TOURISM DEVELOPMENT STRATEGY UPDATE

(2019-2025)

September 2019

Falkland Islands Tourist Board

TABLE OF CONTENTS PAGE

EXECUTIVE SUMMARY

This Tourism Development Strategy Update (2019-2025) builds upon the Tourism Development Strategy (2016-2023). It has been initiated due to a significant change in the external environment for tourism – an increase in air seat capacity to the Islands. The Tourism Development Strategy (2016-2023) was based on a "status quo" situation with regards to air access, with the premise that it would be updated should there be any significant changes. The Sao Paulo – Mount Pleasant air link, due to commence in November 2019, has created that change.

In addition to this, several of the deliverables of the Tourism Development Strategy (2016-2023) have been completed and therefore this update provides an ideal opportunity to introduce new strategy deliverables and create new key performance indicators to 2025.

It should be noted that despite an almost doubling in the number of weekly available seats to the Falklands generated by the new air link, the core strategic pillars of the Tourism Development Strategy (2016-2023) remain broadly the same. There is no significant change in the source markets, market segments and products sought by visitors to the Falklands. Access is still, in international terms, extremely limited. However, there will be an acceleration of many challenges that were already starting to emerge, most notably accommodation availability and domestic air access to destinations in camp.

The key deliverables of the Tourism Development Strategy Update (2019-2025) and the Tourism Strategy Pillars they support are shown below.

Tourism Strategy Pillars	**Overnight Tourism**				**Cruise Tourism**		
Tourism Strategy Deliverable	*Increase Leisure Tourist Overnights*	*Extend Tourism Season*	*Develop Honeypots to Distribute Demand*	*Develop Accomm-odation/ Local Air Access*	*Increase Cruise Visitor Arrivals*	*Grow and Spead Expedition Cruise Demand*	*Enhance Cruise Visitor Experience*
MARKETING							
Market Segmentation	✔	✔			✔		
Digital Marketing	✔	✔			✔		
Traditional Marketing	✔	✔			✔		
Online Accommodation Booking System	✔	✔					
Destination East Falkland		✔	✔				
Product Development Toolkits	✔	✔	✔				
Domestic Tourism Guide	✔	✔	✔				
PRODUCT DEVELOPMENT AND REGULATORY							
Hiking Trails	✔	✔	✔				
Tourism Grant Schemes				✔		✔	✔
Accommodation Investment				✔			
Traveller Disability Awareness	✔						
Accommodation Occupancy Tracking				✔			
Food Hygiene Scheme							✔
INFRASTRUCTURE DEVELOPMENT							
Marina Development	✔	✔					
Air Terminal	✔						
Stanley - Gateway to Antarctica						✔	✔
Dedicated East-West Falkland Ferry			✔				
FIGAS Connectivity				✔			
Gypsy Cove Café and Other Sites			✔				✔

1. INTRODUCTION

The Falkland Islands Tourist Board (FITB) has undertaken this Tourism Development Strategy Update (2019-2025) to revise the existing Tourism Development Strategy (2016-2023) following the announcement of the new weekly flight between Sao Paulo and Mount Pleasant.

The Tourism Development Strategy (2016-2023) was based on the assumption of a "no change" situation with regards to the availability of air access to the Falklands (i.e. twice weekly airbridge from Brize Norton and once weekly flight from Punta Arenas).

In addition to the increase in airlift that the Sao Paulo flight will offer - 215 seats per week, effectively doubling seat capacity to the Falklands - many of the deliverables of the Tourism Development Strategy (2016-2023) have been completed. Consequently this update provides an opportunity to assess the impact of these through the key performance indicators, and to set new targets to 2025, creating a Tourism Development Strategy Update (2019-2025).

10 Key Performance Indicators (KPIs) were assigned to the Tourism Development Strategy (2016-2023) to measure the success of the various Strategic Pillars, namely:

For overnight tourism:
- Increasing tourist arrivals and length of stay
- Extending the tourism season
- Developing "honeypots" to attract tourists to lesser visited areas

For cruise tourism:
- Increasing both the number of cruise visitors and their levels of expenditure
- Encouraging expedition cruise ships to visit more destinations
- Enhancing the day visitor experience in Stanley

The table below compares the strategy targets for 2018 with actual performance.

Key Performance Indicator	Target 2018	Actual 2018	Difference (%)
Leisure Arrivals	1,754	1,899	+8.3%
Length of Stay (nights)	10.3	10.3	Target
Overnights	18,066	19,560	+8.3%
Leisure Arrivals - Core Markets	1,087	893	-17.9%
Leisure Arrivals - Tactical Markets	421	661	+57.0%
Leisure Tourists Visiting in Oct & Mar (%)	23.1	26.3	+13.9%
Leisure Tourists Visiting in Sep & Apr (%)	6.6	10.1	+53.0%
Leisure Spend/Night (£)	134.41	214.00	+59.2%
Cruise Arrivals	56,400	62,505	+10.8%
Cruise Spend/Day (£)	63.00	64.89	+3.0%

Note: Core Markets – UK, USA, France, Germany, Australia
Tactical Markets: South America

The KPIs in the strategy were deemed to be achievable but challenging, and with the exception of the Leisure Arrivals - Core Markets, which have (as a proportion of all overnight tourist arrivals) decreased in size, all other KPIs are on track or have exceeded (significantly in many cases) their targets.

With the change to the external environment (additional air seat capacity from November 2019) new targets have been set as part of this strategy update, covering the period from 2019 to 2025.

In addition to the success of the KPIs, the following Tourism Development Strategy deliverables have been implemented over the period from 2016 to 2019:

- Digital marketing strategy implementation: including interactive website, Facebook, Twitter and Instagram social media marketing, development of a consumer contact database, e-newsletter marketing, and blogs.
- Tourism promotional videos
- Branding guidelines for digital and traditional media
- Development of hiking trails and maps
- Domestic Tourism Guide
- Accommodation Investment Guide
- Feasibility study of café and toilets at Gypsy Cove
- Stanley Infrastructure Improvement Fund
- Cruise Tourism Business Grant Scheme
- JVC Falklands showcase / tourism information booth
- JVC car park resurfacing
- Tour guide training (Stanley and West Falklands)
- Green Seal accreditation scheme
- Assistance to the establishment of Falkland Islands Tourism Association

Also, the following activities are in progress:

- Tour Operator Sales Manual
- Cruise Guide to the Falklands (update)

This Tourism Development Strategy Update (2019-2025) focuses on new initiatives and sets new targets due to the increased air seat capacity from November 2019. However, the core digital and traditional marketing activities remain broadly the same as in the Tourism Development Strategy (2016-2023), although they are revisited in brief in this document.

2. TOURISM IN THE FALKLANDS

2.1 Visitor Arrivals by Purpose and Country of Residence

There were 5,656 non-resident arrivals in the Falkland Islands in 2018, of which 1,903 were travelling for Leisure. Leisure tourists increased by 1% in 2018, whilst over the last eight years they have grown by an average annual rate of 5.2%.

