Appendix 1 – Market Analysis

1. Market Analysis

The East Lancashire Railway has a particular advantage in terms of market size thanks to its proximity to the Manchester conurbation. Over 1.8 million people live within a 30 minute drive of Bury Bolton Street Station and it is less than 30 minutes on the tram from Manchester city centre.

Below we examine the market context in which the East Lancashire Railway operates. This includes an assessment of the:

- Resident market (people visiting from home) within key drive times
- Tourist market (people visiting whilst on holiday in the area)
- Educational market
- Group Travel market
- Special interest market.

We also examine the competitive context within which the East Lancashire Railway operates.

1.1 Resident Market

The majority of visits made to visitor attractions usually come from people who live within relatively short drive times from the attraction.

Exhibit 1: illustrates the key drive-time segments for attracting people visiting from home. For the sake of simplicity we have used Bury Station as the central point and looked at the following drive times:

- 0 – 30 minutes.
- 30 – 45 minutes.
- 45 – 60 minutes.
- 60 – 90 minutes.

Obviously the East Lancashire Railway attracts people from outside of the 90-minute drive-time but it is more likely that they fall into the other markets identified below e.g. tourists, special interest or group travel.

Exhibit 2 shows the population in each of these drive time segments. Below, we examine each of the drive time segments including a geo-demographic analysis using ACORN.[21]

Exhibit 1: Map showing 30, 45, 60 and 90 minute drive-time zones from Bury Bolton Street Station

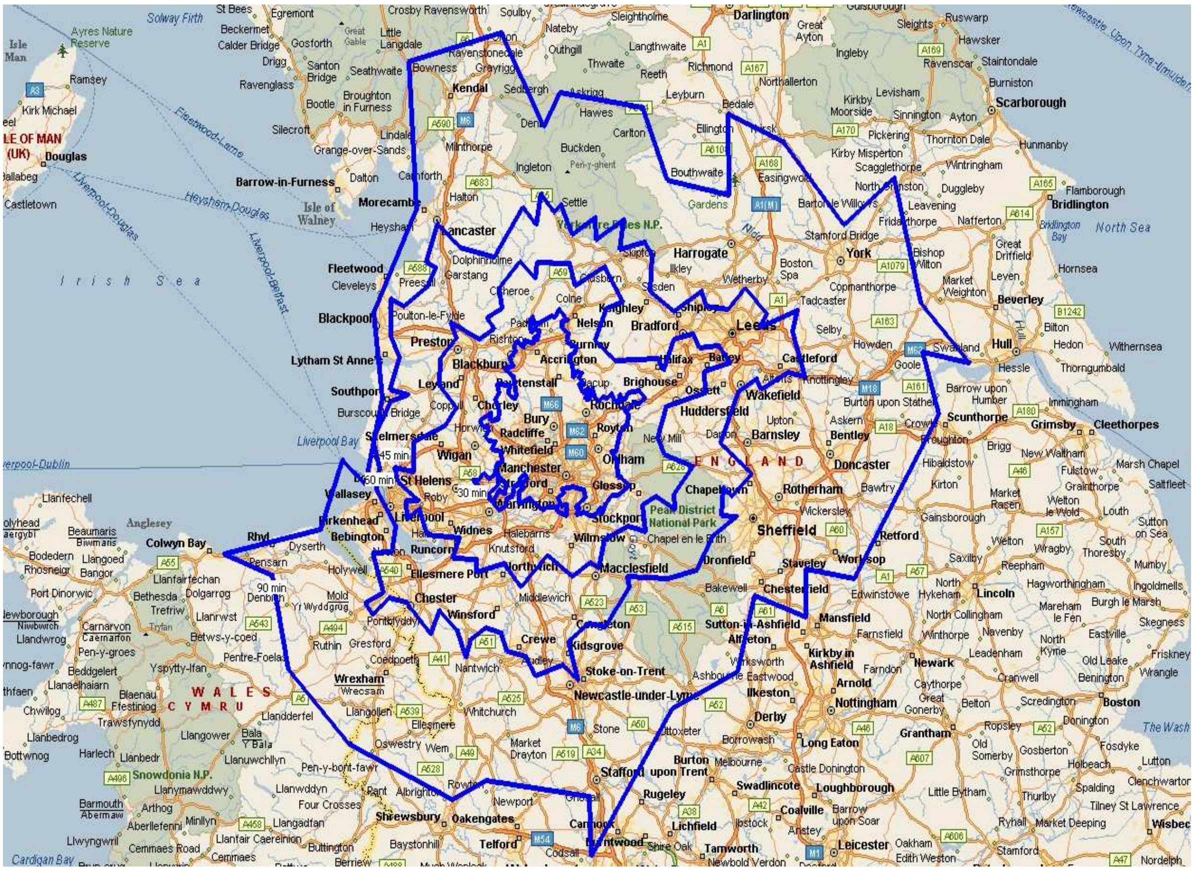


Exhibit 2: Population in Key Drive Time Zones

Drive-time (minutes)	*Population*	*Cumulative Population*
0-30	1,839,061	1,839,061
30-45	1,500,439	3,339,500
45-60	3,967,535	7,307,035
60-90	3,499,238	10,806,273

Source: Locum Consulting

[21] Acorn is a geo-demographic tool used to identify and understand the UK population and the demand for products and services. Businesses use this information to improve their understanding of customers, target markets and determine where to locate operations.

1.1.1 0 - 30 minutes

The 30 minute catchment area from Bury Bolton Street Station includes most of the Manchester conurbation including the City of Manchester, Salford, Bury, Bolton, Rochdale, Oldham, Trafford, Ashton-under-Lyne, parts of Wigan and parts of Stockport. It also includes the Lancashire towns of Ramsbottom, Darwen, Accrington, Bacup, Rawtenstall, parts of Blackburn and parts of Burnley.

There is a sizeable population of over 1.8 million living within a 30 minute drive of Bury Bolton Street Station.

ACORN analysis breaks the population down into five broad categories:

1 – Wealthy Achievers

2 – Urban Prosperity

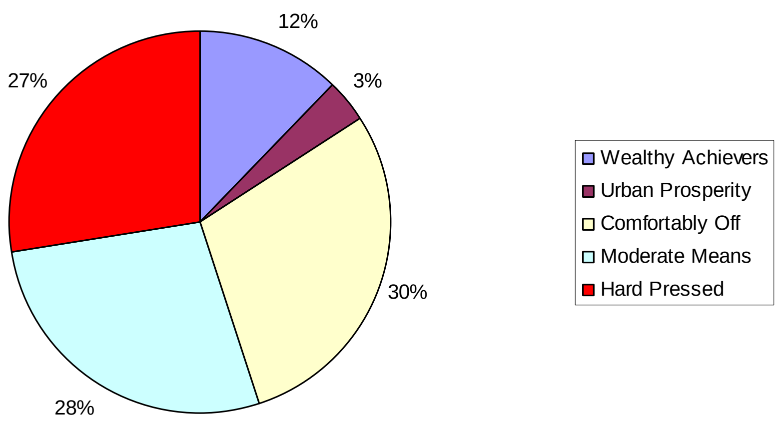
3 – Comfortably Off

4 – Moderate Means

5 – Hard Pressed

Exhibit 3 shows the proportion of people in the 30 minute catchment area that fall into the five different ACORN categories.

