

Cyhoeddir y papur hwn yn yr iaith y'i derbyniwyd gan Gynulliad Cenedlaethol Cymru.

**WALES TOURIST BOARD
NOTES FOR WELSH ASSEMBLY AGRICULTURE COMMITTEE MEETING**

As identified in “Achieving Our Potential – The Tourism Strategy for Wales,” one of Wales’ strongest tourism assets is its rich and varied landscape. The distinctive rural nature of Wales provides a special quality and character for the visitor to enjoy. It is a country of two living languages which sets it apart from the rest of the UK and many features remain in the landscape which signify its unique and special history.

To ensure that Wales meets the needs of present tourists in rural areas while protecting the environment and enhancing opportunities for the future the following should be considered: -

1. The Need for Collective/Partnership Marketing

The majority of tourism businesses in rural Wales are micro businesses. As such they often do not have the individual resources necessary to communicate with their potential markets. Collective marketing and marketing in partnership with various public sector support organisations is therefore vital. However, marketing needs to be considered in its true sense, not just in a promotional sense. Businesses need advice on how to evolve their products to meet the needs of potential visitors. They need more market intelligence on those visitors’ needs and the market trends. In short, these businesses need nurturing. There is an opportunity to create genuine marketing partnerships and networks, perhaps based on specific sectors. There is also a need for specialist nurturers for these sectors. The Wales Tourist Board has plans, subject to resources, to introduce these nurturers to specific product sectors in Wales.

2. The Need to Create a Strategic Approach

Closely allied to the above points, we need to ensure that we avoid a fragmented approach. The Wales Tourist Board has recently appointed a Marketing Executive for activity led tourism. We have also been instrumental in progressing a strategic approach for products such as riding, walking and fishing. An exemplar in this approach is “Moving up a Gear” strategy for cycling tourism in Wales.

These activity products will offer new ways in which visitors can enjoy the Welsh countryside. The Wales Tourist Board is anxious that what

will be developed does not cause displacement of business but enhances what is available.

The strategies will consider elements such as:

- Product supply
- Accommodation supply
- Product Development
- Partners
- Competition
- Branding
- Market need
- Potential areas for growth in the market
- Economic benefit to areas of Wales.

The Wales Tourist Board is also working with Wales Countryside Holidays (a consortia of rural accommodation and activity operators) who are working towards providing a “Green Tourism” product for Wales. Wales Countryside Holidays is the result of a partnership approach with leader groups in Wales (particularly SPARC).

3. Packaging and Bookability

Booking patterns for leisure and tourism are ever changing – particularly noticeable is the trend towards late bookings. Moreover, new technology is providing new routes to market. Sometimes distribution and communication of products can be a complex issue for small businesses. It is vital that we enable businesses to secure profitable routes to market. The planned Destination Management System for Wales will allow global and local distribution of information and product availability. The Wales Tourist Board wants to encourage rural businesses to work with external tour operator partners with national and international reach. This will require a more creative and flexible pricing strategy from small businesses.

4. Branding and Adding Value

These issues are very closely linked. At a Wales level we need to enhance the brand appeal of Wales so that Welsh businesses are more able to build an “identity” premium into their pricing strategies.

The Wales Tourist Board has undertaken a great deal of research into perceptions of Wales from a visitor perspective. Many of the positive values and associations with Wales are linked to its natural appeal. The variety and drama of the landscape, the unspoilt countryside, the genuine nature of much of the tourism product, the greenness and purity of the countryside and so on, are all building blocks for a positive Welsh brand. In both its UK and overseas brand positionings, the Wales Tourist Board emphasises these elements.

Individual businesses can add value to their products by harnessing and communicating these positive aspects. It is also important to differentiate the Welsh rural experience from the competition. The Wales Tourist Board will, in the future show businesses how they can add appeal and value to the products by working within a new branding framework based on intensive consumer research.

5. Niche Marketing

Successful businesses in rural areas will in part, be determined by their ability to identify niche markets which are easy to communicate with and to penetrate and then by their success in developing and positioning their products to appeal to these niches. The nurturing and network role is vital in this context.



**MARKETING PLAN
WALES FARM HOLIDAYS
1999/2002**

1. INTRODUCTION

Wales Tourist Board has been supporting farm holiday consortia since 1992 and has encouraged the production of collective promotion of a family of farm leaflets since 1992 and a pan Wales brochure for farm tourism since 1997. Extra funding has been secured from Europe for 1999-2002. In order to utilise this additional funding to the full extent, this plan will be implemented for a three year period and should be reviewed annually.

