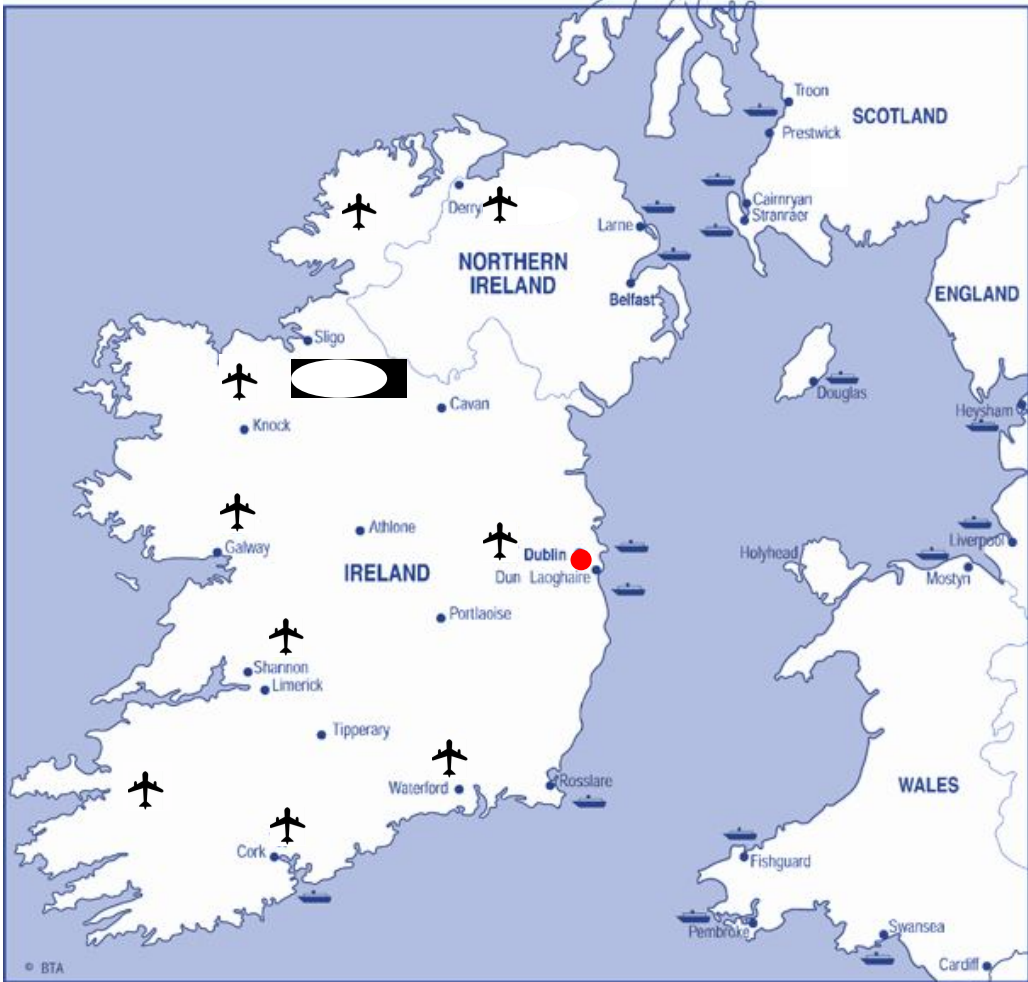


LEISURE MARKET PROFILE

IRELAND

GETTING THE BEST FROM THE MARKET



KEY

- Office Location
- ✈ Gateway airport for the UK

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Country Snapshot



Ireland Travel forecast for 2005

Economy is looking very prosperous and there was a very strong start to 2004. Operators reporting pre 2001 levels of bookings.



