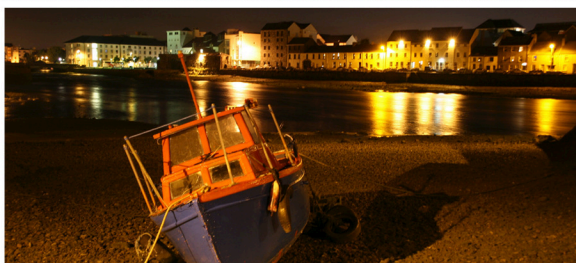
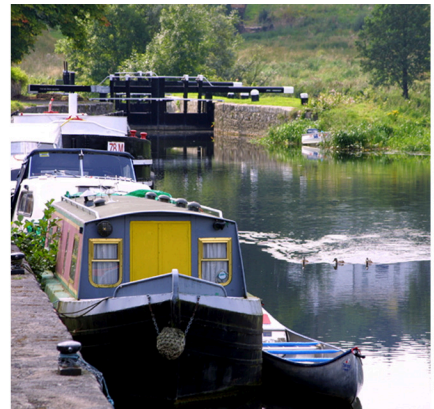
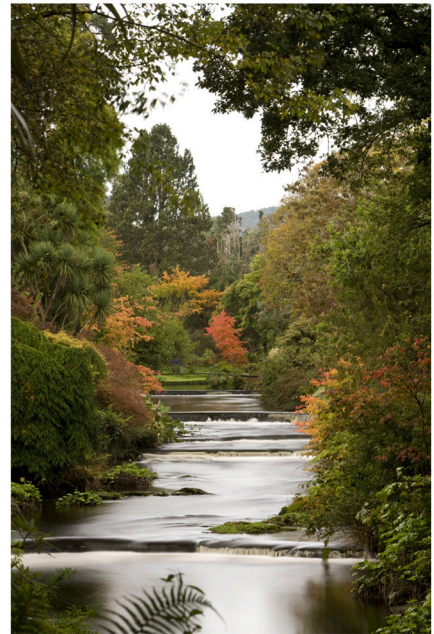


Tourism Barometer



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1. Headline Findings

Background to the Tourism Barometer

The Fáilte Ireland Tourism Barometer is a survey of tourism businesses designed to provide insight into tourism performance for the year to date and prospects for the remainder of the year / for the following year.

We received 364 responses to an online survey with tourism businesses in October/November 2016 and conducted 200 top-up telephone interviews. We also conducted eight qualitative interviews with senior industry executives. More details on the methodology can be viewed in appendix 1.

Business Sentiment Index

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Up	14	15	28	39	48	68	75	80	76
Same	18	11	25	31	26	21	17	16	19
Down	68	74	47	30	26	11	8	4	5

Base: All Accommodation Providers (weighted to available rooms)

- 1.1 The Business Sentiment Index shows a strong tourism industry as 2016 comes to an end. But for the first time in years, there has been a slight drop in positive sentiment. While three quarters (76%) remain confident about business, the upward trend seen since 2010 has not continued.
- 1.2 This may be because of uncertainty following the Brexit vote, which is impacting some expectations for next year. We discuss this later in the report.

PSA sector goes from strength to strength

- 1.3 Year-on-year, the PSA sector has been growing in both visitor numbers and confidence. This year is no exception, with 82% reporting more visitors than last year.
- 1.4 The thriving hotel industry finishes 2016 on a high, with 84% reporting an increase in the number of bookings, 82% reporting increased profitability and 39% boasting more full time staff than last year.
- 1.5 Three quarters (76%) of guesthouses have also enjoyed a lift in visitor number this year, with 68% reporting more overseas visitors. With a good year behind them, the sector goes into 2017 with confidence – 63% expect more visitors than this year.

- 1.6 B&B operators have also seen improvement this year, with 57% reporting to be up on 2017. A third (33%) look to the New Year expecting a higher number of visitors overall, with 46% expecting an increase from overseas business.

Self-catering boosted by overseas markets

- 1.7 More than half (57%) of self catering operators report a boost in overseas business this year, and 35% have seen an increase in the domestic market. Next year, overseas markets are set to improve for 47% of the industry.

German market is big business for hostels

- 1.8 Nearly two thirds (63%) of hostels say they have welcomed more German visitors this year, with 65% reporting an overall increase in guests from overseas markets. And 71% report more visitors, overall.
- 1.9 Next year is set to shine for the 55% who expect overall increase in visitor numbers. The overseas markets should be strong again, with 58% expecting increase from across the waters.

Attractions boost business through investment

- 1.10 Three quarters (76%) of attractions have enjoyed a lift in the number of visitors they have welcomed this year. Many say they are reinvesting in their offerings to boost customer experience and encourage more people through their doors.
- 1.11 The coming 12 months look to bring further increases for 67% of attractions, many (53%) of which say that local festivals and events will have a positive impact in 2017.

Cooking up a storm for guests

- 1.12 Kitchens across Ireland have been hotting up in 2016, with 72% of restaurants reporting more visitors. Next year should still see improvement for half (50%) of restaurants, but currency fluctuations may see visitors from America and the UK spending less.

Brexit cloud hovers over the industry

- 1.13 Expectation for 2017's performance is good, with more than half (57%) predicting an increase in visitor numbers next year. But this is a lower proportion than recent years, and there seems to be slight apprehension about the future.
- 1.14 The uncertainly of the impact of the Brexit vote on tourism businesses in Ireland remains. Many are concerned over visitor numbers from the UK following the weakened sterling, and plan to concentrate on other markets or improve their offerings to raise their appeal.

2. Qualitative Findings

We have conducted eight depth interviews with industry leaders (see appendix 1 for more details). The main findings from these interviews are discussed below.

Strong 2016 for tourism – record year for some

2.1 Ireland's tourism industry has been enjoying a bumper year. For some sectors, a continued increase in visitor numbers has resulted in 2016 being a record year.

2.2 These improvements have been seen across the country, empowering the whole industry and giving further confidence to business operators.

"It's been a record year for tourism, so anyone not getting that must be hiding their light under a bushel"

"It's been a very, very good year, record breaking numbers. Not just in Dublin but in open areas and in places such as Cork, Kilkenny, Limerick and Galway. Record breaking for all"

"It's been very positive, healthy level of demand from markets"

"It's been a very good year for tourism. Feedback from members is that they are happy and they've had a good year. Sense of positivity, the future is bright for 2017!"

2.3 Many industry leaders report double-digit growth for 2016 compared to last year. Stand out markets have, overall, been the US and Germany, with emerging markets showing good signs of improvement.

"I would expect growth to be in excess in 10%"

"It's been great for us 16% up overall, which we're thrilled about. US and Germany have done exceptionally well – US is 35% up and we're up 16% in Germany"

"We've seen a 37% increase from the Netherlands"

Going wild for programme areas

2.4 Programme areas such as the Wild Atlantic Way and Ireland's Ancient East continue to bring prosperity to the regions. The thought, implementation, management and marketing of these areas have brought great relief and raised visitor numbers to those in their reach.

“They’ve done a good job with the Wild Atlantic Way and Ireland’s Ancient East – they have helped very much so. Would hope it has longevity – so maintain focus on that. The Wild Atlantic Way has been a big winner with the German market, who love driving around”

Limited capacity is driving up prices

- 2.5 One of the issues facing Ireland is the limited capacity in Dublin and other tourist hotspots, according to some industry leaders. Limited capacity means some business is being turned away, and accommodation prices are rising, dropping Ireland’s competitive edge.

“Dublin is hampering its own growth because tourists can’t get space in there - they’re at capacity”

“The negative, which know I’ve been saying for years, is our ability to grow. We’re stunted by our capacity shortfall. Capacity shortfall in Dublin - even looking forward into 2017 /2018 - is worse. It’s also spreading, it’s not just Dublin it’s Galway and everywhere they (tourists) want to go”

Brexit and US elections

- 2.6 Outside of Ireland, political decisions made in key markets are likely to have an impact on visitor numbers from those countries. The UK’s vote to leave the EU during the ‘Brexit’ referendum, along with the US Presidential vote, has left many uncertain about the performance of the UK and America next year, and in the longer-term.

“Trump is not good news for Ireland. Like Brexit, it’s a bit of an unknown elephant in the room. Brexit and US Presidential results and will impact tourism. We had a lot of business in the bag before Brexit, that’s dropped. The culturally curious is a big market from US - those are the people that are going to be nervous about the impact on the economy”

“Towards the end of this year we’ve seen a down turn in the UK and Northern Ireland numbers”

“In relation to Brexit, the only thing we seeing presently is uncertainty - that creates a confidence issue but we’re seeing an uncertainty about wanting to travel overseas”

“Data for October showed a 1% growth in UK, but previously it’s been a double digit growth, if we see a minus then we’ll know it’s a Brexit issue”

Fáilte Ireland needs more money to support industry

- 2.7 Backed by years of strong recovery and faced with an uncertain future over visitors from North America and the UK, now is the time for the Government to

invest in organisations like Fáilte Ireland to carry on the excellent progress and promotion of Ireland.

