

COVID-19 Tourism Impact Update



Falkland Islands Tourism Sector Information and Guidance Concerning the Impact of COVID-19

No. 9

July 31st 2020

INTRODUCTION

Over the last three issues we've focussed much more on the potential direction of the Falkland Islands' tourism strategy as part of our lobbying of FIG to put a case forward for the safe re-opening of the Islands. In this issue we've switched back to more direct advice for businesses and some direction on where we think things are going.

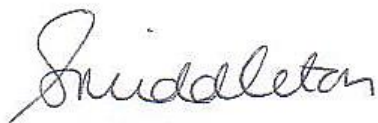
At the date of publication we are still awaiting a statement from FIG that is expected during the week of 3rd August as set out in their Public Service Announcement of 29th July. We have tried to anticipate what might come out of this in terms of immigration policy so that we could make some recommendations and provide insight regarding how the tourism sector might develop over the next 12 months.

Some reminders however: FITB do not make the immigration policies or have direct input into any business support schemes that FIG may be developing. We have liaised considerably with FIG over the last few months and have been relentless in making a case for safe tourism, but the decisions we would like to see have not always been made.

It is also important to remember that every business is different. When talking to accommodation operators, tour guides and transport operators it is abundantly clear that some stand to lose a considerable amount of money, or even lose their business without financial support, whilst others can "ride the storm", and others are able to switch trades and keep a level income. So there's not a one size fits all with regards to policies that FIG make or decisions that we make to assist the sector.

One area we are passionate about is progress. We believe that this period (possibly the next 12 months) should be utilised to make improvements to our product, whether that be accommodation, tours, general infrastructure, through to sales and marketing, so that next season when we all hopefully bounce back, it will be a stronger bounce than ever before. Of course investment is not easy when the future is uncertain, but we are looking at ways of assisting (see inside) and we hope FIG will contribute to do that too.

As always, please don't hesitate to contact the Falkland Islands Tourist Board for more details or any further assistance.



Stephanie Middleton
Executive Director
31st July 2020

Next Update: Friday 21st August 2020

INBOUND TOURISM – LAND-BASED VISITORS

It may be stating the obvious, but inbound leisure visitors will only travel to the Falklands if they can get here, and they are allowed to pass through immigration.

Getting here: at present LATAM have suspended all flights to the Falklands until September at the earliest, and whilst we cannot confirm this, there appears to be a strong likelihood that this will be extended further. Around 400 (20% of all) leisure visitors travelled to the Falklands on the airbridge in 2019, which remains an option in the absence of LATAM. However its new schedule is less convenient for leisure visitors, more susceptible to disruption, and consequently less appealing.

Getting in: Immigration currently does not allow visitors to visit the Falklands for leisure purposes. This is constantly under review, and whilst FITB provides input through meetings with FIG to lobby for safe opening of the islands for tourism, the ultimate decisions on border control are not made by us. A statement from FIG has been promised during the week of 3rd August. Realistically we expect one of two outcomes:

1) The current immigration restrictions remain in place for a longer period, thereby limiting access to the islands for visitors. It is unreasonable to expect FIG to make a decision on when, in the future, they will allow leisure travellers to visit the Falklands. The decisions have to be made on the prevailing situation, similar to what is happening in the UK at present.

2) Leisure visitors are allowed to travel, but must have a pre-travel test, or test on arrival (and possible subsequent tests after arrival as in Bermuda). We've proposed this option and believe it is workable and safe, however we do not yet know FIG's views on this.

Based on the prevailing and expected ongoing travel and immigration situation it is clear that inbound land-based tourism will either not exist at all in the coming 2020-2021 season or be severely affected. Leisure tourists do not like uncertainty, and will therefore cancel or defer trips. We are now experiencing increasing numbers of cancellations or deferrals. **In short, there is a strong likelihood that this coming season will bring few or no inbound leisure visitors.**

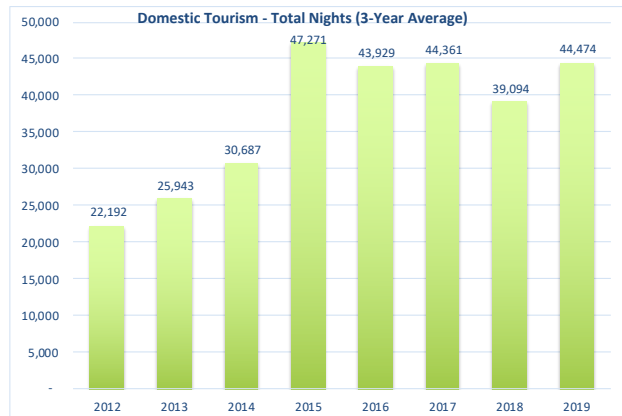
This will have a significant impact on all parts of the tourism supply chain, from transport operators, tour guides, accommodation, shops and restaurants in Stanley, through to suppliers of fresh produce, meat, and other services such as laundry and cleaning. **The most obvious way of maintaining some level of economic activity from tourism is to encourage domestic tourism.** In most countries this is a real option, and with overseas travel currently difficult, domestic tourism can significantly fill the hole left by the absence of inbound visitors in many countries. Unfortunately this is not necessarily the case in the Falklands, although it could help.

