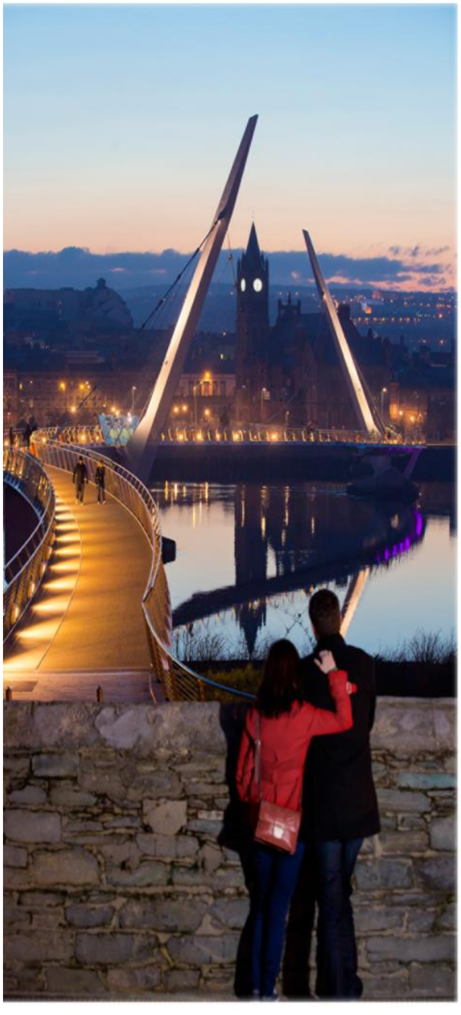
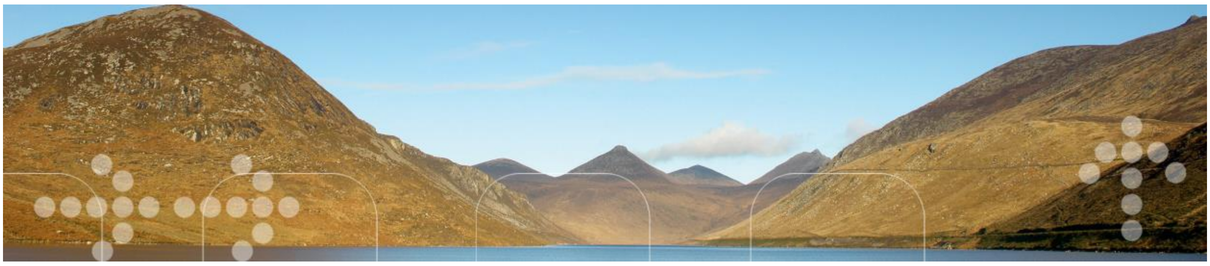
tourism northernireland

MillwardBrown Ulster

TOURISM INDUSTRYBAROMETER
SEPTEMBER 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 second wave in 2015 took place between 14 September and 1 October. 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 14 September 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 Following this, we conducted 254 '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 248 responses to an online survey with tourism businesses in mid-September to early October 2015, and conducted 254 top-up telephone interviews.

Strong year to date for hotels

2.3 Hotels have experienced a busy first nine months of the year. Two thirds (67%) of hotels reported an increase in visitor numbers compared with the same period last year. The overseas market, Great Britain and domestic markets have all performed strongly with more than half of hoteliers citing an increase in visitor numbers.

Hotels' room yield and profitability shine

2.4 The increase in visitor volumes enjoyed by hotels is also reflected by very healthy increases in both average room yield and profitability (64% report both to be up).

Business trips take the lead

2.5 Hotels have seen increases in all visitor types in the first nine months of the year, but especially with regards to their business/corporate volumes (69% reported an increase). Special events, general leisure and weekend breaks also fared very well. Approximately half of all hoteliers reported an increase in general leisure (51%), special events (50%) and weekend breaks (52%).

Positive year to date for guesthouse market

2.6 Guesthouses have also experienced a busy first nine months of the year. Two thirds (67%) of guesthouses reported an increase in visitor numbers compared with last year.

B&Bs continue to face challenges

2.7 B&Bs continued to face challenges during the first nine months of 2015. Although more than a third (37%) reported an increase in business, just over a quarter (26%) of respondents reported lower visitor volumes compared to the same period last year. Visitor volumes from the Republic of Ireland appear to be struggling the most, almost half (49%) of B&Bs reported a decrease in this market. However, more positively, the overseas and GB markets performed quite strongly. More than two fifths (45%) stated that the overseas market had grown, while more than a third (35%) stated that visitor volumes from GB had improved on the same period last year.

Business booming in Belfast

2.8 Operators in Belfast have enjoyed a very strong first nine months of 2015, more than four fifths (81%) of Paid Serviced Accommodation (PSA) respondents reported an increase in visitor volumes compared to the same period last year. Similar to the PSA results, Belfast has shown the strongest performance in the first nine months of the year for all sectors. More than half (51%) of all tourism businesses in the Belfast region reported an increase in overall business in the first nine months of the year.

Boost for the North East

2.9 More than half (56%) of PSA respondents in the North East reported an increase in visitor levels, compared to less than a fifth (18%) who reported a decrease in volumes. The outlook was similar when looking at all sectors, again the North East was one of the strongest performing regions with half of all tourism businesses in the North East (50%) reporting an increase in overall business in the first nine months of the year.

Challenges in the South West

2.10 Paid Serviced Accommodation (PSA) in the South West of NI had a fairly positive first nine months of the year with more than two fifths (41%) of respondents reporting business to be up and almost three in ten (29%) reporting business to be down. However, when looking at the data for all sectors it is evident that other tourism businesses in the South West have faced a challenging first nine months of the year; two fifths (40%) reported a decrease in overall business.

Hotels and hostels remain optimistic but not all sectors are hopeful

2.11 Hotels and hostel owners remain optimistic for the remainder of 2015. Half of all hoteliers and hostel owners expect business to be up on the same corresponding period in 2014.

2.12 Other accommodation providers are not as optimistic, particularly guesthouses and B&Bs. Approximately a third of B&Bs (31%) and guesthouses (29%) expect visitor volumes to be down on 2014. On balance self-catering and caravan and campsites also expect business to be down on balance with around a quarter predicting reduced visitor volumes.

More challenging outlook for the Republic of Ireland

2.13 The largest proportions of most sectors expect visitor volumes from the Republic of Ireland to be the same in the last part of this year as they were in the same period in 2014. Hotels were amongst the most optimistic regarding expected visitor volumes for the remainder of the year, however, B&Bs, guesthouses, self-catering and caravan and camping operators were all much less optimistic.

Repeat visitors remain a strong positive

2.14 Similar to the findings during the June monitoring period, repeat visitors remain the most frequently cited positive factor affecting tourism businesses in the first half of the year. More than half (55%) of all respondents cited repeat visitors as a positive factor.

Recommendations still vital

2.15 Half (50%) of tourism businesses recognised recommendations as a key positive during the first nine months of the year. Two thirds of caravan and camping operators (67%) and hostel owners (64%) see recommendations as a positive.

Local events can draw the visitors

2.16 Almost two fifths (39%) of tourism businesses have benefited from local events so far this year. Events in the local area and larger events such as the Irish Open and Tall Ships are believed to encourage visitors to Northern Ireland. In the first nine months of the year local events were particularly cited as positives by attraction providers (53%), caravan and camping operators (58%) and hotels (53%).

Technology having an impact

2.17 Through the open comments, a number of respondents indicated that technology is an increasingly important influencing factor on visitors; an online presence, social media, digital marketing and booking and review sites such as booking.com and tripadvisor were all highlighted as positive factors affecting tourism businesses in the first nine months of 2015.

Unfavourable exchange rates remain a concern

2.18 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. Two fifths (40%) of all tourism businesses highlighted unfavourable exchange rates as the main issue of concern affecting their business in the first nine months of the year.

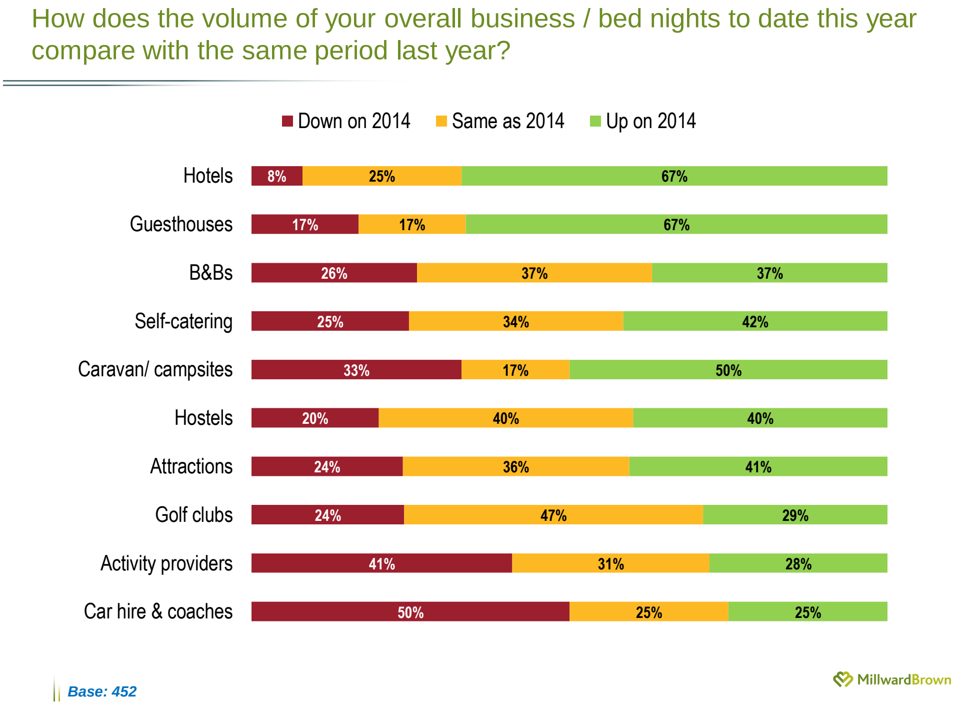
The economy still raising issues

2.19 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) and caravan and camping operators (42%).

