



Ireland: MARKET FOR U.S. TRAVEL AND TOURISM SERVICES

Summary

Over the last ten years, Ireland has become the second fastest growing market for arrivals to the United States behind India and ahead of China. This is an amazing statistic for a country with a population of just over 4 million people. While neighboring European countries have struggled to increase their number of visitors to the U.S. year-on-year, Ireland has consistently recorded above average growth translating into a total increase of 102% since 1996.

Market development and growth has been driven by phenomenal economic success, the development of the Irish consumer into a more sophisticated and educated traveler, an increase in airline capacity and access, and in the variety of vacation options available through specialist tour operators and on the Internet.

With Irish travel to the U.S. up 10% in 2007, the market outlook is positive with industry experts anticipating steady growth over the next five years. It is expected that an increase in demand will be met by increased airline capacity and the provision of an increasingly diverse range of vacation options and services provided by local tour operators. As the market matures, American travel and tourism entities are expected to increasingly focus on the Irish market by conducting customized marketing programs as they look to tap into this leading growth market.

Market Demand

The expansion in demand for U.S. travel and tourism services can be attributed to a number of key factors including:

- Increased disposable income fueled by the maturation of the Irish government SSIA savings scheme, which released a total of \$20 billion into the Irish economy in 2007.
- Increase in the overall number of Irish traveling overseas for vacation/business purposes.
- Increase in holiday home ownership abroad.
- Increase in demand for ski and cruise holidays and more interest in destinations such as Las Vegas, Hawaii, New Mexico and Colorado.
- An increase in the number traveling from Northern Ireland to the U.S. via Dublin airport.
- Consistent proactive promotional activities by U.S. travel and tourism marketing entities.
- Active promotion of J1 visa program by the U.S. Embassy as supported by the United States Ambassador to Ireland, Thomas C. Foley.

The increase in demand for travel services to the U.S. is being met by increased airline capacity and direct access to new destinations. In 2007, the announcement of an Open Skies Agreement between Ireland and the U.S. resulted in the national carrier Aer Lingus launching a number of new direct services to U.S. destinations including San Francisco and Washington, DC. Additional new routes are due to come on stream with cities such as Pittsburgh and Miami being muted as likely destinations.

Currently major carriers Aer Lingus, American Airlines, Continental Airlines, Delta Air Lines and U.S. Airways operate direct flights to Atlanta, Boston, Chicago, Newark, New York, Los Angeles, Philadelphia, and most recently San Francisco and Washington DC. Additional airlines including British Airways, United Airlines, and Air France operate connecting flights between Ireland and the United States via other international hubs. This year also saw the launch of Flyglobespan services to New York and Boston while other airlines increased their capacity on existing routes. In line with this expansion of direct services, additional local tour operators began to offer dedicated specialist vacation packages to new destinations.

America, the United Kingdom, Spain and France continued to be the favorite destinations for Irish travelers with trips to South and Central America, Africa and Dubai on the increase. Self-packaging has become more popular. The on-line travel market is growing by 20 percent per year with the national carrier Aer Lingus recording 75 percent of their total bookings through their website.

Irish tourists no longer limit their vacations to the traditional two-week vacation in the summer. Multiple trips spread over the course of the year, with bookings being made well in advance are increasingly common. A typical holiday portfolio includes a winter's week of sun or skiing, two or three weekend breaks throughout the year and a summer holiday of 10 to 14 days or longer.

Market Data

The Irish market for U.S. travel and tourism services has grown 102 percent over the last ten years registering a record growth of 45 percent alone since 2000. In 2006, the number of non-U.S. citizen travelers to the United States from Ireland on direct routes increased by nearly 4 percent to 370,000, up from 357,000 in 2005. Industry experts estimate that a further 180,000 traveled via other international hubs establishing Ireland among the top 10 markets for International Visitor Arrivals to the United States. This is significant given that the population of Ireland is 4.2 million. Translating these statistics into a per capita basis, one in seven people traveled to the U.S. from Ireland in 2006 compared to one in 14 from the neighboring market of the United Kingdom.

While statistics are not yet available for 2007, early indicators suggest that the number of visitors is up 10 percent on 2006. The number of visitors from Ireland to the U.S. in 2007 is therefore expected to be in excess of 600,000 thus securing its position in the top 10 markets for international arrivals this year.

