



Llywodraeth Cymru  
Welsh Government

Welsh Government

**Partnership for Growth: Strategy for Tourism 2013-2020**

**Strategy Progress Review**

**November 2016**

# Partnership for Growth: Strategy for Tourism 2013-2020

## Strategy Progress Review

### Contextual preface

This document summarises progress against the main priorities established in the tourism strategy *Partnership for growth 2013-20*. It reviews progress in the strategy period to date and presents the main issues facing tourism in Wales in the remaining part of the strategy period up to 2020.

In 2014 we saw record levels of overnight visits to Wales from the GB market (10 million visits) and record levels of associated expenditure (£1,735 million). Overseas visits showed the third consecutive year of growth (to 932,000) with record expenditure (£368 million).

The 2015 figures proved to be even better, surpassing records set in 2014: Overnight visits to Wales by GB residents increased to 10.45 million, with associated spend at an all-time high of £1,975 million. Overseas visits increased to 970,000, with record associated expenditure of £410 million. This means that total expenditure by overnight visitors in 2015 reached £2,385 million, up 13.4% on 2014, and some 12% ahead of what was required to achieve the real terms growth target of 10% by 2020, set in the *Partnership for growth* strategy.

Further, in 2015 direct employment in tourism in Wales rose to 132,400, 10% of the Welsh workforce, while latest figures for Gross Value Added show that tourism's contribution is 6% of all Gross Value Added in the overall Welsh economy.

While all these results are positive, the challenge will be to maintain progress against targets in the remainder of the strategy period, particularly in the light of possible changes in economic and market conditions and political and technological developments.

The document was compiled prior to the referendum on the United Kingdom's membership of the European Union. The immediate effect of the Brexit vote on tourism has yet to be fully recorded in official statistics on tourism performance and the medium- and longer-term implications of Brexit for tourism in Wales are still not clear. We will continue to monitor developments and perceptions in our regular Tourism Barometer and other relevant surveys and consider proactive response, as appropriate.

The document was also compiled before the European football championships, in which Wales' excellent performance and high profile may have served to stimulate further interest in Wales in some international markets. As with the Brexit result, the possible impacts of the Euros may not be immediate but could provide a positive platform for overseas promotion in future.

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## 1. EXECUTIVE SUMMARY

It is now 3 years since the launch of the Welsh Government Strategy for Tourism 2013 – 2020 *Partnership for Growth* and so it is timely to review progress and to reconsider priorities for growth for the remainder of the strategy period.

A Strategy progress review has been led by Visit Wales in conjunction with the Tourism Advisory Board and the Regional Tourism Fora. This has looked at the recent performance of the industry and has considered how changes in market conditions and the wider operating environment may impact on growth opportunities and challenges facing the visitor economy in Wales up to 2020. This document summarises the current position and indicates areas where the strategy will be refreshed and refocused for the remainder of the period to 2020.

Tourism in Wales is performing strongly. Expenditure by staying visitors in Wales in 2015 reached record levels of £2.385 billion. This has supported substantial growth in jobs and value added to the Welsh economy.

We are on track to exceed the target of 10% growth in real terms from staying visitor earnings by 2020.

This is a challenging target but there is confidence that we can secure continued growth in the domestic market and maximise our share of the predicted increase in international visitors to help grow the spread of visits during all parts of the year and across Wales.

We will invest in the following areas in line with the Government's ongoing and emerging commitments to:

- Continue to invest in schemes and attractions which fit with our strongest appeal to tourists, such as the recent investments in Surf Snowdonia and Zipworld;
- Build on the unprecedented success of the Year of Adventure with the Year of Legends in 2017, and exploit the Year of the Sea in 2018 to invest in our seaside towns;
- Develop and promote the key tourism routes of Wales including the A55 Culture Corridor, promoting the tourism value of our world class castles, mountains, coast, towns and countryside, and turning it in to one of the major cultural routes in Europe;
- Build on our record of hosting major events to attract additional tourists to Wales and generate increased expenditure in the economy; and
- Utilise tourism investment as an incentive for the development of social tourism, enabling people without means to have a break to experience a visit or a holiday.

The tourism sector is uniquely placed to make a positive impact on all of the Wellbeing of Future Generations (Wales) goals.

However, achieving these ambitions is challenging at a time of tightening public sector resources and pressures on business profitability. There is a need to

continue to drive innovation and investment across the industry to develop world class visitor experiences that are effectively promoted by Visit Wales and the tourism community in Wales. This can only be achieved by working together for tourism in a Partnership for Growth.

This refreshed strategy sets out the following priority actions which will strengthen our competitive position and capitalise on new opportunities for growth.

### **Promoting the Brand**

- Building Wales' profile; rolling out the series of Themed Marketing Years with Year of Adventure in 2016, Year of Legends in 2017 and Year of Sea in 2018, underpinned by new product experiences and events.
- Evolving the product led approach; promoting relevant holiday types, iconic products and distinctive destination brands and experiences to meet market needs.
- Attracting high-growth markets; continuing to prioritise the domestic holiday market, taking a tightly targeted approach in our priority international markets of Ireland, Germany and US and focussing on partner-led and tactical opportunities in wider international markets.
- Refocussing marketing activity; delivering an appropriate balance of marketing activities between and within each target market based around market growth potential, resource availability and opportunities to collaborate with partners.
- Targeting new high yield markets; securing additional resources to target the Business Events market, supporting Cruise Wales and supporting golf marketing, with a view to greater private sector engagement after the Seniors Open in 2017.
- Becoming digital-first; developing an integrated digital gateway for Wales, improving [www.visitwales.com](http://www.visitwales.com) and Visit Wales international web sites, developing the content ecosystem for Wales and growing social media communities.
- Driving spend and profitability; Visit Wales will continue to focus on increasing overall demand and interest in visiting by using digital and trade channels to filter interest into leads for the industry.

### **Product Development and Major Events**

- Flagship attractions; particularly those providing distinctive and unique experiences that can attract new demand and all weather, year round visits.
- Quality accommodation; particularly high quality branded hotels and upgrades to quality accommodation that meet changing market demands.
- Business and Events; products to cater for Business and Events markets capitalising on proposed Wales International Convention Centre.
- Cruise; Develop modern cruise infrastructure at key ports.
- Development of Heritage and Cultural experiences; investment in the visitor experience and accommodation provision at landmark heritage sites.
- Food and Drink; strengthen Wales' growing reputation as a food destination including progressing priorities set out in the Food Tourism Action Plan.
- Utilisation of emerging technology; industry to harness new technology to create exciting, transformative visitor experiences.

- Attracting new high profile events and developing existing events; drawing high spending visits from outside Wales.
- Supporting the Thematic Years with anchor events.
- Maximising branding opportunities at events.

## **People Development**

- Continue to influence training and apprenticeships schemes to remain in step with changing industry and customer needs.
- Drive business use of the Welsh Government Skills Gateway Business Online Support Service.
- Support destinations to achieve World Host Destination status.
- Introduce a National Tourism Award for excellence in customer service in 2017/18.
- Investigate development of a customer service element in the Welsh Baccalaureate.
- Progress the Learning Journeys project to develop best practise across the industry.
- Support initiatives aimed at changing perceptions of careers in tourism.
- Increase provision of guides and local ambassadors with suitable language skills.
- Work with the industry to consider opportunities for a new hospitality school in Wales.

## **Place Building and Partnerships**

- Refocus support for the Destination Partnerships to drive forward key actions in line with their plans and wider strategic priorities.
- Identify destinations with market strength to be promoted as lead sub-national destination place brands.
- Review the role and support for Tourism Associations.
- Deliver the EU funded strategic tourism infrastructure investments at the eleven specified destinations across Wales.
- Strengthen the links between the Regional Fora, Destination Management Partnerships, local tourist associations and Sector Representative Industry Bodies.
- Ensure that tourism is prioritised in the plans of the Regional Economic bodies.
- Promote the new online support for the industry and develop a sustainable approach and distinctive sense of place.
- Provide better evidence to key decision makers at a local level to ensure budgets are protected to reflect the impacts of the visitor economy.
- Ensure that tourism needs are considered in relevant transport infrastructure developments including better connectivity via the main air and sea ports of entry, improvements to the M4, rail electrification and franchise agreements.
- Work with transport operators and carriers on route promotion to visitors.

