THE CONTRIBUTION OF THE DRINKS INDUSTRY TO TOURISM

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EXECUTIVE SUMMARY

This report updates the 2013 DIGI report on the contribution of the drinks industry to tourism with the latest CSO and Fáilte Ireland data. The drinks industry makes a substantial contribution to domestic and international tourism in Ireland through:

- The substantial role of the public house in the Irish tourism experience.
- Food and drinks expenditure is a substantial part of tourism direct expenditure. Overseas visitors spent 21 % of their total holiday expenditure on food and drinks in 2013.
- The pub is mentioned by 22% of all visitors and by 21% of German visitors (Germany is the largest mainland European market for Irish overseas tourism) as a positive distinguishing feature of Ireland.
- 80% of overseas visitors in 2013 mentioned the pub as one the potential experiences influencing them to choose Ireland. This was the top ranked item.
- 83% of overseas visitors said "listening to Irish music in a pub" was one of their visit activities. This was the top ranked item.
- The extensive and geographically spread network of 7,315 public houses and 999 hotel bars, 411 fully licensed restaurants and 1,752 wine licensed restaurants in 2013.
- This regional spread of public houses and other licensed premises facilitates the geographic spread of tourism and supports regional development.
- The lowest number of public houses in a county in 2013 is 87 in Longford.
- Over half of the public houses provide food, of which 88% provide hot meals. About a fifth of pubs provide entertainment specifically for tourists.
- Fáilte Ireland research shows that a significant proportion of overseas visitors use pubs for meals, ranging from 36% in Dingle and 35% in Dublin City to 15% in the Dublin Doorstep area.
- The pub is a widely used facility for meals by overseas tourists. It is an extensively available source of hospitality, personal services, food and information which is provided without any government support.

- Direct provision of major tourism attractions such as the Guinness Storehouse, the Old Jameson Distillery and the Midleton Jameson Experience, and other facilities such as Kilbeggan Distillery and Tullamore Dew Visitor Centre and the development of other visitor attractions.
- Guinness Storehouse was the biggest fee-charging tourism attraction in the country followed by Dublin Zoo in 2013. It achieved a record number of visitors of 1.1571 million in 2013. The Old Jameson Distillery was also in the top 20 of fee-charging attractions with 267,800 visitors. Over 90% of these visitors are from overseas.
- The Jameson Experience in Midleton received 115,000 visitors in 2013.
- The Kilbeggan Distillery and Tullamore Dew visitor centres also contribute to the regional tourist experience with visitor totals of 53,000 and 16,000 respectively.
- The generation of a positive international awareness of Ireland through global brands such as Guinness, Baileys and Jameson.
- The economic role of tourism is substantial. Recent improved tourism performance has contributed to the economic recovery.
- The 2014 Government draft Tourism Policy includes very ambitious growth targets for tourism. Tourism is expected to play a major role in the recovery of employment and economic activity over the next few years.
- Drinks industry support will contribute to the realisation of the ambitious tourism growth targets
- The tax take from tourism in 2013 was €1.4 billion and domestic and overseas tourism expenditure was €4.7 billion excluding carrier receipts.
- Festival tourism is a substantial activity. There are about 900 festivals and events in Ireland. The drinks and hospitality industry is a major sponsor of festivals. Examples of festivals supported by the drinks industry currently or in recent years are listed below:

    - *Absolut Art at the Galway Festival Galway*
    - *Bacardi Electric Picnic Stradbally Hall Laois*
    - *Becks Vier Taste of Dublin Dublin*
    - *Bulmers (Pear) Comedy Festival Galway*
    - *Bulmers Junction Festival Clonmel Tipperary*
    - *Carling Cork Folk Festival Cork*
    - *Carling Cork Mid-Summer Festival Cork*

- *Carlsberg Spraoi Festival Waterford*
- *Coors Light Live at the Latin Quarter Galway*
- *Corona Fastnet Short Film Festival Cork*
- *Desperados at Sea Sessions Festival Donegal*
- *Guinness Jazz Festival Cork*
- *Guinness Fleadh Cheoil na h Eireann Sligo*
- *Guinness Singing and Swinging Wexford*
- *Heineken Electric Picnic Stradbally Hall Laois*
- *Heineken Slane Music Events Meath*
- *Hennessy Literary Awards Dublin*
- *Hennessy Portrait Awards Dublin*
- *Jameson Dublin International Film Festival Dublin*
- *Jameson Cult Films Clubs*
- *Molson Canadian Indiependence Cork*
- *Molson Coors Bray Jazz Festival Wicklow*
- *Powers Irish Coffee Making Competition Foynes Limerick*
- *Smithwicks Kilkenny Rythem & Roots, Kilkenny*
- *Tiger Dublin Fringe*
- *Tiger Galway Arts Festival Galway*
- *Tullamore Dew Castlepalooza, Westmeath*
- *West Coast Cooler and multiple other brands Taste of Dublin*

