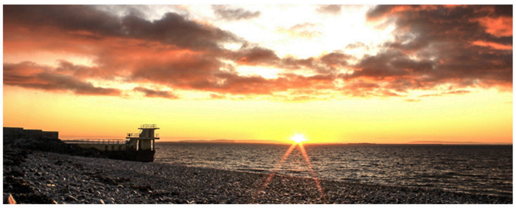
STRATEGIC
RESEARCH & INSIGHT

Fāilte Ireland
National Tourism Development Authority

Tourism Barometer








April 2018

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1. Headline Findings

What is the Tourism Barometer?

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

How have we conducted it?

We have received 323 responses to an online survey with tourism businesses in April 2018 and have conducted 201 top-up telephone interviews. We have also conducted eight qualitative interviews with senior industry executives. More details on the methodology can be viewed in appendix 1.

Business Sentiment Index

	2009	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*
Up	15	28	43	52	46	62	61	63	54	45
Same	11	25	26	23	26	23	24	25	27	32
Down	74	47	31	25	27	15	15	12	19	23

Base: All Accommodation Providers (weighted to available beds)

Sentiment

Looking at the above table, it initially looks like sentiment has fallen to levels seen in 2011 – but sentiment is actually good. Feedback from operators and industry leaders shows that the rest of the year is being looked at with high hopes and that tourism is strong. What is bringing that figure down is the experience of fewer visitors due to the harsh, wintry start to the year and an early Easter.

In recent years, confidence has been restored and this first quarter should be seen as a 'blip' in an otherwise buoyant industry.

Strong domestic market for the PSA sector

The paid serviced accommodation (PSA) sector has enjoyed a strong start to 2018, with around half (48%) of businesses receiving more visitors to date than the same period last year. A further 29% have received the same level.

Hotels are performing particularly well, with 52% welcoming more visitors than in 2017. The domestic market is key to this success – not just in leisure tourism but business tourism also. Close to half (46%) of hotels say their domestic corporate business is up, and a further 42% say it has remained the same.

Guesthouses have experienced a mixed start to the year. A third (33%) are up on visitors, but a similar proportion (29%) are down. The North American market is holding up this sector. About two in five (38%) guesthouses have welcomed more North American visitors to date this year.

B&Bs have endured a challenging start to the year. Some (18%) have received more visitors this year, but more (38%) have had a decrease. A mix of issues are reported including the weather (46% of B&Bs), fuel

	& energy costs (37%) and low-priced competition (37%).
North Americans a significant positive for self-catering	The self-catering sector has had a mixed start to the year, with some (28%) receiving more visitors, but a similar proportion (30%) reporting a decrease. The sector has been helped significantly by a buoyant North American market, with over half (55%) of operators seeing an increase in visitors.
Germans occupying the beds in hostels	Close to half (45%) of hostels have increased their visitor levels to date this year. The German market is performing strongly – 44% of hostels have had an increase in visitors from this market. The Wild Atlantic Way has been a blessing for the hostel sector, as every hostel in the region has cited this as a positive factor affecting their business this year.
Not the weather for camping	Caravan & campsites have fallen victim to the prolonged cold, wet and sometimes snowy weather in what should have been the start of spring in 2018. About half (47%) have seen a decrease in visitors.
Attractions outside the major cities losing out on tours	Some (27%) attractions have increased their visitors to date, but more (35%) have seen a decrease. Apart from the weather, about three in five (59%) cite 'more tourists using Dublin and other cities as a touring base rather than staying locally' as a concern – the highest proportion of any sector stating this.
Restaurants under pressure from rising costs	About one in five (19%) restaurants have had an increase in tourist visitors to date, but about twice as many (41%) have had a decrease. The sector has been hit by the weather (82% cite this as a concern) but also 56% cite rising operating costs as an issue.
Delayed tee-off to the season for golf clubs	Golf clubs have been hit particularly hard by the weather. Over half (56%) report a decrease in visitors, and almost all (96%) cite the weather as an issue.
Northern counties' performance remains positive on balance	35% of PSA businesses in the Northern counties[1] have had more visitors to date this year, compared to 29% experiencing a decrease. Northern Ireland visitor volumes are still down, but the performance of this market is not nearly as bleak as it was in 2017. Two in five (41%) Northern PSA businesses cite the £/€ exchange rate as a concern, but this is much lower than in Dec 17 (63%).
Significant GB turnaround for Dublin	In 2017, the decline in the British market was more noticeable in Dublin than the rest of the country. However, the GB market has picked up significantly in this wave, and its performance is now

[1] "Northern counties" include the following: Cavan, Donegal, Leitrim, Longford, Louth, Mayo, Monaghan, Sligo

	positive on balance (+2pts compared to -48pts in Dec 17). Similarly, while 35% of Dublin PSA businesses see the £/€ exchange rate as a concern, this is a significant fall from 56% in Dec 17.
Very positive outlook	Following a difficult start to the year for many sectors due to bad weather, the outlook is very promising. In every sector, the proportion of businesses expecting to be up greatly outweighs those expecting to be down. This is especially true in the PSA sector, where two thirds (67%) expect increased visitors compared to 2017 and only a small minority (5%) expect a decrease.

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.

Cold weather slows up the start of 2018

2.1 The combination of an early Easter and freezing temperatures has seen 2018 start quite slowly.

"The weather has been a slowing down factor and Easter was cold. Having an early Easter is not great – the start of the season was poor-ish overall, mainly down to the cold wintry weather. Only the die-hard came out!"

"Overall, April was a pretty quiet month"

"Easter was quiet because it was somewhat earlier than normal"

"February and March weren't as strong as we anticipated"

Early indicators are promising

2.2 Despite the slow start, hopes are high for the rest of the year. Advance bookings are rolling in, with increased volumes expected from Germany, where some are focussing their marketing efforts.

"We're hoping and expecting the German market to grow. We've already seen a spattering of these visitors and have done extra promotion in the country"

"Forward bookings are quite good – we are looking forward to a similar performance to last year which was a 6% increase"

"Very confident for the rest of the year. May and June are looking good and July and August will always be strong"

No great concern over UK market

2.3 While not as strong as it once was, the drop in visitors from the UK seems to have levelled off, and is not causing much concern in the industry. Accepting that little can be done in terms of the sterling exchange rate and ongoing Brexit conversations, efforts are being focussed on other, stronger markets such as Germany and America.

"We've seen a few UK visitors around, but nothing to alarm us one way or another"

"We can't expect any difference from the UK so we have to focus our attention on other markets"

"Because of a poor performance in the UK we really need to look to new markets like North America"

American market is booming

2.4 With UK expectations on the back burner, America is coming through strongly as a growing market for Ireland's tourism industry. Thanks, in part, to increased flight capacity, Americans are flocking to Ireland.

"A huge increase from North American visitors, particularly America, but the UK was down. I expect it to be the same this year"

"We have had a reduction in the UK market but that isn't the main market for us anyway. But, we have had a substantial increase from North America"

"US and Canadian markets increased by around 24% last year so I would hope that trend continues. These are the markets we should be chasing"

High hopes for emerging programme area

2.5 Following the successes of the Wild Atlantic Way and Ireland's Ancient East, there is a buzz around the new branding for the midlands – Ireland's Hidden Heartlands.

"We are quite excited about the new brand, the fourth destination brand for the Midlands"

"We expect a big international bounce once Ireland's Hidden Heartlands is marketed overseas … so we are very excited by it"

Continued investment is a good indicator

2.6 A sure sign that the industry is performing well is the ongoing investment businesses are putting back into their offerings. Continually working to improve visitor experience – to encourage return visits and attract new ones – shows that the tourism sector is confident and determined to plough forwards.

"We have had investment in our sector so we are excited"

Rising prices in the capital

2.7 There has been some concern over a number of years about the increasing costs associated with a visit to Dublin. The popular tourist destination continues to struggle with accommodation capacity. The knock-on effect of this is the rising prices of staying in the capital.

2.8 This could make Dublin poorer value for money when compared with other European city breaks, pricing people out of visiting in favour of a less expensive alternative. However, the gap between the rapid recovery of tourism demand in recent years and the construction of tourism accommodation is likely to narrow in the short to medium term easing price pressures, according to Fáilte Ireland estimates.

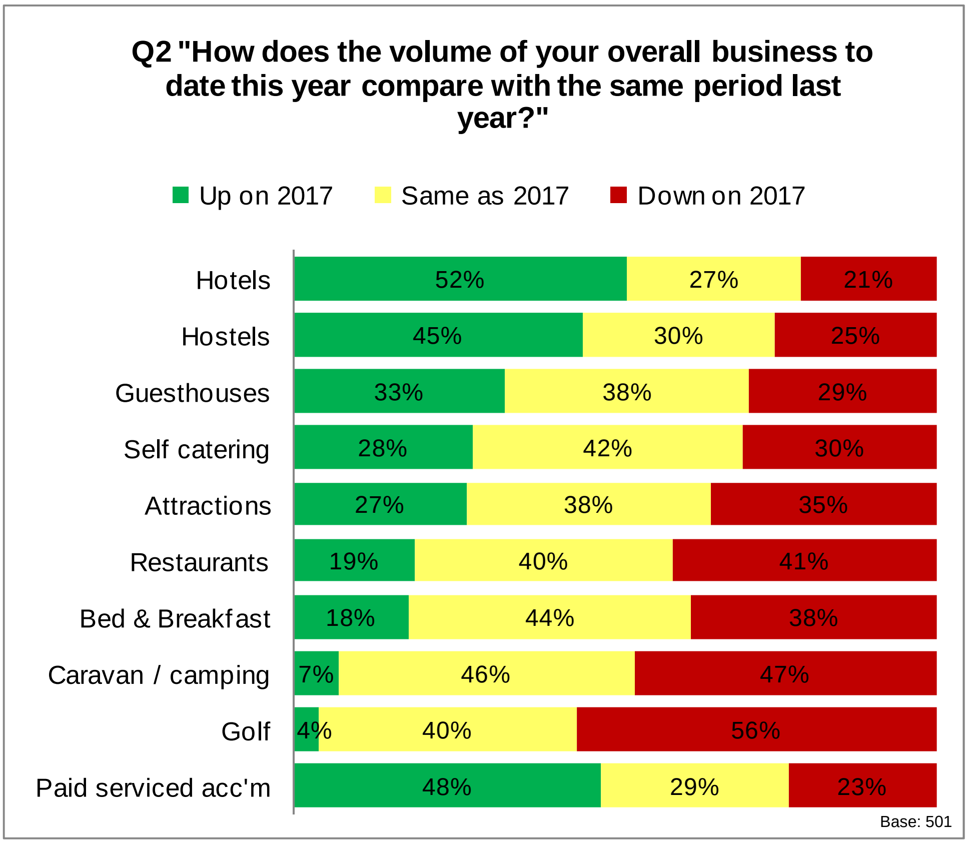
"If you're visiting Ireland you don't want to miss out on Dublin because it's expensive. If you were visiting France, would you really want to miss out on the Eiffel Tower, or the Tower of London if you were in London?"

