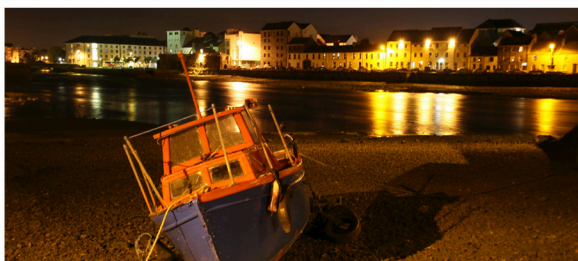
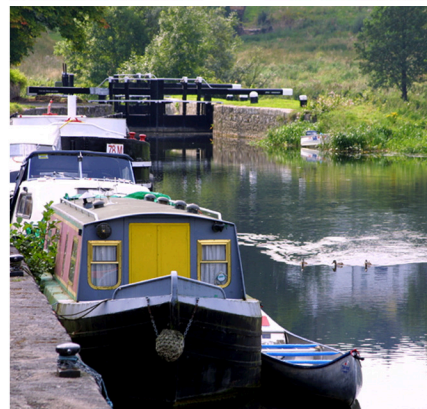
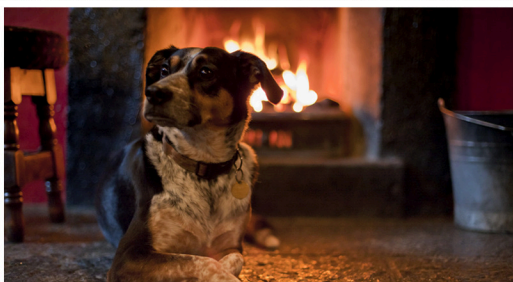


Tourism Barometer



September 2014

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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 745 responses to an online survey with tourism businesses in September 2014 and conducted 150 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 (year to date and prospects for the year ahead)

	2007	2008	2009	2010	2011	2012	2013	2014
Up	45	14	15	28	39	48	68	75
Same	24	18	11	25	31	26	21	17
Down	31	68	74	47	30	26	11	8

Base: Accommodation Providers (weighted to available rooms)

- 1.1 The Business Sentiment Index shows good growth in the industry. From 2010 growth has continued year-on-year. In 2014, 75% are positive about the season and the rest of the year, with less than one in ten (8%) expressing negative views.

Strong paid serviced accommodation results for 2014

- 1.2 A strong majority (79%) of weighted PSA operators report an increase in visitor volumes so far this year, compared to the same period last year. Just 6% report a decrease.
- 1.3 As in previous years, hotels remain the strongest sector, with 82% of respondents reporting an increase in visitors. However, 2014 has also proved to be a good year for guesthouses (69% report increased visitors) and B&Bs (60% are up). Profitability within the PSA sector has also been very positive this year, with 71% reporting to be up on 2013.
- 1.4 The remainder of the year is predicted to fare well, with 62% of PSA respondents expecting to be up on the same period last year. However, this is largely led by hotels, of which 69% expect an increase in visitor, compared to 35% of guesthouses and 29% of B&Bs.
- 1.5 For the PSA sector, the domestic market is expected to show the most growth for the remainder of the year, with 56% of respondents expecting an increase

in visitors from the Republic of Ireland. North America is also expected to be strong, with 45% expecting to be up.

Good year for self catering – especially overseas

- 1.6 Self-catering operators have had a decent 2014 so far, with 44% of respondents reporting to be up on the same period last year. The overseas market has fared especially well, with half (51%) of respondents reporting to be up on 2013.
- 1.7 The rest of the year is not expected to be as strong, with half (49%) expecting similar visitor volumes experienced last year. Again, the overseas market is predicted to be fairly strong, with a third (33%) expecting an increase.

Fair weather sees increases for caravan/camping sector

- 1.8 A warm summer has boosted the caravan and camping sector so far this year. The majority (80%) cite the weather as a positive factor and 58% have seen an increase in visitors on 2013.

Strong 2014 for hostels

- 1.9 Nearly two thirds (64%) of responding hostels have seen an increase in visitors this year, with the same proportion reporting increases from overseas. More than half (53%) report an increase in domestic visitors.
- 1.10 The remainder of the year is expected to be fairly strong, with around half (48%) predicting to be up on 2013.

Overseas boost for attractions

- 1.11 Well over half (56%) of attractions have seen an overall increase in visitors in 2014, and 57% report their overseas market to be up.
- 1.12 The remaining months of the year should be decent, with 38% of respondents expecting to be up on the same period in 2013.

Repeat visitors positive for golf clubs

- 1.13 The overseas market has been strong for golf clubs so far in 2014, with 55% reporting this market to be up. The vast majority (92%) of respondents cite repeat visitors to be a positive factor this year.

Decent improvement in volume for restaurants

- 1.14 Like other sectors, the overseas market has seen sharp increases for restaurants, with 72% of respondents reporting their overseas visitor volumes to be up on 2013. Half (50%) have seen an overall increase in tourism customers this year.

Strong signs of continued recovery

- 1.15 Overall, there is an air of positivity within the tourism industry. After experiencing tough financial times and uncertainty, the last few years have seen continued growth – and that is expected to continue sustainably next year.
- 1.16 Decent summers and signs of improved economies in Ireland and overseas are seeing operators becoming more optimistic, with some beginning to reinvest in their own products.
- 1.17 So far this year, Germany, North America and to some extent Great Britain are becoming stronger markets, and many also report greater volumes and spending within the domestic market.
- 1.18 For those on the west coast, the Wild Atlantic Way continues to be a draw for visitors and is strongly appreciated by operators and industry leaders.

Costs remain an issue

- 1.19 While the proportion is dropping, fuel and energy costs remain a concern for 58% of respondents. Low-priced competition and other operating costs also remain significant issues for some in the industry.

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.

Good year for the tourism industry

- 2.1 Industry leaders offer welcome words for 2014, with most seeing decent levels of growth on 2013. This continues the upwards trend seen during the warm summer last year.
- 2.2 While the levels of growth can vary between markets and different regions in Ireland, overall, the feeling is positive.

“It’s been a very good year, so far”

“There is more confidence in the market and business has picked up overall”

Strong movements from Germany and North America

- 2.3 The two markets that appear to have seen the most significant increases are Germany and North America. Some report double-digit growth from the German market.

“The German market has been significantly strong and the US market is also up”

“Germany has been the most positive, it’s been the strongest market for everyone”

“USA got off to a good start and we expect single digit growth this year. It’s been helped my new access from USA and Canada”

Great Britain heading in the right direction

- 2.4 While overall not as strong as Germany and North America, Great Britain is also making a comeback according to industry leaders, with some seeing dramatic increases.

“GB is back this year – and it’s very welcome. We’re looking at a 10-14% increase”

“We’ve seen a slight increase in the GB market”

Mixed results for France

- 2.5 The movement of the French market varies for the tourism industry. While some report decent levels of growth from the French, others have seen the market slipping in the opposite direction.

“France was 6% up over the summer”

“The French market, which is a significant market, has slipped a little and numbers are down”

“Business has performed well from all main overseas markets, except France, which has at best been flat”

Wild Atlantic Way benefits the West

- 2.6 The Wild Atlantic Way has continued to boost those operating along the west coast of Ireland, and those positively affected by it are quick to sing its praises.

“The marketing of the Wild Atlantic Way has been superb and very beneficial”

“Germany loves the Wild Atlantic Way – it’s done a wonderful job of giving an additional spur for people to come to Ireland”

“Non-tourism counties like Mayo have benefited from the Wild Atlantic Way, which should have some longevity”

- 2.7 However, those not close enough to directly benefit from it are keen to see something similar closer to their operators.

“There is no benefit from the Wild Atlantic Way, we need something in the Midlands”

“I think the Wild Atlantic Way has longevity, but other parts of the coast need to benefit from something”

Ongoing concerns for capacity in Dublin

- 2.8 With good levels of growth seen in some of Ireland’s leading markets, there are some ongoing worries that Dublin will not be able to meet the increase in demand for stays in the capital by overseas visitors, especially those in large groups.

“Dublin can’t grow its business if there are not the hotels of suitable size”

Positive expectations for 2015

- 2.9 Industry leaders are, on the whole, looking to the new year with positivity. There may not be expectation of huge growth, but a steady and sustainable increase on the success seen so far this year.

“We are hoping for more growth next year, but it’s hard to predict”

“We are budgeting for further growth next year, but a lot can depend on currency”

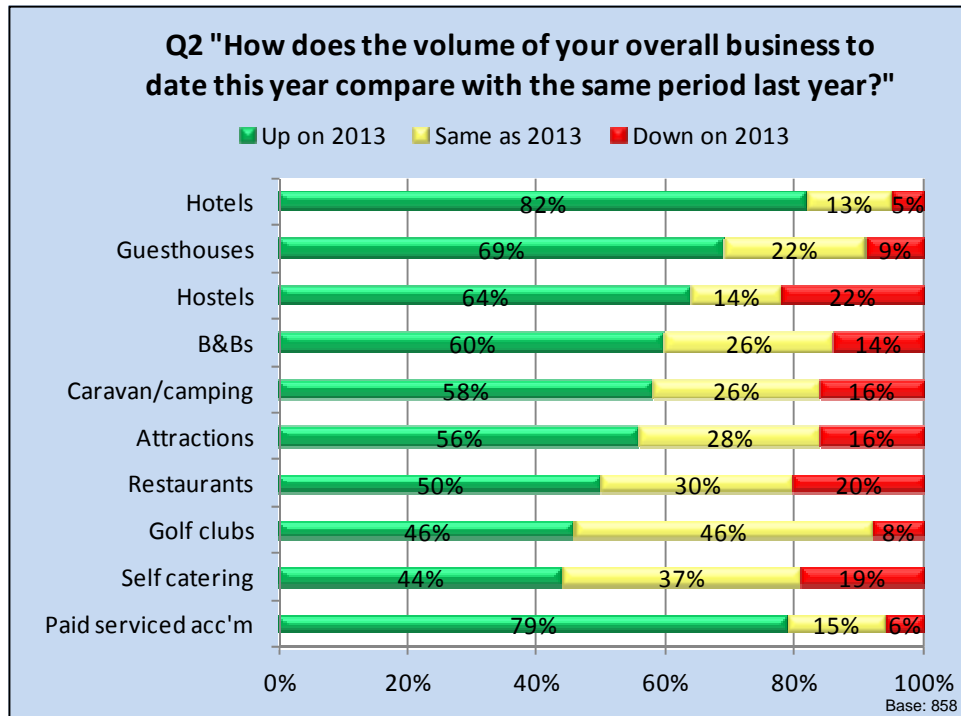
“We’ve had two years of strong recovery – overall, the expectation is positive”

“There is an improvement in consumer sentiment and an overall feeling of positivity and a hope that there will be a sustainable recovery”

3. Overall Visitor Volumes in 2014 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 2014



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 The tourism industry is reporting a very positive year so far. The domestic market has fared well, as has overseas, and there is a good level of optimism among operators as signs of economic recovery continue. The draw of the Wild Atlantic Way has proved very positive for those in the west.

