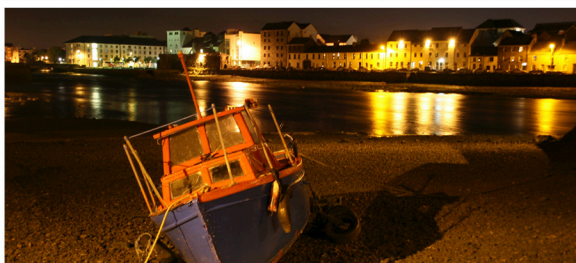
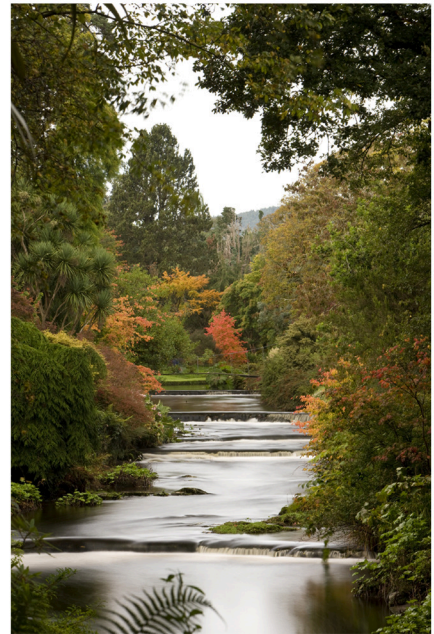


Tourism Barometer



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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 403 responses to an online survey with tourism businesses in August/September 2016 and conducted 208 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	41	60	68	70	72
Same	18	11	25	31	25	27	21	23	19
Down	68	74	47	30	35	13	11	7	9

Base: All Accommodation Providers (weighted to available rooms)

- 1.1 Tourism businesses remain upbeat about the recovery of their businesses according to the Business Sentiment Index. This upwards trend has continued since its low in 2008 and 2009.

PSA sector is thriving this year

- 1.2 2016 is turning out to be an excellent year for the PSA sector – most (81%) PSA operators are up on last year. Repeat visitors are a major factor behind the successful year to date – three in four (75%) PSA operators cite ‘repeat visitors’ as a positive factor affecting their business this year.
- 1.3 The buoyant year in the PSA sector is being experienced across all three accommodation types. Hotels (84% are up) and guesthouses (76%) are enjoying a particularly good year, and B&Bs (60% are up) are also benefiting from a thriving market.
- 1.4 About two in three (64%) PSA operators have had more domestic visitors year to date. Overseas markets are also performing very well, especially North America, where two in three (64%) operators are up.

Self-catering benefiting from a buoyant overseas market

- 1.5 Over two in five (43%) self-catering operators are up on visitors this year, and the buoyant overseas market is the main cause. About half (51%) of self-catering operators have had more overseas visitors this year.

Events have brought in visitors for hostels

- 1.6 Hostels are busy this year – nearly two in three (63%) have had more visitors than last year. A particularly high proportion (64%) of hostels cite 'local festivals / events' as a positive factor for their business this year.

Caravan and campsites have welcomed returning visitors

- 1.7 Well over half (57%) of caravan and campsites are up on guests this year. Repeat visitors are a significant factor – nearly all (92%) operators cite this as a positive factor affecting their business.

Attractions taking initiative

- 1.8 The majority (68%) of attractions are up on visitors this year. Two in three (67%) attractions say that their own marketing is a positive factor on their business – the highest proportion in any sector other than hotels.

Busy time in the kitchens as restaurants see increase in tourist customers

- 1.9 Restaurant staff have been busy serving and cooking for tourist customers. The majority (68%) of restaurants have had more tourist customers than last year. The overseas market has performed well – two in three (66%) restaurants have had more overseas custom.

Golf clubs are still finding the fairways

- 1.10 Busy times continue for golf clubs, as well over half (57%) report being up on tourist customers.

Brexit brings uncertainty

- 1.11 Close to half (44%) of businesses cite Brexit as an issue of concern affecting their business this year. This is higher than any other stated concern.
- 1.12 The main reasons for the concern are the uncertainty over what will happen, the drop in value of the pound making the Republic of Ireland more expensive for UK visitors, and the possible 'hassle' that UK visitors might face with border controls.

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.

Great – sometimes record-breaking year

- 2.1 The overview of the tourism sector given by industry leaders reveals that 2016 has been a very strong year, with good performances across Ireland – some going into double-digit increases.

“This is a very good year so far. I couldn’t put a final number on it, but up into double figures, and follows on from a good year last year”

“Businesses were up about 15-16% so we are delighted with that”

“Overall we’re very happy. Everyone has seen the uplift in business”

“Right across the country has been an improvement, some stronger than others”

- 2.2 The year has been so good, that some feedback indicates record numbers and visitor volumes topping any in the last ten years.

“The general feedback has been very positive. The June and August good weather helped, and many recording record numbers”

Strong performances from Germany and North America

- 2.3 A recurring theme is the strong increase in German and American visitors. This could partly be down to extra flights from Germany, the strength of the US dollar against the euro, the perceived safety of Ireland and the continuation of global economic recovery.

“More seats from Germany, plus more of a recovery in that part of the world”

“US is the biggest one - 34% up. They love the product.”

“German market up 17%”

“Overall, going forward up 18% on last quarter of the year, which is great. Coming from US, mostly, and Germany second.”

“The German market is strong and has gone up substantially – still is through September. One reason is possibly because Ireland seen as a safer destination.”

Concerns and a cautious approach after Brexit vote

- 2.4 The UK's vote to leave the European Union has cast some doubt over its performance as a market for Ireland in the coming years. However, rather than panicking, there is an air of uncertainty backed by a resolve to make the most of any outcomes.

“At the end of the day, it's been a great year, building on great recovery over the last few years. There is always going to be some sort of hit or shock – we've dealt with them before and will re-level our focus on Great Britain to minimise any impact”

“There is a certain degree of uncertainty because of Brexit and the collapse of the sterling. But we don't want to see a self-fulfilling prophesy of doom and gloom. We've seen it before, we need to make sure we fight for market share, which may be challenging.”

“The UK market is reported to be reasonably strong, but more fearful for that after Brexit and sterling – a bit more nervous but that may change. The value of sterling will have an impact.”

“I wouldn't be pessimistic generally, but we're facing the unknown. It's hard to gauge what will happen.”

“There has been no obvious reaction to Brexit, other than business uncertainty at a business tourism level. But no-one has seen business cancel or slow to a worrying level.”

The need for investment

- 2.5 According to some industry leaders, there has been a delay in investment in the tourism industry following the Brexit vote. But now is the time to invest, they say. Making sure Ireland remains competitive is essential, which includes expanding the offerings in honeypot locations (Dublin and along the Wild Atlantic Way, in particular) to mitigate saturation and alleviate the rising prices.

“The lack of hotel capacity is blocking the ability to grow business. And pricing is now reaching unsustainable levels going into 2017-18 – the combination of both is leading to great concern. Ireland is, by comparison, too expensive.”

“There are an awful lot of investment plans being held back”

“We need to make sure we stay ahead. We want economic return and capacity for new building projects.”

Keeping an eye on 2017

- 2.6 While bookings are coming in for 2017, not all markets are expected to flourish. The US and Germany are expected to deliver further increases, but all eyes are on Great Britain, with some industry leaders expecting a drop in the number of visitors – in the short term, at least.

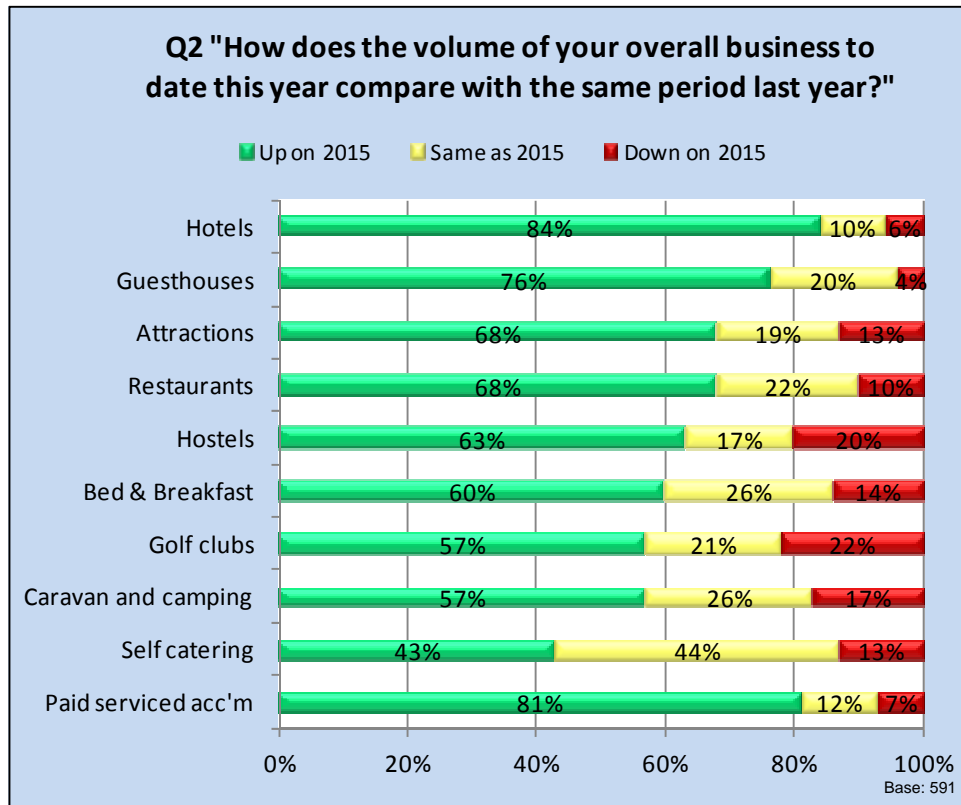
“I would expect drop in visitors next year as Britons avoid non-sterling countries”

“Next year is expected to be flat 5-10% reduction in UK, but a strong performance from North America and Europe will go some way to offset 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.

