

Our Island, Our Future

Annual Visitor Economy Report 2023

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Europe, Middle East and Africa (EMEA) travellers are searching for hidden gems - Skyscanner

The top 10 destinations with the biggest year-on-year increases in online searches for travel, compared to the same period in 2022, are:

- | | |
|----------------------------|---------------------------|
| 1. Rayong, Thailand | 6. Wenzhou, China |
| 2. Ouarzazate, Morocco | 7. Riyadh, Saudi Arabia |
| 3. Pristina, Kosovo | 8. Osijek, Croatia |
| 4. Klagenfurt, Austria | 9. Warsaw, Poland |
| 5. Castletown, Isle of Man | 10. Samarkand, Uzbekistan |

An Introduction to the CEO

Deborah Heather

Chief Executive Officer of Visit Isle of Man



I joined the Visit Agency Board in early 2022 as a volunteer, one of the two UK-based Board members mentioned in last year's annual review. I previously worked with the Visit Team and the Board as the CEO of the company providing quality assessments for accommodation for the eight years prior, including operating outsourced contracts for Visit England, the Channel Islands and South Africa. An ex-hotelier by trade, my impression of the Island was just as Skyscanner has labelled it most recently, a hidden gem.

I joined the team at the end of March 2023 as CEO and moved to the Island – my motivation coming from a place of curiosity, opportunity and adventure. It is true to say the Isle of Man has had less market penetration than it deserves, but what a time to take it to market as a new prospect, post-pandemic. A beautiful Island, nature in abundance, with under tourism – it is simply, an 'Insta' dream.

Having spent nine months being a 'tourist', I

now know it is so much more. There is culture, history and heritage, the magnificent great outdoors, myths, quirky and unique stories and superstitions woven into the fabric of the Island, sporting events, a fabulous emerging food and drink scene, and a huge potential for blue tourism (relating to our marine environment).

To add to all of this, a charming, characterful approach to welcoming visitors, volunteers for everything, Biosphere in the DNA, and a real lack of appreciation for what is, in my view, a potential tourism goldmine.

2023 Summary

May 2022 saw Tynwald give unanimous support to the new ten-year Visitor Economy Strategy, 'Our Island, Our Future', and therefore 2023 has been the first full year of the delivery of the plan; virtually a test bed of the overarching themes.

We have delivered an extraordinary amount of progress this year, and we have certainly

learnt a lot in the process, although the devil is, as always, in the detail. The overarching figures of approximately 305k visitors will bring us to circa 1% behind the 2019 numbers, a figure which is a long way ahead of UK destinations and our Island competitors, in terms of post-Covid recovery.

Our Air and Sea visitor numbers have increased compared to 2022, and the balance lies in the cruise ship market – worth £1.5m of visitor revenue to the attractions, experience and leisure, and retail and hospitality sectors of the industry. The jobs target was delivered at over 6% ahead and the latest Customer Satisfaction Survey showed 98.3% satisfaction rates, at either satisfied or very satisfied.

We have successfully attended many industry events, including World Travel Market and TEAMS Europe, and delivered our own Destination Day in November. We successfully led the funding proposals for the new Mountain Bike Trail Park, and we will work with DEFA and DOI to deliver this over the next few years.

The Visit Agency Board helped us to work through a set of short term (years 1-3) priorities including Digitalisation, Marketing and Seasonality, to which we added Destination First and Responsible Tourism more recently, as underpinning themes. The Visit Team was restructured to enable the right resources to be focused on the right priorities at the right times, and finally we have delivered a phenomenal PR campaign.

It remains for me to say an enormous thank you to everyone involved – the Visit Team and the Visit Board, the Visitor Economy sector as a whole, the Department for Enterprise and our colleagues in the other Agencies, our Departmental partners including DEFA, DOI, DESC and CABO, and the individuals that have shown great support for our journey so far.





Air & Sea Access Improvement

The travel industry, in particular the airline industry, continues to be fluctuating globally. Many airlines retired off aeroplane stock when governments started to introduce green levies, leaving Boeing and Airbus with a backlog of demand for new planes which they estimate will take seven years to fulfil.

