

**REPLY BY THE PRESIDENT
OF THE COMMITTEE FOR ECONOMIC DEVELOPMENT
TO QUESTIONS ASKED PURSUANT TO RULE 14 OF THE RULES OF PROCEDURE
BY DEPUTY N INDER**

Question 1. Pay costs

Please detail by pay grade and responsibility, staff costs directly attributable to Visit Guernsey; providing and overall total of gross salary costs.

Visit Guernsey is part of the States of Guernsey, and its staff are civil servants that comprise the Marketing & Tourism team. The civil servants who are employed to support the Visit Guernsey brand are in roles that are graded in alignment with the civil service competency framework, and the remuneration of the roles is in line with the salaries of all public service employees. Overall around 19.79 FTEs support Visit Guernsey with an overall gross salary budget of £857,000 per annum.

Question 2. Marketing and Tourism – costs

Please provide a breakdown of the Consumer and Communication spend by activity; separating digital marketing activity, web development costs, media buying. To include print and production costs as separate items; including image and photography.

The below costs and activities reflect the 2019 budget for Visit Guernsey. This includes staff costs.

Cost Centre	Description	Budget
Strategic Marketing	Staff Costs (excluding GIC and Quality Development)	£640,000
Media	TV, Radio, Cinema, Print, Outdoor	£711,000
Surveys and Research	Exit Surveys online surveys, ad hoc research	£60,000
Print & UK Events	Print production, Income, postage, UK shows and exhibitions	£31,000
Creative and Content	Creative agency, photography, video, other content	£198,000
Digital	Development, Hosting SEO agency, Media and income	£301,000
Quality Development	Staff costs, Boarding permit costs and income, other	£69,000
UK Trade and PR	Trade marketing, PR agency, events and activity	£240,000
European Trade and PR	Trade marketing, PR agency, events and activity	£154,000
Cruise	Cruise welcome operation and marketing	£67,000
Information Centre	Staff, costs and income	£83,000
Marketing & Tourism Total		£2,554,000

Question 3. Strategic Marketing

Please provide an explanatory note of what this means and what it will be spent on in 2019.

'Strategic Marketing' is the cost code label which covers all marketing salaries and staff costs (excluding quality development and Information Centre staff costs) – see table in Question 2.

Question 4. Suppliers

Part of Economic Development's remit is the promotion of Guernsey businesses. From the Policy and Resources Plan the "Critical" the priorities were "Investigate and support appropriate new opportunities to diversify the local economy through innovation, with a particular focus on the digital, creative and IP sectors". And under reason for prioritisation... "There is a desire to promote new and emerging sectors of the economy and economic development opportunities. Digital, creative and Intellectual Property (IP) are a particular focus for the Committee, owing to them being high value, low footprint economic activities, suitable for a small island where land and workforce are at a premium. The Committee's aims are set out in the Digital Sector Strategic Framework Document"

(a) Please list the off-island agencies, by service that VisitGuernsey employs to deliver the annual Marketing and activity.

Visit Guernsey works with the following businesses, who are employed because of their specific expertise and creativity, and have all secured contracts through the States' competitive pitch process:

- Vivid – specialist tourism creative and brand agency
- Media.Com – media buying agency
- Lotus – specialist travel and tourism public relations agency
- Lifestyle Media – print management

(b) And include the budget allocated to each of those off-island agencies

The value of those contracts is commercially sensitive, but is within the overall Visit Guernsey budget.

(c) And; include the end dates for all off-island contracts

- Vivid – end December 2020
- Media.Com – end September 2019
- Lotus – end December 2019
- Lifestyle Media – end September 2020

(d) What % of the external agency spend is spent with Guernsey based agencies and suppliers

Visit Guernsey is pleased to work with TPA, an on-island business employed because of their specific expertise and creativity. TPA provide search engine optimisation services under a contract until December 2019, and web development and hosting services under a contract until September 2020. The value of those contracts is commercially sensitive, but is within the overall Visit Guernsey budget.

