



## 2011 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: 2011 Statewide Tourism Indicator Analysis

Chart 1 –Hotel/Motel Occupancy in North Carolina

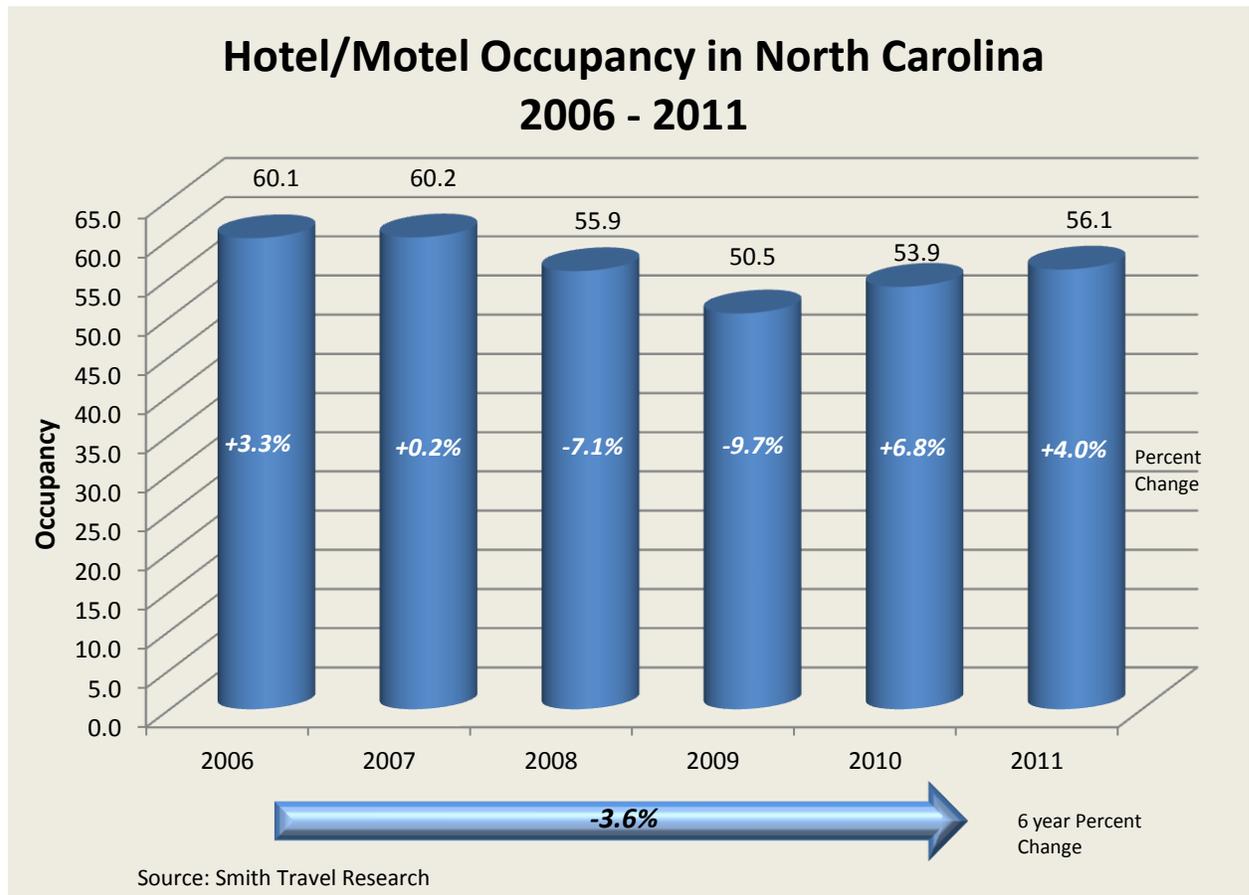


Chart 1 provides a comparison over a six year period to show the trend of occupancy. Occupancy in 2011 increased four percent from 2010, though still not yet back to 2007 levels. *Occupancy at the national level increased 4.4 percent in 2011.*

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

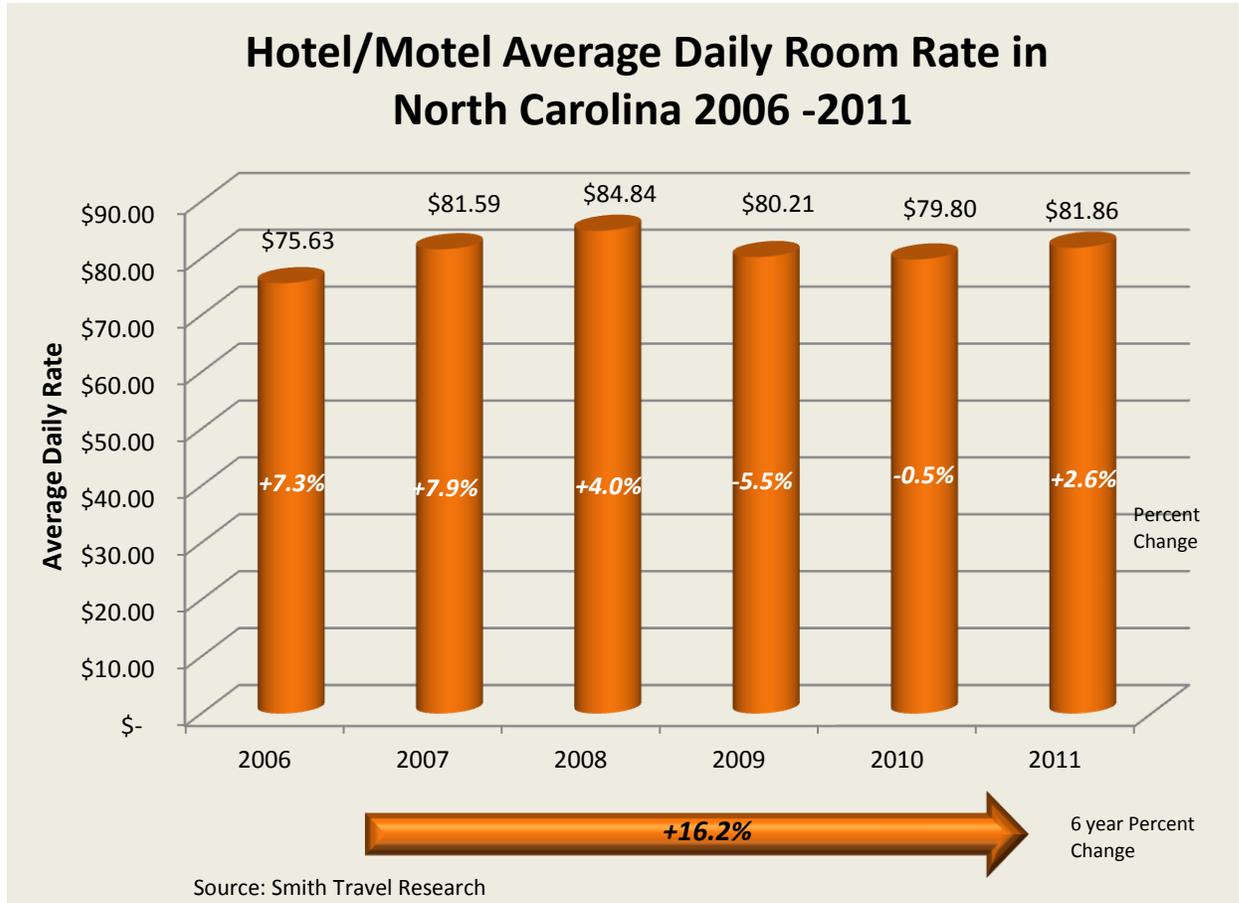
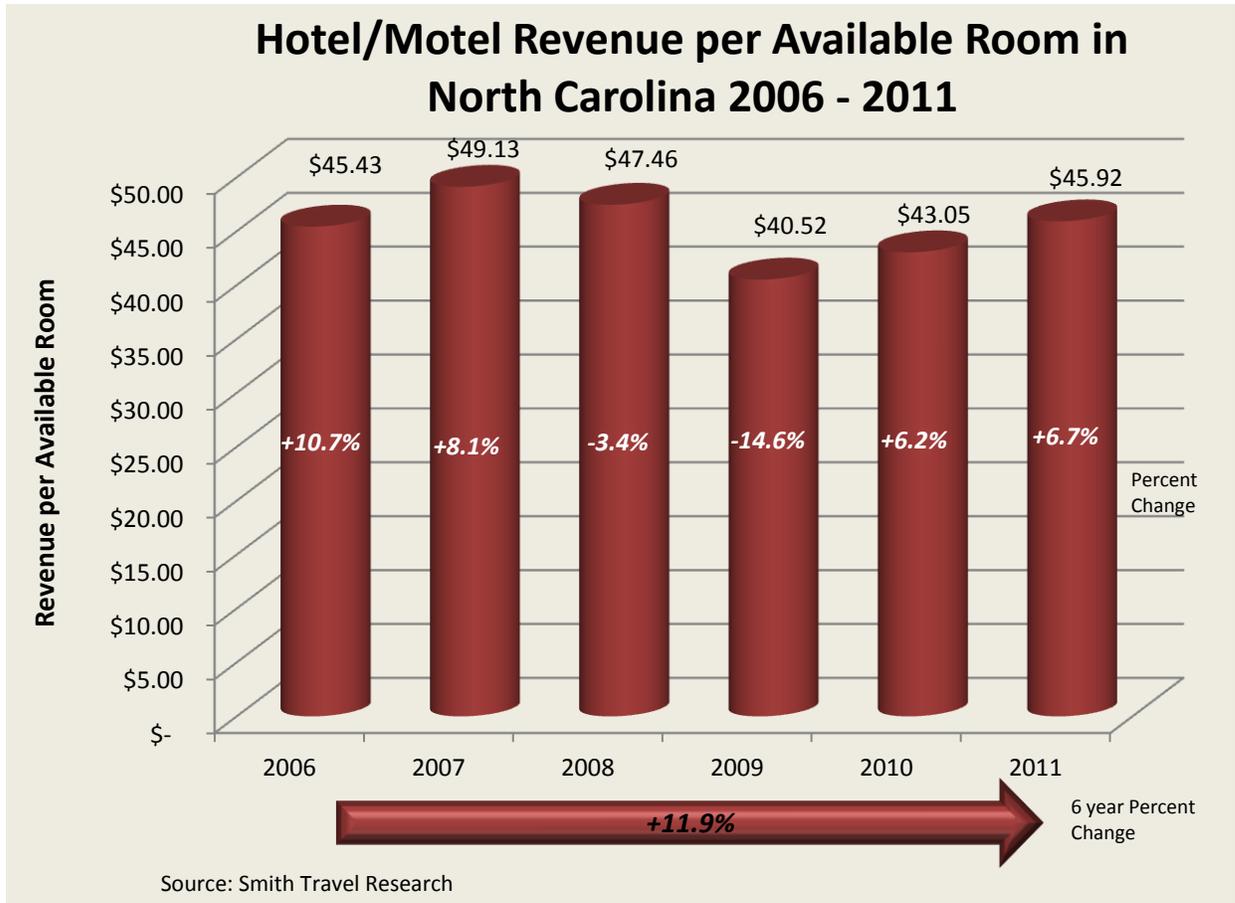


