

THE ECONOMIC CONTRIBUTION OF TOURISM TO JERSEY – AN UPDATED ANALYSIS

MARCH 2019

THE ECONOMIC CONTRIBUTION OF TOURISM TO JERSEY – AN UPDATED ANALYSIS

Prepared for Visit Jersey

by **Tourism Economics**

(An Oxford Economics company)

DISCLAIMER

This report was commissioned by Visit Jersey and undertaken by Oxford Economics. The opinions expressed in it are those of Oxford Economics and not necessarily those of Visit Jersey or any other body associated with Jersey.

This report updated the previous report, also commissioned from Oxford Economics by Visit Jersey: [‘The Economic Contribution of Tourism to Jersey: The Productivity Opportunity’](#) (2017).

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
1. Background Performance	5
1.1 Recent Tourism Performance in Jersey	5
1.2 Tourism Spending	5
1.3 Economic Impact & Productivity	7
1.4 Source Markets	9
1.5 Current Perceptions of Jersey as a Destination	11
1.6 Nature & Outdoor Activities / Sports Tourism as a Motivator	14
1.7 Shared Space Accommodation / ‘Co-Living Tourism’	16
1.8 Wellness and Wellbeing Tourism.....	17
2. Improving Productivity Through Reduced Seasonality	20
2.1 Existing Seasonality in Jersey’s Visitor Statistics	20
2.2 the Importance of the Short Breaks Market	21
2.3 Sunday Opening and Short-Breaks	23
2.4 Broadening the Accommodation Stock.....	24
3. Improving Productivity Through Technology & Skills.....	28
3.1 Maximising the Benefits From Full Fibre Broadband.....	28
3.2 Use of the Internet by Travellers to Jersey	29
3.3 Technology Challenges & Skills.....	30
3.4 Innovations in Travel and Accommodation Technology	31

EXECUTIVE SUMMARY

Total visits to Jersey have grown for two consecutive years: up 2% in 2017 and 3% in 2018; while spending per trip is rising.

Stabilisation and growth in visitors

The longer-run trend of falling visitor numbers has been arrested according to the most recent tourism arrivals data for 2017 and 2018. There were more foreign arrivals in 2018 than in any year over the past decade. However, the number of staying leisure visitors dropped marginally in 2018 following an apparent rapid improvement in 2017 to the highest level since 2001. Average length of stay has also dropped slightly with some impact from a shift market composition, but average spending is continuing to rise as Jersey is attracting higher spending visitors.

There has also been some limited success with seasonal shift. An increase in the share of French visitors and their willingness to visit in shoulder months has driven this result, helped by the strength of the euro against sterling. However, visits to Jersey remain highly seasonal and other source markets, notably the important UK, show no sign of decreased seasonality at present.

Jersey is highly regarded among visitors, with high engagement among some younger age cohorts.

Jersey is highly regarded by visitors

The latest TNS Kantar Visitor Experience Survey suggests that, overall, Jersey as a destination is well regarded by visitors. However, there are also some key areas which are not as highly ranked, such as Sunday opening, and which could be addressed. Although these shortcomings are not discouraging those who do visit, they could well be responsible for decisions not to visit amongst other travellers.

However, the survey does not provide any information on the reasons for not visiting or any preferences for Jersey's competitors. There is also nobody in the sample from France or Germany so does not provide an understanding of key drivers for those markets.

The oldest age cohort (65+) is actually least 'engaged' with Jersey, according to the TNS Kantar survey. This means that, Jersey risks losing part of this cohort to competitor destinations since there is no clear Unique Selling Point which identifies Jersey from comparators such as Southwest England.

Jersey could develop some specific niche markets

There are some specific tourism areas which Jersey could better develop without affecting the character of the island or its appeal to existing visitors. The first of these is outdoor and nature activities ranging from birdwatching to outdoor sports. German travel to Jersey is at a low ebb and would be attracted by these activities. Nature tourism has been identified as a key reason why Germans value destinations such as Madeira.

Other niche areas include: yachting and marine tourism, developing ideas from the Isle of Wight; shared space tourism combined with surfing or diving, following a model being set by Hossegor in France; and making the most of the opportunity presented by the growth of spas and wellbeing tourism.

The German source market would be especially interested in outdoor and nature activities.

The importance of the short break market

Short breaks are becoming more important for all destinations, but restrictions on Sunday trading may be a deterrent for Jersey.

'Open skies' and deregulated airlines have lowered air fares and opened up new tourism markets within Europe and worldwide. People tend to make more trips now but for a shorter length of stay and the average length of stay on a UK domestic visit is now 3 days. Often these are centred around a weekend.

'The past is not where we left it' is a line used by the New Zealand Tourism Strategy in recognising that a return to higher levels of visitation will require adaptation to trends which have been taking place. Following a similar logic, Jersey would benefit by expanding further towards the short breaks market.

Current Sunday trading regulations on the island may be a deterrent for some short breaks. Whilst shopping is always going to be more expensive for a destination such as Jersey, opening hours do not need to be more restrictive. Other island destinations such as Orkney and the Scilly Isles have identified Sunday opening hours as a potential issue (including non-retail establishments as well). This is one of the issues highlighted in the Jersey Visitor Experience Survey.

Improving and broadening accommodation choices

There is an opportunity to increase the accommodation stock and range whilst not impinging on Jersey's landscapes.

There is an opportunity to increase the accommodation stock and range, largely using the existing building stock and hence not impinging further on Jersey's valued landscapes and without affecting the stock of housing. This can be achieved by bringing some unoccupied private accommodation into the market and consolidating some of the least efficient Bed & Breakfast stock, by using platforms such as AirBnB. However, it is unclear to what extent the 3,100 unoccupied private properties on the 2011 Census have been reduced by the strong housing market in Jersey since then.

A broader range of accommodation stock will not only encourage underrepresented types of visitors – such as families - it can also offer opportunities to extend the tourism season on the island.

This will require a new approach to skills in the sector, including training of young people on the island to better embrace potential technological solutions for the sector. This would also reduce the reliance on non-EU nationals, whose presence is already being affected by the uncertainty created in the UK by the Brexit vote in June 2016.

Making the most of full fibre broadband in the tourism sector

The sector should take advantage of the competitive advantage provided by full fibre broadband.

Jersey has a huge potential competitive advantage in having some of the fastest broadband speeds in the world. But the tourism sector needs to take advantage of this in the way that other economic sectors such as education and agriculture are already doing. Better connectivity offers the opportunity for improved tracking of visitors and enhanced understanding of activities and preferences. This information can be used to upgrade the visitor experience.

Trends elsewhere include voice control technology and integrated chatbots. Both of these are easier to establish in new build hotels, but older stock is not always an impediment. Technological changes such as these can improve productivity and alleviate staffing pressures.

1.BACKGROUND PERFORMANCE

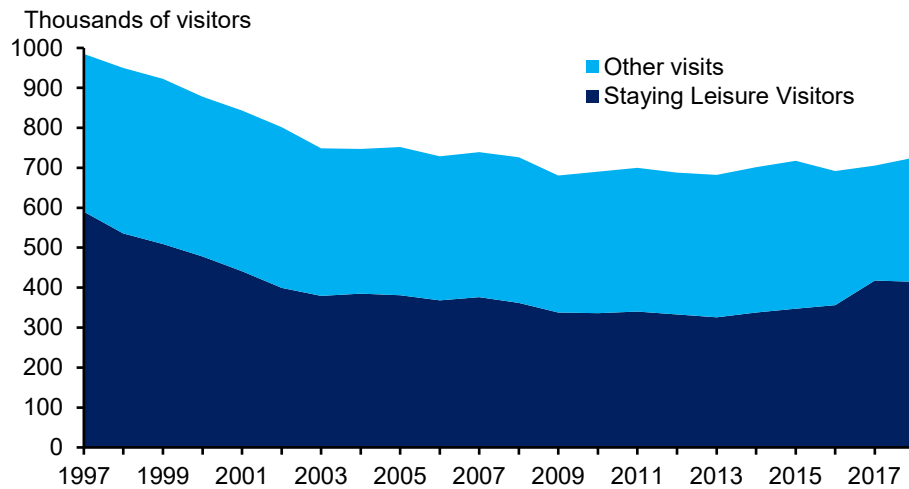
1.1 RECENT TOURISM PERFORMANCE IN JERSEY

Total visits to Jersey were up 2% in 2017 and then by a further 3% in 2018, to a total of 725,417 visits – the highest total visits since 2008¹. Taking these results at face-value, 2017 saw the highest number of staying leisure visitors since 2001 with 418,162 visits. However, revisions to the visitor arrivals methodology means that these numbers may not be fully consistent. 2018 data indicate a modest 1% fall in staying leisure visitors which may be of some concern regarding the sustainability of the current growth.

Some loss of leisure day visitors, and business visitors are apparent within the total arrivals data, seemingly associated with a fall in business-related travel from the UK. 2018 data shows some significant offsetting growth in VFR travel, as well as visits by cruise passengers and visiting yachtsmen. Travel from Guernsey also rebounded.

The clear underlying trend is that Jersey has maintained visitor numbers within a narrow band since the recession which began in 2008, with previous declines having now stabilised.

Visitors to Jersey 1997 - 2018



Source: Oxford Economics / States of Jersey / Visit Jersey

Total visits to Jersey grew in both 2017 & 2018 to the highest level since 2008.

Staying leisure visits stagnated in 2018 and visits remain within a narrow band.

1.2 TOURISM SPENDING

Staying leisure visitors still accounts for almost 60% of arrivals, but this category is even more important when considering the typical spending by visitors to Jersey. 80% of inbound spending is typically from staying leisure visitors due to both relatively high spending per day and longer length of stay than other visitors. However, this share fell slightly in 2018 with a reported increase in the share of spending from business and other visits.

¹ However, methodology has changed since 2015 and, in theory, 2016 and 2017 are not directly comparable with previous years. The series break technically occurs mid-year in 2016 at the beginning of the peak summer period.

Average spend per visit is rising, despite some loss in SLV travel share.

Average spend per visitor increased in 2018, helped by this increase in business travel spending, but an increase in average spend per staying leisure visitor also had a large impact. This also came despite some fall in length of stay as some higher spending visitors have been attracted.

