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Final Evaluation of the Digital Tourism Business Framework

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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Glossary of acronyms

CRM	Customer relationship management
DTBF	Digital Tourism Business Framework
EO	Equal Opportunities
EOI	Expression of interest
ES	Environmental Sustainability
ERDF	European Regional Development Fund
ICT	Information and communications technology
MTE	Mid-term evaluation
WEFO	Welsh European Funding Office

Summary

The Digital Tourism Business Framework (DTBF) programme has had notable successes, delivering ICT diagnostics to more than 700 tourism businesses across Wales, funding 45 innovative digital development projects and engaging a high proportion of tourism businesses into sharing online resources to support digital marketing.

Key Findings – Delivery against targets

Indicator	Target	Actual
Enterprises assisted (ICT diagnostics)	750	738
Enterprises financially supported (competitive grants)	50	45
New or improved products, processes or services launched by Jan 2015	406	2010
Initiatives addressing barriers to ICT uptake	5	5
DTBF SMEs at Step 3 or progressed one step of e-business maturity ladder	12.5%	57% ¹ 64% ²
Tourism businesses using www.sharewales.com	15%	41% ³

Source: Welsh Government (2014)

Introduction

In September 2014, Miller Research Ltd was commissioned by the Welsh Government to undertake a final evaluation of the Digital Tourism Business Framework (DTBF) programme; a £9 million European Regional Development Fund (ERDF) supported programme delivered by Visit Wales. The Programme's vision was: *'to move Wales' tourism from relative E business immaturity firmly into the digital business age'*⁴

The long-term aim of the DTBF was that by the end of 2014, the tourism sector in Wales would be more conversant in the use of ICT for business promotion, and provide a better experience for the visitor.

Three main activities supported the delivery of this vision:

¹ 57 per cent were at Step 3 or above on the maturity ladder.

² 64 per cent had progressed at least one stage on the maturity ladder.

³ This is based on the assumption that there are approximately 10,000 tourism businesses in Wales, combined with records showing 4,100 unique users accessed the site.

⁴ Visit Wales (2011) Digital Tourism Business Framework Final Baseline Re-Profiled Business Plan – 80554: Submission to WEFO, Cardiff Visit Wales

- Business engagement via an ICT diagnostic and the www.sharewales.com website, developed to share learning across the industry.
- Grant funding – available to individuals or groups to deliver improved business performance through new ICT developments for tourism.
- All Wales digital marketing activities relating to the creation, development and use of the new Visit Wales website and marketing techniques.

Evaluation Approach

The evaluation was based on a standard UK Treasury Magenta Book approach, informed by a mix of primary and secondary research including reviews of monitoring data and documentation and metrics relating to digital marketing as well as interviews with the following:

- Eight members of the DTBF delivery team, two members of staff involved in delivery of digital marketing activity and one member of the steering group;
- A sample of 10 ICT diagnostics beneficiaries in order to verify a survey carried out separately to this evaluation by an external consultant⁵ (recipients were selected on the basis they reported significant business growth as a result of the ICT diagnostic);
- A further 6 recipients of ICT diagnostics in order to enable an in depth exploration of impacts and outcomes;
- 34⁶ recipients of full grant funding and 12 recipients of feasibility study funding (of these projects, 12 were selected for the development of case studies reflective of type of project, output and region);
- Seven projects which were either rejected or did not proceed with funding following submission of an Expression of Interest (EOI) (these were used to inform the establishment of a counterfactual).

⁵ Completed November 2014

⁶ A total of 39 projects received full grant funding however three projects were excluded from this evaluation: two projects were closed early and did not receive any payments; and there were on-going issues relating to one project at the time of the evaluation and Welsh Government requested that it be excluded from the evaluation. Despite multiple efforts to make contact, interviews were not conducted with representatives of two projects.

The research builds on an earlier (2013) mid-term report, which focused on the delivery aspects of the programme, whilst acknowledging the good progress made up to that point.

Programme Management and Delivery

The Programme was overseen by a Steering Group comprising nine members with various interests in the tourism sector. This group also acted as an appraisal panel for the grants programme.

A programme management and strategic integration / delivery team was recruited to oversee and deliver the programme with other core funded Visit Wales staff also supporting or overseeing elements of activity. There were some issues of staff turnover and delays in recruiting a team at the outset, which was a challenge in terms of delivering continuity across the programme. However, the management arrangements had stabilised towards the end of the programme and were considered to be providing a good level of support. Regional Strategists were widely praised for providing high levels of support to individual projects, although it was felt that more could have been done to encourage innovation by networking across projects.

The grant funded projects were subjected to 100% checks on claims for support and this was onerous to both recipients and support teams.

ICT Diagnostics

The diagnostic element of the programme was developed to address concerns regarding the variation in the ICT competence of small tourism businesses. The programme, with a final budget of £562,000, successfully assisted 738 businesses through ICT diagnostics, along with a further 60 engagements at roadshows and at the Digital Exhibition, against a final target of 750. Delivery of the Diagnostics was undertaken by a number of consultants who had previously been appointed via a competitive tendering process. A total of 83 per cent of beneficiaries surveyed found the ICT diagnostics process to be a positive one, 68 per cent found that the diagnostic was beneficial in helping their business grow and 79 per cent stated the diagnostic had improved efficiency in business. Fifty five per cent of

diagnostic beneficiaries implemented recommendations arising from the diagnostics, with a further six per cent in the process of implementation.

An e-business maturity ladder was developed in the early stages of the programme as a basis for measuring the progress of participants. At the time of the diagnostic, the majority of businesses were assessed to be at level 2, or a “passive user of IT in business”. Post diagnostic, 57 per cent of businesses surveyed were now either at Step 3 or above on the maturity ladder and 64 per cent had progressed at least one ‘step’ further in their e-maturity, against a target of 12.5%. This element of the project was clearly a success and reflects the achievement of one of the integral aims of the overall DTBF programme.

In terms of future delivery, 20 per cent of beneficiary businesses surveyed reported that they would be prepared to pay for a similar service in future. The wider impacts of the ICT diagnostic have been significant, with 54 jobs created and many recipients reporting business growth⁷.

Grant Funding

Grant funded activity was originally split into two streams; creating digital tourism communities and piloting innovative approaches to using digital technologies for tourism business. However these were consolidated into a single programme focussing on implementation and roll-out projects, encompassing mobile web sites, apps and e-trails. The final total budget for grant funded activity was £3,120,000, split between feasibility grants of up to £15,000 (100 per cent); and full grants of up to 53 per cent of project costs. Staffing comprised a finance manager, two grant monitoring officers and three regional strategists.

A target of 50 enterprises supported was largely achieved, with 45 financially supported. However, it was widely acknowledged that this target overlooked the main areas of impact, the substantial development of the knowledge-base

⁷ Businesses reporting job creation are currently being revisited (January 2015) to verify this figure.

within Welsh companies being one such impact. A number of developers reported that the applications they had developed had a significant impact on the growth of their businesses and had led to expansion or development of their portfolio within the tourism sector. Beneficiary businesses expressed the intention to further develop their digital offer, through both expansion of successful elements of their projects and through adaptations to target audiences of different ages and interests.

Specifically, the feasibility studies were reported to have significantly increased confidence in projects and encouraged investment of time and money to develop them fully. Grant funded projects probably had the greatest impact on beneficiary businesses through the experience gained through developing and delivering projects, which had in some cases led to further work in similar areas. The impacts and outcomes of grant funded projects on visitor numbers and experience were reported to be much stronger when linked to specific attractions and destinations, rather than more generic pan-Wales projects. However, there is as yet no cohesive dataset to demonstrate the overall impact of projects on visitor numbers or diversity of visitor groups. There is however, some evidence of increased web and social media traffic from projects improving their online presence as a result of investment.

Counterfactual

Interviews were conducted with applicants who had not been accepted past EOI stage (for a number of different reasons including duplication or lack of innovation). Of those interviewed, none had gone on to develop the project in the absence of DTBF funding and the majority of successful grant beneficiary interviewees also suggested that their project would not have gone ahead without support.

Future development and priority areas

Whilst grant recipients have a strong sense of the need to improve and roll out projects, specific future development needs will to some extent depend on wider technological advances and social trends. Beneficiaries were aware of the need to identify wider sources of funding and investment to support development.

Specific priorities for the future included educating the sector as a whole about the importance of digital technology, improving digital branding and taking a more strategic approach to co-ordinating projects.

Digital Marketing

The third main strand of the DTBF programme was digital marketing activity which centred on the development of a new Visit Wales website, along with a package of initiatives to build an open platform infrastructure and associated ecosystem development. Digital marketing activity had a total budget of approximately £3 million, the majority of which (approximately £600,000 per annum), was spent on activity relating to driving demand.

After some initial difficulties negotiating an agreed platform, the new Visit Wales site was launched in July 2013. It features extensive rich media and social media content. Wider digital marketing includes integrated and thematic content led campaigns and CRM / database driven marketing has drawn extensively on content from the dedicated Flickr group

<https://www.flickr.com/groups/sharewales/> .

There is a consensus amongst industry commentators that the site has been very successful and is viewed as a market leader, influencing competitors outside Wales and regional partners within Wales. Web analytics show that site traffic has grown dramatically with the new site attracting almost 3.5m sessions in 2013/14, against 1.6m for the previous sites in 2010/11. Using Visit Wales' own approach to assessing added value, we estimate approximately £137.5m was added through web visitors in 2013. In terms of social media, Facebook likes have grown from 207,000 to 460,000 between

early 2012 and end of 2014, with Twitter followers increasing six fold over the period to 61,800. Twenty-one e-mail campaigns have been delivered, with an increasing response rate.

The Share Wales site was launched in 2011, initially as a single subject site to inform and support the Share Wales Flickr group and users, before being widened to cover the whole of the DTBF programme. By September 2014, the site incorporated 42 individual pages, 122 blog posts and over 180 news stories covered since May 2012, which have been linked with videos and fact sheets. Around 40 case study videos of grant funded projects and ICT diagnostic beneficiaries and 20 'how to guides' were hosted on the site at this point.

In total DTBF have developed some 40 individual bilingual 'How To Guides' and 'Grab and Go' sheets, the content of which subsequently ISBN published, as the 'Digital Tourism – How To Guide' (in hard and electronic form for Digital Tourism Exhibition) and 'Digital Tourism – How To Guide Part II' (in electronic form only – post reporting). It has also created 57 videos including case studies and event edits, which are hosted on the Share Wales YouTube Channel. As of November 2014, there are 12,373 photos shared by 524 photographers which provide an invaluable resource in terms of filling the gaps in content not covered by Wales on View⁴

Impacts and outcomes

There was a broad consensus that the site had been successful in generating and sharing content, although more could be done to promote its usage by the industry.

Conclusions and Recommendations

Digital technologies are acknowledged to be increasingly important to the tourism sector and contemporary destination marketing. This programme represented a ground breaking initiative and Welsh Government should be commended for responding to a clear need across the tourism sector for

support to improve ICT awareness and maturity and ultimately improve visitor awareness and experience.

Inputs

While the Programme's indicator targets relate to satisfying WEFO requirements, they do not capture the additional impacts and outcomes resulting from DTBF activity. However, indicator targets have been set at appropriate levels and there has been a degree of flexibility around funding re-profiling reflecting external factors (e.g. decreasing cost of digital technologies).

It is possible that the Share Wales website could have been enhanced with additional funding, leading to greater awareness and adoption amongst the industry. In addition, funding for post diagnostic support and funding may have facilitated more businesses up the e-maturity ladder

Staffing resources have been adequate and the requirement for greater support for the administration of grants could not have been foreseen.

Outputs

The Programme met its target to develop 5 initiatives to address barriers to ICT uptake. It exceeded targets relating to new or improved products, processes or services launched and DTBF SMEs at Step 3 or above progressed one step up the e-business maturity ladder. The Programme was close to meeting its targets relating to enterprises assisted or financially supported.

Activity has contributed to the Programme's vision to move Wales' tourism from relative e business immaturity firmly into the digital business age. There is sufficient evidence to suggest that tourism businesses have been made aware and adopted ICT measures to improve efficiencies in their business with some already reporting growth as a result. Grant funded activity has supported the adoption of innovative technology products by tourism organisations that have both increased awareness of the opportunities of

digital tools and are also anticipated to have benefitted from significant impacts on visitor numbers and experience. Digital marketing activity has resulted in increased awareness of the Visit Wales website and while some activity has not been delivered, its purpose has partially been picked up by the wider improvements to the content and function of the Visit Wales website.

Delivery

While the individual elements of the Programme have performed well, the programme as a whole could have benefited from greater horizontal collaboration and links into other Welsh Government support.

Outcomes and impacts

The key impacts and outcomes delivered by the Programme include:

- increased visitor awareness of Wales;
- increased visitor numbers and stay;
- enhanced visitor experience;
- tourism business and organisation capacity building.

DTBF activity has resulted in some significant outcomes in terms of business growth for some grant and ICT diagnostic recipients, along with beneficiary reports of private sector investment leveraged. Digital marketing activity has increased Visit Wales' profile on social media and encouraged more visitors to the Visit Wales website resulting in an increased added value figure in terms of visitor spend.

In terms of long-term impacts there is evidence that: most recipients will attempt to implement the recommendations in their diagnostic; grant funded activity contributed towards a significant degree of digital capacity building with most recipients seeing the opportunities for digital marketing and planning to develop their DTBF project in the future; the Visit Wales website is fit for purpose for at least five years with on-going maintenance activity absorbed into core funded activities. As an indication of the Programme's success and originality, the DTBF was recognised as one of only twenty

cases of innovation and good practice enhancing the competitiveness of tourism in the EU⁸.

Recommendations and priority areas for future programmes

Given that the Programme was designed to be a pilot, it is important that lessons learnt are taken into account in developing future Programmes:

- Be explicit about the theory of change underpinning the intervention in order to develop output target indicators that adequately reflect the scope of programme activity.
- Consider promoting individual open calls for specific solutions or projects restricted by defined criteria and deadlines for receipt of applications in order to ensure best fit with strategic aims.
- Build in evaluation from the outset in order to ensure identification of key performance indicators, adequate emphasis on impacts and outcomes and to ensure monitoring systems are in place and collecting the right information at the right time.
- Facilitate stronger governance in order to ensure that the strategic vision is met and that activity is being scrutinised.
- Include a project set up phase to: enable the recruitment and training of staff; ensure systems and process are in place and fit for purpose and that staff understand them; and enable a sufficient period for marketing. These activities may reduce delays in delivery caused by poorly designed and understood processes, ensure staff are sufficiently knowledgeable to be able to support delivery and reduce the frustrations experienced by beneficiaries around reporting and claims processes.
- Consider comprehensive advice and support in the delivery of projects as well as funding if they are to encourage organisations to adopt new or innovative technologies. Advice and support should be extended to support projects that have completed to ensure on-going sustainability. On-going advice and support

⁸ Enhancing the competitiveness of [tourism in the EU – an evaluation approach to establishing 20 cases of innovation and good practice](http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/good-practice/index_en.htm) http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/good-practice/index_en.htm

provision may look at how projects can be supported to develop their product once the formal funding period is over, how to access additional funding and measure impacts and outcomes (the collection of robust data on the impacts and outcomes of a project may provide a powerful evidence base for identifying gaps in the organisation's digital offer and accessing future funding).

- Consider a higher intervention rate. Many high quality feasibility projects did not proceed due to lack of match funding. Other WEFO grants schemes offer up to an 80 per cent intervention rate. Welsh Government should consider the benefits of funding fewer but high quality projects that will result in more significant impacts and outcomes for the tourism sector as whole rather than just individual grant beneficiary organisations.
- Ensure more strategic delivery of grant funded projects to link up with other relevant regional activities (e.g. other funded projects, destination marketing plans).
- Retain the Regional Strategist role, ensuring its scope is extended to brokering networking, collaboration and sharing of best practice across the sector as well as advice and support for grant holders.
- Consider the value of continuing the tourism specific diagnostic consultancy support. However the appropriateness of the generic Welsh Government ICT diagnostic should be evaluated and opportunities for developing a more tourism specific element of this existing activity explored. Resources need to be allocated to accessing and promoting the benefit of the diagnostic to 'hard to reach' businesses.
- Explore the opportunities for providing further support for diagnostic beneficiaries in terms of funding ICT developments and additional consultancy and advice to implement recommendations.
- Consider the development of a platform, such as Share Wales, for businesses and organisations to access ideas, learning and

support should be considered. However any future platform needs improved marketing and promotion with clearer links made for how businesses/ organisations can benefit from its content.

1 Introduction

Introduction

- 1.1 In September 2014, Miller Research Ltd was commissioned by the Welsh Government to undertake a final evaluation of the Digital Tourism Business Framework (DTBF) programme.
- 1.2 The DTBF programme commenced in 2010 supported by approximately £9 million of European Regional Development Fund (ERDF) funding and delivered by the Welsh Government's tourism division 'Visit Wales'⁹. The Programme's vision was :
- 'to move Wales' tourism from relative E business firmly into the digital business age'¹⁰,*
- 1.3 The long-term aim of the DTBF was that by the end of 2014, the tourism sector in Wales would be more conversant in the use of ICT for business promotion, and provide a better experience for the visitor.
- 1.4 Three main activities supported the delivery of this vision¹¹:
- i. Business engagement via an ICT diagnostic which provided training and consultancy advice to businesses on ICT improvements. A website, www.sharewales.com was also developed to share learning across the industry.
 - ii. Grant funding – available to individuals or groups to deliver improved business performance through new ICT developments for tourism.
 - iii. All Wales digital marketing activities relating to the creation, development and use of the new Visit Wales website and marketing techniques.

⁹ The programme funding was reduced to £9.03m from £17.4million (with an interim re-profile in December 2011 to £13.8m).

