VisitEngland & Visit London

The Economic Downturn

Impact on Domestic Tourism
Wave 3 – June 2009

VISIT LONDON
VISITLONDON.COM

VisitEngland

Our research aims

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

VISIT LONDON
VISITLONDON.COM
VisitEngland

Research Outline

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

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

- Quantitative phases in late October/ early November 2008, key coverage repeated in 23rd Feb-3rd March 09 and 22nd – 30th June 09
  - 1000 online interviews; 15 minute mainstage questionnaire, 10 minute tracking questionnaire
  - GB population

Quantitative Phase Sample – Demographic profile

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

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

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

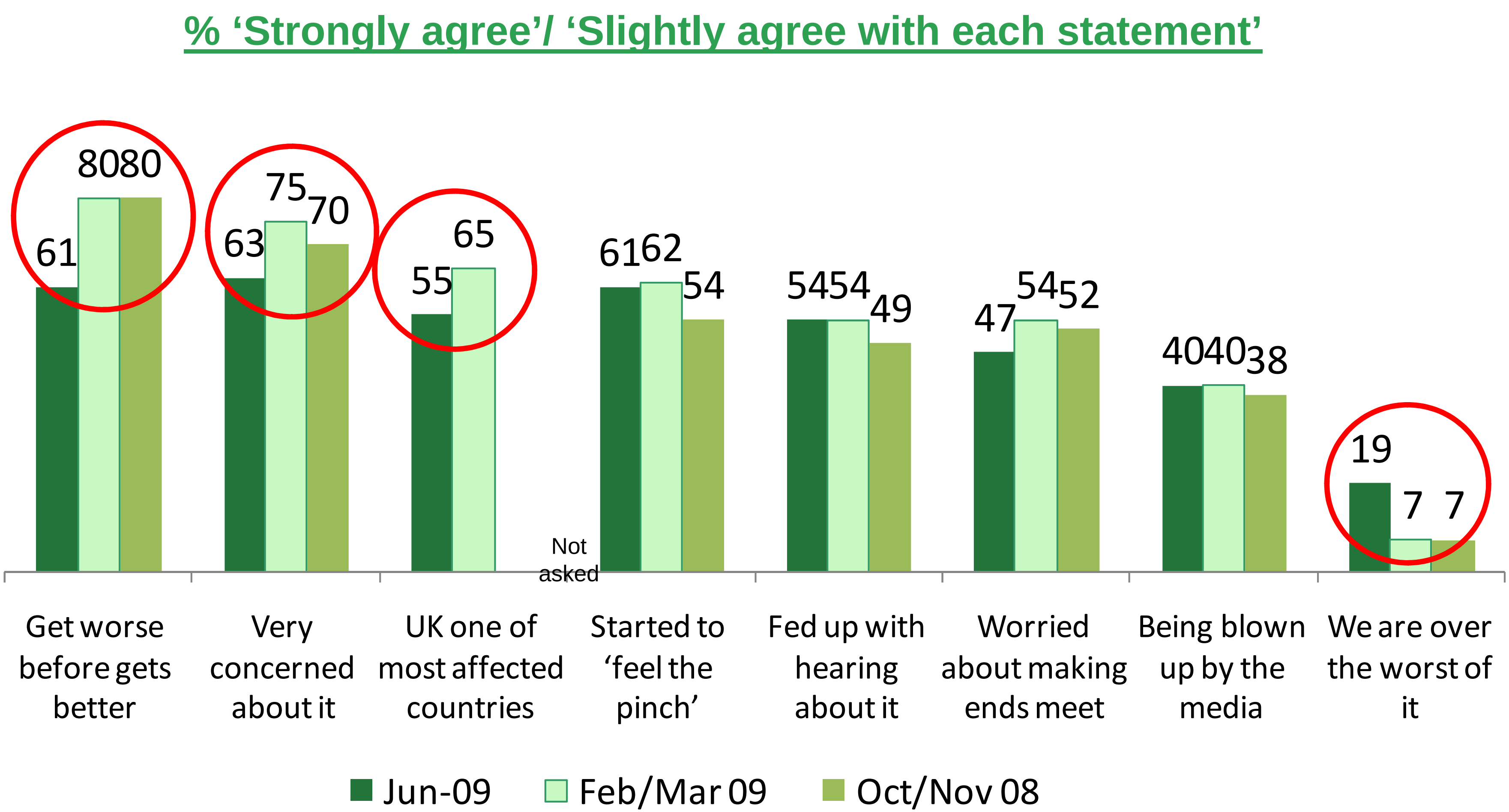
	Sampled %	Weighted to:
North East	6%	4%
North West	9%	12%
Yorkshire & The Humber	7%	9%
East Midlands	6%	7%
West Midlands	7%	9%
East of England	7%	10%
London - (within zones 1-3)	15%	6%
- other	15%	6%
South East (exc London)	11%	14%
South West	7%	9%
Scotland	5%	9%
Wales	5%	5%

The Economic Climate and How it is Affecting Lives

VISIT LONDON
VISITLONDON.COM

VisitEngland

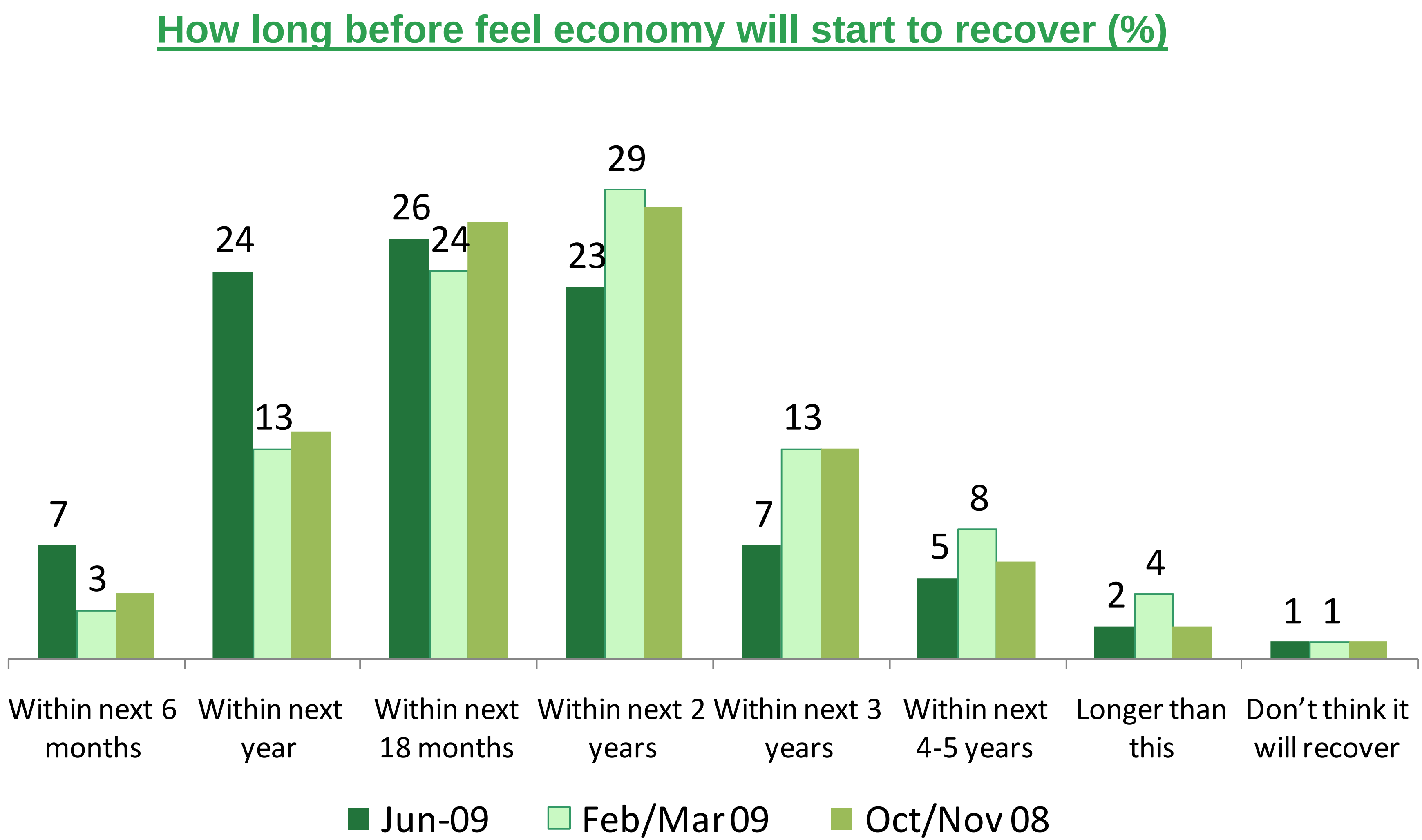
Concerns over economic downturn decreased sharply since Feb/Mar; 1 in 5 now think worst is over



