STRATEGIC MARKETING

Fáilte Ireland
National Tourism Development Authority

Tourism Barometer

October 2015

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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 368 responses to an online survey with tourism businesses in September/October 2015 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

%	2007	2008	2009	2010	2011	2012	2013	2014	2015
Up	45	14	15	28	39	41	60	68	70
Same	24	18	11	25	31	25	27	21	23
Down	31	68	74	47	30	35	13	11	7

***Base: All Accommodation Providers** (weighted to available rooms)*

1.1 The tourism industry remains upbeat about recovery according to the Business Sentiment Index. This upwards trend has continued since its low in 2008 and 2009.

PSA sector continues to grow in confidence

1.2 The paid serviced accommodation (PSA) sector has enjoyed an excellent year so far, with a large proportion (78%) of respondents reporting growth on 2014.

1.3 Hotels lead the way, with around four in five (79%) welcoming an increase in business, followed by 69% of guesthouses. The B&B sector, which has struggled more than others in recent years, is showing very good signs of improvement, with 70% saying that business is up so far this year.

1.4 This year's growth has been welcomed by the PSA sector, and has strengthened a belief that the tourism industry is continuing to recover from the recession, year-on-year.

1.5 This brighter outlook continues into the remainder of the year, with 68% of PSA operators expecting to see a busier winter than 2014.

1.6 Riding this year's strong performance, 73% of hotels expect growth in the remainder of the year, compared to the same period last year.

1.7 Compared to hotels, B&B and guesthouse operators are more cautious about the coming months, with a third (34%) of responding B&Bs and 29% of guesthouses predicting growth. This may be a reflection of the more seasonal performance of these sectors compared to hotels.

Encouraging year for self catering

1.8 Nearly two thirds (63%) of self catering respondents have taken more bookings this year and a similar proportion (61%) has seen growth from the overseas markets.

1.9 The American and British markets in particular are up thanks to good exchange rates with these countries against the euro.

1.10 A third (34%) of respondents expect growth for the remainder of the year, and 38% predict an increase in overseas markets during the winter.

Overseas markets up for camping, but wet weather dampens domestic market

1.11 While the caravan and camping sector is doing well (with 44% seeing overall growth this year), 28% of responding operators record a decrease in the domestic market, compared to 18% who report an increase. This may be due to a disappointing summer – 83% of respondents mention the weather as a negative factor in 2015.

1.12 However, overseas markets are performing well, with 60% reporting visitor volumes from overseas to be up.

German boost for hostels

1.13 Hostel operators report a positive performance, this year, with 65% seeing an increase overall. The German market has been particularly buoyant, with 71% seeing growth from this market. The remainder of the year should remain fairly steady across all markets.

Bumper year for attractions

1.14 The majority (79%) of responding attractions have seen a boost in the number of visitors they have welcomed through their doors so far this year. The overseas markets have been even stronger, with 85% experiencing growth from across the waters.

1.15 Forty-five percent of respondents anticipate continued improvement over the next few months.

Repeat visitors help golf clubs to remain on the fairway

1.16 The grass is greener for two thirds (67%) of golf clubs this year, who report an increase in their overall visitor numbers. The Irish market has driven growth, with 58% enjoying an increase in domestic visitors.

1.17 Golf clubs are finding that many tourist customers return for another round - 88% report welcoming repeat trade as a boost to their business in 2015.

Overseas markets hot up for restaurants

1.18 Restaurants have enjoyed an encouraging year, with 58% reporting to be up overall. Overseas markets have really boosted trade for restaurants, with 72% reporting more business from overseas tourists so far in 2015.

Planning for the future

1.19 With the industry making a good recovery and optimism on the rise, around seven in ten (69%) respondents expect to see an increase in turnover and profitability in the next two to three years.

1.20 While finances look to improve, a larger proportion (64%) will allow for increased investment or reinvestment in their business, compared to those who plan either employment (41%) or capacity growth (33%).

More euros to the pound and dollar

1.21 The tourism industry in Ireland has enjoyed the impact exchange rates have had on the American and British markets this year, with visitors receiving more euros for their pounds and dollars. As a result, Ireland is seen as a better value destination.

Repeat visitors remain valuable

1.22 The majority (69%) of respondents see repeat visitors as key contributors to positive business performance. This is especially true for golf clubs (88%) the camping and caravanning sector (83%) and hotels (78%).

Disappointing summer dampened the year, for some

1.23 After a warm and dry 2014, the wetter summer experienced this year has had a negative impact on half (50%) of respondents, especially weather-dependent businesses (84% golf clubs; 83% caravan and camping report that the weather was a negative factor in their business performance).

Confidence continues to grow

1.24 A steady increase across the majority of sectors for the past couple of years has generated a growing optimism – and at times, relief – that Ireland's tourism industry and the country's economy is returning to much better, stronger and more reliable times.

1.25 While the memories of a recession remain in people's minds, confidence is going from strength to strength. Business operators' sentiment improves and the future for the industry looks much brighter.

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 year for the tourism industry

2.1 There is a palpable enthusiasm across the tourism industry at this stage in 2015. Industry leaders report good growth nationwide and are very positive.

"The year has been very good, everyone is very happy with business so far"

"It's been absolutely excellent. Members are reporting a good year and some are reporting the best year they've ever had"

"Everyone is happy. The lift in visitor numbers across Ireland – to different degrees – is up. Even the midlands is reporting an increase"

"I think it's going to be a record year"

Booming year for GB and US markets

2.2 Thanks to a strong dollar and sterling, visitor numbers from Great Britain and North America have been very good this year. The exchange rates, which are in their favour, have encouraged more visitors from these markets into Ireland.

2.3 The industry is currently enjoying the additional overseas business these rates bring.

"The US market is up 24% for us"

"Overall, 89% have seen an upturn in business – USA and Britain have been particularly good"

"The exchange rate has been a benefactor, there's a perception that Ireland is better value than in previous years"

Mainland Europe also faring well

2.4 Some industry leaders also welcome the increase in visitors from across Europe. While some markets may remain small, the rate of increase has been strong, this year.

"Germany is up 33% on last year, and Belgium is up 39% – we're delighted"

"We're seeing double-digit growth from France and Germany"

"While the British market has primarily been good for us, we've also seen an increase from Germany and France – we're pleased with progress across the board"

"The German and French markets have been up substantially – 10-20% on last year in some areas"

Investing in improvements

2.5 The improved cash flow experienced by many this year has helped operators put money back into their businesses, improving the experience of visitors.

"It's given rise to significant investment in refurbishment. Some are dusting themselves down and improving their ratings."

Ireland's Ancient East – too soon to tell

2.6 While most are in agreement that Ireland's Ancient East is a good concept, it's too early to know what level of impact it will have on tourism in Ireland.

2.7 There is a hope that businesses within its scope will 'be on board' with the initiative, and learn how to make the most of the opportunity.

2.8 Certainly, operators in the area have been positive about Ireland's Ancient East after seeing the benefits the Wild Atlantic Way has delivered along the West coast.

"It's about packaging the wonderful stories and going home and telling others about it. People are starting to buy into it, but I think it'll be a slow burn"

"It'll help the industry on the ground get more proactive, to get out there and market themselves in a proposition that is very well thought through"

"Ireland's Ancient East has not had an impact yet, but it has the potential to be a strong driver"

Cautious about capacity and competitiveness

2.9 Although delighted with the progress this year, some industry leaders worry about capacity issues around Ireland – especially in Dublin.

2.10 The growth will need to be maintained, some say, but there is a concern that a lack of capacity in some areas might mean a loss of competitiveness as operators put their prices up to capitalise on demand.

"It's all moving in the right direction. There is a good feeling about and great opportunities, but we're already coming up against bottlenecks"

"They are getting worried about competitiveness and creeping inflation. Hopefully we'll do it in a sustainable way"

"I think there's a bit of commentary about shortages of accommodation in Dublin city. We need to think outside the box about how to get accommodation in the city"

Sustainable growth needed next year

2.11 After a bumper year, industry leaders are positive about the remainder of 2015 and expect steady growth next year. But they also hold back some enthusiasm, wanting to ensure that growth is sustainable and a high level of visitor satisfaction is maintained.

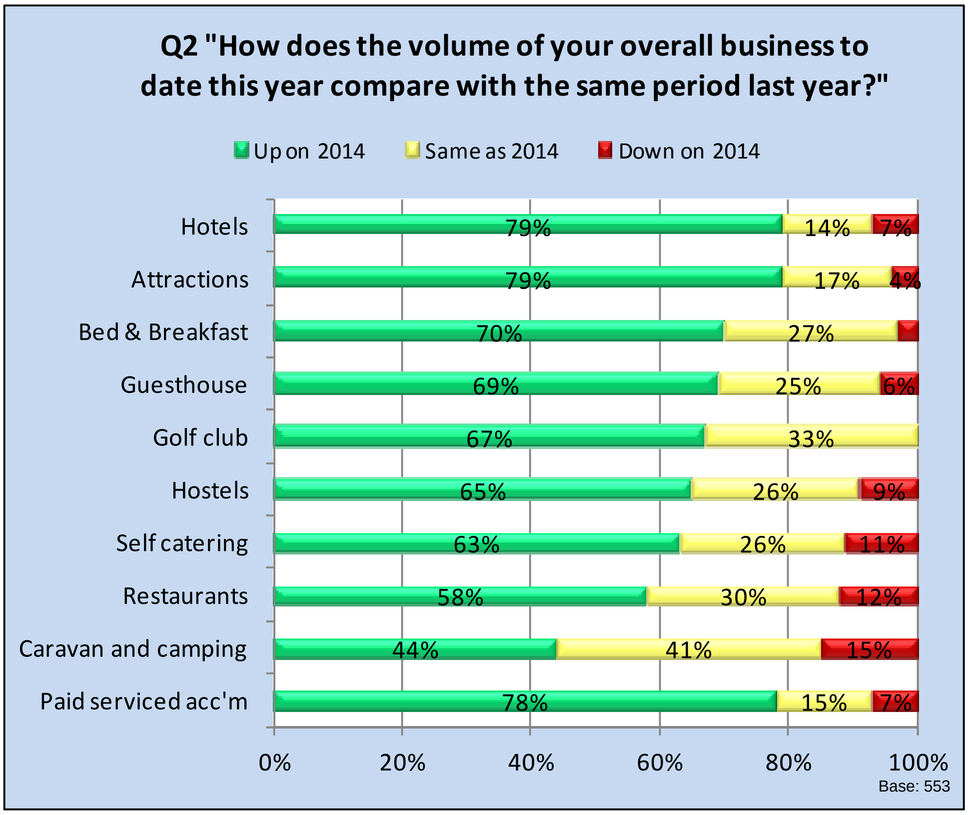
"People are tinged with anxiety about the ability to grow business. A lack of capacity could mean an increase in price at an unsustainable rate"

"We need to remain competitive on an international playing field"

3. Overall Visitor Volumes in 2015 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 2015



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.

