VisitEngland & Visit London

The Economic Downturn

Impact on Domestic Tourism
Wave 4 – October 2009

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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

- Initial Quantitative phase 23rd Oct – 3 Nov 2008
  - 1000 online interviews,15 minute mainstage questionnaire, GB population
- Key coverage repeated online quarterly
  - 1000+ online interviews,10 minute mainstage questionnaire, GB population
    - 23rd Feb-3rd March 09
    - 22nd -30th June 09
    - 22nd Oct – 2 Nov 09

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Quantitative Phase Sample – Demographic profile

Our sample reflects the demographic profile of England, Wales & Scotland

	Wave 1 sample	Wave 2 sample	Wave 3 sample	Wave 4 sample
Gender	%	%	%	%
Male	50	50	51	52
Female	50	50	49	48
Age				
18 - 34 yrs	28	27	30	30
35 - 54 yrs	35	35	36	39
55 +yrs	36	37	34	32
Social Grade				
ABC1	60	53	55	57
C2DE	40	47	45	43

Quantitative Phase Sample – Regional profile

We sampled to ensure sufficiently large base sizes for analysis of those living in London, weighting the data to reflect correct proportions by RDA

	Sampled %	Weighted to:
North East	6%	4%
North West	9%	12%
Yorkshire & The Humber	7%	9%
East Midlands	6%	7%
West Midlands	7%	9%
East of England	7%	10%
London - (within zones 1-3)	15%	6%
- other	15%	6%
South East (exc London)	11%	14%
South West	7%	9%
Scotland	5%	9%
Wales	5%	5%

The Economic Climate and How it is Affecting Lives

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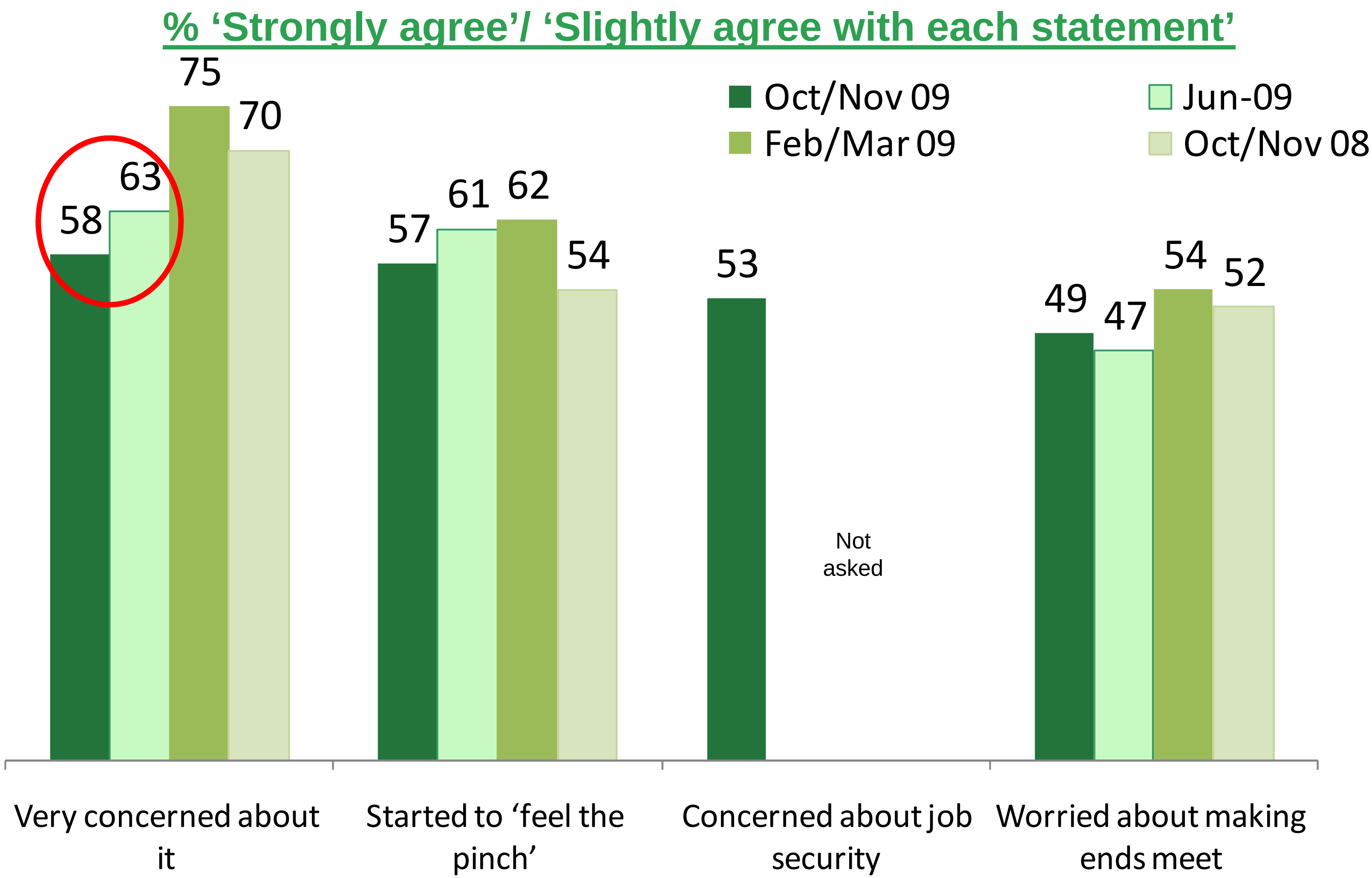
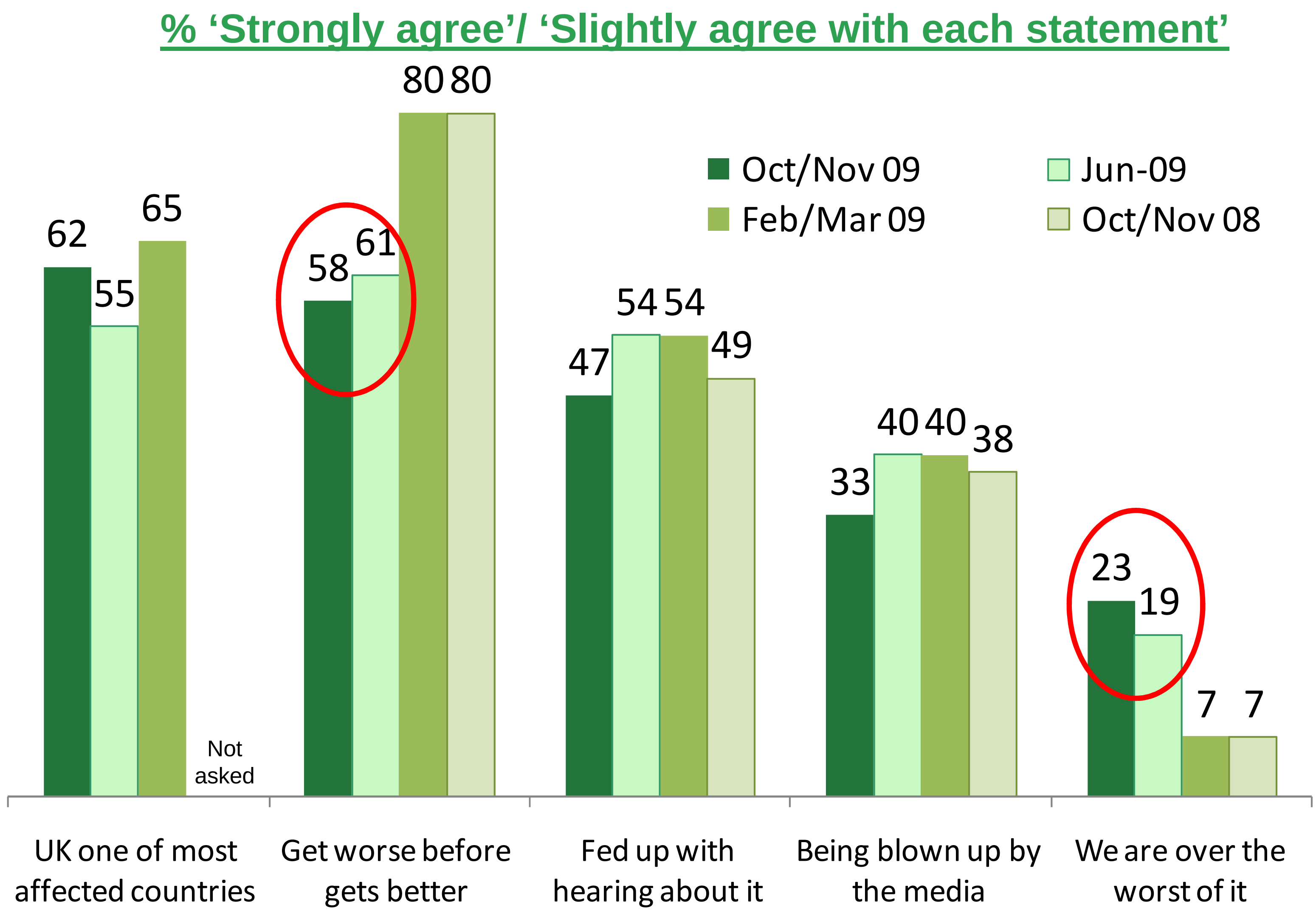
Personal impact of downturn stabilised, with resulting decrease in level of concern



