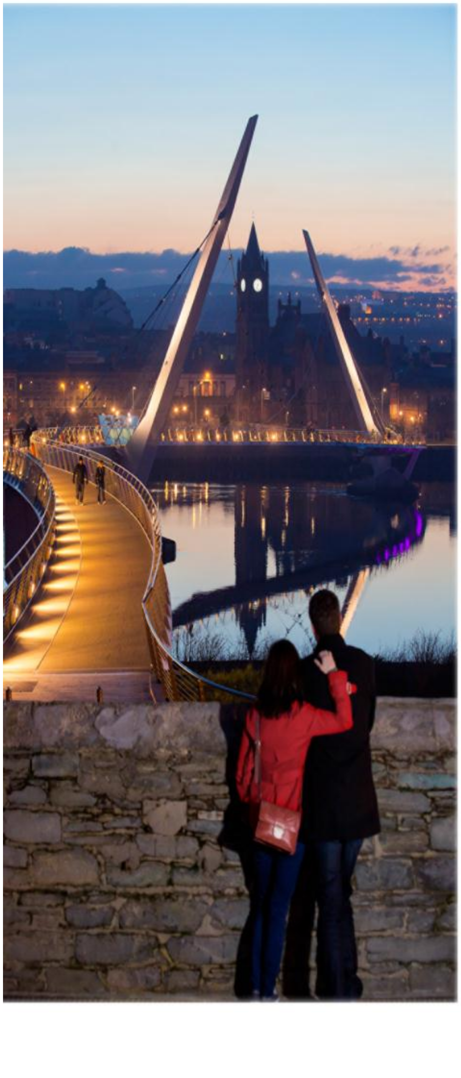
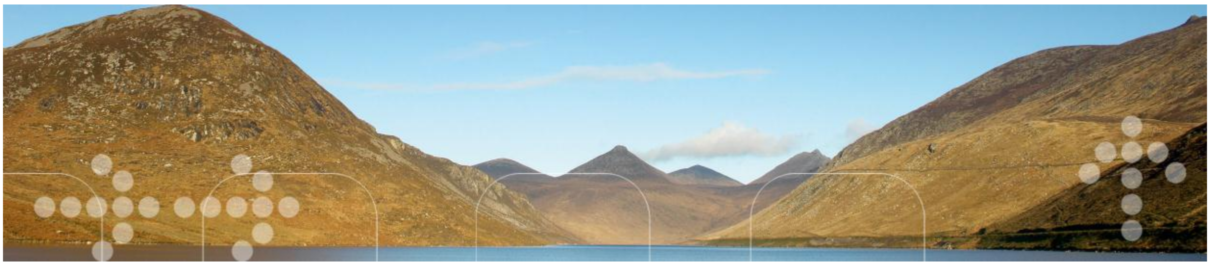
tourism northernireland

MillwardBrownUlster

TOURISM INDUSTRYBAROMETER
JUNE 2015





Contents

All research complied fully within the Market Research Society ethical Code of Conduct and in accordance with the definitive standards of IQCS (Interviewer Quality Control Scheme) and MRQSA (Market Research Quality Standards Authority) ISO 20252:2012

1. Background & Methodology

Background and objectives

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

1.2 In June 2015, Millward Brown Ulster, an independent research agency, was commissioned to conduct the survey in 2015, 2016 and 2017.

1.3 Fieldwork for the first wave in 2015 took place between 17 June and 9 July. The objectives were to measure:

- Business performance year to date in terms of visitor volume – overall and by key markets
- Profitability year to date
- Average room yield year to date (hotels)
- Visitor volume expectations for the remainder of 2015
- 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 Millward Brown Ulster worked together to develop a questionnaire for online and telephone interviewing.

1.6 Tourism NI provided a database of 3,038 contacts for the survey spread across numerous industry sectors (see sampling profile in appendix). Millward Brown removed all duplicate contacts so that owners or managers of more than one tourism business only received the survey once – this left an active database of 2,618 contacts.

1.7 An e-mail was sent on 17 June 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-respondents.

1.8 A total of 376 responses were received to the online survey – a response rate of 14%.

1.9 Following this, we conducted 139 'top-up' interviews by telephone with non-responders in order to improve the robustness of individual sector sample sizes so that results can be reported by sector. 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 designed to provide insight into tourism performance for the year to date and prospects for the remainder of the year.

2.2 Millward Brown Ulster received 376 responses to an online survey with tourism businesses in mid-June to early July 2015, and conducted 139 top-up telephone interviews.

Good start for hotels and attractions

2.3 The first six months of the year have been strong for hotels and attractions. Almost three quarters (73%) of hotels reported increased visitor numbers compared with the same period last year and more than half of attractions (55%) also reported an increase.

2.4 All markets show good signs of growth for hotels, with the overseas, Great Britain and domestic markets being particularly strong. Perhaps unsurprisingly, the Republic of Ireland market performed weakest in relative terms, most likely influenced by unfavourable exchange rates. More than a quarter (27%) of hoteliers stated that the volume of visitors from RoI was down compared to the same period last year.

Irish Open ensures strong start for golf clubs

2.5 Almost three fifths (57%) of golf clubs increased their visitor levels during the first six months of the year. This was a significant improvement on June 2014 when only 31% reported an increase. Many respondents cited the Irish Open as the primary reason for improved visitor volumes.

Hotels' room yield and profitability shine

2.6 The increase in visitor volumes enjoyed by hotels is reflected by very strong increases in both average room yield (71% report this to be up) and profitability (68% report it to be up).

Business visitors significantly up for hotels

2.7 Hotels have seen increases in all visitor types so far this year, but especially with regards to their business/corporate volumes (73% reported an increase). Special events and weekend breaks also fared very well. More than three fifths of all hoteliers reported an increase in special events (64%) and weekend breaks (61%).

The struggle continues for B&Bs

2.8 While some sectors have enjoyed growth in 2015 so far, B&Bs have found the first six months more challenging, with more than two fifths (41%) of respondents reporting a decrease on last year. Profitability is also down for 38% of B&B respondents.

Booming Belfast

2.9 Operators in Belfast have enjoyed a very strong start to 2015, three fifths (59%) of PSA respondents reported an increase in volume on last year. Similar to the PSA results, Belfast has shown the strongest performance for the first half of the year for all sectors. Two thirds (67%) of all tourism businesses in the Belfast region reported an increase in overall business in the first six months of the year.

Challenges in the West

2.10 The South West of Northern Ireland experienced a very challenging start to the year. A quarter (26%) of PSA operators in the South West reported an increase in business compared to almost three fifths (58%) who reported a decrease.

2.11 Tourism businesses across all sectors in the North West also faced a very challenging start to the year, more than two fifths (43%) reported a decrease in overall business.

High optimism for the summer

2.12 Optimism is running high for the remainder of 2015 amongst most sectors. Hotels in particular are very positive about the coming months after being bolstered by a strong start to the year, with four fifths (80%) expecting business to be up on the same period in 2014. Almost two thirds (65%) of guesthouses also expect business to be up on last year.

Mixed predictions for the Republic of Ireland market

2.13 Hotels are the most optimistic when it comes to expected visitor volumes for the remainder of the year from the Republic of Ireland market (52% expect volumes to be up). However, B&Bs, self-catering and caravan and camping operators are less optimistic and on balance they expect a decrease from this market. The pessimism within these sectors could be partly due to the unfavourable exchange rates.

Repeat visitors remain a strong positive

2.14 Similar to the findings during the same period last year, repeat visitors remain the most frequently cited positive factor affecting tourism businesses in the first half of the year. Almost three fifths (58%) of all respondents cited repeat visitors as a positive factor.

High praise for tourist boards' efforts

2.15 Marketing by local and national tourist bodies was the fifth most frequently cited positive affecting tourism businesses this year (so far). The open comments reveal strong thanks to the efforts of the tourist boards particularly with respect to the advertising and promotion of big events such as the Irish Open, Giro d'Italia and Tall Ships.

Mixed results for economic recovery

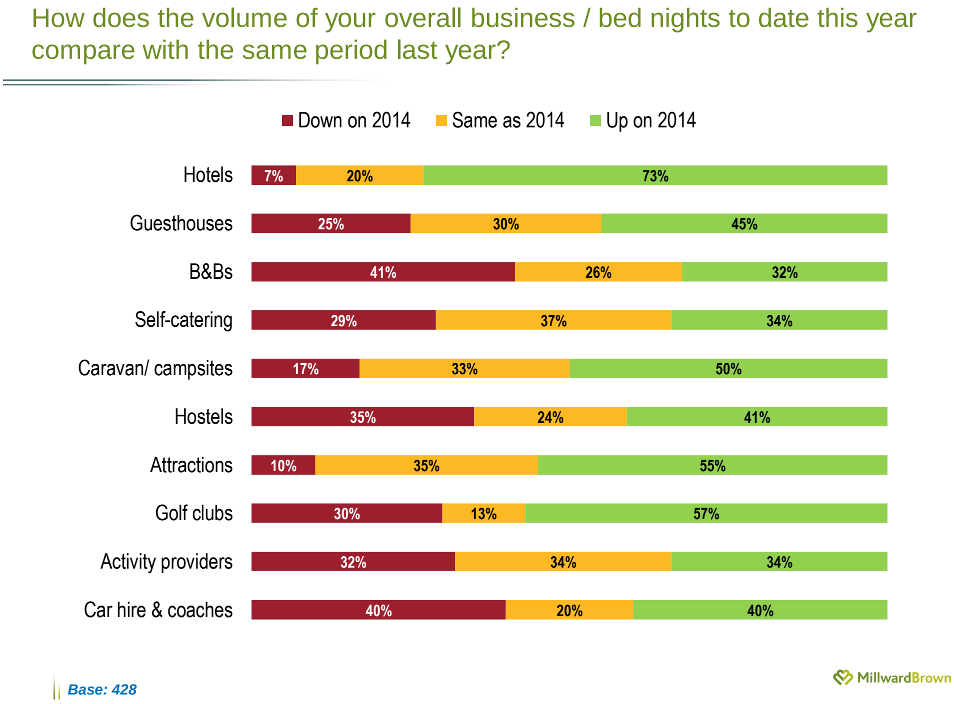
2.16 Just over a third (36%) of respondents cited the state of the domestic economy as an issue of concern, however, others have seen signs of economic growth and have seen visitors start to increase spend.