Booming year for the tourism industry

3.1 Optimism is high within the Irish tourism industry, thanks to an excellent performance over the summer. Good exchange rates for the British and American markets have benefited businesses, as most have seen an increase in visitors from these markets.

Hotels continue to thrive in 2015

3.2 Around four in five (79%) hotels report that overall business is up compared with the same period last year. This is on the back of an exceptional 2014.

Good year for attractions

3.3 The same proportion (79%) of responding attractions have also enjoyed an increase in visitor volumes.

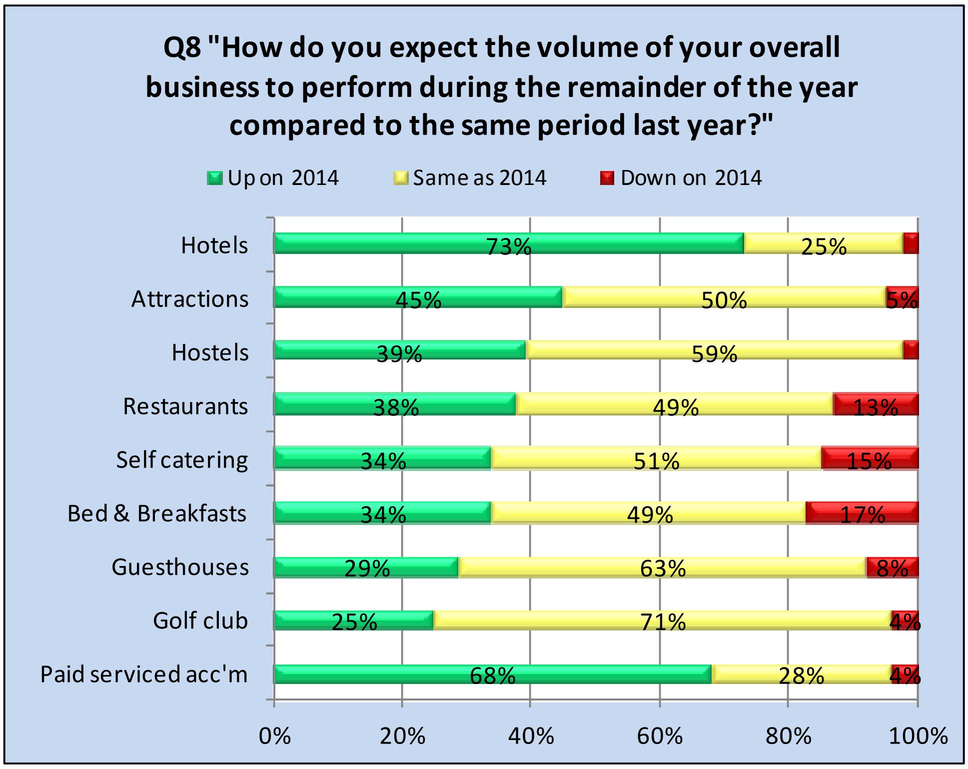
Great relief for B&B operators

3.4 As a sector that has struggled over the past few years, B&B operators are reporting a favourable 2015 so far, with 70% of respondents up on last year.

Good performance across other sectors

3.5 By and large, all other sectors have seen growth this year. The following sections of this report will consider each sector in more detail.

Expectations for 2015



Base: 519

Decent expectations for the rest of the year

3.6 Despite a positive year overall, the increase in business enjoyed by the tourism industry so far in 2015 is not expected to be as strong over the coming months. While predictions for the remainder of the year generally lean towards the positive, the proportion of respondents expecting an increase is smaller.

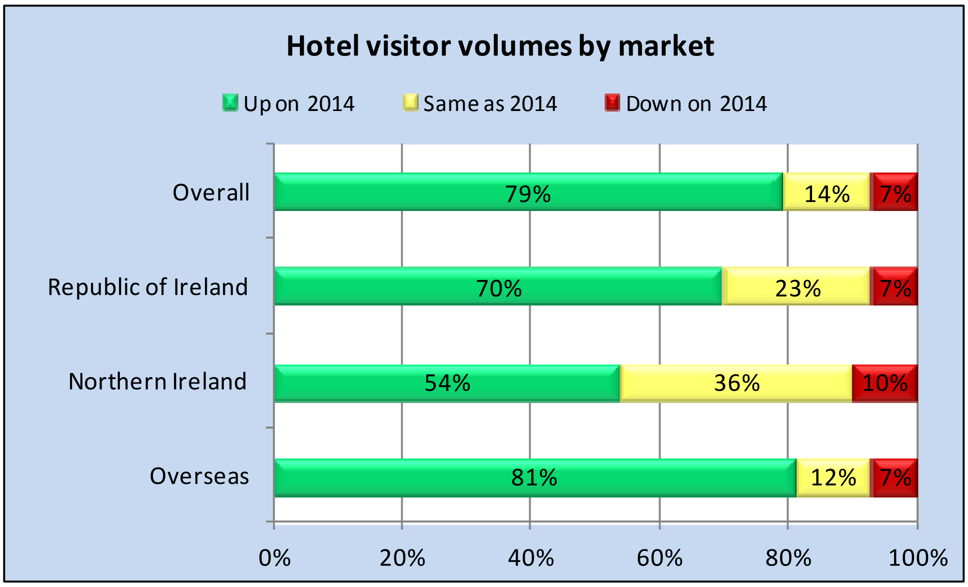
3.7 The hotel sector remains optimistic, with around three quarters (73%) expecting to be up on last year.

3.8 The PSA sector holds decent expectations for the remainder of the year, with about two thirds (68%) expecting to be up on 2014.

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: 107

Hotels go from strength to strength

4.1 By and large, hotels have been enjoying increasing visitor numbers over the past few years, and 2015 is no exception, with 79% reporting to be up on last year.

4.2 This is a strong result for hotels, especially following an excellent performance in 2014 when 82% reported growth on the previous year.

4.3 Repeat visitors continue to benefit hotels, 78% cite this as a positive factor. A large proportion (72%) also say that their own marketing has a positive influence on their business.

Big lift in overseas visitors

4.4 Around four in five (81%) hotels have booked in more visitors from overseas, compared to last year. This includes 68% reporting an increase from Great Britain and the same proportion (68%) who have seen growth from North America.

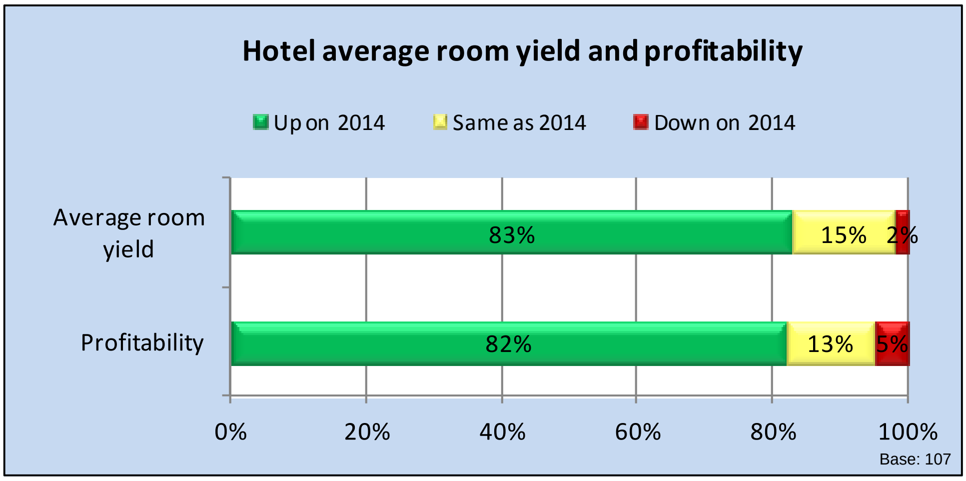
4.5 Many respondents say that exchange rates between the euro and sterling and dollar have improved the perception of Ireland as a value for money destination.

"The rate of exchange against the pound and dollar have improved tourism trends"
Hotel

Domestic market also seeing good growth

4.6 Seven in ten (70%) responding hotels report an increase in visitor volumes from the domestic market, while just over half (54%) have seen a rise in visitors from Northern Ireland.