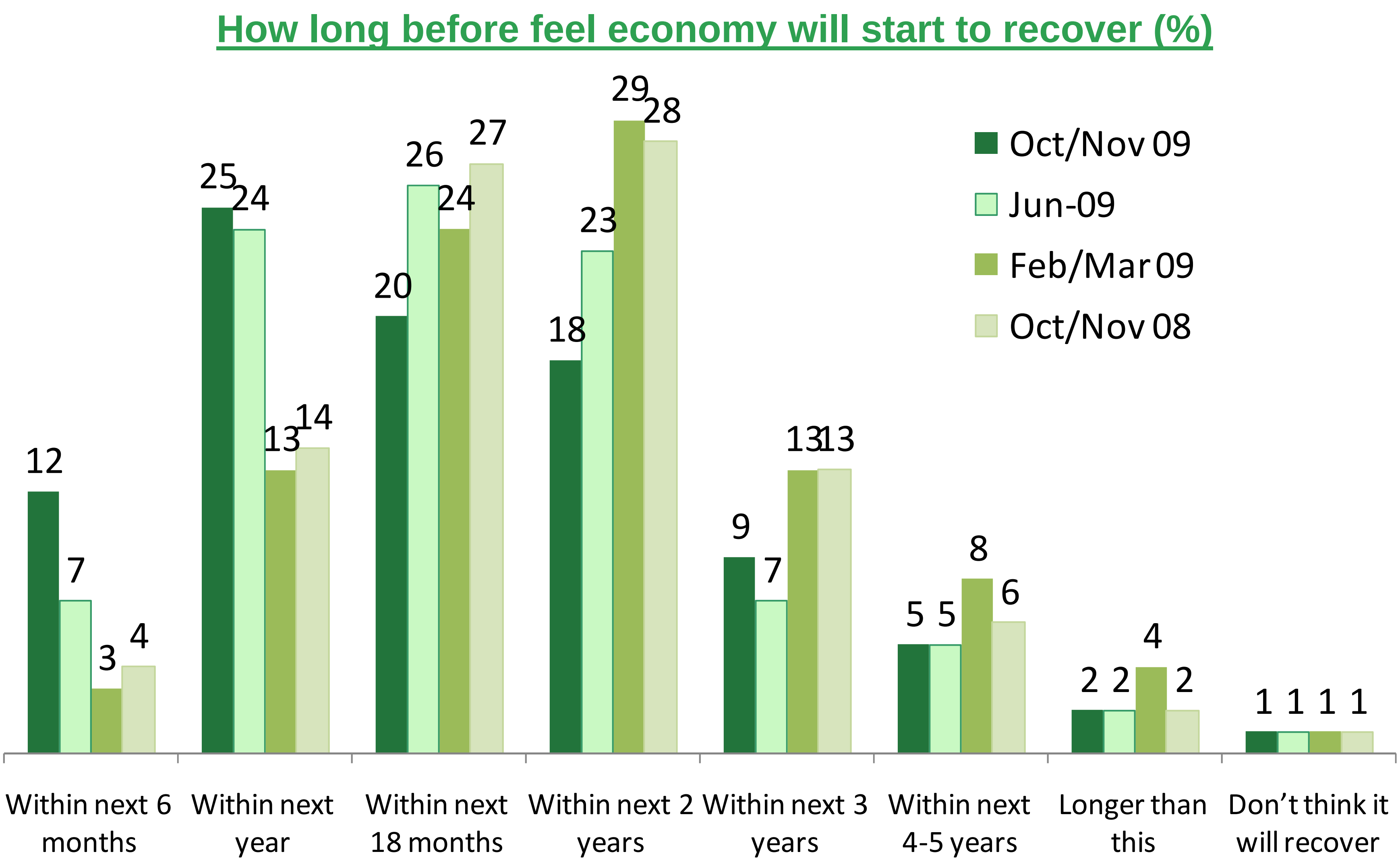
Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (Wave 1: 1030, Wave 2: 1019 , Wave 3: 1007, Wave 4: 1005
Differences of c 5% are significant)

More positive outlook for the future; almost 1 in 4 now think worst is over



Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (Wave 1: 1030, Wave 2: 1019 , Wave 3: 1007, Wave 4: 1005 Differences of c 5% are significant)

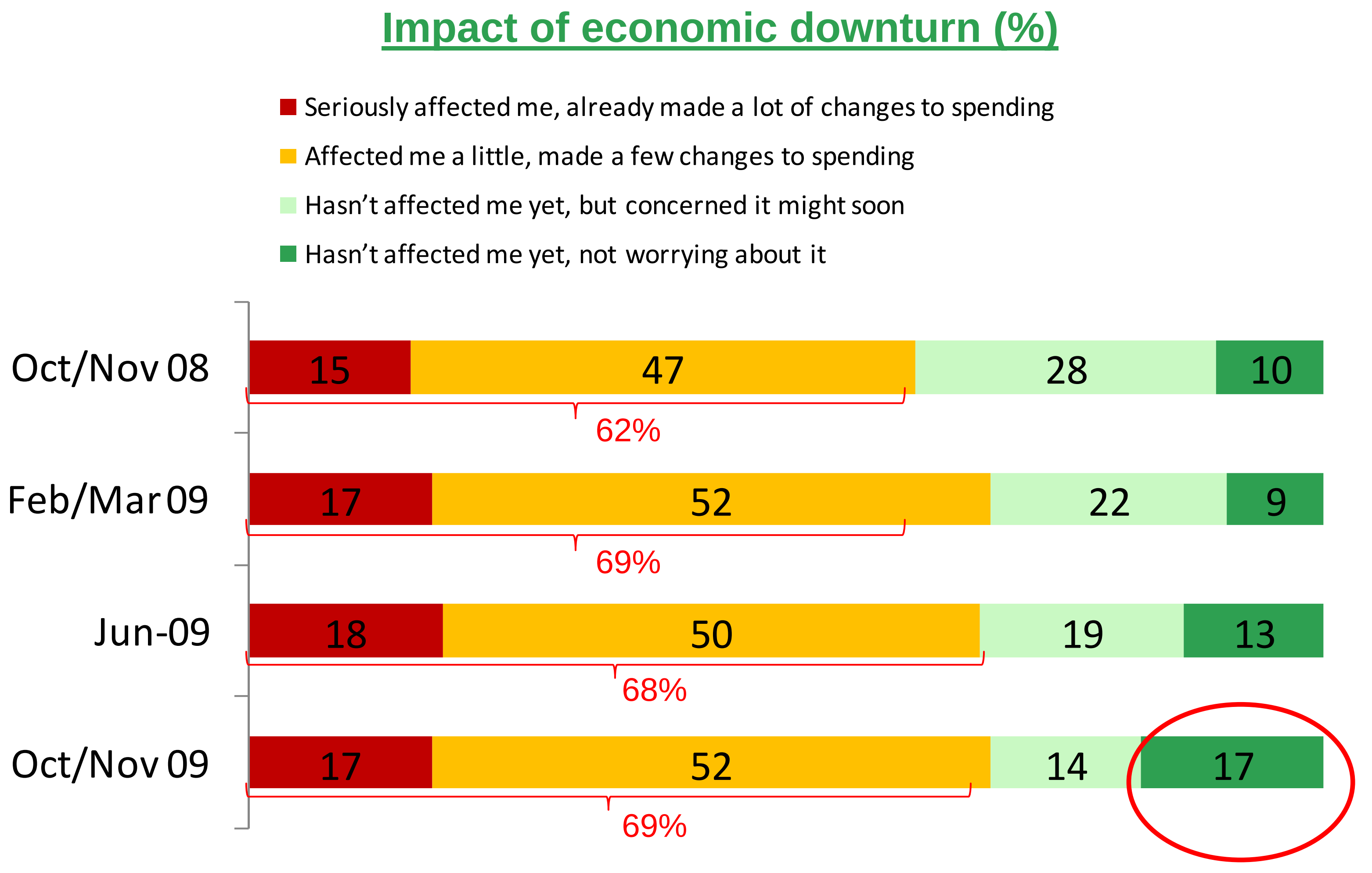
Increased optimism; almost 4 in 10 (37%) think the economy will start to recover within the next year



