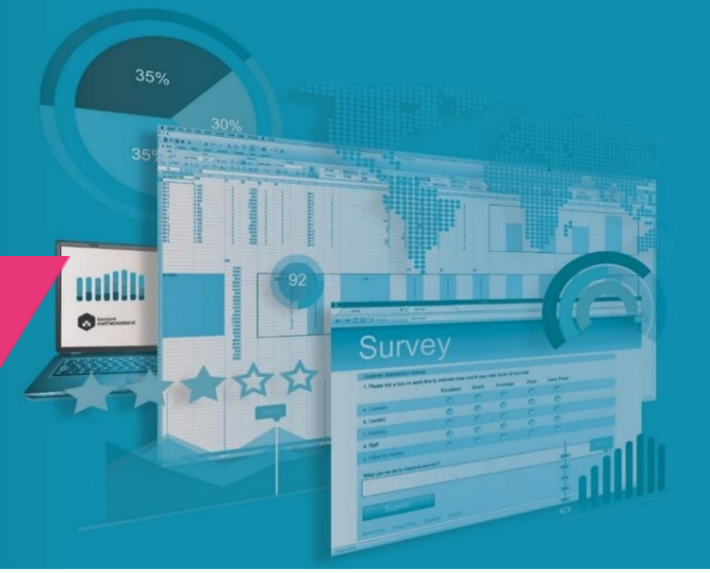
tourism northernireland

Tourism 360°

Issue 2: Summer 2019



Travel market overview

European tourism is expected to continue to grow in 2019 but rates of growth across reporting destinations to date have been markedly slower than in previous years.

Long-haul markets promise to support growth into the summer, but the influence of global risks such as trade wars and the continued Chinese economic slowdown will likely have a disruptive effect.

2019 Figures * from key source markets for inbound tourism across Europe show that:

79% of reporting destinations saw growth from **France**

69% of reporting destinations saw growth from the **Netherlands**

50% of reporting destinations saw a decline in arrivals from **Germany**

**Figures are mainly for Quarter 1 , in some cases Jan-May*

Key operational performance indicators remain strong:

Jan-May 2019 saw revenue per available room in European hotels grow by 2.1% year on year, with growth driven by average daily rate. Higher occupancy levels but lower occupancy growth may indicate capacity constraints.

Revenue Passenger Kilometres grew 4.6% in Jan-Apr 2019 compared to the same period in 2018. Despite capacity constraints Europe's RPK growth of 6.9% makes it the fastest growing region.

Source: European Travel Commission, 'Trends and Prospects Report, Q2/2019'

In this issue – at a glance:

Economic Outlook: Modest growth and slower consumer spending are forecast for NI and GB but there is greater confidence for long-haul travel from emerging economies.

Air Access: The importance of the GB market to NI is evident with 77,402 direct inbound seats for Summer 2019. The top ten key routes are highlighted.

Tourism Performance: Following a record-breaking £968m spend in 2018, the outlook among businesses is optimistic, with more than one million rooms sold in Jan-Jun 2019.

Food in Focus: With the launch of Taste the Island, a celebration of our food and drink offering, our insights into global food trends focus on consumer preferences for the natural, ethical and locally sourced.

Looking Ahead: Tourism NI's 2018 Visitor Attitude Survey is available to assist with industry business plans. In the context of providing a supportive policy environment the UK Aviation Strategy to 2050 outlines the priorities for long-term sustainable growth.

Tourism 360° is a quarterly publication produced by Tourism NI's Insights and Intelligence Service to highlight local and global tourism insights, trends and performance. Sign up at [insights@tourismni.com]() and [click here]() for previous editions.

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Economic outlook

What are the key economic indicators for GB and NI that will impact on measures of consumer confidence and tourism performance?

Economic Growth: PwC forecasts that UK economic growth will remain modest at 1.4% in 2019 and 1.3% in 2020. Inflation is expected to stay close to 2%, with interest rate increases on hold to year end. The housing market and business investment are being impacted by uncertainty around Brexit. July's **GfK Consumer Confidence Index** improved by two points from -13 to -11 but consumer spending is slow.

UK Sector Growth	Q2 2019
GDP	-0.2%
Household Consumption	+0.5%
Services Sector	+0.1%

NISRA's latest NI Composite Economic Index (NICEI) shows that Northern Ireland's economic activity is currently 4.4% below the maximum value recorded pre-recession in Q2 2007. UK GDP is estimated to be 12.6% higher than its pre-recession peak, Scotland 7.4% higher and Republic of Ireland 57.1% higher.

