An Investigation of Business Tourism Development: a Case Study of Wexford Town, Ireland

Gereva Hackett
Technological University Dublin, gereva.hackett@tudublin.ie

Detta Melia
Technological University Dublin, detta.melia@tudublin.ie

Paper Title:

An Investigation of Business Tourism Development: A Case Study of Wexford Town, Ireland

Detta M. Melia

Gereva Hackett

School of Hospitality Management and Tourism

Dublin Institute of Technology

Cathal Brugha Street

Dublin 1

Detta.melia@dit.ie

Gereva.hackett@dit.ie

Key Words: Business Tourism, Ireland, Wexford, Cases of Best Practice, Tourism Development Strategies.

Introduction and Strategic Context:

The challenging global economic recession continues to affect all business sectors around the world. Wexford town, like any other region is experiencing challenges in this environment. Uncertainly is impacting on bookings and travel. Included in this uncertainty is the fact that a return to recessionary times cannot be ruled out. However, it has been suggested that tourism is the only major sector of the Irish economy that can cheaply and quickly add to growth in the economy (ITIC, 2011; Failte Ireland, 2011; Davidson, 2011; Casey and O'Rourke, 2011). Wexford as a town has been underutilised in terms of its potential as an out-of-Dublin conference and business tourism destination. Business tourism is the high quality, high yield end of the tourism spectrum and tends to occur in the shoulder and off-peak tourism and leisure seasons (Wexford County Development Plan, 2011).
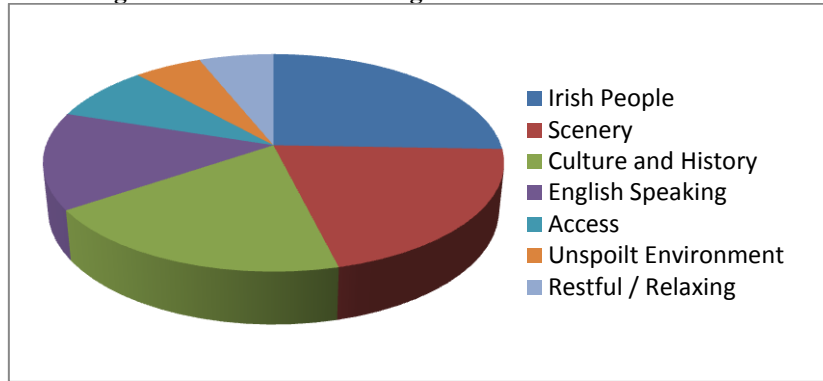
Issues of concern for Irish tourism businesses for the future indicate that rising fuel and energy costs is the biggest problem for the sector followed by the state of the global and national economies as presented in figure 1. Concerns have prompted the Irish Tourism Industry Confederation and the Irish Hotels Federation to put together a radical 10-point plan for urgent action (Failte Ireland, 2011; 2012).

Figure 1: Issues of Concern to Irish Tourism Businesses

- Fuel and Energy Cost
- State of the Global Economy
- State of the National Economy
- Low-Priced Competition
- Visitor Spending Less
- Perception of Poor Value

Source: *Failte Ireland (2011)*

On the positive side Failte Ireland (2012) reports that there are a number of factors that sets Ireland apart from other destinations. These include the friendliness of the Irish people, the scenery, culture and history and that the Irish are ranked as the top positive discriminator compared to other destinations. Figure 2 presents Ireland's advantages vis-a-vis other destinations.

Figure 2: Ireland's Advantages vis-à-vis other destinations

Legend:
- Irish People
- Scenery
- Culture and History
- English Speaking
- Access
- Unspoilt Environment
- Restful / Relaxing

Source: *Failte Ireland (2012)*

However, it would appear that Ireland spends more on promotional activities in attracting tourists to Ireland than any other country, indicating that Ireland has a higher marketing spend compared to mainstream EU countries and that there is very little correlation between this spend and increased numbers of international visitors. It would also appear that the centrally controlled model for marketing Ireland abroad is ineffective and should be replaced with locally-based tourism models used successfully in almost all other developed countries (Casey and O'Rourke, 2011).

Business tourism is a fast growing lucrative market segment and is a market segment that continues to grow despite the recession. Ireland as a whole is well positioned regarding value, individuality and a mid-range capacity for conferences and events. However, there are challenges for Ireland because of the over-supply of accommodation and other issues but potentially Ireland's conference and meeting business sector can compete favourably in terms of price competitiveness (Quinn and O'Leary, 2011; Sunday Business Post, 2011; ITIC, 2011).