2.20 Through the open comments, a small number of respondents also highlighted the ongoing political stalemate in Stormont as a real and growing concern.

3. Visitor Volumes in 2015 by Sector

Overall visitor volumes in 2015



**Caution: some sectoral data based on small sample sizes. Car Hire and Coach Operators (n=4), Hostels (n=10), Caravan and Camping (n=12), Golf Clubs (n=17)*

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 year to date for hotels and guesthouses

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

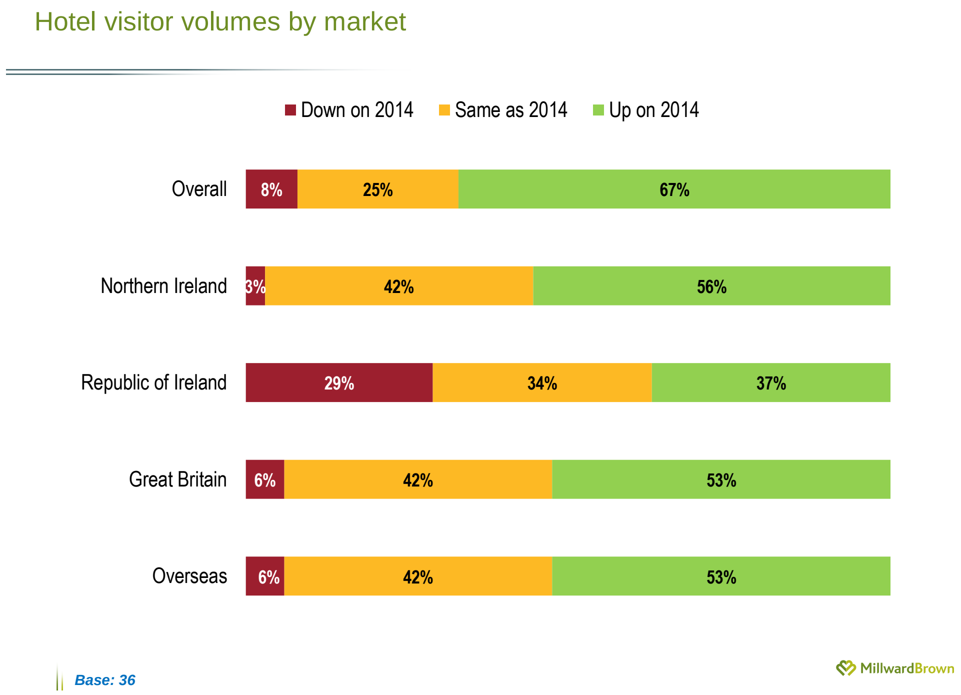
3.2 Hotels and guesthouses have experienced a busy first nine months of the year. Two thirds (67%) of hotels and guesthouses reported an increase in visitor numbers compared with the same period last year.

3.3 Half (50%) of caravan and campsite owners reported an increase while a third (33%) reported a decrease compared with the same period in 2014.

3.4 The first half of the year has been more challenging for B&Bs and self-catering operators. Approximately two fifths of B&Bs (37%) and self-catering operators (42%) reported an increase, while a quarter reported a decrease on the same period last year (B&Bs 26%; self-catering 25%)

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

Hotels – visitor volumes by market



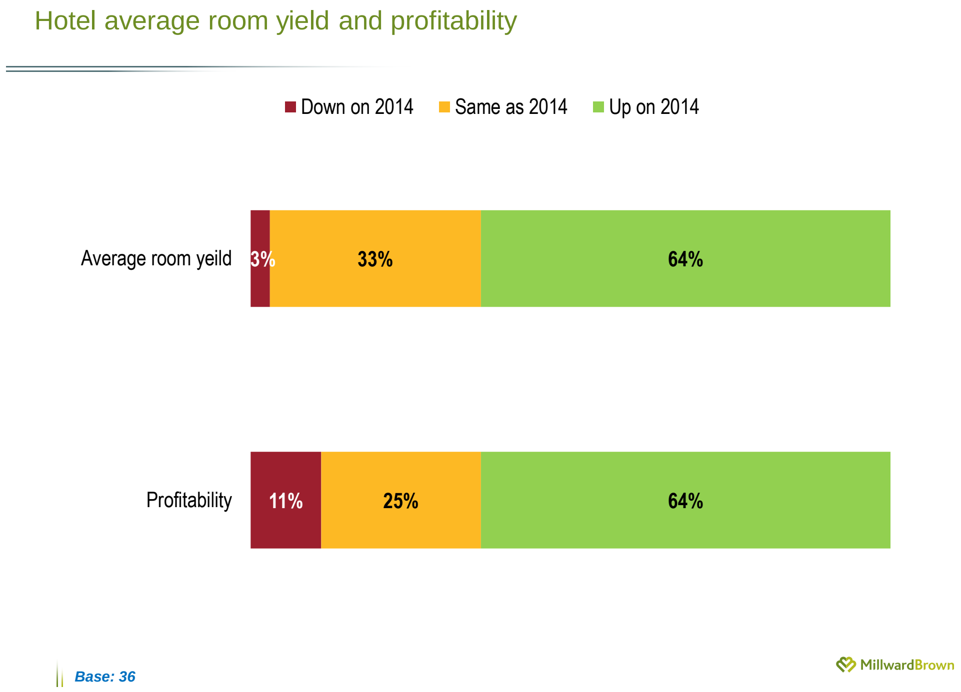
Hotels continue to attract more guests from GB and overseas

3.6 Hotels have enjoyed a strong first nine months of the year, two thirds (67%) of respondents reported increased visitor numbers compared with the same period last year. All markets, with the exception of the Republic of Ireland market, show good signs of growth, with more respondents reporting increases rather than decreases in visitor levels. This is on top of a good performance last year, when almost four fifths (78%) of responding hotels reported performance to be up on 2013.

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 (29%) of hoteliers stated that the volume of visitors from the Republic of Ireland was down against just under two fifths (37%) who reported an increase (RoI performance was even less positive than in June when 46% reported an increase in visitor volumes).

3.8 The overseas market, Great Britain and domestic markets have all performed strongly with more than half 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

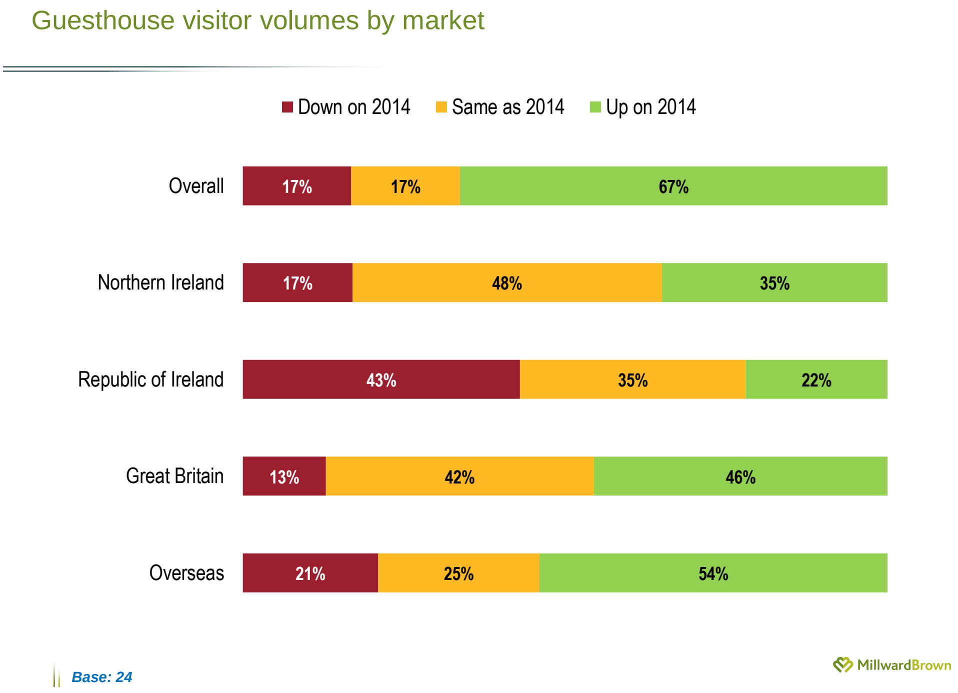


Solid increase in room yield and profitability

3.9 Hotels have enjoyed a strong nine months, which is reflected in an increase in profitability as reported by almost two thirds (64%) of respondents. Just over one in ten (11%) hotels reported a decrease in profitability compared to the same period last year.

3.10 Similarly, almost two thirds (64%) of hoteliers stated that average room yield has increased on the same period last year. Positively, less than one in twenty (3%) hotels reported a decrease in average room yeild compared to the same period last year.

