How's Business?

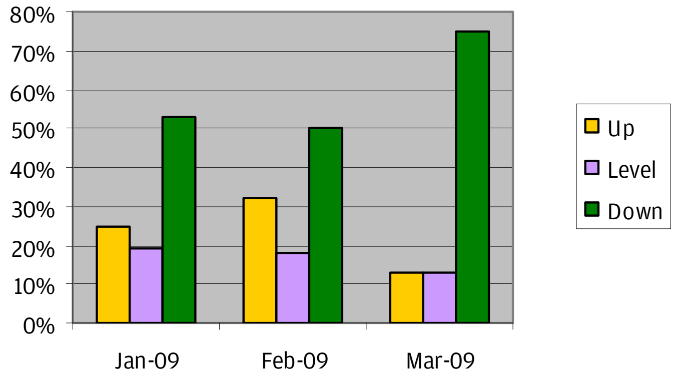
Greater Manchester Tourism Business Performance Survey

January – March 2009

In January 2009 the quarterly How's Business? Survey was changed to a monthly Credit Crunch Survey to enable Visit Manchester and the NWDA to gain feedback in greater detail about the impact of the economic situation on the Greater Manchester tourism industry.

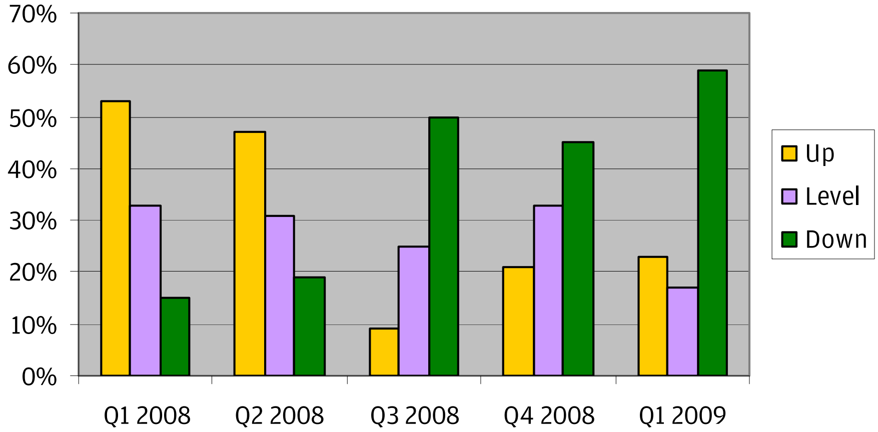
Visitor Numbers

Each month businesses are asked how their visitor numbers compare to the same period the previous year: whether they are up, level or down. The graph opposite shows how businesses in Greater Manchester reported their visitor figures in the last 3 months.



Visitor numbers fell significantly throughout the first quarter of 2009. The proportion of respondents that reported fewer visitors increased from around half in January (53%) and February (50%) to three-quarters of the sample in March (75%).

This downturn continues from 2008. The results of the monthly surveys were averaged to find the quarterly result, in order to compare this quarter with previous results. The graph opposite shows how businesses in Greater Manchester reported their visitor figures in the last 5 quarters.



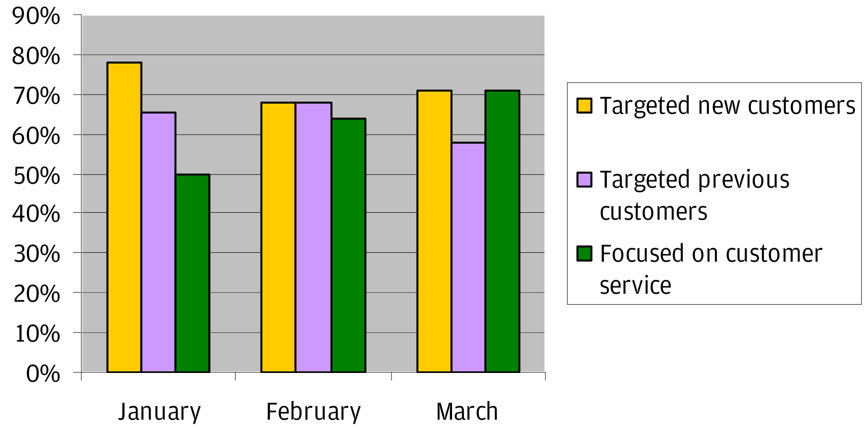
Results suggest that visitor numbers hit their lowest level of the credit crunch this quarter, with almost 60% of respondents reporting numbers were down.