¹⁰ Visit Wales (2011) Digital Tourism Business Framework Final Baseline Re-Profiled Business Plan – 80554: Submission to WEFO, Cardiff Visit Wales

¹¹ Section 3 outlines other activities delivered by the programme

Evaluation aims and objectives

1.5 The aims of the evaluation were:

- To conduct a comprehensive evaluation of project activity and outcomes against the key performance indicators as outlined in the project business plan.
- To assess the effects of project delivery in achieving the project aims and objectives outlined in the business plan.
- To understand the added value of the project for its beneficiaries and stakeholders with regard to the packages of support offered, to determine the nature of unintended or 'soft' outcomes, and to examine improvements made around the cross-cutting themes of equal opportunities and environmental sustainability.

1.6 The objectives of the evaluation, as set down in the Welsh European Funding Office's (WEFO) conditions of grant, were to:

- Determine what achievements/progress has been made towards the project's long-term objectives.
- Conduct a review of the provision of support against the needs identified by the enterprises assisted.
- Investigate the level of integration with other support to businesses, including the number of referrals to other structural fund-supported projects.
- Assess the quality of the projects with businesses undertaken to date (in delivering the desired economic impacts and structural change).
- Review the appropriateness of the project indicators and targets;
- Consider how the project is contributing to the cross-cutting themes (equal opportunities and environmental sustainability)¹² in line with commitments made in the business plan.
- Identify progress towards an exit strategy.

¹²<http://wefo.wales.gov.uk/publications/guidance-and-publications/guidance14-20/crosscutting/?lang=en>

- Consider legacy impacts, including the extent to which the project has contributed to structural and sustained impact on the targeted sectors and businesses.

1.7 The evaluation also considers the following:

- How and to what extent did project activity reflect the commitments set out in the business plan?
- What are the perceived outcomes of the project from the perspective of beneficiaries? How and to what extent is this making a difference compared to if the improvements had not been implemented?
- Based on evidence, what would be the outcome, and potential long term impacts, of withdrawal of project funding for beneficiaries of the project?
- Which aspects of project delivery have led to positive outcomes, or could be viewed as 'good practice'?
- What barriers and constraints has the project faced? What are the 'lessons learnt' from dealing with such barriers and constraints?

1.8 In 2013, an independent Mid-Term Evaluation (MTE) of the Programme was published¹³. The evaluation comprised an assessment of the progress of the three main elements of the Programme to date and noted that overall the Programme had made good progress towards achieving its target indicators. The MTE also made recommendations for delivery for the remainder of the Programme. Both the findings and recommendations from the MTE will be referenced in this report where relevant.

¹³ BDRC Continental (2013) Digital Tourism Business Framework Mid-Term Evaluation. Cardiff. Welsh Government <http://gov.wales/statistics-and-research/digital-tourism-business-framework-programme/?lang=en>

Report structure

1.9 The report is structured as follows

- Section 2 outlines the approach and method to the evaluation.
- Section 3 explores the context and background for the DTBF.
- Section 4 examines the delivery of the ICT Diagnostics activity.
- Section 5 assesses the grant funded project activity.
- Section 6 examines digital marketing activity.
- Section 7 presents conclusions on the Programme as a whole and makes recommendations for delivery of future Programmes.

2 Approach and Methodology

Approach

- 2.1 The 'Theory of Change'¹⁴ was selected as the theoretical framework for the evaluation. The Theory of Change is commonly used in Programme evaluations as it explains the process of change by outlining causal linkages in an initiative, i.e., its shorter-term, intermediate, and longer-term outcomes. Ideally, 'theories of change' are constructed at the beginning of a project, as outcomes and processes are viewed differently with hindsight. The Theory of Change also aligned with the research specification's requirements for a logic model 'to understand the overall outcomes/ goals of the project and to consider to what extent they were met'¹⁵. Logic models are commonly used to provide a simple graphical depiction of the process of change and the relationships between the resources, activities, outputs and outcomes of a programme.
- 2.2 Figure 1 shows the logic model for the evaluation and includes the following components as outlined in the UK Treasury Green and Magenta Book¹⁶¹⁷ approaches to evaluating public policy: inputs; processes/delivery; outputs; impacts and outcomes; and unintended effects including displacement, duplication and the counterfactual.

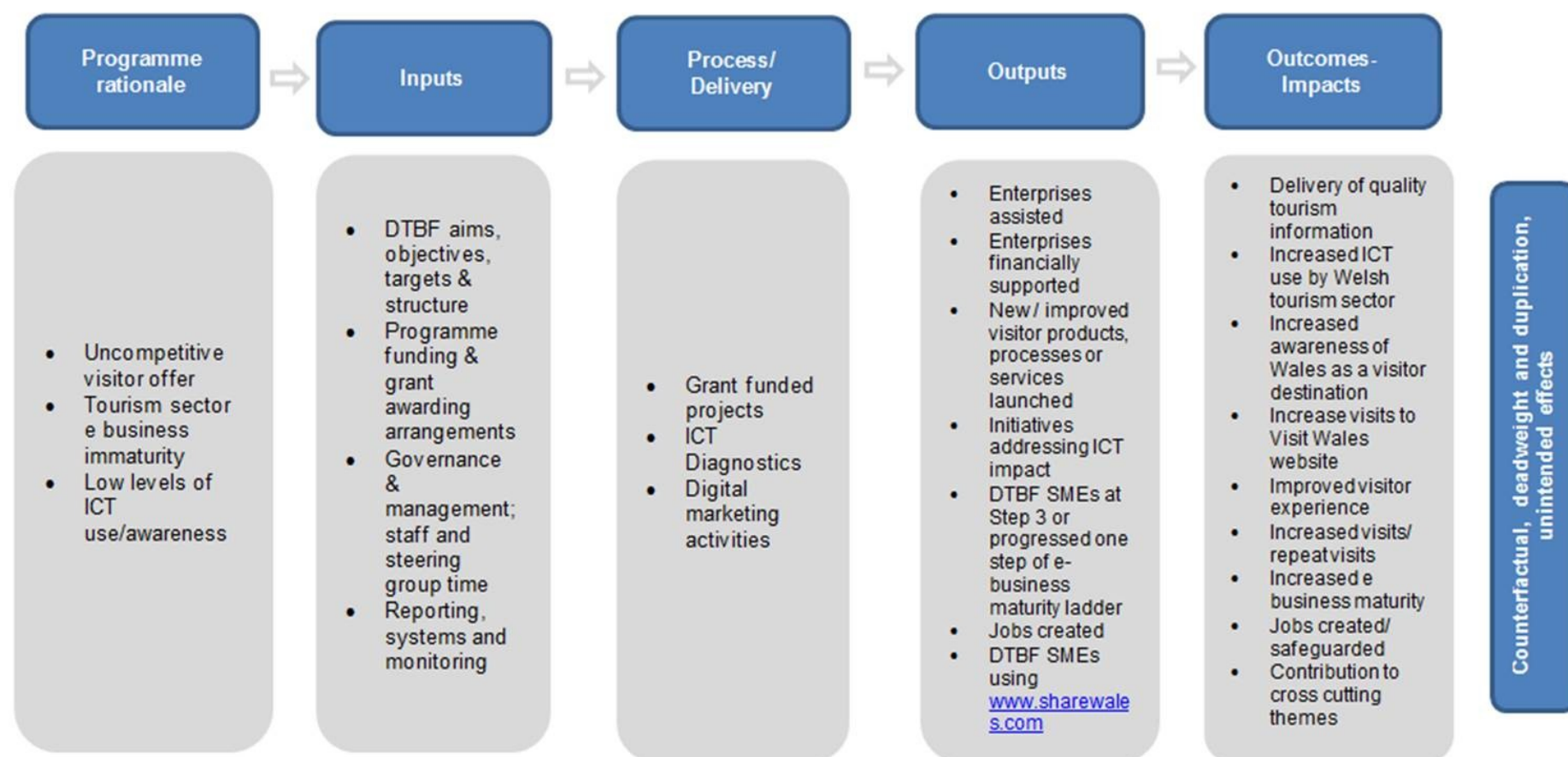
¹⁴ C. Weiss (1995). Nothing as Practical as Good Theory: Exploring Theory-Based Evaluation for Comprehensive Community Initiatives for Children and Families (Connell, J, Kubisch, A, Schorr, L, and Weiss, C. (Eds.) 'New Approaches to Evaluating Community Initiatives' ed.). Washington, DC: Aspen Institute.

¹⁵ Welsh Government (2014) Digital Tourism Business Framework Final Evaluation Specification

¹⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

¹⁷ www.gov.uk/government/uploads/system/uploads/attachment_data/file/220542/magenta_book_combined.pdf

Figure 1: Evaluation Logic Model



Method

2.3 The method comprised a variety of primary and secondary research techniques designed to assess each element of the Programme. The evaluation framework and research instruments can be found in Appendices I and II.

Programme overview

2.4 Semi-structured individual and group interviews with eight members of the DTBF delivery team and one member of the steering group provided a contextual overview for the rationale and delivery of the whole Programme.

2.5 A range of documentation relating to the Programme has been reviewed including: Programme business plans; grant funded projects and ICT diagnostics monitoring information; and website analytics and marketing data.

Business engagement

2.6 Business engagement activity was assessed using the following approach:

- A survey of ICT diagnostics beneficiaries was carried out separately to this evaluation by an external consultant¹⁸. The specification for this evaluation required a verification exercise of this survey. A sample of 10 recipients of ICT diagnostics were selected on the basis they reported significant business growth as a result of the ICT diagnostic. The evaluators used the same script as used in the original telephone survey and cross checked responses with the first survey¹⁹.
- Semi-structured telephone interviews with 6 recipients of ICT diagnostics who reported significant business growth as a result of

¹⁸ Completed November 2014

¹⁹ A report on the verification exercise can be found in Appendix III

the ICT diagnostic to enable an in depth exploration of impacts and outcomes.

- Analysis of ICT survey data.

Grant funded projects

2.7 The evaluation of grant funded project activity comprised the following approaches:

- Semi-structured telephone and face to face interviews with 34²⁰ recipients of full grant funding and 12 recipients of feasibility study funding to explore delivery, impacts and outcomes.
- Case studies of 12 grant funded projects selected to reflect interesting practice, type of project, output and region have been developed to demonstrate good practice and impacts and outcomes. Case studies were based on interviews with key stakeholders and primary and secondary feedback from users and visitors²¹.
- Analysis of project monitoring information.

Counterfactual scoping study

2.8 The specification noted a requirement to undertake a scoping study to establish whether a counterfactual could be constructed which would objectively assess the additionality of funding.

2.9 Establishing a counterfactual in programme evaluation is challenging as the counterfactual cannot be directly observed and must be approximated with reference to a comparison group. The evaluators were provided with a list of 29 Expressions of Interest (EOI) for projects that were either rejected or did not proceed to funding to be used as the counterfactual population. A target of 10 interviews was deemed as

²⁰ A total of 39 projects received full grant funding however three projects were excluded from this evaluation: two projects were closed early and did not receive any payments; and there were on-going issues relating to one project at the time of the evaluation and Welsh Government requested that it be excluded from the evaluation. Despite multiple efforts to make contact, interviews were not conducted with representatives of two projects.

sufficient to inform the establishment of a counterfactual. Seven interviews were achieved. The difficulties in achieving the target sample can be attributed to the following reasons: project contacts having had no benefit from the Programme simply had no interest in participating in the evaluation; many project contacts had moved on and were unable to be contacted; and other project contacts had successfully reapplied for funding, which in part addresses one of the key elements of counterfactual enquiry of what happened in the absence of funding.

Digital marketing

2.10 The assessment of Digital marketing activity comprised:

- Two semi-structured telephone and face to face interviews with DTBF staff involved in delivering this element.
- Identification and analysis of metrics relating to this activity.

3 Context and background

Introduction

3.1 The purpose of this section is to provide a brief background and context for the development of the DTBF programme. It gives a general overview of the delivery, impacts and outcomes of the Programme as a whole, with specific information relating to each of three main streams of activity presented in subsequent sections. The information presented is drawn from programme documentation and interviews with current and past members of the DTBF team.

Programme rationale

3.2 The DTBF programme commenced in 2010 supported by European Regional Development Fund (ERDF) funding and delivered by the Welsh Government's tourism division 'Visit Wales' across the West Wales, North Wales and the Valleys convergence area (see Figure 2).

The Programme's vision is :

'to move Wales' tourism from relative E business immaturity firmly into the digital business age'²²

3.3 The development of the Programme coincided with other Welsh Government work around digital communities and there was pressure from the tourism industry for Visit Wales to support similar initiatives in the sector. Welsh Government was also delivering non sector-specific ICT diagnostics support through Business Wales, which offered support from an independent consultant to undertake an ICT diagnostic or business health check²³.

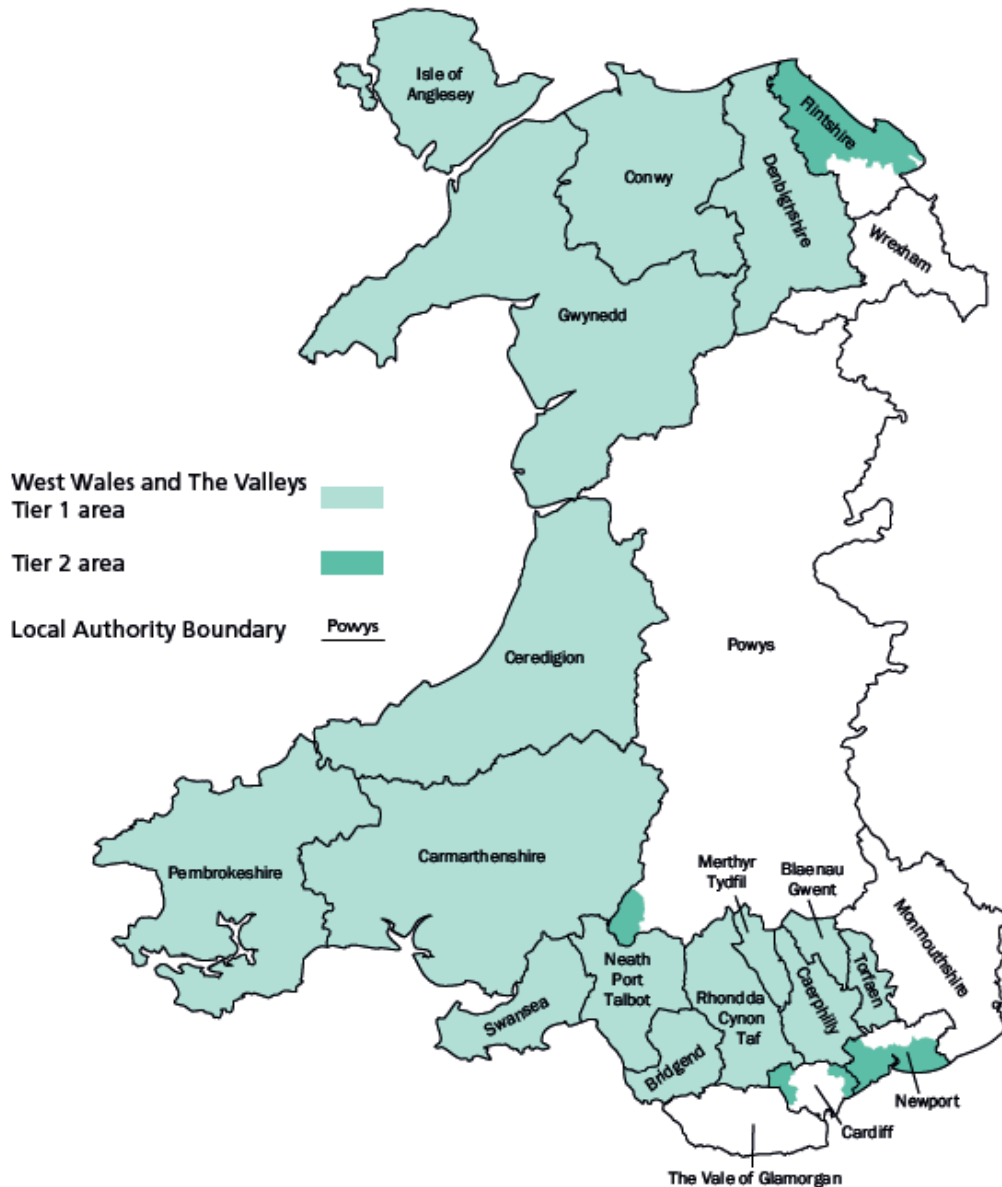
3.4 At the time of Programme development, it was recognised that the sector's expertise varied in terms of digital competence and that visitors

²² Visit Wales (2012) Digital Tourism Business Framework Final Baseline Re-Profiled Business Plan – 80554: Submission to WEFO, Cardiff Visit Wales

²³ <http://business.wales.gov.uk/e-business-support-welsh-government>

were increasingly using technology such as smart phones to access information before and during visits.

Figure 2: Assisted areas of Wales 2007 – 2013



Source: Welsh Government (2013)

Programme design

3.5 Drawing on consultation with the sector, the design of the Programme was based on an identified need to share learning across the industry as a whole. The vision outlined in the Programme's business plan was to

be achieved via the delivery of a range of integrated and mutually supporting projects²⁴:

- i. Creating an Innovative Digital Tourism Business Environment.
- ii. Creating Digital Tourism Communities.
- iii. Piloting Innovative Approaches to Using Digital Technologies for Tourism Business.
- iv. Developing and Exploiting the Knowledge Base / digital eco system.
- v. Technology.

3.6 At the time of its development the Programme was considered to be innovative and risk taking with one delivery team member describing it as a *“leap of faith that has hopefully established a legacy for the sector”*.

3.7 The three main aspects of the DTBF programme and the focus of this evaluation are:

- Business engagement facilitated by the delivery of ICT Diagnostic reports to Welsh tourism businesses and content for Share Wales website²⁵ (i). (as set out in 3.5)
- Grant funded feasibility (100%) and full projects (53% funded) to facilitate ii and iii.²⁶
- Digital marketing activity delivering iv and v.

