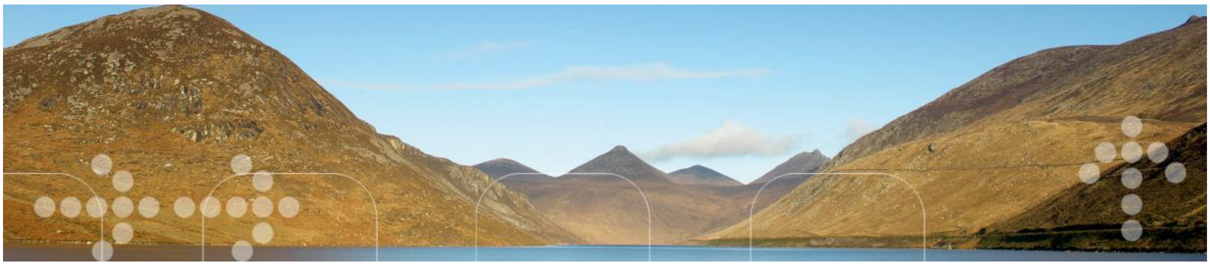
tourism northernireland

Cognisense
INSIGHTS THAT INCITE

Tourism Industry Barometer

November 2018



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All research complied fully with the Market Research Society's Code of Conduct

1. Background & Methodology

Background and objectives

1.1 The Northern Ireland Tourism Industry Barometer is a survey of tourism businesses conducted three times a year, which is designed to provide insight into tourism performance for the year to date and prospects for the remainder of the year.

1.2 In June 2018, Cognisense Ltd., an independent research agency, was commissioned to conduct the survey in 2018 and 2019.

1.3 Fieldwork for the second wave of 2018 took place between 8th October and 9th November 2018. The objectives were to measure the following:

- business performance for the year to date in terms of visitor volume – overall and by key markets;
- profitability for the year to date;
- average room yield for the year to date (hotels);
- visitor volume expectations for the remainder of 2018; and
- positive factors and any issues of concern affecting tourism businesses

Methodology

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

1.5 Tourism NI and Cognisense Ltd. worked together to develop a questionnaire for use online and via telephone.

1.6 Tourism NI provided a database of 2,418 contacts for the survey, spread across numerous industry sectors.

1.7 An e-mail was sent on 8th October 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.

1.8 Following the online element of the survey, Cognisense Ltd. conducted 386 interviews by telephone with non-responders. Interviews were conducted in daytime and evening hours with business owners or managers.

2. Headline Findings

The Tourism Industry Barometer and how it is conducted

2.1 The Northern Ireland Tourism Industry Barometer is a survey of tourism businesses conducted three times a year, which is designed to provide insight into tourism performance for the year to date and prospects for the remainder of the year.

2.2 Cognisense Ltd. received 115 responses to the online element of the survey and conducted 386 interviews via telephone.

Strong year to date for Northern Ireland

2.3 More than two-fifths (42%) of respondents overall reported an increase in business when compared to the same point in 2017, whilst just over a third (36%) experienced the same volume of visitors as the previous year.

Solid growth for overseas and GB markets

2.4 The overseas and GB markets performed well, with around two-fifths (44%) and nearly a third (34%) respectively reporting an increase in business when compared to 2017.

Positive year thus far for hotel sector

2.5 Hotels have enjoyed positive year to date: nearly three-quarters (73%) reported an increase in bednights; approaching six in ten (55%) reported an increase in room yield; and a third reported an increase in profitability.

2.6 However, it is important to acknowledge that almost a quarter (23%) of hotels reported a decrease in profitability.

Guesthouse and B&B markets show largely positive results

2.7 Overall, almost two in five (38%) guesthouses reported an increase in visitor volumes when compared to the same period in 2017, whilst half reported a consistent business performance.

2.8 More than two in five (42%) B&B's reported an increase, whilst around a third (34%) noted a steady performance when compared to the same period the previous year.

Mixed results for self-catering sector

2.9 A third of self-catering accommodation providers reported an increase in business, whilst just over two in five (42%) noted a consistent performance when compared to the previous year.

Strong year for the caravan and camping sector and hostels

2.10 Almost nine in ten (86%) reporting caravan and camping proprietors reported an increase in visitor numbers when compared to the same period in 2017, whilst just over two-thirds (67%) of hostels reported visitor volumes to be up on the previous year.

A good year to date for attractions

2.11 Overall, almost half (49%) of attractions noted an increase in visitor numbers, which is a notable improvement when compared to the figure reported (26%) in June 2018.

Much improved scene overall for activity providers

2.12 Almost three-fifths (59%) of activity providers noted an increase in business in 2018; an increase from around two in five (44%) who reported an increase in the corresponding 2017 wave of research.

Positive performance across all regions

2.13 Just over two in five (43%) respondents from Belfast, whilst almost half (49%) from the North West and a similar number (46%) from the South East reported an increase in business compared to 2017.

2.14 Nearly two in five (38%) respondents from the North East and a similar number (37%) from the South West reported an increase in visitor volumes.

Industry optimistic for 2018

2.15 Overall, tourism operators have an optimistic outlook for the rest of 2018, with almost a quarter (23%) expecting an increase in business and around half (51%) expecting a steady performance when compared to the same period the previous year.

2.16 Amongst the accommodation providers, hotels are the most optimistic, with approaching half (45%) of respondents expecting business to be up compared to 2017.

2.17 Attraction owners, activity providers and car hire and coach operators are also anticipating increases in business for the remainder of 2018

The weather was a considerable benefit in 2018, whilst repeat custom, recommendations and marketing remain very important

2.18 The weather was considered a positive factor by around three in ten (31%) respondents.

2.19 Repeat visitors was cited as a positive factor affecting business by almost a quarter (24%) of respondents.

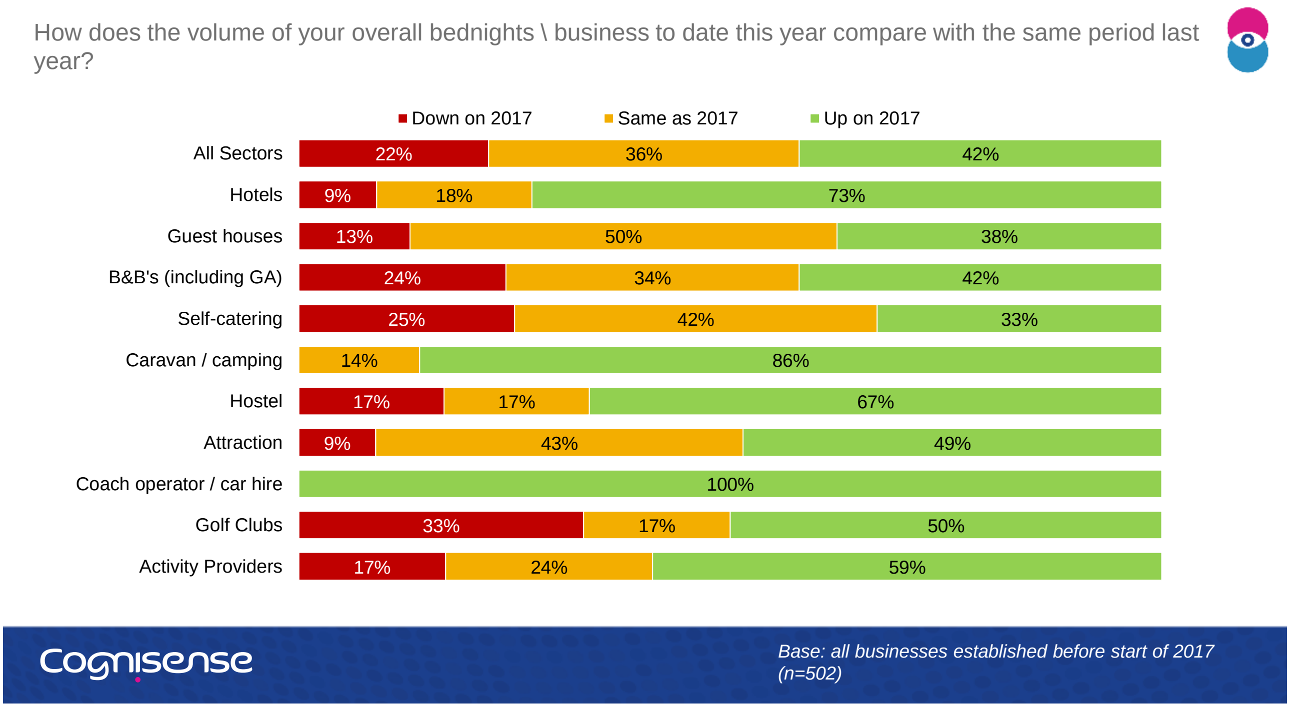
The economy still the main issue of concern, whilst fuel and energy costs also a key issue

2.20 The economy was seen as the main issue of concern for respondents, with around one in eight (12%) citing the domestic economy and almost one in ten (7%) mentioning the global economy as an area of concern.

2.21 Approaching one in five (16%) respondents considered fuel and energy costs a key issue in 2018.

3. Visitor Volumes in 2018 by Sector

Overall visitor volumes in 2018



**Caution: some sectoral data based on small sample sizes: Hotels (n=11); Guesthouses (n=8); Car Hire and Coach Operators (n=2); Hostels (n=6); Caravan and Camping (n=7); Golf Clubs (n=6)*

The bases shown are the overall samples asked the question; results for each individual sector are based on the relevant sub samples of this overall population. In the 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 shown in the same order each time.

