



ENGLAND ATTRACTIONS MONITOR

Quarter 4 Report
October to December 2008

JN: 173396

Date: 18th February 2009



Content

1.	Introduction	1
2.	Methodology	2
3.	Summary of Findings	3
4.	2008 Quarter 4 (Oct to Dec) Visit Trends 2007-2008	5
5.	2008 Quarter 4 (Oct to Dec) Business Performance Trends 2007-2008.....	10
6.	Business Confidence for Quarter 1 2009 (Jan-Mar)	12
7.	Q4 2008 – Hot Topic – Credit Crunch	21

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 was 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 and 3, 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 4 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 fourth 2008 quarterly period – October to December 2008 – 478 attractions provided data. Of these, 328 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 4 (October to December 2008) period below.

The weather in Quarter 4 was markedly colder than Q4 2007 with temperatures below average for England throughout the quarter. October and November also experienced above average rainfall – in general, the perception has been of a relatively cold Q4 period, especially compared to the recent mild winters.

As first reported in Q2 and underlined in Q3; Q4 (October, November and December) continues to see a general downward turn for the industry, with visitor admissions among the 478 attractions taking part in the survey decreasing by 1% compared with the equivalent quarter in 2007. This follows the Q3 period which also recorded a 1% decrease, a Q2 period which reported an 8% decrease and Q1; the only period in 2008 to report an increase (up 19%) compared to the equivalent period in 2007.

The downturn in visits in Q4 was largely due to October and November being at a relative standstill and an 8% decrease in December. It is likely that December was particularly hard hit as the public cut back on spending in the face of the deepening economic crisis and prioritised their budget over the festive period.

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.

Some 37% of attractions felt that visitor admissions had increased compared with Q4 2007, with 45% feeling that visitor admissions had declined. These findings largely reflect the Q3 2008 period when 39% recorded an increase and 47% a decline. This largely reflects the trend reported since Q2 2008 when the effects of the impending economic slowdown first started to be felt.

Looking ahead to Q1 2009 - reflecting the year from Q2 onwards, it has clearly been another challenging quarter. A relatively small number of attractions were still cautiously optimistic looking ahead to Q1 2009, with 14% expecting their visitor admissions to increase between Q4 2008 and Q1 2009 with a third (32%) expecting

a decrease. 43% of the attractions thought that their visitor admissions would remain at about the same level as in Q4 2008.

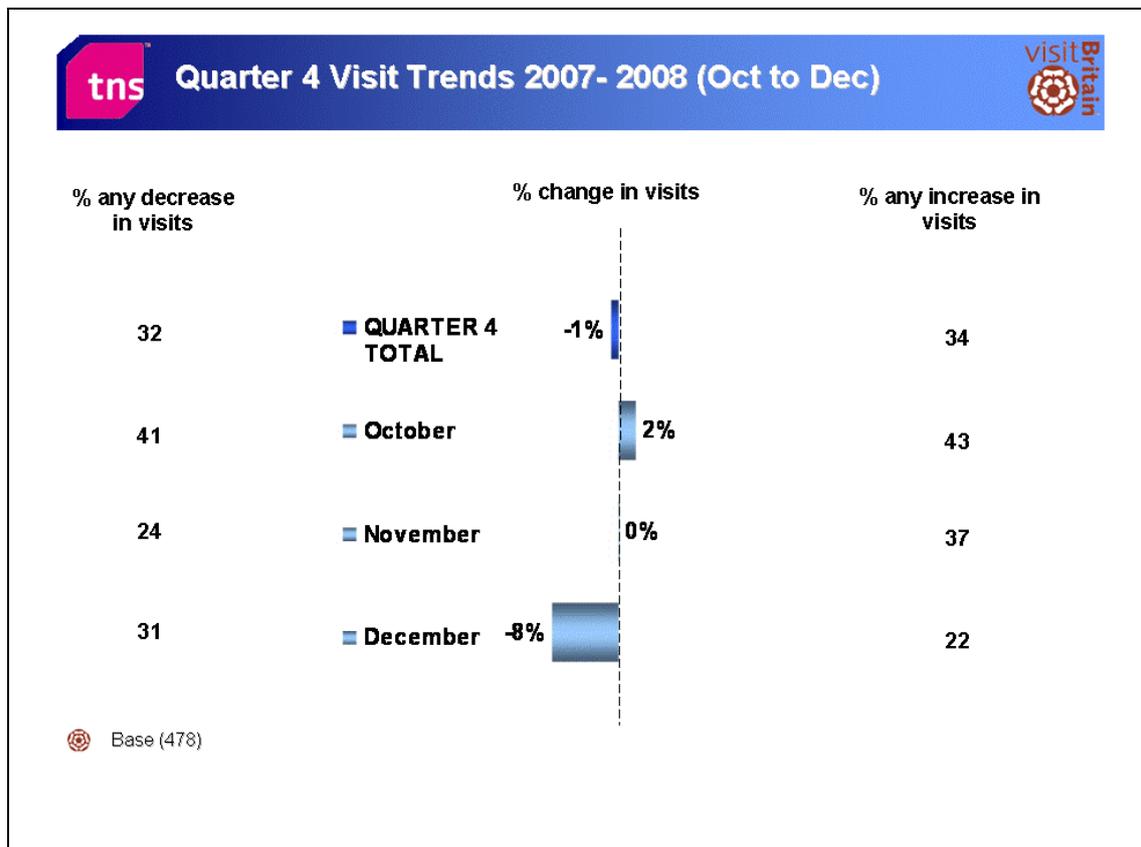
In terms of the attraction industry in general, a substantial proportion (47%) felt less positive when looking to Q1 2009 – albeit less negative than in Q3 when 58% were less positive when looking ahead to the next quarter. These, and the visit expectation findings, would suggest that attractions are 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 continuing effect of the recession in Q4 were clear and 2009 is likely to be a challenging time for the majority of attractions as the general public are more cautious with their spending whilst the economic slowdown continues.

