STRATEGIC
RESEARCH & INSIGHT

Fāilte Ireland
National Tourism Development Authority

Tourism Barometer

September 2018

Contents

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1. Headline Findings

What is the Tourism Barometer?	The Fáilte Ireland Tourism Barometer is a survey of tourism businesses providing insight into performance for the year to date and prospects for the remainder of the year / the following year.
How have we conducted it?	We have received 306 responses to an online survey with tourism businesses in September 2018 and have conducted 203 top-up telephone interviews. We have also conducted eight qualitative interviews with senior industry executives. More details on the methodology can be viewed in appendix 1.

Business Sentiment Index

	2009	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*
Up	15	28	39	41	60	62	70	72	57	51
Same	11	25	31	25	27	23	23	19	29	30
Down	74	47	30	35	13	15	7	9	15	18

Base: All Accommodation Providers *(weighted to available rooms)*

Less positive sentiment than in recent years, but still healthy	Sentiment in the industry is less positive than in recent post-crisis years; however, it is still healthy. The industry still faces a lot of uncertainty over Brexit, but sentiment is very positive considering, and higher than anything recorded pre-2013.
Strong PSA performance – North Americans and Germans remain up	The PSA sector continues to perform well this year, with 51% of businesses receiving more visitors than in the same period last year. Hotel performance remains strong, with about half (54%) saying that visitor levels are up. The strength of the North American market remains a significant factor. Guesthouse performance remains positive, with about half (54%) experiencing increased visitor levels. The domestic market and all overseas markets except for Britain are performing very well this year. B&Bs are experiencing a more challenging year. 23% have had more visitors to date this year, but 34% have had a decrease. The sector is dealing with sharp declines in the British and NI markets, and the impact of low-priced competition.
Sunshine brings out domestic visitors to attractions	About half (48%) of attractions have had more visitors this year. The domestic market has performed well (44% cite this as being up), and operators feel that the fine summer weather has contributed to this.

North Americans boosting self-catering visitor levels	A third (33%) of self-catering operators have had more visitors than last year, and about half (47%) have had the same level. North America is the best performing market (41% of operators are up).
Challenging year for hostels	About one in six (17%) hostels have received more visitors this year, but many (44%) have seen a decrease. 42% of hostels cite low-priced competition as an issue of concern – the highest proportion of any sector to say this.
Irish holidaymakers camping in the sun	The prolonged warm and sunny weather in the early summer seems to have benefited the caravan & camping sector more than any other. Most (70%) operators have had more visitors to date this year. Most (78%) operators cite '*Irish people holidaying in Ireland*' as a positive factor this year.
Restaurants serving more American but fewer British customers	A third (33%) of restaurants have had more tourist customers to date this year, but more (44%) have experienced a decrease. The British market continues to hurt tourist numbers. Most (79%) restaurants have had fewer British customers this year, and none (0%) have had more. North Americans are partly making up the shortfall.
Irish golfers teeing off	Over half (56%) of golf clubs have had more tourist customers this year. A strong domestic market has helped them – 47% have had more Irish green fee customers and a further 35% have had the same level.
Overall Northern results no longer significantly lower than the rest of the country	Northern Counties continue to be set apart from the rest of the Republic of Ireland in terms of the proportion (47%) saying they are affected by £ Sterling / Brexit (this compares to 21% in the rest of the country). The Northern Ireland market is still down (-22pts) for Northern counties, which compares to -8pts for the rest of the country. However, the change in overall visitors volumes (+30pts) for the North is not significantly different from the rest of the country (+33pts), driven by growth from North American and domestic markets.
British market turnaround in Dublin continues	In 2017, the decline in the British market was more noticeable in Dublin than the rest of the country. The £/€ exchange rate played a part in this. However, in the April barometer this year, the trend seemed to reverse, and the September results also show this. The £/€ exchange rate and Brexit seem to be less of an issue to Dublin businesses now than in the rest of the country. More Dublin businesses (+14pts) are seeing growth from Britain.

2. Qualitative Findings

We have conducted depth interviews with key industry leaders (see appendix 1 for more details). The main findings from these interviews are discussed below.

A glowing year overall

2.1 Industry leaders report another good year for tourism across all markets in 2018. The summer season in particular has helped boost visitor numbers.

"It's been a great season – business has been good and strong"

"It's been a good year … once June and July came with the fine weather, it really kicked off"

"The year is going really well. I think there's a general increase in the number of overseas visitors"

2.2 For many operators, the North American market is one of the strongest, and this is no different this year. One industry leader describes the North American market as 'powering ahead'.

"North America continues to power ahead. Anybody doing business there from our members has been enjoying a very good year."

"The North American market is certainly very strong"

Warmly welcomed growth in the domestic market

2.3 While the summer months have helped to boost overseas markets, the fine weather also encouraged Irish holidaymakers to holiday in Ireland more, which many operators have benefitted from.

"There's a certain sense of growth within the domestic market"

"Our upper because of the good weather was the domestic market. It was very strong in June, July and into August"

"There's been an improvement on the domestic side, which would only deliver 17% of our total, so there's a definite increase there"

2.4 Some industry leaders have also reported seeing an increase in visitors from the Netherlands this year.

"The Netherlands is doing very well for us"

"The Dutch market has jumped quite a bit. There has been quite an increase in the number of visitors from the Netherlands coming this year."

European markets are holding strong and steady

2.5 It would appear that the performance of the French market is relatively stable, with varied reports of increases in visitor numbers – some significant, others not so much.

"The French market is performing relatively well in the business tourism space, but not powering ahead"

“There’s certainly been an increase in visitors out of France”

2.6 The German market is also performing rather well, with industry leaders reporting continued growth in visitor numbers.

“We’re holding pretty stable in Germany”

“There’s been a continued growth in the German and German speaking market”

Mixed reports regarding UK visitors

2.7 Industry leaders are painting a mixed picture of tourism figures from the UK. Some are seeing numbers to either be the same or up a little from last year.

“The UK is performing okay, but I’m getting a mixed picture”

“We’re actually up a little bit for the UK market, but it’s a very small part of our business”

2.8 Others are reporting they expect to see no growth in visitor figures from the UK market, and that the performance of other markets tends to be masking downfalls in the UK’s performance.

“The UK is following the trend, the same as last year, they are down 4.5%”

“The UK market’s performance will only have a blip on business provided the other markets continue to perform well”

Uncertainty surrounding the Sterling exchange and Brexit impact

2.9 It seems industry leaders have very different ideas about how the Sterling exchange rate or Brexit has impacted business, but there’s little denying that it has had an effect in some way.

2.10 Some have suggested that the UK market will fall, assuming that the 'staycation' holiday in the UK will be strong.

“I presume the staycation is very strong in the UK at the moment, so there are more visitors overall staying at home”

“The weather has probably encouraged people in Britain to staycation. Ireland to a lot of them seems quite similar to where they would holiday domestically.”

2.11 There are also concerns that a weaker pound may encourage overseas visitors to head to the UK for their holidays instead of the Republic of Ireland.

“The sterling being at the level that it is would encourage the French, Germans and the Americans to go to Britain.”

Confidence going into the rest of the year

2.12 Looking forward, many industry leaders remain positive that the industry will continue to perform well during the rest of the year.

"I would be relatively confident that the year will finish out quite strong"

"Going into the rest of this year, people are quite positive"

2.13 However, a few industry leaders are anxious about what Brexit will mean for Irish tourism going into 2019, and how it will impact business performance.

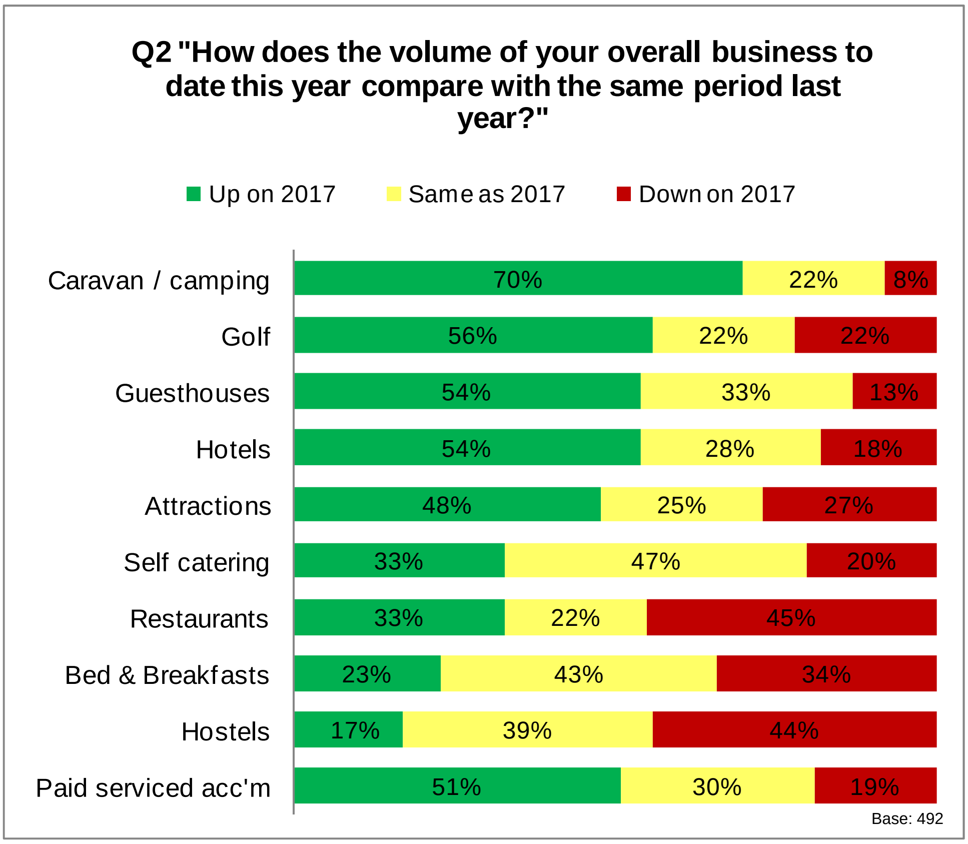
"The tourism sector doesn't know what Brexit will mean. What does it mean in terms of our borders, which would have a huge impact on Irish tourism?"