"There is a shortage of accommodation, especially in July and August"

3. Overall Visitor Volumes and Expectations in 2018

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 2018



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 (PSA); 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.

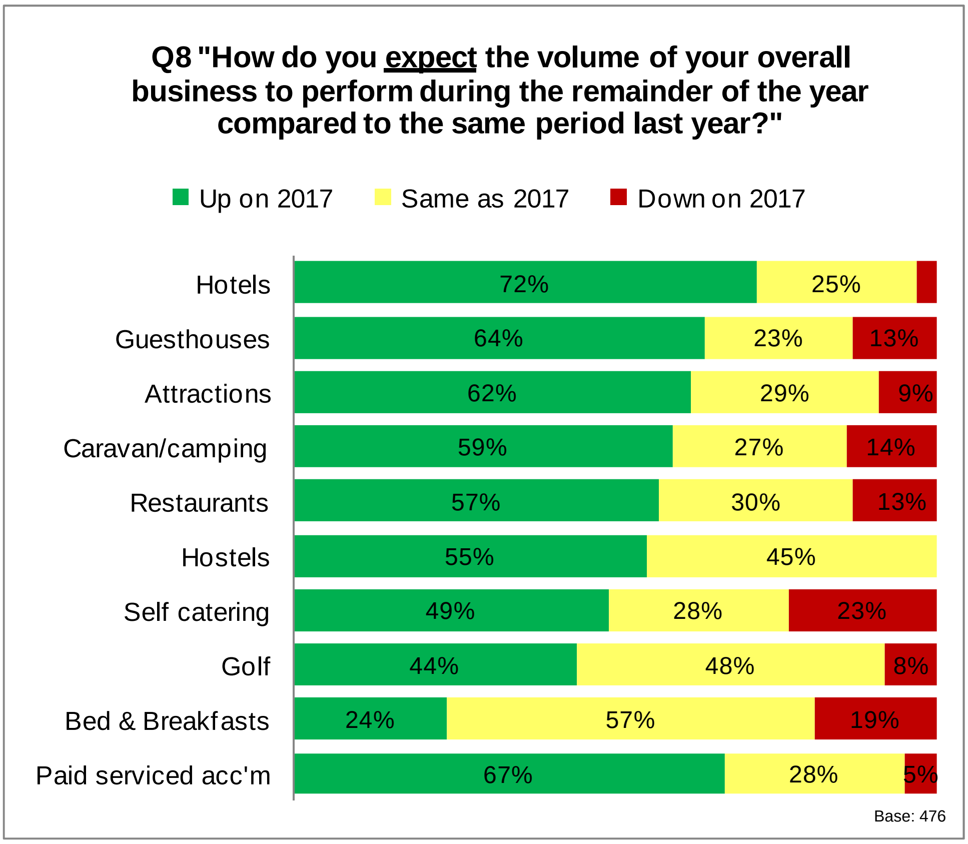
Another good year so far for hotels

3.1 The hotel sector continues to go from strength to strength. Following recent good years, about half (52%) are up on visitors to date this year compared to 2017.

But a challenging start for many sectors

3.2 In contrast to the strong performance of hotels, a number of sectors have had a tough start to the year. The visitor volumes for restaurants, B&Bs, caravan parks and golf clubs are well down compared to 2017. The weather has had a significant effect on these sectors, as freezing temperatures gripped the country. The wintry weather has been so severe, that part of St Patrick's Day celebrations in Dublin were cancelled and schools closed their doors.

Expectations for 2018



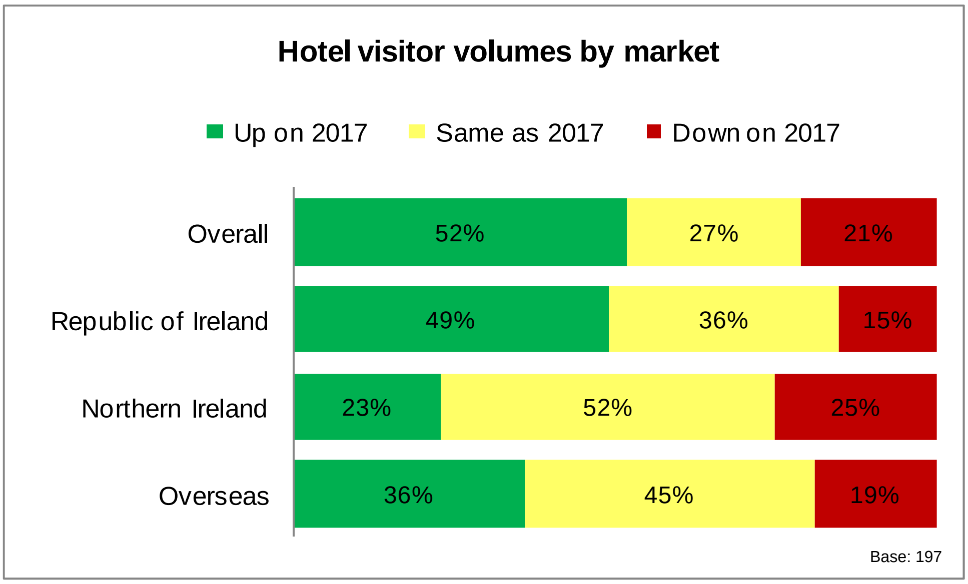
A much brighter outlook for the remainder of the year

3.3 Following a difficult weather-affected start to 2018 for many sectors, the remainder of the year is expected to be better than 2017. It seems that the slow start to 2018 is just a temporary blip on an otherwise upward trend for the Irish tourism industry.

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 2018



Strong domestic market driving hotel performance

4.1 The hotel sector is enjoying a good start to the year, and this seems largely due to the strength of the domestic market. About half (49%) of hotels have checked in more guests from the Republic of Ireland to date this year.

4.2 Numerous reasons have been given for a successful period. The most common ones are 'repeat visitors' (stated by 78% of hotels) and own marketing (76%).

"Our own marketing is the main positive factor"

"Destination Westport marketing network; working closely with fellow like-minded hoteliers"

Efforts to maintain trade from Britain and Northern Ireland

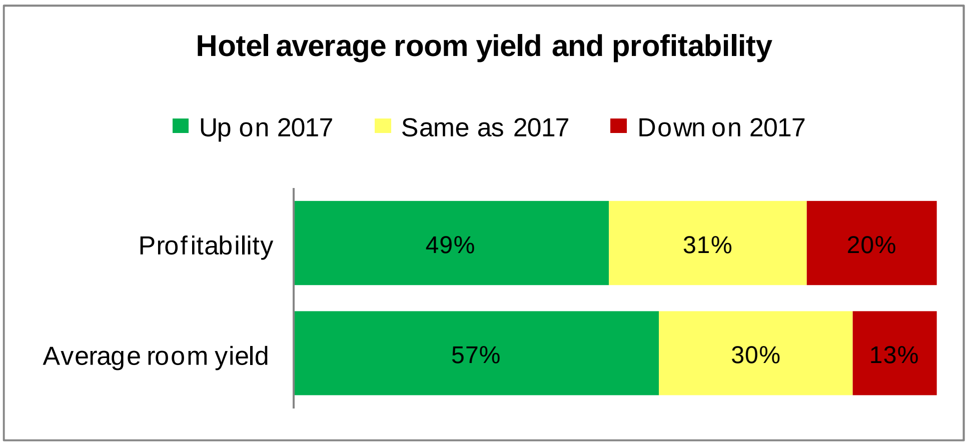
4.3 A quarter (25%) of hotels are up on visitors from Britain, but a third (32%) are down. Similarly, about a quarter (23%) are up on visitors from Northern Ireland, but a quarter (25%) are down.

4.4 Some hotels are proactively trying to maintain their business from these markets in the face of Brexit and unfavourable exchange rates.

"We have improved our marketing in the UK due to Brexit"

"The increase in volume we have experienced from Northern Ireland is because we did a budget campaign on deal sites. This attracted volume from Northern Ireland, although it didn't enhance profitability."

Hotel average room yield and profitability



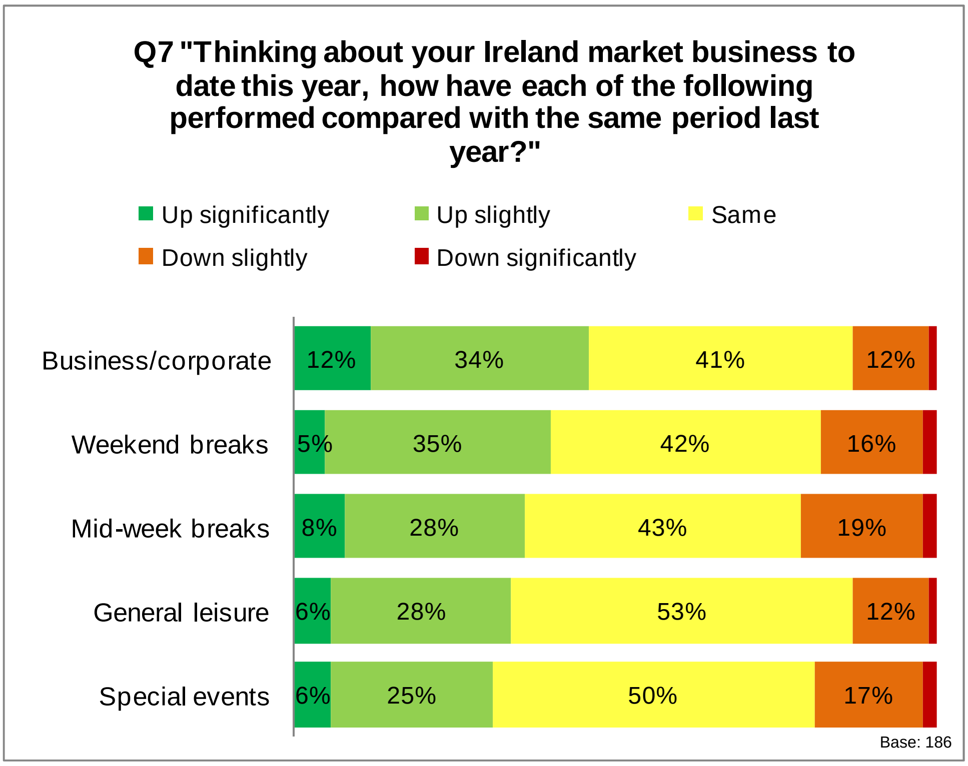
Base: 189

Room yields are significantly up as spending power increases

4.5 Encouragingly for hotel operators, the strong increase in visitor volumes to date this year has not come at the expense of margins. They have been able to increase average room yield and profitability to a similar extent. There appears to be an abundance of tourists with the ability to spend without hotels needing to discount their prices.

