

# Tourism Barometer

Strategic Research and Insight

January 2025



# Headline Findings (1)

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## Mixed revenue performance by sector in 2024

- Overall, 46% of businesses increased their revenue in 2024 and 18% had the same level; 36% saw a decrease
- The strongest performing sectors were inbound tour operators & DMCs (74% increased their revenue) and attractions (61% increased their revenue)

## Price increases helped to cover rising costs to some extent, but not fully

- 68% of businesses increased their prices in 2024 – rising costs dominate the reasons
- 9% of those raising prices say the rises were ahead of cost increases, 63% say they were in line, and 28% say they were below cost increases
- In spite of significant cost challenges, 56% of businesses made a profit in 2024, and a further 24% broke even
- But operating margins are down on balance, 36% report increased margin for 2024, but 44% experienced a decline
- The best growth in margin is found in the inbound tour operator & DMC sector, with 55% citing an increase
- At the other end of the scale, 63% of restaurants & cafés say their margin declined in 2024

## Headline Findings (2)

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### More positive expectations for 2025

- 39% of businesses expect their visitor levels to be up in 2025, and 42% expect volumes to remain the same
- Overseas visitors underpin the positive expectations, with 47% of businesses expecting an increase from this market
- ‘Positive reviews / recommendations’ (cited by 52%) and ‘repeat visitors’ (47%) lead the reasons to feel positive
- Costs continue to dominate concerns, especially ‘energy’ (cited by 57%) and ‘payroll’ (56%)
- Inbound tour operators, DMCs and tour guides also comment that whilst there is strong interest from overseas in visiting Ireland, the cost and availability of tourist accommodation is affecting the conversion of interest into visits

# What is this research about?

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## Background

- The key aims of this research are to understand:
  - 2024 visitor volumes, turnover & profitability in 2024 compared to 2023
  - Expectations for 2025
  - Reasons to be positive or concerned about business in 2025

## 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 7 January 2025
- Some sector representative bodies also encouraged their members to respond

# Sample

Accommodation sector	Sample size
Hotels	122
B&Bs	50
Self-catering	42
Caravan & campsites	34
Guesthouses	16
Other accommodation	12

Non-accommodation sector	Sample size
Attractions	143
Activity providers	96
Pubs & bars	89
Restaurants	65
Tour guides	59
Inbound operators and DMCs*	41
Cafés	40
Golf clubs	20
Chauffeur service	19
Event / festival organisers	17
Other non-accommodation	55

- 920 responses in total after de-duping by business
- Overall response is typical for barometer waves

\*Destination Management Companies

# 2024 Performance



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# 2024 Revenue vs 2023 by Sector

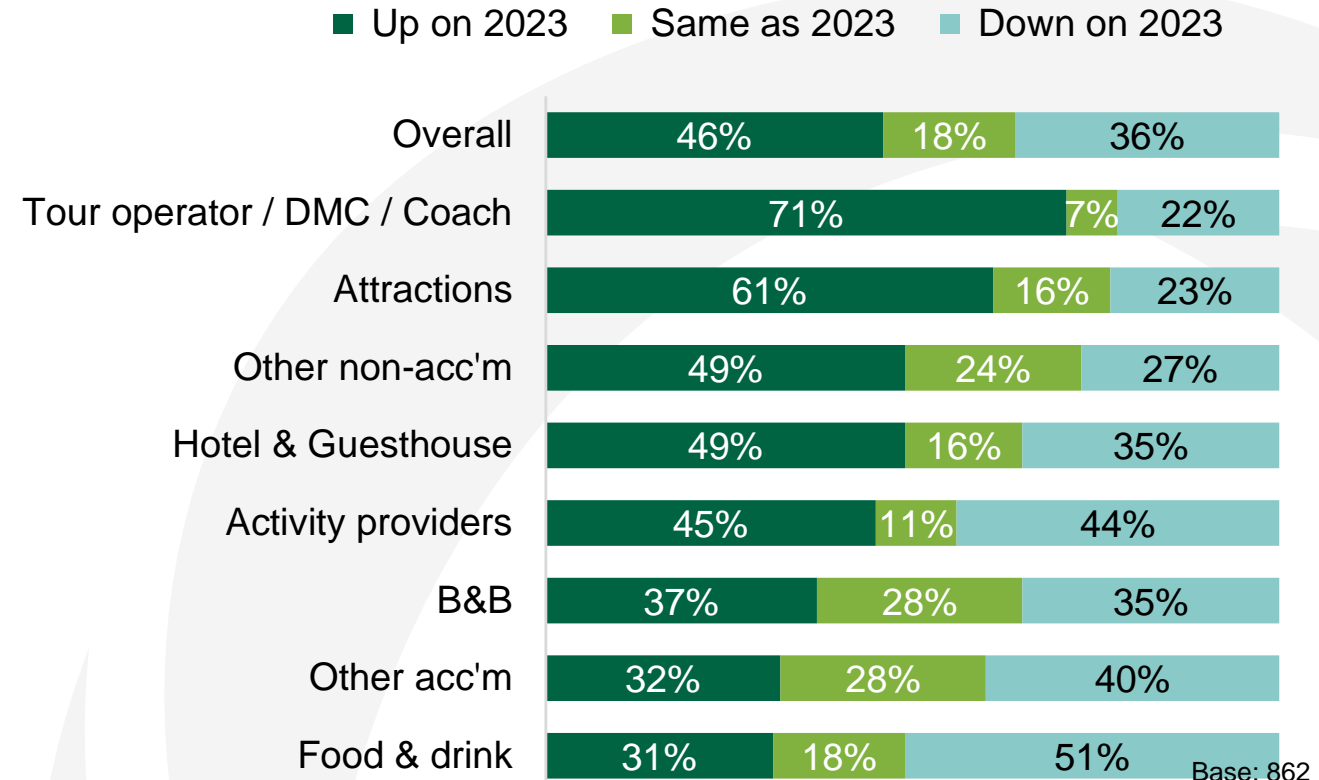
## Mixed performance by sector

- Overall, close to half (46%) of businesses managed to increase their revenue in 2024
- Performance varies greatly by sector, with tour operators, DMCs, coach operators and attractions faring very well, but the food & drink sector struggled to improve on 2023 revenue
- In a similar question on visitor volumes, 40% of businesses saw increased visitors in 2024, 21% received the same level and 39% had a decrease

*“Things for the main seem positive. Demand is still robust once prices are controlled to counter price sensitivities creeping into client decisions.”*

