

TNI Industry Barometer

Impact of Covid-19 on
NI tourism industry
& outlook for recovery

May 2021



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Research objectives, methodology & sample



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Research objectives

LOOKING BACK
AND LOOKING
AHEAD



Explore:

- Performance over the last year, particularly the key summer period (July-Sep 2020)
- Financial and other support accessed
- Uptake and impact of TNI helpline/webinars/web support
- Actions businesses have taken/will take to aid recovery
- Perceived historic and future importance of closer to home and further afield markets
- Advance bookings
- Outlook (financial recovery/staffing)
- Future support

Methodology



Cognisense conducted the survey and data analysis.



Shorter phone survey to boost online responses

15-23 April 2021
(111 responses)



Online survey of tourism businesses

26 March-12 April 2021
(325 responses)

TOTAL responses = 436

Responses by sector

Sector	Responses (% of sample)
Hotel	23 (5%)
B&B/GH/GA*	105 (24%)
Self-catering	168 (39%)
Caravan/camping	4 (1%)
Hostel	12 (3%)
Attraction	33 (8%)
Activity provider	80 (18%)
Golf club	11 (3%)
TOTAL	436

*Bed & breakfast/guest house/guest accommodation



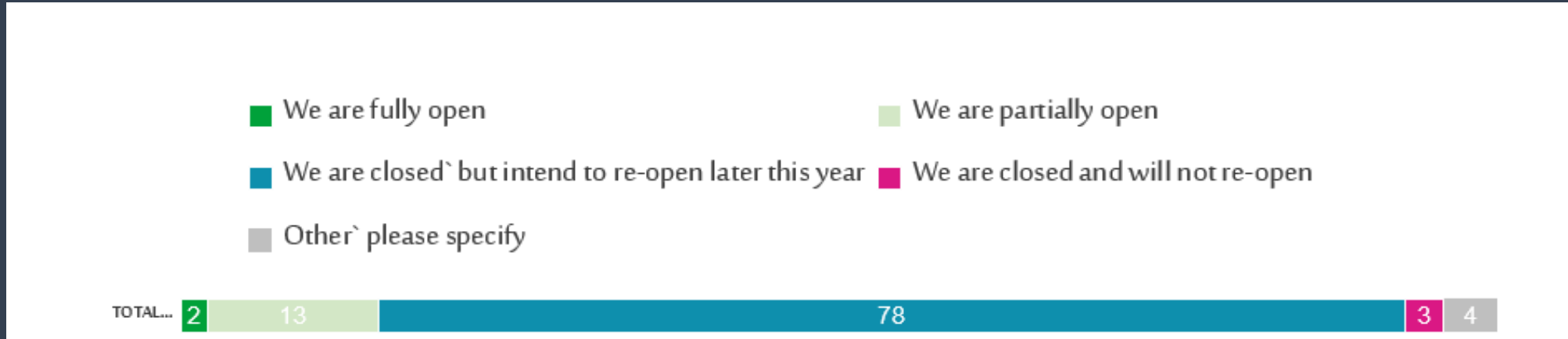
Accommodation businesses make up 72% of TNI's sample with attractions accounting for 8% and activity providers a further 18%

Current business circumstances



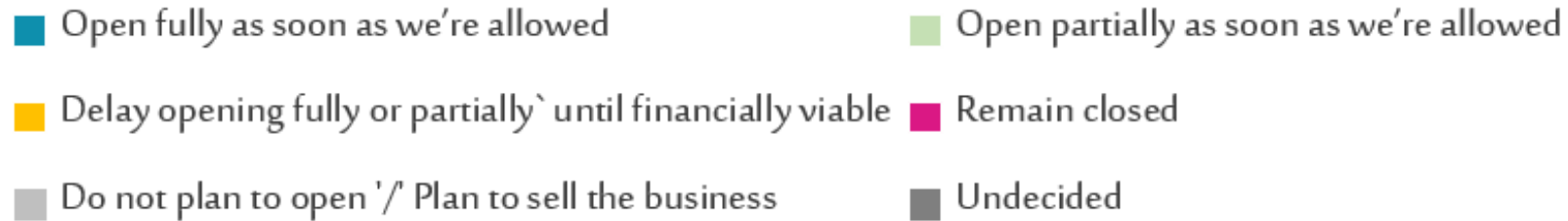
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Current status of business



- The vast majority (78%) of responding tourism businesses were closed when the survey was completed but intended to re-open when they were permitted to do so.
- Encouragingly, the proportion who did not intend to reopen was small (3%).

