

# Tourism Barometer

Strategic Research and Insight

Summer 2024





# Headline Findings (1)

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## Disappointing summer for many operators

- 24% of businesses have had more customers this summer compared to last summer, and 23% have had the same level; however, 53% have had fewer
- This follows on from the May barometer, which showed a slow start to 2024
- Visitor volumes are down in all markets and in all regions of Ireland
- A number of factors have combined to give a disappointing summer – bad weather (cited by 51% as a concern), people lacking disposable income (51%), cost of tourist accommodation (46%) and lack of tourist accommodation (43%)
- These challenges are in addition to the continued high levels of concern about rising operating costs

## Variation by sector

- Self-catering operators have bucked the trend this summer, with 36% seeing increased visitor levels, compared to 25% reporting to be down
- 43% of inbound tour operators & DMCs have seen more visitors, compared to 40% reporting to be down
- The food & drink sector has struggled the most, with 68% receiving fewer customers this summer

## Headline Findings (2)

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### Expectations for the remainder of the year are not optimistic

- 19% of operators expect business during the remainder of the year to be up on the same period last year, and 31% expect the same level
- However, half (50%) expect to be down
- All regions of Ireland and all markets are expected to be down

# What is this research about?

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## Background

- The key aims of this research are to understand:
  - Summer visitor volumes, turnover & profitability in 2024 compared to 2023
  - Expectations for the remainder of 2024
  - Reasons to be positive or concerned about business in 2024

## Method

- Fáilte Ireland designed a questionnaire which was set up online by SRI (Strategic Research and Insight), an independent research agency
- Fáilte Ireland distributed the survey link to its trade database on 20 August 2024
- Some sector representative bodies also encouraged their members to respond

# Sample

Accommodation sector	Sample size
Hotels	134
B&Bs	71
Self-catering	46
Caravan & campsites	38
Guesthouses	21
Other accommodation	10

Non-accommodation sector	Sample size
Attractions	146
Pubs & bars	125
Activity providers	98
Restaurants	89
Inbound operators and DMCs*	42
Tour guides	40
Cafés	24
Retail	24
Event / festival organisers	20
Golf clubs	18
Other non-accommodation	56

- 1,002 responses in total after de-duping by business
- Overall response is higher than in the May 2024 wave (816)

\*Destination Management Companies

# Summer Performance



August 2024 | Tourism Barometer



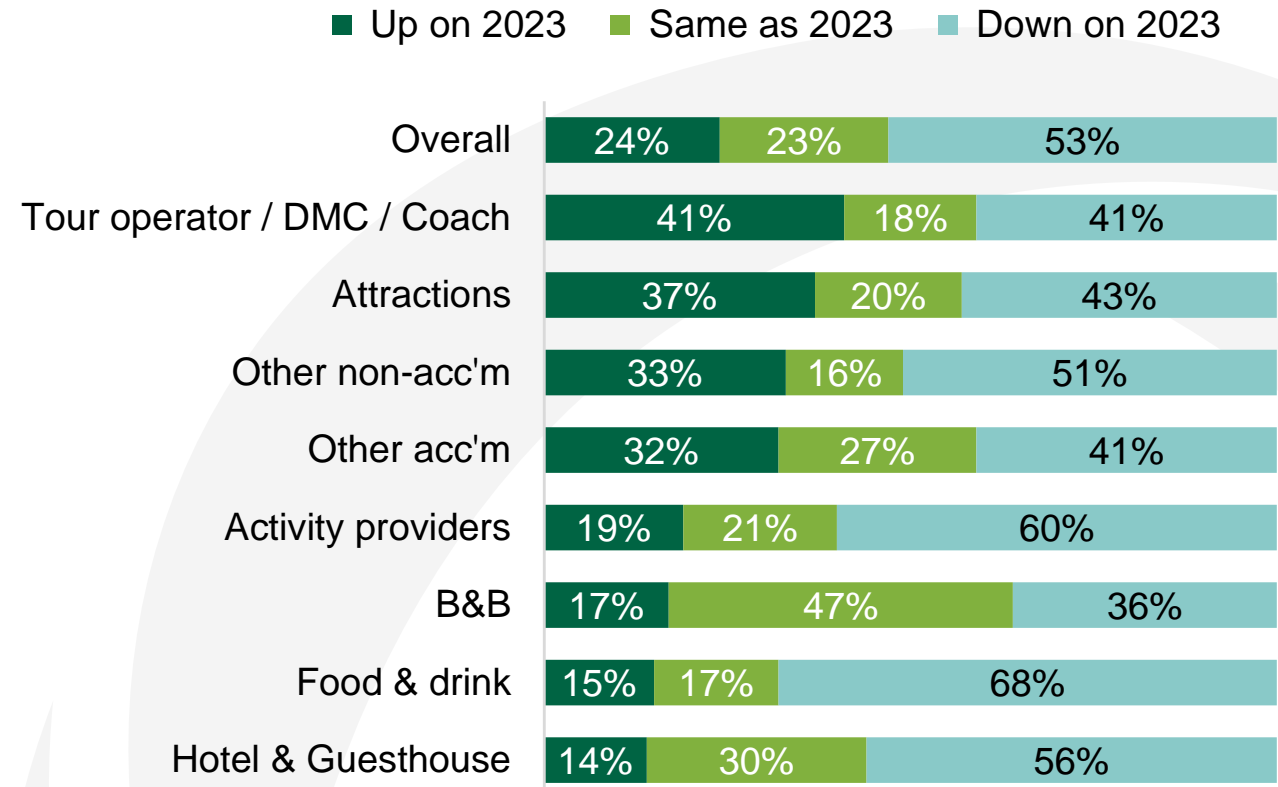
# Summer 2024 Performance vs 2023 (Sector)

## Disappointing summer

- The May barometer showed a slow start to 2024 and unfortunately, this flat industry performance has continued through the high summer season
- The only sectors reporting to be up on balance are self-catering (36% of operators are up vs 25% down) and inbound tour operators & DMCs (43% up vs 40% down)
- At the other end of the spectrum, food & drink and activity providers have struggled this summer

*“Gale-force winds and constant rain have ruined our season”*  
Activity provider, Mayo

