

**Manchester City Council  
Report for Information**

**Report to:** Economy Scrutiny Committee – 10 October 2019

**Subject:** Visitor Economy Activity

**Report of:** Group Chief Executive, The Growth Company

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**Summary**

This report provides an overview of Marketing Manchester's role in developing the City's visitor economy; analysis of performance of the City's tourism sector; and the highlights of Marketing Manchester's recent activity, concluding with future opportunities and challenges.

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**Recommendations**

That the report be noted.

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**Wards Affected:** All Wards

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## 1. INTRODUCTION

**With 4.8million staying visits and 59million day visits, tourism is worth £4.5billion to Manchester's economy, securing 50,440 jobs across the city.<sup>1</sup>**

This report has been prepared by Marketing Manchester, part of The Growth Company, to present Members with a current overview of its role in developing the City's visitor economy. The report analyses the current performance of the City's tourism sector (with city level data, where available) and presents highlights of Marketing Manchester's recent activity and future priorities. Opportunities and challenges going forward are also highlighted.

This report includes:

- The strategic context for Marketing Manchester's activities
- An overview of tourism sector performance in Manchester with UK comparisons
- A review of Marketing Manchester's activity delivered in 2018/19
- Future opportunities and challenges

Appendix 1 outlines the value and volume breakdown across all Local Authorities in Greater Manchester showing that 54% of the total value of tourism in GM and 53% of the jobs supported is generated in Manchester City but only 10% of those live in Manchester City Centre.

## 2. STRATEGIC CONTEXT

### Marketing Manchester Strategic Priorities

Marketing Manchester's annual operational objectives are included in The Growth Company's Business Plan and support the delivery of Greater Manchester's policies and ambitions including the GM Strategy, the GM Internationalisation Strategy and the GM Local Industrial Strategy.

Marketing Manchester's strategic priorities focussed on the Visitor Economy are set within the context of the Greater Manchester Strategy for the Visitor Economy 2013 – 2020 and its accompanying Destination Marketing Plan and the recently published Greater Manchester Business Tourism Strategy 2019 – 2025.

Marketing Manchester's strategic aims are to:

1. Promote GM on a national and international stage to visitors, investors, conference organisers and students
2. Influence and facilitate GM place making and shaping
3. Strive to be an exemplar Destination Marketing Organisation (DMO)

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<sup>1</sup> STEAM data for 2017. STEAM is a bespoke model built to gain the value of visits to a designated area. This economic impact figure includes direct and indirect expenditure. Direct expenditure is the expenditure by visitors during their visit on food, drink, entertainment, shopping, transport, and accommodation (as applicable). Indirect expenditure is the expenditure arising locally from businesses supplying goods and services to hosting businesses, for example wholesalers and laundry services. The STEAM methodology takes into account that not all goods and services will be purchased using local suppliers and presents only the proportion of expenditure going to local businesses. Please also note that STEAM does not include any economic impact from induced expenditure. The economic impact for GM in 2015 was calculated to be £8.4bn.

In the last 12 months, there have been several changes to the strategic context, which include, at a national level, a Tourism Sector Deal and locally, a new Greater Manchester Business Tourism Strategy 2019 – 2025.

## **Development of New Tourism Strategy Beyond 2020**

The current strategic context for tourism across Greater Manchester is 'The Greater Manchester Strategy for the Visitor Economy 2013 - 2020': it presents growth targets and identifies what needs to be done to achieve these by 2020. The activity includes not only the plans of the Tourist Board, Marketing Manchester, but also those of other stakeholders and partners including the ten local authorities of Greater Manchester, Manchester Airport, other agencies and the tourism businesses themselves.

Work is scheduled to commence later this year on the preparation of a new Tourism Strategy for Greater Manchester. Marketing Manchester will lead this in consultation with all the appropriate stakeholders through the Manchester Visitor Economy Forum who will be responsible for monitoring delivery of the identified action areas and progress against the targets set. The new Tourism Strategy will cover a 10-year period from 2020 - 2030 supported by two Destination Management Plans that will run from 2020-2025 and from 2025-2030. It is scheduled to be published in Summer 2020.

## **National Tourism Sector Deal**

In January 2017, the Government launched proposals for a Modern Industrial Strategy to unlock the future potential of the UK economy. At the heart of the strategy green paper was an offer to industry to strike new sector deals, driven by the interests of business and the people they employ, to address sector-specific challenges and opportunities.

Following widespread consultation, including an industry Round Table in Manchester, the Government announced a Tourism Sector Deal in June 2019 which aims to create the framework to support the sector to grow and innovate and to become more productive, resilient and sustainable.

The Tourism Sector Deal has five main themes:

- 1. People: To generate good jobs and greater earning power for all**  
To attract talent and skills, the tourism industry is asking for a ten-year plan to recruit more people into the industry. In return, the industry will provide good career opportunities and future growth within them for both new and skilled employees and old ones returning to the sector.
- 2. Places: To develop prosperous communities and places that people want to visit**  
The proposal asks for Tourism Zones to be set up. These zones will target underperforming areas with special measures to aid the growth of tourism and kickstart tourism in a similar model to Enterprise Zones.

- 3. Business Environment: To be the best place to start and grow a business**  
To increase productivity, there is an opportunity to extend the season for businesses. The tourism industry is seeking government support to develop business events throughout the year to build growth in the shoulder seasons.
- 4. Infrastructure: To ensure the tourism sector can support the government's ambition to deliver a major upgrade to the UK's infrastructure**  
There is a recognised need for better transport connectivity across the UK, especially focussed on 'the final mile' and ticketing. There is also a need to facilitate easier visitor access to the UK from growing long-haul markets via changes to the current visa system and the introduction of electronic travel authorisations (ETAs). The UK will be the most accessible destination in Europe.
- 5. Ideas: To be the world's most innovative economy**  
Increasing the capacity of the sector to innovate by accelerating the development of digital technology and reducing barriers in the sector. Early initiatives will include the roll out of Tourism Exchange Great Britain (TXGB) and the creation of a new Tourism Data Hub to make the most of big data.

Based on the national targets set out in the proposed Tourism Sector Deal, Greater Manchester would grow its tourism economy from the current £8.6billion to £10.6billion and increase employment from 97,000 jobs to 107,000 jobs by 2025. Further details regarding the process for implementation are expected in the Autumn. Marketing Manchester will continue to work with Government and VisitBritain to develop the implementation scheme and prepare a proposal for Greater Manchester.

### **Greater Manchester Business Tourism Strategy 2019 - 2025**

In consultation with more than 75 business tourism partners, the new Greater Manchester Business Tourism Strategy 2019 – 2025 was developed and launched by Sir Richard Leese on 13th June 2019 at Manchester Central.

The vision is that by 2025 Greater Manchester will be a global destination of choice for conferences which are aligned to Greater Manchester's priority sectors, offering world class support to conference organisers and a memorable experience for delegates.

