A Paradigm Shift In Tourism: Some Suggestions For Irish Tourism Policy To 2029

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Outline Of Presentation

1. Understanding What we Mean By A Paradigm and a Paradigm Shift.

2. The Phenomenal Growth of Tourism and Irish Tourism Since The 1980s and After the Financial and Fiscal Crisis From 2010 to Today.

3. Some Theory on How Tourism Develops-This will Be Quick

4. The Paradigm Game Changers-Technology, Climate Change-Overtourism and The New Experience Economy.

5. Innovation is the Bridge to the Future

6. What All of the Above Mean For Tourism Policy And Development-so some suggestions for a new focus in Irish Tourism Policy
1. What Do We Mean By “Paradigm”/Paradigm Shift?

According to Kuhn, in periods of “normal science” a paradigm is a set of broadly recognised concepts and theories that for a time provide model problems and solutions for a community of practitioners (1962, p10).

In “normal times”, in the reign of “business as usual”, science, enterprise and governance, (including practice in tourism), are conducted within the framework of a paradigm...but existing paradigms face major disruptions-paradigm shifts- when the set of problems changes too rapidly and profoundly for the prevailing concepts to apply problem solving methods to work.....

A Paradigm shift is a game changer....it involves a dramatic advance in methodology and practice, a major innovation in thinking and planning. And, it is especially true in such cases of Paradigm Shift that the Future of Tourism—or simply “The Future of Tourism..or simply the Future....depends on Innovation” (Fayos Solà 2017)
PART TWO

THE PHENOMENAL GROWTH OF TOURISM
World Arrivals
Grew 6% in 2018
to 1.4
billion...above the
3.7% growth in
the global
economy.

Europe grew by
6% after a pretty
exceptional
growth in 2017 to
have 713 million
arrivals.

Flat arrivals in
Northern Europe
due to weak UK
performance.

International
arrivals grew by 4%
in the first 6 months
of 2019

Evidence of a return
to an historic trend
of 3 to 4% growth
per annum

At this rate the
world in 2020 will
be very close to
what seemed a
wildly ambitious
forecast in 1995
Revised forecasts made in 2010 for 1.4 billion arrivals in 2020 were reached 2 years ahead of target in 2018.

Target for 2030—what do you think will happen?
Ireland’s Tourism Performance Has Benefited From Buoyant Demand

1968-1.4 Million Overseas Arrivals to 9.6 million in 2018

Tourism has performed well since the depths of the crisis – from 5.9 million arrivals in 2010 to 9.6 million in 2018 and €5.2 billion

Tourism Targets Set For 2025 Were Reached “7 years early”

New targets of 11.6 million arrivals and €6.5 Billion in Overseas Earnings for 2025
PART THREE

SOME THEORY
Plog’s Model Of Tourist Behaviour (1972)

• Allocentric and Near Allocentric (Later he labelled them Venturer) -
  • Intellectually curious and wish to explore, adventurous. Independent judgment, eschew routine in favour of spontaneity, experiment with new products, spend now and worry later-optimistic about the future etc.

• Psychocentric and Near Psychocentric (Later he labelled them “Dependable” and “Near Dependable”) -
  • Intellectually restricted, cautious in all things, spend carefully, prefer popular brands, seek guidance from “Authority figures”, prefer to be surrounded by friends/family.
Think who influences today?
Psychographic positions of destinations (1972)

- Psychocentric (Dependable)
  - Coney Island
  - Most of U.S.
  - Florida
  - Honolulu & Oahu

- Near Psychocentric
  - Miami Beach
  - Caribbean
  - Central Europe, Great Britain

- Mid-Centric
  - Central Europe
  - Northern Europe
  - Hawaii Outer Islands
  - South Pacific

- Near Allocentric
  - Japan and Asia

- Allocentric (Venturer)
  - South Africa
  - Central Mexico
  - Southern Europe
Psychographic positions of destinations (2001)

