



ENGLAND ATTRACTIONS MONITOR

Quarter 3 Report
July to September 2008

JN: 173396

Date: November 2008



Content

1.	Introduction	1
2.	Methodology	2
3.	Summary of Findings	3
4.	2008 Quarter 3 (Jul to Sep) Visit Trends 2007-2008	5
5.	2008 Quarter 3 (Jul to Sep) Business Performance Trends 2007-2008.....	10
6.	Business Confidence for Quarter 4 2008 (Oct to Dec)	12
7.	Q3 2008 – Hot Topic – Credit Crunch	19

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 remainder of 2008. As the global economic downturn has continued to remain a topical issue throughout the year, it was agreed with VisitBritain to include the question again during the Quarter 3 survey.

The results from this question can be found in Chapter 7.

2. Methodology

The objective in 2008 was to create a committed panel of c.500 attractions comprising:

- c.200 individual attractions recruited by email 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 email 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 third 2008 quarterly period – July to September 2008 – 504 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 3 (July to September 2008) period below.

The weather in Quarter 3 began with a reasonable July recorded (although rainfall was above average) but a generally wet and dull August and September – in general, the perception was of a relatively poor summer, especially when compared to 2003 and 2006.

As first reported in Q2, Q3 (July, August and September) continues to see a general downward turn for the industry, with visitor admissions among the 504 attractions taking part in the survey decreasing by 1% compared with the equivalent quarter in 2007. This follows the Q1 period which recorded a 19% increase and the Q2 period which recorded an 8% decrease compared to the equivalent quarter in 2007.

The downturn in visits in Q3 was largely due to September which recorded a 7% decrease. It is also likely that the full effects of the credit crunch were starting to be felt by the attractions in September. July actually recorded an increase of 4% with no change recorded in August.

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. Half of the attractions (47%) felt that their visitor admissions had declined compared with Q3 2007, with a further two in five (39%) feeling that their visitor admissions had increased. These findings largely reflect the Q2 2008 period when 49% recorded a decline and 30% an increase.

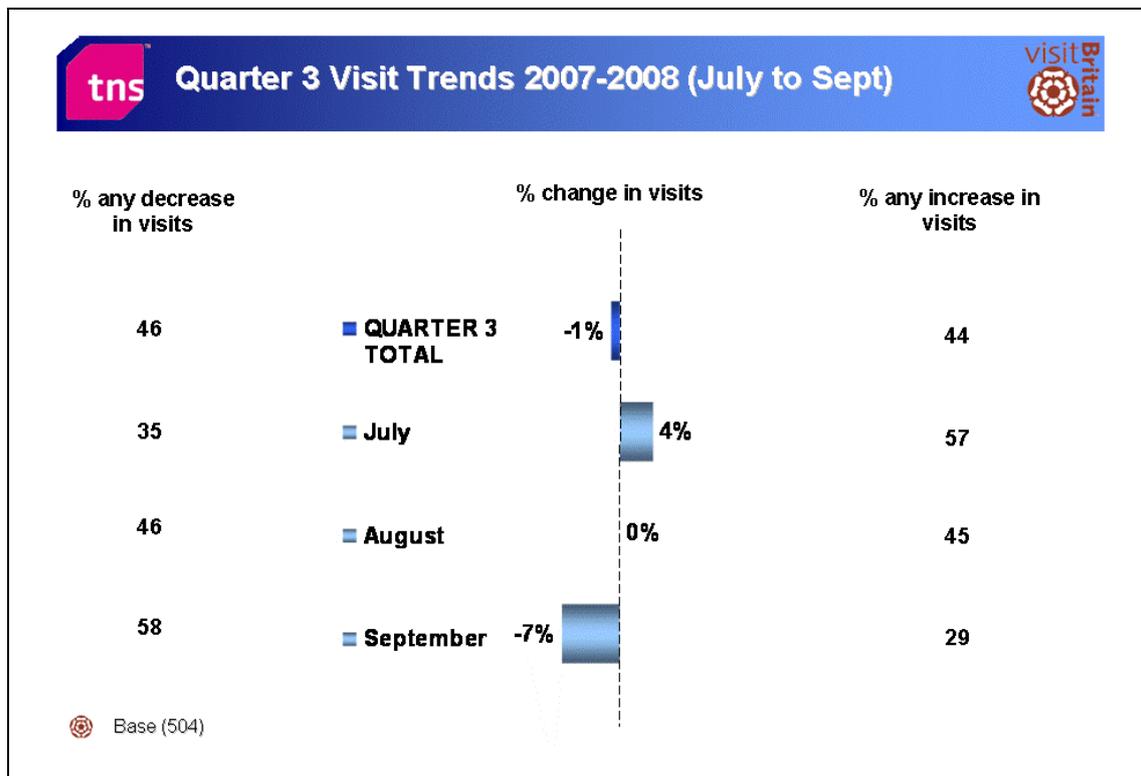
Looking ahead to Quarter 4 - although Quarters 2 and 3 have clearly been challenging, attractions were still cautiously optimistic looking ahead with one in five (21%) expecting their visitor admissions to increase between Q3 and Q4 compared with a quarter (26%) expecting a drop in visitors. Nearly half (45%) of the attractions thought that their visitor admissions would remain at about the same level as in Q4 2007.

