Winter Update

May 2024

Consumer Planning & Insights

Fáilte Ireland

Objectives

1.

Assess travel behaviour and seasonal trends for domestic travel

- Explore how many took a domestic break, and seasonality of trip types, lifestages and motivations.

2.

What did travel for winter 23/24 look like and deep dive into winter city breaks

- Explore domestic winter travel and winter city break behaviours across lifestages and motivations for taking them.

3.

Explore what future domestic travel trends

- Identifying macro factors influencing domestic travel this year and their implications.

Primary research sources used

1. Fáilte Ireland's Domestic Tracker (BBT)
   - Nationally representative sample of n=1,300 Island of Ireland (IOI) consumers interviewed monthly, online.
   - Broad content covering past travel behaviour, future travel intent, trip specifics.

2. Central Statistics Office (CSO) – Household Travel Survey
   - Has two components reporting the number of trips taken – Domestic Travel and Outbound Travel.
   - Monthly survey of n=4,600 households – ROI only, does not have a NI component.
   - Any direct comparisons between the CSO and the BBT are made on an ROI resident basis.

Key findings

- **Maintaining a positive momentum through 2024 will have its challenges.**
  - In terms of trips taken, the domestic category continues to grow. However, this growth is driven by those already engaged in ROI as a destination – so increases in the number of trips per person (frequency) are central to continued growth.
  - The strategy of regional dispersal and seasonality aligns to increasing frequency, in seeking to provide new or alternative occasions for travel.
- **The macro-environment will play a key and influential role in short-term domestic behaviour.**
  - In the absence of improvements to discretionary income, general increases to the cost of domestic holidays will curtail demand. Issues with accommodation supply will compound this effect.
  - The weather (albeit a long-cited barrier to travel) is becoming a prominent element due to more recent patterns – the summer wash out in 2023; 2024 – already wetter than average.
  - Both these elements may tip the 'value' equation in favour of Abroad travel, adding further momentum to destinations that are already showing growth in demand.
- **Illustrating value-for-money remains a key challenge in converting domestic demand.**
  - Communicating and cultivating exceptional visitor experiences shifts appraisals away from cost towards value. Differentiated experiences aligned to the ebb and flow of motivations across seasons will help meet visitor needs. Social Energy and Adventure, as they are energy and activity based, provide reasons to travel both peak / off-peak, but also to less busy / popular destinations.

Travel Behaviour

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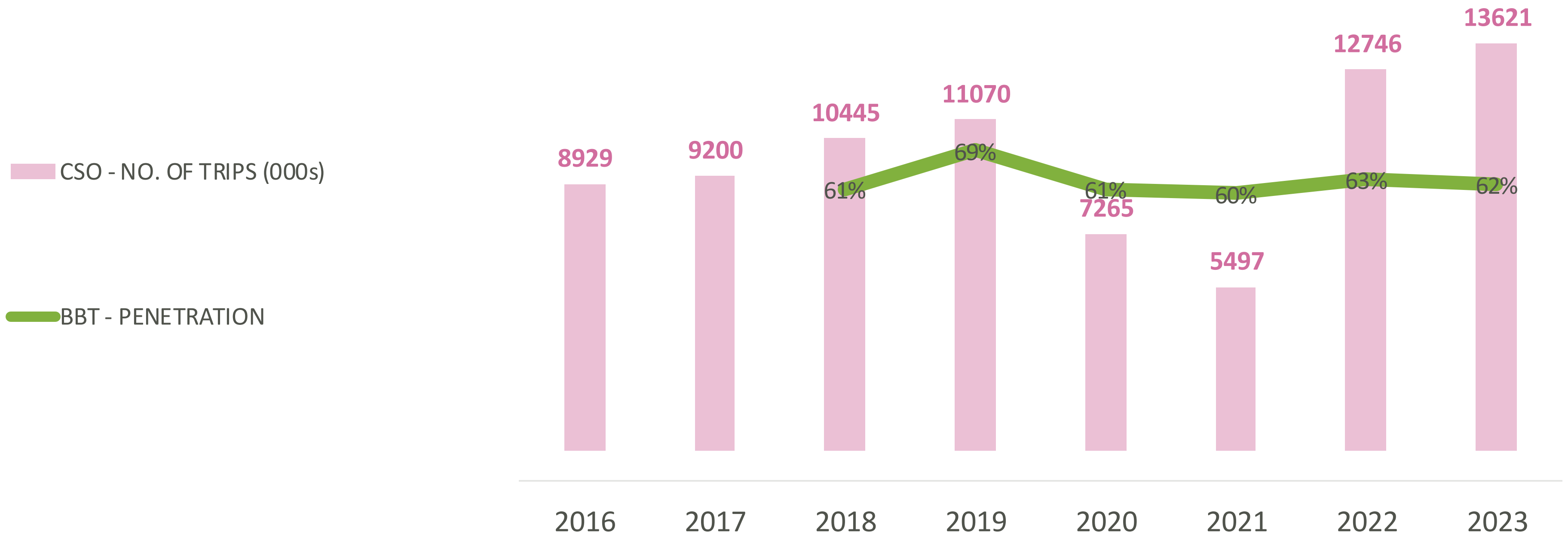
ROI residents are taking more domestic trips, but increases are driven by those already engaged in the category

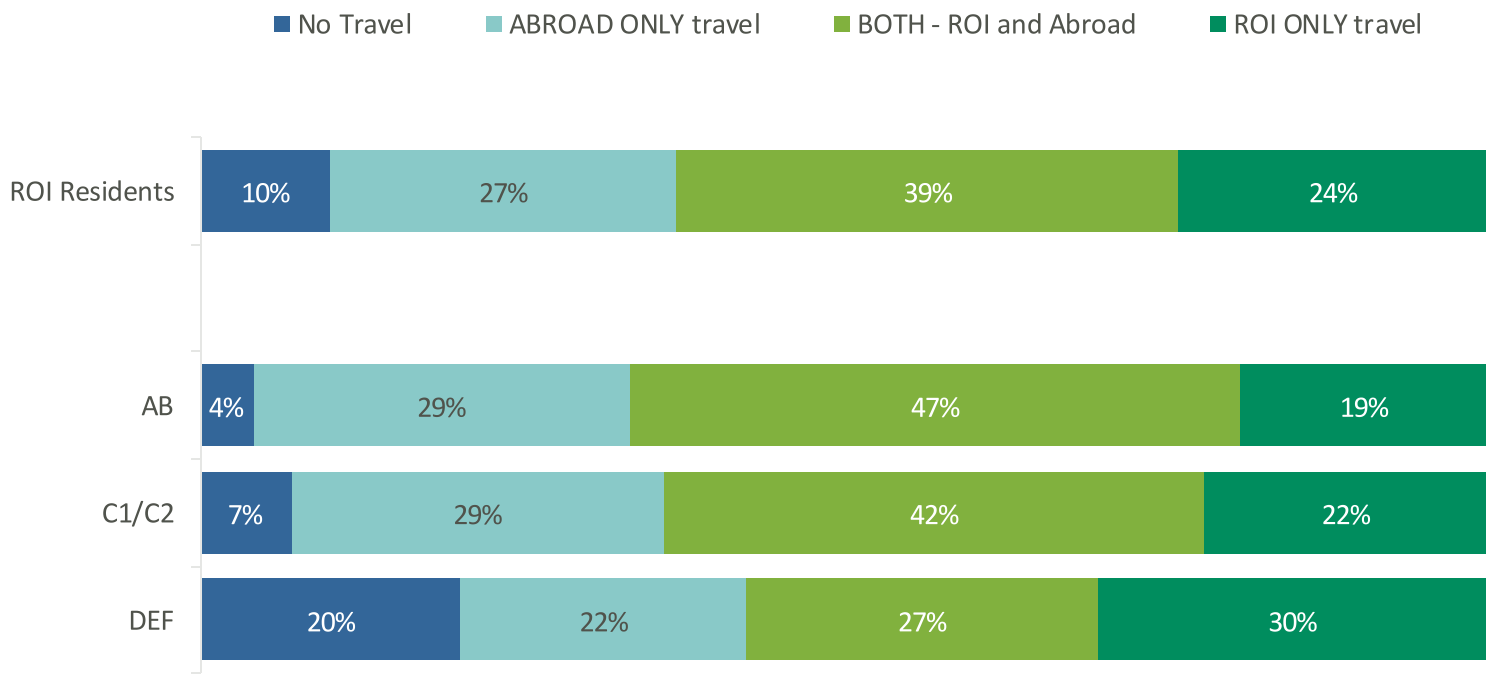
PENETRATION – Short and Long Trips – ROI Residents



CSO based on Personal Trips, classified as holidays, VFR and other personal trips.
Both CSO and BBT data is ROI residents only.