Sources: PwC, 'Economic Outlook', July 2019; GfK 'July Consumer Confidence Index'; ONS, 'GDP first quarterly estimate, Apr-Jun 2019'; NISRA, 'NICEI, Feb 2019'

WELLBEING IS NOW ALIGNED WITH ECONOMIC MEASURES

The Office for National Statistics (ONS) in its 'people and prosperity series' records that while happiness and life satisfaction ratings remained unchanged at the end of 2018, average anxiety ratings have improved markedly.

What is the economic outlook of our key source markets, and how might that influence visitors' propensity to travel?

ROI market

Worth £108m in 2018
11% of NI overnight spend

+1.1%
Consumer Price Index in year to June 2019

+0.9%
Personal consumption expenditure in Q1 2019

Consumer Expenditure Outlook (percentage change)	2019	2020
France	+1.3%	+1.3%
Germany	+1.9%	+1.7%
US	+2.4%	+1.9%
China	+6.7%	+6.4%

Consumer Spending

- The Eurozone is expected to slow in coming months despite a robust start to 2019.
- In the US, strong job growth and optimism promise to support consumer spending but tariffs and fear of a trade war may cool the economy.

Travel confidence in Long-Haul Markets

- Rising affluence and economic growth have driven positive travel sentiment amongst emerging economies.
- International tourist arrivals are projected to grow by 3.6%. China will account for 4% of that growth, the US 11%.

Sources: CSO, 'Quarterly National Accounts, Q2 2019'; European Travel Commission, 'Trends and Prospects Report, Q2/2019'; European Travel Commission, 'Long-Haul Travel Barometer June 2019'

Economic Trends and the Global Consumer 2030

Millennials have been centre stage in recent years, but new research highlights the purchasing power of the world's two youngest generations.

Meet Generation Z
Age 16-24

Independently minded and tech-savvy

- Gen Z are set to become the largest generation of consumers by 2020 and will make their presence felt through their personal spending priorities.
- Passionate travellers with bucket lists, 68% rank travel as their spending priority.
- Booking.com reports that 34% are solo travellers.

Meet Generation Alpha
Age 9+

The world's first digitally native generation

- Gen Alpha are predicted to be the wealthiest and best educated of all generations.
- Already they see themselves as consumers with individual preferences.
- More than half families with Gen Alpha members say they influence trips with ideas drawn from digital sources.

Sources: Booking.com, 'Destination Gen Z Report'; Expedia, 'Generation Alpha and Family Travel Trends'

Evolving global family trends and shifting demographics will bring diverse travel purchase patterns and require tailored marketing approaches.

By 2029 the Asia Pacific region is predicted to account for 41% of the global economy and 36% of all international travel. **507 million new outbound travellers are predicted in the next ten years with 81% (413 million) from outside Europe.** The average household spend in emerging markets may currently be lower but they represent a huge global expenditure footprint.

Source: Skift Research, 'Global Travel Economics 2019-2029'

Average Annual Expenditure
per household by 2030 (USD)

	Couples with children	Couples without children	Single persons
N. America	150k	130k	70k
W. Europe	70k	60k	35k
Australasia	145k	90k	50k
China & Asia Pacific	20k	18k	12k

66% of the world's households are in emerging markets

Euromonitor reports that single-person households will be the world's fastest growing household type in 2019-2030 at +23.4%. Rapid growth of this highly lucrative yet under-targeted demographic is occurring due to emerging economies such as Bangladesh and India.

The rise of the solo traveller:

- Solo holiday experiences are increasingly on offer.
- **Airbnb** bookings have surged.
- **Dublin Airport** estimates 57% of its 31.5million passengers in 2018 were travelling solo.
- A recent YouGov survey shows 46% of US travellers were motivated by the freedom to plan their own itineraries.

Sources: Euromonitor, 'Future of the Family: Trends in Consumer Spending'; YouGov, 'This is the primary reason Americans like to travel solo'

Air and Sea Access

Summer 2019 estimates show 607,109 direct, one-way air seats per week to the island of Ireland, up 2.7% on 2018, with 110,319 of these direct to NI.

Inbound Seat Capacity At a Glance

607,109
Inbound seats

3,695
Flights per week

+2.7%
on Summer 2018

Market	Seat Capacity Island of Ireland	Flights per week	Capacity change on Summer 2018
GB	236,573	1,737	+0.03%
Europe	292,949	1,653	+5.2%
USA	52,854	216	-3.8%
Canada	10,627	45	+17.4%
China, UAE, Qatar	14,106*	44	+16.7%
Total Inbound	**607,109**	**3,695**	**+2.7%**

Hainan Airlines has announced it is cancelling its Shenzhen - Dublin service (578 seats) and suspending its Beijing - Dublin route (578 seats) from October.

