



ENGLAND ATTRACTIONS MONITOR

Quarter 2 Report
April to June 2008

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1. Introduction

In December 2007, TNS Travel & Tourism, an independent market research company, were commissioned to manage the England Attractions Monitor in 2008, an online survey designed to help provide the attractions industry in England with rapid feedback on current trends in visits to attractions.

VisitBritain originally commissioned BDRC, a London based market research company, to launch and manage the Monitor in January 2006. Following a successful first year, the survey was enhanced for 2007 to cover not only recent visit trends but also questions relating to business confidence for the forthcoming quarter.

The intention during 2008 is to keep the survey questions consistent with 2007; one enhancement has been the introduction of a different 'hot topic' question, agreed with VisitBritain beforehand that will be added to the survey each quarter. During Quarter 2, the 'hot topic' question asked attractions what impact, if any, they thought the current economic slowdown and credit crunch would have on visitor numbers for the rest of 2008. The results from this question can be found in Chapter 7.

2. Methodology

As in last year's survey, the objective was to create a committed panel of c.500 attractions comprising:

- c.200 individual attractions recruited by e-mail and telephone (c.20-25 per England region);
- c.300 National Trust and English Heritage properties (with key data for each property provided centrally).

Regional Tourism Organisations were contacted and given the opportunity to enhance the survey for their region by boosting the sample size to enable them to analyse their own results in greater detail. To date, the North West region has taken up this opportunity. The Regional Tourism Organisations were also given the opportunity to add bespoke questions.

A great deal of effort went into recruiting attractions by e-mail and telephone, with data collection subsequently taking place online. Attractions that had participated in the 2007 Monitor as well as the annual 2006 Visits to Visitor Attractions survey were contacted initially and this was supplemented by targeted telephone calls to attractions. Regional Tourism Organisations were also contacted by telephone asking them for assistance in identifying attractions that would be willing to take part. A cross-section of attractions were recruited according to type, size and free/paid admission.

During the second 2008 quarterly period – April to June 2008 – 500 attractions provided data. Of these, 329 were either National Trust or English Heritage properties who provided visitor numbers only. For consistency, comparisons will always be made among constant samples where appropriate.

3. Summary of Findings

This is a summary of the findings for the Quarter 2 (April to June 2008) period below.

The weather in Quarter 2 started on the cool side with England recording the coldest April since 2001 - rainfall was above average too. May was a better month with temperatures generally above average. June was generally close to average across the country for both temperature and rainfall.

April was a challenging month for the attractions industry, with poor weather to contend with as well as the Easter holiday period falling in March rather than April in 2008 – these two factors no doubt played a part in visitor admissions declining by 23% compared to the equivalent time period in 2007. Visitor admissions for May increased by 10%, but fell by 6% in June compared to the equivalent time periods last year – overall, this resulted in an 8% decline compared to Q2 2007.

As with last year's report, to add a level of consistency between 2007 and 2008 surveys, attractions were asked to provide an overall assessment of whether their visitor numbers had increased, remained the same or decreased compared with the equivalent quarter of the previous year. Only a third (30%) of attractions felt that their visitor admissions had increased, with half of the attractions (49%) feeling that their admissions had declined compared with Q2 2007. Underlining the decline in visitor admissions this quarter, this compares with Q2 2007 when just a quarter (24%) felt their admissions had declined. The fall in visitor admissions is also evident when compared to the proportion feeling that Q2 2008 visitor admissions were higher (30%) – this was significantly lower than the proportion feeling that Q1 2008 admissions were higher (60%), reflecting the lower increase in actual visits.

Looking forward to Quarter 3, although Quarter 2 has clearly been a challenging quarter, attractions were still cautiously optimistic looking ahead to Q3 2008, with 37% expecting visitor admissions to increase between Q3 2007 and Q3 2008 compared with 17% expecting a decrease. However, this compares with 44% who expected an increase for the equivalent Q2 period and 18% who expected a decrease.

Confirming the findings throughout the report, the effect of the economic slowdown and credit crunch in Quarter 2 were clear, with two in five attractions (42%) believing

