Tourism Industry Barometer

June 2018

Contents

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 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 first wave of 2018 took place between 9th July and 16th August. 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 (hotels)
- Average room yield for the year to date (hotels)
- Visitor volume expectations for the remainder of 2018
- Issues of concern affecting business in 2018

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 online and telephone interviewing.

1.6 Tourism NI provided a database of more than 3,000 contacts spread across numerous industry sectors, from which Cognisense Ltd. removed all duplicate contacts so that owners or managers of more than one tourism business only received the survey once.

1.7 An e-mail inviting online participation was sent on 9th July to each contact, which contained a link to the survey and an explanation of the research objectives. Two subsequent reminder emails were sent to non-responders.

1.8 Following the reminder emails, a total of 277 interviews with non-responders were administered via telephone. These 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 Cognisense Ltd. received 223 responses to an online survey with tourism businesses in July 2018 and conducted 277 top-up telephone interviews in August.

Positive year to date for Northern Ireland

2.3 Overall, almost two-fifths (37%) of respondents reported that business had increased when compared to 2017.

2.4 The overseas market saw the biggest increase, with just over two-fifths (41%) claiming that volumes for this market were up on the same point last year.

2.5 Over a third (36%) of responding hoteliers reported an increase in profitability, whilst over two-thirds (64%) reported an increase in room yield.

Industry optimistic overall for the remainder of 2018

2.6 Overall, tourism operators have an optimistic outlook for 2018, with three in ten expecting an increase in business in the remainder of the year and around half (47%) anticipating business to remain consistent, when compared to 2017.

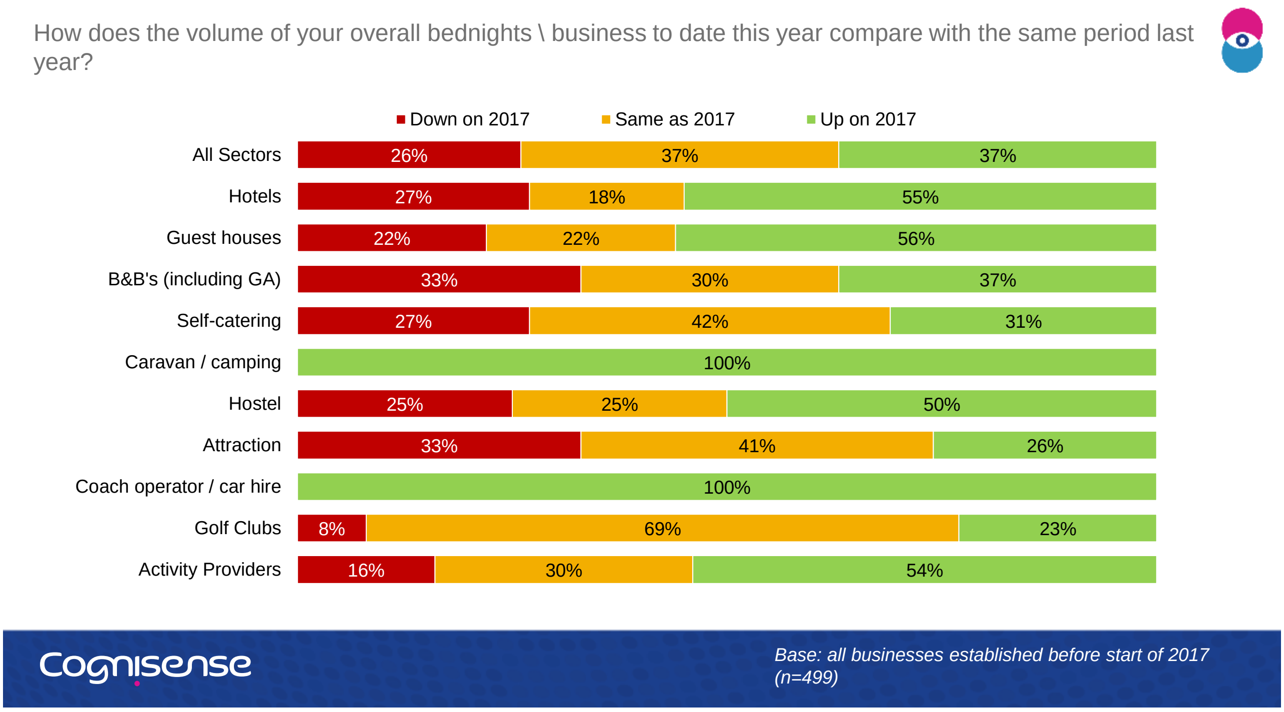
The economy and competition from other destinations key issues of concern

2.7 Nearly a quarter of respondents stated that the economy (domestic: 15%; global: 9%) was a cause for concern for their business.

2.8 A fifth of respondents cited competition from other destinations as an issue of concern – almost double the number who did so in 2017 (11%).

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=18), Car Hire and Coach Operators (n=1), Hostels (n=4), Caravan and Camping (n=4), Golf Clubs (n=13)*

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.

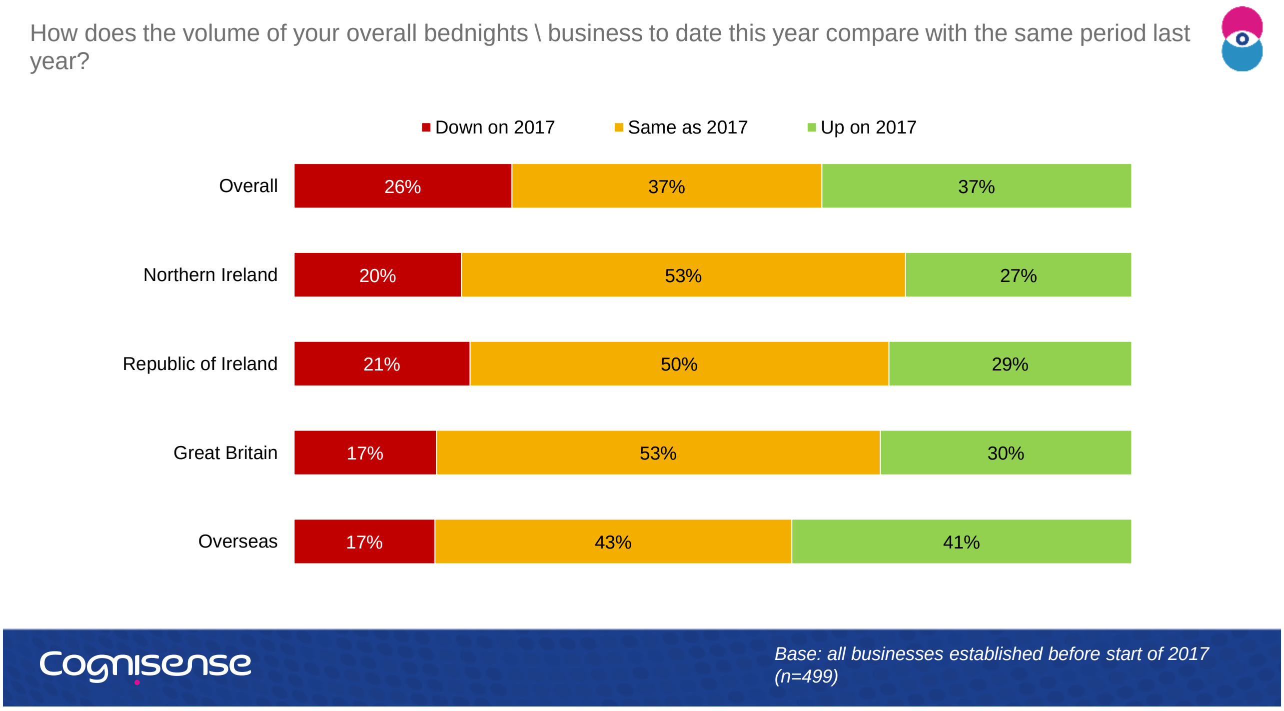
Positive year to date for Northern Ireland overall