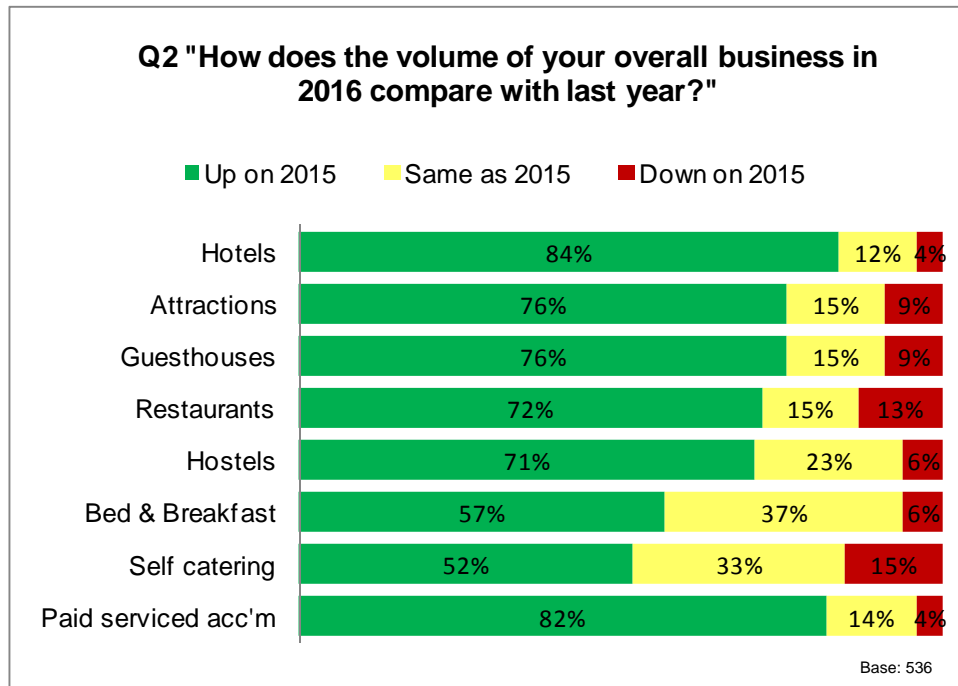
“When you’re in tough times, it’s so important to invest – a lot of countries cut back on marketing spend, while that may be a necessity, it may be a false economy, you need to keep the investment in. Keep the Ireland message out there”

“Both Tourism Ireland and Fáilte Ireland are operating on much lower marketing budgets than they did 6 or 7 years ago. At some point the Government needs to react to this, acknowledging how much they bring in. We’re fine now, but there needs to be an overall improvement to address issues in marketing budgets – they think they are doing fine, but we need strategy for the next 5-20 years, and need numbers behind it”

3. Overall Visitor Volumes in 2016 and Expectations

In this section we discuss the performance this year and expectations for the industry overall. More detailed results by market for each individual sector are discussed in subsequent chapters.

Overall visitor volumes in 2016



In all charts, 'don't know' or 'not applicable' answers to the question have been excluded and the percentages re-based. Results are split by sector and ordered by proportion answering an increase in numbers (shown in green).

In addition to the individual sector results, the last bar on each chart in this section shows weighted results for the paid serviced accommodation sector; these figures have been derived from the hotel, guesthouse and B&B results, with weightings applied in accordance with each sector's share of total bedrooms within paid serviced accommodation.

Tourism industry ends the year on a high

- 3.1 As 2016 draws to a close, the industry looks back at the year favourably, thanks to higher visitor numbers across each sector.
- 3.2 The strengthened confidence has been supported by many positive factors, including bolstered economies, Ireland's programme areas and local events and festivals that draw visitors to different parts of the country.
- 3.3 This confidence has been on the increase for years. Supported by enhanced buoyancy, businesses have been dipping into their rising funds to pay for improvements to their offerings, either through refurbishment or expansion. We explore this further later in the report.

Hotels continue to storm forwards

- 3.4 For years, Ireland's hotel sector has gone from strength to strength, welcoming more and more visitors through their doors. This year, a large proportion (84%) have been taking more bookings than last year.
- 3.5 Looking to 2017, two thirds (67%) expect further increase and a further 32% expect to hold onto the same number of guests as this year.

Great 2016 for guesthouses

- 3.6 Around three quarters (76%) of guesthouses report more visitors in 2016 compared with last year. The same proportion (76%) say that repeat visitors will have a positive effect on their business in 2017.

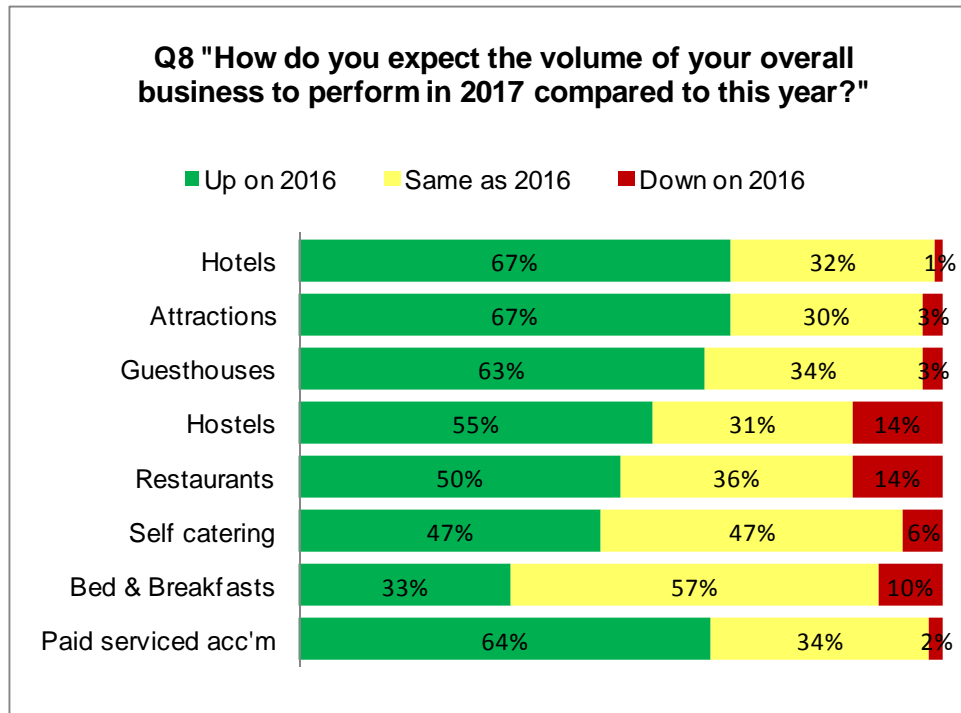
B&B offer a warm welcome in 2017

- 3.7 More than half (57%) of responding B&B operators say that they have been serving up more breakfasts to guests this year, as the sector continues to bounce back. A further 37% have welcomed the same number of guests.

PSA sector makes further leaps

- 3.8 The paid serviced accommodation sector has enjoyed a very strong year, with 82% reporting an increase on last year.

Expectations for 2017



Base: 466

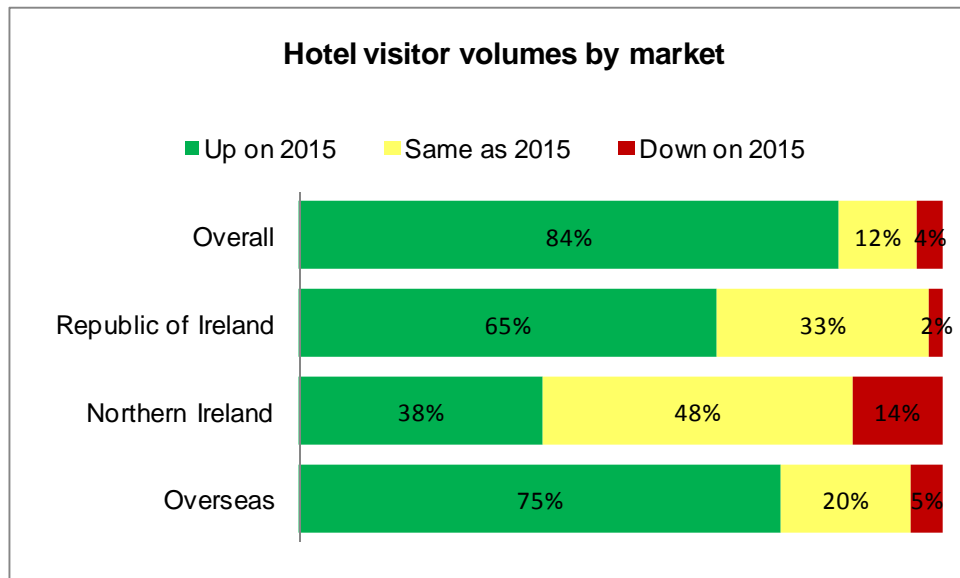
Heads are high going into 2017

- 3.9 Bolstered by a well-performing 2016, the tourism industry will be going into the New Year with a good level of confidence. Many sectors expect to see an increased number of visitors, compared to this year. Good proportions also expect to welcome similar numbers as in this strong year.
- 3.10 Repeat visitors (68% cite this as a positive for 2017), Irish people holidaying in Ireland (50%) and The Wild Atlantic Way (49%) are expected to positively affect businesses in the coming year.
- 3.11 But while there are plenty of reasons for businesses to have good expectations for 2017, some look to the New Year with a level of uncertainty about the impact the UK leaving the EU may have on business, with 64% saying Brexit may have a negative effect.

4. Hotels

In this and the following sections we discuss each sector in turn in terms of performance and expectations, starting with hotels.

Hotel visitor volumes 2016



Base: 174

Hotels deliver a powerful performance

- 4.1 The confident hotel industry has enjoyed continued growth since 2010. Improving year-on-year has resulted in a more assured sector, which has been reinvesting in their accommodation, improving the customer stay and helping further boost trade.

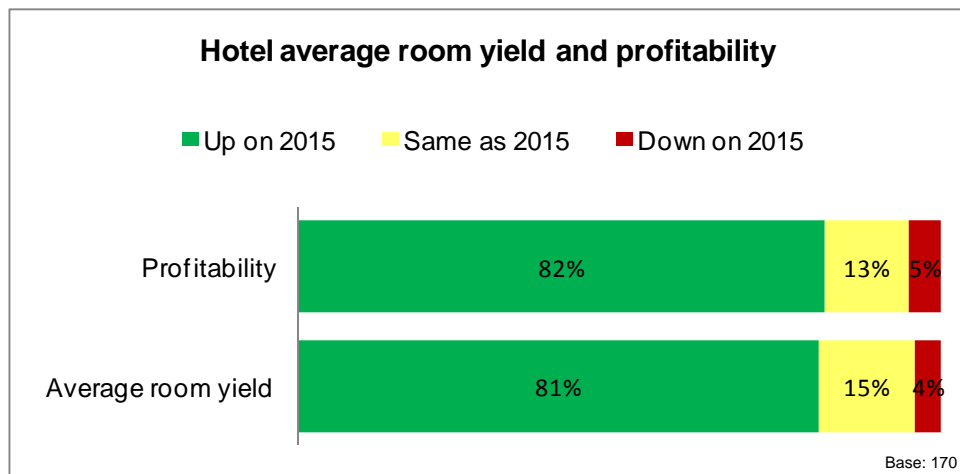
“Improvements to the hotel has generated significant business”
Hotel

“We have renovated and improved the hotel and I think this is a huge factor in our increase in guests”
Hotel

- 4.2 Overall, 84% have seen an increase in the number of guests this year. Staycations are on the rise, with two thirds (65%) reporting more domestic visitors. But overseas markets have performed even better, with three quarters (75%) taking on more bookings from abroad, including 68% welcoming more from North America.

