

08-09

dvcb annual report





Chairperson's Report

Councillor Gerard Diver, Mayor

I would like to begin this report by firstly congratulating the Chief Executive (CE) of Derry Visitor and Convention Bureau (DVCB), Catherine O' Connor, on her award presented last November at the Northern Ireland Travel News Awards ceremony in acknowledgement of her contribution to tourism. Catherine has been working in the tourism field here for over 30 years and has been CE of DVCB since its inception in 1995. Unfortunately Catherine took ill in January and has been off work since then. I wish her a healthy and speedy recovery.

I would also like to congratulate Derry City Council (DCC) on their accolade of 'Best Event' for the 'City of Jazz & Big Band Festival' at the recent Northern Ireland Tourist Board Awards. Events are key economic drivers for the city. It is estimated that this year's Jazz contributed over £1.2m to the city with 87% average hotel occupancy over the 3 days of the event. The Tower Museum was 'Highly Commended in the Best Visitor Experience' category at these awards also. Flagship visitor attractions such as the Tower Museum are essential assets for the city's tourism product.

Prior to ending my term as Mayor of DCC, I attended the launch of the new Tourism Development Strategy (TDS) 2009-2012 Derry-Londonderry – Focus on the Future which clearly sets out the direction for tourism in

our city over the next three years. This city is now poised for an intensive period of renewal, development and investment in the tourism sector.

I fully welcome and endorse this new vision for Derry's tourism as I believe we have great potential for increasing the number of visitors and bed nights to the city and to ensure that visitors have a memorable experience while they are staying here. It is vital therefore that we build upon the excellent work that has been undertaken by the staff of the DVCB over the last year and that we continue to work in partnership with key stakeholders in order to achieve the ambitious targets outlined in the new strategy.

We are pleased that the Northern Ireland Executive has placed the economy as its top priority in the Programme for Government and it is now recognised that the development of the tourism sector is a key component of the economy as it strives to offer truly sustainable economic growth. It is hoped that this commitment will be translated into significant investment in tourism for the long-term benefit of this city and region.

Thank you to all DVCB members who have supported the organisation and to Board Members who have given up their time to attend meetings. Finally a big thanks goes to the DVCB staff for their invaluable contribution to growing tourism to our city.



Chief Executive's Report *

Catherine O'Connor, Chief Executive

* This Report has been compiled by the Visitor Services Manager and the Sales and Marketing Manager on behalf of the Chief Executive in her absence

We wish to report that 2008 was a relatively good year for tourism to the city but performance figures were not as progressive as 2007. Whilst the total enquiries to the TIC showed a decrease of 4% there was an increase of 16% in counter enquires by international visitors – this firmly establishes our belief that the city and region's product offering has truly international appeal. The reduction in hotel occupancy figures from 69% to 65% in 2008 was disappointing, however, it remains above

the Northern Ireland average which fell from 67% to 63% during the same period.

We recognise that 2008 was a challenging year for tourism not just for the island of Ireland but globally. However the industry is resilient and we believe that massive opportunities exist in our closer to home markets for 2009 given the current weak value of sterling currency against the Euro. With early indications of reduced air and sea capacity to the island of Ireland during 2009 we remain optimistic despite significant challenges that our

closer to home markets, ROI and GB, will offset some of the losses which we have experienced from the North American and European markets. We are confident that the city and Northern Ireland are well positioned to offer great value for money to its visitors comparable with any tourism destination in Western Europe.

“Against a backdrop of an increasingly turbulent economy, weak dollar and softening consumer confidence, trading conditions will be tough for the tourism industry this year, particularly in the US and Britain... collectively we need to pull out all the stops to ensure that we get our share of the business to be won”.

(Paul O’Toole, Chief Executive, Tourism Ireland, Jan 2009)

2008 saw the completion of the Business & Cultural Animation Programme as part of Phase Two of NITB’s Walled City Signature Project. We would like to offer our sincere thanks to Linda Neill, Project Officer for her

contribution and dedication to this project and wish her well in her new job. An evaluation of the project was undertaken by Deloitte at the end of the year and it is hoped that it will now act as a catalyst for future animation programmes. We will endeavour to build on the success of this programme by working with the relevant agencies to ensure an application is submitted to NITB’s new Tourism Innovation Fund (TIF) which focuses on creating and enhancing the visitor experience.