In terms of the attraction views on the industry in general, a substantial proportion (58%) felt less positive. This, and the visit expectation findings, would suggest that attractions are now less positive when looking ahead and there is generally a more cautious outlook given the current economic climate.

Confirming the findings in the report, the effect of the economic slowdown and credit crunch in Quarter 3 were clear. As might be expected, attractions with paid admission were more likely to feel that their visitor numbers would decrease because of the credit crunch than those with free admission (58% v 16%).

4. 2008 Quarter 3 (Jul to Sep) Visit Trends 2007-2008

The chart below illustrates the percentage change in visitor admissions between Q3 2007 and 2008 among the 504 attractions taking part in the survey. It also identifies the proportion of attractions recording an overall increase or decrease in admissions.



As first reported in Q2, Q3 (July, August and September) continues to see a general downward turn for the industry, with visitor admissions among the 504 attractions taking part in the survey declining by 1% compared with the equivalent quarter in 2007. This follows the Q1 period which recorded a 19% increase and the Q2 period which recorded an 8% decrease compared to the equivalent quarter in 2007.

The downturn in visits in Q3 was largely due to September which recorded a 7% decrease. July actually recorded an increase of 4% with no change recorded in August.

Similar proportions of attractions reported increases (44%) and decreases (46%) in visitor admissions for the Q3 period. Results for July were encouraging with 57% reporting an increase and a third (35%) a decrease in visitor admissions. August saw similar proportions reporting increases (45%) and decreases (46%). September

however was more disappointing with just 29% recording an increase and 58% a decrease in visitor admissions compared to the equivalent time period in 2007.

The following charts illustrate how visitor admissions trends in Q3 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 3 Visit Trends 2007-2008 (July to Sept) – by region 				
REGION	Jul change (%)	Aug change (%)	Sept change (%)	Total Quarter 3 % Change
North East (46)	3	-4	-26	-9
North West (61)	15	8	10	11
Yorkshire (37)	-10	-10	-13	-11
East Midlands (42)	35	2	-1	11
West Midlands (38)	23	-6	-11	1
East (60)	7	5	-1	4
London (25)	4	10	-1	5
South East (93)	-3	0	-7	-3
South West (102)	8	0	-8	0
Total England (504)	4	0	-7	-1

tns Quarter 3 Visit Trends 2007-2008 (July to Sept) –by attraction		visit Britain		
ATTRACTION CATEGORY	Jul change (%)	Aug change (%)	Sept change (%)	Total Quarter 3 % Change
Historic Houses/Castles (271)	11	-1	-11	-1
Other historic properties (29)	4	4	-6	1
Museums/Art Galleries (63)	7	14	-1	8
Gardens (43)	9	-10	-13	-4
Visitor/heritage centres (10)	5	-3	-23	-5
Wildlife attractions/zoos (20)	12	3	1	5
Others (68)	-4	-3	-5	-4
Total England (504)	4	0	-7	-1

tns Quarter 3 Visit Trends 2007-2008 (July-Sept) – by other segments		visit Britain		
	Jul change (%)	Aug change (%)	Sept change (%)	Total Quarter 3 % Change
Visits per annum				
20,000 or less (178)	12	1	-3	3
20,001-50,000 (120)	11	0	-7	1
50,001-100,000 (86)	10	1	-6	2
100,001-200,000 (69)	10	-4	-15	-3
Over 200,000 (40)	-2	0	-5	-2
Admission				
Paid (440)	8	1	-8	1
Free (64)	-6	-4	-4	-5
Location				
Coastal (26)	2	0	-18	-4
Rural (353)	11	-2	-9	0
Urban (125)	-3	1	-3	-1
Total England (504)	4	0	-7	-1

In Q3 2008, England, as a whole, recorded a 1% decrease in visitor admissions compared to the equivalent time period in 2007. The North West (+11%) and the