The ambition is to grow business tourism earnings in Greater Manchester from £862m in 2017 by 40% or more by 2025, generating an additional £345m to the regional economy and supporting a further 14,000 jobs. By 2025 we will have achieved the following:

- Attracting more conferences to the region
- Collaboration
- Delivering a Best Practice Delegate Welcome
- Infrastructure Improvements#

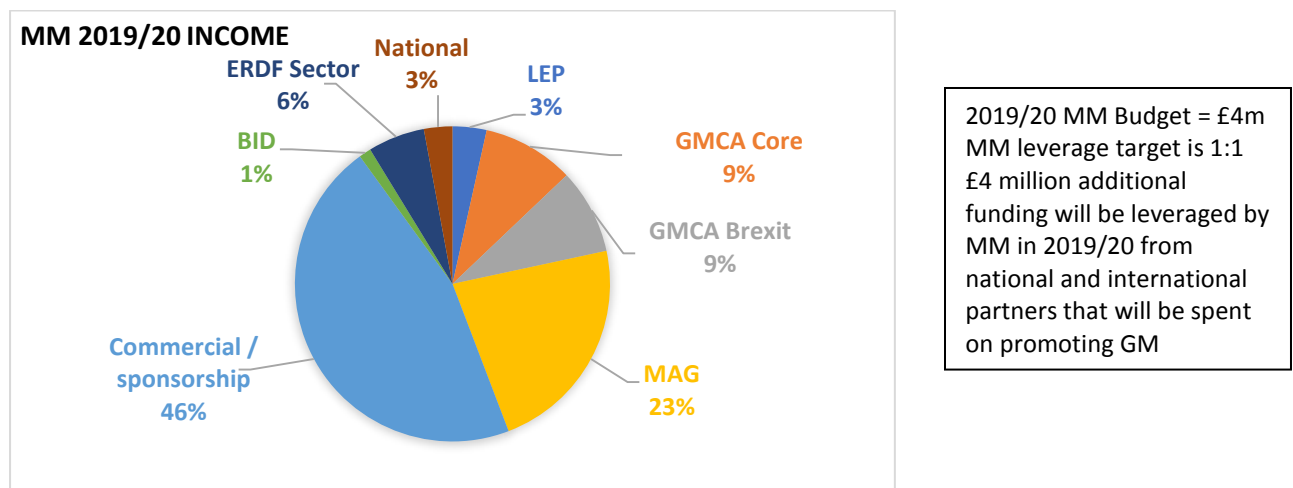
A costed Year 1 Action Plan has been prepared by Marketing Manchester and Manchester Central and discussions are underway regarding resources for its delivery.

## Tourism Skills Strategy

In partnership with the Manchester Hoteliers Association and Manchester City Council, Marketing Manchester has published a Hospitality Skills and Talent Alliance Action Plan which sets out a programme of activity to address the skills, talent and recruitment issues which the sector needs to address. The Growth Company has recently recruited a Project Manager to work with the Tourism and Hospitality Sector to implement the Action Plan. This will give unemployed people the skills required to enter the sector and aims to promote hospitality as a career choice.

## Funding

Marketing Manchester is funded through a combination of commercial revenue - including investment from Manchester Airport Group for inbound international campaigns - and local and national public funds. In the current financial year, total income is £4m and around two thirds is generated from private sector members, partners and commission. Manchester City Council provides £111,000 of the £377,000 GMCA core funding towards Marketing Manchester's core operations. The breakdown of income streams for 2019/20 is shown below:



Public funding income into Marketing Manchester in 2019/20 was £800k less compared to 2018/19: this was due in part to the ending of the VisitBritain funded Discover England Gateway Programme (described below) and the transfer to Manchester City Council of the operation and budget of the Visitor Information Centre.

Public funding is essential for Marketing Manchester to leverage private sector match. In 2018/19 Marketing Manchester leveraged £4.3 million that was invested to promote Greater Manchester. The Peer City Comparison conducted last year (including Barcelona, Melbourne, Munich, Vancouver) showed that promotional funding of peer cities is significantly greater than that currently available to Manchester. Other peer cities have a higher proportion and longer-term sustainable public funding including hypothecated taxes. Comprehensive financial support and initiatives are undertaken in other city promotional agencies with revenue driven from an array of sources including tourist/business taxes, commercial membership schemes, visitor services e.g. visitor pass and ticketing, dividends from city assets (hotels, parking, convention centres, airports), commercial ticketing, tourist bed tax and business taxes, government (central, regional and local). For several peer cities significant funding is generated from visitor levy/bed tax/local tax models.

Manchester needs to develop a funding model for tourism marketing at a scale which allows it to compete with global peers. An accommodation visitor levy is being explored along with other commercial income streams including a visitor pass which will be launched in 2019.

### **Economic Impact Assessment of Marketing Manchester’s Activity**

Hatch Regeneris recently conducted an economic impact analysis of Marketing Manchester’s activity.

For tourism marketing impacts, Marketing Manchester delivers activities which attract visitors and encourage spend through campaigns, bids to support events, and other promotional activities. Marketing Manchester communicates Manchester’s key themes and sectors, raising awareness with consumers and businesses and drawing in visitors and events to the city region which: generate additional spend in GM’s visitor economy, support jobs, open doors to new markets, encourage a stronger climate for investment in the city region and help to boost Greater Manchester’s international reputation. Marketing Manchester also develops new product and distribution platforms in-market that create jobs and trade.

The impacts (jobs and GVA) were sourced from different data sets outlined below: Hatch Regeneris annualised all of the impact figures to ensure they refer to single year impacts.

- International campaigns in Europe, China, India, GCC and the US.
- Domestic campaigns, including the Regional and Northern Tourism Growth Funds, MM digital activity, Discover England Fund product development campaign, and other domestic promotional campaigns.
- Conferences and sporting events won with the support from MM.
- Companies supported with trade advice.

The net impacts outlined in the table below have taken into account displacement/deadweight factors, as well as attribution factors i.e. the influence and importance of MM’s role to impact.

### **Marketing Manchester - Net Economic Impact Summary**

GVA	£80m
Jobs (FTEs)	1,500
Visitor Spend	£390m
Private Sector co-investment/Leverage	£6m

Other impacts derived from marketing activity such as *Opportunities to See* (OTS were 1.12billion in 18/19) and *Reach* (55m Consumer Engagements in 18/19) have not been included in this analysis, but have a significant impact on the brand reputation of GM. These outputs are included in the activity section of this report. The full economic impact from product development, work with suppliers to export and trade in-market has also not been included as full evaluation of this work is due to be reported in Q2.

## Partners

Marketing Manchester works closely in partnership with Greater Manchester Combined Authority (GMCA), VisitBritain, the Department of International Trade (DIT), UK Destination Management Organisations (DMOs), and many key stakeholders, in addition to over 500 private sector partners.

## Priority Sectors & Themes

Marketing Manchester promotes Greater Manchester's priority key sectors and themes outlined in GM Brand Framework. Sectors include creative, digital & technology; health innovation and life sciences; advanced materials and manufacturing; financial and professional services; low carbon and tourism plus underpinning themes of culture, sport, culture, heritage, arts and music and LGBTQ.

### 3. CURRENT TOURISM PERFORMANCE IN MANCHESTER

According to STEAM (the recognised measure of the value of tourism across the UK), Manchester local authority's tourism sector is worth £4.5billion, supporting 50,440 jobs from 4.8million staying visits and 59million day visits (totalling 63.8million visits). Greater Manchester's tourism sector is worth £8.4billion and supports 95,800 jobs. Staying visits to Manchester grew by 4% from 2016 to 2017, representing an additional 189,990 overnights. In the same period, day visits, which represent 93% of all visits, grew by 1%, representing an additional 328,150 visits into the city.

Below is a summary of the visitor value for a range of visitor types<sup>2</sup>.

