

## ENGLAND ATTRACTIONS MONITOR

### 2007 QUARTER 4 REPORT – OCTOBER TO DECEMBER 2007

#### 1. Introduction

In January 2006, VisitBritain commissioned BDRC to launch and manage the England Attractions Monitor, an online panel to help provide the attractions industry with rapid feedback on current trends in visits to attractions in England. Following a successful first year, the survey was enhanced in 2007 to incorporate not only recent visit trends but also questions relating to business confidence for the forthcoming quarter:

- Visit expectations for own attraction;
- Opinion of business prospects for attractions industry generally;
- Opinion of business prospects for own attraction;
- Reasons for own attraction's business prospects.

#### 2. Method

The objective for 2007 was to create a committed panel of **c.500 attractions** comprising:

- c.200 individual attractions recruited by telephone (c.20-25 per England region);
- c.300 English Heritage/National Trust properties (with visit data provided centrally).

Regional tourism organisations also had the opportunity to boost sample sizes within their region to enable them to analyse their own results in greater detail. In 2007, East of England and North West took up this opportunity. There was also the facility for regions to add bespoke questions.

Individual attractions were primarily recruited to the panel by telephone, with data collection subsequently taking place online (some recruitment was conducted solely by email). 2006 England Attractions Monitor participants were invited initially followed by those expressing an interest in taking part via the annual Survey of Visits to Visitor Attractions questionnaire. A cross-section of attractions were recruited according to type, size and free/paid admission.

During the fourth 2007 quarterly period – October to December 2007 - **572 attractions** provided data (English Heritage/National Trust properties provide visit numbers only) compared with 607 in Quarter 3, 574 in Quarter 2 and 551 in Quarter 1. Inevitably across the year some attractions joined the panel, whilst others dropped out. However, comparisons are always made among constant samples where appropriate.

### **3. Summary of findings for 2007 Quarter 4 (October to December 2007)**

By way of context, the weather during Quarter 4 was relatively dry and sunny, with average temperatures above the norm. Following the exceptionally wet May to July period and the more typical August to September months, the final quarter of the year was typified by below average rainfall and above average levels of sunshine. Indeed, October was the driest recorded since 1985.

Findings from Quarter 4 (Oct to Dec) 2007 were more positive than those of the previous quarter of 2007, with visitor numbers across the 572 participating attractions increasing by 4% compared with only 1% in Quarter 3. This improvement was driven by a strong growth in visitor admissions during October. However, growth remained at lower rates than observed during the first half of the year (13% in Q1, 5% in Q2).

Historic houses/castles and gardens performed particularly well in October, benefiting from the dry weather reported.

The sharp decline in business performance observed at Q3 also appears to have been arrested, with the proportions of attractions claiming better performance at slightly higher levels than observed in Quarter 3 (although again still at much lower levels than during the first half of the year).

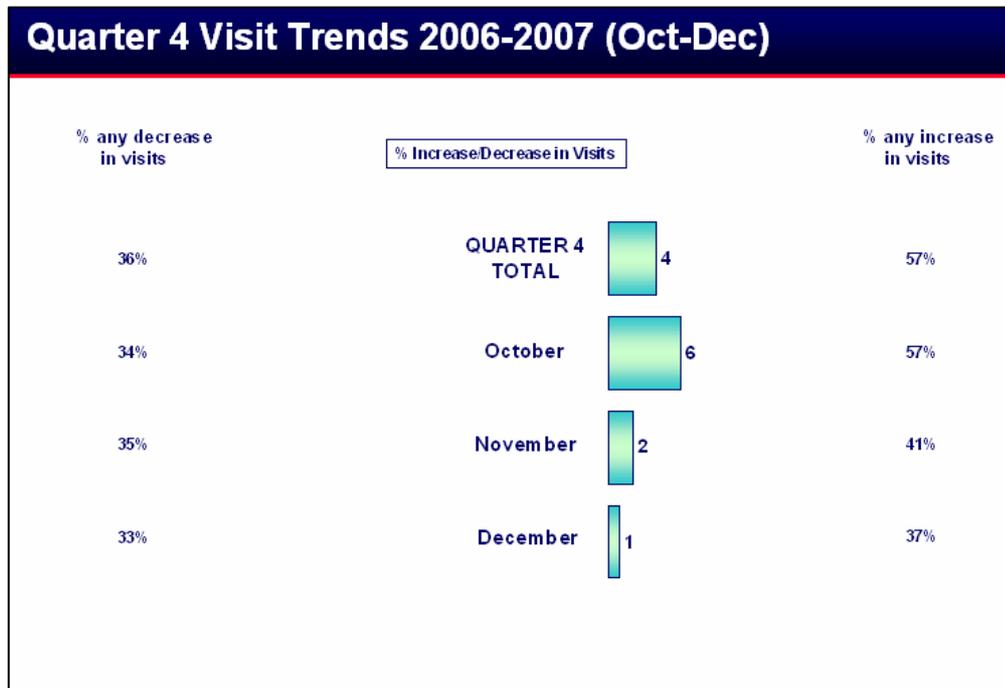
Although business confidence has not fallen further than in Quarter 3, it remains fragile, with many fewer attractions feeling optimistic about their prospects for the next quarter compared with the first half of 2007. The slight improvement in business performance has yet to translate into improved business confidence.