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 (44% v 12%).

4. 2008 Quarter 4 (Oct to Dec) Visit Trends 2007-2008

The chart below illustrates the percentage change in visitor admissions between Q4 2007 and 2008 among the 478 attractions taking part in the survey. It also identifies the proportion of attractions recording an overall increase or decrease in admissions.



As reported throughout 2008, Q4 (October, November and December) continues to see a general downward turn for the industry, with visitor admissions among the 478 attractions taking part in the survey declining by 1% compared with the equivalent quarter in 2007. This follows the Q1 to Q3 periods which recorded an increase of 19% in Q1 and then decreases of 8% and 1% in Q2 and Q3 respectively.

The downturn in visits in Q4 was largely due to December which recorded an 8% decrease. October actually recorded a small increase of 2% with no change recorded in November.

The following chart illustrates how visitor admissions trends in 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. N.B. sample base sizes for some sub-groups are low.

tns Quarter 4 Visit Trends 2007-2008 (Oct to Dec) – by region				visit Britain
REGION	Oct change (%)	Nov change (%)	Dec change (%)	Total Quarter 4 % Change
North East (49)	1	5	4	2
North West (45)	1	0	3	1
Yorkshire (37)	-4	-1	-6	-4
East Midlands (38)	-12	22	1	-5
West Midlands (37)	7	20	-1	8
East (57)	11	19	-5	10
London (25)	1	-1	-9	-2
South East (90)	1	-7	-14	-6
South West (100)	6	8	6	6
Total England (478)	2	0	-8	-1

tns Quarter 4 Visit Trends 2007- 2008 (Oct to Dec) – by attraction


ATTRACTION CATEGORY	Oct change (%)	Nov change (%)	Dec change (%)	Total Quarter 4 % Change
Historic Houses/Castles (263)	4	16	-4	5
Other historic properties (29)	0	14	3	4
Museums/Art Galleries (57)	1	4	-9	0
Gardens (39)	34	-6	-1	17
Visitor/heritage centres (9)	13	-22	1	-1
Wildlife attractions/zoos (19)	-6	0	17	0
Others (62)	-6	-7	-11	-8
Total England (478)	2	0	-8	-1

tns Quarter 4 Visit Trends 2007- 2008 (Oct to Dec) – by other segments


	Oct change (%)	Nov change (%)	Dec change (%)	Total Quarter 4 % Change
Visits per annum				
20,000 or less (167)	-1	14	-14	-1
20,001-50,000 (115)	0	13	-5	2
50,001-100,000 (84)	3	21	-4	5
100,001-200,000 (67)	9	-5	4	5
Over 200,000 (34)	-2	-4	-10	-5
Admission				
Paid (426)	4	6	-4	3
Free (52)	-3	-7	-12	-7
Location				
Coastal (24)	1	-6	7	0
Rural (340)	6	6	-2	4
Urban (114)	-3	-3	-11	-5
Total England (478)	2	0	-8	-1

In Q4 2008, the East (+10%), West Midlands (+8%), and South West (+6) each recorded percentage increases in visitor admissions which were notably above the England average of -1%. Performance in the East and West Midlands was driven by a strong November, whilst the South West performed well in each month of the quarter.

The South East (-6%) and the East Midlands (-5%) both reported below average growth in visitor admissions during the quarter. There was a notable decline in visits in the South East in both November and December.

