

This paper was produced by the staff and students of I.T. Tralee. The 'Let's talk tourism' Committee would like to acknowledge and express appreciation for their support.

Introduction

Let's Talk Tourism 2018 took place on Friday 9th November at Great Southern Hotel Killarney. The day started off with Paul Kelly, CEO of Fáilte Ireland, who spoke about strategies for sustainable growth. This was followed by a series of wonderful speakers who shared with us their knowledge about very topical subjects such as Brexit, strategies for growth, opportunities within new markets and the current state of hospitality and tourism in Ireland. The insightful day ended on a high note with a very interesting panel discussion, wherein the labour market, destination management and the new tax rate hike were reviewed.

China: An Opportunity

James Kenny, China Country Manager at Tourism Ireland chatted to the audience about the opportunities that China as a market could bring to Ireland. China is considered to be one of the largest outbound travel markets in the world at present, with 129 million Chinese people travelling overseas in 2017. It is the largest revenue market internationally. This undoubtedly poses an opportunity for the tourism sector in Ireland. Mr. Kenny suggested that the most popular package among Chinese visitors to Ireland is a package that includes a trip to both Ireland and Britain, as just one Visa is required to visit both destinations. Chinese tourists want to go to fewer places but to have bespoke packages, and the FIT market is the largest of all. Mr. Kenny shared with attendee's nuggets of information about what the market in China are looking for, and how best to show hospitality and a warm welcome to this potential cohort of visitors.

First of all, Mr. Kenny discussed how email is seldom used by the Chinese. It is in fact an app called WeChat which Chinese people use to carry out their daily online business. Individuals can use excel, PowerPoint etc. on this app and WeChat is similar to email, just in a different format. It currently has 1 billion users internationally. It's also an app that Mr. Kenny referred to as 'sticky', meaning that users stay in the app for quite long periods of time. In China, money is rarely used and most frequently, customers pay for goods and services using their smartphones.

In terms of attracting the Chinese market, Mr. Kenny emphasised that links between Irish history and China are important to nurture, such as links between Irish castles and China, for example. Experiences like visiting the quaint towns and villages of Ireland, such as Adare, are unique to Ireland and very popular. While many may feel that language would act as a barrier for Chinese tourists, only 17% of tourists reported that language challenges acted as a barrier.

Mr. Kenny mentioned simple ways that those in the hospitality industry can welcome Chinese travellers. Firstly, Mr. Kenny said that having hot water available for Chinese tourists so that they can make super noodles is important. This would apply in hotel rooms, airport waiting areas and so forth. Similarly, including signage in Chinese would be a significant step, following in the footsteps of Dublin Airport who have implemented signage in the Chinese language, as well as in Irish and in English. Mr. Kenny finally mentioned that having disposable slippers in hotel rooms is a warm and welcoming touch as the Chinese market are fond of these, and emphasised the importance of learning a few simple phrases in the Chinese language which would allow us to welcome Chinese tourists in their own native language.

Emerging trends

Trends across the hospitality and tourism sector were discussed by a number of speakers at Let's Talk Tourism 2018. Firstly, Elizabeth Crabill, CEO of CIE Tours International, spoke about the trends across the tour group sector, explaining that the market grew 12.4% in 2018 overall. The Irish market grew by 14%. This market growth is due to higher prices, not just more people. Ms. Crabill emphasised the need to focus on passenger numbers. She discussed that there is increased demand for custom tours and private driver tours. The demographics of the tour market have remained the same across the last decade, in terms of gender, age and regional provenance. However, what has changed is that the North American customer is now pursuing a more authentic, exclusive experience. For example, there's a preference for local tour guides to give authentic local experiences. They will also pay for learning experiences, and prioritise having novel experiences over holidays that facilitate rest and relaxation. In addition, Ms. Crabill noted the importance of creating experiences for the repeat traveller, asserting that this North American traveller is inclined to make a repeat visit.

Mark Henry, Central Marketing Director at Tourism Ireland, discussed the growth in the current tourism market, reflecting that tourism has doubled since 1990 and is set to double again. Due to the increased life expectancy internationally, people are living longer and also have more opportunities to engage in travel. Mr Henry proposed that there will be one billion more people every 10 years but the birth rate is, in fact, slowing. The rate of child mortality is increasing, people are more educated and people can afford to travel now more than ever before, as they have never been so affluent. Since September 2018, half of the world can be categorised as middle-class, and two thirds of the world will be considered middle-class in twelve years' time. China poses a market opportunity, as extreme poverty has now been eliminated there and there are more tourists than ever before from there. In contrast to all of the positive tourism trends, Mr. Henry acknowledged that advanced economies are going to grow less or lag a small bit. However, Mr. Henry suggested that this isn't a bad thing as we need to reconcile growth with climate change commitments. Aviation CO2 emissions pose a challenge that needs to be monitored given the current state of the environment. Mr. Henry suggests that strategies for over-tourism should rectify this.

