



# **Cynulliad Cenedlaethol Cymru** **The National Assembly for Wales**

## **Y Pwyllgor Menter a Busnes** **The Enterprise and Business Committee**

**Dydd Mercher, 18 Mehefin 2014**  
**Wednesday, 18 June 2014**

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cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, a transcription of the simultaneous interpretation is included.

### **Aelodau'r pwyllgor yn bresennol** **Committee members in attendance**

Mick Antoniw

Llafur  
Labour

Rhun ap Iorwerth	Plaid Cymru The Party of Wales
Keith Davies	Llafur Labour
Suzy Davies	Ceidwadwyr Cymreig (yn dirprwyo ar ran Byron Davies) Welsh Conservatives (substitute for Byron Davies)
William Graham	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Julie James	Llafur Labour
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Joyce Watson	Llafur Labour

**Eraill yn bresennol  
Others in attendance**

Geoff Cole	Aelod o Bwyllgor Cangen Gwynedd, Ffederasiwn Busnesau Bach Cymru ac Aelod o Gymdeithas Twristiaeth Harlech Member of Gwynedd Branch Committee, Federation of Small Business Wales, and Member of Harlech Tourism
Iestyn Davies	Pennaeth Materion Allanol, Ffederasiwn Busnesau Bach Cymru Head of External Affairs, Federation of Small Businesses Wales
Adrian Greason-Walker	Cyfarwyddwr, Cynghrair Twristiaeth Cymru Director, Wales Tourism Alliance
Mike Learmond	Rheolwr Datblygu Gogledd Cymru a Chaer, Ffederasiwn Busnesau Bach Cymru North Wales and Chester Development Manager, Federation of Small Businesses Wales
Chris Osborne	Cadeirydd, Cynghrair Twristiaeth Cymru Chair, Wales Tourism Alliance
Patricia Yates	Cyfarwyddwr Strategaeth a Chyfathrebu, VisitBritain Strategy and Communications Director, VisitBritain

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol  
National Assembly for Wales officials in attendance**

Claire Morris	Ail Glerc Second Clerk
Richard Watkins	Dirprwy Glerc Deputy Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 09:30.  
The meeting began at 09:30.*

**Cyflwyniadau, Ymddiheuriadau a Dirprwyon  
Introductions, Apologies and Substitutions**

[1] **William Graham:** Good morning to Members, witnesses and any members of the

public. The meeting is bilingual—headphones can be used for simultaneous translation from Welsh to English on channel 1, or for sound amplification on channel 0. The meeting will be broadcast and a transcript of the proceedings will be published. May I remind Members to turn off their mobile phones? I remind witnesses that there is no need to touch the microphones. In the event of a fire alarm, I ask Members and witnesses to follow directions from the ushers. I have received apologies today from David Rees, Byron Davies and Dafydd Elis-Thomas. We welcome Suzy Davies who is substituting for Byron Davies. Thank you, Suzy.

### **Ymchwiliad i Dwristiaeth (Sesiwn 3) Inquiry into Tourism (Session 3)**

[2] **William Graham:** May I ask, please, that we turn first of all to our questions? Would you mind giving your names and titles for the record?

[3] **Mr Osborne:** I am Chris Osborne, chair of the Wales Tourism Alliance.

[4] **Mr Greason-Walker:** I am Adrian Greason-Walker, the executive director of the Wales Tourism Alliance.

[5] **William Graham:** Thank you very much. May I invite Members to ask questions? Keith, would you ask the first one?

[6] **Keith Davies:** Rwyf yn mynd i ofyn fy nghwestiwn yn Gymraeg. A allwch ddweud wrthyf a oeddech ynghlwm wrth yr ymarfer gwerthuso brand a wnaed gan Mike Ashton Associates? A oeddech yn rhan o'r ymarfer hwnnw o gwbl? **Keith Davies:** I am going to ask my question in Welsh. Can you tell us whether you were involved in the brand evaluation exercise undertaken by Mike Ashton Associates? Were you a part of that at all?

[7] **Mr Osborne:** We were consulted. We had, I think, three meetings with Mike. He had a whole series of meetings around Wales—I think he must have gone around Wales about 10 or 20 times—. I am not sure to what extent he listened to what we were saying, because we are yet to see the results of his two-year study.

[8] **Keith Davies:** Diolch am yr ateb. Yn fy ail gwestiwn ichi roeddwn eisiau gofyn beth oeddech chi'n ei wybod am yr ymarfer, gan nad ydym ni'n gwybod unrhyw beth amdano. Symudaf ymlaen. Yn eich papur, rydych yn sôn am frand twristiaeth Cymru yn cael ei ddatblygu. Beth ydych chi'n erfyn o ran hynny? Beth yr hoffech chi ei weld? **Keith Davies:** Thank you for that response. In my second question to you I wanted to ask what you know about the exercise, because we do not know anything about it. I will move on. In your paper you talk about the Wales tourism brand being developed. What do you expect in terms of that development? What would you like to see in it?

[9] **Mr Greason-Walker:** That is a very complex question. The Wales brand is a very complex issue. If we are all looking for a silver bullet, I am not sure whether there is one, first of all. I think, in terms of what we have to do, we need to really focus on our target audiences and we really have to try to match our product with those audiences. That, therefore, means that we need to have the right communication to put in front of those audiences. So, it encompasses everything, from grabbing their attention, which, as you say is the start of the journey that they take—. So, that is our brand, if you like. In terms of that, we have to make sure that we are hitting the right people, and that we are offering what they want, with the correct messages, which form that complex brand. We need to make sure that we take them on that journey, and that it matches what they want to do. It is about making sure that we

knock down the perceptions that there is not enough to do in Wales. There is enough to do in Wales. It is important that we show them that and that we differentiate ourselves from the rest of the UK. That is crucial to us, because the domestic market is so important. It therefore means that we have to find those things, those key issues—both in the private sector and public sector—that make us different from our competitors over the border, basically. That is what we need to get from our brand. Whatever we put in front of our target audience has to say: this is Wales, this is what we are, this is our welcome, this is our product—please come.

[10] **Mr Osborne:** If I may, I think that the brand is part of the marketing campaign, whatever the marketing campaign is. I have been around long enough—I am long enough in the tooth—to know that this is the third study, or consultation, on the Welsh brand, and each and every time it does not produce anything concrete or physical. ‘Brand’ is an ethereal thing. I think that any brand is as good as the marketing campaign, frankly.

[11] **Keith Davies:** Fe wnaethoch chi ateb un arall o fy nghwestiynau yn y fan honno, o ran bod pobl yn dweud nad oes digon i’w wneud yng Nghymru; rydych chi wedi sôn am hynny yn barod. Fy nghwestiwn olaf yw hwn: os ydym yn edrych ar werthu Cymru, a ddylem fod yn gwahaniaethu rhwng pobl o gartref, y bobl sy’n dod yma o’r DU, a phobl sy’n dod o dramor? A ddylem fod yn ei gwerthu mewn gwahanol ffyrdd?

**Keith Davies:** You answered another of my questions there, in terms of people saying that there is not enough to do in Wales; you have talked about that already. This is my final question: if we look at selling Wales as a destination, should we be differentiating between the domestic market, people coming here from the UK, and people who come from overseas? Should we be selling Wales in different ways?

[12] **Mr Greason-Walker:** Well, yes, there are commonalities. If you looked at it in terms of a Venn diagram, you would see that there are overlaps—bits in the middle and bits on the outside that are definitely different. We certainly need to differentiate our markets and differentiate our messages. I am sure that you will come on to VisitBritain in a minute and our engagement with its ‘great’ campaign. The bottom line to your question is ‘yes’, but it comes back to what I said earlier on—we have to be clear about who our target audiences are and where our growth markets are. We must not lose sight of where our mature markets are already. The domestic market is, by far and away, the most important to us. We have to make sure that we do not take our eye off the ball when it comes to the domestic market. Yes, there are key messages that we, the Welsh, need to get across to our mature European markets, particularly Germany and the low countries, and particularly in terms of our heritage message, for example, which may be different to the sort of message that we need to get across to our more mature audience in the south-east, for example. They want short breaks, they want luxury, they want the same things they can get in south-east England, but they want them slightly different. They want to get away from it all, but they need all those things.

[13] There are very different messages to get out there, but the crucial thing that we all need to concentrate on is to make sure that it is all about quality and quality assurance. That is one of the key issues; we have to get that message that we are a quality destination and that you are going to get good value for money. I am not saying that we want to be cheap and that we want to undercut anyone, because that would be a race to the bottom, but we certainly need to make sure that people get the message that we are a quality destination, there is plenty to do here and that you can come here and have a great time with the luxury and the things you would expect back at home.

[14] **Keith Davies:** Roeddech yn sôn am yr Almaen ac mae’r papurau rwyf wedi eu darllen erbyn heddiw yn sôn bod yr Almaen yn bwysig o ran denu pobl i mewn i Gymru. Fodd bynnag, cefais ychydig o siom i weld

**Keith Davies:** You mentioned Germany and the papers I read for today’s meeting mentioned that Germany is an important market for us to attract people into Wales. However, I was slightly disappointed to see

nad yw Ffrainc yn cael yr un ymateb. Dywedwyd bod Ffrainc yn gwybod ein bod yn chwarae rygbi fan hyn. O feddwl bod y Swans yn y *premier division*, roeddwn yn meddwl a ydym yn gwneud digon i ddenu sylw at y *premier division* a'r Swans, fel bod pobl yn dod draw o Ffrainc. Roeddwn yn gweld nad yw llawer o Ffrancwyr yn gwybod llawer am Gymru.

that France does not get the same response. It is said that France knows that we play rugby here. To think that the Swans are in the premier division, I thought whether we were doing enough to get attention to the premier division and the Swans, so that people come here from France. I saw that many French people do not know much about Wales.

[15] **Mr Osborne:** Visit Wales chose target countries—Ireland, Germany, USA. There is no doubt that there is an opportunity with the French, the Spanish and certainly with the Dutch, who love Wales because it is exactly the opposite of Holland. There is an opportunity there, but, at the end of the day, it is a question of how much money you have available and where you are going to spend it. There is little doubt in our minds that £7 million, which is the current marketing budget of Visit Wales, is not going to achieve a huge amount.

[16] **Keith Davies:** Roeddwn yn synnu achos rwy'n ddigon hen i gofio Sioni Winwns yn dod i'r pentref—y *Bretons* yn dod yma. Nid wyf yn deall o gwbl nad ydym yn mynd ar ôl y Ffrancwyr.

**Keith Davies:** I was surprised, because I am old enough to remember *Sioni Winwns* coming to the village—the Bretons coming here to sell their onions. I do not understand at all why we are not going after the French market.

[17] **Mr Osborne:** It is about priorities. Again, it comes down to budget. If you go back to 2006, you will see that Visit Wales, which was then the Wales Tourist Board, had £50 million to spend, albeit a large chunk of that was from Europe. It is £50 million versus £7 million. If you compare the amount that Visit Wales spends on marketing on behalf of the Welsh Government, which is £7 million, with what Scotland spends on it—£47.5 million—and what Ireland spends—£34.5 million—you will see that that tells its own story, does it not?

[18] **William Graham:** I should say that the committee has written to the Minister asking for a copy of the Mike Ashton Associates report. Eluned is next.

[19] **Eluned Parrott:** I want to talk to you about how we go about maximising the value of the tourism sector in Wales. Clearly, it is not just a question of volume, but it is a question of getting the maximum yield from the people who do come here. First, I want to talk about the overseas market. There has been a decline in visitors to Wales from the overseas market over the last five years. Is that down to a lack of marketing spend or are there other factors at play that we should take into consideration?

[20] **Mr Greason-Walker:** There are, obviously, bigger factors at play, not least that we are coming through one of the worst recessions ever; the value of the pound is another one, for example. Yes, visitor numbers have been declining for quite a long time now internationally, although there was an upturn last year, I think, in the figures, according to the international passenger survey—the IPS. It comes back to a lot of what Chris was saying earlier in terms of the money. There is plenty of research to show that the more a country or destination spends on marketing, the more likely you are to get visitor numbers to rise. I will come to the value versus volume thing in a minute.

[21] In terms of what we do at the moment, obviously, we put a lot of our eggs in the VisitBritain basket and the 'great' campaign. I think that we still have to maintain our presence with VisitBritain. We still have to work with it—it is not going to go away—particularly when it comes to the BRIC countries—Brazil, Russia, India and China—the newer destinations overseas. Britain does not have massive visibility in large parts of China,

for example, so we have to work with VisitBritain on that score.

[22] When it comes to the actual ‘great’ campaign, it is not very open source. We are very much a country made up of microbusinesses; 80% of our businesses are microbusinesses. The ‘great’ campaign is, I think that it is fair to say, orientated toward bigger business. It is after sponsorship from the likes of British Airways and Jaguar, and that is how it brings it in. There is, I think, an emphasis on that in the ‘great’ campaign. Of course, we then end up getting the crumbs, in some ways, of that campaign. I am not saying that it does not do anything for Wales, but the odd shot of a Welsh castle here and there probably is not going to drive a lot of visitors to Wales, to be perfectly honest. It probably does the best that it can, but there is certainly a need for us to have a greater presence in the ‘great’ campaign first of all, certainly in terms of the BRIC countries. Again, that comes back to money, because VisitBritain is going to turn around and say, ‘Well, put some money into it, then’, which is, I suppose, fair enough.

[23] In terms of what we do in Wales, we cannot just abdicate our responsibilities and leave everything to VisitBritain. I think that we need more support for Visit Wales to undertake those bigger marketing campaigns, certainly in mature markets, to get greater visitor numbers to come here. It seems to have plateaued; I think that it is 10% by volume. The key thing, coming to the value side of it, is that foreign visitors, although they make up 10% of our visitor numbers, make up 20% of our actual value.