Guesthouses



**The above results are based on a small sample size (n=24)*

Positive year to date for guesthouse market

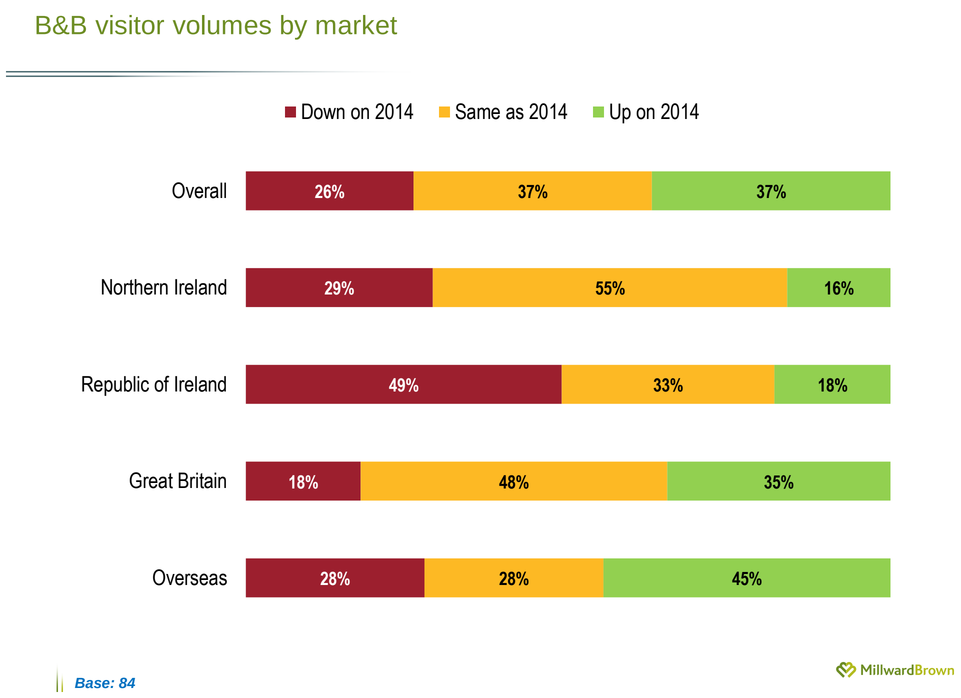
3.11 Guesthouses have seen a very positive result in the first nine months of the year, with two thirds (67%) of respondents reporting an increase in visitor volumes compared to the same period in 2014 – however, a significant number (17%) reported a decrease.

3.12 A marked improvement on last year, when less than half (47%) reported an increase and a fifth (20%) reported a decrease on the same period in 2013.

3.13 Great Britain and the overseas markets have all performed strongly with approximately half of guesthouse owners citing an increase in visitor numbers.

3.14 The Republic of Ireland market is a concern for guesthouse proprietors as more than two fifths (43%) stated that visitor volumes have decreased on the same period last year.

B&Bs



B&Bs continue to face challenges in 2015

3.15 B&Bs continued to face challenges during the first nine months of 2015. Although more than a third (37%) reported an increase in business, more than a quarter (26%) of respondents reported lower visitor volumes compared to the same period last year.

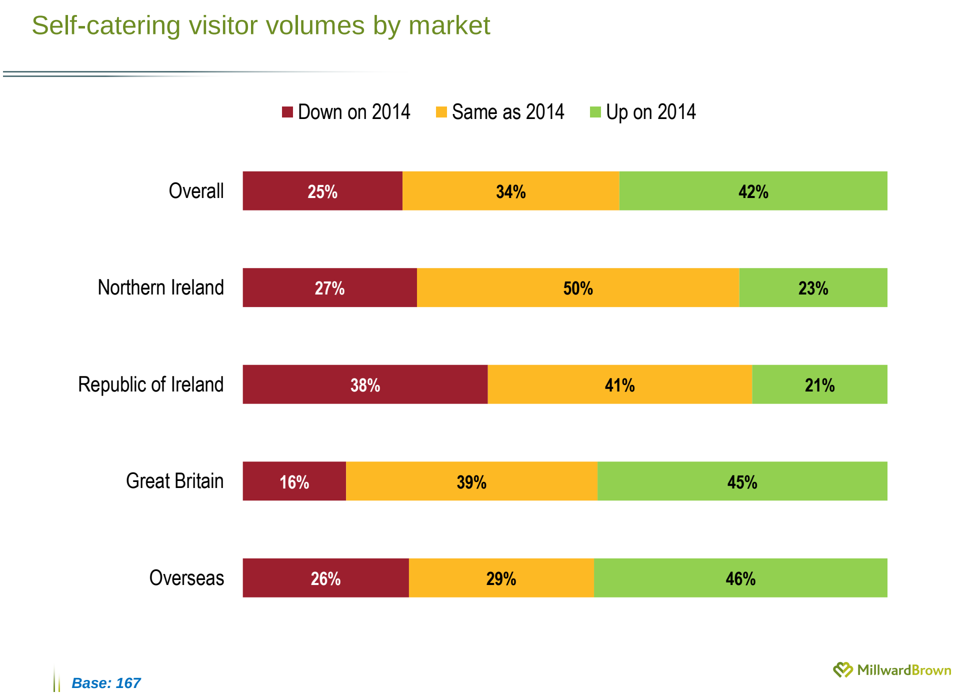
3.16 Visitor volumes from the Republic of Ireland appear to be struggling the most, almost half (49%) of B&Bs reported a decrease.

3.17 Despite being one of the weakest performing sectors, 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 41% of respondents reported a decrease in visitor volumes on the same period in 2013.

3.18 Positively, more than two fifths (45%) of B&Bs stated that their volume of business from the overseas market had improved on the same period last year. The GB market also performed quite strongly, more than a third (35%) stated that visitor volumes had improved on the same period last year.

3.19 More than half of all B&B proprietors cited unfavourable exchange rates (56%) as the main issue of concern affecting their business so far this year.

Self-catering



Mixed bag for self-catering

3.20 More than two fifths (42%) of self-catering operators reported visitor volumes to be up in the first nine months of the year, while a quarter (25%) reported visitor volumes lower than those experienced last year.

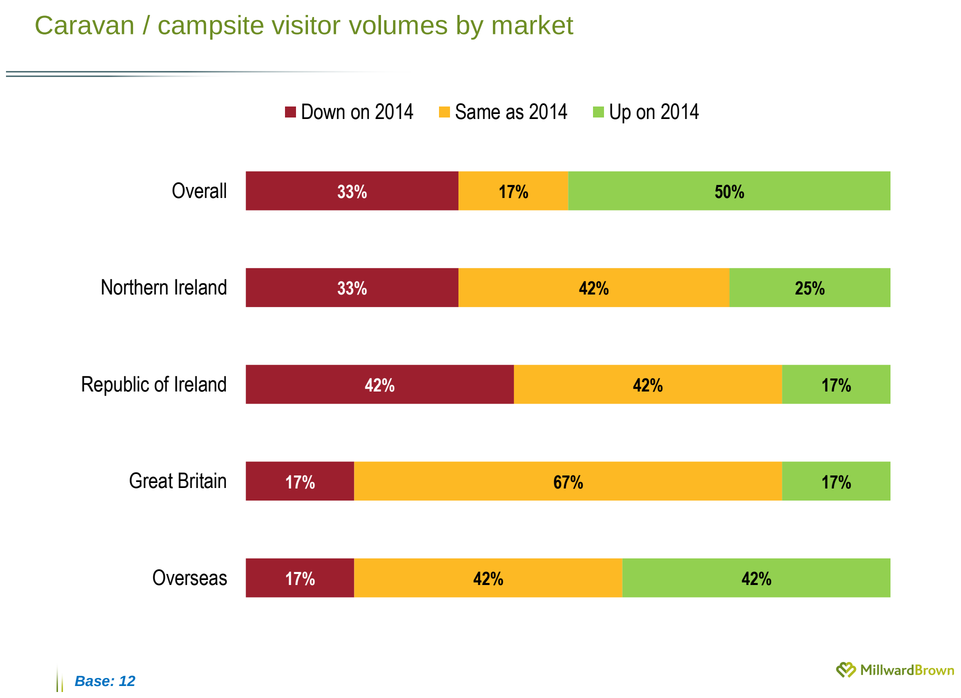
3.21 This is an almost identical performance to the same period last year, when two fifths (43%) reported visitor volumes to have increased and a quarter (25%) reported a decrease.

3.22 The domestic and Republic of Ireland markets are the biggest concerns for self-catering businesses. Just over a fifth reported an increase in these markets but almost two fifths (38%) reported a decrease in visitor volumes in the Republic of Ireland market and more than a quarter (27%) in the key domestic market.

3.23 On a more positive note, almost half of self-catering operators reported visitor volumes from Great Britain and the overseas markets to be up on the same period last year. A strong Great Britain market is crucial given the relative importance of this market to the overall performance of the self-catering sector.

3.24 Almost two thirds (64%) of self-catering businesses cited repeat visitors as the main positive factor affecting their business so far this year.

Caravan / campsites



**Caution: The above results are based on a small sample size (n=12)*

Decent year to date for the caravan and camping sector

3.25 Overall the caravan and camping sector performed quite strongly in the first nine months of 2015. Half (50%) of respondents reported an increase in visitor volumes compared to the first nine months of last year. However, a significant proportion (33%) caravan and camping proprietors reported a decrease.