Inbound tour operator, Dublin

## Q6 "How did your overall revenue in 2024 compare to 2023?"



*'Don't know' and 'not applicable' answers have been excluded*

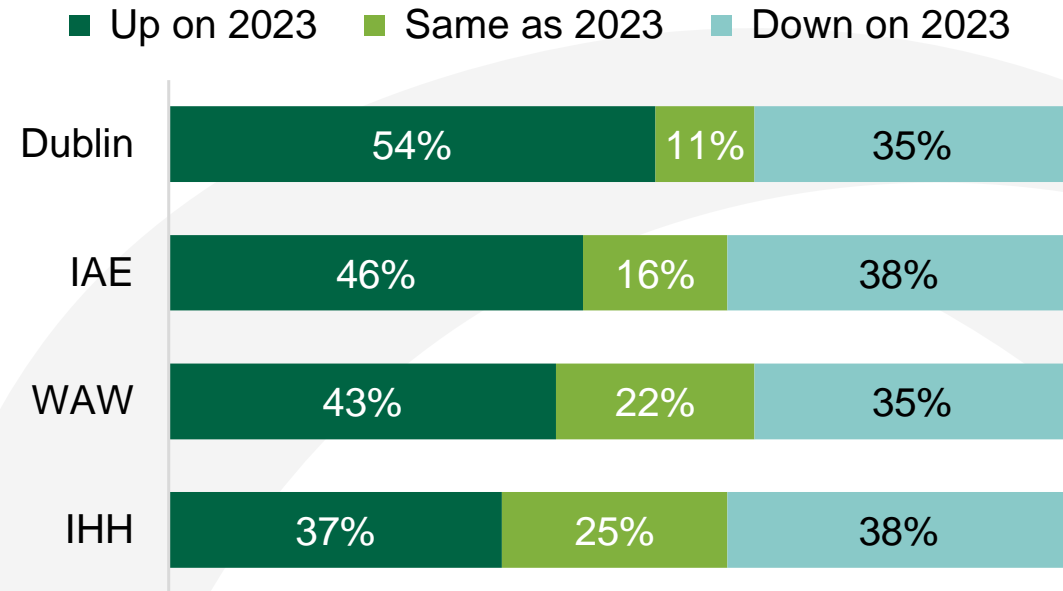
# 2024 Revenue vs 2023 by Region

## Some differences by region

- All regions managed to match or improve on 2023 overall
- Dublin fared slightly better than the other regions on revenue in 2024
- There are no significant differences between tourism hotspots and non-hotspots

*“We are staying positive and keep doing the simple things well – consistent good service & food”*  
 Guesthouse, Roscommon

## Q6 "How did your overall revenue in 2024 compare to 2023?"



Base: 862

*‘Don’t know’ and ‘not applicable’ answers have been excluded*



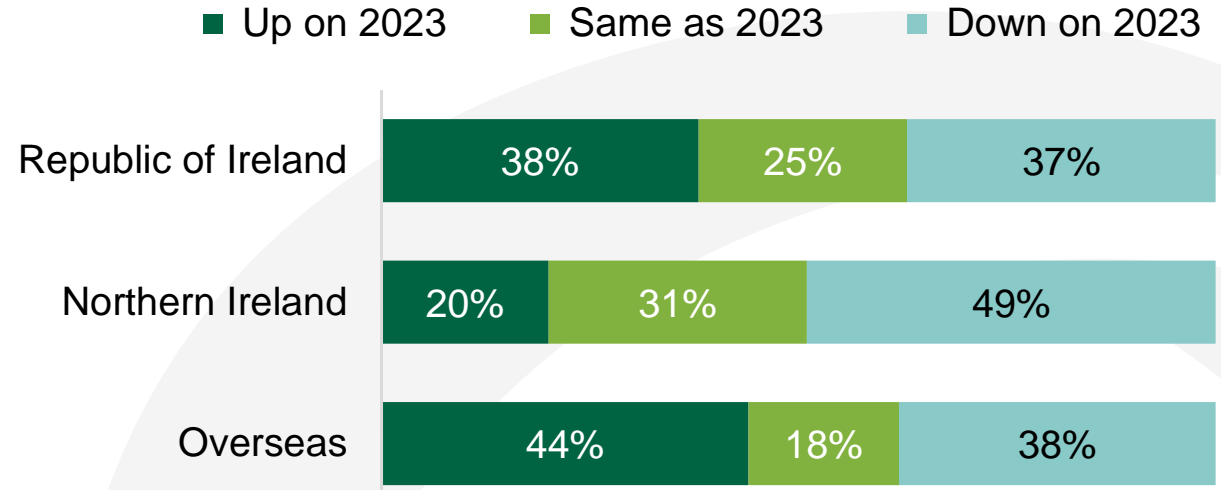
# 2024 Revenue vs 2023 by Main Market

## Overseas market underpinning revenue increases

- The overseas market performed well in 2024, especially for:
  - Inbound operators & DMCs (68% report being up)
  - Attractions (59%)
  - Hotels (53%)
- The domestic market was mixed in 2024 – poor summer weather had an impact

*“A bad summer leads to more people leaving Ireland seeking some sunshine”*  
 Café, Laois

## Q7 "How did your overall revenue in 2024 compare to 2023 from each of the following markets?"



Base: variable

*‘Don’t know’ and ‘not applicable’ answers have been excluded*

# Performance by Overseas Market

## North America delivers again

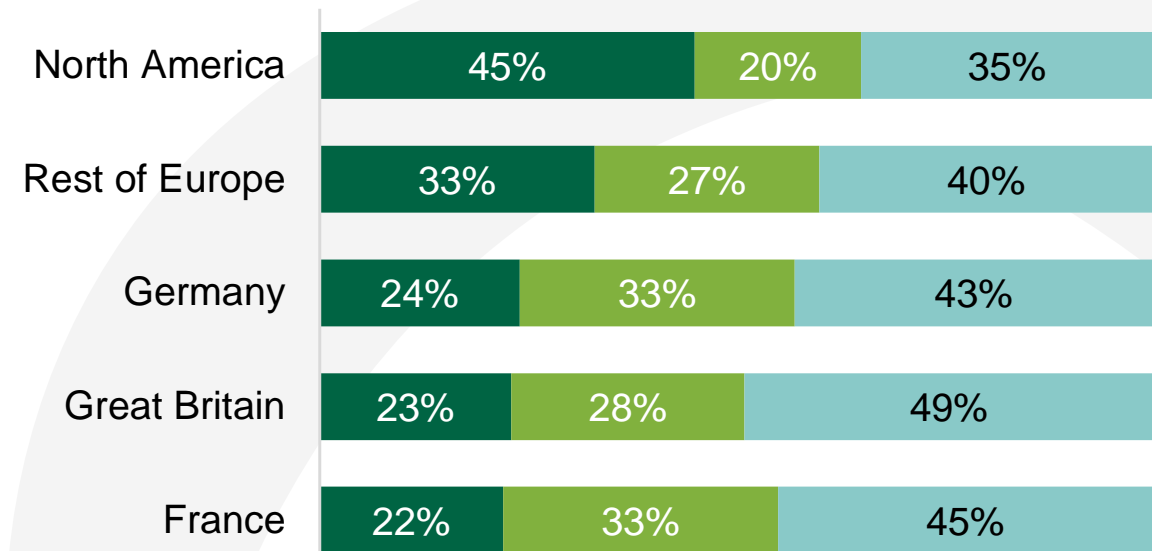
- As has so often been the case in the past few years, North America is behind the good revenue performance from overseas
- 69% of inbound tour operators & DMCs report North America being up on 2023
- At the same time, revenue from British and mainland European visitors has not kept up with 2023 levels

*“Over-dependence on the North American market is not wise, as we cannot have all our eggs in one basket”*