Social Grade is the key differentiator for travel*, followed by Lifestage

PENETRATION – Short and Long Trips – ROI Residents



The proportion of Abroad Only travellers remains consistent across Social Grades, signalling inelastic demand, meaning:

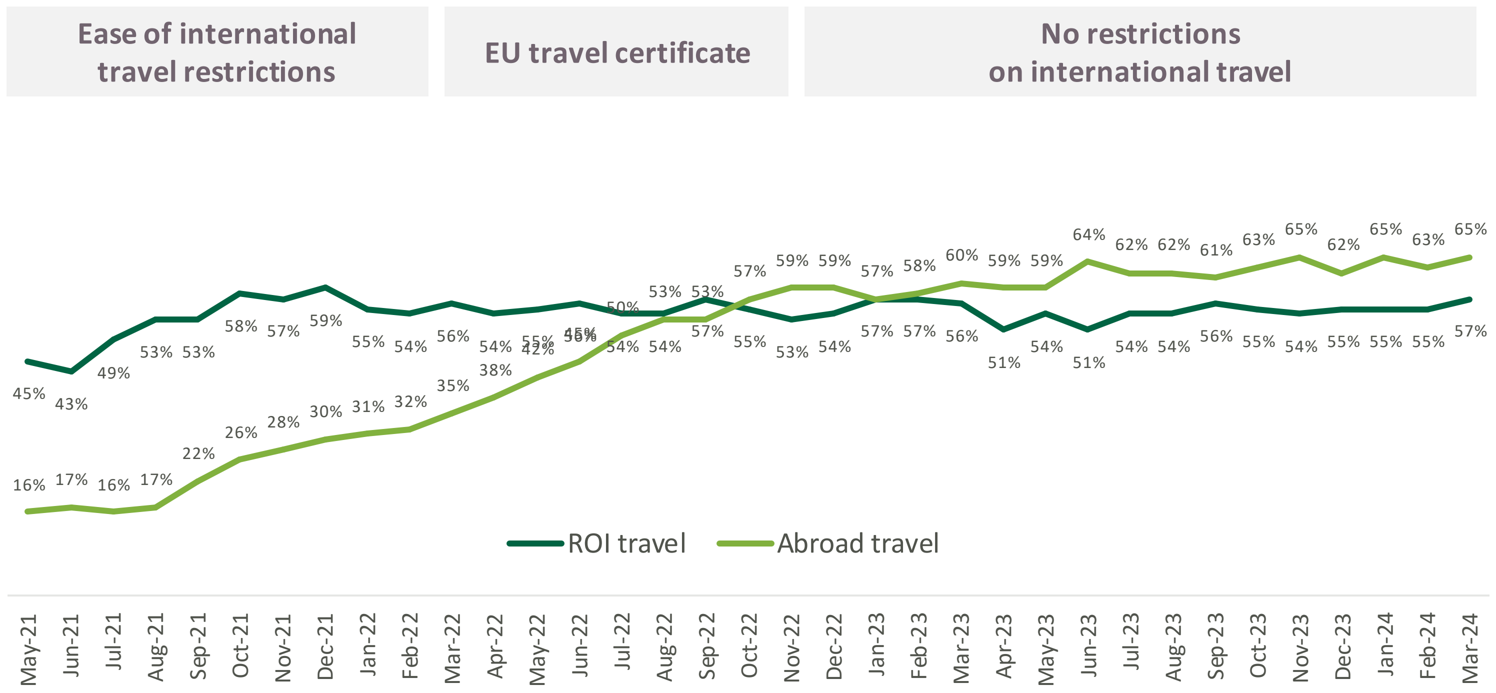
1. For some, Abroad travel is a non-negotiable
2. Gains in penetration can be difficult to achieve

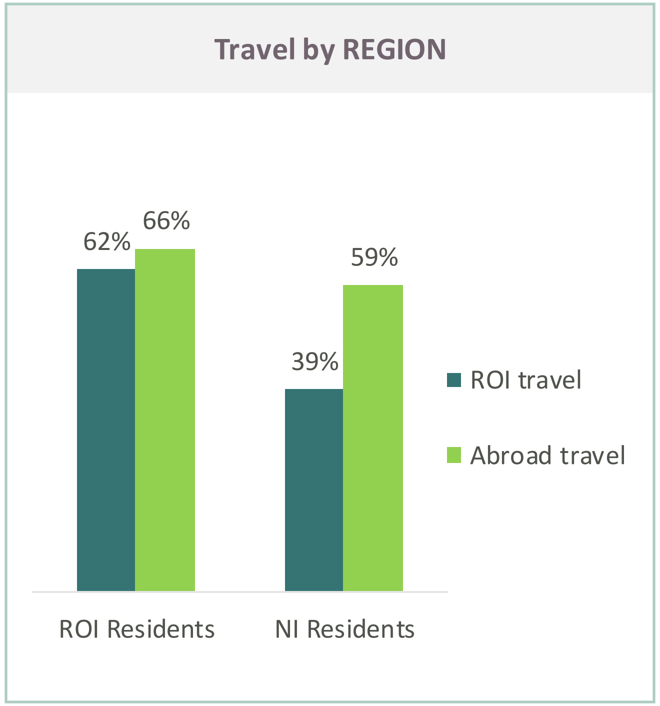
Source: Fáilte Ireland, Domestic Tracker. November 2023 to December 2023
Base: ROI residents

* CHAID analysis to identify the hierarchy of demographic characteristics.

Travel abroad has overtaken domestic travel over the past year, but appears stabilised post-pandemic

Proportion taking overnight trip(s) in past 12 months (IOI) - short and long trips combined

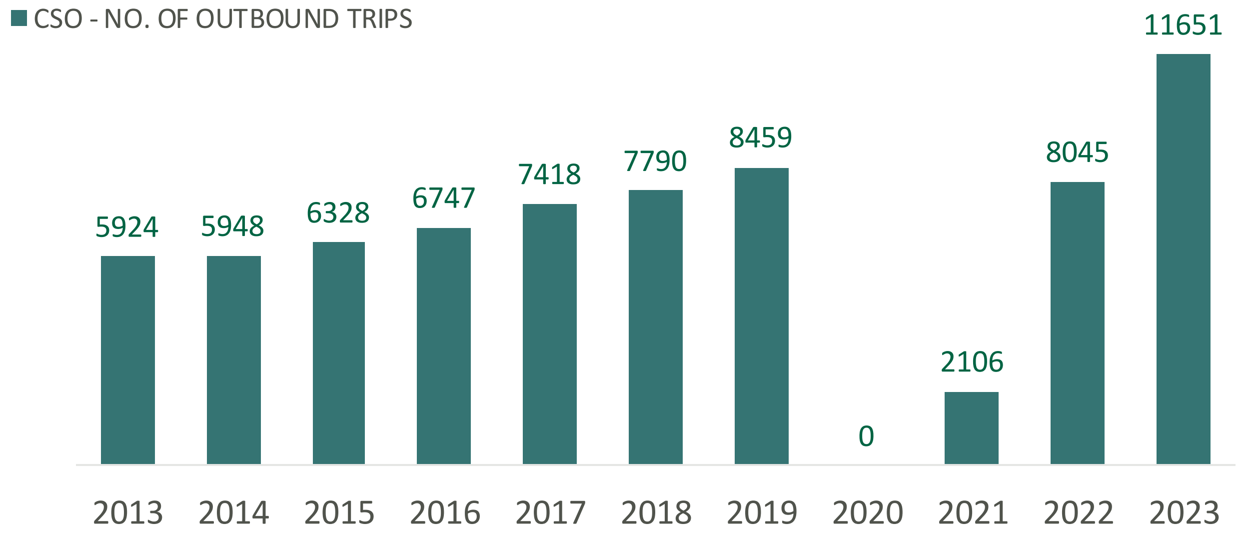


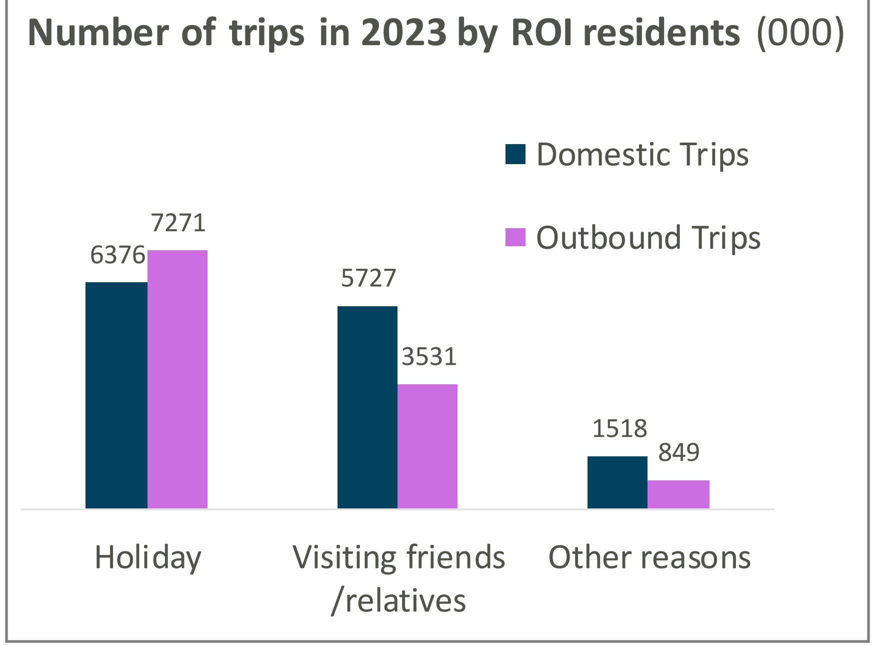


Source: Fáilte Ireland, Domestic Tracker
Base: Total sample (n=1300 per month)

Outbound trips are only now exceeding 2019 benchmarks - further growth can be anticipated

Outbound Travel by Irish Residents (CSO) – number of trips (000)





CSO data based on Personal Trips, classified as holidays, VFR and other personal trips.