Visitor type to Greater Manchester	Spend per day	Average length of stay in Greater Manchester	Spend per trip	Source*
Leisure day visitor	£46	1 day	£46	1
Conference Day delegate**	£62	-	£93	2
Leisure visitor staying with friends and family	£50	4.25 nights	£213	1
International leisure visitor from the European Union	£91	3.30 nights	£301	3
International association conference delegate	-	-	£333	2
Leisure visitor staying in paid-for accommodation	£130	2.70 nights	£351	1
International leisure from USA	£123	3.26 nights	£401	3
Average international leisure visitor	£115	3.75 nights	£433	3
International leisure from China	£197	4.03 nights	£795	3
International from Gulf Co-operation Countries	£170	5.86 nights	£999	3

<sup>2</sup> \*Sources:

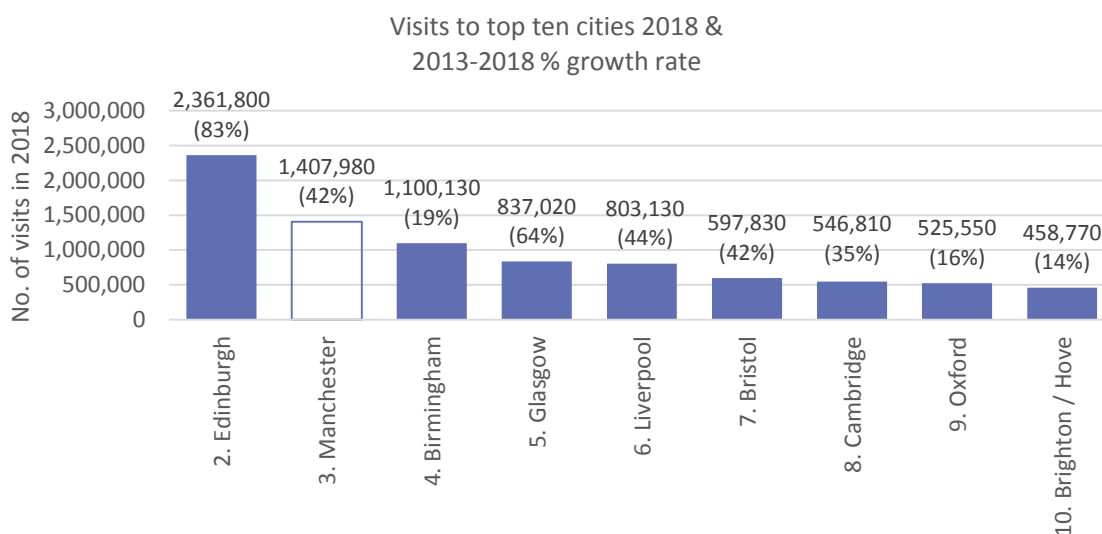
1. Greater Manchester Leisure Visits Survey 2018; Marketing Manchester.
2. Conference Value & Volume 2018; reporting on the 2017 market; Marketing Manchester.
3. International Passenger Survey 2018; Office of National Statistics & supported by VisitBritain; using 'holiday' and 'misc' categories.

\*\*Day delegate: Could be attending a conference for more than one day but not staying over

## International Visitors

The International Passenger Survey showed that the number of international visits to **Manchester** grew by 7% from 2017 to 2018 (from 1,318,760 to 1,407,980). This compares to a 5% increase across Greater Manchester and a 3% decrease across the UK overall. Therefore, Manchester is performing considerably above the UK average in terms of international visits.

This strong performance in 2017-2018 is reflected in longer term trends: Manchester's visits grew by 42% between 2013 and 2018, performing well in comparison with the 16% average growth rate across the UK and Manchester remains the third most visited city in the UK. However, this growth rate was exceeded by Edinburgh (83%), Glasgow (64%) and Liverpool (44%), illustrated in the table below:



Note: First place London hosted 19.1m visits in 2018 and experienced a 14% growth rate 2013-2018.

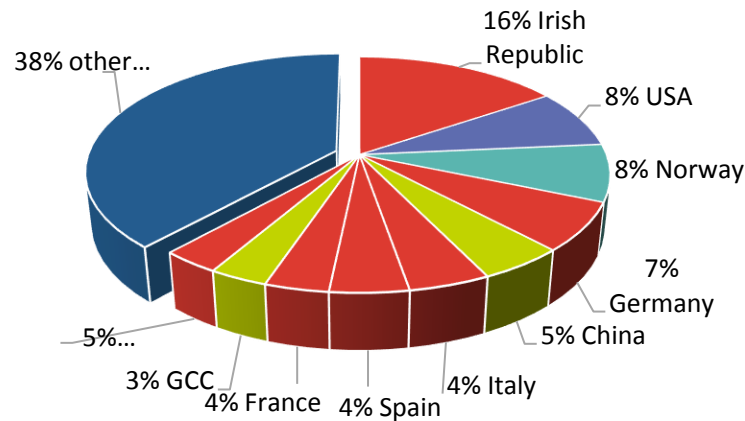
The top five markets to Greater Manchester in terms of international leisure visits excluding visiting friends and relatives (VFR) are:

1. Irish Republic
2. USA
3. Norway
4. Germany
5. China

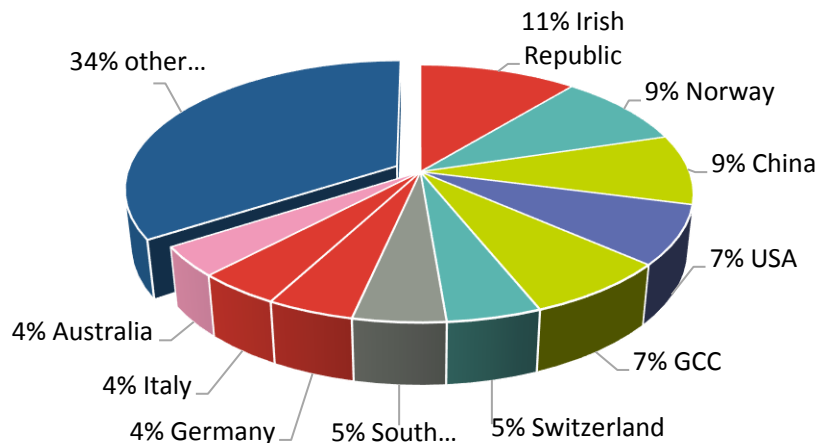
The tables below demonstrate how the average length of stay and average visitor spend vary considerably between markets: for example, whilst Gulf Co-operation Countries (GCC) generate a volume that places it as the ninth most important to Greater Manchester, in terms of the associated value of these visits, it has a value ranking of fifth.



**Leisure markets - volume**



**Leisure markets - £ value**



## Day Visits

The number of day visits to Manchester local authority in 2017 saw limited growth on 2016 levels, at 1% (59.0million for 2017, compared to 58.7million in 2016). Recent reports on 2019 performance indicate that several city centre visitor attractions have experienced a fall in visitor number in the period January to June 2019, when compared to the strong growth of the previous year. Current capital works at several attractions (e.g. Manchester Museum, Science & Industry Museum) may be a factor in this, along with a lack of 'blockbuster' exhibitions and family events.

## Business Visits and Events

The value of business events and conferences to Greater Manchester in 2017 was £862m, supporting 35,100 jobs (GM Conference Value & Volume Report 2018 – reporting on 2017 activity).

Business events and conferences also have a wider economic impact through the generation of trip extensions for leisure purposes and in motivating return trips for leisure purposes. In 2017, leisure extensions were estimated to be worth an additional £42m to Greater Manchester, taking the value from £862m of the core conference and business event activity to £904m. A further £430m is also attributable to delegates who attended business events and conferences during 2017 and who would be likely to book a return leisure trip.

Greater Manchester hosted 4.42million conference and business events delegates in 2017, compared to 4.51m delegates, two years earlier in 2015, with a 2% decrease in the number of events held over the same two-year period. The decrease of 2% in the number of delegates hosted 2015-2017 compares with a decrease at the wider UK level, of 1%, (UK Conference and Meeting Survey 2015-2017) whilst the 2% fall in the number of events hosted in Greater Manchester 2015-2017 compares to a 4% decrease for the wider UK (UK Conference and Meeting Survey 2015-2017). Both the national and local studies highlight the growing competitiveness of the business visits and events (BVE) marketplace, with new conference centres due to open in Aberdeen, Gateshead, Blackpool and Cardiff within the next few years. These new venues will be aggressive in bids and pricing and present a risk to Manchester's current share of the conference market.

