

TOURISM IN THE WEST

AN ENGINE FOR GROWTH AND JOBS

FULL REPORT

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itjc

Irish Tourist Industry
Confederation





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1. INTRODUCTION

“Tourism to the west of Ireland, traditionally the country’s prime visitor destination, was in decline, attracting fewer visitors and losing share of tourist numbers and spending.” This was the key conclusion of **‘New Directions for Tourism in the West’** a 2011 report from ITIC which set out a series of recommendations to address the challenge of reversing the tourism decline along the Western Seaboard¹. The report set out a number of recommendations, perhaps most notably the proposal to “develop a branded and well interpreted ‘Atlantic Coast Drive’ to encourage exploration of points of scenic and cultural interest.” This has since been realised in the ‘Wild Atlantic Way’ project, a welcome development spearheaded by Fáilte Ireland and the Local Authorities. However, a vibrant, prosperous and sustainable tourism industry along the Atlantic seaboard cannot solely be predicated on the Wild Atlantic Way project.

Much has changed over the past four years. The tourism business landscape has dramatically altered with improving economies in source markets, several government initiatives to boost the sector’s competitiveness coupled with more services into the country on air and sea routes, all leading to a situation where Ireland is currently enjoying a record year in tourist arrivals.

The time is therefore opportune to review the current performance of tourism along the western seaboard, an area which epitomises the quintessential appeals of Ireland and includes such tourism hot spots as west Cork, Killarney and the Ring of Kerry, the Shannon Gateway, the Burren and the Cliffs of Moher, Galway and Connemara, Westport and Clew Bay, Yeats country, Slieve League and Malin Head.

ITIC commissioned a review of the current state of tourism for the purpose of benchmarking current performance and to chart the course for sustainable development of an industry sector that is critically important to economic prosperity, including employment levels, in each county from Donegal to Cork.

The review, undertaken by TTC – Tourism & Transport Consult over the period August to October 2015, is based on analysis and interpretation of available data, a survey of businesses in the area², consultative workshops in Limerick, Bundoran, Galway and Killarney as well as in-depth discussions with key industry personnel. The findings include a reassessment of both the potential and the barriers to attracting more tourists to the western seaboard. TTC acknowledges the assistance of Fáilte Ireland in providing latest research data and the inputs from many industry executives who readily gave of their time to share their perspectives and experiences.



¹ Western seaboard or ‘the west’ defined for purposes of this report as encompassing the coastal counties from Donegal to Cork

² 148 completed responses from a sample of 200 businesses

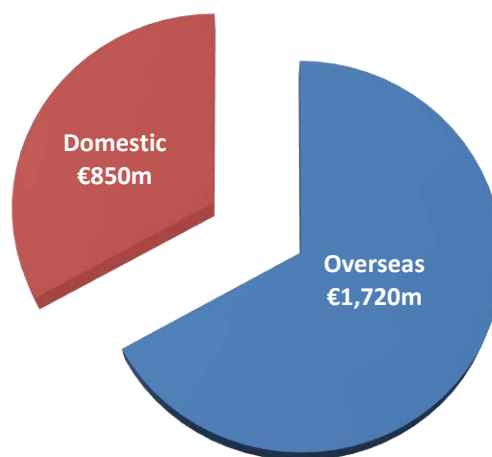
2. WHY TOURISM IS IMPORTANT TO THE WEST

Tourism is a €2.6 billion industry along Ireland's western seaboard. It provides almost 100,000 jobs that support families in every county along the Atlantic coast. Beyond the economic impact, tourism helps define the western seaboard, perhaps more than any other single sector of our economy.

2.1 Earnings from tourism

Tourism generated close to €2.6 billion in income to the western regions in 2014, with overseas visitors spending €1,720 million and domestic visitors an estimated €850 million.

Fig. 2.1: Tourist spend in the West 2014



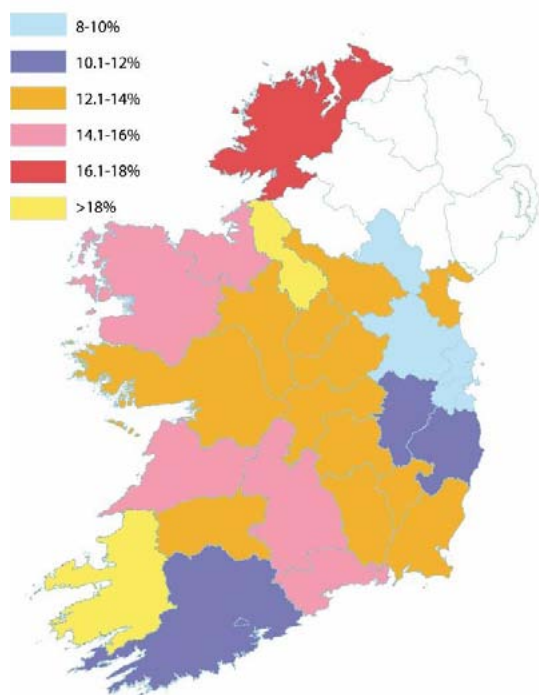
Source: Fáilte Ireland

Almost half of the expenditure in the country by overseas visitors is spent along the western seaboard. In 2014 the West gained an increased share (48%) of overseas tourist expenditure in the country, as the share of tourism visitor spend in Dublin which had been growing in 2012 and 2013 dropped back to below 40%.

Almost three out of every five euro (58%) of expenditure on domestic tourism ends up in the West.

2.2 High dependency on tourism along the Western Seaboard

Fig. 2.2: Percentage of enterprises by county engaged in tourism



The counties along the Atlantic coast are more heavily dependent on tourism than in any other part of the country. For example, at least one in every five businesses in counties Kerry and Leitrim is engaged in tourism, with an almost equal dependency on tourism businesses in County Donegal. Tourism accounts for close to 15% of all business enterprises in counties Mayo, Clare, Sligo, Galway and Limerick. This compares to less than 10% along the east coast.

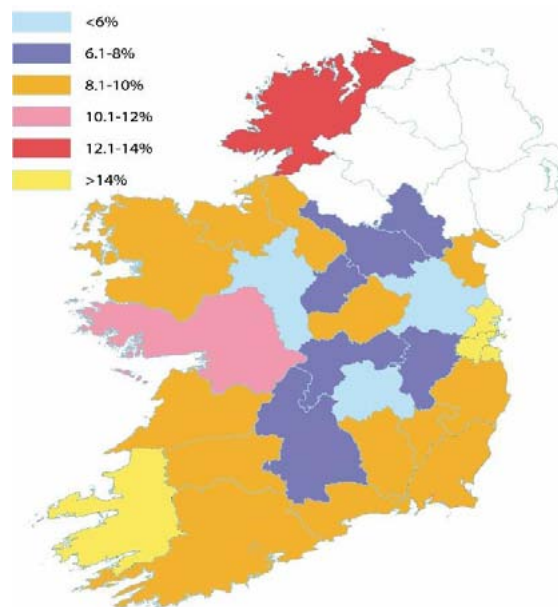
Source: McFeely & Delaney, 2013, Ibec calculations

2.3 Employment generated by tourism

Almost 100,000 jobs along the western seaboard result from tourism, a number which has been increasing. Employment in the ‘Accommodation and Food Services’ sector, an accepted proxy indicator for tourism employment, grew by 15% between 2012 and 2014 in the western region.³ A recent survey shows that just over two out of every five (44%) tourism businesses in the West had hired more staff in 2015.

Western counties are more dependent on tourism for employment than most other counties. In Kerry at least one in every seven people in employment is engaged in the tourism and hospitality sector, while tourism is also a major source of jobs in counties Donegal and Galway, proving more than 10% of employment.

Fig. 2.3: Dependency ratios - percentage of employment in tourism



Source: McFeely & Delaney, 2013, Ibec calculations

³ The Western Region’s Labour Market 2004-2014; Western Development Commission Report March 2015

2.4 Tourism offers better potential than most other sectors

The opportunity for economic development in most areas along the Western Seaboard is more likely to be linked to tourism and hospitality enterprises than any other economic activity. With the possible exception of the agri-food sector, tourism represents the best prospect for employment as the industry is based on natural attributes of the area and its people without the need for investment in major infrastructure. The natural attributes and environment along the Atlantic coast, allied to the agri-food and fishing industry, constitute a prime appeal for Ireland’s visitor target markets and have proven capability to deliver unique visitor experiences.

