TNI Industry Barometer

Autumn 2021 Report

tourism northernireland

Research objectives, methodology & sample

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Research objectives

To gain an understanding of the following:

- Business performance June-September 2021
- Outlook for October-December 2021
- Outlook for 2022
- Recovery expectations
- Operational issues affecting businesses
- Uptake and assessment of 'We're Good To Go'
- Business support that would be beneficial over the next twelve months

Methodology

Cognisense conducted the survey and data analysis.

Shorter phone survey to boost online responses

19th October – 9th November 2021
(139 responses)

Online survey of tourism businesses

30th September – 9th November 2021
(230 responses)

TOTAL responses = 369

Responses by sector

Sector	Responses (% of sample)
Hotel	18 (5%)
B&B/GH/GA*	79 (21%)
Self-catering	117 (32%)
Caravan/ camping	8 (2%)
Hostel	7 (2%)
Attraction	45 (12%)
Activity provider	81 (22%)
Golf club	12 (3%)
Coach operator/ car hire	2 (1%)
TOTAL	**369**

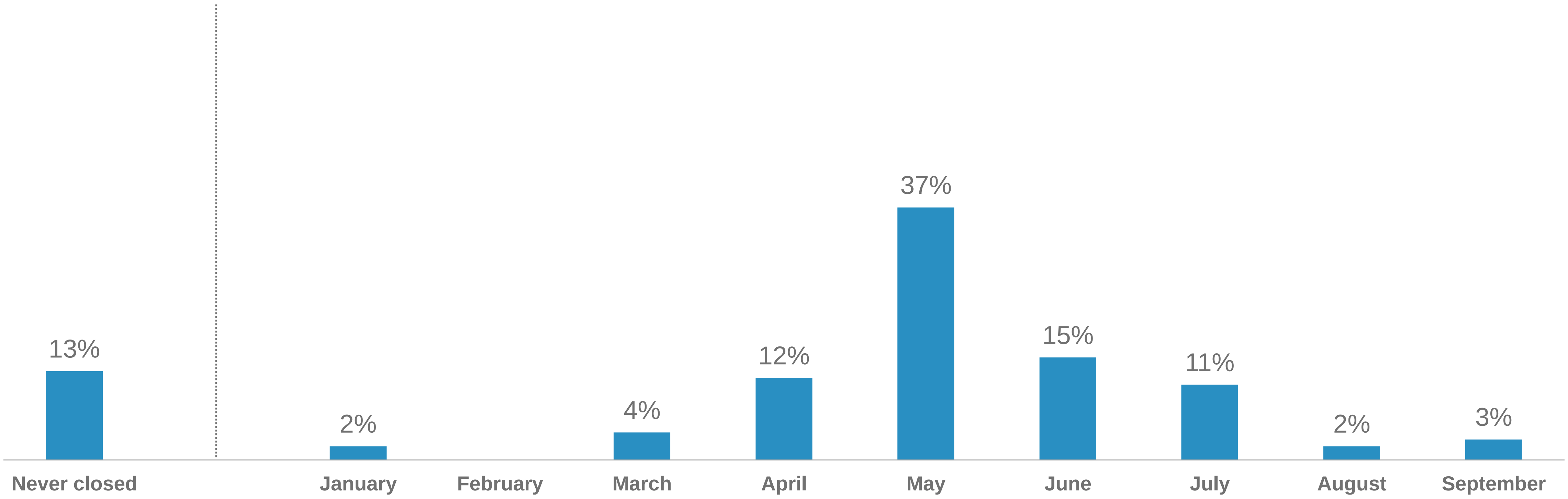
*Bed & breakfast/guest house/guest accommodation

Accommodation businesses make up 62% of TNI's sample with attractions accounting for 12% and activity providers a further 22%

33% of the sample were from the North East; 28% from South East; 15% from North West; 13% from Belfast and 11% from South West.

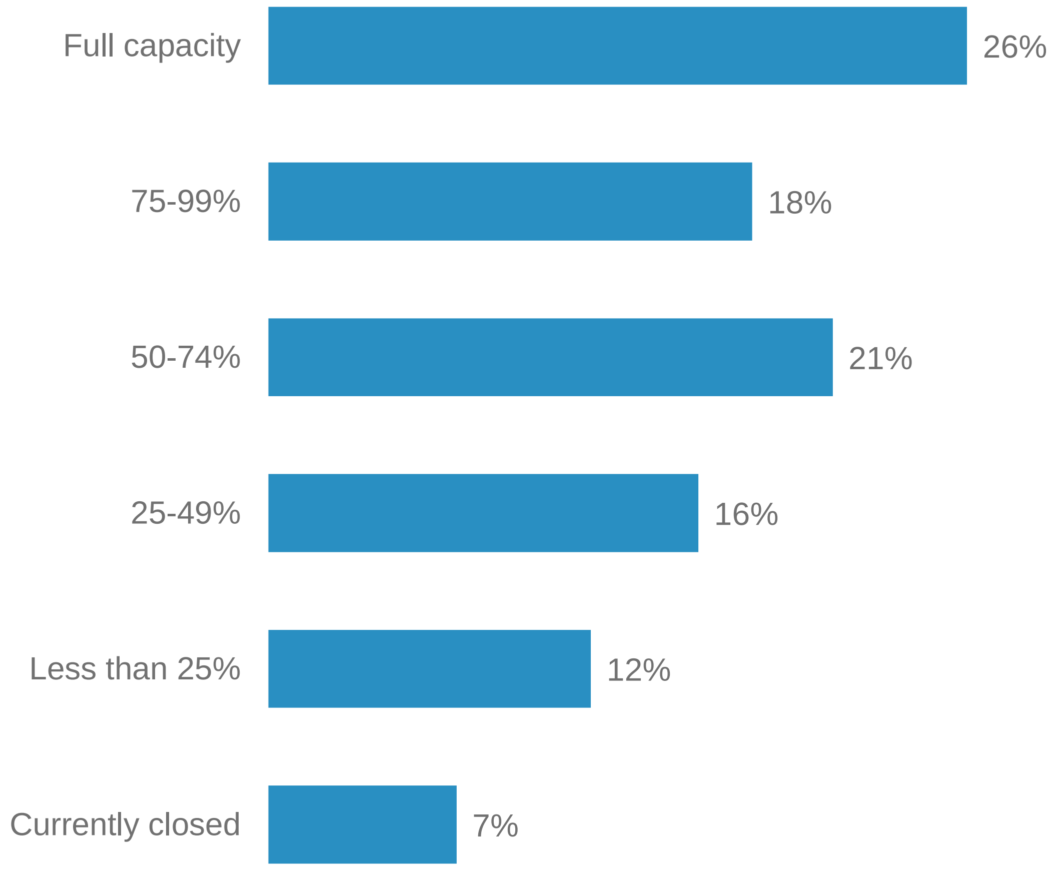
Business status

When businesses re-opened in 2021



Q. When did your business re-open in 2021?
Base: all respondents who participated online (n=230)

Current operating capacity – total sample



Attractions (42%) and activity providers (31%) were more likely to be operating at full capacity than serviced accommodation establishments (25%).

Q. At what level of normal capacity are you operating?
Base: all respondents (n=369)

Business performance: June – September 2021

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Business performance: June – Sep 2021 summary

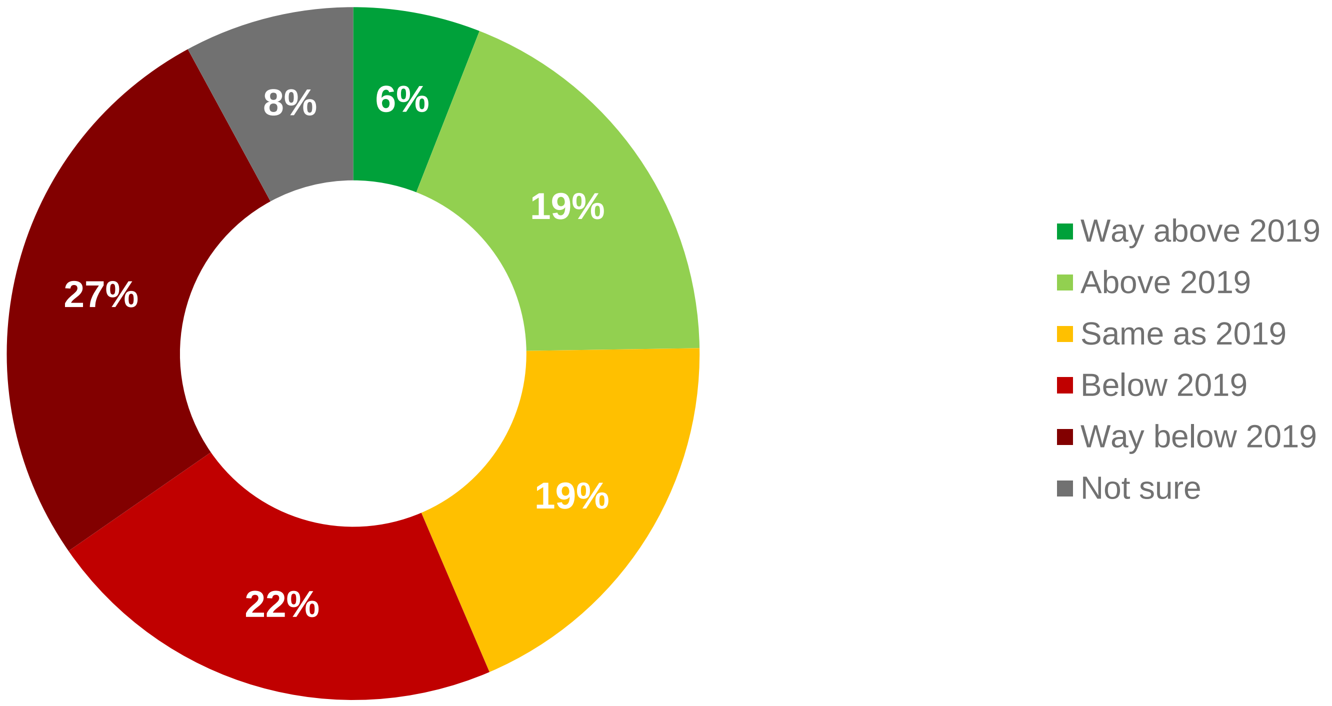
- Around two-thirds (67%) of responding businesses were operating at reduced capacity, whilst 7% were currently closed. Just over a quarter (26%) were operating at full capacity.