Year	Leisure	VFR	Business	Transit	Total	Growth (%)
2010	1,271	735	1,314	2,778	6,098	43.6
2011	1,276	578	1,277	3,518	6,649	9.0
2012	1,940	693	1,672	3,507	7,812	17.5
2013	1,426	501	1,621	1,179	4,727	-39.5
2014	1,494	559	1,599	922	4,574	-3.2
2015	1,576	605	1,455	3,553	7,189	57.2
2016	1,540	657	1,468	1,584	5,249	-27.0
2017	1,884	718	1,392	1,184	5,178	-1.4
2018	**1,903**	**623**	**1,519**	**1,611**	**5,656**	**9.2**
Growth 17-18	***1.0%***	***-13.2%***	***9.1%***	***36.1%***	***9.2%***	
AAGR 10-18	***5.2%***	***-2.0%***	***1.8%***	***-6.6%***	***-0.9%***	

Source: Falkland Islands Tourist Board

The largest markets for leisure tourism are the United Kingdom and Argentina. Other key markets are the USA, France, Germany and Australia, however a small number of arrivals from a large number of other countries make up the 23% of "Other" visitors.

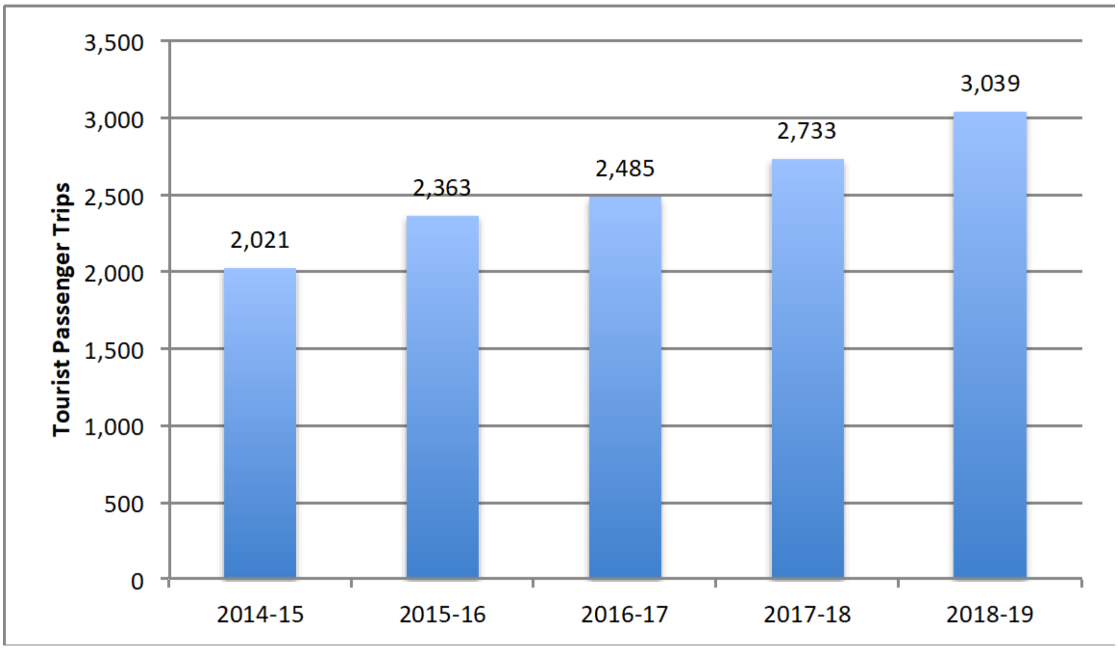
Year	UK	ARG	USA	FRA	GER	AUS	Other	Total
2008	1,327	64	37	45	33	8	206	1,720
2009	714	210	99	44	55	31	276	1,429
2010	514	149	116	68	38	45	341	1,271
2011	532	143	102	91	58	48	302	1,276
2012	856	289	140	150	38	74	393	1,940
2013	559	201	136	94	63	55	318	1,426
2014	586	268	128	85	58	56	313	1,494
2015	507	394	138	65	49	60	363	1,576
2016	500	361	177	53	73	48	328	1,540
2017	584	565	149	99	83	35	369	1,884
2018	**500**	**568**	**190**	**72**	**58**	**77**	**438**	**1,903**
Growth	***-14.4***	***0.5***	***27.5***	***-27.3***	***-30.1***	***120.0***	***18.7***	***1.0***
Nights	***13.3***	***7.2***	***12.6***	***13.5***	***10.4***	***7.6***		

Source: Falkland Islands Tourist Board

The bottom line of the table shows the average length of stay (in nights) of each market. Clearly the UK, USA and French markets generate the most nights per trip, and are therefore favoured markets for development.

2.2 Leisure Flights on FIGAS

There were 3,039 leisure passenger trips on FIGAS during the 2018-19 season, up 11.2% on the previous season. There has been sustained and strong growth in leisure passenger trips over the last five years, growing at an average annual rate of 10.7%.



Source: Falkland Islands Government Air Service

2.3 Inbound Tourism Expenditure

Leisure tourism accounted for 48.3% of all tourist expenditure in 2018 (£4.24 million). Each leisure tourist spent, on average, £214.09 per night, with the majority (64%) of this being on accommodation. Local transport (mainly FIGAS but some car hire and taxis) accounted for 14% of expenditure, with tours/guides accounting for 10%.

Purpose of Visit	Spend (2018)	Share (%)
Leisure	4,237,040	48.3
VFR	721,483	8.2
Business and Transit	3,821,414	43.5
Total	8,779,937	100.0