Exhibit 3: ACORN Categories of population within 30 minute drive time.



Source: Locum Consulting and CACI Ltd 2008

Only 15% of the population within a 30 minute drive-time falls into the higher social categories of Wealthy Achievers or Urban Prosperity. This is very much lower than the average for the rest of the UK – 37% of the UK population falls into one of the two higher ACORN categories.

The five broad ACORN *categories* are broken into 17 different ACORN *groups* and a further 56 ACORN *types*. The most prevalent ACORN groups within the 30 minute catchment area include:

- **Secure Families** – representing **18%** of the population within the 30 minute drive time.

  This group comprises home-owning families usually living comfortably in three bedroom semi-detached homes. In addition to families, this group will also include some empty nesters. Within this group, there are also some neighbourhoods with high numbers of comfortably off Asian families. Incomes are at least of average levels and many well above the national average. Most people in this group have some savings and would consider themselves financially prudent. The more affluent will have good company cars and will have built up somewhat greater levels of savings and investments. These are the stable suburban families that make up much of middle Britain.

- **Blue Collar Roots** – representing **19%** of the population within the 30 minute drive time.

  Most employment is in traditional blue-collar occupations. Families and retired people predominate with some young singles and single parents. Most property is two or three bedroom terraced housing. Many are being bought on a mortgage although renting from private landlords, local authorities and housing associations is common in some areas. Levels of educational qualifications tend to be low. Most employment is in factory and other manual occupations. There are many shop workers as well. Incomes range from moderate to low and unemployment is higher than the national average, as is long term illness. There are pockets of deprivation in this group. The tabloid press is favoured reading and other interests include camping, angling, bingo and horseracing, as well as watching cable TV and going to the pub. These people have a modest lifestyle but most are able to get by.

- **Struggling Families** – representing **16%** of the population within the 30 minute drive time.

  These are low income families living on traditional low-rise estates. Some have bought their council houses but most continue to rent. Estates will usually be either terraced or semi-detached. Two bedroom properties are more typical but the larger families may be housed in three bedroom properties. Either way there may be an element of overcrowding. On some estates there are high numbers of single parents while on others there are more elderly people, some with long-term illness. Incomes are low and unemployment relatively high. Jobs reflect the general lack of educational qualifications and are in factories, shops and other manual occupations. Money is tight and shopping tends to focus on cheaper stores and catalogues. Visiting the pub, betting, football pools, bingo and the lottery are the principal leisure activities. These families share the twin *disadvantages of educational under achievement and consequent lack of opportunity. They are struggling to get by in an otherwise affluent Britain.*

1.2 Tourist Market

1.2.1 Overseas visitors to the UK

Since 2001 the UK has seen a steady increase in its overseas visitor numbers (up from 14.86 million in 2001 to 21.56 million in 2005) and London captured more than half of these visits. This increase has mainly been due to European visitors (proportionally accounting for nearly two thirds of all overseas visitors to the UK); accompanying this, however, is a sharp decline in North American visitors.

Exhibit 4: Origin of International Visitors to the UK

	1985	*2005*
Europe	55%	72%
North America	26%	14%
Other	19%	14%

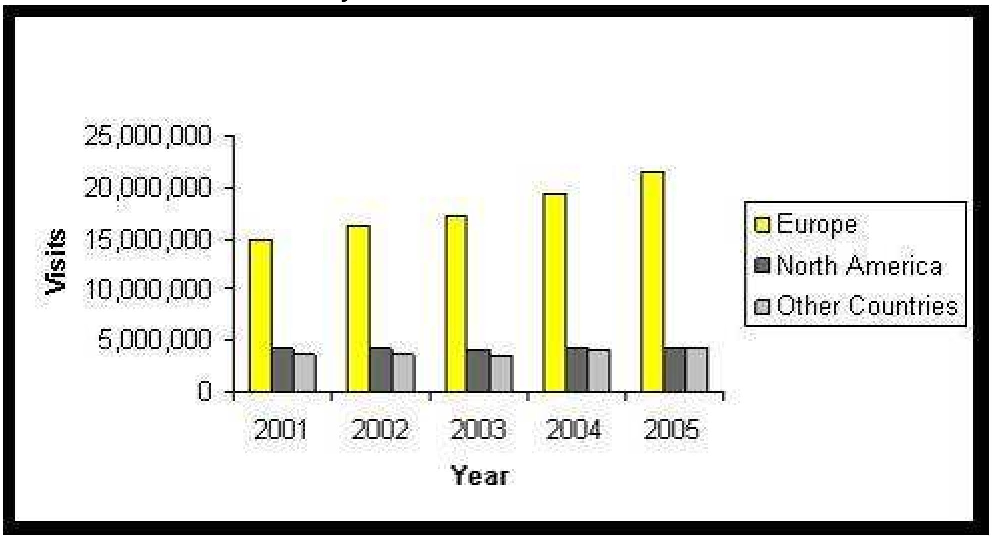
Source: International Passenger Survey

Exhibit 5: All Visits to the UK by location of residence

	2001	*2002*	*2003*	*2004*	*2005*
Europe	14,860,000	16,220,000	17,207,000	19,424,000	21,565,000
North America	4,228,000	4,272,000	3,997,000	4,356,000	4,234,000
Other Countries	3,751,000	3,691,000	3,511,000	3,975,000	4,171,000
ALL	**22,835,000**	**24,180,000**	**24,715,000**	**27,755,000**	**29,970,000**

Source: International Passenger Survey

Exhibit 6: Visits to the UK by overseas visitors



Source: International Passenger Survey

In both the domestic and overseas visitor markets to the UK, the tendency has been for shorter visits. The number of trips of 1–3 nights increased almost 30% in the past 5 years whereas the number of trips lasting 4-13 days was up by 20%. The growing European markets are more likely to be coming to the UK for a short break.

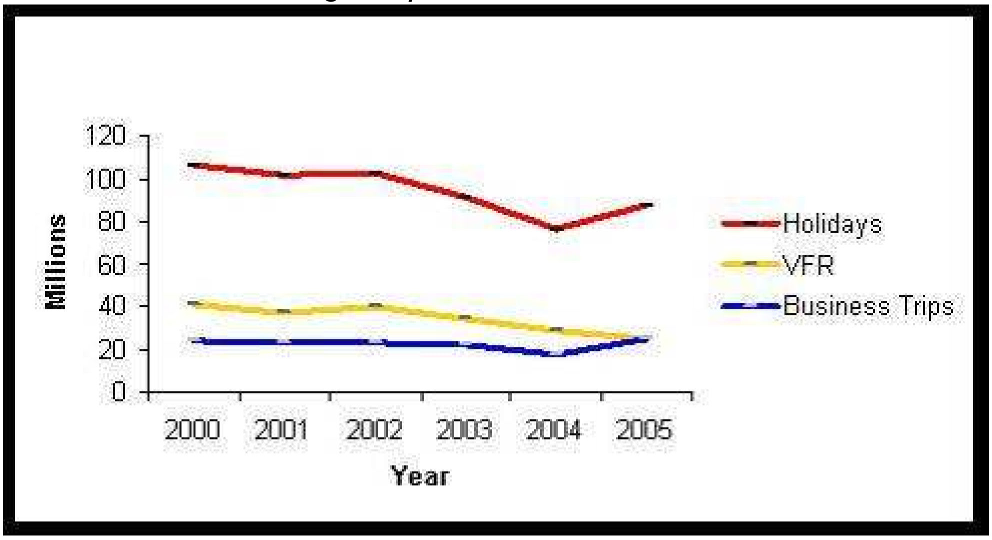
Taking a holiday is still the most popular reason for visiting the UK (32%), followed by visiting friends and relatives (29%) and business (27%).