Hotels enjoy strong success

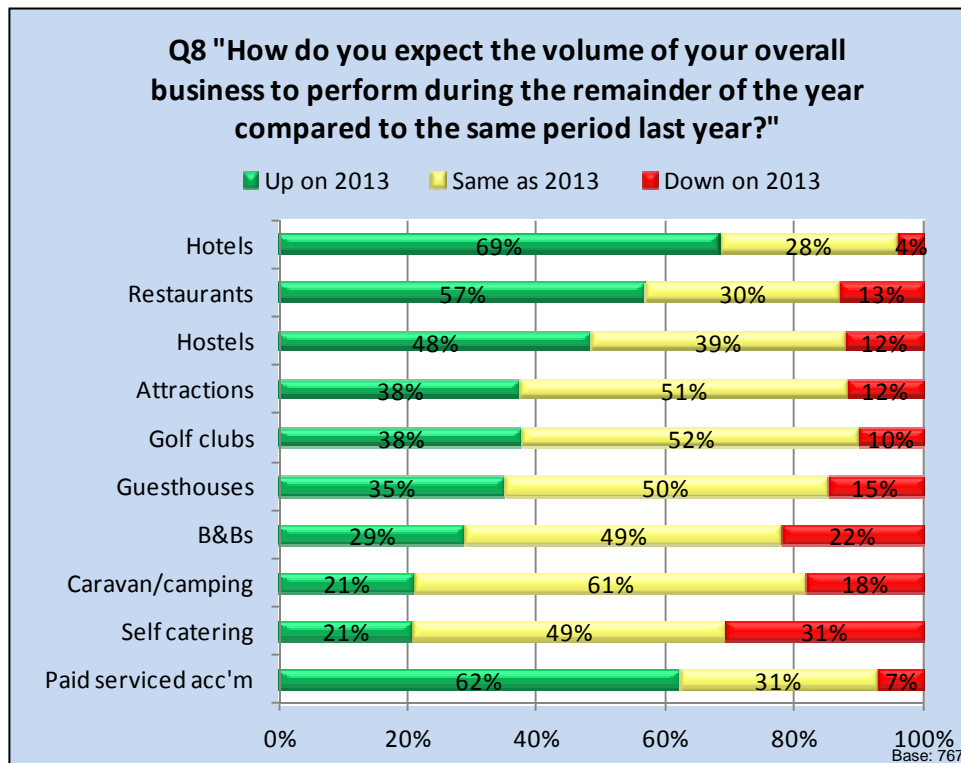
- 3.2 Hotels continue to see strong increases this year, with four in five (82%) reporting an increase in visitors on 2013, so far. This is very encouraging and

follows the strong improvements seen last year, when in September 68% of responding hotels reported an increase on 2012.

Other accommodation sectors show signs of recovery

- 3.3 While not as strong as hotels, other sectors are benefiting from an increase in business volumes so far this year. Guesthouses, in particular, are seeing an improvement in 2014, with 69% reporting an increase in visitors on last year.
- 3.4 Around two thirds (64%) of hostels report an increase on last year, compared to 22% of respondents who report to be down on last year.
- 3.5 B&Bs are much-improved on this time last year, when a quarter (26%) reported to be down on 2012. This September, only 14% report being down on 2013 and a strong 60% report an increase on last year, so far.
- 3.6 The weather-dependent caravan and camping sector saw a booming year in 2013, with the fine, dry season reflected in an increase seen by 67% of respondents. This year, 58% report an increase on the solid improvement last year.
- 3.7 Self-catering operators have not seen quite the same boost this year, with 44% reporting an increase on last year and 19% reporting a decrease.

Expectations for 2014



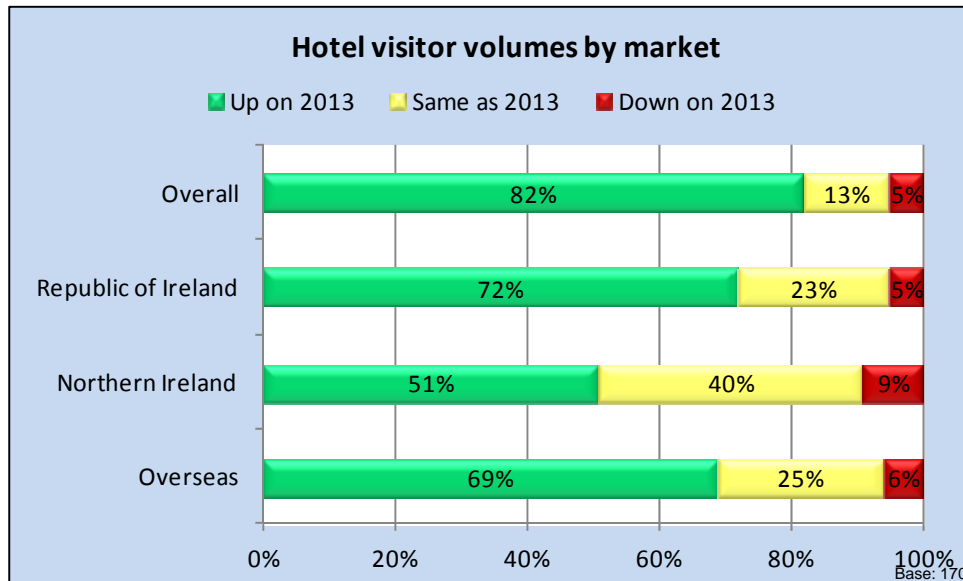
Great expectations

- 3.8 Most sectors have a positive outlook for the remainder of 2014. Hotels remain the most positive, with 69% of respondents expecting to be up on the same period last year.
- 3.9 Around half (48%) of hostels also expect the rest of the year to see an increase in business.
- 3.10 Despite a fairly strong start to the year, self-catering operators are less optimistic, with around a third (31%) expecting to be down on 2013.

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



Strong performance from the domestic market

- 4.1 Hotels boast a very strong performance so far this year, with 82% reporting an increase in visitors on the same period last year. This follows a strong 2013, when in September 68% reported an increase on 2012.
- 4.2 The domestic market has been particularly positive, with 72% reporting an increase compared to 55% of respondents who reported an increase last year.

“There is a general sense that the economy is improving and people holidaying at home continues to grow”
Hotel

- 4.3 Following closely, the overseas market has also seen good movement, with more than two thirds (69%) seeing an increase in these markets.

North America and Britain step up

- 4.4 Two thirds (67%) of respondents report an increase in the North American market, and 60% report business from Great Britain to be up.

"We've seen a return of the British market and good growth from the USA"
Hotel

Positivity among hoteliers

- 4.5 For hotels, own marketing is the most-mentioned (72%) positive factor, followed by repeat visitors (69%). Irish people holidaying in Ireland is also cited as a positive factor by 62% of responding hotels.

Wild Atlantic Way a boost for the west

- 4.6 Through the open comments, hotels near the Wild Atlantic Way report the initiative to be a real boost for business this year.

"The Wild Atlantic Way is a major boost for tourism in the west"
Hotel

"The Wild Atlantic Way is great for us here in the West of Ireland and we saw more Eastern Europeans this year"
Hotel

"The Wild Atlantic Way will be the best thing to hit the west of Ireland"
Hotel

VAT at 9% remains a positive

- 4.7 Unprompted, some hotels also cite that the retention of the 9% VAT rate is positively affecting their business this year.

"The 9% VAT has been having a very positive effect"
Hotel

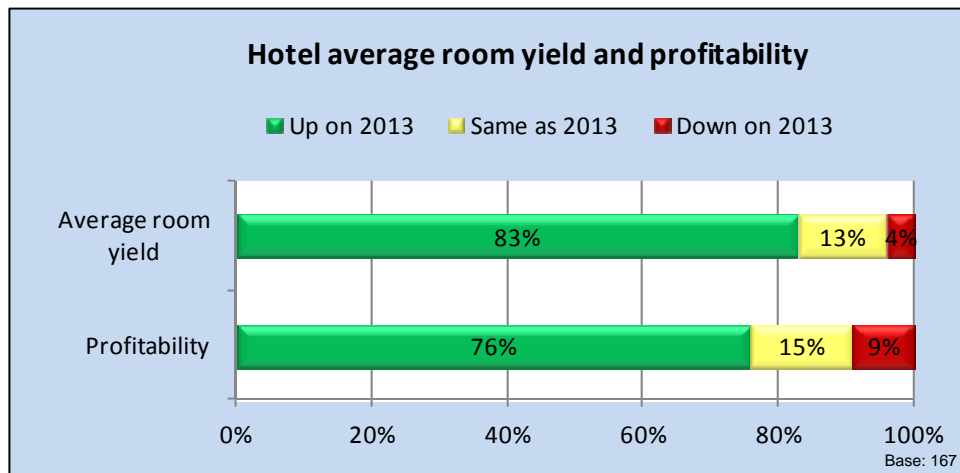
Increased visitor spend

- 4.8 Some responding hotels have seen an increase in visitor spend. And when it comes to Great Britain, the strong sterling has been positive for some Irish hotels.

