Northern Ireland Tourism

Priorities for Growth

October 2012

northernireland tourist board

Chapter 1

Introduction

Strategic Context

The draft Tourism Strategy for Northern Ireland to 2020 highlights the potential to grow tourism's contribution to the local economy to **£1 billion** by 2020, which is double the current contribution made by tourism to the economy. Additional targets include increasing visitor numbers to **4.5 million** and creating an additional **10,000 jobs** within the tourism sector by 2020. These figures represent a significant increase over the next 7 year period.

Interim targets have been set within the Programme for Government to grow visitor numbers to **4.2 million** and tourist revenue to **£676 million** by December 2014. These figures will be achieved by primarily growing the ROI and GB market share.

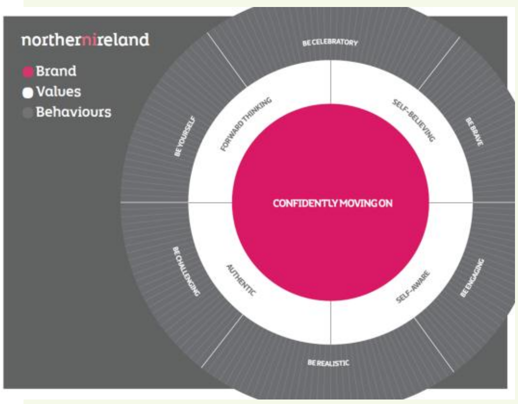
Achieving the Targets

Research has told us that visitors want to explore the unique and the unexpected. Travellers want and expect more from their time away. They do not want to simply see things; they want to be engaged and they want to immerse themselves while travelling.

The goal of the collective tourism industry is to ensure NI is the place where they can fulfil this desire. However, capturing the hearts and minds of visitors with new and engaging ways to discover and enjoy NI is our collective challenge.

In order for NI to grow our share of visitors in key markets and ultimately meet the ambitious targets, NI needs a competitive advantage that separates us from other destinations as we strive to convince short break takers that NI is the place, over and above our competitors, that will deliver what they want.

The Tourism Brand



Our tourism brand gives us competitive advantage. It tells potential visitors who we are, what we stand for, what we value and therefore helps us stand out from our competition. The tourism brand is collectively owned by everyone in the tourism industry. By working together, we can bring our brand vision to life, a vision that will make Northern Ireland the destination on everyone's wish list. Experiences sit at the heart of our brand. They help to bring it to life and create the motivation for travellers to visit NI.

Visitor Trends

The last few years has seen significant economic changes in the world and the circumstances that impact upon on how we plan and take our holidays and other travel experiences.

The recession has undoubtedly impacted upon our spending capacity for holidays. There is now a growing trend to holiday closer to home, maybe for a shorter duration with an increasing demand for value breaks.

This 'staycation' trend has meant that residents of the island of Ireland are rediscovering (or possibly discovering for the first time) what NI has to offer.

The number of domestic visitors has been growing in past years. However, while the number of visitors from the Republic of Ireland (ROI) has grown, it still accounts for a small proportion of all trips taken by ROI residents, thus there is huge potential that has yet to be fully exploited. The same is true for GB in terms of potential growth, where NI has a market share of only 0.3% .

Purpose of the Research

During 2011 and 2012 a number of key research projects were completed that were designed to provide NITB, Tourism Ireland Ltd (TI Ltd) and the wider tourism sector with greater knowledge of our visitors from the closer to home markets.

The research conducted in GB, NI and ROI was strategically designed to gather and explore the views and motivations of potential visitors in these markets regarding their propensity to holiday in NI.

To achieve these targets it is therefore important that the findings of this research are carefully considered and acted upon by NITB, TI Ltd and the tourism industry. This research will help NITB to focus on the delivery of its corporate commitments and its contribution to the wider tourism objectives as outlined in the 'Priorities for Action' document and in the Programme for Government.

Purpose of this Document

The Tourism Strategy is and will remain a government centric and DETI owned strategic document. The power of the document is mainly in its existence in that it indicates government's recognition of tourism as a sector that can deliver in rebalancing the NI economy. It signals a commitment and a desire on the part of government to help develop and grow tourism. An endorsed NI Executive strategy will provide a shared vision, framework and structure that will enable partners to work together in order to realise the ambitious targets set within.

It defines **what** will be delivered and establishes the ambition.

However there is a need for a framework that defines **how** to deliver the actions set out in the tourism strategy based on a shared understanding of NI tourism's key customers and their needs.

This document is designed to provide a high level overview of the key research findings and the implications for NITB and the wider tourism industry. The document seeks to:

(1) summarise the **best prospect segments** in each of the markets, i.e. those sets of visitors that are most likely to travel to NI in the short term
(2) outline the importance of positioning **'experiences'** when trying to connect with and motivate these segments to visit NI
(3) showcase NI's collection of '**signature experiences'** i.e. the key elements that give us the best opportunity for stand out.
(4) demonstrate the importance of a **segment based approach to communications** going forward.

Conclusions, recommendations and next steps are summarised in the final chapter.

Chapter 2 Northern Ireland in the Tourism Marketplace

2012 has been a year of unparalleled opportunity for tourism in NI. Perhaps for the first time in our history it is widely accepted that tourism is poised to become a key driver of our economy over the remainder of this decade.

Of course this has not happened by accident. It has taken many years of careful investment and planning to reach this point. The recent investment of over £300 million in our tourism product has helped to contribute to iconic attractions such as Titanic Belfast and the new Giant's Causeway Visitors Centre. The Irish Open Golf Championship, MTV and the Titanic Centenary Commemorations have provided opportunities to showcase NI to new global audiences. The MTV European Music Awards hosted in Belfast in November 2011, for example, attracted a global audience of 1.2 billion people.

While 2012 has been a signature year for tourism in NI, it is easy to forget the challenging economic conditions that are impacting the industry on a global scale.

Global Tourism Dynamics

The global tourism growth rate slowed during 2012 to between 3%-4%, which is a reduction in the 2011 figure of 4.4%. However, notwithstanding harsh economic conditions, this still represents a significantly positive indicator.

It is not surprising that government leaders from around the world have recognised, collectively for the first time, the importance of travel and tourism as a driver of jobs, growth and economic recovery. At the meeting of G20 world leaders, held in Mexico in June 2012 their declaration recognised, "the role of travel and tourism as a vehicle for job creation, economic growth and development." As one measure they committed to "work towards developing travel facilitation initiatives in support of job creation, quality work, poverty reduction and global growth."

Much of the global tourism industry's future success will be dependent on the expanding Chinese market. During 2011 the Chinese made a staggering 70 million international trips and it is predicted that China will overtake the US as the world's biggest business-travel spender within the next three years.[1] For the international travel industry this

[1] Mintel Travel Industry Monitor

requires the implementation of strategies that cater specifically for this burgeoning source market.

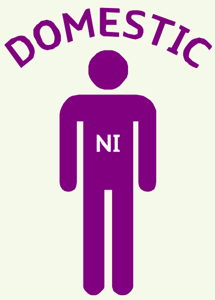
NI's opportunity to compete within the global tourism marketplace remains largely untapped. Over the next decade NI, via TI Ltd, will have to consider how best to improve access to the lucrative BRIC (Brazil, Russian, India and China) and Asian markets as emerging destinations compete for greater global market share.