Source: Falkland Islands Tourist Board

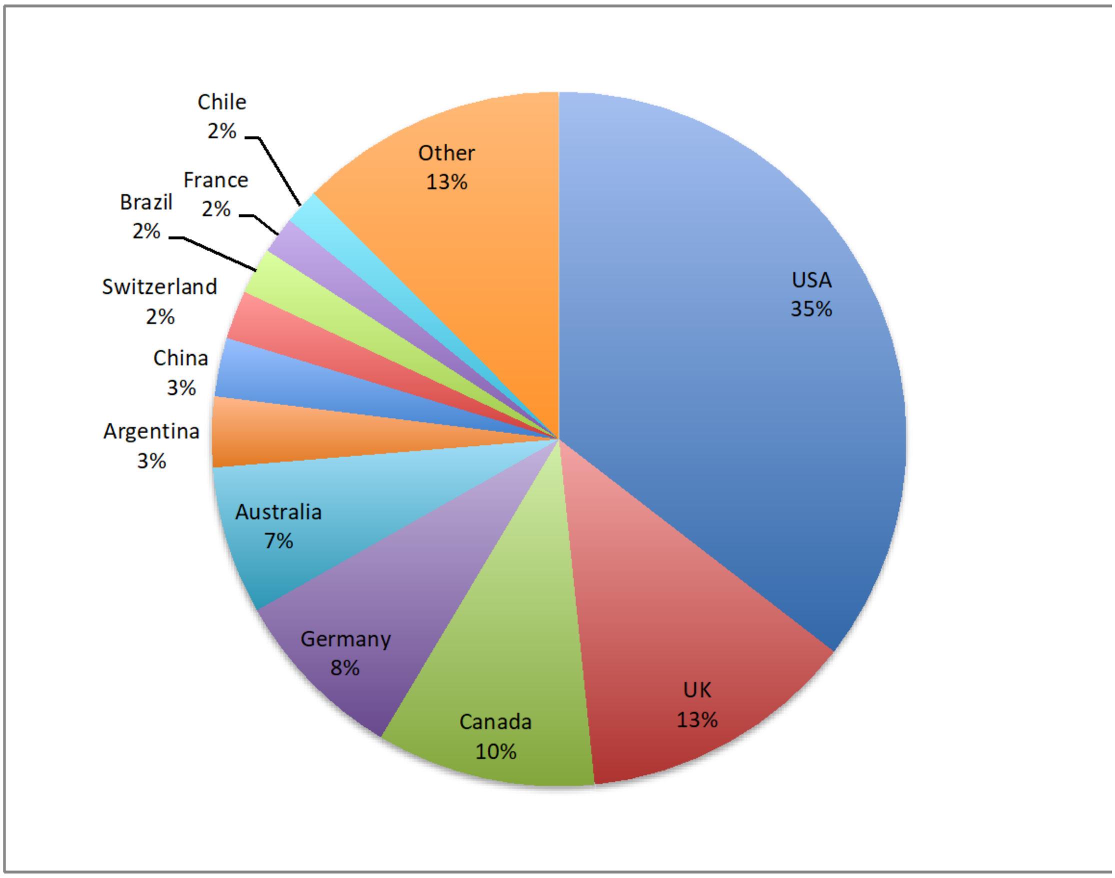
2.4 Cruise Visitors

In the 2018-2019 season there was a total of 62,505 cruise passenger visits to the Falkland Islands, increasing by 8.7% on the previous season.

Season	Passengers	Change (%)
2009/10	48,420	-22.5
2010/11	40,542	-16.3
2011/12	35,159	-13.3
2012/13	29,553	-15.9
2013/14	39,543	33.8
2014/15	43,437	9.8
2015/16	56,476	30.0
2016/17	55,633	-1.5
2017/18	57,496	3.3
2018/19	62,505	8.7

Source: Falkland Islands Tourist Board

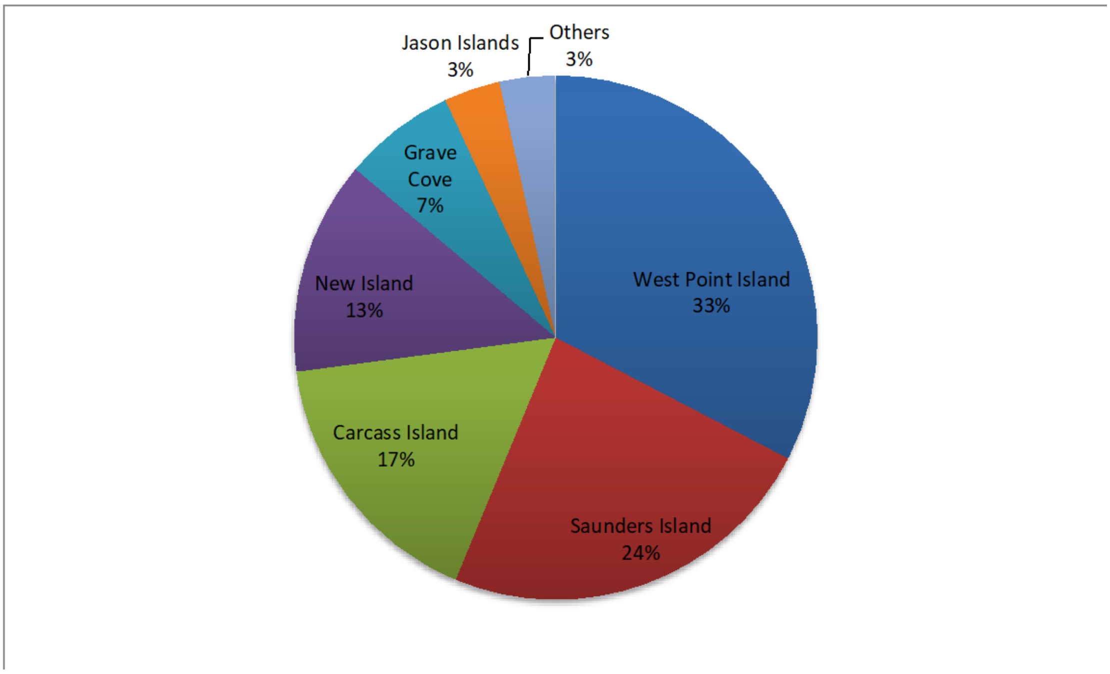
Over one-third of all passengers were from the United States (35%), with the next largest markets being the UK (13%), Canada (10%), and Germany (8%).



Source: Falkland Islands Tourist Board

Expedition vessels dominate the cruise market in the Falklands in terms of ship movements, with several of the outer islands being part of cruise itineraries. Whilst only 21.9% of all cruise visitor arrivals are on expedition vessels, they make up 72.5% of all vessel arrivals.

Analysis of the distribution of calls to destinations in camp (outside of Stanley) shows that West Point accounted for the largest share (33%) of all calls followed by Saunders Island (24%), and Carcass Island (17%) in the 2018-2019 season.



Source: Falkland Islands Tourist Board

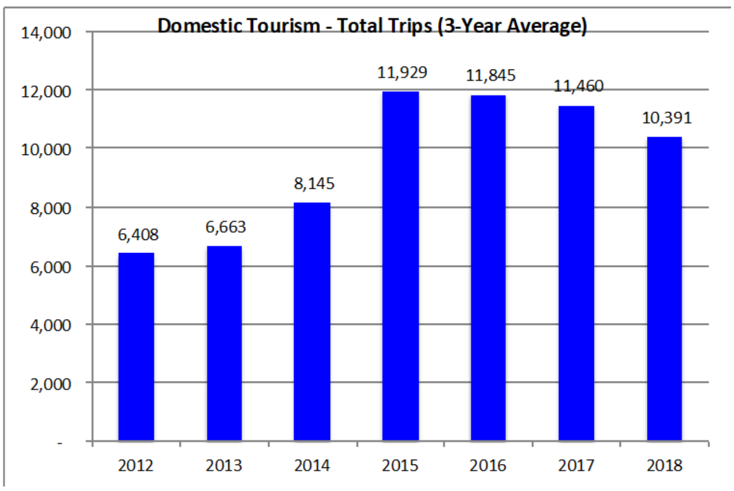
Of the 79 expedition vessel visits to the Falkland Islands in the 2018-2019 season, 58% called at West Point, with 43% calling at Saunders Island.

Cruise visitors spent a total of £4.1 million in the 2018-2019 season, with every passenger spending on average £64.89. 64% of all spend is on tours, with a further 29% being on shopping

2.5 Domestic Tourism

There were over 10,000 overnight domestic tourism trips in 2018, for all purposes of visit (leisure, visiting friends and relatives, business, and health-related), spending over £653,000.