Chart 2 provides a comparison over a six year period to show the trend of average daily room rate (ADR) in the state. From 2006 through 2008, ADR had steady increases statewide. However, 2009 ADR decreased over 5 percent (though still above 2006 rates), and in 2010 decreased again very slightly by 0.6%. 2011 finally saw rebound in room rates with a 2.6% increase from the previous year. *ADR at the national level was up 3.7 percent in 2011 from 2010.*

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 six year period to show the trend of RevPAR in the state. In 2011 RevPar was up nearly seven percent from 2010, though still below 2008 RevPAR. *RevPAR at the national level was up 8.2 percent in 2011 from 2010.*

Chart 4 – Hotel/Motel Room Demand in North Carolina

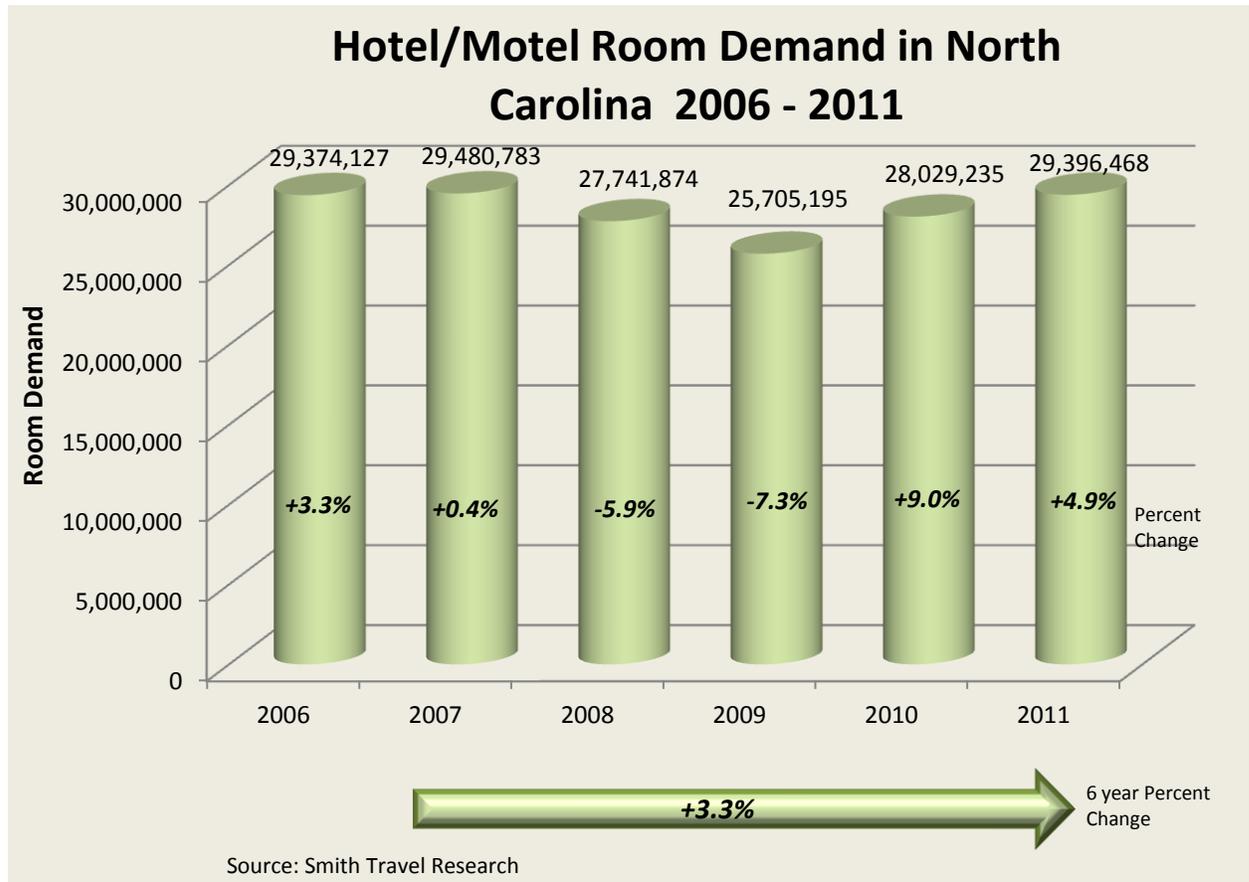


Chart 4 depicts hotel/motel demand from 2006 through 2011. Demand is the number of rooms sold excluding complimentary rooms. Room Demand for 2011 was up nearly five percent from 2010 and only slightly behind the demand levels of 2007. *Room Demand at the national level saw an increase of 5.0 percent change in 2011 from the previous year.*

Chart 5 – North Carolina Lodging Statistics Monthly Percent Change 2008 – 2011

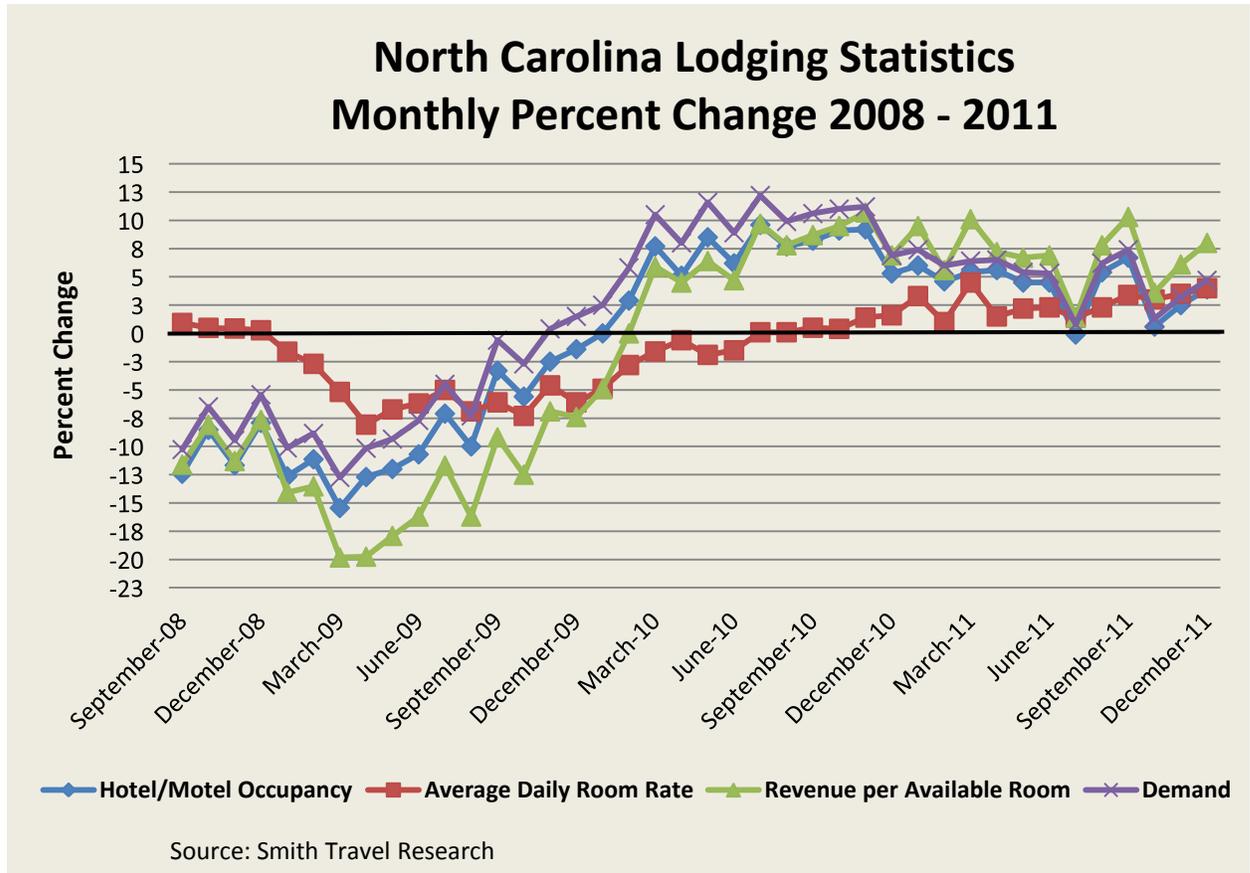


Chart 5 provides a monthly percent change for the four major lodging indicators. The chart allows for a 27 month trend-line analysis that clearly depicts that the major indicators are in recovery. Most indicators dropped to negative percent change in January 2009, and began to rebound a year later. While ADR was the last to drop, it is also the slowest to recover. All indicators in 2011 remained in positive growth, and ADR finally began to show steady recovery.

