

## Enterprise and Business Committee

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Meeting Venue:

**Committee Room 3 – Senedd**

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Meeting date:

**18 June 2014**

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Meeting time:

**09.15**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



For further information please contact:

**Claire Morris**

Committee Clerk

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### Agenda

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**Pre-meeting in private (09:15 – 09:30)**

**Formal public meeting (09:30 – 12:00)**

**1 Introductions, apologies and substitutions**

**2 Inquiry into Tourism (session 3) (09:30 – 10:15) (Pages 1 – 31)**

Witnesses:

Adrian Greason-Walker, Director, Wales Tourism Alliance.

Chris Osborne, Chair, Wales Tourism Alliance

Attached Documents:

EBC(4)-16-14 (p1) Wales Tourism Alliance

**Break (10:15 – 10:25)**

**3 Inquiry into Tourism (session 4) (10:25 – 11:10) (Pages 32 – 37)**

Witnesses:

Iestyn Davies, Head of External Affairs, FSB Wales.

Mike Learmond, North Wales and Chester Development Manager, FSB Wales.

Geoff Cole, Member of FSB Wales, Gwynedd Branch Committee and Member of Harlech Tourism.

Attached Documents:

EBC(4)-16-14 (p2) Federation of Small Businesses Wales

**Break (11:10 – 11:15)**

**4 Inquiry into Tourism (session 5) (11:15 – 12:00) (Pages 38 – 46)**

Witness:

Patricia Yates, Strategy and Communications Director, Visit Britain

Attached Documents:

EBC(4)-16-14 (p3) Visit Britain

**De-brief in private (12:00 – 12:15)**

# Agenda Item 2

Document is Restricted

Enterprise and Business Committee  
Inquiry into Tourism

Evidence from Wales Tourism Alliance

**Consultation Response to the:  
Enterprise and Business Committee - Inquiry into Tourism  
May 2014**

**Wales Tourism Alliance**

Wales Tourism Alliance Limited  
77 Conwy Road,  
Colwyn Bay,  
LL29 7LN

Company No: 4449548

## **1. Industry Representation**

### **The Wales Tourism Alliance**

1.1 The Wales Tourism Alliance (WTA) is the recognised over-arching representative organisation for the tourism industry in Wales, liaising with and coordinating the views of all concerned and informing and working with Government at Westminster, Cardiff and at Local Authority levels.

1.2 The WTA also acts as an intermediary between Government and all involved in tourism, disseminating information to the industry via our member organisations and we work with colleagues in organisations in other parts of the UK.

1.3 The membership of the WTA includes sectoral, national, regional and local representative bodies comprising accommodation (hotels, guest houses, bed and breakfast establishments, holiday home parks, touring caravan and camping sites, hostels and self-catering cottages), attractions, activities, training and skills, tourism guides and transport.

1.4 The Wales Tourism Alliance is a pan-Wales umbrella group with 22 member organisations resting within its general membership. This amounts to around 7,000 working operators and means WTA contacts and representatives are now found in every part of Wales. In 2013/14 our members are:

British Home & Holiday Park Assoc  
British Hospitality Association  
Brecon Beacons Tourism  
The Camping & Caravanning Club  
The Caravan Club  
Cardiff & Co  
Federation of Small Businesses  
Farmstay UK  
Institute of Hospitality (Wales)  
Mid Wales Tourism  
National Caravan Council  
North Wales Tourism  
Pembrokeshire Tourism  
Small serviced sector Forum  
SE Wales Tourism Forum  
Snowdonia Active  
Tourism Swansea Bay  
Visit Wales  
Wales Official Tourist Guides  
Association  
Wales Activity Tourism Operators  
Wales Association of Self Catering  
Wales Association of Visitor Attractions

1.5 The WTA therefore works on behalf of operators ranging from major industry players from across the UK to the numerous micro-businesses that make up so much of the tourism industry.

1.6 To achieve this the Wales Tourism Alliance brings together the most powerful private and public sector partnership of tourism industry interests in Wales, including some of the biggest industry members in the United Kingdom who add their voice to ours in Westminster as well as in Cardiff. In that capacity the WTA remains committed to 'working together' with partners on an honest broker basis, only possible due to our trusted status and unique way in which we are supported. The tourism sector in Wales will not achieve its potential if Government, Local Authorities and the private sector are all working independently with a low level of communication and understanding of each other. The Wales Tourism Alliance provides the mechanism to make a reality of the partnership concept.

## **2. Our Response to the Inquiry**

**We note the inquiry focuses on three main areas:**

- **To assess progress made by the Welsh Government towards achieving its Programme for Government commitments relating to tourism, as well as the suitability of these aims;**
- **To assess the ambition and deliverability of the Welsh Government's aim to grow tourism earnings by 10 per cent by 2020, as well as progress made towards this aim;**
- **To assess the suitability and effectiveness of the structures and support the Welsh Government has in place for the tourism industry in Wales, and its future plans for regional support.**

**Point 1:** Firstly, it is extremely difficult to give an assessment as to the Welsh Government's progress in relation to the relatively new current strategy for the development of the Tourism Industry, 'Partnership for Growth. The Welsh Government Strategy for Tourism 2013-2029' has only been in operation for less than a year!

Secondly, there is a completely new team heading up Visit Wales, so it is only fair that they be given a chance to acclimatise, move beyond their own re-organisation and implement the new strategy.

The inquiry also assumes that there is sufficient 'intelligence' gathering from research sources that can be analysed to answer this question objectively. It also assumes that the research would need to be able to isolate factors affecting the progress of the industry that were or were not related to Welsh Government activity in order to arrive at a realistic evaluation of progress made. With the current programme of research this is simply not possible.

For example, in terms of domestic visitors we have seen an improvement in the fortunes of the industry for 2013/14 (from a relatively low base) on previous years. However the new strategy was launched last year so it is difficult to see how this has any bearing on growth in 13/14. Even if this were not the case it would be difficult to attribute that progress to any one party.

Whilst there is research in the form of the GB Tourism Survey the information and data gleaned only provides top level figures. Therefore the first observation must be that resources are allocated to ensure that there will be intelligence available that allows objective factual analysis to take place as to the WG progress in the future.