Unfavourable exchange rates a growing concern

2.17 The strong pound and weak euro is compounding a competitive disadvantage for Northern Ireland's accommodation providers and tourism businesses over their counterparts in the Republic of Ireland. Almost two fifths (39%) of all tourism businesses highlighted unfavourable exchange rates as the main issue of concern affecting their business so far this year.

3. Visitor Volumes in 2015 by Sector

Overall visitor volumes in 2015



**The car hire and coach operators sample is based on 5 interviews*

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.

Businesses not established since before the start of 2014 have not been asked questions on performance against the first half of last year, which they would not have been able to answer.

Strong start for hotels, attractions and golf clubs

3.1 The above chart gives an overview of industry performance by sector to date in 2015.

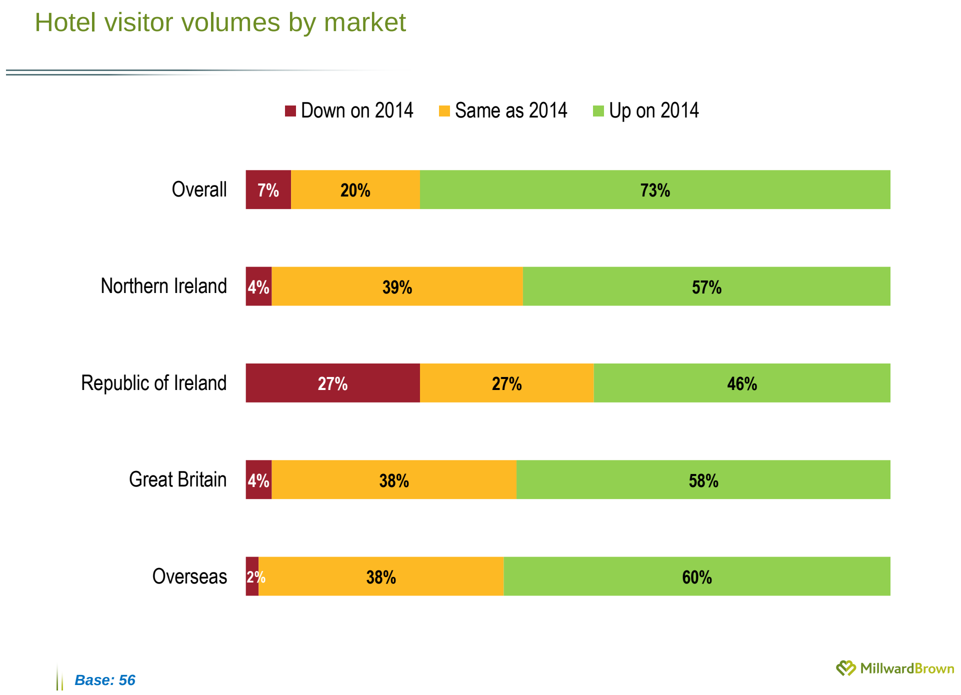
3.2 Hotels, attractions and golf clubs have experienced a busy first half of the year. Almost three quarters (73%) of hotels reported increased visitor numbers compared with the same period last year and more than half of attractions (55%) and golf clubs (57%) also reported an increase.

3.3 More than two fifths (45%) of guesthouses reported an increase while a quarter (25%) reported a decrease compared with 2014.

3.4 The first half of the year has been more challenging for B&Bs and self-catering operators. Approximately a third of B&Bs (32%) and self-catering operators (34%) reported an increase, while similar proportions reported a decrease on the same period last year (B&Bs 41%; self-catering 29%)

3.5 Other sectors have experienced mixed results. Performance by sector is now discussed in more detail.

Hotels – visitor volumes by market



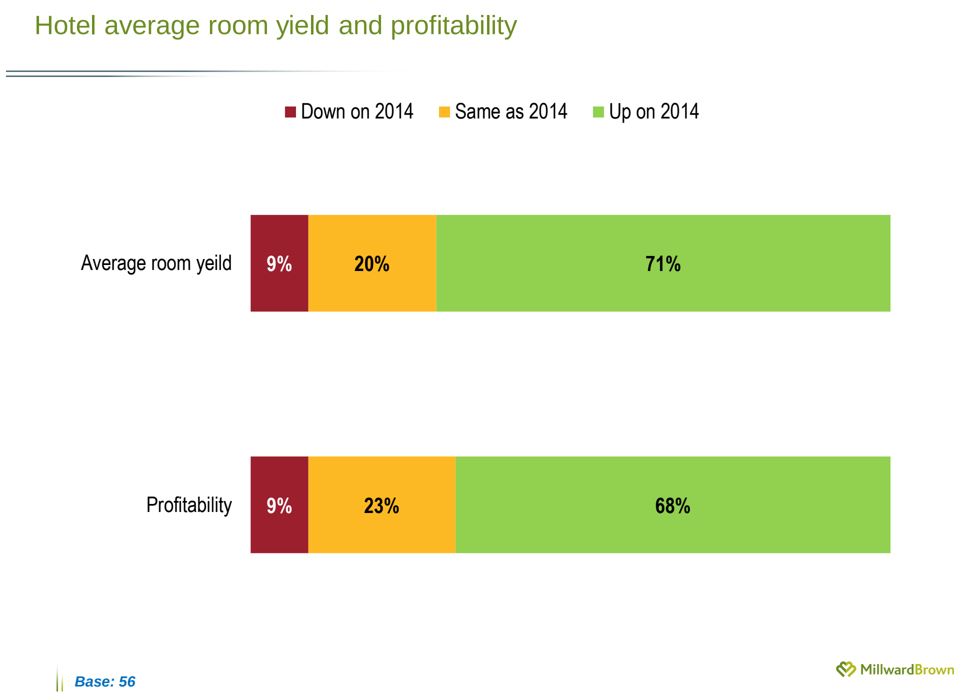
Strong start for hotels

3.6 Hotels have enjoyed a strong start to the year, almost three quarters (73%) of respondents reported increased visitor numbers compared with the same period last year. All markets show good signs of growth, with more respondents reporting increases rather than decreases in visitor levels. Overall, hotels have had a significantly stronger start to the year across all markets compared to the first half of 2014 (when 56% reported increased visitor numbers).

3.7 Perhaps unsurprisingly, the Republic of Ireland market performed weakest in relative terms, which may in part be due to unfavourable exchange rates. More than a quarter (27%) of hoteliers stated that the volume of visitors from the Republic of Ireland was down when compared with the same period last year.

3.8 The overseas market, Great Britain and domestic markets have all performed strongly with approximately three fifths of hoteliers citing an increase in visitor numbers. Only a small minority of hoteliers cited decreases in these markets.

Hotels – average room yield and profitability

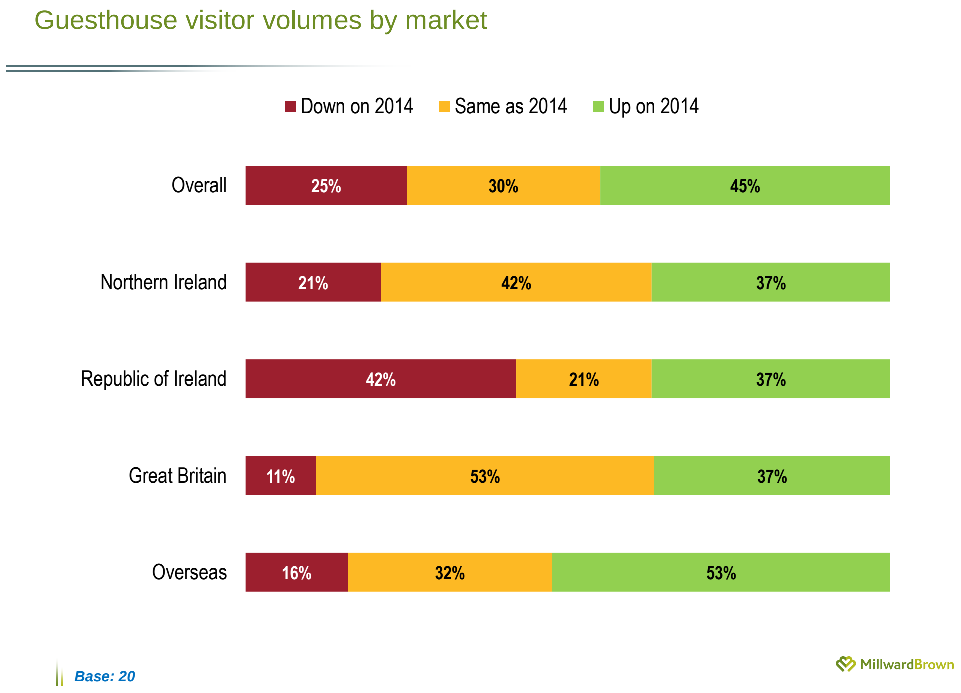


Good increase in room yield and profitability

3.9 Hotels have enjoyed a strong six months, which is reflected in an increase in profitability as reported by more than two thirds (68%) of respondents. Less than one in ten hotels reported a decrease in profitability compared to the same period last year.

3.10 Similarly, more than two thirds (71%) of hoteliers stated that average room yield has increased on the same period last year.