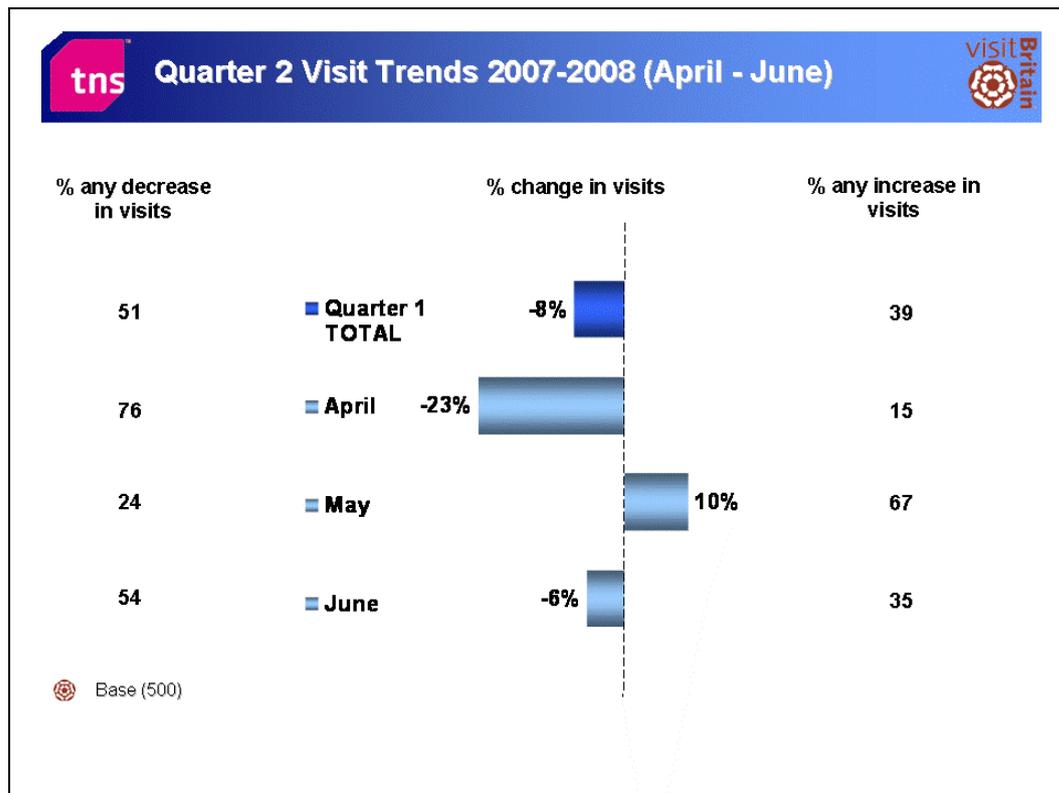
that admissions will decrease due to these factors. The survey data has made it evident that many of the attractions have been affected by the economic slowdown in Quarter 2. This is also highlighted in the many verbatim comments received – many attractions have noticed an impact (particularly in June) commenting that visitors are being more careful in their outlook given the current economic climate (see pages 18/19 for a summary of comments).

Emphasising these points - significantly, one in five (18%) mentioned 'increases in fuel prices' as a negative aspect when asked about forthcoming business confidence – this aspect was not even mentioned in the previous quarter, highlighting the impact increased petrol and diesel costs have had on the consumer in the last few months.

On a more positive note however, a small proportion of the free attractions, close to large population bases which do not require a lengthy journey to visit are cautiously optimistic about Q3 – one in ten (8%) indicating they feel it will be beneficial to their business and that visitor admissions will increase.

4. 2008 Quarter 2 (Apr to June) Visit Trends 2007-2008

The chart below illustrates the percentage increase in visitor admissions between Q2 2007 and 2008 amongst the 500 attractions taking part in the survey. It also identifies the proportion of attractions recording an overall increase and decrease in admissions.



Q2 (April, May and June) has seen a downward turn for the attractions industry, with visitor admissions among the 500 attractions taking part in the survey decreasing by 8% compared with the equivalent quarter in 2007. This follows the Q1 period which recorded a 19% increase compared to the equivalent time period in 2007.

Perhaps reflecting the Easter holiday period – which fell in April in 2007 and March in 2008 – visitor admissions decreased by 23% in April. Visitor admissions for May increased by 10%, but fell by 6% in June compared to the equivalent time periods in 2007.

Significantly, 39% of attractions recorded visitor admissions that were higher than in Q2 2007 compared with half (51%) recording lower figures. Results for April were disappointing, with just 15% of attractions reporting an increase in visitor admissions, and three quarters (76%) reporting a decrease. May was better with two in three attractions (67%) reporting an increase compared to a quarter (24%) a decrease. For June, a higher proportion of attractions reported a visitor admissions decrease (54%) than an increase (35%).

The following charts illustrate how visitor admissions trends in Q2 vary 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.

tns Quarter 2 Visit Trends 2007-2008 (Apr-Jun) –by region 				
REGION	Apr change (%)	May change (%)	Jun change (%)	Total Quarter 2 % Change
North East (42)	-27	7	-4	-8
North West (49)	-10	33	1	6
Yorkshire (43)	-35	-3	-18	-19
East Midlands (45)	-20	27	-1	0
West Midlands (42)	-38	24	-2	-10
East (57)	-34	24	-10	-13
London (27)	-11	2	-9	-7
South East (95)	-19	4	0	-6
South West (100)	-24	17	-13	-10
Total England (500)	-23	10	-6	-8

tns Quarter 2 Visit Trends 2007-2008 (Apr-Jun) –by attraction 				
ATTRACTION CATEGORY	Apr change (%)	May change (%)	Jun change (%)	Total Quarter 2 % Change
Historic Houses/Castles (269)	-33	18	-7	-11
Other historic properties (28)	-20	13	-9	-8
Museums/Art Galleries (66)	1	8	-5	1
Gardens (43)	-34	22	-2	-8
Visitor/heritage centres (10)	-19	31	8	5
Wildlife attractions/zoos (20)	-38	35	-1	-11
Others (64)	-27	24	-4	-5
Total England (500)	-23	10	-6	-8

tns Quarter 2 Visit Trends 2007-2008 (Apr-Jun) – by other segments 				
	Apr change (%)	May change (%)	Jun change (%)	Total Quarter 2 % Change
Visits per annum				
20,000 or less (170)	-26	19	1	-4
20,001-50,000 (127)	-25	15	-3	-7
50,001-100,000 (80)	-25	20	-4	-5
100,001-200,000 (70)	-31	20	-4	-9
Over 200,000 (42)	-21	2	-9	-10
Admission				
Paid (442)	-27	18	-5	-8
Free (58)	-11	-5	-8	-8
Location				
Coastal (26)	-22	24	-4	-3
Rural (349)	-32	22	-5	-9
Urban (125)	-11	-3	-8	-7
Total England (500)	-23	10	-6	-8

