

MARKETING THE IRELAND EXPERIENCE

OVERVIEW

This study will look at:

- ▶ Tourism Ireland and its function
- ▶ The Ireland experience product by SWOT analysis
- ▶ The marketing strategy for the Ireland experience

Tourism Ireland was established under the framework of the Belfast Agreement of Good Friday, April 1998, to increase tourism to the island of Ireland as a whole. The board of directors of Tourism Ireland is made up of 12 individuals representing leading tourism industry interests North and South.

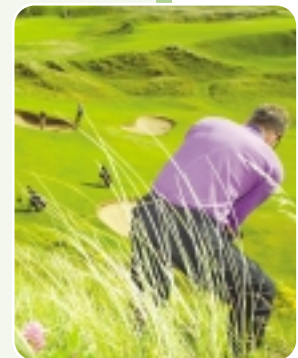
Tourism Ireland seeks to achieve two key goals:

- ▶ To increase tourism to the island of Ireland.
- ▶ To support Northern Ireland to realise its tourism potential.

This is achieved by working in partnership with industry both at home on the island of Ireland and in the marketplace overseas.

Tourism Ireland achieves these goals by:

- ▶ Undertaking strategic destination-marketing programmes to stimulate demand for visiting the island of Ireland.
- ▶ Facilitating business links by providing promotional opportunities for the Irish trade overseas e.g. trade shows and joint marketing ventures.
- ▶ Acting as an advocate for overseas consumers and trade to influence the quality of the tourism experience on the island of Ireland.



IMPORTANCE OF TOURISM TO THE IRISH ECONOMY

The tourism industry has grown into a highly sophisticated operation contributing more than €4bn in overseas visitor revenue to the economy. This industry is an important source of revenue to the Irish government. This year UK and Irish exchequers will allocate €39m to Tourism Ireland for marketing the island of Ireland overseas. This level of exchequer funding is the largest amount ever made available for tourism promotion in overseas markets.



CHANGING FACE OF TOURISM IN IRELAND TODAY

Major changes are taking place in international tourism and travel, driven by social, economic and demographic factors. Customer behaviour is changing, as is the type and duration of holiday-taking, while competition is growing faster than the pool of travellers. The whole process of reaching potential customers and influencing how they choose and buy their holidays is undergoing dramatic change.

Tourism Ireland's 2005 Marketing Plan has responded to changes in the marketplace, but the organisation emphasises that marketing alone cannot provide the solution to growing tourism business to the island. The tourism industry will need to review the tourism product in Ireland in terms of the experience it offers visitors and how the product is packaged so that it offers the most compelling reasons to choose Ireland over competitor destinations.

Much of the long-term battle for visitors and revenue will be won here at home, by the quality of the experience, value, welcome and sense of satisfaction which visitors take away with them. We all have a part to play in marketing Ireland!



**New and Developing Markets includes countries such as South Africa, Japan, Australia, New Zealand, China and the Middle East.*

The tourism industry is constantly evolving and Tourism Ireland has to regularly identify these changes and act accordingly. As a result, it has recognised the following emerging markets and will target these, in addition to existing core markets and best prospects:

- ▶ the family market in Great Britain,
- ▶ the luxury segment in Europe, and
- ▶ business tourism in all key markets.

This breaks down as follows:

Great Britain	36%
North America	22%
Southern Europe	14%
Central Europe	12%
Northern Europe	9%
New and Developing Markets*	7%

MARKETING STRATEGY

A marketing strategy is a plan which outlines how policies relating to product, price, promotion and place are carried out to achieve increased sales and profits.

DEVELOPING A MARKETING STRATEGY FOR THE IRELAND EXPERIENCE

1. Assess the market to look for new business opportunities

A SWOT analysis is prepared to enable Tourism Ireland to avail of possible future opportunities.

2. Select the target market

A market for a product is comprised of all of the people who might buy that product. It is most cost-effective to concentrate on the segment which produces the largest share of revenue.

Tourism Ireland has also prioritised its marketing funding according to the potential of the market.