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 Differences of c 5% are significant)

VISIT LONDON visitlondon.com VisitEngland

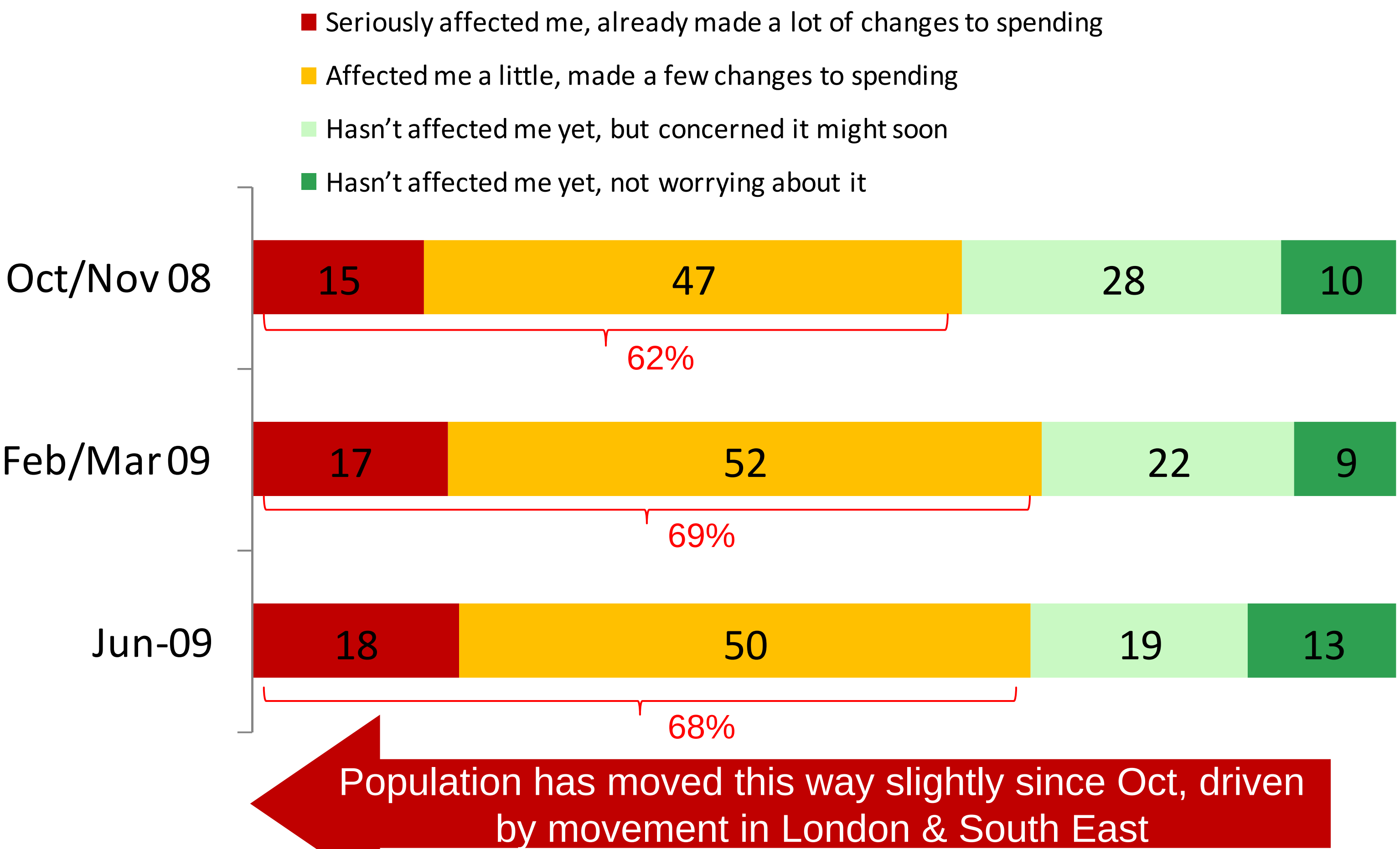
Increased optimism; 3 in 10 (31%) think the economy will start to recover within the next year (was 16%)



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) Differences of c 5% are significant)

Little change in proportion feeling affected by downturn since Feb/Mar or modifying behaviour as a result

