improve **signposting** into Chester and on trunk roads in the city.

36. Develop Chester’s reputation as a **conference destination** by attracting suitable conferences to Chester.

37. Develop a more sophisticated approach to Chester’s **UK leisure market segmentation**, whereby demographic data can be combined with **lifestyle/value information**. This will help target Chester’s best prospects more effectively.

Scenario 3: Retail - *A Great Place to Shop*

Chester in 2015

Chester is England's small city capital of stylish quality and specialist shopping where shopping is an experience, not a chore. It offers a more extensive range of shopping variety and quality in a compact, walkable and historic environment, than any of England's other small historic cities. It is a low rise, walled city with unique galleried shopping. With the new Northgate development and expanded Mall Grosvenor, plus the Rows and shops in the historic centre, the market, regular farmers' markets and street markets, as well as alternative lifestyle shops, Chester has a reputation as one of England's greatest retail towns with a wide range of shopping facilities from luxury to everyday items:

"Chester - England's capital of quality and specialist shopping: compact, accessible and historic.

The actions proposed below range from enforcing existing regulations to establishing mechanisms for intervention aimed at preserving the unique nature of Chester's city centre, which underpins Chester's distinctive retail experience.

<u>Actions</u>

Transformational

38. Develop **scenario plans**, with options for City Council intervention, to retain the character of the Rows in the event of a decline in occupancy or suitable tenants, in keeping with Chester's "sense of place" (e.g. through mechanisms such as: working with the Business Improvement District (BID), if approved; rent subsidies; business rate rebates; compulsory purchase etc.)

39. Promote Chester as a **unique shopping experience, offering an extensive range of quality in a compact, historic environment** (i.e. incl. New Northgate development, Rows, city centre shops and adjoining streets, street markets and other city communities – such as Brook Street redevelopment and "Hoole village" - and Cheshire Oaks)

40. Ensure there are adequate **parking and park & ride facilities** to meet the expansion in retailing and visitor needs, particularly those arising from the Northgate development.

41. Overtake Norwich and feature consistently as **Britain's top small historic** city for retail in both CACI and Experian rankings.

Primary

42. Reduce current **visual pollution** by enforcing existing regulations regarding promotional signage and banners in the Rows and historic centre streets.

43. Declare the historic centre a **“visual pollution free zone”** in keeping with Chester’s sense of place, by developing and applying strict regulations in the city centre.

44. Develop regulations with city centre retailers for the display of **signage/banners** in this historic zone. These should address the twin needs of ensuring that their appearance is consistent with Chester’s uniquely historic “sense of place” and city centre businesses’ need to draw attention to their business.

45. Develop a strategy to retain, support and **attract quality retailers** in the historic city centre and adjoining streets, including specialist and independent retailers.

Strategic Management

46. Ensure there is a **forum for all organisations with an interest in city centre retail** to discuss plans, raise concerns and address issues as Chester progresses through its forthcoming transformation related to the new Northgate development, expansion of the Mall Grosvenor and implementation of the place-marketing strategy (i.e. City Centre Management partnership).

Scenario 4: Education - *A Great Place to Study*

Chester in 2015

An increasing number of students select Chester as their first choice of study location. The University of Chester is in the top 50%of British Universities. Students want to study in Chester because it offers a range of practical and well-taught courses, with a worldwide reputation for excellence in forensic science, medical aftercare and law; and the city is vibrant, culturally entertaining and architecturally attractive. The university's reputation enhances Chester's image on the national and international stage as a dynamic city with a well-developed infrastructure, a wide choice of good eating, drinking and entertainment facilities and a modern economy.

"Chester - a legendary, historic, attractive and intelligent city"

The actions proposed below relate primarily to improving linkages between the University and the city in order to increase synergy between the two.

<u>Actions</u>

Strategic

47. Work with the **University and West Cheshire College** to realise their potential to contribute to Chester's future prosperity.

48. The City Council and other influential city stakeholder organisations should include appropriate personnel from the higher education institutions in relevant **strategic planning** debates about Chester's future.

49. **Integrate the "university quarter"** into the city by creating safe, accessible and attractive pedestrian links between the university and the city centre.

50. Increase the number of students selecting Chester as their **first choice** location for study.

Scenario 5: Chester as Home – *A Great Place to Live*

Chester in 2015

Chester is a delightful place to live. It is a beautiful, well-maintained, living historic city, where there is always something going on. It has a wide range of cultural, entertainment and sporting facilities. There are plenty of great restaurants, bars and clubs to suit all tastes and pockets. The streets are safe, public transport within the city is effective and affordable, and taxis are plentiful. Cestrians are proud of their city and they welcome outsiders, whether they come as visitors or as new residents. Their personal warmth complements the city's physical charm. Employment opportunities in the city and sub- region are good.

"Chester – proud to live there, proud to come from there"

Making the city a more attractive place in which to live consequently also underpins its visitor appeal. Similarly, many of the actions proposed under the tourism scenario above would also clearly contribute to making Chester a better place to live. We have allocated actions under "Tourism" and "Chester as a Place to Live" according to the user group (visitors or residents) for which each action is most critical – whether that user group sustains, drives, or benefits from, each action.

Actions

Transformational

51. Attract more **culinary entrepreneurs** to invest in Chester restaurants.

52. Connect up the city so that it is **accessible, easy to get around, well-signed** and, as a result, more appealing to visitors and residents alike.

53. Develop **"Chester villages"**, with a focus on local services for residents (i.e. retail, restaurants, bars and other services – e.g. Hoole Village, Garden Lane, Brook Street etc.)

54. Implement the **"Night-time strategy"** to encourage a wider range of better quality bars and clubs that would provide a more varied entertainment offer.

55. Attract a major **multiple screen cinema** to Chester.

56. Develop a **concert/theatre/entertainment space** that can accommodate medium-sized productions, concerts and events (e.g. c. 10-12,000 capacity).

57. Ensure the **retail, culture, entertainment and personal services** provided by Chester are distinctive and of a high quality.

58. Ensure Chester is an attractive place for young people and families to live in through the provision of a range of **housing, schools and nurseries, culture and entertainment, and efficient transport**.

59. Explore and identify opportunities for outstanding **urban design** in housing, offices and public buildings, which would give Chester a sense of excitement and vibrancy while not compromising its historic sense of place.

60. Develop a festivals and events strategy that identifies events appropriate to Chester and establishes a regular **Chester Festival**, which puts Chester on the annual festival calendar.

61. Encourage and enable innovative **street animation**, from street theatre to licensed buskers and alfresco eating.

Primary

62. Produce one definitive **"What's On" guide** to events and festivals in Chester and the surrounding area (on-line and print formats) for residents and visitors – and promote it.

63. Implement the **Business Improvement District** programme of making the city cleaner, safer, brighter, if approved (*Cleaner*: signage, paint, city appearance and litter etc.; *Safer*: manage the public space effectively; *Brighter*: more vibrant, more things to do).

Strategic Management

64. Work with **Chester Racecourse** to attract major outdoor events (e.g. concerts, shows, fairs, rallies).

65. Ensure that **social policies and initiatives** are aligned so that the residents of all areas of the district benefit from place marketing activities.

66. **Communicate the benefits** that are expected to flow from implementation of the place-marketing strategy to all communities in Chester District and explain how each community will benefit directly or indirectly.

67. **Communicate how Chester is changing** and **give residents an opportunity to feed their views and concerns to the city council** during the new Northgate building phase. Ideally this should be done in an innovative and inclusive way (cf. Transport for London & Barcelona's "Espai Urba" (See Rationale pg. 8).

5. Implementation

Leadership and Partnership

Achievement of the vision for Chester requires that all those who live, work and run businesses in Chester must pull together. To help do this, two additional actions are recommended which underpin the Place Marketing Strategy:

Action

Strategic

68. Engender **local pride** and an understanding of what the Place Marketing Strategy is about through a **local advocacy programme**. This programme, specially tailored for different groups, should inform, encourage and equip Chester residents to talk up Chester as a great place to be. It should also ensure that visitors receive a real welcome from Cestrians, and that business people can talk knowledgably and consistently about all aspects of their city.

69. Produce and promote a **place marketing toolkit** with appropriate images that clearly explains to all Chester stakeholders how to apply Chester's brand values in their marketing. This will help all those who promote their business and Chester to achieve both synergy from, and consistency in, the promotion of Chester – thereby leading to greater impact.

While many partners will be involved in delivering the Place Marketing Strategy, the leading role of Chester City Council is vital in its success. No other body can take on this leadership role for the city and, without the vision, determination and drive of the City Council, it is hard to see how it can be delivered.

In summary there are six main requirements of the City Council:

- Progressive and supportive **planning processes** that will provide for sites, housing developments and associated infrastructure to ensure Chester is an attractive place in which to locate and live.
- Innovative and supportive **training and development,** particularly for those who are workless and to encourage increased economic participation by older people.
- The capacity and capability to influence other economic development agencies and build **constructive relationships**.
- The capacity and capability to influence, mobilise and work with, the private sector on a **partnership** basis.
- **Strong leadership** to unite Cestrians and Chester businesses behind the vision for Chester's future and to inspire confidence in potential investors.
- **Effective delivery of services** that will contribute towards the achievement of this vision for Chester, which fall within the City Council's remit.

Measuring Success

The validity of this place-marketing strategy can only be tested in hindsight. We have therefore outlined a number of potential performance indicators with which to measure success against these recommendations (See "Measuring Success" at end of Part 2 Rationale). Although robust, these are mostly intermediate measures or milestones along the road towards success. The ultimate measure of success will be the verdict in 2015 as to whether Chester has achieved its aspiration to become the type of city defined in its vision for 2015.