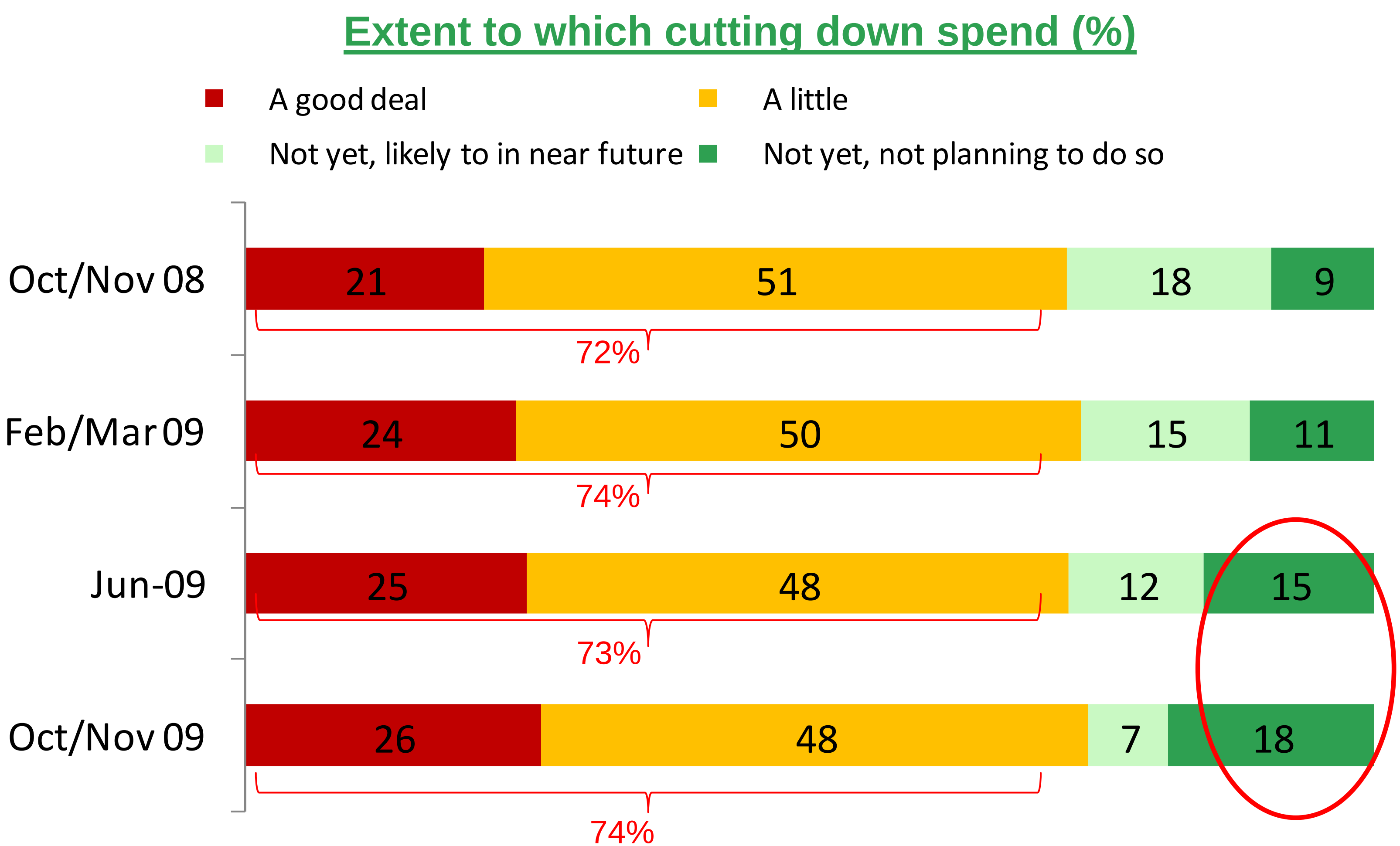
Q2. How long do you personally think it will be before the economy starts to recover?

Base: All (Wave 1: 1030, Wave 2: 1019, Wave 3: 1007, Wave 4: 1005) Differences of c 5% are significant)

No change in levels affected, but increased proportion not affected and not concerned; shift towards feeling 'if you haven't yet been hit, you won't be'



No change in proportion cutting back on spend, but a further increase in % not expecting to do so



Q4b. As a result of the current economic climate, are you cutting back on your spending?
Base: All (Wave 1: 1030, Wave 2: 1019, Wave 3: 1007, Wave 4: 1005) Differences of c 5% are significant)

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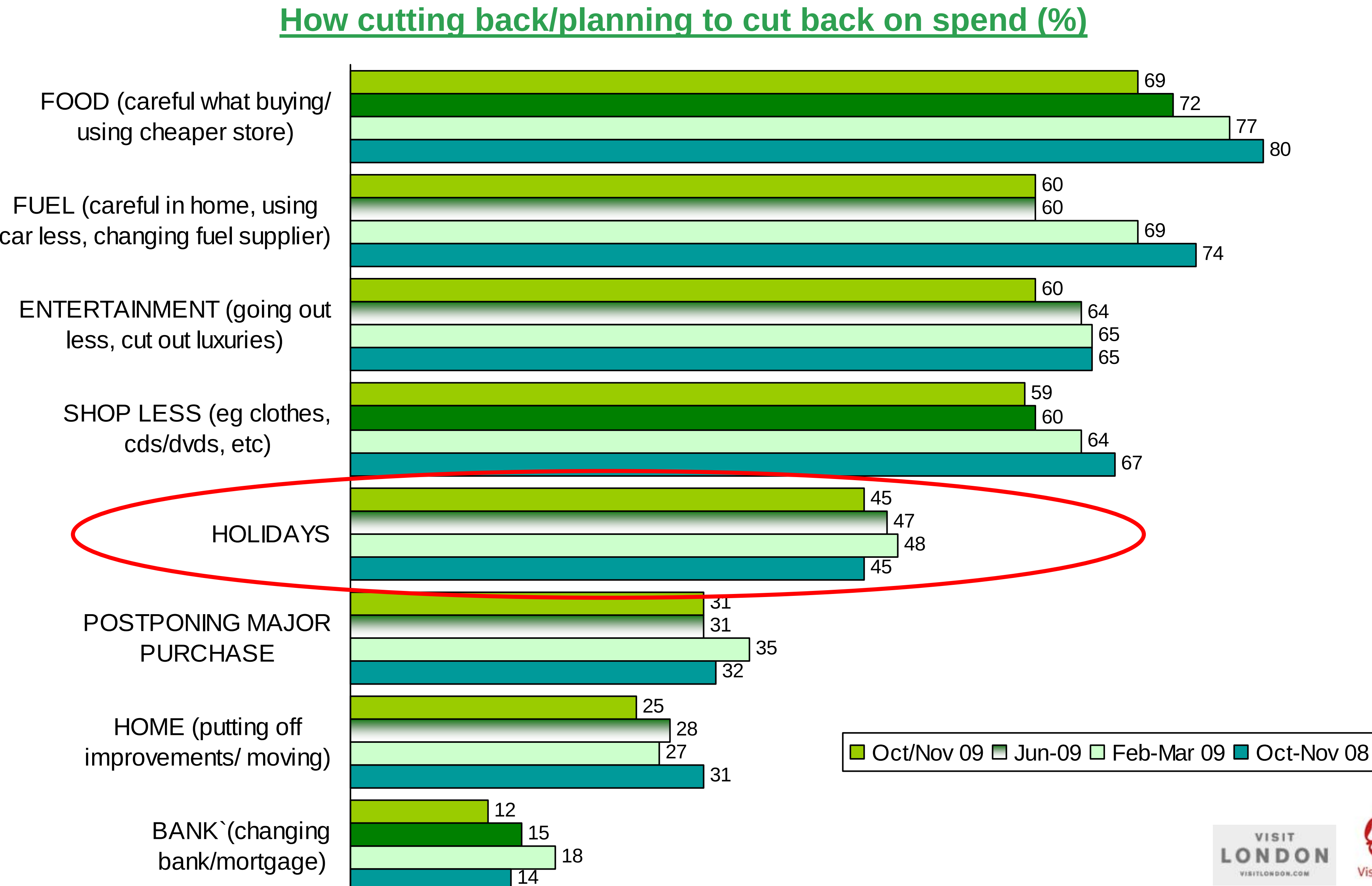
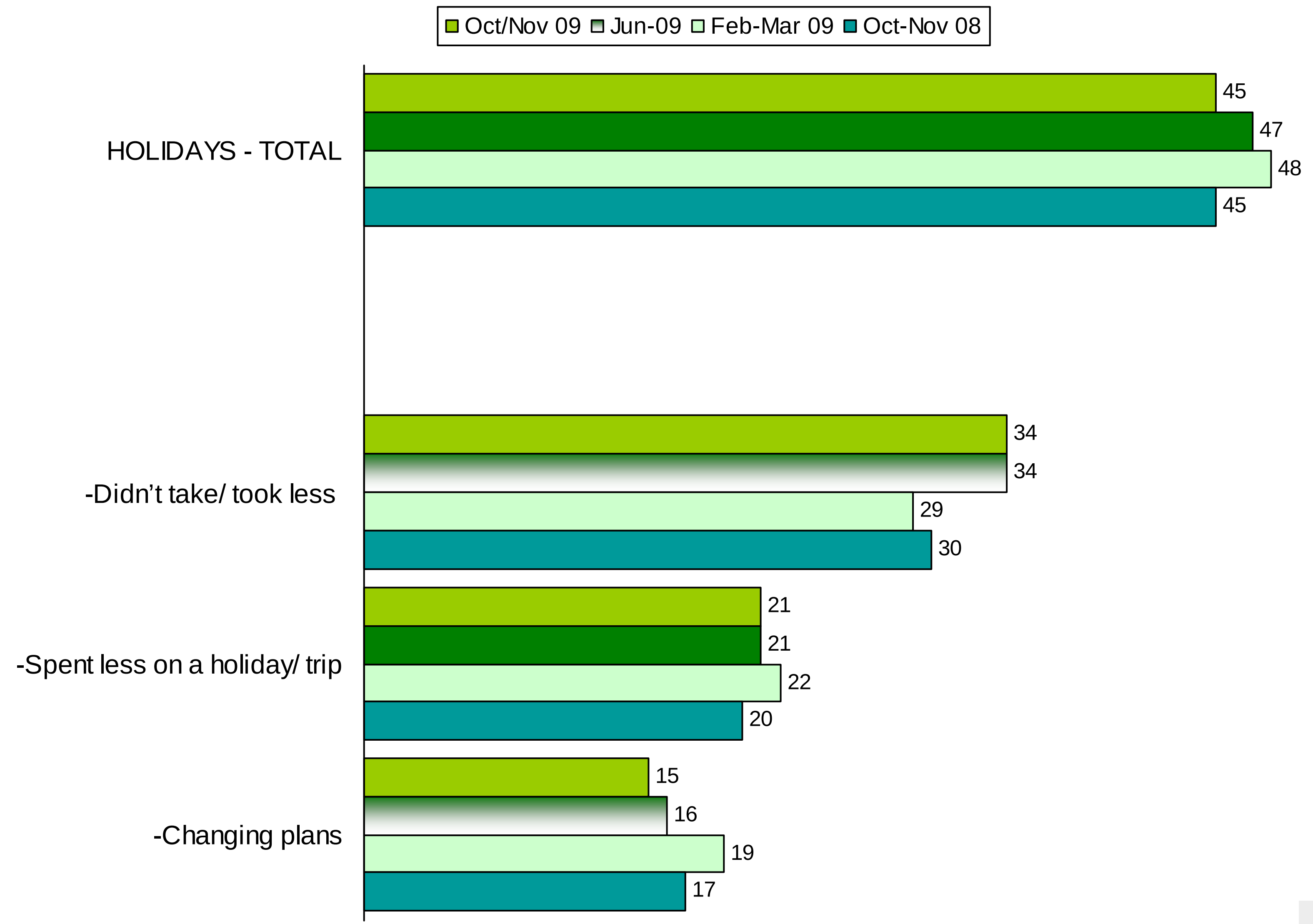
Cut backs on holidays less likely than on food, fuel, going out or shopping, but unchanged over the past year while other areas are becoming less affected



