



Our Island, Our Future

Annual Visitor Economy Report 2022



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CHAIR'S OPENING REMARKS

Ranald Caldwell

Non-Executive Chairman of Visit Isle of Man



The last several years have presented a variety of challenges for our travel and tourism businesses – most notably the COVID-19 pandemic, which required a level of continued resilience from industry. However, on the 1st April 2022 hope was restored as all border restrictions on the Island were lifted, providing us with the opportunity to welcome visitors back and kick-start a busy 2022 peak season.

In consideration of the post-pandemic tourism landscape, the focus for 2022 has been to support the recovery of the tourism sector, which Visit Isle of Man and wider industry believes has been achieved.

Estimated visitor numbers for 2022 appear much higher than initially expected, with a year-end outcome in the region of 275,000 (+/- 10,000), which equates to 88% of 2019's annual visitor numbers. This is despite border restrictions, which were still in place for the first three months of the year.

The interest in the Isle of Man amongst visitors has certainly increased post-pandemic, with new traffic to the Visit Isle of Man website up by an impressive 36% from 2019. This is illustrative across a number of metrics.

For the first time, visitor accommodation registrations exceeded pre COVID-19 levels, with 42 new accommodation businesses registered in 2022. This is in comparison to 19 new registrations in 2021, 38 in 2020 and 31 in 2019. Following the lifting of border restrictions in April 2022, occupancy levels, in particular group bookings, have also surpassed expectations, with monthly figures exceeding pre COVID-19 levels.

In May 2022, Visit Isle of Man presented a new 10-year Visitor Economy Strategy – 'Our Island, Our Future' to Tynwald which received unanimous support. The strategy, which outlines the Agency's vision to grow the Isle of Man's annual visitor numbers to 500,000

by 2032, sets out a number of ambitious but achievable targets for growth. It is firmly focused on the development of a more compelling and competitive visitor offer which looks to raise awareness of the Isle of Man as a visitor destination. The strategy comprises seven Action Programmes to help meet its key objectives. The delivery of each Programme (which are outlined in this report) will be instigated, co-ordinated and supported by the Visit Isle of Man Agency working in partnership with other delivery agencies, Government departments and the private sector.

The Agency's industry engagement 'Coffee and Cake' sessions were a particular highlight for me, as this provided the opportunity for Agency Board Members and Officers to meet with industry businesses to discuss the new strategy, challenges and opportunities for the sector and destination.

Other highlights included the launch of a Travel Trade Hub in November, with 67 trade partners now enrolled and interested in working with the Isle of Man. As such, the Agency will continue to foster positive working relationships with Manx National Heritage (MNH), the Department of Infrastructure (DOI) and Department of Environment, Food & Agriculture (DEFA) to improve the Island's appeal to trade partners.

Now in its fourth year, the Visit Isle of Man Agency welcomed several new members to its Board in 2022. Along with two UK-based tourism and travel industry experts, our new Board Members represent a cross-section of tourism sectors including air and sea travel, accommodation, attractions (including MNH), Biosphere Isle of Man and wildlife. Their combined knowledge and experience give me every confidence that the Agency can realise our strategic vision of making the Isle of Man a long-term competitive visitor destination.

Following the approval of the strategy, the need to strengthen and support the Visit Agency team to deliver these ambitious targets, has become apparent. As such, two new roles have been approved and will be in situ by 2023; an Agency CEO to lead the team and work with the Agency Board and a UK-based Business Development Manager to develop travel trade opportunities.





Air & Sea Access Improvement

Convenient, value for money and enjoyable air and sea travel to the Island is vital in supporting visitor growth.

2023 welcomes two major developments in delivering a greater visitor experience by sea. The IOMSPCo's new ferry, Manxman, boasts an increased passenger capacity of 949 (319 more than the Ben-My-Chree) and is scheduled to be in operation ahead of the 2023 Isle of Man TT Races in May. This will then be followed by the opening of the new Liverpool Ferry Terminal in August.