Confident year for the tourism industry

- 3.1 This year is seeing a marked improvement for many sectors within the tourism industry. For many (74%), repeat visitors are being welcomed back, boosting the number of visitors booked, and around half (48%) of operators say that Irish people holidaying in Ireland are positively impacting business.
- 3.2 Overall, the mood is confident as some see record numbers of visitors in 2016 compared to recent years.

Hotels go from strength to strength

- 3.3 The hotel sector continues to thrive in 2016. Following an exceptional few years, a large proportion (84%) report that overall business is up compared to the same period in 2015.

Good year for guesthouses

- 3.4 Around three quarters (76%) of guesthouses report more visitors this year compared with 2015. For 82% of respondents, repeat visitors are having a positive effect on volumes of business.

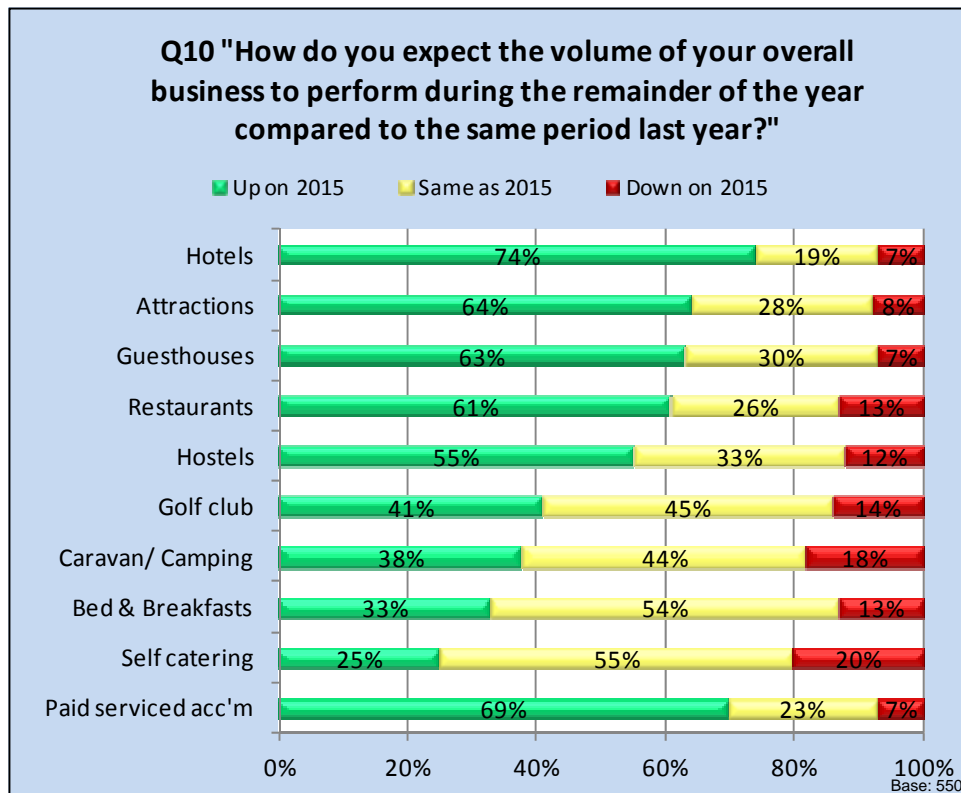
B&B operators continue to bounce back

- 3.5 Post-recession, the B&B sector struggled to find its feet and fought to claim their stake of the tourism industry. For the past couple of years, however, the fight has paid off and large proportions of respondents from the sector have reported an increase in the number of visitors they've welcomed.
- 3.6 This year is no exception, with 60% of B&B owners saying they are seeing more bookings in 2016 compared to last year.

PSA sector powers forward

- 3.7 Combined, the paid serviced accommodation sector is seeing a bumper 2016, with 81% reporting more visitors than the same period last year.

Expectations for 2016



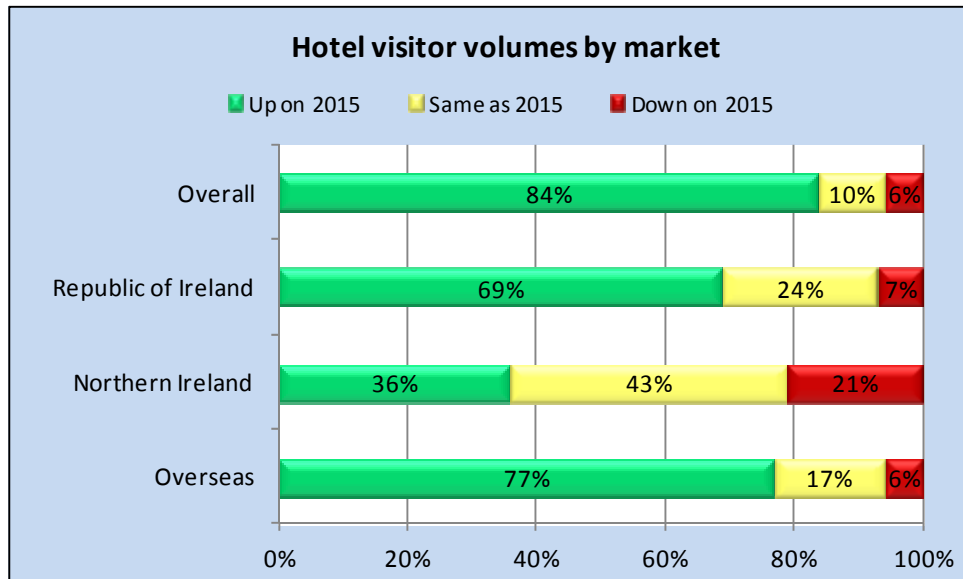
Confidence continues for the rest of the year

- 3.8 The strong performance of 2016 so far is reflected in the predictions for the remainder of the year.
- 3.9 Three quarters (74%) of hotels expect more visitors than the same period in 2015, as do around two thirds of guesthouses (63%) and attractions (64%).
- 3.10 B&Bs look to the coming months with a more cautious attitude. A third (33%) expect to be up, while more than half (54%) predict similar visitor numbers to 2015.
- 3.11 Overall, the biggest issue of concern affecting the tourism industry is Britain's vote to leave the EU, and the impact that may have on visitors from the UK – 44% of respondents cite this as an issue. We discuss Brexit in more detail later in the report.

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 year to date



Base: 188

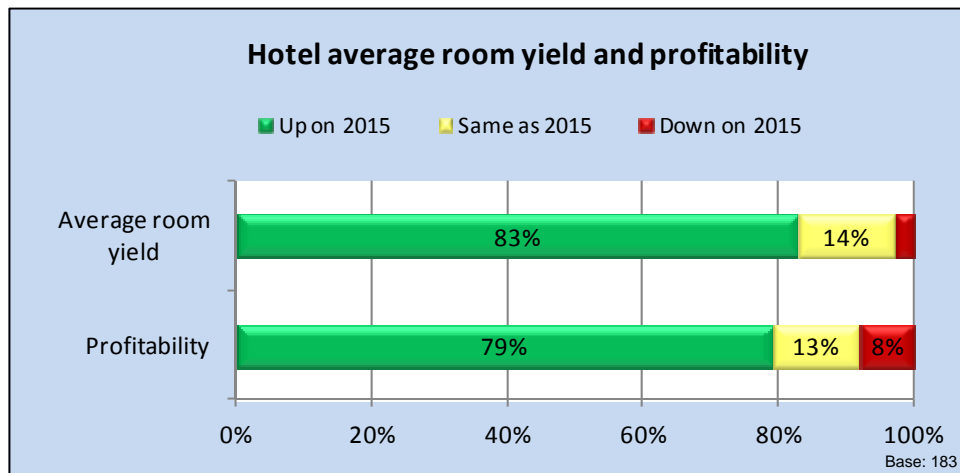
Repeat visitors are a big boost for hotels

- 4.1 The hotel sector is enjoying another strong year, overall, with 84% of respondents reporting a higher number of visitors this year.
- 4.2 The domestic market is performing well, with 69% of hotels seeing an increase, as are the overseas markets (77% report to be up). In particular, more North American visitors have been booking rooms in Ireland according to two thirds (66%) of hotels.
- 4.3 Repeat visitors are proving to be important, with 85% of responding hotels reporting them as having a positive impact on business this year.
- 4.4 And 70% say that the effort they put into their own marketing is also proving beneficial.

Slower progress from Northern Ireland

- 4.5 Just over a third (36%) of hotels say that they have seen more visitors from Northern Ireland, and 21% have seen fewer.

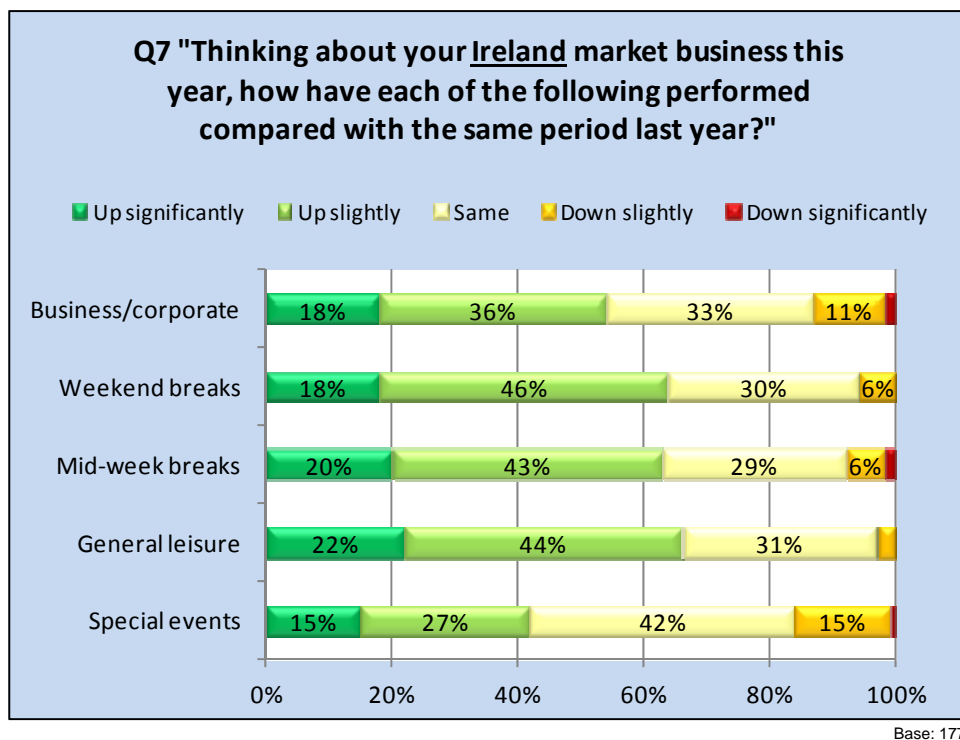
Hotel average room yield and profitability



Profitability is up for most

4.6 Most (83%) hotels report that average room yield is up – very similar to the proportion (84%) reporting visitor volumes to be up. The majority (79%) are also seeing a much-welcomed increase in profitability to be up; however some hotels which are up on visitor volumes report profitability.

