AVEA SURVEY OF MEMBERS' BUSINESS PERFORMANCE 2020

March 2021

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1. Chairman's Foreword

2020 proved to be a most difficult year for all in our sector. We have faced many business and personal challenges as we grappled with the COVID-19 crisis, and we have been forced to make many hard decisions. Our resilience has been tested as we pivoted and adapted our businesses to meet the new environment in which we are now forced to operate.

This report highlights the scale of the impact of Covid-19 on the Visitor Experience & Attractions Sector. It identifies the priorities for our continued survival through this paused phase and, as we move to the recovery phase, it identifies our priority requirements which are critical to ensure our survival across 2021.

I want to thank my fellow Directors, our executive team (Ruth & Catherine), and all of our members who participated in the survey, and CHL Consulting Ltd. for conducting the survey and compiling the Report.

Seán Connick

Chairman, AVEA

March 2021

ASSOCIATION OF VISITOR EXPERIENCES & ATTRACTIONS

2. Introduction

This report presents the findings of the fourth annual survey of AVEA's members with regard to their business performance over the previous year. This iteration of the survey covers 2020, a year in which the Covid-19 pandemic brought the greatest challenges ever faced by the Irish tourism industry. Visitor attractions and experiences were severely damaged. International tourism came to a halt, and AVEA members could only open their doors to the domestic market for half a season, at best.
Visitor numbers and revenue plummeted.

The survey questionnaire was issued to 87 AVEA members in January 2021. Responses were received from 63, representing a response rate of 72%. 26 of the respondent sites are in Dublin and 37 are spread throughout the rest of Ireland. 19 of the respondent sites are operated by State bodies and local authorities; the remainder are run by private entities, 16 of which are not-for-profit.

Number of Weeks Open to Visitors

	All Sites	Dublin Sites	Sites outside Dublin
2019	49	50	48
2020	25	24	26

Number of Survey Respondents: 63

Dublin: 26

Non-Dublin: 37

Type of Organisation

Private companies (for profit): 28

Private entities (not-for-profit: 16

State & Local Authority: 19

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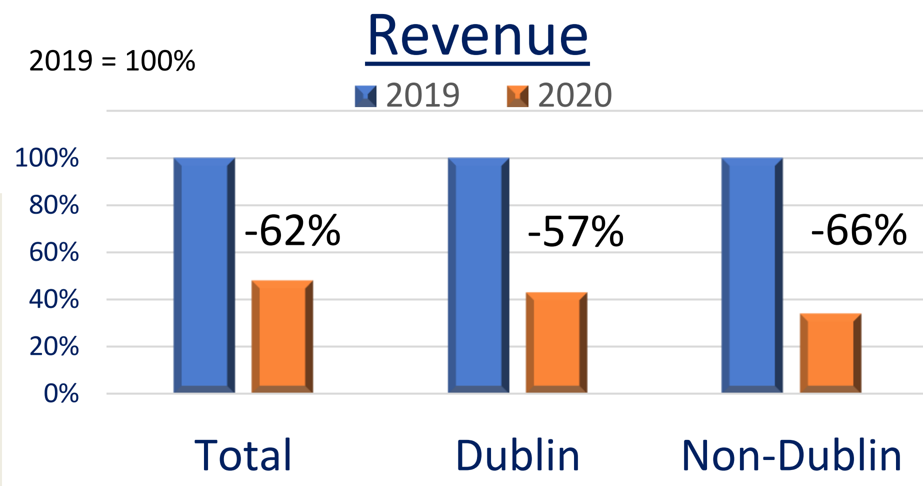
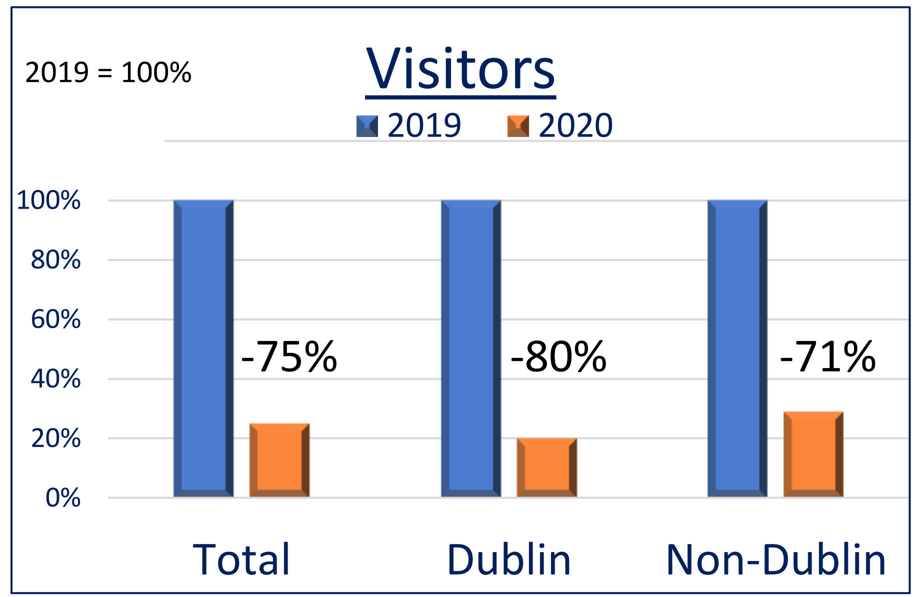
3. The Impact on Trade

Drop in Numbers, 2020

The average fall in revenue was not as large as that in numbers largely because of the complete loss of the discounted tour group business, which meant that ticket yields were higher, and because attractions were innovative in generating new revenue streams (see Section 6).

If calculated on an April 2020 – March 2021 basis, the year-on-year drop in business was even more severe, especially in Dublin where leading indoor sites recorded up to a 99% drop in visitor numbers.