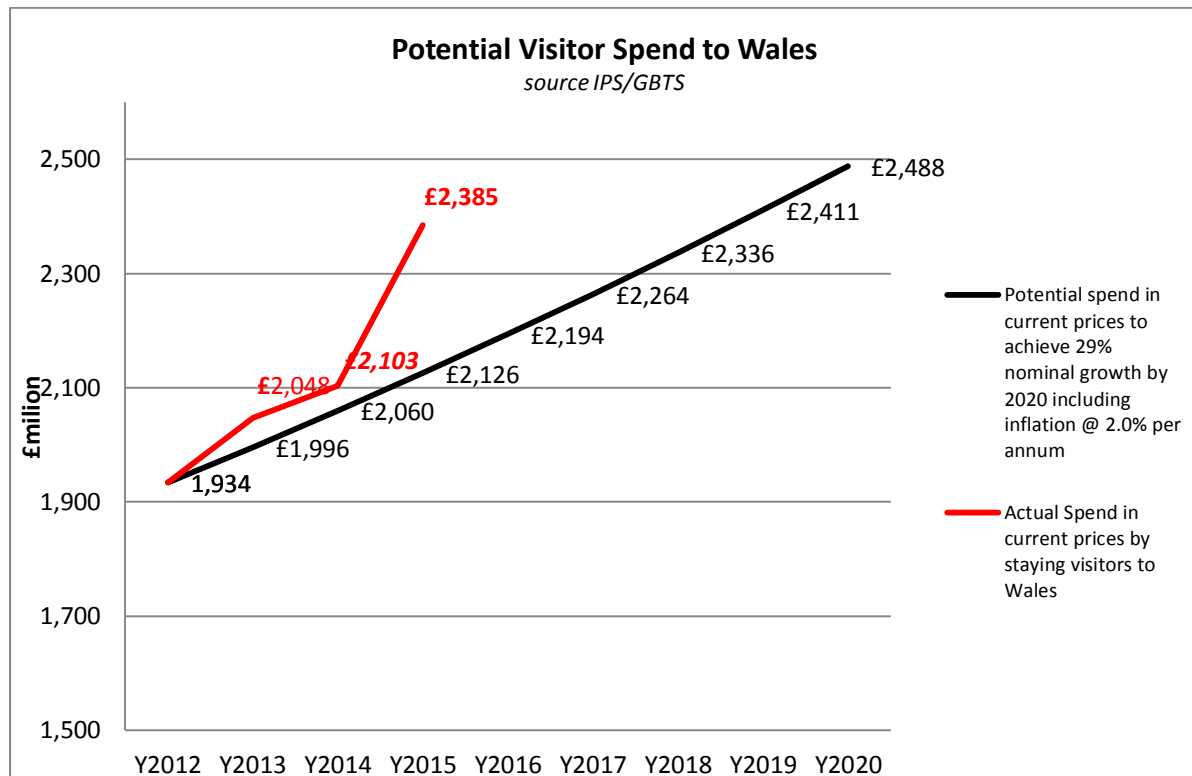
## 2. PERFORMANCE AND OUTLOOK

### 2.1 Strategic Target.

#### Tourism in Wales is performing strongly.

Expenditure by staying visitors in Wales in 2015 was over £2.385 billion, ahead of the growth level required to reach the strategic target of 10% in real terms by 2020 (equivalent to 29% in nominal terms including 2.0% per annum inflation):

**Table: Performance against strategic targets**



This increase in tourism earnings has been a leading driver of growth in the Welsh economy over the last few years. The tourism sector has supported higher and faster growth in employment and gross value added (GVA) than for the economy as a whole in Wales. Tourism is the third largest sector in terms of direct employment and has seen the second highest growth in employment levels of all of the Welsh Government priority sectors since 2006. There has been a faster rate of growth in employment of management and professional levels in tourism in Wales over this period. Tourism remains by far the largest sector for employment and creation of jobs for 16-24 year olds and supports economic wellbeing across all parts of Wales.

#### **Working with the industry, Visit Wales has been instrumental in helping to drive this growth in jobs and wealth.**

In 2015, it is estimated that the combined programme of activities undertaken by Visit Wales and the Major Events Unit supported 10,600 jobs, a quarter of all jobs supported by the then Department of Economy, Science and Transport and

influenced £458m in visitor spending, exceeding the targets set and continuing a pattern of growth over the last 3 years.

### **Tourism makes a real difference far beyond its economic benefits.**

Beyond the direct benefits indicated above, Tourism helps drive positive perceptions of Wales as a destination, acting as a flag-carrier for inward investment, education and trade. It can bring health benefits, provides a platform for Welsh culture and enriches communities. It is uniquely placed to make a positive impact on all of the Wellbeing of Future Generations (Wales) goals. There are opportunities to work with stakeholders inside and outside of Welsh Government to optimise these benefits through collaborative understanding and action.

The main challenge during the remainder of the strategy is to deliver further sustainable growth, to support more full time, year round, higher wage jobs and to maximise the economic and wider well-being benefits to communities across Wales. This will require a renewed set of priorities, delivered through sustained investment and innovation in tourism, by Visit Wales and partners in the wider tourism community.

## **2.2 Domestic Market**

The domestic market has been growing strongly for Wales with year on year increases in visits, real visitor spending and market share, with 10.5m visits (Annex 1) and spending of £1,975m in 2015. This is a strong performance at a time when the overall market for “staycations” has been faltering. The key challenge during the remainder of the strategy is to maintain growth as market conditions may become more challenging with the improving economic situation, stronger pound and cheaper flights potentially encouraging more domestic visitors to holiday overseas again. There are also longstanding challenges to drive up higher visitor yields from leisure and business visitors that still lag behind other parts of the UK, to encourage more first time visitors and to extend the season which remains stubbornly peaked.

A review of our market forecasts indicates that the achievement of the strategic growth target is heavily dependent on the prospects for the domestic market. The prospect of a contraction in the overall domestic market would require Wales to substantially grow visits from international markets.

## **2.3 International Markets.**

There has been a recovery in international visits to Wales with sustained growth in trips and spend over the last few years, reaching 970,000 visits and spending of £410m in 2015. However, trip levels are still below their peak in 2006 before the economic downturn and Wales’ share of overall visits to the UK continues to be below 3%. There is a need to drive up yield as visitor spend by international visitors during their trips to Wales is much lower than for the rest of the UK despite a similar length of stay. Development of additional high quality hotels could help grow visitor yields. The main short term challenge for Wales is to ensure we maximise our share of predicted growth in international visitors to the UK. This will be difficult given strong competitive pressures, lower awareness of Wales, fewer direct flights and the challenge to secure resources for marketing. We will need to carefully target our

activity at markets that can drive the most value as well as fast growth and can more readily be persuaded to visit Wales. The near European and mature long haul markets remain the best prospects for growth during the next few years, although there may be tactical opportunities around new air routes and broader Welsh Government activity. Emerging markets e.g. China are fast growing but will be much smaller volume and value up to 2020.

## 2.4 Tourism Day Visits

Day visits make a huge contribution to the visitor economy in Wales accounting for 75 million trips spending £2.71 billion in 2015. They have a much lower spend per trip than staying visitors and are much more likely to be taken by people living in Wales so their net contribution to the economy is lower. The key challenge is to encourage more frequent day visits, particularly visits to enjoy a broader range of attractions, events and activities, and to leverage these as a way of driving visits to friends and relatives living in Wales.

## 2.5 Drivers of Change

The global tourism market is increasingly competitive driven by a range of fast changing economic, social, political, technology and industry drivers. The tourism industry in Wales is adapting well but will need to continue to respond quickly and flexibly to changing market conditions.

- The economic situation remains uncertain and fragile. Rising disposable incomes in the UK may spur switching from domestic to overseas holidays again. Strengthening economies in our key international markets and improvements in air connectivity offer opportunities to grow international visits. Much will depend on relative exchange rates and comparative costs and competitiveness of Wales versus competitor destinations.
- The raised security concerns may affect visiting from travel sensitive markets such as the US but may also encourage more holidays taken closer to home.
- Demographic and societal changes may create opportunities to target the growing family market, older visitors, multi-generation travel, singles and holidays with pets.
- Wales is well positioned to capitalise on existing competitive strengths to attract the growing number of visitors seeking experiences that enable reconnecting with nature, learning on holiday, wellbeing, adventure travel, heritage and nostalgia, local food and drink, visiting film locations and festivals and events.
- Deal hungry post-recessionary consumers together with the high commission rates being charged by marketing intermediaries are putting pressure on business revenue.
- Rising wages, high VAT rates, and potential rises in interest rates may impact on funds for business investment, job creation, and marketing.
- Tightening of public sector budgets at Local Authority level is reducing non statutory spending on tourism and leisure services, arts and events, visitor infrastructure and tourism information, with these cuts potentially impacting negatively on the visit experience and collective efforts to promote tourism.
- There is a need to continue to drive innovation, investment and performance across the sector to secure growth which remains a challenge at a time of

fragile market demand fragmenting markets and increasing competition from other new and established destinations.