Postscript: Importance of the Historic City Centre to Chester's Future

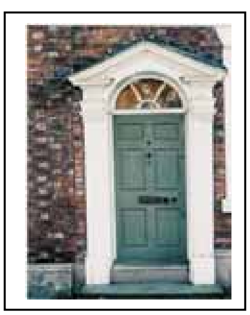
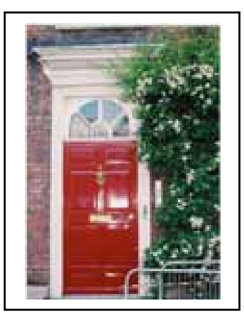
In concluding this "Roadmap", we cannot overestimate the **fundamental importance of Chester's historic centre**, characterised by the Rows, historic streets, walls and cathedral, to the entire Chester district. This is core to Chester's "sense of place", competitive distinctiveness and future success. Quite simply, if these assets are not preserved, maintained, managed and presented in keeping with their iconic historic significance, then Chester's ability to attract people to live, work, invest in and visit the city will be severely compromised and development opportunities for less iconic areas beyond the city centre will fail to materialise. Effectively balancing the competing demands of heritage conservation, provision of contemporary facilities, and development of future economic opportunities, will be key to Chester's future. And the bedrock upon which this future will be built will be Chester's unique historic centre.

CHESTER
PLACE MARKETING STRATEGY

Part 2: The Rationale

Chester in 2015:
An elegant historic boutique city that is:

- **A "must-see" European destination**
- **An "energy centre" for the economic sub-region**
- **A beacon of retail quality, range and distinctiveness**
- **Recognised as a leader in applying world-class solutions to the development of small historic cities**

CONTENTS

1. Introduction

Purpose

Chester's Place Marketing Strategy defines what Chester needs to do, not just to maintain, but to transform, its prosperity over the next decade. The ambition is for a modern and vibrant city that appreciates its history, has a strong sense of itself and what it has to offer its residents, workers and visitors, and knows where it is headed. It is a city with a unique atmosphere and environment, with fantastic shopping in its historic rows, and a new and exciting cultural offer.

Yellow Railroad International Destination Consultancy has been commissioned by Chester City Council to produce a Place Marketing Strategy for Chester that will describe how this ambition should be achieved. The Strategy is produced in three parts. The first section is **The Road Map**, which outlines the overview of actions for the place marketing of Chester. This second part is **The Rationale**, which gives the thinking behind recommending these particular actions with an analysis of what Chester currently offers and the aspirations for the city. The third and final section of the Place Marketing Strategy is **The Appendices**, which provide the detailed data collected in producing the Place Marketing Strategy and evidence underpinning some of the recommendations.

The Strategy provides a **sense of direction for Chester** that will guide those responsible for Chester's economic, social and environmental well-being in making decisions about Chester's future. The main driver of this process will be Chester City Council, but there are many other stakeholders – in private and public sectors, in business, communities, education, sport and the arts - who have a strong interest and influence in shaping Chester's future. It is intended to assist them too, and to unite everyone with an interest in Chester behind a **vision for the city's future** as outlined in part 1 "The Roadmap".

The Importance of a "Sense of Place"

People who can choose where to live and work tend to be talented, entrepreneurial, highly educated professionals who are closely identified with the new technologies, high-added value services and internationally traded goods and services that drive economic growth. In other words, the sort of people most cities want to drive their economies. And a place that offers an attractive lifestyle often has a significant visitor appeal, and vice-versa. This is the simple foundation of place marketing. Satisfying the rational economic needs of business is part of the solution; but attending to those elements that give it character, such as the physical environment, social and human factors that make it a "good place to be" and "somewhere that people talk about" is the other part. **It is the part that can, and should, remain consistent through time, transcend economic downturns and underpin the place's long-term economic sustainability.**

Place marketing is about identifying those assets that make somewhere attractive as a place in which to live, work, invest, do business, and visit. Above all it is about identifying what makes a place distinctive and different from other places and then communicating that **competitive edge** consistently to potential customers in the outside world that the place is trying to attract. It is also about establishing a future vision for the place that will unify the local community and guide both public and private investment. This requires the authorities to have a realistic understanding of their city's (or region's) standing in relation to its competitors for economic growth and to identify how it can develop a competitive edge. A first essential step towards that future vision for the place means identifying those with whom local authorities and stakeholders can work, whether in the regional hinterland or further afield, to grow the economy of the place and enhance its image.

There are many factors that contribute towards the appeal of a place. A World Cities Brand Index[1], constructed from research amongst consumers and business people, offers a valuable insight into five key factors that determine the health of a global city brand*: vibrancy of the culture, standard of living, attractiveness as a short-break destination, suitability of the climate and positive word-of-mouth.* Chester's aspirations are more realistic in terms of becoming a *"must-see European destination*[2]*"*, rather than a global city brand in the league of Paris, London or New York. However all of these factors, with the exception of climatic suitability, are relevant when considering Chester's appeal in relation to its UK and European competitors. This place marketing strategy aims to equip Chester with a clear sense of direction that will provide that long-term, sustainable competitive edge.

In a world of increasing homogeneity, driven by globalisation and technology, a distinctive ***"sense of place"*** is becoming increasingly important for cities and countries to deliver competitive economic advantage. A sense of place exists in both outsiders' perceptions and residents' feelings about the place. It is important that prospective **external customers and local residents both share a similar view of the place**, based on the place's evident and credible strengths. If these two perceptions are not in relative harmony with each other, then the place's economic performance is likely to be sub-optimal. But if they are in harmony, then ideally, this can lead to a virtuous cycle whereby reinforcement of the place's core values through residents' behaviour influences external customers' perceptions; in turn, these positive external perceptions – and the resulting business this brings - further reinforce resident's pride in the place and enhance their quality of life. This is not meant to suggest that a "sense of place" is a panacea for all economic and social development issues; but it can add a considerable competitive advantage over other places if clearly identified, managed effectively and robustly marketed.

Our Approach

We have approached the development of this strategy by firstly finding out what key **stakeholders and residents** think of Chester. What do they like about Chester and what are their concerns and hopes? And what plans are in place for change on which we can build? We undertook individual interviews with 31 strategic decision makers in business, economic development, education, tourism and retail; and held four workshops attended by around 70 key Chester stakeholders as part of this process.

We then looked at Chester through the eyes of **potential customers**, particularly those who might consider visiting, living or working in Chester. This was largely done through desk research: surveys, research reports, and strategy documents.

We also looked at Chester's **tourism brand values** and assessed whether they could be applied across all sectors as universally characteristic of Chester.

[1] Leo Burnett's World Cities Brand Index
[2] Cheshire and Warrington Tourism Strategy

Finally we have applied **our own extensive expertise** of global and domestic markets, consumer motivation, economic development issues and place-marketing to pull together a place-marketing strategy that provides a clear sense of direction for Chester that is aspirational, but at the same time realistic.

Integration

This Place Marketing Strategy is primarily concerned with:

- Chester's **external image** and how Chester interacts with the world beyond Chester to secure a prosperous future for Cestrians.
- Establishing and maintaining Chester's **competitiveness** amongst appropriate competitor cities.
- Ensuring Chester's development is **economically and socially sustainable**, contributes to the well-being, and enhances the lifestyle, of **residents**.

It is set within the context of Chester's Community Plan and "Project Chester", which articulates Chester City Council's contribution to achieving Chester's Community Plan. It is neither as detailed nor as comprehensive as the Community Plan in terms of development and should be read in conjunction with it, as well as other more detailed sectoral plans (e.g. tourism, economic development, city centre management) as well as Chester City Council's Corporate Plan.

The Place Marketing Strategy should help guide activity and provide an overall sense of direction. It will be important to look at each of these individual plans and strategies and consider the contribution each might make to the Place Marketing Strategy, and indeed vice versa. It will be particularly important that local regeneration initiatives are aligned to make sure all residents, particularly those who are socially excluded, can benefit from place marketing activities.

The Place Marketing Strategy may however contain implications for future change in roles and structures, which need to be considered in moving to implementation.

2. Chester in 2015

Building on Success

Chester has much to be proud of and to build on. And it is certainly not in economic crisis or even decline. Chester's challenge, therefore, is to build realistically on the city's already formidable existing assets and market position. This means not just maintaining its market position, but improving it through incremental growth. Planning for future success is best done from a position of current success.

The Strategy identifies what is possible within 10 years; and it does so with a clear sense of the advances that Chester's competitors are also likely to make. It is a vision that understands the extent to which Chester is part of the economy of its wider sub-region, in particular Merseyside Northeast Wales and Cheshire. It recognises that Chester's "face is its fortune" and the extent to which Chester's history is an asset. But it also recognises that people want their history to function as a context to their lives without being dominated or constrained by it in the modern world. Key to the vision for Chester is the need to **polish, preserve and promote its beauty and historical assets and to build an infrastructure for contemporary lifestyles around it.**

This is a strategy that recognises the need for a **step change** in Chester's facilities, service levels and marketing if it is to achieve its vision. It recommends incremental change for the most part. **Physical developments, infrastructural improvements and improved maintenance programmes that enhance Chester's distinctive assets combined with better relationships and strong leadership are the keys to the area's future success**. Given Chester's iconic physical assets, this is perhaps hardly surprising. However, it may prove harder to sustain the impetus for change in all necessary "softer" areas, than would be the case if Chester were to spearhead its future with a major physical redevelopment project such as Manchester has recently undertaken. To an extent the new Northgate development should perhaps be viewed as symbolic of Chester's aspiration for change in order to sustain the impetus generated by this place marketing strategy.