We note that the Committee “also want to know how effective Wales’s tourism ‘brand’ is, and... will be examining the performance of Visit Wales including its marketing of Welsh tourism in the UK and overseas”.

With regard to the Wales brand, Mike Ashton Associates was commissioned to undertake a brand evaluation exercise. We believe that the final report produced as a result of this ambitious two year commission by the Welsh Government will not be made publicly available in its entirety but that we will however see a briefing report shortly, but again it is too soon to be able to comment on this work.

We would expect the following to be developed:

- A refreshed brand (as opposed to the current one on the Visit Wales (VW) website), with detailed sub-brands for tourism businesses to engage with and which the audiences being targeted can identify.
- A way of addressing of the prime barrier ‘there is not enough to do in Wales’. We still struggle to identify icons as strong as our competitors.
- Specific reasons to come to Wales showing product that people can relate to which will encourage them to book and visit. There is a need to present a selection of reasons to come to Wales. This can only be done via engagement with the industry and their representatives.
- A way to back up our brand with experiences and a range of existing events or activities that reflect excellence. This could help to change perceptions and encourage visits.

A cohesive approach is needed. Again this has to be done in partnership with the industry and with a detailed knowledge of the structure of our micro-business dominated industry.

In relation to previous activity and in that regard Visit Britain’s (VB) responsibility, as this is a VB duty, we welcome the fact that Wales is going to have a seconded manager posted to London to work with the Visit Britain team ‘to be embedded at VB London offices with the aim of maximising the opportunities for Wales within VB work’. We are also pleased that VW will be

working with VB to define targets for joint working and on a joint marketing programme, again prioritising Germany and the US initially.

However, it is difficult to see how this situation can be rectified without large investment being made, particularly in the changing world of electronic marketing. In comparison to the private sector's marketing spend, public sector resources on a UK basis are limited.

**Content delivery:** What is clear is that up to date fresh content needs to be delivered efficiently and effectively to clearly identified targets. This can only be done with clear lines of communication established in a public-private partnership that works. More dialogue is required with the industry.

Mike Ashton Associates pointed to the fact that even our closest market perceives us to be 'a long way away'. Overseas visitors are even more likely to believe this and are less likely to venture away from London. Our **transport infrastructure** needs improving to the point where this is not seen as a barrier and there is a smooth transportation of visitors from or even away from London on a significant scale., We believe this is probably sometime down the road (or railway line) yet.

**The GREAT brand and campaign** currently dominates and although Wales has a presence and people who see the GREAT brand and promo are more likely to take trips in Britain, again London dominates. VB and partners are using the GREAT logo on all their campaigns.

**GREAT should be open source**, there are significant rules that partners need to follow to be able to engage, partly due to big sponsors (of which Wales possesses few). What is required is continuous messaging to sustain changes in perception pan Wales. This can only be done via engagement with our businesses large, SME or micro. Potential overseas visitors need to be given reasons to visit.

**Point 2: To assess the ambition and deliverability of the Welsh Government's aim to grow tourism earnings by 10 per cent by 2020, as well as progress made towards this aim.**

**We stand by our original response to the Strategy Consultation.**

- We agree with the Vision and Ambition - it is clear and unambiguous, with the recognition that the returning visitor is as important as finding the new one. The six Ps again are clear and can be easily supported (although we do wonder whether the adherence to the letter P maybe a little constraining)!
- We agree with the aspiration in the document that builds on teamwork, if it can take into account of the above whilst recognising that there will still be competition between suppliers.



- With regard to the target of 10% by 2020 or in real terms 28% by 2020, given the slightly improving economic conditions juxtaposed with the huge public and private debt burden this is probably in the right ball park, although we hope to see this target broken before the deadline!

**Point 3: To assess the suitability and effectiveness of the structures and support the Welsh Government has in place for the tourism industry in Wales, and its future plans for regional support.**

We are not sure why this question is being asked. The changes have been made; there is a new strategy; a new team and more recently it was announced that the Regional Tourism Partnerships are to be closed and replaced by regional teams. The major decisions have been made for this term of government and under the current Minister for Economy, Science and Transport. We have to question why this inquiry is being held now? At best it appears somewhat premature, at worst it is too late.

**3. Future involvement of the tourism industry in Wales in this process**

The WTA would like to be part of any future consultation/advisory process affecting policy. Please place us on your mailing list in future so that the potential impact on tourism can be properly evaluated.

***Adrian D. Greason-Walker***  
***Wales Tourism Alliance***

***May 2014***

# Agenda Item 3

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FSB Wales

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NAfW  
Enterprise &  
Business  
Committee  
Inquiry into  
Tourism

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11 June 2014

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## **Enterprise and Business Committee inquiry into Tourism FSB Wales**

### **Background**

FSB Wales welcomes the opportunity to present its views to the Enterprise and Business Committee's Inquiry into Tourism. FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees, FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

According to independent research carried out by Research By Design undertaken using a self-completion methodology (online only) in November and December 2013 hotels, catering and leisure accounted for 17% of FSB Wales membership. According to the same poll a further 14% are engaged in retail activity.<sup>1</sup>

### **Partnership for Growth**

FSB Wales supports the Wales Tourism Alliance's written submission to the Committee's Inquiry, in particular the timing of the inquiry which began less than a year after the launch of Welsh Government's Strategy for Tourism 2013-20 – 'Partnership for Growth' – on 17 June 2013.

Visit Wales has recently made two key senior appointments that, in our view, have not been in post long enough to judge their impact. Mari Stevens, Head of Marketing, and Jane Richardson, Head of Partnerships and Policy, both only took up posts at Visit Wales on 3 February 2014.<sup>2</sup> The announcement on 1 April 2014 that a regional team was being created at Visit Wales replacing the Regional Tourism Partnerships (whose funding ceases from September 2014) also makes it hard to assess the suitability and effectiveness of Welsh Government support, including regional support, for tourism.

