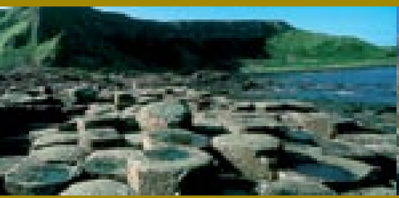
Tourism Ireland
Marketing the island of Ireland overseas




NORTH AMERICA: LAND OF OPPORTUNITY

An action plan for growing tourism from the United States & Canada to the island of Ireland

PREFACE

The Review of the North American market is the third in a series of assessments of the performance and potential of Ireland's source markets for tourism. The review encompasses an in-depth examination of prevailing market conditions, the competition, Tourism Ireland's strategy together with a critical assessment of its marketing programmes and operating resources.

The North American market is a crucially important source of visitors and tourism revenue to the island of Ireland. North American visitors stay longer and spend more per head than other nationalities. They spend approximately 60% more than the average, accounting for one in every five euros/pounds spent here.

Some of the key distinguishing characteristics of the North American visitor include:

- more likely to be visiting on holiday;
- tours more extensively throughout the island, visiting several regions;
- most likely to use hotels, guesthouses and B&B;
- very valuable car rental and coach tour customers;
- spends more on shopping and entertainment; and
- a good seasonal spread of demand throughout the year.

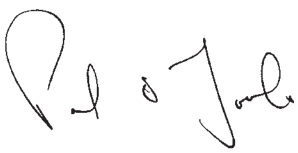
While outbound travel from the US to Europe has been severely hit in recent years following 9/11 and more recently with the falling value of the dollar, recent research shows that interest in visiting Ireland is at an all time high, with a potential market of over 12 million Americans expressing interest in visiting us. The outbound Canadian market is currently very buoyant, with good opportunities for Ireland. In each market while the Irish ancestral connections are important, much of the more recent growth is coming from those with no family ties with Ireland, thereby expanding our market.

Throughout the 1990s Ireland won market share of the trans-Atlantic travel market, largely due to the expansion of direct air services by Aer Lingus and several US and Canadian carriers. The continuing expansion of service by airlines and the prospect of 'Open Skies' combine to present a great opportunity for the island of Ireland to gain an even larger share of the market.

While the prospects are good, the scale of the challenge should not be under-estimated. The marketplace is growing in complexity, with more customer segments, increasing use of new information and communication technologies, new sales and service channels, a more fragmented media, and ever increasing competition.

The output of this review is a prioritisation of the opportunities presented, a sharper focus on our best prospects, and a detailed Action Plan for the next three years. The Action Plan calls for distinct responses from Tourism Ireland and the industry in Ireland and the trade in the marketplace. We in Tourism Ireland will be re-aligning our skills and resources to better meet today's challenges in the US and Canadian markets. Success will be determined by the effectiveness of our collective activities and investments.

The targets are ambitious, aiming to win an increasing share of the trans-Atlantic market by attracting close to 1.1million visitors by 2009, increasing to between 1.3m and 1.6m visitors by 2013. The opportunity is challenging but with a concerted approach as outlined in the Action Plans I am confident that we can reap the benefit of an expanded North American market for travel to Ireland.



Paul O'Toole
Chief Executive, Tourism Ireland

APPROACH

The review of the North American travel markets for Ireland, commissioned by Tourism Ireland, has been conducted by TTC – Tourism and Transport Consult International.

The review was conducted by means of:

- An analysis of all relevant data, reports and research findings;
- A competitive analysis of other European destinations;
- Original qualitative research in 4 metro-markets in the US, undertaken by Michael Cohen Group Research; and
- Extensive consultations with carriers, suppliers, travel trade intermediaries, tour guides, analysts and commentators in Ireland, the US and Canada, involving over 120 in-depth interviews.

The process was guided by two industry/partner consultative committees based in Dublin and New York who worked with the Tourism Ireland team during this review comprising:

New York:

Jack Foley - Aer Lingus

Audrey Hendley - American Express

Chuck Imhof - American Airlines

Marc Kaslauskas - Insight Vacations

Jim Murphy - Brendan Tours

Brian Stack - CIE Tours

Dublin:

Dick Bourke - Irish Hotels Federation/Irish Tourist Industry Confederation

Malcolm Connolly - Failte Ireland

Patrick Delaney - Ovation

Claire Donnolly - Northern Irish Tourist Industry Confederation

Uel Hoey - Northern Irish Tourist Industry Confederation

John Leonard - Accolades Marketing

Eamonn McKeon - Irish Tourist Industry Confederation

Sue Ward - Northern Ireland Tourist Board

This summary report presents a synthesis of the findings from the analysis and consultations. Tourism Ireland would like to acknowledge the assistance and guidance of the members of the Consultative Committees, and the contributions of the many companies, organisations and individuals who willingly gave their time, experience and insights.

US MARKET REVIEW – SUMMARY

1. WHAT HAS BEEN HAPPENING?

US Demand for Travel

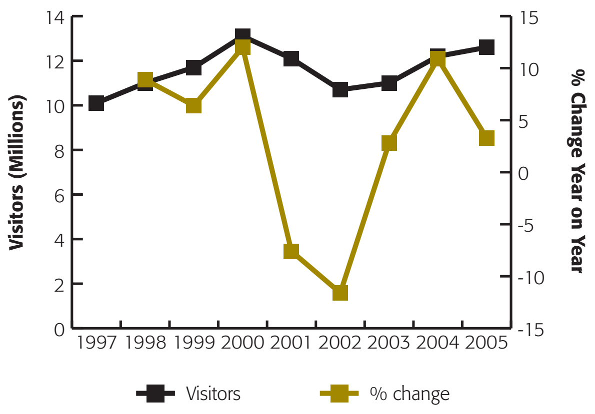
Americans made more than 65 million trips outside the US in 2005. While demand for international travel has more than recovered from the post 9/11 downturn, there have been noticeable changes in consumers' 'values' and behaviours in regard to the type, destination and purchase of travel trips.

Over the past 5 years the Caribbean and Mexico have become more popular, while Canada and Europe have lost market share. The growth in international travel from the US is being driven primarily by baby boomers (b. 1945 – 1960), while demand for cruises is outpacing the growth of other travel products.

US Travel to Europe

An estimated 12.6m Americans visited Europe in 2005, still lagging behind the record year of 2000 when over 13 million made the trip. Approximately two out of every three are visiting for vacation, with the majority of visits being to Western Europe. There has been growth in recent years to Eastern Europe, including Russia, estimated at 1.15 million US visitors last year.