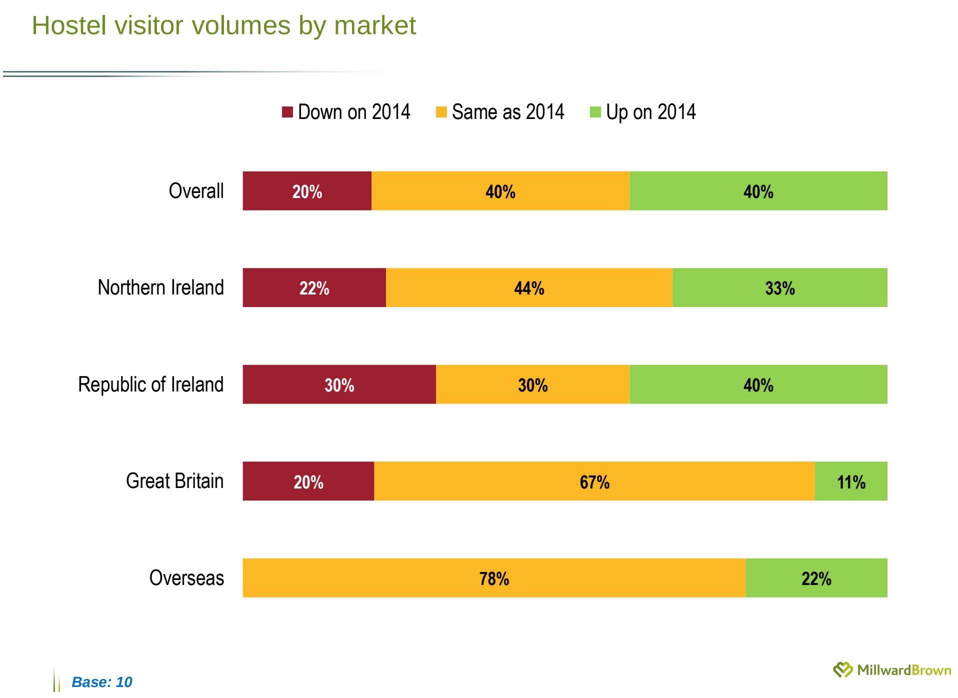
3.26 The overseas market performed strongly, more than two fifths (42%) reported an increase in visitor volumes and an identical proportion reported similar visitor volumes to last year.

3.27 The Republic of Ireland market is a concern for caravan and campsite owners as more than two fifths (42%) stated that visitor volumes have decreased on the same period last year.

3.28 Repeat visitors (67%) and recommendations (67%) were cited as key positive factors by caravan and campsite owners so far in 2015.

3.29 However, more than two fifths reported the state of the global economy (42%) and the state of the domestic economy (42%) as the key issues of concern for their business so far this year.

Hostels



**Caution: The above results are based on a small sample size (n=10)*

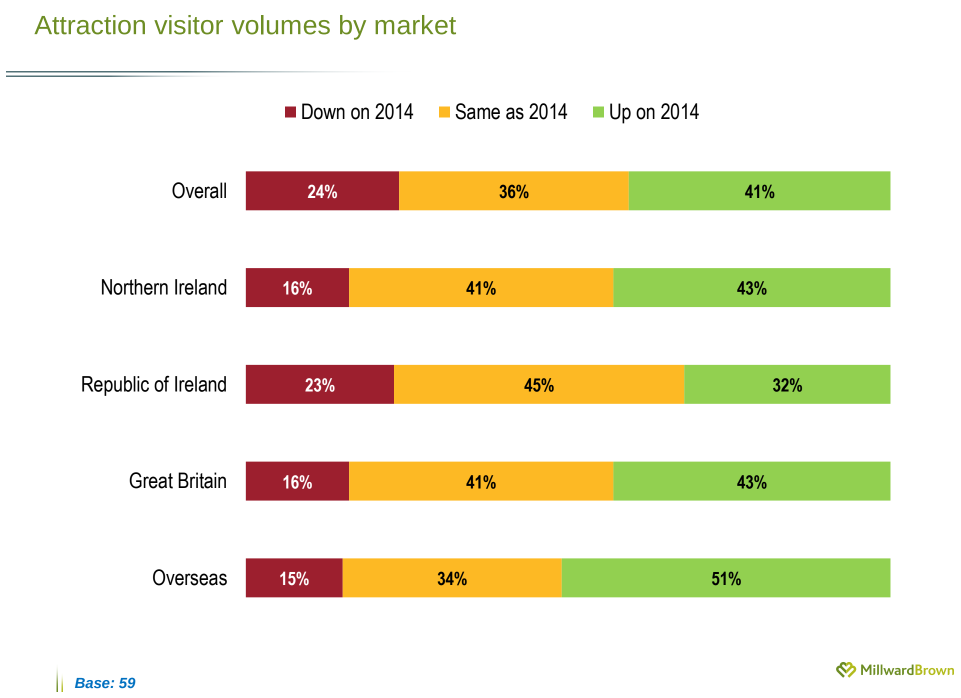
Steady year to date for hostels

3.30 Two fifths (40%) of respondents reported visitor volumes to be up on the first nine months of last year. However, a fifth (20%) of hostel owners reported a decrease from the same period last year.

3.31 The Republic of Ireland market has been the strongest so far; two fifths (40%) hostel owners reported an increase on 2014. The overseas market was also quite positive, a fifth (22%) reported and increase and the remaining four fifths (78%) stated that visitor volumes remained on a par with 2014.

3.32 Almost two thirds of hostel owners cited their own marketing (64%) and recommendations (64%) as the key positive factors affecting their business so far this year.

Attractions



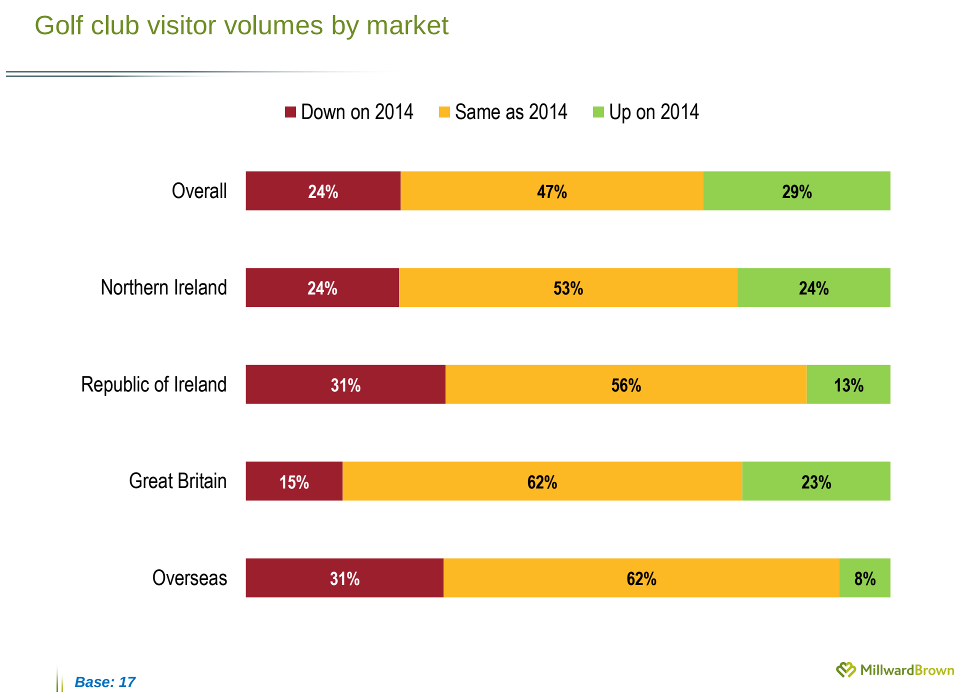
Steady first nine months for attractions

3.33 The first nine months of the year have been steady for attractions, more than two fifths (41%) reported an increase in business.

3.34 All markets were up on balance, more respondents reported an increase in visitor volumes compared to those who reported a decrease on the same period last year. More than half of attraction providers reported an increase in visitor volumes from overseas (51%), while more than two fifths reported an increase in domestic visitors (43%) and visitors from Great Britain (43%).

3.35 A strong majority (66%) of attraction providers cited their own marketing as the main positive factor affecting their business so far this year.

Golf clubs



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

Mixed period for golf clubs

3.36 Overall almost a third (29%) of golf clubs increased their tourism ‘green fee’ visitor levels during the first nine months of the year, however almost a quarter (24%) experienced a decrease.

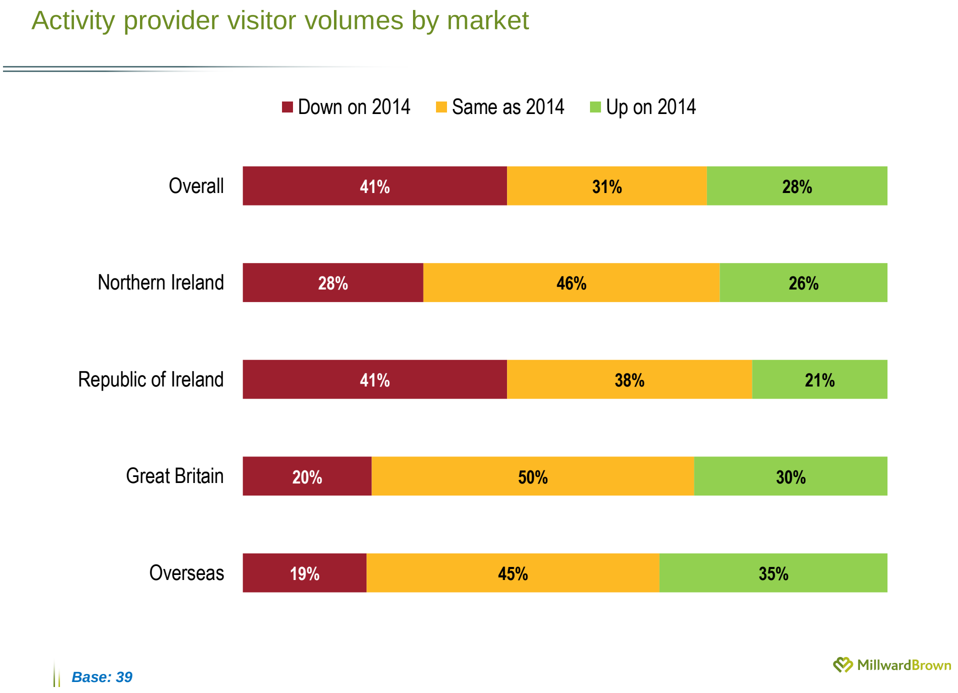
3.37 Less than one in ten (8%) of golf clubs reported an increase in overseas visitor volumes and almost a third (31%) reported a decrease.

