



CAPITALISING ON DUBLIN'S POTENTIAL

FINAL REPORT

Prepared for

ITIC (Irish Tourist Industry Confederation)





CAPITALISING ON DUBLIN'S POTENTIAL

FINAL REPORT

Prepared for

ITIC (Irish Tourist Industry Confederation)



Tourism Development International
14 Clarinda Park North
Dun Laoghaire
Ireland
Tel: + 353 1 230 1665
Fax + 353 1 230 1667
Email: info@tourismdev.com
Web: www.tourismdev.com

June 2012



CONTENTS

| | PAGE |
|--------------------------------------|------|
| PART 1 INTRODUCTION | 3 |
| PART 2 SUMMARY AND RECOMMENDATIONS | 4 |
| PART 3 DUBLIN'S COMPETITIVE POSITION | 7 |
| 3.1 Demand Performance | 7 |
| 3.2 Bednight Demand | 8 |
| 3.3 Lessons and Pointers | 9 |
| 3.4 Marketing Support | 11 |
| 3.5 Opportunities and Prospects | 12 |
| PART 4 STRATEGY FOR GROWTH | 15 |
| 4.1 Key Strategic Considerations | 15 |
| 4.2 The Dublin Brand | 17 |
| PART 5 MAKING IT HAPPEN | 19 |
| 5.1 Positioning and Target Markets | 19 |
| 5.2 Leading Themes | 28 |
| 5.3 Digital Communications Mix | 29 |
| 5.4 Organisational Structure | 31 |
| 5.5 Funding | 32 |
| PART 6 TARGETS AND IMPACTS | 33 |
| 6.1 Growth Targets | 33 |
| 6.2 Economic Impacts | 36 |
| 6.3 Capacity Considerations | 39 |
| PART 7 ACTION PROGRAMME | 40 |
| ANNEX: STEERING GROUP MEMBERS | 41 |



The tourist industry in Dublin enjoyed a long period of above trend growth up to 2007, driven by strong overseas visitor growth and the domestic consumer exuberance of the Celtic Tiger years. Product quality and capacity was also improved, much of it coming on stream as the global economic recession arrived in 2008. Overseas visitor numbers were up 30% from '00 to '07, and then declined by 22% from '07 to '10. A modest recovery ensued in 2011 as the sector benefited from the lower VAT rates introduced by the Government. 2012 is thus far trending towards further modest growth, but putting that into the proper perspective, it only gets us back to 04/05 numbers.

Looking ahead, the domestic market will remain very important, but outperformance will have to come from the overseas visitor cohort if Dublin is to get back on track.

Against this background and following the merger of the organisation Dublin Tourism with Fáilte Ireland, the main stakeholders in Dublin's tourism industry decided to commission an in-depth study focussing on capitalising Dublin's potential. The Irish Tourist Industry Confederation (ITIC) facilitated the report by engaging the consultants Tourism Development International (TDI) to carry out the study. TDI has worked closely with a Steering Group which I was pleased to have been asked to chair. This Steering Group (see Annex) was drawn from a widely representative area of the tourism industry, tourism agencies, city and county councils, as well as the wider business community in the greater Dublin area.

This report examines how Dublin is performing relative to competitor set cities in Europe, and sets out a series of findings and recommendations which will, if implemented, **deliver a step change in the growth prospects for tourism in the Greater Dublin Region**. City tourism continues to grow strongly across Europe with substantial marketing investment devoted to attracting visitors to competitor urban destinations. Dublin, due to its status as a capital city and its market share would appear to warrant an increased investment in marketing campaigns. The report goes on to recommend much closer collaboration between the many well intentioned interests who currently 'market Dublin'. **The model proposed to bring this about would fuse the current resources (Public and Private) in a much more cohesive way, and ultimately would enable the Dublin Region to become one of Europe's top destinations by 2020.** This report is not intended to give rise to an urban/rural debate but rather recognises Dublin/Capital city as a prime driver of Ireland's tourism performance. Dublin, rather uniquely for an urban destination offers easy access to the countryside and will remain by far the most important gateway to Ireland. Presently 70% of all overseas visitors arrive via East coast gateways, accounting for 80% of bed nights in the West coast counties.

In the current (2012) year, ITIC estimates that Dublin will host almost 4 million overseas visitors, who will generate over €1 billion revenue and support just over 50,000 jobs.

The Steering Group's objectives are ambitious, but we believe they are realistic and attainable. A compelling case is laid out for **setting an annual growth target of 6.2% up to 2020**, which, if achieved would almost double that projected for European tourism.

That would see 6.4 million overseas visitors to Dublin in 2020 generating €1.8 billion revenue.

Based on an economic formula developed by Fáilte Ireland of 36 additional jobs for every additional €1m of tourism spending, **the tourism workforce in Dublin will increase by 27,000 by 2020, to over 77,000**, in the process making a major contribution to national recovery and growth.

In Chairing this group and participating in its working sessions, I gained some clear insights which are worthy of comment:

The industry has great passion for its product and its mission. It believes it can and must do better, and it possesses the skills, the determination and the energy to achieve its ambitions.

There is an industry-wide openness to facilitate the organisational model proposed, which is seen as a critical enabler to the repositioning of Dublin onto an above average growth trajectory. If this report is followed by delivery on the key actions and next steps it proposes, then this ambition can be fulfilled. That would mean up to 27,000 new jobs in a vibrant, must visit city. **Success for Dublin would mean success for Ireland**, both for tourism and the wider economy.

Maurice Pratt
Chairman Steering Group, June 2012





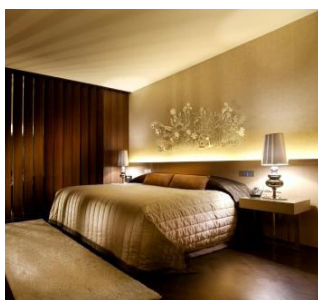
PART 1 INTRODUCTION

The Irish Tourist Industry Confederation (ITIC) commissioned Tourism Development International (TDI) on 23 March 2012 to prepare a study on the marketing requirements for Dublin, with a particular reference to stakeholder needs and funding parameters.

The project objectives were to:

- Review the range of stakeholders/organisations currently engaged in marketing Dublin internationally, together with an evaluation of cohesion and relative effectiveness;
- Examine the marketing and branding campaigns and functions of comparable European Cities [ie Barcelona, Copenhagen, Amsterdam, Lisbon, Edinburgh, Vienna] in respect of ;
 - a. scale of international demand and marketing campaigns,
 - b. responsibilities, programmes and management of partnership structures,
 - c. Budgets, and
 - d. Funding (with the view to suggesting criteria for selection of Dublin's competitive set);
- Develop a reasoned 'optimum' scale of marketing for Dublin to ensure that the City continues to effectively compete in international markets, identifying the most appropriate marketing channels and budgets;
- Provide a range of funding and structural arrangements for the implementation of a sustainable positioning and branded marketing of Dublin in targeted source markets;
- Present an analysis of each of the options identifying the pros and cons of each;
- Provide a realistic assessment of the relative importance of Dublin as a component of the Ireland tourism offering in the international marketplace;
- Quantify the economic significance of tourism to Dublin and identify the scale and quantum of the city's capacity vs. current and projected potential;
- Identify the opportunities for tourism to the capital based on future market demand, visitor behaviour, the City's tourism appeals, infrastructure, facilities and transport links;
- Identify and make recommendations in relation to product/service gaps and new market opportunities including a review of the provision of tourism information services; and
- Identify current best practice in city tourism marketing in respect of leisure, event and MICE sectors.

This document represents the findings, conclusions and recommendations arising from the programme of research and enquiry. It has benefitted enormously from the input of the very experienced Steering Committee established by ITIC to guide the study. Detailed analyses related to European city benchmarking and the multiple scenarios considered are contained in research papers held by ITIC.





PART 2 SUMMARY AND RECOMMENDATIONS

The Context

After a period of sharp decline in tourist demand, 2011 saw a level of recovery by Dublin. This represents a platform for a new, invigorated and focussed destination marketing approach.

The lack of coordination of marketing efforts between official and commercial stakeholders has resulted in limited effectiveness and loss of competitive position against major European city competitors, who have established very professional city promotion organisations. Urgent, well-designed and targeted destination marketing is needed for Dublin in the years ahead.

The Vision

Viewing the issue as purely a tourism one is not the answer. Dublin's future as a sustainable capital city depends on it being an excellent place to live, work, learn, recreate and visit. A vision for the City should embrace all aspects of its socio-economic and environmental fabric, and be geared to meeting the needs and aspirations of its resident population, business community, government and visitors, creating maximum satisfaction for all. An overarching vision for Dublin as a major centre for communications, business, education and enjoyment is needed, developed through consultation with government, business and the community at large. Highlighting aspects of Dublin about which much of its traditional market might not have been aware, e.g. the city as a European leader in digital media and other technological innovation, can also help attract back repeat visitors.

"An overarching vision for Dublin as a major centre for communications, business, education and enjoyment is needed"

The Positioning

The argument that Dublin should be featured as part of the overall tourism product of Ireland is valid for the combined visitor but not for the Dublin destination specific visitor. Indeed, the overall marketing approach may lead to a loss of potential for Dublin. A Dublin region specific brand is needed to realise Dublin's full potential but such a brand and identity will also benefit Ireland's other regions. There will be substantial spin off benefits through increased visits from extended stays and subsequent repeat visits to other parts of Ireland. In essence, the remainder of Ireland will benefit by a similar percentage of a significantly bigger cake!

Dublin is a small city by international comparisons, giving it two advantages: first, its compact nature gives it a feeling of intimacy unlike many big city competitors; and, second, it makes access to Dublin Bay, the adjoining mountains and major cultural attractions, historic and archaeological sites around the City easy and speedy. Dublin should be presented in its destination marketing as comprising both the city centre and the wider area of Dublin County and environs.

The quality of the environment in the areas outside the City and the opportunities they provide for various sporting and other outdoor pursuits are excellent. Dublin, if it promises more than just a city visit experience, but also presents itself as giving an authentic "Taste of" Ireland, can attract visitors who otherwise would not have come to Ireland at all.

The Brand

The Dublin brand should highlight:

- The authenticity of experiences in Dublin,
- Its key differentiators – USPs,
- The personality of the brand,
- Its emotional touch points.

Dublin has an outstanding opportunity to develop a distinct and distinctive market development strategy based on its core values

*Friendly Irish Welcome
Close to Nature and Dublin's Doorstep
Outstanding Literary and Cultural Heritage
Compact and Intimate City*



Dublin has a personality which is not just a slice of Ireland's general brand attributes. This needs to be expressed with new and fresh creative imagery, particularly with a view to exploiting digital media opportunities.

With regard to shaping the physical expression of the brand, a Tourism Development Plan is recommended to guide tourism product development in Dublin over the next decade. This will build on, and complement, the branding work currently being undertaken by the Creative Dublin Alliance.

The Marketing

Leading themes of Dublin's future marketing should be:

- Value Destination
- Dublin's Doorstep: A Taste of Ireland or Ireland in Miniature
- Gateway to Britain AND Europe
- Premium Experience

While conventional marketing tools will still be used to the full, the digital communications mix will be the centrepiece of the City's future marketing. It is recommended that an in-depth digital strategy is prepared to guide Dublin's online development to ensure it becomes a leading innovator in the online space. While significant funds have been spent in recent years on the marketing of Dublin products, much of this has been in a disjointed way with a variety of not always compatible messages. Joint actions wherever possible, and, close and continuous collaboration, are essential if Dublin is to achieve the marketing impact it needs.

Strong progress has been made on digital marketing through VisitDublin.com. The VisitDublin portal needs to be central in the City's future marketing. It should be a beacon of innovation, not only offering the richest, most experiential destination experience on the web, but incorporating the latest technology developments. It is fundamentally important that the Dublin brand is strengthened through peer recommendation. VisitDublin should exploit the use of all new electronic marketing technology developments to tap-in to the power of social media and create inspiration offering visitors highly personalised destination experiences.

The Organisation

A Destination Marketing Alliance for Dublin (DMAD) is proposed within the organisational architecture of Failte Ireland, through the creation of a unit which is advised by and reports back to an external review committee as in the current models for the Business Tourism Forum and the Golf Tourism Forum.

Consistent with the objective of maximising stakeholder participation, destination marketing campaigns and sector specific initiatives [i.e. clubs] should be designed to attract funding from the industry and local authorities. It is envisaged that new international marketing campaigns would be developed with and executed through Tourism Ireland under Service Level Agreements.

DMAD should encourage and facilitate the widest range of stakeholder participation, and coordination of activities. It is vital that the range of funding sources to generate the €15mn a year necessary to deliver a highly competitive marketing and promotional campaign for Dublin should be broadened.