Attraction, Kerry

## Q8 "How did your revenue in 2024 compare to 2023 from each of the following markets?"

■ Up on 2023   ■ Same as 2023   ■ Down on 2023



Base: variable

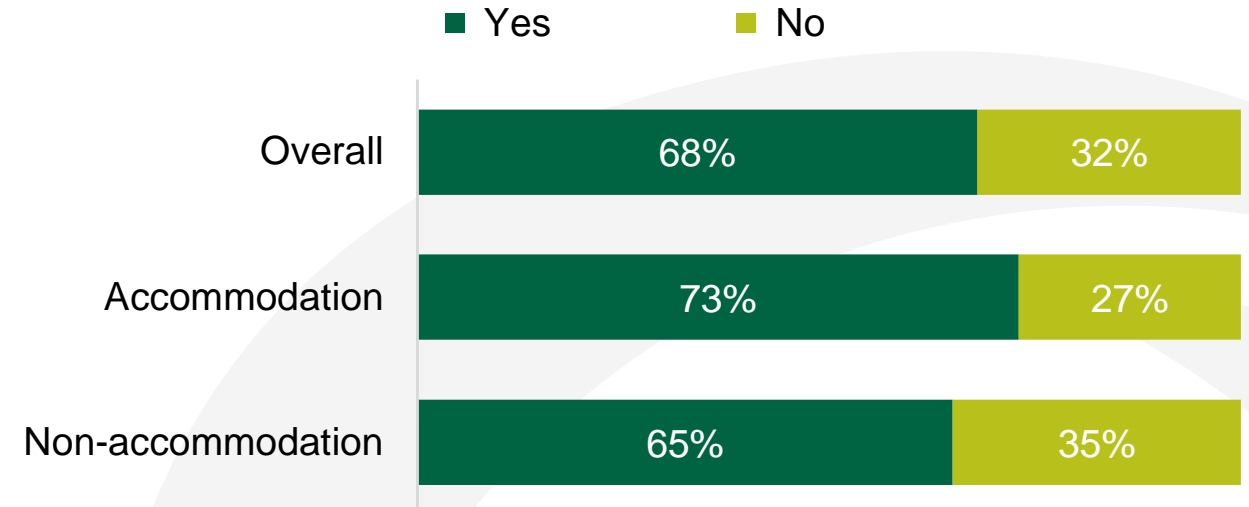
*'Don't know' and 'not applicable' answers have been excluded*

# Price Increases

## Variations by sector

- Many but by no means all (68%) businesses increased their prices in 2024
- There is much variation by sector, with price increases more likely to be found among:
  - Hotels (87%)
  - Inbound operators & DMCs (83%)
  - Food & drink sector (83%)
- At the other end of the scale, only around half of attractions, activity providers and self-catering operators increased their prices in 2024
- Differences by region are not significant

## Q11 "Did you increase your prices in 2024?"



Base: 889

*'Not applicable' answers have been excluded*

# Reasons for Price Increases

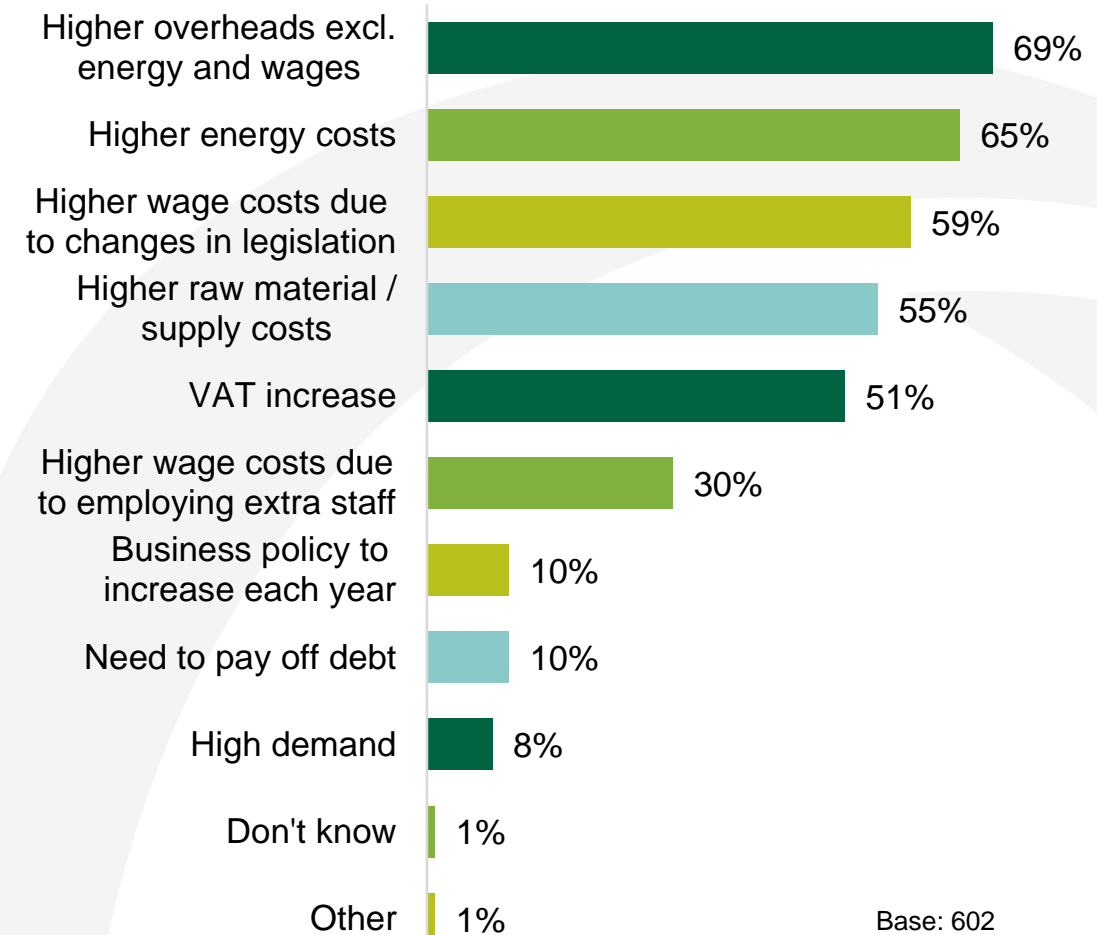
## Rising costs driving up prices

- Some businesses say they don't want to keep putting up prices as it risks harming their own and Ireland's affordability and competitiveness
- Rising costs however leave them little choice
- Some say they would like media communication as to why they have little choice but to raise prices

*"Failte Ireland could help hospitality by marketing ... to help people to understand that high prices mean higher minimum wage, which is essential for workers and good for the overall country. In hospitality, you are getting by, but you are not getting rich."*

Café, Offaly

## Q12 "Why did you increase your prices?" (prompted)



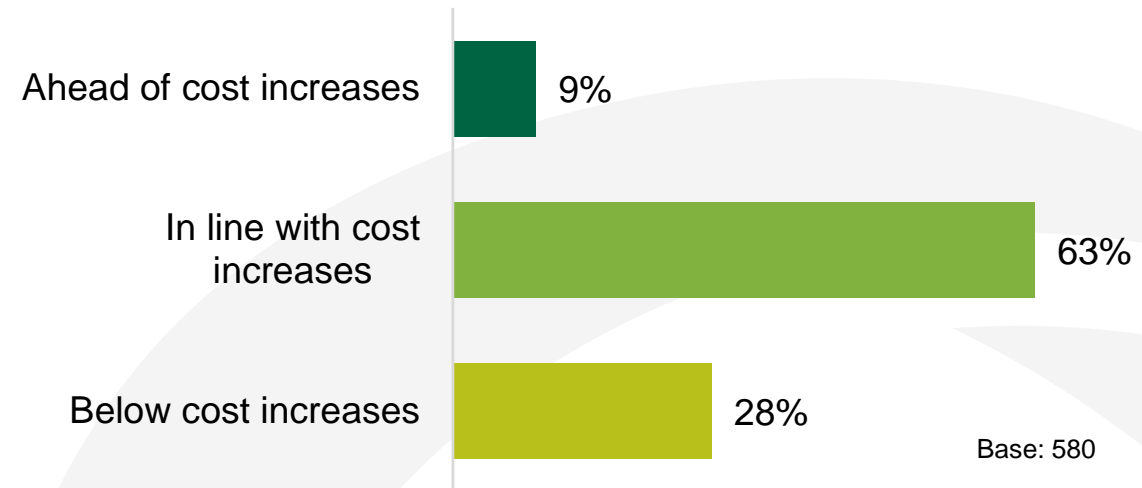
# Extent of Price Increases

## Costs eating into operating margins

- Whilst many businesses have increased their prices, overall price rises in the industry have not quite kept up with rising costs
- This means that operating margins, which were already under pressure before 2024, have come under more pressure (*discussed on next slide*)
- Answers do not vary significantly by sector or region

