



# Isle of Man Tourism Visitor Economy Strategy

Department of Economic Development

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**Isle of Man**  
Government

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# INTRODUCTION & BACKGROUND

THERE ARE FEW PLACES IN THE WORLD THAT CAN OFFER THE VARIETY OF CULTURAL EXPERIENCES, HISTORIC ENVIRONMENTS AND NATURAL LANDSCAPES TO BE FOUND IN SUCH CLOSE PROXIMITY. ABOVE ALL, THE ISLAND'S REPUTATION MUST BE PROTECTED FOR THE LONG TERM BENEFIT OF VISITORS AND RESIDENTS ALIKE.

Develop avenues for business support

Anticipate and respond more cohesively to shifting market forces

Continuously improve professionalism, product and performance

Tourism as a sector supports a range of employment and diversification opportunities. Events and images relating to the visitor economy contribute significantly to the world's image of the Island.

The Isle of Man sector must also attract more on-Island visitor spend by bringing more staying visitors from outside the Island as well as business and high-value leisure visitors in order to stimulate more private sector tourism investment.

The Isle of Man Tourism sector must continue to strive to enhance the Isle of Man for residents and visitors by fostering high standards. It is imperative that we continue to develop avenues for business support, through both socially and economically sustainable development, thus creating jobs to increase the economic benefit to the Island. This will be achieved by engaging with the local community, local government, tourism enterprises, media and the voluntary sector, to ensure these stakeholders champion the Isle of Man as a quality destination, and recognise the importance of tourism to the local economy.

There are few places in the world that can offer the variety of cultural experiences, historic environments and natural landscapes to be found in such close proximity. Above all, the Island's reputation must be protected for the long term benefit of visitors and residents alike.

The visitor economy needs to be tightly connected to wider economic priorities, and there needs to be recognition of the underpinning role that the visitor economy has throughout the life of the Island.

Maximising the strength of the visitor offering will contribute to improving the Isle of Man's competitiveness globally, through reputational and image enhancement.

However, to be truly competitive, the Manx tourism industry must also anticipate and respond more cohesively to shifting market forces. The visitor economy faces significant challenges, some of which are the result of global economic trends while others relate to long-term infrastructure issues and negative perceptions about quality, value for money and accessibility.

The industry must continuously improve its professionalism, product and performance. Standards of presentation, service and customer care are not consistently high across the industry and, in some cases; the need for improvement is not recognised. There are significant local skills shortages in some key areas giving rise to difficulties with recruitment locally.

Tourism can bring positive economic benefits but does have the potential for negative social and environmental impacts. Therefore, the challenge facing the Industry and Government therefore is to grow the visitor economy within limitations that are increasingly challenging while making the experience appealing to visitors.

Tourism remains a key sector in the Island's economy. It generates expenditure and jobs in its own right and contributes to the wider development of the economy as a whole, although, to return to the visitor numbers of the 60s and 70s is unlikely as the sector has

changed. Tourism can and should make a significant contribution to the delivery of the wider Island economic development objectives including:

- **Image and Perceptions**  
Tourism has a key role to play in communicating strong positive messages in the worldwide market place about the Island and its assets in a way that is consistent and complementary to other sectors.
- **Regeneration and Inward Investment**  
The visitor economy can support regeneration projects and be a key driver for inward investment.
- **Business Location**  
Facilities for visitors are used by the business community too, whether at work or at play. Quality of life makes an important contribution to influencing businesses to choose the Isle of Man as a business location.
- **Quality of Life**  
The facilities, services and environments that visitors are looking for also provide local people with more choice and enrich the quality of life of local communities.

TOURISM PROVIDES A VALUABLE CONTRIBUTION TO THE ECONOMY WHILST UNDERPINNING AND JUSTIFYING THE FREQUENCY OF MANY OF OUR SEA AND AIR LINKS TO THE BENEFIT OF RESIDENTS AND BUSINESSES.