- **Population** – 4,000,000 (August 2004)
- **Languages** – English and Irish (official)
- **Annual Leave Entitlement** – 20 Days
- **Internet access** – 38% (source: Amarach Consulting)



- **Currency** – Euro (EUR)
- **Forecast GDP growth rate 2005** – 4.7%
- **GDP per capita world ranking** – 11



- **Departure gateways** – Cork, Donegal, Dublin, Galway, Kerry, Knock, Shannon and Waterford.
- **Arrival gateways** – London (LHR, LTN, STN, LCY, LGW), Birmingham, Manchester, Glasgow, Liverpool, Cardiff, Southampton, Leeds Bradford, Bristol, Edinburgh, Nottingham, East Midlands, Jersey, Exeter, Blackpool, Isle of Man, Teesside, Aberdeen, Bournemouth, Newcastle, Glasgow Prestwick, Coventry, Kent International, Norwich and Plymouth.
- **Departure ports** – Cork, Rosslare, Dun Laoghaire, Dublin
- **Arrival ports** – Swansea, Pembroke, Fishguard, Holyhead, Liverpool



- **Passport / visa requirements** – Passport or photo ID required / no visa needed
- **Who travels?** – Youth, DINKS, Families, Empty Nesters
- **Top motivators for travel to Britain?** – Culture, Heritage, Shopping and Sport and Events.



Total Visits in 2003 – 2.4 million % increase /decrease – +2%
Total Spend in 2003 – 682 million % increase /decrease – +1%

VISITBRITAIN MARKET RANKING – 4

(based on number of visits 2003)

1. General Travel Trends in Ireland

Competitor destinations

Overview of how Britain ranks in the country as an overseas destination. Who are the main competitors?

- Britain is currently ranked 1st in international visits

1	United Kingdom	6	Portugal
2	France	7	Germany
3	Spain	8	Greece
4	United States	9	Netherlands
5	Italy	10	Cyprus

Travel Insights

- Visits from Ireland to Britain have increased from 2m to 2.5m in the last 5 years, representing 10% of all inbound traffic in 2003 and 45% of all outbound traffic from Ireland (reduced from 68% in 1994). Whilst total visits to Britain from Ireland in 2003 increased by 1.9% (IPS) compared to 2002, total visits abroad from Ireland increased by 6.4% over the same period. In the first quarter of 2004, visitor figures from Ireland are up 9.5% on the same time last year (CSO). Whilst impressive, Britain's market share will continue to decline. Brand positioning is vital to address the decline in market share in the face of strong competition.
- Accessibility internationally out of Ireland continues apace. Governmental plans to develop a low cost carrier 2nd terminal at Dublin Airport will have a dramatic impact on international traffic numbers. This will increase an already extremely competitive environment and could have a negative impact on traffic numbers to Britain. There is an onus on VB to focus on regional USPs, together with the main triggers for travel, which include spectator sport, shopping and events.
- In terms of purpose, holiday visits to Britain have been in decline consistently over the last 5 years (except in 2002 which showed a recovery from F&M and 9/11 in 2001), and business travel visits dropped 10.5% between 2003 and 2002 (IPS). VFR traffic has increased substantially by 30% in the last 3 years, and at 40%, is double the global average.
- The air/sea traffic is split 70/30%, with travel increasing in both sectors by 6.7% over the last 5 years. The highly competitive market forces year round price wars particularly in the ferry market. The frailty of the budget airline industry has also manifested itself with at least three