- The drinks industry is a substantial sponsor of sports events. Major sports sponsorships include the Heineken European Rugby Cup, Guinness sponsorship of international rugby and Pro 12, Heineken Kinsale Rugby Sevens, Carling sponsorship of soccer, Heineken sponsorship of the Irish golf open and the horse racing sponsorship of Powers Gold Cup, the Guinness sponsorship of Punchestown national hunt, Hennessey Gold Cup, Miller sponsorship of Gowran Park racing, Wolf Blass sponsorship of Leinster rugby and Guinness sponsorship of the Leopardstown, Galway, Limerick and Listowel races. The drinks industry provided €371,000 or 10% of all commercial sponsorship of horse racing in 2013.
- There is substantial public house support for local sports teams/clubs and local events

- Guinness Storehouse generates 180 million global media impressions annually
- Global brands such as Guinness (consumed in 150 countries), Baileys (consumed in 130 countries), and Jameson (consumed in 120 countries) contribute greatly to the awareness of Ireland as a location associated with hospitality and relaxation and supplement the publicly and privately funded marketing effort.

INTRODUCTION AND ROLE OF DRINKS INDUSTRY

The purpose of this report is to update the 2013 DIGI report on the contribution made by the drinks industry to Irish tourism including the contribution to festival and sports tourism. The 2014 draft Tourism Policy sets very demanding targets for tourism growth over the next decade.

Many different factors determine the performance of the tourism industry in addition to the contribution of the drinks industry. These include cost competitiveness, other competitiveness factors such as management, quality of service, product, international economic conditions, promotion and marketing, access and competing locations.

The drinks industry, along with other sectors, contributes to the national and international tourism performance in several ways. The extensive 2013 network of 8,314 public houses and hotel bars, particularly in rural areas, provides physical facilities and services for tourists and contributes to the tourism experience in a positive and significant way. This is particularly so in light of the poor quality of public facilities in many areas and the often bad Irish weather conditions. In addition to the public houses and hotel and other bars there are 411 full on- licensed restaurants and 1,752 restaurants with wine licences. The public houses and hotel bars primarily exist to supply alcohol and, of course also provide services such as food. The primary purpose of restaurants is to supply food and they also supply alcohol products. Consequently, the additional tourism related benefits which arise from pubs are due to the drinks industry while the additional benefits of the restaurants are due to the catering industry.

Drinks-related tourism facilities such as the Guinness Storehouse and the Old Jameson Distillery attract large numbers of tourists and are significant components of the Irish tourism product.

The drinks industry supports a wide range of tourism generating festivals and arts activities. Drinks industry sponsorship also supports a range of national and international sports events, which generate both domestic and overseas tourism.

Leading Irish drinks brands such as Guinness, Jameson, Baileys and Magners contribute to a positive awareness of Ireland in foreign markets and support the tourism marketing effort and direct marketing spend.

Visitors consider the Irish pub to be an integral part of their tourism experience.

This report identifies the contribution that the drinks industry makes to tourism generally and to festival and sports related tourism. This is not to say that the relevant sports and festival events would cease to operate in the absence of the drinks industry support. Other sponsorship and support might replace some of the drinks industry support. Many events would continue even if there was no sponsorship, especially sports events. However, it is reasonable to expect that the scale and economic impact of many festivals and other events would be lessened in the absence of drinks industry support and/or that replacement finance could be diverted from other desirable programmes and activities.

Ideally, the report would identify the exact quantitative link between the various drinks industry contributions and supports and levels of domestic and international tourism activity. However, there is insufficient data to quantify the tourism volume directly related to the drinks industry. Even in the absence of this direct quantitative link, it is clear from the empirical data presented in this report that the drinks industry is associated with a substantial contribution to tourism activity.