Generates employment for carriers, attractions, accommodation providers, eateries and retailers

Tourism provides a valuable contribution to the economy as a whole

Improves the Isle of Man's competitiveness globally

## FORECASTS FOR THE VISITOR ECONOMY

The World Travel and Tourism Council (WTC) forecast for annual global growth in tourism has been estimated at an average 4% per annum over the next ten years in real terms.

In its overview of the Visitor Economy, Visit Britain cites a Deloitte study published in 2010, which reports that the long term future for inbound international tourism is a positive one.

The growth rate of the UK visitor economy is forecast to be 3.5% per annum over the period 2010 to 2020<sup>1</sup>, well ahead of the 2.9% forecast for the UK economy as a whole, with spending by inbound visitors forecast to grow at a faster rate than spending by domestic residents (4.4% versus 2.6%).

However, some more recent macro-economic forecasts are less positive. The IMF has recently warned that the global economy has entered "a dangerous new phase of sharply lower growth", and the UK economic growth forecast has been revised downwards to 1.1%. Furthermore, there is evidence to suggest that the domestic industry is struggling. In 2010, the number of domestic overnight trips taken

in the UK was 5% lower than in 2009, whilst total spending decreased by 5% in nominal terms. In Ireland they have seen an overall decline in visitor numbers in 2009 of 12%, but their largest source market, Great Britain, fell by 15%.

**3.5%** *Growth rate of the UK visitor economy*

There are also indications that this trend is likely to continue in the near future. The Institute of Fiscal Studies warned in September 2011 that household budgets could be squeezed for the next 10 years as the impact of tax rises and cuts is felt.

Furthermore, we have experienced how the visitor economy can be affected by unplanned, and unexpected events, such as, terrorism, ash clouds, health scares, or industrial action.

## THE ISLE OF MAN VISITOR ECONOMY

Tourism provides a valuable contribution to the economy (2% of national income in 2009/10)<sup>2</sup> whilst underpinning and justifying the frequency of many of our sea and air links to the benefit of residents and businesses. Total visitor spend amounted to over £103 million in 2012 providing income to and generating employment for carriers, accommodation providers, attractions, eateries, and retailers. It generates expenditure and jobs<sup>3</sup> in its own right and it contributes to the wider development of the economy as a whole. Visitor arrivals grew from 275,203 in 2008 to 294,460 in 2012 - an increase of 6.59%.

The Isle of Man is a unique place in which to live and work. It provides a safe environment for the family and the community to live and for business to prosper and flourish. Maximising the strength of the tourism offering will contribute to improving the Isle of Man's competitiveness globally, through both direct sales and through reputational and image enhancement.

Independent research<sup>4</sup> highlighted amongst the general UK respondents that positive views about the Isle of Man came from the fact that it is seen as a "holiday destination and a nice place to visit".

<sup>1</sup> Deloitte Study 'The Economic Contribution of the Visitor Economy – UK and the nations' page 54. <sup>2</sup> Isle of Man National Income Accounts 2009/10, Economic Affairs Division, Treasury. <sup>3</sup> 14% of Economically Active Employment sourced from Economic Digest 2011

<sup>4</sup> Undertaken by Opinium in July 2011 called 'IOM Image & Reputation Tracker'



## ISLE OF MAN TOURISM VISION

*The Island collectively supports a thriving visitor economy and takes pride in its reputation as a high quality destination.*

## MISSION STATEMENT

*To grow the number of visitors and spend by promoting the attractions, events and activities that make the Isle of Man a desirable destination.*



### VISITOR ECONOMY STRATEGIC AIMS

- The Isle of Man offers a high quality tourism experience which exceeds the expectations of our visitors.
- The Isle of Man is a year-round destination.
- The Isle of Man is recognised as a distinctive and unique visitor destination.

