traveltracker

A PUBLICATION OF THE NORTH CAROLINA DEPARTMENT OF COMMERCE – DIVISION OF TOURISM, FILM AND SPORTS DEVELOPMENT

February 2010

Strategic tourism marketing and policy decisions depend on accurate, consistent tracking of business indicators such as lodging statistics, attraction and welcome center visitation, transportation statistics and more. The intent of the North Carolina Travel Tracker is to provide up-to-date and relevant tourism indicators for both the state and individual regions within the state. With data from the Travel Tracker, program areas and industry partners can strategically plan, implement and evaluate processes and programs.

The following report analyzes a variety of tourism indicators by 1) State, 2) the three geographic marketing regions (coastal, piedmont and mountain), and for some indicators 3) the seven economic development regions. As well as providing a review of the current state of business, the report provides a year-to-date analysis and comparisons to previous years where applicable.

With regards to the lodging data found in this report; while virtually every chain in the United States provides Smith Travel Research (STR) with data on almost all of their properties, there are still some hotels that don't submit data. However, every year STR examines listings and directories for information on hotels that don't provide data. STR calls each hotel in the database every year to obtain "published" rates for multiple categories. Based on this information all hotels are grouped - those that report data and those that don't - into groupings based off of price level and geographic proximity. They then estimate the non-respondents based on nearby hotels with similar price levels.

Following is a guide to charts and graphs for this report:

Section 1: Statewide Tourism Indicator Analysis for February 2010

Chart 1 – Hotel/Motel Occupancy in North Carolina - February 2006 – 2010

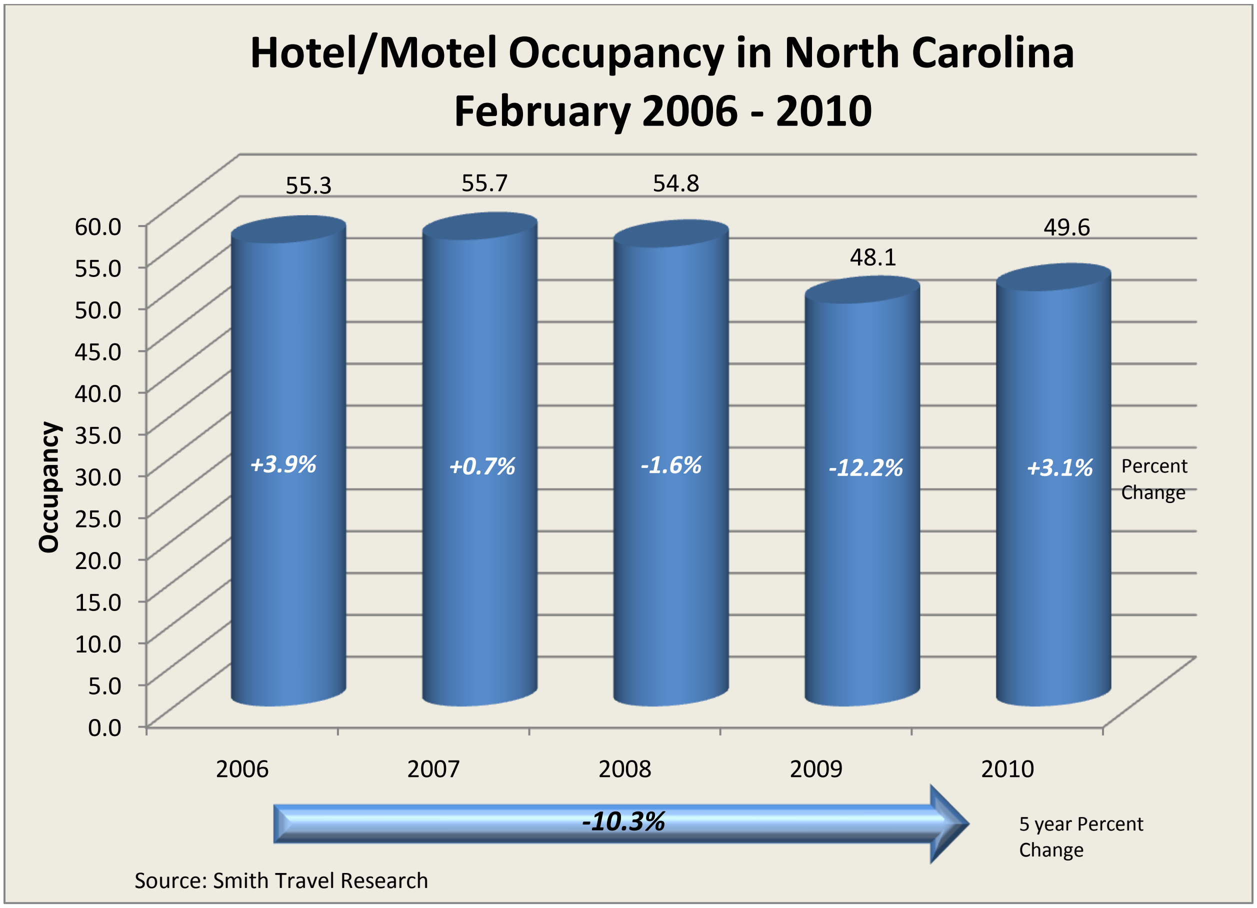


Chart 1 provides a comparison over a five year period to show the trend of occupancy in the state for the month of January. Occupancy for February 2010 was up 3.1 percent from February 2009. This was the first positive month over month occupancy growth since October 2007. *Occupancy at the national level increase by almost one percent (+0.9%) in February 2010 from the previous year.*

Chart 2 – Hotel/Motel Average Daily Room Rate in North Carolina - February 2006 – 2010

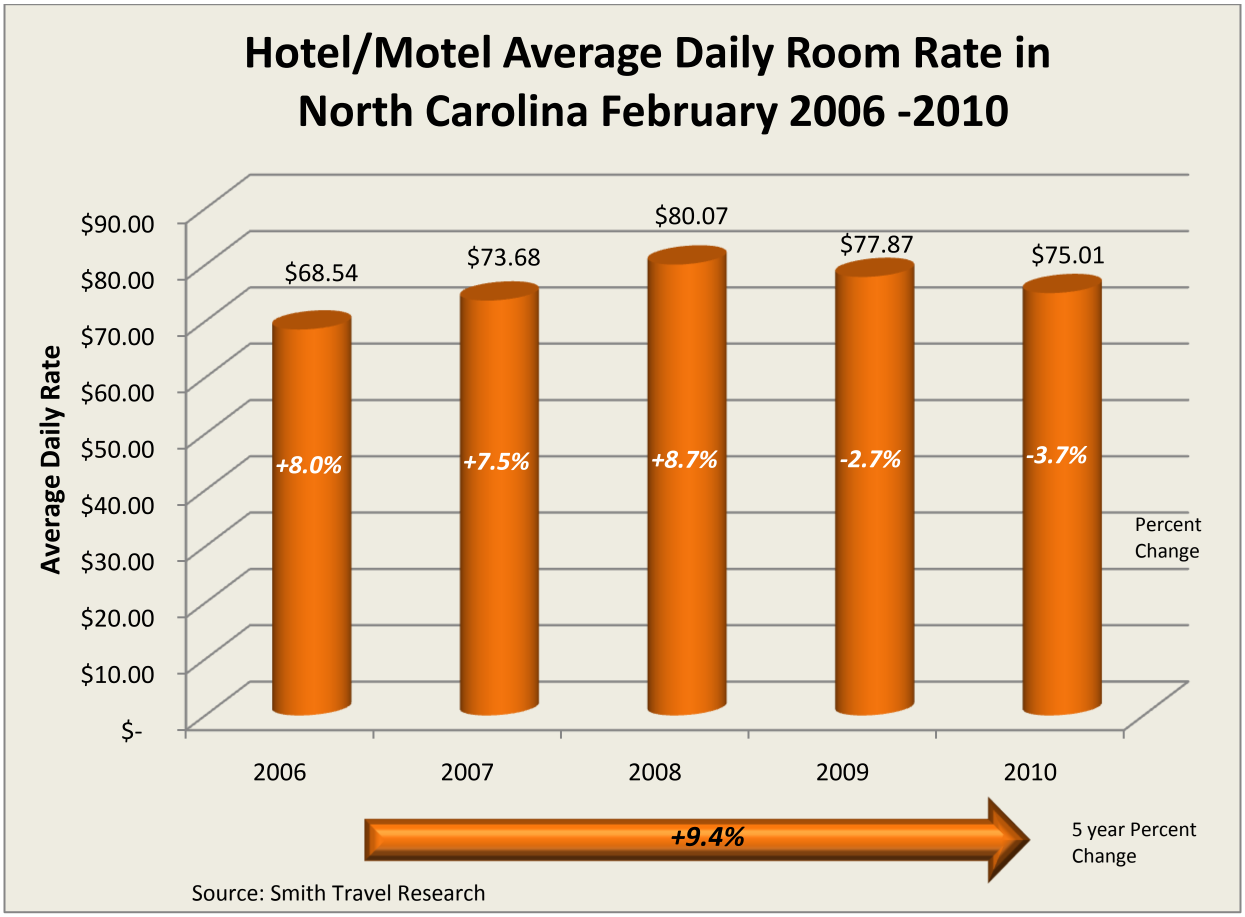
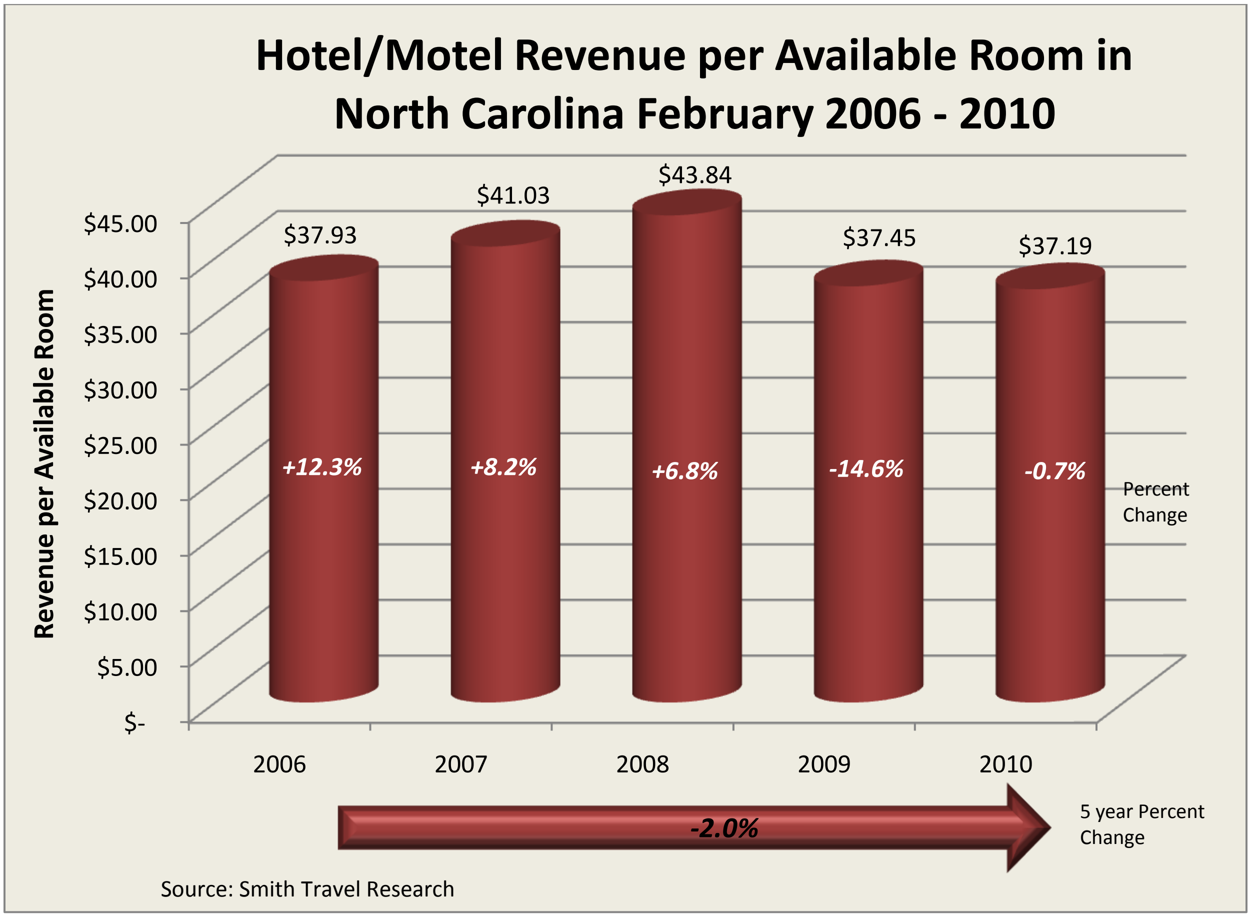