Strong year to date for Northern Ireland

3.1 The above chart gives an overview of industry performance by sector in 2018.

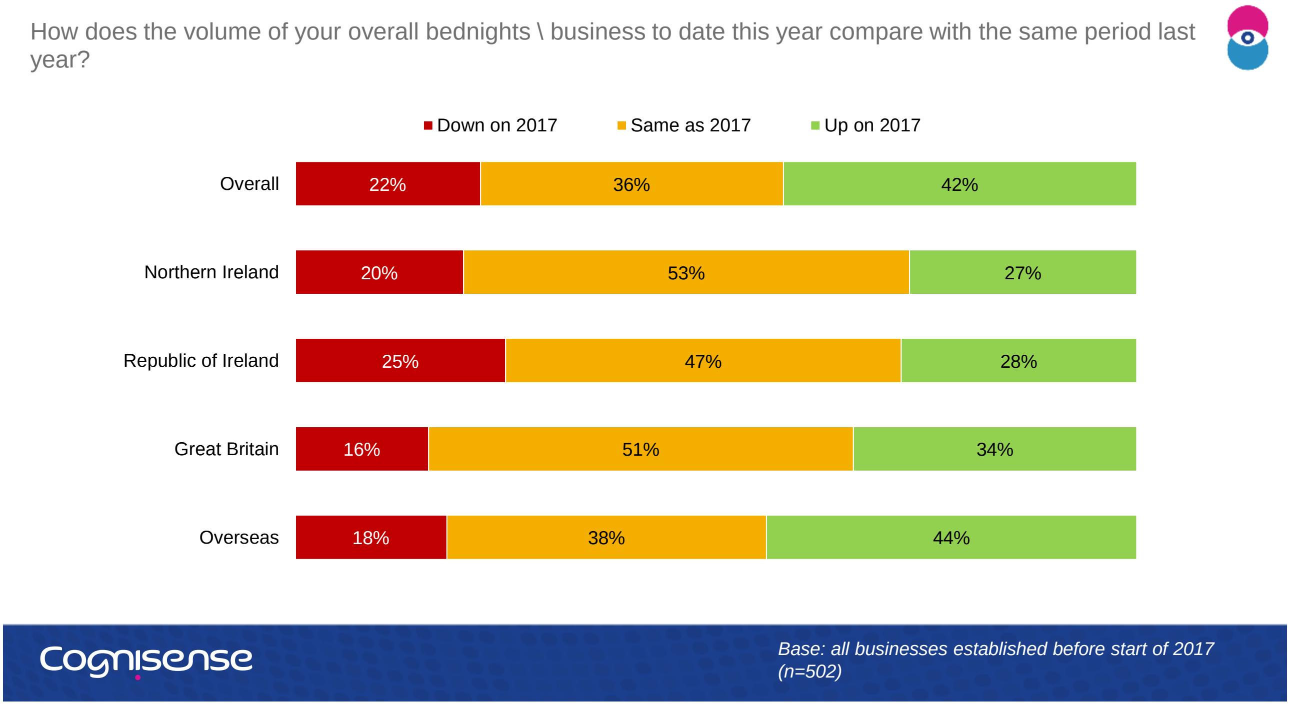
3.2 Hotels have performed very well, with almost three-quarters (73%) of respondents having reported an increase in bednights so far in 2018.

3.3 B&B's and guesthouses have also performed strongly thus far; with around two in five reporting an increase in business when compared to the same period the previous year.

3.4 It has been a good year so far for activity providers and attractions, with nearly three in five (59%) and almost half (49%) respectively having reported an increase in visitor volumes.

3.5 Performance by sector is discussed in more detail in the next section.

All sectors – visitor volumes by market

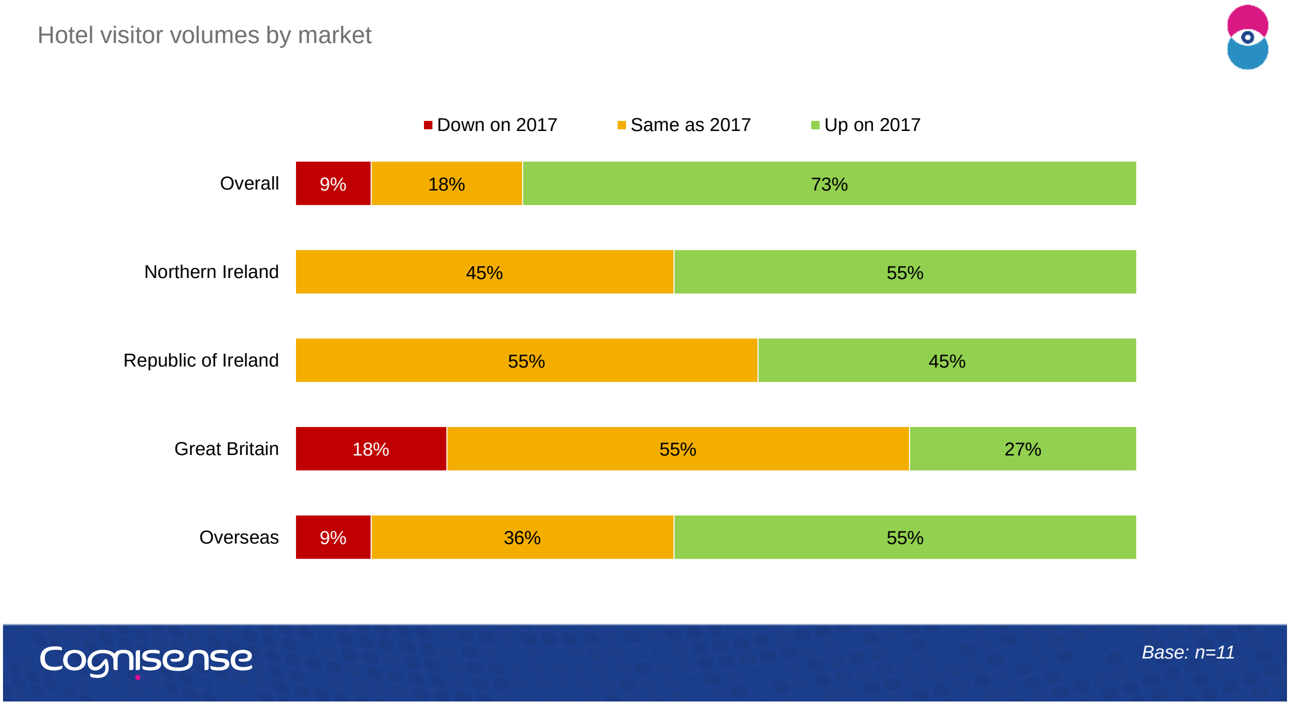


3.6 Overall, more than two in five (42%) respondents reported an increase in business compared to 2017, which is a marginal increase on the number of respondents (37%) who did so in the June 2018 wave of research.

3.7 The overseas and GB markets performed well, with around two-fifths (44%) and nearly a third (34%) respectively reporting an increase in business when compared to 2017.

3.8 Almost three in ten (28%) respondents reported growth in the ROI market, which is considerably fewer than the number who did so in the corresponding wave of research last year, when a particularly strong performance was reported (40%).

Hotels – visitor volumes by market



**Caution: The above results are based on a very small sample size (n=11)*

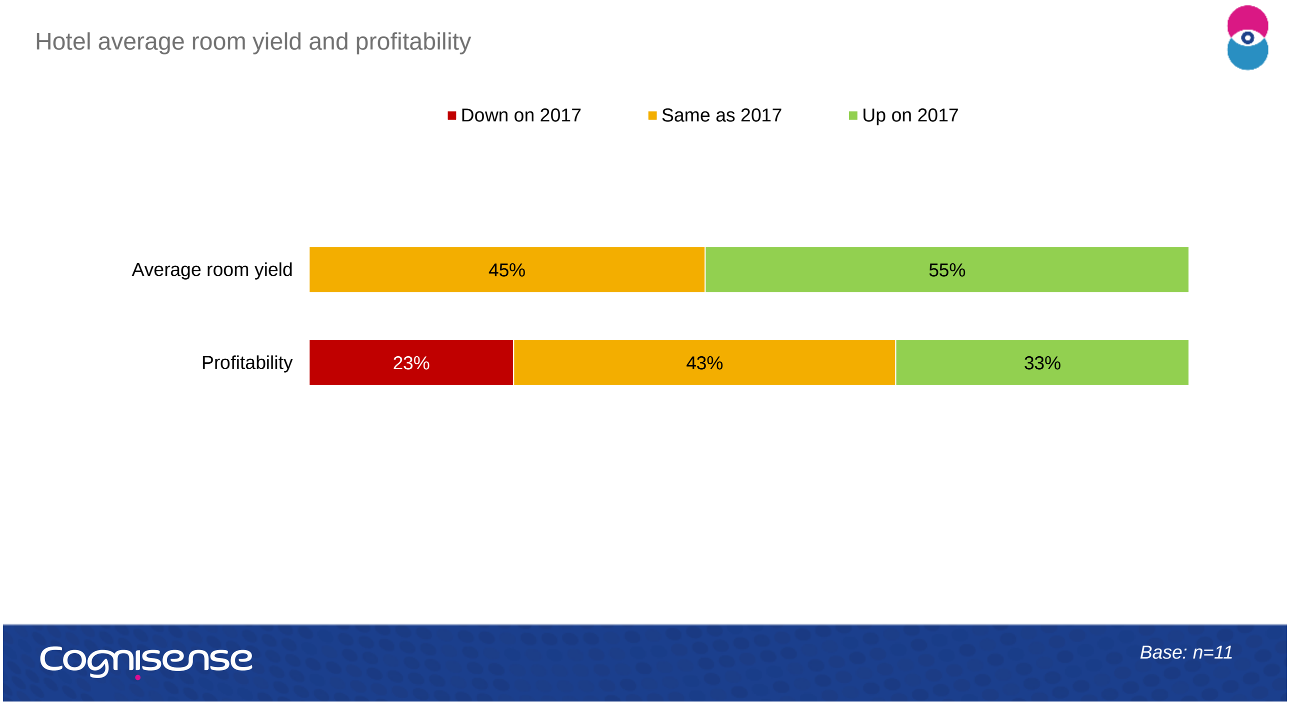
Positive year thus far for hotel sector

3.9 Hotels have enjoyed a positive year to date; nearly three-quarters (73%) reported increased bednights, whilst only one in ten (9%) reported a decrease in business when compared to the same point the previous year.

3.10 The domestic, ROI and overseas markets all show positive signs of growth.

3.11 Although the GB market performed less strongly than the others, less than one in five (18%) reported a decrease in business when compared to 2017.

