NEW DIRECTIONS
for tourism in the west

Irish Tourist Industry Confederation

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Table of Contents

EXECUTIVE SUMMARY

Background

The west of Ireland – historically the area of the country which exemplified the quintessential appeals of Ireland – has not only been attracting fewer overseas visitors but has been losing share of holiday visitors to the country. Tourism is critically important to the west, with the accommodation and food services sector one of the main employers. Visitor expenditure indirectly supports retail, food producers, transport and other service sectors.

Changes in demand trends towards shorter trips, a preference for travel by air, a growing incidence of choosing urban destinations, and a decline in touring holidays have combined to shape the current demand patterns for visits to Ireland. In addition to the changing consumer tastes and behaviour, the west has been impacted by a number of supply or distribution changes, including 'Open Skies' which dramatically altered the flow of North American visitors to Ireland.

Tourism is critically important to the west, with the accommodation and food services sector one of the main employers.

In view of this serious situation, ITIC commissioned a fundamental re-assessment of both the potential and the barriers to attracting more tourists to the western seaboard from Donegal to Cork. The findings of the report, prepared by TTC – Tourism & Transport Consult, are based on analysis and extensive inputs from industry stakeholders.

The changing profile of Irish tourism

Over the past decade the number of *holiday visits* to Ireland from overseas increased to a peak of 4 million in 2007 thanks to growth in demand from mainland European markets. Since then Ireland has seen a 40% drop in overseas holiday visitors to an estimated 2.4 million in 2010. Happily the first seven months of 2011 has seen a modest recovery, but numbers are still almost 20% below the 2008 levels.

The most marked change in the profile of demand for holidays to Ireland has been the increasing popularity of Dublin as a destination.

Perhaps the most marked change in the profile of demand for holidays to Ireland has been the increasing popularity of Dublin as a destination. In recent years more and more holiday visitors are confining their visit to Ireland to a stay in the capital. This trend has been most marked amongst European leisure visitors with 'Dublin only' visits reaching double digit average annual growth over the past decade. Of greater significance is that this shift in demand is even more apparent amongst first time holiday visitors to Ireland. In short, over the past 10 years Ireland has been relatively more successful in attracting holiday visitor to 'Dublin only' than increasing holiday visitors exploring other parts of Ireland.

Fall-off in overseas holiday visitors to the west

Each of the four tourism regions – North West, West, Mid West and South West – have experienced a downturn in demand from all markets, although the rate of decline shows some variation between regions, with the Mid West and North West experiencing the sharpest declines.

The western seaboard currently attracts just over half of all nights spent by holiday visitors to Ireland, down from a situation 10 years earlier when two out of three bednights were spent west of the Shannon.

Almost 7 out of every 10 overseas holiday visitors to the west currently arrive in Ireland via an east coast gateway.

The number of overseas holiday visitors to each region along the western seaboard has been in decline over the past decade. An estimated 9.8 million bednights were spent on the west coast by overseas holidaymakers in 2010, this compares with 15.1m in 1999. The past 3 years has seen a 37% fall-off in demand. The share of bednights spent along the western seaboard is currently estimated at just over half of all nights spent by holiday visitors to Ireland, down from a situation 10 years earlier when two out of three bednights were spent west of the Shannon.

Mainland Europe is now the top source of holiday bednights along the western seaboard, accounting for 2 out of every 5, followed by British holidaymakers (28%) and North American (23%).

While the drop in volume demand from Britain has been most obvious, the share of British bednights in Ireland spent in the west has held up better than from other markets. In contrast the western seaboard's share of the expanding continental European markets has fallen sharply over the past decade, from a 70% share of bednights spent in the country in 1999 to an estimated 54% last year. This loss of share of the fastest growth market for Irish tourism over the past decade is especially worrying. The decline in share of North American bednights spent in the western seaboard area has also been steep, in part a result of the switch from Shannon to Dublin as the principal port of arrival for Americans coming to Ireland.

Almost 7 out of every 10 overseas holiday visitors to the west currently arrive in Ireland via an east coast gateway. These holidaymakers account for 80% of overseas holiday bednights in the west.

Have the traditional holiday experiences in the west of Ireland lost their appeal in today's market?

While market research continues to confirm the primary appeals which attract visitors to Ireland, recent demand patterns would challenge the assumption that spending time in the western part of the country is necessarily perceived by visitors as a 'sine qua non' of an Irish holiday experience.

Several shifts in consumer behaviour have undoubtedly contributed to the decline in primary demand for holidays in the west, including a preference for shorter trips, the increasing popularity of cities as leisure trip destinations and a decline in touring holidays. In addition the motivations for travel and the experiences sought by consumers continue to change with evolving demographics, lifestyles and values in each of Ireland's source markets. In short, consumer motivations and holiday behaviour have changed and continue to evolve. The complexity of the changing consumer demand dynamic and its implication for the west of Ireland is unlikely to be addressed solely by increased marketing budgets. The challenge raises a number of fundamental questions for the industry.

Consumer motivations and holiday behaviour have changed and continue to evolve

Are the appeals and experiences of the western seaboard sufficiently differentiated and compelling for the visitor?

While the western seaboard or the tag 'west of Ireland' represent convenient shorthand for referencing the geographic area from Malin Head to Cork Harbour, it is far from a homogenous area. The area includes some of the best scenery in the country, an array of cultural and historic attractions and its people have a tradition of welcoming visitors, together with several high profile destinations with a long

A particular challenge is to differentiate the appeals and experiences along the western seaboard and to make them more compelling to attract overseas visitors.

tradition in tourism. Indeed the imagery most frequently used in marketing Ireland overseas predominantly features locations along the western seaboard.

However, the primary demand attractions or reasons to visit are limited with only relatively few standout attractors of international repute, for example, Killarney, the Cliffs of Moher and Galway/Connemara. While the industry is firmly of the view that there is a large range of experiences on offer, the demand trends would suggest that they are not readily apparent to the consumer or at least are not sufficiently compelling to drive demand. A particular challenge is to differentiate the appeals and experiences along the western seaboard and to make them more compelling to attract overseas visitors.

What changes are needed to the supply side?

The consensus view amongst stakeholders is that the range and quality of the tourism product – natural and man-made together with service standards – is good, with only a few identified gaps or deficiencies. However there is recognition that management of the environment and the need for on-going investment in the product to maintain standards is essential. The western seaboard would benefit from better presentation, interpretation and animation of a range of engaging and entertaining experiences which are latent in the area. An opportunity exists to open up many unique Irish experiences for visitors. The challenge of delivering unique, satisfying experiences to overseas visitors will require more 'bundling' or linkages between businesses and attractions in local areas together with more innovation and experimentation by product providers. Events, including festivals and sports, will continue to be important motivators to visit.

Marketing the western seaboard

A more segmented approach in selected markets is being sought by industry stakeholders.

Destination marketing for Ireland, despite the extensive use of imagery featuring the west, is not perceived as delivering results for the western seaboard. A more segmented approach in selected markets projecting specific appeals and attractions is being sought by industry stakeholders. The current destination Ireland marketing campaign is considered to be too 'generic' in its appeal with messages communicated to too wide a target audience and lacking adequate differentiation for individual source markets or segments.

Tourism destinations and businesses along the western seaboard see their best market prospects in Germany, France, USA and Britain.

The large number of competing regional airports has militated against the development of sustainable international air services.

Many advocate for a brand Ireland architecture, incorporating a distinctive sub-brand for the west 'the quintessential Ireland'. However, it is difficult to conceive of an effective single branded identity for the area at this time given the heterogeneity of the western seaboard in terms of tourism appeals and characteristics.

Is access a barrier to developing tourism along the western seaboard?

Stakeholders along the western seaboard invariably cite the limited direct air services into the west of the country as a limiting factor in developing tourism. The large number of competing regional airports from Derry to Cork serving overlapping catchment and destination areas has militated against the development of sustainable international air services to the western seaboard, with the sustainability of international air service to/from several airports in doubt. In economic terms transport is a derived demand, so the principle of more air services generating more demand is questionable if the primary appeals are not compelling.

Many attractions on the west coast are now accessible on a day trip from Dublin

New motorways and upgraded national road and rail infrastructure has significantly improved access to many areas on the western seaboard. This has considerably reduced journey times, especially on the radial road and rail network from Dublin and made access via Dublin air and sea ports more convenient. Conversely it has opened up the possibility of visiting many of the top attractions in the west on day trips from Dublin – a trend not conducive to attracting more overseas bednights to the west.

Anecdotal evidence suggests that prices in some holiday areas of the western seaboard are currently higher than in Dublin.

Businesses in tourism, as in other sectors, are severely disadvantaged by the absence of broadband connectivity in certain areas.

Is the west delivering value for money?

In recent years an increasing proportion of holiday visitors to Ireland have been critical of the value for money of their holiday, as prices were perceived to be out of line with prices in other countries. Thankfully there has been an improvement in the value for money on offer, with hotels and restaurants offering better value. Unfortunately no objective data is available on comparative prices of tourism inputs in various parts of Ireland. However, there is anecdotal evidence to suggest that prices in some holiday areas of the western seaboard are currently higher than in Dublin, while equally there is anecdotal evidence of examples of very good value on offer. As Ireland struggles to deliver good value to the overseas visitor, any pattern of a widening price differential between prices in the capital and on the west coast would be detrimental to the industry in the west.

Is the organisation of tourism in the west fit for purpose in today's world?

Despite the large number of agencies, organisations and other bodies involved in tourism, stakeholders are of the view that the western seaboard lacks a co-ordinated approach to the development of tourism. Upwards of 30 organisations are currently involved in tourism, including government departments, local authorities, national and regional state agencies; NGOs; regional, local and community associations together with industry representative associations. The consensus view was that the situation, while well intentioned on the part of individual agencies, organisations and associations, is highly fragmented and results in inefficient use of resources.

Upwards of 30 organisations are currently involved in tourism along the western seaboard.

Exploiting the opportunity – Illustrative case studies

Despite the decline in overseas tourism to the western seaboard over the past decade, experience demonstrates that even in the most severe downturns, significant opportunities emerge at a local business level. Along the western seaboard there are many good examples of how communities and businesses have exploited tourism opportunities resulting in more successful destinations, tourism enterprises and other businesses.

The report looks specifically at the innovative Great Western Greenway; the success of Killarney through local initiative in winning several accolades for managing the environment in Ireland's oldest resort; and Galway's successful events strategy to create a 'happening place'.

Even in the most severe downturns, significant opportunities emerge at a local business level

An outline strategy for tourism development in the west

The objective is to manage the tourism primary assets, which provide reasons to visit, in a way which will grow demand and in turn boost business performance within the sector.

The guiding principles proposed include sustainability, quality & value, collaboration and measurability.

Key strategic actions would include:

- Developing a unique series of 'must see/do' attractions and authentic experiences along the western seaboard;
- A more focused marketing strategy aimed at increasing numbers of holiday visitors from Ireland's top 4 source markets – Britain, USA, Germany & France, utilising more granular marketing campaigns;
- Removing or reducing perceived barriers to growing tourism demand, for example, improving accessibility and value for money.

Key recommendations

A strategic focus on primary appeals

- ❖ Create new reasons to visit and deliver new experiences through more innovation and bundling of existing untapped asset to motivate a changed consumer market.
- ❖ Focus more on active appeals and participatory experiences for the visitor, including outdoor adventures on land and water as well as visitor engagement with local culture and traditions.
- ❖ Establish differential themed product zones or clusters along the western seaboard, linked to Fáilte Ireland's destination strategy.
- ❖ Operators in tourism need to embrace the bundling or clustering of experiences to establish 'stand out' and deepen the visitor experience which will boost demand for their individual businesses.
- ❖ More animation of latent tourism assets is called for, including greater incidence of volunteerism, to bring the tourism experience alive.
- ❖ Place a particular focus on quality local foods including developing Tourist Taste Trails or 'Place on a plate' promotions.
- ❖ Boost participation in environmental schemes including Blue Flag and Tidy Towns and launch a new best tourism destination/experience award.
- ❖ Develop a calendar of hallmark events.
- ❖ Provide an expanded range of supports for R&D/innovation and incubation of new micro enterprises in tourism.
- ❖ Improve visitor information and interpretation at local level.

Getting the marketing right

- Refocus Ireland brand marketing to better communicate the unique appeals of the west. Research 'Atlantic Ireland' as a possible branding for the western seaboard.
- Greater use of tourist activities and participative experiences in imagery used to promote the western seaboard rather than passive scenery. Explicitly 'dial up' appeals of eco/nature, the outdoors, adventure, activities, ocean, islands, language, food, music and events.
- Adopt a more granular marketing strategy, with appropriate imagery and messaging in each of the priority target markets for the west (Germany, France, USA and Britain).
- Improve the co-ordination of marketing strategies, campaigns and resources between businesses, carriers, airports and state agencies.
- Produce better in-depth research on changing consumer behaviour and potential market opportunities.
- Establish sub-national targets, to include holiday visitors to the western seaboard.
- Launch a new 'online shop front' portal for the west, while businesses sharpen their online marketing capability
- Secure greater distribution through travel trade channels, including creating new group travel programmes.
- At local level, organise to exploit the diaspora, especially as part of *The Gathering* in 2013.
- Investigate the opportunity to boost the marketing of the west in selected markets by availing of Job Bridge, the Government's internship scheme.
- Secure more 'destination placement' for the western seaboard in movies, commercials and publicity in key overseas markets.

