



2009 Year End Report

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.

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Section 1: 2009 Statewide Tourism Indicator Analysis

Chart 1 –Hotel/Motel Occupancy in North Carolina

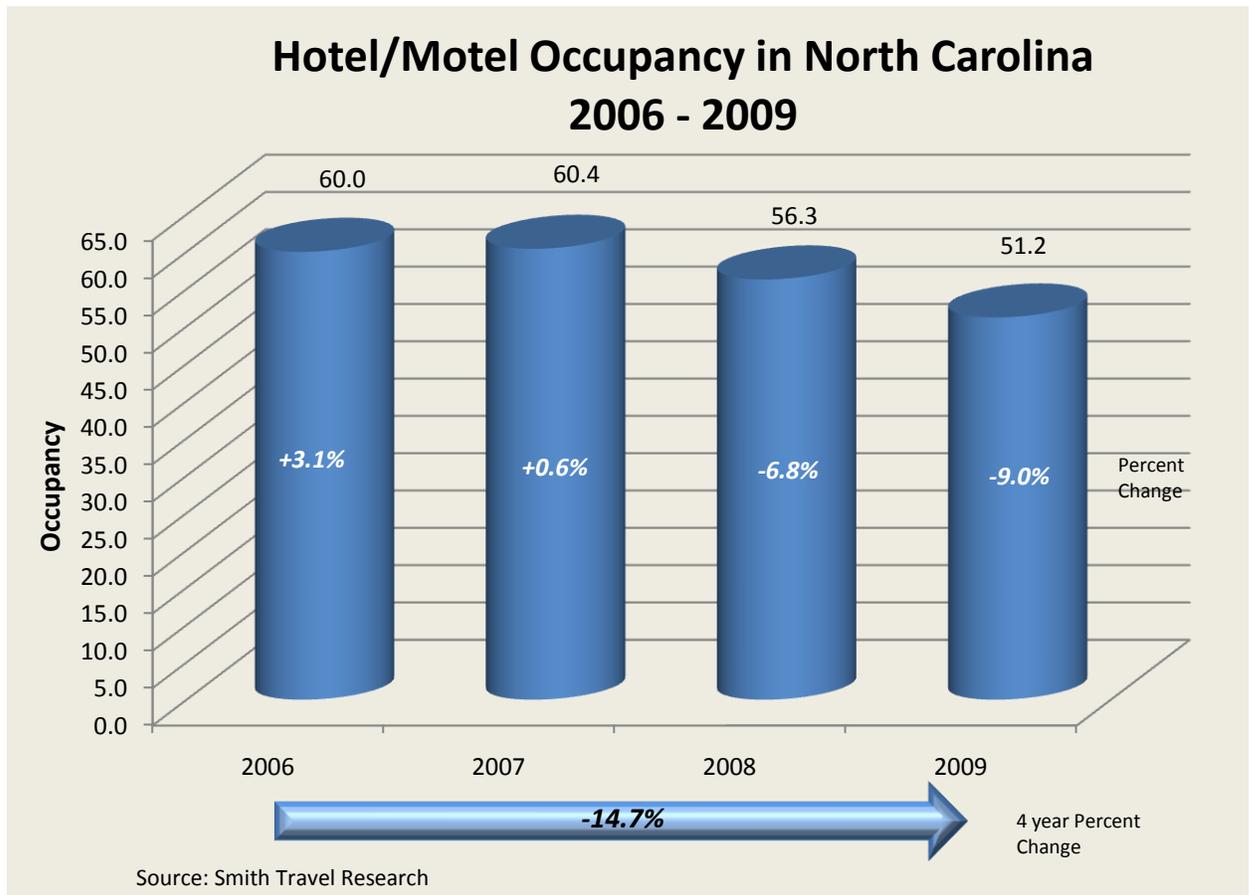


Chart 1 provides a comparison over a four year period to show the trend of occupancy. Occupancy in 2009 declined 9.0 percent from 2008, and has decreased almost 15 percent from 2006. *Occupancy at the national level also experienced a decrease in 2009. It was down 8.6 percent from 2008.*

Chart 2 – Hotel/Motel Average Daily Room Rate in North Carolina

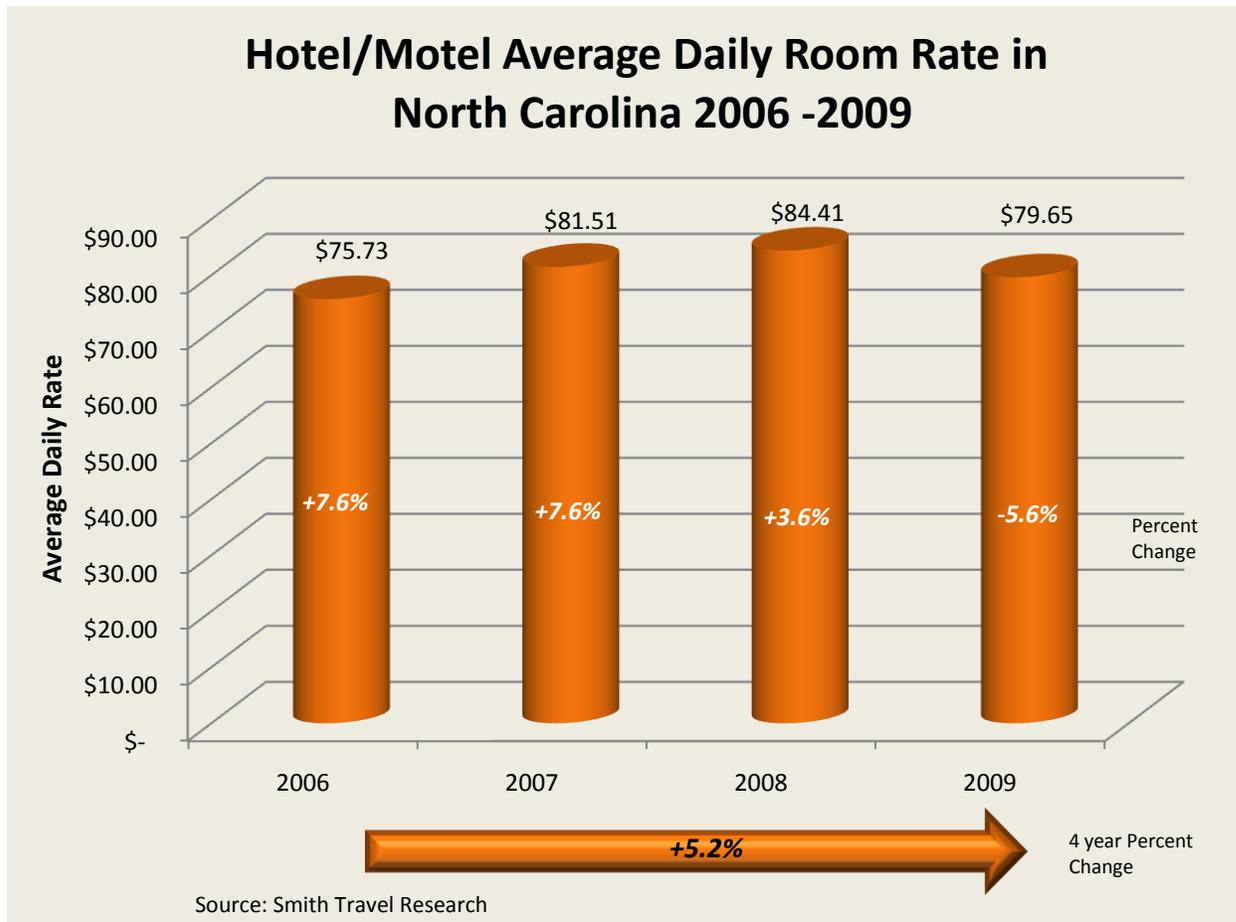
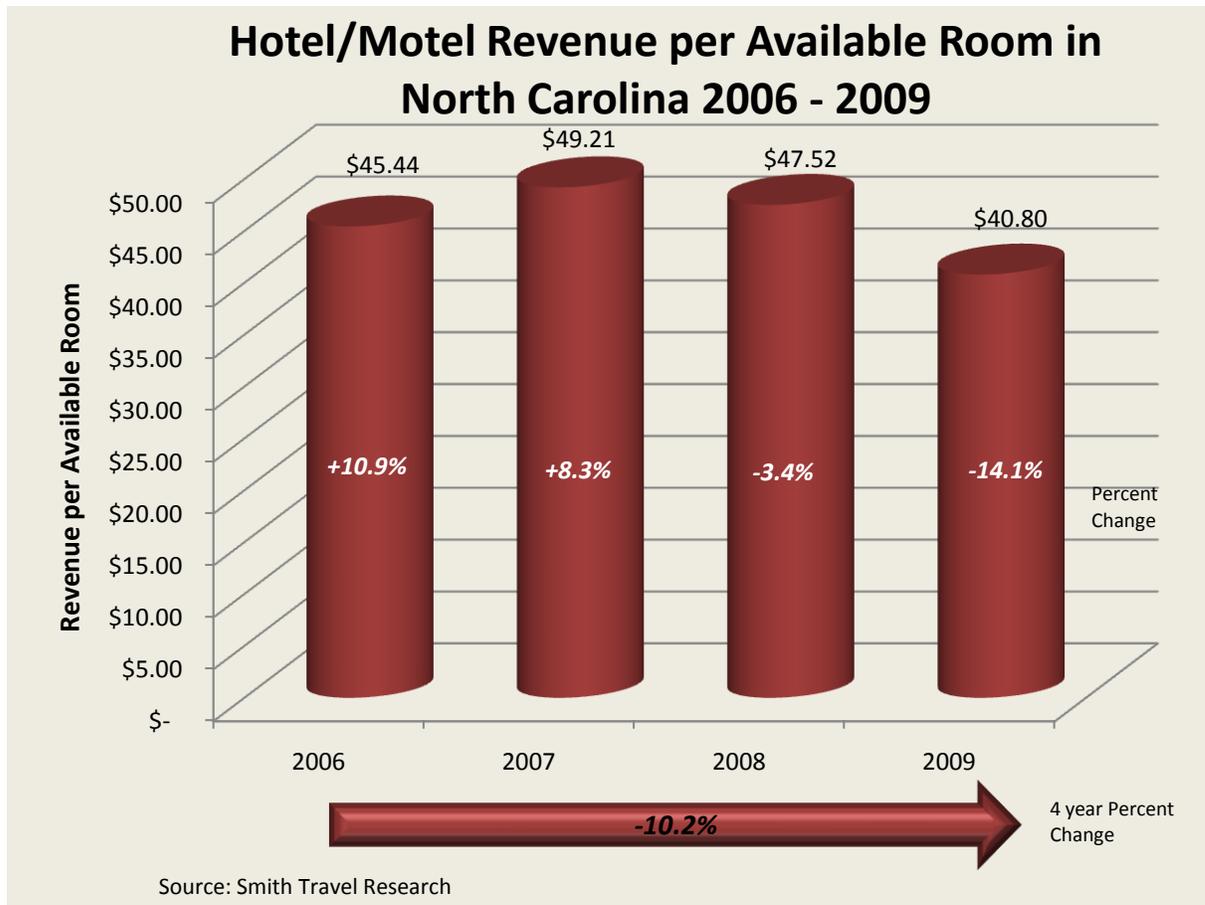


