



BWRDD CROESO CYMRU  
WALES TOURIST BOARD

WALES TOURIST BOARD ANNUAL REPORT 2003-2004  
**Growth – now and for the future**

Noddir gan  
Lywodraeth Cynulliad Cymru  
Sponsored by  
Welsh Assembly Government



## Highlights

- > Number of tourism trips to Wales (2003) – **12 million**
- > Spend from UK visitors in 2003 was up **14%** on 2002
- > Visits from overseas up **4%** in 2003 and visitor spend up **7%**
- > **£89 million** additional expenditure directly attributable to the Big Country marketing campaign
- > **£14.9 million** allocated in grants to 286 projects throughout Wales creating or safeguarding 1,042 jobs
- > **£502 million** allocated to 196 projects in rural Wales via Adfywio scheme, operated in conjunction with Countryside Council for Wales
- > Over **300** buyers and sellers attended inaugural Showcase Wales three-day event in November



**Our vision:** To maximise tourism's contribution to the economic, social and cultural prosperity of Wales.



## Year at a glance

### 2003-2004 was a year of success for Welsh tourism; the industry finally reaped the rewards of sustained and strategic investment in product investment and marketing.

#### April 2003

The year started on a high, with an extremely busy Easter period. Research carried out by WTB found that a massive 96% of businesses reported a busy weekend. These good figures were a sign of things to come during 2003, as Wales outperformed the rest of the UK time and again.

#### May 2003

Wales' first ever TV golf advert was launched on Sky; the advert was part of a multi media golf advertising campaign, '*Wales – Golf as it should be*'. The voice of American Jazz icon Ken Nordine was used in a pre-summer radio advertising campaign to entice visitors to take a relaxing holiday in Wales.

#### June 2003

Carwyn Jones, Minister for Environment, Planning and Countryside, announced that a record number of Welsh beaches had been awarded a Blue Flag – 33 in all. The first ever UK Royal Tourism Day took place on 10 June. The Earl of Wessex HRH Prince Edward visited Wales.

#### July 2003

The *Visits to Visitor Attractions 2002 Survey* revealed that visits to attractions in Wales increased by 8% in 2002. On the busiest weekend for travel in July, passengers en route to Britain from Holland were enticed to '*Find a New Path*' to Wales as part of the WTB's European brand response campaign, which generated 108,000 responses against a target of 70,000.

#### August 2003

WTB's autumn marketing campaign was launched, which aimed to bring Wales to life by presenting a colourful flavour of Wales in autumn.

#### September 2003

As sponsors of Wales in Bloom, WTB announced the winners for 2003 at an awards ceremony in Llandysul. A stakeholder seminar was held in Brecon as part of WTB's policy framework review.

#### October 2003

WTB took Wales around the world by branding a bmibaby aircraft with images of Wales. The UK marketing team won gold for best radio advert in travel advertising at the Chartered Institute of Marketing Travel Industry Group (CIMTIG) advertising awards. WTB announced that three areas in Wales were to take part in a towns and villages walking pilot – Blaenavon in Torfaen, Llanfynydd in Carmarthenshire and the area around Amlwch on the Isle of Anglesey.

**Year at a Glance**

**November 2003**

The first ever three-day Showcase Wales business-to-business event was held in Cardiff, culminating in the National Tourism Awards for Wales. WTB and partners held a wreath-laying ceremony to mark the 50th anniversary of Dylan Thomas' death at Westminster Abbey. Wales' presence at the World Travel Market trebled, with 23 stand partners selling Wales to the world.

**December 2003**

WTB's business support team attended the Royal Welsh Winter Fair to provide advice and help to tourism businesses in Wales. WTB represented Wales at the International Golf Travel Market in the Dominican Republic.

**January 2004**

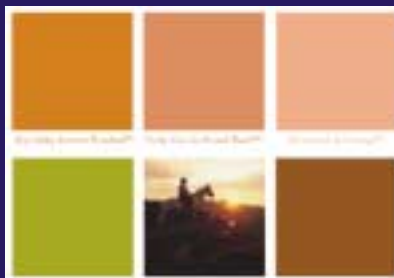
A new online travel planner – [www.traveltradewales.com](http://www.traveltradewales.com) – was launched to make it easier for foreign and UK operators to hook up with industry contacts and build visitor programmes. The Tramor Group kicked off their tour of 17 overseas shows at Vakantiebeurs Utrecht.

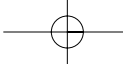
**February 2004**

The British Incoming Tour Operators' Association (BITOA) conference came to Cardiff. Quality and competitiveness were the key themes when the Wales Tourist Board and its industry partners linked with tourism businesses throughout Wales during a series of regional tourism roadshows. The UK marketing team, in partnership with the marketing areas of Wales, took Wales to the UK's consumer travel shows.

**March 2004**

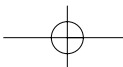
WTB launched its mystery shopper service; proprietors of hotels in Wales could now get a fresh perspective on how they might improve facilities or services. The Big Country campaign was taken to Ireland, when Stena Line and WTB linked up to market Wales in Ireland. WTB and its partners took Wales to the British Travel Trade Fair.





# The pieces fall into place

During the past few years, the Wales Tourist Board has been trying to reposition the industry to take advantage of emerging and growing markets. At the same time, there have been substantial changes both at Board and regional level. For the first time, in 2003-2004, most of the main developments were in place for a full year. **Chairman Philip Evans** and **Chief Executive Jonathan Jones** argue that the strategy is working.







### On the face of it, the successful figures for the past year are heartening. But is that really down to the Board, or other unrelated factors?

**Philip Evans:** It's the industry itself that has been successful. People don't come and stay here, at Brunel House. But our figures this year show that we've had a 14% increase in cash spent through the tills of tourism operators in Wales. The rest of the UK has been languishing at minus 1%. The weather was the same for England, Scotland and Wales – the only advantage that Wales had was that it had a more highly tuned tourist board with all the pieces of the jigsaw coming together for the first time. The quality issues are being addressed, our on-line booking system has had a bumpy road but is definitely working now and we had the funding for 'The Big Country' campaign, the kind of marketing campaign that we've always had the ambition to launch.

### But isn't the success really down to the weather and the fear of foreign travel?

**PE:** The question is then, why are people not also going to England or Scotland, for instance? More are coming to Wales than to our competitors. That cannot be down to the weather – the weather was the same throughout the UK.

**Jonathan Jones:** There is independent research to show how well-received The Big Country campaign has been. When people were asked in the street, 'What was the last tourism advert you saw on television?', the awareness figures shot up as high as 28% for Wales, from a previous 7%. That is higher than for any other destination advertising on UK television. That was because the campaign was good but, additionally, we had the weight of money to put that message over constantly – at different,

crucial times of the year. This, combined with the quality of the marketing work, made a difference. And the industry liked it. When the industry gets behind it, it's so much more effective.

### But what happens when the European money runs out?

**JJ:** At the end of the year, we submitted our latest bid for Objective 1 money. We have had confirmation that we're getting £11 million from the European Regional Development Fund (ERDF) for the remainder of the Objective 1 period and £5 million Pathway to Prosperity money. That's a £16 million marketing campaign that will take us up to July 2006.

The Board will continue to make the case that we need sufficient funds to break through the credibility gap. There is a threshold over which you have to go before your marketing becomes effective. I don't know exactly where the threshold is, but spending £1 million a year is below it, while £10 million over two years is above.

We have already started case-making for more European money after Objective 1 comes to an end. We still need to remind people that tourism provides more than 7% of Wales' GDP.

**PE:** The prime purpose of an organisation like this is to grow the market. Think about the major tourism operators with their £50-£60 million budgets. We're in the same battlefield. Our guns are smaller but we've got to fire faster and harder. Branding and marketing is all about how much of the sector you can buy. Without realistic funding, we're not a marketing organisation.

### The regional pieces of the jigsaw – the four regional tourism partnerships – are also in place. Are they working?

**JJ:** After a full year's operation, we're absolutely delighted with the partnerships that have been formed between the local authorities and the industry to deliver their own agreed regional tourism strategies. They have been set stiff targets by our Board and, through partnership working, they're meeting them.

### But there are some pieces left. Statutory registration of holiday accommodation, for instance.

**PE:** The Assembly Government have taken this on as a major policy in Wales. They are looking for an opportunity for the necessary primary legislation.

### You have also been campaigning for a stronger voice within VisitBritain, which markets the UK abroad. How successful have you been?

**PE:** The primary brands of Wales, Scotland, England and London have concerns about value for money and competitiveness. I'm pleased to say that the current Chair and Board of VisitBritain have agreed to review the whole process again. This gives us the opportunity to have a great deal of input into what should be the future format.

We would like to see more opportunities for the individual brands like Wales to be the marketing icons. For example, in Belgium, where they perceive Wales to be an excellent green destination, we believe that Wales should be leading the whole of the British campaign. The fascination of double decker buses, of red telephone boxes and the royal family are not always as strong as our culture, heritage and activity attractions. Wales must be allowed to be the lead body in certain campaigns.



**You have been aiming for a change of attitude within the industry itself. A year ago, you felt you were on the way.**

**PE:** Holiday buyers now place experience higher than destination and, sometimes, even accommodation. In the last 12 months we can seriously see Welsh tourism operators looking to achieve the total experience. A lot of the progress has come through partnership, with accommodation being sold in conjunction with attractions and activity centres. We see hotels and some self catering villages moving away from bums in beds attitudes and looking at spas, swimming pools and other activities, including the cultural. Tourism operators themselves are increasing their own marketing budgets and being more independent.

**JJ:** Members of the industry are far more professional now than they've ever been. More and more of them are travelling the world and seeing what can be experienced in the new destinations. They're coming back and looking to see if their own products are good enough. Often, they're honest and they invest. And we are able to help them.