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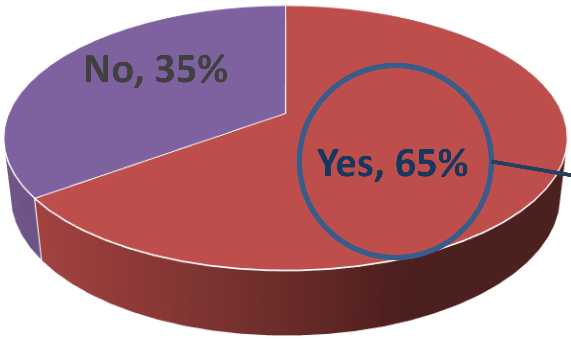
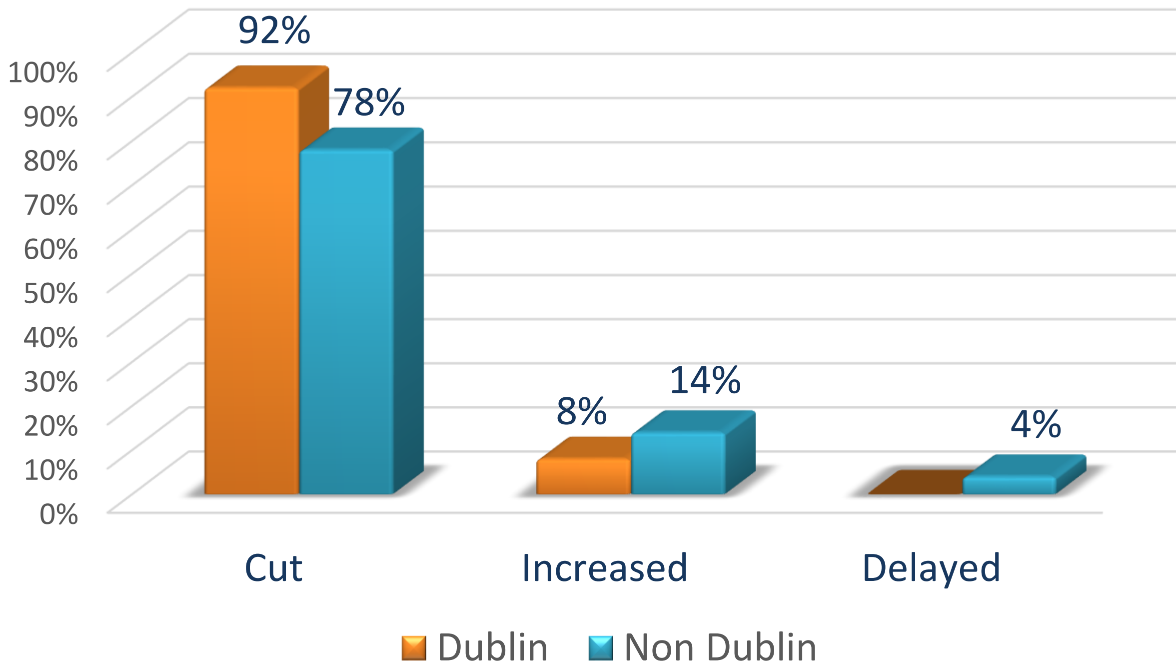
Changes to Capital Investment Plans



Cash worries and uncertainty are leading factors inhibiting investment

Cut, Increased, Delayed



The widespread cutting of investment budgets is a major concern in an industry where regular product renewal and upgrading is essential to maintain market interest. This has real implications for the visitor experience offered by Ireland.

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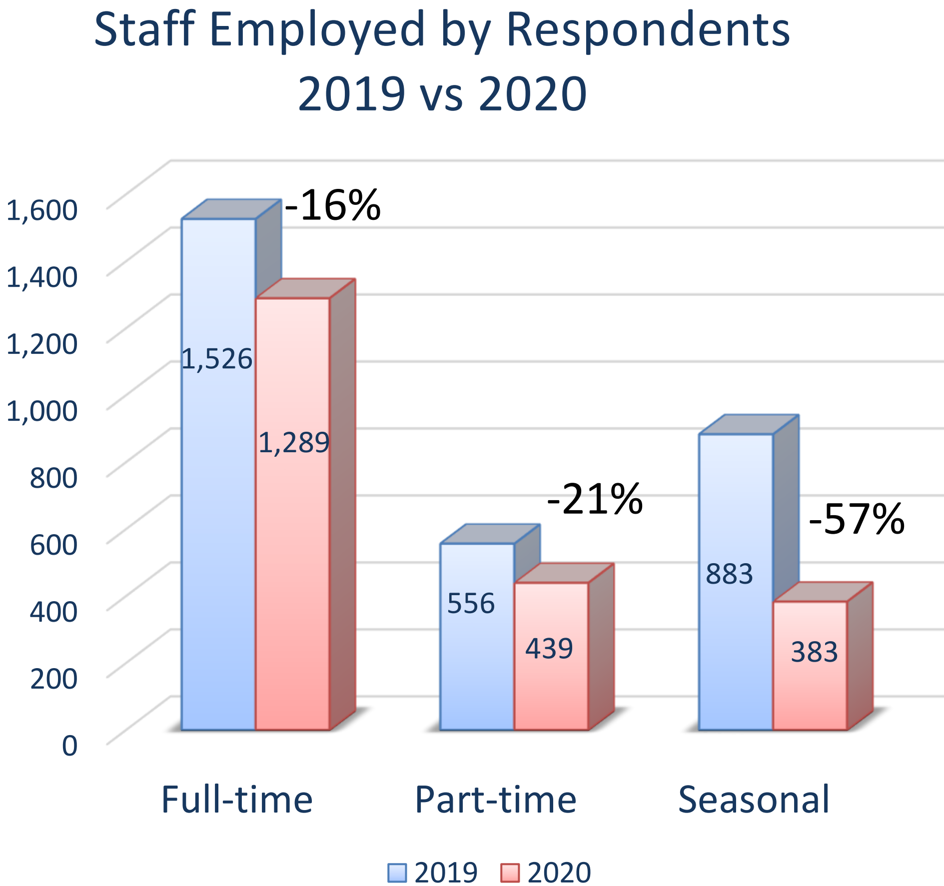
4. The Impact on Staff

Employment Changes



	Dublin	Non-Dublin
Full-time	*-14%*	*-19%*
Part-time	*-28%*	*-13%*
Seasonal	*-77%*	*-54%*
Total	***-22%***	***-35%***

The priority for AVEA Members during the pandemic has been to try and retain their most experienced and skilled staff who are employed on a full or part time basis throughout the year. These staff represent a critical resource and will be vital to the successful re-opening of the sector and the maintenance of the quality of the visitor experience.

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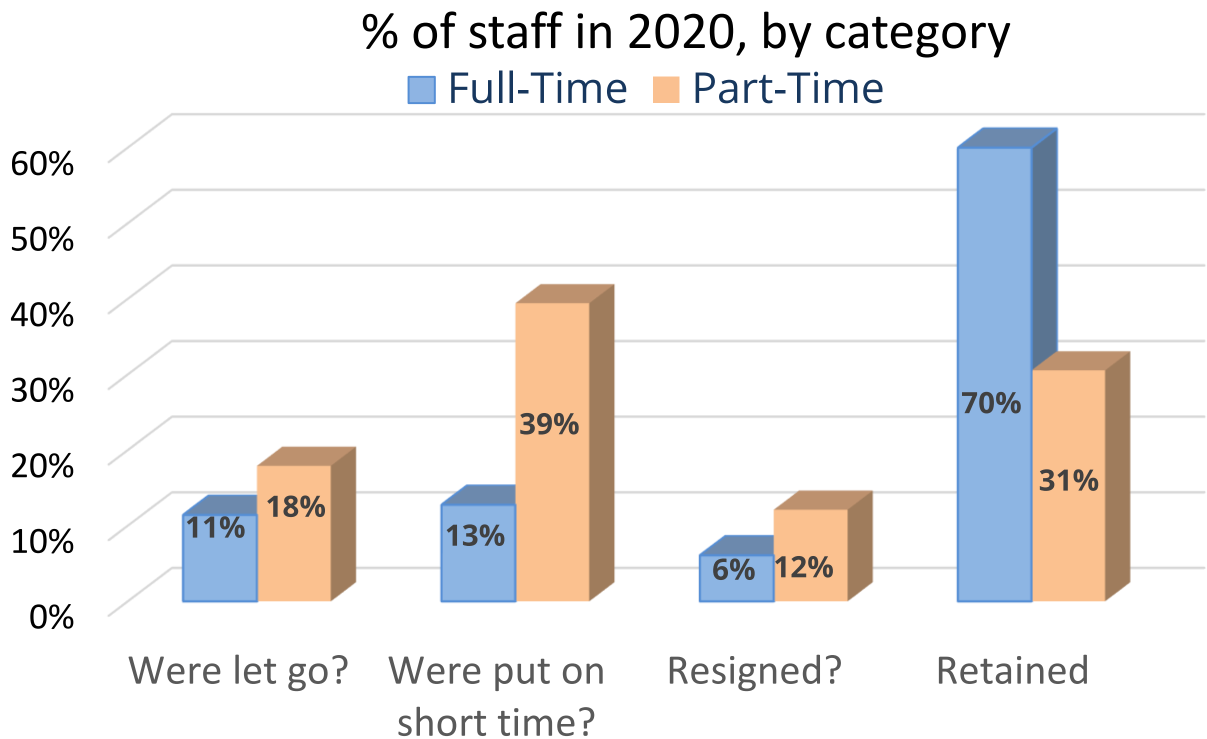
Staff Movement



This chart again highlights the efforts made by AVEA Members to retain their most valuable staff. A notable feature is the very small proportion who resigned during 2020 – however, this proportion may well rise as staff are likely to seek opportunities elsewhere if their sites remain closed for a prolonged period.

