



July 2009

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: Statewide Tourism Indicator Analysis for July 2009

Chart 1 – Hotel/Motel Occupancy in North Carolina - July 2006 – 2009

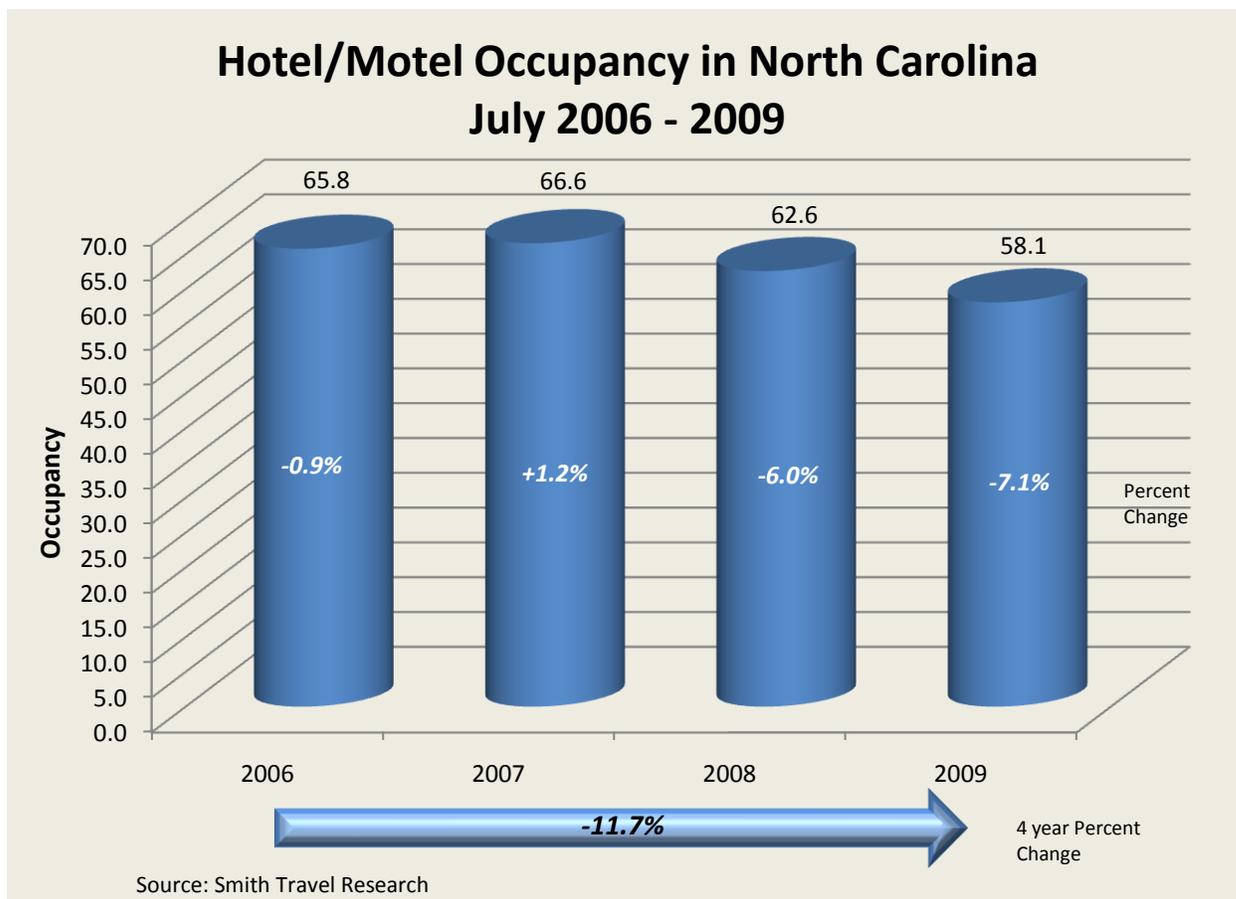


Chart 1 provides a comparison over a four year period to show the trend of occupancy in the state for the month of July. Occupancy for July has been declining sharply over the past two years. *Occupancy at the national level also experienced a large decrease in July 2009. It was down -7.3% from the previous July.*

Chart 2 – Hotel/Motel Average Daily Room Rate in North Carolina - July 2006 – 2009

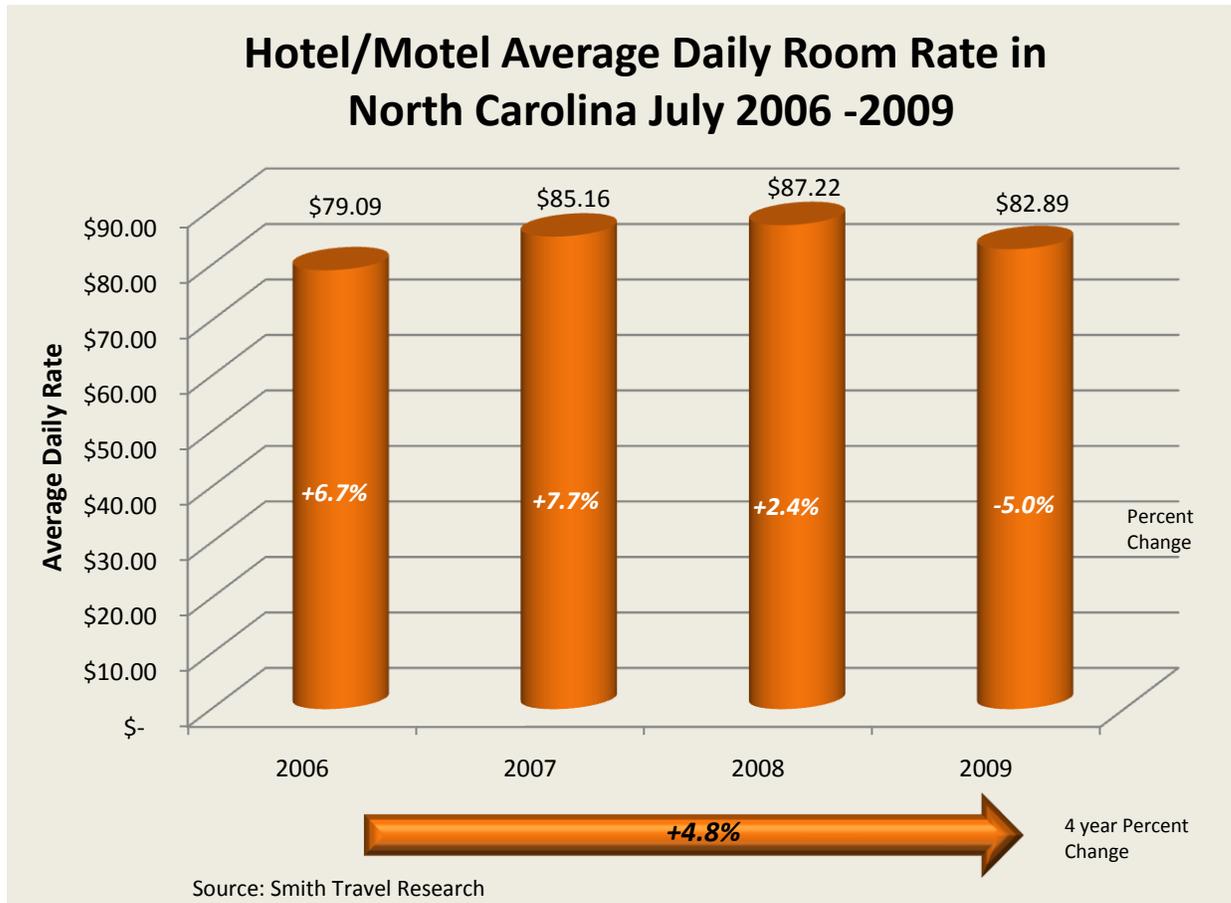
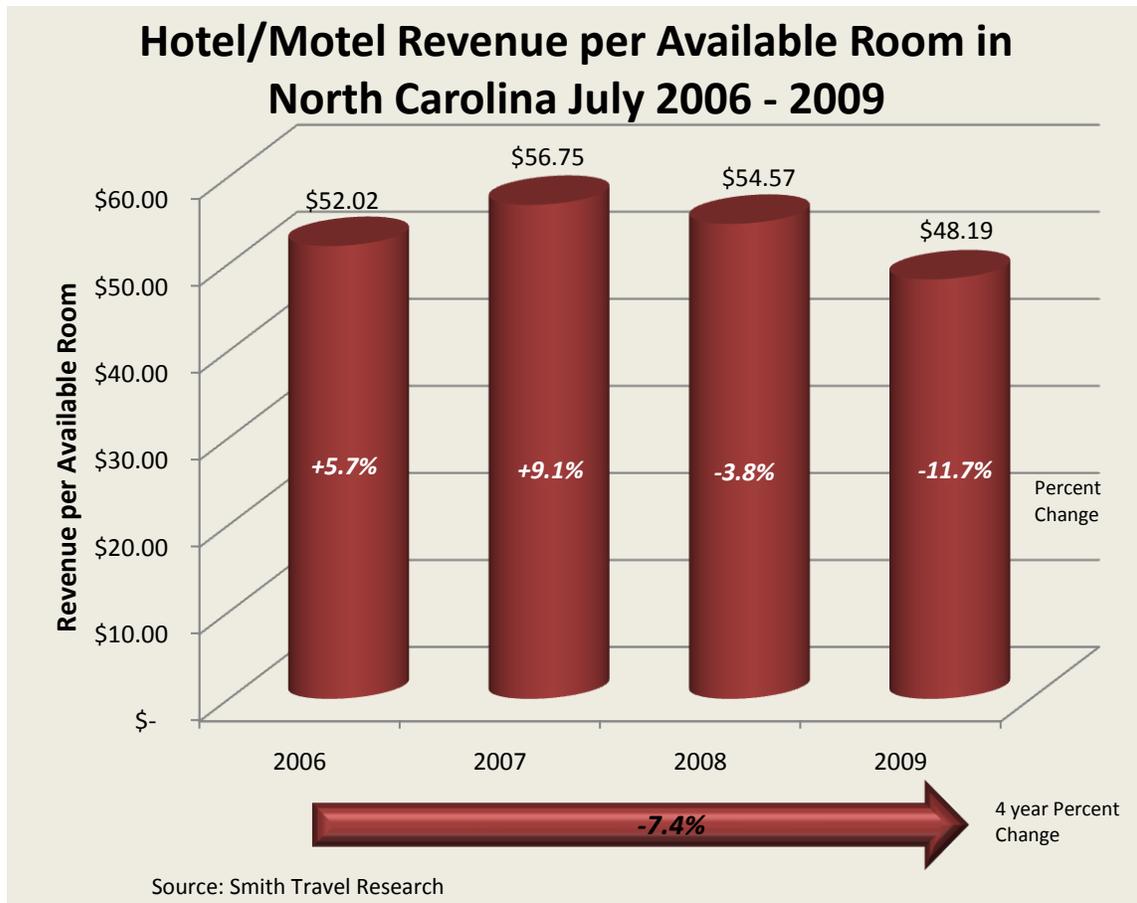