**What was the main factor in this change of attitude?**

**PE:** It's down to results. Instead of trying to be all things to all men, trying to please political masters, financial masters and the industry, we've been very focussed. We've said to the industry, 'This is what we're putting forward', like The Big Country campaign. It was high risk, brash and loud; it had a great message and it worked.

There are always going to be winners and losers and our policy has been very strongly to support winners, who can also be described as willing partners. You can't force people to upgrade, to be more market orientated or to be

more aware of client care. But only those people coming forward with those very important items are getting support from the Board.

It's all about identifying positive and negative growth routes and, unfortunately, in some cases, you have to walk away from the negative. The positive growth routes require development money and marketing support.

**How crucial is it that you have the power to provide development grants as well as marketing?**

**JJ:** Whilst our competitors in England and Scotland can tell their industry, 'this is what you should be developing', we can say 'this is what you should be developing, and we'll help you'. No business can survive purely on marketing; you've got to adapt to the market need.

**Is that the reason for your two-tier approach, offering a broad vision of Wales and then concentrating on very clearly defined markets?**

**PE:** The niche marketing strategy has probably been one of the most important motivators in our success in the last year. We have the skills to identify what sector of the market comes at what time of the year – cyclists, water sports, young couples looking for romantic breaks, the family market, whatever. Our job is not just to sell the high days and holidays, it's to sell the shoulder periods, it's to sell Christmas. That's what niche marketing is all about – putting round pegs in round holes as opposed to the shotgun effect.

**“It's all about identifying positive and negative growth routes and, unfortunately, in some cases, you have to walk away from the negative. The positive growth routes require development money and marketing support.”**

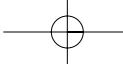
**JJ:** We have identified which niche markets can be developed in Wales and we're blessed with a country which can develop most of the world's activity products and offer them for 12 months a year.

**But growth for the tourism industry can sometimes be a problem for the environment or agriculture...**

**PE:** One of the priorities of this organisation is sustainability and if you wear your product out, you can't sell it any longer. The environment is the biggest asset that this country's got.

**JJ:** That's why we are placing so much emphasis on tourism businesses going for the Green Dragon environmental award and using our *Greening Your Business* toolkit. Being environmentally aware is good for your business; it's not a hindrance.

It's the same with the Welsh language. We've got an advisor who can show people that by making positive use of the Welsh language and by making positive use of sustainable goods and services, you can develop a better product and make more money at the end of the day.



**Chairman's and Chief Executive's Interview**

**Last year, you identified a lack of local staff as one of the major problems. Has this been solved?**

**PE:** We're looking at the inevitable now. Under current structures, there's never going to be enough Welsh staff so we have adapted our Welcome Host courses and are looking at even more adaptation in the future. If staff are coming from the emerging nations in the European Community, the chances are they're fairly well trained. It's our job to inject pride in the sense of place when they get here. The industry is working in a crisis at the moment. If you wanted to build a hotel with only staff from Wales, it would be a long time before you opened the doors.

**JJ:** We and all the other organisations involved have a job to prove to people that tourism provides good and interesting jobs and good and interesting careers.

**What is the key for the future?**

**PE:** Innovation. If Wales is to carry on growing, it's got to be innovative. If we're going to stop the market erosion of people going cheaply to exotic destinations, our product at home has got to be that much better. The five star pubs, the five star inns, the very highly graded backpacker hostels – all those are innovative and capturing the eye of the world. We need to get people to think outside the box. The people that lead the market will win.

**Since the end of the year, you have been told that the Wales Tourist Board is to be brought inside the Welsh Assembly Government, do you accept this?**

**PE:** We've got to be very positive about the future. We spent some time last year looking at competitive destinations around the world, from Australia to Slovenia to Italy. And they've all got one thing in common – if government supports tourism, the country's prospects are good. Otherwise, tourism goes into decline.

This Tourist Board is probably the most efficient and effective in Europe at the moment. My priority is that the team that we've got here is allowed to function as it does currently, with every member in place exactly as they are. This is a very specialist operation which has a hugely successful track record. Along with my Board, I am committed to seeing the organisation through a successful transition, in order to guarantee continued success for tourism in Wales.

**Philip Evans**  
Chairman

**Jonathan Jones**  
Chief Executive

# Growth – now and for the future

The co-ordination of development and marketing strategies has been one of the most important factors in the growth of the past few years. The image of Wales and the reality of the tourism product work together. Successful operators are providing their visitors with a complete experience, whilst this integrated approach has led to a deeper understanding of what quality really means... not just the highest grades in accommodation and food but also character, culture and sense of place. And behind innovative ideas, the Board is helping businesses to build strong management structures to provide more growth for the future. A few case studies here stand for the hundreds of exciting tourism businesses that are flourishing within the Board's strategic framework.





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Growth - now and for the future

## Making Wales an all-year destination, now and in the future

# The Big Country gets bigger still

It was one of the best tourist seasons ever. But the records were broken through hard work and successful marketing. WTB's strategy for growth works on two levels - to create short-term demand and to build for the long-term future.

"We have to look both short-term and long-term," says Roger Pride, WTB's Director of Marketing.

"In the short-term we need to get a Welsh message before as many customers as we can and make it as easy as possible for them to contact businesses here.

"In the long-term we need to reposition Wales to appeal to markets which are emerging and growing rather than the markets of yesterday."

That's why any ferry passenger travelling from the Hook of Holland to Harwich would have seen a massive poster about Wales covering one entire wall of the Stena building.

That's why prospective customers in England were able to use the red buttons on their digital TV controls to order a

Welsh tourism brochure or a magazine about Wales.

Both strategies are helping to extend the season by stressing that Wales is a place for safe adventures and by being flexible enough to help people make snap decisions... conveying the idea of the Big Country while reaching out at the most detailed level to people in their homes.

Few people thought that The Big Country campaign could get even bigger, but it did.

The 418,000 enquiries received during the 2003 season was an increase of 40%. Actual sales were even better, with 117,000 trips - an improvement of 50%.

Perhaps the most striking statistic of all is that 28% of people interviewed in January 2004 were able to recall Big Country television adverts without any prompting.

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## Growth - now and for the future



"The first year of the campaign was about building the foundations," says David Stephens, UK Consumer Marketing Manager for WTB. "The second year was about encouraging people to come outside the typical summer season."

The use of digital TV and the Internet made it easier than ever for people to get information about Wales and tactical campaigns encouraged new customers – for instance, people travelling without children outside the school holidays.

There was a special TV and direct marketing campaign in Autumn and an extra edition of the Board's magazine *A View of Wales* to focus on Wales' appeal at different times of the year.

"If you go back 10 or 15 years, people had one holiday," says Roger Pride. "Now people will take 5 or 10 or even more breaks of varying lengths. That's why the Welsh message needs to be before people all the time."

The long-term strategy includes stressing the importance of events and activities in Wales, appealing to niche markets and developing products and marketing hand in hand.

This has been crucial overseas, in particular in countries like the Netherlands and Germany, where people are looking for 'real' experiences and are confident enough to work out their own holiday routes.

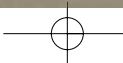
The new overseas marketing campaign, "Find a New Path", has played to these strengths, showing how Wales is more than just a pretty place.

It has meant innovations like that 30 metre poster, on-ferry videos, leaflets and till roll receipts, direct mail shots to UK-ophiles, as well as web banners and pop-ups linking to WTB's website.

"Responses were 55% higher than our target figures," says Geraint Thomas, International Consumer Marketing Manager. "And we beat BA, Man Utd, Virgin Trains and Eurostar to the Precision Marketing Response Award for Best Travel and Leisure campaign!"

**"Few people thought that the Big Country campaign could get even bigger, but it did."**











**To go beyond what  
visitors expect with even  
higher standards**

# Where quality means something special

**One of the growth markets for Wales is in the high quality market, bringing in affluent, discerning visitors all year round. As well as the best food and accommodation, we need to offer more... the special qualities that make an experience unforgettable.**

Lucy O'Donnell knows that Wales is not currently getting its fair share of high quality short break visitors. As the Tourist Board's Director of Development, she also knows this is changing. As people take as many as a dozen breaks every year, it could be one of the most important growth areas for the industry.

Such visitors expect quality as a norm. That's why the Board has constantly pushed businesses to upgrade and compete with the best across the world. Businesses that have been helped to take a step up in quality through Objective 1 grants are now showing an average increase in turnover of 37%.

"Between us, we are making Wales a fashionable destination," says Lucy. "But this involves more than five star accommodation and food, it's about the

whole experience... the environment, the sense of place and the qualities that visitors will never find anywhere else."

It is those qualities that have made two West Wales businesses into stars and award winners; one, an innovative new venture that draws on tradition, the other a long-established favourite that celebrates its environment.

"Our guests started coming here as local reporters and legal aid solicitors; they are now writing for the national newspapers and sitting as judges."

Jane Bell can look back on more than 30 years of offering something special at the Druidstone Hotel, perched above the wide sweep of St Bride's Bay in Pembrokeshire.



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## Growth - now and for the future



Having grown with customers that kept coming back year after year, through all stages of family life, they decided to offer a little more luxury by creating penthouse rooms in the roof and by renovating one of their most popular cottages.

"We recognise that people want 21st century comforts but we wanted to do that with as little impact as possible on the environment," says Jane, who knows that many people are looking for something deeper than surface luxury.

The Roundhouse, on its grassy gnoll amongst the sweetness of gorse, has been renovated with sustainable materials, uses no energy from the national grid, collects rain water to flush the toilets, is insulated with sheep's wool and has new windows and a wood-fired stove.