However, the key markets for Northern Ireland that will drive growth in the short to medium term remain those on our doorstep, i.e. the GB market, ROI and domestic NI markets. It is therefore on these markets that we must focus our efforts.

NI Tourism Performance

The direct contribution of our tourism industry to the local NI economy is estimated at 2.1% or £539million. While an improvement on a decade ago, this is still a much lower figure than for the UK as a whole at 4%. This signifies a massive opportunity for growth over the coming decade. But the potential for growth is set against strong economic ill-winds. The Euro crises has the potential to off-set easy wins as falling disposable incomes creates difficult spending choices which will less readily include out-of-state vacations. The Northern Ireland tourism industry is not immune to these challenges and this is reflected in the visitor figures for the first half of 2012.

Accommodation statistics for the month of August suggest a late recovery. Average hotel room occupancy for August was 81% - an increase of 8% compared to August 2011. This is the highest room occupancy levels for hotels on record. Room occupancy for guesthouses and B&Bs also showed an increase of 4%.



Domestic Market

Since 2009, the domestic market has been growing in size and importance. Total holiday spend for domestic tourism has increased by 37% (+£21m) for the period January-June 2012, when compared to the same period in 2011, despite the fact that holiday trips showed no growth. The hard work to develop and promote the product offering in NI is producing encouraging results in terms of domestic spend. During January – July NI residents took an estimated 4.3m leisure day trips which represents an increase of 13% on January – July 2011. However, the fact remains that total overnight trips within NI showed a decline of 1% for the same period in 2011. It is worth remembering that June was the wettest on record and figures show that trips abroad by UK residents increased by 9% in June, possibly reflecting a sudden impulse to warmer climes.

Great Britain and Overseas

The downward trend in performance in GB began in 2005 when NI lost 100,000 visitors from this key market and the direct and 'via' figures from January - June 2012 show a continuation of the systemic decline. During January - June 2012 as estimated 594,000 GB and overseas visitors stayed at least one night in NI – a fall of 13% on the first half of 2011, while overseas spend fell by 10% on the year. Decline in trips was largely driven by the GB market (-17%). The fall in direct GB/overseas visitors was driven largely by the VFR trips, although holidays also declined. While 'direct' visitors fell in the first half of the year, the decline in GB and overseas visitors was largely driven by those who came via the RoI. There was a nominal growth of 1% in North American visitors.

ROI Market

The ROI market has experienced significant growth since 2000; ROI trips have more than doubled (driven by increases in holiday trips) while spend quadrupled. Due to changes in methodology introduced by the CSO we cannot directly compare ROI figures from 2010 onwards with figures pre 2010. However, between 2005 and 2009, ROI overnight trips to NI increased by three quarters (+204,000) to reach almost half a million in 2009. Holiday trips jumped from 81,000 in 2005 to 212,000 in 2009 (+162%). Nights grew by two thirds to 1.3m in 2009 while spend more than doubled during this period, reaching £66m in 2009.

Figures received to date from the Republic of Ireland show that RoI residents took fewer trips in NI in 2011 as compared with 2010. However, the average length of stay increased.

ni2012 'Our Time, Our Place' – a game changing year.

ni2012 Our Time, Our Place was designed to send out a message that Northern Ireland had changed. The unique set of circumstances provided an opportunity to increase tourism, to change global perceptions foster and to build civic pride. It also provided a platform to reposition Northern Ireland not only as a positive place to visit, but as a great place to live, work, study and invest in.

The success of **ni2012 'Our Time, Our Place'** and the various 'tier one' events, appear to have strengthened civic pride and to have had a positive impact on NI's reputation as a destination for tourists. In the extensive surveys conducted after each of the tier one events, an average of over 95% of the NI residents interviewed felt that the event made them feel more proud to showcase NI to visiting friends and relatives. An even higher percentage (96%) felt that the tier one events improved NI's reputation as a destination of choice for tourists.

Many of the events were supported by sell out crowds, such as the Irish Open with over 130,000 spectators in attendance, over 7,000 at the BBC Proms in the Park and over 27,000 at the Titanic lightshow. These events portrayed a positive imagine of Belfast nationally and internationally and the full value of these and other tier one events may only be fully recognised in the years ahead.

2012 has also given the tourism industry and NI a new sense of confidence and from here we must build. 2012 demonstrated that the tourism infrastructure for our visitors is in place and working well. We demonstrated that we can do big events from MTV to the Irish Open and we can do them very well.

In delivering these events we've shown partners we can work together, from government departments and local authorities to commercial organisations and volunteers, we can pull together and achieve when it counts.

Through ni2012 Our Time, Our Place tourism has created a brand identity for NI that has achieved wide buy in across the private and public sector.

It has paved the way in terms of changing perceptions and repositioning NI not just as somewhere to visit, but as a positive place to live, work, learn and invest.

It has also repositioned tourism within the economy recognising its role as a shop window for the destination and as a stimulus for wider economic growth.

It is important to build on the exposure generated by ni2012 Our Time, Our Place and to carry the positive momentum and partnership ethos into 2013 and beyond.

Chapter 3

Best Prospect Segments

Overview

The focus of the research has been about understanding the needs and motivations of our visitors in GB, NI and ROI and how they decide between one short break destination and another.

Best practice shows had the leading destinations focus their efforts on a well defined group of visitors within key markets i.e. key segments.

The research has been segmentation driven designed to profile groups of visitors or 'segments' who share the same or very similar criteria.

We will now consider each of the three markets in turn and the 'best prospect' segments within each.

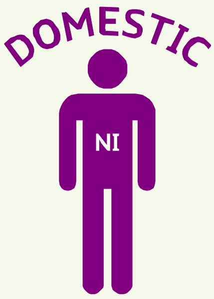
On the basis of extensive research, a total of 8 segments were profiled in NI, 8 in ROI and 7 in GB.

However, NI needs to focus on immediate growth opportunities and therefore prioritise segments on the basis of 'warmth' to NI, segment size and growth potential and the ability for NI to meet their individual motivations by offering the experiences they want.

For the purposes of this document only key segments are detailed. However, full details of all the segments groups will be made available to the industry should they decide to target other groups directly.

Three segments have been prioritised in GB, three in NI and four in ROI (of which three are similar to NI) for national marketing and product development purposes.

The Northern Ireland Market (Domestic)



Market Overview

84% of NI residents took a short break in 2011. With an average of 2.6 breaks taken per person, this equates to over 3.5milion short breaks taken by the NI adult population. Nearly half of the population took a short break in NI (*this needs cross referenced with official stats*). The ROI is a strong competitor for short breaks (41%) and England comes a close third (32%).

Whilst the 'staycation' is primarily motivated by financial considerations, the ease of organizing a short break at home and the lack of hassle compared to travelling abroad are also compelling reasons. 1 in 5 taking a short break see NI as a more attractive proposition with more happening that would have been the case 3 years ago. The impact of the economic environment is also evident in that two thirds now spend more time looking for special offers than they used to.

Motivations

Short breaks are most often triggered by a celebratory event, a birthday, anniversary or other special occasion. Taking time out to spend with the family or escaping to take a break away from daily pressures are the other key triggers, the latter being much more influential in leveraging impulsive breaks.