Question 5. Tourist Statistics – Staying

Staying tourists are the most important statistic for the accommodation sector, having the highest value for the Guernsey tourism economy. Please supply the last 10 years' staying tourism statistics, split by UK, Jersey, Europe and Other.

The staying visitor statistics for 2010-2018 for Guernsey are already in the public domain, and are set out below (prior to 2010, the stats collected are not comparable):

	2010	2011		2012	
			% +/-		% +/-
Staying leisure visitors	145,000	143,100	-1.3%	137,700	-3.8%
Visiting friends and relatives	66,800	60,200	-9.9%	48,100	-20.1%
Staying business/conference	44,600	51,100	14.6%	49,100	-3.9%
Other Staying	1,600	2,400	50.0%	3,500	45.8%
Total staying visitors	258,000	256,800	-0.5%	238,400	-6.6%

	2013		2014		2015	
		% +/-		% +/-		% +/-
Staying leisure visitors	129,400	-6.0%	136,050	5.1%	130,050	-4.4%
Visiting friends and relatives	57,000	18.5%	56,200	-1.4%	65,850	17.2%
Staying business/conference	40,500	-17.5%	36,000	-11.1%	33,500	-6.9%
Other Staying	900	-74.3%	2,450	172.2%	3,100	26.5%
Total staying visitors	227,800	-5.0%	230,700	1.3%	232,500	0.8%

	2016		2017		2018	
		% +/-		% +/-		% +/-
Staying leisure visitors	129,900	-0.1%	146,014	5.0%	141,871	-3.0%
Visiting friends and relatives	58,100	-11.8%	54,894	-4.0%	56,924	4.0%
Staying business/conference	31,000	-7.5%	32,513	5.0%	34,057	5.0%
Other Staying	10,600	241.9%	0	0	0	-
Total staying visitors	229,600	-1.3%	233,421	3.0%	232,852	<1%

Statistics for other jurisdictions are not surveyed and collected by Visit Guernsey. Visit Guernsey only collects surveyed data from visitors departing Guernsey. Visit Guernsey does review Tourism trends as part of its planning process. Visitor surveys and statistics for some other jurisdictions are published on their websites.

Question 6. Tourist Statistics – Staying/Value

What is the value to the economy of staying tourists to include:

- Average spend for staying tourists
- Average accommodation spend/staying visitor
- Average discretionary spend/staying visitor
- And total estimate of all staying passengers and value to economy

The industry does not, and has never, provided this information. Questions to assist in estimating 'claimed' visitor spend by category have now been included in the 2019 Visitor Exit Survey.

Question 7. Tourism Statistics – Staying/Nights

What are the average nights spent by visitors in Guernsey?

The information is provided in the table below.

	2012	2013	2014	2015
Average length of stay	4.67 nights	4.75 nights	4.79 nights	4.88 nights

	2016	2017	2018
Average length of stay	4.75 nights	4.85 nights	4.66 nights

Question 8. Tourism Statistics – Condor Ferry viability

From various sources there has been a collapse in the sea passenger figures since around 2011, 2015 – 16 being the most significant in passenger figures.

Please provide the last 10 years of ferry passenger figures to the Island split by Northern and Southern routes. What analysis has the Committee conducted with Condor on the viability of the passenger route in terms of passenger figures; what is the annual passengers (px) figure when the Northern route becomes unviable?

The figures that the Committee has are set out below. The Committee is currently discussing future service provision with Condor and with the States of Jersey.