Chart 6 – Statewide Visitation to Attractions

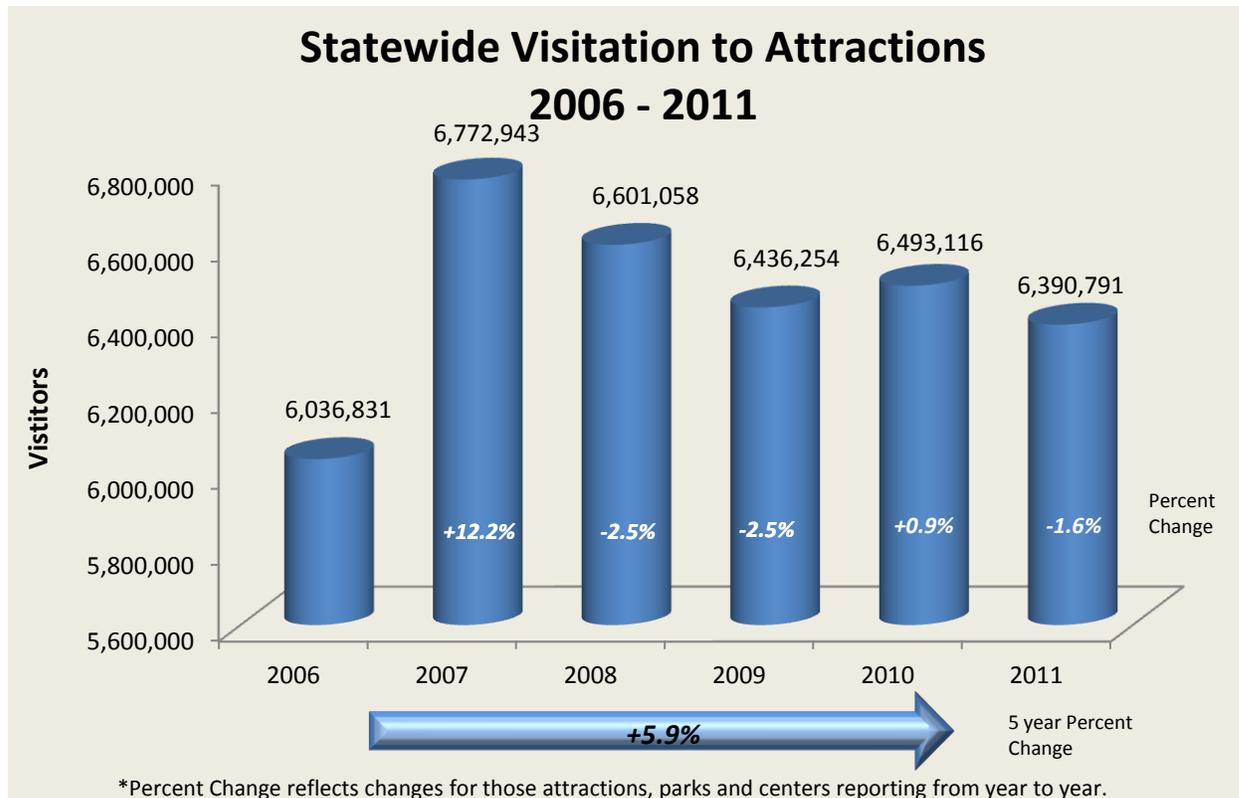


Chart 6 provides a status of the attractions industry in North Carolina for the last four years. The numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type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

There was a slight decline in attraction visitation from 2010 to 2011, though data suggests that the fall and early winter showed positive growth with the mild weather experienced during that time frame.

Chart 7 – Statewide Visitation to Attractions Monthly History 2006 – 2011

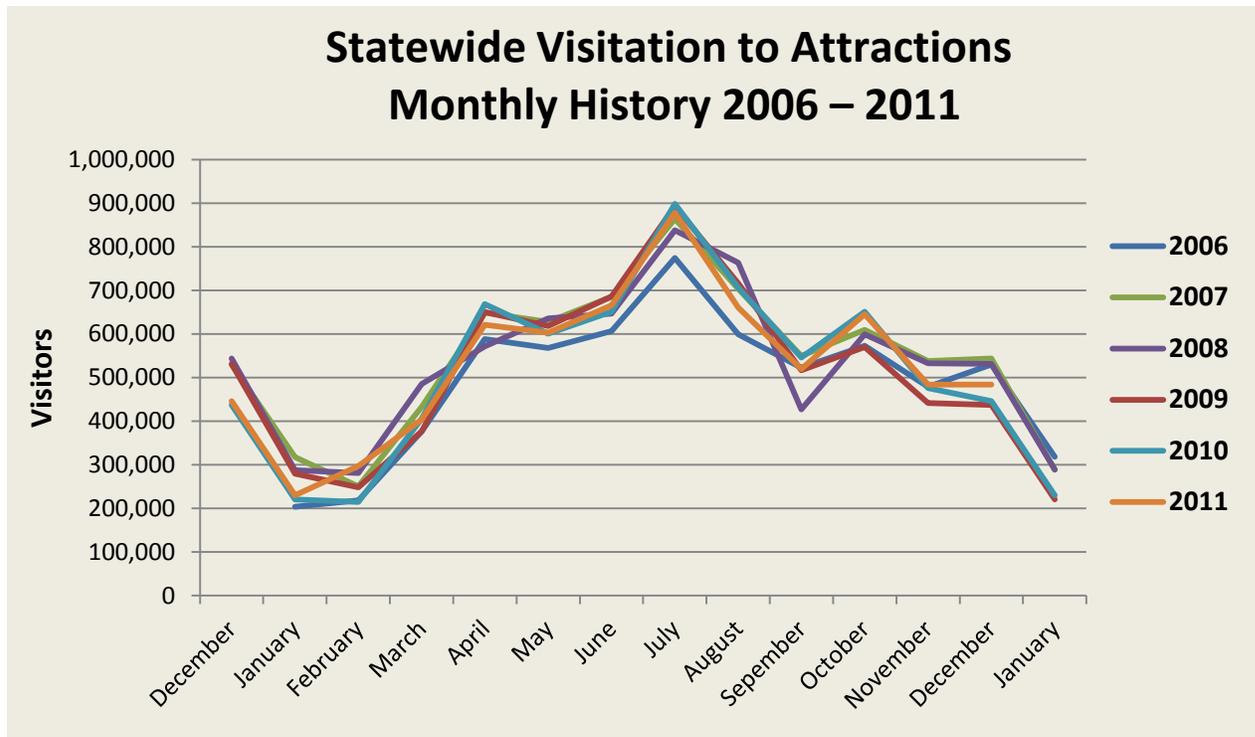


Chart 7 shows a monthly trend of attraction visitation for each of the last five years. This chart allows for a view of the ebb and flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. Not surprisingly, the summer months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

Mild weather in the fall and early winter of 2011 helped attendance at statewide attractions, but annual visitation was still down slightly from 2010.