There may have been a hiatus period within the relevant department that is now being addressed by the new appointments. More importantly FSB Wales believes that the coordination of regional and local tourism initiatives by a body based within the civil service is further evidence of a departmental bias towards centralisation rather than facilitation locally. Looking forward therefore we believe that it is best to focus on what is now being put in place and to ensure that regular reporting and monitoring of this vital service is maintained.

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<sup>1</sup> 'The FSB "Voice of Small Business" Member Survey" Annex and Key Findings'. 1 March 2014 Available at <http://www.fsb.org.uk/policy/assets/publications/wales-member-survey-2014-annex.pdf>

<sup>2</sup> 'New appointments to Visit Wales', 14 November 2013. Available at <http://visitwalesindustry.co.uk/t/FO5-1Z9WU-776Q1M4T78/cr.aspx> [accessed 2 June 2014].



### **Regional support, national focus**

While Visit Wales needs to ensure that Wales is visible and actively promoted as a tourist destination to a wide variety of potential visitors in both a domestic and international market, FSB Wales is also keen to see specific geographical areas of Wales promoted to appropriate markets. Local authorities and the support they can offer to tourism businesses will be vital here. The promotion of regional attractions fits better with regional activity more widely rather than being directed by a national government agency.

On a regional level, partnerships like the North Wales Economic Ambition Board, recognise the importance of tourism and have set up a specific work-stream to focus more strongly on tourism issues and partnerships in the area, including the development of Destination Management Partnerships and Plans. PR activity is also coordinated with stakeholders across the region in order to allow optimal impact.

FSB Wales would also like to see a better understanding of how the City Regions will interact with the development of tourism and their role in promoting tourism.

### **Reporting and accountability**

Wales Tourism Alliance will be better placed to comment on many of the specific issues relating to Wales' tourism 'brand', Visit Wales and its relationship to Visit Britain. FSB Wales is aware that Mike Ashton Associates were commissioned by the Welsh Government to undertake a brand evaluation exercise. FSB Wales looks forward to seeing the results of this, which might also be helpful to the work of the Committee. The Committee might like to consider reviewing this evaluation report in particular when it becomes available if it has not already decided to do so.

There does not appear to be an annual report for Visit Wales which again makes its impact and activities hard to assess. Similarly, it is difficult to ascertain how much funding Visit Wales is allocated from the Visit Wales or Welsh Government websites. Within the Economy, Science and Transport budget, there is a figure for 'Sectors' within a 'Sectors and Business' section (£36,264,000 revenue and £72,819,000 capital for 2014/15) but no indication of how much of this is allocated to individual sectors, including the tourism sector.<sup>3</sup>

It is also our belief that scrutiny of the budget for 'Major events' is also relevant but it is not possible to tell from the information currently how much of the spend available is allocated to tourism and how the major event spend for one-off or recurring set piece events is evaluated. This makes it difficult to assess whether the level of financial resources allocated

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<sup>3</sup> Welsh Government, Final Budget Main Expenditure Group Allocations, December 2013. Available at <http://wales.gov.uk/docs/caecd/publications/131203budget1415-meg-en.pdf> [accessed 2 June 2014].



to tourism (including those for promotion and supporting Welsh tourism businesses) is sufficient or if Welsh Government funded activities represent value for money.

### **Outcomes**

In mid-2012, research carried out on behalf of FSB Wales found that less than 15 per cent of tourism businesses identified themselves as belonging to a Welsh Government priority sector.<sup>4</sup> The same research indicated that around 46 per cent had experienced problems in accessing Welsh Government business support.<sup>5</sup> This suggests that more action is needed by the Welsh Government to increase awareness of the fact that tourism is a priority sector and make it easier to access Government support. These issues might be addressed by 'Partnership for Growth' but as yet, it is difficult to tell. More recently, an FSB Wales survey from late 2013 showed that a quarter of tourism businesses in Wales had used government-funded business support over the previous 12 months and of those, 68 per cent had found it helpful.<sup>6</sup>

In order to maximise the value of both the domestic and international tourism markets, ensuring those working in the area have the right skills is essential. Small businesses often do not have time to research what is on offer. A problem identified by businesses is that the majority of schemes are based in colleges and universities, making it difficult for small businesses in rural areas in particular to send staff on courses because of the distance and transport issues. The impact on a small business of having one or two people away on courses is greater than for larger companies. Often, on site or very local training is preferable. The timing of courses needs to take into account the seasonal needs of tourism businesses.

Tourism businesses need access to training in a variety of different types of skills. One FSB member business, a tea shop based in North Wales, commented that:

*'As a Tea Shop, we require very specific skills:*

*People skills - the ability to be polite, have smileability, have the knowledge to be able to deal with Joe Public*

*Technology – Facebook and twitter are used in addition to the normal IT as marketing tools.*

*Food preparation and Service*

*Presentation – both in terms of food and beverage service and also personal, how we look and how we relate to our customers.*

*Communication – Using the right language, both oral and body, make our customers feel comfortable in their surroundings.'*<sup>7</sup>

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<sup>4</sup> Dr Andrew Crawley *et al* (Cardiff Business School), *Small Businesses in Priority Sectors*, FSB Wales, 2013, page 12.

<sup>5</sup> *Ibid.*, page 18.

<sup>6</sup> Data from FSB Wales, 'Voice of Small Business' Member Survey: Key Findings – Wales 2014. Available on request.

<sup>7</sup> FSB Members, Geoff and Jan Cole, Cemlyn Tea Shop, Harlech.



This highlights the vast range of skills identified and required by just one business. Further engagement with tourism businesses on this issue would help to ensure training needs are identified and met, whether these are industry-specific or captured within 'employability skills' in the education system more widely.

### **Summary**

FSB Wales:

- Acknowledges that the new tourism strategy needs time to demonstrate impact but should be reviewed regularly
- Calls for greater visibility and accountability of Visit Wales and government support for tourism in the public domain
- Would like to see improved promotion of services available and for these to be made relevant to SME tourism businesses
- An ongoing review of the balance between national, regional and local promotion.

Prior to appearing before the Committee, FSB Wales will be visiting member businesses in the Pembrokeshire area to gather their most recent views and experiences.

