The Economic Downturn and Domestic Tourism
Qualitative and Quantitative Research
December 2008
Our research aims

To provide a clear indication of the potential effects of the economic downturn on domestic tourism attitudes and behaviours.
Research Outline

- 2-stage Qualitative and Quantitative Project, conducted by Olive Insight

- Qualitative phase in September 2008
  - 5 group discussions
  - 4 paired depths
  - Online forum
  - Cross-section of region, lifestage and social grade

- Quantitative phase in late October/early November 2008
  - 1000 online interviews, 15 minute questionnaire
  - GB population
The Economic Climate and how it is affecting lives
Widespread Pessimism

Across sample almost universal pessimism
- macro economic climate
- impact on personal level
- security
  - ‘rabid teenagers’
- impotent leader
- global security issues

Very few upsides / positives, but occasional mention
- Olympics
  - UK success
  - London 2012
- ‘lucky to live in UK’
  - Socio-politically
- positive rise of the green agenda

Challenges for us today?...well where do you start...credit crunch, oil prices, world in turmoil...we are all doomed!

I honestly can’t think of any good things about the current situation
Concerns over economic downturn omnipresent

- Concerns re the economy widespread and increasing daily
  - ‘credit crunch’ - 70% are very concerned about it
  - increase in fuel costs / food costs - 52% worry about making ends meet
  - banks going to the wall
  - the effect on house prices

With more concern over the personal than global impact
- 70% are more worried about the cost of living than the global economy

Sense whole thing fuelled by
- the media – 38% feel it’s been blown out of proportion by the media
  - some resentment - 49% are fed up with hearing about it

Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (1030)
Impact being felt now and fear of what’s ahead

- It is becoming very real for some – 54% have started to feel the pinch, more so among:
  - families - 61%
  - lower socio-economic groups - 62%
  - and those working in certain industries e.g. Banking, Housing

- Most feel the worst is yet to come
  - 80% think it’s going to get worse before it gets better

- Although general feeling not completely desperate
  - light at the end of the tunnel - 73% think economy will start to recover within next 2 years (45% think within 18 months, 18% within next year)
  - life goes on and should still seek to enjoy it
There are very different mind sets to the downturn

Nervous and drastically changing behaviours
15% of population

Concerned & refining behaviours
47% of population

Concerned but wait and see
28% of population

‘Sod its’
10% of population

Most (9 in 10) of these:
- Very concerned about credit crunch
- Started to feel pinch
- Worried about making ends meet
- Think it will get worse before it gets better

Most (8 in 10) of these:
- Very concerned about the credit crunch

These have a lower level of concern over:
- The credit crunch (58% concerned)
- Making ends meet (28% worried)

Cynical/Unconcerned:
- Tend to feel well-off (46% do so)
- Unconcerned about credit crunch (just 27% are)
- Fed up with hearing about it & think media are stirring it up (60%)
- Expect economy to start recovering quicker than others

Sense population moving this way currently

Q3. Which of the following best describes your feelings about the economic downturn or credit crunch? Base: All (1030)
Mind sets in their own words

- Nervous and drastically changing behaviours
  - My husband is a mortgage broker. We are very short of cash at the moment and have had to cut back a lot.
  - We might not be able to go on the family holiday this year...

- Concerned & refining behaviours
  - I am not driving around quite so much, as petrol is so expensive.
  - We are a lot more careful when we walk around the supermarket. Totting up as we go along.

- Concerned but wait and see
  - It hasn’t affected us yet...we might start thinking about it soon.
  - It’s all over the news but no hasn’t affected our lives...it might in a few months, who knows?

- ‘Sod its’
  - I am not that bothered by this...it has nothing to do with me.
  - Life goes on and in fact have been spending a little more lately whilst I can.
Some differences in profile within these groups...

- **Nervous and drastically changing behaviours**
  - 15% of population
  - Higher % (c 20%) of these among:
    - 35–54 yr olds
    - Families
    - C2DEs
    - South West & East

- **Concerned & refining behaviours**
  - 47% of population
  - Higher % (53%) of these among:
    - Midlands & Wales

- **Concerned but wait and see**
  - 28% of population
  - Higher % (33-35%) among:
    - 55+yr olds
    - ABC1s
    - Empty Nesters & Pre families
    - Scotland

- **‘Sod its’**
  - 10% of population
  - Higher % (14-17%) of these among:
    - North East

... but not strongly differentiated by demographic/ regional characteristics; more by personal circumstances which can cut across these, eg home ownership/ mortgage commitments, specific industries

Q3. Which of the following best describes your feelings about the economic downturn or credit crunch? Base: All (1030)
What this means...