*“Customers have a spending threshold for cafés.  
We cannot increase prices again.”*  
Café, Mayo

## Q13 "Was the price increase ... ?"



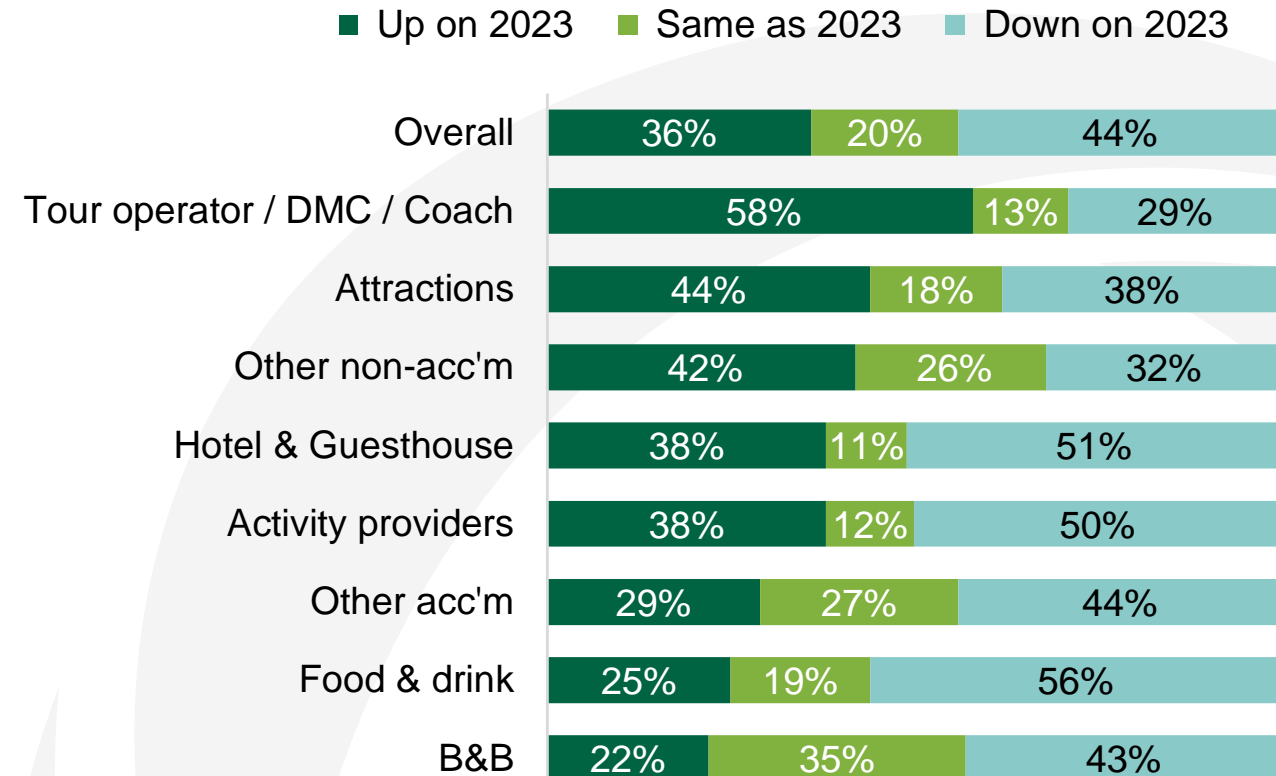
# Operating Margin

## Margins under pressure from costs

- Following on from the previous slide, whilst price increases have helped to alleviate some pressure on operating margins, many businesses still face challenges of making ends meet
- Restaurants and cafés remain the most under pressure, as has been the case in recent years, with close to two thirds (63%) reporting reduced margins

*“Costs of running a business have increased so much that the consumer will eventually take the brunt as the margins are getting smaller and smaller with supplier costs and wage increases”*  
Pub, Kerry

## Q10 "How did your overall operating margin in 2024 compare with 2023?"



Base: 810

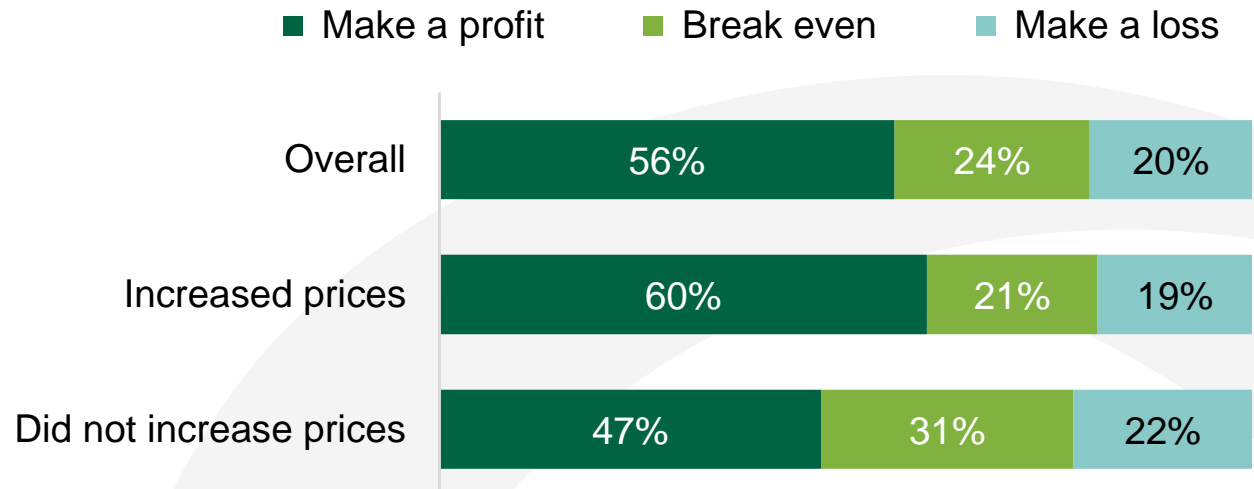
'Don't know' and 'prefer not to say' answers have been excluded

# Profitability

## Most businesses at least broke even in 2024

- In spite of significant cost pressures and reduced margins in the industry, 80% of businesses either managed to make a profit or break even in 2024
- Increasing their prices made achieving a profit more likely, but not essential for some, as the chart opposite shows
- There is a significant divide in performance between restaurants & cafés and the rest of the industry. About half (51%) of restaurants & cafés say they made a loss, compared to 16% across other sectors
- The highest proportions of businesses making a profit are found among inbound operators & DMCs (88%), hotels (79%), caravan parks (76%) and in Dublin (64%)