US Visitors to Europe 1997-2005



Source: ETC/US Dept. of Commerce/Travel and Tourism Industries

The primary motivations for a trip to Europe continue to be history, culture, cuisine and scenery.

The top 5 European destinations for Americans are Britain (3.8m); France (2.2m); Italy (2.0m); Germany (1.7m) and Spain (1.0m). The island of Ireland with 0.9m visitors tops the next tier of most popular European destinations to visit.

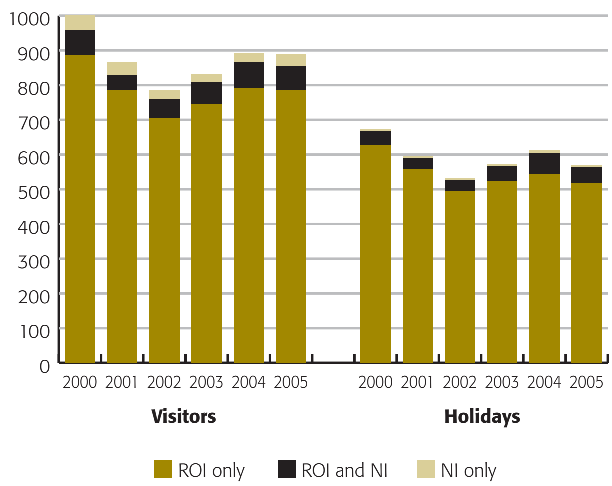
The reasons most commonly cited for the slow recovery of US travel to Europe in recent years include:

- The expensiveness of Europe against a weakened US dollar;
- Safety/security considerations, including preference for destinations closer to home and cruise trips together with concerns about the welcome for Americans in Europe; and
- More recently, the high load factors on transatlantic routes, which suggest frustration of demand, at least at peak times.

US Travel to the Island of Ireland

In recent years, the island of Ireland has performed better than most European destinations visited by Americans.

US Visitors to Ireland (000s)



Source: Tourism Ireland/CSO/IPS

An estimated 890,000 Americans visited the island of Ireland in 2005 of whom almost 70% (approximately 600,000) were on holiday. While visitor numbers in 2005 to the island of Ireland showed no growth over 2004 – visits to Northern Ireland grew while visits to the Republic fell marginally - first half year results for 2006 point to good single digit growth this year.

Although Ireland has outperformed most of its European competitors, current market share of total Europe is estimated at 7.1% due to the growth of new Central European destinations.

The drivers of growth in demand in the late 1990s comprised a combination of positive market factors including 'feel good' economic environment of the Clinton era, favourable foreign exchange rates, and lower airfares to Europe, overlaid with a set of circumstances that gave Ireland a competitive edge.

Ireland's performance was boosted by its:

- fashionability including 'the Riverdance phenomenon'
- growth in air services
- significant increases in marketing expenditure (especially advertising) by Tourist Boards and industry
- product expansion and improvements in Ireland, particularly in the hotel sector.

The primary appeals for Americans visiting the island of Ireland are:

Scenery

Friendly people

Safety/security

Unspoilt environment

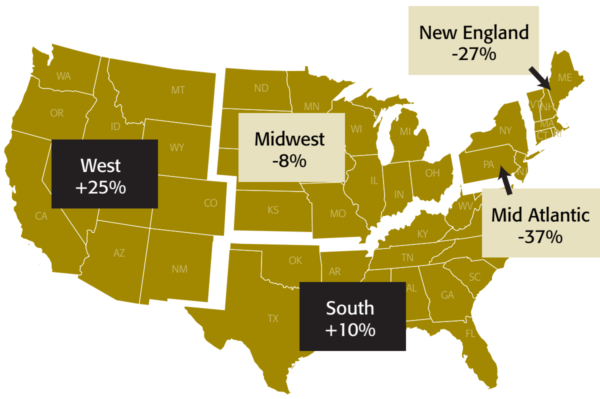
Culture and history

Changes in US Visitors to Ireland

The profile and behaviour of US holiday visitors to the island of Ireland show a number of significant changes over recent years:

Where Ireland draws its market from

Change in origin of US holiday visitors to Ireland since 1999/2000

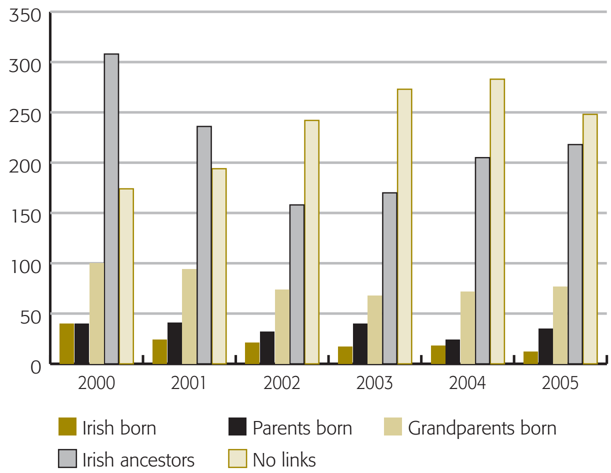


Source: Survey of Travellers

Over the past six years there has been a marked shift in where visitors to the island of Ireland live in the US. The traditionally strong source markets of the North East have declined in absolute and share terms, while the Western and Southern (including South Eastern coast) states have produced growth and are now relatively more important. The Mid-West showed little change over the period.

Lessening of dependency on Irish ancestral links

Changing composition of US holidaymakers visiting Ireland by ethnic connection



Source: Survey of Travellers

The Republic of Ireland has been notably successful in attracting increasing numbers of Americans (+30%) with no Irish connections. This has significantly broadened the market by reducing Ireland's high dependency on those with Irish ancestral links.

Profile of US visitors to Ireland

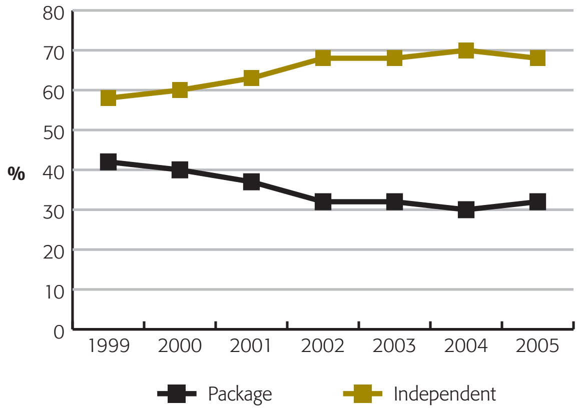
The education and household income profiles of the island of Ireland's holiday visitors from the US are high, way above the average within the US population. However, the social class composition of visitors to the island of Ireland continues to be slightly less upscale than the overall US traveller market to Europe.