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

3.39 In general golf clubs have had a fairly similar first nine months of the year to what they experienced last year.

3.40 Competition from other destinations (35%) was cited as the main issue of concern for golf clubs so far this year.

Activity providers

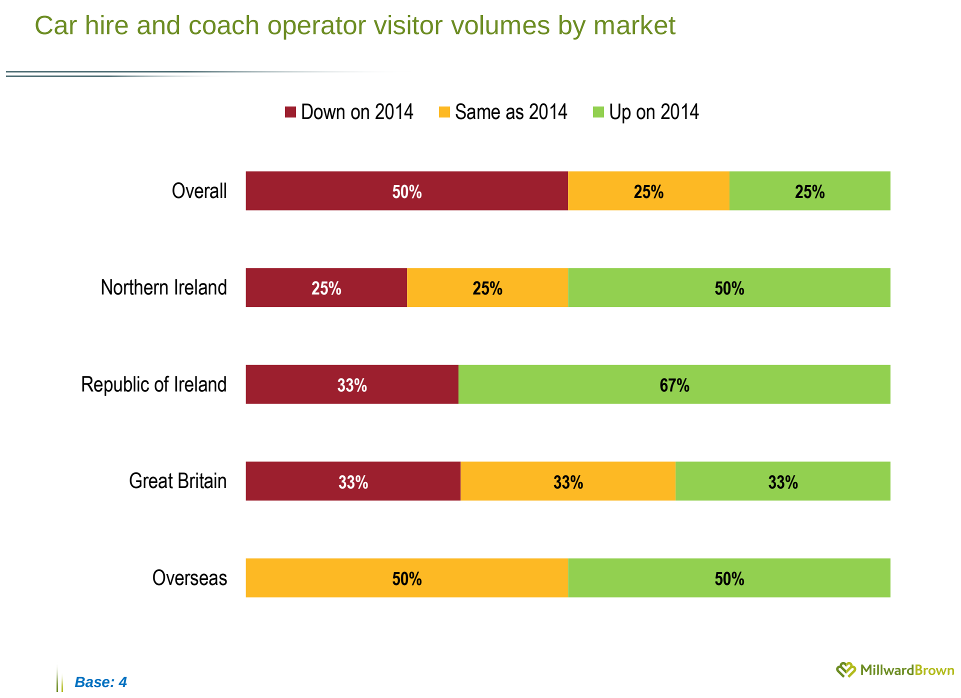


Struggle for activity providers

3.41 Activity providers have found the first nine months of the year quite challenging, more than two fifths (41%) of respondents reported a decrease in visitor volumes on the same period last year.

3.42 The Republic of Ireland market performed very poorly with more than two fifths (41%) citing a decrease in visitor volumes from this market. However, visitor volumes from overseas increased for more than a third (35%) of activity providers.

Car hire and coach operators



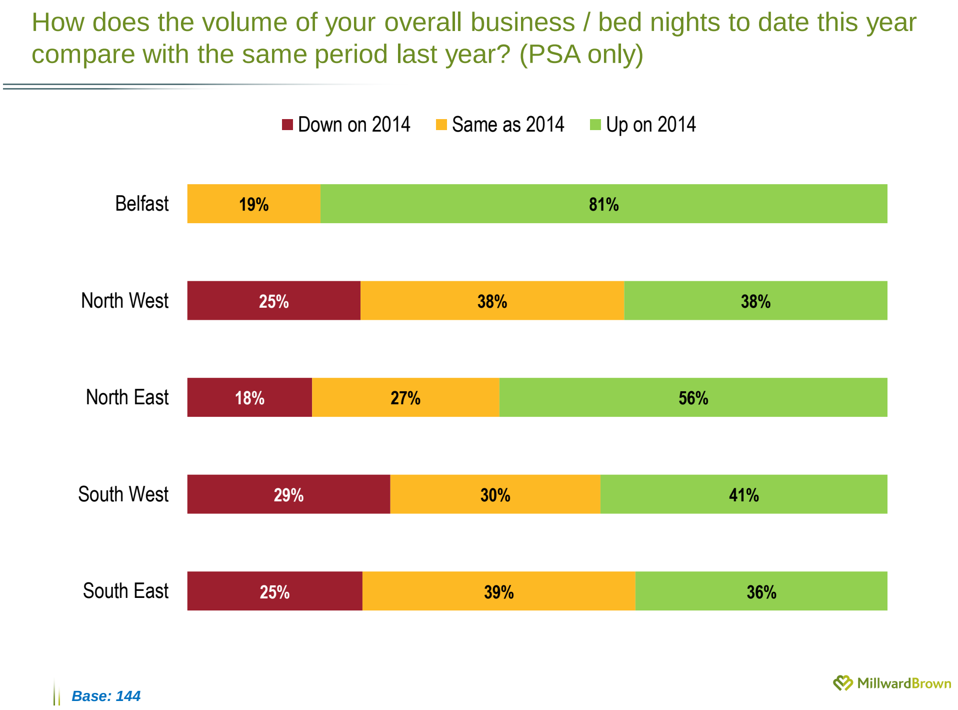
**Caution: The above results are based on a very small sample size (n=4)*

Mixed bag for car hire and coach operators

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

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

Business booming in Belfast

4.1 Operators in Belfast have enjoyed a very strong first nine months of 2015, more than four fifths (81%) of PSA respondents reported business to be up on the same period last year.

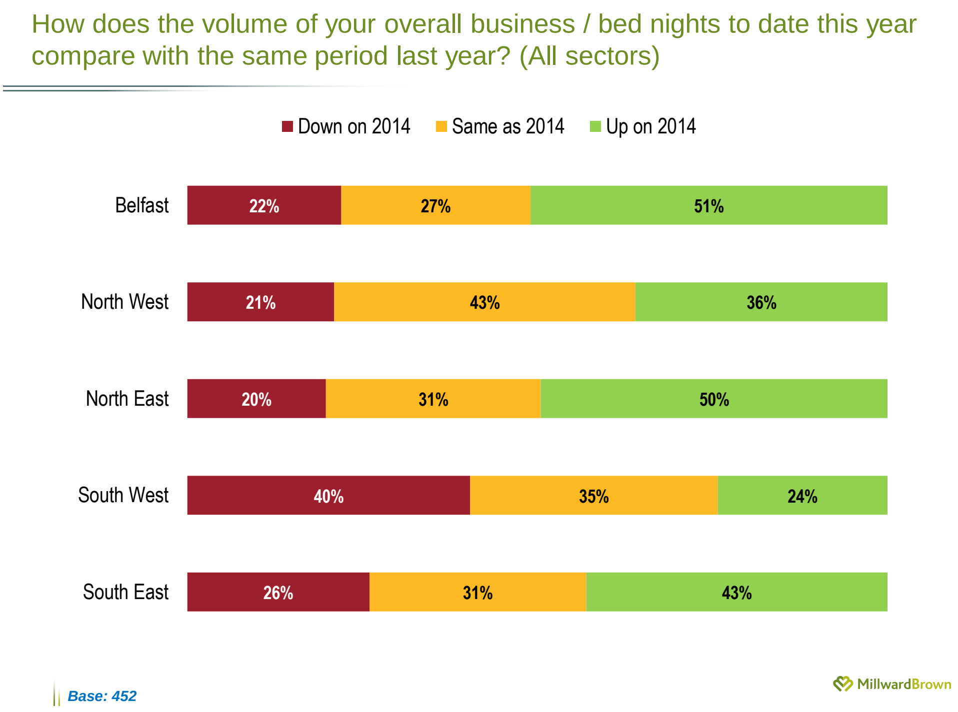
Positive performances across the rest of the country

4.2 More than half (56%) of respondents in the North East reported an increase in visitor levels, compared to less than a fifth (18%) who reported a decrease in volumes on the same period last year.

4.3 All other regions were up on balance, more respondents reported an increase in visitor volumes compared to those who reported a decrease on the same period last year. The North West and the South West of NI had a fairly positive first nine months of the year with approximately two fifths of PSA respondents reporting business to be up. In fact the South West is much improved from June when only 26% reported an increase (now 41%).

4.4 The South East was the weakest performing region, more than a third (36%) of respondents reported an increase but a quarter (25%) reported a decrease in business.

All Sectors by Region



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

Boost for Belfast and the North East

4.5 Similar to the PSA results, Belfast and the North East were the strongest performing regions for the first nine months of the year across all sectors.

4.6 Half of all tourism businesses in Belfast (51%) and the North East (50%) regions reported an increase in overall business in the first nine months of the year.

Positive performance in the South East

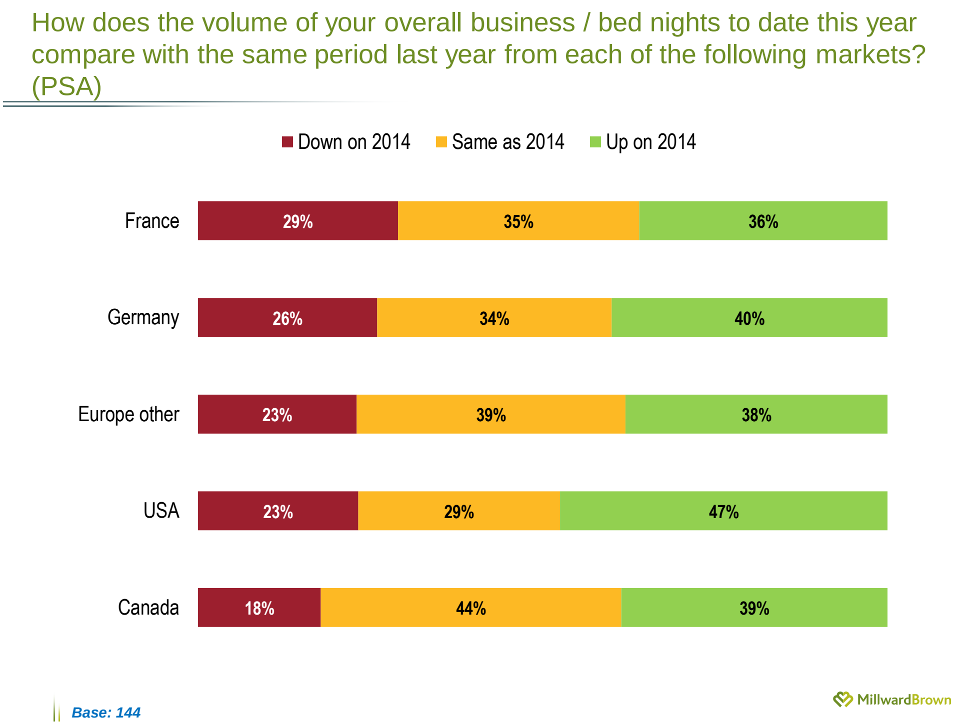
4.7 The South East of NI also had a positive first nine months of the year with more than two fifths (43%) of respondents across all sectors reporting business to be up.