Improving accessibility to the west

- There is an urgent need for a national aviation policy to include Government's plan for a sustainable airport infrastructure along the western seaboard, taking into account regional economic development including tourism.
- Tourism interests and agencies to work with airports to develop a cohesive strategy for air route development, prioritising new low frequency seasonal services from France, Germany and the Netherlands into the west.
- Allocate marketing resources to promote existing services which have spare capacity.
- Lobby for the prioritisation of the upgrading of national roads of significant potential for tourism.
- Develop a branded and well interpreted 'Atlantic Coast Drive' to encourage exploration of points of scenic and cultural interest.
- Facilitate the licencing, operation and integrated ticketing of public transport services for tourists.
- Accelerate the delivery of broadband connectivity to the more remote areas of the western seaboard.

Ensuring the west stays competitive

- Initiate a tourism competitiveness monitor to track and compare prices across Ireland as a tool to inform business decisions.
- Industry to action the findings from Fáilte Ireland's Visitor Attitude Survey 2011, which for the first time will provide valuable information on consumers' assessment of the relative value for money of selected destinations in the west.
- Sectoral trade organisations to provide increased supports to members in re-engineering their cost, pricing and service levels in order to deliver an improved value for money offering to the consumer.

Making it happen

- A 'Tourism Forum for the west' to better coordinate planning and oversight of tourism development and marketing is proposed.

1. INTRODUCTION

1.1 Background

Over the past decade tourism in Ireland has changed dramatically with the increased importance of domestic tourism and the shift in demand patterns from overseas.

The west of Ireland – historically the area of the country which best exemplified the quintessential appeals of Ireland and delivered unique visitor experiences much sought after by foreign visitors – has diminished in relative importance. Over the past 10 years the relative share of leisure visitors from overseas attracted to the western seaboard has been in decline – measured in visitor numbers and bednights. While the decline was somewhat cushioned by a significant increase in demand from the home market, the current downturn in domestic demand exposes a particular set of challenges for the industry in the western half of the country.

Demand trends in most of Ireland's source markets towards shorter trips, a preference for travel by air, a growing incidence of choosing urban destinations, and a decline in touring holidays have combined to shape the current demand patterns for visits to Ireland. In addition to the changing consumer tastes and behaviour, the west has been impacted by a number of supply or distribution changes, including 'Open Skies' which dramatically altered the flow of North American visitors to Ireland.

In view of this serious situation, ITIC commissioned a fundamental re-assessment of both the potential and the barriers to attracting more tourists to the western seaboard from Donegal to Cork.

TTC – Tourism & Transport Consult – successfully tendered for the assignment, with the study being undertaken over the period July to September 2011.

1.2 Purpose and Scope of the Study

The purpose of the study is to examine ***"tourism in the west of Ireland and its future prospects, with a focus on the appeals, competitiveness, opportunities and barriers to recovery in a changed world."***

The primary focus of the study is on overseas holiday visitors to the west – its relative importance, recent demand trends and future prospects. The west of Ireland (hereafter referred to as the 'west') is broadly defined as the western seaboard from Donegal to West Cork, encompassing Fáilte Ireland regions of North West, West, Shannon and Cork/Kerry.

The review set out to question some basic issues including:

- Are the traditional appeals of the west of Ireland diminished in today's markets?
- Are the appeals and experiences sufficiently differentiated and compelling for the visitor?
- What is the visitor experience being delivered by the west in the 21st century?
- Is the west delivering value for money?
- Where are the market opportunities for the west over the next 10 years?
- What are the barriers to attracting more tourists to the western seaboard?
- Has marketing, including a series of specific campaigns, been effective?
- Is access transport an issue?
- What changes are needed in the tourism infrastructure, visitor services and experiences?
- Is the organisation of tourism in the west – public sector agencies and private sector associations – fit for purpose in today's world?

1.3 Methodology

The approach followed a logical and efficient progression from initial data analysis through extensive engagement of stakeholders to the formulation of conclusions and recommendation.

The process moved from existing information through further investigation and analysis informed by stakeholder inputs. The engagement of a wide range of stakeholders in the west, together with their vision and investment plans, was critical to the credibility of the output.

Performance & trend analysis → Stakeholder & consumer perspectives → Conclusions & recommendations

Methodology Framework

Step 1 **Desk review & analysis**	**Review of data, reports & analysis** • Demand performance & trends- absolute and share- by main source markets • Supply side profile: appeals, characteristics, quantum, utilisation, national share by sector, geographical distribution, and gaps • Access patterns, including arrivals by air into the West • Identify competitiveness and postulate critical factors impacting performance
Step 2 **Stakeholder Engagement**	**Consultations** • 1 on 1 consultations with key public and private sector stakeholders • Meetings with industry representative associations and trade groups **Online Discussion Forum** Facilitating a moderated online discussion on key aspects of tourism in the West and its future. Site hosted by ITIC over an 8 week period. **An outsider's perspective** • Consumer reviews - online trawl
Step 3 **Analysis and case studies**	Based on analysis of findings from consultations, discussions and reviews • Identifying key strategic assets, failures, and barriers to tourism growth • Developing a series of case studies demonstrating key factors for success and identifying best practice from recognised achievers, i.e. destinations; individual business; events, attractions and activities.
Step 4 **Future Scenarios Workshop**	**Workshops**: 4 workshops were held in Killarney, Adare, Galway and Sligo attended by over 100 stakeholders for the purpose of • Validating the analysis and conclusions • Defining the goals and likely future scenarios • Debating the strategic options
Step 5 **Conclusions & Strategic Recommendations**	• A strategy for the West in the international marketplace • Key marketing positioning and priorities • Delivering the visitor experience • Organising for growth

1.4 Acknowledgements

TTC are grateful for the data and insights provided by Fáilte Ireland, Tourism Ireland, Shannon Development and the Western Development Commission. The performance data and research findings provided by the agencies formed the basis for the situation analysis and shaped the output of the report.

The contributions from a wide range of stakeholders including industry representatives, businesses, local authorities, airports and tour operators provided an invaluable source of insights on the challenges and opportunities facing the tourism industry along the western seaboard. TTC gratefully acknowledge the time and experience willingly provided by over 150 individuals and organisations who participated in the process. The contributors, through attendance at workshops, one-on-one interviews, online discussion forum and other submissions informed the analysis, conclusions and recommendations.

1.5 Report Outline

Chapter 2 provides an overview of tourism in Ireland over the past decade together with a short to medium term demand outlook.

Chapter 3 presents a detailed analysis of holiday demand from overseas to the western seaboard in the recent past, focusing on its market share position and the changing patterns of demand.

Chapter 4 contains an overview of the appeals and experiences that attract overseas holiday visitors, together with an assessment of the tourism assets and infrastructure along the western seaboard.

Chapter 5 sets out a number of issues by way of questioning the appeals, supply side shortcomings, accessibility, value and organisation of the tourism offering.

Chapter 6 selects three illustrative case studies of successful tourism strategies of innovation and collaboration.

Chapter 7 suggests an outline tourism development strategy for the western seaboard.

Chapter 8 presents the principal conclusions plus strategic and tactical recommendations for consideration.

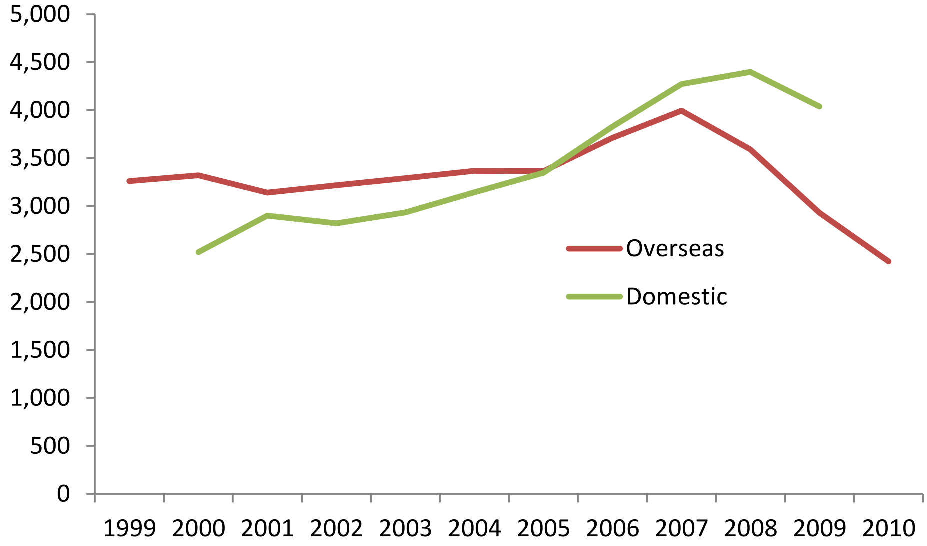
2. SITUATIONAL CONTEXT

2.1 The Changing Profile of Irish Tourism

2.1.1 An overview

Over the past decade the number of holiday visits from overseas increased to a peak of 4 million in 2007 thanks to growth in demand from mainland European markets. Since then Ireland has seen a 40% drop in overseas holiday visitors to an estimated 2.4 million in 2010. While visitors come to Ireland for a variety of reasons, the focus of this report is on those who come for holidays, as distinct from those visiting friend and relatives, coming for business or for other reasons.

Fig. 2.1: Overseas & domestic holidays in Ireland 1999-2010



Source: Fáilte Ireland (2010 data on holidays taken in Ireland by Irish residents is not yet available)

At the same time demand from the domestic market for leisure trips grew at a fast pace increasing from 2.5 m trips in 2000 to 4.4m in 2007, a 75% increase. Demand slipped back to 4m in 2009, the latest year for which data is available.

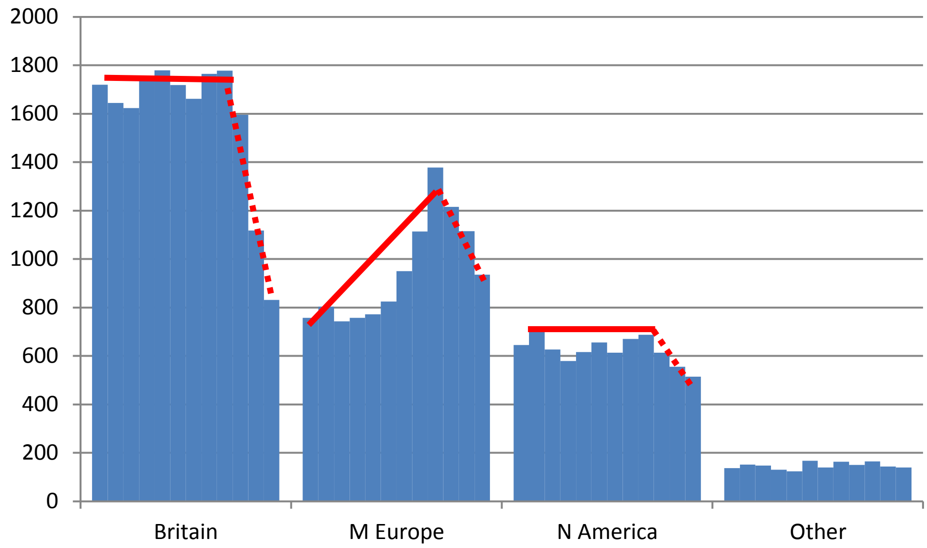
Despite the downturn in recent years the tourism industry generated an estimated €4.7 billion in 2010 of which €1.25 billion was spent by Irish residents. The peak revenue from tourism was in 2007 generating a total of €6.4 billion of which €1.55 billion was domestic spend.

2.1.2 Shifts in overseas demand for holidays in Ireland

While historically Britain has been Ireland's number one source of holidays to the country, preliminary estimates for 2010 suggest that for the first time the number of holiday visitors from mainland Europe surpassed British holiday visitors.

There was little growth in the number of British residents coming on holiday to Ireland throughout the past decade before a collapse of demand over the past 3 years – when numbers dropped from 1.6m to just under 850,000. Ireland has been losing share in the British market.

Fig. 2.2: Overseas holidaymakers (000s) to Ireland by source market 1999-2010



Source: Fáilte Ireland

In contrast, the demand trend from mainland Europe has been one of sustained growth up to 2007, before a 32% downturn to 2010 levels of close to 900,000 holiday visitors.

The North American market, while showing year on year variances has consistently delivered close to 650,000 holiday visitors per annum, before falling off by approximately 25% between 2007 and 2010, but appearing to recover to near peak levels again in 2011.

Year to date (January-July) results indicate some recovery from most source markets, supported by anecdotal reports from the industry suggesting more buoyant demand from the United States and mainland Europe than from Britain. However, 2011 outcome is likely to be a long way off recovery to 2007/8 levels of demand.

2.1.3 Dublin gains in popularity

Perhaps the most marked change in the profile of demand for holidays to Ireland has been the increasing popularity of Dublin as a destination. Increasingly in recent years more and more holiday visitors are confining their visit to Ireland to a stay in the capital. This trend has been most marked amongst European leisure visitors with 'Dublin only' visits reaching double digit annual average growth over the past decade. Current demand patterns show that for more than half of visitors to Ireland from a number of European countries, their stay in the country is limited to Dublin only.

Of greater significance is that this shift in demand is even more apparent amongst first time holiday visitors to Ireland. In short, over the past 10 years Ireland has been more successful in attracting 'Dublin only' than holiday visitors exploring other parts of Ireland.

Table 201: Average annual growth rates 2003-2009

	AAG 2003-2009
Holidays to Dublin only	+2.8%
Holidays to rest of Ireland/West	-4.6%

Source: Derived from Fáilte Ireland estimates

2.1.4 Car touring holidays in decline

Over the past decade the incidence of overseas holidaymakers using a car in Ireland has been on the decline. The number of holiday visitors bringing a car to Ireland has fallen sharply, especially from Britain, while at the same time the proportion of visitors hiring a car has shown only a marginal growth.

Ten years ago almost one in four holiday visitors had brought their car to Ireland this is now close to 13%. Close to 30% of holiday visitors currently hire a car in Ireland, a market share virtually unchanged over the past decade.