### ISLE OF MAN TOURISM KEY PERFORMANCES INDICATORS (KPI's)

- Grow total visitor spend by 5% in real terms by 2015.
- Attract 300,000 visitors by 2015 (an increase of 4%).
- Grow the number of visitors attending non motor sport events from 11,000 (2010) to 13,000 by 2015 (an increase of 18%).
- Maintain in excess of £1m Estimated Advertising Value (EAV) in PR coverage.
- To achieve a 5% increase in the proportion of 4 & 5 star tourist accommodation properties per annum (from 56% of total registered Tourist Accommodation in 2010).
- To increase cruise ship arrivals by 15% by 2015.
- To increase coach business by 3% and identify 50 smaller groups by 2015.
- Increase the number of repeat visitors from 69,000 in 2010 in the Paid Visitor in Paid Accommodation category to 75,000 by 2015 (an increase of 9%).<sup>5</sup>

<sup>5</sup> Calculated by applying the % from the Department Visitor Survey for repeat visits in the past 3 years to the Treasury PVPA passenger numbers.

WE WILL BE FOCUSING ON A VARIETY OF GROWTH STRATEGIES TO OBTAIN A BALANCE BETWEEN MAINTAINING EXISTING BUSINESS AND DEVELOPING NEW OPPORTUNITIES.

The average visitor length stay is 5 nights

The average visitor spend is £351 per visit

Almost 70% of visitors have been to the Isle of Man before

## KEY FACTS & FIGURES

- 33% of visitors come from the North West of England.<sup>6</sup>
- The average visitor length stay is 5.1 nights.<sup>6</sup>
- The average visitor spend is £351 per visit.<sup>6</sup>
- Almost 75% of visitors are aged over 45 years, with only 18% aged 25 – 44.<sup>7</sup>
- 50% of visitors are strongly influenced to visit by a recommendation from friends or relatives.
- Almost 70% of visitors have been to the Isle of Man before.
- There are 5,334 registered Tourist Accommodation bed spaces in 2010.<sup>8</sup>

In the Isle of Man, a period of 20 years saw a fall of 13.7% in the total number of visitors, from 319,000 visitors in 1990, to 275,203 visitors in 2008. However, from 2008 visitor arrivals have grown from 275,203 to 294,460 in 2012, an increase of 7%.

The last twenty years has also seen a change in the accommodation of visitors to the Isle of Man. In 1990, the greatest percentage of our visitors (50%) were staying in paid accommodation, with a smaller percentage (21%), visiting friends and relatives. In 2012, 36% of visitors stayed in paid accommodation, 39.59% stayed with friends and relatives and 22% were business visitors.

### *Economic Benefit*

Between 2005-09 some 1.5 million visitors spent £526.6 million. Isle of Man Tourism spent £35.1 million, representing £15 for every £1 spent.

The Tourism and Leisure sector accounted for 2% of Manx national income in 2011/12<sup>9</sup>, with expenditure on trips to the Island made by visitors of over £103 million.

### *Competitor Analysis*

Tourist competition is fierce amid a growing and constantly changing tourism market. Based on feedback from our visitors<sup>10</sup> and enquiries, the main competitor destinations identified were North West of England, Wales, Channel Isles, Yorkshire, Cornwall, Scotland, Devon and Ireland. Of those who did not visit the Isle of Man in 2010, 24% considered a destination abroad, 22% however, stated they had not visited the Isle of Man due to their own personal financial situation.

The sector also needs to be aware of emerging destinations which may become new competitor destinations.

## OUR FOCUS

We will be focusing on a variety of growth strategies to obtain a balance between maintaining existing business and developing new opportunities. Emphasis will primarily be on market penetration by encouraging repeat visits and product development in the short term. Medium to long term focus will aim to develop further markets.

### *Focus will include but not be limited to;*

- Encouraging repeat visits.
- Leveraging business visitors returning as leisure break takers.
- Promoting visits to friends and relatives through local residents.
- Leveraging TT visitors returning as leisure break takers and to other motorsport events.
- Promotion of the Island as a group visit destination through the Travel Trade.
- Broadening the portfolio of Event led Tourism.
- Developing cruise, activity and other niches.