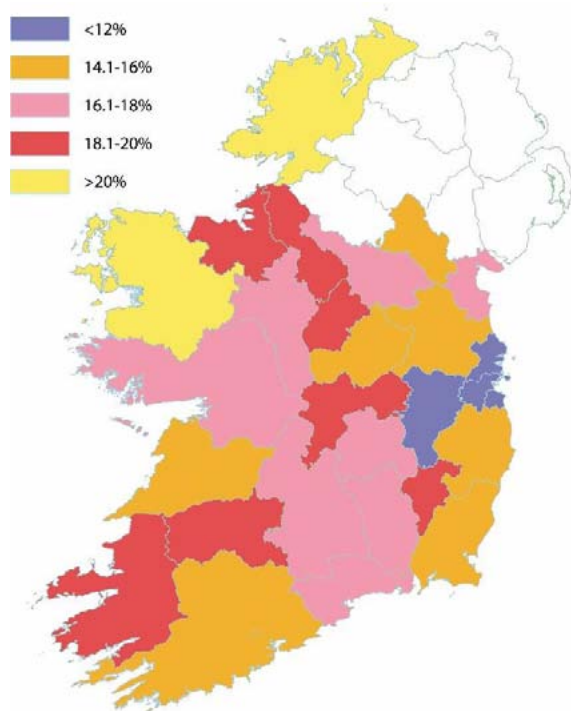


Fig.2.4: Tourism enterprise ‘start-ups’ as a percentage of total

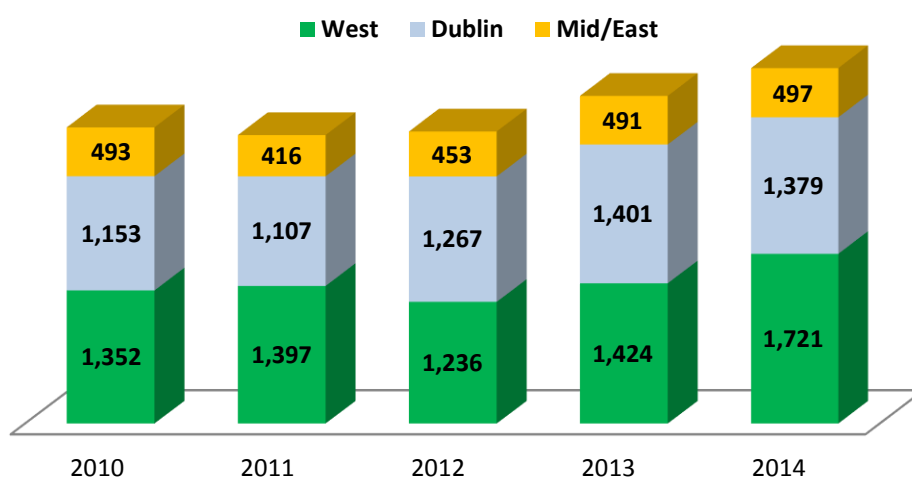
The recognition of the business potential of tourism is well proven along the west coast, when even in the depth of the recent recession, tourism start-ups formed a significant part in economic development. In 2011, over 20% of new enterprises in counties Donegal and Mayo were in the tourism sector, with tourism start-ups in counties Kerry Limerick, Galway, Sligo and Leitrim accounting for upwards of 16% of new business ventures.

Source: McFeely & Delaney, 2013, Ibec calculations

3. TOURISM IN THE WEST -An analysis of recent demand levels, trends and share performance

3.1 Overseas demand 2010-2104

Visitor expenditure Fig. 3.1: Overseas tourist expenditure 2010-2014 (€m)



Source: Fáilte Ireland

Overseas earnings from tourism along the western seaboard grew by 21% in 2014, yielding an additional €300m into the economy.

The absolute level of income from overseas tourism to the West has increased by 27% in current terms since 2010 to €1,720m in 2014. More significantly the share of total expenditure spent in the West increased to 48%, from a 45% share over the same period.

The West's share of expenditure from each of the main source market regions has also increased compared to 2010.

Fig. 3.2: Overseas tourists' expenditure in the West 2014 vs. 2010

Market	2014	2010	Share 2014 (2010)
Britain	€482m	€432m	52% (49%) ↑
Continental Europe	€568m	€488m	44% (43%) ↑
North America	€548m	€369m	58% (56%) ↑
Rest of World	€124m	€62m	29% (21%) ↑
Total	€1,720m	€1,351m	48% (45%) ↑

Source: Fáilte Ireland

The estimates of visitor spending encompasses expenditure by all visitors for a range of purposes, including holiday/leisure, business, visiting friends and relatives, and other reasons.

Visitor volumes

The West has seen an increase in visits and bednights from overseas tourists in recent years, most markedly in 2014, as each tourist region along the western seaboard experienced a double digit increase in visits.

Fig. 3.3: Overseas visits to tourist regions along the Western Seaboard 2010-2014

	2010	2011	2012	2013	2014	AAGR%
Cork/Kerry	1,448,000	1,646,000	1,779,000	1,860,000	2,229,000	11%
Shannon	761,000	841,000	867,000	931,000	1,077,000	9%
Galway/Mayo	1,135,000	1,155,000	1,164,000	1,203,000	1,442,000	6%
North West	524,000	507,000	428,000	506,000	602,000	4%

Source: Fáilte Ireland

The total number of bednights in the regions is estimated at 26.3 million or 47% of all bednights spent in the country by overseas visitors in 2014.

Holiday visitors – recent demand trends

Attracting holiday visitors from overseas is the target of destination marketing and the source of demand for the majority of businesses. While visits for business, VFR and other reasons are valuable in many instances the choice of destination is predetermined whereas holiday visitors consciously choose to come to Ireland.

The volume of holiday visits to the West is on the increase. The south west, the most popular region, attracts close to 40% of all holiday visitors to the country, followed by Galway/Mayo attracting almost one in three (31%). The Shannon region is capturing a 20% share while about 10% of holiday visitors to the country make it to the North West.

Each region's share of total holiday visitors shows an increase over the period, with the North West showing the fastest rate of growth in overseas holiday visitors, doubling in volume over the period.

Fig. 3.4: Overseas Holiday visits x region 2014 v 2010

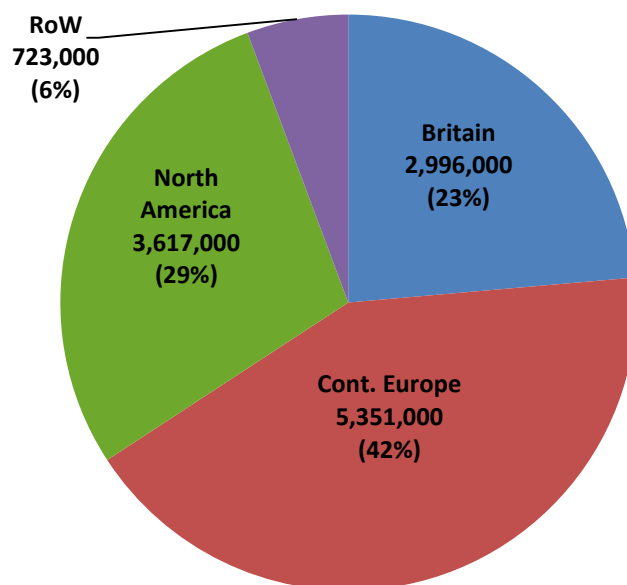
Region	2010 no	2010 share	2013 no	2013 share	2014 no	2014 share	2014 v 2010
SW	936,000	37%	1,210,000	39%	1,490,000	44%	+59%
MW	469,000	18%	588,000	19%	702,000	21%	+50%
W	725,000	28%	859,000	27%	1,040,000	31%	+43%
NW	161,000	6%	253,000	8%	323,000	10%	+100%
Ireland	2,550,000		3,137,000		3,394,000		+33%

Source: Fáilte Ireland

Perhaps a more telling barometer of demand is the number of bednights spent by overseas holiday visitors along the western seaboard.

More than half (56%) of the bednights spent in the country by overseas holiday visitors are spent along the western seaboard. An estimated 12.7m bednights were spent in 2014, with an average 10% increase in demand in each of the past two years.