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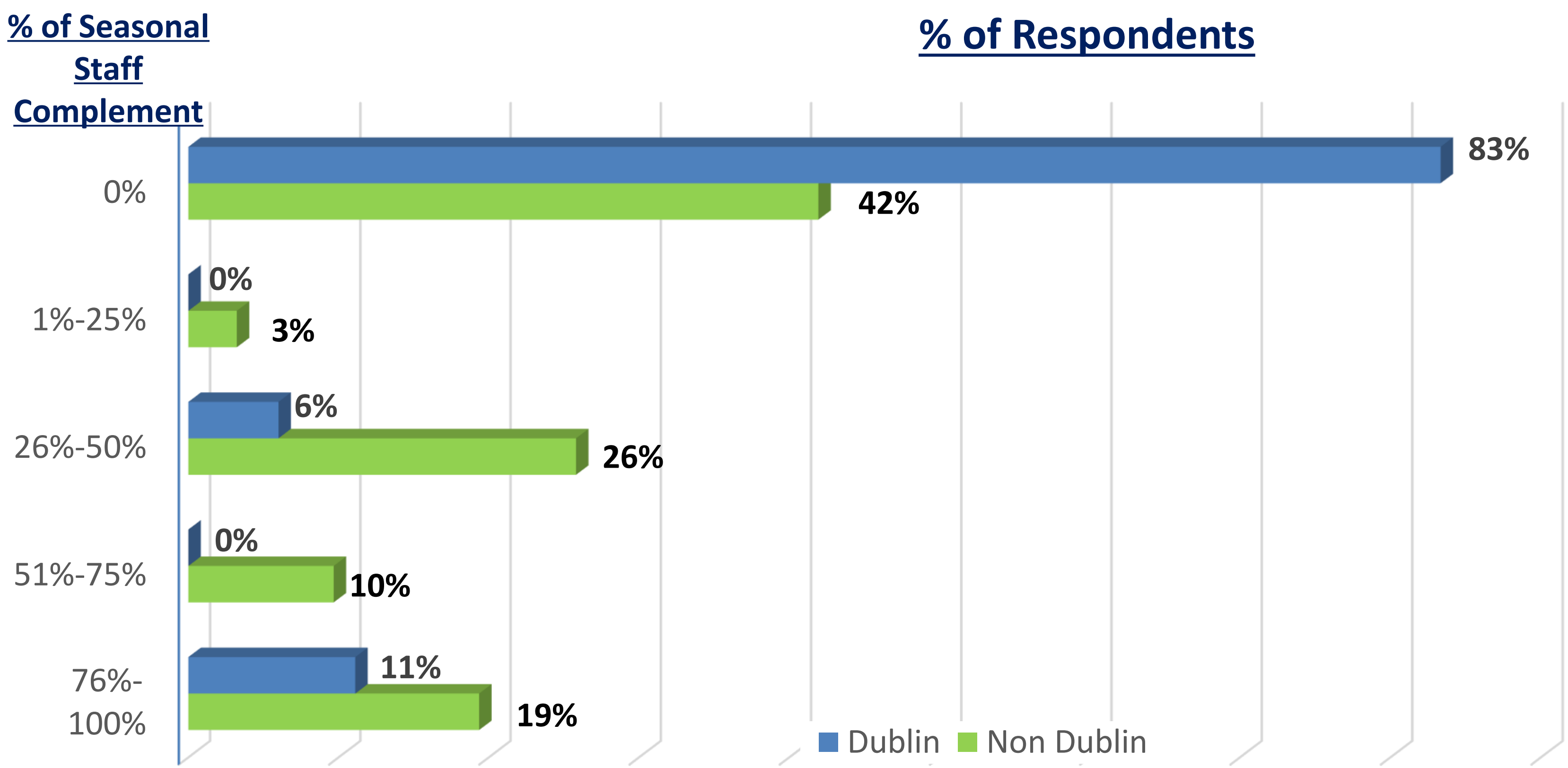
Proportion of Normal Seasonal Staff Complement Employed in 2020



The loss of seasonal staff was particularly high in Dublin where many attractions experienced an almost total loss of visitors as they are indoor and dependent on overseas tourists for most of their business in a normal year.

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Impact on Staff

Factors ranked in order of priority

Rank	
1	Loss of earnings
2	Concern over job security
3	Mental health
4	Uncertainty and loss of confidence
5	Maintaining their availability for work
6	Loss of ability to engage effectively with customers.

The pandemic and the restrictions on activity arising from measures to suppress the disease have been very stressful for staff working in the VEA sector. This is highlighted in the above list of factors identified by survey respondents. The continuation of the strict lockdown in the first quarter of 2021 is likely to have amplified these impacts.

Principal Needs with regard to Retention and Retraining of Staff

Factors ranked in order of priority

Rank	
1	Ability to work in Covid-19 environment
2	Skills refreshment
3	Virtual access to the attraction and its business systems
4	On-line learning
5	Access to mental health supports

The priority needs listed by respondents underline the focus on preparation for re-opening, business continuity in a new environment, and the need to support staff and enable them to work successfully in this new environment