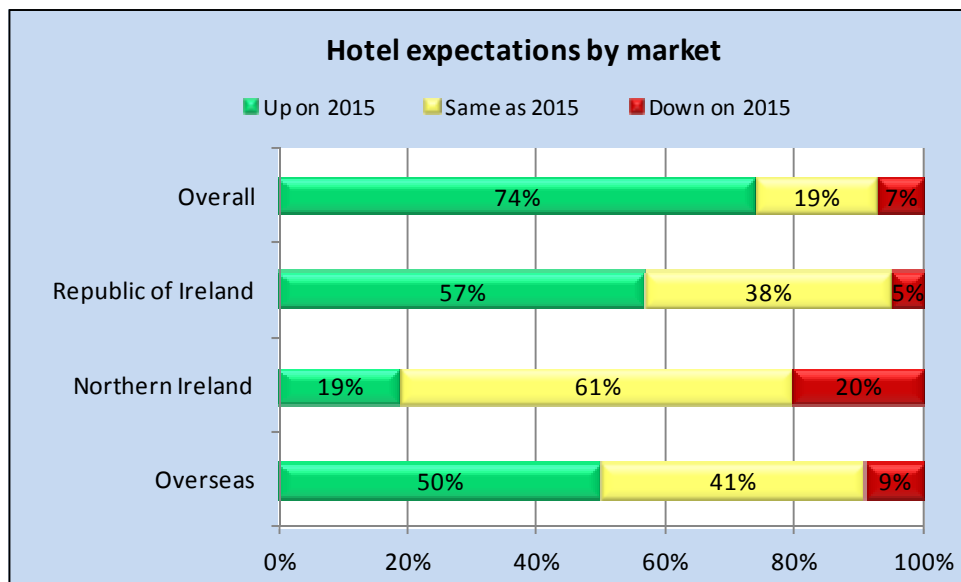
Hotel visitor types (Ireland market)



Domestic market rises across the board

- 4.7 On the whole, hotels are welcoming increased business from all domestic customer types this year.
- 4.8 General leisure custom is especially strong, with two thirds (66%) of hotels seeing either a significant or slight increases in visitors from this market. Similarly, 64% have checked in more visitors on a weekend break, and 63% have seen more people enjoying a mid-week break at their establishment.
- 4.9 The business/corporate market has also improved for 54% of responding hotels.
- 4.10 Potentially lucrative special events have also increased for 42% of hotels, including 15% who have seen a significant increase.

Hotel expectations



Base: 179

Good overall increase – but drop in NI confidence

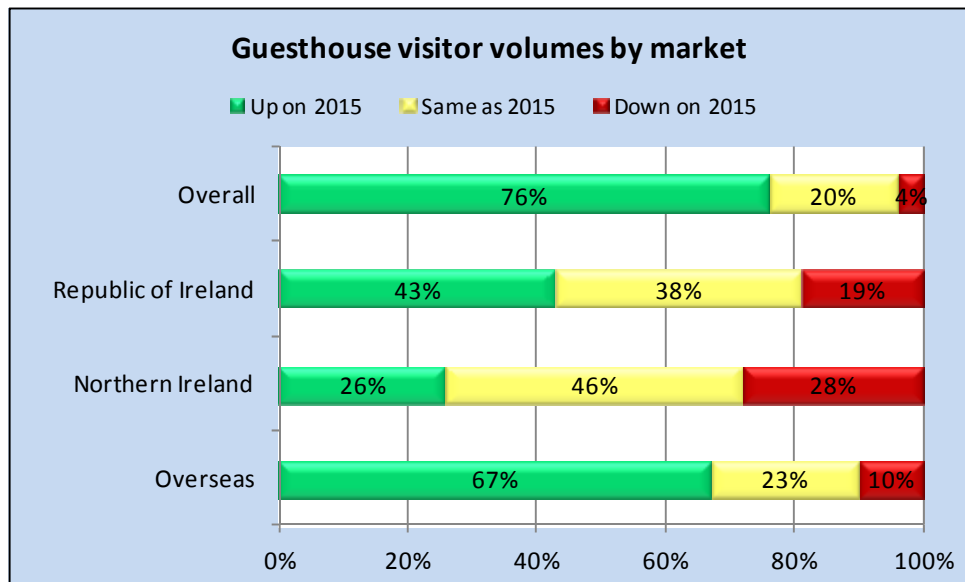
- 4.11 While the majority (74%) of hotels expect higher visitor numbers than 2015 during the remainder of the year, confidence in the Northern Irish market has wavered somewhat.

Good performance from USA expected

- 4.12 Following a good start to the year, nearly half (47%) of hotels expect to see continued progress from North America during the remainder of 2016.

5. Guesthouses

Guesthouse visitor volumes year to date



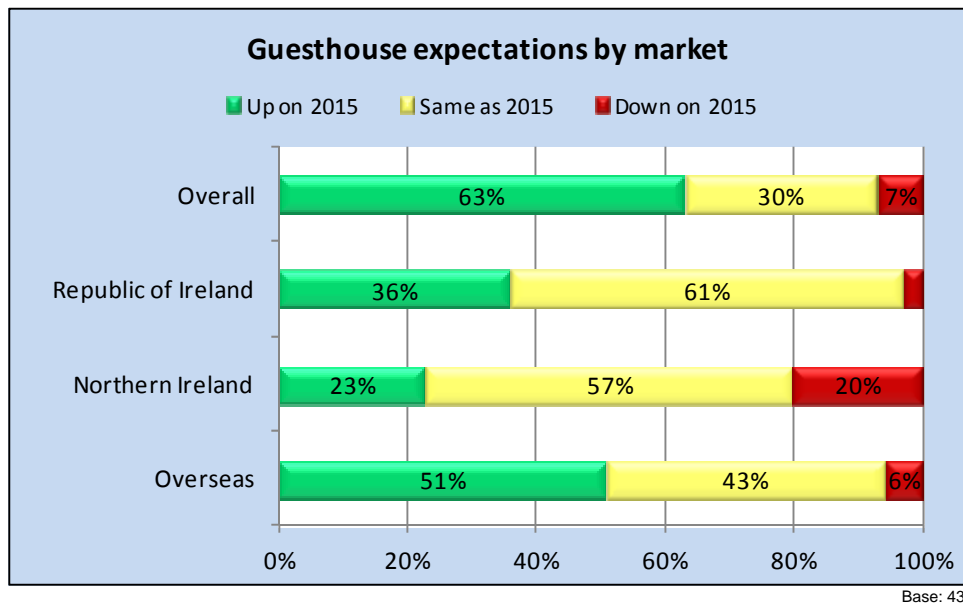
More guests for guesthouses

- 5.1 Around three quarters (76%) of guesthouses have taken in more visitors in 2016 compared to the same period last year.
- 5.2 The number of overseas visitors has increased for around two thirds (67%) of responding guesthouses, and 43% say the number of domestic guests is higher than last year.
- 5.3 Fewer (26%) however are seeing more visitors from Northern Ireland and a similar proportion (28%) say the number of guests from their northerly neighbours has dropped.

Lift in business from Europe and America

- 5.4 Mainland Europe and the USA are high-performing markets for some guesthouses this year. More than half (55%) are welcoming more French guests this year, 59% more German guests and 56% are checking in more visitors from North America.

Guesthouse expectations



Healthy lift expected for guesthouses

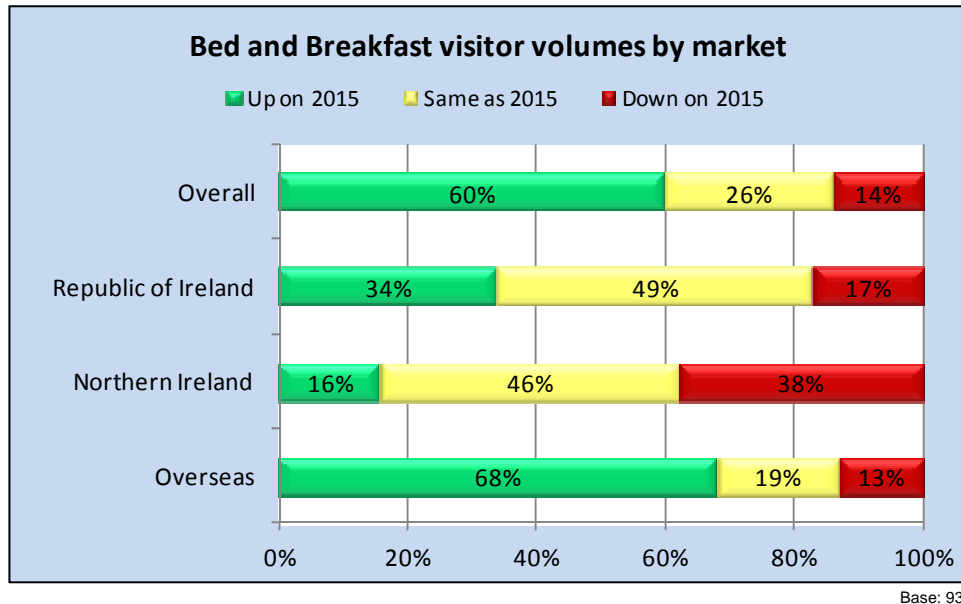
- 5.5 Nearly two thirds (63%) of guesthouses have a positive outlook for the rest of the year, expecting the tail end of 2016 to fare better than last year overall.
- 5.6 This is, in part, down to around half (51%) of guesthouses predicting a lift from their overseas markets and a third (36%) preparing to welcome more domestic visitors.

