

THEME 4 THE TOURIST EXPERIENCE



EVALUATION & MONITORING
Research Findings 2018

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INTRODUCTORY NOTE

The Valletta 2018 Evaluation & Monitoring process is a means through which the Valletta 2018 Foundation gains a deeper insight into the various impacts of the European Capital of Culture (ECoC) title on different spheres of cultural, social and economic life.

This process comprises of a series of longitudinal studies commencing in January 2015, three full years before the European Capital of Culture year, and running through to 2019, thereby capturing data before, during, and in the immediate aftermath of Valletta holding the ECoC title.

This process is divided into five themes:

- 1. Cultural & Territorial Vibrancy**
- 2. Governance & Finance**
- 3. Community Inclusion & Space**
- 4. The Tourist Experience**
- 5. The Valletta Brand**

This research is a collaborative, mixed-methods process, involving a number of public entities, collecting and analysing data primarily of a quantitative nature, as well as independent researchers working with data that is predominantly qualitative. These entities and researchers constitute the Valletta 2018 Evaluation & Monitoring Steering Committee, that was set up to manage and implement this research process.

This research process was coordinated by the Valletta 2018 Foundation's Research Department.

Valletta 2018 Research Department

The Research Department is one of the three central departments which were set up at the Valletta 2018 Foundation's birth. After years of work, the Research Department has managed to create a vibrant and multidisciplinary network of international and local researchers, academics, and cultural operators with the overall aim to strengthen Malta's sociocultural fabric through participatory and action-based research. The Department was responsible for the documentation of European Capital of Culture impacts through an evaluation and monitoring research process, as well as the organisation of various seminars and conferences. Well-being, liveability, and community development are the conducting threads that guide the research process.

The Research Department believes on the benefits of practice-based research in the cultural field since it allows the dissemination and practical use of any findings. It involves local communities, artists, operators, activists and local organisations in the process. In this way, research goes beyond, and extends, from an academic perspective, aiming to make a real impact on people's lives.

In April 2015, the Research Department launched www.culturemapmalta.com, an online map of Malta's cultural spaces - the first of its kind in Malta - in which users are invited to upload and update information about cultural spaces. This creates an online, visual database of valuable information which plots the cultural use of public and private cultural spaces across the island. One of the flagship events of the Research Department is its annual international conference, which has been taking place for the past five years. This series of annual conferences focuses on cultural relations in Europe and the Mediterranean, addressing the opportunities and challenges in the local context. These conferences have created a platform of discussion, serving as a knot linking the international and the local cultural spheres, addressing experts, researchers and cultural operators, providing insight into a possible way forward regarding cultural policy, cultural practice and future research.

INTRODUCTION

The impact of the European Capital of Culture title on the tourism industry cannot be understated. Although an increase in tourist arrival figures is not necessarily perceived to be a primary goal of the ECoC title, this has often proven to be a strong secondary effect of the title in many cities that have held the title over the years. Various evaluation studies have shown that the ECOC title can have a significant short and long-term impact on incoming tourism.

This theme looks into the impact of Valletta 2018 on incoming tourism, seeking to understand the degree to which the European Capital of Culture title is affecting the local tourism product, including visitors' decision to visit Malta, as well as the extent of their participation in Valletta 2018-related activities and events once they are in Malta. This report consists of data obtained from research carried out by the Malta Tourism Authority.



THE IMPACT OF VALLETTA 2018 ON THE TOURISM SECTOR

MALTA TOURISM AUTHORITY

Tania Sultana with Ramona Saliba

INTRODUCTION

This research study attempts to measure the impact of Valletta 2018 on the tourism sector in Malta. This report is divided into four sections.

Part 1 focuses on Malta's tourism performance covering the period 2017 to 2018. The figures are based on the latest available official statistics as at 7th November 2018.

Part 2 provides a detailed explanation of the impact of Valletta 2018 on tourism performance. The impact assessment primarily looks at tourists' awareness levels of the event followed by tourism activity generated directly by Valletta 2018, i.e., the number of tourists attracted to Malta and the resulting guest nights and tourist expenditure generated. The estimates are mainly based on indicators originating from continuous surveys carried out by the MTA, namely the Traveller Survey and the Heritage Locality Survey.

Part 3 looks at the relevance of 'culture' as a pull factor for tourists visiting Malta. The methodology adopted allows for the differentiation between tourists who are 'greatly motivated' by culture and those who are only 'motivated in part'.