[24] I think that something that goes across the board for us in Wales is that we need reasons for people to spend money. If you look at the research, you can see that we actually have a very balanced product when it comes to visitors coming to Wales. They spend half of their time in the countryside and in seaside places, and then they spend the other half in cities and towns. However, when you look at the swing for Scotland, say, you will see that it swings very much more to its visitors spending time in cities and towns. That means that they are spending more money, so we, as a nation, probably need to make more of the people who are here. That comes down to things that are slightly out of our sphere, really, such as things like our small towns and town centres—places like Llandrindod Wells. As we heard the other day, there has been a 2% drop in footfall in small retail areas. That is something that we need to encourage, because, again, it comes back to us giving, as Keith was saying, people reasons to stay here and to come here. We have a lot to do here, but people want to go shopping.

[25] **Mr Osborne:** I think that the critical thing is that we concentrate on what makes Wales different, not on what makes Wales the same as everywhere else. Whereas it might be great in Cardiff to have these lovely national retailers and a glossy shiny new shopping mall, in actual fact, I do not think that that is going to bring in huge numbers of tourists, especially from outside the UK, into Wales. We have to identify what it is that is different. Part of it is our language, which is good but is also a hindrance at times—I will come back to that, if you want. It is partly about the things that are unique. There is no doubt that we have castles galore, and they are popular. We are the only country in the world to have a coastal path that goes from top to bottom. Indeed, because of Offa’s Dyke, we have a path that goes all the way around; we are unique for that. It is about identifying those things that make us different and emphasising them.

[26] **Eluned Parrott:** Given the comments that you have made about the fact that the vast majority of businesses based in Wales are microbusinesses, and that we do not have a LEGOLAND or some of these huge tourist attractions or huge theme parks—we have places like Oakwood and so on, but they do not perhaps have the same kind of profile and scale as some of the attractions in England—should we be concentrating our efforts on servicing profitable niche markets and spending more time targeting and planning to get, for example, activity travellers to come to Wales? There are places all over the world where people go for the great outdoors. Is that an opportunity that we are missing? Are those high-value activities

that we are missing out on because we are trying to be a little bit too generic?

09:45

[27] **Mr Osborne:** I think that the activity sector has been identified, certainly, as an opportunity, as a growth area, and indeed you have seen the study that was carried out recently in conjunction with Visit Wales by WTA. Certainly, there is an absolutely burgeoning market there, but the reality is that, if you put money into activity breaks and support all the stuff that is happening throughout Wales, at the same time, you are going to upset all the people who, for instance, have attractions that rely upon families to come to see them. So, it is very dangerous to go down the niche route if that is all you are going to do—

[28] **Eluned Parrott:** Indeed.

[29] **Mr Osborne:** —but, certainly, it is part of the mix.

[30] **Eluned Parrott:** What I was suggesting was that perhaps we need to have a more balanced approach. Instead of going after the tourists who came here 30 years ago, we should have a balanced approach where you are still trying to bring family groups in but you are also trying to be a bit more intelligent in terms of targeting people on specific things that we excel at and nowhere else does.

[31] **Mr Greason-Walker:** I think that you are quite right. We have to have that approach, but things have moved on as well. Gone are the days when you could produce a brochure and send it out, get a certain number of responses and then a certain number of conversions back to actual business being generated. We are now in a digital age and I think that, in some ways, although I agree with you that we need a balance, we need to be very responsive very quickly. If there is a market opportunity, we need to be able to capture that market opportunity as quickly as possible. Some of that comes down to really good research. At the moment, we do rely on the Great Britain tourism survey and the international passenger survey, and I think that it is important that, if we are going to make those decisions—whether it is going to be attractions or activities or a totally new fad that comes onto the scene—we need to capitalise on that as a nation and as individual businesses. We need to know when it is going to happen. We need to know where the target audiences are going to be. So, it is a combination of that and what you said. We do need to be able to have a market spread, a balanced spread of products, and we need to be able to fulfil as well—we do not want to get people here for them to find that, actually, it is not as good as somewhere else. That is the worst thing you can do. It is about making sure that we have up-to-date research—good, responsive research—and that we are not just relying on these top-level figures, which we tend to do a lot of, and making sure that we are very responsive and quick, so that we can get our message out there to our target markets as quickly as possible.

[32] **Eluned Parrott:** You say in your submission that, in the terms of reference for this inquiry, we are making an assumption, essentially, that the information is going to be available. So, what information are we not collecting that we ought to be?

[33] **Mr Greason-Walker:** Again, at the moment, we have very top-level figures that are very retrospective, to be honest. We are always looking back at what has happened, and that is all you can do, to be fair. However, we need to be a bit more predictive and say, ‘Well, this is the trend so far’. For instance, you can say that we have gradually come out of recession and tourism has done pretty well, but in terms of actually projecting forward, we need to look outside Wales and outside the figures we generally get, because there is a lot of information being produced by those big corporates outside that is giving us good indications. We need individuals who can take all that information and balance it out and say, ‘Actually, this is where we think the growth is going to be in the next five or six years’.

[34] **Mr Osborne:** We think that there is a large gap when it comes to research, which is why we are having a conversation with Cardiff Metropolitan University. Part of the gap is because the industry at times finds it difficult to engage in helping itself. I will give you an example. Visit Wales produces a monthly survey on occupancy of the serviced accommodation sector. If you look at the hotels, that would seem to give you some sort of active and reflective accurate trends but, in actual fact, only 93 hotels participate in that. So, what information have you got? It is better than nothing, but, somehow, there needs to be much fuller engagement by the industry, and, in this digital world, providing information up and down is not difficult.

[35] **William Graham:** Suzy, did you have a supplementary question?

[36] **Suzy Davies:** Yes. It is just to go back to your point, Adrian, about a quick response to spotting opportunities. My understanding is that, on the back of the big Olympic visit a couple of years ago, VisitBritain, I think, identified that the number of people who were prepared to come back to Britain for a second time and to a non-London destination was quite high. I am sorry, I forget the actual figure. At that point, there was a big opportunity for Wales and my understanding is that a proportionally higher number of people came to Wales on the back of the Olympics than went to Scotland. However, who should be responsible, in your view, having been told that there is an opportunity, for capitalising on it? How far down the industry does that responsibility lie?

[37] **Mr Greason-Walker:** Obviously, I would like to give you a straight answer. It is, perhaps, the public sector, to a certain degree, but it is not that black and white, is it? It is horses for courses. The problem that we have always struggled with in terms of the public sector's role in this is that a campaign can be undertaken and it brings a number of sponsors, but, again, it is about how far that converts to actual business and how much revenue it is bringing in. Again, it is about finding that cut-off point, because some of this depends on the amount of resource that is available, so it is a bit of a chicken-and-egg situation—

[38] **Suzy Davies:** I might ask you about that later.

[39] **Mr Greason-Walker:** I think that, in terms of spotting general trends, we are a country that is based on microbusinesses, which is the opposite of the south-east, where you have these big companies that have big research departments in-house; we do not have that. We are not all going to club together and do it, unfortunately. It is just not going to happen with owner-manager businesses in Wales. So, I think that there probably is a role for the public sector there, but it will need funding, like everything else; we understand that. However, there is certainly a role for, I think, a bit more detail, but I also wonder whether it perhaps should not be in the public sector at all and in something like one of our institutions, like Cardiff Metropolitan University, for example, where we have something that is stand-alone, because it also gives a little bit of distance for the conclusions that are drawn, so that people are not saying, 'Well, it's been drawn up by the public sector.' There is nothing wrong with that, of course, I am not saying that there is, but it also allows for a bit of breathing space for Visit Wales as well. I still think that we need that central core of information, but that as well.

[40] **William Graham:** Rhun, can you ask your question?

[41] **Rhun ap Iorwerth:** Yes, I just want to pick up on some of those issues that we have discussed in the past few minutes and get your comments, Chris, on that idea that maybe Visit Wales should not concentrate all its efforts on marketing or brand development, and needs to invest a bit more in the data and putting a picture together of where we are at as an industry.



[42] **Mr Osborne:** I think that there needs to be more resource given to—let us call it ‘research’. I am not convinced that all research should be, effectively, carried out by Visit Wales or the Welsh Government. I think that there is huge scope for independence in there, because, apart from everything else, it needs to be credible. We also all need—all of us, especially the industry—to be sure that the good news and the bad news are published, not just the good news. There is an inclination just to have the good news.

[43] **Rhun ap Iorwerth:** Developing on some of the questions asked by Eluned on specific markets, are there markets that you have, as an organisation, identified as ones that would be ripe for exploiting? There are all sorts of niche markets: wildlife tourism, business tourism, and extreme sports and outdoor activities and so on.

[44] **Mr Greason-Walker:** I could give you a rundown of the ones that I think are, but it is not really our role to do that, to be perfectly honest.

[45] **Rhun ap Iorwerth:** Fine. How do you operate as an organisation in terms of helping individual businesses through ticketing and that kind of thing, and offering that holistic help to businesses?

[46] **Mr Osborne:** The way that we are set up is this: we actually have only 24 members, but each one of those members is a membership organisation in its own right. That is why we cover every area and sector of tourism throughout Wales. So, whereas we would not necessarily respond to a specific sector such as activities, it has an organisation that responds admirably to that. However, as soon as you get to a holistic tourism conundrum, that is where we come in, because we represent the whole.

[47] **Mr Greason-Walker:** Between those membership organisations there are about 7,500 tourism businesses across Wales.

[48] **Rhun ap Iorwerth:** Apart from putting forward their case, if you like, in various fora, how do you actively help those businesses that are part of those organisations under your umbrella to develop?

[49] **Mr Greason-Walker:** We do not provide individual business support; we simply do not have the resources to do that. What we do, as Chris says, is to bring together all those membership organisations in Wales, and that is where we discuss strategy and we discuss consultations, going through the general direction that we would like to see taken as an industry. That is then communicated back to the membership of those member organisations, and it is up to them then to take that message out, which they do, and then feed back to us—

[50] **Mr Osborne:** We see our role as communicators between Government and the industry and backwards, which is why we are here.

[51] **Rhun ap Iorwerth:** Considering your—

[52] **Mr Greason-Walker:** We are not a business support agency.

[53] **Rhun ap Iorwerth:** Considering your comments earlier on the mysterious inquiry that we are still awaiting the results of, do you, as an organisation, feel that you are listened to, and that your opinions as a representative body are respected and acted on at times?

[54] **Mr Osborne:** One has to be wary about what one says at this point. [*Laughter.*] Inevitably, we would say that we would prefer to be listened to to a greater extent than we are, but we do have an active audience at Westminster, because some of these matters are not just Welsh ones, nor are they necessarily within the Welsh Government’s remit. I will give

you a classic example, and that is VAT. However, we also need to make sure that there is an active audience in the Senedd, and that is why, among other things, last year, we started off—in fact, Suzy was the original host of the public announcement—an all-party group in the Assembly specifically to deal with tourism.

[55] **Rhun ap Iorwerth:** Where does the Welsh Government get its intelligence from, do you think, from the grass roots of the industry?

[56] **Mr Greason-Walker:** It is a mix of sources, and I hope that it remains that way, in a way. I hope that it listens to us. I think that it has listened to us on occasions, and, obviously, it can disregard what we say if it wants to, of course. We represent this big body of businesses, in effect, via our membership. I think that it gets it from, as I say, a variety of sources, but that is a question that you need to ask it, to be perfectly honest.

[57] **Julie James:** Just on that point about business support and so on, one of the frustrations that I certainly have is the number of small businesses that do not seem to have the will, if you like, to maximise the potential of the tourists that are already present in Wales. So, for example, it is not at all uncommon on a lovely Sunday afternoon, with loads of families walking around particular parts of my constituency, for the vast majority of the tourist businesses to be closed. I find this deeply frustrating, so, I wonder whether there is a two-way flow through your organisation. Do you also say, ‘It’s all very well whingeing, but if you’re not open, nobody can buy anything’?

[58] **Mr Osborne:** There have been occasions, I am afraid, when I have actually stood up and said, ‘If you want to help yourselves, then you really need to pull your digits out’. Membership organisations have a habit of not being self-critical, but I am afraid that I am a bit renowned for my honesty. So, yes, you are absolutely right; sometimes, we do not do ourselves any favours at all.

[59] **Mr Greason-Walker:** Could I just pick up on the word ‘whinge’ there? I think this is something that we do need to do. What we would like to do is to move much more to critical conversation, not whingeing, which I think is very negative and just gets people’s backs up. It is something that we need to move away from, and it does come back to the research factor; I am not just pushing research for the sake of it. I think that some of this does need to come back to looking at the real hard facts of what is going on.

[60] I do agree: it is a two-way street. The industry needs to help itself as much as the public sector needs to help it, and I know that it again comes back to that balance where we need the support of the public sector, but the public sector also needs the revenue and needs a healthy tourism industry, and it is no good saying, ‘Well, it’s on the up, so we won’t support it’, or, ‘It’s on the way down, so why support it?’ It is about making sure that we have those facts to hand and that we are undertaking a reasoned argument, not whingeing. I do not want that to come across. I do not want the—

[61] **Julie James:** I absolutely agree with that, and, of course, a lot of people are not whingeing, but it is very frustrating when you have a public sector that has responded in some way and has opened its public sector attractions on Sundays, bank holidays and weekends, and none of the small cafes around them are open.

[62] **Mr Osborne:** I completely agree with you, but—

[63] **Julie James:** You do not need research for that; it is common sense.

10:00

[64] **Mr Osborne:** No, but at the moment, we also have exactly the opposite situation, where a lot of local authorities are bringing the tourist information centres into their libraries, which are shut on bank holidays and Sundays.

[65] **Julie James:** That is clearly nonsensical as well. I understand that it is a two-way street, but I suppose that that is what I was asking you, really.

[66] **Mr Greason-Walker:** Yes, it is. We certainly do not want to knock the public sector all the time; that will not get us anywhere. It is about also looking at our own backyard.

[67] **Julie James:** To go back to the narrative regarding how we get more people to visit Wales, we want return tourism, and so on. If you come here and you had a splendid time, you tell five other people; if you come and only half the stuff was open and you could not get a cup of coffee on a bank holiday Monday afternoon, you will also tell five people.

[68] **Mr Greason-Walker:** The role of Visit Wales is to get new business. In some ways, as an industry, we really need to do more to get repeat customers back, by using everything from all of our online resources to our visitor book.