The Agency will continue to work with the IOMSPCo and Isle of Man Airport teams throughout 2023 to help develop new, and maintain existing, travel routes to and from the Isle of Man - ensuring access to the Island is as easy and enjoyable as possible for our visitors.

The total number of passengers travelling via air to and from the Isle of Man in 2022 was just over 575,000 - 60% of the total passengers travelling by air in 2019.

The Isle of Man Steam Packet Company (IOMSPCo) reported a 3% increase in visitors travelling by sea in 2022 compared to 2019.



Quality Improvement

In 2022 the Agency refocused its efforts on improving the quality of the Island's visitor offering.

The [Visitor First Committee](#), formed in 2020 by the Agency, continued to meet to discuss how the visitor welcome experience can be improved, addressing issues as they arise. The committee includes representatives from Cruise, DEFA, DOI, the Welcome Centre, IOMSPCo, Biosphere Isle of Man and the Airport. Examples of topics raised and/or addressed in 2022 included coach parking (of which a sub-group was consequently set up), the Welcome Centre/Sea Terminal refurbishment and the launch of an interim visitor survey. The introduction of a [Biosphere Green Visitor Business Charter](#) to help our visitor industry align with the sustainability objectives of Biosphere Isle of Man and the Isle of Man's commitment to significantly reducing its carbon emissions, has also progressed, and will be launched in 2023.

Work has also continued towards the re-introduction of a customer care and product knowledge training programme for frontline staff in visitor businesses. The [Familiarisation Programme](#) is in its early stages and seeks to encourage individuals working in visitor-facing roles to take the time to experience new and existing tourism attractions and activities to enhance their knowledge of the destination when communicating with visitors. 2022 saw the launch of an initial pilot programme, where front of house teams across a range of tourism and hospitality businesses were given the opportunity to visit the Centre for WWI Internment at Knockaloe to improve their knowledge of the centre's offering and history. Albeit a success, due to staffing and recruitment challenges across the industry, businesses were unable to fully support and engage

with the programme this year. However, the Agency is hopeful that it will re-gain momentum in 2023.

In 2022, the Visit Agency Board supported a [review of the existing accommodation registration and grading system](#). The Agency's long-term goal is to create a system that ensures all visitor accommodation on the Island meets minimum standards and to avoid any reputational damage which may arise due to poor quality stock. A revamped, guest-led voluntary Accommodation Grading Scheme linked to a package of accolades, awards, marketing, training and business support will be considered. Full stakeholder engagement will form part of the review, which will continue in 2023.

The proactive promotion of the Island's [Accessible Accommodation Scheme](#) to the visitor accommodation sector to improve quality assurance for visitors with mobility, sensory and cognitive impairments, has seen positive results this year, with 15 accommodation businesses achieving a 'National Accessibility Rating'. A new, simplified accessibility rating programme, Access 4, has also been trialled this year and actively promoted by the Accommodation Quality Assessors.

Considerations for [Government investment and support for tourism accommodation development](#) has also formed part of the Agency's 2022 Quality Improvement Programme work. Support will seek to provide easy-to-access financial assistance for quality, accessibility, and sustainability improvements to visitor business premises. This work is linked to the Department for Enterprise's (DFE) Scheme Review and will progress into 2023.



Visitor Accommodation Transformation

The Agency's recent visitor accommodation studies demonstrate that we are falling behind our competitor islands and destinations in terms of accommodation quality and choice. To meet the visitor number growth outlined in the Agency's new strategy, the Island requires a greater number of accommodation units; 500 new and transformed serviced bedrooms and 500 distinctive, contemporary eco-friendly non-serviced units.

In 2022 there were 469 registered tourist accommodation businesses, 63% of which are rated as 4 star or higher. 48 new tourist accommodation properties, 38 non-serviced units and 42 bedrooms registered this year, which is a positive start towards growing the accommodation stock. In terms of quality, 42 properties were assessed for the first time in 2022, and 71% of those were awarded 4 star or higher.