Inputs

Budget

The original budget for the Programme was £17.4 million; this was subsequently re-profiled in October 2011 to £13.8 million and in August 2012 to £9.03 million (see Figure 3 for budget breakdown). Rationale for re-profiling

²⁴ Visit Wales (2011) Digital Tourism Business Framework Final Baseline Re-Profiled Business Plan – 80554: Submission to WEFO, Cardiff Visit Wales

²⁵ www.sharewales.com

²⁶ The 2012 re-profiling of the grant included the merging of the digital communities and innovative project strands into one competitive grant scheme due to a lower than expected demand digital communities.

included: the availability of more efficient and cost effective technology solutions for the development and delivery of the digital ecosystem, knowledge content and operating platform: reduction in project costs (staffing travel, training) relating to the delayed programme start; and the reduced value of private sector applications for competitive support projects within the Programme (due to the economic conditions at the time and reduction in the cost of ICT projects).

Figure 3: DTBF budget breakdown

Description	2009 budget (£)	2011 re-profiled budget (£)	2012 re-profiled budget (£)
Horizon scanning	92,625	92,625	60,000
Tourism Innovation Forum	231,563	152,830	20,000
Business engagement (Diagnostics)	1,400,000	937,500	562,500
Complimentary package of training	414,375	207,190	207,190
DTB Training for Support Organisation	32,500	32,500	0
Seminars etc	125,000	94,000	94,000
Business Plans for Digital Communities	220,000	130,000	0
Communities rollout	1,100,000	1,100,000	0
Communities support	1,100,000	1,100,000	0
Piloting Innovative approaches	400,000	411,000	0
Pilot rollout	3,000,000	3,123,000	0
Feasibility Studies	0	0	620,000
Competitive Digital Grant	0	0	2,500,000
Develop & Exploit Knowledge Base	4,875,000	0	0
DPR-Digital PR Challenge	0	487,499	102,900
SSE-Search and social	0	1,462,500	1,273,500
eCRM	0	487,499	237,499
Knowledge base intergration	487,500	243,750	243,750
Technology - Open Platform	487,500	243,750	243,750
Technology - Database	780,000	487,500	437,500
Monitoring & Evaluation	325,000	190,000	60,000
Programme running & steering	2,335,525	2,462,396	2,200,000
Total Value	17,406,588	13,811,163	8,862,589

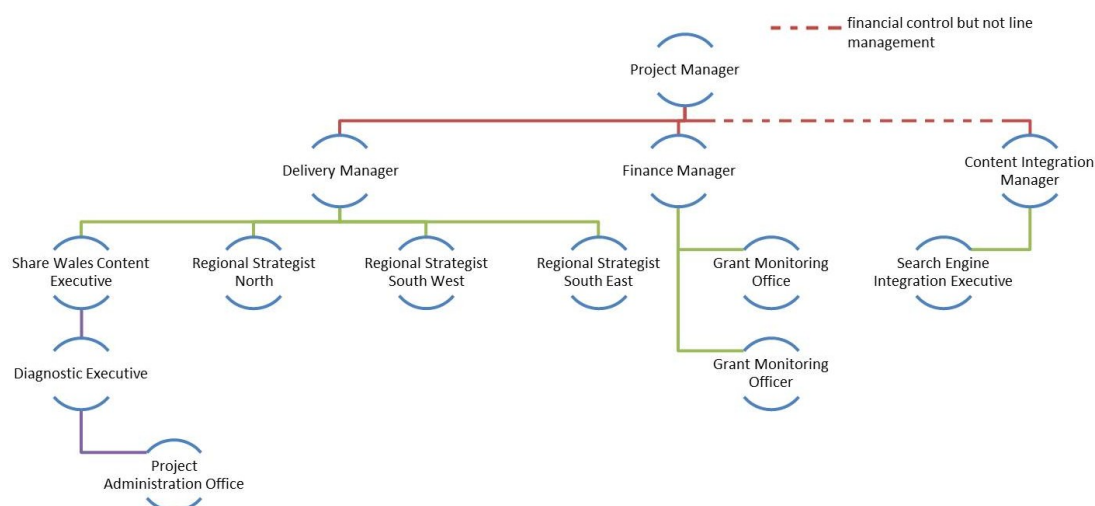
Governance

3.8 The Programme was overseen by a Steering Group comprising nine members (recorded in 2011) with various interests in the tourism sector including, for example, a hotelier, digital media experts, tourism consultants and academics. The team acknowledged that it had been challenging to get *“a good mix of the right people on there”*. In theory each element of the Programme was supposed to report progress to the board, although it was suggested that Digital Marketing components *“had managed to side step the group”* and this was indicative of the lack of a joined up approach (see paragraph 3.16). In addition the Steering Group was involved in the appraisal of every grant funded project although there were mixed views on their effectiveness in this process. In the early part of the Programme a group of senior managers and interested parties from Visit Wales contributed to discussions on the practicalities of delivery.

Staffing

3.9 A Programme Management and strategic integration / delivery team was recruited to oversee and deliver the Programme with other core funded Visit Wales staff also supporting or overseeing elements of activity. The size and structure of the DTBF team evolved over the course of the Programme in response to changing business need, Figure 4 presents the DTBF team structure as of October 2014.

Figure 4: DTBF staff structure (October 2014)²⁷



Source: Welsh Government (2014)

Targets and indicators

3.10 The Programme's key aim was to ensure that by the end of 2014, the tourism sector in Wales would be more conversant with the use of ICT to promote their business and provide a better experience for the visitor.

3.11 Figure 5 outlines the Programme's targets and indicators, which were also revised in line with budget re-profiling.

Figure 5: DTBF targets and indicators

Indicator	2009 Targets	2011 re-profiled targets	2012 re-profiled targets
Enterprises assisted (ICT diagnostics)	2000	1250	750
Enterprises financially supported (competitive grants)	50	50	50
New or improved products, processes or services launched	1016	656	406
Initiatives addressing barriers to ICT uptake ²⁸	5	5	5
DTBF SMEs at Step 3 or progressed one step of e-business maturity ladder ²⁹	12.5%	12.5%	12.5%
Collaborative R&D projects with academia	3	3	0
Profit benefit ³⁰	£26m	£3.16m	0
DTBF SMEs using www.sharewales.com	0	0	15%

²⁷ The Project Manager had financial control but not line management responsibility for the Content Integration Manager

²⁸ This refers to the five elements of activity delivered by the Programme

²⁹ See Section 4 and Appendix IV

³⁰ With WEFO agreement this indicator was later removed from the KPIs for the project as it was agreed such an output would be extremely difficult to substantiate.

3.12 Delivery team interviewees felt that the indicators for the Programme were not necessarily appropriate or broad enough to capture the full impacts and outcomes of the Programme. Indicators were selected out of a limited WEFO 'menu' of indicators which did not reflect the innovative ground breaking nature of the Programme:

"WEFO were uncertain about the context of the Programme as it was new to them and difficult to get clarification on eligibility criteria (an issue throughout the project)...they have been very risk averse, but have also been open to making changes"
(Delivery team interviewee)

Programme management

3.13 Interviewees suggested that recruitment of staff contributed to a delay in the delivery of the Programme. Furthermore, many of the staff were recruited from outside Visit Wales so needed some time to develop their knowledge of the sector. This was compounded by the fact that many of the posts were fixed-term, resulting in some staff turnover and loss of expertise. The grant-funded projects required greater support than anticipated, with initially only one Regional Strategist in post and three by the conclusion of the Programme.

3.14 Delivery team members suggested that the lack of resources had contributed to the various elements of the Programme, in particular the Digital Marketing activity operating in isolation:

"Due to a lack of resources there was a failure to link up the different elements, the Digital Marketing team got preoccupied with their work. Also the separation was further exacerbated by the fact that some staff were funded by DTBF and some by core Visit Wales funding" (Delivery team interviewee)

This comment reinforces previous remarks reported in the MTE, where staff employed by the Visit Wales marketing department reported challenges in adapting to Welsh Government processes such as procurement. The MTE reported that the cultural disparity between

DTBF staff and those funded by core Visit Wales funding was thought to have improved as the project progressed thanks to new systems and staff gaining a greater understanding. It is evident however that the separation between teams remained an issue for some staff.

- 3.15 Interviewees felt that a lack of senior level input into the Programme, resulting from staff turnover, had exacerbated this separation:

“the grant team were great at managing EU funding projects but didn’t have a great deal of knowledge about digital marketing and vice versa...the Programme needed a leader that understood both sides and created a vision...for much of the Programme Visit Wales senior leadership was in disarray; unable to provide this vision or clarity”. (Delivery team interviewee)

- 3.16 The issue around lack of senior management support in the early years of the Programme was also identified by the MTE which stated that this resulted in a :

“reduction in senior input to push through processes and maintain momentum” (BRDC Continental, 2013³¹).

However it was noted that at the time of this evaluation, senior level management in Visit Wales was more stable and considered to be providing a good level of support for the Programme.

Programme marketing

- 3.17 The Programme relied on existing channels to market itself, as European Union funding would not support specific marketing.

“ It may have benefitted from being Visit Wales but I think there may have been some negativity with it being associated with Welsh Government” (Delivery team interviewee)

³¹ BDRC Continental (2013) Digital Tourism Business Framework Mid-Term Evaluation. Cardiff. Welsh Government <http://gov.wales/statistics-and-research/digital-tourism-business-framework-programme/?lang=en>

3.18 The Share Wales website was one of the main channels used to promote both the grant funded projects and the use of ICT by the sector more broadly. However, while regarded as a good product by the delivery team, they acknowledge that the site didn't get the level of utilisation that was anticipated (this is supported by a lack of awareness and use of the website amongst grant beneficiary and ICT diagnostics interviewees (see Section 4)).

3.19 Awareness raising was also undertaken by the original regional strategists who attended a variety of events across Wales. Between October 2011 and March 2013, the three regional strategists distributed DTBF materials to businesses at 166 events, attended by approximately 7490 delegates in total. It is estimated that 1545 contacts were made and 527 business leads generated as a result of these interactions.

Programme outputs

3.20 Figure 6 presents the Programme's achievement against its target indicators. The Programme achievement of enterprises assisted fell slightly short of its target. However, this does not take into account 40 additional 'mini' one-to-one sessions which were undertaken at the roadshows and 20 further sessions carried out with businesses at the Digital Exhibition. The Digital Exhibition, held in November 2014, showcased a range of projects, organisations and suppliers and included 11 workshops, 46 exhibitors and 12 short presentations in the speaker circle. The event was attended by 379 individuals.

3.21 While the Programme did not meet its target of 50 enterprises financially supported it must be noted that some organisations were supported more than once if they received funding for a feasibility and full project. The Programme far exceeded its targets to launch new or improved products, processes and services, number of SMEs at Step 3 or progressed one step of the e maturity ladder and SMEs using www.sharewales.com. Individual Programme outputs and activity will be discussed more detail in Sections 4, 5 and 6.

Figure 6: DTBF achievement of target indicators

Indicator	Target	Actual
Enterprises assisted (ICT diagnostics)	750	738
Enterprises financially supported (competitive grants)	50	45
New or improved products, processes or services launched by Jan 2015	406	2010
Initiatives addressing barriers to ICT uptake	5	5
DTBF SMEs at Step 3 or progressed one step of e-business maturity ladder	12.5%	57% ³² 64% ³³
Tourism businesses using www.sharewales.com	15%	41% ³⁴

Source: Welsh Government (2014)

Impacts and outcomes

3.22 Impacts and outcomes relating to the specific elements of Programme activity will be discussed in more detail in Sections 4, 5 and 6. However delivery team interviewees were asked to comment on what they saw as the key impacts and outcomes achieved by the Programme as a whole.

3.23 In terms of organisational development one interviewee suggested part of the Programme's lasting legacy had been to develop the skills and expertise of the Visit Wales staff:

"There has been 'big learning' and we have developed a successful pilot and have generated a lot of expertise" (Delivery team interviewee)

3.24 It was also felt that the Programme had succeeded in bringing innovation to the sector and had increased the wider awareness in the tourism sector of ICT use and digital marketing techniques.

"The diagnostics may have changed attitudes, improved businesses ability to communicate and driven efficiencies" (Delivery team interviewee)

³² 57 per cent were at Step 3 or above on the maturity ladder.

³³ 64 per cent had progressed at least one stage on the maturity ladder.

³⁴ This is based on the assumption that there are approximately 10,000 tourism businesses in Wales, combined with records showing 4,100 unique users accessed the site.

3.25 A number of grant funded projects (e.g. Alice in Wonderland and Llanelly House) were described by the team as being highly innovative at the time, delivering products that would not have been possible in the absence of DTBF funding.

3.26 It was also hoped that the Programme may have had impacts beyond its direct beneficiaries, both in terms of creating demand for wider improvements to the technology infrastructure in Wales, such as improving broadband and Wi-Fi access, and in terms of demonstrating the opportunities relating to digital technologies:

“It has showcased what is possible and the benefits of using applications and technology, I hope it has generated an appetite to develop more digital projects” (Delivery team interviewee)

“I hope both diagnostics and grant activity have spurred on tourism businesses and destinations to be competitive with each other...to see and learn what others have done” (Delivery team interviewee)

3.27 The team suggested that, as a result of the Programme, a number of Welsh local authorities have substantially improved their digital activity. In addition, the enhancement and development of the Visit Wales website had:

“Been a lesson to local authorities to how traditional practices can be replaced with more efficient ways of doing things digitally” (Delivery team interviewee)

Mid Term evaluation

3.28 The MTE made a number of recommendations regarding the future delivery of the Programme, including: the provision of a follow up diagnostic; simplified guidance pack and timesheet for scheduling; the promotion of successful grant holders to enable the community to network; and increased awareness and signposting of Visit Wales events where grant holders could promote their products and

opportunities could be provided for collaboration; and greater awareness promoted amongst senior level staff to ensure momentum is retained.

- 3.29 The delivery team suggested that they had already been aware of many of the issues raised by the evaluation and were in the process of addressing them at the time of its conduct. Acting on the recommendations for greater input at a senior management level, senior staff were updated on the Programme monthly and were consequently able to use this information in various meetings and seminars within the sector. Furthermore, whilst it was not possible to provide a follow-up diagnostic service as suggested in the MTE, a data capture exercise conducted with businesses was used as an opportunity to talk through recommendations made in the original diagnostic reports.

Legacy and future development

- 3.30 There was a general consensus that there was still a need for a tourism specific ICT diagnostic, with concerns that the generic business ICT diagnostic delivered by other sections of Welsh Government would not necessarily address the needs of the tourism sector:

“The industry is still behind – there is still a generic one available but the lack of tourism specific knowledge and expertise leaves queries around its quality” (Delivery team interviewee)

- 3.31 The team felt that most of the impacts and outcomes from the grant funded activity would be sustained and therefore any future programmes should seek to develop rather than replicate DTBF grant funded activity.
- 3.32 The digital marketing activity around the Visit Wales website was seen to be fit for purpose for the foreseeable future and would require no major on-going developments.
- 3.33 It was also felt that a step change in attitude with regards to funding mechanisms was required to continue to support the development of ICT use and innovative activities:

“It’s a shame there is no mechanism to take it forward, if you look at WG investment it’s being put into capital projects, but a revenue fund is needed” (Delivery team interviewee)

4 ICT Diagnostics

Introduction

- 4.1 This section is based on monitoring information provided by Visit Wales on ICT Diagnostic delivery, the results of the survey with ICT diagnostic recipients (n=710)³⁵, conducted by a third party, and in depth interviews with 6 recipients, conducted by Miller Research.

Rationale

- 4.2 The ICT Diagnostics element of the Programme was developed to address concerns regarding the variation in the ICT competence of small tourism businesses and that they were failing to meet visitor expectations. At the time, while generic business diagnostics were being delivered by other Welsh Government departments, it was felt that due to its unique characteristics, the tourism sector would benefit from a more bespoke package of support. The DTBF ICT diagnostic process adapted the approach used in the generic diagnostic to better meet the needs of the tourism industry.

Inputs

- 4.3 In line with the re-profiling of the DTBF programme budget, the ICT Diagnostics budget was reduced from £1.4 million in 2009 to £562,500 (see Figure 3). Diagnostics were free of charge to the recipient and cost approximately £750 each for delivery and expenses.
- 4.4 The final targets for the ICT Diagnostic element were set at 750 enterprises assisted and 12.5% of DTBF SMEs at Step 3 or demonstrating progress one step up the e-business maturity ladder. The original target for enterprises assisted was 2000. This re-profiled to 1250 in 2011 (see Figure 5). The reasons for re-profiling include delays in the number of diagnostics applications received in the early stages of the Programme (see 4.9 information about the revision of delivery

³⁵ Correct as of 18th November 2014

processes), and an unwillingness by initial recipients to pay for the diagnostic³⁶.

- 4.5 An e-business maturity ladder was developed in the early stages of the Programme (see Appendix IV) and used to measure the progress of participants. The ladder was designed by the DTBF team and reflected all of the key technology types pertinent to the tourism industry at the time. The consultant delivering the diagnostic would undertake a 'pre-diagnostic' assessment of where the business sat on the five step e-maturity ladder. The consultant would then, after reviewing the individual business and their aspirations, make a number of bespoke recommendations of how the business could improve their use of ICT to attract new customers and provide them with a better experience and (as a by product) move up the e-business maturity ladder. Examples of recommendations made by consultants include: improvements to digital marketing and social media; use of online booking systems; improvements to broadband and Wi-Fi; and security and safeguarding actions such as data back-up procedures.
- 4.6 ICT Diagnostics activity was managed by two members of staff, a manager (who also oversaw the development of Share Wales) and a coordinator. The delivery of the diagnostic was sub contracted to third parties, all of whom at the time were involved in delivering Welsh Government's generic business diagnostic activity.

Delivery processes

Marketing and awareness

- 4.7 Marketing of the diagnostic comprised the Visit Wales website, tourism partnership mailing, local authority engagement and promotion by the consultants who delivered the diagnostic. The majority of ICT Diagnostic interviewees reported that they were made aware of the diagnostic

³⁶ Visit Wales (2012) Digital Tourism Business Framework Final Baseline Re-Profiled Business Plan – 80554: Submission to WEFO, Cardiff Visit Wales

through Visit Wales staff or were contacted directly by consultants performing the diagnostics.