Guesthouses



**The above results are based on a small sample size (n=20)*

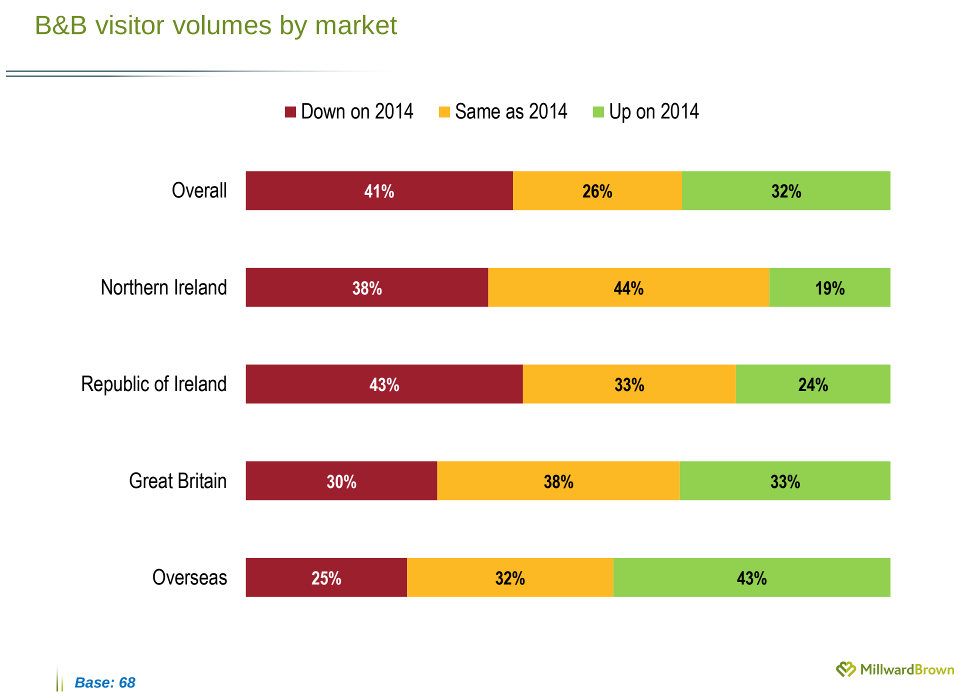
Mixed results for guesthouse markets

3.11 Guesthouses have seen a fairly positive result in the first six months of the year, with 45% of respondents reporting an increase in visitor volumes compared to the same period in 2014 – however, a significant number (25%) reported a decrease.

3.12 However, this is an improvement on last year, when 41% reported an increase and an identical proportion (41%) reported a decrease on the same period in 2013.

3.13 The overseas market has seen an increase according to more than half (53%) of all guesthouse respondents. The Republic of Ireland market is a concern for guesthouse proprietors as more than two fifths (42%) stated that visitor volumes have decreased on last year.

B&Bs



B&Bs struggle in 2015

3.14 B&Bs continued to struggle during the first half of the year. Although almost a third (32%) reported an increase in business, more than two fifths (41%) of respondents reported lower visitor volumes compared to the same period last year.

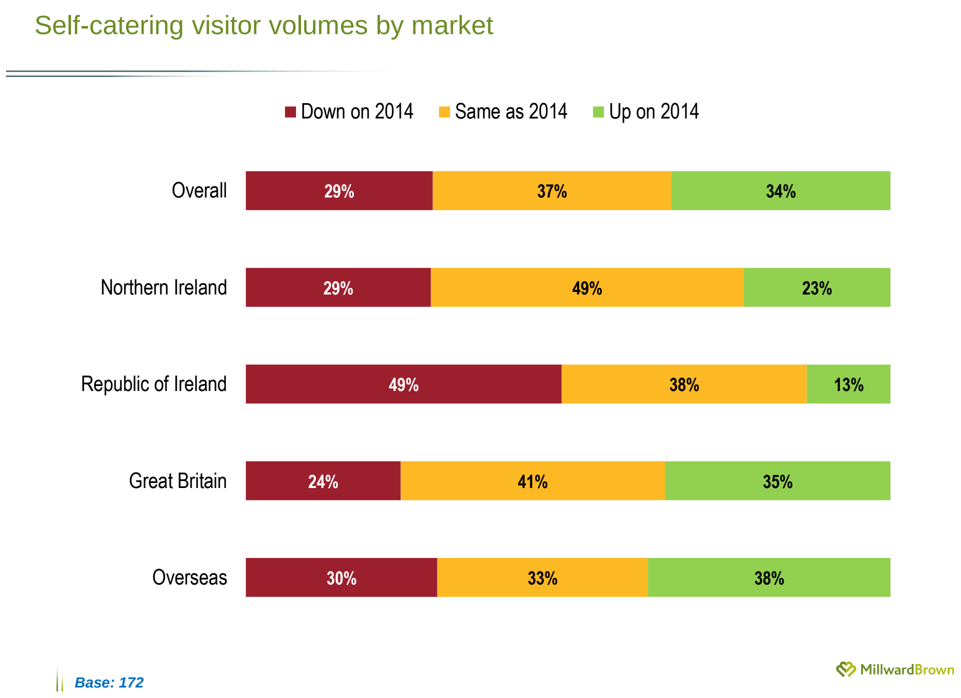
3.15 Profitability has also taken a knock for around two fifths (38%) of respondents, so far this year.

3.16 Despite being the weakest performing sector, with downturn across the key Northern Ireland and Republic of Ireland markets, the picture for B&Bs is currently a marginal improvement on last year, when 46% of respondents reported a decrease in visitor volumes on the same period in 2013.

3.17 Positively, more than two fifths (43%) of B&Bs stated that their volume of business from the overseas market had improved on the same period last year.

3.18 More than two fifths B&B proprietors cited unfavourable exchange rates (44%) and fuel and energy costs (42%) as the two key negative factors affecting their business this year.

Self-catering



Mixed bag for self-catering

3.19 Self-catering operators reported mixed results in the first six months of the year. While just over a third (34%) reported visitor volumes to be up, almost three in ten (29%) reported business to be down when compared to the same period last year.

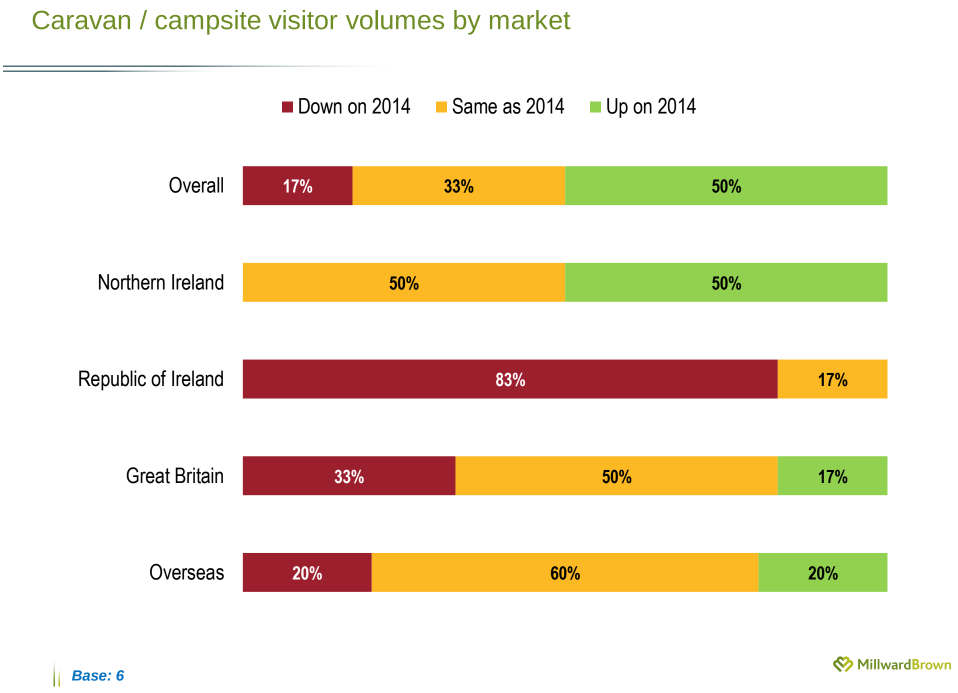
3.20 This, however, is a marginal improvement on last year, when less than a third (31%) reported visitor volumes to have increased in the first half of the year.

3.21 The big concern for self-catering businesses is the Republic of Ireland market, only one in ten (13%) reported an increase and almost half (49%) reported a decrease in visitor volumes from this market compared to the same period last year. This could possibly have been influenced by unfavourable exchange rates.

3.22 Nearly two in five (38%) report their overseas market to be up on this time last year.

3.23 Almost two fifths self-catering businesses cited the current state of the domestic economy (37%) and fuel and energy costs (37%) as the two key negative factors affecting their business so far this year. Unfavourable exchange rates were also cited as a key negative by more than a third (34%) of self-catering businesses.

Caravan / campsites



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

Positive start for the sector

3.24 The caravan and camping sector performed quite strongly in the first half on 2015. Half (50%) of respondents reported an increase in visitor volumes compared to the first six months of last year.

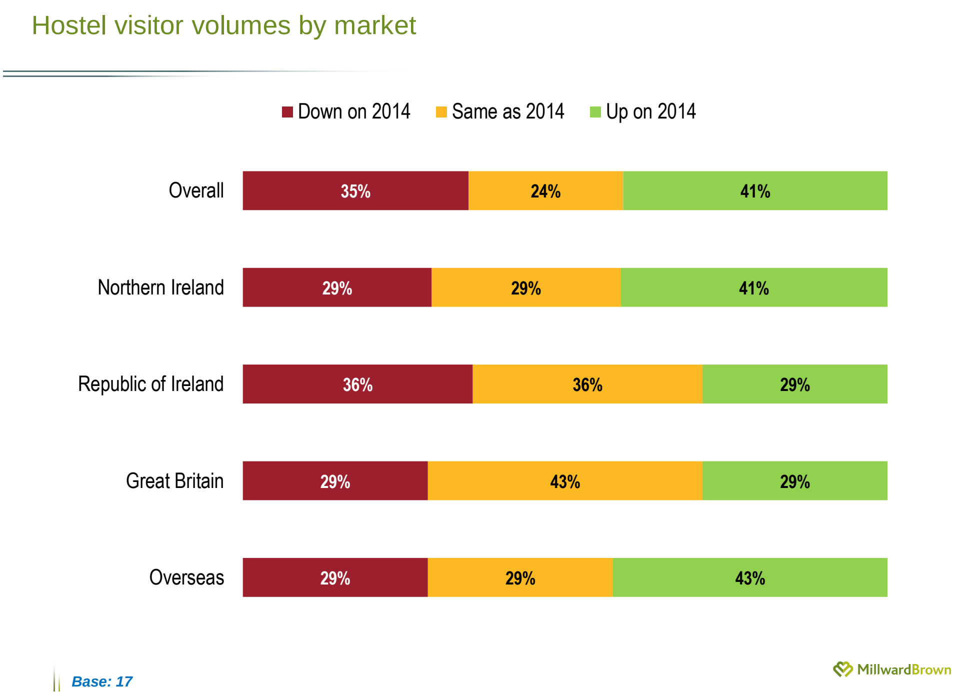
3.25 The domestic market performed strongly, half (50%) reported an increase in visitor volumes and half reported similar visitor volumes to last year.