1.2.2 Domestic Visitors

In parallel to the increase in international visitors, the domestic holiday market is still in overall decline despite the growth in specialist and short stay holidays.

Domestic trips abroad have greatly increased due to factors such as ease of travel and the proliferation of low cost airlines.

Exhibit 7: Domestic Overnight Trips in the UK



Source: United Kingdom Tourism Survey

Exhibit 8: Number of trips overseas by UK residents

	Visits
1980	17,500,000
1985	21,600,000
1990	31,200,000
1995	41,300,000
2000	56,800,000
2005	66,400,000
2006	68,100,000
Increase 1980 - 2006	289%
Increase 2000 - 2006	20%

Source: International Passenger Survey

Changing population structure and changing lifestyle in the UK

The population is ageing and older people are growing as a proportion of it, with more time and money to spend on leisure, recreation and tourist attractions. These people will have different demands on the tourism offer: moderate journey times; more parking access; plenty of on-site services; greater emphasis on culture, heritage and retail.

Exhibit 9: Growth of ABC1 in the Adult Population

	2001	*2003*	*2006 (est)*	*2009 (proj)*	*2011 (proj)*	*% change 2001-06*	*% change 2006-11*
AB	11,400,000	12,100,000	12,700,000	13,100,000	13,500,000	12	6
C1	13,000,000	13,800,000	14,400,000	14,900,000	15,100,000	10	5
C2	10,300,000	10,100,000	10,300,000	10,400,000	10,400,000	0.1	0.5
D	8,300,000	8,000,000	8,000,000	7,900,000	7,900,000	-4	-0.6
E	4,900,000	4,400,000	4,000,000	4,500,000	4,500,000	-11	4
Total	**48,000,000**	**48,000,000**	**49,000,000**	**51,000,000**	**51,000,000**	**3.7**	**3.2**

Source: MINTEL[22]

Projected trends in domestic markets over the next decade

- Families will still be a major sector;
- Pre-family couples and singles are big and growing niches;
- The population is increasingly “middle-class” (AB&C1 socio-economic groups) whose needs and wants are now a more complex mix than in the past;
- Eating out and shopping have become major leisure activities;

[22] A = Upper middle class, B= Middle class, C= Lower middle class, C2 = Skilled working class, D= working class, E= Those at the lowest level of subsistence

- There has been a slight increase in attendances at cultural events, especially for live music;
- Expenditure on children's leisure is falling, with the exception of cinema attendance.
- The development of short break and specialist holidays:
  - The short break is increasingly a holiday of choice for the cash-rich, time-poor domestic tourist and business visitor
  - There will be an increased interest in "authentic" leisure and cultural offers
  - Experiences are increasingly valued over new possessions, especially by retired adults or parents whose children have left home
  - Increased 'trading up' to higher quality and luxury offers
- Increased interest in and take up of new types of holiday activity – extreme sports holidays, art holidays, cookery holidays

1.2.3 Tourism in the North West

- In 2006, the North West of England was the third most visited region for UK staying visitors, with 13.5 million visits compared to 20.3 million for the South East and 18.1 million for the South West[23]. This equated to 12% of all domestic visits taken in the UK and 14% of all spend.
- It is interesting to note that London also achieves 14% of the total tourism spend in England despite only accounting for 8% of all nights. This is the kind of higher value tourism most UK destinations aspire to achieve.

Volume and value of tourism in the NW

- The volume and value of tourism in the NW has been measured, for the region as a whole and for the sub regions, using the STEAM[24] model, which is one of two models that are widely used nationwide for the purpose. It includes Staying Visits (people from outside of the area staying for one or more nights) and Day Visits (people making a trip "outside of their normal environment" from home of more than three hours' duration).

[23] Visit Britain 2006

[24] STEAM (the Scarborough Tourism Economic Model) and the Cambridge Tourism Economic Impact Model are the most widely used methods of estimating the volume of value of tourism i.e. the number of visits, the amount that is spent, and the number of jobs supported. They are both proprietary spreadsheets into which data from a variety of sources is entered. Sources of data include the UK Tourism Survey, the UK Leisure Visits (i.e. Day Visits) Survey, visitor accommodation stock, hotel occupancy data, and admission numbers to visitor attractions. After evaluation of alternatives, the NW has agreed to use STEAM. The advantage of all sub regions using the same model is that results can be compared.

Exhibit 10: Volume and Value of Tourism to the NW

(000's)	*2003*	*2004*	*2005*	*2006*
Total Visits	259,294	265,301	267,955	271,860
Index vs 2003:	100	102	103	105
Total Days	305,575	311,772	314,636	319,455
Index vs 2003:	100	102	103	105
Total Direct Expenditure*	£6,683,752	£6,782,748	£6,835,448	£6,984,633
Index vs 2003:	100	101	102	105
Total Direct Employment (FTE's)	144,129	145,926	142,979	143,347
Index vs 2003:	100	101	99	99

Source: NWDA (using STEAM model)

Recent trends show that although there has been an overall increase in visits to the region, rural/seaside resort orientated sub regions (Cheshire-Warrington, Cumbria, Lancashire-Blackpool) have not performed as well as the city-orientated sub regions (Merseyside and Greater Manchester). This is because of the relative weakness of the UK holiday market and the strength of business and short city breaks.

1.2.4 Tourism in Greater Manchester and Lancashire

The East Lancashire railway runs through two sub-regions; Greater Manchester and Lancashire. As demonstrated in Exhibit 14 and Exhibit 15 show visitor numbers over the past few years in these sub regions reveal contrasting pictures.

Tourism in the two sub-regions as a whole in 2006 accounted for over £3,438 million in expenditure and there was in total, over 143 million visits to the area for either the purpose of a day visit or a stay lasting one night or more.