Chart 2 provides a comparison over a four year period to show the trend of average daily room rate (ADR) in the state. From 2006 through 2008, ADR had steady increases statewide. However, 2009 ADR decreased over 5 percent (though still above 2006 rates). *ADR at the national level was down 8.8 percent in 2009 from 2008.*

Chart 3 – Hotel/Motel Revenue per Available Room in North Carolina



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 four year period to show the trend of RevPAR in the state. As with the ADR, RevPar was down significantly in 2009 relative to the previous year, and well below 2006 RevPAR. *RevPAR at the national level was down 16.7 percent in 2009 from 2008.*

Chart 4 – Hotel/Motel Room Demand in North Carolina

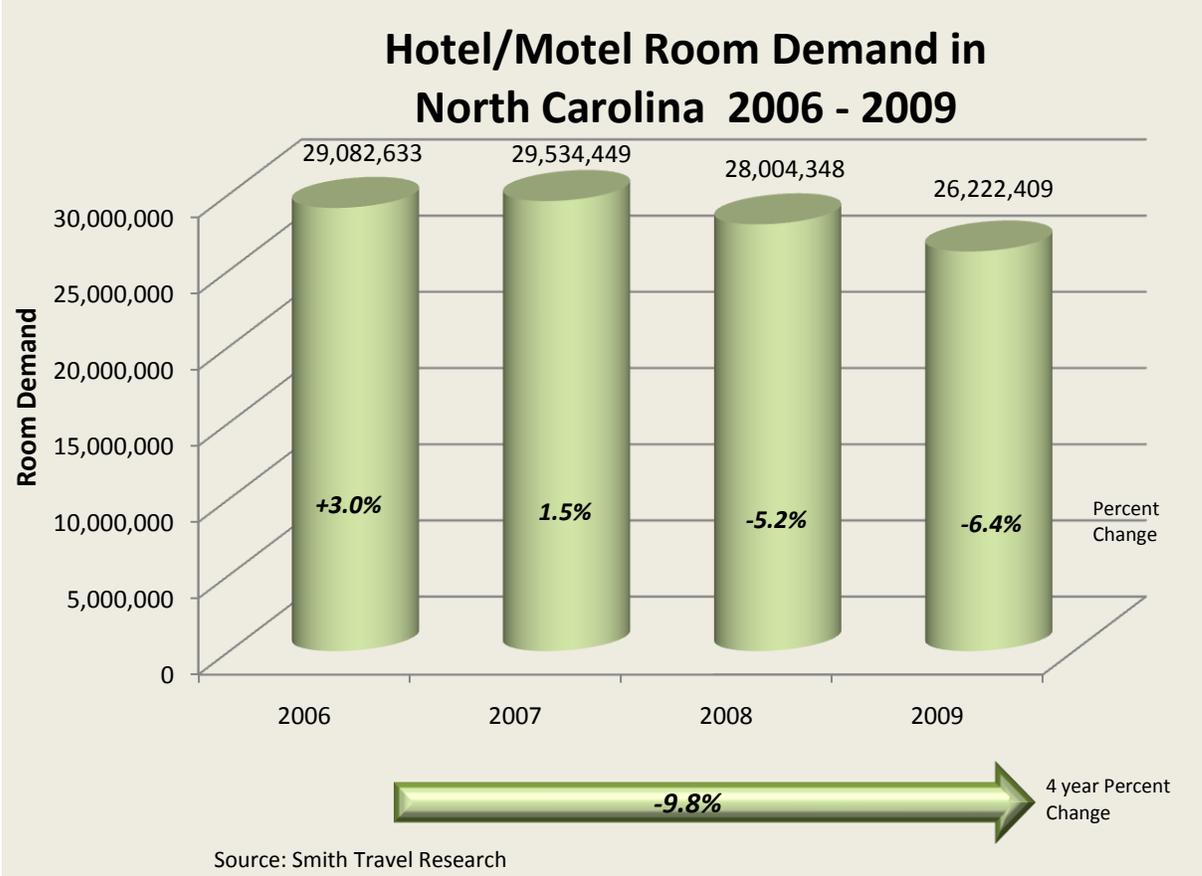


Chart 4 depicts hotel/motel demand from 2006 through 2009. Demand is the number of rooms sold excluding complimentary rooms. Room Demand for December was down over 6 percent from December 2008. Room Demand at the national level saw a decrease of 5.8 percent change in 2009 from the previous year.

Chart 5 – North Carolina Lodging Statistics Monthly Percent Change 2008 – 2009

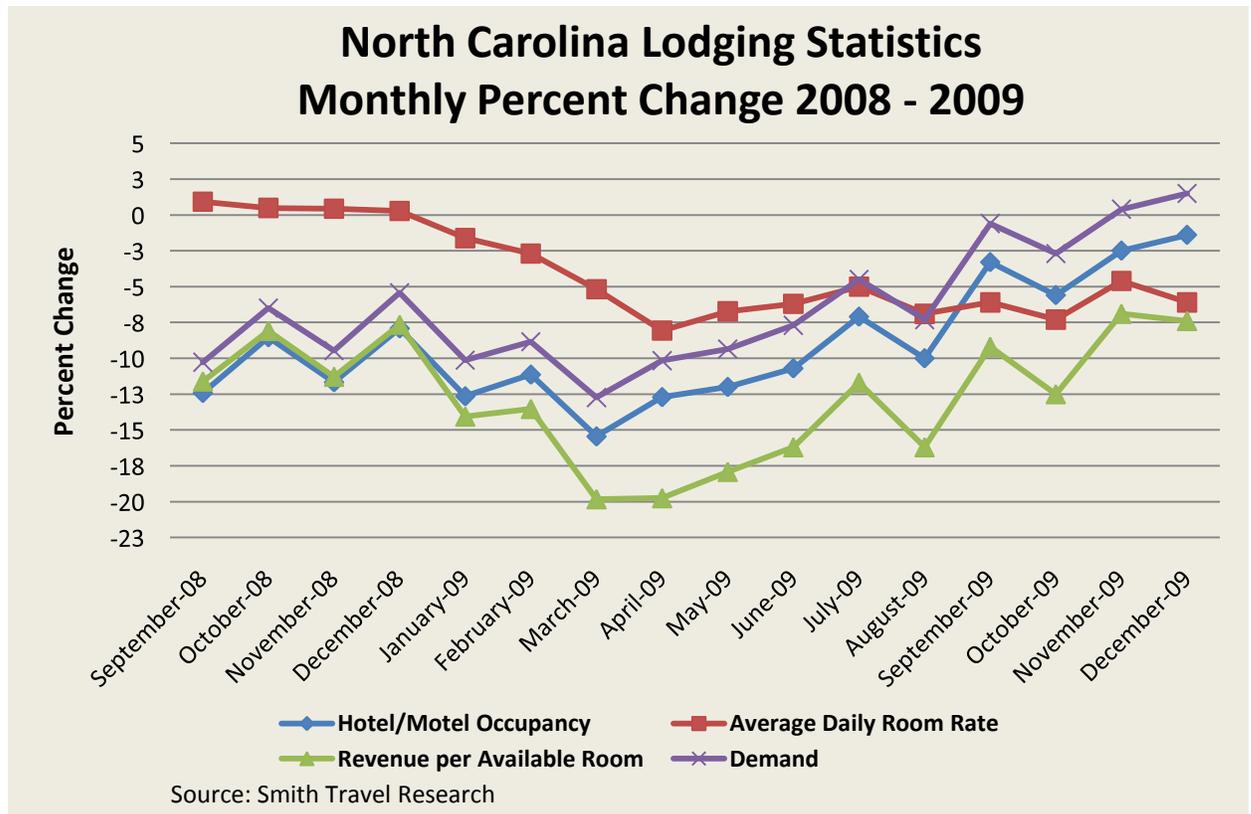


Chart 5 provides a monthly percent change for the four major lodging indicators. The chart allows for a 13 month trend-line analysis that clearly depicts that the major indicators show a steady negative change. Most indicators dropped to negative percent change since January 2009, though the last two months have shown positive percent change in demand.