Trading Difficulties

- Almost half the January sample (47%) reported facing trading difficulties, with 44% affected by less demand and 22% by cashflow problems.
- In February a similar proportion (46%) reported difficulties, although this month the most common difficulty was increased business costs, faced by a third (32%) of respondents. 27% reported cashflow problems and less demand.
- By March only a quarter (25%) reported facing trading difficulties, most commonly less demand (reported by 17%). This suggests that although there were significant decreases in visitor numbers in March, most respondents by this stage had taken steps to protect their business against the credit crunch and therefore were less affected by trading difficulties than earlier in the year.

Visit Manchester, Carver's Warehouse, 77 Dale Street, Manchester, M1 2HG
T. +44 (0)161 237 1010 F. +44 (0)161 228 2960 E. research@visitmanchester.com W. www.visitmanchester.com/corporate

Protective Measures



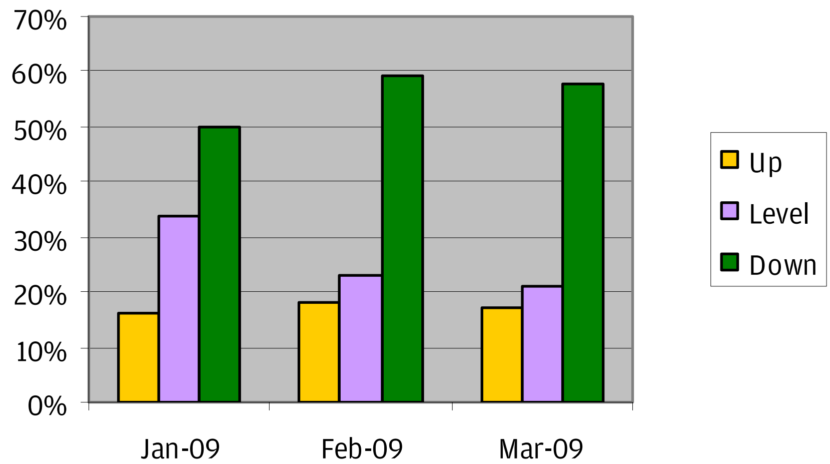
Respondents undertook a number of measures to protect their business against the credit crunch during the first quarter of 2009. The most common measures in January were targeting new and previous customers, and while these remained important, businesses increasingly focused on customer service, as shown opposite.

Business Support

All three surveys asked an open-ended question as to what kind of business support would be of benefit to tourism businesses at this time. Government assistance, in the form of grants or business rates relief, was the most common response in January, and the same suggestions were repeated in February and March. By February, however, the most common request was that banks make credit available to businesses. Respondents were more focused on promotions in March, with the greatest number of respondents suggesting free advertising, marketing or marketing advice would be of most benefit at this time.

Forecasts

Businesses were asked about their overall expectations for the year of 2009 when considering their experience of 2008. The graph opposite shows how tourism businesses in Greater Manchester reported their expectations for the year.



The findings are remarkably consistent throughout the three months, although respondents were slightly more optimistic in January. 50% of January respondents reported negative expectations for the year while 34% felt that 2009 looked about the same as 2008. The proportion that felt things were looking negative for them increased in February to 59% and remained steady in March with 58% of respondents.

Participation : The sample was drawn from Visit Manchester's database of tourism businesses, including accommodation providers; visitor attractions; restaurants, bars or cafés; conference venues; entertainment venues; retailers; and tour or transport operators.

Northwest REGIONAL DEVELOPMENT AGENCY Visit Manchester experience englandsnorthwest

Visit Manchester, Carver's Warehouse, 77 Dale Street, Manchester, M1 2HG
T. +44 (0)161 237 1010 F. +44 (0)161 228 2960 E. research@visitmanchester.com W. www.visitmanchester.com/corporate