**Contact:**

Federation of Small Businesses  
WALES OFFICE  
1 Cleeve House  
Lambourne Crescent  
Llanishen  
CARDIFF CF14 5GP

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**The Federation of Small Businesses**

The FSB is non-profit making and non-party political. The Federation of Small Businesses is the UK's **largest campaigning pressure group** promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has **200,000 members across 33 regions and 194 branches**.

**Lobbying**

Our lobbying arm - led by the Westminster Press and Parliamentary office - applies pressure on MPs, Government and Whitehall and puts the FSB viewpoint over to the media. The FSB also has Press and Parliamentary Offices in Glasgow, Cardiff and Belfast to lobby the devolved assemblies. Development Managers work alongside members in our regions to further FSB influence at a regional level.

**Member Benefits**

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business Organisation in the UK.

**Vision**

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

**Associate Companies**

We have two associated companies, FSB (Member Services) Limited (company number 02875304 and Data Protection Act registration number Z7356601) and NFSE Sales Limited (company number 01222258 and Data Protection Act registration number Z7315310).

# Agenda Item 4

Enterprise and Business Committee

Inquiry into Tourism

Evidence from Visit Britain

## National Assembly for Wales' Enterprise and Business Committee inquiry into tourism VisitBritain's response to Call for Evidence



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May 2014

### About VisitBritain

VisitBritain is Britain's strategic body for inbound tourism. A non-departmental public body, funded by the Department for Culture, Media and Sport, it is responsible for promoting Britain worldwide and developing its visitor economy.

VisitBritain plays a unique role promoting Britain around the world, supporting tourism growth and thereby economic growth. VisitBritain has been directed by Government to run a £100 million marketing programme, to inspire travellers to visit and explore Britain, across a four year period (2011/12-2014/15). This programme includes £50 million of partner funding (cash and in-kind). VisitBritain has a strong record of partnership working and locking in private sector funds to sell the destination. VisitBritain is also a key part of the GREAT Britain campaign, which brings together the Foreign & Commonwealth Office, UK Trade & Investment and the British Council to promote the UK as a GREAT place to visit, invest, trade and study. Together these campaigns aim to attract 4.6 million additional visitors, spending £2.6 billion across the UK, sustaining jobs and supporting economic growth, across a four-year period.

In 2013, VisitBritain announced an ambition to attract 40 million visitors a year by 2020 (an increase of 8 million on 2012). This would deliver £31.7 billion annual spend by overseas visitors (in real terms) and support an additional 200,000 additional jobs across the UK. VisitBritain has developed a clear strategy to work with partners to deliver on this ambition which was launched by the Secretary of State for Culture, Media and Sport in April 2013. Our strategy is supported by the Welsh Government.

In 2014/15 VisitBritain received £19 million Grant-in-Aid funding, which covers all our marketing activity and our running costs at our London headquarters as well as across 24 overseas offices in 22 overseas markets. This is supplemented by a separate budget of £17 million for GREAT campaign activity to promote Britain's image overseas. VisitBritain's marketing activity is focussed on attracting leisure visitors, and operates in 22 overseas markets which account for approximately three-quarters of inbound tourism spend.

In this response tourism refers to all inbound travel to Britain, whether for recreational, leisure or business purposes, encompassing people visiting Britain for a holiday, for business or to visit friends and family.

VisitBritain's response does not respond to every aspect of this inquiry's terms of reference, only the areas relating to VisitBritain's remit.

### Summary of VisitBritain's Response

1. International travellers in short haul markets are more likely to be aware of Wales than those in long haul markets. However, research suggests that overall awareness of Britain overseas is greater than that of Wales. For this reason VisitBritain has an important role in partnering with Visit Wales to promote Wales overseas.
2. VisitBritain and Visit Wales, the Welsh Government's tourism department, work closely on a range of areas including business planning and has governance structures and formal agreements in place to ensure that we work in



partnership. This includes a seat on our Board and a Memorandum of Understanding, signed by both of these organisations in January 2013, which aims to optimise promotional activity overseas and support growth of the visitor economy.

3. VisitBritain will – in the near future – have a member of Visit Wales’s marketing team work from our London office where they will represent Wales in internal meetings, attend VisitBritain’s international sales missions and events and bring enhanced knowledge of Wales’s product and industry.
4. Between 2012 and 2013 overseas spend and visits to Wales grew 3.5 and 2.5 per cent respectively. Holiday visits saw even greater growth. Over this period the number of holiday visits to Wales grew 13 per cent and spending on holiday visits increased 27 per cent, outperforming the rate of growth experienced by Britain’s other nations.
5. VisitBritain’s work to grow visits to Wales is integral to our work promoting Britain overseas and we deliver for Wales:
  - The majority of VisitBritain’s marketing and communications is now online and our digital presence and e-communication is the bedrock of our contact with potential travellers. At least 40 per cent of our ROI is derived from our consumer digital presence (visitbritain.com, database marketing, social media) and a further 40 per cent from our Business to Business (travel trade) work which is reliant on the excellent market intelligence and contacts of our members’ network. Our retail platform underpins a £16 million turnover business which generates business for suppliers across the country. These activities benefit Britain as a whole, including Wales.
  - Our greatest asset of value to Visit Wales and the Wales tourism industry is our international marketing expertise and delivery, achieved by means of our insights and contacts, through our overseas network across 22 markets. This enables extensive showcasing and selling of Wales through our ongoing activity (online, PR and the travel trade).
  - To provide an example of the impact of our digital activity, in 2012/13 users of VisitBritain.com were twice as likely to spend money in Wales than the average visitor and those visitors spent £16 million.
  - In the 2012/13 financial year our press and PR teams generated 1,491 articles and 79 press visits on Wales worth advertising equivalent (AVE) of just under £90 million.<sup>1</sup> To put this in context, VisitBritain’s target for 2012/13 was AVE of £400 million. To continue attracting a high level of PR we need support from the Welsh Government, particularly when hosting international media.
  - Our consumer marketing activity has two strands: the cross-governmental GREAT image campaign, which aims to build Britain’s image abroad as a GREAT place to visit, study, do business and invest and a four-year £100 million match-funded tactical campaign, which aims to encourage visits from those already considering a trip to Britain.
    - Evaluation of the cross-governmental GREAT image campaign in 2012/13 shows that Wales saw a three-fold increase in the number of nights spent in the destination among those influenced by the campaign, compared with those who had not been influenced by the campaign.<sup>2</sup>
    - Evaluation of our 2012/13 tactical partnership campaigns shows that those who travel to Britain as a result of our campaigns are almost twice as likely to visit Wales than the average visitor to Britain.
  - Through our commercial trade activity, Britain promotes Welsh products overseas successfully. Sales of Welsh products in our online shop grew 105 per cent between 2012 and 2013. B2B activities including our programme of international sales missions, travel agent training programme, trade website and trade workshops play a key role in selling the destination and Welsh product to international markets.
6. Through analysis of data and insights on VisitBritain highlights what overseas consumers want. According to our research coast, countryside, national parks and walking are enjoyed by international visitors to Wales, with visiting Welsh castles listed as a dream activity. We share these insights with Visit Wales and they inform our work.
7. We would welcome the chance to contribute to this inquiry further and would be happy to provide oral evidence.