**DEPENDABLE**
- Branson
- Atlantic City
- Myrtle Beach
- Orlando
- beach resorts
- Indian casinos

**NEAR-DEPENDABLE**
- Hollywood
- Las Vegas
- theme parks
- Honolulu
- Florida
- the Dakotas
- Ohio
- Kansas
- Mexico (border)
- Caribbean cruises
- escorted tours (U.S. and Europe)

**CENTRIC-DEPENDABLE**
- Alaska cruises
- U.S. Parks
- Illinois
- Washington, D.C.
- the Carolinas
- Michigan
- Chicago
- Georgia
- Kentucky
- Hilton Head
- Philadelphia
- Los Angeles
- Caribbean (most)
- Ontario
- London
- Rome
- Israel
- Italy

**CENTRIC-VENTURER**
- New Mexico
- Arizona
- New England
- Hawaii (outer is.)
- Washington State
- Oregon
- Colorado
- Wyoming
- Montana
- San Francisco
- New York City
- Quebec
- Bermuda
- Brazil
- Mexico (interior)
- Hong Kong
- England
- (countryside)
- Scandinavia
- Paris

**NEAR-VENTURER**
- Russia
- Tahiti
- New Zealand
- China (big cities)
- Poland
- Costa Rica
- Egypt
- Jordan
- Thailand
- Australia
- Alaskan wilderness
- Guam
- Fiji
- hard adventure travel
- Vietnam
- Antarctica
- Amazon
- China (interior)
- Tibet
- Nepal

**VENTURER**
- Ireland
- Kenya
- Africa
- expedition travel
BUTLER’S LIFE CYCLE MODEL OF TOURISM (1980)
General Model Of Demand Typologies
Source: Adapted from Coccossis and Konstantoglou (2006)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Preferred Destination</th>
<th>Life Cycle Stage</th>
<th>Impacts Intention</th>
<th>Contact with Local Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lonely Travellers</td>
<td>Pioneer Resort</td>
<td>Exploration</td>
<td>Small</td>
<td>High</td>
</tr>
<tr>
<td>Tourists in Small Groups</td>
<td>Lonely</td>
<td>Initial stages of Tourism Growth</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Mass Tourists</td>
<td>Famous</td>
<td>Stagnation</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>
PART FOUR

PARADIGM SHIFT-THE GAME CHANGERS
1. TECHNOLOGICAL CHANGE AND DISRUPTION

BIG DATA AND CUSTOMISATION
2. Climate Change And Sustainability: The Challenge is To Decouple Tourism Growth From Environmental and Social Impact

United Nations World Tourism Organisation (UNWTO) estimated in 2007 that tourism could be held responsible for 5% of global CO2 Emissions, contributing circa 4.6% of global warming.

The transport sector, including air, car and rail generated circa 75% of all the emissions (estimate the was that air transport accounted for about 40% of the total carbon emissions of the sector);

Accommodation (including restaurants and bars) accounted for approximately 20% of emissions from tourism and

Activities such as museums, theme parks, events or shopping accounted for the remaining balance of 5%

Of course, climatic conditions/geography would influence variations.

More recent study from the University of Queensland estimates tourism now accounts for 8% of Global Greenhouse Gas Emissions. Measurement is now a key component of policy.
CLIMATE ACTION PLAN 2019
To Tackle Climate Breakdown
Climate Change Will Put A Major Focus on Measurement Issues

Pursuit of “Net Zero Emissions” by 2050 will be a massive challenge for Ireland;

The Value of certain economic activities will increasingly be measured against the impact on the “environment”-physical and social;

For tourism this will mean a far greater degree of sophistication and “Knowledge” about both the economic and environmental impact of all activities undertaken by “tourists”
WHAT CAN WE DO IN TOURISM-UNWTO?

1. Aviation is the biggest challenge, particularly for Island destinations like Ireland-Aisling Reynolds Feighan and Colm Mc Carthy will tell us more about the challenge(s)

2. Transport outside of air travel also presents big challenges but greater opportunities in the short run
What About Accommodation?