[69] **Julie James:** Just for the record, I spend my own holidays in Wales every year and have a splendid time with everything open. However, I am aware of other places that are not quite so great.

[70] **Mick Antoniw:** In your evidence, you refer to the 'great' brand and campaign. There is one bit where you say that it should be open source; what exactly do you mean by that?

[71] **Mr Greason-Walker:** It needs to be much more accessible to individual businesses to be able to get their information on the site. We are missing a trick with this. A lot of public money is going into this campaign, but I still think that individual businesses find it very difficult to engage. I am not sure that it is optimised in the way that it potentially could be. That is not particularly a criticism of VisitBritain; it is the way, in some ways, that technology is changing, particularly software, and the way that the ability to engage with software is changing. We are moving much more towards this open-source, one-to-one communication with our customers all the time. That is all social media really are: they are a one-to-one means of an individual business owner talking to an individual customer. However, they also needs to engage with that bigger awareness-raising campaign. That is what it is about. It is about making sure that we open up new markets, that they suddenly become aware of Britain and of Wales, and that they can engage quickly, not just by looking at the big glittery stuff, but they can say, 'Ah, right, that looks like a damn good destination, I wouldn't mind being able to talk to an individual business right now'. That is what they want: instant, right-now stuff. It is about how all of that connectivity within that system adds up. At the moment, I think it is still a little bit difficult for our little individual self-catering operator or hotelier to engage with it, because they are so busy anyway that they wonder whether it will really make a difference to their business. So, as I said, it is not a criticism of VisitBritain; it is a criticism in some ways of the way in which our technology, our digital age, is moving so fast and moving forward so quickly.

[72] **Suzy Davies:** I would like to ask a few questions on the Wales campaign. You are right; it is difficult for individual operators to find a way into that. However, is there not a role for Visit Wales to help you to do that? I notice that its website does not even mention the 'great' campaign.

[73] **Mr Osborne:** That is an interesting one because, over the last three years, with the digital tourism programme, which is funded by Europe, Visit Wales has made great strides in terms of trying to make more mature the tourism industry and its approach to all things

digital. Indeed, if you look at sharewales.com, you will see that there is some really good stuff on there. So, there have been efforts, but somehow we keep coming back to this problem of engagement. Somehow, the microbusiness—the person with two cottages at the bottom of the garden that are let for, maybe, five months of the year, or whatever it is—has to be engaged in the entire marketing campaign, and the brand comes into this as a big question. Is it something that they can invest in? Somehow, this process has to be opened up so that they can understand how they can engage for their benefit and that of their business.

[74] **Mr Greason-Walker:** It is about little, practical things, I think. It is about them being able to download a logo just to show that they are attached to the campaign. It is all part of that bigger product. The ‘great’ campaign, or any other campaign, needs to be able to provide—. At the end of the line, at the end of that journey from total unawareness of a destination through to booking accommodation or tickets to an attraction, they need to be taken on that journey as quickly and easily as possible. You have this big campaign and a lot of money being spent on it, but for the individual business at the other end, it needs to be able to say, ‘I own part of that’, and in order to be able to own it you need to have little bits of it that you can actually access and get to. So, it is not always about uploading photographs of the ‘great’ campaign; it is also about taking a little bit of ownership back to our businesses because that is the only way that you get our businesses to engage, as Chris was saying, whether it is in research or whether it is a marketing campaign; they have to feel ownership for it at the end of the day.

[75] **Suzy Davies:** Would a membership organisation be a place for that to start happening rather than further up the chain?

[76] **Mr Osborne:** I think that it is a bit of both.

[77] **Mr Greason-Walker:** It is, is it not?

[78] **Suzy Davies:** I do not want to intrude on other questions.

[79] **William Graham:** Mick, do you have another question?

[80] **Mick Antoniw:** I have a couple of things that I wanted to follow up on. You have already mentioned what the message is, what the brand is, et cetera, and that seems to be reflected in some of the digital marketing and so on and the presentation of Wales. Do you think that there is also a broader problem, which is that we want tourists to come, but we do not particularly like them when they do come and that there is a culture of thinking that they are a bit of a burden? Are we perhaps not quite as cohesively welcoming and valuing of this as we should be?

[81] **Mr Osborne:** Do you genuinely think that?

[82] **Mick Antoniw:** I spend all my holidays in Wales and I think that people understand the importance of tourism, but I hear an awful lot of complaints about the tourists, certainly those from certain parts of Britain and so on. I just wonder whether we have really bought in, and whether communities and areas that depend on tourism have really bought in properly to the industry and to tourism.

[83] **Mr Osborne:** I have holidays in Wales and I have holidays in other places too because that gives me the ability to compare them. Even if you go to Cornwall, you will find this whole thing about the grockles, to use that word. It is quite prevalent in Cornwall, and the very fact that Cornwall is also a deprived area, hence it is entitled to European money, means that it is a similar scenario. In fact, in many cases, in the hinterland of Cornwall, it is desperate; tin mining is gone and there is nothing else for them to do. Ireland is famous for its

welcome, yet in parts of Ireland, they are really not very friendly. I think that the Welsh are friendly and certainly as friendly as the Scots.

[84] **Mick Antoniw:** We are friendlier than the Scots, definitely. [*Laughter.*] Moving on to the international—

[85] **Julie James:** And Ukraine. [*Laughter.*]

[86] **William Graham:** We will not go there today. [*Laughter.*]

[87] **Mick Antoniw:** Yes, they are marketing there at the moment, I understand. [*Laughter.*] On the international side and the presentation of Wales, that is, what is the sort of brand and what is it that attracts, VisitBritain—

[88] **William Graham:** Can you come to your question, Mick, in view of the time now, please?

[89] **Mick Antoniw:** Sorry. How effective—. You have heard some of the criticisms made about VisitBritain. So, what would your view be about the way in which Wales is portrayed and how that ought to change, and whether we are really arguing our corner there?

[90] **Mr Osborne:** Personally, I think that the ‘great’ campaign deals with the United Kingdom, Great Britain, but it is mostly London-centric, and I think that it tends to be pastiched together. I think that it should be divided up, so there should be a Welsh section. In that Welsh section, should be all things that Wales is proud of, but also all things that the visitor is looking for and has a fine experience from and that they can tell other people about.

[91] **Mick Antoniw:** Do you think it does us down?

[92] **Mr Osborne:** I do not think that it does us due credit.

[93] **William Graham:** Joyce, do you have a point?

[94] **Joyce Watson:** Just finally, and picking up on a far more positive thing than where Mick left off, perhaps. I live in Pembrokeshire and we welcome the grockles in Pembrokeshire; we understand that we need them. However, there is a point about investment and training, so that the quality is delivered in a consistent manner and that everybody knows that their experience will be a good one. So, representing various arms, and food is obviously an area where quality and consistency are critical, how do you relay that back to your members?

[95] **Mr Greason-Walker:** That is a complex question.

[96] **Joyce Watson:** I thought that it was quite easy. [*Laughter.*]

[97] **Mr Osborne:** The answer is complex. [*Laughter.*]

[98] **William Graham:** We have very little time.

[99] **Mr Osborne:** Let us just start with some basics. The food offer in Wales has dramatically improved in the last five years. There are some stunning restaurants now and, five years ago, there were very few of them. So, I think that we are going in the right direction. It is about getting into the heads of people in the tourism industry exactly what people are looking for, which is not necessarily fine dining; it is about quality products and it comes down to definition of quality. My personal definition is value for money. So, it may

well be that in a pub, in the form of a pub meal, there is a jolly fine fare to be had. This is about trying to convince the industry that, quite often, what it is doing is slap-dash and that it is only doing it because it has got away with it for so many years and that it needs to be more adventurous and more responsive. Again, I am afraid, we keep coming back to research.

[100] **William Graham:** I call Rhun and then Eluned.

[101] **Rhun ap Iorwerth:** I will come back just before the end, if that is all right.

[102] **William Graham:** Yes, that is fine.

[103] **Eluned Parrott:** When I started my career some time ago in tourism and marketing, as it happens, we did Welcome Host training, which was specifically designed to improve the customer service experience across the tourism industry in Wales. Do you we need to revisit that kind of approach?

[104] **Mr Osborne:** There is now a replacement for Welcome Host: it is called World Host. It was used significantly before, and especially during, the Olympic Games in London. I think that it is quite a good course. There are always opportunities to invest more in it. I think that one of the problems with World Host, just as there was with its predecessor, Welcome Host, is that it does not go anywhere. Having done it, the assumption is that the person is absolutely qualified in being a perfect host. The reality is that it is at a minimum level and there is never any money for refreshment. So, if someone did that training 20 years ago, the assumption is that they are still just as good as they were, and we all know that people change over the years.

[105] **William Graham:** We are almost out of time. Could we have short questions and answers? Suzy, you have a question about funding.

[106] **Suzy Davies:** Yes. You have already answered some of my questions on funding, which is a relief to the Chair, I am sure. Beyond marketing and money for research, undoubtedly, you would like the industry to have more money, but what would you like to see that spent on in five short words?

[107] **Mr Osborne:** There is probably sufficient money being spent on improving the product, but not necessarily enough money being spent on improving the skills and there needs to be a cohesive approach to skills improvement. At times, I think that it is very muddled and muddled and the deliverers quite often are very confusing. There are too many people offering apparently fantastic deals and the reality is that very few of them are.

[108] **Suzy Davies:** Do you think that this new hospitality school will be of help?

[109] **Mr Osborne:** Which new hospitality school?

[110] **Suzy Davies:** I think that the Minister mentioned yesterday that there are plans for some sort of high-grade hospitality learning institution of some description. Do you think that it would be helpful to have a centralised centre of excellence?

[111] **Mr Osborne:** Anything that contributes would be helpful as long as it is not just another one in a long list of offer.

[112] **Mr Greason-Walker:** Could I just say two words? Infrastructure and broadband.

[113] **Suzy Davies:** Very briefly on the tourism investment support scheme, do you think that that is working at the moment? Is it good value for money and are the right people getting

it?

[114] **Mr Osborne:** Yes.

[115] **William Graham:** Thank you. Julie, you had a question.

[116] **Julie James:** Very briefly, do you think that we could do more to promote cultural heritage and the castles thing that you mentioned and, if so, what?

[117] **Mr Osborne:** Yes, we can absolutely do more. I think that it is part of this question: how do we promote Wales in the context of the world? It is part of a wider thing, is it not? It is not just about the ‘great’ campaign; it is about to whom do we promote ourselves and where do we spend the money and how much money. It keeps coming back to the money.

[118] **Julie James:** It is back to the research as well, by the sounds of it.

[119] **Mr Osborne:** It is back to the research and that we spend the money in the right places and spend it wisely, but it is also about how much we have got to spend.

[120] **Mr Greason-Walker:** Make the heritage more easily digestible for the consumer and for the operator to use that information. I am not saying, ‘Dumb it down’, but that it needs to be less academic and more user-friendly.

[121] **Julie James:** At the risk of incurring the Chair’s wrath, do you like the Monmouthpedia campaign? Are you aware of it?

[122] **Mr Osborne:** Yes. I think that it is very clever and there will be lots of other Monmouthpedia-type developments around Wales.

[123] **Rhun ap Iorwerth:** To take up your offer, you mentioned that the Welsh language was helpful in the tourist industry; where does the Welsh language work as a hindrance?

[124] **Mr Osborne:** It provides us with a unique opportunity; we are the only country in the UK that actually has a living and working language. However, at times, I think that it does get in the way, especially when you are dealing with people from England, which is a huge market and is the majority of our market. They sometimes see it as a threat. I do think that it is time that we bit the bullet and had signposting with differential fonts.

[125] **William Graham:** My very last question is on major events and you will know what I am alluding to, but could I ask you what you make of the support offered by the Welsh Government’s major events unit? Is that effective?

10:15

[126] **Mr Osborne:** We have had some stunning events in Wales. Wales has a bit of a reputation for these stunning events. I am not sure that we have been as successful in the follow-up as we might have been—that is with the benefit of hindsight—but I think that spending money on events that capture the world’s attention has to be a good investment, as long as we maximise the potential.

[127] **William Graham:** On that note, thank you very much for your attendance today. The Record will be published with any comments that you feed back to us. I ask Members to come back in 10 minutes.

*Gohiriwyd y cyfarfod rhwng 10:16 a 10:25.*

*The meeting adjourned between 10:16 and 10:25.*

**Ymchwiliad i Dwristiaeth (Sesiwn 4)  
Inquiry into Tourism (Session 4)**

[128] **William Graham:** I welcome our witnesses, Iestyn Davies, Mike Learmond and Geoff Cole. I ask you to give your names and titles for the record.

[129] **Mr Learmond:** Good morning, I am Mike Learmond, development manager for north Wales for the Federation of Small Businesses.

[130] **Mr Davies:** I am Iestyn Davies, head of external affairs for the FSB in Wales.

[131] **Mr Cole:** I am Geoff Cole. I run a tea shop in north Wales and I am also a committee member of the Gwynedd branch of the Federation of Small Businesses. I am also a member of Harlech tourism.

[132] **William Graham:** Thank you for your written paper. We will start with a question from Eluned.

[133] **Eluned Parrott:** I want to ask you about the Wales brand to start with. Can you tell me what you think of the Wales brand as it is pitched to the tourism markets in Britain and overseas?

[134] **Mr Learmond:** What we hear continually is Wales being compared to Scotland. Scotland has unique selling points that Wales does not have and Wales is always trying to catch up. However, when you say, ‘Okay, what does Scotland have that Wales does not have?’, they usually come up with things like whisky. When you think about Wales, one thing that Wales has is the Wales coastal path. It is the only country in the world where you can walk the whole perimeter of the country, if you count in Offa’s Dyke. That is something that should be a worldwide brand.

[135] However, in terms of actually trying to establish a brand for Wales, we have to be a little bit careful. We do not want to be too generic. The days of the Welsh national costume, and we all know about the castles et cetera—. When you compare that to the sophisticated city of Cardiff, for example, it just does not work in the same way. We have to look at destination management within the various areas of Wales and concentrate on what we have, in order to attract visitors for specific reasons.