The trend has been one of an increasing incidence of holidaymakers to Ireland being without the use of car. Currently just over half (approx. 55%) of holiday visitors to Ireland do not have the use of a car, this compares to close to 40% ten years ago.

Table 202: Change in proportion of holiday visitors using cars in Ireland over the past decade (based on 3 year averages)

	Britain		USA		Germany		France	
	2000	**2010**	**2000**	**2010**	**2000**	**2010**	**2000**	**2010**
Car brought	40%	20%	5%	1%	30%	17%	37%	13%
Car hired	15%	23%	50%	43%	37%	35%	27%	37%
No car	45%	57%	45%	56%	23%	48%	36%	50%

Source: Fáilte Ireland Survey of Travellers

2.2 The international context

Demand for international leisure travel continued to grow throughout the noughties until the impact of the financial and economic crisis hit in 2008. The downturn in travel demand, particularly from western economies, was obvious from late 2008 through 2009. However, the downturn in demand, despite its depth, showed some modest recovery in 2010 which continues, although even more fragile, at the present time. The continued economic uncertainty, particularly the sovereign and bank debt crises in the eurozone is further weakening consumer and business confidence and demand.

While Ireland was one of only 3 European countries not to report some recovery in tourism demand in 2010, outbound leisure travel from Britain is at a ten year low which, because of its size, has significantly adversely impacted tourism to Spain and to Ireland.

Macro- economic conditions in source markets continue to be the primary influence on overall demand for holiday travel. In addition to economic factors, a number of trends have been apparent, and continue to shape demand for leisure travel.

The most notable of these factors include:

- Consumers favouring more frequent and shorter trips
- A growing popularity of city breaks and urban, cultural and sporting experiences
- An ageing demographic in most western economies, disproportionately shaping travel demand as 55+ cohort drive travel growth
- The e-revolution which has made travel more immediately accessible to consumers
- The impact of low cost airlines (LCCs) in reducing fares and opening up new destinations
- As consumers increase the frequency of trips, the motivation or reason to visit has increased in importance as witnessed by the success of destination event strategies, etc.

Latterly there has been a very evident increase in consumer value consciousness following the recent recession.

2.3 Short to medium term outlook

The first seven months of 2011 saw a welcome return to growth in overseas visitor numbers. However, growth in demand is slowing from many source markets as the economic outlook turns negative and investment, business and consumer confidence dips once again.

While Ireland saw a low double digit growth (+11.8%) in visitor arrivals in the first seven months of 2011 – in part an expected bounce back from the depressed demand in the same period in 2010 due to the ash cloud - the number of foreign arrivals is still 9% below the level in 2009 and 19% below 2008 numbers. The outlook for international travel for the remainder of 2011, reflecting wildly gyrating stock markets, slipping consumer confidence, and the ongoing drama of the eurozone sovereign-debt crisis, suggests that Ireland will experience a slowing down of the rate of recovery.

The evolving economic conditions across Europe and the fear of a double dip recession in the US, make the task of recovery of tourism to Ireland even more challenging. As planning gets underway for 2012 the outlook, as of now, is for another difficult year in the international and domestic markets. To avoid renewed contraction and loss of market share it is critical that the marketing strategy targets the best prospects and allocates resources accordingly.

3. HOLIDAY TOURISM ON THE WESTERN SEABOARD[1] – A Performance Review

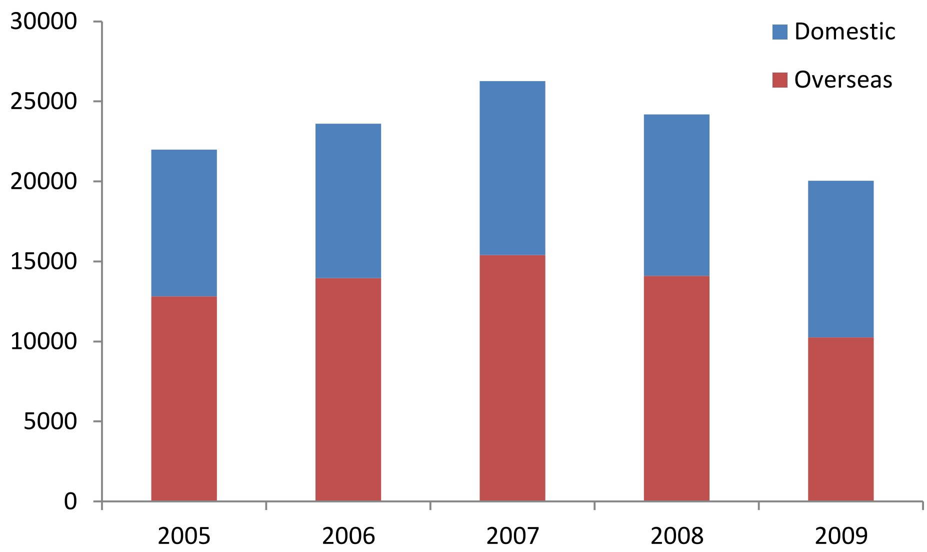
3.1 Where Holiday Demand Comes From

The western seaboard attracts close to three out of every five bednights spent by holidaymakers (Irish and overseas) in the country, with the share position slipping in recent years.

An estimated 20 million bednights were spent along the western seaboard by holidaymakers in 2009, the most recent year for which data is available, compared to 26 million in 2007 the year of record demand. Over the past three years the domestic market has become relatively more important as a source of bednights in the western seaboard area. In 2009, Irish holidaymakers accounted for just under half (49%) of holiday bednights, with 51% coming from overseas – almost 10m each from home and overseas markets. This compares to two or three years earlier when overseas demand accounted for close to 60% (15.4m) of holiday bednight demand, with the domestic market generating just over 40% of bednight demand (10.9m).

Over the period 2005 to 2009, the western seaboard gained share of domestic holiday demand, increasing from 62% to 64% of trips and from 66% to 68% of bednights.

Fig. 3.1: Holiday bednights along the western seaboard 2005-2009 (000s)



Source: Fáilte Ireland

3.2 Fall-off in Overseas Holiday Visitors to the Western Seaboard

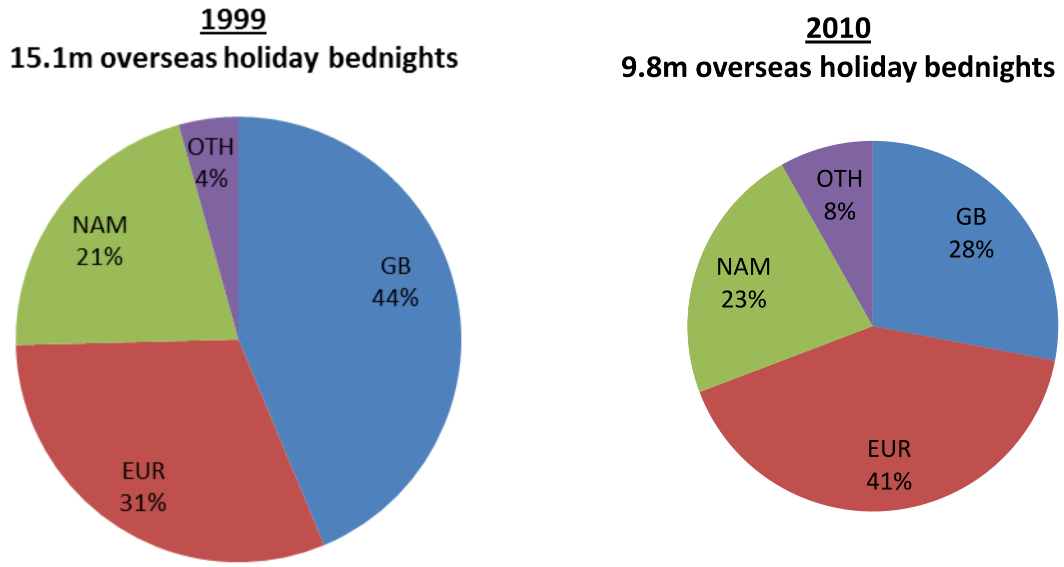
The number of overseas holiday visitors to each region along the western seaboard has been in decline over the past decade.

An estimated 9.8 million bednights were spent on the west coast by overseas holidaymakers in 2010, this compares with 15.1m in 1999. Over the ten year period the volume of demand each year has been below 15m with the exception of a record 15.4m bednights in 2007. The past 3 years has seen a 37% fall-off in demand.

Mainland Europe was the top source of holiday bednights along the western seaboard in 2010, accounting for 2 out of every 5, followed by British holidaymakers (28%) and North American (23%).

[1] Western seaboard for the purpose of this report consists of 4 tourism regions of North West, West, Mid West and South West

Fig. 3.2: Fewer overseas holiday visitors going to the western seaboard

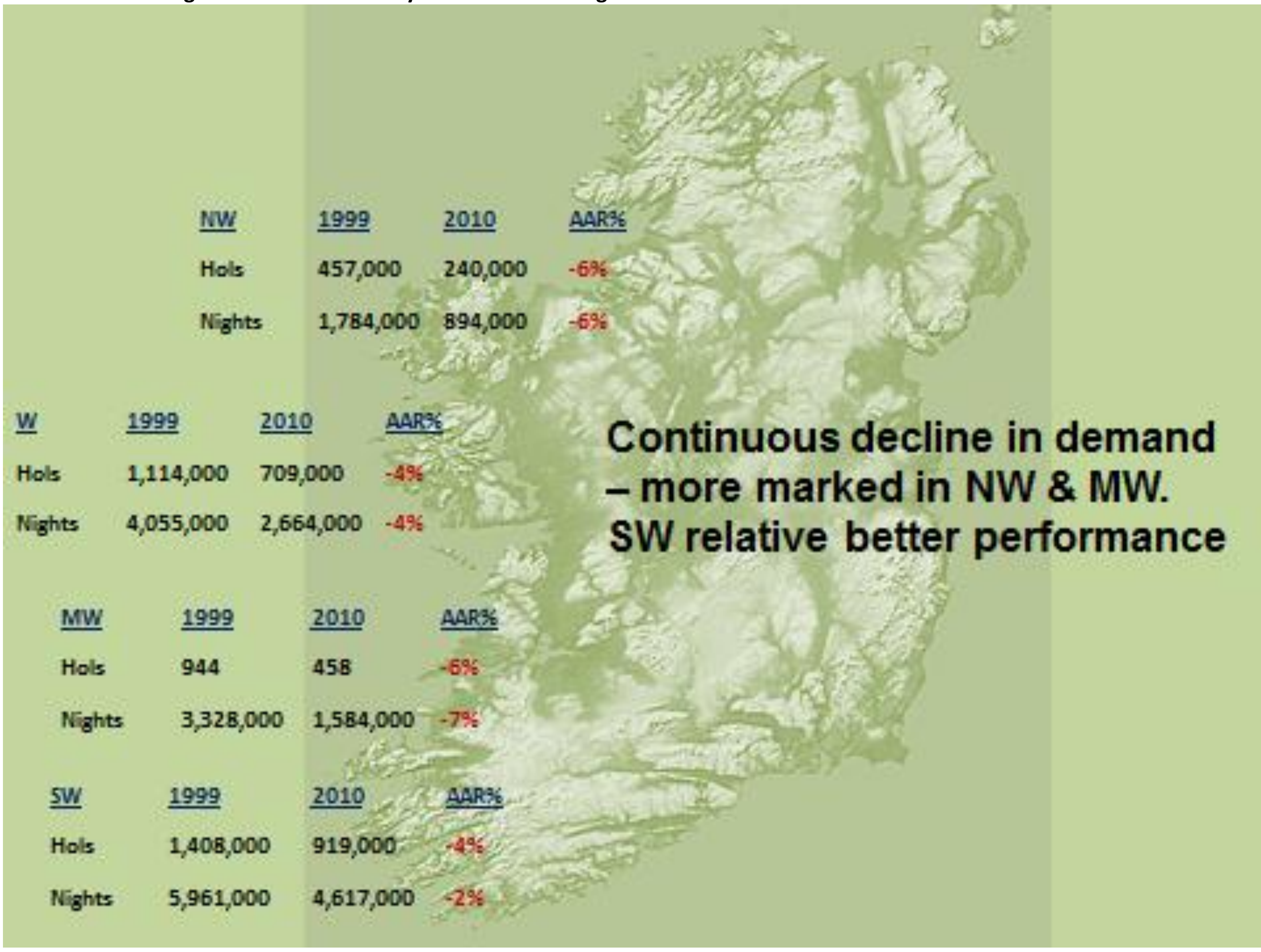


Source: Fáilte Ireland estimates

Each of the four tourism regions – North West, West, Mid West and South West – have experienced a downturn in demand from all markets, although the rate of decline shows some variation between different areas of the west. Overall the decline in the number of overseas holidays visiting the western regions is between one-third and a half fewer than 10 years ago, while the number of bednights is down by almost a quarter in the South West and has halved in the Mid West and North West regions. In volume demand terms the South West and West have out-performed the Mid West and North West over the past decade.

Each of the four tourism regions along the western seaboard have experienced an *average annual rate of decline* in overseas holiday visitors of between - 4% and -6% over the past decade. The average annual rate of decline in bednights from overseas holidaymakers visiting the western seaboard has ranged from -2% in the South West to -7% in the Midwest.

Fig. 3.3: Overseas holiday visitors and bednights to the western seaboard 2010 vs. 1999



Source: Derived from Fáilte Ireland data. AAR% - Average Annual Rate of Change

The fall-off in demand measured in bednights reflects the overall trend towards shorter average stay in Ireland by holiday visitors, but more importantly is the result of loss of share of bednights spent in the country.

3.3 The West Losing Share of Ireland's Inbound Tourism

The share of bednights spent along the western seaboard is currently estimated at just over half of all nights spent by holiday visitors to Ireland. This compares with a situation 10 years earlier when two out of three bednights were west of the Shannon.