"The big concern is the uncertainty around Brexit and the uncertainty of the 9% VAT which is having a massive impact on sentiment and potential investment."

3. Overall Visitor Volumes in 2018 and Expectations

In this section we discuss the performance this year and expectations for the industry overall. More detailed results by market for each individual sector are discussed in subsequent chapters.

Overall visitor volumes in 2018



In all 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 ordered by proportion answering an increase in numbers (shown in green).

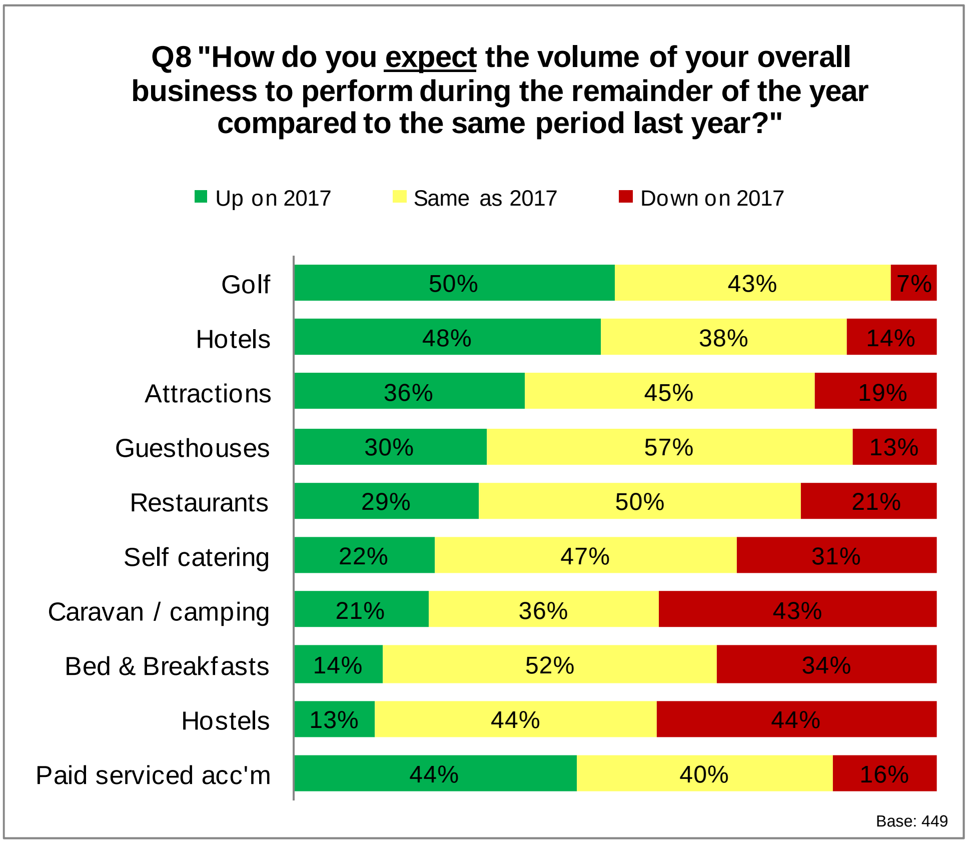
In addition to the individual sector results, the last bar on each chart in this section shows weighted results for the paid serviced accommodation sector (PSA); these figures have been derived from the hotel, guesthouse and B&B results, with weightings applied in accordance with each sector's share of total bedrooms within paid serviced accommodation.

A good year for many sectors; challenging times for others

3.1 Many sectors are enjoying a good year. A key theme among the more weather-dependent sectors such as caravan & camping, golf and outdoor attractions is that the fine summer weather boosted the domestic market.

3.2 However, some sectors such as restaurants, B&Bs and hostels are experiencing a more difficult year. Key themes include a significant decline in UK visitors, and among the accommodation operators – low-priced competition.

Expectations for the remainder of 2018



Expectations broadly reflect actual perform experienced to date

3.3 Expectations for the remainder of the year vary greatly by sector. Those with higher expectations of increased visitors tend to be the sectors that have actually performed the best so far this year – golf clubs, hotels, attractions, guesthouses. The continued strength of the domestic and North American markets is key to these expectations.

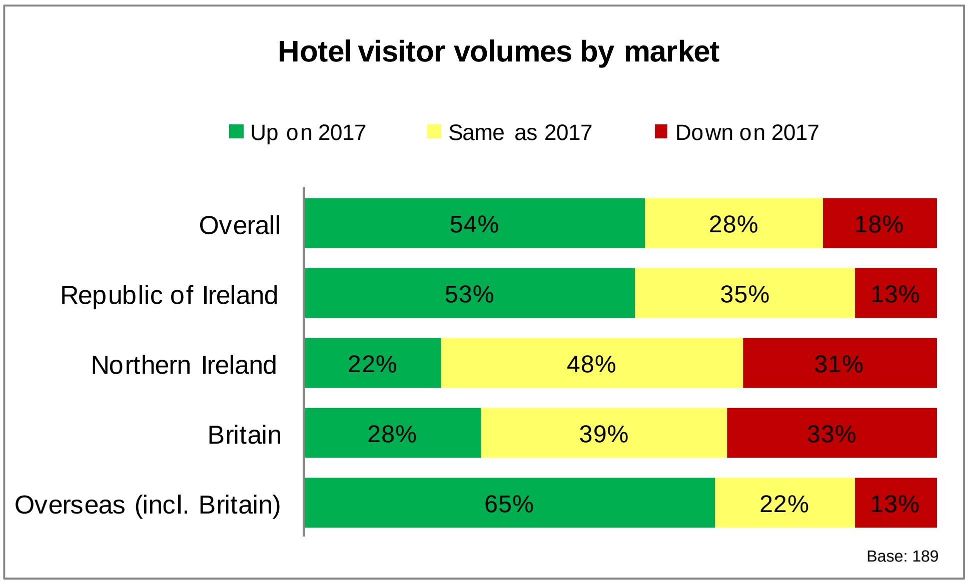
3.4 Sectors which have found 2018 hard so far – B&Bs and hostels – expect the year to continue in similar fashion. These sectors have not been able to make up for the shortfall in British visitors in the same way that other sectors have.

3.5 Caravan & camping is an anomaly in having good performance but weak expectations – their main season is now finished, and many sites close altogether after September.

4. Hotels

In this and the following sections we discuss each sector in turn in terms of performance and expectations, starting with hotels.

Hotel visitor volumes 2018



The American market is up again

4.1 Americans continue to be a very important visitor market for the Irish hotel industry. About three in five (62%) hotel operators say the American market is up on 2017.

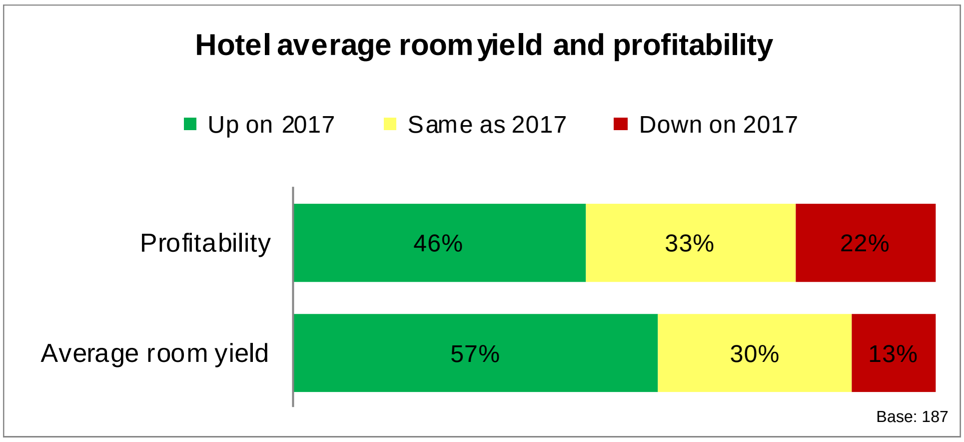
"Travel agents in the USA have been very influential on our North American business this year"

4.2 The German market is also performing well, with close to half (45%) of hotels saying it is up on last year.

4.3 The British market is quite mixed still. 28% of hotels are up on visitors from Britain, which compares to 33% who are down.

"The weather has helped us. Being close to the beach impacted summer performance."

Hotel average room yield and profitability

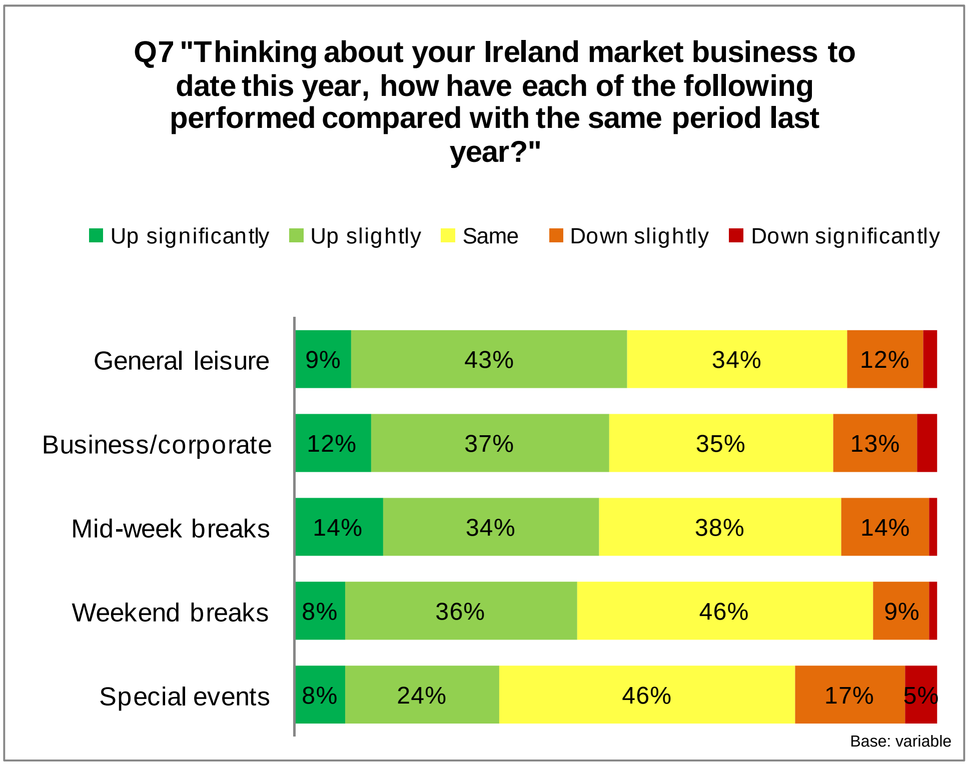


Another strong year for hotel profitability and room yield

4.4 Once again, the hotel sector is improving profitability, with a little under half (46%) of hotels reporting their profitability to be up on last year.

