

How's Business?

Greater Manchester Tourism Business Performance Survey

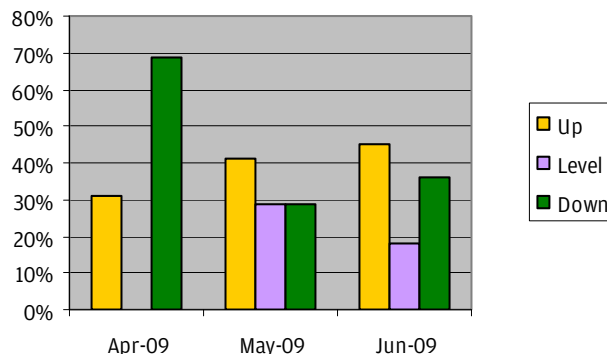
April – June 2009

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.

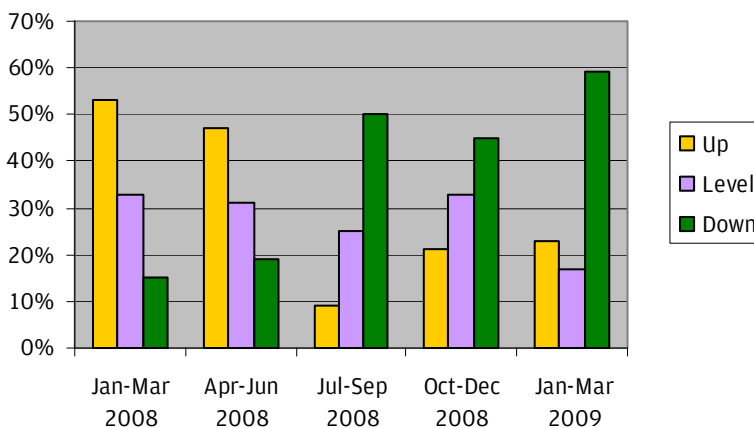
Visitor Numbers

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 during this period.

The proportion that reported visitor numbers were up rose steadily throughout the second quarter of 2009. In April, 69% of tourism businesses felt numbers were down compared to last year, but this proportion fell to around a third in May and June.



This is a positive turn compared with last quarter. 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.



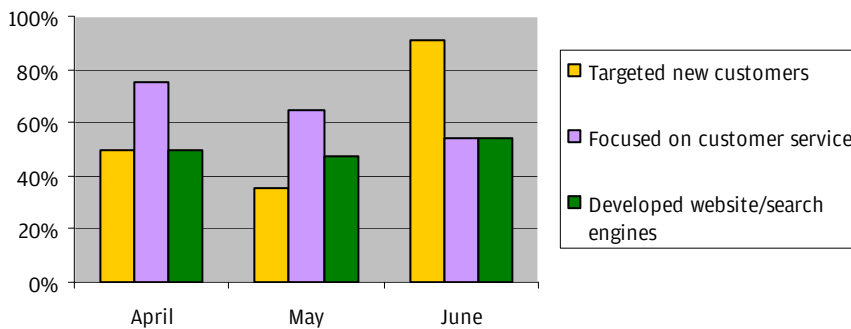
These are the most optimistic results for a year, although 45% reported that numbers were down. It is the second consecutive year that the spring quarter (April-June) has received positive feedback, suggesting that Manchester is attracting more visitors in this period despite the economic downturn.

Trading Difficulties

- 44% of tourism businesses reported facing difficulties in April, with less demand and cashflow problems reported by a quarter or more. Medium-sized businesses were three times more likely to report difficulties than small businesses, although caution should be taken with the sample size.
- In May, only 6% of the sample reported that they were facing trading difficulties.
- By June, 63% reported trading difficulties. Again, the most common were less demand and cashflow problems: both were reported by 27%. These have been the most commonly reported difficulties every month this quarter and for most of the last quarter.



Protective Measures



The graph opposite shows the protective measures undertaken by respondents to protect their business against the credit crunch. The most common step taken in April and May was focusing on customer service; but by June it was to target new customers.

Business Support

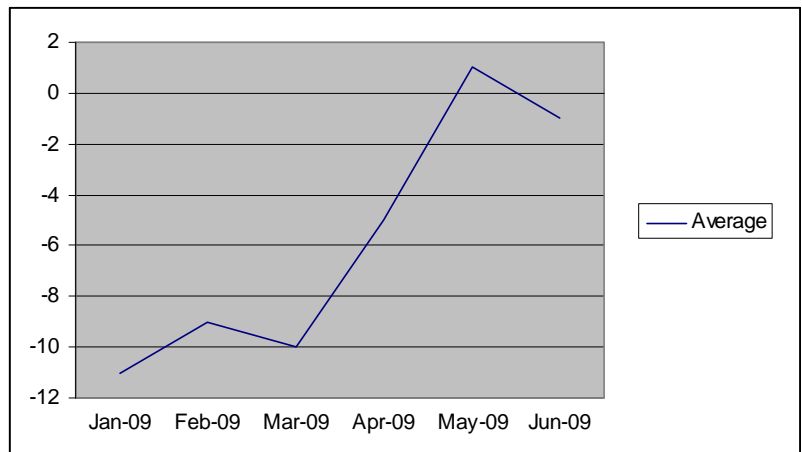
All three surveys asked an open-ended question as to what kind of business support would be of benefit to tourism businesses at this time. Around a quarter of the April and May samples took the opportunity to respond, and around three-quarters of the June sample did, with 16 comments in total.

- Seven of these requested help with 'marketing', 'advertising' or 'branding' their own business. Visit Manchester currently offer assistance with branding in terms of the Company Image Development and Photography development opportunities.
- Three felt that continued support and development of big events or co-ordinated projects would be beneficial.
- Two suggested campaigns focus on the business market to encourage weekday and conference bookings.
- One entertainment venue suggested 'networking and database sharing'.
- One B&B requested free visitor information to leave in rooms 'e.g. brochures advertising local attractions'.

Forecasts

Businesses were asked about their overall expectations for the year of 2009 when considering their experience of 2008. A score of +1 was applied to those who reported positive expectations, 0 to those who reported it looked about the same, and -1 to those with negative expectations to find the overall trend. The graph opposite shows the results of the past six months.

The average score shows how the low expectations for the year reported in January have improved dramatically over the past six months.



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.