## Q4 "How does the volume of your overall business this summer compare with summer last year?"



Base: 964

*'Don't know' and 'not applicable' answers have been excluded*

# Summer 2024 Performance vs 2023 (Region)

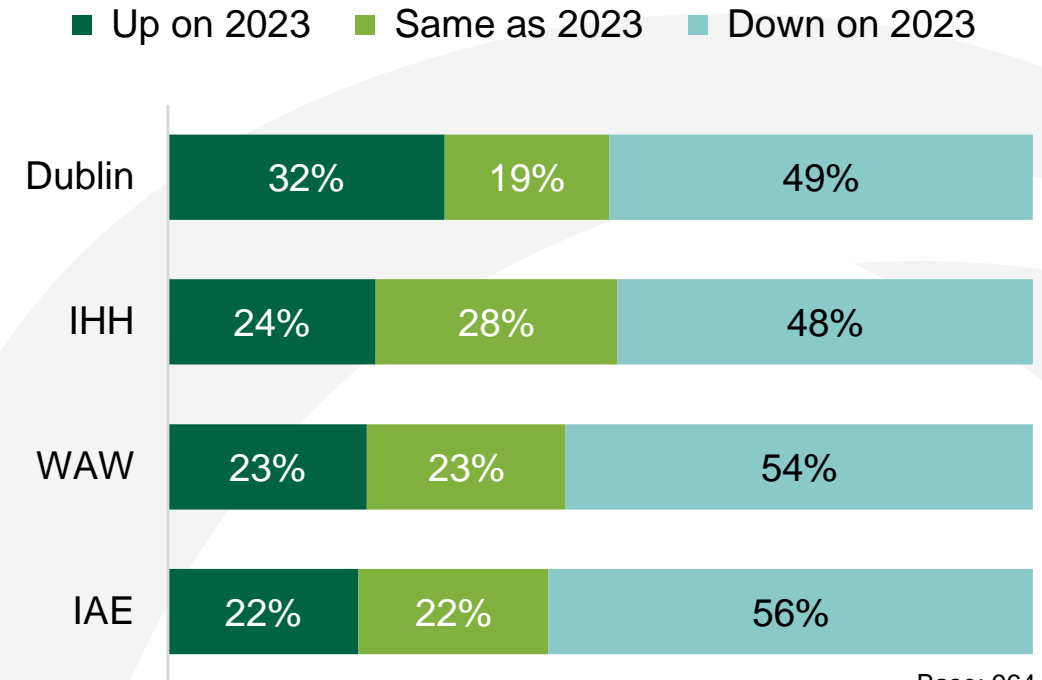


## Tough period for all four regions

- The May barometer showed that Dublin was not experiencing slow business like the rest of the country, but during the summer, Dublin has also struggled to match its visitor levels seen last year

*"15% reduction in the number of bookings. I've heard similar from peers across Ireland."*  
Tour guide, Dublin

## Q4 "How does the volume of your overall business this summer compare with summer last year?"



Base: 964

*'Don't know' and 'not applicable' answers have been excluded*



# Performance by Market

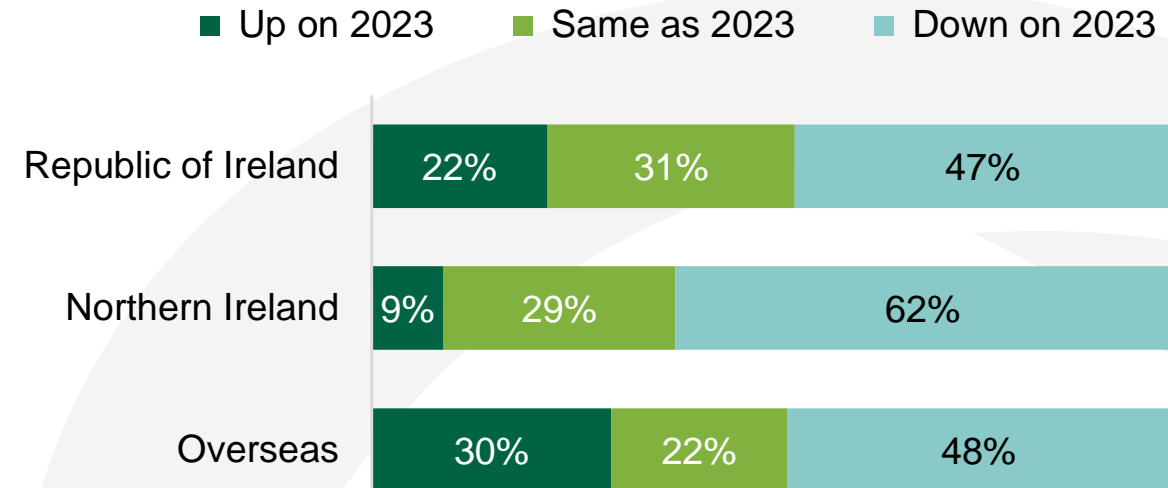
## All markets are down

- Poor summer performance stems from a reported decline in all markets
- Some operators say that domestic visitors have not stayed in Ireland as much as last year, but it is believed that overseas visitors have not come in as large volumes either

*“It was such a benefit having people from all over Ireland during 2023, but this year has seen a massive drop in that market.”*

Bar, Donegal

## Q5 "How does your volume of visitors this summer compare with last summer from each of the following markets?"



Base: variable

*‘Don’t know’ and ‘not applicable’ answers have been excluded*

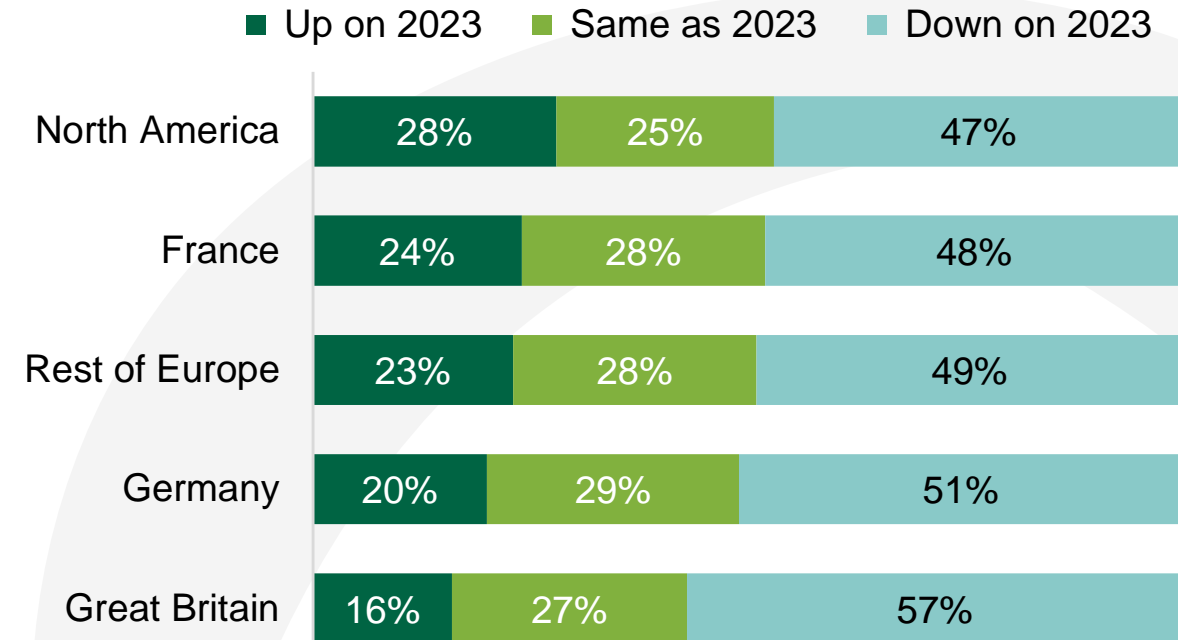
# Performance by Overseas Market

## Even North America is down this summer

- All overseas markets have performed poorly this summer compared to last summer according to respondents
- This even includes North America, which underpinned so much of last year's strong industry performance
- This year is election year in the USA, which some operators believe can cause international travel from that market to be subdued

*"This year US visitors did not travel"*  
B&B, Kerry

## Q6 "How does the volume of your overseas business this summer compare with last summer from each of the following markets?"