"Economic upturn has given us a boost – better spending power out there"

Hotel visitor types (Ireland market)



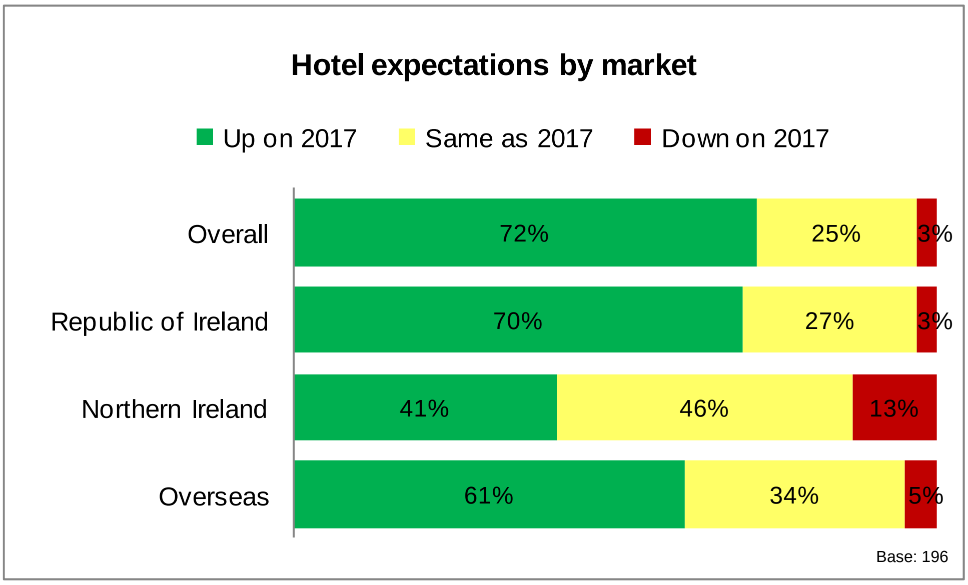
Business/corporate market continues to improve

4.6 All segments of the domestic market are performing well this year, particularly business customers. Close to half (46%) of hotels report being up here.

"There is increased corporate spend in our area, Limerick city"

"We have a lot of business from trainee pilots working for Ryanair"

Hotel expectations 2018



A very bright year ahead

4.7 Expectations for the remainder of 2018 are extremely positive, with the majority (72%) of hotels expecting to be busier than last year. Only a very small minority (3%) expect volumes to be down.

Very strong domestic market – both leisure and business

4.8 The strong domestic market experienced to date is expected to boost visitor numbers in the remainder of the year too. Many (57%) hotels cite 'Irish people holidaying in Ireland' as a positive factor affecting their business this year.

4.9 As well as leisure tourism, business tourism also contributes to the strong performance of the domestic market.

"The increase seems to be from work activity – contractors etc"

Events are boosting visitor levels

4.10 Three in five (61%) hotels cite 'local festivals or events' as a positive factor affecting their business this year.

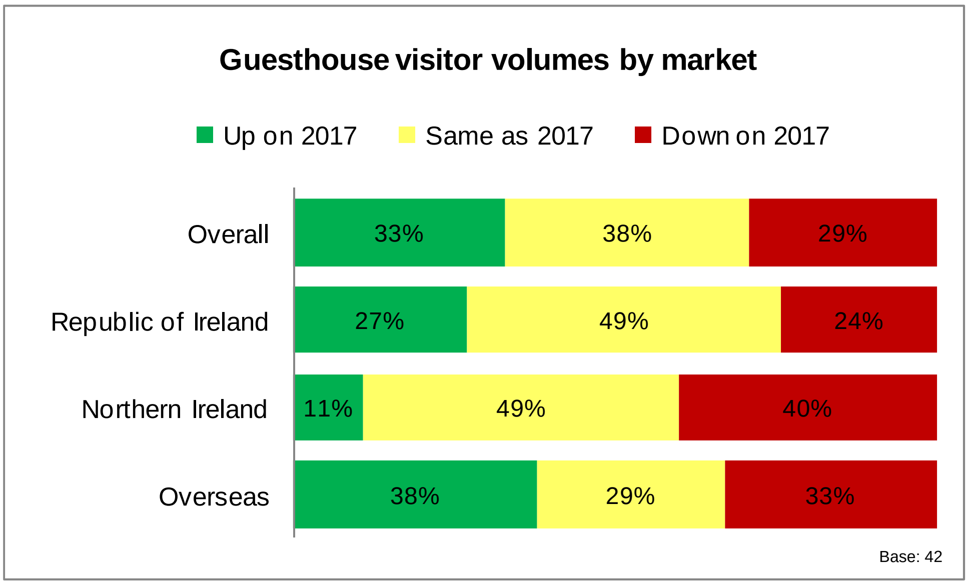
4.11 There appears to be a lot of activity already in Galway in the run-up to 2020 (European Capital of Culture). Also, Ed Sheeran concerts around Ireland in May seem to have had a significant effect on bookings.

"Galway as a whole is vibrant with 2020 approaching. This year and in the coming year there are lots of festivals."

"Ed Sheeran is doing a concert in May – massive impact"

5. Guesthouses

Guesthouse visitor volumes 2018



North American visitors holding up the numbers

5.1 Guesthouses have had a mixed start to the year, with fairly equal proportions reporting being up and down.

5.2 It is largely thanks to the American market that a third (33%) of guesthouses are up overall. About two in five (38%) guesthouses have welcomed more North American visitors to date this year.

Domestic market holding up, but most other markets are down

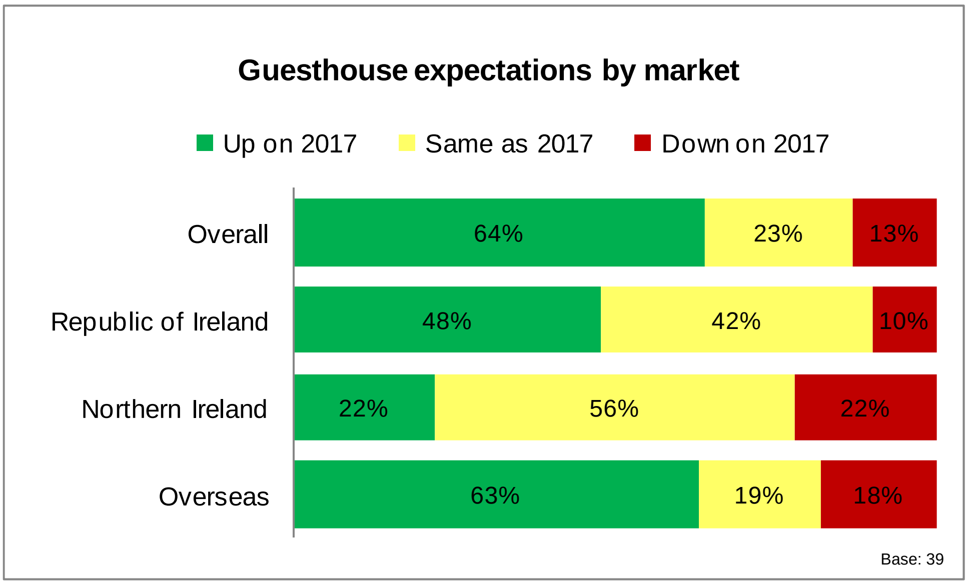
5.3 The domestic market appears to be reasonably stable, but apart from North America, all other major markets are down.

5.4 The UK market in particular is hard hit. Two in five (40%) guesthouses are down on Northern Irish visitors, and over half (54%) are down on British visitors.

Airbnb is perceived by some as significant competition

5.5 Half (49%) of guesthouses cite 'low-priced competition' as an issue of concern this year. This is the highest proportion of any sector saying this. Many comments have been made about the effect of Airbnb competition.

Guesthouse expectations 2018



Much is expected from North America and the domestic market

5.6 After a mixed start, the remainder of 2018 looks very positive. About two thirds (64%) of guesthouses expect to be up on visitors this year.

5.7 Hopes are pinned on the North American and domestic markets. About three in five (58%) expect to be up on North American visitors and about half (48%) expect more domestic visitors.

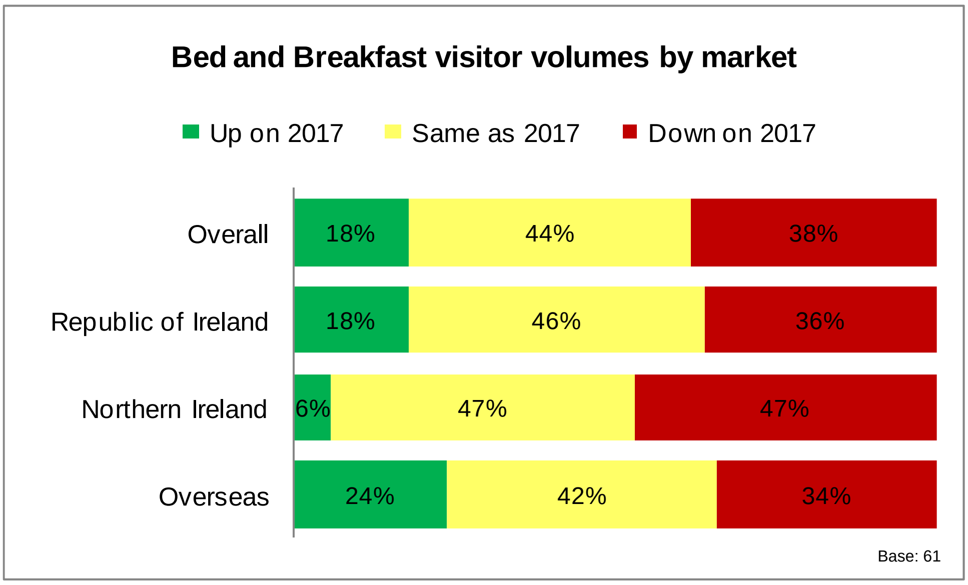
Significant impact of the Wild Atlantic Way

5.8 For those based in the west of Ireland, the Wild Atlantic Way marketing initiative continues to have a very positive impact. Five in six (83%) guesthouses based in the Wild Atlantic Way cite this as a positive impact.

