

Tourism NI Industry Survey

November 2023 Report



TOURISM
NORTHERN
IRELAND

Cognisense
INSIGHTS THAT INCITE



A person wearing a white lab coat and a blue beanie is walking a dog on a leash through tall grass on a hillside. The background shows a bay and mountains under a hazy sky. The text "Research objectives, methodology and sample" is overlaid in blue on the image.

Research objectives, methodology and sample

Research objectives

- This report details the findings from Tourism NI's Industry Survey, the purpose of which was to gather information to enable Tourism NI to:
 - monitor industry performance for the year to date (January – September 2023).
 - assess expectations for the rest of the year (October – December) and 2024.
 - determine causes for concern regarding business this year.
 - help inform the development of future industry support.



Methodology

- Cognisense Ltd. conducted the survey and data analysis.



- A total of 448 businesses participated:



276 online

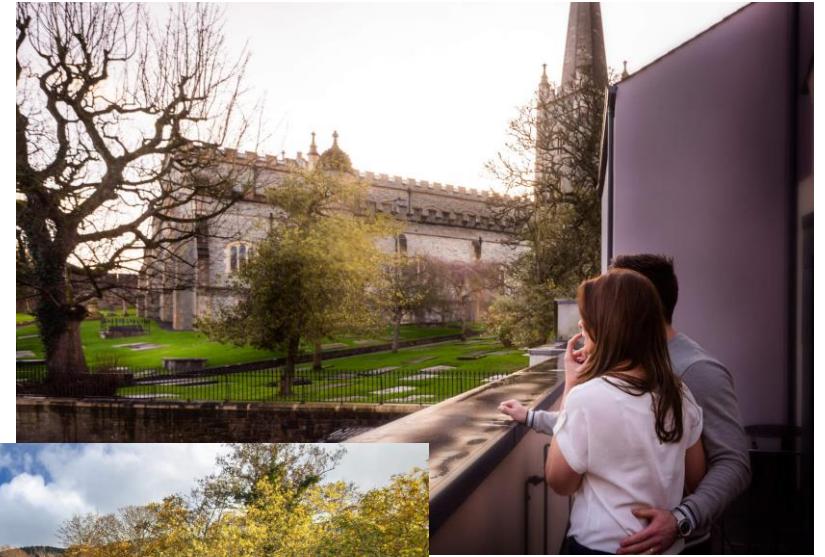


172 via telephone

- The fieldwork was administered 9th-31st October.
- All research was carried out in accordance with the Market Research Society's Code of Conduct.

Responses by sector

Sector	Responses (% of sample)
Accommodation provider	283 (63%)
Activity/experience provider	73 (16%)
Attraction	53 (12%)
Tour operator	17 (4%)
Food and drink	4 (1%)
Festival/events	3 (1%)
Caravan park	3 (1%)
Bar/restaurant/cafe	2 (<1%)
Carrier/transport provider	2 (<1%)
Conference venue	2 (<1%)
Golf club	2 (<1%)
Event organiser	1 (<1%)
Destination management company	1 (<1%)
Other	2 (<1%)
Total	448



Accommodation businesses make up 63% of the survey sample with activity/experience providers representing 16% and attractions a further 12%.

Q. Which of the following is your main business type? *Base: all businesses (n=448)*

Q. Which of the following best describes your business? *Base: all accommodation providers (n=283)*



Key findings

Overview

Overall, positive visitor volumes were reported for the closer to home and international markets during the first nine months of 2023 and there was an optimistic outlook regarding the rest of the year and 2024.

However, the operating environment was a challenging one for all sectors and many of the businesses that employ staff had encountered resource and cost issues.



Positive visitor volumes from closer to home and international markets

- Close to half of businesses reported higher turnover for January-September 2023 compared to the same period in 2022, about a third indicated their turnover was at the same level, whilst approaching a fifth reported a decrease.
- A significant proportion of businesses reported growth in the NI domestic (47%), ROI (42%) and GB (37%) markets, although a minority of around one fifth reported reduced levels of business from these key markets.
- Over 8 in 10 businesses have seen international visitor volumes either exceed (44%) or match (38%) 2022 levels, with just under one fifth reporting a decline on the previous year.
- Almost two in five businesses reported that profitability for January-September 2023 was above the level recorded in 2022, a similar number (38%) reported that there had been no change, whilst a quarter (25%) noted a decrease in profitability.



In line with this positive industry survey feedback, Tourism NI analysis of 2023 online accommodation reviews shows the volume of reviews from international visitors increased by almost one third compared with the same January to September period in 2022.

Challenging operating environment across all sectors



- *Energy costs (29%)* were most likely to have been cited as the main cause for concern regarding business this year, followed closely by a *reduction in people's disposable income (28%)*.



- Close to half of businesses reported that they have increased their prices or intend to do so in response to rising operating costs and the rising cost of living for consumers, with 9.5% being the average increase/planned increase.



- Three in ten businesses were *reducing their energy consumption* in response to rising operating costs, whilst about a quarter were *searching harder for the best deals with suppliers*.

Staff resourcing and cost issues



- Amongst businesses that employed staff, a quarter cited *high staff costs* as a cause for concern in relation to business this year.



- A third had experienced difficulties with recruitment, whilst about one in seven (14%) had encountered difficulties in retaining staff.



- Recruitment and retention were more likely to have been issues for entry level positions.



- Hospitality roles were those with which these businesses were most likely to have had difficulties regarding recruitment and retention.

Reasons to be positive



- The vast majority of businesses cited a reason to be positive for the remainder of the year and 2024, with *repeat visitors* (49%) and the *return of overseas visitors* (38%) most likely to have been mentioned.



- Around a quarter stated that the *pandemic subsiding* was a cause for optimism, a similar number cited the *strong staycation market*, whilst a fifth mentioned their *own marketing*.

Outlook Positive (despite challenging environment)



- About two in five providers expected their overall business volume for October-December to be higher than for the same period in 2022, a similar number expected to see no change in volume, whilst around a quarter were anticipating a decrease.



- Close to half of businesses were expecting business turnover for 2024 to be higher than this year, nearly two in five were anticipating a similar volume, whilst approaching a fifth were expecting a decrease.

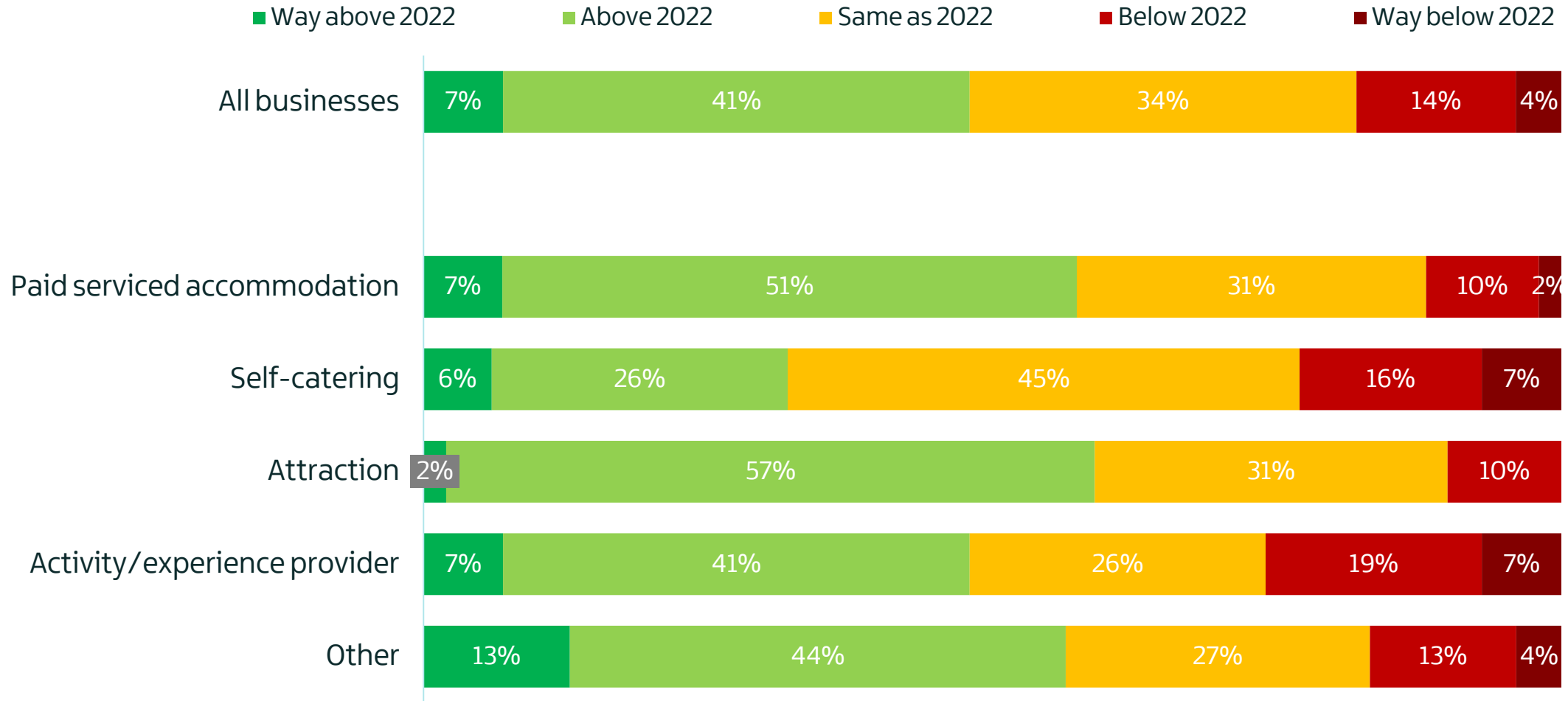


- Around three-quarters felt confident about running their business profitably for the rest of the year and throughout 2024, whilst a fifth did not feel confident about doing so.

A faded background image showing a person in a white sweater walking a dog on a beach. Another person is visible in the distance. The scene is bright and hazy, suggesting a coastal or beach environment.