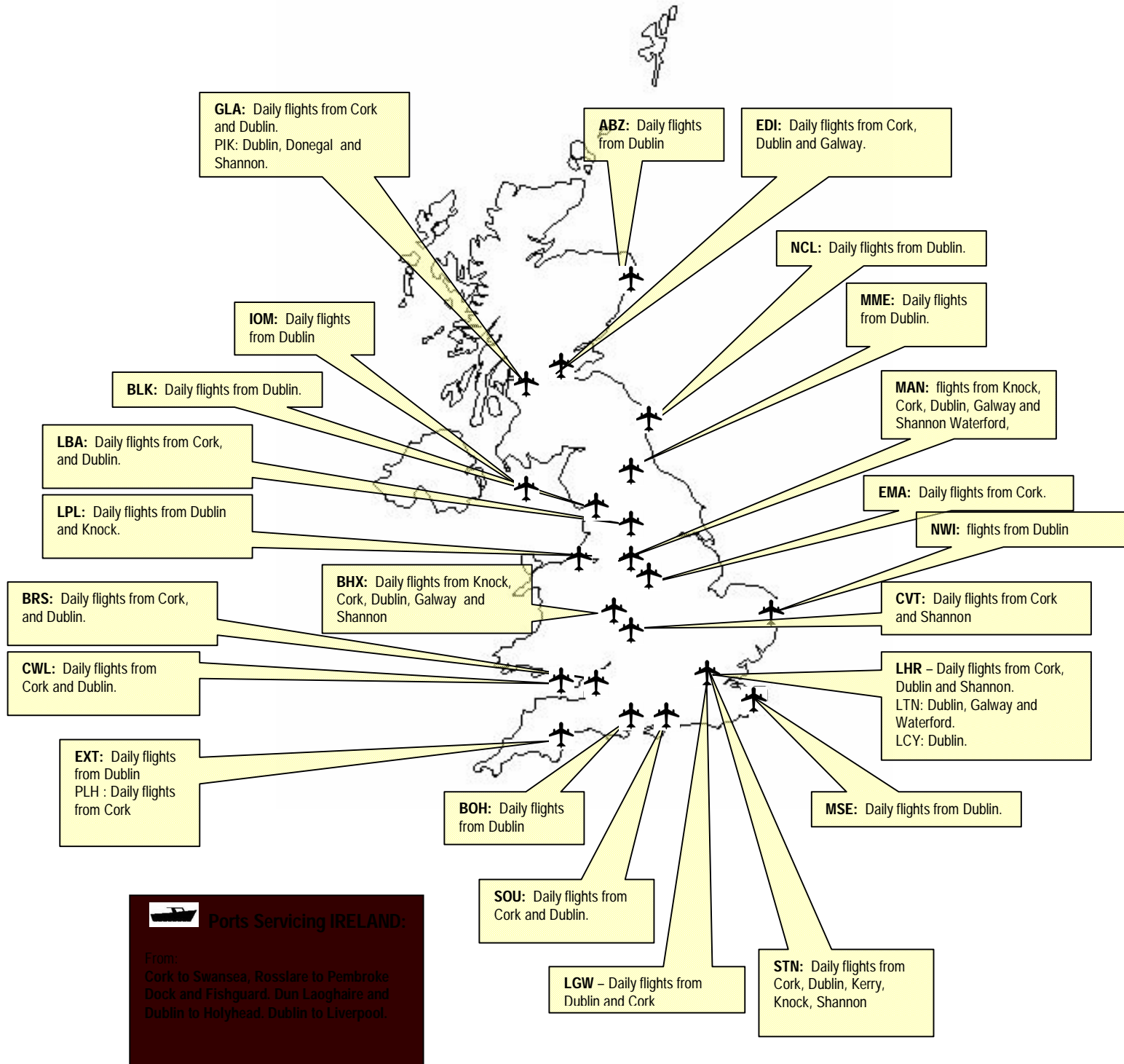
business failures since January 2004. The trend towards late bookings is confirmed by local Carriers.

Holiday Trends

- Top holiday interests are spectator sport, shopping and activity breaks, (additional research carried out by IPS in 2001 showed that Ireland was the top market for visitors watching or playing sport as their main purpose of visit), and we need to use these as top level triggers in our communications and identify product – compatibles to encourage extension / additional visits: e.g. spectator sport may have links with spa product, Golf may be compatible with business tourism, etc.
- Ireland has strong seasonal spread, and the trend is to take shorter, more frequent, last minute holiday breaks throughout the year. Target Group Index (TGI) has data showing that just under 10% of 1.6m adults who took a holiday in the past year took 3 or more holidays. The greatest propensity towards frequent holidays is in the 35-44, 55-64 and 65+ age groups, and Dublin / Leinster are the most important regions.
- Britain is sometimes perceived as an expensive destination as there is a lack of understanding between sterling and the Euro exchange rates. This can be combated through the medium of “special offers” or promotion of “value for money” Britain.

2. Travel Market to Britain

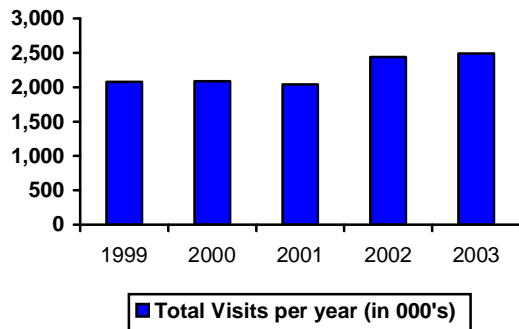
Map of main gateways and ports servicing Ireland