Chart 2 provides a comparison over a four year period to show the trend of average daily room rate (ADR) in the state for the month of July. The ADR for past years have shown a steady increase however this July experienced a significant decline (though still above 2006 rates). *ADR at the national level was down -9.1% in July 2009 from the previous June.*

Chart 3 – Hotel/Motel Revenue per Available Room in North Carolina - July 2006 – 2009



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 for the month of July. As with the ADR, RevPar was down significantly for July 2009 relative to the previous year, and below 2006 RevPAR. *RevPAR at the national level was down -13.0% in July 2009 from the previous July.*

Chart 4 – Hotel/Motel Room Demand in North Carolina - July 2006 – 2009

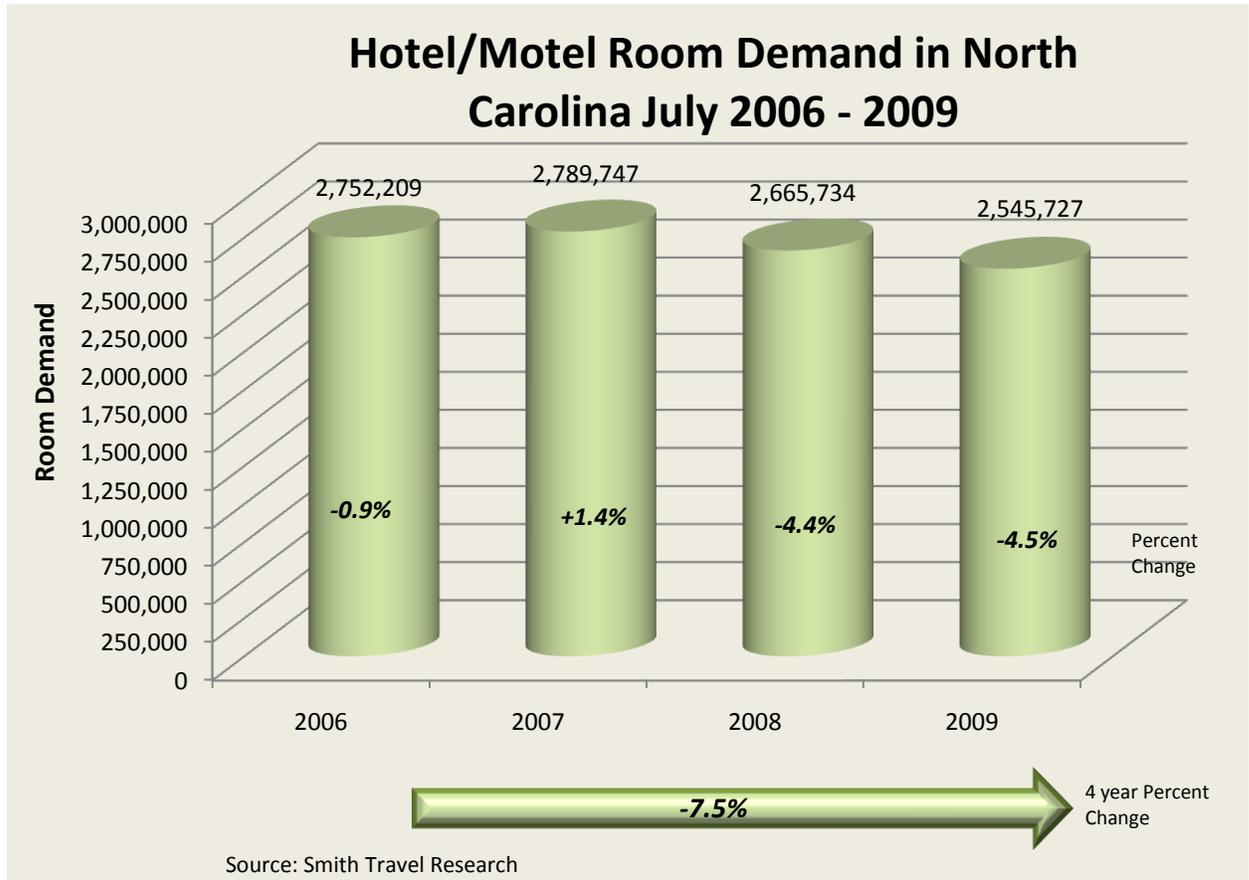


Chart 4 depicts hotel/motel demand for the month of July 2009 with comparisons to the previous three years. Demand is the number of rooms sold excluding complimentary rooms. Room Demand for July was down -4.5% from July 2008. *Room Demand at the national level also saw a decline with a -4.3% change in July 2009 from the previous July.*

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

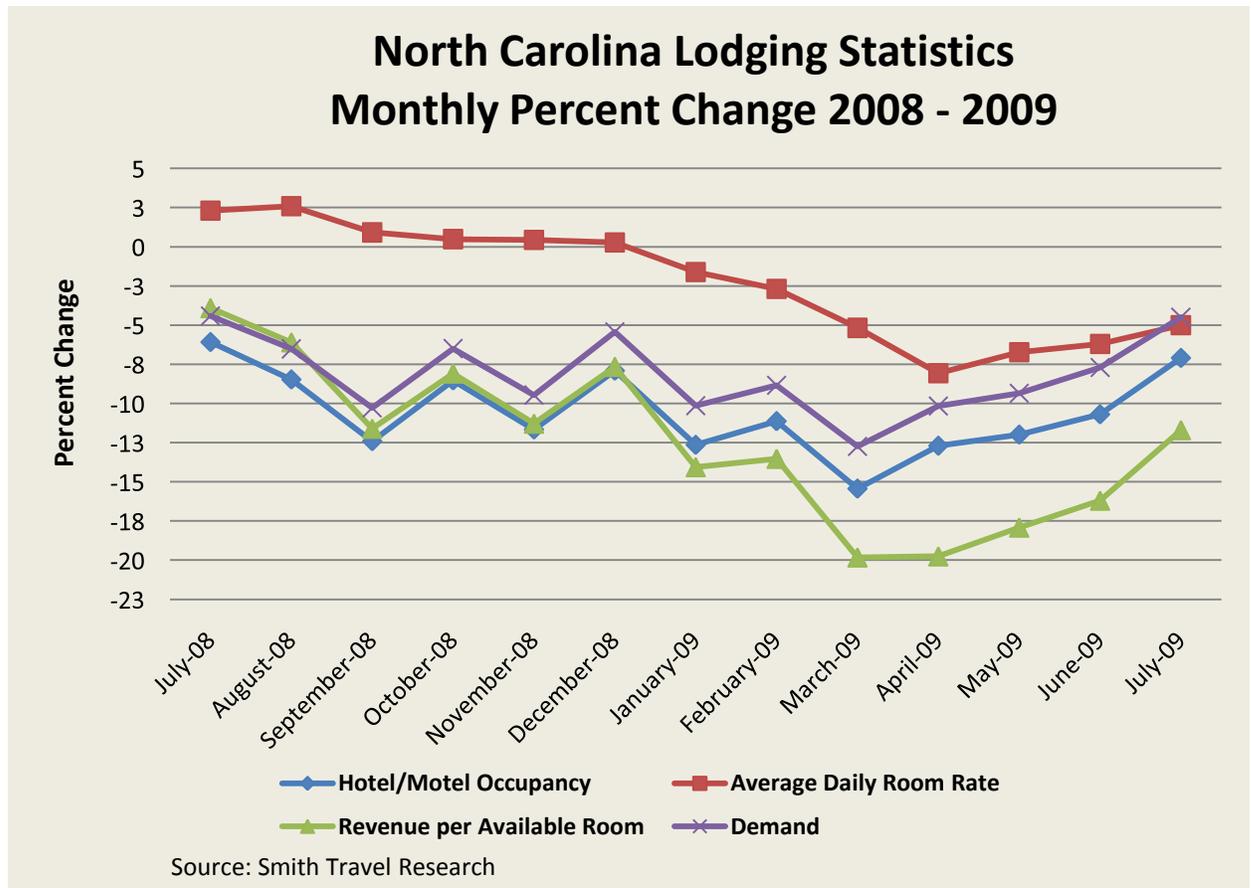


Chart 5 provides a monthly percent change for the four major lodging indicators. The chart allows for a 13 month trend-line analysis that clearly depicts that the major indicators show a steady negative change. All indicators have dropped to negative percent change since January of 2009. RevPAR is particularly low. Though much better than June, all indicators in July 2009 still showed significant negative percent change.