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<sup>1</sup> Advertising Value Equivalent (AVE) is the cost of buying space taken up by a piece of coverage in print/online/broadcast, had it been garnered through an advertisement.

<sup>2</sup> These results are based on GREAT activity in Australia, Brazil, Canada, China, France, Germany, India, Japan, the USA.

## 1 The clarity and strength of Wales's tourism brand

- 1.1 International travellers in short-haul markets are more likely to be aware of Wales than those in long-haul markets. However, research suggests that overall awareness of Britain overseas is greater than that of Wales. For this reason VisitBritain has an important role in partnering with Visit Wales to promote Wales overseas.
- 1.2 Travellers from short haul markets are more likely to be aware of Wales than those from long-haul markets. Research undertaken in spring 2013 in four established visitor markets (France, Germany, Norway and the US) and research undertaken in late 2013-early 2014 in three emerging markets (Brazil, the GCC and India) highlighted this:<sup>3</sup>
  - People in short-haul markets were more aware of Wales. Norway and Germany had the most positive images of Wales, with positive images of scenery, culture and people. On the other hand, French travellers had limited knowledge of Wales and among those familiar with Wales, images of rugby and mining predominated.
  - Awareness among long-haul travellers was low. Although an established market, US travellers had very low awareness of Wales. Likewise travellers from long-haul markets had limited knowledge of Britain's offer outside London and therefore of Wales.<sup>4</sup>
- 1.3 Compared with Britain's other nations, Wales is the least known internationally. Besides London, awareness of Britain as a whole is the greatest. In 2006 people from 35 countries were asked how well they felt they knew Britain's nations and regions – providing a score of 1-7, with 1 = never heard of the region and 7 = know the region very well. Evidence from the VisitBritain's proprietary question on the GfK Nations Brand Index (2006) shows that awareness and knowledge of 'Britain' (4.65 out of 7) amongst potential overseas visitors is greater than that for 'England' (4.28) 'Scotland' (4.15) or 'Wales' (3.78).<sup>5</sup> At VisitBritain we promote Britain's brand overseas and, for this reason, VisitBritain has an important role in partnering with Visit Wales to promote Wales as a distinct and beautiful part of the country.

## 2 The extent of coordination between VisitBritain and Visit Wales, including the effectiveness of Welsh Government attempts to maximise the value of the international tourism market

- 2.1 VisitBritain and Visit Wales, the Welsh Government's tourism department, work closely on a range of areas including business planning and governance structures and formal agreements are in place to ensure that we work in partnership.
- 2.2 To encourage more visits to Wales, each year we outline how we will work with Visit Wales as part of our annual business planning cycle. Business planning with Visit Wales is ongoing for the 2014/15 financial year. This will see us agree how VisitBritain and Visit Wales will work together to promote Wales overseas, through agreement of marketing themes, marketing channels, resource allocations and activities across target markets. It also provides Visit Wales with an opportunity to highlight their plans for the year, which we feed into our work. We also share our final business plan with Visit Wales every year.
- 2.3 To support the business planning process and facilitate engagement, VisitBritain and Visit Wales work together through a number of governance groups which operate at levels ranging from senior to operational. They meet on a quarterly basis and comprise representatives from VisitBritain, Visit Wales and Britain's other national tourist boards. VisitBritain supplies a core service for these groups, which are wholly funded by VisitBritain.
- 2.4 These groups operate at three levels:
  - (i) CEOs – The Chief Executives (CEOs) of the national tourist boards and VisitBritain meet quarterly.

<sup>3</sup> VisitBritain commissioned research from Olive Insight for both studies.

<sup>4</sup> Ibid

<sup>5</sup> The Nations Brand Index is an annual study of the views of people in 20 countries around the world about 50 nations, including the UK. In this sample the majority of respondents had not visited Britain and this pattern of knowledge applies whether respondents had visited or not, however perceived knowledge of Britain's nations is higher among those who have visited.

- (ii) Britain Marketing Board (BMB) – The marketing directors of the national tourist boards and VisitBritain meet quarterly, along with other relevant stakeholders. The group’s terms of reference set out an agreement to share international marketing strategies and review progress on a quarterly basis; seek ways to minimise duplication of taxpayers’ money in pursuit of more visitors to Britain, whilst meeting individual objectives of the national tourist boards; look at marketing best practice; provide direction for the interboards, described below; identify areas that might benefit from a collective approach; and respond to any directives from the CEOs.
- (iii) Interboards – These groups discuss operational aspects of VisitBritain and the national tourist boards’ work. There are groups for planning, digital, press & PR, B2B and research and evaluation. The BMB provides direction to the functional interboards asking them to review and report on matters concerning all.