In Q2 2008, England, as a whole, recorded an 8% decrease in visitor admissions compared to the equivalent time period in 2007. The North West was the only region to record an increase (+6%), with the East Midlands recording no change (0%) compared to Q2 2007 – these two were the best performing regions and both were helped by having strong increases in May (+33% and +27% respectively). The Yorkshire region recorded the largest decline of all the regions (-19%) – largely due to a poor month in May (the only region to record a decline in this month) and an 18% decline in June. All of the regions performed poorly in April – as described previously, no doubt affected by Easter falling in March in 2008, and the generally poor weather in April. It is also possible that the European Football Championships (held in June) had an impact on June's visitor admissions, with fewer people visiting attractions during the weekend.

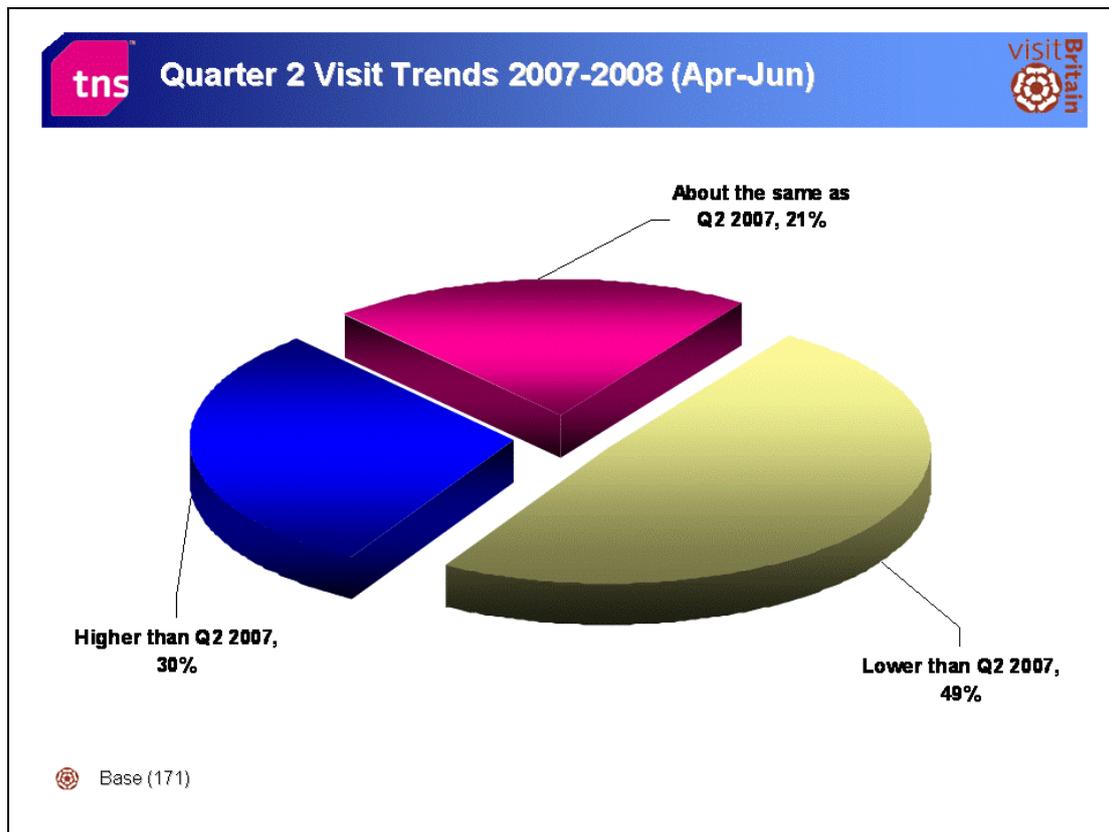
With regards to London visit trends, VisitLondon conduct their own similar survey – the London Attraction Monitor. This is based on a sample of 64 attractions in the capital covering the period March – May. Reflecting the England Attractions Monitor survey findings – the London survey recorded a decline in April with a recovery in May (+3.2% year-on-year).

Trends in admissions across Q2 varied by attraction category, ranging from +5% for visitor/heritage centres - driven by a strong May and June, to an -11% decline for historic houses/castle and wildlife attractions/zoos, and an -8% decline for gardens. All three categories suffered particularly in April (a decline of -33%, -38% and -34%, respectively). Museums/art galleries had a better April than other attraction categories (+1%), but conversely performed less well than other attraction categories in May (+8%).