Chart 6 – Statewide Visitation to Attractions - July 2006 – 2009

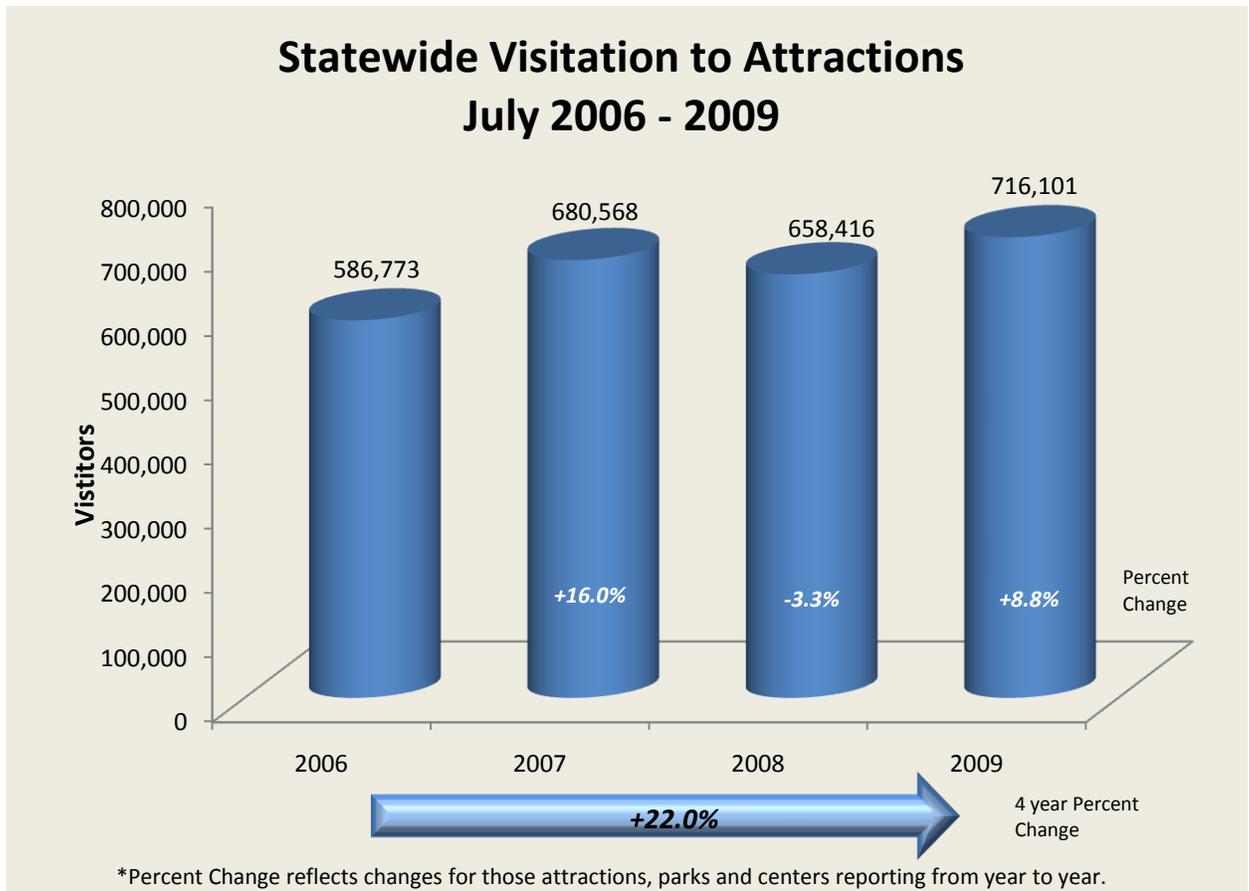


Chart 6 provides a status of the attractions industry in North Carolina for the month of July for the last four years. The numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the 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 have been estimated until visitation can be verified. These estimates are not included in percent change calculations from July 2008 to July 2009.

Unlike the significant decline in hotel/motel occupancy and demand during July 2009 (as shown in previous graphs), there was a nine percent increase in attraction attendance for July 2009 from July 2008. Attendance is still well above 2006 levels.

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

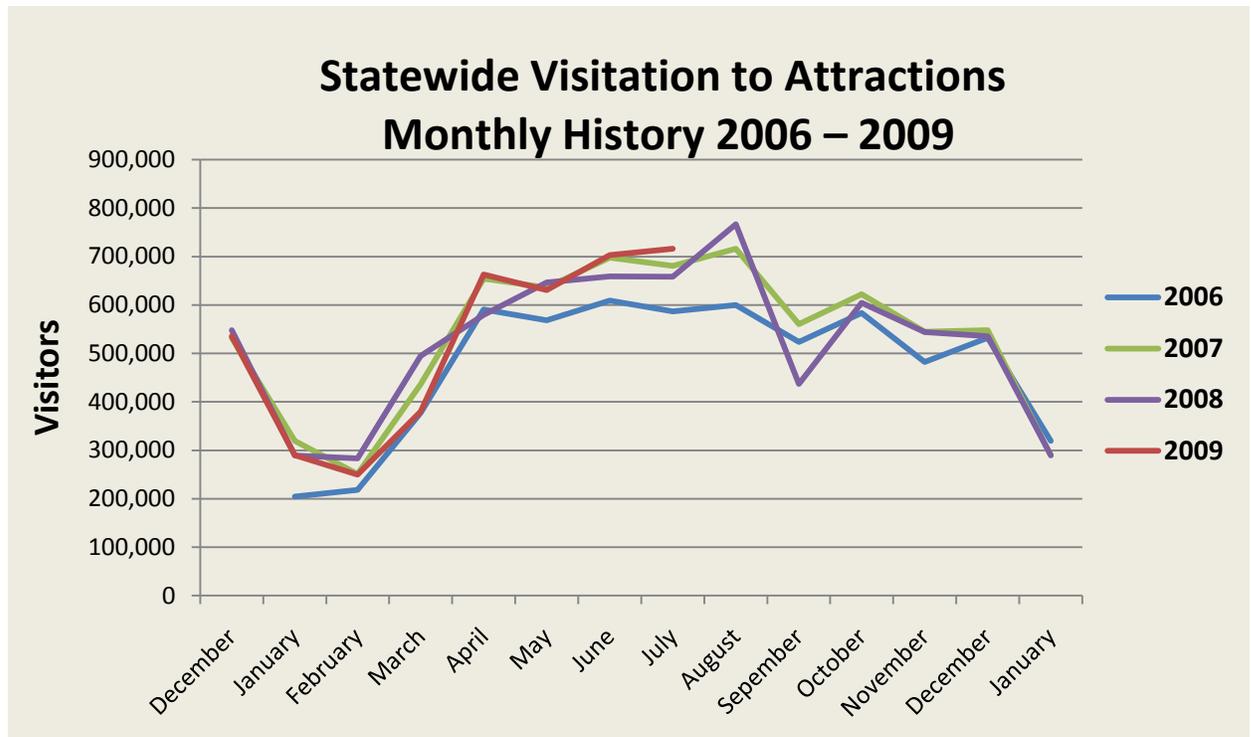


Chart 7 shows a monthly trend of attraction visitation for each of the last four years. This chart allows for a view of the ebb and flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. Not surprisingly, the summer months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

The July numbers are slightly higher than 2007 levels and are at a four year high.

Chart 8 – State Welcome Center and Local Visitor Center Attendance - July 2006 – 2009

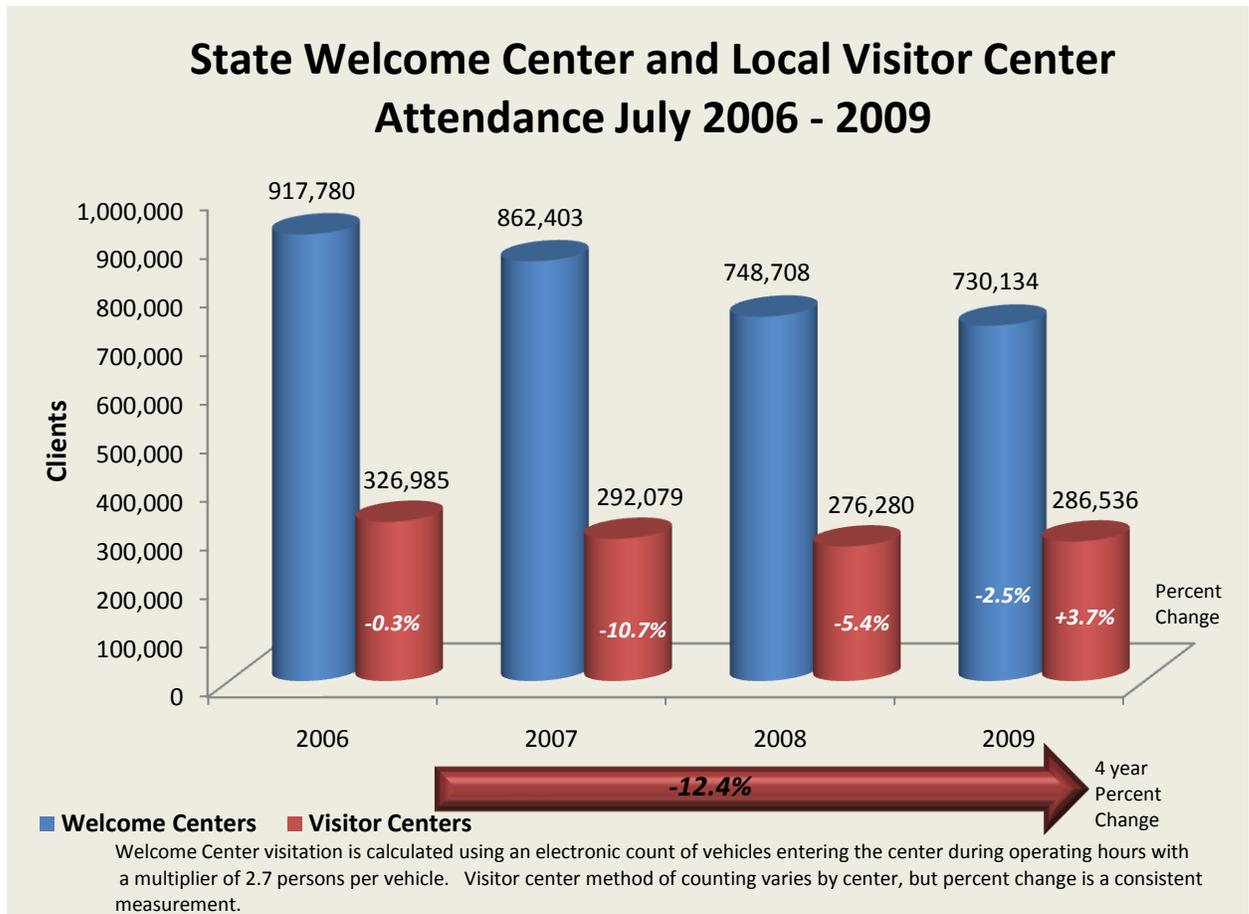


Chart 8 provides July visitation statistics for State Welcome Centers, as well as Local Visitor Centers throughout North Carolina. It should be noted that while there is a percent change indicated for welcome centers for 2008-2009, this was the first year a percent change could accurately be provided. 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 September 2008. Therefore, previous year's numbers are not included in this particular chart.