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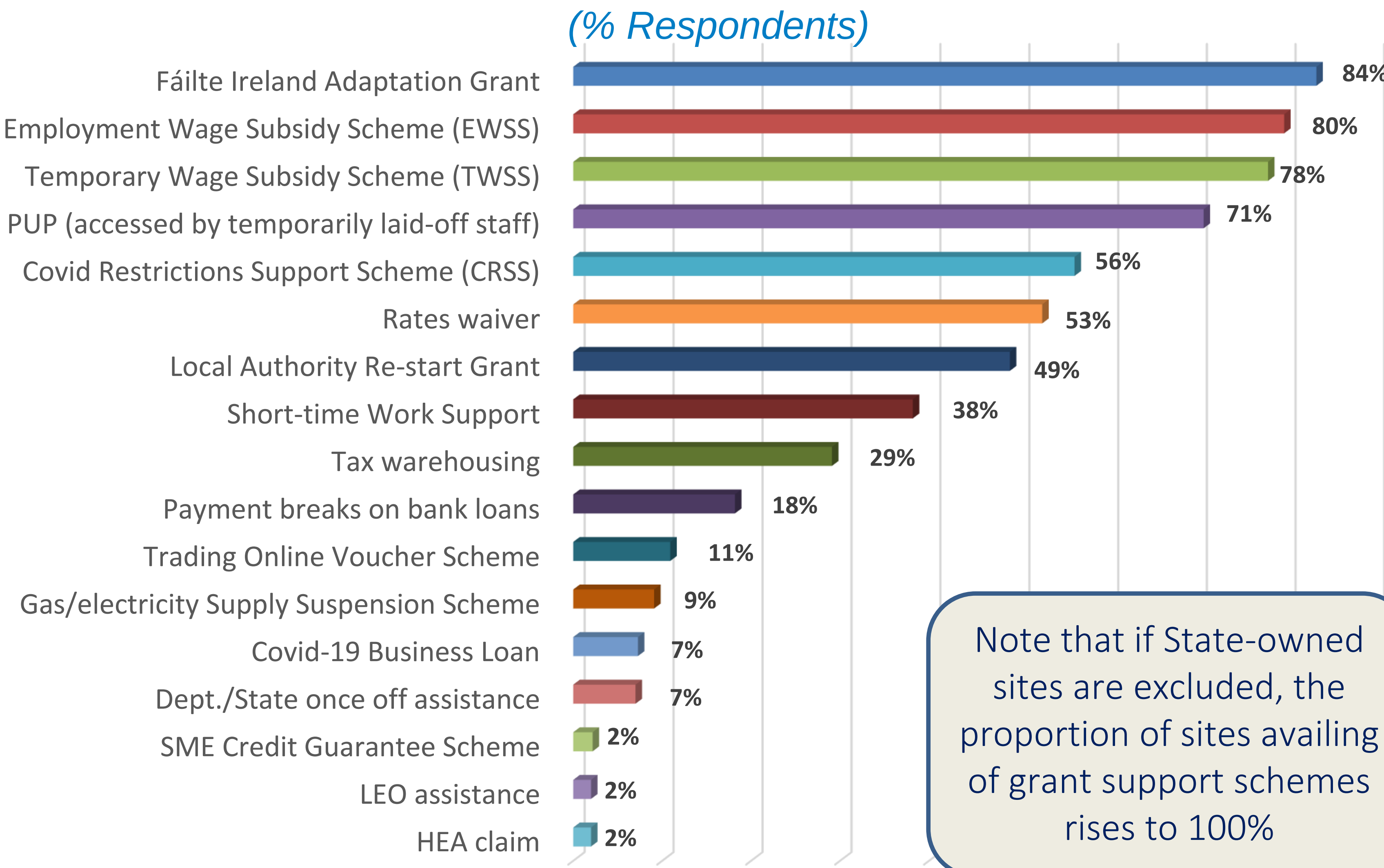
5. Use of Covid-19 Supports

Most Accessed Covid Supports



Note that if State-owned sites are excluded, the proportion of sites availing of grant support schemes rises to 100%

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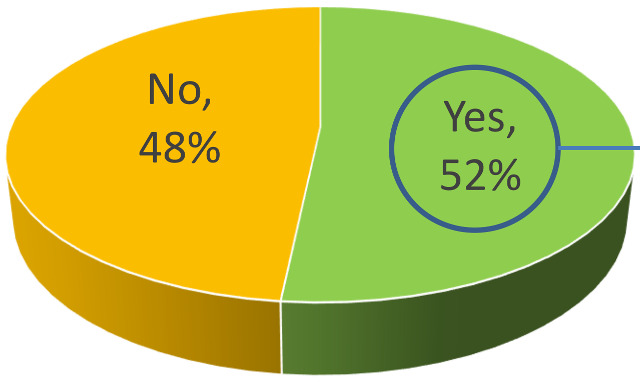
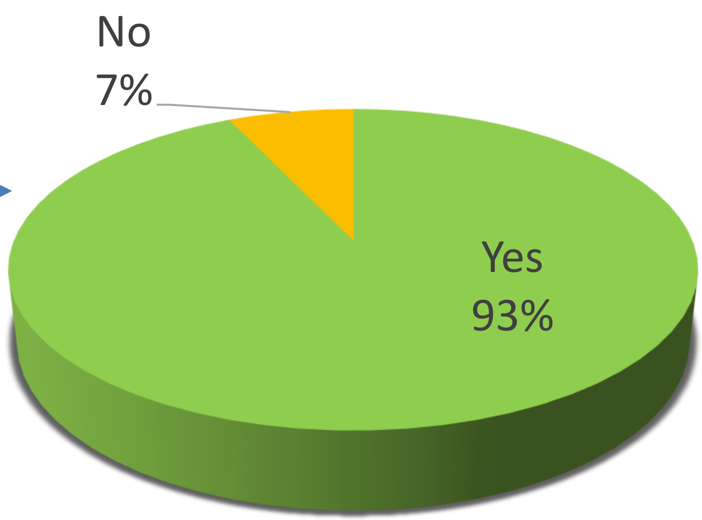
CRSS

Did you apply for CRSS?



Were you successful?



Almost half the respondents were ineligible

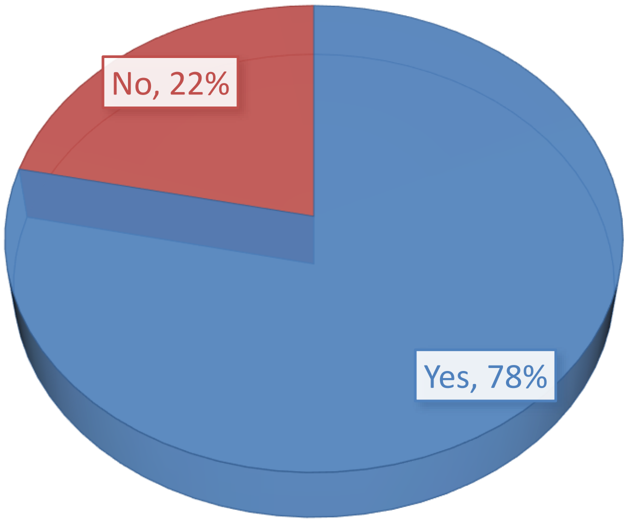
Those unsuccessful were deemed ineligible

The CRSS has limited application to the VEA sector due to the restrictions on eligibility. Thus, the Fáilte Ireland Business Continuity Scheme is a vital scheme for the sector in 2021.

