



Outer Banks Visitors Bureau

2004 National Awareness Study

Hurricane Isabel &
100th Anniversary of Flight Celebration

March 2004

Table of Contents

Background & Objectives	2
Methodology	4
the Travel Environment.....	5
Awareness & The Competition	9
Image & Interest.....	13
Tactical Issues.....	16
Hurricane Isabel.....	17
100th Anniversary of Flight	19
Vacation Home Rental.....	21
Trip Planning Timeframes	22
conclusions	24
Recommendations	25
Appendix	27
National Awareness Research Questionnaire.....	28
Verbatims	37

Background & Objectives

Visitors to the Outer Banks are offered a wide range of enjoyable experiences and attractions. They can visit beaches, lighthouses, historical sites and wonderful restaurants. In addition to fishing, golfing, or taking scenic drives, the Outer Banks is a vacationer's dream destination. With this diverse and attractive product, the area continues to be a popular vacation destination. The Outer Banks Visitors Bureau is involved in developing and marketing the area. As such, it is committed to both protecting the product and attracting visitors.

The year 2003 was eventful for the Outer Banks *and* the Visitors Bureau. Along with other destinations, the Outer Banks celebrated the 100th Anniversary of Powered Flight. The Bureau planned for, developed and marketed this event with an eye toward generating publicity around the anniversary to assist in boosting awareness of and familiarity with the Outer Banks. Not only did the December 2003 event generate worldwide publicity, it was a success for the Outer Banks and its surrounding areas. Unfortunately, in September 2003, the positive publicity of the celebration was countered by Hurricane Isabel. Given that the hurricane hit so near to the scheduled celebration, a great deal of media attention was given to the damage done to the area. Even during the last several months, stories have surfaced about the wrath of Isabel.

Given these anomalies, the Outer Banks Visitors Bureau felt the need to check the pulse of the area, build on its existing research, and track the potential for change over time. It is important that the Bureau monitor change in the travel environment and assess both the ultimate success of the anniversary celebration and the potential for damage done to its tourism trade via perceptions of Isabel's impact on the area. Moreover, with an up-to-date evaluation of the competitive situation and the identification of cautionary factors, the Bureau can implement its advertising efforts with even greater insight.

The specific informational objectives of this research included the following:

- **Assess the general travel environment** and the types of trips taken by the target markets, and determine if any erosion is noted in consumers' interest in taking beach vacations;
- **Determine levels of awareness and familiarity** with the Outer Banks among the targeted demographic;
- **Compare levels of awareness and familiarity** with the Outer Banks with that of key competitors to afford a competitive context for evaluation;
- **Assess consumers' current image of the Outer Banks** and identify the factors that influence their perceptions;
- **Assess how external events have affected the imagery of the area, consumers' interest in visitation, and the availability of accommodations ;**
- **Measure awareness of the damage** inflicted by Hurricane Isabel and the possible impact on visitation;
 - Determine awareness of and participation in the 100th Anniversary of Powered Flight events . Link awareness to any attitudinal changes relative to the Outer Banks as a vacation destination.

- o Determine awareness of rental vacation homes in the area and evaluate whether lack of awareness or interest is creating a potential barrier to usage.
- **Assess differences in awareness** between traditional markets, emerging markets, and other areas;
- **Explore differences in attitudes between the current target audience and an upscale , younger audience** that represents potential for the area;
- **Compare measures to past tracking** to detect any significant change over time; and
- **Provide conclusions and recommendations relative to the current imagery of the Outer Banks** as well as issues to consider during the implementation of upcoming marketing efforts.

Methodology

To obtain a meaningful assessment of national awareness that would be comparable to previous research conducted for the Outer Banks, a telephone survey methodology was recommended. In this case, *1,000 interviews were conducted* from the call center at Strategic Marketing & Research, Inc. (SMARI), in Indianapolis, Indiana. To ensure representative participation, all interviewing was done during evening and weekend hours.

Within this quota, three distinct groups were identified and surveyed -- traditional markets, emerging markets, and *other*. These designations referred to groups of states that represent *traditional* markets for the Outer Banks, *emerging* markets, and the rest of the country (*other*). The quota groups were further dissected by surveying people within the 18 to 40 age range with average household incomes of \$50,000 or more, and households with average household incomes of \$70,000 or more. The following definitions and quotas were set.