There was little difference recorded in visitor admission trends by the size of the attraction (all attractions recording a decrease comparative to Q2 2007). Unlike Q1, when paid attractions recorded a greater increase in visitor admissions than free attractions, Q2 recorded an identical -8% decrease for both paid and free attractions. Taking into account the general decreases recorded in Q2, coastal attractions were less affected than both urban and rural attractions (-3%, -7% and -9%, respectively).

To provide consistency between the 2007 and 2008 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

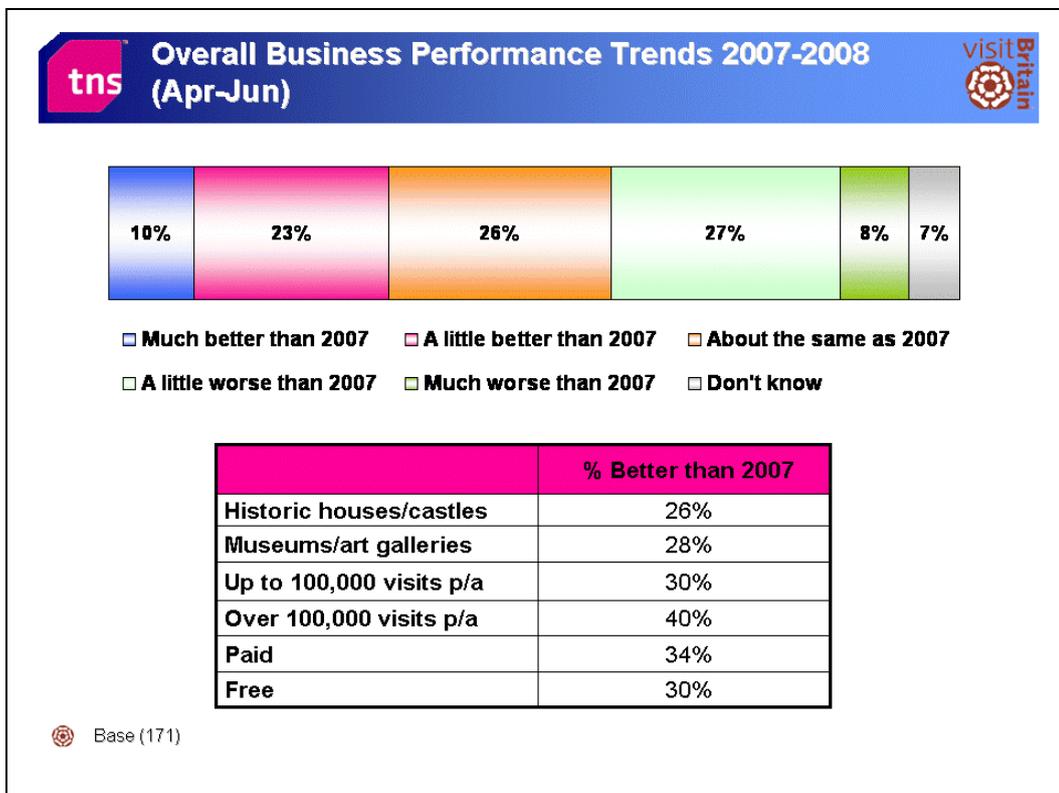
the previous year. The chart below compares the findings of Q2 2008 with the findings from Q2 2007.



Half of the attractions (49%) felt that their visitor admissions had declined compared with Q2 2007, with only a third (30%) feeling that their visitor admissions had increased. Underlining the decline in visitor admissions this quarter, this compares with Q2 2007 when just a quarter (24%) felt their visitor admissions had declined. The fall in visitor admissions is also evident when compared to the proportion feeling that Q2 visitor admissions were higher (30%) – this was significantly lower than the proportion feeling that Q1 2008 admissions were higher (60%), reflecting the lower increase in actual visits.

5. 2008 Quarter 2 (April to June) Business Performance Trends 2007-2008

As well as being asked about visitor admissions, attractions were also asked to state how they felt that their business had performed overall in Q2 2008 compared to Q2 2007. The chart below illustrates the proportions of the 171 attractions (excluding English Heritage/National Trust properties) taking part in the survey in Q2 2008 who felt that their business had performed better or worse.