Hotels – average room yield and profitability

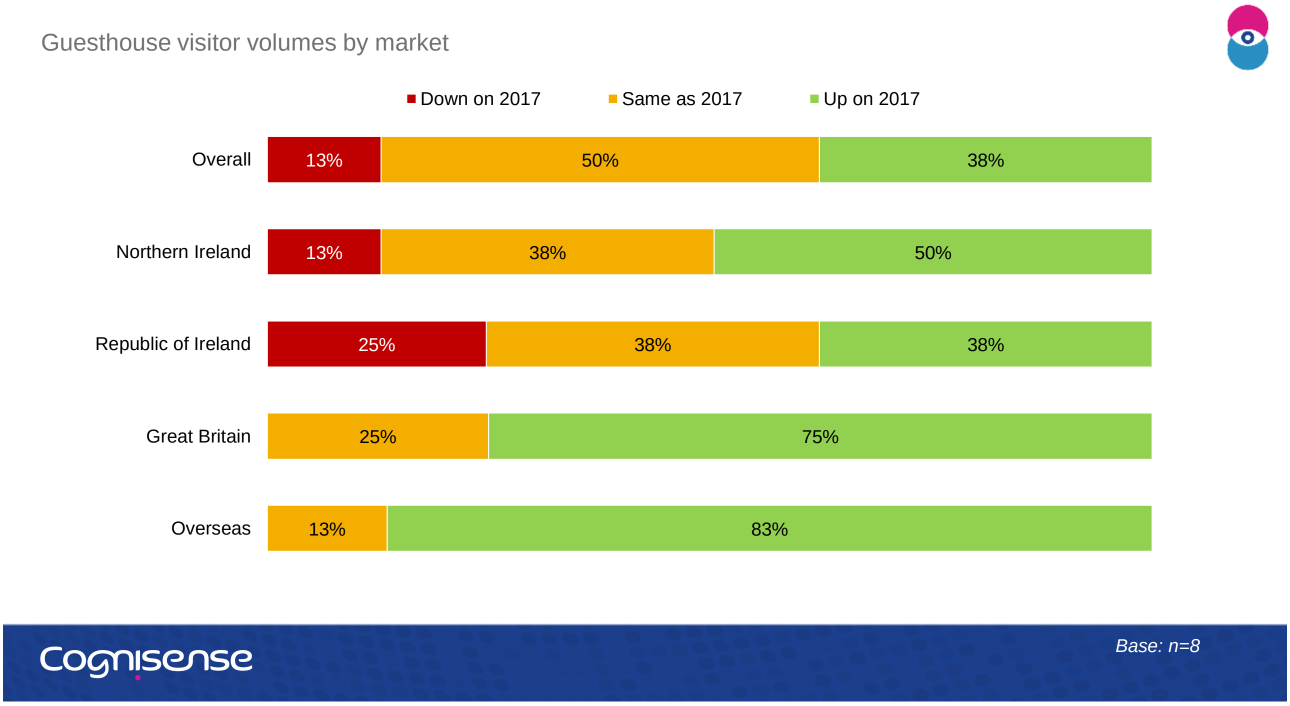


**Caution: The above results are based on a very small sample size (n=11)*

3.12 The positive year that the hotel sector has enjoyed so far in 2018 is reflected in the positive performance for room yield, as cited by approaching six in ten (55%) respondents, and the increase in profitability noted by one in three responding hotels.

3.13 However, it is important to acknowledge that almost a quarter of hotels reported a decrease in profitability.

Guesthouses



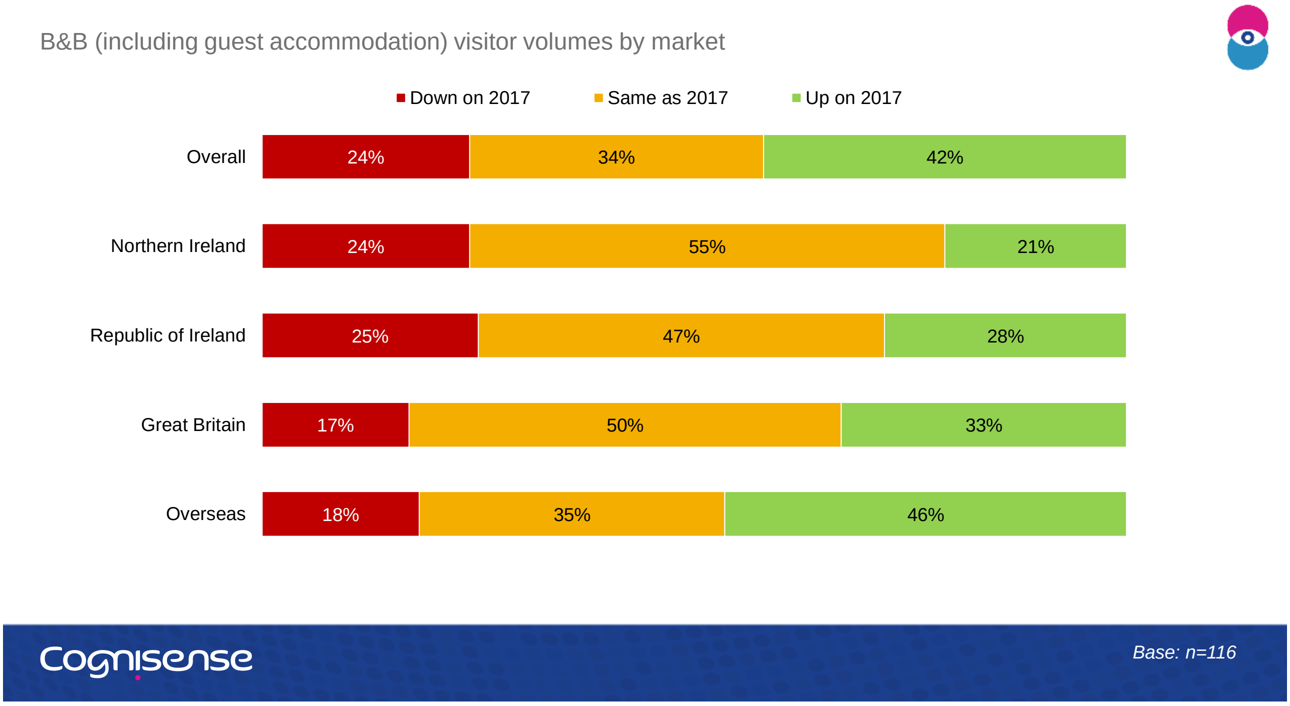
**Caution: The above results are based on a very small sample size (n=8)*

Strong year so far for the guesthouse market

3.14 Overall, almost two in five (38%) guesthouses reported an increase in visitor volumes when compared to the same period in 2017.

3.15 The overseas and GB markets performed particularly strongly, with over four in five (83%) and three-quarters respectively reporting an increase in business.

B&Bs



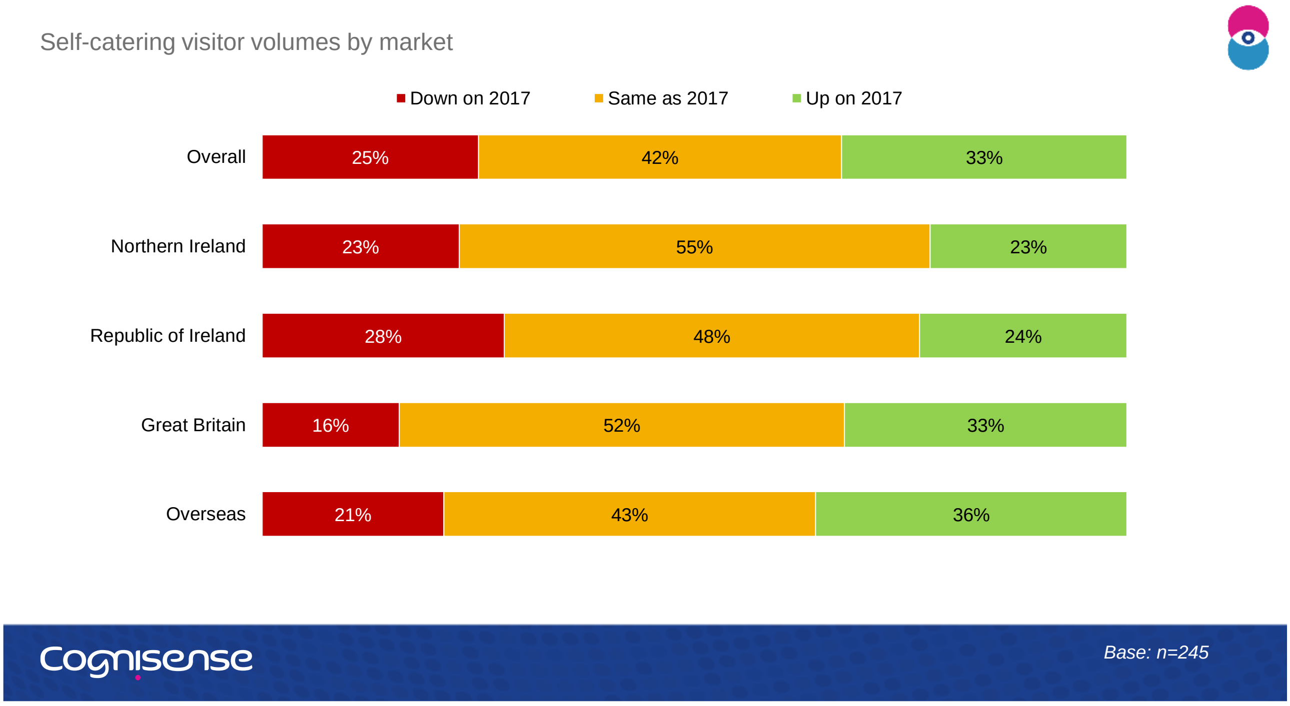
B&B's show largely positive results

3.16 More than two in five (42%) B&B's reported an increase, whilst around a third (34%) noted a steady performance when compared to the same period the previous year.

3.17 However, nearly a quarter (24%) of respondents overall stated that business had decreased when compared to 2017.

3.18 The overseas market performed considerably stronger than the domestic, GB and ROI markets, with approaching half (46%) of B&B's reporting an increase in business.

Self-catering



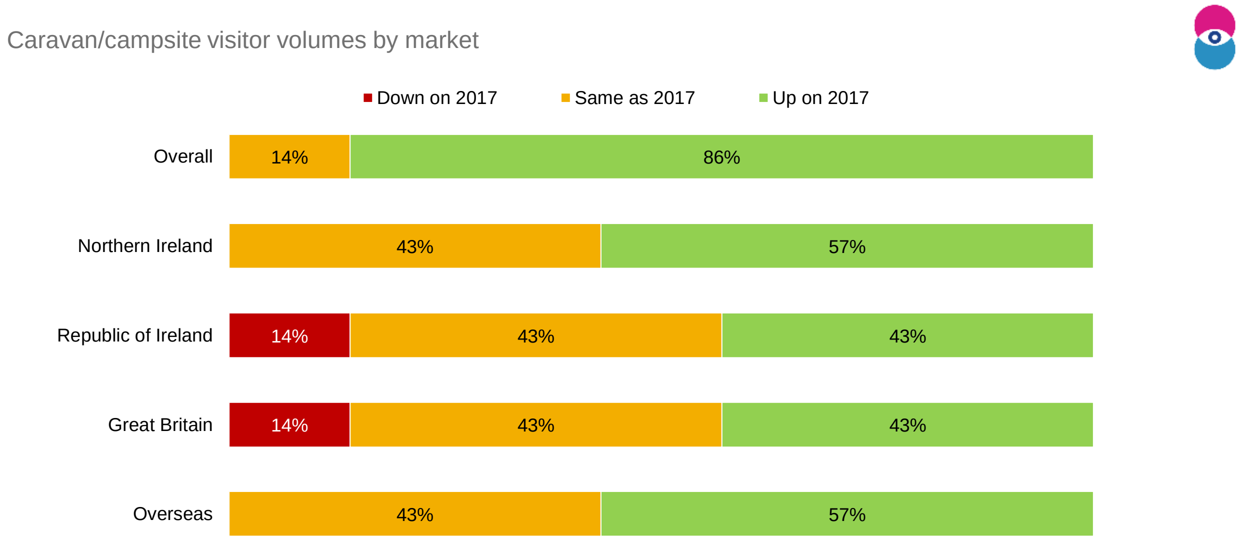
Mixed results for self-catering sector

3.19 A third of self-catering accommodation providers reported an increase in business, whilst just over two in five (42%) noted a consistent performance when compared to the previous year.