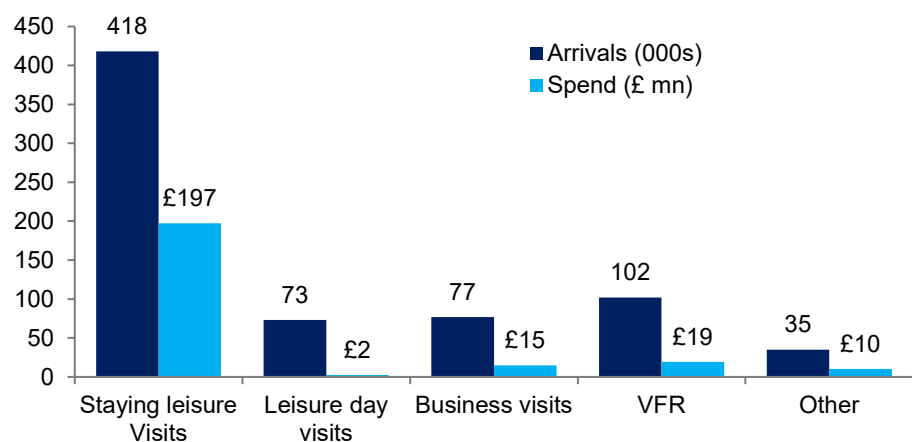
There was a notable increase in reported spend per trip for business travellers in 2018. Business travel accounted for 11% of arrivals, as in 2017, but generated 8% of inbound spending, up from 6%. This is despite an even greater proportion of day-visits for the purpose of business travel, while average length of stay for business travel fell further. This improvement coincides with strong growth in travel from Guernsey which may involve a high proportion of business travel.

On account of relatively low spend per visit, leisure day visits account for only a little over 1% of spend even though they account for 11% of arrivals. Visits to friends and relatives (VFR) also involves low spending per trip, with large savings on accommodation, and generates just 8% of spend despite accounting for 14% of visits.

Staying leisure visitors remain important due to the size of the market and continued high spending per visit.

Further detailed analysis of spending and the subsequent wider economic impact focusses on the more complete 2017 tourism data. Economic output data for key sectors are also available for 2017 allowing estimation of the economic contribution of tourism.

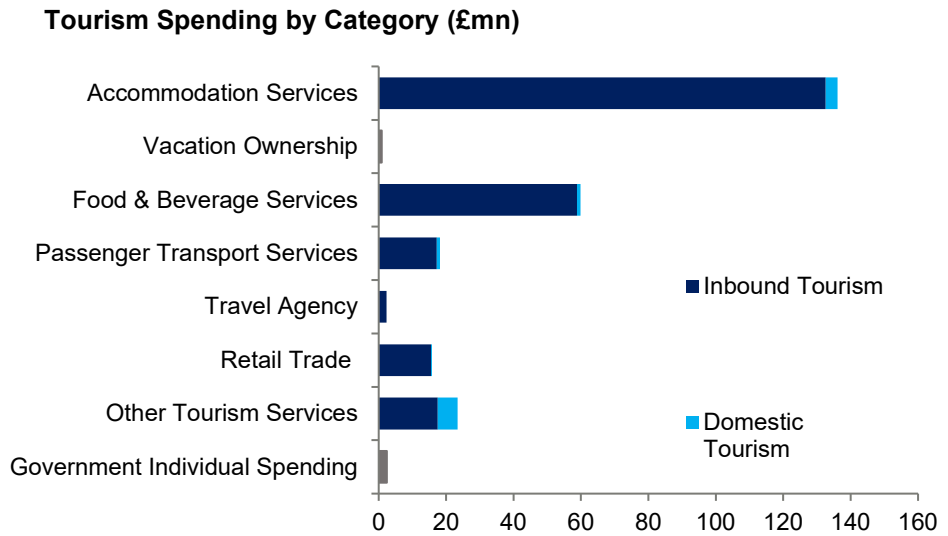
Inbound Tourism by Type of Visitor: 2017



Source: Tourism Economics

More than half of all spending (53%) was on accommodation services. This is a higher proportion than for the UK and most comparable destinations. The sector also accounted for 30% of the much smaller domestic spending. Many other destinations receive a greater proportion of revenue in transportation but the impact in Jersey is relatively low since it is not home to any major transportation carriers.

More than half of all spending is on accommodation.

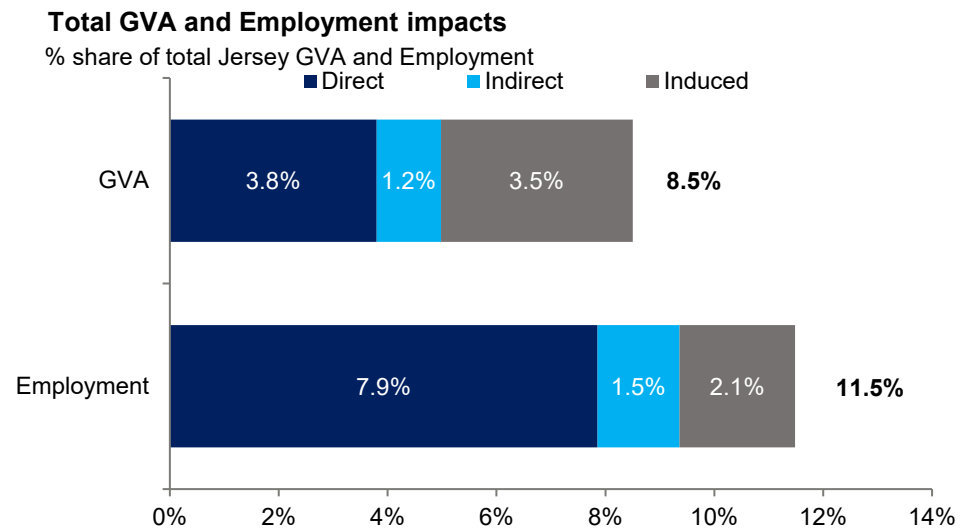


Source: Tourism Economics

1.3 ECONOMIC IMPACT & PRODUCTIVITY

3.8% of GVA in Jersey is directly generated by tourism or around £167 million.

3.8% of GVA in Jersey is directly generated by tourism or around £167 million from tourism-facing sectors of the economy. This continues to compare favourably with similar destinations and with the UK. Including the wider impacts generated by indirect and induced GVA, tourism accounts for 8.5% of Jersey's GVA, equivalent to a total of £372 million. Nearly 4,800 jobs in Jersey are within the tourism sector or 3,800 on a full time (FTE) basis.

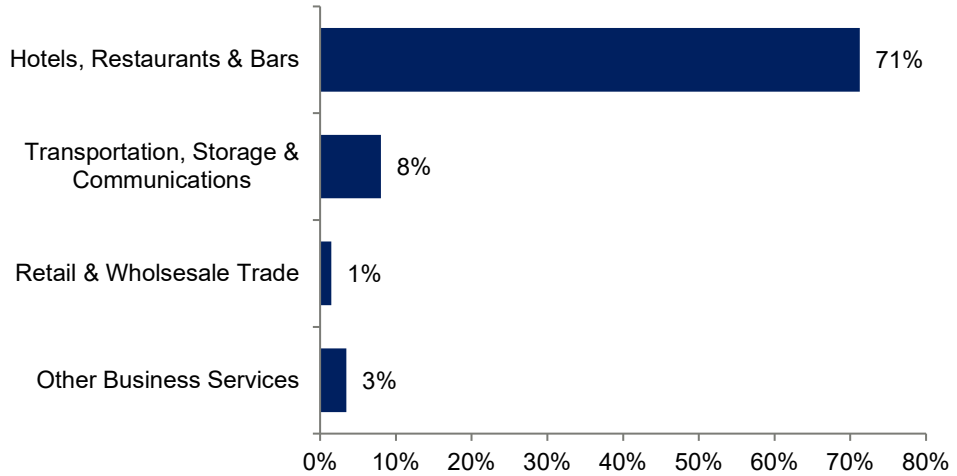


Source: Tourism Economics

The vast majority of GVA generated was in the hotels, restaurants and bars sector with smaller, but significant, impacts in other business services and in transportation, storage & communications.

Share of GVA by Sector Generated by Tourism Spend

% share of all GVA in each sector generated by tourism



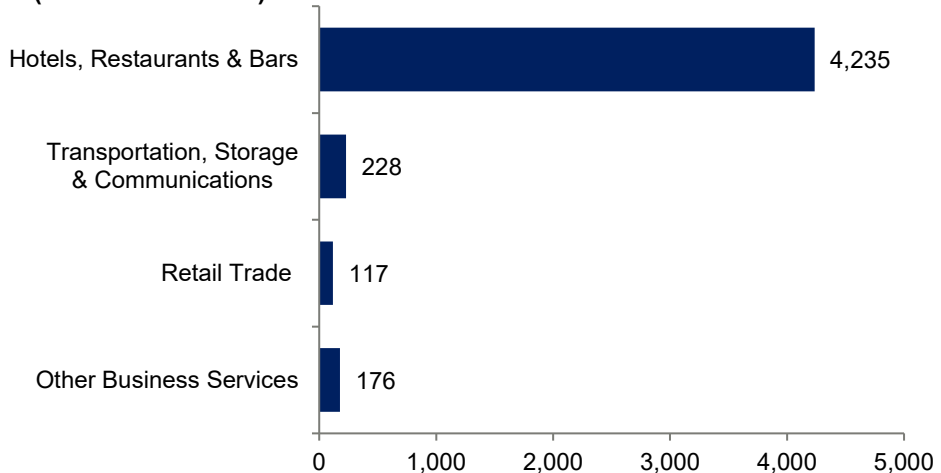
Source: Tourism Economics

Tourism is also very important for activity in the hotels, restaurant and bars sector: 71% of all GVA is generated by tourism spending. The only other sector with more than 5% GVA generated by tourism activity is the transportation, storage and communications sector. Only a small percentage of retail output can be attributed to tourism spending (this share is lower than in the previous economic impact calculation consistent with more recent visitor survey results). This is a lower proportion than would be expected in many comparable destinations.

More than three quarters of GVA and employment generated was in the hotels, restaurants and bars sector.

11.5% of employment in Jersey can be attributed to the tourism activity. Within this, 7.9% of all employees are directly employed by tourism spending. Employment impact is significantly higher than the GVA impact on account of relatively low productivity in the sector, although this means that the sector offers opportunities for job creation and stable employment to a wide range of potential employees.

Tourism Employment by Sector (Headcount Basis)



Source: Tourism Economics

The tourism sector generates low GVA per job, but productivity is higher measured on an FTE basis.