Base: variable

*'Don't know' and 'not applicable' answers have been excluded*

# Turnover

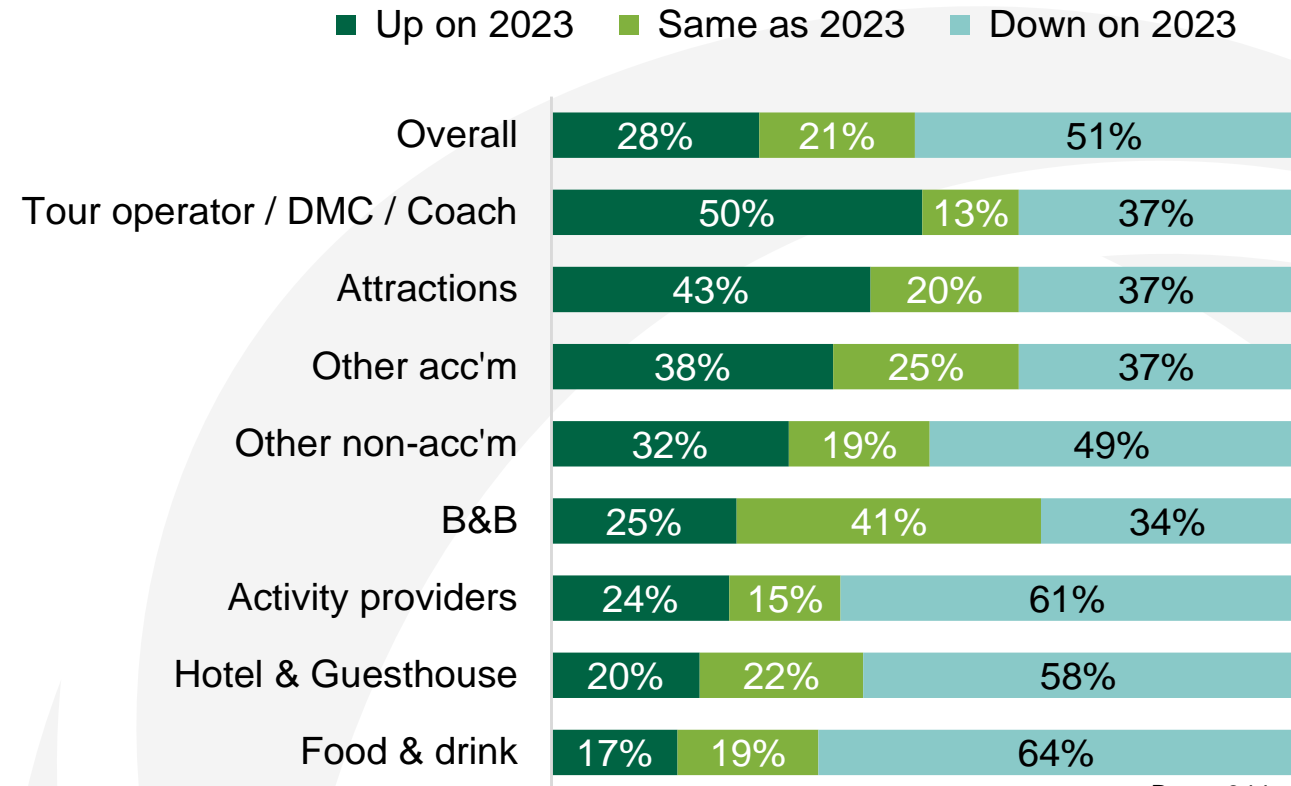
## Similar picture to visitor levels

- Turnover in the industry seems to be down by about the same degree as visitor volumes
- However, some sectors have managed to buck the trend by increasing turnover:
  - Tour operators / DMC / Coach (50% are up)
  - Attractions (43%)
  - Self-catering (40%)

*"We are currently expecting at least a 30% reduction in income for 2024 and would be very surprised if 2025 is any better. At the moment we are only covering our expenses."*

Caravan park, Mayo

## Q7 "How does your overall turnover this summer compare with last summer?"



Base: 944

'Don't know' and 'not applicable' answers have been excluded



# Profitability

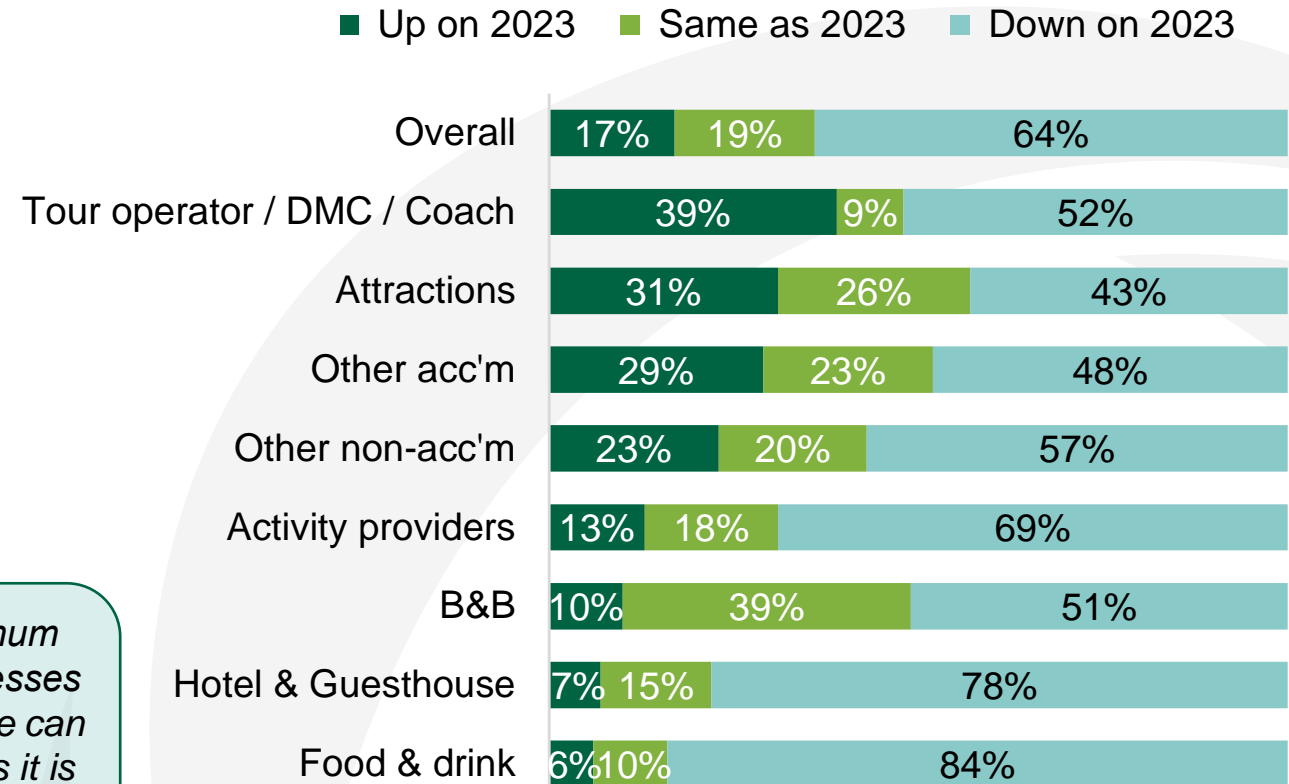
## Significant concerns over profitability

- Declining visitor volumes and rising costs have combined to give businesses significant challenges to operate profitably
- This is seen across all sectors, particularly among hotels & guesthouses and food & drink operators
- Businesses ideally need to raise their prices to cover costs – yet they know this would deter customers

*“You can only bring your prices up so much or people will stop coming altogether”*  
Restaurant, Waterford

*“Increased cost such as minimum wage ... is making small businesses such as mine unsustainable. We can not raise our prices anymore as it is now a luxury to eat out.”*  
Café, Cork