The Irish market segments include Britain, Mainland Europe (mainly France, Germany and Belgium), and the USA with mainland Europe representing 63% of delegates, Britain representing 16%, North America 15%, the rest of the world at 4%, and Northern Ireland with a representation of 2% in 2011. The type of events that Ireland predominately attracts includes conferences, corporate meetings, trade fairs, incentive trips and concentive trips. Dublin dominates as a location. In terms of the association market segment, Ireland attracts 2.5% of this international segment with Dublin attracting 71%, the Shannon region hosting 12% and the South-East attracting 1% of this market providing scope for growth for Wexford town. There is a cautious optimism surrendering the meeting and events industry and growth, however, the key business segments are themselves experiencing a number of external forces that are impacting on their ability to participate (Failte Ireland, 2012).

The average spend per delegate is €786 with 43% allocated to Accommodation. Food and Beverage before or after the event attracts 12%, Food and Beverage during the event is 13%, Shopping is 12%, Transport in Ireland attracts 9%, Entertainment / Leisure Activities is 7% and other including gifts attracts 3%. The average spend breakdown has been consistent since 2009 (Failte Ireland, 2012).

The main segments of the conference and meeting market internationally include Corporate Conferences and Meetings, National Association Conferences, International Association

Conferences, Exhibitions, Incentive Travel, Corporate Events, Concentive Events, and Outdoor Events (Weber, 2000).

The key conference and event destinations by country are the USA which hosts 17% of the International Association Conference market, Germany 13%, Spain 10%, Italy 10%, United Kingdom 9.5%, France 9.5%, Brazil 8%, Japan 7%, China 7%, Austria 6.5% and Ireland 2.5% as presented in figure 3 (ICCA, 2010).

Figure 3: Association Meetings Market by Country 2010
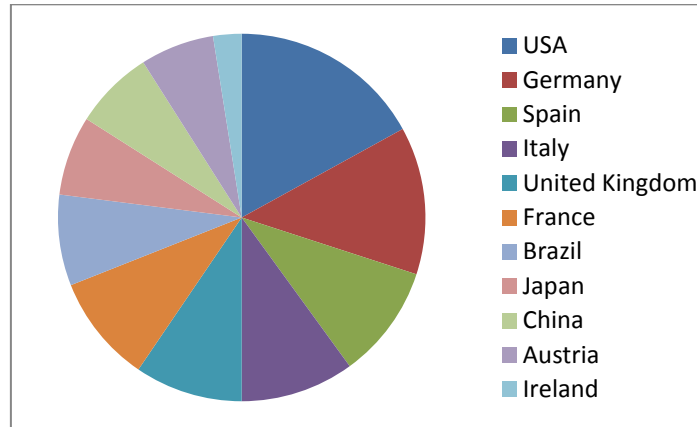
Source: *Adapted from ICCA (2010)*

The most popular cities in terms of association meetings segment are Vienna 12%, Barcelona 10%, Paris 9%, Berlin 9%, Singapore 8.5%, Copenhagen 7.5%, Stockholm 7.5%, Amsterdam 7%, Lisbon 7%, Beijing 7%, Dublin 4.5%, Edinburgh 3% and Glasgow 2% as presented in figure 4 (ICCA, 2010).

Figure 4: Association Meetings Market by City 2010
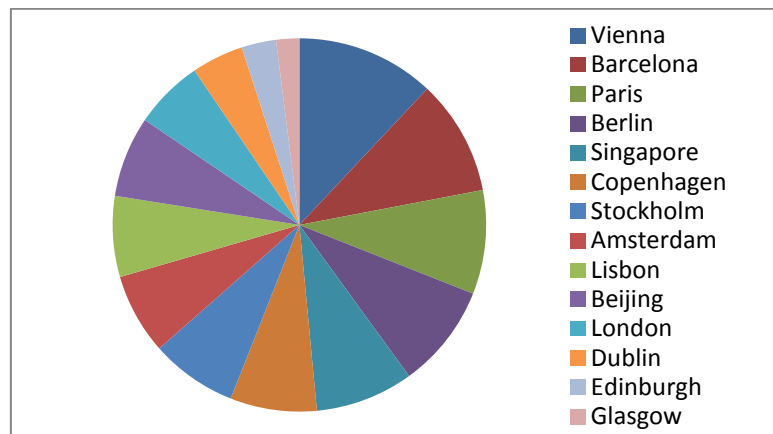
Source: *Adapted from ICCA (2010)*

Research Methodology

The overall aim of the research was to investigate the potential to attract additional business tourism to Wexford Town, Ireland. The objectives were to: To investigate the main segments of the conferencing and meetings market; To carry out a SWOT analysis of Wexford Town as a business tourism destination; To analyse cases of best practice in business tourism development; To understand approaches to business tourism development, and to make recommendations to attract additional business tourism to Wexford town.