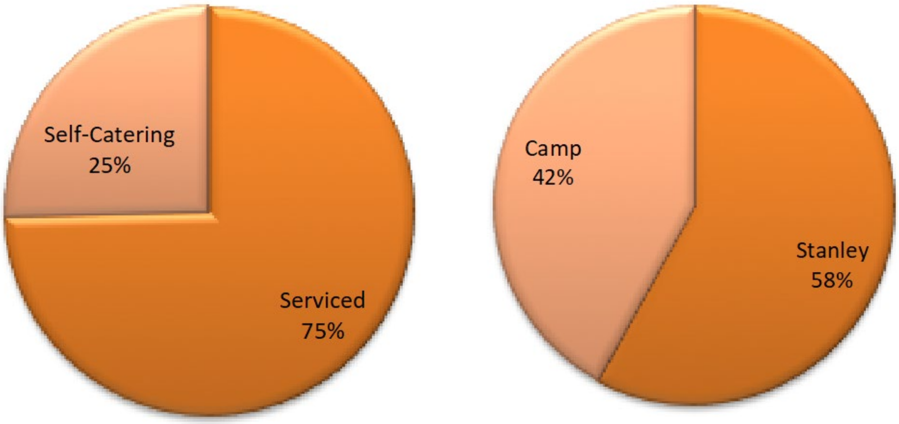
Findings show a small decline in domestic tourism over the last four years, although this is a relatively minor trend.



Source: Falkland Islands Tourist Board

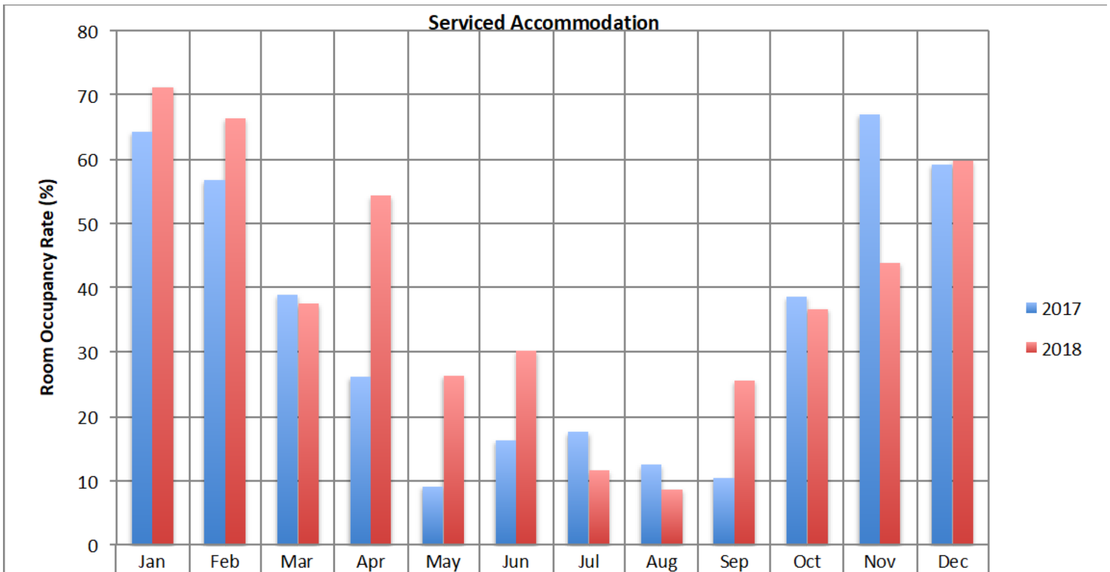
2.6 Accommodation Provision

There are 264 rooms and 504 bed-spaces available for rent in the Falklands. Of these, 75% are in serviced accommodation and 25% in self-catering (units, rather than rooms). Just over one half (58%) of all rooms are in Stanley, with the remaining 42% in Camp.



Source: Falkland Islands Tourist Board

Serviced accommodation room occupancy was 45.5% in 2018, up by 3.5 percentage points on the 42.0% achieved in 2017. Demand is highly seasonal, with many of the accommodation provision being closed over the period from April to September. In 2018, the peak months for serviced accommodation were January and February, with rates of 71.2% and 66.3% respectively.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	64.3	56.7	38.9	26.2	9.1	16.3	17.6	12.5	10.4	38.6	67.0	59.2
2018	71.2	66.3	37.5	54.3	26.4	30.2	11.6	8.6	25.6	36.7	43.9	59.8

Source: Falkland Islands Tourist Board

2.7 Air Access

Access to the Falkland Islands for overnight tourism is severely limited, and effectively caps the number of visitors that can travel to the islands each year. In recent years, the three flights per week (two from Brize Norton and one from Punta Arenas) have offered total airlift capacity of around 230 seats.

From November 2019, a new air link with Sao Paulo will offer an additional 215 weekly seats, almost doubling capacity (generating a 94% increase), as shown below.

Departure	Seats/Week	Seat/Year	Distribution (%)
Punta Arenas	168	8,736	37.8
Sao Paulo	215	11,180	48.3
Brize Norton	62	3,224	13.9
Total	445	23,140	100.0

Source: Falkland Islands Tourist Board

The Sao Paulo route will offer over 48% of all airlift capacity to the Falklands on scheduled flights. At present there are limited charter flight operations, and those that do connect with the Falklands are predominantly for cruise ship passenger exchanges.

3. TOURISM STRATEGY PILLARS

The existing Tourism Development Strategy (2016-2023) is based on some basic pillars that underpin the strategy for both overnight and cruise tourism. Despite the imminent increase in seat capacity to the Falklands, in international terms it is still extremely limited, as are internal transport options (mainly FIGAS) and accommodation. Consequently many of the pillars remain the same, although they have been updated to adapt to the changing situation.

The strategy pillars for overnight tourism and cruise tourism are shown below and overleaf.

Overnight Tourism	
Pillar	***Rationale***
1. Increase tourist overnights (a combination of additional visitors and increased length of stay) primarily, with increased expenditure being a secondary objective.	The tourism product in the Falkland Islands is not luxury (most accommodation is of a Three Star rating), but of a level that is broadly in line with the prices charged, based on international comparisons. Tour operators in Europe and the USA felt that a significant increase in price would have a negative impact on bookings. However, if new accommodation developments improve standards, prices can also rise.
2. Extend the tourism season in two phases: firstly more effectively utilise the October to March (Primary) season, but also focus on developing tourism in September and April (the Secondary season).	With limited air capacity and accommodation, the only way to increase visitor numbers significantly is to encourage visitors during those months where there are seats and beds available. Expanding the industry into an eight-months-a-year sector also provides better employment and business opportunities. It is also the first step towards further development into a 12-month industry (although it is recognised that the Falklands will remain a "hard sell" during May to August).
3. Develop "honeypots" to attract tourists to lesser-visited areas.	There are beds available in the Falklands in several locations, even in the high season. Better distribution will enable more operators to benefit from tourism, and encourage greater growth in all months. Particular focus will be on East Falklands.
4. Encourage the development of accommodation and local transport capacity to supply increased demand	With seat capacity to the Falklands almost doubling in November 2019, the Islands will experience a significant increase in visitors, who will require

	transportation around the islands and overnight accommodation.
Cruise Tourism	
Pillar	***Rationale***
1. Increase both the number of visitors and their level of expenditure whilst in the Falklands.	There is plenty of capacity for cruise ship tourism to grow further in the Falklands. Arguably the Islands were less prepared for cruise visitors in 2008/09 when over 62,000 visited than they are today.
2. Encourage expedition cruise ships to visit more destinations around the Falklands.	Very few places in the Falklands benefit from cruise visitors at present. By encouraging visits to more destinations, the economic benefits can be brought to new areas.
3. Enhance the day visitor experience in all destinations in the Falklands.	Around 30% of all cruise visitor excursions are to Gypsy Cove where facilities are limited. In addition, options for increasing levels of visitors are relatively narrow and quality of some tours/experiences are below par according to market research.