## Q8 "How does your overall profitability to date this summer compare with last summer?"



Base: 932

*'Don't know' and 'not applicable' answers have been excluded*

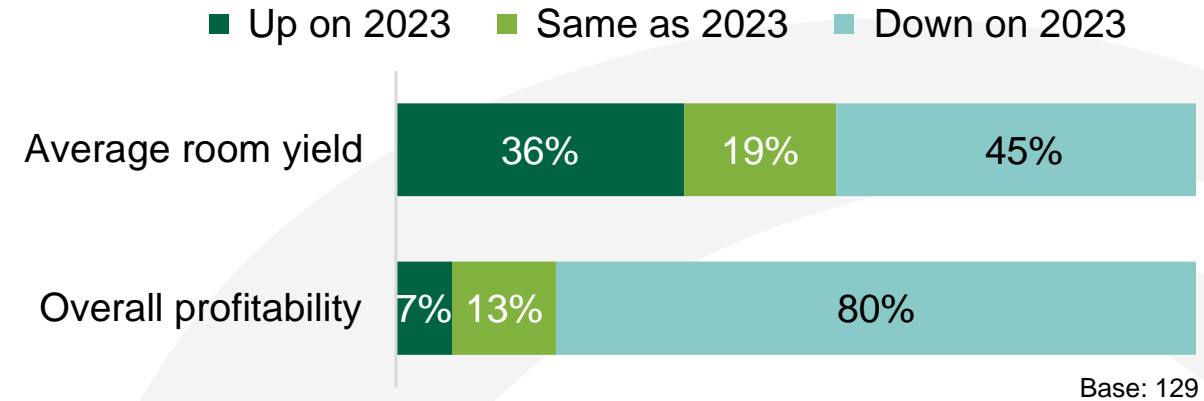
# Hotels – Yield and Profitability

## Very different year for hotels in 2024

- The hotel sector performed strongly last year and was a key contributor to the generally good performance of Ireland’s tourism industry
- This year however, the hotel sector is not performing well
- Average room yields are down on last summer, but profitability is a major concern as rising costs are eroding operating margins

*“Business is very challenging and we are looking at ways to employ fewer workers”*  
Hotel, Cork

## Q8/9 "How does your ... this summer compare with last summer?"



# Hotels – Ireland Market



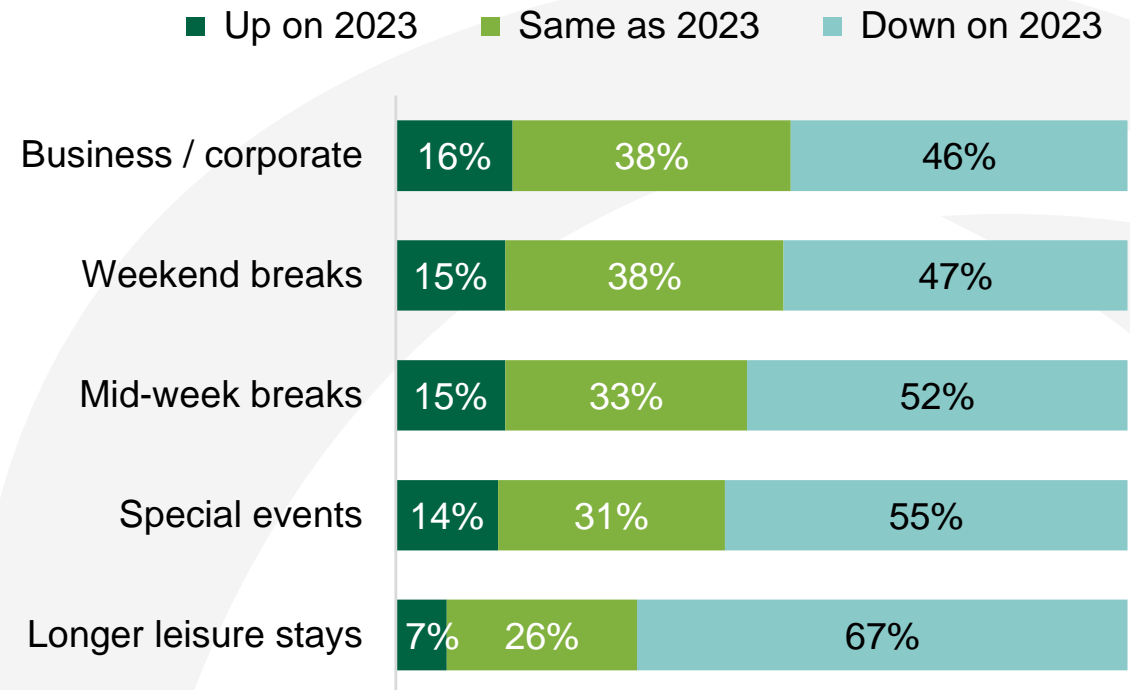
## All markets are down for hotels

- The struggling performance of the hotel sector this summer compared to last summer is reflected across all of its markets
- In particular, the sector has not seen as many longer leisure stays (1 week+)

*“For the past twelve months, we have seen the business shrink from both Irish and international guests ... Guests are not spending the same on meals or beverages as in the past, but they are still doing activities and experiences.”*

Hotel, Laois

## Q10 "Thinking about your Ireland market business this summer, how have each of the following performed compared with last summer?"



Base: variable

*'Don't know' and 'not applicable' answers have been excluded*

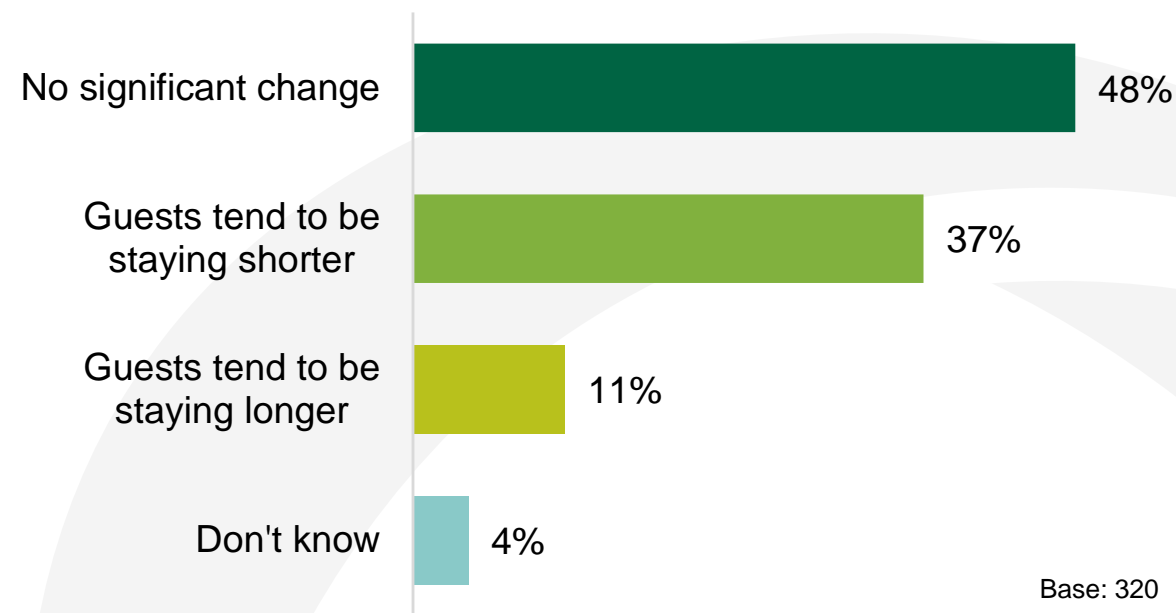


# Changes in Length of Stay

## Lean towards shorter stays

- There is mixed feedback from operators regarding trends in length of stay, with around half (48%) noticing no significant change
- If any change has been noticed, it is more likely to be towards shorter stays than longer ones
- This is consistent across the different accommodation sectors, except among B&Bs, whereby the proportion citing longer stays (21%) is about equal to the proportion (20%) citing shorter stays