The Resources

The strategic thrust recommended for the future marketing of Dublin includes:

- A broader focus than tourism – i.e. The City as an excellent place to live, to work, to learn, to invest, to recreate **and** to visit,
- A wider destination than the city centre, incorporating the coastal and inland areas around the City, and
- A destination that is, on one hand, complementary to, and an essential part of Ireland overall, while, on the other hand, a specific destination brand in its own right.

These recommendations have implications for resources.

A wider and more extensive group of stakeholders will be needed to guide and finance destination Dublin marketing, particularly to support the promotion of Dublin as a stand-alone destination. This will include local authorities, and business interests from outside tourism as well as hospitality and visitor facility operators, complementing Tourism Ireland's role in promoting Ireland as part of the country's overall tourism product.



The €15mn a year needed to establish and sustain a strong destination Dublin brand (included as part of the overall Ireland brand) will need to be drawn from a wider range of sources than has been the case in the past.

The Targets

The analysis considers three growth scenarios and sets out the circumstances in which above-par growth can be achieved.

The range of annual growth rate targets is 3.1% (matching the European average), through 4.5% (one-and-a-half time the Europe-wide growth forecast) to 6.2% (the stretched target requiring a doubling of the European performance as a whole). The middle scenario is deemed the most realistic though with full implementation of the branding recommendations and strong support from all stakeholders in terms of collaboration and funding, the stretched target is by no means out of reach.

The achievement of the stretched target is predicated on the basis of economic recovery in Ireland and in Dublin's key markets. Full roll-out of the Dublin brand, highly effective collaboration between stakeholders, the generation of marketing funding from new sources, the exploitation of new markets, and the development of business and conference tourism will also be required.

Under the medium scenario, overseas tourist levels are targeted at 5.54mn by 2020 with revenue generated at €1.56bn (at current prices). The more ambitious stretched target would see overseas tourist levels reach 6.41mn in 2020 with revenue generated at €1.8bn.

In the medium scenario, annual growth rates for Britain and Mainland Europe are set at between 3.5% and 4.5% a year respectively, with North America at 5% a year, and the emerging markets (e.g. BRIC countries) and Australia boosting growth from the rest of the world by 7.5% a year.

Dublin's top priority should be to restore growth in its largest market – Great Britain through product development initiatives and highly focussed marketing activities – as well as exploiting premium segments in Mainland Europe and emerging markets, and focussing on its ethnic heritage links and easy access into/out of Europe in respect of the North American market.

The Prize

Dublin's potential as a tourism destination has yet to be fully realised. Subject to the implementation of a clear market positioning and branding approach underpinned by significantly enhanced collaboration and coordination involving key stakeholders, tourism can deliver significant economic benefits in terms of increased employment and tax yields for government.

Given the achievement of the medium growth target of 4.5% a year to 2020, Dublin will attract an estimated 1.8 million extra overseas visitors, € 500 million more in overseas tourism revenues, and an additional 18,500 jobs over and above current levels. These additions would rise to 2.7mn visitors, €750 million and 27,000 jobs under the stretched target.

“Given the achievement of the stretched target, 27,000 jobs can be generated by 2020 above present levels”

“Dublin's priority should be to restore growth in its largest market – Great Britain”

The rate of growth achieved is unlikely to be uniform each year between 2011 and 2020. It is probable that the momentum will build in response to the destination Dublin marketing activities with greater rates of growth in the later years of the period than in the period to 2015.





PART 3 DUBLIN'S COMPETITIVE POSITION

3.1. Demand Performance

The global banking and economic crisis hit all destinations in Europe but Dublin has suffered particularly from the decline in its main market – Britain. This was precipitated by the dramatic fall of Sterling against the Euro in the 2007-2009 period, and by strong perceptions of Dublin being a high priced destination that did not represent good value-for-money.

Overseas tourist levels were 22% lower in 2010 than in 2007, with the biggest fall being recorded in tourists from Britain – by 27%.

Assisted by high profile state and royal visits, and improved value-for-money, 2011 saw a strong recovery with overseas visitor numbers to Dublin up by over 7% to 3.73mn. though a similar increase would be required in 2012 to bring the level back up to that achieved in 2008. The best performing market area in 2011 was Mainland Europe which recorded an 11% rise. While British numbers grew slightly (3%) in 2011, the real health of the British market will be more effectively judged when final bednight numbers become available.

In terms of revenue generated for Dublin by overseas tourists, there have been sharp falls in the spending of British and North American visitors though the average spend per visitor from North America remains substantially higher than for the shorter staying British visitor i.e. €326 as against €200.

Table 1 Dublin-Overseas Tourist Visits and Revenue, 2010-2011

| Market/Year | 2010 '000 Visits | 2010 Revenue €bn | 2010 Average Revenue per Visit € | 2011 '000 visits | Market Share % |
|-----------------|---------------------|------------------------|--|---------------------|-------------------|
| Great Britain | 1,264 | 253 | 200 | 1,302 | 35 |
| Mainland Europe | 1,355 | 448 | 331 | 1,504 | 40 |
| North America | 608 | 198 | 326 | 638 | 17 |
| Other Areas | 257 | 137 | 533 | 285 | 8 |
| Total | 3,484(p) | 1,037 | 298 | 3,728 | 100 |

Source: Fáilte Ireland. Note: breakdown by market area of 2011 visits based on application of the same levels of growth by market area as recorded for the Republic of Ireland in the April 2012 Situation and Outlook Analysis report.



3.2 Bednight Demand

Data submitted by European cities to TourMIS indicate that between 2005 and 2010, Dublin lost ground as a tourism destination to other European cities. Foreign visitor bednight demand fell by 1.6% a year over the period, a poorer performance than 19 of the top 21 European cities (excluding London).

By contrast, in 2011, Dublin outperformed the overall average for top European cities recording an 11.1% rise in bednights (foreign and domestic aggregated) as against 7.6% for the top 20 cities. Only Copenhagen bettered Dublin's 2011 performance.

Table 2 *Dublin Bednights in All Paid Forms of Accommodation, 2005 – 2011*

| Year | Foreign Bednights (mn) – all paid forms of accommodation | Index | Domestic and Foreign Bednights (mn) – hotels only | Index | Foreign Bednights (mn) – hotels only | Index |
|--|--|-------|---|-------|--------------------------------------|-------|
| 2005 | 5.7 | 100 | 5.8 | 100 | 2.7 | 100 |
| 2006 | 5.9 | 104 | 6.1 | 105 | 3.4 | 123 |
| 2007 | 5.6 | 99 | 7.4 | 128 | 3.9 | 141 |
| 2008 | 5.9 | 104 | 7.0 | 120 | 3.3 | 120 |
| 2009 | 5.5 | 97 | 7.4 | 127 | 3.6 | 130 |
| 2010 | 5.2 | 92 | 7.0 | 121 | 3.2 | 116 |
| 2011 | n.a | n.a | 7.8 | 135 | n.a | n.a |
| Average annual % change 2005 - 2010 | (1.6) | | 5.1 (2005-2011) | | 2.9 | |

Sources: TourMIS - foreign bednights in all paid forms of accommodation in greater city area; Failte Ireland Hotel Review – domestic and foreign bednights in hotels

N.a - Information not available





3.3 Lessons and Pointers

Drawing together the examination of the various cities, a number of lessons can be derived and pointers made for the future marketing of destination Dublin.

- **Coordination:** the coordination of marketing activities between all relevant parties is as important as the scale of marketing. Coordination Councils or Boards in cities such as Barcelona, Lisbon and Vienna have been very effective in ensuring that a common proposition is portrayed by the various key players in the transport and hospitality sectors.

“The coordination of marketing activities between all relevant parties is as important as the scale of marketing”

- **Clear and Shared Vision and Strategy:** a focussed tourism development and marketing vision needs to be established, with an enabling marketing strategy shared by all stakeholders, leading to a distinctive brand and market positioning based on competitive advantages. The experience of Lisbon is particularly instructive in this regard.
- **Multi Stakeholder Participation and Institutional Structures:** there remain few instances where destination marketing is solely a central government function; most cities now undertake their marketing through limited companies or non-profit organisations with full scale participation (including funding) from national, regional and local authorities, airport/port authorities, convention centres and all sectors of the tourism industry.
- **Funding:** the analyses of city marketing organisation budgets show that comparable European destinations (e.g. Amsterdam,, Barcelona, Copenhagen, Lisbon), budgets are upwards of €10 mn annually, though not all is invested directly in marketing campaigns.

- **Wider City Focus:** cities increasingly see themselves as more than their downtown areas and campaigns incorporate attractions and facilities in the areas surrounding the city. This serves to attract a wider range of market segments, encourage visitors to stay longer, and stimulate repeat visitation. This is particularly notable in the case of Lisbon which promotes itself effectively as a city-region, offering world class golfing, walking and beaches as well as more conventional urban heritage attractions.
- **Differentiation:** all cities seek to focus their product development and marketing on features that differentiate them from their competitors e.g. ‘Only in London’.
- **Rounded Value Propositions:** a city’s icons will sell themselves; the challenge is to develop a rounded value proposition based on specific themes and packaging. This is well developed in Barcelona where *Barcelona-Gastronomy* is but one example of a series of themed campaigns funded in large measure by the specific product suppliers.

“Cities increasingly see themselves as more than their downtown areas. This serves to attract a wider range of market segments”





- **Market segmentation:** while most cities seek to exploit their potential across a wide range of geographic markets and segments, focussing on cultural heritage and natural resources, cities which are not major European gateways usually find it more advantageous to concentrate strongly on lifestyle segments in nearby markets. Copenhagen has a well developed strategy in this regard.
- **Market leadership:** creating market leadership in a particular field through differentiation, appropriate product development and targeted marketing (e.g., Barcelona’s focus on matters maritime and the Mediterranean) is a strategic approach that is growing in usage.
- **Marketing Professionalism:** marketing and promotion is an evolving skill, increasingly involving all modern forms of new and digital media communications technology both to attract tourists and to assist them during their visit to the city.
- **Leisure and Business/MICE:** all cities target both leisure and business/MICE segments, but handle marketing separately since the trade and consumer markets are different.
- **Cruise:** cruise ship market development is a priority for all cities located on coasts or major rivers.
- **Source Markets:** the traditional source markets remain a high priority for all European cities, but increasing marketing emphasis is being placed on long haul, particularly the so-called BRIC markets. The challenge with the established markets is to encourage repeat visitation, while for the newly emerging markets it is a question of information and reassurance.
- **Traditional AND Modern:** demonstrating that a city has modern as well as historical features and attractions is an approach being increasingly used. The fact that a city is host to large, multinational companies, particularly those involved in communications technology, is seen as a factor likely to induce market confidence that it will offer good quality facilities – both for leisure and MICE market segments.
- **Branding Approach:** cities are increasingly seeking to brand themselves within an overall umbrella approach covering not solely tourism but also all forms of business and inward investment. Notable examples of this include “OPEN” Copenhagen, where a focus on the quality of life for new residents and inward investors as well as for visitors is seen as important.
- **Tourist Card:** the offer of a tourist card covering multiple elements of a visit to a city (e.g. transport, admissions) and offering discounts on tourist products and services is an essential feature of modern day destination product marketing.
- **Elected Lord Mayor:** the involvement of a focal figure in a position of authority or influence at the forefront of a raising awareness. It can be an effective means of demonstrating to the market both the destination’s commitment to tourism, and the serious intent to deliver on its promises. In this context, the direct intervention of an internationally known mayor (and his/her office) can be successful, as is the cases of London and New York.





3.4 Marketing Support

European city marketing has become increasingly competitive and professional. We have seen many examples of well resourced partnerships between public and private bringing forward new product propositions, potent branding and excellent marketing communications. Dublin is lagging behind in this regard. Though the docklands developments and the Convention Centre Dublin have given a boost to the general business and MICE segments, few new flagship visitor attractions have been developed in recent years.

In terms of the product life cycle (adapted for tourism as the Tourism Area Life Cycle), Dublin, like most other European cities, is at the mature stage. With product offerings and developments tailored towards the tastes and trends of tourists, supported through innovative and targeted marketing communications, this mature phase can last many decades; but without such an approach a destination will start to go into decline, a situation from which it is difficult to recover. Dublin could be at risk of following this pattern.



The marketing of Dublin requires new approaches. Not just because it is undergoing changes to its organisational structure, with the absorption of the previously semi-independent Dublin Tourism organisation into a Destination Dublin unit in Fáilte Ireland. While not all the budgetary implications of this development have yet emerged, the overall context can be set as follows.

- The Tourism Services Budget indicates that the marketing funds for the promotion of the island of Ireland have been cut back by almost one fifth between 2008 and 2011 i.e. from €50 mn to €41.5 mn. Notwithstanding recent budget reductions, an estimated €15 million was spent on promoting Dublin by the tourism agencies, industry, and local authorities in 2011. This sum will not necessarily be available to DMAD however an equivalent amount will be required to market and promote Dublin adequately in an increasingly competitive environment.