In summary, the drinks industry contributes to tourism through:

- the extensive and geographically spread network of public houses and other full on licensed premises providing services and facilities
- substantial contribution to the visitor experience
- financial and other support for festivals tourism
- financial and other support for sports events
- direct provision of major tourism attractions, such as the Guinness Storehouse, Old Jameson Distillery and other visitor centres
- the generation of positive international awareness of Ireland through major global and international brands which have a particular association with Ireland, such as Baileys, Guinness, Jameson and Magners which complement the international tourism marketing spend.

THE ECONOMIC ROLE OF TOURISM

This section identifies the economic importance of tourism to the Irish economy, the 2013 performance of the sector and the need to achieve demanding tourism growth targets to assist economic recovery.

The Minister for Transport, Tourism and Sport published the draft National Tourism Policy in July 2014 covering the period to 2025. The overall ambitious tourism goal of the Government is that overseas tourism revenue will increase to €5 billion in real terms compared to the level of €3.3 billion in 2013. In addition, total employment in the tourism sector is targeted to increase from 200,000 persons to 250,000 persons. A third target is that 95% of all visitors will be "very satisfied" with Ireland as a destination.

Tourism is a very substantial international indigenous economic sector. The main economic benefits of tourism are noted below:

- In 2013 (based on the Fáilte Ireland latest figures) foreign tourism expenditure (excluding international fares) was €3.3 billion. Domestic tourism generated €1.4 billion, giving a tourism total of €4.7 billion. In addition carrier receipts were €865 million.

- The total tax take from tourism in 2013 was €1.4 billion. For every euro spent on tourism 24.5 cent is generated in tax revenue.

- The tourism sector supported 137,000 jobs in 2013 in the accommodation and food sectors and overall tourism employment was about 200,000 persons. Tourism employment has grown significantly in the recent past.

- Tourism has a strong regional development and distribution impact compared to many other sectors of economic activity although this regional impact has declined in the past few years as tourism has become more concentrated in the large urban centres.

The 2013 geographic market spread of overseas visitors was:

- Great Britain: 2.9 million
- Other Europe: 2.3 million, of which the two largest national markets are Germany (468,000) and France (408,000)
- North America: 1.0 million
- Rest of the world: 0.4 million

The domestic tourism sector is a very important component of the total tourism activity. In 2013, there were 7.111 million domestic trips of which 3.460 million were holiday trips. The 2013 Hotel Industry Survey identifies that about two thirds of hotel guest nights were derived from the domestic market in 2012. Festivals and sports tourism are important components of the domestic tourism market. The performance of the tourism sector improved in 2013. Overseas trip to Ireland grew from 6.517 million in 2012 to 6.986 million in 2013, an increase of 7.2% while domestic trips increased by 1.1%.

EXPENDITURE BY TOURISTS

This section identifies the significant role of food and drink in tourism expenditure.

The drinks industry contributes to the tourism performance but it also benefits from the expenditure of tourists. Drink spending is a significant element of total tourism expenditure. Overseas tourists spend over a fifth of their expenditure on food and drink. A breakdown between food and drink is not available. The expenditure share on food and drink ranges from 16% for North American tourists to 25% for mainland European tourists and 30% for rest of the world tourists. Board also includes some food expenditure.

The overseas tourism spending pattern is shown in Table 1.

Table 1: Overseas tourist spending pattern 2013*

% of total spending	Total	Britain	Mainland Europe	North America	Rest of World
Bed and board	30	32	34	27	27
Other food and drink	21	24	25	16	30
Sightseeing/entertainment	13	15	13	13	9
Internal transport	13	8	12	16	10
Shopping	12	9	12	11	22
Misc	11	12	4	17	2

**Source: Fáilte Ireland*

THE ROLE OF PUBLIC HOUSES, HOTELS AND OTHER ON- LICENSED PREMISES

This section identifies the role played by public houses, hotel and other bars in supporting tourism in terms of range of services, facilities and wide geographic spread.

Public houses, hotel bars and other on-licensed premises provide an extensive network of facilities and services needed by tourists. This is particularly so in isolated rural areas where there is a substantial presence of public houses. These facilities and services include the provision of washroom facilities, shelter from adverse weather, food, entertainment, traditional music, a pleasant ambience and information.

Based on DIGI research conducted in 2008, 52% of licensed premises provide food. Of those which provide food 95% provide soup and 88% provide hot meals. 43% of licensed premises offer some form of regular or occasional live entertainment. 22% of licensed premises and 17% of public houses provide entertainment specifically for tourists such as Irish music or ballad sessions. 31% of licensed premises generated 15% or more of their customers from domestic and foreign tourists.

