

# THEME 4 THE TOURIST EXPERIENCE

**EVALUATION & MONITORING**  
**Research Findings 2017**



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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.

The goal of this process is twofold:

- (i) To understand the changes brought about by the ECoC title, and
- (ii) To address any shortcomings and challenges faced by the Valletta 2018 Cultural Programme throughout its implementation.

This process comprises a series of longitudinal studies commencing in January 2015, three full years before the European Capital of Culture year, and running through the ECoC, with results presented in 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, together with 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.

The public entities forming part of the Steering Committee are:

- National Statistics Office
- Malta Tourism Authority
- Jobsplus
- Economic Policy Department within the Ministry for Finance

The independent researchers participating within this process were selected according to their area of expertise. The areas covered are:

- Cultural Programme
- Branding
- Sociology
- Built Environment
- European Identity

Although each of these researchers, and their respective teams, are carrying out data collection and analysis specifically within their respective fields, various points of intersection and collaboration across the various areas have been established so far. The data being collected throughout each study is being shared with the Steering Committee in order to create synergies between the different fields being analysed.

The research methods adopted throughout the various studies that comprise this process vary greatly, ranging from quantitative surveys to in-depth interviews, focus groups and real-time experience tracking.



# THE TOURIST EXPERIENCE

## THEME 4

The impact of the European Capital of Culture title on the tourism industry cannot be understated. Although the title itself does not directly count an increase in tourism as its primary goal, this has often proven to be a strong secondary effect of the title in previous European Capitals of Culture. 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 ongoing research carried out by the Malta Tourism Authority.



# **THE IMPACT OF VALLETTA 2018 ON THE TOURISM SECTOR**

**MALTA TOURISM AUTHORITY**

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# INTRODUCTION

This research study attempts to measure the impact of Valletta 2018 on the tourism sector in Malta. This report looks at various aspects on how the local tourism performance is developing as well as a detailed explanation of the impact of Valletta 2018 on tourism performance. The study also looks at the relevance of 'culture' as a pull factor for tourists visiting Malta as well as the tourism activity in Valletta, namely visitor flows, sites and attractions visited and visitor impressions of Valletta. A profile of tourists who opt to stay in accommodation establishments in Valletta is also traced in the last part of this study.

# METHODOLOGY

The impact assessment primarily looks at tourists' awareness levels of Valletta 2018 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 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 are asked about their awareness of this event and whether the title of European Capital of Culture was a main motivation for visiting Malta.

The methodology utilised to analyse the relevance of 'culture' as a pull factor for tourists visiting Malta allows for the differentiation between tourists who are 'greatly motivated' by culture and those who are only motivated in part.

The study also looks at the tourism activity in Valletta namely: visitor flows, sites and attractions visited and visitor impressions of Valletta. This section also looks at the profile of the tourist who opts to stay in accommodation establishments in Valletta.

# FINDINGS

## Overview of Tourism Performance

2017 marked the eight consecutive year of growth in inbound tourism, where a new record high was reached. The number of total inbound tourists to Malta amounted to 2.3 million, recording a significant increase of 15.7% over 2016. This achievement is even more remarkable as it comes on top of the increases achieved in the previous years. Growth was achieved in all the three main tourism indicators; inbound tourists, guest nights and expenditure. The decline in expenditure per capita reflects the decrease in the average length of stay.

Within an international context, Malta's inbound tourism growth rates in 2017 surpassed those for the rest of the world, which grew by 6.6%, Europe (+8.4%) and the Southern Mediterranean European region (+13.3%) (Table 1).

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 (Table 2).

