

Achieving Our Potential
A Tourism Strategy For Wales

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WALES TOURIST BOARD

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BY RHODRI MORGAN AM MP

The National Assembly for Wales recognises that tourism is one of the largest and most important industries in Wales. It makes a major contribution to our economy, supports many thousands of jobs and provides income to a wide range of businesses and services throughout the country. Its continued success is vital to the future prosperity of Wales but gains will not be achieved easily. We live in rapidly changing times and tourism will need to be alert to the challenges ahead while taking advantage of dynamic and exciting opportunities to ensure its long term success. Tourism is a global industry and is highly competitive. But Wales is well placed to compete with the best. Our small country can offer a rich culture and history, a landscape of high scenic quality, a beautiful coastline and a diversity of experiences to our visitors.

The biggest challenge we face is to realise the full potential of our unique tourism assets in a sustainable way. I believe that this new strategy for tourism, developed in consultation with the industry, represents a clear and comprehensive call for action. It provides a sound framework to inspire the industry to work in partnership to secure long term prosperity. I look forward to tourism achieving its potential over the next ten years and increasing its contribution to a more dynamic Welsh economy. I commend this exciting strategy to you and encourage all involved in tourism to work in harmony to secure its vision for the future.

A handwritten signature in blue ink that reads "Rhodri Morgan". The signature is written in a cursive, flowing style.

Rhodri Morgan AM MP

First Secretary

The National Assembly for Wales

Achieving Our Potential A Tourism Strategy For Wales

A mature, confident and prosperous industry which is making a vital and increasing contribution to the economic, social, cultural and environmental well-being of Wales by achieving sustainable growth through effective co-ordination and collaboration at all levels in the industry

Executive Summary



Executive Summary

Importance of Tourism

Wales' dependence on tourism is scarcely matched by any other country in Europe. Tourism spending from overnight and day visitors contributes more than £2.0 billion directly to the Welsh economy - equivalent to 7% of G.D.P. It is an industry dominated by small independent operators but supports up to 100,000 jobs directly and indirectly in the Welsh economy, more than 10% of the workforce. The industry is well placed to make an even greater contribution to the economic and social well-being of Wales. Given the availability of additional funding, by 2010 tourism in Wales could support up to an additional 22,000 jobs (15,000 full time equivalents) and increase its proportion of a rising G.D.P. to 8%, based on estimated total tourism receipts of £3.2 - 3.5 billion.

Preparing for the Future:

This is the third in a sequence of national tourism strategies produced for Wales. It sets out to identify the most effective response to the main strategic challenges which are likely to confront the tourism industry during the period 2000 - 2010. Prepared by the Wales Tourist Board in consultation with the industry, the strategy recognises that change is inevitable and seeks to inspire the industry to work together to manage change effectively during a period of economic and social transition in Wales.

The vision for the future of tourism in Wales is:

A mature, confident and prosperous industry which is making a vital and increasing contribution to the economic, social, cultural and environmental well-being of Wales by achieving sustainable growth through effective co-ordination and collaboration at all levels in the industry

Four key themes or principles apply to all parts of the strategy:

Sustainability	Tourism must be developed responsibly if it is to achieve wider economic, environmental and cultural benefits for Wales;
Quality	Tourism must be responsive to the needs of the consumer and the industry must adapt its product accordingly;
Competitiveness	Tourism is becoming increasingly competitive locally, nationally and internationally. The industry in Wales must seek innovative ways to achieve its full economic potential;
Partnership	Tourism is a fragmented industry. Effective working relationships are needed to raise the status and prosperity of the industry.

Market Trends

The UK market is the main source of tourism business for Wales, the holiday market being particularly important. Wales has been traditionally under represented in the relatively higher spending overseas market. During the 1990's, Wales has found it difficult to improve its market share position in relation to competing destinations in the UK. There are important structural issues in tourism demand which will need to be addressed before major gains for Wales can be achieved:-

- Wales is dependent on a declining long (4+ nights) holiday market but most growth trends are forecast in short (1-3 nights) and additional holidays. Wales must seek to increase its share of the UK short holiday market which is less seasonal and generates higher expenditure per visitor;
- Although the traditional long (4+ nights) holiday is in decline in the UK with more British people taking their main holidays abroad, Wales must seek to retain its share of this core market;
- Wales attracts about an 8% share of all UK tourism spend but only a 1.4% share of all overseas visitor spend in the UK. Wales must seek to increase its share of overseas spending;
- Tourism in Wales is highly seasonal. Wales must seek to attract less seasonal and higher yielding tourism business in the six month shoulder period October - March.

Strategic Action Plan

The strategy is closely integrated with an action plan which identifies the essential tasks needed to meet the strategic objectives, suggests who is best placed to co-ordinate these tasks and recommends when they should be carried out. The implementation of the 49 action points will require a partnership approach involving long term commitment by the industry and organisations with an interest in the promotion and development of tourism in Wales. It is estimated that the action plan will cost £1bn. to implement in full with funding derived from a range of public sector, EU and private sector sources (Appendix 2). More project specific action programmes will cover shorter, more accountable periods and form the impetus for partnership formation and implementation. The strategy acknowledges that it will be particularly important to:-

- create a positive, distinctive and motivating identity for Wales as an attractive tourism destination in target UK and overseas markets;
- improve understanding of the roles and responsibilities of the different organisations involved in tourism and develop opportunities for effective partnership working;
- improve community and political support for tourism by raising its profile and status;
- adopt a customer - focused approach which will require more useful market intelligence information to be made available to the industry;

- ensure that the tourism industry is able to realise the full benefits arising from rapid advancements in Information and Communications Technology;
- develop a well trained and motivated workforce;
- adopt a strategic approach to investment in tourism which identifies development priorities on the basis of market needs;
- support growth in tourism through sustainable means by:-
 - extending the tourism season;
 - spreading the benefits of tourism throughout Wales;
 - improving business yield;
 - effective visitor management.
- provide better access to tourism and more extensive employment opportunities for all groups in society.

Strategic Targets to 2010

Realistic though challenging targets have been set for the tourism industry in Wales in order to give impetus and direction to achievement of the vision by 2010. They have been defined on the assumption that adequate resources will be made available to implement the strategic action plan to agreed timescales. It will be important to monitor progress regularly during the course of the strategy and to revise targets accordingly.

	1998	2010
1. UK TOURISM		
All Tourism Trips	9.8 mn	13.9 mn
All Holiday Trips	6.8 mn	10.3 mn
All Tourism Spend	£1100 mn	£2342 mn
All Holiday Spend	£910 mn	£2049 mn
% Holiday Trips in Oct - March	25%	30%
% Holiday Spend in Oct - March	17%	25%
2. OVERSEAS TOURISM		
Visits	0.79 mn	1.26 mn
Spend	£176 mn	£396 mn
3. EMPLOYMENT IN TOURISM		
(Full time equivalents)	100,000	115,000
4. PROPORTION OF G.D.P .		
	7%	8%

1

Introduction



1.0 The Need for a Strategy

- 1.1 As we enter the 21st century, individuals and societies throughout the world will reflect on the past and prepare for the future. The millennium is a landmark in history which will be seen as a crossroads, a time to consider what has gone before but more importantly, a chance to confront the challenges which lie ahead and an opportunity to plan for a more prosperous future.
- 1.2 The way ahead, however, is far from clear. A new democratic voice for Wales will bring exciting new opportunities to create a stronger, vibrant and diverse economy but there will also be many challenges during this period of transition. The shape of government, the services it provides, the structure of organisations in the public sector and relationships with the private sector will change rapidly. Spurred on by the information revolution and increased globalization, where events in one part of the world may typically effect prosperity in another, the relationship between government and the governed is set to go through a period of radical change. There will be many other influences - demographic, technological and lifestyle changes, personal mobility and increasing consumer choice will all have a bearing on the future and will effect all sectors of the economy.
- 1.3 No less than any part of the economy, tourism will need to adapt and change in response to the many challenges ahead to ensure its future success. The tourism of tomorrow will look very different to the tourism of today and there will be many difficult and some painful choices for those involved in the tourism industry. Not all businesses will be able to respond effectively to the many challenges which face the industry. A strategy for tourism based on sound research and wide consultation can provide the basis for better decision making and wiser choices in the allocation of scarce resources.
- 1.4 In fulfilment of its role as the lead body for tourism in Wales, the Wales Tourist Board (WTB) has consulted with all parts of the industry, stimulating discussion on the key strategic challenges that will need to be faced over the next ten years. WTB has issued its own challenge to the industry - *“Prepare and plan for the future; confront the need for change in a co-ordinated and effective way to ensure long term prosperity”*. The strategic approach is not new to WTB. On behalf of the industry WTB has long accepted the value of preparing medium-term strategies which provide a framework for clarifying future direction, establishing priorities and stimulating effective working relationships within a fragmented industry over a definite timescale. This strategy is a successor to “Tourism 2000 - A Strategy for Wales” which was launched by the Secretary of State for Wales in 1994 and the previous “Framework Development Strategy” (1988 - 1993).
- 1.5 Although WTB has led the preparation of this new strategy, it is one for all of the tourism industry in Wales. It provides a sound framework for co-ordinated action to help secure long

term prosperity and sustainable growth for the industry and increase its contribution to a more diverse Welsh economy. This strategy deliberately concentrates on identifying the most effective response to the main strategic issues which face the tourism industry in Wales. It is closely integrated with an action plan which sets out the essential tasks needed to meet the shared objectives of the strategy, suggests who is best able to co-ordinate the implementation of these tasks and identifies when they should be carried out. The strategy is clearly intended to be an active means to help strengthen professionalism and viability in the industry by:-

- improving the competitiveness of the industry;
- raising the profile and status of the industry generally and increasing recognition of the importance of tourism to a Welsh economy in transition;
- adopting a customer - focussed approach which understands and responds to market needs;
- improving understanding of the roles and responsibilities of the different organisations involved in tourism and identifying opportunities for effective partnership working;
- promoting growth in tourism through sustainable means.

- 1.6 The efficient delivery of the strategic action plan will require effective co-ordination between the industry and all public sector bodies involved in the organisation of tourism. For this to happen, roles and responsibilities need to be clearly defined. It is timely that, concurrent with the preparation of this strategy, WTB has reported to the National Assembly for Wales the recommendations of a working party convened to review institutional structures in tourism. This strategy has informed the outcome of that review which will seek to ensure that appropriate structures are put in place to achieve the effective implementation of the strategic action plan for tourism.
- 1.7 This strategy has also been an essential framework document for the preparation of the closely aligned 'National Action Plan for Tourism', a key tool to ensure that EU Structural Funds are delivered in a co-ordinated and strategic manner.
- 1.8 "Achieving our Potential" is a strategy to inspire the industry to work together to manage change during a period of major economic, social and political transition in Wales. It will operate over the period up to 2010 with action programmes being defined for shorter, more accountable periods. Its success will be determined by how well it achieves its stated ends. Strategic priorities and growth targets will be reviewed annually and revised according to progress achieved and prevailing economic and tourism trends.

2.0 A Vision for the Future

2.1 At the heart of any tourism strategy is a vision of success - a description of the industry we are seeking to create following the successful implementation of the strategy. The key to success will be a shared commitment towards the realisation of a clear and inspiring vision.

2.2 The vision for tourism in Wales is :

A mature, confident and prosperous industry which is making a vital and increasing contribution to the economic, social, cultural and environmental well-being of Wales by achieving sustainable growth through effective co-ordination and collaboration at all levels in the industry

This vision is supported by the following strategic objectives:

1. To market Wales more effectively as an attractive all year round tourism destination;
2. To exceed the expectations of visitors to Wales by providing high standards and ensuring that investment in tourism is responsive to their changing needs;
3. To improve professionalism and innovation by raising the profile of the industry and by enhancing skills, training and motivation within the industry.

4. To embrace a sustainable approach to tourism development which benefits society, involves local communities and enhances Wales' unique environmental and cultural assets.

2.3 These four key objectives are not independent of one another. Sustainability, for example, is a horizontal theme which runs through all aspects of the strategy. Similarly, the themes of partnership, quality and competitiveness are common principles relevant to all parts of the strategy.

Sustainability:

Sustainability is a difficult concept to define precisely but the principle of sustainability is at the core of this strategy. It recognises that the scale, pace and character of development must be carefully controlled to safeguard Wales' environmental, historical and cultural assets. Conservation and enhancement of the natural and built environment is fundamental to tourism as it is the basic resource on which the industry is based. Similarly, tourism can only thrive if it has the support of local communities and for this reason, the strategy fully accepts the need to respect the aspirations of the host community to ensure its long term prosperity. This strategy suggests that there are four appropriate strategic responses if we are to achieve the goal of sustainability:-

- extending the tourism season to spread the volume and value of tourism throughout the year;
- spreading the benefits of tourism more widely - geographically, socially and economically;

- improving business yield by maximising revenue through higher levels of professionalism and the application of innovative business management skills;
- minimising the adverse impacts of tourism through effective visitor management and the promotion of environmental good practice by tourism operators.

Quality:

The tourism industry in Wales is probably better equipped, better trained and better managed than ever before. As tourism becomes more competitive, however, it is even more important to ensure that Wales is providing the right mix and quality of facilities and service delivery to meet the needs of the market. The industry is characterised by small and medium sized enterprises (SMEs), many of whom are commercially fragile and potentially vulnerable to the changing demands of a volatile market place. Improving quality at all levels in the industry is a key to success. Every industry must adapt its product to meet the needs and expectations of its existing and potential customers. Tourists are becoming increasingly sophisticated and less tolerant of poor facilities, mediocre and indifferent service. Innovative business practices and investment based on a sound knowledge of market trends, an understanding of market needs and an awareness of opportunities will be fundamental to the future success of the tourism industry in Wales. Providing the visitor with a quality experience is a basic requirement, encouraging visitors to stay longer, come again and recommend Wales to others.

Competitiveness:

Finding a definition for “competitiveness” which can be universally applied and relevant to all tourism businesses is not straightforward. Becoming more competitive is often seen to be synonymous with becoming more successful. But success is measured differently by individuals involved in tourism. Traditional measures such as profitability and growth may not be the measures of success applied by some of the small tourism businesses which dominate the industry in Wales. Many small businesses do not grow their turnover year after year through choice. Personal motivations and quality of life rather than ever increasing profits can sometimes be the most important factors controlling business decisions. The industry, however, will face many competitive threats over the next ten years at a local, national and international level. It must not only acknowledge that these potentially damaging competitive influences exist but seek to overcome them through investment in improving quality, training and more effective marketing. Businesses must be prepared to raise their sights beyond parochial interests or local challenges and be encouraged to seek innovative ways to achieve their potential. With only limited resources available, hard choices are inevitable. If the industry is to maximise the economic benefits of tourism, it follows that attention would be most profitably concentrated on those professionally run tourism businesses who have already achieved some success and who demonstrate a commitment to improving their competitive position by achieving ever - higher standards of quality, service and value for money. This concept of “working with winners” has been successfully applied in many other sectors

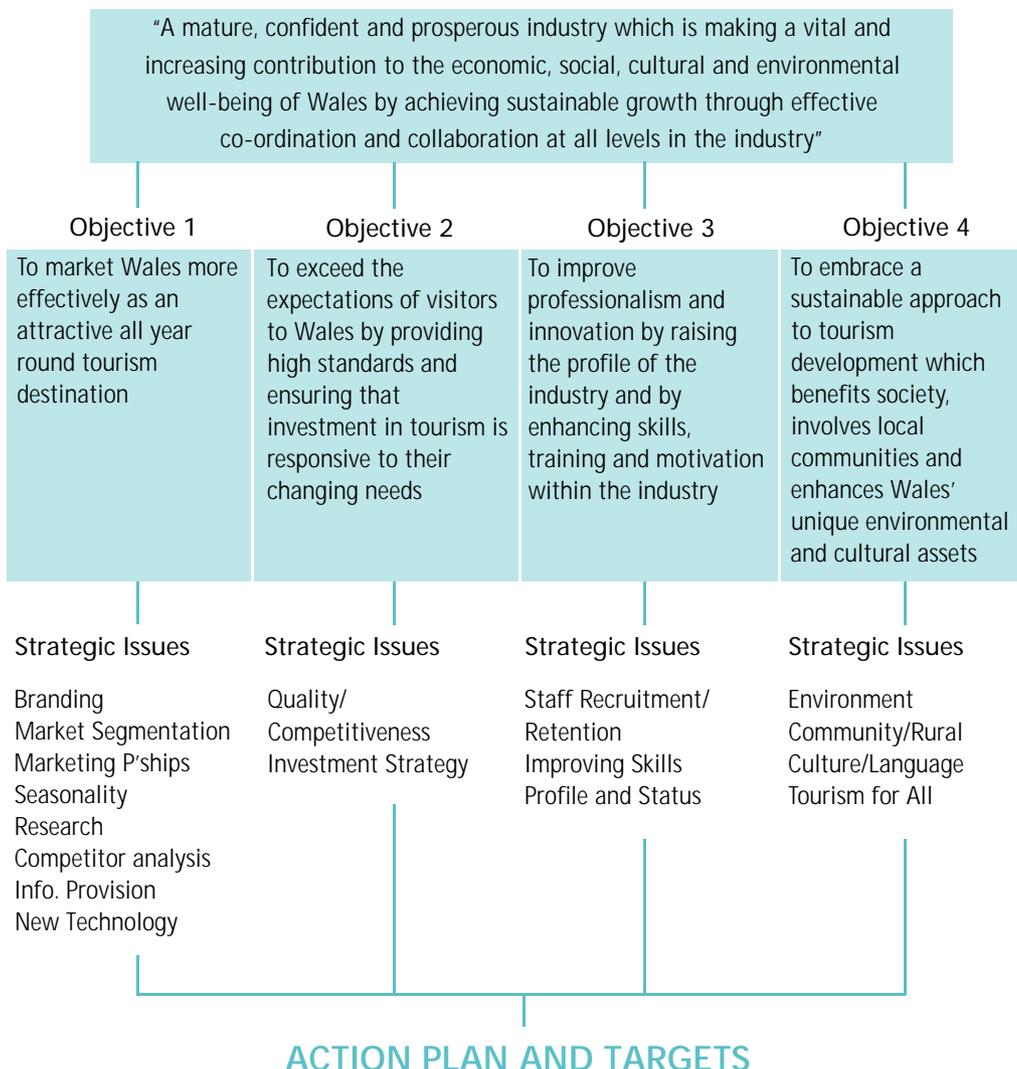
of the economy; it serves to direct funding and advice to those businesses which are likely to benefit most from such support and which will set higher standards for the industry.

Partnership:

Securing future success and prosperity for the industry depends upon effective working relationships being established between willing partners. Fundamental to the achievement of this goal is a clear understanding of the role and responsibilities of the many different organisations involved in the development

and marketing of tourism. No single organisation has the skills, resources or ability to work in isolation. Tourism is a fragmented industry and it is essential for people, organisations and businesses to work together in an effective way to get things done and to make things happen. The challenge is to establish effective partnerships between the National Assembly for Wales, the agencies with a responsibility for developing, marketing and managing tourism and those many individuals who work in the industry to raise standards and improve quality by co-ordinating action at a local, regional and national level.

Strategic Framework



3.0 The Importance of Tourism

- 3.1 Tourism brings significant economic and social benefits to countries, communities and individuals. At a global scale, tourism's rate of growth has been considerable with worldwide international tourist arrivals rising from 25 million in 1950 to 635 million by 1998. Forecasts suggest further growth in international arrivals to 1.6 billion by 2020 and these tourists will spend an estimated \$2,000 billion. Although these figures are impressive they do not reflect the total picture as they exclude domestic tourism which is assumed worldwide to be worth ten times that of international tourism. By the year 2000, tourism is expected to be the world's largest industry. It may be prone to many unpredictable global influences, but tourism has proved itself a robust, resilient and adaptable growth industry.
- 3.2 In the UK, tourism is one of the five largest industries, worth £60 billion per year and equivalent to 11% of all consumer spending. Over the last ten years, tourism has accounted for one sixth of the net increase in employment. 1.75 million people are now directly employed in tourism, 7% of all people in employment in Great Britain.

