

Tourism Industry Intelligence

Strategic Information for Decision-Makers

Prospects for the Irish Market in 2001

May 2001

A growing economy Ireland is a small, modern, trade-dependent economy with growth averaging a robust 9% between 1995 and 2000. The economy is benefiting from a rise in consumer spending and a recovery in construction and business investment. Over the past decade, the Irish government has implemented a series of economic programmes designed to curb inflation, reduce government spending and promote foreign investment. The inflation rate stands at 2.2%.

Outbound travel up For the period 1989-1999, outbound travel has increased by 44.9%. Travel outside Ireland has been increasing steadily over the period. In 1999, 3,554,134 Irish took a trip outside Ireland.

Expenditure abroad There has been a fairly consistent growth trend in spending in travel abroad. Expenditure increased by 62.3% between the period 1989-1999 from US\$989 million to US\$2,620 million, according to the *World Tourism Organisation*.

Favourite destinations The most popular region for Irish travel is the United Kingdom. About three-fifths (58.4%) of all Irish travellers visited the UK. This is attributable to the historic ties between the UK and Ireland. Other popular areas for Irish travel are USA, Spain, Portugal, France and Italy.

Growing regions Long haul travel is growing in popularity among the Irish. Travel to the Middle East and Central America grew the most with 33.3% and 32.9% change in arrivals for the period 1999/98 respectively. Other important growth regions are South Europe (23.9%), Australia (23.3%), South Asia (22.2%), North East Asia (9.2%) and North America (4.9%).

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What the Irish do on holiday

The Irish are looking for a relaxing time while on vacation - a chance to get away from it all. A sun, sand and sea vacation is important for the Irish. However, while on vacation the Irish like to engage in golf and fishing. They also like to take in historical sites and visit museums.

The future

The Irish market will continue to grow well into 2005. As the economy continues to prosper, air access is more available; and as the holiday experience becomes an essential for the Irish, more Irish will look to vacation outside of Ireland and outside of Europe. This prospect will prove favourable to regions such as the USA, Middle East and Central America.

Source: World Tourism Organisation and Central Intelligence Agency, 2001.

Ireland: Winners and Losers

	Country	%change 1999/98	No of months	Total 1999
Puerto Rico leads	Puerto Rico	74.3	12	1,235
	Spain	43.6	12	170,871
	Israel	33.5	12	10,222
	Cuba	31.7	12	3,512
	Malta	25.8	12	20,082
	India	24.8	12	9,393
	Australia	23.3	12	40,440
Singapore and China are performing well	Singapore	22.8	12	17,012
	China	21.1	12	8,174
	Portugal	16.9	12	128,273
	Hong Kong	14.7	12	13,472
	Italy	12.2	12	131,759
	United Kingdom	11.3	12	2,075,000
	Netherlands	10.8	12	65,000
	Austria	9.7	12	23,855
	Belgium	5.9	12	34,175
	USA	5.68	12	246,394
	France	4.2	12	142,500
	Japan	-5.1	12	10,187
Barbados market share declines	Hungary	-6.9	12	18,604
	Turkey	-8.0	12	35,158
	Barbados	-32.1	12	6,445

Source: World Tourism Organisation 2001

Market & Consumer Trends

Long-haul travellers get more for their money Holidaymakers travelling to long-haul travel hotspots such as Thailand, South Africa and Australia will get more for their money than 12 months ago, according to a survey by *American Express Foreign Exchange*. However, popular destinations such as France, Spain and the US have all become more expensive as the Euro and the US dollar have strengthened against the Pound.

Women are travelling more than ever Over the past five years the number of women travellers has grown dramatically. Seventy percent (70%) of all travel decisions are made by women, according to *TravelAsia Online*. The majority of women travellers originate from North America, United Kingdom, Australia, New Zealand, Europe, South and South East Asia, Chinese Taipei, Hong Kong and Singapore. All projections indicate that the number of female travellers will continue to increase. The power of women and their economic impact is being felt in all sectors of the travel industry.

Hotel & Resort Trends

Marriott targets Middle East Marriott International will open nine hotels in the Middle East by 2004, representing its Marriott, JW Marriott, Renaissance and Marriott Executive Apartments brands. By the end of 2004, the Marriott International portfolio in the region will grow to 31 hotels, offering 8,978 rooms and spanning four lodging brands in 10 countries. This growth represents a 30 percent increase in hotels, and 22 percent increase in rooms and supports the company's plans to open over 1,000 hotels and time-sharing resorts and 175,000 gross room additions between 1999 and 2003.

Hoteliers seek alternative sites Hoteliers are making use of buildings with no history, to find character and space for their latest developments. This is happening throughout the hospitality industry. As property prices escalate and traditional hotel sites are either too expensive, unavailable, or unsuitable, hoteliers are becoming more innovative, seeking hotels in office blocks, former hospitals, warehouses and former country houses, according to *Caterer & Hotelkeeper*.