Chart 8 – State Welcome Center and Local Visitor Center Attendance

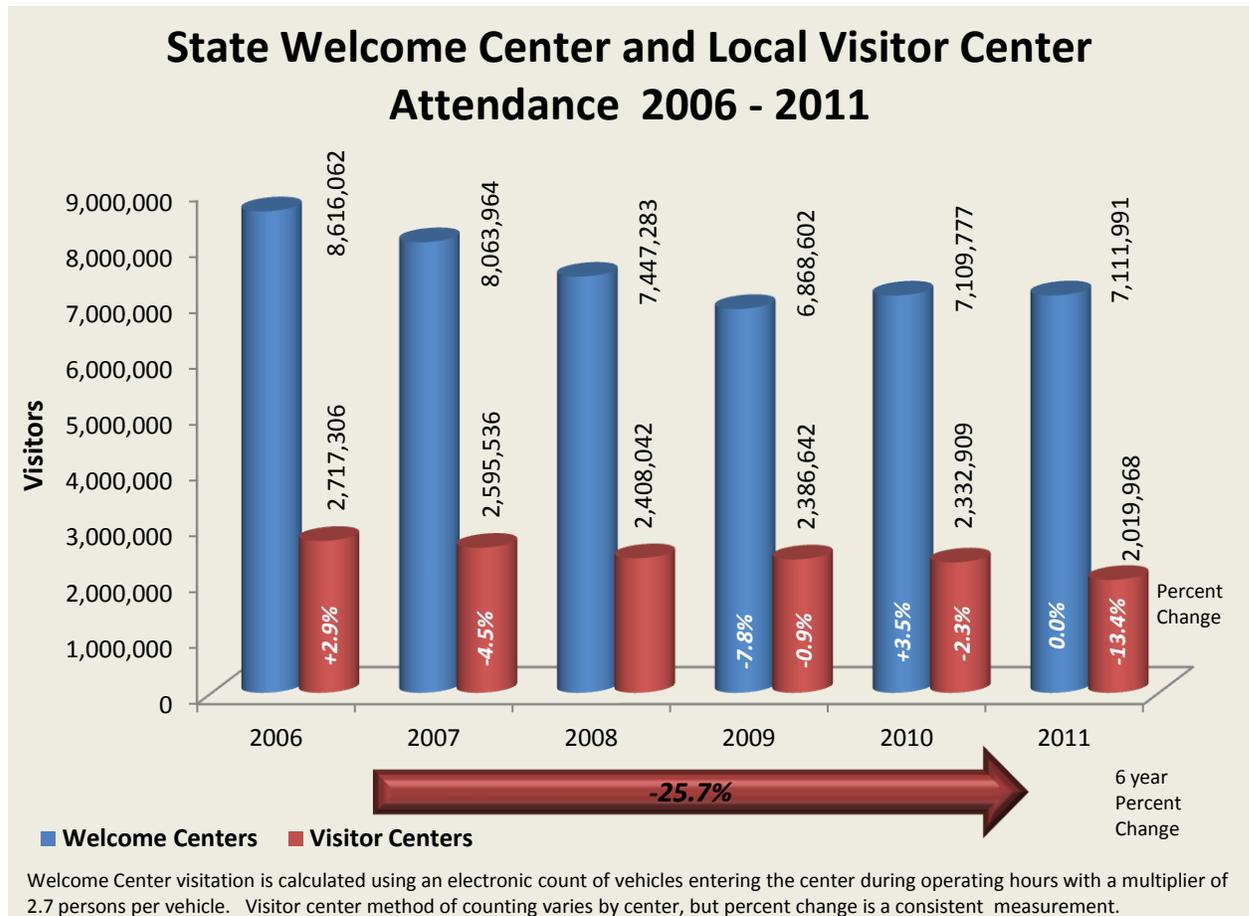


Chart 8 provides annual visitation statistics for State Welcome Centers, as well as Local Visitor Centers throughout North Carolina. It should be noted that while there is a percent change indicated for welcome centers for 2007-2008 and 2008-2009, 2008 was the first year a percent change could accurately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

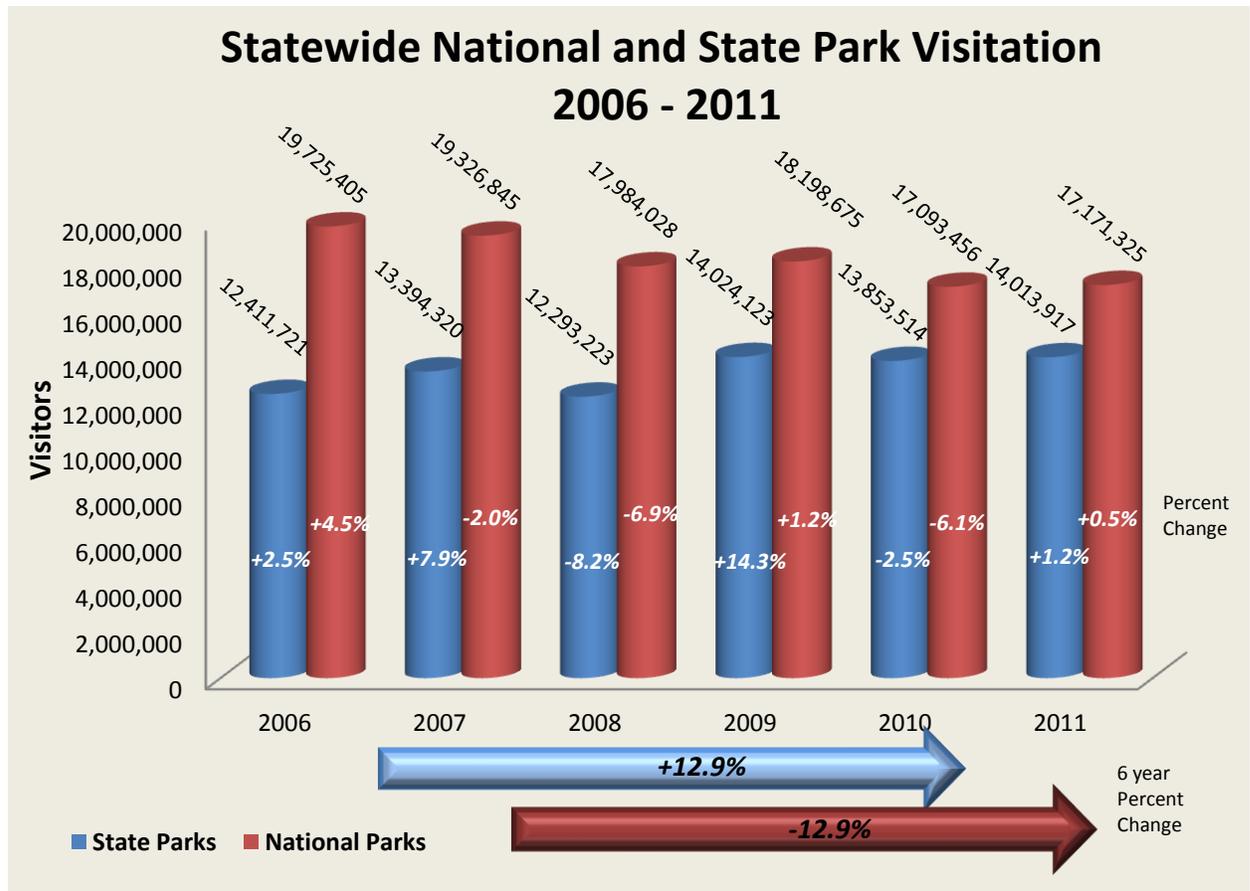
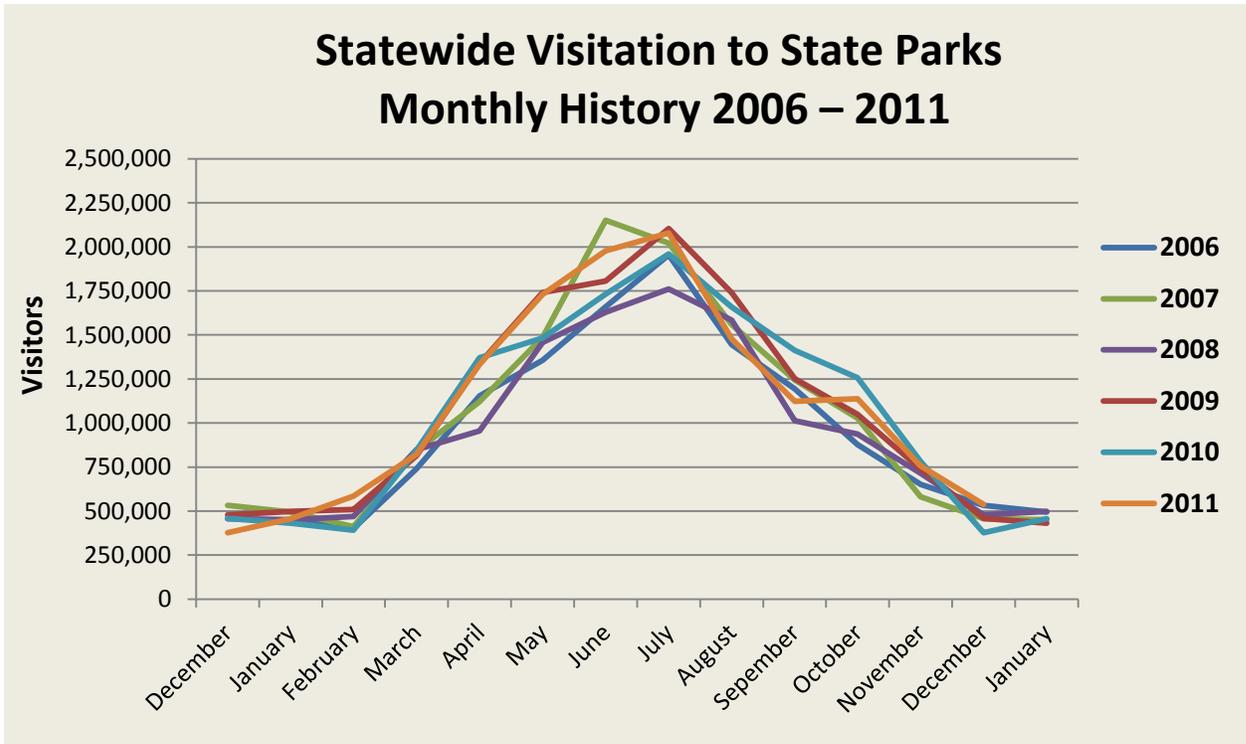


Chart 9 depicts visitation to state and national parks in North Carolina for the last six years. Both state and national parks experienced increases in 2011 from 2010, primarily due to the mild winter weather. December 2011, in particular, had extraordinary growth. State park attendance has seen an almost thirteen percent increase in visitation since 2005.