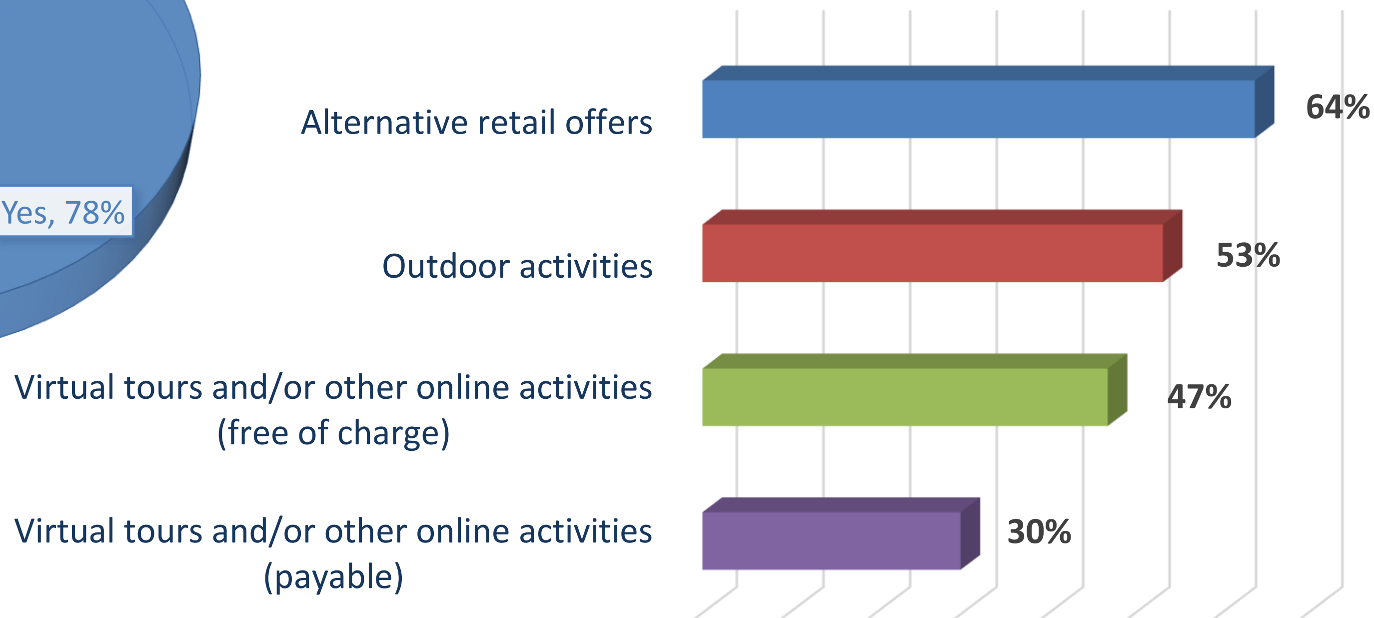
6. Working in a Covid-19 Environment

Engaging with Visitors

Able to develop new means of engagement?



What were they?



Almost 4 in 5 AVEA Members sought to develop new means of engaging with visitors in 2020. The primary goals were to engage with their audiences and to retain staff rather than create profit. However, some of these initiatives are likely to become permanent features of these attractions.

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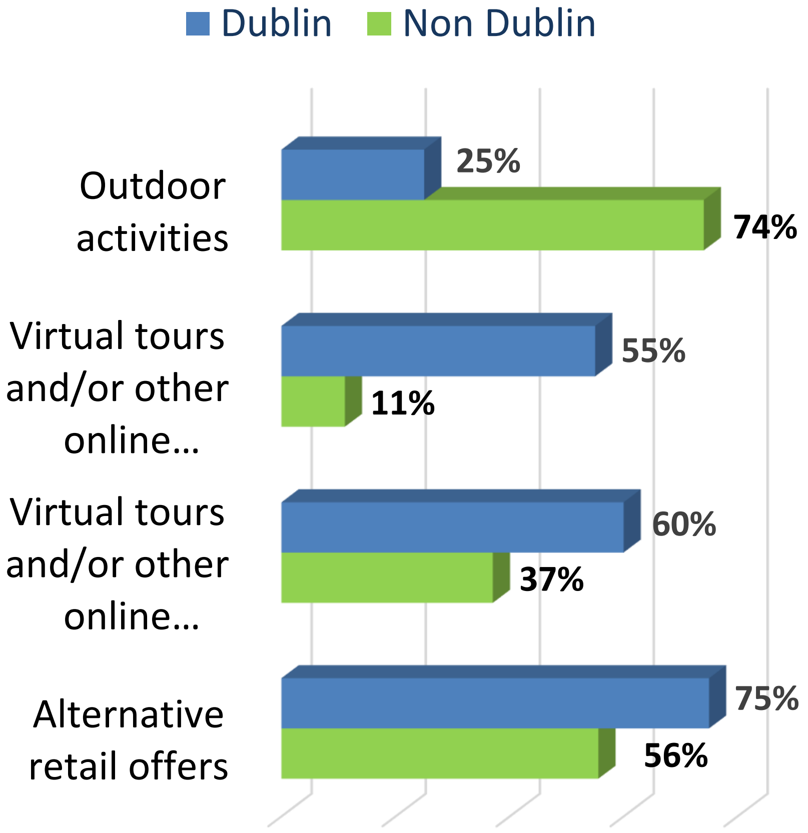
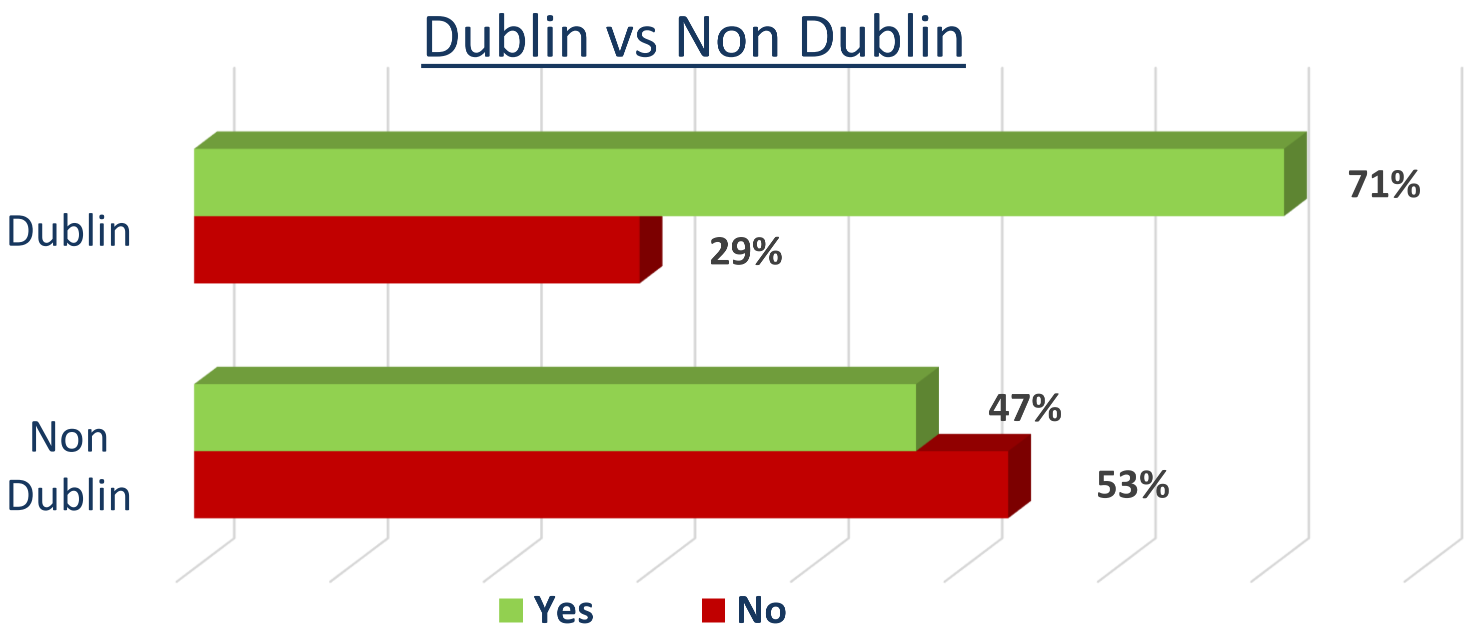
New Means of Engaging with Visitors