In 2022 a Visitor Accommodation Transformation Consultant was contracted to support the Agency in implementing the Visitor Accommodation Transformation Programme. This resulted in the [Room for Growth Visitor Accommodation Strategy](#) and [Staying Focused Visitor Accommodation Guide](#), which have been prepared for a 2023 release and will provide helpful guidance to prospective visitor accommodation developers, investors, and architects on the Island's visitor accommodation transformation agenda.

This year has seen [positive engagement from accommodation developers, operators and investors](#) that are interested in

potentially progressing significant and innovative visitor accommodation development projects on the Island. If all projects come to fruition, a significant number of non-serviced units and serviced accommodation bedrooms could be delivered by 2032.

Throughout 2022 the Agency continued to build a database of [potential visitor accommodation development sites](#). The database of sites will look to attract significant developer, investor, and operator interest, and be capable of achieving planning permission, given a well-designed scheme. This has been possible through further discussions with Government departments, agencies, and accommodation developers. To support this, the Visit Agency has been working closely with colleagues in the Planning department to understand how a new approach to planning policy can be achieved. This new approach would be open to proposals for well-designed, eco-friendly coastal and rural visitor accommodation, which not only protect the natural environment and areas of high scenic value but have a low carbon footprint. This has included a review of planning policy approaches in comparative UK and Island coastal and rural destinations.

In 2022, and in conjunction with the Quality Improvement Programme, the Agency has started exploring options and opportunities for Government investment in transformational visitor accommodation development projects to support the delivery of the Agency's 10-year visitor strategy.



Visitor Product Development

The Agency's visitor product research clearly demonstrates that we should be better leveraging the Island's diverse landscape offering – from our beautiful countryside and pristine coastlines to our UNESCO Biosphere status, wildlife, and nature reserves. The Island's rich heritage, culture and arts scene, food and drink specialities, and distinctive harbour towns also provide more unique and compelling visitor experiences that will set us apart from the competition.

This year the Agency's focus has been on enhancing the Island's walking, cycling and mountain biking, and adventure and sea sports products. This has been further supported with the appointment of Product Champions for each of the three areas, who will lead on initiatives to positively develop each product and improve their quality offering – ultimately encouraging more visitors to the Island.



Walking Activity

Included:

- Creating a 'Summit Walking Routes' Guide ahead of a 2023 launch. This will promote walking across the Island's summit regions for the first time and aims to attract walkers all year round.
- Adding walking routes into the Ordnance Survey (OS) Maps platform and becoming an OS Maps recommended route partner.
- Working with DEFA and the Select Committee to inform on necessary footpath improvements with a commitment to continuing to support efforts to enhance the quality of the Island's footpaths in the years to come.
- The launch of a Volunteer Sign Project in collaboration with DOI, which enabled 17 volunteers to fix and maintain signage on various walking routes.
- The creation of a Level 3 Lowland Leader Qualification at the University College Isle of Man (UCM), resulting in 14 newly qualified leaders which will help support the growth of our walking product and the visitor experience.



Cycling & Mountain Biking Activity

Included:

- The completion of two major feasibility studies at the Isle of Man Cycle Park and the Mountain Bike Park.
- Several familiarisation visits hosted with new tour operators who wish to offer future cycling trips to the Island, and thus grow the market.



Adventure & Sea Sport Activity

Included:

- Identifying new tour operators and distribution channels that will enable us to reach key growth markets.
- Engaging with businesses to consider experience development and collaborative working with the Travel Trade.
- Researching various booking channels for adventure and sea sports holidays.
- The creation and launch of an experiences page on the Visit Isle of Man website to showcase various adventure and sea sports activities visitors can book and engage with during their visit.

In 2022 work was also undertaken to enhance the promotion of arts and crafts visitor opportunities in the Isle of Man.