Coupled with rising costs and difficult operating circumstances worldwide, we should expect to see issues for some time. That said, in 2023 the total visitor numbers reached 129,000, experiencing a modest decline from the target of 135,000 but 6% up on 2022 figures.

The arrival of the Manxman in September has added an exceptional resource to the travel options for the Isle of Man visitor – a quality option with a wealth of different experiences available for the discerning customer. Sea travel has increased to a total of 160,000 passengers against a target of 158,000 and an increase of 7% on 2022 figures.

2024 will see the opening of the new ferry terminal in Liverpool, another real bonus for travellers from our feeder markets and an opportunity to fundamentally increase market penetration.

Quality Improvement

The Visitor First Committee formed in 2020 has been relatively successful in its initiatives, which resulted in the operational delivery of the Cruise Programme in 2023. However, the Visit Agency Board believe the remit should be enhanced to drive a broader, more impactful, continuous improvement plan. Recently debated in Tynwald, there was broad agreement with the Board's approach to develop a specific Visitor First Board with a new remit, rebranded as Destination First due to be launched in 2024.

The Visit Team will launch a digital Satisfaction Survey in 2024 which will gather feedback on the experience across the destination from visitors and residents alike. The feedback will be segmented as visitor and resident and will be added to a tracking system to inform the work of the Destination First Board.

The Annual Passenger Survey was relaunched in the second quarter of 2023, with the Visit Agency now leading on the project. These two initiatives will provide quantitative and qualitative data going forward, an invaluable tool to measure the impact of the quality programme.

Customer service initiatives have continued to be delivered, with increasing cooperation around tour groups and cruise visitors, co-ordinated by the Visit Team, with Manx National Heritage, Isle of Man Transport, and the sector as a whole. In anticipation of hosting the AGM of the British Guild of Travel Writers, a Customer Service Programme will be rolled out in early 2024.



Visitor Accommodation Transformation

As part of the review of the accommodation grading and registration process, a new approach to the homestay solution has been announced ahead of the 2024 TT Races. Further developments, including a sustainability program will sit alongside the successful initiatives in access and inclusivity to be introduced in 2024.

In terms of product, despite seeing some growth in 2022, 2023 saw a reduction in 49 serviced bedrooms and 10 non-serviced units compared to 2022.

We should be realistic with target setting going forward and appreciate that new stock will take time to develop, especially serviced. We should not expect new build/developments currently in the pipeline to make a significant change in accommodation stock until 2026 and onwards.

Indeed, we should expect to lose some stock during 2023 to 2025. It is an important part of the Visitor Economy Strategy to improve quality, which means losing stock that is not fit for purpose, for whatever reason.

Having conducted consumer research from our core feeder markets in 2023, we will further develop an accommodation strategy in 2024. Part of the Mountain Bike Trail Park* project will be to research potential sites for accommodation in or around the Island's plantations.



Visitor Product Development

Recent consumer research and the results of the Q2 and Q3 Annual Passenger Survey have proved invaluable resources for the Visit Team to focus on aspects of the Island's offering.

In 2023 the Visit Team led a successful funding bid to build and redevelop 64km of Mountain Bike Trails through and around the Island's plantations, providing a comprehensive visitor and day visitor facility to broaden the appeal of the Isle of Man as a cycling destination. The funding includes a feasibility study focused on developing options around a potential accommodation and visitor centre offer. Once completed, we will go to market for expressions of interest in early 2024.

Having reviewed the Product Champions Programme as having some, but limited, success as a whole, the Visit Board agreed to close the programme in mid-2023. Instead, where appropriate, the Visit Team will procure insights into product opportunities and their markets, from on and off-Island specialists going forward.

The Island's Summit Walking Routes were created and finalised in 2023 with the plan to fully launch them in 2024.

Cruise figures were a significant success in 2023, as the product and services continue to be developed – surpassing a target of 16,950 passengers by 12,137 and achieving a huge £1.5m visitor spend across the Island.

Finally, the season extension plan of delivering an extra 5,800 extra visitors into Q4 cannot yet be quantified, though some industry providers have reported seeing significant growth up to the end of November.