Year-on-year shifts in visitor admissions across Q4 as a whole varied significantly by attraction category. There were notable increases in visits in both gardens (+17%) and historic houses/castles (+5%) as they both continued their recovery from the wet summer. Historic houses/castles also had a good November reporting a +16% growth.

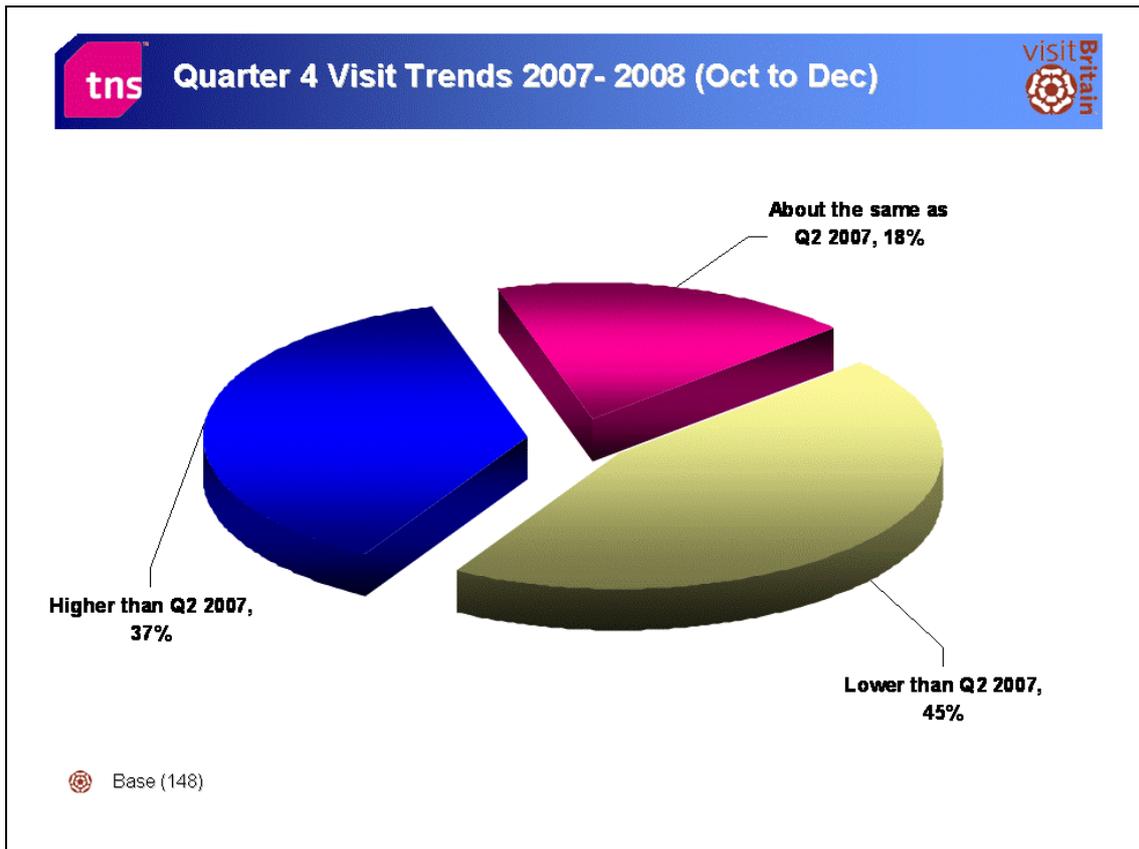
Visits to museums and art galleries declined most notably in December (-9%) with those attractions falling outside of the six defined attraction categories (e.g. those classified as 'Others') recording decreases in each month of the quarter (-8% overall).

As reported in Q3, attractions with free admission recorded a decrease in Q4 (-7%) whilst paid attractions recorded a rise in admission numbers (+3%).

Visitor attractions with between 50,001 and 200,000 visitors per year reported notable inclines (+5%). Larger attractions that have over 200,000 visitors per year fared less well on the other hand with a -5% fall in visitor admissions recorded.

Rural attractions again performed more positively during Q4, with year-on-year growth in visits of +4% across the quarter. This was driven by a strong October and November. Urban attractions reported a difficult Q4 period with visitor admissions declining in each month (-5% overall).