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

3.2 Overall, almost two-fifths (37%) of respondents reported that business had increased when compared to 2017, which is reasonably consistent with the figure reported at this point last year (43%).

3.3 However, attractions have had a challenging year to date, with around a quarter (26%) having reported an increase in 2018. This was a significant decrease from the figure reported at the same point last year (62%).

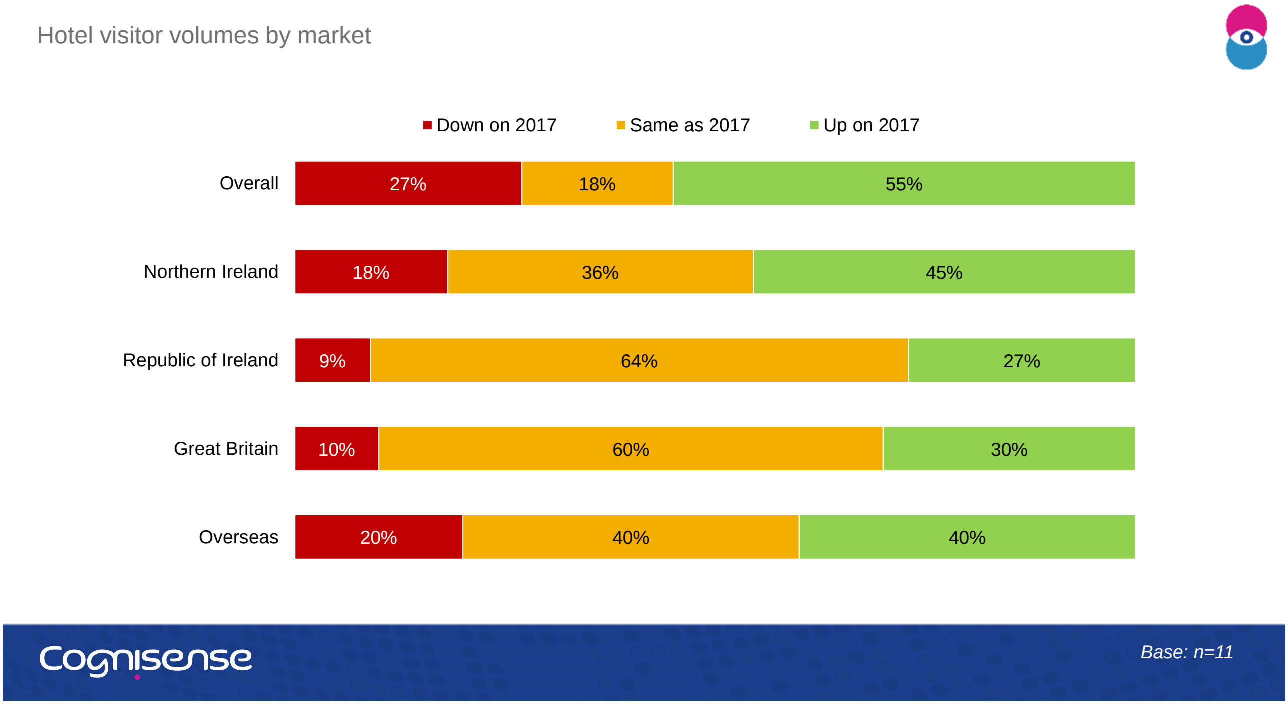
All sectors – visitor volumes by market



3.4 Around three in ten respondents reported an increase in volumes for the domestic (27%), ROI (29%) and GB markets (30%) when compared to last year.

3.5 The overseas market saw the biggest increase, with just over two-fifths (41%) claiming that volumes for this market were up on 2017.