The appointment of a Farm Tourism Co-ordinator working on this project for two days each week has enabled a lot of product development work to be done in Year One and communication with the industry has vastly improved.

2. BACKGROUND

The UK Marketing Unit is responsible for raising the profile of farm tourism and encouraging growth in visitor numbers and revenue for this sector. To ensure that this objective is achieved ongoing activity is undertaken to analyse the market, put plans in place, then implement and evaluate the effectiveness of these plans. This is dependent on ongoing relationships being maintained between this sector of the industry and those bodies which represent and assist the implementation of this plan.

With the recent increase in organisational and financial support for the farming industry, many organisations have been working together to establish an effective way forward for this sector of the industry (for examples:- WDA, Countryside Council for Wales, Country Landowners Association, Local Authorities, Leader Groups, Farmers Unions and the Farm Holiday Bureau).

3. OBJECTIVES

Objectives for 1999/2000 are as follows:-

- To increase the overall profit of the farm accommodation sector of the industry

- To preserve and promote the values of Welsh heritage and culture

- To encourage sustainable tourism and preservation of the environment

4. KEY TARGET MARKET FOR FARM TOURISM

Although it could be said that the farm tourism sector appeals to all markets, primary target markets are as follows:-

Self Catering accommodation is dominated by families (57% of visits). Those families with younger children are more likely to be interested in farm based activities.

Serviced accommodation is dominated by couples (40% couples are over 55, 37% younger couples).

Countryside activities/ pursuits would appeal to families with older children, younger groups and couples.

The Farm experience also fits in with Wales Tourist Board's primary short haul and long haul target markets. UKTS report a steady increase in visitors over the last few years, subject to economic conditions.

5. COMPETITION

Indicators show that there is a significant growth in farm based holidays, both in supply and demand. There is, however, a high demand for operators to be of good quality in this sector. Maintaining market share is becoming increasingly more difficult due various aspects affecting the marketplace.

Competition overseas is likely to grow as most countries in the EU have actively encouraged diversification for the farming industry with the use of European incentives for the rural tourism industry. This Competition should be monitored on an ongoing basis.

The industry will become more competitive with the introduction of new, poorer countries into the EEC who are likely to get financial assistance for farmers from Europe for diversification, probably into tourism. This might result in over supply of product and may take visitors away from Wales' farm tourism industry but the threat is a few years off.

Two competitors which are currently more of a threat to Wales are Ireland and Scotland. Both Competitors have advanced enquiry/reservation systems which are professionally run. Wales' farm tourism sector may be losing business because the customer cannot book their holiday easily to Wales but can do so for other destinations.

6. KEY ISSUES AFFECTING FARM TOURISM

Farm Tourism is a key area for structural funds from Europe and extra funding will enable this sector to become more professional. However, such funding will encourage more individuals to enter the tourism industry which may result in over supply or lower quality of the farm tourism product. This may have a damaging effect on the farm tourism industry and its current reputation of quality. Concern has been expressed by several members of the farm tourism sector on over supply during 2000.

There is a perception that there is little to do in the Countryside which may discourage visitors. Visitors may be persuaded to visit areas where they perceive there to be things to do and see rather than simply Wales' beautiful countryside.

New Government Policy of “The Right to Roam” in the Countryside has led to the increase in investment in country pursuits in the rural area by local authorities which will encourage the development of the countryside product (cycling, fishing, walking, ponytrekking, environment etc) and has the potential to encourage links with the farm tourism sector.

Improvements in new technology for marketing, promotion and reservation systems (eg Internet and Digital TV) is increasingly becoming a key issue for handling enquiries, taking bookings etc. Farm Tourism should be prepared to utilise this new technology in order to keep up with competition. The issue of fees/commissions might therefore prove a “stumbling block” for this sector as they are unable/tend not to wish to pay commission.

Short Breaks are becoming more popular than longer holidays and visitors expectations are high for quality of accommodation, en-suite facilities, service and flexibility of their host. It is important that accommodation providers have an understanding the current situation in the market place and key trends to be able to meet or exceed the expectations of their customers.

Many farm accommodation providers are becoming older and are less able/willing to meet the needs of the customer and could be looking for retirement in the near future. Currently, this sector has a strong voice within the tourism infrastructure. Effects of retirement and lack of new younger consortia members would leave a gap both in product/expertise which could cause problems for farm tourism in the future.