"A strong sterling is having a positive effect"
Hotel

"I think visitors are spending more"
Hotel

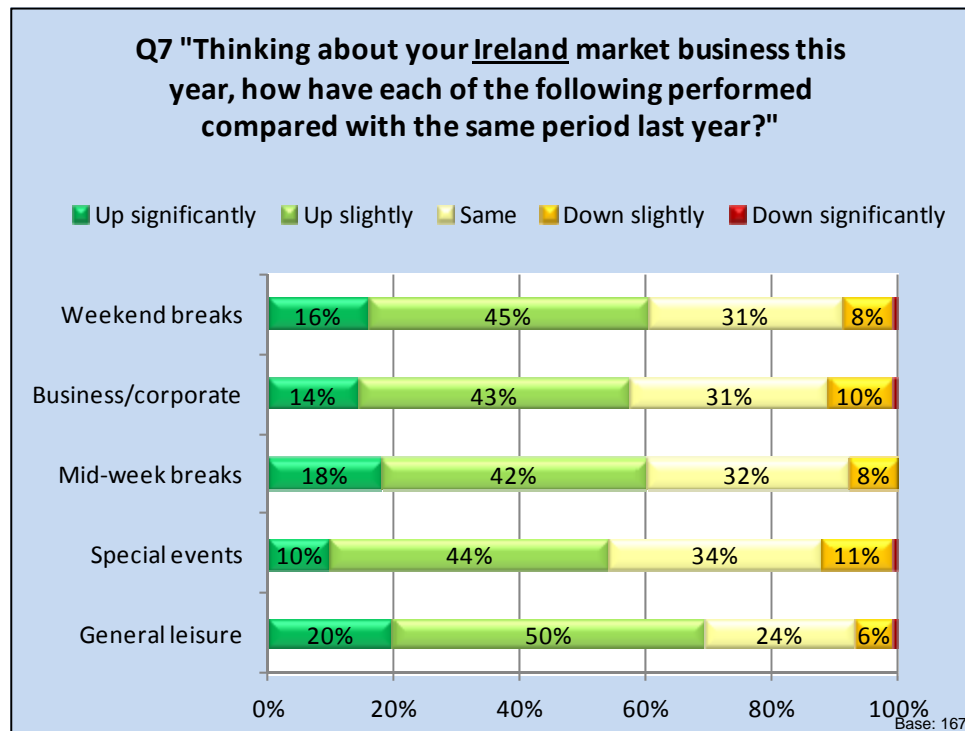
Hotel average room yield and profitability



Profitability is on the up

- 4.9 The increase in business volumes seen by hotels this year is also having a positive impact on both average room yield (83% report an increase) and profitability, which has seen an increase this year according to 76% of respondents. It appears that increased visitors volumes have not come as a result of discounted rates, as was often the case during the financial crisis.

Hotel visitor types (Ireland market)



All visitor types showing good consistency

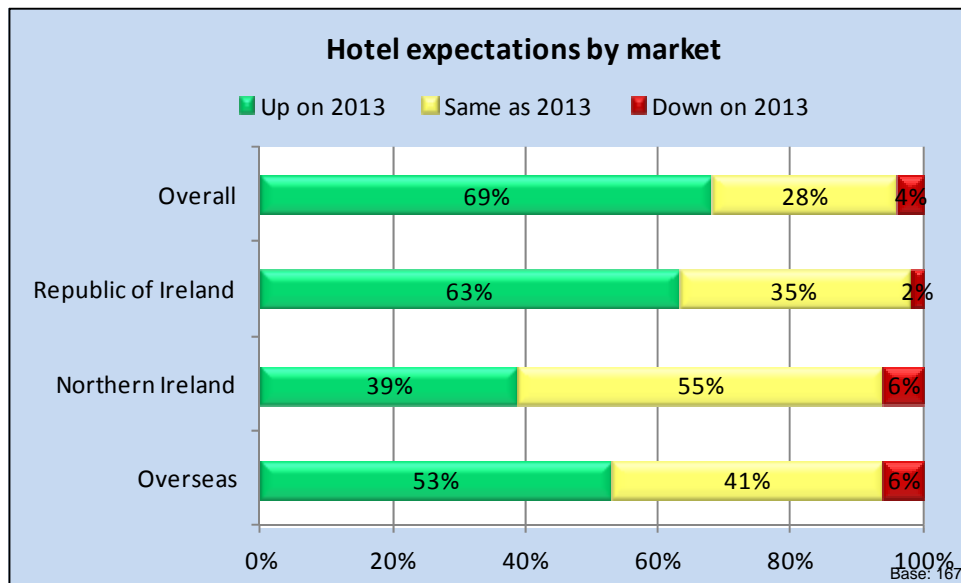
- 4.10 The domestic market is performing well for hotels so far this year, and that positive movement is seen in all visitor types – with decreases very much in the minority.
- 4.11 The business/corporate market has seen the most improvement since last September, when 44% of responding hotels reported this visitor type to be up, compared with 57% who report an increase this September.

"The corporate market is on its way back"
Hotel

- 4.12 Seven in ten (70%) respondents report their general leisure visitors to be up this year, which is reflected by the 62% of respondents who cite Irish people holidaying in Ireland as a positive factor this year.

"People have more disposable income. There is a lot more positivity in the country"
Hotel

Hotel expectations



Positive predictions

4.13 Following a strong year so far, more than two thirds (69%) of responding hotels expect the remainder of the year to see an increase on the same period last year.

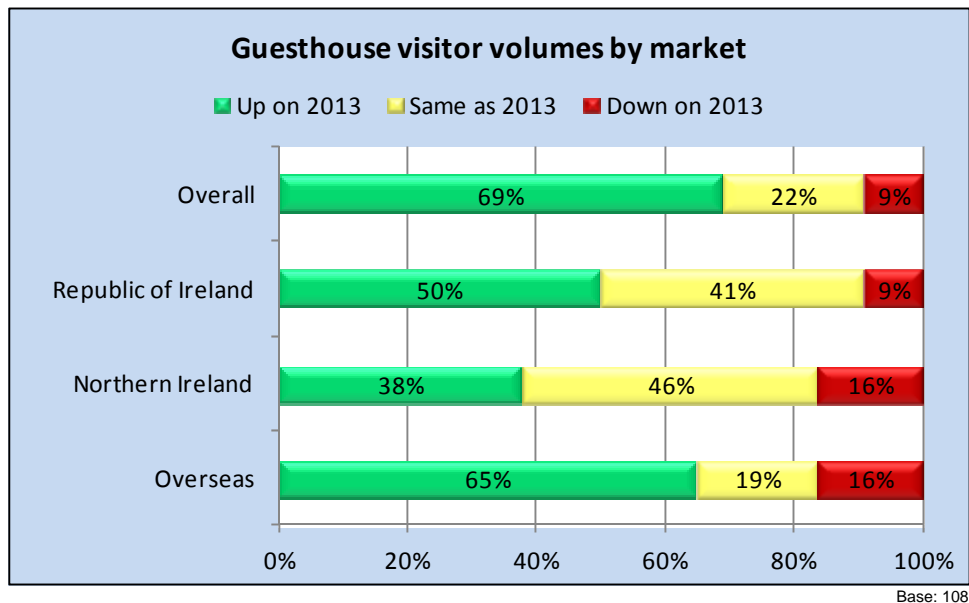
4.14 Nearly two thirds (63%) of respondents expect the domestic market to see an increase during the rest of the year.

"People are less afraid to spend and the economy seems to be picking up slightly"
Hotel

4.15 The overseas market is also expected to be up on last year, according to 53% of respondents. Around half (49%) of responding hotels expect business from North America to be up.

5. Guesthouses

Guesthouse visitor volumes year to date



Steady growth for Guesthouses

- 5.1 While only a third (32%) of respondents reported an increase at the start of the year, 2014 seems much more positive now, with a strong 69% reporting an increase in visitors on the same period last year.
- 5.2 For guesthouses, it is the overseas market which has seen the steepest growth. Around two thirds (65%) report this market to be up. More than half (53%) report the German market to be up on last year and a similar number (48%) have seen an increase in visitor volumes from North America.

"Continental Europe has picked up recently - Germany, Belgium and others near there"
Guesthouse

Repeat visitors are invaluable

- 5.3 Repeat visitors are very important to guesthouses, with 83% of respondents reporting them to be a positive factor this year.

