

England Attractions Monitor

Quarter 4 Report

October – December 2010

Prepared for



bdrc
continental

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Background, objectives & methodology



Background, objectives & methodology

In January 2006, VisitEngland commissioned BDRC Continental to launch and manage the **England Attractions Monitor**, an online panel to help provide the attractions industry with rapid feedback on current trends in visits to attractions in England.

Objective to create a panel of **c.600 attractions** comprising:

- c.300 individual attractions recruited online, with geographic spread across England
- c.300 English Heritage/National Trust properties (with visit admissions data for each property provided centrally)

During the fourth 2010 quarterly period (October – December), **600 attractions** provided data, consisting of:

- 319 individual attractions recruited online;
- 281 English Heritage/National Trust properties (admissions data only)

A cross-section of attractions was recruited according to type, size and free/paid admission. Comparisons in visitor admissions figures are always made among constant samples where appropriate.

Regional Tourism Organisations also have the opportunity to enhance the survey within their region by boosting sample sizes to enable them to analyse their own results in greater detail. There is also the facility for regions to add bespoke questions.

Quarter 4 2010:

Summary of findings



Quarter 4 2010: Summary of findings (I)

By way of context, the weather during Q4 was mild to start with but becoming extremely cold from late November onwards. October was generally warm, but with higher than average rain early and late in the month. Most of November was unsettled, characterised by rain, generally mild in the first half, turning much colder in the last week, with significant snowfalls. December was an exceptionally cold month, with almost everywhere seeing snow.

2010 has largely been a year of visit stabilisation following a strong increase during 2009, on the back of the staycation phenomenon. The continuation of staycations in 2010 and decline in visits abroad has resulted in visits not falling back significantly. In Q4 2010 visits only dropped slightly to -1%, driven solely by a poor December (-15%), when visits suffered due to the extreme cold weather. However visits in October (+2%) and particularly, November (+7%) increased.

London (+6%) and the North West (4%) experienced the strongest growth in admissions this quarter, along with urban attractions (+3%).

Overall business performance and level of satisfaction tends to reflect the fact that most attractions could not exceed the heady heights of 2009 in 2010, but have not fallen back significantly. Three quarters (72%) were satisfied with their 2010 performance, but only 12% 'very satisfied'. A notable quarter were not satisfied.

Quarter 4 2010: Summary of findings (2)

Attractions remain generally cautious about the immediate future. Although attractions are fairly bullish over visitor numbers, the wider concerns over the economy have returned with a vengeance and impact upon overall business confidence. Government spending cuts and the associated job reductions, the VAT increase and the return of concerns over rising fuel/petrol prices have emerged as fresh dents to confidence and are seen as major threats in the year ahead, with the impact of reducing the public's spending power. Those continuing to invest in events, exhibitions and other site improvements tend to be the most bullish.

Nevertheless, more attractions are optimistic (62%) than pessimistic (33%) about the year ahead (although usually 'quite' as opposed to 'very'). The largest, urban and indoor attractions tend to be the most optimistic, with London and the North West perhaps the most confident areas geographically.

Attractions believe the greatest opportunities for 2011 are in their own hands – investment in refurbishment, new exhibitions or features or marketing and communications. However, some feel that there are still opportunities to be gained from the economic situation, with more visits domestically and especially the local market. Working alongside other attractions has emerged as an opportunity for a notable minority.

Times continue to be challenging for secondary spend and even more so in Q4 2010. This quarter, the proportion reporting a year-on-year decrease in secondary spend is higher than in Q3 (42% vs 35% Q3). Retail continues to struggle to a greater extent than catering.

Main Findings:

Visit Trends



Year-on-Year Quarterly Visit Trends

Following the strong recovery in visits observed during Q2-Q4 2009 (on the back of the staycation trend) which saw many attractions bounce back to a position stronger than in 2007, the first two quarters of 2010 saw visits fall back slightly, with this decline stabilising in the third quarter. In Q4 2010 visits were again similar to the strong equivalent quarter of 2009, declining only slightly (by -1%).



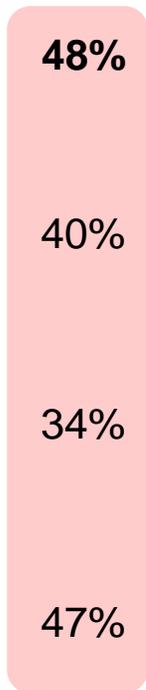
* = less than 0.5%
Base: All Q4 2010 attractions (600)

Quarter 4 (Oct-Dec): Visit Trends 2009-2010

The fourth quarter of 2010 saw an overall year-on-year decrease in visitors of -1%. However, there was considerable variation within the period, with visits decreasing by -15% during the exceptionally cold December but increasing by +2% and +7% in October and November respectively.

% Increase/Decrease in Visits

% any decrease
in visits



QUARTER 4
TOTAL

-1

October

2

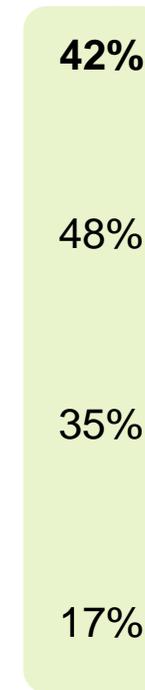
November

7

December

-15

% any increase
in visits



Quarter 4 (Oct-Dec): Visit Trends 2009-2010 – By Region

The was some notable polarisation of visit trends within Q4 2010. Both London (+6%) and North West (+4%), with their high proportions of urban attractions, performed both well in October and suffered least in December. The South East and South West also increased their visits slightly during the quarter. Yorks & Humber, North East and East Midlands reported significant quarterly declines, with each suffering particularly during the cold December.

