



Wales Tourist Board Annual Report 2001-2002

'Thinking Big'



BWRDD CROESO CYMRU
WALES TOURIST BOARD

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Tourism is big business in Wales, contributing over £2.5 billion to the Welsh economy in direct visitor spending. The key to success is to develop a quality product that can compete with the very best in the world. The Wales Tourist Board is unique within the UK in that it is the only national tourist board that has the remit and the funding to invest in developing the tourism product as well as marketing the destination, giving Wales the all-important competitive edge.

- ◆ Tourism generates over £6 million a day to the Welsh economy
- ◆ 1,240 jobs created or safeguarded during 2001/2002
- ◆ £10.7 million invested in 370 businesses via the WTB's capital grants scheme, generating £34.3 million total investment
- ◆ 777 projects supported via rural recovery package

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

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April 2001

WTB ran successful 'Wales Open for Easter' campaign, including gaining the backing of TV presenter Anne Robinson, who had recently been vilified for a tongue-in-cheek attack on the Welsh. The stunt gained valuable coverage for Wales in the national press prior to Easter, which culminated in a better-than-expected Easter Bank Holiday weekend for many parts of Wales. At the same time, senior personnel continued to make representations on behalf of the industry to government ministers and officials. Global tourism chiefs were taken to North Wales to see for themselves that Wales was open for business.

May 2001

The ground-breaking 'Today in Wales' TV advertising campaign was aired on network television from 14 May for a week. A first in TV advertising, a different TV advert was filmed, edited and broadcast each day, showing real people having a great time on that day in Wales. WTB published first foot and mouth impact report and gained support for Wales from Bill Clinton during his visit to the Hay Festival. Additional promotions took place to coincide with the FA Cup Final in Cardiff.

June 2001

WTB facilitated a number of high-profile visits and meetings, including the US Ambassador's visit to Portmeirion, and the Brecon Beacons re-opened for business. Announcement of the £2.3 million three-year destination management system programme (VisitWales).

July 2001

Welsh Assembly Government announced £5 million for tourism in its Rural Recovery Plan, which was used for a marketing replacement fund (Adfer), maintenance grants (ReACT), area marketing fightback fund to encourage regional marketing campaigns and a further £2 million to 2004 for the Adfywio grant, to be administered jointly by WTB and Countryside Council for Wales. Four regional tourism directors were appointed to drive forward the new regional partnerships. 1000 participants of the Special Olympics and their families were taken to Hay-on-Wye.

August 2001

First ever election for membership of the four regional tourism partnerships, with every tourism business balloted in order to select trade representatives to the four Boards. Chairman Philip Evans accompanied First Minister Rhodri Morgan to the Festival of Wales in San José to promote Wales. Wales in Bloom results were announced.

September 2001

The world stood still and watched the terrible events of 11th September in horror. The implications for global tourism became evident immediately.

Wales was announced as the winner of the bid to host golfing's Ryder Cup in 2010, one of the biggest and most lucrative sporting events in the world. WTB ran an autumn marketing campaign in English regions, urging visitors to come to Wales to 'find the dragon'. The Farming Connect service – of which WTB are partners – was launched.

October 2001

WTB undertook an immediate reassessment of its overseas marketing priorities in the aftermath of the events of 11th September and refocused on short-haul markets that were already slowly recovering from the impact of negative foot and mouth publicity.

November 2001

First ever Wales edition of the Lonely Planet guide was published and WTB took Wales to market along with many Welsh tourism businesses at the annual World Travel Market.

December 2001

WTB launched its new three-year £10 million Big Country marketing campaign to the Welsh public, one month before go-live in the rest of the UK. Four new TV commercials were shown on S4C and HTV in the run-up to Christmas. WTB showcased Wales' burgeoning golfing product at the annual International Golf Travel Market. Welcome Host – the WTB-piloted customer service scheme – celebrated its 10th birthday and the WTB took its business advice clinic to the Royal Welsh Showground's Winter Fair.

January 2002

The Big Country marketing campaign went live to the rest of the UK, combining TV adverts, radio advertising, direct mail and online campaigns in WTB's biggest ever marketing drive. The new year started well for Wales' culinary reputation, with five top restaurants winning the Michelin star. The 'A View of Wales' magazine for 2002 was published and distributed throughout the UK and WTB's newest

Board Member, Ieuan Evans, was appointed. In Britain, the British Tourist Authority launched its 'UK OK' campaign, aiming to lure visitors back to the UK following foot and mouth.

February 2002

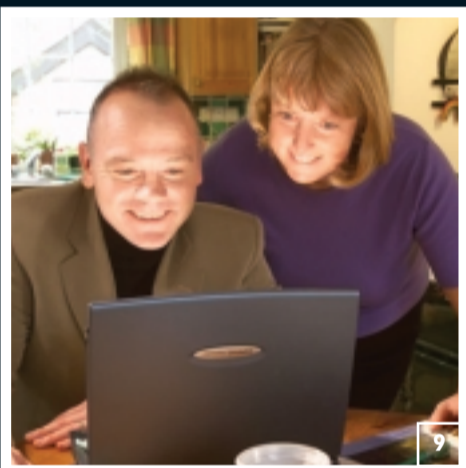
Mountain biking was making the headlines for all the right reasons, when Wales was voted best mountain biking destination in the UK and awarded a 'B' grade by the International Mountain Biking Association (IMBA) in its annual development report card, rating it as high as California – the sport's birthplace. In Britain, the British Tourist Authority announced the biggest ever Britain campaign, with £40 million of equal public and private money going towards a new campaign to counteract the negative impact of foot and mouth and 11th September.

March 2002

WTB launched its first ever stand-alone advertising campaign in the US on St David's Day, 1st March. 'Wales – go a little further' aimed to encourage American visitors looking for something different from their travels to Britain to go a little further than the traditional honey-pots – and try Wales. The first ever Dylan Thomas Writers' Award went to a Belgian freelance travel writer, coincidentally for his account of a visit to Dylan's boathouse in Laugharne!

Big events...

2001/2002 WAS A YEAR OF BIG EVENTS
the foot and mouth crisis came a time for re-focus
industry fighting back with incredible resilience a
new partnerships, big awards and the biggest eve



Lonely Planet/Wales, 1st edition, published 2001

– in every way. Out of the trials of us, regeneration and resurgence, and the triumphs of new campaigns, a marketing drive for Wales.

- 1] Anne Robinson aimed to wink and make up with Wales, backing the industry's "Open For Business" campaign.
- 2/3] Siân Lloyd fronted the WTB's ground-breaking "Today In Wales" TV advertising campaign.
- 4] WTB secured Bill Clinton's support for Wales during his visit to the Hay Festival.
- 5/6] "The Big Country" three-year £10 million campaign launched in the UK – WTB's biggest ever marketing drive.
- 7] Wales wins the bid to host the Ryder Cup 2010.
- 8] The first ever Wales-only edition of the Lonely Planet guide book launched in November 2001.
- 9] Ieuan Evans – WTB's newest Board Member – helped launch WTB's VisitWales project.
- 10] WTB promoted Wales at home and abroad via trade and consumer shows.
- 11] Wales was voted best mountain biking destination in the UK – on a par with the sport's birthplace, California.
- 12] Wales' first stand-alone advertising campaign in the US launched on St David's Day.

Why did you decide to reform the way the Wales Tourist Board works?

Instead of having a standard twelve Board meetings a year preceded by a dinner, with all the trimmings, we have adopted a more commercial, business-like approach – with an open Board meeting every three months and specialist Boards at regular intervals.

These specialist Boards cover marketing and communications; development and finance; and strategy and research. Each has two designated full Board members with specialist skills and commercial expertise.

When we look back at issues like foot and mouth, rural recovery, the impact of September 11th, it is clear that we would never have got through the work we did without the incredible assistance and heavy workload of the specialist Boards.

The old Board structure would have worked to an agenda that might have taken eight weeks to compile. Board members can now react within 24 hours and offer accurate, informed answers and approach.

By April 2001, had you realised the true implications of foot and mouth?

I got more and more concerned day by day as the whole drama was being rolled out across the UK. I think we then had two very serious issues to address – how we tackled the morale of the industry and, more strategically, how to devise a plan and a marketing strategy that would enable Wales to regain the advantage before its competitors came up with their responses. And that is what we did.

Two things I had to do immediately. One was to make the Assembly aware of the effect on tourism and, from that, the influence on the whole economy.

There was a danger that foot and mouth would be seen only in terms of its impact on agriculture and we took it as the role of the WTB to provide the industry with one voice and clarify the importance of tourism to the Welsh economy, particularly in rural Wales.

We organised a number of visits with the Minister for Economic Development and members of the Economic Development Committee at the Assembly, to show them the feelings of the industry and the impact on tourism throughout the country.

Our marketing department came up with a television campaign within weeks of foot and mouth breaking out. We had £1 million for pure marketing, which we spent in about eight or ten working days on advertising on network television. That was about four weeks before Scotland had anything out and probably six weeks before England.

We then had to go to the Assembly to get funds for regeneration. We were granted a £5 million package for marketing, property renovation and business restructuring.

Why the need for such a rush?