Business performance January-September 2023

Business turnover January – September 2023 v 2022

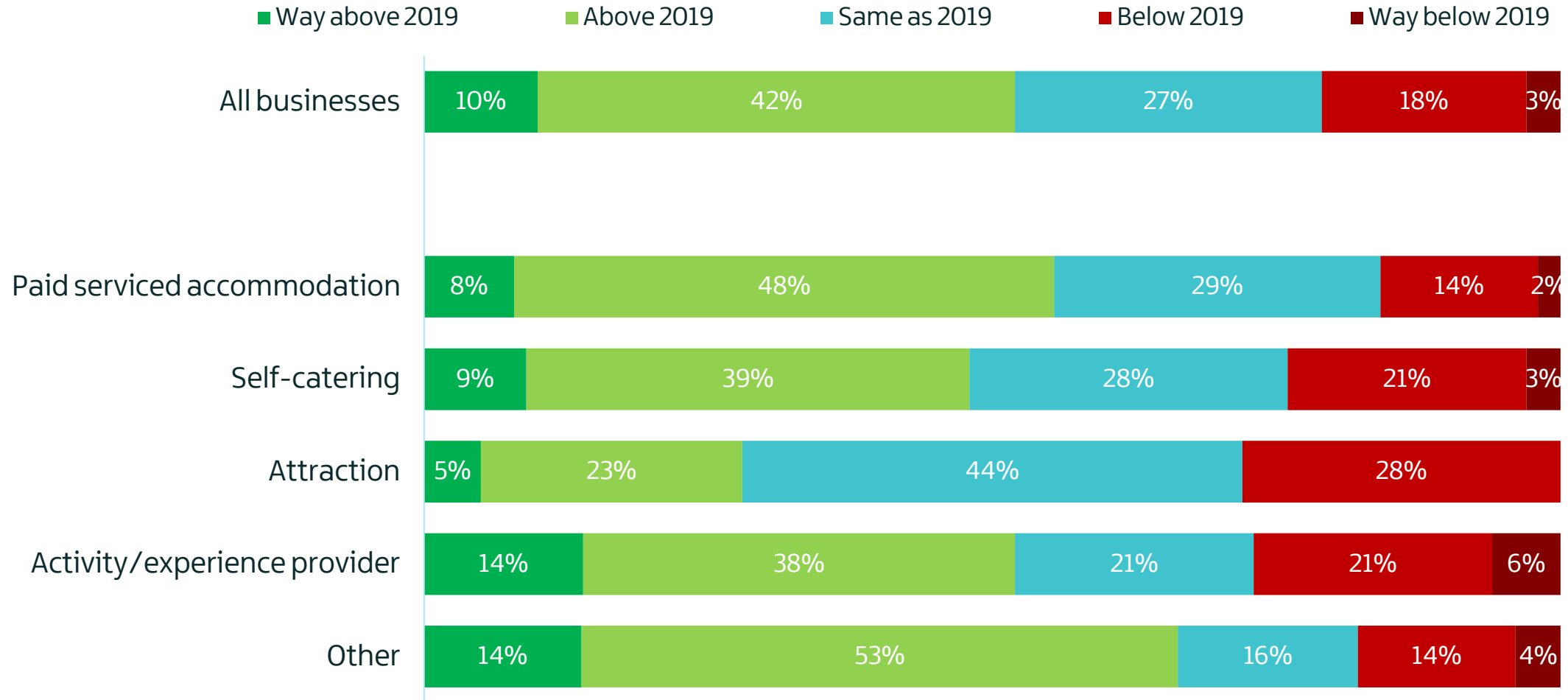


Q. Was your business turnover better or worse for January – September 2023 compared to the same period in 2022?

Base: all businesses (n=426); paid serviced accommodation (n=123); self-catering (n=136); attraction (n=42*); activity/experience provider (n=70); other (n=55)*Caution: small base size

Note: 'not sure' responses have been removed for analysis purposes

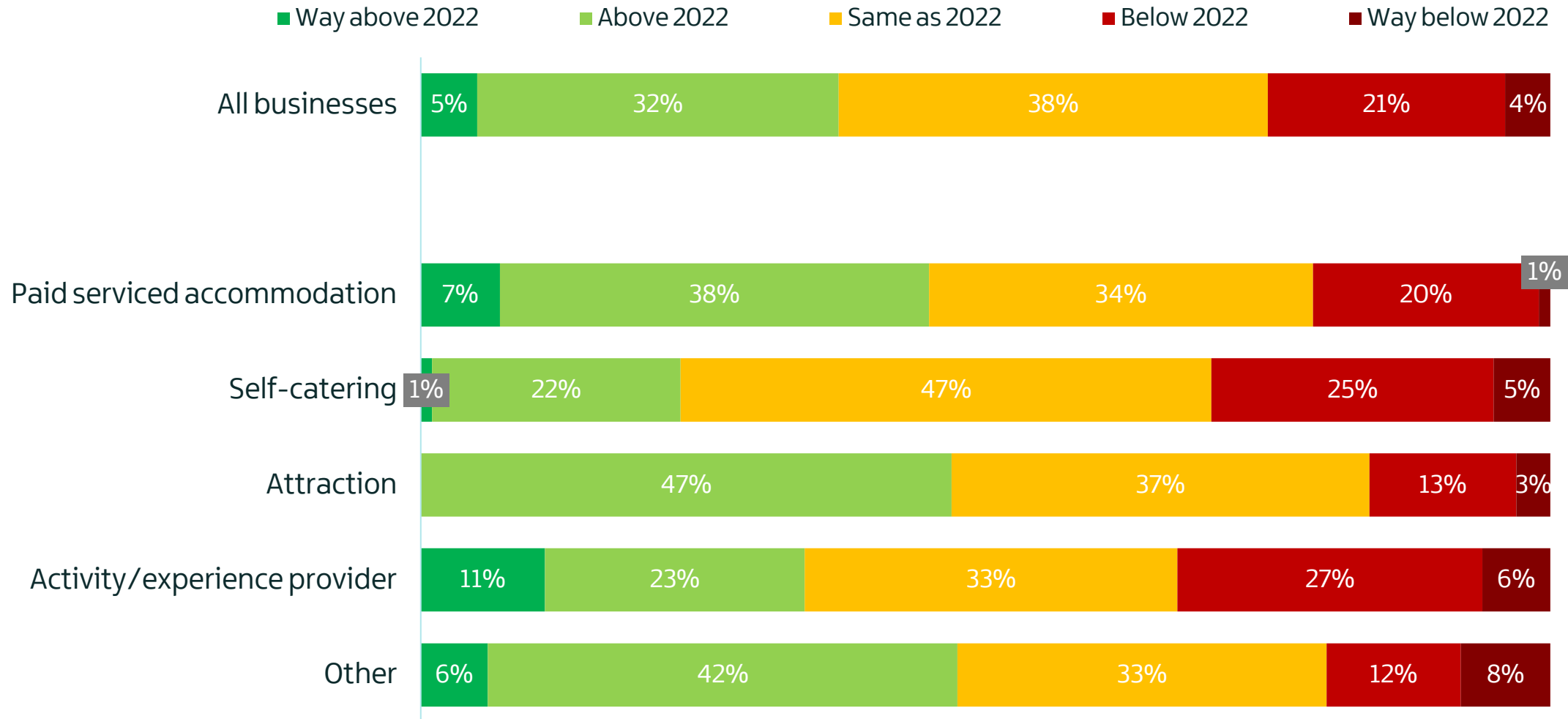
Business turnover January – September 2023 v 2019



Q. Was your business turnover better or worse for January – September 2023 compared to the same period in 2019 (i.e., before Covid crisis)? *Base: all businesses (n=373); paid serviced accommodation (n=111); self-catering (n=106); attraction (n=39*); activity/experience provider (n=66); other (n=51)*Caution: small base size*

Note: 'not sure' responses have been removed for analysis purposes

Business Profitability January – September 2023 v 2022

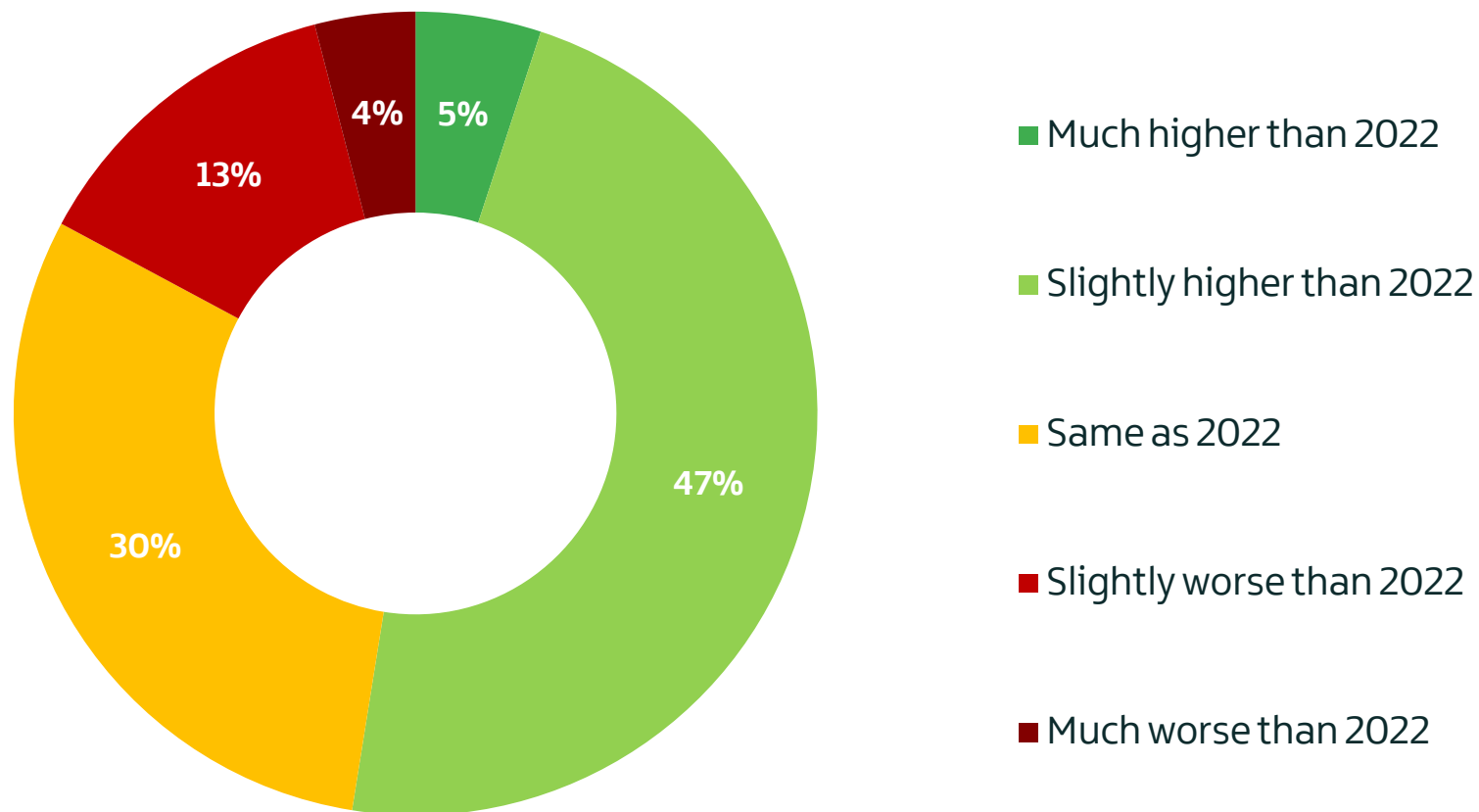


Q. Was your business profitability better or worse for January – September 2023 compared to the same period in 2022?

Base: all businesses (n=411); paid serviced accommodation (n=123); self-catering (n=134); attraction (n=38); activity/experience provider (n=64); other (n=52)*Caution: small base size*