- 4.8 A pilot ICT diagnostics phase took place in early 2011 in order to assess the validity of the procedures, documentation and assessments. Further refinement of delivery processes, drawing on feedback from ICT recipients and consultants, reflected a need to simplify terminology and paperwork and use different communication methods as not all businesses had e-mail:

“We weren’t prepared for the people we were dealing with – we believed the sector was much healthier than it was in terms of understanding of technology” (Delivery team interviewee)

- 4.9 Delivery team interviewees commented that take up of the diagnostic was initially low as businesses failed to appreciate the benefit of the Programme.

“In the beginning we couldn’t give it away free but awareness grew...in the beginning people didn’t see the impact on business” (Delivery team interviewee)

The project gradually gained momentum as marketing and dissemination took hold businesses began to better understand the processes and benefits.

- 4.10 The DTBF team stated that both the application and reporting process (e.g. reducing duplication of information provided for the equalities form) had been refined in the early stages of delivery and recipients reported the application process to be straightforward.

- 4.11 Delivery of the Diagnostics was undertaken by a number of consultants who had previously been appointed via a competitive tendering process. Consultants would be assigned a diagnostic on the basis of their proximity to the recipient and whether they had any required specialist expertise.

- 4.12 As reported in the MTE, the DTBF team made efforts to improve consultants' tourism knowledge following initial feedback from beneficiaries. In addition, consultants who had received continually negative feedback were removed from the project. The quality of diagnostic delivery was verified by the DTBF team who reported that a more streamlined pool of consultants who had tourism knowledge resulted in greater reported satisfaction amongst beneficiaries.
- 4.13 Delivery team interviewees suggested that a strong relationship between the consultant who conducted the initial ICT diagnostic and the recipient was important in driving overall satisfaction with the process. The majority of businesses that were satisfied noted the expertise, efficiency and understanding of the business' market of the consultant that performed their diagnostic

"Very good overall: we received our report very soon afterwards which was very efficient" (ICT Diagnostic recipient interviewee)

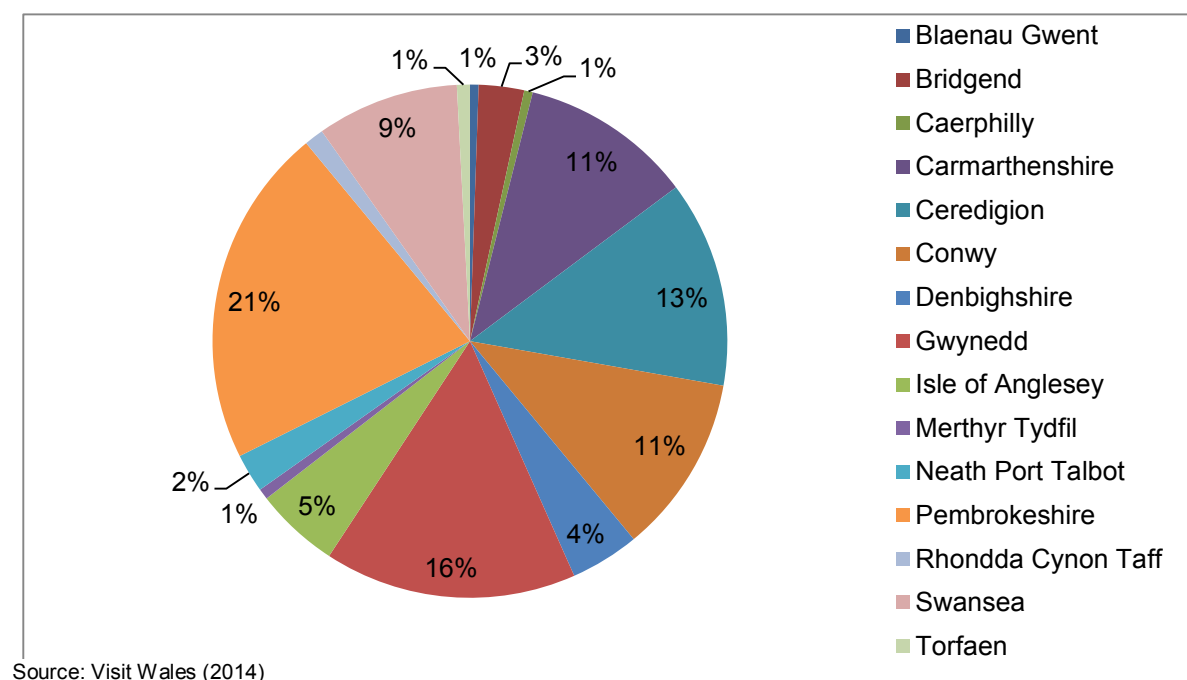
"The consultant was very good, he tailored the information to my business as well as giving me some basic advice on the tourism industry and its trends" (ICT Diagnostic recipient interviewee)

Outputs

- 4.14 ICT Diagnostics performance in meeting its targets are as follows: 738 diagnostics were delivered against the target of 750 by the end of the diagnostic contract in April 2014. Whilst time remained in the Programme to retender to deliver the remaining 12 diagnostics, WEFO agreed that the Programme had already succeeded in proving the merit of the diagnostics and the results from them had exceeded targets. As mentioned in 3.19, a further 60 additional one-to-one sessions were undertaken outside of the contract with businesses at roadshows and the Digital Exhibition.

4.15 The majority of businesses that received the diagnostic were located in the South West region of Wales. Over one fifth of the diagnostics were received by businesses in Pembrokeshire³⁷ (see Figure 7).

Figure 7: ICT Beneficiaries by local authority

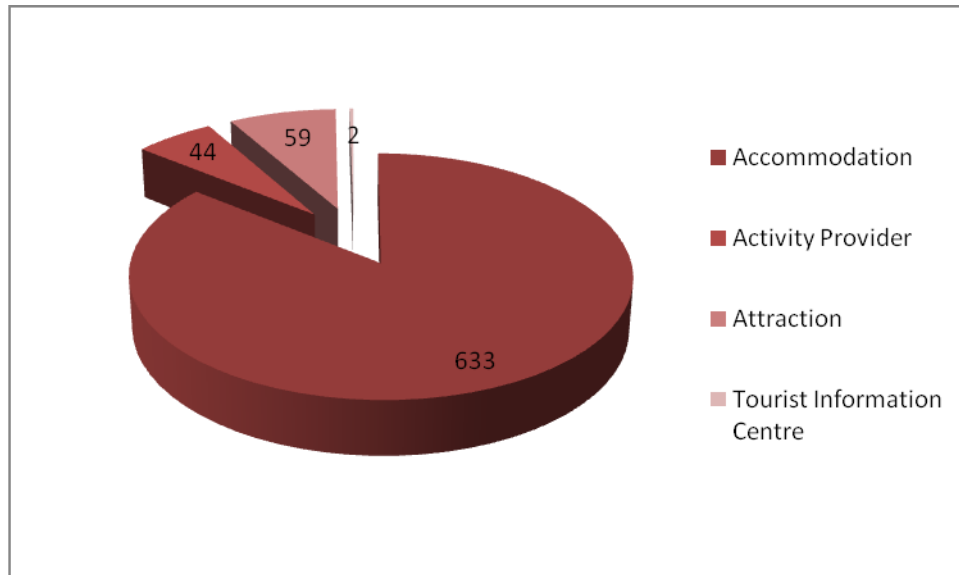


4.16 The highest number of a given grading were businesses graded 4 star (n=314) by Visit Wales, suggesting the quality of the businesses were of high standard but were failing to reach their audiences in the most effective manner as they sought out the diagnostics in an attempt to better their promotion and service. The next highest number of a given grading were businesses graded 5 star (n=106) by Visit Wales, further proving the high standard of businesses applying for the diagnostic. There were 103 businesses that had a 3 star Visit Wales rating and 17 businesses participating in the diagnostic that had been awarded a 2 star Visit Wales rating. Non-accommodation businesses (a further 172), including tourist attractions and activity providers, were not eligible for a star grading because they have separate accreditation for their relevant field.

³⁷ See Appendix V for maps of North, South East and South West Wales beneficiary locations

4.17 The majority of recipients were businesses in the accommodation sector (86 per cent; n=633) of the tourism industry, other main business types included attraction and activity providers (see Figure 8).

Figure 8: ICT diagnostic recipient by business type



Source: Visit Wales

Impacts and outcomes

4.18 While WEFO indicators only covered businesses assisted, the wider impacts of the ICT diagnostic have been significant with 54 jobs created³⁸ and many recipients reporting business growth.

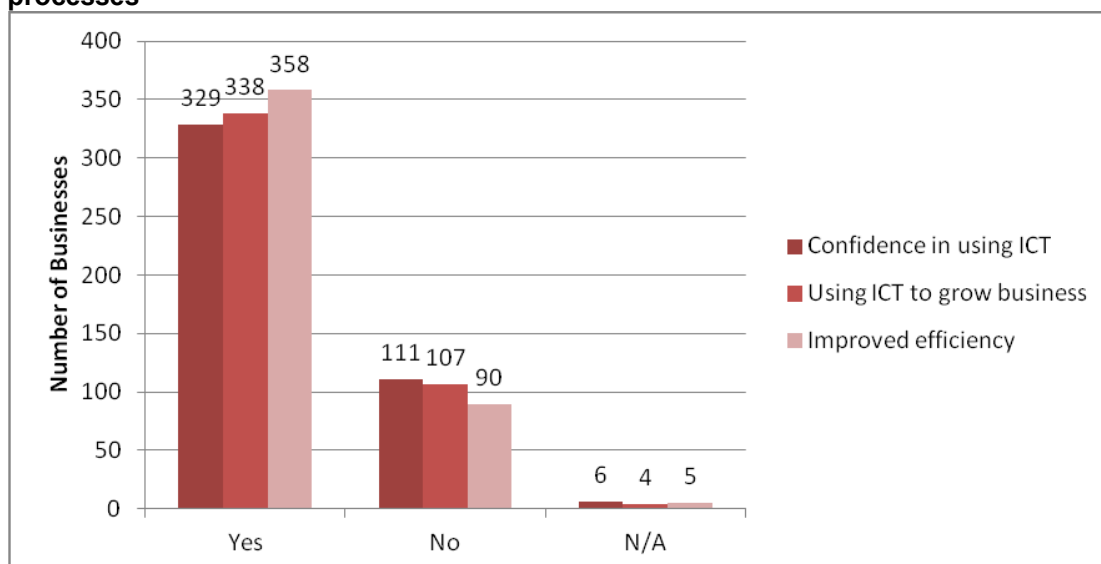
4.19 83 per cent (n=585) of survey participants found the ICT diagnostics process to be a positive one and 68 per cent (n=479) found that the diagnostic was beneficial to their business in helping their business grow. This growth and additional employment in Wales will have further impacts through the additional finance circulating in the economy.

4.20 Participants reported more confidence and efficient business processes as a result of the diagnostics. 79 per cent (n=556) of businesses surveyed stated that the diagnostic had improved efficiency in business, for example by updating customer databases and online booking

³⁸ Businesses reporting job creation are currently being revisited (January 2015) to verify this figure.

systems. These figures are replicated in the business' appropriate use of technology to grow the business, as well as the business owner's growing confidence in the use of ICT post diagnostic (See Figure 9).

Figure 9: Confidence in using ICT, using ICT to grow business and efficiency in processes



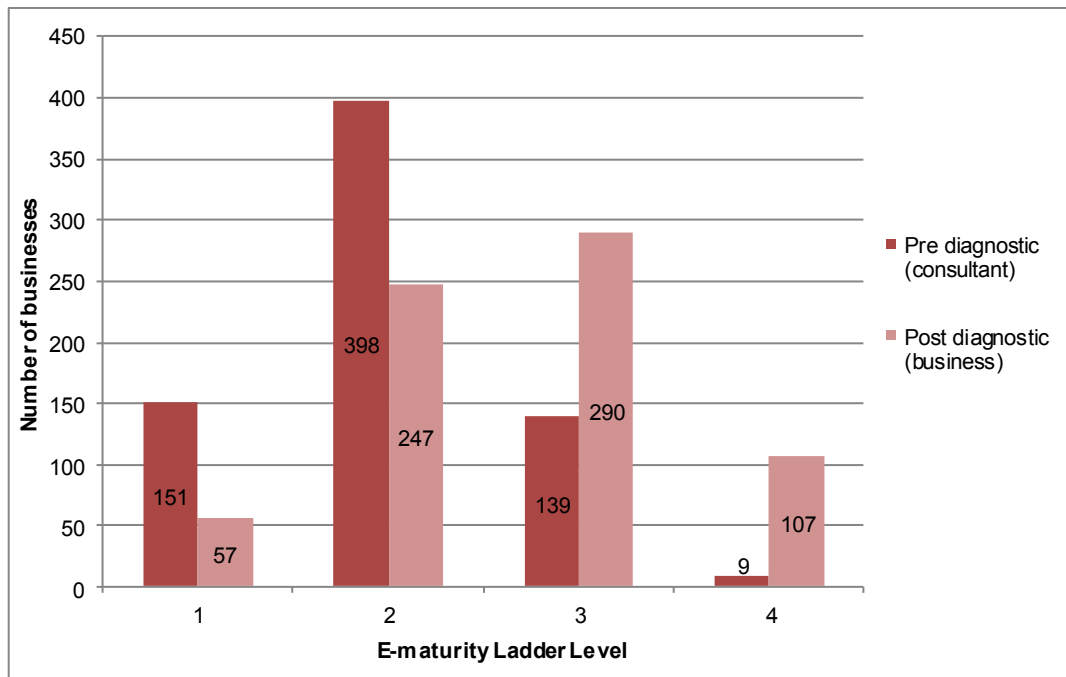
Source: Visit Wales (2014)

4.21 One of the processes of the Programme was for the consultant to give recommendations to the businesses for improving their use of ICT. Overall, businesses implemented 55 per cent of recommendations highlighted by the consultants with a further 6 per cent of recommendations currently in the process of being implemented. Businesses who did not implement the recommendations quoted a plethora of reasons, with the majority failing to implement due to a lack of time.

4.22 Businesses who participated in the ICT diagnostics process were positioned on an e-business maturity step ladder both before and after the diagnostic. At the time of the diagnostic, the majority of businesses were assessed to be at level 2, or a “passive user of IT in business” (see Figure 10). Post diagnostic, n=443 (62 per cent) of businesses surveyed had progressed at least one ‘step’ further in their e-maturity. This element of the project is clearly a success and reflects the achievement

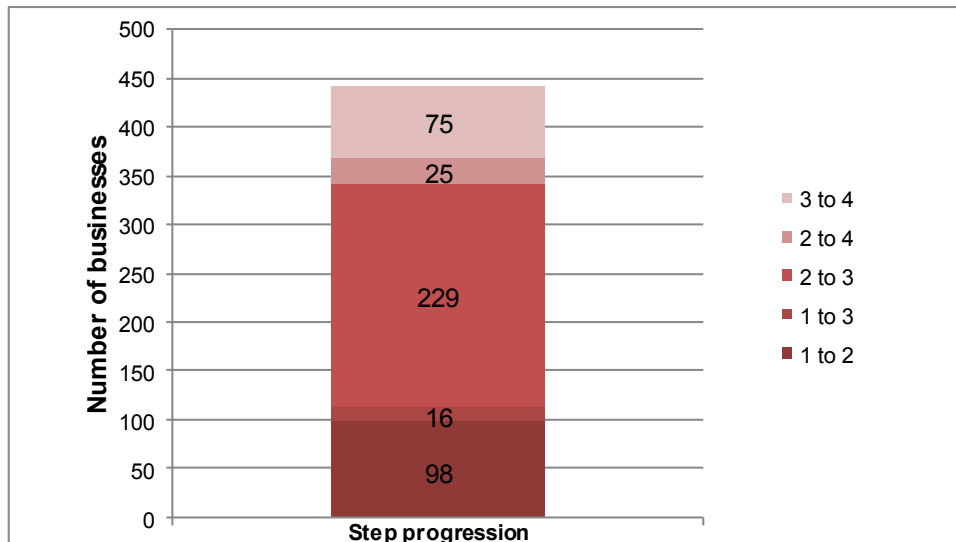
of one of the integral aims of the overall DTBF programme.

Figure 10: Position on E Maturity Ladder pre and post diagnostic



Source: Visit Wales (2014)

Figure 11: Number of steps progression up e-maturity ladder



Source: Visit Wales (2014)

4.23 These figures can be further dissected by looking at how many steps of the 'ladder' the businesses have climbed post-diagnostic. The majority of businesses were identified as progressing 2 to 3 steps up the e-maturity

ladder, surpassing the initiative's original aim of reaching 1 e-maturity step up for most businesses (see Figure 11).

- 4.24 All qualitative interviewees expressed their decision to utilise only local businesses and industries to address the recommendations given by their consultant.

"I made sure I used local businesses to complete the recommendations given to me by the consultant as I wanted my business to promote other local businesses and our area" (ICT Diagnostics recipient interviewee)

- 4.25 Interviewees reacted positively to the possibility of receiving another diagnostic in the future: one respondent claimed that they would only ever use a local consultant for the service again as they felt that they would have a better idea of the local business environment they reside in, as well as encouraging business cohesion within the community.

- 4.26 The diagnostic actively encouraged many businesses to begin collating the details of their previous customers in order to create a database from which they could then use to send out e-newsletters and promotions.

- 4.27 One of the major successes of the initiative was its ability to give confidence to businesses who were previously intimidated by the impact of ICT on their business

"The diagnostic gave me the knowledge I needed so as not to feel intimidated , thus allowing me to feel more confident and familiar with the processes when I went to outsource the recommendations" (ICT Diagnostic recipient interviewee)

- 4.28 Many interviewees were aware of the changes that they had to make in order to be a more successful business, but were unaware of how to tackle the issue, thus never dedicating any time to resolving the issues presented. The diagnostic encouraged businesses to dedicate more time to ICT and in turn realised its potential as an integral part of

business growth. The case study below illustrates how one recipient's diagnostic led them to make a number of changes to their business, resulting in significant impacts.