Foot and mouth broke out at the start of the season and the danger was that the critical high season would be completely obliterated. The great danger was that many operators might not have been in business the following year and, if they were, the product would have deteriorated... the guesthouse would not have been redecorated, the cottage would not have been refurbished, because the money had been used to keep the business afloat.

We introduced two grants. One was a marketing fund to replace the marketing budgets that people had spent in vain. The second helped them redecorate and refurbish, so they could still bring their product out in glistening form for summer 2002.

We fast-tracked the grants and kept the forms simple, leaving it to the honesty of the industry, while doing a spot-check audit on a number of businesses. I don't believe we found anyone making any improper claims. When you recognise that people are in trouble, you have a huge responsibility to act quickly and efficiently.

Then came September 11th. Was the effect on Welsh tourism as obvious?

We knew immediately that we had to kick in to action to protect the businesses that depended on the overseas market.

Because of the sensitivities of human deaths, this was a vastly different issue to foot and mouth. We couldn't go straight back onto the streets of NY and say 'come and travel to Wales'.

So, we moved our long haul budgets out of New York and put them into short haul markets like Germany, France and the Netherlands while taking advantage of the breathing space to look at how we should handle the North American market.

It was gratifying to see, after sometime had passed, the American people still regarded Wales as a relatively safe destination. Now our marketing in the States is a very soft, gentle message and the operators are beginning to bring back the business that we lost.

To what extent does your reaction to these problems arise from the fact that you are a tourism operator yourself?

Behind most successful business people there's an element of fear – the fear of failure. I carry that with me. I know how volatile the industry is and that's why my main concern is the small operators – one bad season can take them out. The next year, you have two tragedies – they've suffered financial disaster and we've lost their product from what Wales has to offer.

An industry r

BOARD CHAIRMAN, PHILIP EVANS, answers questions about WTB's response to the trials of 2001-02 and about his determination to push through some fundamental reforms, starting with the Board itself.

But you seem to have gone out of your way to make life difficult for yourself – with open Board Meetings, where the public and the industry can question you, and with the Wales Tourism Alliance, which gives the industry a lobbying voice.

Before I ever got involved in the WTB, I used to ask, 'what is this organisation doing with my tax-payer's money?'

Once you get inside and realise the work the Board does, I think it's prudent to take it out to the industry, to discuss our everyday problems with them and see what their desires and ambitions are.

I enjoy the challenge that every meeting brings because you know you're going to be taken to task for decisions that you've made. And that helps you make the right decisions in the first place!

The original sessions were often extremely robust but now the conversations are about the way forward, together... exactly the sort of agenda I wanted to create.

One of the greatest successes in the latter part of the year was the re-launch of the Wales Tourism Alliance, which the Board has pump-primed to give the industry a political voice and a powerful lobby.

We can't do everything right all the time and sometimes we need to be criticised and we need to be lobbied at a national level by a representative body.

How determined do you personally have to be to face up to challenges of this kind?

Extremely. When you're dealing with an industry of 12,000 businesses and ask for a judgement, you'll invariably come back with 12,000 different answers. I take it as part of my role to consult but, at the end of the day, the chairman has to make a decision and see it through. If it upsets part of the

population, so be it; if it upsets politicians, so be it. To get a five-year gain, there may be a two-year pain but that's something we have to accept as the strategic leaders of the industry.

You have stressed the big themes like A Sense of Place and world-class quality in the pursuit of market growth for Wales. But aren't these just empty marketing terms?

No.

What people are looking for is a different experience. We're no longer in a tourism business, we're in experience management and the most important thing in your critical role as a tourism operator is in managing the client journey, the client experience.

People are picking their holiday now because of the experience that they're going to have, rather than the destination they're going to. You can't just say, come to Rhyl or mid Wales; you have to sell the experience the client wants – the activities, the food, the people and, more importantly, the culture.

We have to accept that many operators are not Welsh themselves and we can't expect someone from West Bromwich or Surrey to adopt the persona of a Welshman. So, we have to prove that there is a bottom line benefit to creating this different experience, by having Welsh food, Welsh products and a feeling of Wales. You don't need tall black hats and harps – you do need an appreciation of the culture of Wales and enthusiasm for it. Through your business, you need to express the local environment and culture.

As we all know, there is no uniform 'Welsh' identity that could run through all types of business, across Wales. But we must aim to give the visitor a clear sense of the place they are visiting and a flavour of its heart and character.

Quality, too, is a vital part of the whole picture. It's no good having the best bedroom suites furnished to a five-star plus standard if your welcome is dire. And there's no point having the most gloriously fitted out restaurant if the food is appalling.

It's when you've got all the ducks in a row that you've got your winning formula.

There are difficulties in Wales. But the operators that have got it right are doing extremely well. There are a lot of very prosperous businesses in Wales in the tourism industry.

In a few years, when people look back on 2001-02, how do you think it will be viewed? Was it the disaster that many thought it would be?

We've come out of it very well because of the determination of the Welsh operators. Their pride in the product turned things around and they were determined not to lose the business they've built up.

We came out with re-born confidence of what we were about and what we were hoping to achieve.

We have to encourage the industry to create world-class standards; we have to persuade local authorities and government to create world-class infrastructure.

If everybody's got the same ambition, there's no limit to what Wales can achieve.

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If Wales' tourism industry is to rival the world's top class destinations on the global stage, it must be **for excellence**. All of the Welsh tourism activities are aimed at improving the industry's competitiveness and **raising** the level of challenge, then resurgent studies show Welsh tourism

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It was a time for being brave.

After the potential disasters of 2001, it might have been a temptation to retrench and play safe.

Instead, the Board ended the year with the launch of its biggest ever campaign – £10 million worth of marketing over three years.

The main slogan matched the campaign's ambition – "Wales – The Big Country" was aimed at challenging people's usual perception of Wales.

Soon, as television adverts, radio commercials and direct mail shots were rolled out across Wales' strongest target regions in the UK, it became obvious that the gamble was paying off.

Within months, market research was showing that the impact was way ahead of what would normally be expected. Recognition levels for Wales previously were 7% – for "The Big Country", 25% of those interviewed had seen it and remembered.

"We've got to be better, more efficient and more creative than anyone else," says Board Chairman, Philip Evans. "With 'The Big Country' we've succeeded."

The biggest UK campaign was matched overseas. "Wales – Go a Little Further" was one of the banners for the Board's first ever full-blown advertising campaign in the USA. "Go a Lot Further" could have been a slogan for the marketing unit.

Using a New York based agency, the campaign in the States included print, interactive electronic campaigning and direct mail, which led to 72,000 responses. Media work produced publicity equivalent to £4.6 million of advertising.

"Come Live the Legend" was the challenge to potential visitors in Germany, the Netherlands and Belgium, combining the attractions of Wales' history with the opportunity for some of the world's best activity breaks.

It was a prime example of the way that the Board's new powers to market directly overseas are providing a new impetus.

"We firmly believe that where we're market strong – where people recognise Wales and see Wales as a product with its own identity – it's far more sensible and commercially more logical to market that product directly," says Philip Evans.

"Where we're market weak - in the southern hemisphere, for instance – we use the British Tourist Authority's umbrella. We're now looking at our strong areas and are investing there, with great results."

As in other fields, the Board's own structures have been streamlined to take advantage of the new opportunities.

"The Longhaul and European units within the Board have been combined to create a single international marketing zone," explains Head of International Marketing, Eirlys Thomas. "It allows us to co-ordinate

08:09

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'THINKING BIG'

A year of innovation

AT HOME AND ABROAD, 2001-02 was ground-breaking. The UK saw Wales' most successful marketing campaign ever; in the USA and Europe, Welsh tourism had a stronger presence than ever before and, at home, grant support led to massive investment.



Far left: "Let curiosity be your compass" – one of the adverts attracting US visitors to Wales.

Left: People in Belgium & the Netherlands were persuaded to "come live the legend" in Wales.

our activities, providing a new driving force for promoting Wales abroad."

Uniquely, the Board is able to extend the same co-ordination to developing the industry. All over Wales, businesses took advantage of Board grants to invest and improve their product – providing the ammunition for better marketing.

The Board's 15 quality advisers, who are involved in WTB's quality assessment schemes, can also identify improvement opportunities and guide the businesses to advice and financial support.

With Objective One funding adding to the Board's existing investment support scheme, it was a remarkable year.

During 2001-02, the Board invested £10.7 million in 370 tourism businesses, but this led to a total investment of £34 million, which will help create or safeguard 1,200 jobs.

Two neighbouring projects in North Wales are good examples of how Objective One money was used – at Cofi Roc in Caernarfon, and Pete's Eats in Llanberis, it was a year of building and

rebuilding and getting new developments ready for summer 2002.

At Caernarfon, an eyesore building on the magnificent square was replaced by a modern city-style café bar; at Llanberis, the internationally renowned mountaineers' meeting place was given a new kitchen and an Adventure Sports Information Centre with a map library and Internet access.

"We're trying to improve the quality of the products on offer," explains Lucy Jones, Head of the WTB's Investment Services Department. "It's about upgrading existing businesses or creating new niche markets."

"These projects also have the potential to make a real impact on the Welsh economy by extending the season and attracting higher spending visitors."