GB market in focus direct to NI – Inbound Summer 2019

Airport	Capacity per week	Flights per week	% of total GB to NI seats
1. Manchester	9,404	83	12.1
2. London Heathrow	9,035	56	11.6
3. Edinburgh	7,059	55	9.1
4. Birmingham	6,144	61	7.9
5. Liverpool	5,943	34	7.6
6. London Gatwick	5,724	34	7.3
7. London Stansted	5,377	42	6.9
8. Glasgow	5,192	48	6.7
9. London Luton	3,984	24	5.1
10. Bristol	3,360	20	4.3
TOP TEN TOTAL	61,222	457	79%
Total GB to NI	**77,402**	**637**	**100%**

Source: Inventory report of frequencies and capacities on scheduled air services for a week in late July 2019, prepared by TTC Ltd.

Top Ten GB Routes

79%
of total GB to NI seat capacity

72%
of total GB to NI flights

NI has a total of 110,319 seats available for Summer 2019, **77,402 direct from GB** with the remaining 32,917 from Europe. **London airports** account for 31% of the total seat capacity from GB to NI, **North West England** 20% (Manchester and Liverpool) and **Scotland** 16%. GB is a key inbound visitor market for NI. Click here for the strategy for achieving tourism growth from GB to the island of Ireland 2019-2025.

Summer 2019: On ferry crossings between GB and NI, there will be 102 sailings per week (capacity for 17,320 cars and 75,000 passengers)

2018 Tourism Performance and Outlook

Tourism estimates suggest a record-breaking £968 million spend was achieved in 2018 (up £42m on 2017) with an average spend per day of £2.7m (up from £2.5m in 2017).

£968m spend	5m trips	1m holiday trips (outside NI visitors)	£2.7m spent on average each day	16.3m nights
+5%	+3%	+11%		-3%

The additional £42m in overall spend was down to the closer to home markets (GB, NI and ROI), with the strong exchange rate possibly encouraging ROI residents to spend more.

Markets: NI attracted a previously unsurpassed 2.8m overnight visitors from outside NI. Growth was largely driven by the ROI market (+23%). GB and other overseas trips increased by 2%.

Nights: Down by 3%, with significant increases in ROI nights (+44%) offset by declines for all other markets except GB, which remained flat.

Holiday trips: Declined slightly due to fewer NI residents holidaying at home. However, ROI and GB and other overseas trips grew by 7% and 12% respectively. Strong growth was evident for business trips as well as trips to visit friends/relatives.

For an at-a-glance summary of 2018 figures, including an overview of main markets, click here.

Tourism NI's Tourism Industry Barometer suggests that businesses are generally optimistic for the year ahead, with 35% expecting growth during 2019 and 41% anticipating business levels similar to 2018. 53% of hotels, despite a slow Quarter 1, are positive about prospects for the rest of 2019. Click here for the full summary.

More than one million rooms were sold in hotels, guest houses, guest accommodation and B&Bs during Jan-June 2019, an increase of 3% on Jan-June 2018

Hotels		Guest houses, guest accommodation & B&Bs	
65% occupancy	1,089,600 rooms sold	30% occupancy	198,800 rooms sold
-5pps on Jan-June 2018	Up 4% on Jan-June 2018	-4pps on Jan-June 2018	-1% on Jan-June 2018

STR Global reports that NI hotels' average daily room rate was £75.01 down 4.8% year on year, due to the increase in hotel rooms, especially in Belfast. Click here for the accommodation report.

Airbnb's latest figures to the end of 2018 estimate that £16.4m was generated from guests staying in accommodation provided by Airbnb hosts in Northern Ireland.

Sources: NISRA Accommodation Surveys; NISRA Annual Tourism Statistics 2018; Airbnb

Food in focus: Growing the potential of food tourism

With visitors increasingly seeking to gain a sense of local cultures and places, food tourism can deliver authentic experiences, encourage dwell time and boost local communities through regional and seasonal spread.

Voted 'Best Food Destination' at the 2018 International Travel & Tourism Awards, Northern Ireland is confidently looking ahead to leverage this prestigious accolade to deliver world-class food and drink experiences and continue the legacy of the highly successful 2016 Year of Food and Drink. With food and drink expenditure accounting for 30% of visitors' total spend in Northern Ireland in 2018 (£350 million), it's clear that eating and drinking are an essential part of what we have to offer.

