

# Tourism Barometer

Strategic Research and Insight

May 2022





# Headline Findings (1)

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## Visitor volumes not yet back to pre-Covid levels – especially overseas

- 30% of businesses have had more domestic visitors to date this year compared to a ‘normal’ pre-Covid year, and 30% have had the same level; 40% have seen a decrease
- At the same time, two thirds (67%) say overseas visitor levels are down so far this year compared to normal
- Looking ahead, 31% of accommodation operators have more advance domestic bookings to date this year than normal, 30% have the same level, and 39% have fewer
- But overseas tourism is slow to return: 60% of accommodation operators are down on overseas bookings for this summer

## Trying to address recruitment challenges

- Most (87%) businesses recruiting staff are finding it hard – but employers are taking action
- 71% of those recruiting are increasing pay, 69% are offering more flexible work patterns and 64% are offering more predictable work schedules
- This seems to fit with Fáilte Ireland’s national media campaign ‘*Works for me*’, targeting parents and retirees

# Headline Findings (2)

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## Reasons to be positive this year

- The two most commonly cited reasons to be positive about business this year are:
  - Pandemic subsiding (58% of respondents) – even though there are now other significant challenges to trading profitably, some operators are grateful just to be open again
  - Return of overseas visitors (58%) – although this is happening slowly, businesses relying on the overseas market are happy to welcome back overseas tourists

## Rising costs are the top concern

- The most commonly cited causes for concern this year are rising energy costs (82%) and operating costs besides energy (78%)
- This gives operators the dilemma of putting up prices to levels which visitors can't afford or would see as poor value for money, or maintaining prices, which is not sustainable

# What is this research about?

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## Background

- Covid restrictions finally relaxed following a winter resurgence of Covid
- The key aims of this research are to understand:
  - Visitor volumes and advance bookings in 2022 compared to pre-Covid years
  - Recruitment difficulties and actions taken by employers
  - Reasons to be positive or concerned about business in 2022

## Method

- Fáilte Ireland designed a questionnaire which was set up online by SRI (Strategic Research and Insight), an independent research agency
- Fáilte Ireland distributed the survey link to its trade database on 10<sup>th</sup> May 2022

# Sample

Accommodation sector	Sample size
Hotels	122
B&Bs	93
Self catering	50
Guesthouses	21
Other accommodation	32

- **732 responses in total after de-duping by business**

Non-accommodation sector	Sample size
Pubs and bars	104
Attractions	92
Activity providers	60
Restaurants	39
Cafes	23
Tour guides	15
Inbound operators and DMCs*	13
Golf clubs	11
Coach operators	11
Event organisers	11
Other non-accommodation	35

*\*Destination Management Companies*



# Main findings



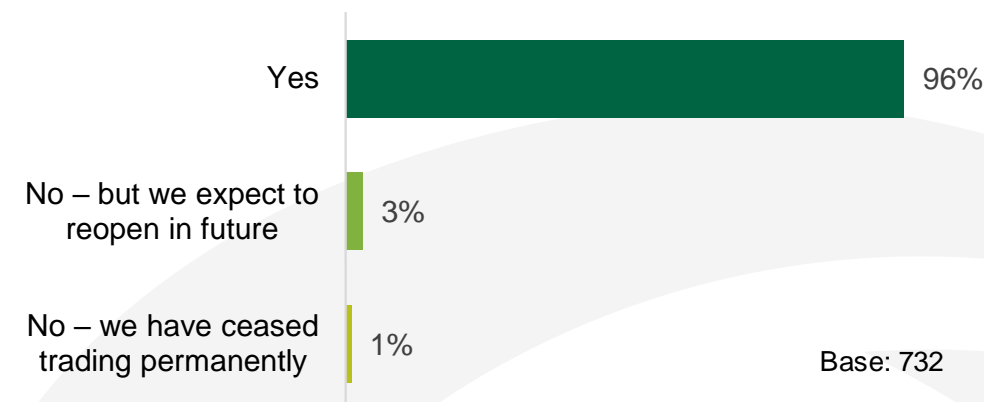
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# Reopening and capacity

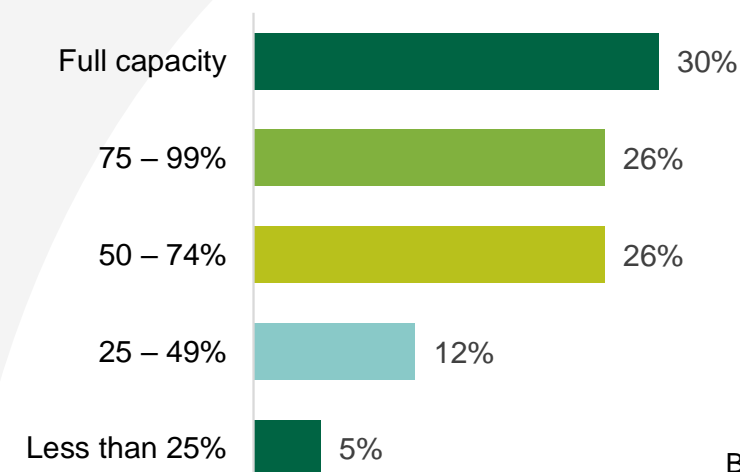
## Back in business – but not necessarily at full capacity

- Following a winter resurgence of Covid and re-introduced restrictions, nearly all Irish tourism businesses are open again
- But the industry is not operating at anywhere close to full capacity
- Activity providers are particularly handicapped – 36% are operating at less than half normal capacity