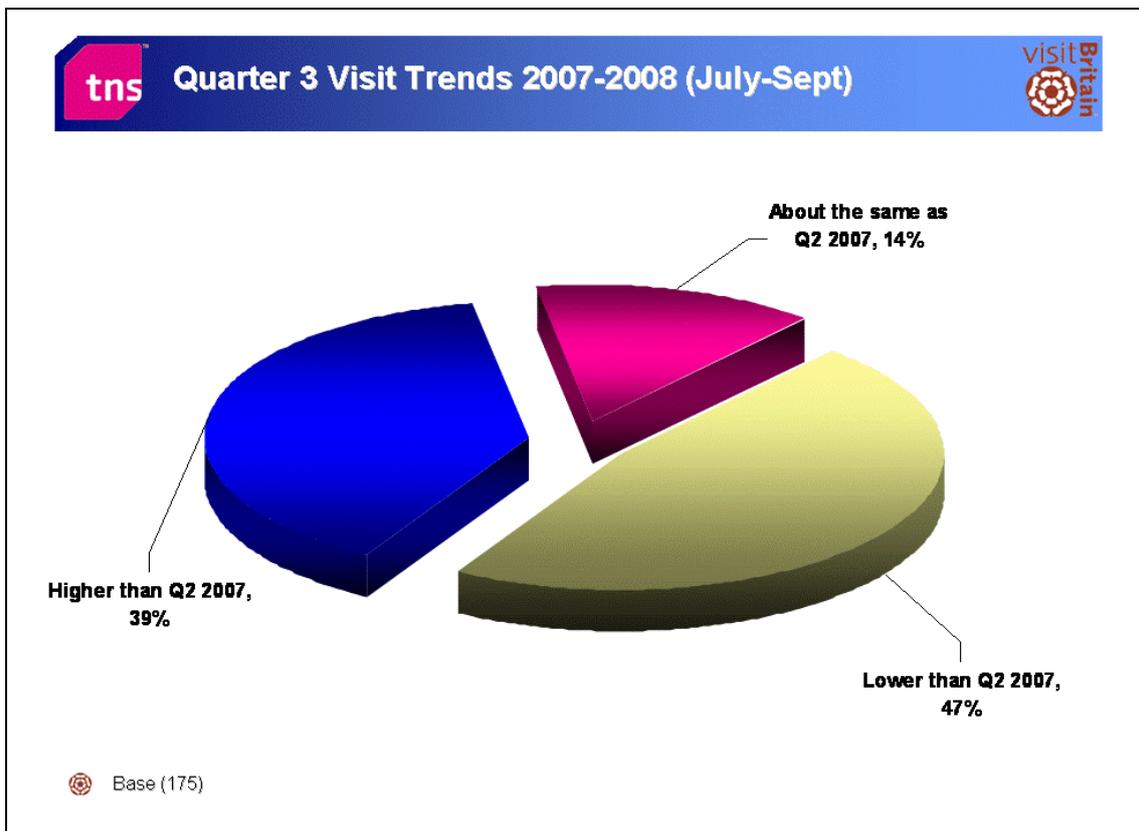
East Midlands (+11%) recorded percentage increases which were notably above the England average of -1%. These two regions also recorded above average increases for the Q2 period. Attractions in the West Midlands performed particularly well in July with notable increases recorded for London attractions in August. The North West was the only region which recorded an increase in September.

Year-on-year shifts in visitor admissions across Q3 ranged from +8% for museums/art galleries to -5% for visitor/heritage centres (please note low sample base). Reflecting a poor month in September, wildlife attractions/zoos were the only attraction category to record a small increase (+1%). Results are likely to reflect the weather for the period with a reasonable July recorded (although rainfall was above average) but a generally wet and dull September – in general, the perception was of a relatively poor summer, especially when compared to 2003 and 2006. It is also likely that the full effects of the credit crunch were starting to be felt by the attractions in September.

Smaller attractions fared better in terms of visit admissions in Q3 with those with 20,000 or less visits per annum recording a +3% increase. Conversely, larger attractions with between 100,001 and 200,000 and over 200,000 visitors per annum performed less well with a -3% and -2% decrease respectively compared to the equivalent period in 2007. As referred to in last year's Q3 report, these findings support anecdotal industry feedback which highlights a trend towards visiting local attractions which require shorter journey times on the increasingly congested UK roads. This is particularly apparent during the peak summer season.

Rural (+*%) and urban (-1%) attractions recorded little change compared to Q3 2007 in terms of visitor admissions. Coastal attractions reported a difficult Q3 (-4%) although the low sample base should be noted.

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 overleaf compares the findings of Q3 2008 with Q3 2007.