Fuel and energy costs concern guesthouses

- 5.7 Around two in five (41%) guesthouses say that fuel and energy costs are a concern – this is significantly higher than the average of 30% across all sectors – but the proportion of guesthouses concerned about this has dropped in the last 12 months.

6. B&Bs

B&B visitor volumes year to date



Overseas visitors flying in for B&Bs

- 6.1 Overseas markets are helping some B&B operators enjoy an improved year, with 68% of respondents serving up more breakfasts to non-Irish guests in 2016. In particular, more visitors from Germany are staying at B&Bs according to 66% of operators.

Sterling exchange rate knocks UK confidence

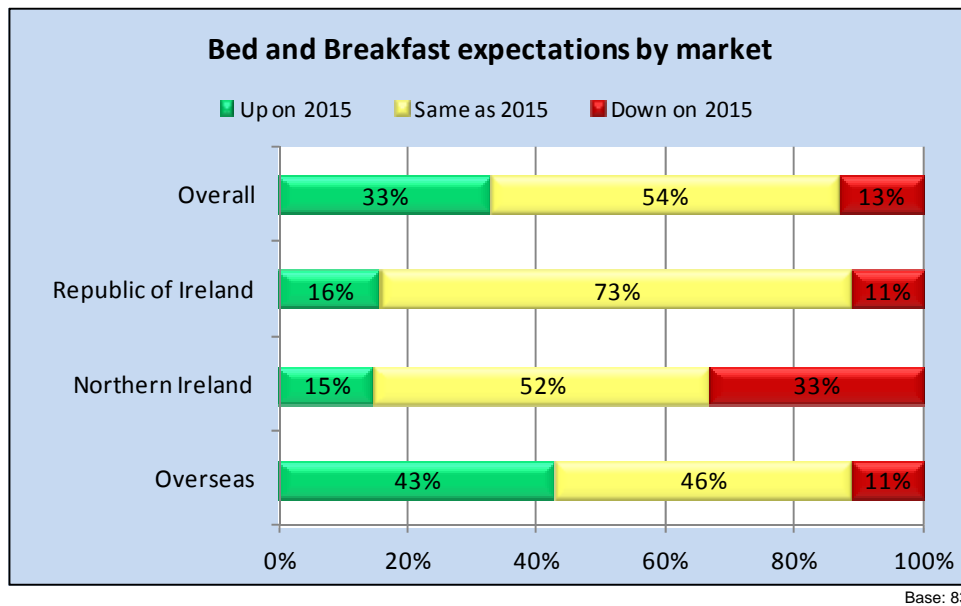
- 6.2 While there is some progress in the domestic market (with 34% up on 2015), the number of visitors from Northern Ireland has fallen for 38% of B&Bs this year. This could be, in part, because of the weakened sterling, making a trip across the border more expensive when paying in euros.

“In Donegal we are next to Northern Ireland - a lot of trade from visitors has stopped”
B&B

- 6.3 Some (24%) B&Bs are seeing a fall in British visitors. One of the reasons some are seeing a decline in visitors from Great Britain and Northern Ireland is the drop in the value of the sterling against the euro.

“UK guests will think prices have risen because of the change in value of sterling”
B&B

B&B expectations



Mixed expectations for B&Bs

- 6.4 While many (43%) B&B operators expect to see more overseas guests in the coming months, there is much less positivity when predicting the number of domestic (16% expect an increase) and Northern Irish (15%) visitors.
- 6.5 In fact, a third (33%) of B&Bs predict a fall from Northern Ireland during the remainder of the year compared to 2015.
- 6.6 Again, this is in part down to the weakened sterling against the euro.

“A weak sterling means loss of consumer confidence”
B&B

“Visitors from Northern Ireland and Britain won’t come”
B&B

‘Safe’ Ireland attracts overseas visitors

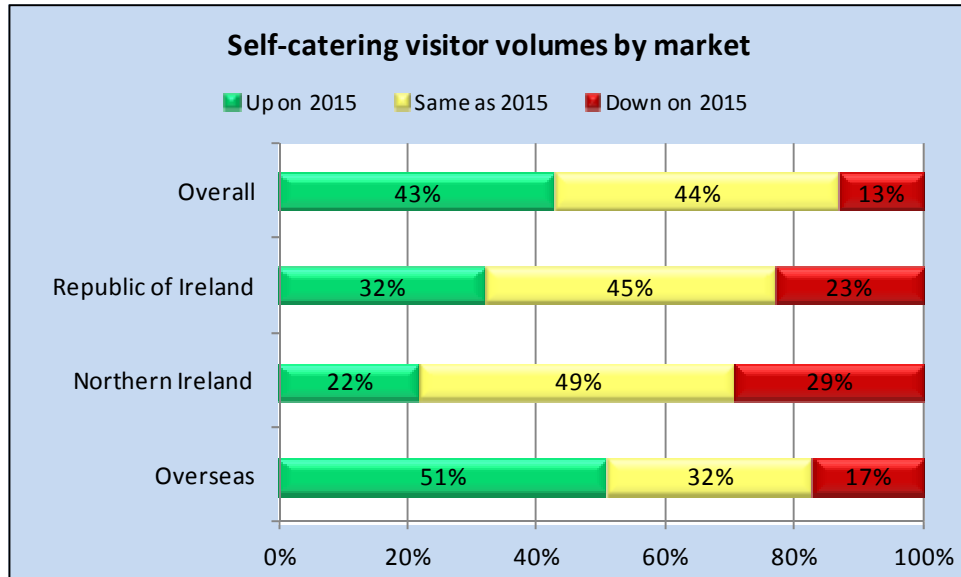
- 6.7 Some B&B operators believe that Ireland is seen as a safer destination for travel following unrest and terrorist attacks in mainland Europe. This may help lift the overseas markets, with 43% expecting an increase – including 43% looking at a rise in German visitors.

“Ireland is seen as a safe and friendly destination”
B&B

“Safety and stability of political situation in Ireland. Ireland is seen as a safe place to holiday”
B&B

7. Self-catering

Self-catering visitor volumes year to date



Base: 67

Overseas boost for self catering

- 7.1 Thanks to an improved performance from overseas markets for half (51%) of self catering operators, 2016 has been a good year, with 43% of respondents saying they have seen an increase in the number of visitors overall.
- 7.2 A few respondents say that they have been taking business bookings from overseas visitors working in Ireland.

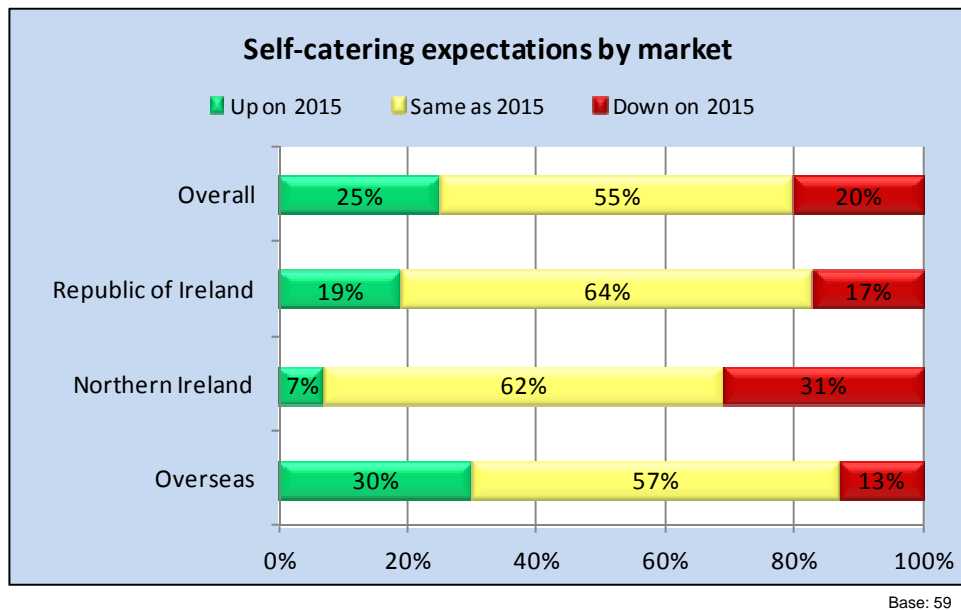
“Overseas people coming to work in Ireland for short periods, or moving to Ireland and requiring short term accommodation while they look for permanent accommodation”

Self catering

Less favourable performance closer to home

- 7.3 Like other sectors, the domestic and Northern Irish market is not performing as well. While a third (32%) are seeing an improvement from ROI, 29% say they have had fewer visitors from Northern Ireland.

Self-catering expectations



Self-catering sector less confident about the rest of the year

- 7.4 Despite a good 2016 so far, self catering business owners are showing a fall in confidence for the coming months. One in five (19%) say that a lack of bookings is a concern for them as competition in some areas increases.