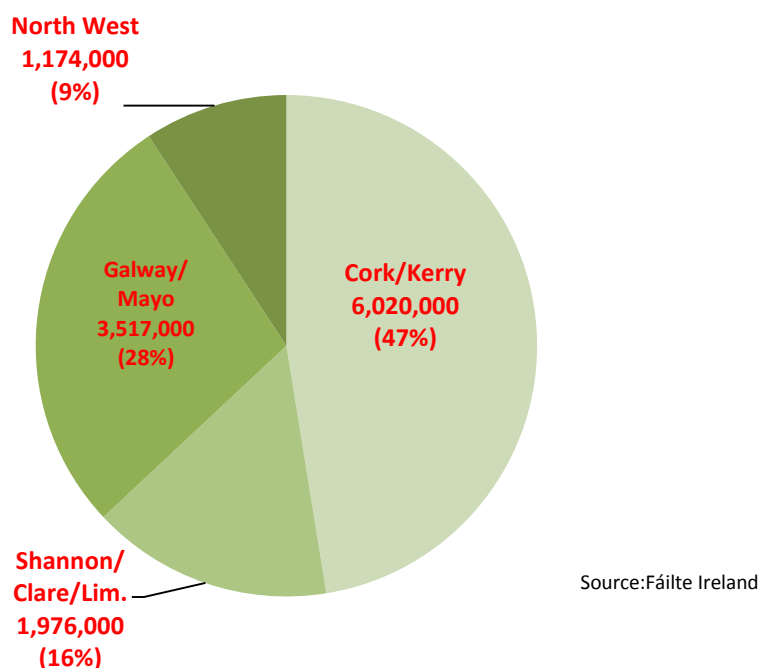
Fig.3.5: Where the holiday bednights in the West came from in 2014



Source: Fáilte Ireland

An analysis of the source of holiday bednights and where they were spent within the western seaboard provides some interesting results and changes over the period since 2011:

- Continental Europe continues to be the prime source of demand generating just over 5.3m bednights in 2014, a 27% increase in demand from three years earlier. Over half of the nights spent in the country (57%) by holiday visitors from continental Europe are spent in the West.
- North American demand reached 3.6m bednights in 2014. The market has been a strong driver of demand over the past three years, generating over 1m of the additional bednights in 2014 compared to 2011. The level of demand from the market grew by 33% over the period. Three of five nights (60%) in the country by North American holiday visitors are spent along the western seaboard, an increasing share in recent years.
- The British market was the source of just under 3m bednights from holiday visitors in 2014, up 4% on 2011, as the West's share of holiday nights from the market slips.
- Bednight demand from the rest of the world is estimated at 723,000 bednights in 2014.

Fig. 3.6: Where overseas holiday bednights were spent along the western seaboard (2014)

While all tourist regions along the western seaboard gained from increases in demand for bednights from overseas holiday visitors, the rate of growth in demand varied by region, as continental European and North Americans drove the increase in demand.

- The south west (Cork & Kerry), the top tourism region, attracted just over 6m holiday bednights from overseas in 2014. Over the past two years the growth in demand has been driven by continental Europeans (44% of total demand) and North Americans (26%), with the latter now matching the bednight volume demand from the British market.
- The west (Galway & Mayo) attracted an estimated 3.5m bednights in 2014, with continental Europeans the source of 45% of the demand, followed by North Americans accounting for 30%. British holiday visitors generated 17% of bednights.
- Holiday bednight demand in the Shannon region is estimated at just under 2m in 2014, as the region experienced a 37% increase in demand between 2012 and 2014. While the North American market is the top producer of overseas holiday bednights for the region, accounting for 40% of the total, followed by continental Europe (30%), Britain (23%) and rest of the world (7%), demand from each market contributed to the overall growth in demand..
- An estimated 1.17m holiday bednights were spent in the North West in 2014, with continental Europeans accounting for 45% of the demand, followed by British holidaymakers (33%) and North Americans (20%).
- The average length of stay of holiday visitors varied from 4 nights in the south west to 2.8 in the Shannon region, while the average stay in Galway/Mayo and in the North West was 3.4 and 3.6 nights respectively.

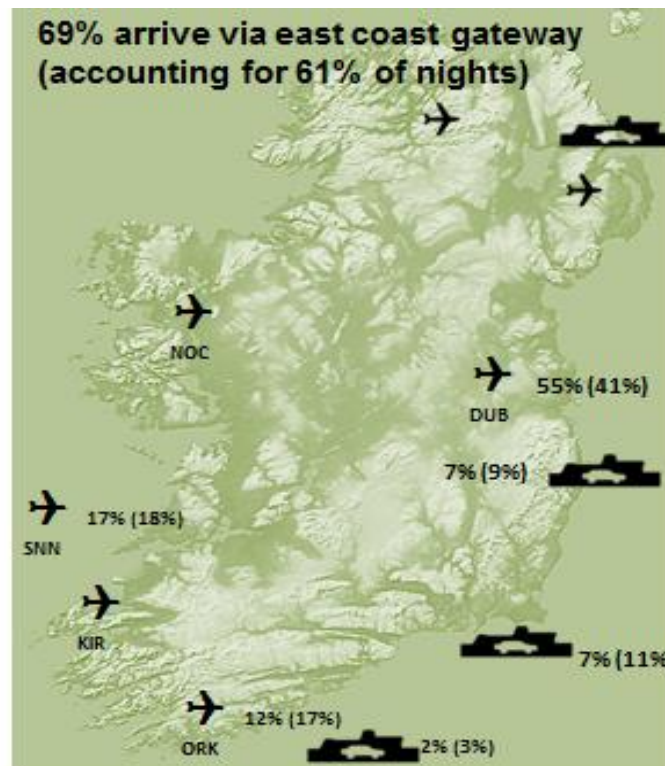
How overseas holiday visitors currently access the western seaboard

Almost 7 out of every 10 overseas holiday visitors to the West currently arrive in Ireland via an east coast gateway. These holidaymakers account for 60% of overseas holiday bed nights in the West.

Overall 85% of holidaymakers to the western seaboard arrive by air, generating 77% of bed nights, whereas 15% arrive by ferry and account for 23% of bed nights.

Holiday visitors arriving directly into airports outside of Dublin tend to stay longer in the West.

Fig. 3.7: How holiday visitors to the western seaboard arrive in Ireland (2014)
% holiday visitors through each gateway (% holiday bednights)



Dublin Airport is top port of entry for holidays on the western seaboard with over half (55%) coming through the airport. For Galway and Mayo two in every three arrive through Dublin Airport and 70% to the North West do so. 17% of holiday visits to the western seaboard arrive through Shannon, Knock and Kerry airports, with Cork airport handling a further 12% of the holiday traffic.

Holiday visitors arriving by ferry on average stay longer than those arriving by air. Ferry arrivals, while only 15% of the total, account for 23% of bednights along the western seaboard. Dublin and Rosslare ports each account for 7% of holiday traffic to the western seaboard and almost 20% of bed nights, with Cork Port the gateway for 2% of holidays and 3% of bednights.

Fig. 3.8: How overseas holidaymakers to western regions arrive in Ireland

	South West		Shannon		West		North West		Western Seaboard	
	Visits	Nights	Visits	Nights	Visits	Nights	Visits	Nights	Visits	Nights
Total Air	85%	79%	88%	82%	83%	71%	79%	69%	85%	77%
<i>Dublin</i>	49%	36%	49%	31%	66%	55%	70%	63%	55%	41%
<i>Shannon</i>	14%	13%	32%	46%	13%	13%	7%	5%	17%	18%
<i>Cork</i>	22%	31%	6%	5%	5%	4%	2%	1%	12%	17%
Total Sea	15%	21%	12%	18%	17%	29%	21%	31%	15%	23%
<i>Dublin</i>	6%	6%	4%	6%	9%	17%	10%	14%	7%	9%
<i>Rosslare</i>	7%	11%	6%	11%	6%	9%	10%	16%	7%	11%
<i>Cork</i>	2%	4%	2%	2%	2%	3%	2%	1%	2%	3%

Source: Fáilte Ireland, Survey of Travellers

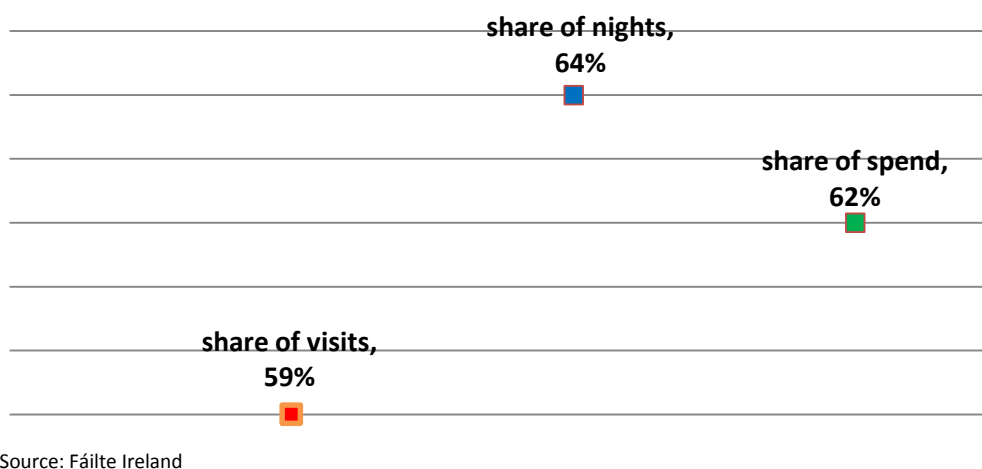
Note: Data for Knock & Kerry airports not available as not currently covered by Fáilte Ireland’s Survey of Travellers

3.2 Domestic tourism along the western seaboard

Close to €800m was spent by domestic visitors to the West in 2014. This represent approximately 55% share of the total expenditure by Irish residents on travel within the state. Holiday or leisure trips account for close to half of all domestic trips, with Cork/Kerry and Galway/Mayo relatively more dependent on holiday visits than the North West and the Shannon regions – with the latter more dependent on VFR and business visits.