Two of our messages over the last three months in this COVID-19 Update have been “Think Domestic” and “Be Ready To Adapt”. For those accommodation establishments that have been heavily dependent on inbound tourism, we strongly advise them to consider switching their marketing and the way they operate to attract and facilitate domestic visitors.

DOMESTIC TOURISM

In 2019 there were over 44,000 domestic tourism nights spent in the Falklands, although only just under one half (around 20,000) were spent in serviced or self-catering accommodation.

In 2019 domestic tourists spent £700,000 on trips within the Falklands. Personnel based at MPC contributed around 10% of this expenditure.



It would be fanciful to suggest that domestic tourism could fill the gap left by inbound visitors, and every business operates in a different way, so domestic tourism will suit some better than others. Self-catering is particularly appealing to the domestic tourism market, and if you operate full-serviced accommodation, consider offering a self-catering option. This will reduce overheads from staff too. It won't work for everyone, but it will for some.

We believe that the best way to maximise domestic tourism in the 2020-2021 season will be to:

- **Encourage FIG to put in place a scheme similar to the “Eat Out to Help Out” scheme in the UK.**
- Encourage FIG to enable the **Travel Credit Scheme** to be used on domestic accommodation as well as FIGAS flights.
- Help **raise the profile of accommodation through advertising** – we have already started this as a weekly feature in Penguin News.
- Restart as the earliest possible time (at present MOD are not allowing this) **FITB presentations and delivery of marketing materials to MPC.**

In turn, accommodation providers should consider:

- **Increasing their own marketing efforts in the Falklands** through Facebook, websites, Penguin News, etc.
- **Consider offers to entice guests** such as 5 nights for the price of 7. It is better to encourage longer stays rather than straight discounts. Having a visitor stay two nights at 50% is better than one night at 100% as change-overs take up time and money.

BOOKINGS, PAYMENTS, AND OPERATIONS

Payments

It has been argued that the COVID-19 pandemic has accelerated many changes that were taking place anyway, and one of these is the cashless society. In the Falklands we need to be better set up for **online payments**. As we come out of this current situation, online payments through cards/phones will be the norm. For a long time we've talked about the need for a cashpoint in central Stanley, but this is now arguably consigned to history. **Online payment mechanisms are needed by all retailers and individuals selling goods and services, from guides though to accommodation.** We recommend all businesses in the sector use this time to get set up using one of the solutions available, such as Square: <https://squareup.com>

Bookings

With cancellations increasing, and the future uncertain, **make sure that your booking and payment terms and conditions are suitable and flexible**, as the aim is to encourage bookings at this stage, and not put potential visitors off. We compiled a document providing advice on this in April, which is as relevant today, see the FITB website: *Communicating and Responding to Customers*: <https://www.falklandislands.com/trade/covid-19-advice>

As we set out in *COVID-19 Update 5* (5th June) <https://www.falklandislands.com/trade/covid-19-advice> we expect the 2021-2022 season to be particularly strong. However, there are no certainties and we are sure that there will still be isolated outbreaks of COVID-19 at that time due to the roll out of vaccines being unequal around the world. However we feel confident that by then people will travel safely and with confidence again. Nevertheless we should **prepare for the “new normal” in which visitors will expect increased levels of cleanliness, reassurance, and as a destination we will want to do all we can to be sure we deliver this to keep tourists and ourselves healthy** (see Operations, below).

Operations

As long as there is the threat of COVID-19 transmission, albeit very low, businesses should follow the guidelines set out by FIG, although in most cases a large dose of common sense is required, in particular with the operation of accommodation. These include:

- Extra cleaning between guests (introduce longer changeover times in the case of self-catering to allow time for this).
- Removal of items from rooms/rental units that can't be cleaned between guests (e.g. food stuffs, guest books etc).
- Increase the frequency of cleaning in common areas and contact surfaces.
- Inform guests about existing protocols for reassurance.
- Consider new methods of germ control such as electrostatic sprays, ultraviolet light, etc.
- Provide a welcome hygiene kit with hand sanitiser, and have hand sanitiser in public areas as well as bathrooms (these can also save water).

In line with many other destinations, **FITB is looking into the development and implementation of a hygiene-ready assurance scheme** which tourists will increasingly expect as the norm in the future, even after this pandemic passes.

FIG AND FITB ASSISTANCE

Government assistance to businesses is commonplace around the world, and indeed FIG has various economic support packages available. However, these do not necessarily provide support in every instance. FIG are currently considering new support packages for the tourism industry; although we are not party to what is being considered or drawn up. It is not within FITB's remit to offer these.