Chart 2 provides a comparison over a five year period to show the trend of average daily room rate (ADR) in the state for the month of February. After peaking in February 2008, ADR for past two years has decreased over 6 percent. It is just above 2007 levels. *ADR at the national level was down -4.5% in February 2010 from the previous February.*

Chart 3 – Hotel/Motel Revenue per Available Room in North Carolina - February 2006 – 2010



In Chart 3 an analysis of Revenue per Available Room (RevPAR) is provided. RevPAR is an industry term that describes the revenue that a hotel earns on the basis of just the rooms available for a given night. In other words, rooms not available either due to renovation or other reasons are not included in this equation. Mathematically, RevPAR can be determined dividing total room revenue by rooms available (occupancy times average room rate will closely approximate RevPAR).

As with previous charts, Chart 3 shows a comparison over a five year period to show the trend of RevPAR in the state for the month of February. As with the ADR, RevPAR was down for February 2010 relative to the previous year, and still below 2006 RevPAR. *RevPAR at the national level was down -3.6% in February 2010 from the previous February.*

Chart 4 – Hotel/Motel Room Demand in North Carolina - February 2006 – 2010

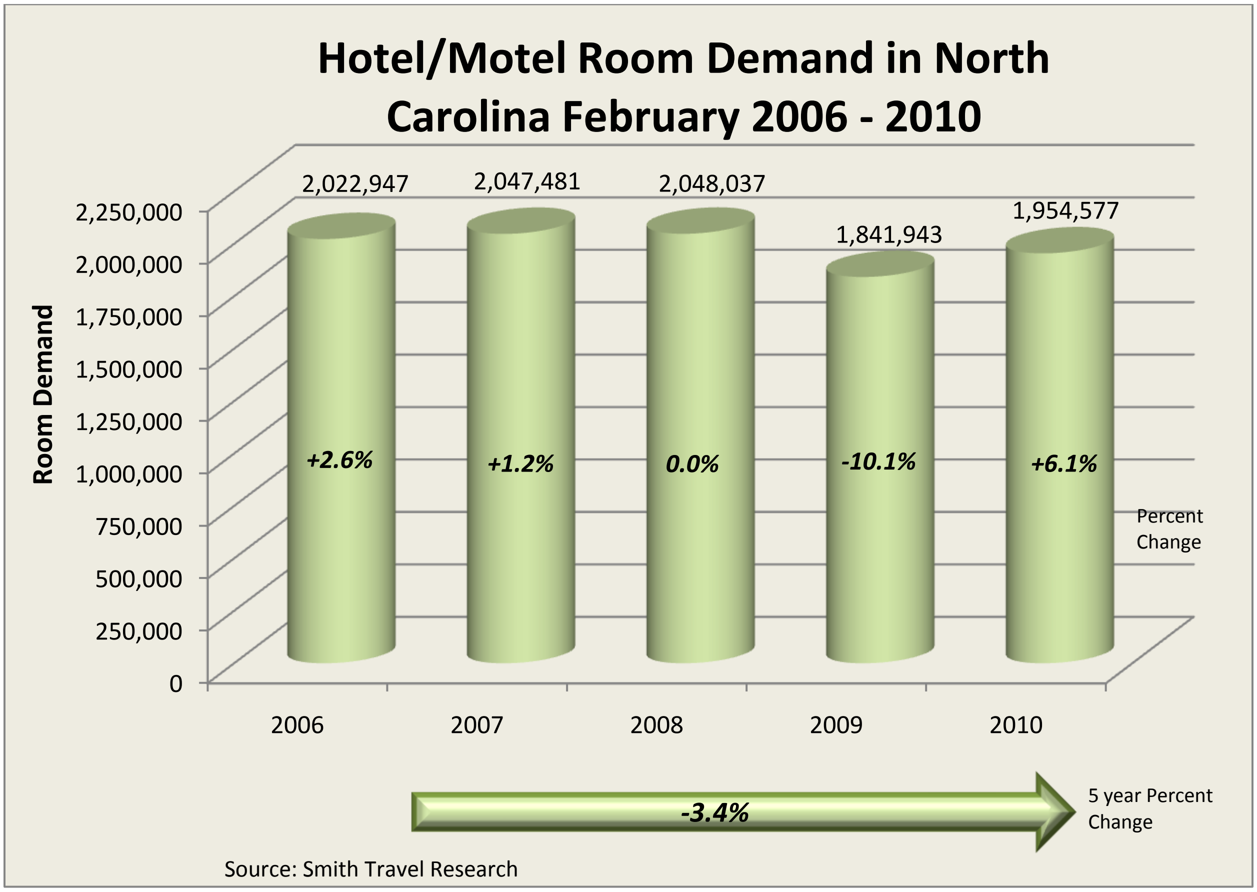


Chart 4 depicts hotel/motel demand for the month of February 2010 with comparisons to the previous four years. Demand is the number of rooms sold excluding complimentary rooms. Room demand for February was up 6.1% from February 2009. *Room Demand at the national level saw a increase of 3.9% change in February 2010 from the previous February.*

Chart 5 – North Carolina Lodging Statistics Monthly Percent Change 2008 – 2010

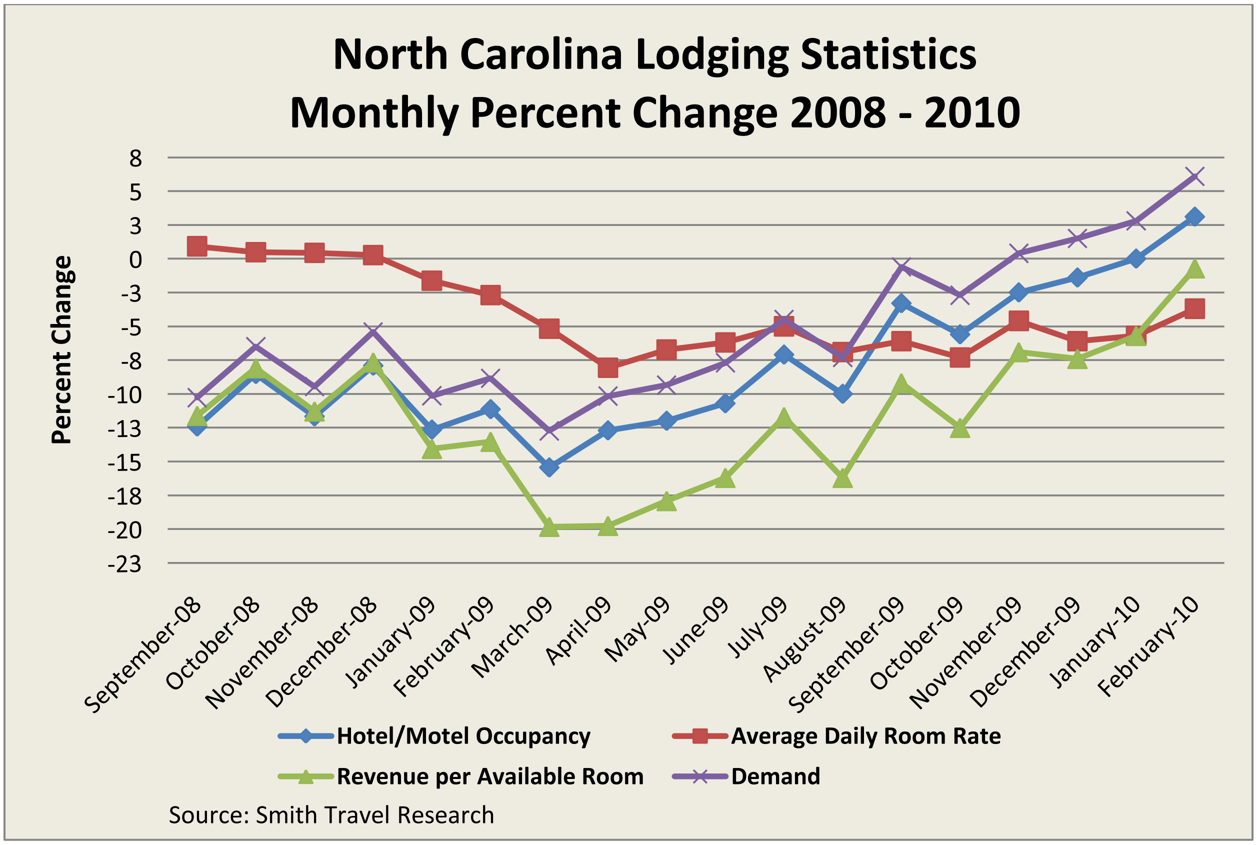


Chart 5 provides a monthly percent change for the four major lodging indicators. The chart allows for a 17 month trend-line analysis that clearly depicts that the major indicators show a steady negative change. After over a year of negative percent change for all indicators, demand has shown relative increases the last few months. As well, occupancy finally moved above 0% increase in February.