4.5 The average room yield is up for 57% of hotels, and the same for 30% – this is in line with the visitor volumes, showing that hotels have generally not needed to discount their rates in order to increase visitor levels.

Hotel visitor types (Ireland market)



General leisure and business bookings standing strong

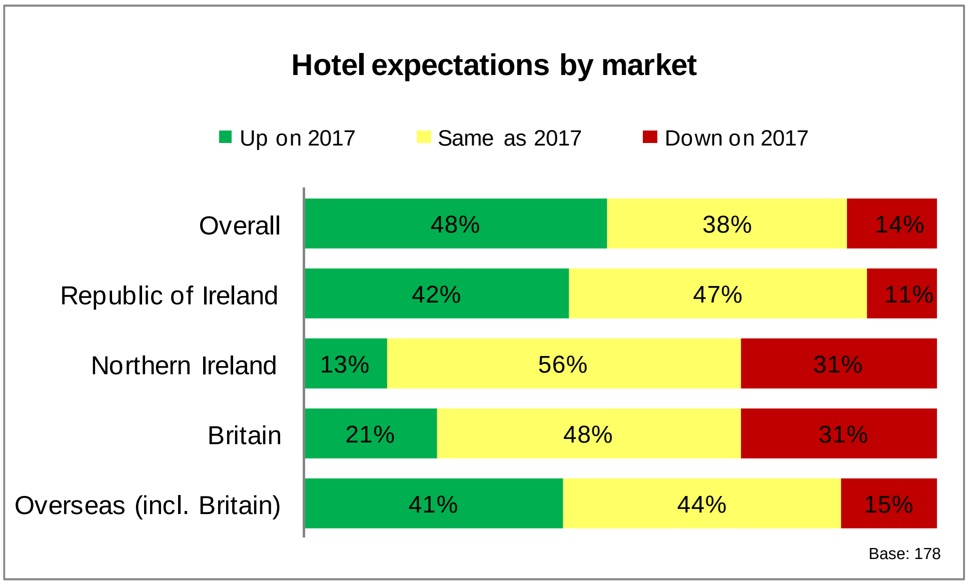
4.6 Irish visitors staying for general leisure continues to grow year by year, and 2018 is no exception. Around half (52%) of hotels say they are seeing an increase in general leisure domestic visitors this year.

4.7 Additionally, half (49%) of hotels are experiencing increases in business/corporate visitors this year.

"We are local to the airport, so we have a lot of corporate business"

"Lots of corporate stays due to building works going on in the area"

Hotel expectations 2018



Expectations for the rest of the year rest on the ROI and US markets

4.8 Following a good summer, hotels are optimistic about the remainder of the year. This optimism seems to rest on the domestic market, which 42% of hotels expect to be up, and the US market (40% expect this to be up).

Continued turbulence in the British market

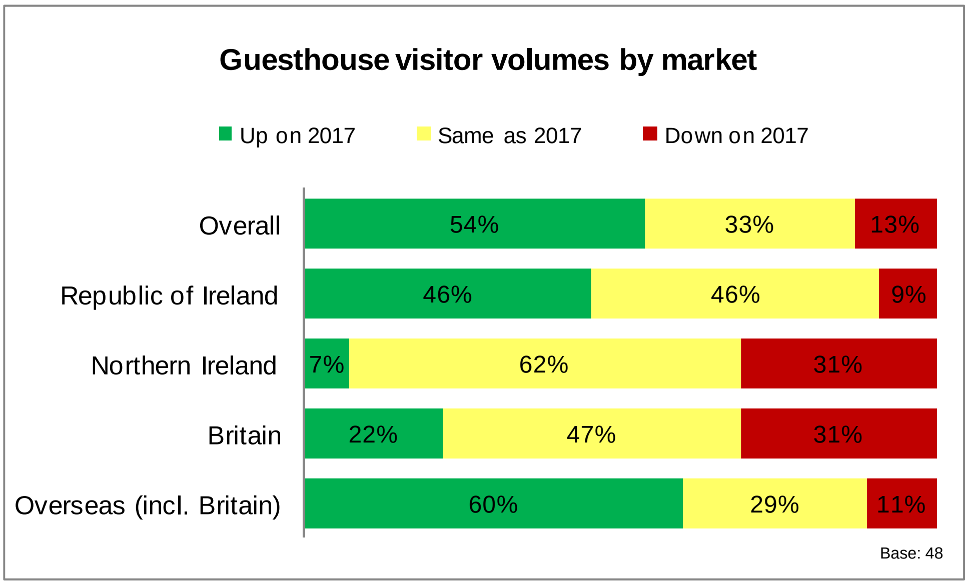
4.9 About one in five (21%) hotels expect the British market to be up, but more (31%) expect it to be down during the remainder of the year as Brexit and exchange rates bring uncertainty.

“The tours are dropping significantly from the UK”

“It's more expensive for British and Northern Ireland guests to come to us”

5. Guesthouses

Guesthouse visitor volumes 2018



Improvement in the domestic market

5.1 The domestic market seems to be on the rise for guesthouses this year, with just under half (46%) of operators saying visitor numbers are up on 2017. The weather is said to be a key reason.

"The weather has had a positive impact"

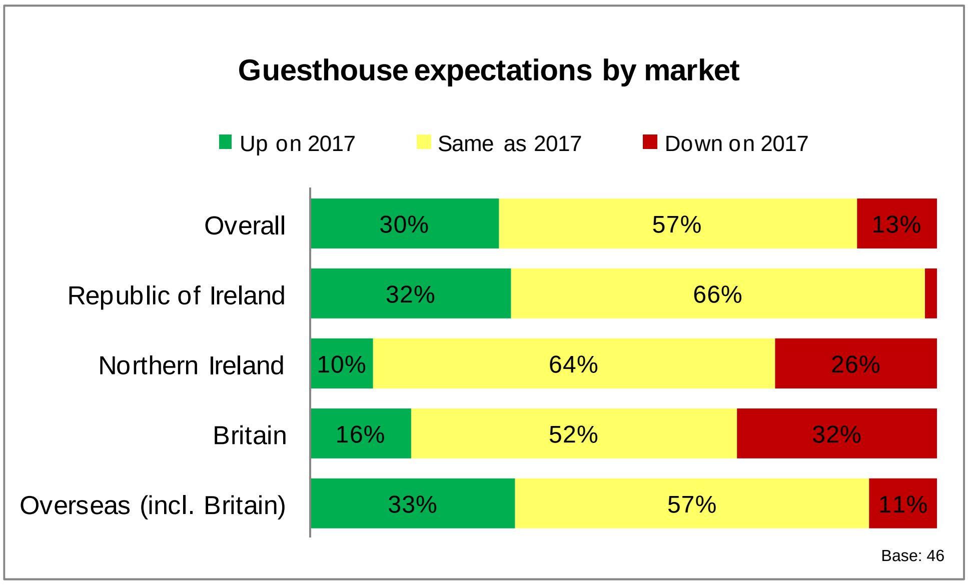
"This year's increase in business is mainly attributed to the good weather"

Americans booking into guesthouses in large numbers

5.2 Like many other sectors, a large proportion (67%) of guesthouses are seeing an increased number of American visitors compared to last year.

"The flexibility of flights from North America has had a positive impact"

Guesthouse expectations 2018



Sterling exchange rate impacting on UK visitors

5.3 Although many (57%) guesthouses are expecting their visitor volumes to be the same overall, there are a few concerns about visitors from the UK. A third (32%) of guesthouse operators expect their British visitor volumes to be down, and a quarter (26%) expect Northern Ireland visitors to be down.

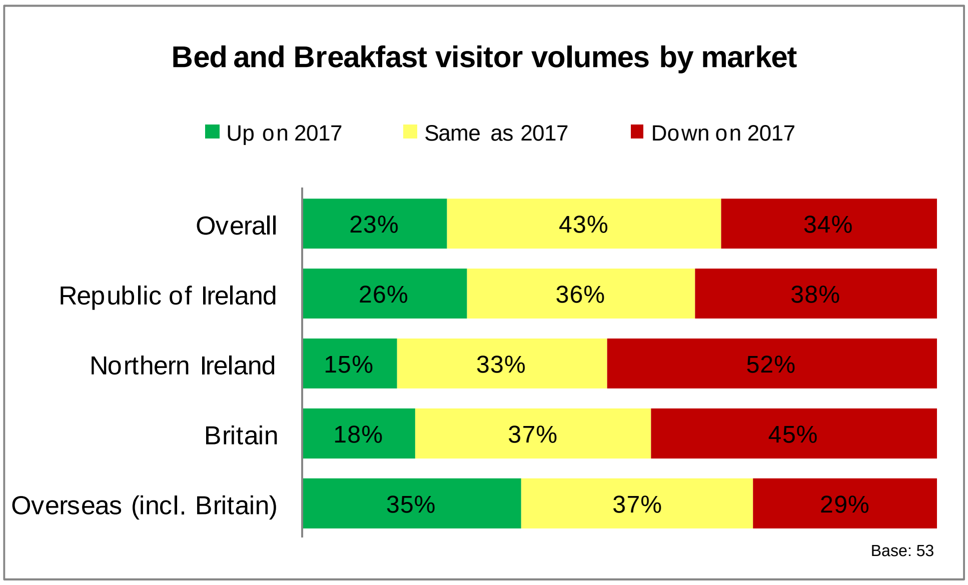
5.4 Many operators are concerned that a weakened pound is making it more expensive for visitors from the UK to holiday in the Republic of Ireland, and 44% of guesthouses report seeing an impact on business due to Brexit and the Sterling exchange rate – the highest proportion of any sector to say this.

