

TNI Industry Barometer

October 2022 Report



Research objectives, methodology & sample



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Research objectives

LOOKING BACK
AND LOOKING
AHEAD



To gain an understanding of the following:

- Business performance year-to-date (January-September 2022)
- Business performance over summer (June-September 2022)
- Outlook for the remainder of the year and 2023
- Booking trends, reasons to be positive and areas of concern going forward
- Business responses to rising operating costs



Methodology



Cognisense conducted the survey and data analysis.



Most responses gained through a concurrent phone survey

28th September –
15th October 2022
(254 responses)



Online survey of tourism businesses

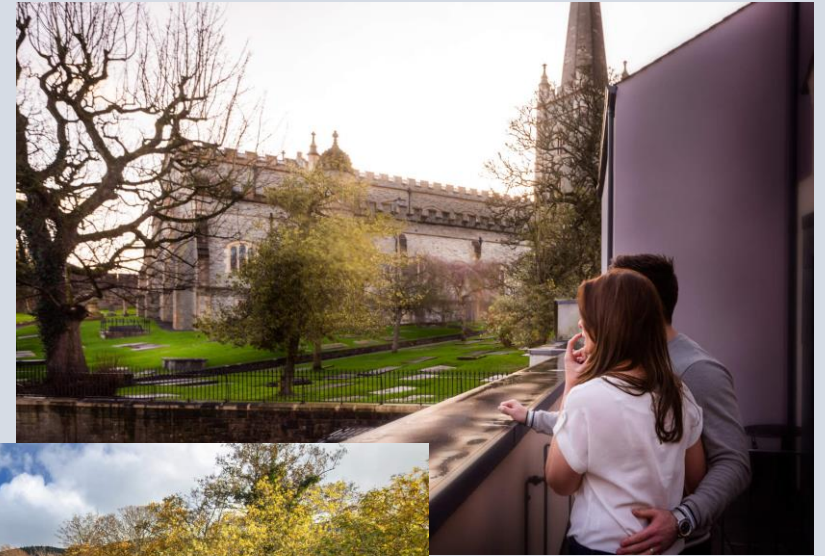
28th September – 15th October 2022
(86 responses)

TOTAL responses = 340

Responses by sector

Sector	Responses (% of sample)
Hotel	33 (10%)
B&B/GH/GA*	100 (29%)
Self-catering	83 (24%)
Camping/caravan	7 (2%)
Other accommodation	9 (3%)
Attraction	20 (6%)
Activity provider	22 (7%)
Golf club	18 (5%)
Tour operator	8 (2%)
Carrier / Transport provider	9 (3%)
Experience provider	9 (3%)
Other	22 (6%)
TOTAL	340

*Bed & breakfast/guest house/guest accommodation

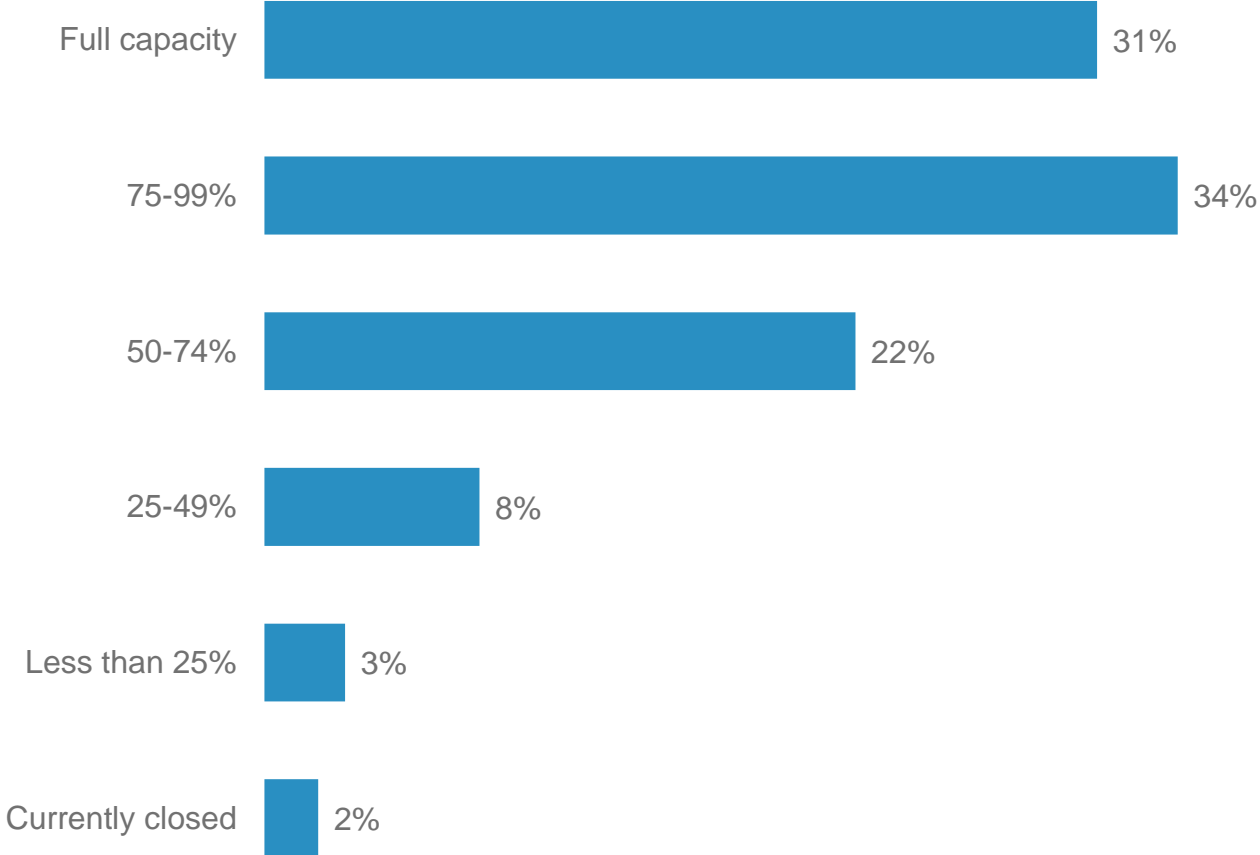


Accommodation businesses make up 68% of Tourism NI's sample with attractions accounting for 6% and activity providers a further 7%.

Business status



Current operating capacity



Attractions (40%) and activity providers (32%) were more likely to be operating at full capacity than serviced accommodation establishments (27%).

Business performance January – September 2022



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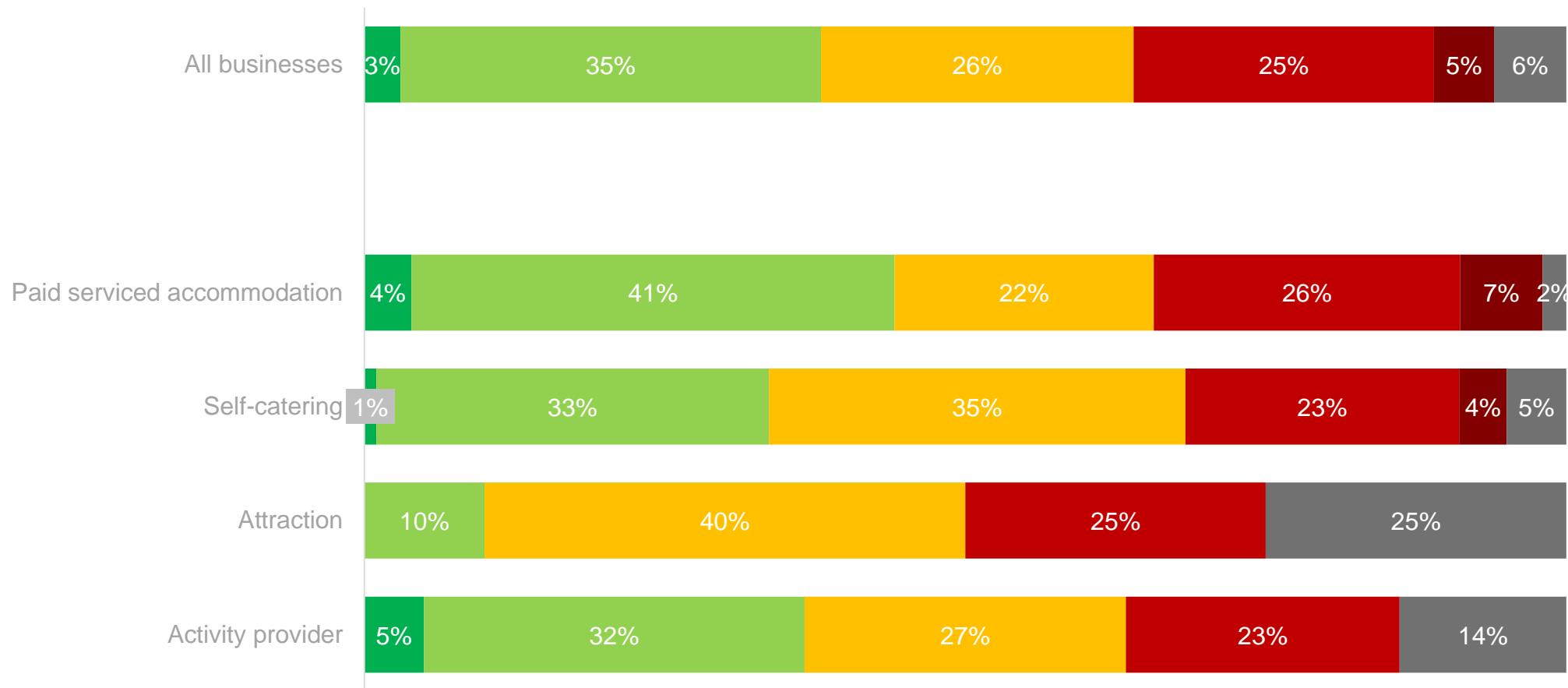
Business performance: Jan – Sep 2022 summary

- Around two-thirds (67%) of responding businesses were operating at reduced capacity, whilst 2% were currently closed. Just under one-third (31%) were operating at full capacity.
- Almost two in five (38%) respondents reported higher turnover for the period January – September 2022 compared to the same period in 2019; a quarter (26%) recorded no change, whilst almost one-third (30%) had experienced a decrease in turnover v January – September 2019.
- Growth in NI domestic, ROI and GB market performance benefitted many businesses but not all, with approximately one-quarter of businesses reporting reduced levels of business from these key markets.
- Just under two-thirds of providers have seen international visitor volumes either return to (31%) or exceed (32%) pre-Covid levels, with 4 in 10 (37%) yet to see a return to 2019 volumes.