Hotels – visitor volumes by market

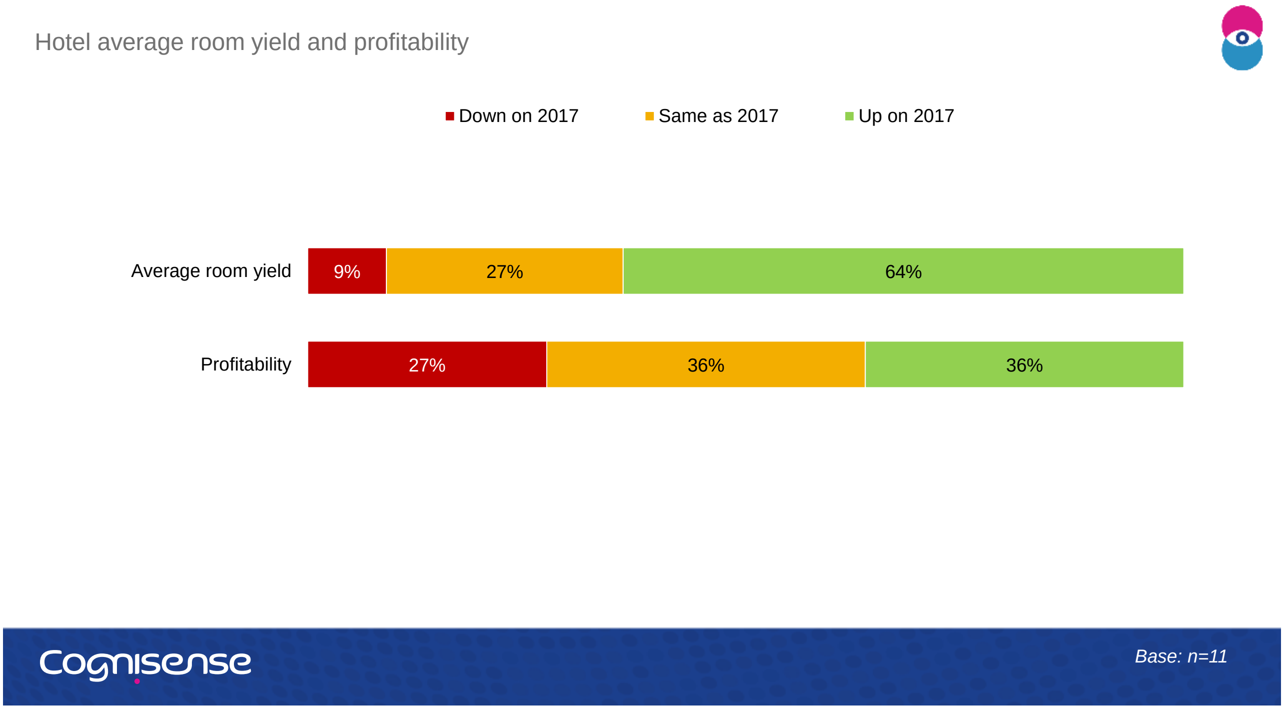


Good year for hotel sector

3.6 Hotels have had a good year so far, with approaching three in five (55%) having reported an increase in visitor numbers when compared to 2017.

3.7 The domestic (45%) and overseas (40%) markets performed more strongly than the GB (30%) and ROI (27%) markets for hoteliers.

Hotels – average room yield and profitability

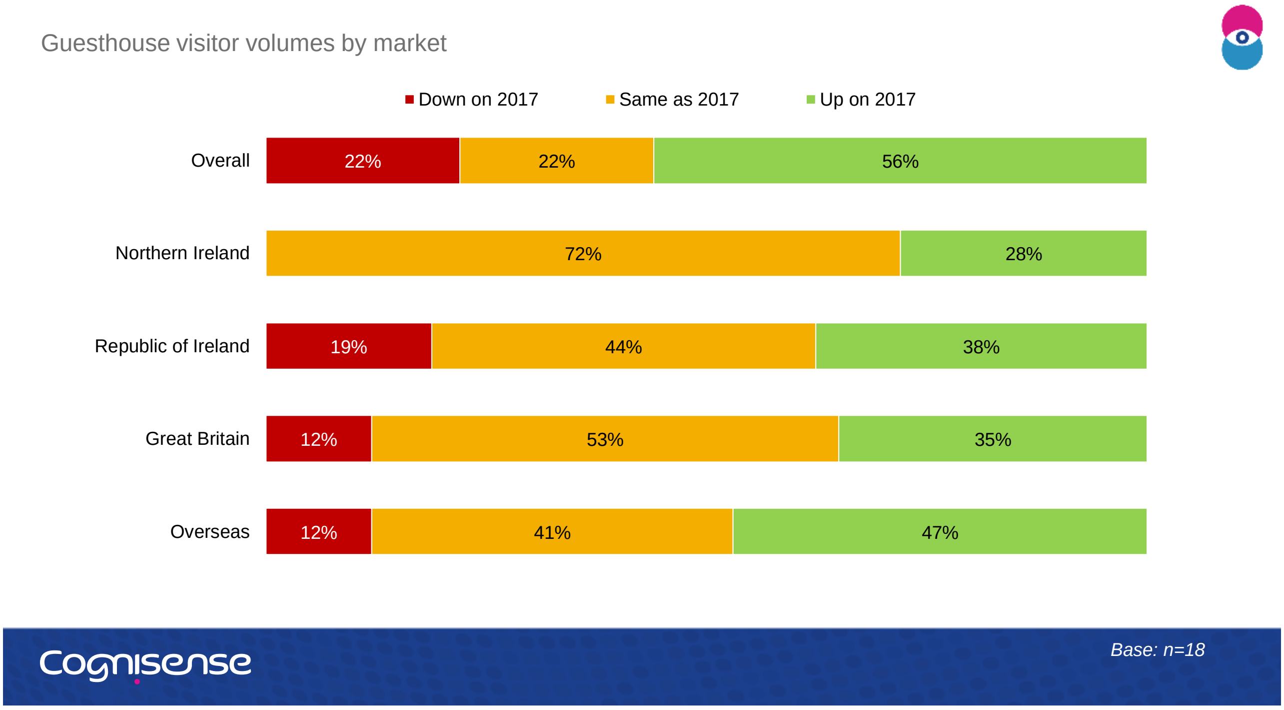


Increases in room yield and profitability

3.8 The positive year to date for hotels was reflected in the increase in profitability reported by over a third (36%) of respondents. However, this performance was not as strong as last year, when three-quarters of responding hotels reported an increase in profitability.

3.9 Over two-thirds (64%) of hoteliers stated that average room yield had increased on the same period last year, with only a small proportion of respondents (9%) having reported a decrease in average room yield compared to 2017.