"We're mostly dealing with repeat visitors now"
Guesthouse

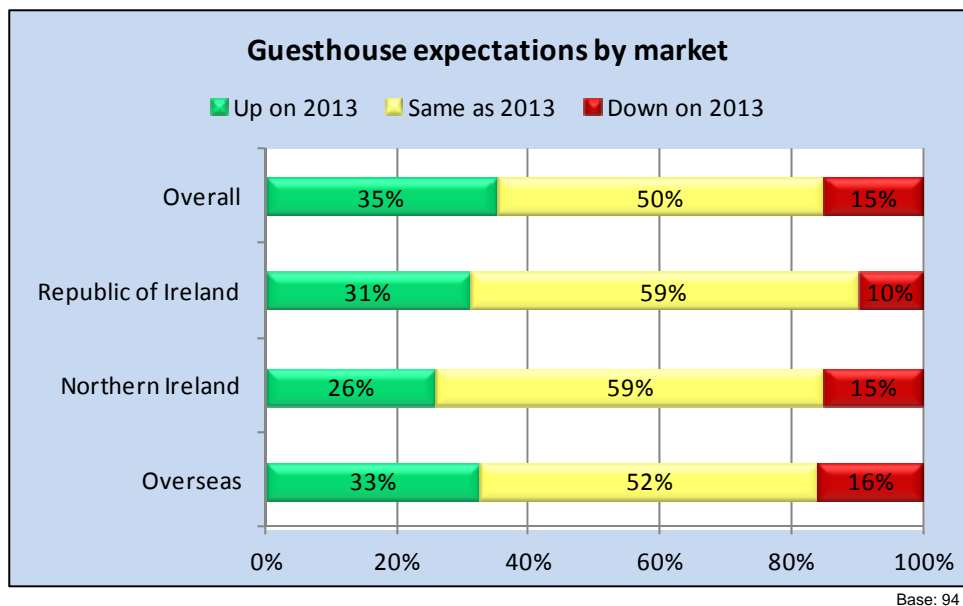
Good boost from local events

5.4 Local events are cited as a positive factor by 63% of responding guesthouses.

“Local tourist attractions seem to pull people in quite well”
Guesthouse

“Concerts and football games seem to do well for us, things like that. But they're only one-time sort of things”
Guesthouse

Guesthouse expectations



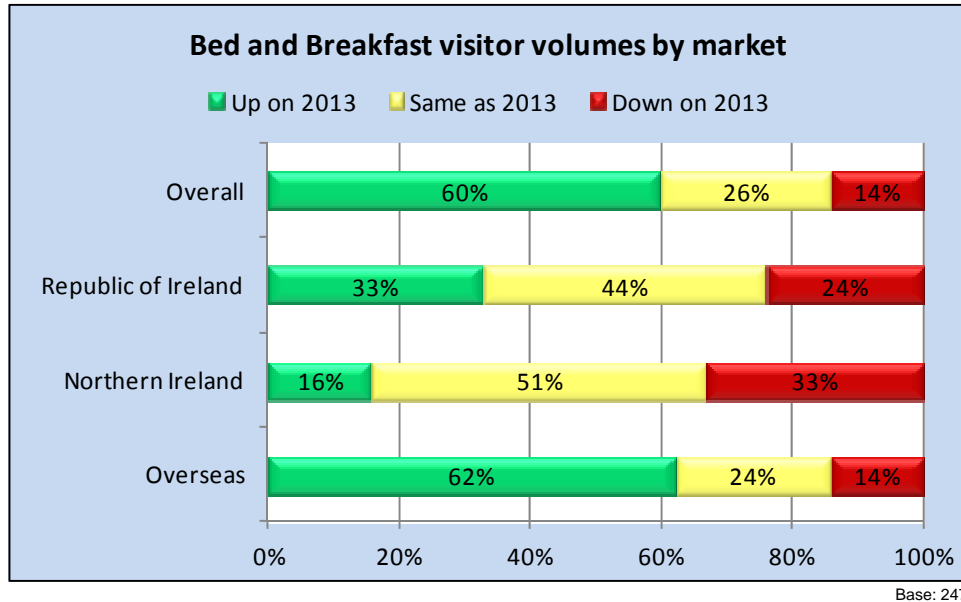
Cautious expectations

5.5 Despite a strong year so far, guesthouses remain cautious going into the rest of 2014 with around a third (35%) expecting to be up on last year.

5.6 However, only the minority expect visitor volumes to be down and there is little difference between the visitor markets, with the majority of respondents expecting each market to remain the same as 2013.

6. B&Bs

B&B visitor volumes year to date



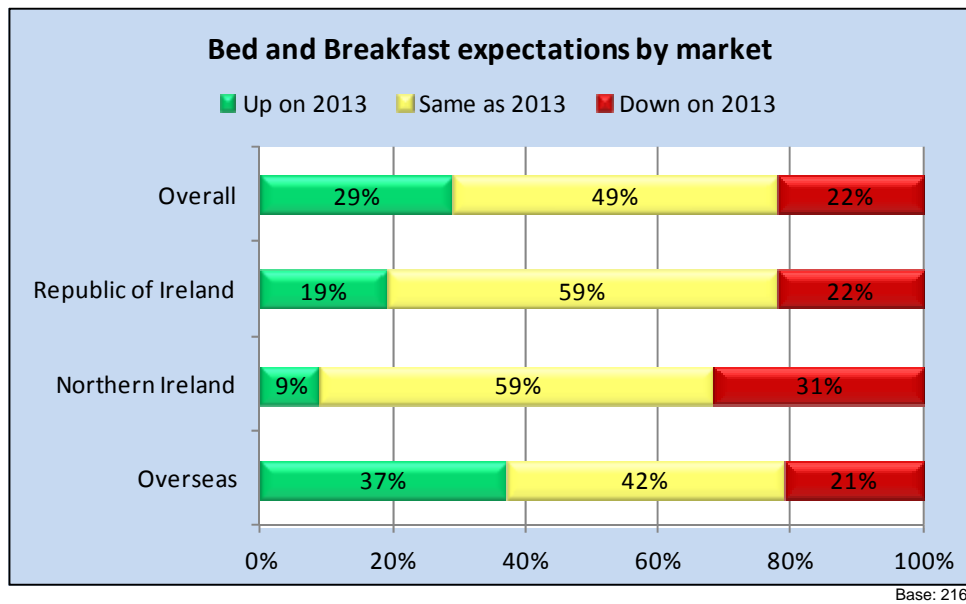
Good year, but slow for the Island of Ireland

- 6.1 B&B operators are having a much-improved 2014, with 60% of respondents reporting an overall increase in visitors.

"There seems to be a more positive atmosphere around. And a stronger economy"
B&B

- 6.2 But while the overseas market is seeing an improvement for 62% of respondents, both the domestic and Northern Ireland markets are not seeing the same success. Only 16% of responding B&Bs report an increase in the Northern Ireland market and a third (33%) report to be down. The domestic market is faring better, with a third (33%) reporting to be up and a quarter (24%) reporting to be down.

B&B expectations



Some hopes for improvement

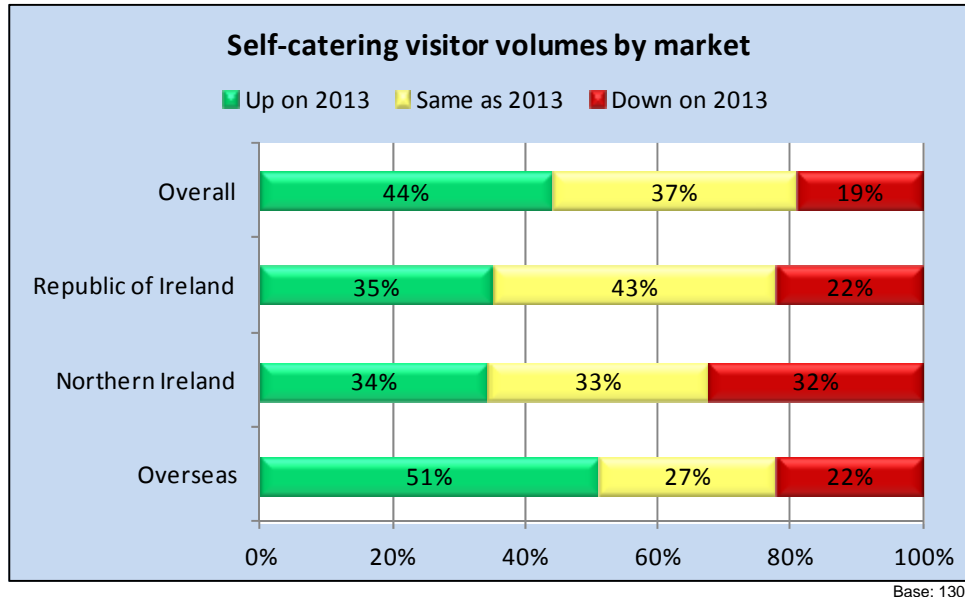
- 6.3 Despite one of the strongest improvements in years, B&Bs remain cautious about the rest of the year, with only three in ten (29%) expecting an increase during the rest of 2014.
- 6.4 After a strong performance from the overseas market, 37% expect their business from overseas to be up. A similar proportion (36%) expect the German market to increase compared to the same period in 2013.

Domestic and NI less hopeful

- 6.5 However, 22% of respondents expect the domestic market to be down on 2013 and three in ten (31%) expect business from Northern Ireland to be down – these numbers reflect the markets' performance so far this year.