Hotel average room yield and profitability

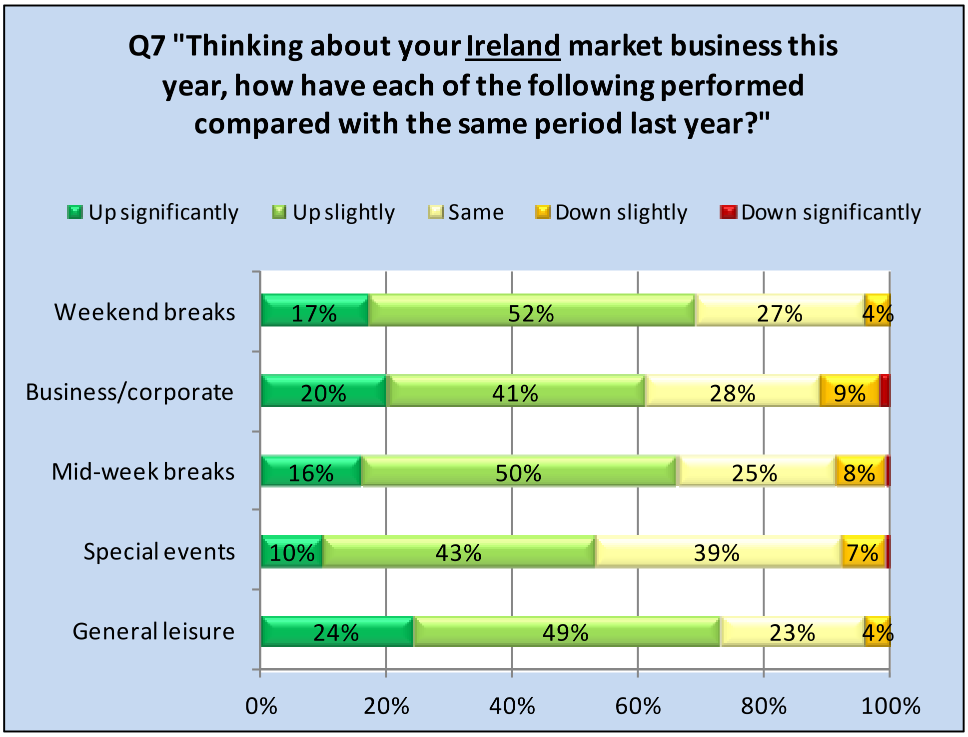


Profitability continues to rise

4.7 Four out of five hotels report that average room yield (83%) and profitability (82%) are up on the same period in 2014.

4.8 This increase in profitability is contributing towards the hotel sector planning to invest and grow their business. We will discuss this later in the report.

Hotel visitor types (Ireland market)



Base: 107

Domestic market performs well across the board

4.9 The overall growth in the domestic market reported by hotels is reflected in all types of stay. General leisure breaks in particular are up according to 73% of responding hotels, including a quarter (24%) who have seen a significant increase in this type of stay.

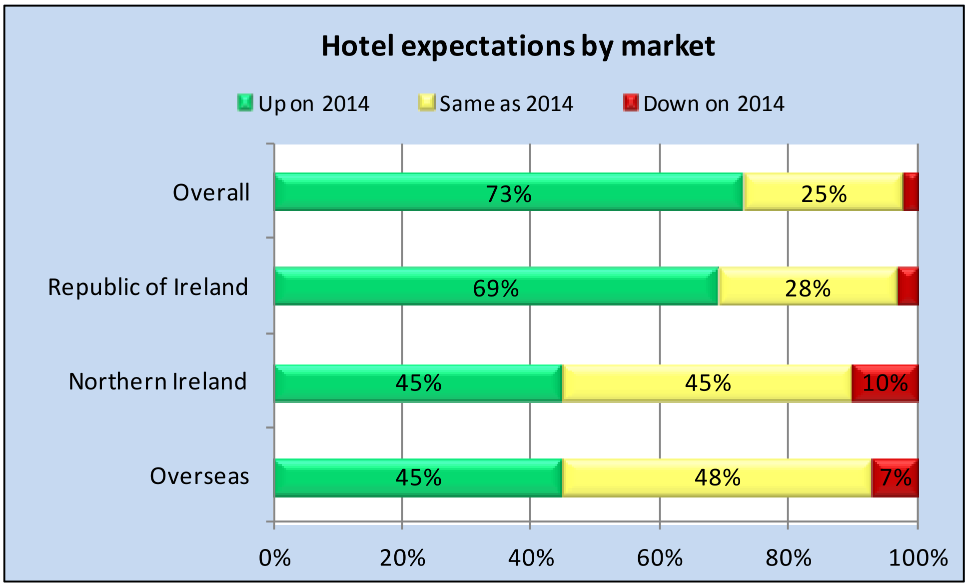
4.10 Seven in ten (69%) report weekend breaks to be up on the same period in 2014, 66% report a rise in mid-week breaks and 61% have seen an increase in business/corporate volumes.

"We have seen a return of the business sector"
Hotel

4.11 Over half (53%) of responding hotels say that they have welcomed more business from special events this year.

"Our wedding market has been growing rapidly"
Hotel

Hotel expectations



Base: 107

Remainder of the year to show increase in visitors

4.12 With an excellent summer behind them, 73% of hotels anticipate growth to continue into the winter months.

4.13 The domestic market is expected to improve for 69% of hotels during the remainder of the year - 59% of hotels are seeing a positive impact from Irish people holidaying in Ireland.

Exchange rate helps Ireland's appeal

4.14 With both sterling and the dollar strong against the euro, expectations for the rest of the year from Northern Ireland, Great Britain and North America remain higher than continental Europe.

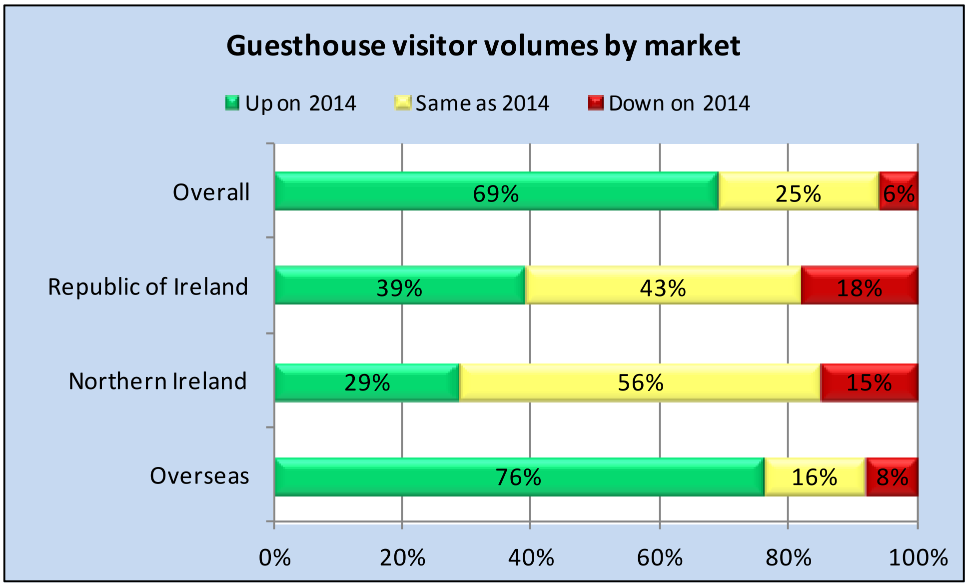
4.15 Similar proportions of hotels anticipate growth from Northern Ireland (45%), GB (46%) and North America (44%).

"Exchange rate from sterling to euro is helping the Northern Ireland and UK business"
Hotel

"It's about the dollar and sterling rate"
Hotel

5. Guesthouses

Guesthouse visitor volumes year to date



Base: 51

Big boost from overseas business

5.1 Overall, guesthouses have enjoyed a very good year, with 69% reporting a higher volume of visitors compared to the same period in 2014.

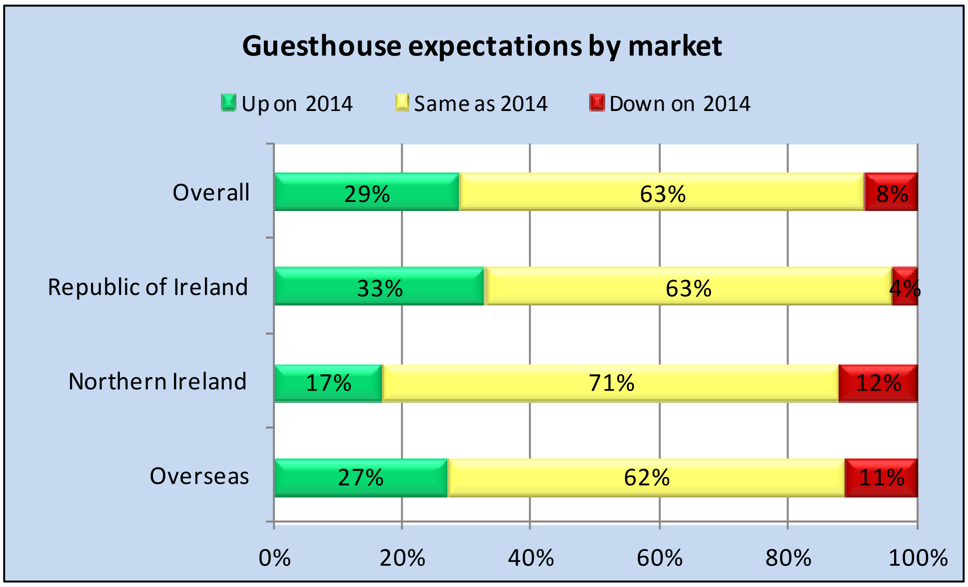
5.2 The overseas market has done particularly well, with three quarters (76%) seeing more visitors from overseas. Like some hoteliers, some guesthouse operators believe the exchange rate has been beneficial to overseas trade.

"The weak euro is by far the biggest positive factor"
Guesthouse

Smaller increases for the island of Ireland

5.3 While still moving in the right direction, fewer responding guesthouses report growth from Ireland (39%) and Northern Ireland (29%). However, these increases are double the proportion of respondents who see a decrease on last year (ROI 18%, NI 15%).