Bigger challenges in the West

4.8 Respondents in the South West have faced a challenging first nine months of the year; two fifths (40%) reported a decrease in overall business. The North West also did not perform as strongly as many of the other regions. Although up on balance with more respondents reporting increased visitor volumes compared to those who reported a decrease on the same period last year, just over a third (36%) reported an increase and a fifth (21%) reported a decrease.

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, almost half (47%) of all PSA operators reported increased US visitors.

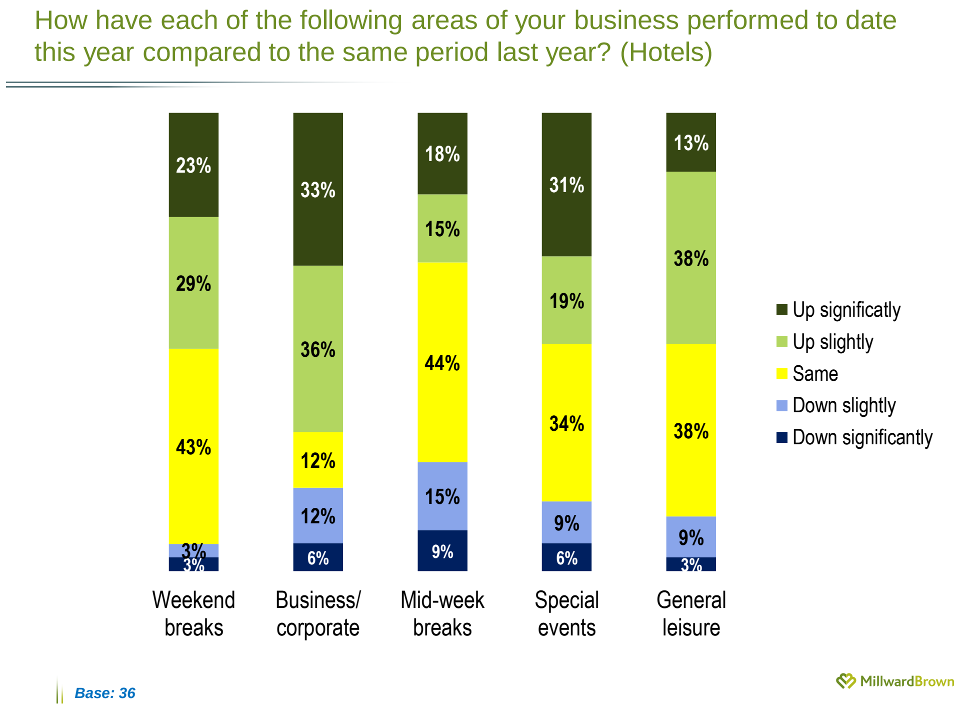
Positive performance in other markets

5.2 All other markets were up on balance, more respondents reported an increase in visitor volumes compared to those who reported a decrease on the same period last year. Germany, Canada and the rest of Europe all had a positive first nine months of the year with approximately two fifths of PSA respondents reporting business to be up.

5.3 France was the weakest performing market, more than a third (36%) of respondents reported an increase but almost three in ten (29%) reported a decrease in business.

6. Visitor Types (Hotels)

Hotel Visitor Types



The above questions were asked only to hotels

Business trips take the lead

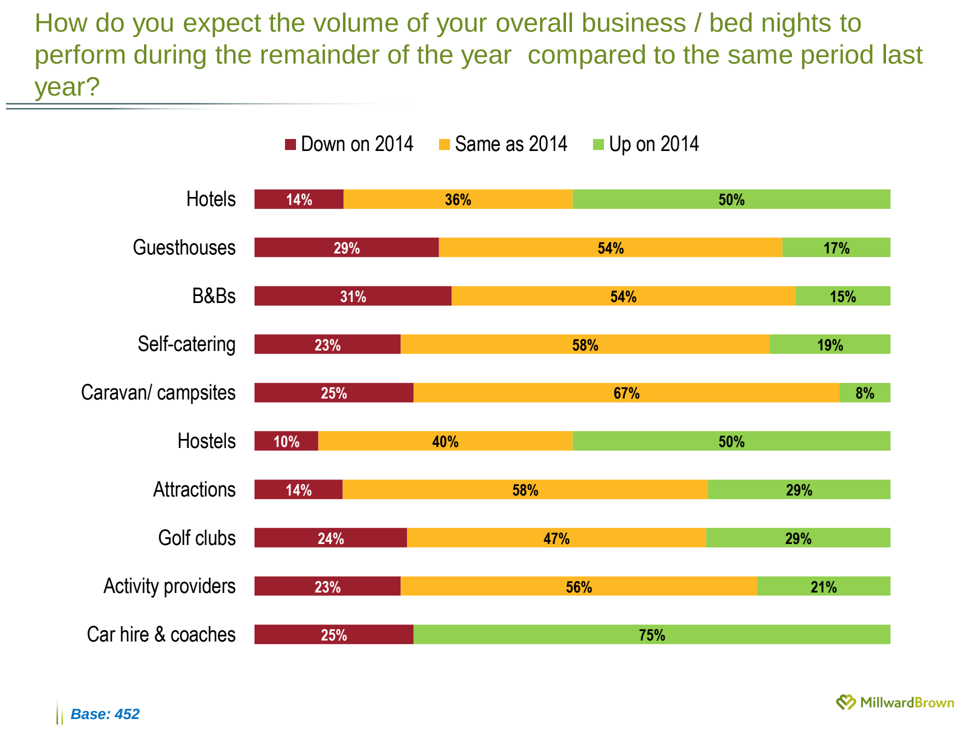
6.1 While all visitor types have seen an overall increase so far this year, the business/corporate market has done particularly well. More than two thirds (69%) of respondents reported an increase (either significant or slight). In fact, a third (33%) reported a significant increase on the same period last year.

Special events and weekend breaks going strong

6.2 Special events, general leisure and weekend breaks also fared very well. Approximately half of all hoteliers reported an increase in general leisure (51%), special events (50%) and weekend breaks (52%) when compared with the same period last year.

7. Expectations for the Remainder of 2015

Overall view of expectations



Hotels remain optimistic

7.1 Hotels remain optimistic for the remainder of 2015. Half of all hoteliers (50%) expected business to be up on the same corresponding period in 2014.

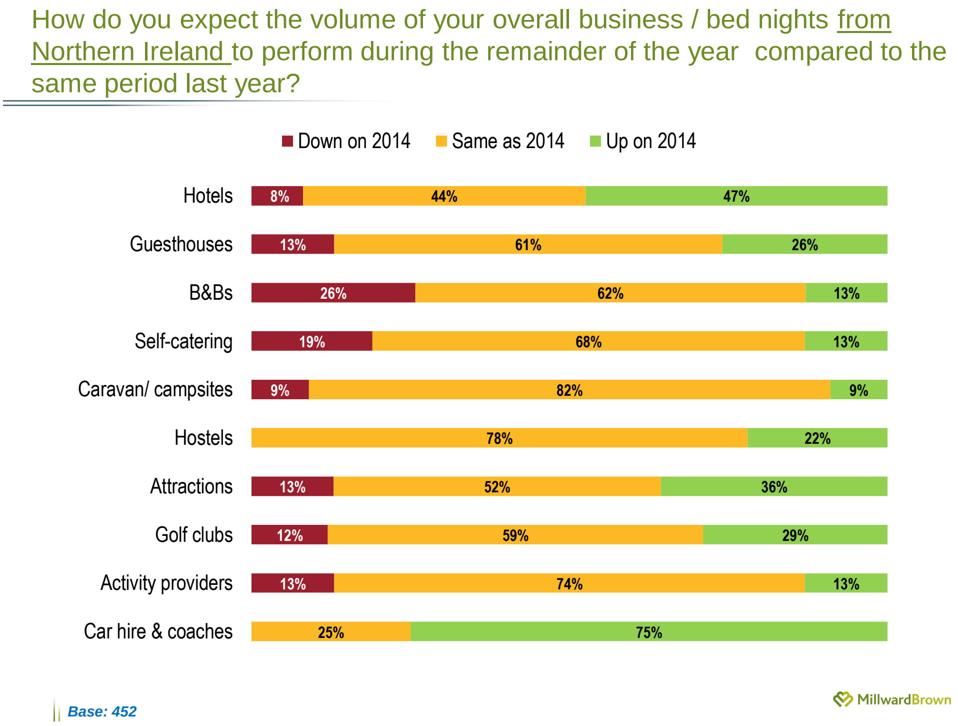
7.2 Similarly, after a strong start to the year, half (50%) of hostel owners are expecting business to be up on 2014. Despite a slow start to the year, overall car hire and coach operators remain optimistic for the remainder of 2015. Attraction owners are also quite optimistic, twice as many expect an increase in visitor volumes during the remainder of the year than a decrease (29% expect increase and 14% expect decrease).