"The Wild Atlantic Way has made a fantastic impact on our business"

6. B&Bs

B&B visitor volumes 2018



Challenging start to the year

6.1 Some (18%) B&Bs have seen increased visitor levels to date this year, but about two in five (38%) have experienced a decrease. All markets are down on balance.

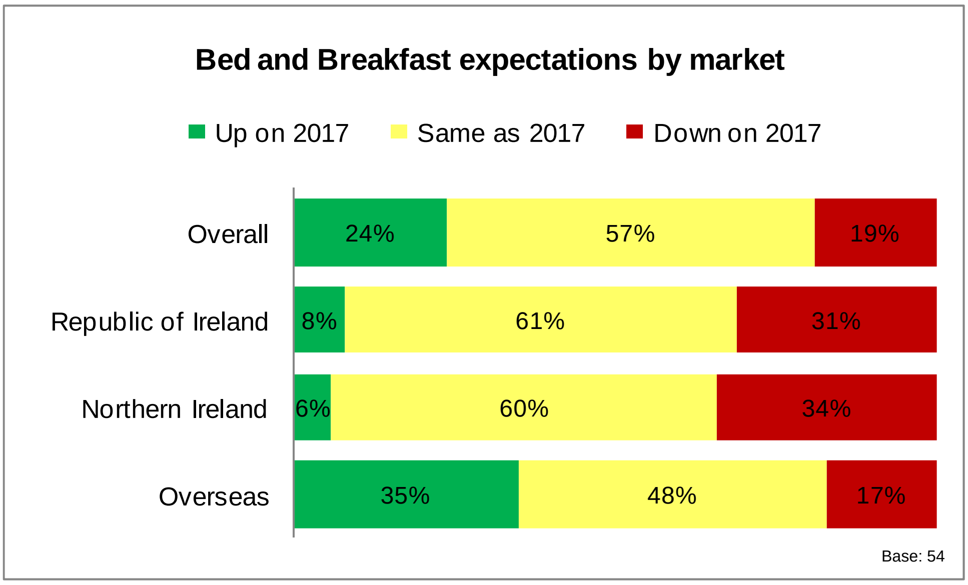
"Having had no guests so far this year, there are not a lot of positives"

Mix of factors at play

6.2 Various factors have combined to make this year testing so far. Close to half (46%) cite the weather as an issue, although the impact on B&Bs appears to have been less significant than on other sectors. Some (37%) cite 'fuel and energy costs', and the same proportion (37%) cite 'low-priced competition', including Airbnb.

"Low cost competition, i.e. unregistered houses, Airbnb"

B&B expectations 2018

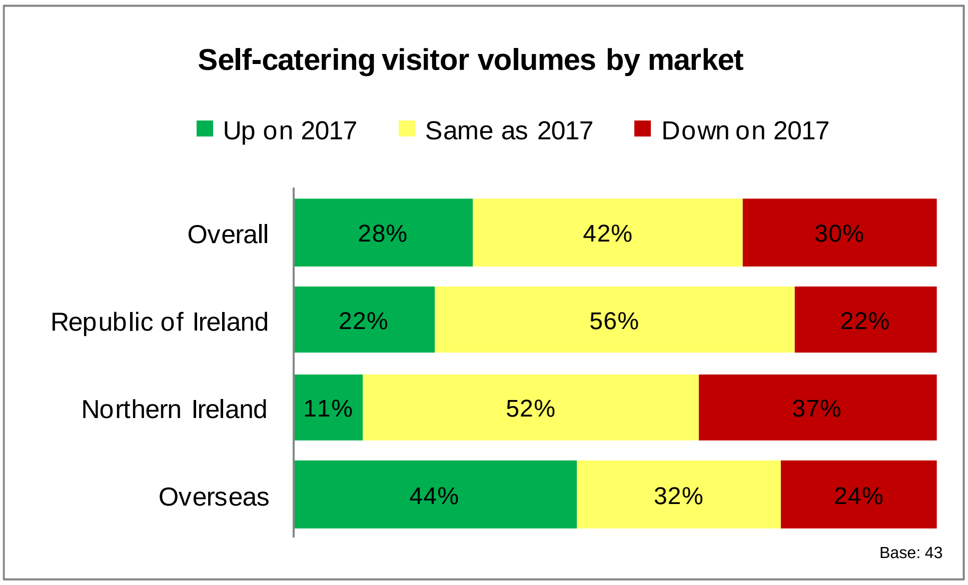


Looking overseas for improvement in performance

6.3 Following a difficult start to the year, the remainder of 2018 looks somewhat better. Expectations for a better year than 2017 seem to rest quite heavily on the performance of overseas markets. About a third (35%) expect to be up on overseas visitors.

7. Self-catering

Self-catering visitor volumes 2018



Mixed start to the year

7.1 Some (28%) self-catering operators have had an increase in visitors to date this year, but a similar proportion (30%) have experienced a decrease.

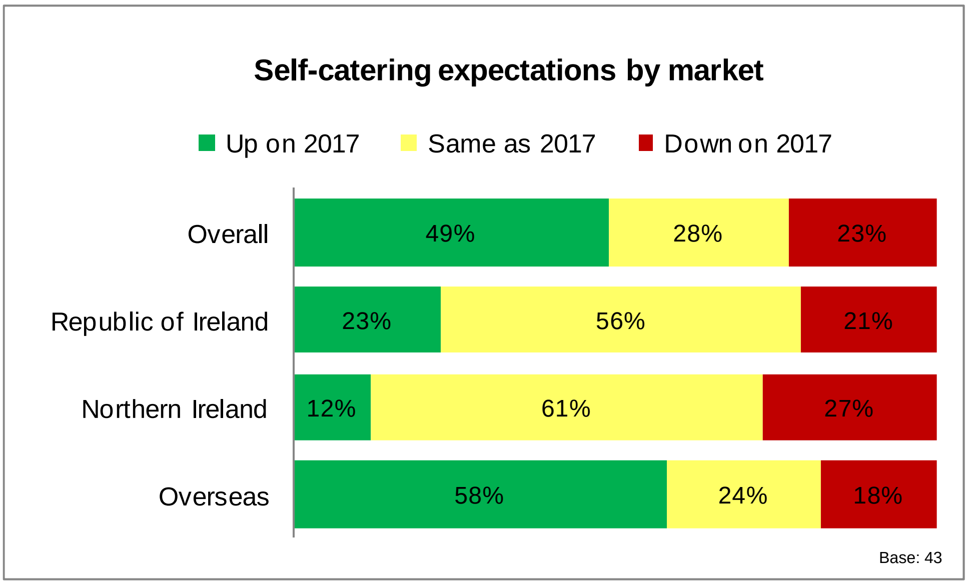
7.2 The North American market is a huge positive for those experiencing growth. Over half (55%) of self-catering operators have seen an increase from this market.

If you can't beat 'em, join 'em

7.3 Like B&Bs and guesthouses, the self-catering sector is also being affected by competition from Airbnb. While some are resigned to the loss of business, others have decided to join them.

"We have enlisted with Airbnb. It's bringing results."

Self-catering expectations 2018

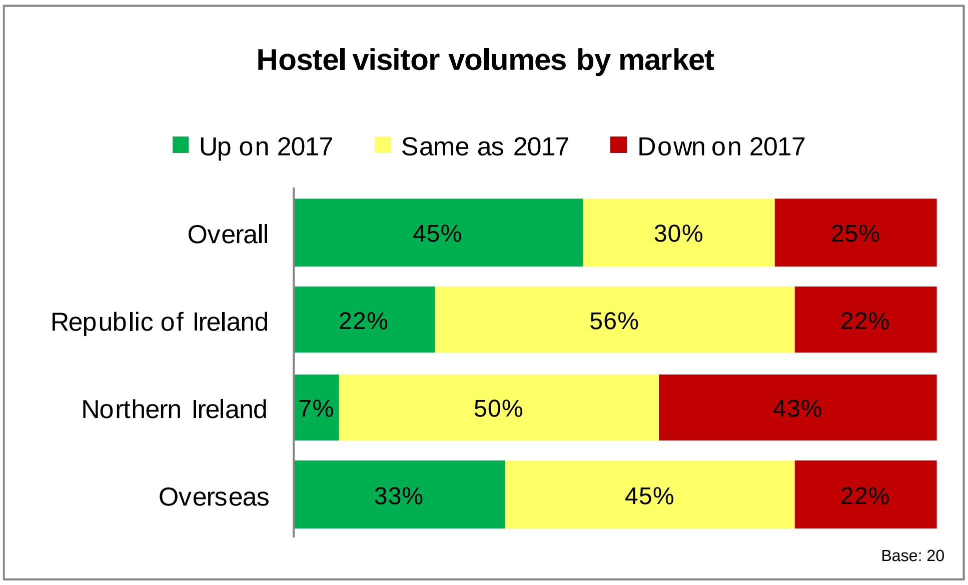


Better times ahead

7.4 About half (49%) of self-catering operators expect the remainder of 2018 to be up on last year. Like other sectors, much is expected of the North American market. Three in five (60%) expect to welcome more North American guests.