Just over 2m holiday trips were made to the western seaboard in 2014, almost 60% of all domestic holiday or leisure trips, spending an estimated €528 million. It is estimated that the western regions attracted 64% of domestic holiday bednights and 62% of associated expenditure in 2014.

Fig. 3.9: Western seaboard’s share of domestic holidays 2014



Source: Fáilte Ireland

Over the past 5 years the west coast's market share of domestic holiday trips and expenditure has slipped, despite gaining share of bednights. This reflects the Greater Dublin destination attracting an increasing share of domestic leisure demand, based largely on events and short breaks.

Between 2010 and 2014, the western seaboard fell to a low in 2012, at a time when the total market for domestic leisure travel slumped as the recession hit disposable spending. The West perhaps suffered a sharper downfall as Irish people cut back more on long holidays (4 nights+) than on short breaks.

Cork/Kerry, while still the No.1 leisure destination with 23% share of trips and 25% share of bednights and expenditure, has seen its market share position slip over the past 4 years. However, Galway/Mayo has increased its volume share. Shannon region's market share has been reasonable stable, while the North West has gained a percentage point share between 2010 and 2014.

Fig. 3.10: Share of Domestic holidays in the West x region (2014)

Region	Share of trips	Share of nights	Share of expenditure 2014
	2014 (2010)	2014 (2010)	(2010)
Cork/Kerry	23% (26%) ↓	19% (18%) ↑	25% (28%) ↓
Galway/Mayo	19% (18%) ↑	21% (19%) ↑	20% (21%) ↓
Shannon	9% (9%) ←	8% (9%) ↓	8% (8%) ←
North West	9% (8%) ↑	10% (9%) ↑	9% (8%) ↑
Total Western Seaboard	60% (61%) ↓	58% (55%) ↑	62% (65%) ↓

Source: Fáilte Ireland

3.3 Some key industry performance indicators

Visitor Accommodations - Hotel demand indicators

Hotel demand along the west coast is heavily dependent on the domestic market, accounting for approximately three out of every four rooms sold. Overseas demand varies typically and ranges upwards from 20% depending location and the property. The domestic market also sustains many properties outside of the peak season when overseas demand is less in evidence.

Fig. 3.11: Origin of hotel room sales 2014

	South West	Western Seaboard
Republic	61%	67%
Northern Ireland	5%	13%
Overseas	34%	20%

Source: Ireland Hotel Industry Survey 2015, Crowe Horwath

Industry indicators point to an improvement in occupancy, delivering higher turnover and increased net profit for hotels along the western seaboard over the past two to three years, with a slow recovery in the domestic

market and increased demand from overseas. However, the incidence of use of hotels by overseas visitors is still relatively low. Hotel room occupancy in the peak months along the west coast is now estimated in the mid 80s.

Fig. 3.12: Hotel performance indicators 2012-2014

	South West			Western Seaboard		
	2012	2013	2014	2012	2013	2014
Room occupancy	62%	64%	66%	63%	64%	65%
Rev Par	€43.45	€48.98	€52.19	€38.92	€41.22	€44.01

Source: Ireland Hotel Industry Survey 2015, Crowe Horwath

Day visitor attractions

The Cliffs of Moher Visitor Experience is now the second most popular paid entry day visitor attraction in the country, with 1.08m admissions in 2014. The level of visits has increased by 50% since 2010. The rate of growth in visits has outpaced almost every other attraction in this category over the past five years. This compares with admissions to Guinness Storehouse (Ireland's top visitor attraction) which increased by 36% over the same period while other top attractions including St. Patrick's Cathedral and the Book of Kells enjoyed growth of 52% and 38% respectively. Outside of Dublin the rate of admission growth has been fastest at the Rock of Cashel and Kilkenny Castle, 82% and 34% respectively. However, the rate of growth at the Cliffs of Moher and several other attractions outside of Dublin reflects a very noticeable increase in the number of day excursions from Dublin by coach and rail.

3.4 2015 likely outcome

It is likely that the West will report a continuation of market share gain of overseas demand, based on available official data on tourism performance for the year to date. Annual tourism earnings from overseas tourists to the West could be up by close to 10% in 2015, injecting €1.9 billion into the regional economy. In addition, the recovery in the domestic economy is expected to be reflected in higher receipts from the Irish market.

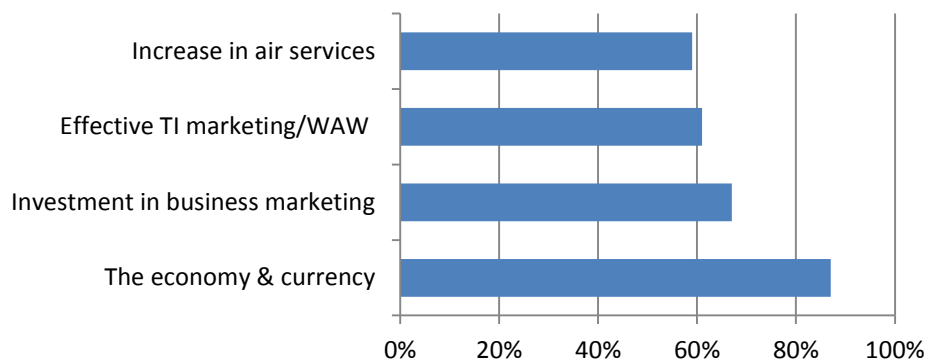
Overseas demand

71% of respondents along the western seaboard reported an increase in demand from overseas this year, with 14% reporting no change and 15% experiencing a drop in demand, based on the recent TTC survey. This would suggest that while overall arrivals into the country are up 12% for the first 9 months, there are businesses in the West yet to enjoy the benefit of this increase in overall demand.

The strong consensus amongst respondents is that the improving economic conditions in the main source markets coupled with the advantage of strong US and UK currencies, are the principal drivers of the upsurge in demand this year.(almost 90% placed this as the top factor influencing the growth being experienced).

Other contributing factors for the improvement in performance of tourism to Ireland were identified as improved competitiveness (including the reduced VAT rate); the promotion of the Wild Atlantic Way; investment in marketing by businesses; increased air services; and effective marketing by Tourism Ireland.

Fig. 3.13: Factors driving current growth in overseas demand



Source: Survey of Stakeholders, August 2015

Domestic demand

Three out of five businesses (60%) along the western seaboard reported an increase in demand from the domestic market this year, with one in five (20%) each reporting 'no change' or a drop in demand, based on respondents to a recent survey. The poor Irish summer weather was attributed by some as the reason for the softness in demand.

4. STRATEGIC CONTEXT – policy and market overview

4.1 Irish tourism returns to growth

Following several difficult years as Ireland struggled with a serious loss of competitiveness and a global economic downturn, overseas visits to Ireland look set to reach record levels in 2015. Based on 12% increase in arrivals for the first 7 months of this year, the annual visitor total could reach 8m for the first time, spending close to €4 billion in the country. The strong upturn in demand is being helped by a number of external factors including improved economic conditions in the principal source markets and a weakened euro. This coupled with a more competitive Irish tourism offering, additional capacity on air and sea services into the country and investment in more effective marketing by businesses and state agencies, are the principal drivers of the current growth in demand.

Domestic demand, while still below its peak of some 7 years ago, is showing signs of recovery as the economy and personal disposal incomes improve. The demand from the Irish market, of which the West is the primary beneficiary, is currently valued in excess of €850 million per annum.

Tourism is one of Ireland's largest industries and makes a substantial contribution to economic prosperity, employment and the Exchequer. Over the past 3 years tourism has been a major source of growth in export earnings and job creation. The growth in tourism demand is estimated to have created 5,000 new jobs in 2014, with a further 8,000 forecast for 2015. The outlook for the sector is buoyant. Growth in overseas demand is forecast to average +5% per annum over the short to medium term, and further recovery in domestic travel demand is expected on the back of an improving economic situation.