The World Food Travel Association's 2016 Food Travel Monitor survey indicated that:

81% of respondents learn about food and beverages when they visit a destination

59% believe that food and beverages is more important when they travel than it was five years ago

87%

of surveyed national tourism organisations and industry bodies believe that gastronomy tourism is a distinctive and strategic element in defining the image and brand of their destination.

The UNWTO Survey on Gastronomy Tourism (2016)

Consumers' choice

Global trends highlight that there is huge crossover between visitors' food and drink preferences and their lifestyle choices. While visitors are focusing more and more on their health and wellbeing, they're also demanding evidence of the sustainability and authenticity of the things they are consuming. This combination is increasingly influencing where visitors choose to go and what they do.

Mintel's Global Food and Drink Trends 2019 highlights the following major trends transforming the food and drink landscape:

Through the Ages – Health and wellness are increasingly seen as holistic, proactive and ongoing concerns, with consumers seeking food and drink products that maintain health.

Evergreen Consumption – Consumers are attentive to sustainability from the beginning of the product lifecycle to the end, with momentum growing behind plastic-free, organic, vegan or locally sourced.

Elevated Convenience – Consumers may live fast-paced lives but they still demand their food to be local, nutritious and tailored to their preferences.

Food for thought

While perceptions of the quality of our food and drink experiences have improved, and visitors are reporting back they are pleasantly surprised, more can still be done to position Northern Ireland as a growing food destination.

The dining experience in NI is the area where there have been some of the largest increases in visitor ratings compared to the 2014 Visitor Attitude Survey. Key findings for 2018 indicate that:

- More than four in five (81%) visitors rated the quality of the food and drink positively, with almost two in five (38%) providing a rating of excellent.
- Value for money was rated positively by almost four-fifths (78%) of visitors.
- The staff at NI eateries were rated very favourably, with almost nine in ten scoring them positively in terms of friendliness and welcome (88%) and professionalism and efficiency (85%).
- Food provenance is becoming increasingly important to local residents and visitors alike and they would like to see more menus featuring locally sourced ingredients.
- Visitors also want more information on places to eat out in the area, and greater availability of menus which cater for those with dietary requirements.

Food and drink are connected to the natural environment and cultural heritage of destinations, bringing an intrinsic sense of place to visitors

What's next on the Northern Ireland menu?

Taste the Island is a eight-week celebration of our food and drink offering with a programme packed full of innovative themed events and experiences running from September to November 2019.

In the first of a three-year programme, in collaboration with Tourism Ireland and Fáilte Ireland, Taste the Island aims to enhance our food and drink reputation by showcasing our high quality produce and experiences, as well as assisting in seasonal extension and regional distribution. Economic benefits include:

* Local food festivals * Food markets * Farm visits *
* Guided food tours * 'Catch & Cook' * Distillery tours *
* Foraging walks *Cookery schools * 'Bake Your Own' *
* Shared dining experiences * Pop-up food venues *

For further information, see the [Grow Your Business section] of the Tourism NI website

"We know that our food and drink experiences are world class, now we want everyone else to know too."

Food trends

The popularity of Veganism and Flexitarianism* has skyrocketed: recent reports highlight that interest in plant-based eating is no longer simply a fad as consumers' appetite for a wider choice of products reflects a shift in lifestyle towards a more environmentally-conscious diet.

Consumers are better educated about food than ever before and want to make informed choices when eating and drinking away from home. This represents an opportunity to tap into customers' appetite for a wider choice of products, menus and experiences.

- The plant-based food sector in the UK was worth **£443m** in 2018.
- Market research consultancy MCA reported a **237% increase** in the number of vegan options on restaurant menus in the UK during spring and summer 2018 compared to 2017.
- With only 1-3% of UK consumers estimated to be fully vegan, growth in the demand for plant-based diets is driven by **flexitarian*** consumers – those who choose to reduce their intake of meat or go plant-based for one meal, one day, or a month at a time.
- Mintel reports that more than a third (34%) of meat-eaters in the UK said they actively reduced their meat consumption in the six months to July 2018, while 28% said they were flexitarian.

Sources: Nielsen, 'Scantrack 2018'; MCA, 'Menu and Food Trends Report April 2018'; Mintel, 'Meat-Free Foods'.