3.20 The overseas and GB markets performed considerably better than the domestic and ROI markets.

3.21 However, the 2018 figures represent a weaker performance when compared to the corresponding 2017 wave of research, when almost half (49%) of respondents reported an increase in business.

Caravan / campsites



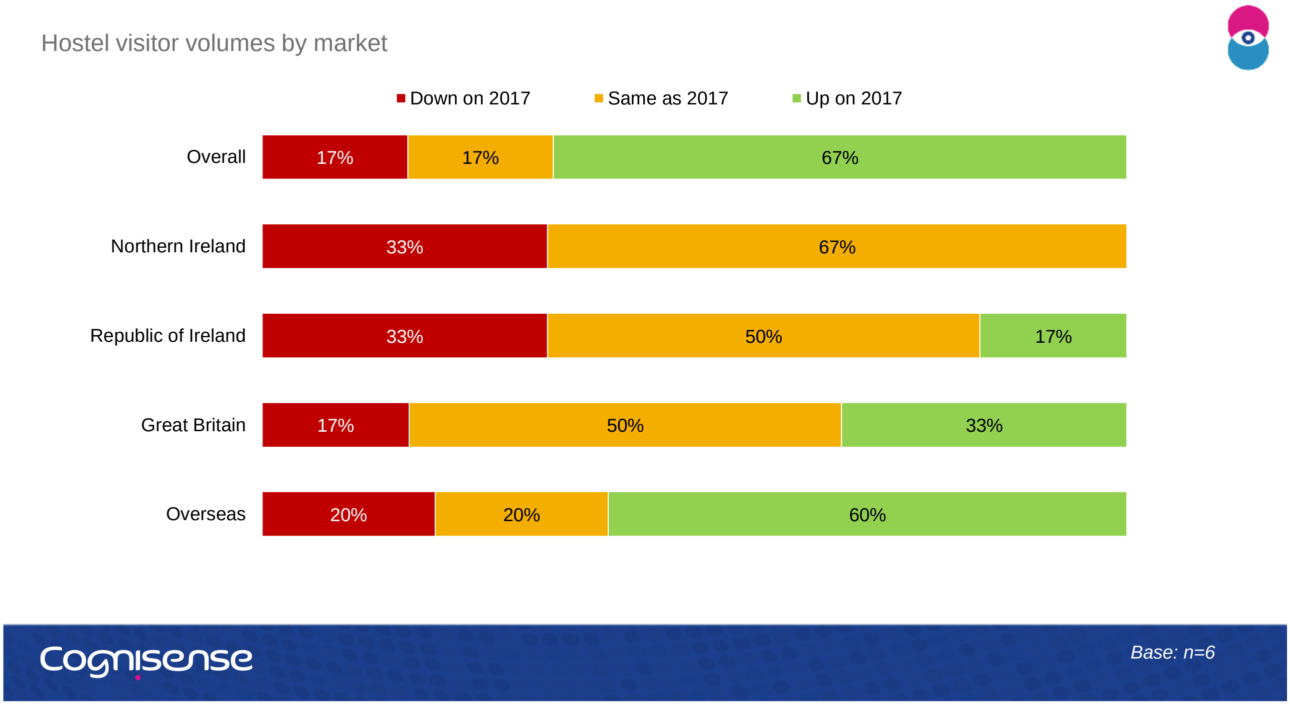
Base: n=7

**Caution: The above results are based on a very small sample size (n=7)*

Strong year for the caravan and camping sector

3.22 Almost nine in ten (86%) reporting caravan and camping proprietors reported an increase in visitor numbers when compared to the same period in 2017. The particularly good summer weather was a considerable benefit for this sector.

Hostels



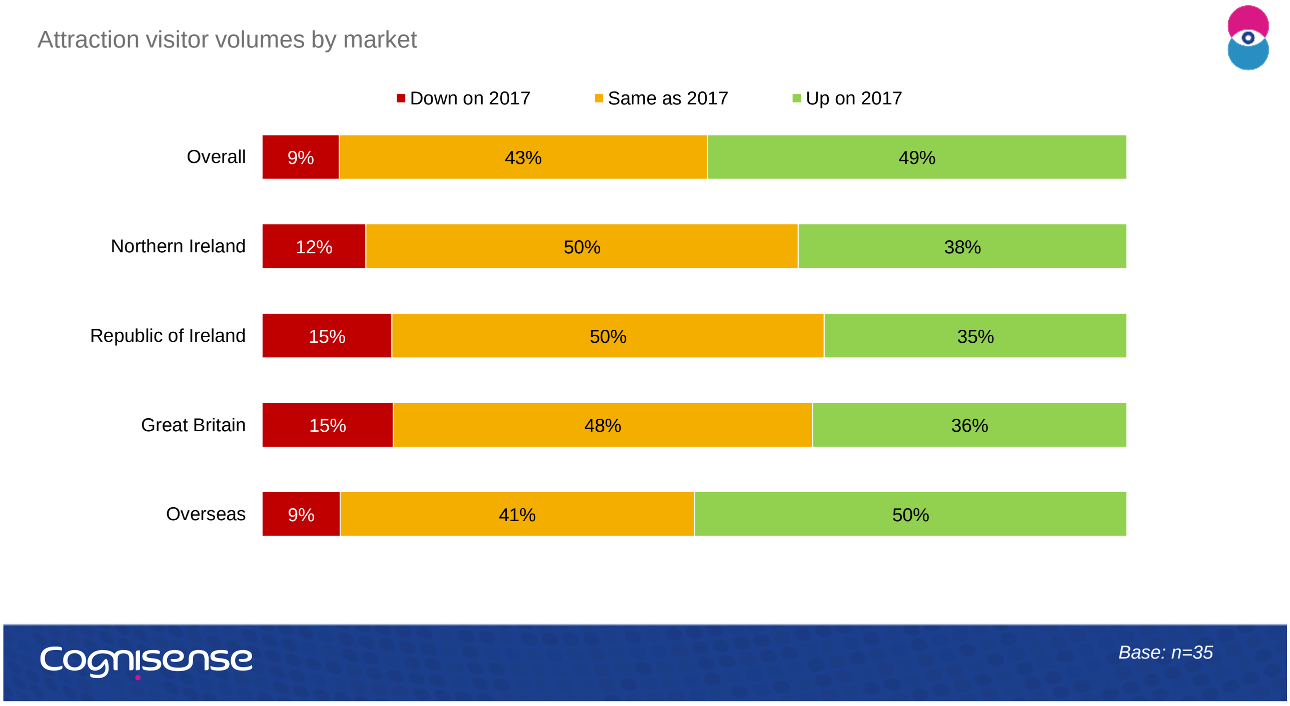
**Caution: The above results are based on a small sample size (n=6)*

A positive performance overall for hostels

3.23 Just over two-thirds (67%) of hostels reported visitor volumes to be up in 2018 compared to the same period last year.

3.24 The overseas market performed notably better than the domestic, ROI and GB markets.

Attractions



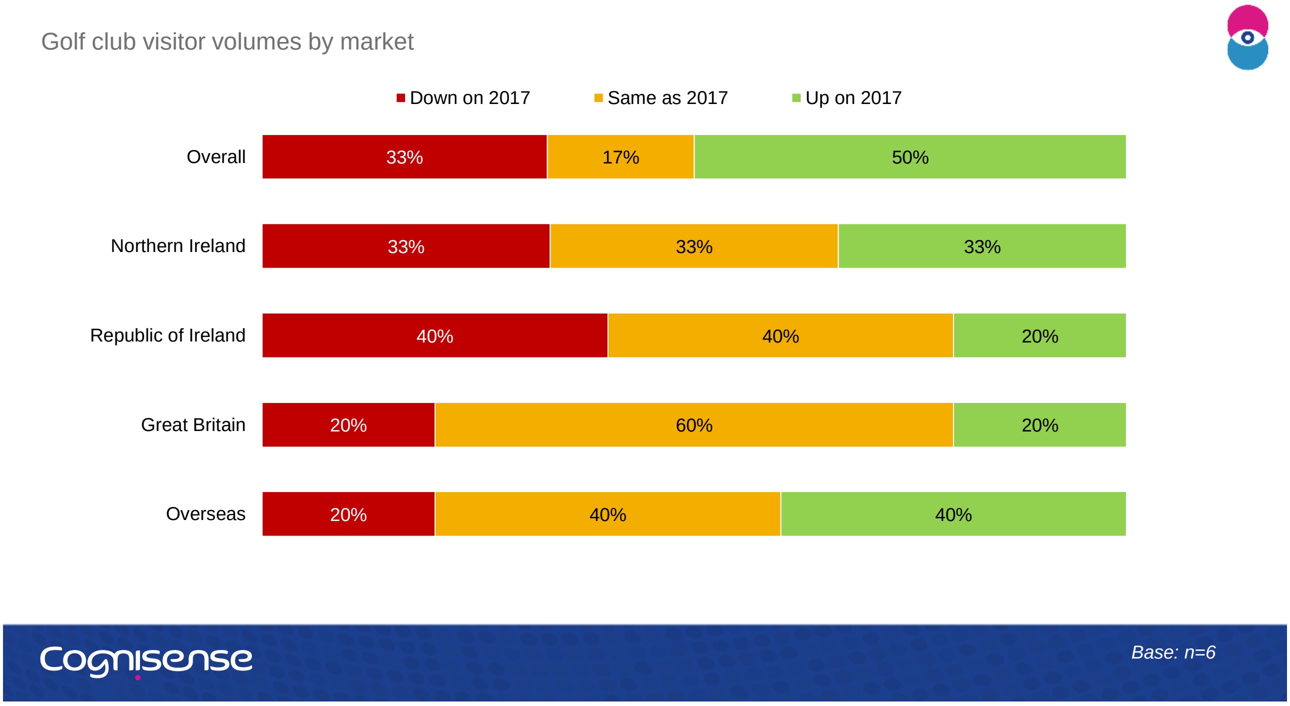
A good year to date for attractions

3.25 Overall, almost half (49%) of attractions noted an improvement in visitor numbers in 2018, which represents a consistent performance when compared to figure reported in the corresponding 2017 wave of research. However, the overall performance is a notable improvement when compared to the figure reported (26%) in June 2018.