7. Self-catering

Self-catering visitor volumes year to date



Good 2014 so far

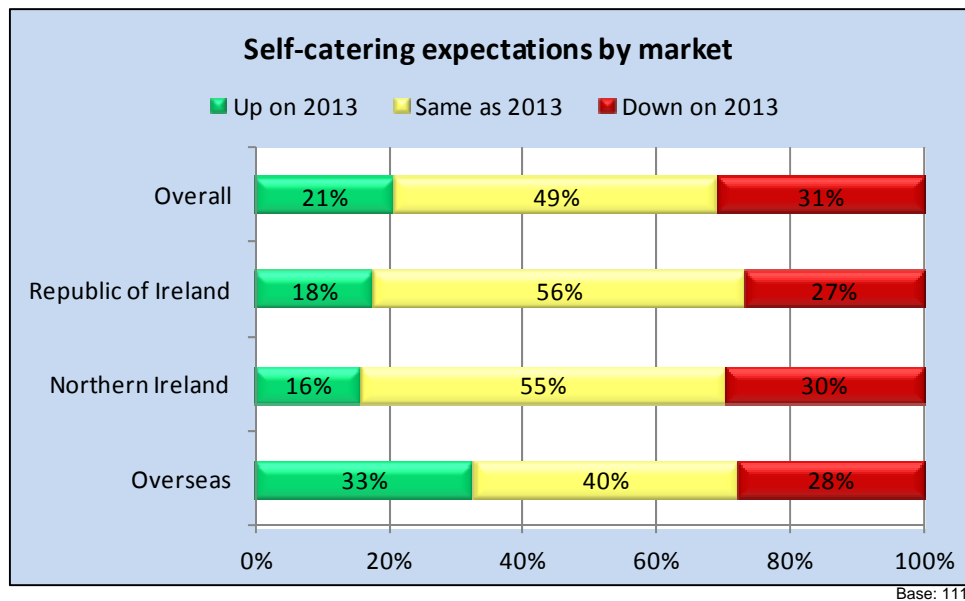
- 7.1 A large proportion (44%) of responding self-catering operators report an overall increase in their visitor volumes compared to the same period last year.

“General overall improvement of attitudes towards spending money”
Self-catering

- 7.2 All markets have fared well so far in 2014, with overseas standing out particularly well with half (51%) of respondents reporting an increase in business.
- 7.3 Like other sectors, repeat visitors are important to the self-catering industry, with two thirds (68%) citing this as a positive factor.

“We have many repeat visitors”
Self-catering

Self-catering expectations

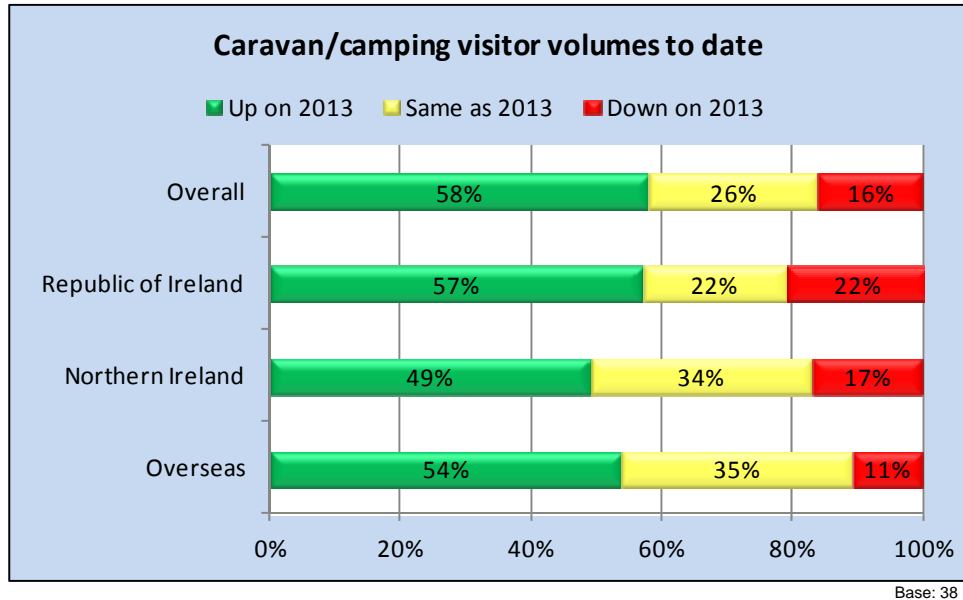


Overseas market expected to shine

- 7.4 While overall predictions for the rest of the year are not particularly strong – with 21% of respondents expecting an increase – a strong proportion (33%) of responding self-catering operators are expecting the overseas market to perform better than the same period last year.
- 7.5 Expectations are not as strong for both the domestic market (18% of respondents expect an increase) and business from Northern Ireland (16% of respondents expect an increase).

8. Caravan and Camping

Caravan and camping volumes year to date



Carry on camping

- 8.1 Decent weather in 2014 has boosted the caravan and camping sector this year, with around six in ten (58%) respondents reporting an increase in visitor volumes, compared to last year – despite a booming summer in 2013.
- 8.2 All markets are faring well, benefiting from warm, dry weather. The domestic market has seen an increase according to 57% of respondents and half (49%) of respondents report visitor volumes from Northern Ireland to be up.
- 8.3 Like other sectors, the overseas market has seen a strong improvement, with 54% of respondents reporting an increase. Great Britain has been performing particularly well, with 54% reporting to be up, as has Germany (56% of respondents report an increase).

Warm weather does wonders

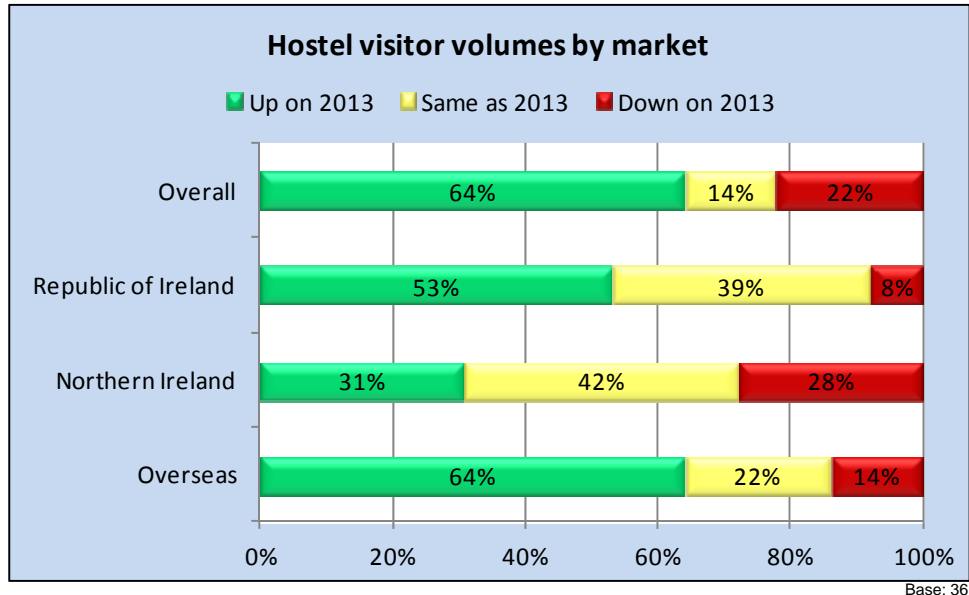
- 8.4 Unsurprisingly, the most frequently-mentioned positive factor affecting the caravan and camping sector this year is the weather, as cited by the vast majority (80%) of respondents.

Expectations

- 8.5 Expectations for the rest of the year are not particularly relevant in this sector as many operators close in September.

9. Hostels

Hostel visitor volumes year to date



Excellent year for hostels

- 9.1 A strong majority (64%) of hostels report an increase in overall visitor volumes so far this year, compared with the same period last year. This is an improvement on last September, when 53% of responding hostel reported an increase on 2012.

Boost from Germany

- 9.2 The overseas market has seen an increase for 64% of respondents, with Germany standing out as particularly strong – 67% report an increase.

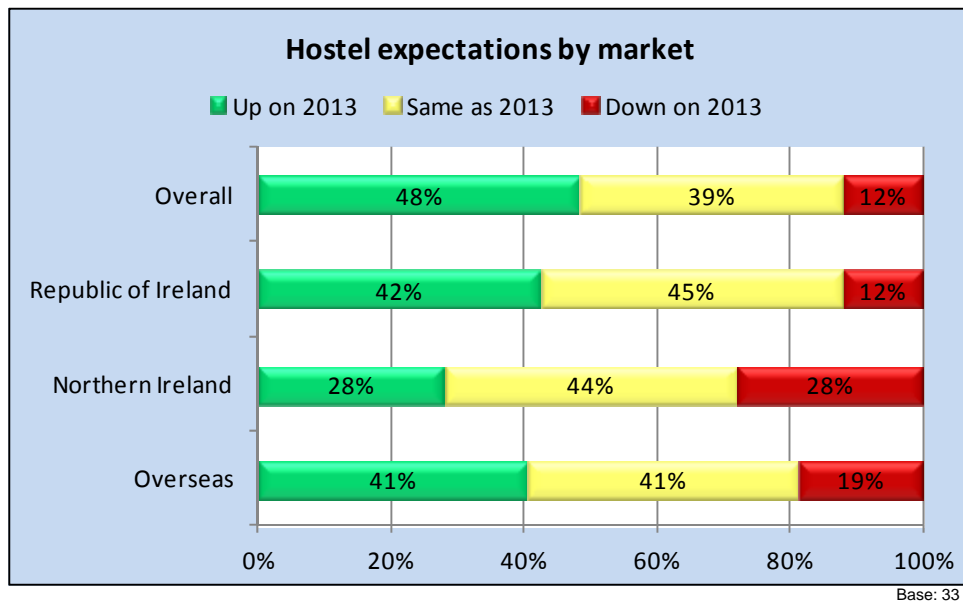
Improvements in the domestic market

- 9.3 More than half (53%) of respondents report business from the Republic of Ireland to be up so far this year and just 8% report a decrease in this market.

Own marketing is a strong positive

- 9.4 Nearly two in three (63%) respondents cite their own marketing as a positive factor affecting their business this year.