3. The Consumer

Total Number of Visits from IRELAND

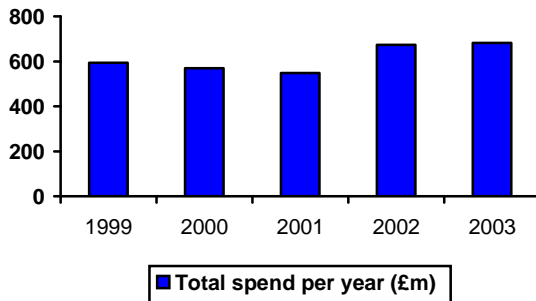
Graph to show the total number of visits per year over 5 years - 1999-2003



- Dip in number after Sept 11
- Visitor numbers now stronger than before 2001

Total amount of spend from IRELAND

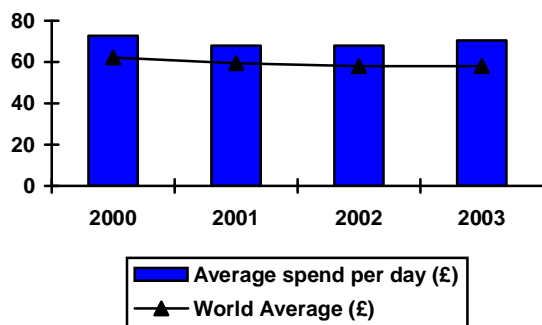
Graph to show the total spend per year over 5 years - 1999-2003



- Spend increased significantly in 2002 and now running at a steady consistent pace.

How much do they spend per day?

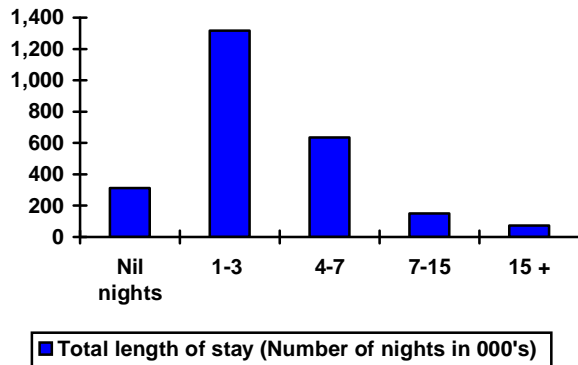
Graph to show the total spend per day from 2000 – 2003



- Higher than the average world spend.

How long do they stay in Britain?

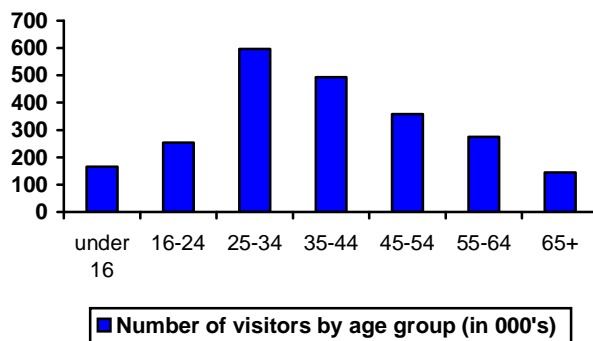
Graph to show how long visitors stayed in 2003. (World average length stay is 9 nights)



- Significant for the short regular breaks market

How old are they?

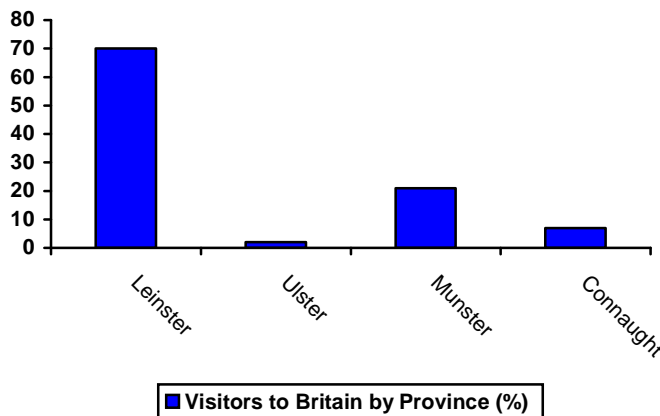
Graph to show the age range of visitors in 2003



- The 25-34 age group represent the majority of travellers followed by the 35-44 age group. Ireland's population remains one of the youngest in Europe

Where do they come from?