“Overseas tour business has improved greatly in 2016. Hopefully this will improve further in 2017”
Hotel

Hotel average room yield and profitability



Hotels become more profitable

- 4.3 With 84% of hotels reporting an increase in business, it is encouraging to see similar proportions report an increase in both profitability (82%) and average room yield (81%).
- 4.4 Rather than maintaining visitor volumes, hotels are putting money into refurbishments, marketing and looking for ways to expand their business, citing these things as reasons for the lift in both.

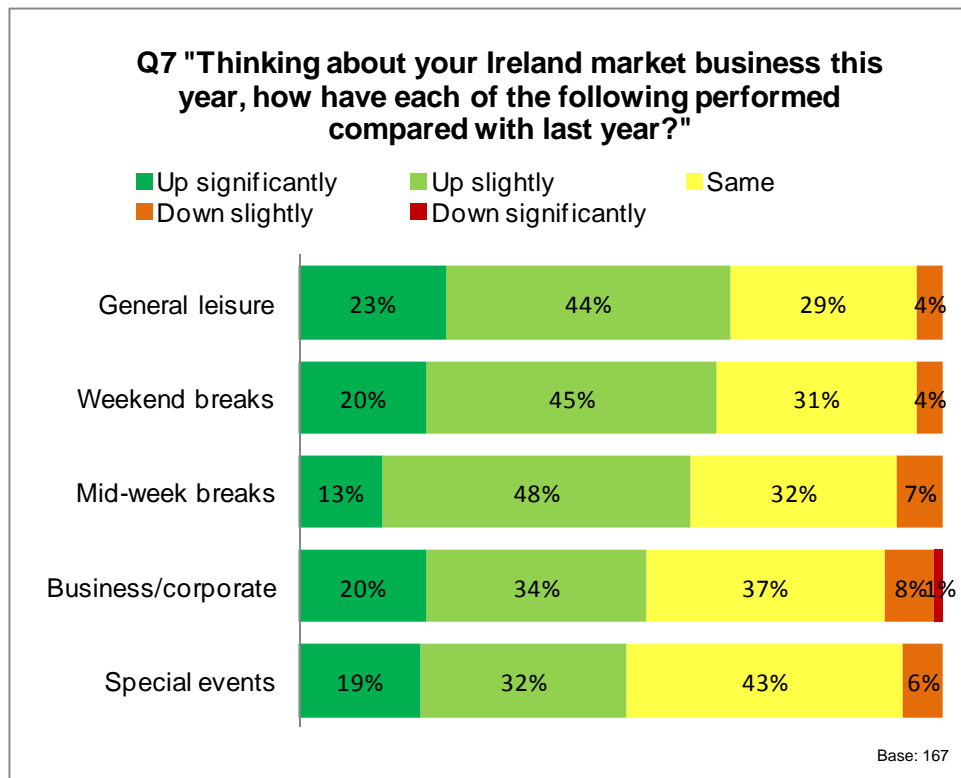
“More focus upon revenue management and improving profitability in the shoulder season”

Hotel

“Increased focus on marketing in the hotel”

Hotel

Hotel visitor types (Ireland market)



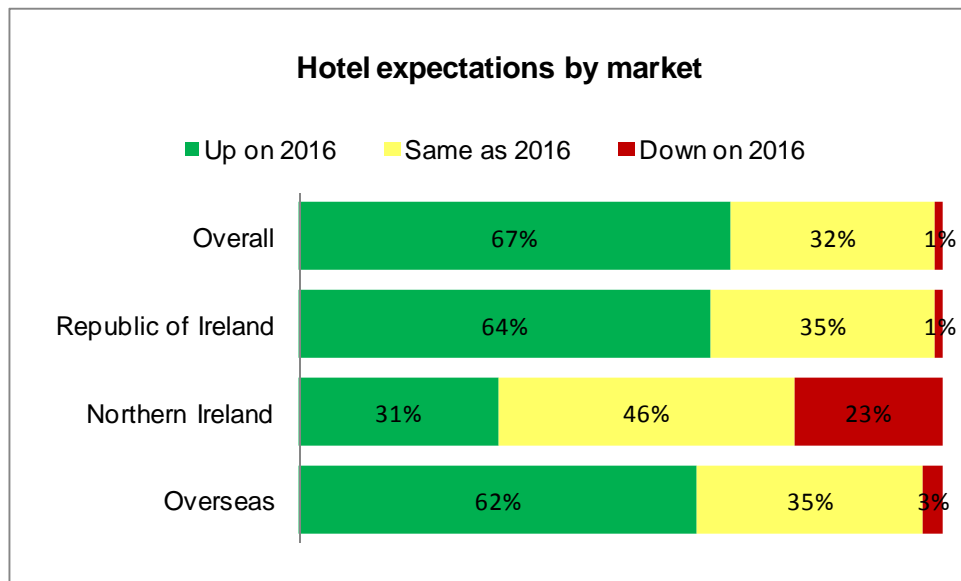
Domestic market continues to develop

- 4.5 Thanks to an increase in staycations, hotels have enjoyed a higher level of business from the domestic market, this year. Overall, two thirds have seen more general leisure stays (67%) and more weekend breaks (65%). Mid-week breaks are also on the rise for 61% of responding hotels.
- 4.6 While they have not seen the same level of increase, business/corporate stays (54%) and special event bookings (51%) from the domestic market have also risen for a good proportion of hotels.

"Corporate is our main source and growing"
Hotel

- 4.7 The majority of the remaining hotels who have not seen an increase, have held onto a similar level of bookings from Irish guests, compared to last year.

Hotel expectations 2017



Base: 168

Further lift expected next year

- 4.8 The coming 12 months look bright for hotels, with two thirds (67%) expecting an overall increase in visitors. Repeat visitors are expected to have a positive impact on 71% of businesses. And following a strong lift in the domestic market, 63% of respondents say that Irish people holidaying in Ireland will also benefit their hotel next year.

USA increase on the cards

- 4.9 Business from North America is expected to pick up for 63% of hotels. Many operators say that the exchange rate and perceived safety of Ireland as a holiday destination will have a positive impact on the number of American's heading to the country.

"I would suggest that we continue to market the destination as a safe place to visit. A number of anecdotal comments from North American visitors stated this"

Hotel

"The continuing favourable exchange rate, particularly with the US dollar, is a major contributor to increased business"

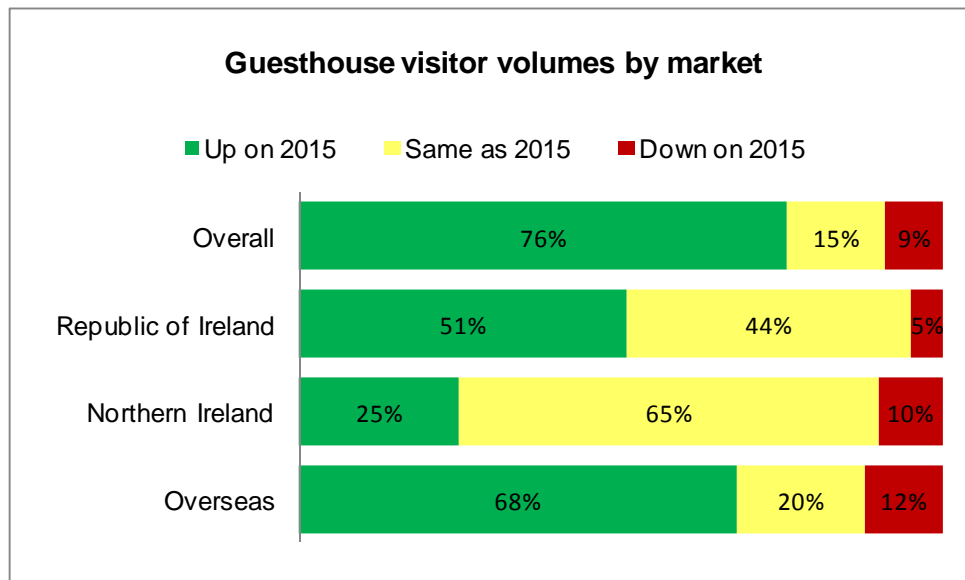
Hotel

Slower progress from Northern Ireland neighbours

- 4.10 Although 31% of hotels expect to check in more visitors from Northern Ireland, 23% are expecting fewer guests from across the border.

5. Guesthouses

Guesthouse visitor volumes 2016



Base: 46

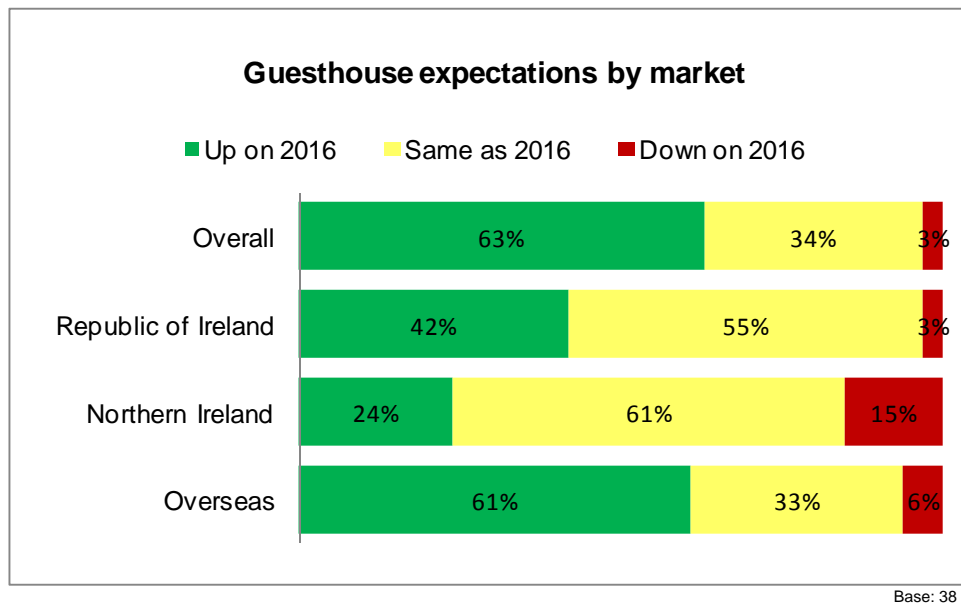
Overseas visitors boost business for guesthouses

- 5.1 While three quarters (76%) of guesthouses have taken in more guests this year, it's the overseas markets that have shone brightly, with 68% reporting a lift. More Germans have been hosted at 62% of guesthouses this year.
- 5.2 Half (51%) of guesthouses have also welcomed more domestic visitors into their accommodation.
- 5.3 One of the reasons attributed to the overall lift, is a perception that Ireland is seen as a safer choice for a holiday destination.