Chart 6 – Statewide Visitation to Attractions - February 2006 – 2010

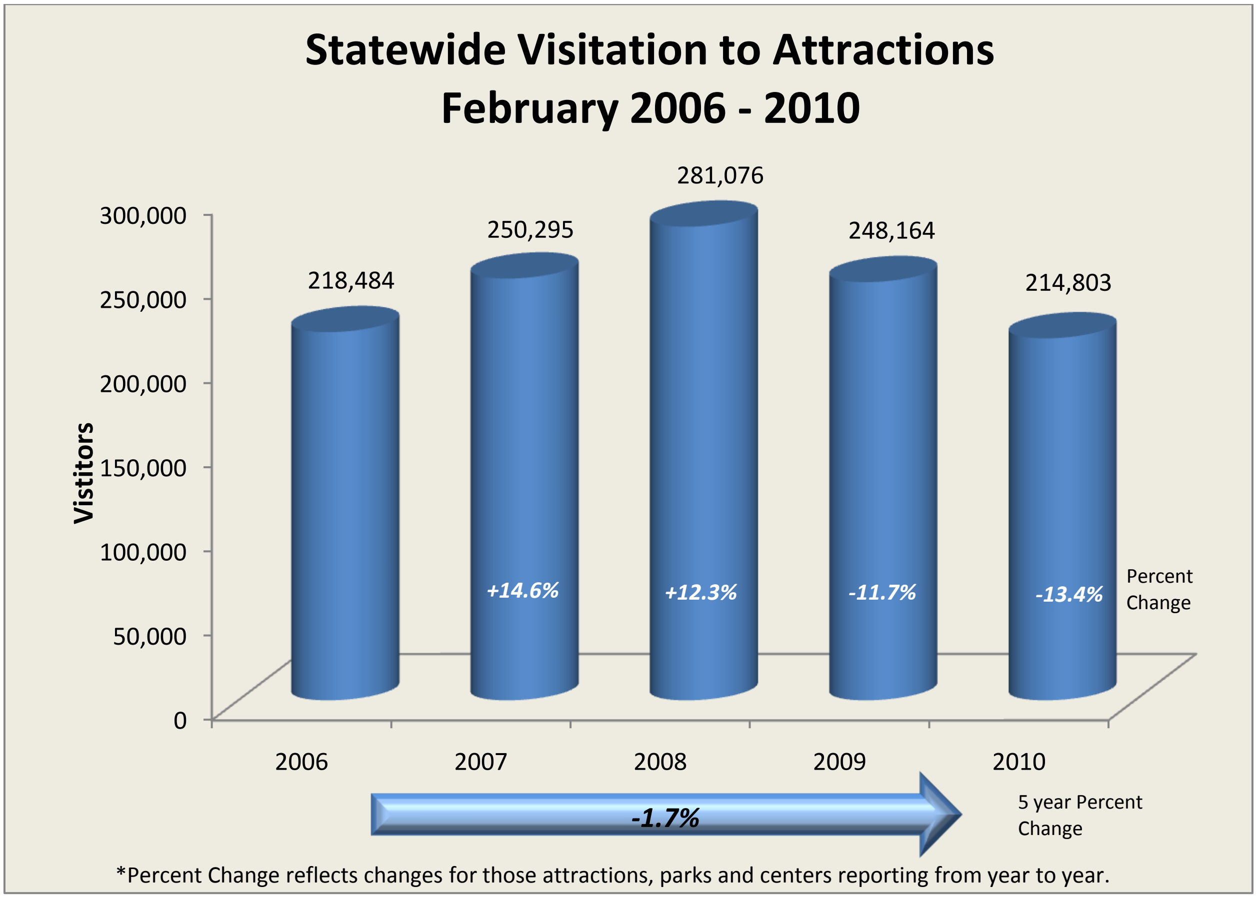


Chart 6 provides a status of the attractions industry in North Carolina for the month of February for the last five years. The numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis, particularly when tracking percent change. Missing values for attractions who regularly report have been estimated until visitation can be verified. These estimates are not included in percent change calculations from February 2009 to February 2010.

There was a large decline in attraction visitation from February 2009 to February 2010. Inclement weather is most likely the reason for the drastic drop in attraction attendance from 2009 for the month.

Chart 7 – Statewide Visitation to Attractions Monthly History 2006 – 2010

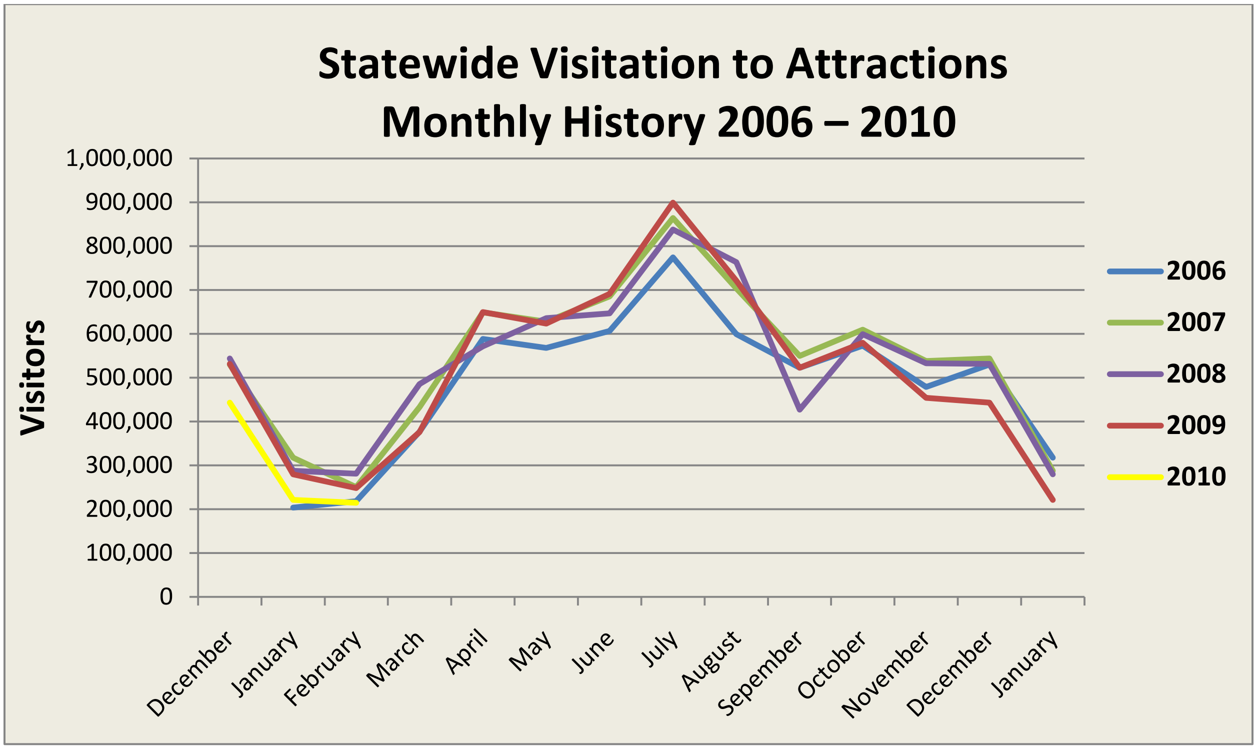


Chart 7 shows a monthly trend of attraction visitation for each of the last five years. This chart allows for a view of the ebb and flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. Not surprisingly, the summer months see higher visitation numbers at statewide attractions. However, it is helpful to view how visitation is allocated by month for strategic planning purposes.

Again, the numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis.

While January is typically the slowest month for attractions statewide, the numerous days of inclement weather in February 2010 led to a larger than usual drop this year for the month of February, putting it fairly even with the previous month.

Chart 8 – State Welcome Center and Local Visitor Center Attendance - February 2006 – 2010

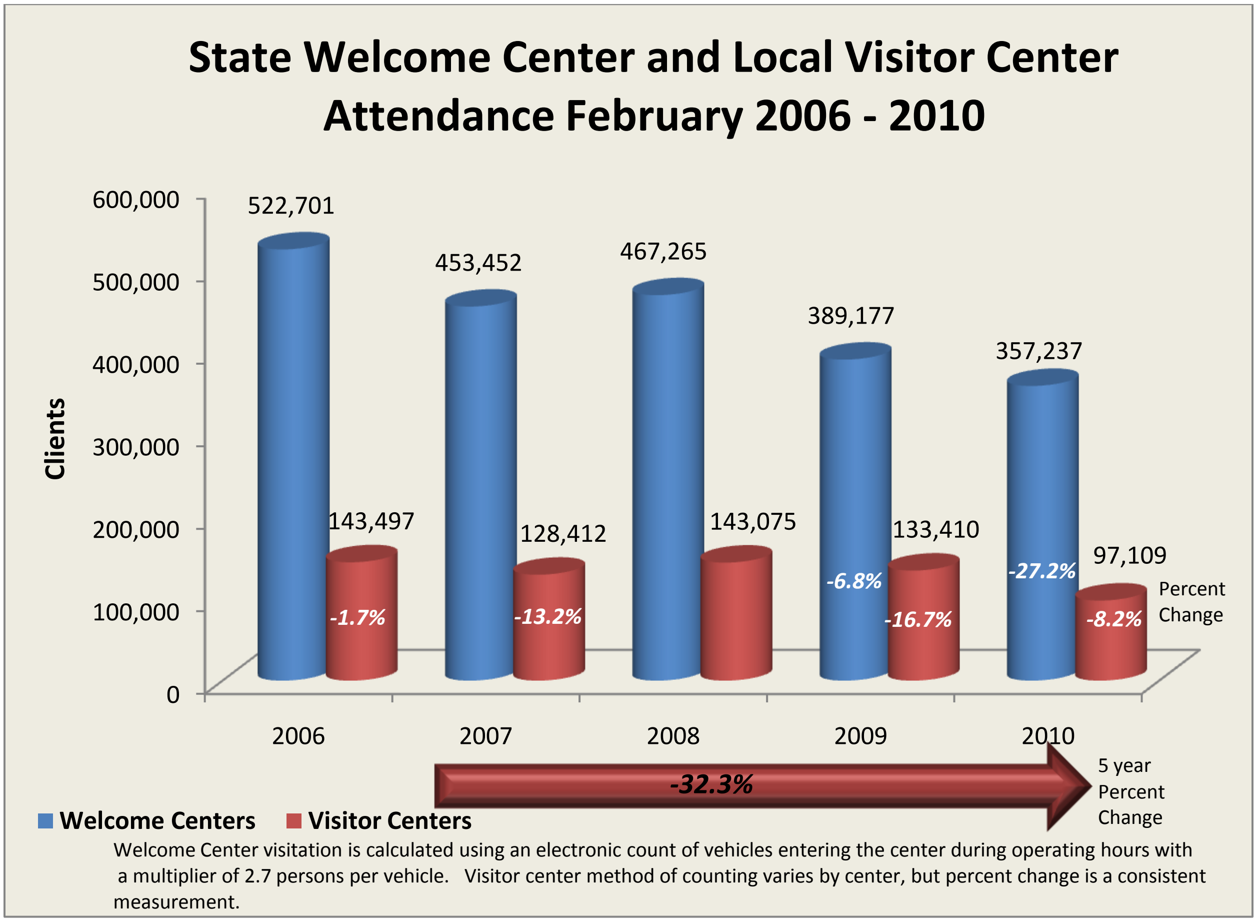


Chart 8 provides February visitation statistics for State Welcome Centers, as well as Local Visitor Centers throughout North Carolina. It should be noted that while there is a percent change indicated for welcome centers for 2007-2008 and 2008-2009, 2008 was the first year a percent change could accurately be provided. The NCDOT spent several years changing the counting mechanism at the state welcome centers making comparisons between years inaccurate from the time the DOT began installation until December 2008. Therefore, previous years' percent changes are not included in this particular chart.

It should also be noted that the western North Carolina rock slide and the subsequent temporary closure of the I-40 Welcome Center clearly affected February visitation, particularly in the mountains.