Chart 9 – Statewide National and State Park Visitation - July 2006 – 2009

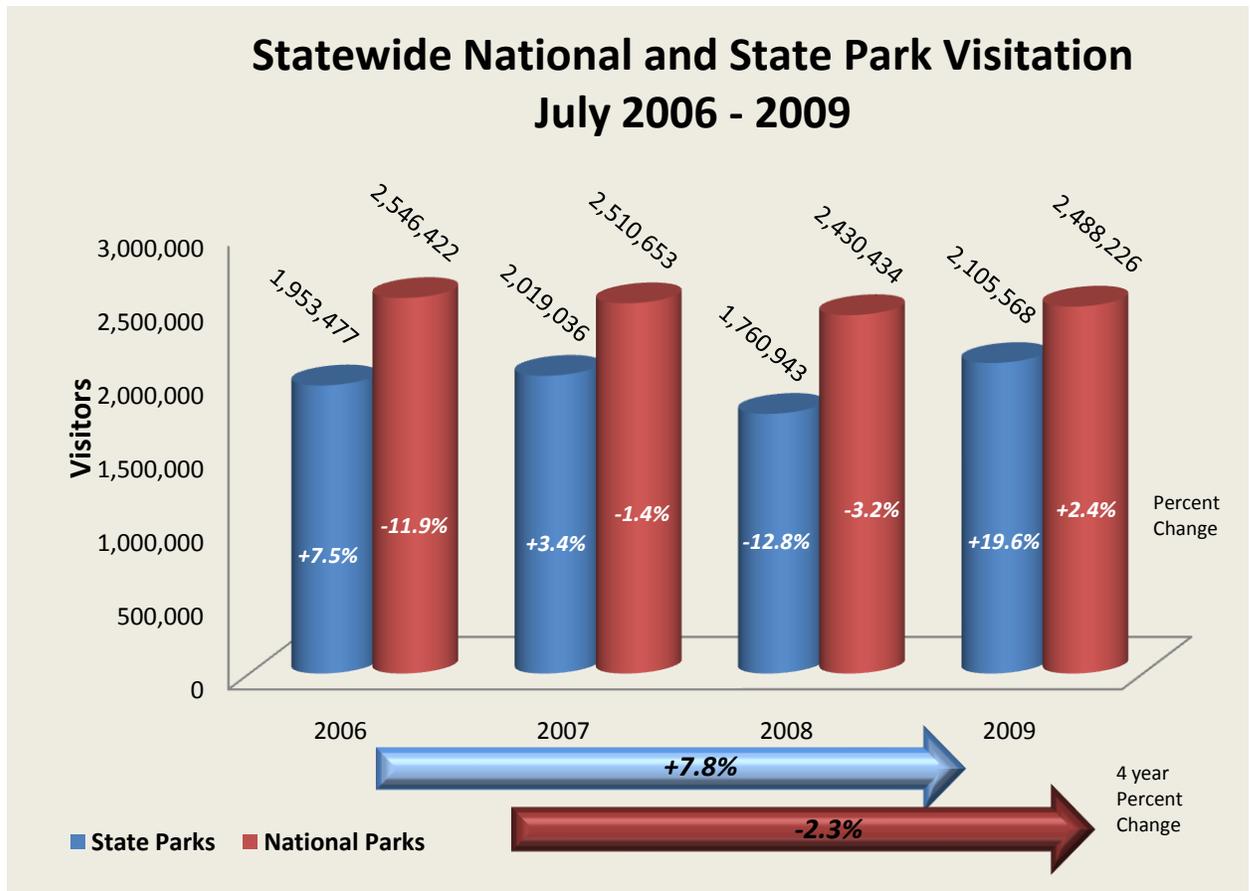
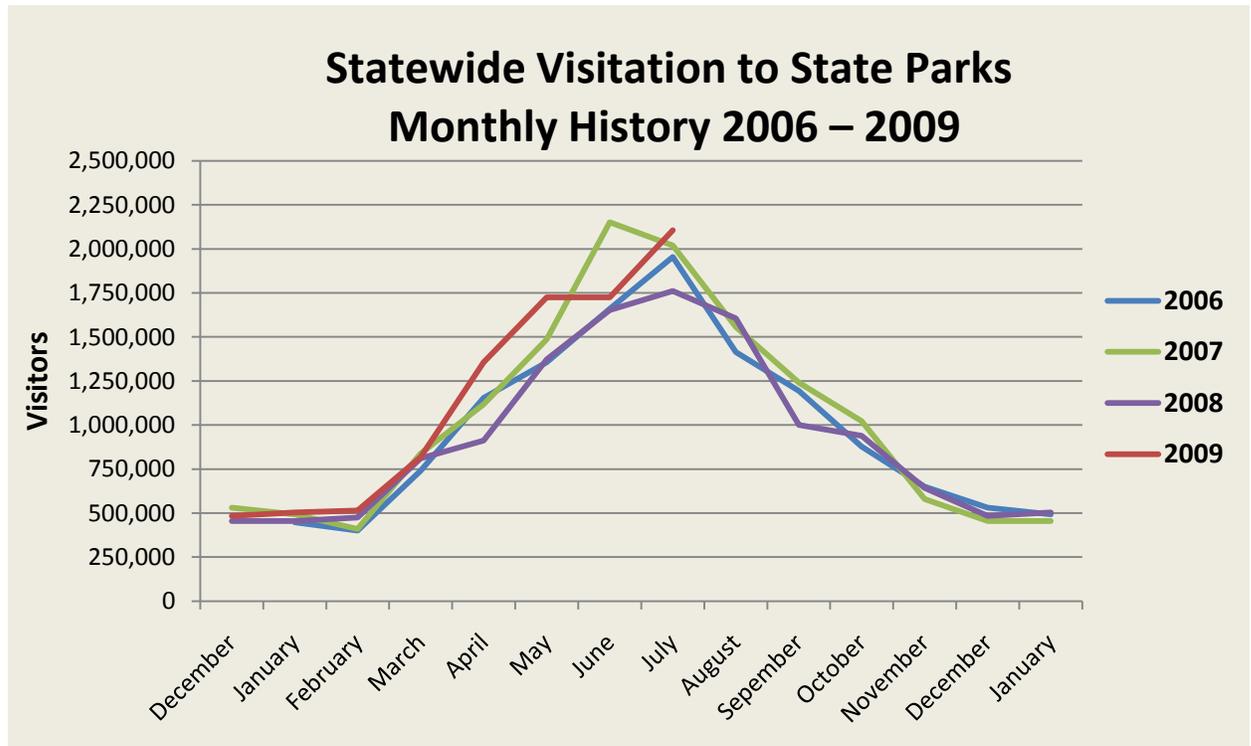


Chart 9 depicts visitation to state and national parks in North Carolina for the last four Julys. Both state and national parks visitation have increased over the past year, particularly state parks. With an almost twenty percent increase from July 2008, this data shows that the decrease in gasoline prices and the increase in travelers staying closer to home and looking for less expensive activities has had a positive impact on state park attendance.