The research undertaken for this study included a review of the secondary research literature carried out on the business tourism sector of the industry. This included an analysis and assessment of the business tourism and conferencing segments impacting on Ireland where a detailed analysis and review of existing research and data from a range of these Irish and international reports and papers was carried out. A rigorous content analysis was then carried out on reports and papers pertaining to the economic situation of the business tourism sector nationally and internationally.

This research paper was also guided by an extensive primary research programme and included the distribution of questionnaires' to local tourism businesses in Wexford town and to the full database of Professional Conference Organisers and Destination Management Companies on the Failte Ireland Conference website in Ireland for their views on Wexford town as a business tourism destination. A focus group Interview was held with the Wexford Tourism Group and in-depth interviews were carried out with key stakeholders in the sector including conference venue providers, the General Manager Waterford Airport Ltd and the General Manager of Rosslare Europoort.

A detailed content analysis was carried out on reports and documentations of best practice destinations internationally. Telephone interviews were then carried out with the key best practice case studies destinations identified for the purposes of this research study.

Discussion

Wexford town is strategically located in the south-east of the country with easy access by sea routes from the UK and Europe, an air route via Waterford from the UK, an air route via Dublin from the all globe points, road links from Dublin, Waterford, Cork and Galway, rail links from Dublin and a public and private transport bus system from Dublin, Dublin Airport and Waterford Airport.

A SWOT analysis of Wexford town highlights a large variety of strengths including an excellent accommodation product, conference venues, interesting and different tourist attractions and activities, a strong reputation as a leisure tourist destination, price competitiveness and friendly people. Wexford town has the added advantage of having a number of conference and event venues that can cater for up to 1,000 people. In addition, the Opera House is underutilised as a venue of note. There is a good stock of accommodation in the 3* and 4* segment and Wexford has the reputation of having good restaurants, bars and clubs, many of which have won awards for their food. There are a large number of tourist

attractions to enhance business tourism packages, within the town, walking and a 30 minute drive of Wexford town. Thus, adding to the uniqueness of Wexford as a tourism business destination.

However, a number of weaknesses have also been highlighted which include the difficulty in attracting conference business away from the capital, weak accessibility, no five-star conference or hotel properties, lack of collaboration between businesses in the sector, no real night life atmosphere or a focal point, traffic congestion, poor signposting and a rise in the amount of empty buildings because of business closures. In addition, owners and operators of tourism businesses in the town has not put into action any collaborative plan or strategy to work together to market the town as a business tourism destination.

There are a number of opportunities open to Wexford town in increasing its business tourism share which include the fact that there is scope to build on the 1% market share of the association conference business, the opportunity to develop an integrated marketing strategy for the town, to build an integrated conference ambassador / champion programme and to build on the reputation that Wexford already has as a leisure tourism destination. There is also an opportunity to build links and work in collaboration with Waterford Airport. There are a number of opportunities to market the destination as a collaborative activity with the airport management.

However, a number of threats exist that can impact on the opportunities identified which include the competitive environment in the sector, the recession, decreasing levels of cost competitiveness, competing against 'hot' and 'glamorous' destinations, the lack of will to collaborate, the difficulty of attracting business tourism away from the capital city and the cost of doing business generally.

The rationale behind choosing a destination includes a number of key considerations that must be managed in order to protect the event, mitigate risk, manage costs and manage all stakeholders' expectations. There are a number of commercial criteria that are used when a destination is being selected. They include; conference facilities and service levels, location and accessibility, cost, influence of other clients and other parties, social facilities, activities and events and the physical environment including safety. These criteria are an important factor in the decision-making process for destination selection.

Conference and event organisers rated a number of criteria they initially look for and would expect a destination to have in order of importance. First is the range of suitable hotel accommodation in the three to five-star categories with conference facilities, second is good access to international airports, third is competitive pricing, fourth is gala dinner venues, fifth is activity options and sixth is high service levels. In addition, the criteria expected from the actual conference and event venue included the standard and quality of the facilities, the proximity of hotels to the venue (ideally within walking distance), price, up-to-date AV and AV and technical support included in all costings and price packages.