The major and rapidly growing negative influence on business confidence is fear about the general economic climate (interest rates, fuel prices, credit squeeze etc.). The proportion highlighting this as a reason for lack of optimism has increased rapidly over the past two quarters.

The two regions with lowest business confidence were again the South East and South West, as they have been in previous quarters of the year.

#### 4. 2007 Quarter 4 (October to December) Visit Trends 2006-2007

The chart below illustrates the percentage increase in visitor admissions between Q4 2006 and Q4 2007 among the 572 attractions taking part in the survey. It also identifies the proportion of attractions recording an overall increase and decrease in admissions.



Following two quarters of strong positive year-on-year growth in visitor admissions, the third quarter of the year was characterised by much more limited visitor growth. Quarter 4 (October to December) was characterised by a strong October followed by lower levels of growth in each of November and December, more akin to those reported during the third quarter (July to September) of the year. Across the year, quarterly growth rates were:

- 13% Q1 (January to March);
- 5% Q2 (April to June);
- 1% Q3 (July to September);
- 4% Q4 (October to December).

The strong October resulted in 57% of attractions reporting an increase in visits across the quarter as a whole, with only 36% reporting a decrease.

The following charts illustrate how visitor admissions trends for Q4 vary by region, attraction category, size of attraction, location of attraction (coastal, rural or urban) and whether the attraction is paid or free entry.

### Quarter 4 Visit Trends 2006-2007 (Oct-Dec) – By Region

Region	Total Qtr 4 Change (%)	Oct Change (%)	Nov Change (%)	Dec Change (%)
<b>TOTAL ENGLAND (572)</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1</b>
North East (47)	5	7	3	-*
North West (77)	5	4	8	2
Yorkshire & The Humber (30)	2	2	-1	5
East Midlands (57)	*	5	-5	-3
West Midlands (56)	11	16	5	7
East (73)	2	-*	6	1
London (26)	6	7	2	8
South East (94)	-1	1	-*	-5
South West (112)	7	13	1	-6

### Quarter 4 Visit Trends 2006-2007 (Oct-Dec) – By Attraction Category

Attraction Category	Total Qtr 4 Change (%)	Oct Change (%)	Nov Change (%)	Dec Change (%)
<b>TOTAL ENGLAND (572)</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1</b>
Historic Houses/Castles (233)	10	11	5	14
Other historic properties (55)	2	-*	5	5
Museums/art galleries (105)	4	3	5	3
Gardens (38)	12	21	4	-8
Visitor/heritage centres (22)	-1	-5	2	3
Wildlife attractions/zoos (22)	-2	-1	-2	-5
Others (97)	-1	3	-4	-6

### Quarter 4 Visit Trends 2006-2007 (Oct-Dec) – By Other Segments

	Total Qtr 4 Change (%)	Oct Change (%)	Nov Change (%)	Dec Change (%)
<b>TOTAL ENGLAND (572)</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1</b>
<b>Visits Per Annum</b>				
Over 200,000 (39)	3	4	3	-*
100,001 – 200,000 (84)	3	7	1	-2
50,001 – 100,000 (104)	6	6	9	4
20,001 – 50,000 (140)	5	11	-4	5
20,000 or less (201)	1	-8	3	26
<b>Free/Paid</b>				
Paid (440)	3	4	2	1
Free (132)	5	9	2	1
<b>Location</b>				
Coastal (68)	2	5	3	-6
Rural (309)	6	10	1	-1
Urban (195)	3	1	3	4

In Q4 2007, the West Midlands (+11%), South West (+7%) and London (+6%) each recorded percentage increases in visitor admissions which were notably above the England average of +4%. Performance in the South West and West Midlands was driven by a strong October, whilst London attractions performed well in each month of the quarter. Indeed, London attractions fared well across each of the year's four quarters.