Chart 6 – Statewide Visitation to Attractions

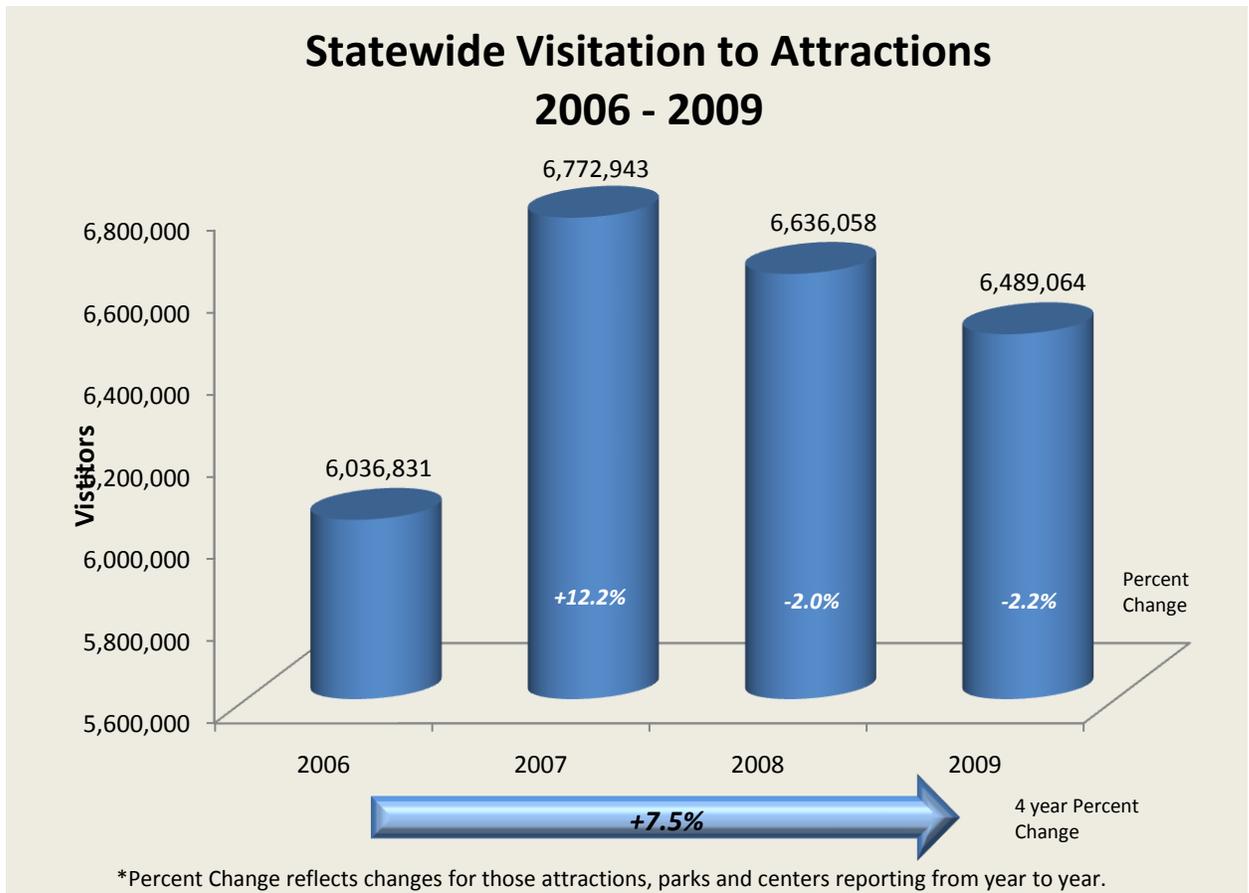


Chart 6 provides a status of the attractions industry in North Carolina for the last four years. The numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type 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 are not included in percent change calculations.

There was a small decline in attraction visitation from 2008 to 2009, though figures are still above 2006 levels. It should be noted that in 2006 the Pine Knoll Shores Aquarium was closed for renovations, affecting annual visitation that year.

Chart 7 – Statewide Visitation to Attractions Monthly History 2006 – 2009

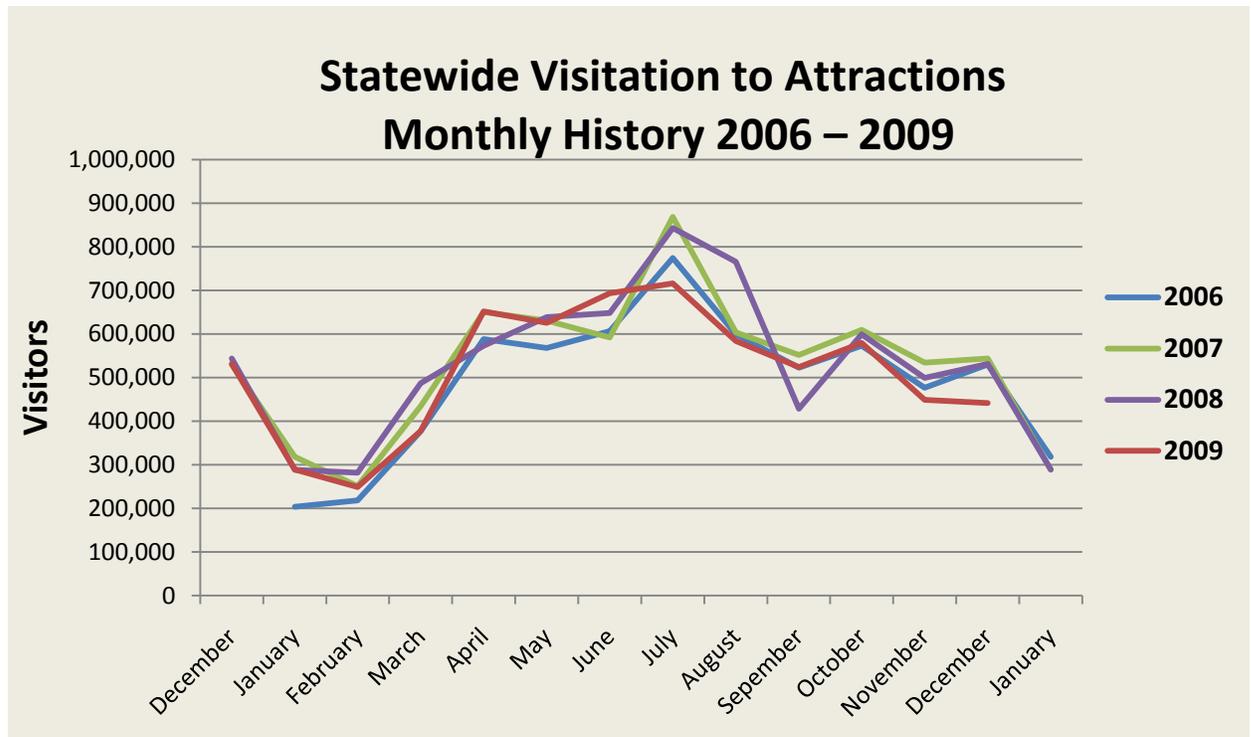


Chart 7 shows a monthly trend of attraction visitation for each of the last four years. This chart allows for a view of the ebb and flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. Not surprisingly, the summer months 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.

Where attraction attendance usually increases slightly from November to December each year, the numerous days of inclement weather in December 2009 led to an uncharacteristic drop this year for the month of December.

Chart 8 – State Welcome Center and Local Visitor Center Attendance

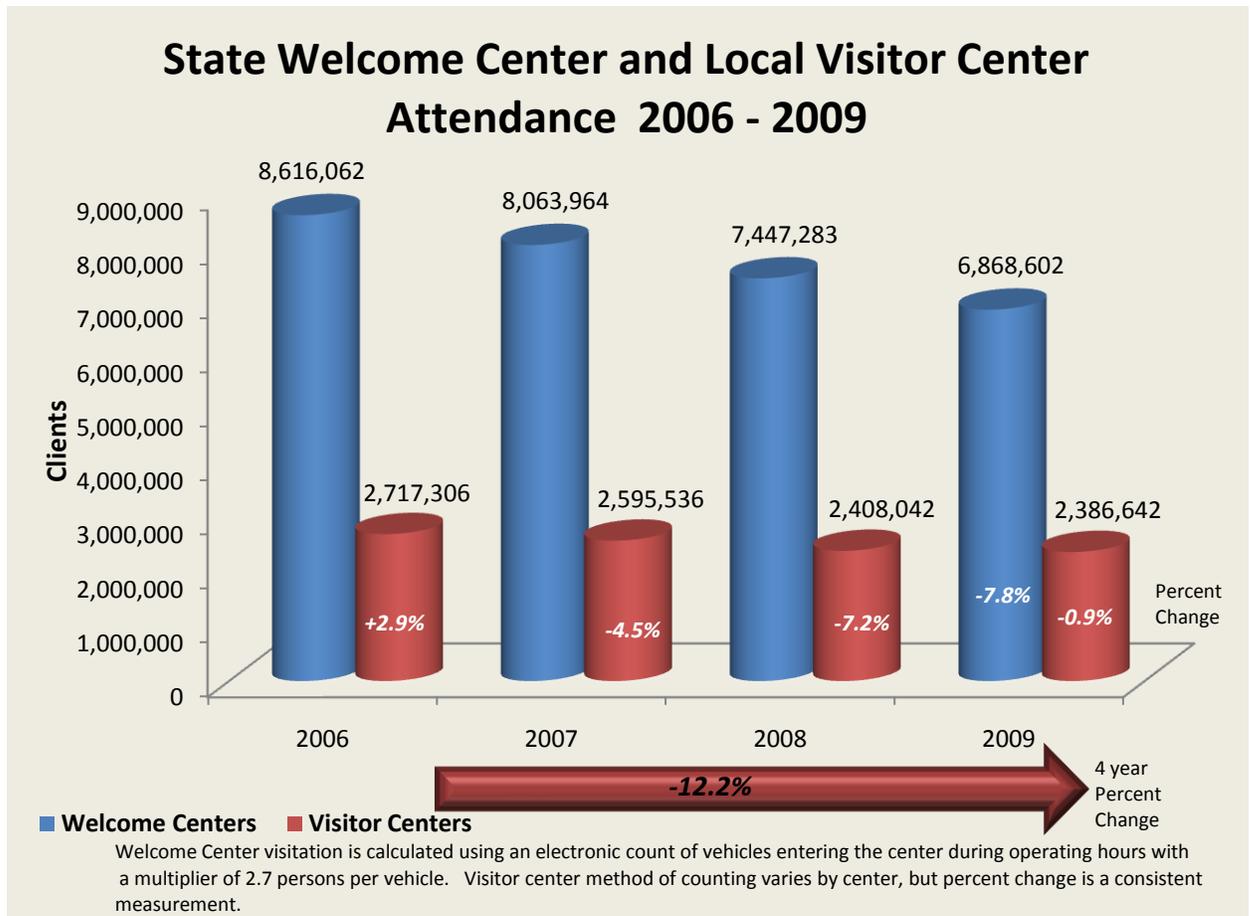


Chart 8 provides annual visitation statistics for State Welcome Centers, as well as Local Visitor Centers throughout North Carolina. It should be noted that while there is a percent change indicated for welcome centers for 2007-2008 and 2008-2009, 2008 was the first year a percent change could accurately 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.