“We have fewer visitors travelling from the UK”

“Less value for the pound is making it more expensive for UK guests”

6. B&Bs

B&B visitor volumes 2018



Visitor numbers slightly down on last year

6.1 B&B owners have had a relatively quiet year compared to 2017, with a third (34%) saying their overall visitor numbers are down.

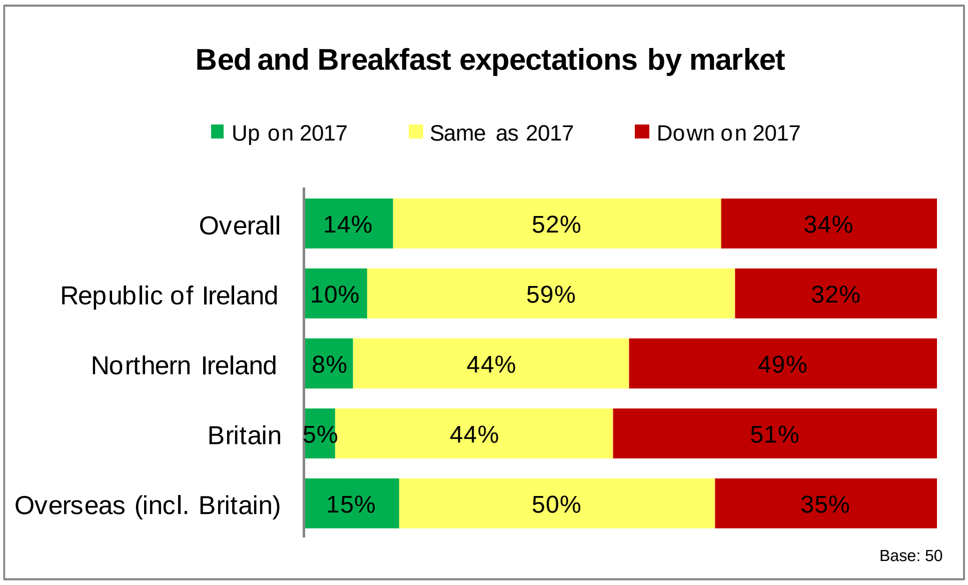
6.2 Individual markets taking the biggest hits are Northern Ireland (52% of operators are down), Great Britain (45% are down), and even North America (39% are down).

European markets remain stable

6.3 Meanwhile, the visitor volumes vary from individual markets across Europe. The German market is performing the best, with 45% of B&B operators seeing an increase in German visitors from 2017.

6.4 The Spanish and French markets are stable, with around half of B&Bs seeing the same levels of visitors from Spain and France.

B&B expectations 2018



Challenges expect to remain this year

6.5 Going into the final few months of the year, about half (52%) of B&B operators expect to be performing at the same level as they did last year, but a third (34%) expect to be down.

6.6 Despite over half (56%) of B&Bs saying they see no difference in business as a result of Brexit or the Sterling exchange rate, the British market (51% expect to be down) and the Northern Irish market (49% expect to be down) are mostly expected to drop.

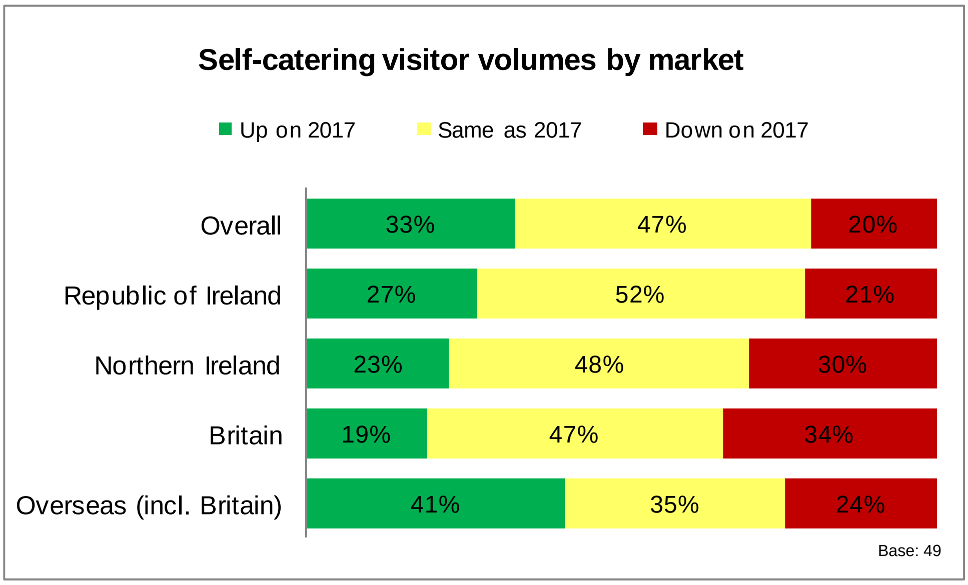
6.7 In addition, many B&Bs are challenged by low-priced competition in their area. Accommodation listed on Airbnb and student accommodation flats in Dublin being let to tourists during the summer months are among their concerns.

"Airbnb is eating into registered B&B businesses"

"New student apartment blocks being built in Dublin are offering summer accommodation to tourists"

7. Self-catering

Self-catering visitor volumes 2018



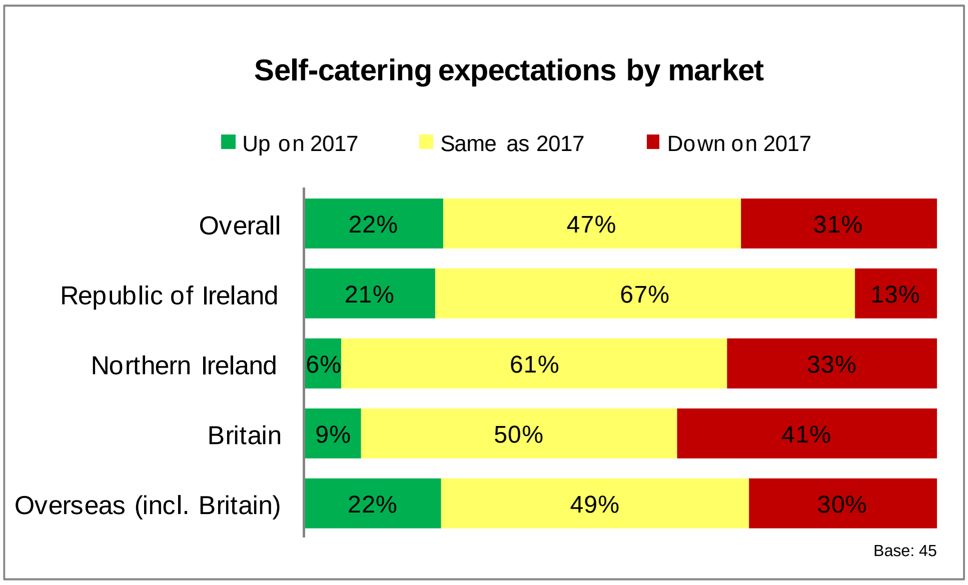
Repeat visitors are big business

7.1 The self-catering sector relies quite heavily on returning visitors (72% cite this as a positive – among the highest of any sector). This helps bring stability to the sector, which this year is slightly up on balance.

The American market is the self-catering dream

7.2 The American market is performing the best of any for the self-catering sector – 41% of operators say it is up. Most other markets outside of the ROI market are slightly down on balance. Given the stated importance of repeat visitors, the sector may be seeing many Americans returning.

Self-catering expectations 2018



Many stable markets

7.3 About half (47%) of self-catering operators expect overall performance during the remainder of the year to be the same as last year. Individual markets largely expected to see no changes include Italy (73% expect no change), Spain (72%) and ROI (67%).

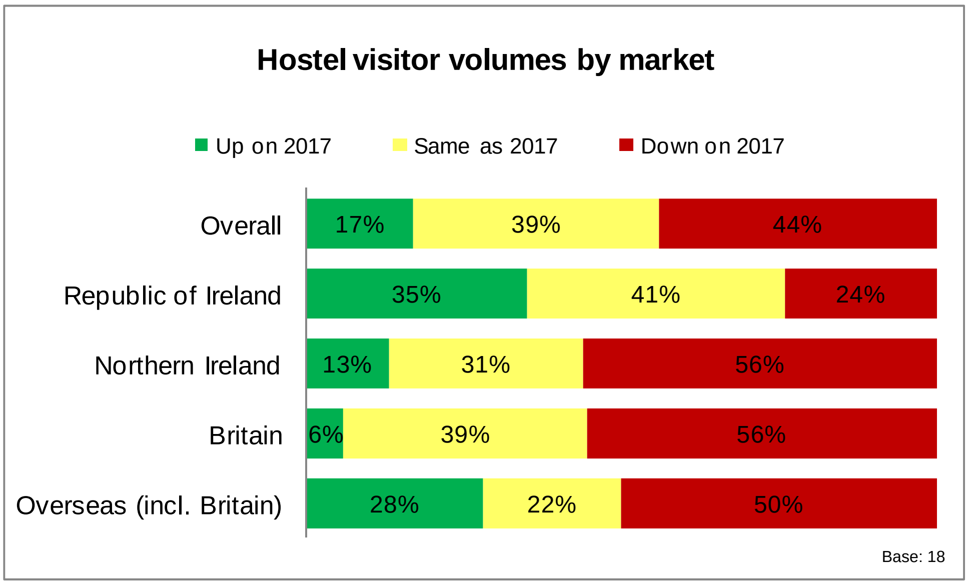
7.4 However, like their B&B counterparts, many self-catering operators are concerned about the impact Airbnb and unregistered accommodation has on their business.

"Airbnb is damaging the approved sector, even though we pay VAT and all the extras"

"Our area has 1,100 holiday homes, with only 30 approved"

8. Hostels

Hostel visitor volumes 2018



N.B. The base size is low (18)

Hostels have been hard-hit this year

8.1 Compared to other sectors, hostels appear to be having a challenging year, with overall visitor figures down on 2017 for 44% of operators.

8.2 Markets that are falling significantly include Great Britain and Northern Ireland (56% of operators are down for each).