"People are seeing Ireland as a safe haven"
Guesthouse

"Ireland is a safe place to visit in an uncertain world"
Guesthouse

Guesthouse expectations 2017



Healthy horizon for guesthouses

- 5.4 Nearly two thirds (63%) of guesthouses will be going into 2017 expecting to see more visitors than this year. A leading contributing factor to the predicted lift is the expectation of repeat visitors, with 76% citing this as a positive.
- 5.5 Six in ten (61%) guesthouses predict a further increase in visitors from overseas markets, including 55% who expect to receive more visitors from the US.

Operating costs concern guesthouses

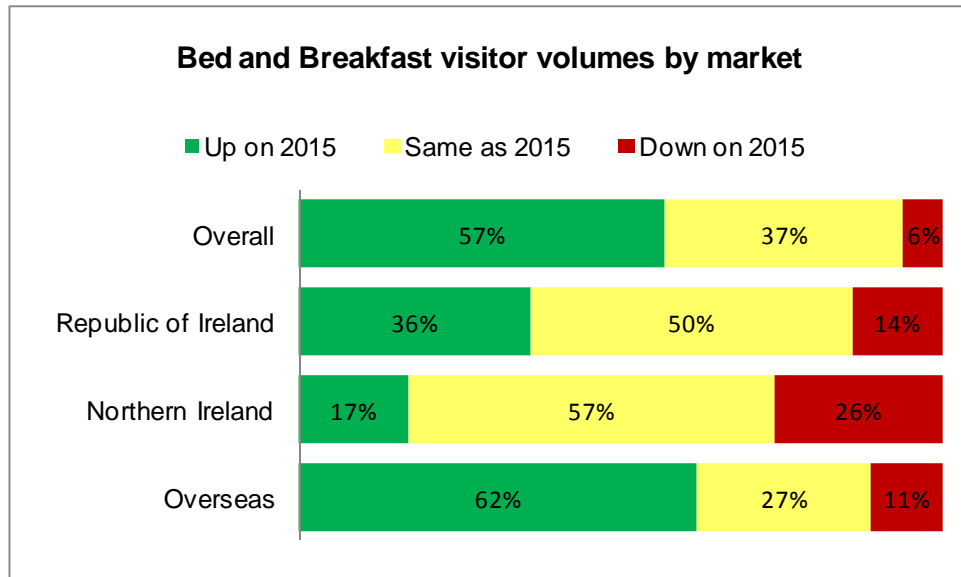
- 5.6 Around half of guesthouses say that fuel and energy costs (50%) and other operating costs (52%) are a concern going into next year, and could impact negatively on their business.

“Local authority commercial rates and insurance costs”
Guesthouse

“Rising insurance costs”
Guesthouse

6. B&Bs

B&B visitor volumes 2016



Base: 93

Overseas boost for B&Bs

6.1 Overseas markets have been lifting business this year for 62% of B&B operators. In particular, breakfasts are being served to more Americans (53%) and Germans (55%) compared to last year.

6.2 Again, one of the reasons for the increase in visitors from overseas markets is the belief that Ireland offers a safer destination, compared to other countries.

“Germans has told me they are no longer going to Turkey, Greece, Morocco, Egypt, Tunisia and Paris due to terrorism worry and are also nervous of earthquakes in Italy”

B&B

6.3 And not only does Ireland seem safer, but overseas visitor often enjoy a warm welcome from the locals once they arrive.

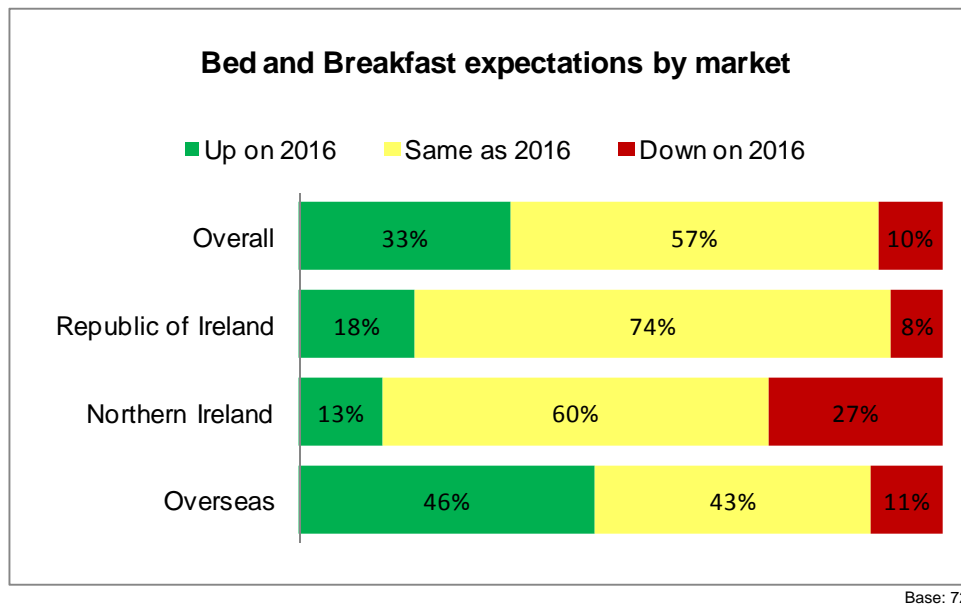
“They like friendliness of Irish people”

Guesthouse

Less improvement from the Emerald Isle

6.4 Fewer B&B operators have seen a rise in the number of domestic visitors (36%) and guests from Northern Ireland (17%) compared to last year.

B&B expectations 2017



B&Bs approach 2017 with some caution

- 6.5 While a third (33%) of B&B operators expect to receive more visitors next year, more than half (57%) predict similar numbers. And the majority of operators look to the Island of Ireland with caution, with 74% expecting the same level of business from ROI and 60% expecting a similar level of visitors from Northern Ireland.

Bigger lift from overseas – but not Britain

- 6.6 However, nearly half (46%) look across the waters with more optimism, expecting more overseas visitors looking for an Irish experience.

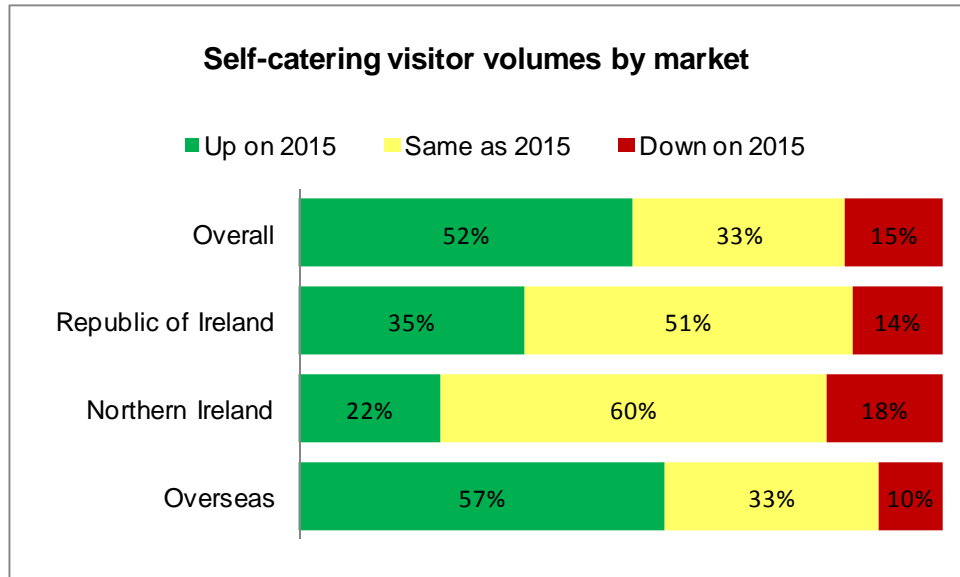
“It is important to retain everything we can about being Irish and being proud of it. We don't need to be like any other nation. We need to be ourselves”
B&B

- 6.7 Britain's performance next year, however, is met with less confidence. Only 19% expect more British visitors and 28% expect to see a drop. This is largely because of the weakened sterling, post-Brexit.

“A big fall off of English visitors they will go to cheaper countries”
B&B

7. Self-catering

Self-catering visitor volumes 2016



Base: 85

Overseas markets perform well for self catering

7.1 Well-performing overseas markets have helped self catering businesses this year, with 57% recording higher visitor numbers from over the waters, including half (50%) who have booked in more Germans.

“Short stays from Germany”
Self catering

Fewer increases closer to home

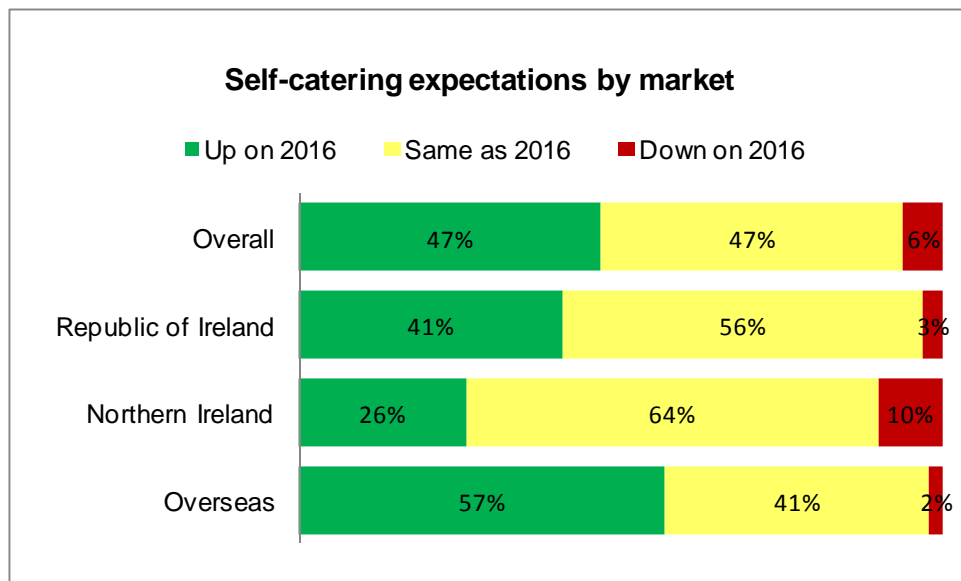
7.2 The domestic and Northern Ireland markets have seen fewer increases, compared with the more active overseas markets. Around a third (35%) of self catering operators report more ROI visitors, and 22% report the Northern Irish market to be up. Some operators blame a weakened sterling for the slower performance from Northern Ireland.