Quota Groups - Markets

Traditional Markets	Emerging Markets	All Other Markets		
400 Completes	300 Completes	300 Completes		
District of Columbia	Michigan	Alabama	Maine	Oklahoma
New York	Wisconsin	Arkansas	Massachusetts	Oregon
North Carolina	Florida	Arizona	Minnesota	Rhode Island
Ohio	Georgia	California	Mississippi	South Dakota
Pennsylvania	Illinois	Colorado	Missouri	Texas
Virginia	Indiana	Connecticut	Montana	Utah
West Virginia	Kentucky	Delaware	Nebraska	Vermont
New Jersey	Tennessee	Idaho	Nevada	Washington
South Carolina	Canada	Iowa	New Hampshire	Wyoming
Maryland		Kansas	New Mexico	
		Louisiana	North Dakota	

The survey investigated basic awareness of the destination, the hurricane, the celebration, and respondents' familiarity with the Outer Banks. Other survey questions dealt with the image of the area, consumers' travel interests, and their demographics. A copy of the survey instrument appears in the Appendix.

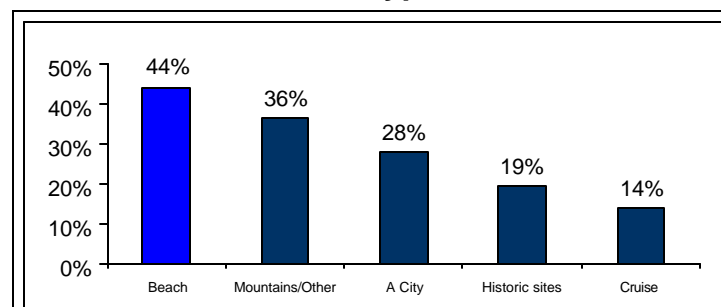
Upon completion of the data collection effort, the data were coded and prepared for analysis and weighted to represent the national population. This report summarizes the key findings from this research effort.

the Travel Environment

The Outer Banks Visitors Bureau is challenged to attract visitors, especially during the shoulder seasons. As such, the Bureau recognizes the competitive landscape and the external factors that can influence travel. Influences such as terrorism, international conflict, and the economy have influenced consumers' travel plans. Consequently, the Bureau is interested in the implications of these scenarios and how they will affect the area's tourism trade. By reviewing the travel environment, we begin to understand the Outer Banks' market position and its potential for generating visitation.

While the Outer Banks offers myriad vacation possibilities, research indicates that the Outer Banks is best known for its stunning shoreline. As such, it is important to evaluate the target market's demand for "beach" vacations. If there is a trend toward

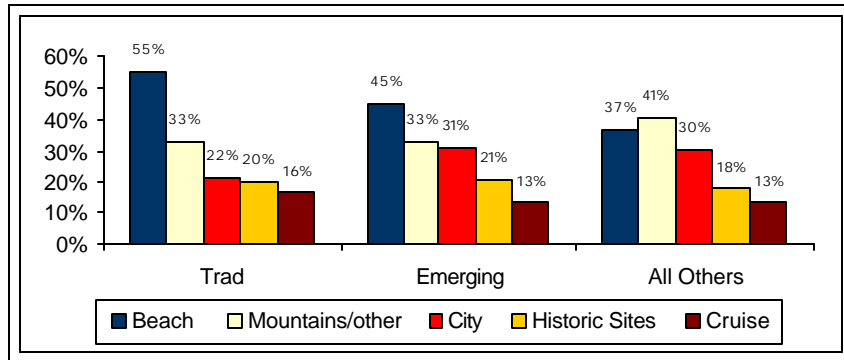
Likelihood to Take this Type of Vacation



fewer people taking beach vacations, this will obviously impact the Outer Banks. Respondents were asked how likely they were to take various types of vacations. Overall, beach vacations were *preferred* over other types of vacations. Hitting the beaches seems to be a much stronger motivator than city attractions or historic sites.