[136] **Mr Davies:** When we first began the review—we are not experts in tourism; we were looking at this from the point of view of small businesses—we found it difficult, with the online resources available, to identify a holistic approach to developing the brand for Wales, which areas of Wales were being brought to the fore and which areas perhaps needed a bit more support. That was our impression when we looked at the material made available to us. Hypothetically, if we were starting a tourism-related or hospitality business in Wales, how would we try to pitch ourselves within the context that the Welsh Government’s Visit Wales had set out?

[137] Last week, we visited five businesses in Pembrokeshire. We went to the archetypal tourist destinations that we all know and love, I am sure. When we spoke to businesses, there was a general feeling that not enough money was being spent. We questioned how the members quantified enough money being spent in promoting Wales, but it was their perspective that it was low compared with other European competitor countries. We did not really have time to dig beneath that, but that was their perception. There is a danger that you



could have some good brand work being done by the Government and other organisations, but that it is not being perceived as well as it should be. They recognised that some elements—such as the coastal path in Pembrokeshire, which is an established brand—had been very well targeted at places like Germany, for instance. In fact, as we were sitting on Newgale beach outside a surf shop speaking to one of our members, a walking party of four Germans walked past. We sat down and had a quick chat with them about their perception of Wales. Sadly, my German is not that good, so we did not quite get to grips with what was under the lid of it, if you like.

[138] One of the five people we spoke to really questioned whether we should be trying to develop Wales, Ireland and Scotland as part of a Celtic brand—particularly in terms of the ferry traffic and the tourism traffic that goes through—and the extent to which you could develop a Celtic arc. They did not feel that that was sufficiently advanced. Ultimately, it started to unravel, with the businesses that we spoke to and the work that we did in trying to understand the strategy, in that the Wales brand and the local destination brand did not always seem to chime or work together. That could simply be ignorance on behalf of the people we spoke to, or it could be that you have one kind of meta-strategy that is not meshing with pre-existing concepts of brand and location. So that was the view of five members we spoke to in Pembrokeshire last Friday.

10:30

[139] **Mr Learmond:** If I may come back a moment to branding, I am not a brand expert, but what I do know is that, if you were running a company and you wanted to establish a particular brand for that company, glossy advertisements are not enough and glossy promises are not enough. You need to deliver on the ground. To use the example of a company, if you promote your company as being wonderful in terms of product and customer service, but that reality when customers visit your retail outlets or whatever is that your customer service is poor and the product is not particularly good, it works against you.

[140] So, when you are establishing a brand it is very important to get a buy-in from—to use a company example—the staff and everyone working in that company. However, from a Wales tourism perspective, it is very important to get a buy-in from those microbusinesses on the ground that are actually delivering the brand. The first important thing is that they need to understand what that brand is and, secondly, they need to be committed to engaging with the ideals of that brand. I am not convinced that that is actually happening, because when I talk to businesses on the ground, they do not have much of a clue what is happening in terms of promoting Wales as a brand. There is a website that is mentioned in the tourism strategy, called ‘Wales the brand’. I had a look at that website and I talked to quite a number of our members in the tourism industry and not one of them had heard of that it. The interesting thing about it is that it is copyrighted 2014, which, I would imagine, means that it is pretty much up-to-date. As I am from north Wales, I thought that I would have a look at the north Wales part of that website, and that is copyrighted 2006. So, I wonder whether the information and advice given in the north Wales part is still relevant. I have to say that I am concerned that it is, perhaps, not being looked at and monitored in the way that it should be. In the body of that north Wales section, one of our members is highlighted, but, unfortunately, that member passed away in 2008. That says to me that it is not being monitored in the way that it should be.

[141] **Eluned Parrott:** Thank you for that. North Wales is, at least, featured; Pembrokeshire, of course, is not, which suggests, as you say, that there is some work to be done in developing and finishing that. Thank you for those comments. We have a witness here who actually runs a business; to what extent have you engaged with that kind of investigation into the brand that you are supposed to be putting forward to these lovely visitors?

[142] **Mr Cole:** I have not come across this brand. This is something that has passed me. It could well be that I am too busy serving tea to come up with some of these things. [*Laughter.*] However, I do feel that there are an awful lot of things going on and maybe, as businesses, we need to be more aware so that we understand what is going on, not only on our own little planet, but across the rest of the universe. Often, that is very easy to bypass.

[143] **Eluned Parrott:** May I ask whether the FSB and any of its members have been involved in the Mike Ashton brand evaluation exercise that was commissioned by the Welsh Government? I believe that it is still ongoing—or there has not yet been a report, as far as we are aware.

[144] **Mr Learmond:** We have been involved in terms of our membership of the Wales Tourism Alliance, representatives of which, I believe, were in before us. We have not really been asked to engage with the consultation on that. What concerns us is that there do not seem to have been many outcomes from this investigation. We had hoped to have seen something published by now. Mike Ashton came to the tourism alliance meetings a couple of times and gave us an idea of what he was promoting, which was basically to strengthen the destination and particular areas, and to focus on outdoor tourism et cetera. There is not an awful lot to disagree with that, and he is a brand expert. Again, coming back to my neck of the woods—I come from near Rhyl—the tourism package there is pretty much quite low-value caravan holidays. We have to be aware that, for the businesses that are running these caravan parks, it is their livelihood. They are offering a service. There is an obvious demand for it, because, if you would like to come to the Rhyl area in the middle of summer, you will see that it is still very busy. If we are not careful, we will forget about that quite important part of what we are offering. Some middle-class people may feel that it is a little bit on the tacky side and think, ‘We’d rather not really have it’, but, at the end of the day, it is a very important part of the tourism offer in that part of the country and we would be crazy not to recognise that.

[145] **Eluned Parrott:** Yes; absolutely. It is a very important part of the tourism offer around where I live, which is not far from Barry. It is a question of balancing things across. Are you concerned, then, that perhaps we are not balanced enough in our approach, and that we are trying to go after these niche markets but forgetting the bread-and-butter side of business?

[146] **Mr Learmond:** Again, I would be very interested to see Mike Ashton’s report, when it eventually is published.

[147] **Mr Davies:** It is a matter of seeing the basis on which that assumption is made in the evidence and trying to understand where value can be generated in the tourism market, but not at the expense of losing value in the volume market. As you are aware, a lot of our work at the office level is looking at strategies, the evidence base, income, outputs, evaluations and those kinds of things. We have not been approached directly. We do see much of our work via the Wales Tourism Alliance, but, with some 17% of our members involved in tourism, catering, hospitality and those kinds of allied fields—people like Geoff—it would perhaps be good to be able to talk more generically about what those businesses that perhaps do not see themselves as tourism businesses actually want from the tourism strategy. However, I think that there is a real danger. You are familiar with our position on the specialist sectors that we see as the foundation of the economy. It is a version of that argument, is it not, in saying, ‘Let’s go for the high value, let’s go for all that stuff that is really good, and let’s get the big brands in’? However, actually a lot of tourism businesses across Wales, not just in the highlighted areas, is high-volume, fairly low value, bucket-and-spade sort of stuff. I would be very keen not to lose that within a strategy. That is where I spent my holidays—and my kids still spend their holidays—on bucket-and-spade holidays in Wales. I think that there is a role

for it.

[148] **Rhun ap Iorwerth:** Bore da a diolch am ddod i roi tystiolaeth y bore yma. Mae gen i un cwestiwn y buaswn i'n licio i'r tri ohonoch chi roi ateb iddo. A allwch chi roi eich barn chi am y dirywiad sydd wedi bod yn niferoedd ymwelwyr dros y pum mlynedd diwethaf a pham mae hynny wedi digwydd? Beth ddylai blaenoriaethau Llywodraeth Cymru fod wrth drio dadwneud y dirywiad ac adeiladu gwerth newydd yn y diwydiant twristiaeth yng Nghymru. Efallai yr hoffai Iestyn ateb yn gyntaf.

[149] **Mr Davies:** Heb os nac oni bai, mae'r amgylchedd economaidd wedi amharu nid yn unig ar fusnes domestig, fel petai, ond ar y rheini sy'n dod o dramor. Rwy'n credu ei bod hi'n deg dweud bod arolygon economaidd ar y cyfandir, efallai, yn datblygu'n arafach nag y maent, mae'n debyg, ym Mhrydain. Felly, mae'n rhaid i Visit Wales a'r Llywodraeth fod yn ymwybodol o hynny wrth drio ehangu'r farchnad y tu hwnt i'r farchnad ddomestig, fel rydym wedi'i drafod yn barod.

[150] Yn nhermau natur yr economi yng Nghymru, mae gennym ni nifer o barciau carafannau, fel rydym wedi trafod. Mae gennym bobl sydd wedi buddsoddi yn hanesyddol, efallai, mewn tai a chartrefi sy'n ail gartrefi neu'n gartrefi haf, ac sydd bellach yn cael eu llogi yn ystod yr haf a thros y flwyddyn. Mae hynny'n cael effaith, achos diben y busnes yw cyfro costau yn hytrach na gwneud elw. Felly, os ydych chi'n unigolyn sydd wedi buddsoddi mewn tŷ ar Ynys Môn, er enghraifft, fe fyddwch chi am gyfro'r costau a'r rates. Mae hynny'n *proposition* hollol wahanol i fusnes sy'n trio cynnal busnes. Mae'n eithaf siêp, o bryd i'w gilydd, i gael wythnos mewn tŷ preifat o'i gymharu ag wythnos mewn carafán neu mewn *apartment* yn rhywle. Felly, mae newidiadau yn yr economi leol hefyd yn cael effaith ar natur y busnes.

[151] Felly, mae'n rhaid i ni edrych ar hyn mewn ffordd llawer mwy strwythuredig, yn enwedig yn y sector *accommodation*, lle mae strach yn digwydd. Fe welwyd, drwy drafodaethau gyda'r aelodaeth yn sir Benfro, fod hon yn broblem fawr. Mae'n amlwg bod

**Rhun ap Iorwerth:** Good morning and thank you very much for coming to give evidence this morning. I have one question that I would like all three of you to answer. Could you give your views about the decline in the numbers of visitors over the past five years and why this has happened? Also, what should the Welsh Government priorities be in trying to reverse that decline and building new value into the tourism industry in Wales? Perhaps Iestyn could take that question first.

**Mr Davies:** There is no doubt that the current economic climate has had an effect not only on the domestic business, as it were, but on those who come from overseas. I think that it is also fair to say that the economic forecasts on the continent, perhaps, are developing more slowly than they seem to be doing in Britain. Therefore, Visit Wales and the Government have to be aware of that in trying to expand the market beyond the domestic market, as we have already mentioned.

In terms of the nature of the economy in Wales, we have a number of caravan parks, as we have discussed. We have people who have invested historically, perhaps, in homes that might be second or summer homes, which might now be rented out over the summer and during the year. That has an effect because the purpose of that business is to cover costs rather than to make a profit. So, if you are an individual who has invested in a house in Anglesey, for example, you just want to cover the mortgage and the rates. That is a completely different proposition to a business that is trying to maintain business. It is quite cheap, at certain times, to have a week in a private home compared with a week in a caravan, perhaps, or in an apartment somewhere. So, changes to the local economy also affect the nature of the business.

So, we have to look at this in a much more structured manner, especially in the accommodation sector, where there is a crisis at the moment. We have found, through discussions with the membership in Pembrokeshire, that this is a significant

lot o bobl wedi prynu tai ac yn awr yn dechrau eu rhentu allan fel busnes anffurfiol.

problem. It is obvious that people have bought houses and are now trying to rent them out as unofficial businesses.

[152] **Rhun ap Iorwerth:** A beth am flaenoriaethau, yn symud ymlaen?

**Rhun ap Iorwerth:** What about priorities going forward?

[153] **Mr Davies:** Wel, mae'n anodd. Nid oes dim byd mawr o'i le ar y strategaeth, heblaw'r ffaith fy mod i am sicrhau bod y ddwy elfen yno—dod â phobl o dramor i mewn a sicrhau ein bod ni'n cadw'r farchnad sydd gennym. Felly, y flaenoriaeth i mi yw'r perfformiad yn erbyn y strategaeth, ac, wrth i hynny esblygu dros amser ac wrth i berfformiad ddod i'r amlwg—cawsoch chi ddatganiad ddoe am hyn yn y Siambr—i fod yn ddigon onest a dweud, 'Ie, rydym yn delifro i ryw raddau ond efallai fod cynsail a sylfaen y strategaeth yn *wrong*'. Rydym ni i gyd o gwmpas y bwrdd hwn, beth bynnag fo ein rôl, yn gyfarwydd â gofyn a yw'r Llywodraeth yn delifro, ac mae cwestiwn sylfaenol y tu ôl i hynny, sef ai dyma'r strategaeth iawn. Felly, dyna'r hyn yr ydym am ei weld gan y Llywodraeth

**Mr Davies:** Well, it is difficult. There is nothing hugely wrong with the strategy apart from the need to ensure that there are those two elements—bringing people in from overseas and ensuring that we maintain the domestic market that we already have. However, the priority for me is the performance against the strategy and, as this evolves over time and as the performance becomes apparent—you had a statement in the Chamber yesterday on that—the need to be honest and say, 'Yes, we are delivering to some extent but perhaps the basis for the strategy is wrong'. We all around this table, whatever our role, are familiar with asking the question of whether the Government is delivering, and there is a fundamental question behind that of whether this is the right strategy. So, that is what we want to see from the Government.

[154] **Mr Cole:** From my own point of view, speaking on behalf of the tea shop, in Harlech, we have several issues. I have been looking at the numbers for visitors to Harlech castle, and I judge that as being a barometer for the general area. Visitor numbers for 2013 were 76,355. That was down from a high of probably 98,000 10 years ago, so there has been a very significant drop. Not everybody who comes to Harlech will go to the castle, but I think that, as a percentage, you can see that that is still a very, very significant decrease. In January to May this year, compared with that period last year, we were 1,100 down. Again, that is another significant drop. At the moment, I am looking at the development of the new visitor centre for Harlech castle, so these numbers are a little bit skewed.

[155] **Rhun ap Iorwerth:** Do you put it down to anything other than the general economic climate that has led—let us put it in context—to a decrease in visitor numbers to the rest of the UK as well?