Business turnover January – September 2022 – by sector



■ Way above 2019
 ■ Above 2019
 ■ Same as 2019
 ■ Below 2019
 ■ Way below 2019
 ■ Not sure



Q. Was your business turnover better or worse for January – September 2022 compared to the same time in 2019 (i.e. before Covid crisis)?

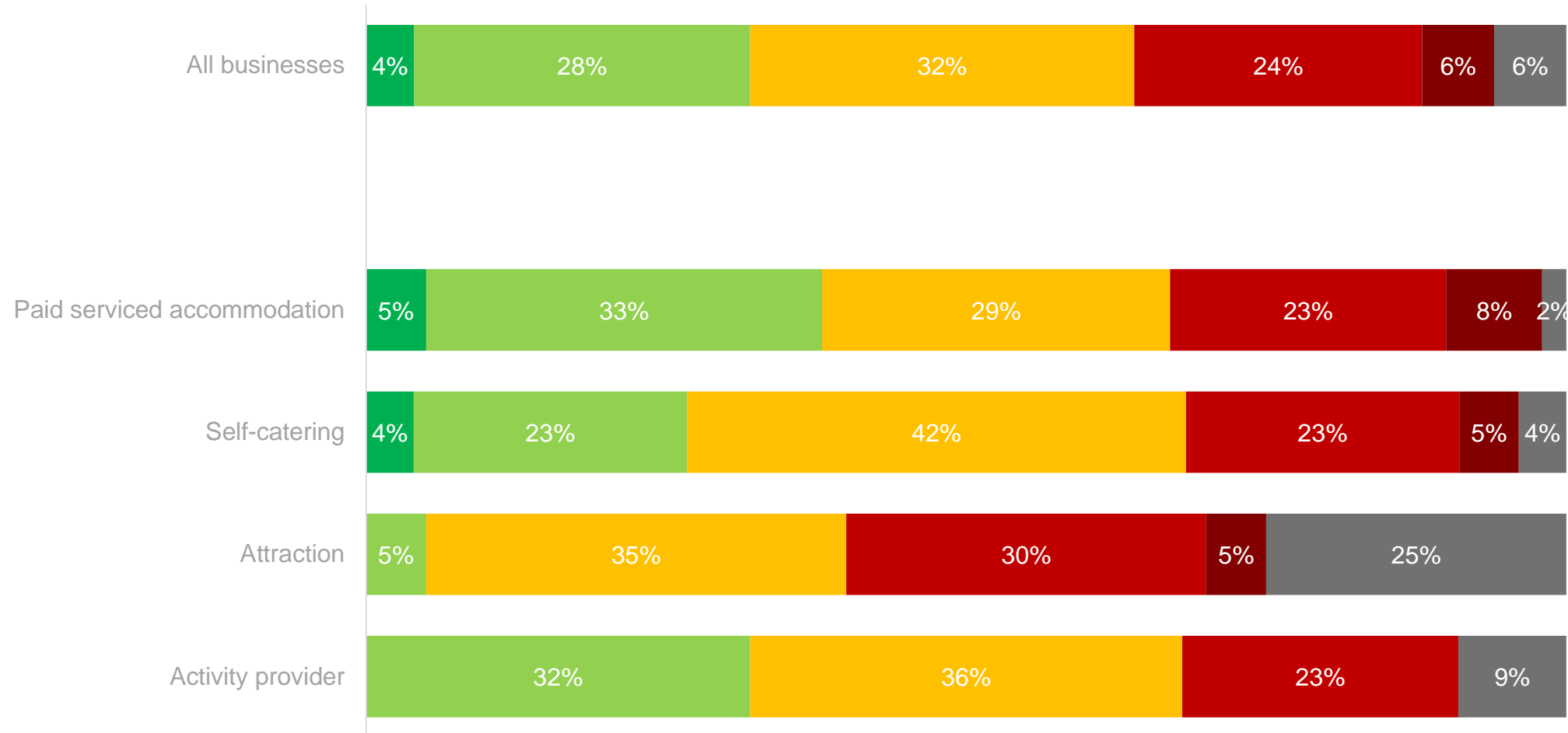
Base: all businesses (n=340); paid serviced accommodation (n=133); self-catering (n=83); attraction (n=20); activity provider (n=22*)*

**Caution: small base size*

Business profitability January – September 2022 – by sector



■ Way above 2019
 ■ Above 2019
 ■ Same as 2019
 ■ Below 2019
 ■ Way below 2019
 ■ Not sure



Q. Was your business profitability better or worse for January – September 2022 compared to the same time in 2019 (i.e. before Covid crisis)?

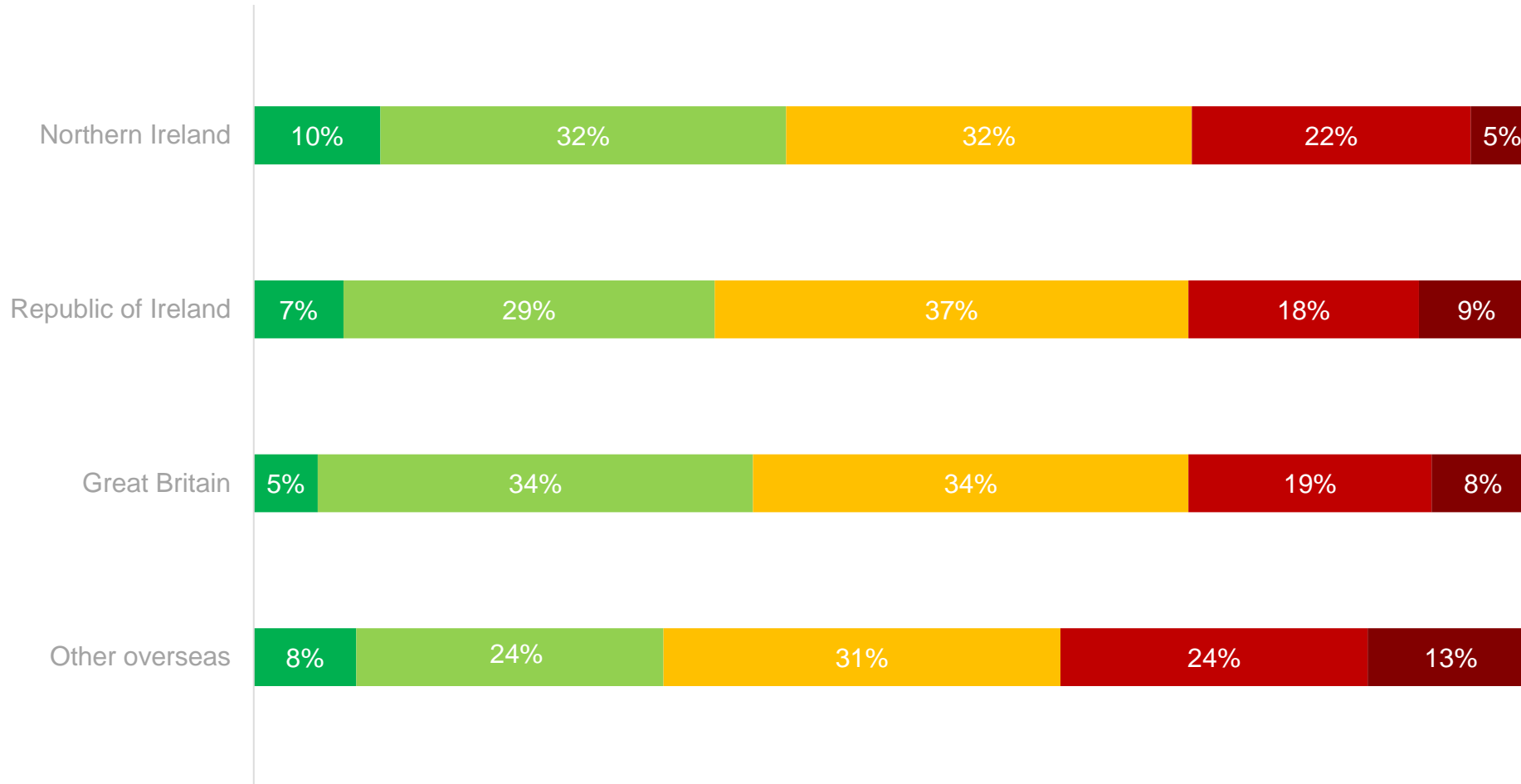
Base: all businesses (n=340); paid serviced accommodation (n=133); self-catering (n=83); attraction (n=20); activity provider (n=22*)*