The growth for Jane Bell and her family comes from extending the season; the Roundhouse is now busy for most of the year, living with the changing seasons.

Not far away, in Ceredigion, another enthusiast of the authentic experience has brought beauty to two small villages while creating a holiday business called Under the Thatch.

Ffynnon-oer and Troedrihwfallen... the names of Greg Stevenson's thatched roof cottages say it all. He has restored two traditional houses and turned them into three holiday cottages, retaining their open roofs and 'hanging lofts', while adding modern comfort.

"When people come to stay here, they stay in a building which tells them about rural Wales," says Greg. "I'm trying to provide some added value to the usual holiday cottage. I like to call it St Fagan's - the Welsh Folk Museum - with electricity."

Visitors like to call it heaven - as they leave, some have even booked in for the following weekend.

Both businesses are examples of going beyond the usual measures of quality, says Lucy O'Donnell.

"As the high quality market becomes more and more competitive, people are looking for more. High standards of food and accommodation must now be taken for granted and the way to growth is to offer something special."

**"High standards of food and accommodation must now be taken for granted and the way to growth is to offer something special."**











**To foster long-term  
growth through  
sustainable  
developments**

# Green Dragons and Fat Little Flies

**Tourism businesses that receive grant aid from WTB are expected to achieve at least Level 2 of the environmental Green Dragon Award. By the end of the year, 49 had done so. It makes long-term sense for the industry and individual businesses too...**

Wales has a new village. You won't see it on ordinary maps and its population is a little more eccentric than most.

But Pentre Bach (Little Village) in West Wales will soon be a major destination for toddlers and their families – a real-life set for a Welsh-language television series about a character called Sali Mali, and a tourist attraction and small-scale holiday village.

After starting life as a character in Welsh language books for small children, Sali Mali is now an international superstar. Her television programmes have been sold to more than 20 countries and the animated version, for instance, is very popular in Japan.

Behind Pentre Bach is a real village, called Blaenpennal. Old farm buildings, a street of redundant houses and a former post office are all being revitalised.

The buildings have been in Ifana Savill's family for generations – her vision will help sustain the community and its environment, as well as local culture and the 'sense of place'.

The development is sustainable in another way too – the process of restoring the buildings has given work to local builders using local materials and there will be opportunities in future for other local enterprises.

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## Growth – now and for the future



Wales has several resorts with an international profile. The Celtic Manor Resort near Newport, for instance, is already famous across the world as the venue for golf's Ryder Cup in 2010.

Rising majestically above the M4 motorway and set in hundreds of acres of parkland, Celtic Manor is on a different scale to Pentre Bach. But this is another example of sustainable development, where 'green' is more than a putting surface.

The Green Dragon standard for tourism is now an integral part of WTB's grant schemes and Celtic Manor is a flagship project.

"The Green Dragon scheme is helping to deliver the Welsh Assembly Government's strategy on sustainability," says Linda Jones, WTB's Head of Product and Programme Development. "It's about taking a holistic approach to a business, from using local products to saving energy and recycling."

For tourism generally, it makes sense. Wales' greatest selling point is its environment; spoiling it would be madness. For individual businesses too, green policies can lead to savings, green attitudes can lead to growth.

"If you look at the businesses that are already buying into the Green Dragon scheme," says Linda, "you will see the top band of businesses – the innovators, the great successes."

Celtic Manor shows that even the biggest businesses can take on sustainable

policies. By the end of March 2004, the resort had achieved Green Dragon Level 2, by March 2005, it is aiming for Level 4.

At Celtic Manor, 10,000 energy efficient light bulbs are saving 15% on energy bills while systems for recycling wastes are cutting costs and bringing in extra income.

Just as importantly, the development of the golf course included a substantial Environmental Impact Assessment and provisions to protect local wildlife.

For Ifana Savill at Pentre Bach, sustainability means more than protection; it is also about new life for the community.

**"It's about taking a holistic approach to a business, from using local products to saving energy and recycling."**

The idea itself is delightful – as well as renovating old buildings to provide a set for television, families will be able to stay in the homes of wonderful characters like Pry Bach Tew (The Fat Little Fly) and Dwmpfen Malwodden (Dumpling the Snail).

"Local people are very proud of the development," says Ifana. "We've had tremendous support. The stone buildings are looking much better and local businesses are seeing the chance of selling their products here. It fits in with the area."

Pentre Bach may not be on the map, Blaenpennal certainly is.











**To drive on growth  
through high profile  
innovation and  
professionalism**

# Going up on the rollercoaster

**New ideas can lead to a breakthrough in the market. Innovation can make you famous. But sustaining that growth means hard graft and fresh attitudes. It means being professional in all aspects of the business, from market research to caring for customers.**

"Get training, get supporting, get developing your staff... and when you drive that with excellence you make more money."

It's a simple prospect but Lawrence Manley knows it works. As WTB's Project Appraisal Manager, he has seen enough business applications to be able to see through empty words and spot the real winners.

Professionalism is the key, he says, in researching new projects and in making sure that everything is in place to make them a success.

And as tourism employs about 10% of Wales' total workforce, recruitment, training and retaining are even more important than before. Many businesses show by example that innovation and

investment in staff go hand in hand and they lead on to success.

"When we look at a new project, it's not just about spending capital and providing new facilities; the service behind that capital spending is crucial, and the quality of that service," says Lawrence.

He will look behind the superficial descriptions of a project to see what kind of market research has been carried out, into trends and local tourism patterns, into any drawbacks or possible competition.

He will also look for training plans, not just a few words about the Board's own successful Welcome Host scheme, but a well-funded training plan that will help carry the business through a new period of growth.

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## Growth - now and for the future



Although most of the applications that come Lawrence Manley's way are to do with accommodation, a tourist attraction in Snowdonia is one of the best examples of how to do things right.

At Greenwood Forest Park, they know all about growth. The concept is based on wood.

For about eight years it was a fascinating place to learn about forests and trees. Then Stephen Bristow and his family took a deep breath and transformed the educational centre into a thriving entertainment attraction which has kept to its principles while taking on a new life.

He explains the problem in a nut-shell: "We had targets for growth of about 60,000 people a year, but were stuck on a plateau at 30,000."

The first step was to employ experts in tourism and marketing to work on a clear brief - ideas that would make Greenwood distinctive and well-known, while using the natural resources on their woodland site.

The result has been a series of innovative new attractions, from Wales' biggest toboggan slide to a unique eco-rollercoaster, driven by passenger power.

The Greenwood Centre became Greenwood Forest Park and Stephen Bristow would no longer have time to be taking tickets at the door and making up the pay slips by hand.

By the start of the 2004 season, the company was looking forward to breaking the 100,000 visitor barrier for the first time.

"We've changed things quite dramatically," says Stephen. "We've computerised the payroll, we've put in new management systems and we've created a full health and safety strategy."

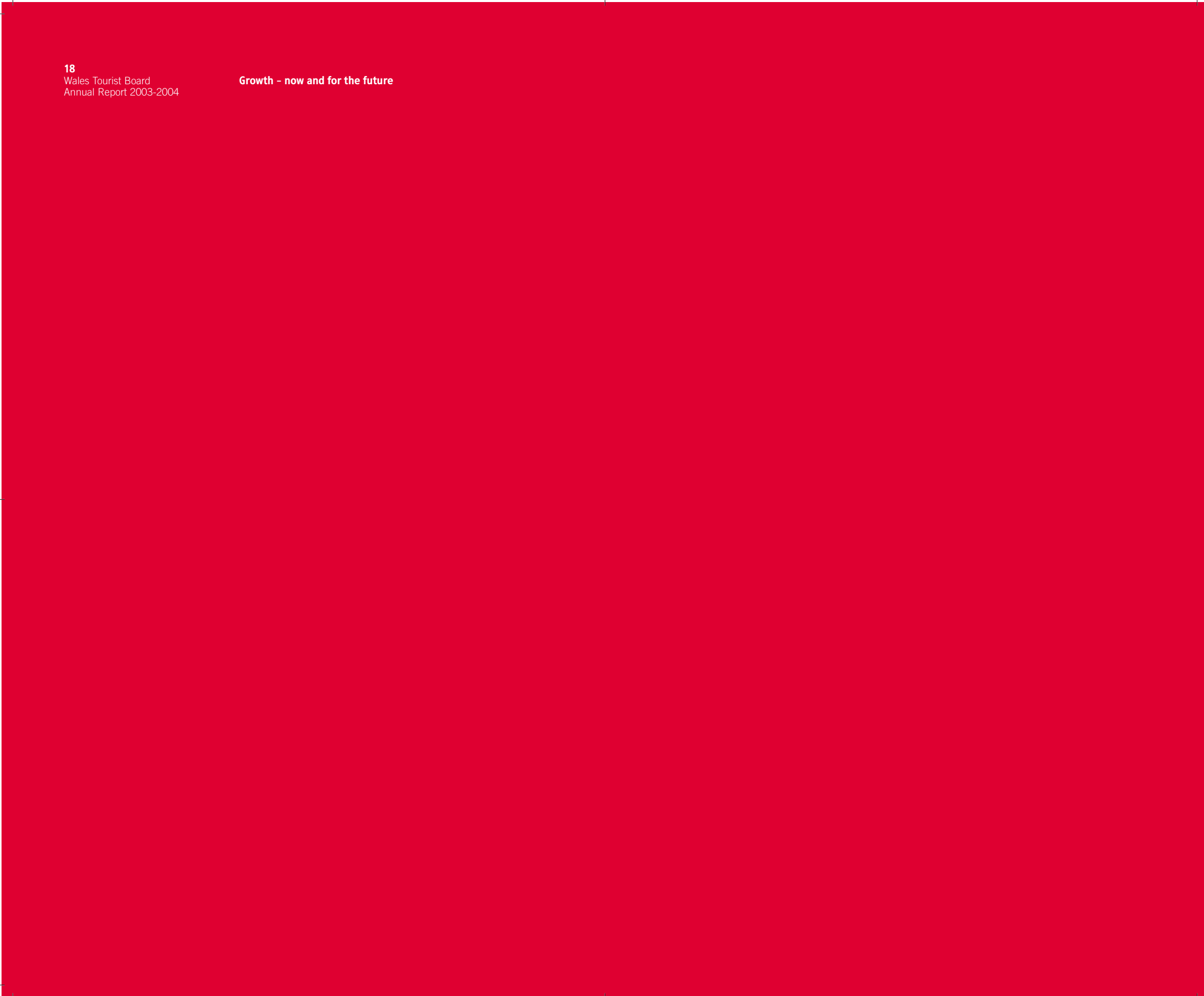
Now, members of staff around the park carry hand held radios to keep in constant touch and all 110 on the payroll have been properly trained.

