

Submission to the Economic Affairs Scrutiny Panel by C.I. Travel Group Ltd

Culture and Cash

The two basic premises behind the establishment of a PPP are to

- a) Create a new marketing organisation that is culturally divorced from Government, employs commercially-focused professionals rather than civil servants and understands the real financial and commercial challenges of the industry.

and

- b) Reduce over a 4 year period, the amount of cash invested by government to market Jersey as a tourism destination and achieve a higher percentage of funding from commercial operators in the industry sector.

The first premise (a) above) is fully supported by C.I. Travel Group. A marketing organisation such as Jersey's tourism department must be allowed to operate free of day-to-day government interference and focus the full resources on creating increased demand for Jersey as a tourism destination. The lack of commercial experience within the department today limits the ability of the organisation to understand fully the mechanics of the market and respond effectively to the challenges that individual operators and sectors face. The Jersey Conference Bureau and Jersey Finance represent good models of how a PPP can work effectively by creating a closer working relationship between individual members and the central marketing function.

The second objective (b) above) of increasing private sector investment in marketing the destination and reducing both as a proportion as well as in real terms, the cash allocated by The States is not so straightforward. The proposal for financing a PPP indicates an increasing investment by the private sector from a fairly low level of £110k in Year 1 to £560k in Year 4.

It has to be questioned whether this proposal is realistic for an industry that is still reducing in size. The number of hotel and guest house closures continues and it is possible that the market supply will contract by a further 10 - 20% in the 4 year period of this scheme. In addition an increasing number of visitors are making their arrangements through international on-line operators and airlines, from whom it will be extremely difficult to encourage direct financial support. As a result the number of stakeholders able and willing to contribute will decrease and the target figure for private sector contributions cannot be guaranteed.

At the same time, certain administrative services currently provided by central government departments would no longer be available and additional costs of £230k will need to be paid for out of the PPP funds to provide these services. There is therefore some considerable concern at the ability of the new PPP to maintain a budget capable of delivering an effective marketing strategy in an increasingly competitive marketplace.

In summary, whilst an independent marketing organisation for Jersey would undoubtedly operate more effectively, there is a question-mark over the mid- to long-term funding of the PPP and the potential impact on Jersey's competitive position in the global tourism

marketplace. The assumptions behind this part of the proposal need closer scrutiny to be sure they are realistic.

Information regarding C.I. Travel Group Ltd

C.I. Travel Group is the largest operator of inclusive packages and travel to and from The Channel Islands. Established 25 years ago by the current Chairman, Peter Drew, in 2008 the Group handled almost 50,000 passengers, of which 30,000 enjoyed a short break or longer stay holiday in Jersey. CITG markets its products under several brand names and distributes both direct to the market and through the retail travel trade. As such the management of the Group have an excellent understanding of the current structure and dynamics of the tourism market in Jersey.

Robert Mackenzie
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