The 2012 Lonely Planet travel guide described “going to the pub” as the greatest experience a tourist can have in Ireland.

Public houses are numerous and widely dispersed. Even in counties with small populations and low population densities, there are substantial numbers of public houses each with a range of facilities and services. Each pub provides washroom and shelter facilities. Over half of pubs serve food and almost all of these food pubs serve hot food. In 2013, according to Revenue Commissioner licence data, there were 8314 public houses, hotel bars and other public bars, (of which 7315 were public houses) 411 restaurants with full licences and 1752 restaurants with wine licences.

Fáilte Ireland collected information on the eating out pattern of overseas visitors and the pub played a significant part (Fáilte Ireland Holidaymaker Study 2013). The percentages of overseas visitors using pubs for meals in 2013 in different locations were:

- Clare 31
- Cork City 18
- West Cork 19
- Dingle 36
- Donegal and Sligo 26
- Dublin City 35
- Dublin Doorstep 15
- Galway and Mayo 26
- Ring of Kerry 29
- Shannon Corridor 29
- South-East 22

There is a much higher geographic availability of public houses than any other type of tourism related physical facility. Because of the uncertain Irish weather, the shelter role of the pub is important. In addition, the local pub is a source of local information and advice.

The pub is a significant component of the tourism infrastructure and service and is widely available throughout the country. There is also a substantial spread of hotel bars. The data show that there is a substantial number of public houses and other bars in every county. For example there are 449 pubs in Kerry, 374 in Donegal, 113 in Leitrim and 376 in Mayo. The lowest number in a county is 87 in Longford and 101 in Carlow (Table 2). This tourism enhancing role of the public house network is provided without any government financial support.

Table 2: Geographic spread of public houses, hotel on licensed premises and licensed restaurants 2013 and 2012

County	Pubs (2013)	Hotel bar on licences (2012)	Fully licensed restaurants(2014)	Wine only licensed restaurants (2014)
CARLOW	101	7	1	16
CAVAN	195	10	6	13
CLARE	306	21	8	54
CORK	980	63	47	303
DONEGAL	374	51	18	52
DUBLIN	750	138	151	703
GALWAY	489	69	13	111
KERRY	449	52	23	116
KILDARE	175	23	11	161
KILKENNY	197	14	9	30
LAOIS	124	9	2	17
LEITRIM	113	6	3	17
LIMERICK	362	21	15	55
LONGFORD	87	2	2	6
LOUTH	196	13	14	37
MAYO	376	45	9	60
MEATH	199	13	16	44
MONAGHAN	109	8	3	15
OFFALY	134	6	1	16
ROSCOMMON	210	4	5	16
SLIGO	148	14	2	15
TIPPERARY	431	19	9	36
WATERFORD	226	15	10	44
WESTMEATH	168	11	8	31
WEXFORD	263	27	9	48
WICKLOW	153	23	4	61

**Source: Revenue Commissioners for hotels and pubs and RAI for restaurants*

The wide geographic spread of pubs and other on-licensed facilities helps to support a wide geographic spread of tourism which is economically important for the less developed areas of the economy.

Dublin had the highest level of overseas tourism activity in 2013 with 3.973 million overseas tourists but there is a substantial regional spread. The lowest overseas tourism level is North-West with 499k tourists. Outside of Dublin the highest level is the South-West with 1.851 million tourists.

The overseas tourism industry is also a substantial source of regional revenues with the North-West generating €163 million, South-East €207 million, Shannon 254 million and the East and Midlands €291 million in 2013. The South-West generated €615 million

The regional spread of overseas tourists and expenditure is shown below in Table 3 for 2013.

Table 3: Overseas Tourism activity by region 2013*

Region	Number of Tourists (thousands)	Revenue (€M)
Dublin	3973	1395
East and Midlands	793	291
South-East	798	207
South-West	1851	615
Shannon	943	254
West	1196	379
North-West	499	163

**Source: Fáilte Ireland*

The top 11 advantages that positively distinguished Ireland in the perceptions of overseas tourists in 2013 are shown below with the per cent of tourist mentions also shown. These data are from Fáilte Ireland research:

- People: 53%
- Scenery: 46%
- Culture/history: 38%
- Drink/pubs: 22%
- English speaking: 20%
- Nature and ecology: 16%
- Access: 12%
- Interesting towns/villages: 12%
- Ancestral/family connections: 10%
- Unspoilt environment: 11%
- Restful/relaxing: 9%

The pub as an advantage is mentioned by 22% of tourists. This is the fourth highest ranked advantage. This increases to 24% for visitors from mainland Europe and is 21% for German visitors. Germany is the largest national mainland European market for overseas tourism in Ireland. The UK rate for drink/pubs was a higher 27%.