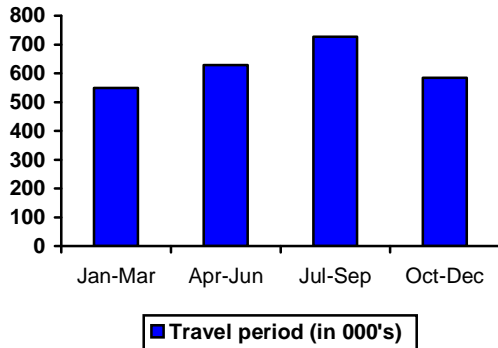
Graph to show where people came from in country of origin in 2003



- Leinster represents Dublin and surrounding Eastern counties
- Ulster represents Cavan, Donegal and Monaghan only
- Munster represents Southern counties including Cork and Kerry
- Connaught represents Western counties including Galway and Mayo.

When do they travel?

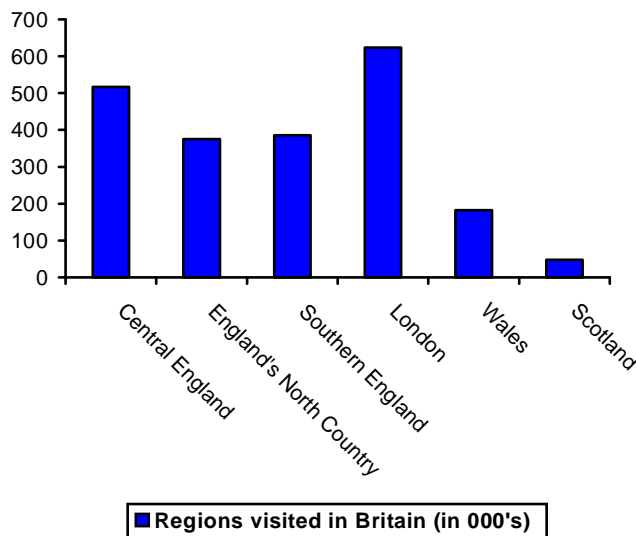
Graph to show when people travelled in 2003 – based on seasons.



- Excellent market for business throughout the year.

Where do they travel to in Britain?

Graph to show where people travelled in the UK in 2000



- London remains most popular destination, but almost even spread across English regions
- Wales and especially Scotland less popular possibly due to shorter supply of access routes than England.

For a further breakdown of where overseas visitors travel to, please see www.visitbritain.com/ukindustry – Inbound Tourism Statistics.



VisitBritain Consumer Insights

What do they think of Britain?

In late 2003, 'Through Irish Eyes' (a research study commissioned by the British Council & British Embassy in Ireland) looked at perceptions of Britain amongst the Irish. The study found a high level of empathy for Scotland and Wales. The most favourable regions in England include the North West (Manchester and Liverpool), the South West (which respondents referred to as Devon & Cornwall – England's Celtic fringe) and Yorkshire. The 'Britain' brand is not seen in a very positive light in this market. Negative perceptions associated with the word 'Britain' can be addressed by ensuring that the marketing of Britain leads with an emphasis on the constituent parts, with Wales and Scotland making excellent lead brands, and 'Britain' acting as the endorsing brand. For England, the most appropriate lead is with the regions and cities

Irish people still generally consider Sterling to be a main issue when visiting Britain. Even though statistically the exchange rate is considerably better than pre-Euro currency levels there still appears to be an opinion of the expense of Britain as a holiday destination. In fact a recent study conducted has shown that everyday consumer products, accommodation, flights etc are much cheaper in Britain than they are in Ireland. There is anecdotal evidence to suggest that it is possible to go for a 3-day break in a British city, stay in a good quality hotel and include flights and meals for the same price as a night out in Dublin!

Irish people are generally very friendly and genuinely interesting in visiting "off the beaten track" locations in Britain as well as the favourite city break mainstays. It is quite rare to meet an Irish person who hasn't at some stage lived and worked in Britain or had a close relative do so. Hence the high level of VFR traffic from Ireland.

Why do they come to Britain?