Value of US market for Ireland

The US market is especially important for Ireland as it is the source of the highest per visitor spenders reflecting length of stay and high consumption of 'high-end' products. The market is also of above average importance in terms of regional spend, seasonal spend and for several business sectors including hotels, car rental and coach touring.

Independent v package holidays

Independent v package holidays to Ireland (1999-2005)



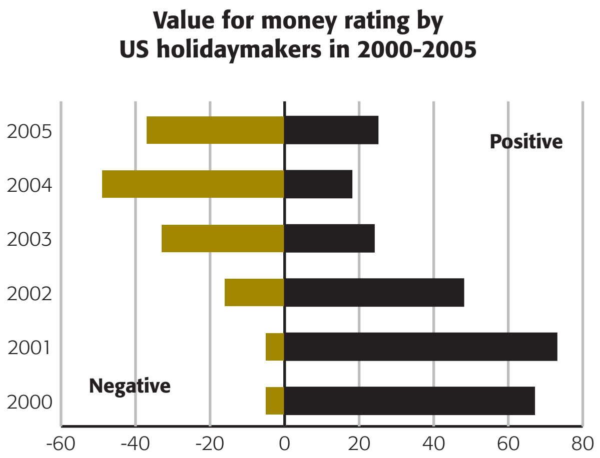
Source: SOTSource: Survey of Travellers

The longer-term trend has been one of decline in the proportion of American holidaymakers purchasing a package holiday to the island of Ireland, in favour of independent travel – falling from 40% to Ireland five years ago to 30% more recently. The package holiday market to Ireland continues to include a substantial coach tour component as well as some specialised touring and activity itineraries. Reports from tour operators in the market indicate that demand for group travel to Ireland has been in decline.

Pattern of arrivals in Ireland

Since the late 1990s the trend has been for an increasing share of American holiday visitors to arrive and depart directly on transatlantic services to/from the island of Ireland. In 2005, 60% arrived directly into the island of Ireland compared to 55% in 1999, reflecting the substantial growth in direct services from the US to Ireland over the past 10 years.

Value for money rating



Source: SOT
Note: Only negative and positive ratings illustrated. 'Fair' ratings excluded.

While overall satisfaction levels remain relatively high, there has been a significant shift in how American holiday visitors rate the value for money offered by the Republic of Ireland experience. Five years ago almost 70% rated the holiday in Ireland 'good' or 'very good' value, with only 5% dissatisfied, whereas over the past four years less than 25% rated it good value, with a sizeable minority (33%) rating it 'poor' or 'very poor' value. The dissatisfaction relates more to the day-to-day costs of being in Ireland rather than the cost of access and accommodation.

This cannot be fully explained by a weakening dollar, and would suggest that the relative cost of visiting the island of Ireland has increased at a rate ahead of other European destinations since 2000 even though this now appears to be stabilising.

Declining rating of welcome and landscape

While the Irish people and scenery continue to be the top appeals and Ireland's competitive advantages in the US market, there is clear evidence from the Survey of Travellers of a fall in the rating of those aspects of an Irish holiday by American visitors.

2. INSIDE THE MIND OF THE US INTERNATIONAL TRAVELLER

Attitudes of the US Vacationer

Travel fulfils a number of needs for the American traveller – excitement, adventure, learning, discovery, relaxation – with travel planning being an integral part of the experience.

Distance and limited vacation time are major factors for overseas vacationers, retirees excepted, especially for travel to Europe. For some Americans security concerns are also an issue when considering travelling abroad. Older travellers (55+), who are largely driving growth in demand, tend to be more experienced, have more time, be more flexible as to time spent travelling and when trips are taken, have a higher interest in cruising and group travel, and generally seek more US-friendly destinations.

'Google-ing' the destination is now by far the most prevalent source of information, however, word of mouth is still the most influential source in choosing a destination.

The Perceptions & Appeals of Europe

Americans' top of mind perceptions of Europe are linked to history, culture and art, cuisine, cities, towns and scenic beauty. Words like 'ancient', 'old world', 'medieval' and 'long-standing' are commonly used, while Europe's cultural attractions – art, music, theatre and museums – also play a central role in defining Europe's image in the minds of American travellers.

Europe is now considered an expensive destination, due to weak purchasing power of the US dollar.

Despite terrorism, political tensions, and a weakening dollar, American travellers continue to express strong interest in visiting Europe.

The Appeal of Ireland as a Vacation Destination

The island of Ireland, positioned behind the first tier European destinations of London, France, Italy and Germany, enjoys a high level of awareness of place and people. Images of Ireland are remarkably consistent. Mention of Ireland evokes images of 'quaint countryside', 'rolling, green hills' and 'bad (rainy, cold) weather', 'sleepy villages', 'castles', 'friendly, warm people', 'pubs', 'Irish whiskey', and 'wool sweaters'. However, the image of Ireland lacks some of the core appeals of travel to Europe, specifically cultural and historical associations and perceptions of sophisticated visitor experiences such as fine dining. Expectations of these aspects lag behind reality.

The popular attributes create an attractive, comfortable, and relaxing image, tinged with a little mystery – sufficient motivation for some. For others the identical imagery is unappealing, boring, and familiar. In essence, many of Ireland's images or core brand equities are 'double-edged', carrying with them both positive and negative associations.

Recent research while endorsing the positive images and appeals of friendly people and scenery, has identified the need to address:

- Limited knowledge of 'things to do and see'
- Negative perceptions include lack of diversity, poor food, too much emphasis on pubs/drinking, and bad weather
- Low awareness of the appeals of Dublin, Belfast and other cities.

The major challenge is to build on positive, traditional images by communicating more information on the Ireland holiday experience and thereby increasing the appeal.

Recent tracking research on the new advertising campaign confirms that it is effectively communicating increased appeals and information to the island of Ireland's prime target market segments.

3. WHO AND WHERE ARE IRELAND'S BEST PROSPECTS?

The Potential

Up to 12 million Americans is the estimated size of the 'best prospects' market for the island of Ireland – based on expressed strong interest and likelihood of visiting Ireland. This represents a sizeable and unique opportunity.