- Nearly half (49%) of responding businesses reported lower turnover for the period June – September 2021 when compared to the same period in 2019; a quarter (25%) recorded an increase in turnover, whilst about a fifth (19%) saw no change.

- Growth in NI domestic and ROI market performance benefitted many businesses but not all, with large variations by sector. Serviced accommodation businesses, particularly hotels, were much more likely to have reported growth from these key markets.

- Although a majority of businesses reported a decline in the GB market (61%), some participants reported a stable (24%) or higher (17%) volume of business from this market. As expected, the vast majority (86%) reported a decline in the volume of business from Overseas.

Business performance June - September 2021 – total sample



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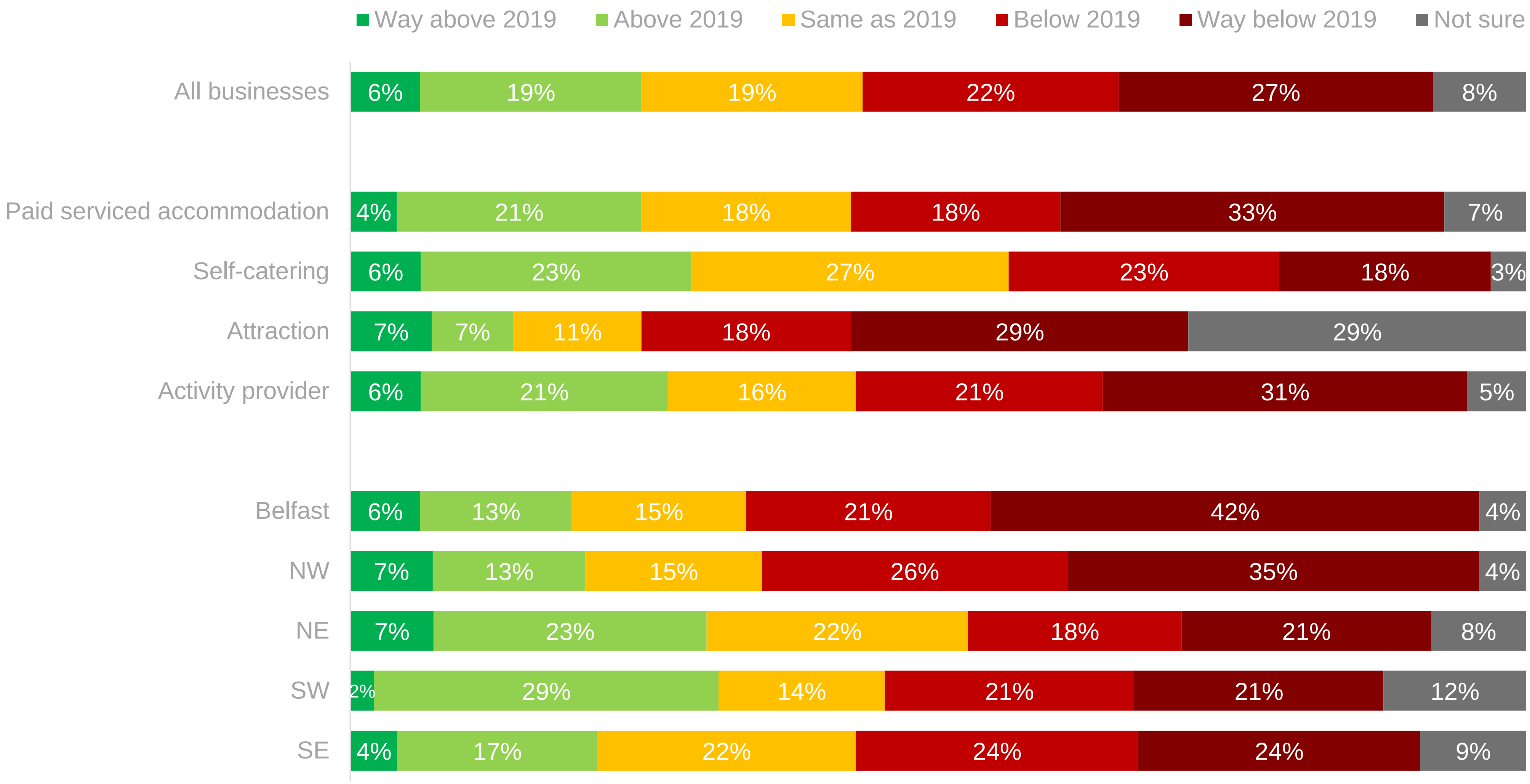
Q. Was your business turnover better or worse over the period June – September 2021 compared to the same period in 2019 (i.e. before the Covid crisis)?

Base: all respondents (n=369)

Business performance June - September 2021 – by sector

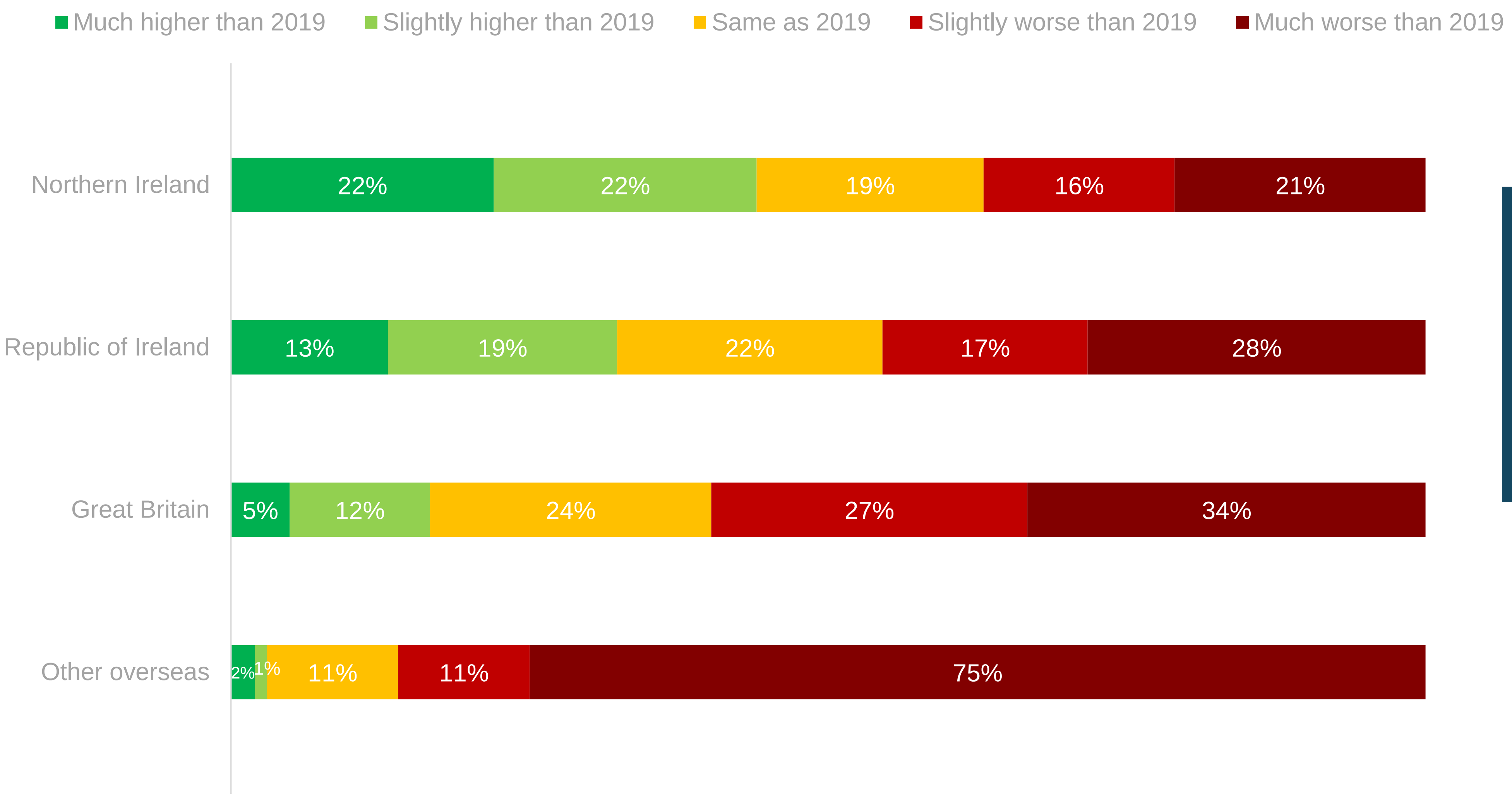


Cognisense

Q. Was your business turnover better or worse over the period June – September 2021 compared to the same period in 2019 (i.e. before the Covid crisis)?