### Q4 "Are you currently open for business?"



### Q5 "At what level of normal capacity is your business operating?"



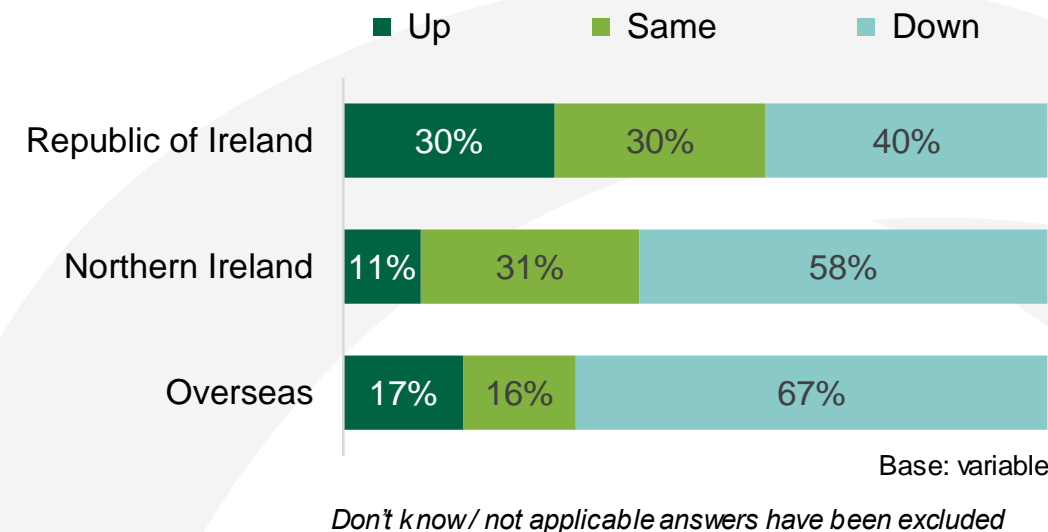
# Visitor volumes to date

## Visitor volumes not yet back to pre-Covid levels

- Industry continues to rely on the domestic market to date this year as business recovers
- The domestic market is performing very well for hotels:
  - 50% of hotels are up on domestic visitors year to date, and 30% have the same level compared to pre-Covid
- Overseas business is yet to recover
- Some are grateful just to be open again

*"Great to be open and hoping at best to get to about 65% of our business vs 2019"*  
Attraction, Cork

**Q6 "How does your volume of visitors to date this year compare to a normal pre-Covid year from each of the following markets?"**





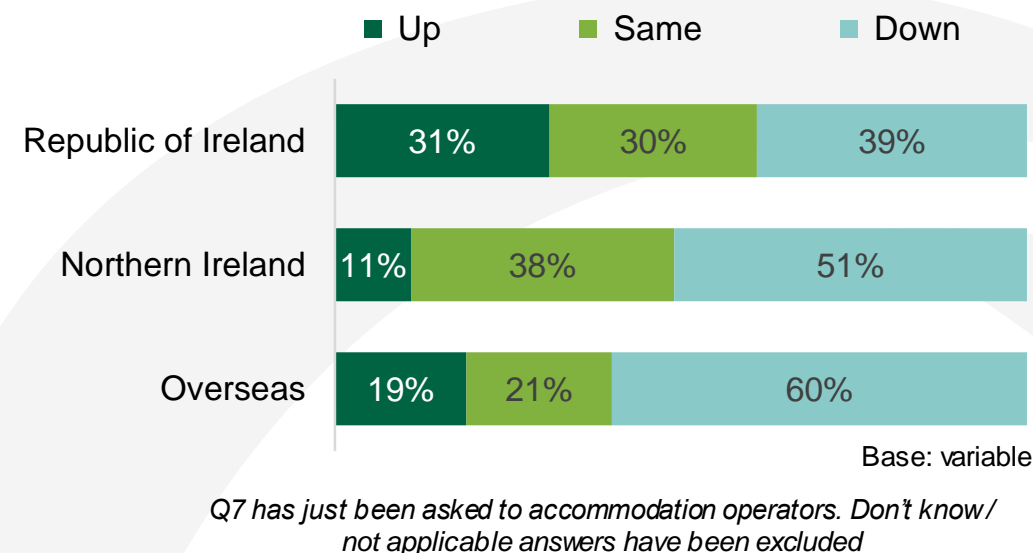
# Advance bookings

## Overseas bookings still well short of pre-Covid levels

- As things stand, the industry will still be relying on domestic market for bookings this summer
- Overseas bookings are still well below pre-Covid levels in every accommodation sector
- But the last-minute booking trend in 2022 means that the summer is still quite hard to predict

*"Numbers are way down on overseas visitors. I have a feeling this year will be slow as my bookings suggest as we are usually nearly 80% booked for summer by now and I have roughly around 35% booked up so far this year ... not looking good"*  
B&B, Donegal

## Q7 "And how does your level of advance bookings for this summer compare to normal from each of the following markets?"



*"See 2022 and 2023 as years of recovery – thinking positively but not back to 2019 levels. Experiencing very short lead in time for bookings for 2022, making it difficult to be certain about how 2022 will play out."*  
Hotel, Dublin

# Employees new to tourism

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## Many new faces

- Among staff recruited or being recruited to work this summer, about one third are expected to be new to working in tourism sector
- Findings are fairly consistent by sector and region, but the proportion of staff new to tourism sector is higher among:
  - Activity providers (around half are new)
  - Dublin businesses (around half are new)
- Some operators are concerned about how they can maintain high standards when they have little choice but to employ inexperienced staff

**About one third of staff to be employed this summer are new to tourism**

**This is the same as in summer 2021**

*“Currently there is extremely high demand for business in rooms and events and added pressure trying to meet the demand whilst maintaining standards with non experienced staff”*

Hotel, Dublin

*“It will be very difficult trying to give quality service with so many staff that are new to hospitality. The industry has lost so many experienced supervisors & managers”*