A Vital force in Wales

- 3.3 Tourism is a major contributor to the economy of Wales and is particularly important in many rural and coastal areas. It also touches peoples' lives in many other ways. Tourism contributes:

- **£2.0 billion in direct visitor spending:** This is generated by staying visitors from within the UK and overseas and from people on day trips;
- **7.0% to GDP in Wales:** The economy in Wales is more dependent on overnight tourism than in other parts of the UK. Tourism now contributes much more to the Welsh economy than agriculture and forestry (2.4%) and the construction industry (5.3%);
- **10% of jobs in Wales:** This relates to jobs supported directly and indirectly by tourist spending and amounts to 100,000 jobs. They are found in a wide spectrum of occupations, for men and women, young and old, managerial, skilled and unskilled. It also includes many self-employed. Although some jobs are part-time and seasonal, they fit in well with new patterns of living;
- **Income to a wide range of businesses:** Tourists spend more in places like shops, restaurants and garages than on accommodation. The additional income from tourism, can make all the difference to the viability of small enterprises and 7% of farms in Wales, for example, are involved in some type of tourism activity;
- **A wider impact through the "multiplier":** Businesses who receive income from tourism go on to spend their money elsewhere which directly benefits many other local services e.g. solicitors, plumbers, retailers. It is probable that the total contribution to the economy could be anything up to double the direct visitor spending through this multiplier effect;

- **Opportunities in “town” and “country”:** Tourism benefits all parts of Wales. It is particularly important in the more rural and remote areas which may find it difficult to attract other types of industry;
- **Support for the environment, culture and heritage of Wales:** Tourism income is vital for the preservation and promotion of Wales’ landscapes and historic buildings. It supports the activities of agencies such as Cadw and the National Trust. It can also be a force for creative urban renewal, for example in Cardiff Bay. Tourism values Wales’ distinctive culture, traditions and language and adds weight to the argument for their preservation;
- **Support for local services and facilities:** Without additional income from tourism, many of the theatres, recreation facilities, transport services and restaurants enjoyed by local communities would not be viable;
- **A boost to the image of Wales:** A positive and distinctive image of Wales worldwide, generated through tourism promotion, can help to attract investment and open new markets in all forms of commerce and industry. At a local level, tourism can also stimulate confidence and civic pride within individual communities.

- 3.4 Given the availability of sufficient additional resources to implement the strategic action plan, tourism can play an important role in helping to re-shape the economy of Wales. Targeting funds wisely in a strategic manner will ensure that increased prosperity is achieved through sustainable means. By supporting indigenous business growth in tourism, stimulating inward investment and developing a distinctive national identity for Wales based on its rich cultural and environmental diversity, tourism’s contribution to the economic and social well-being of Wales will increase in importance.

Sustainable tourism development and environmental care will ensure that the landscape, culture and the very Welshness that people aim to see will be protected and be built upon as the strongest element in our tourism product.

Snowdonia National Park Authority

2

The Market Potential



4.0 Tourism Trends

UK

4.1 During the decade of the 1980's, spending by overseas visitors to the UK increased from £2.9 billion to £7.7 billion, representing a growth of 20% in real terms. Since 1991, earnings from inbound tourism to the UK have increased at an even greater rate with annual growth averaging 6%. Domestic tourism expenditure growth has been more erratic but has risen an average of 1% per year in real terms since 1991. Average spend per trip for both inbound and domestic tourism has declined during the 1990's. Revenue growth in the UK, therefore, has been achieved through increasing tourism volumes. In other words, more tourists are spending relatively less during their stay away from home. If these trends continue they are likely to focus concerns on the sustainability of tourism growth and the need to achieve an acceptable balance between the needs of tourists, host communities and the environment.

4.2 Although the number of overseas visitors to the UK has more than doubled since 1980, the rate of growth of UK residents travelling overseas has been even greater. This is reflected in the balance of trade for tourism which showed a deficit of £6.8 billion in 1998 contrasting sharply to the £0.57 billion surplus as recently as 1985.

4.3 In recent years the UK's growth rates in international tourism arrivals and receipts have lagged behind the European average and its global market share has declined in the face of competition from newly emerging

tourism destinations. These pressures are likely to continue and it will become even more important for Britain to promote itself effectively in those overseas markets which offer most potential for growth.

Figure 1: Overseas Spending in UK
£billions (constant 1998 prices)

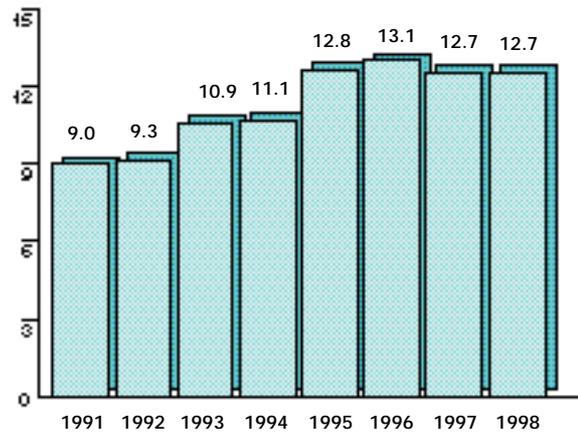
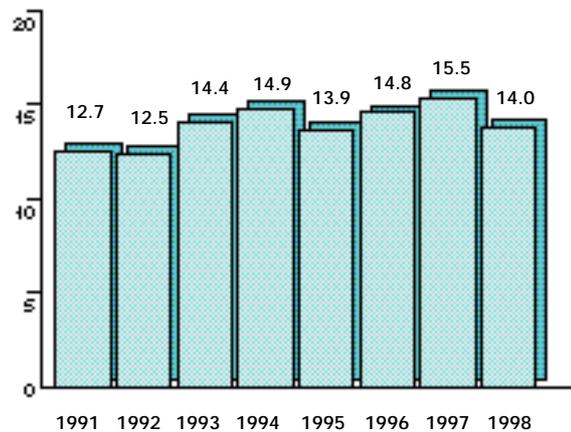


Figure 2: Spending by UK Residents in UK
£billions (constant 1998 prices)



Note: All statistics in this chapter are sourced from:

- United Kingdom Tourism Survey
- International Passenger Survey
- British National Travel Survey
- United Kingdom Day Visits Survey

- 4.4 Although domestic tourism expenditure has grown in recent years, there is a clear and underlying trend for British residents to take their main annual holiday abroad. All of the growth observed in long (4+ nights) holidays since 1980 has been the result of growth in holiday taking by the British to overseas destinations. Long holidays by the British in Britain has declined, a long term structural trend which is likely to continue and has serious implications for those sectors of the industry which remain heavily dependent on the traditional peak season holiday market.

Table 1: Estimated volume of 4+ Night Holidays Taken by the British

YEAR	BRITAIN (Mn)	ABROAD (Mn)	TOTAL (Mn)	BRITAIN SHARE %
1970	34.5	5.75	40.25	86
1980	36.5	12.0	48.5	75
1990	32.5	20.5	53.0	62
1995	33.0	26.0	59.0	56
1997	30.0	27.25	57.25	52
1998	27.0	29.25	56.25	48

- 4.5 The British, however, are taking more holidays of a shorter duration throughout the year within the UK. This trend is forecast to continue and represents an opportunity to spread the benefits of tourism and to extend the tourism season. The clear challenge to the industry is to respond to this growing consumer tendency for taking additional holidays in the UK by providing a quality product which matches diverse needs at affordable prices.

Table 2 : Relative Importance of Short (1-3 nights)/Long (4+ nights) Holiday Taking by British in the UK

YEAR	1-3 nights (EMn)	4+ nights (EMn)	TOTAL (EMn)	1-3 night SHARE %
1991	1740	6010	7750	22.5
1993	2220	6205	8425	26.3
1995	2540	6380	8915	28.5
1997	3110	7245	10355	30.0
1998	3105	6695	9800	32.0

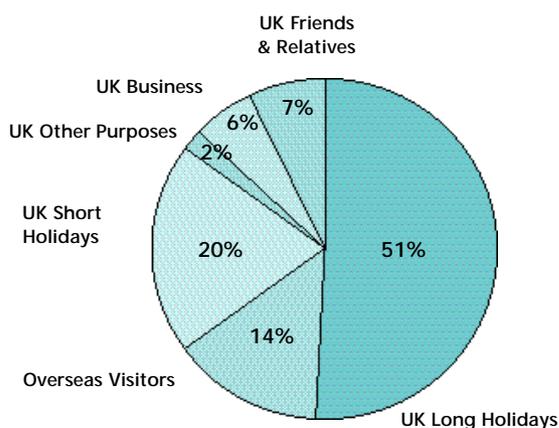
- 4.6 The British Tourist Authority (BTA) forecast growth in inward, outward and domestic tourism, albeit to varying degrees. Most growth is expected in visits (+5.1% per annum) and expenditure (+8.4% p.a.) by the British travelling abroad. Overseas visits (+3.2% p.a.) and expenditure (+6.3% p.a.) to the UK is forecast to grow by a lesser extent. Domestic tourism trips (+2.5% p.a.) and expenditure (+6.0% p.a.) is also expected to grow. Such forecasts consolidate the structural trends which have been observed in recent years and reflect the competing pressures which will influence the future performance of tourism in the UK.

Wales

- 4.7 The overnight tourist to Wales contributed £1.3 bn in direct visitor spending to the Welsh economy in 1998. The UK market is still the biggest source of tourism business for Wales and in 1998 generated 92% of visits and 86% of all tourism spend. The North West of England, West Midlands and the South-East are particularly important regional markets for Wales with almost 75% of all overnight tourism spending in Wales being

generated by visitors from England. An important additional source of income is derived from tourism day visits to and within Wales which are estimated to generate at least an additional £775 mn expenditure. In total, therefore, spending from overnight and day visits is worth £2.0 bn to Wales, the equivalent of £5mn a day or £650 for every person living in Wales.

Figure 3: Overnight Tourism Expenditure in Wales by Purpose 1998



4.8 The UK holiday visitor is the mainstay of Wales' domestic tourism market, accounting for 83% of domestic expenditure in 1998. At the UK level, this figure is closer to 70% confirming the relatively high dependency of Wales on the holiday market and explaining to a large extent the shorter tourism season which exists in Wales. Almost 60% of all domestic holiday expenditure in Wales occurs in just three months - June, July and August, compared with 50% in the UK overall.

4.9 Within this broad dependence on the holiday market, there are other trends apparent. Similar to the UK, the short holiday market has grown at a significantly faster rate than the traditional long holiday. Short breaks in Wales accounted for 28% of all domestic holiday spend in 1998 compared with 18% at the start of the decade and for 51% of all holiday trips compared with 38% in 1991.

Table 3: Holidays by UK residents to Wales, 1991-1998

YEAR	Short Holidays 1-3 nights		Long Holidays 4+ nights		Short Holiday Share	
	Trips (Mn)	Expenditure (£Mn)	Trips (Mn)	Expenditure (£Mn)	Trips %	Expenditure %
1991	2.5	140	4.1	630	38	18
1992	2.5	148	4.1	675	38	18
1993	2.1	165	3.3	580	39	22
1994	3.2	242	3.5	546	48	31
1995	2.7	174	4.0	691	40	20
1996	3.3	217	3.9	762	46	22
1997	3.4	258	3.6	659	49	28
1998	3.5	255	3.3	655	51	28

4.10 This has resulted in a reduction in the average length of holiday from 5.3 nights in 1991 to 4.3 nights in 1998. Wales has performed relatively well in the short holiday market compared with the UK overall and since 1991, expenditure in short breaks in Wales has increased by 49% in real terms, exceeding the 46% growth observed in the UK. In contrast, expenditure from long holidays in Wales has decreased by 15%. Holiday visitors are staying for shorter periods and in real terms the average spend per night has increased by 16% during the 1990's.

Figure 4: Trends in Short (1-3 nights) Holiday Spend in UK/Wales Index 1991 = 100 (Constant 1998 Prices)

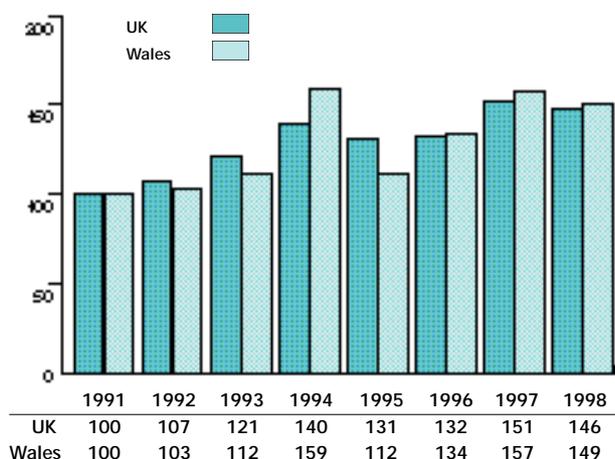


Figure 5: Trends in Long (4+ nights) Holiday Spend in UK/Wales Index 1991 = 100 (Constant 1998 Prices)

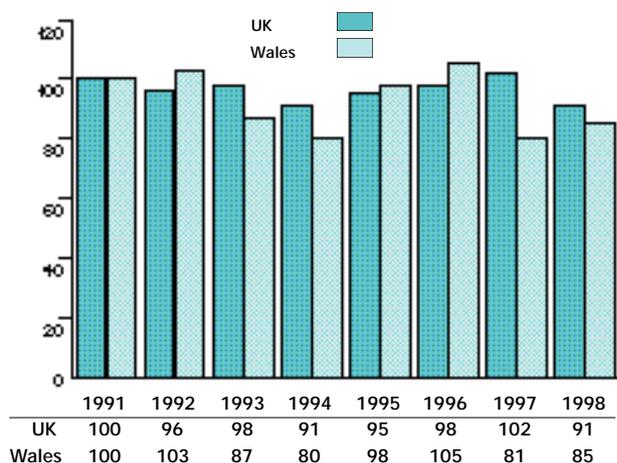


Table 4: International Tourism Visitors to Wales, 1991-1998

Year	Arrivals ('000)	% annual change	Bednights (Mn)	Average Length of stay (nights)	Receipts (£Mn)	Average spend/Visit (£)	Share of total tourism receipts %
1991	650	-4.4	5.0	7.7	133	204	12.9
1992	670	3.1	4.8	7.2	132	197	12.4
1993	690	2.9	5.2	7.5	173	250	15.4
1994	680	-1.4	4.9	7.2	187	275	16.0
1995	730	7.3	5.2	7.1	196	268	15.8
1996	830	13.7	6.1	7.3	217	261	15.5
1997	920	10.8	6.4	6.9	226	245	16.7
1998	790	-14.1	5.5	7.0	176	222	13.7

4.11 The relatively high spending and less seasonal overseas market is one in which Wales has been traditionally under represented. Wales has an approximate 8% share of all UK tourism expenditure but less than a 2% share of total spending by overseas visitors in the UK. Wales performs relatively better in the more mature English speaking markets. Research suggests that overseas visitors to Wales are more likely to be previous visitors to Britain, tend to have an older age profile and to be more experienced travellers. WTB currently targets most of its international marketing budget towards the five primary markets of USA, Germany, France, Netherlands and the Republic of Ireland. Overseas visitors tend to stay longer in Wales than UK visitors, travel more widely, spend more per visit and are more likely to stay in serviced rather than self-catering accommodation.

4.12 During the 1991-1998 period, the average length of stay has steadily shortened from 7.7 to 7.0 days. The average spend per visit by overseas visitors to Wales now stands at £222 which is almost double the £112 average spend per visit recorded for UK visitors to Wales.

4.13 Fluctuations in sterling will continue to exert a fundamental control over the scale of overseas tourism. Wales is not yet a favoured destination for overseas visitors to the UK. Only 3% of all overseas visitors entering the UK actually choose to visit Wales during their stay. Although Wales can offer a high quality and range of accommodation, an environment of high landscape value and a distinctive heritage and culture, the very attributes which many overseas visitors are seeking from their holiday in the UK, there is a lack of awareness of Wales in many overseas markets and an absence of strong image creating icons.

4.14 Overseas or international visitors accounted for only 8% of total tourist arrivals to Wales in 1998, 13% of bednights and 14% of total tourism receipts. There has been a steady rise in the relative importance of the international market to Wales with most noticeable growth occurring since 1992, the date when WTB was granted the power to market Wales overseas. This has resulted in more effective partnership activity with the British Tourist Authority (BTA) and other public and private sector partners in those markets which offer most growth potential for Wales. Raising the profile of Wales and establishing its distinctive identity as a different country in the UK remains a marketing priority. The staging of the European Council summit meeting in Cardiff during 1998 and the Rugby World Cup which was hosted by Wales in 1999 are two events which have served to heighten awareness of Wales

and have provided a welcome boost to its international appeal providing a platform for major tourism gains in the future.

5.0 Market Trends

- 5.1 Tourism is becoming increasingly competitive. Newly emerging tourism destinations in Asia, the Americas and Eastern Europe have made it increasingly difficult for relatively mature destinations such as the UK to maintain its market share of global tourism.
- 5.2 In the same way, there are competing destination areas within the UK. Wales and specific tourism regions within Wales will be in direct competition for UK and overseas visitors with Scotland, the Lake District, the West Country and many other areas. One method of comparing tourism performance of competing destination areas is to monitor over time their relative share of the overall UK market. Appendix I shows market share trends comparing Wales with its principal UK competing destinations.
- 5.3 During the 1990's Wales has found it difficult to improve its market share position relative to its main competitors. There have been some gains made by its competitors, most notably the West Country, but in overall terms, relative performances have not changed dramatically over this period. While this provides some comfort and clearly dispels suggestions that Wales has been losing ground to its UK competitors in recent years, it also demonstrates the scale of the challenge facing Wales if it is to seek to significantly improve its market share position relative to other competing areas within the UK. This can only be achieved through co-ordinated and sustained activity at all levels in the industry to improve the quality and presentation of the product and enhance perceptions of Wales as an attractive tourism destination. Only in this way can Wales achieve competitive advantage and improve its market share position relative to other UK destinations.
- 5.4 Wales' share of international tourism business to the UK is low - it attracts 3% of all overseas visits and less than 1.5% of all overseas spending. Although Wales enjoys good ferry links with the Republic of Ireland, its peripherality means that international transport links with other primary overseas markets are weakly developed. All of the sea ports linking the UK with the continent are in the east or south of Britain and Wales' single international airport does not have a particularly extensive incoming route network. Although Manchester International Airport is an increasingly important generator of overseas traffic, in overall terms Wales has a competitive disadvantage in terms of its ability to capture a share of the burgeoning shorter stay overseas visitor market which has been fuelled in recent years by attractive leisure fares and shorter travel times, particularly to London and South-east England. The absence of a major international gateway airport for Wales, served by high speed road and rail links, will act as a major constraint to growth in international tourism to Wales.
- 5.5 Although awareness levels of Wales remain low in many overseas markets, WTB and industry partners have increasingly adopted a more targeted approach to marketing Wales,

concentrating image building and direct marketing activities on its five primary markets of USA, Germany, France, Netherlands and the Republic of Ireland. This approach must continue in an attempt to fill the awareness gap and allow Wales to successfully compete for more lucrative overseas markets.

- 5.6 In the domestic market, long (4+ nights) holidays within the UK reached their peak in the mid 1970s and have since declined gradually. Demographic and lifestyle factors suggest that this decline will continue with trends projecting that more people will take their main holiday overseas. In contrast, the growth observed in short and additional UK holidays over the last decade is likely to continue. These additional holidays are predominantly short breaks but many can, in fact, be longer than the main holiday overseas. Although Wales is still more dependent than the rest of the UK on longer stay, family group holidays its accessibility to major markets and increasing product diversity will create new opportunities to capture a greater share of the additional holiday market. By working closely with the industry, WTB is also seeking to encourage a wider adoption of more sophisticated market segmentation techniques. Targeting segments, such as affluent working empty nesters and affluent retirees, which have the highest growth potential for short breaks/additional holidays should be a priority for the future as well as maintaining the share of the traditional family market.
- 5.7 Although short (1-3 nights) holidays are expected to continue to grow in relative importance, Wales may find it difficult to improve its market share in comparison with competing destinations within the UK. Wales is under-represented in national/international branded hotels which play an important role in stimulating short break traffic. Also, there are some signs emerging that an increasing proportion of the growth in short breaks by UK residents will be to overseas destinations, a competitive threat for Wales which could follow the trend already observed in the long (4 + nights) holiday market.
- 5.8 Although there are encouraging signs for continued sustainable growth in tourism, the industry will not be immune from the wider transitional re-adjustment problems of the Welsh economy. There are a number of major structural issues in tourism demand which need to be addressed before major gains can be achieved:-
- the relative share of overseas visitor spending in Wales must be increased. Currently, it represents 14% of total spending by all overnight visitors to Wales compared with 38% in Scotland, 16% in the West Country and 11% in the Lake District. At the UK level, the overseas share figure is closer to 50%. Wales attracts about an 8% share of UK tourism spend but only a 1.4% share of overseas visitor spend in the UK;

- 83% of spending by UK visitors to Wales is by holiday visitors and this exaggerates reliance on a relatively short tourism season. Wales will need to grow its share of less seasonal and high-yield business and conference traffic and seek to extend the season into the traditional shoulder season of October - March;

The point is well made in the new strategy that Wales is strong in declining markets and weak in growing markets. This surely is the nub of the strategic dilemma facing WTB and the industry it serves. Whilst concerns for the welfare of existing businesses point to the need to support sectors that are experiencing difficulty, experience in the agricultural and retail sectors illustrates just how difficult it is to resist major structural change.

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- within this broad reliance on the UK holiday market, Wales continues to be dependent on a declining long holiday market whereas the greater growth trends are forecast in the short and additional holiday sector. Wales, therefore, is strong in declining markets and weak in growing markets. Wales can offer a tourism product which closely matches the needs of the short breaks market, offering diversity in a

naturally inspiring landscape that is within easy reach of large centres of population. A greater share of domestic (UK) short breaks traffic will bring positive benefits as this type of business tends to be less seasonal and involves a higher daily expenditure per visitor. It will be increasingly important to ensure, however, that the tourism product on offer in Wales evolves in line with consumer expectations and is able to offer the range of services needed by visitors we may be seeking to attract during the shoulder months;

- there is an increasing tendency for the British to take more of their main holidays abroad. Consequently, the long (4+ nights) holiday in the UK is in gradual decline. It still accounts, however, for 72% of all domestic holiday spend in Wales and more than 50% of total spending by all overnight visitors. It represents, therefore, a core market for Wales which remains of major significance to our traditional resort areas and particularly to certain accommodation providers, particularly the static caravan and self-catering sectors. Wales must seek, therefore, to retain and consolidate its share of the traditional family and other markets which have a greater tendency to take longer holidays.