“There is more accommodation in our local area and county. It’s hit us very hard. Our usual weekend occupancy is just being wiped out. Appears to be the way to go”

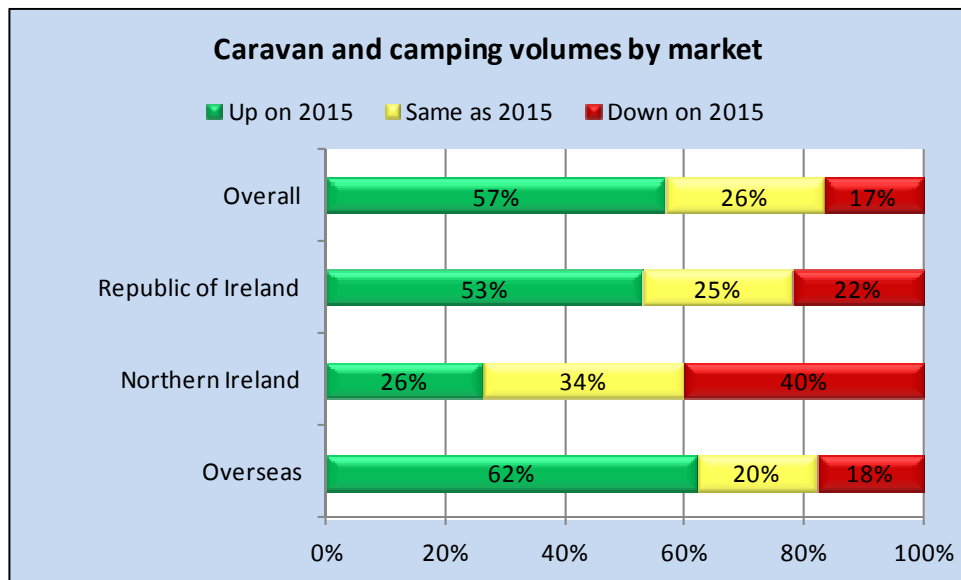
Self catering

“There are lots of other cottages that are renting and are not Fáilte Ireland approved and offering lower prices”

Self catering

8. Caravan and Camping

Caravan and camping volumes to date



Happy campers pitch up in Ireland

- 8.1 This year has been strong for the weather-dependent caravan and camping sector, with well over half (57%) reporting to be up on 2015.
- 8.2 This increase is partly thanks to a good performance from overseas markets (62% are up), especially the German market - 65% of operators say more Germans have been pitching up at their sites.

Repeat visitors are a big positive

- 8.3 Camping has increased within the domestic market, too, according to more than half (53%) of respondents. The decent weather (55%), repeat visitors (92%) and Irish people holidaying in Ireland (76%) have boosted business.

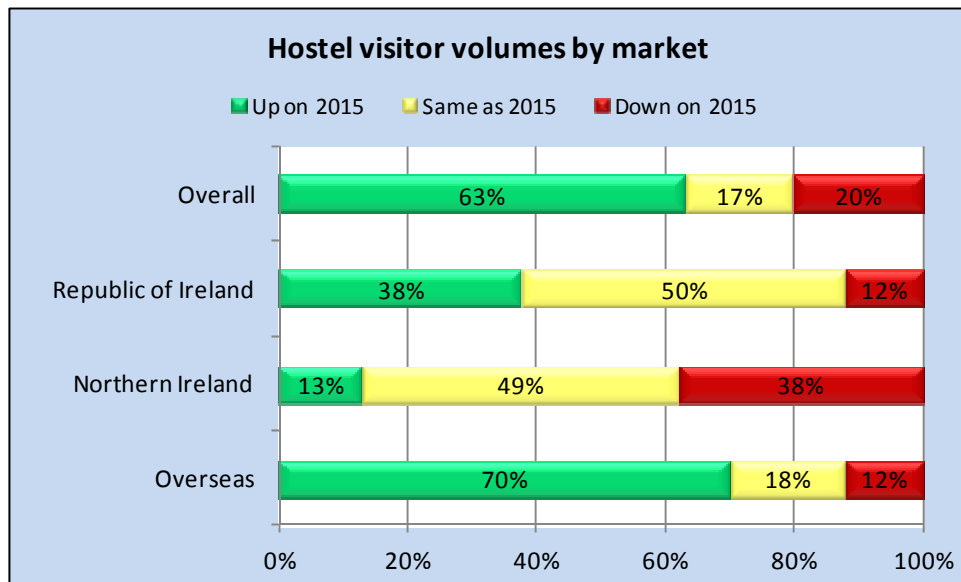
“Many people decided to holiday at home this year instead of going camping in France due to terrorist attacks there. This impacted our business positively.”
Caravan and camping

Northern Ireland visitors dropping off for some

- 8.4 Two in five (40%) say that visitor numbers from Northern Ireland have lessened, while a quarter (26%) have welcomed more of their northerly neighbours.

9. Hostels

Hostel visitor volumes year to date



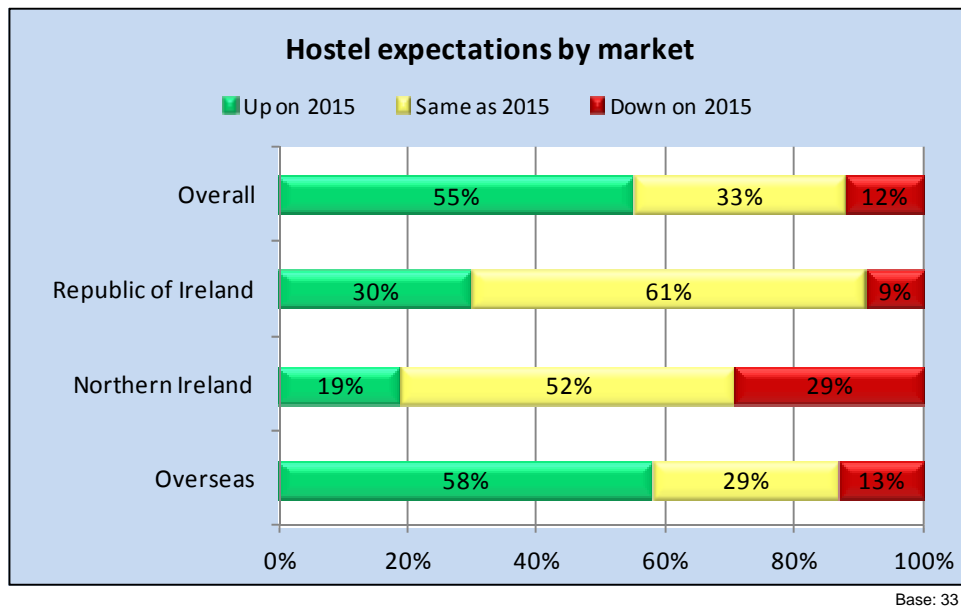
Hostels enjoy a healthy year

- 9.1 This year, 63% of hostels are benefiting from a boost in the number of bookings, with overseas markets performing well for 70% of respondents.
- 9.2 Around two thirds (63%) of operators say that they are seeing a lift in visitor numbers from Germany and North America.
- 9.3 The Wild Atlantic Way has helped 72% of hostels as this marketing initiative continues to draw visitors.

“The Wild Atlantic Way is proving to be successfully attracting visitors to the region, from within Ireland as well as overseas”

Hostel

Hostel expectations



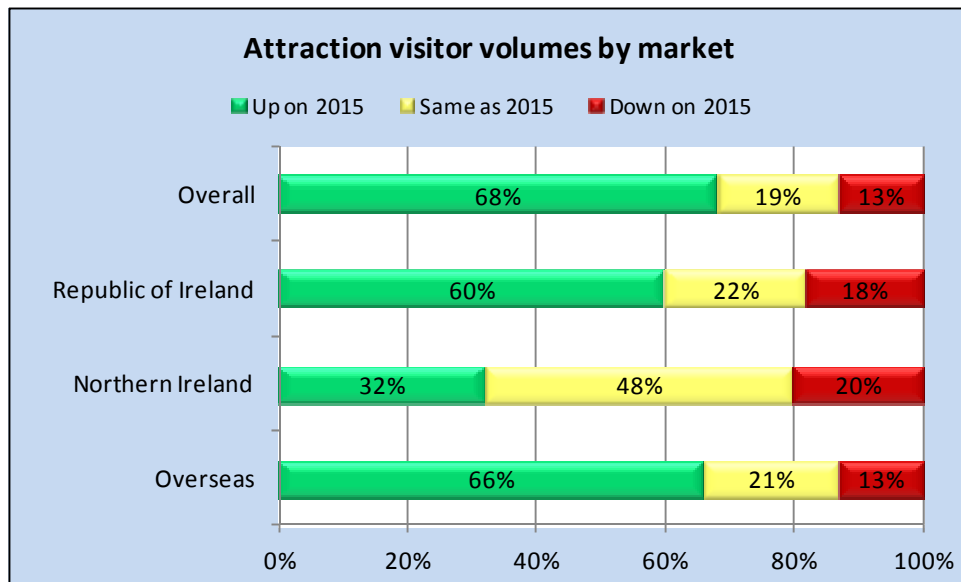
Further increases expected – but drop from UK

- 9.4 Encouraged by a good year-to-date, more than half (55%) of hostels look to the rest of the year with expectations of more visitors than 2015.
- 9.5 Overseas markets are set to rise for 58% of hostels, but there are some concerns that the weakened sterling may impact visitor numbers from Northern Ireland and Great Britain. As a result, 29% expect fewer NI visitors and 33% predict fewer British guests.

“Fall in sterling rates means the Northern Ireland visitors feel they are not getting value for money in the Republic of Ireland”
Hostel

10. Attractions

Attraction visitor volume years to date



Overseas visitors attracted to Ireland

- 10.1 Ireland seems to be attracting more overseas visitors this year, according to two thirds (66%) of attractions.
- 10.2 Around half (51%) are seeing more French and Americans through their doors, but other parts of mainland Europe are also on the up.