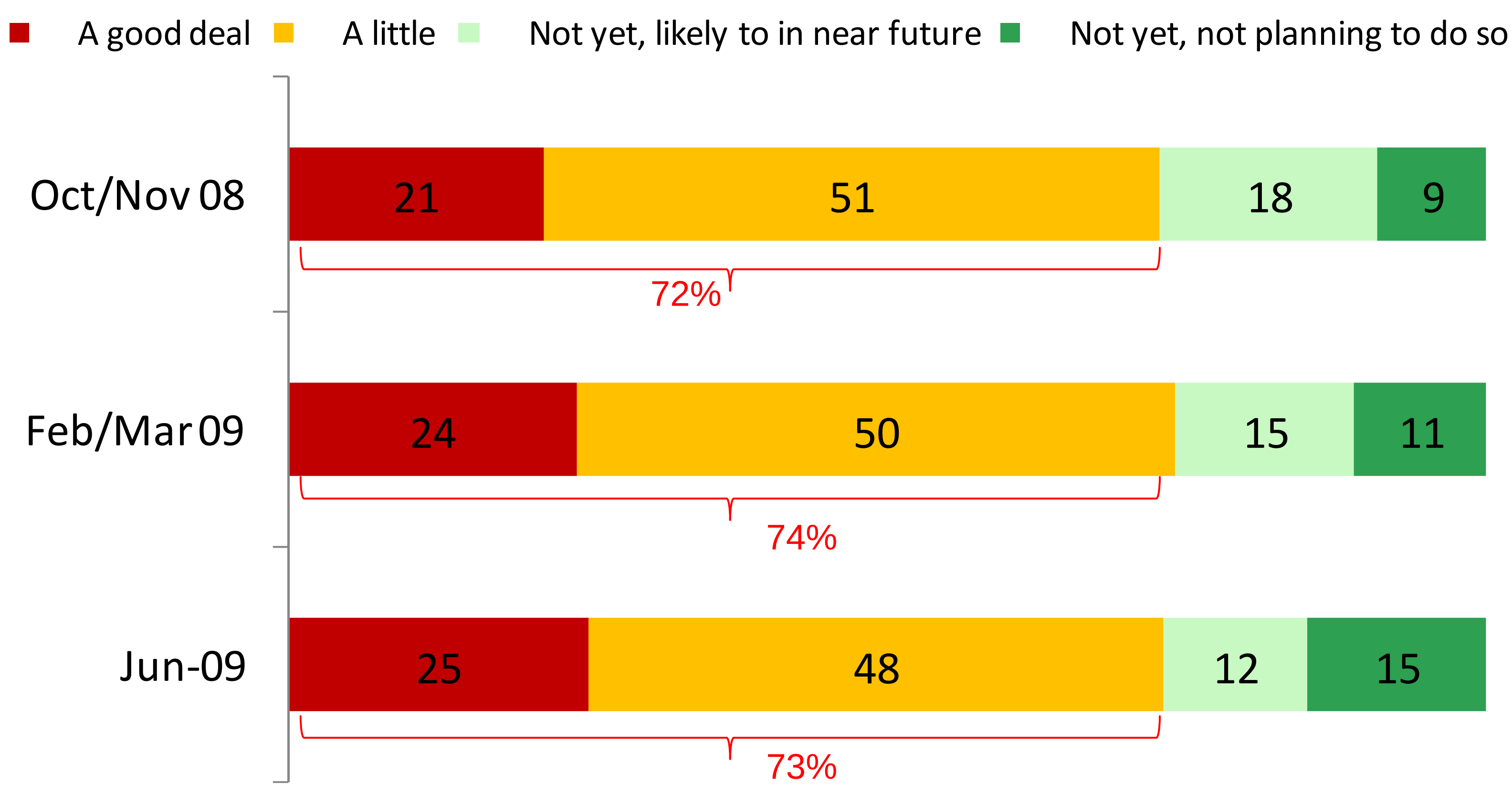
Impact of economic downturn (%)



Q3. Which of the following best describes your feelings about the economic downturn or credit crunch?
Base: All (Wave 1: 1030, Wave 2: 1019, Wave 3: 1007) Differences of c 5% are significant)

No change in proportion cutting back on spend, but an increased proportion do not expect to start doing so

Extent to which cutting down spend (%)

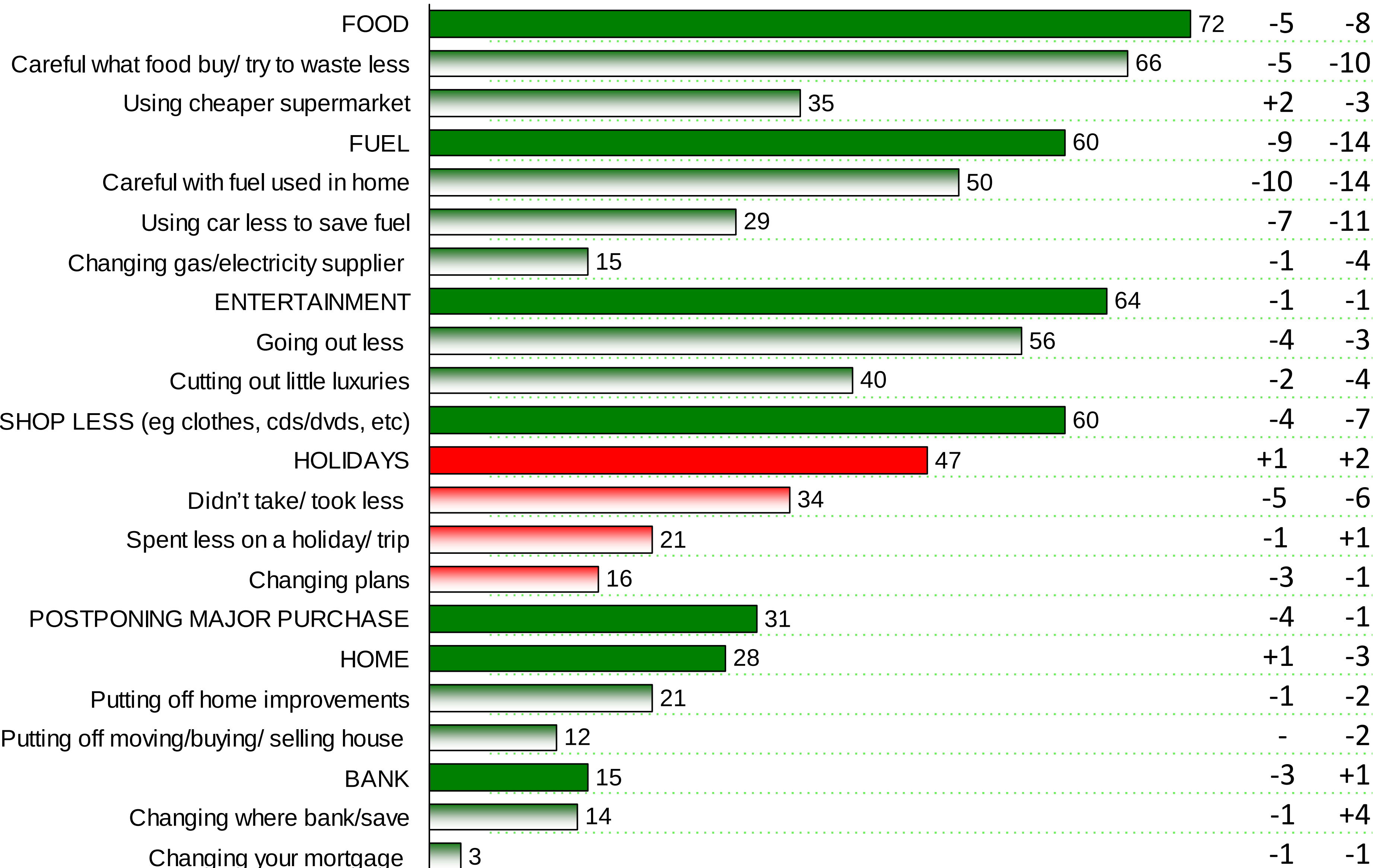


Q4b. As a result of the current economic climate, are you cutting back on your spending?
Base: All (Wave 1: 1030, Wave 2: 1019, Wave 3: 1007) Differences of c 5% are significant)