Case Study: Oldwalls Gower³⁹

Originally a family farm, Oldwalls Gower was converted into accommodation, conference centre and exclusive wedding venue in 2008. Before the diagnostic in late 2012, Oldwalls had a basic website but did not engage in any social media activities. Post diagnostic, the business had implemented a social media team of 3 full time staff to engage with customers and prospective clients online. The business owner, Andrew Hole, funded personally all of the recommendations given by the consultant due to the overwhelming growth of the business post diagnostic. The business started with just one full time employee, Andrew himself, and it has now grown to a business that employs over 30 full time staff and 40 casual part time staff who they are hoping to make more permanent once Oldwalls becomes a 12 month venue in 2015. For Oldwalls, the impacts of the ICT diagnostic have been unprecedented. In addition to business growth, Andrew believes the diagnostics has made him more confident of his use of ICT in business:

“Our huge audience on Facebook is a great way to interact with our clients: the team also uses Groupon [vouchers] to promote Oldwalls but we make sure that deals are first visible to our Facebook ‘likes’, in order to retain the trust of returning customers!”

The improvement in efficiency in processes in the creation of a database has been a huge help as well. Andrew and his team felt that the diagnostic was “an incredibly positive experience” that has allowed him to continually expand his business year on year.

4.29 ICT diagnostic recipient interviewees felt that the Programme offered opportunities for their businesses to reside in a more connected and

³⁹ See Appendix VI for full case study

sustainable industry: recipients felt that because of their increased online presence, the diagnostic allowed them both to increase their clientele and also reach out to other businesses and movements to offer a more varied and sustainable business model.

“The increased online presence has allowed me to seek out and be sought out by other local and national businesses, allowing for collaborations such as gluten free cooking classes and my involvement in other ‘foodie’ projects around the country.” (ICT Diagnostic recipient interviewee)

- 4.30 One interviewee reported attracting a younger clientele due to their more up-to-date online presence:

“I started seeing a younger client base coming, who had all accessed my business through the new website. Before the updated website, my client base would find the business through more traditional means of promotion in paper and print. The diagnostic has allowed us to expand our clientele to those who we found hard to reach beforehand.” (ICT Diagnostic recipient interviewee)

- 4.31 Accommodation businesses, who were the majority of ICT diagnostic recipients, felt very well catered for in terms of consultation and recommendations, but other tourism businesses complained of information being too general and not applicable to their business.

“Not very personalised...recommendations were addressing more ‘touristy’ attractions like accommodation and activity parks. I felt that the information given was information that could be applied to any business” (ICT Diagnostic recipient interviewee)

Cross cutting themes

- 4.32 The ICT Diagnostics survey assessed the extent to which businesses had implemented or updated equal opportunities and sustainability policies as a result of the diagnostic. In terms of equal opportunities (EO) policies, 3.7 per cent of businesses surveyed (n=26) who did not have

an EO policy pre-diagnostic had now implemented one. Of those that did have an EO policy at the diagnostic, 18.8 per cent (n=131) had updated it since the diagnostic. Sustainability policy figures were similar, with 5.6 per cent (n=40) of businesses that did not have a sustainability policy pre-diagnostic now having implemented one. 26 per cent (n=174) of businesses that did have a sustainability policy pre-diagnostic had updated it since the diagnostic. However, with regard to sustainability policies, many of the beneficiaries involved in the in depth interviews stated they had an 'unofficial' sustainability policy:

"We don't have an official written sustainability policy but we do try and conduct business in the most sustainable way possible: every guest must recycle and compost their waste, and we make sure that we encourage the use of reusable bags." (ICT Diagnostic recipient interviewee)

Future development

4.33 The DTBF delivery team felt there was considerable demand and rationale for continued delivery of diagnostics to the tourism sector;

"There is no point in hotels and B&Bs getting saunas if they have out-dated IT...£10k on facilities or £10k on IT; which is going to be more profitable? If you have got the basics right, then fine get a hot tub but it won't increase your revenue if people can't find you...using consolidates means you are losing profit" (Delivery team interviewee).

4.34 Any future diagnostics delivery should focus on 'hard to reach' businesses and clearly market the benefits and processes of the initiative to allow for more understanding of the benefits of participating in a diagnostic to secure a better reception for it.

4.35 Positively, 20 per cent (n=148) of businesses surveyed would be prepared to pay for a similar service in the future.

"The diagnostic made me realise the importance of consultants and the information they have to offer regarding a subject I had no idea

about. I would definitely pay for another consultant to come and reassess my ICT situation, but I would make sure they were local as they would probably have more knowledge about the local trends and my specific needs” (ICT Diagnostic recipient interviewee)

- 4.36 While it was acknowledged that other departments of the Welsh Government deliver a generic ICT diagnostic to businesses, some delivery team interviewees felt that the lack of tourism specific knowledge and expertise raised queries whether it would be of relevance to the tourist sector.
- 4.37 As highlighted as an issue in the MTE, the lack of post-diagnostic follow up and support to implement recommendations remains a problem with delivery team interviewees suggesting that if a micro-business were recommended to invest in a new server or website, they wouldn't necessarily have the expertise or finance to implement such a recommendation. However it was questioned whether Welsh Government could fund such support due to issues around state aid regulations. Share Wales content, which has been migrated to the Business Wales website will continue to provide information for businesses on how to implement many recommendations in the form of 'how to guides' and case studies.

5 Grant funded projects

Introduction

5.1 Drawing on interviews with the DTBF delivery team and grant beneficiaries, this section examines: the rationale for, and design of, the grant funded element of the Programme; its inputs; delivery processes; outputs; impacts and outcomes; and future developments/ areas for improvement.

Rationale and design

5.2 The rationale for grant funded activity was for the shared learning from best practice to be disseminated more widely and contribute to improving e-business maturity across the sector in Wales.

5.3 Grant funded activity was originally split into two streams: Creating Digital Tourism Communities – bringing together business networks and communities for shared business interests aiming to provide open, inter-operable building blocks for the wider digital tourism community in Wales; and Piloting Innovative Approaches to Using Digital Technologies for Tourism Business – supporting innovative tourism product ideas with knowledge gained being shared with the digital tourism community.

5.4 However following the 2012 grant re-profile the two streams were merged for the following reasons:

- The tools to support the DTBF Programme's original aspiration of developing digitally networked businesses had become widely available and tested (and at lower costs than anticipated at the time of drafting the Programme's business plan).
- The 16 feasibility and development funded projects up to 2012 demonstrated that the project was being used by technology companies to explore speculative concepts and whether these were achievable and sustainable (e.g. augmented reality or gaming projects based on tourism / cultural attractions), rather

than by the tourism sector. The main barrier within the tourism sector was identified as a lack of finance.

- Discussions with the tourism sector identified some reluctance to work together in a digitally networked community, due to a lack of trust and fear of competition.

5.5 Consequently, while it was agreed that the Programme would continue to both encourage collaborative working through the establishment of digital communities and innovative projects, it was thought that by focussing on implementation and roll-out projects, the tourism sector could be better supported to implement quick and cost effective projects (e.g. mobile web sites, apps, e-trails) as well as pure innovation and R&D. It was felt that these developments would be better placed to provide operators and visitors with an instant impact and leave a long term legacy of data, content, systems or infrastructure. In addition it was felt that more SMEs would be supported at a lower cost⁴⁰.

Inputs

5.6 Following re-profiling in 2011 and 2012, the final total budget for grant funded activity was £3,120,000: £620,000 for feasibility study projects; and £2,500,000 for grant funded projects. Grant funding comprised: feasibility grants of up to £15,000 (100 per cent); and full grants of up to 53 per cent of project costs.

5.7 Staffing comprised a finance manager, two grant monitoring officers and three regional strategists based in South West Wales, North Wales and South Wales.

5.8 The target set for grant funded activity was 50 enterprises financially supported. As with other programme targets, the delivery team felt that

⁴⁰ Visit Wales (2012) Digital Tourism Business Framework Final Baseline Re-Profiled Business Plan – 80554: Submission to WEFO, Cardiff Visit Wales

this target was limited in terms of reflecting the outputs, impacts and outcomes of this element of activity.

Project activity rationale

Project aims and objectives

5.9 Within the sample of projects interviewed as part of this evaluation, project aims and rationale mostly included:

- Attracting new customers, extending audiences and, in particular, widening the demographic of visitors by enhancing the visitor experience at attractions, through the use of digital interpretation⁴¹ (e.g. interpretation apps at historic attractions) including augmented reality⁴².
- Attracting new visitors to Wales, extending visits and promoting repeat visits by raising awareness of the tourism offer through informative apps/ websites (e.g. destination guides, transport information), location based information (e.g. events, cultural or historic interpretation, weather conditions) and marketing hubs for tourism businesses (e.g. outdoor activity businesses).

Rationale for accessing funding

5.10 The rationale for accessing the DTBF funding varied according to the project and organisation developing the project. There is strong evidence that many of the projects were in the initial stage of development or a concept stage and beneficiaries had been actively seeking investment to take the projects forward prior to DTBF funding. The funding, particularly for feasibility studies, had given these projects the necessary start-up investment where they may have been unable to secure alternative investment. Some projects had accessed the funding to improve the quality or increase the scale of a project that was already in development. However for a small number of the projects, the concept had been developed as a result of the availability of DTBF funding.

⁴¹ For examples see Appendix VII Case Studies 4 and 6.

⁴² See Appendix VII, Case Study 1

Awareness of DTBF funding

5.11 Beneficiaries had found out about the funding through a wide variety of sources. Many cited 'word of mouth', or 'through contacts', but this included contacts within Visit Wales, Welsh Government, local authorities, tourism associations, business networks and other relevant organisations and networks. It appears, according to the sample, that Visit Wales successfully disseminated information to a wide variety of relevant networks and groups. Many of the beneficiaries were actively seeking funding and therefore were made aware of the funding on the Visit Wales website and via correspondence. A small number had been approached by Visit Wales officers and very few had become aware as a result of events or presentations.

"We are "plugged into" Visit Wales so well aware of what was available." (Full project beneficiary interviewee)

"I became aware of the grant through word of mouth in business circles." (Full project beneficiary interviewee)

"We heard through our contacts at the County Council and Welsh Government." (Full project beneficiary interviewee)

Match funding

5.12 Most of the beneficiaries matched the DTBF funding for their projects from their own company or organisation's finances. In some cases, particularly in the public and third sector, this meant diverting funds from one budget to another, but the opportunity to develop digital projects was seen as a priority which justified the investment. There was evidence that third sector beneficiaries had secured funding from elsewhere, including the Heritage Lottery Fund and through local partnerships (e.g. with local authorities). There was little to suggest that securing match funding had been challenging for beneficiaries, however it was cited as a reason for many feasibility projects not proceeding to full project stage and the consequences of the economic downturn at the end of 2010 must be borne in mind.

Feasibility studies

5.13 Not all beneficiaries of full project funding had undertaken a feasibility study through DTBF. In the majority of cases, those who had not done a DTBF feasibility study had already undertaken some form of research or feasibility study independently, or had already developed and tested an initial version of the project (see paragraph 5.17). Overall, the feasibility studies gave beneficiaries the confidence in their projects and a better basis for proceeding to full project funding.

"It was a useful exercise....we had a hunch that this may work but we needed facts and figures to back it up." (Full project beneficiary interviewee who undertook a feasibility study)

"Worthwhile project, especially as it was 100 per cent funded... proved it was a good idea." (Full project beneficiary interviewee who undertook a feasibility study)

5.14 Most beneficiaries who undertook feasibility studies had found it to be a valuable experience for researching the market and for identifying potential challenges and barriers, e.g. poor mobile signal coverage in Wales. The fact that it was 100 per cent funded was also important because it allowed them to test new and innovative ideas. Some beneficiaries of feasibility studies suggested that Welsh Government should have been more transparent about who received funding at this stage in order to encourage early collaboration, reduce duplication and overcome barriers.

Delivery processes

Application and appraisal process

5.15 The design of the application and appraisals process evolved over time and has previously been addressed in the MTE. Those involved in the delivery of the Programme felt that the revised application process was more streamlined with more communication about applications being facilitated over e-mail rather than face to face and considerably less time spent on sifting through applications.

5.16 Due to challenges in getting a significant volume of innovative applications, the requirement for projects to undertake a 100 per cent funded feasibility study project before submitting a full application was removed:

“They were meant to be innovative to align to WEFO funding priority but we struggled to get the volume of innovative applications so we had to be pragmatic” (Delivery team interviewee)

5.17 Some interviewees felt that this resulted in the Programme ethos moving from innovation to implementation however:

“Projects still had to demonstrate some evidence of feasibility however at this point the team were more knowledgeable and we funded better quality projects” (Delivery team interviewee)

5.18 On the whole, grant beneficiaries felt that the application process was well explained by DTBF staff, and their experience was largely positive. However capacity within organisations to complete the application varied and influenced the experience of the application process for individual organisations. A number of interviewees felt that the level of bureaucracy had increased throughout the process and that paperwork had been prohibitively time consuming for some organisations, particularly SMEs.

“The introductory document was huge, it was vast, for a small two man business it takes up a lot of valuable time to read through” (Full project beneficiary interviewee)

“It was explained well at the outset although as the project went on more demands started to emerge which were not described at the start and were generally unrealistic. The paperwork outweighed the amount of money provided” (Full project beneficiary interviewee)

5.19 Some interviewees deemed the application process similar to other EU programmes; however the complexity of paperwork was considered higher than other comparable UK schemes.

5.20 The Regional Strategists were highly valued by most of the interviewees and their supportive and proactive approach commended.

“Fantastic, the whole team was great... they were kind, pleasant and accommodating... they stood by us and I couldn’t have hoped for better advice.” (Full project beneficiary interviewee)

“Often funding partners aren’t interested in working with you on a project, just in providing the money and check, check, check, not in working with you to find a solution, but they were not like that, they were part of the project.” (Full project beneficiary interviewee)

“Fine, spot on, proactive, responsive and the best I’ve been involved with” (Full project beneficiary interviewee)

“Really helpful, can’t fault them at all. We couldn’t have done it without their hands on support” (Full project beneficiary interviewee)

5.21 A few interviewees criticised the lack of continuity resulting from a changeover of staff and a lack of technical or sector expertise in some instances. Some also felt that the Regional Strategists could have taken a more strategic approach to building networks and linking up projects across Wales and considered this a missed opportunity.

“Our Regional Strategist was great... however I wish they had been better at promoting the product or sharing contacts” (Full project beneficiary interviewee)

“The role had more scope to be strategic – linking up across Wales to see what is required for digital tourism.” (Full project beneficiary interviewee)

“I’d like to see more strategic and innovative stuff going on. My understanding of Welsh tourism is that it’s very fragmented. There should be more risk and innovation, and more linkages across Wales and more strategic things, linking up the different projects and activities across Wales.” (Full project beneficiary interviewee)

5.22 There were mixed views amongst the delivery team regarding the value of the Steering Group to the appraisal process:

“It was an effective appraisal process and the steering group offered insight and added value” (Delivery team interviewee)

“They were quite good in the initial stages as a sounding board in terms of what the tourism industry needs but as the Programme got underway it became more dissipated. They often objected to projects without a great deal of rationale”
(Delivery team interviewee)

Claims process

5.23 The financial management of the grant funded projects has been a challenging process for all involved. While not originally intended, grant funded projects have been subject to 100 per cent checks due to a high level of inaccuracies noted in initial claims. This led to an increase in the resource allocated to supporting applicants. Some delivery team members reported initially being insufficiently equipped to process claims and had to undertake a lot of ‘on the job’ learning. In addition it was felt that WEFO requirements were open to a degree of interpretation and that they were ineffectual in responding for requests in clarification. It was recognised that grant beneficiaries had found the claims process onerous, however the team had attempted to support them later in the process by disseminating a comprehensive guide on how to make a claim.

5.24 This was reflected in feedback from interviewees, who although resigned to the fact that claims needed to be well documented, felt that the requirements had been too rigorous and time consuming for grants of this size. The process was considered much more complicated and detailed than similar EU grant schemes.

“The level of bureaucracy involved in this project only surprised me in one place... At the end of the project” (Full project beneficiary interviewee)

"The areas of dispute cost more than the costs that were being disputed and more energy went into claiming than the project itself." (Full project beneficiary interviewee)

"it almost got to the point where it was taking so much time that the project didn't seem viable..." (Full project beneficiary interviewee)

5.25 Where interviewees had received help from the Grant Finance Team they reported them to be helpful although operating within very stringent processes.

Referrals to other support programmes/ structural funds

5.26 A small number of beneficiaries reported being referred to other Government business support programmes, sources of advice (e.g. entrepreneurship units at local universities) and funding streams (e.g. Small Business Research Initiative).