Greenwood Forest Park is an all-year round business and its high profile innovations mean that people will make it the focus of their day-trips, from as far afield as Merseyside and Manchester.

"You have to be ready to change," says Stephen Bristow. "Innovation is very important. If you don't have all the skills, you must be ready to buy them in and you must address the whole package."

**"You have to be ready to change," says Stephen Bristow. "Innovation is very important."**







**2003-2004 was a year of significant growth for tourism in Wales, a year in which Wales outperformed its UK competitors time and again. The United Kingdom Tourism Survey (UKTS) full year figures for 2003 revealed that visitor spend in Wales had increased by 14%, while visitor spend for the rest of the UK was down 1%. Furthermore, the International Passenger Survey (IPS) full-year figures have shown that spend by overseas visitors in Wales had increased by 7% in 2003 compared to previous years.**

This success came as a result of continued high levels of support for tourism from the Welsh Assembly Government (WAG); targeted and strategic investment in marketing and development from the Wales Tourist Board (WTB); coordinated efforts between WTB and local authorities across Wales; and the commitment and professionalism of the thousands of tourism businesses across Wales.

The WTB remained focussed on improving the quality and competitiveness of the tourism product in Wales and on increasing the volume and value of tourism into Wales through targeted and strategic promotion and marketing, in order to contribute meaningfully to Welsh tourism's target of achieving 6% growth in revenue, year on year.

## PROMOTION

### UK consumer – the big, got bigger

2003-2004 was a year in which the Big Country UK marketing campaign would aim to build on the significant success of the activity undertaken in 2002-2003. It didn't disappoint. The Big campaign got bigger and continued to successfully challenge preconceived ideas about Wales, raising awareness and – more importantly – bringing spending visitors into the country.

Total activity throughout the year resulted in over 417,000 enquiries, which led to over 117,000 trips and a total spend of

£89 million directly attributable to the campaign. Unprompted recall levels of adverts (where respondents remember seeing a TV advert without prompting) remained higher than any other destination advertising on UK TV, hitting a high of 28% during June 2003.

Objective 1 funding and increased funding from the Welsh Assembly Government meant that the campaign activity was more prolific than ever before, allowing for greater penetration of the market. The Big Country TV adverts were shown in ITV core regions, including two new test regions Meridian South and East Midlands and nationally via satellite TV, in three bursts throughout the year. Previously, WTB would only have been able to run one burst of TV advertising per year. For the first time ever, WTB TV advertising included an interactive element, giving the customer the opportunity to request Wales brochures via their TV sets.

A series of seasonal direct response campaigns promoting the main summer holidays as well as spring and autumn breaks were undertaken, reaching a total of seven million potential customers. Work jointly funded with local authority marketing area partners reached an additional nine million potential customers and a total of 582,877 brochures were distributed via this coordinated approach. Online advertising campaigns continued, directing enquirers to log on to [www.visitwales.co.uk](http://www.visitwales.co.uk) for all their travel information on Wales. Two seasonal versions of the previously annual *A View of Wales* magazine were produced for Spring/Summer and Autumn/Winter, aiming to encourage people to visit Wales in all seasons.

Tactical opportunities were capitalised upon to add to planned activity: advertising in Scotland supported the bmbaby flights from Edinburgh and Glasgow Prestwick to Cardiff. An award-winning advert on radio was undertaken to promote St David's Day, presenting a perfect one-off opportunity to promote Wales messages around our national day.

Building on previous activity, businesses in Wales were given relatively low-cost opportunities to advertise in the national press and on Teletext via the Advantage Wales campaign. Advertisers would all be featured on a Wales page accompanied by editorial supplied by the WTB. A total of 38 features, accompanied by these subsidised adverts, reached 32 million readers.

Research has showed that those that have seen this activity are now more likely to consider Wales for a short break and holiday than they had been before and that awareness of Wales as a holiday or short break destination has been consistently higher among those that have seen the advertising.

### International consumer marketing

Globally, the marketing environment remained difficult. The war in Iraq and the uncertainty surrounding threats of terrorism made 2003-2004 a challenging year for marketing to the international traveller. The difficulty of selling holidays in an uncertain climate was balanced with the need to maintain Wales in the marketplace in order to raise awareness and establish a strong position for when the market becomes more favourable. The main focus of activity during this period turned to nearer European countries, with the introduction of the *Find a New Path* campaign in the Netherlands and Germany.

This campaign targeted market segments predisposed to travel to Wales, and included press advertising, online activity and direct mail to previous Britain enquirers. A new public/private sector partnership with Stena Line in the Netherlands enabled us to reach travellers already en route to Britain, with a strong Wales message. Activity included promotional giveaways on the ferry and at the Hoek van Holland terminal, along with a giant Wales poster on the terminal building. Against a target of 70,000, the campaign delivered 108,000 responses.

Despite the reluctance by US consumers to travel overseas the partnership campaign with bmi (British Midland), Avis and Welsh Rarebits utilising Manchester as a gateway to Wales generated some 550 visits at a time when the impact of the Iraq war was still being felt. The success of the campaign has resulted in the promotion being continued into 2004 and extended into Canada. Additionally, the main WTB US campaign in 2003, which comprised magazine advertising and online activity, generated just over 58,000 responses.

the production of a special edition in partnership with the Australian tour operator Driveaway Holidays.

#### Homecoming

WTB's *Homecoming Wales* campaign targets the Welsh diaspora, and aims to encourage them to 'come home to Wales'. The [www.homecomingwales.com](http://www.homecomingwales.com) website was launched in 2003, supported by promotional activity online and at Celtic shows in North America. Over 14,000 visitors registered on the site in the

In the UK, over £3.4 million worth of advertising equivalent coverage was gained during 2003-2004 and over 80 journalists visited Wales during this time. Coverage was gained in a wide variety of media, from *Condé Nast Traveller*, to *Country Living*, *Food & Travel*, *Marie Claire* and *Maxim*, as well as in all national press travel sections. The highlight of the year was securing the front page plus page and a half feature in the *Sunday Times Travel* for a piece by Bill Bryson on the railways of Wales, plus Bryn Terfel's Wales in the *Mail on Sunday*.

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The Tramor exhibition programme got a new look and feel for 2003-2004. Tramor is a long standing partnership between WTB, regional tourism partnerships and the local authorities in Wales, which aims to ensure the effective promotion of Wales as a holiday destination in strategically important overseas markets. During 2003-2004, the team attended over 16 shows in key markets.

In the USA, WTB staff attended Celtic consumer shows in Chicago, Bethlehem (PA) and Milwaukee, each of which attracts visitors in their hundreds of thousands. Additionally, WTB was also represented at the North American Festival of Wales in Vancouver.

#### Cross Market Niche Campaigns

##### Touring Guide

The second edition of the acclaimed *Touring Wales* guide was published in 2003, for distribution through all main international advertising campaigns. Changes for the second version included

first quarter of 2004 – taking the first step to being reunited with Wales.

#### Independent Traveller Campaign

WTB continued to work closely with the independent traveller sector to promote Wales as an attractive destination for backpackers and independent travellers. An innovative partnership with the publishers of the Rough Guides resulted in the production of a special mini *Wales Rough Guide* that became the main piece of promotional print for this campaign. Almost 75,000 copies of the little book have been distributed to date.

#### Destination PR

Media relations is playing an increasingly important role in the marketing mix; bringing journalists in to Wales to experience Wales' many holiday experiences generates valuable media coverage all over the world and raises Wales' profile in key markets. Currently, Wales employs specialist media consultants in seven key overseas markets, as well as in the UK.

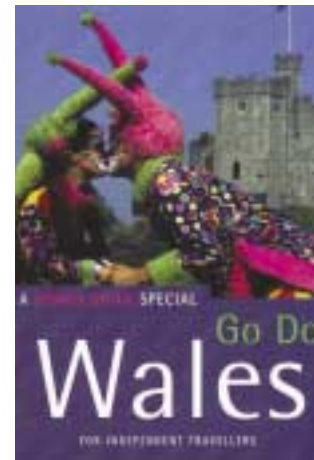
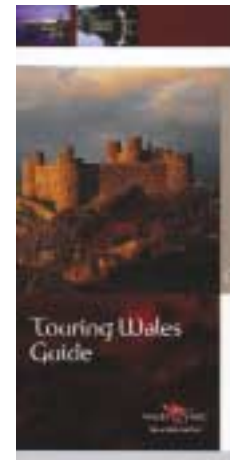
In October, the UK destination PR contract was re-tendered and awarded to BGB & Associates, a London-based travel and lifestyle PR agency. Great success was achieved early on in securing increased broadcast coverage for Wales, including *GMTV* coverage of St Dwynwen's Day and St David's Day, coverage on *BBC Good Food Live*, *Richard & Judy* and *The Salon*. Regular slots were also secured on *Wish You Were Here* and *BBC Holiday*.