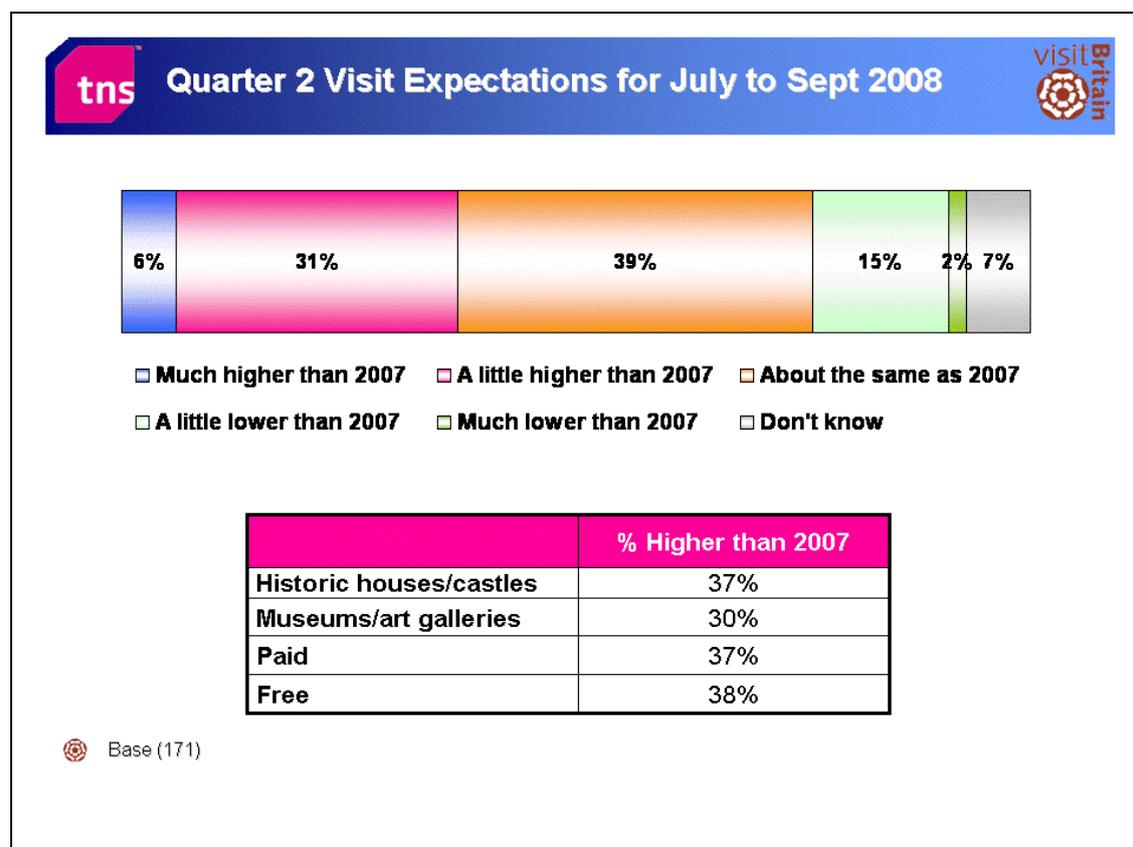
One in three (33%) attractions taking part in the survey felt that their business performance was either much better (10%) or a little better (23%) than in Q2 2007. This is less than the proportion observed for Q1 2008 (53%). However, a further third of attractions (35%) felt that their business performance was either a little worse (27%) or much worse (8%) than during Q2 2007. This is significantly higher than the equivalent proportion observed for Q1 (17%).

Opinion of business performance was more positive among larger attractions, with 40% of attractions with over 100,000 visitors per annum feeling that business

performance was better in Q2 2008 compared with 30% with less than 100,000 visitors per annum.

6. Business Confidence for Quarter 3 2008 (July to Sept)

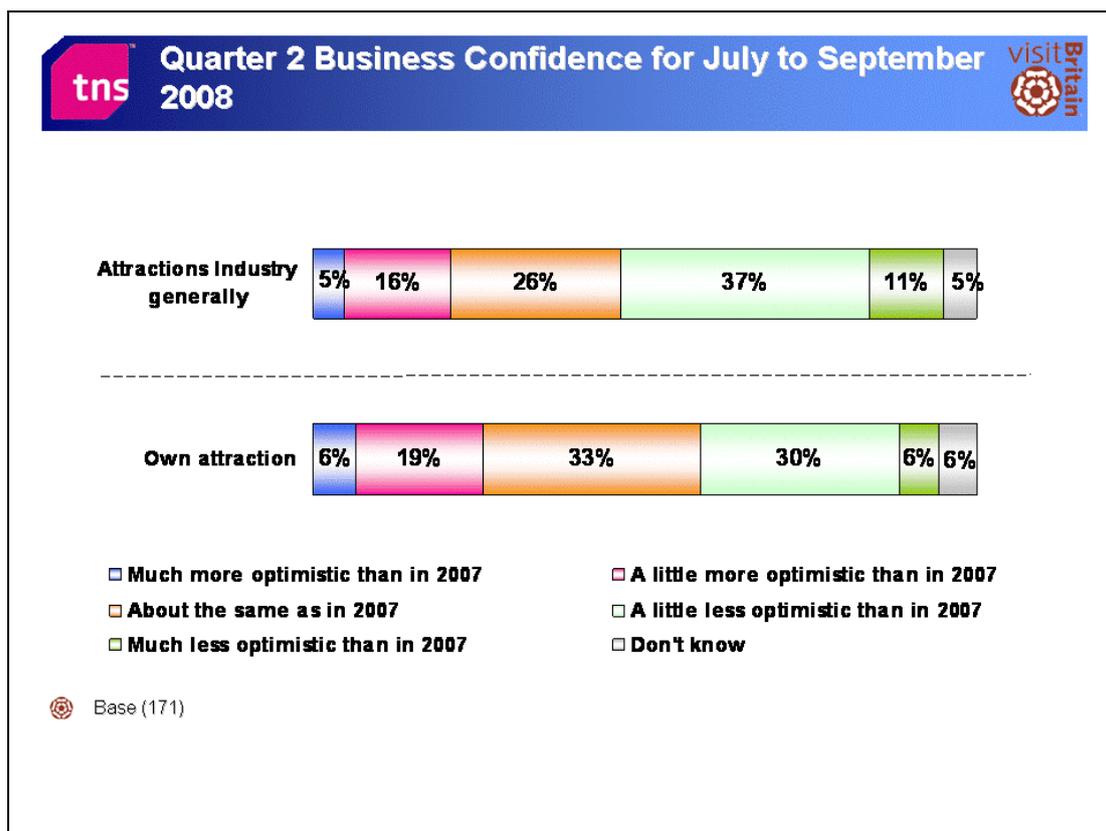
The chart below illustrates attractions' expectations for visitor admissions in Quarter 3 2008 compared with actual visitor admissions in Quarter 3 in the previous year.



