

5A: LEISURE TRENDS

COMMERCIAL LEISURE – NATIONAL TRENDS BY SECTOR

Cinema

- 1.1 The Cinemas, Leisure Intelligence Mintel Report (June 2010) states that the cinema industry in the UK is currently doing very well buoyed by high admission as people have turned to it as a good value escape during the recession and sharply higher revenues as a result of growth in the number of premium-priced 3D films they are showing. Prospects for the future look to be positive as more 3D movies are set to be released which could boost attendance further. However, there are issues which can potentially hold back the market include a slowdown in the building of new cinema sites and also concerns over ticket prices.
- 1.2 The cinema market is dominated by three chains, Odeon, Cineworld and Vue, which together account for just over 60% of the total screens in the UK. A steady stream of high quality films assisted with cinemas gaining high levels of admission in 2009, the box office revenue grew at a faster rate than admission due to the growing proportion of 3D films being released as 3D films attract a 30% price premium over 2D films. Additionally the installation of digital equipment into cinemas has provided an additional resource stream by allowing cinemas to show alternate content such as sports events.
- 1.3 The consumer expenditure on cinemas has increased by 13.6% over the period from 2005-2009, from £1,078m to £1,301m. It is estimated that this expenditure will increase to £1,787m by 2015. However, at 2010 price levels, the turnover in 2005 was £1,390m which decrease slightly in 2009 to £1370m this is forecast to increase slightly up to 2015 to £1,387m. The admission to cinemas has also increased from 164.7m in 2005 to 175.5m in 2009 which is proposed to increase to 209.4m by 2015. The yield per person has also increased from £6.55 per person in 2005 to £7.50 per person in 2009 which is estimated to increase to £8.54 in 2015.
- 1.4 Between 2005-2009, the number of cinema sites decreased by 0.6% from 771 to 766 but due to the increase in multiplexes being developed the number of screens increased by 6.0% from 3486 to 3696. In 2009 there were on average 4.8 screens per site. The average sales per site over the period from 2005-2009 has increased by 21.5% from £1.40 to £1.70, over the same time period the average sales per screen at each increased 13.5% from £0.31 to £0.35.
- 1.5 In 2009 there were 275 multiplex sites in the country which had 2,738 screens, this accounted for 74% of the screens throughout the entire country.
- 1.6 Between 2006 and 2009 the number of digital screens increased from 148 to 642 of which 5 were 3D in 2006 which has increased to 449 in 2009, this accounts for 69.9% of all digital screens.

- 1.7 22.6% of adults over the age of 15 interviewed for the Mintel Report say that they have visited the cinema in the past month. Within Yorkshire there were 292 screens within Yorkshire in December 2005 which had increased to 310 screens by December 2009, this is an overall increase of 6.2%.

The Bingo Market

- 1.8 The bingo sector tends to prefer central locations that are accessible by either public transport or foot. Major operators require a building of between 2,000 and 3,000 sq m capable of seating up to 2,000 people with a catchment population of 50,000-70,000 people within freestanding towns.
- 1.9 The Bingo Leisure Intelligence Mintel Report (April 2009) identifies bingo as being traditionally seen as a solidly working class, female pass-time which is often undertaken by older player, however, the market has changed slightly in the past decade. A younger, more affluent crowd has been drawn into the market, so whilst the market is still niche it has become more dynamic with increased investment in facilities, games and technology. However, since 2007 the market has slumped which has led to falling admission numbers and falling revenue from stake money and ancillary activities.
- 1.10 The bingo industry has seen admissions and revenue decline since 2006; between 2006 and 2009, revenue fell by an estimated 26% in current price terms and admissions by 22%. A combination of the Gambling Act 2005, the implementation of the smoking ban and economic recession reduced spend per head in clubs while the decision to raise bingo duty also hit the industry.
- 1.11 The number of admission to clubs fell from 79m in 2004 to 72m in 2008 which was predicted to decrease further to 63m by 2009. It is forecast that the attendance will continue to fall to 50m in 2014. Club turnover increased between 2004 and 2006 from £2,196m to £2,752m; however, there has been a steady decline since with turnover decreasing to £2,429m in 2008. This is forecast to decrease even further by 2014 to £1,503m.
- 1.13 The number of clubs had also decreased from 696 to 615 between 2004 and 2008 which was estimated to decrease further by 2009 to 590 clubs. However, the estimated average spend per admission has risen between 2004-2008 from £27.80 to £33.70, this has gone down from its peak in 2007 of £34.76 and is predicted to have one down even further in 2009 to £32.33.
- 1.14 Within Yorkshire 8.5% of the people interviewed were either interested in playing/played regularly/ played occasionally of which 1.5% play regularly and 6.1% play occasionally.