The 18-month PR campaign in Scotland linked with *bmbaby* flights from Edinburgh and Glasgow Prestwick to Cardiff came to an end during the year, having generated in excess of £450,000 worth of coverage in *The Scotsman*, *Glasgow Herald* and *Edinburgh Evening News*, as well as many local papers.

Internationally, WTB has extended its pro-active PR activity to seven key international markets, resulting in over 230 visits and exposure totalling £8 million in advertising value.

One of the most creative PR events for 2003 was the co-ordination of the "*Wales Celebrates Dylan Thomas in New York, Oct 27 – Nov 9 2003*", a Festival to commemorate Dylan Thomas' death in New York City 50 years ago. It was also a celebration of Wales. Eight events were held 27 October – 9 November, in venues across New York City that are synonymous with Dylan Thomas and poetry as a whole. Alongside the Festival, a wider direct mail and e-mail blast were undertaken to raise awareness of Wales through

Review of the year



Clockwise from far left: View of Wales Spring/Summer 2003 magazine; US ad campaign 2003 in partnership with bmi; Touring Wales Guide (second edition); Wales Rough Guide; PR article in Mail on Sunday and www.homecomingwales.com website.





Review of the year

Clockwise from right:  
www.traveltradewales.com website; Joint  
Marketing projects Back 2 Wales, Ten Top  
Attractions, Fairways to Heaven, Way Out West,  
and Showcase Wales business event.



the wider cultural interest that exists in the US among those who admire the works of Dylan Thomas.

Although coordinated and publicised by the WTB, the various events involved a collaborative effort between WTB, the Welsh Books Council, Welsh Assembly Government and New Directions Publishing (the sole US publisher of Dylan Thomas).

### Sales Development

The sales development team was set up in 2002 and in a short space of time it has initiated a number of significant business-to-business (B2B) opportunities for tourism businesses in Wales.

### Showcase Wales 25-27 November 2003

The first B2B event to be held in Wales for over a decade, attracted 250 UK and international buyers and 120 Wales exhibitors. The event was preceded by – and followed by – a number of familiarisation trips around Wales.

International invitations were handled in conjunction with VisitBritain on territory, WTB staff in the US and our PR agencies overseas. For the UK buyers, the Coach Tourism Council (CTC), Group Travel Organiser (GTO) and British Incoming Tour Operators' Association databases were mailed and advertisements were placed in relevant trade magazines and flyers produced for regional meetings e.g. AGM, CTC and Group Travel Organisers Association (GTOA).

### TEAM Wales

The TEAM Wales (Training Evolution Advertising Marketing) initiative has been in existence in the UK since January 1998. The initiative aims to increase Wales' profile in travel agents' portfolios, by working in close partnership with tour operators to increase coverage of Wales in itineraries. Since September 2002, the initiative has been rolled out to international markets. Travel trade partners who are committed to increasing their promotion of Wales have been identified and recruited to the initiative. An ongoing

relationship is being developed with these partners to build Wales content in their programmes by actively supporting their marketing activity.

During 2003, WTB worked with 29 partners (8 UK and 21 international) with some impressive results. The most significant results have been demonstrated in the Netherlands (where partners Euro Relais have seen a 145% increase in Wales bookings between 2002 and 2003) and in France (where La Cordée have generated 2,286 bednights for Wales).

The above results relate to revenue and bednights generated but TEAM Wales partnerships have also resulted in significant product development such as a 3 night/2 day Breakaway programme with Buro Britain (Netherlands) designed around a Treasure Hunt.

### Wales Portfolio

The *Wales Portfolio* currently consists of 19 industry partners who work proactively with members of the UK and international travel trade industry. The Portfolio is used by WTB's sales team and overseas PR agencies, when meeting with companies and organisations interested in increasing their Wales programmes. A number of these partners have accompanied WTB on B2B workshops and events in overseas markets.

### Trade Website

Autumn 2003 saw the launch of a new web-based travel planner to make it easier for UK and overseas tour operators and agents to hook up with industry contacts and develop programmes to Wales. The website – [www.traveltradewales.com](http://www.traveltradewales.com) – was designed with the needs of the trade in mind and offers information on itineraries, accommodation, attractions, events, transport operators and guides.

To encourage contact with the travel trade and improve their knowledge of Wales and its product, a modular E-training programme is currently being planned for launch in Winter 2004.

### BITOA Conference

Some 200 delegates – including up to 80 tour operators – spent three nights in Wales' capital city at the annual convention of the British Incoming Tour Operators' Association (BITOA) 4-7 February 2004. As well as attending business sessions, convention delegates also sampled some of Wales' major attractions and gained insights into why Welsh tourism is performing so well.

### The Joint Marketing Scheme

2003-2004 saw the second year of operation of the Joint Marketing Scheme, part funded by Objective 1 and Welsh Assembly Government funding. The aim was to focus on encouraging the tourism industry to build partnerships and bring forward good quality marketing initiatives. The number of projects supported by the scheme has now risen to 45, with a total grant investment of over £1 million. With applicants' own financial contributions, this means that the scheme has generated almost £2 million investment into the Welsh economy, assisting close to 1,000 tourism businesses. These have included tour operators, accommodation groups, attractions consortia, tourism associations, public bodies and other private independent establishments. The campaigns have targeted a wide range of markets and have included many niche products. A flavour of supported projects are highlighted in the profiles below:

- *Ten Top Attractions* is a consortium of attraction operators based in North Wales. Eluned Davies, speaking on behalf of the consortium, outlined the benefits they have gained from Joint Marketing funding: "The grant gave us the confidence to move out of our comfort zone of activity. For the first time we have been given the opportunity to develop an innovative, coordinated, promotional strategy that is linked to the individual attractions' effort to increase the quality of the experience". Marketing activity included a direct mail campaign, website development, literature distribution and advertising.

- *Way Out West (WOW)* is a member-based organisation that is working to deliver a strongly branded, more successful business tourism product in the Pembrokeshire region. Uniting their provision and expertise in accommodation, training, activities, attractions, heritage and culture, funding has enhanced their marketing campaign, targeting both the UK and international meetings, incentive and conference markets.
- *Back 2 Wales* has developed a number of ready-to-go and tailor made golf packages, all centred on the golf courses of South Wales. This new tour operator specialises in bringing international golfers to enjoy the golfing product in the area. Funding has allowed them to double their marketing efforts, contributing to a website, brochures, direct sales and advertisements in relevant press.
- *Fairways to Heaven*, which is managed by Valleys Tourism, also promotes the golfing product. The campaign, however, is targeted at the middle market of recreational golfers seeking good golf in attractive surroundings but without the seriousness of some of the larger, more exclusive, venues. John Harrison, Chairman of Valleys Tourism Association, explains: "We have been able to develop and actively promote the Fairways to Heaven golf package both within the UK and in Ireland as a direct result of Joint Marketing funds. Without this assistance, it simply would not have been possible to undertake all that we have been able to and plan to do in the future".

### Business tourism

The meetings industry is currently worth £285 million a year to the economy in Wales. This lucrative sector brings the added benefit of being an all year round market; increasingly, more venues in Wales have been developing their business facilities to meet the current demand. Over £2 million in WTB grants have been awarded to venues in the last year to improve meeting rooms, bedrooms or new hotel developments.

In 2003 the WTB also launched its Business Class Scheme, an accreditation scheme for residential and non-residential meeting venues, which awards either or both meeting rooms and bedrooms with a Silver, Gold or Platinum standard. To date, 70 business class awards have been approved following inspection of facilities.

Research has this year been carried out on the Conference and Meetings Planner and early 2004 evaluation research showed that over £10 million of additional spend had been generated from WTB business travel campaigns. In addition to this, PR coverage to the value of £333,195 was generated in the UK. In the USA, coverage to the value of \$735,985 was generated for business tourism.

WTB has been active in taking Wales and its partners to some key meetings industry UK shows – Confex, The Meetings & Incentive Travel Show, The National Venue Show and, in Europe, the European Incentive Business Travel and Meetings event in Geneva and International Meetings Exhibition in Frankfurt.

### Golf tourism

WTB has continued to work with the Welsh Development Agency, Welsh Assembly Government, Sports Council for Wales, local authorities and Ryder Cup Company to maximise the benefits to Wales of hosting the Ryder Cup in 2010. WTB has also aimed to take full advantage of Wales' 'Undiscovered Golf Destination of the Year' Award in 2003, via its marketing campaign, *Wales – Golf as it should be*. The campaign, which positions Wales as offering easy access to tee times at an unhurried pace and reasonable prices, ran in specialist golfing magazines, tournament programmes and on Sky Sports, as well as on stands at the PGA Show in Orlando, the IGTM in the Caribbean and at 13 European Tour tournaments. Wales also hosted 40 golfing journalists and eight major overseas golf tour operators in 2003.

The Ryder Cup team also supported the in-Wales tournaments – the *Celtic Manor Resort Wales Open*, *Wales – Golf as it should be*

*Ladies' Open* and the *Wales Seniors Open* – whilst WTB also sponsored the new amateur event, the *International Pairs World Final*, at the Vale Hotel, Golf & Country Club.

In 2003 the findings of a WTB-commissioned report on the US golf market were delivered. As a result, a US advisory board of golf tour operators is being formed. The Golf Monitor Research consultants have also been appointed to undertake a benchmarking study to gauge value and volume of golf tourism business over the next three years. Forty golf clubs in Wales are participating in the monitor.