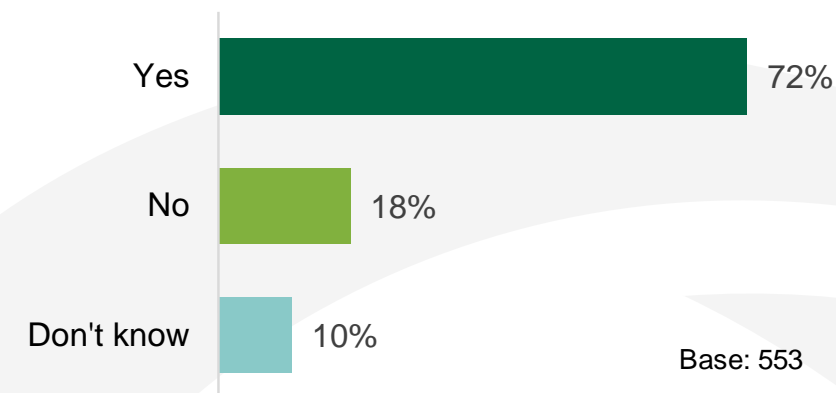
Hotel, Mayo

# Recruitment in 2022

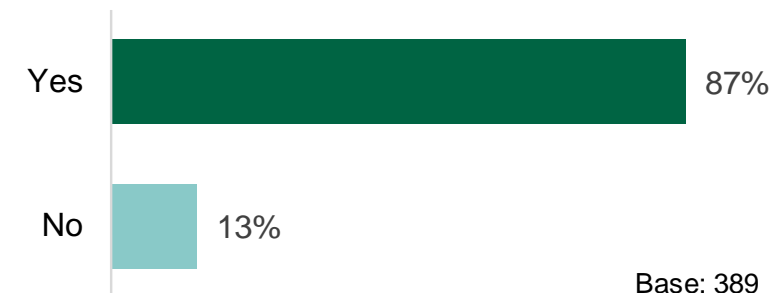
## Continued difficulties with recruitment

- Most (72%) businesses employing staff have recruited or intend to recruit this year
- The proportion recruiting is particularly high among:
  - Hotels (95%)
  - Restaurants (92%)
- Difficulty in recruiting is consistent across sectors and regions, but especially high among:
  - Restaurants & cafes (all who are recruiting have experienced difficulties)
  - Coach operators (all)
  - Hotels (98%)

### Q10 "Have you or do you intend to recruit new staff in 2022?"



### Q11 "Have you experienced any difficulties in recruiting new staff?"





# Roles which are hard to recruit

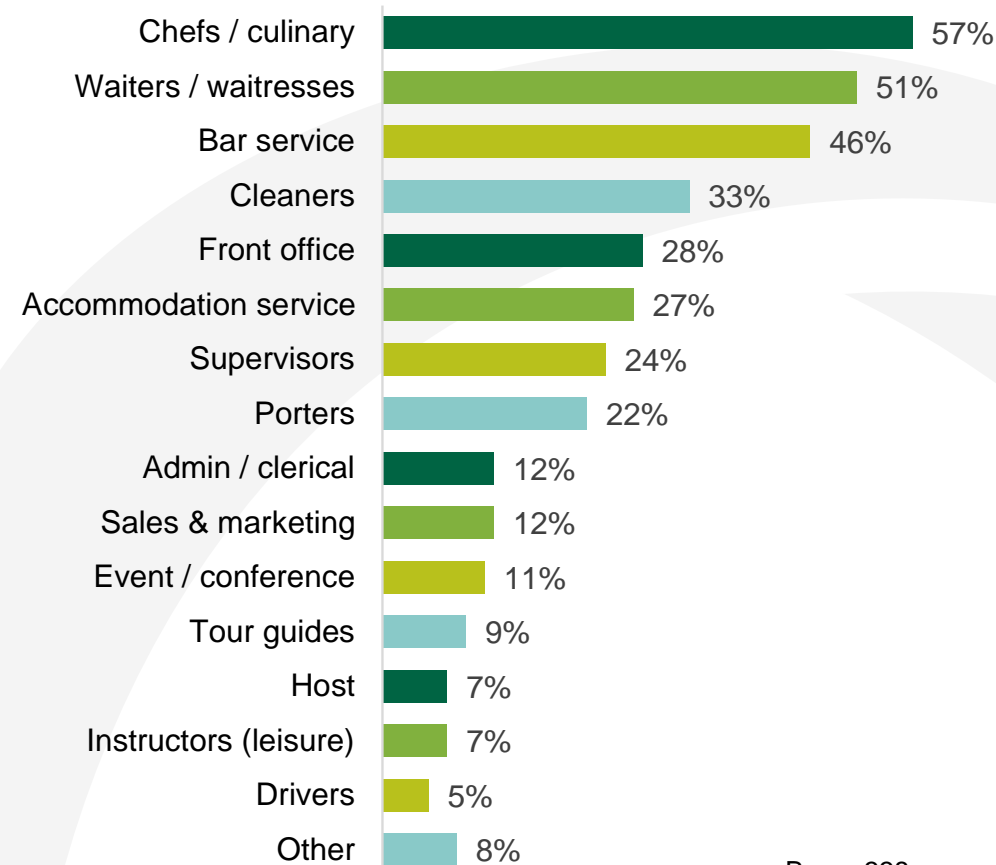
## Food & drink services are hardest

- Roles which involve the preparation or service of food & drink stand out as particularly hard to fill
- This is consistent with Fáilte Ireland's *Trade skills needs survey* in 2021\*
- Most restaurants (86%) and hotels (82%) with recruitment difficulties are struggling to find chefs
- Waiters / waitresses are hard to recruit for businesses which need them the most – 81% of restaurants & cafes with recruitment difficulties are struggling to find them
- All seven coach operators with difficulties are finding drivers hard to recruit