NITB’s ‘Strategic Framework for Action 2004-2007’ and subsequent commissions recommended that tourism bodies in Northern Ireland became more regionalised. As a result of this the Western Regional Tourism Partnership (WRTP) was formed to meet this strategy in the West of Northern Ireland. A number of IFI funded projects were implemented during the course of 2008/9 and we are committed to a Service Level Agreement with NITB to ensure the delivery of such projects. The recently launched TDS will compel DVCB and DCC to further engage with NITB to look at regional delivery and how the potential of the signature destination can be enhanced for the benefit of the City.

Focus on the Future

In welcoming the new Tourism Development Strategy (TDS) for the city we look forward to the delivery of this three-year plan, whose mission is detailed below:

“To consistently grow the tourism economy of Derry by 8% per annum over the period of the Tourism Development Strategy and Action Plan (2009 -2012) by utilising the full potential of it’s unique historic and cultural assets and by investing in new infrastructures, enhancing human resources and creating unique visitor experiences to expand tourism in the city and region”.

The new strategy highlights 6 key Pillars for Tourism:

- ▶ Daytime Attractions, Activities, and Special Interest Opportunities
- ▶ Access and Destination Transport
- ▶ Accommodation Development
- ▶ Developing Our Cuisine Offering
- ▶ Evening & Night Time Economy Development
- ▶ Tourism Services Development

In addition to the above 6 key pillars there are cross cutting themes which are crucial to the success of this strategy. Of particular importance to this organisation is Theme 2: Marketing, Branding and Communication which recommends the development of a single Destination Tourism Organisation.

This will involve an independent review of the role, capacity, function and resources of the DVCB, to ensure that it can drive accelerated growth to the economy. With regard to the Visitor Servicing role the strategy outlines recommendations for Tourism Services Development which will be referred to within the Visitor Services Manager’s report. Like the Chairperson we truly endorse this new ‘Focus on the Future’ document for the city and hope that DCC will generate the funding to implement and deliver on the Action Plan.

DVCB was set up by DCC as the ‘official tourism organisation’ for the City and region. It is a public/private sector partnership representing

over 200 members. Over the last 14 years the DVCB has been proactive in promoting Derry within the national and international markets and in providing a range of quality visitor services - this has grown tourism to what it is today. We look forward to taking the lead where relevant and working with our members and key stakeholders to ensure that we deliver on all aspects of the TDS.

Thank you to Derry City Council for their continued financial contribution and to all our members including the DVCB Board of Directors who have supported this organisation. Finally a big thanks to DVCB staff for their hard work and commitment to tourism.



Visitor Servicing Report

Odhran Dunne, Visitor Services Manager

ONE of DVCB's core functions is visitor servicing – its aim is to deliver a world-class level of service that meets and exceeds the expectations of all visitors. This includes the provision of visitor information and services at the Tourist Information Centre (TIC), production of appropriate tourism literature for visitors and the development of a website which acts as an important information tool for the online consumer.

Visitor Servicing is an integral part of the organisation. Ultimately we want the visitor to enjoy all elements of the visitor experience that the city and region has to offer but this can only generate considerable economic benefit to all when the industry is working collectively. We strongly advocate a strong referral ethos and cross selling amongst members throughout the region, as this synergy between providers will result in more visitors being encouraged to stay longer which is our ultimate goal. This extended dwell time will undoubtedly guarantee more spend, but it will also ensure visitors have an opportunity to enjoy more of the welcome and stories that the local populace are only too glad to share and give tourists a

unique and compelling visitor experience. This experience will undoubtedly see the city capture a competitive edge and realise its full potential as a truly international 'stand out' destination where visitors return time and time again.

Tourist Information Centre

DVCB has recently appointed Catherine Crawley, a former job-share employee in the TIC, as the new full-time Failte Ireland representative on the All-Ireland Information Desk.