### Events

WTB has continued to operate the Events Marketing Support Scheme and has awarded £400,000 in support to well over 20 key sporting and cultural events in 2003. These have been new and existing events, such as the *Wales Rally GB*, the *Speedway Grand Prix*, the *Great Wales Triathlon*, *Bryn Terfel's Faenol Festival*, *Singer of the World*, and the *Powerboat Grand Prix*.

### Activity Tourism Product Marketing

Outdoor activities – adventure, walking, cycling, fishing and horse riding – play a significant part in the Welsh tourist economy, generating a total of £887 million for the economy every year. But research shows that this figure could grow significantly and sustainably over the next 10 years, through strategic and coordinated product development and marketing.

Marketing campaigns associated with these activity tourism products during 2003-2004 certainly proved one thing: the value of niche marketing and targeting the right products at the right people. This can make a big difference when breaking into new markets that have been traditionally difficult ones for Wales.

Mountain biking continued on its successful trail during 2003-2004. During 2003, the mountain biking Wales campaign generated over £3.9 million for the rural economy and over 53,000



Review of the year



Clockwise from far left: Powerboat Grand Prix; Singer of the World 2003; Speedway Grand Prix; Bryn Terfel's Faenol Festival 2003 and Wales Rally GB.









bed nights; a return on investment of 34:1, well exceeding the target of 20:1. The visitor profile was very different from that traditionally associated with Wales; the campaign attracted a high proportion of young professionals, often male and travelling in groups. In terms of seasonality, the only really quiet months were November to January.

The new Walking Wales and Adventure Wales products, launched in March 2003 at the Outdoor Show, Birmingham NEC, have gone from strength to strength. Direct response campaigns focus on both the specialist press and coordination with our destination campaigns, such as the Big Country campaign in the UK. Press space and inserts, online activity and direct mail generate requests for relevant magazines, drive visits to associated websites and generate valuable enquiries for the industry. During 2003-2004, WTB distributed over 80,000 copies of *Walking Wales* and increased traffic on the website – [www.adventure.visitwales.com](http://www.adventure.visitwales.com) – by 355%.

WTB launched the new Cycle Breaks product in March 2004, supported by the new Cycling Wales campaign. Developed with local authority partners, the campaign promotes day cycle routes around nine centres and generates enquiries for nine saleable map packs, generating revenue and ensuring this work remains sustainable in the future.

The nine initial centres are:  
Saundersfoot  
Newport in Pembrokeshire  
Aberaeron linked with New Quay  
Knighton linked with Presteigne  
Llandovery and Llandeilo in the Towy Valley  
Brecon  
Rhayader  
Dolgellau  
Llyn Peninsula

Each centre has five day-long cycling routes of varying length, between 8 to 35 miles. The centres are supported by saleable Cycle Break map packs, which contain maps and interpretation information for each ride. These retail for £5.99, which will make them a sustainable product. They are promoted by a national WTB campaign through the cycling brochure and direct mail. The project is a true partnership between five local authorities, one national park and WTB and is also supported by the Adfywio grant scheme.

Working in partnership with the Environment Agency Wales, a suite of new angling tourism products has been developed in 2003-2004, targeted at both the specialist and the holiday angler. The campaigns will generate requests for the new magazines and drive visits to the website – [www.fishing.visitwales.com](http://www.fishing.visitwales.com).

#### Logging on to a better future

According to a recent Jupiter Research consumer survey, 56% of Internet users researched their most recent trip online. 61% of those also booked the trip online. It is estimated that more than \$40 billion worth of travel (20%) was booked online last year.

Wales therefore must make maximum use of this technology in order to keep up with the competition. During 2003-2004, significant progress has been made on improving the VisitWales tool. By working with industry groups, a number of improvements have already been implemented, but more work is underway to improve accessibility.

[www.visitwales.com](http://www.visitwales.com) allows the potential holidaymaker to fully research a holiday in Wales, from itinerary and accommodation to events, sites of interest and even to make bookings. It is backed up by the VisitWales Contact Centre, which now has 14 marketing lines.

This suite of websites, which gives tourism businesses in Wales a shop window to sell to the rest of the world, was made possible by Welsh Assembly Government aid of £4 million over three years. It came to life in stages, starting in 2002 and by the end of 2003-2004, 4,133 products were featured on the site. There is still ample opportunity for more tourism businesses to participate and to fully manage their own entry using the My Business tool.

Businesses can find a great deal of support to help them get involved, ranging from a free workshop that is routed throughout Wales or by calling the VisitWales Contact Centre with general queries. There are also now aids to help businesses use the system, which come in quick-reference guides, full manual and wizard-style CD-ROM.

Participants can, free of charge, update and manage their own information on [www.visitwales.com](http://www.visitwales.com) and link it directly to their own web page, giving those businesses instant access to WTB's multi-million pound marketing campaigns. Being on [www.visitwales.com](http://www.visitwales.com) means that businesses are linked up to Wales' 76 tourist information centres and can be seen – if they choose – on all WTB websites, which currently get 300,000 hits a day.

#### DEVELOPMENT – DEVELOPING TODAY FOR TOMORROW

##### Investing for success

Strategic and focused investment in the tourism product is key to developing a mature and prosperous industry that can compete globally. WTB's investment support scheme aims to identify, nurture and support those projects that will best deliver on key economic indicators and that will best achieve against strategic priorities. The scheme has been boosted in recent years by Objective 1 and Pathway to Prosperity monies and has proved to be an effective vehicle for distributing European money into the private sector.



During 2003-2004, WTB allocated £14.9 million to 286 individual projects via its investment support scheme, generating a total of £63.5 million investment (of which £35.2 million was from the private sector) and creating or safeguarding 1,042 full time equivalent jobs.

Significant progress was made in the implementation of the 15 tourism growth area (TGA) action plans during 2003-2004. Designated TGA officers have been appointed to drive forward implementation at the local level, in partnership and consultation with regional tourism partnerships, local authorities and WTB.

Since its set-up in 2001, the business support service has provided the industry with a one-stop-shop to all support services and advice, while also signposting to other relevant business support services, such as WDA's Business Eye.

The support gateway receives all incoming requests for information and signposts to the relevant assistance, whether it be within WTB, on the wtbonline website, or from another agency.

The service works closely with WTB's quality assurance schemes; the quality advisers are trained to work with businesses on raising standards, as well as inspecting each property to award its star grading. These days, a visit from a quality adviser needn't be dreaded; they're not there to catch businesses out, but to provide constructive advice on how to move the business forward.

There are also specialist advisers on hand, who can give more detailed guidance on e-commerce; access (in particular the DDA); marketing; activities; and environmental issues. A sense of place adviser was also introduced this year.

Throughout the year, over 2,000 of these advisory sessions have been completed. These sessions are backed up by information packs and toolkits.

The suite of toolkits and factsheets was further developed during the year, with the launch of three new toolkits and seven factsheets. The toolkits were: *Greening Your Business*; *Success Through Your People: The human resource management toolkit for the tourism industry*; and *Get Up and Go: a practical guide to marketing and developing activity tourism*. The factsheets covered: *Designing Visitor Accommodation for Disabled Visitors*; *Providing Facilities and Services for Disabled Visitors*; *Making the Most of Your Local TIC*; *Benefiting From VisitWales*; *Benefiting from Educational Visits*; *Costing and Pricing for Profit*; *Marketing Promotional Packages and Offers*; and *Who Does What in the Tourism Industry in Wales*.

## Tourism is a global industry and competition for the tourist pound is fierce. WTB believes that Wales must develop a high-quality, sustainable product to ensure long-term growth.

The projects supported were diverse and geographically spread throughout the country, with 17% awarded in the South West, 23% in the South East, 33% in Mid Wales and 27% in North Wales.

The WTB's European funds were further supplemented in 2003 by the allocation of Objective 2 funding for East Wales. Since April 2003, £1.4 million grant has been allocated to 27 projects in East Wales.

The Adfywio fund – the rural regeneration fund administered jointly Countryside Council for Wales (CCW) and WTB – has been a huge success and has supported 193 projects with £5.2 million grant since April 2002. These grants enabled significant progress to be made on integrating tourism businesses more closely with open-air recreation, outdoor leisure and the natural environment, particularly in the aftermath of foot-and-mouth. The allocation of these grants was prioritised according to project fit with the product development action plans for cycling, walking, fishing, riding and adventure, all of which have been progressed with appropriate partner organisations. The fund has now been fully allocated.

WTB will continue to prioritise its investment strategy towards projects within TGA areas, which are proving to be effective ways of delivering total quality management of the visitor experience at a local level.

### Quality: the key to sustainable growth

Tourism is a global industry and competition for the tourist pound is fierce. WTB believes that Wales must develop a high-quality, sustainable product to ensure long-term growth. Wales must successfully compete on the global stage; to do this, the product must match the promise and visitors must encounter a real and genuine experience.

In November 2003, the best of Welsh tourism were rewarded at the National Tourism Awards for Wales, which were held in conjunction with the three-day Showcase Wales event. Awards went to top businesses across the country during a glittering gala evening hosted by BBC News presenter Huw Edwards. The aim was to highlight exemplar businesses, promoting best practice and rewarding success. In December 2003, a decision was taken to hold both events on a biennial basis.

**Review of the year**



Clockwise from far left: Afan Forest Park; Metropole Hotel; Teifi Blu floating bar restaurant; Bryn Bettws log cabins and Llety Bodfor Hotel.



For the first time, in partnership with the four regional tourism partnerships and a number of key business support stakeholders, WTB staged a series of roadshows for the tourism industry throughout Wales. The aim was to inspire attendees to take action to improve aspects of their business. Topics covered ranged from building business through effective media relations to the importance of training for staff retention. 328 businesses attended the roadshows in total and further roadshows are planned for 2005.