Chart 9 – Statewide National and State Park Visitation

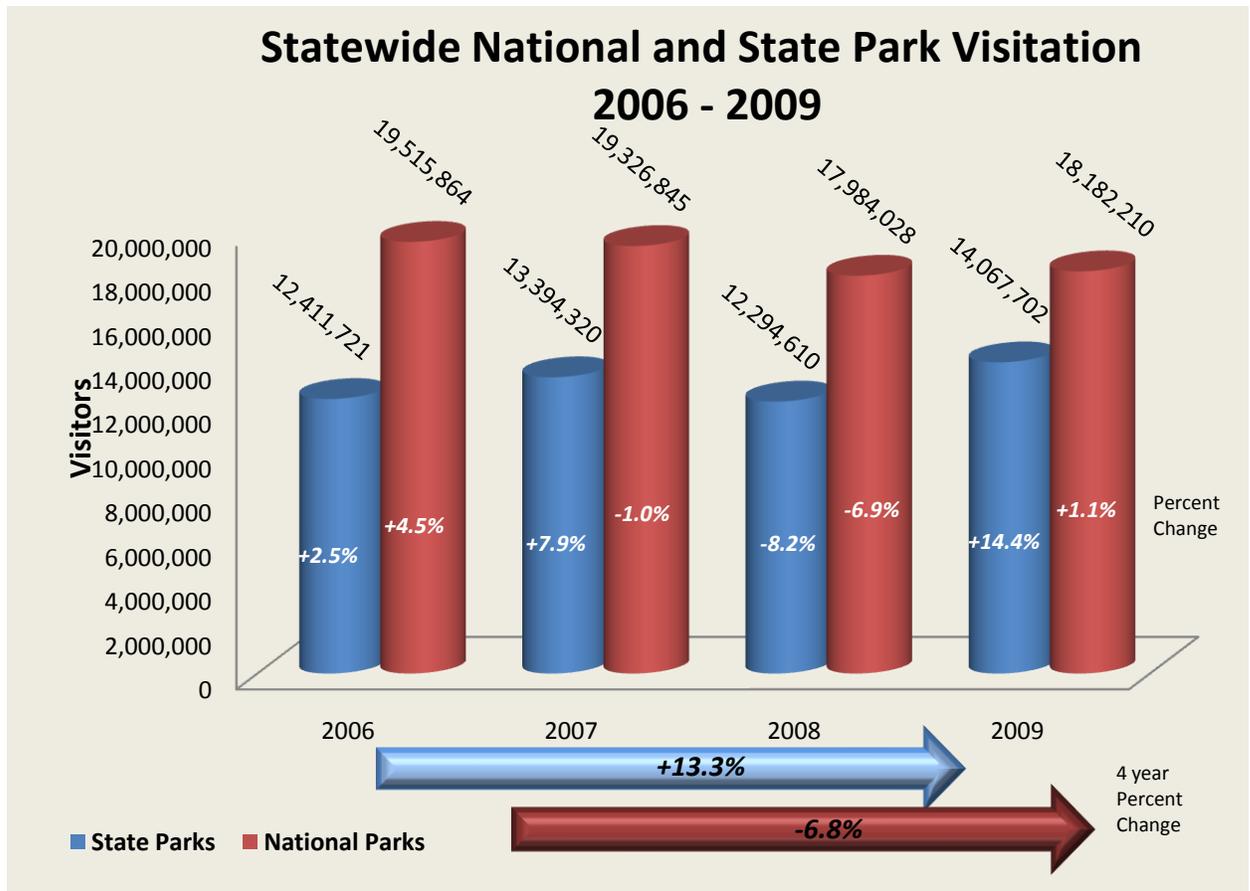
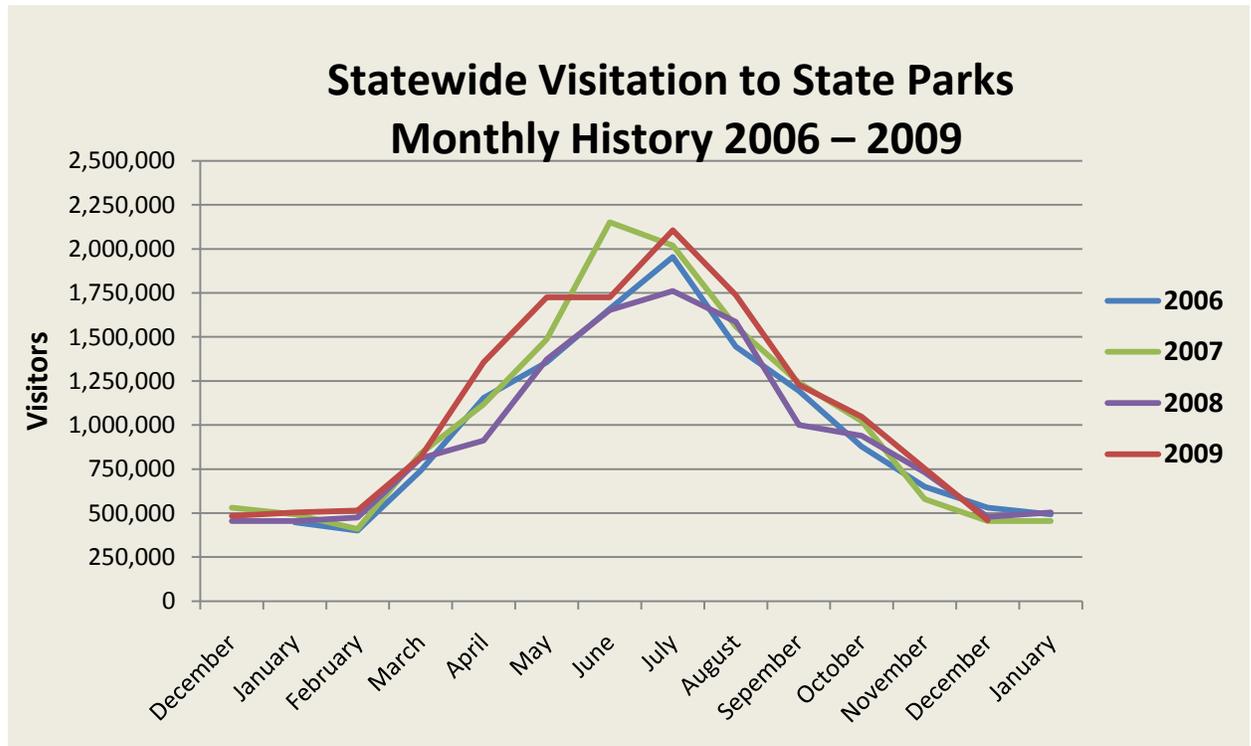


Chart 9 depicts visitation to state and national parks in North Carolina for the last four years. Both state and national parks experienced increases in 2009 from 2008. State parks attendance, in particular, saw a surge in growth in 2009. This increase is probably partially a result of the struggling economy and travelers seeking less expensive entertainment options, as well as many NC residents traveling closer to home for daytrips.

Chart 10 – Statewide Visitation to State Parks Monthly History 2006 – 2009



Similar to Chart 7, Charts 10 and 11 provide a monthly trend of state and national park visitation for each of the last four 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 – 2009