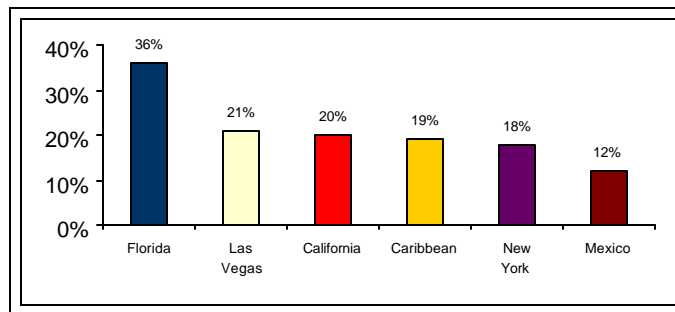
Across market categories, beach vacations are quite popular, especially among the traditional markets. Over one-half of the traditional market respondents indicated being *very likely* to take a beach vacation in the next year. When markets outside the traditional and emerging markets are considered, beach vacations remain popular (37%), though these folks prefer the mountains or other types of destinations (41%). The findings suggest that potential within the Outer Banks traditional markets is high and these markets are crucial to generating visitation.

Vacations by Market



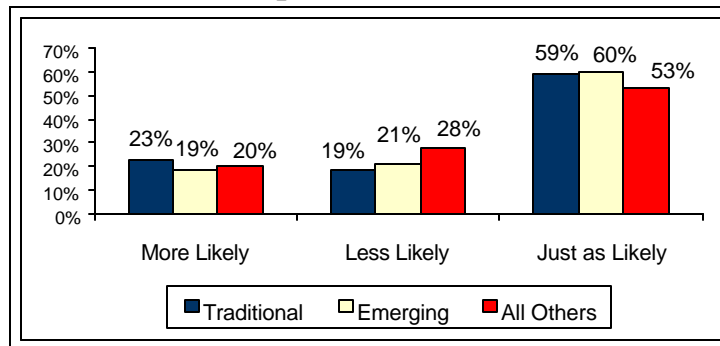
This finding is confirmed when we review consumers' likelihood to visit certain destinations. To further assess whether people were moving toward other types of vacations, the respondents were queried about several popular vacation destinations. The fact that Florida, a major beach destination, is so much more popular than any of the other areas reinforces the finding that beach vacations remain popular.

Likelihood to Visit



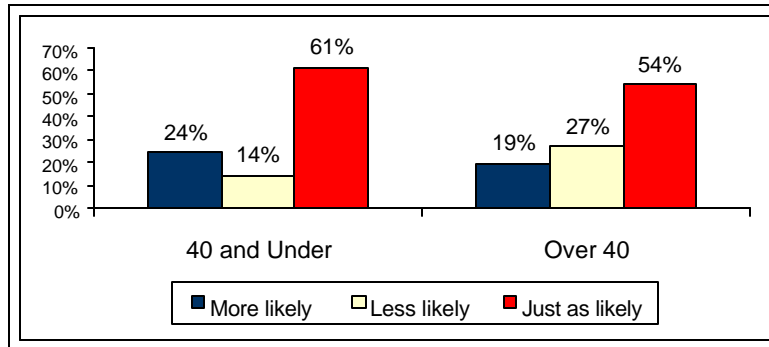
Have travelers' attitudes changed? Respondents were asked to compare their likelihood to take a beach vacation in the next year to their likelihood to do the same in the past. Most of these respondents claimed to be just as likely to vacation at the beach as they were before. However, markets other than the traditional and emerging markets record slight erosion - over 70% are as likely or more likely, but the percentage that claimed to be *less likely* slightly outpaces the more likely.

Likelihood to take Beach Vacation as Compared to the Past



The most notable difference in recent consumer attitudes is seen between younger and older travelers. Younger travelers claim greater interest in the beach, while the older crowd is less interested in the beaches than they were previously. Again, this positive finding indicates that beach vacations will continue to be popular.

Likelihood to take Beach Vacation - by Age



To investigate why consumer interest in beach vacations might be waning, respondents were asked to elaborate on their claims of weaker likelihood to vacation at the beach. Upon review, several themes emerged. Aside from those who just do not like beaches or who already live in coastal regions, many consider themselves too old for the beach. Another significant share of travelers claimed the desire to do something new, indicating that they have already taken many beach vacations. As seen in other national research, the “been there/done that” response was apparent here as well. The Outer Banks will be challenged to convince past visitors that there is more to the Outer Banks than its beautiful beaches.

Reasons for Weaker Likelihood to take Beach Vacation

Just do not like beaches	20%
Too old for beach	14%
I live there already	12%
Done before, want something new	11%
Have made other plans	9%
Too much sun	7%
Too expensive	6%
Kids too young	5%
Other	17%

Of note, the responses do not indicate concern about safety, the fear of hurricanes, or perceived damage to the area’s beach front. This is the first indication that Hurricane Isabel is not creating negative perceptions about visiting the Outer Banks.