*"Driver shortage is impacting negatively on our ability to serve our customers. We need to be able to bring in qualified drivers from outside the EU more easily and in a timely manner."*

Coach operator

## Q12 "For which of the following roles have you had difficulties recruiting?"



Base: 338

Q12 has been asked to those experiencing difficulties in recruiting

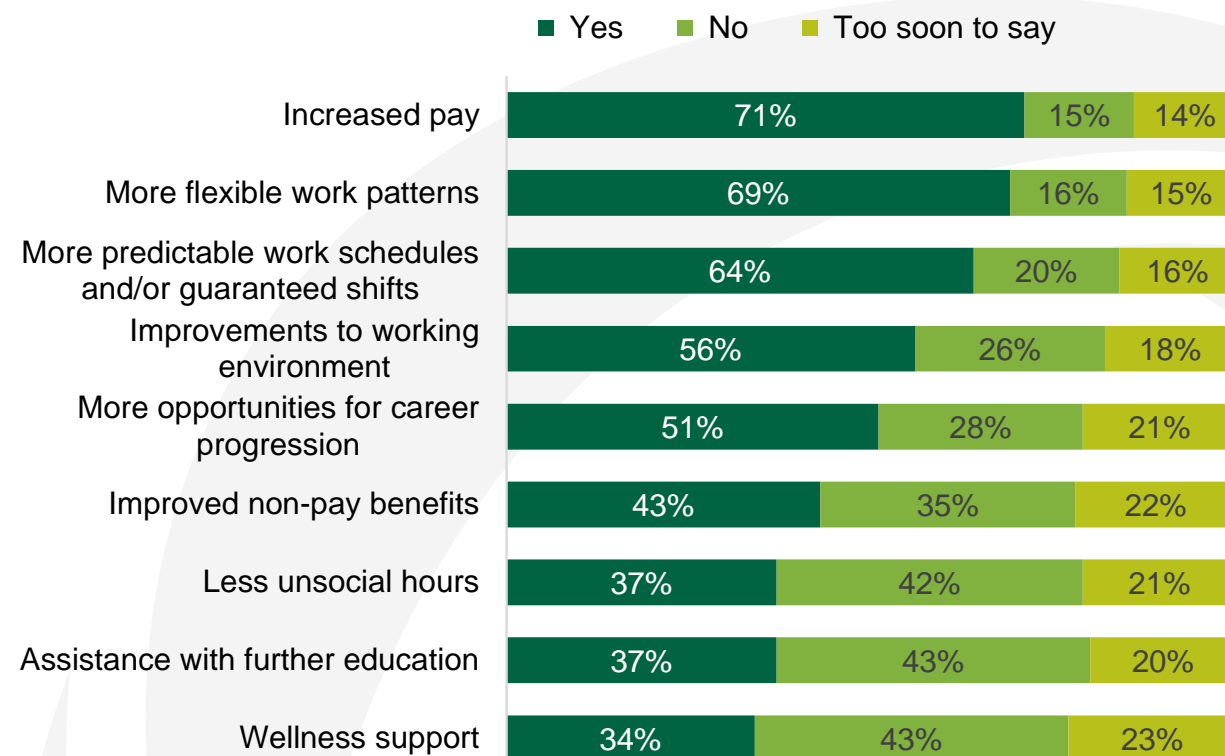
\* Although percents are not comparable with last year's survey because the question was routed differently

# Actions taken by employers

## Many actions being taken

- Last year's *On the job worker's survey* revealed many factors which were deterring workers from the tourism & hospitality sector – these factors have formed the basis of Q13 opposite
- Employers say they are trying to address the issues – in fact, those experiencing recruitment difficulties are much more likely to be making positive changes than those not experiencing difficulties
- E.g. with pay, 76% of employers experiencing difficulties have increased pay, compared to 49% of those not experiencing difficulties
- Other actions show a similar divide in results

## Q13 "Have you offered / do you intend to offer any of the following to attract new staff compared to employment terms previously offered?"



Base: 400

Q13 has been asked to businesses recruiting (with or without difficulty)

# Open comments on actions taken (1)

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## Most common action

- The need for increased pay to take on the kind of lifestyle that the tourism & hospitality industry often requires was one of the key findings from last year's research
- The majority of businesses who are experiencing difficulties in nearly every sector say they are increasing pay
- But some say even this is not enough to fill positions

*"I have to pay more, make less"*  
Activity provider, Waterford

*"Raised the minimum hourly rate to  
€13 plus"*  
Hotel, Donegal

*"Offering chefs considerably more pay  
than we would have been paying for  
the same qualifications 3 years ago"*  
Pub, Galway

*"Increased wages – up 25% ... no-  
one here earns less than €12 per hour  
and still it's impossible to find staff"*  
Hotel, Clare



# Open comments on actions taken (2)

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## More flexibility / less unsocial hours

- Another key finding from last year's research was the deterrent of working lots of unsocial hours, with little choice in the matter
- Some employers now say they are trying to address this – actions include:
  - 4 day working week
  - Reduction in business opening
  - More flexibility given to employees to say which hours they can and can't work

*"4 day weeks, increased pay, flexible working conditions"*  
Pub, Dublin

*"Hours to suit family needs"*  
Hotel, Donegal

*"Employees with families – working around their requirements, day shifts, non-weekend shifts, etc"*  
Pub, Galway

*"No late evening work – close at 6"*  
Restaurant, Wexford

# Open comments on actions taken (3)

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## Non-pay benefits

- Last year's research showed that some workers perceived the non-pay benefits to be better in other sectors
- Some tourism employers are trying hard to provide for their staff in this way, especially by providing accommodation
- Some non-pay benefits are free or discounted services offered by the business (e.g. meals, leisure facilities)