The Irish market for overseas travel in general has experienced phenomenal growth over the last six years with the number of Irish trips abroad increasing by 50 percent since 2001. Visits to family and friends are up 53 percent during the same time period and those taking business trips have increased by 23 percent. In 2006, domestic trips rose by 16 percent and international trips increased by 18 percent. The latter being supported by an 8 percent increase in direct flights from Ireland to the United States. The average length of stay for an Irish visitor to America is 14 days and daily visitor spending is approximately \$123.

Spurred on by the Irish ‘Celtic Tiger’ economy, the number of trips to holiday homes owned by the Irish abroad rose to 53,000 in 2006. In tandem with this, since 2001, the number of nights in own holiday homes abroad quadrupled to 2,369,000. The U.S. economy has benefited from this new trend in holiday home ownership as many Irish people have purchased properties in America, particularly in the state of Florida.

Best Prospects

Industry experts predict that with the maturation of the Irish holiday consumer market together with all of the above-mentioned contributory factors, the Irish market for U.S. travel and tourism services is expected to experience consistent and above average growth over the next few years. This growth will offer American destinations, attractions and travel service providers significant opportunities to tap into the strong level of demand for their services from a very buoyant Irish market.

Future expected trends in the Irish market for U.S. travel and tourism products and services include an increase in on-line booking, self-packaging and multiple stop vacations.

Best prospects include:

City breaks and shopping vacations.

Outdoor and adventure type vacations.

Sports related vacations including skiing, snowboarding, whitewater rafting, etc.

Cruise vacations.

Sun vacations supported by increased Irish foreign property ownership.

Key Suppliers

Airlines – direct services: Aer Lingus, American Airlines, Continental Airlines, Delta Air Lines, Flyglobespan, U.S. Airways.

Airlines - non-direct services: British Airways, Air France, United Airlines.

Specialist Irish-based Tour Operators include – American Holidays, CanAmerica, Sunway, Slattery’s Travel and Tour America.

Market Entry

Companies looking to market their travel and tourism products or services in the Irish market should be aware that the profile of the Irish tourist has changed considerably over the last number of years. A typical Irish tourist to the U.S. today can originate from a range of socio-demographic sectors, is highly knowledgeable about the U.S. market and exhibits highly sophisticated needs. As trends toward multiple vacations and multi-center vacations continue, travel providers rise to the challenge of meeting changing needs in the form of increased and more flexible choice. Tour operators specializing in the U.S. now offer everything from city-breaks to fly-drives to an increasing variety of diverse destinations.

The Visit USA Committee Ireland serves as a strategic marketing tool for tourism entities that wish to promote their destinations, attractions and services to the Irish consumer and travel trade. Established in 1989, it is one of the most active committees worldwide. With over 60 members, it provides access to a broad range of marketing and promotional channels including their website and quarterly newsletter that is distributed to hundreds of travel agents and tour operators countrywide. Other primary annual activities include a Trade Day, a Trade & Media Promotional Event at U.S. Ambassador's residence, a U.S.A. pavilion at Holiday World, other trade and consumer shows and an annual FAM Trip. The Committee also provides a year-round brochure service for trade and consumers.

Travel and tourism companies looking to enter the Irish market are advised to establish strong relationships with the travel trade and travel writers from the beginning. It is recommended that they avail of the many marketing and promotional opportunities on hand such as local trade shows, trade and consumer publications and websites and Visit USA Ireland promotional activities and training programs. Companies are also encouraged to facilitate trade and press familiarization trips and to lead customized sales missions to large cities such as Dublin, Cork, Galway and Limerick thereby reaching out to the trade across the country. More information on how to U.S. market travel and tourism services in Ireland can be obtained from the U.S. Commercial Service in Dublin.

Trade Events

Holiday World Experience, January 18-20, 2008, Belfast - www.holidayworldshow.com
Holiday World Experience, January 24-27, 2008, Dublin - www.holidayworldshow.com
Tour America Consumer Show, (date tbd), Dublin – www.touramerica.ie
Annual VUSA Trade/Press Event at U.S. Ambassador's Residence – www.visitusa.ie
VUSA Trade/Training Day, October 2007 – www.visitusa.ie

Resources

Visit USA Committee Ireland - www.visitusa.ie
Irish Travel Agents Association - www.itaa.ie

Publications/websites:

Irish Travel Trade News - www.irishtraveltradenews.com
Travel Extra - www.travelextra.ie
Travel Biz: www.travelbiz.gforgo.com

For More Information

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