“Loss of visitors from Northern Ireland possibly due to the weaker sterling”
Self catering

Good picture, overall

7.3 Overall, however, 2016 has been a good year for the sector, with 52% reporting to be up on last year.

Self-catering expectations 2017



Base: 68

Self-catering sector looks overseas for greatest increases

- 7.4 Mirroring the performance of 2016, more self catering operators expect increases in visitor numbers from overseas markets, rather than those closer to home.
- 7.5 Well over half (57%) expect more overseas visitors, including 44% who predict a lift in guests from Germany.

High competition is a concern for some

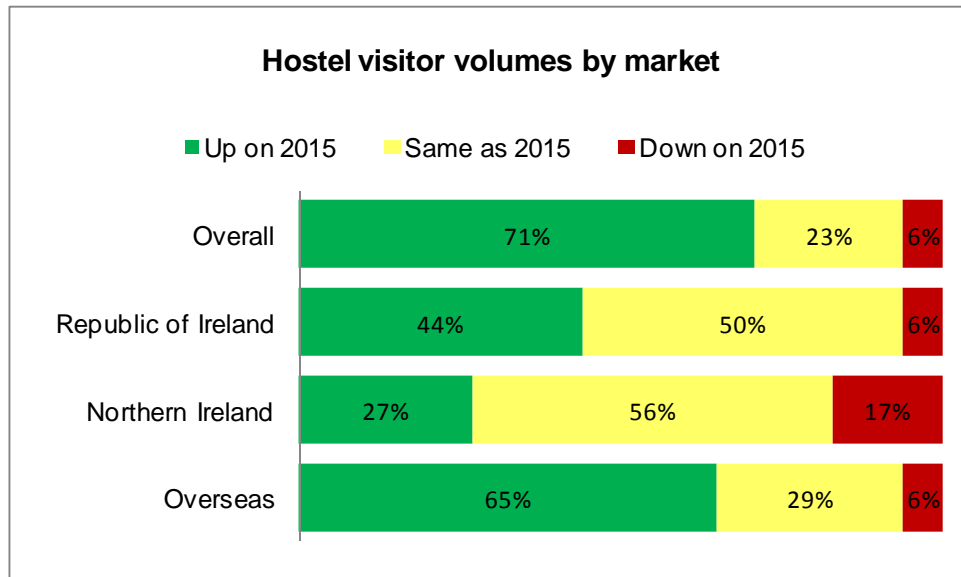
- 7.6 Some self catering operators say they are battling competition from other providers, including Airbnb and unapproved accommodation operators. Around a quarter (26%) cite low-priced competition as an issue of concern for 2017.

“Very strong competition locally from airbnb”
Self catering operator

“Too many unapproved accommodation around the country and area”
Self catering operator

8. Hostels

Hostel visitor volumes 2016



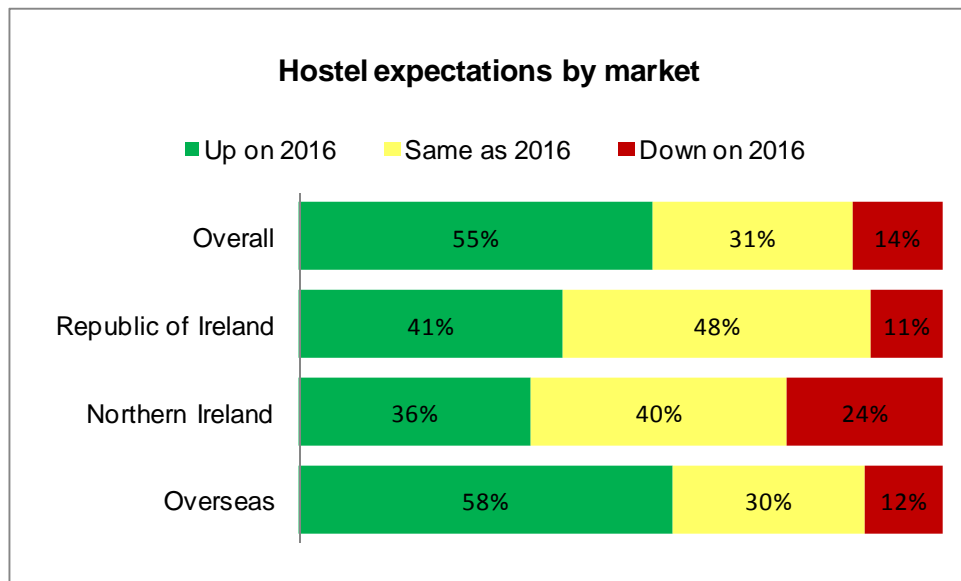
Base: 31

Excellent year for hostels

- 8.1 Business has been booming for hostels, of which 71% report more visitors through their doors. Like other sectors, the overseas markets have been fruitful, with two thirds (65%) reporting to be up, including 63% who have checked in more German visitors.
- 8.2 And again, like other sectors, Ireland's comparative 'safety' is cited as a reason for the lift in visitors from overseas.

"Ireland is known to be a "safe country" now"
Hostel

Hostel expectations 2017



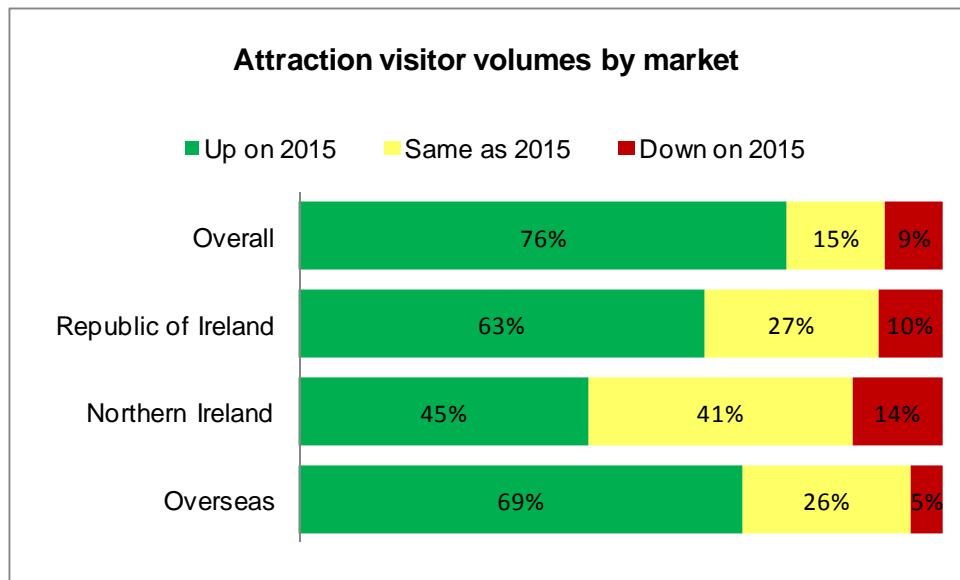
Base: 29

More progress expected next year

- 8.3 Next year looks bright for hostels, with more than half (55%) expecting more visitors, overall. Again, the overseas markets are expected to grow for 58% of operators.
- 8.4 Well over half (57%) of operators expect to welcome more Germans, as tourism from the country rises.
- 8.5 And expectations for the performance of the island of Ireland are also good, with 41% predicting more domestic visitors and 36% looking for a rise in business from Northern Ireland.

9. Attractions

Attraction visitor volume 2016



Business investment helps attractions

- 9.1 After a good few years, some attractions have been reinvesting in their business to help boost visitor numbers. This has contributed to three quarters (76%) of attractions enjoying an elevated number of visitors this year, compared to 2015.

“Development of more products at the business”
Attraction

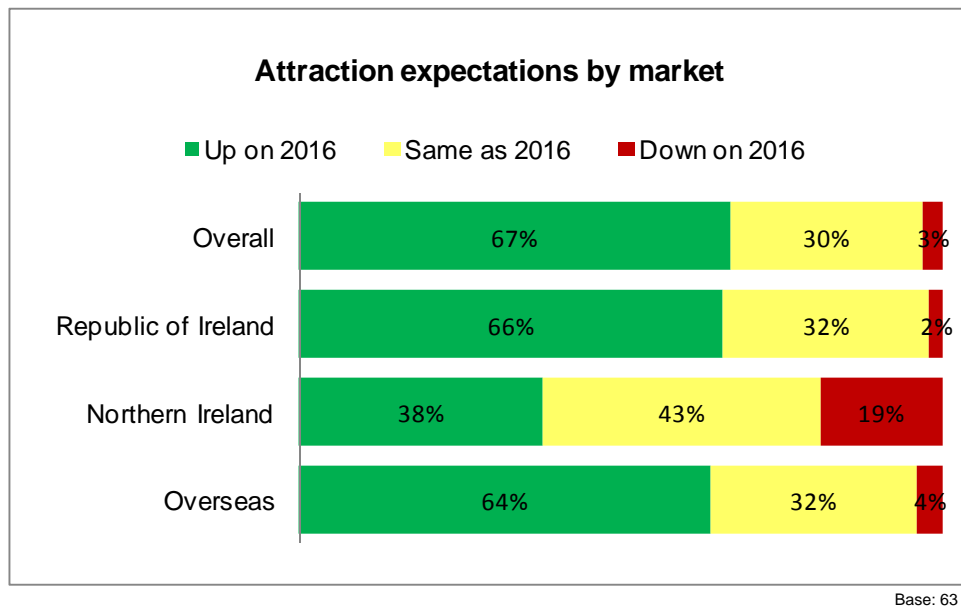
“Upgrade and further development of our attraction”
Attraction

Overseas visitors are just the ticket for attractions

- 9.2 Boosting business, visitors from overseas markets have improved for 69% of attractions. North America has proved to be a good source of business for attractions this year, with 61% reporting more visitors from the US, in part thanks to a good exchange rate for Americans.