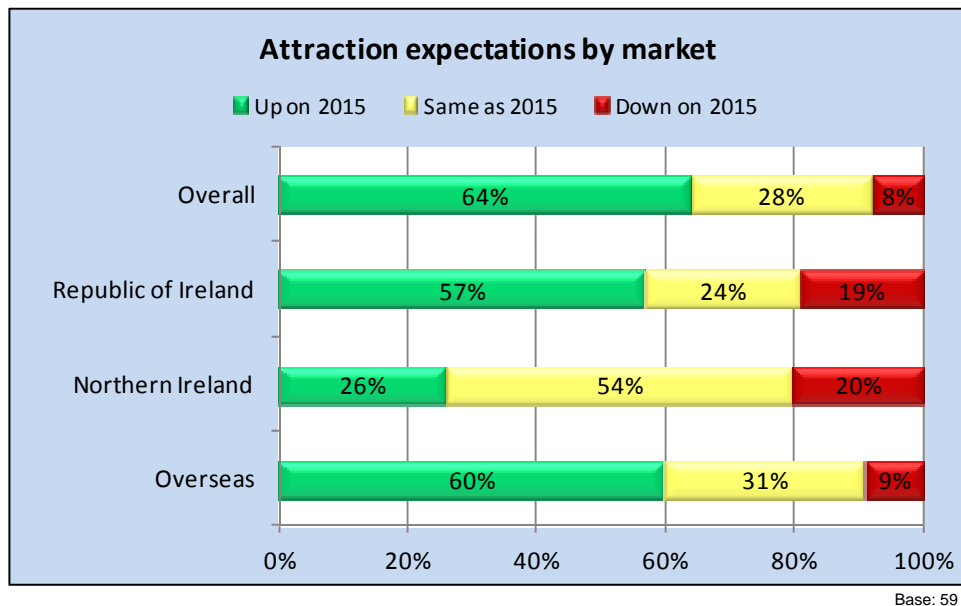
“Increase in other European visitors to region for example visitors from Switzerland, Austria, Belgium and Holland”
Attractions

Own marketing makes attractions more attractive

- 10.3 Around two thirds (67%) of attractions say that the efforts they put into their own marketing have helped boost business this year. This includes the marketing of any new features at their sites.

“We are a gallery and had a very popular show that positively impacted our visitor numbers”
Attraction

Attraction expectations



Visitor numbers expected to prosper

- 10.4 The remainder of the year is looking bright for two thirds (64%) of attractions expecting higher footfall than last year. Overseas markets should provide more visitors for 60% of attractions, and the domestic market is also predicted to do well for 57%.

Accommodation capacity and prices could impact visitors

- 10.5 Some attractions believe that capacity issues and the cost of accommodation in Dublin could have a negative impact on their visitor numbers.

“The danger is that already I see hotel and other accommodation prices rising dramatically and I have heard murmurs of discontent amongst foreign travellers. It is likely to encourage our own national tourists once more to look for holidays abroad.”

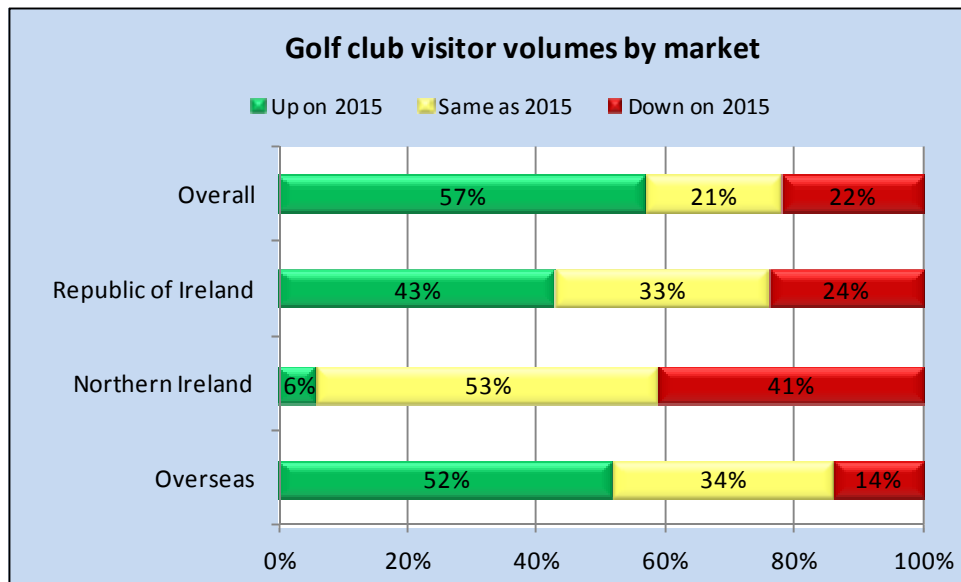
Attraction

“Shortage of hotel accommodation in Dublin”

Attraction

11. Golf Clubs

Golf club visitor volumes to date



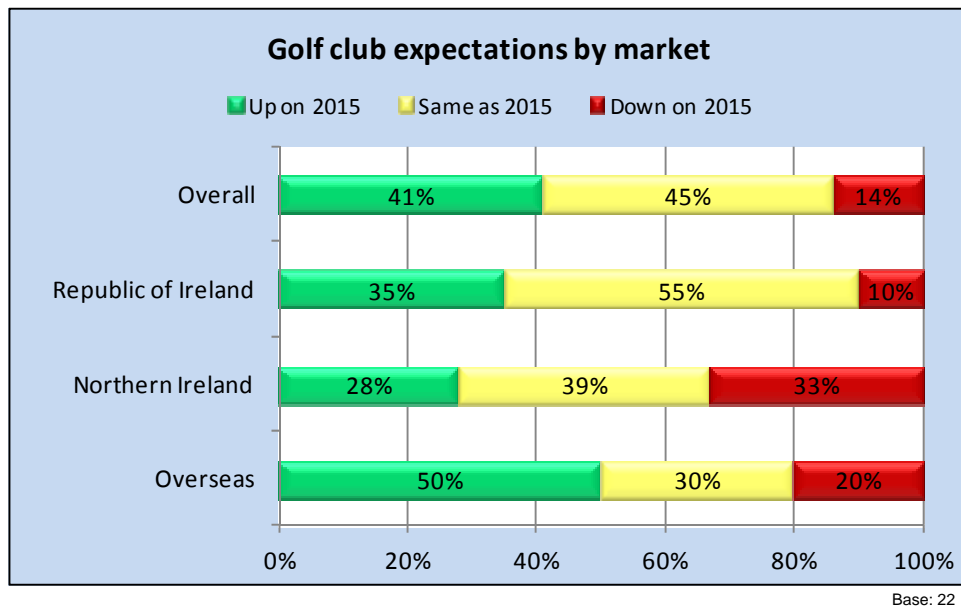
Golf clubs enjoy an upswing in 2016

- 11.1 The fair weather in 2016 is helping golf clubs sign in more visitors this year. While 42% of respondents say the weather has been positive, a significantly higher proportion (71%) welcome repeat business onto their greens.

“Good weather can help a lot and more Irish people staycationing”
Golf club

- 11.2 In line with other sectors, the German (47% report an increase) and North American (56%) markets are stronger than last year. But also there has been a drop in Northern Irish golfers for 41% of clubs.

Golf club expectations

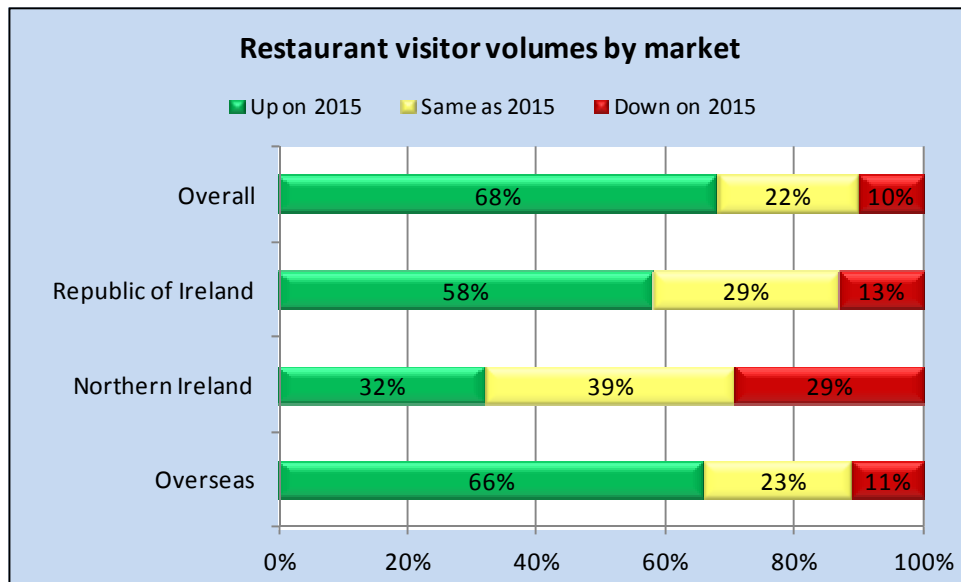


More visitors expected to chip in

- 11.3 Most markets are likely to show further increase during the remainder of the year, with 41% of clubs expecting more visitors than 2015.
- 11.4 While 41% of clubs say they have seen fewer golfers from Northern Ireland so far this year, that proportion is set to drop to 33% in the coming months, with 28% expecting more from NI.

12. Restaurants

Restaurant visitor volumes year to date



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

Feeding the masses

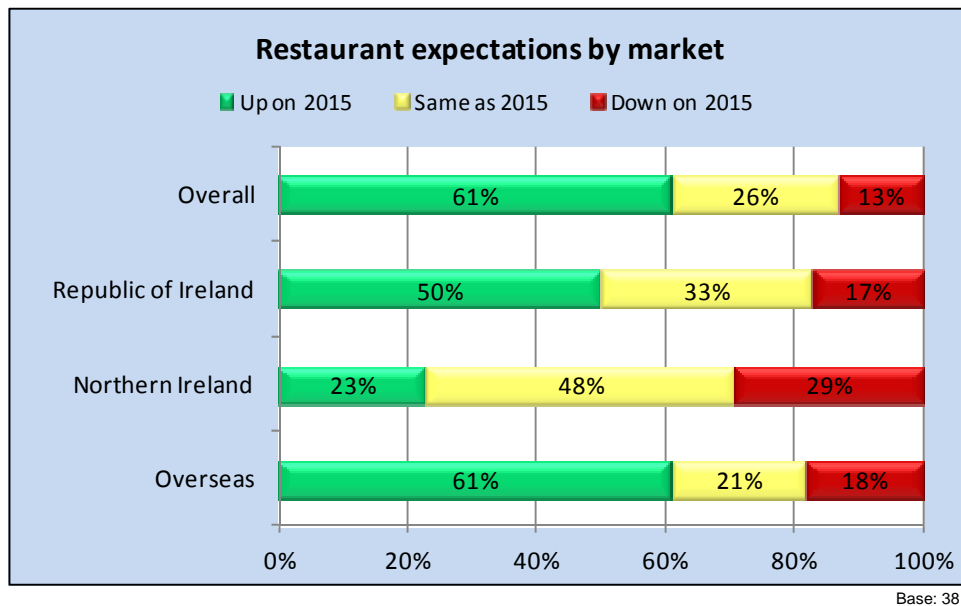
- 12.1 This year has served up a storm for restaurants, of which 68% report more covers compared to 2015. More French visitors are eating in Irish restaurants this year, according to 45% of respondents, and an increased number of Americans are enjoying a taste of Irish hospitality at 72% of restaurants.