Dublin vs Non Dublin



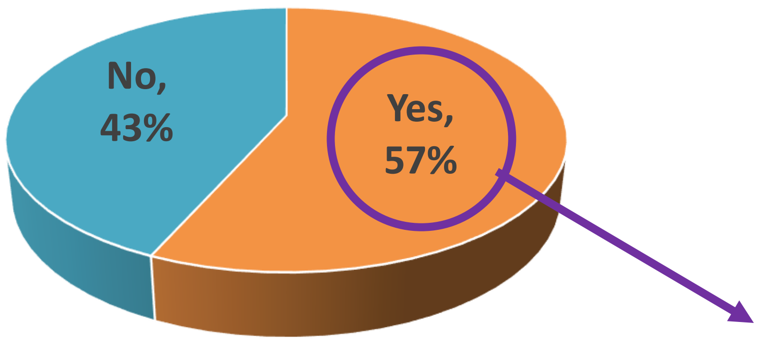
There were some significant differences between sites in Dublin and those outside Dublin in the types of initiatives, primarily due to differences in the inherent nature of the sites. Thus, many sites outside Dublin were able to introduce new outdoor activities, whereas those in Dublin, being primarily indoor, focused mainly on virtual tours and other online activities.

Revenue Generation through Ecommerce



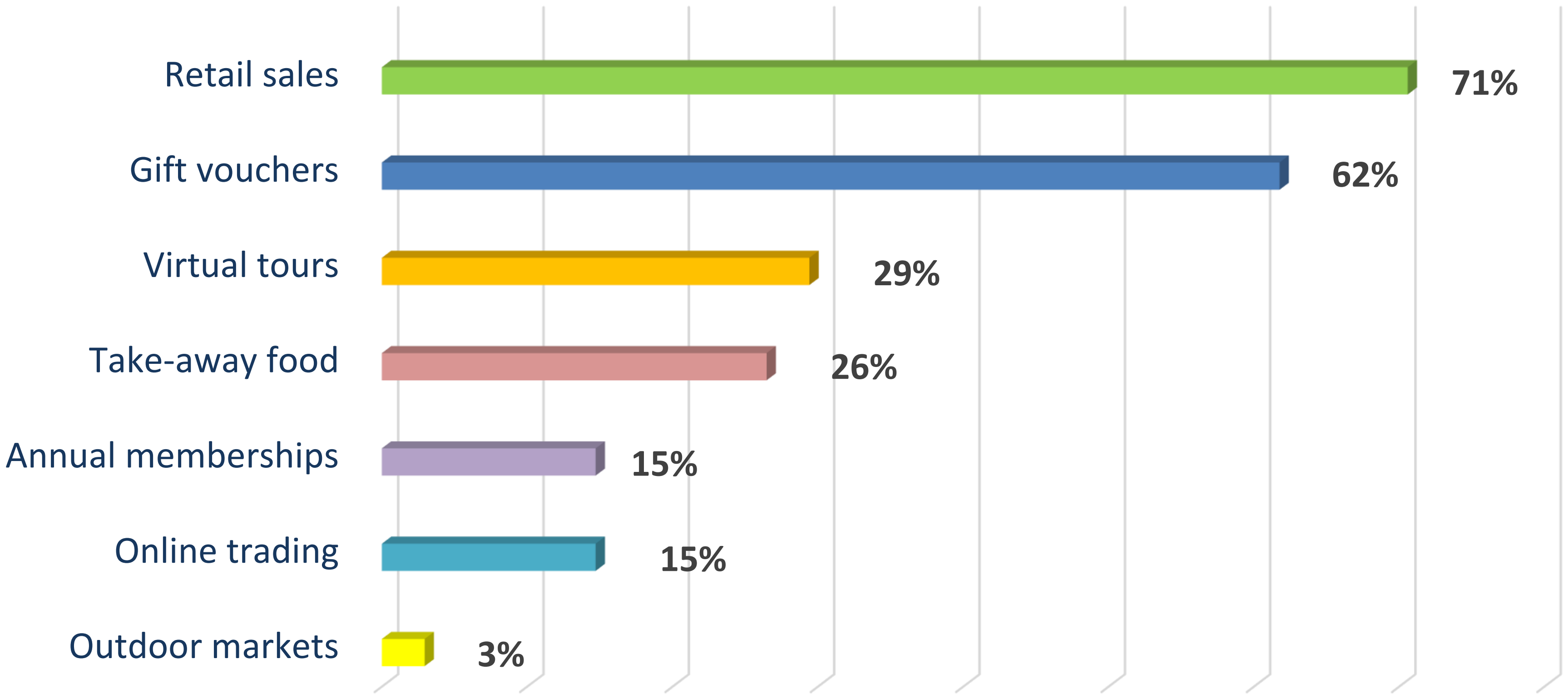
A higher proportion of sites in Dublin engaged in ecommerce initiatives which, in part at least, reflects the massive loss of actual visitors to their sites, which exceeded -95% in leading indoor sites.

Revenue Generation through Ecommerce



Many AVEA Members took innovative measures to generate some revenue to mitigate the severe impact of the loss of visitors to their site

Revenue Generation Sources



7. Enabling Re-opening

Factors Critical to Re-opening

ranked in order of priority in accordance with survey responses

Rank	
1	Continuation of EWSS at current rates for all of 2021
2	Covid restrictions at Level 3 or less with guided tours permitted
3	Grant-aid to cover a share of operating costs
4	Retention of existing key staff/expertise
5	Positive consumer sentiment
6	Access to CRSS
7	Continuation of local authority rates waiver for all of 2021
8	Extension of bank loan repayment moratoriums

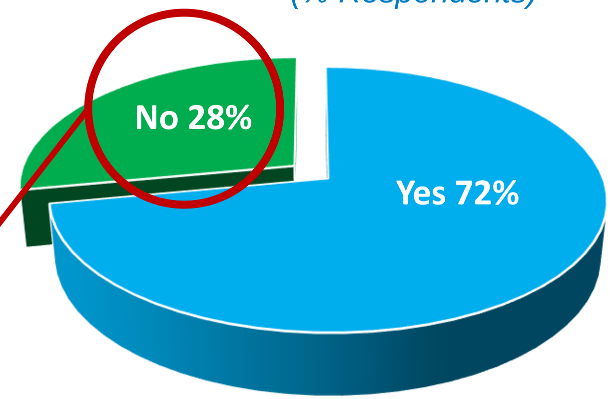
Note that the survey was conducted before the introduction of the Fáilte Ireland Business Continuity Scheme. Members have since stated that such support will be required for all visitor attractions to replace losses incurred in 2021 due to another full year of extended closure, limited opening periods during peak trading months, the significant capacity restrictions imposed by Covid-19 operational guidelines and the complete loss of international visitors.