Wexford town was rated by a number of conference and event organisers as a tourism business destination. A number of criteria scored ten out of ten. These included people characteristics and language and currency. However, destination appeal scored five out of ten and accessibility scored four out of ten.

Using the same criteria Wexford town was rated vis-à-vis its competitors in terms of the commercial criteria for destination selection. Wexford town is rated quite low under the criteria of destination support, telecommunications and infrastructure and accessibility.

Whereas Dublin, Wexford's biggest national competitor scored highly in all of these criteria and all other criteria. In terms of economic activity, business structures, strength of reputation, destination appeal and size, Wexford town does not fare well in comparison to its national competitors. Wexford scored 3 out of a possible 10 for the strength of its reputation as a business tourism destination and 5 out of 10 for destination support with Dublin scoring 9 out of a possible 10 for both these criteria. Wexford town scored 5 out of a possible 10 for destination appeal with Dublin again scoring 10 out of 10.

Conference organisers ranked a number of Irish destinations in order of preference for hosting international conferences and events with Dublin ranked as number one, Galway number two, Killarney number three, Belfast number four, Kilkenny number five, Limerick number six and Cork number seven. Any destinations which are seldom requested were not ranked.

A number of improvements were proposed by respondents for this research project that would help build the brand of Wexford town as a business tourism destination of note; these included marketing, building a cohesive brand, development of Wexford's own identity as a business tourism destination, free parking, a strong marketing strategy, retail shopping late opening, early evening entertainment schedule, a solid marketing message, businesses working together to consolidate the sector, the development and implementation of a strategic plan and a focused business tourism message.

Finally, Irish tourism product providers have to recognise the fundamental changes in distribution channels and to respond to the internet's increasing role in researching, planning and booking events. An exploitation of new technologies and new channels of distribution is suggested for the sector.

A number of cases of best practice in terms of marketing business tourism destinations have been identified. They included Edinburgh, Dublin, Amsterdam, Belfast, Barcelona, and Vienna. They were chosen as they are key national and international destinations of note; they also represent serious competition for Wexford town. All have the support of their national tourist authorities and are either fully or partly funded by them. Additional funding comes through partnership agreements with a number of organisations that are recipients of business through the marketing initiatives of the tourism and conference bureau of the destinations. All provide a wide-range of support and marketing services to attract business to their destination and all are managed through an extensive website infrastructure.

The Ballyhoura County case study was identified as an example of a community corporative specifically set up to develop a small region in North Cork and East Limerick. This case study provides benchmarking opportunities for Wexford Town.

Conclusions and Recommendations:

A number of key recommendations have been generated as a result of this research study.

The organisations' that are responsible for the development of Wexford town and the tourism businesses' in Wexford town need to work together to take the project to the next level. There is no evidence that there is collaboration by businesses in the area to develop Wexford town as a business tourism destination. The Tourism Group / Wexford Chamber of Commerce / the local branch of the Hotels Federation / the Town and Borough County Councils' need to work together and put a plan in place to build collaboration otherwise business will continue

as is and no progress will be made. A sub-committee needs to be immediately setup to take charge of this project.

This collaborative group will need to consider the weaknesses and threats identified in the report in order to influence change.

The collaborative group will also need to become involved in selling the destination and in bidding for international events and conferences. This group will need to be the support body for bids to attract business to the town. An integrated bidding strategy is required.

The collaborative group needs to harness the support of the local residents in all activities highlighting the benefits to the community including the economic benefit and the contribution to additional employment in the locality. In addition, local support will contribute to the 'atmosphere' of the destination.

The town needs to agree and develop the right marketing and branding strategy to market itself on the international conference and event stage. A specific brand image highlighting Wexford's attributes and building on the strengths of the town is recommended. This will need to focus on the natural assets, the physical environment, economic activity, business tourism facilities, accessibility, social facilities, safety and the culture of the people. Costs, value for money, quality and choice are also important considerations in developing the destination's positioning strategy. A strong place branding strategy with the right business tourism message is recommended. Building on the strength of Wexford's reputation as a leisure tourism destination is a distinct advantage. These are key competitive advantages and should be exploited as such.