Q5a/b. How are you planning to cut back / cutting back on your spending? Base: Rebased on all (c.1000 p Wave)

Cutbacks on holidays continue to be more cutting down the number, than spending less once there

How cutting back/planning to cut back on spend on Holidays(%)

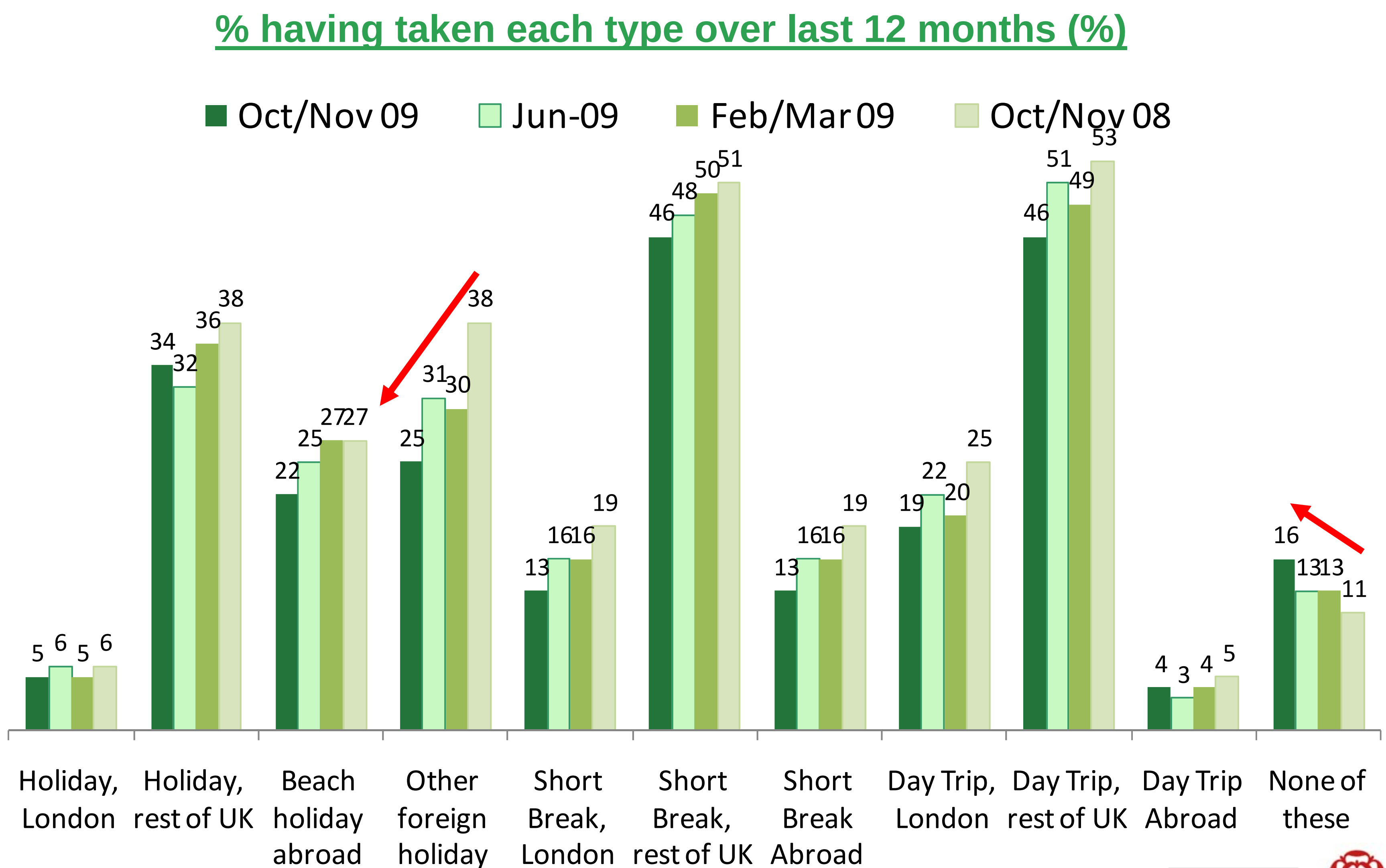


Q5a/b. How are you planning to cut back / cutting back on your spending? Base: Rebased on all (1000+ per Wave)