Events Development

The Agency went into 2022 relatively uncertain as to how the events year would pan out in terms of visitor numbers, however these concerns turned out to be unfounded. This is part of an encouraging bounce-back trend resulting from pent up demand from people who missed out on sports-related travel during COVID-19.

In 2022, 36 visitor events were supported under the Tourist Event Development Scheme (TEDS), which saw over 11,000 event-specific visitors come to the Island - generating £4 million in estimated gross visitor spend*. The TEDS budget for the financial year 2022/2023 was £330,540 and is expected to be fully utilised.

*Based on the average spend per night figure of £116 from the 2018 Annual Passenger Survey.

The Isle of Man International Darts Festival got the events year underway in March, with visitor numbers back to pre COVID-19 levels. Similarly, the Easter Festival of Running received healthy numbers.

Feedback received from competitors of the CGI UK Team Challenge, which took place in June, was very positive, with many participants citing the Island as an excellent venue. Teams enjoyed both mental and physical challenges such as running, canoeing, swimming, and cycling. With the Parish Walk taking place simultaneously, this was a very busy sports weekend. Other event

highlights that month included the Isle of Man Bowls Festival, which was very well received, generating its best entry numbers in over 20 years.

The last weekend in June was a bumper one for cars and bikes, with 115 vintage Bentley cars visiting the Island for the centenary celebrations of the last automobile TT to take place on the Mountain Course. On the same weekend, 450 visiting Lambrettas and Vespas assembled at the TT Grandstand for an organised ride-out. Feedback received from both event organisers and participants was excellent.

2022 was a fantastic year for new events business, with the Agency supporting 10 new events. These included a Jazz Festival, the Home Nations Veterans Table Tennis Tournament, an International Scrabble Tournament, and a Linguistics Olympiad. Sadly, the endurance mountain biking event, the Manx 100, was cancelled for the foreseeable future due to irreparable damage caused to the course by vandals.

Throughout the 2022 Isle of Man TT Races the Agency supported the Motorsport team, event organisers, and businesses in the provision of TT specific visitor information. This included distributing a raft of promotional TT entertainment and events materials - which were widely consumed and well received by both the industry,

residents, and visitors. The Agency also supported **seven TT and Manx Grand Prix (MGP) Enhancement Events**, including Local Authority TT Days, throughout the period.

In line with the Agency's 10-year Visitor Economy Strategy, the Event Development Programme's main objectives are to strengthen existing events to improve their impact, visitor experience and financial sustainability, and introduce viable new events – especially events that can help extend the season.

Therefore in 2023, the Agency intends to build upon the post COVID-19 bounce back in non-motorsport related visitor events which was experienced in 2022.

Typically, the development of new visitor events has a lead-in time of one to two years. However, due to the uncertainty and lack of confidence caused by COVID-19, there has been an interruption in our new events development pipeline. This however can be partly mitigated by the return of the Isle of Man International Chess Tournament and the Isle of Man Festival of Choirs, both taking place in the autumn of 2023.

As part of the COVID-19 recovery process, the Agency intends to use the Chief Minister's **2024 Year of Sport** initiative as a vehicle to enter a new growth phase. Preparations throughout 2023 (ahead of the 2024 Year of Sport) will provide an opportunity to engage afresh with sports event organisers in terms of promoting the benefits of the TEDS and the Department's wider visitor events support offering. These organisers will be encouraged to host new visitor focused festivals and tournaments, which will cover everything from club, student and junior, to elite-level sports.

The Agency's Events Team will continue to support its existing event organisers across sport, culture, heritage, transport, food and drink as well as motorsport events not taking place on closed roads or circuits.

In 2023, the Agency anticipates that **30 visitor events** will be supported under the TEDS, which will bring approximately **10,000 event-specific visitors** to the Island and will generate over **£4 million** in estimated gross visitor spend*. Once again, the Agency expects to support **seven TT and MGP Enhancement Events**, which will include Local Authority TT Days Beach Races and Owners Meets. The 2023 TEDS support budget of **£330,540** will not be under as much pressure as the 2022 budget, due to a reduction in the number of rolled over events.