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

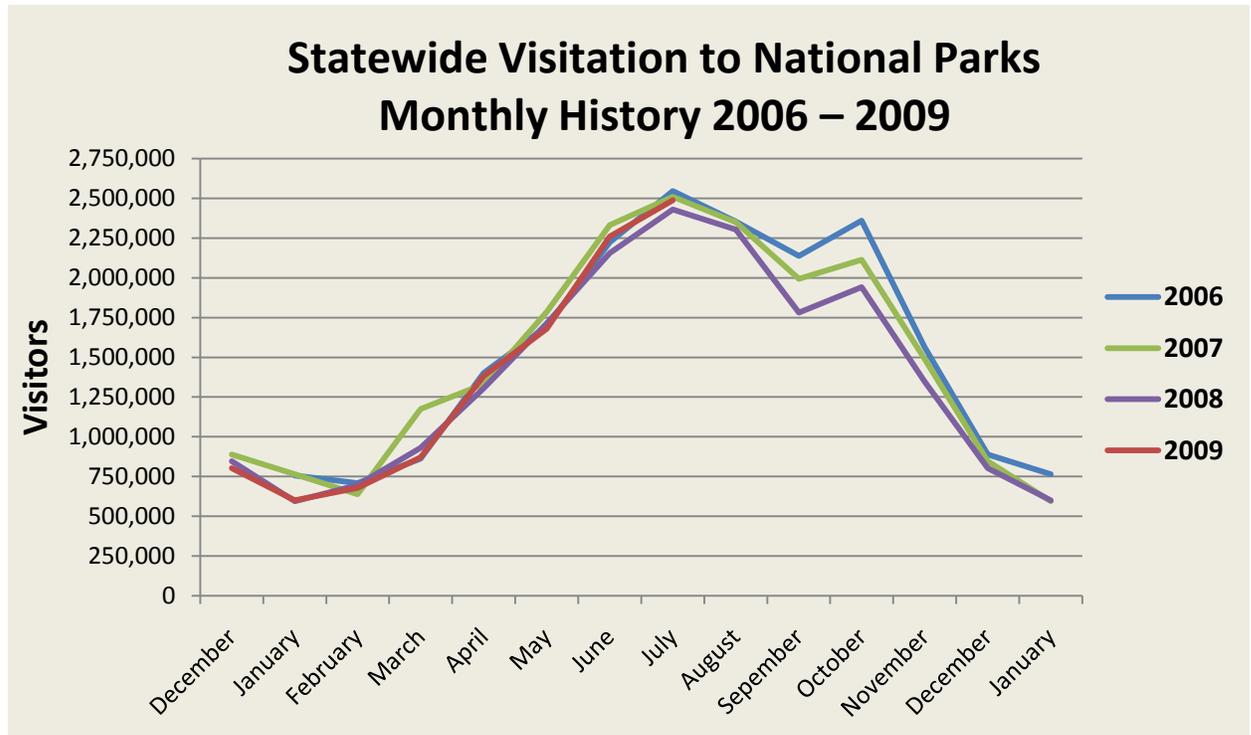


Chart 12 – Statewide Airport Arrivals and Departures - July 2006 – 2009

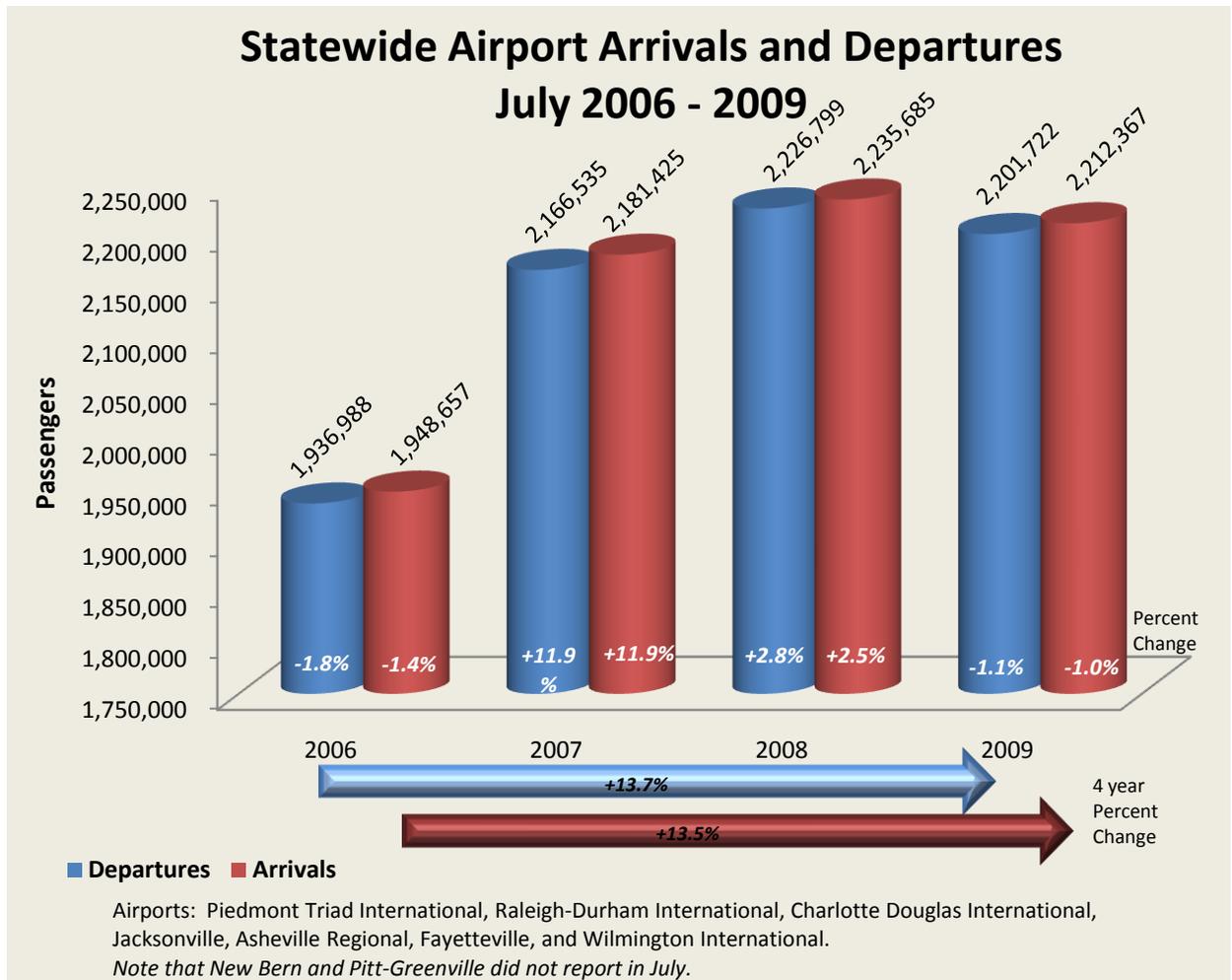


Chart 12 shows July airport arrivals and departures for each of the previous four years. There was a significant increase overall for July arrival and departures over the past four years. However, there was a slight decline for both from July 2008 to July 2009.

Chart 13 – Lower Atlantic Average Monthly Retail Gas Prices for Unleaded - July 2006 – 2009

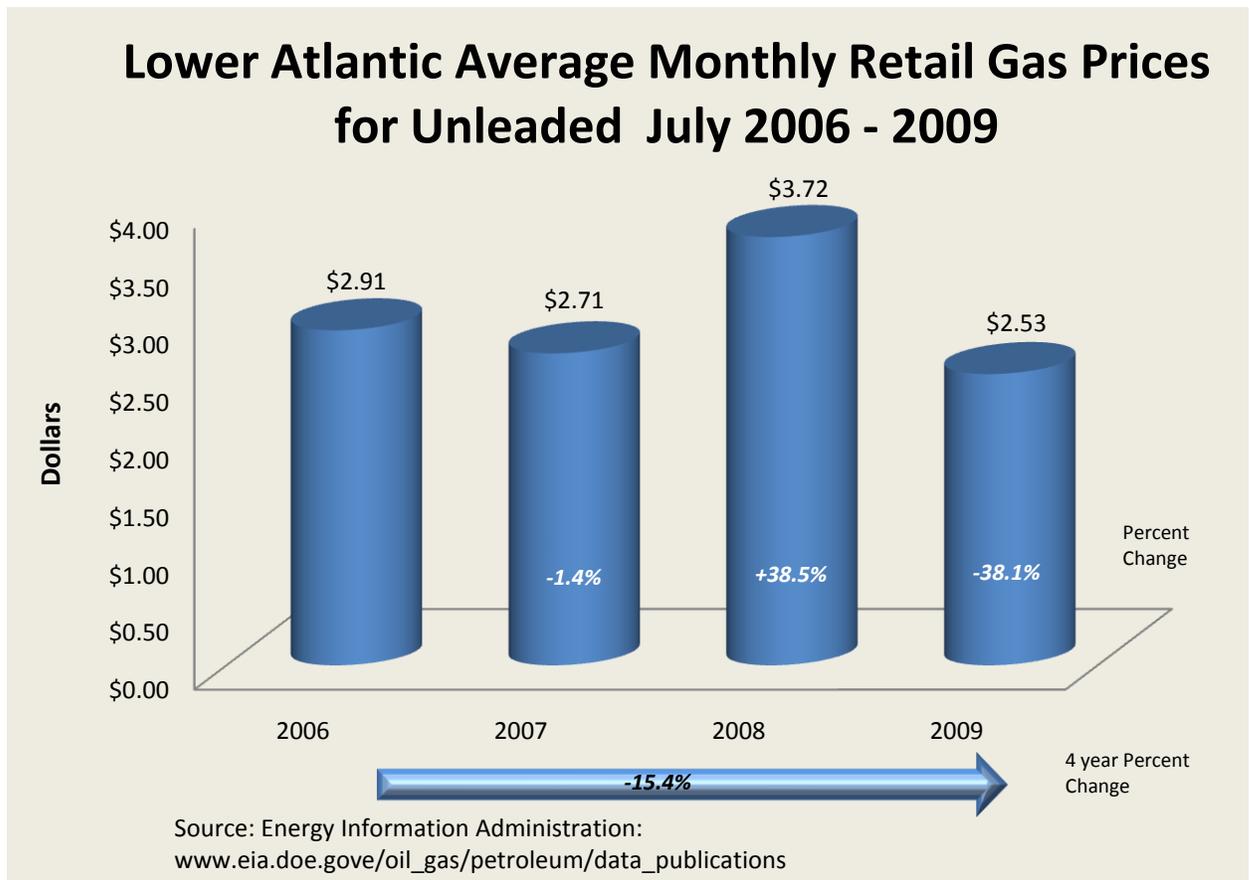


Chart 13 provides the average price per gallon of unleaded gasoline for July 2009 and the three previous Julys. The data provided above, when compared with other indicators such as attraction attendance and visitor spending data, can be very helpful in the analysis of general travel trends. Fuel prices in July were the lowest in at least three years.

Chart 14 – North Carolina Average Temperature and Precipitation - July 2008 – 2009