An Attractive City

It is a vision of a city that is **attractive to live in** because there is plenty to do in terms of entertainment, cultural and sporting activities; a fine range of good quality restaurants, cafes and bars; and a pleasant place to walk around because of the architecture, streetscapes, river and public realm. It is a vision of a city that **attracts people from a wide area to shop** because it is a compact, enjoyable shopping experience in an accessible historic environment – from the quality shops in the new Northgate Development to the multiple stores and specialist shops of the city centre and the Rows.

It is also a vision of a city that is **attractive to visitors**, whether as somewhere for a romantic short break, as part of a European tour, as a day visit to one of the world's great zoos, or as a school trip to Britain's best Roman heritage interpretation centre. It is also a vision that recognises the growth in the **"knowledge industries"** (particularly in the software, pharmaceutical, biotech and healthcare industries, energy and environment technologies and business, professional and financial services) in the wider sub-region. It identifies Chester's opportunity to capitalise on both its appeal as an attractive place to live and on the growing economy in its hinterland in these areas. It recognises Chester's role as a "mini city-region" as recently designated by the Office of the Deputy Prime Minister. And it is a vision that anticipates the contribution that the higher education sector, including the **University of Chester and West Cheshire College,** can make not just to the city's image, but also to the demand for quality services in the city and region, as well as its ability to provide the skills to satisfy them.

A Regional Centre

This is a vision of Chester as a unique city that services not just its own residents, but also a large sub-region. Chester's future lies in its role as a **regional centre** that services its hinterland, primarily as a retail centre, as a provider of employment and as a place to live. Chester plays an important complementary role for its sub-region[3].

In summary it is a vision of a city that makes its mark in the world: somewhere that people want to visit, live and study in because they know it is a city with a unique historic environment that cares about its heritage, offers a contemporary lifestyle, and has a dynamic perspective on its future.

Managing Change

As Chester progresses through the various phases of change in implementing this place marketing strategy, and particularly the new Northgate development, it will be important to **communicate with residents on progress and expected benefits**. This will be especially necessary during the most disruptive phase of the development. We recommend that the city council use existing communications channels (e.g. Chester City Council's Chester News, media releases and briefings to the Chester Chronicle etc.).

We also suggest considering more **innovative and inclusive techniques** that not only enable the council and developer to get their message across to residents, but which also provide an opportunity for residents to give feedback on their views and concerns and generate goodwill amongst those most affected by the changes. [4]

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[3] See *Business Location Requirement Study for Bath (2003)* by Roger Tym & Partners, which identified a cluster of factors, described as "character, image & lifestyle", as the most potent attractors for firms in considering Bath as a business location.

[4] Two models of highly effective communication to users of urban facilities in transition, whose principles may be worth emulating, are:

- **Transport for London's tube escalator information campaign**. A sequence of posters explains as passengers ascend or descend why, and for how long, they will experience the inconvenience of climbing stairs while escalators are under repair. This is done in a very informative, clear and sympathetic way so that, by the time they step off the escalator, passengers will have an understanding of the reason for the inconvenience and, hopefully for most, a sympathetic appreciation of the need for it.
- **Barcelona's "Espai Urba - Barcelona, Ciutat en Transformacio"** (Barcelona Urban Space – a City in Transformation). This is an interactive exhibition in a small historic city centre building, whose aim is to communicate urban plans and to receive feedback from Barcelona citizens on Barcelona's development plans, and to encourage citizens to become positively engaged in the city's future. In addition to tableaux, videos and interactive computer screens, it offers an opportunity for citizens to communicate via computer with Barcelona City Council.

3. Chester in 2005

Chester's Assets: "Chester's face is its fortune" **[5].**

Chester's story so far has been a very positive one as a regional centre located in one of Britain's wealthiest counties. Chester is a jewel in Britain's domestic and international tourism offer. It is a uniquely historic city with its Roman heritage, walls, Rows, cathedral and iconic attractions in its well-established racecourse, expanding world-class zoo and internationally renowned Chester Grosvenor Hotel. It is also a major retail centre for the region with a good range of quality shopping – all within two hours' drive time for one third of the UK population[6]. It has an enviable image of beauty and history that make it an attractive place to live, thereby underpinning the potential to attract inward investment and business relocation. The local and regional infrastructure for business is very good. Chester is easily accessible by road and air, and has reasonable rail connections. Chester is within easy travelling distance of major conurbations, whose many universities and colleges, including Chester's own new University of Chester and West Cheshire College, can supply a wide range of variously skilled employees. In short, Chester has enormous advantages for economic growth that appear to give it a valuable competitive platform, as a place in which to do business and live, as well as a place to visit.

The Economic Outlook for Chester

In terms of overall economic performance, figures do not exist for Chester separate from Cheshire, other than for tourism and retail. However it seems reasonable to assume that Chester shares, and perhaps exceeds, Cheshire's current positive economic position[7]: unemployment is low at 1.1%; income is 14% above the national average; and gross value (GVA) added per head is 10% above the national average, this being the fourth highest GVA of any English sub-region; and retail rentals in Chester are buoyant, (although static).

At first glance the economic development prospects for Chester look good. Chester has a strong economic base in tourism, financial services and retail; it offers a good quality of life in the city and in the rural areas around it; its residents are skilled, have relatively high incomes and are enterprising. In terms of the wider geographic area, the growth in North Wales and the Liverpool City Region are promising for Chester. In summary Chester appears to be a successful place doing well. It has facilities and a presence that belies its relatively small urban population of 90,000 people[8].

The weaknesses are few. However despite being few, the weaknesses are difficult to overcome because they are real physical constraints. Further when we look at the threats these are by no means easy to ignore.

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[5] (LODIS Chester's Distinctiveness Strategy)
[6] www.wrexham.gov.uk
[7] Cheshire & Warrington Economic Alliance (CWEA): "Investing in Success" – Sub-Regional Economic Strategy for Cheshire & Warrington
[8] (Chester District population =120,000)

Constraints on Development

Chester's relatively small and historically appealing centre is a mixed blessing. It makes it accessible from a visitor perspective and underpins the image of Chester as an attractive place. The city walls, however, that surround the city centre also represent a physical and metaphorical constraint on Chester's development.

There is **little room for expansion** for businesses or accommodation within the city other than for developments that replace current usage. The city's stock of brown field sites so evident 5-10 years ago has been allocated. Other than certain limited redevelopment opportunities, such as Gorsestacks and the canal basin, there is no land within the city boundary suitable for development that would bring new businesses into Chester and the Chester Business Park is fully occupied. Green belt policies further prevent expansion outside the city. The inner ring road and the national boundary with Wales also act as both psychological and physical barriers to development.

The city centre is currently not physically best-suited to **modern retail** requirements. Access for deliveries is problematic and shop sizes and floor layout are not ideal for productive retail business models. Chester's city centre buildings were designed for a different era. Nevertheless Chester's catchment area, which is one of the wealthiest in England outside the southeast, and its historic charm and "walkable" city centre, have enabled Chester to maintain a level of retail activity that other towns of a comparable size would have found unsustainable. However, the gradual reduction of independent specialist retailers over the last few years (which Chester has, to a large extent, hung its hat on as a unique characteristic of the city) and trend towards increasing quality of outlets in out-of-town shopping malls, indicate a growing risk to retail in the city centre. Perhaps even more importantly, from an image perspective, any further flight of retail from the city centre, and particularly specialist shops from the Rows and historic centre, threatens to erode Chester's attractiveness as a tourism destination and as "somewhere different" to shop for regional residents. The prevailing national trend is not in favour of independent or specialist retail, with 40% of Britain's high streets being clones of each other.[9] Furthermore, the growth of other regional retail centres, such as Wrexham and Liverpool, will increasingly compete with Chester and threaten to undermine Chester's appeal for residents of Cheshire, Merseyside and North Wales, who currently see Chester as their closest shopping centre.[10]

[9] New Economics Foundation/Henley Centre
[10] Chester City Council: Chester Tactical Marketing Campaign Results, Jan 2006.

Warning Signs

Business buoyancy and an economic performance above the national average suggest a strong economy in the Chester area. But these can mask the seeds of decline and engender complacency as new competitors emerge and begin eroding Chester's market share. We have identified some warning signs:

- Although Cheshire has the fourth highest GVA of any English sub-region, this has slipped from 114% of the national average in 1995 to 110% in 2001[11]
- High property prices appear to have inhibited Chester's dynamism and new business start-ups are declining.
- VAT registrations per 1,000 residents are just below the English average, reflecting a low level of business start-ups[12]. Shortage and cost of commercial premises may contribute to this.
- Recent loss of specialist, and independent, retail risks eroding Chester's distinctive character.
- City centre rentals, while high, have been relatively static for over 5 years.[13]
- Limited new investment in Chester's tourism products and facilities compared to competitor destinations, such as Bath and York; particularly in boutique hotels, quality restaurants, cultural venues and events. [14]
- Mature age profile of visitors (49% over 55)[15] suggests Chester may be missing out by not appealing to the sizeable and growing younger affluent market for domestic short breaks.
- Limited evening opportunities, quoted by many consultees[16], restrict Chester's appeal for residents, as well as for regional and short-break visitors.
- Risk of over-concentration on high volume, low spending, short-stay tourists (e.g. tour groups) that walk the walls, shop and leave.
- Perception of city cleanliness[17]is dropping (2005 vs. 2001), particularly in the historic centre and the Rows.
- Signage, access and parking are perceived to be less accessible or helpful than other competitor cities[18].
- There is little to do in the evening and less feeling of welcome than in competitor cities[19].
- The general atmosphere experienced by visitors to the city is not as good as it was in 2001[20]

There are enough warning signs to suggest that Chester cannot be complacent. The time to fix problems is as soon as they emerge; it is much more difficult and expensive to address them once they have become entrenched. In developing the Place Marketing Strategy we have examined the economic environment in which Chester operates and we will firstly look at that in more detail in the next section. In subsequent sections we examine the particular sectors on which Chester depends in more detail - i.e. retail and tourism - before looking at a particular emerging opportunity in the higher education sector.