Guesthouse expectations



Base: 51

Steady remainder of 2015

5.4 Despite a strong 2015, overall predictions for the remainder of 2015 are fairly cautious, with the majority of respondents (63%) expecting similar numbers to those experienced during the same period last year.

Repeat visitors and local events give a lift

5.5 Nearly three quarters (73%) of guesthouses have benefitted from repeat business this year. And some say they are also helped by people giving glowing recommendations online after a good experience.

"We get good reviews on the internet"
Guesthouse

5.6 For two thirds (67%), local events boost trade as visitors seek overnight stays to tie in with goings-on in a location.

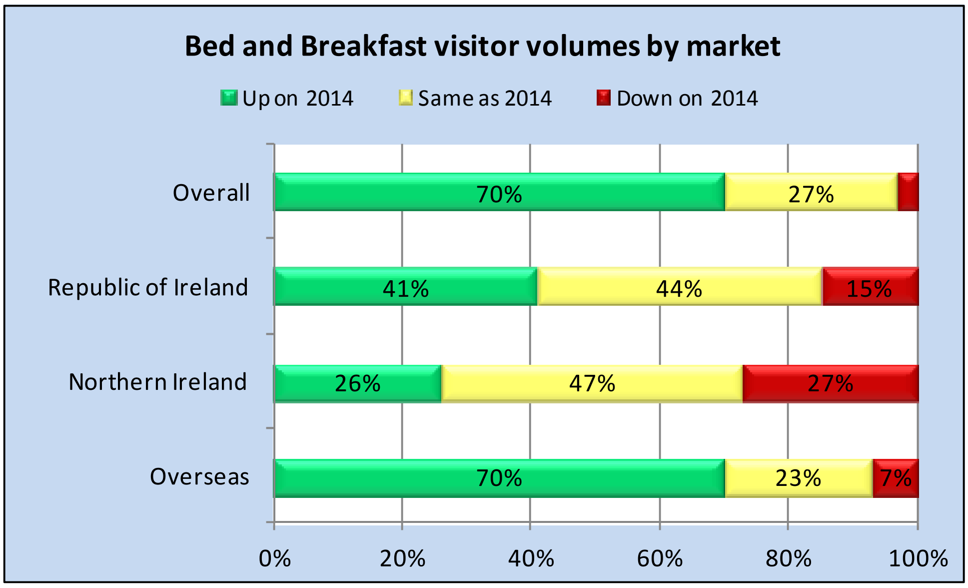
"Filming in the local area has helped us"
Guesthouse

Fuel and energy costs concerns guesthouses

5.7 The proportion of guesthouses (71%) reporting fuel and energy costs as an issue of concern is much higher than other sectors (45% of all respondents cite this as an issue). This is also true with 'other operating costs' (69% of guesthouses mention this as an issue compared to a 45% average across all sectors).

6. B&Bs

B&B visitor volumes year to date



Base: 86

B&Bs turn the corner

6.1 After struggling for years, the B&B sector is enjoying a marked improvement, with an encouraging 70% welcoming growth on 2014.

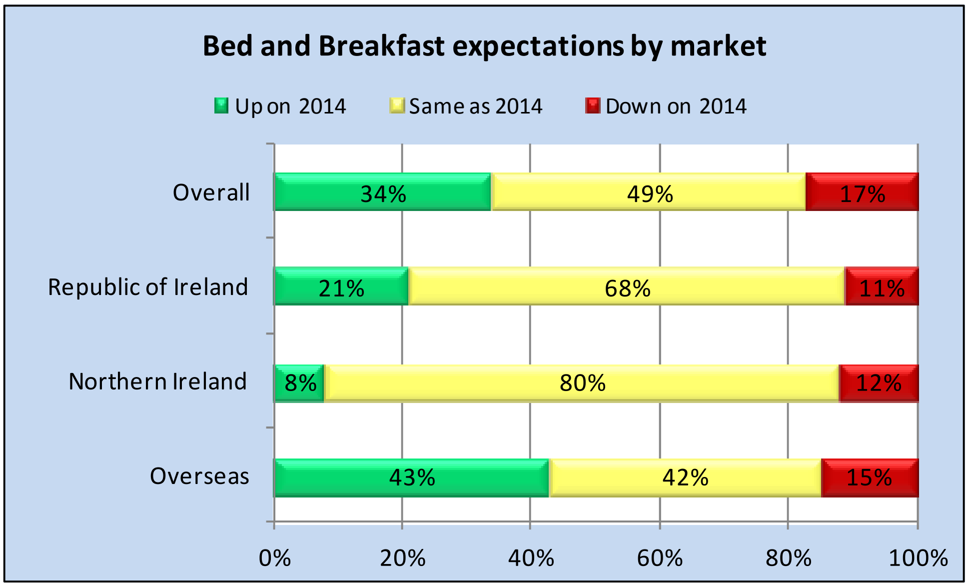
6.2 This overall improvement is largely down to higher overseas visitor numbers, which is mentioned by 70%.

6.3 Like other sectors, many (58%) B&B operators experience the positive effect repeat visitors have on their business.

Good progress closer to home

6.4 About two in five (41%) respondents have seen an increase in domestic visitors. Volumes from Northern Ireland, however, have not been as buoyant as other locations. A similar proportion of respondents report an increase (26%) as they do a decrease (27%) in visitor volumes.

B&B expectations



Base: 86

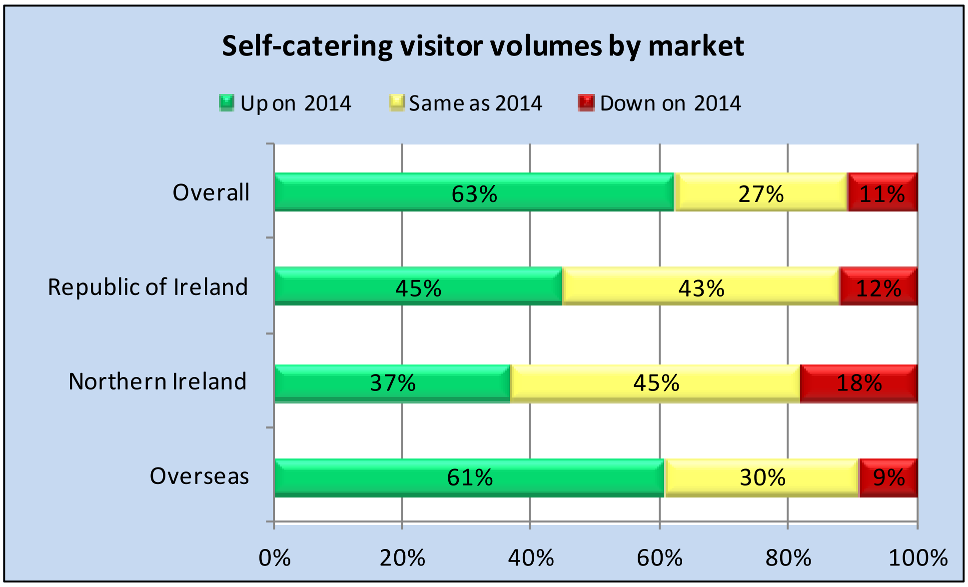
Mixed results for the rest of 2015

6.5 On the whole, the remainder of the year will see similar visitor numbers as those experienced in 2014, according to half (49%) of B&Bs. A third (34%) predict growth on last year.

6.6 Any significant movement in visitor volumes is expected to come from the overseas market, with many (43%) expecting an increase.

7. Self-catering

Self-catering visitor volumes year to date



Base: 104

Positive steps for self catering

7.1 The year so far has been positive for the self-catering industry, overall, with around two thirds (63%) reporting an increase in visitor numbers compared to the same period last year.

7.2 Again, the overseas markets have improved for 61% of respondents. Around half of self-catering operators are seeing more visitors from non euro countries Great Britain (47%) and North America (48%).

"Sterling and dollar exchange rates"
Self-catering

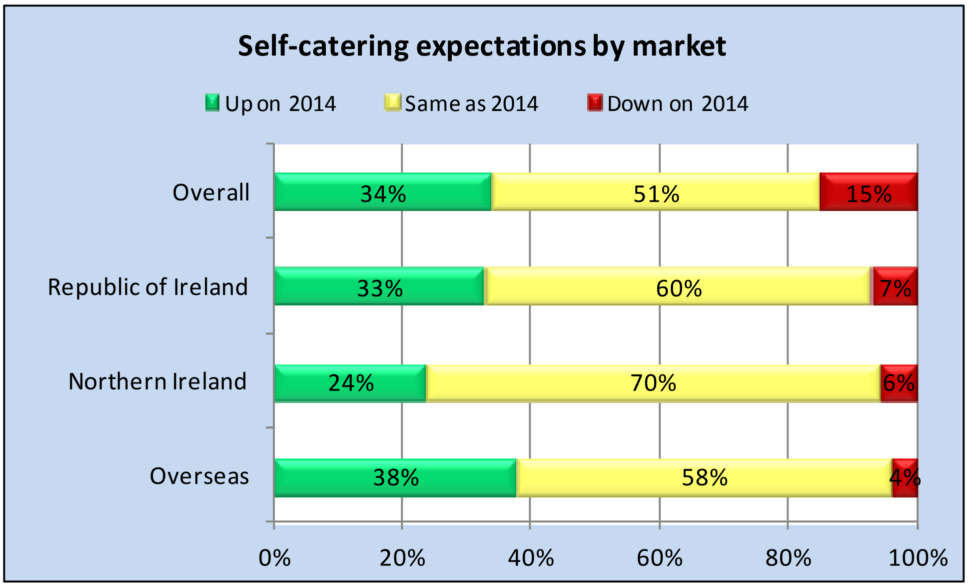
"The biggest positive factor for us is the weak euro"
Self-catering

7.3 And for the self-catering sector, repeat business remains important (a positive factor for 75%).

Reasonable progress elsewhere

7.4 While not as strong, the domestic and Northern Irish markets have also seen an improvement for some (ROI 45%; NI 37%).