Cut backs made/ planned on holidays largely unchanged from Feb/Mar

How cutting back/planning to cut back on spend (%) – June 09 figs

% pts change from Feb/Mar Oct/Nov



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

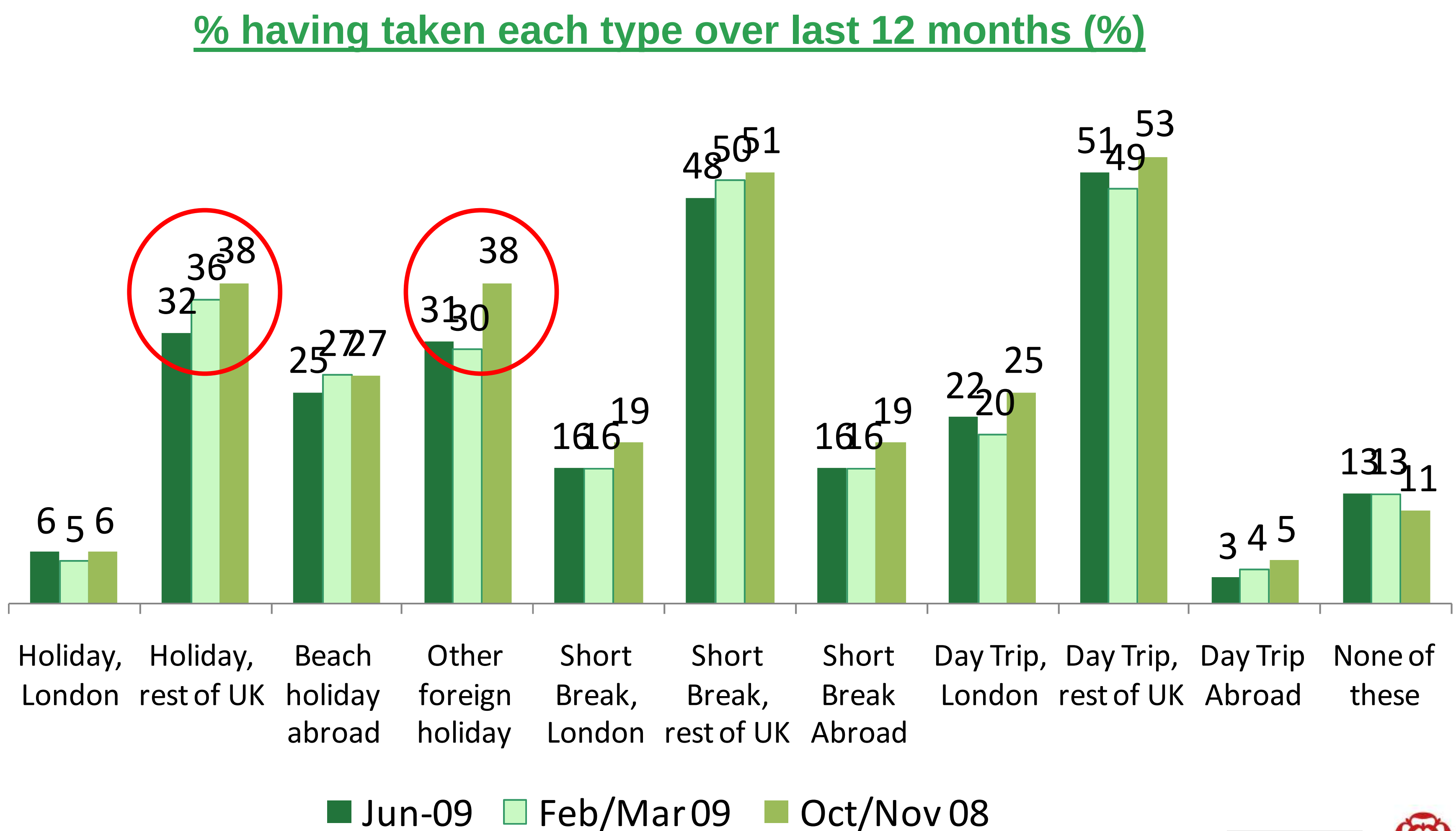



Impact on Holiday Attitudes and Behaviour

VISIT LONDON
VISITLONDON.COM

VisitEngland

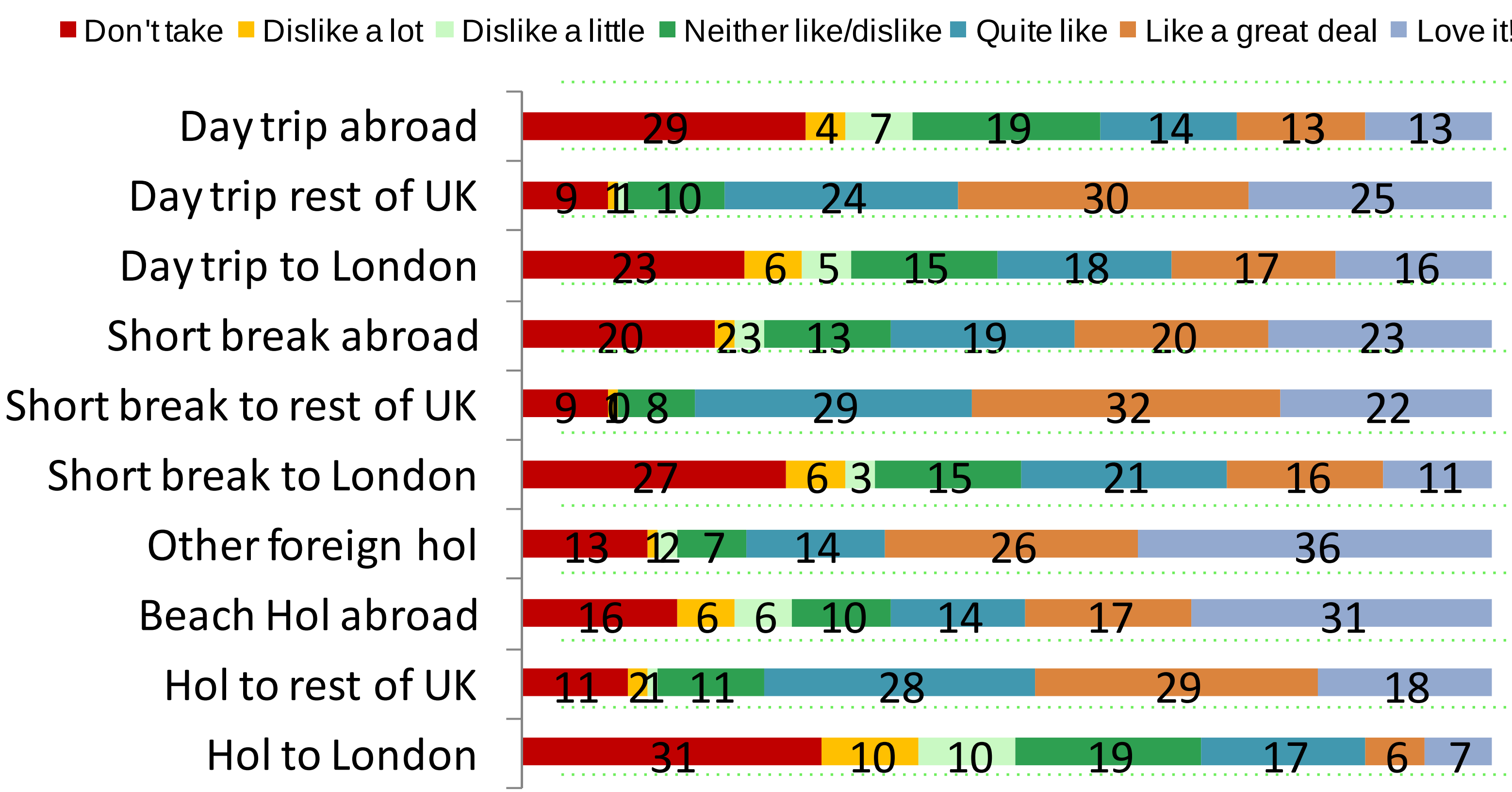
Slight drop in % having taken all holiday types in last 12 months since Oct/Nov, but especially longer holidays abroad or in UK



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) Differences of c 5% are significant)

Slight increase in % really *liking* longer holidays within UK, but slight decrease in appeal of short London break