Apart from the aforementioned VFR traffic, Irish people enjoy visiting Britain for a number of key reasons. Irish people have a huge affinity to spectator sports, shopping, activity breaks and going to key events. When it comes to spectator sports, Ireland leads the way with visits. Cheltenham regularly receives over 20,000 per annum with International Rugby matches yielding the same per match when Ireland is participating.

Other significant events that Irish people would visit are the Chelsea Flower Show, Wimbledon, various pro Golf tournaments, West End theatre productions and of course Premiership Football. Irish people are also interested in "experiencing" more good living style products. These products are now beginning to become available to the Irish consumer now but in Ireland the cost for a 2-night spa break can cost from €250 per person per night excluding any spa treatments which is hugely expensive when compared to the offers available in Britain.

Ireland is also becoming increasingly popular for UK emigrants. 10% of all immigrants into Ireland in 2003 were from the UK (this does not include the "returning Irish").

How do they book?

The budget air carriers in Ireland have brought about a revolution in booking trends. Ryanair has led the way, but other low fares airlines such as Aer Lingus, Flybe, bmibaby and EUJet have continued the trend. Many travel agents who reported that they have lost the "Britain" visitors to the airline websites.

Tour Operators have reported a haemorrhaging in bookings to UK cities, however, Irish people continue to travel at increasing levels. Many people are now booking their own flights through airline websites and then availing of additional services on the sites to book car hire and accommodations. Ferry Operators are also continuing to report stronger direct sales for crossings. The only up turn in travel agency business are holiday park bookings with companies like Haven and British Holidays often booked through Irish Ferries and Stena Line.

Who are they?

Ireland's visitors to Britain have been categorised into four segments:

1. 'Youth' aged between 18 to 25, studying or in work, who come to Britain for sightseeing, nightlife, sport, and outdoor activities. They will use accommodation that offers good value.
2. 'DINKS' (Double Income No Kids) aged 20 to 39, travelling on a city break, looking for cultural activities, nightlife, shopping and to experience and enjoy Britain as a trendy destination.
3. Families travelling during the summer, staying mainly in B&Bs, self-catering apartments and holiday parks and visiting well-known family attractions.
4. 'Empty Nesters' aged 50 to 65, visiting the countryside on a motoring holiday. Main attractions are heritage parks, cultural events, art galleries, museums and gardens.

What products do they want?

- Luxury hotels with spa facilities
- Heritage attractions
- Garden tours
- Sports packages
- West End Theatre
- Theme Parks
- Shopping.

How to care for the customer?

The Irish visitor's geographic knowledge of Britain and product available can be limited. Many visitors have not travelled frequently to Britain and are perhaps only familiar with London from a weekend break spent in the city. Ensure that your material is descriptive and includes good maps showing the location of your establishment/attraction/destination in relation to the rest of Britain.

Irish visitors will expect a high standard of accommodation: en-suite rooms, tea/coffee-making facilities and a television. The accommodation will also be expected to be licensed and have night porter facilities.

Customer care is particularly important. Staff should have a good knowledge of the local area including attractions, pubs, restaurants, etc.

Irish visitors are very friendly and will expect to stay in a 'home from home' environment.

Value for money messages are essential for the Irish and they appreciate it when you can accept Euro and price in Euro currency.

4. The Trade

Overview of Trade structure

The travel trade is going through a revolution as a result of how people book their travel needs. More and more people are booking their travel online. Indeed many travel agents have lost their Britain business to the Internet especially to airline websites. City break tour operators have reported that Britain sales are down considerably.

Tour operators: The traditional division between travel agency and tour operator is not distinct in Ireland. Tour operators are under increasing pressure as Aer Lingus is following Ryanair's lead in pulling out of any fare deals they may have had with the trade and directing all traffic to their own website.

Ferry Operators: Stena Line, Irish ferries and Swansea Cork Ferries sell Britain product. The ferry companies have come under increasing pressure from low cost carriers but tend to focus on holiday parks, shopping breaks (by car) and packages to Britain's major theme parks.

Online: ebookers are the largest online holiday provider in Ireland. They are being joined by Lastminute.com, which has a wealth of excellent Britain product.

Travel agencies usually sell products produced by tour or coach operators. Some travel agencies, however, tailor make their own packages for clients. Many travel agents in Ireland are small and independently owned, this however is changing. The main multiples are First Choice Travel Shops and Budget Travel, they tend to focus on selling their own sun packages. Other Travel Agent alliances include Worldchoice. Many travel agents are members of the Irish Travel Agent's Association (ITAA), the Irish equivalent of ABTA.