Exhibit 11: Volume and value of tourism in the sub-regions 2006

	Manchester	*Lancashire**	***Total***
Visits (000)	98,806	44,490	**143,296**
Days (000)	108,489	53,906	**162,395**
Expenditure	£2.418m	£1.020m	**£3.438m**

*Source: NWDA (STEAM model) * excluding Blackpool*

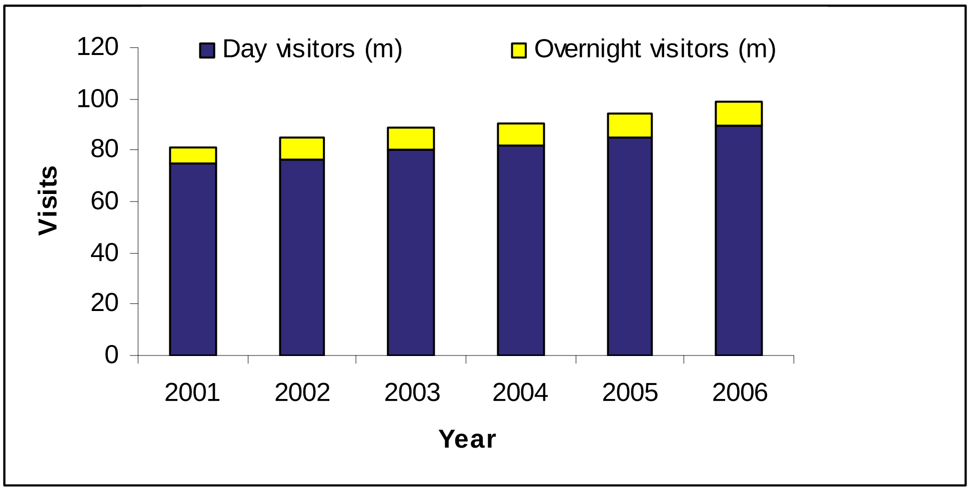
Visitor statistics for Greater Manchester show a consistent upward trend and as Exhibit 16 shows this relates to both day visitors and those spending at least a night in the area.

Exhibit 12: Volume and value of tourism to Greater Manchester 2003 - 2006

(000's)	*2003*	*2004*	*2005*	*2006*
Total Visits (000)	88,985	90,751	94,210	98,806
Total Days (000)	97,712	99,847	103,570	108,489
Expenditure	£2.150m	£2.235m	£2.322m	£2.418m

Source: NWDA (STEAM model)

Exhibit 13: Visits to Greater Manchester 2001 - 2006



Source: Marketing Manchester

Conversely, visitor statistics for Lancashire show a drop in visits since 2003, although this has not been a consistent fall.

Exhibit 14: Volume and value of tourism for Lancashire (exc. Blackpool) 2003 - 2006

	2003	*2004*	*2005*	*2006*
Total Visits (000)	45,779	47,675	45,966	44,490
Total Days (000)	54,959	56,628	55,137	53,906
Expenditure	£1.027m	£1.054m	£1.034m	£1.020m

Greater Manchester Visitor Survey

In 2007, Marketing Manchester commissioned QA Research and Arkenford to conduct a visitor survey of the area. The most striking finding included:

- Visitors aged 35–44 were the largest group of visitors to Greater Manchester but all age groupings were well represented.
- Two thirds of visitors fell in the ABC1 social classification group with AB visitors more likely to be staying visitors and DE visitors more likely to be day visitors.
- 79% were making a return visit to Greater Manchester, including 60% who had visited in the last two years.

- The visitors come from the North West (43%), overseas (18%), Yorkshire & Humberside (9%) and the West Midlands (9%). However those coming from Yorkshire & Humberside were more likely to be day visitors.
- The key drivers for making a visit to Greater Manchester were visiting specific places or attractions (48%), to see a show or special event (37%), because it is somewhere they know and trust (31%) and because they have family and friends nearby (29%).
- Online bookers are more likely to be first-time visitors, from younger age groups and from overseas compared to telephone bookers who are more likely to be visiting with a partner, not visited for a while, from an older age group and from the UK.
  - The elements that visitors scored Greater Manchester the most highly for were;
  - cultural/music performances, sporting events/matches and high quality visitor attractions.
  - Also scoring highly were unique events and festivals, vibrant nightlife and excellent eating out experiences.
  - The element of Manchester that received the lowest visitor satisfaction ratings was low crime/good personal safety. Exploring the countryside and good value accommodation were the other areas that received lower satisfaction levels. **This point about the countryside is an interesting one, as visitors tend to have a low awareness of the countryside that surrounds Greater Manchester.**
- 91% of visitors expected to visit Greater Manchester again in the next 2 years (6% were unsure and 3% didn't expect to return).

International Passenger survey research conducted in 2005 showed that amongst international visitors, Manchester was most popular with Irish visitors followed by visitors from the USA, although this may have been affected more recently by the depreciation of the dollar.

Exhibit 15: Origin of international visitors to Greater Manchester

Rank	*Country*
1	Eire
2	USA
3	Germany
4	France
5	Australia
6	Spain
7	Canada
8	Poland
9	Netherlands
10	Sweden

Source: International Passenger Survey

NW "Special Trips" Research

The North West is overwhelmingly a day trip destination. Research commissioned by the North West Regional Development Agency in 2006[25] revealed interesting information about the relative impact of destinations in the Greater Manchester and Lancashire are area. The research surveyed, via an Internet Panel, 2,000 people who lived in and around the North West Region. It asked them which of 66 places in and around the region they had been to on a "special leisure trip"[26] in the previous two years.

It suggested that Manchester is the third most popular destination in the region for special trips, and Blackpool Pleasure Beach is not far behind. The other towns in the conurbations are not, however, seen as significant destinations for a special trip. Rochdale is referenced with 5% of respondents saying they had visited in the past 2 years.

Exhibit 16: % of Respondents saying that they had been to the destination for a "special leisure trip" in the past two years

1	Lake District	65%	23	Leeds	25%	45	Bolton	13%
2	Blackpool	56%	24	Harrogate	25%	46	Clitheroe	12%
3	Manchester	51%	25	Fleetwood	25%	47	Wirral	12%
4	York	50%	26	Newcastle	24%	48	Ironbridge	12%
5	Chester	47%	27	Morecambe	23%	49	Wigan	11%
6	Blackpool Pleasure Beach	47%	28	Lancaster	21%	50	Knutsford	11%
7	Trafford Centre	43%	29	Salford Quays	20%	51	Bamburgh	11%
8	North Wales Resorts	43%	30	Knowsley Safari Park	19%	52	Eden Valley	10%
9	Yorkshire Dales	41%	31	Nottingham	19%	53	Stockport	10%
10	Southport	40%	32	Bakewell	18%	54	Ostwaldtwistle	10%
11	Peak District	39%	33	Tatton Park	18%	55	Nantwich	10%
12	Liverpool	38%	34	Preston	18%	56	Hoylake	10%
13	Kendal	38%	35	Carlisle	17%	57	Barrow in Furness	9%
14	Keswick	34%	36	Sheffield	17%	58	Settle - Carlisle R'Way	9%
15	Chester Zoo	33%	37	Hadrian's Wall	17%	59	Bradford	9%
16	Scarborough	31%	38	West Kirkby	16%	60	Birkenhead	8%
17	Cheshire Oaks	30%	39	Botany Bay	16%	61	Blackburn	8%
18	Snowdownia	30%	40	Durham	15%	62	Whitehaven	8%
19	Alton Towers	30%	41	Forest of Bowland	15%	63	St Helens	7%
20	Whitby	29%	42	Delamere	15%	64	Oldham	6%
21	Albert Docks	29%	43	Grange Over Sands	14%	65	Rochdale	5%
22	Lytham	26%	44	Warrington	13%	66	Burnley	5%

1.2.5 Tourism in Bury, Rossendale and Rochdale

In line with the sub-regional trends showing a rise in visits to the Greater Manchester area and fall in visits to Lancashire, there is some disparity in visitor trends in Bury and Rochdale (both in Greater Manchester) when compared to Rossendale (Lancashire). As the exhibit below shows, visits to both Rossendale and Bury have been increasing since 2001, by 9% and 31% respectively. However, although there is no data for Rossendale for 2001 – 2003, visits between 2004 and 2006 fell by 8%.