The Tourism Strategy Pillars drive the tourism strategy activities, which are set out in the following chapters:

- Marketing Strategy (Chapter 4).
- Product Development and Regulatory Strategy (Chapter 5).
- Infrastructure Development Strategy (Chapter 6).

4. MARKETING STRATEGY

4.1 Introduction

Marketing lies at the centre of the Falkland Islands Tourist Board's activities, with a remit to create awareness, interest and ultimately encourage potential visitors to travel to the Islands. This is most effectively done through well-planned and focussed digital marketing, as well as targeted traditional marketing activities. These are set out in Sections 4.2.3 and 4.2.4 below, most of which are already being undertaken by FITB. However their continuation is essential in order to market the Islands effectively.

4.2 Marketing Activities

4.2.1 Market Segmentation

There is no change with regards to the marketing segmentation that was introduced in the Tourism Development Strategy (2016-2023), however the delivery of marketing activities for each of these has changed as set out below:

Core Markets: geographical markets that are already visiting the Falklands and present the best potential for growth. These are: UK, USA, France, Germany and Australia. These markets should remain the main focus of marketing activities.

Tactical Markets: these are the markets that are within easy reach of the Falklands (such as Chile, Uruguay, Brazil and Argentina), and are currently small (with the exception of Argentina). However increased focus should be made on marketing to residents of Chile and Brazil within the product segments set out overleaf during the strategy period.

Investment Markets: are those with good future potential in the medium to long-term, as the product develops and should be nurtured. The Falklands needs to invest in marketing to these countries, which mainly include the Netherlands, Scandinavia, Canada and New Zealand. Experimental marketing activities in these countries should commence during this strategy period.

Watch List Markets: are those that have long-term potential assuming that they evolve as expected but do not warrant much marketing activity at this stage. Examples of these markets include China and India. Marketing to Watch List Markets does not need to commence until 2023 unless there are any significant changes to the external environment in the meantime.

4.2.2 Product Segmentation

The product segments that the Falklands should focus on offering, and consequently marketing, can be split into three groups: Existing, Developing and Potential. These products were introduced in the Tourism Development Strategy (2016-2023), and remain current and central to the development of the Falklands as a tourism destination. They are:

Existing product segments:

- Bird watching and marine life
- Photographic tourism (closely linked to bird watching and marine life)
- War and historical interest
- Fishing

Developing product segments

- Hiking/walking
- Sporting events

Potential product segments:

- Diving and water sports
- Yachting
- Voluntourism

Marketing the Falklands should focus on the Existing and Developing (increasingly over the strategy period) segments. Only when there has been substantial product development in the Potential product segments should there be any marketing focus on them.

Voluntourism has been added to the Potential product segments as it is a significant growth segment worldwide, and Falklands Conservation has reported potential for it within the Falklands.

4.2.3 Digital Marketing

These digital marketing activities should be on-going, and be fully embedded into the day-to-day activities of the FITB.

Activity	Aim	Frequency
Facebook, Twitter and Instagram posts: based on a structured content plan. Use paid advertising for Facebook posts	Increase interest in the Falklands and drive traffic to the website. Also to sign up to the online newsletter	4-7 times a week
Online Newsletters	Increase interest in the Falklands and drive traffic to the website	6+ per annum
Competitions	Drive traffic to the website and sign up to the online newsletter	3+ per annum
Blogs	Increase interest in the Falklands and drive traffic to the website	6+ per annum
Website Updates	Maintain interest for regular visitors to the website and improve Google rankings	1-2 times per annum
Search Engine Optimisation	Improve Google rankings	Monthly
Google Adwords	Increase interest in the Falklands and drive traffic to the website	Monthly
Tracking Digital Marketing	Track website visits and activity, Facebook, Twitter and Instagram	Monthly

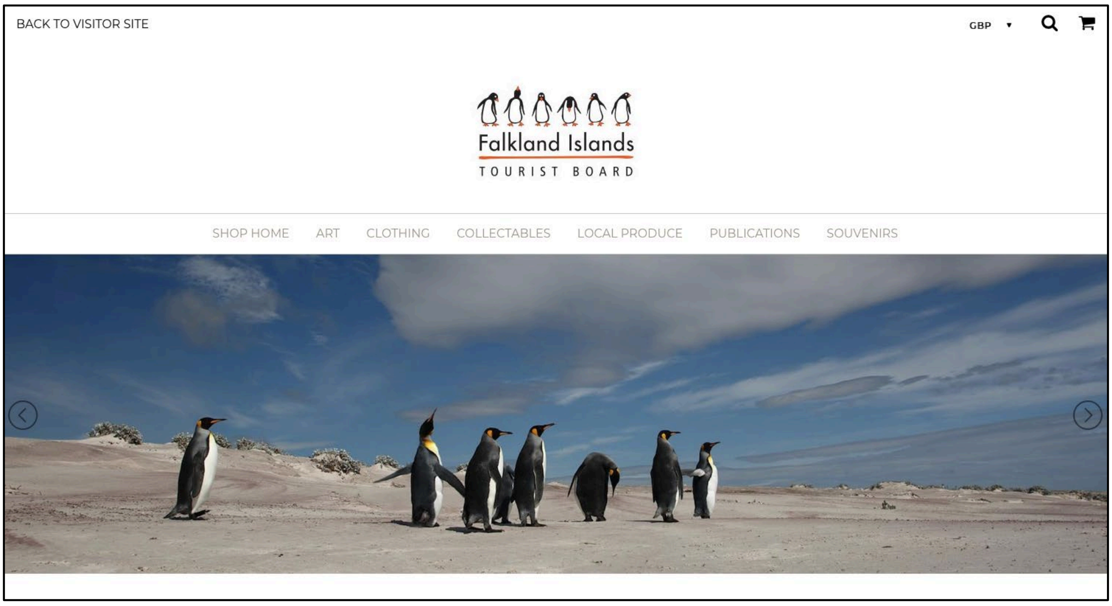
In addition, the following new digital marketing activities should be introduced over the duration of the new strategy:

- **TripAdvisor Advertising:** TripAdvisor is the most widely used travel application, and consequently there is considerable exposure to be gained through advertising on the site. Several options exist for increasing the profile of the Falklands on TripAdvisor, as well as driving more traffic to the FITB website – these should be explored and developed.