Marketing and development as one.

Right: Pete's Eats in Llanberis undertook significant expansion, helped by a Wales Tourist Board capital grant.

Below: Wales Tourist Board's biggest ever marketing drive, "Wales – The Big Country" launched to the UK public in January 2002.



The Welsh experience

10:11

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'THINKING BIG'

WALES ITSELF is the greatest selling point for tourism businesses. More and more of the most successful ventures are taking advantage of the country's unique landscape and culture to provide the X-factor that sets them apart from the rest.

For the Welsh Slate Museum, a sense of place means people, and 2001-02 allowed more visitors than ever before to share in the experience.

Nothing delights curator Dafydd Roberts more than seeing groups of visitors of all ages crowding round museum staff engrossed in conversation.

These workers are slate people themselves; some used to work in the massive quarry at Llanberis, others had members of their families working there and the whole community has for two centuries grown around the twin pillars of slate and tourism.

"Visitors are delighted to talk to people who were themselves part of the industry," says Dafydd Roberts. "It means far more to them than mere exhibits or artefacts.

"The slate industry was predominantly Welsh-speaking and visitors here get a flavour of the society that grew and flourished alongside it."

As a result, this unique tourist attraction is still an integral part of its community, earning the respect and pride of local people. "In Llanberis, tourism is a truly local and Welsh industry," says Dafydd.

For Charles Inkin and Huw Evans Bowen, a sense of place meant creating a highly individual restaurant with rooms that takes advantage of the wonderful natural resources of the Brecon Beacons.

The Felinfach Griffin near Brecon has been praised for its 'country cool' – a combination of traditional comfort and modern sophistication – but, for Huw, it all started with the beautiful location between the Black Mountains and Brecon Beacons.

"People come to the area, because they want to visit Wales and the mountains, but we saw the need for high quality accommodation and food. Now people come back to us because of the product we offer."

He was brought up within a few miles of the Griffin and had always intended to 'come home' once he had a business to support him. Finding the unused pub in the heart of the Brecon Beacons National Park was the perfect opportunity.

However, having opened in June 2000, foot and mouth could have been a major setback; in fact, 2001-02 saw the Griffin gaining the AA Restaurant of the Year award for Wales and the accolade of Les Routiers Dining Pub of the Year.

"The pub used to be a farmhouse and is a lovely building," says Huw. "We stripped out all the alterations from the 1950s and 60s and went back to the original structure, combining that with new modern fittings and furniture.

"While most people come down to the area with the intention of doing some walking, it may be raining and they want



Above: 'Country Cool' – the Felinfach Griffin near Brecon.



somewhere quiet and comfortable to have a drink before an open fire.

"Visitors want to experience the countryside, but the accommodation and food has to be as good or better than they could have at home."

For Glyn and Menna Heulyn, a sense of place is personal.

The couple from Ceredigion spent 2001-02 gutting and refurbishing the magnificent Harbourmaster Hotel on Aberaeron's waterfront.

"Much of the design and atmosphere is set by the hotel's unique position, on Aberaeron's quayside with Cardigan Bay to one side. All the rooms have a view of the sea," says Menna.

"The colour schemes in the bedrooms and restaurant have been chosen to reflect the colours of the sea, the sky and the sunset and to create an atmosphere that can be found here and nowhere else."

She gave up her job as a freelance marketing consultant to restore the

landmark building in her hometown. Glyn continues to work part-time as a financial consultant while also involving himself in the day-to-day running of the hotel front of house.

From the very beginning, they had a clear vision of the kind of hotel they hoped to create and the sense of Wales permeates every aspect of the business. New Quay lobster and Cardigan Bay seabass are regular features on a menu that celebrates local seafood.

The other important decision was to make the Harbourmaster a bilingual hotel – all the signs, the menus, the marketing and staff are bilingual, reflecting Glyn and Menna's own backgrounds and the community around them.

"It was the right decision, for us and for the business. This again is a vital part of the hotel's character," says Menna, who can now look back on the first summer of trading. "Culture and geography make this a special place."

Above and right: The Welsh Slate Museum at Llanberis brings a "sense of place" to the visitor experience.

Below: A celebration of local seafood at the Harbourmaster.



Foot and mouth year could have been the worst of the 13 that Joan and Rob Reen have been at Ynysir Hall.

Instead, it turned out to be an *annus mirabilis* for the country house hotel at Eglwysfach in Ceredigion as the Reens reaped the rewards of painstaking attention to detail and a commitment to raising standards.

The ultimate success, however, came in a humble manner, by fax machine... a brief message in early January 2002 from a fellow hotelier. It said simply that Ynysir had gained its first Michelin star and added one word: "Congratulations!"

For Wales as a whole it was a remarkably successful year, as five restaurants won the coveted stars, three of them for the first time. Other accommodation businesses – from inns to youth hostels – won top awards in their fields.

"The sense of achievement of winning a Michelin star is like a gold medal at the Olympics or a BAFTA award," says Joan Reen. "In the same year, we were accepted as part of the exclusive Relais Chateaux hotels."

"We have always tried to do everything to the best of our ability and, in this field, that means international standards," says Joan. "The year was an amazing one for us. Everything seemed to come together."

While 2001-02 was payback time for the Reens' years of hard work, it provided instant success for one of Wales' newest and most forward-looking tourism businesses.

Even the foot and mouth epidemic proved a kind of help for Janet and William Hutchings as they reopened The Bell Inn at Skenfrith near Abergavenny.

The comparatively slow start allowed them to immediately achieve the level of excellence they wanted and to hone the skills of their small team of staff.

Their five-star rated establishment combines the traditional homeliness of a Welsh coaching inn with the highest possible service levels and facilities, including wide-screen televisions, DVD players and ISDN and Internet links in all bedrooms.

"The accommodation has got everything that anyone could possibly want," says Janet, who manages the business. The first year's work won The Bell 'The Best Place to Stay' category in the Wales Tourism Awards, as well as three AA stars for accommodation and two rosettes for cooking.

"I believe strongly that people want excellence," she explains. "Our experience so far bears this out."

Both businesses can see how their success is helping the wider tourism market in their areas - their excellence brings people in just to see what impressed the Michelin judges or the AA inspectors.

A similar principle lies behind the Board's determination to develop international standard activities and world-class sporting events to Wales. They provide people with a reason for visiting the country and falling in love with it.

So, at Coed y Brenin these days, you are more likely to be surprised by a

mountain biker than one of the traditional deer.

The huge forest near Dolgellau is one of seven major mountain-biking centres in Wales. The facilities are recognised as the best in the United Kingdom and amongst the best in the world.

It was during 2001-02 that the Wales Tourist Board's mountain-biking strategy swung into action. Working in partnership with Forest Enterprise, new facilities were developed and a strong marketing campaign launched to support them.

By the end of the year, the mountain biking website – www.mbwales.com – was registering about 1 million hits a month, 3,000 people were receiving regular e-mail information and an estimated 150,000 people a year were visiting Coed y Brenin.

"One of the great strengths of Coed y Brenin is in the variety of tracks, which cover about 100km," says Aled Thomas, District Manager with Forest Enterprise. "They range from family fun runs to the high level Karrimore and Red Bull tracks."

"We have stressed that mountain biking in Wales is all-mountain, all-rider, all-year," says Jon Munro, Activity Products Marketing Manager

Quality conquers all

A RECORD NUMBER of Michelin stars, world-class facilities and major sporting events show that quality can overcome the most difficult of problems.



Far left: Ynysir Hall, one of Wales' five Michelin Star restaurants.

Left: Fine dining at The Bell at Skenfrith.

with WTB, who has coordinated the mountain biking promotion and implementation of the cycling tourism strategy.

For Senior Product Development Executive, Jim Embrey, mountain-biking provides a subtle way of changing perceptions of Wales. Enthusiasts come to centres like Coed y Brenin for the biking and are astounded by the beauty of the area and its holiday potential. "Like white water rafting or watersports, mountain-biking attracts committed people who are likely to carry on visiting Wales for other purposes in years to come."

The same is true of golf, as Wales gears up for one of the biggest sporting events in its history. The year's work was crowned by the decision of The Ryder Cup to visit the Celtic Manor Resort near Newport in 2010.

The Ryder Cup is now the focal point for a nine-year campaign to put the country on the international golfing map.

"The Ryder Cup is a catalyst and an opportunity," says WTB's Director of Marketing, Roger Pride. "The event itself will offer world-wide television coverage for Wales but, even more importantly, it gives us the opportunity of spreading the benefits across the country."

The tourism industry had a vital role to play in Wales' successful bid; the Board's achievement in securing 5,000 hotel bedrooms for the event was one of the crucial advantages over other rivals.

"Bringing golfing people into Wales holds the prospect of wider economic benefits," says Roger Pride. "Golf tourists spend about four times more than other leisure tourists."

The Board's vision is for more golfing clusters like the one in south-east Wales. Other areas in the North and West have great potential, but need the kind of resort hotels that bring golfers in to play on several neighbouring courses.

"In the wake of the Ryder Cup, we hope to increase the number of golfing visitors to Wales from around 30,000 a year to 100,000.