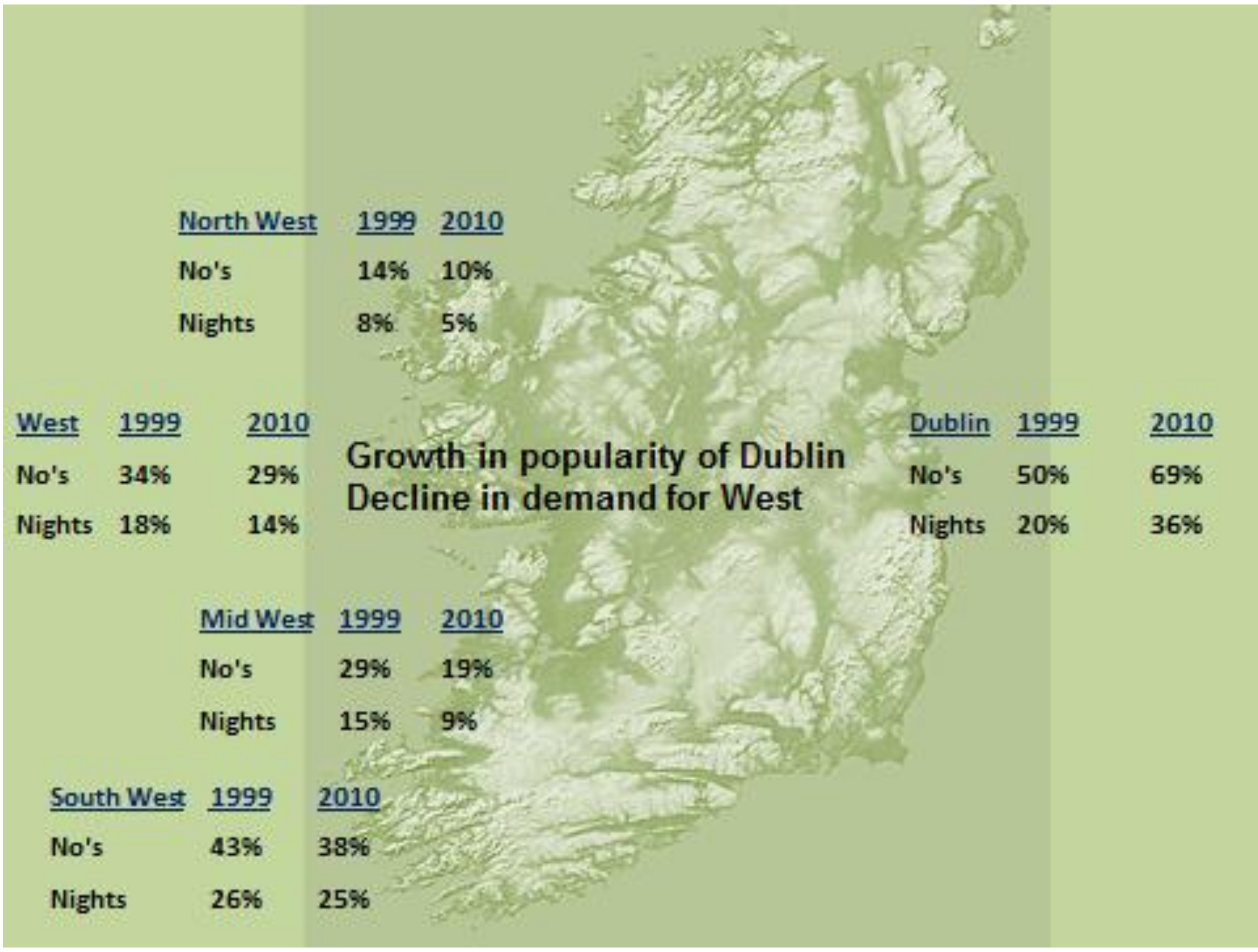
Table 301: Western seaboard's share of overseas holiday bednights

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010(P)
66%	61%	57%	55%	55%	54%	55%	54%	57%	55%	51%	53%

Source: Fáilte Ireland

It is interesting to note that the loss of share was most marked between 1999 and 2002, and apparently failed to recover from the impact of foot and mouth disease. Another drop in share was apparent during the sharp downturn in 2009 with some share recovery suggested in 2010.

Fig. 3.4: Changing pattern of overseas holiday demand in Ireland 2010 vs. 1999
(% share of holidays and bednights in selected regions)



Source: Derived from Fáilte Ireland data

The loss of share to the west is the direct corollary of the increasing share of holiday visits to Ireland concentrating on Dublin and the city's immediate environs.

Increasing popularity of Dublin

Last year almost 70% of overseas holiday visitors to Ireland spent at least one night in the capital, up from 50% share a decade ago. While many overseas visitors either by choice include Dublin as part of their stay in Ireland, or are compelled to do so by travel schedules, an estimated 55% to 60% of those visiting the capital are visiting 'Dublin only'. The latter reflects the growth in popularity of Dublin as a stand-alone destination. Dublin now attracts over one-third of holiday bednights in Ireland, compared to one in five a decade ago.

The data would strongly suggest that overseas visitors increasingly choose between Dublin and (rest of) Ireland as distinctive destinations for a holiday/leisure trip, presumably influenced by the growth in incidence of short trips, the increasing popularity of city breaks together with the expanded tourism experiences on offer, the upgraded tourism infrastructure and convenient access from source markets.

Loss of share across all markets

The western seaboard's share of holiday bednights spent in Ireland has dropped from each of the main source markets over the past decade.

Table 302: Western seaboard's declining share of holiday bednights spent in Ireland

	1999		2010
ex Britain	64%	↓	58%
ex Mainland Europe	70%	↓	54%
ex North America	65%	↓	53%
ex Other Areas	65%	↓	40%
Total	66%	↓	53%

Source: Fáilte Ireland/SOT

While the drop in volume demand from Britain has been most obvious, the share of British bednights in Ireland spent in the west has held up better than from other markets.

In contrast the western seaboard's share of the expanding European markets has fallen sharply over the past decade, from a 70% share of bednights spent in the country in 1999 to an estimated 54% last year. This loss of share of the fastest growth market for Irish tourism over the past decade is especially worrying. While a number of factors may have contributed to the loss of share, including shorter trips, the increasing appeal of Dublin and limited convenient direct air services to the west, reversing this trend from what is expected to be the future growth market for Ireland represents a particular challenge.

The decline in share of North American bednights spent in the western seaboard area has also been steep, in large part a result of the switch from Shannon to Dublin as the principal port of arrival for Americans coming to Ireland.

The west share of holiday visitor bednights in Ireland from other longer haul markets, principally Australasia, is currently estimated at below 50%, a sharp loss of share over the past decade.

Varying performance across regions in the west

Table 303: Tourism regions' share of overseas holidaymakers 2010 v 1999 (numbers and bednights)

		Britain		Mainland Europe		North America	
Tourism Region		1999	2010	1999	2010	1999	2010
South West	Nos.	30%	28%	55%	38%	62%	49%
	Nights	23%	27%	31%	27%	26%	24%
Mid West	Nos.	18%	8%	38%	19%	49%	34%
	Nights	16%	7%	12%	8%	15%	12%
West	Nos.	21%	19%	49%	33%	48%	36%
	Nights	16%	15%	21%	14%	18%	15%
North West	Nos.	12%	<10%	17%	10%	17%	9%
	Nights	10%	<10%	7%	4%	5%	3%
Western Seaboard	Nights	64%	58%	70%	54%	65%	53%

Source: Fáilte Ireland/SOT

Some interesting variances in share performance are evident across the major source markets:

South West — The most popular region would appear to have held its share of British holiday visitors and increased the corresponding share of bednights.

The incidence of Europeans visiting the region has declined however the fall in share of bednights is much less marked.

Likewise a lower share of North Americans now include a visit to the region, while the region's share of bednights has now declined proportionately.

The region appears to have increased the average length of stay despite attracting a lower share of holidaymakers.

Mid West — The region has predictably lost share of North American visitors in post 'open skies' era, with about one in every three North Americans now spending at least one night in the region, compared to one in every two a decade ago. The region attracts a 12% share of North American holiday nights.

The region's share of British and European holiday visits and bednights has approximately halved, with the exception of a less steep loss of European holiday bednights.

West — An estimated one-third of European and North American holidaymakers now visit the West, compared to about one in every two 10 years ago. The region's share of holiday bednights for those markets is now estimated at close to 15% (down from close to 20% in 1999).

The region has almost held its attraction in the British market, attracting close to 20% of British holidaymakers and 15% of bednights (the latter a declining share).

North West — The region's share has been in marked decline, and currently attracts up to 10% of holiday visitors from each of the main source markets and less than 5% of bednights from Europe and North America. The region's share position has been significantly eroded in the European and North American markets, while capturing a lesser share of the British market.

3.4 Hotel Demand Indicators

The dominant characteristic of hotel demand outside of Dublin in recent years has been an increasing dependence on the domestic market, with over 70% of guest nights sold into the Irish market.

Table 304: Origin of guest nights sold (%) 2010

	South West	Mid West	West	North West
Republic	70	68	77	57
Northern Ireland	3	1	3	26
Overseas	27	31	20	17

Source: Fáilte Ireland

Other than in the South West region, achieved occupancy rates throughout the western seaboard area are consistently below the national average.

Table 305: Regional hotel occupancy rates (%) 2005-2010

							2010			2010
	2005	2006	2007	2008	2009	2010	4&5*	3*	1&2*	Hotel rooms
South West	63	67	66	58	61	62	56	60	49	10,133
Mid West	60	63	61	58	51	51	55	54	22	5,340
West	57	59	60	59	57	56	62	52	44	7,236
North West	54	56	57	51	47	56	54	52	16	5,616
National	62	64	64	58	56	56	55	58	42	59,300
Dublin	71	72	72	66	63	62	55	69	63	18,900

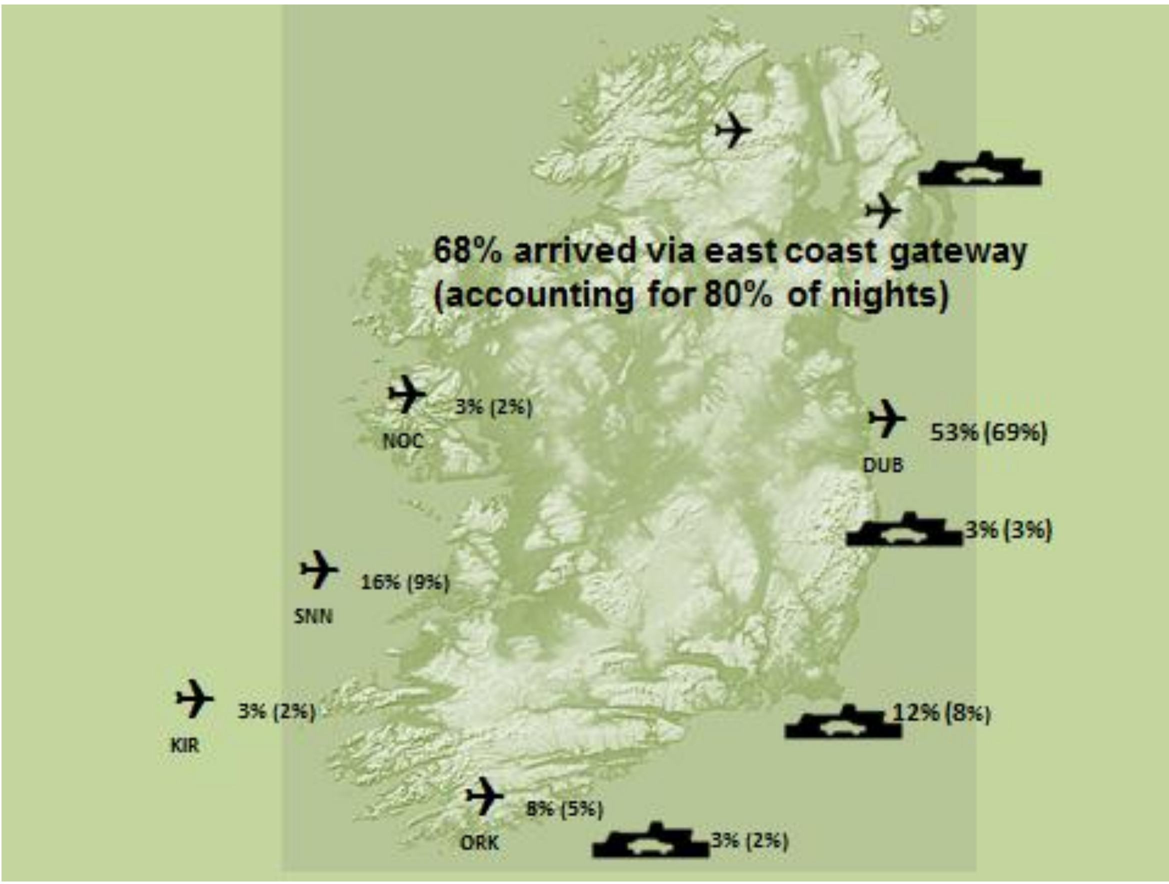
Source: Fáilte Ireland

Hotels in rural locations, on average, achieve a lower annual occupancy rate, estimated at closer to 50%. Room occupancy levels range throughout the year from an average low of 40% in the off-season to a high of just over 80% in the South West and West regions, while the average peak occupancy in other areas along the western seaboard only reach the mid-60s.

3.5 How Holiday Visitors Currently Access the Western Seaboard

Almost 7 out of every 10 overseas holiday visitors to the west currently arrive in Ireland via an east coast gateway. These holidaymakers account for 80% of overseas holiday bednights in the west.