“Dollar exchange rates”
Attraction

Attraction expectations 2017



Markets expected to perform well in 2017

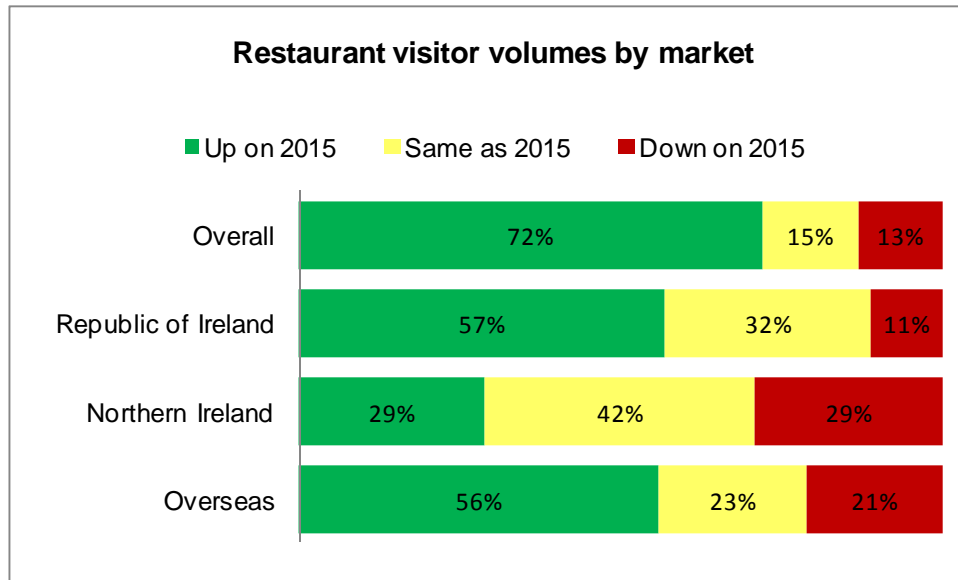
- 9.3 Next year is expected to see further increases for 67% of attractions, who look to 2017 with optimism. Two thirds (66%) expect more domestic visitors and a similar proportion (64%) predict a higher number of overseas visitors.
- 9.4 While still good, predictions are not as positive for Northern Ireland, with 38% expecting an increase and 19% expecting fewer visitors from the northerly neighbours.

Local events act as a draw

- 9.5 More than half (53%) of attractions say that local festivals and events should have a positive impact on their business next year.

10. Restaurants

Restaurant visitor volumes 2016



Base: 39

Restaurants invited to take part in the Barometer are in areas of high tourism footfall, and respondents have been asked to answer questions in the context of their tourism, i.e. non-local, business

Cooking up a storm

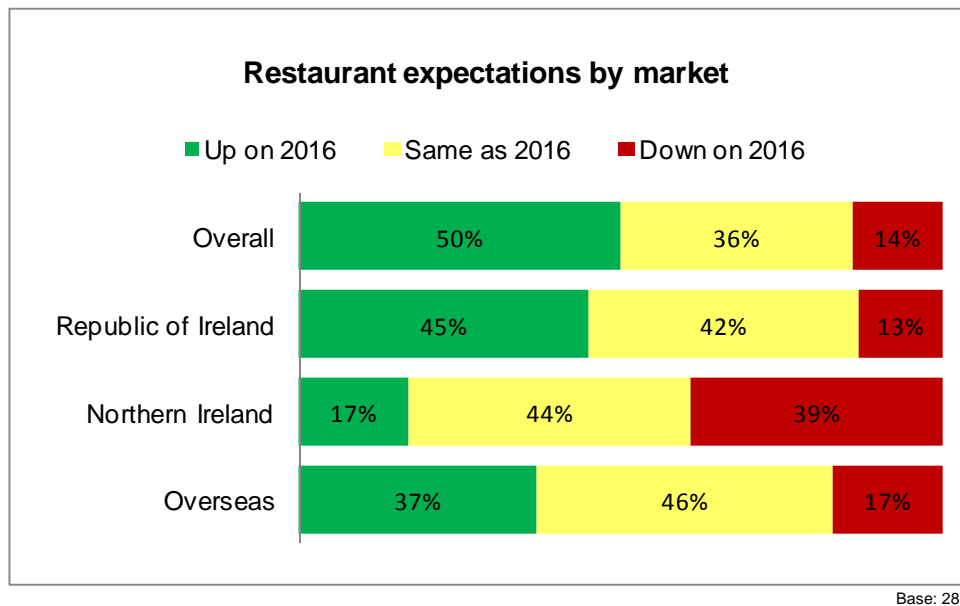
- 10.1 Like other sectors, putting money back into the business has been helping improve sales for restaurants, of which 72% report serving an increased number of guests this year.

“We’ve undergone a huge refurbishment so that’s helping, also why profit is down overall but business is better”

Restaurant

- 10.2 The number of covers assigned to domestic visitors have risen for well over half (57%) of restaurants. And overseas markets, too, have brought increased trade for 56% of eateries. North Americans in particular have been dining out in Ireland’s restaurants more, according to 61%.
- 10.3 Northern Ireland has remained fairly steady, as a market, with an equal 29% reporting more and fewer visitors from the country, and 42% reporting a similar number of guests to last year.

Restaurant expectations 2017



Drop in food spend expected by some

- 10.4 Despite a very good 2016, expectations for next year are not as strong, with half (50%) predicting more covers. One of the frequently-mentioned issues of concern for restaurants in 2017 is that visitors are expected to spend less money. With 38% citing this, restaurants show a higher level of concern than other sectors.
- 10.5 This, according to some restaurants, is likely to have an impact on Northern Irish, British and American visitors, if exchange rates make Ireland a less value-for-money destination.

“The sterling has gone down so that won't help”
Restaurant

“The American economy”
Restaurant

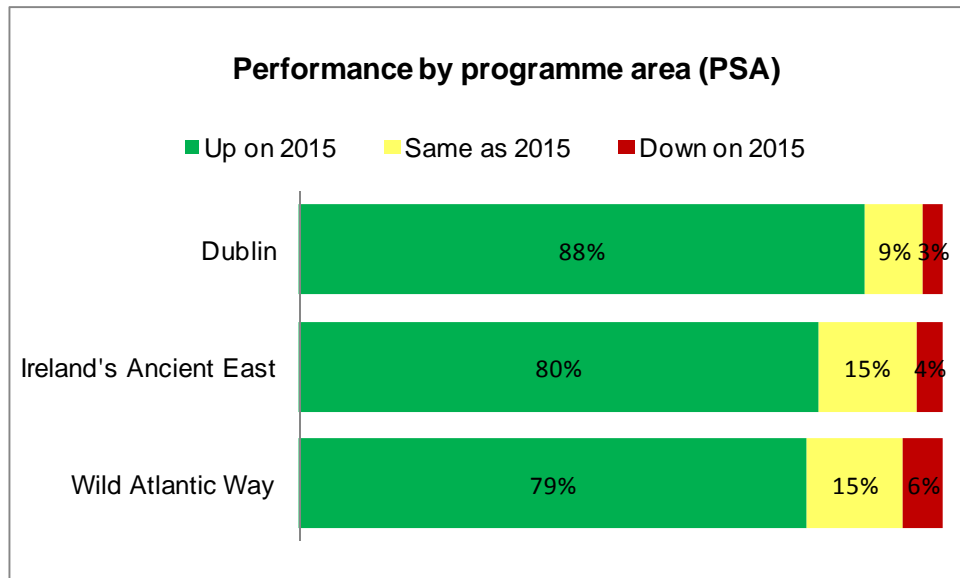
Fall in dining Britons expected

- 10.6 Like other markets, the restaurant trade is not hopeful about the performance of Great Britain next year. The majority of restaurants expect fewer British visitors next year, with only 13% predicting a rise and 61% expecting fewer Britons. Again, this is largely down to the exchange rate making Ireland a more expensive option for people from the UK.

“The situation with the sterling will affect us hugely, so we may not see people visiting from those countries”
Restaurant

11. Performance by Programme Area

Here we discuss the performance by programme area for the PSA sector



Base: 313

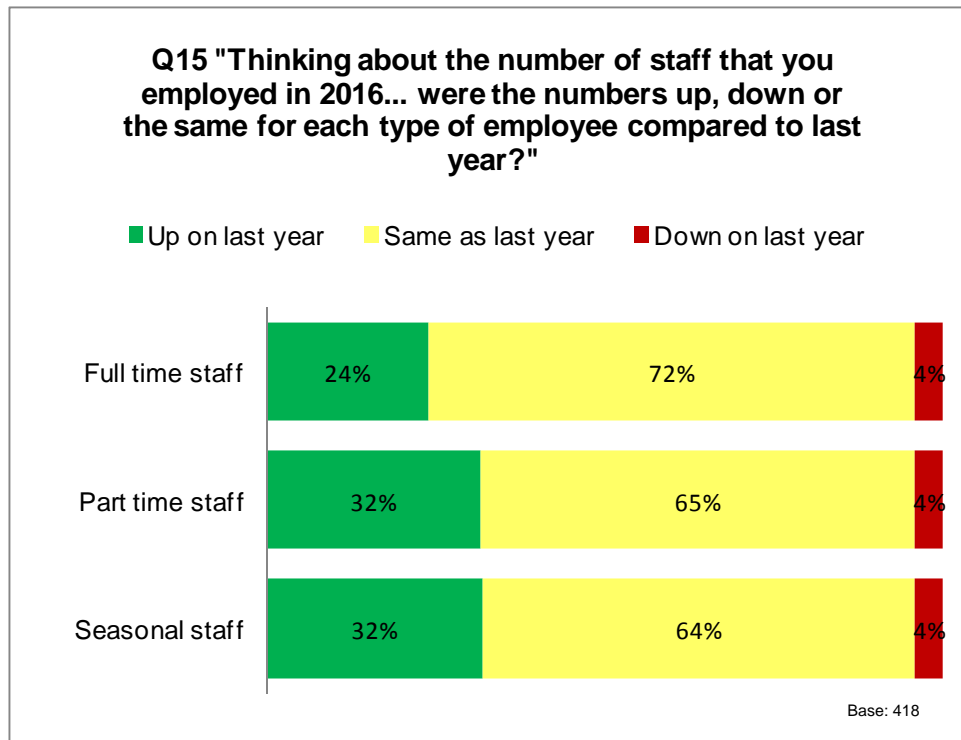
PSA sector enjoys increases in 2016

- 11.1 The paid serviced accommodation sector continues to improve year-on-year, as hotels, guesthouses and B&Bs see increased numbers of visitors.
- 11.2 A large proportion (88%) of PSA operators in the Dublin – A Breath of Fresh Air programme area report more guests in 2016 compared to last year.
- 11.3 Operators in Ireland's Ancient East and Wild Atlantic Way are also benefiting from increased bookings, with 80% in Ireland's Ancient East and 79% in the Wild Atlantic Way area reporting higher visitor numbers.