## Q11 "Have you noticed a recent change in guests' length of stay?"



Base: 320

*'Don't know' and 'not applicable' answers have been excluded*

# Expectations



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# Overall Expectations

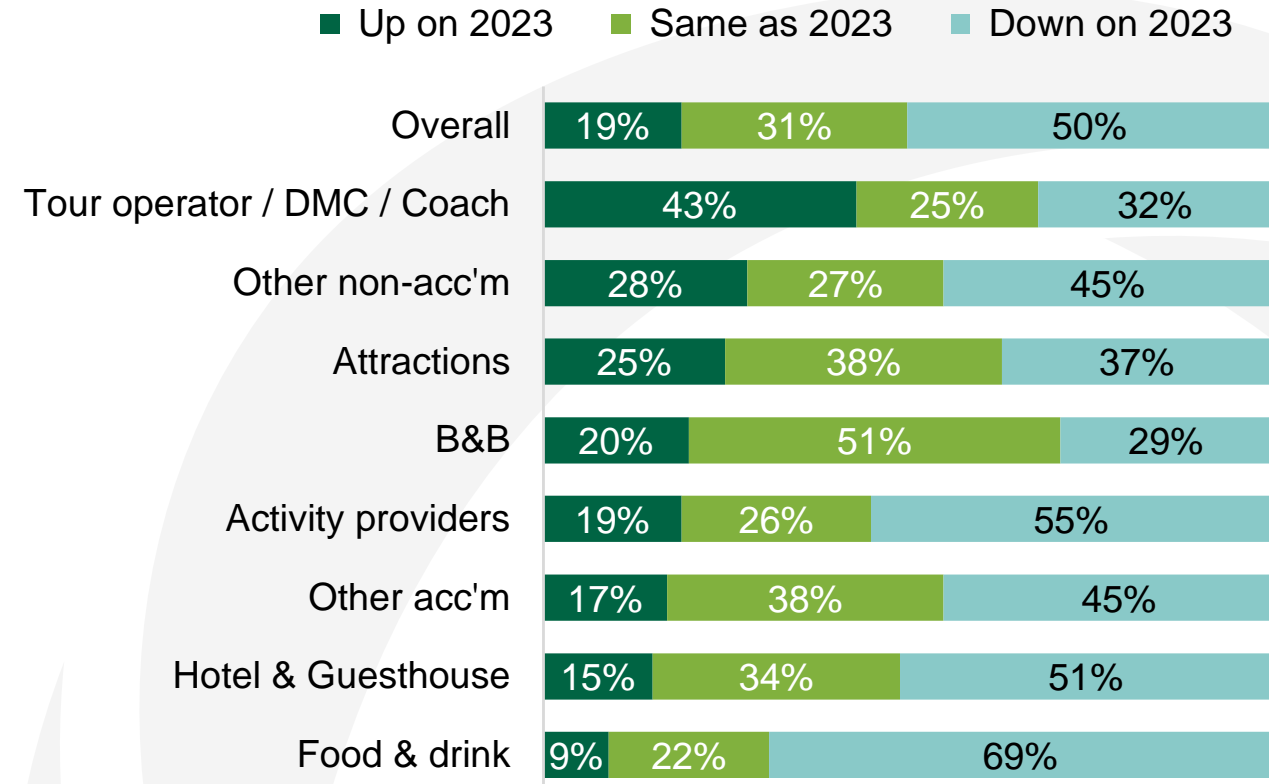
## Expectations remain low

- Following a disappointing summer, performance compared to last year is generally expected to continue in the same fashion for the remainder of the year
- A few sectors go against the grain and expect to be up on balance:
  - Tour operators / DMC / Coach (43% up vs 32% down)
  - Tour guides (38% up vs 32% down)

*“We are currently experiencing a perfect storm of rising costs and falling footfall. It is no longer possible to plan ahead – the uncertainty around future viability is such that further investment is not possible.”*

Attraction, Kerry

## Q12 "How do you expect the volume of your overall business to perform during the remainder of this year compared to the same period last year?"



Base: 918

'Don't know' and 'not applicable' answers have been excluded



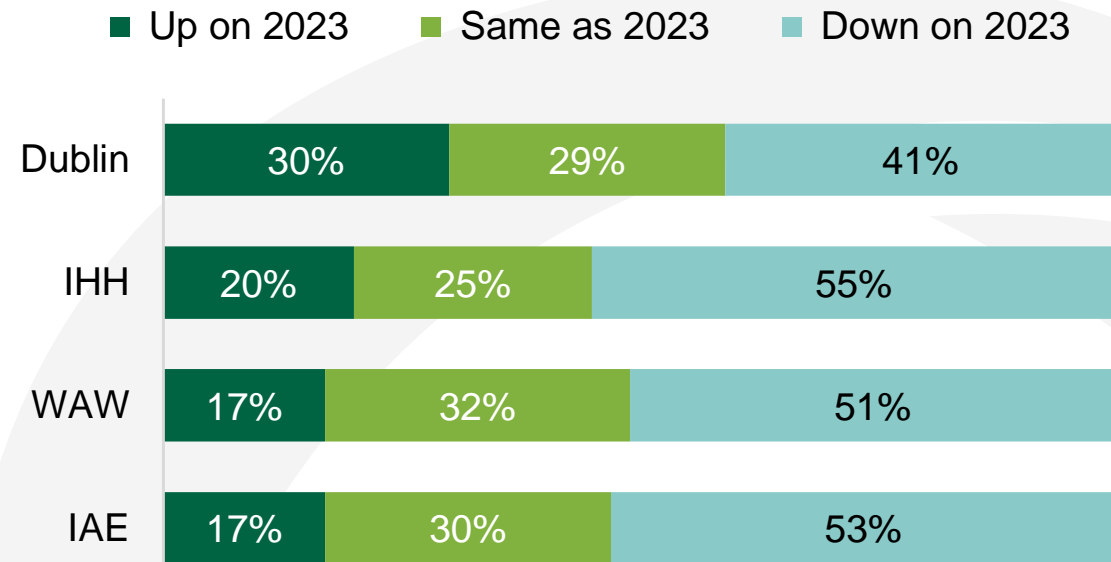
# Expectations by Region

## Similar picture to summer performance

- Expectations in all four regions are subdued, although Dublin might fare slightly better than the other three regions

*“We are hopeful that Q4 will be stronger than last year due to the antisocial events of last year not repeating and additional rugby games in November.”*  
Hotel, Dublin

## Q12 "How do you expect the volume of your overall business to perform during the remainder of this year compared to the same period last year?"



Base: 918

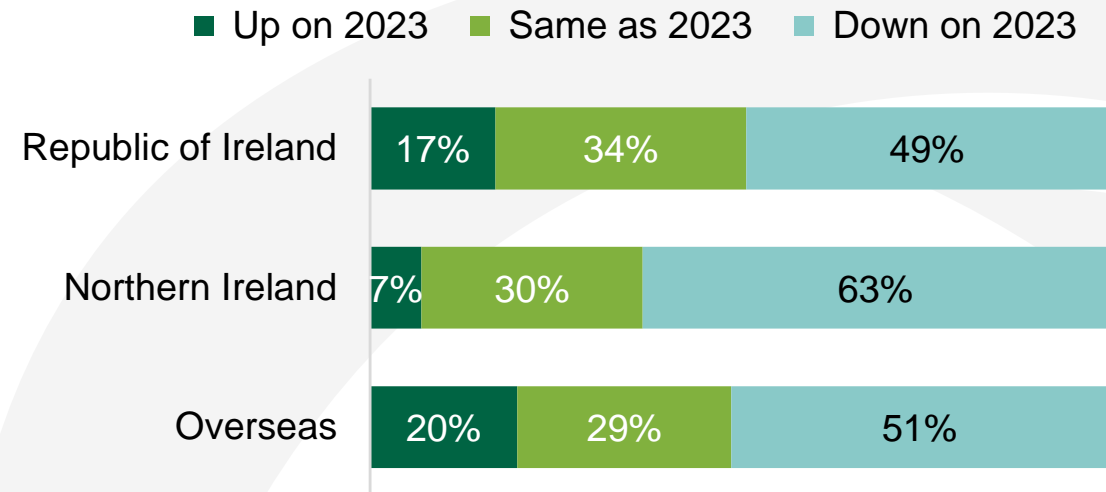
*'Don't know' and 'not applicable' answers have been excluded*

# Expectations by Market

## Some differences by sector for overseas

- The low expectations regarding visitor volumes for the remainder of the year can be seen across both the domestic and the overseas markets
- But a few sectors take a different view on the overseas market:
  - Inbound tour operators & DMCs (45% expect overseas to be up vs 39% down)
  - Self-catering (33% up vs 20% down)
  - B&Bs (30% up vs 24% down)

## Q13 "How do you expect the volume of your business to perform during the remainder of this year compared to the same period last year from each of the following markets?"