Guesthouses

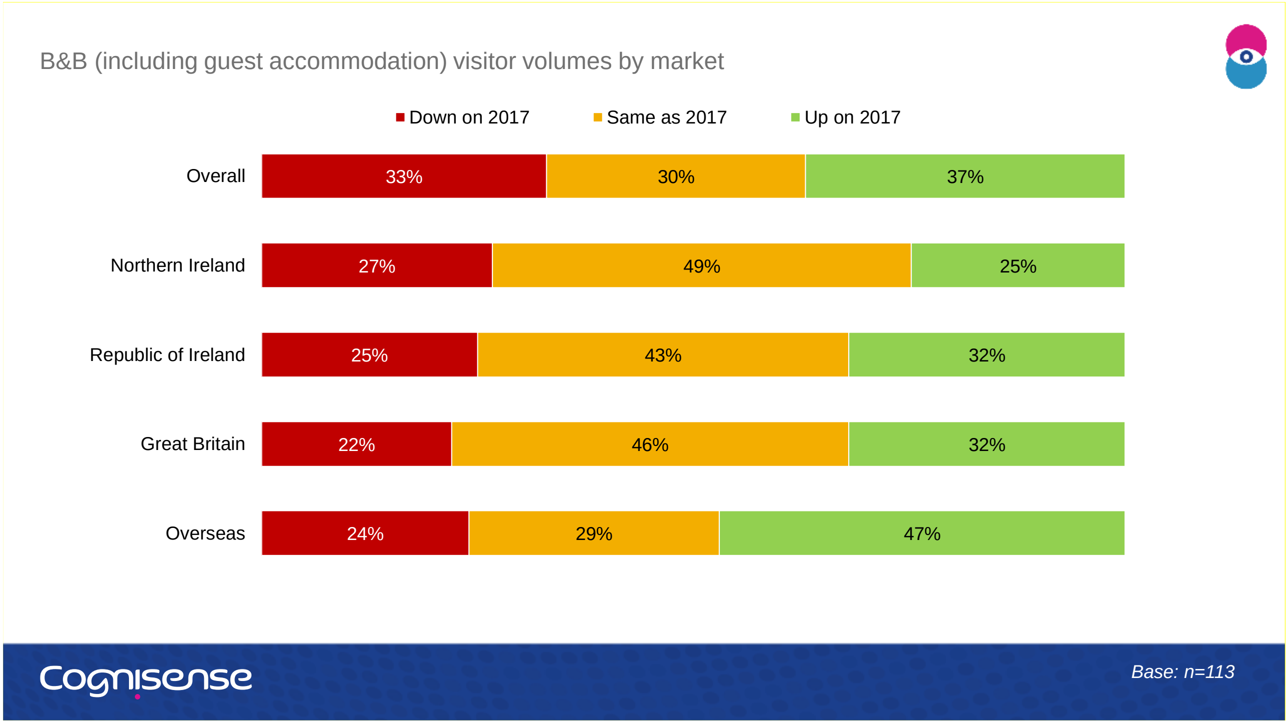


Strong year so far for the guesthouse market

3.10 Almost three in five (56%) guesthouses reported an improvement on 2017 volumes.

3.11 The overseas market performed strongest, with nearly half (47%) having reported an increase in business in 2018.

B&Bs

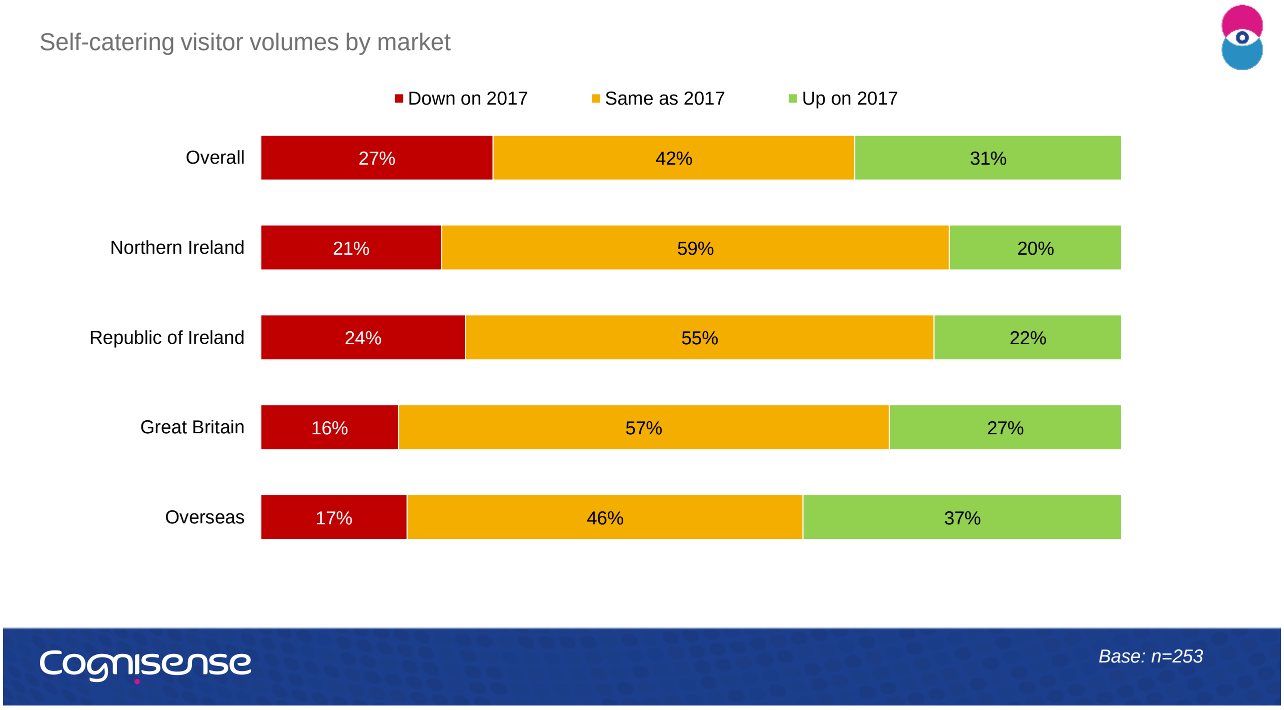


Steady performance for B&Bs

3.12 Overall, almost two-fifths (37%) of responding B&Bs claimed that business was up on 2017, which follows the positive figure reported at this point last year (43%).

3.13 The overseas market performed particularly strongly, with approaching half (47%) of B&B operators having reported an increase on 2017 volumes.