Region	Total Qtr 4 Change (%)	Oct Change (%)	Nov Change (%)	Dec Change (%)
TOTAL ENGLAND (600)	-1	2	7	-15
North East (45)	-8	-1	-14	-30
North West (66)	4	9	4	-7
Yorkshire & The Humber (60)	-9	-6	-5	-25
East Midlands (55)	-8	-7	4	-22
West Midlands (46)	-2	3	*	-16
East of England (67)	-1	3	*	-16
London (34)	6	12	9	-7
South East (117)	1	*	23	-17
South West (110)	3	4	19	-18

* = less than 0.5%
Base: All attractions (600)

Quarter 4 (Oct-Dec): Visit Trends 2009-2010 – By Attraction Category

Strongest performance by other historic properties (primarily outdoor monuments and abbeys) in the Q4 period, driven by a small number of positively performing sites in October which did not suffer as many other attractions in December. Admissions at museums/art galleries and historic houses/castles also held up whilst visits to wildlife attractions and visitor/heritage centres (both -11%) fell most notably. The increase in gardens during November was driven by a very strong performance at a single major garden.

Attraction Category	Total Qtr 4 Change (%)	Oct Change (%)	Nov Change (%)	Dec Change (%)
TOTAL ENGLAND (600)	-1	2	7	-15
Historic Houses/Castles (246)	*	2	18	-23
Other historic properties (61)	4	9	9	-12
Museums/art galleries (112)	1	8	*	-12
Gardens (44)	-3	-7	41	-26
Visitor/heritage centres (21)*	-11	-6	-6	-30
Wildlife attractions/zoos (22)*	-11	-13	*	-21
Others (94)	-1	1	2	-9

* = less than 0.5%

*CAUTION: Low base size

Base: All attractions (600)



Quarter 4 (Oct-Dec): Visit Trends 2009-2010 – By Other Segments

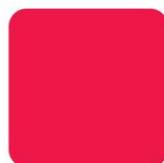
Urban based (+3%) and the smaller attractions (+4%) fared the best in Q4 period. Coastal attractions (-7%) were the hardest hit, falling back during all three months, suffering a particularly harsh December.

	Total Qtr 4 Change (%)	Oct Change (%)	Nov Change (%)	Dec Change (%)
TOTAL ENGLAND (600)	-1	2	7	-15
Visits per annum				
Over 200,000 (40)	-2	*	3	-12
100,001 – 200,000 (69)	1	1	22	-20
50,001 – 100,000 (98)	-1	1	6	-16
20,001 – 50,000 (143)	1	6	3	-20
20,000 or less (248)	4	7	6	-9
Free/paid				
Paid (486)	*	2	12	-17
Free (114)	-2	1	1	-13
Location				
Coastal (73)	-7	-2	-9	-24
Rural (344)	-2	-1	12	-19
Urban (183)	3	9	5	-10

* = less than 0.5%
Base: All attractions (600)

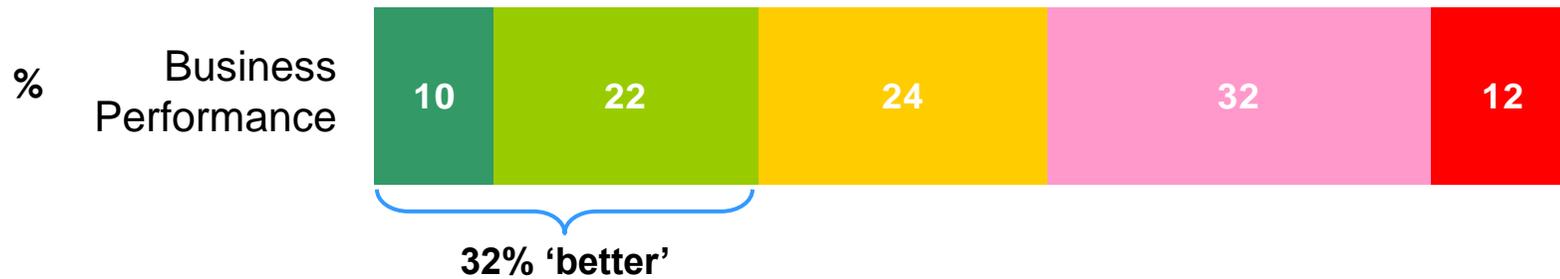
Main Findings:

Business performance
and confidence



Quarter 4 (Oct-Dec): Overall Business Performance Trends 2009-2010

More attractions this quarter felt their business performance was worse rather than better compared with Q4 2009 – 44% felt their performance was worse, whereas only 32% felt that their performance was better. Attractions based in London, North West, South East, urban attractions and museums/galleries were more likely to feel their performance had improved (corresponding to better than average visitor admissions reported by these attractions).