<sup>6</sup> 2012 Passenger Survey, Economic Affairs, IOM Treasury

<sup>7</sup> 2010 Visitor Survey, Isle of Man Tourism

<sup>8</sup> 2011 Economic Digest, Economic Affairs, IOM Treasury

<sup>9</sup> Isle of Man National Income Accounts 2009/10, Economic Affairs Division, Treasury

<sup>10</sup> Source: Carrier Direct Marketing Survey of people who requested our Guide 2010, "You Gov" research conducted nationally January 2011



## MARKETING COMMUNICATIONS

As a visitor destination, the Isle of Man finds itself in a very competitive environment where, with the growth in low cost airlines and ease of booking via the internet, worldwide travel is now achievable for many.

Our key messages need to give existing and potential visitors a compelling reason why they should visit the Isle of Man over and above other destinations. The ease of access to and from the Island the quality and variety of the product offering and the uniqueness of the Island are all important key messages.

The Department will utilise a varied mix of communication channels in a coordinated plan which targets specific identified segments with relevant messages and information. The identified priority segments for promotional purposes are:

- 1 Over 45's looking for escape, relaxation, heritage and culture.
- 2 Outdoor sports / active profiled individuals.
- 3 Groups.
- 4 Event attendees / participants.
- 5 Niche segments, e.g. cruising.

### Key Marketing Communications Elements

#### Public Relations

- A programme of planned media releases to support events and activities taking place on the Island.
- A programme of media visits with key specialist publications, International, national, regional press and broadcast.
- Trade publications to convey industry updates and developments.
- Involvement in TV lifestyle and entertainment programmes.

#### Promotion

- Advertising campaigns targeted at selected segments in conjunction with other Government and industry partners.
- Customer contacts for the Customer Relationship Management Database (CRM) to allow email campaigns.
- Exploitation of existing known databases, e.g. TT fans.

### Exhibitions

- A programme of attendance at key tourism related exhibitions and events working with industry representatives to target trade to ensure the best return in investment.

### Digital

- Development of the visitisleofman.com website, including trade information.
- Digital advertising campaigns to include e-newsletters to consumers and trade.
- Social media monitoring and campaigns.

### Literature

- Annual Visitor Guide.
- Group Travel Guide.
- Wide range of visitor information distributed through the Isle of Man Welcome Centre and satellite tourist information centres around the Island.



## QUALITY & SERVICE

Quality is the key driver of success for specific products, services and destinations. Consumer expectations are at a higher level than ever before, more so during difficult economic climates. Expectations are not just in relation to the quality and service but more importantly relate to value for money. Visitors expect and demand quality in all aspects of their experience and are increasingly vocal when they experience poor quality and service due to the surge in social media and customer review websites.

Success can be measured by how much the achievement of higher quality standards contributes to competitiveness, with not only the visitors benefiting but also the local community. Quality of life is closely linked to a quality destination.

### Background

The Isle of Man must retain a strong reputation as a quality, value for money, distinctive destination through investment in both the quality of the product but also the standard of skills that are offered.

It is our responsibility to monitor quality levels across all aspects of the destination and to facilitate businesses to achieve customer satisfaction by meeting or exceeding their expectations so that they continue to return.

### Strategic Value

The aim is to highlight and embrace the contribution which a sustainable policy of quality and service plays in the visitor economy and measure its effects. For our Island to remain competitive in what is an increasingly sophisticated visitor market we must continue to develop our ethos of delivering the highest quality of service and standards during the visitor experience.

The tourism sectors' strengths and potential must be championed to a number of interdependent sectors such as planners, retail and policy makers. Establishing and nurturing these relationships will build the support and engagement. It is crucial that the value of tourism is understood by all those who have a role to play. This ethos must include all aspects that affect the visitor experience, which includes the marketing, reputation of the destination, service skills and offering a sustainable quality product.

### The Isle of Man Quality objectives must:

- Enable our visitors to select quality options that will meet or exceed their needs and demands.
- Stimulate and support businesses to understand and improve the quality of their service.

- Stimulate investment in service and facilities.
- Build local distinctiveness and authenticity.
- Achieve pride in a set of core common service standards across the whole destination, irrespective of the type of business.

Through these activities, the quality strategy should build a long-term position as a trusted brand, including the local community, and contribute to improved profitability.