However, three motivators dominate the choice for a short break,

1. Somewhere that would allow for quality time to be spent as a couple for relaxation;
2. Escaping and chilling out;
3. For quality time to be spent with family.

NI short break takers also want to stay in good quality accommodation and to indulge and reward themselves. Although not central to the short break, those who chose to stay in NI are slightly more likely to chose a location where they can admire the scenery and natural beauty. It is with regards to delivery of a location where the scenery and natural beauty can be admired that NI excels.

Strengths and Weaknesses

NI is perceived highly as a destination where tourist sights and attractions can be explored, the natural environment and beaches and coastline can be admired and where a particular attraction can be visited.

NI is perceived weaker as a destination that has attractions or facilities for families with children of all ages to visit, availability of award winning restaurants, a place with buildings and architecture to admire and inspire, and a place with a great range of shopping and particularly good nightlife to enjoy.

In a similar vein, an ideal short break is one that could be best described as relaxing, welcoming, fun, memorable and safe. In terms of the desire for somewhere meeting these descriptions NI is reasonably highly rated although it does fall somewhat short of the ideal. In comparison to the ideal NI is more likely to be perceived as traditional, familiar and becoming more popular amongst its own residents. Those who have actually taken a short break in NI are generally more positive in their description of NI, particularly on those that are most associated with the ideal (relaxing, safe, fun, welcoming and memorable).

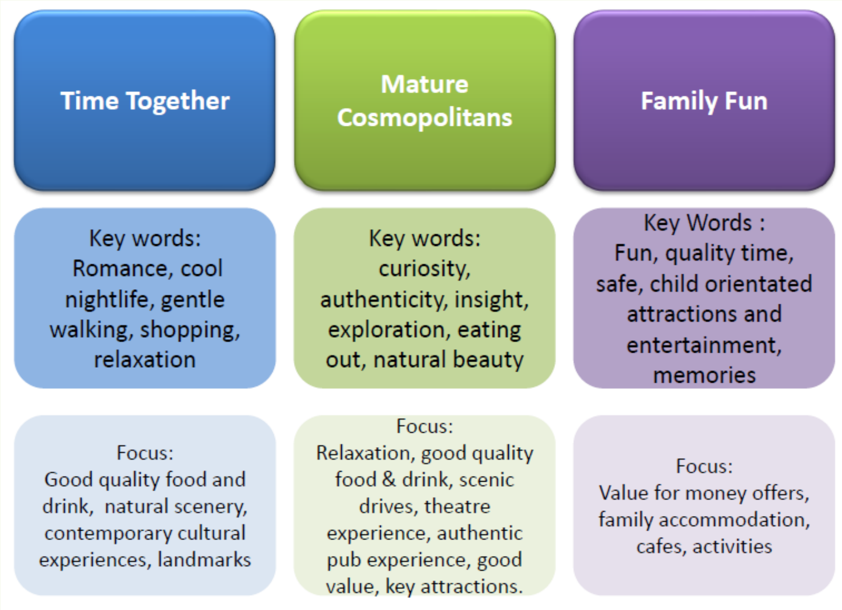
Competitive Environment

In terms of competition, while almost 4 in 10 are definitely intending to take a short break in Northern Ireland in the next two years, almost 3 in 10 intend to do so in the Republic of Ireland and more than 2 in 10 said they would definitely be taking a short break in England or a city break in Europe. Images of what the Republic of Ireland offers as a short break destination are very similar to the image of NI. In a sense this is also true of Scotland. England tends to be seen as more urban and exciting, whilst Wales is barely on the radar for short breaks. A short break in a European City is perceived in totally different terms to anywhere in the British Isles, being much more likely to be seen as exciting, adventurous and vibrant, such a short break is less likely to be described as welcoming, safe or relaxing, key ingredients for the ideal short break.

The Segments

Eight segments make up the NI short break market, full illustrations of these can be found at the appendices of this report. However three have been prioritized for marketing purposes on the basis of size, growth potential and ability for Northern Ireland to meet their individual motivations by offering experiences they want.

Figure 2 – NI Segments



Time Together

These are couples interested in romantic weekend breaks where they can spend quality time together either to celebrate a special occasion or to get away from the daily pressures. Although more interested in nightlife, they are less involved than other segments in attractions and activities. The key draw is a romantic venue with a large emphasis on relaxation. This segment has the opportunity to quadruple in size. They stay in high quality hotels and often dine in the hotel or other restaurant. The food offer needs to be very strong and they are tempted by special offers and deals and are more frequent viewers of daily deal sites such as Living Social or Groupon. Gaining more of their business will be about presenting them with irresistible offers of relaxing and romantic getaways with a strong food and nightlife offering that justify an overnight stay

Barriers to be aware of: This segment does like sunnier climates and perceives NI to be expensive. Perceptions of the choice of luxury hotels and the quality of service in hotels and restaurants could be stronger.

Mature Cosmopolitans

This is a large and important segment. They tend to be older, though not exclusively so. They are more frequent break takers who aspire to travel more and in today's economic climate are more likely to have the disposable income that allows them to do so. Nonetheless they are interested in good deals. They stay in the best hotels and are interested in fine dining, the theatre, scenic drives and genealogy. Most are taking a break with their partner or several couples together. As a segment their positive impressions of NI are very strongly proud. In order to attract more of their business they need to be made aware, largely through non-digital media, of the availability of high quality hotel break offers in romantic settings

Barriers to be aware of: Extent of choice regarding availability of luxury hotels.

Family Fun

Family Fun are families travelling with their children and interested in breaks that offer attractions that will keep their children amused whilst giving them an opportunity to relax. They are typically aged 35-44 and a little more likely to live in the West. Their principle focus in life is raising their family and if they can chill out at the same time all the better. Their breaks tend to be planned further in advance. They stay with family & friends or in 3 star hotels or self catering accommodation. Gaining more of their business requires destinations to spell out how their children's time can be occupied. For this segment happy children means relaxed parents and it is all about spelling out the family memories that can be created in NI destinations

Barriers to be aware of: Not convinced that NI delivers on having enough to occupy their children's interests and rates poorly on child centric activities and attractions.

The ROI Market

Market Overview

The incidence of taking a short break amongst ROI residents is virtually identical to NI, with 85% having taken a short break away from home in 2011. With an average of 2.72 short breaks per person this equates to almost 10 million short breaks taken by the ROI adult population (aged 16+). It is the under 35's and Dubliners who take the greatest number of short breaks.

The incidence of short break taking is even more strongly tied to socio-economic group in ROI. Last year 1 in 10 took a break in NI, with an average of 1.38 trips this equates to just over half a million short breaks to NI, thus NI takes only a 5% share of all short breaks taken by ROI residents.

Couples account for a high proportion of the short breaks market, almost 4 in 10 short breaks taken by ROI residents are couples. As is the case in NI, the non-couple short breaks are fairly equally distributed across families with young children, families with teenage children and groups of friends or those who travelled alone. NI does not attract couples from the ROI to the same degree and a higher proportion of those visiting NI are more likely to have travelled alone or been in the company of young friends.

As expected financial matters are high on the priority list for ROI residents, they are also focused on improving or looking after their health and spending more time with family and friends.

Despite the ongoing economic turmoil and strict austerity measures in the ROI, 3 in 10 seek to take as many breaks as they can afford with another 1 in 10 being prepared to cut back elsewhere to prioritise breaks away and a quarter seek to make sure they get at least one break during the year.