Fig. 3.5: How holiday visitors to the western seaboard arrive in Ireland (2010)
% holiday visitors through each gateway (% holiday bednights)



Source: Fáilte Ireland/SOT

Overall 83% of holidaymakers to the western seaboard arrive by air, generating 87% of bednights, whereas 17% arrive by ferry and account for 13% of bednights.

Dublin Airport is top port of entry for holidays on the western seaboard with just over half coming through the airport. For Galway and Mayo two in every three arrive through Dublin Airport and almost 3 out of every 4 to the North West do so.

Rosslare is the top entry point by ferry with 12% of holiday traffic to the western seaboard arriving through the port. Ferry traffic through the port accounts for 8% of overseas holiday bednights along the western seaboard.

Table 306: How overseas holidaymakers to western regions arrive in Ireland

	South West		Shannon		West		North West		Western Seaboard	
	Nos	Nights	Nos	Nights	Nos	Nights	Nos	Nights	Nos	Nights
Total Air	**83**	**69**	**86**	**77**	**87**	**78**	**87**	**78**	**83**	**87**
Dublin	54	37	49	36	67	52	73	62	53	69
Shannon	12	12	31	37	12	15	6	5	16	9
Knock	*	*	0	0	4	9	5	8	3	2
Kerry	5	7	1	1	*	*	0	0	3	2
Cork	12	13	5	3	3	2	2	2	8	5

Source: Fáilte Ireland/SOT

Note: * denotes less than 1%

The relative importance of entry points varies for each region along the western seaboard. Some of the principal characteristics of demand for individual regions include:

South West	The most popular region with 83% arriving by air – 54% via Dublin and 12% each via Cork and Shannon – plus 5% via Kerry. Arrivals by air account for almost 70% of bednights. Not surprisingly those arriving via Dublin have a shorter length of stay in the region. The 17% arriving by ferry (13% via Rosslare, 4% via Cork and 1% via Dun Laoghaire) are more significant in terms of bednights accounting for almost one in three bednights (31%).
West	The next popular region, 87% of overseas holidaymakers arrive by air and account for 78% of bednights. Two out of every three arrivals by air are via Dublin Airport, with 12% via Shannon and 4% via Knock. Arrivals via Shannon and Knock are relatively more significant as a source of bednights at 15% and 9% respectively.
Mid West	Almost one in every three (31%) holidaymakers and 37% of bednights arrive via Shannon Airport, with the airport being relatively more important as a gateway for North American holiday visitors to the region. Dublin Airport accounts for almost half (49%) of holiday visitors, with Cork and Kerry airports the gateway for 5% and 1% respectively. An estimated 14% arrive by ferry (the majority via Rosslare), generating 23% of overseas holiday bednights in the region.
North West	Of holidaymakers who arrive into the Republic, Dublin Airport is the main entry point providing 73% of holiday visitors and 62% of holiday bednights in the region. Shannon and Knock are gateways for 6% and 5% of holiday traffic to the region, with Knock relatively more important in terms of bednights, accounting for 8% of the total. 13% of overseas holiday visitors to the region arrive by ferry (the majority by Rosslare) and accounting for 22% of bednights. Arrivals via Northern Ireland ports account for over 10% of visitors to the region and 1% of bednights.

3.6 Economic Impacts

Employment on the western seaboard is most reliant on local and public services and the traditional sectors, including tourism. Private sector employment is concentrated in industry, wholesale and retail and hospitality businesses. In 2010 almost 24,000 employed in the accommodation and food services sectors exceeded the number of jobs in agriculture, forestry and fishing[2].

Some indicators of the population and employment trends in the western half of the country include:

- the 15-29 year old cohort is declining at a faster rate than the national average
- the participation rate in employment is consistently 2 to 3 percentage points below the rest of the country, even during periods of economic growth
- the share of those in employment working part time is notably higher than in the rest of the state, and the number in part time employment has been on the increase
- recent figures[3] show an unemployment rate of 14.5%, compared to the national rate of 14.1%. The level of unemployment has more than trebled in the west (+245%) between 2007 and 2011 compared with an almost doubling (+193%) in the rest of the state. The unemployment rate is highest amongst 20-34 year olds and notably higher than in the rest of the state.

[2] WDC estimates based on CSO data for counties Donegal, Sligo, Leitrim, Galway, Mayo, Roscommon & Clare
[3] WDC from CSO Quarterly Household Survey, Q1 2011

4. THE VISITOR APPEALS AND EXPERIENCES - An Overview

4.1 The Western Seaboard – The Quintessential Ireland

The principal appeals of Ireland to the discretionary visitor – people, scenery and cultural heritage – are synonymous with those attractions on offer west of the Shannon. The appeals to visit the west are identical with the top features identified by research as the major influences for visiting Ireland from each of the main source markets.

What overseas visitors historically have come to Ireland to see and do is epitomised in the appeals and experiences that the west has to offer – an authentic experience based on unique natural, man-made and social environment. The west offers the visitor countless opportunities to immerse in nature, culture and history, combining urban, community and rural tourism experiences.

Fig. 4.1: Visitor Appeals

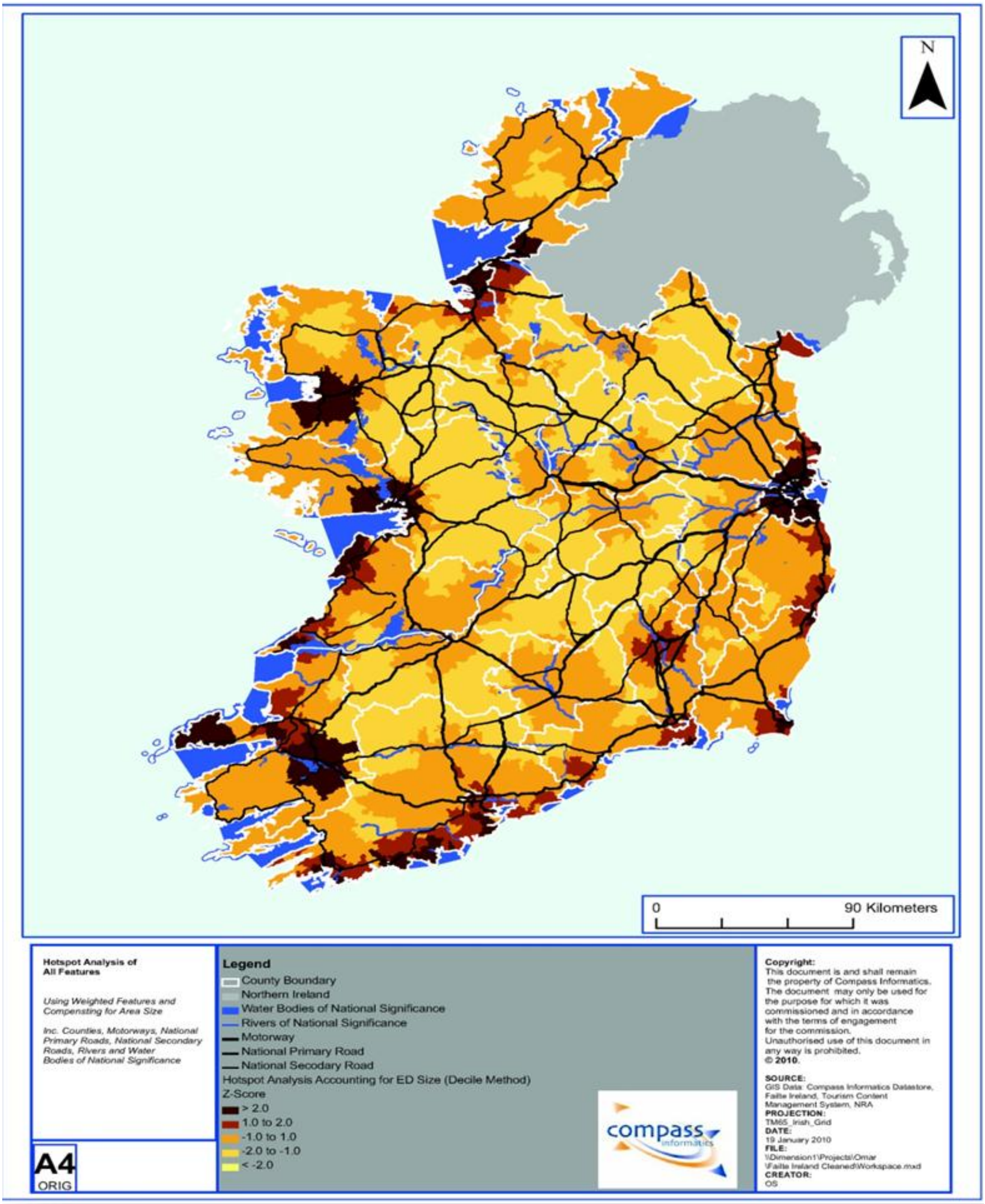
The core values of an Ireland holiday experience are of a welcoming people in a pleasant environment featuring unique scenery, authentic cultural experiences together with a range of things to do and see. In addition the motivations for most of the niche markets to visit Ireland for a particular activity or experience are largely available along the western seaboard – for example links golf; walking; cycling; surfing and other water based recreation; angling; traditional music; and rural culture.

4.2 Tourism Assets

Not surprisingly the areas, outside Dublin, with the most to offer tourism in terms of product – attractions, accommodation and visitor services – are located on the western seaboard. Counties Cork, Kerry, Galway, Mayo, Sligo and Donegal account for approximately 50% of Ireland's tourism product stock. However there are distinctive variations in the quantum and quality of tourism products along the western seaboard.

7 out of the top 10 tourism destinations in Ireland identified by density of supply are located on the western seaboard. These top destinations: Sligo/South Donegal; Westport/Clew Bay; Galway/Connemara; Cliffs of Moher/West Clare; Dingle Peninsula; Killarney/Ring of Kerry; and West Cork, have the potential to act as drivers of demand in generating visits to the west. The attractors along the western seaboard, either alone or in combination with others, form the basis for providing the visitor with a satisfying experience.

Fig. 4.2: Product Density Map



Source: Fáilte Ireland

Core Tourism Assets of the Western Seaboard

Spectacular scenery/rugged beauty
Landscapes, seascapes, mountains, rivers and lakes
National parks
Natural environmental wonders
Historical sites
Cultural attractions
Rural community experiences
Vibrant urban centres
Festivals and events
Scenic drives and trails
Island living
Historic houses and gardens
Castles
Literary trails

Outdoor activities/recreation

- Walking
- Cycling
- Angling
- Golf
- Equestrian
- Surfing
- Sailing
- Sea expeditions
- Scuba diving
- Adventure
- Sporting events

Despite this concentration of tourism product there are relatively few 'must see' attractions of international renown to drive demand.

Some of the best known attractors or tangible assets of the western seaboard include:

Blarney Castle West Cork Killarney Ring of Kerry Dingle Peninsula	Bunratty The Burren Cliffs of Moher Doolin Loop Head	Galway City Connemara Aran Islands Kylemore Abbey Clew Bay/Westport Achill Island	Shannon-Erne Waterways Sligo and Yeats Benbulben Slieve League Glenveagh Castle

Only four of Ireland's top 10 admission fee visitor attractions are located along the western seaboard:

No. 4:	Cliffs of Moher Visitor Experience	est. 720,000 admissions in 2010
No. 6:	Fota Wildlife Park	377,000
No. 7:	Blarney Castle	308,000
No. 10:	Bunratty Castle & Folk Park	260,000

Outside of the few natural and man-made attractions along the western seaboard, many of the prime tourism experiences are based on intangible assets, which present particular challenges in communicating the appeals to the market.

Changes in consumer demand and behaviour profiles suggest that the opportunities for participative experiences are increasing in most source markets, particularly in mainland Europe.

The range of outdoor activities or soft adventure available represents an as yet fully unexploited potential to attract overseas holiday visitors. Other than walking and surfing, the number of visitors participating in other activities has been falling.

While the basics for a range of potential holiday experiences are present in the west, accessibility and delivery in many instances are not formally organised and presented. A key experience gap is relatively poor interpretation and animation of the visitor experience in the west.

Festivals and sporting events also represent important reasons to visit and while there are several high profile events staged along the western seaboard, the majority do not presently act as attractors outside the domestic market.

4.3 Tourism Infrastructure

4.3.1 Airports

Up to 8 airports are located along the western seaboard – Cork, Galway, Shannon, Kerry, Knock, Sligo, Carrickfinn and City of Derry. With the withdrawal of PSO route support Sligo Airport has effectively closed to commercial traffic. Just over 30% of summer capacity on cross-channel routes between Republic of Ireland and Britain operate to/from airports outside of Dublin – approximately 40,000 seats per week in each direction.

Service from mainland Europe to airports along the western seaboard is much more limited, with approximately 7,000 seats per week on scheduled routes from source markets for inbound holidays (i.e. excluding sun resorts and eastern European routes). Cork has the most routes and capacity with limited services to Shannon and Kerry. Knock will have its first inbound scheduled service from Dusseldorf in 2012.

4.3.2 Road and Rail infrastructure

The improvement of the national road and rail system has significantly improved access from eastern gateways to many parts of the western seaboard area. The improvement in travel times include:

- The motorway radial network from Dublin, principally the M1, M3, M4, M6, M7 and M8
- The M50 interchanges from Dublin Airport and the Dublin Port Tunnel
- The Shannon tunnel
- The upgrading of national road network, mainly along the Atlantic Corridor
- New rail rolling stock and increased frequency of services on routes radial from Dublin to Cork, Killarney, Limerick, Galway, Westport and Sligo

In addition the number and frequency of inter-city coach services has improved between principal gateways and major urban areas

4.3.3 Visitor Accommodations

Hotel Stock

28,350 rooms are available along the western seaboard in just over 500 properties. While the stock of hotel rooms increased over the past 6 years, the increment of increase was more modest than on the east coast, resulting in the west's share of national hotel stock slipping from 52% in 2005 to 47% in 2011. The profile of the available stock closely mirrors the national average with 47% of rooms in 3* properties. As elsewhere throughout Ireland recent tax driven investment in hotel development has resulted in a distortion of the demand versus supply business model. This situation has a negative impact on many traditional hotel businesses in the west, while several newer developments struggle to meet commitments.