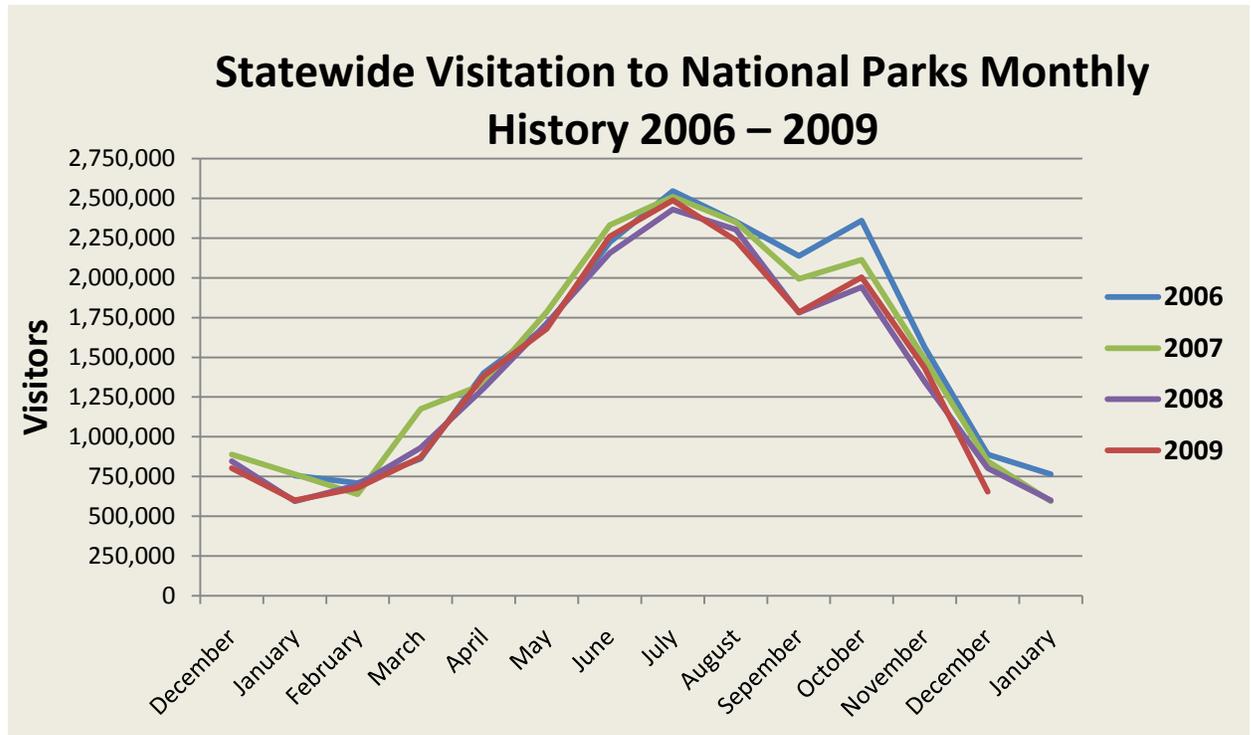


Chart 12 – Statewide Airport Arrivals and Departures

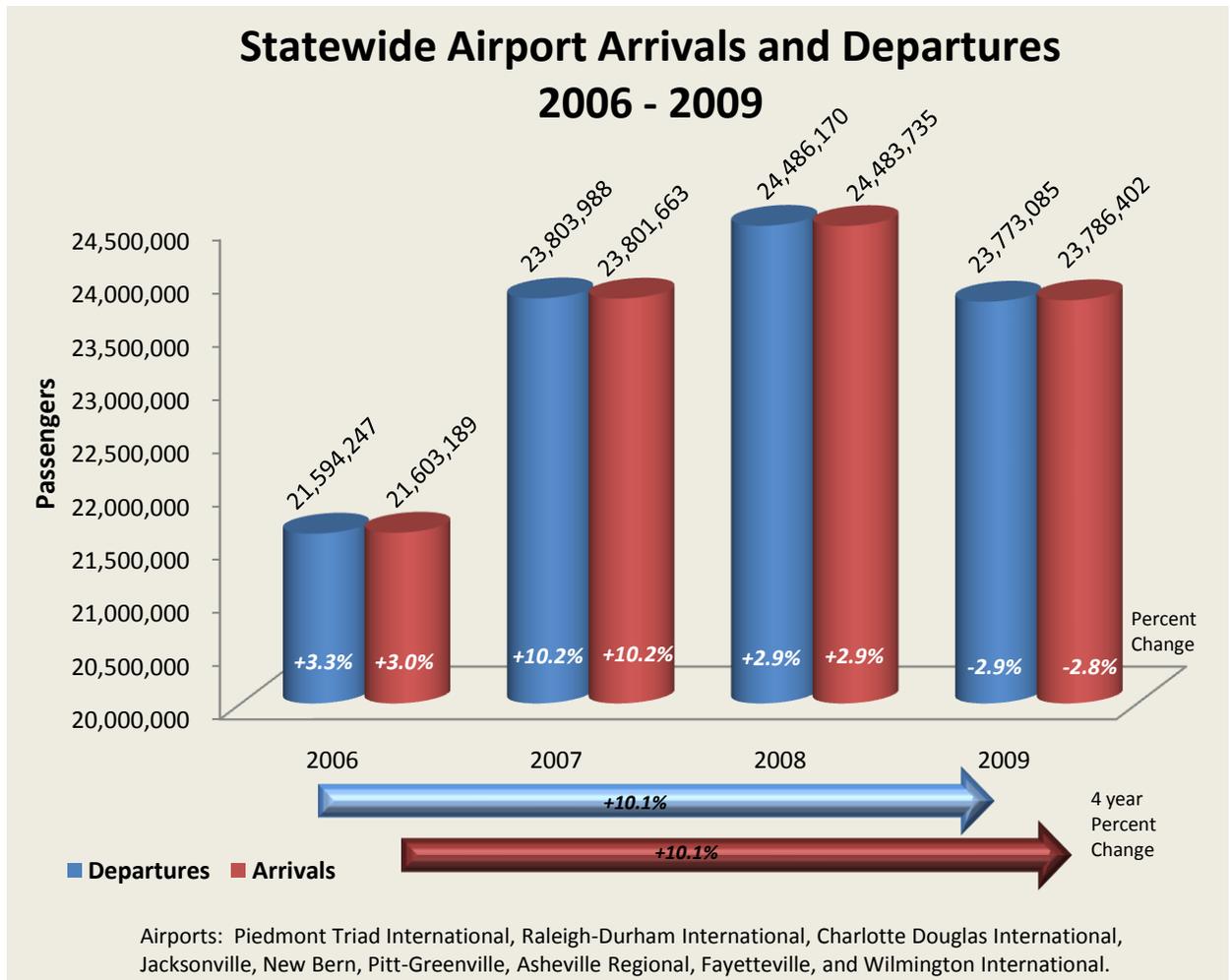


Chart 12 shows annual airport arrivals and departures for each of the previous four years. The 2009 arrivals and departures data was at a slight decrease from 2008, though there has been a positive four-year increase in both.

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

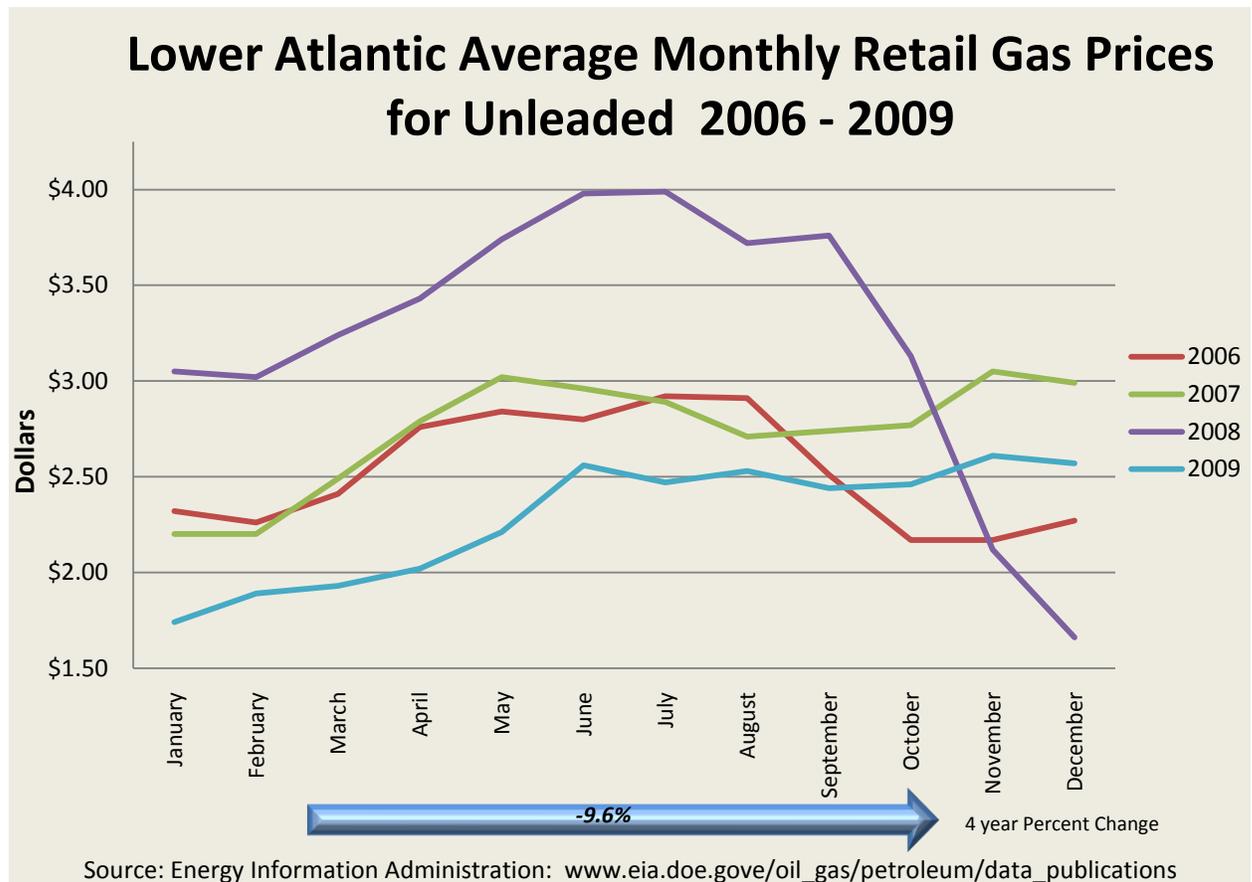


Chart 13 provides the monthly average price per gallon of unleaded gasoline for 2006 through 2009. The data provided above, when compared with other indicators such as attraction attendance and visitor spending data, can be very helpful in the analysis of general travel trends. As an annual average, fuel prices in 2009 were the lowest that they have been in four years. Though 2009 did not see the lowest monthly prices (as were seen in late 2008), on average, 2009 prices much more stable and were down 29 percent from 2008.