“The continued strength of the US dollar seems to be improving spend by the American visitors, as the weak euro provides good value for them in goods and services”

Restaurant

- 12.2 And more Irish visitors are eating out during short breaks and holidays in the country, according to 58% of restaurants.

Restaurant expectations

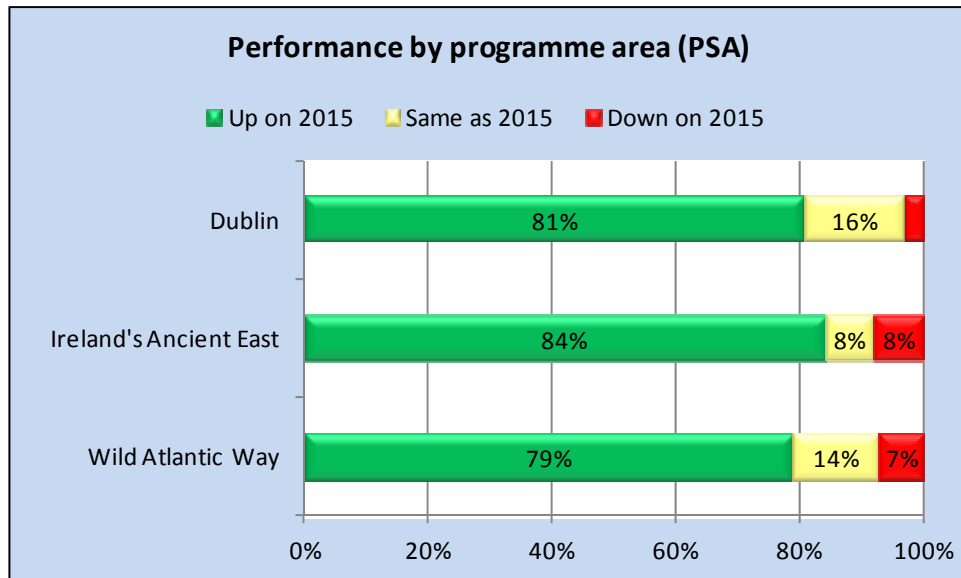


Coming months look tasty

- 12.3 The rest of 2016 will see busy kitchens across Ireland as 61% look to wait on bigger numbers than last year.
- 12.4 Following the trend enjoyed so far this year, 61% of restaurants are expecting more overseas visitors, with more (66%) businesses anticipating an increase in American visitors than any other market.

13. Performance by Programme Area

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

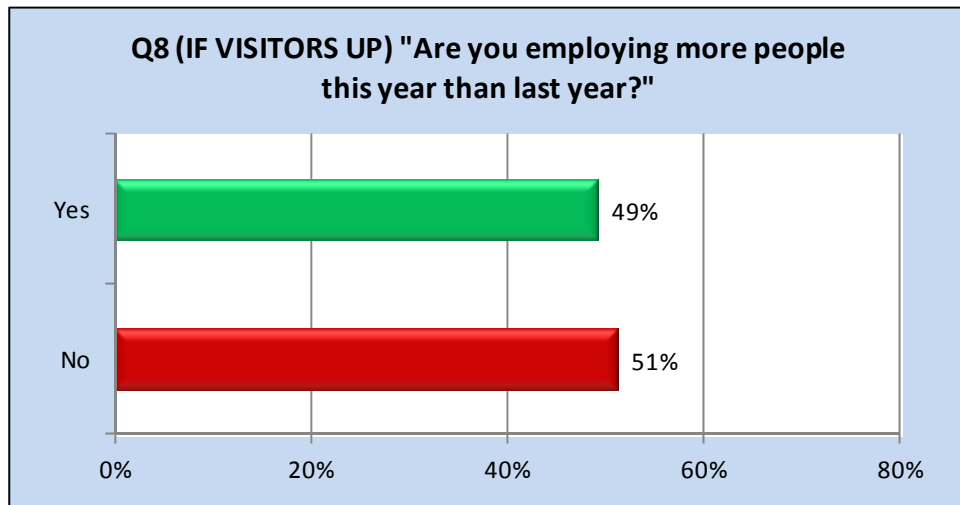


Base: 327

PSA sector strides forwards

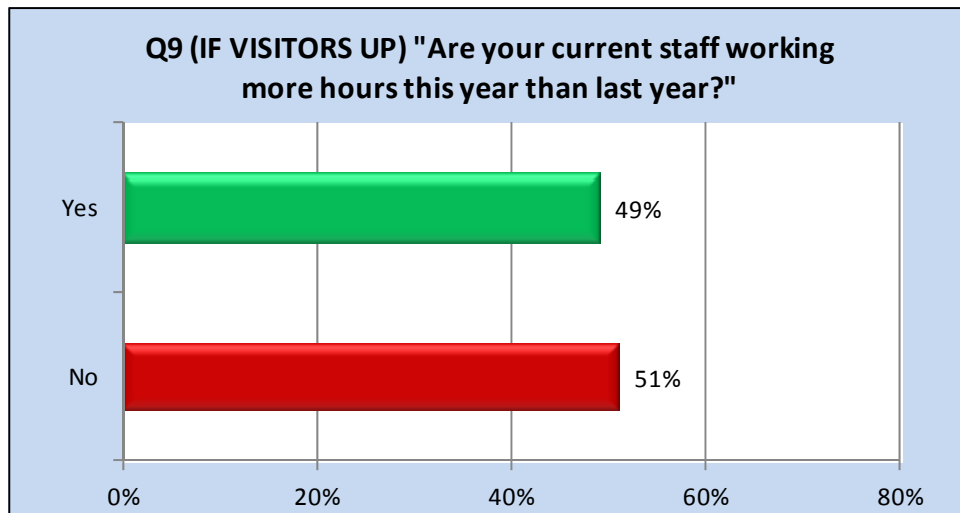
- 13.1 The majority of businesses in each programme area is seeing a majority increase in the number of visitors they have welcomed this year.
- 13.2 Operators in Ireland's Ancient East are storming through 2016, with 84% reporting improvements on last year.
- 13.3 But Dublin (81%) and the Wild Atlantic Way (79%) are not far behind, as the majority note more guests gracing their doors compared to 2015.

14. Staffing



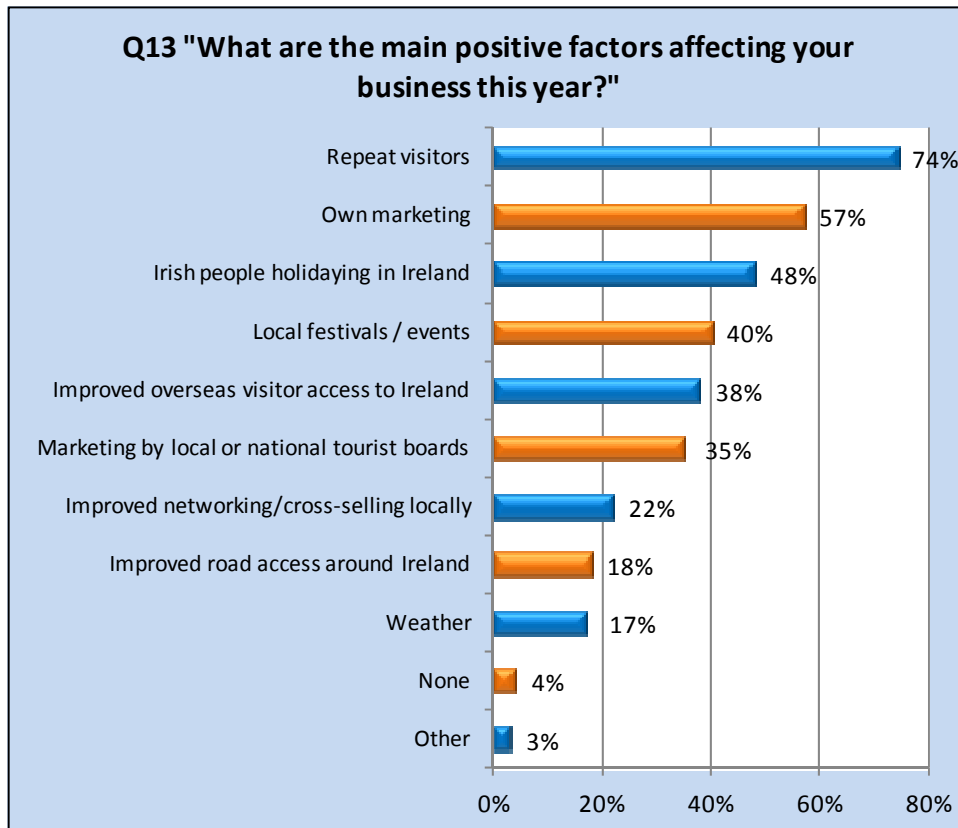
Respondents reporting higher visitor volumes overall have been asked about their staffing levels

- 14.1 Around half (49%) of the respondents who report a higher overall number of visitors this year say they are employing more people in 2016 than they did last year.
- 14.2 Hotels are more likely to have hired extra hands, with 63% reporting to have done so, along with 61% of restaurants, 57% of attractions and 54% of guesthouses.
- 14.3 Contrastingly, only 7% of self-catering operators have employed more people, as have 22% of caravan and campsites and 29% of B&Bs. Many self-catering and B&B businesses do not employ any staff other than the owners.
- 14.4 A higher proportion (57%) of operators in Dublin have hired more staff compared to operators in the rest of the country (48%).