1. The climate is very pessimistic re the economic downturn and its impact is being felt by over half the population – even higher among families and lower socio-economic groups.

2. The majority of the population think the worst is yet to come and tend not to expect to see the light at the end of the tunnel for over a year.

3. Differing orientations emerge, from those already changing behaviour to the ‘sod its’... although there is some demographic/regional variation across groups, they are more strongly defined by personal financial circumstances, which cut across demographics/regions.
The Economic Climate and how it is affecting lives

Behaviour changes due to the credit crunch
Mixed impact of the downturn on people’s lives currently but widespread spend modification

Nine in ten (90%) of the population claim to be cutting back on spend as a result of the economic downturn
– (72% currently, 18% plan to in near future)

Across the population there is a sense of...
– more thought given to money and expense
– more research / investigation
  • internet sites
    – compare.com, ‘Martin’s money advice’
  • newspapers
– general movement to...
  • cutting back
  • rationalising
  • being more careful
  • not wasting
  • looking for deals / cheaper options

Q4. As a result of the current economic climate are you, or your family living with you, cutting back on your spending? Base: All (1030)
Some groups more likely than others to be cutting back

**MOST likely groups to be currently cutting back:**
- Families (80% cutting back)
- Under 35 year olds (77%)
- South West (78%)

**LEAST likely groups to be currently cutting back:**
- 55yr+ olds (65% cutting back)
- Empty nesters (65%)
- Scotland (65%)

No difference by social grade

Q4. As a result of the current economic climate are you, or your family living with you, cutting back on your spending? Base: All (1030)
Most affected are frequent, low value purchases; more opportunity to cut, and savings made less ‘missed’

Figs show % of total sample of 1030 respondents who have either cut back/are planning to cut back in each area

80% cutting back on Food
74% cutting back on Fuel
67% cutting back on Clothes
67% cutting back on Entertaining/ little luxuries
45% cutting back on Holidays, breaks, day trips
32% Postponing a major purchase
32% cutting back on Home/ Home Improvements
10% changing where bank/save

Q5a/b. How are you planning to cut back / cutting back on your spending? Base: Rebased on all (1030)
Holidays are more protected – though plans may be modified

Figs show % of total sample of 1030 respondents who have either cut back/are planning to cut back in each area.

- 80% cutting back on Food
- 74% cutting back on Fuel
- 67% cutting back on Clothes
- 45% cutting back on Holidays, breaks, day trips
- 67% cutting back on Entertaining/little luxuries
- 32% Postponing a major purchase
- 30% not taking / taking less
- 20% spend/spent less
- 17% changing plans

Q5a/b. How are you planning to cut back / cutting back on your spending? Base: Rebased on all (1030)
Only the most affected group are making/planning cuts to holidays in great numbers

Nervous and drastically changing behaviours
- 15% of population
- High % making savings in:
  - Food
  - Fuel
  - Clothes
  - Entertainment
  - **Holidays - 74% of this group**

Concerned & refining behaviours
- 47% of population
- High % making savings in:
  - Food
  - Fuel
  - Clothes
  - Entertainment
  - (Holidays - 49% of this group)

Concerned but wait and see
- 28% of population
- Moderate % making savings in:
  - Food
  - Fuel
  - Clothes
  - Entertainment
  - (Holidays – 34% of this group)

‘Sod its’
- 10% of population
- Few cuts being made in any area
  - (Holidays – 15% of this group)

Q5a/b. How are you planning to cut back / cutting back on your spending? Base: Rebased on all (1030)
What this means...

1. Nine in 10 of the population claim to be cutting down spend already (72%) or in the near future (18%) due to the economic climate; higher in key groups of families / under 35’s, lower among empty nesters.

2. Key areas where effects of downturn noticed are food and fuel prices; many have cut back spend on these. Entertainment and clothes are the next things to be cut back— all relatively low value, frequently bought goods that can be sacrificed/ substituted without great hardship.