Hostel expectations

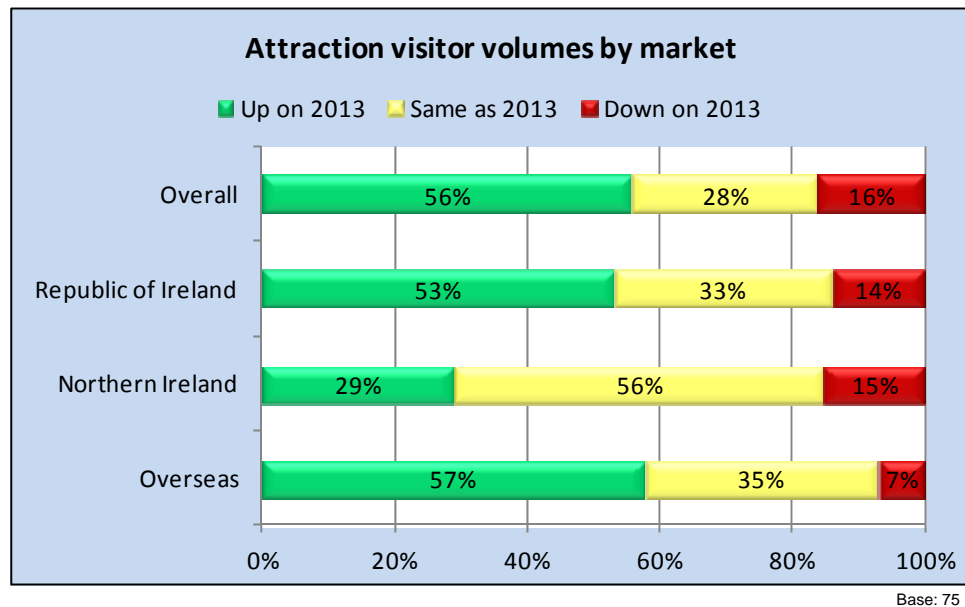


Further improvements on the horizon

- 9.5 The remainder of the year is expected to bring further increases for 48% of respondents, and only 12% expect to be down on last year.
- 9.6 Around two in five (42%) expect the domestic market to be up, and a similar proportion (41%) expect increases from overseas. Germany, in particular, is expected to be strong with half (50%) of respondents preparing for an increase from this market.

10. Attractions

Attraction visitor volume years to date



Strong progress for attractions

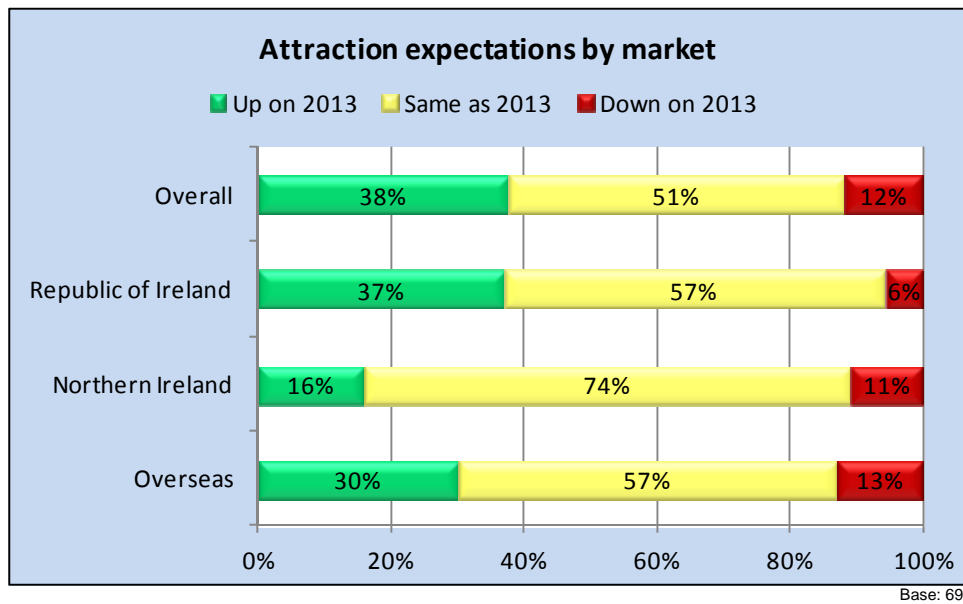
- 10.1 More than half (56%) the responding attractions report being up on 2013, and 16% report being down on last year.
- 10.2 Both the domestic market (53% report an increase) and the overseas market (57% report an increase) have fared well so far this year.

Own marketing boosts business

- 10.3 Around seven in ten (72%) respondents cite own marketing as a positive factor this year.

"The main positive influence is our own marketing and the events we run"
Attraction

Attraction expectations



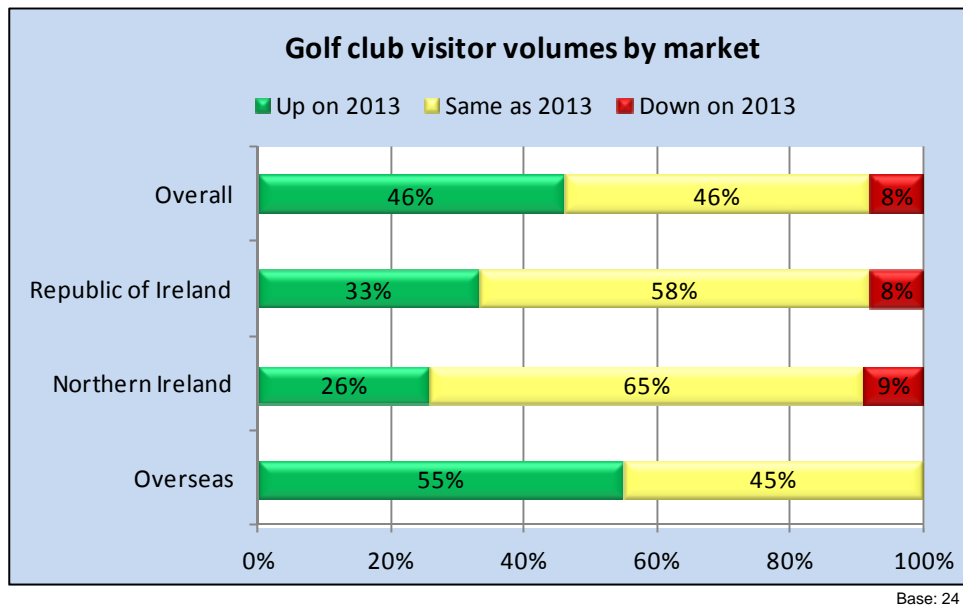
Decent end to 2014

- 10.4 After a strong year so far, the majority (51%) of responding attractions expect their volume of business for the remainder of the year to remain level with that experienced last year.
- 10.5 Positively however, 38% expect an increase overall, with a strong 37% predicting an increase from the domestic market.

"Looking forward to Christmas - we'll be really busy"
Attraction

11. Golf clubs

Golf club visitor volume years to date



Upwards swing for golf clubs

- 11.1 This year is seeing good improvements for golf clubs, of which nearly half (46%) report an increase in green fee business. More than half (55%) of respondents report their overseas visitors have increased, with no respondents reporting a decrease in volumes in this market.

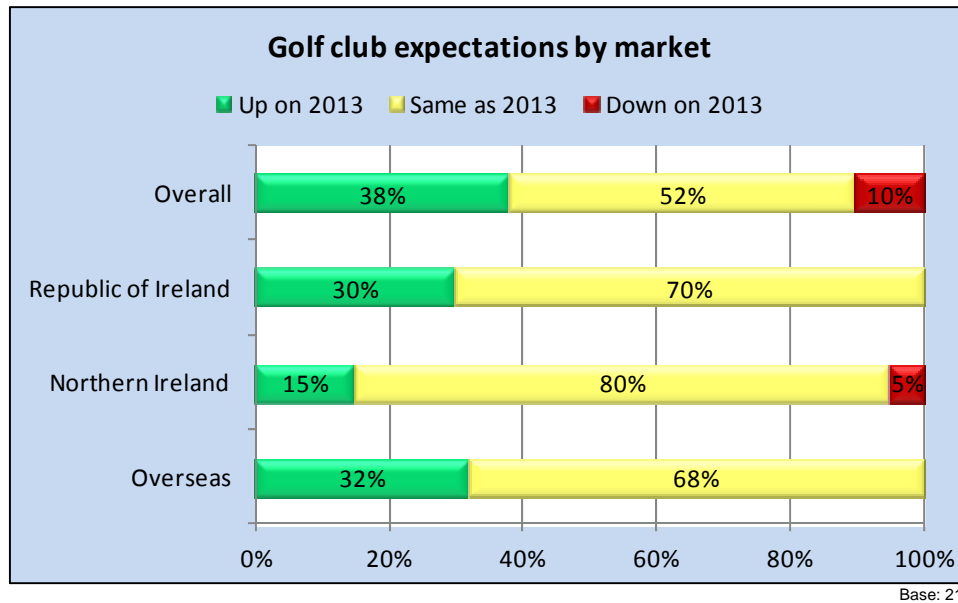
Valuable repeat business

- 11.2 Nearly all (92%) respondents cite repeat visitors to be a positive factor this year. And the vast majority (83%) report that own marketing and weather are both positively affecting them this year.

Low-price competition a high concern

- 11.3 Most (92%) responding golf clubs report low-priced competition as a main issue of concern affecting their business this year.