Programme areas to further lift nearby businesses

- 11.4 Four in five (80%) PSA operators in the regions of the Wild Atlantic Way say that the programme area will be positive for them next year.
- 11.5 The newer Ireland's Ancient East is expected to have a positive impact on 57% of PSA operators near the programme area.
- 11.6 And in Dublin, half (50%) of responding PSA operators in the capital say that Dublin: A Breath of Fresh Air will benefit their business in 2017.

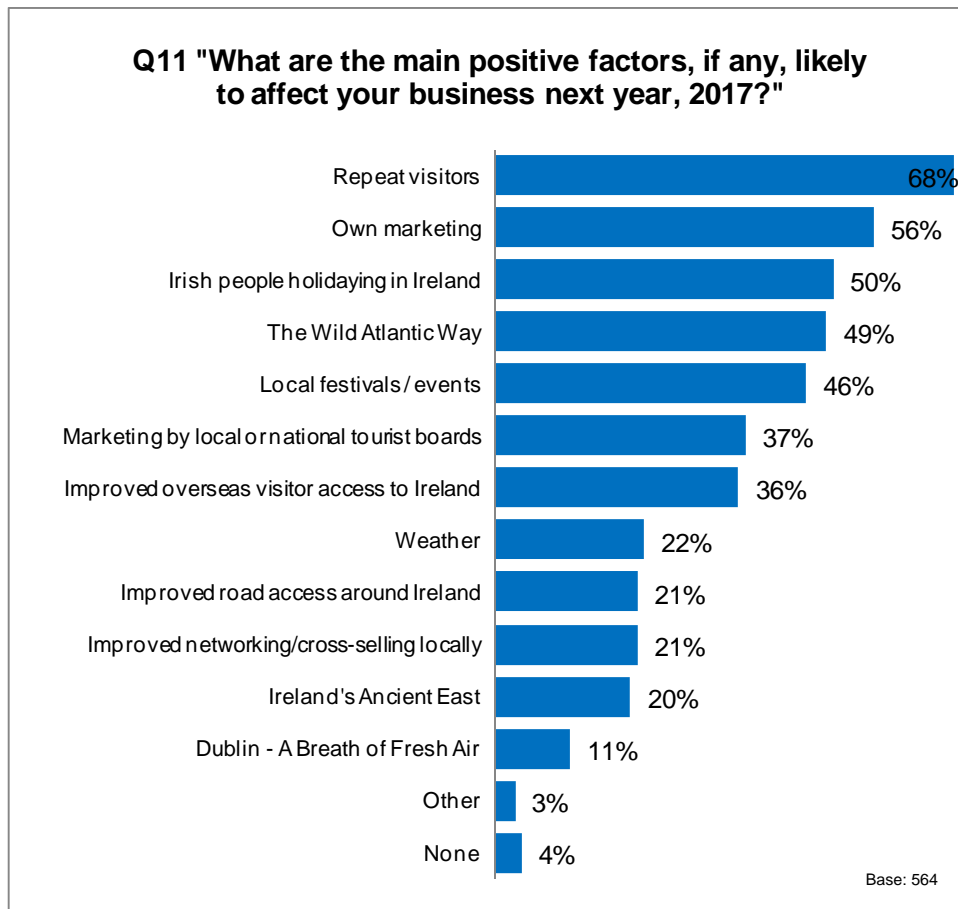
12. Staffing



Employment rises in the tourism industry

- 12.1 As visitor numbers increase across the industry, so too do employment levels. Encouragingly, a quarter (24%) of respondents say they have taken on more full time staff this year, including 39% of hotels.
- 12.2 And a third (32%) of respondents say that they have employed more part time and seasonal staff in 2016 compared to last year. Again, the sector taking on more part time and seasonal staff is the hotel industry, with nearly half (47%) reporting increases in both.

13. Positive Factors in 2016



Welcoming familiar faces

- 13.1 Repeat visitors are expected to have a positive impact on business in 2017, according to 68% of respondents. Making sure a guest enjoys their visit is paramount, so many operators are investing in their business to improve their offerings and encourage people to return.
- 13.2 Customers enjoying their visit may also mean any good reviews could encourage more people to book up.

"The experiences received by past visitors have a positive result on future visitors - with their reviews helping the decision"

B&B

"The reputation of a quality product"

Attraction

"Repeat business"

Self catering

Staycations to boost trade next year

- 13.3 More than half (56%) of respondents say that Irish people holidaying in Ireland will be good for business in the coming 12 months, as staycations look to increase.

"We are expecting an increase in Irish visitors"
Attraction

Wild Atlantic Way continues to deliver

- 13.4 Since its inception, the Wild Atlantic Way has been cited as a real draw for visitors, resulting in a lift in business. Around half (49%) of businesses say that the WAW will continue to have a positive impact next year.

"Since the Wild Atlantic Way, things have been great"
Self catering

"The Wild Atlantic Way is very good for my business as I am on the route"
B&B

"Being on the Wild Atlantic Way is extremely important for my business"
B&B

Good draw expected from events

- 13.5 Next year, local festivals and events are expected to positively impact 46% of business, including 53% of attractions, 52% of hotels and 52% of guesthouses.

"Concerts, rugby, football event tourism - bookings already in for these types of events"
Hotel

Investing in the business

- 13.6 With visitor numbers continuously improving, many operators are putting money back into their offerings, either improving their business through refurbishment or expanding on what they already have.

"We are hopefully developing a new attraction worth over million euro"
Attraction

"Refurbishment of the rooms"
Hotel

"Significant re-investment in our product"
Hotel

"Improvements of facilities"
Self catering

Investing in marketing

- 13.7 More than half (56%) of respondents say that their own marketing will be good for business next year. As reported earlier, with the overall increase in visitor numbers and continued growth in confidence, some operators are putting more time and effort into their own marketing.

“Marketing, we’ll continue with our own because it’s working”
Self catering

“Increased focus on marketing in the hotel”
Hotel

“Online marketing”
Hotel

“We do our events and marketing”
Self catering

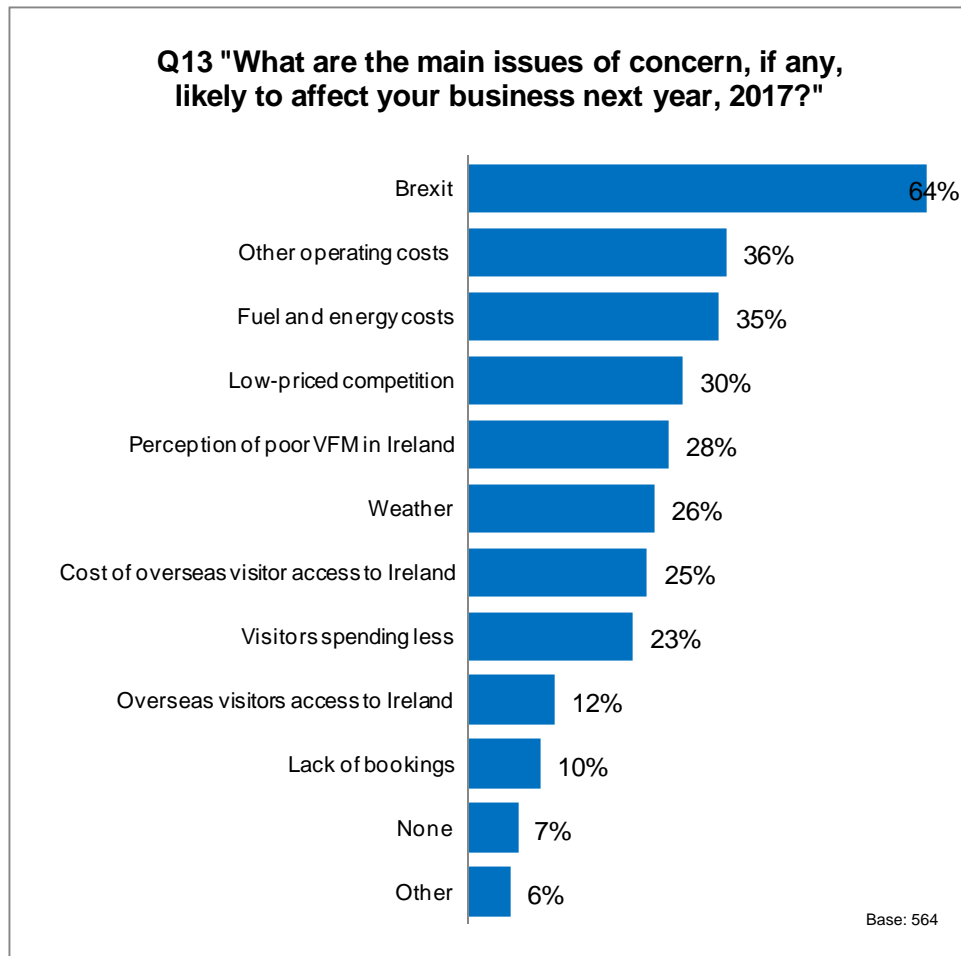
Seeing Ireland as a safe destination

- 13.8 As mentioned through this report, many people see Ireland as a safe destination, compared to other European countries that have faced terrorism or natural disasters this year. As a result, some operators believe that Ireland is becoming more popular as visitors actively seek a safe place to holiday.

“It’s not the kind of positive we want, but speaking to our guests this year they have said the terrorism in France and Spain etc has affected the travel plans of a lot of people and they are choosing to travel to Ireland instead”
Hotel

“The security of the city is a major contributing factor”
Hotel

14. Issues of Concern in 2017



Concerns over Brexit impact

- 14.1 The UK's vote to leave the European Union has left many operators anxious about how the June decision will impact their business. Around two thirds (64%) say that 'Brexit' is an issue of concern going into 2017.
- 14.2 Primarily, the post-Brexit currency fluctuations have seen a drop in the value of sterling, making Ireland's euro more expensive for British visitors. There are concerns that this will have an impact on the number of British people visiting Ireland for short breaks and holiday.