8. Hostels

Hostel visitor volumes 2018



Germans boost the performance of hostels

8.1 Amidst other sectors facing challenges so far this year, the hostels sector has enjoyed increased visitor levels.

"Amazing work by the tourism agencies"

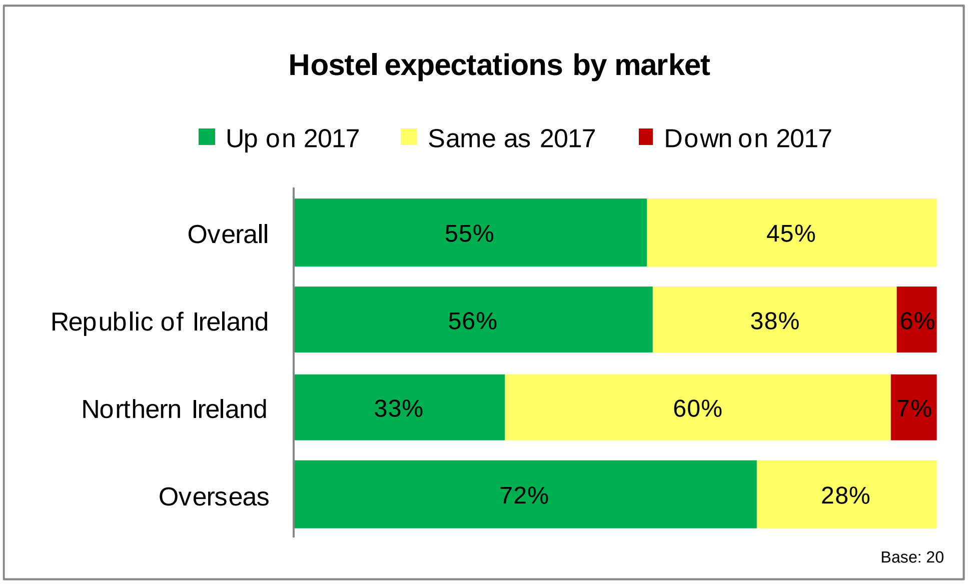
8.2 Much of the increase is due to the performance of the German market. Close to half (44%) of hostels have welcomed more German visitors to date.

Huge impact of the Wild Atlantic Way

8.3 Every hostel based in the Wild Atlantic Way region has cited this as a positive impact on their business this year.

"It's the Wild Atlantic Way – wildness here!"

Hostel expectations 2018



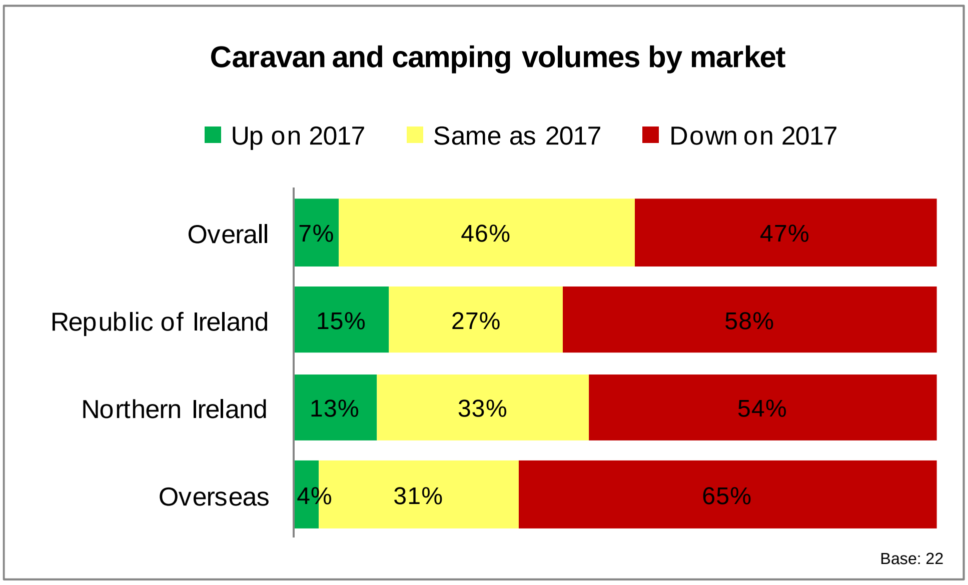
Huge expectations for the remainder of the year

8.4 No hostel expects to be down on visitors in the remainder of the year. Expectations for the overseas market are very high, with most (72%) predicting to be up. The German market in particular is expected to be up on last year (78% say this).

"We get families here, stags and young people travelling the world"

9. Caravan & camping

Caravan & camping visitor volumes 2018

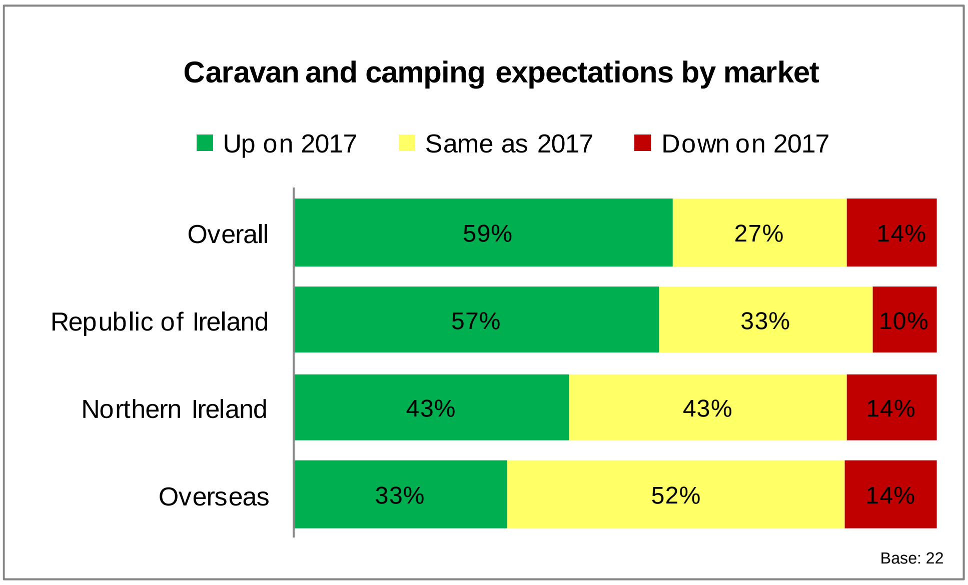


Unfortunate effect of nature

9.1 The caravan & camping sector is particularly weather-dependent and so it is not surprising that the unusually cold and wet early spring greatly affected visitor levels.

"You go through all the things you want – it doesn't matter how you advertise – but it's all weather-dependent"

Caravan & camping expectations 2018



Many reasons to be positive

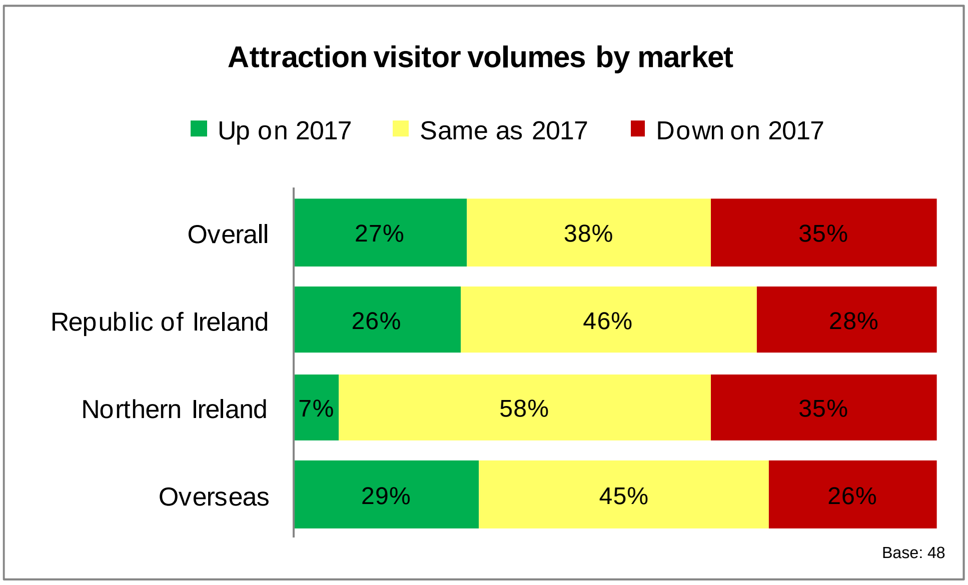
9.2 The bad weather start to the year may get forgotten quickly if visitor numbers pick up as expected. The domestic market is behind the expectations, with many (57%) operators expecting to see an increase in ROI visitors.

9.3 There seem to be many reasons to be positive in this sector, including:

- Repeat visitors (100% of respondents)
- Irish people holidaying in Ireland (74%)
- Own marketing (71%)
- Own investment in the business (71%)

10. Attractions

Attraction visitor volumes 2018



Weather-affected start to the year

10.1 About a quarter (27%) of attractions have had more visitors to date this year, but more (35%) have experienced a decrease. Visitor levels have been somewhat 'rescued' by the North American market, whereby 37% of attractions report an increase in visitors.

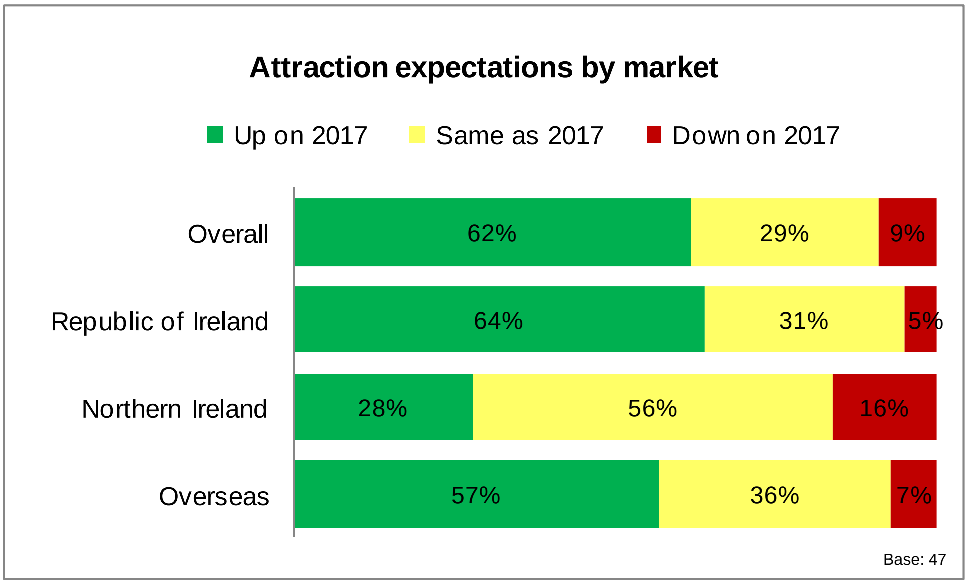
10.2 The weather has hit this sector. Three in five (61%) cite this as an issue of concern.

"The weather has had a big negative effect on our business and we are now looking to enhance our indoor offerings"

Attractions outside of major cities losing out more on tours

10.3 The weather has not been the only significant concern so far this year. About three in five (59%) cite 'more tourists using Dublin and other cities as a touring base rather than staying locally' as a concern – the highest proportion of any sector stating this.