### Key Roles

- A co-ordinated approach is needed for the public and private sector tourism industry to work together to evaluate and promote quality standards. This will build the foundations for achieving the collective vision of maximising tourism's contribution to the economy, employment and quality of life on the Island.
- Continual review and monitoring the quality and standards of our bed stock and visitor facilities. Monitoring and reviewing accommodation trends and development of new initiatives.
- Prioritising the focus on both the tangible and intangible needs of the visitor.
- It is critical that the Island can promote itself as a viable current option as well as retain and develop its current workforce.



## EVENTS

The Isle of Man has a thriving cultural and sporting community, which organises a raft of special events. A large number of these events have strong enough appeal to attract event-specific off-Island visitors to take part and spectate.

Events range from chess to marathons. The Island has an enviable reputation in its ability to host large, high quality international events, evidenced by flagship events such as the Isle of Man TT races and the 2011 Commonwealth Youth Games. The skill and enthusiasm needed to deliver these are grounded in the medium-sized events that consistently deliver over £3 million in visitor spend and 11,000 visitors annually.<sup>11</sup>

The role of the Department is to support these events through financial assistance, marketing and promotion, and to act as a catalyst for the development of new events. While the tourism events team does directly organise a number of events, its primary focus will be to support the Island's event organisers in their endeavours.

Financial assistance to event organisers is delivered through the Tourist Development Scheme (TEDS), which offers a Guarantee against Loss.

Applications are assessed against a number of criteria, including:

- Number of visitors.
- Number of bed-nights.
- Seasonality.
- Cost per visitor.
- Exchequer benefit.
- Return on investment.
- Positive media coverage.

*From these, the key criteria used to assess success are:*

- Visitor numbers generated by events.
- Bednights generated by events.

*Over the last five years, events supported under TEDS have:*

- Attracted an average of 11,000 visitors per annum.
- Generated 40,000 bednights per annum.
- Provided a visitor spend of £14 spent per £1 invested by Isle of Man Tourism.<sup>11</sup>

Events play an important role in assisting to manage a destination's seasonality. Timing events during quieter periods of the year adds incremental value. The strategy has been to target the timing of events

at autumn and spring months in order to avoid simply displacing existing business during the peak summer months. Another benefit from events such as the angling festivals, kayaking events, the End to End Mountain Bike festival and walking festival has been to act as a hook in establishing the Island as a destination for activity-based holidays outside the period of the events.

In addition to a broad range of existing events, we are seeking to develop new business. Recent successes in this area include the Festival of Choirs, visiting car and motorcycle owners' clubs, as well as building on existing events. New opportunities are being sought in the areas of golf, cycling sportives, triathlon, and pro-cycling.

### Key Roles

- Continue support for winning events.
- Develop new events.
- Lead effective and collaborative partnerships with event organisers and stakeholders.
- Facilitate event organisers with accessing Department marketing expertise and initiatives.
- Leverage spin-offs for activity breaks from events .
- Review and monitor existing events.

<sup>11</sup> Source: Tourism Events 2013



## PRODUCT DEVELOPMENT

The Isle of Man's unique qualities make it an ideal destination for group travel and cruise ship visitors, who enjoy the various historical and cultural attractions available on the Island, all accessible within short travel distances. These and other markets continue to grow and offer opportunities to the Isle of Man.

*In practice this means:*

### **Building the Isle of Man's Cruise Market:**

In 2012, 12 cruise ships visited the Isle of Man, with an estimated 6000 passengers and 3000 crew onboard. It can be calculated that the 6000 cruise visitors generated £60,000 of direct income to the Treasury plus and estimated £450,000 of economic benefit in visitor spend.

Whilst these might be seen as modest sums, the opportunity to increase revenues by attracting higher numbers of visitors in this growing market is significant. In 2013, we have 18 cruise ships booked to visit the Isle of Man.

*Objectives: To increase the number of cruise vessels calling at the Isle of Man. Increase the variety of itineraries offered to Shore Excursion Companies to encourage new cruise business and maximise customer spend.*

### **Developing the Isle of Man's Group Travel Market:**

In 2012, 325 coaches visited the Isle of Man with over 14,625 passengers. In 2013, we are aware of 362 coaches booked to visit the Island and we are continuing to build relationships with Group Travel Operators to increase this market.