The 'staycation' whether for a longer or short breaks is stronger in the ROI than in NI.

Motivations

Short breaks are most often triggered by a celebratory event, a birthday, anniversary or other special occasion, followed by needing a break away from daily pressures, to spend time with family or by seeing a good deal. For those who had taken their break in NI, the trip was more likely to have been impulsive and to have been provoked by the need for a break from daily pressures, to spend time with family, to avail of a good deal or just to do something different. NI trips are less likely to be planned around a celebratory event.

Three motivators dominate the choice of a short break destination, the strongest and most prevalent need is to go somewhere that would allow for relaxation, escaping and chilling out, followed by somewhere for quality time to be spent with as a couple or with family.

In addition to these motivators, those who chose to stay in NI are slightly more likely to want a location where they could enjoy the buzz and cool nightlife and to stay in good quality accommodation.

Strengths and Weaknesses

Just as with residents in NI, it is in delivering a location where the scenery and natural beauty can be admired that Northern Ireland excels in the eyes of those from ROI. Though this is not as solid a strength as it is in NI. Northern Ireland is also relatively highly perceived as a destination where visitors from the ROI can:

- visit a particular attraction
- explore tourist attractions and sights
- stay in good quality accommodation

NI is rated less favourably as a location which has:

- attractions or facilities for families with children, of all ages, to visit
- somewhere that you could get involved in hobbies or sporting activities.
- somewhere to visit family or friends
- award winning restaurants
- somewhere with romantic places to stay with a partner

What defines the imagery of an ideal break parallels the views of NI residents in that the ideal break could be best described as relaxing, welcoming, fun, memorable and safe. Though falling short of the ideal NI is seen as welcoming, relaxing and memorable, a sizeable gap emerges on the dimension of safety and fun.

However, there is an emerging sense of dynamism with NI becoming more popular amongst ROI residents as a result.

The image of NI is generally much better amongst those who had taken a break in NI in 2011, particularly with regard to being seen as safe, modern, vibrant and cool. There is a recognition that NI is changing, growing and maturing and experiencing change and this creates a curiosity factor.

Competitive Environment

Amongst its own residents, Republic of Ireland has a much stronger image than NI, particularly in terms of being seen as safe, welcoming, familiar, fun and relaxing. As a destination England is slightly more likely to be rated as fun or exciting compared to NI. The imagery associated with Scotland is much more similar to that of NI, though the definite commitment to visit is at only half the level of NI.

A short break in a European City is perceived in totally different terms to anywhere in the British Isles, being much more likely to be seen as exciting, fascinating, fun and modern, though a European City break is less likely to tick the essential boxes of being welcoming, safe or relaxing, key ingredients for the ideal short break. However, low cost airlines and access make a European city break a viable.

Segments

Eight segments make up the ROI short break market. Five segments are the same for NI albeit that the motivations are slightly different.

Four 'best prospects' have been identified on the basis of size, opportunity for growth, ability to convert and good product fit.

In ROI, Time Together, Mature Cosmopolitans and Family Fun should also be prioritised for marketing purposes but the 'Young and Lively' segment also presents a good and immediate opportunity.

Figure 3 – ROI Segments

Time Together	Mature Cosmopolitans	Family Fun	Young & Lively
Key words: Romance, cool nightlife, gentle walking, shopping, relaxation	Key words: curiosity, authenticity, insight, exploration, eating out, natural beauty	Key Words : Fun, quality time, safe, child orientated attractions and entertainment, memories	Key Words: Entertainment, energy, social, urban, cool nightlife, the 'wow' factor
Focus: Good quality food and drink, natural scenery, contemporary cultural experiences, landmarks	Focus: Relaxation, good quality food & drink, scenic drives, theatre experience, authentic pub experience, good value, key attractions.	Focus: Value for money offers, family accommodation, cafes, activities	Focus: City experience, contemporary culture and music, festivals, events, the local scene, street animation

Young and Lively

These tend to be younger visitors interested in urban breaks taken often with friends. The key draw is the quality of nightlife and events, they are keen to have a good time. This is an important segment for short breaks in NI already but there is scope for considerable growth. Young & Lively place a lot of importance on taking breaks, they are interested in NI and the value of short breaks has the potential to more than double. Persuading them that their time will be packed with lots of exciting nightlife and good daytime shopping in a safe urban environment is key to securing more of their business.

Barriers to be aware of : Ability to fly somewhere more interesting (cheaply), safety and security, hassle of converting to sterling.

Time Together

These tend to be either younger or older couples interested in romantic breaks where they can spend quality time together but are also looking for a sense of the place they are visiting, appreciating the natural environment and or culture and architecture. The key draw is a romantic venue with quality accommodation. This is an important segment for short breaks in NI already but has the opportunity to treble in size. Time Together are typically celebrating an event (anniversary/ birthday) or taking a break from daily pressures. They stay in high quality rural hotels and often dine in the hotel. The key to securing more of their business is to make them aware of idyllic relaxing luxury country retreats offering inclusive packages.

Barriers to be aware of: Perceptions of the choice of luxury hotels and the quality of services in hotels, restaurants etc. could be stronger. The idea of romance needs dialed up.

Family Fun

Family Fun are families travelling with their children and interested in breaks that offer attractions that will keep their children amused whilst giving them an opportunity to relax. Their principle focus in life is raising their family and if they can chill out at the same time all the better. Their breaks tend to be planned further in advance. They stay with family & friends or in 3 star hotels or self catering accommodation. Key to securing more of their business is to reassure them of the safety of their children offering competitive rates and offering good quality family meal packages.

Barriers to be aware of: Less convinced that NI delivers on having enough to occupy their children's interest, particularly on a rainy Sunday and outside Belfast, perceived expense. Safety concerns is also an issue for this segment.

Mature Cosmopolitans

This is a large and important segment. They tend to be older, though not exclusively so. They are more frequent break takers who aspire to travel more and in today's economic climate are more likely to have the disposable income that allows them to do so. Nonetheless they are interested in good deals. They stay in the best hotels and are interested in fine dining, the theatre, scenic drives and genealogy. Most are taking a break with their partner or several couples together, In order to attract more of their business they need to be made aware, largely through non-digital media, of the availability of high quality hotel break offers in romantic settings.

Barriers to be aware of: Benign impression of NI, safety and hassle of converting to sterling.

The GB Market

Market Overview

Unfortunately, the island of Ireland has seen a drastic fall in the number of visitors from GB in the past five years, albeit that NI first experienced decline in 2005. The Tourism Recovery Taskforce – which includes Fáilte Ireland, the Irish Tourism Industry Confederation, NITB, TI Ltd and other industry representatives have carried out a detailed review and just launched a new strategy for attracting more British holidaymakers.

Recovering the losses of the past five years will be a challenging and lengthy process. The ***GB Path to Growth (2012)*** report however, outlines a clear way forward and direction on how to succeed in that goal. Regaining market share in GB will take consistent and concerted action across the tourism industry.

Competitive Set

Feedback from GB holidaymakers shows they perceive the island of Ireland primarily as a short-break destination, with an average stay of five nights. Scotland, the Lake District, Wales and Devon/Cornwall were identified as the island of Ireland's primary competitors for short-break holidays.