	% Better than 2009
London	65
North West	46
South East	38

	% Better than 2009
Urban	42
Coastal	26
Rural	26
Museums/galleries	41

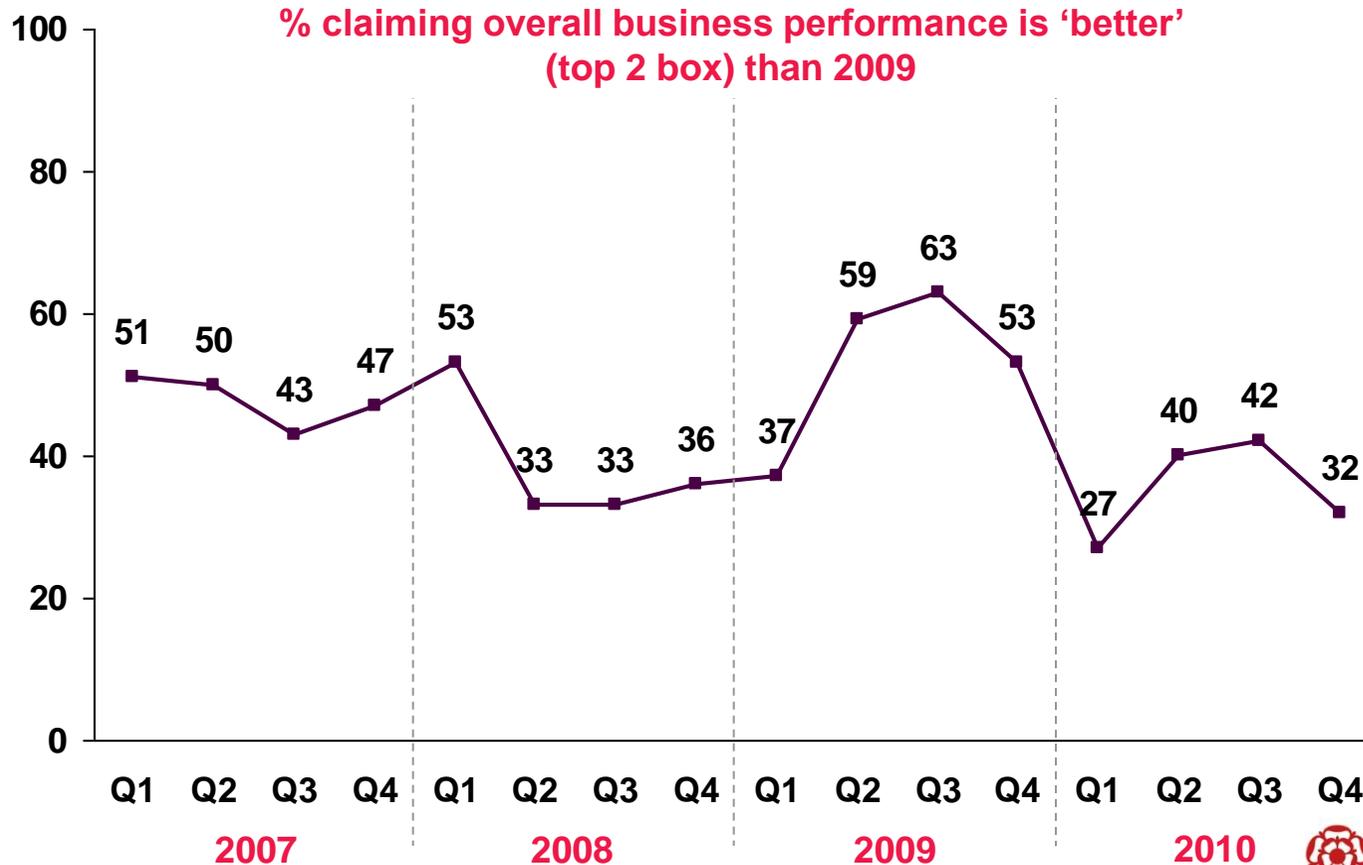
Base: Non EH/NT attractions (314)

Q. We would now like you to think about how the overall business performance of your attraction has changed in the October to December 2010 period compared with October to December 2009. Would you say that your overall business performance in the October to December 2010 period was....?



Overall Business Performance Trends

In line with the general stabilisation of visitor admissions for the most part of 2010, many attractions have found it tough to sustain business performance improvements experienced in 2009. However for both Q2 and Q3 2010, this remained higher than the level seen in the equivalent quarters of 2008. However, in Q4 2010, only 32% felt business performance in Q4 this year improved compared with 36% back in the equivalent quarter of 2008.



Quarter 4 (Oct-Dec): Overall Satisfaction with Business Performance

Despite a tough quarter for business performance, around two-thirds of attractions were satisfied with their business performance in Q4, albeit mostly 'quite' rather than 'very' satisfied. The level of overall satisfaction perhaps reflects the continued recognition of the difficulty of exceeding the performance of 2009, although the level of dissatisfaction has increased since Q3 (26% not satisfied compared with 31% in Q4). Satisfaction tended to be higher among the free and urban attractions, those based in London, North West and museums/galleries.



■ Very satisfied
 ■ Quite satisfied
 ■ Not very Satisfied
 ■ Not at all satisfied
 ■ Don't know

	% Satisfied
Free	67
Paid	62
Museums/galleries	70
Historic houses/castles	66
Urban	70
Rural	61
Coastal	57

	% Satisfied
London	82
North West	74

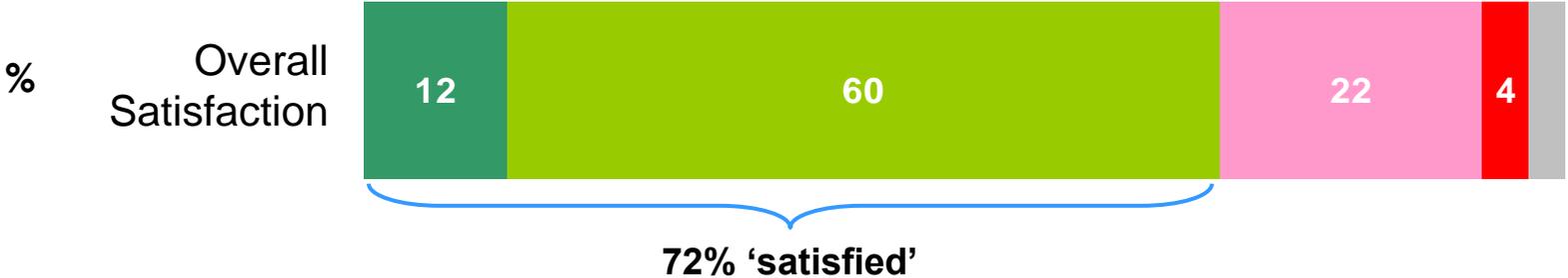
Base: Non EH/NT attractions (314)

Q. Overall, how satisfied have you been with the performance of your business this winter (October – November period)?



Satisfaction with Business Performance for 2010 Overall (Jan-Dec)

In terms of satisfaction with overall yearly performance, this increases to over 7 in 10 attractions being satisfied with their business performance for the whole of 2010 (although more often 'quite' rather than 'very satisfied'). Again satisfaction was higher among free, urban, museums/galleries as well as attractions in London, North West and South East. N.B. This is based upon attractions responding in Q4 2010.



	% Satisfied
Free	79
Paid	67
Museums/galleries	77
Urban	78
Rural	69
Coastal	62

	% Satisfied
North West	85
London	82
South East	78

Base: Non EH/NT attractions (314)

Q. And thinking about 2010 overall (January – December 2010), how satisfied have you been with the performance of your business?