Self-catering expectations



Base: 104

Improved expectations for self-catering sector

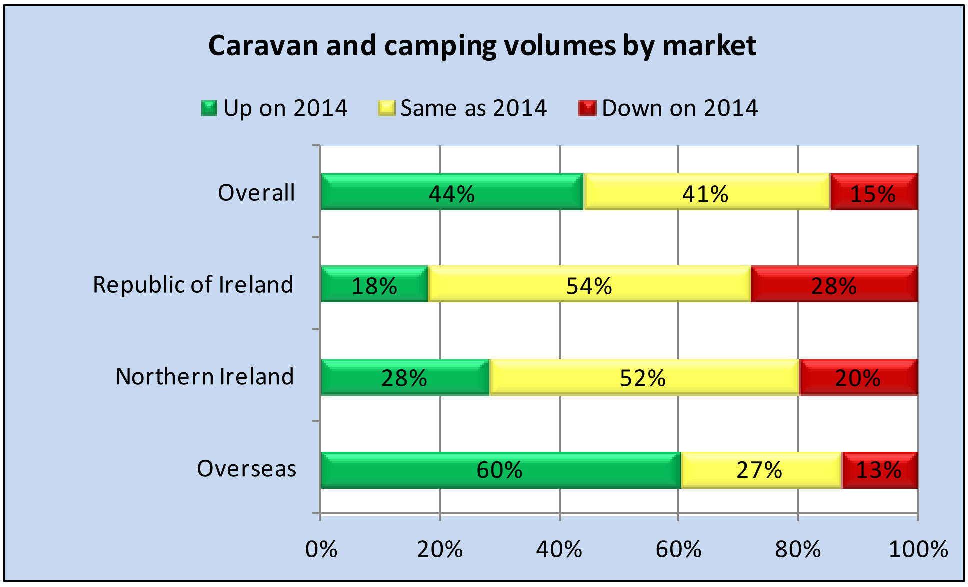
7.5 Compared to this time last year, the self-catering sector is showing a healthier level of positivity, with 34% anticipating improved visitor numbers compared to 2014. At this point last year, 21% expected growth over the winter.

7.6 Higher numbers of visitors from overseas are predicted over the next few months by 38% of self catering respondents.

“We are seeing a big increase in international bookings”
Self catering

8. Caravan and Camping

Caravan and camping volumes to date



Base: 41

Good year, but some drop in domestic market

8.1 The weather-dependent caravan and camping sector has had some mixed results over 2015, which lacked the warm, dry summer of 2014. A high proportion (83%) mention the negative impact of the weather this year.

8.2 As a result, 28% report a drop in visitor volumes from the domestic market, compared to 57% who reported an increase in Irish visitors this time last year after a fine summer.

8.3 However, 44% report an increase in overall visitor numbers, and 60% are enjoying a rise in overseas visitors, including nearly half (48%) who have seen growth in business from Germany.

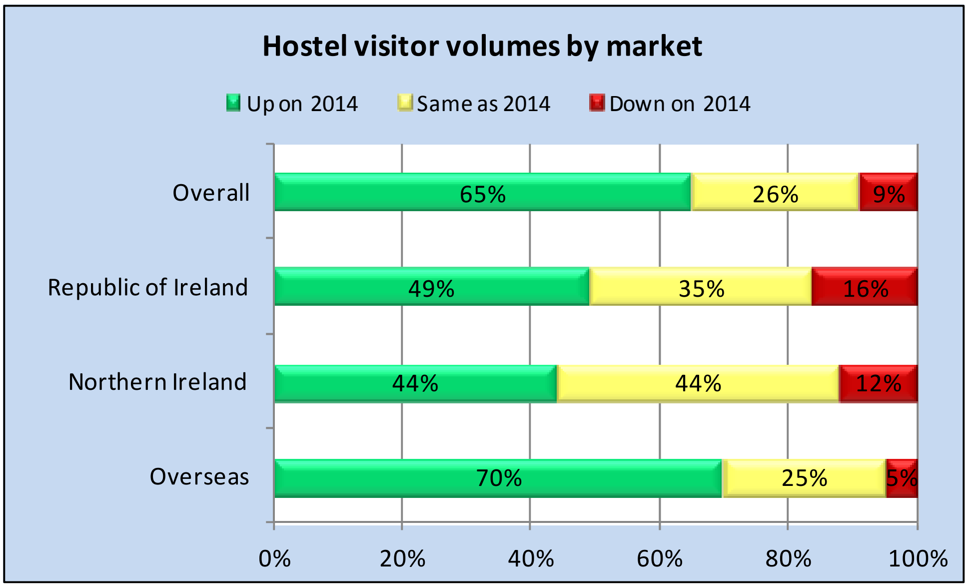
Repeat visitors are a big positive

8.4 Like other sectors, many (83%) respondents value the impact repeat visitors have had on their business this year. For some, returning customers are vital to their company.

"Without repeat business, I would not be in business"
Caravan and camping

9. Hostels

Hostel visitor volumes year to date



Base: 46

Good movement for hostels

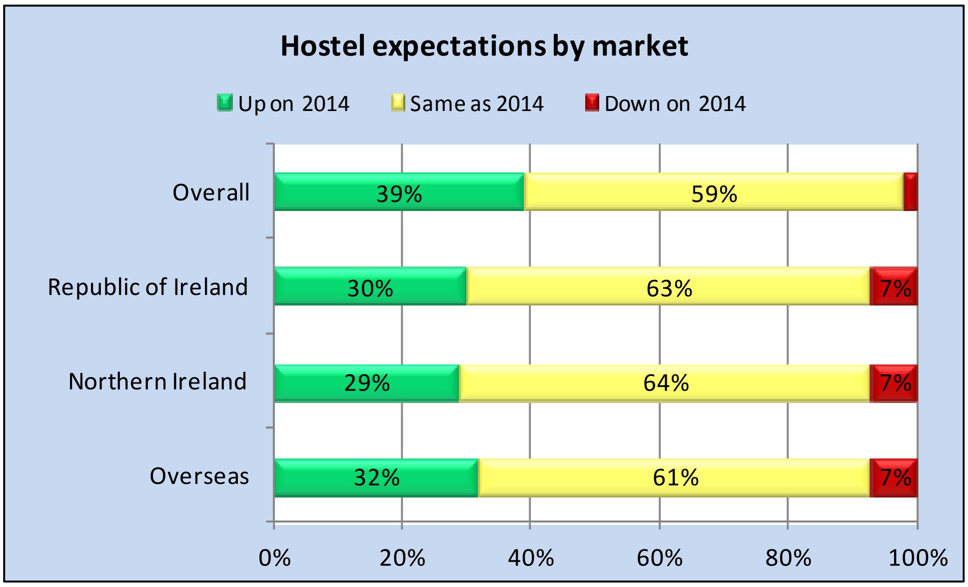
9.1 Around two thirds (65%) of hostels say business is up on this time last year. For hostels, the most frequently mentioned (57%) positive factor to affect their business this year is their own marketing.

"I have identified a very clear market to move the business towards"
Hostel

Many see increase from Germany

9.2 The German market has performed very well compared to other overseas markets. Seven in ten (71%) hostels have seen more visitors from Germany, compared to 57% who report an increase in the French market, 56% from North America and 55% from Great Britain.

Hostel expectations



Base: 46

Steady improvements for the rest of the year

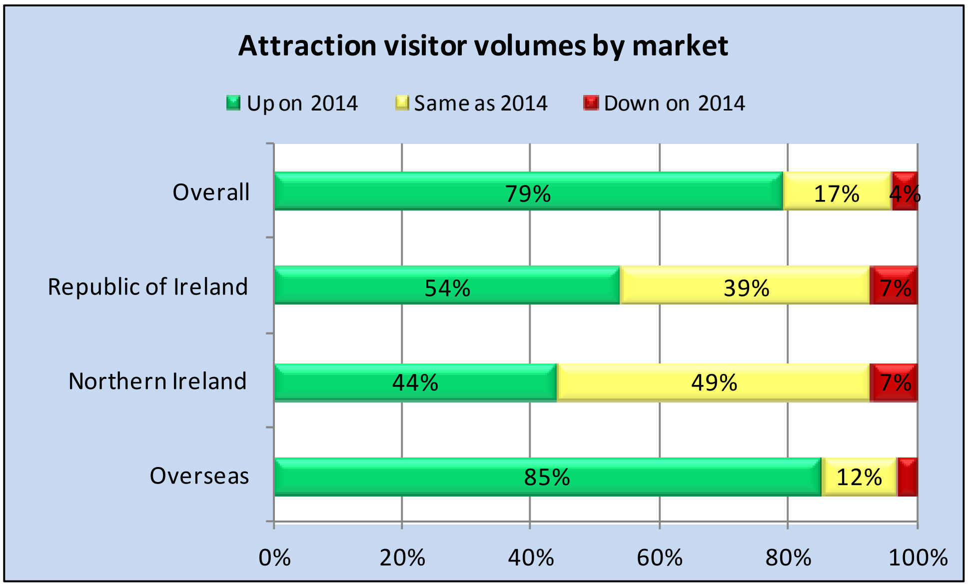
9.3 Bolstered by a very decent start to 2015, the remaining months should see an increase on last year for 39% of respondents.

9.4 Around a third of hostels expect growth from their overseas markets (32%), domestic market (30%) and Northern Ireland (29%).