*See Visitor Product Development



Events Development

The Tourism Events Development Scheme (TEDS) has delivered 41 events in 2023, surpassing its target of 40. Resulting in associated visitor numbers of 11,758, with an average spend of £138 per night, over 46,000 room nights and an incremental revenue spend of over £6m, excluding Motorcycle Road Racing Events.

Recent numbers for out-of-season winter events included: the Festival of Choirs: 500 visitors, the International Chess Tournament: 264 visitors for 12 nights, the Inter-Island Netball Challenge: 158 visitors, and the International Professional Pool Grand Finals: 211 visitors.

Sector professionals, Visit Agency Board members and the Visit Events Team are conducting an events review going into 2024, which will include focusing on seasonality, sustainability and future-proofing through growth and resource for TEDS and other related event strategies. For example, MICE (Meetings, Incentives, Conferences and Exhibitions) markets represent a new opportunity for the Island as a unique destination.

Finally, the Visit Team continue to work closely with the Motorsport Team to drive TT and Manx Grand Prix enhancement events, and also with a view to supporting the visitor numbers during the 2024 season.

Talent Development

2023 saw the launch of the Skills Board, focused on supporting the sector to be able to recruit and develop appropriate teams. Working collaboratively with the Visit Team, we expect the Visit Agency Board to be a conduit to ensure the right training and support tools are available for the sector through various different resources, including UCM's recently launched 'upskilling' courses for industry.

Unfortunately the (Seasonal) Worker Migrant Visa Scheme has been suspended, however opportunities to work with Universities in the UK to support work experience and placement opportunities exist as we move into 2024. We are also researching the Channel Islands model of licensing to provide alternative opportunities.

Despite an element of doom and gloom surrounding the tourism industry and businesses closing, the employment numbers were up by 10% on 2022 - a massive 246 extra people employed above a target of 3,697, up on last year by 396 at 3,943 jobs.



Market Development

Evolving the PR strategy early in the year to incorporate stories from the Island's industry meant that by June our consumer reach through PR coverage was at 250k, increasing to 5.8bn by the end of the year.

The Visit Team took a strategic decision to focus on a more organic and cost-effective marketing awareness strategy – making 'noise' through an improved PR approach, one of the quickest routes to driving a massive and immediate impact.

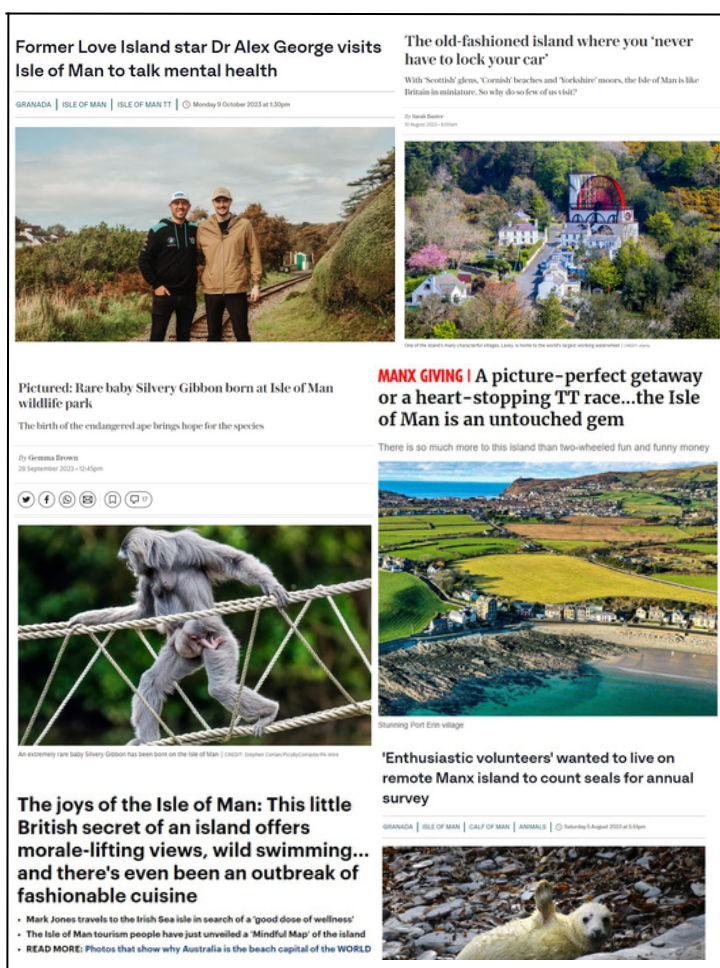
Whilst this strategy has yet to be fully analysed, anecdotal evidence would indicate the activity has made a real impact on driving consumer curiosity, with recent research from Skyscanner placing the Isle of Man fifth in an impressive list of 'hidden gem' searches worldwide.