The South East (-1%) and the East Midlands (+\*%) both reported below average growth in visitor admissions during the quarter. In both cases, there were notable declines in visits during December, with the East Midlands also reporting a significant November decline. This follows two positive quarters of growth in visits among attractions in the East Midlands.

Year-on-year shifts in visitor admissions across Q4 as a whole varied significantly by attraction category. There were notable increases in visits to both historic houses/ castles (+10%) and gardens (+12%) as they both continued their recovery from the wet summer. Gardens particularly benefited from the dry October, with growth of +21% reported in this month. Growth in visits to historic houses/castles was more evenly distributed across the quarter, although December was particularly positive (+14%).

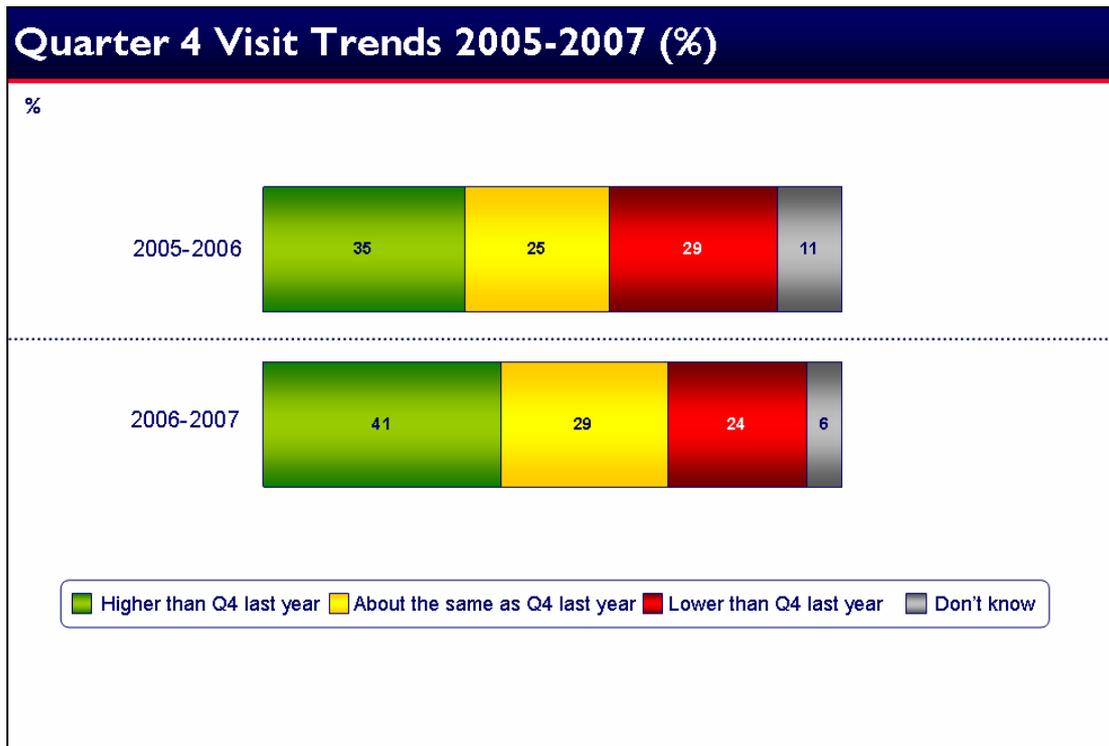
Visits to visitor/heritage centres (-1%) and wildlife attractions/zoos (-2%) both declined slightly during Quarter 4. Visits to wildlife attractions/zoos declined in each of the three months of the quarter, whilst visits to visitor/heritage centres declined most notably in October (-5%). Visits to museums/galleries increased at a rate similar to that observed for attractions as a whole, with growth similar within each month.

Unlike in the first two quarters of the year (when free reported greater increases than paid attractions), there was again very little difference in visitor admission increases by admission type.