**Caution: small base size*

Business performance January – September 2022 – by market

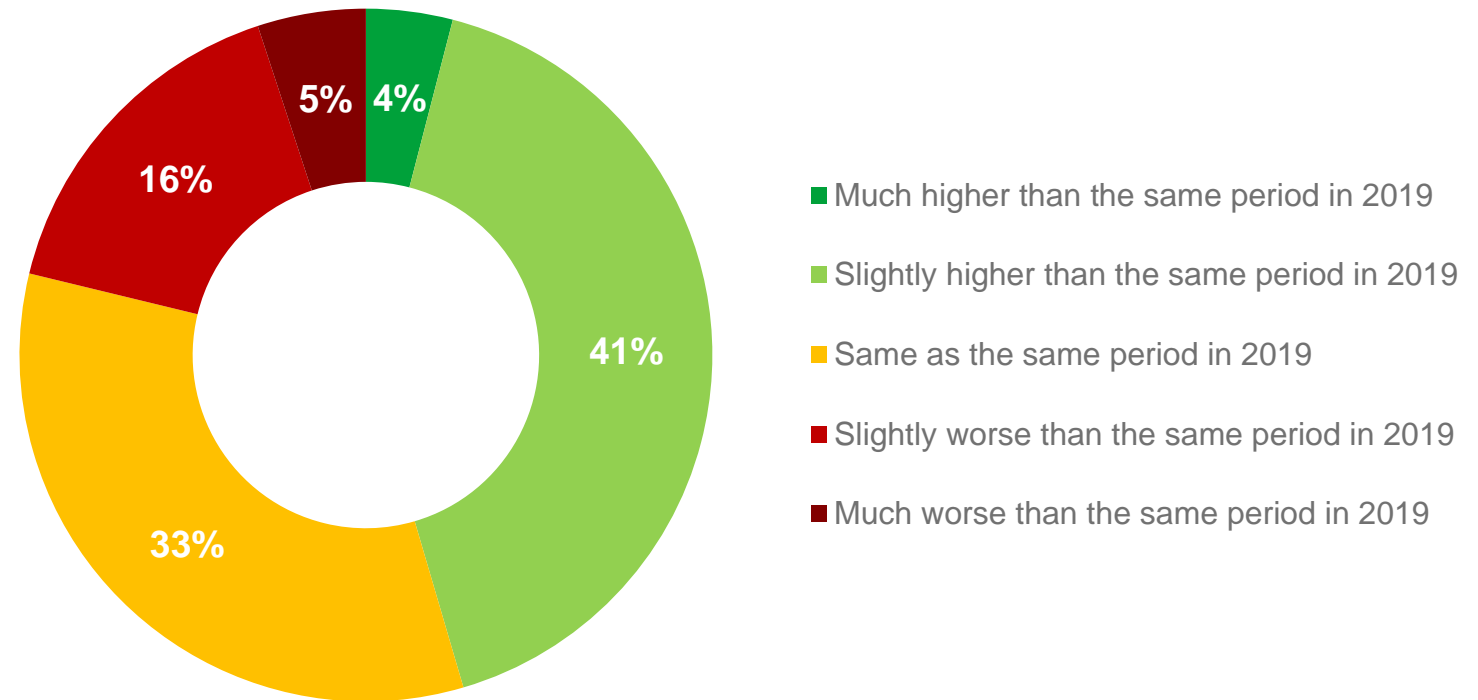


■ Much higher than 2019 ■ Slightly higher than 2019 ■ Same as 2019 ■ Slightly worse than 2019 ■ Much worse than 2019



Q. Thinking about the year to date (January – September 2022), how did the volume of your overall business compare with the same time in 2019 for each of the following markets ... ?

Base: all respondents (n=340)



Q. Thinking about the year to date (January – September 2022), how does your average room yield compare to the same time in 2019?

Base: all accommodation (n=232)

Business performance June – September 2022



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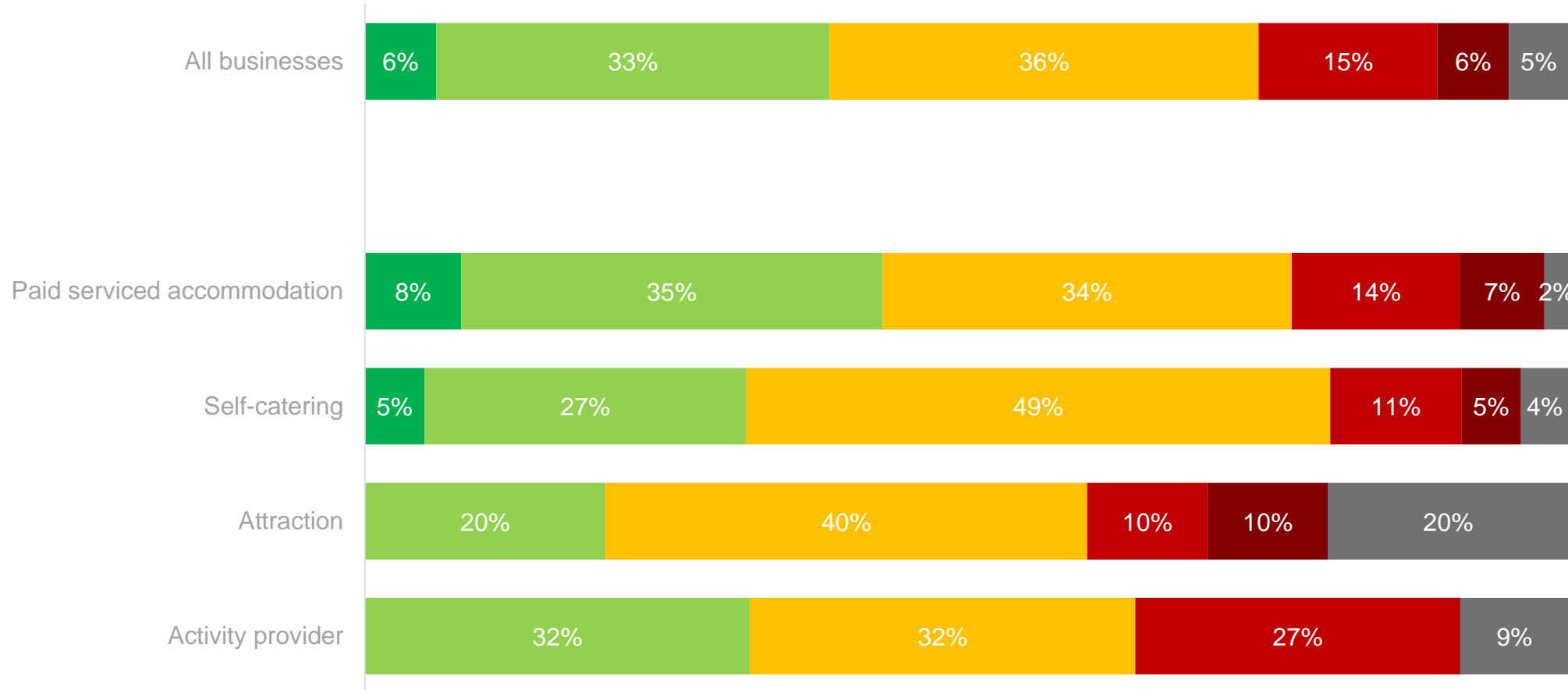
Business performance: June – Sep 2022 summary

- For the summer period (June to September 2022), almost two in five (39%) of responding businesses reported higher turnover for the period when compared to summer 2019; 36% recorded no change whilst almost one in five (21%) had experienced a decrease in turnover.
- More than one-third (34%) of businesses reported higher profitability compared to the same period in 2019, with a further 35% reporting the same levels of profitability.
- Over 4 in 10 businesses (43%) reported higher average room yields compared to pre-Covid levels. Less than one-fifth (19%) said average room yield was below 2019 levels.

Business turnover summer 2022 – by sector



■ Way above 2019
 ■ Above 2019
 ■ Same as 2019
 ■ Below 2019
 ■ Way below 2019
 ■ Not sure



Q. Now thinking about the summer period specifically, was your business turnover better or worse for the June to September 2022 period compared to the same time in 2019 (i.e. before Covid crisis)?

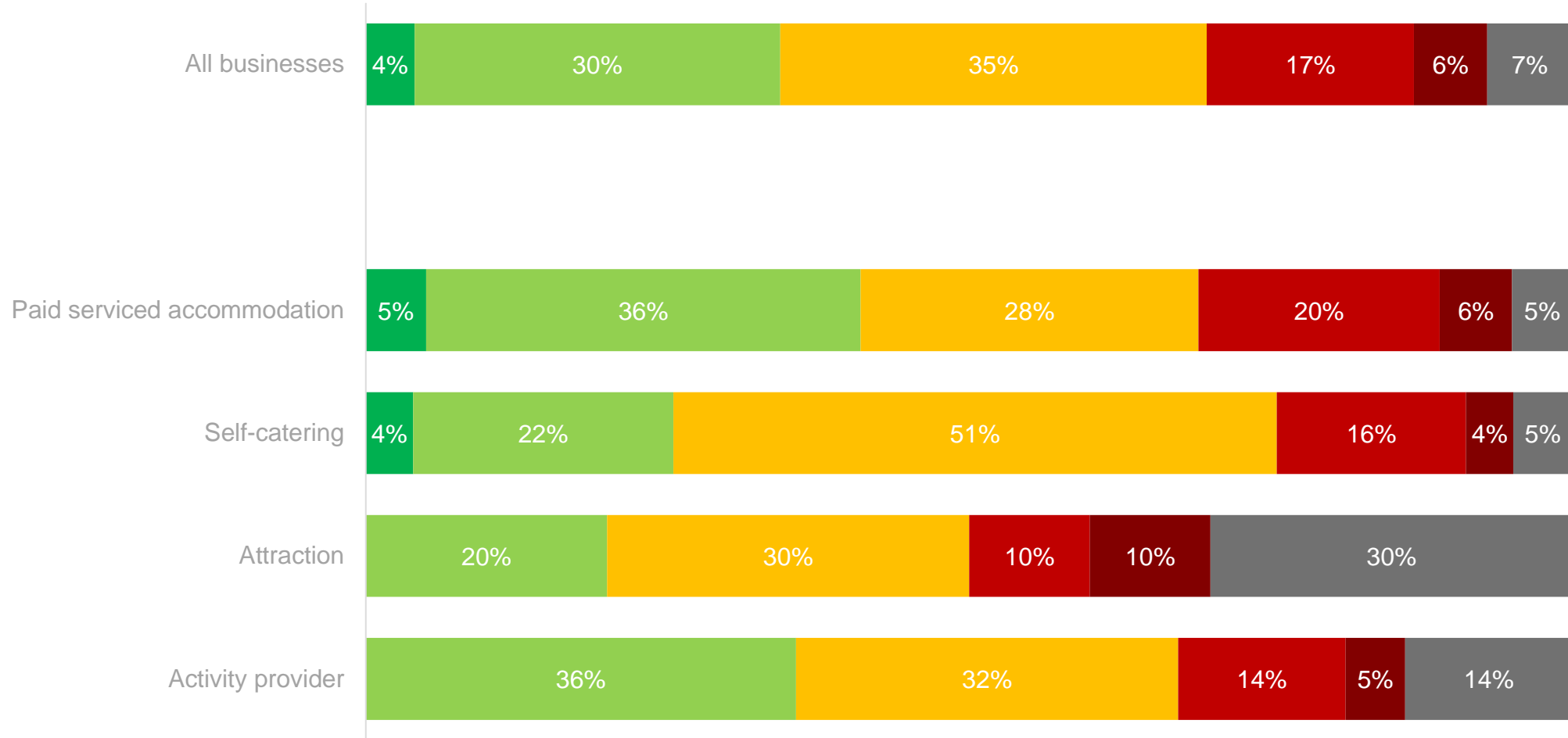
Base: all businesses (n=340); paid serviced accommodation (n=133); self-catering (n=83); attraction (n=20); activity provider (n=22*)*