A revised version of the Group Travel Guide has been launched with more emphasis on itineraries, accommodation and coach information and with a dedicated database for this market, which continues to grow, this is a great marketing tool to promote the Island as a Group Travel Destination.

We are also working with carriers and local organisations to identify smaller groups who also visit the Isle of Man, but who do not fit the traditional coach group market. These smaller groups include activities such as walking, mountain biking, cycling, angling and Dark Skies astronomy, all of which we are currently involved in building as a visitor opportunity for the Isle of Man.

*Objective: To develop the group, coach and special interest markets.*

### **Facilitate the Conference Market:**

The Isle of Man has various conference venues available to on and off Island delegates. Whilst this area of business has slowed during

<sup>11</sup> Source: Economic Affairs Division, Isle of Man Treasury

recent years, particularly with regards conferences being booked by Off Island companies, we continue to support any enquires made through our website or literature and work with local suppliers to identify opportunities.

The Department's Financial Assistance Scheme is available to provide support to conferences booked to take place outside of the usual visitor season and we continue to host Familiarisation Trips for potential conference organisers.

*Objective: To continue to support conference business and encourage local businesses to act as Ambassadors for the Island's conference market.*

### **Identify New Visitor Opportunities:**

Working with various organisations and industry stakeholders, identify and support new opportunities to attract visitors to the Isle of Man. We are currently working to build the Active Market on the Island and we have identified Dark Skies astronomy, Geo Caching and various other markets to build into a Visitor attraction.

*Objective: To continue to build relationships with industry stakeholders and support the development of new visitor attractions.*



## MOTORSPORTS AND THE VISITOR ECONOMY

The Department of Economic Development recognises that motorsports provide a unique attraction for visitors and that the TT, in particular, is a brand recognised around the world which brings opportunities to raise awareness of the Isle of Man internationally as both a tourist destination and a place of commercial and business opportunity.

This Department implements the Council of Ministers' policy statement in respect of motorsport events.

*This included the objective:*

*“To contribute to the economic development of the Isle of Man by attracting visitors, securing employment and developing wider business and commercial opportunities”*

In support of the visitor economy the Department's motorsport section:

- Provide funding for motorsport events
- Promote motorsport events
- Deliver the TT Festival
- Works with organisers to identify new motorsport events which have the potential for economic benefit.

Motorsport events attract an estimated 50000 visitors to the Island annually, providing income and support to the visitor economy. Motorsports remain an important element of the events calendar.



## MOTORSPORTS AND THE VISITOR ECONOMY

### *Using resources wisely*

The Department of Economic Development will invest £3.9m in Motorsport events in 2011. In order to ensure that best value is achieved, the Department will:

- Ensure that all contracts for the delivery of motorsport events are competitively tendered and that the most cost-effective method of delivery is selected
- Review all expenditure to ensure that good value is being achieved
- Ensure that spending that delivers a return on investment and protects the island's reputation is prioritised
- Review all funded events in order to ensure that an acceptable return on investment is maintained and make decisions, where necessary, to reduce or withdraw funding where an insufficient return is being realised

The Department, in conjunction with Treasury's Economic Affairs Division, will conduct a programme of surveys in order to provide accurate information about the economic benefit of individual events. Major events will be surveyed on a 3 yearly basis.

### *Increasing returns*

Motorsports events are funded and promoted in order to support the tourist industry and bring revenue to the island. The Department will seek to increase the contribution of motorsports by:

- Identifying new motorsport events by monitoring trends and developments within the industry, providing assistance to event organisers, assisting with marketing new events and liaising with other Government departments in respect of Road Closure Orders etc
- Developing existing events, in conjunction with organisers in order to increase visitor numbers and awareness of the events
- Develop new opportunities to further exploit successful brands, for example investigating the feasibility of an international TT-branded series
- Increasing commercial revenues from existing events, in particular the TT.
- Maximising economic benefit by identifying synergies with other visitor and business activities.