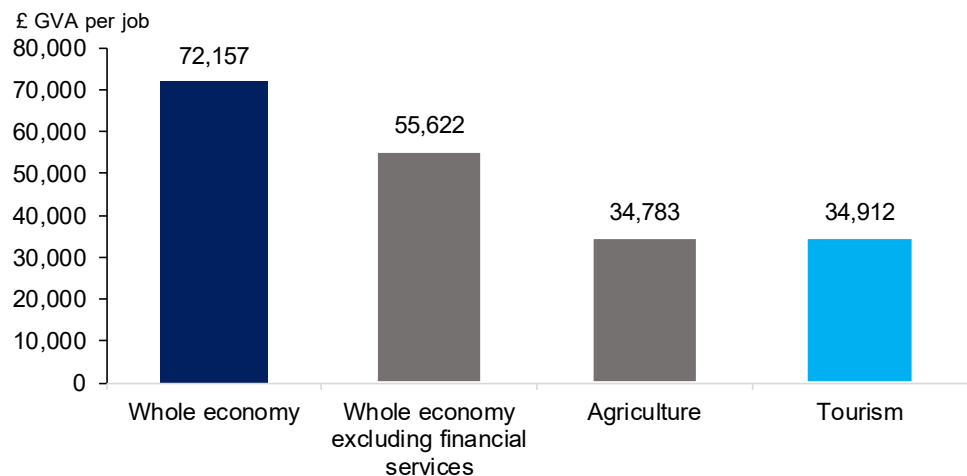
The vast majority of employment generated (89%) was in the hotels, restaurants and bars sector – again consistent with the relative scales of the GVA impacts.

The tourism sector continues to have the lowest GVA per job of any sector on Jersey, although it is similar to agricultural productivity looking at output per employee using headcount by sector. However, a comparison of labour productivity using employment on a full-time equivalent (FTE) basis shows that tourism is the more productive sector; workers in the tourism sector are currently more productive per hour than workers in agriculture.

Higher productivity using full-time equivalent calculations also shows the importance of flexible working conditions to the tourism sector and employees. The sector offers significant opportunities to work for those currently unable to commit to full-time employment.

The productivity gap between tourism and the remainder of the economy has apparently narrowed, relative to the previous report (looking at 2015 data). However, when examined on an FTE basis it has widened, suggesting that there has not been a major structural shift in productivity, but simply a shift in employment terms with more people in the sector being employed full-time. There have also been changes in data collection methodology which have had some impact on this calculation.

Headcount labour productivity - tourism compared to whole economy, 2017



Source: Tourism Economics

It is also important to remember that the benefits of the tourism sector to Jersey go beyond output and employment impacts since residents also benefit from an improved range of services, as detailed in prior research.

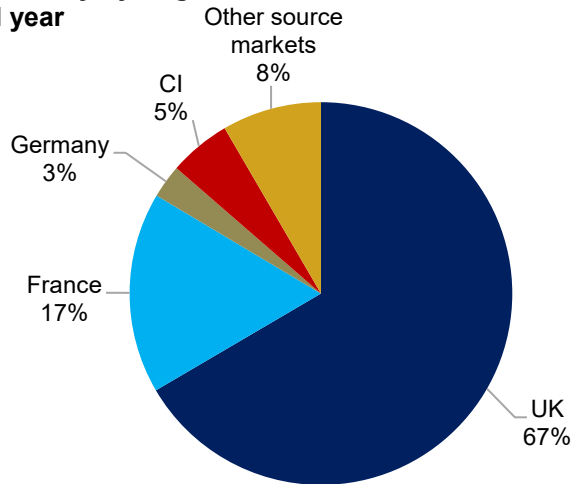
1.4 SOURCE MARKETS

Jersey’s ability to attract visitors from France in 2017 and 2018 was impressive with strong growth indicated by the latest arrivals data. This level of visitation is particularly impressive with the reduced capacity on ferry routes as one of

Manche Iles Express' boats experienced technical problems during the summer of 2017.

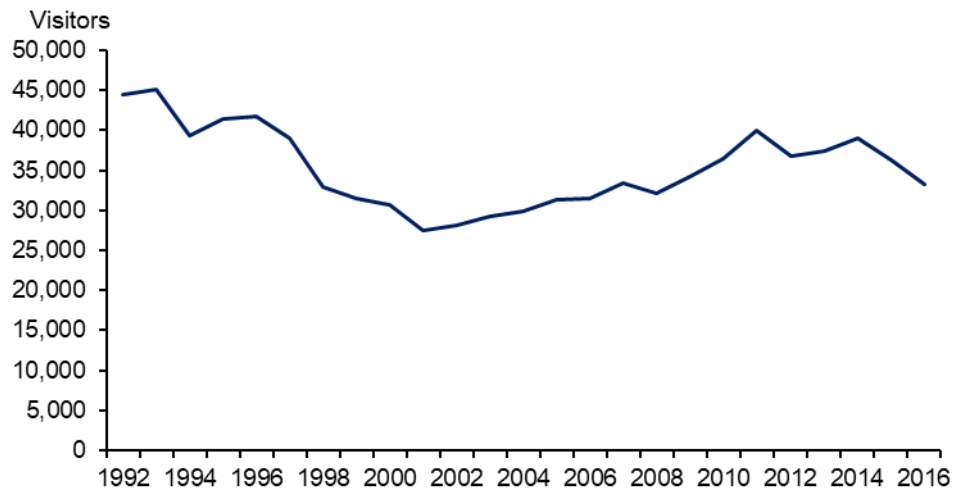
18% of all arrivals in Jersey were from France. This includes business visitors and day trippers. There is likely to be a large proportion of the latter in the data for France since average length of stay is only 1.3 nights.

**Visitors to Jersey by origin
2017 - Full year**



When only Staying Leisure Visitors are analysed, a smaller proportion (10-11%) are from France. Whilst performance still looks impressive in the recent context, it remains lower than levels in the 1990s. Furthermore, it would appear that some of 2017's growth was on the basis of a poor year in 2016, although the data are not completely consistent.

Staying Leisure Visitors (SLV) from France



Source: Oxford Economics / Visit Jersey

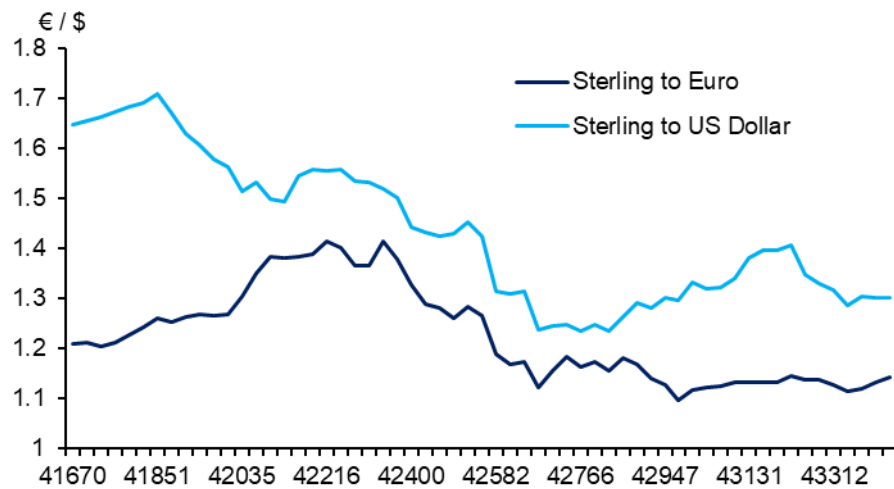
One important driver behind this improved performance was the improvement in relative affordability due to the lower value of sterling which dropped throughout in 2016 and notably following the UK referendum vote to leave the EU.

Jersey's ability to attract more visitors from France looks impressive – but the data contains a discontinuity.

The reverse situation has, of course, impacted on destinations in France which are especially reliant on tourism from the UK market. For example, Brittany recorded a decline in overseas visitors in 2017, thanks largely to the Brexit Effect in a region where 29% of foreign arrivals are from the UK – and that proportion is as high as 85% in some areas. Some tourist attractions in Normandy registered a 30% decline in visits thanks to the terrorist attacks in France in 2016 and are now being hit with declines in UK visitors.

This relatively affordability gain will not just affect travel from France and helps to explain some of the growth evident from a range of source markets, including the UK.

Sterling to Euro & Dollar exchange rates



Source: Oxford Economics

In Jersey, the success in attracting French arrivals was not repeated for visitors from Germany, which accounted for only 3% of visits in 2017. There was some probable impact from the collapse of Air Berlin. The air link has now been replaced by Eurowings, but this was not in time for the peak summer season. In the short run, this may affect apparent seasonality without signifying a more sustained change. However, overall visitor numbers from Germany have remained small.

1.5 CURRENT PERCEPTIONS OF JERSEY AS A DESTINATION

Visitors to Jersey on short breaks are highly satisfied with their visit according to the 2017 Visitor Experience Survey. Overall, the Jersey visitor experience is a positive one. People seem to especially value:

- The island's beaches;
- Range of attractions;
- Historical sites;
- Cleanliness;
- The politeness of the people.

Jersey is viewed as a better destination than many competitor destinations including Scotland, the Lake District and Southwest England. However, this only captures the perceptions of people who have actually visited Jersey and is

Jersey's visitor experience is a positive one but there are key areas in which Jersey currently falls short

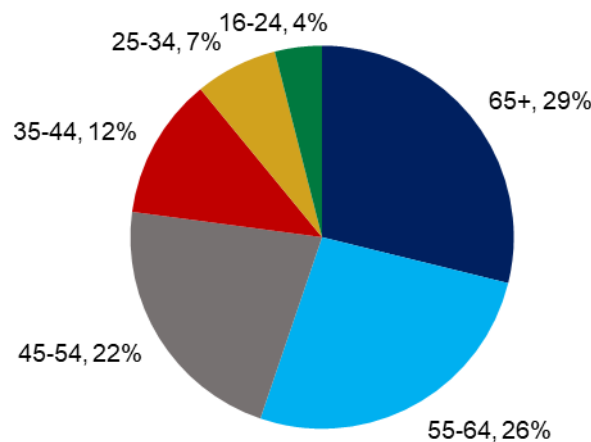
derived from a relatively small sample 12% of just over 1,800 respondents. Further important perspectives could be derived from a survey of current visitors to Scotland or the Southwest and whether they would consider Jersey as an alternative.

However, the Visitor Experience Survey highlights several key areas in which Jersey currently falls short among the sample base of visitors from the British Isles. Visitors from other source markets may have further requirements. Areas of improvement for the Jersey visitor experience include:

- A need to improve the range of evening activities.
- Overall high costs – especially food.
- Lack of local produce².
- Transport to Jersey³.
- Cars and congestion on the island.
- Shopping range and opening hours.

Another element which stands out in the survey is the age skew of respondents which reflects the skew in visitors to Jersey. Visits are overwhelmingly from older age cohorts. There is also some skew towards female visitors partly as a result of longer female life expectancy. But the skew is actually evident amongst each and every age cohort with 55% of visitors overall being female.

Adult holiday visitors to Jersey by cohort 2017



Source: Tourism Economics, Visit Jersey

The average age is weighed up by UK visitors and pulled down by French visitors and also those from Guernsey.