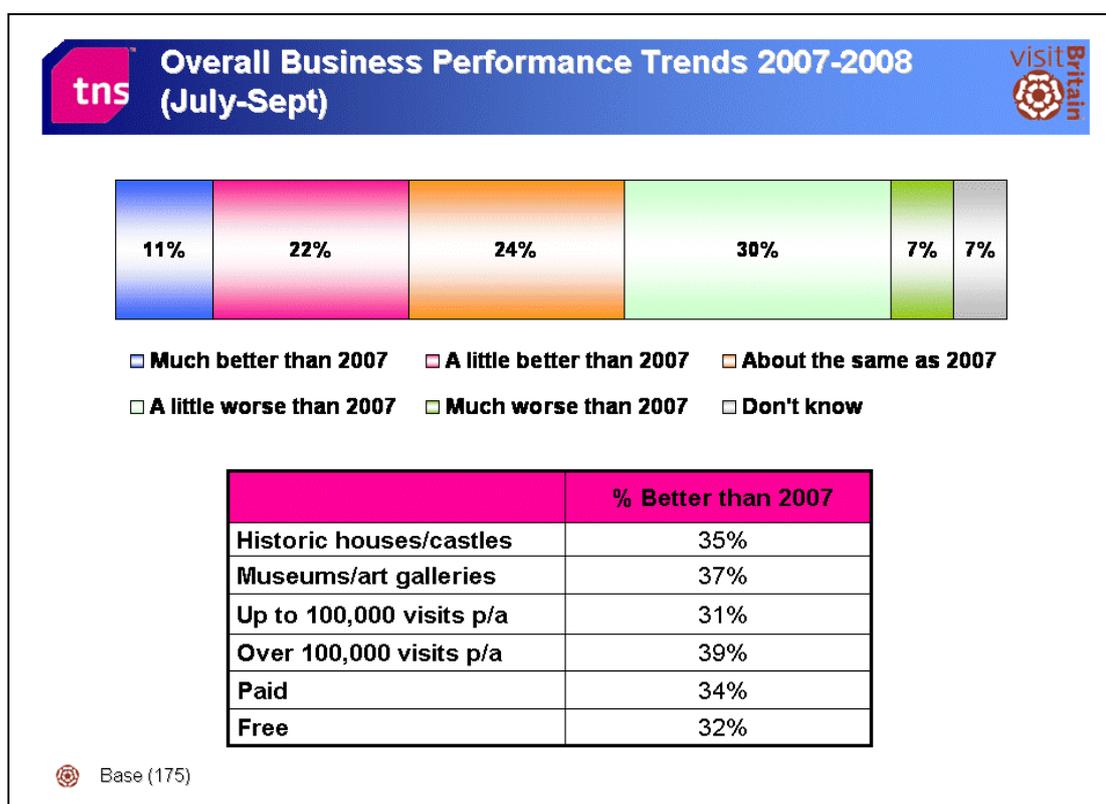


Half of the attractions (47%) felt that their visitor admissions had declined compared with Q3 2007, with a further two in five (39%) feeling that their visitor admissions had increased. These findings largely reflect the Q2 2008 period when 49% recorded a decline and 30% an increase. In Q3, attractions were more polarised feeling that their visit numbers had either increased or decreased compared with Q2, with a smaller proportion likely to feel visits were about the same as in 2007 (14% in Q3 v 21% in Q2).

Furthermore, compared with the equivalent time period in 2007, a larger proportion of attractions had observed that their visitor numbers were lower than in previous years – 47% in Q3 2008 v 34% in Q3 2007.

5. 2008 Quarter 3 (Jul to Sep) 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 Q3 2008 compared to Q3 2007. The chart below illustrates the proportions of the 175 attractions (excluding English Heritage and National Trust properties) taking part in the survey in Q3 2008 who felt that their business had performed better or worse.



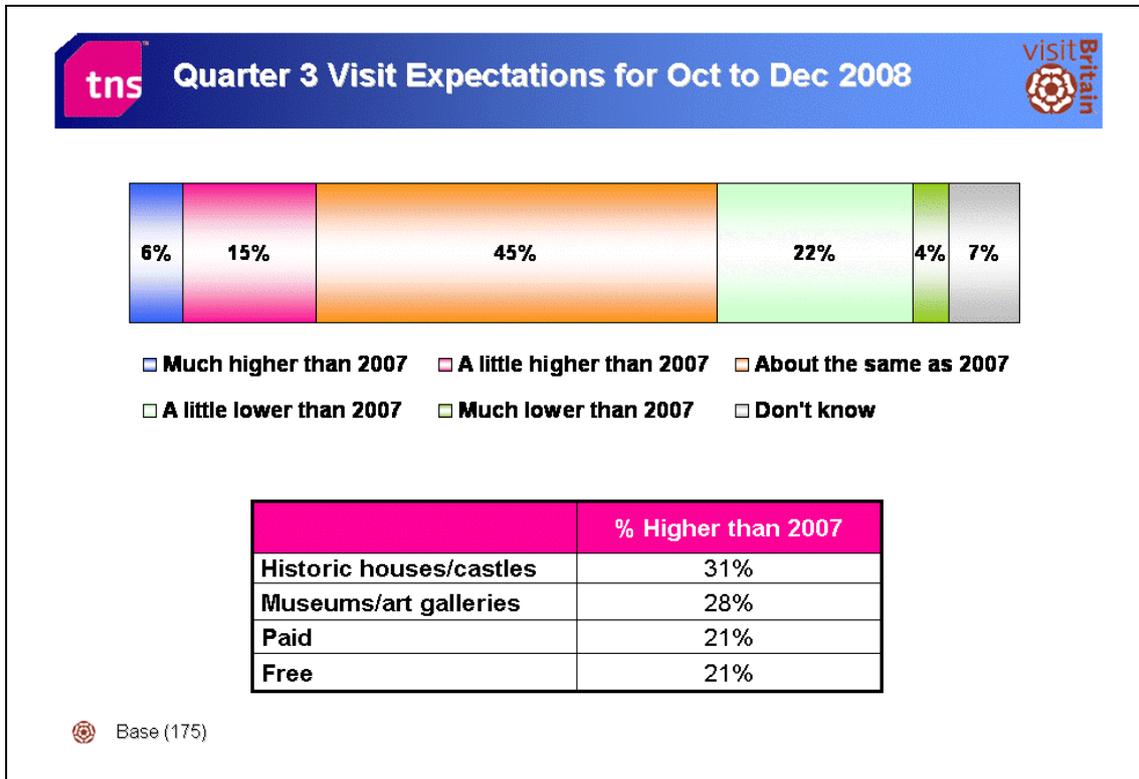
One in three (33%) attractions taking part in the survey felt that their business performance was either much better (11%) or a little better (22%) than in Q3 2007. This is the same as that reported in Q2 2008 (33%). A further 37% of attractions thought that their business performance was either a little worse (30%) or much worse (7%) than during Q3 2007. Again, this is very similar to the equivalent proportions observed in Q2 2008 (35%).