Table 3 Dublin Marketing Spend -2011

| | € |
|--------------------------------------|-------------------|
| Tourism Ireland* | 4,780,000 |
| Carriers Cooperative Spend* | 1,870,000 |
| Dublin Tourism | 770,000 |
| Business Tourism, Festivals & Events | 3,800,000 |
| Trade Contributions | 500,000 |
| Dublin City Council | 2,900,000 |
| County Councils | 600,000 |
| TOTAL (est) | 15,000,000 |

Based on information supplied by Tourism Ireland, Fáilte Ireland, DCC and County Councils

** €3.1 million Autumn Access Initiative not included*



- Dublin Tourism, prior to organisational restructuring, itself had a total operating budget in 2010 of €5.8 mn, too small to give it control or even a determining say in a city tourism marketing image which was set by the national tourism organisations, the main investing agencies in marketing tourism, including for Dublin. The €777,370 recorded for marketing in the 2010 annual accounts represented just 13% of the organisation's total expenditure for the year. The great bulk of expenditure went on staff costs (over two-thirds) and non-marketing (17%), reflecting the strong visitor information service provided. The marketing investment in 2010 was 30% lower than the €1.1 mn spent on such activities in 2009.
- Tourism Ireland spent €4.78 mn on Dublin in overseas markets in 2011, with partner spend (i.e. carriers' cooperative spend) amounting to a further €1.87 mn for a total of €6.65 mn. In addition, there was the once-off Autumn Access Initiative in 2011 with equal contributions from DTTS – Tourism Ireland and cooperating partners of €1.55 mn (i.e. €3.1 mn).

Aggregating the various components brings the total marketing spend on Dublin marketing in 2011 to €14.8 mn (i.e. €6.65 mn Tourism Ireland campaigns, €3.1 mn Autumn Access Initiative, €0.75 mn Dublin Tourism, €0.5 mn trade contributions, €1.8 mn business fund, €2 mn festival and event marketing). Excluding the once-off Autumn Access Initiative the core budget reduces to €11.7 mn. Expenditure by the four municipal councils is estimated at close to €3.6 mn, bringing the total marketing investment for Dublin to close to €15mn. Dublin City Council calculates it spent €2.9mn on marketing in 2011, including its contribution to Dublin Tourism, with the other three councils each undertaking substantial marketing activities on behalf of the County area.

“An estimated €15 million was spent on promoting Dublin in 2011”



3.5 Opportunities and Prospects

In-depth Steering Group member feedback has revealed a considerable level of consensus as to the key issues that need to be addressed in respect of the future marketing for destination Dublin. The priorities for the Steering Group stakeholders are for:

- a clear direction/unity of vision/ positioning for what Dublin should do to capitalise on its potential,
- a fully coordinated and collaborative approach among key public and private sector stakeholders,
- a regional brand for Dublin, and focussed promotion of the destination Dublin brand,
- better alignment and coordination of the City's economic sectors, recognising their high degree of interdependence,
- preparation of a set of performance targets and indicators (i.e. numbers, revenue, jobs, return on investment) aimed at fully capitalising on Dublin's potential,
- identification of an appropriate mechanism/ model to allow for greater involvement of the private sector and city/county councils in cooperative marketing campaigns
- putting mechanisms in place in order to monitor the ongoing implementation of the Dublin campaigns. Greater accountability is required in order to secure wider stakeholder buy-in and funding towards marketing activities
- quantification of the economic contribution of tourism related to marketing investment, and
- early clarification of the form and level of support to be given to Dublin by Failte Ireland and Tourism Ireland following the incorporation of Dublin Tourism within Failte Ireland.

“Dublin should base its tourism development and marketing strategies on the broad Dublin region”

With regard to the ways in which Dublin can seek to capitalise on its potential, Steering Group members proposed many ideas, the most frequently mentioned being:

- basing tourism development and marketing strategies on the broad Dublin region, rather than just the City core, thereby widening the attraction to tourists and incorporating the four local councils (City, Dun Laoghaire-Rathdown, Fingal and South Dublin) in a public: private partnership approach to the marketing of Dublin,
- retailing/visitor shopping options should be recognised as an important part of the Dublin tourism offer, and fully incorporated within the future marketing strategy,
- the maintenance of a lower VAT rate will contribute to greater competitiveness while also supporting job creation,
- ground transport is vital and greater public: private cooperation should be considered to enhance access into the City centre and places of tourist interest for arriving passengers on ferry and air services. Ahead of the full development of the new cruise terminal, commitment is needed from Dublin Port to improve the logistics of transporting cruise passengers into and around the City.
- Dublin can emerge as an outstanding destination for business tourism, especially related to digital communications and high-tech innovation, and needs to be strongly positioned as such and
 - though Dublin has many additional positioning opportunities related to, inter alia:
 - the friendliness of its people,
 - city of literature and culture,
 - city to stay and eat (as opposed to craic and drink),
 - cruise tourism destination,
 - youth and music city,
 - it needs to define its tourism ‘experiences’ and target these through its marketing to the specific relevant markets and segments.



For this project, TDI carried out a comprehensive programme of market research in March/April 2012 with Tourism Industry Representatives, Overseas Travel Trade Executives, and IBEC Members. The principal conclusions from the three surveys and the focus groups emphasised the strength of the Dublin tourism product and the need to undertake a more dynamic and focussed marketing presentation of these features.

In the assessment of these experienced operators Dublin has many significant attributes as a destination. Highlights of its strong tourism product offer include: Georgian architecture; Cultural attractions, Literary heritage associations; Excellent accommodation base; Pubs, restaurants and entertainment.

The compact and pedestrian friendly nature of parts of the City, its proximity to significant natural features and the friendliness/natural warmth of Dubliners are other major attributes.

Dublin's competitors share some of the above attributes. It is perceived that Dublin has a clear competitive advantage is through:

1. the friendliness of its people, and
2. the proximity of the City to outstanding natural resources such as Dublin Bay, Dublin Mountains and neighbouring counties.

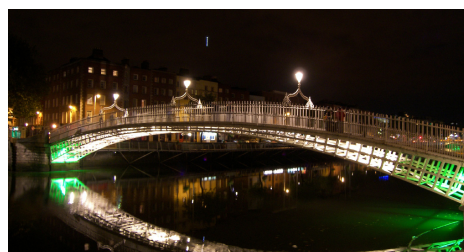
The future market positioning of Dublin needs to clearly reflect those unique attributes.

There is clear stakeholder support for a fresh approach to the marketing of Dublin. This is likely to involve enhanced cooperation between the tourism agencies, local government and the commercial tourism industry with a view to putting in place more effectively used budgets. The adoption of market positioning (underpinned by a Dublin brand) and a market segmentation approach will be necessary if Dublin is to maximise its potential as a tourism destination.

Operators saw scope for greater collaborative/partnership marketing (both destination marketing and product marketing initiatives). Perhaps wary of the inflationary effects which would arise from the introduction of a hospitality/sales tax, there is a stakeholder preference for a mix of sources for future funding of Dublin marketing. e.g., government subvention (through the tourism agencies), municipal funding, and industry contributions.

The two destination analyses – SWOT (strengths, weaknesses, opportunities, threats) and TALC (tourism area life cycle) - indicate that Dublin has a wide range of significant tourism resources capable of development into attractions with appeal to twenty first century visitors, both leisure and discretionary business travellers. Given the strong competitive pressures more needs to be done in the areas of product development, access and marketing and promotion. Like many European cities, Dublin has reached the mature phase on the TALC. Without significant efforts to boost the attractions of the City and to communicate these in a persuasive manner to key markets and segments, Dublin risks going into decline. Timing is of the essence. The faster the move to a new model, the greater the chance of Dublin achieving and sustaining growth above the European average.

“The faster the move to a new model, the greater the chance of Dublin achieving and sustaining growth above the European average”





PART 4 STRATEGY FOR GROWTH

4.1 Key Strategic Considerations

Vision for the Future

Viewing the issue as purely a tourism one is not the answer. Dublin's future as a sustainable city depends on it being an excellent place to live, work, learn, recreate and visit. A vision for the City should embrace all aspects of its socio-economic and environmental fabric, and be geared to meeting the needs and aspirations of its resident population, business community, government and visitors, creating maximum satisfaction for all. An overarching vision for Dublin as a major centre for communications, business, education and enjoyment is needed, developed through consultation with government, business and the community at large.

"An overarching vision for Dublin as a major centre for communications, business, education and enjoyment is needed"

Dublin's Dual Positioning

In determining the positioning of Dublin two facts need to be considered: first, that the great bulk of visitors to the Republic of Ireland enter the country through Dublin; and, second, that many categories of visitor do not go outside the Dublin area because the City and its environs represent a destination with sufficient attractions and facilities to attract and satisfy a tourist.

Stand Alone Dublin vs Dublin as Part of the Ireland Tourism Product

In considering the future marketing approach for Dublin, cognisance should be taken of the fact that there are three different types of visitor: those for whom Dublin is their chosen destination, those who visit Dublin as part of a trip combining their stay in the capital with time spent in other parts of Ireland, and those for whom Dublin is merely the gateway passing through it in transit to their chosen destination(s) within Ireland.

The argument that Dublin should be featured as part of the overall tourism product of Ireland is valid for the combined visitor but not for the Dublin destination specific visitor. Indeed, the overall marketing approach may lead to a loss of potential for Dublin. A Dublin region specific brand is needed to realise Dublin's full potential but such a brand will also benefit Ireland's other regions. It is contended that there will be substantial spin off benefits through increased visits from extended stays and subsequent repeat visits to other parts of Ireland. In essence, the remainder of Ireland can benefit from the same percentage of a significantly bigger cake! Dublin has a personality which is not just a slice of Ireland's general brand attributes. This needs to be expressed with new and fresh creative imagery, particularly with a view to exploiting digital media opportunities.

"A Dublin region specific brand is needed to realise Dublin's full potential but such a brand will also benefit Ireland's other regions"





Embracing Greater Dublin Area

Experience from the various cities examined as part of the project research programme indicates that several are actively featuring the broader destination, incorporating features and territories away from the city core in their marketing campaigns. By linking to beach, river and natural features like mountains, cities are seeking to broaden their market appeal, lengthen visits and encourage repeat visits.

The case for Dublin to follow a similar approach in its future marketing is compelling. It is a city of relatively small size, making access to Dublin Bay, Dublin Mountains and neighbouring counties easy and speedy, while the quality of the environments in the areas outside the City and the opportunities they provide for various sporting and other outdoor pursuits are excellent. A positioning which also promotes Dublin's Doorstep is a valid one for future marketing of the City.

Brand Identity

It is essential for a destination to understand and exploit its competitive identity. For a nation, or city like Dublin, the brand is not solely the responsibility of government or tourism organisations, but of multiple stakeholders across different industry sectors. This imperative highlights the lack of joined-up working and the need for different stakeholders to work together in the future to strengthen and take ownership of the brand. The programme of stakeholder consultation undertaken for this study has demonstrated that there is a strong desire among Dublin's stakeholders to build and develop a more focussed and powerful brand for the City. The analysis emphasised the need for all parties to collaborate and coordinate activities.

The benchmark for European cities is to carve their own reputations around specific USPs where they claim a competitive advantage. Dublin should focus its attention on clarifying its competitive identity in marketing communication.

The City's brand needs to be supported by all stakeholders, building on the existing brand equity both in the creative development of Dublin's marketing strategy and in the material experiences provided.

This is the case, for example, with the Copenhagen brand, which focuses on the 'openness' of the city, both as a destination positioned as the international gateway to Scandinavia, the tolerance and acceptance that its people openly show to every walk of life and the strong push to stimulate investment in the city with the clear message 'open for business'. Likewise, Vienna capitalises on the 'Now or Never' strap line in branding the city as the leading destination for experiencing high culture; demonstrating its excellence in gastronomy, music, theatre, the arts and architecture. The brand attempts to create a sense of priority, uniqueness, exclusivity and importance around the 'must see' or 'once in a lifetime' sense of urgency that it instills in potential visitors.





4.2 The Dublin Brand

An important part of the branding process, and one that Dublin's stakeholders can easily influence, is the "sharing" stage, in which visitors return and talk about their experiences. The high number of repeat visitors to Dublin makes this opportunity particularly relevant. With a creative approach, the 'misconceptions' or 'feeling of apathy' can be used to turn it on its head and change the brand perception.

This sharing stage in the branding process has the strongest potential to influence future visitors to travel to the destination; recommendations from a peer have considerably more weight than one-way marketing messages. A key part of Dublin's brand evolution will therefore lie in the opportunity presented by social media, data sharing and the gradual convergence of the real and digital world in creating awareness, 'real time sharing' of experiences and discussion and peer endorsement of the brand.