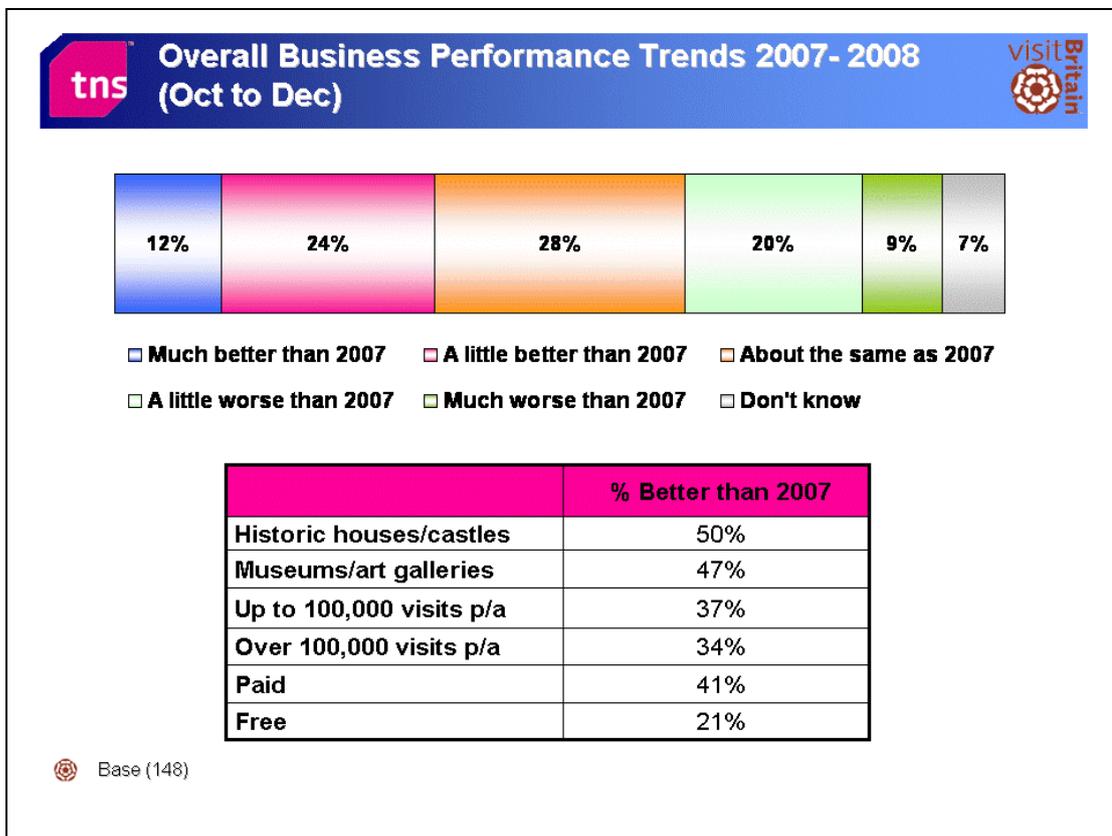
To provide consistency between the 2007 and 2008 surveys, attractions were also asked to provide an overall assessment of whether their visitor admissions had increased, remained the same or decreased compared with the equivalent quarter of the previous year. The chart overleaf compares the findings of Q4 2008 with the findings from Q4 2007.



Some 37% of attractions felt that visitor admissions had increased compared with Q4 2007, with 45% feeling that visitor admissions had declined. These findings largely reflect the Q3 2008 period when 39% recorded an increase and 47% a decline. This largely reflects the trend reported since Q2 2008 when the effects of the impending economic slowdown first started to be felt.

5. 2008 Quarter 4 (Oct to Dec) 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 Q4 2008 compared to Q4 2007. The chart below illustrates the proportions of the 148 attractions (excluding English Heritage and National Trust properties) taking part in the survey in Q4 2008 who felt that their business had performed better or worse.