Casinos

- 1.15 Casino operators now have to think in more detail about the catchment areas of their casinos and the level of existing or future competition in a given area. Catchment areas for Casinos should be within or in the vicinity of a large centre with good transport link.
- 1.16 The Casino (including online) Leisure Intelligence Mintel report was published in September 2010, within the document it says that the UK Casino market is still coming to terms with the effects of the Gambling Act. Whilst the freedom to advertise and admit customers without either membership or delay have been positive moves for land based casinos, restrictions on new casino opening and gaming machine entitlements along with an increase in taxation rates are considered to be stifling investment.
- 1.17 Both land based and online casinos gaming struggle to compete with other gambling products particularly sports betting , online gambling and the national lottery. The casino expenditure in the UK remained above £1.1bn in 2010 due to the growth in the online sector compensating for the continued decline in land based venues.
- 1.18 The consumer expenditure on casino gaming has increased from 2005 to 2009 from £1022m to £1,117m, it is forecast that this expenditure will continue to increase to £1,260 up to 2015. However, at 2010 prices levels this will see a considerable decrease in expenditure from £1,317m in 2005 to £1,176m in 2009, it is proposed that this will continue to decrease to £978m by 2015.
- 1.19 3.6% of adults interviewed in Yorkshire had visited casinos.

Ten Pin Bowling

- 1.20 Bowling establishments are now tending to be part of major leisure developments that include cinemas and restaurants which offer a range of leisure and entertainment activities. Bowling establishments generally require large buildings of 2300 sq m- 4200 sq m. They are also usually found in towns with a population in excess of 150,000.
- 1.21 Following a period of growth between 2007 and 2009 the value of the tenpin bowling market fell by an estimated 11% to reach a value of just under £250 million, the market picked up during the first half of 2010 but the sales are still lagging behind pre-recessionary levels (Tenpin bowling – Leisure Intelligence Mintel Report, July 2010). Bowling is popular as an occasional leisure activity, however, there is little prospect of significant supply growth. Creating incentives for more frequent visits and driving up per capita spend by getting the product mix right for different customers should be the priorities for the years ahead.
- 1.22 Nine out of ten people surveyed by Mintel have visited a bowling alley in their lives which underlines the wide reach of ten pin bowling, but only a quarter of these have been more than once a year.
- 1.23 The consumer expenditure on bowling has increased between 2005-2009 by 4.2% from £265m to £276m, this is a slight decrease from its peak during 2008 of £283m.

- 1.24 The ten pin bowling revenue is predicted to increase relatively in between 2005-2015 from £265m to £284m, however at 2010 prices levels the revenue will decrease from £342m in 2005 to £220m in 2015.
- 1.25 11.9% of adults over the age of 15 interviewed for the Mintel Report say that they have played tenpin bowling in the past 12 months.

Health and Fitness Clubs

- 1.26 The expansion of health clubs in recent years has led to an oversupply in some areas, particularly near major workplaces. The competition for site has increased and the demand for membership has slowed in line with the general economy.
- 1.27 The Mintel Report into the UK Health and Fitness market was published in October 2009, it states that the UK health and fitness market growth stalled for the 18 months before the report was published due to the combined impact of the banking crisis and associated economic recession. Cost remains an issue for many consumers and as such the emergence of the budget health market could attract a large number of new customers into the market.
- 1.28 Approximately 10.5% of the adult population were gym members at the time this report was published and the overall market value was stable at around £2.5 billion. At the time the report was published Fitness First was the largest operator in the UK market in terms of clubs but by members and absolute revenue, the David Lloyd Leisure Group of companies which now incorporate the former Next Generation and Harbour Club businesses, is the biggest company. Other companies involved in the market include Virgin Active, LA Fitness, Bannatyne's, Nuffield Health, Esporta and DW Sports Fitness. At the time DW Sports was the only company to be pursuing an aggressive programme of new openings which could result in it becoming the fourth biggest club in terms of membership numbers.
- 1.29 Private clubs have to compete in a complex market for exercise and leisure which is served by exercise at home, exercise outdoors, public leisure centres and dedicated sports clubs. Specifically gyms have competition from public leisure centres, facilities in educational establishments and company gyms; being able to use these for free during the recession has been a major attraction
- 1.30 Long term prospects for the market remain reasonably positive but it is unlikely that the industry will experience the growth it had during the 1990s and early 2000s due to the number of suitable development sites diminishing so less growth will be derived from club openings in the future.
- 1.31 The consumer expenditure on private health and fitness clubs increased by 19.7% from £2,110m in 2005, to £2,525m in 2009. It is forecast that over the period from 2004-2014 the number of members of health and fitness clubs will increase from 4.2m to 6.31m which will see expenditure increase at 2009 price level from £2,370 to £2,593m this will see the average revenue per member over the same time period decreasing from £487 to £480.