**Caution: small base size*

Business profitability summer 2022 – by sector



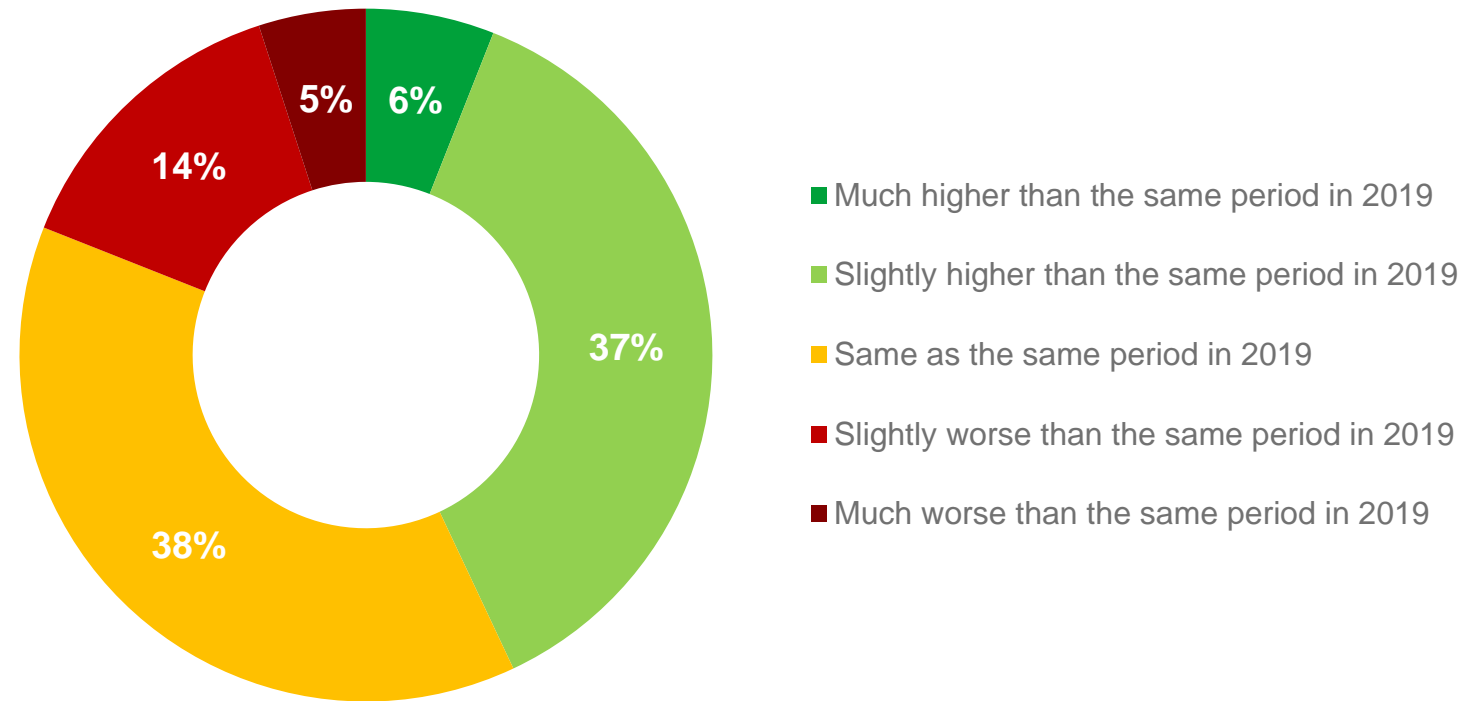
■ Way above 2019
 ■ Above 2019
 ■ Same as 2019
 ■ Below 2019
 ■ Way below 2019
 ■ Not sure



Q. Was your business profitability better or worse for June – September 2022 compared to the same period in 2019 (i.e. before Covid crisis)?

Base: all businesses (n=340); paid serviced accommodation (n=133); self-catering (n=83); attraction (n=20*); activity provider (n=22*)

*Caution: small base size



Q. For June to September 2022, how does your average room yield compare to the same time in 2019 (i.e. before Covid crisis)?

Base: all accommodation (n=232)

Outlook



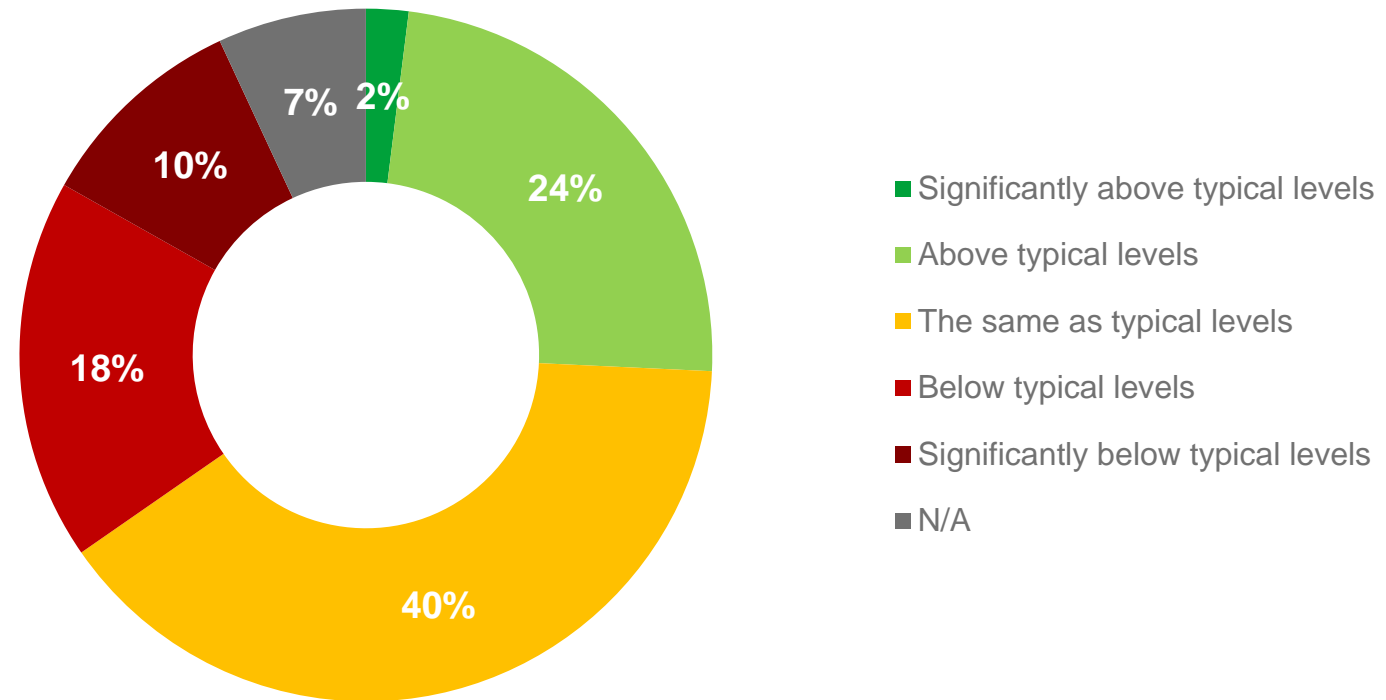
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Outlook: Summary

- For over one-quarter of businesses (26%), advanced bookings for the remainder of 2022 (Oct-Dec) are up compared to what they would normally be at this point of the year, with two-fifths of respondents reporting bookings to be the same as typical levels.
- Almost three-quarters of responding businesses expect the volume of their overall business during Oct-Dec 2022 to be higher (39%) or the same (34%) as pre-Covid levels.
- Just under one-quarter of businesses (24%) state that advanced bookings for 2023 are higher compared to normal; almost half (49%) say levels are the same.
- Outlook for 2023 is positive, with 45% of respondents expecting business volume to be higher than pre-Covid levels. Just under one-third (29%) expect business volume to be the same and one-quarter expect a downturn compared to pre-Covid levels.
- Seven in ten (70%) responding businesses were confident about running a tourism business profitably for the rest of the year and throughout 2023. One-quarter (25%) were not confident, whilst a small number (5%) were not sure.

Outlook (October – December 2022)

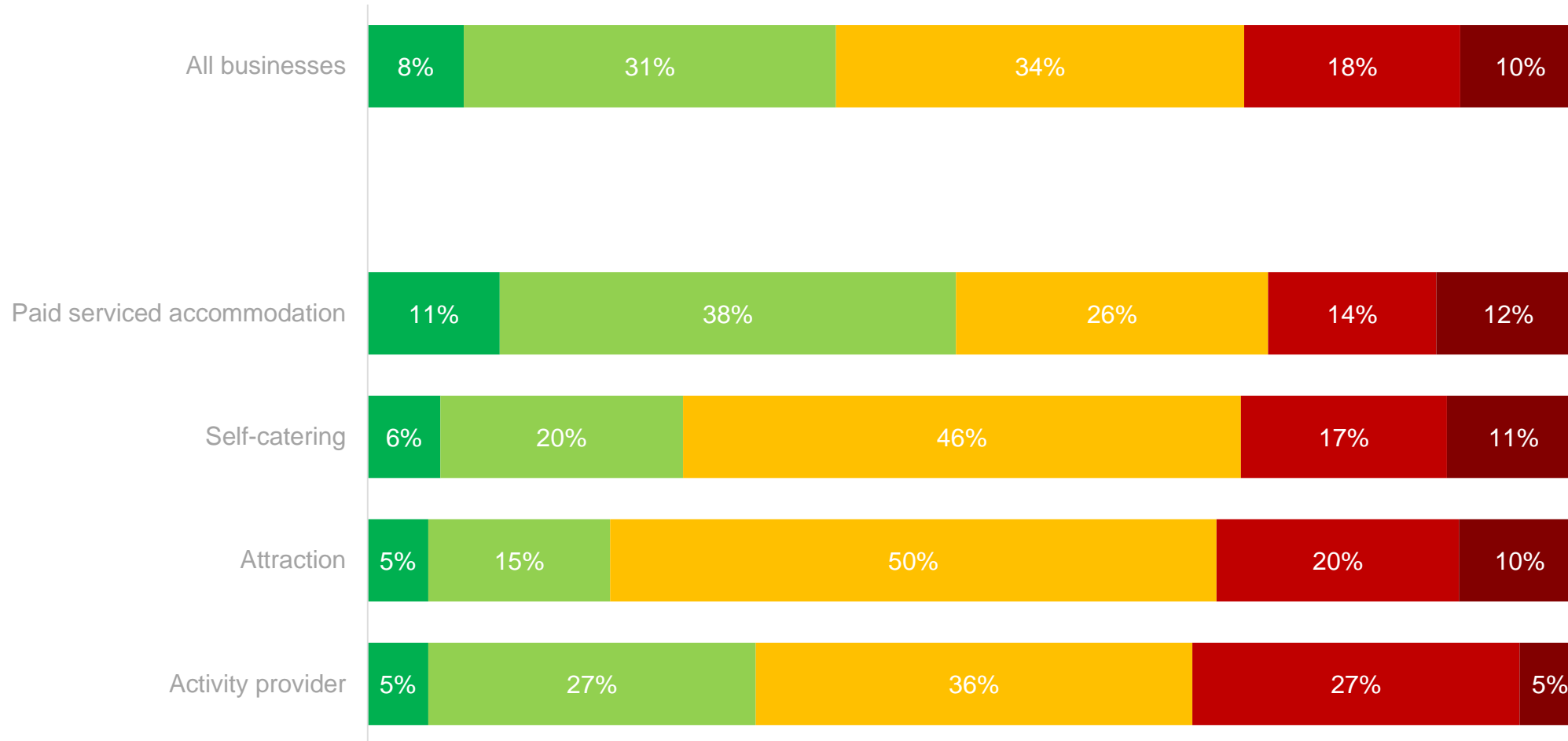


Q. How many advance bookings do you have for the remainder of 2022 (October – December) compared to what you would normally have at this point in the year?
Base: all businesses (n=340)