"Visitor numbers are definitely up, and I expect them to stay up for the next couple of years"
Hostel

10. Attractions

Attraction visitor volume years to date



Base: 68

Attractions are just the ticket in 2015

10.1 Attractions have performed well this year, with around four in five (79%) welcoming more visitors compared to the same period last year.

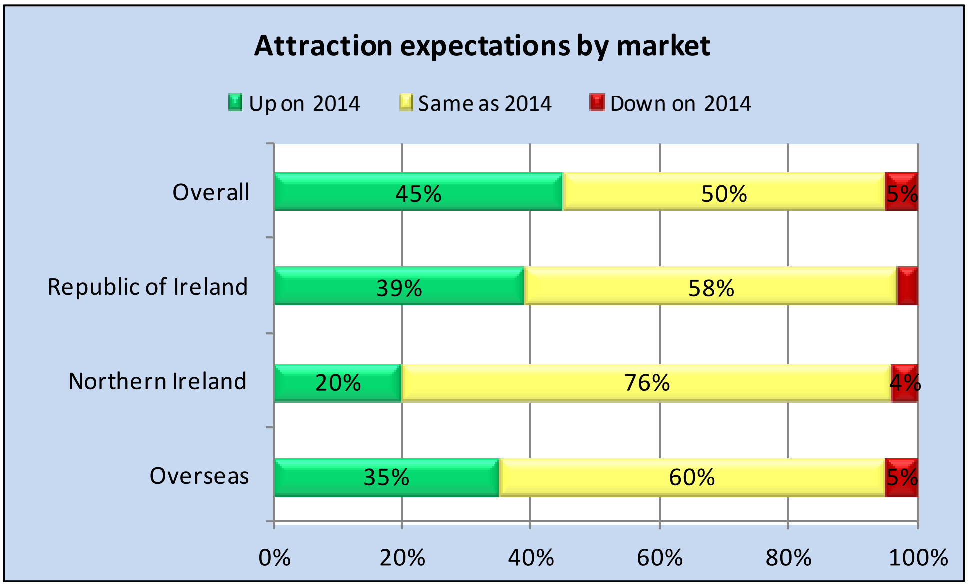
10.2 The overseas market, in particular, has been very strong for attractions, with 85% reporting higher overseas visitor numbers. From the open comments, some attractions put this down to good exchange rates for the British and American markets.

"The dollar and sterling is strong against the euro, which has helped overseas visitor spend"
Attraction

10.3 The domestic market has improved for more than half (54%) of attractions.

"Irish people are holidaying at home"
Attraction

Attraction expectations



Base: 68

Fair expectations

10.4 After a strong start to the year, attractions look to the rest of 2015 with an air of positivity. Overall, 45% expect to be up in the coming months.

10.5 For attractions, the domestic market should perform well, with two in five (39%) expecting to see more visitors through their doors.

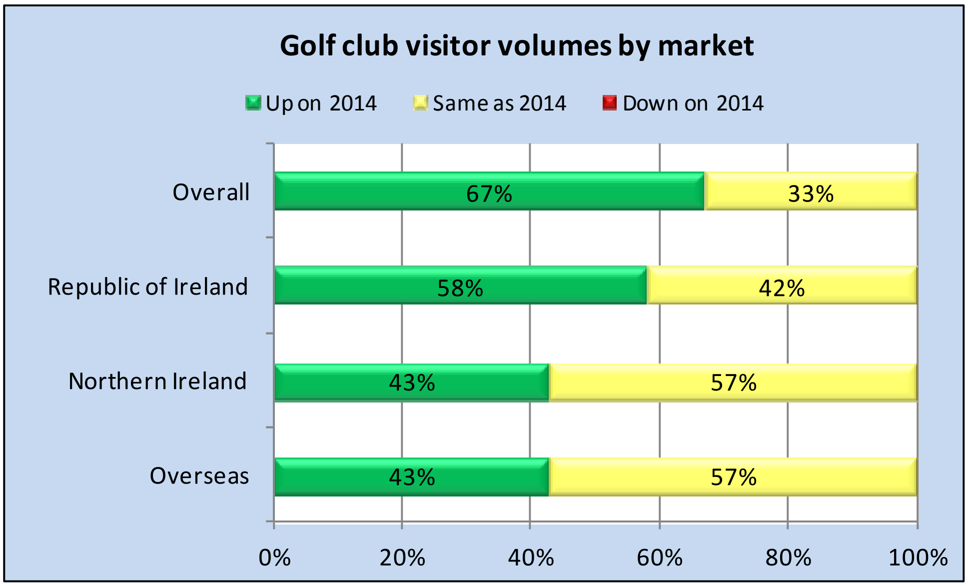
10.6 Boasting a strong year for the overseas market, 35% expect that growth to continue in the coming months.

Boost from own marketing

10.7 Seven in ten (70%) see own marketing to be a positive factor, compared to an average of 63% across all sectors. Some attractions mention social media, in particular, as a positive.

11. Golf Clubs

Golf club visitor volumes to date



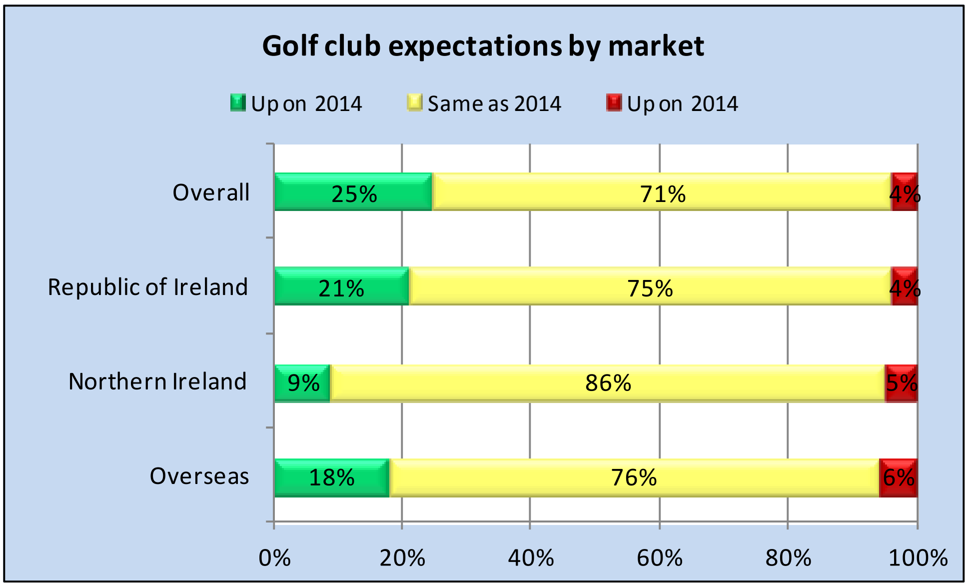
Base: 24

Golf clubs driving forwards

11.1 Golf clubs are enjoying a bumper 2015 with two thirds (67%) seeing growth on last year. Unlike other sectors, a larger proportion of golf clubs report an increase in the domestic market (58%) compared to Northern Ireland (43%) and overseas (43%).

11.2 Many golf clubs report repeat visitors (88%) and own marketing (84%) as positive factors affecting their business this year.

Golf club expectations



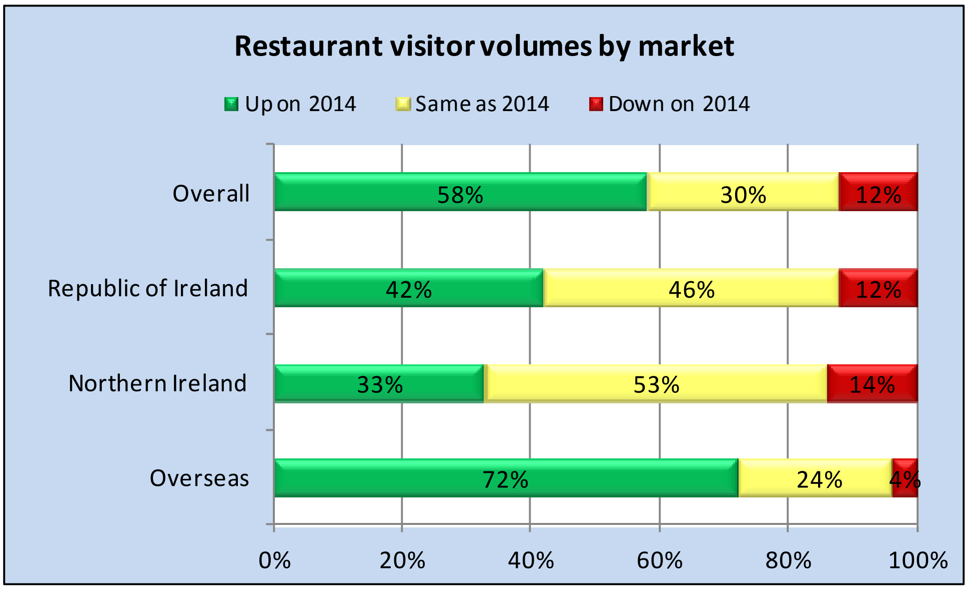
Base: 24

Remainder of the year to stay steady

11.3 After a bumper year, many (71%) golf clubs are expecting the next few months to be on par with 2014, while a quarter (25%) expect to be up.