The TIC team work diligently and enthusiastically to provide a comprehensive information service and continue to develop and maintain good working relationships with members, businesses and organisations involved in tourism. They have an important ambassadorial role to play, by providing a welcoming and professional high quality image of the city and region. They ensure visitors are kept up to date and well informed of the tourism product offering, both locally and nationally. The range of services offered within the TIC continues to evolve – 2008 saw the installation of web desks in the centre and additional facilities will continue to be added to the TIC based on the changing needs of our visitors.

Statistical Update

The total number of counter enquiries at the Tourist Information Centre for the period 1st January 2008 to 31 December 2008 was 55,142.

Interestingly of these counter enquiries international visitors have shown an increase of 16% and represents 81% market share of visitors. (See enquiries breakdown in **Table 1**). The seasonal variation in enquiries can be seen in **Chart 1**.

Type of Enquiry / Year	Jan-Dec 2007	Jan-Dec 2008	% +/-
Electronic Eye	70,740	67,688	-4%
Counter	50,042	55,142	
TIC Visitor – No Enquiry	20,698	12,546	
Post – Fax – Email	2,247	2,076	-8%
Phone	8,461	8,112	-4%
Total	81,448	77,876	-4%
Counter Enquiry Nationality			
NI Visitors	11,252 (22%)	10,270 (19%)	-9%
International	38,790 (78%)	44,872 (81%)	+ 16%
Total	50,042	55,142	+10%

Table 1

There was particularly strong growth in the European market* 27% (+2.5%) and the Great Britain market at 21% (+1.5%). The domestic market (Northern Ireland) accounted for 19% of all visitors to the TIC (a decrease of 3.5% on the previous year), followed by the North American market 16.5% (-1%), Republic of Ireland 7%,

Australasia 7% and Rest of the World 2.5% (+0.5%)

– The breakdown of market share can be seen in Chart 2.

*Of the 27% European market share the percentage breakdown of origin of visitors are as follows - Spain (23%), France (20%), Germany (19%), Italy (15%), and other European (23%)

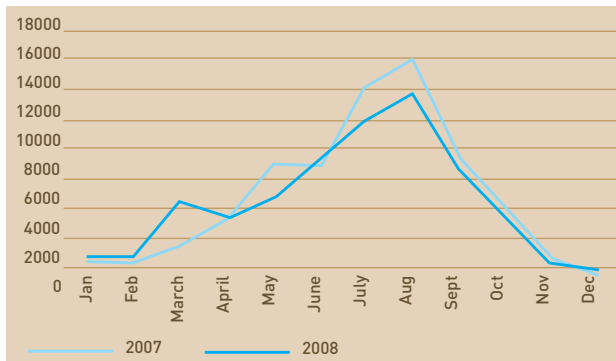


Chart 1
Total Monthly Enquiries 2007 v 2008

The total number of TIDInet (79%) and Gulliver (21%) accommodation bookings made in the Tourist Information Centre for 2008 was 802. This represents a decrease of 14% on the previous year. Increasingly however the largest proportion of accommodation providers' bookings are coming through the web. By making it easy for your potential customers to use the web to check availability, either through your own website or through third party sites (e.g TIDInet – NITB's reservation system, LateRooms, Booking.com, e-bookers, Hostelworld etc) and make a reservation, means your business has a distinct competitive advantage. Today's internet users expect to be able to make their purchases in real-time, online, 24 hours a day, 7 days a week and have little patience for delays or systems that do not make the booking process fast and easy. The onus is now on all accommodation providers to register with relevant commercial sites and to ensure maximum revenue management of their accommodation stock.

www.derryvisitor.com

The official tourism website for the city and surrounding area continues to act as the destination portal website for tourism in the region and as a gateway to members and other appropriate websites that may be of benefit to visitors.

The site is currently undergoing a re-design and it is hoped the new site will offer more functionality, allowing the consumer to navigate more easily through the site and spend longer on the site. This will ensure the website continues to increase its rankings with major search engines.