Quarter 4 (Oct-Dec): Visit Expectations for Jan-Mar 2011

Similar to Q3 2010, around a fifth of attractions expect visits for forthcoming quarter to be higher than last year, especially attractions in the London, West Midlands, North East, South East, larger and urban attractions. Slightly lower proportion (19%) expect a fall in visits, although more are uncertain this quarter (8% vs 1% in Q3).



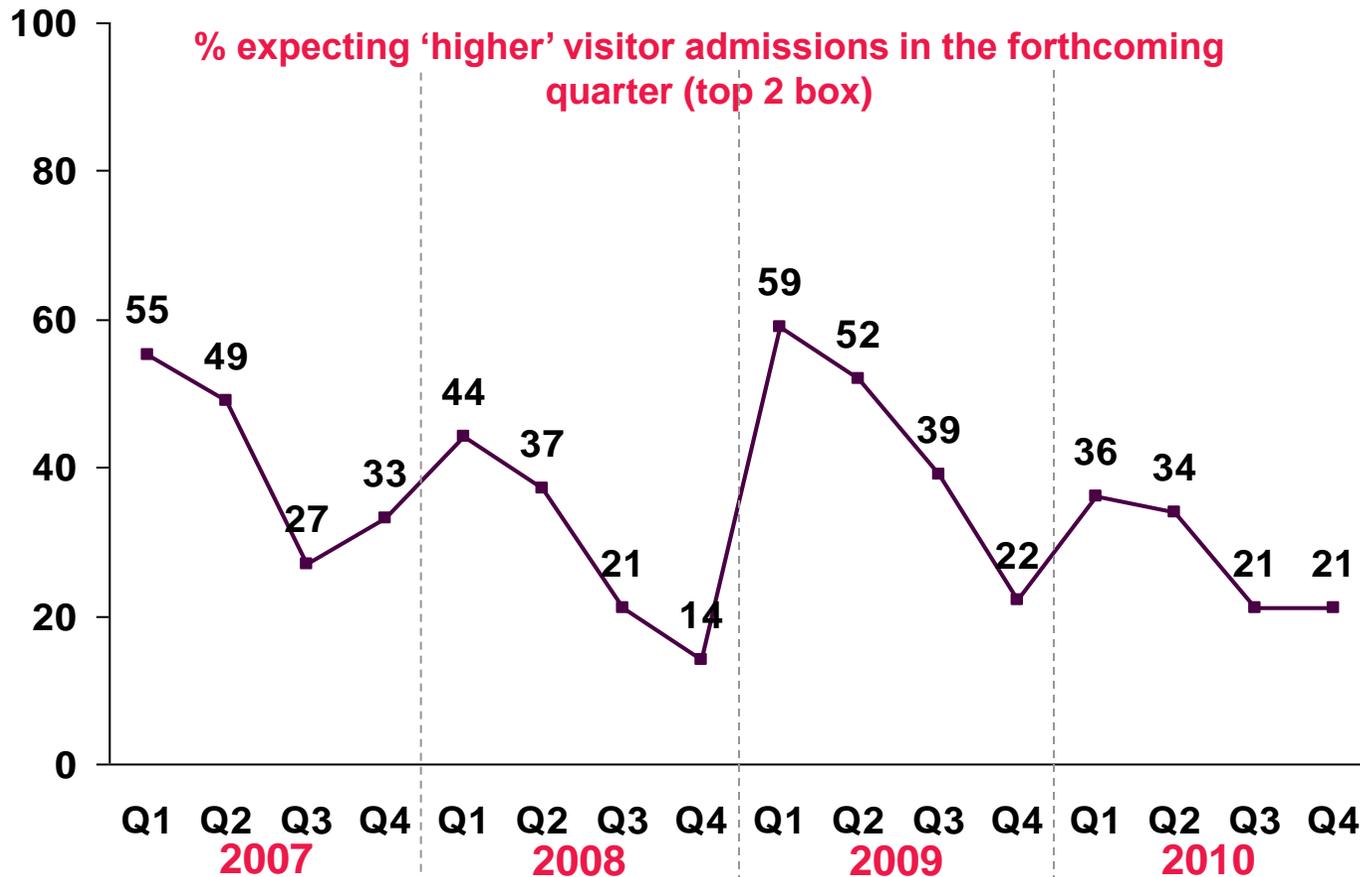
■ **Much higher than 2010**
 ■ **A little higher than 2010**
 ■ **About the same as in 2010**
 ■ **A little lower than 2010**
 ■ **Much lower than 2010**
 ■ **Don't know**

	% Higher than 2010
London	53
West Midlands	38
North East	30
South East	25

	% Higher than 2010
Under 50,000 visits p.a.	18
Over 50,000 visits p.a.	29
Urban	26
Coastal	24
Rural	18