Part of a focused marketing and branding strategy will involve selecting Wexford's attributes to form the basis of a destination business tourism product: A differentiation strategy; what makes Wexford town different, links to heritage and history, local characteristics such as the people, the Sunny South-East and associations with famous people are recommended. It will be important to establish a strong brand identity for business tourism. This will involve a public and private partnership and strategy to attract business tourists who generate economic benefit and create a positive image of the destination. Co-brand all existing events with the destination of Wexford Town as a key business tourism destination is recommended.

There are a number of avenues open to Wexford town in terms of target marketing

- ✓ A conference and meetings destination brochure highlighting the key attributes' of Wexford town needs to be designed and distributed to businesses and at trade shows for conferences and events.
- ✓ A brief on-line video brochure / YouTube of Wexford Towns business tourism facilities needs to be commissioned and uploaded on to Wexford, Failte Ireland and Tourism Ireland websites
- ✓ A focus on Mainland European markets including Germany, France, Belgium and UK and Northern Ireland is recommended
- ✓ A focus on the Island of Ireland conference and event business is important
- ✓ Cluster venues, attractions and service to offer a 'package' to conference and event organisers
- ✓ Attendance at yearly travel trade shows and fairs nationally and internationally is important.
- ✓ Wexford town's business tourism interests need representatives at all the Failte Ireland / Tourism Ireland national and international road shows.

- ✓ Membership of destination marketing bodies such as the ICCA, the MPI, the PCMA and the UIA is recommended for conference and event businesses / support bodies of Wexford Town
- ✓ Identify synergies between Wexford as a leisure tourism destination and develop (exploit) a combined brand strategy for business tourists
- ✓ Contribute to a 'place' marketing strategy using celebrities and famous faces from the town.
- ✓ A re-consideration of the marketing of existing events – selling local is not enough

It is recommended that the Wexford Town Tourism Group develop a Programme for Wexford Town Business Ambassadors / Local Champions'

Wexford town needs its own technological support infrastructure to drive additional business tourism to the town. This will involve developing the social media, APP's and digital marketing tools available as distribution channels and optimizing their potential. Marketing the town as a destination through social media is recommended. This is a role for the collaborative group.

It is recommended that Wexford town set up its own local digital business tourism information centre to drive business to the town. The research has highlighted that the more successful conference destinations have their own conference bureau. In addition, the more successful destinations are following the locally-based tourism marketing and promotion model and a local partnership strategy is key to the destination's success going forward.

An evaluation of the success of the Ballyhoura Destination Brand is worthy of further research in terms of benchmarking best practice.

References

Casey J. J. and O'Rourke F. (2011). Rejuvenating Dublin's Tourism Product. Dublin City Business Association. Dublin

Davidson, R. (2011). EIBTM 2011 Industry Trends and Market Share Report. EIBTM. University of Greenwich.

Failte Ireland (2011) Business Tourism Monitor 2010. Failte Ireland National Tourism Development Authority, Dublin.

Failte Ireland (2011) Business Tourism Research. Annual Survey Failte Ireland National Tourism Development Authority, Dublin.

Failte Ireland (2011) Tourism Barometer. Failte Ireland National Tourism Development Authority, Dublin.

Failte Ireland (2012). Visitor Attitude Survey 2011. Preliminary Report . Failte Ireland National Tourism Development Authority, Dublin.

Failte Ireland (2012). Guide to the Business Tourism Monitor. Preliminary Report . Failte Ireland National Tourism Development Authority, Dublin.

ICCA (2010). Statistics Report 2000 - 2009. The International Associations Meetings Market. International Congress and Convention Association. Amsterdam.

Irish Tourism Industry Confederation (2011). Tourism Opportunity: Driving Economic Renewal. February. ITIC Dublin.

Quinn, A. and O'Leary, S. (2011). An investigation into the potential to attract additional business tourism to the Midwest region through the development of professional associations and academic conferences. Conference Paper THRIC Athlone 2011.

Somers, F., (2012) Ballyhoura Country and Ballyhoura Falite Ltd.

The Sunday Business Post (2011). Conferencing and Event Management May. Dublin Ireland

Weber, K. (2000). Meeting Planners' Use and Evaluation of Conference and Visitor Bureaus'. Tourism Management. No 22. Pp 599-606.

Wexford County Development Plan (2011). Rosslare Europort. Submitted to Wexford County Council 2011.

Wexford County Development Board (2010) Positioning Wexford for the Upturn. Towards Sustainable Growth and Development .WCDB. Wexford.