Chart 9 – Statewide National and State Park Visitation - February 2006 – 2010

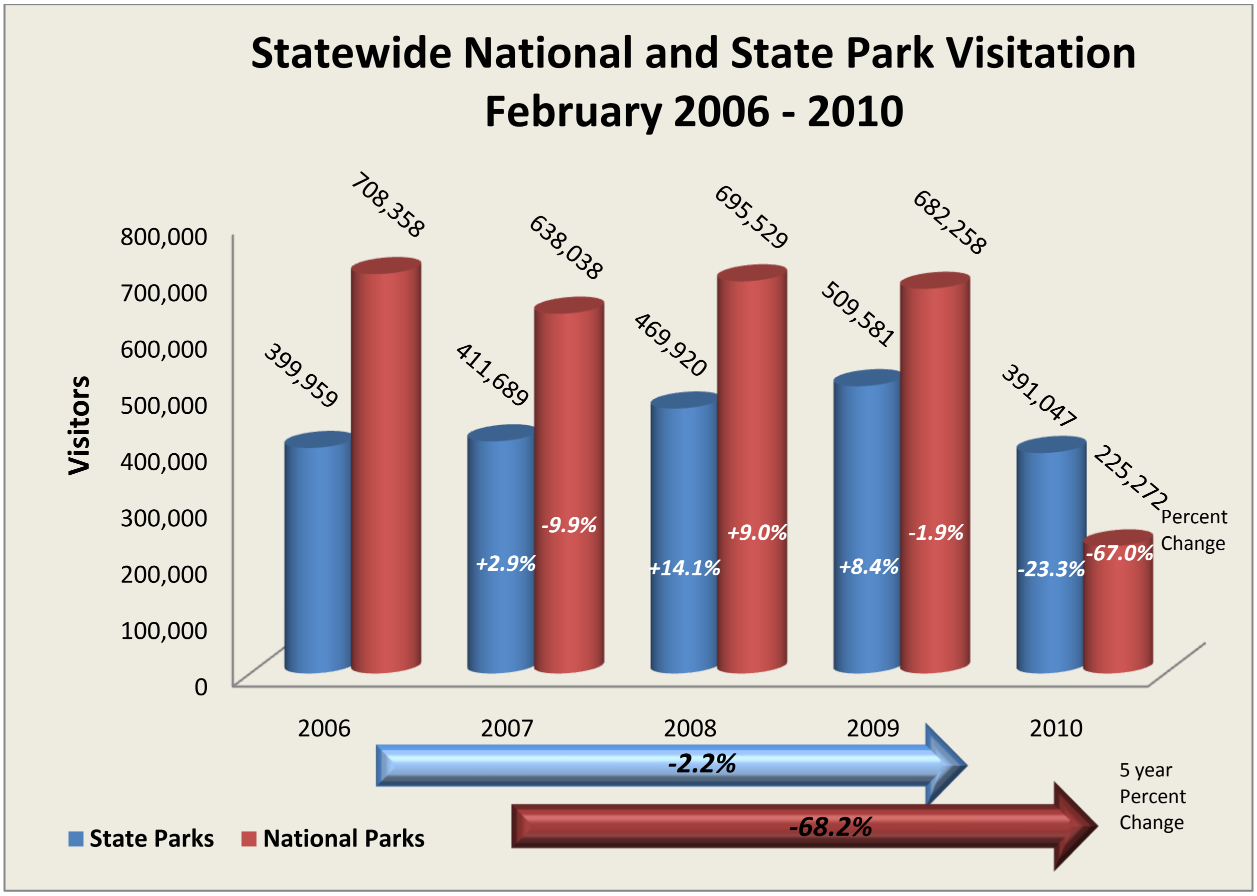
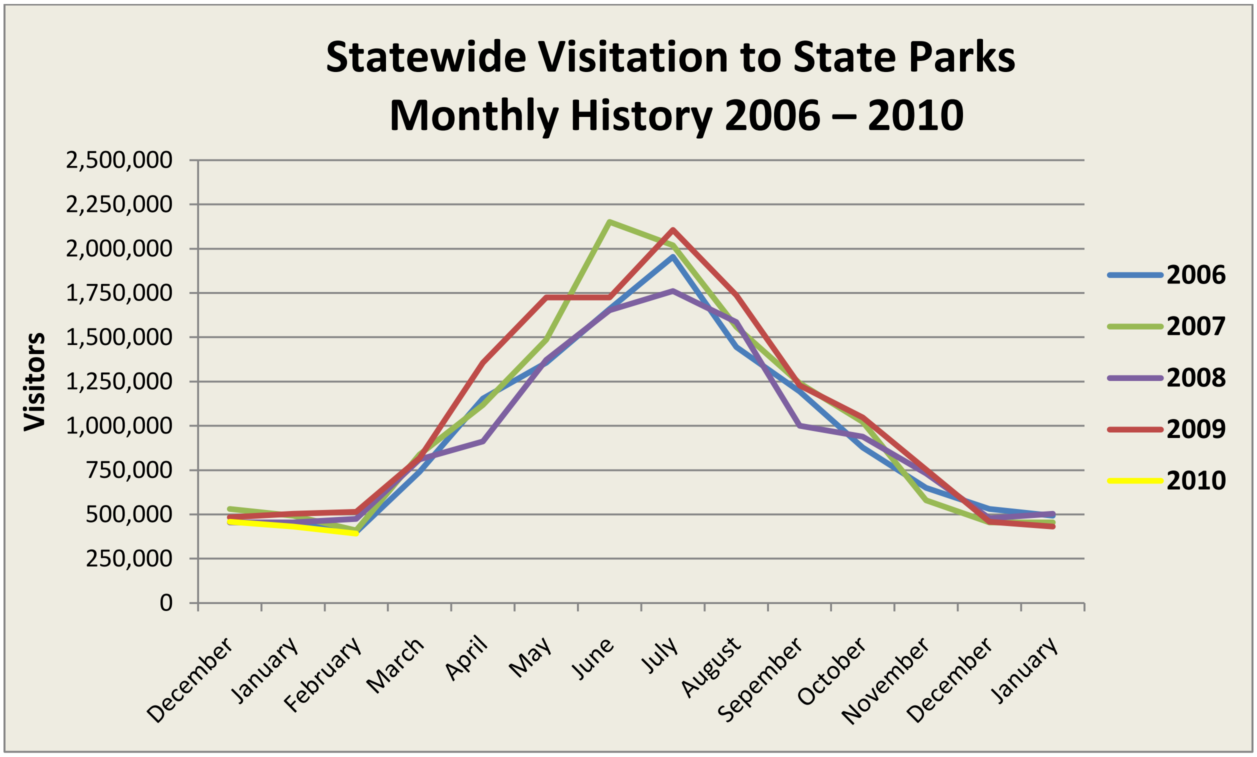


Chart 9 depicts visitation to state and national parks in North Carolina for the last four Februarys. Both state and national parks experienced decreases from February of 2009. As with attraction attendance, outdoor attractions suffer when the weather is bad, as it was in February, thus leading to large decreases for the month.

Chart 10 – Statewide Visitation to State Parks Monthly History 2006 – 2010



Similar to Chart 7, Charts 10 and 11 provide a monthly trend of state and national park visitation for each of the last five years. These charts help monitor the flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. It is important to note that there are many extraneous variables that can affect visitation at attractions, and particularly at outdoor attractions. Weather, temperature and holidays are variables that should be noted when viewing unusual highs or lows in attendance.