3. Undertake market research

Tourism Ireland undertakes consumer research in its major markets each year to identify trends and test its marketing approach. This ensures that Tourism Ireland is in a position to keep the industry in touch with overseas consumer and trade expectations.

4. Prepare a marketing plan

The plan identifies what needs to be done, and how together with the tourism industry, Tourism Ireland responds to the various changes in the marketplace. A marketing plan integrates the efforts of Tourism Ireland in relation to its marketing mix.

ASSESSING THE MARKET

A good plan can only exist after management undertakes a SWOT analysis. The analysis is important because it enables a business to maximise its ability to compete and identify possible future opportunities.

SWOT ANALYSIS OF THE IRELAND EXPERIENCE

STRENGTHS

People: The Irish people have a reputation for being friendly, charming and witty, helping to give us a competitive advantage over other destinations.

Landscape: Ireland's countryside is perceived as being largely unspoilt and therefore hugely attractive to visitors. It offers a host of both natural and built tourist attractions.

Heritage: Culturalists and sightseers is the segment with the greatest growth potential. The Irish countryside has many interesting sites which chart our history over centuries including castles, monastic centres of learning and medieval fortified houses.

Music: Ireland has a great reputation for traditional music and visitors enjoy the experience of formal and informal live performances.

Food: Ireland has an excellent reputation for fine dining and produce.

Sport and outdoor activities: Walking, angling, golf, cycling and horse-riding are among the activities visitors can enjoy in Ireland.

High levels of investment: The tourism industry has undergone huge investment over the past decade by the public and private sectors in accommodation, special interest facilities, visitor attractions and training.

Good access to the island: Airlines offer a wide range of competitive travel services to the island of Ireland which is also well served by the ferry companies.



WEAKNESSES

Weather: Ireland is not a 'sun' destination and is perceived as having a very wet climate.

Transport: Increased state investment is required in the internal transportation services on the island to facilitate ease of travelling for visitors.

Infrastructure and internal access/traffic: Improvements are needed in road infrastructure from points of arrival to the regions and to rural destinations. The potential of car touring in Ireland is being hampered by poor internal infrastructure and signposting.

Lack of national conference centre: Business tourism, i.e. visitors who travel for conferences or on incentive trips, is a lucrative element of the total tourism business. Research shows the

average daily spend of business visitors is considerably higher than that of leisure visitors. Business tourism is intensely competitive worldwide and the lack of a dedicated national convention centre in the Republic continues to inhibit growth.

Lack of iconic landmarks: Ireland lacks a world-known landmark that visitors might aspire to visit e.g. the Eiffel Tower.



OPPORTUNITIES

Increased access to the island: An increased share of direct and competitively priced access services from key source markets will be necessary to achieve future growth. New/improved facilities will be essential at Irish airports.

Develop business from Eastern Europe, China and Asia: Over the coming decade, outbound travel will grow from these countries in proportion with growth in personal disposable income - representing an expanding travel market for the island of Ireland.

Further develop business from Nordic countries and southern Europe: Italy, Spain and the Nordic countries have contributed strongly to Ireland's growth in recent years and continue to have further growth potential.

Development of the conference market:

The plans to build a national conference centre will maximise Ireland's potential as a conference destination.

Development of products for 55+ market: The Ireland experience is attractive to the 55+ market which by 2020 is forecast to be strongest age-led segment in the Western World.

THREATS

Changes in consumer behaviour: There is an increasing trend towards short-breaks and more frequent, shorter holidays. Time may not allow for customers to visit areas other than those close to their points of arrival e.g. airports and ferry terminals. This affects the regional distribution of visitors and tourism spend around the island of Ireland.

New accession states: These are among the fastest growing destinations in Europe. They are becoming more accessible and are able to compete strongly on price.

Changes in Irish lifestyle: Irish people are working longer hours and have increasingly busy lifestyles. Our unique selling point (USP) of slow pace of life is beginning to diminish.

Continued growth in shorter stays: Impacting on overnight stays and revenue.