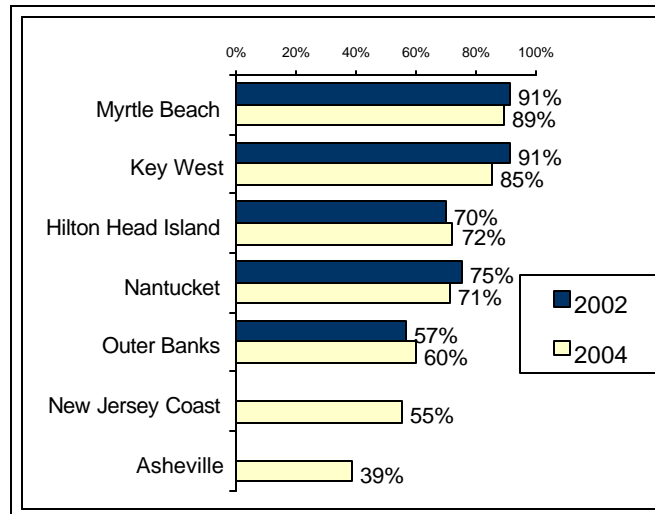
Awareness & The Competition

The overall travel environment seems favorable toward the Outer Banks vacation offering. The primary challenge is to ensure that the Outer Banks becomes part of the traveler's consideration set - places that are "in line" for visitation, meaning that the Bureau needs to generate meaningful consumer awareness that will lead to visitation. Yet, defining "meaningful" awareness can be difficult. In many cases, people hear about a destination but actually know very little about it. Ultimately the goal is to generate a deeper level of familiarity, and the first step in generating meaningful awareness is creating name recognition.

In this research, three measures of awareness and familiarity were employed. First, name recognition was tested by asking the respondents if they had heard of the area as a travel destination. Then, they were asked to indicate the home state of each destination mentioned. Their ability to link the area with the state (resultant data) is used as the awareness measure. Finally, for each area heard of by the respondent, s/he was asked to indicate whether they were *very*, *somewhat* or *not familiar* with the destination.

The initial measure of awareness is *name recognition*. A number of competitive destinations were included in the survey to provide a context for evaluating the results. These destinations were chosen as potential options that travelers might think about when considering the Outer Banks. While the Outer Banks did not earn the highest name recognition rating, more people had heard of it in 2004 than in 2002, with a rating that went up from 57% to 60%. The area is becoming relatively competitive with the other beach destinations considered.

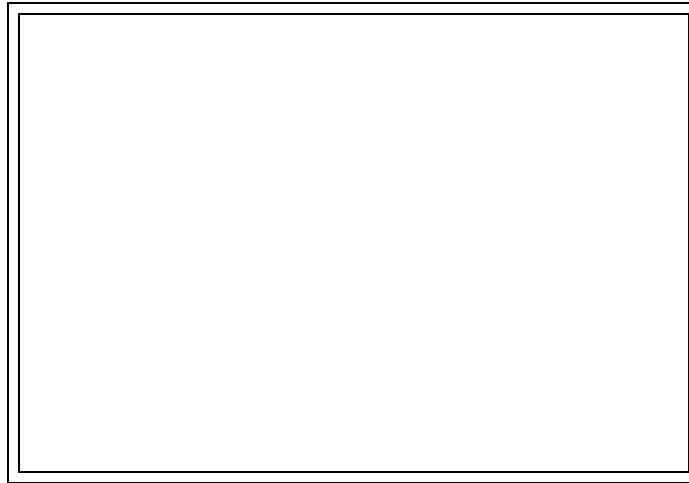
Percent having heard of Destination



As noted, while name recognition is useful, people will ultimately not travel to a destination without first having information about its offerings. Respondents were asked to indicate the home state of each area. Those who had heard of the area and could correctly name its home state were considered *familiar* with the area.