Expectations regarding business volume for remainder of 2022 (October – December)



■ Much higher than 2019
 ■ Slightly higher than 2019
 ■ Same as 2019
 ■ Slightly worse than 2019
 ■ Much worse than 2019



Q. Thinking about the remainder of the year (October – December 2022), how do you feel the volume of your overall business will compare with the same period in 2019 (i.e. before Covid crisis)?

Base: all businesses (n=340); paid serviced accommodation (n=133); self-catering (n=83); attraction (n=20); activity provider (n=22*)*

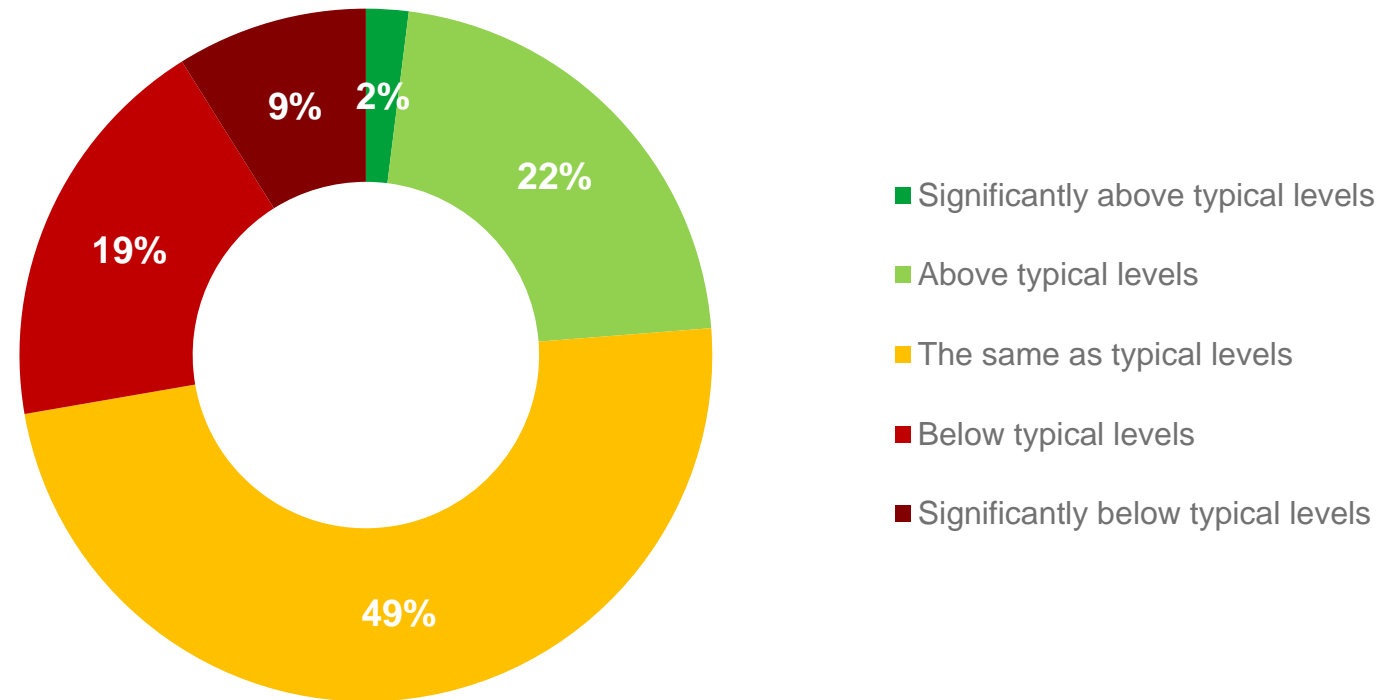
**Caution: small base size*

Outlook for 2023



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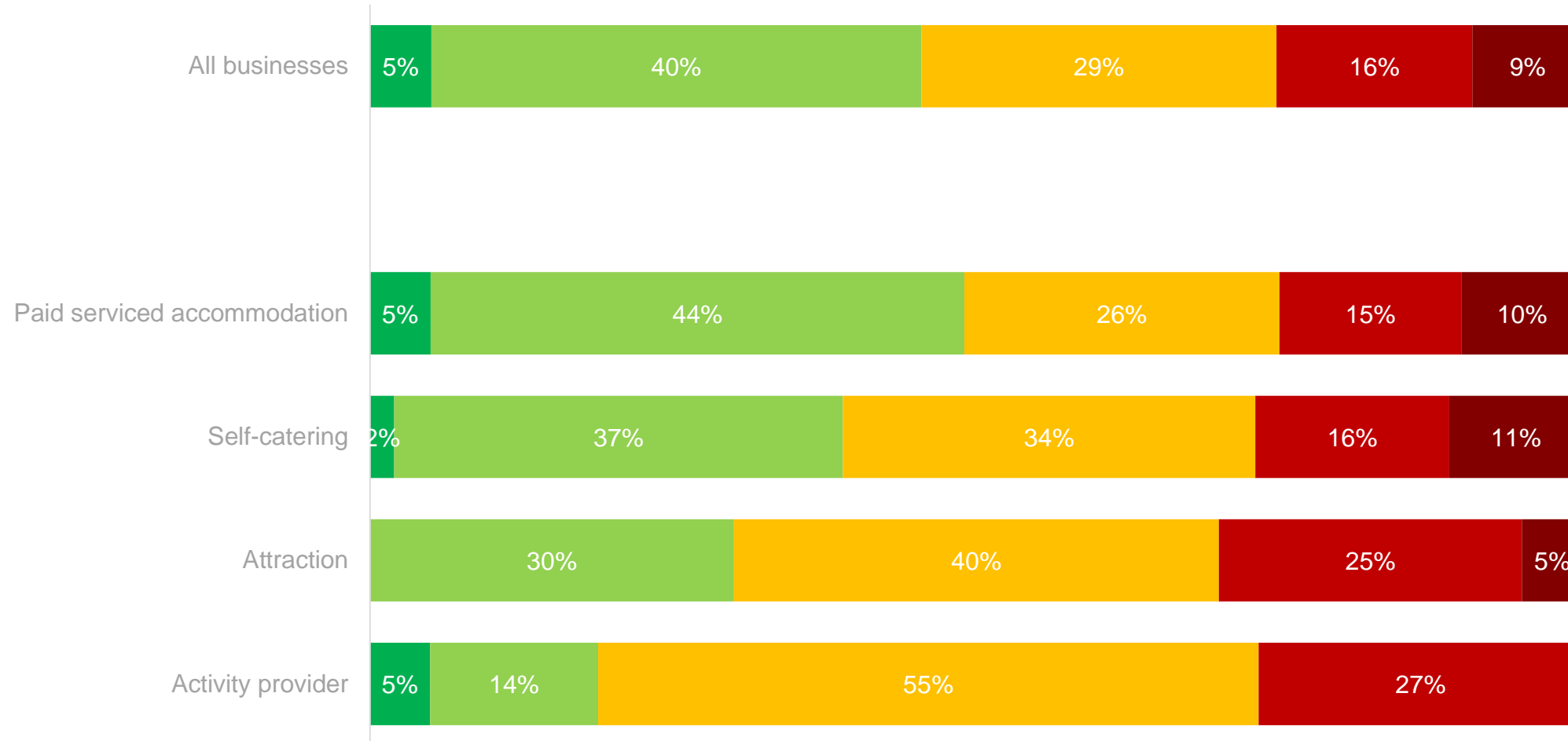
Q. How many advance bookings do you have for 2023 compared to what you would normally have at this point in the year?