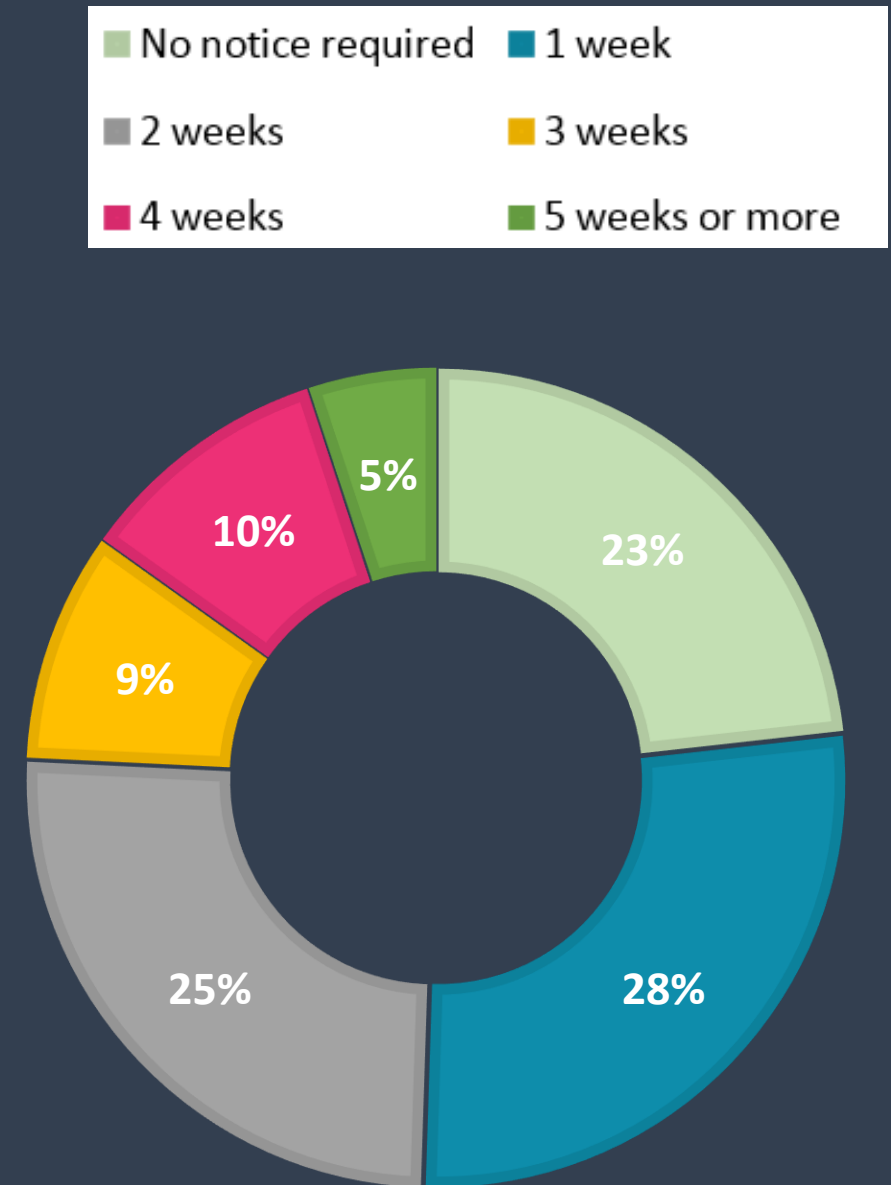
Intentions when restrictions are lifted



- Three-quarters of responding businesses intended to open fully as soon as they were allowed to do so.
- Four-fifths of self-catering businesses indicated they would open fully as soon as permitted.