B&B

The majority of B&B stock is located within the western seaboard, although the number of properties is in decline as elsewhere throughout the country. (The number of B&B establishments in Ireland has approximately halved over the past 10 years.) The sector depends on overseas visitors for more than 80% of its guests. However, the average achieved rate has been depressed in recent years with the fall in hotel rates.

Classification and grading has been introduced across the sector, but the categorisation initiative – e.g. angling B&Bs, walking B&Bs – is expected to be particularly effective in repositioning B&Bs in the marketplace.

Rental

The western seaboard is well supplied with accommodation to rent, including Fáilte Ireland Group Schemes and individual properties. Average utilisation tends to be low with spare capacity readily available in the shoulder and off-season months.

5. ISSUES & CHALLENGES – A Discussion

5.1 Have the traditional holiday experiences in the west of Ireland lost their appeal in today's market?

The tourism industry has long assumed that the west of Ireland encapsulates all that attracts visitors to Ireland, namely the people, the scenery, the culture and heritage. The accepted wisdom has been that the western seaboard offers the visitor the quintessential Ireland experience in a range and to a depth perhaps not available, or as accessible, in other parts of the country.

While market research continues to confirm the primary appeals which attract visitors to Ireland, recent demand patterns would challenge the assumption that spending time in the western part of the country is necessarily perceived by visitors as a 'sine qua non' of an Irish holiday experience.

Several shifts in consumer behaviour have undoubtedly contributed to the declining share of holiday visits to the western seaboard areas, including a preference for shorter trips, the increasing popularity of cities as leisure trip destinations and a decline in touring holidays. In addition the motivations for travel and the experiences sought by consumers continue to change with evolving demographics, lifestyles and values in each of Ireland's source markets. Furthermore, structural changes such as 'Open Skies', airline strategy of concentrating access on Dublin, regulatory developments together with significant investment in tourism infrastructure in the capital have also contributed to changing the pattern of where overseas visitors go in Ireland.

In the light of the shift in visitor behaviour it is opportune to re-evaluate both the presentation and delivery of the visitor experience on offer in the west. The complexity of the changing consumer demand dynamic and its implication for the west of Ireland is unlikely to be addressed solely by increased marketing budgets. The challenge raises a number of fundamental questions for the industry.

5.2 Are the appeals and experiences of the western seaboard sufficiently differentiated and compelling for the visitor?

While the western seaboard or the tag 'west of Ireland' represent convenient shorthand for referencing the geographic area from Malin Head to Cork Harbour, it is far from a homogenous area. The area includes some of the best scenery in the country, an array of cultural and historic attractions and its people have a tradition of welcoming visitors, together with several high profile destinations with a long tradition in tourism. Indeed that imagery most frequently used in marketing Ireland overseas predominantly features locations along the western seaboard.

However, the primary demand attractions or reasons to visit are limited with relatively few stand out attractors of international repute. The latter would include, for example, Killarney, the Cliffs of Moher and Galway/Connemara. While the industry is firmly of the view that there is a large range of experiences on offer, the demand trends would suggest that they are not readily apparent to the consumer or at least are not sufficiently compelling to drive demand.

The appeals and experiences on offer in the west range from or outdoor adventure, sporting and recreational activities, including walking, cycling, golf, angling, surfing and other water based sports; cultural experiences including music, the Gaeltacht, literary traditions, historic and archaeological sites, crafts, local produce and artisan foods, and rural lifestyles.

Perhaps the loss of market share is due more to the lack of compelling reasons to visit, or at least the failure to communicate the potential unique experiences to prospective visitors. A particular challenge is to differentiate the appeals and experiences along the western seaboard and to make them sufficiently compelling to attract visitors.

While the fundamentals of the appeals and experiences on offer along the western seaboard are archetypical Irish, perhaps the weakness over the past decade has been a disproportionate emphasis on promoting accommodation and other tourist services rather than expanding and marketing those appeals which drive demand. This is understandable as businesses engaged in tourism are mainly involved in providing tourism services, few of which are destination or experiences that generate primary demand, in contrast to attractors – natural and manmade or unique tourism experiences – which are generally in the public domain.

5.3 What changes are needed to the supply side?

The consensus view amongst stakeholders is that the range and quality of the tourism product – natural and man-made together with service standards – is good, with only a few identified gaps or deficiencies. However there is recognition that the product will require on-going investment to maintain standards and would benefit from more innovative experiences.

The management of the environment is recognised as critical to the future of tourism to the west, given the intrinsic importance of the nature – landscape, scenery and activities – in the tourism appeal and experience. However take-up of best environmental practices in business appears to be slow, while there are a number of potential environmental threats facing the industry in the west, not least the proposal to allow the extraction of gas by fracking in several areas in the North West. Another potential threat to tourism in the area is any large scale expansion of wind farms in scenic areas.

As already mentioned the weakness appears to be a lack of compelling reasons to visits or primary attractors, rather than any significant short comings in the supply and quality of tourism supports such as accommodation, catering and other services. The challenge is one of exploiting the implicit tourism assets that deliver authentic, unique and memorable visitor experiences. Making these experiences accessible to the visitor is the primary task ahead.

The western seaboard would benefit from greater interpretation, presentation and animation of a range of engaging and entertaining experiences which are latent in the area and the opening up of opportunities for visitors to interact with people and unique Irish experiences, for example turf cutting, bread making, Irish dancing, language lessons, etc.; access to some of the best scenic views with improved laybys, walking trails etc. to improved interpretation of cultural heritage, including animation, for example bringing to life the Yeats experience in Sligo.

The challenge of delivering unique, satisfying experiences to overseas visitors will require more ‘bundling’ or linkages between businesses/operators in local areas together with more innovation by product providers. The opportunity for creating more micro-enterprises catering to tourists is vast, however the challenges new small businesses face particularly in funding and gaining market entry are not inconsiderable. Additionally, all businesses along the western seaboard struggle with the seasonality of demand.

From an overall perspective the most efficient use of resources is the concentration of effort on the high density tourism hubs or centres to deepen the market appeal and visitor satisfaction by creating must see and do attractors. The strategic development of the top tourism centres along the western seaboard, in line with Fáilte Ireland’s product development strategy, will further enhance their compelling appeal.

Events, including festivals and sporting events are increasingly important as motivators to visit. This has been amply demonstrated by the success of major events along the west coast which attract thousands of visitors from long established events like the Rose of Tralee, to the calendar of events staged each year in Galway to new emerging events such as Gaelforce.

5.4 Marketing the Western Seaboard

The consensus view expressed through the consultative process was that Brand Ireland was 'not delivering for the west', while there was an acknowledgement that Ireland now appears to offers two distinct destinations to visitors: Dublin; and the rest/west of Ireland.

Destination marketing for Ireland, despite the use of imagery featuring the west, is not perceived as delivering results for the west

The current destination Ireland marketing campaign was considered to be too 'generic' in its appeal with messages communicated to too wide a target market and without adequate differentiation for individual source markets or segments. 'One size fits all' brand Ireland campaigns worldwide was questioned as to its effectiveness compared to a more segmented approach in best prospect source markets.

While there are many similarities in the range of appeals and experiences along the western seaboard, a particular strength of the area is the number of unique local experiences which can appeal to particular source market segments

The target market prioritisation for the west emerged as:

- Germany and France
- USA
- Britain

While the need for a brand Ireland architecture, incorporating a distinctive sub-brand for the west 'the quintessential Ireland' was proposed, it is difficult to conceive of an effective single branded identity for the area at this time given the heterogeneity of the western seaboard in terms of tourism appeals and characteristics.

5.5 Is access a barrier to developing tourism along the western seaboard?

Stakeholders' Perspective

Stakeholders along the western seaboard invariably cite the limited direct access services into the west of the country as a limiting factor in developing tourism.

Several earlier reports have identified the limited number of scheduled air services together with poor road and rail infrastructure as barriers in attracting international visitors. It is acknowledged that while considerable state investment in road and rail infrastructure has significantly improved access to many locations along the western seaboard, many areas still are difficult to access from the principal entry points for visitors to Ireland.

Getting to the west by air

Cork, Shannon, Knock and Kerry airports are important gateways for overseas holiday visitors, they account for just over a third of holiday visitors to the west arriving by air, despite limited service from mainland Europe. The data suggests that those arriving into a western gateway are more valuable as they spend more time in the area. The share of overseas holiday visitors to the western seaboard area is disproportionately higher than the share of capacity on offer at these airports. For example, Shannon handles 6% share of summer capacity to/from Irish airports but is the gateway for 19% of holiday visitors to the west, while Knock with a 2% share of capacity caters to 4% share of holiday visitors and Kerry with 1% capacity share has a 3% share of holiday arrivals. In the case of Cork there is an almost even balance between capacity share and inbound holiday share, at 11% and 10% respectively.

The large number of competing regional airports from Derry to Cork serving overlapping catchment and destination areas has militated against the development of sustainable international air services to the western seaboard. Viable international air service to/from the existing number of airports is unlikely to be sustainable.

The importance of Dublin as a gateway to the western seaboard is unlikely to change based on carrier strategies, demand patterns and business economics.

Road and rail access to the west

New motorways and upgraded national road and rail infrastructure has significantly improved access to many areas on the western seaboard. This has considerably reduced journey times, especially on the radial road and rail network from Dublin and made access via Dublin air and sea ports more convenient. Conversely it has opened up the possibility of visiting many of the attractions in the west on day trips from Dublin, with numerous new day excursions tours now on offer to Galway, the Cliffs of Moher, Connemara, and the Arran Islands amongst others. This latter trend is not conducive to attracting more overseas bednights to the west.

While access to the west from Dublin has improved, good road and /or rail links on a north-south axis along the western seaboard is still a handicap to developing tourism. This coupled with recent decisions to defer work under the national road programmes further hinders access to specific areas of the western seaboard, particularly to the North West region.

Online connectivity

Businesses in tourism, as in other sectors, are severely disadvantaged by the absence of broadband connectivity in certain areas. Fast online connectivity is a vital requirement of the modern day hospitality industry worldwide.

5.6 Is the west delivering value for money?

In recent years an increasing proportion of holiday visitors to Ireland were critical of the value for money of their holiday, as prices were perceived to be out of line with prices in other countries. British and German visitors were particularly critical. Thankfully there has been an improvement in the value for money on offer, with hotels and restaurants offering better value. This has been reflected in improving value for money rating by holidaymakers in Fáilte Ireland's Visitor Attitude Survey 2010. However, despite the lowering of prices the perception of Ireland as an expensive destination persists abroad. The challenge is to present and deliver the holiday experience in a manner which assures the visitor that the value equation of price and quality is worthwhile.

Unfortunately no objective data is available on comparative prices of tourism inputs in various parts of Ireland. However, anecdotal evidence would suggest that prices in some holiday areas of the western seaboard are currently higher than in Dublin without any noticeable quality or service premium. For example, *numbeo.com* – a US index of restaurant prices in various locations – rates prices in Limerick, Cork and Killarney higher than prevailing rates in Dublin. On the other hand, an examination of visitor reviews on *TripAdviser* indicates a very high level of satisfaction with restaurant experiences in the west. For example of 139 restaurants reviewed in Galway/Connemara, with up to 150 reviews for a number of eateries, the satisfaction rating for food, service, value and atmosphere are consistently high, with value in a number of instances scoring a notch below the other factors.

The recent downturn in the economy has forced the hospitality industry to re-engineer its cost base, product/service offering and price structure. The impact of these changes perhaps is more evident in the capital than elsewhere in the country. For example, specimen comparisons, although in part subjective, suggest that in some instances hotel rates are higher outside of the capital, while menu offerings and prices in restaurants as yet have to adapt to changing visitor tastes and behaviour as well as being higher priced. Unfortunately the consumer does not factor in cost penalties experienced by businesses due location or short season and while there are many excellent value offering available throughout the west, these are not always apparent or accessible to the overseas visitor who instinctively makes the comparison with his/her home country. Since Ireland as a destination struggles to deliver good value to the overseas visitor, any pattern of a widening price differential between prices in the capital and on the west coast would be detrimental to the industry in the west.

5.7 Is the organisation of tourism in the west fit for purpose in today's world?

The west currently lacks leadership/a champion and an integrated plan to boost tourism, despite the large number of agencies, organisations and other bodies involved in the sectors.

The consultative process generated much debate as to the most appropriate organisational arrangements for tourism in the west. Upwards of 30 organisations are currently involved in tourism, including government departments, local authorities, national and regional state agencies; NGOs; regional, local and community associations together with industry representative associations. While the policy areas are almost exclusively the remit of state agencies, the majority of state bodies and tourism organisations are directly or indirectly engaged in promotional activity ranging from the national through regional to campaigns promoting small local areas.

The key deficiencies of the current organisational arrangements identified during the process include:

- An absence of an identifiable organisation with a primary responsibility and leadership role in championing the strategic development of tourism to the western seaboard area.
- The extent of inefficiency in the use of promotional resources due to the multiplicity of agencies and budgets at various levels along the west coast, at times resulting in conflicting messages and misdirected efforts.
- Information and communication gaps for businesses in the area despite, or perhaps because of, the multiplicity of organisations engaged in the sector.
- Confusion for many in the industry as to the respective roles and functions of the various organisations.