3.26 The Republic of Ireland market is a concern for caravan and campsite owners as more than four fifths (83%) stated that visitor volumes have decreased on last year.

3.27 Repeat visitors (83%) and recommendations (83%) were cited as key positive factors by caravan and campsite owners so far in 2015.

3.28 However, more than two thirds (67%) reported unfavourable exchange rates, the state of the global economy and local authority charges to be issues of concern for their business this year.

Hostels



**The above results are based on a small sample size (n=17)*

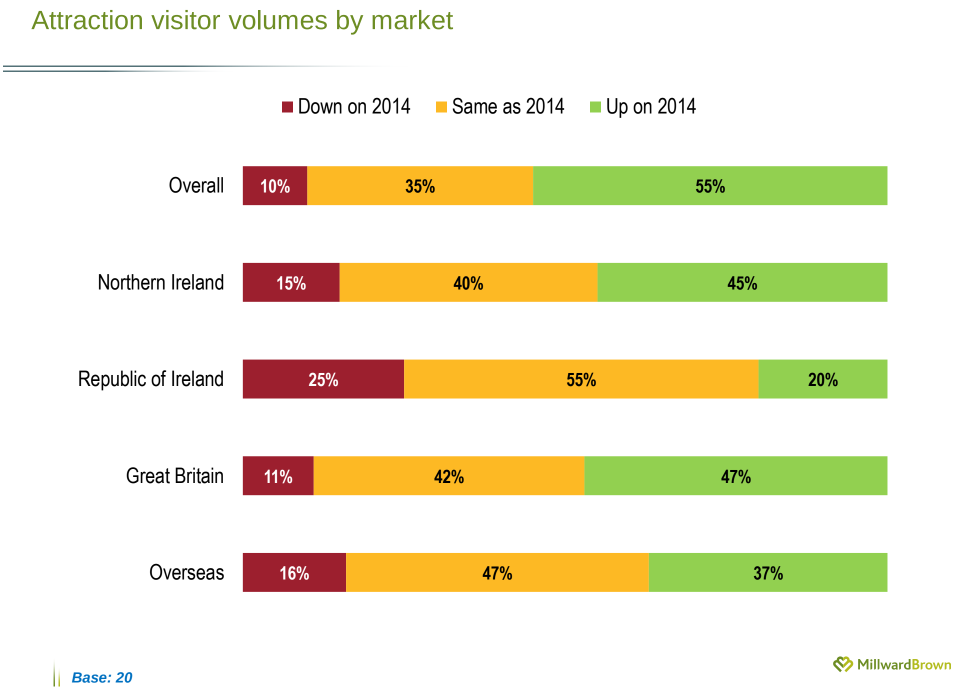
Steady start to the year

3.29 Two fifths (41%) of respondents reported visitor volumes to be up on the first half of last year. However, a third (35%) of hostel owners reported a decrease from last year.

3.30 The overseas and domestic markets have been the strongest so far, 43% and 41% respectively reported an increase on 2014.

3.31 Almost three fifths (59%) reported repeat visitors to be a positive factor affecting their business this year.

Attractions



**The above results are based on a small sample size (n=20)*

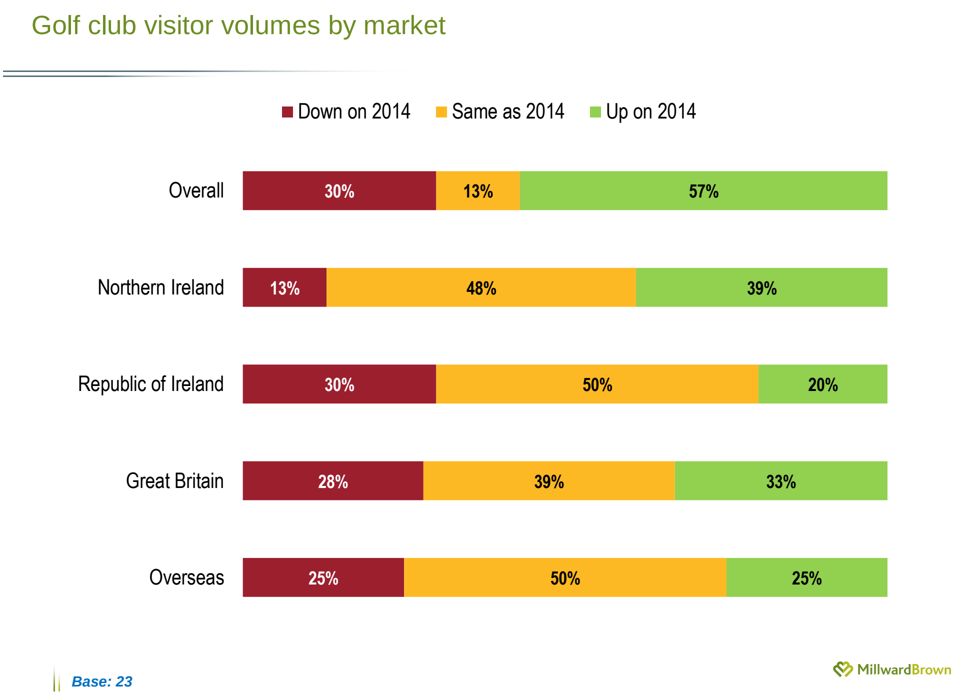
Excellent start for attractions

3.32 The first six months of the year have been busy for attractions, more than half (55%) reported an increase in business. This follows a strong start last year, too, when 43% reported an increase.

3.33 All markets, with the exception of the Republic of Ireland, were up on balance with more respondents reporting seeing an increase in visitor volumes compared to those who reported a decrease on 2014. Almost half of attraction providers reported an increase in visitor volumes from Great Britain (47%) and Northern Ireland (45%), while nearly two fifths (37%) reported an increase in overseas visitor volumes.

3.34 A strong majority (76%) of attraction providers cited their own marketing as a positive factor affecting their business this year. Local events and repeat visitors were also cited as other key positive factors by 71% of respondents.

Golf clubs



**The above results are based on a small sample size (n=23)*

Irish Open ensures very strong start for golf clubs

3.35 Almost three fifths (57%) of golf clubs increased their tourism 'green fee' visitor levels during the first six months of the year. This was a significant improvement on the first half of 2014 when only 31% reported an increase in visitor levels. Many respondents cited the Irish Open as the primary reason for improved visitor volumes.

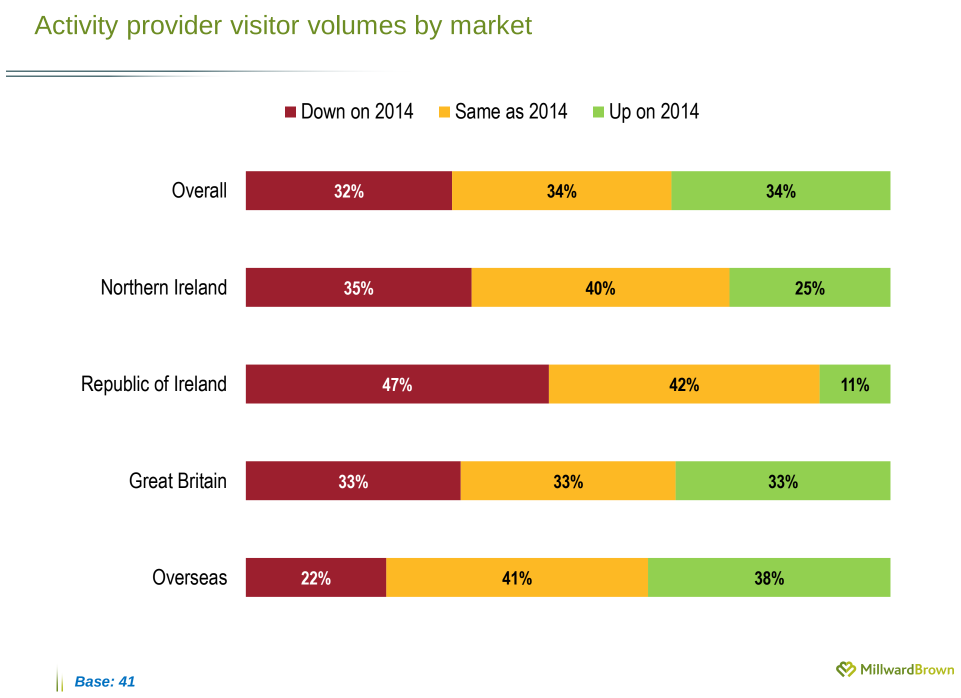
3.36 Almost two fifths (39%) of golf clubs reported an increase in domestic visitor volumes and only one in ten (13%) reported a decrease.

3.37 The Great Britain market is slightly up on balance and the overseas market has remained static, while the Republic of Ireland market is actually down on balance.

3.38 However, in general golf clubs have had a significantly stronger start to the year in the domestic, Republic of Ireland and Great Britain markets compared to the first half of 2014. The Northern Ireland market is up 39% compared to 29% last year, the Republic of Ireland market is up 20% compared to 11% last year and the Great Britain market is up 33% compared to just 8% last year.

3.39 Repeat visitors (61%), the weather (43%) and events such as the Irish Open (43%) were cited as positive factors affecting their business this year.