Whilst smaller attractions performed notably more positively than larger attractions during previous quarters of the year, Q4 saw a reverse of this trend. Visits to attractions with less than 20,000 visitors per annum increased by only +1% across Q4, compared with the average of +4% across attractions as a whole. Performance among smaller attractions varied significantly by month, with visits declining by -8% in October, but increasing by +26% in December.

Rural (+6%) attractions again performed more positively during Q4, with year-on-year growth in visits of +6% across the quarter. This was driven by a particularly strong October where visitor admissions grew by +10%. Coastal attractions reported a difficult December, with visitor admissions declining by -6%. This followed a strong October when visitor admissions grew by +5%.

To provide consistency between the 2006 and 2007 surveys, attractions were also asked to provide an overall assessment of whether their visitor admissions had increased, remained the same or decreased compared with the equivalent quarter of the previous year. The chart overleaf compares the findings of Q4 2007 with the findings from Q4 2006.



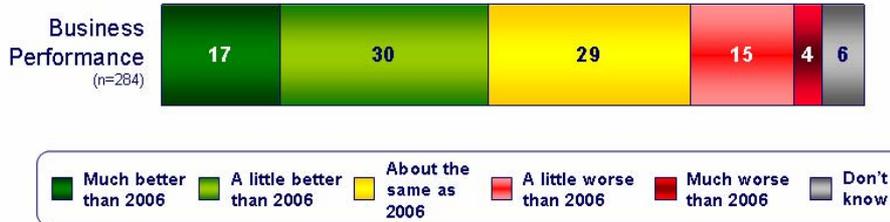
41% of attractions felt that visitor admissions had increased compared with Q4 2006, with a quarter (24%) feeling that visitor admissions had declined. This position was more positive than that observed in the same period in 2006, when 35% felt that visitor admissions had increased compared with Q4 2005 and over a quarter (29%) felt that admissions had declined. Again, the strong performance observed in October has driven this improvement.

The proportion of attractions feeling that visitor admissions were higher than the equivalent quarter of 2006 had steadily decreased as 2007 has progressed, from 47% in Q1 to 35% in Q2 to 30% in Q3. However, driven by the strong October, this proportion once again increased to 41% in Q4.

#### **5. 2007 Quarter 4 (October to December) Business Performance Trends 2006-2007**

In addition to being asked about visitor admissions, attractions were also asked to state how they felt that their business had performed overall in Q4 2007 compared with during Q4 2006. The chart overleaf illustrates the proportions of the 284 attractions (excluding English Heritage/National Trust properties) taking part in the survey in Q4 2007 who felt that their business had performed better or worse.

### Quarter 4 Overall Business Performance Trends 2006-2007 (Oct-Dec) %



	% Better than 2006
Historic houses/castles	58
Museums/art galleries	42
Up to 100,000 visits p/a	44
Over 100,000 visits p/a	55
Paid	52
Free	40