Of those who have holidayed on the island of Ireland, 39% visited for city breaks, primarily in Belfast and Dublin. GB domestic cities plus Berlin, Copenhagen, Barcelona, Prague and Amsterdam were identified as the main competitors for Belfast and Dublin.

Strengths and Weaknesses

The research also found that the island of Ireland was rated poorly by GB holidaymakers on many of their key holiday motivation factors. The island's strengths, as we might see them, do not always inspire these holidaymakers.

The primary barrier to converting potential GB holidaymakers into visitors to the island of Ireland is that there are simply other places they would rather go, and these destinations are seen as better meeting their needs and interests or being 'best in class'.

The challenge is therefore to catch up, compete with and ultimately beat NI's competitors in the GB domestic market by making these holidaymakers aware that NI can and does offer the experiences they want.

Understanding the NI Challenge

Although the strengths and weaknesses of NI and ROI are broadly similar, the key challenge in driving conversion for NI is different to that for the ROI. Firstly, there is limited awareness of NI tourism experiences in GB. Furthermore, and unfortunately for NI, the potential GB visitor sees it through a lens that can be harsh and unforgiving. The perception of NI for many was built up over years of seeing (and sometimes experiencing) constant negative imagery.

Safety and security remains an issue, particularly for potential holidaymakers aged over 35.

Another difficulty for NI is that it has not stood out enough within the communications. Many potential GB holidaymakers attribute key iconic attractions such as the Giant's Causeway to the ROI, for example.

To overcome the additional challenges faced by NI, NI requires a dedicated communications plan that both differentiates NI within the communications approach and places an increased focus on PR that features more positive stories about NI. In this way, it is possible to improve the picture of NI in the mind of the GB visitor, who builds up a composite picture of NI from various sources.

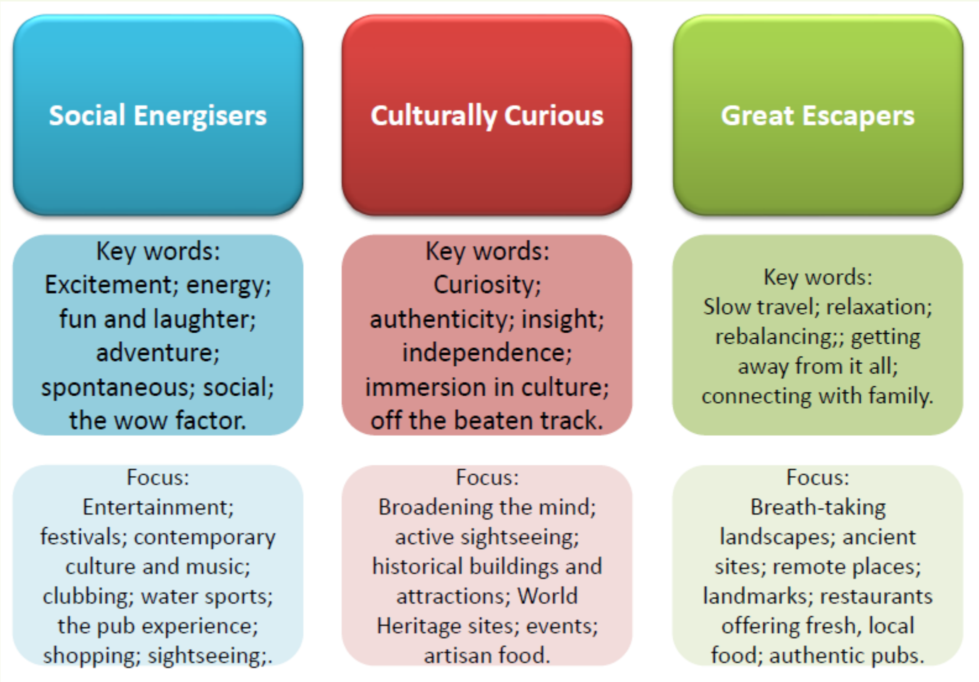
Focus on Key Segments

The research enabled NI to identify what makes a compelling destination for GB holidaymakers and therefore where to focus future effort. Among other factors, the best destinations focus on a well-defined group of potential visitors and offer them compelling experiences that deliver in line with their motivations.

As such, a new consumer segmentation model for the British market was devised.

As there is a need to focus on immediate growth opportunities, although seven segments were identified three segments emerged as 'best prospects' for 2013 and 2014 on the basis of 'warmth' to Ireland and ability to convert.

Figure 4 – The Key GB Segments



Social Energisers

This segment wants action-packed days as well as fun-filled nights and wants to be able to access both within a short time and with the minimum of hassle. NI needs to offer a combined focus on 'Extraordinary Days' and 'Happening Nights'. Belfast and Derry-Londonderry are key for this segment. NI should consider 'City Plus' experiences, which combine opportunities for adventure in the city and close by.

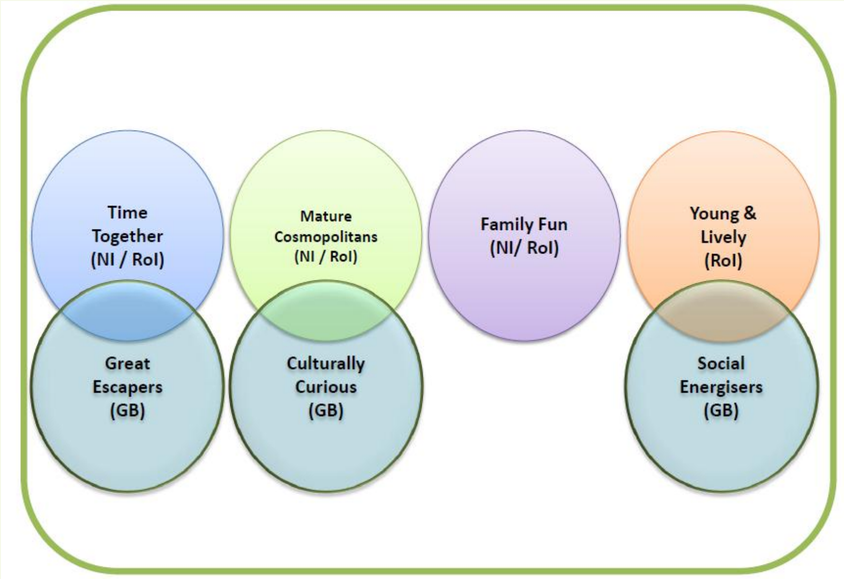
Culturally Curious

These holidaymakers want to immerse themselves in culture and discover it for themselves. NI can give them a rich set of experiences that bring NI's history and culture to life. They want to be able to 'do' a region or destination easily. This can be facilitated by marketing 'discovery centres' or 'epicentres' of products and experiences such as the Titanic, Giant's Causeway and Coastal Route and the Walled City of Derry. To appeal to this segment, there is a need to significantly improve the interpretation and animation of epicentres and heritage sites.

Great Escapers

Holidaymakers in this segment want to get away from the stress of a busy life and retreat to a relaxing rural environment. The experience offering needs to deliver very attractive and easily accessible experiences to this segment. NI must emphasise experiences which offer stunning immersive natural phenomena and architecture within a short distance. NI should also consider the geographical hubs that cluster together a range of integrated outdoor activities. This segment can also be attracted by the establishment of national parks or forests as centres of recreational activity, with trailheads offering amenities for various activities, along with maps, guides, food and drink, and secure parking.