Self-catering

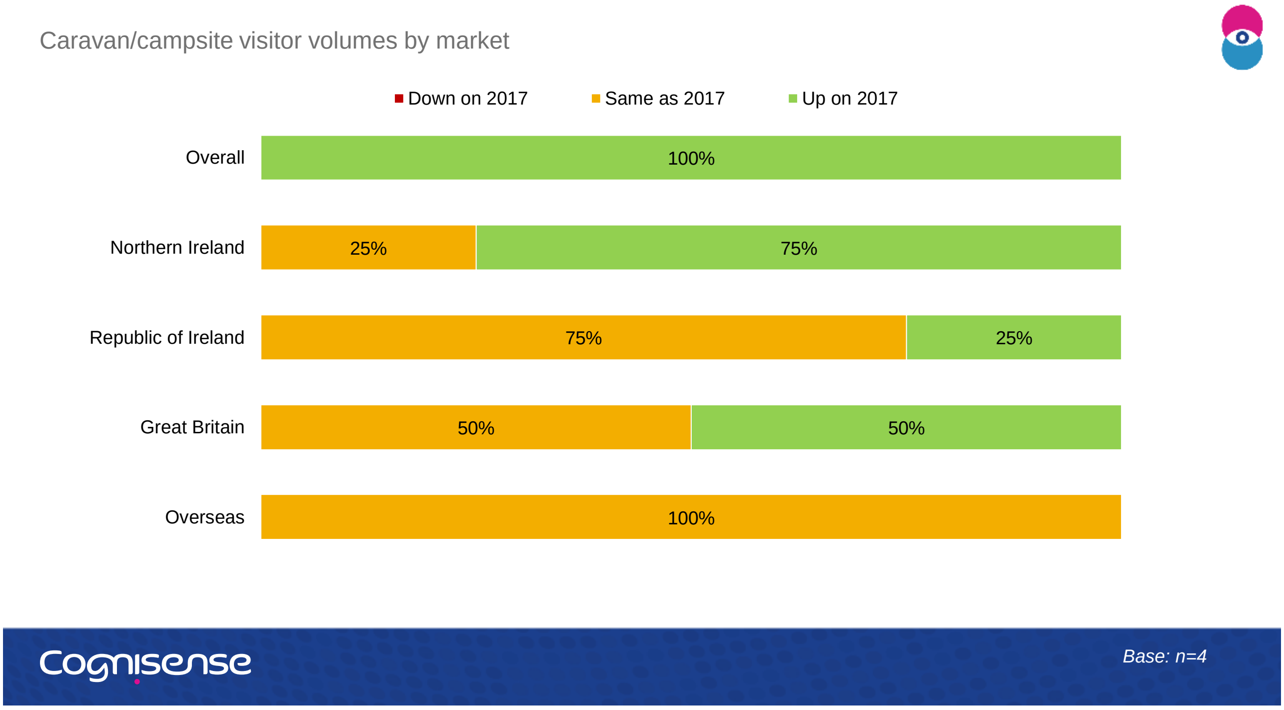


Consistent performance overall for self-catering

3.14 Over three in ten (31%) self-catering operators reported an increase in business, whilst just over a quarter (27%) reported visitor volumes to be lower than those experienced in 2017, representing a consistent performance with the same time last year (increase in volume: 30%; decrease in volume: 29%).

3.15 The overseas market saw an improved performance when compared to the figure recorded at this point last year, with almost two-fifths (37%) of respondents claiming an increase, whereas nearly a third did so in 2017.