There is a big opportunity through encouraging positive reviews and incentivising visitors to attract family, friends and contacts. An opportunity also exists to connect the further development of the Dublin pass initiative with retailers, accommodation suppliers and transport operators offering attractive deals to support these incentives.

Dublin's brand needs to incorporate a mix of inter alia:

- Its people,
- The tourism industry,
- Wider business community,
- The City's heritage and cultural scene,
- Magnetism, attracting investment and people,
- Seat of learning,
- Technology,
- Innovation,
- Brand and cultural exports. (e.g. U2 and Guinness).

The Dublin brand should highlight:

- The authenticity of experiences in Dublin,
- Its key differentiators – USPs,
- The personality of the brand,
- Its emotional touch points.

Dublin should have a distinct and distinctive market development vision, brand and positioning which ought to be based on these following core values.

Friendly Irish Welcome

Dublin's people are part of what makes Dublin unique, countless stories come from visitors who've experienced the friendly Irish welcome, being able to chat to new and interesting acquaintances in a local pub is part of what makes the city special,

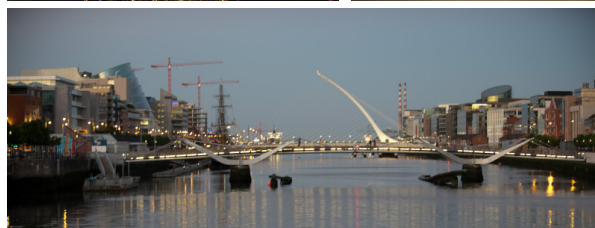
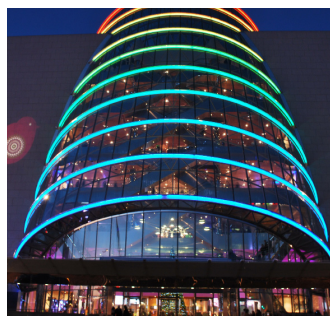
Compact and Intimate City

Dublin's compact nature gives it a feeling of intimacy unlike many big city competitors.

Close to Nature and Dublin's Doorsteps

Dublin's city's proximity to the mountains, Dublin Bay, and neighbouring counties is a significant competitive advantage. Abundant opportunities exist for visitors to engage in outdoor activities and more passive scenic trips.

"These brand attributes are incredibly powerful and help to create an image which is naturally strong, without any engineering from its tourism stakeholders"





Outstanding Literary and Cultural Heritage

Both as the UNESCO City of Literature and as a City steeped in music, from its modern musical exports to the tune of a traditional singer in a pub, Dublin has a living culture.

These core brand strengths should always remain consistent in the communications approach of all Dublin's stakeholders. They constitute the core brand values that make the City unique and give it its competitive advantage.

Apart from attracting leisure visitors, these strengths heighten the appeal of Dublin for business and MICE visitors (now that it has a state-of-the-art Convention Centre), as well as for overseas students and cruise ship passengers (facilitated through the major port investment being made).

The Dublin brand should also look to build a reputation in a specific area where it demonstrates leadership and excellence above its competitors. Expanding on the current branding work now being carried out by Dublin City Council and the proposals below gathered through focus groups and consultation with industry, will allow Dublin to gain broader appeal. It will allow the destination reinvent itself where the brand has become tired, such as in the British market, and strengthen its value proposition towards the MICE market, which is particularly important in building connections with the world's emerging economies.

- **European Hub of Digital Innovation** - Carving a reputation as Europe's silicon valley and leading the way in digital innovation and making Dublin the technology centre of Europe, with the possibility of developing related MICE and learning-based tourism.
- **Green, Healthy, Dublin** - Build on Dublin's proximity to nature, developing a 'green' and 'healthy' brand identity, linked closely with technology and leadership in digital innovation.
- **Gateway to Europe** - Building a brand identity based on Dublin's 'short-hop' proximity to North America and excellent hassle-free connection to Europe, in the same way that Finnair and Helsinki has done successfully with Asian markets. The creation of a Dublin stopover package can be an important means of giving passengers in transit or transferring flights the opportunity to get an impression of Dublin, thereby stimulating the desire for a return visit.

These packages can take the form of an excursion of a few hours for passengers in transit to a full-blown accommodation package of 24-48 hours for transfer passengers.

Product development, innovation and inward investment are all significant components in developing a new brand identity.

Technological developments and global communications have radically changed how society sees the world and other cultures, and have served to heighten expectations in respect of what a destination offers. No destination is viewed the same now as a decade ago. To maintain its position the destination has to move in line with and ahead of what the market demands.

Product Development and Presentation

To satisfy the modern tourist, a range of things to see and do need to be readily available, delivered at a high standard, be relatively easy to access and offer good value-for-money. Furthermore, these features should be both different from those available elsewhere and be authentic in the sense of representing an expression of the destination's culture, and show unspoilt natural sites. This is a tall order for any destination but one that Dublin is well placed to meet since the core resources are available. Presentation and packaging are crucial in this regard, with recent initiatives such as "Dubline" pointing the way for further similar developments.

Original and imaginative ways are needed in developing and showcasing Dublin's core strengths in the form of attractions, activities and events that will appeal to the ever-demanding tourist. New flagship developments, clusters of products and tourist circuits are needed to complement and strengthen the City's existing offering. This mixture of long-established and new products will facilitate the development of a dynamic and vibrant brand for the City.

A Tourism Development Plan for Dublin is now recommended. Such a plan would involve key stakeholders including Dublin City Council, County Councils, Fáilte Ireland and the industry and would set out a road map for tourism product development in Dublin to 2020.



PART 5 MAKING IT HAPPEN

5.1 Positioning and Target Markets

Dublin's Location: a Prime Determinant

Dublin's position in the European city break market is unique compared to other similar cities. While away from the European mainland, its "Atlantic edge" location can give the city a competitive edge in North America and Britain. The Dublin brand is inherently linked to the Ireland brand, one that is uniquely Irish, authentically Celtic and inextricably linked to the warm welcome of its people and the 'homely feel' that visitors experience.

These brand attributes are incredibly powerful and help to create an image which is naturally strong, without any engineering from its tourism stakeholders. The 'human' aspect of the brand is an extremely powerful brand value that can directly link the brand with the estimated 70 million people worldwide of Irish ancestry.

Dublin's appeal to target markets depends very much on a mix between the authenticity and human aspect of the brand, which creates strong emotional appeal for the destination. This is reinforced by the accessibility of the destination, both in terms of the value for money that it offers and the ease of reaching the city, both in terms of travel time and affordability.

The selection of Dublin's target markets are defined by:

Table 4 Target Markets- Flying Times

| Less than 1.5 hours | 1.5 - 2.5 hours | 2.5 - 4 hours | 6.5 hours + |
|---|--|---------------------------------------|--|
| Britain Belgium France Holland | Germany France Switzerland Italy Spain Denmark Portugal Austria | Finland Sweden Russia Poland | USA UAE India Australia New Zealand South Africa China Brazil |

Accessibility - Availability of transportation links, namely air and ferry but also in terms of facilitation of travel such as visa requirements, flight schedules and price competitiveness

Travel time and distance - Populations within a 1.5 hour travel radius will naturally offer far stronger City Break potential than visitors coming from further afield

Economic potential of the market - Visitors from markets with strong or rapidly developing economies can represent the biggest potential in percentage terms for long-term outbound travel growth, whilst visitors from established economies will continue to prevail for some time to come, but with narrower target demographics than in the past.

As a city break destination, Dublin's strongest markets can easily be defined first and foremost geographically. Those within a 1.5 and 2.5 hour flying time are naturally most likely to visit Dublin and represent the markets with the strongest figures, Britain, Germany, France, Northern Italy and Spain being historically the strongest European source markets.

Still of secondary importance for the city break market, people from countries such as Russia and the Baltic states between 2.5 and 4 hours flying time are less likely to travel to Dublin for a short city break but more to experience some of what Ireland has to offer as a destination, owing to the time that it takes to reach the city. This is to some extent also true of the Eastern Seaboard of the United States, where the frequency and capacity of daily air services provides ongoing market expansion opportunities.

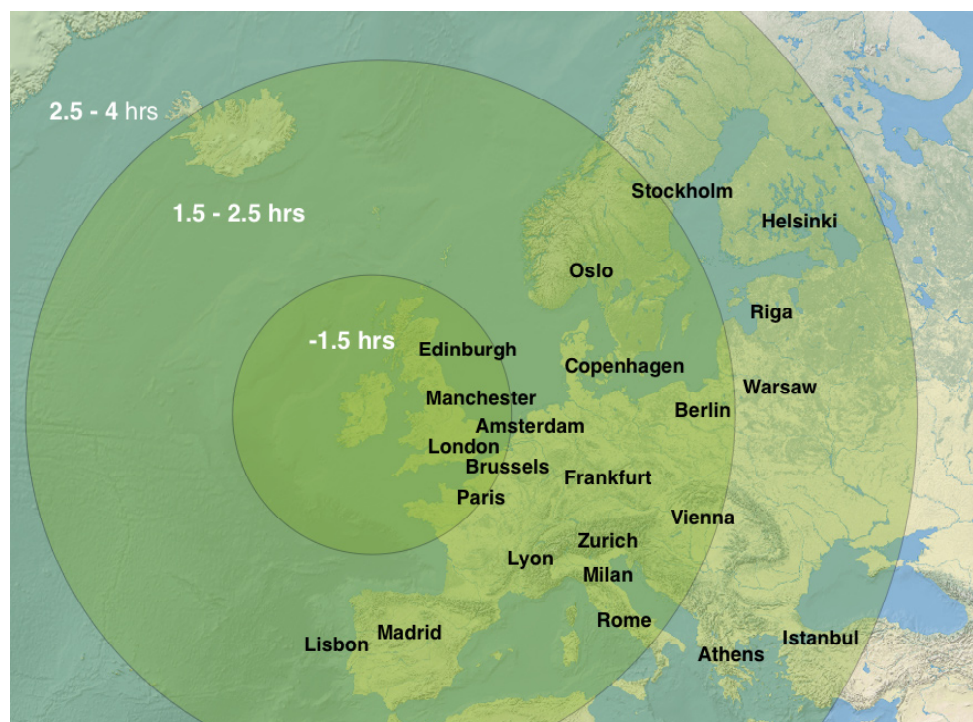
Most recently, a new set of non-European markets have opened up. These complement the long-established markets from cities in the Northeastern United States (e.g. New York and Boston) in a similar distance band. While the ethnic connection is missing, other special interests create new potential for Dublin's tourism industry to capitalise on daily flights from the United Arab Emirates and Istanbul, opening up a Middle Eastern and Asian markets.



Opening up new connections is an important factor in Dublin's growth strategy. It is still weakly connected to the rest of the world, outside Europe and North America. In the longer term a direct flight from Beijing, for example, would open up the market to Chinese visitors and significantly improve tourism arrivals from China.

The map below shows the range of markets within short reach of Dublin by flying time.

Table 5 *Flying times to Dublin*



The recommended target demographics for Dublin's future visitors are shown in the table below, focusing on a broad demographic from Britain, a slightly narrower socio-economic demographic and more lifestyle segment focused approach in the US and Mainland Europe, and for emerging long-haul markets a narrow focus on high-earning young professionals in search of luxury and premium experiences.

Table 6 *Target Demographics for Dublin*

| | Britain | United States | Mainland Europe | Emerging Long-haul |
|--------------|-------------------------------------|--------------------------------|---------------------------------|------------------------------------|
| Social Class | A, B, C1 + C2 | A, B, C1 | A, B, C1 | A, B |
| Age | 25-55 | 18-35, 45+ | 18-35, 35-55 | 25-55 |
| Segments | VFR, FIT, MICE, Young Professionals | FIT, Youth, Baby Boomers, MICE | FIT, Youth, Young Professionals | Group, Young Professionals, Luxury |



Strategic Objectives by Market

Research reveals, on thorough analysis of Dublin’s visitor numbers since 2005, that there are significant differences between Dublin’s source markets, requiring highly tailored strategic and tactical responses when it comes to effectively marketing and branding the destination.

Whilst some market sectors have been highly sensitive to exchange rate fluctuations, others have been significantly impacted by the economic crisis. There are, however, a number of positive findings. Some traditional segments have proven to be surprisingly resilient (e.g. the middle-aged German “explorer”), whilst in other markets (e.g., Russia) new segments are emerging at the higher end of the demographic scale representing an opportunity for Dublin to build upon.

In the table below and the following section key target markets are identified and strategic recommendations made based on the performance of each’ group, identifying the key opportunities to consider when branding and marketing Dublin.