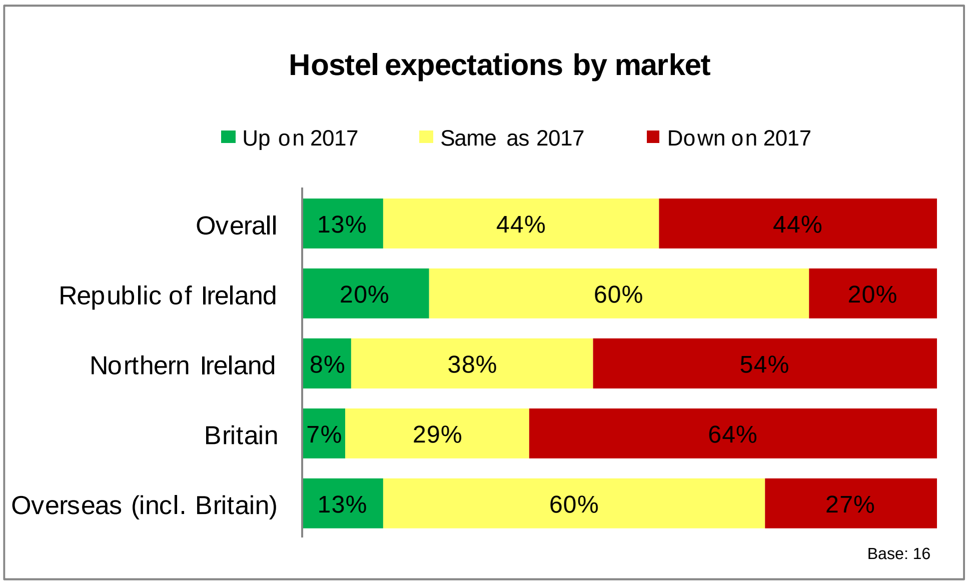
"Due to Brexit and the pound falling against the euro, we have had fewer visitors from Northern Ireland and Britain"

But it's not all doom and gloom

8.3 While there have been moderate decreases in various individual sectors, the domestic market seems to be doing well for Irish hostels, with 35% of operators saying domestic visitor volumes are up from last year.

8.4 The American market appears to be holding its own, with about half (47%) of hostels welcoming a similar number of Americans compared to 2017.

Hostel expectations 2018



N.B. The base size is low (16)

Visitor volumes mostly expected to flatline or fall

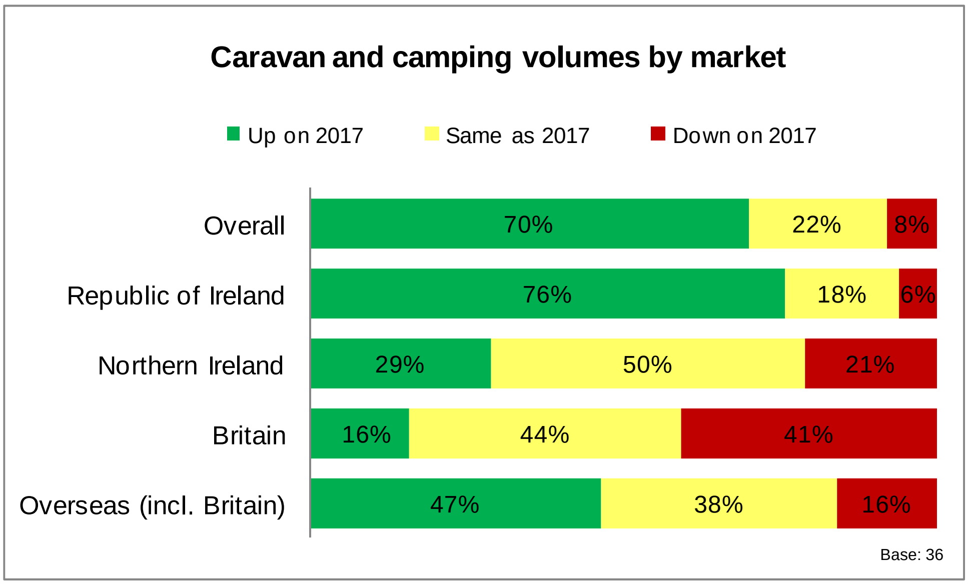
8.5 Hostel operators have mixed feelings on their performance going into the final few months of the year, with 44% expecting to have the same visitor figures as 2017, and 44% predicting to be down.

8.6 There seems to be uncertainty over visitor numbers from the American market. About a third (31%) of hostels expect to see an increase in American visitors, but the same proportion (31%) expect to see a decline.

8.7 The British market is the most under pressure of any market – 64% of hostels expect to see a decrease in the remainder of the year.

9. Caravan & Camping

Caravan & camping visitor volumes 2018



Domestic visitors camped out for the summer

9.1 As caravan and campsites are heavily reliant on the weather, the sunshine this year has been very good for business, particularly with the domestic market. Three quarters (76%) of operators have seen an increase in staycationers.

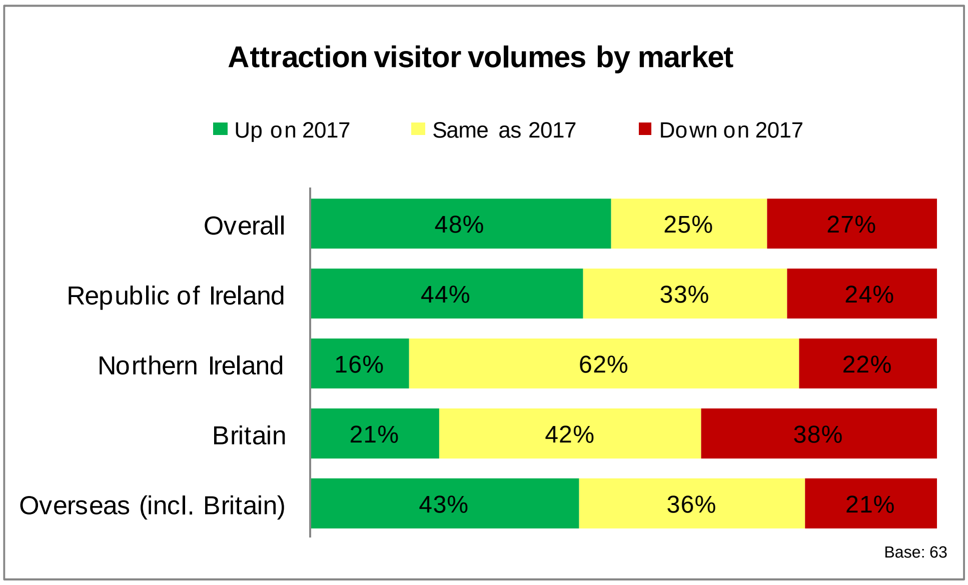
"The weather has been the biggest asset this year"

"The weather was great in the summer. This made people think of camping more."

9.2 Operators are seeing a steady growth in their overseas markets this year, especially the German market. About half (47%) of caravan and campsites have welcomed more Germans this year.

10. Attractions

Attraction visitor volumes 2018



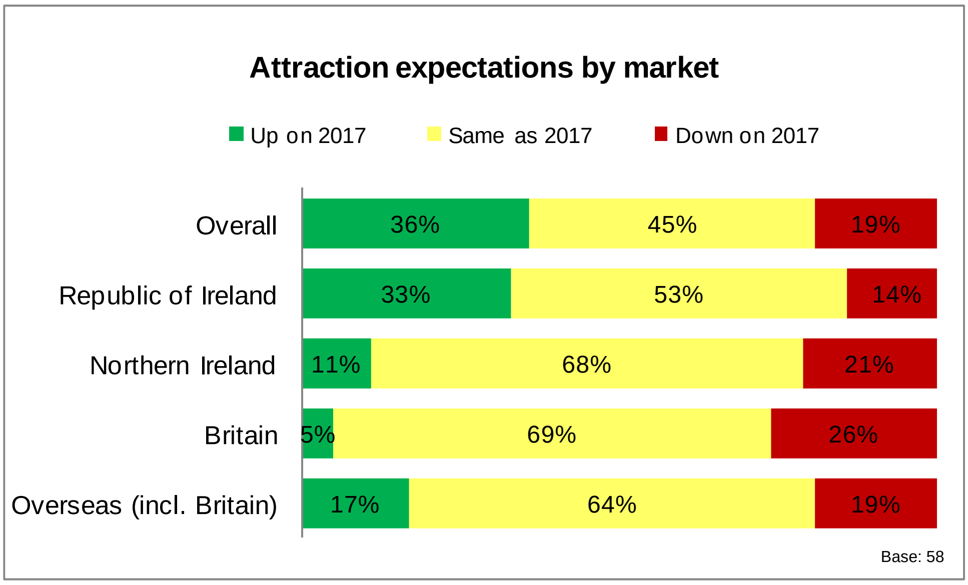
Own marketing makes for better performance

10.1 About half (48%) of attractions have increased their visitor levels from last year. 44% of attraction operators say their own marketing has been a positive factor affecting business this year – the most frequently cited reason for being up on visitors.

10.2 The domestic market is performing well for attractions, with a little under half (44%) of operators seeing an increase from 2017. This seems to be the most successful market for attractions this year, with many accrediting improved performance to the weather.