Domestic Travel

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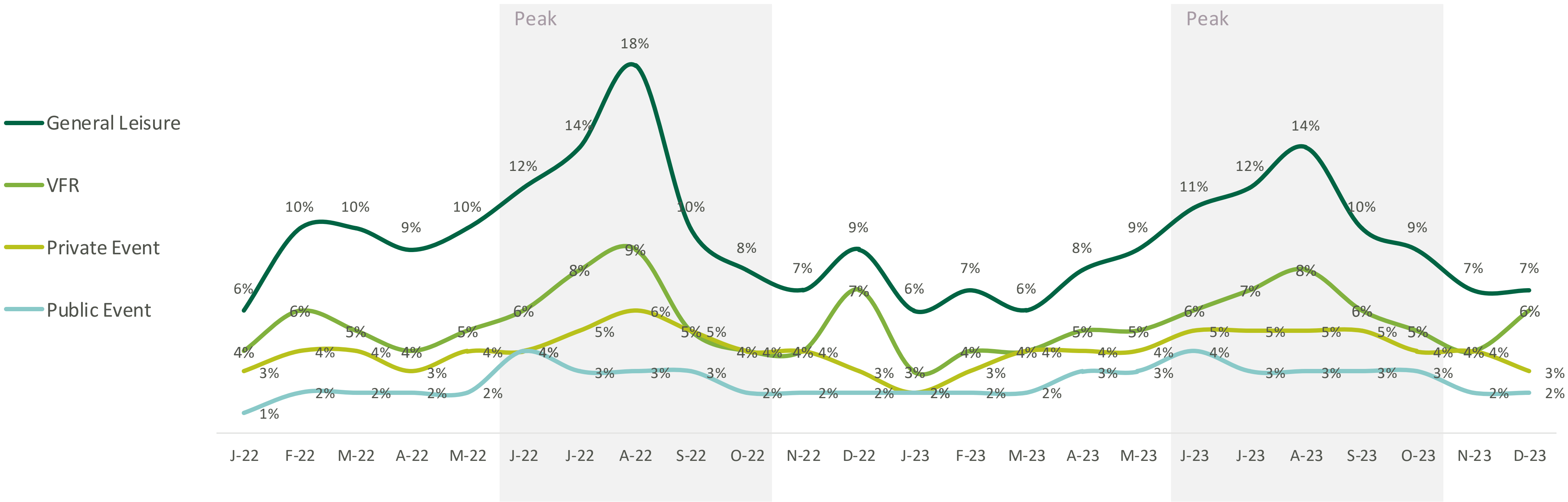
Along with general leisure, the peak period promotes VFR travel. Private / Public events are perennial, but at low levels

OCCASION by TRAVEL MONTH – ROI Residents

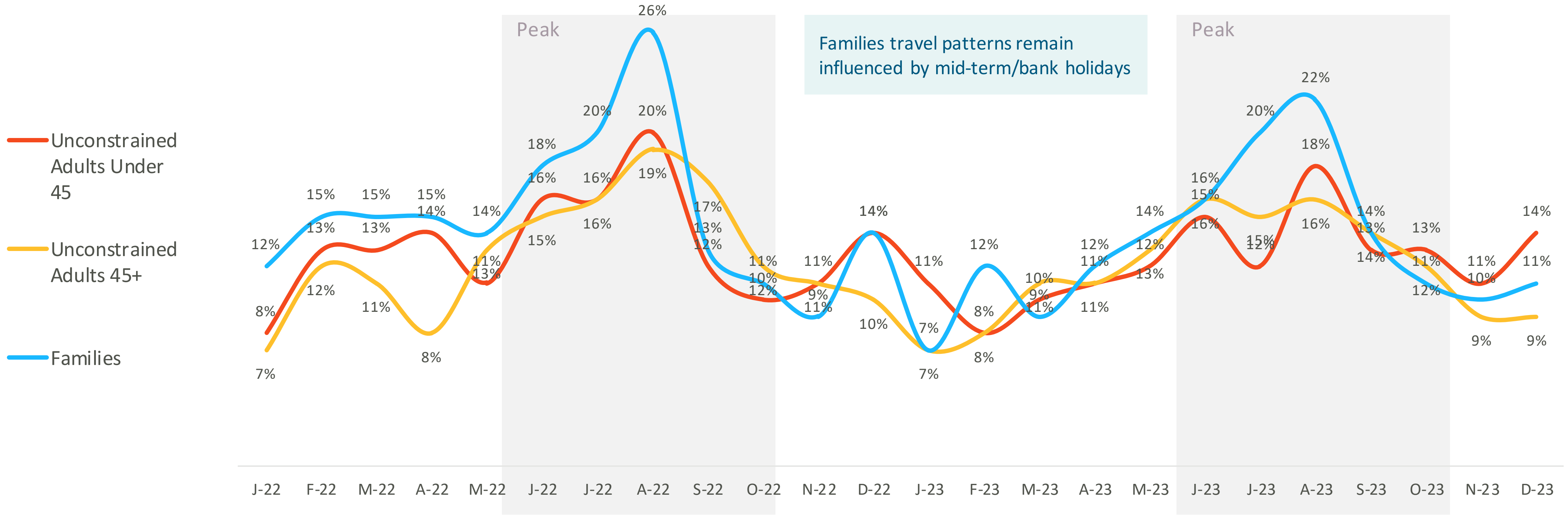


	J-22	F-22	M-22	A-22	M-22	J-22	J-22	A-22	S-22	O-22	N-22	D-22	J-23	F-23	M-23	A-23	M-23	J-23	J-23	A-23	S-23	O-23	N-23	D-23
OVERALL PENETRATION	9%	13%	13%	12%	13%	16%	18%	22%	14%	11%	10%	13%	8%	9%	10%	12%	13%	16%	16%	19%	14%	12%	10%	11%

Source: BBT: Jan 2022 - Feb 2023 waves
Q. “Thinking about this trip in ROI, in what month did you travel?”
Q. “And what was the main reason for this trip?”
Base: ROI n=1000 per wave

Families lead the peak season, but all lifestage groups have the capacity for off-peak travel

PENETRATION X LIFESTAGE FOR ALL TRIP TYPES: ROI



Source: BBT: Jan 2022 - Feb 2023 waves
Q. "Thinking about this trip in ROI, in what month did you travel?"
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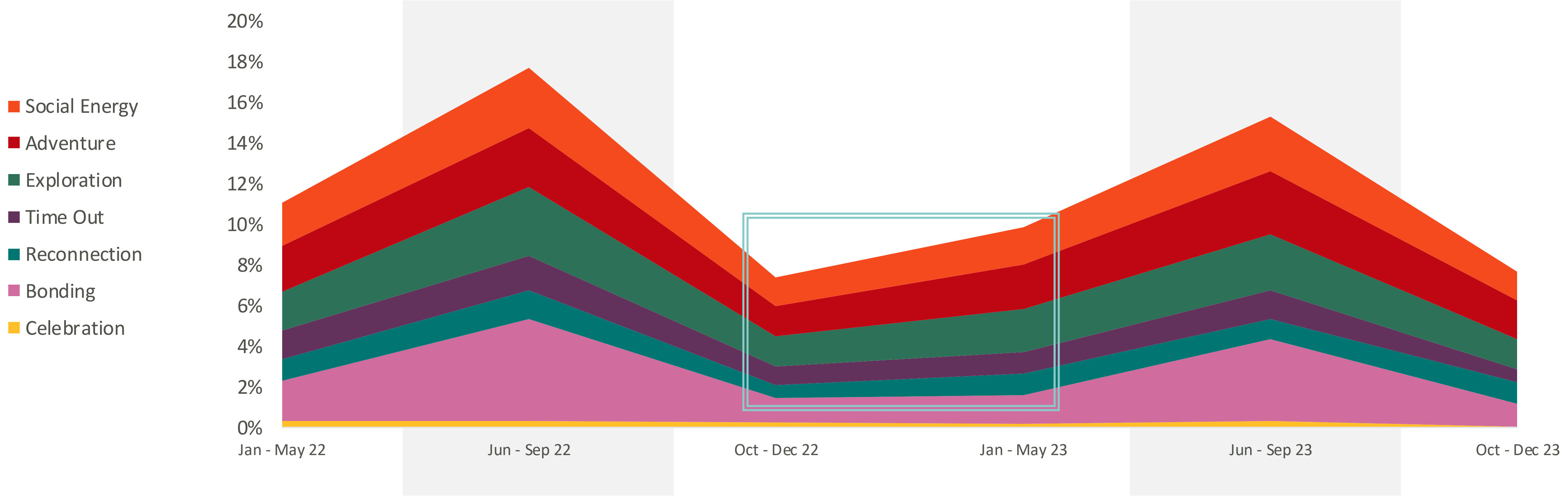
Base: ROI n=1000 per wave

Social Energy, Adventure and Exploration combine to represent the biggest share of off-peak travel

MOTIVATION (on latest GL trip) **by TRAVEL MONTH** – ROI Residents



Source: BBT: Jan 2022 - Jan 2024 waves
Q. "Thinking about the different reasons for taking this trip, how important to you was…"
Base: ROI n=1000 per wave

Winter Travel Behaviour

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Proportions of those that took city breaks this winter are in line with last year

Domestic travel during the winter months

As of March 2024, over half (57%) of Irish consumers took a domestic trip in the past 12 months