- It is important for Visit Wales together with the industry to take a longer term and strategic view on investments including indirect as well as direct impacts. The diversifying market provides opportunities for destinations and providers in Wales to work in collaboration to create an experience advantage by offering a choice of unique, novel and added value experiences for visitors.

### 3. PROMOTING THE BRAND

#### 3.1 Strategic aims

*Partnership for Growth* sets out the following key priorities under 'Promoting the Brand':

- Promoting and marketing a distinctive and reinforcing brand for Wales;
- Driving a product-led approach that identifies compelling reasons to visit Wales;
- Targeting existing and new markets with most growth prospects;
- Selling excellence through the Wales offer – coastal and rural environment, culture, activities, events and distinctive destinations.

The successful outcomes from these were initially identified to be:

- Improved awareness of Wales as a visitor destination – high brand recognition;
- Improved perception of Wales as a place to visit;
- Improved preference to visit Wales over competitor destinations.

#### 3.2 Progress to date

There has been a significant improvement in Visit Wales' marketing performance over the last three years. Visit Wales consumer marketing influenced over £306m of additional spend in the Welsh economy 2015, compared with £240m in 2014, and £180m in 2013. A further £5.2m of additional spend has been influenced by Visit Wales' business-to-business activity, aimed at the travel trade - an increase of 30% since 2013.

These results have been driven by:

- An ongoing programme of high-profile, award-winning and multi-channel campaigns, with a clear product-led focus: *Have you packed for Wales?* in 2014 and 15, and the Year of Adventure campaign in 2016.
- A digitally-led approach - unique visitor numbers to [visitwales.com](http://visitwales.com) have doubled to 4.3m since the site was launched in 2013. We have also launched comprehensive, content-rich German and Welsh-language websites in the last 18 months. We have 820,000 followers on social media - Twitter is up by 50% since December last year.
- A proactive media engagement programme, which generates at least £40m in advertising value equivalent for Wales each year.

- A renewed focus on international marketing, including: television/print/PR campaigns in Ireland; multi-channel campaigns in Germany, underpinned by partnerships with brands such as Dertour, P&O Ferries and DFDS; retaining a team in New York to build travel trade/tour operator business for Wales from this market.
- A reinvigorated travel trade programme which last year included a presence through an unprecedented programme of 26 UK and international events – including ITB Berlin and World Travel Market - delivered in partnership with 77 Wales partners.
- A targeted golf-marketing programme, which has contributed to a 57% increase in golf visitors to Wales since 2004.
- Support for Cruise Wales, including direct marketing to the cruise lines in UK, Europe & USA in order to raise the profile of Wales' cruise product on a global basis and to increase the value of the cruise market. There has been a 96% increase in cruise calls in 2015 and an estimated 22,500 passengers and 7,500 crew due to visit in 2016.
- Close collaboration with the Welsh Government Major Events Unit to take full advantage of events such as the NATO Wales Summit and the Rugby World Cup, as well as smaller-scale but brand-defining events such as Festival No.6. We have delivered activity in support of Wales at the Euro Finals, and are planning activities in the build-up to the Champions League Final coming to Cardiff in 2017.
- Developing strategic relations with the GREAT campaign and VisitBritain teams - recent highlights include a Wales/GREAT Adventure Roadshow to four European cities in 2016.

Despite the fact that campaigns are influencing increasing numbers of short term visits, shifting broader perceptions and awareness levels remain a challenge. Campaign awareness has been dropping as the media landscape becomes increasingly fragmented. There is also evidence of long standing competitive weaknesses affecting the Wales brand: the level of awareness and understanding of the Wales offer is still much lower amongst target international markets where we face strong competition from better known destinations in Ireland, London, Scotland and the key honey pots in England.

In the face of these challenges, we have taken a number of steps to address this long-term issue. In recent years, we have:

- Continued to invest in high-profile, high-quality creative campaigns, whilst also embracing digital opportunities.
- Launched a new, thematic approach to promoting Wales, with the aim of creating a much more defined and distinctive Wales tourism brand, focused on our core strengths as a country (outdoor activities – Adventure 2016; culture and heritage – Legends 2017; outstanding landscapes – Sea 2018.) This approach has been conceived in response to research which shows that we are lagging behind our competitors, even where we have real competitive advantage: *“The positioning of Wales shows that although it has some relative strength it does not dominate any holiday type. For example, Wales scores third in the beach holiday category, after the South East and the South West. This analysis highlights a key problem for Wales in that it is not distinctive enough in terms of clearly standing for a particular type of holiday.”*

(*Understanding Barriers to Visiting Wales* report prepared by TNS for the Welsh Government in 2013). The thematic approach seems to be making a difference, with high levels of support and coverage achieved.

- Refreshed the Wales brand strategy and identity in time for the Year of Adventure. The new brand has so far been well received and the aim is to roll this out fully across all tourism activities in 2016, whilst also working across Welsh Government and with key outside partners to develop a truly integrated destination 'one Wales' approach.
- Re-structured Visit Wales Marketing, bringing the team together with the Wales Business Marketing unit to form part of a single, integrated department.

The challenge is to maintain momentum, and become ever-more focused and integrated in promoting a distinctive and reinforcing nation brand for Wales. In doing so we also need to work with partners to identify, develop and promote stronger specific destination and product brands across the country.

The key branding challenge, however, is the continued development of new and improved product experiences – that continue to refresh perceptions of Wales.

### 3.3 Priorities to 2020

Visit Wales has taken many strides to develop the brand and campaign approach over the last three years: we are driving an increasing level of spend in the economy year-on-year, and have laid the foundations of a new way of working. Looking ahead to 2020 it is crucial to consider two key points:

- This is a strategy for Wales, not just Visit Wales, and as such this progress update sought not only to clarify Visit Wales' own role, but also to acknowledge the increasingly important role we have to play in providing clear and optimistic leadership to a confident industry and outside partners, even – and especially – as public sector resources tighten. Our future success is dependent on inspiring continued marketing innovation, beyond Visit Wales' direct remit. We must do this whilst being cognisant of our own capacity and limitations.
- It's also vital to remember that the Wales brand and marketing vision is not a discrete 'area' of activity, to be considered as a chapter of the strategy. Marketing and development are completely interdependent – new products must be brand-defining and market-facing, and developing a completely integrated approach is crucial.

The next four years will call for an unambiguous sense of reality and capacity; rigorous focus; and clear leadership backed up with market-leading skills and talent. There is an ever-greater need for joined-up working – with industry colleagues and across all aspects of Wales' marketing. As the public sector contracts, we will need to show ambitious brand direction and to form alliances to promote Wales in new and creative ways.

Based on the strategic context outlined, four priority areas are identified to provide a focus in the period through to 2020:

### 3.4.1 Building Wales' profile

The Year of Adventure signified a new approach to promoting Wales as a confident, creative country with a deep sense of authenticity and place.

Our aim by 2020 is to learn from the work achieved to date to grow a strong, resilient place brand reputation for Wales, boosting destination awareness and engagement levels, with:

- Strong and strategic brand leadership - driving marketing, policy and product improvements.
- Focusing tourism development and promotional activity on:
  - competitive 'holiday types' or themes for Wales, starting with Adventure
  - iconic products and attractions for Wales, including doing more to maximise key driving/transport routes into and within Wales.
  - key destinations – this will include reviewing the destination marketing 'sub-structure' in Wales, to consolidate the approach.
  - distinctive experiences via a renewed 'Sense of Place' programme.
- Delivering a truly integrated 'one Wales' brand approach, underpinned by digital-delivery and with international scope.
- Delivering high-profile, award-winning and effective Wales brand campaigns.
- Working with a small number of high-impact brand partners for Wales.

### 3.4.2 Attract high-growth markets

Achieving the 10% growth target for Wales depends on maintaining our share of the domestic holiday market, and boosting its expenditure in the Welsh economy. We will continue to invest in this market, whilst being clever and targeted elsewhere to achieve meaningful cut-through.

There is also scope to maintain a watching brief to achieve the correct balance between consumer/trade activity across the team and within each market. A Market Matrix is provided in Annex 2. This sets out the proposed scope of marketing activity by geographical and key product led markets.

### 3.4.3 Become digital-first

Improving our digital capabilities, and harnessing digital to curate, create and disseminate better content about Wales directly to our markets as well as to offer improved and innovative customer services is an area where we can potentially be very competitive.

Wales is a small, creative country and there is greater scope for us to work together across the industry to disseminate content and stories – from our communities to the world. A small sub-£5,000 film that was produced quickly by Visit Wales at the launch of Surf Snowdonia was viewed over 3.5m times on a single US Facebook page. This is one area where we have the potential to move ahead of other

destinations – and doing more with fewer resources - by being agile, quirky and creative.