**Table 1:** Inbound Tourism Indicators 2015-2017

	2015	2016	2017	% change 2017/2016
Inbound Tourists	1,783,366	1,965,928	2,273,837	+15.7%
Tourist Guest nights	14,151,599	14,961,366	16,509,141	+10.3%
Tourist Expenditure (€'000s)	1,639,067	1,708,952	1,946,894	+13.9%
Tourist Expenditure per capita (€)	919	869	856	-1.5%
Average length of stay (nights)	7.9	7.6	7.3	

Source: NSO

**Table 2:** Air connectivity 2015-2017 (both way)

	2015	2016	2017	% change 2017/2016
Air Seat Capacity	5,669,010	6,099,093	7,289,527	19.5%
Passenger Movements	4,618,582	5,080,087	6,007,683	18.3%
Load factor	81.5%	83.3%	82.4%	-0.9% 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 MTA Heritage Locality Survey, as seen in Table 3.

**Table 3:** Tourist Awareness of Valletta 2018 – January to September 2017

	2015	2016	2017
Prior to visiting Malta	23.2%	27.8%	36.1%
During Visit	43.0%	46.9%	46.3%
Not aware	33.8%	25.3%	17.6%
	100.0%	100.0%	100.0%

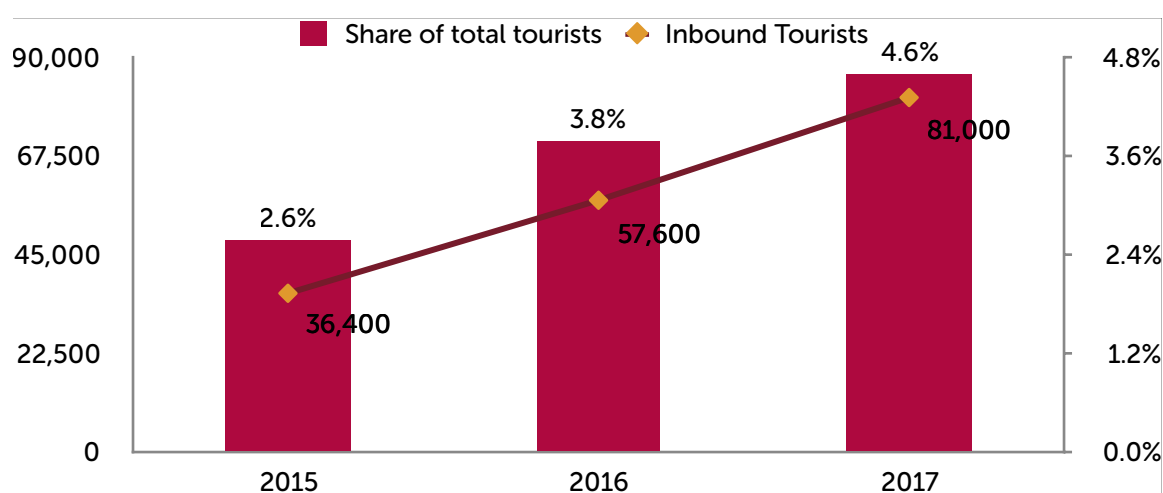
Source: MTA Heritage Locality Survey

During the period January to September 2017, the share of total inbound tourists aware of Valletta 2018 event prior to visiting Malta increased on a year-on-year basis for the last two years. The year 2017 registered the highest increase over the previous year where the share of tourists aware of the event pre-trip increased from 27.8% in 2016 to 36.1% in 2017 (+8.3% pts).

Almost half of inbound tourists learnt about Valletta 2018 event during their stay. In 2017, 3 out of 10 tourists came to know from tourism personnel, whilst an additional 15% were informed by the local community. Over the past three years, these shares remained relatively constant.

It is worth noting that the share of tourists remaining unaware of Valletta 2018 even after having experienced the destination, declined from 33.8% in 2015 to 17.6% in 2017.

**Figure 1:** Valletta 2018 as a main motivation for tourists to visit Malta



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 due to Valletta 2018 increased from 2.6% in 2015 to 4.6% in 2017 (Figure 1). In terms of volume, the number of tourists attracted to visit Malta due to Valletta 2018 more than doubled in 2017 when compared to 2015.