As reported in Q2, opinion of business performance was more positive among larger attractions than smaller attractions - two in five (39%) attractions with over

100,000 visitors per annum compared with a third (31%) with less than 100,000 visitors per annum.

6. Business Confidence for Quarter 4 2008 (Oct to Dec)

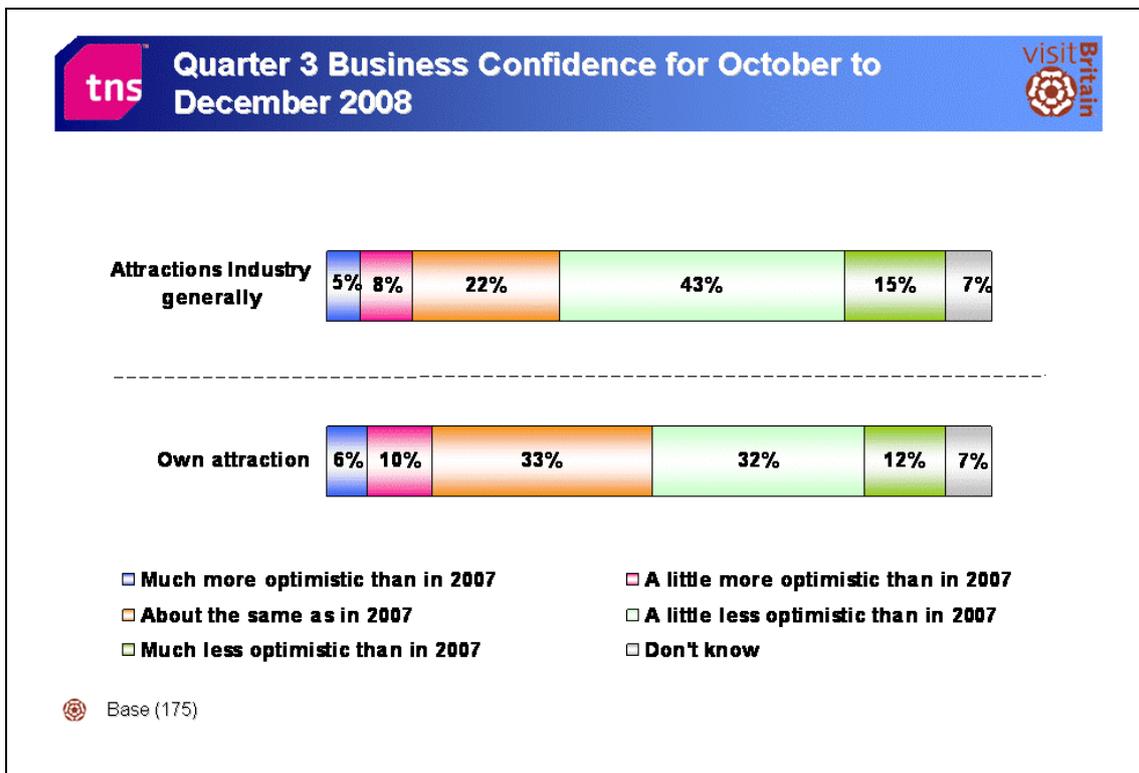
The chart below illustrates attractions' expectations for visitor admissions in Quarter 4 2008 compared with actual visitors admissions in Q4 in the previous year.



As with Q2, Q3 has clearly been a challenging quarter. However, attractions were still cautiously optimistic looking ahead to Q4 2008, with one in five (21%) expecting their visitor admissions to increase between Q3 and Q4 compared with a quarter (26%) expecting a decrease. Nearly half (45%) of the attractions thought that their visitor admissions would remain at about the same level as in Q4 2007.