In 2008* www.derryvisitor.com attracted 86,853 visits, 69,974 unique visitors, 419,000 pageviews. Our source markets are interestingly very similar to our visitor figures with the Top Ten markets as follows: GB, Ireland, US, Spain, Germany, Canada, Italy, France, Australia and the Netherlands.

* New web analytics used – can't be compared with 2007

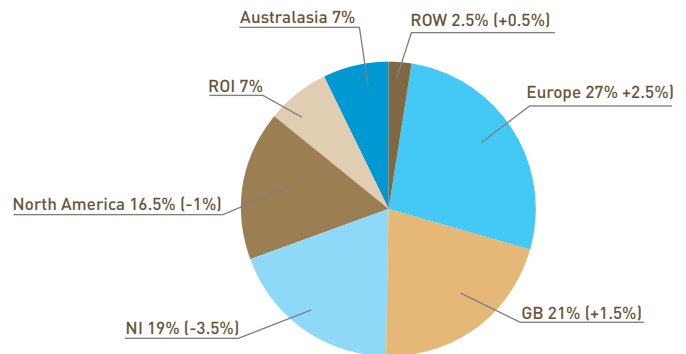


Chart 2
Market Share of Origin of Visitors to the TIC Jan-Dec 2008
(2007 figures in brackets if different)

The Future

There have been a number of initiatives over the last year that have been supported through the Western Regional Tourism Partnership (WRTP) including training opportunities for the tourism trade, the production of a Local Food Directory for the West, the launch of a pilot Visitor Passport Scheme and market research for the region. Such initiatives benefit both the consumer and tourism providers and it is hoped these projects have better informed the region should future funding opportunities arise.

The Tourism Development Strategy (2009-2012) Derry~Londonderry - Focus on the Future document recommends that the role of the DVCB should be expanded and developed into the Destination Tourism Organisation for the city. The Visitor Services section looks forward to implementing the appropriate actions from the strategy and working closely with the relevant partners to ensure tourism services are maximised for the benefit of our visitors. In particular:

Priority Pillar 6.1 – Establishing the primary Tourist Information Centre (TIC) in a key arrival point to the Walled City. This Objective is to ensure that the main tourist office is centrally located and has the necessary information and skills to provide a one-stop shop for Visitor Information on the City Destination and North West.

I believe there are challenging but exciting times ahead for the tourism industry in the region over the next number of years. There will be a culture of change not only to the physical landscape of the city but also to the tourism landscape, thus ensuring Derry and the surrounding region has implemented a Strategy that has prioritised tourism in the local economy. We will then be best placed to welcome ever-increasing visitor numbers who will bring economic prosperity to the region and in particular to all those involved within the sector.



Marketing Report

Karen Houlahan, Sales & Marketing Manager

DESPITE the challenges that we have alluded to in the Chief Executive's Report I am pleased to report that hotel occupancy is up for the first 4 months of this year with average occupancy of 56% (+3%).

In terms of our closer to home market i.e. Republic of Ireland (ROI) I am delighted that we have witnessed an increase in visitors from the south and a major factor has been the exacerbated sterling/euro exchange rate. In 2008 the Hotelier Group reported that 15% of their occupancy was from the ROI market. This justifies my theory as stated in my report last year that visitors from the south may not necessarily visit the TIC during their visit to Derry as they only accounted for 7% of visitors to the TIC.

In 2007 North America contributed over one million visitors to the island of Ireland and on a local level this market represented almost 17% of visitors to the TIC during 2008, but the current rate of exchange is having an adverse effect on US visitors travelling here. The deterioration of the North American business has already been witnessed with substantial cancellations to the hotel sector. This group business will be difficult to replace and will most likely impact upon occupancy during this summer. It will be interesting to see the outcome. Tourism Ireland are trying to address this issue by promoting a campaign entitled **'Ireland – can you afford not to go?'**