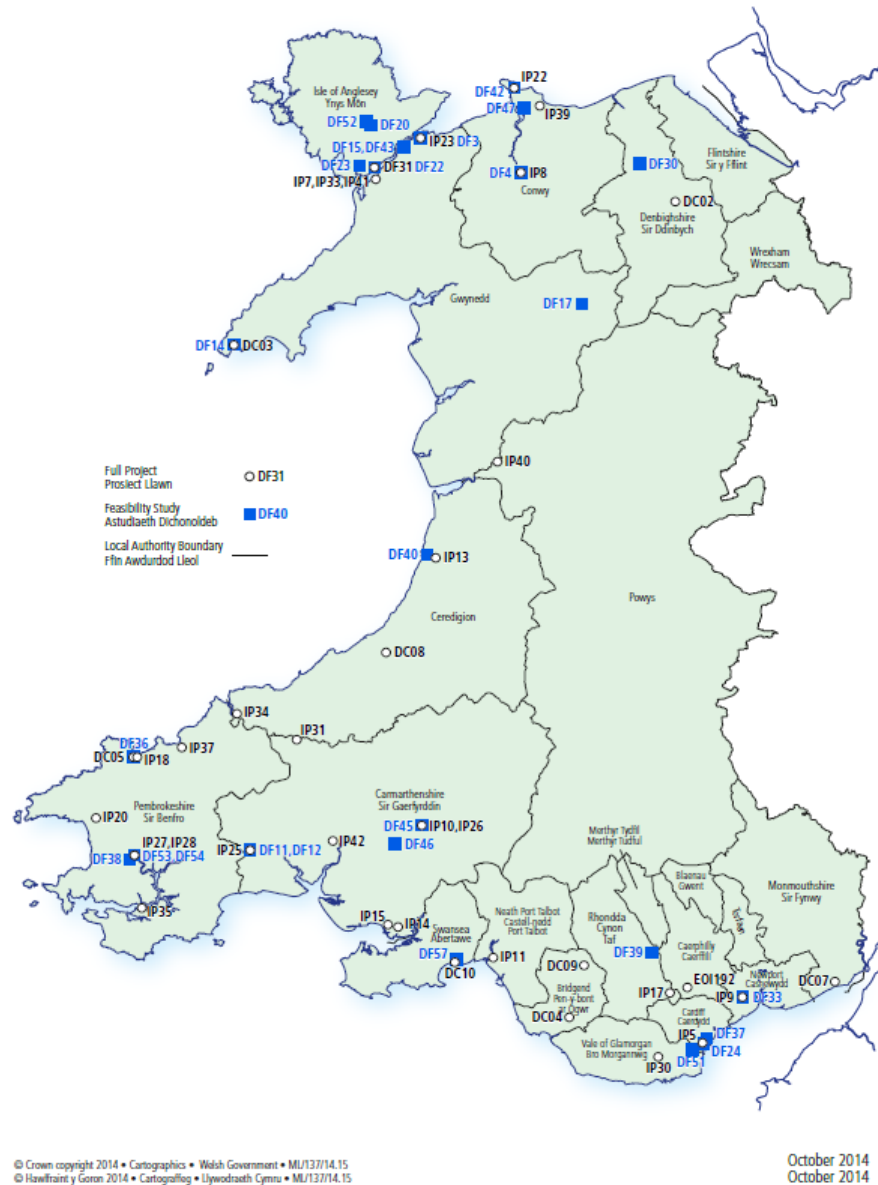
Outputs and project activity

5.27 N=45 enterprises were financially supported by the competitive grants against a target of 50. The delivery team noted that a number of organisations received more than one grant.

N=39 projects received full project funding; n=32 projects received feasibility study funding. n=13 feasibility study projects went on to access full project funding. The majority of all projects were located in North Wales and South West Wales (n=28 and n=27 respectively) (see Figure 12). SMEs delivered the majority of all projects (61 per cent; n=44), followed by the third sector (22 per cent; n=16) and public sector (15 per cent; n=11). Overall n=19 (27 per cent) Digital Communities projects were delivered and n=52 (73 per cent) innovative projects. Of full projects n=10 (26 per cent) were Digital Community projects and n=29 (74 per cent) Innovative Projects; and there were n=9 (28 per cent) Digital Community feasibility projects and n=23 (72 per cent) Innovative feasibility projects.

Figure 12: Location of DTBF projects

Location map of Projects Funded by Digital Tourism Business Framework
Map lleoliad Prosiectau a ariennir gan Fframwaith Busnes Twristiaeth Ddigidol



Source: Visit Wales (2014)

Impacts and outcomes

Overview

5.28 At the time of the evaluation only a minority of projects had completed and launched their products, in addition many of those projects that had completed had done so only relatively recently so it could be considered

too early to identify actual impacts and outcomes. However interviewees were asked to think about anticipated impacts and outcomes from their projects and if and how they were planning to measure them.

Programme monitoring data suggests that a total of investment levered through the projects to September 2014 was in the region of £874,000⁴³, expected to increase to approximately £1.22m by the end of programme⁴⁴. The projects will additionally have delivered significant added value through development of skills and capacity to develop innovative projects for the sector.

5.29 While most organisations had thought about the sustained impact the project they had undertaken would have on their organisation or business, there were a small number who hadn't given this issue much thought. While most impacts and outcomes were strongly linked to the Welsh tourism economy, for some projects, mainly those developed by SMEs, the impacts of projects were more likely to be related to business development and market growth of the company.

5.30 The impacts and outcomes on visitor numbers and experience were much stronger when linked to attractions and destinations (e.g. Margam Park, Llanelly House, Discover Portmeirion) than some of the more generic pan Wales projects (e.g. 'The Visit App', Mobile Marketing Hub). Other impacts and outcomes were more indirect, for example the development of ROUGEO was undertaken by a North Wales SME which in turn has licensed the product to tourism organisations in England and Wales to use to promote and monitor tourism activity⁴⁵.

Visitor numbers

⁴³ This data is based on the Based on claims paid to date against full projects, which were 53% funded, on the assumption that 47% of project cost would be leveraged from the beneficiary. Source: DTBF Monitoring Data

⁴⁴ Using the same assumption as above, for projected end of programme spend.

⁴⁵ See Appendix VII, Case Study 10

5.31 As a result of the improved experience offered by digital technologies, one of the key anticipated outcomes of projects was increased visitor numbers and repeat visits to attractions and the respective communities. It was also suggested that visitor stays would be extended and spend might be increased. For example, the developers of the Alice in Wonderland App, which was launched at the time of the evaluation, hoped that it would not only increase visitor numbers to Llandudno but would also encourage a more diversified set of visitors including those from overseas (appealing to Alice in Wonderland's international appeal) and young families.

5.32 Although there was no evidence to demonstrate an increase in visits to physical sites as a result of projects, high numbers of visits to websites had been recorded by a number of projects, with many reporting either successfully establishing or improving their online presence. A hub established to link activities celebrating Dylan Thomas' centenary reported 85,000 sessions (individual periods of engagement with the website) from 65,000 users, with over 28,000 individuals recorded within its social communities of Facebook and Twitter.

5.33 Whilst certain projects contributed towards and improved the marketing of destinations and attractions, consequently benefitting from greater exposure, others were reported as requiring additional marketing efforts in order to promote the product. A number of project teams reported a lack of outcomes at present but noted that they anticipated increased visitor numbers once they had implemented their marketing plan. This reinforces the importance of marketing in achieving desired outcomes.

Enhanced visitor experience

5.34 Linked to the aims of their respective projects, it is evident that the majority of beneficiaries anticipated that their project would, in some way, improve the offer to tourists and enhance the visitor experience, whether that be to a zoo, museum, trail or area. Alternative and innovative digital methods for engaging with visitors at physical sites were considered to

add value and entertainment to an offer, with the improved experience anticipated to increase enjoyment, encourage repeat visits and to improve the reputation of the attraction. For example, a key anticipated outcome for an application linked with a trail in Carmarthenshire, was to:

“use digital to add to people’s enjoyment and really extend people’s pleasure and interpretation of the walk”. (Full project beneficiary interviewee)

5.35 Most interviewees had not planned any systematic measurement of visitor experience related to their project but had referred to anecdotal customer feedback collected from visitor books and TripAdvisor. A number of projects linked to physical sites (e.g. Margam Park, Llanelly House) did suggest that they may include questions related to visitor experience in future visitor surveys.

Increased awareness of Wales

5.36 Associated with an enhanced experience and anticipated increase in visitor numbers, was the hope that awareness would increase of respective issues, products, enterprises or destinations. This was an anticipated outcome of both on-location digital interpretation projects and online hub projects which were argued to improve access to information. An example of this is illustrated by the Digital Dissent project⁴⁶. It was anticipated that the establishment of a website would build on the existing work of Addoldai Cymru by highlighting the importance of chapels to the heritage of urban and rural landscapes, raising awareness of redundant chapels in Wales, as well as the work of the charity.

5.37 The anticipated outcome of greater awareness of issues and attractions was also associated with improved marketing. Addoldai Cymru anticipated the awareness increased by their project would lead to greater donations to support the charity. Meanwhile, another business expressed the intention to collect contact details through their

⁴⁶ See Appendix VII, Case Study 3

technologies installed on-site and make use of these for direct selling techniques.

5.38 It was also hoped that increased awareness would extend to new audiences au fait with digital technologies. Some beneficiaries had already reported a widened audience attracted to their products. As a result of their project to develop a digital hub and website for its members, Wales Official Tourist Guides Association reported that a number of their members had observed greater international awareness⁴⁷:

"One guide has reported providing tours for Americans, Ukrainians, Germans and Qataris through 'Wales Best Guides.com'" (Full project beneficiary interviewee)

5.39 Furthermore, a digital hub set up to promote the activities based on Dylan Thomas' centenary celebrations also reported success in attracting an international audience⁴⁸. Strong user bases, including website users and members of online communities, were observed not only in London, but also New York and California (key target audiences). Through increasing awareness of Dylan Thomas, the project also showcased Wales as a place of natural beauty and was anticipated to have raised its profile as a destination.

Business development

5.40 A number of grant beneficiary interviewees hoped and anticipated that their projects would lead to increased turnover, although none claimed this had been achieved to date. One digital community project, 'Wales Best Guides' reported that the project had generated increased work and income for individual businesses in its hub. Meanwhile, another business reported recruiting an extra member of staff, supported partly with project funding. One project also anticipated that with increased visitor numbers, the business would also be able to take on additional staff in future.

⁴⁷ See Appendix VII, Case Study 11

⁴⁸ See Appendix VII, Case Study 7

Further business development outcomes included increased skills levels amongst those directly involved in delivery, as well as networks benefitting from its use or training rolled out. It was also reported that for one project, a team member initially in an administration role, was provided with project management responsibilities and consequently developed their wider professional skills.

5.41 A number of projects sought to bring together businesses with common aims, business agendas or values (such as sustainable transport or cruise ship destinations). These projects were argued to have forged links between businesses and community groups, improved business awareness and networking and led to not only a more connected market, but also an improved and cross-marketed offer.

5.42 A smaller number of developers reported that the applications they had developed had a significant impact on the growth of their businesses. For one SME grant beneficiary, the product developed with funding from DTBF was argued to be fundamental to the establishment of the company, estimating that it had contributed to nearly a 50 per cent increase in business activity.

5.43 A greater number of developers reported expansion or development of their portfolio within the tourism sector.

“we have learnt a lot and the DTBF project has given us confidence to develop other projects” (Full project beneficiary interviewee)

5.44 As part of their entry into the sector, a number of interviewees reported having presented their DTBF project at events and to clients in order to demonstrate their skills and products, promote their business and attract new customers.

Knowledge and use of digital technology

5.45 Linking to the overall aim of DTBF, a key outcome of a number of projects was improved knowledge, understanding and use of digital technologies both for developers of projects and those using and maintaining them. For many of those introducing digital technologies to their business, the importance and value of digital mediums for marketing, raising awareness and engaging visitors was realised or reinforced. For a number of teams, a key outcome was this change in mindset at a company level, alleviating fears of new technologies amongst staff and promoting openness to new ideas and technologies. This led some to consider embracing technologies in other ways, such as through social media and online marketing.

“I really have had to change my focus when I am thinking about how to get information out to people...less in newspapers and more on Facebook and Twitter” (Full project beneficiary interviewee)

5.46 One organisation also reported recognising the importance of digital marketing and had increased the number of marketing roles on their committee from one to three with an increased emphasis on digital marketing activities and plans to develop an app. Meanwhile a large number of other businesses expressed the intention to further develop their digital offer, largely through expansion and replication of successful elements of their projects but also through adaptations to target audiences of different ages and interests.

5.47 The incorporation of digital technologies at attractions was further thought to have contributed to business development through differentiating attractions and sites from competitors. Offering a unique experience and incorporating leading edge technologies was thought to better meet the expectations of contemporary visitors and was thought to have boosted the credibility of a number of businesses.

“People are changing in the way they behave when they visit tourist attractions...they want to use their smartphones. Guide books are being used less and less” (Full project beneficiary interviewee)

Digital capacity building

5.48 For some the process of developing an app or learning to use digital technologies was a key outcome in itself.

“The lessons learned during the processes and logistics phase of the project have been as useful, and valuable, as the overall end product. (I.e. the app)” (Full project beneficiary interviewee)

5.49 For both developers and tourism businesses and organisations, a large number of projects were of value not just because of any specific outcomes but because of the opportunity to experiment with ideas, products and technologies and test the market and interest in their project. This had provided teams with confidence and a more informed awareness of opportunities for themselves and within the tourism sector.

“We learnt a lot about the technology that is available and what can be done with it” (Feasibility project beneficiary interviewee)

“It was good to find out whether the system could be delivered and if there was an appetite for the system amongst target groups” (Full project beneficiary interviewee)

5.50 Specific lessons learned varied significantly from developers gaining a greater understanding of technical challenges and solutions and benefitting from the opportunity to trial new technologies and products, to tourist businesses developing an awareness of social media, content production and the procuring of digital technologies.

“Through this project we have learnt a lot about how to deal with channel management organisations and if we want to use them again, we now know how to approach them, what to say to them, how long it might take to get them on-board, etc.” (Full project beneficiary interviewee)

“The project has reinforced our belief that we shouldn’t do things in isolation and that incorporating digital approaches in what we do is important” (Full project beneficiary interviewee)

5.51 One of the key practical lessons learnt across a number of projects was the importance of a strong internet connection when encouraging visitors to download applications of a large size to their own devices. Whilst one individual suggested the market in Wales is not ready for applications due to the lack of 3G coverage, others had found ways to adapt their projects. For a number of projects the poor internet signal on-site led them to promote the download of their application pre-visit, whilst another project withdrew its intention to market the app for public download and instead offered the product to visitors pre-installed on digital tablets for rent on-site. It was also found that keeping the application private allowed for better control of performance and maintenance and avoided problems associated with multiple and different devices.

5.52 Key lessons learnt in the use social media included retaining audiences and promoting engagement. For example, the managing contributors of one project’s online communities reported discovering the importance of maintaining a balance between awareness raising and driving business.

5.53 Other lessons learnt through several projects included the use and development of content. For example, a project to develop an application for a Dylan Thomas trail in Laugharne was described by its lead as *“a successful experiment and benchmark in the securing of copyright permissions”*, with both the developers and tourism team gaining increased awareness of the different regulations applying to written, digital and auditory forms of content and timescales involved in gaining approval. Another project, having gained an appreciation of the cost of content development, had learnt where savings could be made in developing content in house, for example in photography and written materials.

5.54 A further lesson learnt by one project was the value of building in review periods into the process of development. It was reported that reviewing the use of an online hub and success of different elements at intermittent periods allowed stakeholders to realign their aims and content to make best use of the platform. For example, following review it was noted that events were of key interest to users and so the hub was adapted to place greater emphasis on this section.

5.55 Additionally, many respondents, while finding the grant experience challenging, valued the skills and knowledge they had developed as a result of the process, recognising that grants were likely to become an increasingly important source of funding in the future. One referred to the learning required to become disciplined in reporting and setting timescales whilst another felt that the grant requirements, including outlining the aims and anticipated outputs from the outset, provided the project with a focus and ensured work was efficient and to the specification.

Cross cutting themes

5.56 While delivering on cross cutting themes was not a requirement of grant funded activity, interviewees were asked about the extent to which they had implemented and/ or updated systems and processes relating to this as a result of being involved in DTBF. While the majority of interviewees, particular those from public sector organisations, already had equal opportunities and sustainability policies, a small number of projects reported using less paper and or bilingual logos and materials as a result of their involvement with DTBF. In addition the delivery team highlighted that the appointment of regionally based strategists alongside the centralised delivery team had reduced the amount of travel required to conduct project visits and progress meetings.

Counterfactual

5.57 Interviews with applicants who had not been accepted past EOI stage revealed that projects were rejected for a number of different reasons including duplication or lack of unique quality and lack of innovation. Of those interviewed, none had gone on to develop the project in the absence of DTBF funding. The majority of grant beneficiary interviewees also suggested that their project would not have gone ahead:

“It wouldn’t have happened at all...we were really keen to develop something and the DTBF talk made it seem possible...otherwise we would have stopped there...DTBF was a major instigator.” (Full project beneficiary interviewee)

“Would not have been able to be done without the funding as the idea was ‘blue sky’.” (Feasibility project beneficiary interviewee)

5.58 Of the small number of projects which could have gone ahead without the funding, most said that the project would have been much smaller in scale or lower in quality.

“Without funding we wouldn’t have been able to get the app to a quality good enough to make it publicly available.” (Full project beneficiary interviewee)

“Without the funding it would have only taken us halfway. The funding has taken it out of the realm of what most people would have to build a website.” (Full project beneficiary interviewee)

5.59 Some projects did not proceed past the feasibility stage. The most common reason for this included the inability to secure necessary funding, along with a lack of internal resources to continue or the feasibility study suggesting that the project was not viable in its current form.

Future development and priority areas

5.60 Grant beneficiaries and the project team were asked to look to the future and give an indication of future developments, demand for funding and suggestions for improvements for future grant programmes. The findings are discussed in the following section.

Future development of DTBF projects

5.61 The future development of projects will depend somewhat on the success of the current projects. In most cases, it is still too early to tell whether the projects have been successful. In the fast moving world of digital technology, it is important to be developing and adapting products in line with technological developments. There is evidence to suggest that beneficiaries are aware of the need for continuous development and as such, many had already considered the future development of their projects. Some were considering wider roll-out or replication of their product elsewhere, or developing new partnerships to open up new business opportunities. Others were considering adding new features or targeting new audiences by building on their current project. Many of the projects will rely on continual updates, maintenance and new content and this was considered to be a particular challenge in sustaining the project in the long term.