### **Accommodation Occupancy Performance**

Manchester city centre's year-to-date hotel occupancy rate from January to June 2019 was 79%, higher than in 2018 (78%) and matching the previous highest rate for the period in 2017 (also 79%).

By comparison, the hotel occupancy rate for the whole of Greater Manchester over the same period was 77%, which is ahead of the same point in 2018 (76%) but behind the 78% of 2017.

Current occupancy levels reflect a strong demand, relative to supply, when compared to other UK destinations, with Manchester's annual occupancy rate appearing in the top 5 UK markets of the 38 destinations monitored by BDO LLP (Hotel Britain 2019; BDO LLP). However, strong competition in the UK is highlighted by higher annual occupancy rates were reported in Liverpool (84.3%), London (83.6%), Edinburgh (83.1%), and Glasgow (82.8%) for 2018.

## **4. DELIVERY AGAINST THE DESTINATION MANAGEMENT PLAN**

The DMP (Destination Management Plan) is the action plan for the visitor economy for Greater Manchester that aligns to the 'The Greater Manchester Strategy for the Visitor Economy 2014 - 2020'. The plan was approved by the Marketing Manchester Board in 2013 and covers a three-year period: it captures what has been achieved in the last three-year period, presents current performance and identifies what needs to be done to achieve our growth targets by 2020. The activity includes not only the plans of Marketing Manchester, but also those of other stakeholders and partners including the ten local authorities of Greater Manchester, Manchester Airport, other agencies and the tourism businesses themselves.

The DMP is a partnership document which is co-ordinated and written by Marketing Manchester and developed through consultation with all the appropriate stakeholders through the Manchester Visitor Economy Forum. The Forum comprises senior representatives from various visitor economy stakeholders' organisations, along with Officer representation from Manchester City Council. The Forum is responsible for developing and agreeing the DMP and monitoring delivery of the actions by all relevant stakeholders.

The DMP has 4 Strategic Aims:

- i. To position Manchester as a successful international destination
- ii. To further develop Manchester as a leading events destination
- iii. To improve the quality and appeal of the product offer
- iv. To maximise the capacity for growth

Recent progress against each of these Strategic Aims is outlined below.

### **i. To position Manchester as a successful international destination**

#### *Highlights*

- International marketing activity focused on China, US, India and GCC supporting new routes and key international growth markets resulting in £35.3 million visitor spend
- Delivery of UK domestic campaigns resulting in £27million visitor spend including MIF campaigns and seasonal local domestic marketing campaigns with partners including the Manchester BID to improve footfall and overnight stays
- An annual media visit was delivered that delivered 2.9 million online visits and 1.1 billion Opportunities to See (OTS), 3 times the annual target
- A trade programme engaged with 21,607 travel trade organisations
- The Key Performance Indicators and Campaign Metrics delivered in 2018/19 are set out in Appendix 2.

#### *International Marketing*

In consultation with Manchester Airport and VisitBritain, Marketing Manchester has identified priority markets to focus our proactive marketing activities: USA, China, the Middle East (GCC), Europe and India. These form the most lucrative markets for visitor spend and potential growth, with direct air connectivity into Manchester. Over the past 12 months. Marketing Manchester has delivered significant marketing campaigns in these priority international markets, working in partnership with Manchester Airport, airline carriers and travel trade partners. The table below sets out the marketing approach with key messages and partners across all of Manchester's priority markets.

UK	China	US	India	Europe	GCC
GMCA, MIF, TFGM, BID	CTRIP, MCFC	Virgin Atlantic	Cox & King	Ryanair & Easyjet	Wego
April – March	Year Round	May – October	Year Round	May-October	March
Unmissable Weekends Unmissable Sport	Heritage & Shopping	Adventure, F&D, Culture	Sport, Heritage	Culture, Sport	Shopping, F&D

Summary results for China, India, GCC and US campaigns are outlined below, and more detailed dashboards of results are given at Appendices 3, 4, 5 and 6 respectively.

<b>China</b> (full results in Appendix 3)			
<b>MM Budget</b>	<b>Partner Budget/In kind</b>	<b>Visitor Spend</b>	<b>Total Reach</b>
£125k	£480k	£6.6 million	185 million
<b>Leverage</b> £1: £3.84		<b>ROI</b> 1: 53	MM Budget: Visitor Spend

<b>India</b> (full results in Appendix 4)			
<b>MM Budget</b>	<b>Partner Budget/In kind</b>	<b>Visitor Spend</b>	<b>Total Reach</b>
£137k	£225k	£4.8 million	127 million
<b>Leverage</b> £1: £1.64		<b>ROI</b> 1: 35	MM Budget: Visitor Spend

<b>GCC</b> (full results in Appendix 5)			
<b>MM Budget</b>	<b>Partner Budget/In kind</b>	<b>Visitor Spend</b>	<b>Total Reach</b>
£20k	£80k	Tbc – partner booking data	2.7 million
<b>Leverage</b> £1: £4		<b>ROI</b> tbc	

<b>US</b> (full results in Appendix 6)			
<b>MM Budget</b>	<b>Partner Budget/In kind</b>	<b>Visitor Spend</b>	<b>Total Reach</b>
£75k	£329k	£1.6 million	184 million
<b>Leverage</b> £1: £3.11		<b>ROI</b> 1: 21	MM Budget: Visitor Spend

In 2019/20 Marketing Manchester agreed a three-year Service Level Agreement with Manchester Airport and VisitBritain which commits combined resources to deliver marketing activities which aims to increase the number of high spending international visitors from these markets. This is the first sustained three-year partnership contract to be signed between Visit Britain and a single destination and will enable a longer-term approach for Marketing Manchester’s campaigns. All of this campaign activity is delivered in partnership with airline carriers who also commit budget resource.

#### *EU and Domestic Short Breaks Campaign*

The ‘*Come Together*’ campaign was a direct invitation to experience the spirit of diversity that makes Manchester, delivered in the months following the Manchester Arena attack and reinforcing Manchester’s credentials as an open, welcoming, friendly destination. The campaign ran in 2017 and 2018 and had a domestic UK and a European iteration, targeting 30 cities in total with new photography, film and branding.

Marketing Manchester was awarded a silver at The International Travel and Tourism Awards in November 2018, in the category of “Best City Campaign” for the *Come Together Campaign* and was the only UK destination to be awarded in any category. Key partners in the campaign included VisitEngland, Manchester Airports Group, Ocean Outdoor, Ryanair, Transport for Greater Manchester, and Virgin Trains; however, the main funding stream for the European element came from the Greater Manchester Combined Authority.

Summary results for Domestic and EU campaigns are outlined below and more detailed dashboards of results are given at Appendices 7 and 8 respectively.

<b>Domestic</b> (full results in Appendix 7)			
<b>MM Budget</b>	<b>Partner Budget/In kind</b>	<b>Visitor Spend</b>	<b>Total Reach</b>
£127.5k	£79.9k/ £344k	£3.78 million	45 million
<b>Leverage</b> £1: £3.32		<b>ROI</b> 1: 13.5	MM Budget: Visitor Spend

<b>EU</b> (full results in Appendix 8)			
<b>MM Budget</b>	<b>Partner Budget/In Kind</b>	<b>Visitor Spend</b>	<b>Total Reach</b>
£293k	£319k	£27.7 million	46.5 million
<b>Leverage</b> £1: £1.14		<b>ROI</b> 1: 13.5	MM Budget: Visitor Spend

### *Travel Trade Activity*

Travel trade engagement is an essential element of Marketing Manchester’s activity aiming to enable B2B engagements with third party businesses to promote Manchester’s products via travel traditional and online travel agents. In 2018/19 a total of 21,607 engagements with travel trade organisation were made by Marketing Manchester.