"Winning the Ryder Cup bid has been a great achievement and it has given Wales the confidence to go for other major events in the future."



Above: Golfing puts Wales on the map, the country winning its bid to host the Ryder Cup 2010.

Below: Mountain biking enthusiasts get ready for action at one of Wales' seven centres of excellence, Coed y Brenin.



The year of the regions

14:15

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'THINKING BIG'

THE YEAR SAW A REVOLUTION in the organisation of tourism in Wales. For the first time ever, operators, agencies and local authorities are working together on creating regional business plans, backed up with cash from the Wales Tourist Board.

In five years' time, Philip Evans has no doubt that 2001-02 will be seen as a watershed year, when regional tourism in Wales came into its own.

The Chairman, more than anyone, was determined to see the creation of four regional partnerships to provide a new integrated focal point for businesses, especially the thousands of small enterprises across the country.

By the end of the financial year, the four new bodies had been operating as shadow organisations for six months and were ready to take on a £2.5 million budget.

The radical reorganisation fits in with Philip Evans' constant drive to replace comfortable, same-old-faces structures with sleeves-rolled-up working organisations that give the whole of the industry a real voice.

"It's been a culture change for the industry in Wales," says Philip Evans. "It's been very painful for some who were used to the old way of working but I've been very impressed with the business plans that they are now producing."

"The people who know the product are the industry themselves and the local authorities – they know their market. It's up to the Board to take an adult, responsible view on this and devolve the cash for marketing those regions."

More than anything, the partnerships will be able to deliver support to the small businesses which are the backbone of the industry in Wales and which need the co-ordinated marketing and strategic help that the partnerships offer.

"If we're spending tax payers' money, it's important that Mrs Jones with her two bedroom guest house in Anglesey has more benefit than Rocco Forte, with his hotel in Cardiff."

As a businessman himself, Philip Evans measures the efficiency of public support, by looking at the bottom line: "Rocco Forte doesn't need a regional partnership, but Mrs Jones is desperate for one."

His experience is borne out by the people leading the new partnerships, both the full time staff and the tourism operators.

"It has been an exciting and challenging time," says Dee Reynolds, Director of the Mid-Wales Regional Tourism Partnership, which was fully launched in April 2002 as a new powerhouse for the industry from Cardigan Bay to Offa's Dyke and up to Cader Idris.

"For six months up until April 2002, we operated as shadow organisations, getting our plans in place and bringing people together, which is the most vital part of all."

For the first time ever, private operators within the industry and public bodies, including local authorities and National Parks, have been brought together to create integrated strategies for each region in Wales and, vitally, to put the plans into action.



Above: Llynnau Mymbyr, Snowdonia.



For Mid-Wales this will mean a new, stronger brand image and campaigns to support that concept, concentrating on five action areas, chosen by the members.

"There have been powerful marketing campaigns for the whole of Wales and for individual businesses and localities," says Dee. "We are now providing the crucial missing link."

As with the Board itself, the great strength of the new partnerships is their ability to combine broad strategy with action, through grant schemes, training and marketing campaigns.

"Naturally Different" – the campaign banner for Mid-Wales – could stand for the Board's determination to promote the diversity of Wales.

"The first task has been to get everyone pulling in the same direction and we're getting there," says Mid-Wales Partnership Chairman, Richard Griffiths of the Richmond Hotel, Aberystwyth.

"By pooling our resources and our vision, we can make sure that we secure Wales' position in an ever-changing, ever-more competitive market. We're in our infancy, but I've no doubt at all we'll succeed."

Above: Mid Wales' "Naturally Different" campaign.

Right: The National Botanic Garden of Wales, South West Wales.

Bottom right: Blaenavon, South East Wales, UNESCO World Heritage Site.



The Wales Tourist Board continued to make good progress against its strategic targets during 2001/2002, despite the continued challenges caused by the foot and mouth crisis and further events – 11 September – that no-one could have predicted. These events in 2001 – outside of our direct control – would have far-reaching effects on global tourism and the world economy.

Thanks to continued support for tourism from the Welsh Assembly Government – evident from an increased baseline budget to £20 million and a further £5 million allocated as part of the rural recovery plan, which went straight out into the hands of the industry – the Wales Tourist Board was able to concentrate its efforts on supporting the industry through the crises, reacting quickly to the situation in hand to make sure that Welsh tourism fought back quicker and harder than other destinations and putting the building blocks in place for future growth.

Despite the challenges, our small but dedicated team achieved against targets and showed that a flexible approach can win through. The research team became more important than ever in analysing and predicting the effects of the crises and resurgence activities; flexibility became the name of the game for all marketing teams who had to reassess, reallocate and redevelop previous strategies; development achieved unprecedented success in its investment programmes, helping businesses to improve competitiveness and raise standards to not only survive, but thrive; and communications played a vital role in keeping all stakeholders informed and in-the-loop throughout the year, also raising the profile of the industry's importance to the economy, through the media.

Promoting winners

There were many highlights this year, none brighter than the launch of our biggest – and most successful – UK marketing campaign to date. When *Wales – The Big Country* launched to the UK public in January 2002, the reaction was instant and by February 2002, unprompted awareness levels had risen from 7% to a staggering 24%, more than for any other destination advertising within the UK. The key to marketing throughout this year was flexibility, with marketing activity needing to adapt to an ever-changing market. At the height of foot and mouth, activity concentrated on stimulating recovery in the UK markets in the short term, while maintaining a presence in primary overseas markets. The groundbreaking *Today in Wales* TV campaign ran for a week in May 2001, with the aim of persuading people to visit Wales immediately. The adverts were a world first for the Wales Tourist Board, with a unique advert being filmed, edited, cleared for broadcast and aired each day for a week, showing real people enjoying themselves in Wales on that day. The fact that holiday spend from UK markets actually grew by 4% during this year is testament to the success of these initiatives.

The year was more difficult for overseas promotion than anything else, with spending by overseas visitors decreasing by 15% on a UK level. Spending by these visitors in Wales decreased by 10%. In contrast, spending by overseas visitors from Wales' five primary markets – USA, Germany, France, Republic of Ireland and Netherlands – remained static at £131 million, which in the face of such major crises and general downturn, proved cause for some optimism for the future. Our first ever stand-alone Wales advertising campaign, *Wales – go a little further*, in the US kicked off on

A year of triumph over adversity

JONATHAN JONES, CHIEF EXECUTIVE of the Wales Tourist Board, reflects on a year in which Welsh tourism fought back against all odds.

1st March 2002 and ongoing media work in the US produced coverage for Wales with an advertising equivalent value of over £4.5 million, £3.5 million of which was as a direct result of our hosting of the Society of American Travel Writers Convention in 2000.

More jobs for Wales

In a year when many tourism businesses were struggling to retain staff through the crises of foot and mouth and 11 September, the Wales Tourist Board continued to invest in the development of top quality products that would help raise Wales' competitiveness, extend the season and help the good businesses to maintain standards and build for the future.

With an additional £5 million from the Welsh Assembly Government's rural recovery plan, we were able to help rural businesses affected by the crisis with real cash – for marketing and development – in order to help them remarket themselves out of the crisis and also maintain the quality of the product with winter refurbishment. The Adfer and ReACT schemes helped over 700 businesses in total and proved to be effective means of allocating grants quickly.

A total investment by the Wales Tourist Board in 2001/2002 of £10.7 million generated a total investment of over £34 million in the Welsh economy. In real terms, this investment created more jobs in tourism than the Wales Tourist Board had ever before helped create in one year – 1,240 jobs created or safe-guarded in total, more than doubling our original target of 500.

Real progress was made in the outdoor product sector; we spent £400,000 on action plans for the development of products such as cycling, fishing, walking, horse riding and adventure, all of which hold huge potential for Wales, as niche markets that can help to extend the season beyond the traditional summer months and also attract new visitors to Wales that come because of the activity. In partnership with key bodies in all fields, progress continues. The excellent progress made in mountain biking was evident when Wales was named the best mountain biking destination in the UK, awarded a 'B' grade by the International Mountain Biking Association in its annual rate card, on a par with the sport's birthplace, California.

The future

Successes in 2001/2002 are set to reap far-reaching benefits for Welsh tourism. In September 2001, Wales won the bid to host golfing's prestigious Ryder Cup in 2010 at the Celtic Manor Resort. The benefits to golf tourism throughout Wales will be vast; golf tourists spend on average four times the amount of a leisure tourist in one day. The Wales Tourist Board is committed to using the event as a catalyst to developing a world-class golf tourism product in Wales. Work is already underway to develop a golf tourism strategy for the whole of Wales.

Work has continued apace with the VisitWales project, Wales' state-of-the-art destination management system (DMS); the project is set to launch to the public in the summer of 2002.

The regions of Wales will from 1st April 2002 have more power over their own tourism destinies than ever before,

when the four regional tourism partnerships grow teeth with the allocation of their first year of increased budget – £2.5 million devolved by the Wales Tourist Board to the regions in the partnerships' first full year. 2001/2002 has seen the four partnerships being formed, with directors and shadow boards already in place to implement their regional tourism strategies from 1st April 2002.



