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DIGITAL TOURISM BUSINESS FRAMEWORK PROGRAMME

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MODULE 7 **IMPROVING COMPETITIVENESS IN TOURISM BUSINESSES BY DEVELOPMENT OF AN ICT-BASED COMMUNITY**

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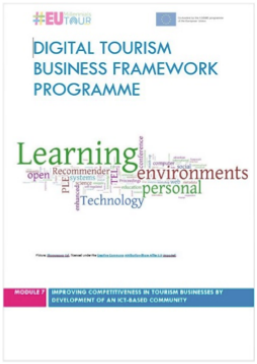
Module 7

DIGITALIZATION



Title:	Digital Tourism Business Framework Programme
Topic:	The module is about a programme to support the Welsh tourism sector to become more conversant and efficient in the use of digital technologies
Educational Objective:	Skill development within the scope of digital media use in tourism
Key Words:	SMEs participation – information society tools for tourism – information and communication technology –digital platform- training and education
Duration:	Approx. 30 min. study + 15 min. questions

[1] Sources: CSES-exchange-of-good-practice-in-Tourism_en Final Evaluation of the Digital Tourism Business Framework, Llywodraeth Cymru Welsh Government

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DIGITAL TOURISM BUSINESS FRAMEWORK PROGRAMME

IMPROVING COMPETITIVENESS IN TOURISM BUSINESSES BY DEVELOPMENT OF AN ICT-BASED COMMUNITY

AREA OF GOOD PRACTICE: DIGITALIZATION

1 INTRODUCTION

The **Digital Tourism Business Framework programme** in Wales aims to contribute directly to improving competitiveness in tourism businesses by a mixture of direct improvement in internal business processes and of follow-on measures to reinforce changes and promote further innovative approaches through the development of an ICT-based community. In this way it is helping to accelerate and maintain the integration of information society tools and services into ground level tourism activities carried out by SMEs (Small and Medium-sized Enterprises).

To a large extent, the initiative was a response to a review of the use of ICT (information and communication technology) by key sectors in Wales in 2006 – 2007. This review included hotels and restaurants among its target industries and showed that, at 41%, tourism businesses reported the lowest level of internet connectivity of all sectors. Only 5% used customer relationship management systems and while 75% of tourism businesses had a website, only 32% sold on line and only 10% received payments on line.

The Welsh tourism industry consists mainly of small businesses and it was decided that an appropriate response would be a programme with a number of interrelated support actions including workshops, training and seminars, but also tailored ICT diagnostic exercises and assessments of individual businesses. However, as well as actions intended to help enterprises change their business processes in relation to ICT, there were measures to help maintain and reinforce these changes through the development of digital communities and information and knowledge sharing platforms, giving access to developing tools and applications, and support for innovative pilot projects. The intention was to better equip the tourism industry in Wales to generate, share and distribute tourism content and to use ICT tools to provide quality services.

2 BACKGROUND

The 5 year Strategic Plan of Visit Wales highlighted the need for the tourism industry there to adapt quickly and fundamentally in order to regain competiveness and the Tourism Strategy for Wales for 2006 – 2013 identified the need to invest in new skills, approaches and technologies as one of the Strategic Priorites.

The funding for the programme came from the European Regional Development Fund, the Welsh government and the private sector in the form of contributions to specific projects.

The available data at that time indicated a low level of penetration of ICT in a tourism industry that mainly consisted of small businesses and was fragmented in its online visibility. Wales needed to extend its visibility and the tourism industry had to be encouraged to accept and use modern technological means as essential marketing tools. The vision of the programme was that by end of 2014 Wales' tourism industry will have moved from relative e-business immaturity firmly into the digital age.

3 GOOD PRACTICE

The programme is structured around four interrelated areas of intervention:

Provision of direct support by a specialised consultant to tourism SMEs including 750 ICT health checks and diagnostic exercises, guidance on business and technology operation to encourage a more proactive participation in digitally networked environments, training and seminars to improve ICT skills, presentation of case studies and online discussion forums. By April 2013, 569 tourism businesses had already had an ICT diagnostic performed and this will be followed up by reviews to assess the progress made.