The consensus view was that the situation, while well intentioned on the part of individual agencies, organisations and associations, is confusing and inefficient. The current arrangement of two national agencies for tourism – Fáilte Ireland and Tourism Ireland – came in for some critical comment suggesting confusion for businesses and sub-optimal use of scarce resources

6. EXPLOITING THE OPPORTUNITY – Illustrative Case Studies

Introduction

While the performance of tourism to the western seaboard area at the macro level has been disappointing over the past decade, experience demonstrates that even in the most severe downturns, significant opportunities emerge at a local business level. Along the western seaboard there are many good examples of how communities and businesses have exploited tourism opportunities resulting in more successful destinations, tourism enterprises and other businesses.

To record the success of tourism enterprises a small number of cast studies are presented which illustrate innovation and collaboration in developing and/or sustaining at a local level throughout the western seaboard.

6.1 The Great Western Greenway

A new world class 42km walking and cycling trail – the longest off-road trail in Ireland – was developed on the route of the Westport to Achill railway which closed in 1937.

The Greenway in Numbers

42km route length

98% off road

100,000 users to mid September

300+ bikes available for hire

5 number of new bike hire operators

4 number of locations with bikes for hire

Making It Happen

The project, spearheaded by Mayo County Council, was developed within the framework of Fáilte Ireland's cycling and walking holiday strategy and complements the national Smarter Travel policy.

Mayo County Council executives, including a dedicated Walking Development Officer appointed in 2007, undertook the mammoth task of securing the agreement of 161 landowners to bring the project to fruition in less than 4 years. Public sector funding partners included the Department of Transport, Fáilte Ireland and the Department of Community, Rural and Gaeltacht Affairs. The successful development also engaged many other voluntary and community groups.

The effective collaboration led by Mayo County Council overcame a number of challenges, not least securing agreement on access through farmland, securing insurance cover for the project, and design challenges to replace bridges, safeguard livestock, use of suitable surfacing materials and minimising conflict at road crossing points.

The completed greenway linking Westport to Newport to Mulranny to Achill was completed and officially opened on 29th July 2011.

The project cost approximately €150,000 per kilometre, finished to a high standard with fencing, signposting and storyboards.

The Tourism Attraction

The demonstration project – first greenway in Ireland – is of national importance with significant tourism potential.

Mayo County Council has a history of walking development going back to the 1980s, with over 110 approved trails in the county. The greenway interlinks with several loop walks as well as looped cycle routes, with Westport as a cycle hub in the national cycle network.

The greenway offers a unique off-road trial experience through some of the most spectacular scenery in Ireland.

The success to date

By mid-September 2011 over 100,000 people had been recorded using the greenway, including both local recreational and tourist users.

The economic impact of the greenway includes:

- the start-up of several new businesses, including bike rental, catering and tours/transport;
- over 30 new jobs created, including full time and part time seasonal employment;
- local businesses crediting the project with supporting existing jobs;
- double digit increase in sales reported by hotels, restaurants, cafes, filling stations and retail shops due to incremental visitor demand – new visitors and longer stays;
- new events and 'reasons to visit' being linked to the greenway;
- extensive media and online publicity for the greenway, heightening the profile of the area;
- a heightening of community pride and tourism spirit in the area;
- inclusion of the greenway in selected tour operator programmes for 2012 and beyond.

The project has already won a European Destination of Excellence award.

The Future Potential

The greenway has already proven its capacity to heighten the awareness, appeal and satisfactory experience of a visit to North Mayo. Acting as a magnet, the Greenway has the potential to open up a wider area to tourism. In the longer term it could be incorporated into the Atlantic Coast Route – one of twelve premier cycle (EuroVelo) routes across Europe being promoted by the European Commission.

6.2 Killarney – More than 250 years in the making

Tourism is in the DNA of Ireland's oldest tourism resort

Over 250 years ago, Thomas Fourth Viscount Kenmare, sometimes referred to as the 'Father of Irish Tourism', had the foresight to actively incentivise his tenants to build inns and tearooms. The first recorded hotel in the town, Muckross Hotel, opened its doors in 1790. The arrival of the railway in 1853 marked the beginning of modern day tourist trade in the town, while the visit of Queen Victoria eight years later put Killarney on the international tourist map. Tourism has been part of the DNA of the town ever since.

The years following the recession of 1930s saw the development of the Killarney Golf & Fishing Club, Fitzgerald Stadium and the Killarney Racecourse – facilities which to this day underpin the tourism facilities of the town. While the 1950s and 1960s saw a shift in focus to industrial production, tourism and related service businesses in Killarney, other than the Liebherr plant, have been the principal source of sustainable employment over the past 60 years. The tourism industry saw a surge in development in the 1960s, thanks in part to grant programmes to encourage expansion. More recently tax based incentive schemes attracted sizeable investment in hotels and related facilities.

A history of local drive and initiative

An important characteristic of tourism in Killarney throughout its history right up to today has been the engagement and initiative of the people of the town. The development of the industry has been shaped by local participation and a high degree of collaboration between the business and resident communities, local authorities and state agencies.

The structure of the organisations overseeing the development and marketing of tourism in the town has evolved as the business, professional and resident communities tackled the various challenges over time.

In 1955, the Killarney Tourist Development Company Ltd. was established to "promote and develop the tourist resort, accommodation, services, sports, amusements and other facilities likely to improve amenities and conditions for the attraction of tourists." Five years later a spin off Killarney Tourist Industry Co-ordinating Committee initiated the National Food & Wine Catering Exhibition, an event organised on 4 occasions between 1961 and 1969. More notable this group lobbied and successfully were granted 'in trust' Muckross House & Estate, which had lain idle since being been presented to the state in 1933 by the Bourn Vincent family, to develop it into a museum and visitor attraction.

> The economic and social life of the town is intrinsically linked to tourism. For example, a recent survey found that 9 out of every 10 businesses in the town were directly or indirectly dependent on tourism.
> Source: Killarney Business Survey 2010, DIT

In 1983, the Killarney Working Group was formed to address issues facing tourism and brought together a number of organisations, including Killarney Town Council, Killarney Chamber of Commerce (which had been formed in 1968), Killarney Junior Chamber, Killarney Tourism Council, Irish Hotels Federation, Vintners, Trades Council, Kerry County Council, OPW, and the Forestry & Wildlife Service. The significance of the critical report prepared by this group was acknowledged by the then Director General of Bord Fáilte with the words "a resort sitting in judgement on itself is a very healthy sign". This group was subsequently responsible for a number of key milestones including the establishment of Killarney Looking Good (Tidy Towns Committee) and the achievement of 2nd place for Killarney in Telecom Eireann's Information Age Town National Competition.

In the mid-1990s, facing increasing competition from a growing tourism industry across the country and at a time of expanding capacity in the town's tourism businesses, Killarney Lakes Marketing Ltd., trading as Killarney of the Welcomes, was set up to market the town as a tourist destination. This company formally merged with the Chamber of Commerce in 2003 to form the Killarney Chamber of Tourism & Commerce to better reflect the supremacy of tourism as the principal economic activity of the town.

Killarney facing up to the challenges of the 21st century

Recognising the growing importance of sustainability and the consumer focus on the environment Killarney faced up to a critical assessment of the impact of tourism on the town – its residents and the business community.

'Tourism in Killarney makes Killarney a nicer place to live'

Almost without exception Killarney residents are very positively disposed towards tourism, with less than 1% having a negative view of visitors. Residents believe that visitors make a positive contribution to the quality of life in Killarney, with 87% of the view that the town is well able to cope with the volume of visitors. While traffic and parking are the most frequently mentioned negative impacts during the peak season, this is well offset by the acknowledgement of the positive economic impact of tourism.

Resident response, DIT-Resident Survey 2010

DIT-ACHIEV Sustainable Tourism, a three-year project carried out by DIT and jointly funded by the Environmental Protection Agency (EPA) and Fáilte Ireland, critically assessed the long-term sustainability of tourism in Killarney.

The project looked at a number of important factors including traffic, visitor and resident attitudes, habitat and water quality, community employment, and the local economy. Killarney Town Council, Killarney Chamber, Killarney National Park, Muckross House and Kerry County Council actively participated in the process. The findings, based on in depth consultations, focus groups and surveys of visitors, businesses and local residents, provided the foundation for a programme of practical actions to address sustainability issues.

Recent accolades & successes

Ireland's Tidiest Town 2011

Irish Business against Litter Awards 2010 & 2011

Ireland's Cleanest Town (all-island title)

Irish Open 2010 and 2011

DIT-Achiev Sustainable Tourism Project

Christmas in Killarney Festival

Walk Killarney

White Tailed Eagle Project

DER Tour Reiseakademie

World & All-Ireland Irish Dancing Championships

Major Conferences incl. Google & IBM

Lough Lein Management Committee

Ring of Kerry Charity Cycle

Hugh O'Flaherty Memorial Committee

6.3 Galway – A happening place

From oysters to the arts to ironman

From the first Oyster Festival launched in 1957, Galway has grown a calendar of festivals and events which now runs from Spring to Christmas each year. The success of the strategy of developing a programme of festivals and events has firmly established Galway as a happening place. This success has driven not only demand for attendance at events but has also been instrumental in making the city one of the most popular destinations for short leisure breaks in the domestic market. Simultaneously the events have generated publicity abroad which has popularised the city amongst overseas visitors to Ireland. The strategy has been instrumental in filling the city's 3,300 hotel rooms on many nights throughout the year, resulting in Galway hotels outperforming the national average room occupancy and average achieved room rates in recent years.

A programme of high profile festivals and events

Galway with its rich cultural heritage and vibrant academic, artistic and sporting communities provides a fertile foundation for sustaining the range of festivals and events. Galway's Druid Theatre and Macnas are established household names. The successful strategy has been achieved by utilising available creative talents, organisational expertise and effective collaborations, despite the city not having a dedicated multi-purpose events venue or large scale gallery/exhibition space.

The Galway Racing Festival, a 7 day event and the longest horse racing meeting in Europe, the Galway Arts Festival – a celebration of theatre and music in its 34th year, and the Galway Film Fleadh now in 23rd year, are undoubtedly the high profile attractors staged each year. But there are over 30 other festivals and events programmed annually. For example Galway is staging at least 15 events between mid-September and mid-December this year. Continuous innovation and creativity is evident from the annual programmes, with at least one inaugural festival being added to the calendar in 2011. A characteristic of events in Galway is the extent to which they are accessible to the public with many featuring outdoor spectacles of street art and performances.

While the primary demand for attendance at festivals in the city comes from other parts of the country, several festivals are attracting increasing numbers of overseas visitors. For example, an estimated 20% of attendees at the Galway Arts Festival are from outside the country, with the Film Fleadh having a higher international profile attracting up to 50% of its participants from overseas.

Galway's credentials as a venue for successfully staging festivals and hosting large numbers of visitors has attracted a number of major events to the city. For example, the international triathlon Ironman 70.3 was staged in the city for the first time in September 2011, the start of a 5 year contract, attracting over 2,000 competitors, including at least 500 from 30 countries around the world.

> ***"It is the story of how a project fired public imagination and inspired state and local bodies, businesses, groups and individuals to pull together for the common good in difficult economic circumstances to deliver a world class event with a lasting legacy."***
>
> Source: Economic Report & Media Report – Volvo Ocean Race Galway Stopover Festival 2009, Deloitte Economic Impact Study and IFM Sports Marketing Surveys

Volvo Ocean Race

The success of Galway Stopover Festival, as part of the Volvo Ocean Race 2008-09, has been responsible for a return visit in 2012 when Galway will host the final stage of the race. The event, one of the biggest sporting events in the world, generated an estimated €56 million economic impact on Galway and Ireland, while attracting 650,000 spectators at the Race Village and Salthill over the two week period and generating over 200,000 bednights. The event is estimated to have attracted over 40,000 overseas visitors and reached a global television audience of 1.3 billion. A unique characteristic of the organisation of the Galway event was the contribution of over 30,000 man hours by 750 volunteers to ensure a safe and enjoyable environment for participants and spectators.

Galway's Calendar of Events

March:	Seachtain na Gaeilge
April:	Cuirt International Festival of Literature
May:	Galway Early Music Festival
June:	Havana Cultura Festival
	International Quilt Festival of Ireland
July:	Macnas Festival Parade
	Galway Film Fleadh
	Galway Arts Festival
	Galway Race Week
September:	Ironman
	Galway Americana Festival
	Galway International Oyster & Seafood Festival
	Galway Jazz Festival
October:	Galway Bay Half Marathon
	Irish International Barbershop Convention
	Galway Architecture Festival
	Music for Galway presents 'Strings Alive'
	Open House
	Baboro – International Arts Festival for Children
	Galway Comedy Festival,
	Galway Abooo Halloween Festival
November:	Tulca Season of Visual Arts,
	Spirit of Voice Festival
	Galway Junior Film Fleadh
December:	Galway Christmas Market

Keys to success

The success of Galway as a venue for events is largely due to the dedication and commitment of enthusiasts in the fields of the arts and sports, with widespread community support as exemplified in the extent of volunteerism. Over the years the marketing focus of campaigns to attract visitors to Galway has been consistently a message of 'if you are looking for great festivals, look at Galway'.

Many of the festivals and events staged in Galway are scalable, as few have finite capacity limitations, thereby allowing for expansion by way of more ambitious programming and accommodating more people.

The city has well-oiled event marketing and management systems in place including a comprehensive people and traffic management plans. Effective collaboration between An Garda Siochana, the Local Authority, the business community, voluntary associations and clubs, Fáilte Ireland and other agencies is by now well proven.