**Chart 10 – Statewide Visitation to State Parks Monthly History 2006 – 2011**



Similar to Chart 7, Charts 10 and 11 provide a monthly trend of state and national park visitation for each of the last six 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 – 2011**

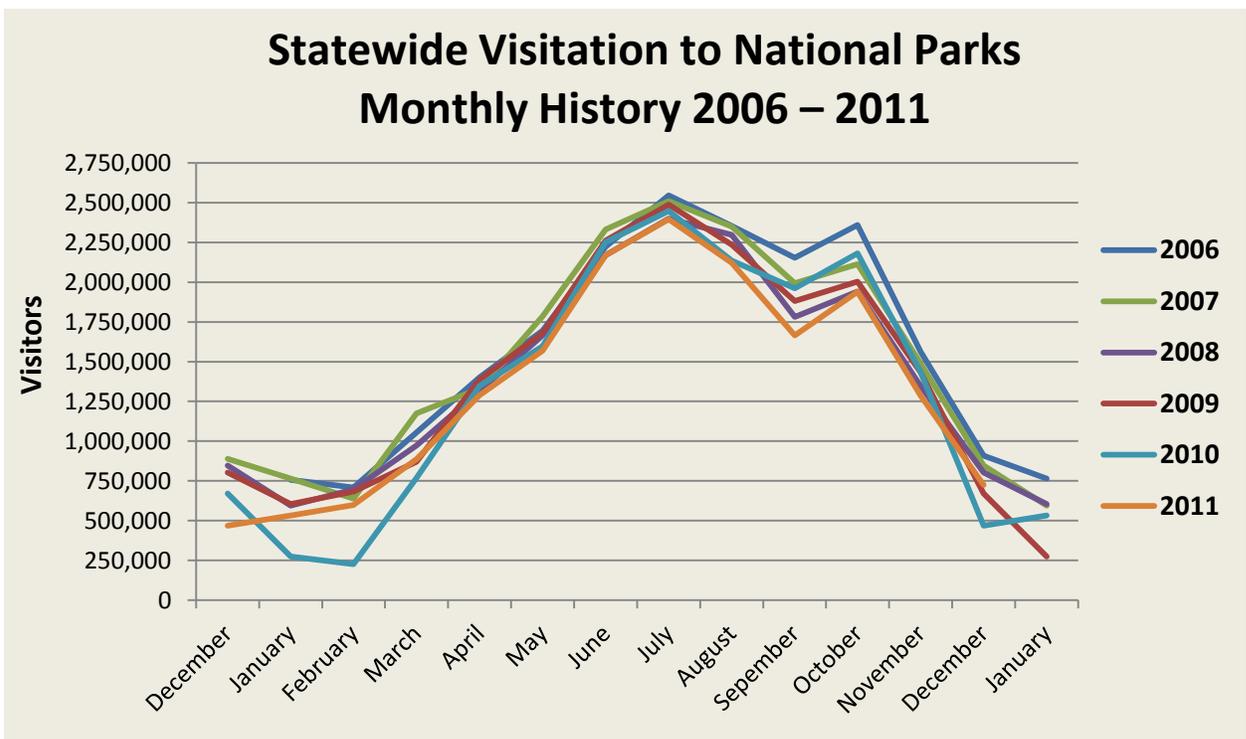


Chart 12 – Statewide Airport Arrivals and Departures

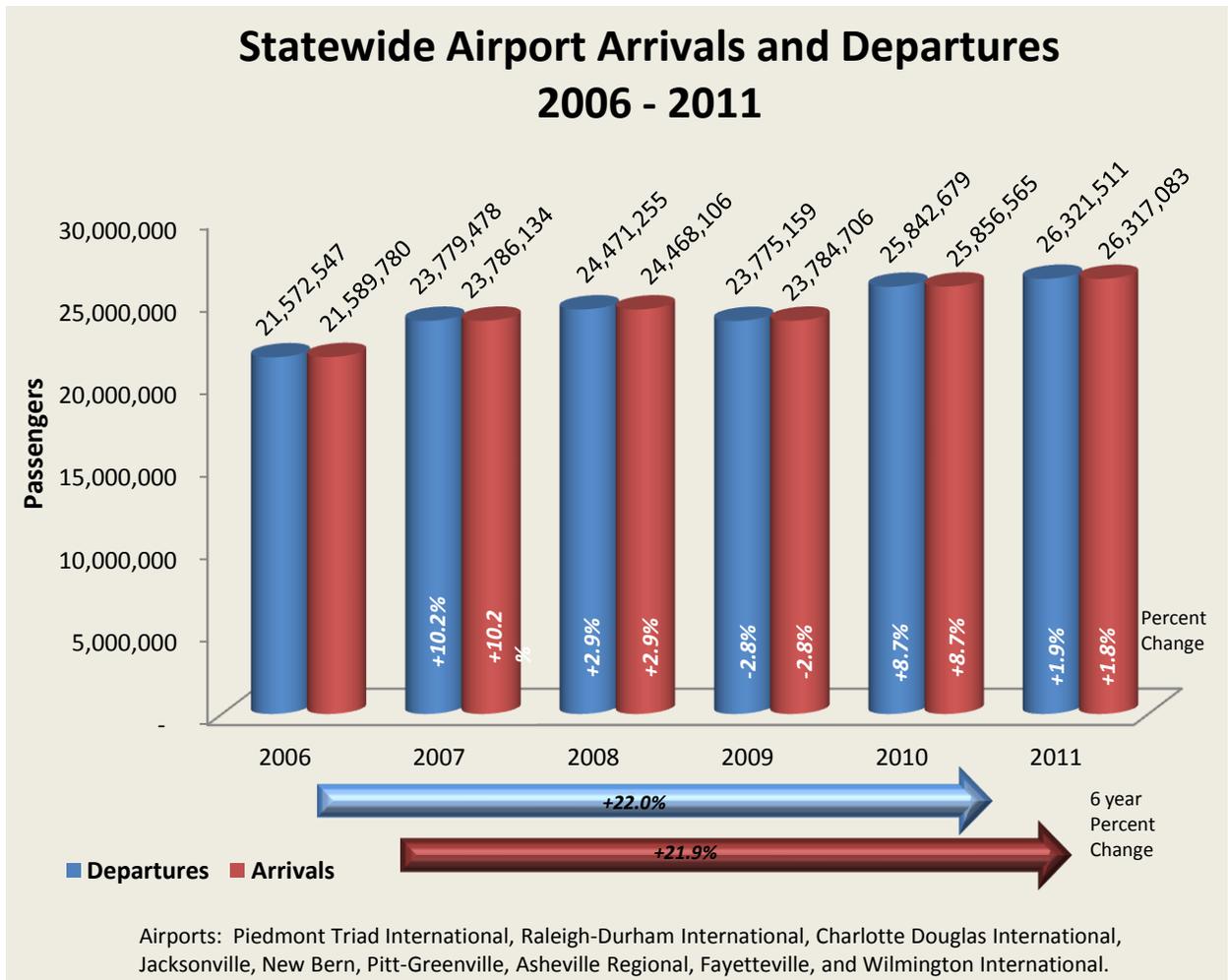


Chart 12 shows annual airport arrivals and departures for each of the previous six years. The 2011 arrivals and departures data showed slight improvement from 2010. In the last six years, air arrivals have increased over twenty percent statewide.

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

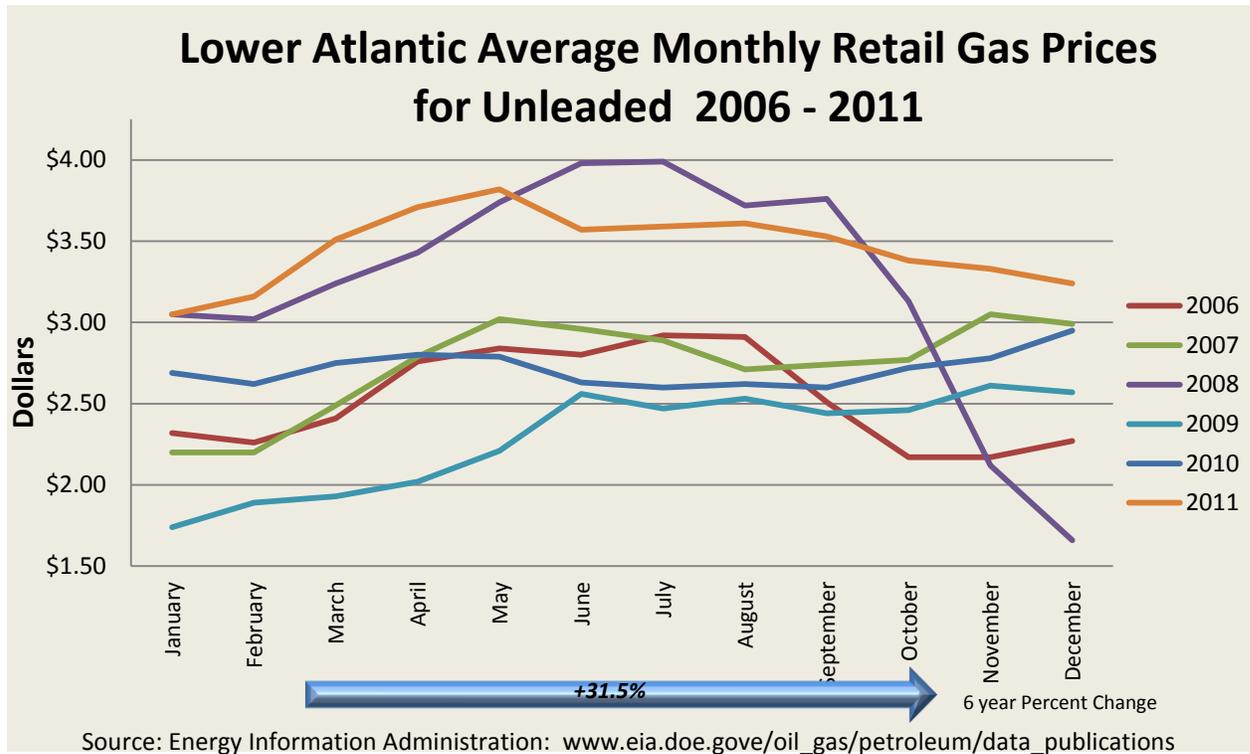


Chart 13 provides the monthly average price per gallon of unleaded gasoline for 2006 through 2011. The data provided above, when compared with other indicators such as attraction attendance and visitor spending data, can be very helpful in the analysis of general travel trends. As an annual average, fuel prices in 2011 were almost thirty (27.5%) percent higher than in 2010, higher even than the previous annual high in 2008.