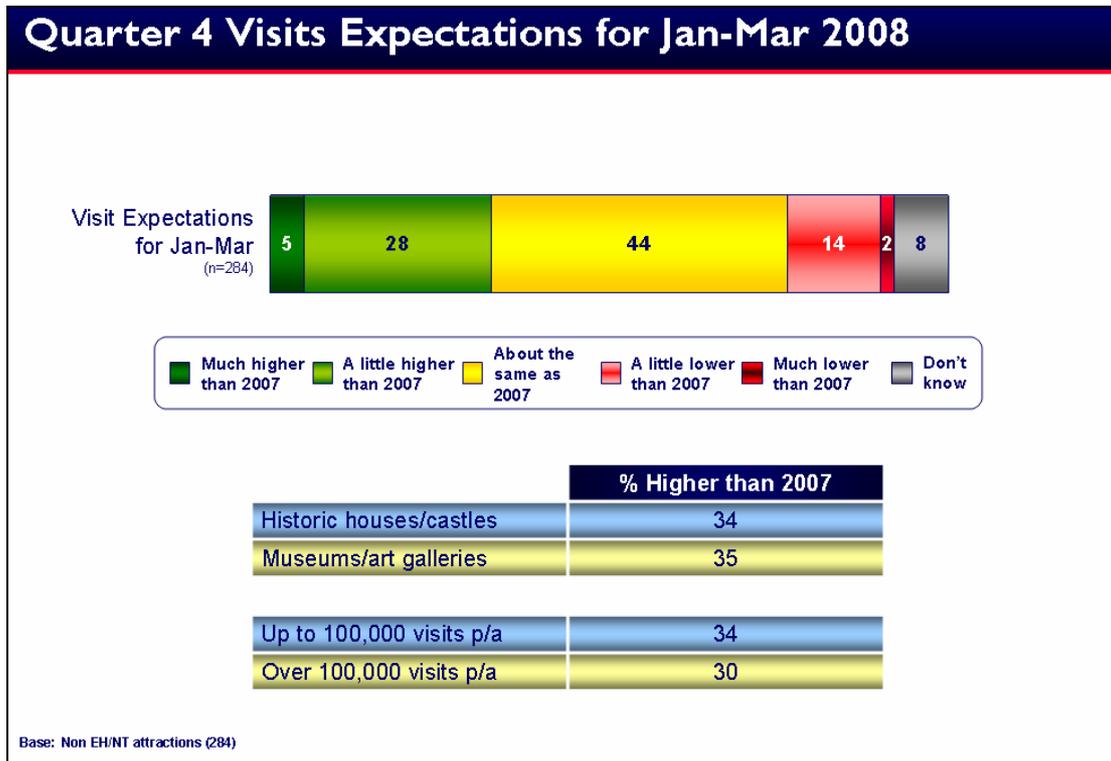
Base: Non EH/NT attractions (284)

47% of attractions taking part in the survey felt that their business performance was either much better (17%) or a little better (30%) than in Q4 2006. This is a slightly lower proportion than observed for either Q2 (50%) or Q1 (51%) 2007, but an improvement on Q3 (43%). Conversely, 19% of attractions felt that their business performance was either a little worse (15%) or much worse (4%) than during Q4 2006. Encouragingly, this was not only a lower proportion than observed in Q3 (27%), but also lower than observed in Q2 (23%).

Reflecting the higher than average increases in visitor admissions among historic houses/castles reported within the quarter, business performance of these attractions were also more likely to be reported as improving. 58% of historic houses/castles reported that business performance was better than the equivalent period of 2006 compared with 47% among attractions as a whole.

## 6. Business Confidence for Quarter 1 2008 (January to March)

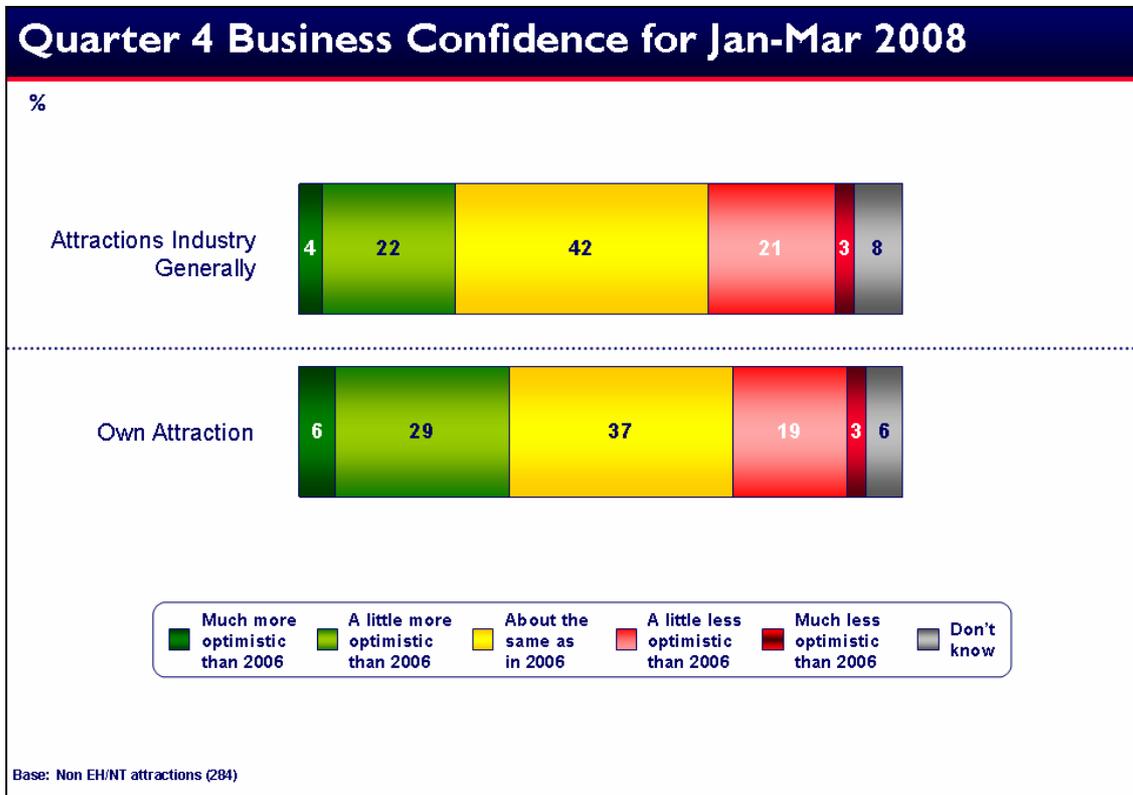
The chart below examines attractions' **expectations for visitor admissions** in Q1 2008 compared with actual visitor admissions recorded in Q1 2007.