Not all are hopeful

7.3 Other accommodation providers are not as optimistic, particularly guesthouses and B&Bs. Approximately a third of B&Bs (31%) and guesthouses (29%) expect visitor volumes to be down on 2014. On balance self-catering and caravan and campsites expect business to be down on balance with around a quarter predicting reduced visitor volumes.

7.4 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 for the domestic market

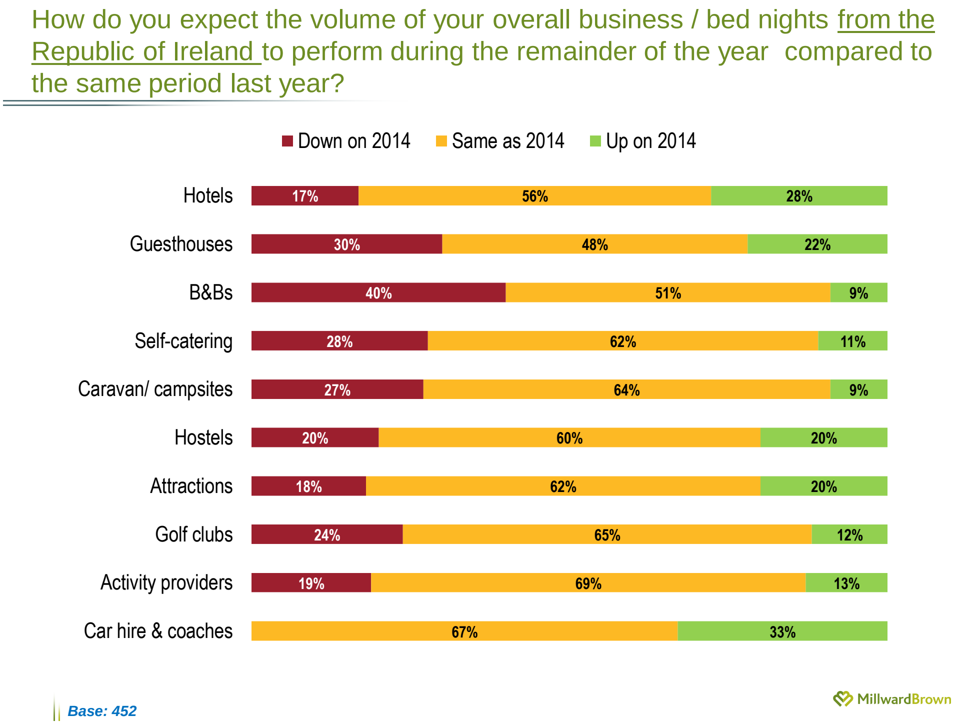
7.5 The largest proportions of most sectors expect visitor volumes from Northern Ireland to be the same in the last part of this year as they were in the same period in 2014.

7.6 Hotels and car hire and coach operators are the only sectors expecting an increase in the domestic market. Almost half (47%) of hotels (47%) expect the last few months of 2015 to be better than the corresponding period last year – less than one in ten (8%) predicted a decrease in domestic visitor volumes.

7.7 Attractions were one of the more positive sectors with more than a third (36%) of providers expecting domestic business to be up in the remainder of the year, compared with the same period in 2014.

7.8 B&Bs were the most pessimistic, more than a quarter (26%) expected domestic visitor volumes to be down for the rest of the year and only 13% expected an increase.

Expectations for the Republic of Ireland



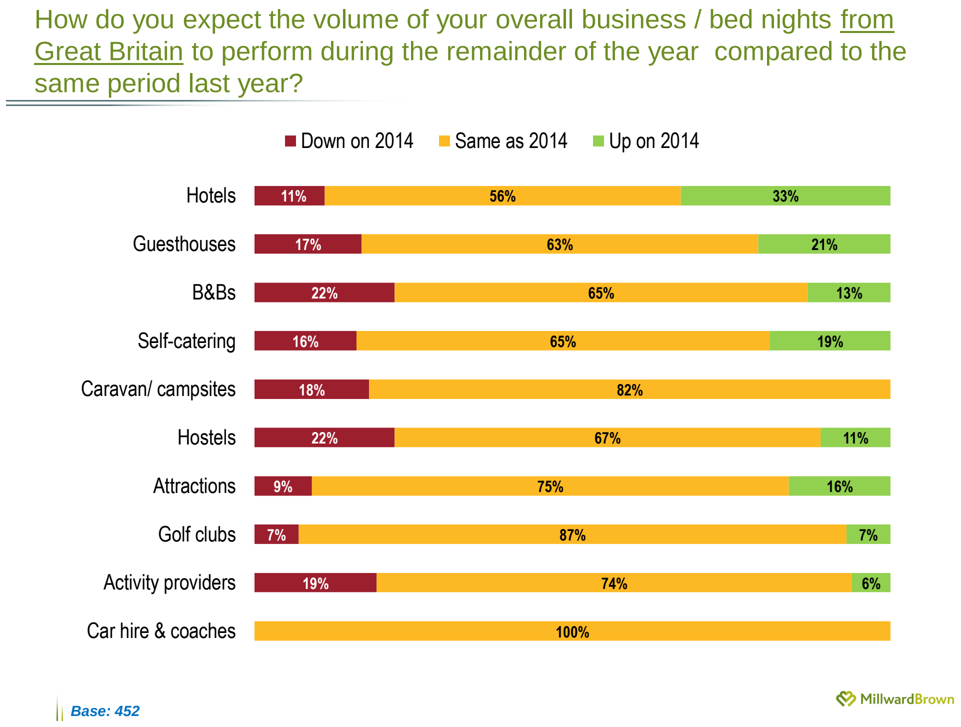
More challenging outlook for the Republic of Ireland

7.9 The largest proportions of most sectors expect visitor volumes from the Republic of Ireland to be the same in the last part of this year as they were in the same period in 2014.

7.10 Of all the accommodation providers, hotels were the most optimistic with regards to expected visitor volumes for the remainder of the year from the Republic of Ireland market (29% of responding hotels expect volumes to be up on the corresponding period for 2014).

7.11 However, B&Bs, guesthouses, self-catering and caravan and camping operators are less optimistic. Around three in ten caravan and camping (27%), guesthouses (30%) and self-catering operators (28%) predicted a decrease in volumes compared to the same period last year. B&B providers are the most pessimistic with two fifths (40%) predicting a decrease in business from the Republic of Ireland market.

Expectations for Great Britain



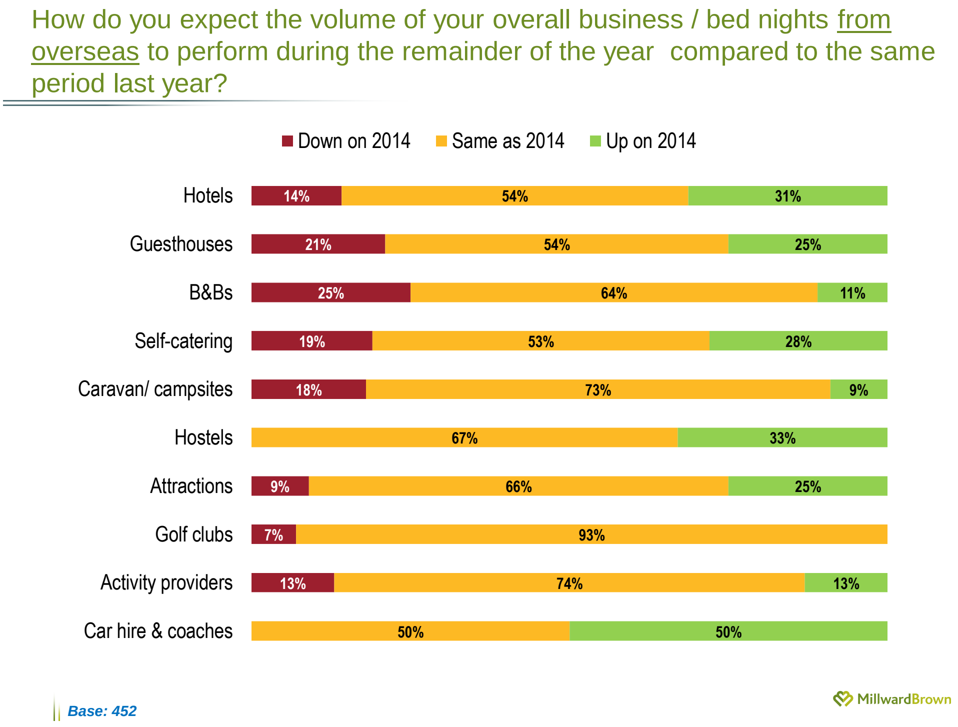
Great Britain market to remain steady

7.12 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 a bit of pessimism within some sectors.

7.13 Hotels are the most optimistic, a third (33%) expected business to be up on last year and a further 56% expected visitor volumes to remain the same.

7.14 B&Bs and hostels are the least optimistic; more than a fifth (22%) expected business to be down and just over one in ten expected business to remain the same as last year.