Brexit

One of the biggest challenges facing the Irish tourism industry at the moment is Brexit. At the time of Let's Talk Tourism, the industry was shrouded with uncertainty surrounding the Brexit deal with the European Union. The implications of Brexit are already starting to show, with visitor numbers from the United Kingdom down again this year. Ireland's economy is very dependent on the UK and the 16% drop in value of sterling since Brexit happened is the main issue affecting us. Eoghan O'Mara Walsh of ITIC believes that had Ireland built other markets during the boom and the recession, Brexit wouldn't be as much of a problem.

The issue of the Border between the North and South was also heavily discussed at this year's forum, the uncertainty of the Brexit deal was a worry from all sides. The idea of a hard border was deemed to be intimidating and discouraging for tourists who wished to travel from North to South and vice versa. It was noted by Judith Owens, CEO of Titanic Belfast, that 50% clients come from outside Northern Ireland, and 20% of business comes from the Republic of Ireland. Regarding this issue, journalist Eoghan Corry stressed the importance of the common travel visa for the UK and Ireland. Despite the stress, Brexit is putting on

Northern Ireland's economy, it was noted multiple times that the North has been through far worse than Brexit in the past.

The airline industry was also concerned as there are 160 flights daily between Ireland and the UK, and the question of Aviation has not shown up in any major documents, according to Eoghan O'Mara Walsh. However, despite the uncertainty and negative implications, Brexit could be short term pain but long term gain for Ireland. As pointed out by Eoghan O'Mara Walsh, lots of overseas workers in the UK are worried about jobs and may choose to come to Ireland for work, thus increasing the workforce in the tourism industry.

Sustainable Growth

Sustainability was widely discussed at this year's forum. Tourism figures in Ireland are phenomenal at the moment but it can't continue to grow at this rate. The need to invest in pinch points and increase new destinations, according to Mark Henry. According to Eoghan O'Mara Walsh, tourism in Dublin grew by 30%, yet beds fell by 8%. 11,000 new bedrooms will be needed by 2025 to keep on top of demand. The jump in the VAT rate was also a massive blow for the industry, making trading conditions harder. Coupled with the challenge if Brexit, businesses have asked for 12 months to get over Brexit before implementing this.

For the Irish tourism industry, regionality and seasonality are key mechanisms to work on, according to Paul Kelly, CEO of Fáilte Ireland. Regional experience brands such as the Wild Atlantic Way have been a massive success, so much so that a new brand aimed at corporate tourists has been launched called "Meet in Ireland", which is a great way of boosting the industry off-season. In terms of seasonality, a smaller number of tourists are needed in the Summer months to keep the industry sustainable. Mr. Kelly stated that small changes make a huge difference and suggested off season itineraries for Tour operators, more investment in Festivals for the shoulder season and an increased focus on visitor experiences.

During a panel discussion, Miriam Kennedy, head of the Wild Atlantic Way stressed the difference between visitor capacity and visitor management, stating that most of the time places that feel overwhelmed have an issue with visitor management rather than capacity, places such as the Cliffs of Moher, the Burren and Sleat head being mentioned as examples. Again, increasing the season into Autumn was mentioned as a possible remedy, as well

putting interventions in place and developing a group of visitor experiences that are visible to them before they make their trip.

In terms of the Environment, it was stressed to the audience that environmental impact assessments are being carried out regularly along the Wild Atlantic Way by both Paul Kelly and Miriam Kennedy of Fáilte Ireland. Travel Pól Ó Conghaile writer noted that Ireland is lagging when it comes to tackling climate change, however Miriam Kennedy stated that so far there has been no adverse effects on the environment as a result of the Wild Atlantic Way. It was pointed out by D. Cronin that coach tours to areas such as the Cliffs of Moher can be managed very well, and are far more sustainable than 33 small rental cars.

The rise in VAT from 9% to 13.5% came as a huge blow to the industry in October's budget. Minister Brendan Griffin stated that the 9% rate was only ever meant to be a temporary measure during the economic downturn, and it can be implemented again if needed. It will be difficult to get used to, but money was needed for health and housing.

Conclusion

Let's Talk Tourism 2018 was, once again, a rich and insightful forum. The main themes throughout the day were Brexit and its implications, Emerging trends, China a potential market and sustainable growth for Ireland. It will certainly be interesting to see how these themes play out over the next 12 months.

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