Foot and mouth – the fightback

No comprehensive review of 2001/2002 could fail to mention the foot and mouth crisis, which wreaked havoc on the tourism industry in rural Wales. The Wales Tourist Board's response to the crisis was rapid, thanks to the almost immediate approval we received from the Welsh Assembly Government for additional funds. With these funds, additional targeted marketing, investment, communications and information provision activity swung into action ahead of all competitors.

The buzz word that summed up all activity aimed at Wales' number one market – the UK – during 2001/2002, was flexibility; marketing Wales during tourism's most difficult year ever; required a chameleon-like approach, with previously planned campaigns having to be completely re-thought in order to take into consideration the rapidly changing market conditions.

The year started with additional marketing activities, mainly reassurance and tactical communications, to combat the effects of foot and mouth on tourism. Anne Robinson joined the campaign to entice visitors into Wales for Easter, taking her opportunity to wink and make up with the Welsh, wearing a 'Wales – Open for Easter' t-shirt for a pre-Bank Holiday stunt. This accompanied many more tactical messages, all aimed at ensuring that people in the UK thinking of a break, chose only one destination – Wales.

May saw the innovative *Today in Wales* campaign hit TV screens across the UK. For one week only and a world first, the Wales Tourist Board filmed, edited and broadcasted a different advert each day, showing real people enjoying their

day in Wales. The TV adverts were supported by radio and press advertising and a dedicated website and information line giving up-to-date details of what was open for visitors to enjoy in Wales.

Campaigns were accompanied by direct industry support, in the form of additional advertising opportunities at reduced costs, and marketing grants, facilitated by additional rural recovery funding supplied by the Welsh Assembly Government.

The Adfer fund was initiated to provide financial assistance to tourism operators who had suffered a business downturn as a result of the foot and mouth crisis. The objective was to replace 'wasted' marketing expenditure, to enable businesses to promote and market themselves out of the crisis. A total of £730,000 was awarded to almost 600 businesses.

In spring 2001, in partnership with nine partners on a marketing area and regional basis, WTB contributed a total of £242,125 to joint scheme marketing programmes. This was repeated in the autumn of 2001, when, working exclusively with area marketing partners and concentrating on those areas most badly hit, we allocated a further £122,500 to additional marketing activity. WTB also allocated a further £327,500 towards a coordinated marketing campaign, promoting all marketing area partners through jointly agreed media schedules.

The highly successful Advantage campaign, where businesses are encouraged to advertise in the national press by offering them substantially discounted advertising rates, was vital in

Last year

2001/2002 may have been the worst year ever for the tourism industry in Wales, but despite the many obstacles, Wales fought back harder and with more determination than ever before. The future is bright for Wales' most dynamic of industries.

encouraging businesses to continue to advertise throughout this difficult time. A total of 25 Wales features – accompanied by adverts for small tourism businesses – were run in the national press during the year.

The perceived 'closure' of the countryside produced an insatiable demand from the potential visitor for consistent, accurate and up-to-date information on where they could go, what they could do – and any new regulations they would need to adhere to. Easy access to this information was of paramount importance. WTB worked with its partners in information provision across Wales – local authorities, Tourist Information Centres, Countryside Council, National Park Authorities and others – to find ways of sharing information and of then providing it to potential customers and businesses in the most effective fashion. This same information was also shared with the British Tourist Authority in order to demonstrate to the world that Wales was open.

The Internet came into its own during the crisis, allowing us to focus on what was open and give targeted messages to the public. Even the most web literate, however, often felt the need to speak to someone in order to confirm or check and clarify details, which is where the TIC network was absolutely vital. The WTB website – www.visitwales.com – was adapted to focus on what was open and what visitors could do and the site's functionality was changed at very short notice in order to allow us to feature up-to-date information at the touch of a button. Following the immediate need for emergency information, the web was integrated into the overall recovery marketing activities, such as the Today in Wales campaign, where a new website

was created with information tailored to the themes of the advert, which were not even known until late afternoon each day. In addition, the Board's telephone reception was staffed throughout every weekend during the crisis.

Research during the crisis confirmed that there was a genuine need and desire from the industry for capital assistance to ensure that businesses could maintain high standards for the coming year, with many of them eating into money put aside for winter maintenance in order to avoid laying off staff. Additional money from the Welsh Assembly Government's rural recovery package allowed us to invest £2.5 million – through our ReACT grant scheme – into over 200 projects, allowing businesses to carry out necessary works to maintain quality in the aftermath of the crisis and safeguarding or creating 433 jobs. Businesses were also given substantial discounts on their WTB grading during 2001 and 2002 in order to alleviate problems caused by the crisis.

Throughout the crisis, effective communication at all levels was vital. Keeping businesses informed on what WTB was doing and what other assistance was available to them was key, which is why the Wales Tourist Board newsletter Trade Talk was issued on a weekly basis to some 4000 businesses throughout Wales. The power of the media was never so evident; WTB helped raise the profile of the industry's plight, via targeted and sustained media relations both inside and outside Wales, while communicating with the politicians on a daily basis ensured that tourism received the full support of ministers and assembly members.



Top Left: Board Member Siân Lloyd fronting the Today in Wales advertising campaign.

Top right: Economic Development Minister Andrew Davies AM – the Welsh Assembly Government gave £5 million additional funds to help fight the crisis.

Bottom Left: Anne Robinson helped draw attention to Wales in the run-up to Easter.

Bottom Middle Left: The Internet came into its own during the foot & mouth crisis.



Promotion

UK marketing – looking after the number one market

In order to ensure that Wales maintained and built on its share of the vital UK market – over 90% of visitors to Wales come from within the UK – continued planning for future campaigns and maintaining momentum would be key as the year wore on.

In December, WTB launched its new, three-year, £10 million UK marketing campaign, *Wales – The Big Country*, which was launched to the Welsh public a month before it hit the rest of the UK in January 2002. WTB's biggest marketing drive ever; the campaign aimed to build on the success of the *Two Hours and a Million Miles Away* campaign, by promoting Wales as a country with a big spirit, offering visitors a warm welcome and a wide range of things to enjoy. The campaign was fronted by four new TV commercials, shown in core ITV regions and nationwide via satellite TV, which also included the first use by a tourist board of digital interactivity to enable viewers to request their Wales brochure via their TV sets. This activity was accompanied by radio and press advertising (national newspapers and specialist magazines), and direct marketing, with calls handled via a dedicated website and the new VisitWales contact centre, which is open from 8.00am until 9.30pm seven days a week, for tourism business support and 8.00am until 10.00pm seven days a week for visitor enquiries, closing only on Christmas Day.

The rural *Openspace* campaign launched for spring 2002, aimed to counteract the negative effects of 2001 on rural tourism in particular; by producing a dedicated guide highlighting the wealth of things to do in rural Wales during spring and summer. Nearly five million copies of the A5 guide were distributed via the national press, specialist magazines and mailings to the Wales Tourist Board database. This was supported by a dedicated website and extensive media relations activity, including targeted press releases and

journalists' visits to experience the great outdoors.

A series of targeted direct response campaigns included jointly coordinated activity with main area marketing partners and resulted in the distribution of seven million leaflets via direct mail and inserts in a wide range of publications, advertorial features in publications such as the *Radio Times* and attendance at key consumer shows and precinct promotions. This direct response campaign generated 237,000 responses and resulted in an estimated 123,000 trips and £69 million in visitor spend.

Product marketing – untapping Wales' huge potential

One key area where the Wales Tourist Board believes that there is huge potential for growth from UK and overseas markets is in activity tourism, which is why £400,000 has been spent in the development of activity product action plans, looking at cycling, walking, horseriding, fishing and adventure tourism and identifying potential partners that will enable delivery in these fields. 'Moving up a Gear', the cycling tourism strategy, was the first to launch, highlighting mountain biking, cycle touring and centre-based cycle breaks as the three key areas for growth.

In close partnership with Forest Enterprise who are responsible for trail and developmental work at the initial six centres of excellence, the mountain biking Wales campaign was launched in October 2001, targeting the UK mountain biking market through an online-based campaign, supported by print, PR and advertising in the specialist outdoor press. The website – www.mbwales.com – is currently receiving well over 1.2 million hits per month, allowing us also to build a consumer database of regular and potential mountain biking visitors. Ongoing relationship building with the consumer database is a key part of this activity and the campaign is well placed to take advantage of the opportunities offered by VisitWales. The success of mountain biking in Wales culminated in the announcement of Wales' 'B' grade in the International Mountain Biking

Association's annual rate card, making Wales the best mountain biking destination in the whole of the UK.

Following the success of cycling, the Wales Tourist Board has undertaken a series of research and planning exercises for the other activity products, including extensive consultation with the industry and other major stakeholders, as well as primary research with the customer. This successful partnership approach with mountain biking has provided a clear working model for the development of the other products.

In its second year of handling the Wales Tourist Board UK consumer PR account, London-based Brighter PR has continued to make excellent progress, bringing some 90 UK journalists into Wales to experience the holiday product, culminating in over 230 articles on Wales appearing in national newspapers and lifestyle magazines. Titles as varied as *Tatler*, *Country Living*, *Bella*, *Prima*, *Loaded* and *Choice* featured Wales, as well as all the travel sections of the national newspapers. The coverage generated secured an editorial equivalent value of over £6 million.