**Table 4:** Estimate Impact of Valletta 2018 on Inbound Tourists, Guest nights and Tourist Expenditure - January to September 2015-2017

	2015	2016	2017	% change 2017/2016
Inbound Tourists	36,400	57,600	81,000	+40.6%
Tourist Guest nights	254,800	397,400	526,500	+32.5%
Tourist Expenditure (€'000s)	39,600	66,873	84,078	+25.7%
Tourist Expenditure per capita (€)	1,088	1,161	1,038	
Average length of stay (nights)	7.0	6.9	6.5	

It is estimated that during the period January to September, the number of guest nights directly generated by Valletta 2018 increased from 254,800 in 2015 to 526,500 in 2017 (Table 4). The average length of stay shows a declining trend, and this is the reason why the growth rate in the number of tourists exceeds that of guest nights. In 2017, around €84 million of tourist expenditure generated is attributed to Valletta 2018. 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.

### Culture as a main tourist motivation

On a more generic level, over the past two years, during the first six months of the year, the share of tourists choosing Malta for culture has remained relatively constant (Table 5). This applies to both tourists who were 'greatly motivated' by culture during decision making stage and also to those where culture was a main motivation together with other pull factors such as sun and leisure.

**Table 5:** Share of tourists choosing Malta for culture - January to June 2016-2017

Share of Total Tourists:	2016	2017	% change 2017/2016
Greatly Motivated	11.3%	10.6%	-0.7% pts
Motivated in Part	55.5%	54.7%	-0.8% pts

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 6).

**Table 6:** Number of tourists choosing Malta for culture - January to June 2016-2017

Share of Total Tourists:	2016	2017	% change 2017/2016
Greatly Motivated	94,000	105,000	+11.7%
Motivated in Part	460,500	541,600	+17.6%

Source: MTA Traveller Survey

### Tourism in Valletta

Whilst the share of tourists visiting Valletta has remained relatively constant during the period January to June 2017, when compared to same period last year, the share of travellers opting to stay in accommodation establishment in the Valletta area<sup>1</sup> registered an increase (Tables 7 and 8). Findings show that the share of tourists booking accommodation on Airbnb platform is higher for those staying in the capital city (9.9%) compared to the overall average for Malta of 2.4%. Self-catering apartments followed by lower category accommodation establishments (3\*, 2\*, guest houses/hostels) are predominantly used by tourists staying in the city.

**Table 7:** Share of tourist visits and stays in Valletta – January to June 2015-2017

Share of Total Tourists:	2015	2016	2017
Tourists visiting Valletta	92.4%	90.5%	90.3%
Tourists staying in Valletta area	8.5%	7.6%	9.2%

Source: MTA Traveller Survey

**Table 8:** Number of tourist visits and stays in Valletta – January to June 2015-2017

	2015	2016	2017	% change 2017/2016
Tourists visiting Valletta	698,000	751,000	894,000	+19.0%
Tourists staying in Valletta area <sup>1</sup>	64,200	63,000	91,100	+44.6%

Source: MTA Traveller Survey

During the period January to June, both the number of tourists visiting Malta and those staying in the Valletta area increased significantly over the past two years.

<sup>1</sup> Valletta area refers to Valletta and Floriana

Findings indicate that the share of tourists 'greatly motivated' by Malta's cultural offer during choice of destination is higher for those who stay in accommodation establishments within the confines of the Valletta area (15.5%) than those who opt to stay in other localities (10.4%) (Table 9). Having said this, during the first six months of 2017, the share of tourists 'greatly motivated by culture' who stay in the Valletta area<sup>1</sup> registered a decline compared to the same period last year. The loss in market share of tourists 'greatly motivated by culture' was mostly gained by those visiting Malta for 'business-related reasons'. Malta's EU Presidency during the first six months of 2017 may have been the cause of this shift.

**Table 9:** Share of tourists motivated by culture in choice of destination: Staying in Valletta vs Staying in other parts of Malta - January to June 2016-2017

	Tourists staying in Valletta		Tourists staying in other parts of Malta	
	2016	2017	2016	2017
Greatly Motivated	24.7%	15.5%	10.6%	10.4%
Motivated in Part	57.3%	56.9%	56.5%	56.4%

Source: MTA Traveller Survey

The Upper Barrakka Gardens and St John's Co-Cathedral & Museum feature as the top sites visited by tourists in Valletta (Table 10). It is interesting to note that the gardens in Valletta feature in the top five sites/attractions visited by tourists whilst in Valletta.

