

APPENDIX 4c

Methodology for Estimating
Tourist/Visitor (In-flow)
Expenditure

GDA Retail Strategy Update

Quantitative Retail Floorspace Need Assessment:

Methodology for Estimating Inflow Expenditure from Outside the Household Survey Area

1. The main purpose of the household survey¹ is to quantify the distribution of available consumer retail expenditure on convenience goods and comparison goods amongst existing centres/retail parks/stores. This allocation of spend relates to only the residential population within the survey area, which consists of the Greater Dublin Area (GDA) and its shopping hinterland.
2. The relatively extensive survey area has been designed to capture the vast majority of daily shopping trips made to Dublin City Centre and all other centres within the GDA. Nevertheless, in addition, there will also be retail spending at centres within the GDA, which originates from visitors/tourists who live outside the survey area but are staying inside. In practice, the overwhelming proportion of visitors/tourists will be staying in Dublin and will be spending in the city centre.
3. To estimate the annual amount of visitor/tourist retail spending in Dublin City Centre a two stage approach has been adopted:-
 - a survey of tourists/visitors has been carried out order to estimate their daily average spend on convenience goods and comparison goods;
 - this data is then combined with published information on visitor numbers and average length of stay in Dublin in order to estimate the annual spend in the city centre.
4. The street survey of visitors/tourists in Dublin City Centre (the results are summarised at **Appendix 4b**) produced the following estimates of average spend per person per day:-

¹ A combination of the Household telephone and Young Persons surveys.

Convenience Goods (food to take home)	-	€4.14
Non-Bulky Comparison Goods	-	€40.30
Bulky Comparison Goods	-	€6.42

(These figures are for 2007 at current prices and include VAT)¹

5. Given that the quantitative retail floorspace need assessment is carried out at constant 2006 prices, the spend figures are adjusted by discounting for inflation between 2006/07 which was c. 5%. The revised daily visitor/tourist spends per head for 2007 (at 2006 prices) are therefore:-

Convenience Goods	-	€3.93
Non-Bulky Comparison Goods	-	€38.29
Bulky Comparison Goods	-	€6.10

6. The latest available² tourism statistics for Dublin published by Failte Ireland (The National Tourism Development Authority) are for 2006. These show that 5.676 million tourists visited Dublin (County) in 2006 and stayed for one night or more. This total may be broken down as follows:-

Overseas tourists	-	4.306 million
Domestic tourists	-	1.207 million
Northern Ireland tourists	-	0.163 million

7. All overseas tourists and tourists from Northern Ireland will clearly be net additional to the residents covered by the household telephone survey. However, there could be some overlap between domestic tourists and residents living within the survey area. However, given that the definition of a tourist is someone who stays a minimum of one night in Dublin County, it is assumed that virtually all domestic tourists are likely, in practice, to live outside the survey area. Thus the incidence of double-counting, which will tend to over-estimate the number of domestic tourists, will be very low.

¹ These 2007 figures are higher than the €27 spend per person per day totals derived from the 2006 Dublin Visitor Survey undertaken by the Tourism Research Centre of the DIT. However, the DIT survey is carried out at major tourist attractions and not within Dublin City Centre, and whilst the results relate to general daily 'tourist shopping' it is likely that the survey could have under-estimated the actual levels of retail spending in Dublin City Centre.

² As at February, 2008.

8. Similarly, the tourism definition may exclude any domestic or Northern Ireland shoppers who make a day trip to Dublin from outside the survey area. However, given the extensive size of the household survey area, it is likely that these numbers will be small. In any event, the underestimate of shoppers (and therefore spend) here will tend to cancel out the earlier over-estimate. On balance, therefore, the figures presented here should be robust.

9. The average stay in Dublin for overseas visitors/tourists in 2006 was 4.8 nights. Thus the total number of overseas visitor nights in Dublin County in 2006 is estimated to be:-

$$**4.306 million x 4.8 nights = 20.67 million nights**$$

10. No data is available for the average length of stay for domestic tourists and tourists from Northern Ireland, except that the minimum stay has to be one night and the average is likely to be less than 4.8 – the number of nights for overseas tourists. An average length of stay of 2 nights is therefore assumed. Thus the total number of domestic /Northern Ireland visitor nights in Dublin County in 2006 is estimated to be:-

$$**1.370 million x 2 nights = 2.74 million nights**$$

11. Therefore, the overall total of tourist/visitor nights in Dublin County in 2006 is estimated to be:-

Overseas visitors	-	20.67 million
Domestic/Northern Ireland	-	2.74 million

		23.41 million

12. Because no data is currently available for 2007, it is assumed that tourist/visitor nights will remain constant between 2006/07.

13. Assuming 'one night equates to one day', the total annual retail spend by visitors/tourists in Dublin County in 2007 (at 2006 prices) is estimated to be as follows:-

Convenience Goods: 23.41 million x €3.93 = €92.0 million

Non-Bulky Comparison Goods: 23.41 million x €38.29 = €896 million

Bulky Comparison Goods: 23.41 million x €6.10 = €143 million

14. Although this quantum of visitor/tourist retail expenditure is potentially available to all centres across the GDA, in practice virtually all of it is likely to be spent within Dublin City Centre, which is the principal visitor/tourist location for both accommodation and shopping. It is therefore assumed that all base year (2007) visitor/tourist expenditure on shopping is carried out within the city centre.
15. There are no forecasts available for the likely future numbers of visitors/tourists to the GDA, let alone likely levels of visitor/tourist spending on shopping. The general view appears that the recent growth in visitor/tourist numbers will begin to level off, although the planned new conference centre in Dublin City Centre is expected to boost the number of business visitors.
16. Published statistics by Failte Ireland show that total tourism revenue (according to their estimates) in the GDA increased by 35% between 2002 and 2006 (at current prices). However, discounting for inflation reduces the 'real' growth in overall visitor/tourist spend to c. 22% over four years or about 5.5% per annum. It is assumed that visitor/tourist spend on shopping will have risen at the same rate as total visitor/tourist revenue.
17. In the absence of any better information from any other source, the following assumptions relating to the real growth in visitor/tourist spending on shopping in Dublin City Centre have been made. The growth rates apply to both convenience goods and non-bulky and bulky comparison goods shopping.

Time-period	Growth Rate Per Annum %
2007-11	4
2012-16	3

18. The appropriate growth rates are applied to the 2007 totals of visitor/tourist spend on shopping set out at paragraph 13 in order to derive expenditure estimates for the forecast year of 2016. The estimated visitor/tourist spend totals for Dublin City Centre by goods category at 2016 are as follows:-

Forecast Year	Convenience Goods (€M)	Non-Bulky Comparison Goods (€M)	Bulky Comparison Goods (€M)
2016	124.77	1215.14	193.93