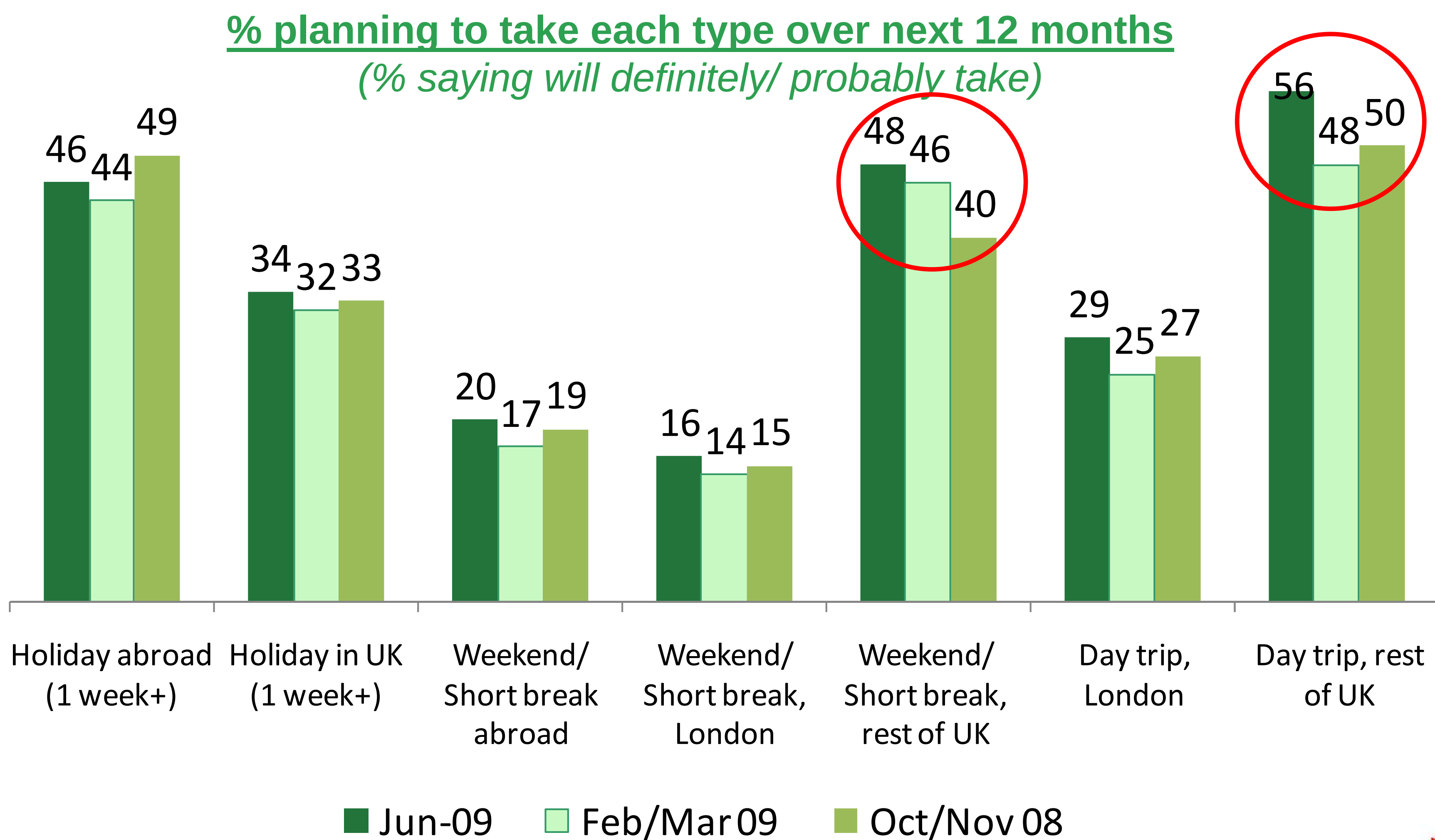
Extent of liking/ disliking holiday types



% Love it/ Like a great deal	June	Oct/Nov
Day trip abroad	26	27
Day trip rest of UK	55	56
Day trip to London	33	33
Short break abroad	43	40
Short break to rest of UK	54	55
Short break to London	27	31
Other foreign hol	62	64
Beach Hol abroad	48	47
Hol to rest of UK	47	43
Hol to London	13	16

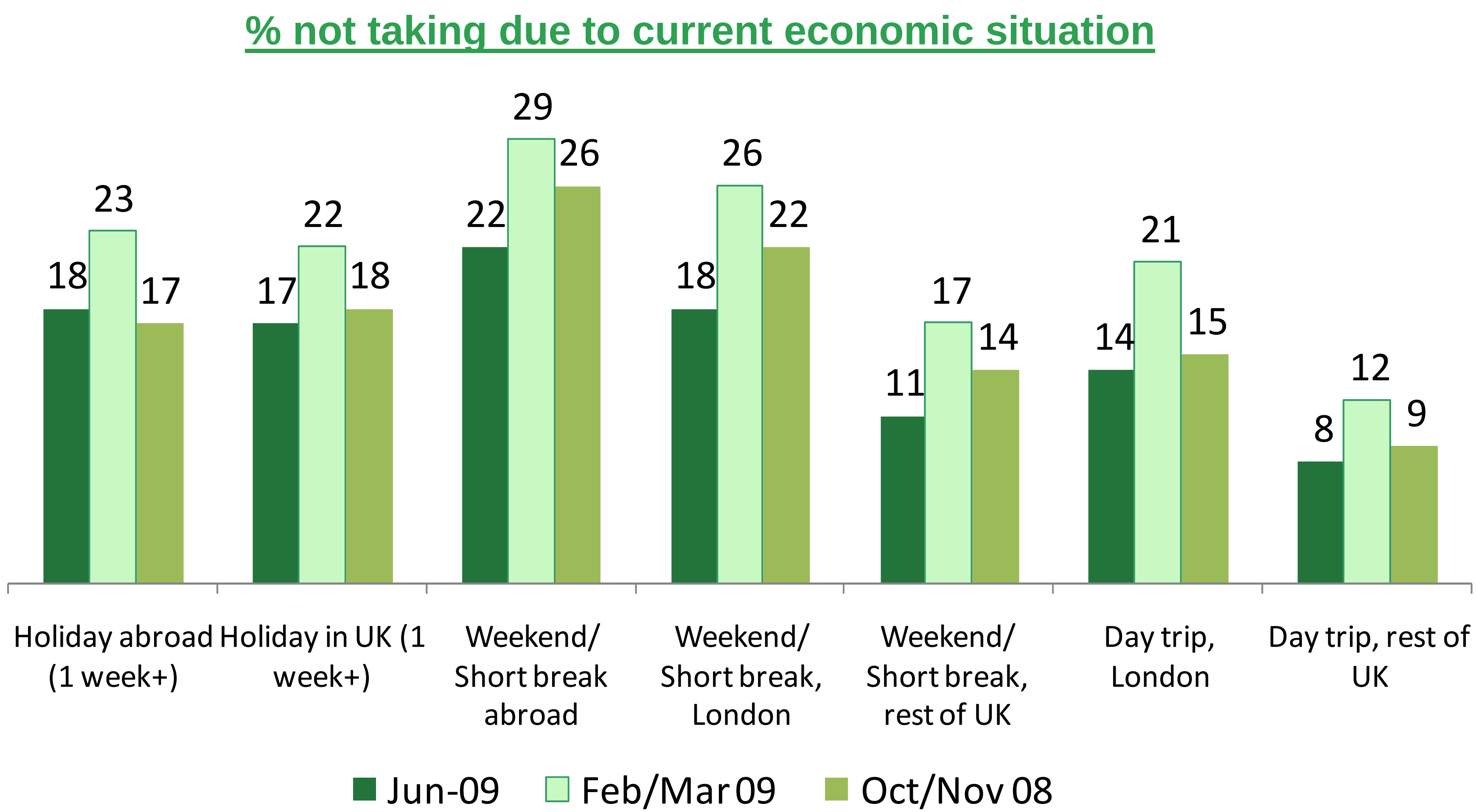
Q7 How much do you like or dislike each of the following types of holidays/ trips?
Base: All (Wave 1: 1030, Wave 3: 1007) Differences of c 5% are significant) (NOT ASKED IN FEB/MAR WAVE)