The level of interest in visiting the island of Ireland has never been higher. Over half (56%) of US outbound pleasure travellers say they are 'extremely or very much likely to visit or re-visit Ireland', according to the most recent research. Nearly half of those who expressed strong interest in visiting Ireland say they are likely to make the trip in the next five years.

This clearly points to an opportunity to push potential visitors further down the purchase funnel and to capitalise on the growing interest in visiting the island of Ireland and to further grow Ireland's share of US leisure visitors to Europe.

A Profile of Ireland's Best Prospects

The island of Ireland's best prospects are:

- Sightseer and culture-seeking baby boomers who have already been to Europe
- Better educated, better off, urban and suburban, interested in the 'finer things'.

Ireland's best prospects are frequent travellers to Europe, more educated, more upscale than current US-Ireland visitors. Almost one in six live in California. Only just over one third claim Irish ancestry.

The top 15 top metropolitan areas (DMAs) of New York, Los Angeles, Washington DC, Boston, San Francisco, Chicago, Baltimore, Sacramento/Modesto, Philadelphia, Atlanta, Tampa/St. Pete, Dallas, Houston, Miami/Ft. Lauderdale, and Orlando, represent the highest concentration of the island of Ireland's best prospects.

Niche Markets with Good Prospects

Within the sightseer and culture seeker segment a number of subsets have been identified.

- **Luxury travel**
  A segment which represents good potential for the island of Ireland.
- **Scots Irish**
  A latent potential in distinct geographic areas.
- **Group travel**
  Opportunity to target an increasing share of affinity groups from the core target market of sightseers and culture seekers.

In addition, a number of niche markets represent good potential for Ireland. The niche markets to be targeted include:

- **Business related travel (meetings, conferences and incentive travel)**
  A market recovering from setbacks of the past few years with good prospects for the island of Ireland.
- **Golf**
  The island of Ireland is well positioned to capitalise on its reputation and attract more high value golfing holiday visitors, particularly in the wake of hosting the Ryder Cup.

4. IS IRELAND ON THE RIGHT SHELVES?

Access

The availability of capacity and competitive fares continues to be a prime determinant of performance. While the island of Ireland has enjoyed continuing expansion of services from the US, current high load factors on Irish routes – the highest on the North Atlantic – are inevitably frustrating demand.

Increased capacity is necessary if the island of Ireland is to fully realise its potential from the US market. This review has identified a number of gateways where increased or new services would significantly improve Ireland's competitiveness. 'Open skies', allowing for new gateways and more code share opportunities, would undoubtedly benefit Ireland, although some short-term changes in pattern of arrival and dispersal throughout Ireland can be expected.

The Internet and Online Channels

Three in four US vacationers use the web for planning, with an increasing incidence of online travel purchase. The dominant online distributors, such as Expedia, Travelocity, Orbitz and others, are confident that consumers will increasingly purchase overseas trips online. As established tour operators and airlines are also actively pursuing sales through this new distribution channel, it is increasingly imperative for destination product and service providers to have an easily accessible reservations presence on the web. The inventory of the island of Ireland product, accessible through online intermediaries is limited, with the exception of Dublin.

Tour Operators

The island of Ireland enjoys an excellent tour operator base, especially in coach tour series, with good market coverage, except in the top end/luxury segment. Ireland's share of group travel appears to have slipped, with only limited coverage by 'specialist' group operators, particularly those serving the Non-Profit Organisations (NPO) sector.

Retail Travel Agencies

Overall the sector is diminishing in number, importance and influence. However, increasing consolidation of travel agencies and the emergence of retail consortia constitute an important distribution channel, serving upscale niche segments. The leading retail consortia now handle a valuable share of the international leisure travel market.

Business Tourism

Discretionary business travel is rebounding after several years of depressed demand. As in other sectors, competition is increasing for both meetings/conferences and incentive travel. Furthermore, there have been significant changes in the channels of distribution, with a growth in importance of independent intermediaries serving larger corporates.

Destination Marketing

The marketing challenge facing destinations in the US marketplace, particularly a secondary European destination such as the island of Ireland, is great. The changing consumer and increasingly fragmented segmentation, the increase in communication channels and the declining effectiveness of traditional media, and a constantly expanding distribution network, demands a change in response.

As the island of Ireland does not enjoy the same level of high profile destination marketing by international branded carriers, hotel groups, tour operators and other intermediaries as other destinations, the spend by Tourism Ireland is proportionately more important, particularly in regard to 'above the line' consumer marketing in a high-cost media market. The new environment calls for greater focus and coordination of marketing effort between the public and private sectors.

5. WHAT NEEDS TO CHANGE? WHAT ACTIONS?

The analysis points up the need to respond to shifts in five strategic areas:

- **A new geographic focus**
  - A focus on the top 15 DMAs, which account for the highest concentration of Ireland's best prospects. These DMAs represent a mix of traditional sources for Ireland, together with other sources of leisure travel to Europe where Ireland currently under-performs. The cities (DMAs) with the best potential for the island of Ireland are New York, Los Angeles, Washington D.C., Boston, San Francisco, Chicago, Baltimore, Sacramento/Modesto, Philadelphia, Atlanta, Tampa/St Pete, Dallas, Houston, Miami/Fort Lauderdale and Orlando.
- **A refreshed island of Ireland message and delivery**
  - Sharper focus on 'best prospects'
  - More compelling communication of information and appeals - New campaign launched in 2006 appears to be addressing this
  - Greater effectiveness in reaching the 15 key DMAs
  - A more efficient mix of traditional and new media
  - Launch of new publicity, promotional and sponsorship campaigns
- **Address the changing distribution channels**
  - A new and aggressive focus on e-space channels of information, promotion and purchase
  - Launch of new Tourism Ireland promotional platforms for suppliers and tour operators
  - A change in promotional focus within the retail sector
  - New targeting of group travel intermediaries
  - Expand promotional activities and broaden distribution base for Business Tourism
  - More market intelligence provided by Tourism Ireland, particularly in the e-world
  - Benchmarking ourselves against leading tourist boards in terms of strategic approach and promotional activities
- **Product and service improvements**
  - Need to improve welcome rating
  - Urgent need to address value-for-money issues
  - Ensuring essential e-bookability of all aspects of island of Ireland product
  - Ensuring that packaging and presentation are more in tune with customer needs
  - Greater attention to redressing landscape/place/environment ratings
  - The development of product and services clusters
- **Air access**
  - Secure 'open skies'
  - Seek and exploit additional capacity through existing gateways
  - Encourage and exploit new routes and selective code-shares
  - Secure Shannon as a gateway to Western region

What's different about this strategy?