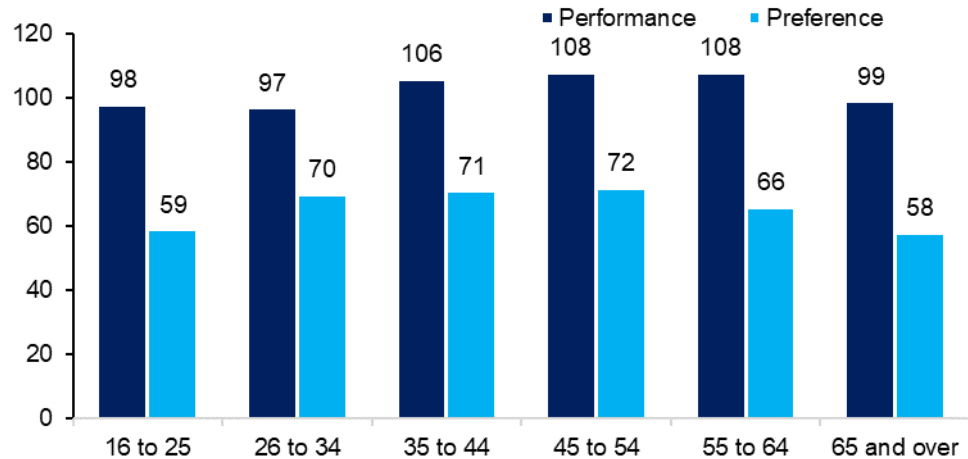
TNS Kantar has produced a satisfaction 'engagement' score by age cohort which suggests that Jersey should be doing better at attracting a younger demographic. The TRI*M engagement score is a simple average of a

² There is no reason why restaurants should not be using local producers, particularly as Genuine Jersey is promoting this, and where local produce is being used this should be clearly signed. A simple way to promote local produce is in free gift food items in rooms? An example of this is evident in the Faroe Islands through its *heimablidni* scheme. <https://visitfaroeislands.com/see-do/dining/heimablidni/>

³ There is a marked difference in visitor satisfaction between those who arrived in Jersey by air and those who arrived by sea.

performance score and a preference score against competitor destinations. The first score gauges satisfaction with the destination whilst the second gauges loyalty to Jersey as a destination compared to the destinations seen by respondents as its competitors.

TRI*M Engagement Scores by Age



Source: Tourism Economics, TNS Kantar

These individual indices demonstrate two things. First, for each and every age cohort, performance beats preference by some margin. This implies that, whilst, overall, Jersey is meeting customers’ needs, it is not succeeding in developing a unique brand which trumps competing destinations (as defined by respondents). A unique selling point should be identified to attract and retain more visitors and maximise current resources.

Second, the lowest score on preference (and among the lowest score on performance as well) is amongst the 65 and over age cohort. This low score is a concern for such an important section of visitors, but also suggests that significant opportunities for growth lie in the younger demographic.

If Jersey wants to seize the opportunity to tap some element of the younger market, it will have to expand its offer. Jersey should develop its awareness of what younger travellers are seeking – especially in terms of their digital needs and desires, which are very different to those of the current visitor base.

There is an immediate opportunity to target cohorts from aged 35 to 54, which means focusing on relatively high income, working families rather than post-55 ‘empty nesters’. Currently, only 12% of adult visitors to Jersey fall within the 35-44 age cohort. compared with 16% for close competitor, Cornwall⁴. Similarly, the wider 35-54 year old age cohort accounts for 34% of Jersey’s visitors but 40% of those to Bournemouth⁵. Compared with UK domestic visitors, excluding those to urban destinations such as London, the gap in distribution by age

Only 12% of Jersey’s visitor base is aged 35-44, compared to 16% in Cornwall.

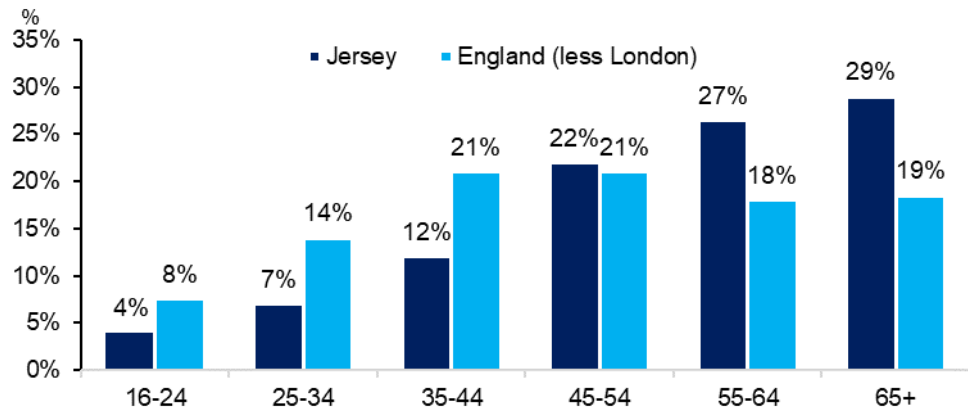
⁴ Cornwall Visitor Survey 2016, South West Research Company for Visit Cornwall – reworked by Oxford Economics to be on the same basis – i.e. excluding non-adults.

⁵ National Coastal Tourism Authority Bournemouth Visitor Survey, 2013.

cohort is significant. Visitors to Jersey are much older on average than travellers to comparable English destinations.

Better use of current technology, including the available full-fibre broadband and digital platforms, will help to reach these new potential travellers.

Distribution of adult visitors to Jersey by age cohort, compared to England domestic visitors (excluding London)



Source: Tourism Economics, Visit Jersey, Visit Britain

1.6 NATURE & OUTDOOR ACTIVITIES / SPORTS TOURISM AS A MOTIVATOR

Part of Jersey’s tourist future will rest on the identification and accurate marketing targeting of niche markets. For example, other island destinations have been able to leverage their geographical features to attract visitors for outdoor activities.

Madeira provides an example of an island using nature and outdoor activities as a motivator for capturing new tourism markets. Madeira’s Smart Specialisation Strategy (2015) identifies tourism as its Number 1 strategic priority area on account of its importance to both the island’s GDP and its employment. Tier 1 source markets have been identified by motivation, flight distance and current volumes. This approach has identified that nature and climate are especially important motivators for Germans in winter, and can be used to help reduce seasonality and drive productivity and sector performance.

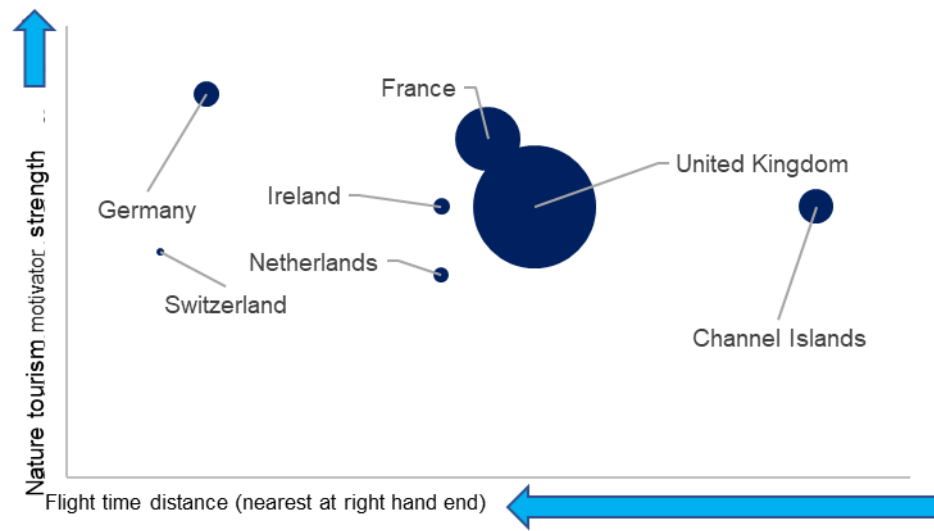
Madeira is encouraging tourist appreciation of its unique laurisilva habitat and its birdwatching potential. The laurisilva within the Parque Natural da Madeira, was established as a biogenetic reserve in 1982 and conserves the largest surviving area of primary laurel forest and play a predominant role in maintaining the hydrological balance on the Island of Madeira. It has great importance for biodiversity conservation with at least 76 vascular plant species limited to Madeira occurring, together with a high number of endemic invertebrates and two endemic birds including the emblematic Madeiran Laurel Pigeon.

Madeira is also promoting other outdoor activities such as canyoning, trial running, levada trekking, mountain biking, climbing and paragliding.

There is a considerable untapped market for German nature tourism.

Tourism Economics has created something similar to the Madeira key market analysis for Jersey. This suggests that there is a considerable untapped market for German nature tourism to Jersey. Madeira has reasonable 'capture' of this source market segment, whilst Jersey (currently) does not. There is potential to grow the German market to closer to the current France market size by embracing and promoting activities.

Nature motivator strength for Jersey by source market



Source: Tourism Economics, ACIF

Note: The circle areas represent current size of source market for Jersey, not the overall size of the tourism market or its potential for Jersey.

Yachting tourism

Nature and outdoor activities are related to the wider 'sports tourism' offer. There is some potential in this field for Jersey to learn from the experiences of the Isle of Wight with the yachting economy.

A major draw of the Isle of Wight's visitor economy is yachting. The island is an internationally recognised centre for yachting with the town of Cowes being home to the Royal Yacht Squadron, alongside five further major yacht clubs. Cowes Week is considered to be the largest sailing regatta globally, with some 200,000 visitors. The yachting economy on the island is especially concentrated in what has become known as the Medina Valley since this includes Cowes. The Medina Valley share of the economic impact of tourism to the island has been estimated by Tractioneers to be at least £114 million annually (22% of the Isle of Wight total) although they suspect that this probably underestimates the area's importance⁶.

As well as being a world centre for yachting activities, the Isle of Wight also offers other participation watersports such as windsurfing and kitesurfing.

Up until 2016, there was an upward trend in visits to the island with spend rising more rapidly as well. 2017 also saw Visit Isle of Wight meet its targets on

⁶ Tractioneers Ltd – The Medina Estuary Visitor Economy (2017). It probably does underestimate spend as well – since it is the same share as Medina Valley's visitor share and one might expect yachting-associated visitors to have a higher average spend than the typical visitor to the island.

reducing seasonality and increasing the proportion of new visitors but only at the expense of decreased repeat visits and a poor summer involving the moving of the Bestival from the island to Dorset.

In any efforts to attract new visitors, Jersey should ensure that current repeat visitors are not deterred. The overall appeal of the island should not be changed, but, instead, niche activities and markets should be encouraged as part of the overall offer.

Some countries such as Greece have succeeded in making yachting tourism an important element in overall Travel & Tourism GDP. Chen et al. ⁷ claim that yachting tourism now accounts for as much as 4.5% of total national GDP. However, Jersey is unlikely to be able to fully emulate this.