**Table 10:** Tourists visiting Valletta – Entry to sites and attractions – January to September 2017

Sites & Attractions	2017
Upper Barrakka Gardens	82.9%
St John's Co-Cathedral & Museum	74.1%
Lower Barrakka Gardens	48.3%
Saluting Battery	43.4%
Hastings Gardens	29.8%
National War Museum	24.9%
Palace Armoury	23.9%
National Museum of Archaeology	20.5%
Lascaris War Rooms	13.2%
Open-air Theatre	12.7%
Mediterranean Conference Centre	12.2%
Palace State Rooms	9.3%
Manoel Theatre	6.8%
St James Cavalier	6.3%
National Museum of Fine Arts	2.9%

Source: MTA Heritage Locality Survey

The top three aspects of the city appreciated mostly by tourists include the cultural offer, the architecture and the views and landscape. However the service offer of cultural attractions in Valletta seems to be lacking. Tourists were also bothered by the overdevelopment and traffic in the city (Table 11).

**Table 11:** Tourist impressions of Valletta - January to September 2017, tourists' top likes and dislikes

Likes	Dislikes
History, culture & heritage	Service offer in museum/historical attractions
Architecture	Overdevelopment and construction
Views & landscape	Too many cars & traffic
Ambience	Public transport service
Churches	Lack of cleanliness
Gardens & open spaces	Offer by restaurants/caferias
Feeling of welcome	Poor pedestrian zones
Harbour & boats	Overcrowding

Source: MTA Heritage Locality Survey

The large majority of tourists (94.4%) enjoyed their visit in Valletta, with around half of the visitors giving a rating of 'very good' (Table 12). The likelihood of recommending the Capital City to friends and relatives is high amongst visitors (Table 13). In fact, in 2017, 3 in 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 28.9%.

**Table 12:** Overall enjoyment of visit

	2015	2016	2017
Very good	51.5%	48.8%	50.5%
Good	41.4%	46.8%	43.9%
Average	6.0%	4.0%	5.1%
Poor	1.1%	0.3%	0.0%
Very poor	0.0%	0.0%	0.5%

Source: MTA Heritage Locality Survey

**Table 13:** Likelihood to recommend Valletta to friends/relatives

	2015	2016	2017
Very likely	61.9%	58.5%	60.2%
Likely	26.4%	29.9%	28.9%
Possibly	9.2%	10.0%	10.4%
Unlikely	1.8%	1.3%	0.5%
Very unlikely	0.7%	0.3%	0.0%

Source: MTA Heritage Locality Survey

### Conclusion

In a nutshell, indicators show that Valletta 2018 has had a significant impact on the tourism sector both at a direct and indirect level. Although the figures are relatively modest, the number of tourists directly influenced to visit Malta by Valletta 2018 has recorded double digit growth rates over the past two years. At a more generic level, findings show that tourists' preference to stay in accommodation establishments located in city is also on the increase.

During 2018, research will be collected to monitor the changes and actual impact of Valletta 2018 on the local tourism product during the actual ECoC year.





## CONCLUDING REMARKS

The data in this report shows the significant impact of Valletta 2018 on Malta's tourism product. Whilst 2017 marked the eight consecutive year of growth in inbound tourism, during the period January to September, the share of total inbound tourists aware of Valletta 2018 event prior to visiting Malta increased on a year-on-year basis for the last two years and almost half of inbound tourists learnt about Valletta 2018 event during stay. 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.

On a more generic level, over the past two years, during the first six months of the year, the share of tourists choosing Malta for culture has remained relatively constant. Whilst the share of tourists visiting Valletta has remained relatively constant when compared to same period last year, the share of travellers opting to stay in accommodation establishment in the Valletta area registered an increase.

Data collection will continue in 2018 through to 2019, and the identified indicators will be monitored for the duration of these set timeframes.



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