Chart 11 – Statewide Visitation to National Parks Monthly History 2006 – 2010

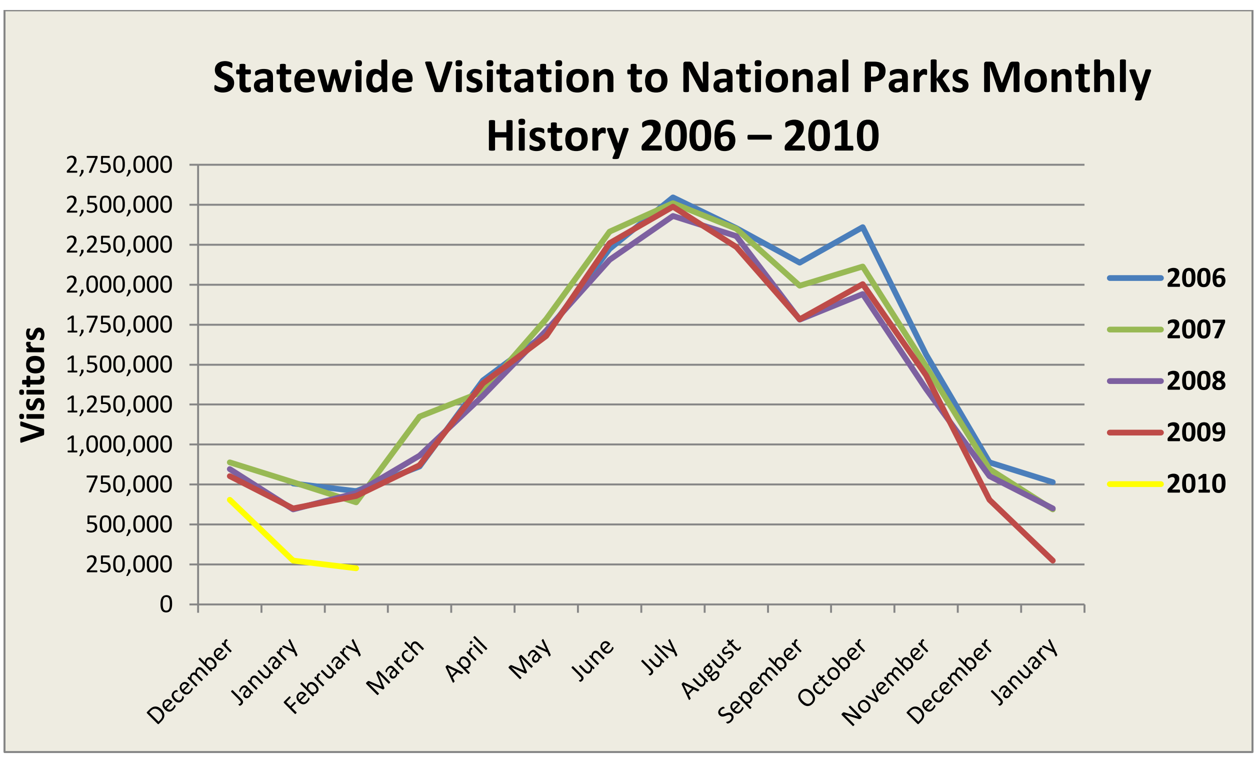


Chart 12 – Statewide Airport Arrivals and Departures - February 2006 – 2010

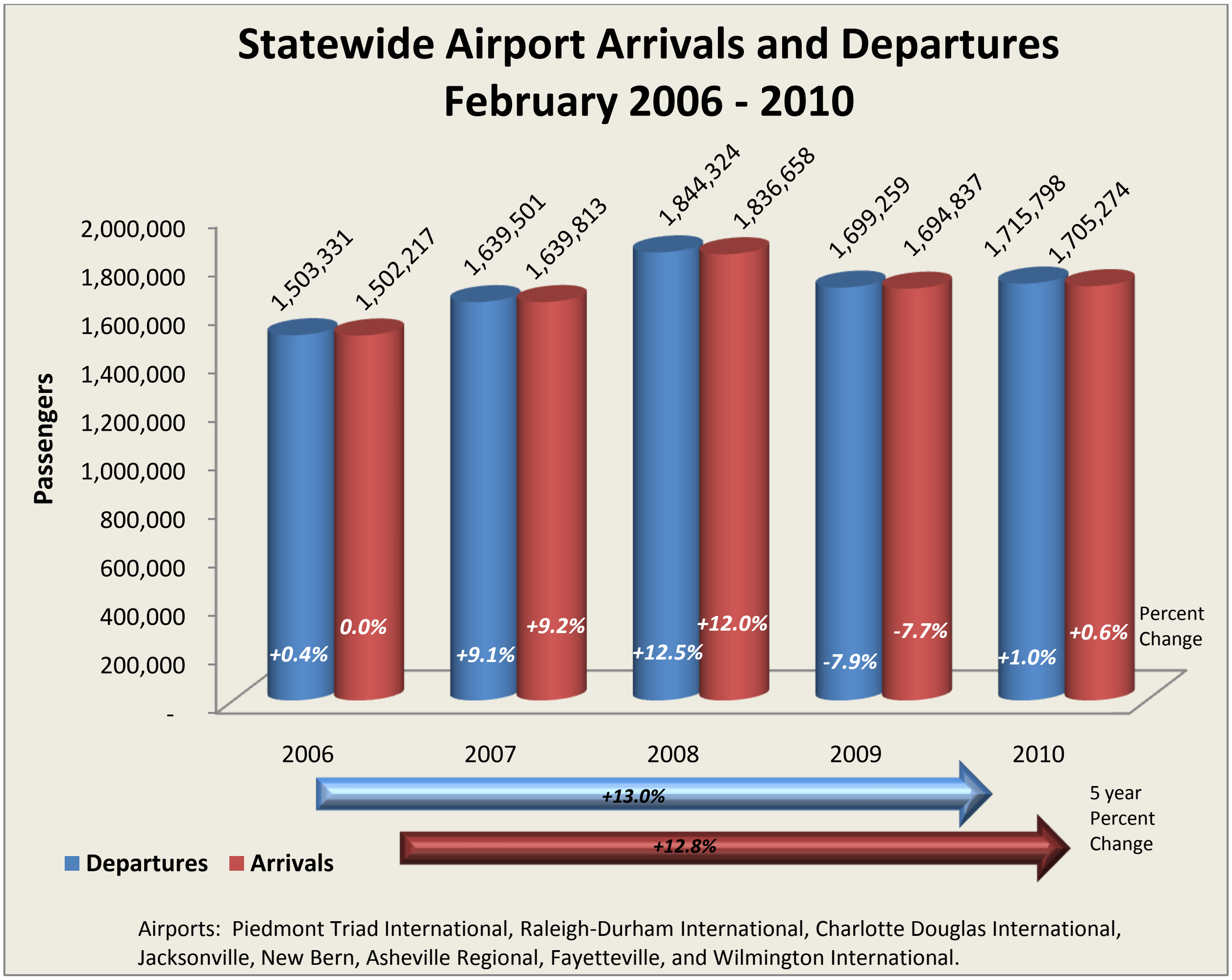


Chart 12 shows February airport arrivals and departures for each of the previous five years. The arrivals and departures data was at a slight increase from last February, and there has been a positive five-year increase in both.

Chart 13 – Lower Atlantic Average Monthly Retail Gas Prices for Unleaded – February 2006 – 2010

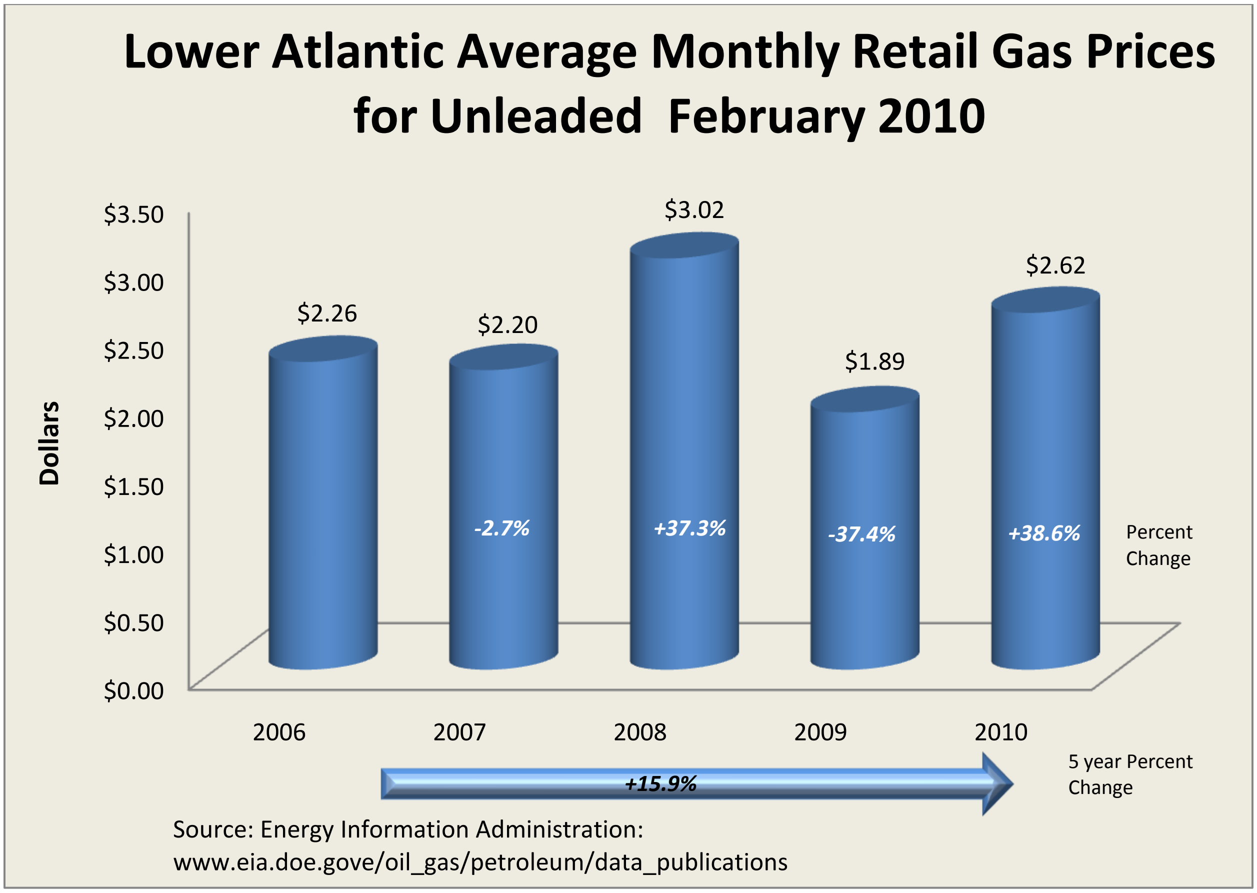


Chart 13 provides the average price per gallon of unleaded gasoline for February 2010 and the four previous Februarys. The data provided above, when compared with other indicators such as attraction attendance and visitor spending data, can be very helpful in the analysis of general travel trends. Fuel prices in February 2010 were up significantly from last February, though still below 2008 prices.

Chart 14 – North Carolina Average Temperature and Precipitation – February 2009 – 2010

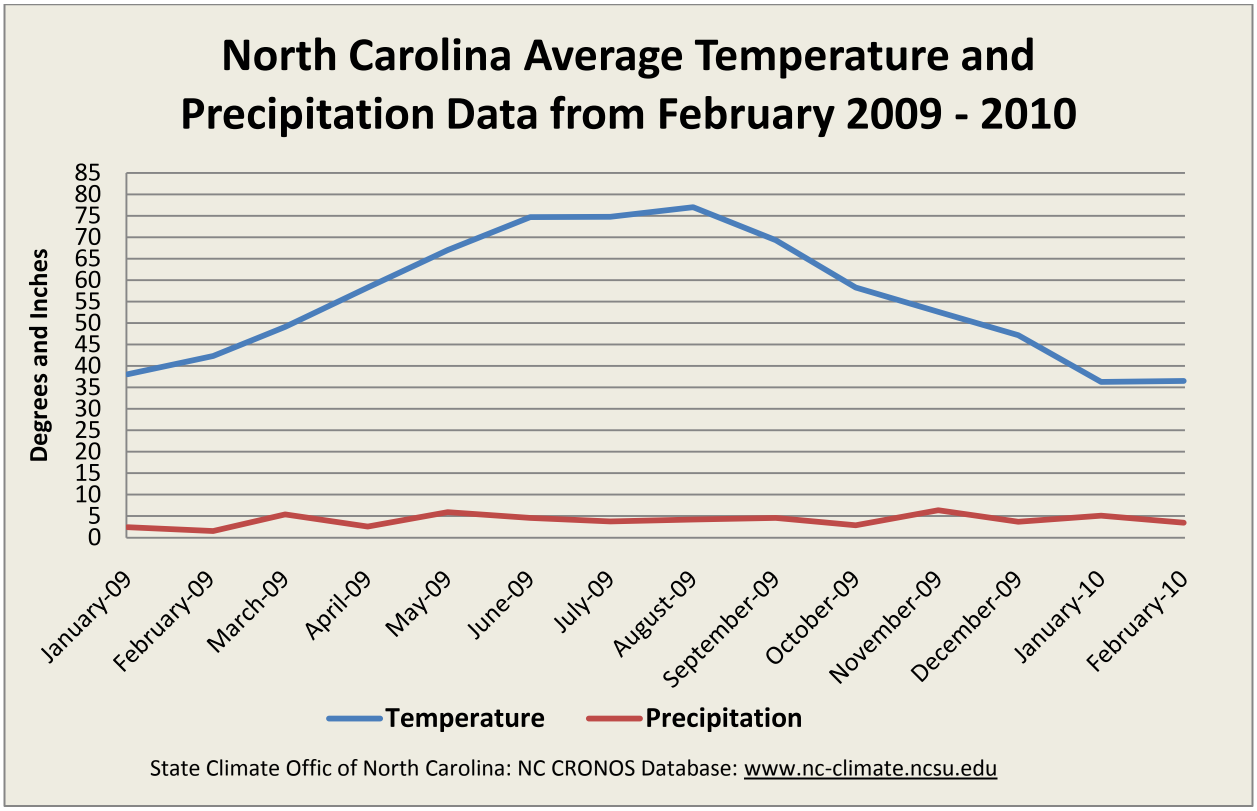


Chart 14 provides 13 months of air temperature and precipitation. This data, when analyzed together with gas price data and other tourism indicators, can be valuable in determining possible reasons for significant increases and/or decreases in indicators. For instance, greater than normal precipitation during a particular month can often help explain decreases in attendance at outdoor attractions.

February 2010 had a much lower average temperature, than February 2009 or 2008 (36.5 in 2010 vs.42.3 in 2009 and 45.6 in 2008). There was also an inch more precipitation than February 2009, most likely contributing to the decrease in attraction attendance from the same time last year.