Part 4 focuses on tourism activity in Valletta namely visitor flows, sites and attractions visited and visitor impressions of Valletta. This section also looks at the profile of tourists who opt to stay in accommodation establishments in Valletta.

The concluding remarks at the end of the report provide a short synthesis of the main findings.

FINDINGS

Overview of Tourism Performance

The year 2018 is expected to mark the eighth consecutive year of growth in inbound tourism, where a new record high was reached. The number of total inbound tourists to Malta is expected to reach 2.6 million, recording a significant increase of 14.3%. This achievement is even more remarkable as it comes on top of the increases achieved in the previous years.

Within an international context, Malta's inbound tourism growth rates in 2018, are expected to surpass those for the World, Europe and the Southern Mediterranean European region which grew by +6.1%, +6.8%, +8.7% respectively during the period January to June 2018.

This success is mainly attributed to the efforts of the relevant authorities in securing and expanding air connectivity, along with the strengthening of brand Malta in the origin markets overseas.

The positive tourism performance in 2018 is mainly the result of the significant increase in air connectivity where around 22 new routes were introduced as follows: Aberdeen, Bilbao, Brussels Charleroi,

Casablanca, Comiso, Tallinn, Venice-Marco Polo, Belfast, Leipzig, Nice, Paris Beauvais, Pescara, Sevilla, Thessaloniki, Southend, Gothenburg, Saint Petersburg, Malaga, Cagliari, Porto, Bratislava and Lisbon. In 2018, all three main tourism indicators – inbound tourists, guest nights and expenditure – recorded significant growth rates.

Table 1: Inbound Tourism Indicators Jan to Sep 2017-2018

	2017	2018	% change 2018/2017
Inbound Tourists	1,761,973	2,036,841	+15.6%
Tourist Guest nights	13,051,888	14,819,052	+13.5%
Tourist Expenditure (€'000s)	1,540,189	1,684,180	+9.3%
Tourist Expenditure per capita (€)	874	827	-5.4%
Average length of stay (nights)	7.4	7.3	

Source: NSO

Table 2: Inbound Tourism Indicators Jan to Dec 2017-2018

	2017	2018	% change 2018/2017
Inbound Tourists	2,273,837	2,600,000	+14.3%
Tourist Guest nights	16,509,141	18,720,000	+13.4%
Tourist Expenditure (€'000s)	1,946,894	2,111,200	+8.4%
Tourist Expenditure per capita (€)	856	812	-5.1%
Average length of stay (nights)	7.3	7.2	

Source: NSO/MTA

Table 3: Air Connectivity Jan to Sep 2017-2018 (both way)

	2017	2018	% change 2018/2017
Air Seat Capacity	5,558,982	6,406,771	+15.3%
Passenger Movements	4,628,014	5,293,138	+14.4%
Load Factor	83.3%	82.6%	-0.7% pts.

Source: MIA

Impact of Valletta 2018 on the Tourism Sector

The estimate of the impact of Valletta 2018 on tourism is based on indicators originating from the MTA's Heritage Locality Survey. The Heritage Locality Survey is a voluntary postal survey distributed to tourists of any nationality who are residing or visiting the localities of Valletta, Mdina and Birgu. The main objective

of this survey is to gauge tourist experience in these localities. Specifically to Valletta 2018, tourists were asked about their awareness of this event and whether the title of European Capital of Culture was a main motivation for visiting Malta.

Table 4: Tourist Awareness of Valletta 2018 – Jan to Sep

	2017	2018
Prior to visiting Malta	36.8%	59.2%
During Visit	47.2%	35.1%
Not aware	16.0%	5.7%
	100.0%	100.0%

Source: MTA Heritage Locality Survey

During the period January to September 2018, almost 3 out of 5 inbound tourists were aware of Valletta 2018 event prior to visiting Malta, representing a significant increase of 22.4 percentage points over the same period of the previous year. This finding represents the success of the initiatives undertaken by the Malta Tourism Authority and Valletta 2018 in particular, in promoting this prestigious event overseas.

Around 35% of inbound tourists learnt about the Valletta 2018 event during stay. In 2018, around 3 out of 5 tourists discovered the event from 'other sources' mostly through banners, information at bus stops, posters and publicity at the airport. Furthermore, almost 1 out of 4 tourists came to know from tourism personnel whilst an additional 16.0% were informed by the local community.

