

Knowing the customer key to growing in hospitality

Ahead of Bank of Ireland's grow your business week, head of hospitality Gerardo Larios Rizo sat down to discuss the hospitality sector in 2019.

The hospitality sector has benefited from unprecedented levels of demand over the last number of years, consistently breaking records in terms of overseas visitors and hotel profits. Despite Brexit uncertainty, 2018 was a great year for the sector, according to Bank of Ireland's head of hospitality, Gerardo Larios Rizo.

Ireland has a great reputation for hospitality which generally exceeds customer expectations. The Irish hospitality sector is incredibly dynamic and is always looking at alternative ways of doing business.

While performance for Q1 2019 has been a little softer than expected, the overall sentiment for this year is still very positive. "At the end of last year, VAT increased from 9pc to 13.5pc which placed a lot of pressure on operators which had passed the increase to their customers."

The uncertainty around Brexit and its repercussion on exchange rates, has led to a decline in the number of British visitors to Ireland, however the European and US market have shown substantial growth during the same period so total overseas visitor numbers are still growing. "Brexit has been a big challenge for the border counties due to its impact on the Northern Irish market, but on average, the impact has been much softer in the rest of the country.

"While Brexit is challenging, staffing remains the biggest issue for companies in the sector as recruitment and retention become increasingly difficult both in Dublin and regionally. With unemployment levels going down, hotels are finding it increasingly difficult to get staff and companies have to become more innovative to secure staff for longer periods."

The increase in VAT was hard to accept for most operators in the sector, says Rizo. "It has automatically shaved off 4.5pc profit from room sales and food sales."

Bank of Ireland's grow your business week aims to explore the different ways companies can successfully grow their business across different sectors and Rizo says growing isn't just about "increasing the size of the business".

"The key to growing in this sector is to understand your business and make sure your customer is happy with your offering. It's also about capitalising on new market trends in a very dynamic market," he finished.

Over the next week, Bank of Ireland are running a series of events across Ireland supporting business growth and financial wellbeing. To find out more or to register for one of the events, [click here](#).