6.0 Factors affecting future demand for Tourism

6.1 The future prosperity of the tourist industry in Wales is likely to be influenced by a variety of factors which will directly affect patterns of demand. Nothing about the future is completely predictable. Any business decision will involve an element of risk. In looking at the future we must accept that there are many factors which could have a potentially powerful role in influencing tourism performance. There are, however, certain key controls or “drivers” of change which will be of particular importance:-

■ Leisure - Time Availability:

Free time is becoming an increasingly scarce resource for many sectors of the UK population. The much predicted “Leisure Society” has yet to materialise despite the widespread use of many supposed labour - saving devices. Work pressures and more complicated lifestyles are reducing the time available for leisure. Consumers will increasingly seek “value for time” as well as “value for money”. Higher earning groups tend to have less free time than those on lower incomes.

■ Disposable Incomes:

The tourism industry is competing for discretionary spending with a wider range of activities. A combination of global market forces and a low inflation policy in the UK will keep wage increases down and as a result, income growth is likely to rise only slowly. As a larger proportion of incomes will be

spent on funding services previously provided by government, true discretionary spending will be further constrained;

■ Patterns of Work:

Working structures are becoming more fragmented. The rise of contract and self-employment has contributed to growing job insecurity and a rise in working hours in the UK which is encroaching on times traditionally reserved for leisure. The daily rhythm of work and leisure will follow less structured patterns and time availability for individuals will become increasingly varied, decreasing the importance of family outings, which will be further affected by changing household structures. Greater job insecurity may lead to a growing number of shorter holidays as employees reduce the time they spend away from the workplace. It may also consolidate a trend towards second or third holidays which may be to Wales’ advantage because of its accessibility to key markets.

■ Ageing Population

Western societies are ageing as life expectancy rises and fertility rates fall. In the UK, the key changes to the age structure of the population until 2010 are:

- a rapid decrease in the number of those aged between 25-34;
- a strong increase in the number of those in the “family life stage” - aged 35 - 44;
- a rapid increase in the number of older middle-aged i.e. 55 - 64;

The middle-aged groups will tend to have higher levels of disposable income and their commercial status will increase in importance. Having a greater proportion of older people in society will be a market opportunity but investment will be necessary to ensure a range of facilities appropriate to their special needs;

■ Lifestyle Change:

There is an increasing range of competing leisure experiences available. The growth of out-of-town retail parks, home-based activities and sports and fitness activities is likely to continue. There is also a trend towards self-improvement and a need to provide for life-time learning. Growing consumer confidence in purchasing will reduce loyalty and increase competition between sectors and businesses. Although Wales is well placed to serve the varied needs of the activity holidaymaker, further facility improvement will be essential if it is to satisfy these evolving lifestyle aspirations;

■ Personal Mobility:

The UK population has become increasingly mobile, predominantly through dependence on the car. Despite the political pressure for constraints on car usage, it is likely to remain the dominant transport mode in leisure, commuting and shopping trips. In the longer term, however, the continued high density use of private cars is an unsustainable option for tourism. This strategy acknowledges the associated problems of pollution and congestion which damage the environment and undermine the visitor experience. New

ways, therefore, must be identified to improve access to transport alternatives through improved choice and facility provision;

■ Technological Change:

Developments in information, communications and digital technology will create opportunities and challenges for the tourism industry in Wales. The application of the Internet for providing information and servicing bookings is still largely untapped but potentially could revolutionise the way that the tourism product is sold and distributed. New technology will also have implications for direct marketing approaches which rely on active customer databases;

■ Political Change:

Devolution is likely to have a major influence on the future promotion and development of tourism in Wales. It will be important to ensure that the industry is given the status it deserves and that appropriate structures are put in place to optimise tourism's contribution to the economic and social well-being.

3

The Structure Of Tourism



7.0 A Fragmented Product

- 7.1 The tourism industry in Wales functions mainly in the private sector. It is dominated by small, family run businesses, most employing less than ten employees. It is a diverse industry and the product on offer is a hybrid of experiences. It is made up of "places to stay", "places to visit", "things to do" and perhaps most importantly "the people you meet". There are few national and even fewer international operators which could help give Wales a stronger marketing identity in the UK and overseas. The average size of hotel/guest house is only six rooms. Only 6% of hotels have over 40 bedrooms. Tourist attractions are also smaller than in many other parts of the UK with over 60% welcoming less than 50,000 visitors a year. Tourism business in Wales are more fragile and generate lower financial returns than those located elsewhere in the UK. This has limited the ability of the industry to invest regularly in product improvements and in effective, sustained marketing.
- 7.2 The consumer may consider a holiday to be a simple, unified product but in reality it consists of a mix of different components or experiences supplied independently by various providers. The holiday, therefore, is the most fragmented product a consumer purchases with any frequency and the existence of so many small businesses will naturally result in uneven quality and standards of service in the industry. The challenge facing the industry is to deliver the right mix of components at the right time and in the right place to

satisfy the expectations and needs of the visitor. Long term prosperity for the industry depends on the matching of market needs with product delivery as this, in turn, will strengthen visitor loyalty and improve perceptions of Wales as an attractive tourism destination. The opportunity for any one supplier to control all of the consumers' holiday experience is limited and no supplier can control certain major factors, such as the weather, which can have a significant effect on holiday enjoyment. Securing future success for the industry, therefore, depends upon effective working arrangements being established between willing partners to ensure that the holiday experience matches visitor expectations. Tourism involves people travelling away from home and the activities they undertake during their trip. It involves all types of travelling - day trips, short breaks or long holidays, visits to friends and relatives, travel for leisure or business. Its impacts, therefore, can be varied and widespread. Tourism resources and consumer demand must be carefully planned and managed if the benefits of tourism to people and places are to be fully realised and its negative impacts are to be minimised.

- 7.3 The tourism product in Wales comprises various components:

i) Natural and Cultural Environment

One of Wales' strongest tourism assets is its rich and varied natural landscape. Three National Parks, five Areas of Outstanding Natural Beauty, 300 miles of Heritage Coast and the distinctively rural nature of Wales

provide a special quality and character for the visitor to enjoy. It is a country of two living languages which sets it apart from the rest of the UK, and many features remain in the landscape which signify its unique and special history. These valuable environmental and cultural assets must be safeguarded not simply for the benefit of tourism but for the good of the nation. Along with the character and diversity of its people, they are the essence of Wales and provide its distinct identity.

ii) Accommodation

Accommodation is the bedrock of a successful tourism industry. Unless accommodation of the right type, is provided in the right amount in the right location at the right price and quality, a destination's tourism potential will not be realised. Accommodation standards must evolve in line with rising living standards and consumer expectations.

Accommodation provision in Wales is dominated by the self-catering sector (including caravan parks and camping) which account for over two-thirds of total commercial bedstock. There is great variation in the scale and quality of operation. Many caravan parks have invested in central facilities and landscaping but there remain many lower quality operations ill equipped to meet future market requirements. There are many excellent self-catering cottage complexes which are professionally managed and operate throughout the year. They are equipped to high standards, often linked to activity provision and can compete with the best in the UK but Wales has yet to attract the new generation of large scale holiday village which is open all year round and is well geared to meeting the needs of the growing short-break market. The static

caravan sector is particularly dominant in Wales, accounting for 35% of all holiday spending in commercial accommodation compared with 15% for the UK as a whole. Many static caravans are owned rather than rented by holidaymakers and are, therefore, outside the influence of mainstream promotional activity. Wales remains a favoured destination for touring caravanners. Although UK trends suggest that demand in this sector may have peaked, many owners are flexible in their travel arrangements and often take multiple short breaks during the March to October season. Holiday expenditure by UK visitors to Wales is split 25 (serviced): 75 (self-catering) compared with 50:50 for the UK as a whole.

The serviced accommodation sector ranging from small B and B's and farmhouses to luxury Country House hotels and city centre hotels accounts for approximately one-third of commercially available bed spaces in Wales. Generally, average room occupancies and achieved room rates in Wales, despite improvements in recent years, are below those achieved in many other parts of the UK. Occupancy, for example, during the off-peak October to March period averages about 16% for guest houses and approximately 30% for hotels in Wales. This gives rise to a low return on investment which constrains regular investment in facilities and staff training. Given current occupancy levels it could be argued that there is no need for additional serviced accommodation provision and the priority should be on upgrading the existing stock of accommodation. There are, however, few international/national branded hotels which could help give Wales a stronger marketing identity. Branded hotels are forecast to take a significantly higher market share internationally over the next decade, utilising

global central reservation systems and sophisticated marketing techniques to generate repeat and new business. Quality assurance based on consistency of delivery is a strong element in the success of brands. However, it is the individual character and friendly personal service found in many of Wales' farmhouses, guest houses and hotels which attracts many of our existing visitors. Most are independently owned and the distinctive Welsh experience they provide forms the backbone of the industry in many areas. The development of an innovative and dynamic serviced accommodation sector, in town and country, is seen as being essential if Wales is to capture an increasing share of the short breaks, overseas and business/conference markets.

A significant proportion of Wales' commercial accommodation is located in its many coastal resorts which have enduring appeal as holiday and leisure destinations. Resorts have a tradition of offering good value for money and a varied mix of entertainment. They vary in scale and character but the structural changes occurring in tourism demand (i.e. the growth in overseas holiday taking by the British, the growth in short breaks and the decline in traditional long holidays) represent a real threat to their future prosperity. A partnership approach to concerted action based on market research, strategic investment, training and innovative marketing will be necessary to safeguard their long term future.

iii) Visitor Attractions

The provision of a range of interesting, entertaining and informative visitor attractions is an important part of the leisure experience. Only two paying visitor attractions in Wales receive more than 300,000 visitors annually and the sector is dominated by a large number of relatively small, product-led operations with variable market appeal and management expertise. Over 40% of attractions in Wales are owned by public sector organisations and many of these have opened in the last 10 years, funded by EU grants or more recently by Lottery funds. There is clear evidence to suggest that the number of visitors to attractions in Wales has not kept pace with the number of new attractions which have been developed. Many commercial operators who do not benefit from public sector subsidy have seen their visitor numbers fall, quite dramatically in some cases. While it is likely that the development of new attractions has displaced business from existing operators, there are many other contributory factors which have given rise to lower numbers of attendances including changing consumer tastes, new leisure pastimes and competition from Sunday shopping. The lack of regular investment in new and additional facilities will also make it difficult for attractions to retain their competitive appeal and respond effectively to the changing needs of visitors. Despite the difficulties being experienced by a number of attractions and the general oversupply in relation to market demand, there may still be room for a limited number of new, innovative, quality attractions in Wales which have broad market appeal, are able to raise national/international awareness of Wales and can help to revitalise the sector.

iv) Tourism Infrastructure

The availability of a suitable range of infrastructure services and amenities, including such basic requirements as toilets and car parking, contribute greatly to the visitor experience. These facilities are usually provided by local authorities whose capital investment and maintenance budgets are under increasing pressure.

Good information provision can generate additional spending, stimulate return business and help lengthen the season by increasing awareness of events and activities outside the traditional peak period. Wales needs to ensure that it is providing a service that meets the needs of visitors before, during and after their visit. Tourist Information Centres (TICs) play a vital role in servicing the information needs of the visitor. Since 1990, a national TIC network has operated to common standards, overseen by WTB. There are currently 82 official TICs in Wales with local authorities bearing most of the estimated £1million annual operating costs of this essential service. A challenge facing the industry in the future will be to embrace the opportunities which will increasingly arise from new and evolving forms of information and communications technology to provide more relevant and useful information prior to and during the visitor stay. In particular, the industry in Wales must accept the inevitable extension of the role of the Internet, not just as a tool for providing information but also as a means of stimulating bookings and of improving understanding of the market.

Marketing and selling via the Internet will continue to increase at a significant rate. It is important to ensure that hardware, software and training and most important of all, an all Wales Internet strategy, is easily available to the trade.

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8.0 Private/Public Sector Partnership

8.1 In spite of the predominantly private sector nature of many parts of the tourism industry in Wales, the policies and functions of different public sector organisations exert powerful influences over the way tourism is promoted, developed and managed. The role of the public sector is to support the tourism industry and to provide the appropriate framework within which private enterprise can achieve growth and success. It is not the responsibility of government to undertake activities or provide services which are best done by the private commercial sector. Its rightful role is to intervene where there is a need to do so and to undertake those activities which are beyond the scope of the industry to deliver. There is, therefore, a need for a clear understanding of the roles and responsibilities of those organisations and individuals involved in tourism to minimise inefficiency.

8.2 While not seeking to restrict or control involvement by any organisation, an improved understanding of roles and responsibilities (i.e. Who Does What) will ensure that all those involved in tourism can avoid duplicating the work of other bodies and achieve a better return on investment in the marketing and development of tourism.

It is timely, therefore, that in parallel with the preparation of this strategy, the National Assembly for Wales will receive the recommendations of a working party convened by WTB to review institutional structures in tourism. The strategic action plan

described in Part Five of this document identifies 49 action points and each one will need to be implemented through partnership arrangements involving a wide range of public and private sector parties.

8.3 Apart from the clearly defined statutory role of WTB, many other government agencies and organisations, voluntary bodies, charitable trusts and private companies have a role to play in tourism. Local authorities, for example, have traditionally supported the industry in a variety of ways and have a major role to play as tourism operators, in infrastructure provision and in the promotion of their areas as tourism destinations, often in partnership with neighbouring authorities and the industry. Although it is not one of their statutory responsibilities, all of the 22 local authorities in Wales have a direct interest and involvement in tourism. Individual authorities will decide the level of support which tourism merits in the light of their assessment of local needs and priorities. Many of their statutory functions are directly or indirectly relevant to the performance of the industry including their land use planning responsibility which will determine the pace and quality of new tourism development.

Local authorities have had a central role in delivering the priorities of previous national strategies for tourism in Wales, working alongside the industry and other public sector organisations. Their continued involvement is crucial to ensuring that the strategic action plan for the period 2000 - 2010 is delivered at the local level and fully reflects local needs.

- 8.4 Local authorities also have an important role in steering the activities of the three Regional Tourism Companies (RTCs) in Wales, private companies limited by guarantee, whose boards of management have equal local authority/ private sector representation. With almost 5000 private sector members, the RTCs represent the interests of their membership in their region and deliver a wide range of services for their members and for WTB on behalf of the industry.
- 8.5 WTB also works closely with the British Tourist Authority (BTA) in promoting Wales overseas in target markets, a partnership approach which has been described in a recent "Milestones" agreement between these two organisations. The relationship between WTB and BTA will need to assume increasing importance if Wales is to achieve its stated growth targets for overseas tourism. A co-ordinated programme of marketing activities will need to be developed to increase awareness of Wales and to stimulate a higher proportion of tourists to visit Wales during their stay in the UK.
- 8.6 There is an important role played by trade organisations which represent the views of their members and can help bring a more coherent voice to a fragmented industry. WTB has encouraged the formation of new representative trade groups such as the Welsh Association of Self-Catering Operators (WASCO) and the Welsh Association of Visitor Attractions (WAVA). Their existence is a clear demonstration of a maturing industry seeking to take more responsibility for its own future.
- 8.7 There are many other organisations involved in tourism in Wales. All have a contribution to make in achieving sustainable growth in tourism. The challenge is to ensure that the total contribution achieved through effective partnership working is greater than the sum of individual contributions undertaken independently. The vision defined in this strategy will only be fully realised if effective working relationships within the industry are established which support a long term commitment to the achievement of the shared objectives of the strategy.

9.0 The Policy Framework

- 9.1 This strategy has been developed for the tourism industry in Wales and through wide consultation has been prepared in a corporate way, assimilating the views of all those with an interest in tourism. The strategy sets out an agreed framework to guide a co-ordinated and effective response to the challenges which face the industry up to 2010.
- 9.2 Although it is a strategy which is specific to tourism in Wales it cannot be seen in isolation from the wider policy framework. It is, therefore, important to view this strategy in the context of the evolving national economic development strategy for Wales and to ensure that its aims and direction are consistent with those to be found in tourism strategies prepared for the UK overall and for the regions in Wales:

i) Department for Culture, Media and Sport:

Tomorrow's Tourism: a growth industry for the new Millennium

This document sets out the Government's vision for a modern, competitive, high quality tourism industry. It is a strategy for the development of tourism in England and for the promotion of Britain abroad which is intended to complement the strategic approaches adopted in Wales, Scotland and Northern Ireland. The strategy is fundamentally committed to encouraging wise growth through sustainable means. Although implementation of the strategy does not require any new legislation or

regulation, there is a commitment to ensuring better co-ordination across all Government departments to ensure that the particular concerns and unique characteristics of tourism are taken into account in all relevant policy decisions. To this end, an annual Tourism Summit is proposed bringing together Ministers from DCMS, other Government Departments and representatives of the tourism industry to review progress towards implementing the strategy and agree on future action to assist the development of tourism in England.

The Strategy makes reference to a range of measures which are directly relevant to the tourism industry throughout the UK:

- the launch of the New Deal for the young and long term unemployed;
- initiatives designed to support small businesses including a new Enterprise Fund, the development of Business Angel networks and the Enterprise Investment Scheme;
- the Competitiveness White Paper which seeks to reduce burdensome and outdated regulations which hold back the development of businesses;
- the Fairer, Faster and Firmer White Paper which sets out to modernise immigration law, speeding the passage of genuine travellers;
- the National Minimum Wage which will help some two million workers, many of whom work in tourism related jobs;
- the Integrated Transport Policy White Paper which proposes a strategic approach to transport planning in the UK.

ii) National Assembly for Wales:

A National Economic Development Strategy for Wales.

Building on the strategic approach proposed in "Pathway to Prosperity: a new economic agenda for Wales" launched in July 1998, a new national economic development strategy for Wales to cover the period up to 2006 will be issued by the National Assembly for Wales during 2000. This strategy will cover all sectors of the economy including tourism and will complement the Single Programme Documents prepared for Objective 1, 2 and 3 areas. The designation of Objective 1 status for West Wales and the South Wales Valleys, where GDP per head is closer to 70% of the EU average, will bring with it the promise of an estimated £1.2bn integrated support budget from the EU for economic regeneration. An estimated further £0.3bn. will be available for Objective 2 and 3 areas and for Rural and Community initiatives in Wales. It will be crucial, however, to ensure that adequate funding is made available for tourism and then applied strategically towards investment priorities, facility development, infrastructure provision, effective marketing and human resource development.

The Assembly's draft strategic plan highlights the importance attached to three major themes:

- Sustainable development - the creation of wealth whilst also promoting enduring, balanced and beneficial change in our communities and in our environment;
- Social inclusion - the development of an inclusive society where everyone has the chance to fulfil their potential;

- Equal opportunities - the promotion of a culture in which diversity is valued and equality of opportunity is a reality.

"Achieving Our Potential" fully endorses these themes which are central to the effective implementation of the strategic action plan.

iii) Regional Tourism Strategies

Commissioned by the relevant regional economic forum, regional tourism strategies have been prepared for each of the four economic regions of Wales. They reflect the regional disparity that exists in Wales in terms of market appeal and product availability. They define a vision for the future of the region's tourism industry and provide a framework for action based on effective partnership working between the public and private sectors.

By having a strong presence on each of the regional economic fora responsible for the preparation of the regional tourism strategies, WTB has set out to ensure that they fully complement the strategic objectives and priorities identified at the national level. It is not only possible but advisable for a family of strategies to co-exist in harmony within Wales dealing with local, regional and national issues. It will be unlikely, however, for strategic priorities and targets to coincide exactly at the regional and national level. Implementation arrangements, therefore, will need to be carefully co-ordinated and monitored to ensure that planned activities at the local, regional and national level are complementary and mutually beneficial.

iv) National Action Plan For Tourism

Based on guidelines issued by the National Assembly for Wales, a series of action plans will be prepared to ensure that the new European Structural Fund programmes are delivered in a strategic manner. The National Action Plan for Tourism will be derived from the strategic principles contained within "Achieving our Potential."

10.0 Strengths, Weaknesses, Opportunities and Threats

10.1 The preparation of a strategic framework for an industry as dynamic as tourism requires a careful and considered assessment of the wider competitive influences affecting the industry. The following list of Strengths, Weaknesses, Opportunities and Threats is not exhaustive but highlights the major constraints to growth and identifies some real prospects where Wales can achieve competitive advantage during the course of the strategy.