Attraction expectations 2018



Domestic and overseas markets are both expected to be significantly up

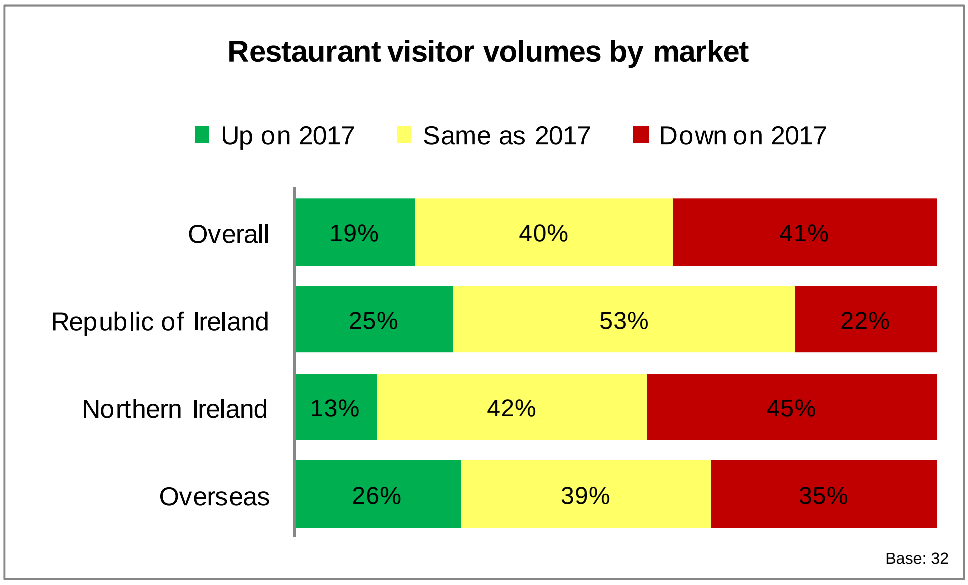
10.4 The remainder of 2018 is looking highly promising. The market for attractions is expected to be strong both domestically and overseas. There are many reasons to be positive, especially because of 'own marketing' (cited by 69% of attractions as a positive factor this year).

"In the long term we are positive and have seen visitor numbers improve"

"Going forwards it will be very positive to be connected with the new Fáilte Ireland brand – Ireland's Hidden Heartlands"

11. Restaurants

Restaurant visitor volumes 2018



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

One of the more weather-affected sectors

11.1 About one in five (19%) restaurants have increased their tourist customer levels to date this year, but about twice as many (41%) have experienced a decrease.

11.2 It seems that the weather has hit this sector more than most, with the majority (82%) citing this as a concern.

Repeat visitors are a key positive

11.3 Most (76%) restaurants cite 'repeat visitors' as a positive factor affecting their business this year – the most frequently mentioned positive in this sector. Repeat visitors can bring some stability during challenging times.

"We use local produce, which is superior and encourages visitors to keep coming back"

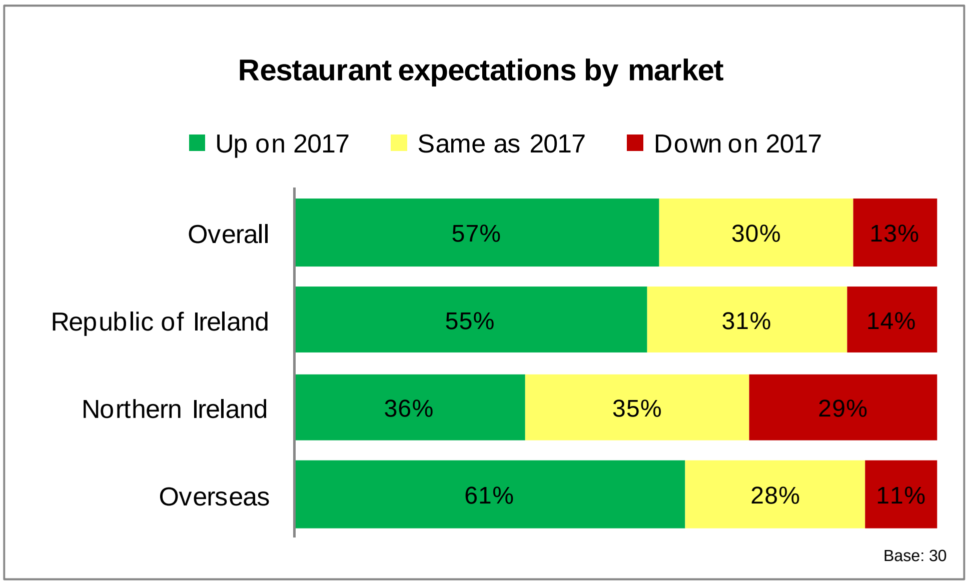
But rising operating costs are a key challenge

11.4 One in five (20%) restaurants report increased profitability to date this year, but a much higher proportion (43%) are down. It seems that the sector is under pressure from rising operating costs (beside fuel and energy) – stated by 56% of restaurants.

"Rising operating costs are insurance, rates, rent, wages and raw food"

"Overheads are a concern. The wage bill is definitely an issue."

Restaurant expectations 2018



Temporary blip

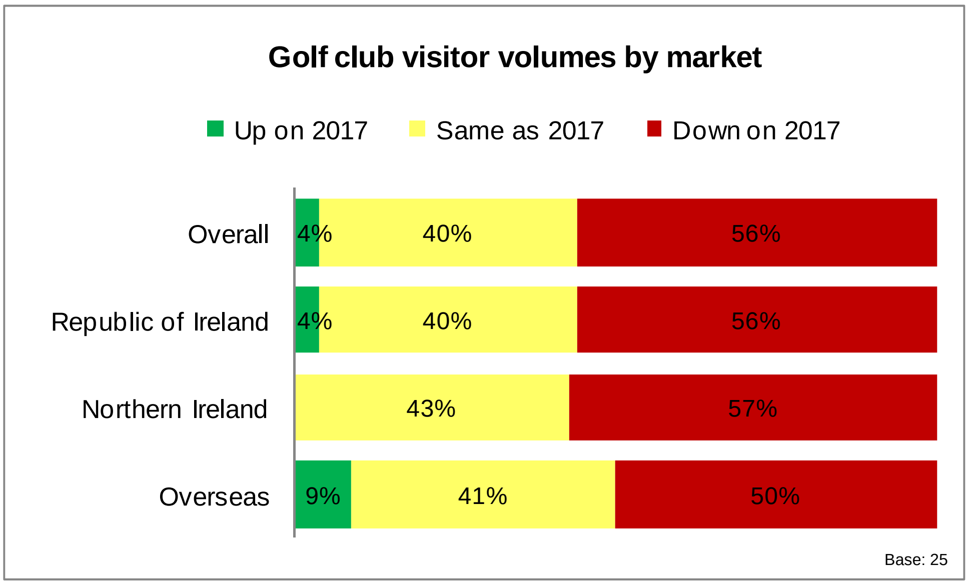
11.5 The restaurant sector may just have experienced a temporary weather-related blip on performance, as business is expected to pick up in the remainder of the year. Well over half (57%) expect to be up overall, and this optimism includes both the domestic as well as the overseas market.

"Our city is improving aesthetically. There are more events and attractions now in Limerick."

"Improvement in visitor numbers through Cork Airport and Wild Atlantic Way routes. Culturally Curious visitors are more affluent and informed. There's a greater demand for food with provenance and integrity."

12. Golf

Golf visitor volumes 2018



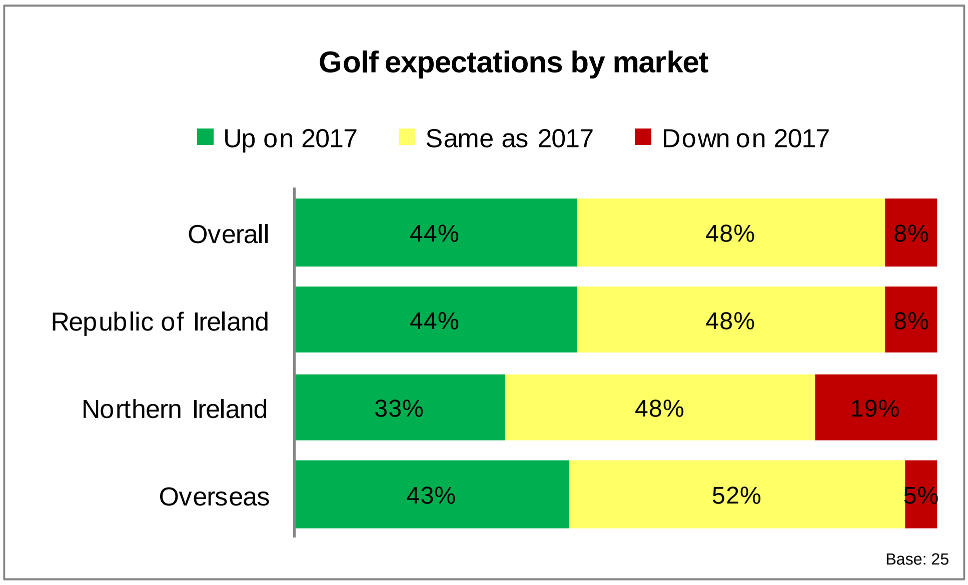
Golf clubs invited to take part in the Barometer have been asked to answer questions in the context of their green fee paying, i.e. non-member, business

Delayed tee-off for the year

12.1 Golf clubs have not yet properly 'got going' for the year with tourism customers. Many (56%) report being down year to date, and only one of the twenty-five golf clubs interviewed reports being up. Almost all (96%) golf clubs cite the weather as an issue of concern this year.