“Managing the social communities is a full-time job in itself and discussions are underway as to who should run the website in the long-term.” (Full project beneficiary interviewee)

5.62 In addition to new partnerships to develop projects further, there is an appetite for future funding similar to DTBF. Beneficiaries are also looking at a range of other potential funding sources to support project development; these include funders such as Big Lottery Fund and the Heritage Lottery Fund; self-funding or private investment; and other grant programmes such as Innovate UK. Some applicants who had found the process too bureaucratic and time consuming, and could find alternative finance elsewhere were unsure if they would apply for EU funding again,

because in their opinion it was not good value for money. However a number of beneficiaries said that DTBF or similar funding was their only option.

“We’ve wasted more time on trying to claim for finance than if we had self-financed. The funding was not value for money”

(Full project beneficiary interview)

“We would probably not look at EU funding again unless we were in a different financial situation - you need to have an

infrastructure to manage it.” (Feasibility project beneficiary interviewee)

“Although the claims process was bad, we are a charity and rely on grants such as this. My experience has not put me off” (Full project beneficiary interviewee)

Lessons learnt and suggestions for future programmes

5.63 The first priority area suggested by beneficiaries was education of the tourism industry in the importance of digitalisation, and improving knowledge of digital technologies for the tourism sector. One beneficiary suggested that this could be achieved through supporting attendance at conferences to ensure that the sector is aware of technological development and can share best practice. Although many tourism sector organisations are embracing digital technologies, some felt that there were still many small businesses that were not aware of its importance or wider development.

5.64 A more strategic approach to digital branding was also mentioned by a number of interviews as a future priority, particularly ensuring that digital branding reflected Visit Wales’ print branding. Some even felt that Wales needed to think more carefully about how it is perceived and branded as a tourism destination and that this could potentially provide a more strategic approach to future funding programmes. The need for a more strategic approach for digital tourism funding was mentioned by several beneficiaries. They felt that the lack of strategic direction and DTBF’s reactive nature had led to duplication of products and fragmented

coverage in Wales. Some also felt that this had led to a missed opportunity to encourage collaboration, share best practice, link sector specific projects (e.g. heritage sector) and support projects which might have had wider appeal across Wales and further afield. The lack of transparency in the projects funded was also attributed to a paucity of collaboration and linking of similar projects.

“They need to be clear on strategic aims and ask market to solve them, to reduce duplication so you don’t end up with companies in North and South Wales doing the same thing.”

(Full project beneficiary interviewee)

“I went to the Digital Tourism event at the Swansea Stadium and with many of the things I saw there I did wonder why that’s not available across Wales. Perhaps Visit Wales should consider all of the projects that were funded out of the DTBF this time, which ones have roll-out potential, so that consistent technologies are developed across Wales rather than the disparate mix we’ve got this time.” (Full project beneficiary interviewee)

5.65 Some interviewees gave examples of where tourism projects had been coordinated and may have achieved greater impact e.g. events and activities surrounding Dylan Thomas’ centenary celebrations. They also felt that projects should be developed in line with destination management plans. However, some argued that by taking a strategic approach, there would be less opportunity for innovation. One possible solution would be to split funding to support a strategic agenda but also leave some available to support innovation.

5.66 Although many of the beneficiaries had produced successful products, they felt there was now a need to promote them and increase their visibility, both within Wales and further afield. Finally, some thought that the digital infrastructure needed developing in Wales before any future digital programmes (e.g. improving the mobile signal coverage).

5.67 Most interviewees felt that application processes, specifically the claims process, should be simplified and streamlined for future programmes to ensure that potential applicants were not deterred from applying. In addition, applicants felt that a clearer explanation of the claims and application process at the outset would be advisable to ensure that people were able to make informed decisions on whether or not to apply. Beneficiaries' experiences of the application process had varied according to their skills, experience and capacity and they felt that the process needed to be more accommodating to the different applicants in understanding that each organisation is different (i.e. public/private/third sector) and may need different levels and types of support to successfully complete the process. The claims guide which was produced towards the end of the Programme was welcomed by applicants, however would be best implemented at the beginning of the Programme to give applicants a clearer understanding of procedures.

6 Digital Marketing

Introduction

6.1 This section reviews the background and delivery of the digital marketing element of the DTBF programme, drawing on interviews with members of the digital marketing team and data extracted from Google analytics and internal monitoring. It also reviews the development of the Share Wales website aspect of the business engagement activity.

Rationale

6.2 The third main strand of the DTBF programme was digital marketing activity which centred on the development of a new Visit Wales website. The rationale for this activity was three fold: the Visit Wales website at the time of planning DTBF was out of date, both in terms of content and operating system; the website had low visibility on Google searches; and there was a need to create a platform to respond to improved knowledge and demands of the sector and visitors by using content sourced from industry itself:

“The new website was driven by aspirations for a social web with content driven by the community rather than content just published by Welsh Government” (Delivery team interviewee)

6.3 The aims and objectives of the activity were to enable Visit Wales to:

- Increase awareness of Wales and drive traffic to the tourism sector.
- Gain an understanding of what people are searching for and ensure that Wales is optimised in the results returned.
- Integrate and engage Visit Wales with social channels such as Facebook and Twitter), partners (e.g. Cadw, tourism. partnerships, Sustrans) and distribution partners (Trip Advisor, Visit Britain and Newspapers).

- Manage content according to season, demand, events and activities (e.g. create festival playlists on Spotify, get user feedback on romantic destinations to use in promotions around Valentine's Day).
- Improve use of customer databases to convert contacts into visitors.

6.4 Digital marketing activity comprised seven elements covering ecosystem development, open platform and knowledge base activities:

- I. The development of a new Visit Wales website (ecosystem development).
- II. The creation of an open platform - the infrastructure on which the Visit Wales website is developed and managed.
- III. Search and social activity (knowledge base) to help the Visit Wales website appear in search results.
- IV. The development of a website to share Wales tourism information with journalists only (knowledge base).
- V. Digital trade initiative - a funding scheme to encourage on line travel trade businesses to develop and promote rich content about Wales within their digital marketing (knowledge base).
- VI. The development of a database of visitors and potential visitors to Wales to encourage recipients to visit Wales, or to stay longer/do more/spend more money in Wales if they are already intending to visit (knowledge base).
- VII. The development of a technology database - a customer database used to communicate with potential visitors to Wales.

6.5 In the 2012 re-profiling, the development of a website to share Wales' tourism information with journalists (IV) and the digital trade initiative components (V) were removed from the Programme's business plan as they were hindered by the initial delays in gaining permissions (see 6.7) and requirements to fulfil other priorities. While this activity hasn't been picked up by other strands, the overall improvement in content on the

Visit Wales website will have contributed to the original aims of these activities.

Inputs

- 6.6 Digital marketing activity had a total budget of approximately £3 million, the majority of which (approximately £600,000 per annum), was spent on activity relating to driving demand including the funding of two full time posts within Visit Wales and a contract with a digital marketing agency. The remainder of the budget (between approximately £100,000 and £200,000 per activity per annum) was allocated to licensing and hosting, the development of the content ecosystem (e.g. building of website) and customer relationship management (CRM) activity. The Digital marketing activity didn't have any specific targets relating to its outputs.

Delivery processes

- 6.7 The delivery of digital marketing activity was initially hindered by delays in gaining permission to utilise a new operating platform for the website that would better support its aim to be content rather than publishing driven, drawing from content from the Share Wales Flickr group⁴⁹ and fully integrated with social media. After two years permission was granted for a different approach, some elements of which have since been taken on elsewhere in Welsh Government. These delays did however contribute to two components, the knowledge base PR and digital trade initiative not being progressed.
- 6.8 The MTE noted that staff redundancies had reduced the amount of human resources dedicated to each stream. This appeared to be less of an issue at this phase of the evaluation, possibly due to the fact that the bulk of activity had been completed.

⁴⁹ <https://www.flickr.com/groups/sharewales/>

- 6.9 In terms of the wider DTBF programme, it was felt that the digital marketing element had become isolated from the grant funded and ICT diagnostics activity and as a result, an opportunity to capitalise on the successes of each element had been missed.

Outputs

- 6.10 The new Visit Wales website (I and II) was officially launched in July 2013⁵⁰ and includes more than 250 articles and embedded links to social media and is available on mobile, tablet and desktop devices. Search and social activity (III), including a media campaign, is underway with certain elements sub-contracted to specialist digital agencies. The media campaign includes integrated and thematic content-led campaigns across social and paid media. CRM activity (VI and VII) has drawn on the content facilitated by the Flickr group and around 21 campaigns have been launched to reflect different seasons and activities (e.g. summer festivals, Olympic torch relay and launch of the Wales coastal path).

Impacts and outcomes

- 6.11 Identifying and attributing wider impacts and outcomes to digital marketing activity is challenging without a counterfactual and a significant weight of evidence with which to establish causation. As one delivery team member stated when asked for their views on the impacts and outcomes of digital marketing activity:

“ We are moving to a new age of digital maturity and it is hard to measure” (Delivery team interviewee)

- 6.12 However there are a number of impacts and outcomes which may be related to digital marketing activity.

⁵⁰ <http://www.visitwales.com/working-with-us>

Demonstrating best practice

6.13 Delivery team interviewees suggested that the Visit Wales website had:

“Become a market leader and competitors have followed suit”

(Delivery team interviewee)

Furthermore it was felt that the website had acted as an exemplar to other local authorities (Pembrokeshire, Swansea and Snowdonia National Park were cited) and organisations in Wales on how traditional website practices can be replaced with more efficient digital techniques

Website usage

6.14 The simplest way of assessing the impact of digital marketing activity is to analyse website usage. Figure 13 over the page shows website analytics at two periods – one a year before the new website was launched and one showing activity for the year after it was launched. Sessions on the new website in the period 2013 to 2014 are more than double for the combined .com/co.uk site in 2010-2011. The number of users and page views is also greater and although the pages per session are less, the average session for the new website is longer. It can be assumed that both the development of the new website, search and social and eCRM activity have all contributed to greater website usage.

Figure 13: Visit Wales website activity

Time period	1st Apr 2010 - 31st March 2011			1st Apr 2011 - 19th Oct 2013				20th Oct 2013 - 19th October 2014
Segment	Visit Wales.co.uk	Visit Wales.com (old)	Combined	Visit Wales.co.uk (up to 3 rd July 2014)	Visit Wales.com (old– up to 3/7/2013)	Combined (up to 3 rd July 2013)	Visit Wales.com (new from 4 th July 2014)	New Visit Wales website
Sessions	1,334,145	248,732	1,582,877	594,947	55,787	650,734	1,283,783	3,442,922
Users	1,069,433	217,521	1,286,954	522,120	45,996	568,116	1,006,493	2,607,020
Page views	11,779,464	307,146	12,086,610	1,379,690	71,829	1,451,519	6,202,488	12,385,476
Pages / Session	8.83	1.23	5.03*	2.05	1.29	1.67*	4.83	3.60
Avg. Session Duration	00:04:07	00:00:54	00:02:30*	00:01:31	00:00:51	00:00:82*	00:03:29	00:03:02
Bounce rate ⁵¹	40.18%	83.07%	61%*	50.76%	82.92%	66.84%*	42%	51.04%
% New sessions	78.39%	86.19%	82%*	84.22%	80.1%	82.16%*	78%	75.08%

* Combined average

Source: Google Analytics provided by Visit Wales (2014)

⁵¹ Bounce rate is the percentage of visits in which users view only a single page of a website.

Added value

6.15 Added value calculations are used to assign a financial return to the number of web visitors using the Visit Wales site. In the example below, data is taken for UK website enquirers only. The number of web visitors is scaled down by the known rate of conversion from enquirers to visitors. This is then multiplied by the average number of trips taken by visitors (usually between 1.5 and 2) and the average number of individuals in a party (which may lie between 2 and 3) and the average number of nights stayed. This provides the total number of nights stayed by those visiting the website ahead of their trip. Visit Wales then uses a relatively conservative multiplier to reduce this number to those who are assessed as definitely visiting because they were influenced by the website – which might be only 20-25 per cent of the total. This number is then split by commercial and non-commercial visitors and each of these is multiplied by the typical spend for their respective visitor type, to give the final value of web visitors.

Figure 14: Added value estimates for Visit Wales website (2010-2013)

	2010	2011	2012	2013
Web visitors to UK site	421,591	649,162	626,221	808,775
Value of web visitors (£)	85,792,963	120,977,556	108,698,916	137,554,417

6.16 The data in Figure 14 shows a net increase of more than 90 per cent in the number of visitors to the UK site between 2010 and 2013, and an increase of 60 per cent in the value of those visitors, despite extremely competitive trading conditions and poor weather in 2012.

Profile/awareness of social media

6.17 Visit Wales' profile on social media has also increased over time: Facebook 'likes' growing from approximately 207,211 in January 2012 to 460,001 in December 2014⁵². Twitter 'follows' have increased from 10,993 in January 2012 to 61,800 in December 2014⁵³. Figure 15

⁵² 14th December 2014

⁵³ Ibid.

presents Visit Wales' position in social media compared to other competitor regions in the UK and Visit Britain as a whole. In terms of social media, use as a whole Wales is ahead of Northern Ireland and behind Scotland. While Visit Wales Facebook 'likes' are nearly 3000 more than Visit Scotland's at 460,004, Wales' Twitter followers are substantially less at 61,800 compared to 107,000 for Scotland.

Figure 15: Social media profile

	Facebook	Twitter
Visit Wales	460,004	61,800
Visit Scotland	457,177	107,000
Visit England	247,745	96,000
Discover Northern Ireland	121,415	39,600
Visit Britain	2,855,428	241,000

Source: Miller Research Ltd (15th December, 2014)

CRM activity

6.18 Under CRM activity, 21 e-mail campaigns have been delivered and

Figure 16 shows a steadily increasing response rate:

Figure 16: ECRM direct mail response rates

Direct Mail Response Rates	
Spring 2014	6.4%
Autumn 2013	6.3
Spring 2013	5.7
Autumn 2012	4.9
Spring 2012	3.7
Average	5.4

Source: Visit Wales (October 2014)

Future sustainability and development

6.19 In terms of future development of Visit Wales it was agreed that the website is *"fit for the new era of digital marketing"* (Delivery Team interviewee) and should not require any major changes for at least five years. Ongoing maintenance costs will be incorporated into core Visit Wales budgets. In terms of sustainability it was suggested that

establishment of a single parent domain i.e. VisitWales.com, along with product and international market subfolders and the work around raising visibility on Google searches have been key.

Share Wales

Rationale and design

6.20 The Share Wales website (www.sharewales.com) is a base for content ecosystem work as well as providing a means for the ICT Diagnostics and grant funded projects aspects of the Programme to have an online presence. The rationale for Share Wales was the need to share learning across the industry as a whole.

6.21 The website aimed to improve the tourism sector's understanding of the '*opportunities of the digital age*', providing '*how to guides*', videos and links to further information and support.

"The aim was to get people thinking and raise awareness of what could be done digitally" (Delivery team interviewee)

6.22 Share Wales also aimed to facilitate the 'horizon scanning' aspect of the DTBF employing an editor to write blogs on new ideas, trends and topics in the sector. Supporting the content driven aspect of the main Visit Wales website, the website also includes instructions on how businesses can share their content. The website provides a platform for the Share Wales Flickr group which provides the majority of images for the Visit Wales website and eCRM campaigns.

6.23 The website also incorporates the delivery of the Horizon Scanning⁵⁴, Tourism Innovation Forum⁵⁵, training and seminar aspects of the DTBF which were delivered under the 'Creating an Innovative Digital Tourism Business Environment' strand (see 3.5). There were delays in delivering

⁵⁴ An approach to looking forward and outwards at ICT innovations as business opportunities drawing on the sharing of research, expert opinion, staff training, study visits, attendances at conferences to look ahead at what technological changes and innovations are coming and outwards trans-nationally at how others are using them.

⁵⁵ The purpose of the Tourism Innovation Forum was to facilitate the industry to share and communicate using a "social media".

these aspects and it was felt that their incorporation into Share Wales would provide a better quality service to the end user and increased value for money⁵⁶.

6.24 A pragmatic approach was taken to the development of the website and, given the immediate need for its content and the technical language used, the website was not delivered bilingually. However elements such as the 'how to guides' and case studies were made available in Welsh and English were practical. As a result the website could not be marketed by Visit Wales as it did not meet the standards of the Welsh Government's Welsh language scheme which treats both languages equally. One of the DTBF's exit strategies is the migration of Share Wales content to the Business Wales website where it will be available bilingually.

Outputs

6.25 A WEFO indicator target was set for the website with the aim of 15 per cent of SMEs accessing the website over the duration of the Programme. This was measured in part by the ICT diagnostic survey consultation which found that: 21 per cent of recipients (of a diagnostic) had used www.sharewales.com; 50 per cent were aware but did not use it; and 28 per cent were not aware of it⁵⁷.

6.26 Measurement of progress against this target was also undertaken using website usage figures. Based on the assumption there are approximately 10,000 tourism businesses in Wales, combined with records showing 4,100 unique users accessed the site, an overall engagement figure of 41% of tourism businesses was calculated.

6.27 The Share Wales website was launched in 2011 and as of September 2014 incorporated 42 individual pages, 122 blog posts and over 180 news stories covered since May 2012 which have been linked with

⁵⁶ Visit Wales (2011) Digital Tourism Business Framework Final Baseline Re-Profiled BUSINESS PLAN – 80554: Submission to WEFO, Cardiff Visit Wales

⁵⁷ 2% of survey participants did not answer the question.

videos and fact sheets. Around 40 case study videos of grant funded projects and ICT diagnostic beneficiaries and 20 'how to guides' are hosted on the site⁵⁸.