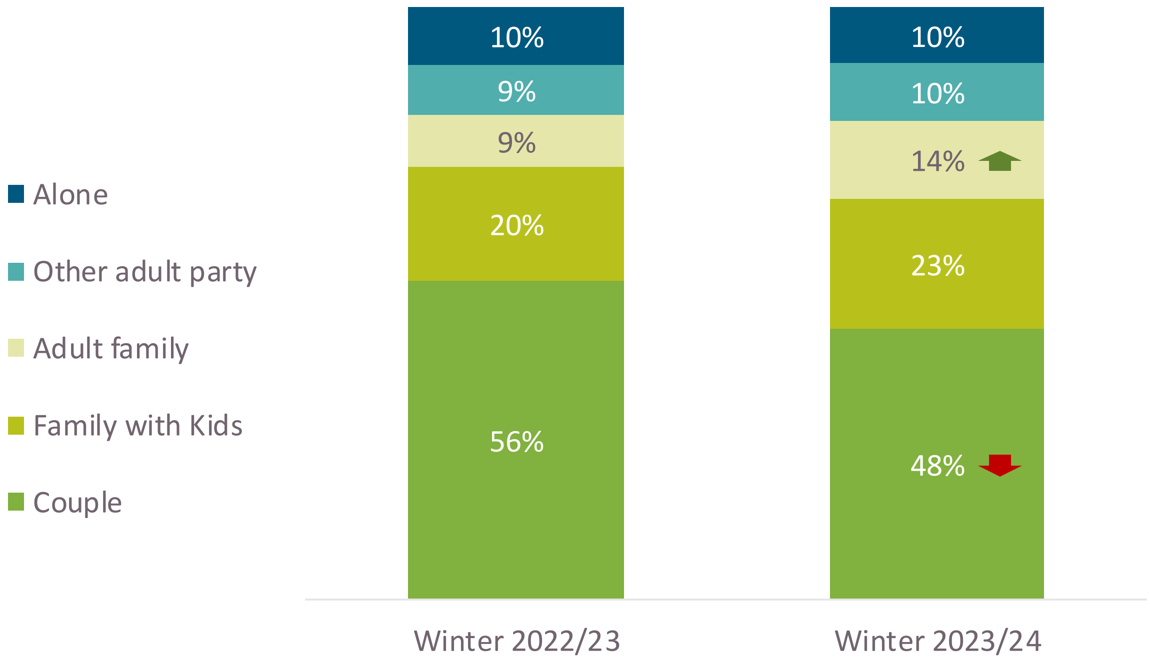
One quarter (27%) went on a general leisure break during the winter months

The majority of those who went on a winter break went to a city destination

Source: Fáilte Ireland, Domestic Tracker
Base: Total Sample (n= 1,300)

Couples continue to be the key group for domestic winter travel

Travel party for ROI winter breaks



While there has been a significant decrease in couples taking trips this winter, and a significant increase in those travelling with adult family, couples remain the dominant travel group.

Source: Fáilte Ireland, Domestic Tracker Nov to March 2022/2023/2024
Base: Those took a short/long break in ROI in Winter months (n=c 450)

Significant Increase: year-on-year
Significant Decrease: year-on-year

While more overnight trips were made to IAE and Wicklow this year, Dublin remains the leading county for winter travel

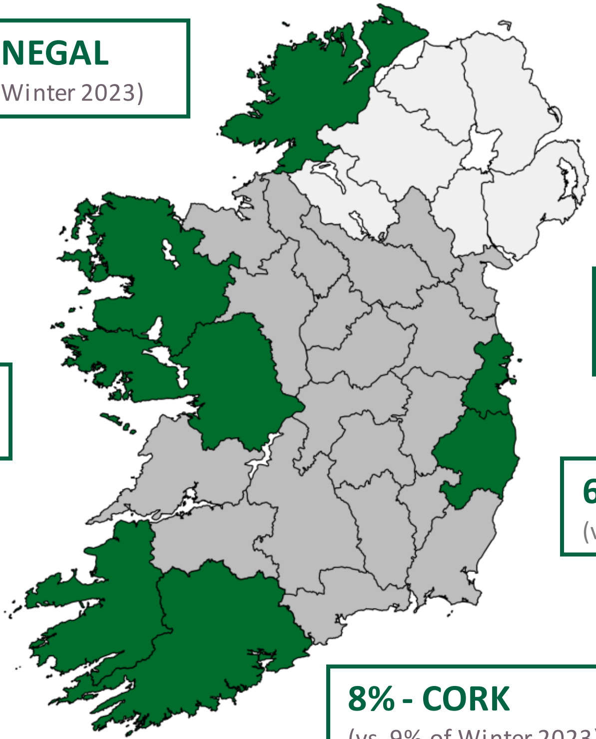
Main county stayed in for overnight winter trip

8% - DONEGAL
(vs. 10% of Winter 2023)

5% - MAYO
(vs. 5% of Winter 2023)

10% - GALWAY
(vs. 12% of Winter 2023)

10% - KERRY
(vs. 9% of Winter 2022)



8% - CORK
(vs. 9% of Winter 2023)

17% - DUBLIN
(vs. 21% of Winter 2023)

6% - WICKLOW ▲
(vs. 1% of Winter 2023)

General domestic trips to Dublin decreased from 21% in winter 2022/23 to 17% in winter 2023/24.

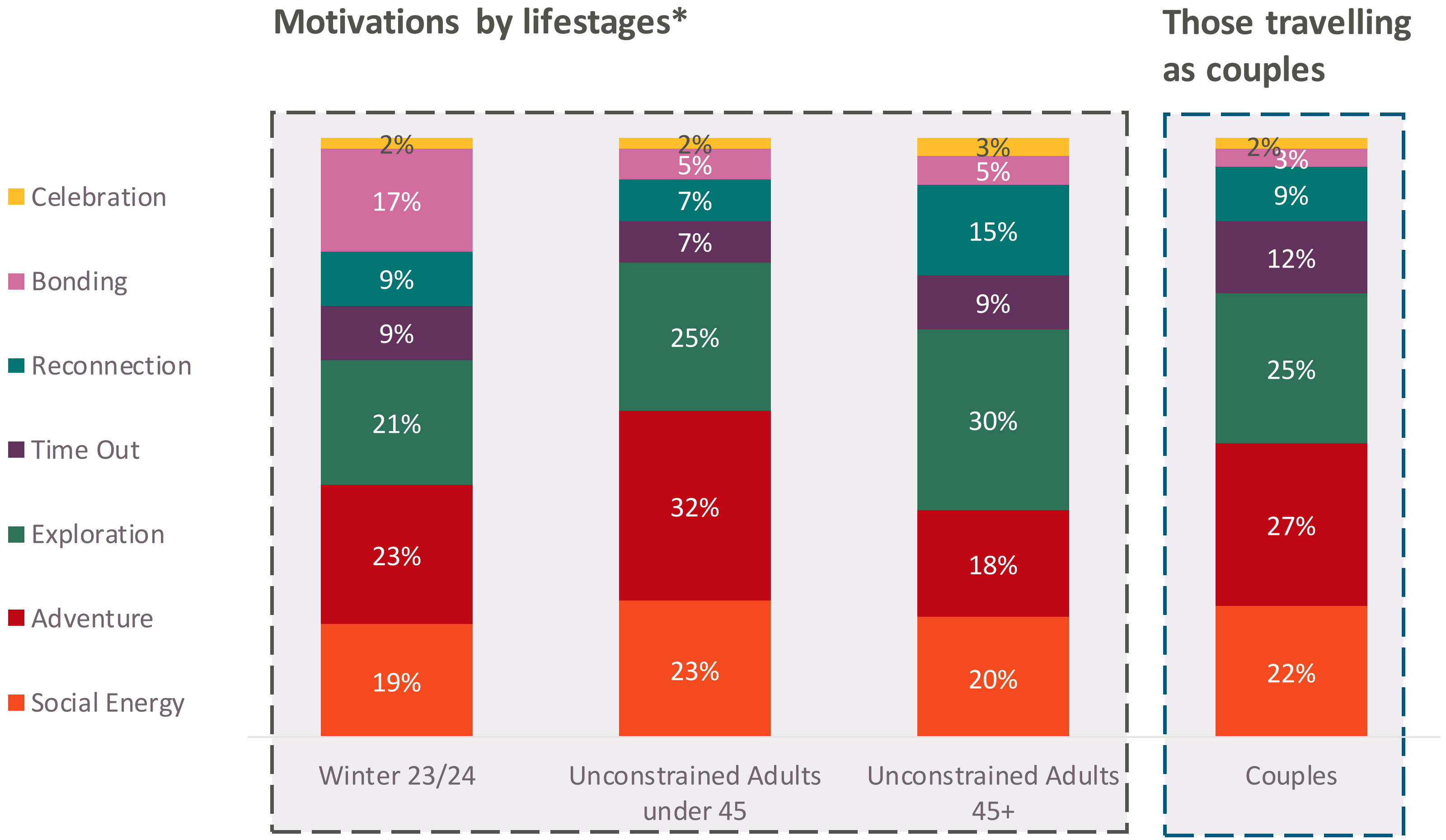
Regional brand penetration

Wild Atlantic Way	**41%** (45%)	
Ireland's Ancient East	**31%** (22%)	▲
Dublin	**17%** (21%)	
Ireland's Hidden Heartlands	**11%** (11%)	

Source: Fáilte Ireland, Domestic Tracker – Nov22 to March23 / Nov23 to Feb24
Base: those who made a winter ROI trip: 2023: 416, 2024: 284 Shows counties with 5% or more share in 2024

▲ Significant Increase: year-on-year
▼ Significant Decrease: year-on-year

A clear importance of higher energy state motivations such as Adventure and Social Energy as a catalyst for winter travel



There are clear characteristics of winter travel.

Being predominantly driven by Adventure and Social Energy, they are engaging, high energy experiences, and are trips made with a clear purpose. Travel is for specific things, being bursts of energy around things to do or people to see. As such, they are shorter in nature, with 62% of overnights lasting for only two nights.