Notice required to re-open business

- Over half of respondents could open immediately or within one week.
- This rises to three quarters for within two weeks.
- A fifth would require 3-4 weeks' notice.



Business Performance



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Cancellations in 2020

- The majority of bookings (around 70%) were cancelled in 2020.
- TNI's consumer sentiment research highlights flexible cancellation policies are important in driving sales.



Summer performance

81% of responding businesses re-opened in the July to September 2020 period when restrictions were lifted.



63% of businesses said turnover was worse/significantly worse than a typical summer.

Just under a quarter stated it was the same.

12% reported increased turnover.

Increased Turnover
Averaged +27%
n=30

Decreased Turnover
Averaged -60%
n=175

Performance v expectations

Performed worse than expected:	43%
As expected:	26%
Performed better than expected:	29%

Financial support accessed



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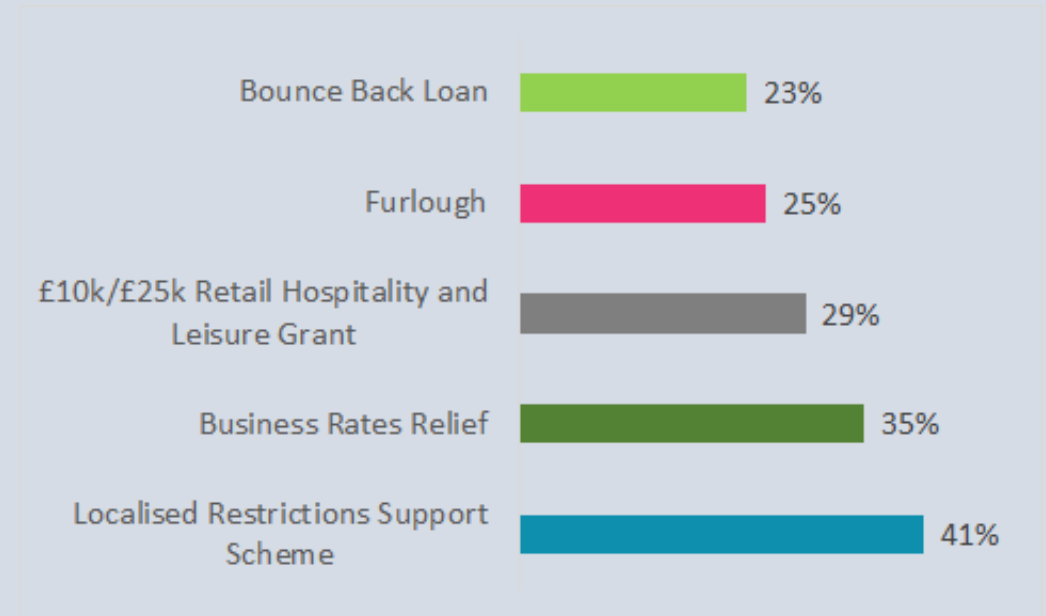
Covid-19 support schemes

- 70% of responding businesses successfully applied for any financial support scheme during 2020.

There were some variations by sector:

- 59% of B&B/Guest house/Guest accommodation successfully applied for the LRSS v average of 41%.
- High proportions of 'ineligible' responses when asked about support schemes, e.g. most self-catering respondents weren't eligible for furlough.

Five most availed of schemes*



- Most schemes availed of were very positively rated in terms of usefulness.

*% of businesses who successfully applied for the scheme

We're Good to Go Scheme



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We're Good to Go

- Just under half of respondents (47%) successfully applied for the "We're Good to Go" (WGTG) Scheme.
- Of those who successfully applied, more than half found WGTG helpful (54%) to their business.
- Only 6% didn't find it helpful.
- Two-fifths were ambivalent.



TNI & other support



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TNI Covid-19 Helpline

Tourism NI COVID 19 Business Support Helpline

We have set up a dedicated telephone line service and online enquiry facility for our industry.

Over a quarter (**27%**) of responding businesses accessed the TNI Covid-19 business support helpline.

63% of those who accessed the helpline said it was helpful; only 11% said it was not helpful.