3. Almost half have currently / plan to cut back on holidays/breaks/day trips; though this is only widespread among the most concerned behavioural group.
Levers and Barriers for Domestic Tourism in the Credit Crunch
For many, holidays / breaks are a necessity
  – important break from normal life
  – for some the most important thing in life

There is a real sense that they are no longer considered a luxury
  – vs previous generations / recessions

As a consequence most would not be able to sacrifice their holidaying / breaking
  – it is one of the least cut-back areas

Indeed they become more important in time of difficulty
  – to get a break from reality

(However this does not mean that behaviours and attitudes have not / will not change, but simply most will try to get as much out of their holidaying / breaking as possible)
Quality of experience absolutely vital

- As times become harder it becomes increasingly important to ensure a great experience is had when having a break.
- Sense many people are / will plan & investigate more to ensure that the break meets their own personal needs / needs of their family.
  - seeking promotions etc that enable great quality experiences
  - to optimise the value
  - but not to sacrifice
- This may eventually lead to a...
  - reduction in the spontaneity of trips
  - reduction in frequency to ensure that every experience is great
  - reduction in duration to ensure they still have that quality time

I will certainly plan more...to make sure I can get the most for my money, where once I might have been less bothered, now I would see if could get the same thing cheaper

I don’t want to sacrifice the comfort...I need a 5 star hotel even if it means I have to cut back on the days...there is no point in going on a break and not enjoying yourself
Individual Predispositions: Differing starting points to breaks in the UK/London

To rejectors

14%

Not rejectors
But not overly keen
Do UK breaks from time to time
But generally elsewhere
Often very critical of the weather and the value

Tolerators

12%
15%

Repertoirists

31%
19%

Fans / loyalists

43%
30%

UK relevant for short breaks in repertoire
Will go abroad
But UK can present viable alternative
Enjoy the difference (vs abroad), familiarity and potential ease

Love holidaying / breaking in the UK
Preferred or key destination
Enjoy culture / exploring different places
Focus is on the UK but do go abroad

Q7. How much do you like or dislike each of these types of holiday/trips? Base: All (1030)
Individual Predispositions: UK & London Fans and London Repertoirists are groups most affected by the credit crunch

- **UK Tolerators**
  - Dramatically affected: 10%
  - Concerned & refining: 43%
  - Wait & see: 31%
  - Sod its’: 16%

- **UK Repertoirists**
  - Dramatically affected: 14%
  - Concerned & refining: 46%
  - Wait & see: 30%
  - Sod its’: 10%

- **UK Fans / loyalists**
  - Dramatically affected: 16%
  - Concerned & refining: 48%
  - Wait & see: 27%
  - Sod its’: 9%

- **London Tolerators**
  - Dramatically affected: 9%
  - Concerned & refining: 47%
  - Wait & see: 30%
  - Sod its’: 14%

- **London Repertoirists**
  - Dramatically affected: 17%
  - Concerned & refining: 50%
  - Wait & see: 29%
  - Sod its’: 4%

- **London Fans / loyalists**
  - Dramatically affected: 17%
  - Concerned & refining: 46%
  - Wait & see: 27%
  - Sod its’: 10%
Barriers to the UK and London heightened by economic downturn

- **Cost of Accommodation**
  - % UK: 36%
  - % London: 51%
  - London considered not value for money vs UK or abroad
    - Expensive and often not in good condition
    - Issue heightened in downturn as don’t want to take risk

- **Cost of Living**
  - Attraction: 32%
  - Sustenance: 29%
  - % UK: 30%
  - % London: 41%
  - Food and drink expensive, esp London
    - Both eating out and when eating en route
    - Raises the expense of short break
    - Creates barrier to taking it

- **Cost of Travel**
  - % UK: 30%
  - % London: 41%
  - Petrol very expensive
    - Cheaper to fly somewhere abroad vs trip in the UK
    - Trains have some strong advocates ..great discount fares.

- **Weather**
  - % UK: 31%
  - % London: 20%
  - Real issue for many
    - In downturn the importance of having great time can be put too at risk by the uncertainty of the British weather...