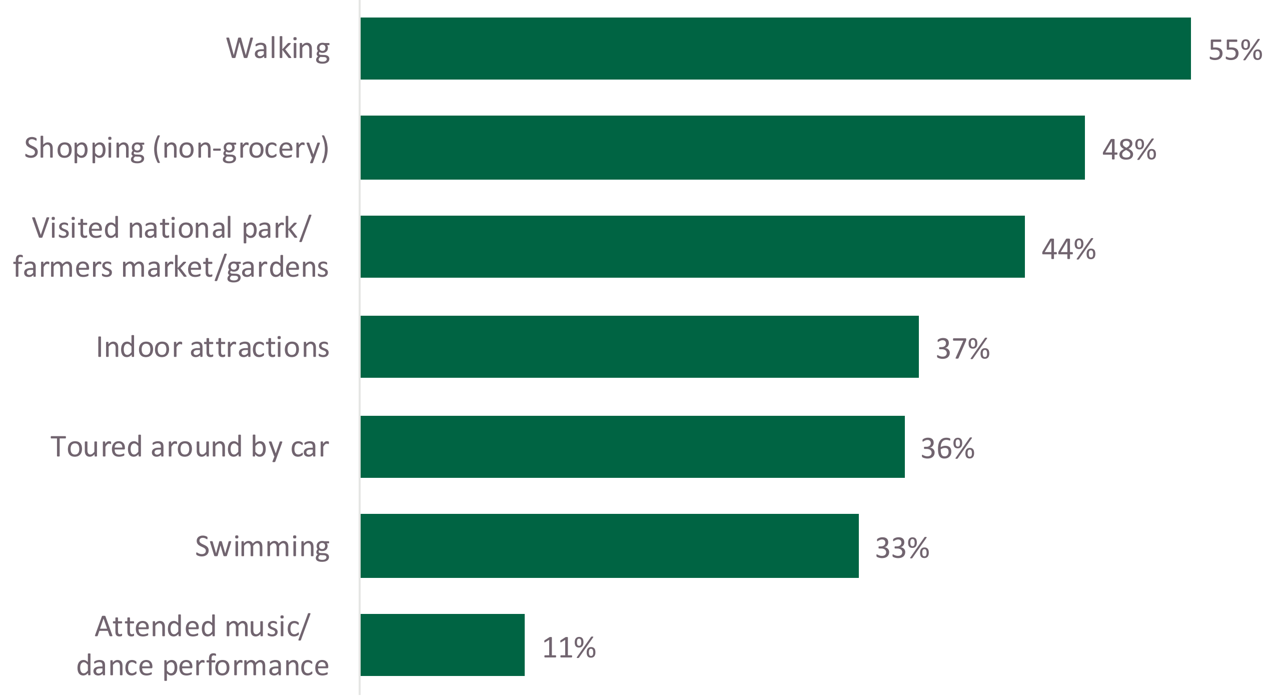
Source: Fáilte Ireland, Domestic Tracker Nov 2023 to March 2024
Base: Those who took a general leisure winter break (n=303)

**For general leisure trips and not directly comparable to Motivations flip book*

Consumers are participating in multiple activities on their winter breaks, engaging in a breadth of experiences on offer

Activities on a winter break

76%
do a least one activity on winter overnight breaks. On average, those doing any activity do
4.8
activities

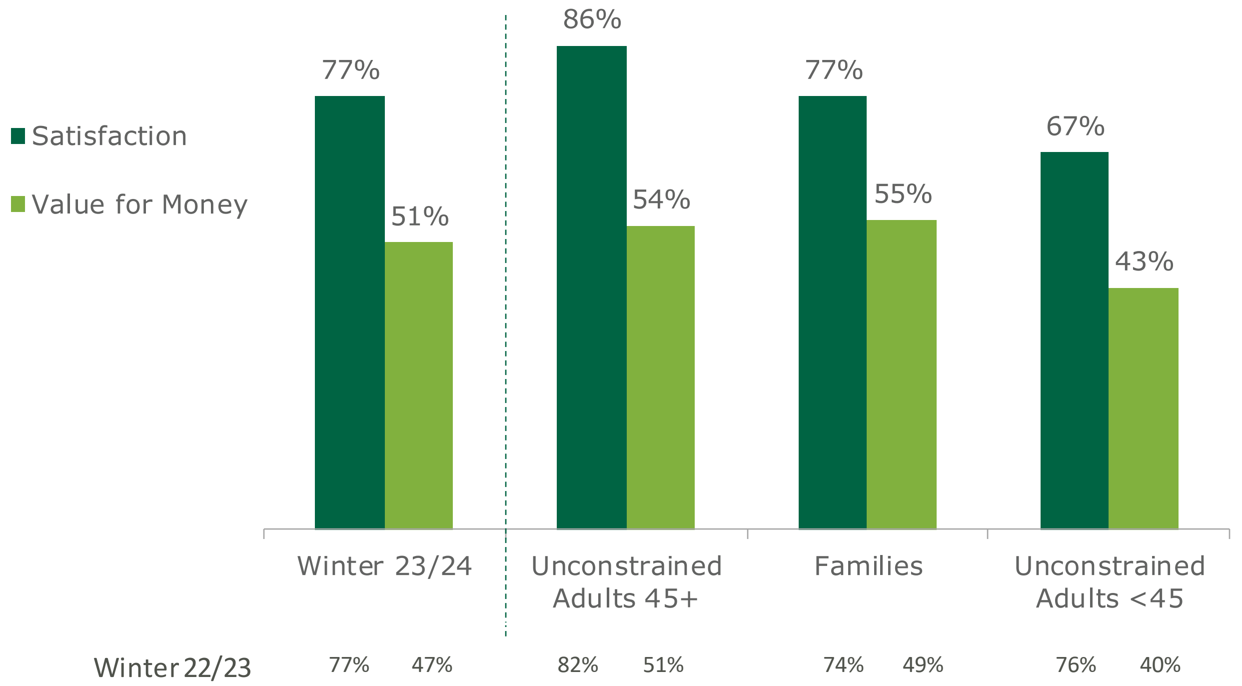


	Families	Unconstrained Adults < 45	Unconstrained Adults 45 +	Travelling as couples
	56%	49%	60%	58%
	49%	51%	46%	50%
	45%	42%	43%	59%
	34%	41%	37%	40%
	32%	27%	47%	40%
	46%	24%	28%	29%
	13%	12%	9%	10%
Average activities	4.9	4.1	5.5	4.8

Source: Fáilte Ireland, Domestic Tracker Nov 2023 to March 2024
Base: Those who took a break in ROI in next winter months (Nov to March) (n=474)

Clear differences in expectations across lifestage groups are illustrated by patterns of satisfaction/VFM ratings

Satisfaction / Value for money (Top 2 Box)



In particular, Younger Unconstrained Adults are more likely to seek higher energy motivations such as Social Energy and Adventure, suggesting a certain level of engagement and thrill is needed.

While immersion into the place and atmosphere is sought by Older Unconstrained Adults, with winter trips driven by Exploration.

Useful mechanisms to create and then match expectations with experiences could include:

1. **Purpose built itineraries or packaged winter experiences**
2. **Tactical Marcomms tailored to each group's preferences and motivations**

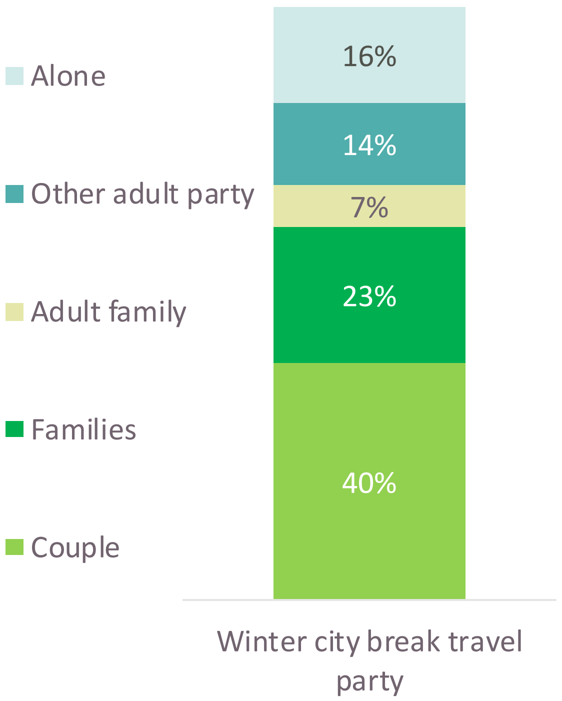
Source: Fáilte Ireland, Domestic Tracker
Base: Those took an ROI break in the Winter months (286)

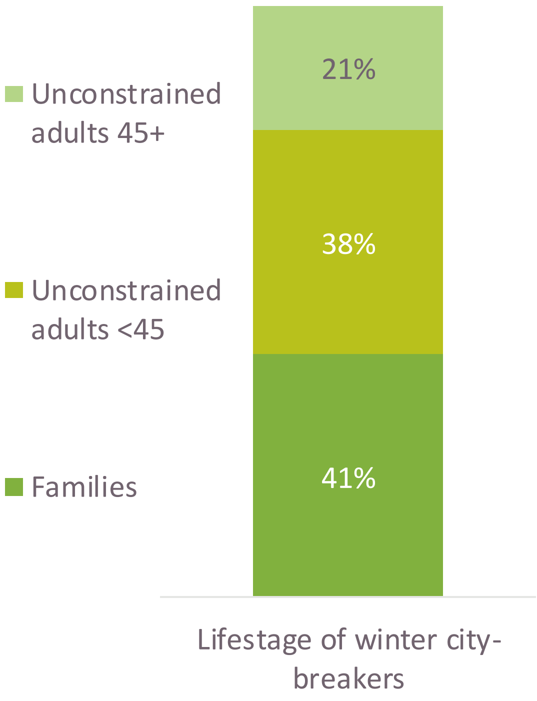
Winter City Breaks

Fáilte Ireland

Winter city breaks are primarily driven by adults, by those travelling as a couple, alone, or with friends