A new European funded Joint Marketing Business Support scheme was launched in January 2002, offering grants of up to 50% to marketing partnerships on a pan-Wales basis. With an annual budget of around £2 million and a dedicated team available to help applicants through the application process, this scheme is designed to support well-planned and creative marketing initiatives generated externally to WTB.

The TEAMWales UK travel trade initiative, which seeks to heighten Wales' presence in UK tour operators' itineraries, went from strength to strength this year, with the nine partners intensifying their efforts to work proactively and creatively with the Wales Tourist Board to increase Welsh product within their programmes. The prestigious Partner of the Year title in the Wales Tourism Awards went to

IN DECEMBER, WTB launched its new, three-year, £10 million UK marketing campaign, *Wales – The Big Country*, which was launched to the Welsh public a month before it hit the rest of the UK in January 2002.



Far Left: The Classroom advert in the Big Country campaign.

Left: It's a Dog's Life – in the Big Country campaign.

Superbreak and the Highly Commended to Best Western Getaway Breaks.

Overseas marketing – success despite difficult trading conditions

Overseas, the WTB responded positively to the difficult market conditions, by firstly re-evaluating and concentrating activity on primary short-haul markets, which was followed in early 2002 by the largest ever advertising campaign for Wales in the USA, following on from the British Tourist Authority's advertising and building the Wales brand beneath the Britain umbrella. The campaign presented a clear Wales message, *Wales – Go a Little Further*, in prestigious travel magazines and on key travel-related websites. WTB's first-ever overseas television advertising ran in Belgium and the Netherlands, telling Belgian and Dutch visitors to *Come Live the Legend* in Wales, while European funding made it possible to gain increased exposure for Wales in the BTA German advertising campaign and also to distribute 1.2 million copies of a Wales-only insert in key German daily newspapers.

The first of three planned cross-market campaigns was launched, with the publication of the comprehensive new Touring Wales guide. Printed in English, French, Dutch and German, the guide is targeted at the independent traveller in all key overseas markets.

The exhibition programme of the Tramor overseas marketing partnership (involving seven regional groupings of local authorities and the Wales Tourist Board) continued to expand and flourish, with Wales now represented at 19 holiday fairs in Europe. Additional marketing activities around the exhibitions included the promotion of Welsh food in partnership with the Welsh Development Agency's True Taste initiative.

Media relations activity continued to generate valuable and effective coverage for Wales in our target markets,

generating an advertising equivalent value of almost £3 million in Europe, via our European PR agencies. In the USA, media work produced coverage with an advertising equivalent value of £4,593,495, with £3,428,671 of this being directly attributable to the positive effect of Wales' hosting of the Society of American Travel Writers' Convention in 2000.

Wales – where the world meets

In 2001/2002, Wales' business tourism product made the silver screen, when the Wales Tourist Board produced a new DVD and video – *Wales. Where the World Meets* – promoting the wealth and variety of business and conference facilities to be found in the country. It went on to win the Meetings Industry Marketing Award for Best Video, with the Board's incentive marketing campaign, which exceeded all expected response targets, also short listed for the Best Direct Mail Campaign category.

The website – www.incentives.visitwales.com – has been enhanced. It now includes, as well as all incentive information, newsletters, press releases and a jpeg of the DVD/video. Visits to the site are four times higher than last year, with the most popular pages being venue search and special offers. Enquiries from the site are up 90% on last year.

Event activity has included attendance of the Meeting & Incentive Show in London, support for the British Association of Conference Destinations Welsh members at the Venue Show in Birmingham, a WTB-organised 'Alice in Wonderland' incentive event with 12 partners and 50 buyers in London and participation in and support for the Global Connect Workshop with 30 buyers in south Wales. Overseas, WTB also attended European Incentive Business Travel and Meetings in Geneva, Trailblazers in Canada, a German sales mission and a sales mission to Canada with the London Tourist Board and VisitScotland.

Golf – the future is bright

September 2001 saw Wales win the bid to host the prestigious Ryder Cup in 2010. The Wales Tourist Board – an active member of the bid team – has continued its support of the two new major golf tournaments in Wales – the Seniors and the WPGA, aiming to capitalise on Wales' new-found profile in the golfing world. The Wales Tourist Board is determined to ensure that bringing the Ryder Cup to Wales brings real golf tourism benefits to the whole country. During 2001/2002, WTB commissioned consultants to develop a golf tourism strategy for Wales that would extend up to 2010 and beyond.

A new GolfWales brochure was produced, with 15,000 copies distributed directly via golfing magazines. Features were also secured in *Today's Golfer* and *Golfworld*. New golf tour operators' programmes were secured for 2002 – Haversham Baker USA, Kalos Golf USA, Ultimate Vacations Canada and the Qantas IAC Australia. A new golf website – www.golfing.visitwales.com – was successfully launched and WTB attended the International Golf Travel Market in South Africa accompanied by three stand partners.

In the events world, the Wales Tourist Board's event marketing support scheme was launched, aiming to support big events that will help to bring new visitors to Wales and extend the traditional holiday season. Those supported in 2001 included the FA Cup final, Network Q Rally, Half Ironman Triathlon, One Ton Cup, Brecon Jazz Festival and the Special Olympics.

Improving information provision – making it easier to book Wales

2001/2002 was one of considerable development with the Wales Tourist Board's destination management system – the VisitWales project. In April, World.Net was appointed as the contractor to work with the WTB to develop the system, working with the in-house team. The first version of the



Far Left and Left: Wales' mountain biking was making the headlines for all the right reasons.

Middle Bottom: Wales – Where the World Meets.

Below: The WTB's Golf Tourism Strategy will use the Ryder Cup 2010 as a catalyst for golf tourism throughout the country.



business tools for the industry – the way by which individual businesses would be able to enter and update their business information – were delivered and first testing undertaken. During September and October, pilot sessions were held with business operators from across Wales, in order to test the training programme and the system. Further necessary improvements were then identified from these sessions. Also in October, Loop Customer Management Ltd were appointed to establish and manage the VisitWales contact centre in Bangor. This centre is designed to provide support for businesses using the VisitWales system and to deal with visitor enquiries by phone, email and post, through the medium of Welsh and English. The centre staff, who were appointed in December, were trained and open for business by February 2002, with the centre open to calls from visitors by March.

Tourism performance – the financial contribution

2001/2002 was a unique year in terms of the combination of negative factors affecting the tourism industry in Wales. The outbreak of foot and mouth clearly had a negative impact on performance while the strength of the pound and the aftermath of September 11 no doubt had a negative effect on inbound international tourism to the whole of the UK. However, the year-end results for both the UK and international markets were not as poor as at one time feared and there is evidence of further recovery in 2002.

Nevertheless, tourism is still big business in Wales and one of the country's most important industries, contributing over £2 billion a year to the country's economy. Given continued support from government and the right conditions for growth, tourism has the potential to achieve even greater economic gains for Wales over the next ten years.

The UK market remains Wales' biggest source of visitors, with over 90% of visitors coming from within the UK. Figures from the United Kingdom Tourism Survey (UKTS),

a national survey sponsored by the four national UK tourist boards, showed that while the number of visitors to Wales during 2001 fell by 13% and the total volume of nights stayed dropped by 7%, the total expenditure saw a marginal increase of 1% on 2000. Holiday trips (which made up nearly three-quarters of all staying trips to Wales) were 12% down, but related expenditure rose by 4% in comparison with 2000.

Traditionally, Wales has attracted a low percentage of overseas visitors coming to the UK, not least because of continued low awareness levels of Wales in overseas markets. While visits from overseas were therefore expected to be down because of the world events, figures from the International Passenger Survey showed that Wales fared less badly than the rest of the UK, with the number of trips down 6% compared to 9% for the rest of the UK and spend down 10% compared to 15% for the rest of the UK.

Key performance targets 2001/2002

The annual remit letter, issued by the Welsh Assembly Government, sets out a range of strategic priorities and targets for the year ahead. Table 1 summarises our performance against those targets and provides details of those which have been set for 2002/2003.

Product development – developing tourism for tomorrow

Investment is critical to the continued development of Wales' tourism industry. If Wales is to successfully compete on a global stage, then the Wales Tourist Board must make the best possible use of public money in order to improve the industry's competitiveness and raise quality across the board.

The Board's Integrated Business Support Scheme (funded via Objective One and Pathways to Prosperity) made

excellent progress during 2001/2002. A total of 134 projects benefited from a total of £6.3 million at an enhanced rate of assistance made available by additional European money, bringing the total number of projects funded by Objective One to 200 since July 2000, showing that WTB is successfully distributing Objective One money to the private sector.

In total, WTB financial assistance generated a total investment of over £34 million, £19.8 million (58%) of which was from the private sector, and created or safeguarded 1,240 jobs. For every pound spent by the Wales Tourist Board, an additional £6.60 of investment in tourism was levered.

The projects supported were diverse and geographically spread throughout the country, with 34% of funding allocated to the southwest, 30% in the north, 26% in mid Wales and 10% in the southeast.