Table 7 Key Target Markets

| | Priority -- 500,000 + Paid over- nights* | A Markets - 150,000 to 500,000 Paid over- nights* | B Markets - 50,000 to 150,000 Paid over- nights* | C Markets - Less than 50,000 Paid over- nights* |
|--|---|---|--|---|
| Mature Short-Haul Markets - Traditionally strong markets - Currently static or in decline with current economic climate - Potential for recovery and steady future growth | Britain | France Germany Italy Spain | Belgium Denmark Holland Sweden Switzerland | Central, Eastern, & South Eastern Europe |
| Mature Long-Haul Markets - Traditionally strong markets - Currently static or in decline with current economic climate - Potential for recovery and steady future growth | United States | | Australia Canada New Zealand | |
| Growth Markets - Considerably higher than average outbound travel growth - Strong future economic prosperity forecast - Heightened leisure travel activity in recent years | | | | BRIC UAE |

*2005 levels, TourMIS data

See Table 9 Growth in Overseas Arrivals Under Stretched Target [2011-2020]



5.1.1 Mature Short-Haul Markets

These are source areas that have, pre 2008, shown strong visitor numbers far in excess of any other markets. Priority markets have shown a decline as a result of the global economic downturn, however they continue to represent by far Dublin's strongest source markets and will continue to do so owing to their geographic proximity and relative prosperity.

Dublin's first priority for these markets is therefore to:

Build on the 2011 recovery in visitor numbers and return to 2007 levels in the short-term

Continue to keep Dublin relevant and fresh as a tourist destination

Implement an immediate, impulse/incentive-driven campaign to return to 2007 levels in the medium term

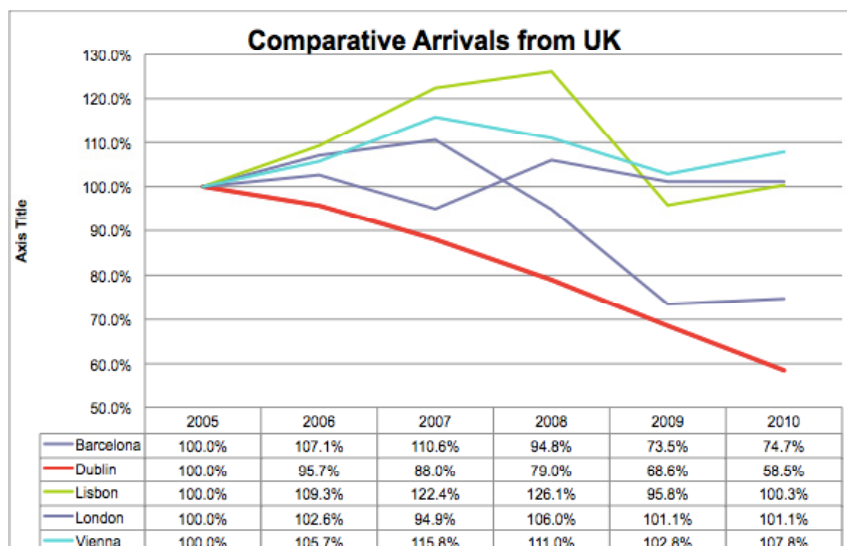
Implement actions to increase visitor turnover

"Priority markets [particularly Britain] have shown a decline as a result of the global economic downturn, however they continue to represent by far Dublin's strongest source markets"

- Austerity measures imposed by the British government and low growth rates since 2008
- Dublin's product lifecycle has reached its maturity and, in its present form and presentation, no longer offers the unique appeal
- Currency depreciation of the British Pound against the Euro of -23% between 2005 and 2010, with an especially sharp fall between 2007 and 2009. As Dublin is in competition with Scottish cities such as Edinburgh for the short break market which primarily originates in the SouthEast of England, it seriously lost price competitiveness consequent on the exchange rate changes.

Priority - 1,000,000 + visitors (Britain)

The brand awareness of Dublin amongst consumers in priority markets is high. Significantly, nearly half of all visitors from Britain have visited Dublin previously. Whilst this is good, there has been a steady 10% year-on-year decline since 2006. Dublin saw a 40% loss of visitors from Britain between 2005 and 2010, representing a significant loss of more than 500,000 annual visitors. The drop indicates possible problems regarding Dublin's appeal to the British market, most likely owing to a combination of three factors:





The maturity of the Dublin brand and its product, coupled with a lack of a developed image for the destination, could also be in part what is behind the continuing decline in visitor numbers from Britain. This is something that Dublin's tourism stakeholders can respond to pro-actively to increase its competitive positioning against the likes of Barcelona and Vienna.

Recent signs that the British Pound is gaining strength against the Euro is positive and can be capitalised on, especially given the short-term buying cycle of the British market compared to others. However, the comparative city data shown in the chart below is a clear sign that there is a more significant problem with the British market, not only related to exchange rate differences.

While Britain remains Ireland's largest overseas market by far, the collapse in the pure holiday-maker sector to Ireland in total has been precipitous. In the period 2007 to 2010 this sector fell by 50%, from 1.8 million holiday visitors to less than 900,000. Dublin numbers are estimated to have fallen by almost 40% , from 828,000 to less than 500,000 in the same period .

A major review of the British market was undertaken in 2012 under the guidance of the Tourism Recovery Taskforce (TRT) and this project is nearing completion. The Review was conducted by Tourism Ireland, Fáilte Ireland, the Northern Ireland Tourist Board, reporting to the TRT, and aided by external marketing consultants. It has been thorough and deep in its analysis to establish the main causes of the massive decline since 2007, and the insipid performance of the G B market for several years prior to that.

The areas examined by the report include; defining the brand architecture, analysing the competitive set, defining market segments, defining positioning and branding, developing a channel and communications plan, aligning product and product development needs, and the creation of value and bundling propositions appropriate to the British market.

Given the scale of the British visitor decline it might be tempting to look elsewhere for growth. But Britain still remains Ireland's largest single market . The decline was modestly reversed in 2011 which saw the first growth in 4 years, growth which is expected to be built upon further in 2012. The TRT review is indicating that Dublin and Ireland's reputation as a holiday destination was primarily damaged by severe loss of competitiveness, exacerbated by the weakness of sterling against the euro and the severe recession in Britain.

The TRT report will be completed and published in late Summer, and its recommendations for a path to growth in Britain are expected to be implemented immediately thereafter. Given that over 50% of British visitors spend time in the Capital, Dublin will be a principal beneficiary of a recovering British market.

Dublin will need to capitalise on communicating that it is the best value Eurozone city break destination from Britain, considering both accessibility and affordability. Dublin has to be shown to be better than its competition, which are all taking Dublin's market share.

With the Euro starting to weaken against the Pound, there are indications that a campaign focused on 'value for money', and 'there's more to see', would be the most effective approach to rebuilding visitor numbers from the British market.

The single priority for the British market is to stop the decline in visitor numbers in the immediate short-term future and develop an incentive based rebranding campaign to return visitor numbers from Britain to at least their 2008 levels, which would mean an increase of more than 350,000 visitors. This target is a significant increase from the current levels and can only be achieved as part of a coordinated campaign, incorporating the full collaboration between trade, carriers and others to increase access, stimulate impulse and reposition the city's brand through a creative and incentive-based marketing campaign.

Dublin's strategy for the British market should seek to:

- Reposition the Dublin brand showing that Dublin has more to offer, even for repeat visitors who may think they have done it all!
- Stimulate short-term growth through industry-backed incentive 'call to action' campaigns, demonstrating Dublin as a value for money city break destination

A, B and C Markets (Mainland Europe)

Visitors from mainland Europe account for approximately two-fifths of Dublin's inbound tourism and will remain an important market in future years owing to their geographic proximity. The countries shown in Dublin's 'A markets', are those that promise the strongest visitor numbers and highest expenditure. This is based upon proximity to Ireland, and therefore feasibility as a short-hop city-break destination, population sizes and economic strength.



The selection of 'B Markets' show similar prospects in terms of trends in visitor numbers, however they are unlikely to generate the same volume as those markets nearer to Dublin.

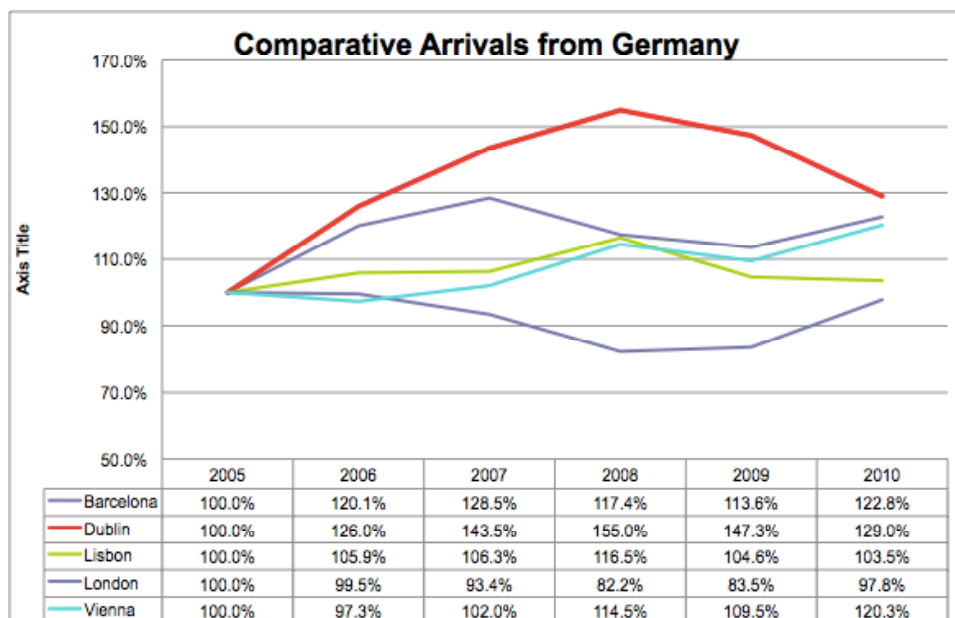
Likewise, 'C Markets' represent smaller individual outbound volumes., Nonetheless, collectively the Central and Eastern European countries constitute a significant node of outbound tourists and some of the fastest recovering economies in Europe. Unlike the 'A' and 'B' markets, visitors from 'C' markets have much lower Dublin brand awareness of . There is a greater need therefore to focus on generating awareness and knowledge of the destination, alongside call-to-action campaign activity, to continue to grow the market.

The chart below shows how Dublin's visitor numbers from Germany, used as a benchmark for the chosen 'A Markets', mushroomed in 2008 and actually performed significantly better than its competitors, yet Dublin has seen some losses in contrast to its competitors since. This demonstrates clearly that visitors from mainland Europe appear more sensitive to economic factors in respect of Dublin than for Dublin's competitors.

Dublin's visitor statistics show that approximately half of its visitors (including for business and VFR purposes) come during the winter period, suggesting that for those on leisure visits, Dublin represents a second or third city break and not their primary holiday destination.

Austerity measures have meant that consumers are taking less breaks than in the past. Not being a primary getaway, Dublin does not fare as well as many of its competitors. This makes the case for extending the brand to feature "Dublin's Doorstep", with its myriad of outdoor and main holiday activities, all the stronger. Another important observation is that the so called 'premium' destinations, have seen faster recovery and more stability overall, a trend which can be seen throughout Europe.

Unlike Britain, which has been in steady decline since before the 2008 economic crisis, the European market showed very strong figures until 2008 and a gradual decline since, demonstrating a clear sensitivity to price. Visitor numbers from mainland Europe grew strongly up to the time of the economic crisis in 2008 before declining for the three years ahead of the 11% rise in 2011.





A strategic priority for Dublin in mainland Europe is to seek to increase overall visitor numbers and related expenditure from these markets, focusing greater importance on targeting higher value visitors as well as increasing expenditure from existing visitors in the destination. It is also most important to communicate “new” reasons for visiting Dublin in order to impact upon repeat visitation.

As part of the long-term sustainable development of Dublin’s tourism industry from mainland Europe, it is essential to have better insight into the customer’s buying habits and trends. This study has shown that the typical demographic of Dublin’s visitors, strong in expanding the market up to 2008, has proved less reliable in recent years. On the contrary, the premium market has proven more resilient, yet Dublin has not apparently been in such a strong position to respond to their needs as the likes of Vienna and Barcelona.

Increased integration of the inbound tourism product and services is important in order to achieve better fulfillment and packaging of the overall visitor experience. There is value in extending the scope of the Dublin Pass and linking Dublin’s leisure, attraction and hospitality vendors to create a more network-led approach to increasing revenue collectively as an industry. Likewise, how Dublin is packaged and marketed to these visitors before and during their visit is also crucial, showing both that the City has ‘more to see’, in particular targeting those visitors who believe they already know everything the destination has to offer.

It is important for Dublin to have increased appeal to visitors with higher socio-economic backgrounds, as European austerity measures have meant that middle and lower income brackets have suffered the most and will continue to take the brunt of the economic crisis, whilst upper income brackets have remained far more resilient. Dublin needs to be repositioned more competitively to higher income groups, particularly in the ‘A’ and ‘B’ Markets, to show Dublin as a destination that can offer a ‘value for money’ premium experience.