Although Q2 has clearly been a difficult quarter, attractions were still cautiously optimistic looking ahead to Q3 2008, with 37% expecting their visitor admissions to increase between Q3 2007 and Q3 2008 compared with 17% expecting a decrease. However, this compares with 44% who expected an increase for the equivalent Q2 period and 18% who expected a decrease.

Free and paid attractions, historic houses/castles and museums/art galleries were cautiously optimistic with between 30 – 38% anticipating visitor numbers to increase.

The chart overleaf presents business confidence among attractions in Q2 2008 across the 171 non-English Heritage/National Trust attractions taking part in the survey in 2008.



Business confidence is markedly lower than reported during the previous quarter in 2007 – 25% of attractions felt more optimistic about their own attraction’s business prospects for the Q3 (Jul-Sep) 2008 period than they were about the same period in 2007. Mirroring their own attractions visit expectations, those taking part in the survey were more likely to feel a little more optimistic (16%) than much more optimistic (5%) about the attractions industry in general.

However, a substantial proportion (48%) felt less positive about the attractions industry in general and 36% less positive about their own attractions business prospects.

These, and the visit expectation findings, would suggest that the attractions are now less positive when looking ahead and there is generally a more cautious outlook given the current economic climate.

The charts below and overleaf illustrate how business confidence for Quarter 3 varies by region, attraction category, size of attraction, geographic location and whether the attraction is free or paid entry. N.B. sample base sizes for some sub-groups are low.

**Quarter 2 Business Confidence for July to September
tns 2008 (Own attraction) – by region**


REGION	% More optimistic than 2007	% Less optimistic than 2007
North East (13)	38	46
North West (27)	30	15
Yorkshire (22)	53	13
East Midlands (23)	22	26
West Midlands (13)	23	31
East (22)	18	41
London (10)	30	40
South East (21)	20	45
South West (20)	10	60
Total England (171)	25	36

**Quarter 2 Business Confidence for July to September
tns (Own attraction) - by attraction category**


ATTRACTION CATEGORY	% More optimistic than 2007	% Less optimistic than 2007
Historic Houses/Castles (27)	30	37
Museums/Art Galleries (57)	23	37
Visitor/heritage centres (10)	20	30
Wildlife attractions/zoos (13)	23	46
Others (64)	29	33
Total England (171)	25	36

Quarter 2 Business Confidence for July to Sept 2008		
tns Own attraction – by other segments		visit Britain
	% More optimistic than in 2007	% Less optimistic than in 2007
Visits per annum		
20,000 or less (44)	24	31
20,001-50,000 (50)	31	33
50,001-100,000 (23)	21	42
100,001-200,000 (23)	26	35
Over 200,000 (31)	23	43
Admission		
Paid (120)	26	40
Free (51)	26	26
Location		
Coastal (26)	41	41
Rural (349)	21	40
Urban (125)	28	31
Total England (171)	25	36

Business confidence was particularly high, relative to the other regions, in Yorkshire (53% more optimistic than in 2007) – this region also reported the lowest proportion of attractions feeling less optimistic (13%). Business confidence was highly polarised in the North East, with 38% feeling more optimistic than in 2007 (the second highest of any other region), but 46% feeling less optimistic (the third highest of all regions).

Business confidence was again low within the South West, as it had been during the equivalent time period in 2007. Only one in ten (10%) were more optimistic than they were at the same point in 2007, compared with 60% (the highest of all the regions) who felt less optimistic. Emphasising the difficulties faced by the industry in Q2, pessimism exceeded optimism in 7 of the 9 regions, whereas in Q2 2007 it was just one region.

Across the different attraction types – business confidence was highest with historic houses/castles (30%). Wildlife attractions/zoos felt less optimistic than in 2007 (46%).

Business confidence was highest among attractions with between 20,000 and 50,000 visitors per annum (31%). There was no difference between free and paid attractions