Winter city break travel party and lifestages



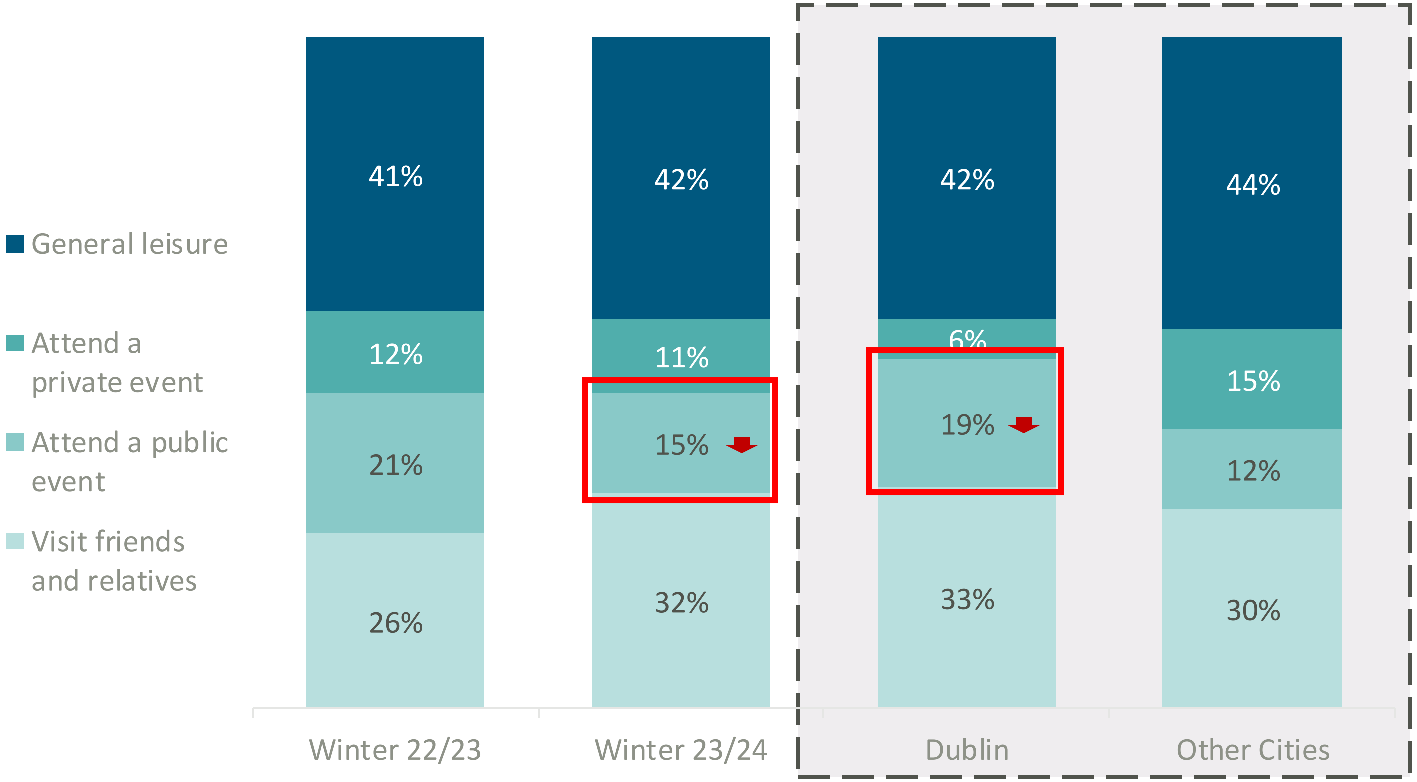


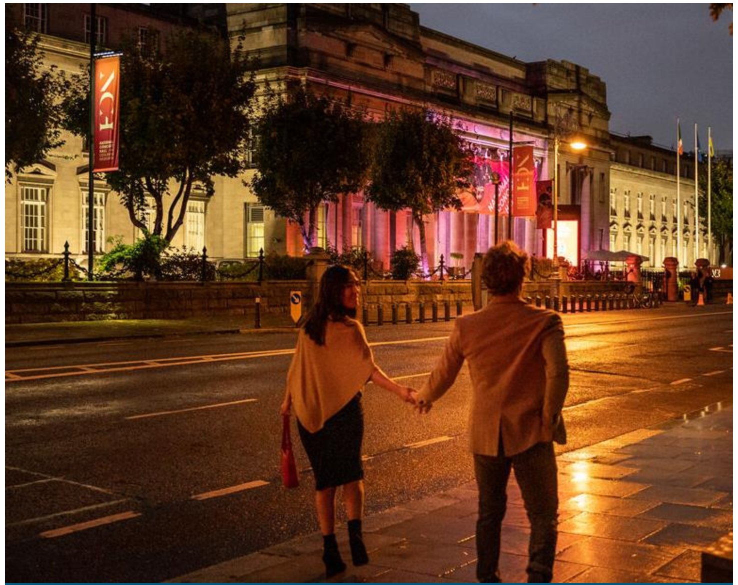
Families leave their kids behind when taking winter city breaks (41% have kids, but less than a quarter travel with kids).

Source: Fáilte Ireland, Domestic Tracker March 2024
Base: If took Winter City Break from Nov 23 to Feb 24 (n=329)

The profile of city trips has shifted this winter, with a significant decrease in trips to attend public events

Type of winter city break taken





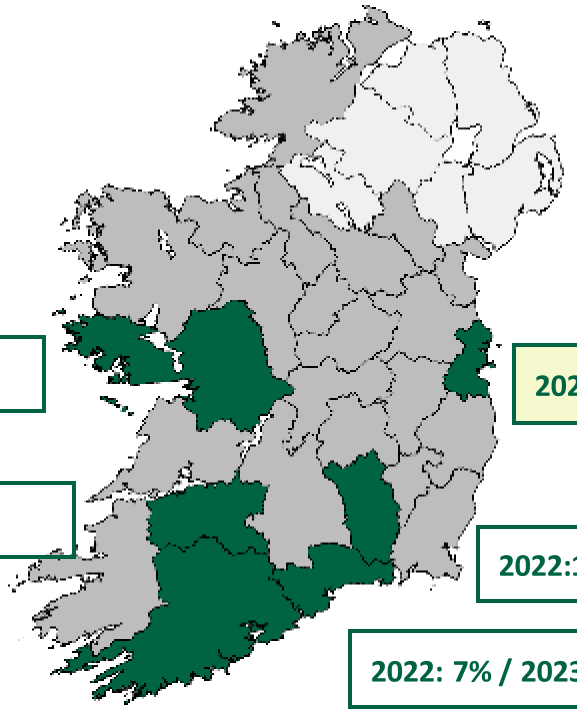
There has been a significant decrease in consumers taking city breaks to Dublin to attend public events this winter (19% this winter vs 29% last year).

Source: Fáilte Ireland, Domestic Tracker, 2023
Base: Those who went on a winter city break (n=329)

Significant Increase: year-on-year
Significant Decrease: year-on-year

While still the leading destination for winter city breaks, overnight trips to the capital were down year on year

Winter city break destinations*



There has been a significant decrease in domestic city breaks to Dublin this winter, following a significant jump in visitation over winter 2022.

A combination of factors may be contributing to this.

As 2022 was the first Covid free winter, pent up demand likely drove the spike in visits to Dublin last year. Along with this, there was a drop in trips to the capital for public events this winter, while Younger Unconstrained Adults favoured Galway for their city breaks.

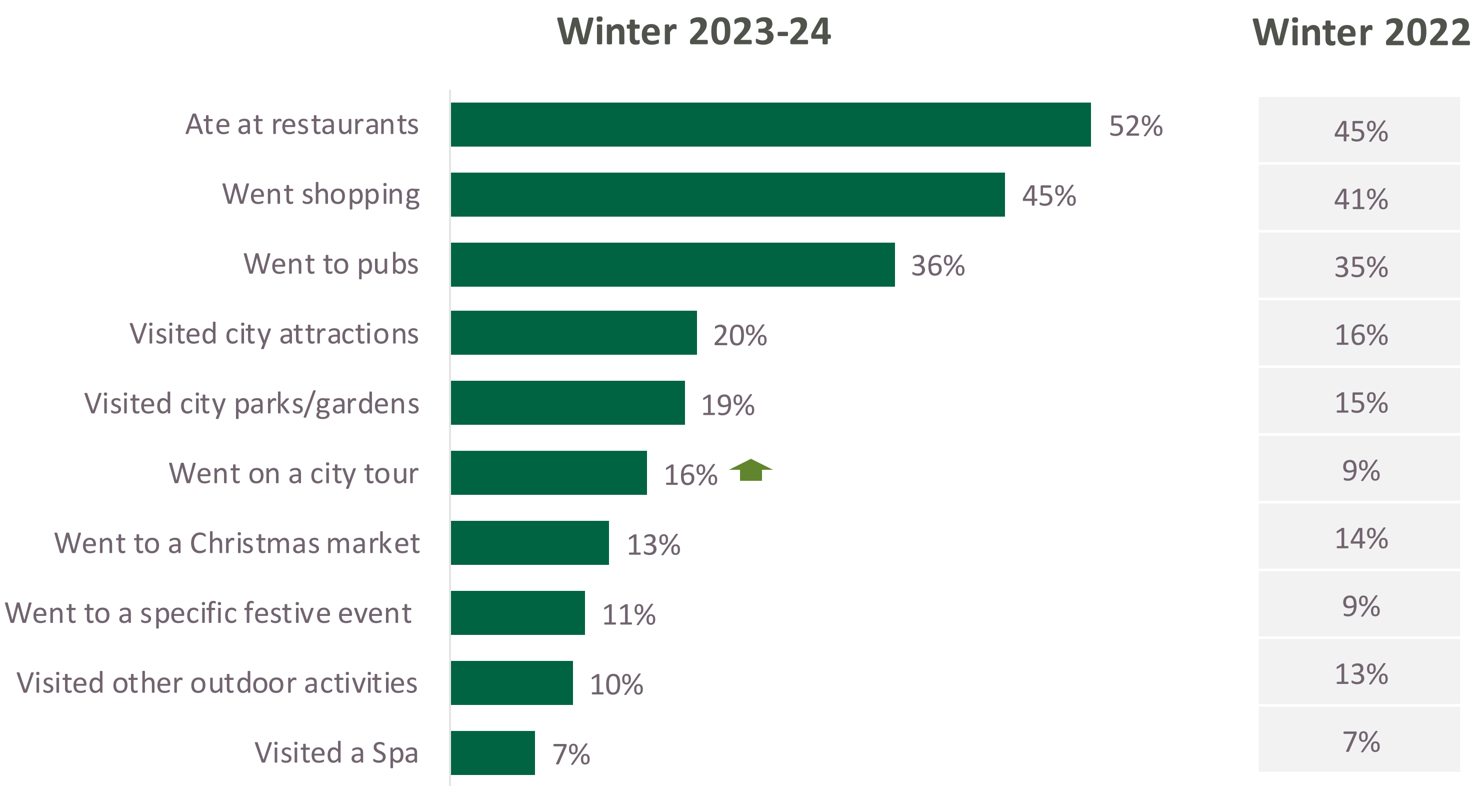
Source: Fáilte Ireland, Domestic Tracker March 2024
Base: Those who went on a Winter City Break (n=329)