To date in 2019/20, Manchester has been represented on the VisitBritain stand at ITB Berlin, one of Europe’s leading travel and tourism shows with an attendance of 160,000. Other stand partners included a range of destinations, attractions, tours, DMCs and operators. Across the three travel trade days, the key messages included Manchester, gateway to the North and new bookable product and experiences developed as part of the Discover England Fund project. The Manchester Travel Trade & Groups Guide, Destination Guide and the city map were also distributed. 37 new travel trade contacts were made, and meetings were held with key operators and in addition Manchester attended the networking reception at the British Embassy and engaged with a further 30 travel trade and contacts.

### *Manchester in the Media*

In 2018/19 Marketing Manchester worked with over 300 national and international journalists, broadcasters, bloggers and influencers to generate coverage of Greater Manchester as a destination to visit, meet, invest and study.

The team hosted 215 journalists on media visits to Greater Manchester, showcasing the best of the region’s culture, sport, music and heritage. In addition, meetings were held with a further 76 media at various events throughout the year. Over 237 separate pieces of media coverage about Manchester as a tourism destination were generated, creating in excess of 1 billion opportunities to see.

Our focus continued to attract international journalists from the key markets of; the USA, China, Gulf States (GCC), India and Europe, alongside supporting new routes into Manchester Airport.

Marketing Manchester attended VEMEX in New York and Chicago, which was an opportunity to engage with 45 US travel journalists to pitch Manchester as an international destination, resulting in various pieces of coverage follow-on media

visits. Working in partnership with Manchester International Festival, we hosted a press lunch in New York to launch the MIF 2019 programme to the US culture and travel media.

Additionally, we supported Virgin Atlantic to highlight routes from the US to Manchester by bringing a group of influencers to the city, alongside hosting a film crew from India who have produced three episodes on Manchester for international travel channel Travel XP TV, the largest TV travel channel in the world, reaching a global audience of over 70million people.

Coverage highlights for the year include; National Geographic Food, The New Indian Express, Condé Nast Traveller, The West Australian Newspaper, and many more.

### *Digital Development*

In 2018/2019, Marketing Manchester focussed on the creation, optimisation, and distribution of high-quality content, to further promote Greater Manchester as a place to visit, invest, meet and study, and as a Gateway to the North of England.

A strategic focus on Search Engine Optimisation saw the website increase organic search traffic by 56%, driving a significant number of new visits to the website.

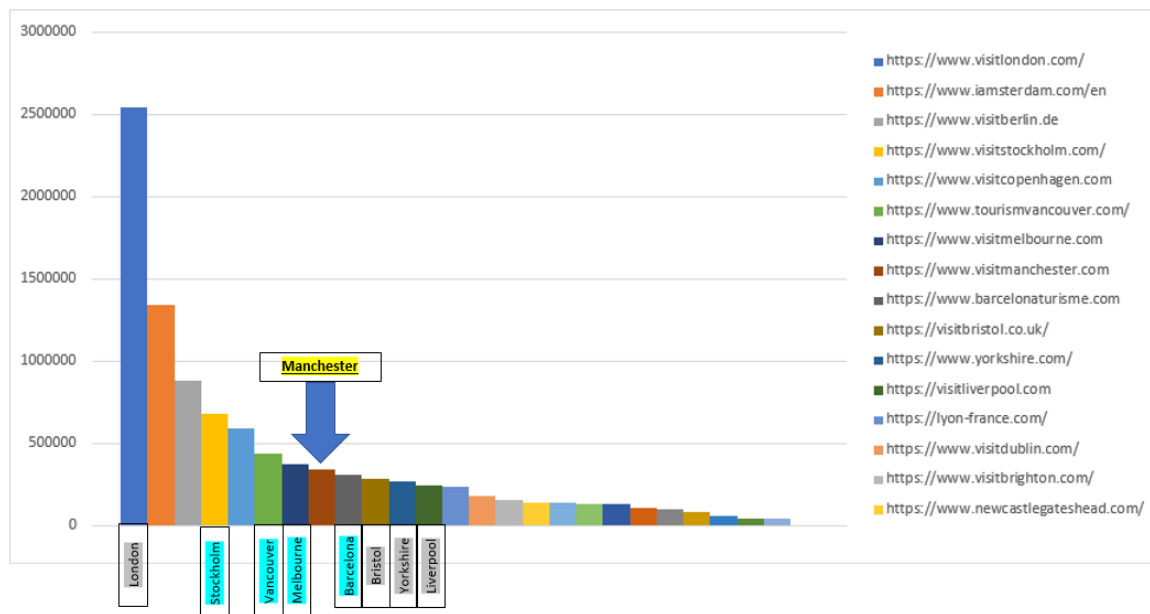
Alongside this, we have increased the number of bookable and affiliate products that are available across Visit Manchester.

Campaign work has gone from strength to strength, with successful delivery with partners such as CityCo, Bee in the City and Manchester International Festival. We have also created our own high-profile events, such as The Manchester Garden at RHS and Citizens of MCR, with stand-alone websites and multi-channel digital campaigns.

### **Key Digital Statistics:**

- 2nd most-visited UK city destination website (see table below)
- 3.4 million website visits
- 25.3 million social media reach
- web viewers from 227 countries
- 97,000 Facebook likes
- 270,000 Twitter followers
- 55,000 Instagram followers
- 56% increase in organic search traffic
- 3000 new products published on [www.visitmanchester.com](http://www.visitmanchester.com)
- Arrival Guides in both English and Mandarin were created out to distribute our content to other travel and transport websites and platforms. The first month's reach was over 28,000
- An Arabic version of [visitmanchester](http://visitmanchester.com) was developed to target our GCC audiences
- The Chinese Campaign was supported by further development of the Chinese website plus ongoing activity on Weibo, WeChat and Mafengwo
- International traffic to [visitmanchester](http://visitmanchester.com) increased by 25% compared to the previous year
- International traffic to [meetinmanchester](http://meetinmanchester.com) increased by 110% compared to the previous year.

## Visit:



The new [visitmanchester.com](https://www.visitmanchester.com) website went live in December 2016. Reports show that there has been a significant uplift in interaction and activity with the new site. Since April 2017 the site has received over 2million page views and in 2018/19 international users were up by 75% compared to the previous year.

[Visitmanchester.com](https://www.visitmanchester.com) website receives the second highest traffic to all UK cities and performs well amongst our other peer cities outside the UK.

### *M Drive*

Marketing Manchester created a toolkit of content that can be used as the go-to-source for the city-region's ambassadors and stakeholders when promoting Greater Manchester internationally. The toolkit enables our stakeholders to shape, script and boost their own presentations and marketing material to sell the Manchester message. This toolkit is hosted on the M Drive ([www.themdrive.com](http://www.themdrive.com)), a new digital asset system that includes images, videos, factsheets and presentations.

### *Content Curation*

Marketing Manchester's Content Curator activity generated over 399million 'Opportunities to See' (OTS) in third party media during 2018/19, including:

- Marking the centenary of votes for women in the city of suffragettes, the #RadicalManchester campaign resulted in significant media interest, including a BBC documentary and coverage in regional and national titles. Marketing Manchester's [www.radicalmanchester.com](http://www.radicalmanchester.com) website has attracted circa 18,000 page views to date, with significant engagement across social media
- Support for Manchester's graphene story and the launch of the Graphene Engineering Innovation Centre resulted in high profile international coverage from outlets including the Financial Times, which produced an exclusive video which has already been viewed more than 215,000 times, Eureka magazine, and BBC World Service Radio and BBC World Service News

The #CitizensofMCR campaign was launched with a new website and circa 30 films showcasing individuals who are part of the personality of the city-region. Launched at the MIPIM property convention in Cannes in spring 2019, *Citizens of Manchester* is a major umbrella campaign from Marketing Manchester, telling the story of the city region through its people and has a dedicated website ([www.citizensofmcr.co.uk](http://www.citizensofmcr.co.uk)) and social channels. Inspired by the renowned Humans of New York video blog series, #CitizensofMCR centres around engaging video portraits and stunning stills photography of the extraordinary people who live, work and study in Manchester. Some of the citizens featured represent the major sector narratives at the heart of Manchester's global story, others are simply familiar faces with a story to tell. The campaign's strength lies in its ability to capture human emotion and endeavour in an authentic way – providing insights which are much more powerful than traditional advertising messaging. And all set against Manchester's beautiful aesthetic.