- Exploits a changing market – customers, media and distribution
- More focused communication
- Greater engagement of partners
- Improving the island of Ireland's presence in e-space
- New focus on MICE and group travel
- Changing how TI operates in the market
- New promotional platforms

6. THE TARGETS

RANGE TARGETS: US Visitors to Ireland 2007-2013

					Mid-term				Long-term
	2005	2006(f)	2007	2008	2009	2010	2011	2012	2013
Visitors (000s) Low	890	934	980	1,030	1,080	1,134	1,190	1,250	1,313
High	890	934	1,008	1,090	1,177	1,270	1,372	1,482	1600
Revenue (millions)									
€(m) Low	700	735	772	810	850	893	938	985	1,034
€(m) High	700	735	794	857	925	1,000	1,080	1,166	1,260
£(m) Low	469	492	517	543	570	598	628	660	693
£(m) High	469	492	531	574	620	669	723	780	843
					vs 2006				**vs 2006**
					+16 to +26%				+40 to +71%

The target is to attract up to 1,180,000 visitors to the island of Ireland by the year 2009, spending up to €925m/£620m, rising to between 1.3m and 1.6m visitors by 2013 and earning between €1,034m/£693m and €1,260m/£843m.

The targets are expressed within a range of performance of between +5% and +8% average annual growth. The medium term target (2009) aims for an increase of between +16% and + 26% visitors from the expected outcome in the current year.

The variables which will impact Ireland's performance and on which the targets are predicated include:

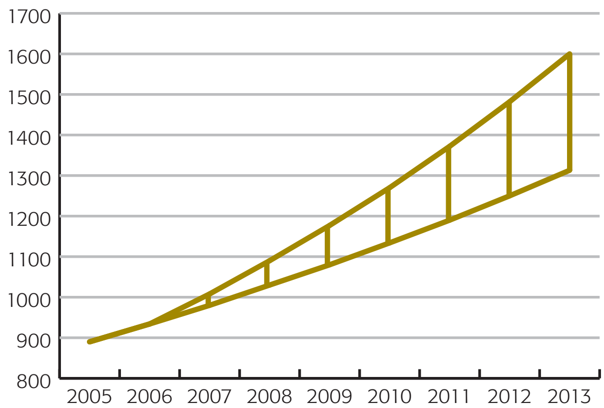
i) capacity and range of air services available between the US and the island of Ireland; and
ii) the level of marketing investment and its effectiveness.

The targets have been set within a range allowing for the impact of the above variables. It is assumed that available capacity will increase, particularly over the short to medium term based on current carrier plans and the assumption of a more liberal regime leading to 'open skies'.

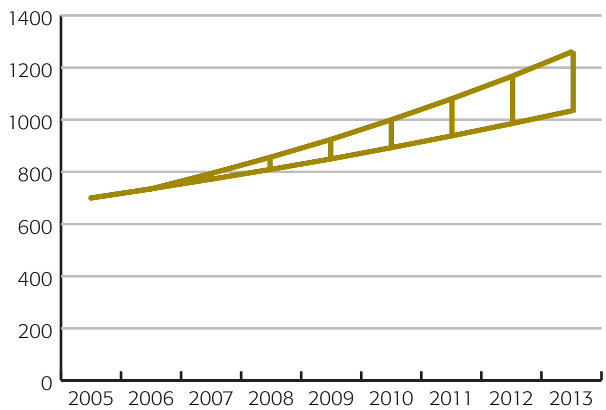
The risks, in addition to extraneous factors outside the control of the destination, would include failure to secure additional direct air services and insufficient investment by the public and private sectors in the market. Achievement of the revenue targets, set at increasing in current terms at a rate similar to volume growth, could be impacted by the relative value of the US dollar vs. the euro.

Even the lower end of the target range sees Ireland at +5% outpacing US outbound (+3.1%) and significantly ahead of US-Europe, thereby gaining market share of European and global US travel.

Visitor Target (000s)



Revenue Targets Euro Million



US Market Action Plan 2006 – 2009

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
1. TARGET MARKET FOCUS	Focus marketing effort/campaigns on the island of Ireland's "Best Prospects"[1] in key geographies[2] with the best potential for growth.	Grow visitor numbers and revenue ahead of projected US-EU targets.	Tourism Ireland	Distributors Carriers Product providers	Start Q1 2007
	Focus on sightseers and culture seekers segment including subsets of group travel, special interest Scots Irish & luxury travel.	Position the island of Ireland as an attractive destination in these lucrative segments.	Tourism Ireland, industry	Distributors Carriers Product providers	Start Q1 2007
	Target niche opportunities of Business Tourism (MICE & GDF).		Tourism Ireland – as agreed with Fáilte Ireland & N.I.T.B.	Industry product providers	Ongoing

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
2. THE IRELAND MESSAGE	Broaden the perception of the island of Ireland as a sophisticated, exciting, authentic vacation destination by emphasising the compelling range of worthwhile and distinctive things to do and see against a backdrop of beautiful scenery and warm welcoming people. Continue with current advertising creative paying particular attention to culture/history/cuisine and other upscale experiences, events and activities both urban (incl. Dublin & Belfast) and rural. Exploit the positive publicity resulting from the staging of the 2006 Ryder Cup at the K Club.	Fill in awareness gaps. Counteract the negative perceptions.	Tourism Ireland	Distributors Carriers Product providers	With immediate effect
	Communicate the above in all promotional activities and materials, including advertising, web, print material, exhibition stands, displays and in cooperative campaigns.		Tourism Ireland		Q4 2006+
	Encourage all partners to reflect communications strategy to meet changing consumer needs.		Tourism Ireland		Q4 2006+
	Reflect this communications strategy in content and imagery.		Tour Operators/ Carriers	Tourism Ireland	Q1 2007+

1 Baby boomer Sightseer & Culture Seekers who have visited Europe previously for leisure. Better educated and wealthier, urban and suburban dwellers interested in the finer things in life.
2 DMAs with highest concentration of "Best Prospects" are New York, Los Angeles, Washington DC, Boston, San Francisco, Chicago, Baltimore, Sacramento/Modesto, Philadelphia, Atlanta, Tampa/St. Pete, Dallas, Houston, Miami/Ft. Lauderdale & Orlando.