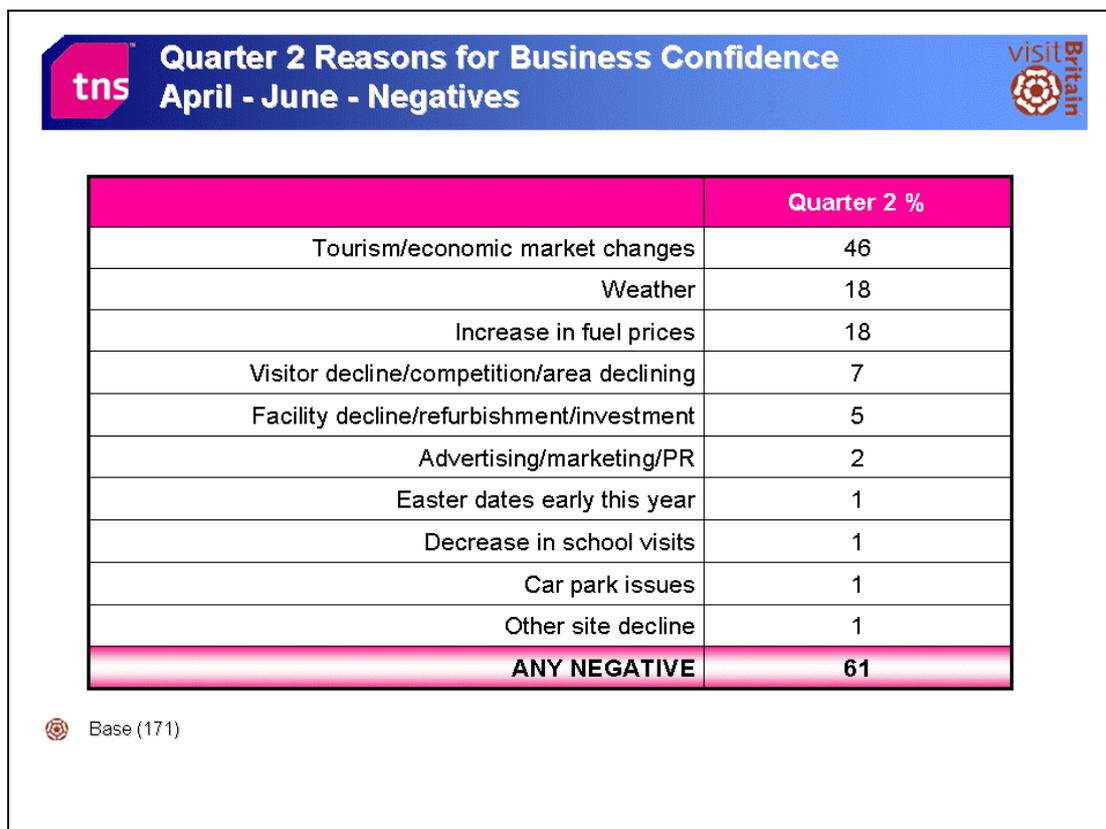
optimism (both recording 26%). However, free attractions were less likely to feel optimistic than in 2007 compared to paid attractions (26% vs. 40%).

There was some polarisation with regards coastal attractions with 41% feeling more optimistic and a further 41% feeling less optimistic than in 2007. A greater proportion of rural attractions felt less optimistic (40%) than more optimistic (21%).

Attractions were asked to state the reasons for their level of optimism for Q3 2008. The charts below illustrate the positive and negative reasons for business confidence.

 Quarter 2 Reasons for Business Confidence April - June - Positives 	
	Quarter 2 %
Facility improvement/refurbishment/investment	16
Events/exhibition improvement	10
Visitor number trends improving	7
Publicity/PR	5
Tourism/economic market changes	5
Increase in fuel prices	3
Advertising/marketing	3
Weather	3
Better known/interested/area improving	3
Open days/special deals	3
Other positive	4
ANY POSITIVE	39

 Base (171)



Two in five (39%) of all attractions mentioned a positive element influencing their optimism for Q3 2008. The key reasons given focused on facility improvements at the attraction (16%), and events and exhibition improvements (10%).

On the other hand, three in five (61%) cited a negative aspect influencing their optimism. The key reasons given were change in the tourism and economic market (46%) – up 15% on the previous quarter, the weather (18%) and, significantly, given the current economic climate, increases in fuel prices (18%) – this aspect was not even mentioned in the previous quarter, highlighting the impact increased petrol and diesel costs have had on the consumer in the last few months.

We received a number of positive and negative comments based on attractions' outlooks for Q3 2008 – we have presented a selection of these below:

Positive mentions:

- *"More orders this year. All our promotion work last year is finally paying off a little - but won't be breaking any records-yet!"*
- *"Credit crunch might mean that visitors enjoy the free elements of a day out here rather than the paid-for visit to nearby paid attractions"*
- *"Visitor numbers are slightly up, spend is holding steady. Visitor response is very good, and we have interesting events planned for the Summer and Autumn"*
- *'Farm very popular this year - a couple of good new attractions"
"Attached craft village completed June 2007 - now full and proving very popular"*
- *"We are fortunate in having several million people living within a short travelling distance. Many of whom will not be going away on holiday this year. Others will, however, be cutting back on non-essential expenditure"*
- *"Due the redevelopment of the ground floor, and the success it brought last year, we are feeling more confident that with the school packages and holidays we are going to have a very busy year"*
- *"Weather comparative to last year can not be as bad, and economic down turn may encourage tourism within UK?"*
- *"We have begun to introduce an events programme and have increased advertising to the travel trade"*
- *"New products offered for the 2008 season compared with what was on offer to visitors last year"*
- *"Liverpool's status as European Capital of Culture in 2008 has brought an increase in visitors and tourism to the city"*

Negative mentions:

- *"People spending (and therefore travelling) less due to recession"*
- *"Much lower sales this year. I also find people are reluctant to even buy a post card. They are being careful about how far they travel and the petrol shortage did not help. Less overseas visitors and they are not spending much"*
- *"Although April and May's figures were comfortably higher this year than last, the figures for June just collapsed and I believe this is happening across the industry. If the trend develops - as I believe it will - we are in for a very difficult time from which I cannot see any recovery. The problems are economic and long term. Credit crunch allied with rocketing oil and fuel prices combining to suck money out of the economy. I am no*

economist, but I know what is happening in this museum and I know what is happening to me”

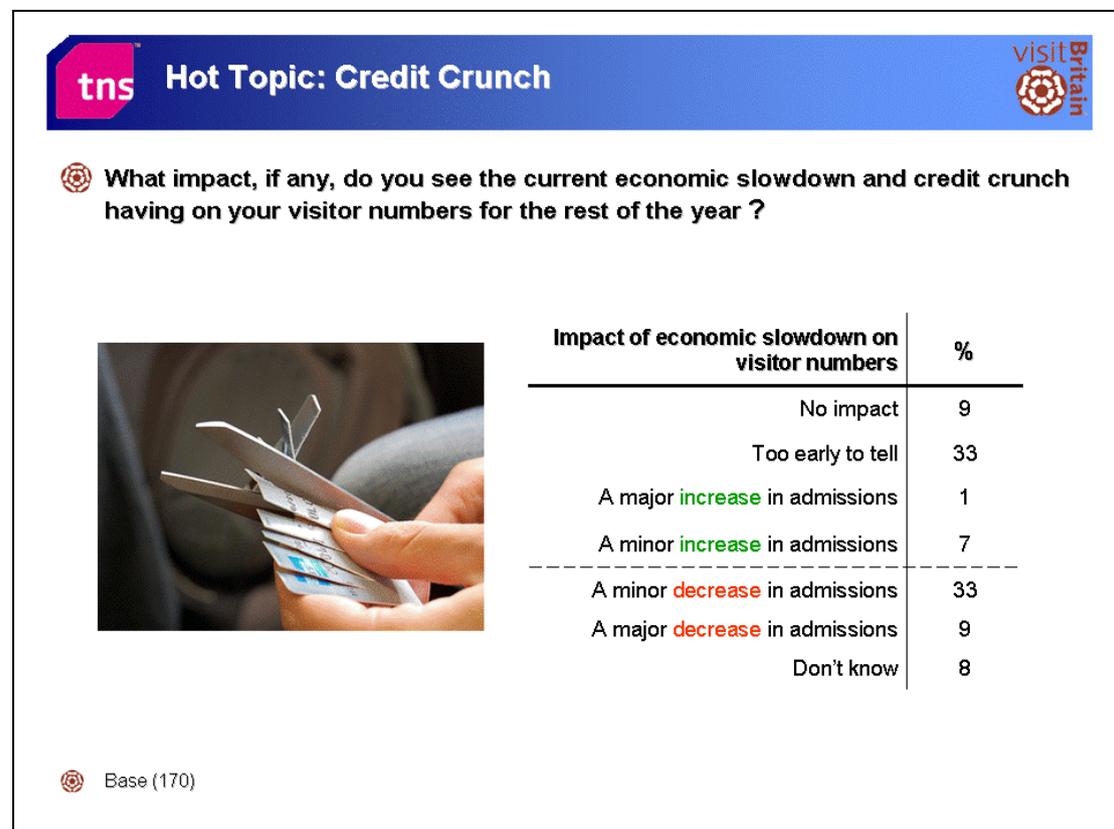
- *“\$ is unwell! Therefore fewer US visitors”*
- *“As a rural site with few attractions or centres of population close to hand, the increased fuel costs, coupled with a large rise in the cost of living, could lead to people making economies. This could include staying closer to home and seeking out low-cost or free activities for the family. Those who do venture out are likely to make savings by not spending on secondary items such as lunches, gifts and ice creams. We are already experiencing this and are also having to deal with low June temperatures and wet weather”*
- *“The economy is having a major impact. We are a rural attraction with poor public transport links. The cost of fuel in making a journey here has increased dramatically. We have noticed a reduction in spend per head too particularly in our shop”*

We have selected just a few of the comments received above. A recurring theme for the negative mentions were concerns with the current economic outlook and rising fuel costs – something that many of the free attractions thought may work in their favour as the public become more careful with their spending.

7. Q2 2008 – Hot Topic – Credit Crunch

The intention during 2008 is to keep the survey questions consistent with 2007; one enhancement has been the introduction of a different ‘hot topic’ question, agreed with VisitBritain beforehand that will be added to the survey each quarter. During Quarter 2, the ‘hot topic’ question asked attractions what impact, if any, they thought the current economic slowdown and credit crunch would have on their visitor numbers for the rest of the year.

The chart below presents the findings for this question.



Mirroring the findings throughout the report, two in five (42%) attractions taking part in the survey believe that admissions will decrease due to the economic slowdown and credit crunch. A third (33%) feel that it is too early in the year to tell; with one in ten (9%) feeling it will have no impact. Some 8% of those surveyed feel that it will be beneficial to their business and that visitor admissions will increase.