Historic houses/castles and museums/art galleries were cautiously optimistic with between 28% - 31% anticipating visitor numbers to increase.

The chart overleaf presents business confidence among attractions in Q3 2008 across the 175 non-English Heritage/National Trust attractions taking part in the survey in 2008.



Overall, business confidence is also markedly lower than reported during the two previous quarters of 2008. The previous quarterly results had also begun to demonstrate the beginnings of a decline in confidence. 16% of attractions felt more optimistic about their own attraction's business prospects for the Q4 (Oct-Dec) 2008 period than they were about the same period in 2007. This contrasts with the 25% of attractions who were feeling more optimistic when asked about the Q3 period and 37% when asked about the Q2 period.

However, those feeling less optimistic tended to predict that business prospects will be about the same as in 2007 (33%) or were a little less optimistic (32%). A handful of attractions (12%) felt much less optimistic than in 2007.

In terms of the attraction industry in general, a substantial proportion (58%) felt less positive. This, and the visit expectation findings, would suggest that attractions are now less positive when looking ahead and there is generally a more cautious outlook given the current economic climate.

The charts overleaf illustrate how business confidence for quarter 4 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.

tns Quarter 3 Business Confidence for October to December 2008 (Own attraction) – by region


REGION	% More optimistic than 2007	% Less optimistic than 2007
North East (17)	30%	47%
North West (39)	23%	33%
Yorkshire (16)	19%	63%
East Midlands (20)	5%	30%
West Midlands (9)	11%	44%
East (25)	12%	52%
London (8)	50%	13%
South East (19)	11%	58%
South West (22)	5%	50%
Total England (175)	16%	44%

tns Quarter 3 Business Confidence for October to December 2008 (Own attraction) - by attraction category


ATTRACTION CATEGORY	% More optimistic than 2007	% Less optimistic than 2007
Historic Houses/Castles (29)	28%	38%
Museums/Art Galleries (54)	15%	35%
Visitor/heritage centres (10)	0%	50%
Wildlife attractions/zoos (13)	0%	62%
Others (69)	19%	49%
Total England (175)	16%	44%

tns Quarter 3 Business Confidence for Oct to Dec 2008 Own attraction – by other segments		visit Britain	
	% More optimistic than in 2007	% Less optimistic than in 2007	
Visits per annum			
20,000 or less (52)	17%	29%	
20,001-50,000 (43)	9%	54%	
50,001-100,000 (29)	14%	52%	
100,001-200,000 (22)	14%	59%	
Over 200,000 (29)	31%	38%	
Admission			
Paid (118)	14%	53%	
Free (57)	21%	25%	
Location			
Coastal (16)	19%	50%	
Rural (83)	6%	47%	
Urban (76)	28%	39%	
Total England (175)	16%	44%	

Business confidence was particularly high, relative to the other regions, in London (50% more optimistic than in 2007) – the capital also reported the lowest proportion of attractions feeling less optimistic (13%). As reported in Q2, business confidence was highly polarised in the North East, with 30% more optimistic than in 2007 (the second highest of any other region), but 47% feeling less optimistic.

Business confidence was again low in the South West with 5% more optimistic but in Q3 there were a number of other regions – the East Midlands (5%), West Midlands (11%) and South East (11%) – which also reported relatively low levels of optimism in Q3. As first highlighted in Q2, emphasising the difficulties faced by the industry in Q3, pessimism exceeded optimism in 8 of the 9 regions, whereas in Q3 2007 it was 2 out of 9 regions.

Across the different attraction types – business confidence was highest with historic houses/castles (28%). As reported in Q2, wildlife attractions/zoos felt less optimistic than in 2007 (62%).