Base: all respondents (n=369); paid serviced accommodation (n=97); self-catering (n=117); attraction (n=45); activity provider (n=81); Belfast (n=48); NW (n=54); NE (n=121); SW (n=42); SE (n=104)

Business performance June - September 2021 – by market

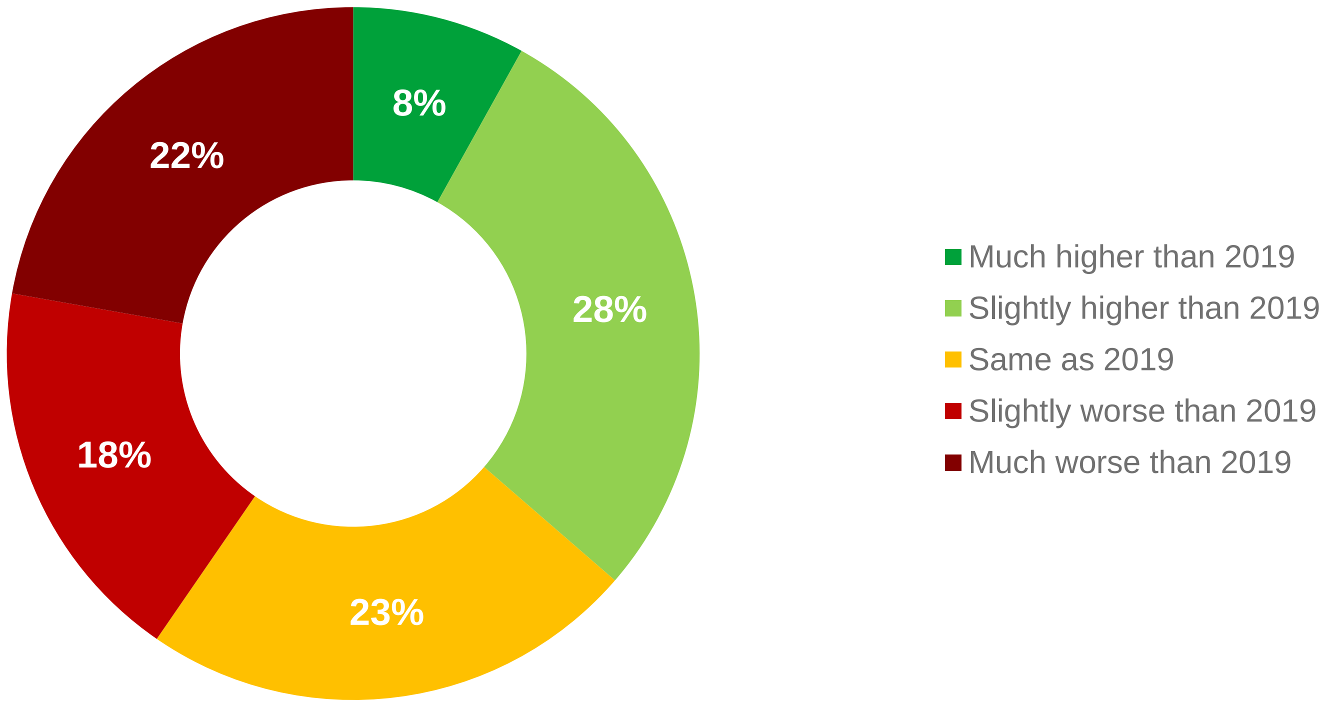


Accommodation providers were more likely to have experienced increased domestic/NI business (with around half of serviced accommodation businesses reporting growth).

Q. Thinking about the period June - September 2021, how did the volume of your overall business compare with the same period in 2019 (i.e. before the Covid crisis) for each of the following markets … ?

Base: all respondents (n=369)

Business performance June - September 2021: average room yield



Q. Thinking about the June - September 2021 period, how does your average room yield compare to the same period in 2019 (i.e. before Covid crisis)?

Base: all accommodation establishments who participated online (n=228)

Operational issues & business support

Operational issues & business support: Summary

- Industry continues to face a wide range of additional challenges. Energy costs (44%), followed by overhead costs (38%) and supply chain issues (21%) were the key things that respondents selected as having a negative impact on their business. Staff recruitment/retention was also a key issue for those businesses that employed staff.

- In terms of things having a positive impact on business, an increased interest in 'staycations' (30%) and the easing of restrictions (20%) were most likely to be cited.

- Over half (54%) of responding businesses had applied successfully for 'We're Good To Go' , with the majority finding it helpful to their business.

- Marketing (44%) was most likely to have been cited as an area where support would be of benefit over the next twelve months, followed by capital development grants (40%) and help with online presence/website development and design (39%). Support with digital skills and general financial support were cited by 36% and 35% respectively.

- Marketing came out top when respondents were asked to prioritise one type of support (outside of financial) that would be beneficial over the coming year.

Operational issues

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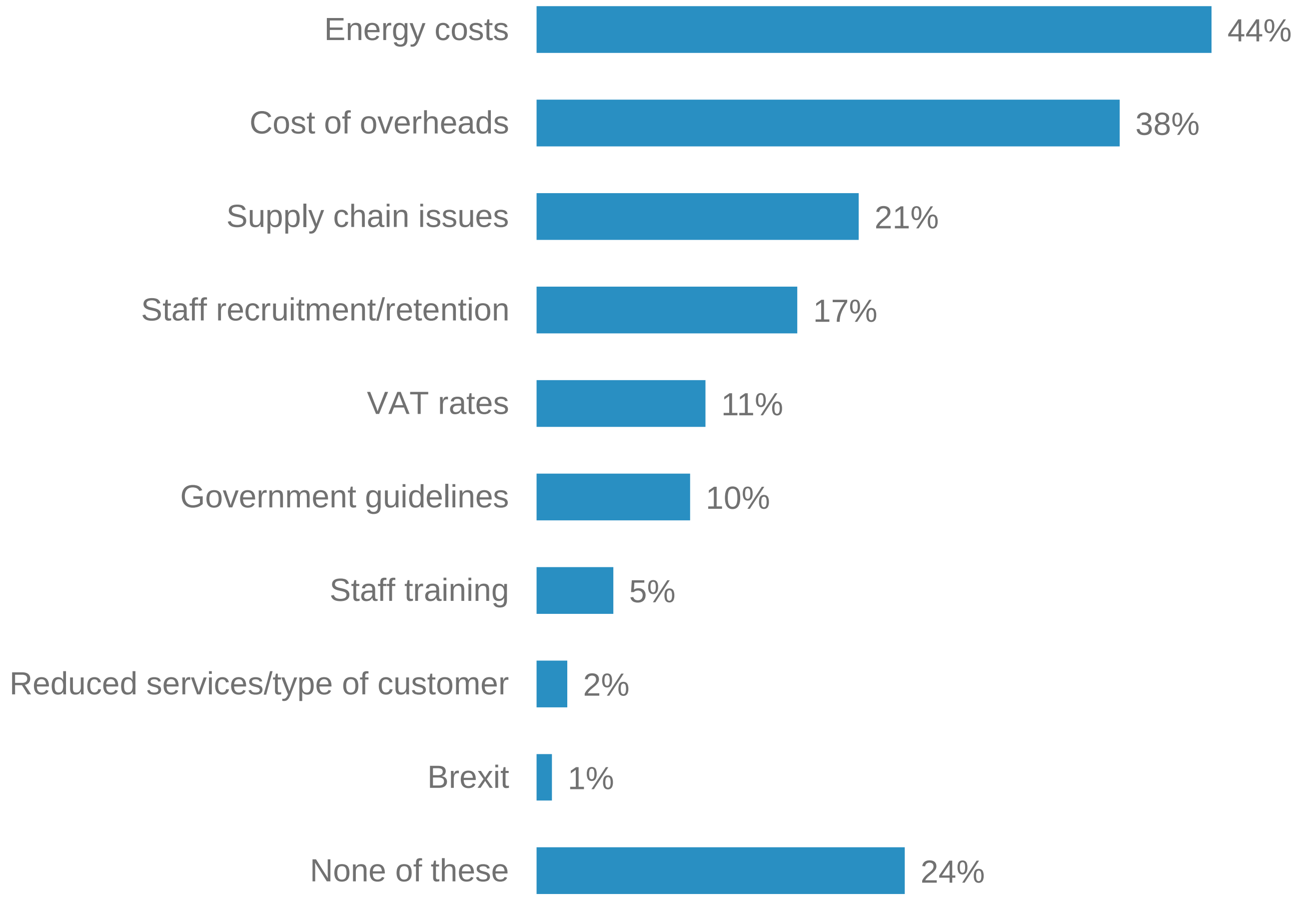
Issues having a negative impact on business at present – total sample