Activity providers

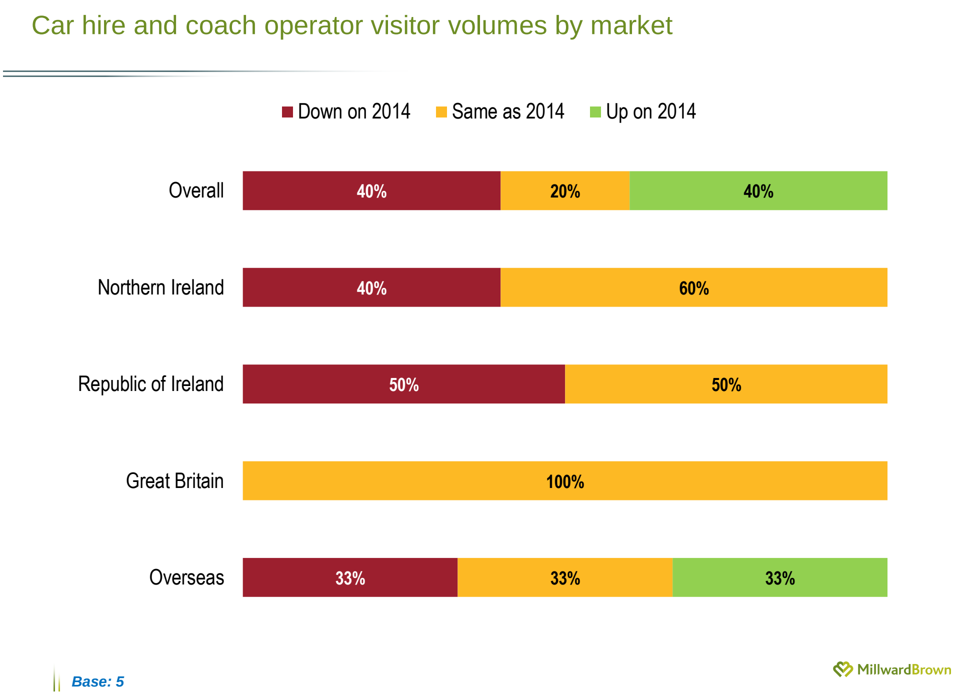


Mixed period for activity providers

3.40 While around a third (34%) of activity providers reported an increase in visitor volumes for the period, a similar proportion (32%) experienced a decrease compared to the same period last year.

3.41 Visitor volumes from overseas increased for 38% of respondents. The Republic of Ireland market performed poorly with almost half (47%) citing a decrease in visitor volumes from this market.

Car hire and coach operators



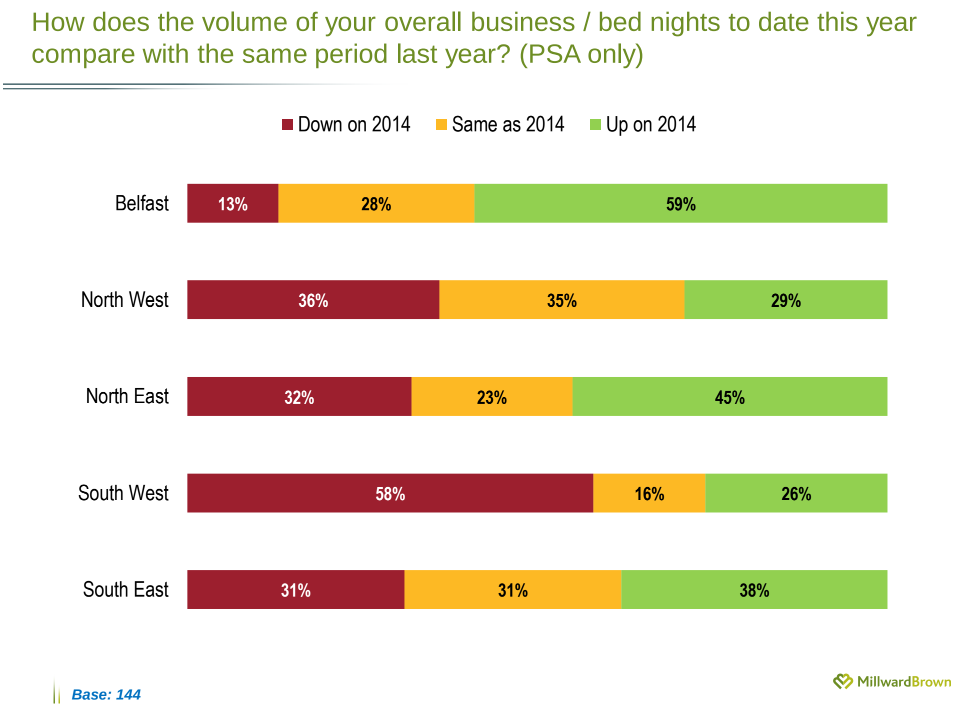
**The above results are based on a very small sample size (n=5)*

Mixed bag for car hire and coach operators

3.42 Of the five coach operators in the sample, two reported an increase in customers overall, one reported similar levels to 2014 and the remaining two reported a decrease.

4. Performance by Region

Paid Serviced Accommodation by Region



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

Paid Serviced Accommodation (PSA): hotels, guesthouses and B&Bs

Strong performance in Belfast

4.1 Operators in Belfast have enjoyed a very strong start to 2015, three fifths (59%) of PSA respondents reported business to be up on the same period last year.

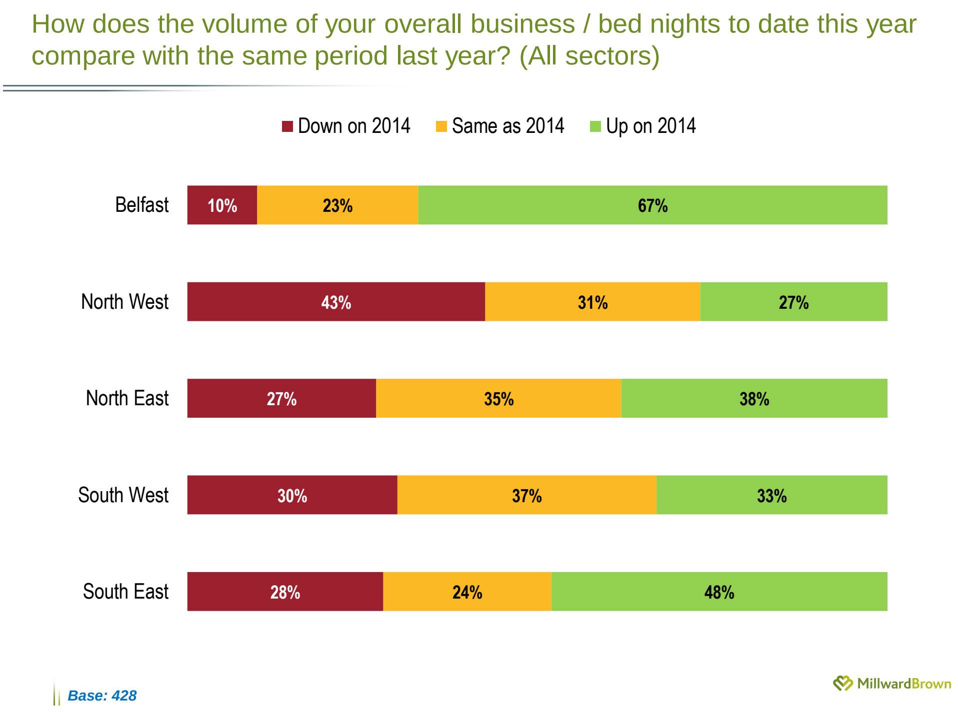
4.2 Almost half (45%) of respondents in the North East reported an increase in visitor levels, compared to a third (32%) who reported a decrease in volumes on the same period last year.

Weak performance in the South West

4.3 While Belfast and the North East of NI have had a strong start to the year, the South West has performed poorly. A quarter (26%) of PSA operators in the South West reported an increase in business compared to almost three fifths (58%) who reported a decrease.

4.4 Paid Serviced Accommodation operators in the North West also faced challenges, almost three in ten (29%) respondents reported an increase and more than a third (36%) reported a decrease in business.

All Sectors by Region



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

Boost for Belfast

4.5 Similar to the PSA results, Belfast has shown the strongest performance for the first half of the year for all sectors.

4.6 Two thirds (67%) of all tourism businesses in the Belfast region reported an increase in overall business in the first six months of the year.

Signs of improvement in the East

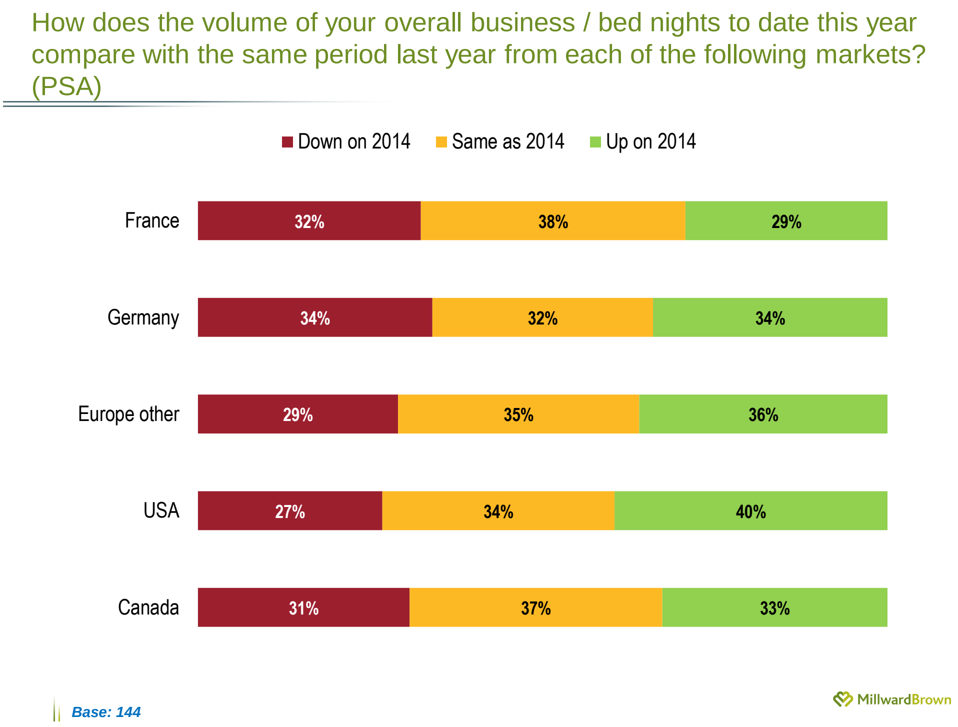
4.7 Around two fifths (38%) of operators in the North East reported business to be up and just over a quarter (27%) reported business to be down. In the South East almost half (48%) reported an increase in business and again just a quarter (28%) reported a decrease.