Performing Arts

- 1.32 The Mintel Report for Performing Arts (October 2010) states that revenue for performing arts has grown despite the recession as the performing art has benefited from the perception that they are an affordable treat and they provide the consumer with the opportunity to 'get away from it all'.
- 1.33 However, the Comprehensive Spending Review which was published in mid-October 2010 may impact upon the performing arts industry as firstly core funding of the arts is to be drastically cut which will certainly impact on the many subsidised organisations in the performing arts sector and the job cuts within the public sector may have an impact upon the audience figures.
- 1.34 Musicals seen by 23% of adults attending performing arts performances are the most popular art genre ahead of plays (19%). The visiting of both these type of performances peaks amongst the 45-54 year olds and those with an annual household income of £50,000 or more. Pantomimes have a slightly younger audience, reflecting the fact that they target families with young children.
- 1.35 Ballet and opera attract a slightly older audience. People are most likely to agree that they would go to watch performing arts more often if tickets were less expensive; this is especially true with women, suggesting with men it is the lack of interest that stops them from going more often.
- 1.36 The expenditure on theatres increased between 2005-2009 from 516m to 670m, this is an increase of 29.8%.
- 1.37 65.6% of adults over the age of 15 interviewed for the Mintel Report say that they attend live entertainment which includes the theatre.
- 1.38 The revenue in the UK for performing art totalled £1,719m in 2005 which increased to £2,045m in 2009, this is forecast to decrease slightly to £1981 by 2015. However, at 2010 prices levels this will see a considerable decrease in turnover from £2,215m in 2005 to 2,154m in 2009 which is forecast to continue falling to 31,538m in 2015.
- 1.39 Within the Yorkshire and Humber region 44.7% of adults questioned in the Mintel Report claimed to have attended the theatre of which 2.0% go once a month or more, 3.8% go every 2-3 months, 10.6% go 2-3 times a year, 11.1% go once a year and 17.2% go less often.

Nightclubs

- 1.40 The Mintel report on Nightclubs published in December 2010 states that the nightclub industry has endured a turbulent past few years as it has come to terms with the increased competition from late night bars and pubs with no admission fees, the smoking ban and the economic downturn. This has resulted in a large number of clubs being sold or closed. The

short term future looks poor as the impact of job cuts will hit consumer's ability to spend. Longer term this has provided the opportunity for clubs to re-emerge as multi-purpose venues offering a variety of entertainment and other services such as live music or comedy along with features such as minimising queues, being able to influence the music being played and the provision of sound proofed rooms or pods for people to talk.

- 1.41 In 2010, the market was estimated to be valued at £1.48 billion, a fall of 19% compared to 2005, this represents a decline in real terms of 37%. Mintel forecasts that the Industry will continue to contract to £1.23 billion over the next five years although the rate of decline will ease towards the end of this period.
- 1.42 The consumer expenditure on nightclubs has decreased in between 2005 and 2009 by 6.8% from £1,830m to £1,705m.
- 1.43 The number of admissions to nightclubs decreased from 182m in 2005 to 165m in 2009 and is proposed to fall further by 2015 to 120m. The revenue at the 2010 price level has also fallen from the equivalent of £2,358m in 2005 to £1,738m in 2009 and the revenue is proposed to fall to 1,056m in 2015. The revenue per admission is proposed to remain fairly constant inbetween 2005 and 2015, it is estimated to be £10.05 in 2005 rising slightly to £10.27 in 2015.
- 1.44 The UK nightclub revenue in 2010 was estimated to be £1,485m which Mintel forecast will decrease to 1,232m by 2015. However, it should be noted that the best case scenario will see nightclub revenue increasing slightly to 1,509m by 2015 but the worst case scenario will see revenue falling to £955m by 2015.
- 1.45 The UK nightclub admissions in 2010 was estimated to be 149m which Mintel forecast will decrease to 120m by 2015. However, it should be noted that the best case scenario would still see nightclub admissions falling slightly to 143m by 2015 and the worst case scenario will see admissions falling to 96m by 2015.
- 1.46 8.1% of adults over the age of 15 interviewed for the Mintel Report say that they have visited a nightclub.