[25] Locum Consulting and Arkenford Research. The NWDA has commissioned follow up studies to this covering both day visitors and staying visitors that is being carried out through 2007.

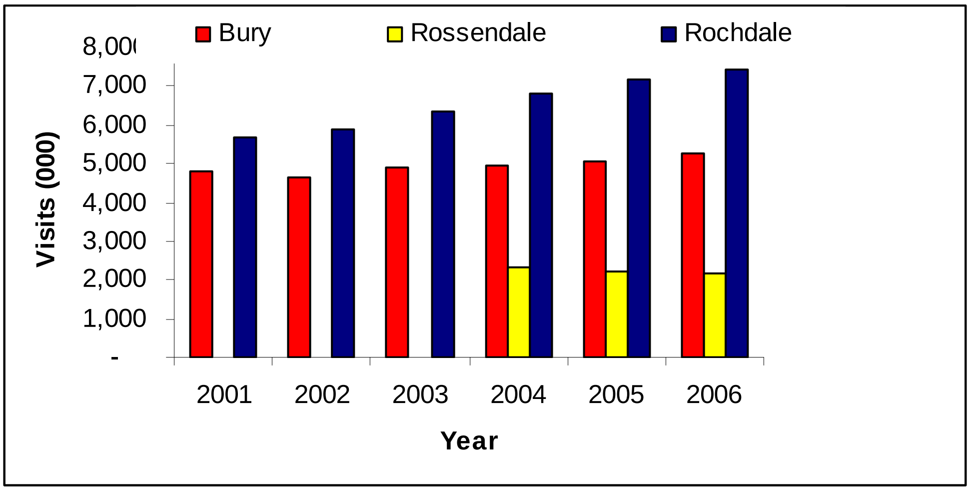
[26] Excluding visits to friends and relatives and business trips.

Exhibit 17: Volume and value of tourism in the local area

	Bury	*Rossendale*	*Rochdale*	***Total***
Visits (000)	5,259	2,151	7,432	**14,842**
Days (000)	5,720	2,319	8,056	**16,095**
Expenditure (m)	£188,513	£65,548	£267,799	**£521,860**

Source: STEAM

Exhibit 18: Visits 2001 – 2006



Source: STEAM model

The overwhelming majority of trips to the local areas within which the railway is situated are for the purpose of a day trip; over 90% of trips to Bury are for this purpose.

Of those visits lasting one night or more, the highest percentage is to stay with friends or relatives. The friends and relatives can be a hard market for attractions to tap into as often the friend or relative will be the guide and must be persuaded to go to attractions they have perhaps 'done' before.

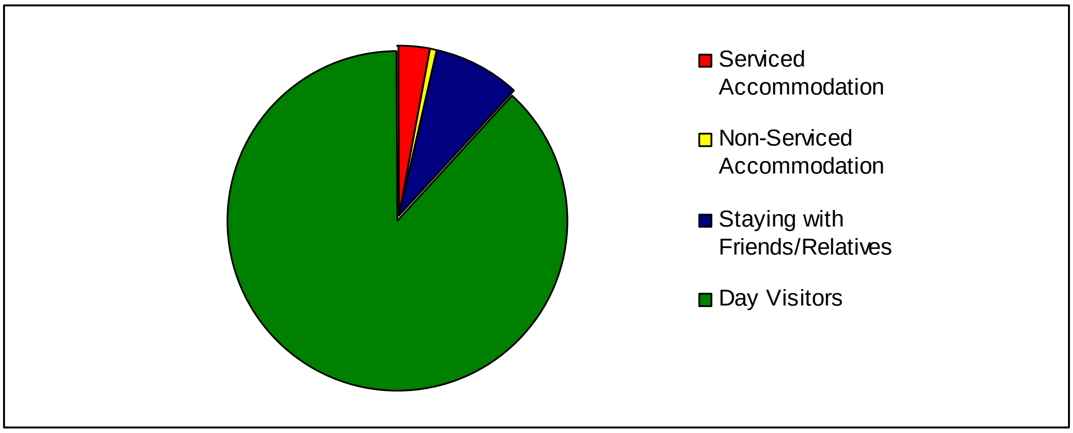
Rochdale which has the highest volume and value of visitors of all three local areas has the highest percentage and amount of visits using serviced accommodation (290,000) which are usually the trips that produce the highest value for the local economy.

Exhibit 19: Visits by type 2006

	Bury	*Rossendale*	*Rochdale*	***Total***
Day Visitors	91.4%	87.6%	86.1%	**88.1%**
Staying with Friends/Relatives	5.3%	10.9%	9.5%	**8.3%**
Serviced Accommodation	3.1%	1.1%	3.4%	**2.9%**
Non-Serviced Accommodation	0.1%	0.4%	1.0%	**0.6%**

Source: STEAM model

Exhibit 20: Visits by type for Rossendale, Rochdale, Bury



Source: STEAM model

1.3 Education groups

School groups are a particularly important market segment for attractions. Although school visits are not usually a significant source of revenue, an educational offer can help build community and political support, and encourage repeat visits with family members.

In recent years schools have changed dramatically, both in the way that they teach and they way in which they are managed. It can no longer be taken for granted that schools will arrange visits and therefore operators of attractions need to be proactive in their approach.

The way in which trips are organised and conducted is increasingly regulated. In 1998, the DfES published Health and Safety of Pupils on Educational Visits (abbreviated as HASPEV), a code of conduct written as advice to teachers organising educational visits, but which schools are obliged to follow. Moreover, other child protection legislation has been introduced regulating the interaction of non-vetted adults and children, which can further complicate visits. Additionally, teachers are increasingly cautious about organising trips as they carry liability for the safety and welfare of the children in their care.

At secondary level, school trips are more difficult for teachers to arrange as school-based work is a priority. Teachers refer to cost and distance being barriers to planning visits. At KS3, size of year groups and time tabling issues exacerbate this problem.

However, there is little evidence to suggest that the average number of school day trips is falling and the majority of teachers still think that they are a valuable undertaking[27]. The 2008 'Out of School' Trips Research Report noted that teachers "wanted to do more out of school trips and regard them as amongst the most valuable of educational experiences. The challenge for venues is how to reach and influence this audience. Venues must

[27] *The Schools Visits Market- Change or Decline?,* Phil Keeley, March 2004.

understand students' needs and tailor their offer accordingly – a one size fits all approach doesn't work."[28] School trips are more likely to be taken locally and to destinations that are easily accessible. Given all these trends, there is considerable opportunity for attractions to establish learning partnerships with local schools. This is best done through personal contact rather than the use of promotional advertising tactics, of which schools are weary.

Educational visits are not necessary to fulfil the requirements of the National Curriculum, so many temporary and substitute teachers (of which there are increasing numbers) do not take on the responsibility for organising such trips if the length of their stay is short.