Figure 5 – Summary of all NI segments **(Overleaf)**


Time
Together
(NI / RoI)
Mature
Cosmopolitans
(NI / RoI)
Family Fun
(NI/ RoI)
Young &
Lively
(RoI)
Great
Escapers
(GB)
Culturally
Curious
(GB)
Social
Energisers
(GB)

Chapter 4

Connecting with Segments through Experiences

A tourism product is what you buy, a tourism experience is what you remember. (CTC)

A shift in focus

Developing the "right" product starts with knowing more about the "right" visitor. The segmentation research has highlighted the best prospect segments and revealed their needs and motivations.

Many tourism destinations, including NI have traditionally marketed themselves as a series of products e.g. hotel rooms, picturesque views, a location for generic activities such as museums, sports, dining out, etc. We have focused on the physical attributes of the landscape or the standalone infrastructure assets on offer.

The research has highlighted that to truly connect with the segments and ultimately grow market share, the focus needs to be on the emotions, feelings and sensations the visitors will have on their journey, the stories they will learn and the connections they will make.

Experience-based tourism represents a move away from promoting individual products to a more holistic approach to marketing NI. This requires a shift in focus from developing and marketing products to developing and marketing 'experiences'.

Experiential Tourism

Experiential tourism is the opposite of mass tourism that traditionally focused on package tours and vacations with low levels of personal involvement. Experiences must tap the hearts and minds of curious travellers, inviting them to connect with Northern Ireland's people, culture and geography through personal exploration.

Experiential tourism promotes activities that encourage the visitor to actively participate in cultural and community interaction. In this sense it is very personal and individual. The experience includes, among other aspects, the people they meet, the places they visit, the accommodations where they stay, activities participated in and the memories created while on holiday.

The challenge is therefore to connect our physical assets with the emotional interactions that travellers want to experience.

Partnership and collaboration is key

Exceptional visitor experiences go beyond the time visitors spend in any single attraction or location. Planning and delivering exceptional visitor experiences requires considering the entire visitor journey from the visitor's perspective, from the moment they think about travelling until they are sharing stories, photos and videos at home or online.

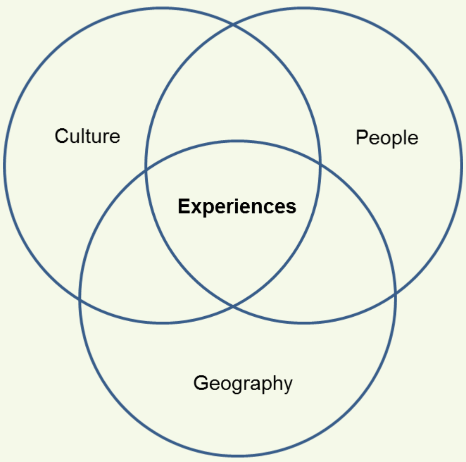
This will require the tourism industry to work much more closely together to offer the visitor an end to end or holistic experience that meets the individual needs of each segment.

Only products that are unique, authentic and that encourage interaction could be described as experiential. This experiential approach is firmly embedded in other world-class destinations and most importantly is the bedrock of the NI tourism brand.

Best Practice

A good example of this approach can be found in Canada. The Canadian Tourism Commission has created the Signature Experiences Collection – a collection of once-in-a-lifetime travel experiences that are rarely found anywhere else on the planet and that can be considered as truly Canadian. These experience comprise, culture, people and geography.

Figure 6 – Experience Tourism Components



Source: Canadian Tourism Commission, *Experiences - A toolkit for partners of the CTC*

The key principles of experienced-based tourism.

1. The experience must be globally unique

Certain product offerings are matched in many locations across the world. Such offerings, which may include for example, beaches, waterparks, shopping centres, cater to a mass market and do not offer specific standout or differentiation. Experience tourism is concerned with identifying the uniqueness of an area – what makes that area different to others – and packaging a range of offerings that can only be found in that specific location.

Form a NI perspective we have a unique and stunning natural package of coasts, beaches and mountains combined with a unique history, which includes the Titanic connection. This is matched by 'uniqueness in scale' which enables the visitor to connect with so many offerings within a short timeframe. This provides the opportunity to package a range and depth of experiences that are unique to NI and which cannot be mirrored by many other locations – if any.

2. The experience must be authentically local

While the best experience-based packages are globally unique and can be considered as 'best in class' it is often authentic local experiences that provide the global uniqueness and stand-out. Small-scale local experiences should be considered as important to the overall experience package as larger scale products that may have greater national recognition.

3. The experience must be interactive

Experiences by definition are not passive. The world's best experience-based tourism is interactive. Visitors want to enliven their senses and to smell, touch, hear and see something that they can't experience elsewhere. This will make the experience a truly memorable occasion. The more memorable the experience, the greater potential for future repeat business.

Implications for NI

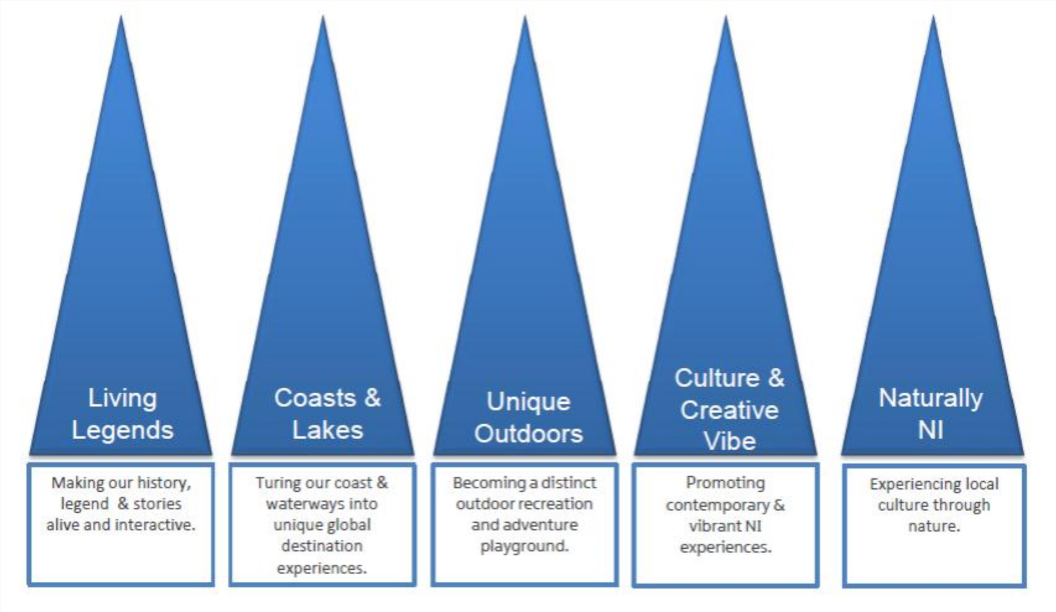
Within NI a strong foundation for the development of experiential tourism is already in place. Many products which could be developed into experiences have already been explored by NITB, and the demand for these has been well established.

NITB has undertaken research to consider our own best-in-class opportunities for experience based tourism.

NI's signature experience collection is made up of five key 'Experience Pillars' for the leisure break market in Northern Ireland

These pillars represent categories that group together NI's best experience based opportunities.

