

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT BY DEPUTY G.P.
SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 2nd DECEMBER 2008

Question

Will the Minister advise members of the sums involved in the additional package of aid to the finance and tourism industries to help them in these difficult economic times?

Will he further identify for members the specific targets and objectives this funding is intended to address, whether any matching funding was sought, or agreed, from the industries concerned, and state whether and to what extent this funding was “new money” or diverted from other Economic Development budgets, and if the latter, from which budgets?

Answer

The tourism industry will be significantly challenged by the current economic situation which is expected to reduce demand for leisure and business travel throughout 2009 to all destinations including Jersey. Already in the Autumn/Winter of 2008 we are aware of significant reductions in transportation to the Island as carriers are dealing with increased fuel costs coupled with a reduction in consumer demand. Whilst it is as yet early days insofar as the current economic crisis is concerned, there are trends emerging which would indicate that whilst the market for longer stay Summer holidays in 2009 may be fairly robust in the UK, there are concerns that the short break is more likely to be under threat as consumers are obliged to reduce household expenditure.

In order to mitigate the affect of this it has been proposed that Economic Development should increase the level of marketing for Jersey with a target of an additional £1,000,000.

These additional funds, will, if approved, be provided from three different sources.

The economic growth fund and the Tourism Development fund will each provide the sum of £250,000 making a total States contribution of £500,000. This will be augmented by industry funding which will be deployed for increased advertising. The detail of these arrangements are currently being negotiated between the department and the industry.

The Department has also drafted a 10 point plan, which is supported by the industry, to provide strategic direction during the months ahead and capitalise on those factors which can be identified as being to Jersey’s advantage.

Jersey 10 Point Plan

1. Increase Tourism Relevance

Action to convince Government and the local population that tourism is an important contributor to the Jersey economy and way of life and therefore worthy of investment.

2. Route Marketing

Extend route marketing support for carriers in order to encourage the reinstatement of some of the dormant low cost routes and charter operations.

3. Ambassador Programme

Solicit the services of Jersey connected celebrities, and on brand personalities who can act as ambassadors through media and other channels.

4. Increase Trade Support

Educate the industry, both local suppliers and externally, travel agents etc. to talk up the Jersey story and to be confident in introducing clients to the Island. This will involve increased publication of relevant management information and performance data.

5. Increase Marketing Funding

Gain support for and deploy a jointly funded additional marketing campaign with a target value of £1,000,000, highlighting points of competitive advantage. For example, exchange rates, safety, security and ease of access.

6. Media

Harness the power and support of the media in key source markets. Jersey has made a significant investment and therefore has a reservoir of contacts developed through many years of hosting visiting journalists.

7. Target Visiting Friends and Relations

Motivate the V.F.R. segment of the market as they are more likely to be loyal to Jersey and therefore more resilient to economic difficulty, by encouraging the local population to invite their friends and personal contacts.

8. Product Clusters

Develop business clusters for product enhancement and joint marketing activity throughout the industry. Especially where partnership funding is more likely to be available and where we can best demonstrate the quality of our offering.

9. Add Value

Incentivise the Jersey product by defining and promoting value added offers and encourage immediate travel opportunities. Value added is preferable to unsustainable discounting but based on an assumption that the base price is already competitive.

10. Improve Conversion

Improve the enquiry to booking process by gathering better quality information and using the intelligence to incentivise conversion.