*"Assisting with finding accommodation and in some cases providing accommodation"*  
Hotel, Kerry

*"Affordable housing a major issue so now looking into renting/buying houses ourselves to accommodate staff"*  
Hotel, Kerry

*"Free onsite parking, improved staff lunch/dinner offering, free gym passes, free pool passes, employee counselling helpline"*  
Hotel, Limerick

# Open comments on actions taken (4)

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## Further comments

- Many employers are taking a mix of different actions to try and attract staff, including improvements to the work environment, assistance with education and wellness support

*"Nice working environment, paying for all hours worked (not always the case in hospitality), career progression, flexible working"*

Hotel, Dublin

*"Democratic decision-making, keeping everyone informed of all business information, staff discounts, empowering all employees by providing everything they need to do their job, casual transparent authentic environment, acknowledging employee feedback on an ongoing basis"*

Pub, Limerick

*"I am minding my staff like a mother to keep them happy!!"*

Guesthouse, Cork

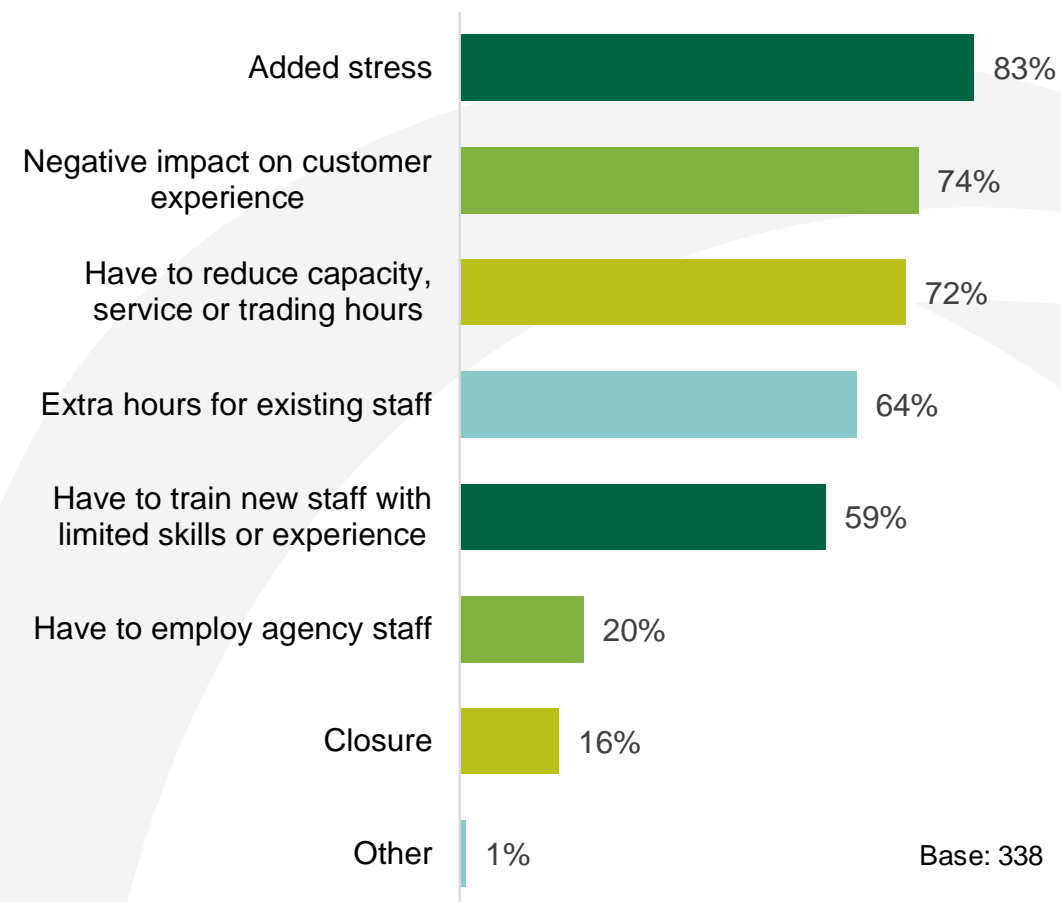


# Effects of recruitment difficulties

## Ireland's tourism offering remains at risk

- The recruitment difficulties are having an impact on people working in the industry, with 83% saying that it is causing added stress
- Impact is also seen on customer experience (74%) and reducing capacity or trading hours (72%).