Activity tourism is a key growth sector for Wales and one which holds huge growth potential in specialist and short break holidays. This is why the Wales Tourist Board allocated £400,000 towards the development of activity action plans in order to develop successful products for cycling, walking, fishing, horseriding and adventure. The product development team are involved in ensuring that strategic development of the activity product continues in tandem with increased product marketing, ensuring that the product does match the promise.

Tourism Growth Areas

Following on from the successful Coastal Resorts and Historic Towns Integrated Development Programme, the Wales Tourist Board has moved ahead with the setting up of 15 Tourism Growth Areas throughout Wales. Applications were invited from all local authorities across Wales. Funding has now been ring-fenced for all 15, with a total of £15 million WTB funds allocated towards the

Table 1: Performance against strategic targets

Performance measure	2001/2002 Target	2001/2002 Out turn	2002/2003 Target
1. Private sector investment generated	£13.5m	£19.8m	£15.5m
2. Total investment generated	£25.0m	£34.3m	£28.0m
3. Leverage ratio WTB grant: total project cost	1:5.0	1:6.6	1:5.0
4. No of jobs created / safeguarded	500	1,240	400/100
5. Annual share of UK spend in Wales (Oct-June)	51%	57%	–
6. Running cost limit	£4.7m	£4.7m	£4.7m
7. WTB domestic (UK) marketing campaign Return on Investment	30:1	20:1	30:1
8. Increased spend from primary overseas market	+5%	0%	–
9. WTB overseas marketing campaign return on investment	–	–	12:1
10. Destination Management System:-			
• Number of businesses using DMS	–	–	5,000
• Using DMS for e-commerce/bookings	–	–	1,000
11. Proportion of 3, 4 and 5 star accommodation businesses	–	–	74-76%

implementation of all action plans over the next six years. WTB is also funding a local project officer in each area. The aim is to achieve comprehensive and strategic tourism regeneration and to create areas that can stimulate significant tourism growth into Wales in the future.

Quality matters – expert business support

Providing a top quality visitor experience is vital in today's increasingly competitive market. A happy customer is the one that will stay longer, make repeat visits and recommend Wales to friends and family. The Wales Tourist Board recognises this and is committed to helping the industry achieve top quality at every turn.

The Wales Tourist Board's expert role in offering business advice to the tourism industry was strengthened in 2001/2002, by setting up the Business Advisory Signposting Service (BASS), to offer expert advice to businesses on all aspects of the tourism industry and to act as a signposting service where necessary. The WTB's grading inspection service was brought in-house and developed into an integrated service of advice and support that enabled the WTB to work with businesses to help them raise standards. No longer is a visit from a WTB 'inspector' something to be feared; instead, WTB's quality advisers now undertake to give all forms of business advice and support freely available from the Wales Tourist Board and other organisations.

During the year, work was undertaken to enable the seamless transfer of quality assurance functions from Tourism Quality Service to the Wales Tourist Board. This involved completion of the staffing structure for the transfer and incorporation of TQS staff into WTB by October 2001. This enabled the development and effective delivery of the integrated quality assurance and business advisory signposting service in 2002.

A comprehensive training programme for quality assurance field staff was implemented to ensure that they were

properly equipped to deliver the new BASS service from the beginning of 2002.

Activities have also included holding a business support clinic at the Royal Welsh Winter Fair; coordinating the briefing of the new in-house quality advisers and providing ongoing support for the BASS; establishing a business support gateway to handle all incoming general business enquiries to WTB; preparing business support content for the new-look wtbonline; and the development of business advisory toolkits – Greening your Business, Sense of Place, Developing a Successful Tourism Business and a Guide to legislation.

Progress was also made with regards to the establishment of a specialist advisory service through the approval in February 2002 of a tender to Opportunity Wales for funding for two specialist e-commerce advisers.

An investigation into a client management system for the WTB was also undertaken, a system that will enable the delivery of a more customer focused service to tourism businesses.

Relationships have also been strengthened with the four Business Connect Regional Consortia, ELWa, the Welsh Development Agency and other partners, to ensure that the Wales Tourist Board's business support service adds value to existing business support services and therefore avoids any duplication.

People matter

Training the best people for the industry

In 2000/2001, the Wales Tourist Board was instrumental in securing funding and support for the establishment of the Tourism Training Forum for Wales (TTFW) as an independent executive organisation. The new body's role is to put training on the tourism agenda and tourism on the training agenda. In October 2001, the fledgling organisation began its operation as an independent body, with WTB's training liaison role – and its manager as forum director – transferred to the organisation. Between April and October 2001, TTFW established criteria for Centres of Excellence and also organised CONTOUR, a major conference for tourism educators.

Welcome Host – leaving home

The Welcome Host Wales College Consortium (comprising Pembrokeshire, Bridgend and Llandrillo colleges) has been contracted to provide the funding and management framework for the Welcome Host programme until 30 September 2003, taking the administration of the highly successful customer service scheme out from the Wales Tourist Board for the first time since its creation in 1991. Much work has gone on to modernise the programme, including the redevelopment of Welcome Host Manager, now renamed 'Managing your Welcome'; the addition of specialist modules Welcome Host Business Venue, Service for All, Cultural Exchange (replacing international), Taste of Wales, Welcome to the Church, and Anglesey and Carmarthenshire regional variants.

Table 2: Financial assistance approved to projects in 2001/2002 by Economic region

Region	Number of projects	Grant assistance	Jobs	Cost
North Wales	132	£1,546,465	318	£8,556,332
Mid Wales	106	£1,339,609	241	£7,007,506
South West Wales	79	£1,823,002	295	£12,708,570
South East Wales	35	£560,993	145	£4,452,780
Total	352	£10,295,500	999	£32,725,188

Table 3: Financial assistance approved to projects in 2001/2002 by sector

Tourism sector	Number of projects	Grant assistance	Jobs	Cost
Serviced accommodation	170	£4,601,263	459	£12,325,5375
Self catering accommodation	74	£1,660,917	155	£5,426,999
Tourist attractions	23	£916,614	61	£3,311,983
Tourism infrastructure	17	£789,187	35	£4,410,941
Activity providers	27	£1,058,382	148	£3,764,772
Caravan parks	34	£894,892	78	£2,389,572
Restaurants	7	£374,116	63	£1,095,384
Total	352	£10,295,500	999	£32,725,188



1 Philip Evans Chairman

11 December 1998 to 31 March 2003

Philip Evans was appointed to the Wales Tourist Board in October 1998, and appointed Chairman in April 2000. He is also Chairman of the Vox Group Plc, and previously Chairman of Coastal Cottages of Pembrokeshire, Celtic Haven Villages and of magazine publisher and holiday operator, Activity Wales Ltd. The formation of the Vox group in 1975 was the start of Philip's involvement with tourism.

Philip was born in Tenby and educated in Greenhill School, Tenby. His career in marketing commenced through a graduate management programme with Beaverbook, publishers of the Daily & Sunday Express. He later held the positions of Editor of 'Property' magazine and was Advertising Group Head at the Daily & Sunday Mirror. Prior to moving back to Wales to form his own company, Philip was Commercial Director of London Broadcasting.

Board Members

2 Lewis Evans

2 August 1996 to 31 July 2003

Lewis Evans has been a Wales Tourist Board member since 1996. He is a former Managing Director of Girobank plc and Group Main Board Executive Director of Alliance and Leicester plc. Previously he was Regional Director and General Manager of Lloyds Bank plc.

Following his retirement from banking in 1996, he became the non Executive Chairman of the Post Office Board, Wales and the Marches. Lewis has held and is still holding a number of appointments within the voluntary, cultural and community sectors – he was a Board Member of Business in the Community and is a Governor of the University of Glamorgan, Member of the Court and Audit Committee of the University of Wales, Member of Council and Chairman of the Finance and Resources Committee of the National Eisteddfod of Wales and Chairman of Cwlm Busnes, Caerdydd (Welsh Business Club).

3 Ieuan Evans MBE

20 February 2002 to 19 February 2005

Former Wales rugby captain and British Lion Ieuan Evans was appointed Wales Tourist Board Member in February 2002. Ieuan was born and brought up in Carmarthenshire, and now lives in Cowbridge.

As well as being a TV presenter and journalist Ieuan runs his own marketing and public relations company. His marketing experience, outstanding communication skills and his understanding of the needs of the tourism industry in Wales is an invaluable asset to the Wales Tourist Board as we embark on major marketing campaigns both in the UK and overseas.

4 Emyr Griffith

11 June 1999 to 4 May 2001

Emyr Griffith from Montgomery is company director of the tour company EuroWales, Managing Director of the Welsh Rarebits hotel marketing consortium, which promotes quality hotels throughout Wales, and jointly runs the small hotels consortium Great Little Places.

In the 1970s and early 1980s Mr Griffith was the Wales Tourist Board's North Wales Regional Manager and WTB Marketing Director.

5 Peter Hands

21 May 2001 to 20 May 2004

Peter Hands is the Company Director of Tauber Hands Ltd, which owns the Heritage Park Hotel in Trehafod and Breinton Court, a self-catering cottage and leisure complex in Herefordshire.