Tour Operators

Irish tour operators are becoming increasingly fragmented. Many are coming to terms with the new reality of selling holidays with no full service national carrier. It is likely this year will see many operators and agents will fold. More people are booking online; this is having obvious repercussions. The only operators, which seem to have a secure future at present, are those offering specialised niche services such as sport packages.

At present, there are 40 tour operators that package all-inclusive holidays to Britain. The majority of these are Irish owned independent businesses however this also includes the main air, sea and coach carriers who can sell packages.

Travel Agencies

Within Ireland, there are 365 agencies that are members of the Irish Travel Agents Association (equivalent of Association of British Travel Agents) and approximately 130 that operate outside the Association. The majority of agencies are family-owned and operated. There is a growing trend towards the development of retail chains and franchises such as Worldchoice. The advance in technology within travel agencies has been moving at a fairly rapid pace. However, it is only recently that travel agent and tour operator Internet sites have begun to emerge. A number of the larger travel agents do package products independently of the operators. This is common in business to Britain as many agents are aware of the product available and will approach the product directly.

Key carriers for the market

Ferry companies:

Stena Line
P&O Irish Sea
Swansea Cork Ferries
Norse Merchant Ferries
Seacat
Irish Ferries

Airlines

Ryanair
Aer Lingus
bmi
bmibaby
Flybe.
Aer Arann
EUJet
Thomsonfly
British Airways

The fierce price war between Aer Lingus and Ryanair continues to drive prices down in the airline industry. Indeed Aer Lingus is in the process of becoming a fully-fledged low fares airline. Other low fares airlines in the market are bmibaby, Flybe, EUjet and Thomsonfly. New air routes are opening up all the time between Ireland and the UK, although Dublin has routes to virtually every airport in the UK, more routes are opening up from Ireland's secondary airports, notably Knock, Shannon, Galway and Cork. With the ferry companies also locked in a price war, outbound travel prices for all forms of transport remain low.

Please contact VB Dublin for a fully up-to-date list of connections.

5. Getting Your Product into Ireland

Reaching the Consumer

CRM Activity

VisitBritain Dublin are happy to manage activities / mailings on behalf of partners, and to manage the data resulting from those activities. Our database size is 178,500 (July 2004), with 15,000 email addresses.

Opportunities could include:

Inclusion in Campaign (e)CRM (pending compatibility of product with campaign theme). The number of CRM's sent out are dependent on size of campaign but will normally start at 20,000 names.

Inclusion in e-newsletters: sent out monthly. (Cost 10p per record).

Access to VB database: There are opportunities to access the VB database. All communication must come from VisitBritain with a VB branded letter and responses back to the VB office. Companies looking to undertake market entry research may wish to consider undertaking research to the VB database. This will be considered strictly on a case by case basis.

Britain Holiday Ideas

VisitBritain offer a comprehensive Brochure Distribution Campaign online. An "order free brochures" section will feature on our Irish, Belgian and Dutch dedicated gateway internet. Holiday planners will be able to order partners brochures directly through the websites and our contact centre. Our travel advisors will distribute your brochures to all enquires relating to your product or destination.

Book On-line facilities

Whilst internet penetration in Ireland is relatively low (projected to be 48% by the end of 2004), online bookings are very much a feature of travel related purchasing. Buying flights tops the list of internet purchases, with 64% of the Irish internet population researching flight information online. 68% of Irish internet users purchase accommodation online, as opposed to a still impressive 38% buying accommodation offline.

Products wishing to enter the Irish market should certainly have their own website, and may be well advised to purchase an Irish URL. Banner space on www.visitbritain.ie can be purchased. The Dublin office are happy to advise on contacts with online travel portals and other methods of online promotion in Ireland, including Search Engine Optimisation and banner advertisement purchase.

Guide Books

The Rough Guide and Lonely Planet have high credibility in the Irish market.

Consumer Exhibitions

VisitBritain offers partners the opportunity to exhibit on a joint Britain stand at the following exhibitions:

Holiday World Dublin – January 05
Holiday World Cork – February 05
Garden Heaven Show – Date TBA
Irish Open Golf Championship – Date TBA
Over 50's Show – October 05
Activity Ireland Show – Date TBA

Reaching The Trade

➤ **Timing**

Like many countries, Monday mornings and Friday afternoons are not the best times for business and Bank Holidays should be avoided. If you keep to the normal business hours, you can be assured of a warm welcome.