It is worth noting that the share of tourists remaining unaware of Valletta 2018 even after having experienced the destination, declined from 16.0% in 2017 to a mere 5.7% in 2018.

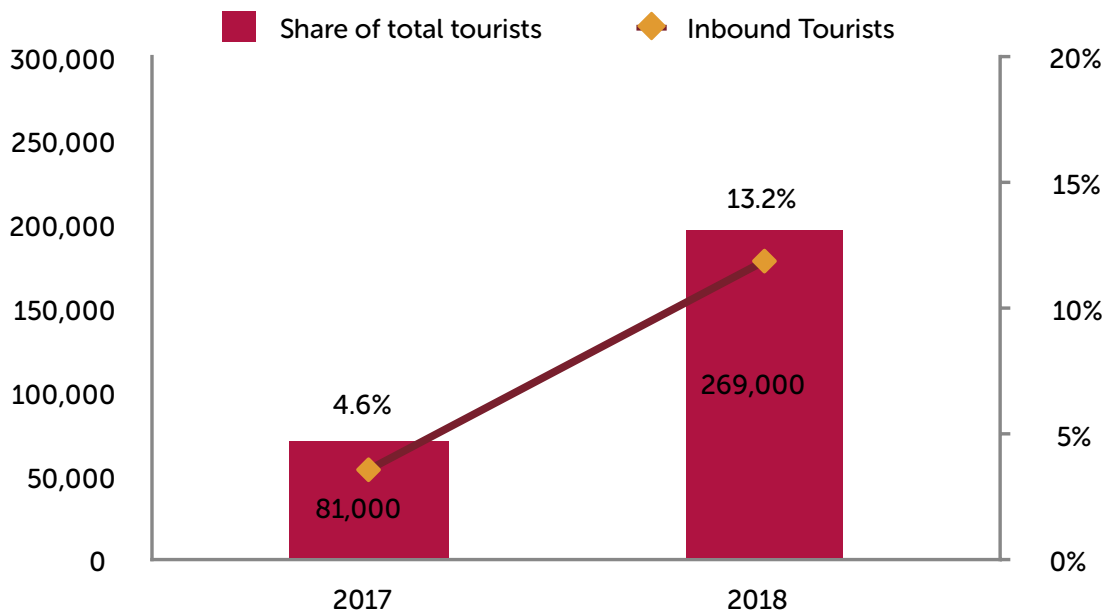
Table 5: Tourist Awareness of Valletta 2018 – Jan to Dec

	2017	2018
Prior to visiting Malta	38.5%	60.0%
During Visit	46.2%	35.0%
Not aware	15.3%	5.0%
	100.0%	100.0%

Source: MTA Heritage Locality Survey

As one would expect, the highest share of inbound tourists aware of Valletta 2018 prior to visiting Malta (60.0%) was recorded in the year when the event took place.

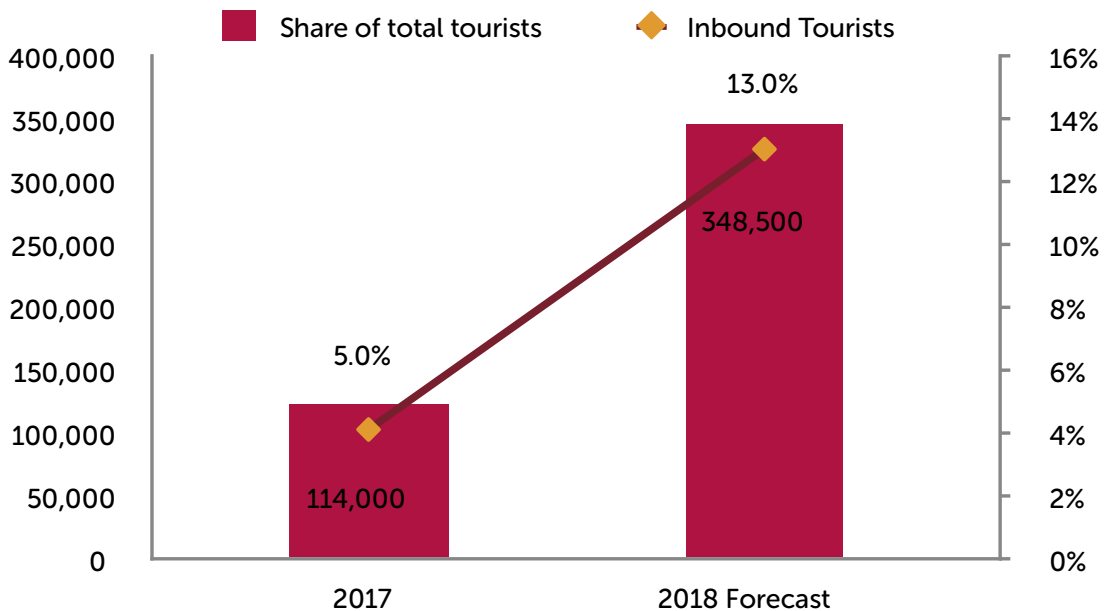
Chart 1: Valletta 2018 as a Main Motivation for Tourists to Visit Malta Jan to Sep