Strengths

- Scenery, natural environment, heritage and distinctive Welsh culture. These aspects continue to have strong appeal to UK and overseas markets. Wales can provide a stress-free antidote to the pressures of modern day living. The three National Parks (Snowdonia, Brecon Beacons and Pembrokeshire Coast) and Areas of Outstanding Natural Beauty cover one quarter of the land area of Wales.
- Accessibility to major UK markets;
- Affordability -Wales is perceived to be a competitive, value for money holiday destination;
- Special interest and activity holidays -Wales can offer a wide range of activities including walking, golf, fishing and pony-trekking;
- Safe/secure/familiar and welcoming holiday destination;
- An improving choice of quality accommodation in all sectors, in cities, rural areas and resorts to cater for all markets;
- A distinctively Welsh rural tourism product based on farm guest houses and high quality cottages;
- Wide range of natural and purpose-built visitor attractions;
- Annual programme of events, with a distinctive Welsh flavour including Llangollen International Eisteddfod, National Eisteddfod, Brecon Jazz, Hay Festival and the Festival of the Countryside;
- Improving profile of Cardiff as a capital city of international status;
- Loyal visitors - over 70% of UK visitors have been to Wales previously and many return year after year;
- Availability of financial incentives from WTB to stimulate capital investment in new and improved facilities for tourists;
- An increasing number of clean, Blue Flag designated beaches. Almost three quarters of the coastline is designated as being of special landscape quality;
- Improving partnership arrangements for marketing Wales in UK and overseas through more sophisticated techniques of market segmentation.

Weaknesses

- Stereotypical, outdated and negative images of Wales in some UK markets unfamiliar with Wales;
- Lack of awareness of Wales in overseas markets and absence of strong “icon” images;
- A lack of top quality accommodation and national/international branded accommodation, which limits opportunities to establish powerful marketing partnerships between public/private sectors;
- Absence of suitable range of coaching and conference hotels in some parts of Wales;
- Traditional seasonality of demand - almost 60% of all holiday spend in Wales occurs in June, July and August (50% in UK overall). Only approximately one-third of tourist attractions are open all year round and a high proportion of resort accommodation is closed between October - March;
- Unpredictable weather even during the traditional peak summer season and the competition from low priced overseas destinations offering guaranteed sun. This has implications for seaside resorts where the bulk of holiday accommodation is located;
- Low profile and status of tourism - the importance of tourism to the economy is poorly recognised, careers in tourism are perceived to be low quality and the Welsh people have yet to accept the positive benefits of tourism;
- Relatively high dependency on the static caravan sector, which is highly seasonal and accounts for almost one-third of all holiday nights spent by British holidaymakers in Wales. At the UK level, this figure is closer to 15.0%;
- Mismatch between product and market needs/expectations - uneven quality and standards of service in some sectors and areas;
- Effective co-ordination is difficult in such a fragmented industry with predominantly small scale independent businesses and few large organisations in many diverse sectors - accommodation, attractions, restaurants, retail, transport etc;
- Poorly defined industry structures with a confusing number of organisations involved;
- Perceptions of Wales as a destination for down market, low spending holidays is potentially a weakness for higher spending markets where holiday choice is based on aspirational motivations;
- The decision to enter the industry is often motivated by non-commercial reasons - quality of life and a ‘desire to be one’s own boss’ are more important considerations. There are few handicaps to entering the industry but some operators are poorly prepared and, therefore, businesses are under performing;

- Infrastructure provision is uneven - poor quality visitor amenities in some areas and congestion in sensitive "honey-pot" locations;
- Limited resources available for promoting a distinctive image of Wales in domestic and overseas markets;
- Limited direct transport links for international in-bound tourism;
- Wide and potentially inefficient range of information and bookings systems available to the consumer;
- Low level of professionalism in some parts of the industry reduces competitiveness and constrains profitability, limiting opportunities for essential re-investment.
- Wales can develop a competitive advantage in activity holiday provision - lifestyles are becoming healthier and more people are seeking new ways of self-fulfilment;
- More effective partnership working between the public and private sectors in the integrated marketing of Wales and the development of new and improved facilities will improve Wales' competitive position;
- There are good signs that Wales can attract a higher share of an increasing number of overseas visitors to the UK;
- Improving the profile and status of tourism to improve community perceptions, to enhance government support and to maximise resource availability for the industry;

Opportunities

- Between October to March the industry operates well below capacity. A longer tourism season would provide important economic benefits to Wales by strengthening career structures and increasing the number of full time job opportunities;
- The National Assembly for Wales will seek to promote a more distinctive identity for Wales - tourism has a central role in promoting a dynamic and attractive image for Wales;
- Wales is well placed to benefit from the forecast growth in additional holidays because of its proximity to key markets and its ability to match market needs;
- The integrated use of information technology, including the Internet, to promote Wales and improve bookability of the product offers enormous opportunities for the industry;
- Wales is well placed to develop a more extensive range of national/international events building on its successful hosting of the Rugby World Cup;
- More sophisticated market segmentation techniques will improve the effectiveness of the industry's marketing activities;

- Improved co-ordination in the gathering and dissemination of market research information will support more effective marketing and inform better investment decision making;
- The development of better training support structures will improve the status of employment in the industry and encourage more people to consider careers in tourism;
- A clear understanding of the roles and responsibilities of organisations involved in tourism promotion and development will reduce inefficiency and duplication;
- The application of EU funding for Objective 1, 2, 3, Rural and Community Programme areas to strategic priorities will be essential to ensure the effective promotion, development and management of tourism.
- The trend for shorter holidays by UK residents to overseas destinations and within the international tourism market is forecast to continue. The lack of direct international transport connections will put Wales at a competitive disadvantage;
- There is a danger of complacency or inertia within the industry. Tourism is affected by many dynamic influences and businesses must be adaptable and responsive to market needs;
- There are likely to be problems of staff recruitment. Fewer school leavers will increase competition from other industry sectors and skills shortages exist in many vocational and specialist areas;
- A declining level of public sector funding support for the industry (e.g. local authority funding for tourism will need to compete with other essential statutory functions) will reduce Wales' ability to promote itself effectively in key tourism markets;

Threats

- The emergence of new, competitively priced and well packaged overseas tourism destinations will increase the trend for the British to take their main and additional holidays abroad. Overseas destinations are better "packaged" than those in the UK and are keenly priced, offering reliable standards and service;
- Consumers are likely to become more demanding, less loyal and more difficult to satisfy because of growing time pressures, insecurity of employment, reducing levels of disposable income and changing work and leisure patterns;
- Ineffective visitor management and planning could result in visitor congestion and cause potential harm to the natural and cultural environment of Wales;
- Ad hoc rather than strategic approaches to tourism investment could result in the displacement of activity from existing businesses and provide no net gain for Wales;

Summary:

Wales has many enduring strengths which will continue to form the basis of its distinctive character and appeal as a tourist destination. There are also unique opportunities which can be realised and diverse challenges which need to be confronted and overcome to ensure future prosperity for the industry. In global tourism terms, Wales is a small country with limited resources available for investment and promotion. There will be competitive influences enough from outside Wales. If the industry is to achieve its potential it will need to work collectively and effectively together to meet the shared objectives of this strategy. The following section identifies the major strategic challenges which face the industry and sets out a recommended response based on partnership action. WTB is identified as the co-ordinator for many of the action points within the strategy. This does not mean that WTB will be singularly responsible for their implementation. WTB does not have the resources or the desire to work in isolation and acknowledges the importance of achieving the stated ends of the strategy through teamwork. The implementation of the strategic action plan will require effective long term partnership working. Although the nature and composition of partnership structures will vary there is a need, for reasons of accountability, to assign primary responsibility for partnership co-ordination to specific groups or organisations so that early progress can be achieved.

4

A Strategy For Action



KEY OBJECTIVE 1

11.0 To market Wales more effectively as an attractive all year round tourism destination

Summary:

On a global scale tourism is becoming increasingly competitive. Newly emerging tourism destinations have made it more difficult for relatively mature destinations such as the UK to maintain its share of international tourism. Awareness of Wales in many overseas markets remains variable and the lack of strong, identifiable icon images puts Wales at some disadvantage relative to competing destination areas, particularly in new, emerging markets for the UK. Even within the UK, it has proved difficult for Wales to establish a clear national identity beyond its borders which is based on reality rather than myth and prejudice. Raising the profile of Wales in domestic and overseas markets and establishing its distinctive identity as a different country and an attractive tourism destination area in the UK must be seen as a priority. Understanding and responding to market needs, perceptions and motivations will also be crucial to better inform investment priorities and marketing campaigns. More and better research will be needed to understand competitive influences and future trends so that the industry can plan ahead with confidence. Rapid advances in information and communications technology (ICT) will stimulate widespread opportunities for marketing Wales as an attractive tourism destination. Careful planning will be needed to ensure that the revolutionary potential which ICT can sustain is fully realised to benefit all parts of the industry.

11.1 Developing the Brand for Wales

Current Position

Producers of goods and services in all business sectors devote considerable resources to building and attaching positive values to their brands allowing them to charge a premium price for their products. Branding has now become a vitally important ingredient of destination marketing. Developing a distinctive and attractive national identity can bring significant political, social, cultural and economic benefits. Countries as varied as New Zealand, Spain and Ireland have shown that, given adequate resources and industry wide support, it is possible to change national identity systematically to create this "identity premium".

There is strong evidence to show that the stereotyped, out-dated image of Wales within the UK and the lack of any identity for Wales internationally in some target markets has been a barrier to growth, constraining attempts to sell Wales as an attractive tourism destination. This poorly defined brand image for Wales has contributed to the low price culture which characterises many sectors of the industry. But competing on price is not viable in the long term and low margins will inevitably result in sporadic re-investment in the product, low wages and under trained staff leading to a spiral of decline which ultimately leads to business failure.

Over the last two years, WTB has set out to positively address the image failings which exist by building attractive, realistic and motivating brand positionings for Wales in UK and overseas markets. Research helped

define a distinctive and credible brand positioning based on the theme of "Naturally Reviving" for UK markets which reflected the quality of the natural environment, the perception that Wales could offer a genuine rather than synthetic holiday product, the down to earth Welsh people and the belief that Wales was a country with strong traditional values and a sense of community. A different emphasis was needed for overseas markets where a brand positioning of "Inspiring Recreation" was agreed with Wales being promoted as a land of nature and legend.

Future Challenge

Developing a positive image for Wales as an attractive tourism destination is a long term challenge which would be beneficial because:-

- it would help to create an environment where individual businesses in Wales were able to charge more, improve profitability and consistently improve product quality;
- it would help to attract higher spending market segments from the UK and overseas which would improve business yield;
- it would help to lift the international profile of Wales and create a distinct identity which clearly differentiates Wales from other parts of the UK;
- it would help to raise business confidence and serve to stimulate higher levels of inward and indigenous investment in tourism.

Action Needed

Good progress has been made in establishing a brand positioning for Wales in UK and overseas markets but much work still needs to be done to build and consolidate the brand for Wales in target markets. Potential visitors will receive information about Wales and its products from a variety of different sources. Consequently, the content, quality and type of message will be variable. There is an opportunity to gain strength through collaboration and for the Wales tourism brand to become firmly established, it must be communicated in a consistent way at all levels of the industry over a sustained timescale. It is also important to ensure that the tourism brand for Wales is consistent with the overall brand image which is used to establish a distinctive national identity for Wales, an area where important progress has been made by the Branding Wales Group and outlined in the publication "Wales - the time is now". All brands will need to be evolved over time to remain attractive and motivating to target markets as well as relevant and credible.

• Action Point 1

Encourage all levels of the industry to adopt a more consistent approach to the marketing of Wales by promoting the use of common messages and images which consistently reinforce the branding of Wales.

Co-ordinating responsibility: WTB

• Action Point 2

Regularly monitor and evolve the tourism brand for Wales in line with changing consumer opinion and perceptions.

Co-ordinating responsibility: WTB

• Action Point 3

Ensure consistency between the evolving tourism brand for Wales and the overall brand image for Wales.

Co-ordinating responsibility:

i) Wales' tourism brand - WTB

*ii) Wales' national brand -
Branding Wales Group*

• Action Point 4

Undertake integrated marketing campaigns in key UK/Overseas markets to increase awareness of the Wales tourism brand.

Co-ordinating responsibility: WTB

Performance Measures

- Improving perceptions of Wales as an attractive tourism destination;
- Increasing awareness of Wales in target UK and overseas markets;
- Branding of Wales to be considered relevant and credible by target markets.

11.2 Segmenting the Market

Current Position

Market segmentation is a well established marketing technique which involves the identification of certain groups of people or segments within the total market who share common characteristics, the assessment of their potential value and the development of effective strategies to generate business from those segments which have most growth potential. It is necessary because:

- attempting to communicate with all potential customers will not result in a productive use of limited resources;
- some groups or segments will generate more business for Wales and deserve to be communicated with more regularly;
- communications with target segments can be tailored, personalised and made to work more effectively;
- tourism products and services in Wales can be communicated to match the needs of specific segments.

In recent years WTB, the RTCs and local authorities in Wales have worked closely together to define and segment target audiences in the UK and overseas. It has proved to be an effective way of focusing marketing effort, providing a systematic framework to understand and respond productively to the needs of target groups of visitors. Marketing forums have been established by WTB comprising members from a number of industry sectors for both the UK and overseas markets to co-ordinate the process of segmenting the market, a continuous activity which must be alert to dynamic changes in the market place.

Future Challenge

One of the principal purposes of this strategy is to encourage the industry to adopt a more customer focussed approach which understands and responds to market needs and motivations. The challenge facing the industry is to effectively match products and services to those groups of customers who are more likely to purchase them. This will require a team effort, involving all levels of

the industry. As the demands of visitors change, become more sophisticated and complex, their requirements will become more specific and precise. Personalised products and service provision will become increasingly important. Inevitably, all tourism destinations and operators in Wales will need to precisely match products with their market segment requirements. The starting point for the adoption of a consistent marketing culture within the industry is a better understanding of the expectations of our respective target market segments. There is a challenge to the industry to introduce more sophisticated segmentation techniques in the way they market their business in order to make more effective use of limited marketing resources and improve their competitive position.

The more widespread application of new forms of information technology to market Wales and individual tourism businesses within Wales will also provide opportunities to gather specific profile information about existing and potential customers. In turn this will allow for more regular, specific and personalised communication with groups of customers sharing common characteristics or needs. Relationship marketing of this type is likely to increase in importance and will become a powerful, more effective tool in market segmentation. Although the traditional long stay holiday market is in long term decline, Wales has been successful in maintaining its share of this market over the last five years. It should be a priority to continue to maintain the share of this important market. Increasingly, however, Wales will need to target market segments which have good growth potential, are capable of providing a high yield to tourism businesses, are less weather dependent and are more likely to visit Wales outside the

peak summer period. To achieve growth through sustainable means it will be necessary to increase average tourist expenditure per bed night. This will involve targeting higher spending market segments and extending the range of quality tourism products to achieve high added value for the industry.

Action Needed

Market segmentation is equally relevant to national organisations such as WTB and to individual tourism businesses. WTB will seek to identify the most appropriate target market segments for Wales but these may not necessarily be to the advantage of some individual tourism operators who depend on quite different markets for their businesses. The more specific the product on offer the easier it will be to identify the market segments to target.

• Action Point 5

Promote a better understanding of the value of adopting a more professional approach to market segmentation and relationship marketing within the industry through training and advice.

Co-ordinating responsibility: RTCs

• Action Point 6

Continuously monitor and review the priority target market segments for Wales, understand their needs and motivations, stimulate investment in new and existing products and prepare integrated marketing strategies to improve co-ordination in the industry.

Co-ordinating responsibility: WTB

• Action Point 7

Identify and prioritise market segments in the UK/Overseas and focus resources on those segments which offer most sustainable growth potential.

Co-ordinating responsibility: WTB

Performance Measures

- Increasing return on marketing spend;
- Increasing proportion of repeat and new visitors to Wales.

11.3 A Partnership Approach to Marketing

Current Position

Many organisations have an involvement in marketing Wales, or areas within Wales as tourism destinations. "Tourism 2000", the previous national strategy for tourism, identified a need to rationalise the range of promotional material to simplify the process of holiday choice for potential visitors to Wales. Following consumer research and consultation with the industry, WTB, local authority and RTC partners identified 12 meaningful marketing areas in Wales which have subsequently formed the basis of a joint promotional strategy. Since 1996, 12 area holiday brochures have been promoted alongside WTB's main Wales brochure. This partnership approach to marketing has been consolidated through a joint media buying scheme which pools resources to achieve greater advertising coverage for Wales and also through the Tramor overseas marketing initiative which ensures a strongly branded

Wales presence in Europe's major holiday shows. Such partnership approaches are an effective way to improve co-ordination and have also provided opportunities to bid for additional EU funding support.

The business viability of many tourism SMEs in Wales is often marginal which, in turn, is reflected by a low proportion of turnover being spent on marketing activities.

Although individual businesses may have concerns about working with potential competitors, mutual benefits can be possible by working with others. By increasing the resources available for marketing, greater impact, coverage and buying power can be achieved for the partners.

Future Challenge

Marketing techniques are becoming increasingly sophisticated with constant advances in information and media technology. New digital initiatives will soon permit interactive communication with consumers in the comfort of their own home to aid and facilitate destination choice.

Tourism businesses will need to appreciate and acknowledge the significance of such technological change, which will become increasingly difficult to predict, and seek to respond effectively to the many marketing opportunities it will bring. Economies of scale could be achieved by tourism operators in certain areas or those offering similar products working together in marketing consortia. By creating partnerships, the small tourism businesses can extend its marketing coverage and build a more extensive distribution network to sell its product. The distribution channels provided through the Internet are as available to the small independent tourism operator as to the national or international branded hotel chains. Wales can actively compete for those

markets which seek individual character and quality in their holiday experience rather than predictable uniformity. A partnership approach to marketing Wales as an attractive tourism destination is important to ensure that scarce resources are used effectively by minimising duplication and unproductive competition. In order to aid consumer choice it may also be appropriate to rationalise, still further, the current marketing area approach used for UK and overseas markets.

The proper role of the public sector is to provide an appropriate framework within which the tourism industry can effectively market itself.

Gordon Green, The Neuadd Arms Hotel, Llanwrtyd Wells, Powys

Action Needed

It is not the responsibility of WTB or any other public sector organisation to promote individual tourism businesses in Wales. The proper role of the public sector is to provide an appropriate framework within which the tourism industry can effectively market itself. The task of developing a strong tourism brand for Wales is rightfully led by WTB with support from the private sector and other partners. The marketing of destinations and products within Wales will need to form part of an integrated marketing strategy which targets market segments with most growth potential and identifies opportunities for effective partnership arrangements between the public and private sectors.

• Action Point 8

Develop an integrated tourism marketing strategy for Wales which co-ordinates destination and product marketing activities and identifies effective opportunities for public and private sector working partnerships.

Co-ordinating responsibility: WTB

• Action Point 9

Encourage the development of marketing partnerships between local or similar types of tourism businesses.

Co-ordinating responsibility: RTCs

• Action Point 10

Encourage individual operators and marketing partnerships to adopt innovative techniques and technologies to achieve greater marketing impact.

Co-ordinating responsibility: Local Authorities

Performance Measures

- Increasing return on marketing spend;
- Increasing resources available for marketing Wales.

11.4 Extending the Tourism Season

Current Position

Although in recent years there has been a gradual trend towards an extended tourism season, tourism demand in Wales remains highly seasonal. Almost 60% of all holiday expenditure occurs in the three months of

June July and August. This seasonal pattern has contributed to low profitability, higher than average seasonal variations in employment and has led to environmental pressures in some sensitive landscape areas during the peak season, due to congestion of activity over a relatively short period. Efforts to extend the season by developing the short breaks and activity holiday sectors and conference and business tourism have been partially successful but there is considerable scope to extend the targeting of niche markets to help generate demand during periods of spare capacity.

Future Challenge

An extension of the tourism season would provide important economic and environmental benefits for Wales. More full time job opportunities would improve the status of employment in the industry, stimulate the need for more comprehensive training in essential skills, strengthen career structures and ease recruitment. Business viability in the industry would be improved and an over dependency on a gradually declining peak season long holiday market would be reduced. In addition, a longer tourism season would serve to reduce overcrowding and in tandem with more effective tourism management practices will put less pressure on the Welsh environment, thereby improving the quality of experience for visitors. The forecast growth in short and additional holidays will provide opportunities to promote Wales as an accessible holiday destination. Wales can offer a diversity of experiences to match the needs of this growth market which is not bound to any particular season and which is often relatively high spending in nature.

Action Needed

Successive tourism strategies for Wales have talked about the need to “extend the tourism season”, a sound objective which will bring sustainable, long term benefits. What is needed, however, is a concerted programme of co-ordinated action to tackle the problem. Piecemeal and sporadic campaigns directed at niche markets will achieve only limited results. Both the arts and sport have potential to play a more significant role in support of the tourism industry. Festivals and events, for example, can play a key role in attracting larger numbers of overseas visitors and in developing new markets within the UK throughout the year. But most of the events in Wales which have achieved national or international status are concentrated in the peak summer months, thereby re-inforcing seasonality of tourism demand. A wide range of organisations are responsible for funding and promoting the various events, festivals and venues existing in Wales but the annual programme of events has evolved independently. There is no national strategy guiding a more co-ordinated approach to event planning and promotion. This results in missed opportunities to spread events more evenly throughout the year.