Ability to Open if Guided Tours are Prohibited

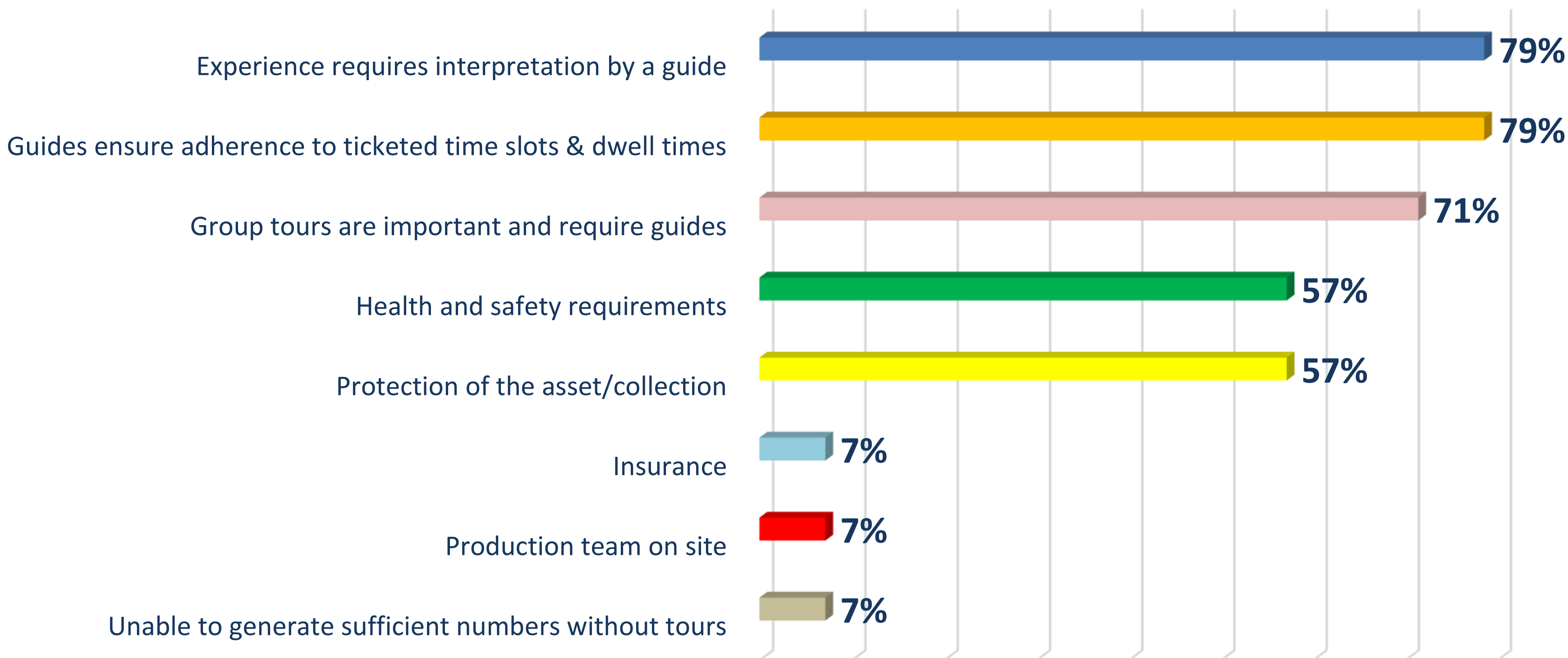
More than a quarter of respondents must use guides to enable visitor access to their sites, especially in a Covid environment

Ability to Re-open

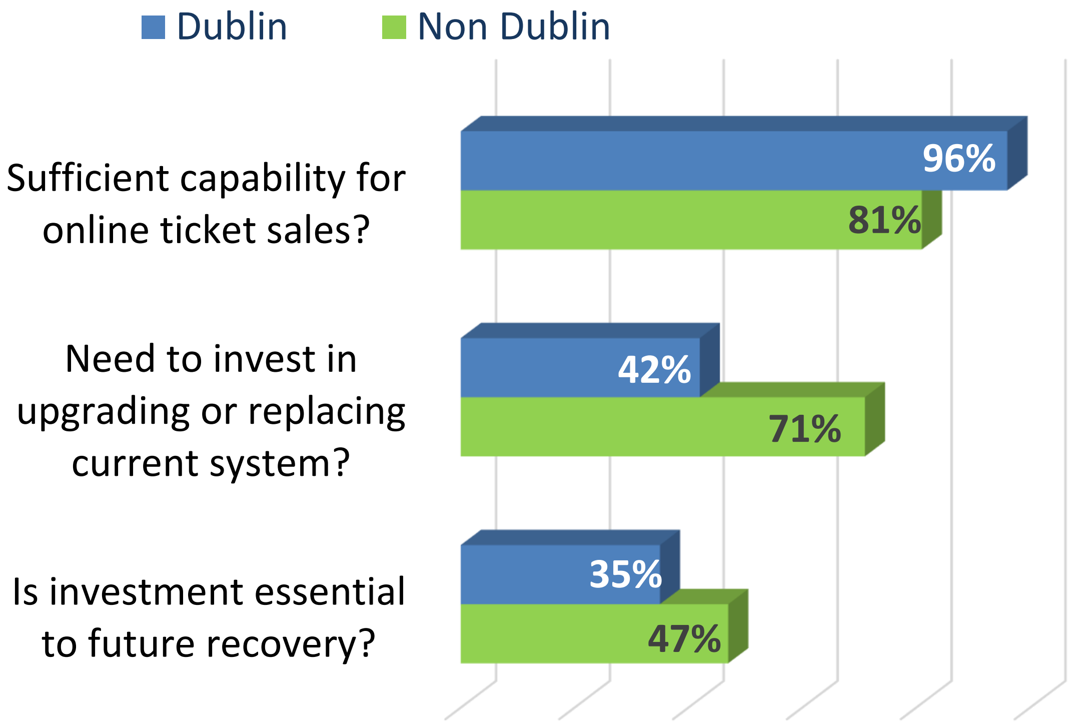
(% Respondents)



Barriers to Operating without Guides - % of Respondents



Online Booking System



A high proportion of respondents, especially those in Dublin, already have an online ticket sales capability. However, a significant share of the respondents need to invest in upgrading their systems to enhance their ticketing capabilities, for example with regard to timed ticketing and ecommerce options. This need is particularly evident among AVEA Members outside Dublin. Between a third and a half of respondents regard this investment as critical to their future recovery, but their ability to make the necessary investment will be compromised by the lack of resources arising from the losses incurred during the pandemic.