[156] **Mr Cole:** I would say that it is more than that. In Harlech, the big development is going on in the castle and there is a small blackboard that says, 'Harlech castle open for business'. This is not how it should be. There should be much more. There should be big banners that say, 'Okay, we've got the scaffolding up but everything's open; everything will be normal'. That is not happening. We have another issue. We have the airfield at Llanbedr, which is a big asset. They are just starting to get small private aircraft coming in there. Some people who came in on one of the first flights asked, 'How will people feel about planes coming in there?' and we said, 'It's great. This is brilliant'. They were worried that flights coming in might disrupt the area. However, in comparison with the aircraft that were used in the airfield previously, when it was part of the Royal Air Force establishment, it is very minor. However, we see it as a big thing. They told us how many people are going to Le Touquet in northern France, and, if we could get some of that market, that would be fantastic for north Wales.

[157] **Rhun ap Iorwerth:** So, can I take that as an answer to the second half of my question on how to bring in added value? You are suggesting a development in infrastructure and how to get the tourists here and the kind of tourists we can bring in.

[158] **Mr Cole:** Absolutely. Meirionnydd, as an area, is stuck partly between north Wales and partly between mid Wales. I think that both of those groups are looking at our area, with mid Wales saying, ‘Well, north Wales will be looking after that’, and north Wales people saying, ‘The mid Wales people will be looking after that’ and so on. In the event, nobody is looking after it. We are trying to do it ourselves. I think that some of these joins and areas need to be more blurred so that there is an overlap rather than a join.

[159] **Rhun ap Iorwerth:** Your ‘open for business’ sign, I think, can be used as a wider metaphor for the tourism industry. There has got to be a very big sign over the whole of Wales. May I take it that Iestyn Davies answered for the FSB on that particular issue? On the specific targets for growth, it is 10% growth in the tourism industry by 2020. Is that ambitious enough?

10:45

[160] **Mr Learmond:** I am the representative on the Wales tourism alliance for the FSB, and we discussed this at length, and certain members of the organisation felt that it was not ambitious enough. Others felt that it is always a good idea in business to under—what is the phrase?

[161] **Mr Davies:** Under-promise and overachieve.

[162] **Mr Learmond:** Under-promise and over-deliver. So, I do not think that the target itself is much of an issue. If we reach it, and I fully expect we will, then that is good, and that is on target. If we exceed that target, however, then that would be brilliant. So, we do not have to stop at 10%. I would be more than happy to go for 15% or whatever people think is achievable. I think that it is good to have a target, but 10% does not sound particularly ambitious, particularly if we are coming out of a recession. If I may just quickly go back to your original question, tourism, unfortunately, is not the only sector that has been affected by a recession. When we talk about a decline in visitor numbers, it equates to a decline in spending right across the board, really, in all sectors. So, as we hopefully enter into a period of economic growth, then I would expect visitor numbers to increase and spending to increase, et cetera.

[163] The other point I would make, though, is that there are some fantastic things happening. Apologies again for concentrating on my area of north Wales—

[164] **Rhun ap Iorwerth:** You carry on. [*Laughter.*]

[165] **Mr Learmond:** Thank you, Rhun. I am sure that you are all aware of Zip World in Blaenau Ffestiniog and the publicity that it has achieved not only in the UK, but worldwide. We have an absolutely world-class attraction there, which I fully expect to be very successful, and it is also having the giant trampoline, which has been put up in the caves. I have never seen anything like that in my life. I am extremely disappointed that I was not invited to the launch event of that, in case anybody is listening.

[166] **Rhun ap Iorwerth:** Have any of you been on the zip wire? Have you? [*Laughter.*]

[167] **Mr Learmond:** Crikey, Tom Jones is coming to Eirias Park in Colwyn Bay—who would ever have thought that was going to happen? So, there is fantastic work going on

behind the scenes by the local authorities and by private businesses to make these things happen, and I think that we need to recognise that. I do not know whether all that stuff actually ties in with the strategy or not, but, sometimes, businesses and committed individuals will just simply make things happen, and that is what we need to do now.

[168] **Rhun ap Iorwerth:** As much as I would like to carry on talking about north Wales, I can sense that the Chair—

[169] **William Graham:** I am going to move on to Keith.

[170] **Keith Davies:** Byddaf i'n gofyn fy **Keith Davies:** I am going to ask my questions in Welsh as well.

[171] Bore da i chi. Sut ydych yn gweithio gyda'r busnesau twristaeth er mwyn hybu'r sector? Er enghraifft, roeddech yn sôn am weithio gydag Iwerddon ac yn y blaen. Un o'r pethau efallai lle mae gwendidau wedi bod yw tocynnau integredig, fel y byddwn ni'n eu galw. Cawsom rywun yma'r wythnos diwethaf yn dweud wrthym ei fod yn mynd i lawr i Dalacharn, ac mae castell yno, ac, wrth gwrs, yno hefyd yr oedd Dylan Thomas yn gweithio, ac roedd yn trio cael tocyn un person i allu mynd i'r ddau, ac roeddynt yn anghytuno, ac roedd y person hwnnw'n ffael cael y tocyn integredig hwn. Mae hynny'n un ffordd o adeiladu pethau. Os dewch chi â thrafnidiaeth i mewn iddo hefyd a dweud, os yw pobl yn dod o Iwerddon er enghraifft, 'O, dewch draw; cewch chi fynd man hyn ach a un tocyn'. Felly, a ydych wedi cael trafodaethau fel hynny â busnesau?

Good morning to you. How do you work with tourism businesses in order to grow the sector? For example, you were talking about working with Ireland and so on. One of the things where there may have been weaknesses is with the integrated tickets, as we call them. We had somebody here last week who told us that they were going down to Laugharne, and there is a castle there, and, of course, this is where Dylan Thomas lived and worked, and that person was trying to get a ticket that would provide entry to both of those attractions, and they disagreed and that person could not get these integrated tickets. That is one way of building things. If you bring transport into it as well and say, if people come from Ireland for example, 'Come over; you can go here on the same ticket'. Have you had such discussions with businesses?

[172] **Mr Davies:** Do. Cawsom drafodaeth ddydd Gwener diwethaf â busnesau sy'n darparu pethau fel *coasteering* a gwersi caiac a syrffio. Felly, mae o fath wahanol, ond yr un, rwy'n credu, yw'r broblem. Aethom at ddau fusnes ar begynau gwahanol y farchnad, gydag un yn cynnig *high value* a *high cost*, ond *low volume*—felly, nifer fechan o bobl yn mynd i wneud *coasteering* a phethau fel hynny—a'r llall yn cynnig rhywbeth llawer mwy siêp, fel petai, yn darparu ychydig yn llai o ran nifer y staff i helpu rhywun gael gwersi syrffio. Dywedodd y ddau fusnes taw un o'r *threats* mwyaf—gan fynd yn ôl at gwestiwn Rhun—yn sgîl gweddnewid yr economi yw bod yna unigolion yn dod i mewn a chynnig yr un ddarpariaeth allan o gefn fan—*mobile surf lessons*, *mobile kayaking lessons* a phethau fel hynny.

**Mr Davies:** Yes, we did, last Friday, with businesses that provide things like *coasteering*, and kayaking and surfing lessons and so on. So, that it is a different kind of activity, but it is the same problem I think. We went to two businesses at different ends of the market, with one offering high-value, high cost experiences, but at low volume—that is, a small number of people are going on these *coasteering* trips and so on—and the other was offering something much cheaper, as it were, providing a little bit less in terms of the number of staff to help people with surfing lessons, for example. Those businesses said that one of the greatest threats—going back to Rhun's question—following the transformation of the economy is that individuals come in offering the same provision out of the back of a van—*mobile surf lessons*, *mobile kayaking lessons* and so on.

[173] Yn hytrach na bod y ddau fusnes yn dweud, ‘Dydyn ni ddim eisiau’r *competition* hwn’, yr hyn a ddywedon nhw oedd y byddai’n dda ganddynt fedru rhoi *referrals* i’r busnesau eraill pan oedd pethau’n fishi er mwyn sicrhau bod yr ardal yn cael ei chynabod fel ardal o safon dda a hefyd eu bod nhw’n saff. Dyna’i gyd roedden nhw eisiau yn yr esiampl hon oedd help i gynnal rhyw fath o system *online booking* a chynnig rhyw fath o wasanaeth digidol. Roedden nhw’n cydnabod y ffaith bod *superfast broadband* yn dod i mewn i’r ardal, felly roedden nhw eisiau gweithio gyda’i gilydd, nid mewn cydweithrediad nac mewn cystadleuaeth â’i gilydd, ond gan ddefnyddio’r elfen o gystadleuaeth er mwyn codi safonau a defnyddio’r cydweithredu er mwyn sicrhau bod darpariaeth i’r cwsmer a oedd yn dod i mewn i’r ardal.

Instead of the two businesses saying, ‘We don’t want this competition’, what they said was that it would be good for them to be able to give referrals to the other businesses when things were busy to ensure that the area was recognised as an area of good quality and also that they were safe. All that they wanted in this example was help to maintain some sort of online booking system and have some kind of digital service. They acknowledged the fact that superfast broadband was coming into the area, so they wanted to work together, not in collaboration, or in competition, but using that element of competition in order to raise standards and to use the collaboration to ensure that there was provision available for the customer coming into the area.

[174] Fel mae Geoff wedi dweud, os wyf yn rhedeg y busnes, gwerthu yn y siop a darparu’r gwersi syrffio hefyd, nid oes digon o amser gennyf, felly, i ddatblygu neu i ddod â digon o bobl yn yr ardal at ei gilydd. Nid oes gennym ni’r cyfle hwnnw fel asiantaeth, ychwaith, sydd yn eithaf *generic*. Hoffwn weld mwy o ffocws yn cael ei roi yn lleol gan yr awdurdodau priodol—y parc cenedlaethol neu’r awdurdod lleol, efallai—er mwyn sicrhau bod y strategaeth hon yn cael ei gwreiddio tu mewn i’r gymuned. Oes, heb os nac onibai, mae cyfrifoldeb ar y busnesau a’r unigolion, ond, fel mae Geoff wedi sôn, ac fel rydych chi i gyd yn gwybod, os ydych chi’n fusnes micro, mae cael yr amser a hyd yn oed y cyfalaf dynol ar gyfer y fenter honno yn mynd i fod yn anodd.

As Geoff has said, if I run the business, sell in the shop and provide the surfing lessons as well, I do not have enough time, therefore, to develop or to bring enough people in the area together. We do not have that opportunity as an agency, either, which is quite generic. I would like to see more of the focus being given locally by the appropriate authorities—perhaps the national park or the local authority—in order to ensure that this strategy is rooted within the community. Yes, without a doubt, there is a responsibility on businesses and individuals, but, as Geoff has mentioned, and as you all know, if you are a microbusiness, finding the time and even the human capital to take the initiative is going to be difficult.

[175] Gair a wnaeth godi, gair newydd o Iwerddon, wythnos diwethaf pan lanswyd y strategaeth fwyd—.

A word that arose, a new word from Ireland, last week, when the food strategy was launched—.

[176] If I talk in English, it is easier to say: they talked not about competition or co-operation, but co-opetition. So, the idea was that you work together as a region. I think that that is something that is clearly emerging in the food sector, but could be translated to regional tourism as well. I hope that that answers the question. That is a real example of two businesses in Pembrokeshire.

[177] **Keith Davies:** Hefyd, a sôn am bobl yn dod o Iwerddon, beth yw eich barn chi am addasrwydd trafndiaeth i ddenu mwy o bobl i ddod o Loegr neu yn rhyngwladol i mewn i

**Keith Davies:** Also, talking about people coming from Ireland, what is your view about the suitability of transport to attract more people to come from England or

Gymru, a meddwl bod y Gweinidog sy'n gyfrifol am dwristiaeth hefyd yn gyfrifol am drafnidiaeth? Beth allwn ni ei wneud yn fewnol yng Nghymru ac i gael pobl i mewn i Gymru?

[178] **Mr Davies:** Rhywbeth a gododd yn sir Benfro—ac mae'n siŵr ei fod yn wir hefyd yn y gogledd, megis yn sir Fôn—yw bod yn rhaid creu mwy o gyfleoedd ar gyfer trafnidiaeth gyhoeddus. Os ydych chi'n delio â busnes fferïau, a phobl sy'n dod ar *day trips*, a *cruises* hefyd, nid oes ceir gan bobl, ac nid oes cyfle ganddynt i logi ceir ychwaith os ydynt yn dod i mewn i'r ardal. Felly, pe baech chi'n dod ar y fferi ac wedyn eisiau llogi car am ddeuddydd ac nid oes darpariaeth o'r fath ar gael yn yr ardal—. Hynny yw, nid yw isadeiledd y sector yn nhermau busnes ar gael. Os ydych chi'n dod i Gaerdydd, mae digon o gyfleoedd gennych chi i logi car, ond efallai na fydd angen car arnoch achos bod y gwasanaeth trafnidiaeth gyhoeddus yn well. Felly, mae eisiau creu mwy o isadeiledd mewn ardal, ac nid jest trafnidiaeth gyhoeddus, sydd yn bwysig, ond mentrau a busnesau eraill hefyd.

[179] **Keith Davies:** Rydych chi'n sôn am *cruises* a phethau fel hynny. A oes rhyw bethau nad ydym yn gwerthu digon ohonynt yng Nghymru er mwyn denu mwy o dwristiaid i mewn? Lle bach ydyw, cyn belled ag y mae *cruises* yn y cwestiwn, onid e? Gallwn ni dyfu hynny. A oes pethau eraill y gallwn ni dyfu i gael mwy o dwristiaid i mewn?