"I am afraid we won't have any English visitors on account of Brexit. Also Australians as they go to England first before Ireland"

B&B

"Primarily Brexit, the value of sterling"

Hotel

“Brexit, Brexit and Brexit”

Hotel

“Currency rates for sterling and dollar may make Ireland more expensive for main markets”

B&B

“The strength of the dollar and the pound are my biggest worry, everything else is all OK”

B&B

Donald J Trump

14.3 President-elect Donald Trump is set to take his seat in the White House next year after America voted for him in the recent US elections. While the decision was made overseas, his presidency is likely to have a global impact – but just what that impact will be is yet to be seen.

14.4 Through the open comments, many operators are concerned about how the vote will impact visitors from America.

“The US election and policies by the US leader leading to recessionary events”

Hotel

“Outcome of US election”

Restaurant

“Brexit and a Trump President are a real concern but it will probably stabilize eventually”

B&B

“Trump’s policies lead to slow down in US and/or global economy and barriers to movement”

Attraction

“The new President of America and Brexit - we don't know the impact on the business in Ireland”

Attraction

“Results of the USA election may impact on the numbers of Americans travelling overseas”

B&B

“Uncertainty in the USA following election”

Hotel

Dublin prices rising too high for some

- 14.5 After battling to come out of the recession, some operators fear that the rising cost of accommodation in Dublin is making the capital less competitive as a destination.

“Price of Dublin accommodation having negative effect on the rest of the country”

Hotel

“The price of Dublin hotels and the image it is giving the country”

Hotel

15. Brexit

- 15.1 Respondents were asked about what direct impact they thought the Brexit vote would have on their business in 2017, and what measures they will put in place to offset that impact.
- 15.2 The open ended comments have been analysed, with the key themes outlined below.

Fewer UK visitors expected

- 15.3 The most frequently-mentioned direct impact of Brexit referendum is the expectation of fewer visitors from the UK next year.
- 15.4 Following the UK's vote to leave the EU, the sterling dropped in value, making Ireland more expensive as a destination. Many operators say that they expect sterling to remain lower, and as a result will be expecting a drop off in the number of visitors from Northern Ireland and Great Britain.

“With sterling down I don't expect as many British visitors”
Self catering

“Fewer visitors from NI and GB to the hotel as the pound rate has dropped”
Hotel

“UK provisional bookings are being cancelled for the 2016 season from regular customers. The UK market died completely as a result of Brexit”
Self catering

“A 30- 40% decrease of UK visitors to our attraction”
Attraction

“Northern Ireland is our second biggest market so I'm worried that if they're not getting the same exchange rate, there will be a drop in the market”
Hotel

“Less UK and Northern Ireland visitors because of the rate of sterling”
Hotel

“Severe impact. Visitors from Northern Ireland are integral for our business and falling sterling is already having an effect”
Hotel

- 15.5 And when they do come – some predict UK visitors will be spending less money than they have in recent years, and will be staying for shorter periods of time.

“UK clients will visit but will stay for a shorter time in Ireland, they are very money conscious”
B&B

“Britain leaving the EU won't be good because the sterling is down and people might not want to go away. Or if they do, they spend less”

Restaurant

“Low numbers of visitors and those who do travel will have little money to spend”

Hotel

“Mainly our Northern Ireland visitors may be down and not spending as much if they do come”

Hotel

- 15.6 A few operators think that any possible increased control on the border between the UK and Republic of Ireland could deter visitors from holidaying in the country.

“It depends on the travel agreement between Ireland and the UK”

Hotel

“The primary issue is centred around the exchange rate, followed by what impact may occur due to border control”

Hotel

“If they close all the borders that'll be a bother for some people”

B&B

Some anticipate no direct impact

- 15.7 For some operators, Brexit is expected to have no impact on their business next year. Sometimes, this is because the UK is not one of their main markets

“I haven't got any concerns. I don't think it will affect us”

Hostel

“There isn't one; I don't think it will make a difference”

Hostel

“We don't get to many guests from the UK, so I don't think it will have much of an effect”

B&B

Effects expected to be felt further down the line

- 15.8 While the Brexit vote was cemented in June, it will be years before the UK actively leaves the EU. Some respondents think any impact is likely to be felt more in the more long-term, rather than next year.

“I am not sure yet, I think it will take about five years before anything happens”

Self catering

“Although it is still too soon to fully understand the long-term implications of Brexit, it could be possible that it will be a reason for declining occupancy.”

Because of the sharp weakening of sterling the British visitor now finds holidaying in Ireland more expensive”

Hotel

“I don't think we'll have to take Brexit into account for a few years, it won't affect us straight away”

Restaurant

“No one knows and it's all speculation for the next 2 to 3/4 years so I think we should just let the UK get on with it”

Guesthouse

Positive impact from non-UK markets

- 15.9 A weakened sterling may mean fewer visitors from the UK, but some operators look at the other side of the coin and believe that they may start to welcome more Irish people and visitors from other European countries.

“I think it may even have a good impact because some Europeans may choose to come here instead of going to Great Britain”

Attraction

“It will be positive, it will bring Irish people home”

Restaurant

‘Let’s wait and see’

- 15.10 As the UK has never left the EU before, a good number of operators are not sure what impact the Brexit vote will have on their business next year, or in the long term.

- 15.11 For them, it's a case of ‘wait and see’ as currencies fluctuate and the UK negotiates with the EU about its future relationship.

“As yet unknown but we are cautious for the future”

Hotel

“I do have a little concern with Brexit, but it's a little too hard to say what will happen”

B&B

Focussing on other markets

- 15.12 For operators who predict a negative impact on their business next year, their focus to mitigate fewer visitors from the UK will be to put their efforts into marketing to other countries.

“An increased targeting of German visitors in particular, with increased access via Shannon airport there is potential for substantial growth”

Hostel

“Encourage Irish visitors to stay at home by offering good packages aimed at them”

Hotel

“Focus more marketing on European and international visitors”

Hotel

“Hope to get visitors from other European countries outside UK. Hope for an increase in home stays”

Self catering

“Look more to our own staycationers. Hopefully see some increase from the likes of France and Germany and the USA. We have created a new full time marketing role which we hope will benefit the business”

Hotel

Improving the existing business

- 15.13 Many operators say they will either continue or start to invest time and money in their business and staff to improve their offerings to potential visitors, giving people a better experience once they visit.

“Continued improvements to hotel infrastructure and service”

Hotel

“Make sure their overall experience is as pleasurable as possible that they will overlook the cost factor”

Self catering

“Remain as competitive as possible with further service led improvements to guest experiences”

Hotel

Be competitive and welcoming

- 15.14 Some will be looking at their costs, trying to give visitors either a less expensive visit, one that offers better value for money or something different to their competitors.

“Be competitive with our pricing and try to sell the benefits of our establishment”

B&B

“Control prices as much as possible and keep quality high”

Attraction

“Ensure all guests feel the warmth of our Irish hospitality and that they feel valued and received value for money”

Hotel

“Keep our prices as competitive as possible”

Hotel

Special marketing and promotions for the UK market

- 15.15 With the UK being a significant market for Ireland, many operators fearing a drop off in numbers say that they will continue to target UK visitors through increased marketing or by offering discounted prices to encourage people to keep coming to Ireland.

“Discounted rates on UK landing page - direct promotions into this market”
Hotel

“More advertising and special offers”
Hotel

“Offer added value for GB visitors – like a swimming pool pass”
Self catering

“Special offers and packages like 2 nights for 1, deal sites cooperation”
Hotel

Uncertainty for many

- 15.16 Many operators are not sure what they will do to mitigate any negative effect Brexit may have on their business. For these, it is often the case that action will be taken once any impact is known, reacting to change rather than predicting what needs to be done.

“I haven't really thought about it yet, it is still too early to tell”
Self catering

“I'm going to wait and see how it goes”
B&B

“It's new to us all so not sure what to do”
Hotel

“Very difficult to know what to do when the experts can't predict the outcome of Brexit”
B&B

16. Appendix 1 – Background and Methodology

Background and Objectives

- 16.1 The Fáilte Ireland Tourism Barometer is a survey of tourism businesses designed to provide insight into tourism performance for the year to date and prospects for the remainder of the season or coming year. It has been conducted regularly since 1999.
- 16.2 In March 2013, Strategic Research and Insight, an independent research agency previously called Strategic Marketing, was commissioned to continue conducting the survey for the next three years.
- 16.3 Fieldwork for this second wave in 2016 took place in late October and early November. The objectives were to measure:
- Business performance to date in 2016 in terms of visitor volume – overall and by key markets – and profitability
 - Average room yield (hotels)
 - Visitor volume expectations for 2017
 - Staffing differences
 - Positive factors and issues of concern affecting business
 - Opinions on Brexit

Methodology

- 16.4 The methodology used was a combination of an online survey and telephone interviews.
- 16.5 Fáilte Ireland and Strategic Research and Insight worked together to produce a questionnaire for online and telephone interviewing.
- 16.6 Fáilte Ireland provided a database of 3,019 usable contacts (i.e. not opted out) for the survey spread across eight industry sectors (discussed under 'sampling' below). An email was sent to all contacts on the database containing a link to the online survey and an explanation of the survey objectives. A subsequent reminder email was sent to non-responders.
- 16.7 A total of 364 responses were received to the online survey – a response rate of 12%.
- 16.8 Following this, we conducted 200 'top-up' interviews by telephone with non-responders in order to improve the robustness of their individual sample sizes so that results can be reported by sector. Interviews were conducted in daytime and evening hours with business owners or managers.

Sampling

16.9 The table below shows the sample split by sector and interview methodology:

Sector	Online responses	Telephone top-ups	Total sample size
Hotels	115	65	180
Guesthouses	28	22	50
Bed & Breakfast	71	28	99
Self-catering	62	26	88
Hostels	13	20	33
Attractions	50	22	72
Restaurants	25	17	42
Total	364	200	564

Interviews for Contextual Background

16.10 In a separate exercise, we conducted eight qualitative telephone interviews with senior executives in key organisations. The purpose of these interviews was to provide a contextual background to the quantitative findings, and this is given in section 2 before the findings to the main quantitative survey.