4.2 Positive outlook for global tourism

International tourism is one of the world's fastest growing industries, with 1.1 billion international arrivals globally spending US\$1.5 trillion in 2014⁴. Over the past 12 years global receipts from tourism have more than doubled. Since the global financial crisis of 2008, international tourism has proven its resilience with tourism demand outpacing GDP growth. The consensus forecasts point to a significant rise in international travellers in the years to come.

The tourism industry worldwide continues to grow more quickly than the global economy as a whole. Despite slow economic growth in advanced economies and geopolitical tensions in some regions, the travel and tourism sector still accounts for a large part of the global economy, estimated to be approximately 9% of global GDP or US\$7 trillion. According to the World Travel & Tourism Council (WTTC), the sector is forecast to continue growing at 4% annually in the short to medium term, faster than financial services, transport and manufacturing.

⁴ Source: UNWTO

4.3 Government committed to supporting Ireland's tourism industry

New tourism policy

The Government's recently published policy for tourism 'People Place and Policy' confirms tourism as one of the country's most important economic sectors, together with the recognition of the significant potential of tourism to play a further role in Ireland's economic renewal. The policy sets a target of 10 million overseas visitors spending €5 billion annually (in real terms, exclusive of carrier receipts and domestic tourism earnings) by 2025, with employment in the sector reaching 250,000. Many in the industry believe these targets to be relatively modest aspirations falling short of the potential of the sector.

Some key policy goals include *"the marketing of Ireland as a visitor destination will aim to generate a balance of visitors from both mature and developing markets; our heritage assets will be protected, and any public investment in tourism will be based on evidence of need. Ireland's tourism industry will have the capacity and capability to meet the changing needs of visitors, underpinned by a clear and coherent framework for the development of human capital in the industry."*

The policy also aims to provide *"a clear understanding of the responsibilities and expectations of Government, State agencies, Local Authorities, the tourism industry and other stakeholders in the development of our tourism industry; with an enhanced role for Local Authorities and recognition of the contribution of communities to tourism."*

The policy thereby provides for Local Authorities to take greater responsibility for tourism development, including co-operation between Authorities to maximise tourism opportunities.

The Minister has established a Tourism Leadership Group under his chairmanship which is currently engaged in the preparation of an initial 3 year Tourism Action Plan for 2016-2018 to implement the new policy.

New National Aviation Policy

Government recently launched a first ever national aviation policy, with the following goals of relevance to tourism:

- ➔ An increase in connectivity, especially with emerging markets;
- ➔ The achievement of a high level of competition between airlines operating in the Irish market;
- ➔ The retention of Dublin, Cork and Shannon Airports in State ownership;
- ➔ The promotion of Dublin Airport as a secondary transatlantic hub, with the necessary infrastructure to meet projected traffic growth, and supporting the roles of Cork and Shannon airports as tourism and business gateways in their respective regions;
- ➔ Support the regional airports in line with the recently EU approved Regional Airports Programme, which runs from 2015 to 2019;
- ➔ The undertaking of an independent review of the regulatory regime for airport charges by the end of this year 2015 and the future policy on airport charges regulation to be finalised by mid-2016.

Aer Lingus

The acquisition by the International Airline Group (IAG) of Aer Lingus has not been without controversy, particularly in respect of continued connectivity through Heathrow and the maintenance of services to Cork, Shannon and Knock airports. IAG has guaranteed to maintain the Aer Lingus brand and Dublin Head Office. Aer Lingus' London Heathrow slots will remain under Aer Lingus control in perpetuity, with the current London Heathrow – Dublin, Shannon and Cork schedules maintained for “at least” seven years. The deal provides for the establishment of a so-called “connectivity fund”, which will be administered by the Strategic Investment Fund. 150 net new jobs are promised by the end of 2016, with the possibility this could rise to 635 by 2020.

As a result of Aer Lingus joining a successful global airline group, and the OneWorld Alliance, the expectation is that global accessibility to Ireland will improve. Specifically the number of transatlantic routes will increase from 2016, opening up new source markets while linkages into BA's and Iberia's worldwide network will provide more convenient and competitive access from other long haul markets around the world.

4.4 Ireland's market positioning & competitiveness

Ireland is currently well positioned in the international marketplace, with an established reputation, a competitive quality offering, a growing range of air and sea services, and improving customer evaluations. However, the widely shared notion of Ireland's competitive positioning and differentiation in an ever more crowded global market of new customers may not necessarily provide a clear sense of what will drive growth in the future. Customers' tastes and aspirations are changing, new generations of tourists, including the millennials, will not necessarily behave in the same way as previous generations. The consequences for Ireland will include further shifts in the relative importance of source markets – we are likely to see faster growth from continental Europe and long haul markets, including new and developing markets. This will require innovation in new visitor experiences and appropriate services.

While tourism to Ireland is currently enjoying some very favourable external conditions strong economic growth in the main source markets, very favourable currency exchange rate for British and US travellers, lower fuel costs coupled with investment by hospitality businesses, airlines and ferry companies, it would be foolhardy to expect that all these positive factors will be sustainable over the coming years.

Perhaps the most significant change in recent years has been the improved competitiveness of the Irish tourism offering, as reflected in the rise in value for money rating by visitors. Throughout the noughties the cost base of doing business in Ireland outpaced its competitors and resulted in the tourism offering becoming uncompetitive. Businesses redressed the issue helped in no small way by supportive Government initiatives to reduce the VAT rate and suspend airport departure taxes. The bottom line is that the initiative has handsomely paid off, helping to restore competitiveness, delivering unprecedented growth in access capacity both air and surface, and delivering over 35,000 new jobs, or almost 40% of all new jobs created over the past 4 years. While there has been much discussion around the reduced rate of 9% VAT on tourism services, it should not be

seen as a concession but rather correctly positioning Ireland against other successful European tourist destination such as France, Italy, Portugal, Spain, and Germany. However there are clouds gathering on the horizon as costs inputs are under increasing upward pressures, including labour costs, which the National Competitiveness Council has recently highlighted as threats to our competitiveness. Specifically tourism enterprises are competitively disadvantaged in respect of the cost of utilities, local Government rates and charges, and the availability of qualified staff.

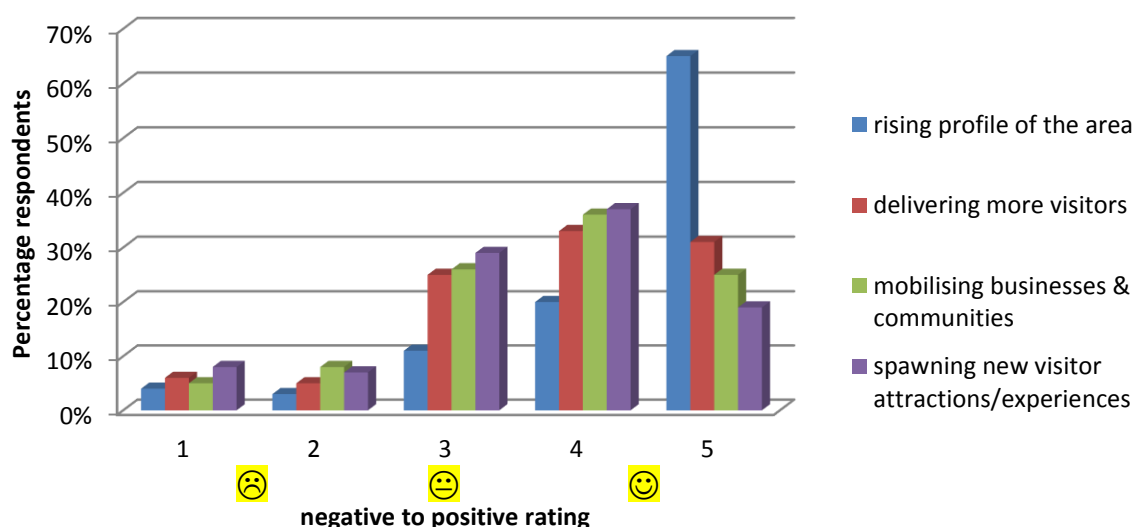
5. A STAKEHOLDERS' PERSPECTIVE – the views of businesses in the West

5.1 The Wild Atlantic Way

The development and marketing launch of the Wild Atlantic Way which is recognised as having generated significant favourable publicity for the western seaboard around the world received a very positive rating from stakeholders across all sectors of the tourism and hospitality industry in the West.

The Wild Atlantic Way (WAW) was welcomed as a ‘brilliant idea’ with ‘lots of potential’. The view of stakeholders suggested that it is seen as a longer term project with significant potential yet to be realised. However, investment was seen as critical to its ultimate success. Comments such as ‘A job well started but far from complete’, coupled with a fear of ‘that’s done attitude’, reflect the sentiment of respondents. A real risk following the successful launch would be neglect of the next stages of development or failing to provide adequate investment to realise the potential.