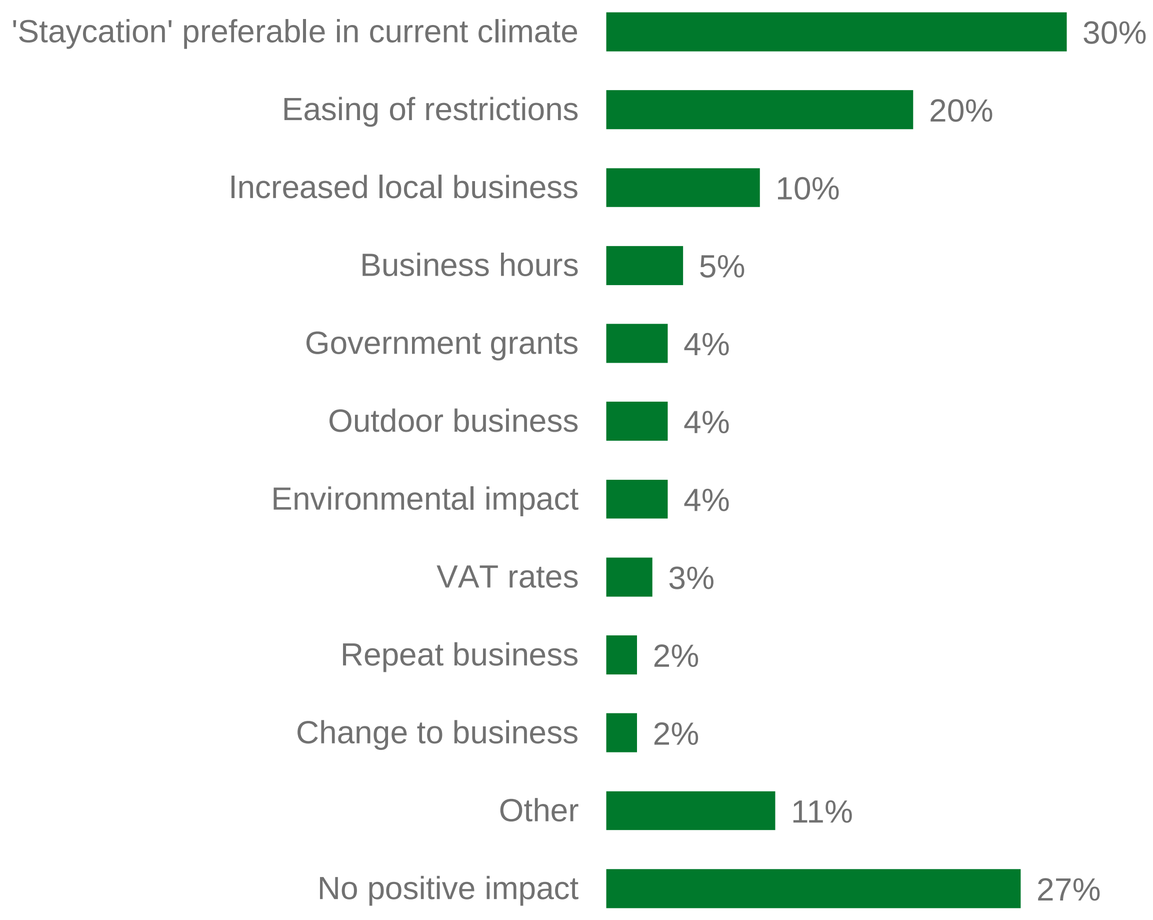


Paid serviced accommodation were more likely to say that energy costs were having a negative impact (62%) v 44% for total sample.

Activity providers were more likely to say supply chain issues were having a negative impact (35%).

Q. Which, if any, of the following are having a negative impact on your business at present?
Base: all respondents (n=369)

Issues having a positive impact on business at present – total sample



Q. What, if anything, is having a positive impact on your business at present?
Base: all respondents (n=369)

'We're Good to Go'

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'We're Good to Go'

- Just over half of respondents (54%) successfully applied for the "We're Good to Go" (WGTG) Scheme.
- Of those who successfully applied, three-fifths found WGTG helpful to their business.
- Only 4% didn't find it helpful.
- Almost two-fifths (37%) were ambivalent.

Business support

Support businesses would benefit from over next 12 months

When asked what support they would benefit from over the next 12 months, **Marketing** (44%) came out on top. **Website development/design** (39%) and **digital skills** (36%) were selected by around two-fifths of businesses.

Capital development grants (40%) **and general financial support** (35%) featured in the top five support types.

When asked to prioritise one type of support – **marketing came out top** (23%).

Outlook

Outlook: Summary

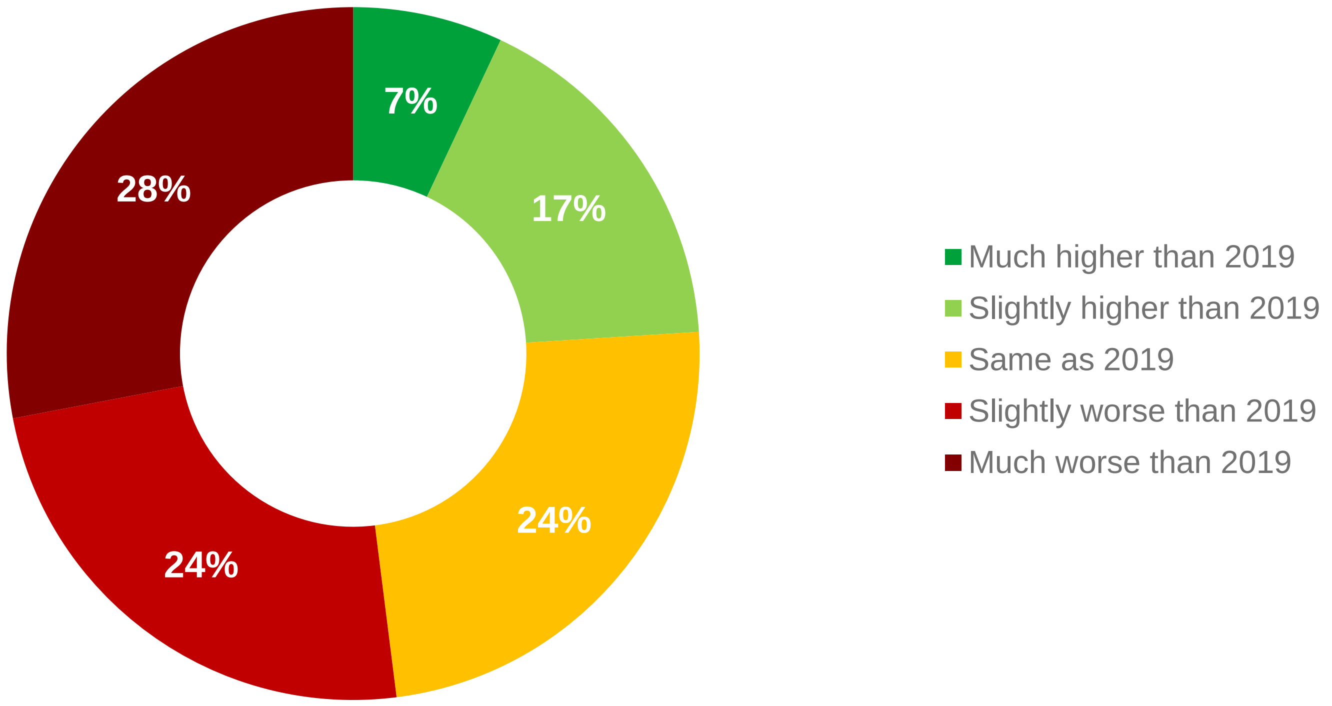
- **Over half (52%) of respondents expect that the volume of overall business during Oct-Dec 2021 will be down compared with the same period in 2019.**

- As expected, in general, advanced bookings for 2022 are down. There are no significant variations by sector. **It is important to note that the consumer trend towards a shorter lead-in time for booking makes it more difficult to predict performance in the months ahead.**

- **Advanced bookings point towards an overall continued steady performance for the NI domestic market, with two thirds reporting similar or increased booking levels for 2022.**