Caravan / campsites

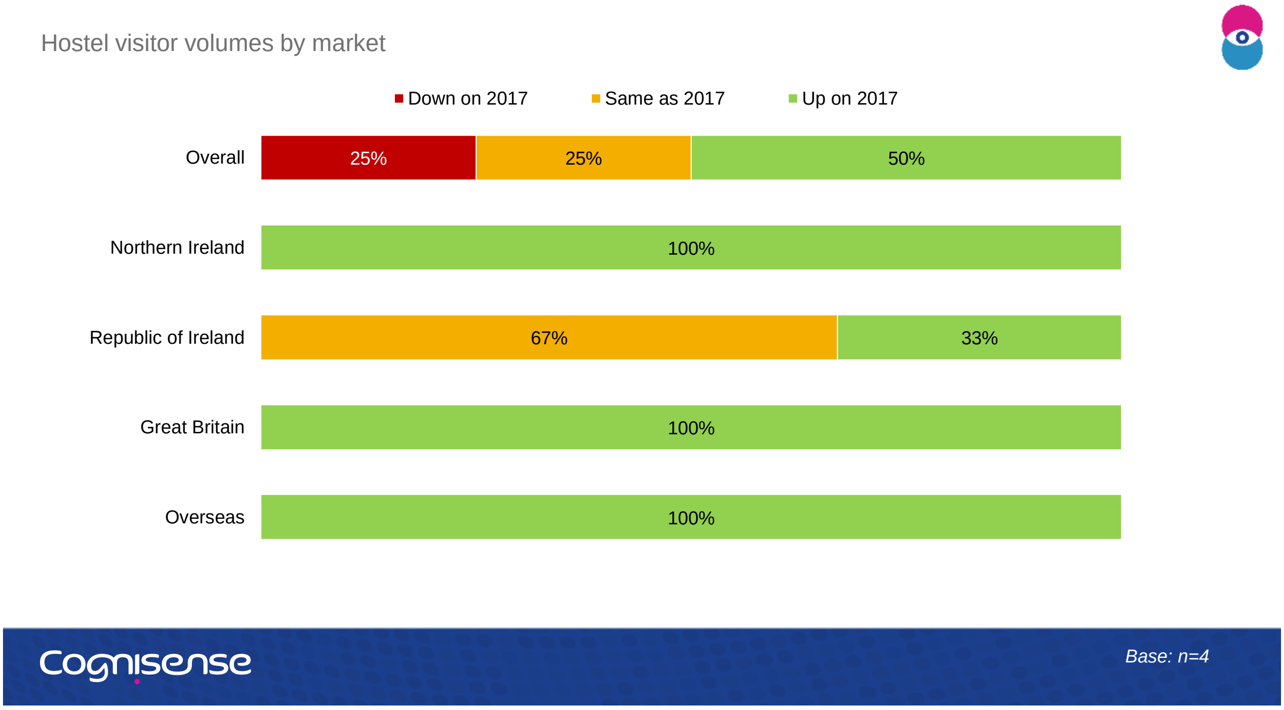


**Caution: The above results are based on a small sample size (n=4)*

Strong year for the caravan and camping sector

3.16 All four caravan/campsite respondents claimed that business was up when compared to 2017.

Hostels

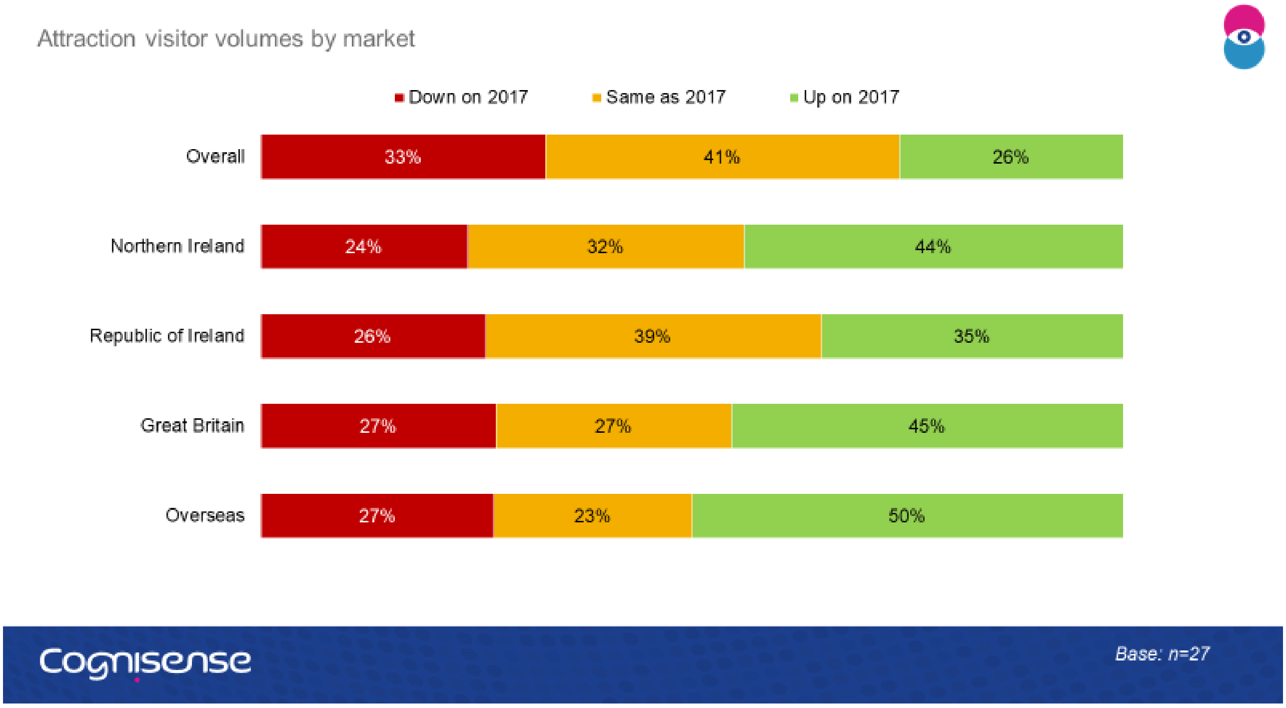


**Caution: The above results are based on a small sample size (n=4)*

Mixed bag for hostels

3.17 Of the four responding hostels, half claimed that visitor volumes had increased when compared to 2017.

Attractions

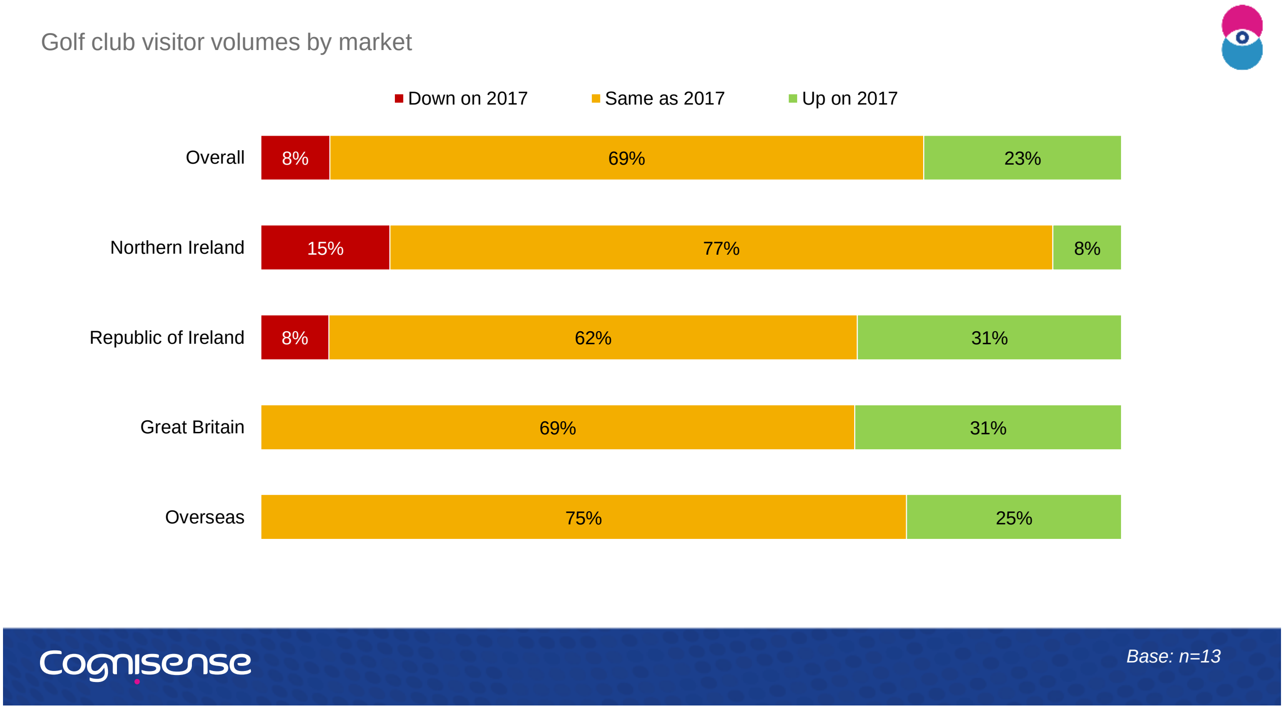


Attractions optimistic for the rest of 2018

3.18 Overall, around one quarter (26%) of attractions reported an improvement on visitor volumes in 2018, which represents a decrease when compared to the number who reported an increase (62%) at the same point last year.

3.19 However, more than half (54%) of attractions are optimistic (see page 19) regarding business for the remainder of 2018.