TNI webinars / web support pages

47% of responding businesses accessed TNI's webinars/web support.

The vast majority, **79%**, of tourism businesses who accessed these found them helpful and 17% were ambivalent.



Outlook/Recovery



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Actions take/plan to take to aid recovery



Key actions that businesses (have taken / may take) include:

1. enhancing their online presence (32% / 41%)
2. adapting the way they market and sell products (23% / 43%)
3. altering the target markets/segments they focus on (19% / 39%)

Importance of markets pre & post Covid-19



% for scores important/extremely important	NI Market	ROI Market
Before Covid	65%	54%
After Covid	86%	74%
In 2022	75%	71%

Unsurprisingly the closer to home markets, especially the domestic market, are considered to be even more important post-Covid, with importance levels dropping in 2022 when it is anticipated international travel will have returned.

Importance of markets pre & post-Covid



% for scores important/extremely important	GB	Other Overseas
Before Covid	59%	53%
After Covid	65%	34%
In 2022	67%	52%

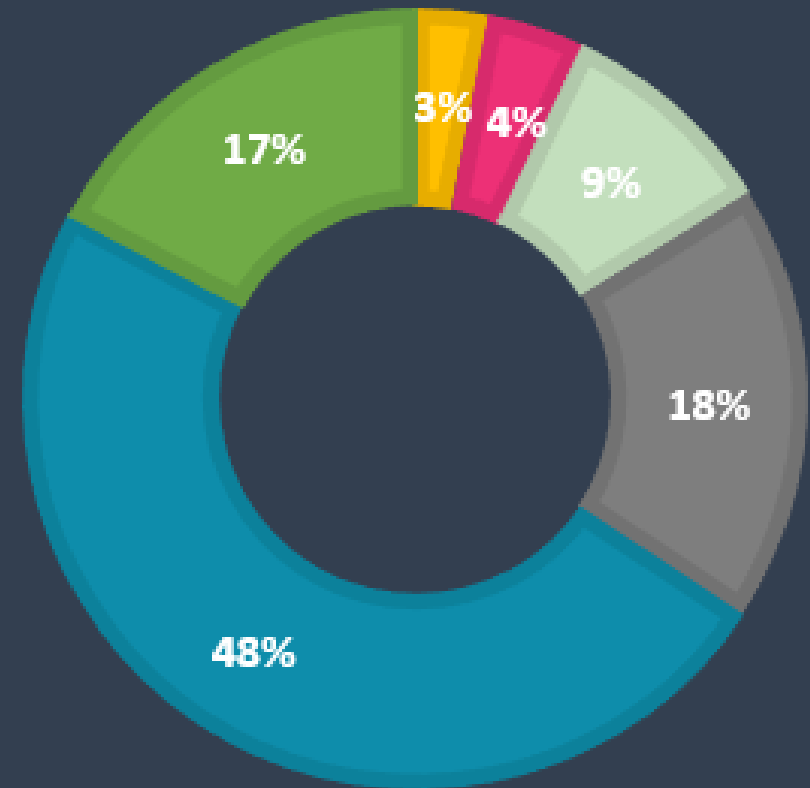
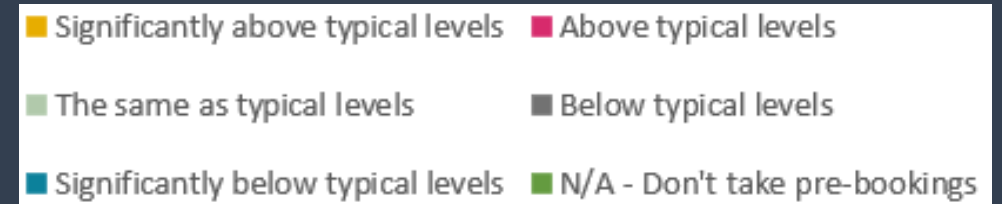
- The importance of the GB market grows as time progresses.
- Almost two-thirds feel the GB market will be important post-Covid, compared with 74% for ROI.
- Businesses anticipate the Other Overseas market to be less important after Covid, but encouragingly, they anticipate increased importance in 2022.