Locum has in the past undertaken a series of telephone interviews with Primary, Secondary and Special Needs teachers in order to gain an understanding of teachers' main priorities when deciding on a destination for a school visit. A number of key trends emerged, most importantly:

- The visit should be directly relevant to an aspect of the National Curriculum.
- The average one-way distance travelled by schools is variable but is typically around 30 to 40 miles (no more than a 90-minute drive).
- The cost of a visit is a key factor in determining where to visit.
- The most common provision required by schools is a teacher's pack, price discounts, and pupils' packs. Specialist staff, lecture and work rooms and lunch areas are also appreciated.
- Visits tend to be half-day in duration, usually spanning lunchtime.
- Outdoor, open areas are popular with younger groups.
- Educational visits peak between April and July.

1.3.1 Schools in the North West

The location and route of the East Lancashire Railway, encompassing as it does the areas of Bury, Rossendale and Rochdale, means that it has a potentially wide catchment of school groups for whom the site could be of interest. Similarly, the nature of the offer means that there could be a number of ways in which it could tie in to the National Curriculum. Schools are not the only kind of formal educational group, but are likely to constitute the majority of educational visits. The number of school-age children in the North West region is shown below, by area.

[28] *'Out of School' Trips Research*, QA Research, March 2008.

Exhibit 21: Number of School Age Children in the North West

Local Authority	Primary	Secondary
Blackburn with	14,416	10,176
Blackpool	11,660	8,692
Bolton	24,525	19,737
Bury	16,401	11,808
Cheshire	53,250	47,173
Cumbria	38,456	36,386
Halton	9,950	8,154
Knowsley	14,040	9,211
Lancashire	91,715	74,560
Liverpool	36,080	32,616
Manchester	41,400	25,120
Oldham	23,166	17,136
Rochdale	18,920	14,276
Salford	19,536	12,400
Sefton	22,321	20,480
St Helens	14,784	11,552
Stockport	22,644	16,038
Tameside	19,068	15,770
Trafford	18,560	16,524
Warrington	17,017	14,444
Wigan	25,185	21,038
Wirral	25,404	24,160
Total	**578,498**	**467,451**

Source: Department for Children, Schools and Families.

1.4 Group Travel

The group travel market is of potential interest to the East Lancashire Railway. At present, around 5% of all visits to the Railway (5,901 visits in all) come from the group travel market, of which just under 2,000 are educational groups. There may be potential to increase this or develop facilities for groups.

Attractions such as the East Lancashire Railway are likely to attract three main kinds of groups:

- Coach groups visiting the site as part of a tour or trip;
- Railway enthusiasts' visiting in a group;
- Formal or informal education groups.

Education groups are looked at separately below.

1.5 Group Travel Market[29]

The group travel market in the UK is estimated to be worth around £180m each year to the tourism sector. However, although there have been slight changes in the preferences and

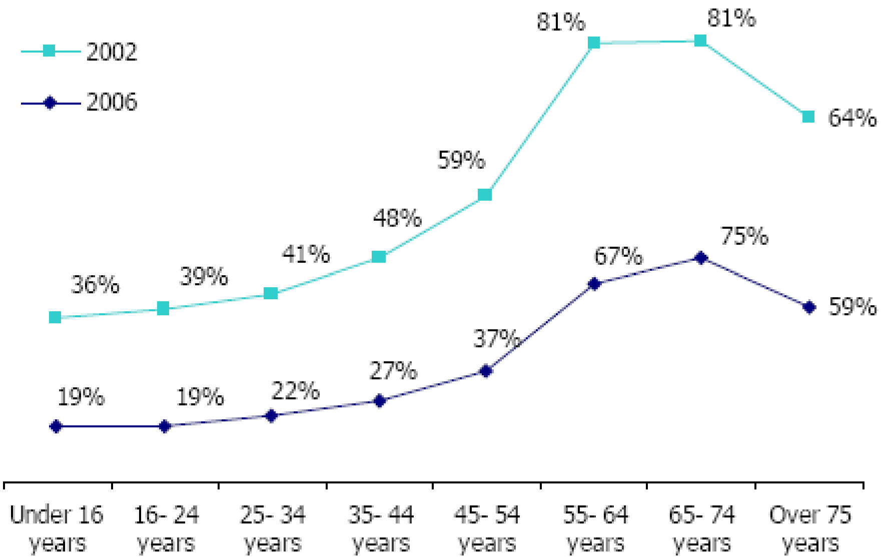
[29] Data and trend information taken from *Understanding Group Travel Organisers: The National Group Travel Report 2006*, produced by QA Research.

trend in behaviour of group visits, overall the market has remained fairly static in recent years.

In addition to the overall market size remaining fairly constant, the profile of groups has changed little. One reason for this may be that in recent years the relative ease and low cost of overseas travel has reduced people's desire to holiday in the UK – though this may be starting to change. The market tends to consist mainly of older visitors (who have the time to undertake day and short trips) and their proportion within the market as increased over the last five years. The majority of visitors still fall in the 55+ age group, but with a growing number of people aged 65 and over. This suggests that the middle-aged visitors have continued to be interested in group trips as they get older, but that the coach market is not currently appealing to a younger audience and may also in the future need to consider the needs of visitors aged 65 and over more carefully.

It may be worth noting, however, that this visitor profile is likely to be similar to that of people who have an interest in steam and heritage railways and/or who may be members of an enthusiasts' group or local history society.

Exhibit 22: Age profile of group travel market, 2002-2006



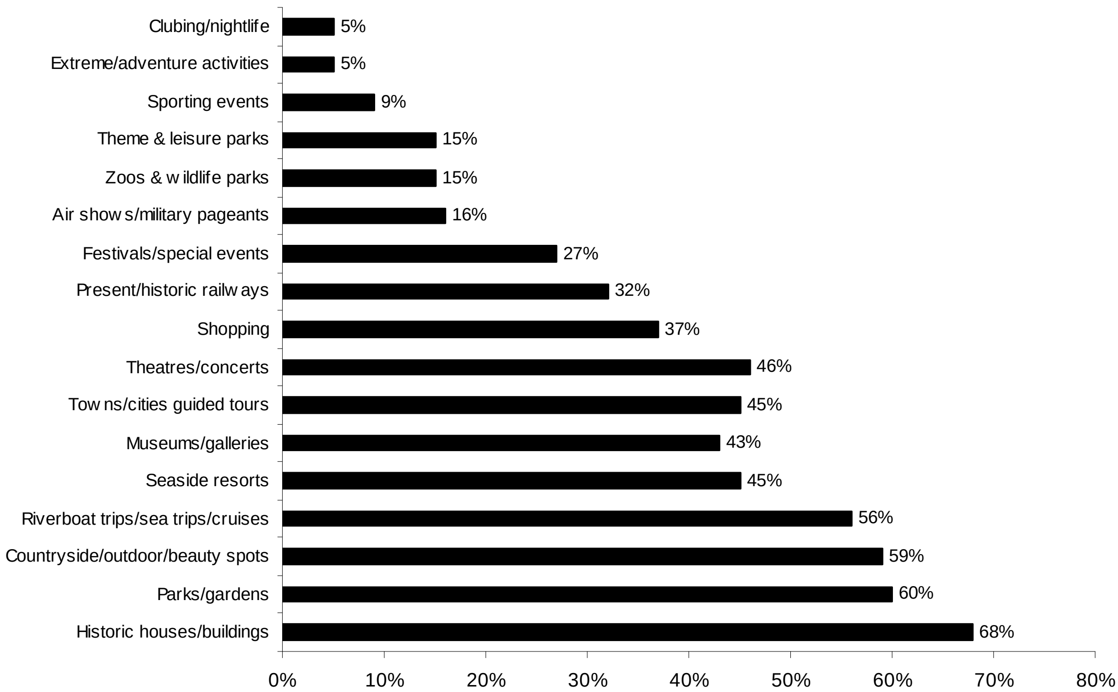
Source: National Group Travel Report, 2006