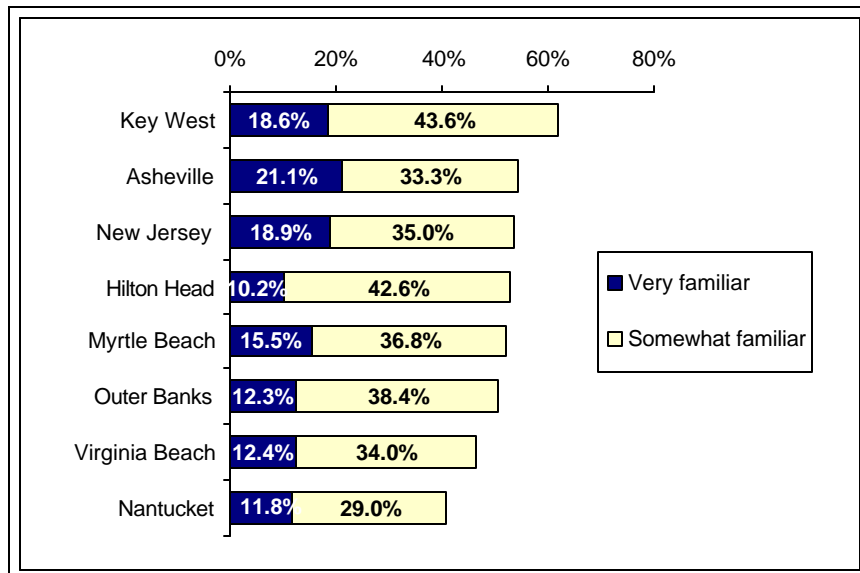
When considering measures of familiarity, it seems that travelers are more familiar with all the destinations this year as compared to 2002. On quite a positive note, the percentage of people that correctly named its home state doubled -- the greatest improvement among the destinations considered in the study.

Percent having heard of Destination and Correctly Naming its Home State



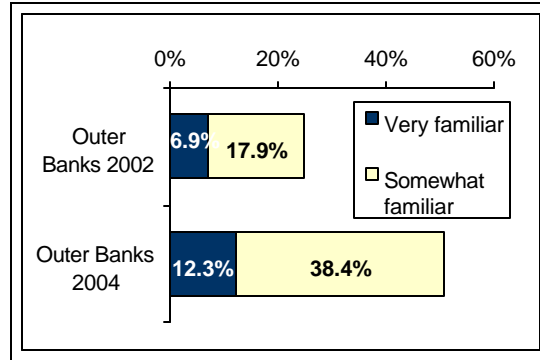
Finally, the respondents who had heard of a destination were asked to indicate their level of familiarity with the area. Among all the measures, this is the most conservative and probably the *most meaningful*. People who claim familiarity have greater knowledge and awareness of the destination. When compared to other competitive destinations, the Outer Banks is becoming more competitive. The chart below shows a combination of the top two familiarity ratings - “very familiar” and “somewhat familiar.”

Familiarity with Destination



From 2002 to 2004, the “very familiar” rating has increased by 78%. The reasons for this positive trend in familiarity will be explored in greater detail later in the report.

Outer Banks Familiarity Compared to Past



Predictably, awareness and familiarity vary by location. Name recognition was steady in the traditional markets, while the overall familiarity rating was vastly improved. Familiarity in emerging markets remained steady, while name recognition and familiarity improved in the “other” markets. The depth of familiarity (% very familiar) increased in all market areas.

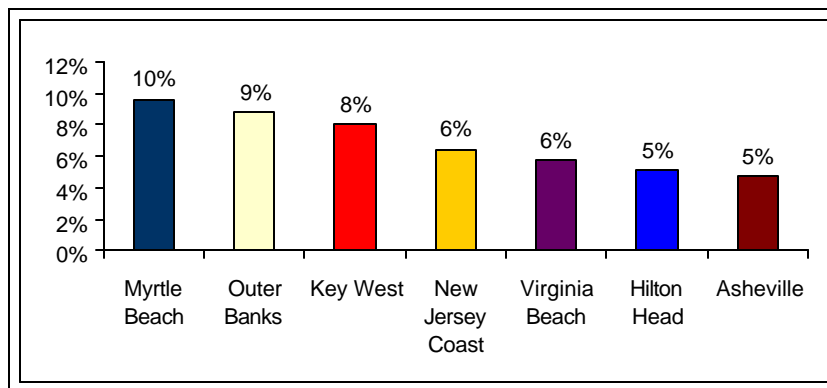
Market Awareness & Familiarity of Outer Banks

	Traditional Markets		Emerging Markets		Other Markets	
	2002	2004	2002	2004	2002	2004
Heard of	83%	79%	53%	52%	46%	52%
Familiar	61%	70%	36%	37%	33%	39%
Very familiar	20%	23%	5%	7%	2%	6%