The priority for European markets is to focus on preventing a resumption of the fall in visitor numbers experienced in 2008 – 2010. The most important markets are the nearby ‘A and B markets’, and more specifically those showing the strongest signs of economic recovery. Dublin’s strategy for Mainland Europe should seek to:

- Create a new campaign to target a higher socio-economic class in ‘A’ and ‘B’ Markets, focusing on Dublin’s ‘premium’ product offering and its exceptional value for money
- Deliver value-driven ‘call to action’ campaigns in ‘A’, ‘B’, and ‘C’ markets to develop steady short to medium term growth
- Reposition the Dublin brand, showing that Dublin has more to offer even for repeat visitors
- Invest in product development, both in how Dublin is packaged and marketed ‘more than just a city’ and also facilitating a better linking-up of vendors in the destination
- Conduct consumer research into Dublin’s visitors from mainland Europe to understand how to reduce volatility, increase revenue and ensure more sustainable growth in the future.

5.1.2 Mature Long-Haul Markets

Dublin’s most important long-haul market is the United States, which, after Britain, is the city’s biggest market. For Dublin’s mature long-haul markets, its value proposition is as part of a wider island of Ireland product offering (the heritage, cultural and linguistic similarities all being key draws for visitors from countries with significant Irish ancestry), as well as benefiting from its proximity to Britain.

Dublin is very poorly served compared to other cities in terms of air access from other parts of the world outside of Europe and North America, . Therefore for leisure travellers wishing to make a visit to Dublin, it will invariably be as part of a bigger package. However, a key focus should be to grow long-haul visitor numbers through existing flight connections, such as the 2-3 daily flights from the Gulf and also to generate new flight connections from important long-haul markets such as China and Japan.



Priority - 500,000 + visitors (USA)

Of particular significance, Dublin has a key unique selling point that no other European capital can boast, which is US Customs and Border Protection Agency pre-clearance at Dublin airport. This means that Americans arriving home have a significant advantage when flying from Dublin compared to any other European city, as they arrive back home as a domestic passenger. This is not only a key selling point when it comes to convenience and time, but also for ease of travel as well as the speed and reliability of flight connections to other cities in North America.

Whilst Dublin is inherently considered the gateway to Ireland, it could similarly be branded and marketed as the gateway to Europe. Product development focused on the US market could make significant gains in reaching Americans planning multi-destination visits to Europe who currently leave Dublin out because of its apparent geographical isolation from the rest of Europe.

In 2010, more than 11 million Americans visited Europe, with countries such as the Netherlands and Spain still attracting more direct American arrivals than Ireland, while having fewer ethnic and heritage links. This represents untapped potential for Ireland to grow its market share from the US and to do so directly with suppliers through campaign activity showing Dublin's competitive advantages, with nearly 75% of Americans booking travel to Europe online.

The US market to Dublin has seen a similar post-2008 decline. With the economy showing signs once again of growth and with strong ethnic heritage links between the US and Ireland, the US market will remain a priority market for Dublin in coming years, building on the 5% recovery in US visitor numbers in 2011. Unlike the British market, the US Dollar has not seen a significant fall against the Euro, and the market has shown more resilience against currency fluctuations when they occur.

The Dublin brand, like the overall Ireland brand, will need to undertake a gradual evolution, as the heritage appeal weakens over time with US demographics seeing a shift towards a bigger population of Hispanic and Asian origin. Marketing Dublin as 'the gateway to Europe' could be more effective in the future for reaching new target demographics in the US market.

For air connections from the US market, the advantages of Dublin should be clearly communicated:

- Dublin is the shortest flight time from the US to Europe, saving at least an hour on other transatlantic flights
- US pre-clearance can save a significant amount of time and hassle when returning to the US, arriving as a domestic passenger visitors 'feel like home' on their return
- Flying via Dublin offers speedier access to many points in Britain than via London or Manchester. With the added attraction of US pre-clearance more "Britain plus Dublin" traffic can be developed
- Dublin as a natural gateway for Britain and Mainland Europe, with competitively priced onward flights to a range of destinations
- Dublin Airport as the 'hassle free' airport for the business traveller, new terminals, speedy boarding and fast onward connections
- It is recommended that an aviation policy based on competition between at least two airlines with at least two home bases in the Irish market should continue to be pursued by Government. The implementation of policies that encourage further route development will also be an important consideration in Dublin realising its tourism potential.

Dublin's strategy for the USA should seek to:

- Capitalise on the competitive advantage offered by Dublin airport as the 'Gateway to Britain and Ireland' or 'Gateway to Europe' to increase its market share from its competitors
- Reposition Dublin's value proposition as a 'must see' city, essential to any visit to Europe by taking part in co-op marketing initiatives and careful campaign targeting
- Present Dublin as a "Taste of Ireland", encompassing everything that Ireland has to offer all on its doorstep
- Seek the establishment of a year round service from gateway cities.



B Markets (Australia, Canada, New Zealand)

Although smaller in number than the major European outbound markets, Australia and Canada both compete well with secondary European markets such as Belgium and Switzerland.

Other than Canada and those transiting the Gulf, long-haul travellers from other mature markets are not arriving directly in Dublin, 65% arrive via air connections from Britain and another 26% from other European countries. The importance of marketing Dublin as part of a wider offer is even more so, with visitors travelling from further afield.

For most visitors from these markets, Dublin is only part of their trip and so a “Taste of Ireland” is a particularly relevant proposition for visitors wanting to experience as much of Ireland as possible in a short period of time.

Australia in particular represents a significantly strong outbound market, the Australian Dollar having grown continuously between 2005 and 2012, with an increase over this period of 33.2%. Similarly the Canadian dollar has risen 23.7% over the same period and the New Zealand Dollar 11.4%. As currency strength is invariably linked to the perception of value for money, these are key target groups, also with ancestral links, likely to represent valuable high-spending visitors.

Dublin’s strategy for the Long-Haul ‘B Markets’ should therefore be to:

- Run co-operative marketing campaigns with all airlines with appropriate network reach as well as Tourism Ireland and Visit Britain to increase interest in the destination in long-haul mature markets
- Reposition Dublin’s value proposition as a ‘must see’ city, essential to any visit to Europe by taking part in co-op marketing initiatives and careful campaign targeting
- Present Dublin as ‘a Taste of’ Ireland, encompassing everything that Ireland has to offer all on its doorstep
- Urgently pursue the establishment of a year round service from Toronto

5.1.3 Growth Markets

Europe’s tourism industry in readying itself for the growth of the BRIC (Brazil, Russia, India and China) markets, China in particular, which is increasing at around 4% year on year. Visitors from emerging markets tend to be drawn in particular by the consumption of luxury high-end goods and the appeal of visiting as many major icons in the shortest timeframe possible.

Dublin’s stakeholders should focus on learning more about emerging markets in order to know how they can capitalise on their potential in the coming years, and how to respond to the needs of these new markets appropriately.

Dublin’s strategy for the Long-Haul Growth Markets should be to:

- Position the Dublin value proposition as a ‘must see’ city, essential to any visit to Britain and Europe, by taking part in co-op marketing initiatives and careful campaign targeting in partnership with Tourism Ireland. The development of packages for short stay transit passengers would be a feature of the strategy
- Provide product development and educational programmes in cooperation with Tourism Ireland towards the trade in key emerging markets
- Conduct further consumer research into consumer interests and behaviours from BRIC markets to achieve the optimum positioning of the Dublin brand
- Supply travel industry training and product tailoring to meet the needs of new visitors, in particular from China



Domestic Market

Though domestic tourism demand grew by 8.8% a year between 2000 and 2008, and by over 4% between 2005 and 2009, the last two years have inevitably been years of decline in response to the serious economic pressures in the country. Taking future growth in GDP at close to 1% a year up to 2015 and 2% a year thereafter produces an average annual growth rate for the remainder of the decade of around 1.5%. A ratio of 1: 2/2.5 is taken between growth in GDP and tourism demand. A target growth rate in domestic demand for Dublin of 3% a year is built into the estimates of bednight demand. Dublin's new product developments and re-focused marketing approach can lead to increased interest among the Irish population for repeat visits to the capital city, increasing its share of domestic holiday trips. It is expected that growth in the number of major conventions and sporting events, given Dublin's new facilities, will be a significant factor in driving this growth.

“Dublin needs to develop a premium product offer which has appeal to a higher socio-economic demographic in Mainland Europe and new visitors from Emerging Markets”

5.2 Leading Themes

A number of leading themes appear from the selected markets, which Dublin's stakeholders can work with proactively to develop further into a clear product and value proposition marketed to visitors. This includes marketing Dublin as:

- **Value Destination** - Repositioning Dublin amongst British visitors as a destination representing good value for money and the first choice for a city break. For visitors from Mainland Europe, promoting Dublin as a Value Destination for a 'Premium Experience', not necessarily expensive but offering more than other destinations.
- **'Dublin's and it's Doorstep', 'a Taste of Ireland' or, 'Ireland in Miniature'** - Marketing Dublin as a city which offers the full Ireland experience all within minutes of its doorstep, a message which is important to show repeat visitors that Ireland has yet more to offer and long-haul visitors that they can add a full Ireland experience by including Dublin on a multi-city trip to Europe.
- **Gateway to Britain and Europe** - Demonstrating that Ireland is not a destination that has to be 'left out', rather it should be the starting point for any visit to Britain and Europe, with clear advantages in doing so.
- **Premium Experience** - Raising the overall experience that visitors have in the City with increased integration of inbound services to provide a stronger and more connected product offer. Of particular importance for sustainable growth is the need to develop a premium product offer which has appeal to a higher socio-economic demographic in Mainland Europe and new visitors from Emerging Markets.

Working together as an industry to develop the above themes will greatly enhance Dublin's competitive positioning in the European city break market. Development of these themes is also essential for long-term sustainable growth with strong backing by the entire trade and tourism stakeholders.



5.3 Digital Communications Mix

Co-op Marketing Campaigns

The travel trade is a crucial component in re-stimulating travel from Dublin's key source markets. The industry needs to act collectively, with the support of a strong brand and marketing strategy, to generate interest in the destination and turn conviction into response through a coordinated 'call to action' campaign.

The focus of the campaign, coordinated by the Destination Marketing Alliance for Dublin [DMAD], will be:

- **A Clear Call to Action**
- **Value Driven**
- **Industry Backed**

Co-op marketing campaigns will offer the greatest value at the marketing end of the buying cycle, where there is a clear opportunity to influence buying decisions between one destination and another. Co-op activity can also be valuable however in building awareness of the brand, where complementary brands, such as exports from the city, may also see value in sharing the cost of joint brand building and fulfillment.

VisitDublin Portal

Solid progress has been made on digital marketing through VisitDublin.com. The VisitDublin portal incorporates Dublin's social media channels. However, the site needs to capitalise further on the experiential direction in which the web is moving in order to keep up with leading destinations like Barcelona. If Dublin is to carve a reputation as the home of digital innovation, this needs to start at its destination portal.

The portal should serve three clear purposes:

- **Creating inspiration to visit the city**
- **Providing a one stop shop for visitor information**
- **Publishing offers and product**

"The future VisitDublin portal should be a beacon of innovation"

The future VisitDublin portal should be a beacon of innovation, not only offering the richest, most experiential destination experience on the web, but incorporating the latest technology developments. It is fundamentally important that the Dublin brand is strengthened through peer recommendation. VisitDublin should use the latest development in web technology to tap-in to the power of social media and create inspiration offering visitors highly personalised destination experiences.

Key factors that need to be incorporated into the future development of the VisitDublin portal:

- Translate the site into multiple languages
- Portal design should be image and video led/ dominated
- Functionality of social media should be fully integrated to allow VisitDublin to access user details and create a fully personalised experience based on user interests
- Personalised trip designing through digitally generated content propositions using semantic technology
- Portal must be mobile friendly so that it can be accessed on the move

Social Media

VisitDublin needs to develop a social media strategy which will take it into the lead as a destination marketing operation. There is a major differentiation opportunity in this regard as the aspect of marketing in which most of Dublin's city competitors appear weak is in their relative lack of exploitation of social media. The leading online companies that have chosen to settle in Dublin can assist Dublin in helping it to do this and help VisitDublin to carve true differentiation in the digital arena.