Fig. 5.1: Stakeholder evaluation of the Wild Atlantic Way



Source: Stakeholder Survey, TTC August 2015

The WAW is primarily seen as having raised the profile of the western seaboard as a destination, with over four out of five giving this aspect their most positive rating. Almost two thirds of respondents were of the view that the WAW was attracting more visitors to the area, while 25% were less positive and a small minority (11%) doubting its effectiveness. The latter is perhaps not surprising given the early stage of development of the WAW, although it does suggest that there are stakeholders along the west coast who have not as yet felt the impact on demand.

60% rated the WAW as a positive mechanism for mobilising business and community focus on innovation and tourism development. Almost an equal number (55%) felt that the WAW could be a catalyst in the creation of new visitor experiences.

The survey invited other comments on the WAW, which solicited a number of positive as well as negative remarks. The overall tone was one of desire to build on the project. However, there were several citing of dissatisfaction as operators felt excluded from benefiting from the route.

A sample of the comments included the WAW providing ‘a positive sense of recovery’; ‘confidence and a feel good factor’ for businesses and communities. Several comments focused on the yet to be realised potential for unique visitor experiences particularly in the categories of ‘soft adventure, culture and heritage’.

Facilities Restaurant Cost Increased Tourist Red
 Attraction Greenway Wild Atlantic Way
 Towns Tourism Marketing Centre
 Food Trails Walking Yeats Developed
 Achill Cycle Heritage Venues Going Shannon
 Love WAW Weather Idea Extend the Season

The range of negative or cautionary comments centred on criticism of signage, the apparent exclusion of some local areas, villages and experiences, and the perception of poor linkages to regional airports. Concern was also expressed about sustainable transport options along the route, including cycle and walk ways. The need for continued capital investment and innovation was also expressed.

Overall the WAW received a very favourable report together with signalling some risks and identifying a number of issues which need to be addressed if the full potential is to be realised.

5.2 Tourism product ‘gaps’ & opportunities

Not wishing to repeat previous ‘needs assessment’ analysis of the range of tourism products on offer in the West, the principle ‘gaps’ or shortcomings have been identified in the survey as follows:

Infrastructure Shannon Access Road Activities
 Shoulder Ireland Flights Tourists Business
 Facilities Wild Atlantic Way
 Public Transport Wet Weather
 Centre WAW Offer STORY Attractions
 Problem Walking Marine Marketing Season Rural
 Trips County Cycle Ways

- Infrastructure
 - High on respondents' list was the shortcomings in infrastructure in the West, including a deficit in transport, communications and utilities. Addressing these issues not only would improve accessibility for domestic and overseas visitors but would also considerably improve the quality of life for residents and deliver efficiencies for businesses.
- Rural/'real Ireland'
 - The visitor experience in the west is viewed as delivering the authentic Ireland based on the appeals and aspects which visitors most value, namely the natural environment, scenery, history, culture and the people. All of the foregoing are more readily accessible to visitors to the west of Ireland.
- Access/public transport
 - Businesses in the West perceive a transport deficit in terms of access by air, rail and road. The West is perceived as disadvantaged in respect of air service connections to key inbound markets, limited rail services with large areas of the western seaboard without rail services, poor road and related infrastructure along the coast and very limited public transport services for the visitor wishing to explore the coastal routes.
- Attractions/facilities
 - While the area has many excellent day visitor attractions, there are areas which would benefit from new attractions to draw visitors. The provision of weather independent attractions and facilities has been identified as an objective to cater to market demands, particularly the domestic market, and to assist in extending the season.
- Activities
 - The market emphasis on leisure activities is expected to require a response in the development of a broader range of outdoor activities for the tourist to engage in. The natural environment, especially the marine, provides the West with a competitive edge which is perceived as yet to be fully realised.
- The outdoors / cycle and walk ways
 - While considerable work has been done on developing walking and cycle ways, the market potential, particularly from mainland Europe, is seen as representing a fertile growth opportunity for the West.

New product opportunities

Stakeholders provided a range of suggestions in respect of new product or visitor experiences. The suggestions were very much in tune with the proven appeals of Ireland and the potential to deliver authentic Irish experiences to visitors from a range of source markets. These tended to coalesce around the following:

- Realise the full tourism potential of the heritage and natural assets in the West which come under the Office of Public Works and the National Parks & Wildlife Service, in conjunction with Fáilte Ireland's role in the development of tourism
- Coastal tourism: marinas, islands, boat trips, etc., which have high appeal to visitors, particularly Europeans
- Food & craft beer – capitalise more on the market interest in local produce and dining experiences
- Pilgrim way network - the creation of a branded experience based on a series of ancient pilgrim ways in the country to meet a growing market demand
- Towns & villages – improving the presentation, information and events schedules
- Themed cycle and walk ways – creating appealing reasons to experience and explore e.g. potential to develop a long distance branded walk similar to the Appalachian Trail
- WAW Passport to encourage longer stays and expenditure
- Tourist oriented public transport linking towns and visitor sites and attractions
- Bogs interpreting the unique environment
- Greater use of inter-personal experiences – guiding, interpreting, demonstrating, re-enacting, etc.

Fig. 5.2: Key market potential for new and expanded visitor experiences in the West

Experiences	Culturally curious	Social energisers	Great escapers	Other	GB	CE	NAm	RoW	Domestic
Heritage & natural assets	✓		✓	✓		✓	✓		✓
Marine		✓	✓	✓	✓	✓			✓
Food & drink	✓	✓		✓	✓	✓	✓	✓	✓
Pilgrim Way			✓	✓	✓	✓			
Town & villages	✓	✓				✓	✓		✓
Cycle & walkways	✓	✓	✓		✓	✓			✓

Source: TTC analysis

Some specific suggestions from stakeholders included:

- WAW ‘Hop on Hop off’ bus
- Aviation attraction at Shannon Airport
- Conference Centre for the West
- Yeats Interpretative Centre
- WAW Visitor Passport
- Dingle Old Hospital Arts Centre
- West of Ireland Gateway Interpretative centre (Galway)
- Cooloney Mountain Bike Trail

5.3 The State’s enabling environment

The findings of the stakeholder survey provide a clear indication of the needs of businesses and how best the State can provide a business environment which will enable tourism enterprises in the West to grow.

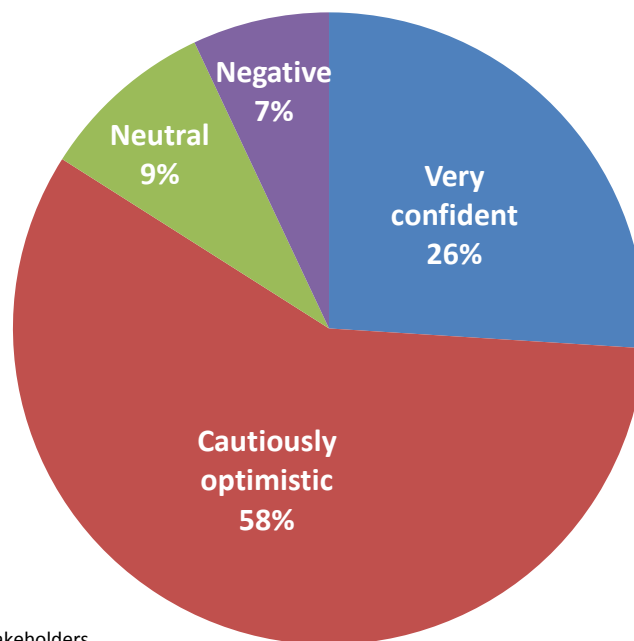
Government actions	Local Authority actions
1. Taxation: <ul style="list-style-type: none"> • Maintain 9% VAT rate • Reduce USC and employment taxes • Support micro and SMEs 2. Investment <ul style="list-style-type: none"> • Infrastructure • Greenways • Airports 3. More joined up approach & efficiency	1. Reduce rates burden & charges 2. Invest in and maintain facilitating infrastructure, e.g. country roads, cycle & path ways, toilets, parking, signposting, etc. 3. Support / facilitation for festivals and events 4. Reduce bureaucracy
Fáilte Ireland actions	Tourism Ireland actions
1. WAW investment to complete 2. Encourage/support for investment/innovation 3. Meet training needs of the industry 4. Airport/ air services supports 5. Better co-ordination between state agencies 6. Set regional targets	1. WAW – increase prominence in advertising/promotion 2. Sharper target marketing 3. Provide more opportunities for trade engagement 4. Support air services into the West 5. Set regional targets

5.4 Industry confident for the future of tourism in the West

Not surprisingly given the improvement in demand and upswing in tourism revenues and profits, the recent survey suggests that business bosses are positive about the future for tourism in the west.