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
3. COMMUNICATING THE MESSAGE	Implement an integrated communications programme to most efficiently reach our "Best Prospects" in key DMAs.	More effective reach and frequency of Ireland message to the "Best Prospects".	Tourism Ireland	Distributors Carriers Product providers	2006/07/08
	Minimum threshold national advertising campaign with "heavy up" in as many prioritised key DMAs as resources permit.	Improved advertising effectiveness measured by improved reach and frequency.	Tourism Ireland		2006/2007
	Encourage, support and influence commercial and other partners to increase their advertising and other promotional activities for the island of Ireland. Provide wider range of co-operative platforms for trade.	Expand promotional activity and availability of tangible purchasable product.	Tourism Ireland, carriers, tour operators & others.		Q1 2007
	Increase focus on e-marketing promotion including more online advertising, e-sponsorship, e-database marketing & CRM.	Increase penetration of the e-medium which continues to grow in importance.	Tourism Ireland	On-line intermediaries	Q4 2006
	Expand the media publicity programme by targeting a number of particularly high visibility platforms and continuing with an ambitious programme of visiting journalists.	250 journalist visits & 3 high profile publications/ programmes per annum.	Tourism Ireland	Industry in Ireland and carriers as appropriate	Q1 2007 – ongoing
	Identify & exploit new high profile promotional/ sponsorship opportunities.	Associate the island of Ireland's tourism message with newsworthy, appropriate events. Min. 2 major events per annum.	Tourism Ireland	Selected traditional and non-traditional	Q2 2007

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
4. DISTRIBUTION	Ensure island of Ireland product is on the 'right shelves' by shifting resource allocations to reflect changing customer behaviour and changing distribution channels. Develop platforms for product providers to more effectively reach the US market.	Full range of island of Ireland product prominently included in top Tour Operators and top on-line intermediaries.	Tourism Ireland	Product providers	2007/08
	Provide guidance/market intelligence to stakeholders.	Regular communication to appraise providers of opportunities & key e-developments.	Tourism Ireland		Ongoing from Q4 2006
	Tour Operators Cooperate with existing tour operator base.	Maintain this vital distribution channel. Expand range and diversity of products on offer Min. 3 new up-scale luxury tour operators.	Tourism Ireland	Tour Operators	Q1 2007 – ongoing
	Target new up-market and specialist operators.	Expand range of specialists featuring island of Ireland e.g. heritage/faith/museum tours/Scots Irish.	Tourism Ireland	Irish Industry and new operators	Q1 2007
	On-line Intermediaries Improve presence and availability on top sites.	Dynamic packaging via 2 out of Expedia, Travelocity, Orbitz.	Tourism Ireland	Irish providers/ Distributors/ Carriers	Pilot in Q4 2006, Q1 2007
	Web Continue to improve Tourism Ireland website (in particular the range & availability of purchasable product). More database marketing New CRM campaigns.	Increase visits and links through to commercial partner sites.	Tourism Ireland		Q4 2006
	Tourism Ireland to up-skill in e-marketing/e-distribution.	Improve skills capacity and exploit online channels.	Tourism Ireland		Q4 2006

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
4. DISTRIBUTION (cont'd)	**Travel Agents** Focus resources on up-scale consortia.	Increased promotion of island of Ireland to customer database & consortia members.	Tourism Ireland		Q1 2007
	Maintain Shamrock Club.	On-line educational & support programmes to foster island of Ireland loyalty and well informed agency base.	Tourism Ireland	Industry/Carriers	Ongoing
	Group Travel Include group travel facilities in promotional materials. New focus on key intermediaries.	Improved awareness of island of Ireland as a suitable destination for groups and increase the level of improved group traffic.	Tourism Ireland	Carriers Irish providers	Immediate
	Support & encourage the marketing of group travel by current Tour Op base.	Enhanced sales programme.	Tourism Ireland	Tour ops	Q1 2007
	Promote island of Ireland as a destination to established group organisers not currently programming the destination.	New distribution outlets.	Tourism Ireland	New group agencies and Irish providers	Q1 2007 Q1 2007
	Business Related Travel Work with a committee of appropriate industry partners to review, co-ordinate and expand promotional programme to end customers.	Seek out opportunities for business development in the US including broadening the demand base.	Tourism Ireland	DMAs, PCOs, Hotel Marketing Groups, Fáilte Ireland & N.I.T.B.	Q4 2006 2007/08
	Golf Implement selected campaigns.	Maintain market leader position.	Tourism Ireland, Fáilte Ireland/ N.I.T.B	Specialist golf operators and island of Ireland based suppliers.	Ongoing
	Special Interest & Activity Products Implement selected campaigns.	Improve perception of exciting range of things to see & do.	Fáilte Ireland/ NITB & Tourism Ireland	Relevant market and island of Ireland based industry.	Ongoing

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
5. ACCESS	Increase capacity to island of Ireland.	Grow capacity by min. 5% to 10% per annum At least 2 new gateways.	Carriers	Tourism Ireland	2007/09
	Actively lobby for 'open skies'.	Eliminate 2-stop Ireland.	Tourism Ireland/ Carriers	Industry	2007
	Implement Shannon marketing programme. Aggressively market to carriers.	Secure Shannon as a gateway for Western Region. Additional capacity[3] New Gateways[4] New Codeshares[5]	Shannon Action Group Tourism Ireland	TI/Industry/ Carriers Carriers	2007+ Ongoing
	Engage in co-operative marketing programmes with carriers.	- Ensure greater awareness of ease of direct access to Belfast, Shannon & Dublin and any future routes and also greater awareness of Ireland as a vacation destination. - Counter any seasonality issues.	Tourism Ireland	Carriers	Ongoing

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
6. THE IRELAND EXPERIENCE	Protect core strengths - Irish Welcome and Scenery - and strive to improve value for money.	Increase 'recommendation to visit'. Improve value-for-money and satisfaction ratings.	Irish industry/ product providers		2006-09
	- New value for money/ added value offerings - Creative packaging/ clustering - Improved infrastructure and environment - Maintaining service quality - Front-line staff orientation - Expanded e-presence and bookability - Product development and innovation of hard and soft products		Irish based industry/ Government/ Local Authorities as appropriate/ Product providers	Fáilte Ireland/ N.I.T.B/Trade Distributors/ Tourism Ireland	