Chart 14 – North Carolina Average Temperature and Total Precipitation

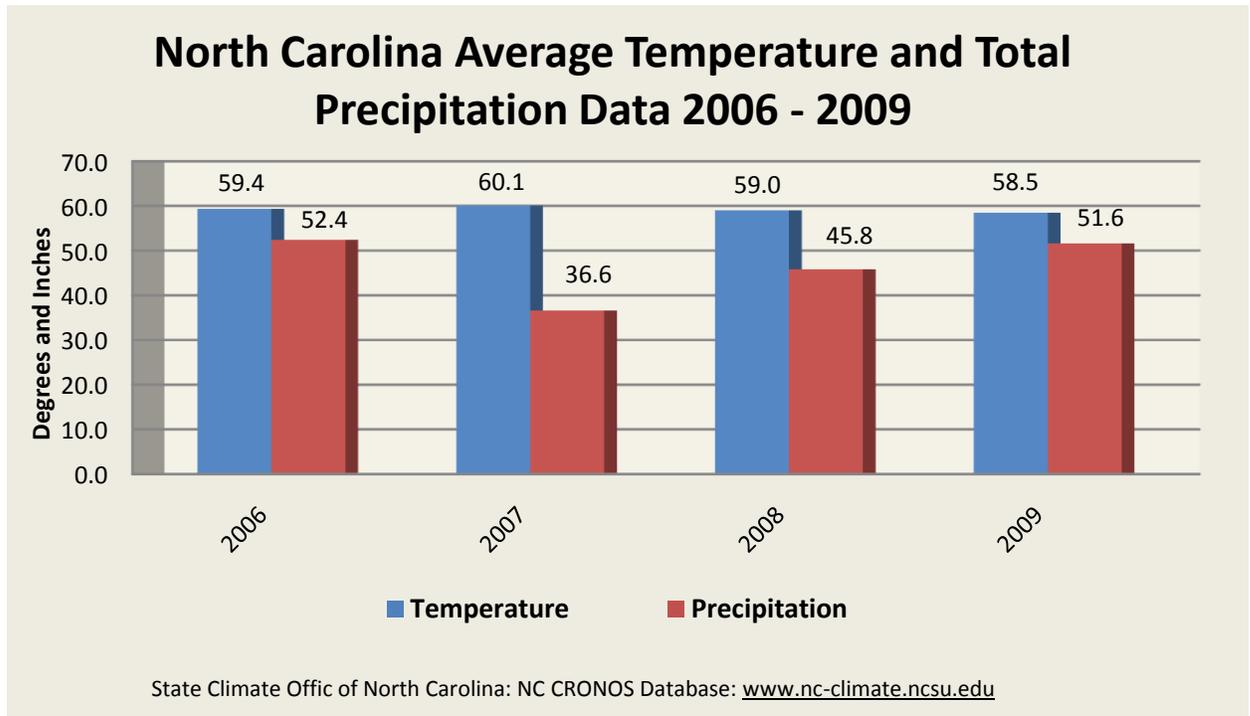


Chart 14 provides annual indicators of average air temperature and total precipitation. Though annual data of this sort does not change very much from year to year, the data, when analyzed together with gas price data and other tourism indicators, can be valuable in determining possible reasons for significant 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. 2009 had a “wet” year in terms of precipitation, nearly 5 inches more rain than in 2008, partially contributing to the decrease in attraction attendance from the last year.

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

Chart 15 – Hotel/Motel Statistics by Geographic Region

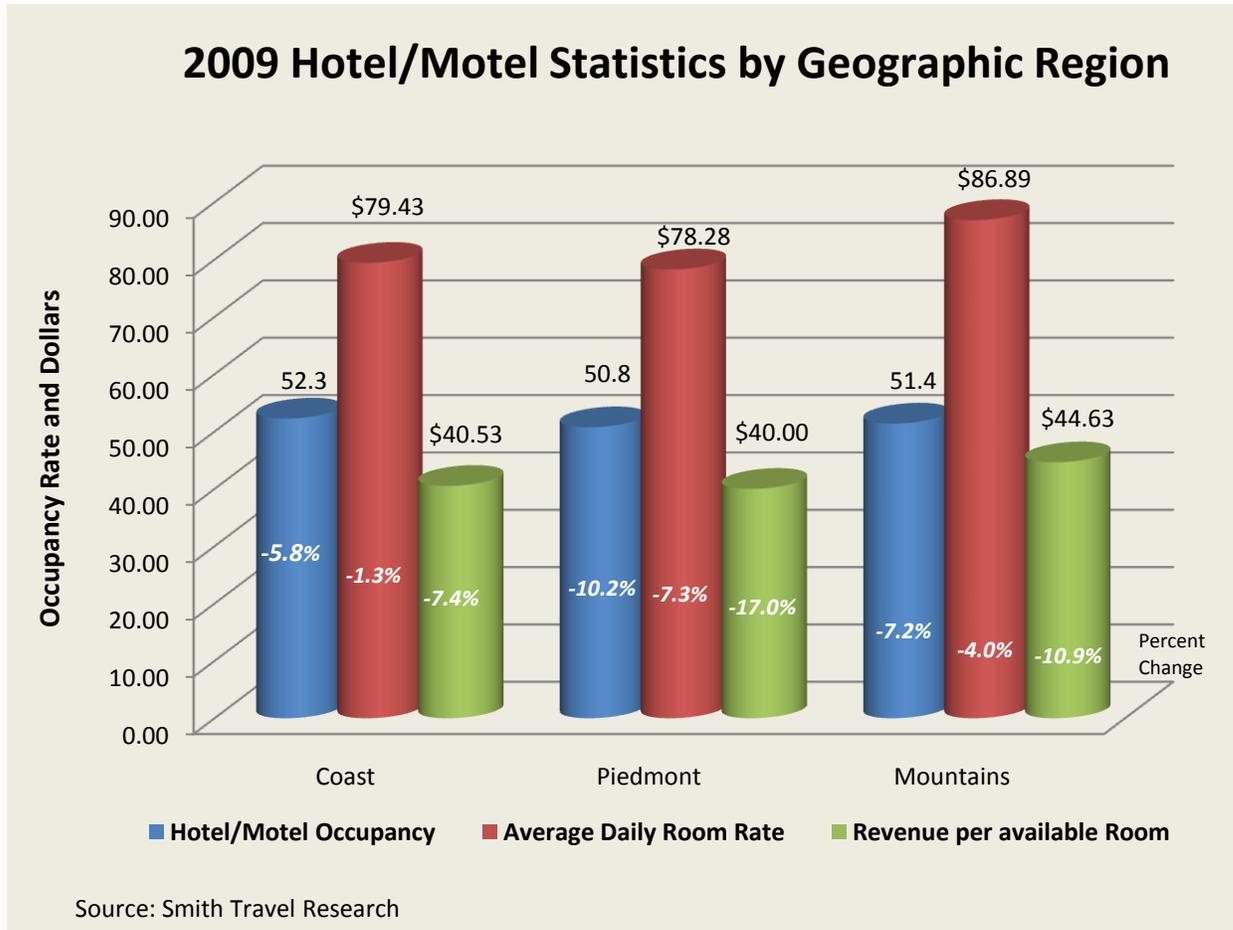


Chart 15 provides a one year comparison in lodging statistics for the three geographic marketing regions of North Carolina. While the leading indicators were negative in all three regions of the state in 2009 (from 2008), the Piedmont Region realized a greater impact than the other regions. Occupancy rate in 2009 decreased over ten percent in 2009 and ADR decreased over seven percent.

Chart 16 – Hotel/Motel Room Demand by Geographic Region

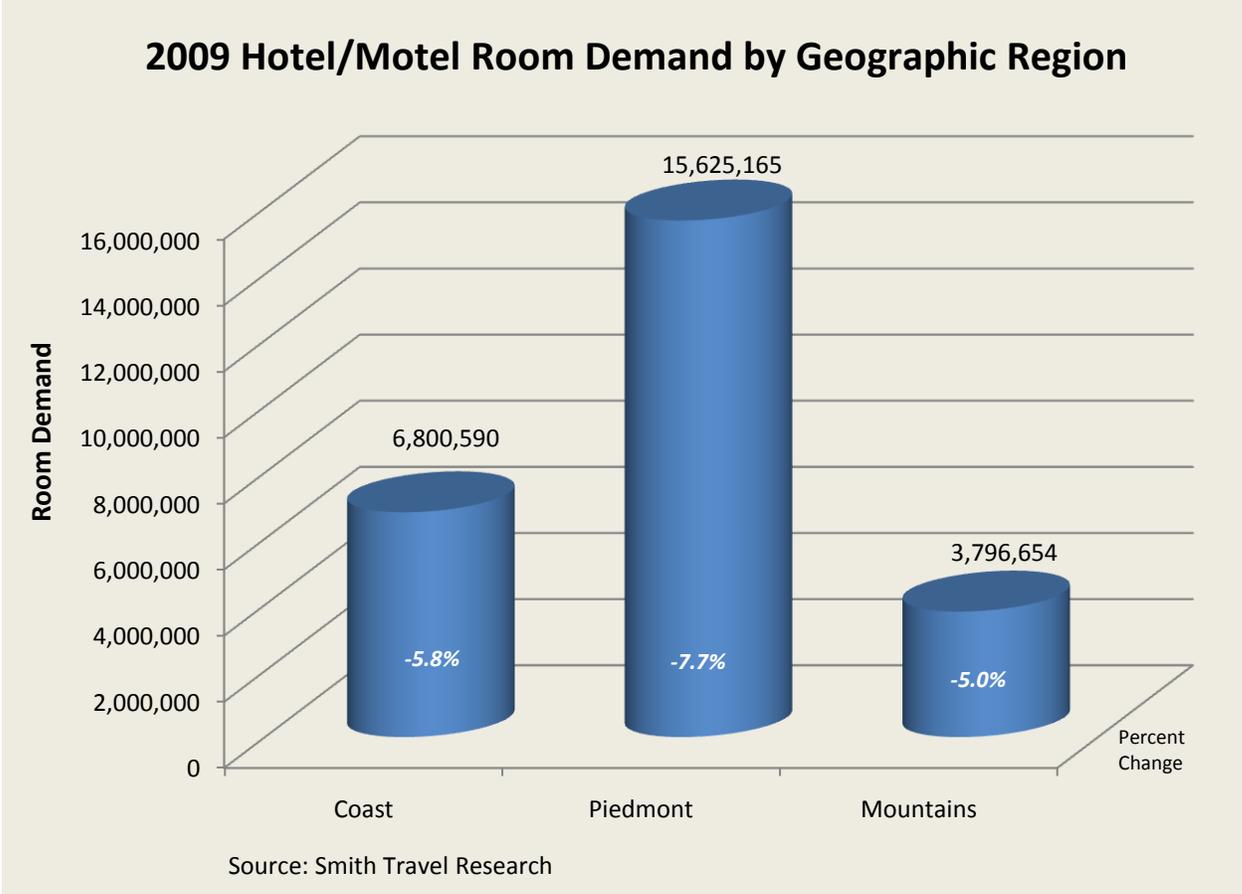


Chart 16 provides hotel/motel demand by geographic region for 2009. Demand differs from occupancy in that it is the total number of rooms sold, not accounting for differences in room supply. The Piedmont Region and the Mountain Region had smaller decreases in demand than the Piedmont Region from 2008 to 2009.