[180] **Mr Davies:** Fel y dywedodd nifer o'r busnesau a wnaethom ni siarad â nhw, ac rwyf wedi cael yr un sgwrs efo'n haelodaeth ni yn y gogledd hefyd, mae'r ffordd arfordirol neu'r ffyrdd yn y parciau cenedlaethol—. Byddwch yn ymwybodol fy mod i weithiau'n lled feirniadol o'r parciau cenedlaethol, ond rwy'n credu, yn nhermau datblygu twristiaeth, ei fod yn amlwg eu bod nhw'n chwarae rôl flaenllaw dros ben, ac mae hynny i'w groesawu. Felly, mae'n rhaid cymryd y pethau sydd gennym, rwy'n credu, a chreu mwy allan ohonynt. Fodd bynnag, pan ydych chi'n sôn am gyfleon, un o'r pethau mae'r ymwelydd sydd â mwy o arian mân neu *disposable income* eisiau yw'r cyfle i brynu pethau. Mae *retail tourism* yn realiti.

internationally into Wales, given that the Minister responsible for tourism is also responsible for transport? What can we do internally in Wales and to get people into Wales?

**Mr Davies:** Something that arose in Pembrokeshire—and it is probably true in north Wales, for example in Anglesey—is that we have to create more opportunities for public transport. If you are dealing with a ferry business, and people who come on day trips, and cruises as well, then people do not have cars, and there is no opportunity either to hire a car if they come into the area. So, if you were to come on a ferry and then wanted to hire a car for two days, and there was no provision in that regard in the area—. That is, the infrastructure of the sector in business terms is not there. If you come to Cardiff, you have plenty of opportunities to hire a car, but perhaps you do not need to because the public transport service is so readily available. However, we need to create additional infrastructure in an area, and not just public transport, which is important, but other kinds of businesses as well.

**Keith Davies:** You talk about cruises and so on. Are there some things that we are not selling enough of in Wales in order to attract more tourists? It is a small place, so far as cruises are in the question, is it not? We can grow that. Are there other things that we can grow to bring in more tourists?

**Mr Davies:** As a number of businesses that we spoke to said, and I have had the same discussion with our membership in north Wales as well, the coastal path or the paths around the national parks—. You will be aware that I am sometimes quite critical of the national parks, but I think that, in terms of the development of tourism, it is obvious that they play a very large role, and that is to be welcomed. So, we have to take the things that we have, I believe, and create more from them. However, when you are talking about opportunities, one of the things that the visitor who has more cash or disposable income wants to do is to buy things. Retail tourism is a reality. In a number of areas, I do not think that, so far, the retail offer in terms



Mewn nifer o ardaloedd, nid wyf yn credu, hyd yn hyn, fod yr hyn a gynigir o ran *retail tourism* yn ddigonol, yn enwedig os ydym yn cymharu sir Benfro a'r gogledd, er enghraifft, gyda Chaerdydd. Codwyd hynny. Os ydych yn glanio yn sir Benfro neu, hyd yn oed, ym Mhort Talbot, y *retail opportunity* agosaf yw McArthurGlen, yn nhermau medru mynd ar fws i ardal. Felly, mae'n rhaid edrych ar oblygiadau hynny hefyd, rwy'n credu.

of tourism is sufficient, especially if we compare Pembrokeshire and the north, for example, with Cardiff. That was mentioned. If you land in Pembrokeshire or even in Port Talbot, the closest retail opportunity is McArthurGlen, in terms of being able to go by bus to an area. Therefore, I believe that we also have to look at the implications of that.

[181] **Joyce Watson:** On that point, I have to say, as somebody who quite likes shopping, that you are not being innovative in your thinking. If you are talking about Pembrokeshire's retail offer, then Narberth offers something that is unique and quite different. You have made an assumption that people only want to go to buy the same thing that everybody else has, and they do not. If you go with a mindset like that, you are not really selling what is on the doorstep. I would like to know what you do to sell what is on the doorstep. As you well know, I live in Pembrokeshire, and I know that there are an awful lot of independent retailers—the people you represent. So, do you promote those businesses as an attraction? That is my question to you.

[182] **Mr Davies:** Narberth is a very good example of how it can happen, and happen well.

[183] **Joyce Watson:** There are lots of others like Narberth, too. Pembroke is a very good shopping area.

[184] **Mr Davies:** Some of the feedback we had from members in the area about Pembroke—and Tenby is another good example—was that they felt that the local offer was appealing to the pound shop and stag and hen market. I am almost quoting directly from the members there. I do not know whether that also relates to north Wales, but there had almost been an assumption in some areas that that is the market they are going for. The higher value local produce and local production, such as Melin Tregwynt, in the area, were not often as plugged in as they could be. However, I wholeheartedly agree with you, and hopefully Members will be familiar with our promotion not just of Welsh products but Welsh produce as well, and the significance of the Keep Trade Local campaign to us. We promoted this quite recently in our chair's dinner: the high-value, high-quality produce and products that we have in Wales. So, that is our commitment; that is our skin in the game, if you like. Narberth and Aberaeron are good examples of that. So, finding a way of joining them and making that offer equally as attractive as the high-volume designer goods offer is, you are quite right, Joyce, the real challenge, so that you have the economies and values of scale. I do not know whether it is the same in north Wales.

[185] **Mr Learmond:** I would just like to reiterate that the Keep Trade Local campaign has been running for a number of years. The reason that it has been running for a number of years is that it is still highly relevant to our members and the shoppers that use the local independent shops. For a successful high street, you need to have a mix, not only of independent shops, but you need to have the national retailers there as well. Like it or not, Marks and Spencer et cetera, are sometimes the draw that brings people in, and the local independent shops then enhance the whole offer. So, it is very difficult to have a whole high street completely made up of independent shops, as much as we would like to see that. At the end of the day, you have to go where the demand is. So, it is important to work together and to offer that holistic approach, really. However, certainly, in terms of supporting our members, or independent retailers, Small Business Saturday, which was not an FSB initiative, but ended up as an FSB initiative—and I had a call from one of the local Members of Parliament's aides to say, 'Help! What are we doing? Can we do something urgently?'—will

grow and grow and we will carry on working in that way.

[186] **Mr Davies:** Perhaps the local member for north Wales can tell us outside the meeting whether we are doing a good job of promoting local businesses.

[187] **William Graham:** We will move on. I call on Suzy.

[188] **Suzy Davies:** My question is for Mike and Geoff, in the first instance. How do you think the loss of the regional tourism partnerships will affect your areas?

[189] **Mr Learmond:** I can speak only for north Wales, because I am not really aware of the work of the partnerships elsewhere. However, if I can mention names, Dewi Davies heads up the regional tourism partnership in north Wales. He is just Mr Tourism, and if we lose Dewi, I have really grave concerns on how we are going to go forward because he is the glue that pulls everything together.

11:00

[190] This might be a good opportunity, if I may, just to tell you about a little bit of very basic research that I did on the destination management plans for the six north Wales local authorities, and I was quite shocked to see the different timescales. If I can just quickly give you the details: Wrexham's destination management plan runs from 2012-17; Flintshire's runs from 2013-15; for Denbighshire, the Visit Wales website said that it is not available because it is not yet published, but here it is—it runs from 2014-17; Conwy's runs from 2011-14; Gwynedd's runs from 2013-20; Anglesey's runs from 2012-16; and, at the same time, you have the tourism strategy for north Wales running from 2010-15. We then have what we are talking about today, which is the partnership for growth, which runs from 2013-20. How on earth can you pull all these different strategies together to get one coherent message across to the businesses that are actually delivering this on the ground? That is something that needs sorting out. I also forgot, sorry, that the north Wales economic ambition board is working on a strategy as well. To me, the regional tourism partnership is the actual key to bringing all that together. If that is going to be replaced by some sort of central body within Visit Wales, I have real concerns that that is going to work. However, having said that, that consultation is done and dusted and it is going, but I would urge the Welsh Government to look at the assets that it has in terms of the experiences of those people who have been working in the partnerships to see whether there can be another role for them.

[191] **Suzy Davies:** So, it would be fair to say that you have lost the translator of policy that makes sense for your members, effectively. It has just made it far more difficult for the members to understand what is available for them in terms of support or strategy. Would that be a fair summary of that?

[192] **Mr Cole:** I think, from the point of view of small business, we have very limited resources and limited time, so if there are many voices bombarding us with different ideas and strategies, it is very difficult to pick out which are the important ones and which we should listen to the most. I think that if there were fewer voices, but more authoritative ones, it would perhaps be helpful. I am conscious that if we have fewer voices, then some of the areas are going to shout louder. Meirionnydd in particular may be lost in the melee, so it is important that we do not lose what we already have, but be more focused in what we deliver.

[193] **Suzy Davies:** I appreciate that you are not tourism experts; you mentioned that. However, do you have any comment on the relationship between—sorry, I am thinking how to phrase this. On VisitBritain, which looks outwards, and Visit Wales, which tends to look more towards the domestic market, do you think that we are getting the best out of the relationship between the both of those? You may not be able comment; I appreciate that.

[194] **Mr Learmond:** I can only say that I have heard rumours that, in the past, the relationship has not been the best. Having said that, I believe that there is now a full-time secondment from—. You are shaking your head—

[195] **Suzy Davies:** We are still waiting.

[196] **Mr Leonard:** I was told that Visit Wales was going to be based in London.

[197] **Suzy Davies:** Yes, but we have been waiting for that for about 18 months.

[198] **Mr Learmond:** Right, okay. Perhaps it is best if I do not comment. I do not know, but I have been told that the relationship is not the best.

[199] **Mr Davies:** We are familiar, Chair, that elsewhere—. You have, if you like, a direction of travel here that you have in other parts of enterprise and business, which is within Wales to consolidate at a national Wales level and remove some of the assets, as Mike has put it, from within local communities, be that local authorities, transport partnerships or tourism partnerships, or, indeed, the north Wales economic forum being the place rather than the ambition board. So, what we are seeing here is consistent with that move to consolidate something that is held, if you like, within Welsh Government. We are also familiar—. Again, we could have a conversation about the relationship between Wales and the technology strategy board or the department of trade and industry initiatives. So, when I see this happening, based on previous experience in other parts of business enterprise policy, it does give me some cause for concern and I think that it is something that needs to be scrutinised. The question is whether we get the best return for our investment by consolidating it all in the middle, while not having a good relationship within the UK picture, and while actually denuding what is on the ground where the pre-existing relationships already are.

[200] **Suzy Davies:** Finally, would you say that there is a difficulty for your members in accessing directly what VisitBritain has to offer? They may not even know that there is stuff there for them.

[201] **Mr Davies:** Yes, but the same is true of Visit Wales. In the five case studies that we did last week, and this is Mike's experience, that was a problem. Visit Wales supplies a good service in terms of its 'starred' facility—the accreditation and how many stars places get. They said that the website looked really good, but they did not feel that it was up-to-date in time. They asked for local, co-operative and collaborative support within their local region. That is what their businesses understand and that is what they trust.

[202] **Julie James:** Turning to funding issues, which flow nicely on from that, we have heard quite a bit about the Welsh Government's allocation of funding to developing tourism, which has been significantly reduced over the last few years. Could you tell us what you think about the current level of funding? I anticipate that I know the answer to that. If we were successful in persuading the Welsh Government to spend more, how would you spend any additional funding that we could get hold of?

[203] **Mr Davies:** To answer the last question first, we believe firmly in spending it on local providers and local networks. I do not know whether the appropriate way would be to do so in some sort of regional partnership or through a local authority, bearing in mind all that will happen in the fullness of time following the Williams commission. There is a big question to be asked more widely about what role we want local partnerships or local authorities to play in terms of delivering support. Clearly, as I said earlier, there was support for the Pembrokeshire Coast National Park and the same for Snowdonia; I would anticipate the same for the Brecon beacons. There is clearly something good going on in local

partnerships, so any additional money should be directed to supporting those relationships.

[204] On the big question about what is being spent, yet again, it is very difficult to be able to do a full outcome assessment and say, 'This is the impact; this is what is happening and here is the material change'. We have had this conversation about the European structural funds and the SME investment fund. It is about how we get much more intelligent data on what Government intervention does on the ground for small businesses.

[205] **Mr Learmond:** Apologies if I am reiterating what was said in the previous session—I did not see it—but as part of our participation with the Wales Tourism Alliance, it came up with a paper, 'Wales Tourism Policy: Toward 2020'. I do know if you are aware of that. In terms of funding, it was quite specific on what it asked for. I will not go into detail, but the headings were: 'Investment in Product', 'Investment in People', 'Investment in Communities', 'Research and Intelligence' and 'Investment in Marketing'. Many of those, to be fair, have been picked up in the strategy and, at the end of the day, if that strategy goes forward, that will make a difference. However, we live in a world where funding is being reduced and we do not support block grants and big subsidies; we want to see investment in businesses that can grow. We can always find—

[206] **William Graham:** We have two minutes left and we have two more questions.

[207] **Joyce Watson:** How effectively do you feel that, in terms of promoting tourism, the natural, historical and cultural assets are promoted?

[208] **Mr Cole:** If I could quickly comment, I feel that we have a fantastic array of castles around Britain—especially in Wales; castles are one of our big things—but this is not being promoted enough. I am sure that there are many more tours that could come here, where groups would visit one castle and then move on to another and then another. I deal with a group called Celtic Tours World Vacations, which comes to us in Harlech, and they travel around; they are based in America and they bring groups over. This could happen much more—not only from America, but from Holland. We have a massive base of customers from Holland coming into our tea shop, yet Holland does not appear to be very high on the list of the groups of visitors coming to Britain. However, the reality is that we see a lot of them. I judge how the economy is going by the number of visitors from France and Germany, which is increasing at the moment. I see that as a sign that Europe is growing. That is another area that is very good for us to access in terms of people coming to Wales, because we have assets that are not available in their home countries.

[209] **Mr Learmond:** I have been quite critical of the 'Wales the brand' website, but there is an area of that website that is well worth a look. It is where they do an exercise where they change the word 'Wales' to the word 'anywhere'. They come up with marketing slogans such as 'Visit anywhere and immerse yourself in the local culture', 'Visit anywhere and enjoy the fantastic scenery' and 'Visit anywhere and enjoy a warm anywhere welcome'. That is a very good exercise. There are lots of countries in the world, like it or not, that have fantastic scenery, heritage and everything else. What does Wales have that is actually different from anywhere else? One thing is the language, of course. It is the only area, really, in the UK, where the language is strong. So, there are opportunities, but we need to identify what really makes Wales unique and market it; our heritage itself is not enough.