Source: MTA Estimate based on MTA Heritage Locality Survey

Research findings show that during the first nine months of the year, the share of inbound tourists motivated to visit Malta by Valletta 2018 increased remarkably from 4.6% in 2017 to 13.2% in 2018. In terms of volume, the number of tourists attracted to visit Malta by Valletta 2018 more than tripled in 2018 when compared to 2017.

Chart 2: Valletta 2018 as a Main Motivation for Tourists to Visit Malta Jan to Dec



By the end of 2018, it is expected that around 348,500 tourists would have visited Malta primarily motivated by Valletta 2018. This amount represents a significant increase of 234,500 tourists over the year preceding the event.

Table 6: Estimate Impact of Valletta 2018 on Inbound Tourists, Guest Nights and Tourist Expenditure - Jan to Sep 2017-2018

	2017	2018
Inbound Tourists	81,000	269,000
Tourist Guest nights	534,600	1,721,600
Tourist Expenditure (€'000s)	90,882	288,368
Tourist Expenditure per capita (€)	1,122	1,072
Average length of stay (nights)	6.6	6.4

Source: MTA Estimate

It is estimated that during the period January to September, the number of guest nights directly generated by Valletta 2018 has increased from 534,600 in 2017 to 1.7 million in 2018. In the first nine months of 2018, around €288 million of tourist expenditure generated is attributed to Valletta 2018, accounting for around 17% of total tourist expenditure. The impact of Valletta 2018 on the three main tourism performance indicators (inbound tourists, guest nights and expenditure) has been extraordinary.

Table 7: Estimate Impact of Valletta 2018 on Inbound Tourists, Guest Nights and Tourist Expenditure - Jan to Dec 2017-2018

	2017	2018
Inbound Tourists	114,000	348,500
Tourist Guest nights	741,000	2,265,000
Tourist Expenditure (€'000s)	126,000	376,000
Tourist Expenditure per capita (€)	1,104	1,080
Average length of stay (nights)	6.5	6.5

Source: MTA Estimate

In 2018, it is expected that the number of tourist guest nights and tourist expenditure generated by Valletta 2018 will reach almost 2.3 million and €376 million respectively. This reflects a notable increase over the previous year.

Culture as a Main Tourist Motivation

On a more generic level, during the first six months, the share of tourists choosing Malta primarily for culture increased from 10.6% in 2017 to 12.4% in 2018. This refers to tourists who were 'greatly motivated' by culture during the decision-making stage.

Table 8: Share of Tourists Choosing Malta for Culture - Jan to Jun 2017-2018

Share of Total Tourists:	2017	2018	% change pts 2018/2017
Greatly Motivated	10.6%	12.4%	+1.8% pts.
Motivated in Part	54.7%	54.4%	-0.3% pts.

Source: MTA Traveller Survey

Table 9: Number of Tourists Choosing Malta for Culture - Jan to Jun 2017-2018

Share of Total Tourists:	2017	2018	% change pts 2018/2017
Greatly Motivated	105,000	144,100	+37.2%
Motivated in Part	541,600	632,300	+16.7%

Source: MTA Traveller Survey

In terms of volume, during the period January to June, both the number of tourists 'greatly motivated by culture' and 'motivated in part' recorded significant growth rates.

Table 10: Share of Tourists Choosing Malta for Culture - Jan to Dec 2017-2018

Share of Total Tourists:	2017	2018	% change pts 2018/2017
Greatly Motivated	9.0%	10.5%	+1.5% pts.
Motivated in Part	54.4%	54.6%	+0.2% pts.

Source: MTA Traveller Survey

In 2018, the share of tourists strongly motivated by culture is expected to reach 10.5% whilst that of tourists partly motivated by culture together with other aspects such as leisure is expected to account for almost 55%.