The most popular three factors of people, scenery and culture/history are deeply imbedded or natural features of the tourism product. In a sense they are not specifically policy or enterprise determined features, unlike the pubs which are enterprise determined. **Public houses were the fourth ranked positive feature of the Irish tourism experience for overseas visitors.** In addition, as noted above, the Irish people are the main advantage of Irish tourism. The public house is an excellent meeting point and opportunity for engagement with Irish people for tourists. Overall, the public house is a distinguishing feature of holidaying in Ireland.

Information was also obtained on disadvantages of Ireland as perceived by overseas tourists. Number one mention was the weather at 17%, followed by high cost of living at 12%. However, the joint third ranked disadvantage was drink costs at 9%. The high cost of drink partly reflects the high excise tax on alcohol and the general cost competiveness position of Ireland.

The 2013 Fáilte Ireland research asked overseas tourists to identify the Irish tourism aspects they desired to experience which influenced their decision to visit Ireland. The top ranking response was “an Irish Pub” with 80% mentions, rising to 85% for Mainland Europe visitors and 84% for Germany and North America. The UK score was 65%. The next highest element that visitors desired to experience was Dublin’s heritage and culture with 61% and an Irish castle 56%. The top seven tourism elements that influenced the decision of overseas visitors to visit Ireland are listed below:

1. An Irish Pub 80%
2. Dublin’s Heritage and culture 61%
3. An Irish Castle 56%
4. the Cliffs of Moher 46%
5. The Ring of Kerry 37%
6. Connemara 36%
7. the Rock of Cashel 18%

The Fáilte Ireland research asked overseas visitors to identify the tourism elements in which they had participate or visited during their stay. The highest ranked answer was “listened to Irish music in a pub” which was experienced by 83% of the survey respondents, rising to 88% for North American visitors. Visiting a coastal town got an 82% response and ranked third was “tasted Guinness” with a 79% response. The fourth ranked element was “visited a food or craft market” with a 49% response.

FESTIVALS TOURISM AND THE DRINKS INDUSTRY

This section identifies the role of drinks industry sponsorship in supporting festivals and illustrates the wide range of festivals and events which receive drinks industry support.

The exact number of festivals operating in Ireland is uncertain but the available data indicate that it is a very large number. Fáilte Ireland referred to 900 festivals and events in 2011 and grant aided 210 events.

The total contribution of the drinks industry and other commercial sponsorship is greater than the direct financial support. It includes additional non monetary assistance including staff, advertising and promotion, facilities and expertise.

As shown below the drinks industry is a major supporter of many events particularly the larger international events. There is limited recent comprehensive research on the individual industrial sectoral contributions to the festival activity. However, earlier research already reported in the 2009 DIGI report on the drinks industry contribution to tourism indicates a very strong role for the drinks industry.

A 2003 report from the Association of Irish Festival Events concluded that commercial sponsorship accounted for 39% of funding. Of particular interest to the drinks industry is the fact that the top two sources of commercial funding were:

- publicans, restaurants, hotels and other hospitality: 27% of all festival sponsorship
- breweries and distillers: 21% of all festival sponsorship

By contrast banks and building societies provided only 6% of commercial sponsorship.

In addition to the substantial role played by the main drinks manufacturers, local publicans also provide sponsorship for a range of local events.

Fáilte Ireland research estimated that in 2005, 22% of festival visitors were from overseas. Sponsorship by the commercial sector is a very important source of funding. Based on 2005 Fáilte Ireland research 36% of funding is from commercial sponsorship, 31% from box office receipts, 22% from grants and 11% from other sources.