Whilst remaining significantly less positive than during the first half of 2007, the outlook for the attractions industry in terms of visitor admissions has improved slightly since Q3. Furthermore, the proportion of attractions expecting visitor admissions to be greater in Q1 2008 than in Q1 2007 continues to exceed the proportion expecting visitor admissions to be lower.

33% of attractions expected their visitor admissions to increase between Q1 2007 and Q1 2008 compared with 16% expecting a decrease. This represents an improvement in expectations compared with the equivalent Q4 2007 period, for which only 27% expected an increase. However, this remains significantly below the 49% who expected an increase for the equivalent Q3 period and 55% who expected an increase for Q2. The proportion expecting a decline in visitors has also improved, not only on Q4 but also on Q3 (11% for Q2, 18% for Q3, 19% for Q4, 16% for Q1 2008).

The following chart examines **business confidence among attractions** in Q1 2008, among the 284 non-English Heritage/National Trust attractions taking part in the survey in Q4 2007.



Although there has been an improvement in visit expectations among attractions during the last quarter of 2007, this has yet to be translated into overall business confidence. Business confidence remains markedly lower than reported during the first two quarters of 2007 and at a similar level to that observed in Q3. However, the decline in business confidence appears to have been arrested.

A third (35%) of attractions felt more optimistic about their own attraction's business prospects for the Q1 (Jan-Mar) 2008 period than they were about the same period in 2007. This is similar to the proportion observed for the Q4 (Oct-Dec) 2007 period (33%). In summary across the year:

- 57% more optimistic about Q2 (Apr-Jun) 2007 period;
- 45% more optimistic about Q3 (Jul-Sep) 2007 period;
- 33% more optimistic about Q4 (Oct-Dec) 2007 period;
- 35% more optimistic about Q1 (Jan-Mar) 2008 period.

Those feeling less confident tended to predict that business prospects will be about the same as in 2007 rather than move into decline. The proportion of attractions feeling less optimistic about business prospects for Q1 2008 (22%) was similar to that observed for the previous two quarters (20% for Q4 2007 and 23% for Q3).

Attractions were also asked their opinion of business prospects for the attractions industry generally during the forthcoming Q1 2008 period. As noted during previous quarters, confidence tended to be slightly lower than for respondents' own attractions. For Q1 2008, 26% of attractions felt more optimistic than during the equivalent period of 2007 (25% for Q4 2007, 36% for Q3, 46% for Q2) and 24% felt less optimistic (21% for Q4 2007, 28% for Q3, 10% for Q2). The figures demonstrate a similar trend to that observed for attraction's own businesses.

The charts below illustrate how business confidence for Q1 2008 varies by region, attraction category, size of attraction, location of attraction (coastal, rural or urban) and whether the attraction is paid or free entry. N.B. sample base sizes for some sub-groups are low.