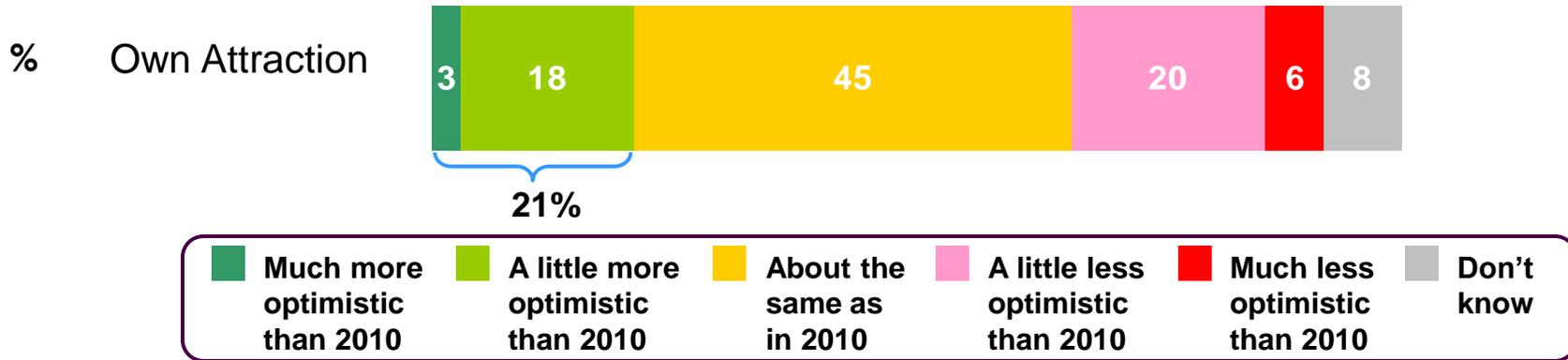
Visit Expectations Trends

Attractions tend to be more bullish about their performance for the year ahead at the start of the calendar year, with expectations diminishing as the year progresses. The first half of 2010 has seen the lowest visit expectations of the past four years in each of Q1 and Q2, reflecting the very strong performance of attractions in 2009. This has softened slightly in the second half of the year and indeed, the proportion of attractions at Q4 expecting higher admissions in Q1 the next year has increased from 14% in 2008 to 21% in 2010. A challenging business environment in Q4 does not seem to have dented confidence for 2011, at least in terms of visit expectations.



Quarter 4 (Oct-Dec): Business Confidence for Jan-Mar 2011

Although a greater proportion of attractions were expecting an increase in visits than a decrease for Q1 2011, when it comes to overall business confidence, the opposite is true. Only 21% are more optimistic than this time last year compared with 26% who are less optimistic. Indeed, looking back to the end of 2009, only 19% felt less optimistic than the previous year compared with the 26% this year. Whilst attractions are reasonably bullish about visits, they seem less confident regarding the business environment overall.



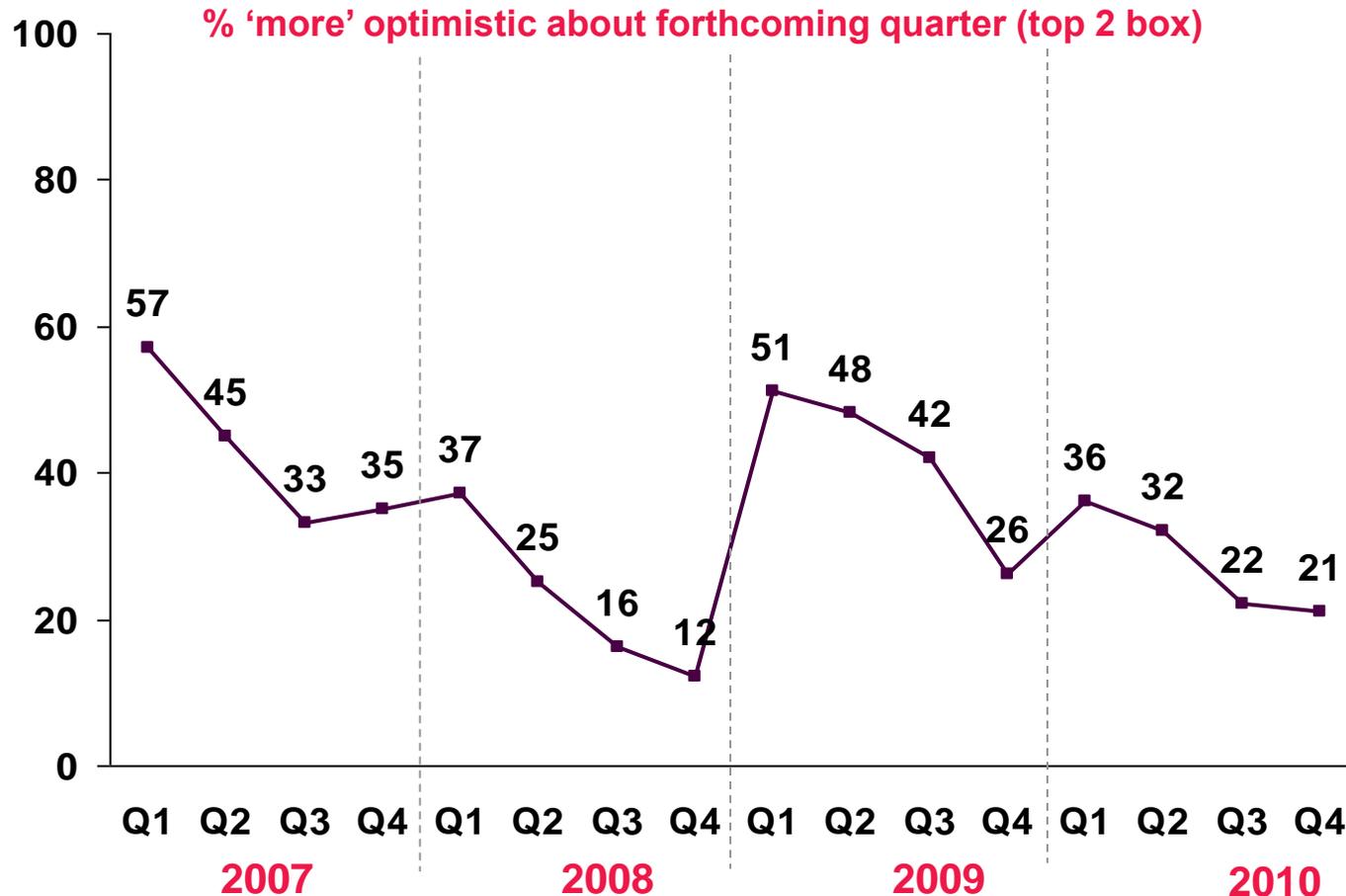
	% More optimistic than 2010
Under 50,000 visits p.a.	17
Over 50,000 visits p.a.	31

Base: Non EH/NT attractions (314)

Q. And compared with this time last year, which of these statements best describes how optimistic you feel about the business prospects for the attractions industry generally / your attraction's business prospects for the January to March 2011 period?

Business Confidence Trends (own attraction)

Overall business confidence trends also tend to start the year at high levels and decline as the year progresses. Business confidence in Q4 and for most of 2010 remains at a level higher than back in 2008.