Impact on Holiday Attitudes and Behaviour

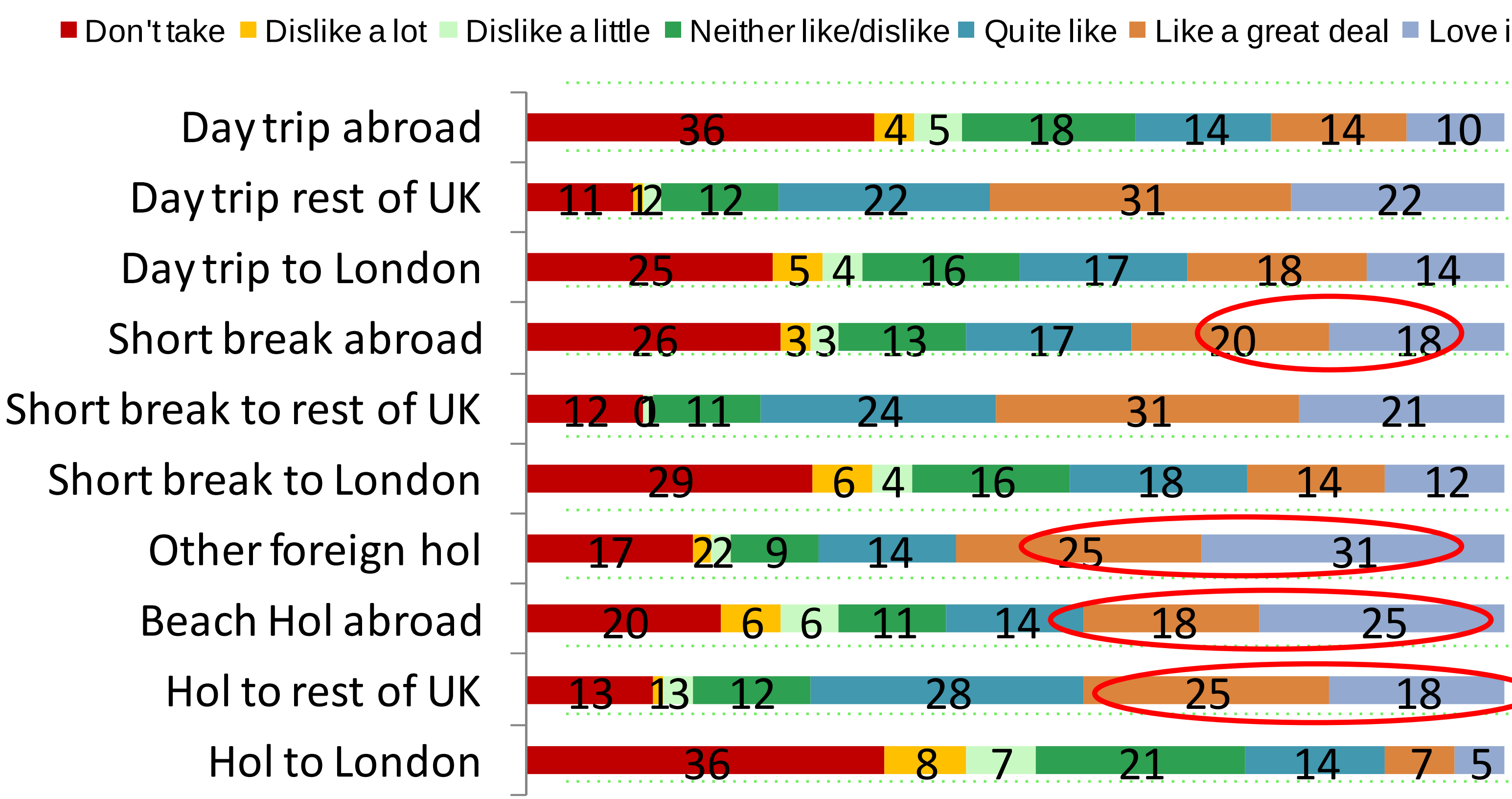
Slight drop in % having taken all types of holiday compared to a year ago, but overseas breaks are worst affected



Q6 How many of these holidays/ breaks/ days out have you made over the last 12 months?
Base: All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007, Wave 4: 1005) Differences of c 5% are significant)

Slight decrease in % really liking holidays abroad (exchange rate?)

Extent of liking/ disliking holiday types



% Love it/ Like a great deal

June	Oct 08
26	27
55	56
33	33
43	40
54	55
27	31
62	64
48	47
47	43
13	16

Q7 How much do you like or dislike each of the following types of holidays/ trips?
Base: All (Wave 1: 1030, Wave 3: 1007, Wave 4: 1005) Differences of c 5% are significant) (NOT ASKED IN FEB/MAR WAVE)

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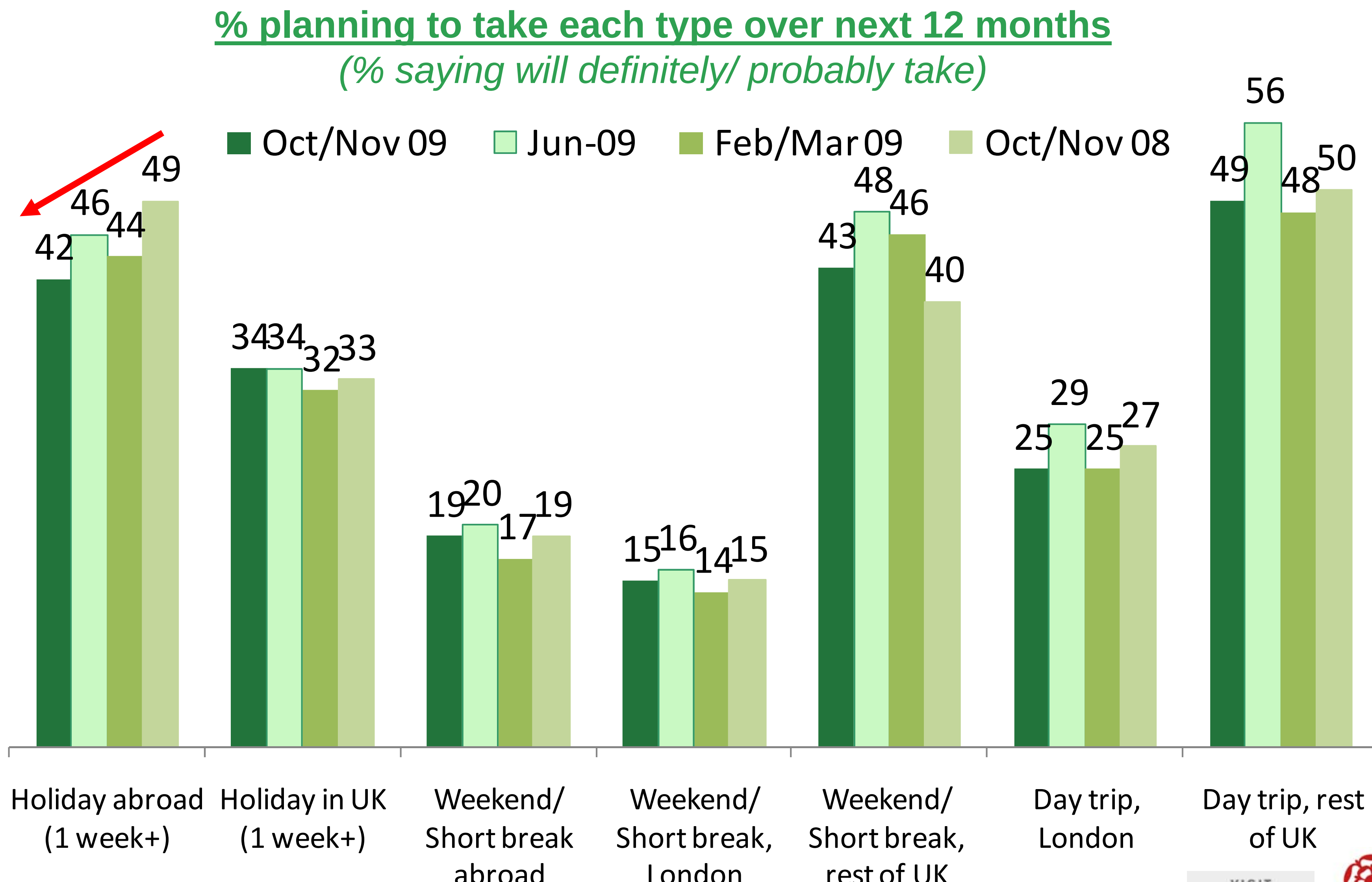
Compared to the same period last year, decrease in % planning to take holidays abroad in the next 12 months



Q12/Q19 Will you be taking these holidays/ breaks/ days out in next 12 months?
Base: All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007, Wave 4: 1005) Differences of c 5% are significant)