Base: all businesses that take advance bookings (n=317)

Expectations regarding business volume for 2023 – by sector



■ Much higher than 2019 ■ Slightly higher than 2019 ■ Same as 2019 ■ Slightly worse than 2019 ■ Much worse than 2019

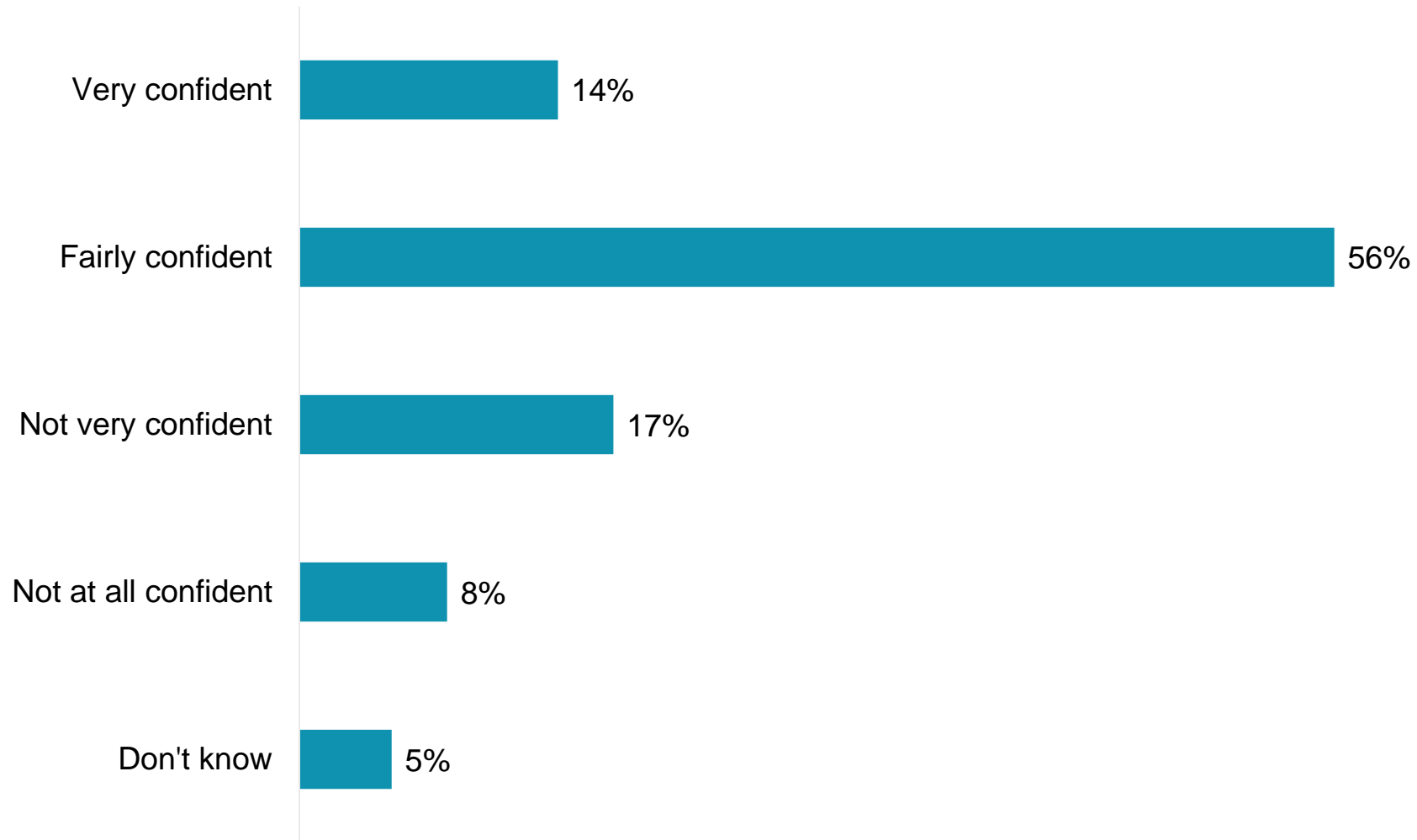


Q. Thinking about 2023, how do you feel the volume of your overall business will compare to 2019 (i.e. before Covid crisis)?

Base: all businesses (n=340); paid serviced accommodation (n=133); self-catering (n=83); attraction (n=20); activity provider (n=22*)*

**Caution: small base size*

Confidence regarding running a tourism business profitably for the rest of the year and throughout 2023



Q. And how confident do you feel about running a tourism business profitably for the remainder of the year and throughout 2023?

Base: all businesses (n=340)

Booking trends



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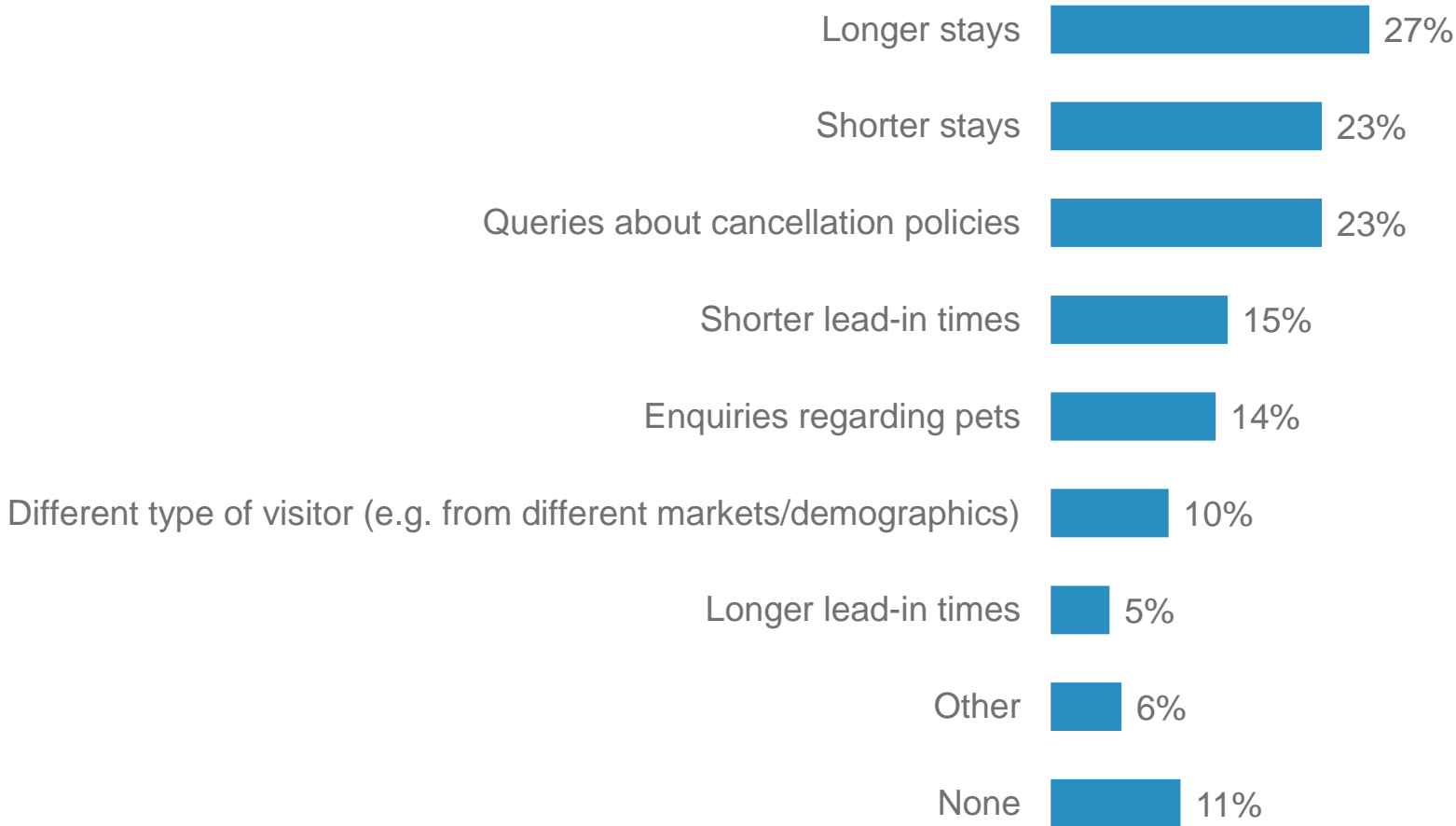
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Booking trends: Summary

- When asked about booking trends in 2022 that were different from 'normal', business responses covered a wide spectrum, including both longer (27%) and shorter stays (23%).
- Just under one-quarter (23%) highlighted queries regarding cancellation policies.
- Notably, one in seven businesses (14%) identified enquiries regarding pets as a 'new' trend, suggesting some possible business growth opportunities for those who can accommodate this extended family member.



Booking trends for 2022 that are different from normal



Q. Are there any booking trends you're noticing for 2022 that are different from normal?
Base: all businesses that take advance bookings (n=317)

Reasons to be positive & causes for concern



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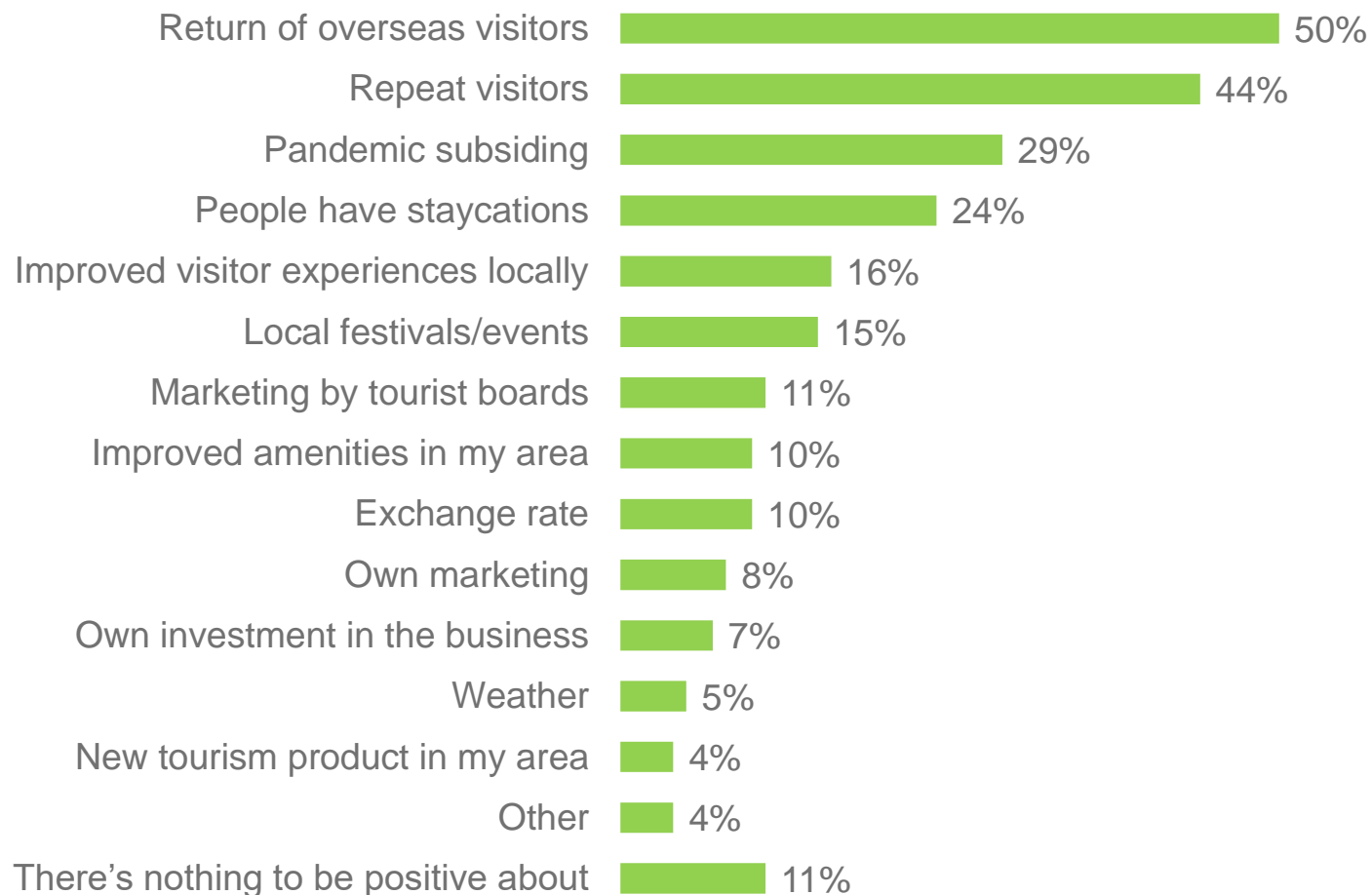
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Reasons to be positive & causes for concern: Summary