### *Working with organisers, volunteer groups and the community*

Motorsport events cannot happen without the active involvement of organisers and volunteers and the co-operation of the island community. The Department will:

- Assist organisers in order to obtain Road Closure Orders from the Department of Infrastructure
- Provide advice and assistance to organisers in event delivery and liaise with other departments where necessary.
- Consult with organisers regarding event development and funding
- Help event organisers with forward planning and programming
- Listen to and consult volunteer groups and provide appropriate assistance, including funding, where necessary
- Ensure that the community is consulted and arrangements put in place, where possible to minimise disruption caused by motorsport events
- Ensure that the public, businesses and others impacted by motorsport events are given sufficient information and that the interests of all are balanced.

PURCHASING HABITS OF INDIVIDUALS IS CHANGING DUE TO THE RAPID UPTAKE OF NEW TECHNOLOGY. THIS HAS LED TO AN INCREASING TREND TOWARDS RESEARCHING DESTINATIONS THROUGH USER GENERATED WEBSITES SUCH AS TRIP ADVISOR

Increasing popularity in consumers choosing 'all inclusive' holidays abroad

Higher propensity to save due to uncertainty in the future economic climate

Concern over carbon footprint influencing travel choices

## ISSUES & TRENDS INFLUENCING THE TOURISM SECTOR

### *Political*

- Uncertainty over increases to rates of Air Passenger Duty
- Indirect effect of reduction of agencies promoting the British Isles such as VisitBritain, Regional Development Agencies
- UK Government policy on public sector cuts

### *Economic*

- Current high levels of unemployment in the UK
- Rates of currency exchange
- Current concern over a double dip recession in the UK
- High fuel prices impacting on aviation and sea travel costs
- Low and static interest rates
- Higher propensity to save due to uncertainty in the future economic climate
- Inflationary pressures
- Static housing market

### *Legal*

- EU directives on selling package holidays
- Potential for implementation of the Disability Discrimination Act
- The Isle of Man Tourist Act 1975

### *Socio Cultural*

- People are leading more active, healthy lifestyles
- Demographics, longer life expectancy
- People are seen to be participating in activity holidays more than ever before
- Individuals are demanding 'value for money' during the current economic climate
- Individuals are more open to new experiences than ever before
- The UK has seen an increase in young adults at the pre or no-family stage
- The culture and heritage offerings underpin up to £4.5bn worth of inbound visitor spending per annum (VisitBritain,2010)
- Increasing popularity in consumers choosing 'all inclusive' holidays abroad

### *Technological*

- Purchasing habits of individuals is changing due to the rapid uptake of new technology
- The growth in technology has transformed the way businesses communicate with consumers
- Sustained growth in internet and social media usage
- Trend towards researching destinations through user generated websites such as Trip Advisor has increased four-fold

### *Environmental*

- Consumers are more environmentally conscious
- Climate change and depletion are more embedded in consumers' minds
- Concern over carbon footprint influencing consumer travel choices
- Increasing sensitivity over the environmental impacts of existing activities and new tourist developments particularly in the countryside

THERE ARE FEW PLACES IN THE WORLD THAT CAN OFFER THE VARIETY OF CULTURAL EXPERIENCES, HISTORIC ENVIRONMENTS AND NATURAL LANDSCAPES TO BE FOUND IN SUCH CLOSE PROXIMITY.

The Isle of Man has powerful worldwide brands such as the TT races

The Isle of Man enjoys positive associations with low crime, safety, hospitality and friendliness

The Isle of Man offers a broad range of special events

### STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS FOR THE ISLE OF MAN AS A DESTINATION

#### *Strengths*

1. High level of repeat visitors.
2. Highly respected jurisdiction with a diverse business portfolio and attractive tax propositions.
3. Positive associations with low crime, safety, hospitality and friendliness.
4. Ease of access from the British Isles.
5. Powerful worldwide brands such as the Isle of Man TT races.
6. Island specific legislative framework to foster tourism.
7. A wealth of heritage attractions and historic railways.
8. Beautiful and varied landscape.
9. A broad range and number of special events.