Golf clubs

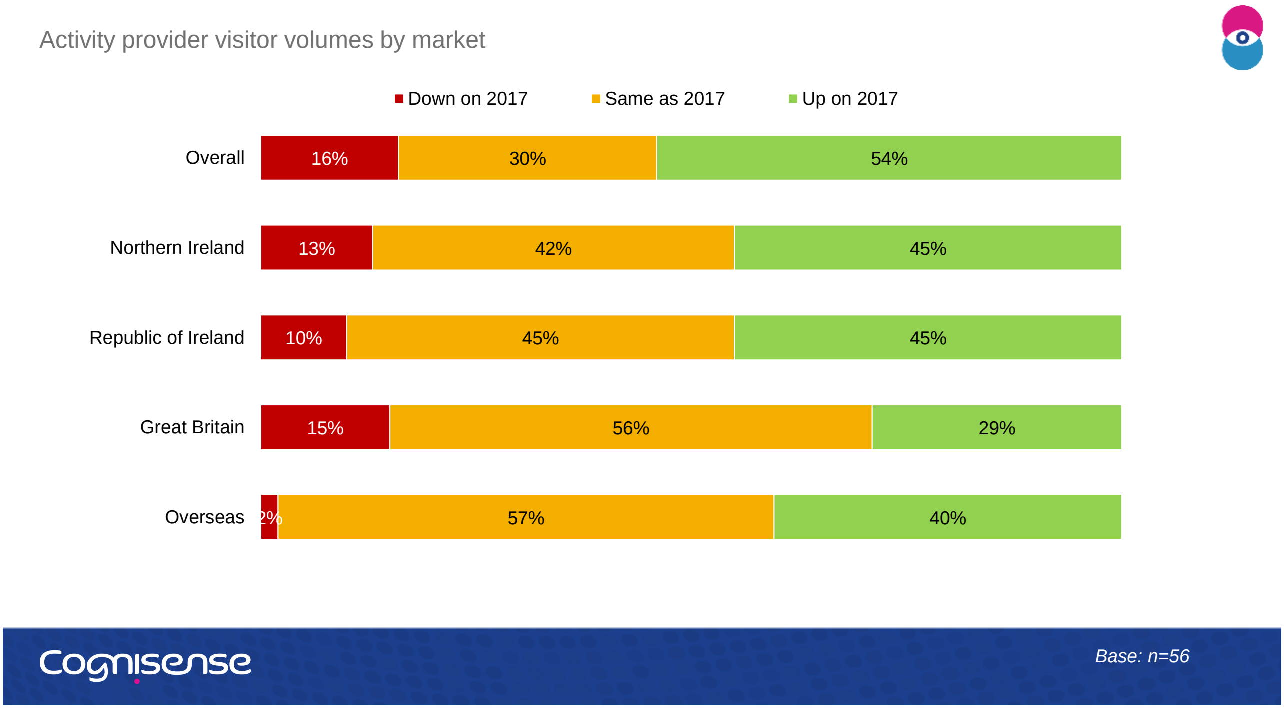


**Caution: The above results are based on a small sample size (n=13)*

Steady year so far for golf clubs

3.20 More than one in five (23%) golf clubs reported an increase in visitor volumes compared with 2017, whilst nearly seven in ten (69%) reported business to be consistent with the previous year.

Activity providers



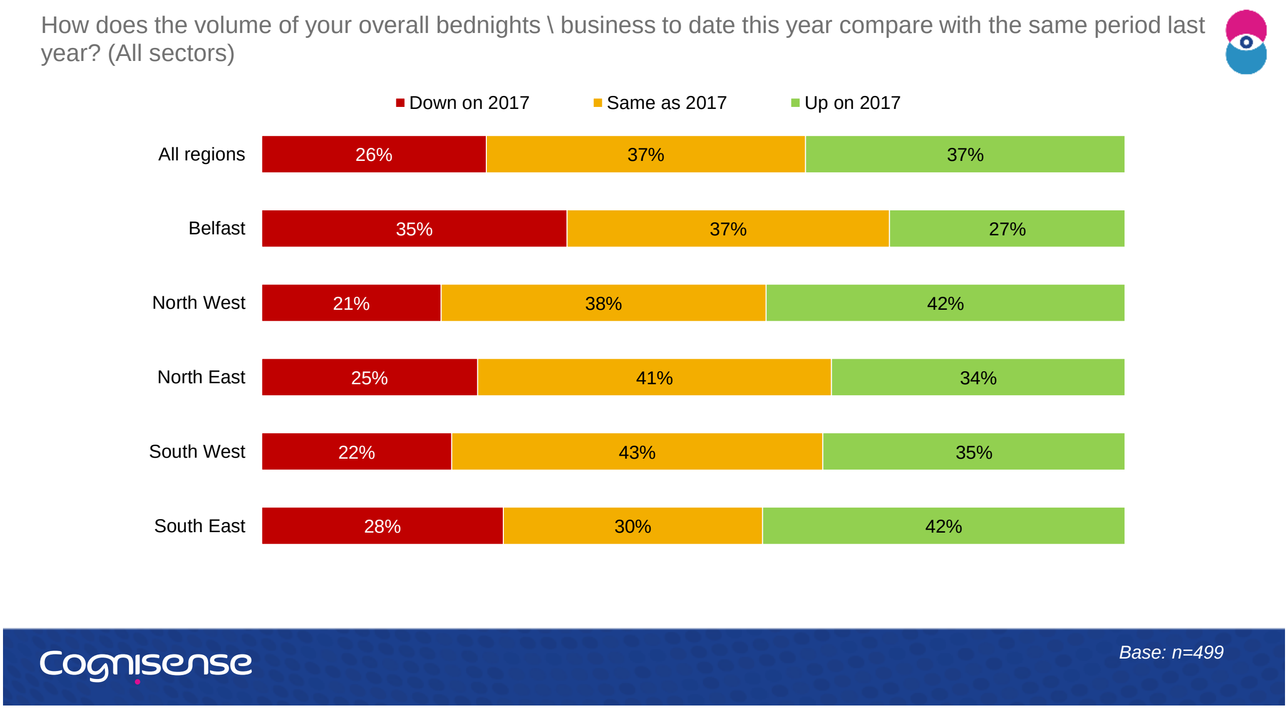
Consistent performance overall for activity providers

3.21 Overall, more than half (54%) of activity providers reported an increase in business in 2018, which was consistent with the figure recorded at this point last year (55%).

3.22 There was a notable increase in the ROI market when compared to the result from the same time last year, with approaching half (45%) having reported an increase in 2018; three in ten (29%) did so last year.