- **TripAdvisor Registration for Falklands Suppliers:** It is beneficial for individual suppliers (as well as the tourism sector as a whole), to be registered with TripAdvisor; this raises the profile of the Falklands online. FITB would provide support to all suppliers not signed up with TripAdvisor, and wishing to do so.

- **Image Library:** Development of image library for journalists, tour operators, and other interested parties. This can be set up within the online shop – images do not need to be charged for (they can be set up with a price of £0.00, unless a revenue stream is sought). The existing image library needs expanding and refreshing – in particular as most photos in the current library (over 750 pictures) cannot be distributed due to restrictions placed on them by the original photographers. Consequently a new photo assignment should be commissioned for around 100 new photos. A clear brief should be developed before commissioning.

  An alternative (or additional) approach to generating images is to utilise Simpleview's tool Stakla, a visual content engine that compiles images from feeds of content already being circulated about the Falklands. This is a potential solution as user-generated content is vast and often limitless in quantity. Visual generated content created this way becomes the property of FITB and therefore can be distributed to other users/journalists via the image library.



4.2.4 Traditional Marketing

These traditional marketing activities should be on-going and be fully embedded into the day-to-day activities of the FITB.

Activity	Aim	Frequency
Trade Fairs: maintain continual assessment of marketing return vs costs. Bird Fair and World Travel Market London are likely to yield the best results at present. Measurement of success is mainly qualitative based on level of interest/interactions at each fair. Visiting other fairs (such as ITB) to meet with tour operators should remain a secondary activity.	Increase awareness of the Falkland Islands, in particular engaging with tour operators and (where appropriate) consumers	As determined by FITB
Fam Trips: unlike most other countries, sales numbers per tour operator to the Falklands are very small, so the return on fam trip investment is limited, making this a poor return on investment marketing activity.	Effective way of motivating tour operators to sell the Falklands.	Max 4 per annum
Media Trips: generally gives a better return on investment than Fam Trips. Aim to engage with journalists that are also active on social media or are likely to expose the Falklands on TV.	Increase awareness of the Falkland Islands, in particular focussing on specific segments such as walking, bird watching, etc.	Up to 8 per annum
Print Advertising: this should be used only when circumstances indicate it would be favourable (e.g. a magazine or newspaper including a feature on the Falkland Islands).	Increase awareness of the Falkland Islands	As determined by FITB
Tour Operator Sales Visits: meetings with tour operators and cruise operators.	Familiarise operators with the Falkland Islands and encourage sales	On-going activity

4.3 Online Accommodation Booking System

Market research indicates that the relatively long duration it takes for consumers to receive quotations and firm bookings for itineraries can be a deterrent to travelling to the Falklands, ultimately looking elsewhere for a similar type of holiday. Piecing together accommodation bookings tends to slow the booking process down, as each one needs to be contacted individually.

A booking system for both serviced an self-catering accommodation would resolve this issue, and would be beneficial for Falklands-based tour operators/travel agents, overseas agents, as well as independent travellers. This system can be incorporated within the current FITB website, providing accommodation providers with a user-friendly interface through which they can maintain bed availability.

The incentive for accommodation establishments joining the scheme would be increased marketing visibility and operators being more likely to book their rooms. This development would also make the Falklands more appealing to the independent traveller (FIT) market.

4.4 Destination East Falkland

With seat capacity being doubled through the new flight connection, in the short to medium term weak points in the supply chain are likely to be internal flights (FIGAS) and accommodation. It is essential that potential visitors are not lost due to limited access and bed spaces in the six outer islands currently offering accommodation.

Developing East Falkland as an attractive and appealing destination will enable visitors to be accommodated in Stanley (or East Falklands camp where available) and to be moved around without FIGAS' involvement. This marketing strategy would be developed with Falkland Islands Landholdings (FLH) and other stakeholders (accommodation and attractions). Destination East Falkland would then be promoted on FITB digital media and through other media (journalists, bloggers, etc).

The strategy would encourage visitors to travel over an extended season (September to April) and ultimately even in the winter. There is potential to add West Falkland as an add-on (via the ferry link) once the strategy gains traction.

4.5 Product Segment Toolkits

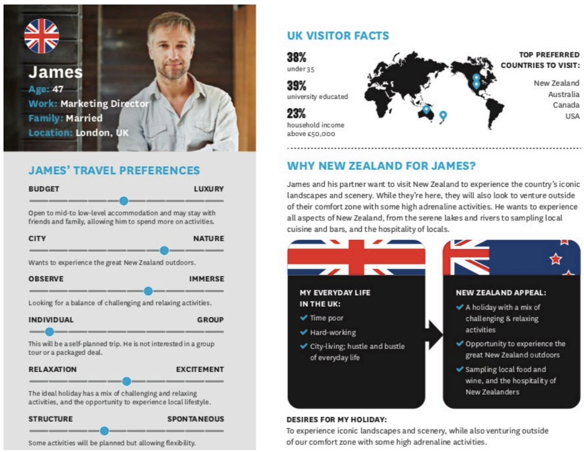
Outside of bird watching, knowledge of other products in the Falklands is limited amongst tour operators and consumers. The development of product segment toolkits (which can be added to the Tour Operator Sales Manual, currently being compiled) can be used to accelerate the marketing and promotion of these products.

The first four product segment toolkits should be:
- Fishing
- Whale Watching
- Walking/Hiking
- Camping (not strictly a product but due to expected limited accommodation demand, promotion of camping options will be beneficial)

These toolkits should be informative, but concise and well presented. Typical table of contents would include: locations of product, information about landowners, description of products (e.g. types of fishing, walking trails etc), equipment required and available locally, best times to visit etc.

4.6 Marketing Personas

Marketing personas for the key segments (bird watching, cruising, fishing, history/ battlefield, photography and walking/hiking) were first developed in 2016. However, considerable more data is now available regarding these, as well as the need to include other segments such as photographic tourism and sporting events.



Marketing personas allow effective digital and traditional marketing, for FITB as well as the private sector undertaking marketing activities.

4.7 Domestic Tourism Guide

The Domestic Tourism Guide, which was aimed at expatriates and persons visiting friends and relatives in the Falklands, has proved to be a useful brochure, not just for the domestic market but also at trade shows for international promotion. The aim of the guide is to direct tourists to places where there is accommodation, increasing visitor spend and highlighting less visited locations. An update to the existing guide is required to include new accommodation that has opened since its publication, include Stanley accommodation, and reformat into a more compact format.

5. PRODUCT DEVELOPMENT AND REGULATORY STRATEGY

5.1 Introduction

The deliverables included in the Product Development and Regulatory Strategy are extensions of deliverables from the existing strategy as well as new activities.

5.2 Hiking Trails

The development of hiking trails in various locations around the Falklands was a successful deliverable in the current strategy. Trails on Bleaker Island, Weddell Island, and at Port Howard and Hill Cove are currently under development, however further trails should be investigated and developed, in particular in East Falklands, to coincide with the Destination East Falkland deliverable. To date, signage on trails has not been implemented – this is required on all completed trails, in addition to the published trail brochures.