Base: variable

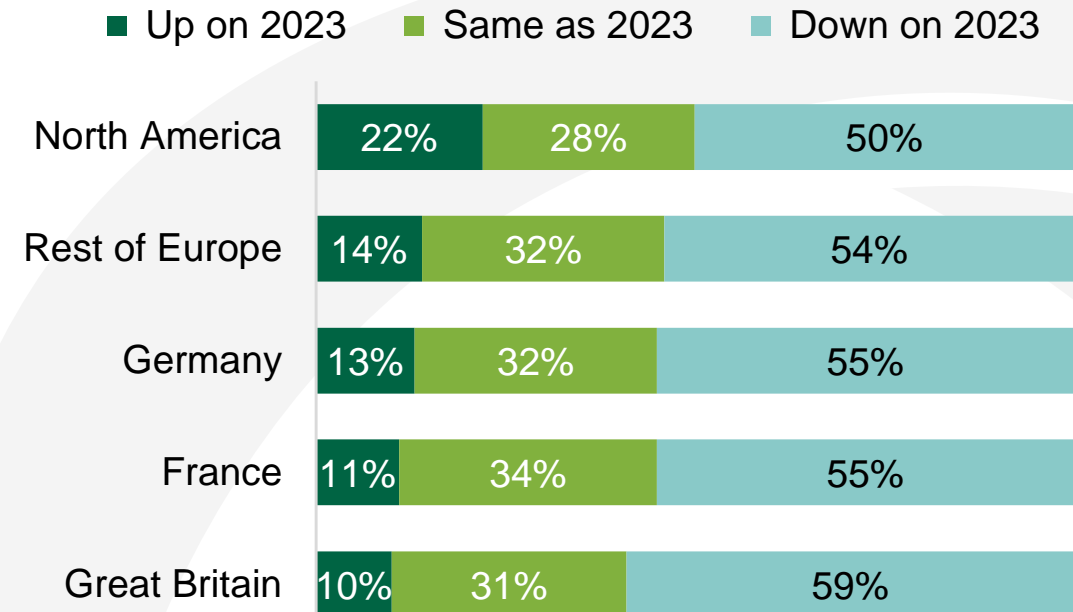
*'Don't know' and 'not applicable' answers have been excluded*

# Expectations by Overseas Market

## No markets expected to recover

- The overall subdued expectations for the remainder of the year can be seen across all major overseas markets
- Among the sectors which are more hopeful of receiving overseas visitors this autumn, inbound tour operators & DMCs and self-catering operators base their expectations on the North American market
- B&Bs are more expectant of Germany and the rest of Europe

## Q14 "How do you expect the volume of your overseas business to perform during the remainder of this year compared to the same period last year from each of the following markets?"



Base: variable

'Don't know' and 'not applicable' answers have been excluded

## Section 3

# Reasons to be Positive or Concerned



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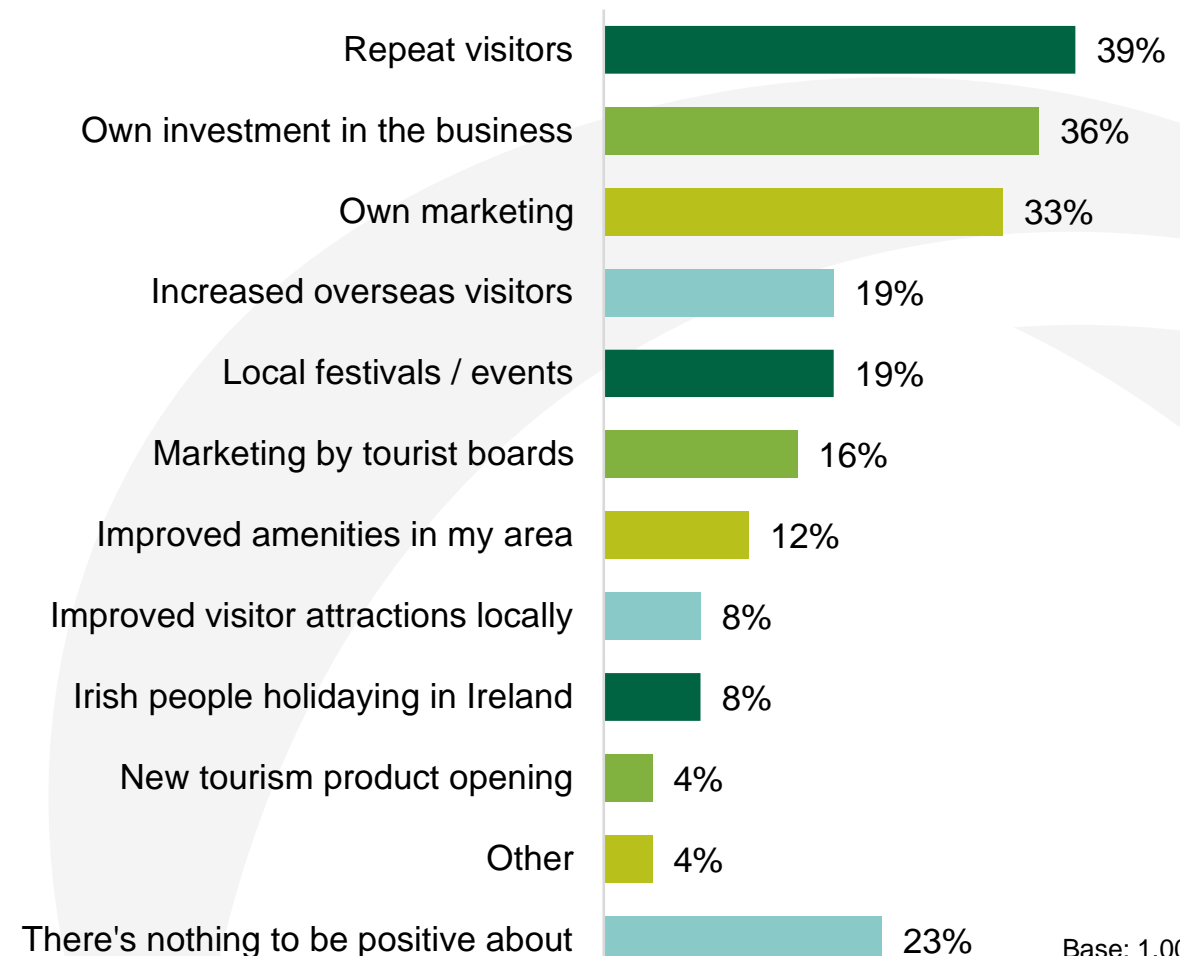


# Reasons to Be Positive

## Some reasons to remain positive

- Amidst a disappointing summer for many operators, there are reasons to be positive
- 'Repeat visitors' are the most frequently cited reason to be positive in a number of sectors, especially caravan & campsites (63%), self-catering (57%), cafés (50%) and activity providers (48%)
- 'Own investment in the business' is the most frequently cited positive among pubs & bars, in spite of this sector dealing with significant challenges to remain profitable
- 'Own marketing' is the most frequently cited positive among attractions (47%)