"The long hot summer of 2018 brought more Irish visitors to our centre"

Attraction expectations 2018

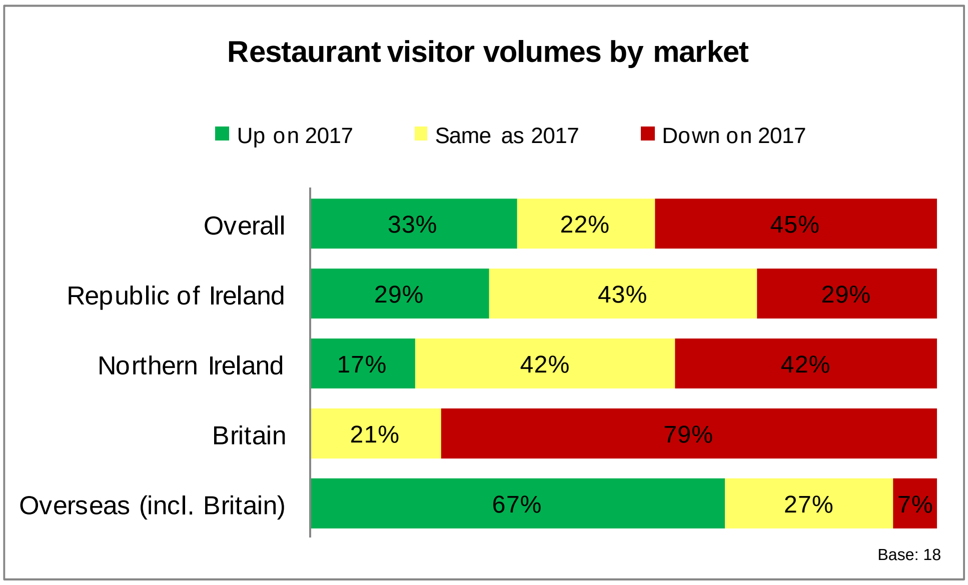


Fairly safe end to the year expected

10.3 The domestic market is expected to remain strong for the remainder of the year, while other markets seem relatively stable. Markets with large proportions of operators expecting the same visitor levels include France (70%), Spain (70%) and Britain (69%).

11. Restaurants

Restaurant visitor volumes 2018



Restaurants invited to take part in the Barometer are in areas of high tourism footfall, and respondents have been asked to answer questions in the context of their tourism, i.e. non-local, business

N.B. The base size is low (18)

Overseas visitors are dining out

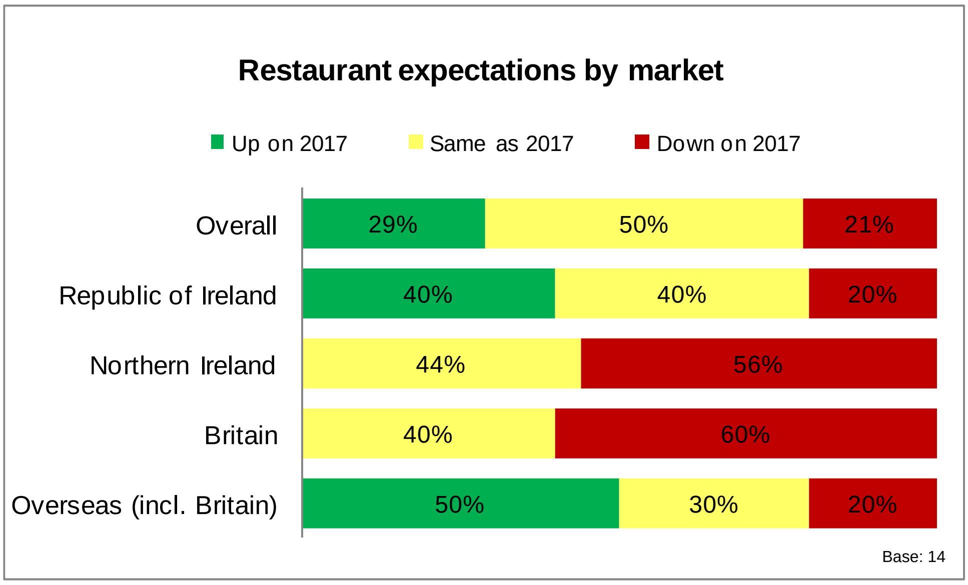
11.1 Overseas customer numbers have increased considerably since last year, with two thirds (67%) of restaurants saying they are up. Restaurants are feeding more visitors from North America (62% are up) and Italy (50% are up).

11.2 The majority (79%) of restaurants have experienced a drop in visitors from Britain however, and this may well explain why tourist customer levels in restaurants are down overall.

Reducing the bill

11.3 Restaurant customers appear to be reducing their bill by spending less. This is a frequent concern of restaurant operators – 45% say this.

Restaurant expectations 2018



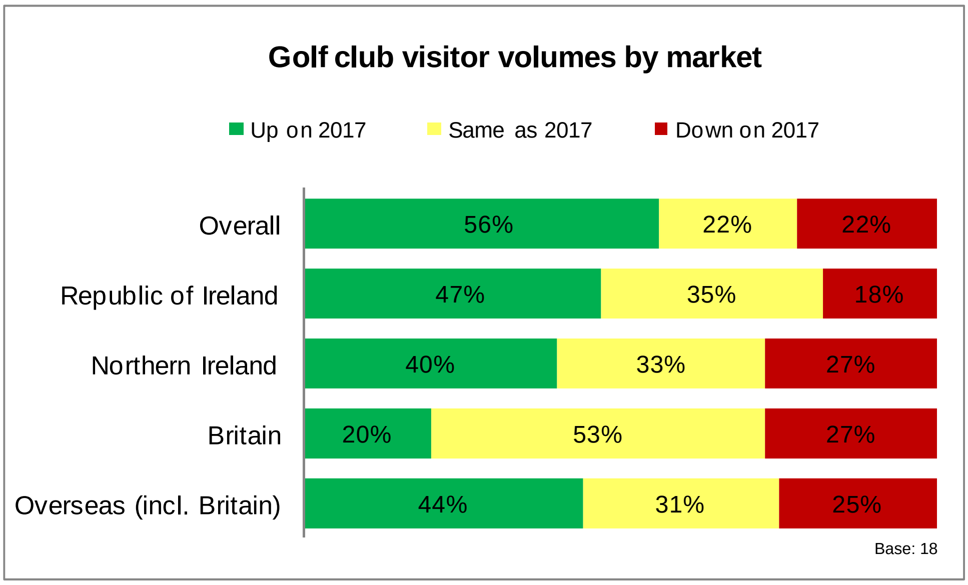
N.B. The base size is low (14)

Hopes rest on non-UK visitors

11.4 The domestic and US markets seem positive for the remainder of the year, but no restaurant expects an increase in customers from either Britain or Northern Ireland. The concerns for the UK market are consistent with many sectors at the moment.

12. Golf

Golf visitor volumes 2018



Golf clubs invited to take part in the Barometer have been asked to answer questions in the context of their green fee paying, i.e. non-member, business

N.B. The base size is low (18)

Domestic golfers enjoying the Irish fairways

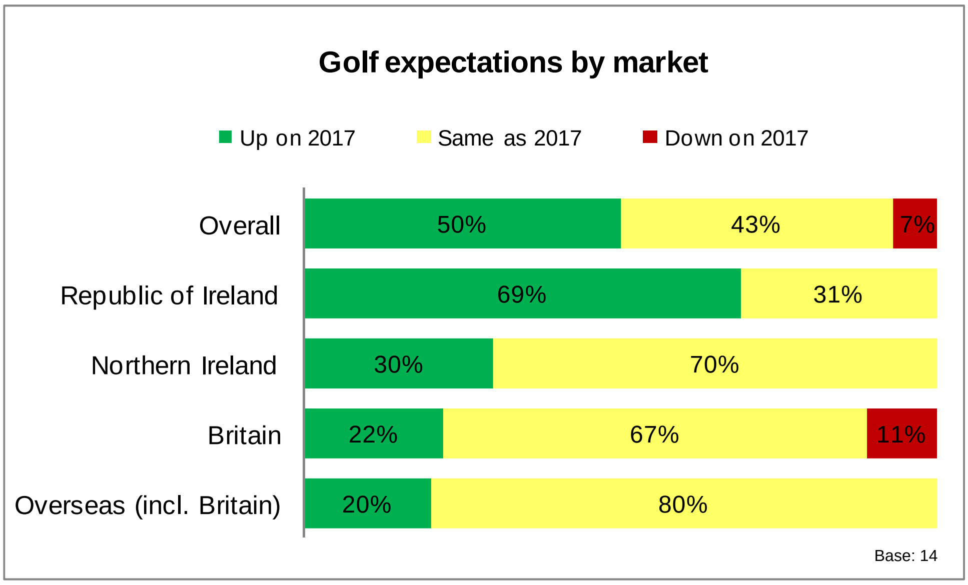
12.1 2018 has been another good year for golf clubs where the domestic market is concerned, with about half (47%) of operators seeing Irish visitor volumes up from last year.

12.2 Many (61%) golf clubs cite repeat visitors as a positive factor influencing business performance, which may be why Irish visitor volumes have continued to grow from last year.

North American market is also strong

12.3 In addition, visitor volumes from North America have been very strong, with about half (54%) of golf clubs seeing increased numbers of visitors.

Golf expectations 2018



N.B. The base size is low (14)