Bigger challenges in the North West

4.8 Respondents in the North West have faced a very challenging start to the year, more than two fifths (43%) reported a decrease in overall 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

Strong performance from United States visitors

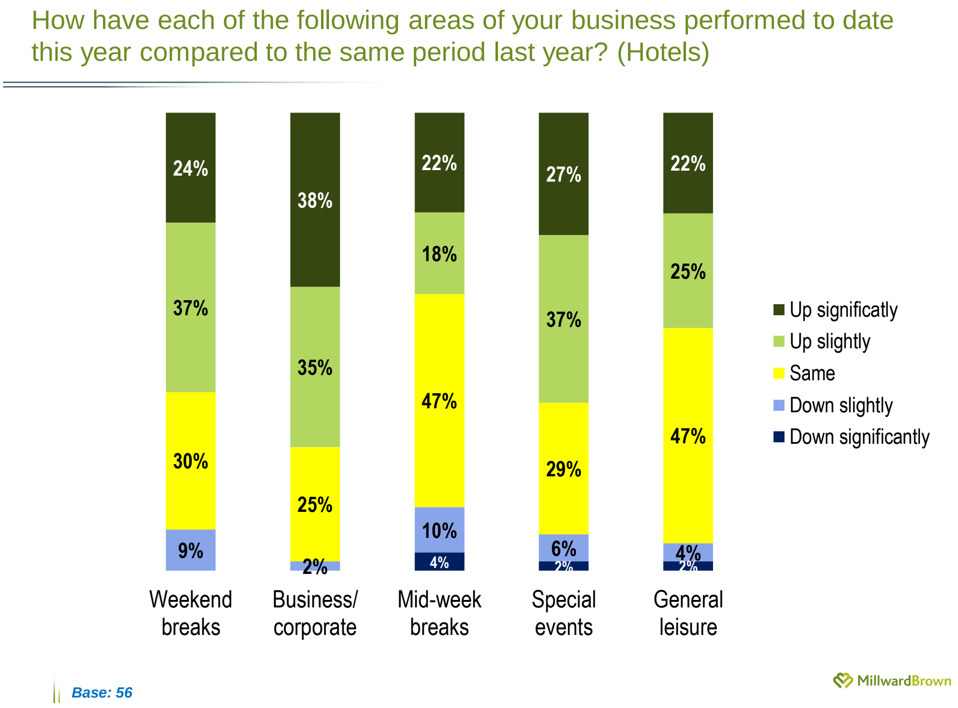
5.1 The USA market has performed particularly well year to date, two fifths (40%) of all PSA operators reported increased US visitors.

Mixed performance in Europe and Canada

5.2 Around a third of PSA operators reported an increase in the German and Canadian markets so far this year; however this was offset by similar proportions reporting decreases. The French market was marginally down on balance but visitors from the rest of Europe performed relatively strongly with more than a third (36%) of PSA respondents reporting an increase in business.

6. Visitor Types (Hotels)

Hotel Visitor Types



The above questions were asked only to hotels

Business trips take the lead

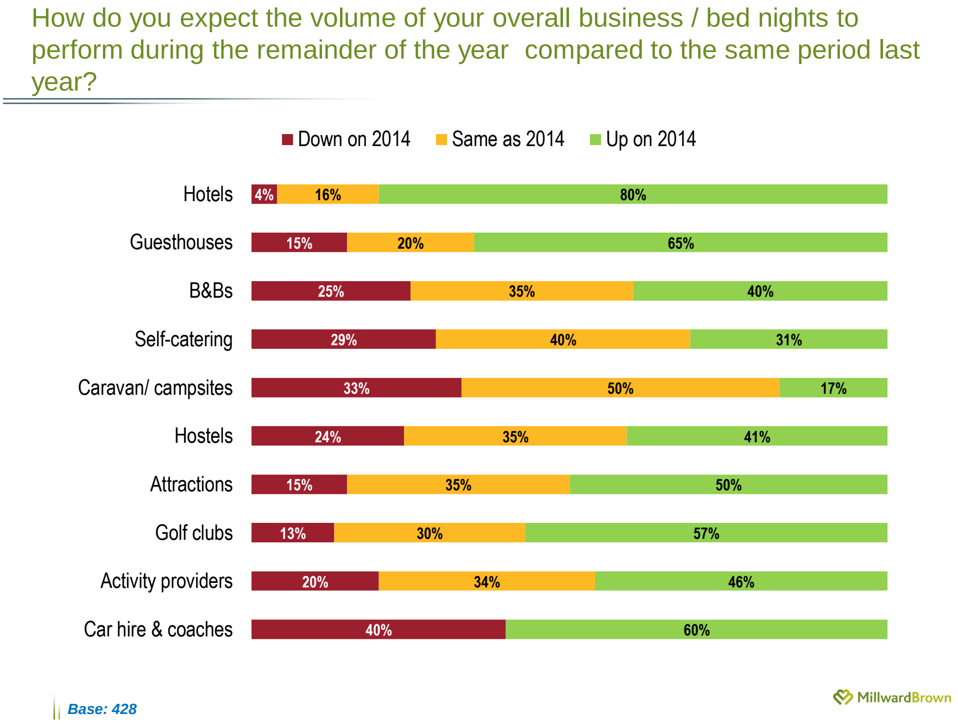
6.1 While all visitor types have seen an increase so far this year, the business/corporate market has done particularly well. Almost three quarters (73%) of respondents reported an increase (either significantly or slightly). In fact, almost two fifths (38%) reported a significant increase on the same period last year.

Special events and weekend breaks going strong

6.2 Special events and weekend breaks also fared very well. More than three fifths of all hoteliers reported an increase in special events (64%) and weekend breaks (61%) when compared with the same period last year.

7. Expectations for the Remainder of 2015

Overall view of expectations



High optimism for the summer

7.1 Optimism is running high for the remainder of 2015 among most sectors. Hotels in particular are very positive about the coming months after being bolstered by a strong start to the year, with four fifths (80%) expecting business to be up on the same period in 2014.

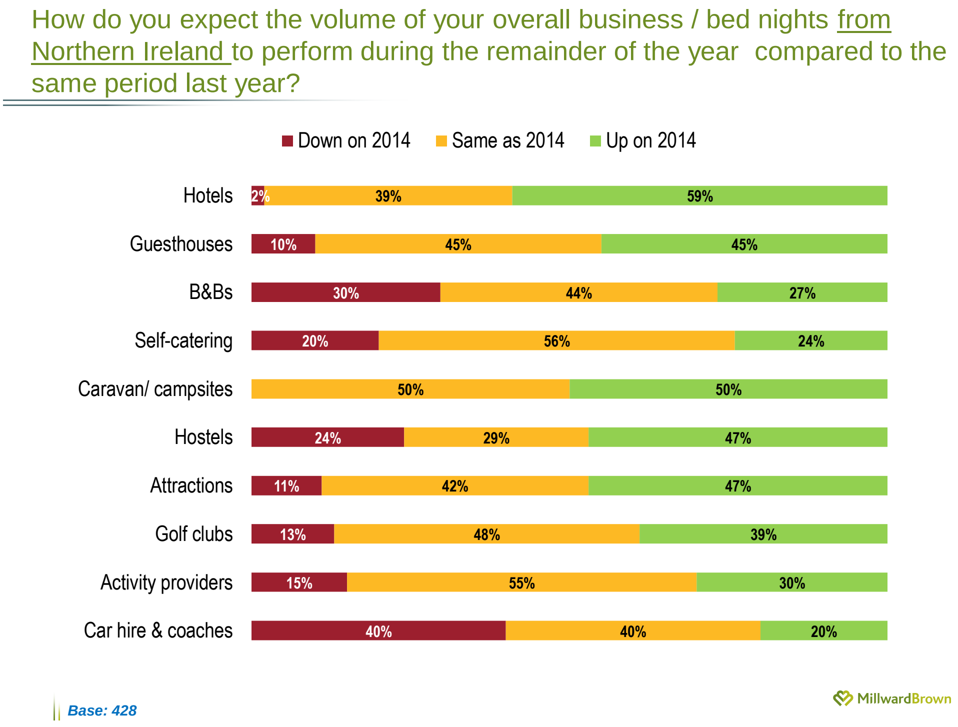
7.2 Similarly, after a strong start to the year, almost two thirds (65%) of guesthouses are expecting business to be up on 2014. Despite a slow start to the year, overall B&Bs remain optimistic for the remainder of 2015, two fifths (40%) expect business to be up on last year.

7.3 Other accommodation providers are not as optimistic, particularly self-catering and the caravans and campsites. Approximately a third of caravan and campsites (33%) and self-catering providers (29%) expect visitor volumes to be down on 2014.

7.4 After a strong start to the year almost three fifths (57%) of golf clubs are expecting increased 'green fee' visitor levels during the remainder of the year. Many golf clubs expect a boost in business due to the impact of the Irish Open which was hosted earlier this year in County Down.