Evaluation of marketing activity and the effectiveness of promotional material is difficult with the farm tourism sector. It is essential that a system of measuring level of business is put in place in Year 20001 to monitor and feedback into the marketing planning process.

Links with Taste of Wales for promotional purposes need to be evaluated and ways forward considered in order this relationship can be strengthened.

7. PRODUCT SUPPLY

Twelve farm accommodation consortia throughout Wales which work activity with WTB. They are running their businesses successfully with ongoing support from WTB and are increasing in quality and expertise. Some accommodation providers are more active than others in their development/marketing.

There are farm accommodation operators within the industry promoting on an individual basis. They may feel isolated and do not reap the benefits of being

part of a consortia or a wider network of referral of business and expertise in various aspects of running a farm tourism business.

Accommodation operators receive many satisfied customers and a high level of repeat visitors which is an excellent indicator of their successful promotion/interpretation of the Welsh Culture, quality of service and welcome. Furthermore, this sector also benefits from a high level of recommendation from visitors to friends and family.

High levels of innovation/resourcefulness within the sector is extremely beneficial and the enthusiasm of individuals have enabled this sector of this industry to become more professional in a short space of time.

The influx of operators for high season periods only who do not work with WTB may endanger this sector of the industry giving an appearance of poor quality/standards. This could prove detrimental to the reputation of quality of other farm accommodation and Wales generally which may result in the customer going elsewhere in future.

Most properties are in the heart of the Countryside which can sometimes be difficult to get to but epitomises the heritage and culture of Wales. This sector of the industry is also in a good position to lead the way on preservation of the countryside and environmental issues which are becoming more of a consideration worldwide.

8. CURRENT PROMOTION

The promotion of farm accommodation and its unique experience has resulted in a specific farm grading scheme, and therefore, is featured as a separate section within WTB promotional material in UK and Overseas. This offers a good platform to market farm tourism and its qualities.

Those consortia who work with WTB are promoted via the Wales Farm Holidays Brochure which promotes both serviced and self catering farm accommodation in the UK and Overseas. This brochure has proved a successful means of encouraging enquiries and bookings. It is the main promotional tool for the farm tourism product and has been well sought after in all market. However, it is worth noting that it difficult to evaluate the effectiveness of the brochure within the industry itself.

The farm consortia undertake limited promotion via a group leaflet to their target markets and support one another via cross promotion. Some groups/individuals are very professional and active in this network while others lack expertise/good will to market their own group as well as supporting the network. This approach excludes non group members in all areas and therefore is not supporting the farm tourism industry as a whole.

Suitable photography and photographs of properties for promotional work is sometimes of poor quality and difficult to source which does not show farms at their best in publicity material.

WTB maintains links with The Farm Holiday Bureau to help with promotional opportunities and has built a good ongoing working relationship with its representatives. This has allowed WTB representatives to have regular contact with consortia members by attending Farm Holiday Bureau Meetings and offer support of the group structure for Wales on Bureau issues.

9. OPERATIONAL PRIORITIES AND ACTIONS

THE FARM TOURISM PRODUCT

Forge links with relevant bodies ensuring progress is being undertaken in developing the Wales Farm Tourism Product and Brand and ensure that funding is successfully allocated.

Investigate opportunities for business/marketing training for consortia members.

Encourage consortia to work with WDA to promote and support Taste of Wales.

Encourage new consortia and new consortia members within this sector of the industry.

Encourage operators to be supportive of the countryside and eco-friendly issues.

Investigate evolution of a “one stop shop” for the farm tourism industry offering advice and assistance on marketing/development issues as well as providing an important communication link with WTB and other relevant bodies.

NEW TECHNOLOGY

Investigate possibilities of new technology for marketing, promotion and a Central Reservation System in order to make it easy for a customer to make an enquiry and book a holiday.

UNDERTAKE A PROMOTIONAL PLAN

Brand development to promote farm accommodation as a distinct experience as well as strengthen appeal of farm accommodation in Wales through text and stock photographs.

Prepare/implement promotional plan to ensure effective distribution of promotional material to relevant target markets.

To provide marketing support for each consortia when marketing as a group.

Continue to encourage accommodation providers to work with WTB's Press and PR Department to raise the profile for the farm accommodation sector.