[11] CWEA: "Investing in Success" – Sub-Regional Economic Strategy for Cheshire & Warrington
[12] Hoshin: Chester City Council Place Marketing Strategy Baseline Report 2005
[13] City Centre Management Group & Chester City Council Economic Development Department briefing paper "Facts & Figures on Chester District".
[14] See Appendix 2 Benchmarking
[15] Destination Benchmarking 2004 (Mersey Partnership)
[16] Consultation undertaken by Yellow Railroad (Sept – Nov 2005)
[17] Destination Benchmarking 2004 (Mersey Partnership) and Visitrac Chester Visitor Survey Aug 2005
[18] Destination Benchmarking 2004 (Mersey Partnership),
[19] Destination Benchmarking 2004 (Mersey Partnership),
[20] Destination Benchmarking 2004 (Mersey Partnership),

4. Sectoral Analyses

4.1 The Chester "mini city-region"

Current Situation

Chester urban area is at capacity in terms of its fundamental resources of the land and labour it has at its disposal. It has benefited in recent years from strong economic growth both directly through the expansion of financial services and the growth in retail resulting from buoyant consumer spending. The economic growth in Chester's economic arena (which encompasses North Wales, Wirral, Ellesmere Port, and Cheshire) has also benefited Chester. Chester is an attractive place to live, to visit and in which to spend money. Chester plays a complementary role to other areas within its economic arena more than a competitive one.

The key economic sectors for Chester are and will continue to be:

- Tourism - tourism contributes c. £370m to the Chester economy from 8.7m visits p.a.[21]
- Retail - Retail spend in Chester (£738m)[22], including Cheshire Oaks (£356m), totals c. £1,084m.[23] This compares to c. £1,286m in Liverpool[24], although the new Paradise project will undoubtedly boost Liverpool's share of regional retail spend.
- Financial services - MBNA (c. 4,000 employees) and Marks and Spencer Money (c. 1500 employees) are major employers.

Chester's well-educated population travel to work largely in managerial and professional jobs outside the city, while the tourism and retail sectors import a substantial number of lower skilled labour from outside the city, principally from North East Wales. There is a net inflow of people coming into Chester to work (c. 7,500). Airbus, just outside Chester at Broughton in North Wales, is the largest employer in the area (c. 6,000 employees).

Chester already works closely with its sub-regional partners in the Mersey Dee Alliance, Cheshire and Warrington Economic Alliance, North East Wales/West Cheshire Partnership, and the emerging Liverpool City Region. The way forward for Chester is to continue this work to encourage **economic development, inward investment and business relocation** to areas of potential growth in this sub-region.

[21] STEAM 2004 (Global Tourism Solutions).
[22] N.B. A significant element of this retail spend is by visitors= tourists.
[23] CWEA per Chester City Council Economic Department briefing.
[24] CWEA per Chester City Council Economic Department briefing. N.B. A significant element of this retail spend is by visitors= tourists.

Chester's Role

We see Chester's role as a regional "energy centre" and service hub providing a place to live, to shop and to visit. We see Chester as a major player in the economic development of the sub-region: in effect a Chester mini city - region.

This role as regional service hub requires Chester to focus clearly on providing both retail opportunities and entertainment facilities. While Chester will appeal to regional residents because of its proximity[25], it cannot rely on proximity alone. Wrexham is expanding as a retail centre, as is Liverpool. Both cities could soon start siphoning off much of Chester's current market. Chester therefore has to seek to differentiate itself on more than just proximity. It should do this on the basis of its unique historic environment, range of quality retail, easy accessibility, and compact size: *an easy and enjoyable shopping experience in a uniquely attractive environment.*

Economic Analysis

Chester is heavily dependent on the service sector, with 90% of Chester district employees working in this sector (c. 30% in distribution, retail, hotels and restaurants, 25% in public administration & health; and another 25% in banking, finance & insurance)[26].

Chester has healthy levels of economic activity with 66.5% of its residents in work – it is17th out of the 43 Northwest districts. The reasons for being 17th rather than any higher are due to its relatively high level of older economically inactive residents, which in itself presents a challenge to Chester's future economic development.

Over the last five years there has been strong growth in the Northwest region as a whole. The Cheshire and Warrington sub-region has traditionally been economically strong and while this strength is still evident, the rate of growth has slowed. Average weekly earnings within the Northwest as a whole grew by 7.7% between 2000 and 2004 whereas within Cheshire the increase was lower at 6.2%. However in absolute terms Cheshire's average weekly wage is the highest of all the sub-regions at £376.70 compared to £331.70 for the region as a whole[27]. The growth in the cities of Manchester and Liverpool is particularly noteworthy, with both of these delivering substantial employment growth.

According to the Regional Economic Strategy the region's strengths are in:

- Textiles
- Chemicals
- Aerospace
- Pharmaceuticals
- Nuclear reprocessing
- Travel services
- Home shopping

[25] Chester City Council: Chester Tactical Marketing Campaign Results, Jan 2006.
[26] Nomis 2002
[27] Northwest Regional Economic Strategy

To a lesser extent at regional level, the visitor economy/ tourism and air travel are identified as important – although for Chester, clearly the visitor economy and tourism are of major significance. There are also concentrations of business services; financial services and computing which are locally, if not regionally, significant.

Financial services are clearly of particular significance in Chester. This sector currently employs a mix of professional, managerial, ICT development and call centre staff. Call centre operations are notoriously vulnerable to outsourcing to lower cost locations overseas. **Close liaison therefore needs to be maintained with current financial services businesses currently in Chester in order to understand and, where appropriate, take action to reinforce, their motivation for remaining in Chester**. An ability to attract and retain higher-level skills to support managerial, technical and business development functions are likely to be critical to retaining these businesses.

Economic Development Opportunities

Within the Regional Economic Strategy review process the Chester/Ellesmere Port/North Wales area is identified as a continuing hotspot for employment growth. Between 1999 and 2003 employment growth in Chester was 1.9% or 1300 jobs; while in the Ellesmere Port and Neston District growth was 3.9%, also 1300 jobs.

It seems the market is working in Chester's favour so the challenge is to take advantage of these opportunities and maintain the unique appeal that Chester offers to the sub-region. Quality of life is an important element in location decisions of new economy firms[28], giving Chester an important role to play in any promotion by the wider economic area surrounding it.

The key sectors with potential identified in the latest Regional Economic Strategy for the Northwest are:

- Food and drink
- Energy and environment technologies –especially around sustainability
- Biotech and healthcare
- Digital and media
- Business and professional services
- Public sector

We believe the following offer most opportunity for the Chester mini city-region:

- Energy and environment technologies
- Biotech and healthcare
- Advanced engineering and materials – includes chemicals and aerospace
- Business, financial and professional services
- Tourism/visitor economy

For Chester District itself, **retail and the visitor economy/tourism** will continue to be the priority economic sectors as well as, to a more limited extent, **financial and business services**. There may also be opportunities for indigenous **companies within the supply chain of the**

[28] Salvesen, D and Renski, H, 2203; The Importance of Quality of Life in the Location Decision of New Economy Firms

above sub-regional sectors based on the high levels of skill within Chester and its immediate surrounds in Cheshire, which are in sympathy with the non-industrial environment of the District, and have a minimal requirement for large sites. While digital and media have similar requirements, these creative industries respond well within clusters – and Manchester provides exactly such a cluster.

The competition for Chester in economic development terms can only be realistically considered in terms of the competition for the wider economic region in which Chester sits.

This area has done well in recent times and the main issues facing it in maintaining this growth are:

- Achieving higher productivity in the service sector
- Ensuring a supply of appropriate sites
- Managing the long-term decline in the contribution to GVA made by manufacturing (faced by the UK as a whole)
- Maintaining and capitalising on the regeneration of Liverpool
- Improving skills levels
- Addressing labour market constraints, which will be exacerbated by modest growth in 20-59 year olds over the next decade.

Communications

Good communications are critical to Chester's future development – both physical and electronic. One of Chester's great strengths - its accessibility by road – poses an important question for the future. How can Chester sustain the traffic levels required to service its own and the sub-region's growing economy? Chester experiences the largest working population in-flow and has the largest outflow of any district in the Northwest region: an outflow of 9.3% of its economically active residents (7,644 people) and an in-flow of 10,454, second only to Manchester. [29]

A significant issue facing Chester is that over 60% of people who travel to work in Chester District do so by car. This represents increases of 62% from North East Wales, and 60% from Merseyside, between 1991 and 2001. Only around 7.7% use public transport and 6% share a car. There has been a considerable increase in the volume of outbound flows over the same period: + 76% from Ellesmere Port into North East Wales and + 52% from Chester into Merseyside. And traffic growth is predicted to increase by 28% in Cheshire by 2020.[30]

Chester City Council and Cheshire County Council have developed a Chester Transport Strategy to address the transport issues facing Chester. This has four key components: M*anaging Congestion*, *Improving Accessibility, Improving Safety*, *Enhanced Environment.* Success has been achieved in reducing city centre congestion through the development of Park and Ride sites, reducing congestion on peripheral road networks and provision of pedestrian and cycle routes. And much-needed plans are in place to upgrade Chester railway station.

