

Wales Tourist Board response to the Agriculture and Rural Development Committee review of rural information and communications technology

Background

Within rural Wales there is a great dependency upon tourism in support of agriculture and other related industries, e.g. crafts. The current level of dependency can be seen from the fact that in 1999 49% of tourism visits to Wales were to Rural Wales (Ceredigion, Carmarthenshire, Anglesey, Gwynedd, Pembrokeshire and Powys).

The UK is the main market for all Wales tourism providers and it is thus interesting to firstly look at how the population of the UK are responding to the increased availability of ICTs and the roles that it is being seen as being able to fulfill.

On the 13 August 2001 ZDNet reported that the number of regular Internet users within the UK had risen to 17.3 million – an incredible growth of 13 million from this time last year, figures that were backed up by 76% of the UK population now having Internet access, up from 67% in 2000. This high level of growth has been caused by the increase in the number of blue-collar workers online and by the number of women using the Internet.

Another study published by NetValue on the 23 August 2001 reported that there are now over 14 million home Internet users in the UK and that whilst almost 8% of home users are under 15, 5.2% are over 65 years of age. In addition to this, a VirginStudent survey published on the 13 July 2001 showed that only 1% of students in the UK do not use the Internet.

The increase in the use of the Internet within the UK provides a growing market place for travel sites, which continues to be one of the most dominant uses within the UK – Jupiter Communications reported on the 7 August 2001 that 30% of the 15.2 million online population in the UK use travel orientated sites, with usage being consistency high during June and July – indeed the WTB site attracted almost 5 million hits in June. The pattern of growth in travel sites is seen throughout the world, with NFO Worldgroup reporting substantial growth in both business and leisure travel usage in the USA.

What is also significant is that the growth in usage is being mirrored by growth in online purchasing which is projected by Forrester Research Inc to reach \$6.8 trillion by 2004 from both B2B and B2C commerce around the world. Indeed, Forrester's also predicts that the UK leisure travel market will account for £3.7 billion turnover in 2005 – a substantial increase on the £592 million spent in 2000. This sort of growth is backed up by the changing patterns of e commerce take up by the general public –

Datamonitor identified 5 types of European E Commerce Shopper in its report produced on the 27 June 2001 – Resistors and Agnostics are either non users of the internet or of e commerce type sites. Phantoms, browsers of products and services on line but purchases off line accounted for 27% of users; 8% are Moderates who do purchase online but tend to be low spenders, with then just 6% of users falling into the Internet Globe Trotters category. Whilst the Moderates and Internet Globe Trotters currently make up only 14% of users, they account for \$16.4 billion worth of online transactions each year, and in European terms tend to be Swedish, British and German, followed by French, Italians and Spanish.

The ICT Needs of Rural Tourism Businesses.

In looking at the present and the future needs of SMEs in the tourism sector in Rural Wales there are a number of ways in which the use of ICTs are an essential component, both now and in the very near future:

1. The enquiring and purchasing of holidays and travel are key growth areas for users of the Internet and other electronic resources such as iDTV. As such there is a need for tourism businesses to be able to utilise these electronic channels and to offer on line purchase as well as information – the WTB is creating a Destination Management System to create an e commerce environment for individual businesses and for Wales as a whole to benefit from. However, whilst this is one tool that can be used, there are numerous commercial web-marketing opportunities that can be utilised – in order to make full use of ICTs it is essential that the best possible level of connectivity be obtained across Rural Wales.
2. Rural businesses are often disadvantaged in terms of having access to the best-priced products and services in support of their business. E commerce and electronic communications provide opportunities for different approaches to product sourcing and purchasing being developed – e.g. electronic directories, joint purchasing for lower costs on standard items, specialist suppliers, etc.
3. The judicious use of ICTs provide new opportunities for increased professionalism within businesses, especially in accounting, customer retention and in data sourcing. To engage SME's in the use of ICTs means that schemes to make the purchasing of computers more cost effective need to be developed (e.g. joint telecoms and PC rental schemes), appropriate training must be available as and when needed (i.e. small bite sized pieces of learning) and support mechanisms are needed that are able to speak in appropriate language to the business and is available when the business needs it – the WTB's Business Support Scheme will provide support for businesses wishing to increase their use of ICT (in partnership with local and Business Connect services) and the newly formed Tourism Training Forum for Wales has recognised that the skilling of tourism businesses in the use of ICTs is a key component of its future work.
4. Whilst computers provide the key interface to ICTs at present, one of the biggest future developments is the interface and development of the Internet through the TV screen, i.e. iDTV. If Wales is to take advantage of the different channels that this will bring then it needs to be a position where the infrastructure is in place and the technology easily available to respond as opportunities arise.
5. Visitors now expect hotels and guest houses to have interconnectivity that they can use as and

when needed – and it has to be said that many establishments across Wales do not offer this sort of facility – often not even dedicated business and conference facilities. The WTB has been activity seeking to address this through the WTB Business Tourism Scheme (which provides up to 50% grant on capital works which can include the provision of IT access points as well as desks and telecoms) however, these systems can only work with the infrastructure that is already in place – and if that is slow then the service offered to the visitor is below their expectation.

6. New media is developing new routes to reach the customer – whether that be WAP and third generation phones, or else kiosks and on board routing systems – all of these hold opportunities for tourism businesses in rural parts of Wales, what is needed is the creativity and opportunity to take these developing media and create imaginative applications – ideally this needs pump priming investment.

Tourism and its related industries in many ways needs the same sort of ICT support and other SME's:

1. Top quality and speed infrastructure with low ISP and other costs
2. Easy ways of investing in Computers and other hardware, together with means to keep it up to date.
3. Flexible and appropriate training.
4. Support – for when things don't work.
5. Independent advice to make the most appropriate use of ICTs within their business.
6. Information on developing media and the means by which their potential can be harnessed.
7. Local schemes to share knowledge and benefit from the information and e commerce opportunities that can be obtained.
8. Effective tools supplied by government where commercial opportunities are inefficient.
9. Opportunities for innovation, where appropriate using ICTs.

Visitors to Wales also have key ICT needs to generate and support their visits to Wales:

1. Access to a wide range of tourism product and "selling" imagery through the Internet and other international communication channels.
2. As customers confidence increases in the area of on line purchasing, so the Wales tourism sector needs to be in position to take advantage of the new opportunities (in terms of distribution routes and partners) that are developing.
3. Once in Wales visitors expect to see computers used as part of the information service – Tourist Information Centre should be using PCs and international sources of information to assist the visitor.
4. With the preparation of electronic information on the tourism businesses of Wales, there are opportunities for further distribution – e.g. Digital TV service for visitors – providing ideas of what to do, etc.
5. For Wales to be at the forefront of the tourism industry in Europe, it needs to be easier to book Wales than anywhere else, the customer care and support needs to be second to none, and the aftercare needs to encourage repeat visits (use of CRM) – ICT has role to play in all of these areas and the importance of the tourism industry in Rural Wales means that it must be equally as

ready as every other part of Wales (and the UK) to take advantage of the new opportunities as and when they become available.