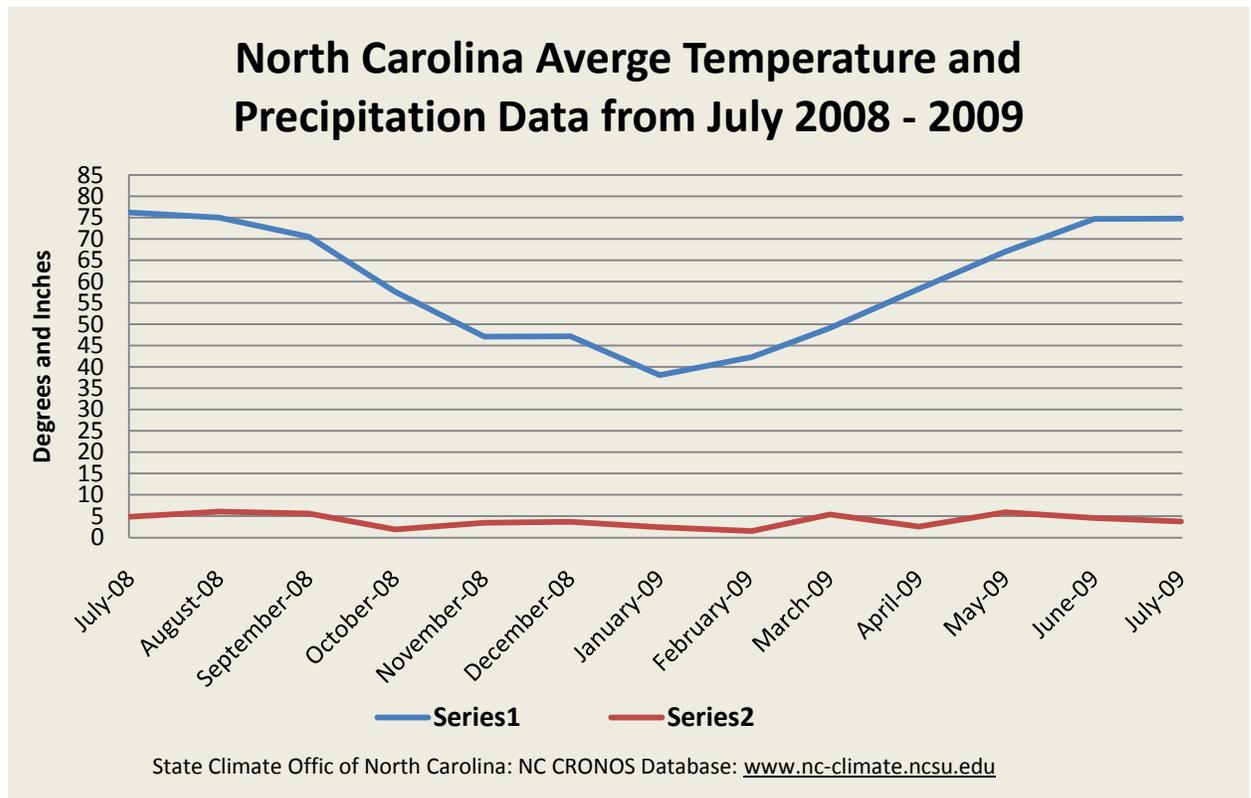


Chart 14 provides 13 months of air temperature and precipitation. This data, when analyzed together with gas price data and other tourism indicators, can be valuable in determining possible reasons for significant increases and/or decreases in indicators. For instance, greater than normal precipitation during a particular month can often help explain decreases in attendance at outdoor attractions. July 2009 had a slightly lower precipitation than last July, but the temperature was the same.

Section 2 – Geographic Marketing Region (Coastal/Piedmont/Mountain) Tourism Indicator Analysis for July 2009

Chart 15 – Hotel/Motel Statistics by Geographic Region - July 2009

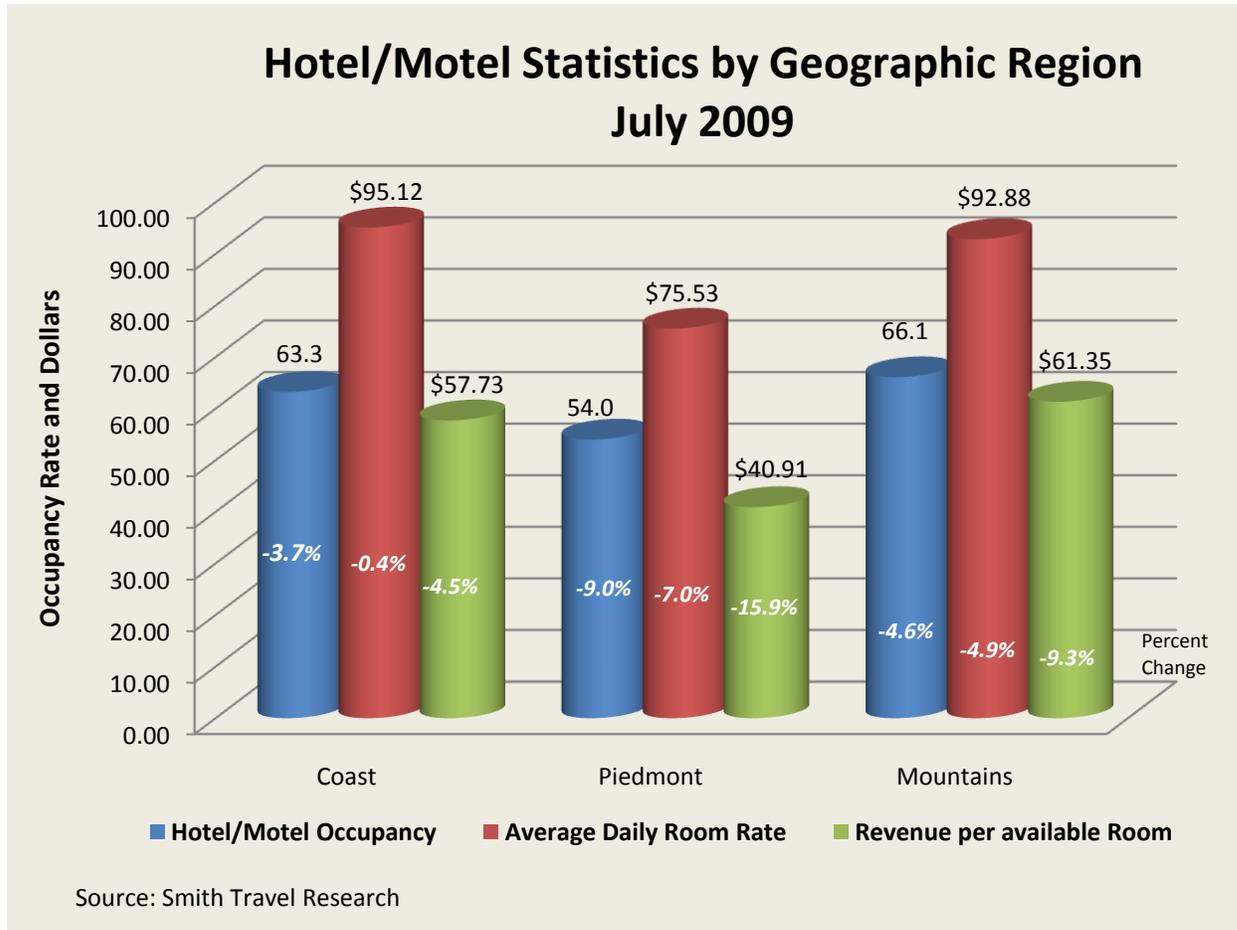


Chart 15 provides a one year comparison in lodging statistics for the three geographic marketing regions of North Carolina. Occupancy rate in 2009 decreased significantly in all three regions. The Coastal Region had the smallest percent change in occupancy levels. The largest ADR and RevPAR negative percent change from July 2008 was in the Piedmont Region while the Coastal Region had the smallest negative percent change in ADR and RevPAR.

Chart 16 – Hotel/Motel Room Demand by Geographic Region - July 2009

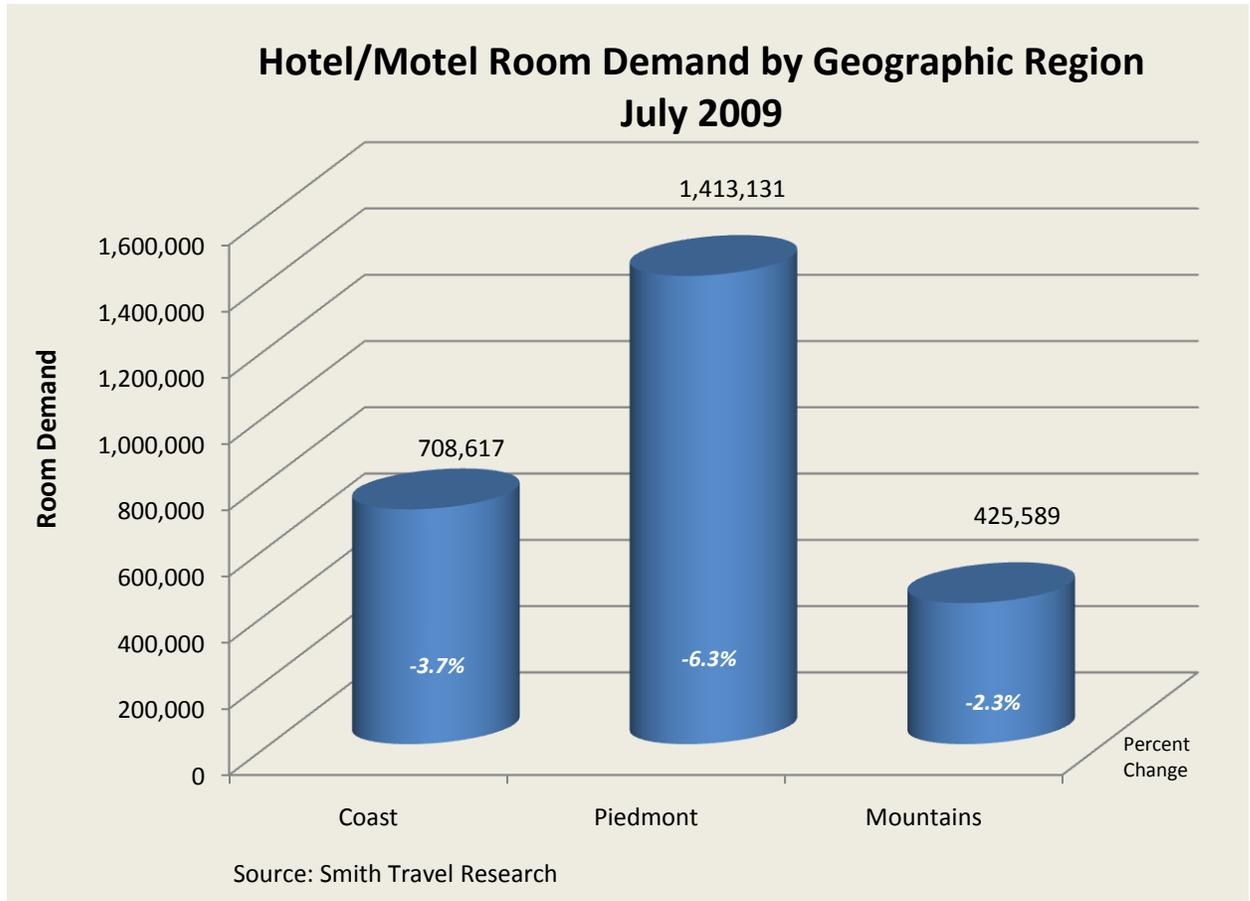


Chart 16 provides hotel/motel demand by geographic region for July 2009. Demand differs from occupancy in that it is the total number of rooms sold, not accounting for differences in room supply. The Piedmont Region experienced the largest percent change decline in demand from July 2008 to July 2009, and while that region clearly holds the largest volume of rooms in the state, the effect of decreased occupancy on the entire state is great.