3.26 The overseas market performed the strongest, with half of the attractions surveyed reporting an increase.

3.27 Approaching two in five attractions reported an increase in the domestic, ROI and GB markets when compared to the same period the previous year.

Golf clubs

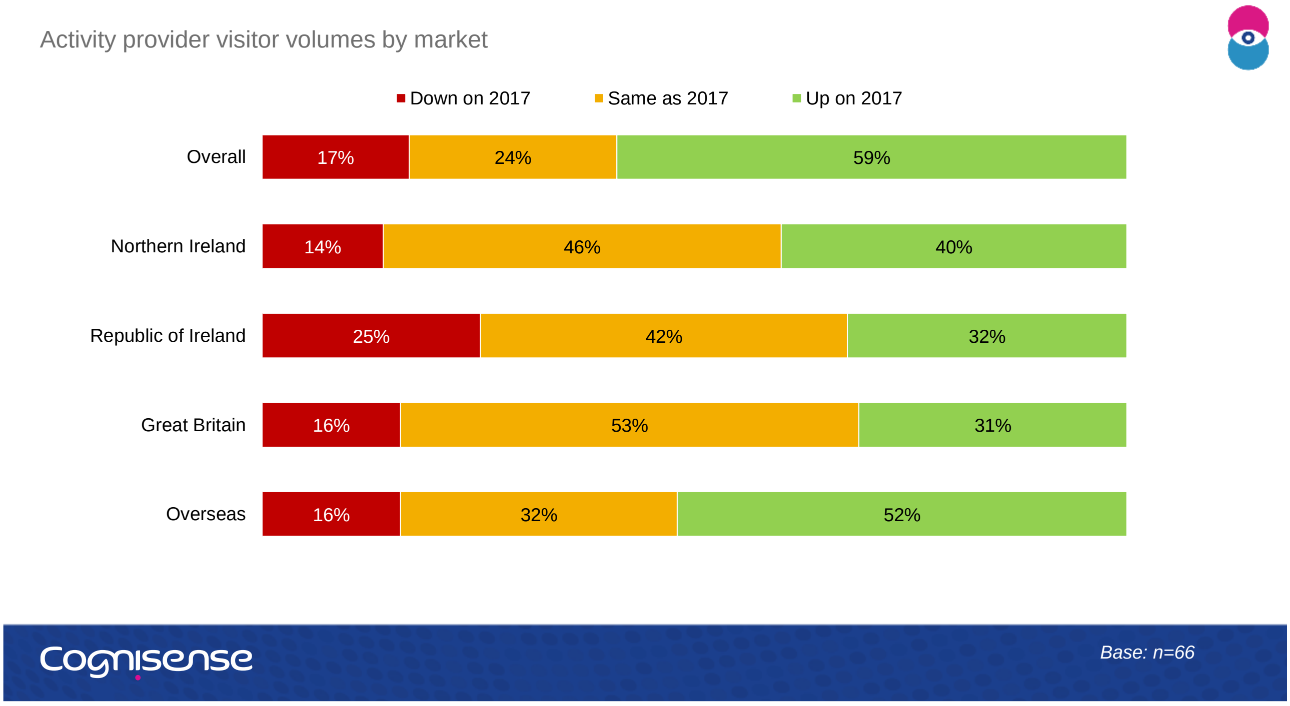


**Caution: The above results are based on a small sample size (n=6)*

Very positive year so far for golf clubs

3.28 Overall, half of golf clubs reported an increase in visitor volumes when compared to the same point in 2017.

Activity providers

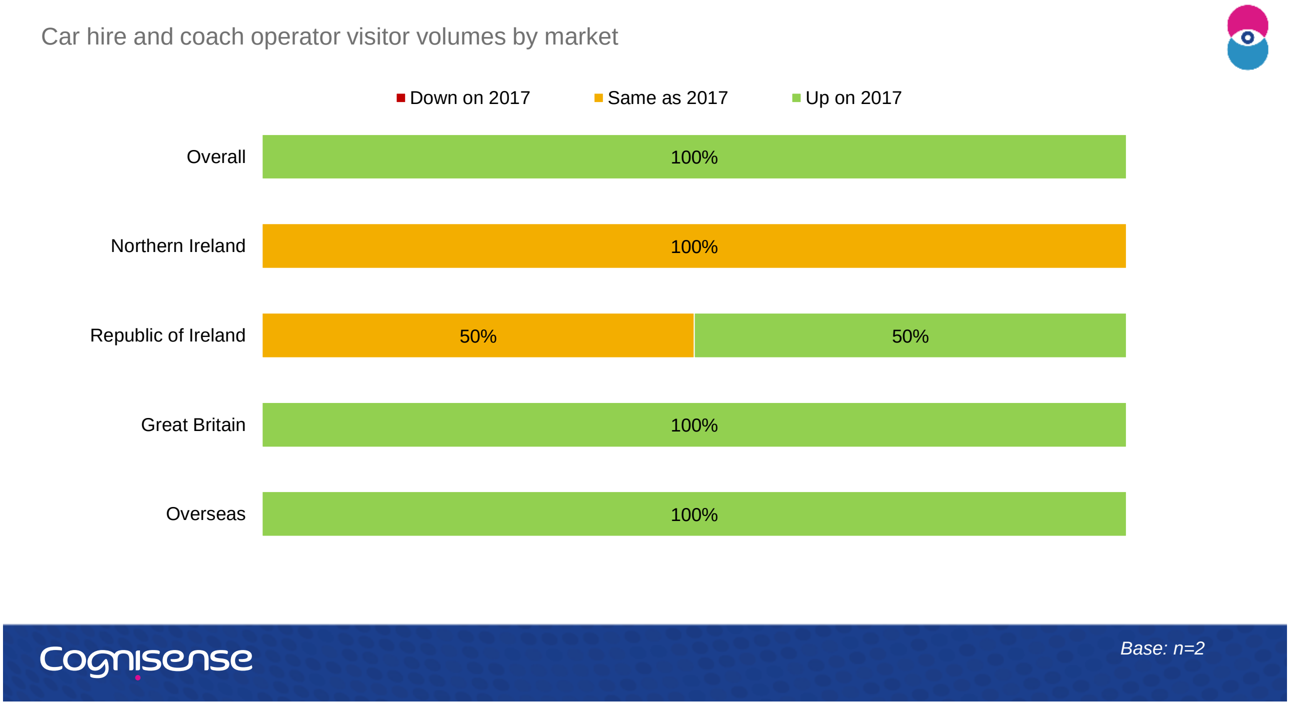


Much improved scene overall for activity providers

3.29 Almost three-fifths (59%) of activity providers noted an increase in business in 2018; an increase from around a two in five (44%) who did so in the corresponding 2017 wave of research.

3.30 The overseas market performed more strongly than the NI, ROI and GB markets.

Car hire/coach operators



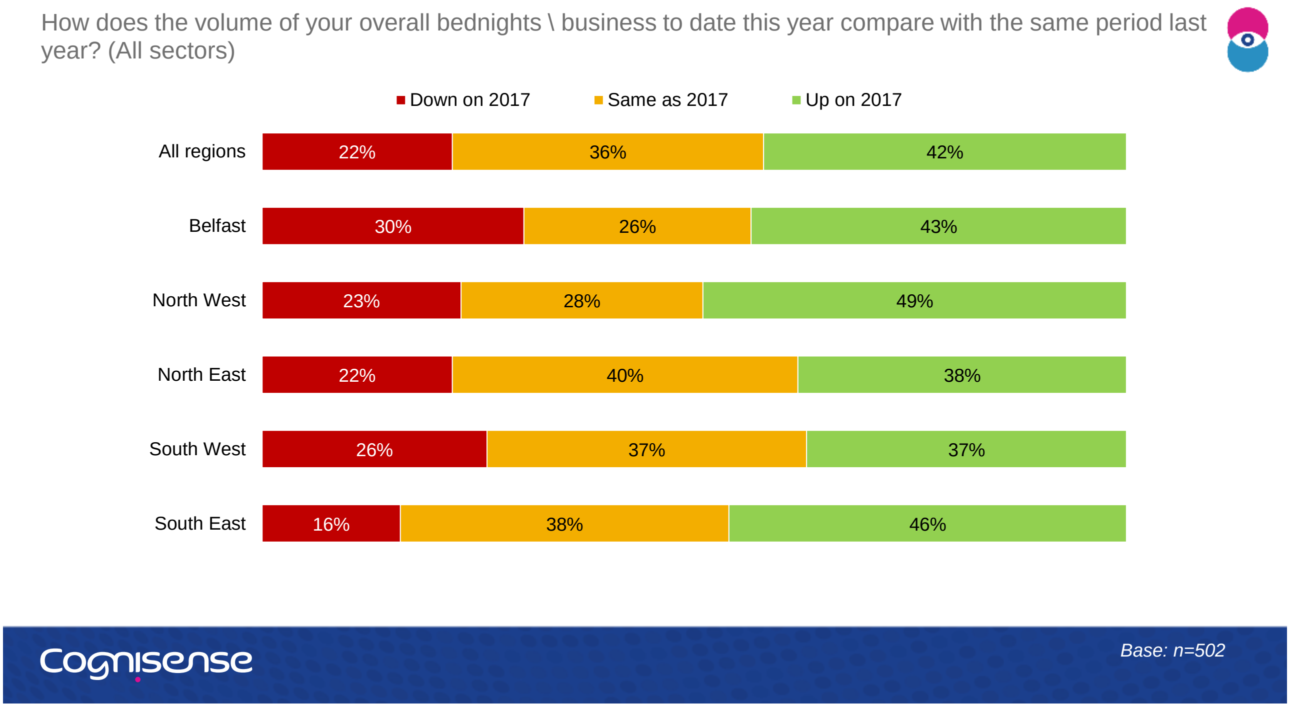
**Caution: The above results are based on a very small sample size (n=2)*

Positive performance from car-hire/coach operators

3.31 Both of the responding car-hire/coach operators reported an increase when compared to the same point the previous year.