Figure 7 – NI's Unique Leisure Experience Opportunities



Chapter 5 Developing Experiences

Bringing the NI Tourism Brand to life

Experiences sit at the heart of the NI tourism brand, ***the mission of which is "to create the new NI experience and get it on everyone's wish list".***

NI has lots of unique stories to celebrate, beautiful scenery, living history and interesting characters. We want visitors to 'uncover our stories' and 'experience our awakening'.

It is therefore important that the brand ethos underpins the experience development strategy going forward.

From Signature Projects to Signature Experiences

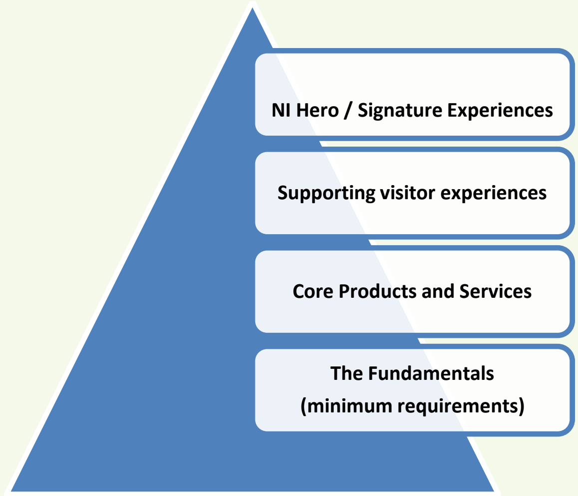
Significant investment of over £300million has already been made in tourism product within Northern Ireland over the past 5 years. The focus of this investment has resulted in 5 key "Signature Projects". These tourism projects represent all that is unique to NI and therefore can give Northern Ireland the opportunity to gain global competitive standout and positioning.

NI now needs to build its inventory of visitor experiences that will support the signature projects and best exemplify our tourism brand i.e. those experiences that will capture the attention and imagination of consumers to entice them to visit NI now.

The Experience Development Plan

Future Experience development must work at 4 levels across each of the 5 experience themes identified:

Figure 9 – Experience Development Pillar

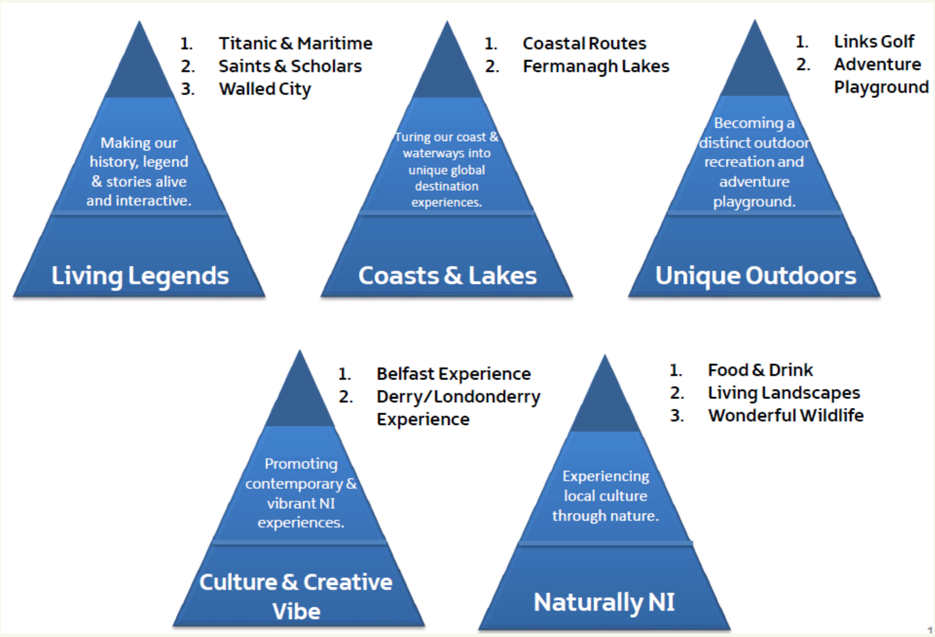


Level 1: Hero / Signature Experiences

At this level , there is a need to create and develop a few distinctive, authentic and best in class 'signature' or 'hero' experiences aligned to the defined experiential pillars that meet the motivations of the key segments

Experiences will focus in on the emotions, feelings and sensations the visitors will have on their journey; the stories they will learn and the connections they will make. Experiences will tap the hearts and minds of the visitors, inviting them to connect with NI's people, culture and geography through personal exploration.

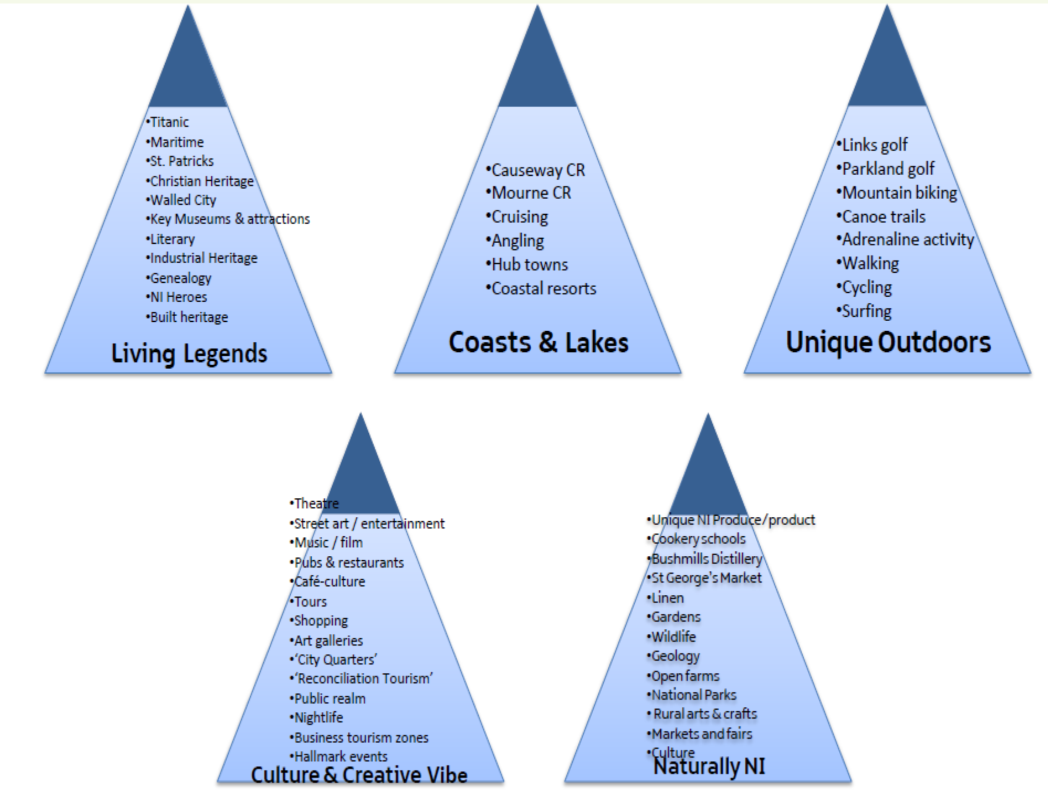
Figure 10 – NI's Level 1 Signature Experiences



Level 2 : Supporting Experiences

At this level, it is important to develop supporting experiences that give breadth and depth to the signature experiences that meet the motivations of the key segments. It is important that supporting experiences are clustered, packaged and bundled for ease of access and purchase.