Outlook for October – December 2021

Outlook for October - December 2021 – total sample



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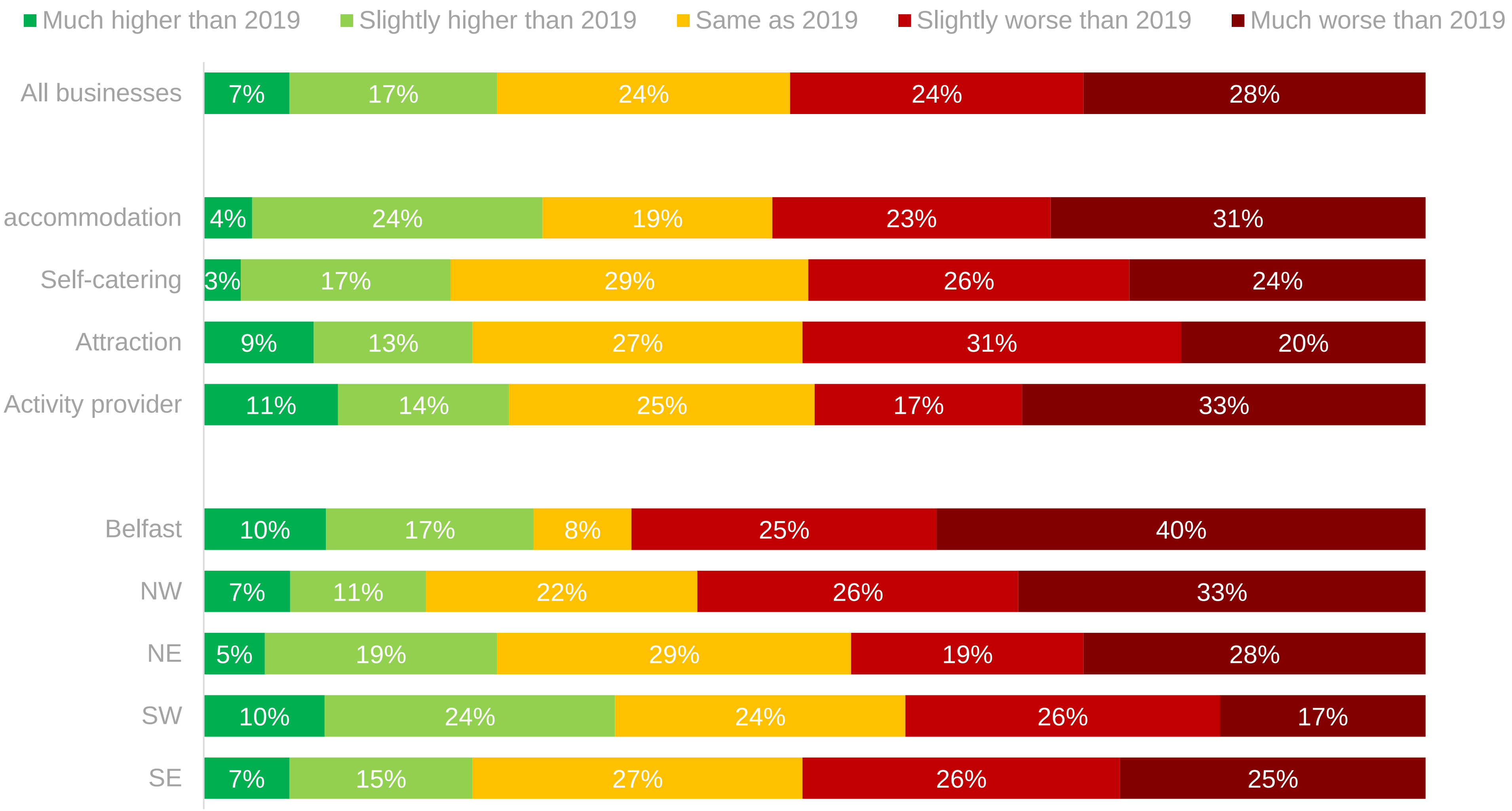
Q. Thinking about the remainder of the year (Oct-Dec 2021), how do you feel the volume of your overall business will compare with the same period in 2019 (i.e. before Covid crisis)?
Base: all respondents (n=369)

Outlook for October - December 2021 – by sector



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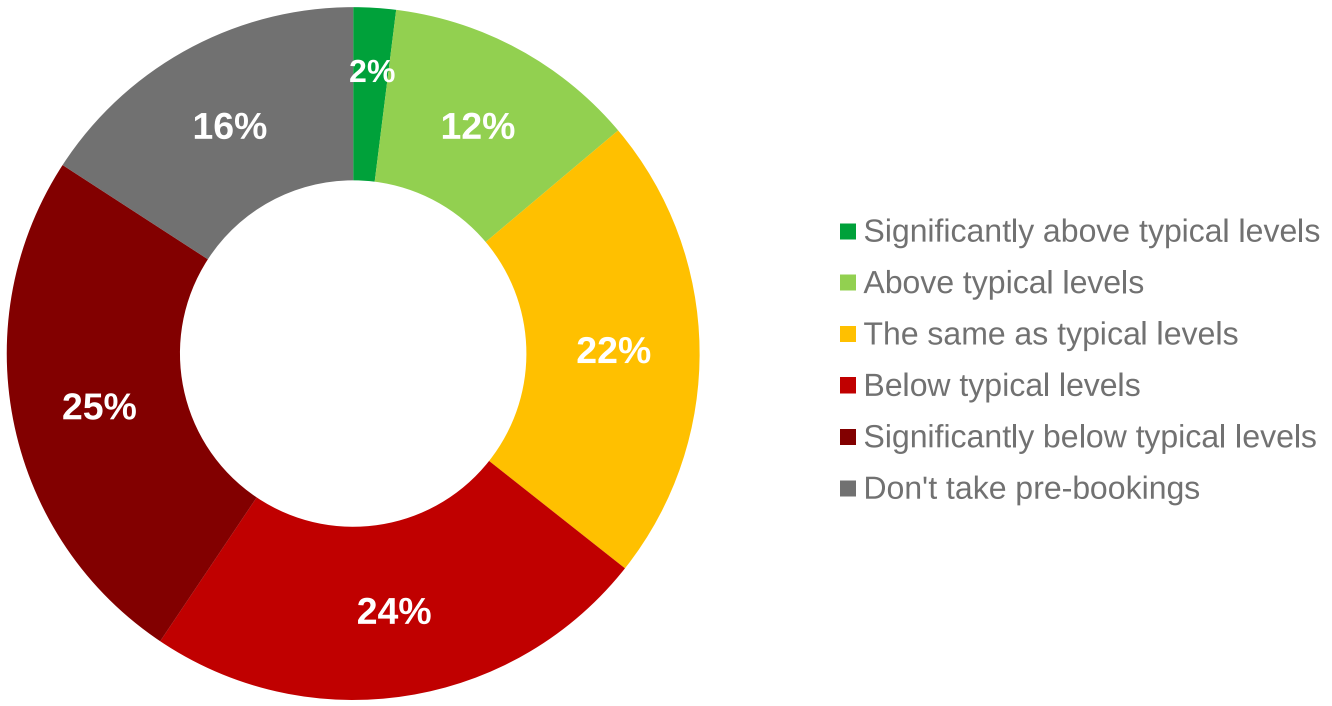
Advance bookings for October - December 2021 – total sample



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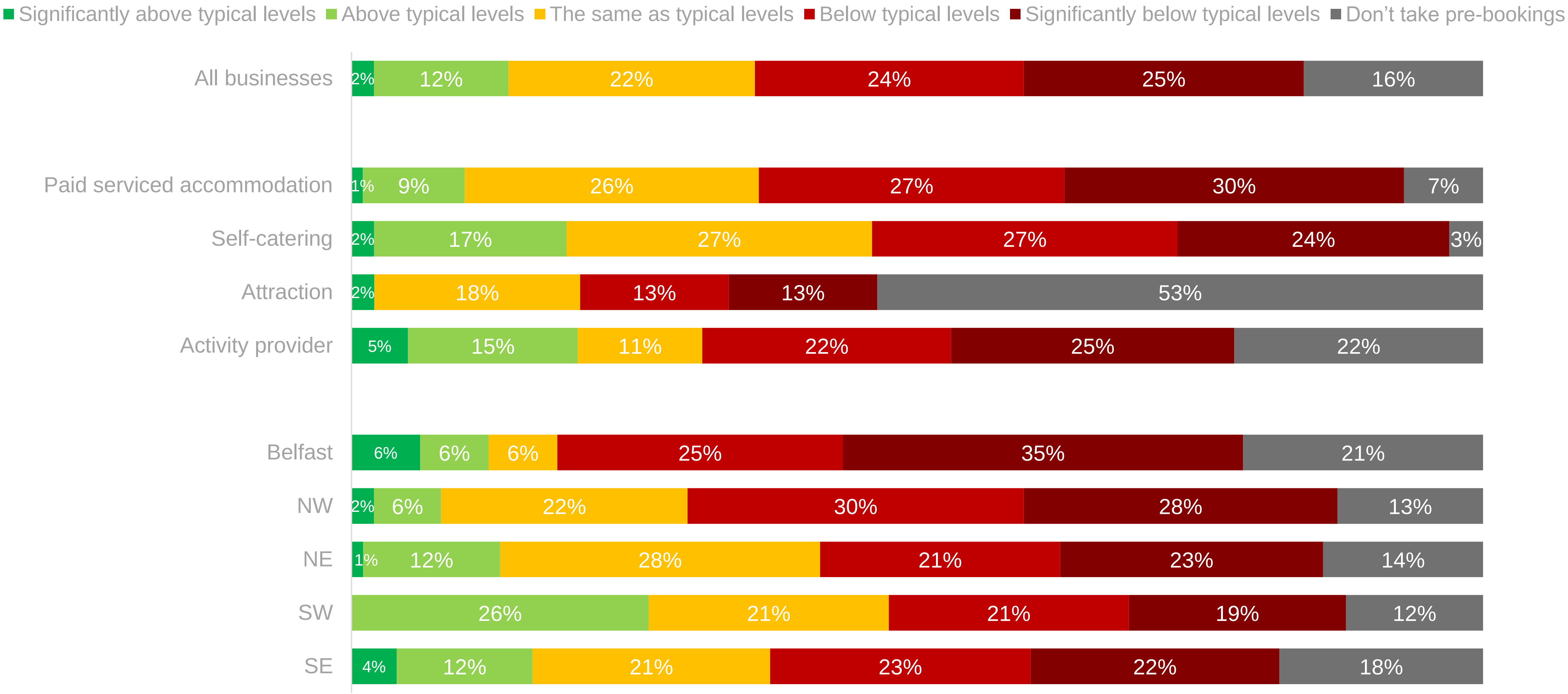
Q. How many advance bookings do you have for the remainder of 2021 (OCT-DEC) compared to what you would normally have at this point in the year?