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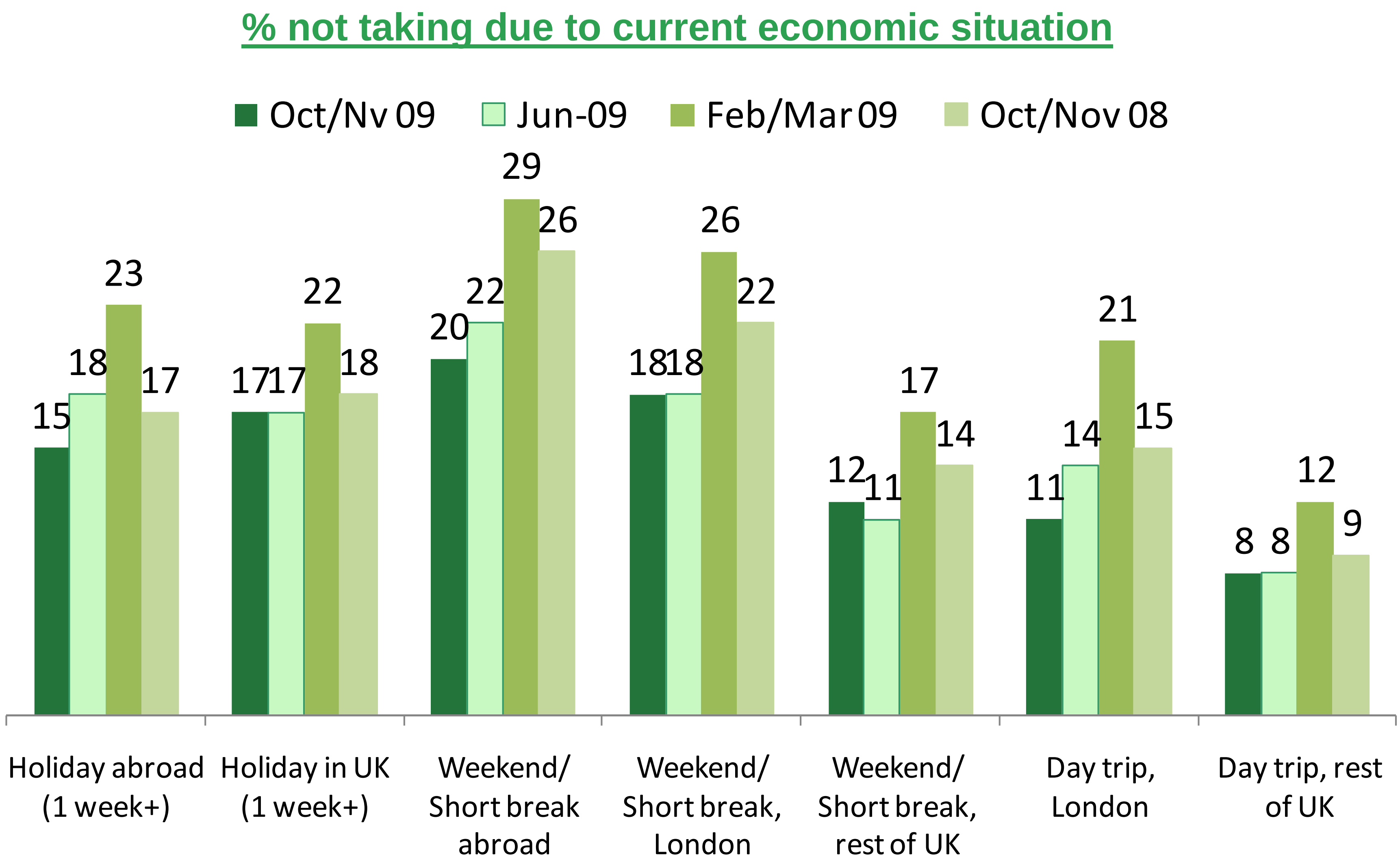
Continued drop since Feb/Mar in % not taking holidays of all types due to economic climate – reflecting increased confidence



Q13/Q20 Are you not taking these types of holidays/ breaks due to the current economic situation or a different reason? Base: Re-percentaged to All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007, Wave 4: 1005)
Differences of c 5% are significant)

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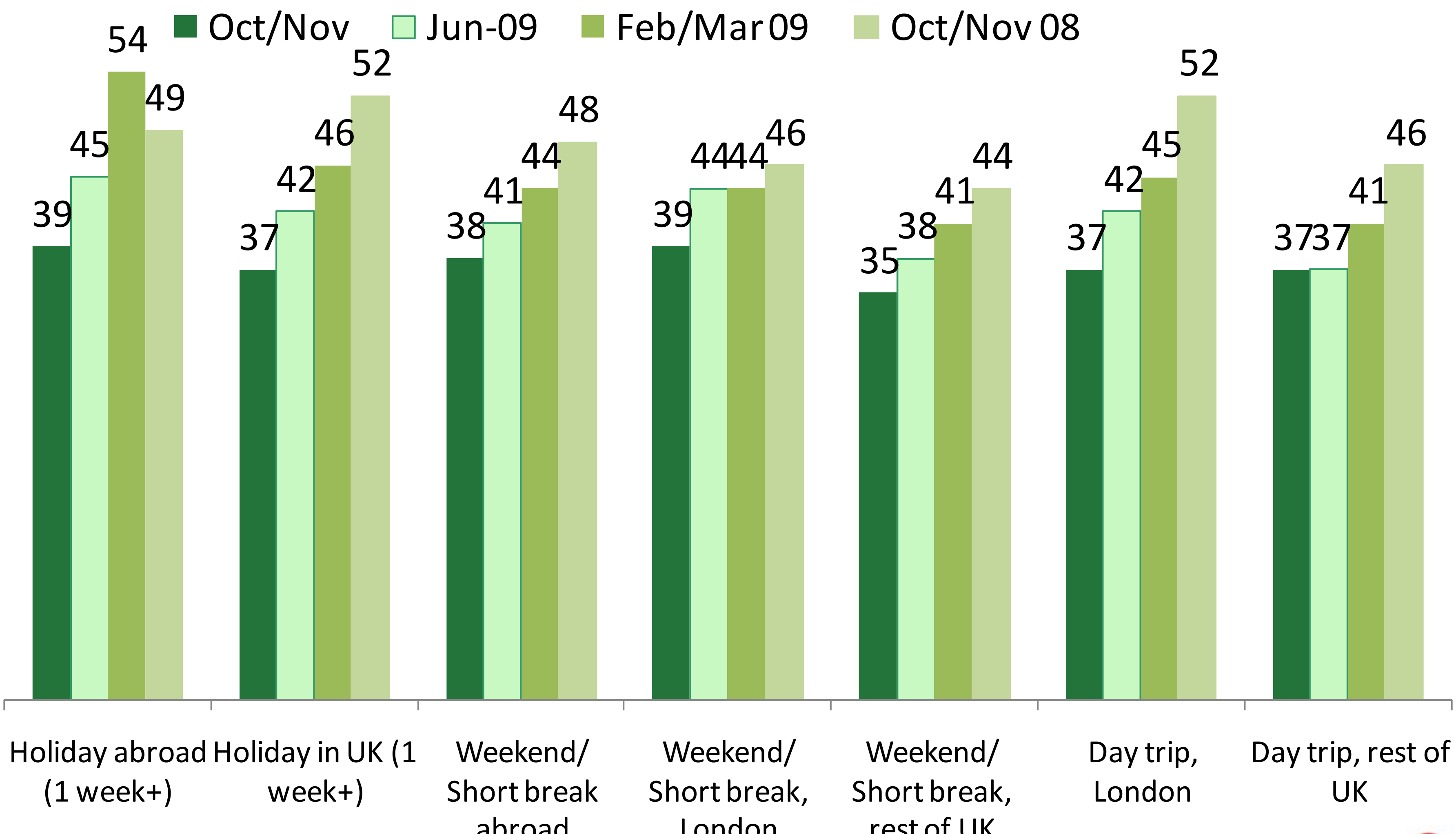
Continued fall in % planning to CUT expenditure on holidays taking; if taken, spend getting back to normal

% OF THOSE TAKING EACH TYPE *saying will definitely/ probably cut down spend)*



Q16/Q23 Do you think you'll cut down the amount you'll spend on these in the next 12 months?
Base: Those taking each type of holiday (range c 150 – c 500: Differences of between 5% -8% are significant),

Accommodation and food & drink remain the key targets for cutting holiday spend, and though numbers are dropping across all saving options as confidence grows, 1 in 5 would still consider UK rather than abroad

WAYS IN WHICH CUTTING DOWN SPEND ON HOLIDAYS	Oct Nov 09	June 09 %	Feb Mar 09	Oct Nov 08
NET: Save money on accommodation	**36**	**42**	**46**	**45**
Look for special offers on accommodation	*29*	*32*	*30*	*33*
Stay with family/friends	*19*	*19*	*21*	*22*
Use cheaper hotel/ accommodation	*19*	*21*	*20*	*21*
NET: Save money on food and drink	**34**	**40**	**43**	**45**
Go self-catering	*18*	*22*	*22*	*25*
Eat out less	*17*	*20*	*20*	*25*
Use cheaper cafes/ restaurants	*16*	*18*	*17*	*19*
Look for all-inclusive holiday	*13*	*17*	*14*	*18*
Take own food eg sandwiches	*14*	*17*	*14*	*18*
Have take-aways instead of eating out	*9*	*9*	*10*	*12*
NET: Go to a different place/country than usual/hoped	**28**	**35**	**37**	**47**
UK instead of abroad	20	23	23	27
Different country, still abroad	10	14	12	10
Abroad rather than the UK	9	11	11	16

Q17 Will you try to cut down the amount you spend on these types of holiday in any of these ways?
Base: Re-percentaged to All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007, Wave 4: 1005)

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Similarly – fewer people making cuts across all options