Clearly, generating high levels of name awareness is possible, and achieving over 80% name awareness is reasonable. At the same time, it is difficult to generate high levels of familiarity. Even so, the Outer Banks Visitors Bureau has been successful in achieving their awareness and familiarity goals within the traditional markets

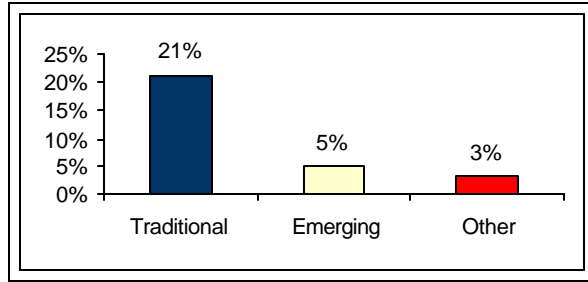
The name recognition and familiarity ratings are good. Ultimately, however, the goal is to generate visitation. The Outer Banks has generated a reasonable level of past visitation, trailing only Myrtle Beach.

Visitation in Past 5 Years



As should be expected, most previous visitation has come from the traditional markets, areas that represent the core business. The area has yet to make significant inroads in other markets.

Visitation to Outer Banks in Past 5 Years



In exploring visitation and destination imagery, the respondents were asked to rate each area for being *a good place to visit for a leisure trip*.

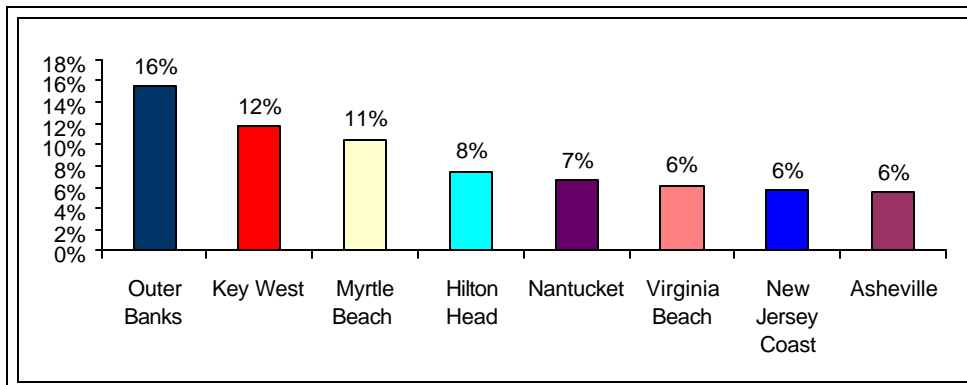
Ratings of Destinations as Vacation Spots

Hilton Head	3.36
The Outer Banks	3.32
Asheville	3.30
Nantucket	3.26
Virginia Beach	3.02
New Jersey Coast	2.82

The ratings are based on a 4-point scale, where "4" is *very good* and "1" is *poor*. With this scale, the goal is a rating of 3.0 or higher. In fact, one challenge for the Outer Banks is that generally consumers have a positive image of almost all these areas. The only area to receive a rating below 3.0 is the New Jersey Coast, indicating that people are positive toward the Outer Banks – and positive about a number of other areas as well. The competitive set is strong and people have not determined that the Outer Banks product is significantly superior to other options. Consumers need to be reminded that the Outer Banks offers a unique experience that cannot be found elsewhere.

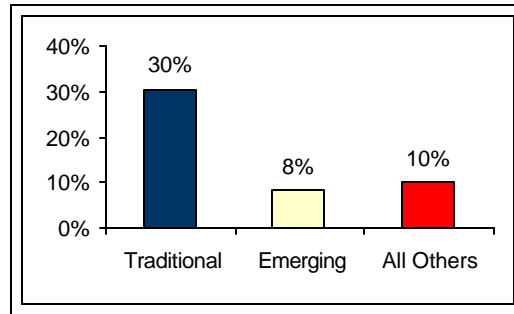
The most encouraging finding is noted when future travel intentions are considered. Respondents were asked whether they were considering each area for a leisure trip in the next two years. The Outer Banks was the leader, with over 15% indicating interest in visiting the area. Of course, this does not mean that they will actually follow through. Hopefully, promotion on behalf of the Visitors Bureau will serve to reinforce this existing level of interest.