Base: all respondents (n=369)

Advance bookings for October - December 2021 – by sector



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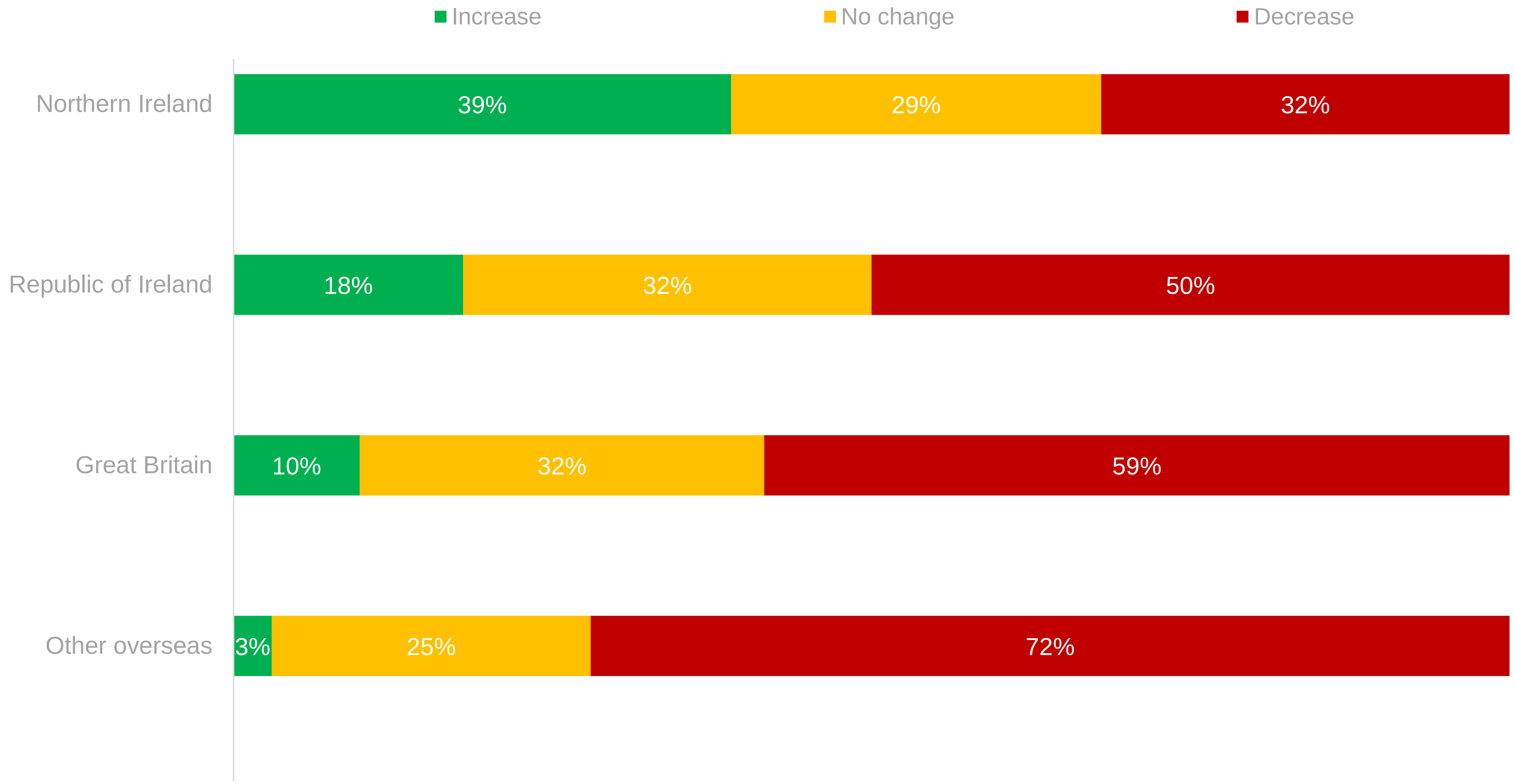
Q. How many advance bookings do you have for the remainder of 2021 (OCT-DEC) compared to what you would normally have at this point in the year?

Base: all respondents (n=369); paid serviced accommodation (n=97); self-catering (n=117); attraction (n=45); activity provider (n=81); Belfast (n=48); NW (n=54); NE (n=121); SW (n=42); SE (n=104)

Advance bookings for October - December 2021 – all markets



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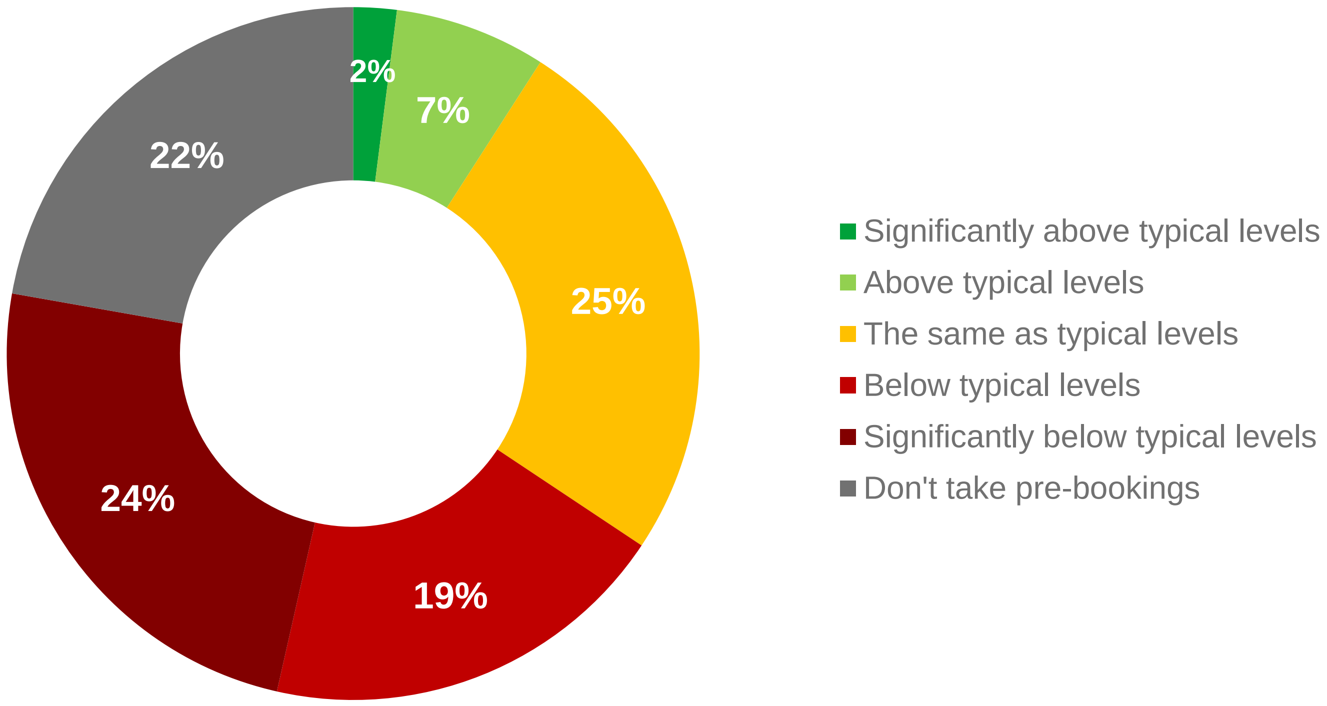
Q. For pre-bookings, what markets have you seen an increase/decrease in for the remainder of 2021 (Oct - Dec)?