"Weather in the early part of the year has been a big factor"

Golf expectations 2018



Finding the fairways when fair weather arrives

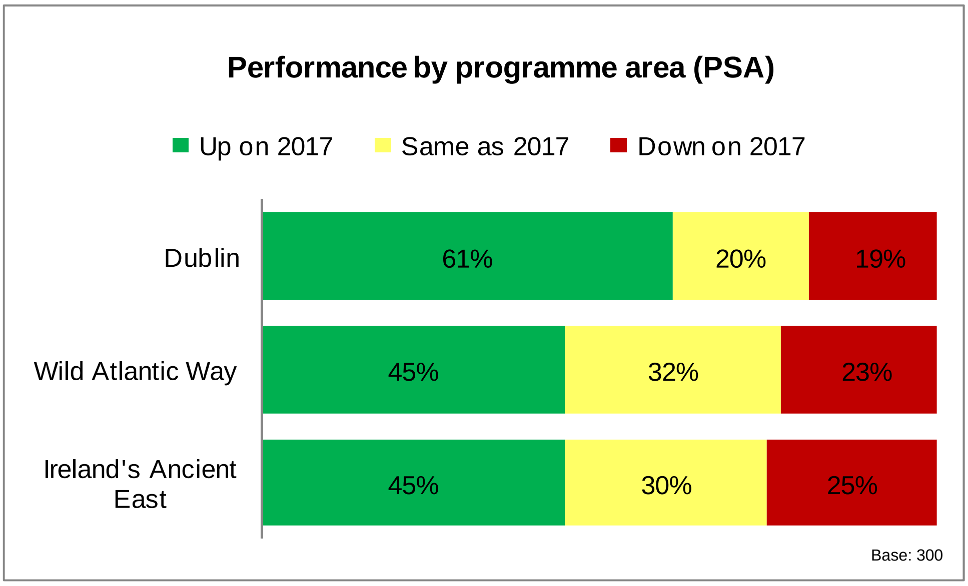
12.2 Expectations for the remainder of the year are a complete contrast to the performance to date. Nearly all (92%) golf clubs expect to be up or the same on visitor levels compared to 2017. ‘Repeat visitors’ and ‘own marketing’ are the most frequently mentioned positive factors (72% of respondents in each case).

“We’re in a very picturesque location – it’s really helpful for us”

“We’re located near the beach, which helps bring people in. I’ve also noticed people are spending more.”

13. Performance by Programme Area

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



All programme areas performing well

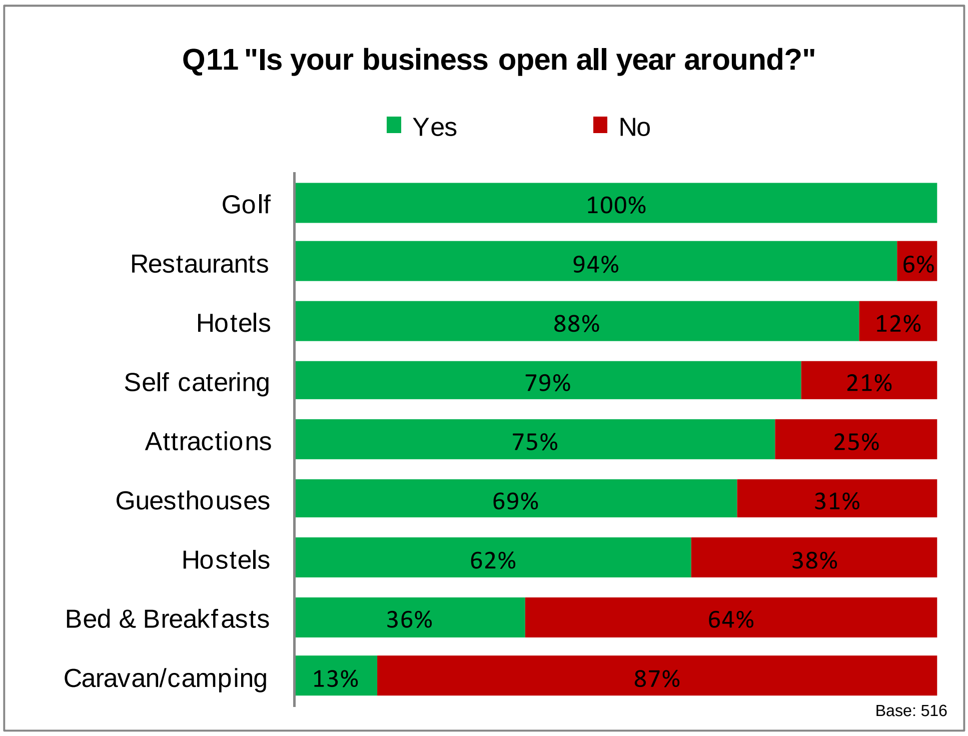
13.1 The PSA sector is performing well in all three programme areas, especially Dublin, where three in five (61%) are up on visitors.

New initiative

13.2 2018 sees the launch of 'Ireland's Hidden Heartlands' – the new branding for the midlands. Future research waves may measure the performance of the PSA sector in this newly branded region.

"Ireland's Hidden Heartlands might help bring people here"
Caravan park

14. Changes in the Tourism Season



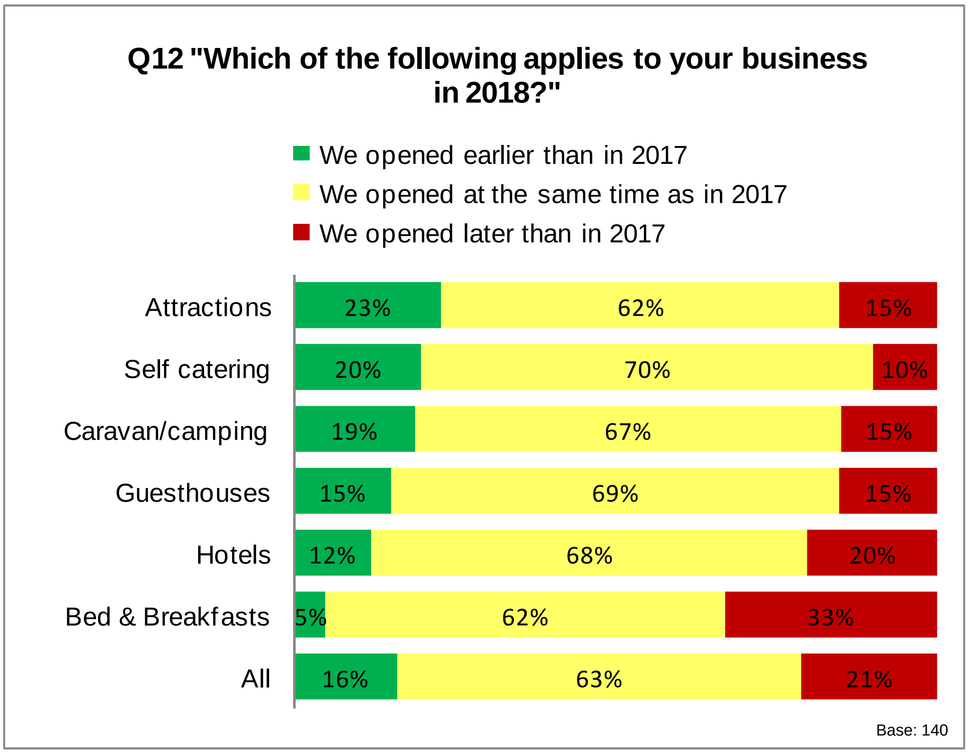
Staying open for business

14.1 Most (73%) operators say that their business is open all year around – but for others, the seasons play a big part in how long they stay open for.

14.2 The following pages look at any changes to when businesses opened this year, and the reasons for any changes.

Changes to opening

14.3 The following questions have been asked to operators whose business is not open all year around.



The sample for some sectors is too small to separate out for this question

Mixed answers on opening periods

14.4 Overall, close to two thirds (63%) of businesses which are not open all year round say that they opened at the same time in 2018 as in 2017.

14.5 B&Bs are the most likely to have opened later. Being very small, they can be flexible with their opening and often gauge this on enquiries.

Reasons for changes

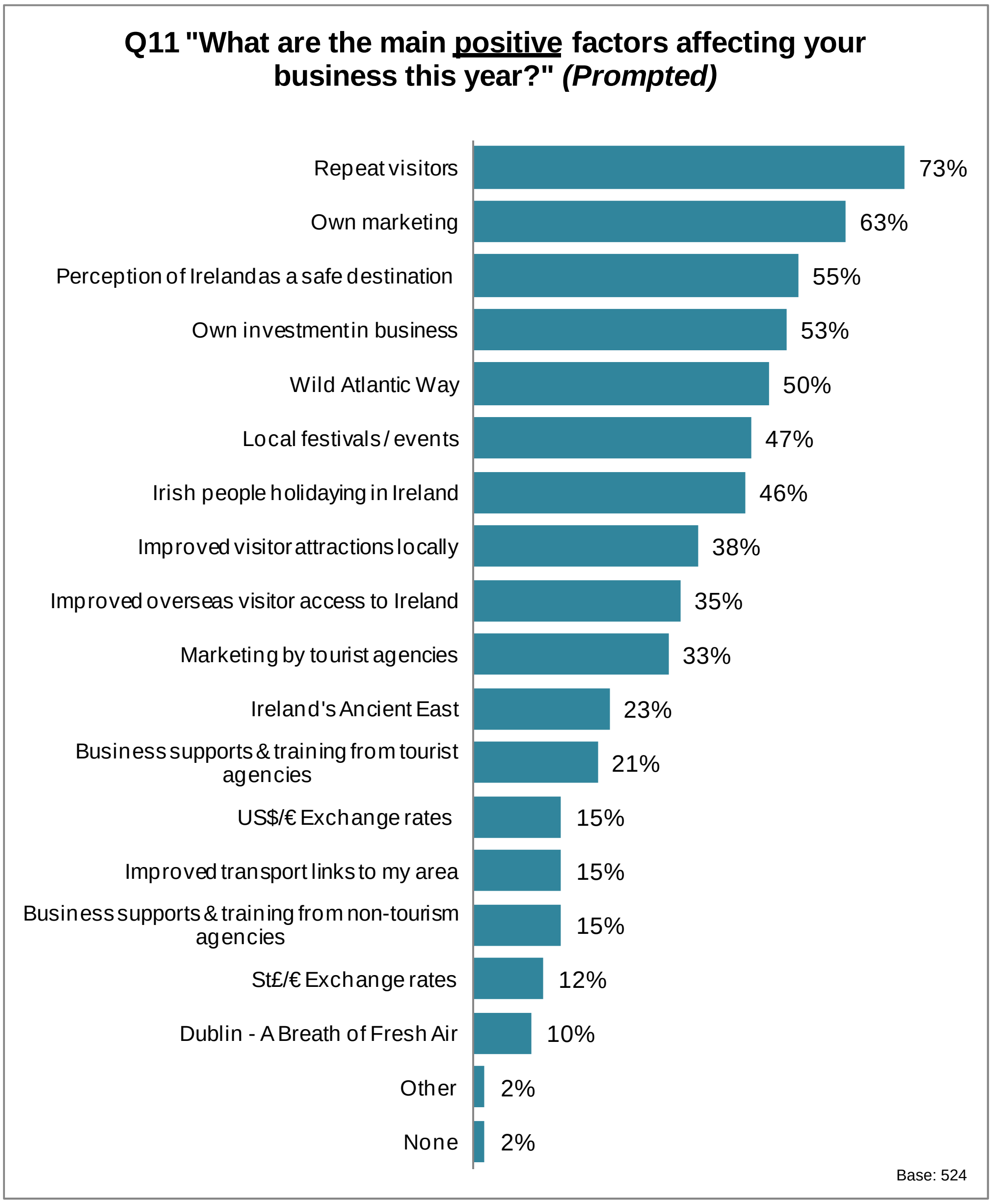
14.6 19 of the 23 businesses opening earlier than in 2017 say this is because Easter fell earlier.