GB Market Focus

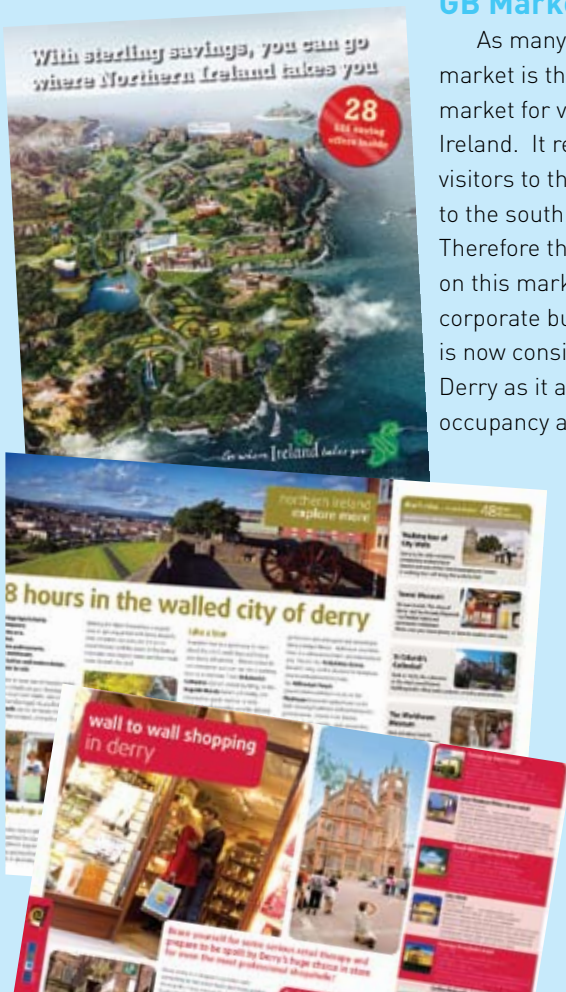
As many of you are aware the GB market is the largest single source market for visitors to the island of Ireland. It represents almost 54% of visitors to the island of Ireland (49% to the south and 72% to the north). Therefore there is high dependency on this market for both leisure and corporate business. The GB market is now considered a prime market for Derry as it accounted for 25% of hotel occupancy and 21% of visitors to the TIC during 2008.

DVCB undertook more marketing activity within GB compared to any other market during 2008/09 and personally I am pleased that this market is proving productive for the city.

We are indebted to the financial assistance received from the Discover Derry- Donegal campaign (via NWAAC) as we attended exhibitions such as

Confex, Venues and Events, St Patrick's Day Event, Best of Britain & Ireland, Taste of Bath, Taste of Birmingham, World Travel Market and sales calls in Glasgow, Edinburgh and Birmingham. In addition, DVCB arranged and met with many journalists and tour operators from Scotland and England who have already published destination features and produced new group business for the city and Donegal.

Tourism Ireland's new strapline for the British market is **'Go where IRELAND takes you'** and in May they produced a specific NI campaign entitled **'With sterling savings, you can go where Northern Ireland takes you....'** which included special hotel offers in Derry. The main objective of this NI campaign was to promote price led sterling offers to the GB consumer given that that consumer confidence is at an all time low, weakness of sterling vs euro – and most importantly research has shown that consumers still perceive NI to be within the euro zone.



Marketing Activity within Ireland

Over the past year DVCB undertook sales calls to 39 companies (78 reps) throughout Ireland targeting conference organisers, associations and tour operators. We also attended Holiday World shows, Balmoral Show and ITOA Workshop. We invited and hosted media and travel trade from Ireland to the city on familiarisation visits such as Scancoming, Irish Welcome Tours, MCI and recently organised a press fam in conjunction with the Millennium Forum to promote the 'Evita' performance.

On 29th April 2009, DVCB together with 8 of our members, attended NITB's 'Meet the Buyer' Workshop which was held in the Europa Hotel, Belfast. I believe that it was the best year for interest in Northern Ireland and in particular Derry. Aoife Thomas, Business & Leisure Tourism Executive and I met with over 40 tour operators and many of them are currently featuring Derry in their programmes but we had at least 8 operators who wanted to program NEW exclusive tours to NI which would include the city.



"I had the best Meet the Buyer Workshop in my 3 years attendance. Even though we are in a period of recession the feedback was very promising and there is business for the taking".