[210] **Mick Antoniw:** Very quickly, what are your views on how well we exploit the presence of international events—the NATO summit, Ryder Cup, eisteddfodau and so on?

[211] **Mr Davies:** In the major events unit, there is a piece of work that could be done on that, taking that as the focal point and working outwards, to see how well we exploit those events. I think that the answer to that question is that we do not know. I know that Professor

Calvin Jones will say that it is very difficult to know, but sticking stuff on the ‘too difficult to do’ pile has never been a good way of securing good policy, has it? So, I would suggest that that needs to be done more in more depth.

[212] **William Graham:** Thank you very much for your answers today. It has been most interesting. We are grateful for your attendance. Members, we will take a five minute break.

*Gohiriwyd y cyfarfod rhwng 11:12 ac 11:16.  
The meeting adjourned between 11:12 and 11:16.*

### **Ymchwiliad i Dwristiaeth (Sesiwn 5) Inquiry into Tourism (Session 5)**

[213] **William Graham:** I welcome Patricia Yates and thank her for her written paper. Will you give your name and title for the record.

[214] **Ms Yates:** My name is Patricia Yates, director of strategy and communications at VisitBritain.

[215] **Eluned Parrott:** Thank you for coming to give evidence in person, as well. One thing that has been preoccupying the committee in this inquiry is the subject of Wales’s brand and how it is perceived elsewhere. Could you tell us, from your perspective, what you believe to be the comparative strengths and weaknesses of Wales’s brand, in terms of both the domestic and overseas markets?

[216] **Ms Yates:** We only work in the international market, so my comments will be confined to an international viewpoint.

[217] **Eluned Parrott:** Right; thank you.

[218] **Ms Yates:** If you sit in international markets, you probably do not know much about Britain, even in some of our nearer markets. Other nations do not understand the geography and the nations of Britain with quite the clarity that we think that they have, if we sit in London or Cardiff. So, the castles of Wales and the desire to spend a night in a castle—that sort of experience of history and culture—is a very powerful draw, internationally, but we find that, in the longer haul markets, there is a real lack of understanding of the whole of Britain. In the near markets, there is quite a dated understanding—France talks about Wales being a land of mining and industrial territory. Germany probably understands far better, because it is more used to coming to the west of the country and experiencing it. So, I would say that it is patchy and underdeveloped.

[219] **Eluned Parrott:** In terms of a brand strategy, a major multinational company, such as Unilever, for example, would develop an umbrella strategy, where you have the parent company’s name and, within that, the individual products. Have you ever worked as a group of nations across the UK on developing a coherent umbrella strategy, so that we are not treading on each other’s toes all of the time?

[220] **Ms Yates:** I think that we would welcome that discussion. Let me say two things before I get to that part of the discussion. If you ask what we would deliver, I would talk about delivering economic growth on the Government agenda—so, jobs and growth. A brand is a tool to do that; it is not the end result. So, starting with a conversation about the brand is something that is symptomatic of where the debate is wrongly stuck. If we look at a brand hierarchy, which is sort of what we are talking about, we would absolutely be open to dealing with that.

[221] We had a huge budget cut in the last spending round—a 34% budget cut. We had money annexed for our marketing, and we had to match fund with the commercial sector. Then, the ‘great’ campaign was created and we were given additional money to market Britain. It was not tourism money—it was across a broad spectrum. We have embraced that. We have been sensible and said, ‘That is where the money is, we will work within that and we will make it work for tourism’. Sometimes you have to deal with the world as it is. I do not think that the reluctance to engage with ‘great’ has served Wales very well.

[222] **Eluned Parrott:** Could you explain to me what you mean by the reluctance to engage with ‘great’? Can you tell me what evidence you have to support that?

[223] **Ms Yates:** If you look at the commercial partnership, on which I know that Visit Wales has commented, we have to match fund; if we do not match fund, we do not get Government money. So, we have a broad range of commercial partners. One of the criteria we use is that they must work with us in developing regional spread around Britain. So, we have had cracking deals with people like British Airways, who have taken people from Wales—from the castles and from the Wales coastal path—out to international markets to talk about what Wales is and to give a real feel to international consumers. We have deals with Expedia, where, in America, it had an advertisement running that Wales was not in and we asked it to include Wales in the storybook part of that. We are absolutely open to Visit Wales coming into that partnership mix, and we have tried to encourage that. It does not always need to be about money; Expedia is as interested in content as it is in money. There has been a reluctance to do that. There has not been a suggestion of partners that would work for Wales with whom we could work. Expedia, for example, was really interested in working with Visit Wales to support the new Cardiff-Germany link. We left that conversation with Wales and it has not happened. I think that that is unfortunate, because Expedia is a very good partner for us globally. It is there at a time when people are making decisions—that is when you get content to them—and it is as interested in content as it is in money, actually, so you can leverage that quite well. It is about coming into that partnership mix with us and really shaping the campaign. I am sure that you have seen the ‘great’ campaign that has had images of Wales in it, and for the first time, for the NATO conference, Wales and the central No. 10 team have engaged to select images that Wales is content with being used in Wales.

[224] **Eluned Parrott:** I know that a number of my colleagues want to come in on issues regarding the ‘great’ campaign, but if I press on, maybe they can return to that, Chair; is that okay?

[225] **William Graham:** Yes, of course.

[226] **Eluned Parrott:** I want to pick up on what you were talking about in terms of the image and media representation of Wales, and the persistent view that we are a country of coal miners who like daffodils and sing a lot, which is, probably, not exactly where we ever were, but is certainly not an image that we have wanted to portray of ourselves at any time in the last 30-odd years. What does VisitBritain do, given the fact that you have a much greater budget and reach than Wales, particularly through things like the ‘great’ campaign, to try to seek to put that right?

[227] **Ms Yates:** What we have, and what we have the ability to contribute, is that we understand international customers. We know our international markets and we know the low-hanging fruit that have the propensity to travel here. We know what people are interested in and what drives them to make a purchasing decision. What Visit Wales knows is the product in Wales. In an ideal world, those two would come together neatly so that we would have a conversation about, ‘This is what people want; what can you do to deliver that?’ That, I think, is where we would like to be progressing the conversation. Our knowledge is on the

demand side and that of Visit Wales is on the supply side.

[228] When you talk about a brand—. I am not a marketer, but how I would talk about it is by talking about Wales and the stories of Wales in a way that inspires people to want to travel to Wales, and then getting the commercial deals in place that will make it worth their while and affordable to travel to Wales. It is about the two things; it is the inspiration of the themes that inspire international visitors and then clinching the deal.

[229] On international perceptions, I would just say that I have said what the international perceptions of Wales are, and the international perceptions of Britain are not always ones that we would like. I think that I could fairly say that our food is not portrayed as a strength internationally. We are also seen as being cold-hearted Europeans rather than fun and engaging people, so there are pluses and minuses in how we are seen internationally.

[230] **Eluned Parrott:** I cannot imagine where anyone would get that impression from. [*Laughter.*]

[231] **William Graham:** Mick, do you have a supplementary question on this?

[232] **Mick Antoniw:** You talked about how you would inspire people to come to Wales. We only get 2.5% of the foreign visitors, which seems to be well below par. Although your website has changed a bit fairly recently, if we look at the description of Wales on the Visit Wales website, we see that it basically says that Wales is different, it is two hours from Heathrow, and we only have one motorway so it is going to take quite a while to get around. That would not inspire me to go to Wales. Every other city and every other part of VisitBritain is vibrant, inspiring and exciting, with shopping and clubs, et cetera. Meanwhile, with Wales, it is a case of, 'Try and avoid it if you can'.

[233] **Ms Yates:** I can answer that in two strands. Let us start with the digital strategy: 9% of international visitors look at the destination marketing organisation's website. People researching international trips look at 22 websites before they make a decision. Our website is a very small part of our digital strategy. I would say, as part of an apology, that we absolutely understand that our website has fallen behind the standards that we would like. We are doing the new digital strategy, and we are engaging on that. However, at the moment, because of that 9% figure, our strategy is to get content at a time when people are looking at it. That is why the third-party deals are so important to us—the Yahoo deals, the Expedia deals. If you are searching on Expedia for Paris, you get a pop-up that says, 'Why don't you go somewhere else?' So, it is about getting content on third-party sites. Regarding entrance through Facebook, many more of our international visitors engage with us on Facebook. We have 1 million fans on Facebook. They come through a site that is called the LoveWall site, which is much more interactive. I do not know if you have seen it, but you can 'like' things in Wales on there, and it is much more photographic and inspirational. So, our website is a small portion of how we deliver inspirational content, even in the digital and social world. May I address the numbers, Chair?

[234] **William Graham:** Please do so.

[235] **Ms Yates:** I wish to do this just because I think that we are going to go round and round on the numbers. We had the 2013 figures fairly recently, so let me talk to the trends—because I know that you have had the figures from 2008—and think a little about this. The global recession hit after 2008. For Britain, and for the nations of Britain, we saw a downturn in visitor numbers. It was not until last year that we saw, for Britain, a greater number of international travellers than we had for 2008. It was the first time that we had reversed that trend. Last year, in Wales, we saw some growth overall. So, let us hope for that trend to be continuing, and let us work for it.

[236] However, the pattern of international visitors to Wales is very interesting. To bring it to the committee's attention, let me talk in terms of market value. There is value and volume, but let us concentrate on value, in terms of our international visitors. In 2008, your most valuable market was Ireland, at £50 million. We do not work in Ireland, let me say quickly. We have left that for Wales to manage. That market has halved; it was worth £25 million last year. It is now your fourth most valuable market, after Australia. Germany, which was worth £29 million in 2008, was worth £49 million last year. It saw a cracking growth just in 2012-13. Overall, we have seen a 69% increase in the value of German visitors. The USA has gone from £19 million in 2008 to £47 million in 2013. That is 145% growth. For Britain, we are seeing a continued decline in visitors from America. This is an area where Wales is absolutely outperforming the rest of Britain. The analogy that I would make—and I wonder if you are benefiting from this—is that the other country close by us that I know has managed to grow the value of visitors from America is Ireland. One could hypothesise that that is because of the relaxation of air passenger duty relating to flights from America to Ireland, but also a really strong proposition for Americans, which is about people and welcome and craic. So, it is the experience of being in Ireland that is unmissable. Then we have Australia, which has bumped along as a steady earner, but is now your third most important market, at £29 million.

11:30

[237] The decline in visitors from Ireland has been astounding. There is a question, because you have talked about where you should focus, as to whether you want to give up on Ireland and put more money into some of the other markets, like France and the Netherlands, or whether Ireland is so important to Wales that you need to look at how to really drive the Irish market. Sorry, that was a very long answer to your question.

[238] **Mick Antoniw:** It was very helpful, though. Thank you.

[239] **Joyce Watson:** Mine follows on quite nicely from where you left off. The Welsh Government has a target for growing tourism, and it is 10%. Do you think that that is attainable and realistic?

[240] **Ms Yates:** I will give you some other numbers before we talk about that. We have done a long-term strategy for Britain. At the time we launched it, we had about 31 million visitors and our target is 40 million visitors by 2020. So, that is about a 30% increase—that is international only, though. Deloitte did some work for us, including domestic and international, which was forward looking and it broke it down for Wales. I do not know if the committee has seen that, but I am very happy to send that to committee. It reckons that, by 2025, Welsh tourism could grow by just under 50%. So, does 10% look attainable? Yes, it does. It is not a given, and the domestic market is even tougher than the international market. The international market is tough enough. The stronger growth is forecast to come from the international market. However, it looks attainable, does it not?

[241] **Joyce Watson:** It does in those figures; thank you. There has been a decline in the tourism industry in overseas visitors and others, right across the nations, over the last five years. Do you think that we can now reverse that trend?

[242] **Ms Yates:** It was absolutely our strategy, post Olympics, to make that step change in tourism and to reverse that and I think that we are starting to see that being done sustainably. It is a competitive environment. There is not a country in the world where I would say that Britain and the national agencies, even added together, are over spending. We were outspent in our key markets. When I talk about what Ireland has done in America, it outspends us, the Britain agency, by 5:1 in America. So, money can and does drive results. We are in a constrained environment and that is why getting these commercial partners on board, getting



that content out and getting a good digital strategy and working on that is absolutely crucial.

[243] Sorry, I have jumped around a bit. If I can come back to the brand, if people do not know much about Wales, then that is a real opportunity, but the opportunity is to be quite clear about what you are talking about. With an industry that is made up of SMEs, as we all are, many of those SMEs are active in social media. Having a huge number of SMEs has always been regarded as really difficult, but in the social world it is not necessarily difficult at all. A small SME has as much of a voice as we do, as one of the big companies. We need to be able to harness all that energy that is being used on social media and give a coherent picture, whether it is the welcome, the experience of history or the beautiful countryside. We need to harness that. It is something we all need to be working on as national bodies on top of it.

[244] **Joyce Watson:** If the UK Government was going to choose—or, should it choose, I will put it that way—between growing the domestic or the international market, where would you place your money?

[245] **Ms Yates:** Of course, I market internationally, so where do you think? The Deloitte work said that the prospects for international growth were 6% a year and the prospects for domestic growth were 3% a year. If you are a Government looking at taxpayer money, why do you fund domestic tourism? I would suggest that—as it is in our Minister’s tourism policy—it is to persuade people who would otherwise go overseas to spend their money in Britain. So, it is the tourism balance of payments deficit that you are looking at. So, that is the driver, I think, for government investing in domestic tourism. It is to persuade people to come back and holiday at home. That is a real ongoing battle, is it not? You might think, during an economic downturn, that more people would be holidaying at home. I think that, in some sectors of society, that has absolutely been the case, but those people will now have the money to go overseas. The people who are really cash-constrained just have not had the money to go on holiday, which is why the domestic market, which is not my forte, is a really difficult one.

[246] **Joyce Watson:** I will make sure that the next question fits your—

[247] **William Graham:** I think that we will move on, Joyce, because time is going on a little bit.

[248] **Joyce Watson:** I was going to ask about transport.

[249] **William Graham:** Okay. Do transport, but I do ask for a very succinct answer, please.