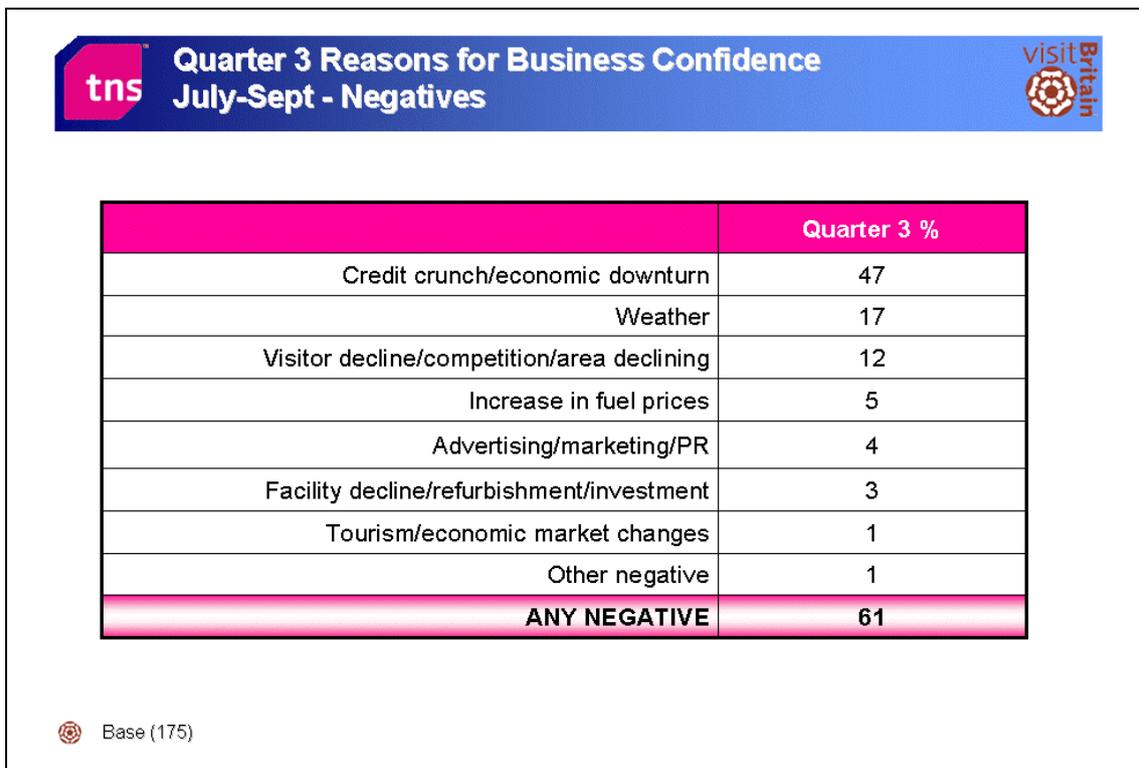
Business confidence was highest among attractions with over 200,000 visitors per annum (31%) with attractions with free admission more likely than paid attractions to feel optimistic (21% v 14%).

As reported in Q2, there was some polarisation with regards coastal attractions with 19% feeling more optimistic and a further 50% feeling less optimistic than in 2007. Rural attractions were least likely to feel optimistic with just a handful (6%) stating so.

Attractions were asked to state the reasons for their level of optimism for Q4 2008. The charts below illustrate the positive and negative reasons for business confidence.

 Quarter 3 Reasons for Business Confidence July-Sept - Positives		
	Quarter 3 %	
Events/exhibition improvement	10	
Visitor number trends improving	10	
Advertising/marketing	6	
'Free' Attraction	6	
Better business organisation/practices/management	4	
Christmas/festive period	4	
Facility improvement/refurbishment/investment	3	
Credit crunch/economic downturn	3	
Publicity/PR	3	
New facilities/shop etc increasing visitors	3	
Increase in school/educational visits	2	
Other positive	4	
ANY POSITIVE	39	

 Base (175)



Two in five (39%) of all attractions mentioned a positive element influencing their optimism for Q4 2008. The key reasons given focused on events and exhibitions improvements (10%) and visitor number trends improving (10%). Interestingly, the proportion of attractions that mentioned the latter as a positive has increased from 7% in Q2 to 10% in Q3. On the other hand, the proportion of attractions mentioning facility improvements at the attraction as a positive reason declined significantly from 16% in Q2 to 3% in Q3.

Three in five (61%) cited a negative aspect influencing their optimism. The key reasons given were the credit crunch/economic downturn with just under half stating this as a negative issue (47%). A further one in five (17%) cited the weather as a key reason and a general decline in visitors (12%). Interestingly, an increase in fuel prices fell from 18% in Q2 to 5% in Q3, perhaps reflecting that fuel prices are less of an issue in Q3 in the context of the credit crunch.

We received a number of positive and negative comments based on attractions outlooks for Q4 2008 – we have presented a selection of these below:

Positive mentions:

- *The recent credit crunch has not affected our visitors as yet, although we consider national outside influences when marketing and evaluating our visitors -*

overall, we offer a very reasonable entrance price and by marketing our annual membership at great value. We do rely heavily on local visitors although visitors to the region do increase numbers but only during the height of the season.