Dublin's social media strategy should be supported by all the city's tourism stakeholders, recognising the potential that social media can offer for:

- Building awareness and interest in the brand amongst consumers with a registered interest in visiting the destination
- Publishing offers and deals available exclusively to subscribers

VisitDublin should take the following action to respond to the opportunity of Social Media:

- Commission a dedicated digital strategy identifying the key opportunities and setting out how VisitDublin should manage the ongoing communication needs and implement innovative creative campaigns
- Apply dedicated human resources to promoting VisitDublin through social media, taking the 'friendly welcome' that Dublin is famous for and showing that same welcome through social media
- With the support of a clear digital strategy, integrate social media tightly into all communications activities of VisitDublin and develop innovative creative campaigns to ensure Dublin stands out from its competitors and develops a reputation as a leader in the industry

Mobile and Tablet

VisitDublin already has a mobile app for iPhone and Android which provides a full in-destination experience for the visitor. This is excellent and should be better communicated via industry operators who, often appear not to be aware of it.

Dublin can once again show leadership in the field by developing a truly innovative tablet application, which goes beyond the average and taps into the technological and innovative scope available. If Dublin is going to reposition its product to develop a 'Dublin's Doorstep' concept, a tablet app could be the perfect companion in helping potential visitors to begin a tactile discovery of what the destination has to offer beyond the city limits.

Content, Search Engine Optimisation (SEO) and Affiliate Marketing

Dublin's official portal should be the one-stop-shop for finding unique and up-to-date information about the city, its attractions, events, and things to do. Being the owner of this unique and valuable content will allow VisitDublin to create a web service to distribute content to third-party sites such as online travel agents and publishers, who may wish to aggregate content to add value to their own sites, with the intention of driving traffic back to VisitDublin.

VisitDublin should also invest in the ongoing development of new, inspirational content about the city. A good model to follow is the VisitBritainSuperBlog.

Search Engine Marketing (SEM)

VisitDublin needs to invest in ongoing SEM activity throughout the year, increasing and switching between target markets in order to place the greatest investment in driving traffic through the key planning periods. SEM is an opportunity to target users looking both broadly for travel ideas and specifically for information about Dublin.

Display Advertising

Display advertising can provide value to VisitDublin in building the brand awareness of Dublin to users through publisher sites in specific markets.

Integrated Digital Campaigns

An integrated digital campaign would allow VisitDublin to publish advertorial content through the travel section of digital publishers like Yahoo! and TripAdvisor. Supported with a brand 'call to action' advertising campaign through banners and other brand material throughout the site.

Newsletters

As more repeat visitors are sought, a consumer newsletter should be a key part of Dublin's ongoing communications activity. VisitDublin needs to work with the wider industry to capture names and build a consumer database of its visitors so that it can keep marketing the city on an ongoing basis. Quality data capture about Dublin's visitors will lead to better targeting in the future, knowing what their interests are and being able to target them accordingly.



Depending on the size, quality and amount of information held on VisitDublin's database, it could over time develop 2-3 newsletters targeting say, women, differently to men or younger visitors differently to older visitors and promoting product to the right target segments accordingly. Consumer newsletters are a great way to keep the destination in the visitor's mind throughout the year and stimulate intent to travel by offering exclusive subscriber deals and offers.

Developing a Digital Strategy

To fully grasp the opportunity of the digital landscape, it is recommended that VisitDublin develops an in-depth digital strategy that will guide its online development and ensure it becomes a leading innovator in the online space.



5.4 Organisational Structure

Irish and international experience provides us with a range of organisational models where the promotion of a city region destination such as Dublin is concerned. In all, TDI looked in detail at five options, including PPP procurement of an independent destination organisation, creation of a new Dublin Convention and Visitor Bureau (CVB), re-establishing a Failte Ireland subsidiary with its own Board of management, and creating a new municipal driven city promotional office.

The analysis indicates that while organisational arrangements vary, each of Dublin's main competitors have structures in place to mobilise effective and sustained marketing campaigns for their cities.

Organisation initiatives are now required to implement a new marketing strategy for Dublin, maximise stakeholder participation, and attract additional funding from a wider range of sources than heretofore. A new Destination Marketing Alliance for Dublin [DMAD] can provide leadership and direction at this time and can be the vehicle for the delivery of essential brand development work and innovative Dublin Marketing campaigns.

"A new Destination Marketing Alliance for Dublin [DMAD] can provide leadership and direction at this time"

Destination Marketing Alliance for Dublin[DMAD]

The full integration of the former Dublin Tourism workforce within Fáilte Ireland readily accommodates the establishment of a Destination Marketing Alliance for Dublin[DMAD]. With support service functions (e.g. HR, Finance etc) rationalised, and other transferred executive staff thereafter primarily discharging an enterprise support function, a specialist executive team, working with an industry advisory group could be assigned exclusively to the Dublin Destination marketing and promotion function. One option is for DMAD to be accommodated within the existing Failte Ireland organisation architecture through creating a unit which is advised by and reports back to an external review committee as in the current models for the Business Tourism Forum and the Golf Tourism Forum.



It is vitally important that DMAD is guided by, and advised by a review group who are seen to have broad industry support and recognition. Without this, prospects for securing the full public private operational and financial partnership and collaboration necessary for success will be jeopardised.

Monitoring procedures should be put in place during preparation of the Destination Dublin Marketing Strategy.

It will also be essential that Fáilte Ireland assign one of its most senior and experienced managers to head up the DMAD team.

DMAD need not have a new and separate legal existence or a source of central government funding other than that provided by Fáilte Ireland and campaign-specific contributions by Tourism Ireland. In other words the starting point should be that no new separate organisational entity or corporate structure would need to be created.

Consistent with the objective of maximising stakeholder participation, destination marketing campaigns and sector specific initiatives [i.e. clubs] will be designed to attract funding from the industry and local authorities. It is envisaged that new international marketing campaigns would be developed with and executed through Tourism Ireland under Service Level Agreements.

The benefits of this template include:

- The ability to readily replicate the most successful aspects of the existing Business Tourism and Golf Tourism Forum mechanisms.
- A considerable degree of shared ownership and Commitment from the alliance partners [i.e. Fáilte Ireland, Local Authorities, tourism industry] together with current Steering Group support.
- Potential for generating collaborative funding opportunities
- More efficient use of diminishing numbers of public servant staffers, through minimising “turf wars” and reducing the duplication which can occur when there is overlap in objectives of public agencies.

With the right personnel, and efficient structures, in place both at the executive and the advisory board level, DMAD has the potential to generate momentum and achieve results. In the years ahead, the door should be kept open to other innovative and creative solutions such as the Convention and Visitors Bureau [CVB] model or variant thereof as used in Barcelona and Lisbon.

DMAD should be an active participant in the Creative Dublin Alliance as it works towards the establishment of a brand for Dublin.

5.5 Funding

The proposed Destination Marketing Alliance for Dublin should draw its funds from Fáilte Ireland, other forms of funding (possibly via ring-fencing a portion of the airport tax), local authority funding (possibly via tiered hospitality tax or commercial rates), industry contributions (in the form of destination marketing campaigns and product clubs) and corporate sponsorship. The exact amounts that can be generated from these last three-named sources will depend on how inclusive the operation is to participation by these bodies.

To avoid risking further market share loss, resources will be required for marketing in line with competitor destinations.

“Destination marketing campaigns and sector specific initiatives will be designed to maximize stakeholder participation and attract funding”



PART 6 TARGETS AND IMPACTS

6.1 Growth Targets

The consensus view of the United Nations World Tourism Organization (UNWTO), European Travel Commission (ETC) and other industry experts is for cautious optimism in the next few years. This assumes that the present eurozone difficulties are resolved without major or long term disruption to economic activity, including tourism. All long term examinations of sectoral growth prospects assume vicissitudes of one form or another but that the underlying trend will emerge over an extended period.

Limited near term growth in line with the UNWTO's Tourism 2020 Vision trend line of 3.1% a year is a realistic target for European tourism.

In assessing the optimal marketing arrangements, levels of investment and targets for marketing Dublin, a series of alternative growth scenarios were considered. These range from the 'status quo' scenario which would see Dublin lose further ground to its European competitors, to a level of growth that would enable Dublin to become a top 5 European city, requiring an average annual rate of growth of 11% a year.

Three scenarios were identified that could be considered to be realistic under different conditions in respect of overseas tourism. All of the scenarios assume that economic growth continues in all of Dublin's principal origin markets, and that there is no deterioration in Dublin's overall price competitiveness.

The first scenario is one which would require all recommendations and policy initiatives outlined in the report to be implemented in full. This is termed the 'stretched' target, involving a rate of expansion double the average Europe-wide rate i.e. 6.2% a year.

A second scenario involving a less complete - but still substantial - implementation of the proposals in respect of the marketing priorities, institutional arrangements and financing of marketing for destination Dublin, but where other policy initiatives indicated are not fully supported, produces the medium target at 4.5% a year, one-and-a-half times the European average.

The third scenario foresees growth in line with the 3.1% a year expansion of demand for European cities as a whole, with limited implementation of the recommendations made in this report.

The medium growth rate is to better the Europe-wide rate of increase between 2011 and 2020 by half as much again i.e. 4.5% a year as against 3.1%. Achievement of this rate of growth would see overseas tourist numbers to Dublin increasing from the provisional 2011 level of 3.728mn to 5.54mn by 2020, and their spending rising from €1.047 to €1.56bn (at current prices) over the period. This medium growth target 'bonus' above the European average is predicated on considerable success of the branding and positioning of Dublin as a People City and incorporating Dublin's Doorstep with a €15mn a year budget.

"The 'stretched' growth rate of 6.2% would produce an additional annual volume of overseas tourists of 2.7 million a year by 2020"

An early return to a more stable global economic environment, complete buy in from all stakeholders directly and indirectly involved in tourism to Dublin, as well as the adoption of support measures in respect of areas such as transport and human resource development, will create the circumstances where the stretched growth target growth of 6.2% a year could be attained, producing 6.41 mn overseas visitors and €1.8bn a year by 2020.

The achievement of the stretched target is predicated on the basis of economic recovery in Ireland and in Dublin's key markets. Full roll-out of the Dublin brand, highly effective collaboration between stakeholders, the generation of marketing funding from new sources, the exploitation of new markets, and the development of business and conference tourism will also be required.

Under the 'matching' European average growth rate target, Dublin would attract over a million extra overseas tourists a year by 2020, a level one third above that of 2011. The medium growth rate would produce an additional annual volume of overseas tourists of 1.8mn by 2020 compared with the level in 2011 i.e. a rise of 50%. The 'stretched' target (6.2% a year growth rate 2011- 2020) would see 70% more overseas tourists annually than in 2011 i.e. almost 2.7mn in 2020.



In terms of revenue generated by overseas tourists, the €1bn generated in 2011 would rise to €1.38bn, €1.56bn and €1.8bn respectively under the three scenarios, given similar growth rates in visitors and revenue generated.

Table 8 Summary of Dublin Targets Under Three Realistic Growth Scenarios, 2011 and 2020

| Category | 2011 | 2020 Matching European Average (3.1% p.a.) | 2020 Medium Target (4.5% p.a.) | 2020 Stretched Target (6.2% p.a.) |
|-------------------------------------|-------|--|--------------------------------|-----------------------------------|
| Overseas Arrivals mn | 3.728 | 4.91 | 5.54 | 6.41 |
| Overseas Tourist Revenue €bn | 1.047 | 1.38 | 1.56 | 1.80 |

It should be noted that the rise in visitor volumes will be unlikely to occur evenly over the period, whichever growth scenario is taken, as the impact of the new destination Dublin marketing initiatives will bear fruit more fully in the later years. Neither will the target growth rate be achieved evenly across all generating markets. The lengthy stagnation of the British market, once re-stimulated, can be expected to grow significantly at the rate of close to 4% up to 5% a year, under the medium and stretched scenarios.

Mainland European markets boosted by new low cost carrier routes are targeted for annual growth slightly above the overall average at between 4% and 4.5% (medium scenario) and 5.5% and 6% (stretched scenario). The economic recovery in the USA allied to the strong promotion of The Gathering (which can be expected to produce increased flows not just in 2013 but on a lagged effect for some years afterwards) can generate average annual growth of between 5% (medium target) and 7.5% (stretched) for the remainder of the decade, while the newly emerging markets of Asia, S America and the Middle East, together with Australia can grow by between 7.5% and 10% a year. The latter growth assumes that the welcome easing of visa restrictions in 2011 remains in place.

Under the medium and stretched scenarios, by 2020, an additional 600,000 to 1mn Europeans are targeted, between half and almost three quarters of a million extra visits by Britons, between 350,000 and approaching 600,000 more visits by North Americans and a two to two-and-a-half fold rise in visits from other parts of the globe.