#### **Key Content Curation Statistics**

- 7,952 page views for [www.CitizensofMcr.co.uk](http://www.CitizensofMcr.co.uk)
- Interviews with over 40 residents so far
- 3,525 unique website visitors
- CitizensofMCR trailer has been viewed 2,343 times on Twitter and 1,464 times on YouTube

## **ii. To further develop Manchester as a leading events destination**

### *Highlights*

- Marketing Manchester's conference destination bids have evolved continuously, ensuring the proposals developed are specific to the needs of the conference, highlighting benefits and focusing on the reasons why Manchester is the right location.
- In 2018/19 Marketing Manchester's Convention Bureau won 22 conferences from 74 pitches that will deliver £132.3 million of economic impact and over 48k delegates.
- A highlight in terms of national conference win was The British Small Animal Veterinary Association, organiser of the largest and longest running small animal congress in Europe which chose to move to Manchester from Birmingham from 2021 as part of a three-year deal. This conference will bring up to 10,000 delegates to the city for five days each year and is estimated to be worth around £110million to the local economy over the three-year period.

### *Bidding for International Business Events*

It has been a strong start to 2019/20 for the Manchester Convention Bureau. Since April the team have submitted 41 bids for Manchester to host major business conferences. Manchester is now consistently bidding against Tier 1 cities such as Frankfurt, Prague and Barcelona.

Marketing Manchester continues to promote the City's conference offer on the global stage, attending a number of the major trade exhibitions over the past 12 months to promote the city, often in partnership with Manchester Central and other venues. These included a Manchester presence at IMEX Frankfurt – the global meetings exhibition; The Meetings Show in London and on-territory sales activity in Boston and New York.



Focusing on association meetings that align with Greater Manchester's key sector strengths in life sciences, advanced materials and creative, digital and tech, Marketing Manchester's Convention Bureau successfully won 22 conference bids in 2018/19 that will bring 48,130 delegates to the region over the coming years, generating an estimated £132million boost to the local economy.

18 of the 22 successful recent bids were for international conferences, including:

- **16<sup>th</sup> International Congress on Antiphospholipid Antibodies 2019**  
400 delegates with an expected Economic Impact of £844,700
- **Annual Meeting of the European Society for Clinical Virology 2020**  
500 delegates with an expected Economic Impact of £1.08million
- **International Congress for Psychosomatic Obstetrics & Gynaecology 2022**  
700 delegates with an expected Economic Impact of £1.6m

#### *Operating Manchester's Conference Subvention*

Marketing Manchester operates the subvention budget to secure large business conferences on behalf of Manchester City Council. In the period 1st April 2018 to 31st March 2019 Manchester City Council Subvention supported nine international conventions with a total economic impact of £15,036,002 million for the city, producing a return on investment of £68:1 against a target ROI of £40:1. The conferences supported with subvention align closely to the city's priorities sectors, notably around life sciences. International conferences in 2018/19 are:

- 3rd Matrix Biology Europe Meeting
- International Digital Dental Academy
- Guidelines International Network Conference 2018
- World Healthcare Congress
- 11th Congress of the European Association of Neuroscience Nurses (EANN)
- 58th Annual Conference of the Particle Therapy Co-operative Group 2019
- 24th Annual Conference of the European Association of Environmental and Resource Economists 2019 (EAERE)
- 35th SEGH International Conference on Sustainable Geochemistry
- IEEE Nuclear Science Symposium

The current subvention budget programme is scheduled to cease in March 2020.

#### *Major Sporting Events*

Marketing Manchester is working increasingly in collaboration with Manchester City Council's Events Team to support bids to attract major sporting events into the city. Most recently, the two organisations have worked together on:

- ATP Tennis 2021
- Rugby League World Cup 2021
- UEFA Women's Championships 2021
- ICC Cricket World Cup 2019
- Para Weightlifting Championships 2020

Discussions are currently underway between Manchester City Council's Events Team and Marketing Manchester on how this partnership and collaboration can be further developed and strengthened.

### *Promoting the City's Conference Offer on the Global Stage*

Marketing Manchester attended a number of the major trade exhibitions over the past 12 months to promote the city's conventions products. These included a Manchester presence at IMEX Frankfurt – the global meetings exhibition; The Meetings Show in London and on territory sales activity in the US.

### **iii. To improve the quality and appeal of the product offer**

#### *Discover England Fund 'Growing Manchester as an International Gateway to the North'*

Marketing Manchester was successful in a 2-year funding bid to the Discover England Fund for 2017/18 and 2018/19. The project aimed at growing Manchester as an international gateway to the North; establishing Manchester as a significant long-haul gateway for international visitors to England; double the volume of inbound trips to Manchester Airport by 2027 and ensure that Manchester operates effectively to disperse visitors across the whole of the North of England, increasing the region's share of inbound tourism to 15% from 10%.

Activity included product development, promotion and distribution as well as the development and implementation of an improved welcome at Manchester Airport. Summary highlights for the Discover England programme are outlined below and a more detailed dashboard of results is given at Appendix 9.

#### **Key Product Development statistics:**

- Launch of Sightseeing Manchester hop-on hop-off bus, the city's 90 minute bus tour
- Launch of Manchester experiences/excursions and new day excursions across the North of England with 4 local tour operators - Mountain Goat, GreatDays, Busybus and Rabbies
- Over 40 tourism businesses engaged in Manchester
- 25 Manchester products/experiences launched on booking.com experience platform
- On-territory events in the US, including activation around Manchester City FC games in the and the Manchester International Festival launch
- Over 1,500 new trade contacts made in the US

#### *Visitor Satisfaction*

The 2018 Leisure Visitors Survey gave Manchester a score of 4.5 out of 5 for visitor satisfaction, the same as in 2014 and consistent with 2010 (the previous studies). 33% of first-time visitors and 31% of international visitors to Manchester said their expectations were exceeded.

#### *Training for frontline staff*

The annual training programme for tourism businesses was further developed to include Mapping out Manchester, China Welcome Training and various marketing, social media and customer service courses delivered by World Class Service and Tourism Growth.

#### **iv. To maximise the capacity for growth**

##### *Highlights*

- Strategic relationships with MCC/GMCA/LEP continue to work well and Marketing Manchester has a strategic relationship with the GMCA Mayors office.
- Marketing Manchester continues to nurture strong strategic and operational relationships with VisitEngland/VisitBritain and is recognised as a key delivery partner

##### *Visitor Research*

Marketing Manchester commissions, collates and disseminates a programme of data and tourism intelligence to support the sector. These include:

- Monthly Hotel Performance Survey
- Conference Volume and Value Monitoring Report
- International Markets and Performance Report
- Local Volume and Value Data
- Leisure Day Visits Analysis

This data is shared widely amongst the industry and is regularly used to inform the tourism industry, local authority officers and prospective developers.

##### *Greater Manchester Tourism Conference 2019*

The fourth Greater Manchester Tourism Conference will be held on 17<sup>th</sup> October 2019 and again is expected to be one of the highlights of the year for the region's tourism sector. Speakers include representatives from VisitBritain, BBC, The Arts Council, Business of Cities and Barcelona Tourism. The event attracts around 150 delegates and is rated very highly by the tourism industry.