Section 2 – Geographic Marketing Region (Coastal/Piedmont/Mountain) Tourism Indicator Analysis for February 2010

Chart 15 – Hotel/Motel Statistics by Geographic Region - February 2010

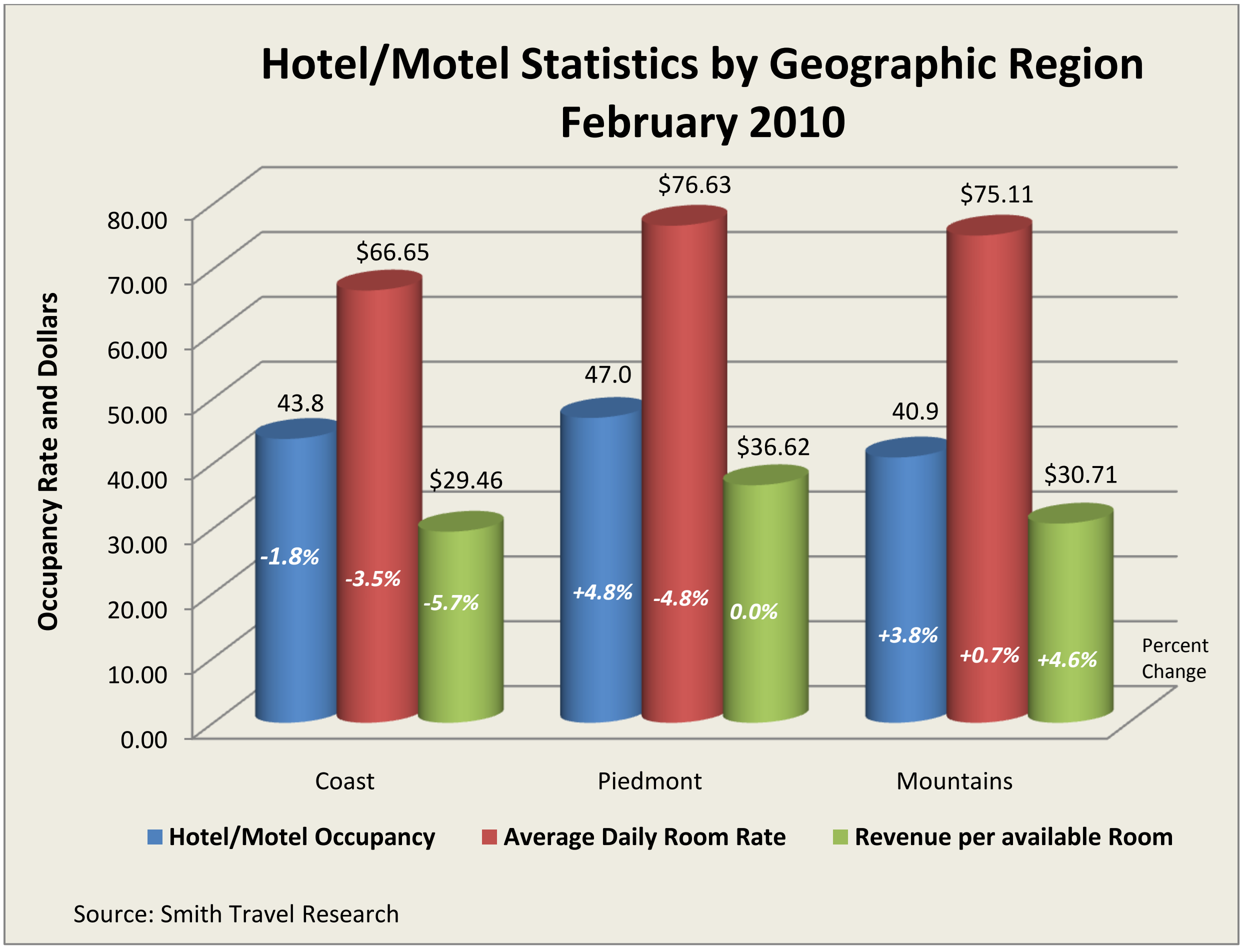


Chart 15 provides a one year comparison in lodging statistics for the three geographic marketing regions of North Carolina in January. Occupancy rate in February 2010 increased in the piedmont and mountain regions, but the Coastal Region showed a slight decrease of almost two percent in February.

Chart 16 – Hotel/Motel Room Demand by Geographic Region - February 2010

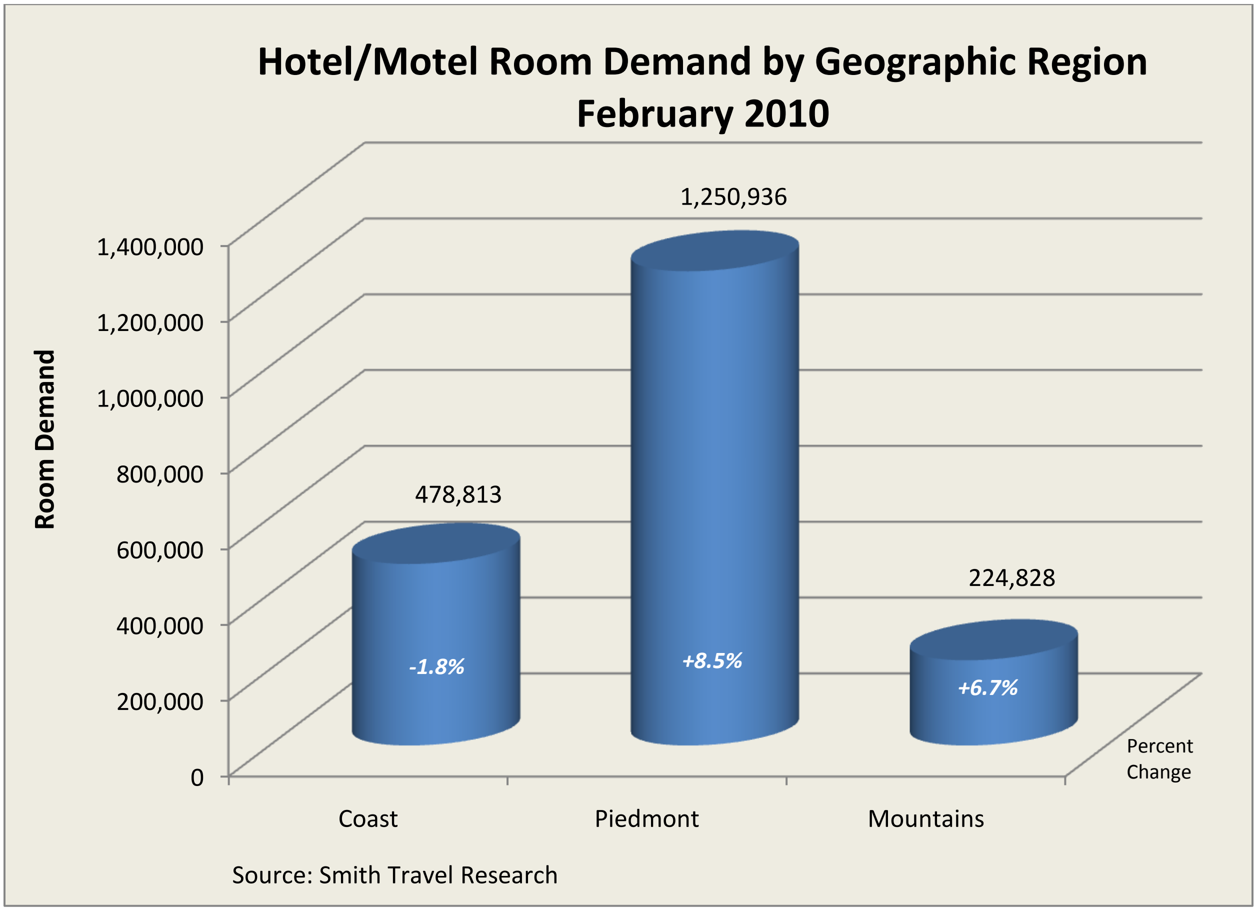


Chart 16 provides hotel/motel demand by geographic region for February 2010. Demand differs from occupancy in that it is the total number of rooms sold, not accounting for differences in room supply. The Piedmont Region experienced an eight percent positive change in demand from February 2009 to February 2010, and the Mountain Region had a very positive increase over the same time period as well. The Coastal Region demand was down almost two percent from February 2009.

Chart 17 – Visitation to Attractions and Parks by Geographic Region – February 2010

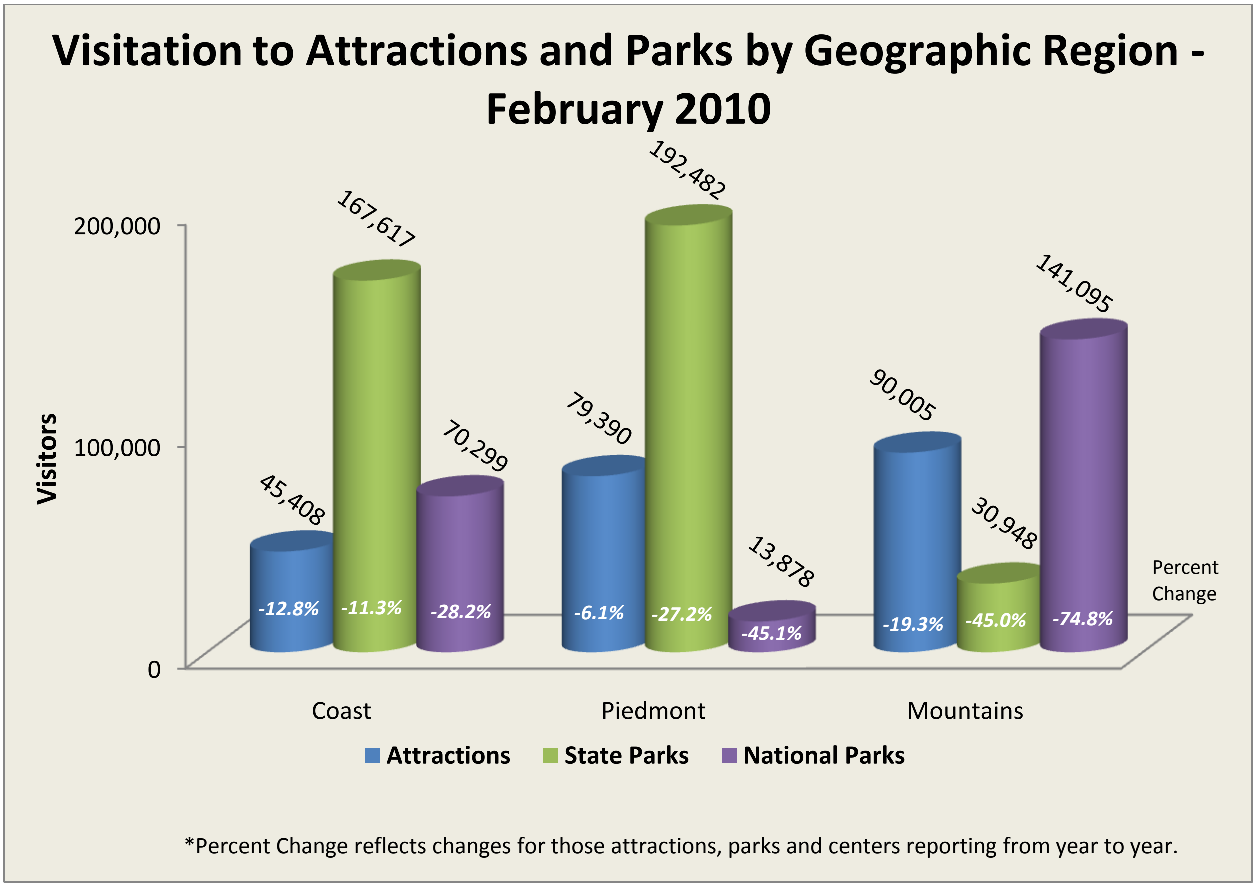


Chart 17 provides a look at the attractions industry in North Carolina in February 2010 by geographic region. As with the statewide numbers, the following data represents only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis.