An updated (2009) analysis is available from Fáilte Ireland. This research indicates that

- 40% of adults claimed to attend festivals in Ireland
- Music festivals are the most popular with 65% of attendees saying they attend some form of music festival
- 83% say they attend festivals other than music, 34% attend art festivals which is the highest response after music, followed by theatre festivals at 8%, family or childrens festivals at 8%, film festivals at 5% and comedy at 4%.
- 28% of attendees do not spend any nights away at the festivals, 21% spend one night away, 26% spend two nights away and 23% spend three or more nights away. The average number of nights away is between one and two.
- Spending nights away is more likely for music festival attendees
- An attendance rate of 40% of adults represents approximately 1.3 million people in 2009

Additional research from Fáilte Ireland's Survey of Overseas Travellers indicates that in 2009, 376,000 overseas visitors attended festivals. This is 5.7% of all overseas visitors (based on Fáilte Ireland estimate of total visitors). Fáilte Ireland states that in 2010 the overseas festival attendance was about 400,000 persons. Of course, attendance at festivals does not imply that the festival was the main determinant of their choice of Ireland. However, festivals do enhance the tourism product and tourist experience. The great majority of festival attendees are domestic, which contributes greatly to the domestic tourism market. €448 million was generated by festivals in 2010 and more than two million bed nights were generated from the domestic market alone according to Fáilte Ireland.

The main challenge identified by festival organisers according to the Fáilte Ireland report was lack of funds, and in particular, the task of maintaining sponsorship.

In 2008, Deloitte examined the role of business in funding arts and culture. This included heritage, visual arts, performing arts and other activities including festivals. The analysis did not directly identify the role of the drinks industry in financial support but it classified business into five categories: consumer, retail and hospitality (which included the drinks industry); technology, media and communications; financial service; energy, utilities, construction and property; and other.

According to this research, festivals/events attracted 55% of the total business support. 76% of the arts/culture organisations had received business support. The most frequent support came from the consumer, retail and hospitality sector which supported 58% of organisations followed by technology, media and communications which supported 41% of organisations, and financial services which assisted 38%. The total exceeds 100% because there were multiple responses.

Amarach carried out an earlier (2006) survey on the same theme. It found that the number of arts projects reporting support from various business sectors were alcoholic drinks 21%, non alcoholic drinks 5% and hotels and restaurants 21%. This compared with 27% for banks and financial services and 25% for media and publishing.

The available evidence indicates that the drinks industry is a major business sponsor of festivals**.**

An illustrative sample of recent and current drinks industry sponsored festivals is shown below:

Illustrations of Festivals Sponsored by the Drinks Industry:

- *Absolut Art at the Galway Festival Galway*
- *Bacardi Electric Picnic Stradbally Hall Laois*
- *Becks Vier Taste of Dublin Dublin*
- *Bulmers (Pear) Comedy Festival Galway*
- *Bulmers Junction Festival Clonmel Tipperary*
- *Carling Cork Folk Festival Cork*
- *Carling Cork Mid-Summer Festival Cork*
- *Carlsberg Spraoi Festival Waterford*
- *Coors Light Live at the Latin Quarter Galway*
- *Corona Fastnet Short Film Festival Cork*
- *Desperados at Sea Sessions Festival Donegal*
- *Guinness Jazz Festival Cork*

- *Guinness Fleadh Cheoil na h Eireann Sligo*
- *Guinness Singing and Swinging Wexford*
- *Heineken Electric Picnic Stradbally Hall Laois*
- *Heineken Slane Music Events Meath*
- *Hennessy Literary Awards Dublin*
- *Hennessy Portrait Awards Dublin*
- *Jameson Dublin International Film Festival Dublin*
- *Jameson Cult Films Clubs*
- *Molson Canadian Indiependence Cork*
- *Molson Coors Bray Jazz Festival Wicklow*
- *Powers Irish Coffee Making Competition Foynes Limerick*
- *Smithwicks Kilkenny Rythem & Roots, Kilkenny*
- *Tiger Dublin Fringe*
- *Tiger Galway Arts Festival Galway*
- *Tullamore Dew Castlepalooza, Westmeath*
- *West Coast Cooler and multiple other brands Taste of Dublin*

As well as being the principal sponsor for many events, the drinks industry also contributes to events as associate and minor sponsors.

In addition to festival sponsorship the drinks industry supports tourism through sponsorship of quality enhancing programmes such as the Dalcassian Wines sponsorship of the *Restaurants Award*.

SPORTS EVENTS TOURISM AND THE DRINKS INDUSTRY

This section identifies the role of the drinks industry in supporting a wide range of sporting events.