## Q15 "Are there any particular reasons to be positive about business this year?"



# Reasons to Be Positive – Open Comments

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## Taking pride in the product

- Some operators feel positive about their offering and the feedback / reviews they receive from their customers
- Trading conditions are challenging, but some operators are finding a way to succeed by investing in their business, forming partnerships or seeking training

*“Our feedback suggests we offer clean accommodation and that staff give a good service and greet in a friendly manner”*  
Self-catering, Wicklow

*“Upskilling and preparing to launch my own business as opposed to contracting to others”*  
Tour guide, Dublin

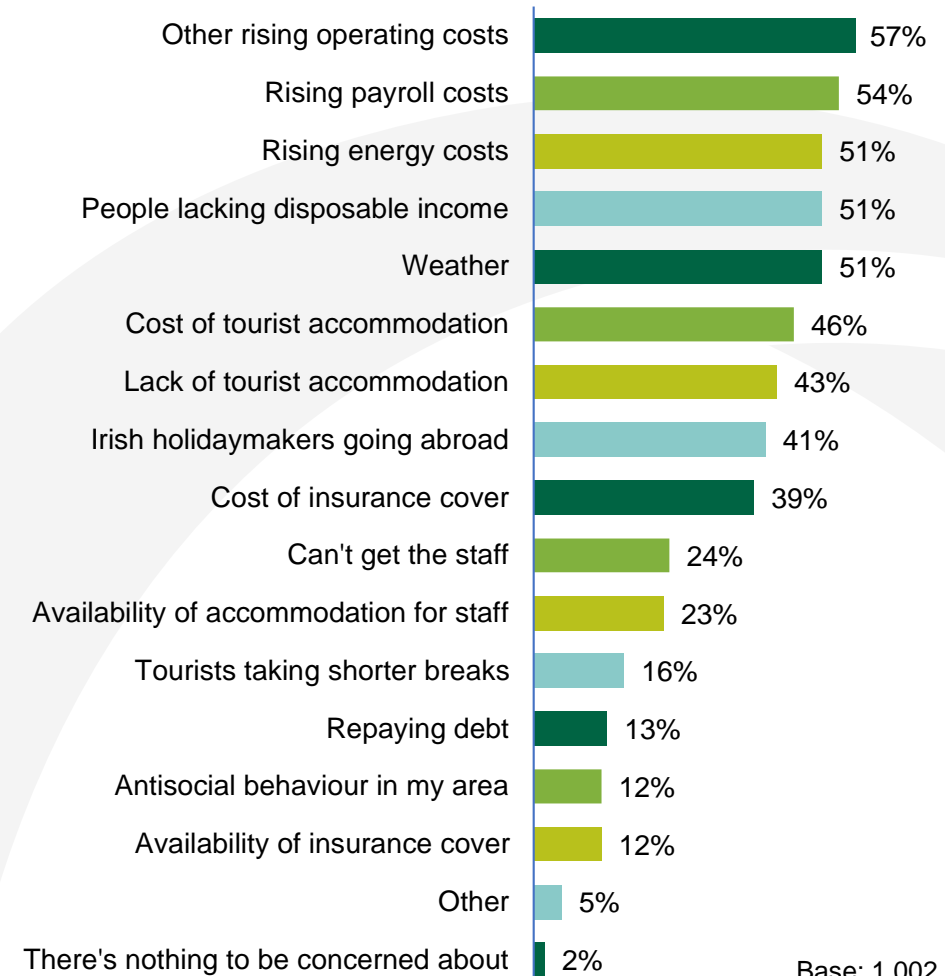
*“We are adding new experiences across the island to our product offerings”*  
Inbound tour operator, Galway

# Reasons to Be Concerned

## Multiple concerns affecting performance

- Rising costs, both for businesses and consumers, continue to dominate concerns across all sectors
- This summer however, industry challenges were compounded by frequent spells of poor weather, especially in the caravan & camping sector (82% have cited weather as a concern)
- The cost and lack of tourist accommodation rivals concerns over operating costs among non-accommodation businesses, whereby 58% have cited 'lack of tourist accommodation' and 56% have cited 'cost of tourism accommodation' as a concern
- Open comments on the key themes are discussed next

### Q16 "Are there any particular causes for concern regarding business this year?"



# Reasons to Be Concerned – Open Comments (1)

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## Rising costs

- Rising costs continue to dominate concerns across all sectors
- This is happening across multiple areas of business, including payroll, utilities and insurance
- Many businesses ideally need to charge more to cover their costs but they know this harms value for money perceptions

*“Customers have very little spending money.  
Overheads very tough – energy & labour.”*  
Bar, Louth

*“All round costs are high. I have my husband working  
with me and find we can no longer take a wage out of  
the business.”*  
B&B, Kildare

## VAT

- Although VAT is a consumer tax and not a business ‘cost’, many operators, especially in food & drink, either feel that the increase harms Ireland’s competitiveness or they have absorbed the VAT increase from their profit margin instead of passing on the price rise to their customers



# Reasons to Be Concerned – Open Comments (2)

## Lack of affordable tourist accommodation

- ‘Lack of tourist accommodation’ and ‘cost of tourist accommodation’ are part of the same issue – lack of supply is pushing up the price of the limited stock available in some parts of the country
- Public contracts are perceived by some to be the main reason for the reduced volume of stock available for tourists
- Non-accommodation operators are particularly affected and lose business if visitors have nowhere to stay overnight in their area

*“Accommodation in the area – none available for tourist purposes”*  
Activity provider, Waterford

*“I lost four groups this year purely on the grounds of the cost of accommodation. Three were groups from northern Europe and one was from Dublin.”*  
Activity provider, Cork

## Reasons to Be Concerned – Open Comments (3)

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### Bad time for poor weather

- With the challenges facing the industry, the last thing it needed was a summer of mixed weather

*“Very wet weather this year – many rain days. We are hoping for a good autumn weather spell.”*  
Attraction, Kerry

### Continued concerns for safety in Dublin

- 35% of Dublin businesses have cited ‘antisocial behaviour in my area’ as a concern – very similar to the May barometer
- Some operators have significant concerns for the safety and wellbeing of their customers when out on the streets in Dublin

*“Dublin City is dangerous, dirty and expensive. The ball has been dropped and the results are there for all to see.”*  
Restaurant, Dublin

# Individual Sectors



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# Hotels

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## Significant change in performance this year

- The hotel sector has consistently been one of the industry's best performing sectors during recent years
- But this year the tide has turned for hotels, as reported earlier in the May barometer
- 12% of hotels are up on visitors for the summer, but 57% are down – all markets are down

## Numerous factors affecting performance

- Rising operating costs continue to top concerns, but other factors have affected performance this summer, including people lacking disposable income (65% cite this as a concern), Irish holidaymakers going abroad (55%) and the weather (54%)
- All of these factors have combined to result in most (80%) hotels seeing reduced profitability this summer

*"All of our business is short lead at present"*  
Hotel, Cork

*"The cost is going up with pensions, sick pay, and another rise in the minimum wage floor – pushing up middle and senior wages way beyond inflation ... I am all for better living standards but the pace of change is concerning."*  
Hotel, Galway

*"Weather is a bit worrying for tourists. There appears to be much more rain."*  
Hotel, Mayo



## Tough overall, but overseas market is up

- 17% of B&Bs have had more guests this summer compared to last summer, whereas 36% have had fewer
- Profitability is down for 51% of B&Bs and up for only 10%
- However, the B&B sector is one of only a few to report an increase in overseas visitors this summer – 40% report the market to be up, compared to 29% being down
- The increases in visitors appear to have come from Germany and the Rest of Europe (excluding Great Britain and France)
- So business appears to be there for those who target the right markets, but the challenge is to operate profitably – 61% cite rising energy costs as a concern
- There are concerns also that price rises in other sectors will affect tourism