Due to weather, the Mountain Region experienced a difficult February in terms of attraction and park attendance. The other regions did not fare much better for the month.

Chart 18 – State Welcome Center and Local Visitor Center Attendance by Geographic Region – February 2010

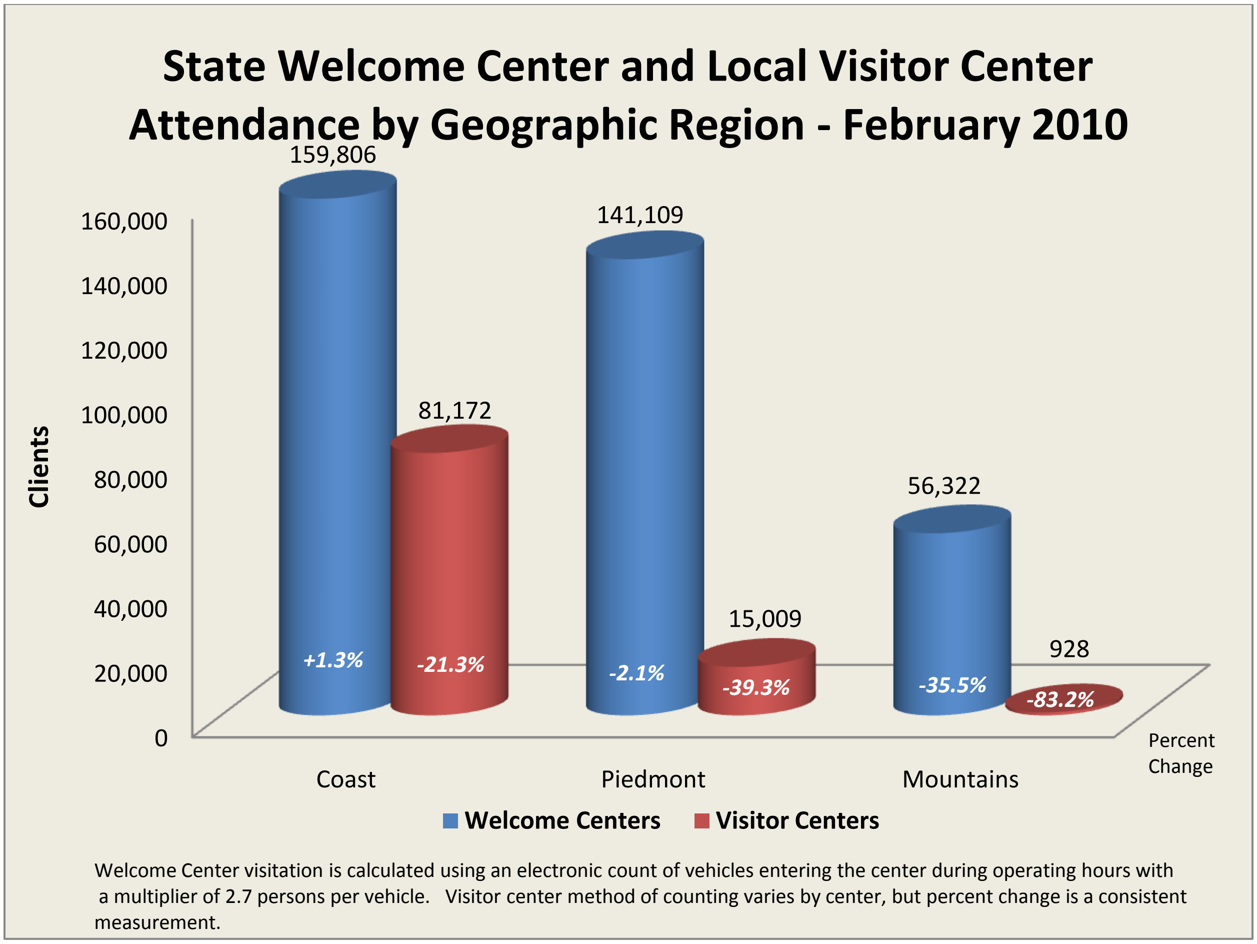


Chart 18 shows welcome center and visitor center attendance by geographic region and offers comparisons from February 2009. The Coastal Region experienced a small increase in welcome center numbers in February, while the centers in the mountains and coast saw decreases. The mountains decrease can be attributed to worse than typical winter weather as well as the rock slide near the NC/TN border that temporarily closed the I-40 West Welcome Center.

Chart 19 – Airport Arrivals and Departures by Geographic Region – February 2010

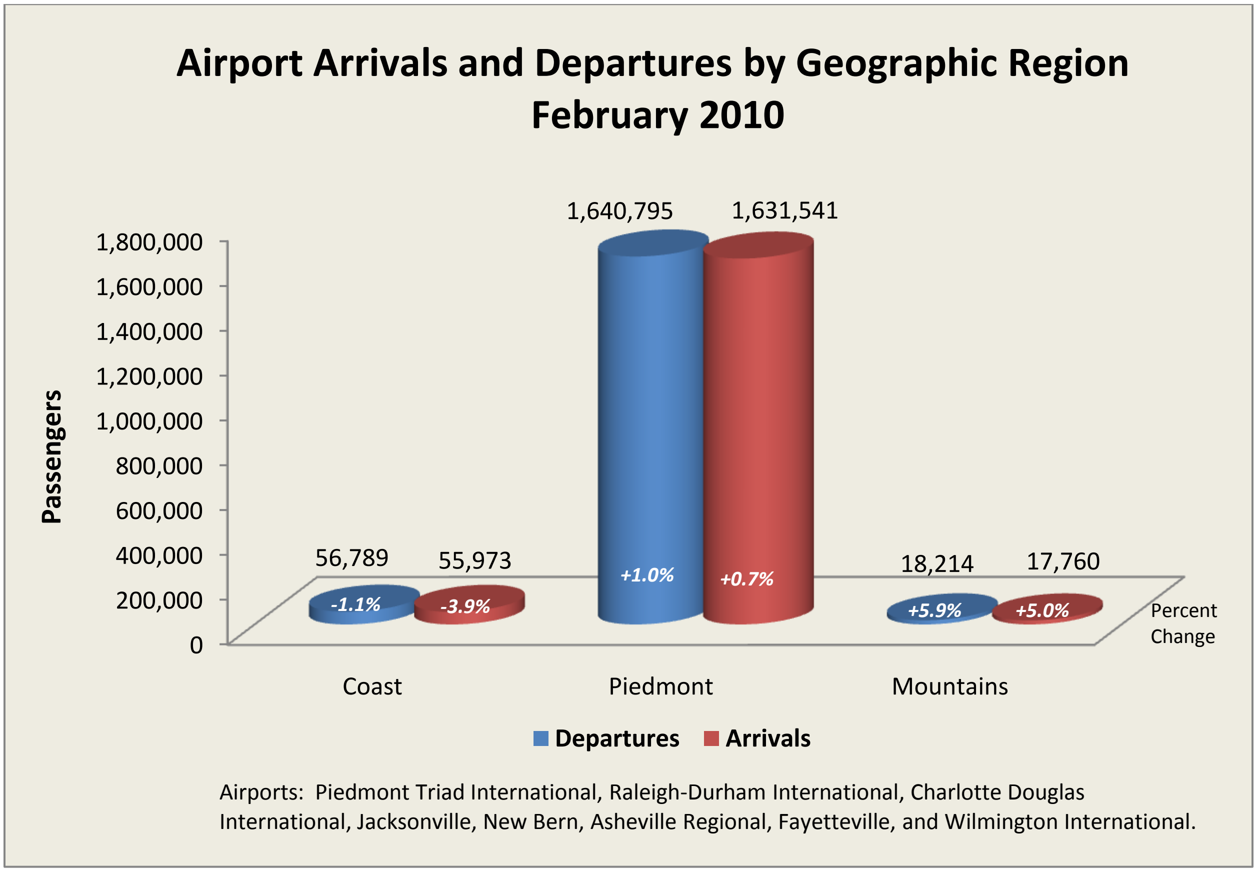


Chart 19 provides a breakdown of air travel statistics by geographic region. While the majority of air traffic is through the Piedmont Region, it is helpful to maintain a trend of other regional airport usage. The Mountain Region showed growth of five percent in air traffic during the month of February, while the other regions saw smaller increases and some decreases (Coastal Region) from last year.

Section 3: Economic Development Region Tourism Indicator Analysis – February 2010

The seven economic regions include:

1 – Northeast (Bertie, Camden, Chowan, Currituck, Gates, Halifax, Hertford, Northampton, Pasquotank, Perquimans, Beaufort, Dare, Hyde, Martin, Tyrrell, Washington).
2 – Eastern (Carteret, Craven, Jones, Onslow, Pamlico, Duplin, Edgecombe, Green, Lenoir, Nash, Pitt, Wayne, Wilson).
3 – Southeast (Brunswick, Columbus, New Hanover, Pender, Bladen, Cumberland, Hoke, Richmond, Robeson, Sampson, Scotland).
4 – Triangle (Franklin, Harnett, Johnston, Vance, Wake, Warren, Chatham, Durham, Granville, Lee, Moore, Orange, Person).
5 – Triad (Alamance, Caswell, Guilford, Montgomery, Randolph, Rockingham, Davidson, Davie, Forsyth, Stokes, Surry, Yadkin).
6 – Carolinas (Alexander, Catawba, Cleveland, Iredell, Rowan, Anson, Cabarrus, Gaston, Lincoln, Mecklenburg, Stanly, Union).
7 – Western (Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes, Yancey).