Significant Increase: year-on-year
Significant Decrease: year-on-year

**Percentages don't add to 100% as some consumers could have been on multiple city breaks over the Winter period*

Taking a ‘City Tour’ has increased this winter, but otherwise, activities show a similar pattern to last year

What activities did you do on your Winter city break?



16% took a City Tour, up from 9% last winter. This was primarily driven by Dublin, by visitors seeking to discover new parts of the city, meet new people, have cultural experiences, and have an adventure.

Source: Fáilte Ireland, Domestic Tracker March 2023 / 2024
Base: Those who took a winter city break in winter 2022-23 (n=382) / winter 2023-24 (n=329)

Significant Increase: year-on-year
Significant Decrease: year-on-year

Fun times, good food, and relaxing with good company in a vibrant atmosphere were key highlights for city breaks this winter

Verbatims: Highlights of winter city break

1. The Christmas Setting

The Christmas setting and vibrancy is a key part of winter city breaks. Christmas lights in cities or shopping centres but also Christmas markets hold a strong appeal.

2. Atmosphere

The generally warm winter atmosphere is a draw to winter city breaks. Places can be buzzing which is part of the attraction.

3. Family/Friends

A winter city break is a great opportunity to spend time with loved ones. It can also be an opportunity to reconnect with relatives or old friends.

4. Relaxing

A winter city break is a good opportunity to relax and treat oneself. It's a needed break from routine, a chance to unwind and indulge.

5. Food and drinks

Many stated that food and drinks were their highlight of their winter city break, citing for example the pubs with roaring fires and great music. This can also be the opportunity for a different food experience.

6. Fun

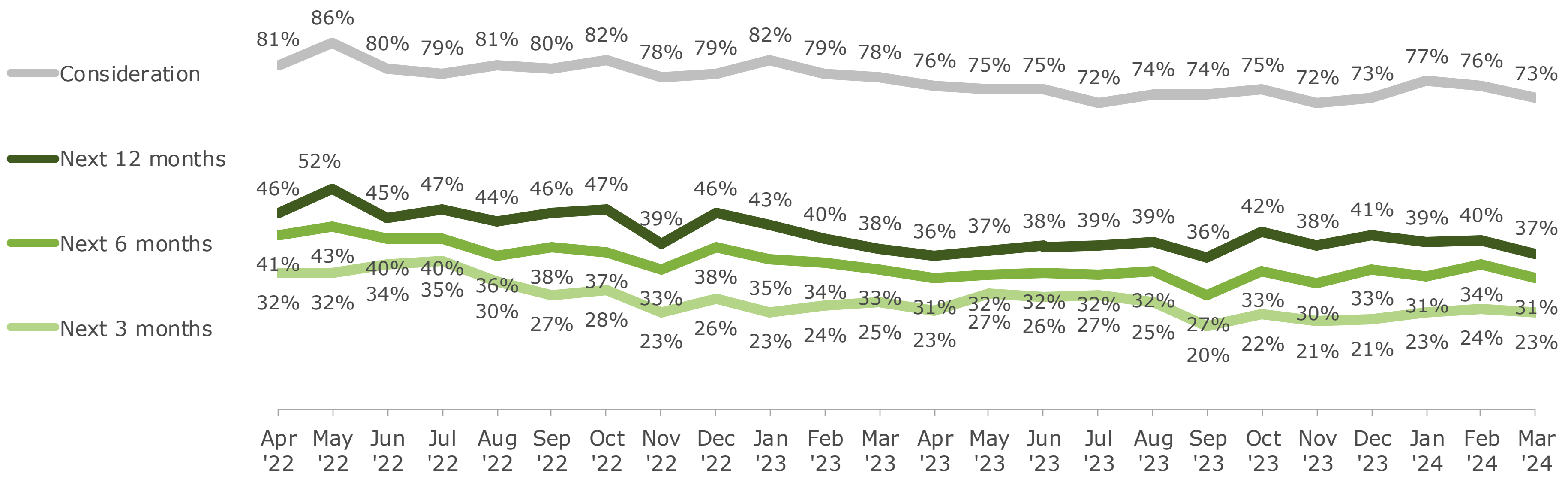
Visitors enjoy a winter city break and generally mention having fun. More specifically it can be specific city experience (for example a castle) or some activities.

Source: Fáilte Ireland, Domestic Tracker
Base: Verbatims - those who went on a winter city break (n=329)

Travel Intentions

Intentions to take domestic short breaks softened considerably with the onset of more challenging economic conditions but are now holding stable

INTENT & CONSIDERATION – Travel within the REPUBLIC OF IRELAND (short breaks)

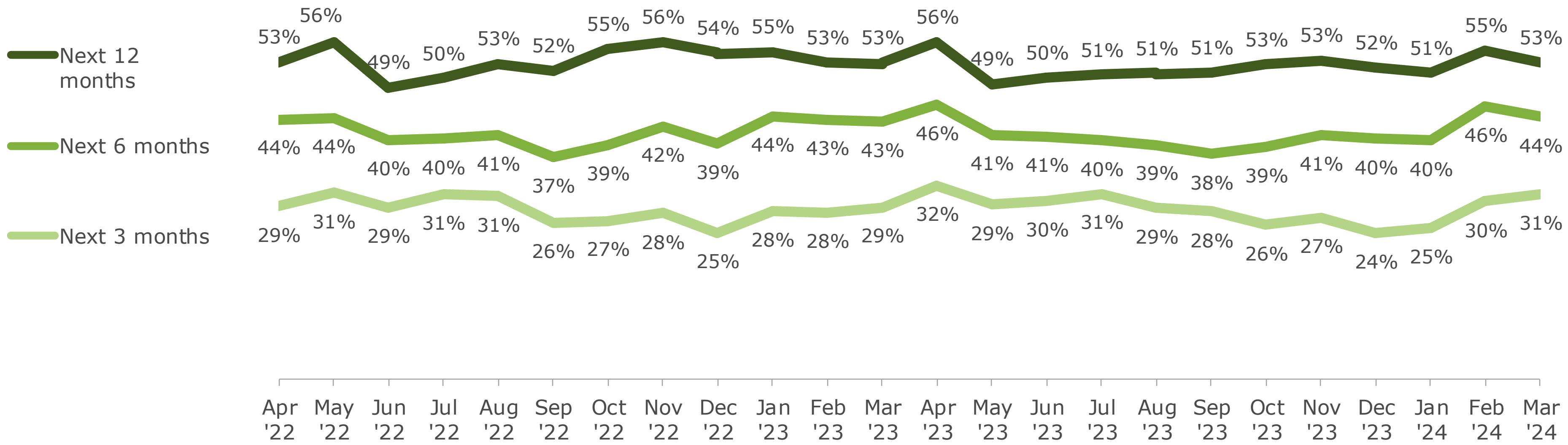


Source: Fáilte Ireland, Domestic Tracker
Base: Total sample (n=1300 per month)

Significant Increase: year-on-year
Significant Increase: month-on-month
Significant Decrease: year-on-year
Significant Decrease : month-on-month

In contrast, intention for Abroad short breaks is high and stable, illustrating a stronger potential for growth

INTENT – Travel ABROAD (short breaks)



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Significant Increase: year-on-year
Significant Increase: month-on-month
Significant Decrease: year-on-year
Significant Decrease : month-on-month