However a more radical solution is required to address Chester's, and the sub-region's, longer-term transport needs. This should **look at the opportunity to increase travel to work on**

[29] Northwest Regional Economic Strategy
[30] Chester City Council: Chester Today, Section 13 Transport

public transport throughout the Wirral/Merseyside/Ellesmere Port/Chester/Wrexham area – i.e. the catchment area for travel to work for these areas. This is currently being addressed in a new spatial strategy covering west Cheshire and Northeast Wales [31]. This will be critical both to Chester's ability to attract residents who supply their labour to the region and to enable those living outside Chester to travel into the city to work. Given the disparity in skills and qualifications between these two groups, coupled with high house prices in Chester, this would seem a more realistic route than expecting to be able to increase the number of Chester residents remaining in Chester to work.

Even with better public transport provision, adequate **parking within Chester** will continue to be an issue. With current plans for the Northgate development and the ambition for an expansion in the visitor economy, there is a need to assess and meet parking requirements of growing numbers of visitors and regional residents.

With regard to **electronic communications**, Chester's appeal to the knowledge industries, its conference potential and relatively small size, suggest an opportunity to develop the city's competitiveness by becoming a "wired city"- at least the city centre. A cost-benefit analysis should be undertaken to assess the opportunity of becoming Britain's first wi-fi city. This is likely to be a route that many cities may go down soon, so becoming one of the first in the UK to do so would not only provide an incentive for businesses considering relocation, but also contribute towards Chester's reputation as a forward-thinking, dynamic city that punches above its weight.

Chester should also consider, as part of its aspiration to be recognised as a global leader in small historic city development, positioning itself as a leader in **smart card and mobile telephony technology** for both communications and transactions.

[31] West Cheshire and Northeast Wales Sub-Regional Spatial Strategy (2004-2021)

Chester Mini City- Region Economy SWOT

(Major items highlighted in bold)

Strengths	**Opportunities**
• **Strong financial services cluster** • **Strong tourism cluster** • **Strong retail cluster** • **Quality of life in Chester and Cheshire** • Strong economic growth • Well qualified labour supply in easy reach • Quality of environment in Chester and Cheshire • Strong presence in knowledge economy jobs • Success in attracting inward investment • Well connected by air, rail, road • High skills base • High levels of productivity • Relatively high levels of enterprise • Visitor offer	• **Economic buoyancy of NE Wales** • **Economic revival of Liverpool** • **Chester as a key service centre** • **Relatively high income levels in Chester and Cheshire** • New labour supply from those previously workless • New air connections • Emergence of city regions as policy focus • University • Proximity to Liverpool and Manchester • Priority given to knowledge economy development by Northwest Regional Economic Strategy (RES) • Commitment to drive for high productivity in RES
Weaknesses	**Threats**
• **Lack of sites for new development** • **Lack of office premises** • Lack of diversification of immediate economic base within Chester • Road congestion in and around Chester	• **Tight labour market in Chester and within travel to work area** • **Skill gaps** • Regionally strategic site of Chester Business Park is full • Ageing population means less economically active • Increasing competition within tourism • Mobility of call centre operations • Cost of housing is barrier to young people moving to/staying in Chester • Proximity to Liverpool and Manchester • Conflict between Chester District Council and Cheshire County Council • Slowing down of economic growth

4.2 Visitor Economy/Tourism

Current Situation

From a **tourism** perspective, Chester has performed well for some time. Around 8.7m visitors spend c. £370m p.a.[32] (including 7 m day visitors and 1.7m overnight stays). 1 million overseas visits are estimated to account for c. 20% of overnight stays and 10% of day visits. Chester regularly performs well in a number of informal UK city polls.[33] Chester features in many European and UK tour operators' programmes, attracts a large number of day visits, many of them to Chester Zoo, and has a reasonably healthy short break business. Chester, along with Cheshire, also attracts a healthy amount of conference business. It has a well-established racecourse that attracts considerable business on race days. And the iconic Chester Grosvenor Hotel has played a considerable part in putting Chester on the international map for high spending visitors as one of Britain's consistently top-rated hotels. More recently, the Green Bough Hotel has added to Chester's quality accommodation inventory, winning several awards[34]. The recent growth of low-cost airlines at Liverpool's John Lennon Airport, which now serves more than 30 international destinations, offers an opportunity for Chester to develop new international short break business.

Target Markets

However, we are concerned that Chester is significantly dependent on the day visitor market and is not developing the appropriate products or positioning itself to maintain its share of staying visitors. Although currently successful in attracting short breaks, Chester risks losing out on the **changing domestic short break market,** which is predicted to grow nationally by 53% over the next decade. This appears to be primarily because Chester is not keeping pace with its competitors, such as Bath and York, in terms of suitably appealing new product development. The age profile of Chester's short-break visitors is skewed towards an older age group (with 65% of Leisure Break enquiries from over 55s[35]) and there is an opportunity to expand Chester's appeal to a younger market. There is a serious risk that Chester may fall behind its competitors for this market, as future visitors will increasingly demand higher standards of accommodation, cuisine and entertainment.

In developing its tourism, we recommend that Chester focuses on those **market segments** that offer greatest potential in terms of their interest in Chester's appeals and likely future growth. Chester's tourism marketing strategy refines these groups by market segment. These have to date been defined in Chester's tourism strategy primarily in demographic terms as follows:

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[32] STEAM 2004
[33] e.g. Guardian Readers' Favourite Cities poll; VisitBritain: Overseas Visits to Historic Cities league table (See Appendix 2 Benchmarking)
[34] England for Excellence "Small Hotel of the Year" 2006.
[35] Chester & Cheshire Leisure Breaks 2005

- **UK day visitors** (Segments:*Terraced Families, Affluent Families, Caring Parents* within 2 hours drive; *School Groups* within 1 hours drive)
  [Ark: Traditionals, High Streets – all life stages]
- **Regional Shoppers:** (In Merseyside, North East Wales, Cheshire, Staffordshire, Shropshire within 1-2 hours drive)
- **UK domestic short-breakers** (Segments: *Social Greys, Better-Off Empty Nesters, Professional DINKS w*ithin 2-3 hours drive)
  [Ark: Cosmopolitans, Discoverers – empty nest stage]
- **US tour groups** (Segment: *Boomers*)
- **European independent tourers** (Segments: *Irish, Dutch & Nordic Empty Nesters; Irish & German DINKS; Dutch Young Professionals;*
- **Japanese tour groups:** (Segment: *Active Seniors)*
- **Japanese independent travellers***: (*Segment*: Young Single Women)*

While helpful, we propose that a more sophisticated approach to **UK leisure market segmentation** be adopted, whereby demographic data can be combined with **lifestyle/value information**. This will help target Chester's best prospects more effectively. Consideration should also be given to using segmentation models used by other UK tourism bodies, and VisitBritain (Enjoy England) in particular, for consistency and to enable comparative analysis. We have included Ark Leisure segmentation descriptors in the segmentation table above ***[in bold italics, in brackets],*** corresponding to current UK demographic segments, where we believe they add refinement.

Product Development

In order to capitalise on the growing domestic short-break market, **Chester needs to offer more to do in the evening, entertainment facilities, cultural events, a better range of quality restaurants and bars, and particularly "signature" restaurants and boutique hotels.**

Restaurants, bars and culture/entertainment venues are unlikely to be sustained by tourism alone. They will depend on local and regional residents using them all year-round. A bigger and better range of things to do, places to eat, drink and be entertained – all sustained by the local and regional population – will provide a platform for growing tourism. In particular it will enable Chester to project a more vibrant, romantic image befitting the city that will help it compete to attract its fair share of the growing domestic short-break market.

Many **tour groups** that visit Chester do not stay in Chester, thus depriving the city of additional potential revenue. This is in part due to Chester's geographical location as a convenient sightseeing stop between Bath/Stratford and the Lake District on a UK tour. It may also in part be a result of keener accommodation pricing in rural areas beyond Chester. While it would be unwise for Chester to try to compete on price, the opportunity to attract higher spending groups to stay, and therefore spend more, in Chester could be enhanced by the presence of a **larger mid-range hotel, particularly from an international group** (which would assist in marketing not just the hotel, but also the city). The opportunity to attract this type of hotel investment should be explored.

The majority of **day visitors** are motivated primarily by Chester's historic centre, a visit to the zoo or shopping. They mostly live within less than 2-3 hours drive. These are Chester's "bread and butter" tourists. Cost-effective marketing campaigns (such as the successful Charisma campaign) should target day visitors and encourage them to increase their spend in, and frequency of visit to, Chester.

Chester's uniqueness from a visitor perspective lies in its wealth of history, walkable city and quality retail offer. Roman history dominates Chester and we believe there is an opportunity to develop Chester as **Britain's best site for Roman heritage interpretation**. This would not only be attractive to school groups and classical history aficionados, but also to other less specialist visitors. It would also contribute powerfully to Chester's global image and "sense of place". This would require investment in polishing, preserving and promoting Chester's Roman remains. And it would also require investment in innovative interpretation (e.g. trail, plaques on the walls and in the streets etc., as well as a new heritage interpretation centre). This should be developed within the plans for the Culture Park and Roman amphitheatre.

Like Rome, but on a much smaller scale, Roman architectural remains are scattered around the city (e.g. walls, amphitheatre, Roman garden etc.). And like Rome, Chester has grown up comfortably around these historic architectural remains, which form an integral part of Chester's cityscape and help define its character. Chester exudes a seamless sense of comfort with this historical continuity in a way unlike few other British cities.

A clear understanding of visitor motivation will be essential in identifying and prioritising these market segments. And the ***polishing and preserving*** of Chester's assets requires the city's historically interesting and visually appealing **assets to be integrated and made more accessible** for visitors, linking them with visitor pathways and clear signposting– from the canal through the city centre to the river and old port area. A major step that needs to be taken to transform the city's appeal for residents and visitors alike is a sensitive and attractive development of the **river** area, which is one of Chester's most under-appreciated and under-utilised assets.