Chart 17 – Visitation to Attractions and Parks by Geographic Region

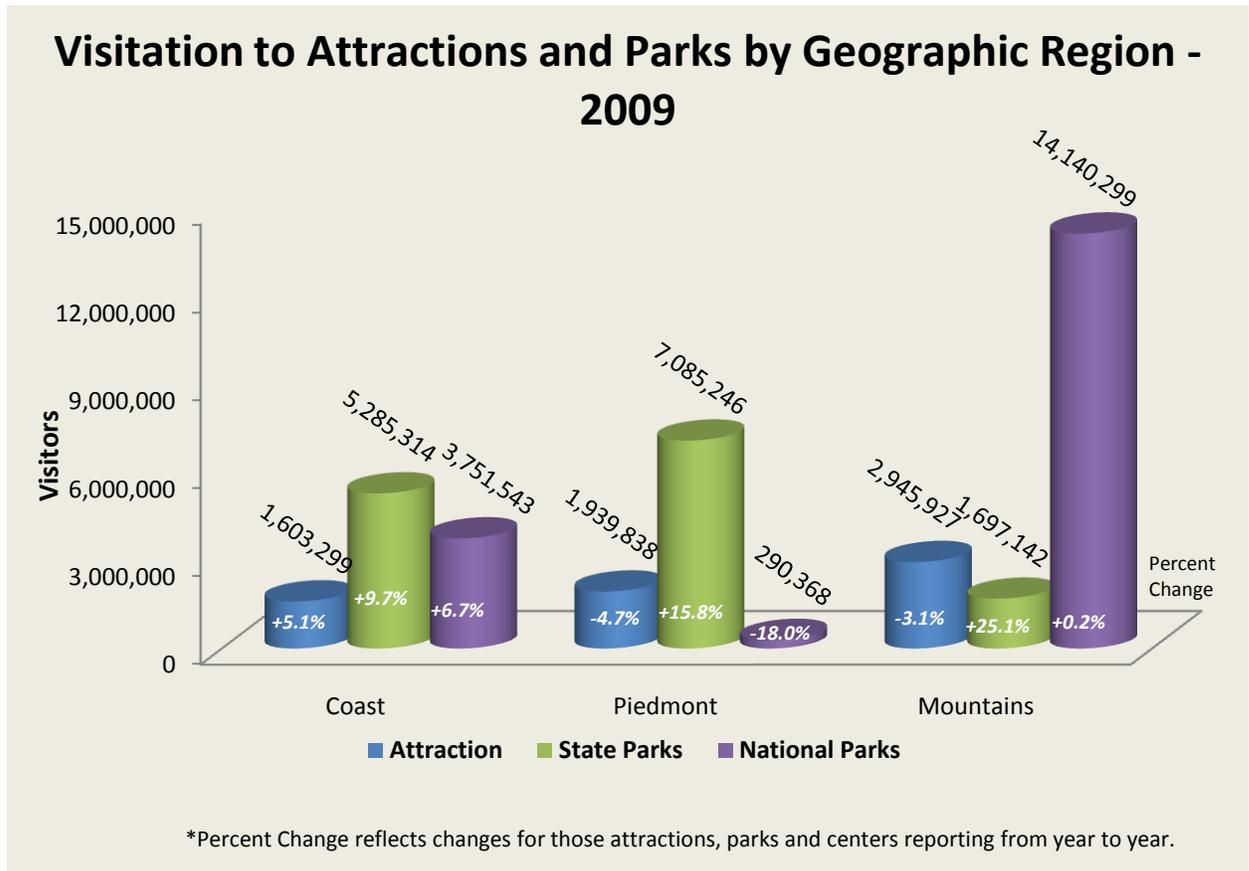


Chart 17 provides a look at the attractions industry in North Carolina in 2009 by geographic region. As with the statewide numbers, the following data represents only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis.

While attraction attendance was down overall in the state from 2008 to 2009, the Coastal Region actually saw an increase of 5 percent. State park attendance was up in the entire state, and most specifically in the Mountain Region (+25%). It should be noted that national park attendance in the Piedmont Region only consists of one park, therefore should be analyzed with caution.

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

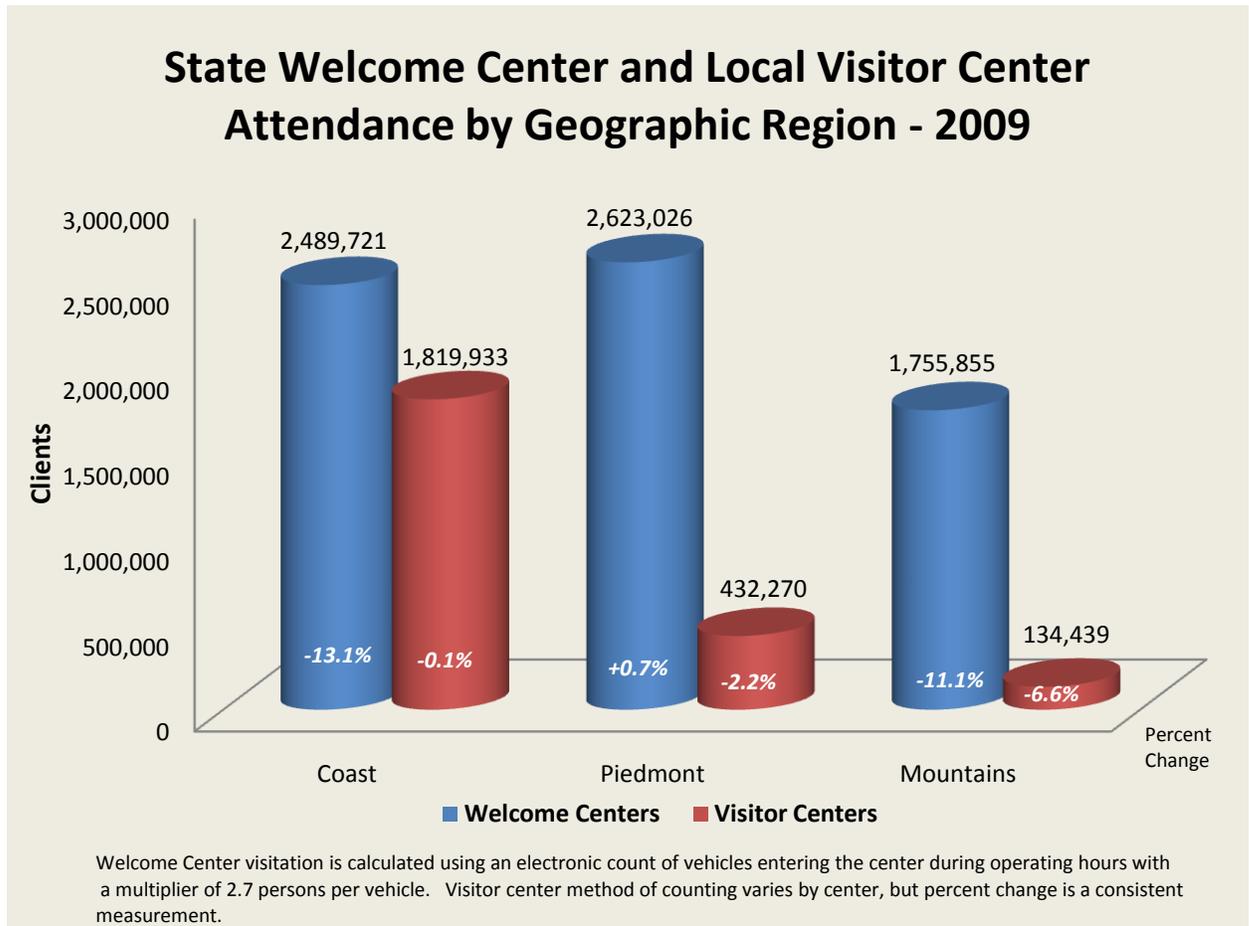


Chart 18 shows welcome center and visitor center attendance by geographic region. The Piedmont region experienced a small increase in welcome center numbers in 2009, while the visitor centers in the mountains and coast saw decreases. Much of the mountains decrease can be attributed to the rock slide near the NC/TN border that closed the I-40 West Welcome Center.