### Q15 "What impact would it have on your business if you're unable to find the find staff?"



Base: 338

Q15 has been asked to those experiencing difficulties in recruiting

# Reasons to be positive

## Many reasons to be positive

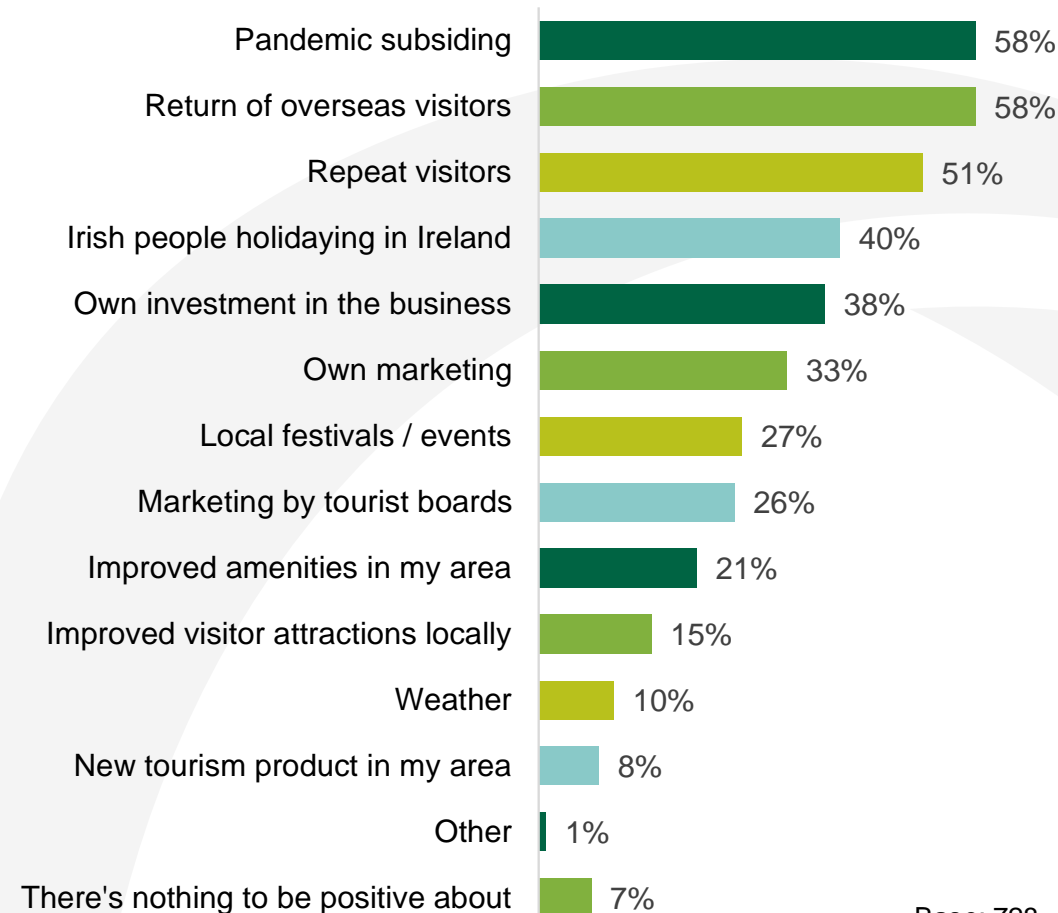
- In spite of recruitment challenges and other causes for concern discussed later, there are many reasons to be positive this year
- The pandemic is finally subsiding, allowing businesses to be confident about remaining open and welcome back overseas visitors

*"Eternal optimists. We have low overheads luckily. So we should be ok."*  
Activity provider, Cork

*"I'm upbeat about 2022. Bookings are steady, with a mix of domestic and overseas visitors which is lovely. There is a lot going on in the wider world which we have very little control over ... and you could sit and be negative and give your attention to that. But where you place your attention, you place your energy and mine will be firmly focused on the positives: welcoming people to my part of the country and giving them the best experience that I can possibly give them."*

Caravan park, Waterford

## Q16 "Are there any particular reasons to be positive about business this year?"



# Causes for concern

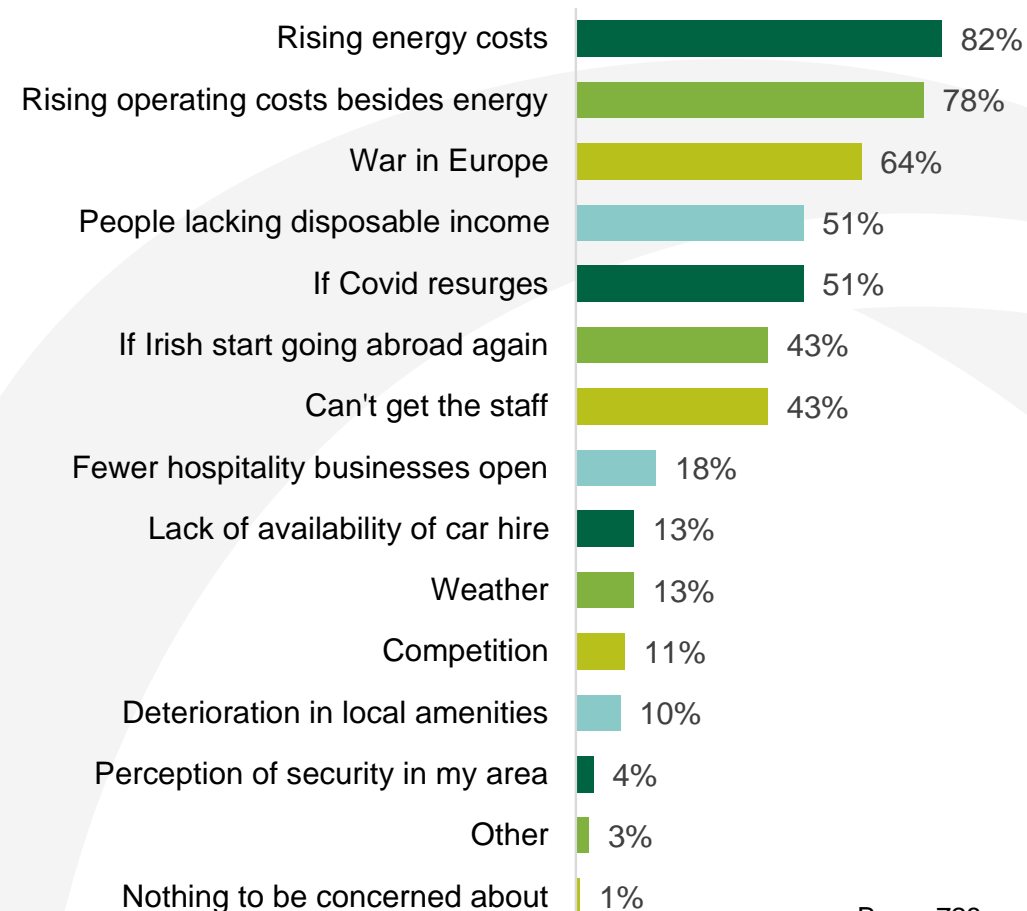
## Rising costs are a top concern

- Covid plagued the industry severely for two years
- But whilst Covid might resurge in future, current concerns are more dominated by rising costs
- Open comments are discussed overleaf