The Visit Team hosted Dr Alex George, social media influencer, mental health advocate and walking ambassador, to the Isle of Man in October to record an episode of his walking and wellness podcast, The Stompcast. Interviewing TT legend Peter Hickman for the podcast, they recorded the episode through Groudle Glen whilst discussing the mental and physical benefits of walking in nature. Launched on World Mental Health Day, the episode and the Island was promoted to a consumer audience of 1.9m.

We will continue with a combined approach for organic and paid for PR

activity through national and regional journalists and travel writers, social media influencers and digital content creators, and sharing stories from the industry.

The Visit Team have continued with an 'always on' digital and social media advertising approach – driving awareness of the Island through paid impressions and website traffic and increasing followers across the Visit Isle of Man social media channels. This will be continued into 2024 with bigger targets set, and an organic social media strategy to help support online growth.



The recruitment of a Travel Trade Business Development Manager in the UK has made a huge difference in introducing new markets and working with industry memberships, such as UKInbound, ANTOR, and Coach Tourism Association to name a few.

After nine months of proactive Business Development Activity, the Visit Agency can see momentum growing in terms of enquiries from new suppliers to the Island and different niche operators - from Youth Tour Groups to FIT travellers from travel agents with product now being distributed through Premier Holidays, Travel Solutions (Belfast) and others.




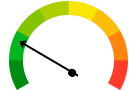



The Isle of Man presence at World Travel Market in November resulted in over 60 meetings and at least 90 enquiries. The Business Development team will continue to build new business opportunities in 2024, with a strong programme of trade shows and activity.

On Your Doorstep was an initiative launched to drive our Visiting Friends and Relatives market to visit businesses throughout the autumn season. The campaign will need further analysis and we are awaiting feedback from operators, however focused on special offers or value added schemes, it seems that certain 'offers' worked better than others. Given this intelligence post-analysis, we intend to run a similar campaign in 2024.



Summary

Reiterating what I said earlier in that we delivered extraordinary progress in 2023 – of which you can see the progress updates of the seven Action Programmes below – and will continue to do so into this year and beyond, as we further deliver on our ten-year Visitor Economy Strategy.

Air & Sea Access Improvement 	Programme Progress Update: <ul style="list-style-type: none"> • achieved targeted numbers • expected to see continued disruption through 2024 due to global and localised sector level issues
Quality Improvement 	Programme Progress Update: <ul style="list-style-type: none"> • new Destination First initiative being launched in 2024 – focused on guardianship of the Island
Visitor Accommodation Transformation 	Programme Progress Update: <ul style="list-style-type: none"> • new operator for Homestay Scheme with broader distribution opportunities • new accreditation program being developed • 120 new serviced rooms currently part of the planning permission process
Visitor Product Development 	Programme Progress Update: <ul style="list-style-type: none"> • funding for Mountain Bike Trail Park approved • developing the Cruise offer and consolidating co-ordination of activity on-Island
Events Development 	Programme Progress Update: <ul style="list-style-type: none"> • funding strategy being reviewed and a new strategy being developed to support the seasonal development of the Island's offer
Talent Development 	Programme Progress Update: <ul style="list-style-type: none"> • employment figures were way ahead of target in 2023 • the Seasonal Worker visa has been paused – although we had minimal workers on the visa in Tourism & Hospitality
Market Development 	Programme Progress Update: <ul style="list-style-type: none"> • Business Development activity in the UK has been robust and successful so far • PR and online (digital & social) coverage has been exceptional

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