Chart 20 – Hotel/Motel Statistics by Economic Development Region - February 2010

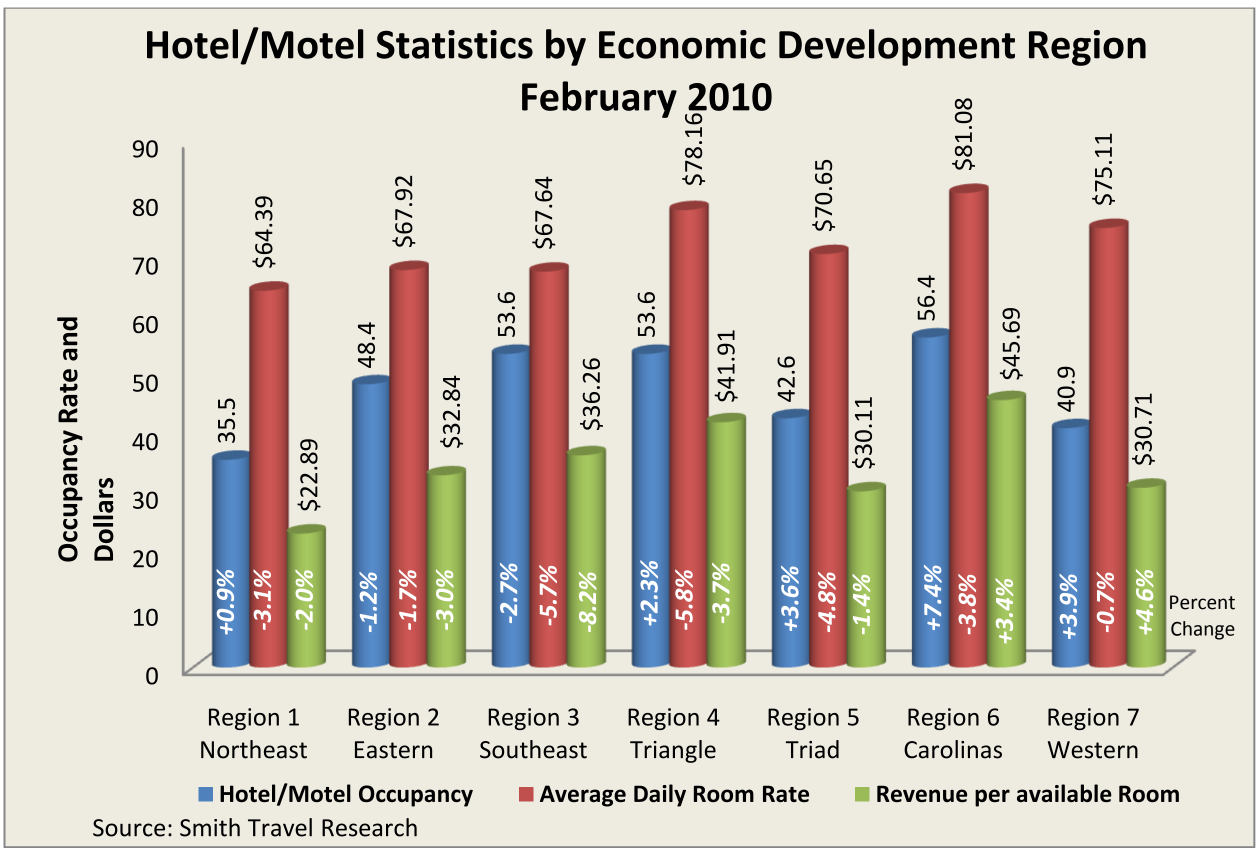


Chart 20 provides lodging indicators for February 2010 by economic development region. Also shown are percent changes from February 2009. This graph allows individual regions within the state to track indicators specific to their general destinations, while still being able to compare their data to the state data shown in Section 1.

Chart 21 – Hotel/Motel Room Demand by Economic Development Region - February 2010

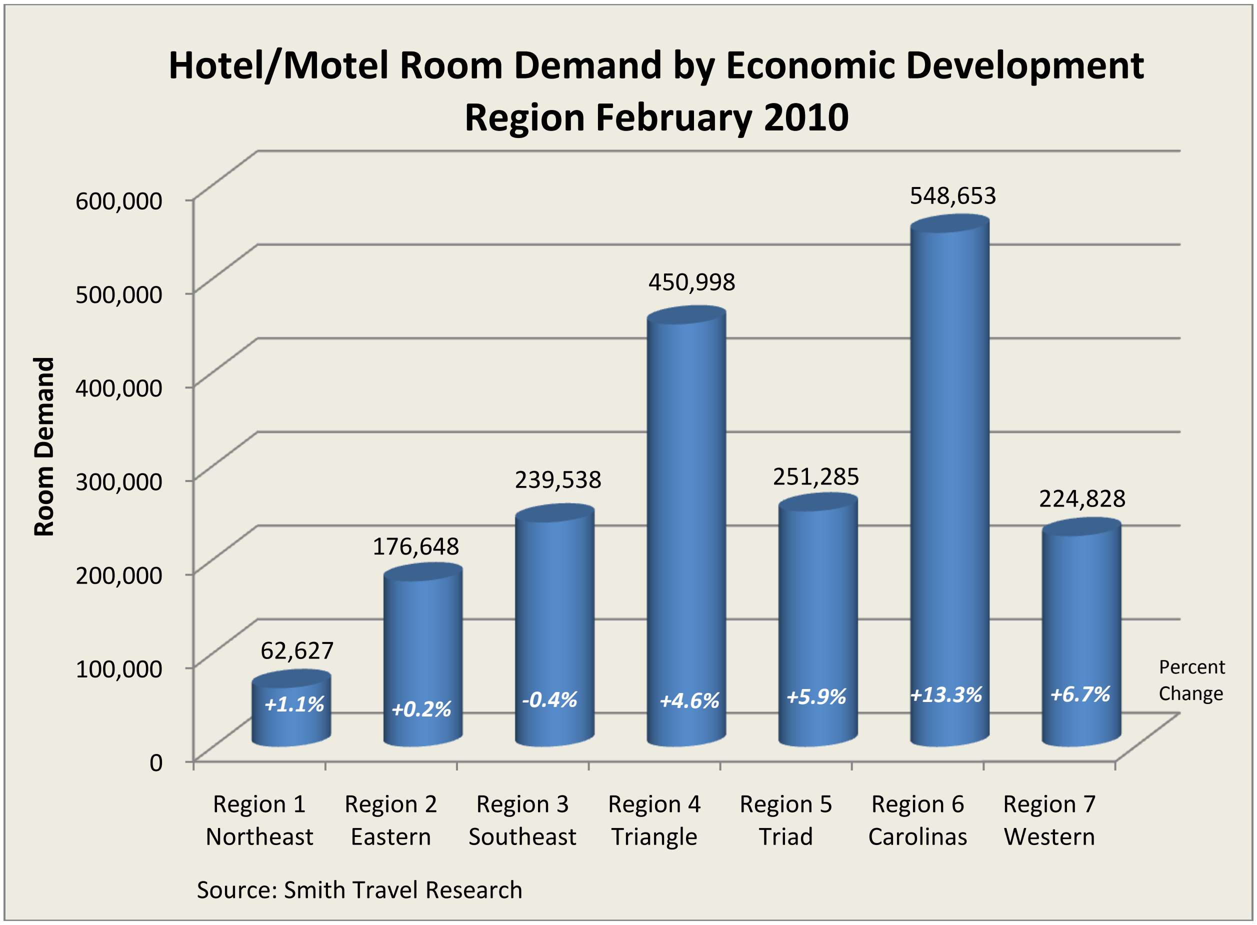


Chart 21 depicts hotel/motel demand for the month of February 2010 by economic development region. Demand is the number of rooms sold excluding complimentary rooms. All regions showed increased demand from February 2009 to 2010, except the Southeast Region which was just below flat. The Carolinas Region had a particularly positive (+13.3%) increase in demand from February 2009 to February 2010.

Section 4: National Travel Price Index

The Travel Price Index (TPI) measures the seasonally unadjusted inflation rate of the cost of travel away from home in the United States. The TPI is based on U.S. Department of Labor price data collected for the monthly Consumer Price Index (CPI). The TPO is released monthly and is directly comparable to the CPI.

Variables included in calculating the TPI:

Recreation Services	Food Away from Home	Airline Fares
Food and Beverage	Other Lodging (Include Hotel/Motel)	Intra-city Public Transportation
Alcohol Away From Home	Transportation	Motor Fuel
		Other Intercity Transportation

Chart 22 – National Travel Price Index December 2006 – January 2010

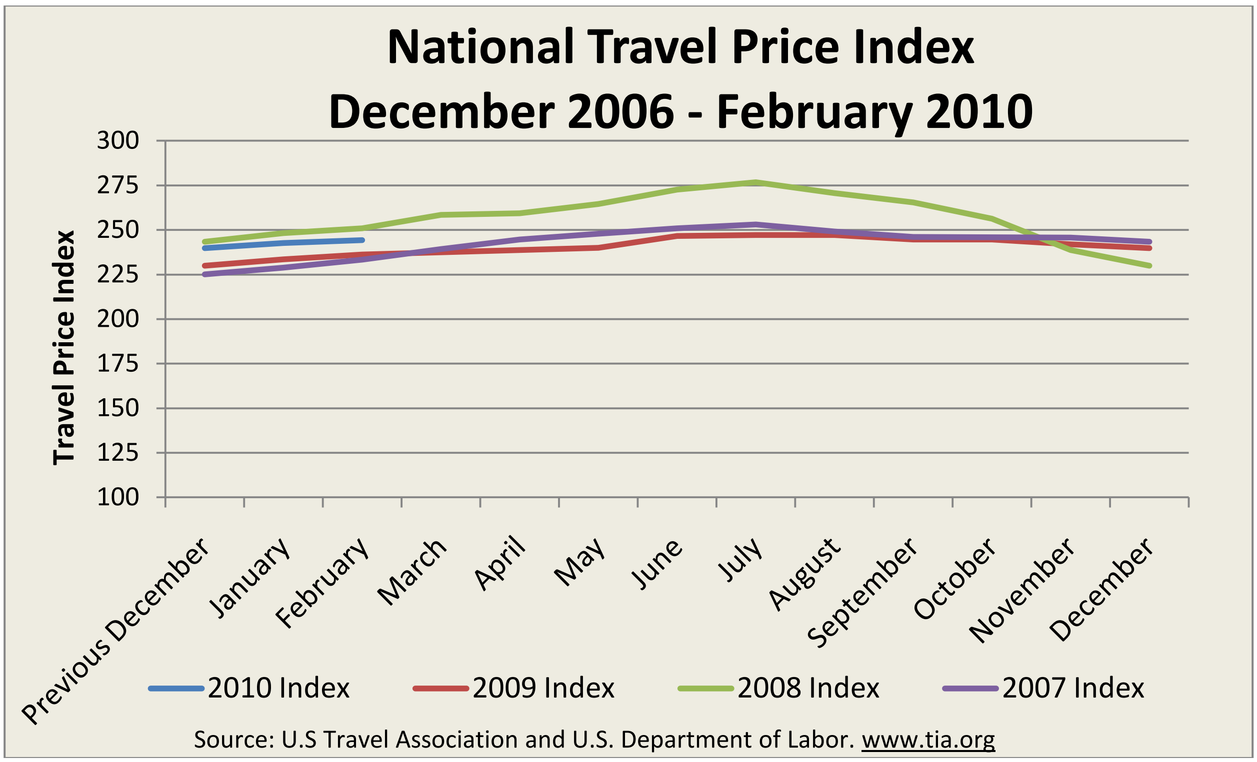


Chart 22 provides a two year trend of the National Travel Price Index (TPI). Steady growth was experienced through mid-2008; however in November 2008, it is clear that as the TPI fell below 2007 levels, the tourism industry began feeling the full effect of the recession. Into 2009, the TPI remained slightly at or below the 2007 level, though for the last two months of 2009 peaked above the 2008 index. Into February 2010 the TPI is still slightly below the same time period in 2008.

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