Business tourism and particularly the meetings, incentives, conferences and exhibitions market is a good complement to leisure traffic which can help to improve seasonal demand in resort, city and rural areas. Business tourists yield higher than average receipts and a high proportion of conference visitors tend to return to the conference destination for a holiday.

• Action Point 11

Increase the emphasis given in UK marketing strategies to national campaigns promoting non-peak seasons short/ additional holidays.

Co-ordinating responsibility: WTB

• Action Point 12

Encourage accommodation and attraction businesses and essential infrastructure facilities to open for a longer season and examine ways to create demand in off season periods through innovative schemes such as joint ticketing and packaging the product.

Co-ordinating responsibility: RTCs

• Action Point 13

Establish an industry working party to prepare a national events/festivals strategy for Wales to ensure a wider distribution of activity throughout the year and examine opportunities for developing packages linking events with accommodation and transport provision.

Co-ordinating responsibility: WTB

• Action Point 14

Increase the emphasis in national marketing strategies on business and conference tourism and establish an industry working party to examine ways for more co-ordinated marketing including consideration of the need for a Wales Convention Bureau.

Co-ordinating responsibility: Local Authorities

Performance Measures

- Increasing proportion of tourism volume and value to be accommodated in the shoulder months October-March;
- Lengthening operating season for accommodation and attraction operators;
- Increasing value of business (meetings, incentives, conferences and exhibitions) traffic to all parts of Wales.

11.5 Understanding our Customers

Current Position

In general terms, the tourism industry in Wales has been slow to realise the benefits to be gained from market research. Tourism businesses are predominantly small scale in nature, making it difficult for many operators to conduct meaningful research with their customers as this is often seen as an unnecessary cost rather than an investment for the future. As a consequence, the industry has tended to rely heavily on WTB for market information and research advice.

In many industries it is important to know not just what customers are doing but to understand why they are doing it.

The motivations of visitors must be understood in order to predict future trends and to respond effectively to changing customer demands. In the past, WTB's research programme has tended to concentrate on measuring the volume and value of tourism rather than understanding visitor needs and identifying future demand trends. WTB will continue to disseminate

research findings widely but recognises that the industry is better placed to undertake certain categories of research for itself such as customer satisfaction surveys. Collectively there is a rich supply of market intelligence which could be disseminated more productively throughout the industry to inform better decision making.

Future Challenge

The adoption of a customer - focussed approach will require all involved in the marketing and development of tourism to understand more precisely the requirements, opinions and motivations of their current and potential markets. There is a need for better sharing of market intelligence within the industry, a need to evaluate the performance of promotional campaigns and a need for a research strategy for the industry which seeks to determine research priorities and partnership responsibilities for research activity.

Market information is vital to all operators irrespective of size and location

Farmers' Union of Wales

Action Needed

Research must be seen as an essential tool to support effective marketing throughout the industry. Information which signals market changes, competitor trends and innovations in product development will be fundamental to informing approaches to market segmentation. It must be reliable, accessible and up to date.

• Action Point 15

Provide the industry with more useful market intelligence through improved interpretation and dissemination of information using the Internet and other communications systems.

Co-ordinating responsibility: WTB

• Action Point 16

Prepare a joint research strategy for the industry which determines research needs and information priorities, identifies responsibility for collaborative research activities and recommends improved approaches for sharing information within the industry.

Co-ordinating responsibility: WTB

• Action Point 17

Encourage the industry through training and guidance to research their existing and prospective customers to better understand their needs, preferences, expectations and opinions.

Co-ordinating responsibility: WTB

• Action Point 18

Establish a regular visitor satisfaction survey to monitor attitudes and opinions towards, inter alia, standards of service, quality of facilities and value for money.

Co-ordinating responsibility: WTB

Performance Measures

- Increasing proportion of tourism businesses undertaking consumer research;
- Increasing levels of visitor satisfaction;
- Increasing return on marketing spend.

11.6 Understanding the Competition

Current Position

Tourism is an increasingly competitive business. Worldwide, more and more countries acknowledge the potential economic contribution of tourism. At a global level tourism growth trends are forecast to continue but the emergence of new destinations and the search for new experiences will make it difficult for relatively mature destinations such as Wales to capture its share of this increasing market. Arguably in the past the tourism industry in Wales has been too inward looking and parochial in its concerns and aspirations. On a global scale and within the UK it is inevitable that the resources devoted to tourism marketing will increase. Wales will need to ensure that resources are used more effectively to compete for valuable market share.

Future Challenge

Competition in tourism operates at many different levels. At one level holidays are competing against other forms of leisure activity for limited leisure time. At another, destinations compete with each other for precious market share and at yet a further level, individual operators compete with each

other for customers attracted to their particular destination area. In any dynamic business environment it is essential to understand and anticipate competitor activity. The challenge for WTB and other organisations will be to monitor the activities of competitor destination areas in the UK more systematically and to introduce better ways of regularly informing the industry of innovative developments affecting their particular sector. In turn, individual tourism businesses will need to look beyond their local areas and increasingly consider competition in a wider context. It is not a case of comparing performance with a neighbouring hotel but with hotel operators throughout the UK and overseas.

If Wales is to compete effectively with other destination areas for market share, it will be necessary for adequate resources to be made available for marketing. It will also be important to ensure, therefore, that the National Assembly for Wales is informed about the true scale of competitor activity and provided with evidence of good practice which may be of relevance to Wales. Ultimately the challenge will be to convince the National Assembly for Wales that increased expenditure on promoting and developing tourism in Wales is justified not only to match the spending of competing destinations but because more resources will generate additional net economic benefit and added value for Wales.

Action Needed

A new culture will be required within organisations involved in marketing and developing tourism in Wales and among individual industry operators. The aim must be to create an industry which is more outward rather than inward looking. Structures will need to be put in place to allow for better communication of good practice by competing tourism destination areas and individual businesses.

• Action Point 19

Establish an industry working party to determine a realistic action programme for monitoring competitor activity and to agree measures for improved communication within the industry .

Co-ordinating responsibility: WTB

• Action Point 20

Produce regular intelligence reports on competitor strategies and activities to be disseminated to the tourism industry in Wales and to be forwarded to the National Assembly for Wales .

Co-ordinating responsibility: WTB

Performance Measures

- Improving share of target markets in UK/overseas;
- Increasing resources for marketing and developing tourism in Wales.

11.7 Enhancing the Role of Information Provision

Current Position

Producing quality information for visitors before and during their stay in Wales is an essential requirement to generate bookings and additional spend, extend the length of stay and encourage repeat visits. If used carefully, effective information services can also help to manage and spread visits seasonally and regionally. Currently, information for the potential visitor is available from a variety of sources. WTB, RTCs, local authorities, TICs and individual tourist businesses are all involved in the process of providing a range of information including details about places to stay, places to visit, things to do, etc. The role of new technology is already important and its significance as a dynamic source of information for potential visitors is set to grow expansively over the next 10 years.

The diverse range of possible sources of information about Wales will inevitably result in variable quality and standards of service which, in many cases, will weaken rather than re-inforce the essential messages which are being used to brand Wales as a distinctive and attractive tourism destination. TICs play a key role in meeting the information needs of visitors during their stay. Currently there are 82 TICs within the national network conforming to agreed standards. In 1998 they welcomed almost four million visitors who made 37,000 accommodating bookings and generated an estimated £2.5 mn. for accommodation providers in Wales. These TICs are principally funded by local authorities but constraints on their budgets will continue to put pressure on the national TIC network.

Increasingly, TICs have looked for ways to generate commercial income to sustain and improve their quality of operation. A balance must be maintained, however, between the commercial activities of TICs and their essential job of providing an impartial, accurate and comprehensive information services to visitors. There is a clear case for continued high level local authority support for TICs and the role that they play in providing a resource for local people should be a factor borne in mind by local authorities when determining their support for these essential services. A comprehensive TIC review was undertaken during 1998 which set out to critically examine the existing tourist information service and assess whether there were opportunities to integrate alternative forms of information provision to meet the evolving needs of the visitor and the trade. Its recommendations are being considered and, where appropriate, will be implemented through effective partnerships involving representatives from the industry as well as those directly involved in TIC operation.

Future Challenge

There is a need to develop more consistency in the way that information is provided to potential visitors and an opportunity to use information provision much more actively as a tool to reinforce and strengthen the branding of Wales. The establishment of a single, well publicised point of contact for information about Wales will facilitate this process. It will have the added advantage of being much more customer focussed with individual information needs being processed efficiently by referral to a secondary, personalised contact point.

The anticipated growth in short break holidays often taken on impulse will increase

the importance of having a strong, well managed TIC network to service the needs of those who decide to visit Wales without booking accommodation in advance. There is a need for strategic TICs in key locations where they will be of most use to visitors and a need to ensure that all TICs are sensibly located to stimulate and service visitor and local demand. In addition, while recognising the valuable role played by the TIC network in providing essential information, visitors are increasingly prepared to gather information from many other sources including accommodation establishments, local pubs/restaurants, signposts/tourist information points, libraries and by word of mouth. The information infrastructure, therefore, is complex and a strategic approach which matches visitor needs to information provision and seeks to optimise commercial opportunities while maintaining a consistent, national standard of service would provide a sound framework to develop existing services. Interestingly, an estimated one-third of visitors to Wales do not gather information from any source before or during their stay. A more structured and responsive tourist information service would be better placed to capture this latent market and increase its potential economic impact.

As the information needs of visitors become more demanding it will be necessary for TICs to be equipped with the necessary technology to service more sophisticated enquiries. Investment in IT provision will also facilitate more efficient information exchange within the TIC network and will offer potential for the establishment of an integrated national reservations service for Wales.

Action Needed

A comprehensive programme of action is needed to enhance the role of information provision. Currently, information is provided in response to requests from visitors or potential visitors. The emphasis is on providing factual, accurate information rather than using it as an opportunity to generate a positive impression of Wales. The following action points are designed to promote the importance of information provision. It has a central role in the effective marketing of Wales and is crucially important in ensuring that the expectations of visitors are exceeded.

• Action Point 21

Introduce a single point of contact for all initial enquiries about Wales to reinforce the tourism brand and to improve the consistency and quality of information.

Co-ordinating responsibility: WTB

• Action Point 22

Review the existing information infrastructure to ensure that the national provision of information is adequately resourced and matches the evolving needs of potential and actual visitors.

*Co-ordinating responsibility:
TICCharter Working Group*

• Action Point 23

Develop a customer focussed tourist information service network which is equipped with the new integrated technology necessary to support efficient information exchange and which has the capability of providing or utilising an interactive reservations/booking service.

Co-ordinating responsibility:

TICCharter Working Group

Performance Measures

- Increasing conversion rate of enquiries to actual bookings;
- Tourist information network to generate increasing visitor spend in Wales.

11.8 Realising the Potential of Information and Communication Technology (ICT)

Current Position

Although there are notable exceptions, the tourism industry in Wales has been relatively slow to adopt and take advantage of the opportunities to be gained from rapid developments in ICT. Developments in information, communications and digital technology have created opportunities and challenges for the tourism industry in Wales. But most operators are small scale and lack the resources or commitment to join what is becoming an increasingly electronic market place. The application of the Internet for generating bookings and for providing information is still largely untapped by the

industry but potentially could revolutionise the way that the tourism product is sold and distributed. New technology will also have far reaching implications for direct and relationship marketing which depend crucially on active customer databases. New digital initiatives will soon permit interactive communication with potential and previous visitors to Wales to aid and facilitate holiday choice.

Future Challenge

The tourism industry at all levels will need to better understand and acknowledge the business opportunities which are available through the application of new and evolving technologies. There are advantages to be gained from a co-ordinated and integrated approach which seeks to reduce duplication and bring efficiency savings through partnership working. Potential visitors to Wales will increasingly want to combine a request for information with the ability to easily book accommodation. The technology already exists to make this possible but the introduction of an integrated system will require major capital investment in the first instance and careful thought over the most appropriate way to ensure its efficient and viable delivery. Such integrated systems, which have become known as destination management systems (DMSs), will give a real opportunity for small businesses to work collectively and to benefit from new technology. It will be important to ensure, however, that there is compatibility between DMSs which may be developed for specific local or regional destination areas within Wales and the rest of the UK to facilitate the exchange of up to date information.

New technology will also change the way that Wales, destination areas within Wales and individual businesses are marketed. The

DMS approach will provide an innovative opportunity to gather valuable information about customers which will allow for more regular and personalised communication with individuals and segments of the market who share common characteristics.

Action Needed

WTB, some local authorities and many individual tourism businesses already have an Internet presence but the coverage for the tourism industry in Wales overall is patchy and potential benefits are not being realised. A co-ordinated approach is needed which seeks to improve the branding of Wales and facilitate bookability of the product. The development of integrated DMSs which seek to use new technology to combine information provision and accessibility to active booking facilities with information about customer characteristics and needs will also require an integrated approach. The industry should be encouraged to adopt compatible technologies and to work in partnership to market local and regional destination areas.

• Action Point 24

Establish an industry working group to prepare an integrated strategy designed to optimise the use made of the Internet and other new technologies for information provision, marketing Wales and providing an on-line bookings service.

Co-ordinating responsibility: WTB

• Action Point 25

Develop model guidelines on best practice for the establishment and management of destination management systems to ensure compatibility and networking within Wales.

Co-ordinating responsibility: WTB

Performance Measures

- Increasing conversion rate of enquiries to actual bookings;
- Increasing awareness levels of Wales as an attractive tourism destination;
- Increasing return on marketing spend.

KEY OBJECTIVE 2

12.0 To exceed the expectations of visitors to Wales by providing high standards and ensuring that investment in tourism is responsive to their changing needs

Summary:

Tourism in Wales consists mainly of small, independent operators. Small and medium sized enterprises (SMEs) employing less than 25 people account for over 95% of all businesses in Wales, the vast majority employ less than 10. The existence of so many small operators will inevitably result in uneven quality and standards of service in some sectors and areas. This wide product diversity is a strength but it is also a potential weakness. Consumers are becoming more discerning in their holiday preferences and expectations, seeking improved quality and guaranteed standards. It is essential, therefore, for tourism businesses to understand the evolving needs of their customers and, wherever necessary, to invest and adapt their product accordingly. Investment in improved facilities or in enhanced levels of service need not always be large scale. It may be enough in some instances to introduce relatively inexpensive customer care initiatives. In others, capital investment in new or improved facilities may be the required solution. Tourism businesses in Wales, however, are often financially marginal because of their small scale, relative remoteness from key markets and seasonality of income. There are, therefore, real limitations on their ability to invest regularly with confidence. The provision of financial assistance from the public sector is justified on the grounds of "market failure" and seeks to hasten quality improvements in the industry to meet current and forecast consumer needs and to improve Wales' competitive standing. To ensure that public funds are used most effectively, a strategic integrated approach to investment in the tourism product is recommended in this strategy to improve competitiveness and to maximise the economic and social benefits which are likely to arise. Participation in voluntary national grading schemes provides an assurance on quality to the customer and the establishment of a statutory registration scheme which is mandatory for the accommodation sector and is linked to minimum standards supplemented by voluntary grading would be a major step change which could eliminate the poorest operators and set a basic threshold of quality.

12.1 Improving Quality and Competitiveness

Current Position

There is no statutory registration scheme for accommodation in England, Scotland and Wales although provision already exists under the 1969 Development of Tourism Act for it to be enacted.

WTB has led the way in the introduction of quality assurance and grading schemes which are designed to give greater reassurance to the consumer and improved standards of service through a system of regular, independent inspection. These schemes have evolved over time in response to consumer needs and advice from the tourism industry. WTB's new star quality grading scheme for serviced accommodation launched in 1998, for example, is a direct response to the consumer preference for grading to be based more on quality than on the range of facilities available. Higher grading is earned by giving greater attention to guest care, a warmer welcome, more efficient service and better standards of quality in the facilities provided for customers. Attention to detail and an anticipation of what guests need to make their stay enjoyable and memorable can greatly increase business competitiveness.

Currently, only those tourism businesses who participate in WTB's quality grading schemes are allowed to advertise in WTB publications or in those of its marketing partners i.e. local authorities and RTCs. This policy, introduced in 1982, has been largely successful in preventing inferior accommodation appearing in official guides and brochures even though the exclusion of good quality businesses who choose not to participate in its schemes limits the ability of WTB and its

marketing partners to maximise advertising receipts and reduces Wales' overall marketing impact. Less than 50% of known accommodation establishments in Wales participate in WTB's voluntary quality grading schemes.

Future Challenge

There is a need to reduce customer dissatisfaction with the quality of their tourism experience in Wales. This will require improvements in product and service standards at all levels of the industry and particularly among those lower quality operations which only serve to damage the industry's overall image. A statutory registration scheme for all accommodation sectors, linked to mandatory inspection based on minimum standards of quality and facility provision would have a number of benefits. It would provide universal assurance on quality standards for guests, prevent the poorest quality operators from entering the market place and strengthen the branding of Wales as an attractive, high quality and value for money destination. In the short term, at least, statutory registration should not incorporate a mandatory grading scheme which should continue to be made available on a voluntary basis. Funding arrangements for a statutory registration scheme would need to be agreed with the industry. Achievement of the required minimum standards should provide the endorsement of quality required to enable tourism accommodation establishments to advertise in WTB publications and in those of its marketing partners. It will also be important to extend the level of participation in WTB's voluntary quality grading schemes which have proved an extremely effective way to raise standards in the industry. In advance of a fully

operational statutory registration scheme, new efforts must be taken to encourage wider participation, particularly among serviced accommodation operators to consolidate the new star quality grading scheme launched in 1998.

Action Needed

The introduction of a statutory registration scheme for accommodation in Wales would require enactment of the provision that exists in the 1969 Act by the National Assembly for Wales but, assuming there is support within the industry for such a concept, should be given a high priority for early implementation. Operational responsibility for managing the scheme would need to be given careful thought, as would other detailed considerations such as the cost of subscription and enforcement. For this reason it may be appropriate to pilot the introduction of the scheme in a particular area or accommodation sector. In the first instance, WTB will need to consult widely with all sectors of the accommodation industry, local authorities and RTCs to gauge opinion towards the introduction of a statutory registration scheme and present a report on its findings to the National Assembly for Wales.

• Action Point 26

In consultation with the industry introduce a statutory registration scheme for all accommodation sectors in Wales linked to minimum quality standards .

Co-ordinating responsibility: WTB

• Action Point 27

Evolve WTB's existing quality grading schemes in consultation with the industry and in line with consumer needs in order to encourage a higher level of participation within the industry .

Co-ordinating responsibility: WTB

Performance Measures

- Increasing numbers of quality graded accommodation establishments participating in WTB, local authority and RTC marketing activities;
- Reducing level of customer complaints about accommodation quality and standards.

Standards will only increase if operators believe that investment will give them a competitive advantage.

Welsh Local Government Association

12.2 A Strategic Approach to Investment in Tourism

Current Position

Although good, continuous progress has been achieved in upgrading the tourism product in Wales, there is still much to be done in all sectors of the industry to ensure that Wales has an adequate quality and a competitive range of facilities. There has been a tendency for some operators to compete on price rather than on value. This results in low profit margins and low pay levels which dampens staff motivation and restricts the ability to regularly re-invest in product improvements in line with market needs.

The key mechanism available to WTB for stimulating capital investment in new and improved facilities is the scheme of financial assistance administered under Section 4 of the Development of Tourism Act. This discretionary scheme with an annual budget of £3mn. operates throughout Wales and provides financial assistance (c. 25% of capital costs) to eligible schemes. WTB's investment strategy has been tailored to meet the needs of both small and larger businesses with emphasis in recent years given to upgrading existing businesses to satisfy changing customer expectations. The operation of the scheme has been of crucial importance in meeting the development priorities of the "Tourism 2000" strategy. Building on the success of its 1989-94 LEAD initiative, WTB has targeted its investment funds towards six coastal resorts and seven historic towns with growth potential. The objective has been to co-ordinate the activities and funding of willing partners (e.g. WDA, local authorities, Cadw, RTCs,

National Trust etc) to increase the competitiveness of the existing tourism product through a comprehensive scheme of regeneration. Every £ of WTB grant made available under this targeted investment programme has successfully levered out an additional £5 of public and private sector funding. WTB financial incentives have also proved to be an important tool to spread the benefits of tourism to new areas and to support areas which are particularly dependent on tourism and which may find it difficult to attract other forms of economic activity. It has also been applied effectively to support diversification by the farming sector at a time when farm incomes are under pressure.

As well as financial assistance from WTB, there are other sources of funding available to stimulate tourism investment in Wales. For example, two mainstream EU programmes and smaller community programmes with a total budget of £80 mn. available for the period 1994-99 have been used mainly to support public sector investment in infrastructure and new product developments. There is some concern that private sector, indigenous SMEs have largely been excluded from the funding and that such a substantial input of funds has not been applied sufficiently strategically towards investment priorities. Lottery funds are also available to support certain tourism related projects while local authorities can obtain Capital Challenge funding from the Welsh Office for infrastructure and tourism projects. Finally, urban investment grants now under the control of the WDA, have been used to fund large scale tourism projects in eligible areas. Investment patterns in the accommodation sector have largely been in response to market demand. The relatively vibrant south-east Wales

economy, for example, has benefitted from a major expansion in quality hotel provision. Almost 900 additional bedrooms have been created in Cardiff in just the last two years, representing a significant 30% growth and for the first time the capital city of Wales is able to offer genuine 5 star accommodation.