Note: 'not sure' responses have been removed for analysis purposes

Average room yield January – September 2023 v 2022

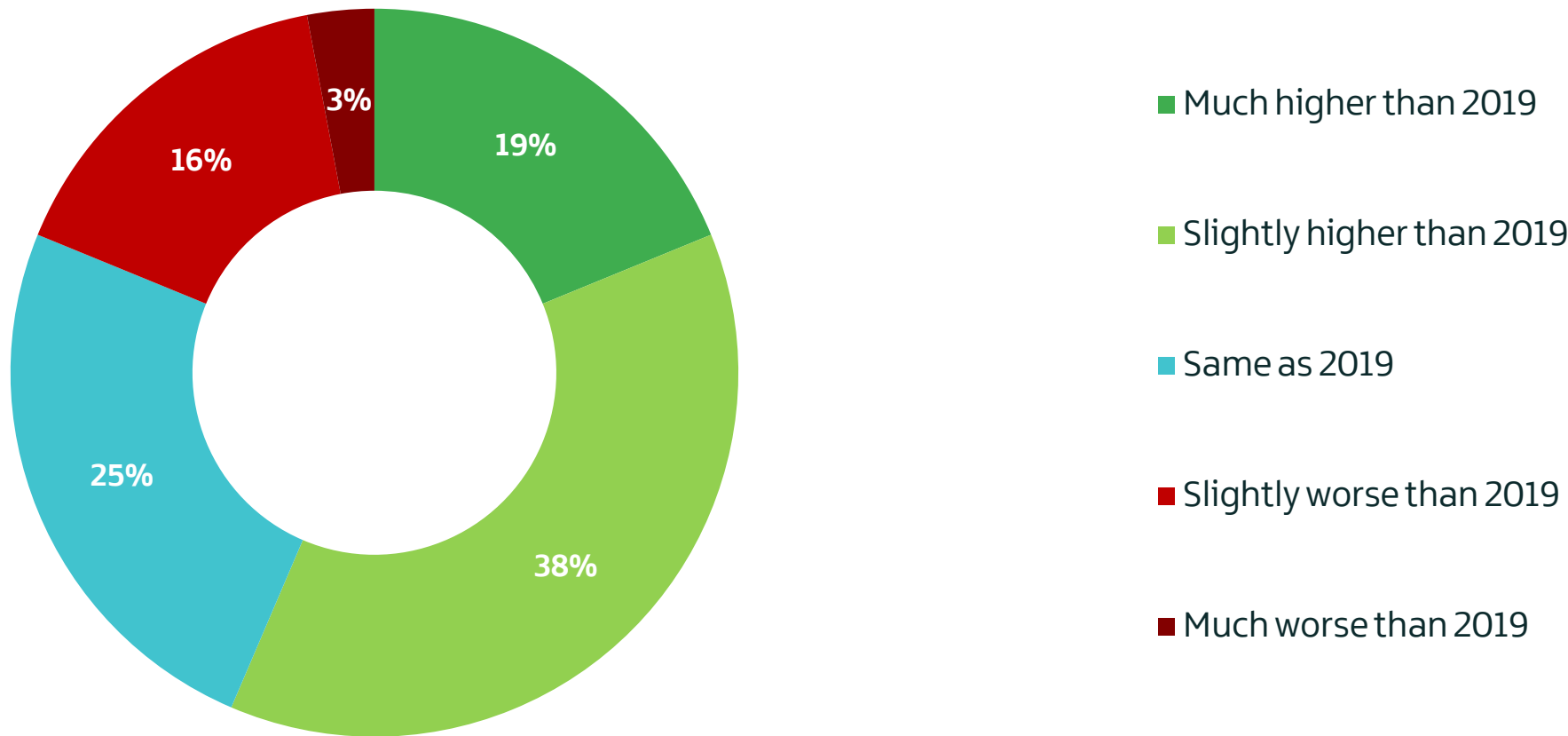


 Year-to-date hotel performance data from STR also indicates that NI hotels have seen a significant increase in average room rates in 2023 compared to 2022 and 2019.

Q. Thinking about the year to date (January – September 2023), how does your average room yield compare to the same time in 2022?

Base: all accommodation providers (n=283)

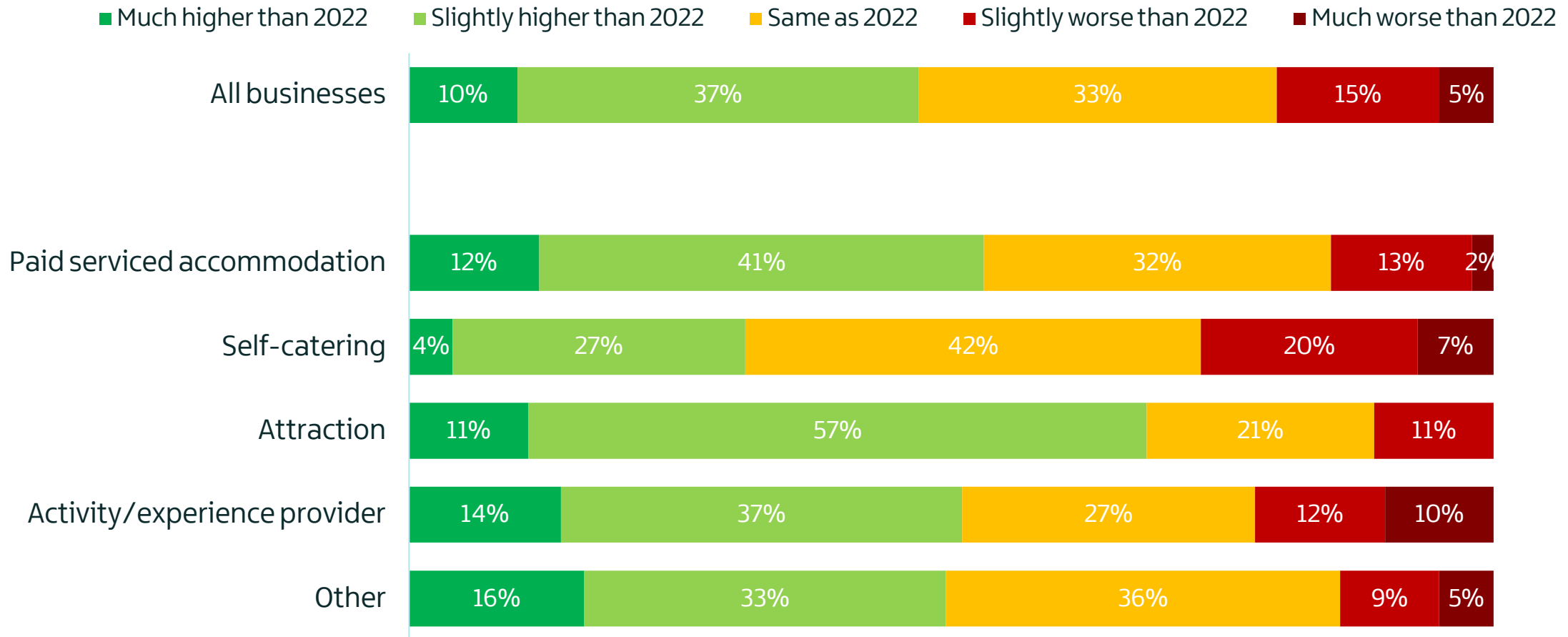
Average room yield January – September 2023 v 2019



Q. Thinking about the year to date (January – September 2023), how does your average room yield compare to the same period in 2019 (i.e., before Covid crisis)?

Base: all accommodation providers (n=283)

Business performance January – September 2023 v 2022 for Northern Ireland market

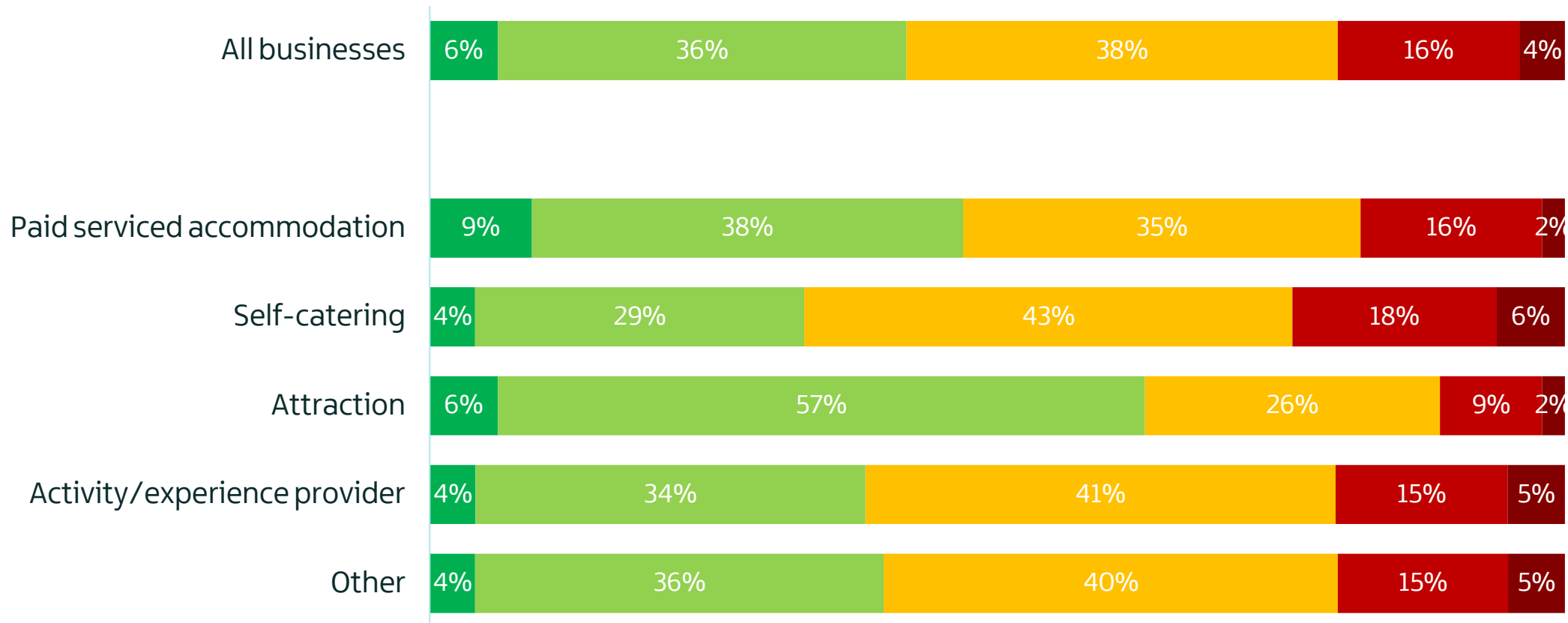


Q. Thinking about the year to date (January – September 2023), how did the volume of your overall business compare with the same time in 2022 for each of the following markets ... ?

Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)

Business performance January – September 2023 v 2022 for Republic of Ireland market

■ Much higher than 2022 ■ Slightly higher than 2022 ■ Same as 2022 ■ Slightly worse than 2022 ■ Much worse than 2022

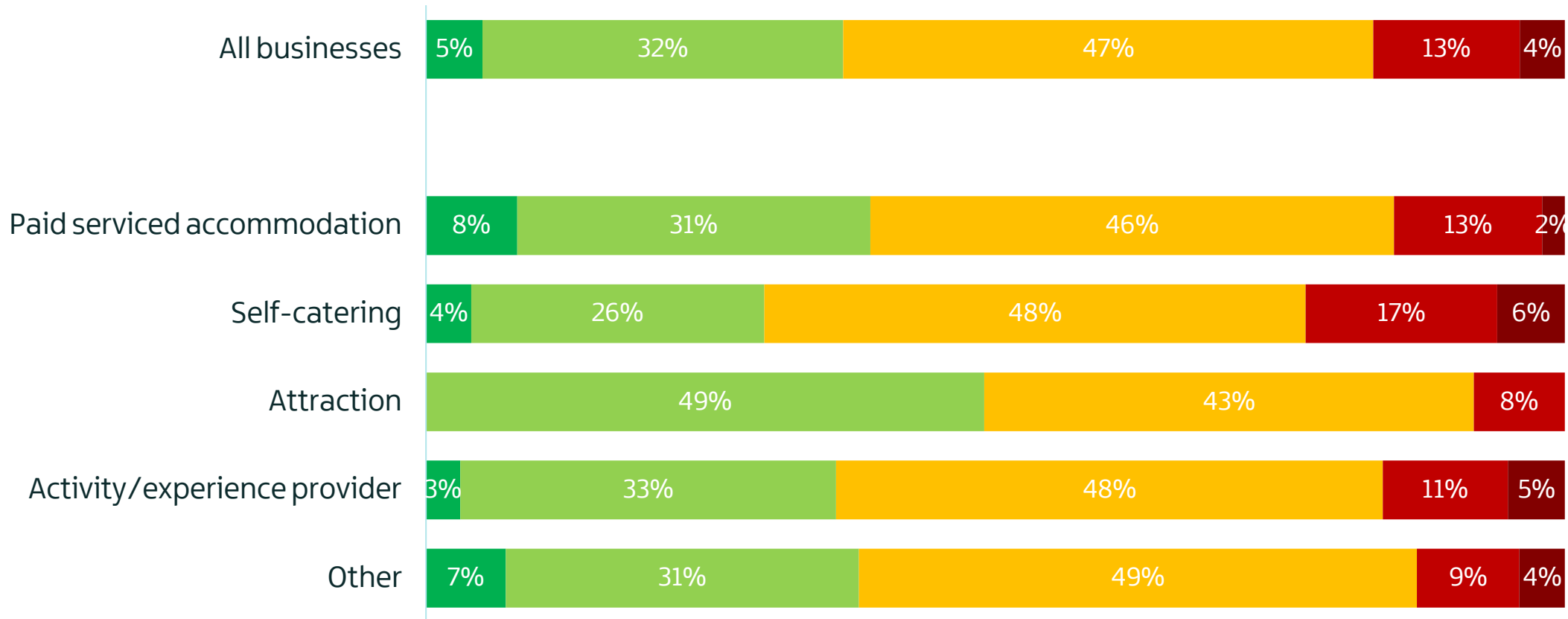


Q. Thinking about the year to date (January – September 2023), how did the volume of your overall business compare with the same time in 2022 for each of the following markets ... ?

Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)

Business performance January – September 2023 v 2022 for Great Britain market

■ Much higher than 2022 ■ Slightly higher than 2022 ■ Same as 2022 ■ Slightly worse than 2022 ■ Much worse than 2022

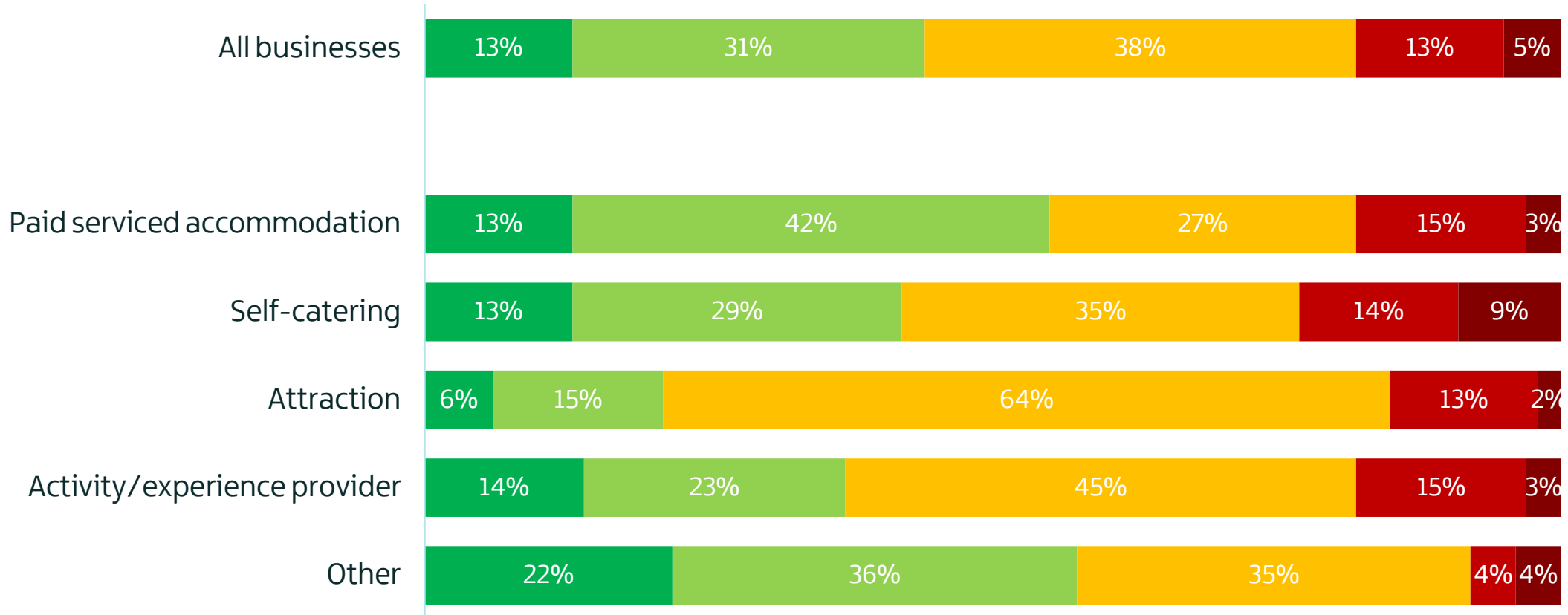


Q. Thinking about the year to date (January – September 2023), how did the volume of your overall business compare with the same time in 2022 for each of the following markets ... ?

Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)

Business performance January – September 2023 v 2022 for other overseas market

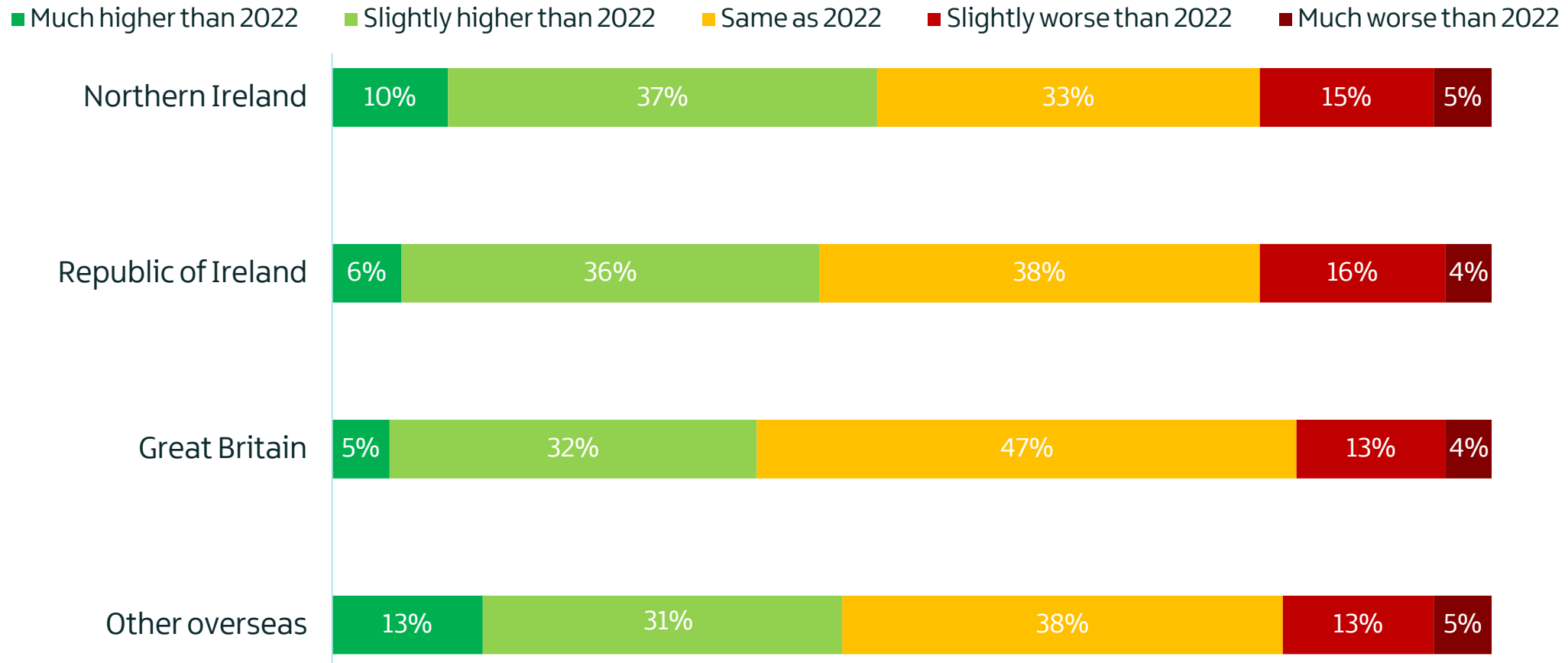
■ Much higher than 2022
 ■ Slightly higher than 2022
 ■ Same as 2022
 ■ Slightly worse than 2022
 ■ Much worse than 2022



Q. Thinking about the year to date (January – September 2023), how did the volume of your overall business compare with the same time in 2022 for each of the following markets ... ?

Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)

Business performance January – September 2023 v 2022 by market (summary)



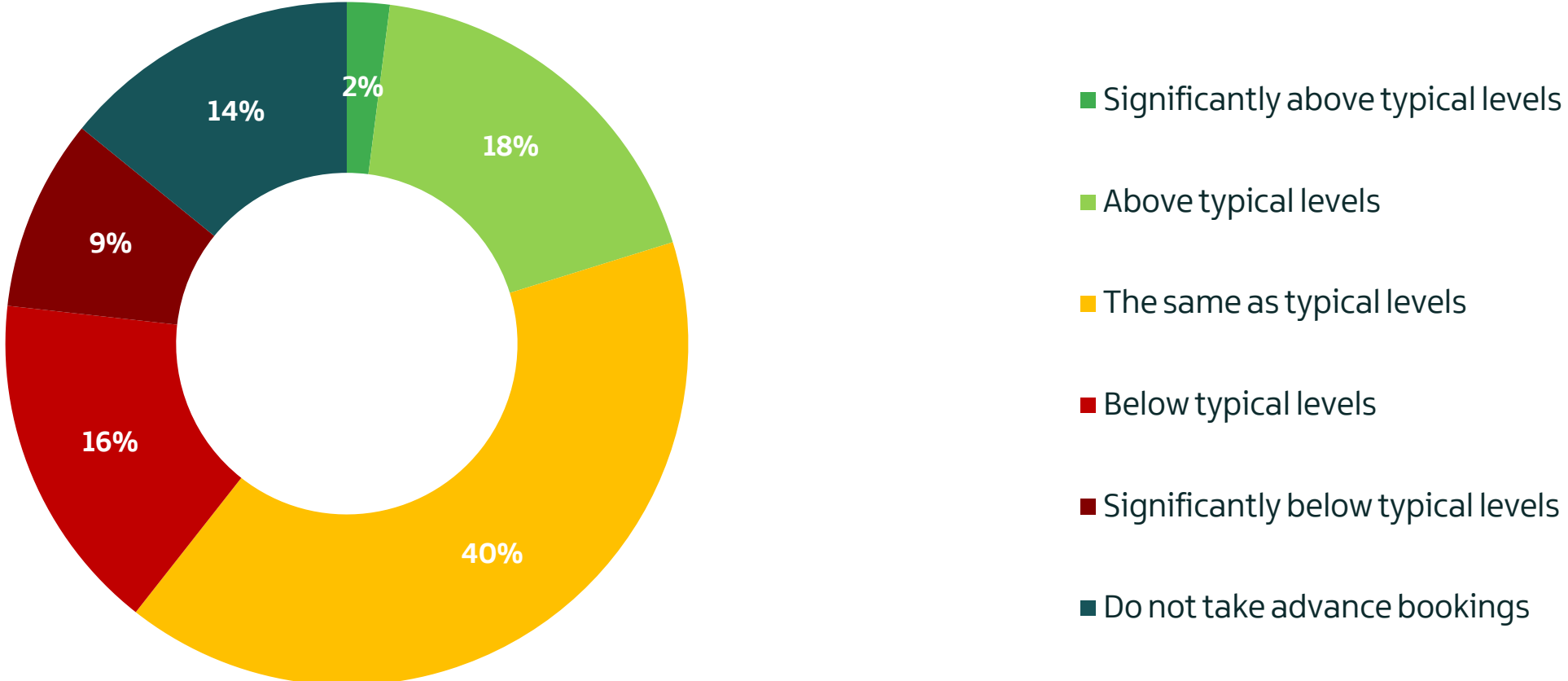
Q. Thinking about the year to date (January – September 2023), how did the volume of your overall business compare with the same time in 2022 for each of the following markets...?