[250] **Joyce Watson:** I want to ask about transport and the suitability of transport. If people are moving around, they have to have the mode. Are you able to answer on that?

[251] **Ms Yates:** Our transport and getting around is a huge issue. We have done research among near markets and far markets, asking, ‘Why don’t you explore more of Britain?’ People are scared of driving on the wrong side of the road, as they see it, whether they are from France or America. Actually the Gulf is much more bullish about it, worryingly. So, getting a transport offer that is accessible and affordable to international visitors, and getting more transport passes that we can sell—we sell a BritRail pass through our shop—is absolutely crucial to getting visitors around. One key piece of advice that we have is that we should talk about time taken, not distance travelled. That is why the Heathrow thing is there, about how long it takes to get from Heathrow. If you are coming from China, or, indeed, from America, distances and the ability to travel are very different in scale. However, getting our public transport right and an integrated offer are absolutely crucial for us.

[252] **William Graham:** Thank you very much. Rhun is next.

[253] **Rhun ap Iorwerth:** On transport, and picking up on what you said about US visitors to Ireland, would the ability to decrease APD in Wales, and an increase in destinations served by Cardiff airport, be a boost to Welsh tourism in your view?

[254] **Ms Yates:** I am from a Government agency, so, of course, I would not comment on taxation issues, as I am sure that you would understand.

[255] **Rhun ap Iorwerth:** I will take it, from your earlier answer, that you think that APD reduction can be a help in bringing visitors in.

[256] **Ms Yates:** What I would say is that we compete in a global market.

[257] **Rhun ap Iorwerth:** Yes, of course. Again, on the way that VisitBritain serves Wales—and I know that you say that the website is only a small part of your digital strategy and so on—are the imperfections in the way that Wales is portrayed in VisitBritain literature, on websites and so on, down to the lack or the problems with the information that you get, fundamentally, from Visit Wales? Is it up to Visit Wales to provide you with the content?

[258] **Ms Yates:** We certainly have content meetings, and we ask Visit Wales for its themes and events, and what it would like us to be promoting. So, yes, that is the engagement that goes on.

[259] **Rhun ap Iorwerth:** You are not quite getting what you think that Wales should be providing for you in order for you to then use that in the markets that you work in.

[260] **Ms Yates:** I think that it is about that matching, is it not, as to what you have, what you want to talk about, who you are aiming for, and what international visitors are? What we should be able to do is help with that filtering and we can then give you the reach because we translate into 12 languages. So, what works for international markets and, I think, a clearer conversation about what Wales is targeting, who we think the key customers are, and therefore what they are interested in, would be a good strategic way forward.

[261] **Rhun ap Iorwerth:** So, what would be your response to criticism in an earlier session in this inquiry from a professor working in the tourism area that, frankly, the way that Wales is portrayed, and the offering from Wales in terms of ‘we recommend’ and so on—trips that people can go on in Wales—is just not good enough compared with the other constituent parts of the UK?

[262] **Ms Yates:** I think that if you feel that it is not good enough, then it is not good enough, and we need to have a conversation about that and make it better. I take the criticism.

[263] **Rhun ap Iorwerth:** I know about and we applaud the change there has been in the past few days in what happens when you Google ‘visit Britain’. It came up with official guides to England, Scotland and Britain—

[264] **Ms Yates:** I would say that we were deeply embarrassed by that. It was not actually us; it was Google, but I know that that is no answer. Our search engine optimisation agency will monitor it internationally to make sure that it does not happen again.

[265] **Rhun ap Iorwerth:** Why would that have slipped through the net? These things are important. You mention Expedia, Google, Yahoo—these are the portals.

[266] **Ms Yates:** Well, we were Googling it in the UK, and we did not find it when we did it internationally. It would be different in different countries. It is how Google collects what people are searching for and how it therefore pulls sites together—

[267] **Rhun ap Iorwerth:** You had not really spotted it.

[268] **Ms Yates:** We had not spotted it, no.

[269] **Rhun ap Iorwerth:** I had some questions on the ‘great’ campaign. I am keeping an eye on the clock as well. I think that a lot of it was covered earlier, so thank you.

[270] **Suzy Davies:** I still have this one question about the ‘great’ campaign. You may have heard earlier witnesses today saying that SME grass-roots providers of tourism business in Wales find it difficult to access the ‘great’ campaign. However, I am also quite clear that the Visit Wales website, another core website, does not even mention the ‘great’ campaign. Who do you think should be making it easier for our tourism operators to get into the ‘great’ campaign, and what can you do at your end?

[271] **Ms Yates:** Well, we would obviously work through Visit Wales, so I will say, simplistically, that it is Visit Wales. Adrian, who was here earlier, is on our consultative group. He is one of the people we consult with regularly. I know that, when we had the initial conversations about setting up the ‘great’ campaign, we talked about open sourcing and said that tourism is a business of SMEs so the sooner we can move towards open sourcing the better. The movement has been that different iterations of the ‘great’ campaign have been allowed. So, there has been ‘Pubs are Great’ and it has been done for different sectors. At the moment, it is being driven by different sectors saying, ‘We would like to have an iteration of Great that we can use’. So, that is the progress that has been made so far. However, given that the Department for Business, Innovation and Skills has started using it as an SME campaign as well, I think that it is absolutely something that we need to revisit to see what we can do.

[272] **Suzy Davies:** That is helpful. One of the iterations, of course, is ‘Countryside is Great’. There is a hell of a lot of that in Wales. Does that mean that Welsh countryside, and its related heritage, will be featured more prominently in that iteration than perhaps it would be in less relevant iterations?

[273] **Ms Yates:** We already do feature Welsh countryside in that. Later this year, we are launching a ‘Countryside is Great’ campaign. When I talk about how Britain’s brand is seen, we are not seen as very strong on our countryside, actually. So, it is something that we want to drive as people from global cities want that relaxation you get in the countryside. Wales is very much part of the content discussions of that and we would like to engage them more fully on it. We are looking for commercial partners who will help us to fund it, and Katherine Jenkins is going to front the campaign.

[274] **Suzy Davies:** Would it be fair to say that the lack of commercial partners from Wales, because they are just not available from Wales, affects the profile Wales would get in a particular campaign?

[275] **Ms Yates:** I would not say that it does at all. Our ideal is to work with a small number of commercial partners because we are a small organisation, relatively. So, we will work with the big airlines to get as much connectivity across the UK as we can and we work with—

[276] **Suzy Davies:** Samsung, Barclays Premier League—

[277] **Ms Yates:** —big content providers like BA, Expedia and Yahoo to get content. We

work with the Premier League on a brand proposition, using its players internationally. The fact that you do not have a commercial partner sitting in Wales wanting to fund it does not actually make any difference, provided we can get national and international partners who are happy to work with us, and we do not find that to be a problem. British Airways, EasyJet and Expedia are happy to work on Wales.

[278] **Suzy Davies:** Okay, thank you. I have one more question, but, Rhun, do you want to come in?

[279] **Rhun ap Iorwerth:** Specifically on the issue of working with the Premier League, as it happens, Wales does not play in the Premier League now, but, the most expensive player in the world is Welsh. We have very prominent Welsh players in the Premier League. Are you actively looking to use them as part of specifically promoting Wales as part of your strategy, given that you have those links already in place with the Premier League?

[280] **Ms Yates:** We have those links in the Premier League already in place. What we do currently is to look at international players in the Premier League and use them to talk about where they are playing and what they like about Britain. So, it is sort of the reverse of what you are talking about.

11:45

[281] **Suzy Davies:** My final question is really about the sort of level of Welsh savviness within the workforce in VisitBritain. We have heard quite a lot about the secondment that is supposed to be coming from Visit Wales to VisitBritain—it is well over a year overdue. Are you able to tell us why that secondment has not happened and, more generally, about what level of knowledge there is about Wales in the staffing of VisitBritain, without being individualistic?

[282] **Ms Yates:** I do not think that I could possibly tell you why, because it is an internal personnel issue. So, I do not think that I could tell you why.

[283] We do have three Visit Wales staff in our New York office, of course. I talked about our budget cut. One of the ways in which we responded to that was by taking out our expats. We have 80 overseas staff, and they are largely local to the market. The asset for us is that they are therefore very good at delivering PR—we deliver £90 million-worth of PR a year for Wales. They are very good at media links, they are very good at trade links and they absolutely understand their environment and their culture and how they are working. They are attuned to the market. We then have the job of making sure that they understand the destination or, indeed, that we, as the London team, travel a lot, and we do both. For example, later this year, all our international team at our big management conference is going to be in Cardiff. We bring over international buyers. Our big event is next February, and we will bring international buyers, and they will go around. So, we run fan trips for our staff and for international buyers. I would say the more that that can be done, the better, because it is so much easier to sell a place and talk passionately about it—and we are all passionate about tourism—if you have actually seen it.

[284] **Suzy Davies:** I would agree with that. I will finish my questions off. Do those who have a direct role in promoting Wales express any frustration with the level of assistance they get from this side of the Severn bridge, or is that a question too far?

[285] **Ms Yates:** It is a question too far, I think. Sorry.

[286] **Suzy Davies:** Okay. Thank you.

- [287] **William Graham:** Thank you very much. Keith is next.
- [288] **Keith Davies:** How do you use major events to market us internationally, and do you make an assessment then of what the effect has been?
- [289] **Ms Yates:** In general, on major events, unless it is specifically a tourism event, a major event is the opportunity to showcase the destination.
- [290] **Keith Davies:** The Ryder Cup was the last one.
- [291] **Ms Yates:** So, the Ryder Cup—unfortunately, it rained, did it not?
- [292] **Keith Davies:** So they had an extra day. [*Laughter.*]
- [293] **Ms Yates:** If you think, that is promotion. Wales is going to be on television screens across the world in a way that it is not otherwise, and, with the Ryder Cup, it is connected to golfing enthusiasms in a way that is a really powerful draw. To deliver the tourism dividend, though, the push has to come so that you turn viewers into visitors. We have been very successful in that with the Olympics, and that is the model that we would suggest for Welsh events. It is obviously the case that Visit Wales would lead, and we would help and support, but we do have experience and are happy to share that, always.
- [294] **Keith Davies:** We have NATO coming here pretty soon. One of the things that I have read somewhere—I cannot remember where—is that there will be hundreds of union jacks, but not many of the Welsh dragon.
- [295] **Ms Yates:** I would not know about that at all. I do know that some ‘great’ campaign branding has been agreed between Wales and the Cabinet Office, so there will be Welsh-approved ‘great’ branding, and the ‘great’ branding does have a union jack on it, yes.
- [296] **Keith Davies:** I am pleased to hear that. I will be looking to see the number of flags. [*Laughter.*]
- [297] **Ms Yates:** I do not know what the flags will be on the day. However, that is a case in point: it is an opportunity. If you think how Northern Ireland used the G8 summit there, with all those wonderful pictures and photographs of beautiful countryside to do the staging part of it, if Obama comes, and he brings Michelle, he is very active in social media, we can amplify that messaging and send him out on trips a lot. We can use that through social media—
- [298] **Keith Davies:** He could use the Ryder Cup golf course, as well.
- [299] **Ms Yates:** Yes. So, there are a lot of opportunities to leverage that on social media and we are in discussions with Visit Wales as to how we can do that.
- [300] **William Graham:** I would like to return to one point that we did not fully discuss with you, and that is promoting the regional spread in tourism. Could you enlarge on that a bit?
- [301] **Ms Yates:** I am sorry, could you repeat that?
- [302] **William Graham:** Could you talk about the regional spread?
- [303] **Ms Yates:** I am not sure what the question was; I do apologise.
- [304] **William Graham:** You describe, as a key part of your strategy, promoting regional

spread in tourism.

[305] **Ms Yates:** No, I said that one of the criteria for choosing partners was that they could deliver regional spread. So, it is one of the criteria for doing that. It is an interesting question. I know, because I sit internally to VisitBritain, how much effort we make to make sure that all of the nations and regions of Britain are represented in all the work we do. As it happens, in our current funding letter, we do not have a funding target for regional spread. We have very tight targets, delivering commercial money and delivering growth in tourism. We would probably welcome a clearer statement of targets in the next comprehensive spending review. You report on what you are targeted for, and there is a case that we should communicate more what we do.

[306] **Mick Antoniw:** How important was the airport and the presentation of the airport? Was it part of the strategy?

[307] **Ms Yates:** Our support is for air links, support for growth in the south-east, support for growth at regional airports, and support for links between them. So, we cover all bases. If you are looking to grow tourism in Wales, then growing the number of people who come to your own entry points is obviously a key part of that, is it not? So, for example, it could be about growing the number of people coming from Ireland, whether they are American or Irish people coming in on the ferries, and growing air-route support coming in to the airport. I know that our chairman was here last week, and he has offered to go to Cardiff Airport to talk about how we do route support and how we can support that. It is also the case that you are less than two hours from Heathrow. So, it is also a matter of annexing some of those people who are coming in from Heathrow and getting the public transport right for that as well. So, there are two good options there that could be run simultaneously.

[308] **William Graham:** One thing that was touched upon in a previous presentation was that, when we are promoting Wales, it shows, as we have discussed today, all of the pretty things that people want to come and see, but it does mean that we do not target those people, perhaps, who would be more interested in the industrial side of it—which, I appreciate is not your particular forte. Clearly, we want to promote Wales not as part of a backward image, but as a forward-looking and advanced country. How can those two be married so that we show that it is worth coming to see but that there are an awful lot of other things to see with it, not just the castles?

[309] **Ms Yates:** It is exactly the debate we have had on Britain in the ‘great’ campaign. History is a strength for us in terms of tourism, but the Government wants to talk about innovation in terms of inward investment. You will see that we have different strands in the ‘great’ campaign that the different bodies that work within it pick up. That is the way in which we have worked the ‘great’ campaign and it does run for innovation and for history and culture as well. So, we try to straddle both as Britain. I would recommend it. [*Laughter.*]

[310] **William Graham:** Thank you very much for your attendance today and for the way in which you have answered our questions. We are most grateful.

*Daeth y cyfarfod i ben am 11:54.  
The meeting ended at 11:54.*