4. Performance by Region

All Sectors by Region



The above chart illustrates the business performance by region for all sectors

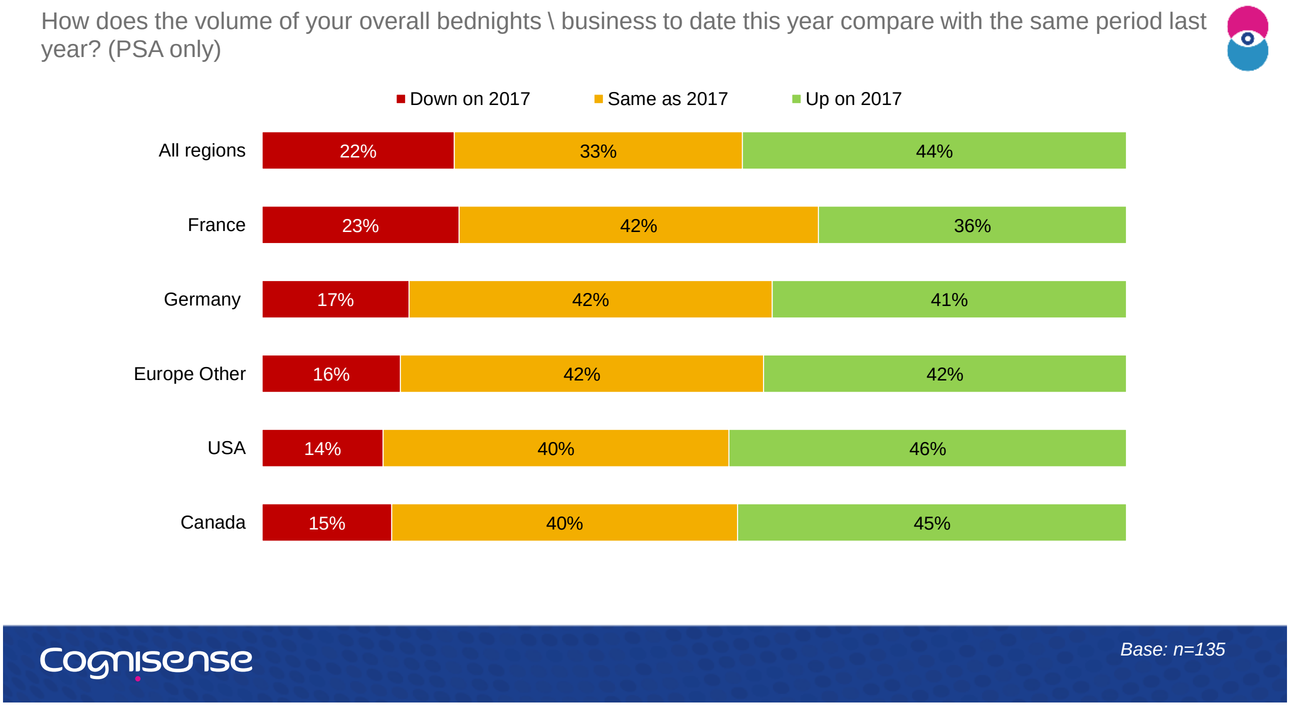
Strong performance across all regions

4.1 Just over two in five (43%) respondents from Belfast, whilst almost half (49%) from the North West and a similar number (46%) from the South East reported an increase in business compared to 2017.

4.2 Nearly two in five (38%) respondents from the North East and a similar number (37%) from the South West reported an increase in business.

5. Overseas Visitors by Market

Paid Serviced Accommodation



The above chart illustrates the business performance by overseas market of the weighted paid serviced accommodation sector

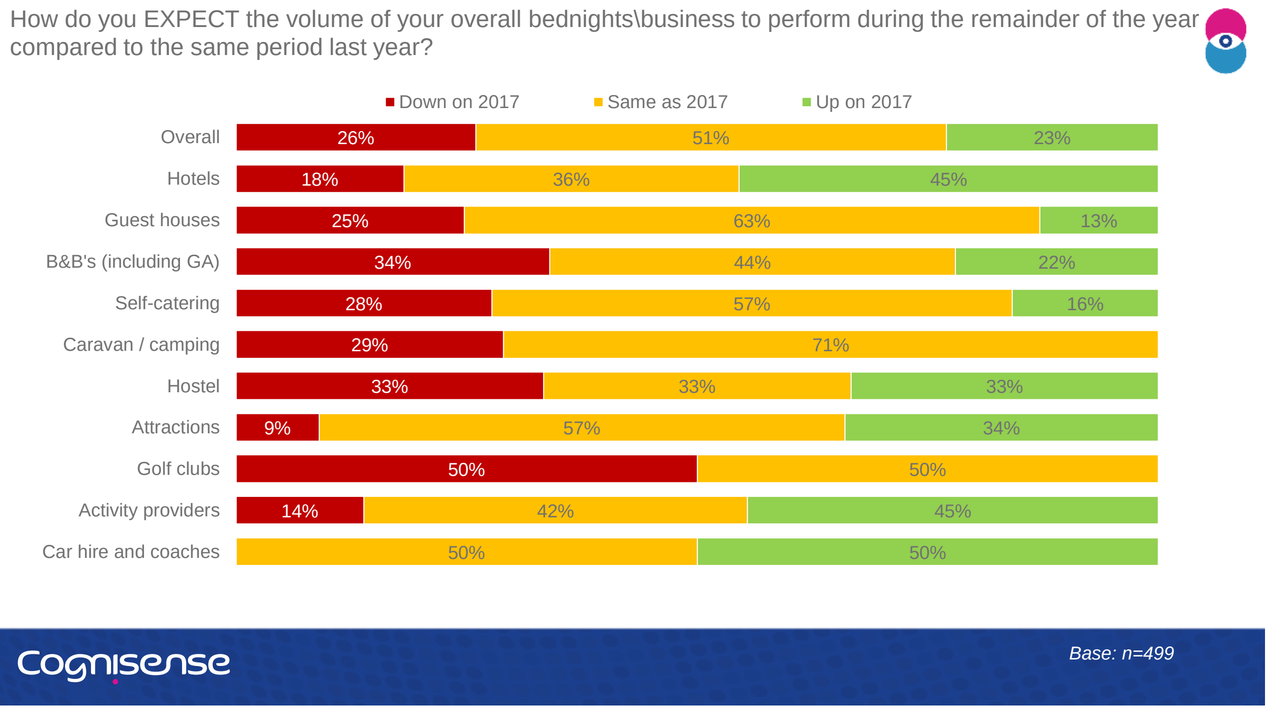
Improvements in overseas markets

5.1 A higher proportion of respondents noted increases in business for the French, German, other European and Canadian markets than did so during the corresponding wave of research in 2017.

5.2 The performance for the USA market is consistent with the figure reported at this time last year.

6. Expectations for 2018

Overall view of expectations



Industry optimistic for 2018

7.1 Overall, tourism operators have an optimistic outlook for the rest of 2018, with almost a quarter (23%) expecting an increase in business and around half (51%) expecting a steady performance when compared to the same period the previous year.

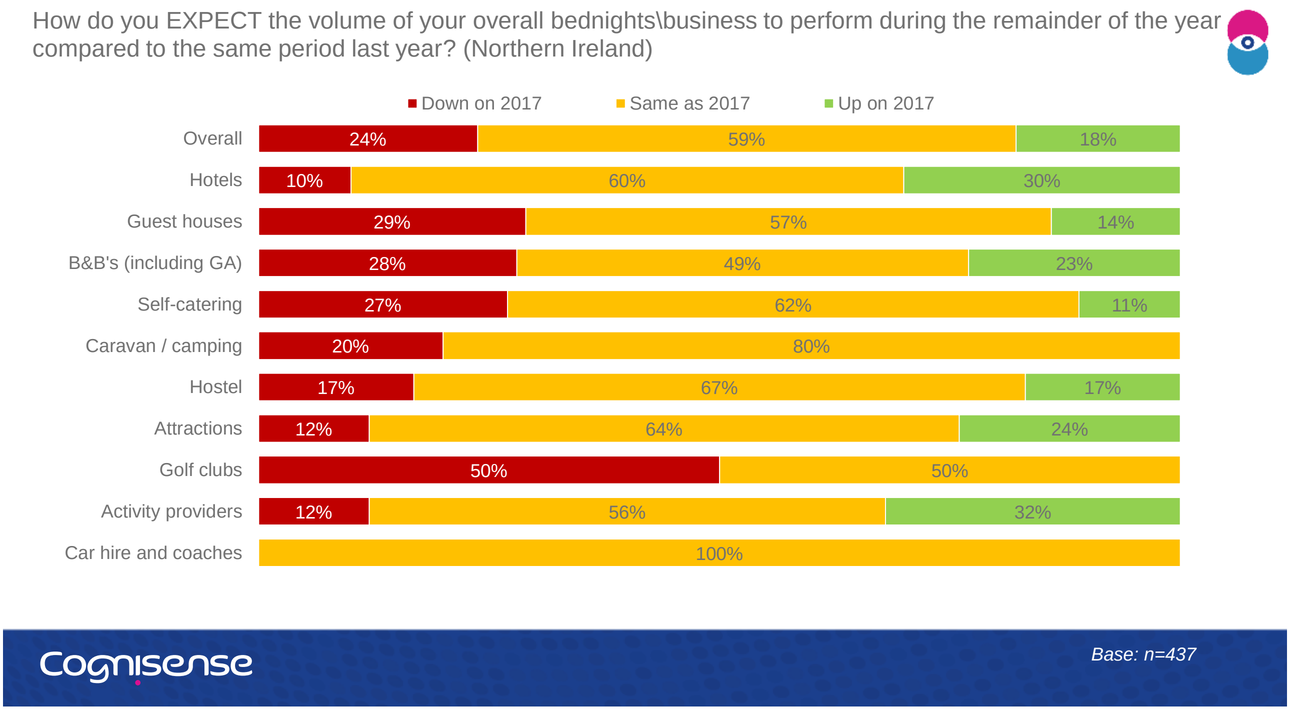
7.2 Amongst the accommodation providers, hotels are the most optimistic, with approaching half (45%) of respondents expecting business to be up compared to 2017.

7.3 B&B and self-catering accommodation providers are also optimistic, with around a fifth (22%) and almost one in six (16%) respectively expecting business for the remainder of 2018 to be an improvement on the same period in 2017.

7.4 Attraction owners, activity providers and car hire and coach operators are also anticipating increases in business for the remainder of 2018.

7.5 It is important to note, though, that while some predictions may be based on advanced bookings, this is not always the case and some predictions are more speculative.