Base: all businesses (n=448)



Advance bookings and
business expectations
October-December 2023

Advance bookings for October – December 2023

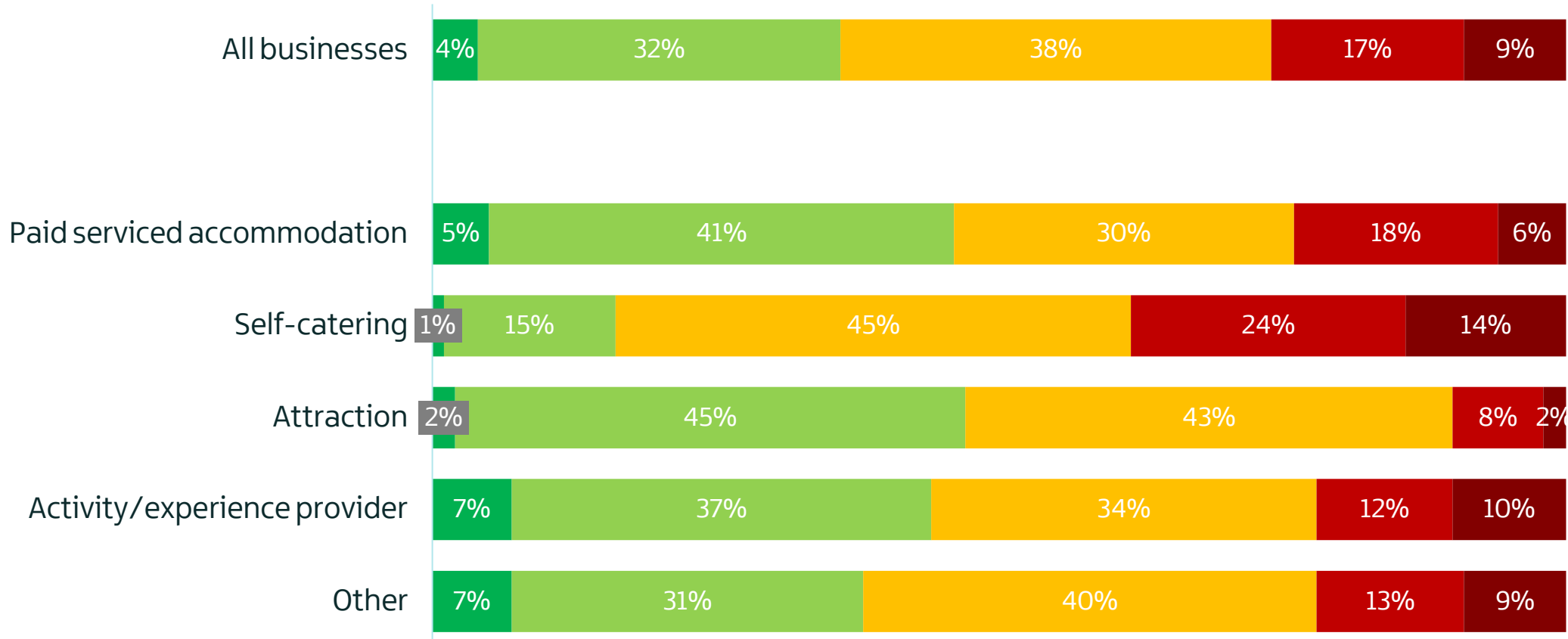


Q. How many advance bookings do you have for the remainder of 2023 (October – December) compared to what you would normally have at this point in the year?

Base: all businesses (n=448)

Expectations regarding business volume for October – December 2023 v 2022

■ Much higher than 2022
 ■ Slightly higher than 2022
 ■ Same as 2022
 ■ Slightly worse than 2022
 ■ Much worse than 2022



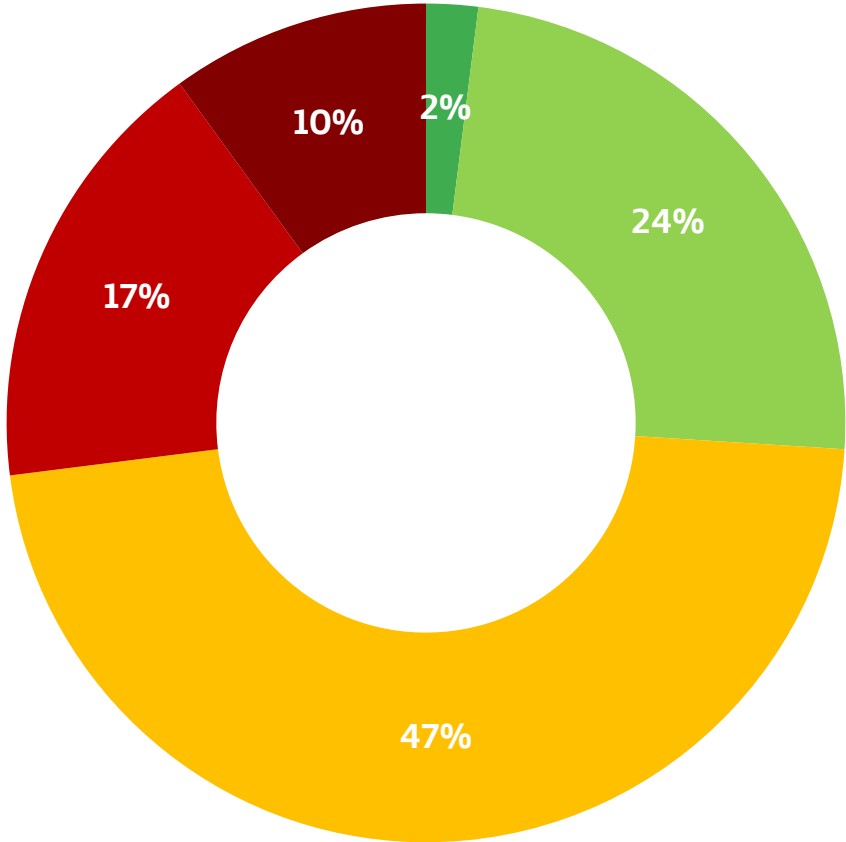
Q. Thinking about the remainder of 2023 (October – December), how do you feel the volume of your overall business will compare with the same period in 2022?

Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)



Advance bookings and business expectations for 2024

Advance bookings for 2024

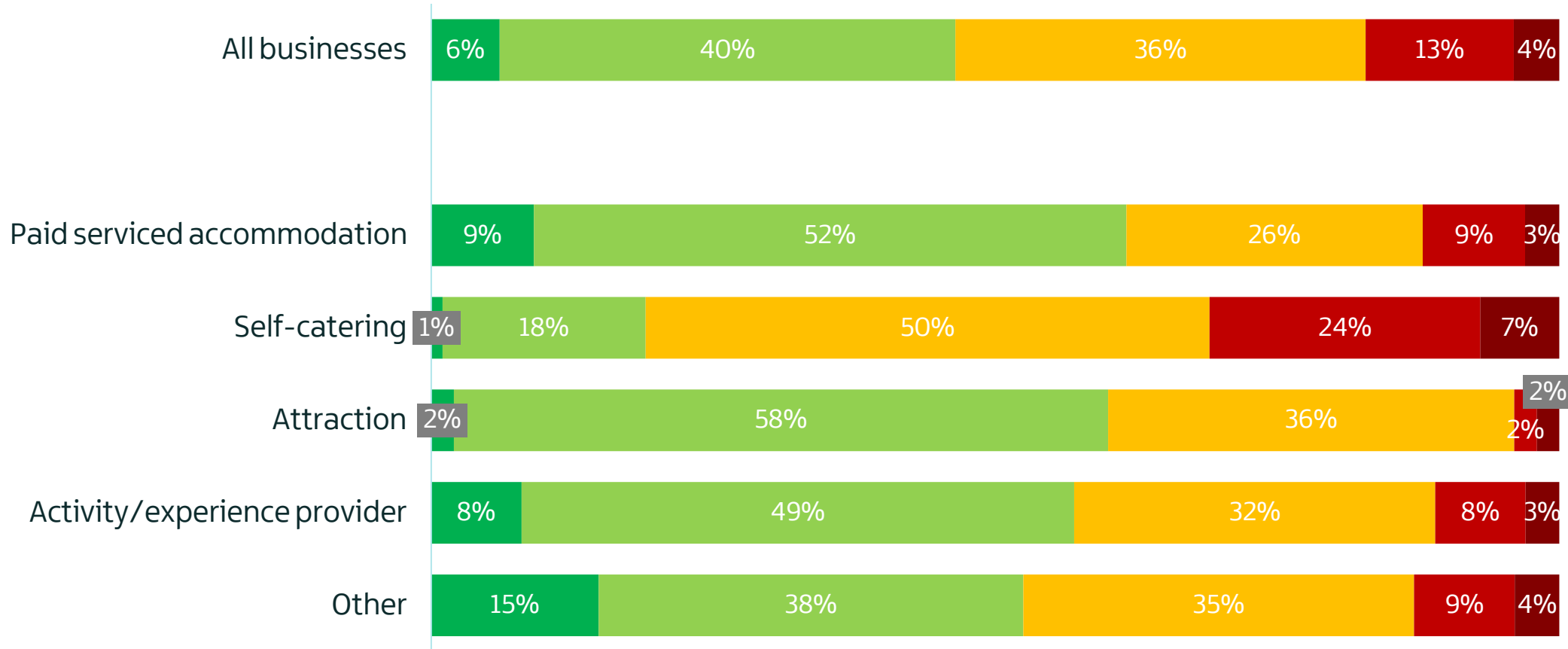


- Significantly above typical levels
- Above typical levels
- The same as typical levels
- Below typical levels
- Significantly below typical levels