Advance Bookings for 2021

Two-thirds of respondents indicated that advance bookings for 2021 were below or significantly below normal levels.

7% say bookings were up.

It is important to note that the majority of the surveys were completed prior to the announcement of re-opening dates for the NI tourism industry.





Expectations for recovery

When business will recover financially

- Just 12% expect business to recover financially in 2021.
- Three-fifths expect business to recover financially by the end of 2022.
- 10% feel that their business may never recover financially and 14% said they don't know.

When staffing levels will recover

- Employment levels are expected to recover sooner than business finances.
- 39% of all responding businesses expect employment levels to recover in 2021, rising to over three-fifths by 2022.

**Support businesses
would benefit from**



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Support businesses would benefit from over next 12 months



When asked what they would benefit from over the next 12 months, **general financial support** came out on top, selected by half of responding businesses.

Marketing (44%) and **website development/design** (41%) are areas of business support that would also be beneficial.



Financial support that would benefit recovery

Businesses were asked what financial support would benefit their recovery:

- **Funded marketing campaigns** came out on top, with over two-fifths of respondents selecting this.
- Almost two-fifths (39%) selected **continuation of rates relief holiday beyond April 2022**.
- One-third opted for maintaining VAT at 5%.



Key take outs



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Impact of the pandemic

- The vast majority of responding businesses intended to re-open as soon as soon as they were allowed, with a further 16% planning to open partially.
- Only a small proportion did not intend to re-open.
- Most businesses re-opened for the summer period (8 in 10) but the majority experienced declines in revenue compared with a typical summer.

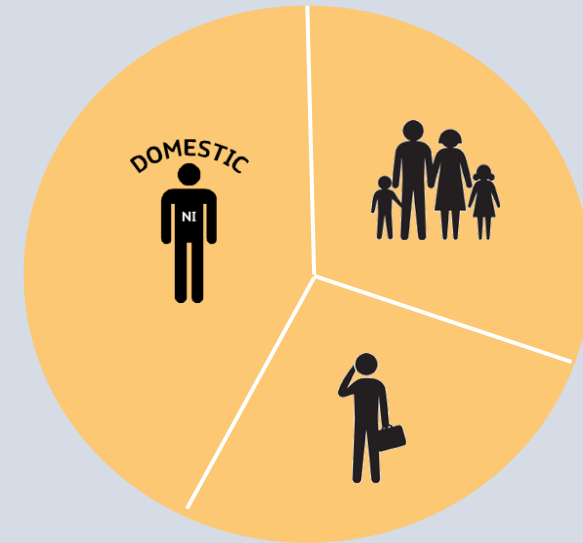


Actions taken to adapt and survive

- 70% of responding businesses applied successfully for any financial support scheme.
- WGTG and TNI's Covid-19 business support helpline and webinars/web support provided much needed help to large numbers of tourism businesses.

Tourism NI COVID 19 Business Support Helpline

We have set up a dedicated telephone line service and online enquiry facility for our industry.



- Key actions that responding businesses have taken / may take to aid recovery include:
 - enhancing their online presence
 - adapting the way their businesses market and sell
 - altering the target markets/segments they focus on

Market Outlook 2021 and beyond

- The closer to home markets, especially the domestic market, are considered to be even more important post-Covid, with importance levels dropping in 2022 when international travel is expected to recover.
- The importance of the GB market grows as time progresses.
- The majority anticipate Other Overseas' business will increase in 2022.



- Two-thirds say that advance bookings for 2021 are below normal levels v 7% who say bookings are up.
- It is important to note that the majority of surveys were conducted prior to the announcement of re-opening dates.

Business recovery & support

- The majority (three-fifths) of respondents expect their business to recover financially by the end of 2022.
- Employment levels are expected to recover sooner than business finances.
- The main types of support businesses would benefit from over the next year include:
 - financial
 - marketing
 - website development/design



- Financial support that would benefit recovery includes:
 - funded marketing campaigns
 - a continuation of the rates holiday beyond April 2022
 - maintaining VAT at 5%