As is the case internationally, the drinks industry is a major sponsor of sports events. Large international events, such as the rugby internationals, bring in overseas tourism as well as generating domestic tourism. The main economic impact of sports is through domestic tourism. Of course, even if there was no sponsorship most, if not all, of these sporting events would continue. The lost sponsorship might be replaced by other sponsors. If not, financial resources available to events would have to be reduced or the additional finance needed to replace the sponsorship would be diverted from other desirable programmes. It is estimated that drinks industry sponsorship of sports in 2012 was about €35 million.

Major recent and current sports sponsorships included:

- Guinness Series, International Rugby
- Guinness Pro 12 Rugby
- Heineken European Rugby Cup
- Heineken Irish golf open
- Horse racing sponsorship by Powers Gold Cup, Hennessy Gold Cup, the Miller sponsorship of Gowran Park racing, the Guinness Punchestown national hunt sponsorship and Guinness sponsorship of the Leopardstown, Galway, Limerick and Listowel Races
- Carling sponsorship of Irish soccer
- Wolf Blass sponsorship of Leinster Rugby.

Beamish sponsors the Munster Senior League (soccer). Heineken sponsors the Kinsale Rugby Sevens. Carlsberg sponsors the Salthill Devon national five a side soccer festival. There is also a range of smaller supports including individual pub sponsorship of local teams and events. According to a 2013 VFI survey of members, 49% of VFI members were sponsoring local sports teams.

The role of the drinks industry in horse racing sponsorship is substantial although the absolute amount has declined due to the economic recession.

In 2013, total commercial race sponsorship was €3.723 million. Of this, the drinks industry provided €371,000 or 10%, which was the fifth highest sectoral share behind media (19.8%), bookmakers and betting exchanges (15.8%), stud farms (13.5%), and racecourses (12.9%). Hotels provided another 1.6% of the sponsorship.

The scale of the racing industry and its economic impact can be appreciated by the attendance of 1.24 million persons who attended race meetings in 2013.

TOURISM ATTRACTIONS AND THE DRINKS INDUSTRY

This section identifies the substantial role played by the visitor attractions established by the drinks industry.

The 2013 Fáilte Ireland national data for all fee charging attractions shows that the Guinness Storehouse was the largest fee charging tourism attraction in 2013 with 1,157,090 visitors. Second in the ranking was Dublin Zoo with 1,026,611 visitors. The large majority of Guinness Storehouse visitors were from overseas. It was substantially ahead of the third ranked attraction which was the Cliffs of Moher which had 960,134 visitors. The Old Jameson Distillery attracted 267,836 visitors in 2013 and was ranked twelfth in the top 20 attractions. The great majority of these visitors were also from overseas. The Jameson Experience in Midleton attracted 115,000 visitors in 2013.

The Guinness Storehouse has topped the list of visitor attractions every year since 2008 except for 2010.

The drinks industry visitor attractions are particularly important in overseas tourism. In 2012 91% of the Old Jameson Distillery/Midleton Jameson Experience visitors were from overseas with 43% from the United States, 13% from Germany and 10% from France. The overseas share was 93% for the Guinness Storehouse in 2012 and the largest overseas share was from the USA.

Diageo announced in 2013 that the Smithwick's brewery in Kilkenny will be transformed into a state-of-the-art visitor experience with an investment of €3 million.

The 2013 top 20 fee paying attendances are listed below. In addition to the two drinks facilities on the list there are the Jameson Experience at Midleton with 115,000 visitors and Kilbeggan Distillery Experience (2012 figures) with 53,000 visitors. Tullamore Dew Visitor Centre is another drinks generated facility with about 16,000 visitors.

Table 5: Top 20 fee-charging attractions (persons) 2013

Rank	Attraction	Number of visitors (thousands)
1	Guinness Storehouse	1157.1
2	Dublin Zoo	1026.6
3	Cliffs of Moher Visitor Experience	960.1
4	National Aquatic Centre	858.0
5	Book of Kells	588.7
6	Tayto Park	435.0
7	St Patricks Cathedral	410.0
8	Fota Wildlife Park	365.4
9	Blarney Castle	365.0
10	Kilmainham Gaol	294.1
11	Bunratty Castle and Folk Park	285.0
12	Old Jameson Distillery	267.8
13	Rock of Cashel	255.3
14	Castletown House	244.4
15	Kilkenny Castle	241.3
16	Powerscourt House	208.9
17	The House of Waterford Crystal	180.0
18	Christ Church	165.0
19	Dublinia	162.6
20	Clonmacnoise	139.4

**Source: Fáilte Ireland*

INTERNATIONAL PROFILE

This section identifies the contribution that Ireland's international drinks brands makes to the international tourism perception of Ireland.