## Q9 "In 2024, did your business ... ?"



Base: 807

*'Don't know' and 'prefer not to say' answers have been excluded*

# Hotels – Yield and Operating Margin

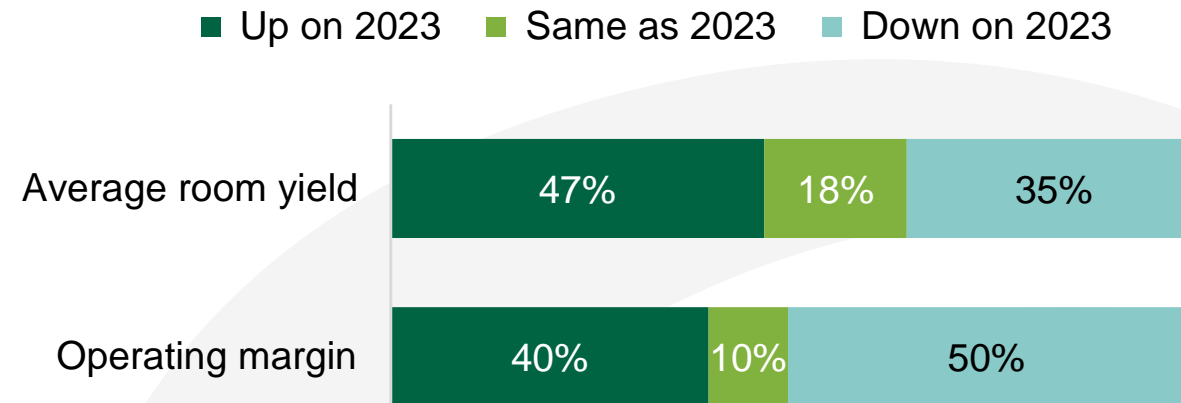
## Room yields up; margins down

- The hotel sector was able to increase average room yields overall last year, but on the whole, this could not prevent a slight decline in operating margins
- In spite of wide-scale price increases in the hotel sector, operators continue to tread a fine line between covering costs and losing competitiveness
- This has a knock-on effect on other tourism businesses, especially DMCs & inbound operators, who feel compelled to raise their own prices when their input prices rise

*“The increased VAT rate and constantly rising labour and other costs have resulted in our hotel going from a profit-making business pre-Covid to a loss-making business today. ”*

Hotel, Clare

## Q14 "How did your ... in 2024 compare with 2023?"



Base: 114



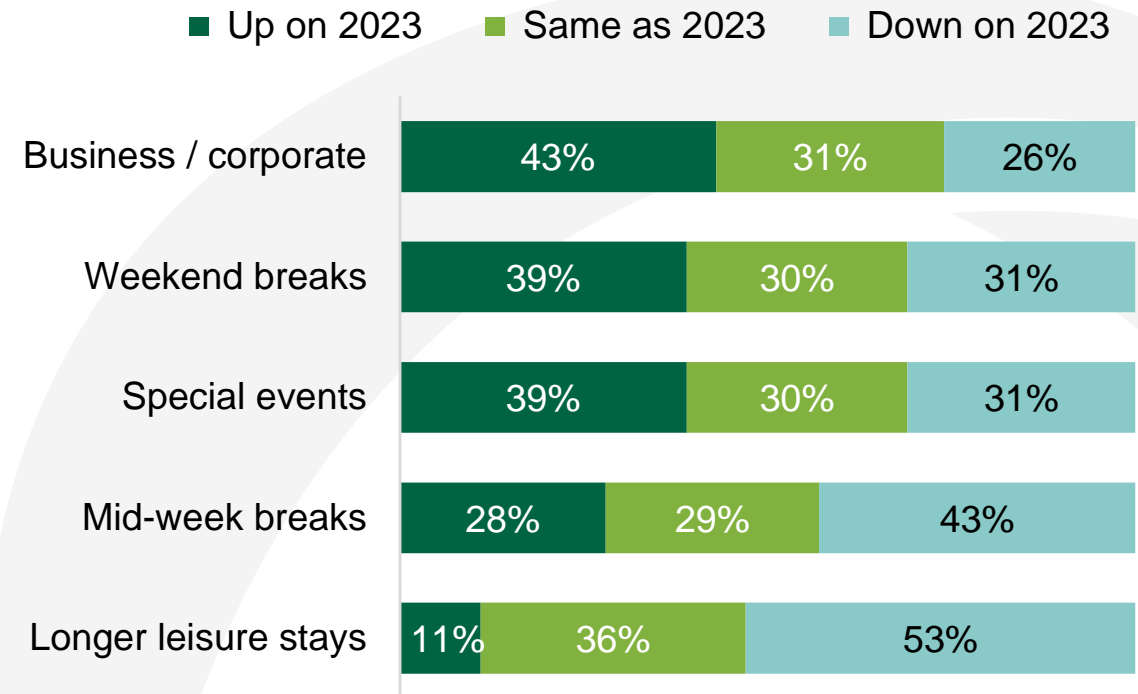
# Hotels – Ireland Market



## Recovery seen in corporate market

- The corporate market was hard hit by the pandemic and took longest to show signs of recovery in the years following it – 2024 saw promising signs of growth
- The trend in the domestic leisure market seems to be very much towards shorter stays

Q15 "Thinking about your Ireland market business in 2024, how did each of the following perform compared with 2023 in terms of revenue?"



Base: variable

*'Don't know' and 'not applicable' answers have been excluded*

# Expectations



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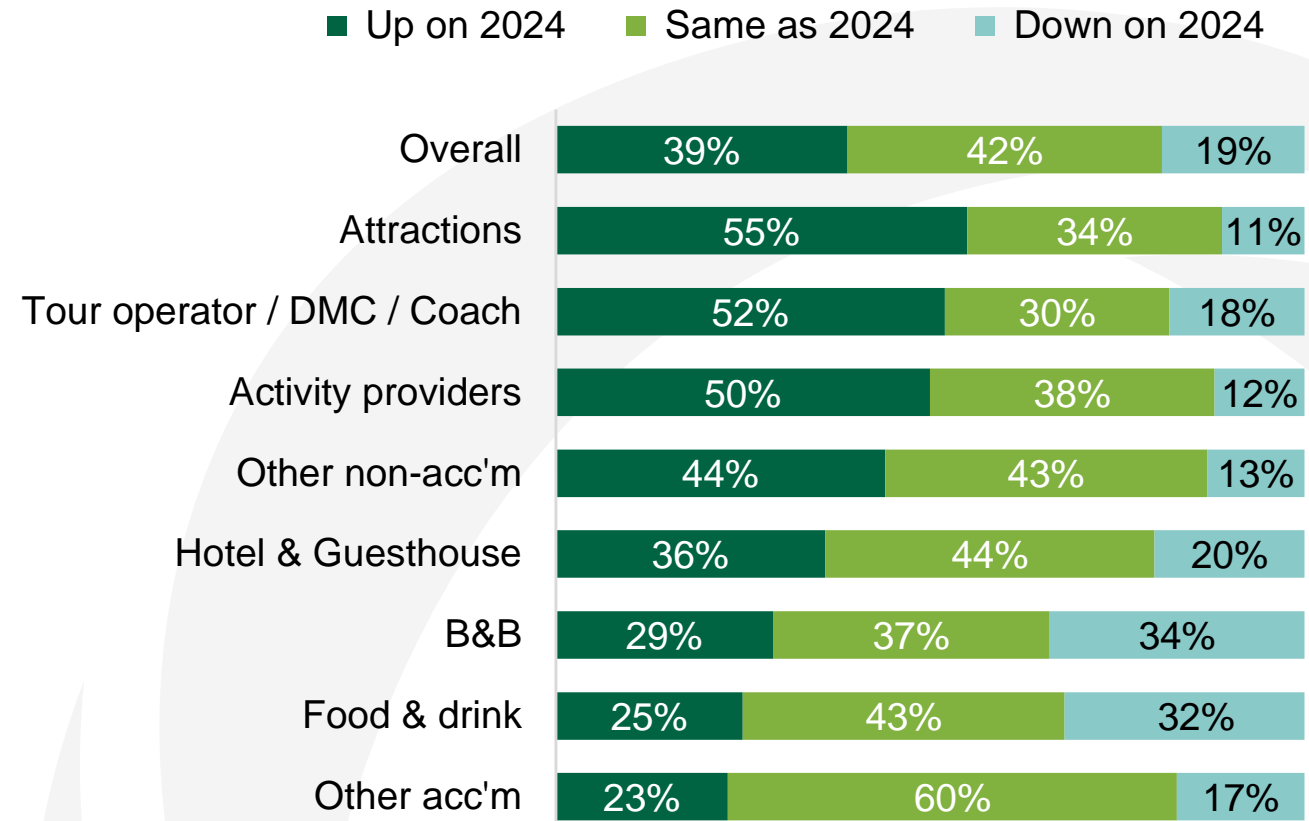
# Volume Expectations by Sector