4. Performance by Region

All Sectors by Region



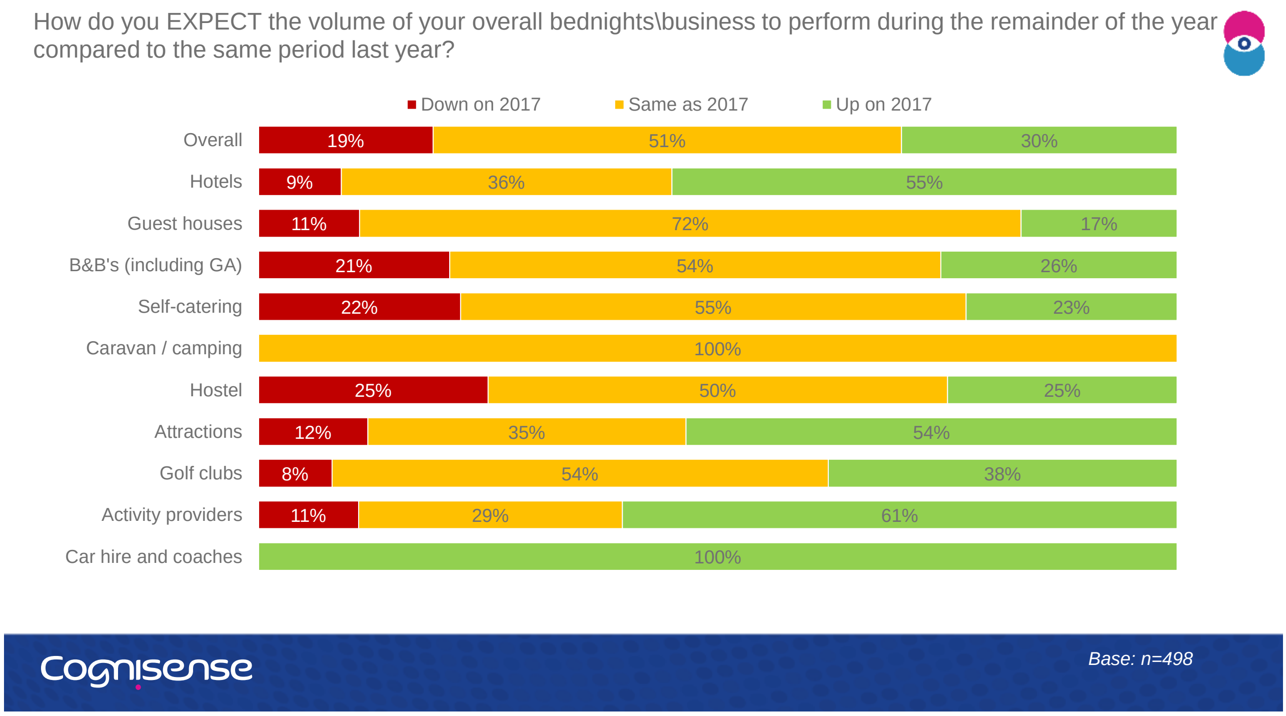
Strong performance across the regions

4.2 The North West and South East performed particularly strongly, with an increase in business having been reported by over two-fifths (42% for each region) of respondents.

4.3 In Belfast, almost two-thirds (64%) reported business to either have increased or remained steady when compared to last year, with around a third (35%) having reported business to be down. This follows the excellent performance from the same point in 2017, when over nine in ten respondents (92%) reported business to either be up or consistent when compared to the previous year.

5. Expectations for 2018

Overall view of expectations



Industry optimistic overall for the remainder of 2018

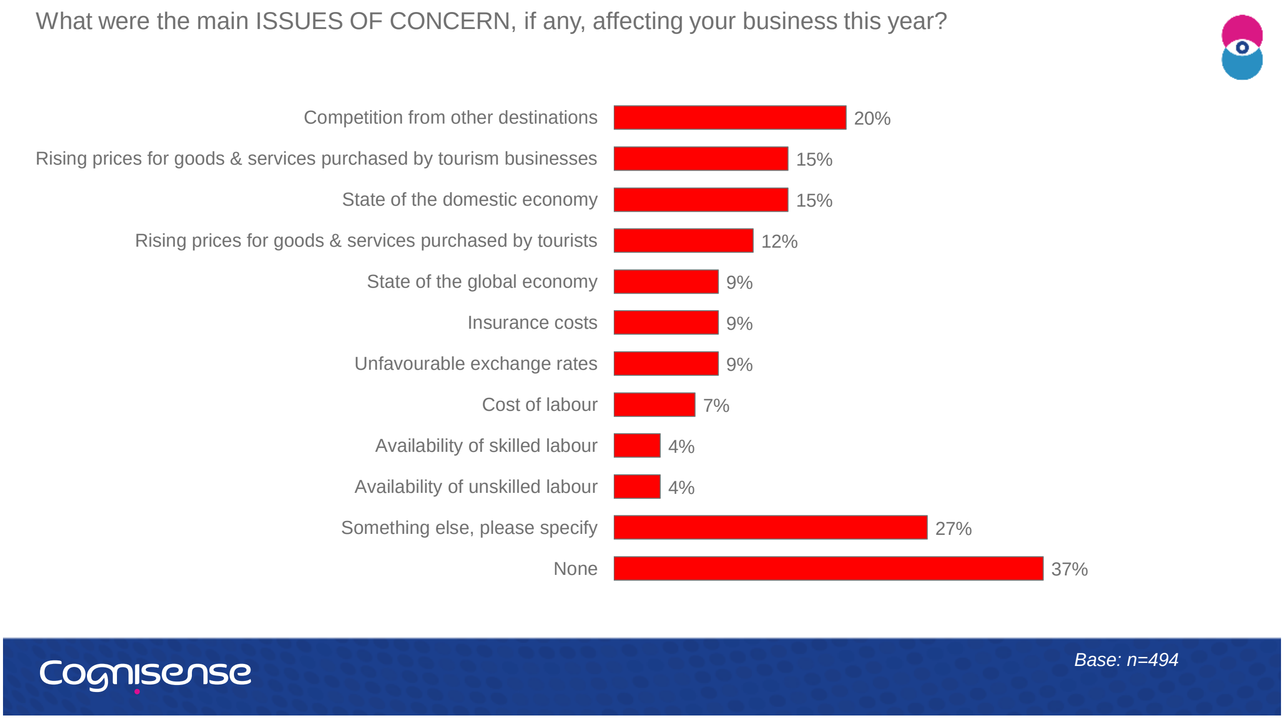
5.1 Overall, tourism operators have an optimistic outlook for 2018, with three in ten expecting an increase in business in the remainder of the year and around half (47%) anticipating business to remain consistent, when compared to 2017.

5.2 Amongst the accommodation providers, hotels are the most optimistic for the remainder of the year, with more than half (55%) of respondents expecting business for the rest of the year to be up when compared to 2017.

5.3 Three-fifths (61%) of activity providers and more than half of attractions (54%) expect business for the remainder of the year to be up on 2017.

6. Issues of Concern in 2017

Issues of Concern



The economy still the main issue

6.1 Nearly a quarter of respondents stated that the economy (domestic: 15%; global: 9%) was a cause for concern, which is consistent with the number who felt the same way last year.

Competition from other destinations a concerning

6.2 A fifth of respondents cited competition from other destinations as an issue of concern – almost double the number who did so in 2017 (11%).

The price of goods and services a growing problem

6.3 Approaching one in five (15%) felt that the rising prices of goods and services purchased by tourism businesses was a concern for their business in 2018, which was an increase in the number who cited the same issue in 2017 (9%).