12. Restaurants

Restaurant visitor volumes year to date



Base: 26

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

Hotting up in the kitchen – especially for overseas markets

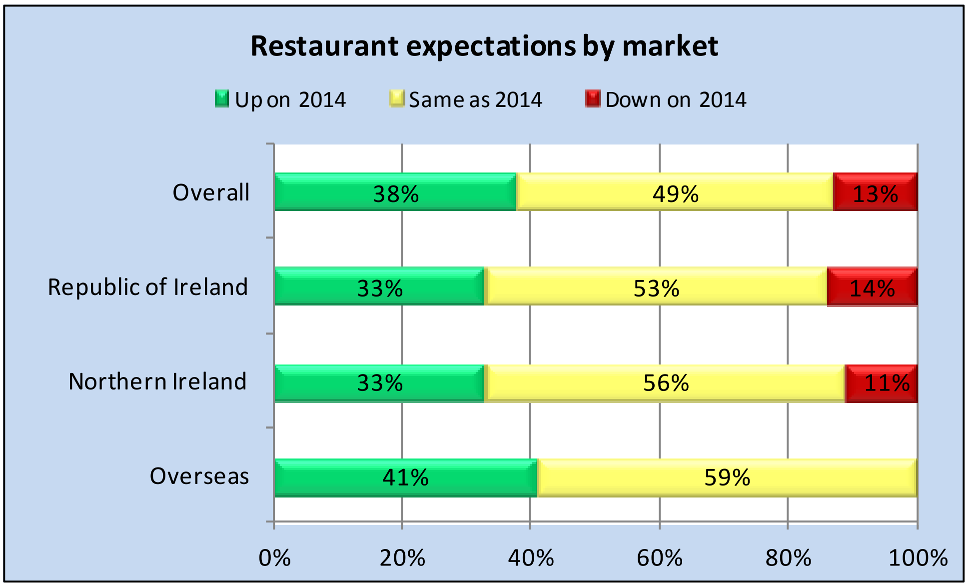
12.1 Like other sectors, restaurants have enjoyed more overseas business, according to 72% of respondents. And again, it's the British (61%) and American (78%) markets that are identified as the drivers of growth, thanks to strong exchange rates for the visitors.

"The benefits of the exchange rates which favour the important US and British markets"
Restaurant

12.2 Overall, 58% of restaurants report an increase in numbers so far this year, with a further 30% reporting similar levels of visitors compared with 2014.

12.3 Domestic visitors are on the up for 42% of restaurants, with Northern Ireland seeing an improvement for a third (33%).

Restaurant expectations



Base: 26

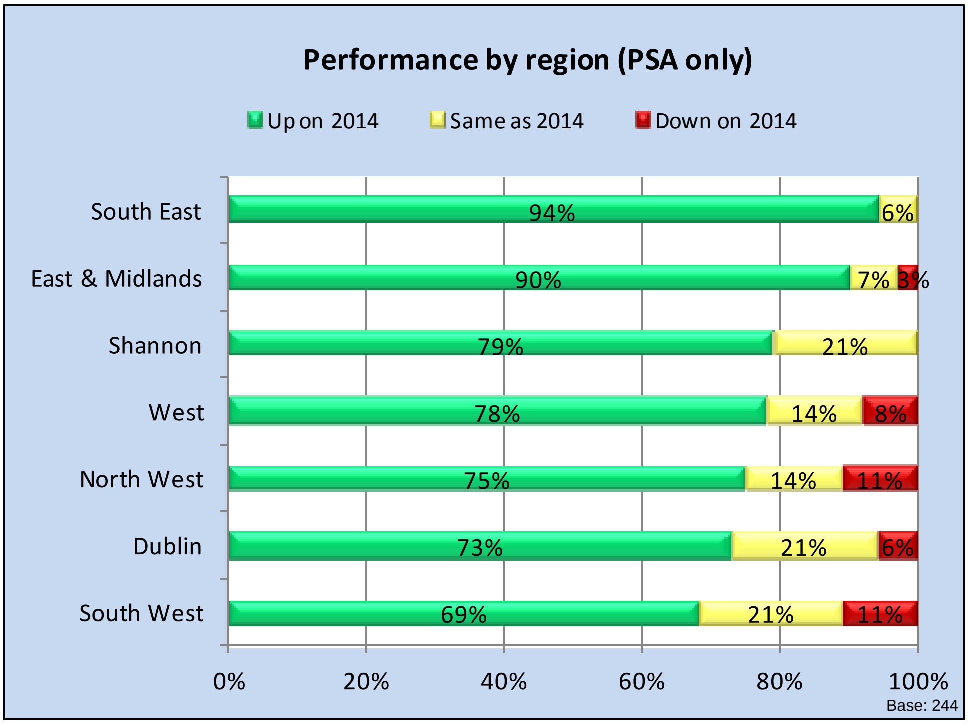
Rise in covers expected

12.4 After performing well so far, restaurants are in good spirits, with 38% expecting to see more tables booked over the remainder of the year compared with 2014.

12.5 The trend for an increase in overseas visitors looks set to continue for two in five (41%), and a third (33%) anticipate visitors from the Republic of Ireland and Northern Ireland to be higher over the remainder of the year.

13. Performance by Region

Here we discuss the performance by region for the PSA sector



PSA sector enjoys a booming year

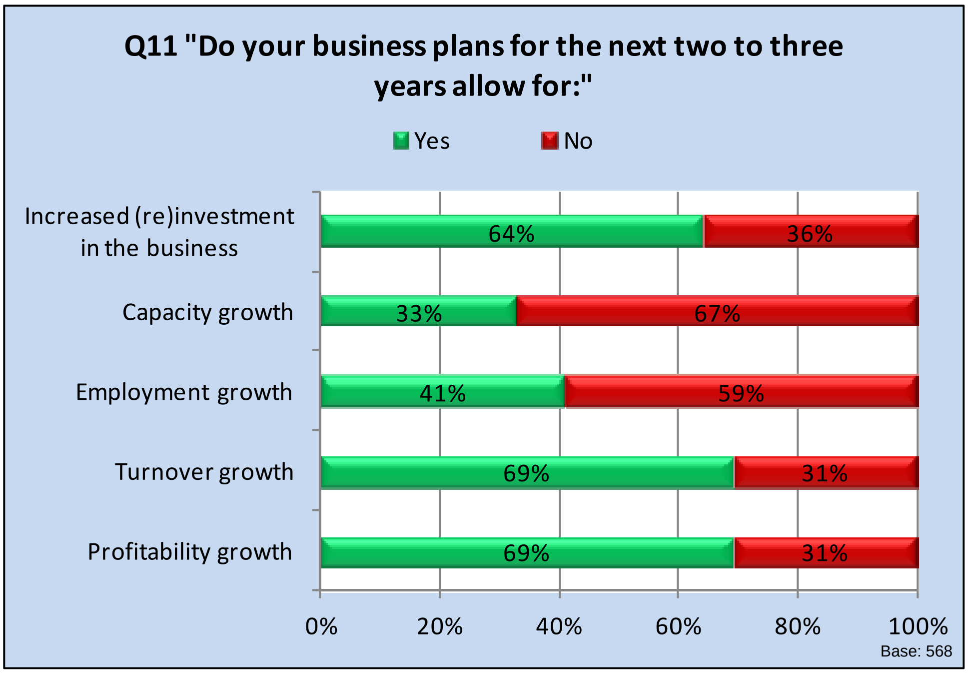
13.1 The paid serviced accommodation (PSA) sector across Ireland is performing exceptionally well, so far this year, with large proportions in each region reporting increases on 2014.

13.2 The South East, in particular, is enjoying a lift in visitor numbers, with the vast majority (94%) reporting to be up. This is very encouraging for a region that usually sits lower on the above chart.

13.3 The majority (90%) of respondents from the East and Midlands are also seeing the benefits of improved visitor volumes this year.

14. Business Plans

Future growth



Plans for increased investment ahead

14.1 With businesses performing well in 2015 and a renewed optimism in the industry, 64% of respondents are planning to increase investment in the next two to three years.

14.2 Nearly all (90%) hotels – encouraged by an increase in profitability for 82% - plan to invest in their business, as do 80% of golf clubs and 73% of restaurants. Over a third (36%) of hotels plan to increase their investment by 5% of their turnover or more, and a further quarter (26%) by 3-4%.

Financial growth is on the cards

14.3 Nearly seven in ten (69%) anticipate turnover and profitability growth over the next few years. The vast majority (92%) of both hotels and golf clubs expect turnover growth in the coming few years, and similar proportions of both sectors also expect to see an increase in profitability (hotels 91%; golf clubs 92%).

Planning for capacity and employment growth

14.4 Two in five (41%) respondents plan to increase the number of people they employ in the next two to three years. This includes four in five (79%) hotels, 59% of attractions and 56% of golf clubs.