5.3 Tourism Grant Schemes

Under the existing strategy, four tourism grant schemes were implemented:

- Accommodation: to improve accommodation provision
- Cruise Tourism Business: to encourage cruise shore excursion businesses
- Stanley Infrastructure: to improve Stanley for (predominantly) cruise visitors
- Green Seal: for greening business activities

A review of these grant schemes is required with a proposed re-organisation into three new schemes and a revision of the online application forms available in the Trade section of the FITB website. These are proposed as:

- Accommodation: similar to the existing scheme, but potentially with some new guidelines and restrictions so applicants are aware of what is acceptable and unacceptable (eliminating current misunderstandings and rejected applications).

- Cruise and Land Based Tourism: expanding the current Cruise Tourism Business grant scheme to include tour operators, land-owners, guides, etc to further the development of land and cruise based tourism in the Falklands.

- Green Seal: for all accommodation and operators who are part of the Green Seal Scheme. Applications for this grant cannot be made online at present. This should be added to the FITB Trade page.

5.4 Accommodation Investment

5.4.1 New Investors

Under the existing strategy, an Accommodation Investment Guide was produced in order to encourage investment and be prepared should additional airlift be generated to the Falklands. It is now necessary to take a more proactive approach to seeking accommodation investment in the Falklands.

Research shows that investors are extremely cautious investing in accommodation in destinations until they can clearly see tangible demand. As this is likely to become evident over 2020, the time for an active search for investors should commence.

An Accommodation Investment Action Plan will be developed and implemented that will:

- Utilise the Accommodation Investment Guide and other marketing materials to seek interest from potential investors.
- Actively seek out investors, utilising investment publications, websites and conferences to create awareness.
- Work with FIG/FIDC to ensure the environment sought by investors is in place, and to minimise reasons for investors to take their funds elsewhere.
- Work with FIG to ensure that underemployment in the Falklands does not thwart accommodation expansion due to immigration/visa issues.

5.4.2 Existing Investors

Focus should also be on existing accommodation providers and landowners to encourage expanding their current operations through extensions and new builds. This should include camping, which in the summer months can offer visitors a different experience to staying in fixed serviced accommodation. Landowners could be encouraged to offer camping facilities and possibly invest in semi-permanent fixed structures (for the summer months).

To drive this initiative forward, a focussed guide will be produced for circulation in the Falkland Islands that will include:

- Predicted arrivals growth over the next 10 years.
- Grants and loans available from FITB and other bodies.
- Using best practice, ideas of investment from other countries including glamping-style facilities and other “pop up” accommodation.

5.5 Traveller Disability Awareness

At present there is limited information available on the FITB website to inform disabled visitors (ranging from mobility issues, through to vision impairment) regarding travel possibilities in the Falklands.

This deliverable will provide a guide for tourism providers in the Falklands to enable them to assess their ability to provide for a range of disabilities. The purpose of this is two fold:

- Update all product records on the website with a disability assessment.
- Raise awareness in the Falklands and encourage changes where possible to cater for less-able visitors.

5.6 Accommodation Occupancy Tracking

As the Falklands moves into a period when assessing the utilisation of accommodation (serviced and self-catering) will be critical to destination planning and investment, it is essential to have a more complete understanding of accommodation occupancy. At present only 35% of establishments report room sales to the FITB on a monthly basis.

Monthly compulsory reporting from all accommodation establishments (including Airbnb) needs to be implemented as a legal requirement. This deliverable put this in place, and set up an online collection system for owners to securely provide their data through.

5.7 Food Hygiene Scheme

The aim of the Food Hygiene Scheme is to provide consumers/visitors with clear information about businesses hygiene standards. The rating scheme will not provide information on the quality of the food, customer service, culinary skill, presentation or comfort.

Inspections would include monitoring of:

- Handling of food.
- How food is stored.
- How food is prepared.
- Cleanliness of facilities.
- How food safety is managed.

The scheme is aimed at all food service providers:

- Restaurants, bars, cafes.
- Serviced accommodation.
- Self-catering accommodation providers that offer a catering on an ad hoc basis.
- Supermarkets and shops with deli/home-cooked foods sections.

To implement the scheme, FITB will:

- Prepare a manual outlining the scheme and hygiene requirements.
- Develop an online questionnaire for completion by all staff working at the premises.
- Undertake an annual inspection.
- Provide a certificate with the hygiene rating obtained for display at point of sale of each building inspected.

6. INFRASTRUCUTRE DEVELOPMENT STRATEGY

6.1 Introduction

The development of infrastructure is an essential element of tourism development in the Falklands, and without it the sector cannot flourish. Much of this part of the strategy is outside of the direct remit of FITB, however it is included due to its importance. FITB's role will be lobbying, and working with FIG and other bodies, for development of the following projects.

6.2 Marina Development

Research shows that there is significant demand amongst sailors in the region for the development of a marina in the Falklands. Not only would this provide an economic boost for local supply and repair businesses, but it could also encourage new and potentially lucrative round-Falklands yachting tours.

At present, it is estimated that the yachting sector spends around £200,000 per annum in the Falklands. With the development of a marina similar to that proposed in Option 2 of the Waterfront Strategy, this could easily grow to over £1 million within 2-3 years.

FITB will continue to lobby for the development of a marina in the area close to the centre of Stanley (not the Canache).

6.3 Air Terminal

FITB's annual Air Visitor Survey shows that tourists to the Islands have a low opinion of the arrival and departure experience. With a potential doubling of airlift to and from the Falklands, it is essential that this is improved so that important first and last impressions are (at the very least) good.

FITB will continue to lobby for the development of new terminal buildings and facilities at MPA.

6.4 Stanley – Gateway to Antarctica

With the commencement of the new flight from Sao Paulo, there is a real opportunity to develop Stanley as the preferred "Gateway to Antarctica". This should be a priority project for the Falkland Islands, not just FITB. Research shows that there is strong interest amongst many of the expedition cruise companies to expand their operations in the Falklands if they can secure seats on flights to and from MPA.

FITB and FIG should work together to ensure Stanley is recognised as the Gateway to Antarctica by 2025 by working closely with expedition operators to deliver the facilities they require, including:

- Good berthing facilities: water, fuel, provisioning, cargo handling
- Medical facilities
- Banking: providing ships with US$
- Dry dock facility
- Flight availability: scheduled and charter
- Land-based accommodation
- Waste management

6.5 Dedicated East-West Falkland Ferry

With increased numbers of visitors expected to visit the Falklands, and the promotion of East (and West) Falkland (see Destination East Falkland: Section 4.4), a regular daily ferry is essential. The current situation whereby there are long periods without a crossing between Newhaven and Port Howard makes planning East-West Falklands trips almost impossible.

FITB will continue to lobby for the introduction of a dedicated East-West ferry across the Falkland sound, and at the same time encourage the development of services (such as tour operators) on the West that can the used by visitors travelling from East to West by ferry.

6.6 FIGAS Connectivity

Statistics show a year-on-year growth of leisure flights on FIGAS of almost 11%. With significantly increased airlift to the Islands, there will be a step change in land-based visitors. FIGAS is expected to experience demand increases for flights accordingly, in particular as new accommodation is developed in camp.