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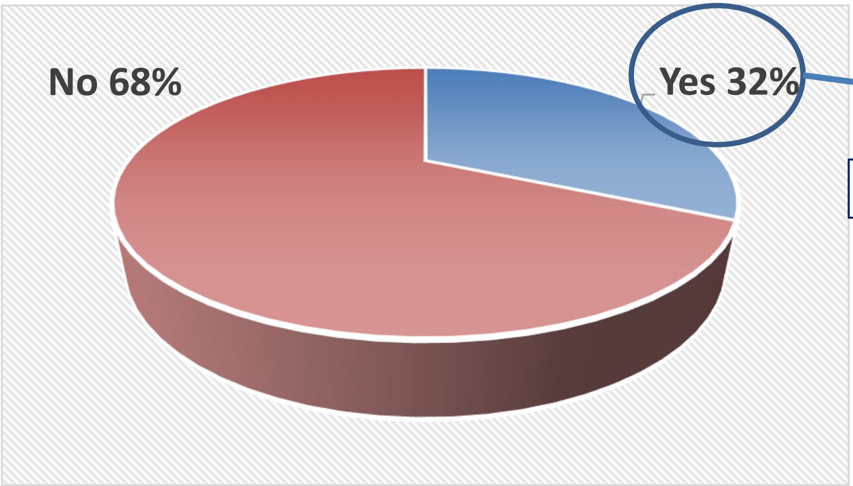
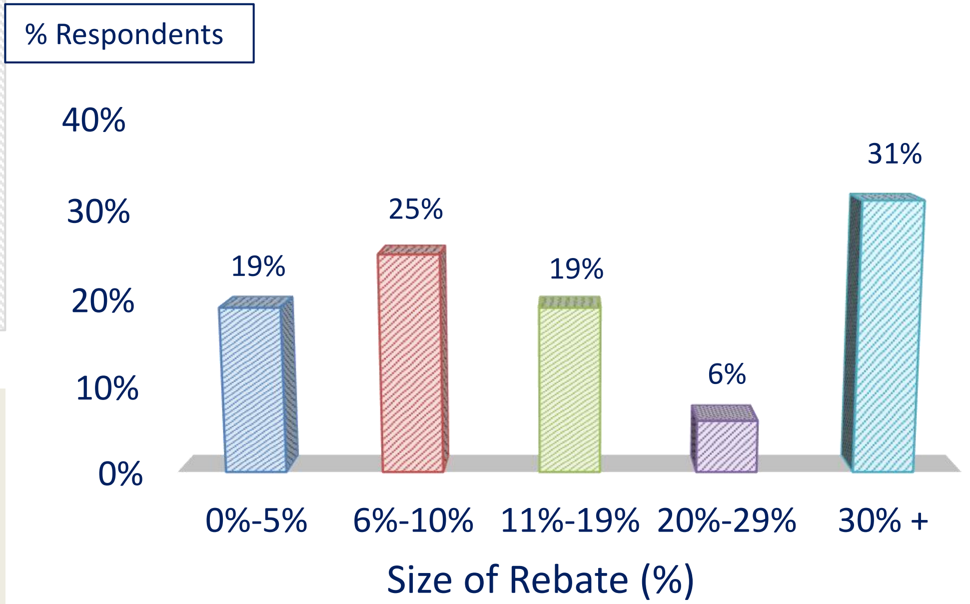
8. Insurance & Banking

Insurance Rebate/Reduction

Did you receive an Insurance Rebate in 2020?



Size of the Rebate



One-third of survey respondents received an insurance rebate in 2020. In more than half of these cases, the rebate exceeded 10% of the premiums paid.

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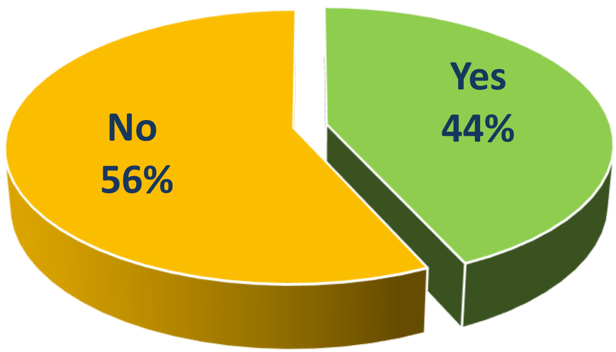
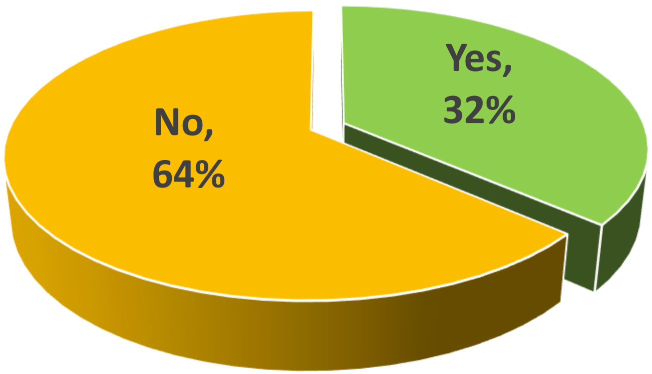
Insurance Quote 2021

Get a renewal quote yet?



At the time of the survey (Jan-Feb 2021), 44% of the respondents had received renewal quotes for their insurance. In two-thirds of these cases, there was no increase. Just 8 respondents reported an increase, and this amounted to 5% or less for 5 of these. Two respondents reported increases in excess of 50% which related to their specific circumstances but also represents a significant cost burden for those sites.

If Yes, has price increased?



By how much?

	No. Respondents
0%-5%	5
6%-10%	1
> 50%	2
Total	**8**

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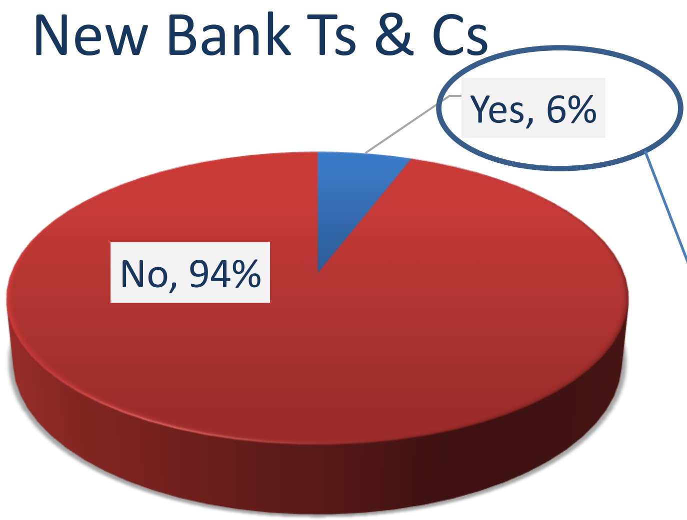
Banking



- The vast majority of respondents have not experienced changes in the terms and conditions applied to their banking facilities.
- Only one respondent reported that their bank had declined an application for new facilities.

- Bank has started to charge negative interest on credit balances.
- Restructuring existing facilities to 12 month interest only.
- Increase in monthly loan repayments.

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9. Final Comments

Additional Comments by Respondents

Respondents added numerous comments to their questionnaires when asked to identify any further issues of concern. The full list of comments has been supplied in anonymised form to AVEA. Broadly, they covered the following topics:

- The difficulty of maintaining viable businesses in the face of the pandemic and associated health protection measures
- The need for continued financial support throughout 2021, including the EWSS, contributions to fixed costs and a revised CRSS applicable to all in the VEA sector
- The need for marketing support when re-opening is eventually permitted
- Worries about a prolonged delay in the return of international tourism
- Promotion of Dublin as a destination for the domestic market
- Clarity and consistency in the development and implementation of operating guidelines, with a real understanding of the nature of businesses in the VEA sector
- Restoration of consumer confidence in visiting attractions
- The need for innovation to bring the sector into the future

What respondents are seeking from AVEA

Respondents expressed a very high level of satisfaction with AVEA and appreciation of its work as a voice for the sector and as a conduit for essential information on government policy, operating guidelines, financial supports and market trends. Looking ahead, the survey respondents placed emphasis on AVEA

- Continuing to represent the sector and to advocate for the interests of members
- Pressing for continued financial supports
- Continuing to be an active channel for information and advice
- Providing networking and learning opportunities

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