Focus: The U.S. Gambling Traveller

A growing market	Since the late 1980's, gambling has grown considerably in the US and a large portion of gambling activity occurs while Americans travel away from home. Trips including gambling account for 7% of all US domestic travel (72.8 million person-trips). This represents a 20% increase in gambling person-trip volume from 1994 to 1999.
Profile of the gambling traveller	Gambling travellers are more likely to be older adults with nearly half over the age of 55 years. They are more likely to be divorced/widowed/separated, have high school education or less and report lower annual household incomes.
Gambling as a trip activity	Leisure purposes dominate the travel plans of gambling travellers. It should be noted that gambling travellers are three times more likely than average to travel for entertainment. About 13% of gambling travellers cite business as the main purpose of trip. Shopping is also a popular activity among the gambling traveller. This group also enjoy a vibrant nightlife and visiting historical places and museums.
Where do they stay?	Over three-quarters (79%) of all gambling trips include stay at hotels, motels or bed and breakfast establishments. Gambling trips that include a hotel stay are more likely to be for entertainment or business purposes. These trips are shorter in duration and have higher spending levels.
Short trips are popular	The majority (87%) of all U.S. gambling person-trips are overnight trips. Short trips of one or two nights in duration and medium trips of three to six nights are more popular than long trips of seven nights or more. Gamblers taking short overnight trips are more likely to travel for entertainment, while those taking long overnight trips are likely to visit friends or relatives or travel for outdoor recreation.
Where do gamblers come from?	The highest share of US travellers who gamble, nearly one in four (24%) resides in the Pacific region. The East North Central region ranks second, followed by the Mid-Atlantic, South Atlantic and West South Central regions.
Spending per trip	Households that include gambling on a trip spend an average of US\$655 per trip. This includes the total amount spent on the trip, except the cost of transportation to the destination. Four in ten of all US gambling household trips include spending of US\$500 (high-spend trip) or more per trip. One third of households spend between US\$200-US\$499 (medium-spend trip) and one-quarter spends less than US\$200 (low-spend trip).
Age group comparison	At present, 44% of gambling trips are taken by mature travellers, aged 55 years and older. Another 38% of gambling trips are taken by Baby Boomers (35-54 years), while 18% of gambling travel is generated by Generations X and Y (18-34 years). Mature trips including gambling have the highest share of travel for leisure and entertainment purposes.
Future prospects	The gambling market seems poised for continued growth. More travellers are taking to gambling especially if it can be combined as part of a leisure and entertainment vacation. The aging of the Baby Boomers will also encourage growth of this market since more mature travellers tend to take to the casinos.

Source: Profile of Travellers who Participate in Gambling, Travel Industry Association of America, 2001.

Editorial

Long-haul travel, all inclusive products and cruises continue to be important avenues for commissions for the increasingly threatened travel agencies. Both cruise lines and all-inclusives increasingly demonstrate their willingness to pay travel agencies commissions for bookings. In this issue of *Tourism Industry Intelligence*, we observe Superclubs' willingness to direct potential internet bookings to US travel agencies. Travel agencies will certainly need to innovate and do more than only rely on cruises and all-inclusives to give them business.

Trends to Watch

British Airways offer free baggage collection services

British Airways is to offer a free luggage collection service where baggage can be picked up from passengers homes and taken to the airport. The service will be offered on a trial basis for people using Gatwick airport and will initially be free of charge.

Jetlag a thing of the past

Jetlag, the achilles heel of business travellers, can now be resigned to a thing of the past as luxury baths, specially prepared meals and holistic treatments created to alleviate jetlag, become available in one of the world's most influential conference and exhibition destinations, Hong Kong. For the long-haul business traveller, jetlag can often hinder progression in business deals, meetings and conventions. Many hotels in Hong Kong are now able to provide jetlag recovery programmes 24 hours a day with packages that combine herbal bath treatments and delicious, nutritious meals specially prepared to promote sleep.

Technology Update

Europe's first satellite, digital TV and internet system

Quadrigo, the hotel entertainment group is to launch Europe's first satellite-delivered digital television and Internet system aimed at upmarket hotels. The company hopes to install the system in more than 6,000 hotels in Europe and the Middle East. Quadrigo will spend more than US\$3 million on this project and is aiming at the business market in four- and five-star hotels.

Star Alliance claims tech breakthrough

Star Alliance plans to become the first global airline partnership to adopt the digital environment and provide travellers with support information to ease travel through its 12-member, 15-airline alliance. The group has released downloadable, automatically updated timetables for PCs and personal digital assistants displaying more than 9000 daily flights operated by member airlines. These support services will be available no matter how many borders are being crossed or how many alliance partners are included in the customer's itinerary.

SuperClubs SuperAgency

SuperClubs released a new version of its SuperAgency WebLink that pushes consumers from the SuperClubs site to participating agencies for commissionable bookings. When consumers go on line at www.superclubs.com and use Travel Agent Finder, they can access up to five participating agencies. Clicking on the Book Now feature reveals an agency's contact information, which replaces all SuperClubs booking and contact information. Agents get commissions which start at 10%, for the full air and land package.