The yachting economy in Cowes may also have had some negative impacts by driving up rents locally, not helped by the fact that whilst 22% of all Isle of Wight visitors stay in Medina Valley, only 6% of the island's accommodation stock is located there. This again emphasises that there are risks if balance is not maintained and a successful tourism strategy requires a broad base of support from an island's population.

1.7 SHARED SPACE ACCOMMODATION / 'CO-LIVING TOURISM'

There is also the potential to combine the sports tourism opportunity with one for the increased diversification of Jersey's accommodation stock.

One emerging trend amongst young travellers is shared space accommodation. In part, this reflects changes in housing market solutions towards 'co-living', which is a break from the traditional family housing model. IKEA's Innovation Lab, Space10, has drawn attention to the critical role played by digital technologies in this transformation. This change in the way people are being accommodation and living also reflects in their accommodation choices on holiday.

There is some limited potential to embrace this approach in Jersey to complement certain available activities. This would help to attract some additional younger visitors and maximise the benefits of existing resources but would not become a key recommendation for all accommodation.

AccorHotels' first JO&JOE 'open house' opened in Hossegor in Southwest France in May 2018 with a new blend of hotel, hostel and private rental rooms. Hossegor is the surf capital of Europe with a series of world-class beach breaks such as Gravière and La Nord, and with nearby beach breaks in Cap Breton and Seignosse such as La Piste and Bourdaines.

Accor plans to expand the number of destinations with a JO&JOE to 50 by 2020. Most of its target destinations are large city destinations such as Paris, Bordeaux, Warsaw, Budapest, Rio and São Paulo, and yet its first opening was at a coastal location showing the fit with this market.

Jersey has an opportunity to emulate this French approach in St. Ouen's Bay which is the centre of Jersey's surfing offer. However, there is a lot of new

The trend towards shared accommodation could be combined with maximising the benefits of surfing & diving in Jersey.

⁷ The Sustainability of Yachting Tourism: A Case Study on Greece, International Journal of Research in Tourism and Hospitality (IJRTH) Volume 2, Issue 2, 2016,

competition in the surfing destination market at present – for example, from Taghazout in Morocco which is seeking considerable expansion and forms a cornerstone of the Moroccan Tourism’s ‘Vision 2020’ or Lagos on the Algarve.

There are also opportunities to support and grow other elements of the Jersey sports tourism offer through this accommodation model, including its coasteering speciality or Bouley Bay’s diving offer – which has very strong reviews on TripAdvisor. Dive Guernsey is making much of its wreck diving possibilities – which Jersey could also emulate. This would concentrate tourism of this kind in specific points on the island’s coastline without affecting the appeal of the island to its established client-base, to whom it is unlikely to appeal.

1.8 WELLNESS AND WELLBEING TOURISM

Wellness is an expanding niche market globally, targeting healthy people with a proactive interest in maintaining and / or enhancing their health, offering them treatments such as spas.

There is nothing new about wellness tourism. Such treatments were the basis for the development of traditional spa resorts across Europe such as Vichy, Montecatini Terme, Karlovy Vary and Spa itself. However, the market sector has more recently expanded beyond actual health treatments into beauty, massage, relaxation, energy-balancing, dance, music and the appreciation of nature⁸.

The Global Wellness Institute estimates that wellness tourism accounts for \$563 billion of a \$3.7 trillion global wellness economy. The European market is especially important to the wellness tourism sector with Germany being the largest single source market, outside the US. Personal attention and tailoring is identified as key to successful wellness tourism and there is a trend from ‘wellness properties’ to ‘wellness destinations’. Much of wellness tourism is secondary with wellness not being the single main driver. The sub-sector has been growing faster than tourism as a whole as consumers incorporate higher wellness aspirations into their travel plans.

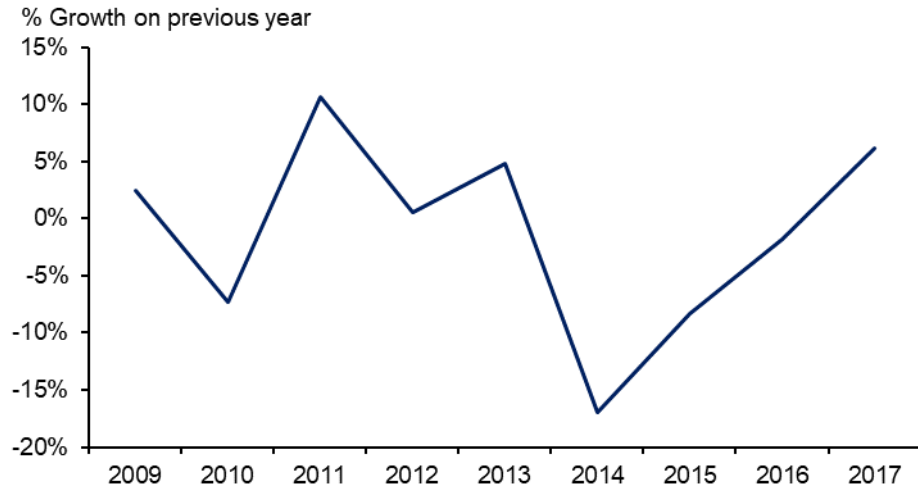
In the UK, Bournemouth has targeted the Wellness market, building it into a key feature of its tourism strategy. Bournemouth University has used ‘ideas cafes’ to examine how accommodation providers in the tourism sector are responding to these demands. Only the largest providers have wellbeing facilities such as spas, but even small hotels recognise the interest of their customers in locally-sourced foods; the importance of being able to recommend routes for walking, running and cycling; as well as swimming facilities and an environment which helps them relax and unwind. Perceived provision is seen to result in an increase in repeat visits. Accommodation providers were in favour of a local policy with some concern from smaller hotels that, in the longer term, they would be unable to compete with the larger providers.

Wellness tourism accounts for \$563 billion of a \$3.7 trillion global wellness economy.

⁸ Wellness, tourism and small business development in a UK coastal resort: public engagement in practice – Page, Hartwell, Johns et al., *Tourism Management* Volume 60, June 2017, Pages 466.

Since 2014, Bournemouth has recovering from a few difficult years, but the three-year average nature of the available data makes the trend less clear. However, there is a clear improving trend in more recent data.

Holiday visitors to Bournemouth (3 year averages)



Source: Oxford Economics / Visit Britain / ONS

UK spa operators estimate that their client base comprises around 76% females with 'empty nesters' the current main focus – although they note that the market is tending to get younger⁹. Jersey already has a visitor base skewed towards these cohorts and wellness tourism could be better exploited. Although the market for spas still has a female bias, the male market is also emerging strongly, including the gay travel market. This could potentially be marketed during Channel Islands Pride festivities and compete with gay coastal destinations in the UK such as Brighton and Blackpool.

Work undertaken by the National Coastal Tourism Academy confirms what a good fit the wellness market is for Jersey¹⁰. Specifically:

- It combines active outdoor activities with spa & beauty opportunities;
- More trips tend to be short breaks but one in five people in the UK takes at least one wellness trip a year;
- Wellness trips are less seasonal than other trips and therefore, could contribute to better use of shoulder seasons in Jersey.

The study also emphasises the importance of coastal locations.

There are technological implications of wellness tourism as well since personal technology for collecting health metrics can all be installed to promote a wider wellbeing experience. Technology includes activity trackers, filtering lightbulbs, sleep-tracking beds as well as digitally-connected air quality monitors.

Some of the data sourced from these monitors can also be used (with anonymised data) to better understand behaviour and preferences in this niche

⁹ Spa Creators 2014 UK Spa Market Analysis.

¹⁰ Health & wellness tourism – what could it mean for coastal resorts? - National Coastal Tourism Academy for Bournemouth Borough Council. The study aimed to fill the gap in research into the potential value of the sector in the UK.

Jersey would benefit from having a world-class wellness destination set amongst dramatic scenery.

market. This information can subsequently be used to help promote wellness tourism.

Jersey is not entirely disconnected from this market at present with the Ayush wellness spa at Hotel de France which emphasises itself as an all-year destination and combines Ayurvedic healing therapies with Western massage techniques and swimming and sauna. However, there is scope for significant improvement elsewhere since some reviews of other accommodation options elsewhere on the island highlight the lack of spa / gym / fitness centre and this might be one area that they could be encouraged to invest in.

Jersey would benefit from having a world-class wellness destination set amongst more dramatic scenery. The location of the island's best spa in St Helier is not ideal from this perspective. It would be better to present an image of reconnecting with nature rather than the urban environment. Wellness properties which get most attention in Europe tend to be in natural environments. For example, Chedi Andermatt in Switzerland or Cheval Blanc in the French Alps are in mountain locations; prominent Northern Italian spas promote their lake locations; while Amanzoe in Greece or The Scarlet at Mawgan Porth in Cornwall are coastal. This last emphasises the connections between the interior and the exterior environments even to the extent that the indoor pool extends into a rock-strewn outdoor area.

Synergies between wellbeing tourism and public health spill over into benefits for the local community and workforce.

Synergies between wellbeing tourism and public health spill over into benefits for the local community and workforce. This is another example, along with factors such as restaurant choice, of how tourism can help to drive wider benefits for a community.

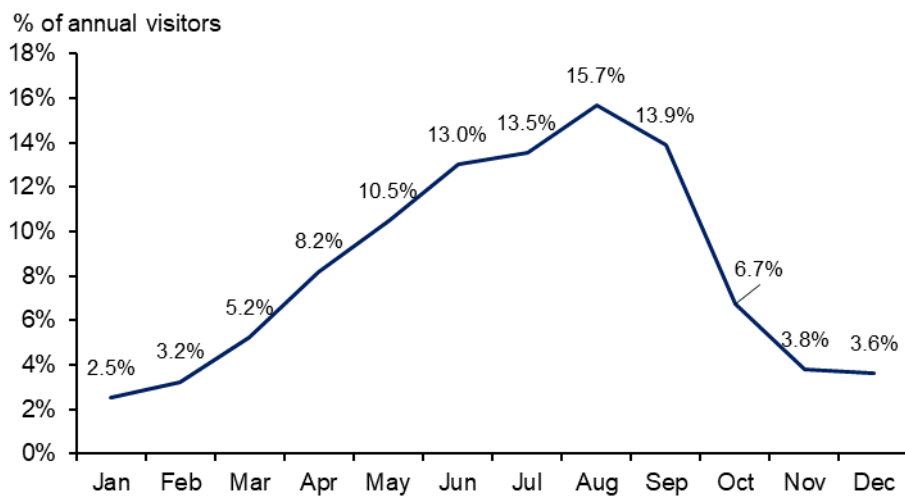
2. IMPROVING PRODUCTIVITY THROUGH REDUCED SEASONALITY

2.1 EXISTING SEASONALITY IN JERSEY’S VISITOR STATISTICS

Reducing seasonality makes better use of the island’s resources and labour and, therefore, would help to improve the sector’s productivity on the island. At present, the island’s significant resources are often wasted outside peak summer months. At present, more than 56% of total visits are concentrated into 4 months of the year.