## **5. FUTURE CHALLENGES**

Over the next 5 years, the tourism sector across Manchester and the wider city region is set for a radical step change, powered by major investment in new attractions, accommodation and visitor facilities. This unprecedented growth in supply will bring with it the need to increase visitor numbers and grow demand at an exceptional rate. If Manchester is to achieve its growth ambitions to become a Top 20 Global City by 2035, then several challenges within the tourism sector need to be addressed:

### **Global Competition and Perceptions of Manchester**

There is a significant challenge of accelerating global competition with new cities appearing all competing for visitors, talent and investment, particularly in China, India and Eastern Europe, while existing city competitors continue to invest more. Meanwhile, the ongoing once-in-a-generation challenges around Brexit may potentially result in the biggest change in 40 years to the UK's trading position. It is therefore even more important to demonstrate and communicate that the UK's major city, Manchester at the heart of the Northern Powerhouse, remains open for business.

The most recent Anholt Brand Tracker shows that Manchester has increased its global city index positioning from 27<sup>th</sup> in 2015 to 24<sup>th</sup> in 2017. Whilst this continued improvement is good news, Manchester's two weakest metrics are 'pulse' (demonstrating that awareness of Manchester's culture and attractions is low and highlighting the need for additional activity to address this) and place (demonstrating lower appeal and cleanliness compared to peer cities). More robust Benchmarking research and analysis is currently being conducted to identify the indices that Manchester should aim for and promote, findings will be available by end October 2019.

## **Budget Challenges**

Over the past 5 years, despite the increase in direct routes which open up new markets, investment and growth in the city's product, resources to support activity to raise awareness of Manchester as a destination and to drive demand have largely remained the same. Marketing Manchester's annual budget (based on public and private sector contributions) for all audiences has remained static at around £4/5million per year for the previous 5 years. This budget covers both tourism (business, conference and leisure visitors) communications and marketing activity for all markets, travel trade and media relationships, delivery of MIPIM and other events, a proportion of investment sector marketing, salaries and overheads. In the last four years, two new significant markets have opened with direct routes – China and India – without additional marketing funding resources have had to be spread across these new and existing markets.

Early comparisons with peer competitor cities (e.g. Barcelona, Munich, Melbourne) show that the funding of the promotion of these cities is significantly greater, almost three times as much compared to Manchester, therefore Manchester needs to develop a funding model for tourism marketing at a scale which allows it to compete with its global peers.

In summary Marketing Manchester has limited core budgets and whilst the overall budget available including partner leverage looks reasonable, they are not competitive with peer city budgets, and are short-term project based and focused on short-term deliverables. This therefore makes it difficult to flex within the budgets and does not allow longer-term planning.

## **BREXIT**

The consequences of Brexit for visitors from Europe remain unknown but there may be an impact. European visitors account for 59% of all international visitors and European business spend accounts for 42% of all international business spend. In addition, large numbers of EU are employed in the city's hospitality sector and businesses are already reporting that many EU nationals are leaving, resulting in staff shortages.

Marketing Manchester currently has 36 conference bids which are pending decisions and of these, 13 are for European conferences which are reluctant to decide until there is greater clarity around BREXIT. There is a high risk that because of this, Manchester may lose this business. These conferences would land in Manchester between 2020 and 2026 and have an economic impact of £39million. These conferences are mainly in the fields of science, medical and materials - targeted to boost brand, academic status and business in these priority sectors.

A further 21 European conferences have been identified as potential opportunities, with an economic impact of £27.4million. Marketing Manchester does not have the resources to implement additional marketing and bidding activity to secure these conferences although it is unlikely that negotiations around any of these will be progressed until BREXIT becomes clearer.

### **Current Conference Subvention Funding Programme Ceases March 2020**

The subvention budget from Manchester City Council to secure large business conferences will cease in March 2020. Since 2008, this budget has provided resources to compete with global destinations to attract major conferences into the city.

The next few years will be a particularly challenging time for Manchester's business tourism sector. In addition to the BREXIT challenges outlined above, there will be significant new competition from other UK destinations – for example, both ICC Wales and TECA Aberdeen are launching major new convention centres this year and they will be aggressively pursuing forward business to build their foundation. Whilst there is no empirical evidence to underpin how much they will be subsidising events, we understand that the travel management company association ITM, for example, has been granted a free conference venue and this is indicative of the competitive pricing that Manchester might be up against.

In a post Brexit Britain, Manchester has a great opportunity, by virtue of the airport's excellent connectivity, to play to its second city status. In a market where international organisers are cool on the UK, a little financial help might make a difference. Equally, if it turns out that international organisers can't be convinced to choose the UK, it allows us to more aggressively target UK associations where we'll be competing alongside some of the other UK cities equally eager to attract more events.

Manchester needs to be using every opportunity to assert our intentions in the business tourism space. It's not enough to be 'in the mix': we need to be metaphorically blowing the competition out of the water. Attracting as many new events into the city in the first post Brexit years is a clear way to help us create our own identity outside of the event shadow of London.

In consultation with more than 75 business tourism partners, the new Greater Manchester Business Tourism Strategy 2019 – 2025 was developed and launched by Sir Richard Leese on 13th June at Manchester Central. A costed Year 1 Action Plan has been proposed to MCC by Marketing Manchester and Manchester Central and discussions are underway regarding resources for its delivery.

## **6. FUTURE OPPORTUNITIES**

With so many opportunities aligned over the next five years for GM, including the £1billion airport expansion, continued investment in cultural infrastructure, and increase in bedstock, there is a strong argument for Manchester to invest now to maximise opportunities before others seize them.

## Expected Uplift in International Visitors

Manchester Airport's continued growth is key to unlocking the region's international tourism potential. Its ambition to grow passenger numbers from 28million to 45million will require significant uplift in both outbound and inbound passenger numbers. The partnership between Manchester Airport and Marketing Manchester is critical to support route development and deliver in-bound marketing.

## A Cultural Renaissance

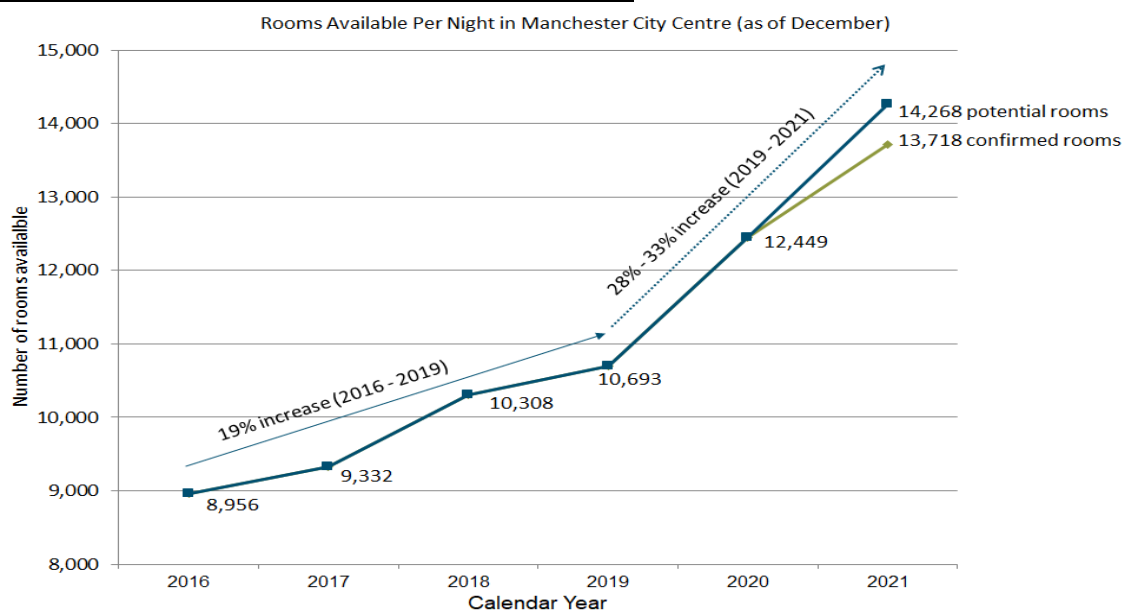
The next few years will see a succession of significant new attraction openings and milestone cultural events, including the launch of The Factory - set to be the North's flagship cultural venue when it opens in 2021, new-built theatres for Contact and Oldham Coliseum, the opening of RHS Bridgewater in Salford and major investment in several of the region's museums.