WAYS IN WHICH CUTTING DOWN SPEND ON HOLIDAYS	Oct Nov 09	June 09 %	Feb Mar 09	Oct Nov 08
NET: Spend less on other things	**28**	**34**	**35**	**39**
Do more free activities	*18*	*22*	*22*	*27*
Spend less on other purchases/ shopping	*18*	*23*	*21*	*26*
Go to more free attractions	*18*	*23*	*21*	*24*
Go to fewer activities/attractions with entrance fees	*18*	*22*	*20*	*27*
Go to fewer shows/evening nights out	*13*	*16*	*16*	*21*
Spend less on transport while there	*10*	*13*	*13*	*14*
Look harder for special offers/deals	27	32	32	35
Go at a cheaper time of year	22	25	27	28
Not take as many	24	29	26	28
Save money on transport to destination (go different way, book earlier, use cheaper airline)	21	27	25	24
Spend time planning to get best price	20	22	24	25
Book later/ last minute offers	13	18	18	17
Book through different company (cheaper/ direct)	15	18	18	16
Go for a shorter time	14	17	15	15
Book earlier	13	12	13	14

Q17 Will you try to cut down the amount you spend on these types of holiday in any of these ways?
Base: Re-percentaged to All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007, Wave 4: 1005)

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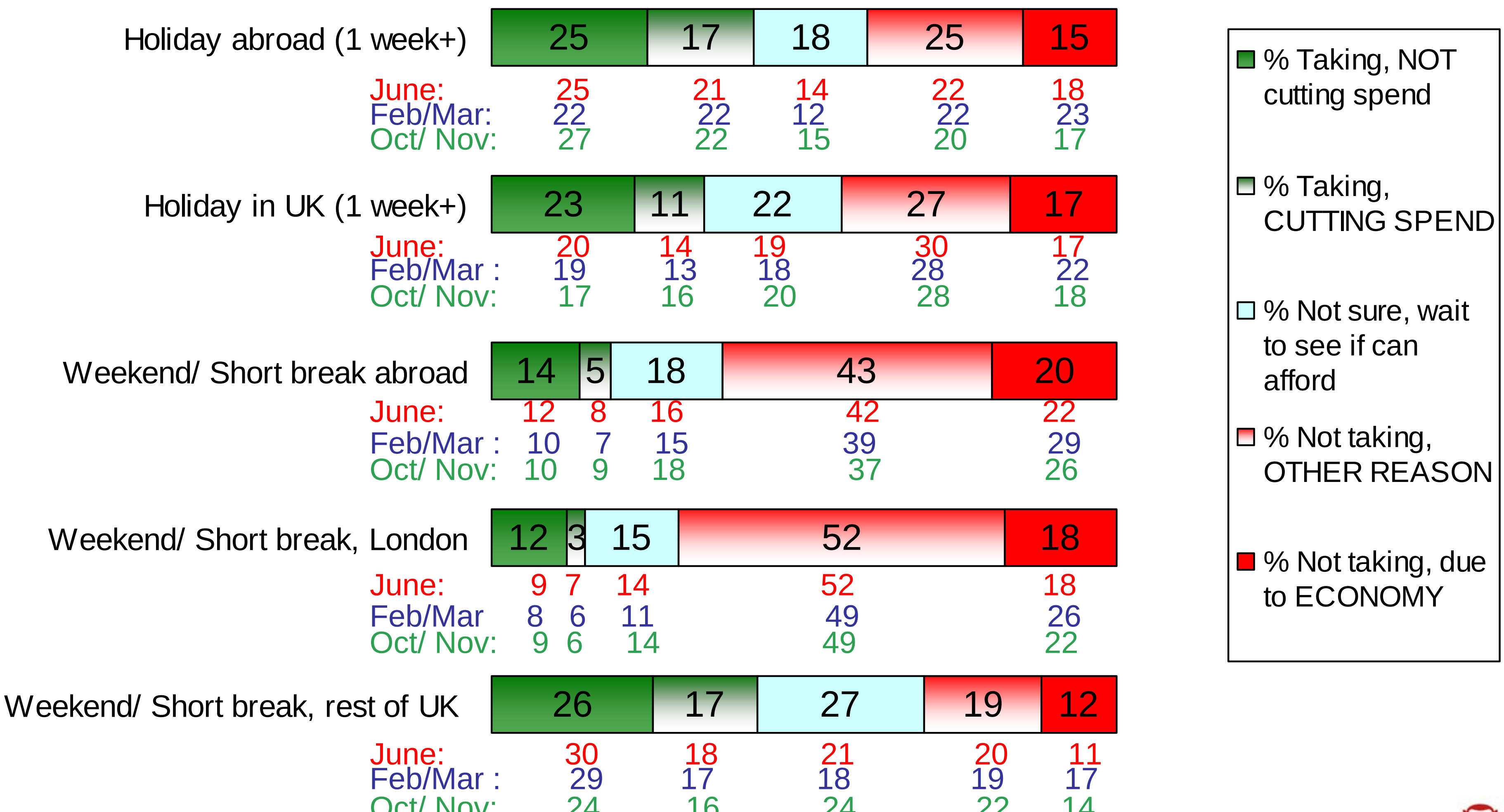
Holiday intentions largely unchanged from June, slightly less likely to plan to cut spend on holidays taken

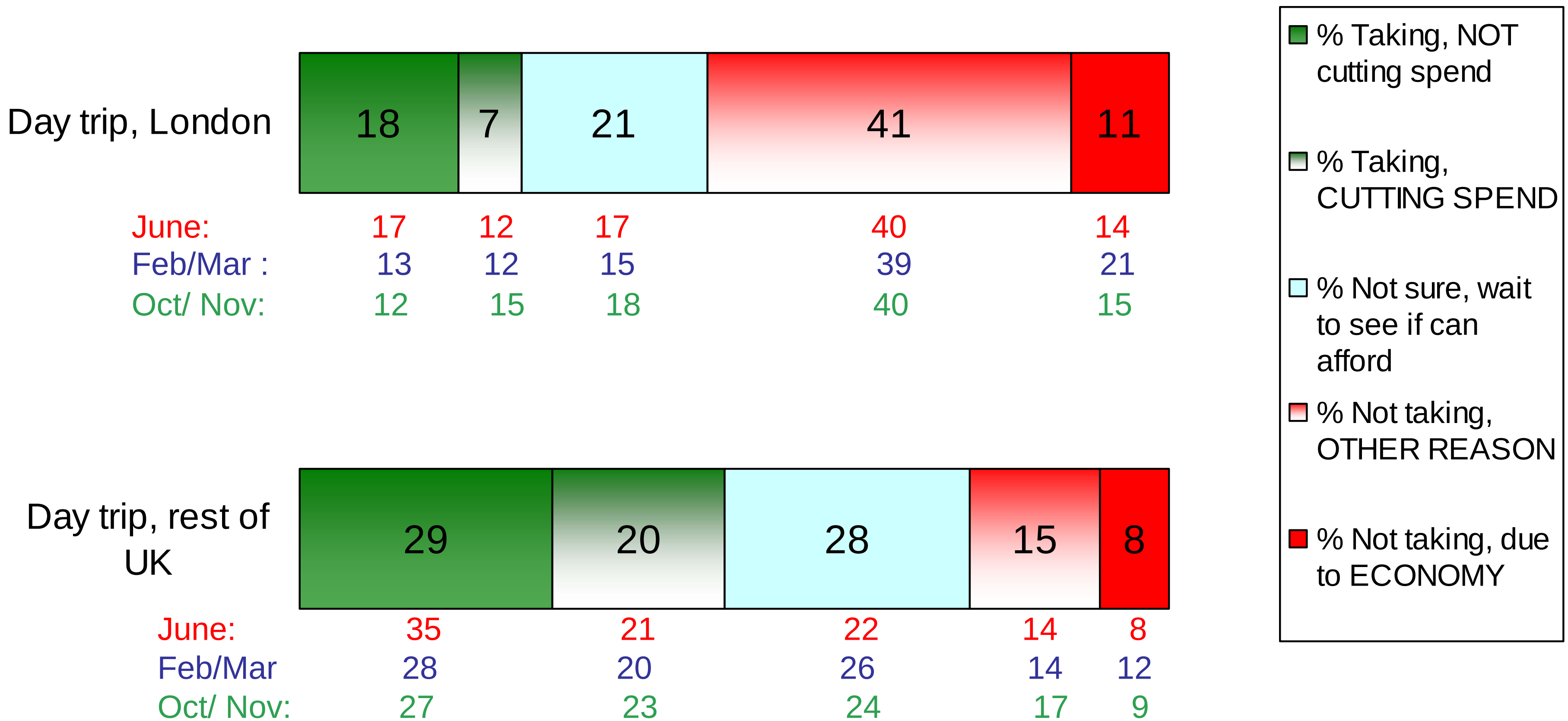
Summary of Holiday intentions over next 12 months *(Oct/Nov 09 charted)*



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?