Chart 14 – North Carolina Average Temperature and Total Precipitation

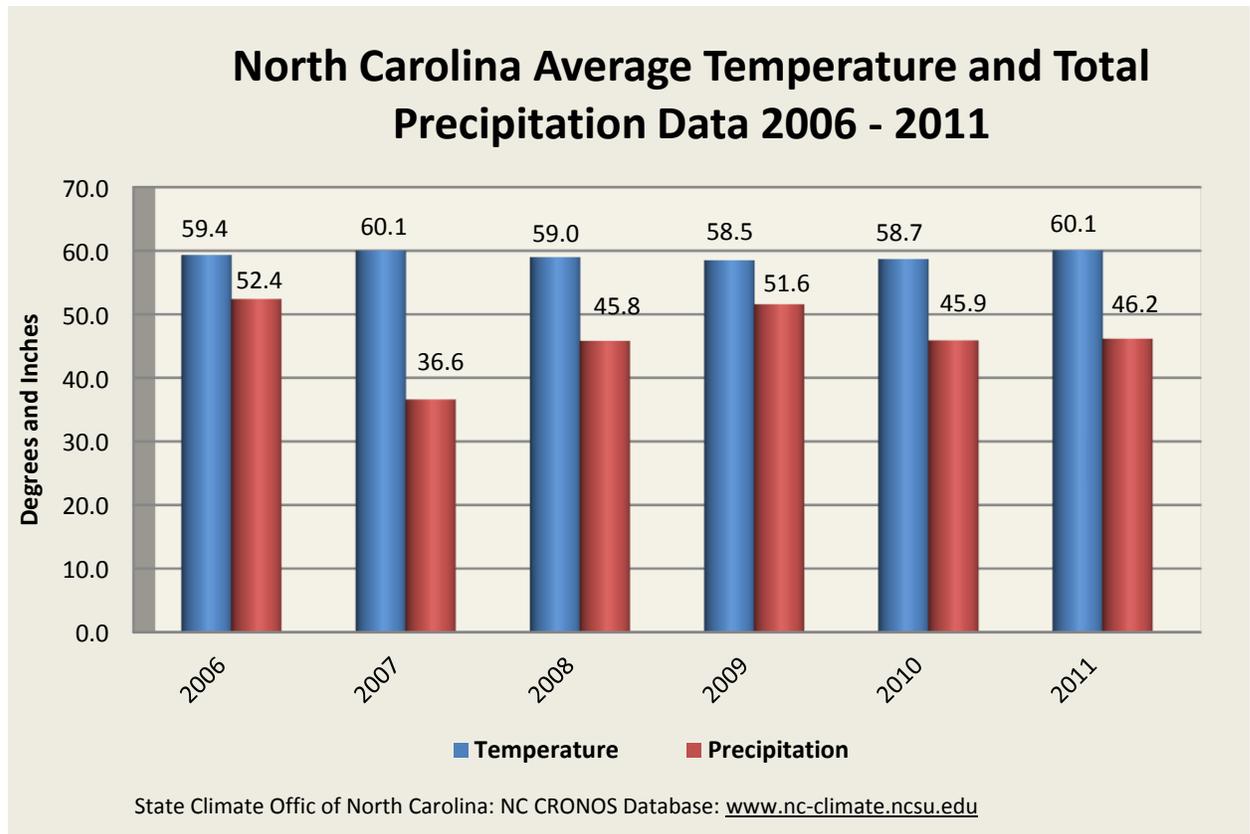


Chart 14 provides annual indicators of average air temperature and total precipitation. Though annual data of this sort does not change very much from year to year, the data, when analyzed together with gas price data and other tourism indicators, can be valuable in determining possible reasons for significant 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. 2011 was warmer than 2010 and had about the same average total precipitation.

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

Chart 15 – Hotel/Motel Statistics by Geographic Region

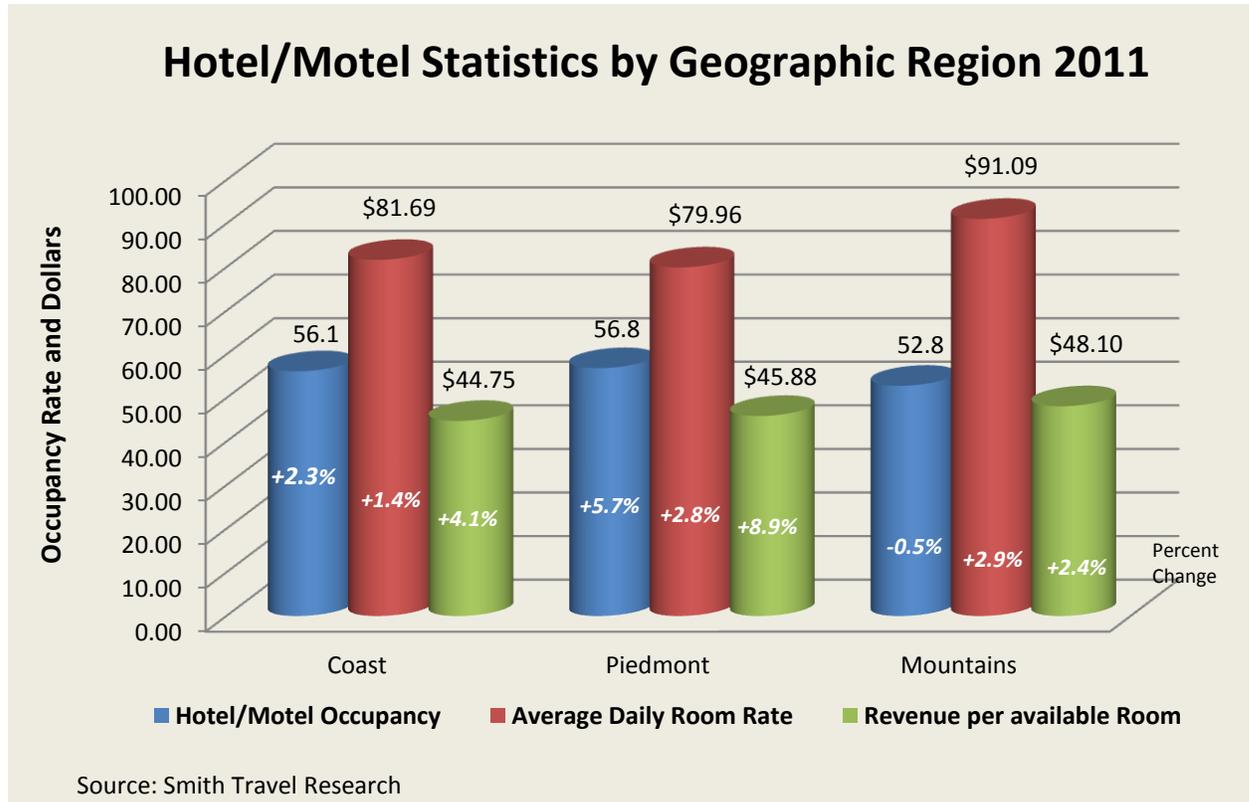


Chart 15 provides a one year comparison in lodging statistics for the three geographic marketing regions of North Carolina. All leading indicators showed positive growth in the three regions of the state in 2011 (from 2010), with the exception of the Mountain Region occupancy, which was flat.

Chart 16 – Hotel/Motel Room Demand by Geographic Region

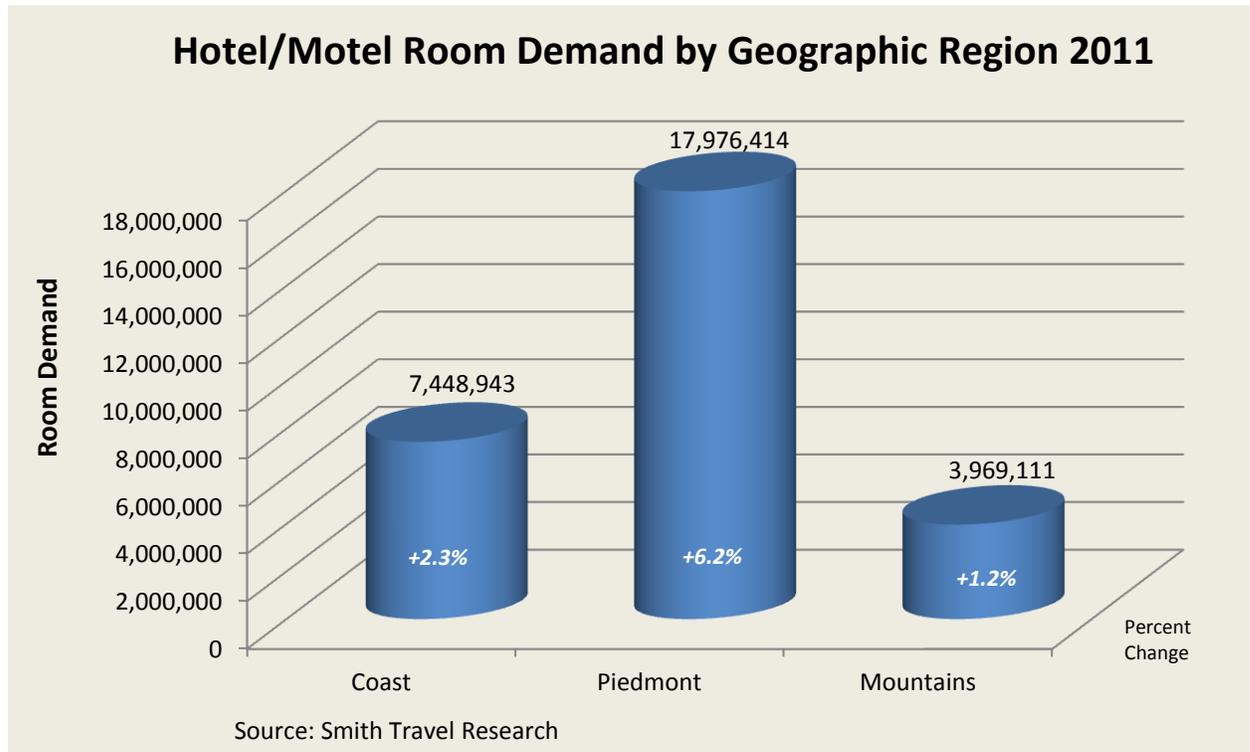


Chart 16 provides hotel/motel demand by geographic region for 2010. Demand differs from occupancy in that it is the total number of rooms sold, not accounting for differences in room supply. All three geographic regions showed positive demand growth from 2010 to 2011.