Quarter 4 (Oct-Dec): Business Confidence for Jan-Mar 2011 (Own Attraction) – by Region

Overall pessimism outweighs optimism in Q4 2010 but this hides a mixed picture regionally. Optimism is stronger in the London, West Midlands and North East, whereas confidence is lower in the other regions, particularly the East Midlands, East and South West.

Region	% more optimistic than 2010	% less optimistic than 2010
TOTAL ENGLAND (314)	21	26
North East (23)*	48	22
North West (46)	22	28
Yorkshire & The Humber (37)	27	19
East Midlands (33)	3	39
West Midlands (21)	38	10
East (41)	5	29
London (17)*	59	6
South East (55)	24	27
South West (41)	12	34

* CAUTION: Low base sizes
Base: Non EH/NT attractions (314)

Quarter 4 (Oct-Dec): Business Confidence for Jan-Mar 2011 (Own Attraction) – by Other Segments

The largest (200,000+ visits per annum) and urban attractions appear to be the more optimistic about the forthcoming period, with coastal attractions being the most concerned.

		% more optimistic than 2010	% less optimistic than 2010
TOTAL ENGLAND (314)		21	26
Visits per annum	Over 200,000 (31)	40	21
	100,001 – 200,000 (25)*	30	27
	50,001 – 100,000 (40)	23	40
	20,001 – 50,000 (75)	21	30
	20,000 or less (141)	15	21
Free / paid	Paid (208)	18	24
	Free (106)	27	31
Location	Coastal (43)	16	44
	Rural (157)	18	26
	Urban (114)	26	20

* CAUTION: Low base sizes
Base: Non EH/NT attractions (314)

Quarter 4 (Oct-Dec): Business Confidence for Jan-Mar 2011 (Own Attraction) – by Attraction Category

Slightly stronger optimism about the upcoming quarter among historic house / castles, as has been the case in recent quarters.

Attraction Category	% more optimistic than 2010	% less optimistic than 2010
TOTAL ENGLAND (314)	21	26
Historic Houses/Castles (50)	18	13
Other historic property (14)*	29	15
Museums/art galleries (109)	22	25
Visitor/heritage centres (17)*	18	23
Wildlife attractions/zoos (19)*	14	42
Gardens (18)*	11	46
Others (87)	25	30

Quarter 4 (Oct-Dec): Reasons for Business Confidence Jan-Mar 2011 (Own Attraction) – Positives

The drivers of optimism for the forthcoming Q1 in 2011 are varied: actions taken by attractions themselves such as recent investment in improvements to events/exhibition or site generally; increased media coverage; better or increased advertising/marketing efforts; positive weather forecast; recent increase in visitors and the expectation that this will continue.

	Quarter 4
	%
Improvements to events/exhibitions/attractions	6
Refurbishments/improvements to site/investment	4
Good positive weather forecast	4
More/better PR/media/TV/radio/newspaper coverage publicity	4
Visitor number trends increased/hope it will continue	4
New/better/more advertising/marketing	4
Positive / forward advance bookings	2
Increase in domestic holiday/short break	2
Increasing interest in the area / better known	1
Increase in school/education groups / closer links with schools	1
Open all the time/throughout the year/longer opening hours	1

Verbatim – Positives

“ We have longer opening hours in this period compared to the same period in 2010 plus a much more varied programme of exhibitions and events.

We have made significant improvements to our exhibition and have taken measures to increase passing trade.

The weather has been better this month to date compared to last year which always impacts on attendance.

Re-launch of publicity material, increased partnership working, and additional exhibitions. Staff motivation is higher.

I feel that perhaps more people will be staying in the UK and economising - particularly families which we are geared to. People will still want, need to get out and about and hopefully visit UK attractions more.

Because we have managed to get some additional funding that takes the edge off the anxiety over staff costs.

With extra advertising and Royal publicity.

We have a Development Plan in place which will enable us to provide more publicity locally for events e.g. we now have our own website.

People want to forget the doom and gloom of the economy, so may be tempted to spend on days out. Also the staycation may continue to benefit attraction operators for the near.

We are being more proactive in terms of hosting special weekend events and keeping the website up to date and newsworthy.

”

Quarter 4 (Oct-Dec): Reasons for Business Confidence Jan-Mar 2011 (Own Attraction) – Negatives

A notable proportion of attractions will be closed to the public in Q1 2011 (17%) for refurbishment / works. Concerns over the economic climate have returned as the root of pessimism. Government funding cuts and the public's reduced spending power generate anxiety and there are now specific concerns over the impact of the VAT increase and petrol prices.

	%	Quarter 4
Closed for this period or for refurbishment / works		17
Economic climate/interest rates/fuel prices		13
Government funding cuts		5
VAT increase		5
Less spending power of public		4
Fuel/petrol prices		4
Poor weather/forecast		3
Visitor numbers/trends down this year		2
Lack of / declining external investment		2
Decrease in staff		2
Late Easter in 2011		2
General visitor decline		1
Shorter opening hours		1
Lack of help / promotion by Tourist Board		1
Negative forward / advanced bookings		1
Less/poorer advertising/marketing		1

Verbatim – Negatives

“*The rise in fuel duty and the increase in VAT give real concern.*

Economic climate and uncertainty about jobs etc, plus rise in fuel costs (we are in a rural location and no public transport) are likely to hit harder this year. Also with government cutbacks our RDA has had its marketing budget cut so the previous national advertising campaign has stopped...As we are surrounded by areas which still have an advertising campaign running we are likely to lose out.

Weather is a big factor for our attraction and so has affected the garden greatly also very unsure about financial implications.

The weather last year during this period was appalling which drastically affected visitor numbers. It will hopefully be better on the visitor number side but economic pressure will probably lead to a lower spend per visitor.