	2011	2012		2013		2014	
			% +/-		% +/-		% +/-
Departing visitors by sea	122,000	116,100	-5.4%	104,300	-10.2%	121,100	16.1%
Departing residents by sea	68,900	58,400	-15.2%	74,100	26.9%	64,700	-12.7%
Total Passengers by Sea	191,600	174,500	-10%	178,400	2.2%	185,800	4.1%

	2015		2016	
		% +/-		% +/-
Departing visitors by sea	108,900	-10.1%	91,200	-16.3%
Departing residents by sea	65,100	0.6%	61,200	-6.0%
Total Passengers by Sea	174,000	-6.4%	152,400	-12.5%

	2017		2018	
		% +/-		% +/-
Departing visitors by sea	105,120	15.0%	96,136	-9.0%
Departing residents by sea	49,785	-19.0%	55,765	12.0%
Total Passengers by Sea	154,905	1.6%	151,901	-2.0%

Question 9. Air and sea split – staying visitors

To the best of the Committee’s knowledge what is the split of staying tourists arriving by sea vs. arriving by air?

Percentage split air/sea for staying visitors:

	2011	2012	2013	2014	2015	2016	2017	2018
Air	69%	67%	70%	67%	68%	71%	69%	69%
Sea	31%	33%	30%	33%	32%	29%	31%	31%

PwC Tourism Product and Customer Experience Strategic Review –Questions

The PwC Tourism survey was delivered to the Committee on or around November 2017. It has recently published on the Government website at <https://gov.gg/publications> The following questions are directly related to what the Committee has done since it has had sight of the report.

Question 10. How much did the report cost?

£92,000

Questions from the Report’s published summary: “Issues: Visitor numbers have continued to decline”. However, the 2014 Tourism Strategy, from which VisitGuernsey is still working from states the following: “Over the next ten years the group will work in collaboration with Guernsey States departments and the wider Tourism Industry and Trade to deliver a c30% growth in the value of the tourism economy. This equates to an increase in visitor numbers from 309,000 in 2014, to 400,000 by the end of 2025.” And from Deputy Parkinson’s update to the States on February 27th 2019: “We continue to implement the tourism strategy - adapting it to take account of emerging opportunities.....”

Question 11. From the figure of 309,000 visitors in 2015 and towards the target of 400,000 tourists by 2025, what was the yearly targets for 2015, 2016, 2017 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025?

The Tourism Strategy growth objective agreed by the Chamber of Commerce Hospitality and Tourism sub-group and the Committee for Economic Development was about 3% year on year to 2025.

Question 12. In 2014 the Committee was committed to the delivery of a 30% growth in the value of tourism by 2025.

- What are the GDP growth figures for tourism, by year since 2015

The States does not collect GDP figures specifically for the Visitor Economy. As part of the strategy development work it was estimated that the average GDP value per visitor was c. £360. Visitor spend data (claimed spend) is now being collected as part of the Visitor Exit Survey to help provide a more accurate value figure for the visitor economy. Initial figures are expected to be available later in 2019.

- How is the Committee monitoring Visit Guernsey's performance towards that target?

Visit Guernsey, together with the Chamber of Commerce Tourism and Hospitality sub group, has presented progress against the Tourism Strategy to the Committee and to industry each year at the annual Tourism Industry Seminar.

Question 13. Would the Committee agree it is likely to fail in its objectives to deliver the target uplift of 400,000 visitors by 2025 and the 30% growth in the value of the tourism?

Based on the reported visitor trends since 2014 it will be a challenge to deliver the total volume visitor growth (excluding cruise and yacht visitors) stated in the strategy document. However, the improved picture evident for the higher value 'staying visitor' numbers since 2014 does provide encouragement that the value of the sector can continue to increase. The significantly improved performance of the cruise passenger numbers since 2010 is helping to compensate for the loss of day visitor numbers by sea since 2014. The day visitor numbers will be difficult to replace due to the limited opportunity for a full day visit to Guernsey by sea, other than by cruise ships.

Question 14. What monitoring of the performance of VisitGuernsey has been conducted by the Committees since 2016?

Visit Guernsey reports on a quarterly basis to the Committee with details of latest visitor statistics, marketing performance and activity. In addition to regular update through the year, Visit Guernsey also presents a full review of the year's activity and performance to the Committee during the Tourism Industry Seminar, together with plans for the coming year.