Over the last 12 months the Visit Wales marketing team has been re-structured in support of a digital and content-led strategy, and this approach is already driving improved results from our campaigns. The vision to 2020 is to bring a 'digital-first' culture not only to the heart of Visit Wales, but also to the centre of all Wales destination marketing activity and to the broader tourism industry.

The programme for delivering this approach will include:

- Driving forward an integrated 'digital gateway' for Wales – including a complete refresh of visitwales.com, as one of a portfolio of outstanding Wales marketing websites, underpinned by better content creation and curation processes.
- Taking a trans-media approach to communications, driving delivery through a content hub for Wales as a destination – producing high-quality film, photography and written content that inspire consumers to consider and engage with Wales.
- Developing a content-ecosystem for Wales, enabling stories from across Wales to be collated, repackaged and published across a wide range of outlets quickly.
- Continuing to grow our social media communities, and provide opportunities for destinations in Wales to link directly with our consumers across the globe.
- Developing a 'beta Cymru' attitude – positioning Wales as a test-bed for digital innovation, as we are currently piloting with the Google Snowdrop mapping project.

#### **3.4.4 Drive spend and profitability**

Our key strategic objective is to drive a higher yield from tourism to Wales, boosting the growth of the economy; but as a national tourism body our efforts are focused on the 'awareness' side of marketing, and driving increased interest in the destination. Driving expenditure, not just visitation, will become a central objective of all Visit Wales brand marketing activity to 2020. We will also seek to inspire partners to embrace new opportunities to become increasingly competitive and commercial.

Visit Wales will:

- Continue to focus our resources on increasing overall destination demand – but do more to filter this interest quickly into leads for the industry.
- Consider opportunities for the further development of the business events market. This will take account of the existing business events offer as well as new developments including the Wales International Convention Centre.
- Do more to drive sales via a sharper travel trade approach that focuses on high-yield markets; identifies and works with high-growth Wales product partners; proactively assists tour operators to 'sell' Wales more effectively to new markets; and is digitally excellent. We will also look to do more to promote Wales-based tours and tour operators via consumer platforms.

- Improve product information and content on the visitwales.com website and do more to release data and associated content to other third-party providers – providing businesses in Wales with a better platform and increased visibility.

Our key role will be to support the industry to boost revenue. We will look to:

- Inspire product innovation, aimed at encouraging longer, high-value staying holidays by doing more to share best practice, and market and trend insights.
- Encourage businesses in Wales to continually improve their digital visibility and content offering, working with global providers and booking agents as appropriate.
- Explore innovative, digital means of improving in-destination information provision.
- Encourage greater cross-promotion between providers via the thematic years approach and the release of content and data for third party use within Wales.
- Encourage individual businesses to invest more in the local economy – and encourage their guests to do so - via a refreshed Sense of Place programme and a renewed emphasis on celebrating local food, drink, craft and materials.

## 4. PRODUCT DEVELOPMENT

### 4.1 Strategic aims

*Partnership for Growth* sets out a priority to support the upgrading and development of new tourism products to meet changing visitor needs and to strengthen Wales' competitive position. It proposes a focussed investment around key areas of competitive advantage and to support investment in innovative products with strong growth potential that can act as attractors in their own right and can be a catalyst for reputational change and providing a distinctive visitor experience.

The priorities for product development set out in the strategy are:

- Luxury high end hotels that can create new demand.
- Larger quality accommodation for group and tour parties.
- More flagship all weather attractions reflecting Wales distinct culture.
- Enhanced experience for visitors to heritage and cultural venues.
- Utilisation of historic and character buildings for use by visitors.
- Capitalising on outstanding environment for outdoor activities.
- Capitalise on food and drink produce to promote world class food destinations and deliver quality food and dining experiences across the industry.
- A year round calendar of vibrant festivals and events.
- Leading utilisation of emerging technology and digital broadband accessibility in all destinations.
- Development of international conference and events facility.
- Stronger connectivity especially with international markets by air, sea and rail.
- Provision for needs of elderly, those with healthcare needs and more well-being facilities.

## 4.2 Progress to Date

The industry has made strong progress investing and developing innovative and high quality products despite difficult and uncertain economic times. These have helped secure business and industry growth and created momentum behind a stronger Wales brand profile backed up with compelling reasons to visit by a diverse range of target markets.

In support of this, Visit Wales has secured and utilised a variety of funding schemes to help fund strategic investments in line with the stated product development priorities.

### **Tourism Investment Support Scheme**

Since 2013, the Tourism Investment Support Scheme (TISS) scheme has provided £5.1m funding against 84 projects, resulting in a further £17.3m in investment induced by the industry. This has helped to create and safeguard 685 jobs.

Examples of projects supported with TISS funding include:

- New innovative attractions appealing to a range of target markets including the first 4 person zip line in Europe at Zip World in Blaenau Ffestiniog, a new signature attraction of 3 water slides at Greenwood Forest Park near Bangor and a new indoor attraction Dr Beynon's Bug Farm at St David's.
- Opening of a 4\* Art Hotel at Twr y Felin in St. David's.
- Conversion of Nanteos Mansion, Aberystwyth into a 5 star restaurant with rooms.
- Upgrade of Kinmel Hotel, Abergele, to a 4 Star hotel with spa.
- Restoration of a listed building to a modern 5 Star bunk house to attract high end activity market on the banks of the River Wye.
- Development of high quality food 'destinations' including Coast restaurant at Saundersfoot, Bryn restaurant at Porth Eirias and Dylan's in Criccieth with further openings due in 2016.

A review of the TISS scheme as part of the progress update concluded that investments had delivered strong outputs and provided good value for the public purse, recommended that the scheme in future should operate as a mixed repayable loan and grant scheme targeted at strategic investment priorities. The benefits of moving the sector to a more commercial repayable solution is that it will allow funding to be recycled into the TISS scheme over time, providing a sustainable solution to capital funding at a time of reducing public sector finances.

In addition, Visit Wales has been successful in securing additional Welsh Government funding to deliver major reputation changing products including the world's first 'Wavegarden' at Surf Snowdonia, and a new indoor interactive visitor centre at The Royal Mint at Llantrisant which opened in May 2016.

## EU Funding

Visit Wales have successfully secured and managed funding from the European Regional Development Fund. Our Environment for Growth programme delivered eight tourism 'Centres of Excellence' around Wales including the UK's first full scale mountain bike park at Bike Park Wales at Merthyr Tydfil, new family attractions at Aberdaron, a new beach events centre in Swansea Bay and seven garden projects including Aberglasney Gardens.

The Environment for Growth programme funded marketing of these products as part of the Visit Wales 'Have You Packed for Wales Campaign' delivering a new product led marketing approach providing a model for how this integrated approach works moving forward.

### 4.3 Product Development Priorities to 2020

The original product development priorities still remain relevant and it is important to bring forward further investment to upgrade and develop new products to build on the momentum of the good progress already made. Visit Wales will continue to ensure that the multiple sources for potential funding are secured for tourism and effectively aligned to the strategic priorities and changing market and business needs. This will include the management of the TISS funding to a mixed loan and grant scheme. A greater emphasis will be placed on supporting fewer, bigger, more impactful investments that can act as a catalyst for wider investment and drive up quality.

Moving forward we will seek to invest in more strategic projects including:

- **Flagship attractions:** work with the private sector to ensure there is a strong pipeline of new high quality attractions and activity products, particularly those providing distinctive and unique experiences that can attract new demand and all weather, year round visits.
- **Quality accommodation:** Develop a strong coherent inward investment offer with a particular focus on high quality (4 and 5 star) branded hotels, whilst continuing to support upgrades to quality accommodation that meet changing market demands.
- **Business and Events:** Invest in products to cater for Business and Events markets including the development of the proposed Wales International Convention Centre at Celtic Manor.
- **Cruise:** Develop modern cruise infrastructure at key ports to continue to grow the market.
- **Development of Heritage and Cultural experiences:** Work with key stakeholders including Cadw to support investment in the visitor experience and accommodation provision at landmark heritage and cultural attractions including the multi-million pound redevelopment of St Fagan's National History Museum.
- **Food and Drink:** Continue to strengthen Wales' growing reputation as a food destination including progressing priorities set out in the Food Tourism Action Plan.

- **Utilisation by business of emerging technology:** Work with the industry to harness new technology to create exciting, transformative visitor experiences and improve industry competitiveness.

#### 4.4 Quality Assurance

The main principles behind the Quality Assurance schemes are to provide consumers with re-assurance on the level of services and facilities they can expect to receive and to stimulate improvements within businesses to drive up quality standards and the visitor experience in Wales.