## Hopes for a better year

- Optimism for a better year in 2025 is quite high in most sectors
- There is a feeling among some that after the summer of 2024 was blighted by bad weather, 2025 can only be better
- A similar question asked about revenue expectations shows a similar picture, with 46% expecting revenue to be up on 2024 and 35% expecting the same level

*“We are looking at increasing visibility in the international market in order to increase visitor numbers in coordination with Fáilte Ireland and the local tourist board. This is vital in order to remain a viable enterprise.”*  
Attraction, Wexford

## Q16 "How do you expect your volume of visitors to perform in 2025 compared to 2024?"



Base: 788

'Don't know' and 'not applicable' answers have been excluded

# Volume Expectations by Region

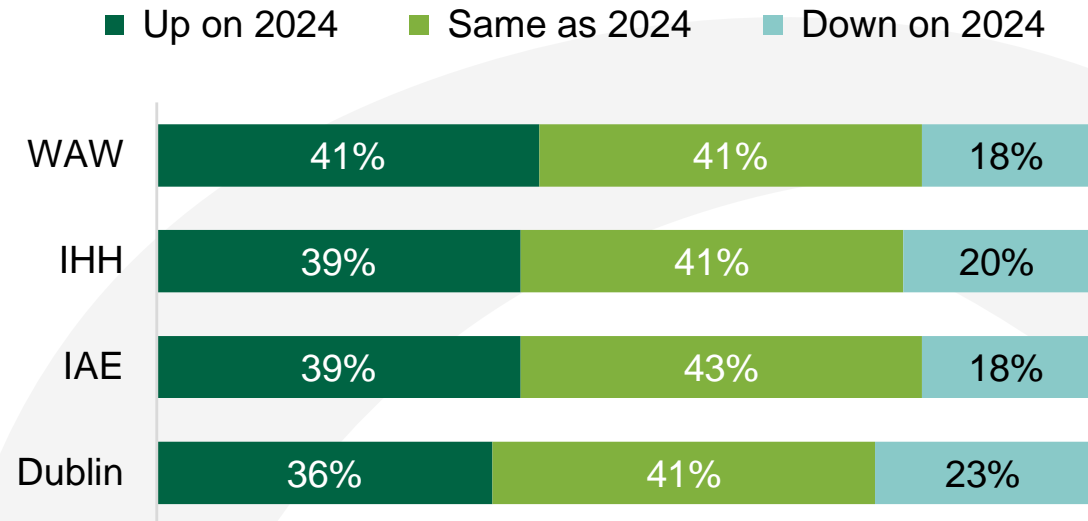
## Optimism in all regions

- Most businesses in each region expect 2025 volumes to be better or the same as last year
- Differences by region are not significant, as is also the case when looking at revenue

*“US group business is looking very healthy. Advance bookings have doubled for 2025.”*

Tour guide, Sligo

## Q16 "How do you expect your volume of visitors to perform in 2025 compared to 2024?"



Base: 788

*'Don't know' and 'not applicable' answers have been excluded*

# Volume Expectations by Main Market

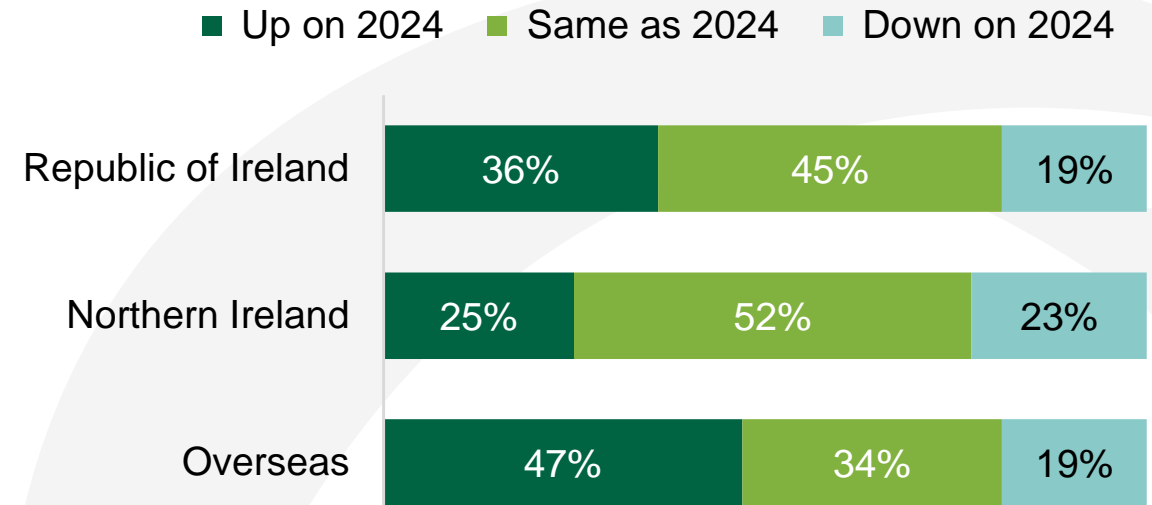
## Hopes for overseas visitors

- Whilst growth in the domestic market is expected, hopes for a good year rely more on overseas visitors
- The proportions of businesses expecting the overseas market to be up are higher among:
  - Inbound operators & DMCs (63%)
  - Tour guides (61%)
  - Attractions (60%)

*“Forward bookings for 2025 remain very strong, with the majority of available tee times already sold. Demand from the North American market remains very positive with enquiries for 2026 already being received.”*

Golf club, Clare

## Q17 "How do you expect your volume of visitors to perform in 2025 compared to 2024 from each of the following markets?"



Base: variable

*'Don't know' and 'not applicable' answers have been excluded*

## Section 3

# Reasons to be Positive or Concerned



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# Reasons to Be Positive

## Positive feedback and repeat visits

- Good visitor experiences result in positive reviews, recommendations and repeat visits
- 'Positive reviews / recommendations' and 'Repeat visitors' are in the top two or three most frequently cited reasons to be positive in every sector
- 'Own marketing' is the most frequently cited positive among inbound tour operators & DMCs (61%)
- Many operators are managing to invest in their business in spite of significant cost challenges

## Q19 "Are there any particular reasons to be positive about business this year?" (prompted)



# Reasons to Be Positive – Open Comments

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## Confidence in the offering

- Some operators feel confident because in spite of many challenges facing the industry, they focus on making their offering the best it can be
- Investment in their product and the marketing of it leads to positive visitor experiences, which in turn generate positive reviews, recommendations and repeat visits

## This summer's weather can only be better

- Some operators live in hope that the summer weather in 2025 can only be better than in summer 2024
- Poor summer weather last year had a significant impact on visitor volumes

*"We expect more traffic as a result of a strong marketing campaign"*  
Restaurant, Westmeath

*"I have identified a gap in the market for off the beaten track, easy, informative and fun walks. I have lowered my prices, making my walks accessible to all. Word of mouth and personal advertising helps a lot. I look forward to developing my business even further."*  
Tour guide, Louth

*"We are confident for next year, providing the summer weather is better than in 2024"*  
Golf club, Mayo