Future Challenge

WTB is required to give strategic direction to the future development of tourism in Wales but the resources it has available to stimulate investment in the product are small in relation to the total amount of funding available from all possible sources. The challenge is to ensure that capital investment in tourism is focussed on market needs. Development priorities must be identified in the context of an integrated investment strategy which seeks to guide available public funds from a variety of potential sources towards those sectors and areas which offer most potential for growth and which will maximise tourism's contribution to the economic and social well being of Wales. Objective 1 status for West Wales and the Valleys will make available an estimated £1.2bn. additional funds for economic restructuring. Additional funding of approximately £0.3bn. will also be available for Objective 2 and 3 designated areas and for other community initiatives. Tourism will have a significant role to play in shaping the economy in these relatively under performing areas. It will be important to use these substantial EU funds wisely and to ensure that they are applied within strategic guidelines to assist indigenous tourism businesses to grow as well as being used as a catalyst for inward investment. In the course of this strategy it is likely that there will remain a key role for public sector incentives to stimulate investment in tourism

in all parts of the industry. Any future investment strategy for tourism in Wales should focus on the need to secure competitive advantage for the industry in terms of value, quality, consistency, presentation and service. It should give priority to projects which:-

- provide a competitive advantage for Welsh tourism;
- enhance product quality and service provision;
- extend the season and improve profitability;
- provide full-time employment opportunities;
- demonstrate sound business planning;
- enhance the environment;
- support the Welsh culture.

We recognise the need to add value to the tourism product and for greater innovation in product development and marketing.

Welsh Development Agency

Experience gained during the implementation of the two previous national tourism strategies has demonstrated that an integrated investment framework is needed to support the implementation of the strategy and ensure a co-ordinated approach by the different agencies involved in funding tourism development in Wales. National priorities for investment should be supplemented by local/regional priorities based on product strengths in relation to market needs.

This strategy recommends that the investment framework should be based on the following programme initiatives which have been designed to support tourism investment throughout all parts of Wales. Each programme will require an integrated tourism development plan to describe, inter alia, investment criteria, partnership structures, performance measures and implementation and evaluation procedures.

Geographical Initiatives

Tourism Destination Areas

A hierarchy of Tourism Destinations with potential to grow the market and appeal to the markets that we are targeting:

1. Strategic Tourism Destination Areas

Two or three areas of national strategic importance which have the potential to raise the profile of Wales as a tourism destination and become in their own right “must visit destinations”.

2. Regional Tourism Destination Areas

Within each region two areas which can help drive tourism within the region and raise the regional profile.

3. Special Interest Tourism Destination Areas

Areas which have the potential to build the critical mass of facilities for specific activities to appeal to niche markets e.g. climbing and walking, cycling, golf, industrial heritage, the arts, water sports.

4. Rural Tourism Destination Areas

There is an opportunity to establish Wales as a prime rural destination for target UK and overseas markets by packaging its distinctive

accommodation products with special interest activities. A particularly distinctive niche product in which Wales has potential competitive advantage is farm tourism.

Sectoral Initiatives

1. Accommodation

Investment in accommodation should be guided by the following considerations:

- the need to provide a sufficient range of accommodation to match changing visitor expectations and preferences, particularly of Wales’ target markets;
- the need to secure higher levels of profitability to support effective marketing and regular re-investment in product upgrading;
- the need to develop a reputation for quality, providing a distinctive Welsh flavour with a warm welcome ensuring a memorable visitor experience.

Innovation will ensure that the accommodation product in Wales remains competitive. A number of initiatives could be considered during the course of the strategy to improve quality and to deliver a distinctive Welsh experience. These include the development of a hotel training school in Wales to improve recruitment and skills and the establishment of a distinctive chain of Welsh lodge-type hotels offering distinctive design, welcome and ambience, and the extension of a wider range of restaurants which offer natural Welsh ingredients and menus.

2. Attractions

Although there may be scope for a limited number of new, high quality flagship attractions, the pressing need in this sector is to renew and upgrade the existing

product. The need is for higher standards of product quality, design and management skills to ensure that the rising expectations of visitors are satisfied.

3. Special Interest/Activities

An improving share of the fast growing special activity niche markets will provide real opportunities to extend the tourism season and enable Wales to exploit product areas where it has a clear competitive advantage. Comprehensive development and marketing programmes for each special interest product area will be required including: - adventure sports, angling, cycling, ecology /nature, golf, walking, heritage, water sports and regeneration of the spa product in Wales.

4. Infrastructure/Visitor Facilities

Providing adequate infrastructure and support facilities to meet visitor needs and expectations is an essential requirement of a successful tourism destination. This will involve support for the implementation of visitor destination management plans. There are also opportunities to promote the rich cultural diversity which makes Wales a distinctive tourism destination. Initiatives could include the development of gateway TICs in key locations which provide visitors with an early insight into Welsh culture and the extension of an entertainment circuit to promote Welsh drama and music to visitors.

Action Needed

Improving quality in the tourism industry in Wales will be a key to success. Every industry needs to innovate and adapt its product to meet the changing demands and expectations of its existing and potential customers. Investment will be essential to

achieve higher levels of quality. In these competitive times, however, it is even more important to target available funds to those areas of growth potential which will provide the best economic return for Wales. A clear investment strategy for tourism linked to a framework for implementation which identifies development priorities on the basis of market needs will ensure that public funds are used to best effect. Implementation of the strategy is best achieved through partnership arrangements covering specific initiatives, geographical and sectoral. WTB has demonstrated previously that an integrated approach with other public sector partners and the private sector is the most effective way to stimulate investment, generate added value and create new jobs in tourism.

• Action Point 28

Prepare and implement a corporate 10 year investment strategy for tourism which coordinates private and public sector funding, identifies development priorities within an integrated strategic framework and establishes a programme for implementation.

Co-ordinating responsibility: WTB

Performance Measures

- Increasing levels of public/private investment in tourism;
- Generation of full-time equivalent job opportunities;
- Extension of tourist season;
- Improved competitiveness in the tourism industry.

KEY OBJECTIVE 3

13.0 To improve professionalism and innovation by raising the profile of the industry and by enhancing skills, training and motivation within the industry

Summary:

At a time of ever increasing competition between destinations, providing a quality experience for visitors is a key to success, encouraging people to stay longer, return in the future and recommend Wales to others. Visitors are becoming more discerning in their requirements and less tolerant of mediocre, indifferent service. Delivering a consistent quality experience for the visitor is a central theme of this strategy which is relevant to all of the key strategic objectives. It will not only be important to invest in new and improved facilities and to protect sensitive environments. It will be equally important to invest in people and to ensure high levels of service, welcome and professionalism. Tourism's dependence on a skilled and motivated workforce is scarcely matched by any other area of economic activity as it is the quality of service which is central to the visitor experience. The recruitment and retention of the right people who are provided with the right training opportunities and working conditions with appropriate levels of pay and career prospects is a fundamental requirement for the industry. But such a basic pre-requisite for success will not be achieved easily. Traditional perceptions of tourism as an industry characterised by low pay, poor prospects and high turnover of staff will be a constraint to recruitment at a time of reducing school leavers. The industry will need to work collectively to enhance its status and profile so that it can compete for the best employees who will have confidence in a maturing industry which can offer attractive, long term career opportunities.

13.1 Recruiting and Retaining Quality Staff

Current Position

Tourism related employment in Wales increased by 13% in the fifteen years to 1995 and the demand for staff offering the right qualities and attitude will continue to grow. Recruiting staff for the tourism industry has become and will continue to be increasingly difficult due to a shrinking overall labour market. Demographic trends will result in fewer young people as a proportion of the overall workforce and tourism will need to compete with many other sectors of the economy for a reducing number of school leavers. Currently, tourism is seen as a seasonal, low pay industry, offering poor career prospects and limited training opportunities. This image problem is often cultivated at a young age and there is much work to be done to help schools promote a more positive image of tourism. Evidence from the industry suggests that there are clear skills shortages in a number of specialist craft areas. There is further evidence from colleges that the industry does not retain many of the skilled staff they train and that there is a relatively high drop out rate among 16-18 year old students following tourism and hospitality courses.

There are already in existence a number of national initiatives which are designed to aid recruitment in tourism:-

i) Springboard Wales - launched in 1998 to attract high calibre and skilled people into hospitality, tourism and leisure. It works closely with schools and colleges to raise the profile of the industry and to encourage pupils to actively consider a career in tourism. In the same way it provides advice to adults returning to work.

ii) Education and Training Action

Group - ETAG has identified tourism and leisure as industries which have particular potential to attract economically inactive people back into employment. Its Education and Training Action Plan recommends that education and training should be provided in line with the needs of the labour market.

iii) New Deal - a UK wide initiative which encourages businesses to recruit the unemployed and provide essential training to develop the necessary skills.

iv) Tourism Training Forum for Wales

- established in 1998 comprising representatives from the industry, WTB, TECs, Welsh Local Government Association, Further and Higher Education, Trade Unions, Cadw, Sports Council for Wales, Arts Council of Wales, Council of Welsh Museums, RTCs, National Training Organisations and careers advisors. Its strategy has identified a range of priorities for action involving improved co-ordination between the education and business sectors in training, human resource development and enhancing the image of jobs in tourism and hospitality.

The challenge for tourism is to eradicate the perception of a "backwater" industry which has provided a traditional means of casual and seasonal employment without genuine career prospects.

Powys County Council

Future Challenge

Quality of service is central to the visitor experience and its consistent delivery depends on the recruitment and retention of the right people, equipped with the right skills who are well managed and motivated. Tourism has the potential to generate significant numbers of new jobs at all levels particularly for young people and for groups of the working population who are excluded from many other industry sectors. For tourism in Wales to compete effectively it will need to recruit specialist and support staff at a time of a shrinking overall workforce. It will be essential for tourism to raise its status as a more attractive career prospect by improving working conditions, wage levels and commitment to training. The tourism industry requires a diverse mix of skills and it offers employment opportunities for many sectors of the working population which are under-represented in other industries. For example, tourism has a higher percentage of female employment than the Welsh industry average - 61% compared with 50%. These are encouraging statistics which clearly show that tourism already has a good base to develop more full time job opportunities for females who are becoming better qualified and increasingly skilled. The challenge, therefore, will be to develop a greater range of skilled full time jobs for women and for other groups of potential employees such as older people and look at ways of overcoming barriers to employment. There are also some sensitive cultural issues affecting recruitment which are particular to Wales. In strong Welsh speaking areas, the lack of indigenous tourism operators can deter local people from entering the industry, a tendency which only serves to exacerbate this problem.

Action Needed

Despite its image problems, tourism provides a diverse range of career opportunities and the skills acquired are often easily transferable. Well trained and skilled tourism employees, therefore, have the potential to be highly valued within the workforce. Increasing competition for a restricted workforce and particularly a reducing number of school-leavers will require an integrated industry effort to help raise its image, improve working conditions and strengthen career structures.

• Action Point 29

Support the objectives of Springboard Wales, ETAG and the New Deal by:

- encouraging improved industry links with schools/colleges to generate opportunities for work experience;
- encouraging partnership training initiatives to improve essential skills levels;
- disseminating advice on career and recruitment schemes to the industry and to schools/colleges.

Co-ordinating responsibility:

Tourism Training Forum for Wales

• Action Point 30

Monitor skills shortages and recruitment problems and develop effective liaison between the industry and schools/colleges to ensure that school leavers are able to provide the skills needed by the tourist industry.

Co-ordinating responsibility:

Tourism Training Forum for Wales

Performance Measures

- Reducing skills shortages in the industry;
- Increasing proportion of full-time job opportunities.

13.2 Improving Skills in the Industry

Current Position

The majority of tourism businesses in Wales are small, micro operations employing less than 10 people and traditionally, acceptance of the need for training is low among smaller, owner operated businesses. The more enlightened operator appreciates the value of investing in their staff. They understand that well trained and motivated staff enhances the visitor experience, improves customer satisfaction and can lead to improved business performance.

Unsurprisingly, larger businesses are more likely to provide formal training for their staff while small firms tend to depend more on informal, on the job training. It is also apparent that the business skills of owners/managers generally in the tourism and hospitality industry could be improved. Given their heavy day to day workload, it is understandably difficult for many to stay abreast of employment, health and safety regulations, EU legislation, market trends, new technology and good business practice advice.

There appears to be either a lack of awareness or a reluctance to seek business advice and support among many small business. This is particularly the case in rural areas where geographical remoteness and a culture of self-reliance can be barriers to

accessing support and to sharing good practice with other businesses. The uncoordinated assortment of organisations who provide different types of business support at both the national and regional level in Wales has only served to add to the confusion.

Future Challenge

The clear challenge facing the industry is to improve the quality of skills and expertise of managers and staff to strengthen viability and profitability in individual businesses.

This is a key element of improving competitiveness and is particularly necessary among SMEs which predominate in the industry. Running a successful small tourism business demands a wide range of management skills in addition to a high level of personal commitment. Skills which are especially vital include financial planning and management, marketing, customer care and the ability to manage and motivate staff.

Action Needed

Developing the necessary skill levels throughout the industry can only be achieved through partnership and collaborative action. Those organisations who are responsible for delivering training and education services and business support will need to work in partnership with the industry to identify skill gaps and then collaborate with one another to ensure a co-ordinated, effective response.

A more flexible approach must also be developed for training delivery. This could involve concentrating intensive training during off-season, less busy periods for retained employees, distance learning packages using new technology and other innovative approaches which seek to foster

improved networking between businesses and the sharing of good practice from experienced operators.

• Action Point 31

Develop a more co-ordinated delivery of business support and training to the industry, particularly SMEs, which is flexible and focussed on improving competitiveness through the adoption of more effective business practices.

Co-ordinating responsibility:
Tourism Training Forum for Wales

• Action Point 32

Monitor and identify skills gaps in the industry and ensure that training provision is co-ordinated effectively to overcome skills deficiencies.

Co-ordinating responsibility:
Tourism Training Forum for Wales

• Action Point 33

Encourage the setting up of local tourism and hospitality business forums which facilitate the exchange of good business practice information to enhance competitiveness.

Co-ordinating responsibility: Local Authorities

Performance Measures

- Improving profitability in the industry;
- Reducing skills shortages.

13.3 Raising the Status and Profile of Tourism

Current Position

Tourism makes an increasingly important contribution to the Welsh economy. It is a significant wealth creator and supports a high proportion of jobs in the workforce. Tourism also benefits the culture, environment and heritage of Wales. Recognition of its role, however, is not universally acknowledged or appreciated by government or by the people of Wales. The industry lacks the profile and community support necessary to enable it to grow with confidence. In addition, its diverse character which arguably is its greatest strength is also, potentially, its greatest weakness. The tourism industry is too fragmented to speak with one corporate voice to promote its best interests. WTG has encouraged the formation of trade groups and associations which can bring a stronger coalition to a fragmented industry. The establishment of the Wales Tourism Alliance in 1998, which represents the interests of all sectors of the industry, will provide a new forum to speak on behalf of the tourism industry. The profile of tourism has not significantly improved over the last ten years in Wales despite the fact that its importance to the economy has grown steadily. Communication by and within the industry to demonstrate the positive benefits of tourism has not been given the priority it deserves and all too often, media coverage tends to concentrate on the more obvious negative aspects of tourism such as overcrowding, traffic congestion, poor service and low quality jobs. While some of these criticisms are deserved in some quarters, they tend to be unfairly

and indiscriminately applied to the whole industry, thereby perpetuating the negative images of tourism.

Future Challenge

Actions by individuals and organisations who are not fully aware of the importance of tourism and its contribution to Wales can have an adverse impact on tourism and make Wales less attractive to visit by compounding stereotyped perceptions. It will be important to develop a better awareness of the importance of tourism throughout Wales to improve community attitudes and to maximise the resources available for its promotion and development. The preparation of this strategy will provide an unprecedented opportunity for all those involved in the industry to collaborate in the fulfilment of a corporately agreed vision for the future. But the vision can only be successfully implemented if adequate resources are secured to support the delivery of the strategic action plan. Ensuring that a competitive level of resources is made available for tourism development and promotion will depend greatly on key decision makers being kept fully informed about the contribution tourism makes to the economic, social and environmental well being of Wales. There are many different organisations involved in tourism in Wales and each will have their own priorities and areas of interest. There is a major challenge for the industry to demonstrate its evolving maturity at this crucial stage of democratic revival for Wales by presenting itself in a unified and coherent way to the National Assembly of Wales. Tourism stands to gain much credibility if it can present a unity of purpose and demonstrate an ability to work towards the achievement of a common vision.

Action Needed

The role and contribution of tourism to the economy of Wales needs to be regularly researched and communicated to the people of Wales, to the industry and to key decision makers who can influence the scale of resources made available to support essential tourism development, marketing and management activity. In addition, an industry inclusive approach should be introduced to monitor progress in implementing this national tourism strategy for Wales. An executive board of the national Tourism Forum which has wide industry representation would provide an effective mechanism to fulfil this important task. The role of such a board would be to monitor progress in implementing the strategic action plan, to improve co-ordination and to review strategic priorities for tourism in the light of performance, economic conditions and funding availability.

• Action Point 34

Develop a co-ordinated communication strategy for the tourism industry which seeks to disseminate relevant information regularly to the media and to key decision makers to improve the status and profile of the industry.

Co-ordinating responsibility: WTB

• Action Point 35

Establish an executive board of the national Tourism Forum to monitor and review progress in implementing the strategic action plan.

*Co-ordinating responsibility:
National Assembly for Wales*

Performance Measures

- Increasing acceptance of tourism's important contribution to the economic, social and environmental well being of Wales;
- Increasing funding for tourism development, marketing and management activities;
- Implementation of strategic action plan.

It is important that the benefits from tourism are promoted throughout the whole of society to gain the support and involvement of the Welsh people and to help them to take greater advantage of economic opportunities in the tourism industry.

Joan Asby, SPARC

KEY OBJECTIVE 4

14.0 To embrace a sustainable approach to tourism development which benefits society, involves local communities and enhances Wales' unique environmental and cultural assets

Summary:

The high quality of the natural and built environment in Wales is of vital importance to the tourism industry. For tourism to prosper in the future it is essential that those unique assets, which visitors come to enjoy, are enhanced through careful planning and wise visitor management. When developed responsibly tourism can be a force for good in terms of its wider social, economic and cultural benefits. Opportunities exist to broaden access to tourism throughout society and to optimise its local economic impact by developing stronger links between tourism businesses and Welsh suppliers of goods and services. One of the principal assets of Wales as a tourism destination is its distinctive culture, language and heritage which sets it apart from other destinations. How best to present Wales as a modern and dynamic country, while also promoting and providing easy access to its rich culture and heritage is an important consideration for the tourism industry. Without the support of the local host community, the potential benefits arising from tourism are unlikely to be fully realised. This is particularly the case in smaller rural areas where the visitor experience is often more intimately linked with the people and the place. Communities need to be more directly involved in planning and preparing for the tourist so that there is a better balance between the needs of the visitor and the host. Over the course of the strategy it is likely that the issue of transport's impact on the environment, and particularly the high density use of private cars, will grow in importance. It will be necessary, therefore, to identify opportunities to promote acceptable transport alternatives for visitors to Wales by providing greater choice and information to the visitor.

14.1 Enhancing the Environment

Current Position

Conserving the quality of the natural and built environment is fundamental to the tourism industry as it is the basic resource on which the industry is built. There is, however, an increasing concern about man's impact on the environment generally and specifically towards sensitive landscapes. There is a growing realisation that we will all need to change the way we live. This concerns tourism as much as any other aspect of our lifestyle and has led to the development of the concept of sustainable tourism, defined by the World Tourism Organisation as:-

"...tourism which meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future"

Tourism is more often considered a threat than a safeguard to the environment and its impacts described as negative rather than positive e.g.

- path erosion in 'honey pot' walking/trekking/cycling areas;
- proliferation of litter on our beaches and other open areas;
- traffic (and pedestrian) congestion in host communities and associated air pollution;
- parking problems in main visitor destinations;
- environmentally damaging operator practices.

A more co-ordinated approach to communicating the direct and indirect benefits which tourism can bring to the preservation and enhancement of the

environment is needed to overcome these traditional negative perceptions.

WTB and the Countryside Council for Wales (CCW) have launched a "Greening Your Business" guide aimed at encouraging tourism operators to adopt more environmentally friendly business practices. Businesses receiving financial assistance from WTB receive a copy of the guide and an environmental appraisal visit by the Wales Environment Centre but there is no agreed mechanism to enforce compliance with environmental good practice.