Figure 11 – Level 2, NI Supporting Experiences



Level 3: Development of Core Products & Services

Further development of core products, goods and services are required at this level to support the wider NI tourism experience. Continued development and management of destination plans should support the total end to end tourism experience, therefore collaboration and partnership will be essential to success.

Level 4: Delivering the Fundamentals

Getting the basics right in terms of the delivery of the overall visitor experience is key because it is at this level that the quality of the visitor experience can be significantly affected, positively or negatively. Efforts at this level should build on the 'Visitor Inspired' blueprint that has already been adopted by the industry. Being 'Visitor Inspired' is about listening to our visitors and placing their needs at the heart of our every action.

Chapter 6

Communications

Understanding the Communications Challenge

In developing communications it is important to consider where the consumer is within the purchase funnel.

Within the NI market the tipping point of awareness has been reached and the job has moved more towards activation and driving audiences to book. Thus the focus is shifting to direct response media and opportunities to develop data capture.

In the ROI market, NI is very much the challenger brand, there is still a disconnect with the ROI population and awareness and education are vitally important roles for the communications and marketing strategy. In this regard above the line advertising is important, which should be complimented with a digital and below the line campaign which develops two way communications.

Within the GB market, to overcome the significant challenges faced by NI as outlined above, NI requires a dedicated communications plan. This needs to both differentiate NI within the communications approach and place an increased focus on positive messages and stories about NI. The key objective should be to improve the picture of NI in the mind of the GB visitor so that NI becomes part of their consideration set.

Segment Focused Communications

All communications should be consumer centric.

Understanding the key customer segments and how to connect to them is extremely important. Consumers must be sold experiences that motivate them, in a way which captures their imagination and through channels which need to engage them. Different consumer segments will be motivated by different experiences and different marketing messages and each segment will be reached through different channels.

Within the ROI and NI market this isn't a new concept to NITB. We have been undertaking segmentation marketing for several years. However this is a new approach within GB and TIL have confirmed they are developing a new tailored communications strategy with specific and sharper focus, which will result in a more tailored approach by each of the GB segments.

GB Market

Within the GB market for both Social Energisers and the Culturally Curious, broadcast (TV, outdoor and cinema) can be important, although in a much more focused and narrowcast way than before. Digital and social channels will be key for Social Energisers, whilst press partnership and sponsorship will play an important role for the Culturally Curious. For the Great Escapers, word of mouth, social media and online activity will be important. They may also be reached through some of the advertising aimed at the Culturally Curious. Use of PR and publicity will also be critical for this group.

ROI Market

Within the ROI market, for the Mature Cosmopolitans and Time Together, TV is important particularly local channels and programming, although they watch different styles of programmes. Digital and Social channels will be key for the Young and Lively, whilst press and radio partnerships and sponsorships will play a key role for all four segments, although again for different papers and stations, radio is particularly important for the Family segment. Although Mature Cosmopolitans are less digitally connected than other segments, deal sites such as Groupon are important for all segments.

NI Market

Within the NI market TV is important for all three segments, particularly local TV, although they watch a different style of programme. Radio and local press are also important, although again they listen to and read different papers/stations. Time together are more inclined that the other two segments to use smart phones and are also heavy users of daily deal sites, as too are Families and Mature Cosmopolitans.

Channel Principles

The communication plan for each segment needs to focus on reaching consumers where they are most likely to be and engaging with them in ways that should drive conversion. Content will also need to be tailored for each segment, with relevant information and prompts to action based on that particular segment's passions. Interaction on social media will also need to connect with those passions and all channels, both above and below the line, need to integrate to deepen engagement with the specific segments.

These are the principles under which NITB develops and delivers its ROI and NI Marketing and Communications Strategy. The strategy is segment led and the communication channels are chosen based on the audience profile through a totally integrated and consumer driven approach. TIL are developing a new communications plan for each of their new GB segments which will focus on reaching and communicating with them.

Consumer Segments	Market	What they are looking for	Communication Channels
Social Energisers	GB	Action packed days as well as fun-filled nights	TV, Video on Demand, Cinema, Radio and Social
Curiously Cultural	GB	Want to discover culture for themselves	Press, TV, Radio and Outdoor
Great Escapers	GB	Want to immerse themselves in nature	No direct advertising to this segment. PR, and Social.
Time Together	ROI & NI	Interested in romantic breaks and spending quality time as a couple	Local TV and radio, press, web and Social
Family Fun	ROI & NI	Interested in breaks that will keep their children amused whilst giving them an opportunity to relax	Local radio, TV, Press and Social
Mature Cosmopolitans	ROI & NI	Aspire to travel more and have the time and money to do so but are looking for good deals	Local TV, sky sports, Press, Radio.
Young & Lively	ROI	Interested in urban breaks often taken with friends	Digital TV, music radio, web, Digital and Social

Conclusions and Recommendations

1. **Focus on Best Prospects**

The research has profiled a well-defined group of potential visitors within the 3 key markets of NI, ROI and GB. There is a need to focus on immediate growth opportunities to ensure we meet our targets. Best prospect segments have been identified.

2. **Be 'Experience' Led rather than 'product' led in order to connect with the segments**

The research has highlighted that to truly connect with the segments and ultimately grow market share, the focus needs to be on the emotions, feelings and sensations the visitors will have on their journey, the stories they will learn and the connections they will make. Experience-based tourism represents a move away from promoting individual products to a more holistic approach to marketing NI. This requires a shift in focus from developing and marketing products to developing and marketing 'experiences'.

3. **Build an inventory of compelling 'hero' and 'supporting' experiences**

It is important to create and promote 'hero' or iconic experiences that can only be found in NI, those that give us stand out against our competitors. These must be supported with an inventory of secondary experiences which will match the core motivations of the target segments. These should be clustered together to make it easy for holidaymakers to access.

4. **Use the NI Tourism Brand to drive competitiveness**

In order for NI to grow our share of visitors in key markets and ultimately meet the ambitious targets, NI needs a competitive advantage that separates us from other destinations as we strive to convince short break takers that NI offers what they are looking for. Our tourism brand gives us differentiation. It tells potential visitors who we are, what we stand for, what we value and therefore helps us stand out from our competition.

5. **Partnership and Collaboration is key to success**

Stakeholder collaboration across each experience area will be key. Pulling together in partnership, in the same directions will ensure greater returns on the marketing and product development effort.

6. Adopt a segmented approach to communications

All communications should be consumer centric. We now understand the key customer segments and how best to connect with them. Consumers must be sold experiences that motivate them, in a way which captures their imagination and through channels which need to engage them.

Next Steps

NITB's advertising agency is currently testing the relevance, resonance and appeal of the experiences identified with each of the priority segments.

It is important to confirm which of the experience pillars identified are most relevant and motivating for each of the priority segments.

It is also important to test the best performing experiences within each pillar in terms of appeal and ability to change behaviour and perceptions of NI as a holiday destination.

This will assist in the development of NITB's new advertising creative for NI and ROI promotional campaigns.

It will also inform the detail of each of the experience development plans going forward.