Increase in % planning to take shorter trips, particularly day trips within UK; continued trend to short UK breaks



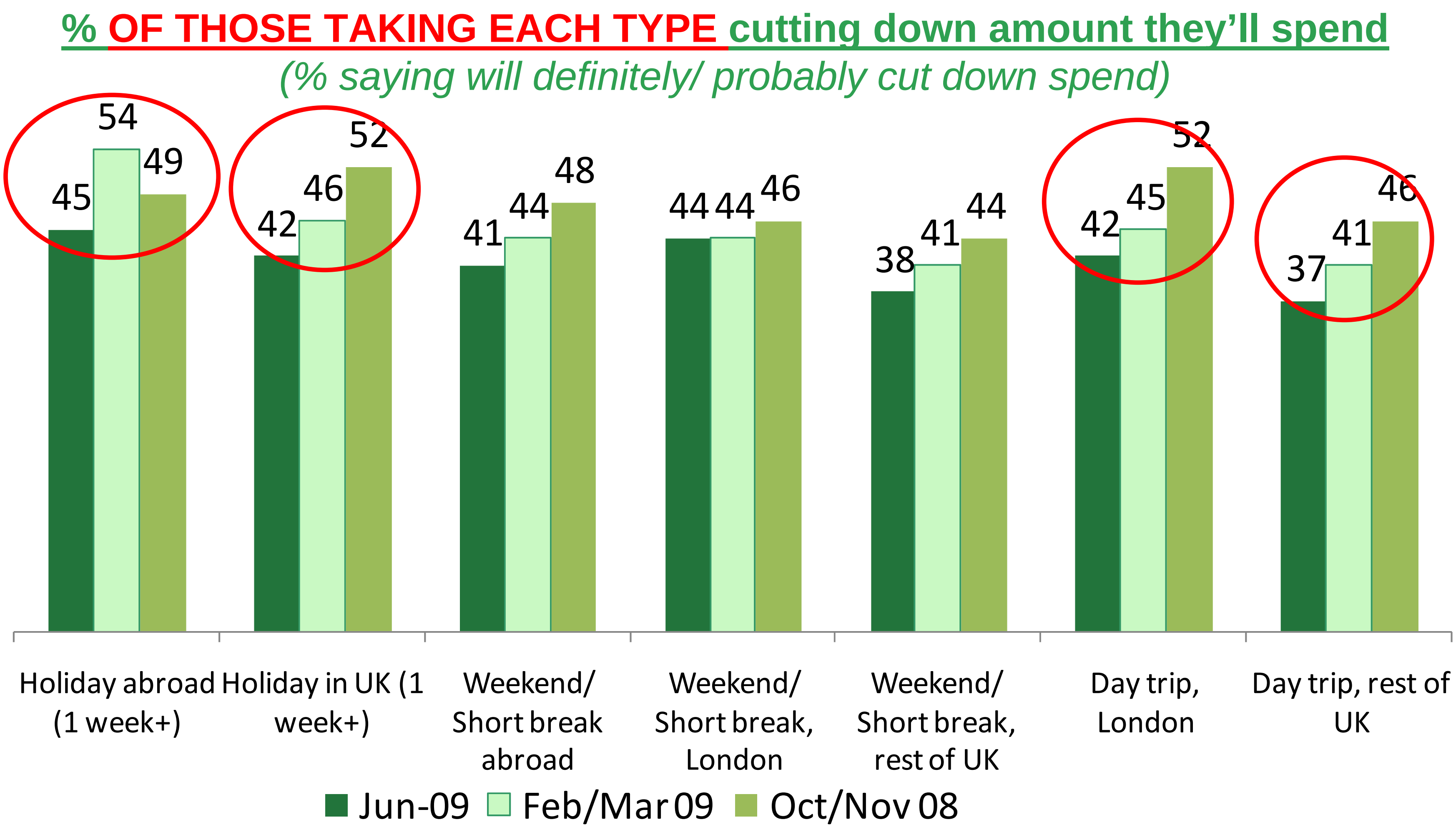
Q12/Q19 Will you be taking these holidays/ breaks/ days out in next 12 months?
Base: All (Wave 1: 1030, Wave 2: 1019 Wave 3: 1007) Differences of c 5% are significant)

Sharp drop since Feb in % not taking holidays of all types due to economic climate



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)
Differences of c 5% are significant)

Continued fall in % planning to CUT expenditure on holiday taking



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), circled in chart

Accommodation and food & drink remain key targets for cutting holiday spend

WAYS IN WHICH CUTTING DOWN SPEND ON HOLIDAYS	June 09 %	Difference in % pts from Feb Mar 09	Difference in % pts from Oct Nov 08
NET: Save money on accommodation	**42**	**-4**	**-3**
Look for special offers on accommodation	*32*	*+2*	*-1*
Stay with family/friends	*19*	*-2*	*-3*
Use cheaper hotel/ accommodation	*21*	*+1*	*-*
NET: Save money on food and drink	**40**	**-3**	**-5**
Go self-catering	*22*	*-2*	*-3*
Eat out less	*20*	*-*	*-5*
Use cheaper cafes/ restaurants	*18*	*+1*	*-1*
Look for all-inclusive holiday	*17*	*+3*	*-1*
Take own food eg sandwiches	*17*	*+3*	*-1*
Have take-aways instead of eating out	*9*	*-1*	*-3*
NET: Go to a different place/country than usual/hoped	**35**	**-2**	**-12**
UK instead of abroad	23	-	-4
Different country, still abroad	14	+2	+4
Abroad rather than the UK	11	-	5

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) Differences of c 5% are significant)