From 2018 to 2022, Arts Council England alone has committed £107million to support culture across Greater Manchester, a 90% increase on the previous funding period. Collectively, these new facilities will be seeking over 2million additional visitors. Manchester must continue to develop its visitor offer: the continuing growth of Manchester International Festival, and the new developments at The Factory will provide a sound foundation to grow future leisure visits.

## Unprecedented Growth in Accommodation Supply

The market for visitor accommodation across Greater Manchester and particularly in Manchester city centre, is due to become increasingly competitive, driven by a significant increase in accommodation supply. Marketing Manchester forecasts an additional 4,762 rooms will be available per night in the city by the end of 2021 (a 53% increase from December 2016). Manchester must achieve growth in the staying visitor market which is higher than the recent UK average. A growing supply of visitor accommodation will require additional effort to secure growth in both business and leisure markets.

## Annual room count in Manchester city centre



Of the 6,090 confirmed rooms in the pipeline (with planning consent) in Greater Manchester, 5,640 rooms are due to enter the market by the end of 2021, taking

stock levels to 30,670 rooms. This compares to 24,880 rooms at the end of 2018 and represents a growth of 23%.

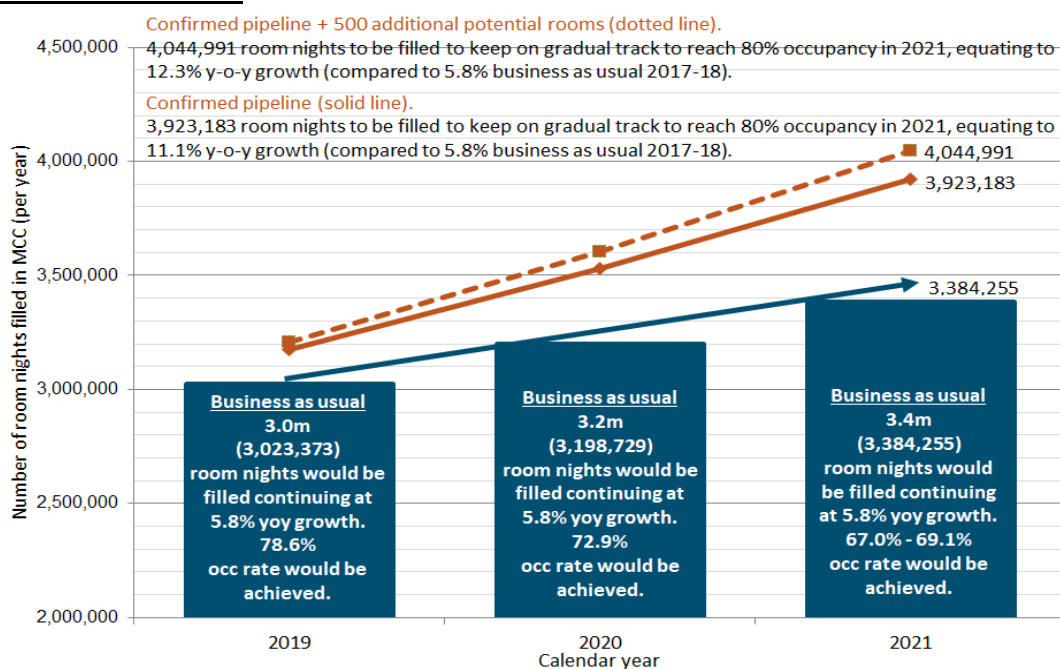
3,270 of these additional rooms in the pipeline will be located within Manchester city centre and are confirmed to enter the market by the end of 2021, taking stock levels to around 13,718 rooms. This compares to 10,308 at the end of 2018 and represents an increase of 33%.

The annual demand rate grew by 5.8% between 2017 and 2018. Current estimations, based on the first half of 2019 (Jan-Jun) suggest that demand has slowed slightly to around 5.1% in 2019, on 2018, across Greater Manchester, and is particularly driven by the city centre. A 33% increase in supply by the end of 2021 is therefore significantly higher than current levels of demand (if it stays around 5.1% growth for the full 12-month period), although the second half of the year usually provides an increased opportunity to boost this slightly.

We will need to generate 11.2%-12.3% increase in room nights sold year-on-year between 2018 and 2021 (based on 2 pipeline scenarios, one of confirmed properties and one that makes a small allowance for additional stock to receive planning permission and open before the end of 2021) to maintain current occupancy levels (around 80%) within Manchester city centre. Therefore, significantly above the 5.8% growth in demand 2017-2018.

If demand levels continue to grow in Manchester city centre at the 2017-2018 annual rate of 5.8%, an occupancy rate of 79% would be achieved in 2019, 73% in 2020 and between 67% and 69% in 2021.

### Occupancy rates achieved if growth rate for Manchester city centre continues business as usual.



### **Accommodation Business Improvement District (ABID)**

Recognising the need for more resources to drive more overnight visitors into Manchester, Marketing Manchester has been working with Manchester City Council, CityCo and Manchester Hoteliers Association on a proposal to introduce a visitor

levy via a Business Improvement District mechanism for accommodation operators in Central Manchester.

### **Skills and Recruitment**

The sector continues to suffer from skills shortages and a difficulty in attracting and retaining talent. In order to address this, and seizing the opportunity presented by the National Tourism Sector Deal, a Greater Manchester approach has been developed. The Greater Manchester Skills and Talent Alliance Action Plan for Hospitality and Leisure now requires resource in order to deliver its implementation. The Growth Company has recently developed a Tourism Talent Hub and has recently appointed a Project Manager to focus on work placement and skills development in the sector.

### **Working in Partnership**

Manchester works best in partnership. The coordinated support, investment and shared ambitions of Marketing Manchester's Strategic Partners (GMCA, GM Local Authorities, LEP, MAG, TfGM and Manchester Central) are key to future success. With partners from across the North of England, Manchester has continued to promote and cement its position as the alternative UK Gateway and has built strong partnership with Northern DMOs and businesses. Moreover, Marketing Manchester has built strong relationships with London & Partners and West Midlands Growth Company during 2018/19 joint campaigns.

### **National Tourism Sector Deal**

The National Tourism Sector Deal announced in July 2019 aligns very closely with Greater Manchester's own tourism ambitions which were referenced in the launch of the Local Industrial Strategy. The Tourism Sector Deal focuses on five key pillars: ideas; people; infrastructure; place; and business environment.

Consultation with the industry and Visit Britain is being conducted by Marketing Manchester and discussions are currently underway with MCC officers to identify the opportunities and potential additional resources that may be available through the Sector Deal for Manchester. These are likely to focus on the potential to bid to develop a Tourism Zone and opportunities to secure new resource to address recruitment, skills and training issues within the sector in Manchester. The process for submitting proposals into government are being developed and Marketing Manchester is working closely with Visit Britain to input into this process.



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9. Discover England Funded Programme – International Gateway to the North