Q29/30. Which, if any, of the following puts you off taking holidays /short trips/ day trips in London/ rest of UK nowadays? Base: All (1030)
Key barriers to taking away days similar to short breaks

Costs of fuel

- Everyone complaining about cost of petrol
  - So less likely to drive as far or at all
- Leads to some taking train and being advocate but others feel unreliable and often take longer on the weekends

Cost of Entertainment

- Food and drink particularly at sites / point of interest / on the road
  - Many felt would pack lunches or perhaps look for deals
  - Others becomes too much of a barrier

Weather

- Often rains resulting in complete waste of money
  - If too sunny everyone on the roads!
But there are barriers to abroad that could be leveraged by the UK

Flight costs 51% put off by
Belief flight costs are going up and up
In addition many complaints of supplementary costs (such as parking, taxes, baggage) going up
In all will stimulate some to consider the UK more

Unpredictability 36% put off by
Qual research conducted during time of XL
Raises new concern re stability of operators/travel companies
Potentially stimulating more independent travel and potentially more likely for some to go in the UK

Exchange rates
For more financially savvy Europe has become much more expensive so some might think twice
Either outside EU or for some UK does become more attractive (less relative expense than once was)

Q28. Which, if any, of the following puts you off taking holidays/short trips/day trips abroad nowadays? Base: All (1030)
What this means...

1. Holidays and breaks are a high priority. People won’t sacrifice them, but will spend more time planning to make sure they get the best possible experience for the money they spend.

2. Underlying dispositions to holidaying in England / London unlikely to fundamentally change – but harder-hit fans may need to find ways to save money.

3. Though barriers to UK are now heightened (cost of accommodation, travel and sustenance), there are also increased barriers to travel abroad which could be leveraged.
Effect of the downturn on breaks in the UK & London
Short breaks abroad and to London are most likely to be entirely sacrificed - and around half of those taking each type of trip will be cutting down their spend.

<table>
<thead>
<tr>
<th>Future intentions for holidays taken in next 12 months (Based on all respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Taking in next 12 months and not cutting back spend</td>
</tr>
<tr>
<td>Day Trip to rest of UK</td>
</tr>
<tr>
<td>Short Break to rest of UK</td>
</tr>
<tr>
<td>Holiday Abroad</td>
</tr>
<tr>
<td>Holiday to rest of UK</td>
</tr>
<tr>
<td>Day Trip to London</td>
</tr>
<tr>
<td>Short Break Abroad</td>
</tr>
<tr>
<td>Short break to London</td>
</tr>
</tbody>
</table>

Q12/19. Which of these will you be taking in next 12 months?
Q13/20 (If not taking) Are you not taking these types of holiday/breaks due to the current economic climate or another reason?
Q16/23 (If taking) In the next 12 months, do you think you’ll cut down the amount you spend on these types of holiday?
Ways planning cuts similar across holiday types; they are:

<table>
<thead>
<tr>
<th>Most likely to save on/by:</th>
<th>Moderately likely to save on/by:</th>
<th>Less likely to save on/by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount spent on accommodation</td>
<td>Place go to (around 20% of those taking a foreign holiday last year will switch to UK this year to save; 15% will change destination abroad)</td>
<td>Changing company used</td>
</tr>
<tr>
<td>Amount spent on food &amp; drink</td>
<td>Frequency of taking</td>
<td>Waiting for last minute deals</td>
</tr>
<tr>
<td>Amount spent while there (attractions, going out)</td>
<td>Cost of getting there</td>
<td>Booking earlier (more likely for holidays abroad)</td>
</tr>
<tr>
<td>Looking harder for cheaper deals/ offers</td>
<td>Time of year and plan to get best price (esp for holidays abroad)</td>
<td>Going for a shorter time (more likely for UK holidays). 1/3 of those taking short breaks to London last year and 1/4 of UK short trippers say daytrips likely to replace these in next yr</td>
</tr>
</tbody>
</table>

Q17/24. Will you cut down the amount you spend on these types of holiday in any of these ways? Base: Those cutting down on each type
Individual Predispositions: Orientations to downturn affect attitudes & behaviours to breaks in UK/ London

- **Nervous and drastically changing behaviours**
  - 15% of population
  - Already cutting back, less likely to have taken most holiday types last year
  - Reducing frequency esp of any 1wk+ hol & short UK breaks
  - Cutting down more esp on food & drink, going out there, transport, replacing short breaks with day trips

- **Concerned & refining behaviours**
  - 47% of population
  - Cutting down spend rather than frequency
  - Explore alternatives carefully; plan to make savings, book earlier for deals, go at cheaper time of year, look for inclusive deals
  - Save on accommodation

- **Concerned but wait and see**
  - 28% of population
  - Will be looking for offers
  - Might not book anything too far in advance (as waiting to see how land lies)
  - Thinking about where can make sacrifices / cut backs, possibly fewer holidays, save on accommodation