Events

In the short-term, the British Golf Open Championship 2006, Liverpool Capital of Culture2008 and London Olympics 2012 all offer significant, but different, opportunities for Chester. Both the British Open at Royal Liverpool Golf Club, Hoylake, in 2006 and Liverpool Capital of Culture 2008 offer Chester an opportunity to attract staying and day visitors on the back of their visit to these events. They also offer an opportunity to showcase Chester and its new developments to a wider audience than the city might otherwise attract. Chester should work closely with Liverpool, the Liverpool Culture Company, the Royal Liverpool Golf Club and the Merseyside tourism authorities to maximise these opportunities.

The 2012 Olympics in London offer less of an opportunity of direct tourism business in 2012. The focus in 2012 will be primarily on London, and Olympic traffic will displace a certain amount of overseas visitors to Britain that summer. This restriction on inbound capacity to Britain could result in a small decline in Chester's summer visitors that year. On the other hand it may offer an opportunity for regional airports, such as Manchester and Liverpool, to attract more flights to replace some of the traffic displaced by London. Apart from reducing the anticipated summer 2012 tourism deficit, this could stimulate new routes into Manchester and Liverpool that, if proved sustainable, would offer longer-term opportunities for Chester.

However the main benefit of the London Olympics for Chester is likely to be in future years: more visitors are expected to consider visiting Britain in the years following the Olympics as a result of the UK profile generated by the Olympics being held in Britain. Chester needs to invest in development now in order to be ready to attract its fair share of this anticipated market growth.

We also believe there is a valuable opportunity for **events and festivals** within Chester to enhance the city's cultural entertainment offer. Developing and supporting events and a festival will be vital in delivering a new more vibrant Chester. This will require a new multi-purpose **arts venue** to stage theatre productions, concerts, exhibitions etc. It will also require commitment to developing a regular (annual) **Chester Festival** as a "must visit" fixture on the UK festivals calendar. And, in order to propel itself into the premier league of UK cultural cities, Chester will need to stage exciting and artistically challenging cultural events that gain the city a reputation as a city to look to for innovation in the arts.

And on a more modest scale, **street animation** and regular small-scale events in the city centre would enliven the city's appeal both as a shopping and visitor destination. Increasing the vibrancy of Chester's street life would require a positive approach to the licensing of events, good quality buskers and alfresco eating outside bars and restaurants.

Tourism SWOT

(Major items highlighted in bold)

Strengths	Opportunities
• **Unique historic city centre** • **Roman, Viking, medieval, Norman, Victorian, heritage** • **Walls** • **Cathedral** • **Rows** • Zoo • Racecourse • Grosvenor Hotel • Compact, walkable city centre • Gateway to North Wales • Food & drink offer in Cheshire • Easy to access by road, rail and air	• **Link station, canal, river to city centre** • **Floodlighting of city walls and river** • **Brook Street & Frodsham Street areas** • **Events and festivals** • **Roman heritage** • **University** • **Retail – Northgate and specialist** • **Growth in UK short breaks market** • **Events** • **Expansion of Chester Zoo**

Weaknesses	Threats
• **Lack of evening activities** • **Lack of cultural events & facilities** • **Limited "signature" restaurants, style bars or boutique hotels** • **Visual pollution on main historic streets** • **Limited interpretation of Chester's history (e.g. plaques, signboards)** • **Under-utilisation of certain assets (e.g. river, Castle Square)** • Cost of parking for cars and coaches • Congestion to, and within, city • Signage • Cleanliness of the city • Toilets – limited number, often closed, dirty	• **Complacency (of residents, business community and city council)** • **Decline in specialist retailing** • **Lack of vibrancy especially at night** • **Capacity constraints resulting from city centre size** • Conflict between supporters of heritage conservation and advocates of modern development • Congestion charging • Overshadowed by major cities nearby (e.g. Liverpool, Manchester) with clear vision and strong leadership • Other attractive market towns

4.3 Retail

Current Situation

Total retail expenditure in Chester in 2003 was £728 m. 9.6m people visited the Mall Grosvenor and 7.1m visited the Forum Shopping Centre;[36] and over 7m people spent £356m at the out-of-town Cheshire Oaks mall, which both competes with, and complements, Chester city centre[37].

Chester currently performs very well in UK retail ranking - at 11th in terms of retail vitality, with Norwich the only small historic city ahead of Chester at 9th[38]. However several planned new retail developments will put considerable competitive pressure on Chester's current retail catchment area: e.g. retail expansion in Wrexham, Llandudno and Warrington, and Liverpool's Paradise project, as well as the more local Broughton Park. Chester's opportunity for differentiation in the face of increasingly good quality, convenient and accessible retail competition lies in its unique appeal as a **compact**, **historic and accessible city, with a reputation for a good range of quality goods**[39]. Chester has a range of specialist shops, a unique environment in the historic city centre and the Rows, as well as a large retail mall (Cheshire Oaks). And, with the opening of the new Northgate development in 2008 (£ 280m redevelopment with 300,000 sq. ft. of retail) and the anticipated Mall Grosvenor extension, there is an enhanced opportunity to promote Chester as a small, accessible city with everything that is needed in a very compact and attractive area. Chester therefore needs to position itself against its regional competitors, whose retail offer is more purely functional, as "*a quality shopping experience in a historic environment – a more relaxed way to shop and an enjoyable day out".*

This, of course depends on Chester's ability to retain quality retailers in the city centre and in the Rows in particular. The national trend is towards a reduction in specialist and independent shops in favour of bigger and multiple stores. Chester has not been immune to this trend. Several smaller specialist/independent shops have closed down in Chester in recent years and there is a real risk of losing the critical mass upon which this reputation depends. Britain's high streets and new shopping malls are becoming increasingly homogenous, with a preponderance of international fast food chains, coffee shops and mobile phone stores being amongst the few that can afford the high rentals in new developments. **Homogeneity is the enemy of a city's sense of place.** A keen eye needs to be kept on this trend and on the impact of the new Northgate development on businesses in the Rows and historic centre. Hopefully, by attracting more people into Chester in total, the Rows and historic centre will also benefit. However, abandoning Chester's city centre completely to retail market trends could spell the end of the city's distinctive character and thereby undermine its competitive edge in retail. There is a real risk that small businesses might suffer. If the quality of shops in the Rows and historic centre were to decline, this would have a considerable impact on Chester's image, both as a retail centre and as a tourism destination. This would be felt well beyond the loss of individual shops. It would seriously diminish the attractiveness of Chester as a retail destination and ultimately reduce the overall income to the city.

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[36] Annual Business Enquiry 2002; Forum Shopping Center Management Feb 2004 (per CCC brief); Gerald Eve Grosvenor Shopping Centre July 2001 (per CCC brief)
[37] Cheshire Oaks is perhaps more complementary with Chester city centre's retail offer than many believe: 25% of Chester's Christmas shoppers shopped at Cheshire Oaks as well acc. to the Chester Christmas Campaign Evaluation (England's Northwest Research Service Jan. 2006)
[38] Experian Most Profitable Towns Survey 2004
[39] Chester City Council: Chester Tactical Marketing Campaign Results, Jan 2006.

This needs to be monitored carefully and regularly. **Risk assessment** needs to be carried out on a regular basis, and scenario plans kept up to date in light of changing retail market trends. **Intervention options** need to be explored to counteract any potential long-term destructive impact in the Rows in particular. If signs of decline do emerge in the Rows and historic centre, we do however consider that it would be appropriate for the City Council to intervene through, for instance, incentives such as rental subsidies, business rate rebates etc., in designated historic areas. The **Business Improvement District**, if approved, may be an appropriate mechanism for such intervention.

Convenience and accessibility, particularly parking, will play an important part in the health of Chester's retail future. If Chester's unique shopping experience is perceived to be inconvenient or inaccessible, the balance between regional shoppers and visitors who shop in Chester will change in favour of visitors, with the likelihood of a progressive decline in regional shoppers.

Street markets already form an attractive part of the Chester shopping experience. Expanding both the type and frequency of street markets in the city centre, and on the Rows, would add to the variety of Chester's retail offer and to the city's vibrancy. They may also help arrest decline in the city's perceived distinctive retail offer.

At a general level there is a pressing need to **improve the cleanliness and visual impact** within the historic centre. Many areas are dirty and littered underfoot; and a clutter of banners and signs detract from the impact of the Rows at eye level. The importance of the quality of environment of the city for both shopper and tourist cannot be over-estimated. We see the care and presentation of Chester's historic centre as a "weather vane" representing the overall economic health of the city.

The city centre should be declared a **"visual pollution-free zone".** Retaining the aesthetic appeal of Chester's city centre in keeping with its unique historic sense of place will become more and more critical in attracting visitors and shoppers to Chester in the face of ever-increasing regional competition. Clear streetscape design guidelines should be developed and rigorously enforced. This includes signage – both public and commercial. Signage guidelines need to achieve a practical balance between aesthetically reflecting Chester's historic distinctiveness, assisting shoppers and visitors to locate businesses, and enabling those shops and businesses to differentiate themselves from one another within reason. The type of signage should be driven by practical, directional consumer needs, rather than by businesses' branding or promotional desires. Guidelines should encourage good quality contemporary design, and avoid historic pastiche.