Peter has extensive experience of the tourism industry as a tour operator with a specific interest in marketing and training. He is a Vice Chairman of the Valleys Tourism and has served as the Regional Trade Director and on the Management Group with Tourism South and West Wales. He is also the Regional Director (Trade) on the British Hospitality Association.

6 Carys Howell

21 May 2001 to 20 May 2004

Carys Howell has worked for the National Trust in public affairs and marketing she is currently the Trust's Welsh affairs manager. Carys has also worked in the field of education and the media – both as a journalist and as a broadcaster. She has a wide knowledge of tourism across the whole of Wales, particularly public relations, strategic marketing and training.

7 Christine Lewis OBE

August 2000 to 31 July 2003

Christine Lewis has been a Wales Tourist Board Member since August 2000. She has been Chair of the Agri-Food Partnership since it began in Spring 1999. Prior to this Christine was responsible for chairing the Food Co-ordination Group to bring together WDA/DBRW initiatives in the Food Sector and chairing the Task Force to advise on the role of Welsh Food Promotions and their integration into Welsh Development Agency.

Christine is, or has been, a member of the Broadcasting Council for Wales, Health Promotion Wales, Committee for the National Trust in Wales, Development Board for Rural Wales (Chair Business Development Committee) and a Director Welsh National Opera.

8 Siân Lloyd

11 December 1998 to 10 December 2001

Siân Lloyd is a freelance weather/environmental presenter. Weather forms just part of Siân's busy schedule as a presenter. Utilising her experience working in the Wales Today newsroom and with Worldwide Television News, she is equally at home with current affairs and lifestyle programmes.

Determined to maintain her links with home and as someone committed to supporting Wales and all things Welsh, Siân was a Board member with the Wales Tourist Board from December 1998 to December 2001. Not always able to return home to Wales she is a founder member of London's SWWS (Social, Welsh and Sexy – also Welsh for "kiss"), promoting Wales in the UK capital and, more recently, setting up a New York branch.

9 James McAllister

5 May 1995 to 4 May 2001

James McAllister of Flintshire is owner/operator of several caravan parks in North Wales including Talacre Beach Caravan & Leisure Parks, near Prestatyn; The New Pines Caravan Holiday Home and Leisure Park, Rhyl; Tan Rallt Caravan Park, Abergele and Brynteg Holiday Home Park, Llanrug.

James is Chairman of Delyn Tourism Association, Chairman of the Clwyd Branch of the BH&HPA and a member of several tourism associations.

10 Terry Stevens

1 August 2000 to 31 July 2003

Dr Terry Stevens has been involved in the tourism industry for over 25 years. After graduating from Swansea University he completed his MSc at Reading before returning to Wales to work at the Museum of Welsh Life. He subsequently worked for the Pembrokeshire Coast National Park, West Glamorgan County Council and Cadw. From 1987-1995 he was Dean and Professor of Tourism and Leisure Management in Swansea. In 1995 he established his own tourism consultancy company based in Swansea and was appointed Visiting Professor at both Reading and Bournemouth Universities. Terry is a recognised author and writer on tourism issues.

June Slatter MBE

June Slatter MBE has been an independent member of the Wales Tourist Board Audit Committee since September 2001. She operated as a hotelier and accountant in North Wales throughout the 1980s and 1990s and is now enjoying her retirement.

Management as at 31 March 2002

Jonathan Jones

Chief Executive

Geraint James

Director of Finance & Secretary to the Board

Steve Webb

Director of Strategy

Jeffrey Pride

Director of Development

Roger Pride

Director of Marketing

Susan Morris

Director of Communications & Corporate Affairs



Summary Financial Statement

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 2002, 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

2001/2002 was the worst year ever for tourism in Wales. The outbreak of foot and mouth disease decimated rural areas, which generate half of all tourism revenue in Wales, with a massive drop in visitors and bookings from the core UK and international markets. The tragic events of the 11th September in the United States of America ensured that overseas visitors stayed away for the second half of the year, too. The Wales Tourist Board remained focused on achieving the organisation's core target of 6% growth in tourism revenue.

A tourism charter bringing together key public sector partnerships was announced. The marketing strategy was redirected, and a tactical PR campaign was introduced. At the heart of the Assembly's comprehensive £60 million Rural Recovery Plan was a Tourism Resurgence package which allowed over £5 million to be channelled directly into the hands of tourism businesses.

Over 200 projects were supported under the ReAct scheme, to reinvest to maintain standards and the quality of their operation, safeguarding or creating 433 full-time equivalent jobs. Adfer, a marketing replacement fund, was designed to replace money spent on advertising by over 500 tourism businesses to spend on re-advertising or re-marketing their product. A national newspaper advertising scheme was extended to support the message of the main campaign working with 170 individual businesses, while further funds were earmarked in the 12 marketing regions as a rural marketing initiative. By the end of the year, the recovery was already apparent as occupancy levels for March were up more than 5% on those of Spring 2001.

A three-year, £10 million UK marketing campaign was launched, which surpassed customer recall targets for the Big Country television advertising and marketing campaign. The drive to regain the overseas markets was launched in February 2002 with a £5 million overseas marketing campaign. A quarter of a million enquiries were generated by the UK direct marketing campaign.

Investment support schemes surpassed all targets. £10.7 million was allocated in grant support to tourism businesses generating a total investment of £34.3 million, which in turn, created or safeguarded 1,240 jobs throughout Wales.

Since July 2000, over £4 million of European Union Objective 1 funding has been channelled to some 200 small and medium sized tourism enterprises located in West Wales and the Valleys area. This funding, matched by our own funds, has generated a total investment of £25 million and is expected to create over 1,000 new job opportunities.

Future developments

Wales' very own destination marketing system, www.visitwales.com, was made possible by the Assembly in 2000 through a commitment of £4 million over three years. A suite of websites providing a platform for online booking, supported by a specialist contact centre, was launched to the tourism trade at the end of March and will go live in the summer of 2002.

Each of the four Regional Tourism Partnerships will launch and drive forward their strategies, better funded and more independent than any previous regional tourism organisations in Wales.

The quality assurance and grading process, brought back in-house during 2001/2002, will be enhancing the service with a new integrated business support team. Funds will be targeted as the Investment Strategy is developed.

Adfywio, a £5 million investment jointly managed by the Wales Tourist Board and the Countryside Council for Wales over two years, is aimed at developing products designed to improve access to, and interpretation of, the environment and the wildlife of Wales.

Recovery from crises cannot be expected overnight but the short and medium-term measures introduced, complementing and supplementing the Board's long-term strategy, have already ensured a steady increase in business and bookings. Global competition has not waned and the challenges for Wales, in its quest for world-class quality, to compete on the international stage remain.

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 2003
Lewis Evans	2 August 1996 to 31 July 2003
Ieuan Evans MBE	20 February 2002 to 19 February 2005
Emyr Griffith	11 June 1999 to 4 May 2001
Peter Hands	21 May 2001 to 20 May 2004
Carys Howell	21 May 2001 to 20 May 2004
Christine Lewis OBE	1 August 2000 to 31 July 2003
Siân Lloyd	11 December 1998 to 10 December 2001
James McAllister	5 May 1995 to 4 May 2001
Terry Stevens	1 August 2000 to 31 July 2003

Summary Income and Expenditure Account

For the year ended 31 March 2002

	2001-2002 £000	2000-2001 £000
Income	31,317	18,894
Expenditure	(30,291)	(17,956)
Operating Surplus	1,026	938
Adjustment for cost of capital	213	145
Loss on disposal of fixed assets	(4)	–
Interest Receivable	86	81
Interest Payable	(62)	(56)
Surplus for the year before taxation	1,259	1,096
Corporation Tax payable	(9)	(12)
Surplus for the year transferred to reserves	1,250	1,096
Board Members' remuneration	113	99
Chief Executive's remuneration	70	67
Remuneration of senior staff having authority or responsibility for directing or controlling major activities	236	247

Summary Balance Sheet

As at 31 March 2002

	2001-2002 £000	2000-2001 £000
Fixed Assets	527	701
Current Assets	5,854	3,441
Creditors: Amounts falling due within one year	(2,030)	(867)
Net Current Assets	3,824	2,574
Total Assets less Current Liabilities	4,351	3,275
Creditors: Amounts falling due after more than one year	(228)	(310)
Total Assets less All Liabilities	4,123	2,965

Summary Cash Flow Statement

For the year ended 31 March 2002

	2001-2002 £000	2000-2001 £000
Net cash inflow from operating activities	723	541
Return on investments and servicing of finance	24	25
Taxation	(12)	(9)
Investing Activities	(237)	(217)
Net cash inflow before financing	498	340
Financing	237	217
Increase in cash and cash equivalents	735	557

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 6% of the average value of Total Assets less All Liabilities.

Note 3

The summary Financial Statement on pages 27 to 28 was signed on behalf of the Board by D.J.L. Jones, Chief Executive on 12 July 2002.

Auditors

The report by the Auditor General for Wales on the annual financial statements for the year ended 31 March 2002 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 27 and 28 which has been prepared in the form and on the basis set out at Note 1 on page 28.

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 2002 and has been properly prepared on the basis set out in Note 1 to the summary financial statement.

John Bourn
Auditor General for Wales
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA
18 July 2002