Q. How many advance bookings do you have for 2024 compared to what you would normally have at this point in the year?
Base: all businesses that take advance bookings (n=386)

Expectations regarding business volume for 2024 v 2023

■ Much higher than 2023
 ■ Slightly higher than 2023
 ■ Same as 2023
 ■ Slightly worse than 2023
 ■ Much worse than 2023



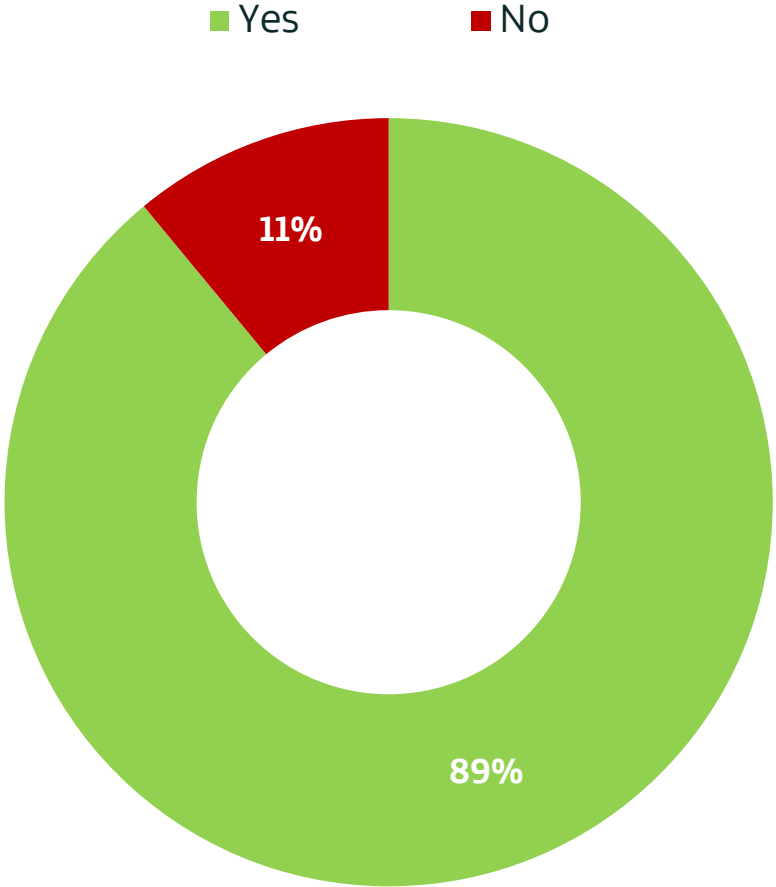
Q. Thinking about 2024, how do you feel the volume of your overall business will compare to this year, 2023?

Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)

A scenic landscape with a person, a dog, and a dog on a leash in a field of tall grass, with mountains in the background. The image is overlaid with a semi-transparent white box containing the text.

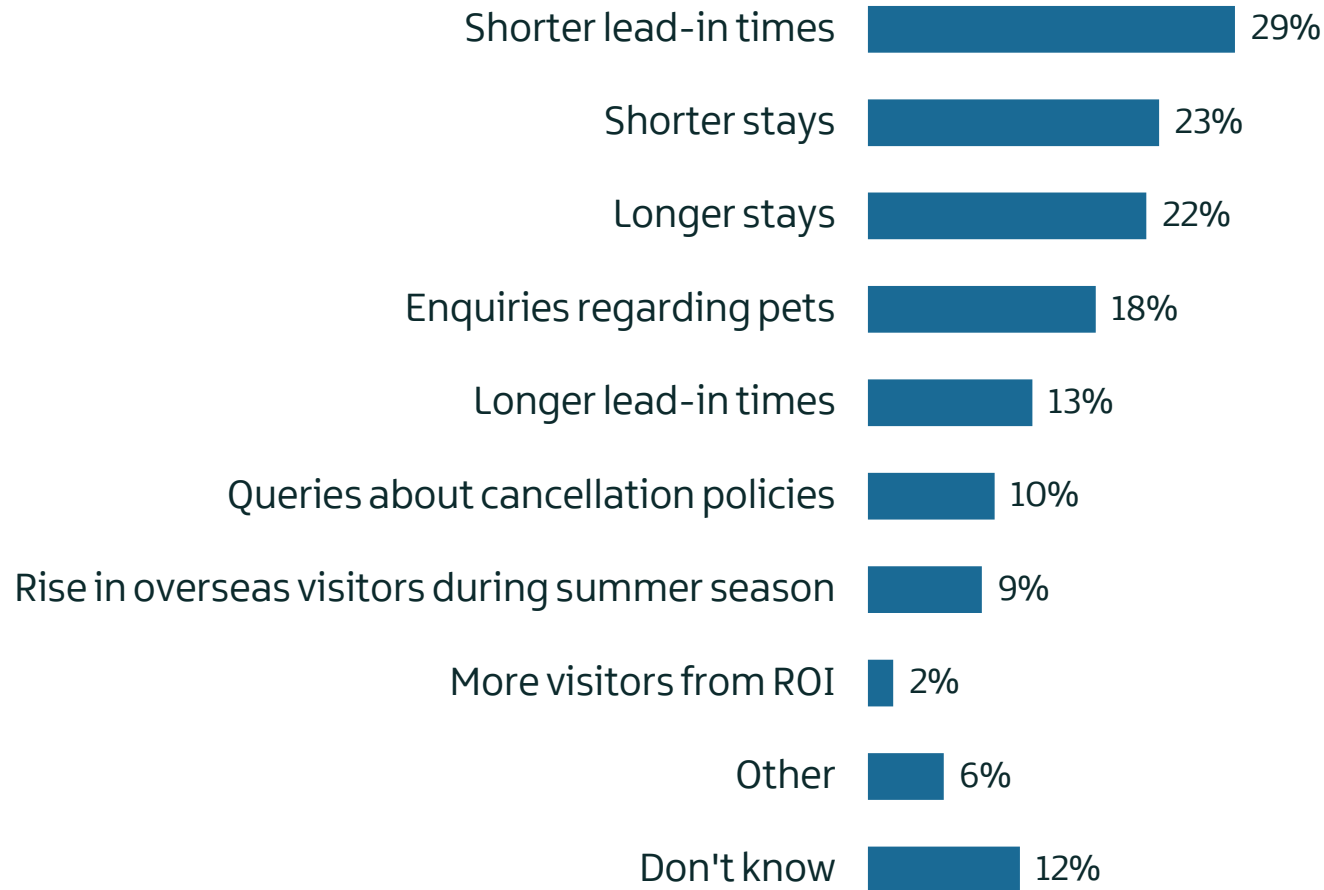
Flexible booking terms and booking trends for 2023

offer flexible booking terms




Q. Do you offer flexible booking terms, i.e., free cancellation, opportunity to move booking, etc.?
Base: all businesses that take advance bookings (n=386)

Booking trends for 2023 that are different from normal



Q. Are there any booking trends you're noticing for 2023 that are different from normal?

Base: all businesses that take advance bookings (n=386)

A faded background image showing a person walking a dog on a beach. The person is wearing a blue jacket and a white hat. The dog is a golden retriever. The background features a beach, a body of water, and mountains in the distance.

Reasons to be positive
regarding business for the
remainder of the year and
2024

Reasons to be positive regarding business for the remainder of the year and 2024



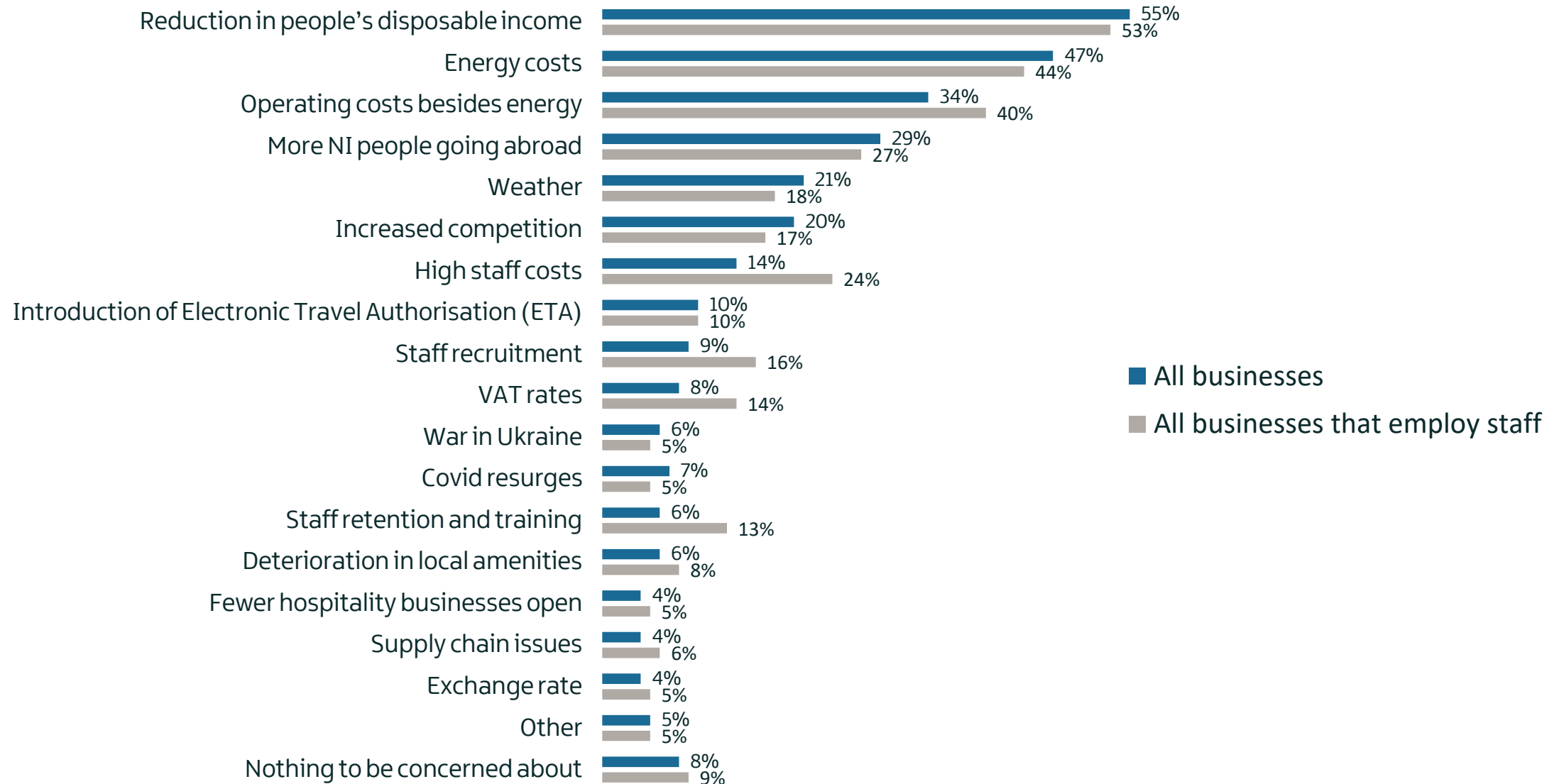
Q. Are there any particular reasons to be positive about business for the remainder of the year and 2024?