#### *Weaknesses*

1. Perceptions of inconsistent quality, inaccessibility, lack of entertainment and lack of vibrancy.
2. Customer Relationship Management database in its embryonic stage.
3. Accessibility costs.
4. Awareness of the Isle of Man in the South of England & Europe.
5. Weather.
6. Lack of appeal to younger consumers.

#### *Opportunities*

1. 55+ demographic is growing and has a high disposable income.
2. Growth of niche markets- active, events, motorsport, cultural and heritage.
3. There is a growth trend in cultural & heritage breaks.
4. Growth in Adventure Tourism.

#### *Threats*

1. Consumer sensitivity on the impact of travel on the environment.
2. Increasing popularity in consumers choosing 'all inclusive' holidays abroad.
3. Increase consumer choice of new destinations served by low cost airlines.
4. Reliance on a small number of carriers.
5. Significant change in UK VAT sharing agreement.
6. Planning hurdles in respect of new development.

PRODUCT AND MARKET GROWTH OPPORTUNITIES WILL BE PRIORITISED BY THE EASE AND LIKELIHOOD OF ACHIEVING THEM.

## ISLE OF MAN TOURISM GROWTH STRATEGIES

The Ansoff Matrix shown opposite identifies product and market growth opportunities and will assist in setting priorities based on the ease and likelihood of achieving them.

### Market Penetration

This strategy is achieved by taking competitor market share, by finding new customers or by encouraging current customers to use more products. In our case this is obtaining repeat visits. Market penetration is considered a low risk method for growth.

### Product Development

This strategy involves developing additional products aimed at our current market, providing another reason for people to visit. Product development is considered a medium risk method for growth.

### Market Development

The current product can be changed improved and marketed to the existing market. The product can also be targeted to another customer segment. Market development is considered a medium risk method for growth.

### Product Diversification

This is when new products are introduced into new markets. This strategy is generally the most risky.

	EXISTING PRODUCTS / CUSTOMERS	NEW PRODUCTS / CUSTOMERS
EXISTING MARKET	<p><b>Market Penetration</b></p> <ul style="list-style-type: none"> <li>- <i>By Encouraging repeat visits</i></li> <li>• Leisure Break takers-</li> <li>• Existing event participants</li> <li>• Visiting Friends &amp; Relatives</li> <li>• Coach and Group Visitors</li> <li>• Conference delegates</li> <li>• Cruise visitors</li> <li>• Heritage attractions and historic rail enthusiasts</li> <li>• Motorsport enthusiasts</li> <li>• Nature and wildlife enthusiasts</li> <li>• Business Visitors</li> </ul>	<p><b>Product Development</b></p> <ul style="list-style-type: none"> <li>- <i>By Encouraging existing visitors to try new activities</i></li> <li>• Motorsport visitors returning as leisure break takers</li> <li>• Cruise &amp; Group visitors returning as independent travellers</li> <li>• Business visitors returning as leisure break takers</li> </ul>
NEW MARKET	<p><b>Market Development</b></p> <ul style="list-style-type: none"> <li>- <i>Encourage new visitors</i></li> <li>• Car Club Groups</li> <li>• Walkers</li> <li>• Mountain Bikers</li> <li>• Golfers</li> <li>• Food and Drink lovers</li> <li>• Adventure and endurance enthusiasts</li> <li>• Maritime &amp; Yachting - <i>Leisure and event</i></li> <li>• Nature and wildlife</li> <li>• Mythology &amp; Superstition</li> <li>• Angling</li> </ul>	<p><b>Diversification</b></p> <ul style="list-style-type: none"> <li>- <i>Find new product or service offerings to target new visitors</i></li> <li>• Events - <i>Road Race Cyclists, Triathletes, Golfers</i></li> <li>• Spa breaks</li> <li>• Shopping</li> <li>• Theme parks</li> <li>• Log cabins and caravans</li> <li>• Dark Sky Astronomy Destination</li> <li>• Green Tourism</li> <li>• Wedding Tourism</li> </ul>



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