However, **we strongly believe that this is not a time to put tourism development on hold** until the crisis is over. We should all use what is looking like a quiet summer to improve what we offer so that we come out of this offering a better product. This has many advantages not least that it allows businesses to charge more for their services and will attract a wider range of visitors.

At FITB, **we are looking at restructuring our grant schemes to ensure that they are available to all businesses/individuals** in the tourism sector, and to be able to offer a larger ratio of grant to investment (currently 50-50). We hope to have news on this soon.

CRUISE VISITORS

It is increasingly likely that the larger non-expedition ships will not be visiting the Falklands in the 2020-2021 season. Most of these operators keep pushing back the dates of their first post-COVID cruises. However, the smaller expedition operators appear to be getting going, and Ushuaia have announced they will be open for cruise ships this season. It therefore is **looking increasingly likely there will be ships operating in and around the region.**

FITB believes that these ships can operate safely visiting remote areas (West Point, Saunders Island, etc) as there is not necessarily any reason for human contact with residents, although this should not be prevented unless absolutely necessary as additional revenues are accrued from smoko etc.

Owners can remain distant from the visitors and communicate with a 2-metre set to the ship crew and expedition staff, and customs and immigration clearance can be "deputised" to local land owners to give clearance as has happened in the past. If expedition vessels are not permitted to visit Stanley, additional stops at destinations in camp can be encouraged. This could **potentially play into our hands for future post-COVID operations, with operators retaining "new" destinations in the Falklands in future itineraries.**

We will continue to lobby FIG on allowing expedition ships to operate in the Falklands during the 2020-2021 season.

MARKETS AND MARKETING

FITB

As with most other tourism destinations, a large proportion of our international marketing is online, and the success of this can be clearly measured through various key performance indicators. **Throughout the pandemic period we have continued marketing to our international markets, but with adjusted messages**, initially along the lines of the *dream now, travel later* strapline, but over the last three months based on a more planning-based message. We track market sentiments in all our key markets (UK, USA, France, Germany, Italy and Australia) closely and adjust marketing messages and online adverts accordingly.

We are currently holding back on a number of new messages and campaigns until we hear what FIG are planning with regards to immigration policies. There is no point in marketing and advertising messages that encourage visits in the next 6-9 months if travel is impossible or unlikely – this will only frustrate and send the wrong signals.

FALKLANDS BUSINESSES

If you market directly to international visitors, through a website or Facebook sites, there are **three important messages to get across**:

- The current situation with regards to visiting the islands (immigration and flights).
- A positive welcoming message that indicates you are looking forward to seeing visitors as soon as possible, and that your accommodation/business is safe and ready to resume receiving visitors when flights are available/borders are open.
- Encourage potential visitors to contact you to make a tentative booking, or to register their details so you can contact them as soon as the situation improves.

Most importantly, look at what you have written once a week and ask yourself: *is this still relevant? Is there anything else I can say to update potential customers on my situation or the situation in the Falklands?* When the future is clearer this will put you in a good position to start converting leads into bookings.

WHAT OUR MARKETS ARE DOING...

As mentioned above, we analyse considerable amounts of data on the source markets, which we don't feel will be particularly useful to reproduce here. These are updated each week to track trends. Obviously there are differences between UK, European and US market sentiments and attitudes towards travel. However, the key pointers at present are:

- The majority of international travellers don't expect to start travelling long haul until January 2021.
- There is growing confidence (albeit slowly) that travel will return to normal in the next 12 months.
- Outdoor destinations with low populations/low numbers of other tourists are most sought after.
- Small accommodation establishments and self-catering are most popular as places to stay in.

On virtually all counts, **the Falkland Islands product matches the type of destination that is popular with bookers at present.** Whilst it is of course a highly specialised type of tourism (long-haul, nature based, and high-end in terms of cost), there is **every confidence that this segment will emerge from the COVID-19 pandemic in good financial shape and will want to travel again**, perhaps even more-so than before.

FURTHER INFORMATION

Economic Support Packages

FIG and FIDC are now ready to take applications for the Job Retention Scheme, Self-Employed Income Supplement Scheme, and the Business Grant Scheme. FIDC is administering the latter. More details can be found at:

<https://www.fig.gov.fk/covid-19/information/support-package-applications>
<http://www.fidc.co.fk/library/covid-19>.

A new unemployment subsidy scheme has also been announced, targeted at workers who have lost their jobs as a result of the crisis. The websites provide clear advice regarding the eligibility of each.

FIG Guidance and Information

For guidance and information for individual businesses operating in a COVID-19 environment, including restaurants, public houses and retail, see:

<https://fig.gov.fk/covid-19/guidance>
<https://fig.gov.fk/covid-19/information/general-information>