WTB continued to work with the Welsh Assembly Government, Wales Tourism Alliance and the Welsh Local Government Association (WLGGA) on options for the delivery of a statutory registration scheme for providers of tourist accommodation in Wales. The Assembly Government is now seeking the means of securing the necessary primary legislation at Westminster to enable the scheme to proceed. This will give potential visitors a clear indication of Wales' commitment to quality.

Negotiations have also progressed well regarding the harmonisation of grading schemes across Scotland, England and Wales. The AA, RAC, VisitScotland, VisitBritain and WTB have reached a large measure of agreement in the process to achieving common standards for the assessment of tourist accommodation throughout the UK. Standards are to be tested through consumer research and consultation with the tourism industry during 2004. The target date for consumer rollout would be in the 2008 brochures.

A new approach to assessing the quality of tourist attractions was launched in 2003. As well as providing reassurance for prospective visitors, the Visitor Attraction Quality Assurance Service (VAQAS) Cymru is also designed to provide impartial advice to tourist attractions on how to improve the quality of their attraction. Over 60 attractions have already joined the scheme and this is expected to more than double in 2004. Each visit is followed up with a written report, which helps in the planning of new investment.

WTB remains at the forefront of the quest to ensure that tourism businesses in Wales have access to the best advice on adapting their services to meet the objectives of the Disability Discrimination Act (DDA). Through the services of its specialist adviser and business advisory material, the WTB is able to provide frontline support to businesses that need assistance.

Research shows time and again that Wales' greatest asset is its natural – and unspoilt – landscape and environment. Crucial, then, to ensure that tourism development does not tarnish the very reason why people come to Wales. WTB is committed to supporting the sustainable development of viable projects in Wales.

Work has continued in assisting the industry to work sustainably day-to-day. In early 2003, WTB, in partnership with ARENA Network, introduced a version of the Green Dragon Environmental Standard that has been specifically tailored to meet the needs of the tourism industry. In July 2003, the Green Dragon became a condition of WTB grant aid; to date, some 50 tourism businesses have been successfully accredited to Green Dragon Level 2 – as well as WTB's regional offices in North and Mid Wales.

WTB has also continued to chair the Green Sea Partnership – a group of 40 organisations committed to safeguarding and enhancing Wales' coastal environment. In 2003, the partnership embarked on a £3.8 million beach infrastructure improvement programme across Wales, partly funded through Objective 1. WTB is providing match funding through Pathway to Prosperity. The project will go a long way to ensuring that Wales' coastline continues to improve.

As a result, 2003 saw 33 beaches across Wales awarded the prestigious Blue Flag – an increase of 7 on the previous year. The Green Coast Award for rural beaches, pioneered in Wales by the Green Sea Partnership, can now also be found on the east coast of

Ireland. The Green Coast Award demands the same high water quality as the Blue Flag, giving recognition to those rural beaches that will never meet the on-shore infrastructure requirements of the Blue Flag. In 2003, 44 Welsh beaches achieved the Green Coast Award.

WTB strengthened its partnership with the Wales in Bloom Foundation in 2003. As well as sponsoring the main Wales in Bloom competition, WTB has played an important role in the development of a new Neighbourhood Category within the Wales in Bloom Programme. This new category demands a three-year commitment from community groups to make environmental and horticultural improvements in their area and work towards the standard required for entry into the main competition. In 2003, over 60 community groups across Wales entered the new Neighbourhood Category.

### **POLICY AND STRATEGY – STEERING TOMORROW'S PATH**

During 2003, WTB consulted widely – with the industry and other stakeholders – on its proposals for a new policy framework, which was approved and published on [www.wtbonline.gov.uk](http://www.wtbonline.gov.uk) in February 2004. The framework outlines WTB's policies along three broad themes: infrastructure; competitiveness and quality; and sustainability and environment.

Progress has continued on the implementation of the Cultural Tourism Strategy, which was published in May 2003. To coordinate the implementation of the strategy, a national partnership was established, led by WTB, which has subsequently been replicated by the regional tourism partnerships to facilitate action at the regional and local level. In February 2004, WTB, on behalf of the Welsh Assembly Government, hosted a Cultural Tourism seminar in Cardiff for the British Irish Council's sustainable tourism working group.



**THE BOTTOM LINE -  
OVERALL TOURISM PERFORMANCE**

2003-2004 was extremely successful for Welsh tourism, with Wales outperforming the rest of the UK in visits and tourism spend.

The United Kingdom Tourism Survey (UKTS), which measures volume and value of tourism into Wales from the rest of the UK, showed that spend in Wales was up by 14%, compared to a decrease of 1% in the rest of the UK.

The International Passenger Survey (IPS), which is carried out by the Office of National Statistics, is a survey of a random sample of passengers entering and leaving the UK by air, sea or the Channel Tunnel. It measures inbound and outbound international travel in the UK. It showed a 4% increase in overseas visitors to Wales during 2003 and a 7% increase in spend by these visitors.

This success came as a result of continued high levels of support for tourism from the Welsh Assembly Government (WAG); targeted and strategic investment in marketing and development from the Wales Tourist Board (WTB); coordinated efforts between WTB and local authorities across Wales; and the commitment and professionalism of the thousands of tourism businesses across Wales.

The WTB remained focussed on improving the quality and competitiveness of the tourism product in Wales and on increasing the volume and value of tourism into Wales through targeted and strategic promotion and marketing, in order to contribute meaningfully to Welsh tourism's target of achieving 6% growth in revenue, year on year.

**PERFORMANCE AGAINST TARGETS 2003/2004**

	2003/2004 Target	2003/2004 Out-turn	2004/2005 Target
<b>A. Tourism Spend</b>	+ 6%	+ 14%	+ 6%
<b>B. Capital Investment</b>			
i) Leverage:(WTB:Total Project Cost)	1:5	1:5	1:5
ii) Private sector investment	£21.5m	£35.2m	£33m
iii) Total investment generated	£35m	£63.5m	£55m
iv) Full Time Equivalent Direct Jobs			
– created	765	845	660
– safeguarded	220	197	165
<b>C. Marketing</b>			
i) Main UK Marketing Campaign ROI	30:1	30:1	30:1
ii) ROI from primary overseas markets	12:1	12:1	12:1
iii) Star Quality Grading Scheme			
Proportion of 3,4 and 5 star accommodation businesses to increase from 74%	85%	85%	85%
<b>D. Running Cost Limit</b>	£4.9m	£4.9m	£5.2m

**The Board and Management**



**Board Members**

- 1 **Philip Evans** Chairman  
(appointed Chairman on 1 April 2000)  
11 December 1998 to 31 March 2006
  - 2 **Lewis Evans**  
2 August 1996 to 31 July 2003
  - 3 **Ieuan Evans MBE**  
20 February 2002 to 19 February 2005
  - 4 **Peter Hands**  
21 May 2001 to 20 May 2007
  - 5 **Carys Howell**  
21 May 2001 to 20 May 2007
  - 6 **Christine Lewis OBE**  
1 August 2000 to 31 July 2006
  - 7 **Dr Terry Stevens**  
1 August 2000 to 31 July 2006
- June Slatter MBE**  
Independent Audit Committee Member

**Management as at 31 March 2004**

- Jonathan Jones**  
Chief Executive
- Geraint James**  
Director of Finance & Secretary to the Board
- Steve Webb**  
Director of Strategy
- Catrin Hornung**  
Acting Director of Communications &  
Corporate Affairs
- Roger Pride**  
Director of Marketing
- John Kingsford**  
Director of Commercial Operations
- Lucy O'Donnell**  
Assistant Director – Development
- David Peate**  
Assistant Director – Competitiveness & Quality

This summary financial statement does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Wales Tourist Board. For further information, the full annual accounts, the auditors' report on those accounts and the foreword should be consulted. A full set of the audited accounts for the year ended 31 March 2004, which have been laid before the National Assembly for Wales, can be obtained free of charge by writing to the Director of Finance and Secretary to the Board, Wales Tourist Board, 2 Fitzalan Road, Cardiff CF24 0UY.

### Statutory background

The Board was set up under the Development of Tourism Act 1969 with the following functions:-

- a) to encourage people to visit Wales and people living in Wales to take their holidays there; and
- b) to encourage the provision and improvement of tourist amenities and facilities in Wales.

In addition, the Tourism (Overseas Promotion)(Wales) Act 1992 gave the Board the function of promoting Wales overseas.

### Review of the year

2003-2004 proved to be very successful with Wales outperforming the rest of the UK in visits and tourism spend. The United Kingdom Tourism Survey (UKTS) showed that spend in Wales was up by 14%, compared to a decrease of 1% in the rest of the UK.

This came as a result of support for tourism from the Welsh Assembly Government (WAG); targeted and strategic investment in marketing and development; coordinated efforts between The Wales Tourist Board (WTB) and local authorities across Wales; and the commitment and professionalism of the thousands of tourism businesses across Wales.

The WTB remained focussed on improving the quality and competitiveness of the tourism product in Wales and on increasing the volume and value of tourism into Wales through targeted and strategic promotion and marketing, in order to contribute meaningfully to Welsh tourism's target of achieving 6% growth in revenue, year on year.

Globally, the marketing environment remained difficult. The war in Iraq and continued threat of terrorism made 2003-2004 a challenging year for marketing to the international traveller. However, short-haul markets proved to be more resilient and WTB therefore focussed its overseas activity on European markets, with the introduction of the 'Find a New Path Campaign' in Netherlands and Germany. The campaign delivered 108,000 responses. The Tramor partnership between WTB and local authorities took Wales to 16 holiday exhibitions all over Europe. The main USA campaign, which comprised magazine advertising and online activity, generated just over 58,000 responses. In total, monitorable overseas campaigns delivered a return on investment of 11:1.