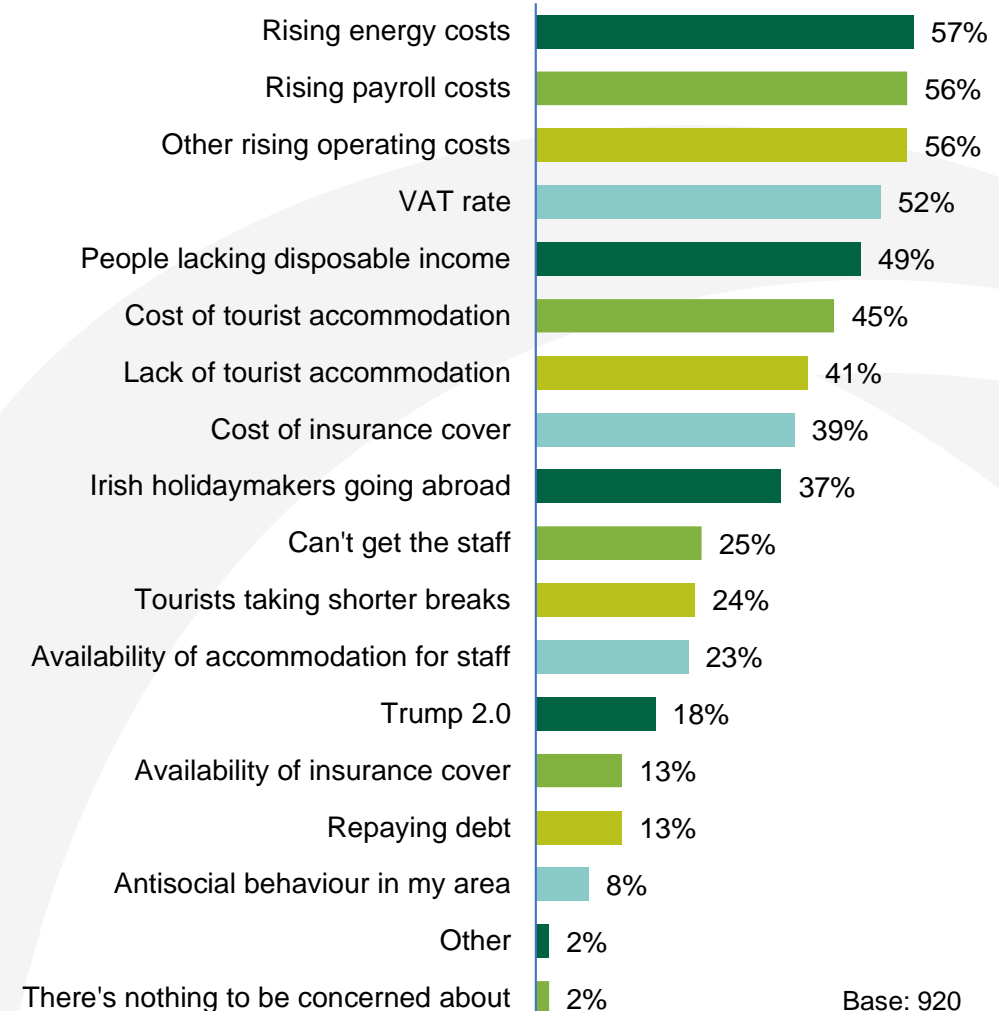


# Reasons to Be Concerned

## Costs still dominate concerns

- Rising costs, both for businesses and consumers, continue to dominate concerns across all sectors
- The cost and lack of tourist accommodation rivals concerns over operating costs among non-accommodation businesses, whereby 57% cite 'cost of tourist accommodation' and 53% cite 'lack of tourism accommodation' as a concern
- Open comments on the key themes are discussed next

Q20 "Are there any particular causes for concern regarding business this year?" (prompted)



# Reasons to Be Concerned – Open Comments (1)



## Rising costs

- Rising costs continue to dominate concerns across all sectors
- This continues to happen across multiple areas of business, including energy, rates, wages and other costs related to employing staff such as PRSI, pensions and sick pay
- As discussed, businesses feel compelled to increase their prices to cover costs, but they know this harms value for money perceptions

*“It’s just not sustainable anymore. We only continue for the love of it and that is no longer enough.”*  
Attraction, Cork

*“We will most likely have to raise our prices again to cover the increase in wages if the VAT rate isn’t reduced, and also if energy and insurance rates don’t come down.”*  
Caravan park, Wicklow

## VAT

- Although VAT is a consumer tax and not a business ‘cost’, it adds to the pressure of trying to keep prices charged at an affordable and competitive level
- There are numerous calls for the rate to be reduced for smaller businesses

*“I think looking at lowering VAT rates for accommodation businesses whose turnover is under 1 million would be a massive help for small rural accommodation providers”*  
B&B, Westmeath

# Reasons to Be Concerned – Open Comments (2)



## Lack of affordable tourist accommodation

- 'Lack of tourist accommodation' and 'cost of tourist accommodation' are part of the same issue – lack of supply has pushed up the price of the limited stock available in some parts of the country
- Some inbound operators and others particularly reliant on the inbound market such as tour guides report cancellations or lost enquiries by overseas-based operators due to not being able to find affordable accommodation

*"I got several tours cancelled because German tour operators couldn't find affordable hotel accommodation"*  
Tour guide, Wicklow

*"The lack of hotel beds on the Skellig coast is an enormous problem. So many have been taken out for play for tourism, and shops, restaurants and attractions are really feeling that. I'm very nervous that if pubs, shops, restaurants start to close, it's really hard to halt the spiral."*  
Attraction, Kerry

# Reasons to Be Concerned – Open Comments (3)



## Lack of critical mass of tourism product in rural areas

- Closure of businesses in rural areas can have a domino effect on tourism because different sectors of the tourism industry rely on each other for providing visitors with somewhere to stay, places to eat and things to do

*“There is a critical mass of attractions, accommodation, restaurants, taxi services and staff needed in an area for tourism. This seems to be slowly eroding outside of the bigger locations.”*

Attraction, Cork

## Continued concerns for safety in Dublin

- 25% of Dublin businesses have cited ‘antisocial behaviour in my area’ as a concern – lower than in the September barometer (35%), but nevertheless still a concern
- Some businesses report their customers don’t feel safe

*“A lot of pick-ups originate in Dublin. Something needs to be done in regard to antisocial behaviour and criminality on the streets in the city centre.”*

Chauffeur service, Mayo

## Section 5

# Individual Sectors



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# Hotels

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## Revenue up, but margins under pressure

- 52% of hotels were up on revenue in 2024 compared to 36% reporting to be down
- 79% of hotels made a profit in 2024, largely as a result of raising prices (87% raised their prices)
- However, whereas 40% increased their operating margin, 50% saw a decrease

## Factors affecting performance

- On the positive side, 56% of hotels cite 'repeat visitors' as a positive this year, and 51% cite 'own investment in the business'
- However, rising costs dominate concerns, especially 'rising payroll' – cited by 84% (the second highest proportion of any sector to say this)

*"It's going to be a challenging year, although I remain positive that we will see a marginal increase in turnover. Managing the costs of doing business will be the priority, especially payroll."*

Hotel, Cavan

*"Businesses must be able to invest to ensure quality product is constantly available, but margins are being eroded beyond acceptable levels"*

Hotel, Dublin

*"2025 is looking to be a strong year due to our continued investment in the hotel"*

Hotel, Tipperary

# B&Bs

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## Raising prices, but margins still under pressure

- 37% of B&Bs increased their revenue in 2024, compared to 35% who saw a decrease
- Similarly to hotels, most (71%) B&Bs raised their prices in 2024
- 51% of B&Bs made a profit last year, and a further 33% broke even
- However, whereas 22% say their operating margin was up on 2023, 43% say it was down

## Factors affecting performance

- 46% of B&Bs cite 'positive reviews / recommendations' as a reason to be positive this year, and 40% cite 'repeat visitors'
- However, cost pressures remain, especially energy (62% cite this) and insurance (44%)