Buildings consume 40% of total energy and emit 36% of greenhouse gases in Europe and represent a high potential for energy savings.

A typical hotel annually releases between 160-200kg of CO2 per square metre of floor area-by reducing CO2 emissions, hotels can make a positive contribution to the environment and simultaneously reduce their operational costs.

Large scale renovations of existing buildings towards zero energy are in the forefront of EU policies-see Nearly Zero Energy Buildings Project(Nzeb) aimed at hotels in attempt to meet EU’s 2020 and 2050 targets. Very positive results from the pilot project.

Hotel Energy Solutions Project –focus Europe and half of world’s hotels in Europe and nine out of 10 are SMEs... “ currently the use of energy technologies is far below its real potential and the majority of these hotels are relying on older, less efficient equipment”.

Greatest Limiting Factor For “Greening”, however is the nature of small businesses and the lack of access to capital. For more, see HES On-Line Toolkit for practical application.
DEFINING OVERTOURISM (OT)

OVERTOURISM DESCRIBES THE SITUATION IN WHICH THE IMPACT OF TOURISM, AT CERTAIN TIMES AND IN CERTAIN LOCATIONS, EXCEEDS THE PHYSICAL, ECOLOGICAL, SOCIAL, ECONOMIC, PSYCHOLOGICAL, AND/OR POLITICAL CAPACITY THRESHOLDS.

(Source: European Parliament, 2018)
EUROPEAN PARLIAMENT STUDY (2018)

• A comprehensive study conducted for the Transport Committee of the European Parliament.

• Study aimed to improve the understanding of the wider and more recent development of overtourism and to identify and assess the issues associated with it, and to propose policies and practices to mitigate its negative effects.

• Study includes an extensive literature review and 41 case studies and highlights the character of overtourism impacts—environmental, economic and social—depends on the type of destination.

• The study focuses on 4 area types:
  • A) Urban (Previous McKinsey Study on “Overcrowding” had developed 9 metrics to study urban areas.
  • B) Rural
  • C) Coastal and Islands and
  • D) Heritage and Attractions
Figure 2: Conceptual model of overtourism

General overtourism model

- **Tourism density**
- **Tourism intensity**
- **Airbnb share**
- **Closeness cruise ports**
- **Arrival intensity**
- **Arrival growth**
- **Tourism share GDP**
- **Closeness World Heritage Site**

- **Tourism impacts (TI):**
  - Tourism density/intensity
  - Tourism share GDP
  - Environmental pressure
  - Economic pressure
  - Social and psychological pressure

- **Tourism market mix, volume and growth**

- **Over-tourism impacts:**
  - Gentrification
  - Declining population
  - Protest movements
  - Loss of destination attractiveness
  - Loss of resident livability
  - Mismatch between type of visitors and destination
  - Mismatch between groups of visitors

- **Policy responses:**
  - Reduce tourism (peak) volumes
  - Diversifying and reduce market mismatch
  - Improve/increase capacity
  - Involve residents and stakeholders
  - Control tourism (sharing) economy

- **Tourism capacity (TC):**
  - Physical
  - Ecological/environmental
  - Economic
  - Political and governance
  - Social
  - Psychological

- **TI > TC?**

- **OD = Overtourism Drivers, TI = Tourism Impacts and TC = Tourism Capacity**
Findings: The Most Relevant Indicators For Overtourism Are as Follows:

Tourism density (bed nights per square km) and intensity (bed nights per resident);

The share of Airbnb bed capacity of the combined Airbnb and Booking.com bed capacity;

The share of tourism in regional Gross Domestic Product;

Air travel intensity (arrivals by air divided by the number of residents and

Closeness to airport, cruise ports and UNESCO World Heritage Sites
Key Findings contd:

Overtourism is ultimately the result of tourism strategies focused on volume growth;