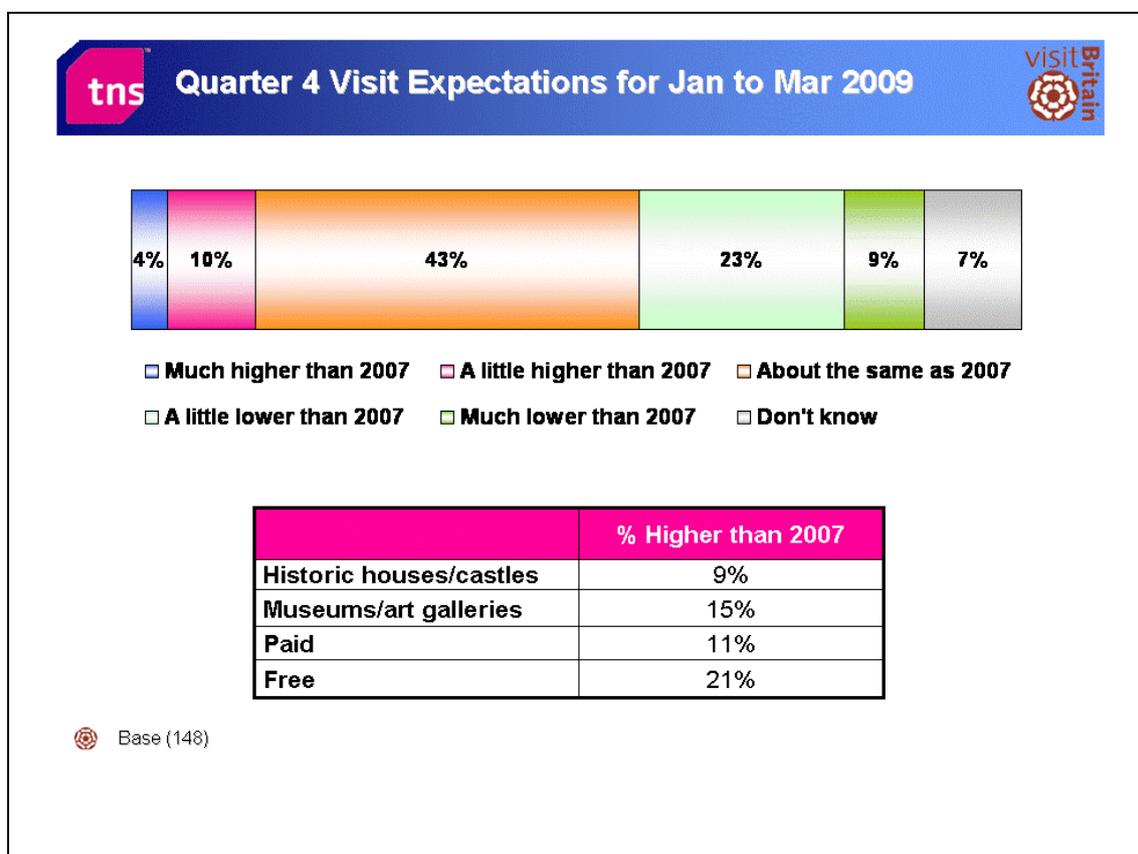
Slightly more than one in three (36%) attractions taking part in the survey felt that their business performance was either much better (12%) or a little better (24%) than in Q4 2007. This is similar to that reported in Q3 2008 (33%) and Q2 2008 (33%). A further 29% of attractions thought that their business performance was either a little worse (20%) or much worse (9%) than during Q4 2007. Encouragingly, this was not only a lower proportion than observed in Q3 (37%), but also lower than observed in Q2 (35%).

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. Half of historic houses/ castles (50%) reported that business performance was better than the equivalent period of 2007 compared with 36% among attractions as a whole.

Similarly, paid attractions - which have generally reported a more positive Q4 than free attractions – were more likely to say that their business performance had improved during the quarter (41%).

6. Business Confidence for Quarter 1 2009 (Jan-Mar)

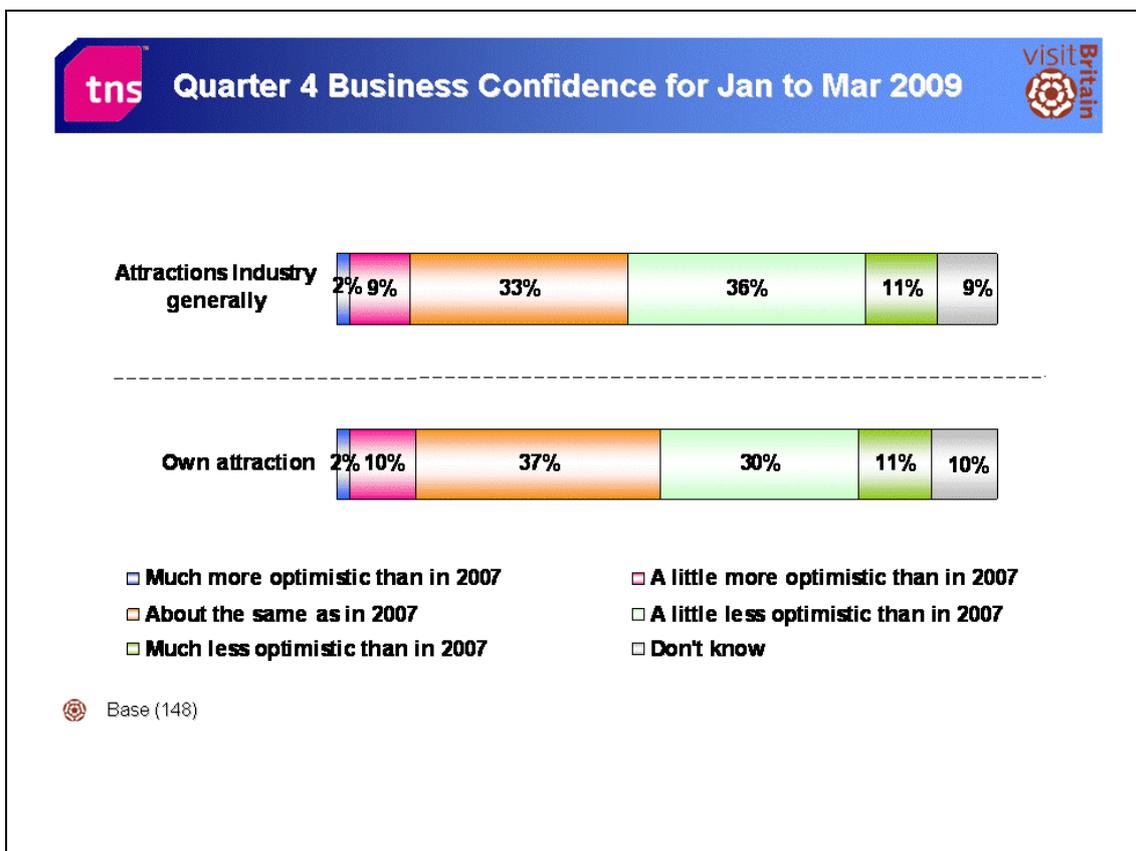
The chart below illustrates attractions' expectations for visitor admissions in Quarter 1 2009 compared with actual visitors admissions in Q1 in the previous year.