- Half (50%) of responding businesses cited the return of overseas visitors as a reason to be positive about the remainder of the year and 2023, whilst around two in five (44%) were positive as a result of repeat visitors.
- Energy costs (68%), a reduction in people's disposable income (62%) and higher operating costs besides energy (41%) were the main causes for concern this year for responding businesses.
- Amongst businesses that employ staff, around one-quarter (27%) cited recruitment as a cause for concern, whilst a similar number (24%) mentioned staff retention and training.
- The impact of increased market competition is reflected in the almost one fifth of businesses (16%) that identified the increase in people going abroad as a particular cause for concern.



Reasons to be positive regarding business for the remainder of the year and 2023

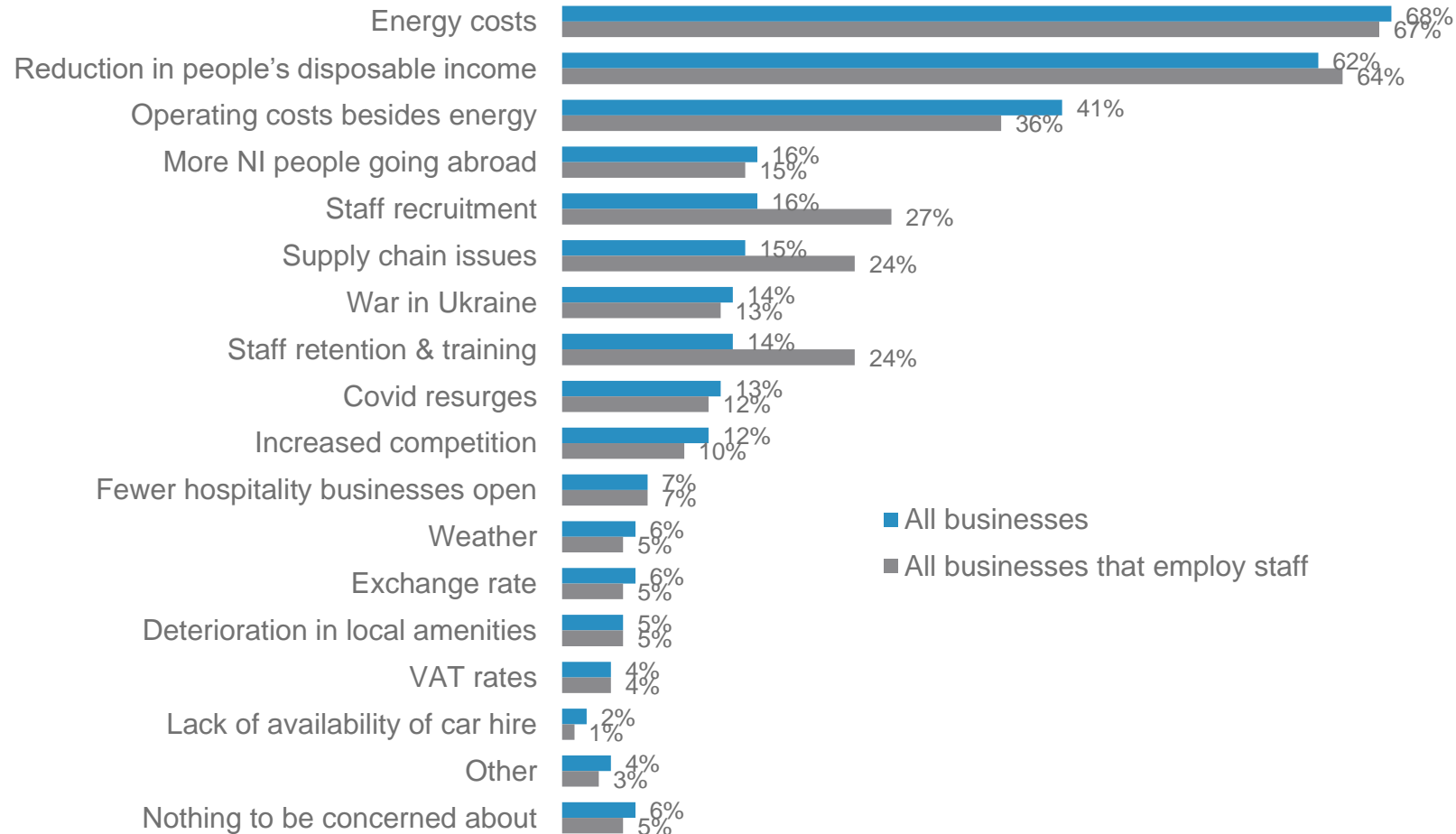


Q. Are there any particular reasons to be positive about business for the remainder of the year and 2023?

Base: all businesses (n=340)



Causes for concern regarding business this year



Tourism NI is supporting businesses to survive and grow business revenues in the short to medium term. One mechanism of support is the TED Programme:
toursimni.com/ted.

The focus of the TED Programme 2022/23 will be around people, sustainability, operations, digital capability and sales and marketing.

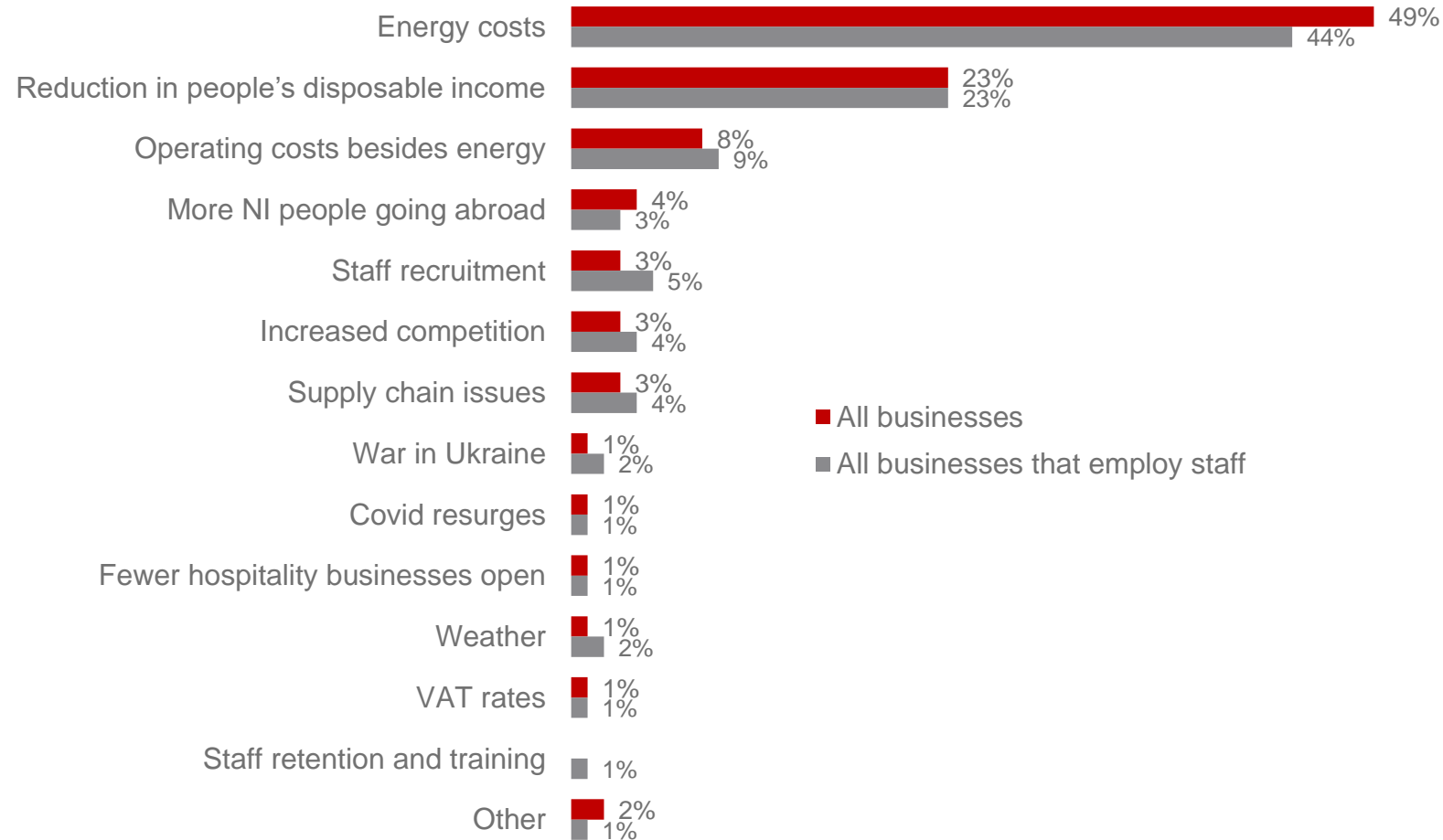
A recent Insight in the TED Programme looked at People – Recruitment and Retention, for support and tools on this topic please visit

www.tourismni.com/recruitretain



Causes for concern regarding business this year – rank 1st

Energy costs (49%) were most likely to have been considered the number one cause for concern this year for responding businesses.



To further support businesses, Tourism NI has launched Phase 2 of the Kick Start Programme which aims to provide access, for successful applicants, to expert mentoring across 4 key areas to support a sustainable recovery.