- 2.5 VisitBritain also has bilateral meetings with Visit Wales as and when required. Furthermore, the Welsh Assembly appoints one member of our Board: currently this is the Chair of the Wales Tourism Advisory Board.
- 2.6 In January 2014 VisitBritain and Visit Wales signed a Memorandum of Understanding (MoU) to optimise promotional activity overseas and support growth of the visitor economy. Both parties formally agreed to engage each other early in planning and actively seek opportunities to work together where this would deliver enhanced returns.
- 2.7 This MoU covers policy, operations and consumer and trade marketing. It enshrines joint commissioning of research, running joint familiarisation trips for international media and trade, joint marketing promotions on territory and working together with commercial partners. Notably, VisitBritain will – in the near future – have a member of Visit Wales’s marketing team work from our London office where they will represent Wales in internal meetings, attend VisitBritain’s international sales events and bring enhanced knowledge of Wales’s product and industry.
- 2.8 For the Welsh Government’s attempts to maximise the value of the international tourism market to be effective, their approach must be predicated on consistent application of a strategy. We welcome the publication of the Welsh Government’s long-term tourism strategy 2013 to 2020, which complements our Britain tourism strategy (as detailed below).

### 3 The work of VisitBritain as it relates to Wales

- 3.1 VisitBritain delivers for Wales and growing visits to Wales is integral to our work promoting Britain overseas. In the 2012/13 financial year we developed and consulted on a clear, evidence-based 2020 Tourism Growth Strategy. The strategy sets out how Britain can grow demand to attract 40 million visitors and earn £32 billion from international tourism by 2020. It is endorsed by the Welsh Government and Manon Williams, the Chief Executive of Visit Wales, is cited in this document as supporting our strategy.
- 3.2 Our strategy complements the Welsh Government’s tourism strategy. Published last year, it is framed as a product-led approach to developing and marketing tourism in Wales. It is designed to create and promote more high-quality products, events and well-being facilities as well as all-year round attractions, activities and cultural experiences. To achieve this, the Welsh Government’s strategy aims to differentiate Wales’s distinctive offer through more effective packaging, to be developed with stakeholders including VisitBritain.<sup>6</sup> This strategy’s main focus is the supply-side; VisitBritain’s tourism strategy aims to grow demand.
- 3.3 Encouraging visits to Wales, and promoting regional spread more broadly, is a key aspect of our strategy. Recent numbers from the International Passenger Survey are positive. In 2013 Wales welcomed a total of 884,000 overseas visitors, up 3.5 per cent on 2012. These visits generated spend of £353 million, a nominal increase of 2 per cent on 2012. Holiday visits and spend in Wales saw an even higher rate of growth, outperforming Britain’s other nations. In 2013 the number of holiday visits to Wales grew 13 per cent and spending on holiday visits increased 27 per cent.<sup>7</sup>

<sup>6</sup> Partnership for Growth: The Welsh Government Strategy for Tourism 2013-2020, The Welsh Government, August 2013

<sup>7</sup> More on overseas holiday visitors data: Holiday visits to Wales and spend on holiday visits grew at a greater proportion than holiday visits and spend to Britain’s other nations. In 2013, when holiday visits to Wales grew 13 per cent on 2012, overseas holiday visits to London grew 11 per cent, the rest of England (total visits to England minus numbers to London) saw holiday visits grow 7 per cent and holiday visits to Scotland increased 6 per cent. Meanwhile Wales saw spend on holiday visits 27 per cent, spend in Scotland increased 20%, 15% in London and 5% in the rest of England. Source of data in this paragraph: International Passenger Survey.

- 3.4 VisitBritain has 24 offices in 22 overseas markets. VisitBritain helps the Welsh Government extend its reach beyond its primary overseas tourism target markets of Germany, Ireland and North America. This can be demonstrated across VisitBritain's work in London and overseas. Our overseas network provides insights, connectivity with media and trade and supports the execution of marketing programmes and international visits to promote Britain, including Wales, overseas.
- Insights – Insights and statistics on international visits to Wales are available on VisitBritain's corporate website; in response to requests, we provide Visit Wales with tailored information on inbound visitors; and we use our insights to highlight how Visit Wales can work to optimise product-market fit.
  - Connectivity – We provide connections through our press & PR, B2B, digital and partnerships teams, which we make available to Visit Wales; our overseas PRs are conscious we have responsibility to promote England, Scotland and Wales and ensure that regional spread is a key aspect of our work; and our overseas network engages with Visit Wales as and when required.
  - Execution – We run overseas campaigns on behalf of Visit Wales; we help Visit Wales with overseas events, media buying and local partner engagement; and we support Visit Wales, particularly with international trade and media representatives, in preparation for international visits. We also lead follow-up once a Welsh minister leaves an overseas market.
- 3.5 This activity, at no cost to the Welsh Government, helps raise the profile of Wales overseas. This is our greatest asset of value to Visit Wales and the Wales tourism industry. The range and impact of our work relating to Wales, which reflects that carried out in London and overseas, is summarised below.

## Marketing

### (i) Digital

- 3.6 The majority of VisitBritain's marketing and communications is online and our digital presence and e-communication is the bedrock of our contact with potential travellers in key members' markets. At least 40 per cent of our ROI is derived from our consumer digital presence (our consumer website, database marketing and social media).
- 3.7 Our digital work to promote Wales spans a number of channels. Wales is promoted on our consumer website, VisitBritain.com; LoveWall, an interactive website which aims to inspire visitors to love and share the best of what Wales and other parts of Britain has to offer; VisitBritain.tv, which streams videos on a dedicated website; and VisitBritain's superblog, a multi-author blog which publishes pan-Britain content on a weekly basis. We also use social media, such as our Love GREAT Britain Facebook page and Twitter to promote Wales, and more traditional channels such as e-newsletters featuring content on Wales.
- 3.8 Our work has an impact. In 2012/13 those who viewed our consumer website, VisitBritain.com, were twice as likely to spend money in Wales than the average visitor and those visitors spent £16 million.<sup>8</sup> Making the extremely conservative assumption that this is the only economic benefit from VisitBritain's activity to the Welsh visitor economy, this represents 4 per cent of all spending by overseas visitors to Wales. To set this in context, VisitBritain's activities account for 2.4 per cent all spending by international visitors to the UK as a whole. On this basis, therefore, VisitBritain is doing proportionately more to support the visitor economy in Wales.
- 3.9 To provide several other examples, a recent consumer newsletter with Welsh themes went to over 1 million recipients with an average email open rate of 25 per cent; an average of 10 Facebook posts featuring Wales are posted on our Love GREAT Britain Facebook page each month; and on 1 March 2013 our St David's Day Facebook Twitter takeover featured Welsh content on VisitBritain's consumer Twitter account all day, reaching 283,000 people.