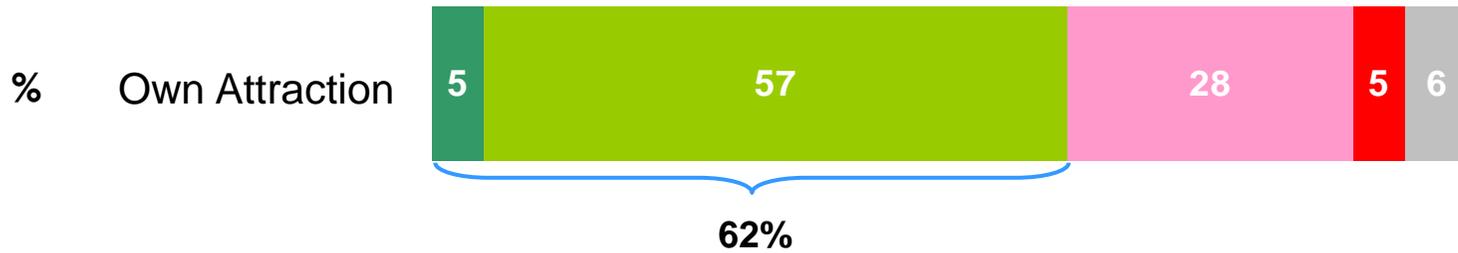
Budget cuts may have an impact on the number of schools which can afford outings to museum and economic downturn may affect internal tourism numbers.

Concerned about weather prospects this winter; will there be more periods of heavy snow. We lost 10 days in December because of snow. Also, we are concerned about the fall in people's disposable income as expenditure on days out at a zoo is an optional expense.

More than ever people are cutting back on spending, and attractions like ours are likely to be among the first 'non-vital' luxuries to be affected. The VAT increase, increasing unemployment, both lead us to find no reason for optimism at the moment.”

Quarter 4 (Oct-Dec): Business Confidence for 2011 overall

In line with the general pattern of higher optimism at the start of a year, optimism for 2011 as a whole is considerably higher than for the first quarter only (21%), with 6 in 10 attractions feeling positive – although primarily 'quite' rather than 'very' optimistic. There is a notable minority (3 in 10) feeling pessimistic about the year ahead.



Very optimistic for 2011 as a whole Quite optimistic for 2011 as a whole Not very optimistic for 2011 as a whole Not at all optimistic for 2011 as a whole Don't know

Quarter 4 (Oct-Dec): Business Confidence for 2011 overall (Own Attraction) – by Other Segments

The largest (200,000+ visits per annum) and urban attractions are the most confident about the year ahead. Whilst optimism still outweighs pessimism among coastal attractions, pessimism is the highest among this subgroup.

		% very/quite optimistic	% not very/not at all optimistic
TOTAL ENGLAND (314)		62	32
Visits per annum	Over 200,000 (31)	78	22
	100,001 – 200,000 (25)*	52	35
	50,001 – 100,000 (40)	64	36
	20,001 – 50,000 (75)	63	34
	20,000 or less (141)	59	32
Free / paid	Paid (208)	61	33
	Free (106)	63	32
Location	Coastal (43)	54	44
	Rural (157)	61	33
	Urban (114)	65	28

* CAUTION: Low base sizes
Base: Non EH/NT attractions (314)

Quarter 4 (Oct-Dec): Business Confidence for 2011 overall (Own Attraction) – by Attraction Category

Confidence for 2011 overall is highest among historic houses/castles, museum/art galleries and other historic properties.

Attraction Category	% very/quite optimistic	% not very/not at all optimistic
TOTAL ENGLAND (314)	62	32
Historic Houses/Castles (50)	68	25
Other historic property (14)*	70	21
Museums/art galleries (109)	67	28
Visitor/heritage centres (17)*	61	33
Wildlife attractions/zoos (19)*	58	42
Gardens (18)*	49	40
Others (87)	54	40

*CAUTION: Low base sizes
Base: Non EH/NT attractions (314)

Main Findings:

Hot Topics



Quarter 4 (Oct-Dec): Greatest opportunities for own attraction next year (2011)

Greatest opportunities identified by attractions for 2011 include a continued hope that the economy will benefit domestic holiday taking and increase local visits. Other opportunities tend to focus upon work being conducted by the attractions itself – refurbishment, new exhibitions/attractions and events or improved marketing and communications. 6% cited that they are working with other attractions.

	%
Local visits/Increase in domestic holiday market/short breaks	11
Refurbishment / improvements to site/investment	9
New exhibitions / additional attractions	9
More/new/better events / continue to run events	7
New/more/better marketing / website	6
Work with other attractions	6
More/better PR/media/TV/radio/newspaper coverage/publicity	4
Improve quality of attraction/customer service	4
Better value for money	4
More repeat visitors	4
Free/cheaper admissions / ticket offers	4
Increase in visits / trend is up	3
Positive forward/advanced bookings	3
Increase in school groups / closer links with education/schools	3
New/more/better advertising	3
Royal wedding / extra bank holiday	3
New/more/better activities / functions	2

	%
Increase in spend (retail / café)	2
Staffing levels high / better staff / restructure	2
Good/positive weather forecast / hope for better weather	2
General improvement / interest in area / town / city	2
Reputation / increasing interest	2
Open all time / throughout year/ longer opening hours	2
Increased visitors from Europe / overseas	2
Relocation	2
Increase in funding/grants/external investment	2
Better cash flow / increased budget	1
Business better prepared this year	1
Improvements for children / children to play	1
More support from local authority	1
More coach parties / groups	1
Olympics	1
Economic climate / interest rates	1

Base: Non EH/NT attractions (314)

What do you see as the greatest opportunities for your business next year?



Quarter 4 (Oct-Dec): Greatest *threats* to own attraction next year (2011)

By far the greatest perceived threat to business in 2011 is the economic climate, this especially the case for coastal attractions (42%). This is driven by government funding cuts (especially for free attractions – 23%), associated job cuts, the VAT increase and the decline in external funding as a result. A general feeling of declining spending power of the public and the return of concern over increasing fuel/petrol prices also pervade. Unlike potential opportunities, threats tend to be external market factors, beyond the attractions' control.