Chart 17 – Visitation to Attractions and Parks by Geographic Region

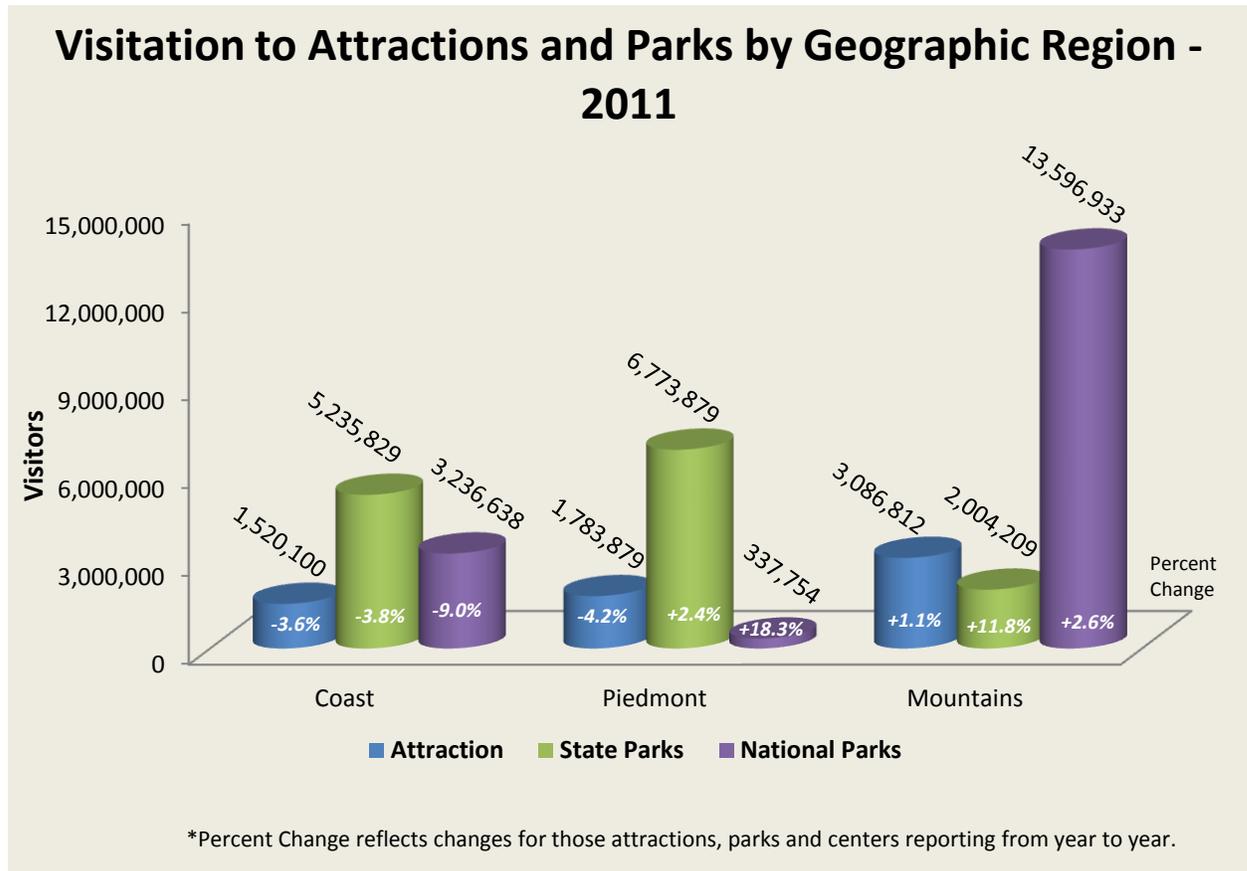


Chart 17 provides a look at the attractions industry in North Carolina in 2011 by geographic region. As with the statewide numbers, the following data represents only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis.

The Mountain Region saw increases in parks and attractions from 2010 to 2011. In particular, state park attendance in the mountains was up nearly twelve percent. While state park attendance was up overall in the state from 2010 to 2011, the Coastal Region saw a decrease of 3.8 percent. 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

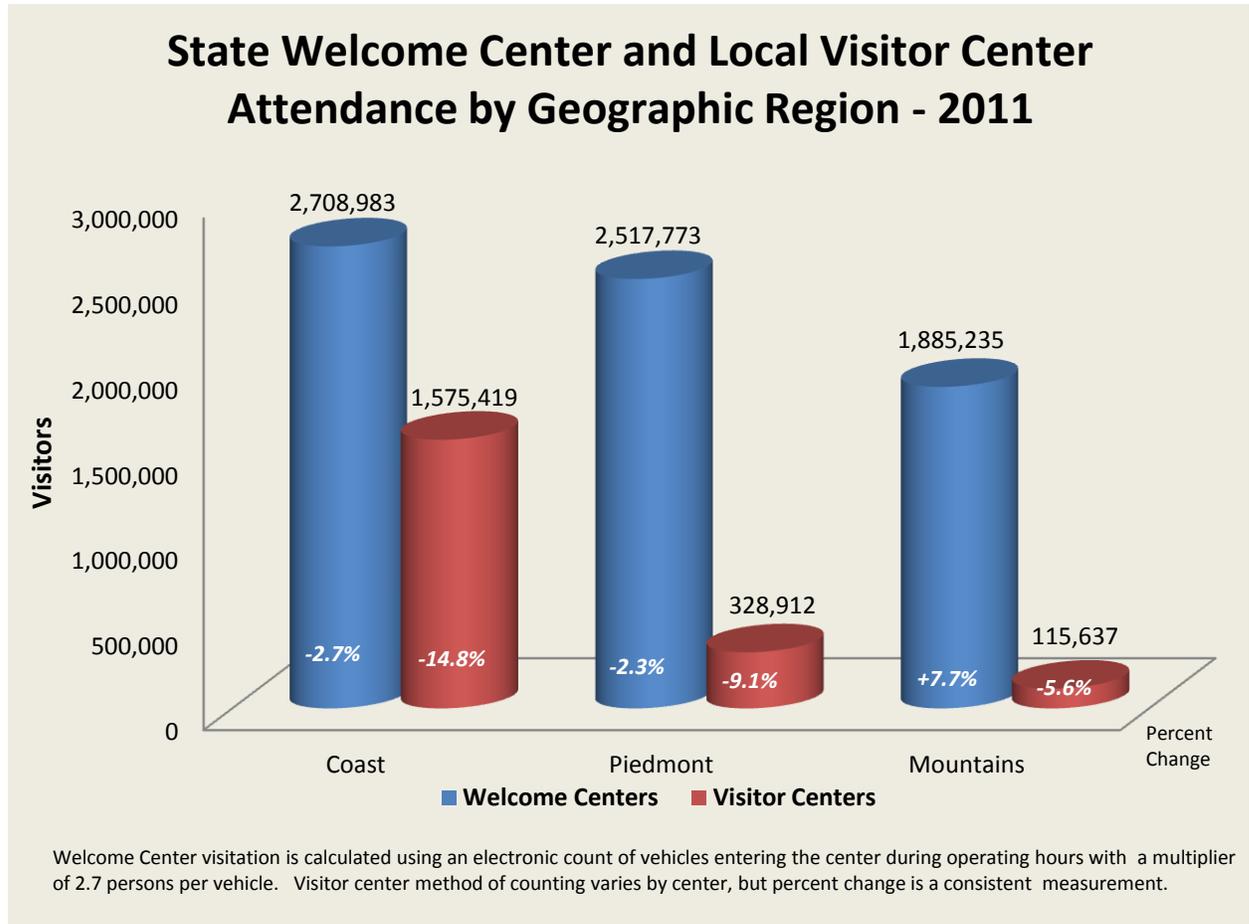


Chart 18 shows welcome center and visitor center attendance by geographic region. The Mountain Region showed increases in welcome center in 2011, while the centers in the coastal and piedmont regions saw decreases.