<b>Quarter 4 Business Confidence for Jan-Mar 2008 (Own Attraction) – by Region</b>		
<b>Region</b>	<b>% More optimistic than 2006</b>	<b>% Less optimistic than 2006</b>
<b>TOTAL ENGLAND (284)</b>	<b>35</b>	<b>22</b>
North East (24)	37	4
North West (57)	44	23
Yorkshire & The Humber (11)	54	27
East Midlands (39)	29	20
West Midlands (29)	31	20
East (44)	39	22
London (11)	36	9
South East (30)	20	30
South West (39)	29	28

### Quarter 4 Business Confidence for Jan-Mar 2008 (Own Attraction) – By Attraction Category

Attraction Category	% More optimistic than 2006	% Less optimistic than 2006
<b>TOTAL ENGLAND (284)</b>	<b>35</b>	<b>22</b>
Historic Houses/Castles (35)	43	23
Museums/art galleries (96)	35	17
Visitor/heritage centres (22)	29	18
Wildlife attractions/zoos (19)	23	50
Others (112)	37	22

### Quarter 4 Business Confidence for Jan-Mar 2008 (Own Attraction) – by Subgroup

	% More optimistic than in 2006	% Less optimistic than in 2006
<b>TOTAL ENGLAND (284)</b>	<b>35</b>	<b>22</b>
<b>Visits Per Annum</b>		
Over 200,000 (32)	29	26
100,001 – 200,000 (40)	31	36
50,001 – 100,000 (45)	32	13
20,001 – 50,000 (67)	37	23
20,000 or less (97)	37	20
<b>Free/Paid</b>		
Paid (159)	38	28
Free (125)	31	15
<b>Location</b>		
Coastal (40)	41	20
Rural (122)	32	24
Urban (122)	36	21

Business confidence was higher for Q1 2008 among attractions within the Yorkshire/Humber (54% more optimistic), North West (44%) and East (39%) regions.

Business confidence was again low within the South West, as it had been during each other quarter of the year. Only 29% were more optimistic than they were at the same point in 2006, the second lowest of all regions. Optimism was again also low among South East attractions (as it was in the last quarter), with only 20% feeling more optimistic compared with 30% feeling less optimistic about Q1 2008. This was the only region where pessimism exceeded optimism.

Reflecting the actual visitor admissions performances within Q4, business confidence for Q1 2008 was highest among historic houses/castles (43% more optimistic) and lowest among wildlife attractions/zoos (23% more optimistic). Half (50%) of wildlife attractions/zoos were less optimistic than in the equivalent period last year.

Unlike previous quarters of 2007, business confidence for Q1 2008 was slightly lower among larger attractions than smaller attractions. Confidence looking forward to Q1 2008 was again higher among paid attractions, with 38% feeling more optimistic than in 2006 compared with 31% among free attractions. Coastal attractions' business confidence for Q1 2008 was higher than for either rural or urban attractions. 41% felt more optimistic about their business prospects compared with 32% of rural attractions and 36% of urban attractions.

Attractions were asked to state the reasons for their level of optimism for Q1 2008. The charts overleaf illustrate positive and negative aspects driving optimism during this quarter.

Positive factors for Q4 remained fairly similar to those reported for Q3 2007. The only notable change was a decline in the proportion of visitors citing improving visitor number trends as a reason for optimism (from 13% to 9%).

The nature of negative mentions had one very significant change between Q3 and Q4.

- The proportion of attractions mentioning tourism/economic market changes as a negative factor increased from 5% at Q2 to 9% at Q3 to 16% at Q4, reflecting overall levels of business confidence within the domestic economy. This was driven by another significant increase in the proportion of attractions mentioning the general economic climate, interest rates and credit squeeze.

### Quarter 4 Reasons for Business Confidence Jan-Mar 2008 (Own Attraction) - Positives

	Quarter 4 % (n=284)
<b>ANY POSITIVE</b>	<b>47</b>
Events/exhibitions improvement	11
Other site improvement	10
Visitor number trends improving	9
Facility improvement/refurbishment/investment	8
Advertising/marketing	6
Publicity/PR	6
Better business organization/ practices/ management	4
Better known/interested/area improving	3
Weather	2
Tourism/economic market changes	1

### Quarter 4 Reasons for Business Confidence Jan-Mar 2008 (Own Attraction) - Negatives

	Quarter 4 % (n = 284)
<b>ANY NEGATIVE</b>	<b>46</b>
Facility decline/refurbishment/investment	16
Tourism/economic market changes	16
Weather	7
Visitor decline/competition/area declining	4
Events/exhibitions decline	4
Visitor trends declining	3
Other site decline	3
Advertising/marketing/PR	1
Decrease in school/ educational visits	1