SELECTING A TARGET MARKET

Tourism Ireland creates a designated marketing plan for each of its target markets. We will look at Tourism Ireland's approach to the British market as it is our most important tourism market. In 2004, it accounted for 62% of all visitors - approximately 4,743,000 people and 46% of all overseas tourism revenue.

In 2004, British visitor numbers to the Republic of Ireland (ROI) decreased, after a period of sustained growth. Having identified the lack of growth, Tourism Ireland initiated 'Project Britain' to identify the reasons underlying this and to develop an appropriate strategy to restore growth.

DEVELOPING THE MARKETING MIX FOR GREAT BRITAIN

PRODUCT

The research carried out by Tourism Ireland in Great Britain found that the island of Ireland product needs to redefine itself in terms of what it offers and how it is packaged, in order to strengthen the offering put before the British consumer. The range of products marketed by a business is called a product portfolio. Businesses need to analyse their product portfolio to identify strengths and weaknesses in the overall marketing strategy.



- ▶ Our greatest competitive asset is the friendliness and hospitality of our people and this will be placed centre-stage in all tourist training programmes.
- ▶ There must be a focus on winning our share of the fast growing 4-7 night holiday segment. There is good potential for Ireland in festivals, events, and special interest breaks such as wellness holidays, e.g. spa breaks.
- ▶ The older British consumer perceives a Dublin visit as a sociable, drinking experience which compares unfavourably to other European capitals. We must develop a more sophisticated image for Dublin that positions it as a cosmopolitan city with plenty to see and do.
- ▶ Identify and promote the top 10 attractions in each region of Ireland.
- ▶ Develop niche activity products in rural areas such as hang-gliding, windsurfing, as well as cookery, health farms and yoga. A niche market is a small segment of a bigger market e.g. walking, angling, golf, cycling.
- ▶ Promote the ease of touring the island and highlight the range of internal transport options available.

BRAND

Tourism Brand Ireland is an initiative started in 1996 to brand the island of Ireland as a holiday destination. The physical experience of holidaying on the island of Ireland provides the content for the brand. The three physical characteristics are people, place and culture and these help to create a distinctive image in the minds of potential visitors.

PRICE

Ireland has never been marketed as a cheap destination. Tourism Ireland and the tourism industry emphasise that the island offers value for money by highlighting the range of quality offerings available.

PLACE

Increasingly visitors to Ireland are using the Internet to plan and book their holidays. The island of Ireland must have a world-class Internet presence to ensure it is on the list of destinations potential visitors will consider. Visit www.tourismireland.com

PROMOTION

Tourism Ireland and the tourism industry will refocus its approach to promotion in Britain and other markets. Particular emphasis will be placed on attracting the 'impulse tourist' segment who tend to book holidays at the last minute prompted by advertising or word of mouth recommendations from family or friends.

EVALUATION OF THE MARKETING MIX

Ultimately promotion can only do so much. The tourism industry needs to provide a marketable tourism product that offers potential visitors motivating reasons to visit. That product needs to develop in light of the changing consumer needs, for example by repackaging existing products as part of an experience, by developing new and exciting ranges of products, and by focusing on offering excellent value for money.

CONCLUSION

Tourism is an important source of revenue in Ireland. New trends in the tourism industry provide both opportunities and threats for the sector. By using a segmented approach based on market research, Tourism Ireland forecasts and also responds to these trends. It continues to develop and grow overseas tourism business to the island of Ireland.

ACTIVITY

PLANNING A HOLIDAY

Divide the class into three groups allocated with one of the eight regional tourist regions (North West, Ireland West, Shannon, South West, South East, East Coast/Midlands, Dublin and Northern Ireland). Groups should be allocated group types (teenagers, family of four, etc.) on different budgets (< €200, < €400, <€600) and asked to plan a three-day holiday. Each day should be planned - costs should be outlined within a time-frame. Transport to Ireland is not included but all internal transport, food, accommodation and activities should be budgeted.

FIND OUT MORE

For more information on Tourism Ireland:

- ▶ Click on the website www.tourismireland.com/corporate



Tourism Ireland

Marketing the island of Ireland overseas

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