More details about this scheme including objective, eligibility criteria and how to apply are available at www.tourismni.com/kickstart2

Changes in response to rising operating costs/cost of living increases



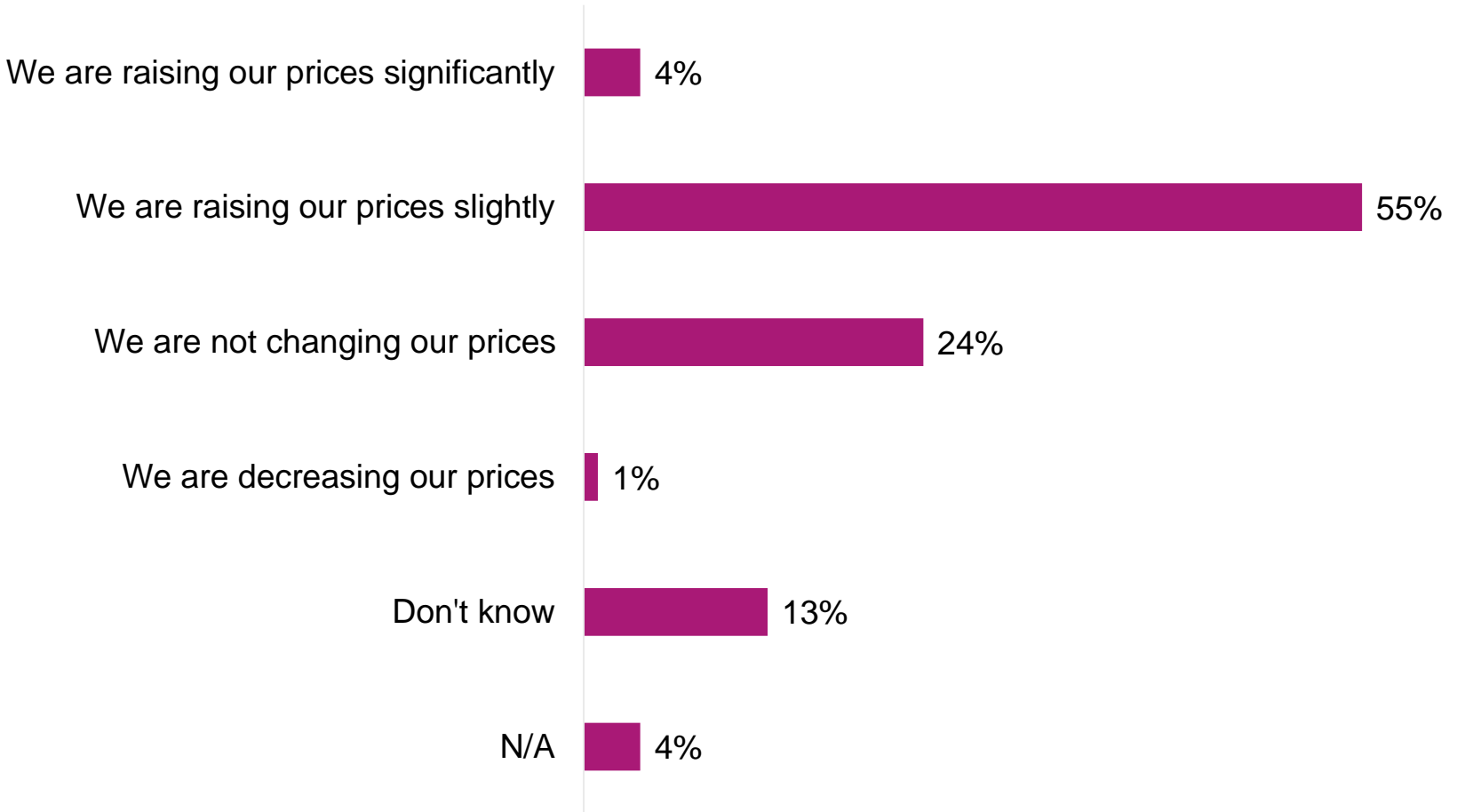
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Changes in response to rising operating costs/ cost of living increases

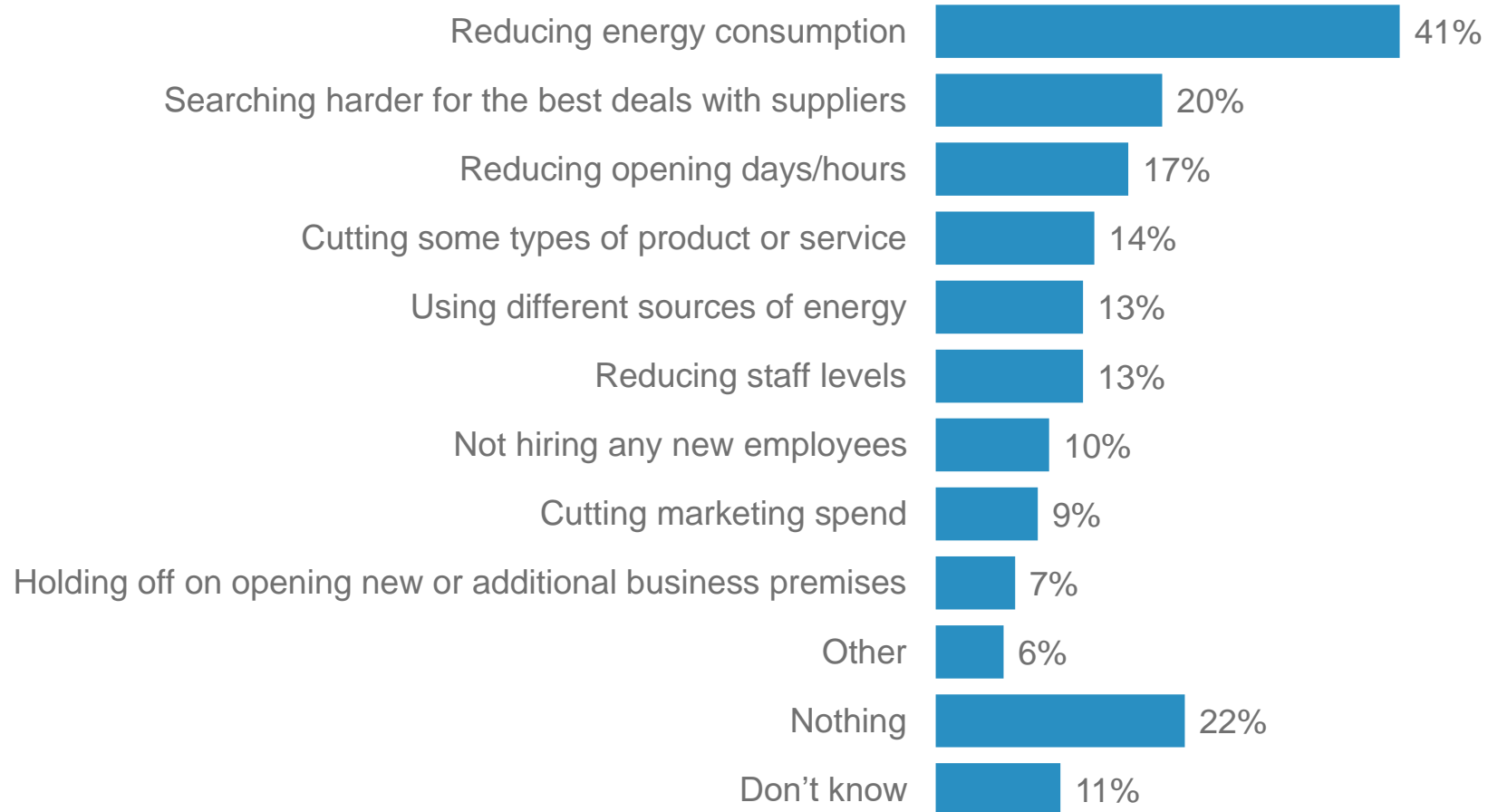
- In response to rising operating costs and the increase in the cost of living for consumers, nearly three in five (59%) responding businesses have raised their prices or intended to do so.
- Around two in five (41%) respondents were reducing their energy consumption in response to rising costs. One-fifth (20%) were searching harder for the best deals with suppliers, whilst a similar number (17%) were reducing their opening days/hours.

Changed/intend to change prices for the rest of the year and 2023 compared to what would charge normally



Paid serviced accommodation businesses are most likely to say they will be increasing prices (67%).

Other responses to rising costs



The event in the TED Programme series, **Leaner & Greener Cost Saving Masterclass**, comes with a range of supports.

This can be found at www.tourismni.com/leanergreener

Key takeaways

Key takeaways

Generally positive 2022 YTD performance

- The majority of businesses (64%) reported Jan-Sep 2022 turnover as above (38%) or the same (26%) as the first nine months of 2019.
- For many businesses profitability has also returned to either similar (32%) or higher (32%) pre-Covid levels. Just under one-third have yet to return to the same level of profitability (30%).
- The majority of accommodation providers report room yields that are higher (45%) or similar (33%) to 2019.

Strengthening performance across key markets

- Growth in the close to home markets (NI, ROI & GB) has benefited many businesses in recovering or exceeding pre-Covid 19 levels, although one-quarter continue to experience reduced visitor volumes.
- Just under two-thirds of providers have seen international visitor volumes either return to (31%) or exceed (32%) pre-Covid levels, with 4 in 10 (37%) yet to see a return to 2019 volumes.

Key takeaways

Optimistic outlook

- Most businesses (73%) said they expect their business volume for the remainder of 2022 to be higher (39%) or the same (34%) as 2019 levels.
- In relation to expectations for 2023, three quarters of businesses anticipate their business volume to be higher (45%) or the same (29%) as 2019 levels.

Significant issues/concerns prevail

- Whilst the outlook is generally positive for the remainder of the year and into 2023, significant levels of concern prevail regarding the impact of rising energy costs, which sit alongside other rising operating costs and the ongoing challenges presented by the reduction in people's disposable income.
- Approximately one-quarter of businesses employing staff also highlighted ongoing concerns in relation to staff recruitment, retention and training.

Key takeaways

Response to rising operating costs



- Key actions businesses will take in relation to rising operating costs include reducing energy consumption and searching for better supplier deals. Just under one-fifth of businesses will reduce opening days/hours (17%) and cut some products/services (16%).



- Nearly three in five (59%) businesses say they have or intend to increase prices in response to rising operating costs.

Reasons to be positive

- Looking ahead, the combination of the return of overseas visitors and continued success of repeat visitors were highlighted as reasons to be positive for the remainder of the year and into 2023.





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