- **‘Sod its’**
  - 10% of population
  - Won’t be affecting behaviour
  - (Indeed may even take extra trips, and when in London far more likely than others to go to theatre/musicals and eat out)
Individual Predispositions: Differing start points to UK hols impact on future intentions

**UK Tolerators (12%)**
- Will most likely cut back / out UK trips (though little real impact as not a high area of spend for them)
- Feel can get value for money elsewhere

**UK Key element in Repertoire (31%)**
- Already cutting back on spend
- Will make careful value judgements as to which to sacrifice UK vs abroad (looking for deals)
- Will cut back on spend there

**UK Fans (43%)**
- Fight harder to retain frequency, by cutting harder by:
  - Seeking offers more actively, planning more, go at cheaper times, cuts on food & accommodation, BUT LESS on what they do – experience vital
- I wouldn’t want to cut back on the frequency..I suppose I might cut back on the length

To rejectors

I can get a 5 star break in Turkey for a week for the same as a few days somewhere in the UK

I’ll be looking more closely...weighing up the pros and cons of each
Individual Predispositions: Differing start points to London as hol/break impacts on future intentions

London Tolerators (15%)
- Behaviour little changed – low usage, few savings to be made

London Repertoire (19%)
- Will cut back on frequency of trips to London, especially short breaks which may be replaced by day trips
- More likely to cut back spend there on theatres and eating out

London Fans (30%)
- Least likely to cut frequency of breaks/day trips
  - But will cut down spend more than others on: Booking more directly, accommodation, eating out and shopping less (though they’ll still do these more than others!)
What this means...

1. Only a minority are cutting breaks / holidays altogether (short breaks abroad and to London worst hit), but widespread plans to save money.

2. The key areas targeted for cuts are those secondary spend aspects which seem to be expensive and are easiest to control, i.e. accommodation, food & drink, attractions/going out.

3. Fans may not reduce frequency, but will look to cut spend. UK repertoirists are the battleground, choosing between domestic and overseas breaks, while London repertoirists will cut back frequency and spend.
Recession Busting
Recession-busting promotions need to address a range of needs:

<table>
<thead>
<tr>
<th>Enabling</th>
<th>Enhancing</th>
<th>Stimulating</th>
<th>Self justifying</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide access when can't afford Particularly families and less well off</td>
<td>Provide a better experience Particularly empty nesters, women and more well off</td>
<td>Catch eye Encourage when perhaps weren’t considering More well off</td>
<td>Post rationalisation that although spending money getting good deal</td>
</tr>
<tr>
<td>e.g. 2 for price of 1 admissions, loyalty tokens</td>
<td>Upgrades, free spa treatments, meals at local restaurants</td>
<td>E.g. very cheap train fares, big events, interesting packages, hobbies / interests</td>
<td>Any promotions</td>
</tr>
<tr>
<td>Often searched and when found then plan time</td>
<td>When investigating / planning search for these extras...can serve as catalyst</td>
<td>Grab eye spontaneously</td>
<td>Have decided but helps convince..and afterwards can justify to self and others</td>
</tr>
</tbody>
</table>
Examples of enablers...

- All about providing access to things might not be able to afford, vitally important as times get worse...
  - free admission to sites / attractions with rail tickets
    - very popular idea, also stimulates
    - Fits environmental agenda
  - 2 for 1 admissions
    - particularly kids sites as these can be very expensive particularly when food & drink etc. taken into consideration
    - particularly for the London sites but also theme parks
  - gather tokens / points for a weekend away in hotel / admissions to expensive sites
  - discount cards with rail ticket
  - 2 nights for the price of 1
    - where could not justify value for one night, two seems better value
    - 3 nights for 2 can for some seem too long
  - cheap rail fares (mobitix)
  - other loyalty schemes e.g Nectar points that can contribute to savings
  - NB – scepticism about “catches” and availability – need to be transparent
Examples of some enhancers...

- Enhancers improve the experience and provide benefit if presented in a package, very relevant for more affluent...
  - hotel with good meal in great local (for London famous) restaurant very popular idea
    - bars, clubs for younger
  - Rail tickets, good hotel with theatre tickets (included in price or discounted) particularly for London
    - e.g. package cheap rail tickets, nice hotel and theatre tickets to Scarborough for Alan Aykbourne theatre
  - admission to one site and suggestions / admission / discount to others
  - free spa treatment as part of luxury bed and dinner package
  - free upgrade in rail travel incl in price of accommodation
  - better standard / private (vs chains) hotels for better prices
  - unusual / privately owned hotels
    - e.g. somebody’s home with 4 poster bed
  - Marriott Hotel with Selfridges vouchers
  - superior room at the price of a standard
Examples of some stimulators...