Future Travel Intentions



It is also interesting to note the differences in intent to travel by market group. Of course, the highest level of interest is noted among those from the traditional markets. However, people in the emerging markets were less interested in visiting than were those in the *other* markets. First, we see interest on a national level that is probably due, at least in part, to the First Flight Celebration, which won the Outer Banks wide recognition.

Future Travel Intentions to Outer Banks



Secondly, these findings suggest that the Visitors Bureau can perhaps reassess the emerging markets in an attempt to place a more narrow focus on specific areas outside the traditional markets that may promise potential.

Image & Interest

Working to create the appropriate imagery for the area is yet another challenge faced by the Bureau. The critical goal is to create familiarity that focuses on the positive aspects of the area and motivates interest in visitation. While the Bureau strives to boost its familiarity ratings, it is developing marketing materials designed to create positive imagery for the Outer Banks.

Respondents who claimed familiarity with the area were asked to name the activities that came to mind when they thought about the area. In general, the image is outdoor and water-related. The beaches and ocean are clearly key images in the minds of consumers.

Imagery of the Outer Banks

Images	2004
Beach/Ocean/Sand	48%
Fishing	29%
Boating/Ferries/Sailing/Jet ski	17%
Swimming	16%
Golf	13%
Sleeping/Resting/Quiet time	9%
Lighthouses	8%
Dining/Restaurants	8%
Sightseeing	7%
Museums	5%
Shopping	4%
Historic sites	4%
Horseback riding	4%
Biking/Hiking	4%

When the imagery of the Outer Banks is reviewed by market, some noteworthy differences emerge. While images of beach/ocean/sand are number one among all the markets, the secondary images differ somewhat. Those outside the traditional and emerging markets consider the Outer Banks a place to fish rather than to swim.

Imagery of Outer Banks - By Market

	Traditional	Emerging	All Others
Beach/Ocean/Sand	49%	48%	48%
Fishing	23%	26%	39%
Swimming	20%	20%	8%
Boating/Ferries/Sailing/Jet Ski	15%	21%	19%
Golf	13%	15%	12%
Lighthouses	10%	5%	7%
Historic Sites	2%	10%	5%

Imagery also differs among younger and older age groups. The under-40 group considers the Outer Banks a more active vacation destination, making more frequent mention of beaches, biking, hiking and swimming. The older group, aged 40 and older, consider the Outer Banks a place for more passive activities, such as fishing, and rated it higher for wildlife viewing and historical sites.

Images by Age

	Under 40	40 & Older
Beach	57%	46%
Fishing	21%	31%
Biking/Hiking	10%	2%
Swimming	21%	15%

The respondents were asked to rate some of the Outer Banks' attributes as a vacation destination. With a 4-point scale, a rating of "4" meant that the Outer Banks does an excellent job of providing the attribute and "1" meant that the Outer Banks provides no opportunity for the type of place or activity. Again, beaches surfaced as a positive driving image among consumers relative to the Outer Banks. Another positive indication that Isabel had little negative impact on attitudes is seen in the second most highly rated attribute -- "a clean, safe environment."

Definite differences in perception are noted by market. The traditional markets appear to rate more areas positively, indicating a more rounded outlook of the Outer Banks. The emerging markets rate the typical attributes of beaches and scenic drives more highly.

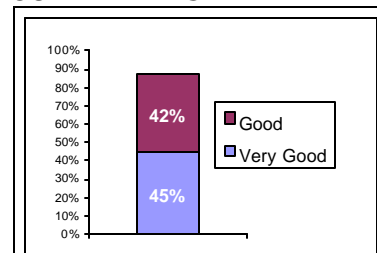
Vacation Ratings for the Outer Banks

	Overall	Traditional	Emerging	All Others
Beautiful beaches	3.61	3.61	3.63	3.58
A clean, safe environment	3.41	3.46	3.56	3.25
Fishing opportunities	3.44	3.52	3.54	3.27
Scenic areas or scenic drives	3.37	3.39	3.39	3.32
Wildlife viewing and bird watching	3.12	3.17	3.06	3.07
Interesting historic sites and landmarks	3.05	3.10	3.03	2.97
Good restaurants	3.00	3.09	2.91	2.90
Family attractions	2.90	2.98	3.07	2.7
Sporting activities such as golf	2.74	2.64	2.76	2.89
Good golf courses	2.57	2.55	2.55	2.62
Good shopping opportunities	2.51	2.58	2.41	2.45
Arts or cultural activities	2.24	2.28	2.12	2.21
Musical performances	1.94	1.89	1.88	2.04

To explain how consumers' perceptions of specific activities might drive their ratings of the Outer Banks overall as a vacation spot, a key driver analysis (regression) was performed. This statistical process identifies the attributes that are most closely linked to a favorable rating. The process identified four attributes that are most critical in establishing a positive image: **good restaurants, scenic areas, good shopping** and **beautiful beaches**. Ratings of these activities, as they are associated with the Outer Banks, most significantly influence how consumers rate the Outer Banks in total. These obviously critical attributes can be promoted in the Bureau's marketing endeavors.