14.7 Among the 29 businesses opening later than in 2017, a range of reasons have been given. The most common ones are: renovation or redecoration (10 respondents), fewer bookings (10) and unforeseen problems (8).

14.8 Also, rising operating costs make it uneconomical for some to open when trade is slow.

"Costs are higher and we don't know if we'll be able to continue"
Caravan park

15. Positive Factors in 2018



Making a welcome return

15.1 About three quarters (73%) of businesses say that repeat visitors are a positive factor this year. Offering people a warm welcome and an enjoyable visit is key to seeing them come back for more. This is particularly important during the more challenging periods for maintaining stability.

15.2 To see repeat visitors and lift numbers, operators have been improving their offerings by investing in their business (53%) and praise the warm welcome and courteous behaviour of their employees.

"Friendliness of Irish staff and people"
Hotel

Improving marketing makes a positive impact

15.3 Investing time, money and effort into their own marketing is also benefiting business for 63% of operators – with higher proportions of hotels (76%), golf clubs (72%) and caravan/campsites (71%) reaping the rewards of time spent promoting their offerings.

"Marketing my establishment more aggressively"
B&B

Wild Atlantic Way bolsters the west

15.4 The positive impact of successful programme area the Wild Atlantic Way continues to be felt. Most (78%) businesses operating in the programme area say it is having / will have an impact on their business this year.

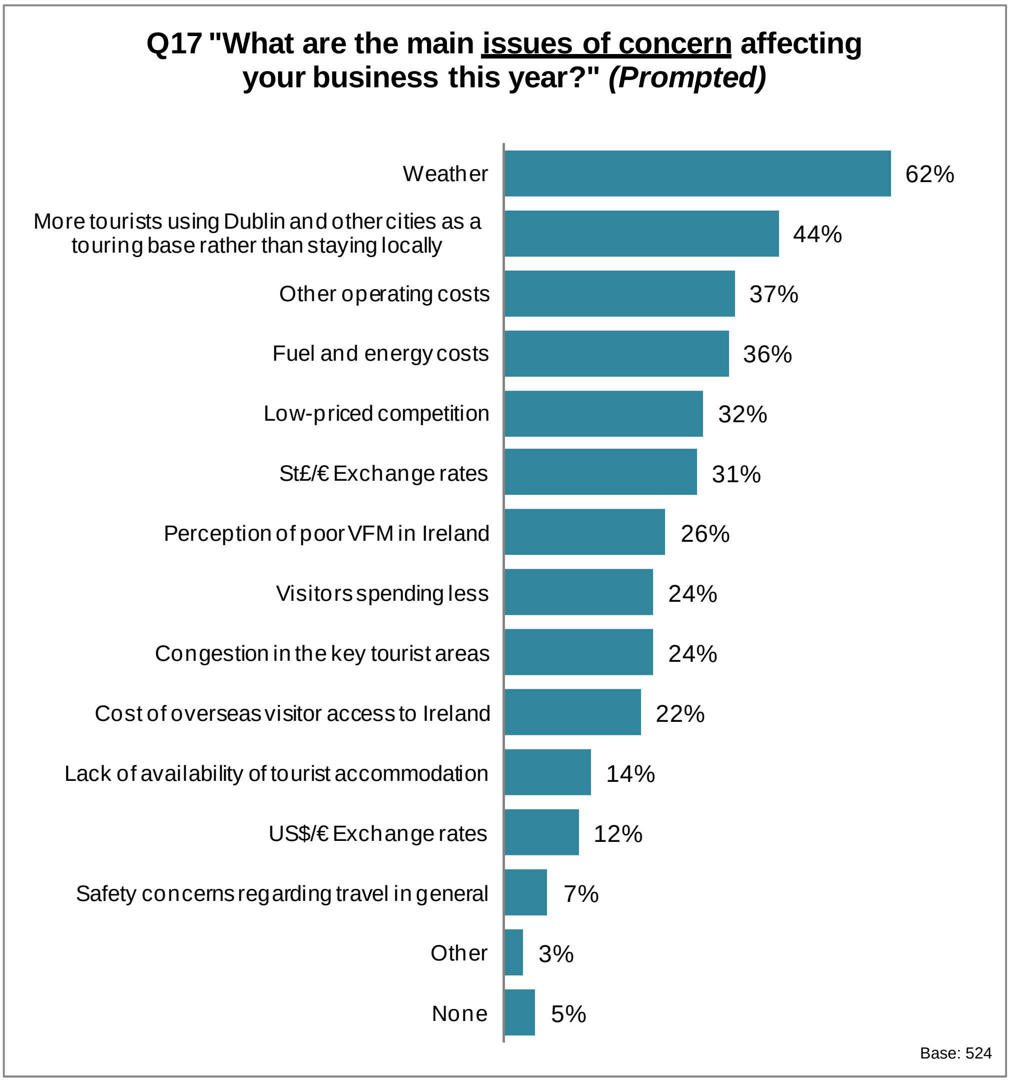
"The Wild Atlantic Way has made a fantastic impact on our business"
Guesthouse

Investing pays off

15.5 As mentioned earlier, more than half (53%) of business say that their own investment in the business is expected to have a positive impact this year. It is positive to see how many operators have the confidence and means to spend money improving what they offer.

"We are renovating our hotel"
Hotel

16. Issues of Concern in 2018



Weather delivers a blow to some

16.1 While little can be done about the sometimes unpredictable nature of the weather, a cold spell can – and does – bring with it some concerns for operators. After a particularly chilly March, 62% say that the weather is a dampener for them this year.

"The snow that we had was bad, especially for small businesses. Cafes and restaurants lost a lot of money during the bad weather"
Restaurant

"The weather has had a detrimental effect on business so far and has reduced my ability to invest"
Hotel

16.2 Not only does it mean people avoid holidaying or going out when it's cold outside, but potential Irish visitors head south in search of sunnier climates.

"More Irish are travelling overseas to find good weather in shoulder months, which is impacting out of season business"
Attraction

Improved infrastructure is a double-edged sword

16.3 Developing the road network makes it easier for people to get around Ireland. While 15% enjoy the benefits of improved transport links to their area, quicker travel means that visitors can take day trips from a central location rather than spending more time and money in different locations.

16.4 This is a factor included in the 44% of operators who say that more tourists are using Dublin and other cities as a touring base, rather than staying locally.

“A new motorway has opened and bypassed our village”
Restaurant

Honeypot locations are causing congestion

16.5 Some key tourist areas are seeing a congestion of visitors. Major cities such as Dublin are filling up quickly – and with demand high, prices continue to creep up.

“Dublin and the South West are saturated with visitors”
Golf club

17. Significant Differences by Broad Region

17.1 Here we highlight significant differences in results in the PSA sector between two pairs of broad regions:

- Northern counties[2] vs Rest of the country
- Dublin vs Rest of the country

Northern counties vs Rest of the country

Measurement	Northern counties	Rest of the country
Overall visitor volume year to date Net*	+6	+28
Northern Ireland visitor volume year to date Net*	-15	-6
Overall expectations Net*	+41	+67
% of PSA businesses mentioning £/€ as a concern	41%	30%

**% of Paid Serviced Accommodation (PSA) providers reporting business to be up minus % of those reporting business down*

Northern Counties' performance remains positive on balance

17.2 The September 2017 barometer showed that Northern businesses were being significantly affected by the weak Sterling and therefore overall performance compared to the rest of the country. The December 2017 wave then showed a significant improvement in performance.

17.3 In this wave, year to date performance for the Northern PSA sector remains positive on balance. Northern Ireland visitor volumes are still down, but the performance of this market is not nearly as bleak as it was in 2017.

17.4 Two in five (41%) Northern PSA businesses mention the £/€ exchange rate as a concern, but this is much lower than in Dec 17 (63%).

[2] "Northern counties" include the following: Cavan, Donegal, Leitrim, Longford, Louth, Mayo, Monaghan, Sligo

Dublin vs Rest of the country

Measurement	Dublin	Rest of the country
Overall visitor volume year to date Net*	+41	+21
GB visitor volume year to date Net*	+2	-16
£/€ a concern (% of PSA businesses)	35%	32%

**% of Paid Serviced Accommodation (PSA) providers reporting business to be up minus % of those reporting business down*

GB performance much improved for Dublin

17.5 In 2017, the decline in the British market was more noticeable in Dublin than the rest of the country. The £/€ exchange rate played a part in this.

17.6 However, the GB market has picked up significantly in this wave, and its performance is now positive on balance (+2pts compared to -48pts in Dec 17).

17.7 Similarly, while 35% of Dublin PSA businesses still see the £/€ exchange rate as a concern, this is a significant fall from 56% in Dec 17.

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 2016, 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 first wave in 2018 took place in April. The objectives were to measure:

- Business performance to date in 2018 in terms of visitor volume – overall and by key markets – and profitability
- Average room yield (hotels)
- Visitor volume expectations for 2018
- Positive factors and issues of concern affecting business
- Changes in opening periods

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.

18.6 Fáilte Ireland provided a database of 2,803 usable contacts (i.e. not opted out) for the survey spread across nine 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.

18.7 A total of 323 responses were received to the online survey – a response rate of 12%.

18.8 Following this, we conducted 201 '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	88	113	201
Guesthouses	21	22	43
Bed & Breakfast	67	-	67
Self-catering	50	-	50
Hostels	12	10	22
Caravan / camping	15	16	31
Attractions	39	12	51
Restaurants	21	13	34
Golf	10	15	25
Total	**323**	**201**	**524**

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.