Base: all respondents that take advance bookings (n=311)

Outlook for 2022

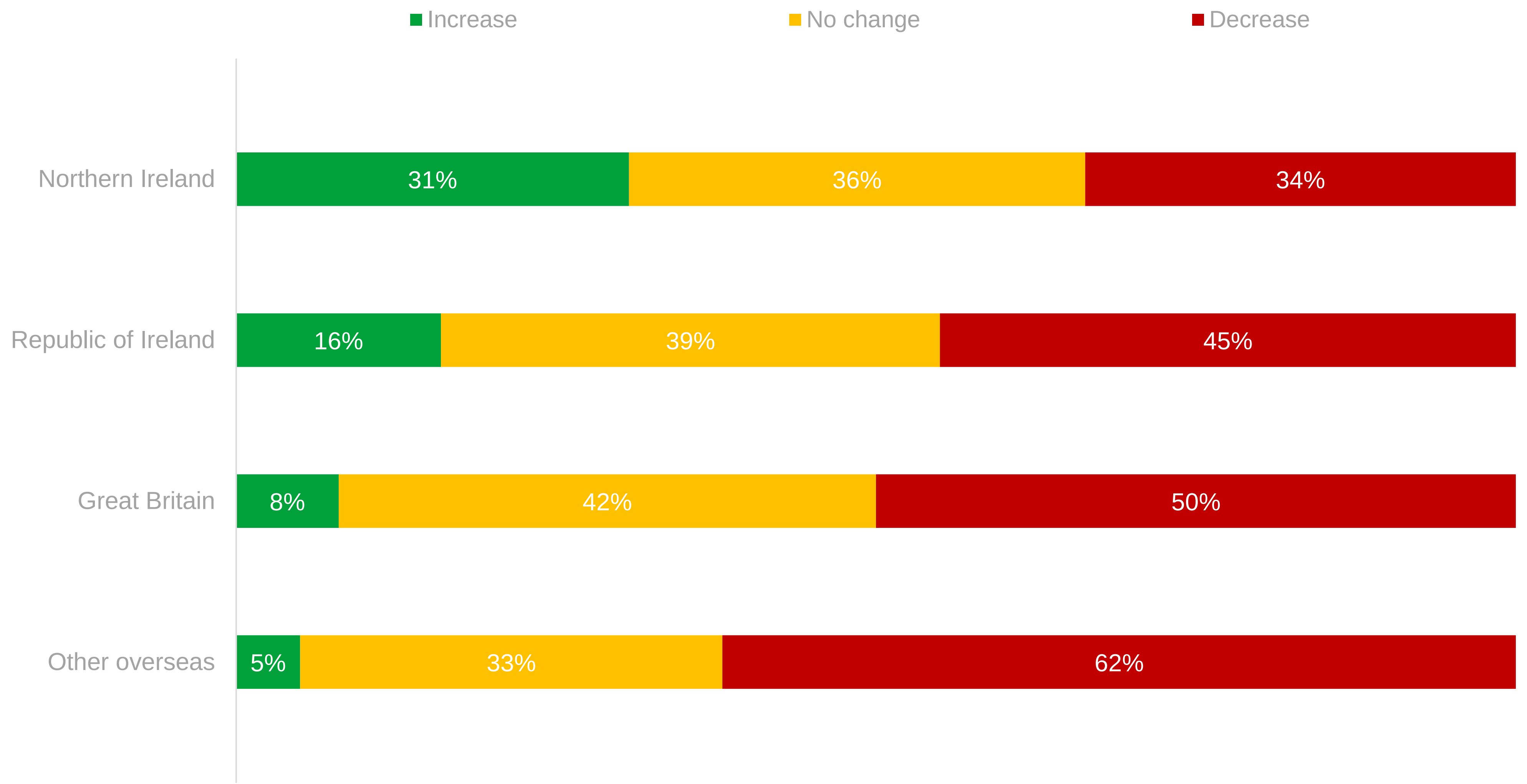
Advance bookings for 2022 – total sample



Q. How many advance bookings do you have for 2022 compared to what you would normally have at this point in the year?

Base: all respondents (n=369)

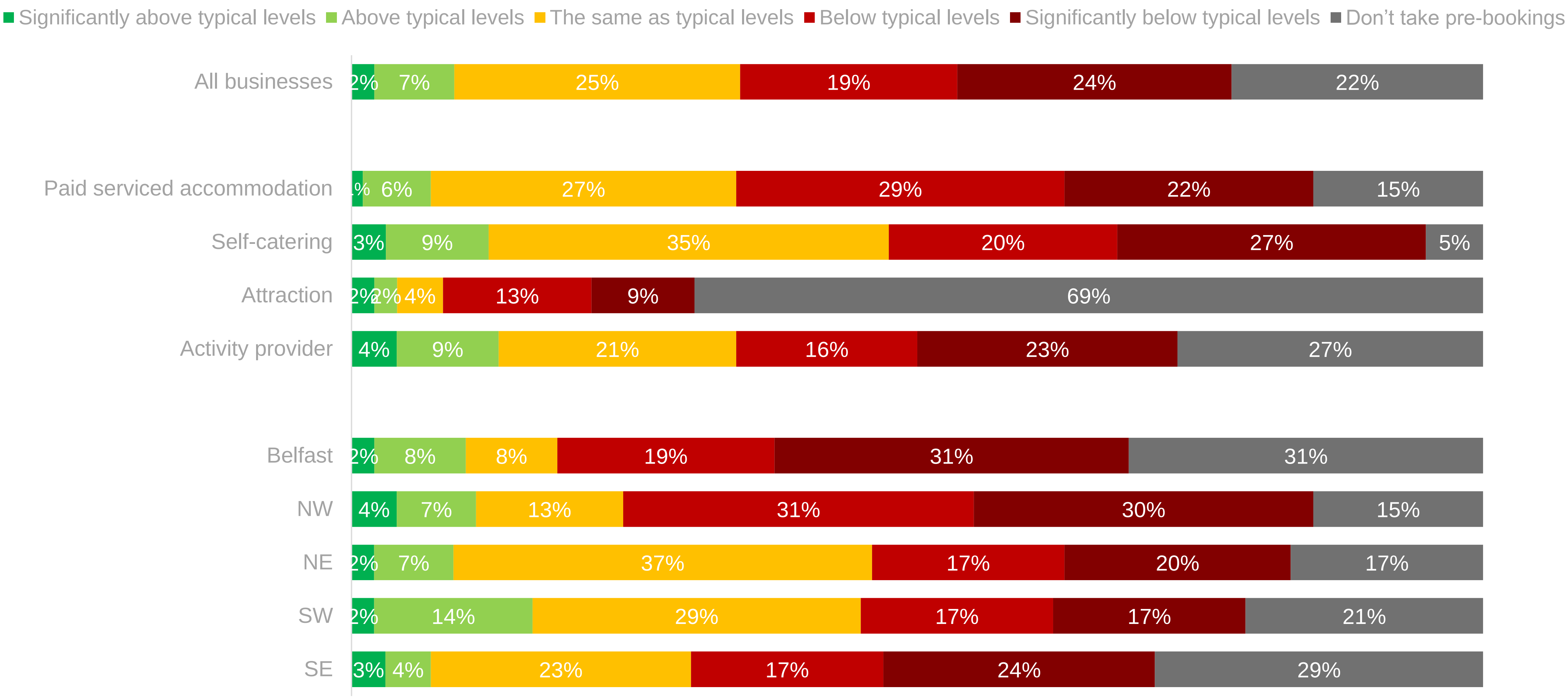
Advanced bookings for 2022 – all markets



Q. How many advance bookings do you have for 2022 compared to what you would normally have at this point in the year?

Base: all respondents that take advance bookings for 2022 (n=286)

Advance bookings for 2022 – by sector



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Q. How many advance bookings do you have for 2022 compared to what you would normally have at this point in the year?

Base: all respondents (n=369); paid serviced accommodation (n=97); self-catering (n=117); attraction (n=45); activity provider (n=81); Belfast (n=48); NW (n=54); NE (n=121); SW (n=42); SE (n=104)