The Visit Wales Quality Assurance team engages with over 5,500 businesses and are the face to face contact that businesses have with Visit Wales. As well as undertaking the independent quality assessment, the Quality Assessors act as Tourism Relationship Managers, signposting businesses to an array of services/specialists e.g. Business Wales, funding schemes and published research. These links are important for partnership working with the industry, encouraging and stimulating improvements in growth and quality.

Whilst the latest figures show that just less than 50% of accommodation businesses in Wales participate in Quality Assurance schemes, on the whole those that do participate experience higher occupancy rates than non-graded businesses; and three quarters of graded businesses have achieved a 4 or 5 star rating reflecting the high standard of accommodation on offer in Wales.

Top quality Hotel and Guest Accommodation businesses are recognised through the awarding of an annual Gold Award. In 2015, Accolades were introduced for Visitor Attractions to recognise attractions that go above and beyond the call of duty to ensure people enjoy their visit. Four accolades were introduced – Gold, Hidden Gem, Best Told Story and Quality Café and the first batch of winners were announced in November 2015.

Feedback from tourism businesses on the assessments (2015/16) was very positive. 98 of respondents rated the professionalism and manner of Assessors as either Excellent or Very Good, and 97% of respondents rated the quality of the assessment debrief as either Excellent or Very Good.

#### 4.5 Improving Connectivity to Wales

Making Wales a much more connected country is a crucial strategic priority to 2020, as we seek to build a truly competitive destination for tourism and inward-investment, especially in an international context.

Access issues, both perceived and real, are identified as major barriers to visiting and investing in Wales. We know that our customers, even in the UK, think of Wales as a place that is hard to get to – and around. Our lack of direct international connectivity makes it difficult to put Wales on the global map, and creates practical issues for overseas visitors and clients.

Although Visit Wales has delivered a number of successful projects in partnership with ferry carriers, train companies and airlines in recent years, there is more to be

done to combat short-term perception issues by promoting existing routes more effectively. This needs to be delivered alongside addressing the long-term opportunity to both improve basic transport infrastructure in Wales, and support improved services to and from Wales by road, rail, sea and air.

Visit Wales is already involved in projects to improve sustainable transport options for tourists wishing to travel around Wales, but there is an opportunity to join all of this activity together to deliver an integrated and strategic approach to 2020.

## **Road**

- Visit Wales will continue to work closely with the Welsh Government Transport Division to ensure that tourism needs are considered as part of future infrastructure schemes, as well as any discussions on future Severn Bridge tolls.
- A programme to do more to develop and promote Wales' key tourism routes to visitors is also underway, again in collaboration with colleagues in Transport Division. Visit Wales is engaging with coach operators via its travel trade activity, but there is scope to build on this with a more strategic approach including addressing coach accessibility and facilities – in order to ensure that coach travel to and around grows most effectively in future.

## **Rail**

- Visit Wales will continue to work with the Welsh Government Transport Division to advise on tourism requirements from future rail franchise agreements.
- We have delivered a number of campaigns with the key train companies serving Wales, and will look to build on these relationships with more marketing activity on the network, at stations, and aimed at consumers linked to the high-speed developments over the coming 3-5 years.
- The Visit Wales/Marketing team is heavily involved in the Metro project and will continue to inform the development of the service and the branding/marketing approach to ensure that tourist requirements are met.

## **Sea**

There are opportunities to do more to grow tourism to Wales by focusing on connectivity via our gateway ports and airports. We will consider our future approach to air/sea route promotion activity. However, a snapshot of current priorities is included below:

- Welsh Government Cruise Wales will continue to lead the work of delivering a strong and sustainable Cruise programme for Wales.
- Visit Wales has recently delivered very successful co-campaigns with a number of sea-carriers serving Wales directly, or that bring key international markets into other Ports across the UK. Recent partners include DFDS Seaways, P&O Ferries and Irish Ferries. Visit Wales will continue to deliver practical, tactical campaigns with these partners whilst increasingly also developing more strategic relations with these companies – to consider long-term route development, as well as multi-market promotional opportunities.

## Air

- The key focus is to work with the new Welsh Government Aviation Team, as well as VisitBritain, to develop a Route Development strategy for Wales. As this is developed, activities to support emerging opportunities will continue to be considered on a case by case basis.
- Working in partnership with Visit Britain, Visit Wales will ensure that Wales as a destination is represented at World Routes 2016. We have previously exhibited as a destination along with Cardiff Airport at Routes 2013 Las Vegas, 2014 Chicago and 2015 Durban.
- Regular meetings with Airport and Airline partners to explore strategic new route development priorities will be held. Visit Wales has delivered a range of collaborative route-promotion campaigns with airlines. We will continue to work in partnership with airlines and airports to promote flights to Wales or gateway airports in our key target markets, with the aim of delivering a tangible increase in inbound passenger levels.

## Transport Hubs

The Visit Wales brand team will work with partners at the key transport gateways within Wales, as well as major access points outside Wales, such as Euston and Paddington stations, to improve Wales's visibility and the visitor experience within these hubs.

## 5. MAJOR EVENTS

### 5.1 Strategic Aims

*Partnership for Growth* recognises the importance of major events to the tourism economy especially where they can help extend the tourism 'season' by attracting visitors to Wales in the 'shoulder' months. It also highlights the need to balance support for attracting new events with the need to nurture existing home grown events with the potential to grow and positively change perceptions of Wales.

The Welsh Government's Events Strategy is delivered by the Major Events Unit within Visit Wales, and aims to build Wales' position as a world class events destination.

### 5.2 Progress to Date

The portfolio of supported events typically comprises 30 – 40 events per year. Since 2013, a number of notable major events have been attracted to or developed in Wales including:

- **Machynlleth Comedy Festival:** growth in visitors from 500 to over 5,000 in 2015 securing coverage by BBC Radio 4 Extra, BBC Radio Wales, the Guardian and Independent.

- **Ashes Test:** attracted 59,000 spectators with strong Wales branding at strategic points around Cardiff maximising the broadcast exposure around the world.
- **Festival No 6:** Held at Portmeirion Village providing a unique festival venue with a distinctively Welsh experience and attracting 15,000 visitors, 1,000 artists and over 300 members of the press and continues to attract critical acclaim.
- **Rugby World Cup** attracting visitors from Ireland, Canada, Argentina, Fiji, Australia, New Zealand, France, Georgia and Uruguay with over 15,000 visiting the Fan Zone where Visit Wales assisted fans with on-going travel plans around Wales.
- **Hijinx Unity Festival** one of Europe's largest inclusive arts festivals attracting over 14,000 visitors including from Mozambique, France, Germany, Belgium and Italy.

The Major Events Unit's programme of supported events in 2015/16 is estimated to have attracted 850,000 visitors to Wales, generating a direct economic impact of £125 million and supporting 2,800 jobs.

### 5.3 Priorities to 2020 and beyond

The major events budget is fully committed for 2016-17 and 2017-18, with events scheduled such as the Champions League Final in 2017, and the Volvo Ocean Race and Welsh Seniors Open in 2018. Consequently, as part of this strategy progress review, we have been undertaking a 'horizon scanning' exercise, with key stakeholders, to look strategically at new opportunities for attracting more **major international sporting and cultural events** to Wales in the period 2019 – 2025.

Future tourism related priorities include:

- Attracting new high profile events drawing high spending visits from outside Wales.
- Supporting the Thematic Years with anchor events already planned for the Year of Adventures, The Year of Legends and the Year of the Sea.
- Maximising branding opportunities for each event to provide a distinctive Welsh experience and generate valuable content and free publicity around the world.
- Publicising a calendar of events taking place in Wales and providing visitor information and promotion via Visit Wales media and campaign platforms to drive opportunities for year round, extended and repeat visits.

The possibility of a bid to host the 2026 Commonwealth Games is being considered separately and in addition to this work.

## 6. PEOPLE DEVELOPMENT

### 6.1 Strategic aims

The strategic ambitions set out in the action plan for *Partnership for Growth* are:

- Training our people with demand-led and specialist skills so that they can thrive in the tourism sector.
- Applying well defined standards and skills to improve customer care and service.
- Changing perceptions of tourism as a career choice to attract the talented and ambitious.
- Develop a regional network of internationally recognised centres for hospitality and tourism skills.

## 6.2 Progress to Date

Visit Wales has no remit to directly fund or deliver training for the industry. Its role is to help identify the strategic training and development needs for the industry, to help with raising the profile of career opportunities in the sector and to signpost tourism businesses to relevant information and training support available.

Visit Wales works with the Welsh Government's Department for Education, Peoples 1<sup>st</sup>, Careers Wales and the education and training sector to ensure that the right training and qualifications structures are in place to develop the performance of the tourism sector. The approach has been to identify priority work streams where Visit Wales could make the most impact.