Performance expected to be better than par

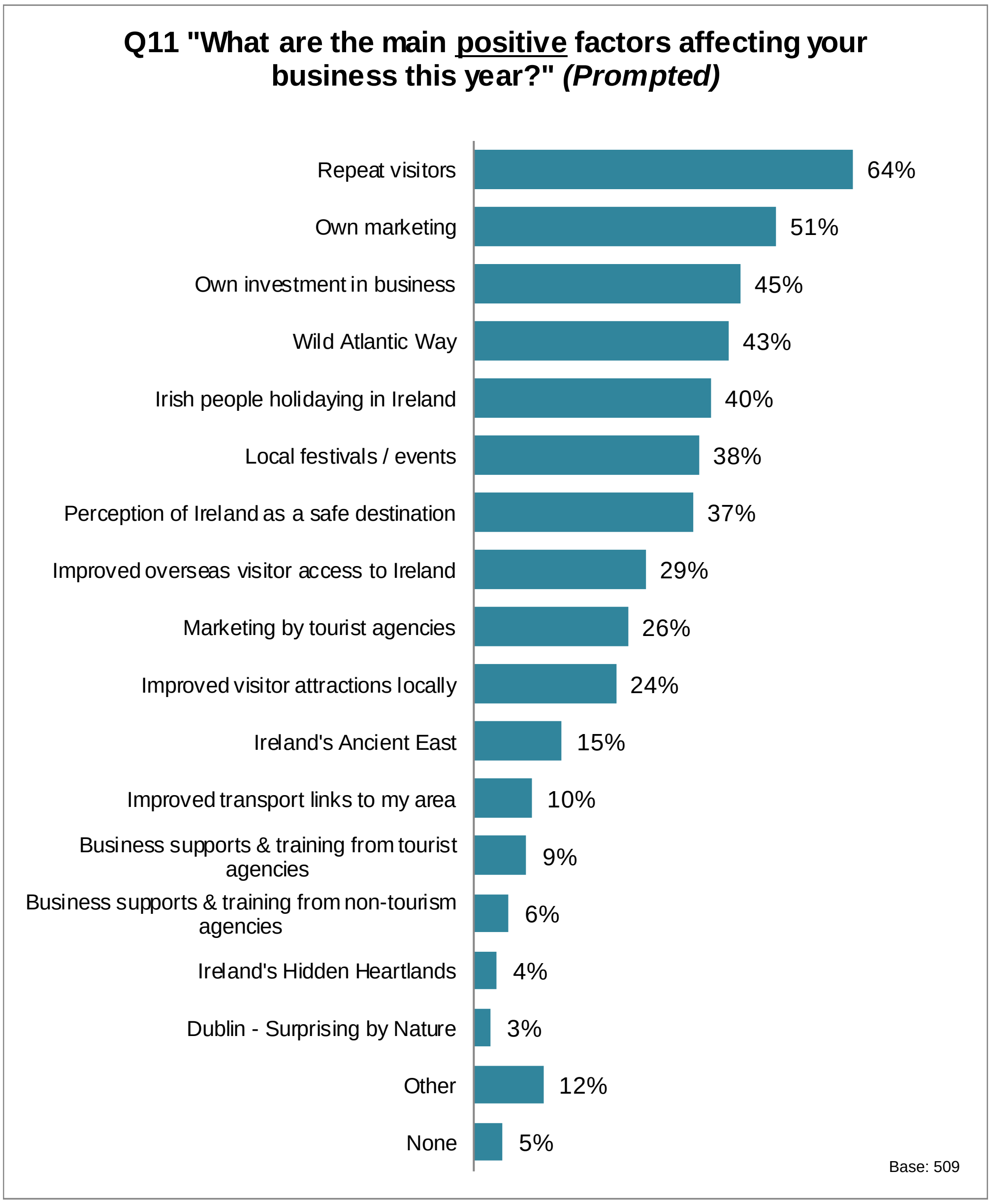
12.4 The coming months are expected to perform better than in 2017, with half (50%) of golf clubs predicting overall performance to be up.

12.5 Golf clubs are hoping to see more Irish visitors getting a few rounds in, with the majority (69%) expecting domestic visitor numbers to increase from last year.

European markets expected to make par

12.6 The majority (80%) of golf clubs are expecting to see similar numbers of overseas visitors towards the end of the year. This is fairly consistent across the overseas markets.

13. Positive Factors in 2018



Repeat visitors

13.1 Repeat visitors remain the most positive influencing factor on business for many sectors in the tourism industry. Most (64%) operators cite it as a positive factor. It is mostly frequently mentioned as a positive among the following sectors:

- Caravan & campsites (86%)
- Guesthouses (79%)
- Self-catering (72%)

Own investment improving business

13.2 Operators' own investment in the business is on the rise as a positive factor affecting business, with just under half (45%) citing it as a positive.

"The owner has invested significantly into the property"
Hotel

13.3 Own investment is most frequently cited as a positive in the caravan & camping sector (67% say this) and hotels (58%).

Domestic market brings joy to many

13.4 Many sectors are seeing growth in the domestic market this year. 78% of caravan & campsite operators cite '*Irish people holidaying in Ireland'* as a positive factor this year, as the fine summer weather has boosted 2018 visitor numbers.

13.5 Other sectors have benefitted from Irish people holidaying in Ireland too.

"The good weather contributed to increased numbers of domestic visitors"
Attraction

"The weather had a huge effect on spontaneous Irish business"
Hotel

"The weather this summer was so good compared to last year"
Self-catering

Events

13.6 Local events and festivals are helping to improve visitor levels for 38% of businesses this year. Examples given include festivals & exhibitions in the area and the Irish Open.

"The Irish Open has attracted international visitors"
Guesthouse

"The American art exhibition has brought a lot of visitors to the area"
Attraction

Impact of tourism agency initiatives

13.7 About two thirds (64%) of respondents cite one or more tourism agency initiatives as a positive factor affecting their business in 2018.

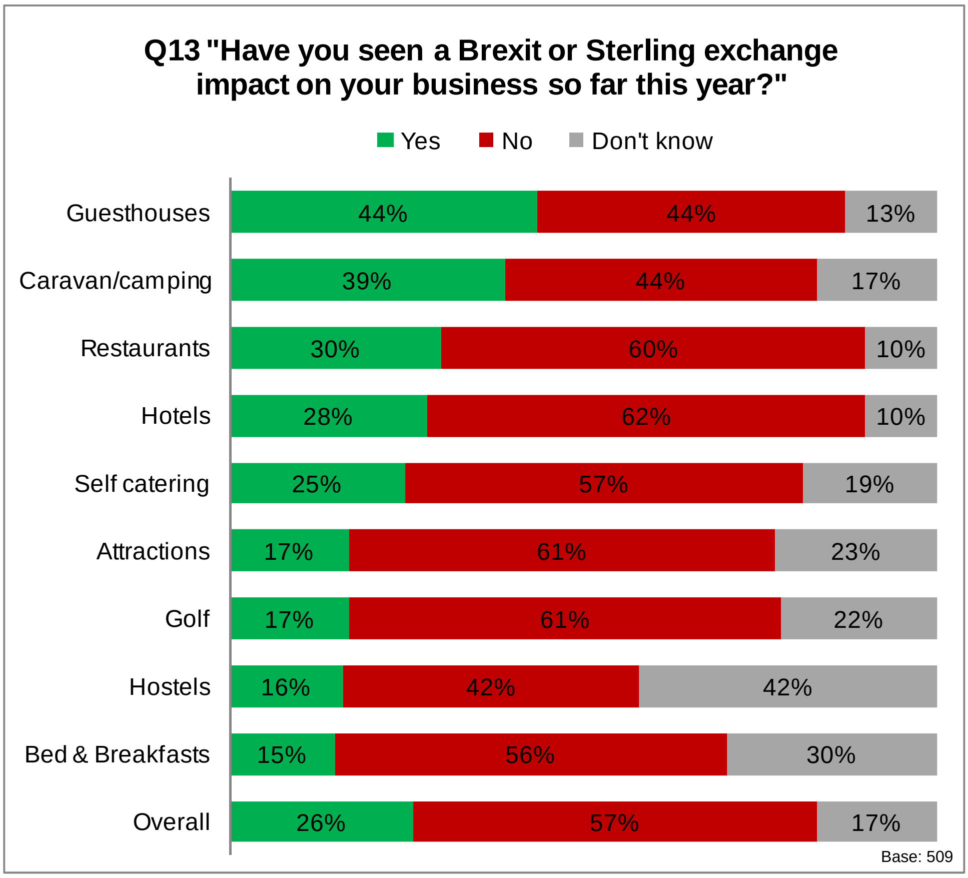
13.8 The Wild Atlantic Way continues to be considered a boost to business among 71% of respondents located in the region.

13.9 Over one third (36%) of businesses in Ireland's Ancient East believe that the brand is a positive factor in their success.

13.10 Almost one in five (17%) businesses in Dublin regard "Dublin – Surprising by Nature" as a contributory factor in their growth. This branding has been launched fairly recently and so the full impact is probably still to be seen.

14. Sterling Exchange Rate

14.1 Respondents have been asked if and how Brexit or the Sterling exchange rate is impacting their business, and what measures they have put in place to address any impact. Below, we outline the key themes from the open-ended comments.



Over half say no consequences from Brexit or Sterling exchange

14.2 Overall, about three in five (57%) operators say they have not been impacted by Brexit or the Sterling exchange rate so far this year.

14.3 In fact, many (58%) operators expect visitor volumes from Northern Ireland to stay the same as last year, and half (50%) expect similar numbers from Britain.

But many are adopting precautionary measures

14.4 Through the open comments, it appears businesses are adopting precautionary measures to combat any potential impact that could be caused by Brexit or the Sterling exchange rate.

14.5 One of the common methods deployed by operators concerns marketing. Some intend to implement stronger advertising within the UK, while others intend to put their marketing efforts elsewhere.

“We are trying to spread out the market, particularly targeting Europe and North America”
Attraction

“We're exploring alternative markets”
Hotel

“We have increased promotion with UK tour operators and increased market penetration in the UK”
Attraction

14.6 Alternatively, others mean to revise their prices and will start offering more discounts to incentivise holidaymakers to visit.