VISIT LONDON VISITLONDON.COM

VisitEngland

Other areas targeted for holiday spend savings remain similar to previous waves

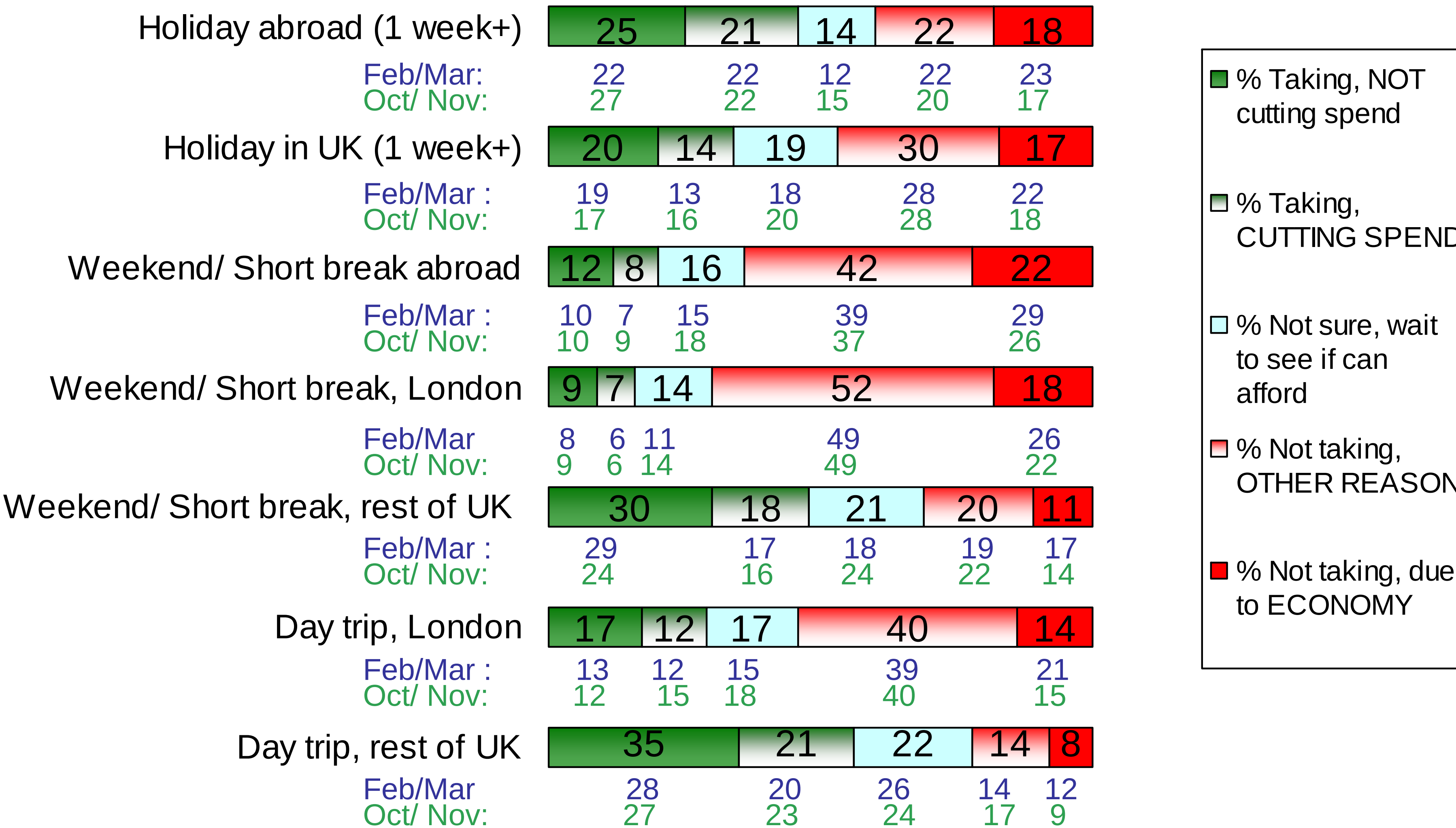
WAYS IN WHICH CUTTING DOWN SPEND ON HOLIDAYS	June 09 %	Difference in % pts from Feb Mar 09	Difference in % pts from Oct Nov 08
NET: Spend less on other things	34	-1	-5
Do more free activities	*22*	-	*-5*
Spend less on other purchases/ shopping	*23*	*+2*	*-3*
Go to more free attractions	*23*	*+2*	*-1*
Go to fewer activities/attractions with entrance fees	*22*	*+2*	*-5*
Go to fewer shows/evening nights out	*16*	-	*-5*
Spend less on transport while there	*13*	-	*-1*
Look harder for special offers/deals	32	-	-3
Go at a cheaper time of year	25	-2	-3
Not take as many	29	+3	+1
Save money on transport to destination (go different way, book earlier, use cheaper airline)	27	+2	+1
Spend time planning to get best price	22	-2	-3
Book later/ last minute offers	18	-	+1
Book through different company (cheaper/ direct)	18	-	+2
Go for a shorter time	17	+2	+2
Book earlier	12	-1	-2
Go nearer home to save cost of getting there	14	+3	+1

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) Differences of c 5% are significant)

VISIT LONDON VISITLONDON.COM

VisitEngland

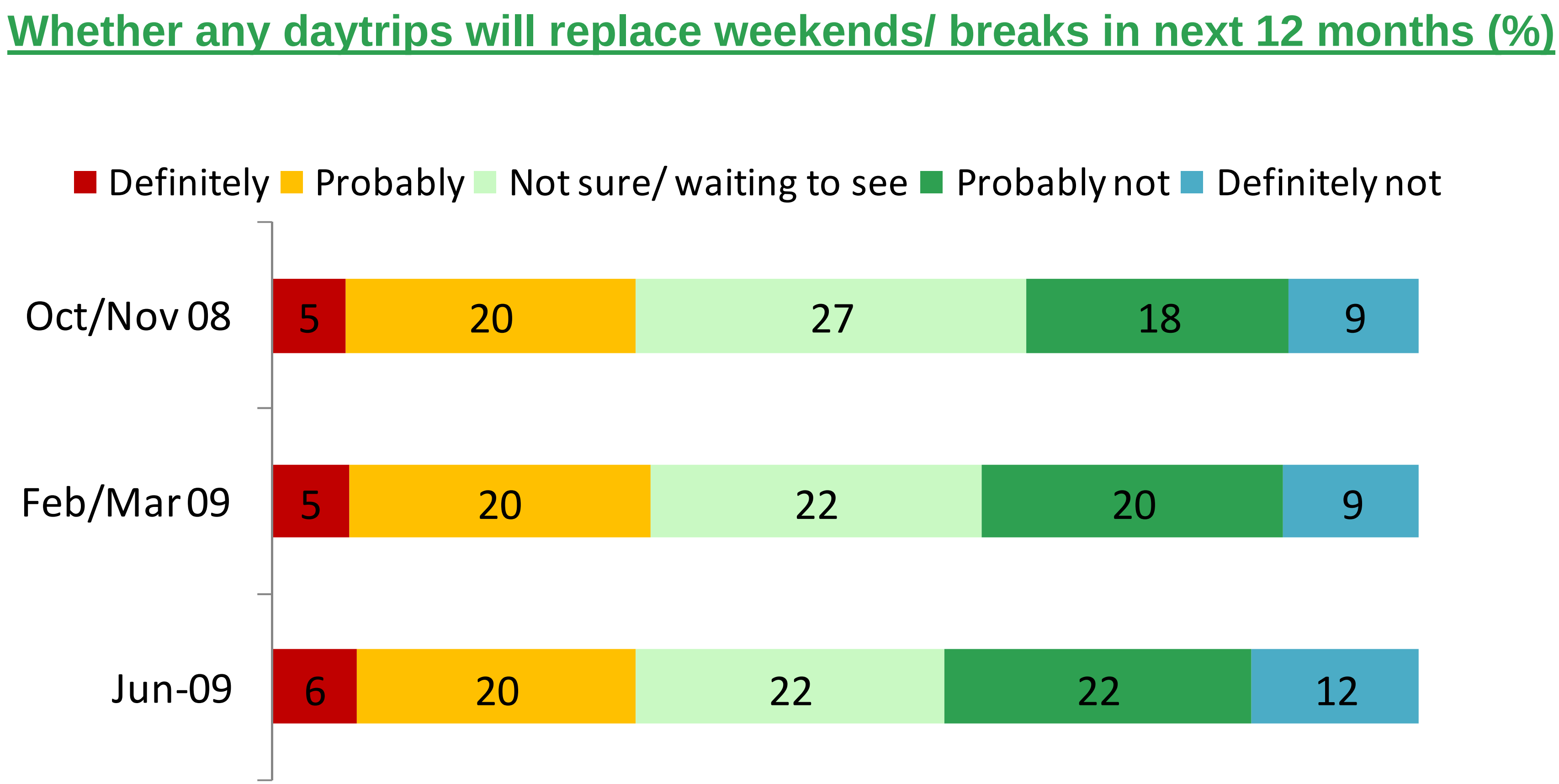
Summary of Holiday intentions over next 12 months
(June 09 charted)



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?