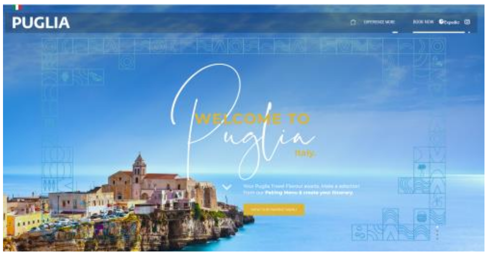
Case Studies

June 2019 saw the opening of **Saorsa 1875**, Scotland's first fully vegan hotel, in Pitlochry. The owners of the 11 bed boutique hotel, which is based in a restored 19th century building, will work with the local farming community and other suppliers and businesses to allow eco-conscious or vegan guests to enjoy a unique, beautiful Highlands accommodation experience that is in keeping with their ethical requirements.

Those seeking plant-based accommodation are increasingly catered for online, with websites such as **Vegvisits.com** allowing travellers to discover rental accommodation that is vegetarian or vegan friendly.

Italy – spreading the love of food

As food or culinary tourism has gained more visibility in recent years, so has interest in sustainable tourism. The Expedia Group has shared case studies of how this presents an opportunity for marketers to draw in more visitors while contributing to a more balanced distribution of visitors by visiting lesser-known but equally enriching destinations.



The Puglia Travel Flavours campaign encourages travellers to look beyond the more conventional Italian tourist destinations, some of which are experiencing issues associated with over-tourism. The campaign focuses on Puglia's local and delicious dining options, featuring a 'pairing menu' of regional dishes, a video of each dish and its location and a menu, which when viewed, generates an itinerary.

Looking ahead

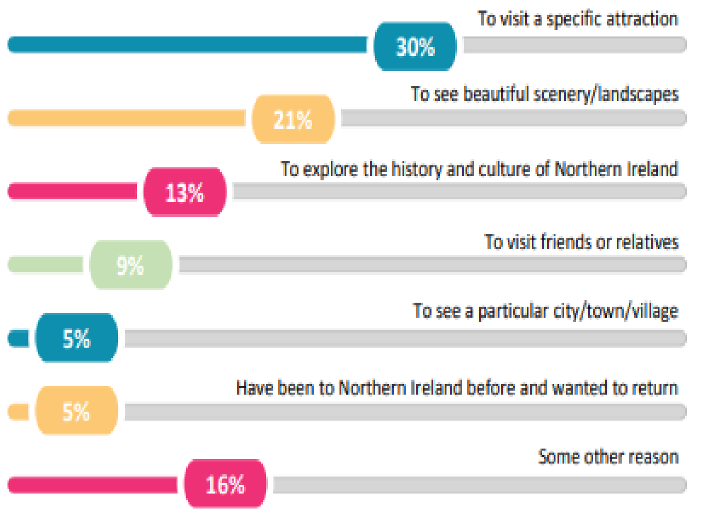
Signposting to current and future information, advice and policy developments to assist with your business planning.

Tourism NI's 2018 Visitor Attitude Survey results highlight the great welcome visitors receive:

- Visitors scored NI for their welcome on arrival (8.11 out of 10), from accommodation staff (8.87), from staff on eating out (8.54).
- **59%** of out of state visitors were visiting NI for the first time.
- **Two thirds** of visitors had an experience that went beyond their expectations.
- **9 out of 10** non-NI visitors would be likely to recommend NI to others.

For the full NI survey results click here.

MOST IMPORTANT REASONS FOR VISITING NI



Aviation 2050: UK Government Strategy on the significance of aviation to the UK economy.

Support regional growth and connectivity:
An expanded Heathrow will present an opportunity to enable regions to develop new business, tourism and cultural links across the globe.

Enhance the passenger experience:
A new Passenger Charter will meet consumer demand for real-time information, surface transport options and faster passage through airports.

Aviation directly contributes £22bn to the UK economy

Ensure aviation can grow sustainably:
A robust policy framework will reduce the harmful effects of carbon emissions, air quality and noise on the environment. Government will support the industry to deliver airspace modernisation.

The Department for the Economy (DfE) commissioned Oxford Economics to carry out independent research into Improving Northern Ireland's Aviation Connectivity

Brexit

The UK Government has produced guidance on how to prepare for Brexit if there is a 'no deal' outcome. We strongly encourage all tourism businesses to review this information closely. For more information, see Tourism NI's website.

Tourism 360° highlights local and global tourism insights, trends and performance. We welcome all feedback on Tourism 360° as we seek to develop it in the coming year.