## War in Europe

- The current war in Ukraine surpasses all causes for concern except for rising operating costs
- Particularly concerning for those relying on inbound tourism – 11 out of 13 DMCs & inbound tour operators have cited this as a concern
- Open comments are discussed overleaf

## Q17 "Are there any particular causes for concern regarding business this year?"



# Open comments on concerns

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## Effects of rising costs

- Soaring prices of energy and operating costs in general present businesses with a dilemma
- They can put their prices up to cover this – but this could make them uncompetitive (incl. vs going abroad), make visitors feel like they have received poor value for money, and visitors may not be able to afford it anyway because they are also feeling the pinch
- Alternatively they can keep their prices the same – but this is not sustainable

*“Continued increases in the price of everything will cause us to pass on the increases and our customers were already very sensitive to the price of things”*

Hotel, Cork

*“Rising costs are having a huge impact and maintaining margin is impossible as people are very resistant. We are struggling more than during the pandemic and it is a real concern”*

Hotel, Kildare

*“Due to everyone having less disposable income, we are faced with a difficult choice. We cannot just up prices to cater for cost rises, so we may have to swallow these costs and post-Covid, that is just about impossible”*

Self catering, Donegal



# Open comments on concerns

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## Effects of accommodating beneficiaries of temporary protection

- 'War in Europe' is the next most mentioned concern after rising costs
- Businesses are supportive of the Irish Government's willingness to receive displaced Ukrainians
- Many tourism businesses are accommodating them
- However, whilst businesses support the initiative, some comment on the effects on local tourism
- Tourists in some areas have fewer places to stay, so this could push prices up
- Tourists may also have spent more money locally on other tourism products and services

*"I'm concerned that the local hotels & holiday homes are housing Ukrainian families. While I fully understand why, it will unfortunately impact on our summer holiday trade. No accommodation, no visitors."*

Café, Wexford

*"With many accommodation providers allocating rooms to Ukrainians, I anticipate a shortage of available rooms for tourists, with a significant negative potential if it results in price hiking"*

Hotel, Wicklow

*"The local hotels are accommodating Ukrainians and therefore restricting regular holidaymakers to the area who would probably experience my bar"*

Bar, Clare

# Individual Sectors



16/11/21 | Tourism Barometer

# Hotels

## Strong domestic market, but not overseas

- 50% of hotels are up on domestic visitors year to date, and 30% have the same level compared to pre-Covid
- Advance domestic bookings for this summer also look quite promising, with 39% seeing more than in a normal pre-Covid year, and 30% seeing the same
- Advance overseas bookings are well down on normal though – two thirds (66%) have fewer than normal for the summer

## Some say demand is there, but struggling to get the staff

- Some hotels have no concerns about demand, rather how they can fulfil it
- They are grappling with rising costs and staff recruitment
- Food & drink related positions are the hardest to fill

*“Dublin business has returned very quickly. High rates being achieved. Looking very positive.”*

Hotel, Dublin

*“My business would be at least back to pre-Covid figures and most probably even better if I could get staff. Demand for what we offer is there.”*

Hotel, Wicklow

*“Staff remains the overriding urgent requirement here. Traditional methods of recruitment are getting us nowhere. Lack of living accommodation means we must recruit locally and that is a major problem.”*

Hotel, Cork

# Guesthouses

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## Trying to be positive

- Bookings to date this year and ahead for the summer have so far not been especially promising
- 6 of the 20 guesthouses in the sample giving data have had more domestic visitors year-to-date than normal, 6 have had the same level, and 8 have had fewer
- Looking ahead, 5 out of 20 have more advance domestic bookings for summer than normal, 5 have the same level, but 10 have fewer
- Overseas bookings show a similar picture
- But operators are trying to remain positive – at least they are open and trading again

*“Currently we have good booking, especially from the USA. However, we are also receiving quite a few cancellations, which is concerning, but on the whole we are being positive!”*

Guesthouse, Galway

*“It’s looking more positive now than it was in January. Very optimistic about the season ahead.”*

Guesthouse, Mayo

*“We have to work very hard on maintaining the quality of our offer, which requires continuing investment”*

Guesthouse, Carlow



# B&Bs

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## Overseas market taking time to recover, but any recovery welcomed

- Booking levels to date and for the summer are down on balance
- 27% have had more domestic visitors year-to-date than normal, 29% have had the same level, and 44% have had fewer
- Looking ahead, advance domestic bookings for this summer show a similar picture
- Many B&Bs traditionally rely on overseas visitors, but this market is slow to recover
- 19% have more advance overseas bookings for this summer compared to normal, 28% have the same level, and 53% have fewer
- That said, 'return of overseas visitors' is the most frequently mentioned (66%) reason among B&Bs to be positive this year
- Open comments are generally more optimistic than is often the case from the B&B sector

*"Bookings are slow at present compared to previous years in my area, despite the fact that fewer B&Bs have reopened ... I am however hopeful for the year ahead."*  
B&B, Mayo

*"We are looking forward to a busy season this year and will make every effort possible to provide the best service to all our guests and patrons"*  
B&B, Sligo

*"I am very hopeful for the season ahead"*  
B&B, Cork

# Self Catering

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## Domestic market holding up, but need for overseas to return