Chart 19 – Airport Arrivals and Departures by Geographic Region

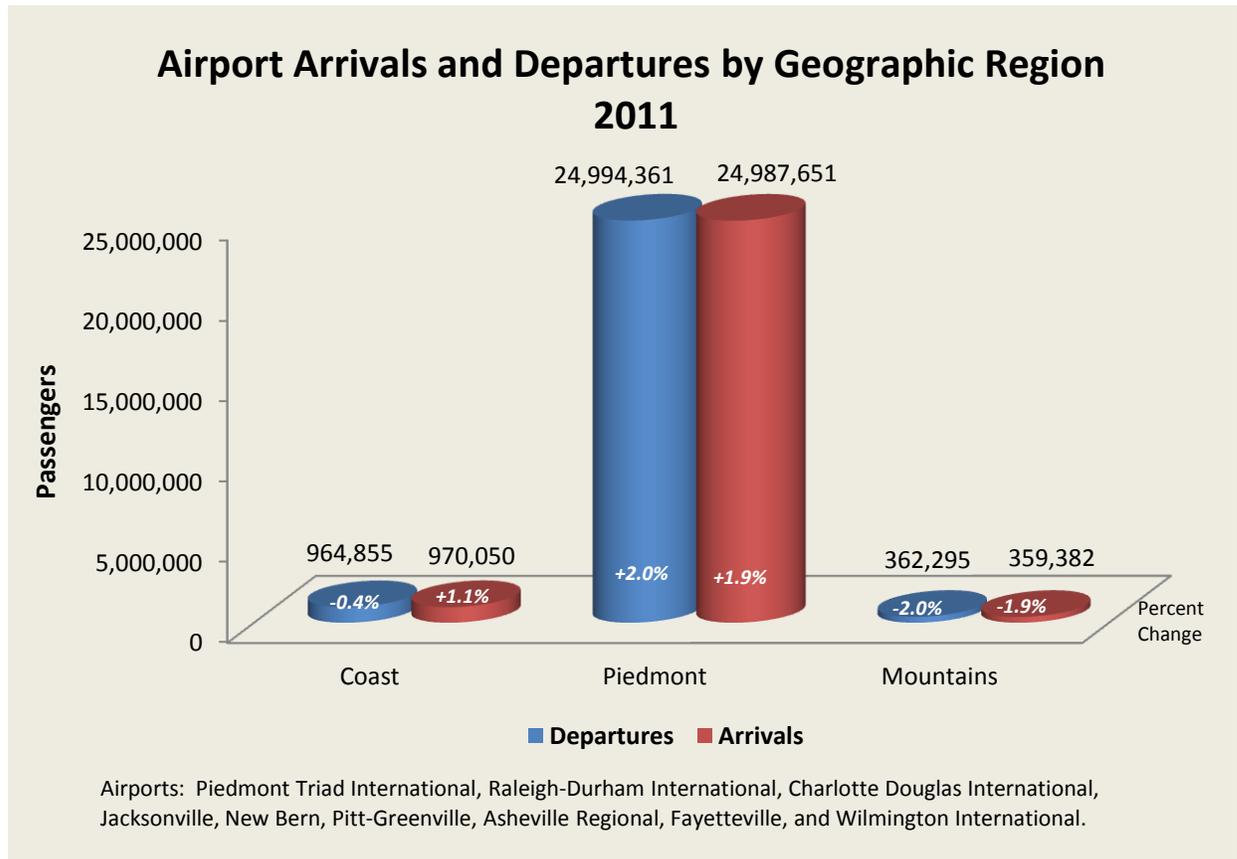


Chart 19 provides a breakdown of air travel statistics by geographic region. While the majority of air traffic is through the Piedmont Region, it is helpful to maintain a trend of other regional airport usage. The Piedmont Region showed positive growth in air traffic during 2011, while the other regions were closer to flat growth over the same time period.

### 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

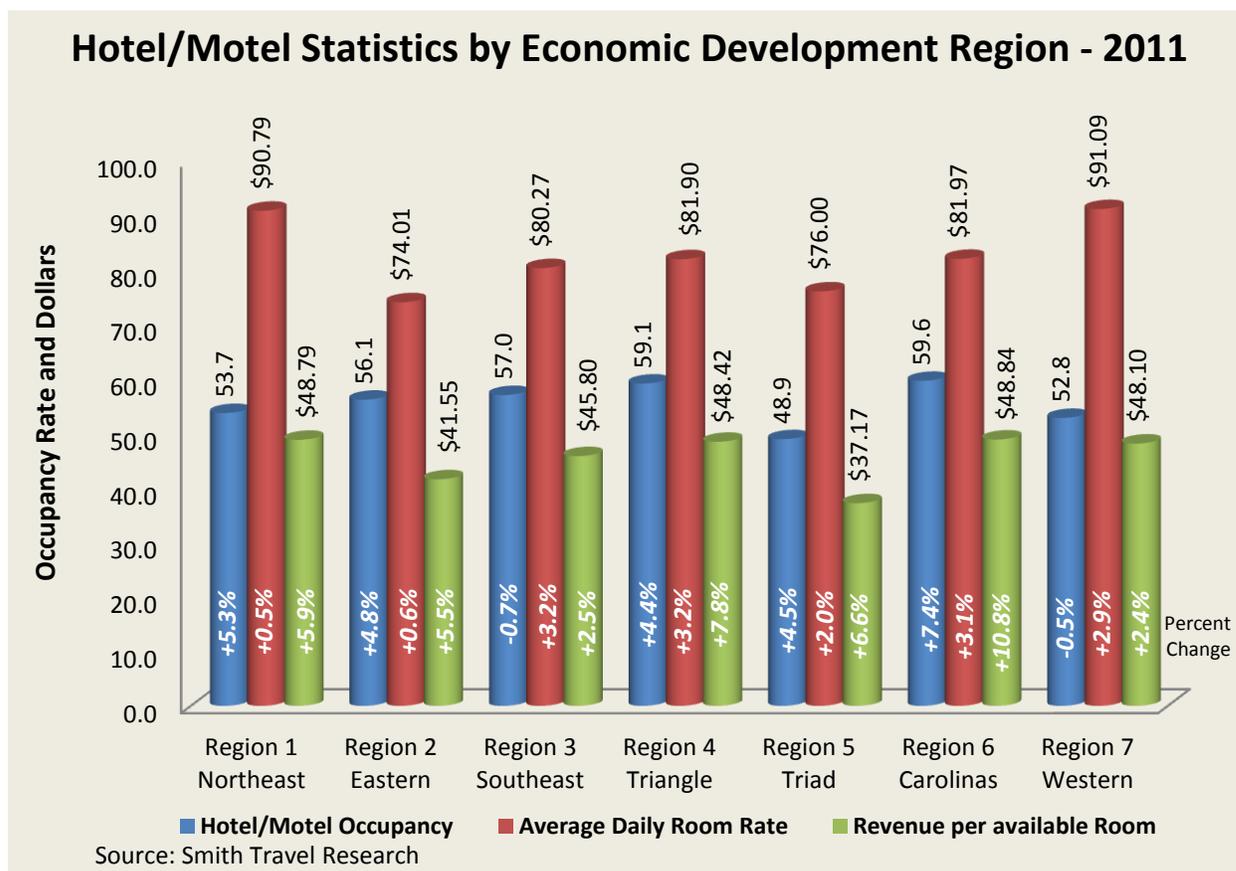


Chart 20 provides lodging indicators for 2011 by economic development region. Also shown are percent changes from 2010. This graph allows individual regions within the state to track indicators specific to their general destinations, while still being able to compare their data to the state data shown in Section 1.

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

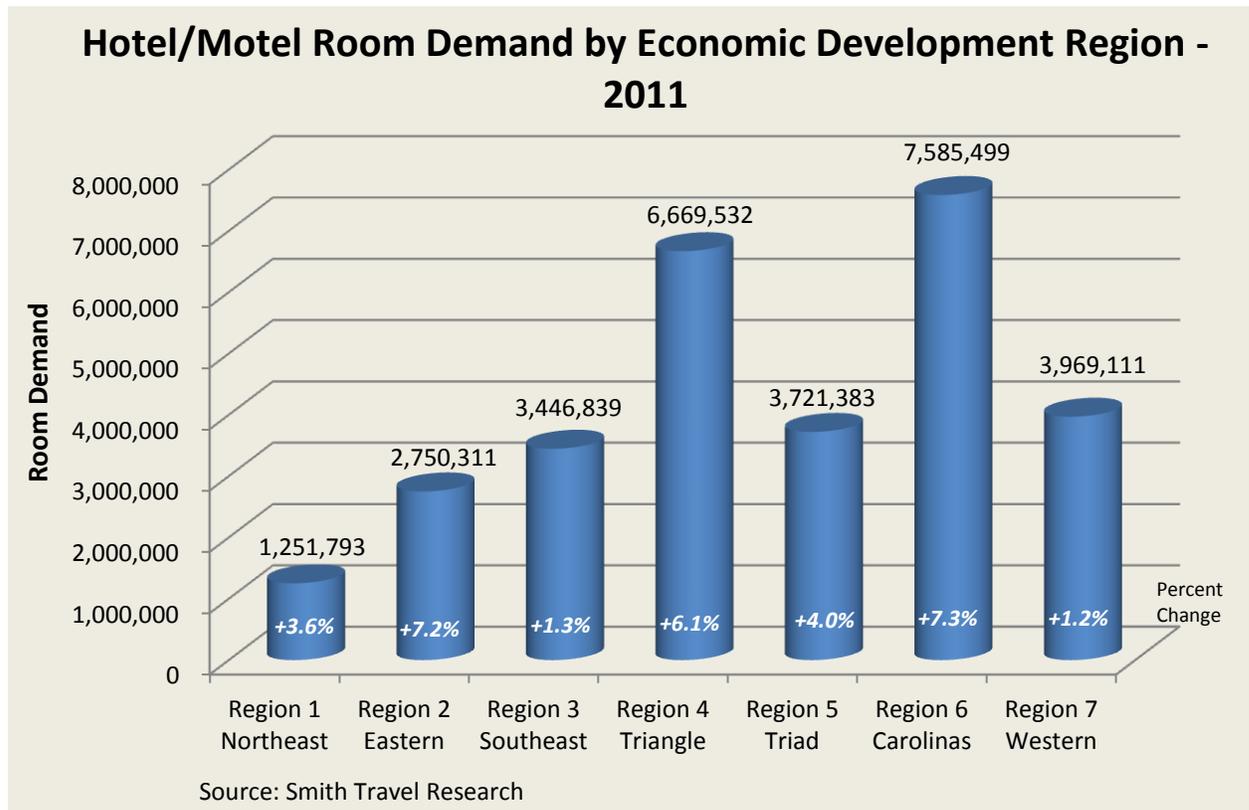


Chart 21 depicts hotel/motel demand for 2011 by economic development region. Demand is the number of rooms sold excluding complimentary rooms. All regions show increased demand from 2010 to 2011. The Carolinas and Eastern regions had largest annual gains in demand.

## 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 five 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. 2010 showed steady growth, and in October moved above 2008 levels. 2011 remained above previous years with the exception of mid-summer, where it had peaked in 2008.