Retail SWOT

(Major items highlighted in bold)

Strengths	**Opportunities**
• **Reputation for quality retail** • **Compact city centre** • **Historic retail centre** • **Chester is an enjoyable "shopping experience" - a pleasant city environment with good range of restaurants and cafes** • Reputation for specialist & independent retail • Range of shops accessible within city centre • Accessibility from Cheshire, Shropshire, Northeast Wales, the Wirral, Merseyside, particularly by road • Cheshire is one of England's wealthiest counties	• **Large population in regional catchment area** • **New Northgate development** • Mall Grosvenor expansion • Potential to attract more people to shop in Chester if investment is made in arts/cultural facilities and new high quality restaurants are attracted into the city • Chester Business Improvement District
Weaknesses	**Threats**
• **Car parking (accessibility and cost)** • **Small retail units in historic buildings restrict profitability and growth potential** • **Access for deliveries**	• **Out-of-town shopping parks (e.g. Trafford Centre, Wrexham etc.)** • **Growth of retail in Wrexham, Warrington and Llandudno** • **Liverpool's retail and cultural expansion (e.g. Liverpool One Paradise project)** • **Increasing homogeneity/erosion of specialist & independent retail** • **Loss of retail distinctiveness = loss of sense of place & competitive edge** • Inability to sustain a critical mass of specialist shops to enable them to carry sufficient stock to serve a dwindling customer base • Future viability of independent quality retailers • Loss of retail distinctiveness = loss of sense of place & competitive edge

4.4 Education

There is a particular emerging opportunity in Chester's higher education sector, with the new University of Chester, with its 15,000 students, and West Cheshire College. This offers an opportunity not just to service local and national employers. Universities tend to drive up quality standards through demand for a wider and better range of eating, entertainment, sporting and cultural facilities. The University of Chester also offers the opportunity to enhance the image of Chester by putting it firmly on the educational map of Britain. Gaining a reputation for educational excellence and specialism in one or more areas is important, but this also raises the city's profile amongst a wider range of people beyond academia on both the national and international stage.

Education SWOT[40]

Strengths	**Opportunities**
• **Educational specialisms (e.g. forensic, cardiac care, nursing, legal/bar training)** • The University's long standing history as an educational institution	• **One of Britain's newest universities (2005)** • **Opportunity to enhance Chester's image on the national & international stage** • 15,000 student population = potential for revenue in Chester's shops, restaurants, bars, clubs and entertainment facilities etc. • Regional catchment area • Proximity to city centre – integration • West Cheshire College's tourism specialism
Weaknesses	**Threats**
• Low awareness amongst potential students	• **Chester's image may not currently be as attractive to potential students as other university towns (e.g. because of limited nightlife and entertainment facilities)** • Competition from Britain's other universities

[40] This looks at the SWOT from the perspective of the interrelationship between the city and the higher education institutions. It is not a SWOT for the higher education sector itself. It identifies those issues that are important to the ability of the University and West Cheshire College to enhance the image of the city and vice versa.

5. <u>The Chester Brand: A Historic "Boutique" City</u>

Brand Impact

As part of the Place Marketing Strategy there is a need to be clear about what Chester's brand, or personality as a city, is. Up to now, Chester's brand has largely been defined by its history, quality shopping, and its location within the wealthy county of Cheshire. Recent work on identifying tourism brand values for promoting Cheshire as a tourism destination identified *enriching, intriguing, relaxing, privilege* as Cheshire's key attributes. These have been interpreted in the Cheshire and Warrington Tourism Strategy to underpin the appeals of both Chester and Cheshire as a "*quality, aspirational, indulgent* and *lifestyle destination*". We have assessed the relevance of these values below and recommend some refinement, in particular*:*

- Identify which of these terms are **truly definitive values** (e.g. *intriguing, enriching*) and which are more generic "hygiene factors", although they are nevertheless essential to Chester's image (e.g. *quality, aspirational*).
- **Add** appropriate defining elements (e.g. *romantic, historic*)
- **Separate** those values that can be said to define Chester today from those that are not yet sustainable. Values that are not yet sustainable can function as values to which Chester aspires and thereby guide the way in which Chester develops (e.g. *romantic, vibrant*).
- Chester should aspire to become one of Britain's great historic **"boutique" cities**. This combines a mix of Chester's current values with an aspirational goal that will guide Chester's current marketing and future development.

The term "boutique" is not currently used to describe cities. It is more generally applied to hotels. However, we believe that the term would be readily understood by association with such positive values. Most importantly, we believe that **a real opportunity exists for Chester to pioneer the term "boutique" in relation to cities** and thereby differentiate itself, not just from competitors of a similar size, style and historic nature (such as Bath, Oxford, York, Norwich, Lincoln), but also to position itself clearly in relation to bigger regional cities whose retail offer may be greater (such as Liverpool and Manchester). Importantly Chester currently embodies most of the values that the term "boutique" expresses; it also provides aspirational guidance for new developments in line with the city's "sense of place". And it has impact.

And, as the first city in Britain – if not the world – to stake a claim to the term "boutique city", Chester can claim this territory for itself. The business advantage of being first-in offers immense publicity potential for Chester. This could stimulate interest amongst a range of potential new investors, particularly in boutique-style products, such as hotels, restaurants and shops.

"Boutique" Destination

The term "boutique" evokes a sense of style, quality and individual character in an environment that is compact, accessible and manageable from the perspective of both visitors and residents.

The core upon which Chester can build its claim to "boutique" status is the unique historic city centre, characterised by the **Rows, the walls, cathedral and historic streets and its range of quality retail**. Good maintenance of these areas – and Chester's public realm in general, attractive visual presentation and sympathetic new design in keeping with Chester's "sense of place" will be absolutely essential to Chester's ability to gain and retain credibility as a "boutique" city. So will the type of shops, restaurants and entertainment facilities that are attracted to, or licensed to operate in, Chester's historic centre. Without care and attention to this jewel in the city's crown, Chester will risk becoming just another country town.

However Chester needs to attract more "signature" facilities – particularly restaurants and boutique hotels – than currently exist in order to be truly perceived as a "boutique" destination.

Even if the term "boutique" were to become passé or obsolete in future years with changing fashions, we strongly recommend that the principles underlying the "boutique" concept be adhered to. It is the elements inherent in the "boutique" concept, rather than the term itself, that matter. These generally comprise a highly attractive mix of the attributes with which Chester is reasonably blessed (See footnote[41]).

Once established, the effect of the "boutique" kernel spreads out and influences the type of businesses that are attracted into other parts of the city (e.g. Frodsham Street, Brook Street, Hoole Village) and then further afield within the city (e.g. Garden Lane), as property prices in the vicinity of the established "boutique" core rise and new businesses seek more affordable locations in which to locate in order to derive benefits associated with the "boutique" effect.

Chester has much of the raw material in terms of existing physical assets, as well as a healthy mix of markets, that is required to sustain a "boutique" destination. The areas in which Chester lacks products that it needs to truly become a "boutique" destination (See "signature" facilities above) are the easiest to remedy, particularly once this direction begins to guide future city development and planning decision-making.

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[41] i.e.
A defining heritage, visible in the place's architecture, streetscape and visitor offering; a balance of urban and natural areas; (e.g. parks, gardens, rivers, lakes and immediate rural environment within/adjacent to the city); a critical mass of high quality restaurants, bars, hotels and entertainment facilities, including several "signature" facilities (particularly restaurants and hotels); a range of quality retail, usually with a higher than average proportion of specialist or independent shops; a cultural fabric that has a reputation for quality productions, artistic tolerance and experimental art that is underpinned by suitable venue capacity (and style) and regular festivals. A central area, such as Chester's historic centre, often epitomises such a place, and plays an important part in attracting restaurants, bars, hotels and entertainment facilities of appropriate quality to deliver a sufficiently critical mass.

A vibrant cultural scene, a mix of eating, drinking and entertainment establishments and a range of quality and specialist retail, are usually sustained by a healthy mix of markets, including a relatively affluent local and regional market, an upwardly mobile younger generation (often employed in the technical, professional, managerial or creative occupations and particularly in the knowledge industry) a buoyant visitor market with above average disposable income and a local student population that drives the demand for innovation, quality and value in the arts, eating, drinking and entertainment.

An artistic, cultural spirit can also flourish in the slipstream of “boutique” culture. This can bring new alternative businesses into more affordable locations, which can not only assist in their regeneration, but also add variety to the city’s retail offer and overall appeal.

Redefining Chester’s Brand Values

In assessing Chester’s existing brand values and their relevance across all sectors we believe that there is an argument for **refining Chester’s brand values**, as the city looks to the future. This was confirmed in the stakeholder workshops. We are proposing:

- **Intriguing**
- **Indulgent**
- **Romantic**
- **Historic**
- **Vibrant**.

Boutique destination

These values are a mix of Chester’s existing characteristics and future aspirations. They reflect the core characteristics of Chester the place and what it wants to become, evoke a sense of somewhere appealing as a place to both visit and live in (lifestyle city), and offer a greater basis for differentiating Chester from its competitors. **Their main function is to guide Chester’s future development and investment within the context of this place-marketing strategy, as well as to underpin Chester’s internal and external marketing activities.**

Chester’s most striking characteristic is its ubiquitous sense of *history*. This, and the city centre layout, that frequently surprises with so many interesting architectural, archaeological and natural features (e.g. walls, Rows, alleyways connecting Rows and city centre streets, amphitheatre, castle, river etc.) is a unique and highly *intriguing* environment. The concept of *indulgence* reflects the high quality retail offer (which Chester wants to retain as a clear point of differentiation from regional shopping centres) and Chester’s association with its sophisticated Cheshire hinterland. It also reflects the national and international reputation of the iconic Chester Grosvenor Hotel and spa, with its Michelin starred Arkle restaurant and the nationally recognised, award winning Green Bough Hotel. However, it is also partly aspirational, anticipating an increase in “signature” restaurants and boutique hotels over the next few years that will, hopefully, become “destination” restaurants and hotels in their own right - somewhere for a special occasion - thereby providing Chester with sufficient critical mass to support its *indulgent* claim. The intriguing historic fabric of the city described above imbues it with a sense of *romance*. However this value is also still primarily aspirational as further product developments of the nature described above, particularly “signature” restaurants and boutique hotels, are needed to enable Chester to deliver credibly on its promise as a romantic city.