<sup>8</sup> In 2012 only 2 per cent of all inbound visitors spent money in Wales; of those who viewed the website, the proportion of spend in Wales was 5 per cent of all inbound spend.

## (ii) Press & PR

- 3.10 We publish stories about Welsh destinations and events on our multi-language media centre website regularly to inspire and provide content for overseas journalists and broadcasters. The media centre also provides story ideas in our 'pillar guides', available on VisitBritain.com, which cover content on Wales relating to countryside, culture, heritage, food, shopping, music and sport.
- 3.11 Our overseas PRs promote big stories (for example, the centenary of Dylan Thomas's birth this year) at desk-side briefings, and media conferences at events such as our international sales missions. Selected stories on VisitBritain's online media centre are translated by our overseas PR teams and uploaded on to their media-centres.
- 3.12 Notably, Visit Wales and VisitBritain worked together closely to use the opportunity of the London 2012 Olympic & Paralympic Games to promote Wales and Welsh product to audiences worldwide. During the Olympics, we hosted almost 9,000 non-accredited media at the London Media Centre, which we shared with Visit Wales amongst others. There more than 200 events took place, such as media briefings and interviews with VIP guests including Jamie Oliver and Lennox Lewis.
- 3.13 The Olympics saw us work with our partners – including Visit Wales – to promote media tours across the UK for more than 500 journalists, including a number of tours to the Wales Coast Path. We also provided collateral for the media, including a short film of Cardiff, nine media offers and three itineraries for Wales and a guide for broadcasters featuring 30 top Welsh tourism destinations. For the Paralympic Games we ran a bespoke trip for VIP journalists which saw them follow the Paralympic Flame across the UK's capital cities, including Cardiff.
- 3.14 The Games also saw us invite the world's top travel operators to Britain and take 20 VIP influential travel company chiefs on tours of Wales, Scotland, England and London. Influential tourism leaders from the increasingly important markets of China and Russia, as well as global companies – such as TUI Europe and Omeir Travel – visited Wales, escorted by our Chief Executive.
- 3.15 To illustrate our impact in 2012/13, when the Olympics took place, our press and PR teams generated 1,491 articles and 79 press visits on Wales with AVE of just under £90 million (to put this in context, VisitBritain's target for 2012/13 was AVE of £400 million). The latest available data highlights that between April and September 2013 we generated 1,278 articles and 25 press visits on Wales worth £44.5 million AVE. To continue attracting a high level PR we need support from the Welsh Government to carry out this work, particularly when hosting international media.
- 3.16 At the time of writing, on our online media centre 245 stories are tagged, or contain the word Wales (23 per cent of the website's total), 23 news releases are tagged or contain the word Wales (18 per cent of the total) and 16 items (3 per cent of the total) of B-roll and short-film are tagged or contain the word Wales.

## (iii) GREAT consumer marketing

- 3.17 Our consumer marketing activity is across two strands, the GREAT image campaign and the tactical campaign. Primarily funded by HM Government, the former aims to build Britain's image abroad as a GREAT place to visit, study, do business and invest.<sup>9</sup> Alongside this campaign, we launched a four-year £100 million match-funded tactical campaign which has the objective to encourage those already considering a trip to Britain to visit. Activity centres around eye-catching images and experiences coupled with a special price on offer to close the sale.
- 3.18 The GREAT image campaign provides a strong platform to leverage the image of Britain's regions and nations, including Wales, overseas. For example in 2012/13 post-Games marketing showcased Wales, this included *Time Out* inserts (circulation of 1.9 million per insert) featuring Welsh destinations such as Carreg Cennen Castle. We also used an image of the Wales Coastal Path in adverts for *Lonely Planet* and the *National Geographic*, as well as in a supplement in the weekly German newspaper *Die Welt* (circulation of 2.2 million). In addition, we partnered with Sony to promote the release of the James Bond film *Skyfall* which coincided with the 50<sup>th</sup> anniversary of Bond. This included the production of a video promoting British Bond destinations, including the Welsh coast.

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<sup>9</sup> The GREAT image campaign brings together a number of government bodies - including the Foreign & Commonwealth Office, UK Trade & Investment and the British Council - who together operate under a common brand overseas.

- 3.19 VisitBritain has encouraged more visits to Wales as a result of GREAT image activity – in 2012/13 Wales saw a three-fold increase in the number of nights spent in the destination among influenced by the campaign, compared with those who had not been influenced by the campaign.<sup>10</sup>
- 3.20 Recent activity includes the Sounds of Great Britain campaign, which uses the fortification at Caerphilly Castle. Comprising online and TV advertisement components, this was rolled out in key markets including USA, Brazil, China, India and Europe between February and April 2014.
- 3.21 We are also putting the finishing touches to a Countryside is GREAT campaign which will promote the very best of Britain's rural offer focusing on National Parks and Areas of Outstanding Beauty – naturally, it will feature Wales. It will run for two to three years across France, Germany and the US and it will include commercial support. Although the campaign is still in the planning stage, we can confirm that on Wales specifically it will promote the Coast Path, mountaineering, castles and natural beauty. It will not simply focus on landscapes, but the social and cultural experiences the British countryside can offer. In the lead-up to the countryside campaign, Welsh mezzo-soprano Katherine Jenkins will work with us on a range of projects showcasing the best of Britain's culture and heritage.
- 3.22 We have also encouraged more visits to Wales through work with commercial partners as part of our tactical campaigns. We are now in the third year of the campaign. Highlights to date are as follows:
- In 2011, the first phase of VisitBritain's £100 million four year GREAT Britain tactical advertising campaign, we encouraged visits to Britain – including Wales, specifically – by offering GREAT deals. For instance our EasyJet campaign used an image of Cardiff, while our British Airways partnership campaign featured an image of the Welsh coastline.
  - As part of our post-Games marketing push, in the second year of the campaign (2012/13) we extended our partnership with British Airways to include an additional £7.5 million match-funded activity in Brazil, Canada, China, Japan, India, Russia, the UAE and the US. Under the slogan 'The Big British Invite', the campaign featured 'real' British people inviting potential visitors to visit Britain. Of the nine ambassadors, two represented Welsh destinations: Sue Rice promoted the Wales Coast Path and Tara Brown promoted Laugharne Castle.
  - Now in its third year, recent activity showcasing Wales includes Expedia's Find Your Storybook campaign. Launched in the US in February 2014, it uses TV and digital advertising to encourage Americans to visit Britain – the Cynghordy Viaduct train ride features. Also a €60k EasyJet campaign featuring Wales ran from February to April 2014.
- 3.23 Evaluation of tactical activity found that those who travel to Britain as a result of our campaigns are around twice as likely to visit Wales than the average visitor to Britain.<sup>11</sup> In 2012, 3 per cent of overseas visitors who travelled to Britain went to Wales; in comparison, of all visitors who travelled to Britain as a result of our tactical campaigns, 5 per cent visited Wales. 7 per cent of all visitors who added extra nights to their holiday as a result of our campaigns travelled to Wales.<sup>12</sup>