Expectations for Northern Ireland

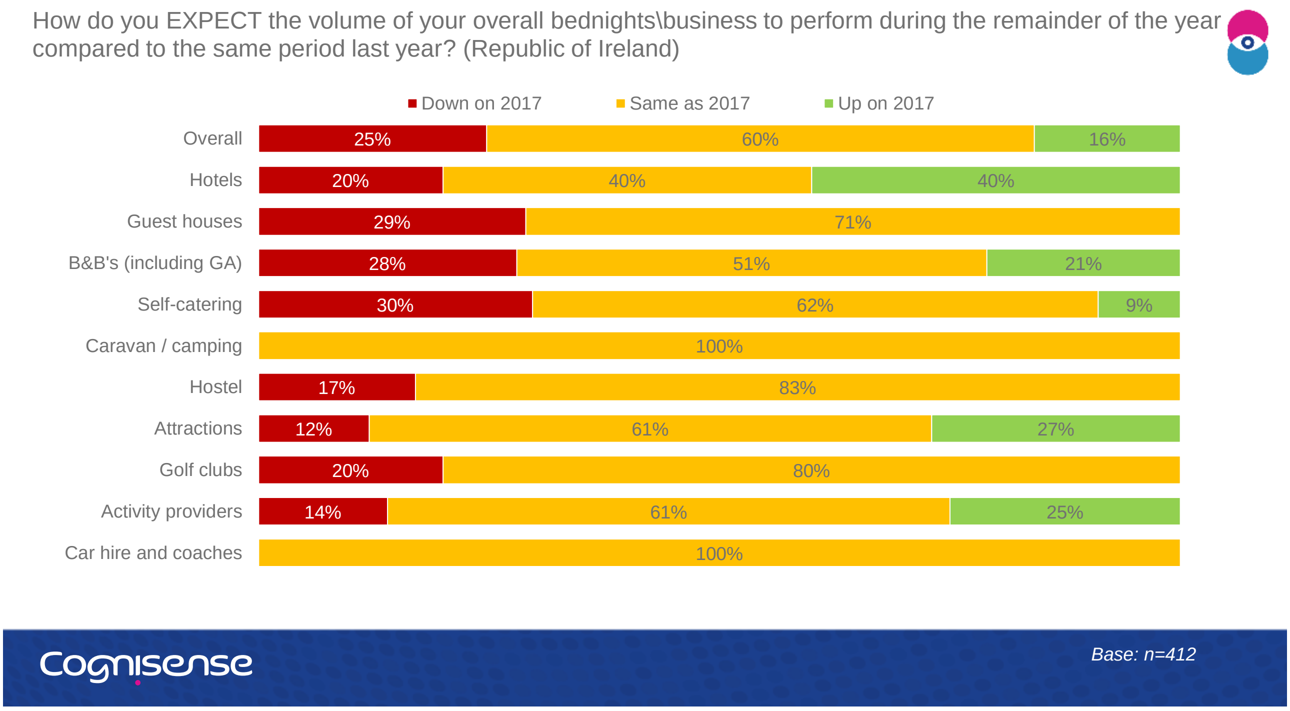


Steady expectations overall for the domestic market

7.6 Overall, around a quarter (24%) of respondents expect business for the remainder of 2018 to be down on the volumes for 2017, whilst a fifth (18%) are anticipating an increase in business.

7.7 Hotels and activity providers were the most optimistic, with around three in ten expecting business for the rest of the year to be up on the same period in 2017.

Expectations for the Republic of Ireland



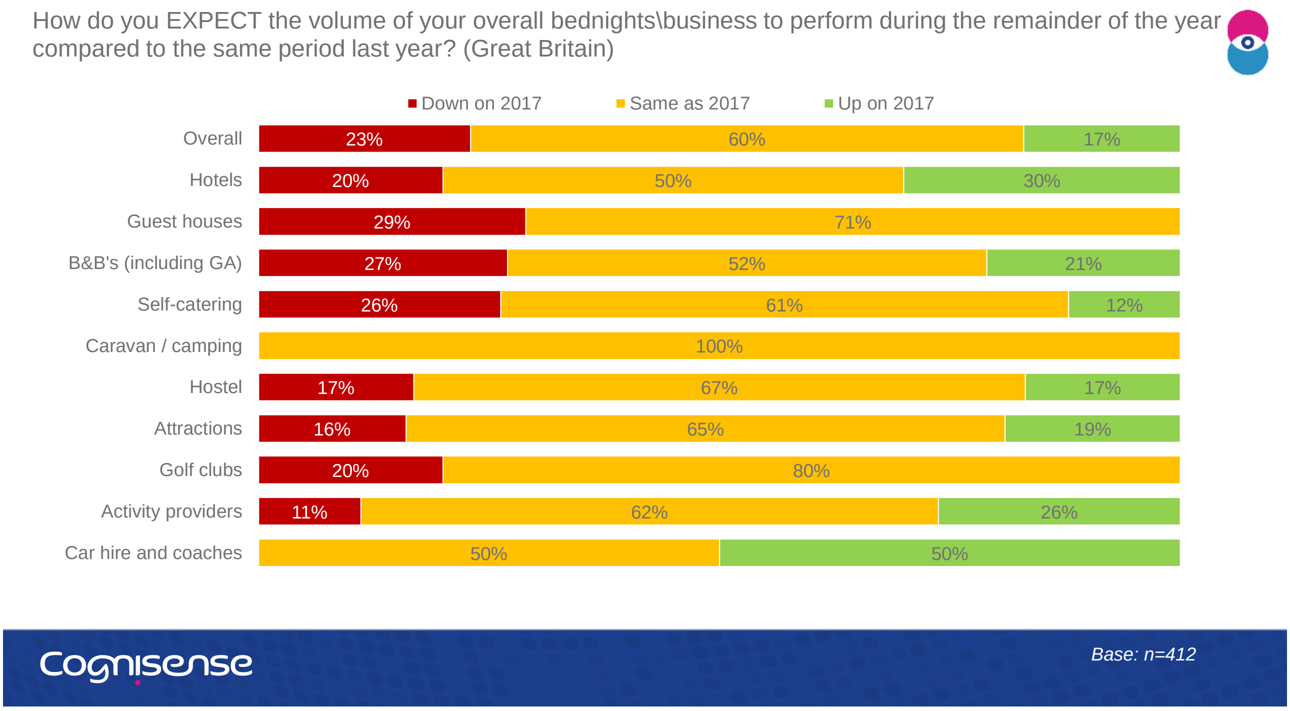
Solid outlook for the Republic of Ireland market

7.8 The outlook for the Republic of Ireland market is optimistic, with around one in six (16%) respondents expecting business for the rest of the year to be better than at the same point in 2017, whilst three in five are anticipating a steady performance.

7.9 Of the accommodation providers, hotels were the most optimistic, with two in five anticipating business for the remainder of the year to be up on 2017.

7.10 Attractions are also relatively optimistic, with a quarter of respondents expecting an increase in business compared to the same point last year.

Expectations for Great Britain



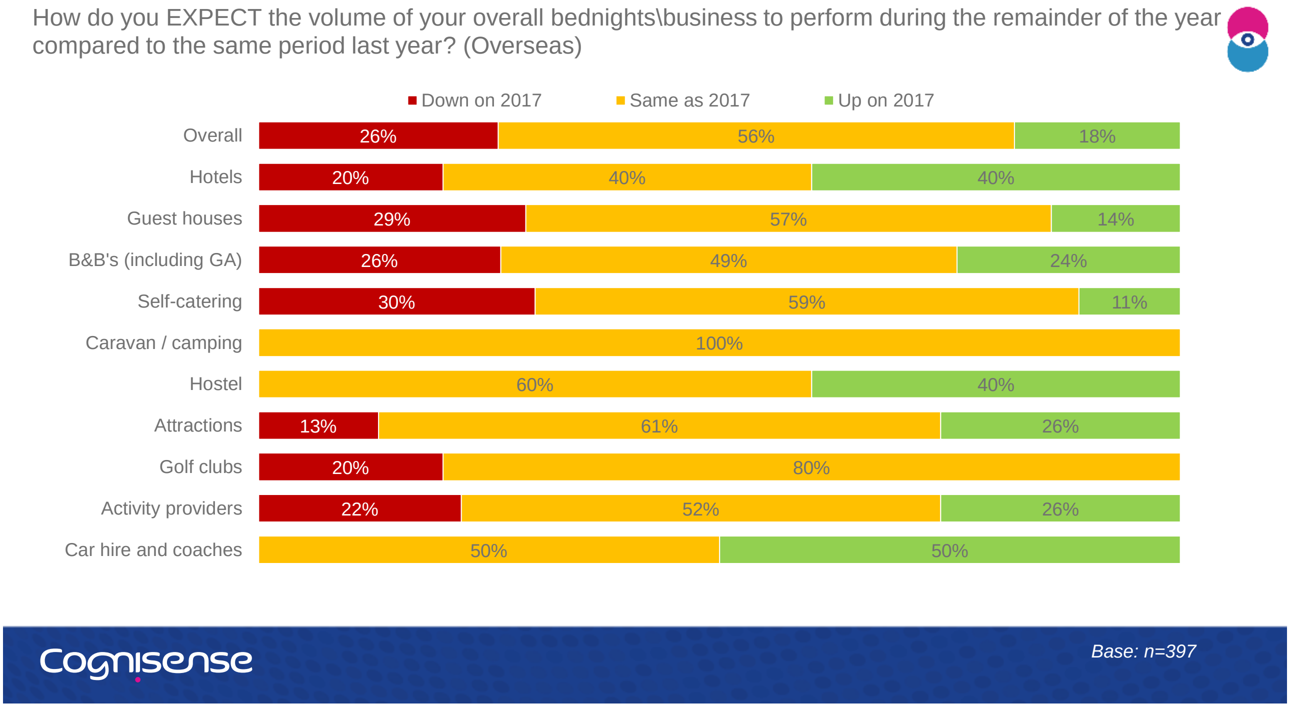
Consistent business expected from Great Britain

7.11 Overall, nearly one in five (17%) respondents anticipate an improvement in business for the GB market for rest of the year, whilst three in five expect business to be similar to 2017.

7.12 Hotels are optimistic, with three in ten expecting business to be up on 2017, whilst B&B's also have a relatively positive outlook, with around a fifth (21%) of respondents anticipating business for the rest of the year to be higher than that of 2017.

7.13 Just over a quarter (26%) of activity providers expect business for the rest of the year to be better than the same period in 2017.

Expectations for Overseas



Outlook for overseas market similar to that of Great Britain market

7.14 Expectations for the overseas market are similar to those of the Great Britain market, with nearly a fifth (18%) of respondents expecting business for the rest of the year to be up compared to 2017.