- Stimulators grab with a specific hook and something that stirs the imagination...
  - £12 train fares (hook) to London (stirs the imagination)
  - 02 concert (hook) with things to see and do in Greenwich (stirs the imagination)
  - Free cookery course (hook) with a weekend away in beautiful Cornwall (stirs the imagination)
  - ½ price board (hook) in the rugged Scottish Islands (stirs the imagination)
  - Notting Hill Carnival (hook and stirs imagination) break
  - New Years fireworks (stirs imagination) and bottle of champagne (hook)
And self justifiers...

- Self justifiers can be any form of promotion at all...
  - necessary in times of recession to assuage guilt of any indulgence
  - both internally (for self) and externally (for social / conversations)
  - not necessarily a motivator per se but something that removes the ‘guilt’ barrier
Cost savings ("enabling") always popular – but considerable interest in enhancing / stimulating

Q31/Q32. To what extent would these encourage you to visit London/rest of UK more? Base: All (1030)

% stating would be encouraged to visit London/rest of UK ‘a great deal’ by:

- Special hotel rate, breakfast & dinner incl: 29%
- Transport offers: 28%
- Great package deals e.g. hotel, dinner and theatre tickets: 27%
- Reduced admission offers, 2 for 1 entry: 27%
- Special hotel rate, breakfast included: 23%
- 3 night’s accommodation for the price of 2: 22%
- Restaurant deals: 20%
- Day trip offers on off-peak journey times: 20%
- Kids go free: 18%
- Special offer booklet on London attractions: 17%
- Suggested itineraries eg new/hidden things: 15%
- Free Spa treatment with a weekend stay: 14%
- Events taking place in London: 13%
- Exclusive access to top restaurants/shows: 12%
- More advertising to give you ideas: 11%
- New shows: 10%
- None of these: 44%

Any enabling – 53%
Any stimulating / enhancing – 43%
Press/TV advertising are preferred sources of info, though relevant websites and emails are popular

<table>
<thead>
<tr>
<th>Where would prefer to hear for offers for London/rest of UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>National press advertising: 31</td>
</tr>
<tr>
<td>Local press advertising: 30</td>
</tr>
<tr>
<td>TV advertising: 28</td>
</tr>
<tr>
<td>London websites: 26</td>
</tr>
<tr>
<td>E-newsletters from online booking providers: 24</td>
</tr>
<tr>
<td>Monthly Email sent to you: 24</td>
</tr>
<tr>
<td>National or regional tourist board websites: 21</td>
</tr>
<tr>
<td>National press articles: 20</td>
</tr>
<tr>
<td>Local press articles: 18</td>
</tr>
<tr>
<td>Transport advertising - eg on the train, bus: 16</td>
</tr>
<tr>
<td>Radio advertising: 15</td>
</tr>
<tr>
<td>Weekly Email sent to you: 14</td>
</tr>
<tr>
<td>Face-to-face brochure/flyer distribution: 11</td>
</tr>
<tr>
<td>Press newsletters/website: 9</td>
</tr>
<tr>
<td>Social networking sites i.e. Facebook: 9</td>
</tr>
<tr>
<td>Travel show’s/exhibitions: 7</td>
</tr>
<tr>
<td>None of these: 26</td>
</tr>
</tbody>
</table>

Q33/34. Where would you prefer to hear about special offers like this for London/UK? Base: All(1030)
What this means...

1. As the downturn develops, consumers will plan and research their breaks and day trips more, looking for promotions and offers.

2. Promotions that control cost while at the same time improving the quality of the experience help reduce the perceived risk in domestic breaks.

3. Promotions should address different needs – as well as (money-saving) enabling, consumers seek both inspiration and ways to enhance the experience.
And so to sum up:

1. There is widespread concern about the credit crunch. For the majority, this has already translated into making some spending cuts – and those who haven’t done so yet expect to start looking for savings soon.

2. Holidays are seen as a necessity rather than a luxury, and so are less likely to be targeted than other more everyday purchases. Even so, just under half the population have made or plan to make cuts in this area.

3. While cost savings are important, consumers do not want to sacrifice the quality of their holiday, and offers that create value by enhancing their experience and/or inspiring them to do something different also play a vital role.