Reflecting the year from Q2 onwards, it has clearly been another challenging quarter. A relatively small number of attractions were still cautiously optimistic looking ahead to Q1 2009, with 14% expecting their visitor admissions to increase between Q4 2008 and Q1 2009 with a third (32%) expecting a decrease. 43% of the attractions thought that their visitor admissions would remain at about the same level as in Q4 2008.

Attractions with free admission were cautiously optimistic looking ahead to Q1 2009 with one in five (21%) expecting an increase in visitor admissions.

The chart overleaf presents business confidence among attractions in Q4 2008 across the 148 non-English Heritage/National Trust attractions taking part in the survey in 2008.



Overall, business confidence is lower than reported during the first three quarters of 2008. The Q2 results had begun to demonstrate the beginnings of a decline in confidence and this has been more evident in both Q3 and Q4. One in ten (12%) felt more optimistic about their own attraction's business prospects for the Q1 (Jan-Mar) 2009 period than they were about the same period in 2008. This contrasts with the 16% of attractions who were feeling more optimistic when asked about the Q4 period, 25% when asked about the Q3 period and 37% when asked about the Q2 period.

However, mirroring Q3, those feeling less optimistic tended to predict that business prospects will be about the same as in 2008 (37%) or were a little less optimistic (30%). A handful of attractions (11%) felt much less optimistic than in 2008.

In terms of the attraction industry in general, a substantial proportion (47%) felt less positive – albeit less negative than in Q3 when 58% were less positive. However, 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 Q1 2009 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 4 Business Confidence for Jan to Mar 2009 (Own attraction) – by region 		
REGION	% <i>More</i> optimistic than 2007	% <i>Less</i> optimistic than 2007
North East (21)	10	19
North West (23)	22	26
Yorkshire (15)	14	33
East Midlands (16)	12	19
West Midlands (8)	13	88
East (22)	9	46
London (8)	13	38
South East (15)	7	73
South West (20)	10	60
Total England (148)	12	41

tns Quarter 4 Business Confidence for Jan to Mar 2009
(Own attraction) - by attraction category



ATTRACTION CATEGORY	% More optimistic than 2007	% Less optimistic than 2007
Historic Houses/Castles (22)	9	55
Museums/Art Galleries (47)	6	38
Visitor/heritage centres (9)	0	44
Wildlife attractions/zoos (12)	17	42
Others (58)	19	38
Total England (148)	12	41

tns Quarter 4 Business Confidence for Jan to Mar 2009
Own attraction – by other segments



	% More optimistic than in 2007	% Less optimistic than in 2007
Visits per annum		
20,000 or less (41)	10	39
20,001-50,000 (38)	13	39
50,001-100,000 (28)	7	43
100,001-200,000 (20)	15	45
Over 200,000 (21)	19	43
Admission		
Paid (105)	10	50
Free (43)	16	21
Location		
Coastal (17)	21	14
Rural (71)	10	46
Urban (63)	13	41
Total England (148)	12	41

Business confidence was particularly high, relative to the other regions, in the North West (22% more optimistic than in 2007). Generally though, business confidence was low but particularly so in the West Midlands (88%), South East (73%) and the South West (60%). Emphasising the challenges facing the industry, pessimism exceeded optimism in all nine regions, whereas in Q4 2008 it was one out of nine regions.

Across the different attraction types, business confidence was highest with wildlife attractions/zoos (17%). Although the sample base size is low so caution should be used when interpreting this result, it is a positive finding for this attraction sector considering these wildlife attractions/ zoos felt least optimistic among all of the attraction categories about their business performance in both Q2 and Q3.