The Committee is currently reviewing progress and performance against the Tourism Strategy.

Question 15. Would the Committee agree that it is time for a full independent analysis of VisitGuernsey's performance?

Progress against the Tourism Strategy's stated action plans and objectives is being made. Much progress has especially been made against the Tourism Strategy's number 1 strategic aim – *'To develop sustainable and competitive air and sea links to the island'*, with the introduction of quasi-open skies, the liberalisation of the aviation sector, and the subsequent announcement by operators of seven new air routes during 2019 alone. The Director of Marketing & Tourism led the work to introduce the open skies policy and also leads in working with carriers to secure new air routes for the island.

Visit Guernsey, working with industry, has also made progress against many of the other actions included in the strategy document, including cruise industry development, wedding tourism (legislation), events and festivals, TV advertising, working with Jersey, tour operator collaboration (UK and European).

The Committee is currently considering how it can bring together more effectively the different agencies funded by the States and included within that will be an assessment of performance against objectives of Visit Guernsey.

"Connectivity: Current position of high cost and reduced frequency highly detrimental. Without resolution it is unlikely that tourism growth can be restored and can flourish"

Question 16. Why does the report focus only air links; and why is there no mention of sea links?

PwC clearly states that the terms of reference for the Tourism Product and Customer Experience Strategic Review was to review the Guernsey Tourism Product Offering and Customer Experience only, not sea and air links connectivity. The recent reports commissioned by the Policy & Resources Committee for the strategic review of sea and air links infrastructure cover this subject.

Question 17. How many of the 28 stakeholders mentioned sea links?

The Committee is not sighted on the specific comments made by the stakeholders on an anonymous and non-attributable basis to PwC as part of that review.

“People Management policies are causing uncertainty”

Question 18. What representations has the Committee made to the Committee *for* Home Affairs to address difficulties in recruiting staff?

The current and previous Committee has met with Committee and staff members of Home Affairs on numerous occasions to discuss the staff recruitment challenges faced by the industry. It has also met with representatives of the tourism and hospitality sector and PEAP (the Population Employment Advisory Panel).

“The States is not best placed to manage the tourism assets they do”

Question 19. Please detail the specific assets to which the report is referring and what efforts the Committee has conducted to address or divest itself of these ‘assets’?

The report refers to assets such as Castle Cornet and its museums. The Committee *for* Education, Sport & Culture has oversight of the management of these assets.

“Priority product development recommendations”

“The Island’s main ‘story’ and it is relatively unique. While not a sufficiently compelling stand alone attractor, these assets need to be much better managed, packaged and presented to impact the overall Island experience. Need to have a cohesive narrative,”

Question 20. What work is the Committee conducting with Festung Guernsey and other Societies to create the ‘cohesive narrative’ and/or develop a product development strategy.

The Committee and Visit Guernsey have been working with Festung Guernsey, the Liberation Route and the Atlantic Wall organisations, Hauteville House, and with the Seafront Enhancement Area steering group to investigate opportunities to develop the Guernsey product offering.

Question 21. With a member of the Development & Planning Authority (DPA) on its Committee what representations has the Committee made to the Development & Planning Authority to ensure greater ‘monument protection’ for our existing fortifications?

The current Committee has not made any representations to the DPA.

“Additional product development recommendations”

Why is there no mention in the report of sea-based activities and sports such as swimming, surfing, diving, windsurfing, kite surfing etc?

The report makes reference to ‘soft’ and ‘hard’ activities. These include those soft activities that do not require a skill or specialism such as walking, cycling etc., and those hard activities that do, such as sailing, motor cruising, surfing, kite surfing etc.

The report recognises the ‘soft’ activity provision is strong and should continue to be developed, but the ‘hard’ activities’ whilst of good quality are niche in their nature and whilst they will continue to be of interest to the specialists, they do not offer a volume opportunity and therefore do not justify focus for additional investment.