	%
Economic climate/ interest rates	30
Budget cuts/ funding cuts from government	18
Poor/ negative weather forecast/ weather been poor	15
Less spending power of the public/ less disposable income	14
Fuel/ Petrol Prices	11
Decrease in staff/ job cuts	10
VAT Increase	9
Lack of / declining external investment/funding/grants	4
Competition for visitors from other attractions	4
Transport issues / costs	4
Increase in entry prices / pricing issues	3
Building in need of refurbishment	2
Less/ poorer advertising/ marketing	2
Decrease in visitors (generally)	2
Costs/ Overheads	2

	%
Lack of help/ promotion by Tourist Board	1
Reduction in visitor/ retail spend	1
Lack of car parks/ car parking/ car parking prices	1
Closed/ part closed for refurbishment/ building	1
Refurbishment/ building works/ construction of new exhibition	1
Visitor numbers lower this year/ trend is down	1
Media coverage of health scares	1
Shorter opening hours	1
Decrease in school visits/ education	1

Base: Non EH/NT attractions (314)

What do you see as the greatest threats to your business next year?

Verbatim: Opportunities and threats for 2011 (own attraction)



Opportunities

Building on repeat visits from 2010 and increasing the workshops designed for schools.

Continuing to meet the challenge of giving customers what they want.

To gain as much free publicity as possible and negotiate on price for everything!

With less disposable income people will have more of a need to have a day out that is value for money.

We hope to work in partnerships with other attractions in the region.

We are planning a major development so we will have considerably better facilities by the end of the year, especially for education.

Extra bank holiday should bring in lots more visitors.

New facilities and attractions, new services for educational groups.

Threats

We are concerned about the risk of increasing inflation. We are a local government attraction and will be affected by the outcome of elections in May 2011.

Further reduction in visitor numbers, reduced or no core funding from the Arts Council.

Local unemployment and fall in families disposable income.

The weather! The snow had a devastating effect on our business during December 2011.

Squeeze on family income affecting visits and secondary spend.

Poor weather, new promotional activities not successful, potential disruption from redevelopment work late in year.

Being in a rural location, the biggest threat will be rising fuel costs, keeping people at home.

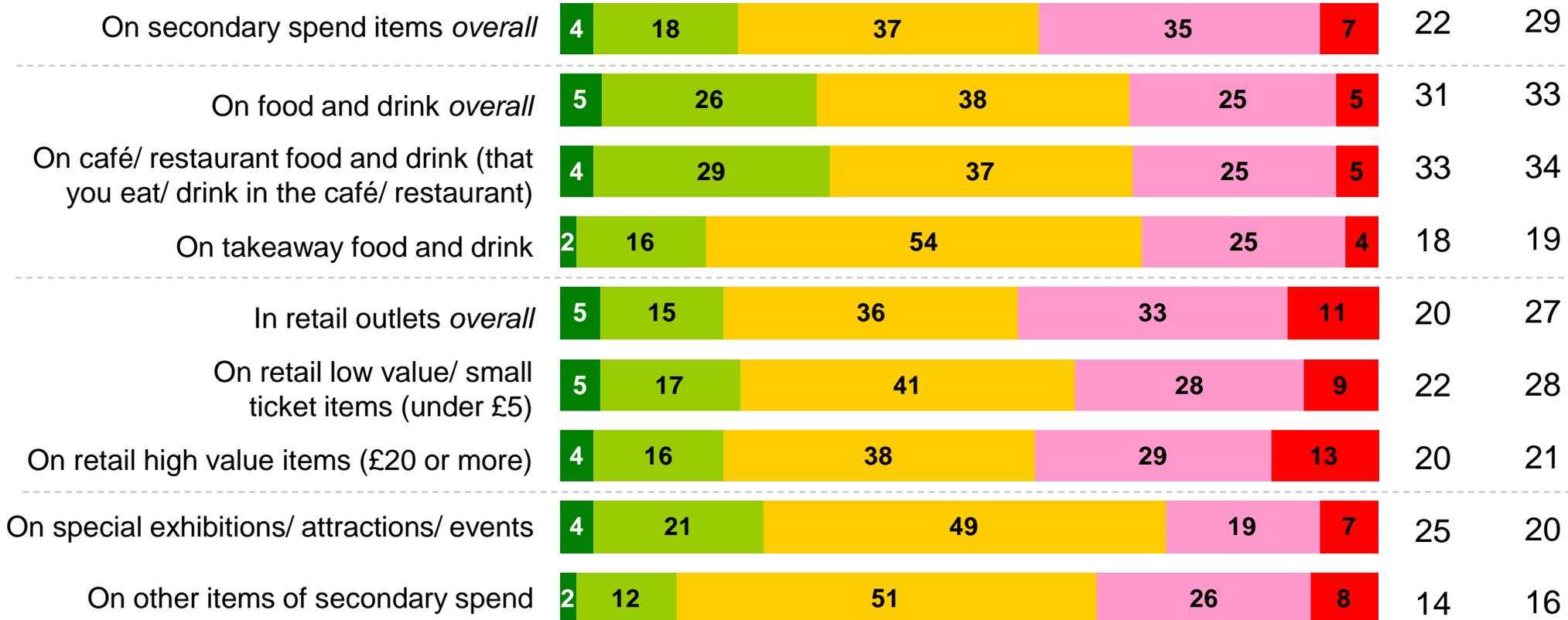


Quarter 4 (Oct-Dec): Hot Topic Question: Changes in secondary spend

Times remain challenging for secondary spend, with a greater proportion of attractions reporting a year-on-year decrease (42%) than increase (22%). Indeed, compared with Q3, a lower proportion of attractions now report a year-on-year increase in secondary spend for the quarter (22% vs. 29%). Food and drink continues to perform more positively than retail, particularly the 'eat in' segment. Retail continues to struggle overall. There has been a small improvement from the previous quarter on spend relating to special exhibitions/events.

% increase

Q4 Q3



■ A lot higher than 2009
 ■ A little higher than 2009
 ■ About the same as 2009
 ■ A little lower than 2009
 ■ Much lower than 2009

Base: Non EH/NT attractions answering each question

Q. And finally, compared with the October to December 2009 quarter, what changes have you seen in the spending patterns at your attraction in the October to December 2010 period? Is the spending per visitor?