Table 11: Number of Tourists Choosing Malta for Culture - Jan to Dec 2017-2018

Share of Total Tourists:	2017	2018	% change pts 2018/2017
Greatly Motivated	204,500	273,000	+33.5%
Motivated in Part	1,236,700	1,420,000	+14.8%

Source: MTA Traveller Survey

In terms of volume, during the year 2018, the total number of tourists motivated by culture (both primarily and partly) is expected to reach 1.7 million accounting for around 65% of total inbound tourists.

Tourism in Valletta

During the period January to June 2018, both the share of tourists visiting Valletta and that of travellers opting to stay in accommodation establishment in the Valletta area¹ increased when compared to the same period last year. Findings show that the share of tourists booking accommodation on the Airbnb platform is higher for those staying in the capital city (8.4%) compared to the overall average for Malta of 4.8%. Self-catering apartments followed by lower category accommodation establishments (3*, guest houses/hostels, 2*) are predominantly used by tourists staying in the city.

Table 12: Share of Tourist Visits and Stays in Valletta – Jan to Jun 2017-2018

Share of Total Tourists:	2017	2018
Tourists Visiting Valletta	90.3%	93.1%
Tourists Staying in Valletta Area ¹	9.1%	10.4%

Source: MTA Traveller Survey

Table 13: Number of Tourist Visits and Stays in Valletta – Jan to Jun 2017-2018

Share of Total Tourists:	2017	2018	% change pts 2018/2017
Tourists Visiting Valletta	894,100	1,082,100	+21.0%
Tourists Staying in Valletta Area ¹	91,100	120,800	+32.6%

Source: MTA Traveller Survey

During the period January to June 2018, the number of tourists visiting the capital city and those staying in the Valletta area¹ recorded double-digit growth rates over the previous year.

Table 14: Share of Tourist Visits and Stays in Valletta – Jan to Dec 2017-2018

Share of Total Tourists:	2017	2018
Tourists Visiting Valletta	89.5%	91.3%
Tourists Staying in Valletta Area ¹	9.2%	10.0%

Source: MTA Traveller Survey

In 2018, around 9 out of 10 inbound tourists would have visited Valletta during their stay, whilst 1 out of 10 would have stayed in accommodation establishments within the area. Both shares represent an increase in market share over the previous year.

Table 15: Number of Tourist Visits and Stays in Valletta – Jan to Dec 2017-2018

Share of Total Tourists:	2017	2018	% change pts 2018/2017
Tourists Visiting Valletta	2,035,000	2,373,800	+16.6%
Tourists Staying in Valletta Area ¹	209,200	260,000	+24.3%

Source: MTA Traveller Survey

In 2018, a remarkable 2.4 million inbound tourists would have visited Valletta, whilst more than one-quarter of a million would have spent nights in accommodation establishments within the area.

Table 16: Share of Tourists Motivated by Culture in Choice of Destination: Staying in Valletta vs Staying in Other Parts of Malta - Jan to Jun 2017-2018

	Tourists staying in Valletta		Tourists staying in other parts of Malta	
	2017	2018	2017	2018
Greatly Motivated	15.5%	22.7%	10.4%	11.4%
Motivated in Part	56.9%	56.7%	56.4%	55.6%

Source: MTA Traveller Survey

Findings indicate that the share of tourists 'greatly motivated' by Malta's cultural offer during the choice of destination is higher for those who stay in accommodation establishments within the confines of the Valletta area¹ (22.7%,2018) than those who opt to stay in other localities (11.4%,2018). Furthermore, during the first six months of 2018, the share of tourists 'greatly motivated by culture' who stay in the Valletta area¹ recorded an increase of 7.2 percentage points when compared to the same period last year. In addition, the share of tourists greatly motivated by culture opting to stay in other localities in Malta also registered an increase.

Table 17: Share of Tourists Motivated by Culture in Choice of Destination: Staying in Valletta vs Staying in Other Parts of Malta - Jan to Dec 2017-2018

	Tourists staying in Valletta		Tourists staying in other parts of Malta	
	2017	2018	2017	2018
Greatly Motivated	16.5%	20.0%	8.3%	9.1%
Motivated in Part	59.1%	58.6%	54.8%	55.0%

Source: MTA Traveller Survey

In 2018, it is expected that 1 out of 5 tourists staying in Valletta to be greatly motivated by culture in their decision to visit Malta, whilst the ratio dropped to almost 1 out of 10 for those staying in other parts of the island. It is worth noting that both shares registered an increase over the previous year.