“The States owns many unused heritage assets which can be regenerated/converted into successful tourist destinations”

The States’ Trading Supervisory Board is currently reviewing States owned buildings and land; as far as I am aware Education Sport and Culture curate and/or maintain many of our historical sites and fortifications.

Question 22. What work has the Committee conducted with either one or other of the mentioned Committees to investigate these recommendations with a view to developing the assets?

“Heritage sites could also be converted into unique self-catering accommodation, similar to examples in Jersey”

The Committee is investigating such opportunities as part of the Seafront Enhancement Area initiative.

Question 23. What work has the Committee conducted with either one or other of the mentioned Committees to investigate these recommendations with a view to developing the assets?

The Committee is investigating such opportunities as part of the Seafront Enhancement Area initiative.

Potato Peel Society – Film and Marketing

In 2018 there was a positive outlook for the tourism sector due to the release of the Guernsey Film

VisitGuernsey 2018 Review: <https://www.guernseytrademedia.com/facts-figures>

“Early signs are 20% of people arriving to Guernsey are saying they have been influenced by the film” ~ Visit Guernsey

“ Promotional activity related to the film has influenced their decision” ~ VisitGuernsey

“ In the month of May Opodo said Guernsey was it’s 6th biggest growth destination” ~ Lotus PR

“We saw an uplift in bookings in the month of May and June....more importantly our 2019 forward sales are looking very encouraging” ~ Premier Holidays

“ Online streaming release of DVD....fairly sure will translate into sales in 2019” ~ Guernsey Travel.com

“Consideration of Guernsey as a Holiday destination Amongst ABC1s increased from 28% to 31% YoY” ~ YouGov survey

Condor built campaigns around VisitGuernsey promotional activity ~ Condor

“45% increase of traffic to VisitGuernsey website” ~ VisitGuernsey

“Increase in interest when book was released, only going to see the same thing with release of the film” ~ Festung Guernsey

Year end visitor statistics:

[https://www.guernseytrademedia.com/sites/default/files/master_page_related_downloads/2019/F](https://www.guernseytrademedia.com/sites/default/files/master_page_related_downloads/2019/Feb/mrl_-_q4_2018_visitor_exit_survey_results_14feb19_0.pdf)

[eb/mrl_-_q4_2018_visitor_exit_survey_results_14feb19_0.pdf](https://www.guernseytrademedia.com/sites/default/files/master_page_related_downloads/2019/Feb/mrl_-_q4_2018_visitor_exit_survey_results_14feb19_0.pdf)

“Total staying visitors, the high value segment of the market, remained stable at 232,852 visitors

versus 2017 (2017 saw the highest level of staying leisure visitors since 2009). However, total day visitors declined by -15% (-8,295 visitors) versus the previous year. This was mainly driven by a fall in leisure day visitors of -20%”

Question 24. In 2018 what % of staying visitors came to Guernsey as a direct result of the Guernsey film?

During 2018 24% of visitors surveyed said that the Guernsey film influenced their decision to visit Guernsey in some way, with 6.6% saying it strongly influenced their decision to visit Guernsey last year.

Question 25. Why did the early exposure of the Guernsey brand via the Guernsey Film not translate into higher tourism figures?

The activity surrounding the Guernsey film did not kick off until late into the 2018 season’s main selling period. However, it did help to provide significant additional exposure for Guernsey and the results of this are expected to be seen during 2019.

Question 26. Would the Committee agree that if there was an uplift of visitors to Guernsey as a direct result of the Guernsey Film, with the declining figures of 2018, the Guernsey Film affect can only be masking an overall decline in the core tourism figures?

Whilst marketing is not a perfect science, the Committee's view is that the Guernsey film activity has helped drive excellent additional exposure for Guernsey and helped to maintain visitor numbers during 2018 in an increasingly competitive market.