Similarly, the vision aims to improve substantially the range and quality of Chester’s cultural and entertainment offer, before it can claim to be a truly *vibrant* city.

Applying Chester's Brand Values

These values must be used with discretion. At this stage *historic* and *intriguing* are entirely credible characteristics of Chester; *indulgent* is partially sustainable in terms of retail, the Grosvenor spa and one or two hotels and restaurants, but requires new product developments, in terms of a greater range of potentially indulgent experiences, before it can be considered a key differentiator for Chester. Chester's *romantic* physical and architectural environment also needs these new developments to be put in place before its romantic claim can be truly credible.

Historic and *intriguing* are therefore values that can be applied in Chester's current marketing; while *indulgent*, *romantic* and especially *vibrant* should only be used with caution as they contain a degree of aspiration that will depend on future developments to sustain their credibility and impact.

Future development priorities must therefore be to improve Chester's ability to deliver an *indulgent* and *romantic* experience, and to develop the products that will enable the city to be perceived as *vibrant*.

Marketing Chester: Horses for Courses

A city's image is an immensely powerful backdrop against which to sell goods or services from that city. The image of Chester as an attractive place in which to live and visit transcends all economic sectors. This is what will give Chester a competitive advantage over other places, once sector-specific needs have been satisfied (e.g. labour skills, access to markets, productivity etc. in the case of inward investors; quality of goods in the case of retailers). In order to help Chester punch above its weight the following should be considered by everyone when marketing Chester, or goods and services from Chester:

- **Chester's core brand values should underpin all Chester's marketing for all sectors**, where they are credible and sustainable, and as long as they are appropriate.
- Some brand values will be more relevant for some sectors (e.g. historic & romantic for tourism, indulgent for retail). In such cases the **brand values specifically relevant to that sector can be stressed more than others, or the less relevant brand values may be omitted**.
- All Cestrian businesses and organisations that are in some way trying to attract people to, or sell goods from, Chester should use the positive values of Chester where appropriate and do so **consistently**.
- The **synergy** generated as a result of all individual businesses and organisations presenting Chester both as an asset and in stressing Chester's core brand values, will, over time, have a **cumulative effect on the positive perception of Chester**. This synergy will add to the collective impact of all individual organisations' marketing efforts.

This should not be interpreted as a recipe for marketing homogeneity across all sectors and all businesses. Far from it. Businesses have to differentiate themselves from their competitors and different markets will respond differently to different elements of Chester's appeals. This is about finding a way of **using Chester's core brand values to add value to an already differentiated product in the eyes of a target market**.

How can all sectors use Chester as an asset in their marketing?

So how can Chester be used as an asset without compromising an individual sector's, or business's, marketing impact? This is relatively straightforward in the tourism and retail sectors. Identifying when and how to apply Chester's brand values as an asset in other sectors is perhaps slightly less obvious. But doing so can add real value. For instance:

- In the case of Chester-based employers seeking to attract *new employees*, they might stress Chester's appeals as an attractive place in which to live and work, underpinned by Chester's core values, in national newspaper recruitment advertising.
- The growth and prosperity of Chester's economic sub-region will be an important message in trying to tempt *businesses to relocate* to the Chester area.
- Portraying Chester as an *attractive place to live* will enhance the appeal of moving to the area to work in Chester's economic hinterland.
- On a more market-specific note, Chester's must be aware of, and deploy, its *different appeals and positioning in different markets.*[42]

Recognising which aspects of Chester's core brand values, and when to apply them, in communicating to a particular target audience for different products, different businesses and different sectors is essential. At the very least this Place Marketing Strategy should prompt Chester and Cheshire-based businesses and organisations to consider whether, and to what extent, their location in, or proximity to, Chester is an advantage. And it should help them identify how to express that advantage, firstly to benefit their own business and secondly to benefit Chester. To help do this, we recommend producing a **brand toolkit** that clearly explains how different sectors can apply Chester's brand values in their own marketing communications. This should provide practical guidance and, through consistent and mutually reinforcing messages, help Chester punch above its weight.

[42] E.g. Chester's best chance of attracting *Japanese students* to study English in Chester, when competing with London and the south coast of England, lies in positioning Chester as being close to "Peter Rabbit country" (the Lake District). However, attracting similar *students from the Middle East* relies on positioning Chester as close to Blackpool and Alton Towers.

6. Benchmarking: Lessons for Chester

Benchmarking vs. Competitor Analysis

It is important to understand the distinction between competitor analysis and benchmarking. Competitor analysis looks at Chester's performance against real competitors; while benchmarking looks at the competitiveness factors of similar cities and attempts to identify what Chester can learn from them, even where they may not be direct competitors for the same market. For instance Liverpool and Manchester are serious competitors to Chester for regional residents' retail spend; but Norwich, which ranks higher than Chester on the Experian retail vitality ranking may, because of its more similar size and historic nature, offer greater lessons for Chester's future retail development, even though it is not directly competing for Chester's retail markets. Retail competition is more local and regional than that for tourism. Competition for tourism tends to be regional (within 2-3 hours drive) for day visits and short breaks, but UK-wide for overseas visitors and European-wide or even worldwide, particularly for conferences. Our approach to benchmarking Chester has been to seek to identify those places from which Chester can learn. We would expect comprehensive competitor analyses to be undertaken within the context of each sector's own marketing strategy.

We have chosen to benchmark Chester against **Bath, York, Oxford**, **Lincoln** and **Norwich** in Britain, primarily on the basis of their relative similarities in size and "feel"- in terms of their historic nature, quality of life and demographic profile. In terms of tourism comparators, the relatively similar visitor numbers or revenue were also a factor. Amongst other indicators, we have also used both entries and star ratings in several top tourism guides to provide an indication of these cities' relative competitiveness. This is more about the image of a city than carrying capacity. A city that has a critical mass of good quality restaurants and hotels will develop a reputation for quality that will enhance its image, regardless of the limited number of rooms or restaurant covers this adds to the city's tourism inventory.

Chester's Performance

Detailed benchmarking analysis is contained in Part 3: The Appendices.
Main highlights are:

Retail

- In general Chester outperforms its selected competitors as a vibrant retail centre, with the exception of Norwich, which ranks higher (9th) than **Chester (11th)** on the Experian Retail Rank[43].

Visitor Economy/Tourism

- As a tourism destination, Chester performs better in terms of both tourism **revenue** and **visitor numbers**, than its main UK competitors.

- Chester, Bath and Oxford all have a strong **day visitor** market. Chester's is more dependent on domestic day visitors, while Oxford and Bath probably have a greater number of overseas day visitors.

[43] Experian Retail Rank 2004

- Although the volume of **UK staying visitors** in Chester appears to be healthy, Chester lags well behind Bath, York and Oxford in the **overseas visitor league**. This may, of course, reflect a large number of overseas day visits, particularly to Bath and Oxford.

- In terms of **UK visitors' perception** (CWTB focus groups), Chester does not compare favourably with the comparator cities. This may be connected to the next point below.

- Further investigation reveals that Chester has considerably less of the type of tourism product that would be most suitable for the new generation of **domestic short breakers–** quality restaurants, smaller stylish hotels and cultural/entertainment facilities and events - thus placing Chester at a disadvantage in competing for this growing market.

- Chester's relatively strong presence in **UK tour operators' domestic short break programmes** and relatively poor showing in **UK visitors' perception** suggests that Chester may be doing better on packaged breaks but losing out on independent breaks. Given that most domestic holidays are booked independently and this trend is increasing, there is a serious risk that, without suitable investment, **this disparity may increase to Chester's detriment.** And, although it is not completely representative, Chester lags behind Bath, York, Durham and Lincoln in the only available comparative poll of emotional preferences for UK cities[44].

Norwich - "One to Watch"

- Finally Norwich provides an interesting comparison in terms of its **robust mix of retail, financial services, strong creative industries cluster, growing airport and buoyant tourism.** Norwich's well-rounded economy and credible tourism performance, in spite of its relative remoteness and not being part of a "core" city region, highlight it as "one to watch" and a competitor that Chester should not be tempted to ignore just because it may not have been perceived as a key competitor in the past. And precisely because of its progress in the face of these apparent competitive disadvantages, Norwich may provide greater insight into the recipe for a successful historic city as it develops its future tourism, retail, creative and financial services economy.

[44] Guardian Readers' Favourite City 2004

7. Measuring Success

Performance Indicators

The Place Marketing Strategy is wide ranging with a large number of actions. Rather than measure every aspect we propose that there should be a suite of key performance indicators to assess progress. Performance measurement should be undertaken at least once a year.
A basket of indicators needs to be developed. Suggestions are included below regarding the type of indicators that might be appropriate.

Mini City-Region

- New business start up/failure rates
- New sites identified and developed
- Investment in the sub-region
- Investment in public realm
- Population levels and profile

Visitor Economy/Tourism

- Numbers and spend of staying visitors and day visitors in the target markets
- Investment in tourism product
- Perceptions and satisfaction levels of visitors
- Perceptions and propensity to visit among non-visitors in the target markets
- Image tracking
- Delivery of new tourism and cultural infrastructure and products
- Delivery of Roman Heritage Centre
- Delivery of World Heritage status
- Delivery of new culture venue
- Establishment of, attendance at, Chester Festival

Retail

- Proportion of quality, specialist and independent shops in the Rows, city centre and adjoining streets
- Perception and satisfaction levels of shoppers
- Experian Retail Vitality ranking

Education

- Student numbers
- Growth in popularity of targeted courses that set education in Chester apart
- Perceptions and satisfaction levels of students with Chester
- Graduate retention in the sub-region

A Place to Live

Perceptions and satisfaction levels of residents