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



Domestic business volume looks good for the rest of the year

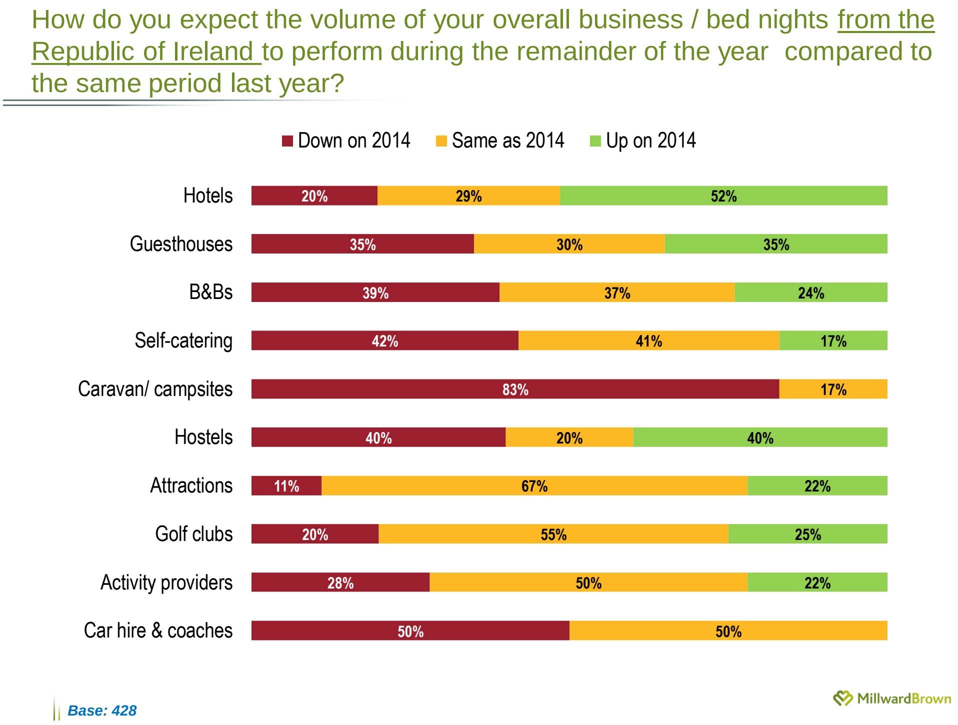
7.6 The volume of business from Northern Ireland in the second half of the year is predicted to be fairly strong.

7.7 Hotels are the most optimistic; almost three fifths (59%) expect the rest of the year to be better than last year – compared to just 2% predicting a fall.

7.8 Around half the responding guesthouses (45%), hostels (47%), attraction providers (47%) and caravan and campsites (50%) expect business to be up in the remainder of the year, compared with the same period in 2014.

7.9 B&Bs and self-catering providers are not so optimistic, with less than three in ten expecting business to be up.

Expectations for the Republic of Ireland

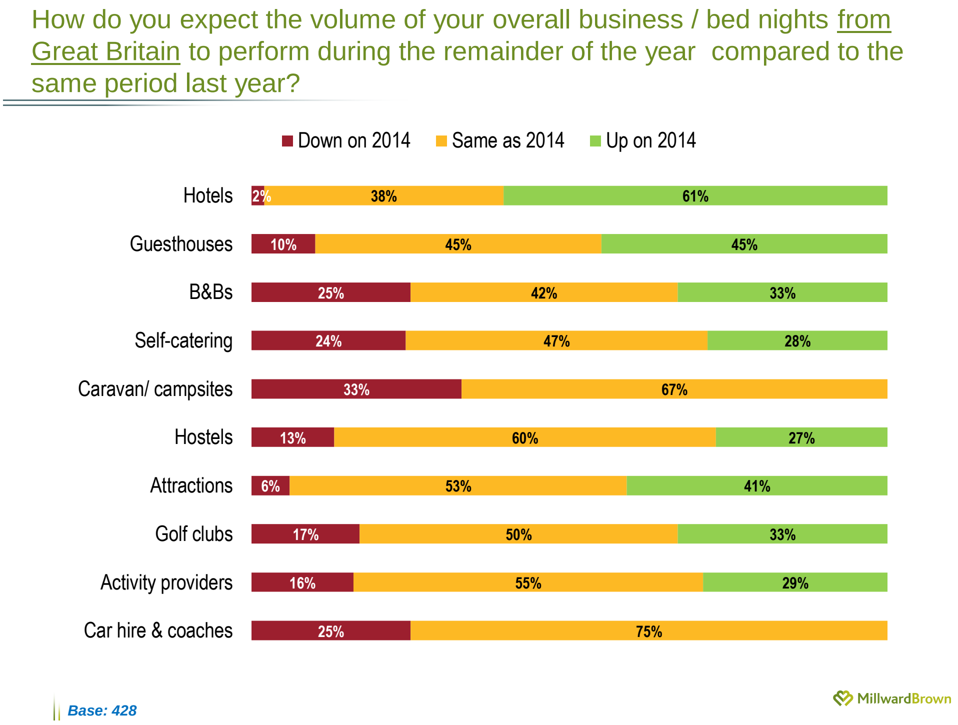


Mixed predictions for the Republic of Ireland

7.10 As with predictions for the domestic market, hotels are the most optimistic when it comes to expected visitor volumes for the remainder of the year from the Republic of Ireland market (52% of responding hotels expect volumes to be up on 2014).

7.11 However, B&Bs, self-catering and caravan and camping operators are less optimistic. Around two fifths of B&Bs (39%) and self-catering operators (42%) predict a decrease in volumes compared to the same period last year. Caravan and camping providers are the most pessimistic with more than four fifths (83%) predicting a decrease in business from the Republic of Ireland market in 2015.

Expectations for Great Britain



Great Britain market to remain steady

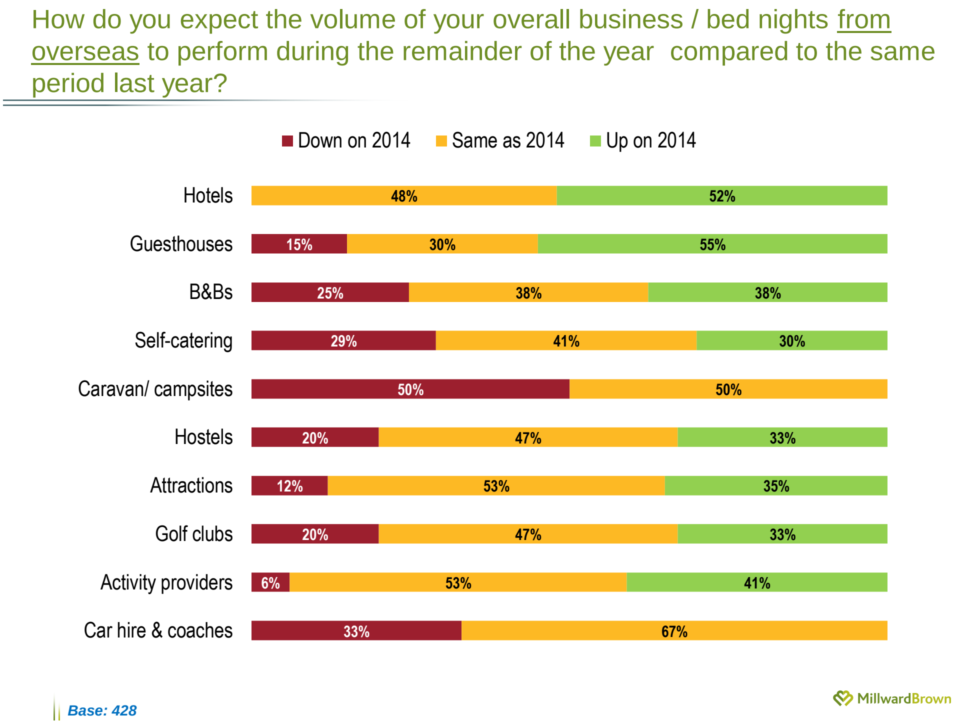
7.12 Unlike the domestic market and the Republic of Ireland, the market from Great Britain for the remainder of the year is expected to be similar to the same period last year, although there is optimism within some sectors.

7.13 Hotels are the most optimistic, more than three fifths (61%) expect business to be up on last year and a further 38% expect visitor volumes to remain the same.

7.14 Guesthouses and attraction providers also paint a fairly positive rest of year. More than two fifths of guesthouses (45%) and attraction providers (41%) expect business to be up on the same period last year.

7.15 Caravans and campsites are the least optimistic; a third (33%) expects business to be down and two thirds (67%) expect business to remain the same as last year.

Expectations for Overseas



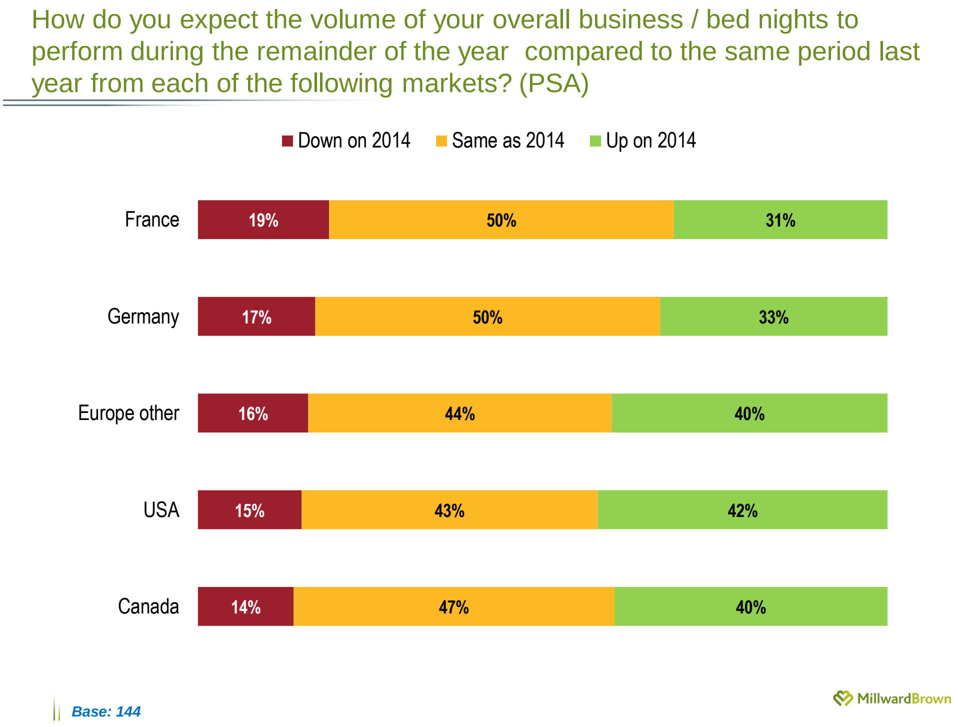
Positive movements from overseas

7.16 The overseas market is looking fairly positive for the remainder of the year. Hotels are particularly strong, not one responding hotel expected business to be down on 2014 while more than half (52%) expected business to be up.