Recovery expectations

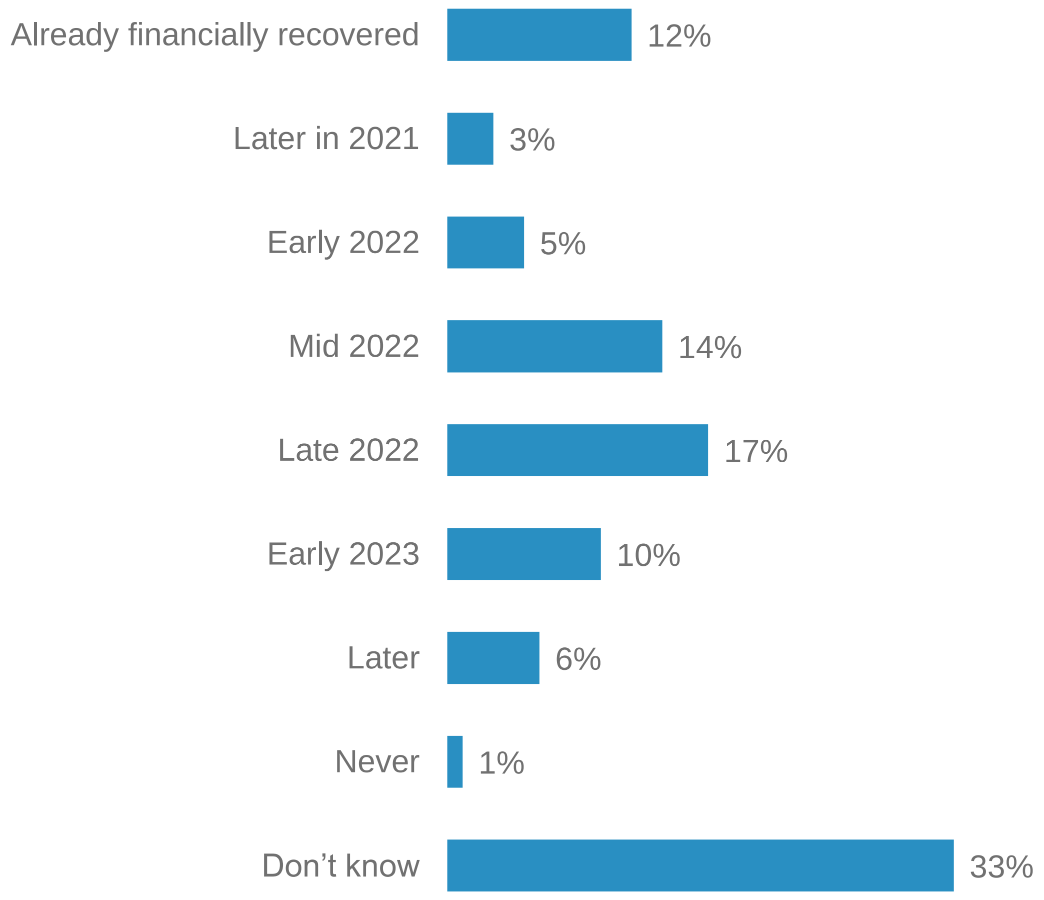
Recovery expectations: Summary

- Overall uncertainty remains around when tourism businesses feel they will recover financially from the impact of the pandemic, with one third (33%) stating they simply don't know. The majority of responding businesses (61%) anticipate recovery by the end of 2022 or early 2023. 12% stated that they had already recovered financially.

- A majority of businesses (55%) thought that it would be between mid 2022 and early 2023 before the tourism sector, in general, would recover. One in five businesses said they 'don't know'.

- More than half (54%) of responding businesses cited COVID restrictions as the main barrier to recovery for their business.

Recovery expectations – total sample



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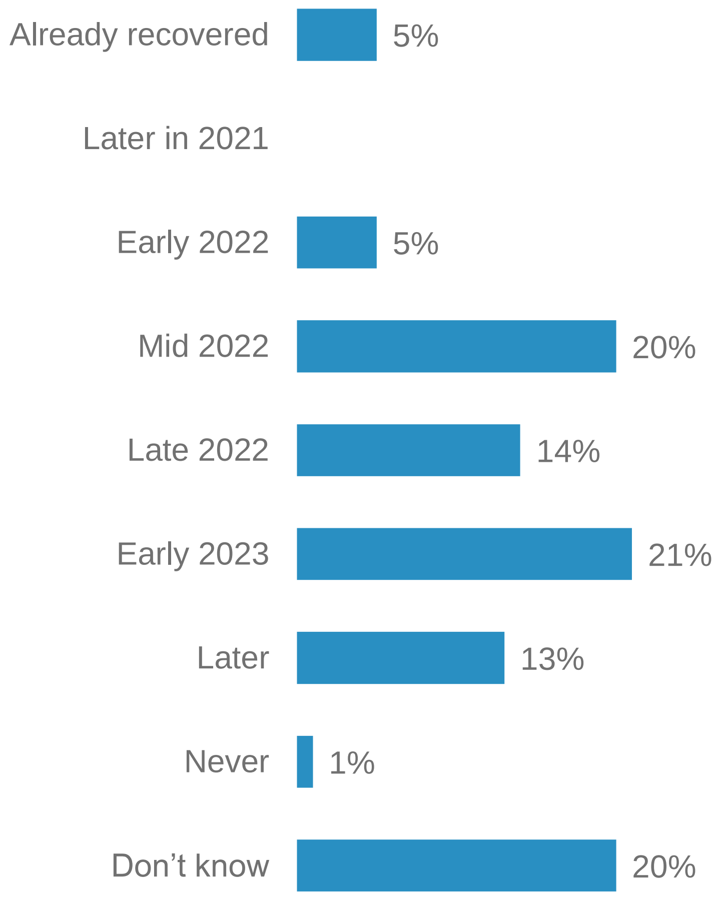
Q. When do you estimate your business will recover financially from the impact of the Covid-19 pandemic?
Base: all respondents (n=369)

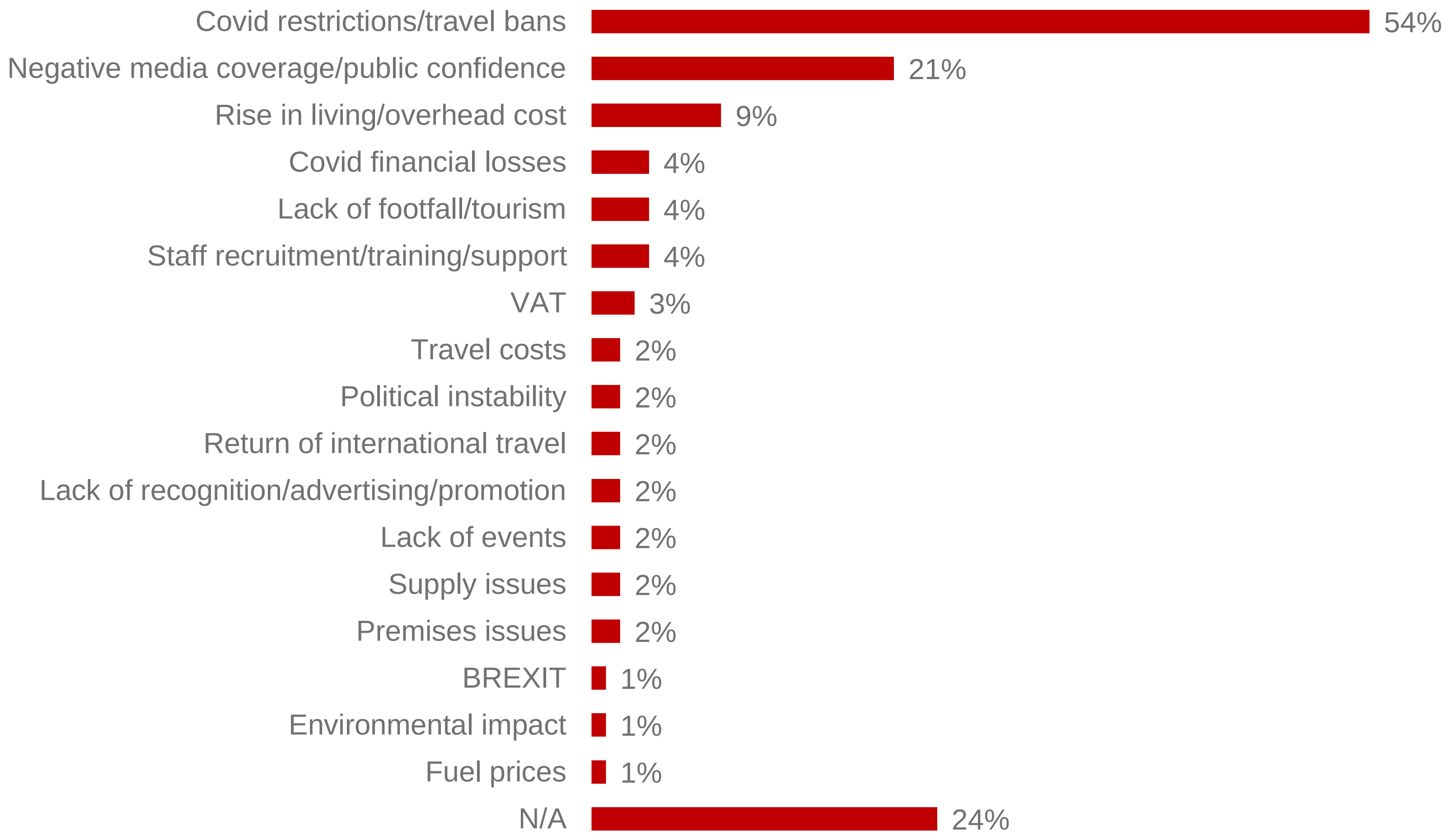
Expectations regarding recovery for the tourism sector in general



Q. When do you expect the tourism sector in general to recover from the impact of the Covid-19 pandemic?

Base: all respondents who participated online (n=230)

Main barriers to recovery for business



Q. Overall, what do you consider to be the main barriers to recovery for your business?
Base: all respondents (n=369)

Key takeaways

Key takeaways

- It has been a difficult period for Northern Ireland's tourism businesses, with many still operating at reduced capacity.
- Almost half of businesses experienced a reduction in turnover during June to September 2021 compared to the same period in 2019. However, a quarter were able to report increased levels of turnover with a fifth maintaining equivalent turnover levels of 2019.
- For the minority of businesses that had seen an uplift when compared to 2019, the Northern Ireland and Republic of Ireland markets were driving this increase.
- The 'We're Good to Go' consumer mark proved helpful for the majority of businesses who applied for it.
- Businesses cited a range of areas where support would be beneficial in the next twelve months, with marketing most likely to be mentioned.
- Many businesses anticipate a challenging end to 2021 and few have advanced bookings for 2022 above what they would expect to have at this point in the year.
- Covid restrictions were most likely to be considered the main barrier to recovery for businesses.

For more information, please contact: insights@tourismni.com