Most overtourism issues are related to the (negative) perception of encounters between tourists, residents and entrepreneurs-too many tourists at certain times/or places;

Overtourism develops when one or more of the ecological, physical, psychological or economic capacities at a destination is exceeded....declining transport costs or change in visitor composition;

Speed of change due to social media platforms;

Destinations pursue various strategies to address OT but the underlying reason for for OT, volume growth, is rarely discussed and

Destinations may have to put far greater emphasis on the optimisation of tourism benefits and reconsider the focus on growth.
Key Findings Contd:

Impacts depend on the type of destination: social impacts prevail in Urban areas, environmental in Rural. All major impacts occur in Coastal areas and Islands and In Heritage Attractions.

Impacts are a function of the number of tourists per 100 inhabitants (Tourism Penetration Ratio - TPR) and The Number of Tourists Per Square KM (Tourism density ratio - TDR) and differ across destinations but a combination of a high TPR and TDR suggest a serious risk of “overtourism”

Overall, negative environmental impacts of overtourism were found to dominate while negative economic impacts had least relevance.

Overall there is a serious lack of reliable data that hampers the effective identification of a destination’s state of OT or the risk of OT

Economic policies that improve socio economic benefits for residents are needed.
CHECKLIST FOR RISKS OF OVERTOURISM

- Is your destination less than 30 km from an airport?
- Is your destination less than 15 km from a cruise port?
- Is your destination less than 20 km from a World Heritage Site?
- Do you use a volume growth-oriented (e.g. tourist arrival numbers, bed-nights) set of indicators to evaluate the success of your destination, excluding opportunities for optimisation (e.g. spending per day, liveability for residents)?
- Is your marketing strategy focused on medium and long-haul, rather than closer markets?
- Are resident sentiments ignored in destination development?
- Do you ignore social media (for both residents and visitors) discussing overcrowding, negatively discussing tourists and other indicators for overtourism?
- Are Airbnb and similar sharing-economy accommodation unregulated nor monitored?
- Are Airbnb and similar sharing-economy accommodation excluded from (tourism) taxes as paid by hotels, B&B and other contemporary accommodation types?
- Do stakeholders from air transportation and/or cruise ports have a decisive influence on your tourism management and planning?
3. WHAT IS THE EXPERIENCE ECONOMY?

The next economy following the agrarian economy, the industrial economy and the service economy.

Products need to create meaning, experience and some sort of memory for consumers.

The highest value economic offerings are now “experiences”-do you agree?

Customisation is key for delivery as is the data that lies beneath it.
**HISTORICAL CONTEXT** behind the experience economy

<table>
<thead>
<tr>
<th>Type of Economic Offering</th>
<th>Commodities</th>
<th>Goods</th>
<th>Services</th>
<th>Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>agrarian</td>
<td>manufacturing</td>
<td>service</td>
<td>experience</td>
</tr>
<tr>
<td>Nature of Offering</td>
<td>fungible</td>
<td>tangible</td>
<td>intangible</td>
<td>memorable</td>
</tr>
<tr>
<td>Factors Influencing Demand</td>
<td>characteristics</td>
<td>features</td>
<td>benefits</td>
<td>sensations</td>
</tr>
</tbody>
</table>

Source: Pine and Gilmore, 1998
HISTORICAL CONTEXT behind the experience economy

The Progression of Economic Value

Source: Pine and Gilmore, 1998
HISTORICAL CONTEXT behind the experience economy

The Progression of Value

Differentiated

Competitive Position

Undifferentiated

Market

Pricing

Premium

Source: http://management-class.co.uk/images/prod-development-ux-team-plan-2008ppt1.jpg
“From a marketing perspective, experiences are defined as a type of offering that can be added to commodities, goods or services to create a fourth product category that satisfy and extract value from the desire of postmodern consumers”

Source: Carù and Cova 2003; Schmitt 1999; Gupta and Vajic 2000; Pine and Gilmore, 1999
EXPERIENCES ARE NOW THE DRIVING FORCE IN THE TOURISM ECONOMY