85% of stakeholders were positive about the future prospects for tourism, with less than one in ten having a negative outlook. Just over one in four are very confident for the future of the business, with a further almost three out of every five 'cautiously optimistic. Almost one in ten were 'neutral' in their assessment of future prospects.

Fig. 5.3: 3-5 year outlook for tourism in the West



Source: Survey of Stakeholders

6. THE WEST – Opportunities, Challenges & Issues

6.1 The opportunities

Diverse landscape and experiences, coupled with its people and tradition of hospitality, uniquely positions the West as the quintessential Ireland destination, delivering on the proven appeals and aspects of a satisfying Irish holiday.

A broadening of Ireland's source markets and segments, together with more active and engaging experiences being sought by visitors, presents a particular opportunity. The West has the potential to capture an increasing share of the growing numbers of holiday visitors to Ireland, including the core segments of 'social energisers' and the 'culturally curious', with a particular edge in attracting the 'great escapers' and those visiting to pursue a particular interest. The experiences on offer are capable of generating demand from new market segments.

Specific authentic 'real Ireland' experiences where the West has a competitive edge include:

- Coastal scenery & mountains
- Heritage and culture
- Outdoor activities and exploration
- Maritime tourism
- Food and drink
- The Gaeltacht

The West is well positioned to attract a greater share of holiday visitors from the fastest growing source markets, namely continental Europe, North America and new emerging long haul markets, while maintaining its share of traffic from the British market. The West has the tourism infrastructure to cater to touring holidays as well as those seeking a more in depth based holiday along the western seaboard.

6.2 The challenges

In addition to the challenges facing Ireland as a destination, including increasing competition, delivering good value for money, convenient and competitive access, and adequate investment in effective marketing, the West faces a number of distinctive challenges. These include:

- Infrastructure.
- Access
- Seasonality
- Leadership & coordination
- Investment in tourism facilities
- Support for micro and medium enterprises
- People resource
- Brand identity

Infrastructure deficit

Investment in essential infrastructure is urgently required along the western seaboard. The area is disadvantaged in respect of road and rail networks, water and sewerage infrastructure, and telecommunications networks, including access to broadband.

Government and European funding is urgently required in the West to bring roads, environmental and broadband infrastructure up to standard, according to business group Ibec. The group has branded infrastructure in the West as “not fit for purpose” and warned that without investment, regional economic imbalance will continue.

Essential roads and environmental projects together with access to broadband have been identified as priorities to address the inadequacy of the current infrastructure. The West requires an ambitious programme of state investment if business and jobs are to grow, including the expansion of tourism.

Investing for the future

Tourism needs more investment to cope with expected customer demand from visitors. Attracting investment is vital to the sustainability of the tourism business in the West.

Of course the key question is, does it represent good value to investors? Compared with the recent past these are relatively good times for tourism businesses. Demand is up and in most instances yield is improving, as businesses have become more efficient having reengineered their cost base and business models over the past decade. The prospects for the outcome of 2015 should see both revenues and profits increase on the back of stronger demand, increased utilisation, lower fuel costs and a strong US dollar and the pound sterling all playing their part in bolstering revenues. Most significantly, current low interest rates are boosting the return on invested capital.

But there are still challenges.

To attract investment into tourism businesses there is a need for clarity around targets, earning potential and costs. Clearly the industry needs to have a level of indebtedness that is serviceable even in the bad times, unlike the unfortunate situation many businesses found themselves in after the recent global financial crisis. It can perhaps be argued that tourism businesses in general as well as state tourism agencies and the Government too often focus on the uncontrollable, blaming external economic factors for any lack lustre industry performance. A mismatch between this short-termism and the investor’s horizon-bound gaze is a major challenge for the industry. Strategy needs to focus more on the consumer and their desires and needs, so that the West can present a quality portfolio of attractions and experiences which possess a compelling customer proposition.

6.3 The power of partnerships

For tourism businesses to be successful and attractive investments, much depends on their partners in the tourism value chain, such as airports, transport and other service providers, although stakeholders may have varying objectives.

This is especially relevant in the West where the key stakeholders in control of the prime heritage and natural resources are principal players in tourism, although in each instance tourism is not their primary remit.

The future of tourism in the West is largely in the hands Government Departments, state agencies and commercial enterprises outside of tourism, namely

OPW is responsible for caring, maintaining and operating the country's most important heritage sites which are an integral part of Ireland's cultural heritage. OPW operates 40 heritage properties/sites along the west coast open to the public from Glebe House & Gallery in Donegal to Skellig Michael, a designated World Heritage Site, off the Kerry coast. In addition, over 350 sites in the West are recorded and registered as national monuments.

The National Parks & Wildlife Service are responsible for six National Parks in the country, five of which are located in the West – Glenveagh, Ballycroy, Connemara, Burren and Killarney. The service also has responsibility for Coole Park Galway.

Coillte, with major landholdings and owner of the longest trail network in Ireland, has 8 forest parks and more than 75 recreational sites in counties along the western seaboard. Coillte provides some of Ireland's best outdoor recreation opportunities from walking and hiking to mountain biking and from picnics to fishing and nature watching, in addition to managing many kilometres of walking and cycle trails located in the West.

The Heritage Council's Pilgrim Paths routes, includes four located in the West: Cosán na Naomh, on the Dingle Peninsula; Lough Derg, on the shore opposite Saints Island, Co. Donegal; Tóchar Phádraig, from Ballintubber to the foot of Croagh Patrick; and Turas, within the valley of Gleann Cholm Cille, Co. Donegal. In association with local communities, the objective is the development of a network of walking routes along medieval pilgrimage paths. The project aims to raise awareness of the different aspects of heritage, built and natural, encountered along the routes, while contributing to sustainable tourism and community development in each local area. While each are relatively short walks (5 to 35 kilometres), a longer pilgrim path based on medieval pilgrimage and religious heritage could feasibly fulfil the needs of current day holiday walkers, combining enjoyment of the great outdoors, heritage linkages and renewal.

6.4 Air access

A recurring issue raised in any discussion on tourism to the West is that of international air services into airports located along the western seaboard, namely Cork, Kerry, Shannon, Knock and Donegal airports. Currently these airports, serving overlapping catchment and destination areas, provide a range of scheduled services mainly to Britain and continental Europe. Shannon also has service on up to 5 transatlantic routes, which are of particular value to tourism along the west coast bringing as it does high spending visitors who spend the majority of their stay in the West.

The sustainability of short haul services is largely dependent on local originating demand together with a high dependency on VFR and business traffic for inbound demand. The majority of continental European routes on offer cater to the outbound sun holiday market.

The share of capacity on offer into the West, which has been subject to some volatility in recent years, has been slipping as airlines increasingly concentrate services on the Dublin gateway. In summer 2015, the four airports outside of Dublin accounted for 24% share of capacity on cross-channel services from 10 UK airports into the country (est. 43,600 seats per week). The level of capacity was down 17% on 2010.

Fig. 6.1: Distribution of Cross Channel Summer Capacity by Airport (seats per week)

	2010	2011	2012	2013	2014	2015	AAGR %
Cork	19,481	15,506	15,813	13,610	15,762	14,971	-5%
Shannon	10,284	11,100	10,566	9,984	10,547	9,126	-2%
Knock	8,664	8,325	8,197	7,991	9,282	7,845	-2%
Kerry	2,917	2,838	2,079	2,268	2,268	2,268	-5%
Donegal	204	204	204	204	198	184	-2%
THE WEST	41,550	37,973	36,859	34,057	38,057	34,394	-4%
Dublin	93,006	92,341	97,722	99,139	93,820	105,505	+3%
IRELAND Total	134,556	130,314	136,361	133,804	132,423	140,699j	+1%

Source: TTC Analysis

The level of scheduled air services connecting continental European source markets through the prime potential gateways for inbound leisure tourists is limited. The majority of services are currently into Cork airport, with services from Paris, Munich, Amsterdam, Milan and Brussels (with Dusseldorf being added for summer 2016). Shannon has service from Paris, Munich and Berlin; Kerry has service from Frankfurt; while Knock is connected with Milan. The level of service on these routes, with up to 47 departures per week, represented only approximately 10% of capacity from these markets into Ireland in summer 2015.

Fig. 6.2: Summer European services by Airport 2015 (departures week)

	Paris	Frankfurt	Munich	Berlin	Amsterdam	Barcelona	Milan	Brussels
Cork	7		2		13	3 + 2*	2	2
Shannon	3		3	2				
Knock						2*	2	
Kerry		4						

Source: TTC Analysis

Note*: Girona

In recent years the range and number of short haul services operated through the airports has been volatile with several instances of new routes and services having resulted in a degree of cannibalisation of existing services, as airports competed directly in a limited market. Unfortunately a number of new services from mainland Europe aimed at inbound tourists proved to be unsustainable, for example the weekly Lufthansa/Germanwings service from Cologne/Dusseldorf to Knock in 2012-2014.