7.17 More than half (55%) of responding guesthouses expect business for the remainder of the year to be up on last year. Activity providers (41% expect business to be up) and attractions (35%) are also looking at the rest of the year positively.

7.18 Even B&Bs are more optimistic about the rest of the year, with almost two fifths (38%) predicting an increase on last year, compared to just a quarter (25%) who expect business to be down.

Overseas Expectations by country



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

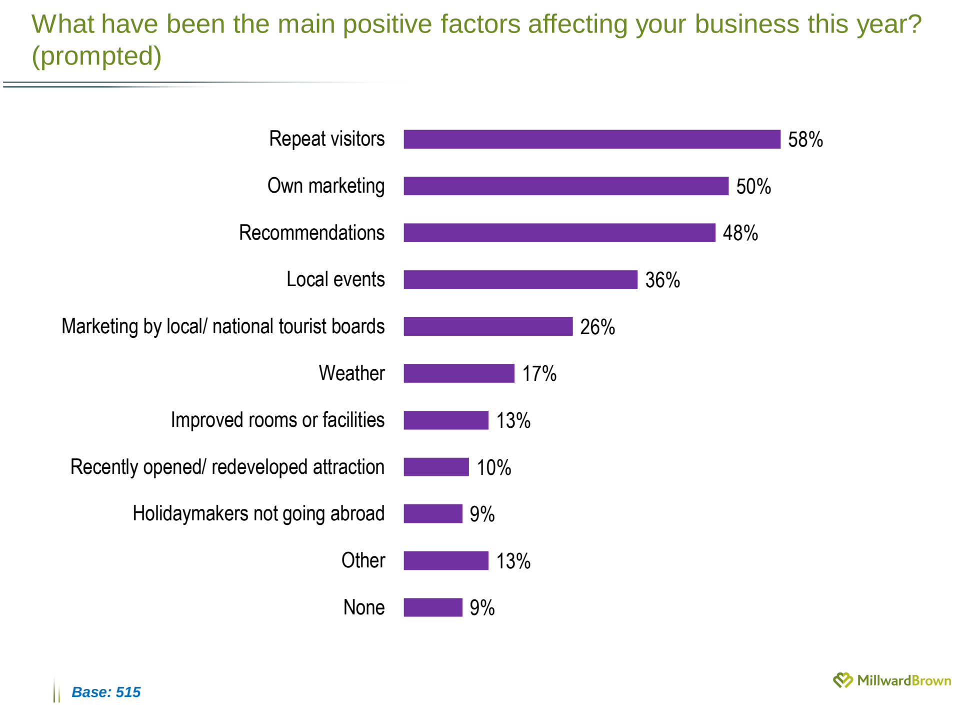
Overseas markets improving

7.19 Half of respondents in the paid serviced accommodation sector believe that visitor levels from France and Germany will be about the same as in 2014, but significant proportions also expect an increase on last year (France 31% and Germany 33%). The rest of Europe is even more positive, two fifths (40%) expect an increase on last year.

7.20 A strong proportion of respondents believe there will be an increase in the North American visitor market. Around two fifths expect visitors volumes from the USA (42%) and Canada (40%) to increase during the remainder of the year compared to the same period last year.

8. Positive Factors in 2015

Positive Factors



Repeat visitors and own marketing key

8.1 Similar to the findings during the same period last year, repeat visitors remain the most frequently cited positive factor affecting tourism businesses in the first half of the year. Almost three fifths (58%) of all respondents cited repeat visitors as a positive factor.

8.2 The majority of caravan and camping operators (83%), self-catering providers (65%) and attractions (71%) reported repeat business as a positive factor affecting their business in the first half of the year.

8.3 Positively, half (50%) of all tourism businesses see their own marketing as a positive, particularly for attractions (76%) and self-catering providers (58%).

Recommendations still vital

8.4 Almost half (48%) of tourism businesses recognised recommendations as positive so far this year. More than four fifths (83%) of caravan and camping operators see recommendations as a positive.

8.5 More than half (52%) of B&Bs and self-catering providers cited recommendations as a positive. These recommendations are very important to smaller operators in what some still consider a tough economic climate.

Local events can draw the visitors

8.6 More than a third (36%) of tourism businesses have benefited from local events this year. Events in the local area and larger events such as the Irish Open like are believed to encourage visitors to Northern Ireland. In the first half of the year local events were particularly cited as positives by attraction providers (71%), coach and car hire operators (60%) and golf clubs (43%).

Other positive factors

8.7 Marketing by local or national tourist boards is now the fifth most frequently cited positive affecting tourism businesses so far this year and the open comments reveal strong thanks to the efforts of the tourist boards particularly with respect to advertising and promotion of big events such as the Irish Open, Giro d'Italia and Tall Ships.

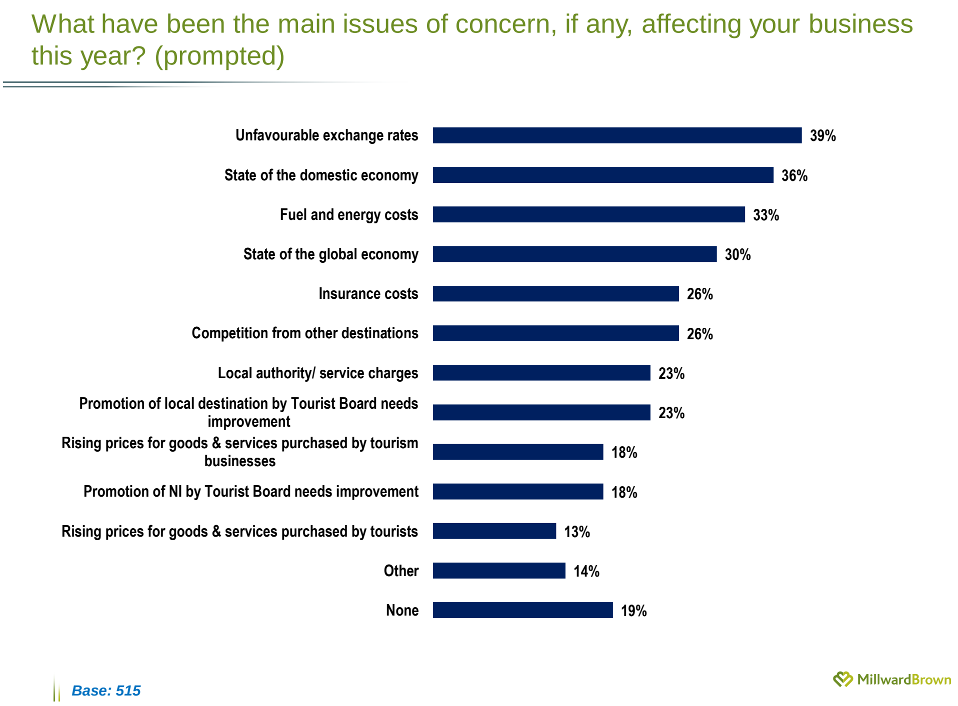
8.8 The weather during the first half of the year was a positive factor cited by almost a fifth (17%) of businesses in Northern Ireland this year, and unsurprisingly, the good weather offers the biggest boosts to those operators who are more weather-dependent (43% of golf clubs cited the weather as a positive, as did 33% of caravan/campsites).

8.9 Through the open comments, some respondents have sensed a slight improvement in both the domestic and global economy, and with it, increased visitor spend.

8.10 Some businesses highlighted the power of social media and bookings coming through review sites like booking.com and tripadvisor as positive factors affecting their business so far in 2015.

9. Issues of Concern in 2015

Issues of Concern



Unfavourable exchange rates a growing concern

9.1 The strong pound and weak euro is compounding a competitive disadvantage for Northern Ireland's accommodation providers and tourism businesses over their counterparts in the Republic of Ireland. The current exchange rate means that Northern Ireland is a more expensive destination for tourists from the Republic of Ireland and the rest of Europe.

9.2 Almost two fifths (39%) of all tourism businesses highlighted unfavourable exchange rates as the main issue of concern affecting their business so far this year. This is a significant increase from the first six months of 2014 when only 15% of tourism operators identified unfavourable exchange rates as a key concern affecting their business. The exchange rate issue was highlighted as a particular concern by caravan and camping operators (67%), hotels (50%), hostels (47%), activity providers (44%) and B&Bs (44%).

The economy still raising issues

9.3 More than a third (36%) cited the economy in Northern Ireland as a concern. This is especially true for attraction providers (57% cited the domestic economy as a concern).

9.4 Just under a third (30%) of tourism businesses cited the state of the global economy as a concern for their business.

Fuel and energy costs remain a concern

9.5 A third (33%) of all tourism businesses reported fuel and energy costs as an issue of concern affecting their business. However, this is a significant decrease from the first six months of 2014 when almost half (47%) of tourism operators identified fuel and energy costs as a key concern affecting their business.

Other issues of concern

9.6 A quarter (26%) of respondents reported that competition from other destinations is an issue of concern this year. Through the open comments, some indicated that competition from destinations in the Republic of Ireland and the wider euro zone is a real factor – especially as domestic travellers can now buy many more euros for their pound.

9.7 Through the open comments, a small number of respondents stated that the tourist board and the local councils could do more to help small businesses within the industry.

Appendix – Analysis of Sample

Sampling

The table below shows the sample split by sector and interview methodology:

Sector	Online Survey Responses	Telephone Top-up Surveys	Total Sample Size
Hotels	9	47	56
Guesthouses	5	19	24
Bed & Breakfast	71	18	89
Self-catering	233	0	233
Caravan & campsites	6	0	6
Hostels	6	11	17
Attractions	21	0	21
Golf clubs	7	16	23
Activity providers	17	24	41
Coach operators	1	1	2
Car hire	0	3	3
Total	**376**	**139**	**515**

Weighting

Figures quoted in the report for the ‘paid serviced accommodation’ sector have been weighted according to the relative number of bedrooms available in Northern Ireland in the hotel, guesthouse and B&B sectors:

Sector	Available bedrooms in Northern Ireland	Weighting applied to PSA figures
Hotels	7,708	73.0%
Guesthouses	888	8.4%
Bed & Breakfast	1,961	18.6%