The Challenges

Galway's festival and events strategy faces a number of challenges to its sustainability. These include:

- Sustaining an attractive annual programme, with the need for further innovation and creativity in designing and delivering a freshness for existing events and unique differentiation for new events.
- A funding challenge as grant aid resources are curtailed and commercial sponsorship opportunities become more limited.
- Attracting an increase in overseas attendances through attractive programming and effective marketing in the face of increasing competition.
- Ensuring that large scale events with large numbers of participants/spectators continue to be effectively managed to mitigate any potentially adverse environmental and social impacts.

7. AN OUTLINE STRATEGY FOR TOURISM DEVELOPMENT IN THE WEST

7.1 Purpose

To better position the western seaboard as Ireland's premier tourism destination to meet current and future demand patterns from overseas.

7.2 Objective

The objective is to manage tourism's primary assets, which provide reasons to visit, in a way which will grow demand and in turn boost business performance within the sector. The primary measurement of success will be an increase in overseas holiday bednights along the western seaboard and, ideally, at least halt the west's market share decline.

7.3 Guiding Principles

The guiding principles proposed include:

- Sustainability – tourism development in the west must be environmentally, socially and economically sustainable
- Quality & Value – delivering a quality and value for money experience is becoming increasingly important in today's world
- Collaboration – businesses, community groups and state authorities and agencies working together at policy, strategic and tactical levels, will be critical to success
- Measurability – all tourism programmes should have objectively verifiable indicators to measure impacts in a transparent manner

7.4 Key Strategic Actions

Develop a series of 'must see/do' attractions and authentic experiences along the western seaboard which are unique to the regions and meet changing consumer holiday motivations and behaviour. The unique and differentiated attractors are likely to focus on the outdoors, including activities and adventure, together with a range of engagement opportunities with distinctively west of Ireland historical, cultural and lifestyle experiences.

Attract increasing numbers of holiday visitors from Ireland's top 4 source markets –Britain, USA, Germany and France – by communicating and delivering a more compelling and differentiated experience. The marketing approach would be more granular i.e. prioritising the best prospects and targeting specific opportunity segments matched to attractors, with messages and communication channels specifically tailored to each segment.

Remove or alleviate barriers to growing tourism demand, for example improving the perception of the value for money offered to the visitor; making the western seaboard and its attractors more accessible with better transport links; and addressing infrastructure deficiencies including broadband availability.

8. CONCLUSIONS & RECOMMENDATIONS

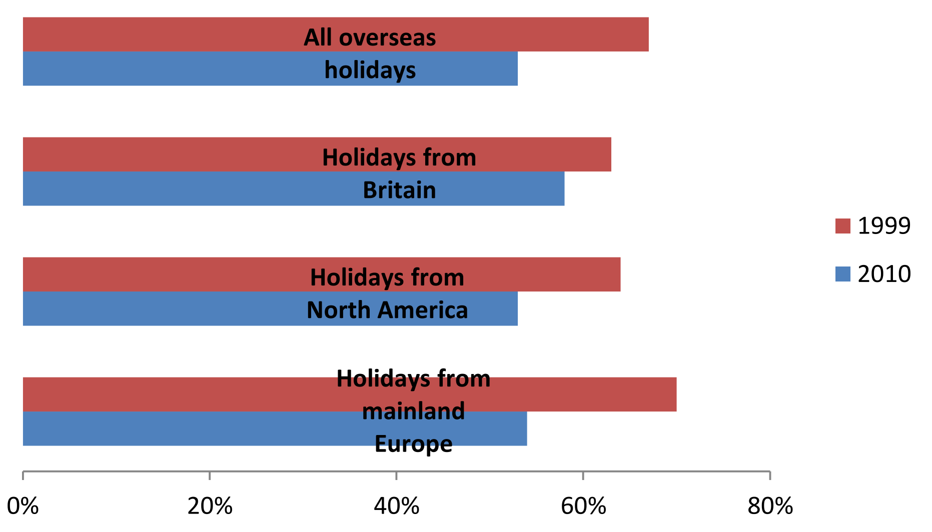
8.1 Top Line Conclusions

8.1.1 The decline in demand

The incidence of overseas holidaymakers to Ireland visiting the western seaboard – from Donegal to Cork - has been falling. The loss of share and the drop in the overall number of holiday visitors to Ireland resulted in between 35% and 50% fewer overseas holidaymakers to each region in the west in 2010 compared to ten years ago. Bednights spent on the western seaboard, a more important measure of tourism activity than the volume of visitors, were correspondingly down. The decline has been across all source markets, but the loss of share from mainland Europe, Ireland's prime growth market, is especially worrying. The decline in overseas demand over the period was masked by unprecedented boom in demand from the Irish market.

Along the western seaboard the North West and Mid West tourism regions experienced the sharpest fall off in demand, with the South West region relatively the better performer.

Fig. 8.1: Share of holiday demand for Ireland spent on western seaboard (based on holiday bednights)



Source: Fáilte Ireland

8.1.2 A much changed market

While growth in the number of overseas holiday visitors to Ireland over the past decade was largely driven by increased demand from mainland Europe, demand from all markets has been in decline since the peak achieved in 2007. Results to date in 2011 point to a recovery from each of the main source markets but are still way below demand levels of 3 years ago. A notable characteristic of the shift in demand for holidays in Ireland has been the increasing popularity of Dublin as a destination. This pattern has been even more marked amongst first time holiday visitors to the county.

The decline in popularity of the western seaboard reflects a structural change in demand for Ireland. The global market for travel has evolved with consumers' travel motivations and holiday behaviour having undergone significant change over the past decade. Today's holiday travel patterns reflect international lifestyle, economic and social changes with consumers seeking more participative and fulfilling experiences.

8.1.3 The challenges ahead

The unique landscape of the western seaboard, from Donegal to Cork, no longer appears to be a sufficiently compelling reason to visit. Catering to changing consumer tastes and holiday needs in a difficult market needs to be addressed in a fundamental strategic manner, rather than any 'quick fix' of more marketing funds or new air services. The tourism offering of the western seaboard needs to adapt to a changing consumer and market environment, by better exploiting its tangible and intangible tourist experiences.

Intrinsic to any strategy of attracting more overseas holiday visitors will be ensuring that the west effectively creates, delivers and communicates more compelling reasons to visit. Delivering quality and value for money memorable experiences based on exploiting the unique characteristics of the area.

While the primary drivers of demand – reasons to visit - will continue to determine the incidence of visitation to the western seaboard, a number of facilitators including distribution, accessibility, quality and value will influence the level of demand.

Tourism is critically important to many communities along the western seaboard as a source of economic activity, creating employment in areas with few, if any, alternative opportunities for income generation. The recent downturn in visitors has severely hurt many enterprises and communities, leading to several business failures with many facing an uncertain future. Attracting more overseas visitors is essential to sustain businesses and secure jobs. While the overall picture is one of decline in demand and profitability, there are a number of destinations and businesses which have been more successful than others.

The future calls for greater collaboration between all stakeholders and more innovation to meet the challenge of reversing the downturn. Success is critical not only to maintaining the economic and social fabric of many communities along the western seaboard, but also to the continued justification of state investment in the tourism sector in Ireland. There is a need for organisational reform to deliver better joined up policy and programmes for the tourism sector in the west and to deliver more efficient use of state resources.

8.2 Recommendations

8.2.1 A strategic focus on primary appeals

- The short to medium term focus has to be on creating new reasons to visit and delivering new iconic experiences through more innovative bundling of existing untapped assets. The creation of more primary demand drivers to motivate a changed consumer market will be essential for success.
- Focus more on active appeals and participatory experiences for the visitor. This would include a greater emphasis on projecting the range of outdoor adventures and activities as well as delivering smaller scale unique west of Ireland experiences. Provide encouragement and support for innovation and experimentation.
- Establish product zones/clusters along the western seaboard to develop complementary experiences, linked to Fáilte Ireland's destination strategy. The industry needs to refocus on the appeals which differentiate each area/region, dialling up the particular unique strengths of each rather than each area promoting the same appeals, thereby making the sub-regions more interesting and compelling.
- Operators in tourism need to embrace the bundling or clustering of experiences to establish 'stand out' and deepen the visitor experience which will boost demand for their individual businesses.
- The industry needs to engage in business partnerships and networks to create more attractive tourism experiences and develop demand through cross-selling and other linkages.
- Greater co-operative effort at local level is needed to animate the tourism asset for the visitor, in order to deliver a more participative experience. Volunteerism could play an important role in bringing the tourism experience alive.

- Place a particular focus on quality local foods including distinctive produce, retail outlets, food service and demonstrations. Tourist Taste Trails or 'Place on a plate' type promotion of local foods should be considered.
- Explore the feasibility of fractional ownership schemes to secure the future of some resort hotels.
- Accelerate the roll out of the B&B categorisation programme.
- Boost participation in environmental schemes including Blue Flag, Tidy Towns, cycle ways, etc.
- Establish an annual award for the best tourism centre and best tourism experience in the west.
- Develop a calendar of hallmark events to attract overseas visitors.
- Expand the range of supports for R&D/innovation and incubation of new micro enterprises in tourism.
- Tactical measures at a local level might include:
    - Pocket sized multi-lingual cards '10 things to do and see' for each town or village distributed through local shops, filling stations, etc.
    - Multi-lingual frontline staff and menus
    - Expand the number of local guides and animators

8.2.2 Getting the marketing right

- Refocus Ireland brand marketing to better communicate the unique appeals of the west. The possibility of branding the western seaboard as 'Atlantic Ireland' should be researched in order to create a distinctive identity for tourism destinations and experiences
- Adopt a more niche/granular marketing strategy with greater segmentation/messaging as appropriate in each of the top priority source markets for the west – Germany, France, USA and Britain.
- Develop a strategic framework based on segmented customer focus to match consumer groups to experiences
- Explicitly 'dial up' appeals of eco/nature, the outdoors, adventure, activities, the Atlantic ocean, islands, the Irish language, food, music and events in the messaging and imagery as appropriate to each market segment. Imagery used to promote the western seaboard should focus more on tourist activities and participative experiences than passive scenery.
- Launch a new 'online shop front' for the west of Ireland, with the industry bundling a range of unique experiences.
- To facilitate what at times can be a complex task of organising all the elements of a holiday in the west, secure greater distribution through travel trade channels, both traditional and online, in each of the overseas target markets.
- All businesses in the area should carry out a review of their website to assess effectiveness in communicating the reasons to visit to prospective overseas consumers, including an audit of imagery, language and ease of user navigation and interaction, and use of social media
- Create new group travel programmes; including new coach tour itineraries as well as a range of common interest group tours for promotion through incoming and market based tour operators.
- Improve the co-ordination of marketing strategies, campaigns and resource allocations between businesses, carriers, airports and state agencies.
- At local level, organise to better exploit the diaspora, especially as part of *The Gathering* initiative in 2013, as well the parish level *'Ireland Reaching Out'* movement.
- Industry and agencies to work together more to produce better in-depth research on changing consumer behaviour and the identification of potential market opportunities.
- Investigate the opportunity to boost the marketing of the west in selected markets by availing of Job Bridge, the Government's internship scheme.

- Secure more 'destination placement' for the western seaboard in movies, commercials and publicity in key overseas markets.
- Establish sub-national targets, to include holiday visitors to the western seaboard, to provide greater transparency on the measurement of effectiveness of marketing campaigns.

8.2.3 Improving accessibility to the west

- A national aviation policy is urgently required. Such a policy statement should set out the Government's plan for sustainable airport infrastructure along the western seaboard which would best serve the needs of tourism industry and local economies.
- Tourism interests and agencies to work with airports to develop a cohesive strategy for air route development to/from airports in the west to maximise market opportunities and minimise destructive competition. This should include the prioritisation of securing of low frequency seasonal services from France, Germany and the Netherlands into the west.
- Allocate marketing resources to promote existing routes which have spare capacity, especially from points in Britain, into Cork, Kerry, Shannon, Knock and City of Derry airports.
- Develop a branded and well interpreted 'Atlantic Coast Drive', integrated with a series of shorter touring routes, to encourage exploration of the scenery, culture and activities available.
- At a strategic level the industry should lobby for the prioritisation of the upgrading of national roads of significant potential for tourism, including the N26, N59, the Letterkenny-Lifford and Virginia-Cavan dual carriageways, and the Ballaghadereen bypass.
- Facilitate the licencing and operation of an expanded range of public transport services from ports of entry and incentivise more local transport services to cater for visitors by connecting tourist hubs with outlying attractions and other visitor facilities.
- At a tactical level:
  - Better communicate the relatively short journey times for access to the western seaboard in all online and traditional promotional materials produced by tourism agencies and businesses.
  - Launch a new range of integrated or 'through tickets' with carriers into Ireland and land transport operators – made available on airline and ferry websites, etc.
  - Reintroduce the senior tracker concession travel on trains.
  - Make more provision for the transport of bicycles on bus and rail services.
  - Advertise the ease of access to the west at Dublin Airport
- Accelerate the delivery of broadband connectivity to the more remote areas of the western seaboard.

8.2.4 Ensuring the west stays competitive

- Initiate a tourism competitiveness monitor to track and compare prices across Ireland as a tool to help inform business decisions.
- Disseminate the results, when available, of Fáilte Ireland's Visitor Attitude Survey 2011, which for the first time will provide an assessment of consumers' views of the relative value for money of selected destinations in the west.
- Provide through sectoral organisations, for example the IHF and the RAI, increased supports to members in re-engineering their cost, pricing and service levels in order to deliver an improved value for money offering to the consumer. In addition, promote into the sector the range of business support services already on offer from Fáilte Ireland to meet the better value for money challenge.

8.2.5 Making it happen

- A 'Tourism Forum for the West', convened annually by ITIC, to bring together the national tourism agencies, regional and local authorities, industry and community representatives. The purpose would be to better coordinate planning, implementation of programmes and oversight of tourism development within the western seaboard.

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