6.28 The Share Wales site was launched in 2011, initially as a single subject site to inform and support the Share Wales Flickr group and users, before being widened to cover the whole of the DTBF programme. By September 2014, the site incorporated 42 individual pages, 122 blog posts and over 180 news stories covered since May 2012, which have been linked with videos and fact sheets. Around 40 case study videos of grant funded projects and ICT diagnostic beneficiaries and 20 'how to guides' were hosted on the site at this point³

6.29 In total DTBF have developed some 40 individual bilingual 'How To Guides' and 'Grab and Go' sheets, the content of which subsequently ISBN published, as the 'Digital Tourism – How To Guide' (in hard and electronic form – for Digital Tourism Exhibition) and 'Digital Tourism – How To Guide Part II' (in electronic form only – post reporting). It has also created 57 videos – including case studies and event edits that are hosted on the Share Wales YouTube Channel. As of November 2014, there are 12,373 photos shared by 524 photographers which provide an invaluable resource in terms of filling the gaps in content not covered by Wales on View

6.30 As of November 2014, there are 12,373 photos shared by 524 photographers, on the separate which provide an invaluable resource in terms of filling the gaps in content not covered by Wales on View⁴.

Impacts and outcomes

6.31 Reflecting on the website, it was suggested that it was fit for purpose given the resources provided and delivery team members suggested that use of the website, while not huge, had been consistent

⁵⁸ Visit Wales (2014) Update report to WEFO 24th September 2014, Cardiff Welsh Government

“The ambition was higher, but we did what we needed to do with the resources we had” (Delivery team interviewee)

6.32 The MTE reported that awareness and use of the website was low and this was reflected in the ICT Diagnostics survey. Those who had used the website suggested they found all aspects of the site useful with a small number specifically suggesting that ‘*how to guides*’, industry information, toolboxes, videos and the Flickr group had been of interest. In depth interviews with a small sample of ICT Diagnostic recipients found that most hadn’t used it but there was an appetite for the type of information provided on the site.

6.33 Interviews with grant funded projects suggested awareness (commonly generated by e mail referrals) and, to a lesser extent, use of the website, with few indications that it had been accessed regularly. However some interviewees did feel the website had potential but its format had resulted in limitations in its use:

“Cracking content but unwieldy to use.” (Full grant beneficiary interviewee)

“I believe some of the content is fabulous and exciting but the website is dull and gives the impression that the content is less credible. (Full grant beneficiary interviewee)

“It’s a passive website...to get people to use digital approaches, you’ve got to reach them using the sort of social media mechanisms that they are used to using”. (Full grant beneficiary interviewee)

6.34 In addition there were mixed views regarding the best practice sharing element of Share Wales:

“Share Wales has been important to find out more information about the grant and other projects” (Full grant beneficiary interviewee)

“Best practice sharing is just going to end up with same ideas being duplicated, I wouldn’t want to share anything more innovative with competitors”. (Full grant beneficiary interviewee)

Cross cutting themes

6.35 Share Wales has made a considerable contribution to the wider Programme’s delivery of cross cutting themes. Share Wales is accessible to all, whether a beneficiary of the DTBF programme or not, allowing users to access a range of information on digital marketing from across Wales. The Share Wales philosophy of ecosystem as a whole and the Flickr site in particular, utilises a free, open source platform that is open to all to join and share. Share Wales provides information so that users can both improve the equality of access and diversity in their business and implement sustainable practices via toolkits and links to further advice and support. While the website is not bilingual its fact sheets are available in English and Welsh and hosted videos have been filmed in Welsh where appropriate.

Future development

6.36 Work is currently underway to migrate Share Wales content to the tourism section of the Welsh Government’s Business Wales website⁵⁹ which will ensure the resources developed under this element of activity will have an ongoing legacy.

⁵⁹ <http://business.wales.gov.uk/>

7 Conclusions and recommendations

Introduction

7.1 This section draws on the assessments of the ICT diagnostic, grant funded projects and digital marketing activity to present overall conclusions about the DTBF programme in terms of achievement in meeting the aims and objectives outlined in its business plan. A theory of change approach has been adopted for this evaluation allowing an assessment of both whether and how DTBF has been successful in achieving its vision and objectives. As such project conclusions will be presented in a logical sequence to enable an assessment of programme rationale, inputs, delivery, outputs, impacts and outcomes. This assessment reflects the specific evaluation objectives listed in Section 1. These conclusions are used to inform a number of key recommendations and priority areas for any future programmes.

Conclusions

Overview/Programme rationale and logic

7.2 Both the media and academic research have pointed to digital technologies becoming an important part of tourist experiences, including before, during and after visits. It has even been suggested that each visitor now has the potential to become ‘a venue’s greatest salesperson’ due to their ability to share content across social networks, effectively providing free advertisement for the destination⁶⁰. The prevalence and accessibility of online review sites has also been described as facilitating ‘survival of the fittest’, promoting competition between destinations and attractions⁶¹. Digital technologies are therefore increasingly important to the tourism sector and contemporary destination marketing.

⁶⁰ Benyon, D., Quigley, A., O’Keefe, B. and Riva, G. (2014) Presence and digital tourism, *AI and Society*, 29(4): 521-529

⁶¹ - E.Ch’ng, *Digital Heritage Tourism: Reconfiguring the Visitor Experience in Heritage Sites, Museums and Architecture in the Era of Pervasive Computing*, Percorsi creativi di turismo urbano (Creative Paths of Urban Tourism) Conference, Catania, 22-24 September 2011. Pàtron, Bologna

7.3 At its inception the Programme was a ground breaking initiative and Welsh Government should be commended for responding to a clear need across the tourism sector for support to improve ICT awareness and maturity and ultimately improve visitor awareness and experience. The Programme has also since been recognised as one of only twenty cases of innovation and good practice enhancing the competitiveness of tourism in the EU⁶².

7.4 Taking each element individually: the ICT usage by tourism businesses was failing to respond to visitor expectations and while generic business diagnostics existed it is clear they were failing to respond to the specific needs of the tourism sector; findings from our evaluation confirm the views that the tourism sector lacked the financial support, technological awareness and know how to develop the innovative projects that have been supported by grant funded activity; and the Visit Wales website was out-dated, its digital marketing activity at the time failing to respond to visitor expectation and demand, leaving Wales in danger of lagging behind its competitor's regions in terms of its digital content.

Inputs

7.5 While the Programme's indicator targets are appropriate, they do not necessarily go far enough in terms of reflecting the additional impacts and outcomes resulting from DTBF activity. Indicators do allow an assessment of whether the DTBF has moved the Welsh tourism sector from one of relative e business immaturity into the digital age. However, they do not facilitate an assessment of the wider impacts of this e.g. how this has affected the tourism economy. Particularly in the terms of grant funded activity there has been little formal requirement (although many can anecdotally report this) of how projects may increase visitor numbers and experience and the knock on effects in terms of economic benefit and job creation. However, it should be borne in mind the difficulties in aligning the Programme's innovative aspirations within WEFO's

⁶² Enhancing the competitiveness of [tourism in the EU – an evaluation approach to establishing 20 cases of innovation and good practice](http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/good-practice/index_en.htm) http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/good-practice/index_en.htm

monitoring framework at the time, as well as the significant development of wider digital engagement and technologies over the course of the Programme.

7.6 Indicator targets have been set at appropriate levels and there has been a degree of flexibility around funding re-profiling reflecting external factors (e.g. decrease in cost of digital technologies).

7.7 Funding appears to have been adequate and the Programme went under two re-profiling exercises to reflect changing circumstances and externalities beyond the control of the DTBF team. Queries have been raised with regard to whether the Share Wales website could have been enhanced with additional funding and as such may have resulted in greater awareness and use amongst the industry. In addition, funding for post diagnostic support and funding may have facilitated more businesses up the e maturity ladder

7.8 Staffing resources have been adequate and the requirement for greater support for the administration of grants could not have been foreseen.

Outputs

7.9 The Programme met its target to develop 5 initiatives to address barriers to ICT uptake. It exceeded targets relating to new or improved products, processes or services launched, DTBF SMEs at Step 3 or above progressed one step up the e-business maturity ladder. However the Programme narrowly failed to meet its targets relating to enterprises assisted, financial supported and jobs created and reasons for this have been discussed elsewhere.

7.10 Activity has reflected the commitments set out in the business plan and contributed to the Programme's vision to move Wales' tourism from relative e business immaturity firmly into the digital business age. There is sufficient evidence to suggest that tourism businesses have been

made aware and adopted ICT measures to improve efficiencies in their business with some already reporting growth as a result. Grant funded activity has supported the adoption of innovative technology products, that wouldn't have been funded or supported otherwise, by tourism organisations that have both increased awareness of the opportunities of digital tools and are also anticipated to have benefitted from significant impacts on visitor numbers and experience. Digital marketing activity has resulted in increased awareness of the Visit Wales website and while some activity has not been delivered, its purpose has partially been picked up by the wider improvements to the content and function of the Visit Wales website.

Delivery

7.11 While the individual elements of the Programme have performed well, there was a lack of join up with the digital marketing element in particular operating in isolation to the other elements. This may be attributed to both a lack of senior level management buy-in in its early years and a lack of scrutiny and oversight on the part of the Programme's Steering Group. As a result opportunities may have been missed in terms of utilising the different elements of activity to promote each other. The Regional Strategist role has provided a valid input in terms of advising and supporting grant holders to design and deliver their projects. However the scope for this role in terms of sharing best practice and facilitating collaboration and networking has been limited.

7.12 Integration with other Welsh Government business support programmes has been most evident with ICT Diagnostics and the Share Wales website, both of which facilitated access to other funding streams, advice and support. Some grant funded project recipients reported referral to other funding streams and Welsh Government departments for support but wider integration with other business support and structural funds projects was not evident.

7.13 While the Programme has faced a number of barriers and constraints in delivery, many of these were overcome during delivery and on reflection do not seem to have hindered its abilities to address its output targets.

- Recruitment and turnover of staff was an issue: the time taken to both recruit and develop knowledge and expertise of new staff was considerable and may have resulted in a lack of continuity, particularly in relation to grant funded projects and commencement of digital marketing activity.
- The team responded well in identifying and addressing the issues relating to application processes for ICT Diagnostics and grant funded projects.
- Lack of tourism expertise of ICT Diagnostics consultants was identified and addressed early on in the delivery of this activity.
- Grant claims processes were a problem throughout the delivery of the Programme and compounded by confusing guidance from WEFO. The development of a '*how to guide*' was a positive step but unfortunately may have come a little late to allay the frustrations reported by many grant claimants.
- The team recognised that by focusing grant funded activity on implementation rather than solely innovation and R&D would encourage greater number of applications from tourism organisations resulting in a greater impact on the tourism sector's adoption of digital technologies.

Impacts and outcomes

7.14 The key impacts and outcomes delivered by the Programme include:

- increased visitor awareness of Wales;
- increased visitor numbers and stay;
- enhanced visitor experience;
- tourism business and organisation capacity building.

7.15 This evaluation has noted, that for some grant and ICT diagnostic recipients DTBF activity has resulted in some significant outcomes in

terms of business growth. Project case studies demonstrate how digital technologies have been adopted to improve the tourist offer and experience as well as how the Programme has contributed to organisational capacity building and skills development. Business growth, efficiency gains and jobs created or supported through projects and the ICT diagnostics also have added financial value through the additional finance circulating in the economy.

7.16 Programme monitoring data suggests that a total of investment levered through the grant supported projects to date is in the region of £775,000⁶³, expected to increase to approximately £1.14m by the end of programme.

7.17 Digital marketing activity has increased Visit Wales' profile on social media and encouraged more visitors to the Visit Wales website resulting in an increased added value figure in terms of visitor spend.

7.18 It is unlikely that any aspect of DTBF activity would have been delivered to the extent they have been in the absence of funding. At its inception, the Programme was innovative and ground breaking, many grant beneficiaries in particular reporting the absence of any suitable funding. In addition, in the midst of a financially challenging climate few organisations and businesses would have been able to fund such innovative and, for some, risk taking activity. However with an emphasis on outputs rather than impacts and outcomes, opportunities may have been missed around grant funded activity.

7.19 In terms of long-term impacts there is evidence that: most recipients will attempt to implement the recommendations in their diagnostic; grant funded activity contributed towards a significant degree of digital capacity building with most recipients seeing the opportunities for digital marketing and planning to develop their DTBF project in the future; the Visit Wales

⁶³ Based on claims paid to date against 53% funded projects.

website is fit for purpose for at least five years with on-going maintenance activity absorbed into core funded activities.

7.20 However there may have been missed opportunities around the promotion and coordination of grant funded projects with other regional DTBF funded activity and destination management plans. There is also concern that the digital infrastructure in Wales, particularly relating to broadband access, may hinder the legacy of many activities.

Legacy and progress towards an exit strategy

7.21 Progress towards an exit strategy is mixed. Digital marketing activity is complete and any ongoing work will be taken on by core funded activity. Many ICT Diagnostic recipients lack the capacity or funding to implement the recommendations they received. In addition, while in the medium term tourism businesses may be able to access generic diagnostics offered by Welsh Government and DTBF has developed a robust Diagnostic for the tourism sector, there are queries about its suitability to the sector.

7.22 As a result of grant funding, a number of beneficiaries have not only created a new product but also improved their offer, enhanced their capacity and gained skills in processing funding applications and claims, impacts which are likely to have a longer term legacy than individual projects themselves. Most grant funded projects also have plans to develop existing, and similar projects at some point in the future. It is therefore possible that a greater embracing of digital technologies within the sector could represent a further long term impact. However, not all have been able to identify funds to do so and, in the absence of a specific fund, there is no way to support organisations to adapt the learning and best practice from DTBF to develop their own projects. It is possible that the Tourism Investment Support Scheme (TISS) could offer support for certain projects which meet its eligibility criteria.

7.23 The Digital Exhibition at the Liberty Stadium concluded the Programme by showcasing projects and sharing materials developed through the Programme to interested parties within the sector. This served both to raise awareness of the use of digital technologies and promote learning and networking within the sector. The event provided a means of bringing all the activity of the programme together in one place- showcasing:

- A bilingual website;
- Engagement with a diverse range of speakers, participants, workshops, attendees;
- Co-operation and support of stakeholders;
- Trade and technology in the same space for the first time – encouraging the sharing of ideas and inspiration for the continuation of digital developments.

7.24 The event attracted 400 attendees and, in an e-mail to the DTBF team, a former member of the steering committee praised the event claiming it ‘broke the mold [sic] for events of this nature’, also suggesting the need for the exhibition to continue in Wales in the future. Beyond the exhibition, and any future events of a similar nature, a number of materials developed through the Programme will continue to support the sector in the long term, post-Programme completion. Case study videos, a series of “*how to guides*” and wider content, which was previously available on Share Wales, has since been migrated to the Business Wales website in order to ensure the materials continue to be accessible.

Cross cutting themes

7.25 While the Programme did not have any specific targets relating to cross cutting themes, it has delivered against this activity in a number of ways. All printed material was made available in English and Welsh with clear formatting and font sizes. The Share Wales website in particular has helped promote equality and sustainability across the sector through toolkits and links to further advice and support with resources available in

Welsh where at all possible. In addition the website was open and accessible to any user regardless of whether they had been involved in DTBF or not. ICT diagnostics were available to all eligible businesses within the Convergence area and recipients were encouraged to implement or update equality and opportunity and sustainability policies. Recruitment to the Programme's delivery team was adherent to Welsh Government processes and included open and fair recruitment systems complemented by a supportive induction process enabling staff to learn quickly and pick up new skills. The appointment of regional strategists has reduced unnecessary need for travel across Wales.

Recommendations and priority areas for future programmes

7.26 Given that the Programme was designed to be a pilot, an element of trial and error and risk taking was to be expected. It is important that lessons learnt are taken into account and in developing future Programmes in this area, Welsh Government should:

- Be explicit about the theory of change underpinning the intervention in order to develop output target indicators that adequately reflect the scope of programme activity.
- Consider promoting individual open calls for specific solutions or projects restricted by defined criteria and deadlines for receipt of applications in order to ensure best fit with strategic aims.
- Build in evaluation from the outset in order to ensure identification of key performance indicators, adequate emphasis on impacts and outcomes, and to ensure monitoring systems are in place and collecting the right information at the right time.
- Facilitate stronger governance in order to ensure that the strategic vision is met and that activity is being scrutinised.
- Include a project set up phase to: enable the recruitment and training of staff; ensure systems and processes are in place and fit for purpose and that staff understand them; and enable a sufficient period for marketing. These activities may reduce delays in delivery caused by poorly designed and understood

processes, ensure staff are sufficiently knowledgeable be able to support delivery and reduce the frustrations experienced by beneficiaries around reporting and claims processes.

- Consider comprehensive advice and support in the delivery of projects as well as funding if they are to encourage organisations to adopt new or innovative technologies. Advice and support should be extended to support projects that have completed to ensure on-going sustainability. On-going advice and support provision may look at how projects can be supported to develop their product once the formal funding period is over, how to access additional funding and measure impacts and outcomes (the collection of robust data on the impacts and outcomes of a project may provide a powerful evidence base for identifying gaps in the organisation's digital offer and accessing future funding).
- Consider a higher intervention rate. Many high quality feasibility projects did not proceed due to lack of match funding. Other WEFO grants schemes offer up to an 80 per cent intervention rate. Welsh Government should consider the benefits of funding fewer but high quality projects that will result in more significant impacts and outcomes for the tourism sector as whole rather than just individual grant beneficiary organisations.
- Ensure more strategic delivery of grant funded projects to link up with other relevant regional activities (e.g. other funded projects, destination marketing plans).
- Retain the Regional Strategist role, ensuring its scope is extended to brokering networking, collaboration and sharing of best practice across the sector as well as advice and support for grant holders.
- Consider the value of continuing the tourism specific diagnostic consultancy support. However the appropriateness of the generic Welsh Government ICT diagnostic should be evaluated and opportunities for developing a more tourism specific element of this existing activity explored. Resources need to be allocated to

accessing and promoting the benefit of the diagnostic to 'hard to reach' businesses.

- Explore the opportunities for providing further support for diagnostic beneficiaries in terms of funding ICT developments and additional consultancy and advice to implement recommendations.
- Consider the development of a platform, such as Share Wales, for businesses and organisations to access ideas, learning and support should be considered. However any future platform needs improved marketing and promotion with clearer more integrated links made for how businesses/ organisations can benefit from its content.