Banking hours are 1000–1600 with some opening on a Saturday morning.

Public holidays 2005

Jan 1 (Sa), Mar 17, Mar 28, May 2, Jun 6, Aug 1, Oct 31, Dec 25 (Su), Dec 26 (Mon)

➤ **Transport**

Some of the city centre agencies in Dublin are not interested in handling business to Britain, as they regard it as low value and difficult to book. It is therefore useful to have a hire car to visit agencies in the Dublin suburbs, County Dublin and the rest of Ireland. Trains link most major Irish cities and towns and on occasions it is sometimes worth looking at domestic flights with Aer Arann as the road network is not always as sophisticated in the regions, as it is the greater Dublin area.

➤ **Etiquette**

Pre-arranging appointments is not essential, but is appreciated. A call on the day to confirm the appointment is always a good idea, as business tends to be flexible.

There is little formality in travel agencies. People immediately use first name terms in their business dealings. The Irish are also keen negotiators and will react well to special offers, discounts or additional benefits for their clients.

As in most marketing, personal contact is greatly appreciated, and in Ireland it is seen as evidence that a company is taking the market seriously and acknowledging that it is distinct from the UK market. Please remember that referring to Britain as “the mainland” is deeply offensive to Irish people. When referring to the Republic of Ireland simply use the word Ireland and not Eire (unless you speak Irish fluently!). Northern Ireland is referred to as “the North”. When talking about Northern Ireland’s second city use the word Derry and never Londonderry.

If you can price in Euro it helps enormously. It also means people can easily identify value, as the perception of any price in £ sterling is that it is expensive.

Ireland has changed to the metric system - please be aware of distances in kilometres and metres for brochures and print.

Reaching the Press

There are four national commercial television channels in Ireland – RTE1, Network 2, TV3, TNAG (Irish language); a small local television presence; four national radio stations – RTE1, 2FM, Today FM, Lyric FM; and an extensive local commercial radio network.

The majority of people in the Dublin area and many households throughout the country have access to Cable TV. The basic package provided by Cable includes BBC, UTV, C4, Sky One, Sky News, Discovery, E4 and MTV.

Readership of most Irish newspapers rose significantly in 2003 according to the recent *Joint National Readership Survey 2004*. The report indicates that 9 out of every 10 adults now read newspapers in a typical week. Further more, both daily and Sunday newspapers have picked up additional readers during this period. As a result Ireland has one of the highest consumption of newspapers in Europe thus the ability for newspaper articles to genuinely influence choice of travel destination for the consumer is very high.

There are 11 national newspapers, Sunday editions, a small number of Irish editions of British newspapers, and numerous free distribution newspapers, magazines and weekly regional newspapers. There are several specialist weekly magazines including the *RTE Guide* (equivalent to the *Radio Times*) and a range of fortnightly and monthly lifestyle publications. Many British newspapers and magazines are also available.

Press Trips

There will be a combination of group and individual visits taken by the Irish media to Britain during 2004-5. Press itineraries are devised with partner input and pitched to news, feature and travel Editors in order to obtain maximum positive coverage. Twelve group press visits consisting of six journalists from broadsheets, magazines and TV/radio will take place along with a wide variety destinations, themes and messages for in excess of 100 individual trips.

Press/Trade Event

For 2005-6 VisitBritain Dublin will manage and implement a senior level press/trade event, where destination managers/senior tourism managers will be given access to influence a small number of key newspaper/magazine editors/publishers, producers and opinion leaders. The event will take the form of a brief presentation, dinner and networking drinks opportunity.

Reaching the Corporate and Incentive market

Please see separate Business Tourism market profile on www.visibritain.com/ukindustry

6. VisitBritain in the Market

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7. Further Information

- Industry website – www.visitbritain.com/ukindustry
- Irish Travel Agents Association – www.ita.ie
- Central Statistics Office in Ireland – www.cso.ie

SOURCES:

Office for National Statistics "International Passenger Survey" 2003

www.cia.gov

www.worldfactsandfigures.com