THINK ABOUT WHAT YOU ARE PREPARED TO PAY MOST FOR THESE DAYS AND WHEN YOU TRAVEL
Innovation Is The Bridge to Deliver In The New Paradigm: Knowledge/Data Are Now Key-The “Business As Usual” Approach Will Not Work Any Longer

THE DATA WE NEED CAN ONLY BE DEVELOPED IF TOURISM IS EMBEDDED IN THE “KNOWLEDGE ECONOMY”

PRIORITISATION OF RESEARCH FOR TOURISM DEVELOPMENT IS KEY

HOW ARE WE FIXED IN IRELAND?...BADLY-A SERIOUS ABSENCE OF A FOCUS AND DEDICATED FUNDING FOR TOURISM RESEARCH
The 14 priority areas are listed below and form the vital components on which Ireland’s future prosperity is being staked. Research/competence Centres are established and funded following this broad architecture.

- Priority Area A - Future Networks & Communications
- Priority Area B - Data Analytics, Management, Security & Privacy
- **Priority Area C - Digital Platforms, Content & Applications**
- Priority Area D - Connected Health and Independent Living
- Priority Area E - Medical Devices
- Priority Area F - Diagnostics
- Priority Area G - Therapeutics: Synthesis, Formulation, Processing and Drug Delivery
- **Priority Area H - Food for Health**
- **Priority Area I - Sustainable Food Production and Processing**
- Priority Area J - Marine Renewable Energy
- Priority Area K - Smart Grids & Smart Cities
- **Priority Area L - Manufacturing Competitiveness**
- Priority Area M - Processing Technologies and Novel Materials
- **Priority Area N - Innovation in Services and Business Processes**
THE IMPORTANCE OF TOURISM MERITS INCLUSION IN THE LIST OR A 15TH PRIORITY AREA NEEDS TO BE ESTABLISHED WITH AN APPROPRIATE FUNDING STREAM

Thanks For Listening- I hope it was a Good “Experience"
### Exhibit 2: The top 20 countries account for almost two-thirds of all arrivals.

<table>
<thead>
<tr>
<th>Country</th>
<th>Inbound Visitor Arrivals (2016), Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>82</td>
</tr>
<tr>
<td>United States</td>
<td>76</td>
</tr>
<tr>
<td>Spain</td>
<td>76</td>
</tr>
<tr>
<td>China</td>
<td>59</td>
</tr>
<tr>
<td>Italy</td>
<td>53</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>36</td>
</tr>
<tr>
<td>Germany</td>
<td>36</td>
</tr>
<tr>
<td>Mexico</td>
<td>35</td>
</tr>
<tr>
<td>Thailand</td>
<td>33</td>
</tr>
<tr>
<td>Russia</td>
<td>32</td>
</tr>
</tbody>
</table>

Top 10 countries account for ~46% of inbound trips
<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>25</td>
<td>Next 10 countries account for an additional ~21%</td>
</tr>
<tr>
<td>Japan</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>19</td>
<td>Remaining countries account for ~33% of total!</td>
</tr>
<tr>
<td>Country</td>
<td>Arrival Rate</td>
<td>Change</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td>Austria</td>
<td>28</td>
<td>3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>27</td>
<td>7</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>27</td>
<td>-2</td>
</tr>
<tr>
<td>Turkey</td>
<td>26</td>
<td>10</td>
</tr>
<tr>
<td>Greece</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>Japan</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>Portugal</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Canada</td>
<td>20</td>
<td>-2</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>19</td>
<td>4</td>
</tr>
</tbody>
</table>

Remaining countries will add ~72 million arrivals

Next 10 countries will add ~51 million arrivals

**NOTE:** Numbers may not add due to rounding.

1 This includes an additional 59 countries for which data is available.

**SOURCE:** Euromonitor International, extracted December 2017