More than half of visits are concentrated into 4 months.

Seasonality of visits, 2017

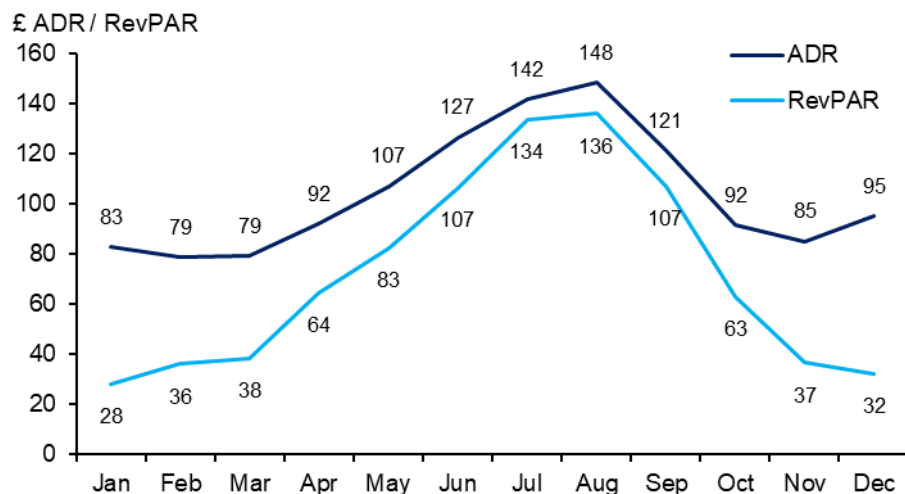


Source: Oxford Economics / Visit Jersey

57% of staying leisure visits take place in the 4-month peak period, reflecting less seasonality in some other types of visit, such as business visits. There has been a minimal reduction in seasonality since the period 1997 to 2004.

RevPAR is under £40 for five months of the year.

ADR and RevPAR by month, 2017



Source: Oxford Economics / Visit Jersey

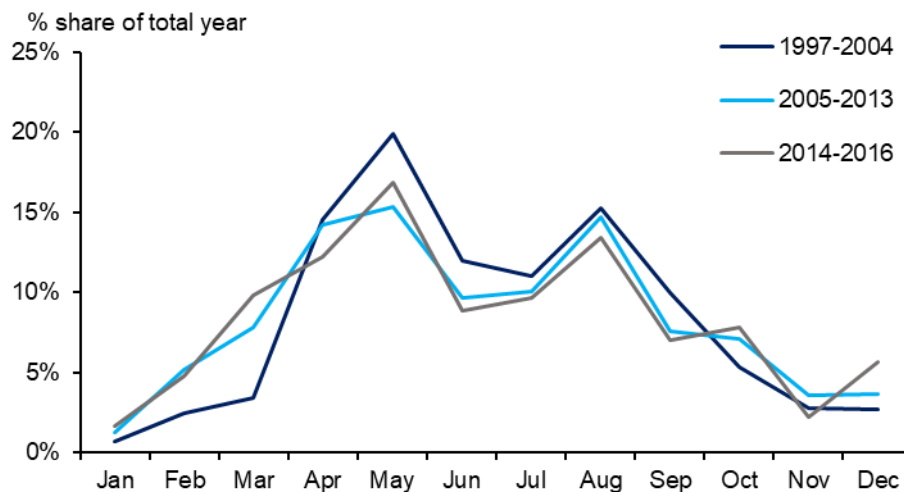
The impact of this and lower rates on the island in the winter months results in very low revenue per available room (RevPAR) from November through March. Accommodation resources are not being efficiently used during this period, while labour productivity is also lower during this time.

There has been no improvement in seasonality from the UK over the past ten years. 59% of staying leisure visits from the UK arrived in the peak four-month period over the past five years and also in the period 1997 to 2004.

Over the same periods of time, both visits from Germany and visits from the other Channel Islands appear to have become more, rather than less, seasonal. However, seasonal patterns from the Channel Islands have historically been erratic.

In fact, it would appear that any seasonal shift which has been achieved can be attributed to French visitors. Here the share of visits falling within the four-month peak period has fallen from 48% in 1997 to 2004 to 39% in the most recent years of data.

Seasonality of SLV Source: France



Source: Oxford Economics / Visit Jersey

Total visits to Jersey were up 5% in 2017, yielding a total of 726,800 visits – the highest total visits since 2007. However, it should be noted that data for 2016 and 2017 are not strictly comparable with previous years.

2.2 THE IMPORTANCE OF THE SHORT BREAKS MARKET

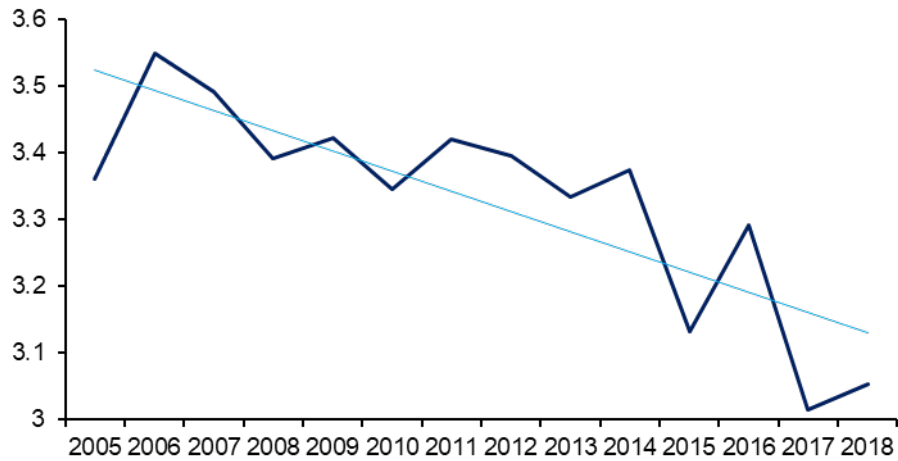
The Jersey Visitor Experience Survey identifies weaknesses in the current visitor experience around lack of things to do in the evening and around shopping opening hours. Both of these things reflect important changes in the traveller preferences since Jersey previously received the 1 million tourists currently being targeted.

The rise in the importance of the short break to destinations worldwide means that growth in Jersey tourism does not imply a return to the same visitor profile as witnessed before. As New Zealand’s 2025 Strategy argues, “the past is not where we left it”. Cheaper flights, greater flexibility by travel companies and online platforms have encouraged people to take more, shorter breaks.

Cheaper flights and online platforms have encouraged people to take more short breaks.

The EU’s Europe-wide ‘open skies’ regulation has further enabled the ability to travel easily and affordably to a range of destinations. This is affecting the new emerging destinations, as well as traditional and local destinations which now have greater competition. For example, in the UK the average length of stay on domestic holiday trips has now fallen to around three nights.

Average nights per holiday trip in England



Source: Oxford Economics, Visit Britain - GBTS

Note that 2018 is based on partial data.

An increase in the proportion of short breaks, and a reduction in the average length of stay has significant implications for how accommodation properties operate, including their booking systems and staffing patterns. Greater flexibility is required.

By capturing a greater share of the short-break market Jersey could extend its season and make better use of properties in shoulder periods. While it will remain difficult to attract significant numbers of visitors to Jersey during the winter months, there is the potential for a significantly increased number of visitors between April and November, outside the current peak months.

New Zealand’s ‘Tourism 2025’ sets out to improve seasonality in order to raise productivity.

“Tourism 2025 is the industry aligning for growth. We can see the world has changed. We are excited by the new opportunities but we understand that as more and more countries enter the race for the global tourism dollar, we will succeed only if we improve the competitiveness of New Zealand tourism... Our fastest route to growth will be to make more money from those investments we have already made and those resources we already employ. Improve our profitability and new investment will follow.”¹¹

The New Zealand strategy outlines three key routes to this end:

¹¹Martin Snedden, CEO Tourism Industry Association, New Zealand and Tourism 2025 Strategy.

- Addressing seasonality; identifying and pursuing opportunities that create demand outside traditional peak months;
- Promoting regional dispersal of tourism; encouraging visitors to see more of the country;
- Managing enterprises in ways that continually increase productivity.

Jersey could mimic the first of these strategy points to improve seasonality and could also encourage management of enterprises to be more productive. There is limited possibility to promote greater regional dispersion.

However, Jersey is already attempting to attract more high value international visitors outside the peak by using events management and more needs to be done.

The New Zealand example could also be followed in terms of attracting more high value visitors from short- or medium-haul markets, such as Germany, with improved connectivity with that source market.

2.3 SUNDAY OPENING AND SHORT-BREAKS

Jersey's Sunday trading laws may be deterring UK and French visitors. However, German visitors may be more comfortable finding other activities on Sundays.

Under Jersey's current Sunday trading legislation, shops over 700m² can only open on Sundays on 'special occasions' as defined by the Minister for Economic Development, Tourism, Sport and Culture. These include the six Sundays before Christmas. They can also open on up to five additional 'Sundays' per year but these 'Sundays' include Good Friday and Liberation Day. However, shops with a retail area under 700 m² can open on any Sunday and this could, in theory, give traders with local produce a competitive advantage and could be used to address concerns among travellers about a lack of local produce.

There have been calls in recent years to relax these restrictions while a recent survey showed a majority (63%) of shoppers in Jersey are in favour of Sunday Trading. A relaxation of these regulations would boost the appeal of Jersey as a short break destination and help to drive growth and productivity.

The Orkney Volume Tourism Management Study (2017)¹² identified longer opening hours – including Sunday trading – of shops, attractions and restaurants, adapting the islands' offering to suit the change in visitor type.

The Isles of Scilly Strategic Economic Plan, 'Island Futures' (2014)¹³ lists a set of challenges with much common ground to Jersey's: high costs of living, isolation, a predominance of small private businesses and a period of steady decline in visitor numbers as well as some more individual challenge (such as the very small population base). It identified tourism opportunities on a Sunday (including the lack of any transport to the islands on a Sunday) as a key issue.

Sunday shopping regulations may be having a negative impact on the short break market – but German visitors may feel comfortable with them.

¹² Island Futures – Isles of Scilly Strategic Economic Plan, 2014.

¹³ Reference Economic Consultants, Ekorgen, TLS and Glamis Consultants for Orkney Islands Council, 2017.

Blue sail’s report, quoted in the study, notes that the traditionally loyal visitor to Scilly is ageing and being replaced by a younger cohort of potential visitors.