Airframes and airstrips need to be ready for this. FITB will work with FIGAS, FIG and other stakeholders to encourage:

- Lengthening of airstrips to allow full loads (to move increased passenger numbers without increasing flights).
- The number of aircraft, pilots and engineers needed to satisfy leisure tourism demand is satisfied.

To help prepare for this, forecasts of FIGAS leisure flights will be developed to 2025.

6.7 Online Connectivity

Having reasonably priced high-speed Internet access is essential for all businesses in the tourism sector. As FITB moves towards online accommodation booking, as well as encouraging businesses to increase the digital media presence, this becomes increasingly important. FITB will continue to lobby for improved connectivity throughout the Falklands in order to ensure the environment is favourable for businesses to invest and operate effectively.

6.8 Gypsy Cove Café and Other Sites

The current strategy undertook a feasibility study for the development of a café and toilets at Gypsy Cove, and although the outcome of this was positive, to date only toilets have been developed at the site.

Over 8,000 visitors are estimated to visit Gypsy Cove each year, however no facilities (other than toilets) are available for visitors. Considering cruise tourism creates an excellent opportunity to showcase the Falklands and encourage visitors to return as overnight tourists, it appears that the lack of facilities at Gypsy Cove is detrimental to this goal.

This deliverable will further identify ways of realising the development of a quality café at Gypsy Cove, and also investigate other areas that could be developed for cruise visitors and those travelling around East Falklands, such as Rookery Bay where possible café and/or hides could be created.

7. GROWTH TARGETS

7.1 Introduction

Whilst tourism is closely tracked in the Falkland Islands through *Tourism Quarterly*, T-Stats (online database), and the Annual Statistics Report, growth targets are an essential part of the Tourism Development Strategy Update (2019-2025) to measure its progress and success.

The strategy should be treated as a document that, depending on external circumstances, such as developments in key source markets, or new accommodation/destinations opening up in the Falklands, should be adjusted and adapted. Consequently, the level of achievement of the growth targets each year should not be assessed without considering the broader environment. If targets are not met, the FITB needs to assess why and adapt accordingly. There are 10 indicators that should be tracked to measure the level of success of the strategy as shown below.

Indicator	Notes
Leisure Arrivals	This is based on the assumption that the new air link with Sao Paulo will commence in November 2019, and all other air links will remain in operation.
Length of Stay	As the overall aim is to grow overnights in the Falklands, if the length of stay increases but the number of arrivals stays the same (or even declines) the overnight target can still be achieved (see below).
Overnights	The number of tourist nights spent in the Falklands is a multiplication of arrivals and length of stay. This is the key figure of measurement. However, it is useful to track arrivals and length of stay individually as well, so that it is apparent which indicator is driving changes in overnights in the Falklands.
Leisure Arrivals – Core Markets	These are the number of visitor arrivals from the core markets (UK, USA, France, Germany and Australia). They are tracked as the Marketing Strategy is focussing on these markets in a targeted way, and therefore they are expected to grow faster than other markets.
Leisure Arrivals – Tactical Markets	These are the number of visitor arrivals from the tactical markets (South American countries). They are tracked as the Marketing Strategy is focussing on these markets in a targeted way, and therefore they are expected to grow faster than other markets.
Leisure Tourists Visiting in October and March	The strategy aims to extend the tourist season by encouraging visitors in October and March when occupancy rates are lower than in November to February. Therefore measuring the percentage of leisure tourists visiting in these two months is important.

Leisure Tourists Visiting in September and April	The strategy aims to extend the tourist season by encouraging visitors in September and April when occupancy rates are generally low. Therefore measuring the percentage of leisure tourists visiting in these two months is important.
Leisure Spend per Night	The strategy expects an increase in expenditure per night due to improving quality of accommodation from new developments and grant scheme-driven (and other) improvements.
Cruise Arrivals	The strategy aims to grow cruise tourism, both large cruise ships and expedition vessels. Tracking cruise tourism is difficult due to the “lumpy” nature of arrivals. For example the arrival or cancellation of a large vessel can add or reduce passenger visits by 3,000 in one go. Equally, the growth of expedition cruises is sometimes not apparent as they bring in fewer passengers per vessel, and therefore their impact is less noticeable. Nevertheless, total cruise passenger arrivals should be tracked as they are a key indicator of the success of the cruise tourism element of the strategy.
Cruise Spend per Day	The strategy aims to increase cruise passenger spend, and therefore this indicator is an important measure of the success of increasing shore excursion availability and other expenditure opportunities when on land.

7.2 Growth Targets to 2025

Growth targets for the 10 key indicators are shown below. These have been developed over a period to 2025.

The following should be noted:

- The data is based on the strategy being implemented according to the timeline shown in the Action Plan and Budget (Chapter 8).

- 2022 will be the 40th Anniversary of the Falklands War and is likely to provide an increased number of visitors (historical data shows this is typical during key anniversary years).

If the growth targets are achieved, the outcomes in 2025 will be:

- Leisure overnight tourism expenditure will reach £15 million (up from £4.2 million in 2018).

- Cruise tourism expenditure will reach £6.0 million (up from £4.1 million in 2018).

Tourism Development Strategy Update: Tracking Indicators to 2025

Indicator	2018	2019	2020	2021	2022	2023	2024	2025
Leisure Arrivals (Total)	1,903	1,960	2,156	2,372	2,965	3,409	4,091	4,500
Growth Rate (%)		*3*	*10*	*10*	*25*	*15*	*20*	*10*
Length of Stay	10.3	10.4	10.7	11.0	10.0	11.3	11.6	12.0
Overnights	19,601	20,385	23,070	26,089	29,646	38,525	47,458	54,004
Leisure Arrivals - Core Markets	893	980	1,186	1,304	1,779	1,875	2,250	2,475
Leisure Arrivals - Tactical Markets	661	686	755	830	1,038	1,193	1,432	1,575
Leisure Tourists Visiting in Oct and Mar (%)	26.3	26.8	27.4	27.9	28.5	29.0	29.6	30.2
Leisure Tourists Visiting in Sep and Apr (%)	10.1	10.3	10.5	10.7	10.9	11.2	11.4	11.6
Leisure Spend/Night (£)	214	220	229	238	248	258	268	279
Cruise Arrivals	62,505	69,756	71,848	73,285	74,751	76,246	77,771	80,026
Growth Rate (%)		*11.6*	*3.0*	*2.0*	*2.0*	*2.0*	*2.0*	*2.9*
Cruise Spend/Day (£)	64.9	65.0	62.5	65.0	67.5	70.0	72.5	75.0

8. TIMELINE AND BUDGET

The timeline of each of the Tourism Development Strategy Update (2019-2025) deliverables is shown overleaf, for the period 2019-2025. Estimated budget requirements for the delivery and/or annual costs for on-going delivery are also shown.

Note that the Infrastructure Development deliverables are not included in the schedule or the budget estimates, as the development of these is likely to be funded from other sources within FIG, unless FITB is provided with a budget for direct delivery.