*"We are happy with the success of our business to date and it seems to be going from strength to strength"*

B&B, Leitrim

*"I have no issues with paying staff a good minimum wage as this is an expensive country to live in but this has to be balanced with lower taxes, i.e. VAT, PRSI, USC and reduced rates."*

B&B, Cork

*"We are hoping people will travel to the west. There's lots to do."*

B&B, Roscommon

# Self-Catering

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## Stable operating margins

- 43% of self-catering operators increased their revenue in 2024, compared to 33% experiencing a decrease
- The overseas market performed well, with 50% of operators reporting it to be up in 2024, compared to 24% seeing a decrease
- Self-catering is the only accommodation sector not to have seen overall reduced operating margins. 39% report their margin to be up, compared to 34% reporting it to be down
- Stable margins have not necessarily come as a result of price increases, as only 46% increased their prices in 2024
- The sector benefits greatly from repeat visitors – 67% cite this as a reason to be positive this year (the second highest proportion of any sector to say this after caravan parks)
- The biggest concern is ‘Irish holidaymakers going abroad’ (cited by 50%)

*“We have improved our marketing and website so this will generate more bookings”*  
Self-catering, Cork

*“Own investment in renovating rooms and better own marketing hopefully will increase room sales again this year.”*  
Self-catering, Donegal

*“Cheap flights and better weather overseas are attracting Irish holidaymakers.”*  
Self-catering, Kilkenny



# Caravan & Campsites

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## Hit by bad weather last summer

- 28% of caravan parks increased their revenue in 2024, whereas 41% saw a decrease
- The poor summer weather in 2024 affected performance in this weather-dependent sector
- But despite the weather, most (76%) caravan parks made a profit in 2024 and no responding business has reported a loss

*“I’ve had to review my pricing in line with my reduced operating margin – unsure of the impact that is likely to have”*

Caravan park, Westmeath

## Good reasons to feel positive

- 74% cite ‘repeat visitors’ as a reason to be positive this year – the highest proportion of any sector to say this – and 65% cite ‘positive reviews / recommendations’
- Among the concerns, 56% cite ‘Irish holidaymakers going abroad’ – the highest proportion of any sector to say this

# Attractions

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## Strong performance by revenue; reliable margins

- 61% of attractions increased their revenue in 2024, compared to just 23% who saw a decrease, making attractions one of the best performing sectors by revenue change
- Both the domestic and the overseas markets have contributed to the increased revenue levels
- 44% say their operating margin increased in 2024, and 38% say their margin decreased – this makes attractions one of the more stable sectors in terms of operating margin

## Optimistic for 2025

- Attractions are one of the most optimistic sectors about this year, with 55% expecting increased visitor volumes, compared to just 11% predicting a decrease
- Optimism is led by ‘positive reviews / recommendations’ – cited by 61% as a reason to be positive this year

*“Looking forward to a good year ahead”*  
Attraction, Monaghan

*“If overseas visitor numbers increase, we are well placed to benefit”*  
Attraction, Dublin

*“We hope for continued growth despite a tricky economic and geopolitical outlook. Our projected growth is realistic and based on current data.”*  
Attraction, Dublin

# Activity Providers

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## Mixed revenue performance, but most made a profit in 2024

- 45% of activity providers saw increased revenue last year, whereas a similar proportion (44%) experienced a decrease
- 54% managed to make a profit in 2024 and a further 19% broke even; 27% made a loss
- The sector was one of the least likely to increase prices in 2024, with half (50%) choosing not to do so

## Positive outlook, if the weather holds up

- 50% expect increased visitor volumes in 2025, compared to just 12% expecting a decrease, making activity providers one of the most optimistic sectors this year
- The weather needs to be favourable, which was not the case in summer 2024

*“Development of the Carlingford Lough Greenway will drive demand”*  
Activity provider, Louth

*“We are positive we will have a good year this year. Last year there was a lot of extra expense, but with our new premises set up we are hoping to see the rise in profit for us this year.”*  
Activity provider, Dublin

*“If the weather conditions are good, we will have a good season”*  
Activity provider, Waterford

# Pubs & Bars

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## Managing to remain viable

- 35% of pubs & bars increased their revenue last year, whereas 46% saw it decline
- In spite of cost challenges, 48% of pubs & bars made a profit last year and a further 33% broke even; only 19% made a loss
- Price increases helped to keep businesses viable, 86% of pubs & bars raised their prices in 2024

## Muted expectations for 2025

- 27% expect to increase their revenue in 2025, whereas 34% expect revenue to decline
- The biggest concern is 'rising payroll costs' – cited by 73%

*“Just trying to keep positive”*  
Pub, Monaghan

*“Turnover is good but profit is very low as the cost of doing business has increased too much. Business is not sustainable if these costs are not cut.”*  
Pub, Mayo

*“Trying to be positive at all times. Too many in the bar trade are talking down the trade.”*  
Bar, Laois

# Restaurants

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## Many challenges still facing restaurants

- 29% of restaurants saw increased revenue in 2024 but 59% experienced a decrease – this is the highest proportion of any sector to report a decline
- Most (86%) restaurants increased their prices last year, but for many it was not enough to break even, 53% of restaurants made a loss in 2024

## Expectations for 2025 – many are repaying debt

- Looking ahead this year, overall expectations are about in line with 2024 performance – a third (33%) expect to increase revenue this year, but the same proportion expect a decrease
- Costs dominate concerns, especially payroll – cited by 94% (the highest proportion of any sector to say this)
- Also, 40% cite ‘repaying debt’ as a concern – more than any other sector

*“We remain positive and are enjoying the company of our loyal customers”*  
Restaurant, Dublin

*“Hopefully things can only get better”*  
Restaurant, Cork

*“I’ve never been so nervous about the future”*  
Restaurant, Waterford

# Inbound Tour Operators & DMCs

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## Strongest performing sector

- 74% of inbound operators & DMCs increased their revenue in 2024, whereas only 21% saw a decrease
- 88% made a profit in 2024, and 55% saw their operating margin increase
- This feedback makes inbound operators & DMCs the best performing sector on all financial metrics

## Strong interest in Ireland, but hotel prices are high

- Operators report strong interest in Ireland, 65% expect their revenue to be up this year
- But capitalising on this demand is being hampered by high hotel prices, and some say they are losing bookings as a result
- 93% cite 'cost of tourist accommodation' as a concern – the highest proportion of any sector to say this

*"In general, we are very positive and optimistic"*  
Inbound tour operator, Dublin

*"2025 is not looking like it will be a good year at all. The amount of cancellations that are starting to come in is far beyond what has been seen in previous years. This is due to the huge increases in hotel prices, making the group tours unsellable in a world where disposable income is low."*

DMC, Cork

# Tour Guides

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## Strong 2024 performance

- 53% of tour guides increased their revenue in 2024, compared to 27% who saw a decrease
- 41% managed to increase their operating margin last year, compared to 29% who saw it decrease, making tour guides one of not many sectors to see overall growth in margin
- The North American market contributed significantly to the good 2024 performance, with 53% of tour guides reporting the market to be up

## Demand is there, but accommodation is a concern

- Similarly to inbound operators & DMCs, tour guides can see there is strong interest among overseas visitors to come to Ireland, but opportunities are being lost because of accommodation prices and supply
- 66% cite 'cost of tourist accommodation' and 59% cite 'lack of tourist accommodation' as a concern

*"Looking good!"*  
Tour guide, Cork

*"Big events planned should increase our revenue streams"*  
Tour guide, Dublin

*"My main concern is how Ireland may be perceived as poor value for money"*  
Tour guide, Dublin