7.15 Hotels are again the most optimistic, with two-fifths expecting business to be up on 2017.

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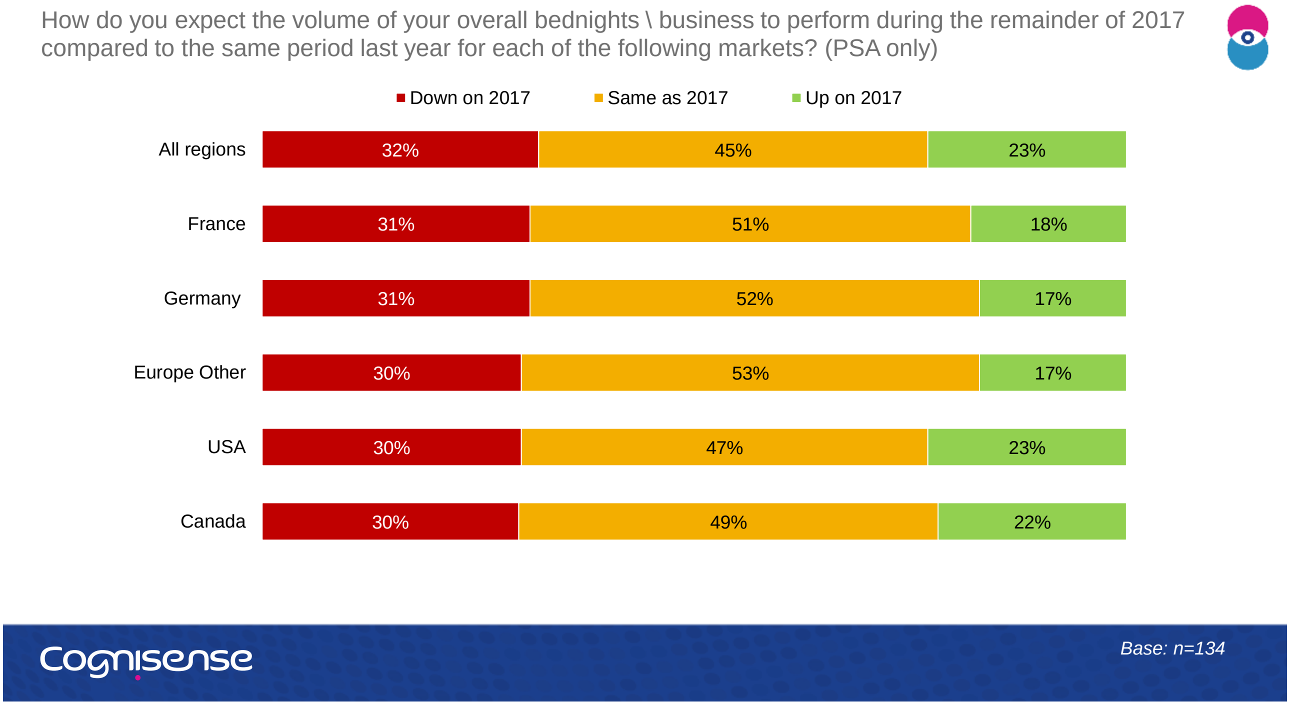
Overseas Expectations by country (PSA only)



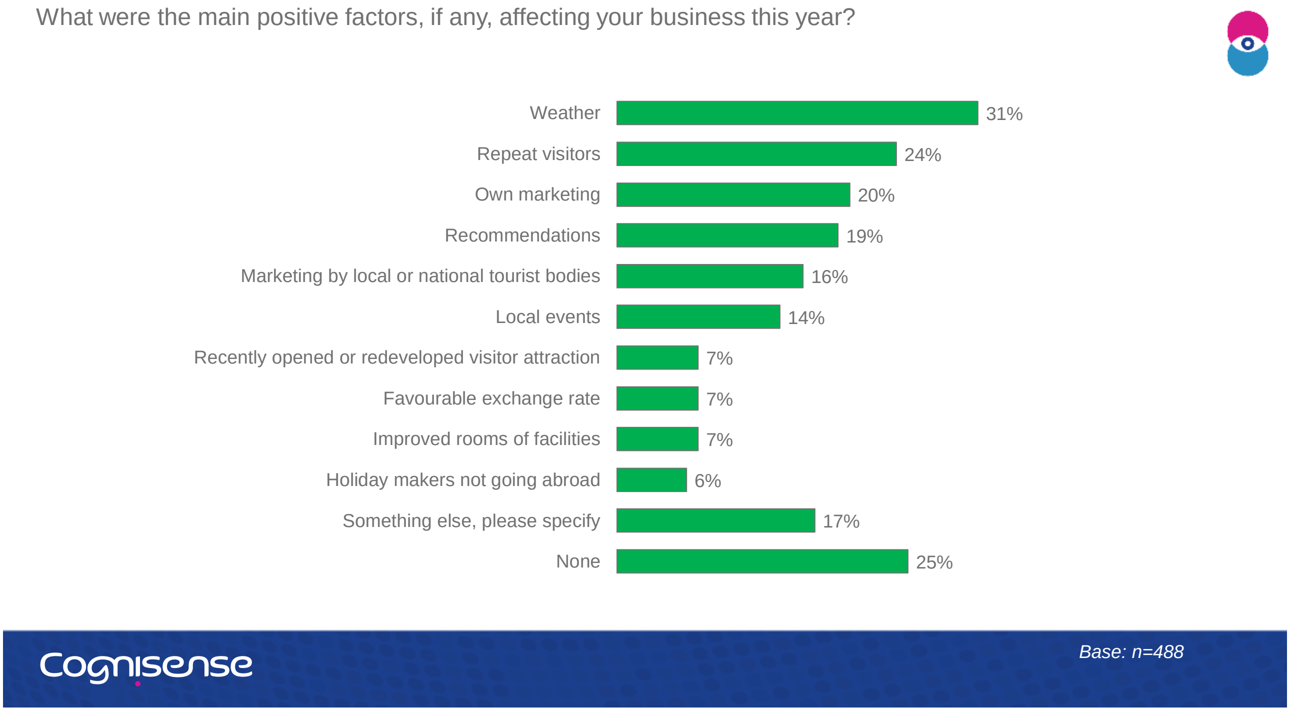
The above chart illustrates the expected business performance by overseas market of the weighted paid serviced accommodation sector

Some growth expected for overseas market

7.16 Around a fifth of respondents expected growth for each overseas market. However, respondents were more likely to expect a challenging end to the year, with around three in ten for each market expecting business for the remainder of the year to be down when compared to the same period in 2017.

7. Positive Factors in 2018

Positive Factors



The weather a considerable benefit

8.1 The weather was considered a positive factor by around three in ten (31%) respondents.

8.2 This factor seemed to be particularly important for attractions (44%) and activity providers (42%).

"A good summer … more people holidaying at home this year."

Repeat visitors still key

8.3 Repeat visitors was cited as a positive factor affecting business by almost a quarter (24%) of respondents.

"I have had several repeat guests who have also recommended my house to their relatives … this has formed the majority of my business."

Local events can draw visitors

8.4 Around one in seven (14%) stated local events as a positive factor affecting their business.

"Events with international appeal are important; they draw visitors who, when NI, want to explore … beyond their prime reason for visiting."

Recommendations and marketing very important

8.5 A fifth of respondents cited their own marketing, whilst a similar number (19%) cited recommendations as having a positive impact on their business. Around one in six (16%) felt that they had benefited from marketing by local tourist bodies.

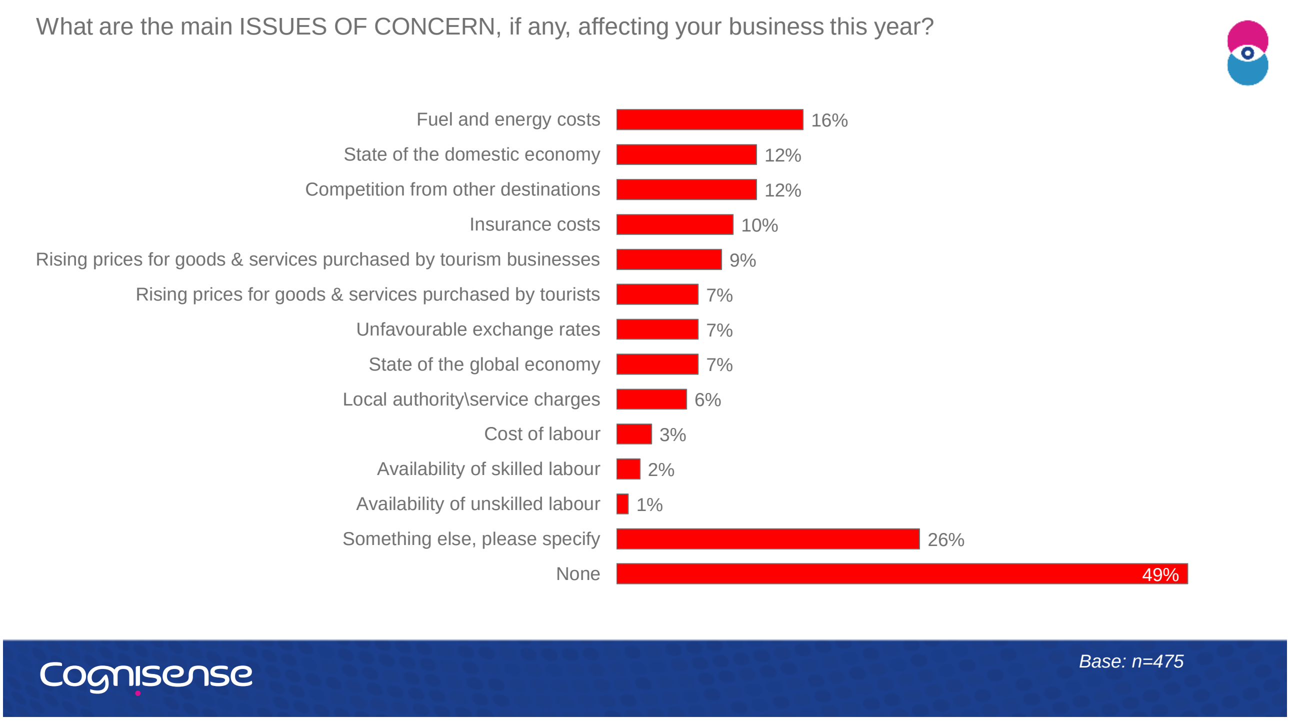
"I put the guesthouse on Booking.com; it was the best thing I ever did … it has turned my business around."

"Positive reviews generate our business through Booking.com."

"Worldwide marketing by national tourist bodies has attracted visitors from around the world."

8. Issues of Concern in 2018

Issues of Concern



The economy still the main issue

9.1 The economy was seen as the main issue of concern for respondents, with around one in eight (12%) citing the domestic economy and almost one in ten (7%) mentioning the global economy as an area of concern.

Fuel and Energy costs a key issue

9.2 Approaching one in five (16%) respondents considered fuel and energy costs a key issue in 2018.

Competition from other destinations a concern

9.3 Around one in eight (12%) tourism businesses reported competition from other destinations as a concern for their business.

Other areas of concern

9.4 Around a quarter (26%) of respondents cited something other than an issue on the list as a concern for their business. Perhaps unsurprisingly, Brexit was mentioned by several respondents.

"Brexit has caused massive uncertainty and its impact will be massive, specifically to Northern Ireland."

"Brexit is the main concern. Its impact on cross-border trade is unknown and suggested contingency plans … too costly for a small operator."

"Most of our employees are eastern Europeans who are very hard workers and have huge concerns about their status following Brexit."

9.5 The competition from Airbnb was also mentioned by a number of respondents.

"The plethora of Airbnb properties has affected our short stay guests."

"Airbnb can compete at unbeatable lower prices."