Base: all businesses (n=448)

A person in a white sweater and blue beanie is walking a dog on a leash along a sandy beach. In the foreground, another dog is sitting on the sand. The background shows a calm sea and distant mountains under a hazy sky. The image is overlaid with a semi-transparent white filter.

Causes for concern
regarding business this
year

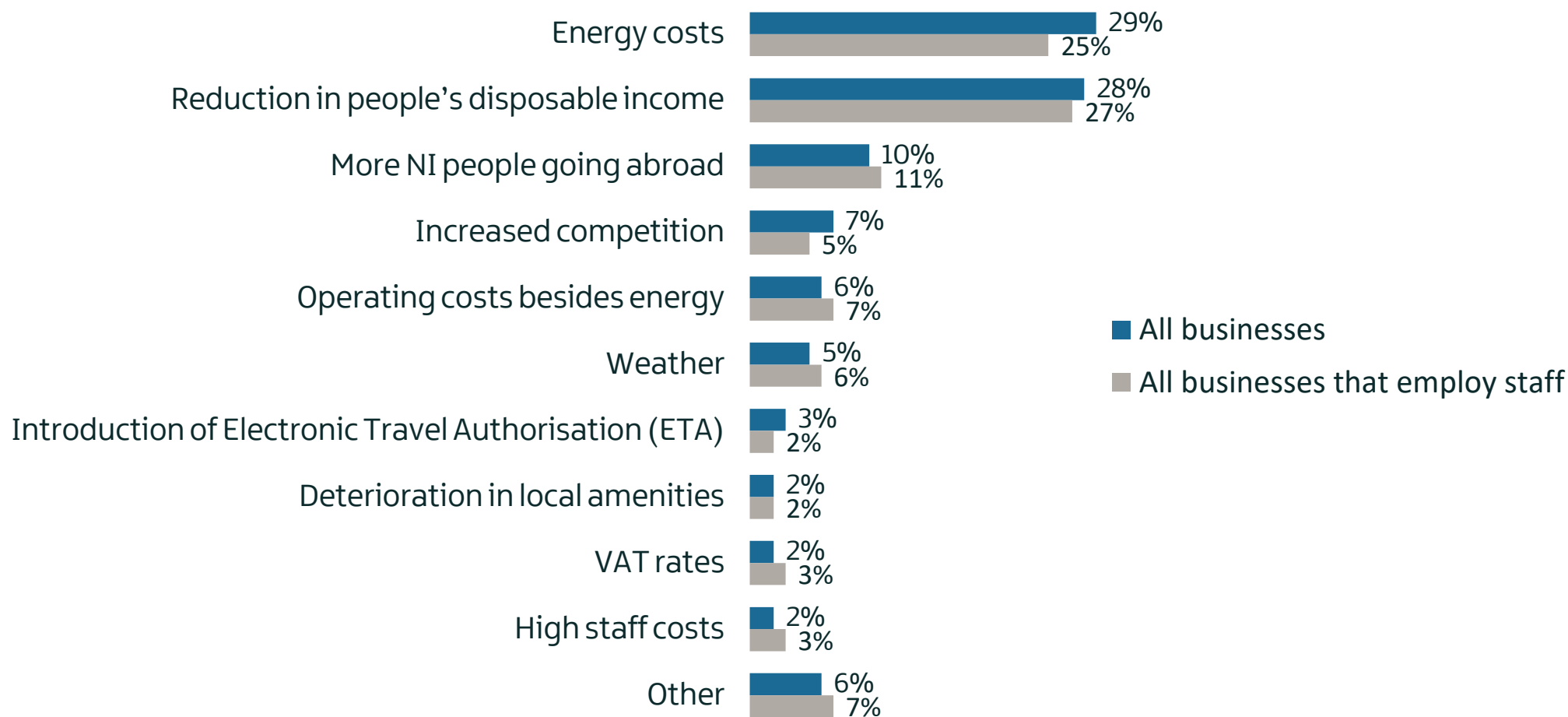
Causes for concern regarding business this year



Q. Are there any particular causes for concern regarding business this year?

Base: all businesses (n=448); all businesses that employ staff (n=218)

causes for concern regarding business this year (ranked first)



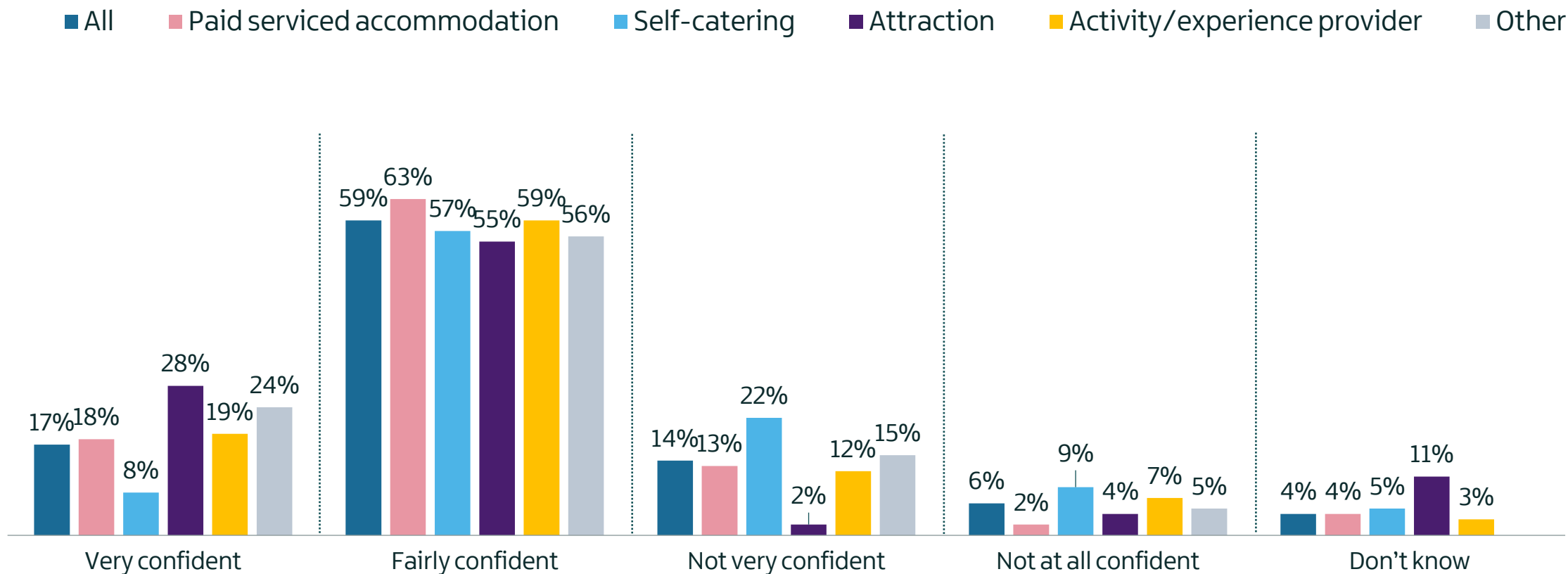
Q. Please rank the top three causes for concern regarding business this year?

Base: all businesses with concerns (n=398); all businesses with concerns that employ staff (n=193)

A scenic landscape with a body of water, mountains, and a person in the foreground. The image is overlaid with a semi-transparent white box containing text. The background shows a person in a blue hat and white shirt looking out over a vast, hazy landscape with a body of water and mountains in the distance. The overall tone is bright and airy.

Confidence regarding
running a tourism
business profitably for the
rest of the year and
throughout 2024

Confidence regarding running a tourism business profitably for the rest of the year and throughout 2024



Q. And how confident do you feel about running a tourism business profitably for the rest of the year and throughout 2024?

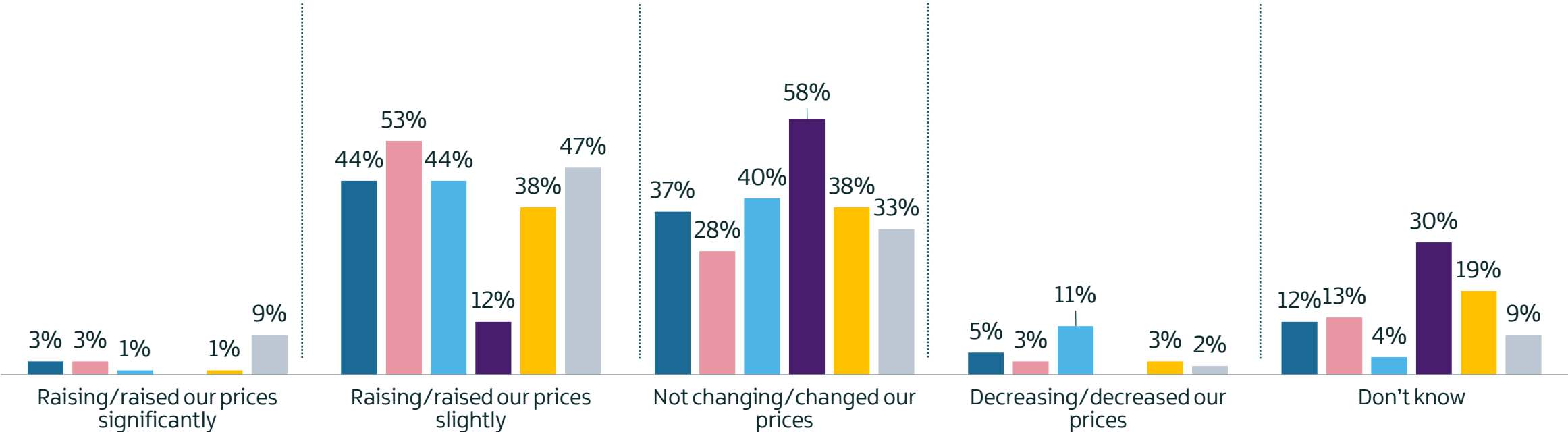
Base: all businesses (n=448); paid serviced accommodation (n=128); self-catering (n=139); attraction (n=53); activity/experience provider (n=73); other (n=55)

A person is walking a dog on a beach. The person is wearing a white jacket and a blue beanie. The dog is a golden retriever. The background shows a beach, a body of water, and mountains in the distance. The text is overlaid on the image in a blue font.