Expectations for Overseas



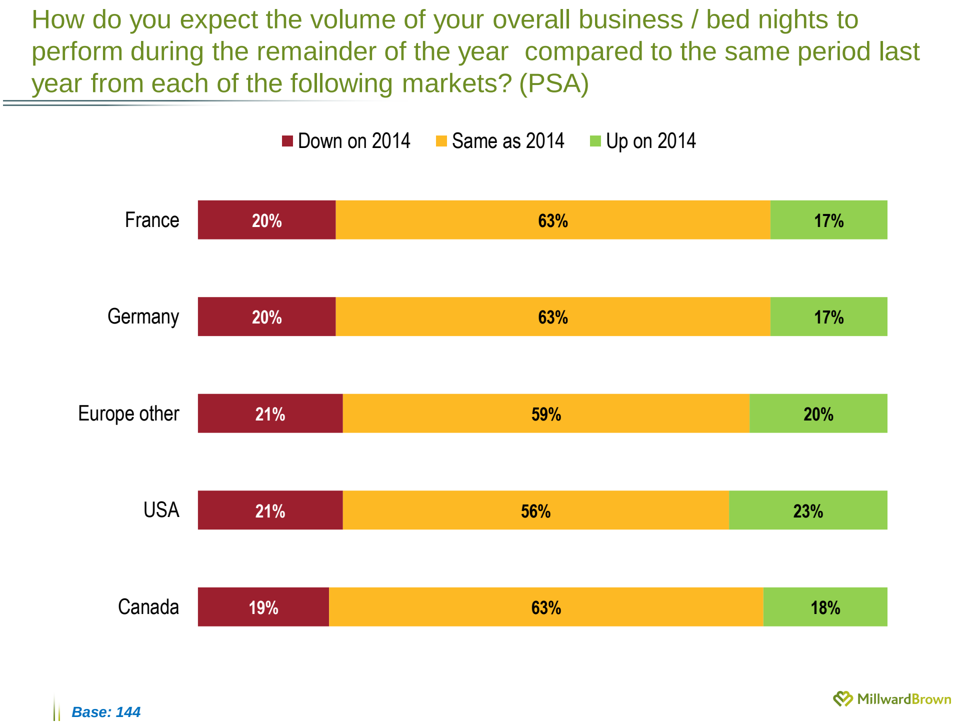
Mixed outlook for overseas market

7.15 Expectations for the overseas market are mixed. Hotels, hostels and attractions are swaying slightly toward the positive side, but B&Bs and caravan and campsites are slightly on the negative side.

7.16 A third of responding hotels (31%) and hostels (33%) expected business for the remainder of the year to be up on last year.

7.17 B&Bs are the most pessimistic about the rest of the year, a quarter (25%) predicted a decrease on last year, compared to just one in ten (11%) who expected 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 steady

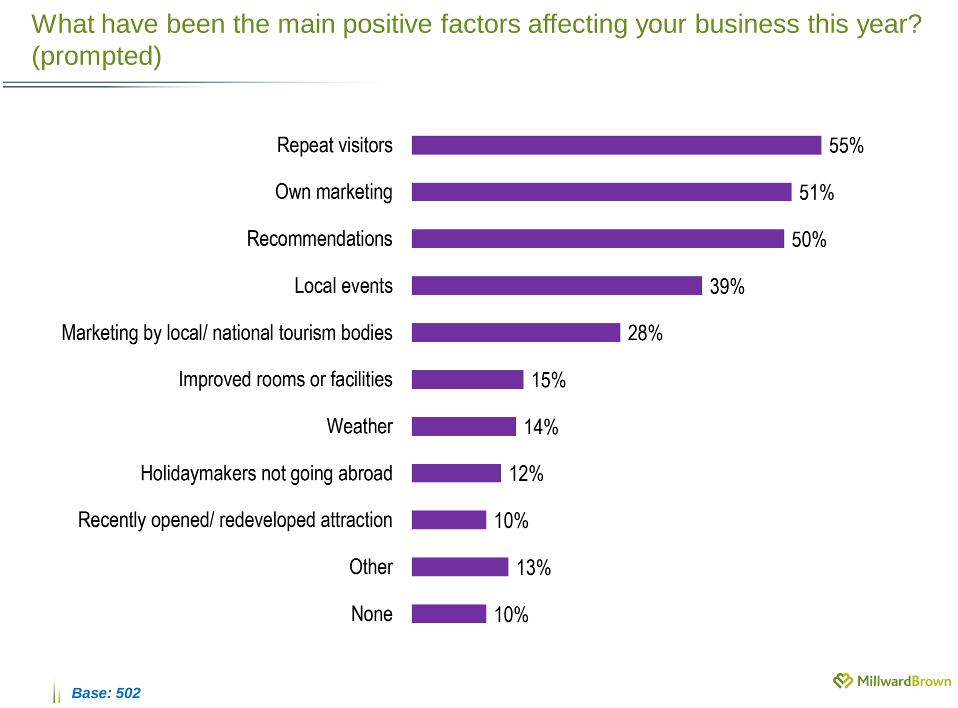
7.18 The majority of respondents from the weighted paid serviced accommodation sector expected their business from overseas to perform on par with 2014 for the remainder of the year.

7.18 Approximately three fifths of respondents believe visitor levels from France (63%), Germany (63%), other European countries (59%), USA (56%) and Canada (63%) will be the same as in 2014.

7.19 The USA was most optimistic, although only marginally. Almost a quarter expect visitors volumes from the USA (23%) 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 June monitoring period, repeat visitors remain the most frequently cited positive factor affecting tourism businesses in the first half of the year. More than half (55%) of all respondents cited repeat visitors as a positive factor.

8.2 Significant proportions of caravan and camping operators (67%), self-catering providers (64%) and attractions (58%) reported repeat business as a positive factor affecting their business in the first nine months of the year.

8.3 Positively, more than half (51%) of all tourism businesses see their own marketing as a positive, particularly for hotels (64%), attractions (66%) and hostels (64%).

Recommendations still vital

8.4 Half (50%) of tourism businesses recognised recommendations as a key positive during the first nine months of the year. Two thirds of caravan and camping operators (67%) and hostel owners (64%) see recommendations as a positive.

Local events can draw the visitors

8.5 Almost two fifths (39%) of tourism businesses have benefited from local events so far this year. Events in the local area and larger events such as the Irish Open and Tall Ships are believed to encourage visitors to Northern Ireland. In the first nine months of the year local events were particularly cited as positives by attraction providers (53%), caravan and camping operators (58%) and hotels (53%).

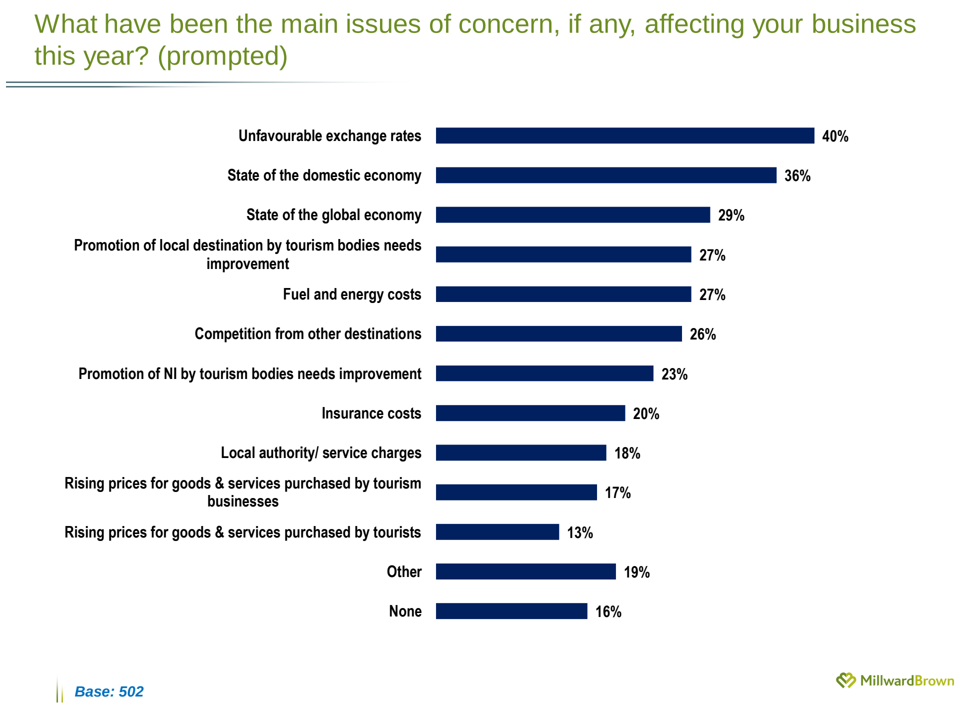
Other positive factors

8.6 Marketing by local or national tourism bodies was the fifth most frequently cited positive affecting tourism businesses so far this year and the open comments reveal strong thanks to those involved with the advertising and promotion of the Irish Open, Giro d'Italia, Tall Ships and Game of Thrones.

8.7 Through the open comments, some respondents have indicated that technology is an increasingly important influencing factor; online presence, social media, digital marketing and booking and review sites such as booking.com and tripadvisor were all highlighted as positive factors affecting tourism businesses in the first nine months of 2015.

9. Issues of Concern in 2015

Issues of Concern



Unfavourable exchange rates remain a 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 Two fifths (40%) of all tourism businesses highlighted unfavourable exchange rates as the main issue of concern affecting their business in the first nine months of the year. The exchange rate issue was highlighted as a particular concern by B&Bs (56%).

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) and caravan and camping operators (42%).

9.4 Just under three in ten (29%) 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 More than a quarter (27%) 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 same period in 2013 when more than three fifths (62%) of tourism operators identified fuel and energy costs as a key concern affecting their business.

Other issues of concern

9.6 More than a quarter of respondents stated that promotion of local destinations by the tourism bodies needs improvement (27%) and that competition from other destinations (26%) is of concern. 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 also highlighted the ongoing political stalemate in Stormont as a real and growing concern.

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	8	28	36
Guesthouses	6	21	27
Bed & Breakfast	44	50	94
Self-catering	150	53	203
Caravan & campsites	4	8	12
Hostels	5	6	11
Attractions	14	45	59
Golf clubs	3	14	17
Activity providers	12	27	39
Coach operators	2	0	2
Car hire	0	2	2
Total	**248**	**254**	**502**

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%