Visit Wales has taken forward the following actions in line with these strategic aims:

- worked with BHA Wales to run a pilot project to promote careers opportunities in the tourism sector to Secondary Schools, with a number of hotels across Wales opening their doors to groups of school children to experience the variety of jobs within the sector.
- attended Skills Cymru to promote career opportunities in the tourism and hospitality sectors and is working closely with Careers Wales on their refresh of their Tourism web-site pages and on their schools programme.
- supported the Pembrokeshire "Putting People First" project designed to develop local talent and a model to deliver international standard visitor experiences.
- worked with People 1st to research training priorities for the sector which has identified the need for improvements in customer service training and Visit Wales have funded several customer service focussed applications across Wales.
- actively promoted relevant training opportunities including signposting businesses to the Welsh Government Skills Gateway and new Business Online Support Service which offers free online training modules for employers and employees to access.
- promoted the Chwarae Teg programme to the industry, which supports career development for women employees and helps employers to improve their recruitment, working practices and Equality and Diversity policies.
- introduced a new requirement that applicants for Welsh Government Tourism Investment Support Scheme funding must include a detailed skills training plan to ensure that the improvement in the quality of product is matched by improvements in the quality of staff employed.

- supported the development of a new Level 4 Outdoor Programmes Apprenticeship through our work with the Wales Adventure Tourism Organisation.
- promoted the Erasmus+ Graduate Exchange Programme in order to address the lack of modern foreign languages in the tourism sector. Visit Wales introduced a pilot for the Learning Journey Programme which aims to drive quality improvements and excellence in customer service using a peer to peer learning approach connecting Welsh businesses with exemplar operators. So far 64 businesses have attended the learning journey events resulting in 68 business improvement actions.
- the experience that our cruise passengers have in Wales will be enriched if their off-shore based itineraries are led by foreign language speaking tour guides; we have been working in partnership to ensure that the correct skills are in place to provide this service for our overseas visitors.

### 6.3 Priorities to 2020

Moving forward there is a consensus that Visit Wales' remit should not extend beyond the current strategic coordination and influencing role. Investigations suggest that, apart from the issue of customer service training, there is ample training provision for the general needs of the tourism industry in both FE and HE establishments. The priority is to ensure the industry is aware of and takes advantage of the training available.

Visit Wales' key priority actions are to:

- continue to work with the Department for Education and the education and training sector to influence the various skills training programmes and apprenticeships schemes to ensure they support the tourism sector and remain in step with changing industry and customer needs.
- aim to drive greater participation by tourism businesses in the Welsh Government Skills Gateway and new Business Online Support Service.
- Consider the role of Quality Assessors in promoting and signposting skills development and training and feeding back industry needs.
- fund the co-ordination role for a small number of destinations assisting them to achieve World Host Destination status and to use the learning to develop best practice standards for other destinations across Wales.
- introduce a National Tourism Award for excellence in customer service in 2017/18.
- investigate with the Department for Education the possibility of developing a customer service element in the Welsh Baccalaureate.
- progress the Learning Journeys project to develop best practice around key strategic priorities and emerging opportunities, including business tourism, and to maximise benefits of knowledge transfer to participants and across wider industry.
- continue to promote and communicate partners' initiatives aimed at changing perceptions of careers in tourism.
- encourage provision of qualified guides and local ambassadors with suitable language skills to meet the demands of international visitors

## 7. PLACE BUILDING

### 7.1 Strategic aims

*Partnership for Growth* identifies the priority as being to work in partnership to manage, develop and promote destinations across Wales to optimise tourism benefits and meet wider community aspirations. The objectives are to:

- Support a Destination Management approach to improve the market appeal and visit experience of tourism destinations throughout Wales.
- Promote iconic destinations with a distinctive sense of place and authentic experiences including Cardiff as an internationally recognised Capital City.
- Harness the potential to promote tourism as an agent for place development and regeneration as part of a mixed, diverse and sustainable economy.
- Improve physical and technological connectivity including a thriving international airport and links to nearby airports.

### 7.2 Progress to Date

The industry and local stakeholders have been working in partnership to deliver the approach to developing, managing and promoting a range of appealing and distinctive destinations to tourists and other visitors. Specific actions include:

- Continued support for the established Destination Management Partnerships to develop and deliver their action plans, but there is mixed progress with some destinations progressing with stronger public/private sector partnerships and more effective delivery of action plans.
- In 2014-2015, Visit Wales allocated over £1.25m to 32 projects via the Regional Engagement and Partnership for Growth funds to help destinations deliver integrated product and marketing priorities identified in their Destination Management Plans. Projects varied in scope from new cycling trail routes developed in Gwynedd named in honour of Sir David Brailsford, to a combined National Parks Dark Skies project and continuing to support tourism ambassador programmes throughout destinations in Wales.
- Visit Wales targeted a new Tourism Product Innovation Fund for the private sector to develop destination content and collaborative initiatives that align with strategic priorities such as engaging with the Year of Adventure. In 2014-15 Visit Wales provided £328k to 15 projects.

Furthermore, good broadband coverage and connectivity is very important for the tourism industry for businesses to effectively promote themselves and for visitors who wish to access the internet during their visit. The industry has raised concerns over the gaps in broadband access and is working with the relevant Welsh Government teams to progress the agenda for the tourism sector.

### 7.3 Priorities to 2020

Research shows that there has been a good spread of growth in visitors across Wales and that visit experience and satisfaction is highly rated. However, there are

still relatively few established destination brands in Wales that are as well known as some of the leading holiday resort and city break destinations in other parts of the UK. There is a need to better align our approach to Destination Management Partnerships and destination marketing and information provision. There are also further opportunities to strengthen and sustain the network of visitor destinations across Wales so that they provide diverse, distinctive and high quality visitor experiences, easily accessible from our key markets. This is challenging at a time of public resource constraints that may have a significant impact on maintenance of the visitor environment and delivery of tourism services at the destination level.

Key priorities being considered are:

- To undertake an audit of the destination partnership approach to establish how Welsh Government should work with the public/private sector partnerships going forward to support a network of sustainable destinations that are developed and promoted in line with market needs and local priorities.
- To ensure that funding support for product development is aligned to the destination management priorities to ensure a critical mass of suitable product is developed at key locations to maximise wider destination development and benefits.
- To identify destinations with best growth potential and the market strength to be promoted as lead sub national destination place brands.
- To make the best use of the recently secured EU (ERDF) funds totalling £85m (with an ERDF contribution of £27.7m), which will help deliver strategic tourism infrastructure investments at eleven coastal, historic and adventure destinations across Wales.
- To promote the new online tool kits to support industry to develop a sustainable approach and distinctive sense of place.
- Visit Wales will continue to provide strategic policy advice on the importance of tourism and the benefits that could be realised from the investment within infrastructure such as the M4 and rail electrification.

## **8 PROFITABLE PERFORMANCE**

### **8.1 Strategic Aims**

Partnership for Growth is an industry wide strategy which recognises the lead contribution that businesses make towards profitable performance and growth of the visitor economy. It sets out the aim to grow overall tourism earnings up to 2020 and to strengthen the viability and competitiveness of enterprises and maximising the proportion of income retained locally through supply chains.

### **8.2 Progress to Date**

There is evidence that businesses which have been supported via Visit Wales TISS funding have brought forward investment that in turn is leading to increased visitor revenue and improved profitability. There is also a link between businesses achieving higher quality ratings and higher occupancy levels which is a key determinant of profitability and competitiveness.

Visit Wales' Marketing and Major Events Unit support programmes which are making a demonstrable and high return on investment influencing growing levels of incremental visitor spending.

There are some encouraging signs of growth in average visitor yields from trips to Wales in the last 5 years. The average spend per trip by domestic staying visitors has increased at rates above inflation with particularly strong growth in holiday visitor yields. However, there is still a strategic challenge to increase visitor yields and occupancy levels that still lag behind other parts of the UK. A careful balance needs to be struck as consumer holiday budgets remain tight and recent research shows that value for money is still a leading influencing factor for holiday decisions. Wales has a strong competitive perception for offering good value and this competitive price and value offer may well have been a factor for Wales outperforming and securing a growing share of the domestic staying visitor market in recent years. The introduction of the new statutory living wage, higher relative VAT rates and wider taxation policy all have major impacts on business costs and profitability.