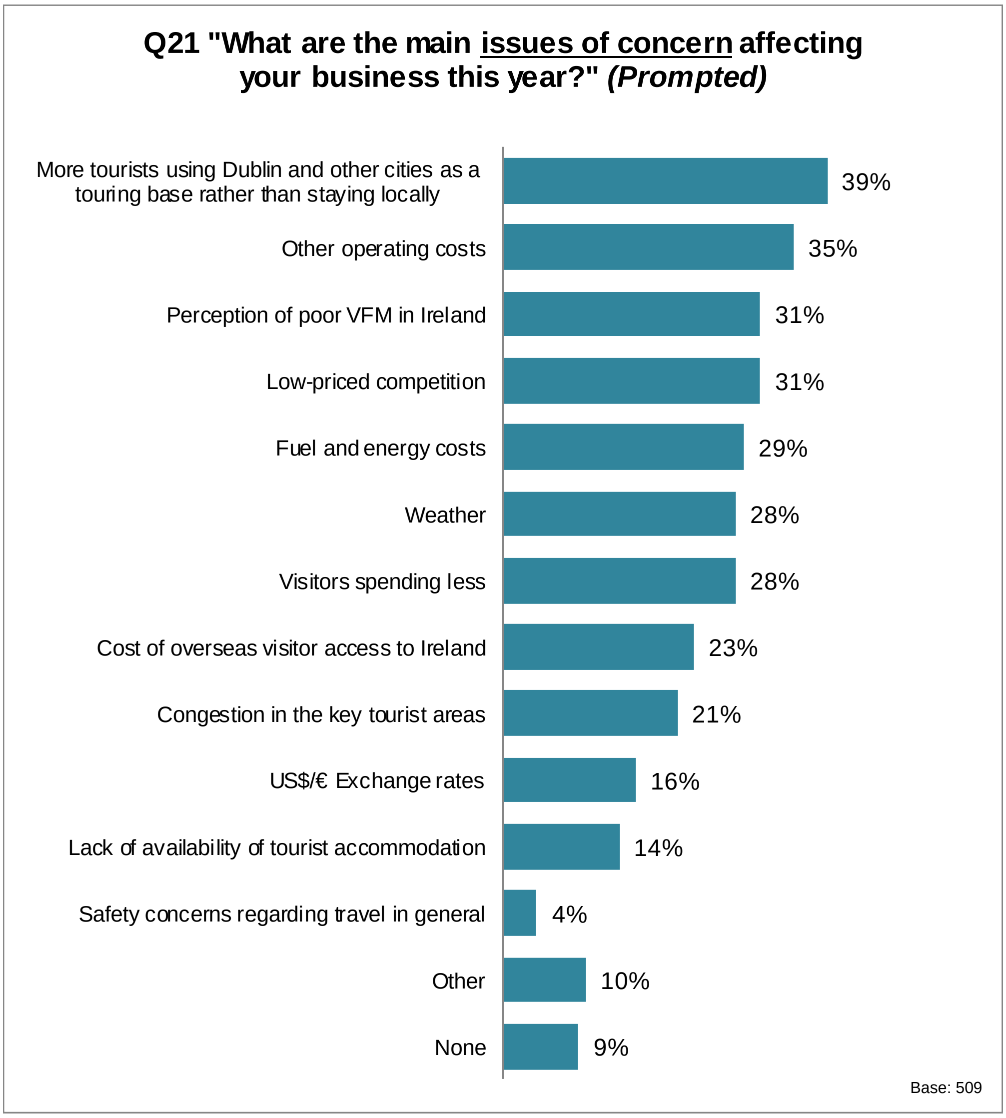
“We’ve lowered our rates and offered further incentives”
Hotel

“We’re running more offers”
Self-catering

“We’ll put prices as low as possible and get very little profit”
B&B

“I'm trying different offers around Sterling places”
Caravan & campsite

15. Issues of Concern in 2018



Dublin's tourism hub is concerning for some

15.1 Although there have been significant improvements to the road networks and road quality around Ireland, two in five (39%) tourism operators are concerned about the impact that Dublin as a tourist base is having on business.

15.2 While road improvements mean tourists can get to other destinations easier, it may encourage visitors to take day trips to other parts of Ireland instead of staying overnight.

15.3 The greatest concern is among businesses in the Wild Atlantic Way, where 45% state this as a concern.

"More people go through the village than stop and stay"
Hostel

Operating costs also causing issues

15.4 Other operating costs (other than fuel and energy) are concerning 35% of operators. The open comments reveal that insurance costs and a rising minimum wage to pay staff are main issues.

"Insurance is expensive and there has been a rise in costs in general"
Attraction

"The cost of wages has gone up … floor staff are looking for more than €13 an hour"
Restaurant

"Rise in minimum wage has affected cash flow, which is now a constant concern."
Attraction

Low-priced competition

15.5 About a third (31%) of businesses are concerned about low-priced competition, particularly hostels (42%), golf clubs (39%) and B&Bs (37%).

15.6 Airbnb is a particular concern for many, as the open comments show that operators hold strong feelings. However, some operators have now joined Airbnb rather than try and compete with it.

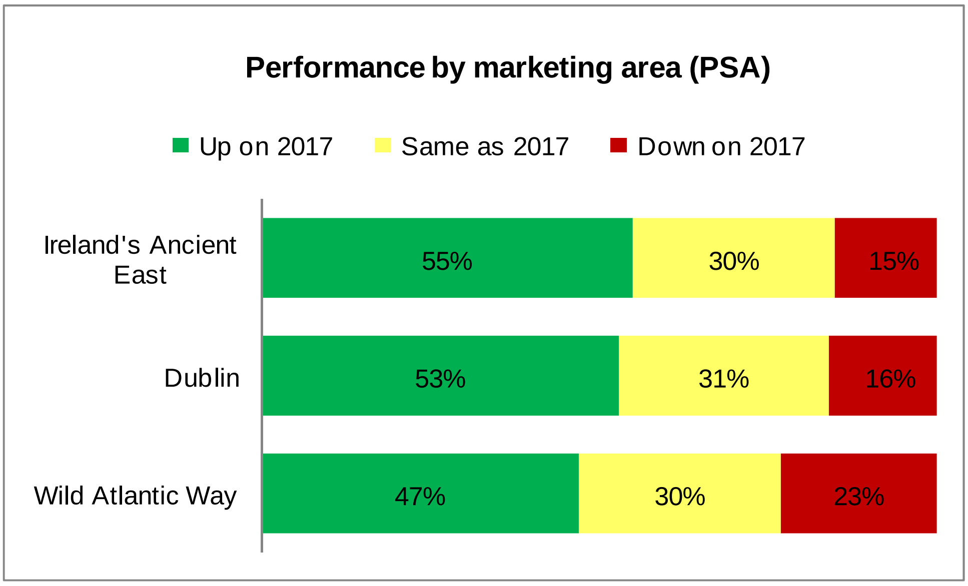
"Airbnb seems to be the place to advertise"
Self-catering

"Airbnb has had a massive negative effect on hotels"
Hotel

"Airbnb and non-registered businesses are affecting our business"
B&B

16. Performance by Marketing Area

Here we discuss the performance by marketing area for the PSA sector



The sample size of businesses in the 'Ireland's Hidden Heartlands' marketing area is not sufficiently robust for analysis

Good performance in all marketing areas

16.1 The 'Ireland's Ancient East' marketing initiative was launched some time after the 'Wild Atlantic Way', which has seen its PSA businesses performing very well ever since. Now businesses in Ireland's Ancient East also seem to be experiencing similar success.

"We've had better awareness from Ireland's Ancient East"

"The Wild Atlantic Way has had a positive impact. We see people now going to places up North that they've never visited before."

16.2 The Dublin brand has been changed this year from 'Dublin – A breath of Fresh Air' to 'Dublin – Surprising by Nature'. This year has also seen the launch of 'Ireland's Hidden Heartlands' for the Midlands. In time we should be able to see the effects of these marketing initiatives on business performance.

17. Significant Differences by Broad Region

17.1 Here we highlight significant differences in results in the PSA sector between two pairs of broad regions:

- North[1] vs Rest of the country
- Dublin vs Rest of the country

North vs Rest of the country

Measurement	North	Rest of the country
Overall visitor volume year to date Net*	+30	+33
Northern Ireland visitor volume year to date Net*	-22	-8
Overall expectations Net*	+11	+34
% of PSA businesses affected by £ Sterling or Brexit	47%	21%

**% of Paid Serviced Accommodation (PSA) providers reporting business to be up minus % of those reporting business down*

Still concerns over £ Sterling, but no significant difference in actual performance between regions

17.2 Northern Counties continue to be set apart from the rest of the Republic of Ireland in terms of the proportion saying they are affected by £ Sterling / Brexit and their expectations.

17.3 The Northern Ireland market is still down (-22pts) for Northern counties, which compares to -8pts for the rest of the country.

17.4 However, this is not reflected in overall visitor volumes to date this year when comparing the two groups. Performance YTD for Northern Counties no longer differs significantly from the performance of the rest of the country. This is the first time this has happened since analysing results in this manner.

17.5 The strong overall performance in the North and rest of the country is being driven by upturn in the domestic and US markets.

[1] The 'North' includes the following counties: Cavan, Donegal, Leitrim, Longford, Louth, Mayo, Monaghan, Sligo

Dublin vs Rest of the country

Measurement	Dublin	Rest of the country
Overall visitor volume year to date Net*	+37	+32
GB visitor volume year to date Net*	+14	-9
% of PSA businesses affected by £ Sterling or Brexit	15%	29%

**% of Paid Serviced Accommodation (PSA) providers reporting business to be up minus % of those reporting business down*

Dublin no longer greatly affected by £ Sterling / Brexit

17.6 In 2017, the decline in the British market was more noticeable in Dublin than the rest of the country. The £/€ exchange rate played a part in this.

17.7 However, in the April barometer this year, the trend seemed to reverse, and the September results also show this. The £/€ exchange rate and Brexit seem to be less of an issue to Dublin businesses now than in the rest of the country. On balance, Dublin enterprises are seeing growth from Britain.

18. Appendix 1 – Background and Methodology

Background and Objectives

18.1 The Fáilte Ireland Tourism 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 season or coming year. It has been conducted regularly since 1999.

18.2 In March 2016, Strategic Research and Insight, an independent research agency previously called Strategic Marketing, was commissioned to continue conducting the survey for the next three years.

18.3 Fieldwork for this third wave in 2018 took place in September. The objectives were to measure:

- Business performance to date in 2018 in terms of visitor volume – overall and by key markets – and profitability
- Average room yield (hotels)
- Visitor volume expectations for the remainder of 2018
- Positive factors and issues of concern affecting business
- Impact of the £/€ exchange rate

Methodology

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

18.5 Fáilte Ireland and Strategic Research and Insight worked together to produce a questionnaire for online and telephone interviewing.

18.6 Fáilte Ireland provided a database of 2,771 usable contacts (i.e. not opted out) for the survey spread across nine industry sectors (discussed under 'sampling' below). An email was sent 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.

18.7 A total of 306 responses were received to the online survey – a response rate of 11%.

18.8 Following this, we conducted 203 'top-up' interviews by telephone with non-responders in order to improve the robustness of their individual sample sizes so that results can be reported by sector. Interviews were conducted in daytime and evening hours with business owners or managers.

Sampling

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

Sector	Online responses	Telephone top-ups	Total sample size
Hotels	86	109	195
Guesthouses	16	32	48
Bed & Breakfast	54	-	54
Self-catering	51	2	53
Hostels	19	-	19
Caravan & campsites	18	18	36
Attractions	41	25	66
Restaurants	11	9	20
Golf clubs	10	8	18
Total	**306**	**203**	**509**

Interviews for Contextual Background

18.10 In a separate exercise, we conducted eight qualitative telephone interviews with senior executives in key organisations. The purpose of these interviews was to provide a contextual background to the quantitative findings, and this is given in section 2 before the findings to the main quantitative survey.