*Based on the average spend per night figure of £116 from the 2018 Annual Passenger Survey. This £116 has been recalculated using the Bank of England calculator which uses Consumer Price Index inflation data from the UK Office for National Statistics. This means that £116 worth of goods and services in 2018 would cost £138 in October 2022. We are using this in the absence of a recent Passenger Survey.



Market Development

Whilst the Agency continued to ensure the Isle of Man remained front and centre of potential visitors' minds throughout COVID-19, 2022 made way for progressive and actionable marketing campaigns following the removal of border restrictions in April.

It was a season of 'two halves', with industry indicating a level of reasonable recovery and a number of rolled over bookings for the peak season. Marketing activity focused on targeted, lower cost digital and social channels over the summer to ensure a consistent online presence. We also continued with several partnership campaigns with the Travel Trade and specialist interest publications to support our product development actions. As such, the Visit Isle of Man website saw a 54% increase in new users over the period April to August compared to 2019.

Activity was also increased for the [promotion of autumn breaks](#), in line with the strategic objective to extend the visitor season. This included the launch of an autumn specific promotional video (which was utilised across on-demand TV, digital and social channels), print advertising across UK National and Regional newspapers and continued Online Travel Agency (OTA) partnerships. As a result, the Visit Isle of Man website saw a 10% increase in new users over the period September to December compared against 2019.

Working alongside MNH and Heritage Railways (as part of the newly formed [Travel Trade Distribution and Partnership Forum](#)), the Visit Agency launched a [new product initiative to lengthen the visitor season](#) by extending the opening of MNH sites and the Isle of Man Steam Railway to the end of November. Over 1,900 visitors utilised the attractions throughout November, alongside 3,850 residents. The initiative supported the increased focus on developing routes to market and distribution through the Travel Trade.

In November Visit Isle of Man attended the World Travel Market (for Travel Trade professionals) alongside MNH and Isle of Man Transport to reposition the Isle of Man as a quality visitor destination from March to November. Attendance coincided with the launch of the new [Visit Isle of Man Travel Trade Hub](#) – an informative online resource which includes details on the Island's products and unique selling points. The Hub has been created to support the Travel Trade in effectively promoting the Island's diverse attractions and activities to visitors across all interest groups. The work carried out in 2022 has laid the groundwork for future growth within this market.

In December the Agency launched the ['Isle Meet You' Campaign](#) – encouraging residents to reach out to friends and family in the UK to visit during the winter months,

and reminding visitors in the UK to reconnect with their loved ones in the Isle of Man. The campaign hopes to support local hospitality businesses throughout the low season as well as driving visitor growth out of season. Throughout December, over 3,000 users visited the campaign landing page on the Visit Isle of Man website. A number of Visit Isle of Man partners also supported the campaign by extending their opening hours and offering 'Isle Meet You' special deals to boost the product initiative.

In 2022 the cost of living crisis dramatically impacted visitor buying behaviour, with a number of destinations reporting reduced traffic to websites and a drive to experience more 'free activities'. This is noticeable in the reducing levels of organic traffic to the Visit Isle of Man website and is supported by the Visit Britain sentiment tracker. The December 2022 Visit Britain report cited the 'rising cost of living' as the top barrier for visitors considering an overnight UK trip in the next six months - across all life stages.

Throughout 2022 the Agency developed its 2023 marketing campaign, which launched in January 2023. The '[Extraordinary is...an Island like no other](#)' Campaign emphasises the Island's uniqueness through its rich heritage and culture, and beautiful natural landscapes which provide a playground for visitors of all ages. The Island is well positioned to take advantage of visitors looking for a domestic holiday, with quality affordable accommodation and a 'free' adventure playground on their doorstep.