Chart 19 – Airport Arrivals and Departures by Geographic Region

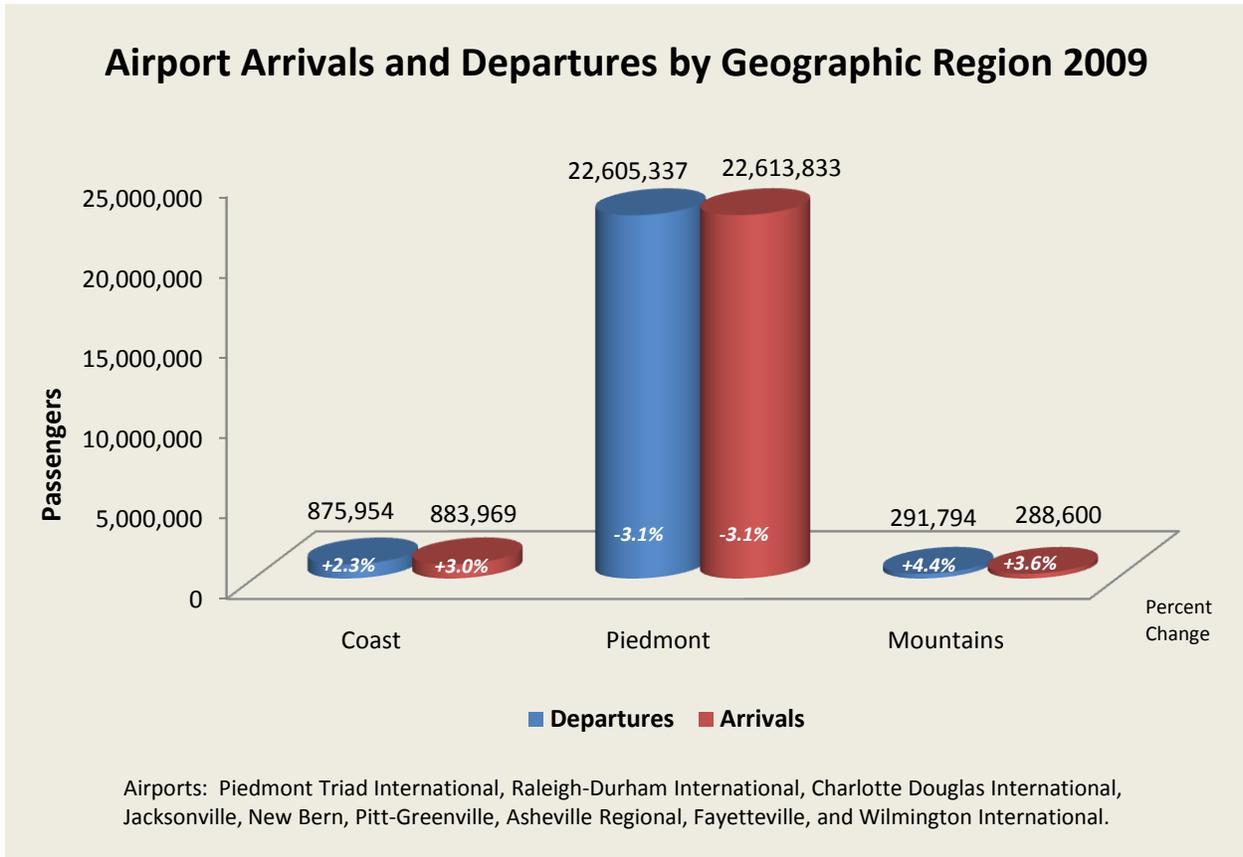


Chart 19 provides a breakdown of air travel statistics by geographic region. While the majority of air traffic is through the Piedmont Region, it is helpful to maintain a trend of other regional airport usage. The Coastal Region and Mountain Region showed growth in air traffic during 2009, while the Piedmont Region saw a small decrease last year.

Section 3: Economic Development Region Tourism Indicator Analysis

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

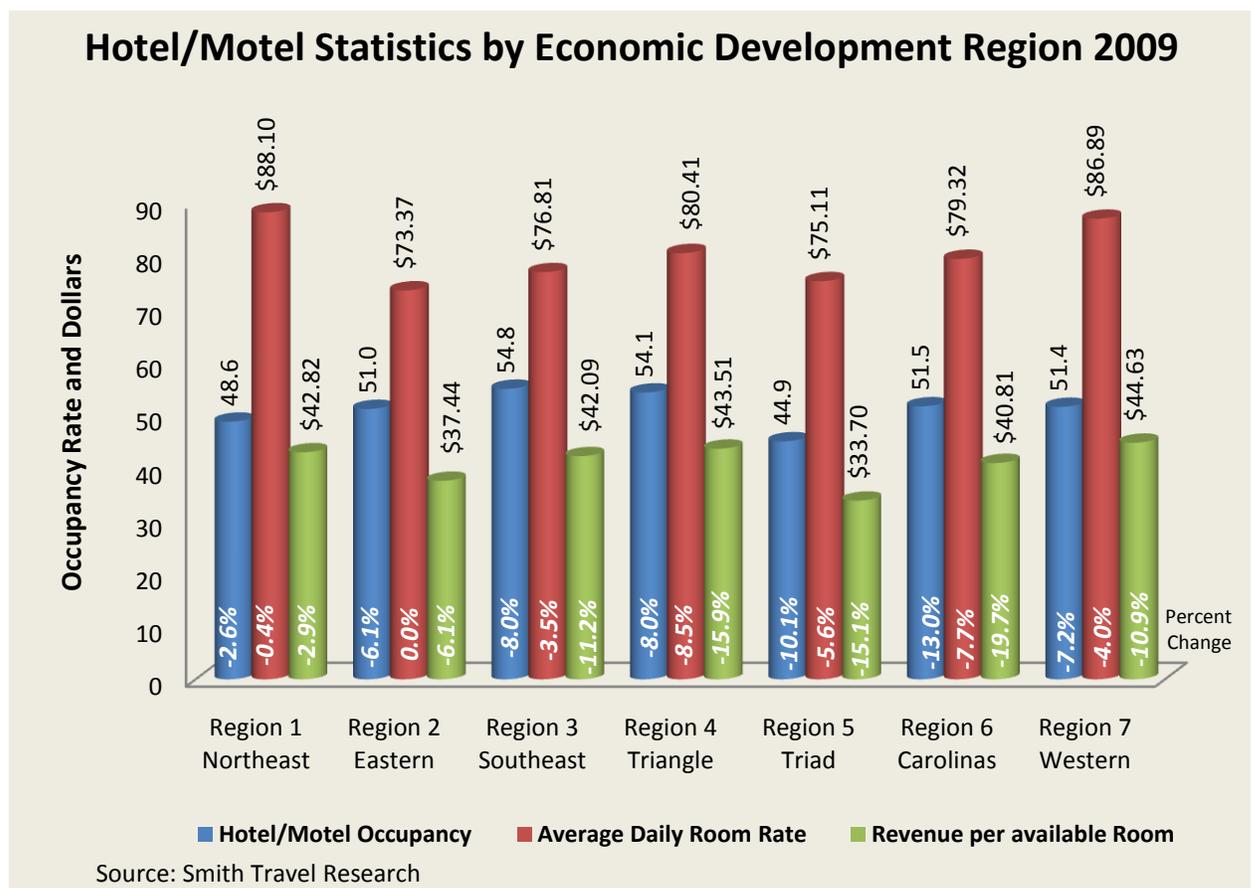


Chart 20 provides lodging indicators for 2009 by economic development region. Also shown are percent changes from 2008. This graph allows individual regions within the state to track indicators specific to their general destinations, while still being able to compare their data to the state data shown in Section 1.

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

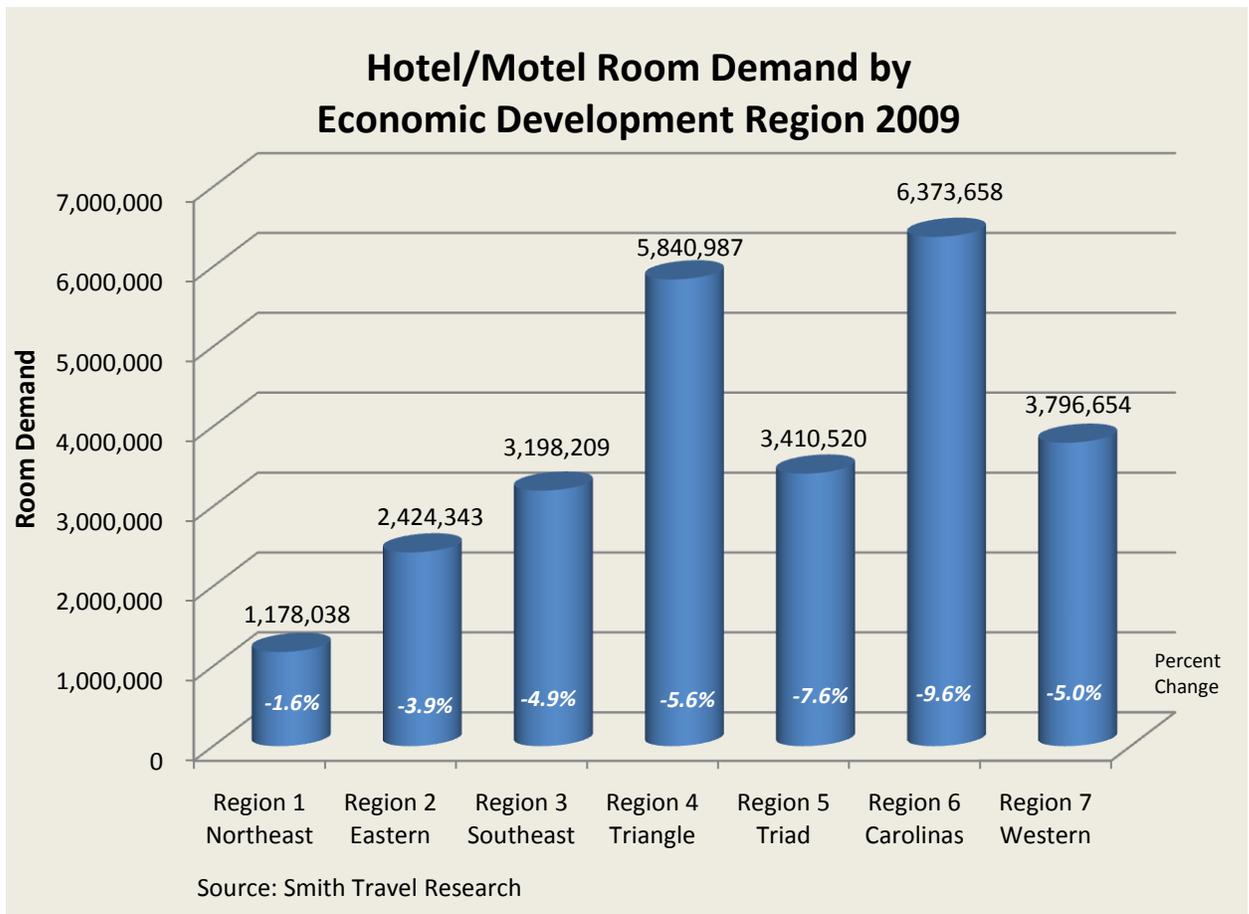


Chart 21 depicts hotel/motel demand for 2009 by economic development region. Demand is the number of rooms sold excluding complimentary rooms. All regions show decreased demand from 2008 to 2009. The Northeast Region had smallest negative percent change from 2008 to 2009.

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 TPI 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



Chart 22 provides a three 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 below the 2007 level, though for the last two months of the year peaked above the 2008 index.