Substantial public and private sector marketing funds are devoted to promoting Ireland as a tourism destination. Factors which raise the profile of the country in a favourable way in the minds of potential tourists are desirable and contribute to tourism performance. `

High profile international sporting or cultural achievements by Irish people contribute to the positive profile of Ireland. High profile high quality international Irish brands also contribute to the positive profile of Ireland.

The drinks industry contributes global brands, such as the three most internationally recognised Guinness, Baileys and Jameson. In addition, Magners has an international reach. Drinks products are associated with leisure, relaxation and the hospitality industry, which adds to the tourism promotion effect. These are all recognised as high quality premium products. They are directly associated with Ireland and generate a positive impression of the country from a tourism perspective.

The geographic reach of these drinks brands is global. Jameson is consumed in 120 countries. Baileys is consumed in 130 countries and is the worlds leading liqueur. Guinness is consumed in 150 countries.

The presence of Irish pubs in many foreign cities also contributes to the awareness of Ireland as a `location associated with hospitality and relaxation.

The recognition impact of Irish drinks brands including Guinness, Baileys, Jameson and Magners is an important support to the direct tourism marketing effort.

Guinness Storehouse generates around 180 million media impressions each year which promote Dublin and Ireland as tourist destinations.

CONCLUSION

Tourism is an important sector in terms of economic impact and exchequer contribution. The tourism sector is expected to grow substantially over the next decade. The drinks industry makes a substantial contribution to the tourism performance in several ways.

7,315 public houses and almost 1,000 hotel and other full bar on-licences provide physical facilities and a range of services required by tourists on a very widespread geographic basis. In addition there are 411 fully licensed restaurants and 1752 wine licensed restaurants.

The public house network provides wash room facilities and shelter, in even the very remote parts of the country. This supports the regional spread of tourism. Over half of licensed premises provide food, of these almost 90% provide hot meals. 43% provide live entertainment. 22% of licensed premises and 17% of pubs provide entertainment specifically for tourists.

After the fundamental attractions of *people, scenery and culture/history,* public houses are identified as an advantage that positively distinguishes Ireland by 22% of overseas tourists, 24 % of mainland European visitors and 21% of German visitors (which is the largest national mainland European market for Irish tourism).

2013 Fáilte Ireland research asked overseas tourists to identify the Irish tourism aspects that they desire to experience which influenced their decision to visit Ireland. The top ranking response was “an Irish Pub” with 80% mentions, rising to 85% for Mainland Europe visitors and 84% for Germany and North America. The UK score was 65%. The next highest elements that visitors desired to experience were Dublin’s heritage and culture with 61% and an Irish castle 56%.

The Fáilte Ireland research asked overseas visitors to identify the tourism elements in which they had participate or visited during their stay. The highest ranked answer was “listened to Irish music in a pub” which was experienced by 83% of the survey respondents, rising to 88% for North American visitors.

Festivals supported by the drinks industry include the Guinness Cork Jazz Festival, the Heineken Electric Picnic, the Jameson Dublin International Film Festival and the Bulmers (Pear) Comedy Festival, Galway.

The drinks industry sponsors both major and local sports events including golf, soccer, rugby and GAA. In 2013, the drinks industry provided 10% of all horse racing sponsorship.

In 2013, the Guinness Storehouse was the most popular fee charging tourism attraction in Ireland with 1.1571 million visitors. The Dublin Old Jameson Distillery attracted 267,800k visitors in 2013. Both are in the top 20 of fee charging attractions. The Midleton Jameson Experience attracted 115,000 visitors in 2013. Guinness Storehouse generates 180 million global media impressions annually.

Brands such as Guinness, Jameson and Baileys which are consumed in over 100 countries generate positive awareness of Ireland as a place of quality relaxation and leisure among potential tourists. Other brands such as Magners also have an international reach.

Overall, the drinks industry support for Irish tourism is substantial and wide ranging. The tourism industry is expected to be a major source of economic development and employment growth over the coming years.

To achieve this desirable and demanding growth the tourism industry will need widespread support, including the substantial support provided by the drinks industry.

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