10. RESOURCE ALLOCATION (ON A YEARLY BASIS)

A budget of £25,000.00 has been allocated to promotion of the farm tourism product. However, a successful ERDF bid will give extra funding for development and marketing for the 1999/2002 financial year. (The marketing funding from Europe is detailed overleaf):-

	Expenditure	Revenue
WTB Farm Budget		£10,000.00
Wales Farm Holidays Publication	£10,000.00	£8,000.00
Advertising/distribution of Farm Tourism Pub in UK and overseas Press facilities costed to another budget)	£7,000.00	
European Funding (Sub to £20,000 Farms Budget)		£80,000.00
European Funding (previous bid pd retrospectively) to be allocated as follows:-		£4,000.00
 <i>1999</i>		
<i>Brand Development</i>		<i>£20,000.00</i>
<i>Development of Internet site</i>		<i>£10,000.00</i>
<i>Updating photography/farm consortia leaflets</i>		<i>£20,000.00</i>
<i>Advertising/Distribution costs</i>		<i>£15,000.00</i>
<i>Marketing Co-Ordinator</i>		<i>£20,000.00</i>
 <i>2000</i>		
<i>Upgrading photography/farm consortia leaflets</i>		<i>£20,000.00</i>
<i>Internet site</i>		<i>£10,000.00</i>
<i>New WTB Farms brochure</i>		<i>£15,000.00</i>
<i>Advertising/Distribution Costs</i>		<i>£15,000.00</i>
<i>Marketing Co-Ordinator</i>		<i>£20,000.00</i>
 <i>2001</i>		
<i>Marketing Co-Ordinator</i>		<i>£20,000.00</i>
<i>Advertising/distribution costs</i>		<i>£15,000.00</i>
<i>Marketing effectiveness training</i>		<i>£15,000.00</i>
<i>Marketing effectiveness research</i>		<i>£15,000.00</i>
<i>Developing farms reservation system</i>		<i>£15,000.00</i>

11. MANPOWER RESOURCES

Beverly Jenkins, UK Marketing Executive from UK Marketing acts as liaison with the 14 farm consortia and those operators promoting as part of the Wales Countryside Holidays Initiative.

Janet Pogson, Farm Tourism Coordinator whose responsibilities include sectoral representation at relevant meetings; maintaining close links with the

14 farm consortia; communicating relevant issues and identifying needs of this sector of the industry.

Gill Berntsen, UK Marketing Manager offering managerial support and guidance for both projects.

12. FUTURE PLANNING

Monitor on an ongoing basis competitors, both old and new in the marketplace.

Look for new opportunities and areas for niche marketing for farm tourism.

Monitor the influence of new technology on marketing of this sector.

13. EVALUATION

- Evaluation of efficient and timely promotional plan, within budget.
- Monitor the increase number of consortia in Wales and an increase in number of members within existing consortia.
- Evaluation of quality of promotional material for each consortia.
- Increase in support of the Taste of Wales scheme.
- Acceptable progression of business and marketing knowledge of this sector of the industry.

BEVERLEY JENKINS

19.10.2000

EVALUATION (YEAR ONE)
WALES FARM HOLIDAYS
MARKETING PLAN

A) INTRODUCTION

Wales Tourist Board has been working to a marketing plan for farm tourism support. At the end of the first year of the three-year plan, it is necessary to evaluate progress on targets set within the plan.

B) AREAS OF EVALUATION

- Evaluation of efficient and timely promotional plan within budget.
- Monitor the increase in number of consortia in Wales and an increase in number of members within existing consortia.
- Evaluation of quality of promotional material for each consortia.
- Increase in support of the Taste of Wales scheme.
- Acceptable progression of business and marketing knowledge of this sector of the industry.

C) FINDINGS

1. Evaluation of efficient and timely promotional plan within budget

Attached is the promotional plan, which has been implemented for farm tourism. Active promotion using WTB mechanisms, TICs, relevant brochure adverts have been successful. Brochure requests have been encouraging.

It has been difficult to establish a measure of promotion plan with operators – this will be addressed so that a way of measuring performance in Year Two can be established.

➤ **Monitor the increase in number of consortia in Wales and an increase in number of members within existing consortia**

There are now 14 farm holiday consortia groups in Wales, which cover most areas of Wales. All groups have been encouraged to take in new members and the farm tourism coordinator has achieved a far better working relationship with each of the groups. The communication between WTB and the farm consortia is far better as a result enabling WTB to ascertain training and development needs as well as keeping group members up to speed with the work, which WTB is doing. Encouragement of groups where appropriate and membership of groups will continue.