### **8.3 Priorities to 2020**

- Visit Wales to monitor competitive perceptions of value for money and to advise industry of changing market conditions and price sensitivity of key markets and opportunities for them to upgrade, strengthen and extend their market appeal.
- Businesses in Wales to deploy effective yield management and customer marketing to encourage added value visits, longer stays and repeat visits, with the aim of growing improved customer experience, occupancy and profitability all year round.
- Visit Wales to target marketing activity at higher yield, year round markets including growing trips from international visitors, business and events, cultural and activity visits, new first time visitors and a balance of short breaks and longer stays.
- Visit Wales to target support at businesses and events that can demonstrably grow higher yield visits, year round operation and maximise secondary spending and employment in the local economy.
- Developing the Wales brand and marketing messages to develop a strong value proposition and promote a more distinctive, experience rich premium brand.
- Destination Partnerships to consider ways to encourage secondary spending in the local economy by visitors and businesses providing a distinctive and authentic experience promoting local food and drink, arts, crafts and events and specialist local shopping.
- Visit Wales to consider impacts of taxation and relevant policy development on costs, competitiveness and sustainability of tourism businesses and feed into policy leads accordingly.

## 9. PARTNERSHIP

### 9.1 Strategic Aims

Underlying *Partnership for Growth* and this strategy progress review is the importance of strong relationships and clearly understood structures being in place to allow for effective engagement in what remains a highly fragmented industry.

Key strategic aims are to:

- Encourage a teamwork approach with clear objectives, accountabilities and responsibilities.
- Support effective two way communication for sharing information, market intelligence, content and extensive engagement with delivery programmes and policy development.
- Improve the quality of the visitor experience at the local destination level, through implementing coordinated local, regional and national solutions.
- Make the available resources deliver more for tourism in Wales.

### 9.2 Progress to date

A new simplified and integrated structure has been put in place for tourism engagement comprising:

- *National* – the Tourism Advisory Board advises on the strategic direction for the sector.
- *Regional* – Visit Wales has established four Regional Fora, which are used as a key mechanism to share information and direction from and with the national Tourism Advisory Board, while providing an opportunity to raise opportunities and issues within each region.
- *Local* – Visit Wales encourages the adoption of destination management through the creation of public/private sector destination management partnerships. Key members from each partnership represent the wider destination at the regional forum, which completes the link from national to local level.
- *Sector* - representative Industry Bodies including, but not limited to, British Hospitality Association , Wales Adventure Tourism Organisation , Wales Tourism Alliance ,Welsh Association of Visitor Attractions , Wales Official Tourist Guides Association , and Farm Stay Wales representing the interests of their sectors including regular liaison with Visit Wales

### 9.3 Priorities to 2020

The feedback from the strategy progress review indicates general support with the new structure for engagement between national, regional and local stakeholders. The view is that Visit Wales has a continuing role to facilitate the development of the new Regional Fora and these should increase the private sector's role in their delivery and strengthen communication with Destination Management Partnerships and local tourist associations.

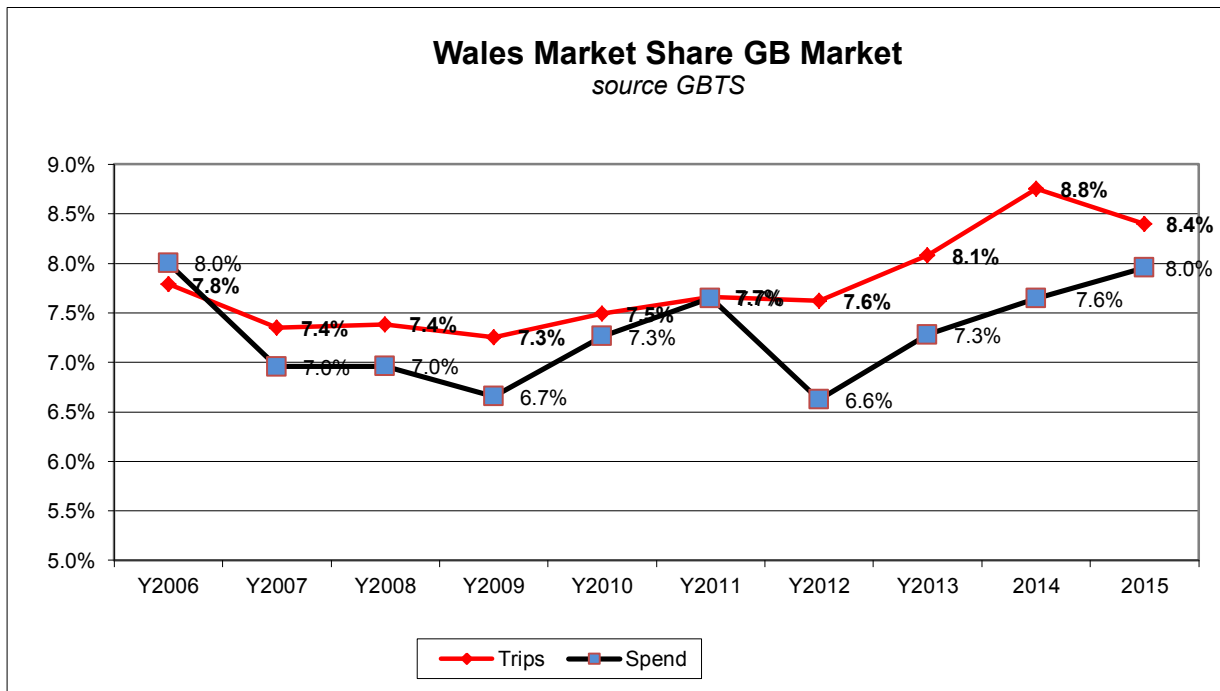
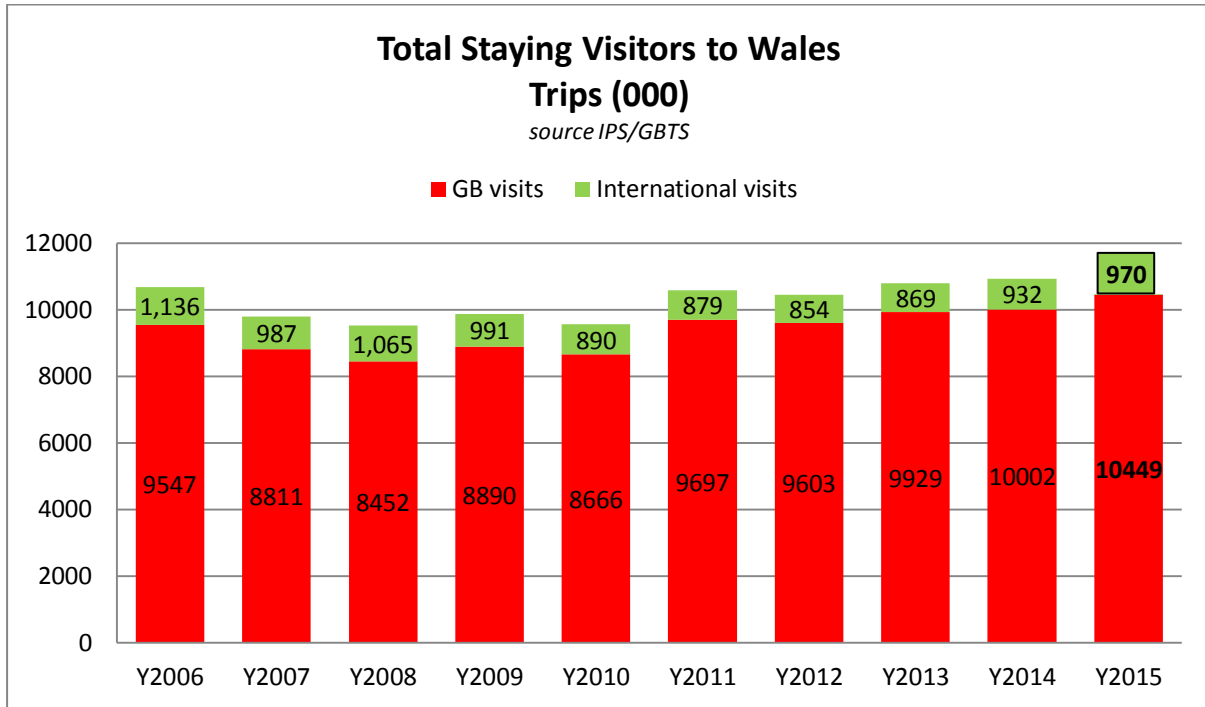
The importance of tourist associations for business networking and collaboration at local level is evident. They also provide a good conduit for Visit Wales to engage with the sector in a proactive manner via the destination management approach. That said, the structure and capability of tourism associations varies across Wales, and there are concerns as to the long term future sustainability of them. To ensure we continue to support local delivery in an appropriate and consistent manner, Visit Wales is leading a piece of work that will look at the possibility of developing criteria for support for tourism associations going forward.