Table 9 Growth in Overseas Arrivals under Medium and 'Stretched' Targets, 2011 to 2020

| | Britain | Mainland Europe | North America | Other Areas | TOTAL |
|---------------------------------------|-----------|-----------------|---------------|-------------|-------|
| 2011 Base Year ('000 arrivals) | 1,302 | 1,504 | 638 | 285 | 3,728 |
| MEDIUM SCENARIO | | | | | |
| %p.a growth 2011-2020 | 3.75 | 4.25 | 5.0 | 7.5 | 4.5 |
| 2020 ('000 visitors) | 1,817 | 2,187 | 990 | 546 | 5,540 |
| STRETCHED SCENARIO | | | | | |
| %p.a growth 2011-2020 | 5.0 | 5.75 | 7.5 | 10.0 | 6.2 |
| 2020 ('000 visitors) | 2,020 | 2,494 | 1,220 | 672 | 6,406 |
| Market Share (%) | 31.5-33.0 | 39-40 | 18-19 | 10-10.5 | 100.0 |

In terms of bednights spent in all paid forms of accommodation, growth rates of 4.5% and 6.2% a year would result in a rise from just over 7.8mn in 2011 to 11.6mn and 13.4mn respectively by 2020. However, the achievement of this rate of growth assumes that all market sources would grow equally or that shortfalls in one area would be compensated for in others.

In considering bednight demand, account needs to be taken of the following:

1. Given the proposed emphasis on Dublin's 'Doorstep', it is envisaged that, against the prevailing trend for shorter stays in European cities, Dublin may achieve a slight lengthening in duration of visit of overseas tourists, with leisure visitors extending their stay in response to the broader Dublin product offer.
2. This will offset the lower growth rate in domestic demand, the target for which cannot realistically be set at more than 3% a year as the country seeks to recover from its economic difficulties, with most growth coming in the second half of the decade in line with the strengthening of the Irish economy.



6.2. Economic Impacts

For a city of the size, location and potential of Dublin, an annual dedicated destination marketing spend of €15mn is in line with primary city competitors, the range stretching from £5mn (€6mn) in the case of Edinburgh to €24mn in Barcelona. In major cities like London and Vienna, direct marketing expenditure is of the order of €15mn – €16mn, so for Dublin to invest a greater amount should not be necessary to create and sustain a strong visitor demand for the City.

“For a city of the size, location and potential of Dublin, an annual dedicated destination marketing spend of €15mn is in line with primary city competitors”

The indications are that the current level of marketing investment for Dublin is probably of the order of €15mn. The need for the qualifying word “probably” indicates the nature of the problem. Many different agencies, organisations and companies are undertaking some form of marketing and promotion of Dublin as a city to visit and in which to invest or do business. The issue is the lack of common focus and coordination in the application of the marketing investment. TDI’s research with stakeholders shows a high recognition of this shortcoming and the urgency of establishing a clear vision, brand and positioning for Dublin. There is a strong expressed commitment to collaboration in future marketing for the City.

The explanation for the prevailing situation has much to do with the relatively small allocation for destination marketing (less than €0.8mn) that the now-disbanded Dublin Tourism, the agency with a prime responsibility for promoting the City, had for front line marketing activities, and the consequent loss of confidence by important industry players. This encouraged other bodies dependent to a greater or lesser extent on visitor demand for Dublin ‘to do their own thing’. The €11.7mn spent last year on marketing Dublin by or through the national tourism agencies is only part of the total marketing investment for the City. Dublin City Council calculates that it spent €2.9mn (including its contribution to Dublin Tourism) while the three other municipalities in Dublin County supported Dublin to the tune of an estimated €0.6mn. TDI’s best estimate puts the overall figure for destination Dublin marketing at approaching €15mn.

The challenge, then, is not how to generate funds for marketing and promotion over and above the current level - though it is recognised that in such straitened times raising the past level of €15mn will require new initiatives and arrangements, as covered in this report - but how best to coordinate, direct and allocate the same level as being presently deployed.

Table 10 Tourism in Dublin-Key

| Dublin Tourism Facts, 2011 | |
|--|---|
| Overseas Tourist Arrivals | 3.728mn |
| Overseas Tourist Revenue | €1.047bn |
| Domestic & Overseas Bednights in Hotels | 7.81 mn (estimate 4.2mn domestic, 3.61 mn overseas) |
| Hotel Room Capacity | 18,900 |
| Hotel Bed Capacity | 43,800 |
| All Paid Forms of Accommodation – Bed Capacity | 48,000 |
| Tourism Employment | 49,895 |
| Dublin Airport Passenger Traffic | 18.7mn |



In considering Dublin's future marketing, what is needed, as outlined in the recommendations of this report, are:

1. An overall vision for Dublin that embraces all socio-economic and environmental needs, policies and plans. The vision would show Dublin as an invigorating, dynamic, exciting, sustainable and efficient place to visit for leisure, to invest and do business in, to travel through en route to other destinations in Ireland or as a cruise passenger, to study in, or to live in as a resident.
2. A powerful and salient branding, positioning and targeting that attracts those market segments that Dublin's mixture of cultural and natural heritage resources, attractions and facilities can most appeal to, focussing on the authentic character of the City, the warmth of its people to visitors, and the wide range of high quality visitor experiences both within the City and in Dublin's 'Doorstep'.
3. The application of a range of marketing activities attuned to the attitudinal, motivational and behavioural characteristics of the 21st century tourist, using electronic technology and social media to the most appropriate extent.
4. Full coordination of marketing and promotional activities with all stakeholders pooling resources and being represented in the process of shaping marketing campaigns and partnering in implementing the marketing activities both for Destination Dublin and for specific product: market campaigns.

"Dublin will need to 'up its game' merely to hold its present position. Failure to take action will result in further loss of market share"

What would be the economic impact of a €15mn annual marketing and promotion investment dedicated to destination Dublin on a fully coordinated basis with well-directed branding, positioning and targeting within an overall all-embracing vision for the City? To answer this question, it is necessary to understand how much more tourism can be attracted and what would be the consequences for the economy of the City.

The efficient application of a €15mn annual marketing and promotion budget will produce a significantly greater demand for the City and its environs than has been achieved up to the present. Apart from the marketing investment, account has also to be taken of the recent development of the Convention Centre Dublin which is further opening up, and will continue to stimulate, the MICE sector business for the City. The port developments are also likely to result in a substantial boost to cruise traffic and spending on shore visits.

The forecast for international tourism in Europe (i.e. both intraregional and long haul arrivals) for 2012 based on the views of the United Nations World Tourism Organisation's (UNWTO's) Panel of Experts is for growth of between 2 and 4%, bringing it in line with the UNWTO's long term forecasting study - Tourism 2020 Vision - of an increase of 3.1% a year between 2010 and 2020. Though that forecast was prepared in 2000, the underpinning assumptions and conditions hold good since economic vicissitudes, rising oil prices and global health scares were factored into the forecasts.

TDI's study of the tourism development and marketing strategies and activities of European competitor cities indicates an increasing recognition of the economic importance of the tourism sector and a highly committed, professional, creative and innovative approach to destination marketing. If Dublin fails to take the necessary action, further loss of market share is inevitable.

Setting growth rate targets at multiple times that expected by major European cities is, therefore, both unrealistic and unhelpful in creating expectations that cannot be attained.



TDI has developed three scenarios whereby Dublin aims to match (3.1% a year), better by one-and-a-half times (4.5% a year – medium scenario) and double (6.2% a year – ‘stretched’ scenario) the overall Europe inbound average annual forecast growth between 2011 and 2020.

Application of these three rates of growth produces overseas visitor numbers for 2020 of 4.91mn, 5.54mn and 6.41mn respectively under the matching, medium and stretched target scenarios.

Visitor expenditure levels were recorded at €1.047bn in 2011. Though no increase in the total destination Dublin marketing spend is proposed, and despite the increased value-consciousness of discretionary travellers, the greater penetration of high spending segments (e.g. cruise passengers, business travellers and longer staying leisure visitors) could be expected to generate an increase in the level of spending on visits to Dublin slightly higher than the level applied for bednights and arrivals. In setting the revenue target growth at the same level as for overseas tourist visits, this could be seen as conservative but given the recent years decline in average spending per foreign visitor, it is considered prudent to target the maintenance of present average levels.

A 6.2% a year rate of increase for the period 2011 to 2020 would produce total overseas visitor spending in 2020 of €1.8bn; while achievement of the ‘medium’ and ‘matching’ European average growth rates would see overseas revenue in 2020 growing to €1.56bn and €1.38bn respectively.

Jobs

Increased tourism demand for Dublin will not only create the opportunity for new hotels and tourism ventures, but will also lead to an increase in employment in the industry. The rise in new tourism jobs will be more marked in the later years of the period as the capacity utilisation in hotels etc in the earlier years is brought up to the level where more employees are needed.

Faite Ireland research indicates that every €1mn received in visitor spending generates 36 new jobs. Application of this formula to the revenue totals under the three target scenarios produces additional jobs figures ranging from 12,000 (matching European average growth), 18,500 (medium scenario) and 27,000 (stretched target).

“Given the achievement of the stretched target, 27,000 jobs can be generated by 2020 above present levels”

Table 11 Additional Tourism Employment by 2020 Under Three Realistic Scenarios

| Target Scenario | Additional Revenue in 2020 over 2011 (€'000) | Additional Jobs in 2020 over 2011 |
|---------------------------|--|-----------------------------------|
| Stretched | 753 | 27,000 |
| Medium | 513 | 18,500 |
| Matching European Average | 333 | 12,000 |



6.3 Capacity Considerations

What are the implications of these levels of demand for the accommodation sector, and Dublin airport? Some broad indications can be given though more detailed economic analysis is needed to develop the estimates given into refined forecasts.

Hotel rooms

Given the growth that is believed to be achievable, and the time lag involved from conception/planning to development of hotels, it seems apparent that by 2015 additional bedroom stock may need to be planned for subsequent years – possibly of the order of an additional 5,000 rooms by 2020.

Airport Passenger Traffic

The passenger traffic through Dublin Airport in 2011 was 18.7mn. At 6.2% a year growth – assuming all forms of passenger traffic grow at this common rate – the volume will grow to 23.8mn by 2015 and 32mn by 2020. An increase of this level – around 75% over a decade – is not understood to represent a constraining factor on Dublin achieving the targeted growth in its tourism sector, when account is taken of the airport's expansion and other measures related to airport handling capacity.



PART 7 ACTION PROGRAMME

There is a shared consensus amongst all stakeholders that coordinated actions are now required to address the loss of market share and to reposition Dublin for growth. The prize in terms of increased volumes of international visitors and benefits in terms of overall economic impact and, in particular, employment creation is significant.

Following the launch of 'Capitalising on Dublin's Potential' [scheduled for end June 2012], TDI recommends that a 3 month consultation period be set aside for key stakeholders to finalize the Terms of Reference [TOR] for the Destination Marketing Alliance for Dublin [DMAD] and its structure. It is envisaged that the Steering Group which ITIC has put in place for this project will represent an appropriate forum for the conduct of consultations. A number of bi-lateral discussions will also be necessary during the consultative phase.

Pending agreement on the TOR and Structure of DMAD, Failte Ireland together with Tourism Ireland, Dublin City Council and the County Councils will have overall responsibility for overseeing its establishment. The objective would be to have all arrangements in place by end of November 2012 in readiness for full mobilization in January 2013.

Table 12 Action Programme

| Action | Responsibility | Timescale |
|---|---|--------------------|
| 1. Launch Report - capitalising on Dublin's potential | I.T.I.C | End June 2012 |
| 2. Stakeholder Consultations | I.T.I.C Project Steering Group | End September 2012 |
| 3. Establishment of Destination Marketing Alliance for Dublin | Falite Ireland/ Tourism Ireland / City/ County Councils/ Industry | End November 2012 |
| 4. Mobilisation | Falite Ireland | January 2013 |



ANNEX: STEERING GROUP MEMBERS

| | |
|----------------------------|---|
| Maurice Pratt | <i>Chairman</i> |
| Eamonn McKeon | <i>ITIC</i> |
| Stephen Cotter | <i>CIE Tours International</i> |
| Adrian Cummins | <i>Restaurants Association of Ireland</i> |
| Ann Daly | <i>National Museum of Ireland</i> |
| Dermod Dwyer | <i>Convention Centre Dublin</i> |
| Paul Gallagher | <i>Irish Hotels Federation</i> |
| David Kelly | <i>Aer Lingus</i> |
| Neil Lane | <i>Radisson Blu St Helen's Hotel</i> |
| Jane Magnier | <i>ITOA</i> |
| Lorna Maxwell | <i>Dublin City Council</i> |
| Keith McCormack | <i>Fáilte Ireland</i> |
| Aebhric McGibney | <i>Dublin Chamber of Commerce</i> |
| Nicola McGrane | <i>Conference Partners</i> |
| Karl Mitchell | <i>Dublin City Council</i> |
| Matt Moran | <i>IBEC</i> |
| Eoghan O'Mara Walsh | <i>Heritage Island</i> |
| Daragh O'Reilly | <i>Irish Ferries</i> |
| Willie Sheils | <i>South Dublin County Council</i> |
| Brian Twomey | <i>Tourism Ireland</i> |
| Jon Woolf | <i>Dublin Airport Authority</i> |