➤ **Evaluation of quality of promotional material for each consortia**

Following visits to each farm consortia group, it is worth noting that the quality of promotional material is fair. However, it is apparent that the group

brochures are extremely varied and the detail held within them needs consideration. This issue needs to be addressed in Year Two of the plan.

Photography has been undertaken of each group member who is part of the initiative in order that WTB and they can use these photographs in future promotional material.

➤ **Increase in support for the Taste of Wales Scheme**

Meetings have been held with Taste of Wales and WTB personnel and the farm tourism coordinator to find out more about the scheme and ascertain ways in which links can be made. One year on, following presentations to the farm group members and meetings with the farm tourism coordinator, there seems to be little support for the scheme as it currently stands. The main issues are costs of membership; details of benefit to farmers who are in the scheme; a feeling of apprehension about Taste of Wales from previous experiences and. Feeling that the scheme is not appropriate for them. These issues will need to be discussed with Taste of Wales in due course.

➤ **Acceptable progression of business and marketing knowledge of this sector of the industry.**

In the first year, the farm tourism coordinator has identified areas where farm consortia members may need assistance and guidance which will then identify training requirements and complexities of delivery it to farm consortia members. The farm tourism coordinator is now in a position to investigate availability of training programmes and costings of the same.

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CONCLUSION

It has been a very productive year in achieving a more strategic way forward for the farm tourism consortia. The farm tourism sector has been well represented at meetings at a time when the tourism industry is experiencing many changes and uncertainties. The number of presentations and meetings has also high due to the considerable level of interest expressed by The Board and Government on work being undertaken with the farming industry.

This could not have been achieved without using the valuable services of the appointed Farm Tourism Coordinator, Janet Pogson who has worked on this project approximately two days each week.

It is proposed that the Marketing Plan for Wales Farm Holidays is now revisited and changes made taken into consideration work which has been achieved in year one and also issues arising from this work.

Farm Tourism Scheme

Funding for this scheme was derived from the National Assembly for Wales £360k, EU £1m and WTB £760k (over 3 years also includes revenue funding). The integration of these sources of funding was innovative effectively creating a one stop shop for farmers seeking funds to diversify into tourism.

Timing of the scheme was very tight. All funding sources were agreed in September 1999 and the final projects had to be selected by the end of December 1999. We experienced an unexpected surge of interest in the scheme, 15: 1 on a £ for £ basis, and the prioritisation of projects was carried out using the following criteria:

- Existing WTB graded business – improvements devised to improve grading
- New accommodation should be near established walking, cycling routes clear links to providing activity based short break holidays
- Development in response to visitor demand
- Planning permission obtained
- Innovative, environmentally friendly demonstrating links with local suppliers.

The scheme includes a marketing element – work undertaken to date includes the employment of a research company to establish rationale for re-branding and development of the product. The results of this work have been sent, in the form of a design brief, to consultants charged with creating a brand image for Farm Tourism. This image will form the basis of the new Wales Farm Holiday Brochure, which will be available in April 2001. Works have also progressed on the development of an Internet Site that will also be used to promote the new brand identity. This site will stand alone but linked into WTB's site. The site will be basic and should be considered as a window of opportunity for farm consortia to link in to, thus permitting them to have a better opportunity of reaching a wider market.

A Farm Product 'nurturer' has been employed, to encourage businesses to work together and to encourage individual operators to become part of WTB grading scheme. Market research is also being carried out to identify and implement appropriate training programmes. The budget for marketing is £240k over a 3 year period.

The outputs of the scheme can be summarised as follows:

Investment generated	£3.7m
Assistance allocated	£1.52m
Number of schemes supported	56
Number of new s/c units	40
Number of FTE jobs created/safeguarded *	63
WTB cost per FTE job created/safeguarded	£6,150

EU&NAW&WTB cost per job created/safeguarded	£24,500
Number of FTE jobs safeguarded **	100

*this figure includes 13 FTE jobs directly safeguarded by the projects funded
**this figure represents all jobs existing at the time of the application that were not directly safeguarded by project.

The scheme will need independent evaluation and steps will be taken to address this issue as suitable time elapses.

There must be merit, however, in developing this approach to a future Farm Tourism scheme in which WTB's own internal (development & marketing) functions have been well integrated.