Golf club expectations

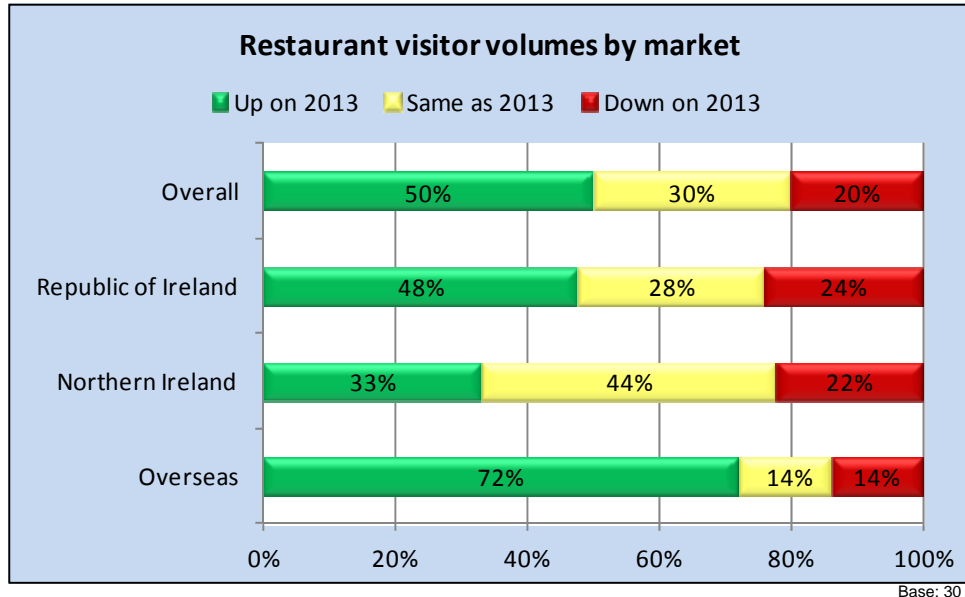


Positive predictions

- 11.4 While the majority (52%) of respondents expect business volumes to remain the same as last year, about two in five (38%) are expecting an increase. The strong performance of the overseas market this year is expected to continue, with around a third (32%) expecting the market to be up during the remainder of the year.

12. Restaurants

Restaurant visitor volumes year to date

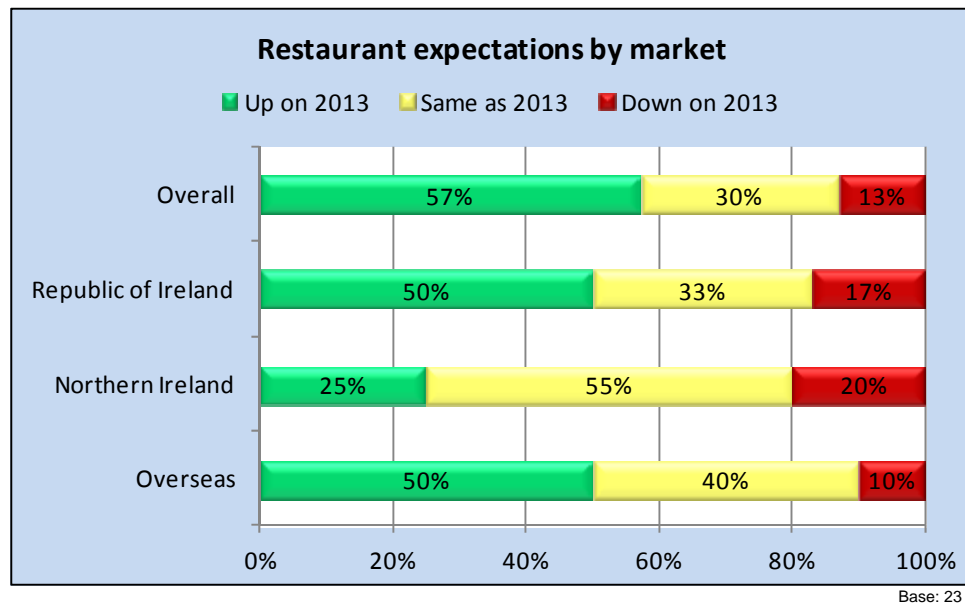


Restaurants invited to take part in the Barometer are in areas of high tourism footfall, and respondents have been asked to answer questions in the context of their tourism, i.e. non-local, business

Restaurants heat up this year

- 12.1 This year is going strong for restaurants, of which half (50%) report an increase in tourism custom on 2013. Overseas business is very strong, with 72% of respondents reporting an increase in customers. This is very positive news, as restaurants were hit particularly hard during the financial crisis.
- 12.2 The domestic market is also strong, with around half (48%) reporting to be up on 2013.

Restaurant expectations

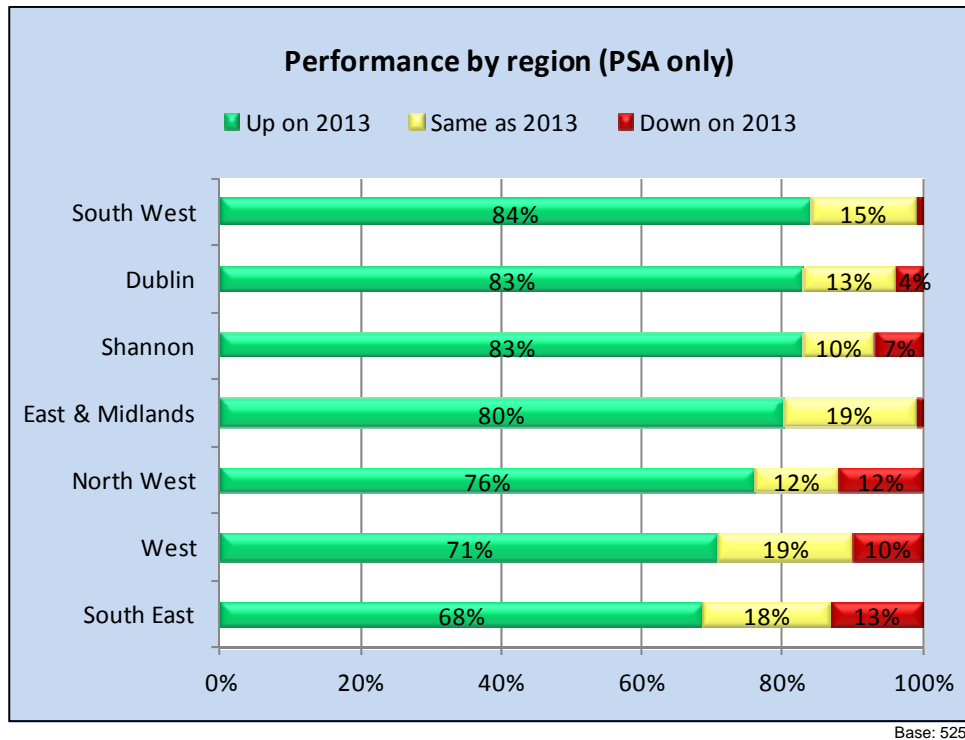


More covers expected

- 12.3 Predictions for the rest of the year are very good, with 57% of respondents reporting to expect an increase on the same period last year, and only 13% predicting to be down.
- 12.4 Again, both the domestic and overseas markets are expected to be up according to half (50%) of respondents.

13. Performance by Region

Here we discuss the performance by region for the PSA sector



Very strong performances all round

13.1 All regions of the Republic of Ireland are reporting strong PSA sector increases on last year.

13.2 The South West is benefiting from an exceptional performance so far this year, with 84% of respondents reporting to be up on 2013. Many respondents cite the Wild Atlantic Way as a positive factor this year.

“Congratulations to Fáilte Ireland on the Wild Atlantic Way initiative which is a very successful campaign”

Hotel

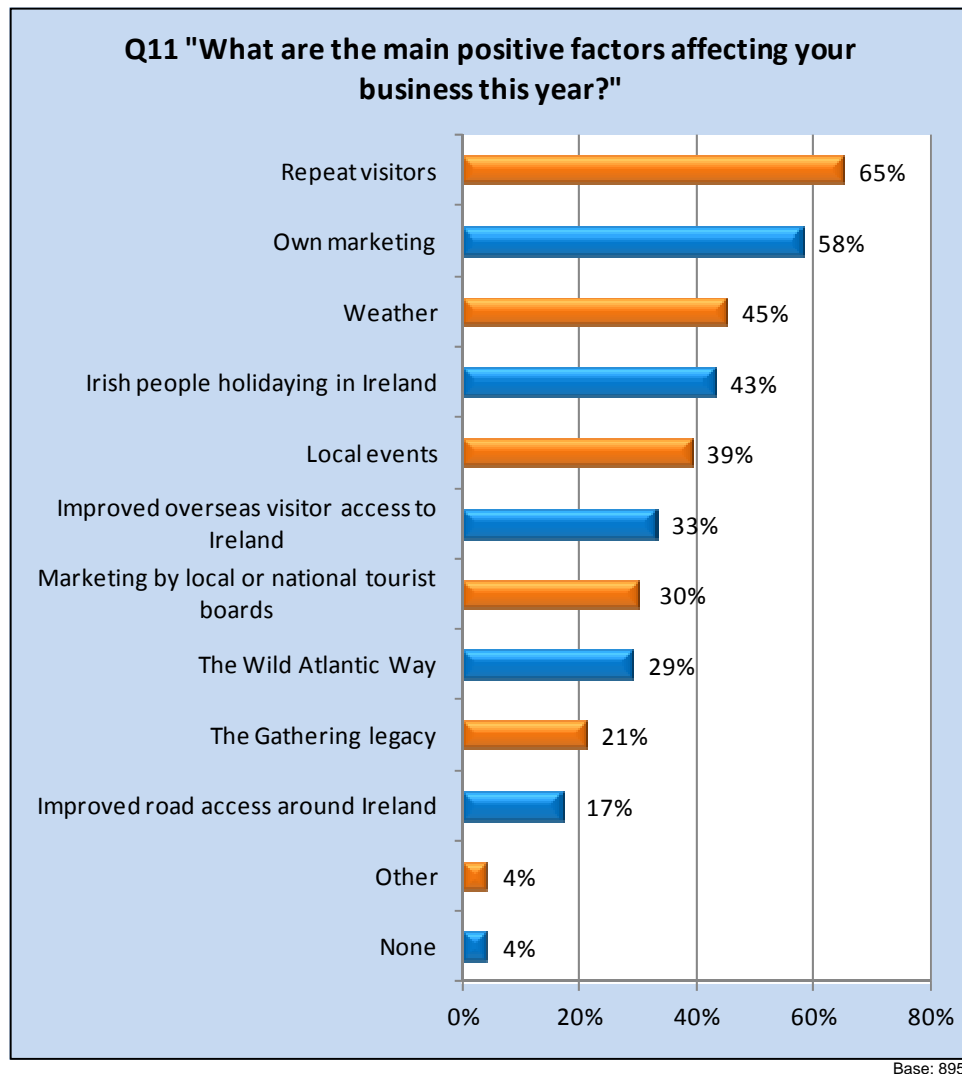
13.3 Dublin is performing well, with 83% of respondents reporting an increase, and the same proportion (83%) from Shannon also report to be up – with many from Shannon citing improvements at the local airport to be a positive factor.