VISIT LONDON VISITLONDON.COM VisitEngland

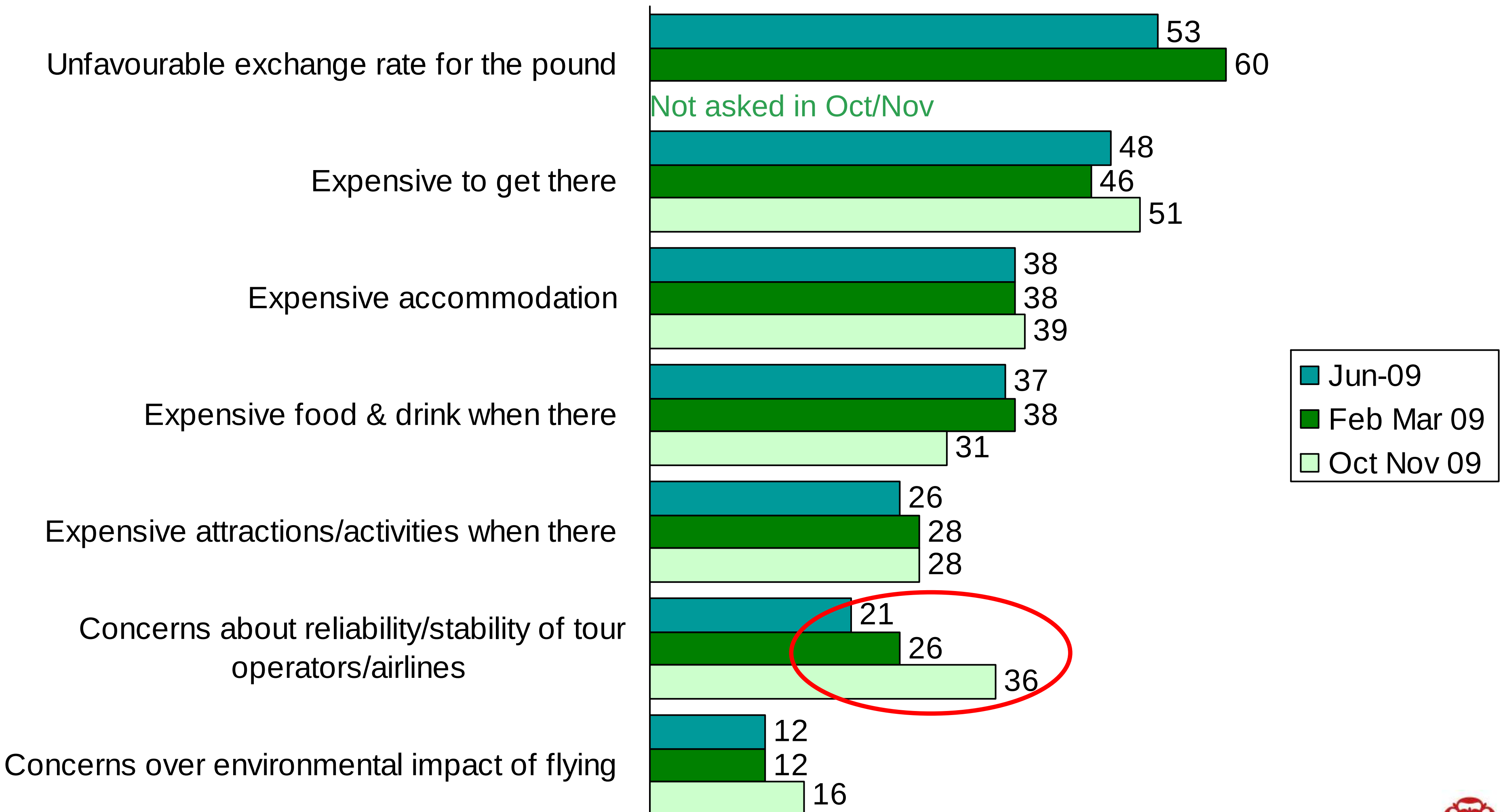
One in four continue to feel that daytrips will replace weekends/ short breaks in next 12 months



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) Differences of c 5% are significant)

The key barrier to holidays abroad continues to be the unfavourable exchange rate. Concern over airline/ operator stability has diminished further

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

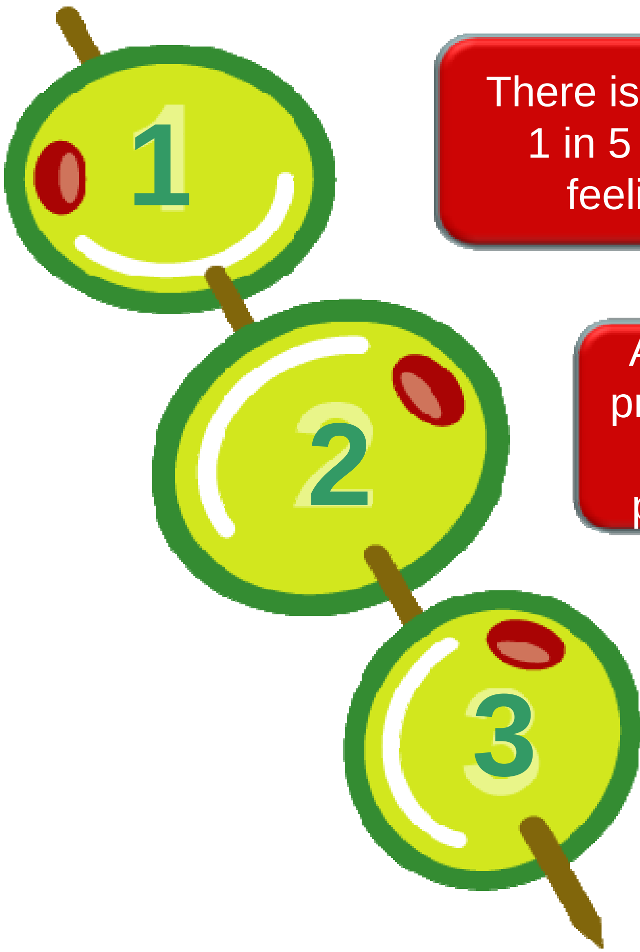


Q28. Which, if any, of the following puts you off taking holidays/short breaks/daytrips abroad nowadays?

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

Summary

To sum up:



There is decreasing concern over economic climate, with 1 in 5 now feeling the worst is behind us, and 3 in 10 feeling economic recovery will start within a year

As a result, there is little change since February in proportion feeling affected by downturn or modifying behaviour (though important to note that the proportions doing so have not reduced since Feb)

Cutbacks made/ planned on holidays largely unchanged from Feb/Mar, though the uplift in UK short break planning continues, while UK day trip propensity has increased. Exchange rate slightly less of a barrier to overseas travel than earlier in the year, but still a significant influence

VisitEngland & Visit London

The Economic Downturn

Impact on Domestic Tourism
Wave 3 – June 2009

VISIT LONDON
VISITLONDON.COM

VisitEngland