“The visitors who must replace them are much more widely travelled than previous generations. They have higher quality expectations. They are much harder to please.”¹⁴

In Jersey, the Sunday shop closure issue may be having a significant impact on visitor experience. This is evidenced both by the overall poor rating of shopping on the island in the Visitor Experience Survey and anecdotal comments in ‘open responses’ in that survey. It should not be that surprising as Jersey’s biggest target markets and competitors (the UK and France) both have more liberalised Sunday trading regimes. However, the ‘international tourist zones’ in France are rather limited though and essentially confined to large urban areas. German visitors may be more willing to accept Sunday closing as the country has some of the mostly tightly controlled opening hours in Europe and values its ‘Ruhetag’.

Furthermore, this negative impact may be being felt amongst short break visitors more than for Jersey’s visitor base as a whole. For the overall respondent sample in the Visitor Experience Survey, Jersey was only outperformed by a competitor destination on one consideration: things to do in the evening. However, Short break visitors also identified shopping and overall value for money as an area of weakness.

It should be noted that shopping is also the Number 1 activity for disabled people. At present, Jersey may be discouraging visits from that particular market in spite of Jersey’s efforts to put together a guide specifically for disabled visitors.

2.4 BROADENING THE ACCOMMODATION STOCK

AirBnB and similar platforms seek to change how people travel and where they stay, by emphasising “experiences” and getting travellers to explore “off the beaten track” tourist areas, using data and machine learning to develop home supply outside of traditional tourist neighbourhoods. These new platforms can be used to efficiently reach new markets and drive demand growth for the current low productivity accommodation stock.

Better use of existing Bed & Breakfasts and vacant properties could raise the island’s offer significantly without the need to build additional accommodation.

The rise of AirBnB effectively doubled the accommodation stock of Reykjavik for rent. That in itself is a massive success in both increasing the stock of holiday accommodation and diversifying its range. AirBnB notes that one third of users stayed longer or wouldn’t have travelled at all without the home sharing options offered. By understanding travellers and product gaps, new supply has been offered to better meet current demand and generate new demand. This, in turn, is associated with an increase in productivity, with no new accommodation required.

AirBnB effectively doubled the accommodation stock of Reykjavik for rent.

¹⁴ Future of Tourism – the Blueprint Report (2011)

At the time of the last Census (2011) there were just over 3,100 private dwellings which were vacant in Jersey – representing 7% of total accommodation stock. However, these 2011 data may reflect something of a hangover from the post-2008 downturn in the economy. According to States of Jersey, house price increases have outstripped both general consumer price inflation and the average earnings index by a wide margin. It is widely accepted that this pace of property price growth is unsustainable and, essentially, the result of a lack of supply. Therefore, there is probably a limit to how much additional tourism stock could be brought into the market.

There are therefore some risks involved in limited space destinations as Iceland has discovered. A significant portion of the increase in real estate prices can be explained by Airbnb, according to a study by Iceland’s Central Bank. The study found that 15% of the increase in real estate prices in the past three years can be explained by demand for travel rentals by foreign visitors¹⁵. This has driven new legislation in Iceland and demonstrates the need for a measured approach.

There are risks for Jersey here as the ratio of annual visitors to head of population is similar.

	Population (thousands), 2017	Annual visitors (millions), 2017	Ratio of annual visitors to head of population
Iceland	338.3	2.23	6.6:1
Jersey	105.5	0.73	6.9:1

There are opportunities to improve existing accommodation stock as well as diversifying it.

However, even in Iceland, there are now some tentative signs of a change. Figures from Statistics Iceland covering the first five months of 2018 show that short-term homestays via platforms such as AirBnB and Homeaway increased by 8% over the period. The number in Reykjavik actually fell by more than 3% whilst some rural areas saw increases (albeit from small bases) of over 50%.

It is not abnormal for a tourism destination to seek to upgrade existing accommodation. In South Korea Yanolja has created a new market niche by creating a digital platform for poor performing accommodation types, including “love hotels”, and turning them into stylish accommodation for domestic millennials seeking a cheap sleep. Currently, it boasts 1.8 million monthly active users and the largest inventory of motels and guest house accommodations in the nation. In this fashion a relatively unproductive sub-sector of the Korean accommodation market has been given a new lease of life.

The weakest sub-sector of Jersey’s accommodation base are the Bed & Breakfast properties. This is true in terms of both productivity and customer

¹⁵ Working paper no. 76: The effects of Airbnb on the residential housing market - Seðlabanki Íslands.

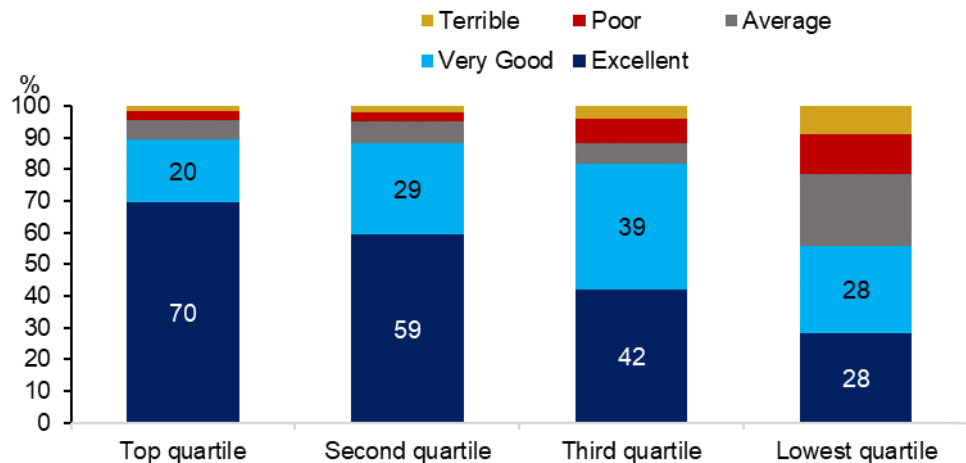
satisfaction and the weaker performing properties are skewing perceptions downwards.

TripAdvisor review scores for Bed & Breakfast properties in Jersey have been analysed and divided into four quartiles according to ranking on the site as at October 2018 (following the TripAdvisor ranking algorithm¹⁶). For the top two quartiles results do not vary that much with nearly 90% of properties scoring either ‘Excellent’ or ‘Very Good’. However, even in the second quartile there are comments such as ‘a bit tired’¹⁷.

For the third quartile, the combined ‘Excellent’ and ‘Very Good’ categories fall to 81%. However, in the last quartile, Bed & Breakfast performance really falls away, and the share of reviews for the top two categories is only 56%. The proportion of poorer reviews is much larger than for other accommodation.

The bottom quartile of Bed & Breakfast accommodation establishments may have a particular impact on wider perceptions of these types of accommodation. There is clear potential for some consolidation in this sector of the market.

TripAdvisor B&B review scores by quartile



Source: Tourism Economics, TripAdvisor

The lack of accommodation and things to do for family holidaymakers in Jersey was identified in the earlier report by Tourism Economics as well as in the TNS Kantar Visitor Experience Survey¹⁸. Les Ormes self-catering resort is a good example of how broadening accommodation options addresses this. Les Ormes is a ‘leisure village’ with a wide range of activities suited for family holidays. Reviews are generally very positive, particularly from families. Elsewhere there is an experiment with yurt stays at St Aubin.

Average TripAdvisor ratings for Jersey Bed & Breakfast accommodation is skewed downwards by the lowest scoring properties.

44% of the poorest performing properties are rated average or worse (compared to only 21% overall).

¹⁶ The TripAdvisor algorithm is not simply a straightforward average review score. It is based on a combination of quality, recency and quantity of reviews. Recent reviews are deemed to be of greater value than older reviews although older reviews themselves are still visible. The importance of the number of reviews reflects the tendency for potential travellers to have more confidence in reviews if they see broad agreement between a large number of reviews. However, there is a broad tendency for higher scoring properties also to have a larger number of reviews.

¹⁷ Only properties with two or more reviews have been included. All properties have been given equal weighting regardless of size or number of reviews.

¹⁸ Oxford Economics – The Economic Contribution of Tourism to Jersey: The Productivity Opportunity (2017)

Jersey obviously falls outside the EU farm diversification programme but with the ongoing economic difficulties being faced by the agriculture sector in Jersey, there is the opportunity for a more commercial development of farm stays. In the 1990s Italy promoted agriturismo, which could be simply staying in converted accommodation at a farmhouse or even participating as temporary voluntary labour there. Many of these had a strong focus on home-produced food, which would help address the fact that some tourists to Jersey complain about the lack of availability of local food produce. Networked sites such as agriturismo.it and terranostra.it have allowed standards to be raised. Visit Jersey could act as this arbiter of quality. Glamping, handicrafts and farm products all have the potential to help the agricultural sector support tourism – and vice versa.

3. IMPROVING PRODUCTIVITY THROUGH TECHNOLOGY & SKILLS

3.1 MAXIMISING THE BENEFITS FROM FULL FIBRE BROADBAND

‘Jersey has installed fibre to every office and home... and it is there to enable a new economy. They have a monoculture of banking and they need to change the economy of the island. That has got to be founded on the ability to communicate globally.’

Dr Peter Cochrane, former Chief Technical Officer, BT – oral evidence to the House of Lords Select Committee on Communications Inquiry into Superfast Broadband, 2012.

Jersey now has some of the fastest Internet speeds in the world, but the sector needs to take advantage of this.

Jersey has had ambitious plans for full-fibre broadband roll-out for some time. With the project now complete, the island is in a unique position. Gigabit Jersey means that it may now have some of the fastest Internet speeds in the world, likely to be even faster than those of Singapore. The business case for the Gigabit roll-out states that it *“supports government plans for economic recovery. The plan also supports the States of Jersey’s economic diversification and growth strategy, in particular its “Digital Jersey” programme, introduced to drive forward the island’s digital economy.”* Opportunities are there for all sectors, including tourism with the ability to reach different markets.

The challenge is for the tourism sector to make the most of this competitive advantage. There are opportunities here for tracking of tourists including the monitoring of where they choose to linger, helping to better understand their activities and preferences. Anyone using the network from their mobile phone can be monitored in this fashion. Improved data on this will aid understanding and reduce the number of surveys of travellers or allow Visit Jersey to include a broader variety of questions in surveys.

Better connectivity, in terms of coverage, speed and affordability, can drive greater online engagement for households and businesses. There is the opportunity to better understand visitors, through the use of anonymised data from online interactions. This can be used to provide targeted information to these travellers, or those with a similar profile, or develop new products to attract them. Furthermore, Visit Jersey needs to be proactive in taking advantage of collated data, whether it assumes direct responsibility for this role or not. It will almost certainly require third party support to make the most of it.