- So far this year, domestic visitors have brought some stability to self catering
- 29% have had more domestic visitors year-to-date than normal and 33% have had the same level
- But there are some concerns about the long-term feasibility of relying on the domestic market; the sector needs overseas visitors to return
- So far, that is slow to happen – 55% of operators are down on advance overseas bookings for this summer compared to a normal pre-Covid year

*“A lot of the domestic market who can afford to are going abroad, which is not being matched by incoming tourists”*

Self catering, Wexford

*“Overseas business is vital ... the domestic tourists who had to holiday at home due to lockdown did not become repeat guests.”*

Self catering, Tipperary

*“No bookings yet. It’s a worry with Irish people going abroad again.”*

Self catering, Wexford

# Activity providers

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## Demand for activities is there if challenges can be overcome

- Some operators say there is demand to be getting out and doing activities following two years of going in and out of lockdowns
- To take advantage of demand though, operators have to overcome the challenges of rising costs and finding the right staff
- 10 of the 19 operators who are struggling to find staff say they can't find instructors
- This is a particular challenge in this sector, as some skills needed to be an instructor are quite niche

*"Should Europe settle, I believe things could be really good as people have had no fun activity, bonding activity for years – our last month was as good as pre 2007 – and corporate groups are now back doing activities"*

Activity provider, Monaghan

*"Grim predictions for the future because the war in Ukraine has resulted in massive increases in the cost of hay for my horses. E.g.: round bales last year cost €30, predicted to cost €60 – €80 each this year."*

Activity provider, Tipperary

*"Whilst there is still a lot of uncertainty in the sector, I feel there is demand both nationally and internationally for outdoor activities"*

Activity provider, Meath

*"Future is always bright when you do what you love"*

Activity provider, Cork

# Attractions

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## Need for overseas visitors to return

- The domestic market has supported attractions to date this year whilst overseas visitors have been slow to return
- 34% of attractions have had more domestic visitors year-to-date compared to pre-Covid, and 24% have had the same level
- But some attractions are very keen to see overseas visitors return

*“The single biggest factor is still the lack of overseas visitors. It feels like we have to start from scratch to develop relationships and win business from tour operators.”*  
Attraction, Wicklow

*“Overseas visitors are vital for us. There are not enough returning yet.”*  
Attraction, Sligo

*“The Irish public supported us during Covid to allow our business to re-invest and do upgrades to our site and so we are offering an upgraded product to our customers. We are hoping to see overseas visitors come to us this year.”*  
Attraction, Clare

# Pubs and Bars

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## Battling to remain open and profitable

- Some pubs and bars are struggling to remain open
- Soaring costs, lack of staff and changing habits of locals are combining to make the current trading conditions very difficult
- Whilst locals are not tourists and therefore not directly relevant to tourism research, if the lack of locals going out to pubs & bars causes businesses to close, the tourism offering declines too

## Can't get bar staff

- 90% of pubs & bars who are recruiting are having difficulties, and among those, 84% are struggling to find bar staff

*"Time to re-examine my business and say is it time to close. I see no future in the pub/hospitality business in Ireland"*

Pub, Kerry

*"Habits have changed with many people, lifestyle changes too. I don't expect to exceed the 75-80% turnover compared to 2019 ever."*

Pub, Offaly

*"Can't afford to keep the place open much longer unfortunately, due to energy costs and people not having much disposable income."*

Bar, Carlow



# Restaurants

## Similar position to pubs & bars

- Like pubs & bars, many restaurants are currently battling to remain open and profitable
- Escalating costs and lack of key staff needed to run a restaurant are combining to make trading difficult

## Chefs are badly needed, but so are waiters / waitresses

- Every restaurant in the sample which is recruiting is having difficulties, and of those, 86% are struggling to find chefs
- The shortage of chefs in Ireland has been a significant problem for some time, and measures have been taken to address this
- But waiters / waitresses are also very difficult to find – 81% of those recruiting are struggling to hire them
- Some call for the visa process for non-EU workers to be simplified

*“Some similar food & beverage businesses in our area are closing down or closed already and others on reduced hours / 4-5 day week due to staff shortages. This impacts negatively on the visitor experience.”*

Restaurant, Sligo

*“Will try to improve the atmosphere, new dishes, more social media, training the staff to make sure our service is up to standard at all time”*

Restaurant, Cork

*“The government needs to open and speed up visas for chefs from outside the EU. We are trying to recruit particular staff for almost 18 months. If we do not get some assistance in this matter, we will have to close and open at weekends only.”*

Restaurant, Donegal

# DMCs and Inbound Operators

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## When will overseas tourism bounce back?

- DMC and inbound tour operator business has been hit particularly hard by the pandemic as this sector was almost entirely reliant on international travel
- Operators seem confident that their business will be fine when overseas visitors return, but as of yet, there is mixed feedback on how quickly this is happening

## Differences in concerns compared to other sectors

- 11 of the 13 DMCs & inbound tour operators are concerned about the war in Ukraine affecting their business
- 11 out of 13 are concerned about Covid resurging and restrictions being re-introduced
- This reflects the sector's sensitivity to the return of international tourism happening smoothly

*"European market is still slow in relation to group travel"*  
DMC, Limerick

*"Scrappy. Italy is absolutely quiet and corporate business generally has not returned. Lots of last minute smaller events / FITs and leisure groups – the brave!"*  
DMC, Dublin

*"Overall feeling positive – looking forward to further lifting of mask wearing on planes and hopefully the cessation of testing requirements for travel to US"*  
Inbound tour operator, Cork

*"Business is improving as overseas travellers are keen to get back to Ireland"*  
Inbound tour operator, Dublin





# Thank you

**Strategic Research and Insight**

May 2022