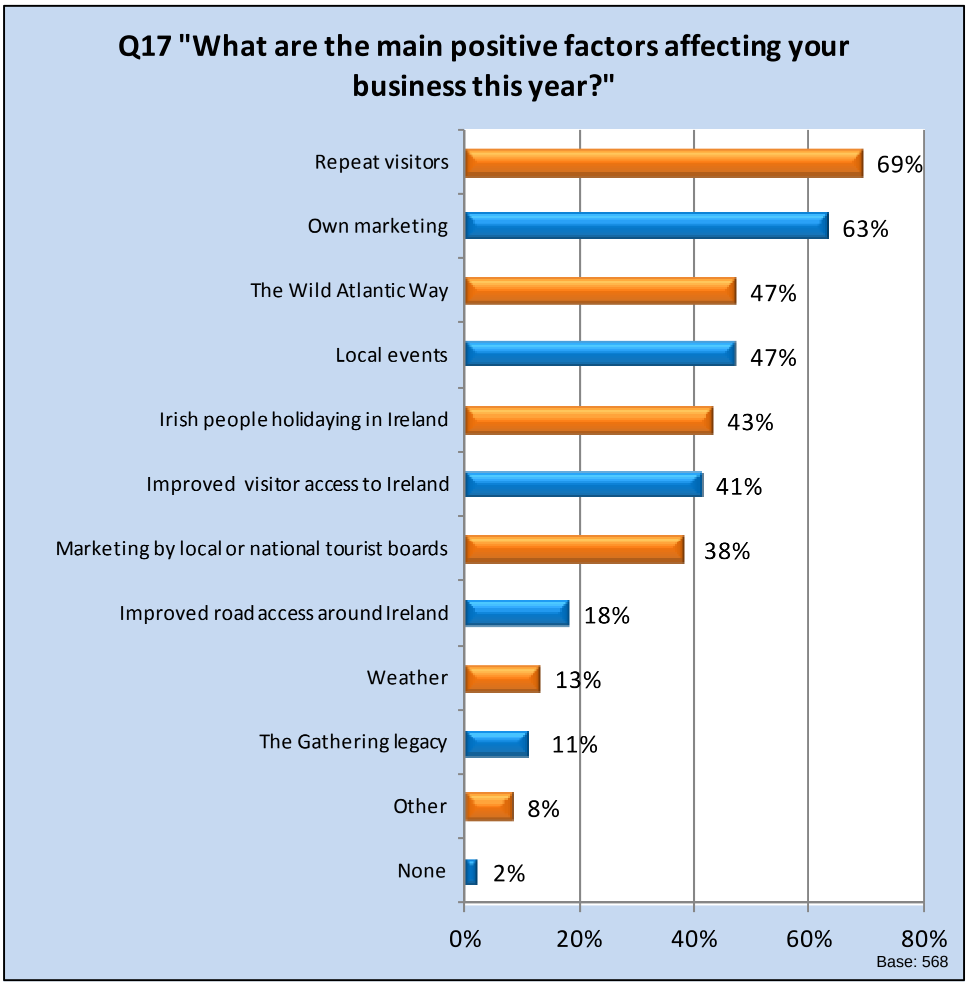
14.5 Over the next two to three years, most (79%) hotels plan to take on more staff. About half (48%) expect to employ up to five people, 17% 5-10 people and 14% of responding hotels will be looking to take up at least ten more members of staff.

14.6 Additionally, 12% of restaurants expect to employ 5-10 more people in the next few years, and 10% of attractions will be taking on five or more employees.

14.7 The number of respondents planning to increase capacity is slightly lower (33%). The strongest sector allowing for capacity growth is the attractions (66%) followed by golf clubs at 52%.

14.8 Businesses with fixed space, such as the PSA sector and restaurants, are less likely to plan for increase in capacity.

15. Positive Factors in 2015



Repeat visitors help boost business

15.1 Repeat visitors are driving business in 2015 and as a result it maintains its place as the most frequently mentioned (69%) positive factor this year. Welcoming returning business is cited by large proportions of golf clubs (88%), caravan and camping operators (83%) and hotels (78%).

15.2 An enjoyable experience does not only encourage a return, but it can also have a positive a knock-on effect when happy visitors post on social media.

"Visitors are talking about us on social media"
Attraction

"Potential visitors read comments on booking.com and tripadvisor, which encourage customers to choose me"
B&B

Exchange rates boost overseas traffic

15.3 As highlighted throughout this report, most sectors have been benefiting from the strength of the dollar and sterling against the euro, which has helped to drive visitor volumes from North America and Great Britain.

15.4 The exchange rate is regularly mentioned through the open comments (although it was not included as a prompted option in Q17).

"The dollar and sterling – these visitors are getting a good exchange rate"
Attraction

"A strong sterling against the euro has seen an increase in visitors from the UK"
Self catering

"The exchange rate has been the major influence, especially the dollar"
Hotel

Own marketing drives visitors

15.5 Nearly two thirds (63%) of respondents report their own marketing to be positive, this year. Through marketing measures such as revamped websites and making the most of social media channels, businesses have been helping the increase in visitor numbers experienced this year.

"The complete rebuild of my own website has helped my business"
Self catering

"Online marketing has really helped"
Attraction

15.6 A high proportion of golf clubs (84%) cite own marketing as a positive factor, as do 72% of hotels and 70% of attractions.

Wild Atlantic Way continues to be a big draw

15.7 Nearly half (47%) of all respondents say they are still feeling the benefits of the Wild Atlantic Way, an initiative which continues to draw visitors.

"The Wild Atlantic Way has seen a big increase in traffic"
Attraction

"The Wild Atlantic Way"
Hotel

15.8 Unsurprisingly, it's the west coast of Ireland that feels the strongest benefits from this popular route (North West 71%; South West 67%; West 66%). Overall, 65% of respondents from the West report the Wild Atlantic Way to have a positive impact on them this year, compared to 17% in the East.

General confidence is up

15.9 The open comments reveal a flourishing optimism over the tourism industry. Backed by improved numbers of visitors, some respondents reveal their increased confidence in their business and the Irish economy.

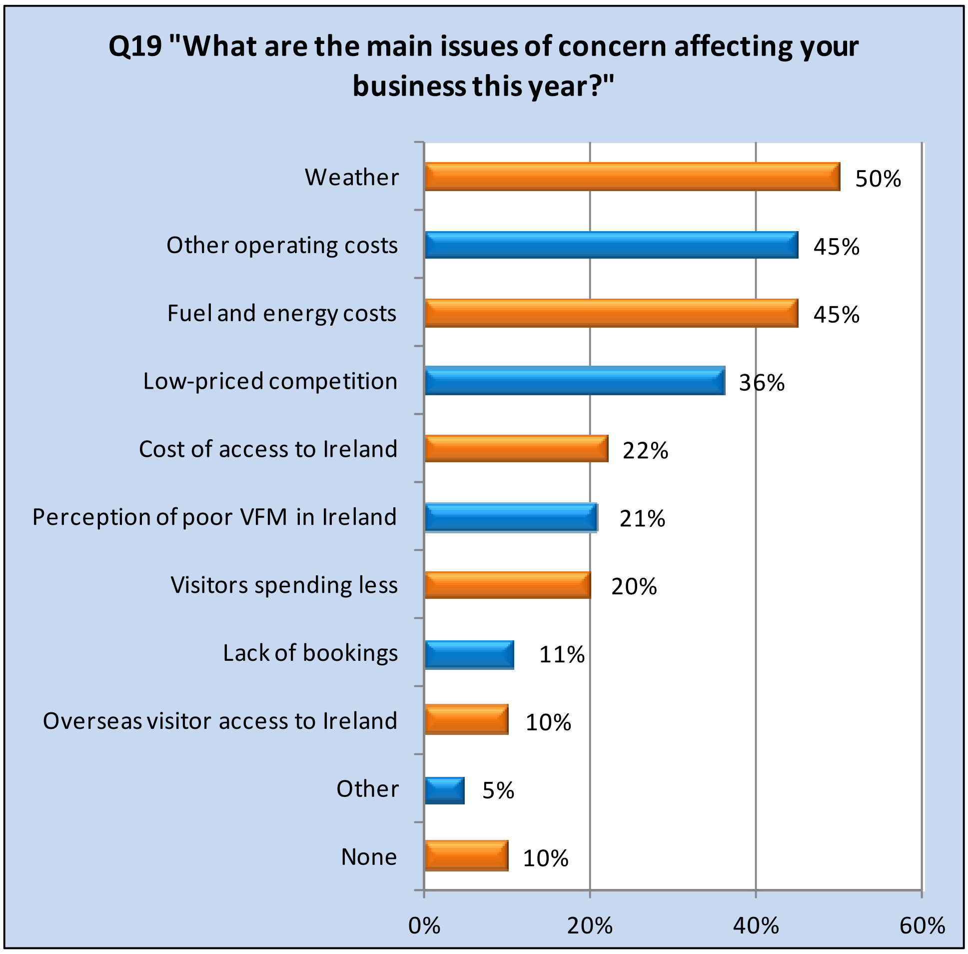
"There is a general feel-good factor in the economy"
Attraction

"We're seeing an improved consumer confidence"
Golf club

"Visitor numbers are definitely up and I expect them to stay up for the next couple of years"
Hostel

"There's a return of confidence and recovery from the crash"
Self catering

16. Issues of Concern in 2015



Base: 568

Weather dampens year for some

16.1 After a warm, dry 2014, Ireland's wetter summer this year has not helped some businesses – especially those more weather-dependent. A large proportion (84%) of golf clubs and 83% of caravan and camping respondents cite the weather as a problem this year.

Costs slowly dropping as a concern – except for guesthouses

16.2 While still an issue for 45% of respondents, fuel, energy and other operating costs are not as prevalent a concern as they have been over recent years.

16.3 However, a larger proportion of guesthouses see fuel and energy costs (71%) and other operating costs (69%) as a bigger concern than other sectors.

17. Appendix 1 – Background and Methodology

Background and Objectives

17.1 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.

17.2 In March 2013, Strategic Marketing, an independent research agency, was commissioned to continue conducting the survey for the next three years.

17.3 Fieldwork for this second wave in 2015 took place in late September and early October. The objectives were to measure:

- Business performance to date in 2015 in terms of visitor volume – overall and by key markets – and profitability
- Average room yield (hotels)
- Visitor volume expectations for the remainder of 2015
- Business growth plans
- Positive factors and issues of concern affecting business

Methodology

17.4 The methodology used was a combination of an online survey and telephone interviews.

17.5 Fáilte Ireland and Strategic Marketing worked together to produce a questionnaire for online and telephone interviewing. A copy of the questionnaire is included in appendix 2.

17.6 Fáilte Ireland provided a database of 3,213 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.

17.7 A total of 530 responses were received to the online survey – a response rate of 17%.

17.8 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

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

Sector	Online responses	Telephone top-ups	Total sample size
Hotels	84	23	107
Guesthouses	24	27	51
Bed & Breakfast	91	-	91
Self-catering	58	52	110
Caravan and camping	18	24	42
Hostels	18	28	46
Attractions	45	25	70
Golf clubs	9	16	25
Restaurants	20	6	26
Total	**368**	**200**	**568**

Interviews for Contextual Background

17.10 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.