Changes in response to
rising operating costs and
the rising cost of living for
consumers

Changed prices or intend to do so in response to rising operating costs and the rising cost of living for consumers

■ All ■ Paid serviced accommodation ■ Self-catering ■ Attraction ■ Activity/experience provider ■ Other

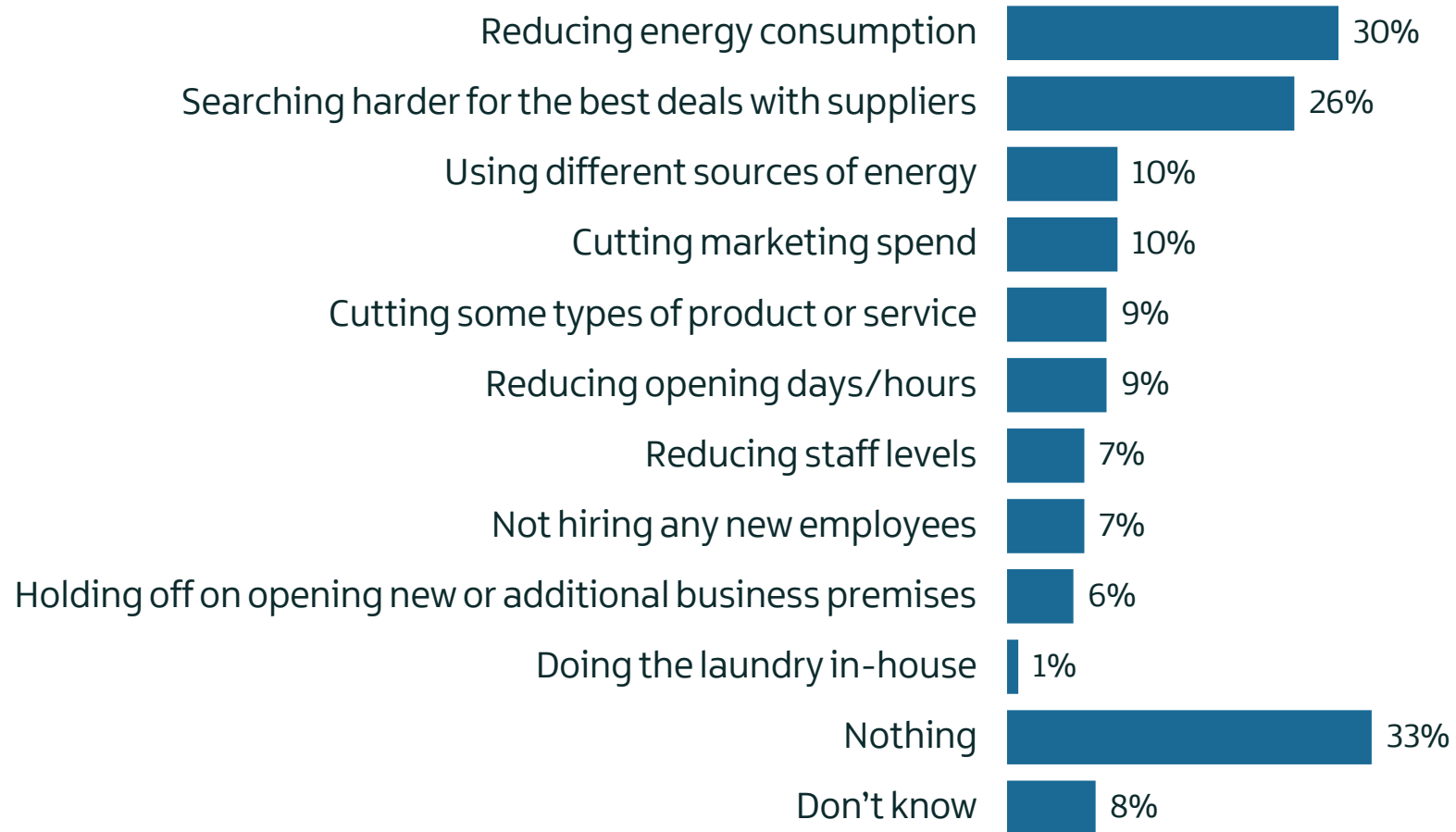


Q. In response to rising operating costs, but also taking into account the rising cost of living for consumers, have you or do you intend to change your prices for the rest of the year and into 2024 compared to what you would normally charge?

Base: all businesses (n=419); paid serviced accommodation (n=128); self-catering (n=135); attraction (n=33); activity/experience provider (n=68); other (n=55)*Caution: small base size*

Note: 'N/A' responses have been removed for analysis purposes

Other responses to rising operating costs



Q. Are you doing anything else in response to rising operating costs?

Base: all businesses (n=448)

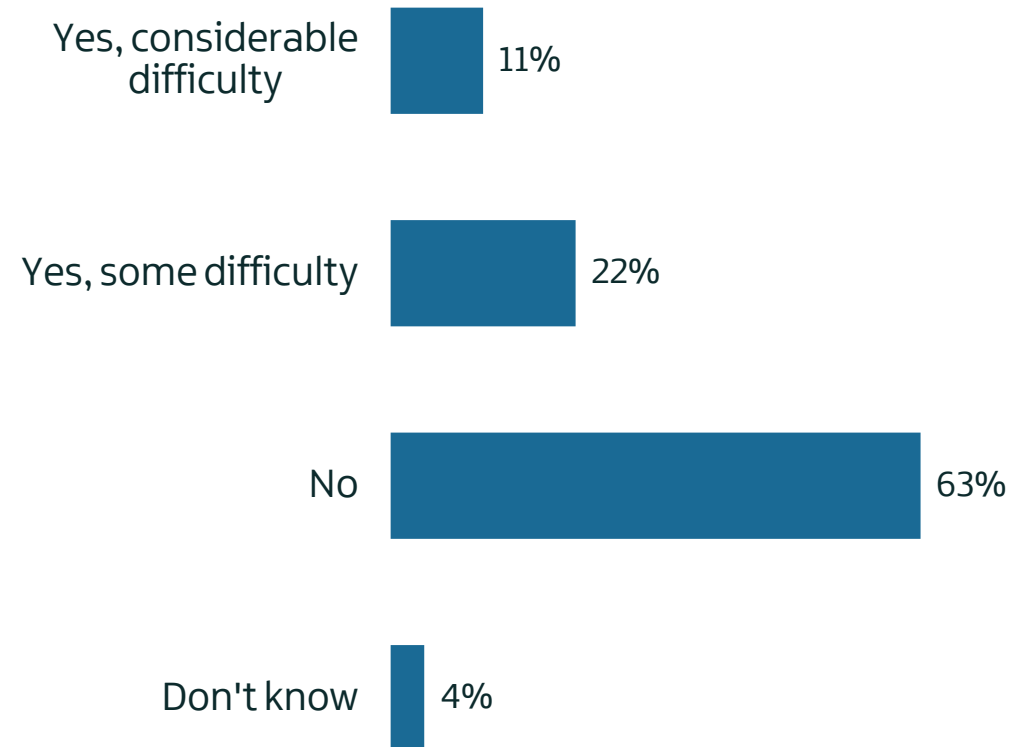


Staffing

Recruiting Staff

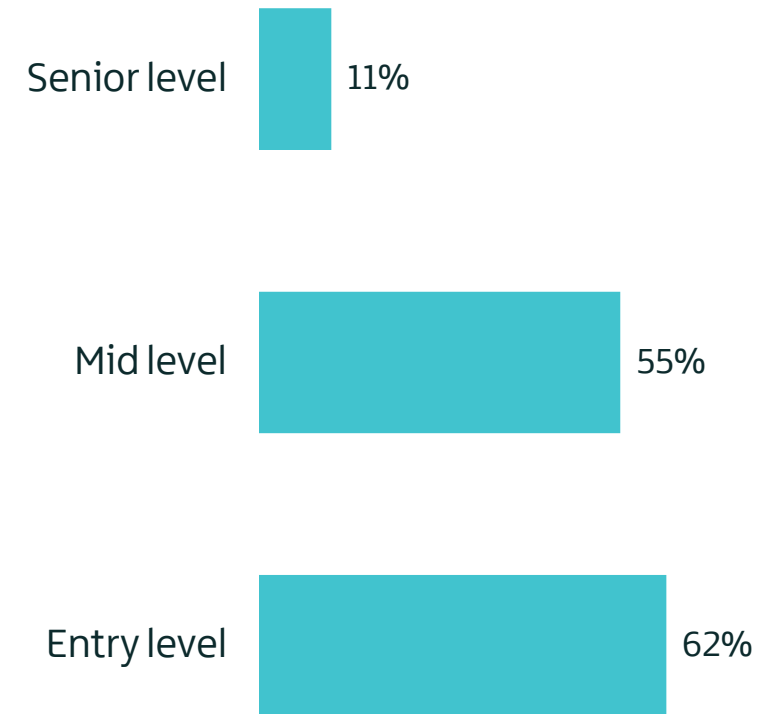


This aligns with recent NITA research indicating that around one third of tourism businesses were operating below the required staffing levels.



Q. Are you experiencing any difficulties in recruiting the staff you need?

Base: all businesses that employ staff (n=218)



Q. What level of roles are you experiencing difficulties in recruiting for?

Base: all businesses that are experiencing difficulties in recruiting the staff they need (n=71)

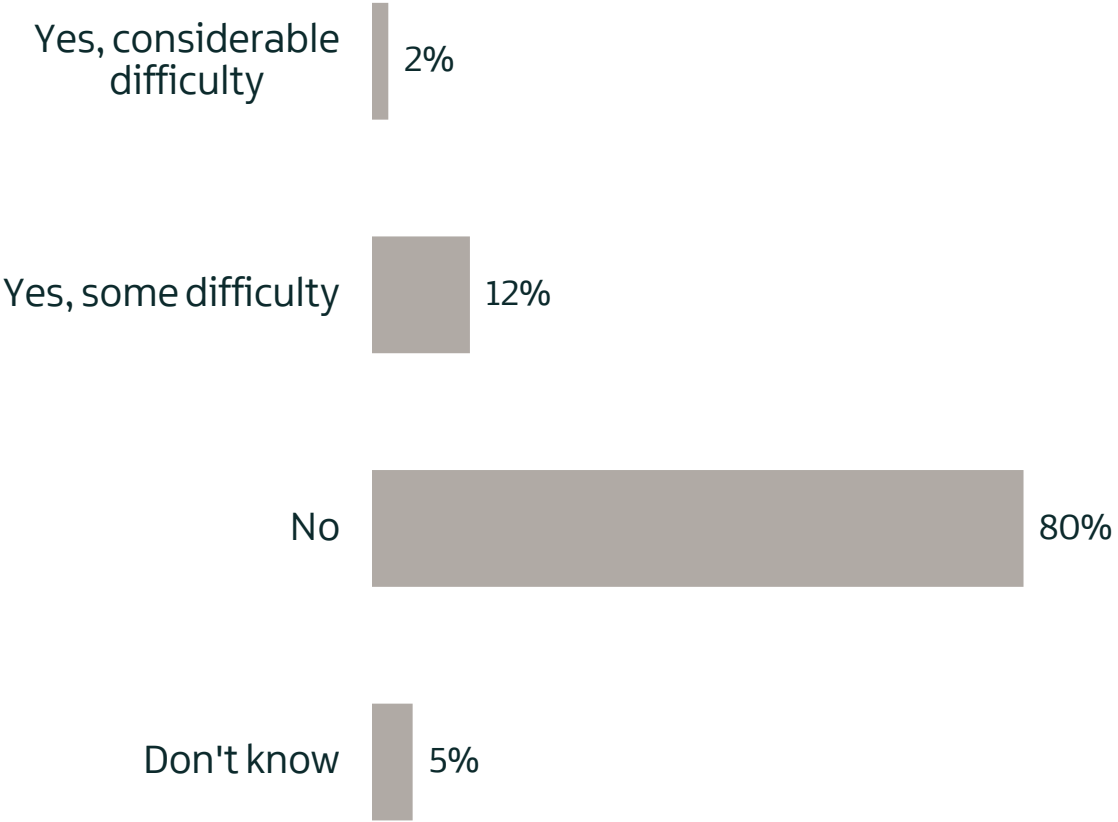
Type of role experiencing difficulties in recruiting



Q. What type of roles are you experiencing difficulties in recruiting for?

Base: all businesses that are experiencing difficulties in recruiting the staff they need (n=71)

Difficulties retaining staff



Q. Are you experiencing any difficulties in retaining your staff?

Base: all businesses that employ staff (n=218)