- 14.5 While the overall split is the same, the sectoral differences are not as large when it comes to increase staff hours, compared to *more staff* (Q8).
- 14.6 Well over half (57%) of guesthouses have increased staff hours, as have 56% of hotels and 54% of self catering operators.
- 14.7 Meanwhile, three in ten (31%) golf clubs have staff working longer, as have 38% of B&Bs and 39% of caravan and camping operators.

15. Positive Factors in 2016



Base: 611

Businesses value people coming back for more

- 15.1 Repeat visitors are big business for the tourism industry, with three quarters (74%) citing them as positive this year. For some sectors, welcoming returning guests is more positive than others, including caravan and camping (92%), hotels (85%) and guesthouses (82%).

"Americans are coming back as repeat business"
Golf club

Staycations offer a welcome boost

- 15.2 Nearly half (48%) of business operators say that Irish people holidaying in Ireland is positive this year. Through the open comments, it seems like some have noticed an increase in staycations as Irish people holiday at home rather than crossing the waters.
- 15.3 In particular, high proportions of caravan and camping operators (76%) and hotels (64%) are pleased with the number of Irish staying with them.

“In July and August we had a lot more families from Ireland stay”
Hotel

“Good weather can help a lot and more Irish people staycationing.”
Golf club

“We have had a lot of Irish families come to stay in the self catering houses over the summer”
Self catering

Ireland is seen as a safe destination

- 15.4 The news this year has been littered with reports of terrorism and fatal incidents in Europe, leading some to head to Ireland for their short breaks and holidays as it is believed to be a safer alternative to countries in mainland Europe.

“Visitors regard Ireland as a safe destination”
B&B

“Ireland is seen as a safer destination for many overseas visitors”
Caravan and camping

“Ireland is seen as a safe destination by Americans reluctant to travel to other parts of Europe because of terrorism”
Hotel

“Security is becoming the most important factor in Europe as more and more visitor are choosing Dublin as it is seen as a safer city”
Hotel

“Europe - ISIS attacks brought people this way. Germany appears to be more present”
Guesthouse

Euro is good value for Americans

- 15.5 Many (53%) operators say that they are seeing an increase in the number of Americans visit Ireland, in part thanks to the strength of the dollar against the euro, making a visit more value for money.

“The strength of the US dollar against the euro”
Hotel

Wild Atlantic Way remains a hit

- 15.6 Many respondents are still feeling the benefits of the Wild Atlantic Way, which continues to draw both the domestic and overseas markets to its natural beauty.

“The Wild Atlantic Way is definitely bringing more people into the area”
Guesthouse

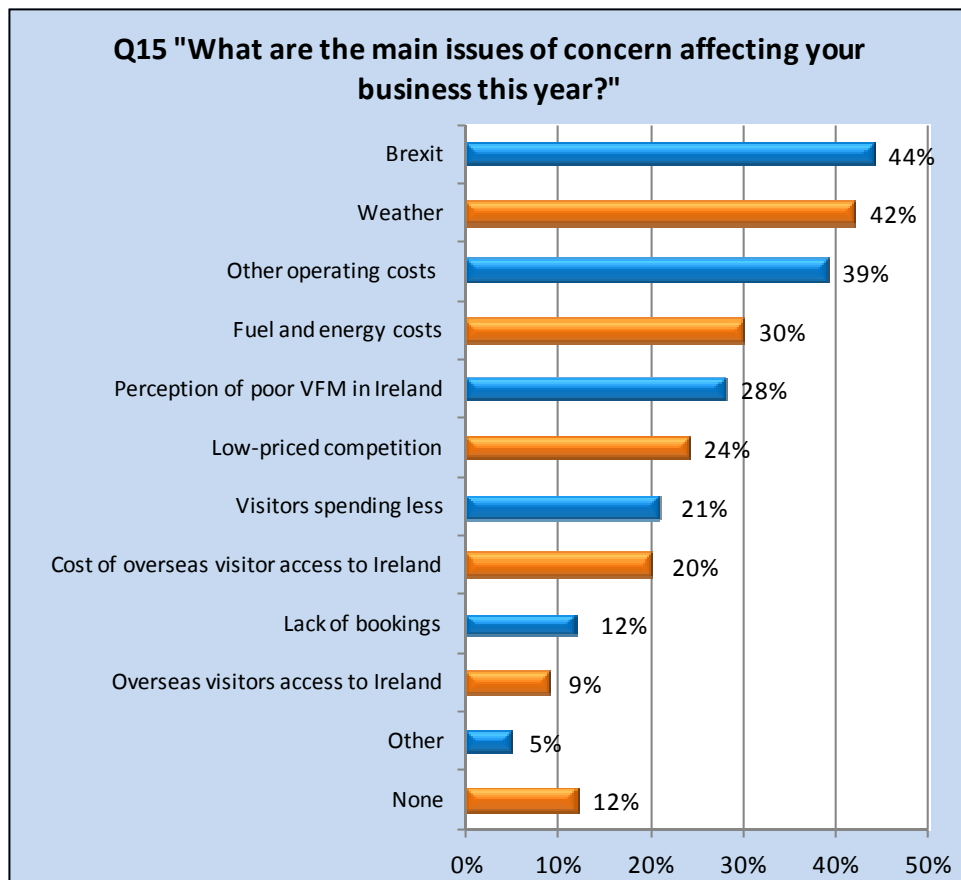
“Yes people are following the Wild Atlantic Way. Good weather helps as people come here for outdoor activities i.e. hiking, walking, cycling etc”

Hotel

“The Wild Atlantic Way is an easy selling point, it's huge business for us”

Hotel

16. Issues of Concern in 2016



Base: 611

Concerns and uncertainty over Brexit

- 16.1 In June, the UK voted to leave the European Union. The impact of the 'Brexit' referendum has already been felt by some operators who say the drop in the value of the sterling has affected the number of British people visiting Ireland.
- 16.2 While the long-term effects of the vote are yet to be seen, many operators are concerned that the number of UK visitors will drop.

"Brexit is a concern but I don't know its full impact yet"
Guesthouse

"Rate of exchange after Brexit. There's been a drop for the sterling."
Hotel

Weather leaves some hoping for a brighter 2017

- 16.3 While there have been moments of fine, warm spells this year, the weather has been inconsistent though 2016, leaving 42% of operators concerned about the lack of a 'real summer'.

"The weather has been a big factor in reduced numbers this year"
Attraction

"Bad weather is the biggest problem in a camping park this far out in the Atlantic. Wind and rain will blow them out of the place and it takes days to get them back. Continued wind and rain like in July can finish a season very quickly."

Caravan and camping

17. Brexit

- 17.1 In the first referendum of its kind, the UK voted to remove itself from the European Union. The vote, which took place in June, saw 52% opt to leave.
- 17.2 In the survey, operators have been asked about their main issues of concern this year (Q15). Those (44%) who say Brexit is a concern for their business (44%) have also been asked about their main Brexit concern and any plans they may have to deal with those concerns.

Uncertain times ahead

- 17.3 One of the leading concerns for operators is not knowing how the Brexit vote will impact Ireland and its UK visitors. For many, it will be a case of 'let's wait and see' before any decisions are made.

"I think the actual uncertainty of the British market at the moment. It may take two to three years before the British feel confidence again to spend on holidays in Ireland."

Hotel

"I don't know its full impact yet but it is concerning"

Guesthouse

"The main concern is not knowing what is going to happen so everyone is unsure on what to do next"

Caravan and camping

"We just have to wait and see for the next few years"

B&B

- 17.4 For others, there is a belief that it is a time to focus on markets outside of the UK until the uncertainty settles.

"Increased concentration on EU countries"

Self catering

"Increased marketing to USA and other overseas markets"

Hotel

Drop in UK visitors

- 17.5 One of the main concerns to come through the open comments is the potential drop in visitors from the UK. This is partly because of the initial reduction in the value of the sterling, and the uncertainty of how the currency will behave in the coming years.

"Currency rates could make Ireland more expensive"

Self catering

“British guests getting bad value for their sterling”
B&B

“Exchange rates will make Ireland an expensive destination for the British market”
Hotel

- 17.6 Another concern is the potential border control and lack of free movement, which may put British and Northern Irish people off a visit because of the added inconvenience.

“Border, access, exchange rate”
Caravan and camping

“Cross border delays and procedures”
Attraction

“People are unsure and if borders are created it will do damage to the economy”
B&B

Reduced rates could increase appeal

- 17.7 For some who believe the drop in the value of the sterling and possible access issues may deter UK visitors, their approach is to improve the value of their offerings by dropping their rates.

“We will have to keep our prices low and competitive”
Hostel

“Will consider price reductions for specific markets”
Hotel

“We continue to offer a competitive rate to sterling customers”
Restaurant

18. Appendix 1 – Background and Methodology

Background and Objectives

- 18.1 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.
- 18.2 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.
- 18.3 Fieldwork for this second wave in 2016 took place in late August and early September. 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 the remainder of 2016
 - Staffing differences
 - Positive factors and issues of concern affecting business
 - Impact of Brexit vote

Methodology

- 18.4 The methodology used was a combination of an online survey and telephone interviews.
- 18.5 Fáilte Ireland and Strategic Research and Insight worked together to produce a questionnaire for online and telephone interviewing. A copy of the questionnaire is included in appendix 2.
- 18.6 Fáilte Ireland provided a database of 3,078 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.
- 18.7 A total of 403 responses were received to the online survey – a response rate of 13%.
- 18.8 Following this, we conducted 208 ‘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

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

Sector	Online responses	Telephone top-ups	Total sample size
Hotels	102	90	192
Guesthouses	25	24	49
Bed & Breakfast	87	11	98
Self-catering	66	3	69
Caravan and camping	17	21	38
Hostels	23	13	36
Attractions	50	14	64
Golf clubs	9	15	24
Restaurants	24	17	41
Total	403	208	611

Interviews for Contextual Background

18.10 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.