Domestically, WTB's Big Country campaign continued to challenge preconceived ideas about Wales as a holiday destination. Total activity throughout the year resulted in over 417,000 enquiries about Wales, leading to 117,000 trips and a total additional spend of £89 million directly attributable to the campaign. Unprompted recall levels of the campaign remained higher than any other destination advertising on UK TV and hit a high of 28% during June 2003.

WTB continued to build on its work promoting Wales' activity products, with campaigns for mountain biking, walking and adventure successfully targeting new visitors for Wales. During 2003, the mountain biking campaign generated £3.9 million for the rural economy and over 53,000 bednights. Return on investment was 34:1. Over 80,000 copies of Walking Wales were distributed and traffic increased on the

www.adventure.visitwales.com website by 355%. Future developments include cycle breaks and fishing campaigns. WTB has continued to work with the Ryder Cup Company to maximise the benefits to Wales of hosting the Ryder Cup in 2010. WTB's marketing campaign, Golf as it should be, ran in specialist golfing magazines, tournament programmes and on Sky Sports, as well as on stands at various international events.

WTB launched its Business Class scheme in 2003, an accreditation scheme for residential and non-residential meeting venues, awarding Silver, Gold or Platinum standards. To date, 70 business class awards have been approved. Furthermore, over £2 million in WTB grants have been awarded in the past year to venues to improve meeting rooms, bedrooms or new hotel developments. WTB's business travel campaigns have generated over £10 million in additional spend. WTB has continued to operate its events marketing support scheme and has awarded £400,000 in support of 28 key sporting and cultural events.

WTB's investment support scheme allocated £14.9 million to 286 projects, generating a total of £63.5 million investment and creating or safeguarding 1,042 jobs. For every pound invested by WTB, £5 was generated for the Welsh economy. The joint grant scheme run by WTB and the Countryside Council for Wales – Adfywio – continued to make excellent progress on developing products that improve access to, and interpretation of, the environment and natural landscape of Wales. Since April 2002, 193 projects have been assisted, totalling £5.2 million. The allocations of these grants has been prioritised to fit with action plans for cycling, walking, fishing, riding and adventure.

Following consultation with the industry, improvements to the website and to the management tools have been made to visitwales.com throughout the year. By the end of 2003-2004, 4,133 products were publishing on visitwales.com and other



parties were also using the information contained within the site. Future developments will include improvements in accessibility, content and presentation.

During 2003-2004, the business support unit continued to provide advice and signposting to tourism businesses in Wales, conducting over 2,000 advisory visitors during the year. Three new toolkits and seven new factsheets were developed.

Business support attended 24 events during the year, offering free advice to tourism businesses. The year ended with the staging of four regional roadshows for the industry, organised in partnership with other business support providers, all of which were well attended.

2003-04 was the second full year of the four regional tourism partnerships. The four organisations have continued to drive forward the implementation of their regional strategies and worked closely with WTB to ensure co-ordination and synergy where appropriate.

The Wales Tourist Board is an Assembly Sponsored Public Body. Total finance provided by the National Assembly for Wales for the year 1 April 2003 to 31 March 2004 was £28 million. Of this amount £19 million was core grant in aid.

Fixed asset additions in the year relate largely to acquisitions of IT hardware and software (£154,000).

### Future developments

The National Assembly for Wales gave its full support to the recommendations for the development of a statutory registration scheme for Wales. The Welsh Assembly Government will now seek to take this through parliament in Westminster.

WTB remains committed to the sustainable development of Wales' environment, culture and heritage. During 2003, in partnership with ARENA Network, WTB introduced the Green Dragon Environmental Standard, specifically tailored to meet the needs of the tourism industry.

WTB retains its role of chair for the Green Seas Partnership, a group of 40 organisations committed to safeguarding and enhancing Wales' coastal environment. In 2003 the partnership embarked on a £3.8 million beach infrastructure improvement programme across Wales, partly funded through Objective 1 and match-funded by WTB. The project will go a long way to ensuring that Wales' coastline continues to improve.

During 2003, WTB undertook a thorough review of its policy framework, with the resulting policies now published on [www.wtbonline.gov.uk](http://www.wtbonline.gov.uk). Steady progress was made on the implementation of the cultural tourism strategy, delivered through a national partnership of key organisations. Regional tourism partnerships facilitate action at the regional and local level. WTB is making steady progress with its own Welsh Language Scheme.

All of WTB's activities and strategy are geared towards improving the product and giving Wales the competitive edge through innovative and sustained marketing and promotion. Partnership is key to success and WTB has continued to work with many partners in order to progress key projects and ensure that the sum of the parts is greater than the whole. Welsh tourism excelled during 2003, testament to the hard work, commitment and professionalism of tourism businesses across the country. With continued support from the Welsh Assembly Government, WTB can continue to make a difference for Wales' tourism economy. Global competition is as fierce as ever and Wales must achieve excellence in every aspect of the holiday experience to ensure continued growth.

### Board Members

Board Members who served during the year were:-

Name	Period of Contract
Philip Evans (appointed Chairman on 1 April 2000)	11 December 1998 to 31 March 2006
Lewis Evans	2 August 1996 to 31 July 2003
Ieuan Evans M.B.E.	20 February 2002 to 19 February 2005
Peter Hands	21 May 2001 to 20 May 2007
Carys Howell	21 May 2001 to 20 May 2007
Christine Lewis O.B.E.	1 August 2000 to 31 July 2006
Dr Terry Stevens	1 August 2000 to 31 July 2006

A register of Members' interests has been set up. This is available for inspection during normal office hours at the Board's main office in Cardiff.

### EVENTS SINCE THE END OF THE FINANCIAL PERIOD

On 14 July 2004, the First Minister announced that the Wales Tourist Board would be brought under the direct control of the Welsh Assembly Government by 1 April 2006. In his statement, the First Minister made clear that continuity of service would be maintained and all contracts will be honoured.

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Wales Tourist Board  
Annual Report 2003-2004

## Summary Financial Statement

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

For the year ended 31 March 2004

	2004 £000	2003 (Restated) £000
<b>Income</b>	<b>41,786</b>	36,313
<b>Expenditure</b>	<b>(42,451)</b>	(37,163)
<b>Operating Deficit</b>	<b>(665)</b>	(850)
Adjustment for cost of capital	17	77
Loss on disposal of fixed assets	(2)	(4)
Interest Receivable	106	91
Interest Payable	(88)	(77)
<b>Deficit for the year before taxation</b>	<b>(632)</b>	(763)
Corporation Tax payable	(18)	(14)
<b>Deficit for the year transferred to reserves</b>	<b>(650)</b>	(777)
<b>Board Members' remuneration</b>	<b>112</b>	118
<b>Chief Executive's remuneration</b>	<b>78</b>	73
Remuneration of senior staff having authority or responsibility for directing or controlling major activities –	194	249

**SUMMARY BALANCE SHEET**

As at 31 March 2004

	2004 £000	2003 (Restated) £000
<b>Fixed Assets</b>	<b>334</b>	461
Current Assets	9,269	7,839
Creditors: Amounts falling due within one year	(9,243)	(7,254)
Provisions for liabilities and charges	(73)	–
<b>Net Current (Liabilities)/Assets</b>	<b>(47)</b>	585
<b>Total Assets less Current Liabilities</b>	<b>287</b>	1,046
Creditors: Amounts falling due after more than one year	(109)	(170)
Provisions for liabilities and charges	(46)	(28)
<b>Total Assets less All Liabilities</b>	<b>132</b>	848
<b>Capital &amp; Reserves</b>	<b>132</b>	848

**SUMMARY CASH FLOW STATEMENT**

For the year ended 31 March 2004

	2004 £000	2003 £000
Net cash inflow from operating activities	1,357	309
Return on investments and servicing of finance	16	14
Taxation paid	(14)	(10)
Investing Activities	(154)	(234)
Net cash inflow before financing	1,205	79
Financing	154	234
<b>Increase in cash and cash equivalents</b>	<b>1,359</b>	313

### Note 1 Basis of Preparation

These summary financial statements have been prepared in accordance with the Companies Act 1985 having regard to the Companies (Summary Financial Statement) Regulations 1995 (SI 1995/2092) as far as is relevant.

### Note 2 Notional Charge – Cost of Capital

A notional capital adjustment reflecting the cost of capital employed is made against expenditure and calculated at 3.5% (2002/2003: 6%) of the average value of Total Assets less All Liabilities.

### Note 3

The summary Financial Statement on pages 33 to 36 was signed on behalf of the Board by D.J.L. Jones, Chief Executive on 15 July 2004.

### Auditors

The report by the Auditor General for Wales on the annual financial statements for the year ended 31 March 2004 was unqualified.

### STATEMENT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES

I have examined the summary financial statement on pages 33 to 36 which has been prepared in the form and on the basis set out at Note 1 on page 36.

### Respective responsibilities of the Wales Tourist Board, the Chief Executive and Auditor

The summary financial statement is the responsibility of the Wales Tourist Board and the Chief Executive. My responsibility is to report to you my opinion on its preparation and consistency with the full financial statements and foreword.

### Basis of audit opinion

I conducted my work in accordance with the Auditing Guideline “The auditors’ statement on the summary financial statement” adopted by the Auditing Practices Board.

### Opinion

In my opinion the summary financial statement is consistent with the full financial statements and the foreword of the Wales Tourist Board for the year ended 31 March 2004 and has been properly prepared on the basis set out in Note 1 to the summary financial statement.

John Bourn  
Auditor General for Wales  
3 – 4 Park Place  
Cardiff CF10 3DP  
27 July 2004