Chart 17 – Visitation to Attractions and Parks by Geographic Region – July 2009

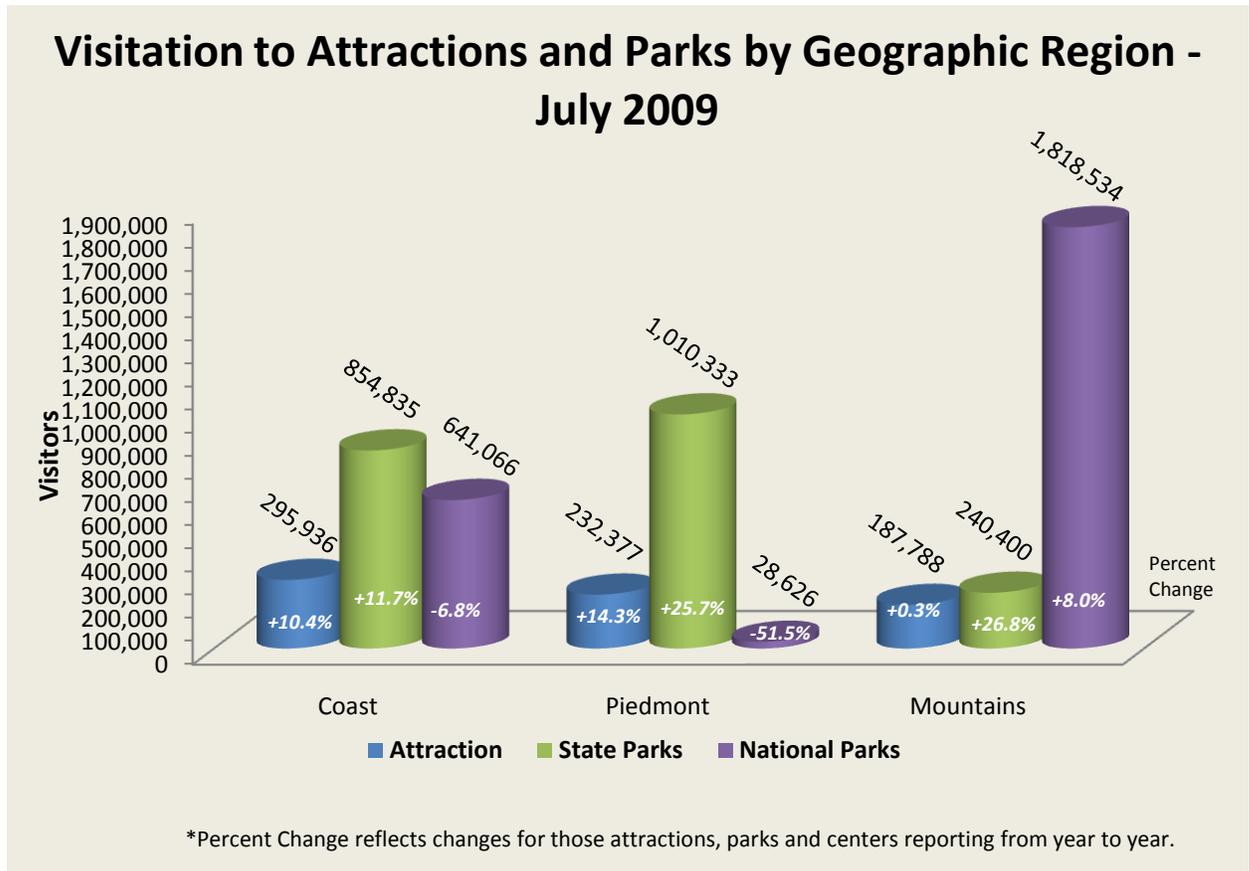


Chart 17 provides a look at the attractions industry in North Carolina in July 2009 by geographic region. As with the statewide numbers, the following data represents only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list 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.

There was an overall increase in visitation for attractions in each region and for national parks in the Mountains in July 2009. State parks saw a positive growth in visitation across the state.

Chart 18 – State Welcome Center and Local Visitor Center Attendance by Geographic Region – July 2009

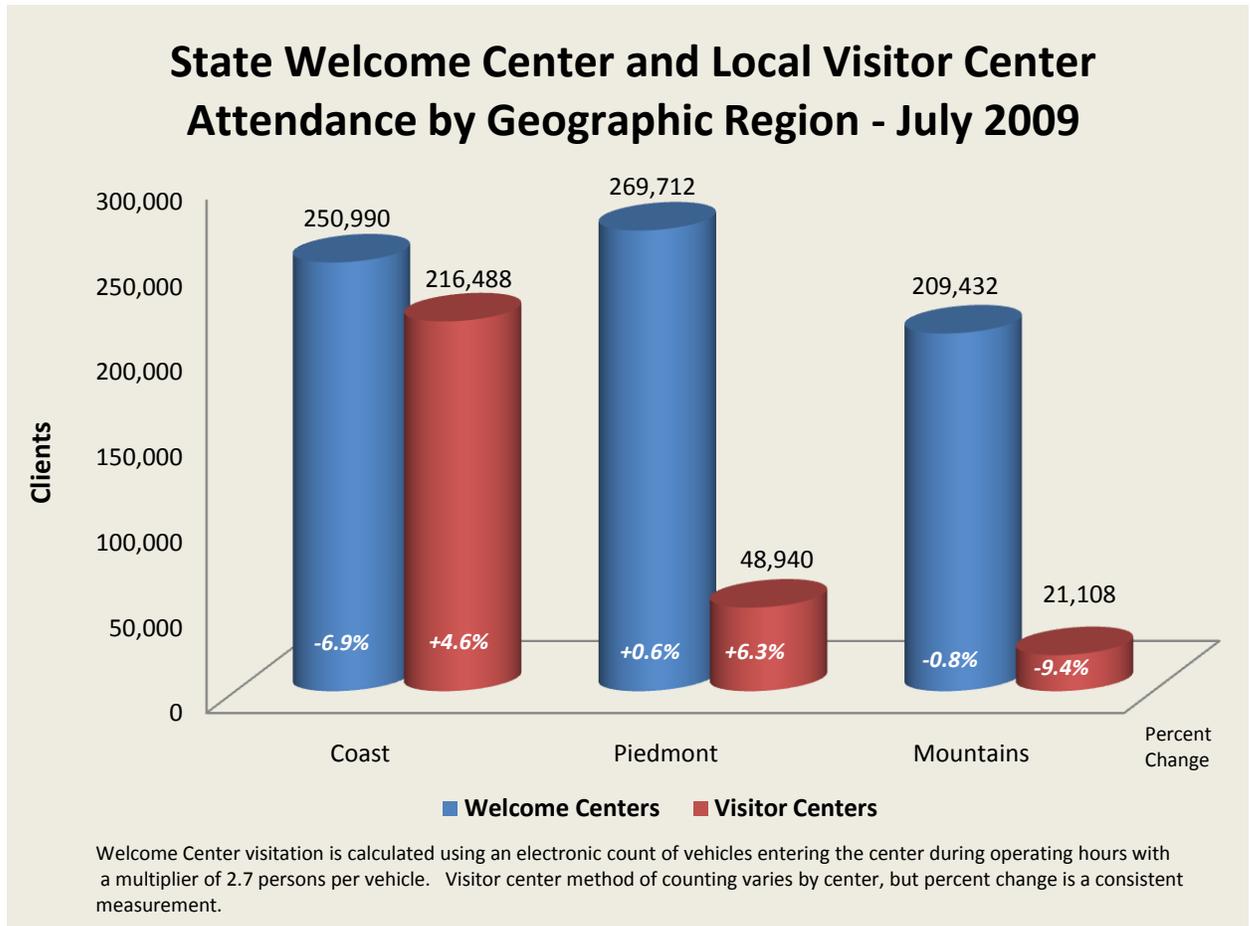


Chart 18 shows welcome center and visitor center attendance by geographic region and offers comparisons from July 2008. Even though welcome centers reflected a decrease in numbers, Piedmont and Coastal Regions visitor centers saw an increase in growth during the month of July.