“The additional flights into Shannon has benefited this area significantly”

Guesthouse

13.4 Most (80%) respondents from the East and Midlands report an increase, as do 76% from the North West, 71% from the West and 68% from the South East.

14. Positive Factors in 2014



Repeat visitors stay at the top spot

14.1 Maintaining its top position, 'repeat visitors' is the most frequently-mentioned positive factor this year. The vast majority (92%) of golf clubs cite repeat visitors as a positive, as do 83% of guesthouses, 75% of camping and caravan respondents, 70% of restaurants and 69% of hotels.

"Repeat overseas visitors are our main source of visitors"
Guesthouse

"Repeat business is a very positive factor for my business"
Self-catering

"We're mostly dealing with repeat visitors now"
Guesthouse

- 14.2 In terms of regions, repeat visitors are reported to be positive to 74% of respondents in the North West, 71% in the South East and 69% of the East and Midlands.

Own marketing boosts business

- 14.3 Around six in ten (58%) respondents report own marketing to be a positive factor affecting their business this year. This is particularly strong for golf clubs, of which 83% report this to be positive.

"Our own local marketing is the main driving force for us at the moment I'd say"

Golf club

"A big part of how we've done this year is down to our self marketing"

Guesthouse

Warm weather drives business

- 14.4 The fine weather in Ireland is reported to be positive for 45% of respondents. Unsurprisingly, the sectors best affected by the warm climate are golf clubs (83% report the weather as a positive) and caravan and camping (80% report it as positive).

"The weather has been a big help this year"

Golf club

Strong domestic market for some

- 14.5 More than two in five (43%) respondents have seen an improvement in the number of Irish people holidaying in Ireland. Hotels, in particular, cite this as a positive (62%).

"I find that some of the Irish are slightly extending their holidays now by having an extra short break within Ireland at some point"

Guesthouse

"The Irish staying at home for the holidays is probably the only reason I'm staying in business right now"

Hostel

Praise for Shannon Airport

- 14.6 Through the open comments, many respondents report the increased number of flights to Shannon Airport as a positive factor.

"The routes into Shannon airport have changed so we are getting a lot of business from that"

Hotel

"The additional flights into Shannon have benefited this area significantly"
Guesthouse

"New flight paths into Shannon airport are essentially our lifeblood"
Guesthouse

Wild Atlantic Way a wonder for the west

- 14.7 The development and promotion of the Wild Atlantic Way is reaping benefits for the tourism industry in the west of Ireland. Around half (47%) of respondents in the West cite the Wild Atlantic Way as a positive, as do 43% in both the North West and the South West, and 43% of respondents in Shannon.

"The Wild Atlantic Way has being a massive boost and one we aim to be a big part of moving forward"
Hotel

"The Wild Atlantic Way is proving to be a major attraction especially beneficial to areas north of Galway and Sligo"
B&B

"The Wild Atlantic Way is a HUGE success and brought a lot of tourists from home and across the seas to our hostel"
Hostel

- 14.8 Comparatively, only 6% in the South East, 4% in Dublin and 3% in the East and Midlands report the Wild Atlantic Way as a positive.

Lower VAT retention proves positive

- 14.9 VAT remaining at 9% is praised by some respondents who continue to feel the benefits.

"The 9% Vat retention is critical to the tourism industry"
Restaurant

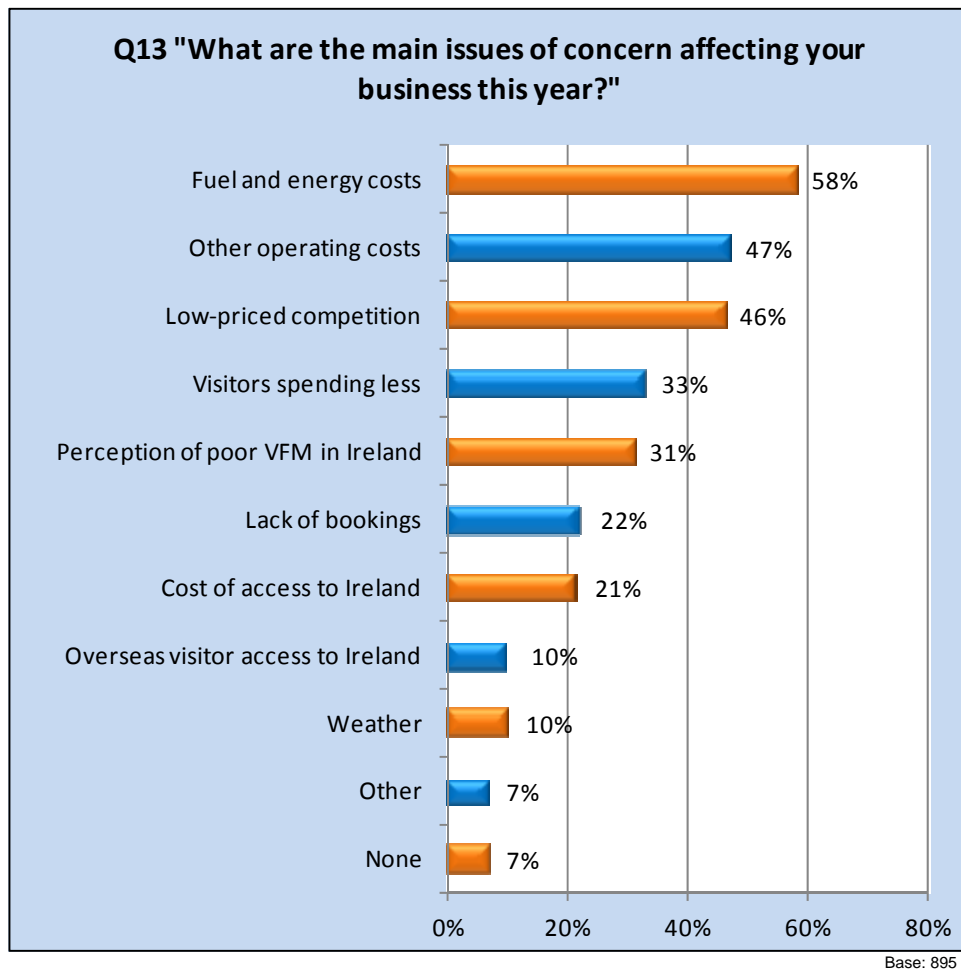
Economy turning a corner for some

- 14.10 This report has highlighted significant proportions of respondents in each sector reporting an increase in business so far this year. And the open comments reveal that many are seeing an improvement in both the domestic and global economies.

"There is a general feeling that things are improving and people are feeling a bit more positive so spending money in certain aspects of our business"
Golf club

"I think generally people are more upbeat about things now, feeling like it's safer to spend their money a little"
Guesthouse

15. Issues of Concern in 2014



Fuel and energy cost concerns still high, but dropping

15.1 Despite an air of increased positivity in the tourism industry, there are still issues that concern operators. Fuel and energy costs remain the most frequently mentioned issue, although the proportion of respondents reporting this has dropped from 66% last year to 58% this year.

15.2 However, three quarters (74%) of guesthouses report fuel and energy costs as an issue of concern.

"The main issue is heating and electricity really"
Guesthouse

Other operating costs an issue for many

15.3 Nearly half (47%) of respondents report other operating costs as a concern this year.

Low-priced competition raising concerns

- 15.4 Competing with those offering low prices is cited by 46% of respondents as an issue of concern. Open comments reveal that competition from NAMA-owned sites remain a concern.

“NAMA hotels and NAMA self-catering ruining the business”
Self-catering

“Our main issue really is unfairly low-cost competition. We wouldn't mind if they had fairer prices.”
Golf club

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 Marketing, an independent research agency, was commissioned to continue conducting the survey for the next three years.
- 16.3 Fieldwork for this first wave in 2014 took place between 28th August and 16th September. The objectives were to measure:
- Business performance to date in 2014 in terms of visitor volume – overall and by key markets – and profitability
 - Average room yield (hotels)
 - Visitor volume expectations for the remainder of 2014
 - Positive factors and issues of concern affecting business

Methodology

- 16.4 The methodology used was a combination of an online survey and telephone interviews.
- 16.5 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.
- 16.6 Fáilte Ireland provided a database of 3,609 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. Two subsequent reminder emails were sent to non-responders.
- 16.7 A total of 745 responses were received to the online survey – a response rate of 21%.
- 16.8 Following this, we conducted 150 ‘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	144	32	176
Guesthouses	54	57	111
Bed & Breakfast	260	-	260
Self-catering	138	-	138
Caravan & campsites	28	12	40
Hostels	35	3	38
Attractions	48	30	78
Golf clubs	12	12	24
Restaurants	26	4	30
Total	745	150	895

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.