There are widely held concerns that, despite the importance of the visitor economy across Wales, Local Authorities are under pressure to reduce costs and therefore tourist related services including destination marketing, tourism information provision and visitor amenities could be hit. Visit Wales has a role in ensuring the benefits of tourism and the implications of any cuts need to be made clearer to key decision makers at all levels.

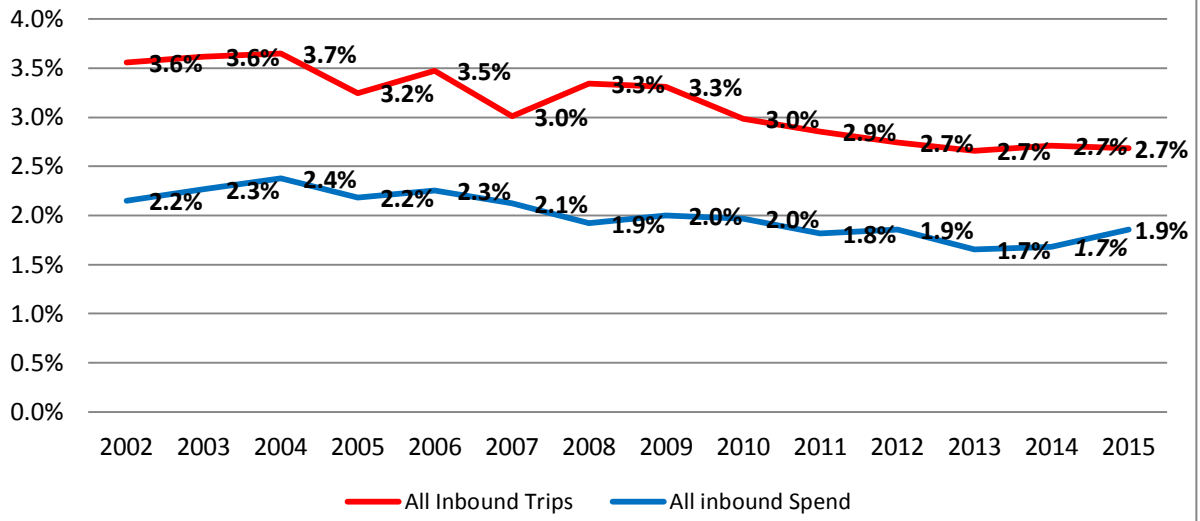
The priority actions are:

- Improved governance mechanisms to be put in place to ensure flow of information between Regional Fora, Destination Management Partnerships and local tourist associations.
- To review the role of Tourism Associations and how Visit Wales and stakeholders can most effectively support them in the future.
- Undertake an audit of the Destination Partnership Management structure to prioritise and refocus funding support for them depending on their commitment and capability to drive forward the actions in their plans linked to wider strategic priorities.
- To continue consultation with key industry bodies to help inform strategy, policy and programme delivery.
- Produce better regional and destination level evidence and information and communicate this more widely to the industry and key decision makers at a local level to ensure budgets are protected and allocated to reflect the benefits, requirements and impacts of the visitor economy.
- Ensure effective engagement with the Regional Economic bodies to ensure tourism is considered and prioritised in their plans and that these integrate with local destination management plans and strategic tourism priorities.
- Better engagement with key decision makers at a Local Authority level.

**Annex 1: Market Performance**



**Wales share of inbound trips and spend by international visitors to UK**  
*source IPS*



## Annex 2: Market Matrix

	<b>Profile</b>	<b>Delivery</b>	<b>Recommendation</b>
<b>In-Wales</b>	<p>Welsh tourism's single biggest market. Crucial for stay and day visits and the 'Visiting Friends and Relatives' market.</p> <p>Provides an opportunity to drive shoulder-season holidays.</p> <p>Also represents a community of Ambassadors for brand Wales.</p>	<p>Visit Wales-led marketing:</p> <ul style="list-style-type: none"> <li>— UK campaign rolled-out in Wales; underpinned by media partnerships.</li> </ul>	<p><b>Test</b></p> <p>Shift resources from 'advertising' to content-led social/media work.</p> <p>Deliver more via destination/industry partnerships.</p> <p>Consider social tourism opportunities.</p>
<b>Domestic – UK</b>	<p>Represents 90% of staying visitors and 82% of visitor spend.</p> <p>Wales is reliant on this market, but there is an opportunity to shift the focus to new, higher-yield groups and to drive year-round growth.</p>	<p>Visit Wales-led marketing:</p> <ul style="list-style-type: none"> <li>— Major, multi-channel campaigns including television, digital, print.</li> <li>— Partnership marketing, which is working well.</li> </ul>	<p><b>Focus</b></p> <p>Shift emphasis to new, high-yield markets and shoulder seasons.</p> <p>Closer integration with business marketing in London.</p> <p>Work with destinations and industry to target English 'regions'</p>
<b>Ireland</b>	<p>Long-term decline in visits from this market and low-level of response to campaigns.</p> <p>Strong cultural and transport links provide opportunities but Visit Wales approach needs to be reviewed.</p>	<p>Visit Wales-led marketing.</p> <ul style="list-style-type: none"> <li>— UK Campaign extended to this market.</li> <li>— Strong partnership element with ferry carriers.</li> </ul>	<p><b>Review</b></p> <p>Consider future delivery via destination/industry partners based on product-led approach.</p> <p>Closer working with Welsh Government on-territory.</p> <p>Ongoing route development/promoti</p>

			on.
<b>Germany</b>	<p>Strong growth prospects for Wales, with an increase in visitors in 2015.</p> <p>2 years into campaign approach on-territory – need to maintain in order to properly test impact of our work and return on investment achieved.</p>	<p>Visit Wales-led marketing:</p> <ul style="list-style-type: none"> <li>• above and below-the-line;</li> <li>• consumer and business to business;</li> <li>• multi-channel i.e. print/cinema/outdoor; digital marketing; PR/media engagement; targeted travel-trade engagement.</li> </ul> <p>Collaboration with VisitBritain/GREAT.</p>	<p><b>Test – 3 years</b></p> <p>Closer integration with Wales marketing partners active on-territory. Route development and promotion.</p> <p>Deliver tangible projects with VisitBritain/GREAT.</p>
<b>USA</b>	<p>Strategically important market for Wales/brand Wales.</p> <p>Market uncertainty due to global economic factors.</p>	<p>Visit Wales activity with a focus on Business to business and some tactical above-the-line plus VisitBritain/GREAT.</p>	<p><b>Maintain</b></p> <p>Continue Business to business and PR programme, building and promoting high-quality products.</p> <p>Explore partnership opportunities for tactical campaigns as they arise</p> <p>Support route development/promotion with Airline partners and VisitBritain.</p> <p>Develop tangible projects with VisitBritain/GREAT.</p> <p>Deliver joined-up creative industries Wales campaign – subject to budget/resourcing confirmation.</p>

<p><b>Other International</b></p>	<p>Visit Wales is unable to proactively target all our key growth markets – but maintains low-profile Business to business activity aimed at operators in this market.</p> <p>Some of these markets are major Markets for Wales that merit nurturing – France, Australia.</p> <p>At present, Wales doesn't attract high levels of visitors from emerging markets such as China, Japan. Partners – such as GREAT and Wales's Universities are also active in these markets.</p>	<p>Visit Wales – limited business to business activity plus VisitBritain/GREAT.</p>	<p><b>Partner</b></p> <p>Respond to tactical opportunities for enhanced campaigns / promotions as they arise – e.g. Euro 2016; Champions League Final 2017.</p> <p>Support route development/promotion with Airline partners and VisitBritain.</p> <p>Provide more strategic leadership to Welsh Government colleagues and strategic Wales partners, as well as VisitBritain and GREAT to drive improved results from these markets.</p>
<p><b>Golf</b></p>	<p>Only 'niche' product focus. Has delivered a strong return on investment over ten years.</p> <p>Strong private sector partnership in place.</p>	<p>Visit Wales-led Consumer/Business to business marketing including events, digital, print and publication.</p>	<p><b>Exit</b></p> <p>Maintain until the Seniors Open, 2017 and gradually hand-over to the private-sector.</p>
<p><b>Business Events</b></p>	<p>High value and cross-cutting with real benefits not just for tourism but also for inward investment, trade and employment.</p> <p>Wales is currently under-performing – the sector currently generates £343m per annum, representing just 1.6% of the</p>	<p>Visit Wales/In-Wales Partner led: low-level activity only</p>	<p><b>Enter</b></p> <p>Secure additional resources to establish and trial 'Business Events Wales' conference bureau model.</p> <p>Promote via Welsh Government Sectors.</p> <p>Work with destination/industry</p>

	<p>sector value to the UK.</p> <p>The Wales International Convention Centre provides momentum – but there is potential to grow this market significantly even without this facility.</p>		<p>partners in interim.</p>
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