Chart 19 – Airport Arrivals and Departures by Geographic Region – July 2009

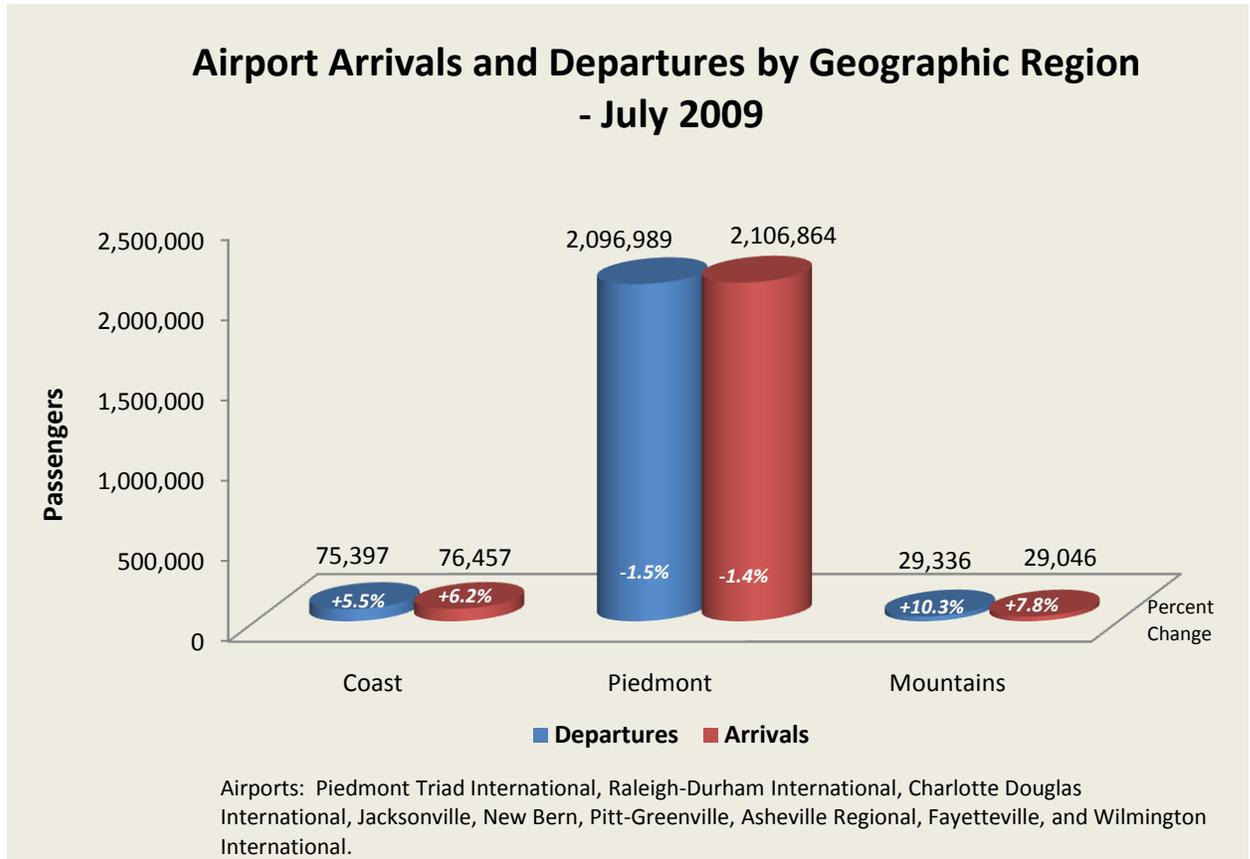


Chart 19 provided a breakdown of air travel statistics by geographic region. While the majority of air traffic is through the Piedmont Region, it is helpful to maintain a trend of other regional airport usage. The Piedmont Region experienced a slight drop in air traffic during the month of July, while the Coastal and Mountain Region experienced increases.

Section 3: Economic Development Region Tourism Indicator Analysis - July 2009

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 - July 2009

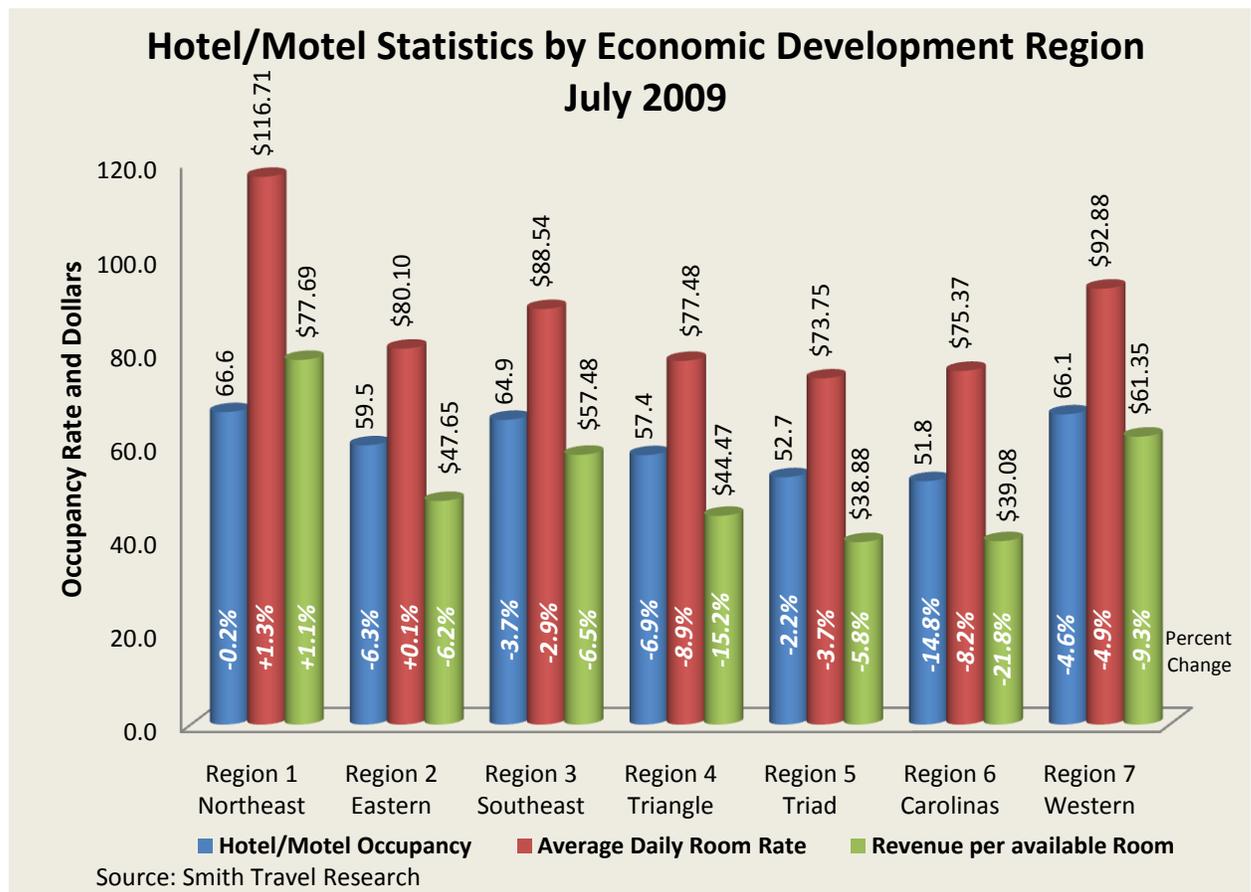


Chart 20 provides lodging indicators for July 2009 by economic development region. Also shown are percent changes from July 2008. This graph allows individual regions within the state to track indicators specific to their general destinations, while still being able to compare their data to the state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

Chart 21 – Hotel/Motel Room Demand by Economic Development Region - July 2009

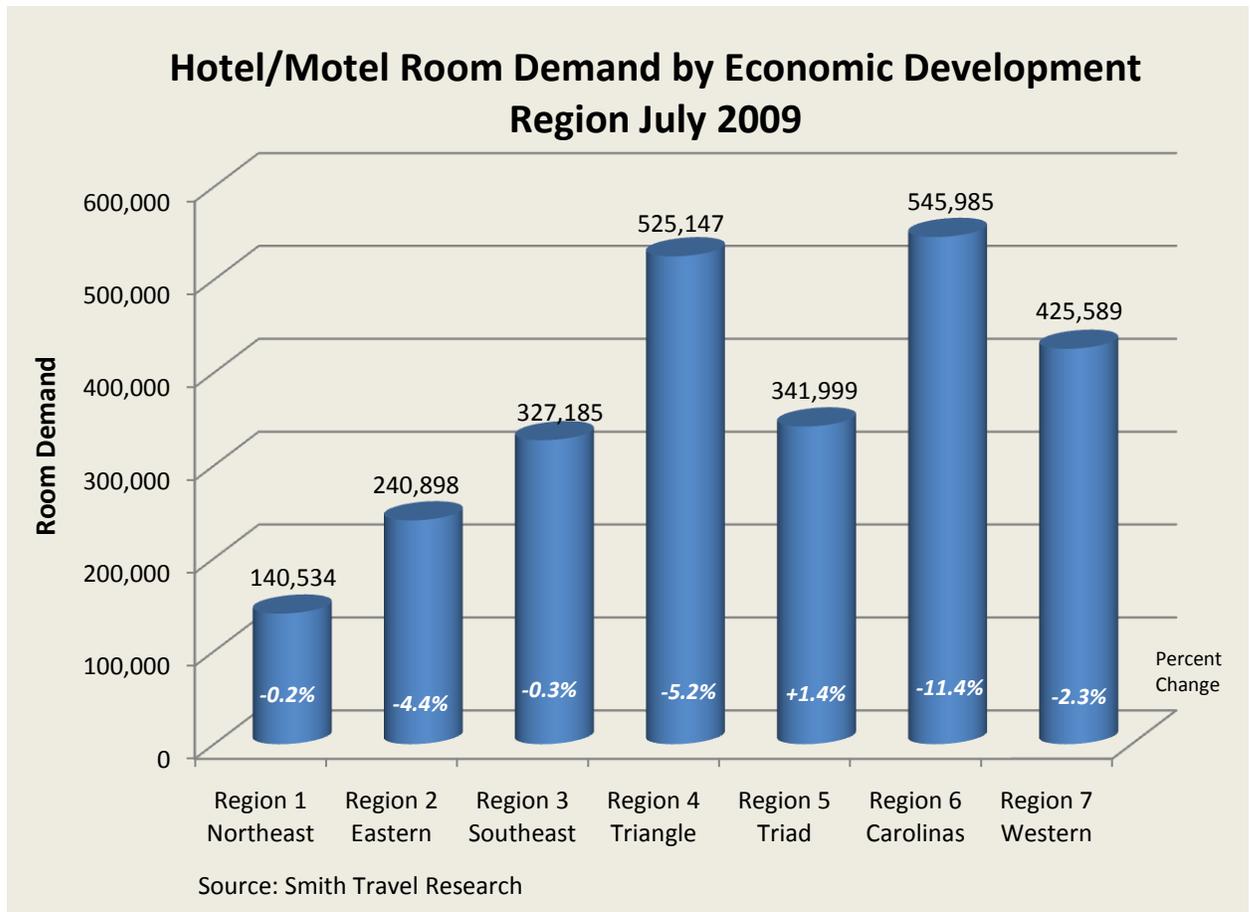


Chart 21 depicts hotel/motel demand for the month of July 2009 by economic development region. Demand is the number of rooms sold excluding complimentary rooms. In July, the Triad Region had an increase in demand from July of 2008.

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 December 2006 – July 2009



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 July TPI remained well below the 2008 index level and is remaining slightly below the 2007 level after dropping below in March.