C Donnelly, Beech Hill Country House Hotel

I should like to encourage more of our MEMBERS to attend next year's Workshop as I feel it is important that we promote this city collectively. I am confident that 2010 will be a great year for new group business.

"I will definitely be including Derry and Northern Ireland for the 2010 tours, the whole trip delighted me..I made many contacts and feel we can work together in the future, I just wanted all of you to know how good it really was! It was one of the best trips I have attended, both schedule, content and organisation, well done everyone!"

Paul McLean, McLeans Scotland- Meet the Buyer Workshop fam, 1 May 2009

Familiarisation Visits

Once again we had an extremely busy year organising itineraries and 'meeting and greeting' travel trade, film crews and journalists from all over the globe to the city. In comparison to last year the number of travel/trade representatives who visited here on fam trips increased by 32%.

" I just wanted to say a big thank you for your hospitality during your Canadian Fam Trip to Derry in the first week of October. It was an absolute pleasure to spend time in Derry... At least half of them listed it as their favourite part of the itinerary".

[Katie O' Carroll, Tourism Ireland, Canada, Oct 2009]



Fam Trips (1 April 2008-31 March 2009)		
Media	39 visits	123 reps
Travel Trade	33 visits	365 reps
Total	72 visits	488 reps

Business Tourism Update

DVCB acknowledges the value of business tourism to the local economy and in NI terms it has an estimated value of £140m per annum. To target the business market we launched our NEW Derry & Donegal Conference Guide last summer to conference organisers in Belfast. This has been our prime marketing tool to target this

sector. In conjunction with our conference venues we have undertaken 22 conference sales calls in the Belfast area. Furthermore we have attended Tourism Ireland and NITB events where we have had the opportunity to meet with new clients and we have re-ignited the local 'Ambassador Programme' by having one to one meetings



with 16 Ambassadors mainly from the University of Ulster at Magee. We wish to expand this programme further over the next year and to recruit ambassadors from other specialisms such as medical, local government, etc.

NITB has produced a new Business Tourism Action Plan (2009-2012) which highlights Belfast and Derry

as the key conference destinations. It is therefore essential that we ensure that we continue to raise the profile of this city as a viable conference destination within NI and generate additional funding resources in order to target this sector.

Short Breaks

Over the last 12 months we have focussed much of our marketing activity on short break initiatives

and we launched our

new Derry/
Donegal

Short Breaks
Brochure in

January 2009
which details 20
price led 3-5 star
hotel midweek and
weekend offers.



We are the only region within NI who has produced a short break brochure and the campaign has been marketed at exhibitions, regional TIC's and all offers are featured on the DVCB and TI websites and promoted through co-op campaigns in newspapers and ezine promotions.

Destination features in newspapers still remain a key marketing tool to promote short breaks in Derry. All of the hotels have been fully supportive of these campaigns and have all

generated business in some way.

We have worked very well this year with Aer Arran and have undertaken many co-op campaigns to promote the Dublin-Derry flight including the Sunday Tribune, RTE Guide, Newstalk Radio and Sunday World. We have also promoted Derry as a short break destination via Tourism Ireland, Discover Derry-Donegal and through NITB campaigns such as Halloween, St Valentines Day and Easter.

Way Forward

From a marketing perspective we have been proactive within the limited marketing funding that has been made available to us. However, the majority of initiatives that I have alluded to in my report did achieve positive results as we evaluate all our tactical activity. I should like to take this opportunity to thank sincerely my colleague Aoife Thomas for all her invaluable work and support within the marketing department - she has done a great job and has been instrumental in getting new business to Derry!

Even though we have had a relatively good start to the year it will be a challenging year as predicted by Tourism

Ireland but we must strive to replace business that has been cancelled particularly from the US market and aim to grow new business to the city from other markets.

I look forward to the review of our organisation and the implementation of the new TDS in particular the marketing, branding and communication section. If Derry is to realise it's full potential and increase its tourism business by 8% then we must exploit all marketing opportunities and attract significant additional funding to implement an effective marketing strategy over the next three years to target our niche markets.



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