#### Commercial trade

- 3.24 Through our retail and B2B activity, VisitBritain promotes Welsh products overseas successfully. Our retail platform underpins a £16 million turnover business which generates business for suppliers across the country and 40 per cent of our ROI is derived from our Business to Business (travel trade) work, which is reliant on our excellent market intelligence and contacts.

<sup>10</sup> These results are based on GREAT activity in Australia, Brazil, Canada, China, France, Germany, India, Japan and the US. Source: GREAT image evaluation 2012/13, Ipsos-MORI.

<sup>11</sup> A campaign visitor is a visitor who has travelled to Britain as a result of VisitBritain's partnership campaigns or competitions. Their status has been evaluated through surveys of VisitBritain's partnership activities.

<sup>12</sup> Annual VisitBritain partnerships report 2012/13.

- 3.25 VisitBritain's online shops comprise 13 local-market websites with 150 products - including discounts that are exclusive to the international traveller - and offer customer service in seven languages. Sales of Welsh products in our online shop grew 105 per cent between 2012 and 2013. We sell day tours of Wales from Cardiff, sightseeing tours of Cardiff and coastering products on our online shop.
- 3.26 VisitBritain also promotes Welsh product through its B2B activity. This includes coverage in travel trade newsletters, dedicated coverage on our trade website, inclusion in travel trade advertising, support and funding for familiarisation trips (bringing tour operators and agents here on buying trips), the facilitation of on-territory introductions and the inclusion of Wales in agent training. Also in 2013, working with UKinbound and the British Hospitality Association, we rolled out a programme of UK-based forums and workshops where we shared insights and export opportunities with Welsh suppliers, setting out which overseas markets are the best prospects and how they can be reached.
- 3.27 Working with Visit Wales, we give Welsh product an international platform through the coordination of a branded presence at ITB, the world's largest tourism trade fair; provide sponsorship opportunities at missions; secure seminar slots on Wales at missions; and assist Visit Wales with the recruitment of buyers to workshops on Wales.
- 3.28 Currently, we are in the process of launching a dedicated Wales module for our online travel agent training programme, BritAgent, and we are developing a travel itinerary tool as well as a trade listings tool, which will also raise Wales's profile among the overseas trade.

#### Internal working groups

- 3.29 VisitBritain' has a number of internal working groups which bring together staff across the organisation to ensure that VisitBritain's strategic objectives are achieved. VisitBritain's content group and PR Champions are examples which work to promote Britain's nations and regions.
- 3.30 An internal content group meets every fortnight. Composed of VisitBritain staff only, it has one representative from B2B, one from PR, one from Campaigns, one from Digital and one from PR. Each of Britain's national tourist boards, including Visit Wales, provides VisitBritain with content – text, links and imagery – which is used in VisitBritain's work promoting Britain's nations and regions overseas.<sup>13</sup> Through this group VisitBritain tries to build this content into our tactical campaign, if this is not possible we use it throughout our other marketing platforms.
- 3.31 VisitBritain has appointed a team of PR Champions, drawn from its overseas network, who meet quarterly. The group develops VisitBritain's global destination PR strategy and oversees the implementation of local PR plans across the network. Its terms of reference states that it will develop 'PR strategies and initiatives, which will meet VisitBritain's obligations to its strategic and commercial partnerships'. As one of our strategic partners, this statement applies to Visit Wales and work to promote Wales is regularly discussed at these meetings. Moreover, a recent initiative to boost exposure of Wales and product knowledge among our overseas PR teams saw the convening of the PR Interboard and PR Champions meetings in Wales in April 2014.
- 3.32 Overall, promotion of Wales is integral to VisitBritain's work promoting Britain overseas and we will continue to work with Visit Wales and Welsh stakeholders to grow visits to the nation. We use the data and insights we collect and analyse to highlight what overseas consumers want. According to our research coast, countryside, national parks and walking are enjoyed by international visitors to Wales, with going on a tour of Welsh castles listed as a dream activity.<sup>14</sup> We share these insights with Visit Wales – through the governance structures described previously and at ad hoc bilateral meetings – and they also inform our marketing programme.
- 3.33 VisitBritain would advocate greater investment in Visit Wales to allow for increased international marketing activity, which could be conducted with and through VisitBritain, to make the most of Wales assets and grow the number of overseas visitors and the value of tourism to Wales.

<sup>13</sup> Note that content does not only come from the national tourist boards – other sources include VisitBritain itself, commercial partners, ad-hoc requests from industry and users-generated content.

<sup>14</sup> Inbound tourism to Britain's nations and regions: profile and activities of international visitors, VisitBritain, September 2013.

**Further Information:**

Thank you for taking our comments into consideration. We would welcome the opportunity to discuss any points raised in our response further with the commission.

For further information please contact:

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