*“Guests are really happy with our breakfasts and choices – just homemade dishes – it seems very simple but I’m getting a very good response!”*

B&B, Cork

*“Rising prices in restaurants and pubs are a big concern”*

B&B, Kerry

*“I’m the only one in the area so I’ll get the trade”*

B&B, Cork

# Self-Catering

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## Best performing accommodation sector

- Self-catering is the only accommodation sector to report more guests this summer – 36% of operators have had more, whereas only 25% have had fewer
- The increase has come from overseas – 63% are up on overseas visitors this summer, with France and North America performing well
- Profitability is hanging in the balance, with 32% reporting to be more profitable than last summer vs 27% being down, but this is more positive than in most sectors
- Repeat visitors stand out, with 57% of operators citing this as a positive factor on performance

*“We have had specialised training from Fáilte Ireland”*  
Self-catering, Clare

*“Weather is a serious problem this year but can’t do anything about it unfortunately.”*  
Self-catering, Mayo

## Irish holidaymakers going abroad

- Whilst costs cause some concern in this sector, more operators (59%) are concerned about Irish holidaymakers going abroad

# Caravan & Campsites

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## Hit by bad weather

- 32% of caravan & campsites have had more guests this summer, but 51% have had fewer
- Bad weather blighted the important domestic market, although the overseas market is up on balance, with 44% reporting an increase (vs 36% reporting it to be down)
- 82% of caravan & campsites cite the weather as a cause for concern – the highest proportion of any sector to say this

## Reasons to be positive

- In spite of being unfortunate with the weather this summer, some operators in this sector are finding reasons to feel positive
- 63% cite repeat visitors as a positive factor affecting business this year – the highest proportion of any sector to say this – and 45% are positive about their own investment in the business

*“Terrible weather”*  
Caravan park, Kerry

*“The weather is the biggest problem going forward. Worst summer ever.”*  
Caravan park, Donegal

*“More cyclists camping than in previous years”*  
Caravan park, Tipperary

# Attractions

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## Mixed summer for attractions

- 37% of attractions had have more visitors this summer
- This compares to 43% experiencing a decrease – a decline in the domestic market is mainly behind this
- Turnover has fared reasonably well compared to many sectors, with 43% of attractions increasing turnover this summer and 37% seeing a decrease
- Profitability is under pressure though, with 31% experiencing an increase this summer but 43% citing a decrease

## Own marketing, but the tourists need accommodation

- 47% of attractions cite their own marketing as a positive factor on performance – the highest proportion of any sector to say this
- However, 65% cite a lack of tourist accommodation as a concern

*“We have ensured our pricing has remained competitive”*  
Attraction, Dublin

*“We have very little accommodation for visitors. If visitors are not staying in the area, they are not using local attractions, cafés and restaurants. It has a knock-on effect for everyone.”*  
Attraction, Kerry

*“Lack of tourist accommodation in our area is seriously damaging local business”*  
Attraction, Donegal

# Activity Providers

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## Difficult summer for activity providers

- Activity providers are facing many challenges
- 19% are up on visitor volumes this summer but 60% are down
- The significant decline compared to last summer is seen in all markets
- Many factors have combined to blight performance this summer, including the weather (64% cite this as a concern), cost of tourist accommodation (61%) and lack of tourist accommodation (57%)
- Cost of insurance (52%) is also a key concern in this sector

## Investment in spite of rising costs

- Even though the sector is grappling with rising operating costs, 37% cite their own investment in the business as a positive factor on performance

*“The start of the season in 2024 was very, very slow, mainly due to the weather as an outdoor provider ... There is a level of anxiety looking at next season even before this season is over.”*

Activity provider, Wexford

*“I’m very worried about the riding insurance costs and actually getting it at all”*

Activity provider, Galway

*“Business is looking good. Plenty of September and October bookings, plus some international bookings and enquiries for next year.”*

Activity provider, Mayo



# Pubs & Bars

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## Another very challenging period

- The pubs & bars sector has faced many challenges in recent years, and this summer's performance is a continuation from previous difficult periods
- 13% of pubs & bars have had more customers this summer, but 66% have had fewer
- Remaining profitable, or in business at all, is a significant challenge – 82% report profitability to be down this summer

## Multiple reasons for declining performance

- Many reasons are given for the struggling performances in this sector, topped by rising payroll costs (79%)
- Cost of insurance is cited as a concern by 57% of businesses – the highest proportion of any sector to say this

*"I'm seriously concerned about the rise in payroll, cost of energy, and increase in water rates. So concerned that I have halted a €150,000 investment into the food offering in my business and have let two full-time and three part-time staff go."*

Pub, Meath

*"The future is not looking good"*

Bar, Donegal

*"Pub life has become more difficult. Every month the cost of everything is going up. I am fourth generation in my pub and the drinking scene is changing"*

Pub, Limerick

# Restaurants

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## Similar picture to pubs & bars

- There is little positivity reported by the restaurant sector as businesses strive for their own survival amidst rising costs and declining customer numbers
- 16% are up on customers this summer, but 73% are down
- The decline is seen in all markets
- There are currently very few businesses which foresee an upturn in performance
- Over half (53%) of restaurants say there is 'nothing to be positive about' – by far the highest proportion of any sector to say this
- Costs dominate concerns, especially payroll (88%)
- The restaurant sector also has the highest proportions of businesses citing 'availability of accommodation for staff' (56%) and 'repaying' debt' (36%) as concerns

*"Incredibly challenging with VAT increase and rising costs. So difficult to make profit."*  
Restaurant, Dublin

*"Turnover and volume are strong but we can't keep putting up prices to match food costs, staff costs etc so we fear our margin will get very small"*  
Restaurant, Roscommon

*"The lack of places to stay, closure of hotels and local businesses closing is really affecting visitor numbers"*  
Restaurant, Cork

# Inbound Tour Operators & DMCs\*

## Faring better than most sectors

- 43% of inbound operators & DMCs have had more visitors this summer, compared to 40% who have had fewer
- Whilst this performance is mixed, it is more positive than most other sectors
- Expectations for the remainder of the year are quite positive, with 47% expecting to be up on the same period last year vs 34% predicting to be down
- North America is expected to deliver the growth

## Good reasons to be positive, but accommodation needed

- 50% cite their own investment in the business as a positive
- However, cost of tourist accommodation (79%) and lack of it (67%) are the key concerns – more so than in any other sector

*“I think in the next 2/3 years the inbound golf market will continue to grow, especially with the Open Championship going back to Portrush and of course the Ryder Cup going to Adare Manor.”*  
Inbound tour operator, Wicklow

*“Our own niche product is performing so well that it is making up for the large drop in North American enquiry numbers compared to last year”*  
Inbound tour operator, Limerick

*“The increasing cost of a trip to Ireland is making Ireland unaffordable for European touring visitors”*  
Inbound tour operator, Dublin

# Tour Guides

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## Mixed period

- Tour guides have had a mixed summer, with 41% experiencing an increase in customer numbers but 49% citing a decrease
- Future expectations are also mixed, with 38% predicting an increase in visitors during the remainder of the year compared to the same period last year, and 32% expecting a decrease

## Own marketing is working, but accommodation is needed

- 45% of tour guides cite their own marketing as a positive factor on performance
- However, their customers need somewhere to stay
- 70% cite cost of tourist accommodation and 63% cite lack of tourist accommodation as a concern

*"I am working hard to make my business better as I always have done over the past 18 years. I keep my standards extremely high in my business."*

Tour guide, Meath

*"Coach tour numbers are decreasing"*

Tour guide, Galway

*"I've received good word of mouth and positive reviews"*

Tour guide, Dublin