¹ Valletta area refers to Valletta and Floriana

Table 18: Tourists Visiting Valletta – Entry to Sites and Attractions – Jan to Sep 2018

Sites & Attractions	2018
Upper Barrakka Gardens	85.6%
St John's Co-Cathedral & Museum	73.3%
Lower Barrakka Gardens	60.1%
Saluting Battery	50.8%
Hastings Gardens	28.1%
National War Museum	23.0%
Palace Armoury	26.7%
National Museum of Archaeology	20.4%
Lascaris War Rooms	18.1%
Open-air Theatre	16.0%
Mediterranean Conference Centre	11.4%
Palace State Rooms	24.4%
Manoel Theatre	10.0%
St James Cavalier	8.1%
National Museum of Fine Arts	3.2%

Source: MTA Heritage Locality Survey

Upper Barrakka Gardens and St John's Co-Cathedral & Museum feature as the top sites visited by tourists in Valletta. It is interesting to note that the gardens in Valletta feature in the top five sites/attractions visited by tourists whilst in Valletta.

Table 19: Tourist Impressions of Valletta - Jan to Sep 2018, tourists' top likes and dislikes

Likes	Dislikes
History, culture & heritage	Lack of cleanliness
Architecture	Overdevelopment and construction
Ambience	Too many cars & traffic
Views & landscape	Public transport service
Feeling of welcome	Service offer in museum/historical attractions
Churches	Retail offer
Gardens & open spaces	Public conveniences

Source: MTA Heritage Locality Survey

The top three aspects of the city appreciated mostly by tourists include the cultural offer, the architecture, and ambience. On the other hand, cleanliness in Valletta seems to be lacking. Tourists were also bothered by overdevelopment and traffic in the city.

Table 20: Overall Enjoyment of Visit – Jan to Sep

	2017	2018
Very good	50.5%	52.8%
Good	43.9%	40.3%
Average	5.1%	5.9%
Poor	0.0%	0.7%
Very poor	0.5%	0.2%

Source: MTA Heritage Locality Survey

In 2018, the large majority of tourists (93.1%) enjoyed their visit in Valletta, with 52.8% of visitors giving a rating of 'very good'.

Table 21: Likelihood to Recommend Valletta to Friends/Relatives – Jan to Sep

	2017	2018
Very likely	60.2%	60.2%
Likely	28.9%	32.1%
Possibly	10.4%	5.6%
Unlikely	0.5%	1.2%
Very unlikely	0.0%	0.9%

Source: MTA Heritage Locality Survey

The likelihood of recommending the capital city to friends and relatives is high amongst visitors. In fact, in 2018, 3 out of every 5 Valletta visitors stated that it is 'very likely' that they would recommend it to friends and relatives. This was followed with a 'likely' percentage of 32.1%.

Conclusion

Research findings show that Valletta 2018 has had a remarkable impact on the tourism sector both at a direct and indirect level. The number of tourists directly influenced to visit Malta by Valletta 2018, the resulting guest nights, and tourist expenditure generated, has recorded extraordinary increases during the year of the event. At a more generic level, findings show that tourists' preference to stay in accommodation establishments located in the city is also on the increase.

CONCLUDING REMARKS

The data in this report shows the significant impact of Valletta 2018 on Malta's tourism sector, not only throughout 2018 itself, but also in the run-up to the ECoC year. Incoming tourist figures grew consistently over the years, with visitors displaying an ever-growing interest in Valletta 2018 and related activities as the year approach. This increased significantly throughout 2018, as expected. The impact of Valletta 2018 on the three main tourism performance indicators (inbound tourists, guest nights and expenditure) has been remarkable over the past three years with all indicators recording double digit growth rates.

Other indicators, such as the portion of tourists who choose to visit Valletta when in Malta and who list culture as a main factor behind their decision to travel to Malta have remained consistently high throughout the period under review.

These increases are to be taken within the context of the growing Maltese economy, one of the cornerstones of which is the tourism industry. Changes to the economic and urban landscape of the country also shape these statistics, as reflected in the ever-increasing share of visitors who choose to reside in Valletta throughout the stay - likely to be a reflection of the changing landscape of the city, which has come to offer more tourist accommodation over the past years.



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