Talent Development

Having the right people with the right skills, knowledge, and motivation in place to run and work in our visitor businesses is vital to ensuring the Island delivers an exceptional guest experience, leaving visitors with lasting positive memories of their time with us. Unfortunately, the enduring impact of BREXIT and COVID-19 has continued to affect the Island's businesses' ability to attract and retain staff.

In February 2022 the Agency launched a recruitment and staff shortages survey to understand the staffing situation and challenges faced by businesses as the sector transitioned into COVID-19 recovery. There were 85 respondents reporting 245 vacancies in total (mostly Chefs, Housekeeping and Waiting on Staff positions); 54% stated they experienced staff shortages for seasonal roles, with 56% stating they were struggling to fill full-time, permanent positions.

To help ease the pressures, and support tourism and hospitality businesses, several recruitment and relocation incentives were launched and promoted in 2022, and included:

Worker (Seasonal) Migrant Visa

In 2022, changes to the existing Worker Migrant Visa were announced, with the introduction of a Worker (Seasonal) Migrant Visa for local hospitality businesses. The

introduction of this visa route means Isle of Man tourism and hospitality businesses who may be experiencing difficulties recruiting into roles on Island, are able to employ workers from outside of the UK and Ireland with a little more ease. The new route allows businesses to attract workers from EU countries who wish to work seasonally in the UK but have been unable to do so.

In 2022, 47 confirmations of employment have been issued and 33 visas.

Seasonal Worker Incentive (SWI)

In March 2022 DFE introduced the Seasonal Worker Incentive (SWI). The objective of the incentive was to encourage an expansion of the Island's tourism and hospitality workforce and secondary supporting sectors by fostering off-Island recruitment. These sectors have been heavily impacted by COVID-19 and have struggled to recruit skilled staff locally across a number of roles including Head Chef, Sous Chef, Head Housekeeper, Food and Beverage Manager, Revenue Manager and General Manager positions with a minimum gross annual salary of £20,000.

In 2022, three applications were approved for five roles.

Employee Relocation Incentive (ERI)

The Employee Relocation Incentive (ERI) was extended to certain roles within the tourism and hospitality sector and supports businesses in recruiting specific skilled roles. These include Head Chef, Sous Chef, Head Housekeeper, Food and Beverage Manager, Revenue Manager and General Hotel Manager positions, with a minimum starting salary of £25,000 per year.

The scheme aims to encourage workforce expansion and recognises the additional costs incurred by a business in recruiting and relocating off-Island employees where it has not been possible to recruit locally.

In 2022, 15 applications were approved for 19 roles.

In May 2022 the [Locate Talent Portal's](#) functionality was further improved – providing businesses the opportunity to create a profile to support their recruitment efforts. The portal is an online platform which matches Isle of Man-based organisations with skilled workers from the UK and further afield who are interested in relocating and pursuing a career in the Isle of Man. The platform forms part of Locate Isle of Man's wider strategy to increase the Island's economically active working population.

In 2022 the portal was actively promoted to the tourism and hospitality sector, with 15 new business profiles now registered. In September the Agency hosted a successful event alongside Locate Isle of Man and the Business Isle of Man Agency. '[Recruiting for 2023 – A Step by Step Guide for Tourism and Hospitality Businesses](#)' saw Department representatives assist approximately 20 businesses with recruitment and relocation queries.

This year a [Skills Working Group](#) was created with representatives from across DFE's Executive Agencies to assist local businesses with skills shortages and support the delivery of a [Workforce Strategy](#). The approach has encouraged collaborative working with other Agencies and areas of Government and the Visit Agency were delighted to be invited to present to lecturers and UCM faculty staff at the UCM Influencing Curriculum Change event in November. This provided the opportunity to explain the staffing and recruitment challenges faced by industry businesses and how the Our Island, Our Future Visitor Economy Strategy seeks to address these, in collaborating with other Departments and Agencies. This has opened the door to engage further with UCM in 2023 which the Agency is delighted to be a part of.

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