In terms of the kinds of trips and activities that attract group visits, there are a number of noticeable key trends. The vast majority of trips undertaken are day trips or evening visits within the UK, with a reduction in the number of short breaks and longer domestic trips; it is thought that groups are now tending to take at least one (short or long) overseas trip rather than make longer trips within the UK. Conversely, overseas group trips tend to be longer. Most groups are willing to travel for up to 2.5 hours to reach a destination (longer than the typical individual visitor) and group daily spend by the group market tends to be in the region of £2,500. Spend per visitor on day trips in 2006 was around £25.

Heritage and cultural destinations are popular with group visitors and East Lancashire Railway has the kind of offer that is likely to appeal to this market. Indeed, approximately 32% of groups in 2006 said they had an interest in visiting a present or historic railway – up from 23% in 2002. Outdoor and rural activities are also appealing more to group visitors than in the past.

Another interesting point is that, though groups like to visit lots of different and new places, they are also interested in returning to places they have been before after a couple of years, or if there is a new show / event or exhibition that is of interest. This may be something that the Railway can capitalise on to increase penetration into the group market and encourage repeat visits.

Exhibit 23: Group market interest in visiting attractions, by type



Source: National Group Travel Report, 2006.

1.6 Special Interest – Rail and Steam

1.6.1 Locomotive Club of Great Britain

The Locomotive Club of Great Britain's main objectives are to foster a keen interest in UK and Overseas railways, and to support the railway preservation movement. The Club is affiliated to the Heritage Railway Association Founded in 1949, Club membership stands at around 1, 000 and includes enthusiasts living in many parts of the globe.

The Heritage Railway Association represents the majority of heritage and tourist railways and railway preservation groups within both the UK, and Ireland. There are also several overseas members.

It has over 250 corporate members and these include not only heritage and tourist railways and most of the railway museums and steam centres, but also the smaller locomotive and rolling stock preservation groups. Groups and individuals involved with the preservation of stations and other railway buildings are also included in the membership range.

1.6.2 Universities

There are a number of university courses in the UK that cover transport history, the most specific courses being taught by the Institute of Railway Studies and Transport History (IRS &TH), a joint initiative between the National Railway Museum and the University of York. The IRS&TH is usually involved in undergraduate and postgraduate teaching, and also runs Certificate courses by distance learning. The postgraduate programme currently has around 20 students.

Other relevant courses in the vicinity of the railway include those offered by the University of Manchester which currently has an MA in the History of the North West of England. The MA in Victorian Studies at Leeds University has a specific module on the Victorian Railway and currently has 40 students. Leeds also has an Institute for Transport Studies.

The railway may also be of interest to engineering students, for example those taking the University of Birmingham's 'Railway Systems Engineering and Innovation' MSC.

1.7 Visitor Attractions: A Challenging Marketplace

The UK visitor attraction market place is an increasingly competitive one, with ever-more attractions competing for visitors who have less and less free time. Visitor attractions are not only competing with each other, but also with other leisure pastimes and facilities to capture the expenditure and attendance of visitors, whether they are residents, domestic tourists or overseas visitors. This is reflected in declining visits to many attractions around the UK.

As such, visitor attractions, particularly heritage attractions, have to find ways to enhance and broaden their offer for visitors and refresh their product if they are to be sustainable in the long term.

1.7.1 North West

The tables below show the number of visits recorded to the top twenty paid and free visitor attractions in the North West from 2002–2006, as recorded by the Visit Britain Visitor Attractions Monitor. It should be noted, however, that this data is compiled from the responses of attractions which choose to participate in the annual Visit Britain survey and as a result, the data does not provide an exhaustive list of all the most visited attractions in the region.

However, it is possible to draw some interesting conclusions from the data as it is provided in the Attractions Monitor. In 2006, both the top free and paid attraction in these tables were non-heritage related, however in the case of Windermere Lake cruises, the central premise is around novelty transport and the stunning view which has positive implications for the East Lancashire Railway. Ullswater Steamers similarly receives high visitor numbers.

Exhibit 24: Top 20 Paid admission attractions in the NW as listed by Visit Britain 2006

Name of attraction	*Local authority*	*Category*	*Visits 2006*
Windermere Lake Cruises	SOUTH LAKELAND	other historic	1,267,066
Chester Zoo	CHESTER	safari/zoo	1,161,922
Tatton Park	MACCLESFIELD	historic house	770,000
Chester Cathedral	CHESTER	place of worship	624,500
Blackpool Tower	Blackpool	leisure/theme park	526,456
Ullswater Steamers	EDEN	other historic	309,365
Tullie House Museum & Art Gallery	Carlisle	museum/gallery	273,221
Cheshire Ice Cream Farm	CHESTER	other	250,000
Sandcastle Tropical Waterworld Museum	Blackpool	other	223,535
Croxteth Hall & Country	LIVERPOOL	country park	172,000
Marbury Country Park	VALE ROYAL	country park	170,000
Martin Mere Wildfowl & Wetland Trust	WEST LANCASHIRE	nature reserve	144,425
Beatles Story	LIVERPOOL	museum/gallery	144,114
Liverpool Football Club	LIVERPOOL	other	131,896
Anderton Boat Lift	VALE ROYAL	heritage/visitor centre	117,025
Dunham Park	TRAFFORD	historic house	111,380
East Lancashire Railway		other historic	107,950
Quarry Bank Mill	MACCLESFIELD	other	102,117
Lyme Park	MACCLESFIELD	historic house	83,407
Cumberland Pencil Museum	Allerdale	museum/gallery	83,000
Muncaster Castle	COPELAND	historic house	82,639

Source: Visit Britain Attractions Monitor 2006

Exhibit 25: Top 20 Free admission attractions in the NW as listed by Visit Britain 2006

Name of attraction	*Local authority*	*Category*	*Visits 2006*
Blackpool Pleasure Beach	Blackpool	leisure/theme park	5,730,000
The Lowry	Salford	museum/gallery	850,000
Tate Liverpool	LIVERPOOL	museum/gallery	557,002
Merseyside Maritime Museum	LIVERPOOL	museum/gallery	439,318
Liverpool Anglican Cathedral	LIVERPOOL	place of worship	401,019
Science & Industry in Manchester	MANCHESTER	museum/gallery	361,337
Southport Pier	Sefton	other historic	310,000
Etherow Country Park	STOCKPORT	country park	300,000
Metropolitan Cathedral of Christ the King	LIVERPOOL	place of worship	262,946
Urbis - The Museum of Urban Living	MANCHESTER	other	256,240
Cuerden Valley Park Trust	Chorley	country park	250,000
The Walker	LIVERPOOL	museum/gallery	248,107
Lady Lever Art Gallery	WIRRAL	museum/gallery	201,576
Manchester Museum	MANCHESTER	museum/gallery	173,872
Whinlatter Forest Park	Allerdale	other	162,450
Brougham Hall	Carlisle	other historic	120,000
Manchester Cathedral	MANCHESTER	place of worship	110,000
National Football Museum	PRESTON	museum/gallery	107,000
Portland Basin Museum	TAMESIDE	museum/gallery	90,971
Grosvenor Museum	CHESTER	museum/gallery	90,418