- Financial and logistical support from the Visit Wales team for the formation of collaborative digital communities in various areas of Wales, to assist in the collection, up-dating, exchange and distribution of digital travel related information and to develop ideas for projects.
- Funding of up to 20 projects, competitively selected, and piloting innovative technology products and services, including digital technology solutions to improve visitor experience in key tourism attractions Project funding ranges between £20k and £200k (~€25k – ~€250k). Many of the projects are a result of the ideas developed by the digital communities and are also expected to reflect ideas developed in the technology horizon scanning, that has reviewed the current state of the technology.
- Activities by the Visit Wales team promoting user-generated content sharing processes, using cloud based systems, the development of a pan-Wales tourism sector knowledge base (digital ecosystem) and an open interoperable platform, plus demand creation using the content.

The programme therefore addresses both the demand side - improving information provision and strengthening the online presence of firms in order to attract tourists - and the supply side by focusing on improving the services provided by firms and support organisations, while also encouraging the effective networking of the players in the digital community and the exploitation of innovative content, services, distribution and applications.

Another strand of activities – Digital Marketing was 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. “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 (Customer-Relationship-Management)/ database driven marketing has drawn extensively on content from a dedicated Flickr group.

4 EFFECTIVENESS AND SUCCESS FACTORS

Monitoring and evaluation are an integral part of the programme and three “stage gate” reviews have been established to assess progress and make any necessary adjustments. The relevant baselines have also been established and specific targets were set at the outset of the programme for the main indicators. According to the available published results, the programme reported that over half of the enterprises involved had achieved a step change in their e-commerce skills, and also indicated that 30% of the businesses that had received the ICT diagnostic assessment were showing an increase in visitor numbers.

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.

5 RESULTS AND IMPACT

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
DFTBF SMEs at Step 3 progressed one step of e-business maturity ladder	12.5%	57%[1] 64%[2]
Tourism businesses using	15%	41%[3]

Source: Welsh Government (2014)

[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 business in Wales, combined with records showing 4,100 unique users accessed the site.

6 ADDITIONAL LEARNING MATERIALS

6.1 Links to websites

http://www.visitwales.com

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

6.2 Links to videos

https://www.youtube.com/channel/UCCS8D3wqwu9Pq0MP95ARb6g

https://youtu.be/QyACiQf_h84?list=PL48833C337F69CED3

https://youtu.be/M1Uy5YZT68c?list=PL48833C337F69CED3

https://youtu.be/YkRuhfTDO5k

7 QUESTIONS

This is the professional self-learning section to reflect on the topic, improve your skills and sharpen your creativity. Please use it as a starting point for the development of your own ideas and thoughts. Please select at least one of the questions below and note your answer in max. 1000 characters. You can also use the additional online material or consult other online sources to refine your arguments. Please sent your answers to the following contact: info@eumillennials-tour.eu

1. Welsh Tourism profited from a sustainable funding. What ideas do you have for the future development of the program, that don't depend on large funds but can be realized with smaller budgets?

2. Digital Marketing has become highly important in tourism. How could the next steps on this path look like for Wales?

3. In which way could the educational sector profit from the results and actions taken in the Welsh Tourism industry?

Please sent your answer(s) to the following contact: info@eumillennials-tour.eu

Please add the number of this module and the number of the question to your answer (e.g.: module 1, question 1.).

We will not give grades. Individual feedback will only be given by the online assessment contact.

8 ONLINE ASSESSMENT

For those that are interested in deepening their knowledge about the module, a personalized online assessment is offered. For all questions on the topic and further information about this module, please contact your expert for your online assessment:

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9 GENERAL CONTACT INFORMATION

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10 RESPONSIBLE ACCORDING TO THE PRESS LAW

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