3 New York, Boston and Chicago
4 San Francisco; Washington Dulles; Dallas Fort Worth or Houston; Orlando or Miami
5 From select offline feeder cities

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
7. STAKEHOLDER ENGAGEMENT/ CO-OPERATION/ ORGANISATIONAL ISSUES	Maximise impact of joint public private sector marketing.	Improved communications and effectiveness.	Tourism Ireland	All stakeholders	Ongoing
	Improve engagement with key stakeholders.		Tourism Ireland		Q4 2006
	New web-based exchange and other fora to improve flow of market intelligence on a regular basis.	Improved market intelligence and buy-in to operational programme.	Tourism Ireland		Q1 2007
	Establish new US market TMP to include island of Ireland representation.	Improve partnership - Shared input into TI & commercial sector planning process - Monitoring of NA Review Action plan implementation. - Influence product delivery & development.	Tourism Ireland	TMP	Q4 2006
	Realign Tourism Ireland financial & human resources.	Ensure Tourism Ireland financial & human resources are appropriately deployed to execute the new action plan.	Tourism Ireland		Q4 2006 & ongoing
	Benchmark Tourism Ireland's strategy and promotional programme against leading NTOs.	To ensure best practice.	Tourism Ireland	TMP	Q2 2007

CANADA MARKET REVIEW – SUMMARY

1. WHAT HAS BEEN HAPPENING?

Outbound Travel

International travel by Canadians is at an all time high, due to a well-performing economy, a Canadian dollar at a 13 year high, demographics and cultural ties.

Europe is the destination of choice for about half of overseas trips, despite Canadians propensity to travel to sun destinations, with Britain the number one overseas destination.

In recent years, the range of European countries visited by Canadians has broadened beyond the strong ethnically connected Britain and France.

The prime appeals and motivations for visiting Europe are culture, history and gastronomy.

Canadian Travel to the Island of Ireland

The island of Ireland's share of travel to Europe has been in decline, with an estimated 102,000 Canadians visiting the island in 2005, 13% below the 2000 peak. Canadians visiting the Island of Ireland are attracted most frequently by sightseeing and cultural opportunities with just over half visiting for holidays, with a further high proportion visiting friends and relatives. Those visiting Northern Ireland only are predominantly visiting family. Demand is highly peaked with 70% visiting between May and September, corresponding to the period of direct air services.

2. THE POTENTIAL OF THE CANADIAN MARKET

Future Travel Demand

Canadians are becoming more confident foreign travellers and spending on outbound travel is forecast to grow by 25% between now and 2010. Ageing baby boomers, showing the highest propensity to travel, largely account for the increase in demand.

Interest in visiting or re-visiting Europe has picked up significantly having declined over the past 10 years with travel to Europe forecast to increase by almost 20% over the next 4 years.

The Potential for Ireland

Interest in visiting the island of Ireland has rebounded from a downturn in the late 1990s and early 2000s, however the island of Ireland is ranked in the second tier of European countries of interest to Canadians. One in four of experienced Canadian international travellers who are likely to visit Europe in the next five years express themselves as 'extremely interested' in visiting Ireland, with the level of interest in visiting Northern Ireland now somewhat higher than 10 years ago.

Island of Ireland's Best Prospects

'Sightseers and culture seekers' are the largest segment of the potential market for island of Ireland, predominantly experienced Canadian travellers, well educated, middle-aged to older and above-average-income urbanites.

About 3 out of 4 live in Ontario, British Columbia and Alberta, while ethnic connections and past experience are strong drivers of demand. Demand for the island of Ireland would improve with greater awareness, more compelling reasons to visit and more convenient lower-cost access.

Canadian travellers to Europe and the island of Ireland are particularly attractive because of the length of stay and high spending profile.

3. IS THE ISLAND OF IRELAND ON THE RIGHT SHELVES?

Access

Seasonal summer services are provided by Air Canada and holiday airlines, offering increased capacity in recent years to Dublin, Belfast and Shannon. The current 'bi-lateral' between the Republic and Canada imposes heavy costs on operators and prohibits code-shares. In contrast, the recent UK 'open skies' agreement has no limitations.

Travel Trade

The island of Ireland has an excellent presence, particularly relative to its size and potential, amongst the major tour operators who are becoming increasingly aggressive in their online marketing strategies. The use of travel agents by Canadians for outbound travel is still relatively high, with the retail sector undergoing considerable change with consolidations, vertical integration and closures. The island of Ireland product is well represented on the shelves of Canada's leading leisure travel distributors.

The Internet and Online Travel Market

Canadians are amongst the most connected populations in the world, with over 80% going online when planning an international trip. While an increasing number of trips are purchased online, offline sales still predominate, especially for overseas travel. Expedia is the online market leader (est. 27% share), followed by Travelocity (7%) and iTravel2000 (6%) – the largest indigenous and fastest growing travel e-retailer in Canada.

Tourism Ireland's Marketing

Tourism Ireland is highly regarded, being viewed as one of the most professional NTOs operating in the market by the travel trade and carriers. The scale of the annual marketing expenditure has increased very significantly (+66%) since 2000. $2.5 million has been spent on advertising the island of Ireland over the past 4 years.

The island of Ireland's marketing mix is well regarded by the market intermediaries, with the new destination advertising campaign especially welcomed. Most recent advertising tracking research would suggest an increasing recall level amongst the prime target market of sightseers and culture seekers and amongst residents of Ontario and B.C.

4. WHAT NEEDS TO CHANGE? WHAT ACTIONS?

With Europe poised for a period of good growth, the island of Ireland can benefit from this growth based on a good 'strategic fit' of the appeals of the island of Ireland with the expanding older sightseers and culture seekers segment, and the broadening of destinations visited by Canadians.

The key challenge facing the island of Ireland is to increase the appeal of the destination through greater awareness and more compelling messages, so that the island of Ireland moves up the list of places to visit for Canadians.

The proposed actions centre on:

- **Increased awareness and compelling messages**
  Campaigns to be fine-tuned to more clearly differentiate the island of Ireland from GB & Europe as an exciting and interesting place to visit, conveying things to do and see which appeal to the primary target segment of sightseers and culture seekers

- **Shift in communication and promotional mix**
  The successful new advertising campaign will be more aggressively supported by publicity, PR and other promotional campaigns, including new online channels and event sponsorship, to achieve cut-through in reaching our best prospects.