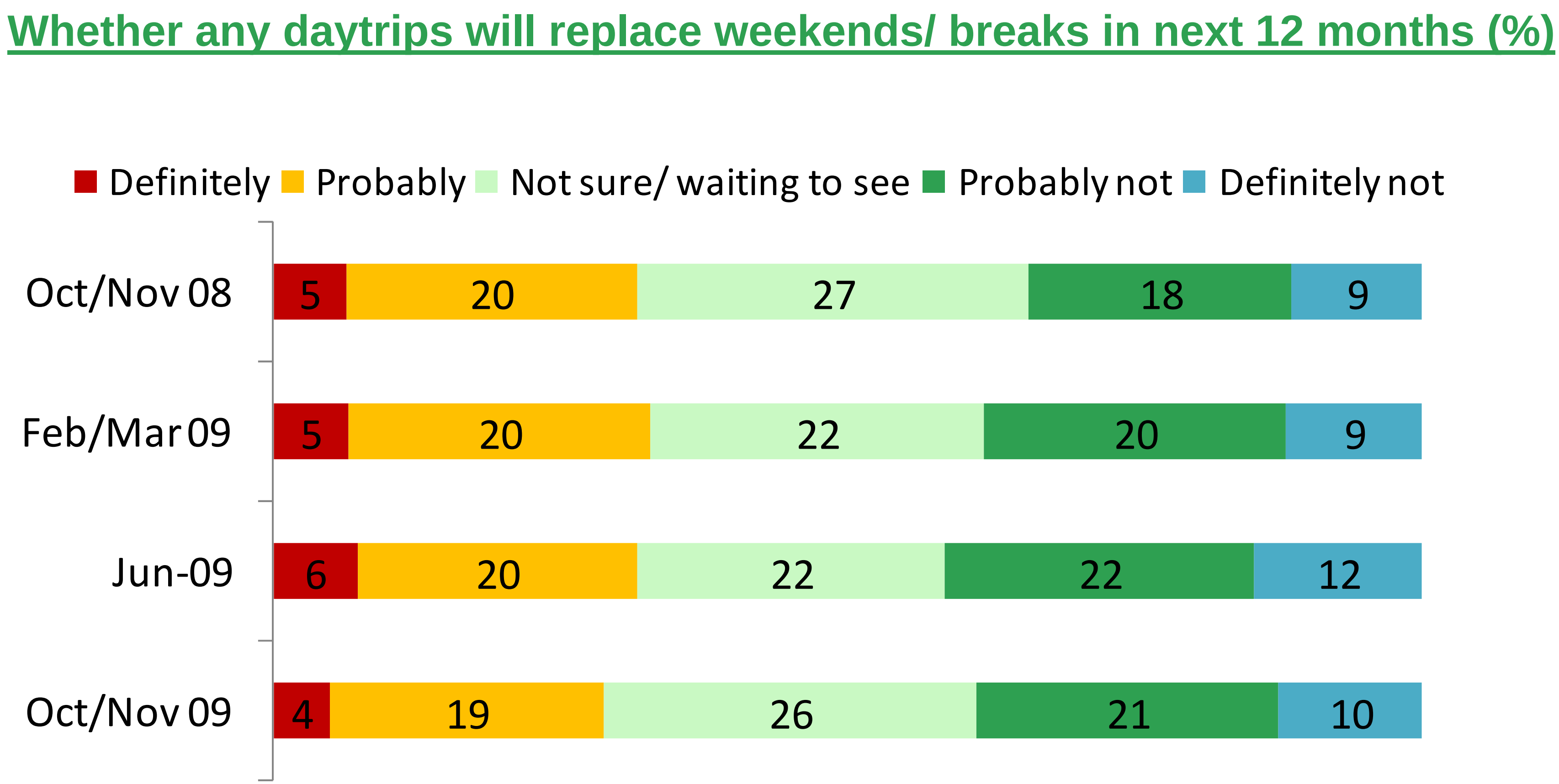
Intent re day trips to London unchanged since June, but lower % than June intend taking day trips to rest of UK (same as last October – there may be some seasonality in responses)

Summary of Holiday intentions over next 12 months *(June 09 charted)*



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?

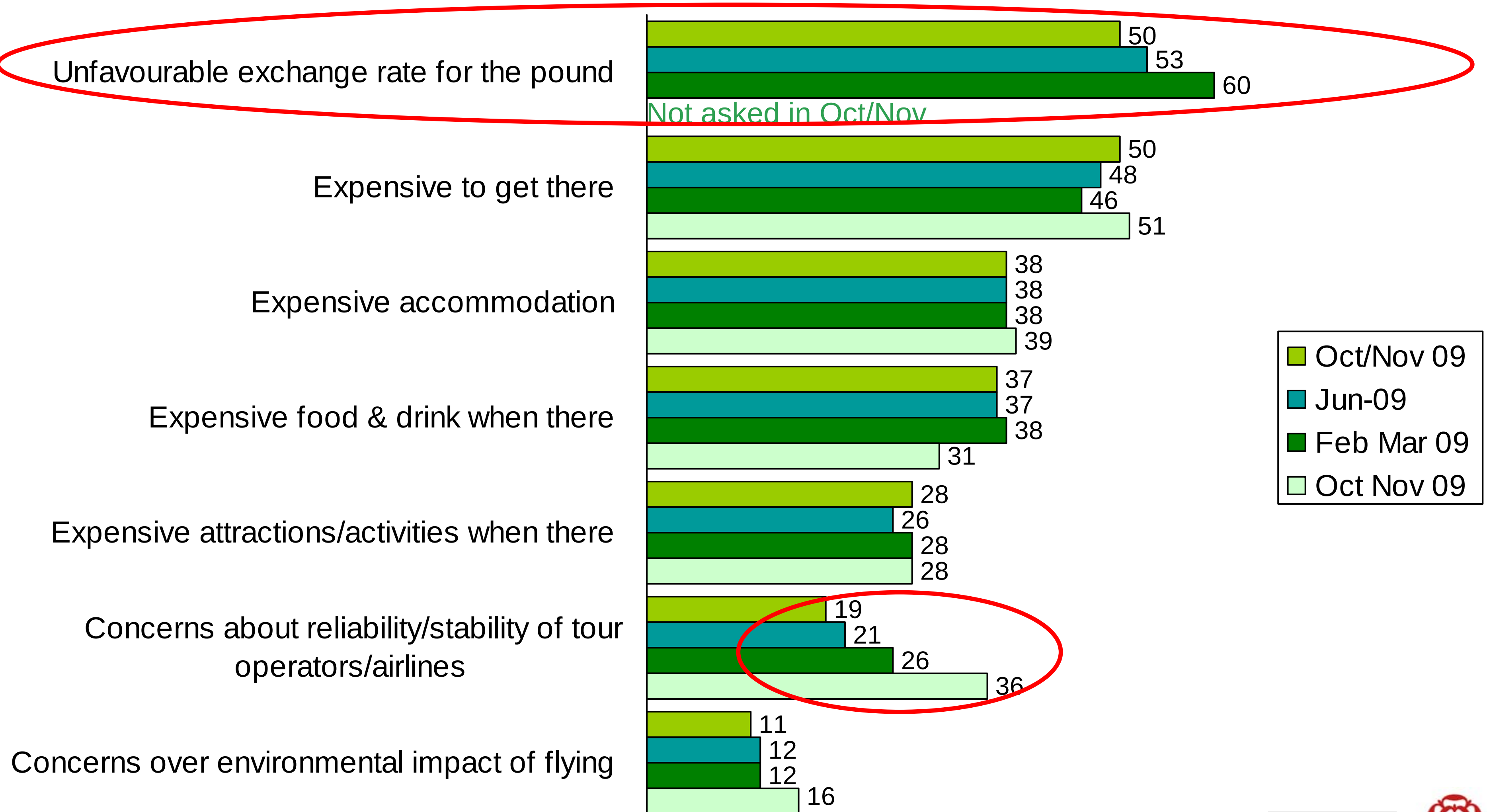
One in four continue to feel that daytrips will replace weekends/ shortbreaks in next 12 months



Q26a Would any daytrips be replacing weekends or shortbreaks that you might otherwise have taken?
Base: Re-percentaged to All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007, Wave 4: 1005) Differences of c 5% are significant)

The key barrier to holidays abroad continues to be the unfavourable exchange rate and cost of getting there. Concern over airline/ operator stability continues to diminish

Off-putting factors in taking holidays/ breaks ABROAD (%)



Q28. Which, if any, of the following puts you off taking holidays/short breaks/daytrips abroad nowadays?
Base: All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007) Differences of c 5% are significant)




Summary

To sum up:

1. Continued decreasing concern over economic climate, with 1 in 4 now feeling the worst is behind us, and approaching 4 in 10 feeling economic recovery will start within a year

2. Little change in proportion feeling affected by downturn or modifying behaviour as a result, but a shift among those not yet affected, towards feeling that they will NOT be affected

3. Holiday intentions largely unchanged from June, though slightly lower proportions plan to cut spend on holidays taken. Indications are that overseas breaks continue to be worse affected than domestic trips.

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