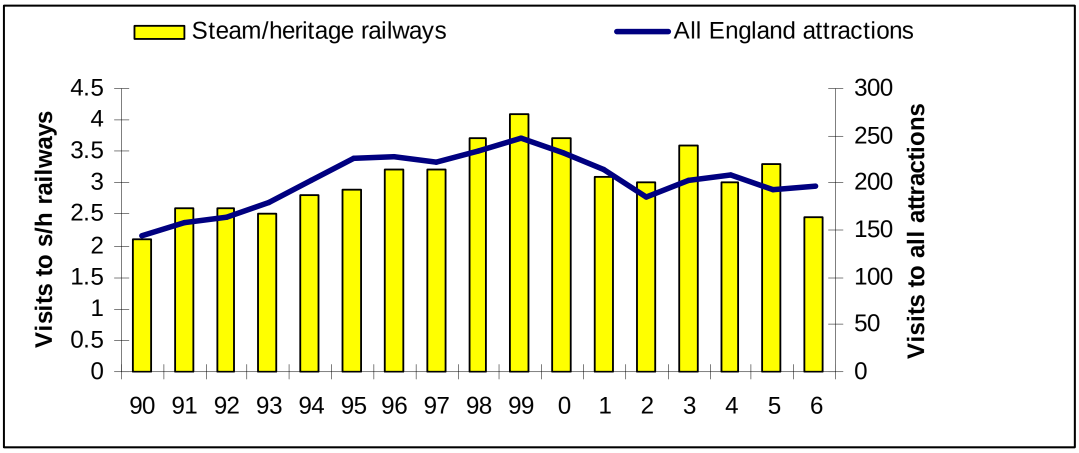
Source: Visit Britain Attractions Monitor 2006

1.7.2 Steam/heritage railway attractions

The exhibit below shows the indexed trend in visits to steam/heritage railway attractions and across England, based on the visits given by responding attractions to the Visit Britain Attractions Monitor since 1990.

The figures do not represent the entire market but give a good indication of trends over almost 20 years. This shows that visits to steam/heritage railways have been broadly in line with visits to attractions in England generally, but from 1999 to 2005 actually bucked the trend by receiving comparably more visits.

Exhibit 26: Visits to steam/heritage railways and all England attractions 1990 – 2006



Source: Visit Britain Attractions Monitor

The table below shows all attractions in this category listed by Visit Britain in 2006. The Visit Britain Attractions Monitor also shows that the average adult ticket charge for a railway attraction in 2006 was £6.12 and of their sample, 37 railway attractions are paid admission and only 4 free.

Exhibit 27: Steam/heritage railway attractions listed by Visit Britain Attractions Monitor 2006

Attraction	*Region*	*2002*	*2003*	*2004*	*2005*	*2006*	Change 02 - 06
North Yorkshire Moors Railway	Y&H	297,000	297,000	303,000	305,000	*305,000*	3%
Severn Valley Railway	WM	237,000	249,000	242,000	252,000	246,222	4%
West Somerset Railway	SW	172,000	220,000	230,000	250,000	230,000	34%
Swanage Railway	SW	191,000	172,000	199,000	197,000	200,452	5%
Romney, Hythe & Dymchurch Railway	SE	165,000	166,000	168,000	160,000	160,000	-3%
Mid-Hants Railway	SE	122,000	120,000	128,000	130,000	134,817	11%
North Norfolk Railway	EAST	105,000	107,000	119,000	126,000	125,000	19%
Gloucestershire & Warwickshire Railway	SW	80,000	100,000	120,000	110,000	*110,000*	38%
Midland Railway Centre	EM	120,000	120,000	110,000	110,000	110,000	-8%
Moors Valley Railway Narogauge Ltd	SW	**	**	100,000	110,000	*110,000*	
East Lancashire Railway	NW					107,950	
Isle of Wight Steam Railway	SE	63,000	64,000	65,000	90,000	100,000	59%
Avon Valley Railway	SW	78,500	79,500	86,500	100,000	100,000	27%
Kent and East Sussex Railway	SE	86,570	103,780	96,063	95,530	97,737	13%
Cleethorpes Coast Light Railway	Y&H	**	**	59,036	60,928	70,005	
Eastleigh Lakeside Railway	SE	55,000	64,187	77,402	61,958	60,436	10%
Battlefield Line	EM	**	**	**	50,000	55,000	
Nene Valley Railway	EAST	52,571	51,813	55,642	57,506	51,595	-2%
Bodmin & Wenford Railway	SW	44,167	47,707	47,284	43,079	42,724	-3%
Buckinghamshire Railway Centre	SE	43,000	41,000	41,000	40,000	37,226	-13%
Steam Yacht Gondola	NW	**	**	**	32,523	37,112	
Chasewater Railway	WM	17,000	25,000	30,100	36,500	36,700	116%
Audley End Miniature Railway	EAST	41,786	42,509	42,175	41,878	36,091	-14%
Wells & Walsingham Railway	EAST	20,000	20,000	20,000	20,000	20,000	0%
East Somerset Railway	SW	17,438	17,469	20,000	17,400	16,894	-3%
Swindon & Crickdale Railway	SW	**	8,500	10,500	14,000	15,207	
Northampton & Lamport Railway	EM	**	16,898	14,642	16,734	14,894	
Shipley Glen Cable Tramway	Y&H	**	42,917	29,584	31,358	14,754	
West Lancashire Light Railway	NW	**	12,293	12,317	13,393	13,929	
Mid-Norfolk Railway	EAST	8,295	9,174	9,117	10,246	13,903	68%
Telford Steam Railway	WM	7,500	9,000	11,000	11,000	11,657	55%
Lavender Line Preserved Railway	SE	**	8,600	8,250	10,000	9,500	
Nottingham Transport Heritage Centre	EM	12,722	12,330	9,144	9,400	9,300	-27%
Sittingbourne & Kemsley Light Railway	SE	8,200	5,988	5,498	6,502	6,360	-22%
Bredgar & Wormshill Light Railway	SE	5,820	5,832	4,696	5,390	5,944	2%
Irchester Narrow Gauge Railway	EM	5,050	5,120	6,150	7,250	4,650	-8%
Weardale Railway	NE	**	**	**	**	4,300	
East Kent Railway	SE	6,000	8,000	8,400	3,500	3,400	-43%
Abbey Light Railway	Y&H	2,951	**	3,646	3,925	3,398	15%
Barton House Railway	EAST	1,157	1,813	1,476	1,543	1,284	11%

Source: Visit Britain Attractions Monitor – italicised = 2005 figure