- **A sharper geographic focus**
  All marketing campaigns to focus more on the key productive areas of Ontario together with the fast growing western provinces of British Columbia and Alberta.

- **Greater e-space presence**
  Tourism Ireland together with the industry need to capture a greater presence in the e-channels, to boost communication and distribution of the product, with a particular emphasis on featuring the island of Ireland by the leading e-distributors.

- **Access**
  Improved access would facilitate growth. The liberalisation of the regulatory regime to allow code-shares would especially benefit the Republic, particularly in the absence of year-round direct services.

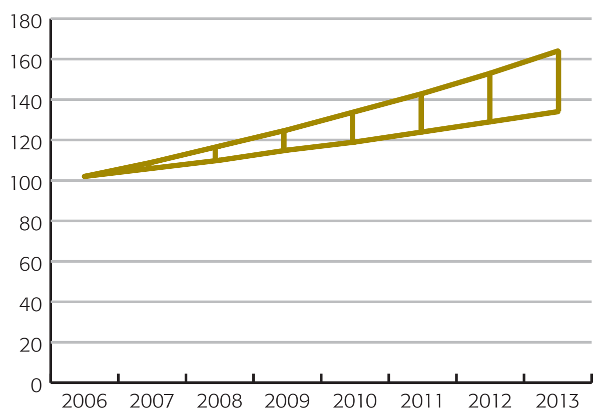
5. THE TARGETS

The target is to attract between 115,000 and 125,000 Canadian visitors to the island of Ireland, spending up to €94 million/£64m by 2009, rising to between 134,000 and 165,000 visitors in 2013 and earning between €101m/£69m and €124m/£85m.

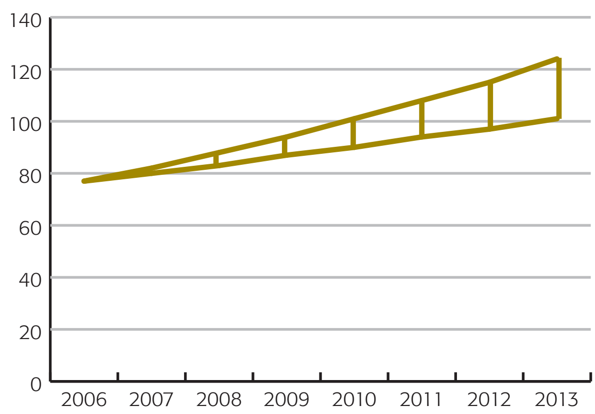
The targets are expressed in a range of average of +4% growth per annum – equivalent to the island of Ireland holding its share of Canada to Europe traffic – to +7% average growth per annum which would see the island of Ireland increasing its market share. The successful achievement of these targets will depend on the effectiveness of efforts to increase awareness and to improve the perception of compelling reasons to visit the island of Ireland and the level of competitively-priced air services for Canadians to the island of Ireland.

					Mid-term				Long-term
	2005	2006(f)	2007	2008	2009	2010	2011	2012	2013
Nos(000s)									
Low	102	102	106	110	115	119	124	129	134
High	102	102	109	117	125	134	143	153	164
€ (m)									
Low	77	77	80	83	87	90	94	97	101
High	77	77	82	88	94	101	108	115	124
£ (m)									
Low	52	52	54	56	59	61	64	66	69
High	52	52	56	60	64	69	73	78	84
					vs 2006				**vs 2006**
					13 to 23%				31 to 61%

Visitor Target (000s)



Revenue Targets Euro Million



CANADA MARKET ACTION PLAN 2006 – 2009

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
1. TARGET MARKET FOCUS	Continue to focus marketing campaigns on the island of Ireland's 'Best Prospects' with sharper focus on Ontario, B.C. and Alberta.	Grow numbers and revenue at least in line with growth for Canada to Europe.	Tourism Ireland	Distributors Carriers Product providers	Start Q1 2007
	Keep focus on sightseers and culture seekers segment, including important subsets of Scots irish and Group travel.	Increase traffic driven by motivators.	Tourism Ireland, industry	Industry/ Product providers	Start Q1 2007
	Also target niche opportunities in golf & business tourism.				

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
2. THE IRELAND MESSAGE	Heighten the compelling/ differentiated reasons to visit. Pay particular attention to Cultural, Historical and Heritage aspects of the island of Ireland offer. Increase urban/rural messaging; place particular emphasis on heritage/ culture/cuisine and broaden perception of island of Ireland as a more sophisticated, exciting and experiential destination.	Improve awareness and conversion of interest to visit.	Tourism Ireland	Distributors Carriers Product providers	With immediate effect

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
3. COMMUNICATING THE MESSAGE	Further exploit new advertising campaign.	More effective reach and frequency of island of Ireland message to the "Best Prospects".	Tourism Ireland	Distributors Carriers Product providers	2006/07/08
	Expand publicity and PR programmes.		Tourism Ireland		2006/2007
	Identify and exploit new promotional opportunities.		Tourism Ireland, carriers, tour operators & others		Q1 2007
	Heighten presence in e-space.		Tourism Ireland and industry	On-line intermediaries	Q1 2007

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
4. DISTRIBUTION	Ensure island of Ireland product is on the 'right shelves' by shifting resource allocations to reflect changing customer behaviour and changing distribution channels.	Full range of island of Ireland product prominently included in top Tour Operators and top on-line intermediaries.	Tourism Ireland	Product providers	2007/08
	On-line Intermediaries Improve presence and availability on top sites.	Dynamic packaging via 2 out of Expedia, Travelocity, iTravel 2000.	Tourism Ireland	Irish providers/ Distributors/ Carriers	Q1 2007
	Provide guidance/market intelligence to stakeholders.	Regular communication to appraise providers of opportunities & key e-developments.	Tourism Ireland		Ongoing from Q4 2006

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
5. ACCESS	Encourage expansion of capacity. Support moves to liberalise regime to Republic – removal of constraints on code-shares.	Secure sustainable and competitive air services - additional capacity - code-share for indirect access year-round	Carriers	Tourism Ireland	2007 onwards

Key Task	Action	Objective/target	Prime Responsibility	Partners	Timeframe
6. THE IRELAND EXPERIENCE	Protect core strengths - Irish Welcome and Scenery - and strive to improve value for money.	Increase 'recommendation to visit'. Improve value for money and satisfaction ratings.	Irish industry/ product providers		2006-09

Tourism Ireland

Marketing the island of Ireland overseas

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