Business confidence was highest among those attractions with over 200,000 visitors per annum (19%) with attractions with free admission more likely than paid attractions to feel optimistic (16% v 10%).

Coastal attractions (21%) were more likely to feel positive about their business performance than those in urban (13%) or rural (10%) locations. Attractions were asked to state the reasons for their level of optimism for Q1 2009. The charts below illustrate the positive and negative reasons for business confidence.

tns

Quarter 4 Reasons for Business Confidence Oct to Dec - Positives



	Quarter 4 %
Facility improvement/refurbishment/investment	7
Credit crunch/economic downturn	7
Events/exhibition improvement	7
Visitor number trends improving	6
'Free' Attraction	3
Tourism/economic changes	3
Weather	3
Publicity/PR	2
New facilities/shop etc increasing visitors	1
Better business organisation/practices/management	1
Other positive	3
ANY POSITIVE	43

 Quarter 4 Reasons for Business Confidence Oct to Dec - Negatives		
	Quarter 4 %	
Credit crunch/economic downturn	32	
Easter dates later this year	2	
Visitor decline/competition/area declining	8	
Decrease in school/educational visits	4	
Weather	3	
Facility decline/refurbishment/investment	4	
Tourism/economic market changes	3	
Other negative	1	
ANY NEGATIVE	57	

Over two in five (43%) of all attractions mentioned a positive element influencing their optimism for Q1 2009. The key reasons given focused on facility improvement/refurbishment/investment (7%) and events/exhibition improvement (7%). Interestingly, 7% also cited the credit crunch/economic downturn suggesting that some attractions feel that the economic slowdown may benefit them to a degree.

Nearly three in five (57%) mentioned a negative aspect influencing their optimism. The key reasons given were the credit crunch/economic downturn, mentioned by one in three (32%). A further 8% mentioned a general visitor decline/competition/area declining. Interestingly, it appears that fuel prices are far less of an issue than they were during Q2 and Q3. In Q2, 18% mentioned this as a key negative reason; it had fallen to 5% during Q3 and during Q4 was mentioned less frequently. This trend reflects the price of petrol and diesel lowering over this period from a peak towards the end of Q2.

We received a number of positive and negative comments based on attractions outlooks for Q1 2009 – we have presented a selection of these below:

Positive mentions:

- *We can only hope that the general economic downturn will make British tourists more inclined to explore places of interest in their home country this spring and early summer.*
- *We are hoping for a good quarter but due to the financial start to the year, we will have to wait and see what effect the national situation has on us. Also, what the weather is like has an effect on us as we are an outdoor site close to the coast and the North Sea which can get very cold and can effect a visitors day out.*
- *We have new businesses this year, an indoor play area, and our Day Nursery is performing well. The day visitor attraction was poor in October but November and December it is much improved.*
- *We expect the weakness of the pound against the Euro and the dollar to continue to cause increases in the number of foreign visitors.*
- *We have developed into an all weather attraction, attracting more visitors than ever before and we have a very attractive membership package that is very cost effective. With the current economical climate, local residents feel more inclined to invest in a product that will provide them with unlimited, cost effective benefits throughout the next year.*
- *I feel very optimistic about the coming summer season and believe that unfortunately the 'credit crunch' is affecting so many other industries; domestic tourism will flourish due to the cost and fear of travelling and the weak sterling pound.*
- *By offering value for money at affordable prices. Also having repeat visits.*

Negative mentions:

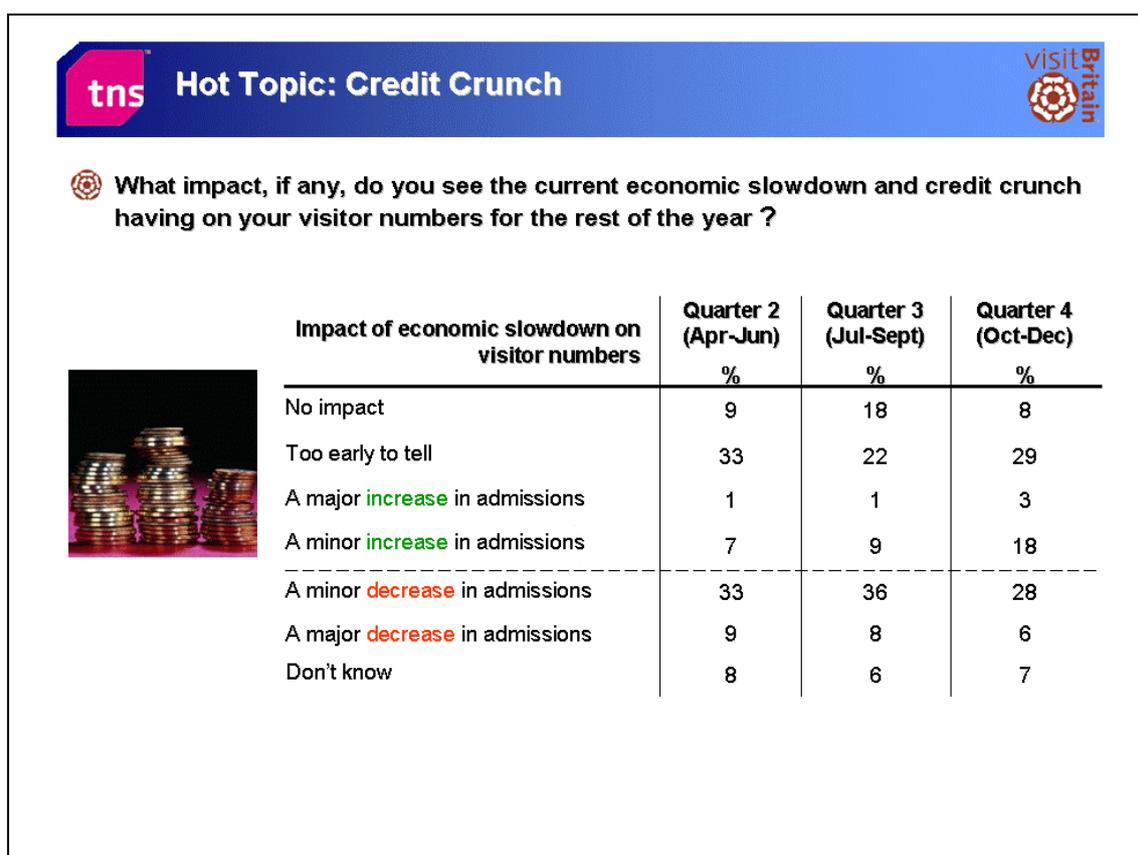
- *Credit crunch seems to be hitting people hard. People are loath to spend on non-essential items. More likely to visit a free museum or gallery. Figures already declining dramatically at the end of 2008.*
- *We are waiting to see how the current economic situation will affect our visitor numbers. We are hoping that because of the weak pound, more people will holiday in the UK, but are concerned that this will be offset by rising unemployment and a fall in disposable income.*
- *On an optimistic note, the weather during the Easter Holiday last year was dreadful, surely it's got to be better in 2009.*
- *The general economic downturn is beginning to bite with schools visits in particular being affected. This forms a large part of our visitor numbers.*
- *The effect of the credit crunch on our business will be complex because nearly half of our visitors are from overseas.*

- *Easter 2009 falls in April to June whereas it fell in Jan to March in 2008.*
- *Economic climate will inevitably reduce numbers in 2009 as well.*
- *Financial meltdown, tempered by a reduction in overseas holidays.*
- *Although we are hanging on to the fact that people haven't the money to travel abroad, so in fact they will be staying at home, can we really believe they will have the money to visit attractions...maybe not. They may decide to save what little money they have to see what the future holds, which won't help the likes of our business.*
- *Bad financial news (i.e. high redundancies and business closures) in the UK, outweighing lower interest rates and the lower cost of fuel. Cheaper mortgages and fuel could be helpful in giving families the income to spend at attractions.*
- *We have noticed a distinct downturn in spending in the day to day business but the weddings are holding their own at present. This is obviously a knock on effect of the current financial situation. We have wedding bookings for 2010 that are higher than at this time last year, so this side of the business looks promising.*
- *It's even less predictable than last year with too many factors that will affect our attractions fortunes. The economic situation (bad), £ vs. \$ and euro (good), parking meters being installed in the town this year (very bad). Generally I am pessimistic and I believe peoples priorities will not be on heritage.*

7. Q4 2008 – Hot Topic – Credit Crunch

As highlighted in the Quarter 2 and Q3 reports, the intention during 2008 was 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 and 3, 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 as we head into 2009, it was agreed to keep this question unchanged for Quarter 4 to analyse the impact, if any, on the attractions for another quarter.

The chart below presents the findings for this question.



Interestingly, comparing Q2, Q3 and Q4 together, there appears to be a trend in Q4 towards a proportion of attractions believing that the economic slowdown will result in an increase in admissions (up 11% to 21% overall compared to Q3). Correspondingly, fewer attractions in Q4 believe that there will be a decrease in

admissions (a fall of 10% to 34% overall compared to Q3). Although there are signs of optimism then, the picture is still one of general pessimism in the face of the global economic slowdown.

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 (44% v 12%).