Good progress has also been made by the Green Sea Partnership since its formation in 1996. The objective of the various partners (WTB, Welsh Water, Environment Agency, CCW and maritime local authorities) is to improve the quality of the coastal environment for the benefit of local communities and visitors. Tangible results include an increase in the number of Blue Flag beaches from 2 to 13 and the launch of a pilot "Green Coast Award" which sets out to recognise rural beaches which meet the highest water quality standards but lack the land based facilities and infrastructure required to achieve Blue Flag status.

The successful Green Sea Partnership approach could offer a useful model for the creation of similar partnerships to deal with other important issues which are of common concern to tourism, community and environmental interests. A Tourism and Transport Partnership, for example, could examine opportunities to develop a sustainable, integrated transport system within sensitive environmental areas and a National Parks Tourism Partnership could seek to extend sustainable tourism in the national parks through improved visitor management, promotion and facility provision.

Future Challenge

The key challenge is for tourism businesses in all parts of the industry to adopt more environmentally friendly work practices in their day to day operations. Businesses, particularly SMEs, must increase their commitment to safeguarding the environment as it is the basis for much of their trade. This will not be easy to achieve as many tourism SMEs are marginally viable and traditionally compete with other small businesses on the basis of price. For many, the idea of planning for a long term sustainable future is not a priority and the introduction of environmentally friendly working practices is all too often viewed as a cost rather than an investment for the future. In addition, public sector organisations must seek to work together on joint initiatives which promote awareness of the need to conserve the environment for future generations and seek to identify opportunities to develop tourism as a positive force for good to support the natural and built environment.

Action Needed

Unless new legislation states otherwise, it will be for tourism businesses themselves to decide whether to introduce environmentally responsible initiatives. To ensure more extensive voluntary action by the industry, it will be important to raise awareness about the business benefits which can directly accrue from an environmentally sensitive approach. In the short term, it is already possible to ensure that grant aid from WTB to tourism businesses is made conditional upon compliance with environmental sustainability criteria. In the longer term and dependent on the introduction of a statutory registration scheme for tourism

accommodation in Wales, it should be possible to incorporate environmentally friendly criteria into the assessment of minimum standards, thereby extending compliance with, at least, a basic level of improved environmental accountability. There is a need for the Green Sea Partnership to continue its valuable work but also an opportunity to extend this public sector partnership approach more widely. In addition, as a clear demonstration of the positive role that tourism can contribute to safeguarding and enhancing the environment, there is scope to pilot a “paying for conservation” initiative. Visitors should be seen to play an active role in protecting and maintaining the landscape. Schemes to raise voluntary donations from visitors would be a valuable demonstration of the positive part that tourism can play in generating additional resources for essential maintenance schemes.

• Action Point 36

Raise awareness of the business benefits which can be associated with the adoption of environmentally sensitive business practices through a co-ordinated publicity and advisory campaign.

Co-ordinating responsibility: WTB

• Action Point 37

Ensure that businesses in receipt of WTB grant support are held accountable for compliance with approved environmental sustainability criteria recommended by the Wales Environment Centre.

Co-ordinating responsibility: WTB

• Action Point 38

Build on the success of the Green Sea Partnership by promoting and developing the Green Coast Award to all eligible parts of Wales.

Co-ordinating responsibility: Green Sea Partnership

• Action Point 39

Examine opportunities to adapt the Green Sea Partnership model for other initiatives which seek to manage the impact of tourism on the environment.

Co-ordinating responsibility: WTB

• Action Point 40

Encourage visitors to Wales to consider using alternatives to the car by improving access to public transport information and persuading transport operators to take account of the needs of these visitors.

Co-ordinating responsibility: WTB

• Action Point 41

Introduce a pilot "paying for conservation" scheme which seeks, through voluntary means, to generate funds from visitors to support essential environmental maintenance projects.

Co-ordinating responsibility: CCW

Performance Measures

- Increasing awareness by tourism businesses in Wales of the importance of the environment and wider adoption of environmentally sensitive approaches in the industry;
- Increasing number of Blue Flag and Green Coast Award beaches;
- Increasing awareness of Wales as an environmentally friendly tourism destination.

14.2 Extending the Community Benefits of Tourism

Current Position

Tourism can have a profound impact on host communities. This is particularly true of smaller rural communities but it can also be a pervasive influence on larger urban communities. Tourism can help sustain traditional and cultural activities as well as supporting local services, shops and other community amenities which would not otherwise be viable. When poorly planned,

Much more can be done to encourage successful tourism businesses to share their success "secrets".

Peter Coleman, Plas Heulog, Llanfairfechan, N. Wales

however, tourism can be perceived as a threat, weakening rather than strengthening the values and quality of life of local communities. The traditional association of the industry with low paid seasonal jobs has also led to negative attitudes to tourism in some areas. Tourism, however, is playing an increasingly important role in sustaining many rural communities and their economies, supporting directly an estimated 25,000 jobs in rural Wales. There are many problems associated with the rural economy including declining farm incomes, outward migration of young people and low activity rates. Tourism may not be a panacea to these ills but it can form part of an integrated solution and it can help to supplement farm incomes ensuring the viability of many farm businesses. The scope for further development of the farm and agri-tourism sector has been researched in a study commissioned by WTB, WDA and CCW. Schemes such as Tir Gofal administered by CCW, which enable farms to continue their traditional stewardship of the countryside, are vital if high quality landscapes are to be conserved and remain a major tourism asset for Wales. Community initiatives such as those run by Leader groups can be an effective mechanism to ensure that tourism is developed and promoted responsibly, in harmony with the views of local residents. Where communities have a relatively low incidence of indigenous tourism businesses, there can be a resistance to tourism which may be perceived to be dominated by "outsiders" and of little benefit to the community.

Future Challenge

Tourism has the potential to benefit local communities, especially in areas where the contribution from traditional sectors of the economy such as agriculture may be declining. The challenge is to ensure that this potential is realised in a way that is fully acceptable to the host community. Tourism can only thrive if it has the support of local communities and for this reason, it is essential for its scale and character to respect the aspirations of the host population. Partnership initiatives designed to increase the economic benefits of tourism will need to involve the local community at each stage of planning and implementation.

The development of stronger links between tourism businesses and local suppliers of goods and services will also need to be improved to broaden the economic benefits of tourism. Effective local supply chains will result in a higher proportion of tourism expenditure remaining in the local economy.

Action Needed

Community led initiatives, such as the rural LEADER programmes, can involve local people and help maintain the cohesion and identity of rural communities. To be effective, however, they need to be compatible with wider strategies and avoid duplicating the work of local authorities, WTB and other agencies. Local communities should be encouraged to adopt a positive attitude to tourism and through careful planning and local co-ordination, seek to deliver quality at all stages of the visitor

We can sell the 'Welsh experience' by persuading tourism businesses to use Welsh milk and Welsh water, Welsh beef, lamb, pork and cheese and make sure that menus and price lists show that it's Welsh produce.

Dai Davies, Glanrannell Park Hotel, Crugybar

experience. The introduction of effective and integrated quality management initiatives which seek to enhance visitor satisfaction, and improve the local economy, the environment and the quality of life of the local community will be an important part of this process.

Tourism businesses will need to be encouraged to source goods and services from local suppliers and to employ people from within the local community. In this way, there will be mutual benefits for all involved. The tourism business will be able to promote a more distinctive Welsh experience which, in turn, will be valued by the visitor, the local supplier will be able to access new markets and the host community will appreciate the employment gains which tourism can sustain. It would also be beneficial to provide a stronger support network to promote indigenous business start-ups and growth.

• Action Point 42

Encourage the development of community tourism partnerships and local integrated action plans which seek to balance the needs of residents and tourists through careful quality control, tourism management and planning.

Co-ordinating responsibility: Local Authorities

• Action Point 43

Encourage tourism businesses to source a greater proportion of goods and services from local suppliers, to employ local people and to deliver a distinctive Welsh experience for visitors.

*Co-ordinating responsibility:
WDA/Taste of Wales*

• Action Point 44

Develop improved advice, guidance and support to stimulate indigenous business start-ups in tourism.

*Co-ordinating responsibility:
Business Connect*

Performance Measures

- Increasing proportion of tourism income remaining in the local economy;
- Increasing understanding and appreciation of the positive benefits of tourism by local communities;
- Increasing number of indigenous tourism business start-ups.

14.3 Supporting the Culture and Language of Wales

Current Position

The uniqueness of Wales' history, language, culture and way of life are distinctive assets essential to sustaining a well balanced tourism industry. Wales has a Celtic heritage with a strong cultural and linguistic tradition. Unlike other parts of the UK, it is a country of two living languages with English being spoken universally and over one fifth of the population speaking Welsh. In many rural areas the proportion of Welsh speakers is much higher and recent years have seen concentrated efforts towards revitalising the Welsh language, through education, the media and its greater use in commerce and public administration circles. In some overseas markets, awareness levels of Wales are low. Wales lacks a clear identity and

Given that its culture is one of the main factors which distinguishes Wales from other countries, the potential for using culture to help 'brand' Wales is significant. The arts can be used as symbols of innovation, creativity and energy which connect with the concept of Wales as a forward looking country.

The Arts Council of Wales

even within the UK, perceptions of Wales can be stereotyped and out of date. Research indicates, for example, that the Welsh language is a positive asset for many overseas markets but in the UK it is often regarded in negative terms. The Welsh language is intrinsic to many of its cultural traditions and events which need to be promoted and made more accessible to non Welsh speaking audiences if levels of awareness and appreciation are to be improved.

In tourism terms, Welsh culture has often been defined too narrowly in the past and expressed by reference to castles, costumes and coracles. There have been missed opportunities to use culture as a creative force in Welsh tourism and to promote the cultural diversity of Wales as its main attraction.

Increasingly in recent years Wales has developed a growing reputation for the arts, particularly in the field of music where the Welsh National Opera, male voice choirs and

Welsh rock bands enjoy international reputations as do annual events such as the Hay Literature and Brecon Jazz Festivals. The Rugby World Cup also significantly raised the international sporting profile of Wales.

There is an opportunity to develop much stronger links between tourism and the cultural sectors through the successful implementation of collaborative ventures. To date, however, there has been no detailed consideration of how arts, sport and tourism might be better co-ordinated to provide mutual benefits for each other.

Future Challenge

The National Assembly for Wales will seek to build a stronger and more distinctive national identity for Wales. This process will inevitably involve a re-evaluation of contemporary Welsh culture and a better understanding of those aspects which makes Wales distinctively different - arts, crafts and literature, language, traditions, beliefs and values. Tourism has a major role to play in developing a dynamic, attractive identity for Wales through the active promotion of its rich cultural diversity which in turn would provide mutual benefit to support cultural regeneration in all parts of Wales.

Culture and heritage are likely to assume increasing importance as reasons for choosing a holiday destination, particularly among certain growth markets such as affluent middle aged couples, affluent early retirees and some overseas markets. If Wales is to compete effectively for these growth markets, there is a need to raise awareness of the cultural product which Wales can offer the visitor. The challenge facing the tourism industry is to present Wales as a dynamic modern country, while also promoting and providing easy access to all

aspects of cultural life in Wales including the traditional, contemporary and emerging forms of cultural expression. The preparation of a cultural tourism strategy for Wales which seeks to optimise the tourism potential of Welsh arts and culture is needed to improve co-ordination between the public, private and voluntary sectors and ensure that mutual benefits are fully realised.

Action Needed

The preparation of a cultural tourism strategy for Wales will require a partnership approach, involving a shared commitment by a range of organisations including WTB, Arts Council of Wales, National Museum and Galleries of Wales, Cadw: Welsh Historic Monuments, Councils of Museums in Wales, Welsh National Opera, media organisations and local authorities. The strategy will need to review the existing and emerging cultural product in Wales and assess its potential significance as a stimulant of tourism demand. A co-ordinated marketing plan which seeks to pool resources to gain added promotional value for Wales would be a required output of the strategy which should also seek to identify investment needs and opportunities for using Welsh culture in a positive way to extend the tourism season. There is also good potential to use the media of films and television in a much more imaginative way to portray the positive charms of Wales. The strategy should consider how the media could be used as an active tool to change negative and stereotyped attitudes to Wales. The heritage and cultural product in Wales is a distinctive tourism strength but there is scope to present it in a more imaginative manner to improve visitor awareness, understanding and interest.

• Action Point 45

Establish an industry working party to be responsible for the preparation and implementation of a cultural tourism action plan for Wales.

Co-ordinating responsibility: WTB

• Action Point 46

Extend participation in the “Welcome to the Arts” customer care initiative which seeks to extend access to Welsh culture and heritage and improve the quality of the visitor experience.

Co-ordinating responsibility: WTB

Performance Measures

- Increasing awareness of and access to Welsh culture and heritage;
- Improving perceptions of Wales as a distinctive and different holiday destination.

14.4 Tourism for All

Current Position

In any year, a significant proportion of the UK population does not take a holiday of longer than three days for a variety of different reasons including personal choice, disability, health and cost. There would be mutual benefits for the industry and for the individual if this relatively high proportion of non-holiday takers was reduced. It would certainly be in the interests of the tourist industry to seek to meet the needs of such a large untapped market through facility improvements and more targeted marketing campaigns. There are an estimated six

million people with disabilities in the UK, many of whom are currently unable or disinclined to take a holiday. WTB's "Accessible Wales" guide provides essential information for people with disabilities who are seeking to holiday in Wales. They represent an important market opportunity as do many other sectors of society who, owing to constraints on disposable income, leisure time availability and personal mobility, are unable to enjoy a regular holiday away from home. The UK population is ageing and this will have further implications for the industry. Adequate provision will need to be made for the particular needs of older visitors, a growth market in the UK. With the progressive implementation of the Disability Discrimination Act 1995, the tourism industry in Wales is being required to make adequate provision to meet the needs of disabled visitors to provide equality of access and employment opportunity. It is right that they should do so and it is also appropriate for the industry to make equal provision for the more disadvantaged groups in society.

Future Challenge

Visitors with disabilities represent a large potential target market and their significance is extended still further when friends and relatives are included. Improving access and service levels for disabled people brings added benefits by improving accessibility and general standards of service for all potential visitors. The industry must be willing, therefore, to invest in new facility provision to ensure that the special needs of the disabled visitor are satisfied. There is also a need to ensure that equal opportunities are provided to enable all to find employment in the tourist industry regardless of gender, age, race or physical ability. This will be an

important challenge for the industry to overcome and is particularly relevant given the expectation that staff recruitment will become increasingly uncertain.

The industry must seek to improve opportunities for the more disadvantaged in society to holiday in Wales through product innovation, targeted marketing campaigns and competitive pricing. All sectors of the community should be given more widespread opportunities to experience the social, cultural and recreational benefits associated with holiday taking.

Action Needed

People with disabilities, low income groups and other sectors of society who find it difficult to take holidays such as the elderly, single parent families and carers, represent an important business opportunity for the tourist industry in Wales. It will be important to understand the motivations and requirements of these potential growth markets and to give priority to encouraging investment in the necessary facilities and skills to match their particular needs and expectations. The tourist industry should be encouraged through appropriate support and advice to provide employment opportunities for all sectors of the community.

• Action Point 47

Undertake research among those sectors who do not currently holiday to understand the major barriers to holiday taking, their holiday needs and motivations and to identify effective marketing approaches for the industry.

Co-ordinating responsibility: WTB

• Action Point 48

Encourage the tourism industry to adopt flexible and innovative approaches to staff recruitment and training which provide equal employment opportunities for all sectors of society .

Co-ordinating responsibility: WTB

• Action Point 49

Encourage the tourism industry to comply with statutory requirements to ensure adequate facility provision is made for people with special needs .

Co-ordinating responsibility: WTB

Performance Measures

- Increasing levels of satisfaction from disabled visitors to Wales;
- Increasing proportion of disabled people and other disadvantaged groups in tourism related employment;
- Increasing proportion of full time and managerial women workers in tourism related employment.

5

Strategic Action Plan



15.0 Strategic Action Plan

- 15.1 The strategic action plan seeks to identify the most effective response to the main strategic issues which will effect the tourism industry in Wales during the period up to 2010. In total, 49 separate action points or tasks are defined to meet the four key objectives and to ensure that the strategic vision for tourism in Wales is realised.
- 15.2 Implementation of the action plan will require a long term commitment by the industry and all those with an interest in tourism promotion and development. Co-ordination is crucial to success and the action plan suggests who is best placed to co-ordinate the implementation of each of these action points. Many public sector organisations will be involved in the implementation of this strategy. The involvement of the private sector will also be crucial. The strategy provides a framework to guide co-ordinated action and it seeks to inspire all those involved in tourism to collaborate effectively and to manage change during a period of major economic and social transition in Wales.
- 15.3 Provisional timescales have been included to provide some impetus to progress. It is important to acknowledge, however, that the delivery of the strategic action plan will be heavily dependent on resource availability. It will need to be given adequate priority in terms of resource provision by each of the organisations involved in its implementation. If adequate funding is not made available, the action plan will not be implemented to time or quality and strategic growth targets are unlikely to be met.
- 15.4 The preparation of action programmes which cover shorter, more accountable periods will provide an opportunity to consider more closely the costs associated with implementation and form the impetus needed for partnership formation.
- 15.5 The strategic action plan also suggests a range of possible performance measures for each of the strategic issues identified. These indicative performance measures, which will need to be worked up in more detail, will form the basis for regular monitoring and evaluation.
- 15.6 WTB is identified as the co-ordinator for many of the action points within the strategy. This does not mean that WTB will be singularly responsible for their implementation. WTB does not have the resources or the desire to work in isolation and acknowledges the importance of achieving the stated ends of the strategy through teamwork. The implementation of the strategic action plan will require effective long term partnership working. Although the nature and composition of partnership structures will vary there is a need, for reasons of accountability, to assign primary responsibility for partnership co-ordination to specific groups or organisations so that early progress can be achieved.

OBJECTIVE 1

To market Wales more effectively as an attractive all year round tourism destination

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Developing the Brand for Wales	1. Encourage all levels of the industry to adopt a more consistent approach to the marketing of Wales by promoting the use of common messages and images which consistently reinforce the tourism brand of Wales.	WTB	Ongoing	<ul style="list-style-type: none"> ■ Improving perceptions of Wales as an attractive tourism destination ■ Increasing awareness of Wales in target UK and overseas markets ■ Branding of Wales to be considered relevant and credible.
	2. Regularly monitor and evolve the tourism brand for Wales in line with changing consumer opinions and perceptions.	WTB	Ongoing	
	3. Ensure consistency between the evolving tourism brand for Wales and the overall brand image for Wales.	Tourism brand - WTB National brand - Branding Wales Group	Ongoing	
	4. Undertake integrated marketing campaigns in key UK/Overseas markets to increase awareness of the Wales tourism brand	WTB	Ongoing	
Segmenting the Market	5. Promote a better understanding of the value of adopting a more professional approach to market segmentation and relationship marketing within the industry through training and advice.	RTC's	3 years	<ul style="list-style-type: none"> ■ Increasing return on marketing spend ■ Increasing proportion of repeat and new visitors to Wales
	6. Continuously monitor and review the priority target market segments for Wales, understand their needs and motivations, stimulate investment in new and existing products and prepare integrated marketing strategies to improve co-ordination in the industry.	WTB	Ongoing	
	7. Identify and prioritise market segments in the UK/Overseas and focus resources on those segments which offer most sustainable growth potential	WTB	Ongoing	
A Partnership Approach to Marketing	8. Develop an integrated tourism marketing strategy for Wales which co-ordinates destination and product marketing activities and identifies effective opportunities for public and private sector working partnerships.	WTB	3 years	<ul style="list-style-type: none"> ■ Increasing return on marketing spend ■ Increasing resources available for marketing Wales

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Extending the Tourism Season	9. Encourage the development of marketing partnerships between local or similar types of tourism businesses.	RTC's	3 years	<ul style="list-style-type: none"> ■ Increasing proportion of tourism volume and value to be accommodated in the shoulder months October - March ■ Lengthening operating season for accommodation and attraction operators ■ Increasing value of business (meetings, incentives, conferences and exhibitions) traffic to all parts of Wales
	10. Encourage individual operators and marketing partnerships to adopt innovative techniques to achieve greater marketing impact.	Local Authorities	Ongoing	
	11. Increase the emphasis given in UK marketing strategies to national campaigns promoting non-peak season short/additional holidays.	WTB	3 years	
	12. Encourage accommodation and attraction businesses and essential infrastructure facilities to open for a longer season and examine ways to create demand in off season periods through innovative schemes such as joint ticketing and packaging the product.	RTCs	Ongoing	
	13. Establish an industry working party to prepare a national events/festivals strategy for Wales to ensure a wider distribution of activity throughout the year and examine opportunities for developing packages linking events with accommodation and transport provision.	WTB	3 years	
Understanding our Customers	14. Increase the emphasis in national marketing strategies on business and conference tourism and establish an industry working party to examine ways for more co-ordinated marketing including consideration of the need for a Wales Convention Bureau.	Local Authorities	3 years	
	15. Provide the industry with more useful market intelligence through improved interpretation and dissemination of information using the Internet and other communications systems	WTB	3 years	<ul style="list-style-type: none"> ■ Increasing proportion of tourism businesses undertaking consumer research ■ Increasing levels of visitor satisfaction ■ Increasing return on marketing spend
	16. Prepare a joint research strategy for the industry which determines research needs and information priorities, identifies responsibility for collaborative research activities and recommends improved approaches for sharing information within the industry.	WTB	3 years	