Question 27. In February 2019 the Committee predicted "forward bookings up 20%" for 2019

- (a) How did the Committee come by these figures, who was surveyed and how confident are they that these figures will transfer into tourism growth

The Committee did not predict forward bookings being 20% up. The Committee reported in February that feedback from our main tour operator partners (who account for c. 30% of staying visitor numbers) indicated that forward bookings were c. 20% up against the same period in 2018.

- (b) Will the Committee commit to providing Quarter 1 and Quarter 2 tourist figures as a way of validating the 20% forward booking claim

The Committee publishes the visitor numbers every quarter.

- (c) Does the 20% forward booking announcement mean the Committee is expecting a 20% upturn in tourism figures?

The Committee did not predict forward bookings being 20% up. The Committee reported in February that feedback from our main tour operator partners (who account for c. 30% of staying visitor numbers) indicated that forward bookings were c. 20% up against the same period in 2018.

Accommodation

As of the end of 2018 please supply a breakdown of accommodation types; to include, by total, the number of establishments, rooms and beds.

Year End 2018	Sites	Beds	Rooms
Visitor Accommodation			
Hotels	36	2,807	1,317
Guest Accommodation	29	529	240
Self-Catering Accommodation	72	1,540	386
Group Accommodation	1	32	4
Total All Visitor Accommodation	138	4908	1947
Temporary Accommodation			
Private Dwellings	31	149	33
Total All Visitor Accommodation Types	169	5,057	1,980

Staying visitor statistics.

The Committee provides some quite specific figures for its visitor statistics. Please describe how the statistics are gathered from the accommodation sector?

Visit Guernsey collects and collates various types of data relating to the accommodation sector on behalf of the Committee:

- ARIES (Accommodation Research Interactive Electronic Survey).
 - ARIES is the system used to gather occupancy data directly from professional accommodation providers. This system relies on the monthly input of data from each accommodation site for which a boarding permit has been granted.
- Visitor Exit Survey
 - 'Nights in Paid For Accommodation' statistics are gathered from the Visitor Exit Survey which is conducted at the airport and harbour.
To determine this, visitors are asked:
 - *How many people in total (adults and children) are travelling in your immediate group?*
 - *How many nights have you stayed in Guernsey?*
 - *(If 1 night or more) What type of accommodation have you been staying in?*
 - *Hotel*
 - *With friends/family*
 - *Guest house*
 - *Self-catering*
 - *Air BnB*

- *Campervan*
- *Camping*
- *Other*

In gathering the figures from the accommodation sector does the Committee get all figures from all of the accommodation sector?

- ARIES
 - Although in recent years the submission of data has been included as a Condition of boarding permits granted by the Committee, not all providers respond each month, and no specific sanctions have to date been applied by the Committee to those who do not submit information.
 - The system therefore provides reliable and indicative, but not definitive statistics to help determine trends in room occupancy.
- Visitor Exit Survey
 - The 'Nights in Paid for Accommodation' figures are gathered from a representative sample of all departing passengers as part of the Exit Survey conducted at the airport and harbour. C8-12% of all departing visitors are surveyed with the survey findings applied to the total number of departing passengers (Total departing passenger statistics are provided by the airport and the harbour authorities)

What percentage of the accommodation sector submit their occupancy figures?

- ARIES
 - ARIES does not report percentage results each month,
 - Returns do vary by month.
 - For example, at the end of February 2018 around 70% of hotels responded. At the end of February 2019 the comparable figure was exactly 75%.
 - The % of respondents each month is generally of a level which provides in the main statistically reliable data, which is considered to representative of the sample universe.
 - However, the system cannot validate the veracity of the data inputted by accommodation providers and is accepted in good faith.
- Visitor Exit Survey
 - Does not collect this data

In gathering the figures from the accommodation sector is it conceivable that beds are counted rather than actual occupancy; does the Committee assume a twin-room as occupied by two people, where it is possible that it was booked for a single visitor?

- ARIES
 - As agreed with Industry room occupancy data only is submitted and reported on.
- Visitor Exit Survey
 - Does not collect this data