Globally, full advantage of opportunities is rarely been taken by the travel industry. A 2017 Eye for Travel survey of 450 leading international brands showed that *“many struggle when dealing with data and tracking their customers in a timely manner.”* 54.3% said that they either struggled or could not do so at all – and the problems may be worse on Jersey where there is a

predominance of small family-run businesses¹⁹. However, with Full Fibre Broadband, Jersey has an opportunity, not only to address this, but also to set new standards in visitor tracking. Whilst organisations such as Transport for London have done this through travelcards (Oyster), the easiest way today is through mobile phones.

In Jersey, other sectors are already benefitting. The agriculture sector has been able to take advantage of full fibre by having real time monitoring of milk production, not only for internal monitoring but also by UK production monitoring. Those using the network claim that the technology has improved both productivity and profits. On some farms each cow now has an electronic tag in its ear which connects via a radio link. This not only monitors the amount of milk being produced relative to what should be expected, but also monitors behaviour, location and health.

Meanwhile, the education sector is also using it for classes and homework and claims that their whole system has become cheaper to run.

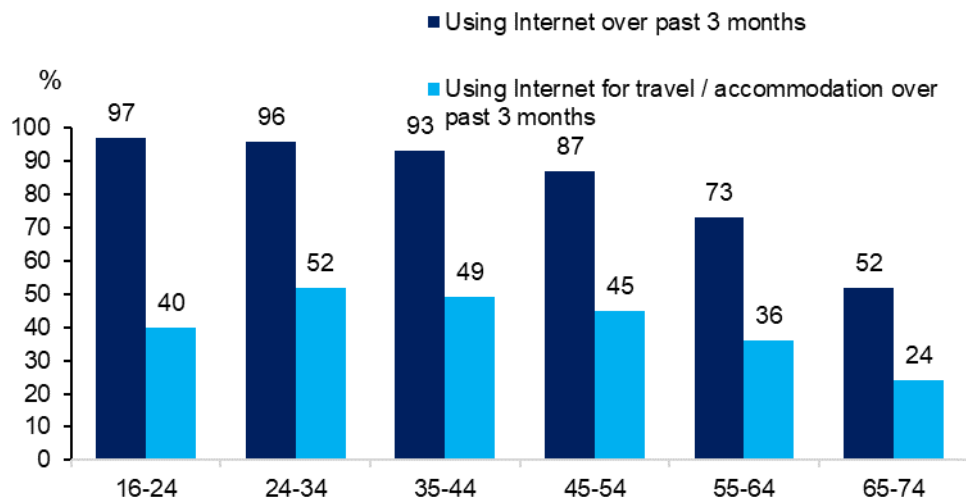
3.2 USE OF THE INTERNET BY TRAVELLERS TO JERSEY

Younger travellers tend to make greater use of digital platforms for travel research and booking than older travellers. In order to reach this younger demographic it is essential to make best use of these online tools.

However, older travellers should not be ignored when setting a digital strategy. Whilst older cohorts are less likely to use the internet on a day to day basis, many even amongst the oldest cohorts still do. And, whilst there will be differences in *how* they use it, older cohorts often take more trips and have more savings to spend.

Whilst older cohorts are less likely to use the internet on a day to day basis, many still do, while they take more trips and are more likely to research travel options online.

Internet usage over the past 3 months - all EU (2017)



Source: Tourism Economics, Eurostat

There is less difference between internet use for travel by age bracket than for general use. According to data from Eurostat, those using the internet for travel & accommodation purposes over the past three months does not vary much by

¹⁹ See 'Understanding the Travel Consumer - Part of Eye for Travel's Behavioral Analytics Report Series

age cohort. And the decline among the older demographic is weighed down by countries well outside Jersey's target source markets. Looking at the key markets of just UK and France, the propensity to research and book travel online is more stable by age.

There is an opportunity to better target the existing market, as well as reaching new markets thorough better online engagement. It should also be recognised that the online market is constantly changing while travellers are constantly expecting more. Digital engagement helps to gain an understanding of these and better engage with potential travellers at an early stage.

3.3 TECHNOLOGY CHALLENGES & SKILLS

A more technology-focused hotels and tourism sector will also involve changing skills in the island's workforce. Digital Jersey has been working with local industry and the Marchmont Observatory at the University of Exeter, assessing the current provision of digital skills training. It proposes a Digital Enterprise Academy for the island and has released a Digital Skills Strategy.

Unfortunately, this makes no specific mention of the tourism and hospitality sector on the island but the tourism and hospitality sector should still be able to take advantage of it.

Many of Jersey's tourism competitors recognise the need to upgrade and formalise skills in the tourism and hospitality sector. For example, North Wales' Tourism & Hospitality Centre of Excellence at Rhos on Sea was part of the North Wales Growth Bid designed to create thousands of jobs, boost the economy, improve transport and communication links, focus on renewable energy, support tourism and more. It sought to retain young people and reduce outward migration by offering a positive future, increasing employment levels and lowering the number of workless households. The Growth Bid has not been approved by UK Central Government yet and the release of Central Government funds is required.

Destination Bristol also have a 'sector based Work Academy' to improve skills in the tourism and hospitality sector.

Further to the technological challenges, changes to the island's stock of accommodation, changes to opening times and the attractions on offer all have implications for the labour market and skill requirements. New training will be required to meet evolving needs.

Since the Brexit vote in the UK, uncertainty for migrant workers from the EU has been increasing which may place greater strain on labour requirements. Although Jersey is not part of the EU it has not been left unaffected by such developments and the recruitment of migrant labour has become increasingly difficult. Tourism and hospitality, alongside sectors such as agriculture, has been the worst hit. While this could be alleviated by the use of more efficient techniques and new technology, there is a potential greater reliance on having well trained local employees.

A more technology-focused tourism sector will involve changing skills in the workforce.

The Economic Development Minister has proposed a system of 10 month working visas for Non-EU nationals which has been welcomed by the Jersey Hospitality Association. However, there are issues, including the UK concern that such visas would facilitate a new route into the UK. Other concerns include the fact that accommodation contracts are rarely set on a 10-month basis as well as the impact on wages.

“I think if it was anything less than a ten-month visa it would be difficult, as we’re pushing out the season. I want our economy to be less seasonal to drive up productivity.”

Senator Farnham, Minister for Economic Development

The 10-month visas scheme is not limited to being simply a response to shortages, it is also about generating a less seasonal and higher productivity island.

3.4 INNOVATIONS IN TRAVEL AND ACCOMMODATION TECHNOLOGY

Innovations in tourism-associated technology have two clear sets of impacts. The first of these is simply consumer experience – ease and convenience for guests. This, in itself, can have eventual feedbacks through to improved productivity, either through making better use of existing resources or through encouraging people to spend more via simple and easy digital transactions. Separate from this are the direct impacts on tourism productivity. In practice, these two effects are closely linked to one another.

Amongst new innovations in the travel sector are two key trends which represent opportunities for tourism in Jersey:

- Voice control;
- Integrated travel chatbots.

Both opportunities involve some limitations for the existing stock of accommodation. Voice control, in particular, is best suited to new hotel stock since retrofitting to old accommodation is expensive and not simply a matter of purchasing Alexa devices²⁰. It is not easy for a destination management organisation to co-ordinate voice control roll-out.

Some older buildings have not been designed to accommodate the functions of new technology such as Wi-Fi signals or Smart TV for Netflix. Older design styles sometimes mean weak Wi-Fi signals in rooms especially if concrete has been used in the construction of walls. This might also be the case in some of Jersey Heritage’s properties where there will be the additional complication of restrictions on making changes to buildings. This does not mean it is impossible. Blow Up Hall 50-50 is an innovative hotel in Poznan, housed in an old building and part of a former brewery complex. The hotel has no reception and the rooms have no numbers. Instead of a key, guests are given an iPhone that allows them not only to find their room and open it but

²⁰ This has even been the case where much of the hotel stock is relatively new – such as in Singapore as part of the Hotel Transformation Roadmap.

also acts as an e-concierge to the city. The hotel also hosts modern art installations and employs a top chef for its restaurant. Digital art on the wall monitors guests' movements and sends back a series of surveillance shots. Some reviews emphasise how important it is still to have good cleaning as this is not automated!

Some degree of consolidation amongst the accommodation stock on the island could help promote quicker adaptation. This should focus on the least well performing part of the Bed & Breakfast sector, as previously discussed, although could easily involve other types of accommodation as well.

Case Study: Voice Control - Park Inn by Radisson New Delhi

Six studio rooms at the Radisson Park Inn in New Delhi have been fitted with Amazon Alexa's Echo Dot devices which enable guests to control lights, music and television settings with voice commands. They can also use the smart device to set wake-up calls, request room cleaning, in-room dining, laundry services and check-out. Clearly, there are impacts on the user experience.

However General Manager, Saurav Dutta says, *"Internet of Things (IoT) & voice-enabled technologies are without a doubt the future and we are excited to pioneer these comprehensive & intuitive smart hotel room features in India. With the voice-activated in-room solutions we expect a 50 per cent improvement in housekeeping efficiencies; ensuring speedier completion of service requests. Eventually, the intent is to diversify & grow the connected room features, as part of our on-going efforts to offer bespoke experiences that evolve with the needs of our patrons."*

The hotel plans to expand its AI service to other rooms as well after the response of guests. Productivity can be raised through this type of technology by reducing staff.

Integrated chatbots could be adopted island-wide but would require some organisation on the island to have overall responsibility.

Integrated chatbots could be adopted island-wide but would require some organisation on the island to have overall responsibility for it. This could be Visit Jersey, Digital Jersey or some third party. This option would offer travellers an integrated app experience and would appeal to the younger travellers which Jersey is currently not capturing, whilst leaving older, less pro-tech cohorts free to continue travelling in their existing fashions or to adopt some mid-point position on such technologies.

Integrated online booking and events management would require Visit Jersey to take control of this via its website. This could be aided by some facilitation from Digital Jersey instead of than promoting third party sites such as Out&About. This offers a competing platform rather than a single integrated and centralised source of information for activities and events on the island.

The most common complaint that travellers have with travel-associated apps is that each one of them focuses on a different niche without any degree of integration. For example, one app provides information on tourist attractions whilst another offers real-time weather updates, and another manages

bookings. For the average tourist, these can add up to a significant amount of mobile storage space and many become redundant after just one trip.

According to Expedia, travellers visit an average of 38 travel sites whilst planning a trip. A good chatbot can help users reduce many hours of unproductive search. The task is to unify user experience. Travel chatbots offer a cleaner and better integrated alternative. These use existing platforms like browsers or messenger apps already on most mobiles, thereby not using up masses of storage space. As such, they make it possible for travellers to receive notifications, updates and promotional offers, without downloading separate apps for each of the services they utilise during their trip.