- *Liverpool's status as European Capital of Culture in 2008. Many major events being hosted in the city and at this attraction.*
- *We are taking part in some promotions and managing to maintain our presence in the public eye.*
- *Generally we have seen an upwards trend in visitor figures month on month and an increase in spend per head. We also have a special exhibition and are running a special promotion which always encourages more visitors hence better business prospect.*
- *The improved facilities are attracting more visitors. Our attraction is free, therefore unlikely to be affected by the poor economic outlook.*
- *We have found that providing meals has increased income and visitor numbers generally. Being a Country Park we are reliant on good weather which affected numbers in August. Unless we have a difficult time due to the weather there is every reason to be optimistic. Our adjacent building is hired for art classes, groups etc which is expanding.*

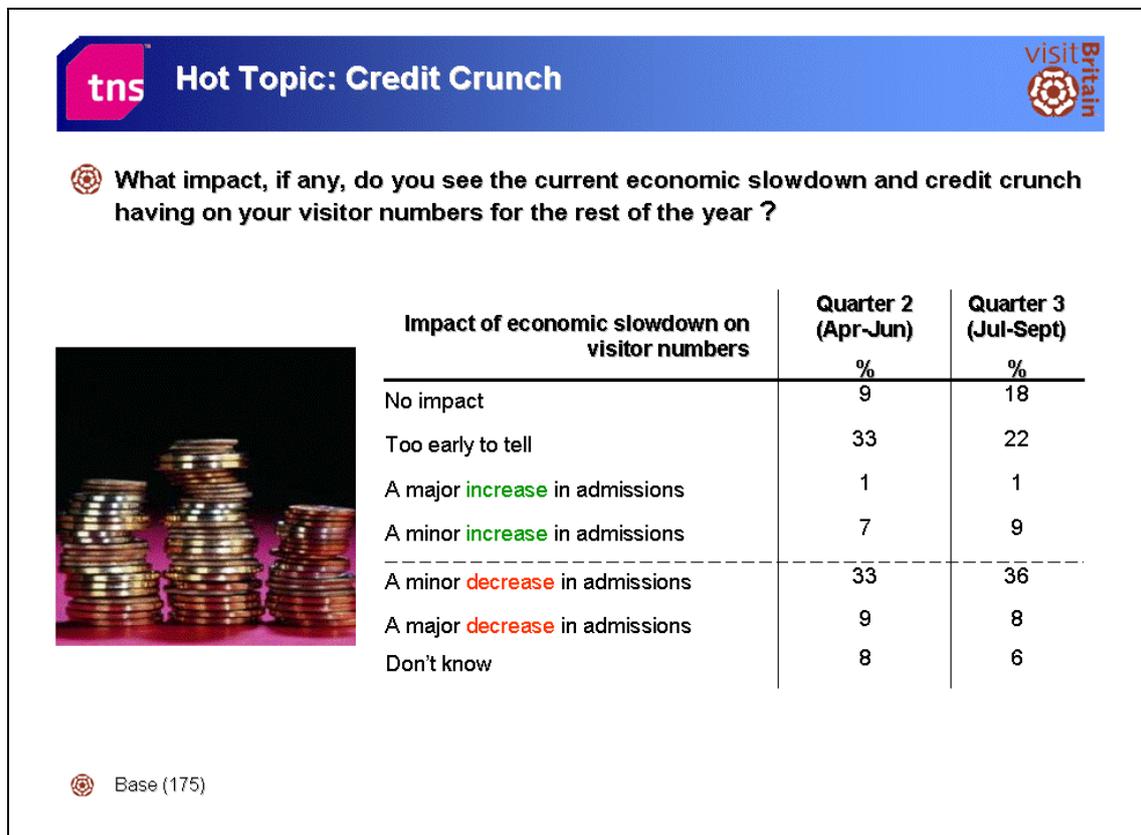
Negative mentions:

- *Less money about and with Christmas coming up it seems less likely that people will spend money on visiting our type of attraction.*
- *Weather has be a big issue for us. Also fuel prices - people do not seem to be coming out and spending money*
- *Current Financial situation will reduce people's free spending money and the cost of fuel makes people less inclined to travel long distances to attractions, such as ours.*
- *Pressure on peoples purses - increase in cost of 'bills' as food and energy - also the credit crunch.*
- *The credit crunch is, obviously, the major factor. I anticipate fewer visitors from overseas, especially from the US ,and a sizeable number of our visitors are from that country*
- *With the credit crunch and high fuel costs plus the weather visitors are thinking carefully before spending their money unless they need them. With recent bad weather people are not out and about as they would normally*

7. Q3 2008 – Hot Topic – Credit Crunch

As highlighted in the Quarter 2 report, the intention during 2008 is to keep 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 the year. As the global economic crisis has, if anything, deepened during the autumn, it was agreed to keep this question unchanged for Quarter 3 to analyse the impact, if any, on the attractions for another quarter.

The chart below presents the findings for this question.



Interestingly, comparing Q2 and Q3 together, there was little difference reported for attractions believing the economic slowdown would result in an increase or decline in visitor numbers. There was however a clear difference recorded for those who thought there would be no impact (33% in Q2 v 22% in Q3) and that it was too early to tell (9% in Q2 v 18% in Q3). This suggests that a small number of attractions have

now decided that they have been able to make a decision on the impact of the credit crunch and one in five (18%) are now cautiously optimistic that it will have no impact.

As might be expected, attractions with paid admission were more likely to feel that their visitor numbers would decrease because of the credit crunch than those with free admission (58% v 16%).