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Understanding the Competition	17. Encourage the industry through training and guidance to research their existing and prospective customers to better understand their needs, preferences, expectations and opinions.	WTB	3 years	<ul style="list-style-type: none"> ■ Improving share of target markets in UK/Overseas ■ Increasing resources for marketing and developing tourism in Wales
	18. Establish a regular visitor satisfaction survey to monitor attitudes and opinions towards, inter alia, standards of service, quality of facilities and value for money.	WTB	3 years	
	19. Establish an industry working party to determine a realistic action programme for monitoring competitor activity and to agree measures for improved communication within the industry.	WTB	3 years	
	20. Produce regular intelligence reports on competitor strategies and activities to be disseminated to the tourism industry in Wales and to be forwarded to the National Assembly for Wales.	WTB	3 years	
Enhancing the role of Information Provision	21. Introduce a single point of contact for all initial enquiries about Wales to reinforce the tourism brand and to improve the consistency and quality of information.	WTB	3 years	<ul style="list-style-type: none"> ■ Increasing conversion rate of enquiries to actual bookings ■ Tourist information network to generate increasing visitor spend in Wales
	22. Review the existing information infrastructure to ensure that the national provision of information is adequately resourced and matches the evolving needs of potential and actual visitors.	TIC Charter Working Group	3 years	
	23. Develop a customer focussed TIC network which is equipped with the new integrated technology necessary to support efficient information exchange and which has the capability of providing an inter-active reservations/bookings service.	TIC Charter Working Group	Ongoing	
Realising the Potential of Information and Communication Technology (ICT)	24. Establish an industry working group to prepare an integrated strategy designed to optimise the use made of the Internet and other new technologies for information provision, marketing Wales and providing an on-line bookings service.	WTB	Working Group - 1 year Implementation 3-5 years	<ul style="list-style-type: none"> ■ Increasing conversion rate of enquiries to actual bookings ■ Increasing awareness levels of Wales as an attractive tourism destination ■ Increasing return on marketing spend

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
	25. Develop model guidelines on best practice for the establishment and management of destination management systems to ensure compatibility and networking within Wales.	WTB	3 years	

OBJECTIVE 2

To exceed the expectations of visitors to Wales by providing high standards and ensuring that investment in tourism is responsive to their changing needs

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Improving Quality and Competitiveness	26. In consultation with the industry introduce a statutory registration scheme for all accommodation sectors in Wales linked to minimum quality standards.	WTB	3 years	<ul style="list-style-type: none"> ■ Increasing numbers of quality graded accommodation establishments participating in WTB, local authority and RTC marketing activities ■ Reducing level of customer complaints about accommodation quality and standards
	27. Evolve WTB's existing quality grading schemes in consultation with the industry and in line with consumer needs in order to encourage a higher level of participation within the industry.	WTB	3 years	
A Strategic Approach to Investment in Tourism	28. Prepare and implement a corporate 10 year investment strategy for tourism which co-ordinates private and public sector funding, identifies development priorities within an integrated strategic framework and establishes a programme for implementation.	WTB	Ongoing	<ul style="list-style-type: none"> ■ Increasing levels of public/private sector investment in tourism ■ Generation of full-time equivalent job opportunities ■ Extension of tourist season ■ Improving competitiveness in the tourism industry

OBJECTIVE 3

To improve professionalism and innovation by raising the profile of the industry and by enhancing skills, training and motivation within the industry

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Recruiting and retaining quality staff	29. Support the objectives of Springboard Wales, ETAG and the New Deal by: - encouraging improved industry links with schools/colleges to generate opportunities for work experience; - encouraging partnership training initiatives to improve essential skill levels; - disseminating advice on career and recruitment schemes to the industry and to schools/colleges.	Tourism Training Forum for Wales	Ongoing	<ul style="list-style-type: none"> ■ Reducing skills shortages in the industry ■ Increasing proportion of full time job opportunities
	30. Monitor skills shortages and recruitment problems and develop effective liaison between the industry and schools/colleges to ensure that school leavers are able to provide the skills needed by the tourism industry.	Tourism Training Forum for Wales	Ongoing	
Improving Skills in the Industry	31. Develop a more co-ordinated delivery of business support and training to the industry, particularly SMEs, which is flexible and focussed on improving competitiveness through the adoption of more effective business practices.	Tourism Training Forum for Wales	3 years	<ul style="list-style-type: none"> ■ Improving profitability in the industry ■ Reducing skills shortages
	32. Monitor and identify skills gaps in the industry and ensure that training provision is co-ordinated effectively to overcome skills deficiencies.	Tourism Training Forum for Wales	Ongoing	
	33. Encourage the setting up of local tourism and hospitality business forums which facilitate the exchange of good business practice information to enhance competitiveness.	Local Authorities	3 years	

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Raising the Status and Profile of Tourism	34. Develop a co-ordinated communications strategy for the tourism industry which seeks to disseminate relevant information regularly to the media and to key decision makers to improve the status and profile of the industry.	WTB	3 years	<ul style="list-style-type: none"> ■ Increasing acceptance of tourism's important contribution to the economic, social and environmental well being of Wales ■ Increasing funding for tourism development, marketing and management activities ■ Implementation of strategic action plan
	35. Establish an executive board of the National Tourism Forum to monitor and review progress in implementing the strategic action plan.	National Assembly for Wales	Ongoing	

OBJECTIVE 4

To embrace a sustainable approach to tourism development which benefits society, involves local communities and enhances Wales' unique environmental and cultural assets

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Enhancing the Environment	36. Raise awareness of the business benefits which can be associated with the adoption of environmentally sensitive business practices through a co-ordinated publicity and advisory campaign.	WTB	Ongoing	<ul style="list-style-type: none"> ■ Increasing awareness by tourism businesses in Wales of the importance of the environment and wider adoption of environmentally sensitive approaches in the industry ■ Increasing number of Blue Flag and Green Coast Award beaches ■ Increasing awareness of Wales as an environmentally friendly tourism destination
	37. Ensure that businesses in receipt of WTB grant support are held accountable for compliance with approved environmental sustainability criteria recommended by the Wales Environment Centre.	WTB	3 years	
	38. Build on the success of the Green Sea Partnership by promoting and developing the Green Coast Award to all eligible parts of Wales.	Green Sea Partnership	Ongoing	

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
Enhancing the Community Benefits of Tourism	39. Examine opportunities to adapt the Green Sea Partnership Model for other initiatives which seek to manage the impact of tourism on the environment.	WTB	3 years	<ul style="list-style-type: none"> ■ Increasing proportion of tourism income remaining in the local economy ■ Increasing understanding and appreciation of the positive benefits of tourism by local communities ■ Increasing number of indigenous tourism business start-ups
	40. Encourage visitors to Wales to consider using alternatives to the car by improving access to public transport information and persuading transport operators to take account of the needs of these visitors.	WTB	3 years	
	41. Introduce a pilot "paying for conservation" scheme which seeks, through voluntary means, to generate funds from visitors to support essential environmental maintenance projects.	CCW	Ongoing	
	42. Encourage the development of community tourism partnerships and integrated action plans which seek to balance the needs of residents and tourists through careful quality control, management and planning.	Local Authorities	Pilot - 3 years Full scheme - 5 years	
	43. Encourage tourism businesses to source a greater proportion of goods and services from local suppliers, to employ local people and to deliver a distinctive Welsh experience for visitors.	WDA/Taste of Wales,	Ongoing	
Supporting the Culture and Language of Wales	44. Develop improved advice, guidance and support to stimulate indigenous business start ups in tourism.	Business Connect	3 years	<ul style="list-style-type: none"> ■ Increasing awareness of and access to Welsh culture and heritage ■ Improving perceptions of Wales as a distinctive and different holiday destination
	45. Establish an industry working party to be responsible for the preparation and implementation of a cultural tourism action plan for Wales.	WTB	3 years	
	46. Extend participation in the "Welcome to the Arts" customer care initiative which seeks to extend access to Welsh culture and heritage and improve the quality of the visitor experience	WTB	Ongoing	

Strategic Issue	Action Required	Co-ordination	Timescale	Performance Measures
<p>Tourism for All</p>	<p>47. Undertake research among those sectors who do not currently holiday to understand the major barriers to holiday taking, their holiday needs and motivations and to identify effecting marketing approaches for the industry.</p>	<p>WTB</p>	<p>3 years</p>	<ul style="list-style-type: none"> ■ Increasing levels of satisfaction from disabled visitors to Wales
	<p>48. Encourage the tourism industry to adopt flexible and innovative approaches to staff recruitment and training which provide equal employment opportunities for all sectors of society.</p>	<p>WTB</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> ■ Increasing proportion of disabled people and other disadvantaged groups in tourism related employment
	<p>49. Encourage the tourism industry to ensure adequate facility provision is made for people with special needs.</p>	<p>WTB</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> ■ Increasing proportion of full-time and managerial women workers in tourism related employment

6

Implementation, Monitoring and Strategic Targets



16.0 Implementation, Monitoring and Strategic Targets

Implementation

16.1 The vision for the future of tourism in Wales which sits at the heart of this new national tourism strategy for Wales is to create by 2010:

A mature, confident and prosperous industry which is making a vital and increasing contribution to the economic, social, cultural and environmental well-being of Wales by achieving sustainable growth through effective co-ordination and collaboration at all levels in the industry.

16.2 This strategy seeks to identify the most effective response to the many challenges which need to be confronted by the industry for this vision to be fulfilled. The success of the strategy will, in no small measure, be determined by the industry's ability to collaborate and co-operate through effective partnership working to ensure that the action plan is implemented to agreed timescales.

16.3 The lengthy and widespread consultation exercise which preceded the preparation of this strategy was crucial to promoting understanding and ownership within the industry. Implementation of the action plan, however, will have major resource implications in terms of time, manpower and funding. Timescales and

strategic targets have been defined on the assumption that adequate resources will be available to allocate to each of the 49 strategic priorities contained in the action plan. Such an assumption cannot be guaranteed at this stage. Those bodies who will be involved in implementing parts of the action plan will need to consider whether their participation can be justified in the context of competing priorities. Endorsement of this strategy by the National Assembly for Wales will demonstrate that it is clearly committed to ensuring that the action plan is implemented to recommend timescales. Such a commitment will need to be reflected in future resource provision.

Monitoring

16.4 During the course of the strategy it is likely that priorities and targets will need to be revised in line with political, environmental, economic or social influences. This strategy has identified many diverse factors which are likely to exert powerful influences on tourism performance in Wales. There will also be other influences less predictable at this stage but no less influential. It will be important, therefore, to monitor progress carefully and regularly over the course of the strategy so that strategic priorities, performance measures and long term targets can be evaluated in the light of economic and tourism trends which may be prevailing in the future. This strategy is recommending that the National Assembly for Wales establishes an executive board of the national

Tourism Forum to monitor and review progress in implementing the strategic action plan.

Strategic Targets 2010

- 16.5 Wales' dependence on tourism is scarcely matched elsewhere in Europe. Tourism, including the income generated from day trips, accounts for 7% of GDP in Wales and is more important to the Welsh economy than to the economies of England, Scotland or N. Ireland. Tourism makes a particularly important contribution to rural areas in Wales which have found it difficult to attract a more diversified economy. Almost 70,000 jobs are supported directly by tourism, equivalent to 7% of the workforce, and recent independent research estimates that tourism spending supports directly, indirectly or through induced effects a total of 100,000 full time equivalent jobs in the Welsh economy.
- 16.6 Implementation of the strategic action plan through effective partnership working will ensure that tourism is better placed to contribute even more to the economic and social well-being of Wales.
- 16.7 In order to give impetus and direction to the four strategic objectives which support the vision, it is important to identify realistic though challenging targets for tourism in Wales which the industry could achieve by 2010. In setting these targets for the industry the strategy fully recognises that growth should be achieved through sustainable means, respecting the natural and cultural environment and the needs of local communities.
- 16.8 Forecasts for tourism performance in the UK covering the extended period up to 2010 are not available from published sources. BTA provide forecasts for the medium term period and these are revised regularly. For the purposes of this strategy, the BTA forecasts have been assumed to be a reasonable estimate for future UK tourism performance and these have been applied up to 2010.
- 16.9 Predicting future tourism performance in Wales is not straightforward. There will be many external and unpredictable influences which the industry will have little ability to control. The strategic targets outlined in Tables 5 and 6 are shown as high and low estimates. In each case the low estimate is based on BTA forecasts of average annual increases predicted for the UK overall and assumes that Wales will match this growth.
- 16.10 The high estimate indicates what could be achievable given additional resources being made available to ensure the full implementation of the strategic action plan. As an indicative estimate it is suggested that up to an additional £1bn., derived from a range of public sector, EU and private sector sources (Appendix 2) will be needed to implement the action plan to timescale and quality. More precise costings will be calculated in line with the preparation of more detailed action programmes, which will be defined for shorter, more accountable periods.

16.11 Domestic (UK) Tourism

Trips

The strategy sets a target of an average annual rate of growth of 2.5% as a low estimate of the number of tourism trips taken by the British in Wales. Given adequate resources and commitment to the achievement of the strategic action plan, the high estimate assumes an average annual rate of growth of 3.0%, which would improve Wales' market share from 8.0% to 8.4% by 2010.

In line with BTA forecasts, holiday trips are forecast to increase at a slightly higher rate. A low estimate of an average annual rate of growth of 3.0% will maintain Wales' market share. A high estimate of 3.5% annual average growth will increase market share from the present 10.4% to 11.0% by 2010. It is expected that all of the growth will occur in short (1-3 night) trips.

Spend

BTA forecast that domestic tourism revenue will increase at an annual rate of growth of 6.0%, expressed in current prices. Wales' low estimate is based on this growth forecast. The high estimate is based on forecast growth of 6.5% p.a. which will improve Wales' market share from 7.8% to 8.3% by 2010.

Holiday spend in the UK by the British is forecast to experience an average annual growth of 6.5%. A high estimate of 7.0% growth p.a. will increase Wales' market share from 9.3% to 9.8% by 2010.

Table 5: Domestic (UK) Tourism Targets

TRIPS	1998 mn	UK Share %		2010 mn	UK share %	Average Increase per annum %	Absolute Increase %
All Tourism Trips	9.8	8.0	High Low	13.9 13.2	8.4 8.0	3.0 2.5	41 35
Holiday Trips	6.8	10.4	High Low	10.3 9.7	11.0 10.4	3.5 3.0	62 53
SPEND	£mn	%		£mn	%	%	%
All Tourism Spend	1100	7.8	High Low	2342 2213	8.3 7.8	6.5 6.0	113 101
Holiday Spend	910	9.3	High Low	2049 1937	9.8 9.3	7.0 6.5	125 113

Seasonality

Currently only 25% of domestic holiday trips and 17% of domestic holiday spend in Wales takes place during the six month shoulder period October to March. It will be important to extend the tourism season during the course of this strategy. An attainable target should be to seek an increase in the proportion of holiday trips taken in Wales during the shoulder period to 30% and to increase the proportion of holiday spend which occurs in the shoulder period to 25%.

16.12 Overseas Tourism

Visits

BTA forecasts estimate that visits to the UK will grow by an annual average rate of 3.2%. A high forecast of 4.0% growth p.a. would increase Wales' market share from the present 3.0% to 3.4% of all overseas visits to the UK.

Spend

A 6.3% annual average growth rate is forecast by the BTA for spending by overseas visitors to the UK, expressed in current prices. A high estimate has been calculated on the basis of a 7.0% annual average rate of growth and, if attained, would increase Wales' market share from 1.4% to 1.5% by 2010.

Table 6 : Overseas Tourism Targets

VISITS	1998		2010		Average Increase per annum %	Absolute Increase %
	mn	UK Share %	mn	UK share %		
	0.79	3.0	1.26	3.4	4.0	59
		High Low	1.15	3.0	3.2	45
SPEND	Emn		Emn		%	%
		%		%		
	176	1.4	396	1.5	7.0	125
		High Low	366	1.4	6.3	108

16.13 Employment in Tourism

Over the last three decades, the decline of many traditional industries has seen the Welsh economy shift progressively towards the service sector which has become the main provider of new jobs. By 1995 the service sector accounted for 70% (75% at UK level) of all employment in Wales. In this context, the tourism industry has a crucial role to play, offering real and long term growth potential.

Employment in tourism, however, is difficult to measure. It is not enumerated adequately in official statistics and tourism is not a discrete activity which can be defined in terms of goods and services produced. Jobs in tourism, for example, serve not only tourists but other markets, such as local residents. Tourism has a significant "multiplier" impact on supply industries and official figures do not include self-employed people, an important element in tourism.

"Tourism 2000", the previous national tourism strategy for Wales, set a target for 10,000 new jobs (direct and indirect) to be created in the industry by the year 2000. Independent research confirmed that in 1996 tourism spend in Wales was estimated to support 100,000 full-time equivalent jobs directly and indirectly in the Welsh economy, equivalent to one in every nine jobs in the workforce. This strategy believes that, given additional funding, it is attainable for the industry to support up to a further 22,000 jobs (full-time and part time) by the year 2010.

16.14 Gross Domestic Product

Revenue generated from tourism, including overnight and day visits, totalled £2.0 billion in 1998 which was equivalent to approximately 7.0% of G.D.P. The Welsh Office publication, *Pathway to Prosperity: a new economic agenda for Wales* recognises that GDP in Wales is too low, just 83% of the UK average. It acknowledges the fundamental need to increase GDP per capita in Wales and to close the gap with UK and EU averages. It also accepts that the existing regional disparity in GDP per capita in Wales must be reduced. In this context, tourism has a potentially important role to play. In relative terms, the contribution of tourism to some regional economies of Wales is even greater, well in excess of 10% of GDP. Wales will need to grow its GDP faster than the UK overall if it is to close the gap with the UK average. Tourism in Wales will also need to grow faster than the UK average if it is to contribute a higher proportion to Welsh GDP. Given adequate resources for marketing and developing tourism in Wales, this strategy suggests that tourism could contribute up to 8% of GDP by 2010.

APPENDIX 1

Market Share Trends for Wales 1991 - 1998

Table 7: UK Tourism Spend - Market Share

	1991/93 %	1992/94 %	1994/96 %	1995/97 %	1996/98 %
Wales	8.3	7.9	8.0	8.0	7.9
Scotland	11.4	10.6	10.0	10.7	10.9
West Country	17.5	17.5	17.2	17.6	18.2
Lake District	3.0	2.9	3.0	2.9	2.7

Table 10: UK 4+ Night Holiday Spend - Market Share

	1991/93 %	1992/94 %	1994/96 %	1995/97 %	1996/98 %
Wales	10.4	9.9	10.5	10.4	10.0
Scotland	12.1	11.5	11.3	12.3	12.6
West Country	24.3	25.5	25.3	25.3	26.7
Lake District	3.5	3.7	3.8	3.5	3.2

Table 8: UK Holiday Spend - Market Share

	1991/93 %	1992/94 %	1994/96 %	1995/97 %	1996/98 %
Wales	9.7	9.5	9.8	9.7	9.5
Scotland	11.5	10.9	10.7	11.5	11.5
West Country	21.0	21.6	21.5	21.7	22.7
Lake District	3.5	3.6	3.8	3.7	3.5

Table 11: UK Business Spend - Market Share

	1991/93 %	1992/94 %	1994/96 %	1995/97 %	1996/98 %
Wales	4.1	4.1	4.3	3.8	3.3
Scotland	12.5	12.1	9.7	10.1	11.1
West Country	6.2	6.2	6.3	7.0	6.9
Lake District	1.7	1.6	1.1	1.0	0.8

Table 9: UK 1-3 Night Holiday Spend - Market Share

	1991/93 %	1992/94 %	1994/96 %	1995/97 %	1996/98 %
Wales	7.7	8.1	8.0	7.8	8.2
Scotland	9.7	9.3	9.3	9.6	9.2
West Country	10.7	11.4	12.3	12.7	13.2
Lake District	3.4	3.4	3.9	4.0	4.0

Table 12: Overseas Visitor Spend in UK - Market Share

	1991/93 %	1992/94 %	1994/96 %	1995/97 %	1996/98 %
Wales	1.8	1.8	1.8	1.8	1.7
Scotland	7.3	7.6	7.5	7.2	7.3
West Country	4.4	4.4	4.2	4.2	4.3
Lake District	0.5	0.6	0.5	0.5	0.5

Note: Figures are based on three-year rolling averages to reduce annual survey distortion.

APPENDIX 2

Strategic Action Plan - Funding Estimates 2000 - 2010

Strategic Objective	Public Sector ¹	EU ²	Private Sector	Total
	£mn	£mn	£mn	£mn
1. Marketing	105.0	72.0	35.0	212.0
2. Raising Standards	108.0	81.0	336.0	525.0
3. Professionalism/Innovation	130.0	68.0	15.0	213.0
4. Sustainability	28.0	22.0	57.0	107.0
TOTAL	371.0	243.0	443.0	1,057.0

¹ Includes Local Authority, WTB, WDA etc

² Includes Objective 1, 2, and 3, Rural and Community Programmes