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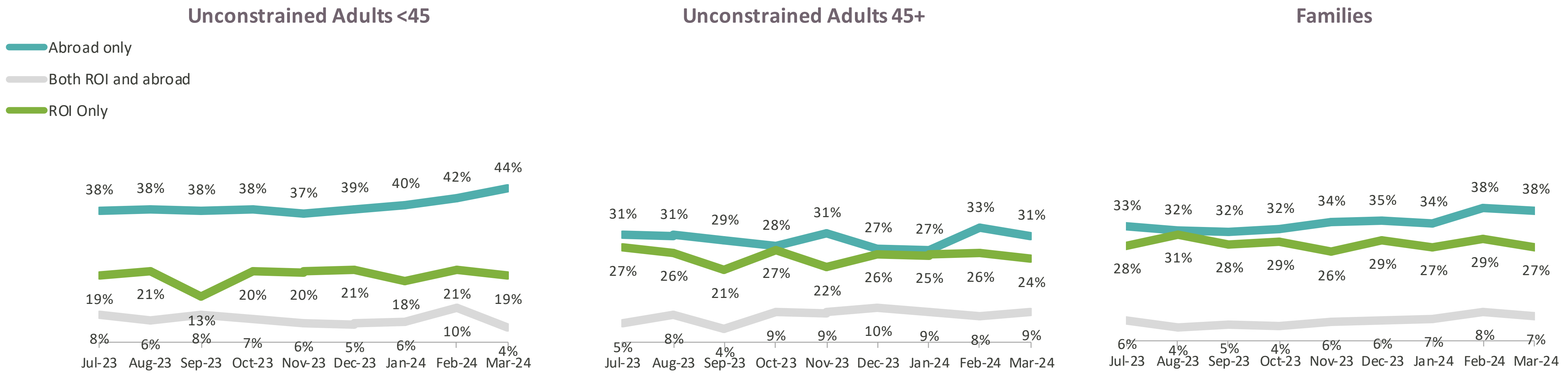
Over the next 6 months, Younger Unconstrained will drive Abroad travel, but Families are showing increasing Abroad intent

Fáilte Ireland

INTENT – 6 months intent crossover (short breaks)

Families traditionally support the domestic peak season with longer holidays but there may be shift in short break behaviour given divergent short-break intentions



Source: Fáilte Ireland, Domestic Tracker
Base: Total sample (n=1300 per month)

What can impact future intent

Fáilte Ireland

Aspirations for travel are evident for 2024, however, a cautious optimism is present, with consumers prepared to reduce spending to tackle the cost-of-living if needed

General mood, positive but cautious

The mood of Irish consumers appears more positive when compared to the same time last year. That said, the current level is significantly below the long-term average for consumer sentiment, implying confidence is subdued presently.

While there is an element of relief for consumers that price pressures are easing, this is offset by continuing strains on spending power and ongoing concerns about the economic outlook.

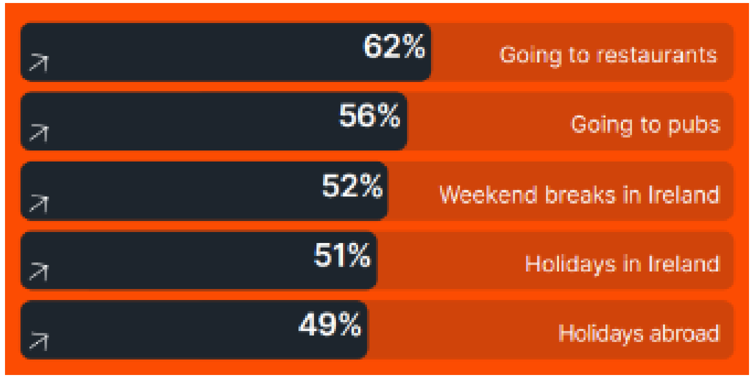
Desire to travel is evident

The main motivation to save in 2024 is for a rainy day, followed by saving for a holiday, home improvements, a new car or a new home. The opportunity to travel also features more strongly this year as part of the top three new year's motivations (+5%).

Competition from abroad

Travel operators are observing an upsurge in long-haul bookings abroad as people's sense of adventure returns post-Covid. Group travel, authentic experiences and bucket-list trips are on consumers' radars for 2024.

Hospitality at risk of reduced spending

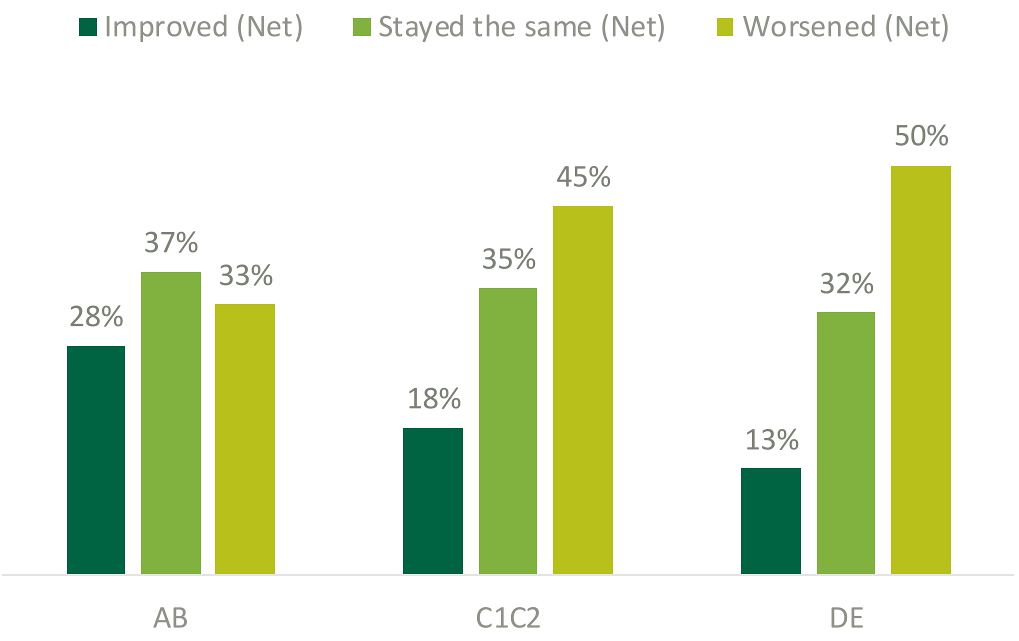


Consumers are prepared to make cutbacks to tackle the cost-of-living. However, **consumers aren't prepared to give up their overnight holidays immediately**, with eating and drinking out being the first to cut back on, if needed.

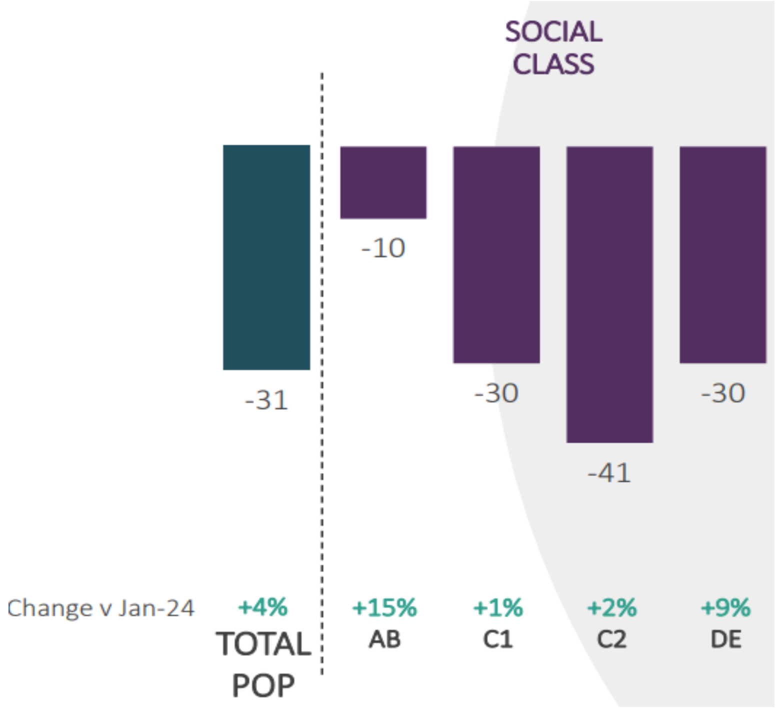
Source: Credit Union Consumer Sentiment Index, Red C Consumer Mood Monitor, Reflecting Ireland report, Irish Times, PTSB report: Reflecting Ireland report January 2024

Financial constraints do not hit everyone evenly, with lower social grades the most impacted

To what extent has your financial situation changed compared to the same time last year?



Expectations for the Irish economy six months from now (% get better LESS % get worse over the next six months)



Financial constraints and concerns have a greater impact on lower-income households. In contrast, those already better off, who drive domestic travel, can absorb and adapt to cost of living pressures more easily, potentially widening the gap in travel experiences and demand across different socioeconomic groups.

Sources: Fáilte Ireland, Domestic Tracker – Sept 2022 – Mar 2024 waves Base: All ROI residents 1000 per month. Red C Research: Consumer Mood Monitor, April 2024

Key findings

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  - The strategy of regional dispersal and seasonality aligns to increasing frequency, in seeking to provide new or alternative occasions for travel.
- **The macro-environment will play a key and influential role in short-term domestic behaviour.**
  - In the absence of improvements to discretionary income, general increases to the cost of domestic holidays will curtail demand. Issues with accommodation supply will compound this effect.
  - The weather (albeit a long-cited barrier to travel) is becoming a prominent element due to more recent patterns – the summer wash out in 2023; 2024 – already wetter than average.
  - Both these elements may tip the 'value' equation in favour of Abroad travel, adding further momentum to destinations that are already showing growth in demand.
- **Illustrating value-for-money remains a key challenge in converting domestic demand.**
  - Communicating and cultivating exceptional visitor experiences shifts appraisals away from cost towards value. Differentiated experiences aligned to the ebb and flow of motivations across seasons will help meet visitor needs. Social Energy and Adventure, as they are energy and activity based, provide reasons to travel both peak / off-peak, but also to less busy / popular destinations.

Thank you

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May 2024