The evidence points to the greater value of tourists arriving directly into the West as demonstrated by longer stay and higher spend. However, the geographic proximity of the competing airports and the limited demand for outbound traffic to mainland European cities presents a particular challenge for the tourism sector in the West in developing and sustaining summer routes with good inbound potential.

6.5 Risks/threats

Inadequate investment in infrastructure

Failure to invest in infrastructure is perhaps the single largest threat to a sustainable tourism industry in the West. Public sector investment in utilities, transport and communications is a 'sine qua non' for continued growth of the tourism sector. Areas of the West are in urgent need for investment in water, broadband, and roads and transport services.

Access to broadband is a vital infrastructural need of all businesses in the West. Failure to deliver broadband will result in tourism businesses being seriously disadvantaged, a loss of competitiveness and of tourism demand.

An unfriendly business environment

While the prospect for investment in tourism businesses is improving, the taxation regime, excessive bureaucracy, lack of enterprise supports and undue local charges remain a threat to the entrepreneurial undertakings and the sustainability of micro and medium sized enterprises which characterise the sector.

Failure to mobilise a coordinated tourism drive

The West suffers from poor coordination and integration of tourism strategies, investment in product development, marketing programmes and visitor services. The geographic spread together with the spectrum of public and private sector stakeholders represents a particular organisational and implementation challenge to the realisation of tourism potential along the western seaboard.

Spend on marketing Ireland by the state in decline

Ireland's spend on destination marketing has almost halved over the past 7 years, despite an increasingly challenging trading environment and more competition in the marketplace. The budget allocations to Tourism Ireland and Fáilte Ireland have been subject to continuous cutbacks in recent years and look set to be further

reduced in 2016, in addition to the erosion of the purchasing power of the marketing budget due to currency exchange. The budget cuts have significantly reduced Ireland's share of voice in the marketplace, most particularly in the top 3 source markets of Britain, the USA and Germany. This can only lead to a fall-off in growth which will prove difficult and expensive to reverse.

The focus on the Dublin region as a major tourism destination

The Dublin region is currently the focus of a major new initiative to position the capital as one of Europe's top city destinations. The Grow Dublin Tourism Alliance has been established to drive a new collaborative strategy to market the Dublin region in the international marketplace. The target is to double annual earnings from overseas visitors to €2.5 billion by 2020, thereby creating almost 20,000 new jobs⁵.

⁵ Grow Dublin Taskforce 2014 'Destination Dublin – A Collaborative Strategy for Growth to 2020'

7. TARGETTING FOR SUCCESS



7.1 A vision for the West

Ireland's premier tourism destination showcasing Ireland's quintessential visitor experiences, creating more jobs and prosperity for communities from Donegal to Cork.

The west has a proud record in the hospitality business and can fully regain its position as the premier destination in Ireland and as the prime driver of tourism in the country.

7.2 Guiding principles

- Capitalise on the west's diversity of the natural environment, places and activities, the warmth of the people and the range of experiences. The West is uniquely placed to satisfy the increasing demand for high quality authentic experiences.
- Develop new and unique visitor experiences, catering to the needs and growing demand from established source markets and to capture new growth opportunities from new emerging segments from around the world.
- The range of visitor experiences must anticipate the evolving market profile and expectations of visitors to Ireland. Changing demographics and lifestyle values will inevitably alter the profile of visitors to Ireland and will require a supply side response.

7.3 Key recommendations/actions

7.3.1 Leadership, Partnership and Co-ordination

The West is currently disadvantaged in the lack of effective coordination to optimise the tourism roles and inputs of a wide range of public sector stakeholders. This would appear to have led to a diffused strategic approach and inefficiencies in maximising the impact of capital and marketing investment. A whole-of-public sector approach, engaging local authorities, state agencies, semi-state commercial entities and relevant Government departments as effective partners with businesses and communities would considerably enhance the impact of state investment in product development, service delivery and marketing. Perhaps the Western Development Commission (WDC) could be given a lead role in coordinating tourism strategies for the western seaboard.

- **The prioritisation of the development of tourism makes good economic sense, as one of a few industry sectors with a proven record of creating jobs and wealth along the western seaboard.**
- **Establish an industry led alliance to improve collaboration and the co-ordination of tourism development along the western seaboard. Up to three geographically based forums are proposed, with an annual overarching meeting, to allow for engagement by the private and public sectors in planning and monitoring tourism development and marketing growth strategies.**
- **Agree a 3 to 5 year strategic investment programme through advocacy with Government and the alignment of plans by local authorities and relevant state bodies, based on multi-annual budget commitments. Greater engagement with OPW, NPWS, Collet and the WDC in developing tourism.**
- **Develop best practice and key performance indicators to measure and monitor outputs creating greater transparency and accountability in the system.**

7.3.2 *A branded marketing positioning for the West*

To compete in an increasingly competitive world, the West would benefit from the development of a distinctive branded identity, consistent with the overall Ireland brand positioning. This would significantly heighten awareness of the destination and effectively communicate the range of authentic Irish experiences.

The WAW provides the basis for the evolution of the western seaboard from a tourism route to a broader tourism destination offering a range of experiences for touring and based visitors to Ireland.

- **Build on the successful WAW initiative to create a distinctive brand positioning for the West to communicate a differentiated authentic Ireland experience to prospective visitors. The focus would be to evolve the WAW route into the branding of a wider area as Ireland's top compelling 'must visit' year round destination.**
- **Agree a focused marketing plan with Tourism Ireland and Fáilte Ireland, for overseas and domestic markets respectively, based on an agreed alignment with industry and destination campaigns and resources. The new collaborative partnership would be based on agreed targets and monitoring mechanisms.**
- **Specific season extension marketing initiatives are required to improve the sustainability of businesses and secure year round employment for more people.**

7.3.3 *Infrastructure and product development investment*

To remain competitive adequate investment will be required in enabling infrastructure together with the development of memorable visitor experiences and quality visitor services through investment in tourism assets and products to keep pace with changing tastes and to meet the needs of new visitor segments.

- **Focus state investment on redressing the infrastructure deficit – communications, transport and utilities – to remove obstacles to tourism growth.**
- **Continued investment required to complete the WAW project, including the prompt completion of the agreed 16 signature points.**
- **Secure at least 50% of proposed Government investment in tourism for the West. ITIC would suggest at least €125 million be earmarked for the period 2016-2020.**
- **Ensure that the West is specifically identified in the product development plans of Fáilte Ireland and Local Authorities as well as in the marketing programme expenditure by Tourism Ireland. Agree investment priorities by area and aim to deliver at least one flagship attraction within the next 5 years.**
- **Focus investment on authentic 'real Ireland' experiences: Heritage and culture; Outdoor activities and exploration; Maritime tourism; Food and drink; The Gaeltacht; and Festivals and Events. A particular focus on the development of extended walking and cycling ways, including the creation of a long distance Pilgrim Way.**

7.3.4 Skills and labour

To enhance visitor experiences it will be necessary to foster an adequate supply of skills and labour that can deliver quality service and exemplary hospitality. While the tourism industry relies on personal contact, the industry faces challenges due to the seasonality and fluctuation of demand, as well as a declining population base in the West.

- **Prioritise the immediate needs of recruiting and maintaining an expanded workforce necessary to cater for tourism growth. This may require specific employment and training incentives.**
- **Secure appropriate education and training programmes to meet the needs of the industry, including negotiating a more proactive alignment of courses provided by the Institutes of Technology and the requirements of businesses.**
- **Expansion of business to create more full time jobs in addition to the significant level of seasonal employment.**

7.3.5 Access to the West

Securing new direct services from the principal mainland European gateways should be a priority focus of new route development for airports along the western seaboard. Ideally, the approach should be one which will secure sustainable services avoiding the cannibalising impact of pointless competition.

- **Secure new direct summer services from the principal gateways in Germany, France, Italy, Spain and Scandinavia.**
- **Encourage greater strategic co-ordination between the airports along the western seaboard to improve the chances of sustainable new route development.**
- **Prioritise the expansion of transatlantic services into the West via the Shannon Gateway.**

7.3.6 Performance indicators

The current performance metrics and the timeliness of delivery of data is less than ideal for effective investment decision making and oversight of demand patterns.

- **Lobby CSO and Fáilte Ireland to improve the quality and timeliness of performance data**
- **Design a suite of performance metrics to better align with the needs of the industry in the West.**



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