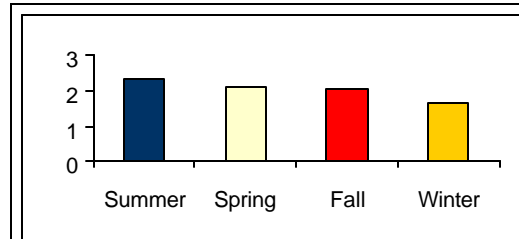
Of those having heard of the Outer Banks, most consider the destination a good place to take a leisure trip, rated by one-half as "very good."

OVERALL RATING FOR OUTER BANKS



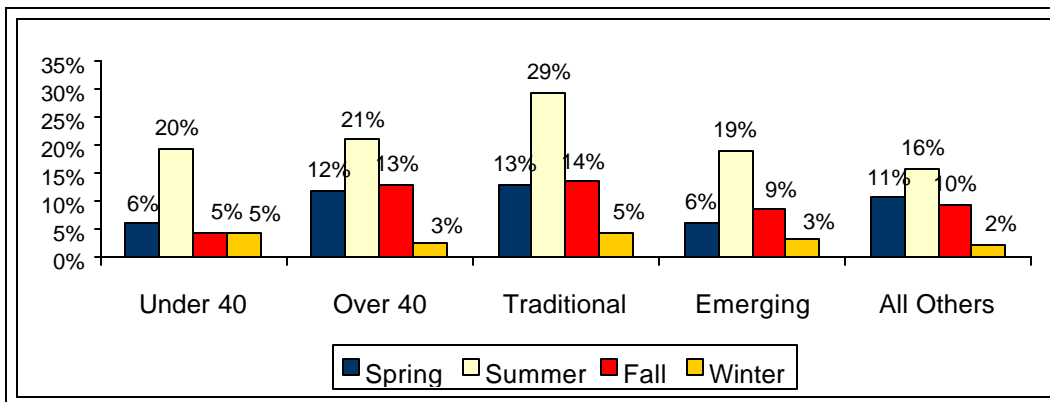
Given that the Visitors Bureau is charged with generating business during the shoulder seasons, the research explored whether increased awareness has also altered the seasons within which consumers visit the Outer Banks. Respondents were asked to rate, on a 4-point scale, how likely they would be to visit during each season. In the past, the high visitation season has been summer, as it continues to be. However, it appears that spring and fall are not far behind relative to likelihood to visit.

Likelihood of Visitation by Season



Likelihood to visit by season shows that the over 40 crowd and those in the traditional markets are most likely to visit during the spring or fall months.

Season by Age & Market



Tactical Issues

This research effort was designed to meet several objectives. One goal was to provide an overview of consumer awareness and familiarity with the destination and assess the current competitive landscape.

Since awareness and familiarity were measured in 2002, the survey was designed to track progress since that time. At the same time, over the past year, the Outer Banks has experienced two major external events that made news and may have influenced consumers' attitudes toward the area – Hurricane Isabel and the 100th Anniversary of Powered Flight.

In addition, the Outer Banks was interested in determining whether much of the lodging, which is offered as rental homes, deters interest in visitation. A review of these three issues provides insight into changes in consumer attitudes and guidance for the Visitors Bureau when marketing the area.

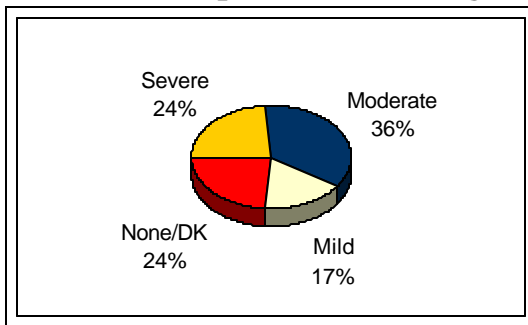
Finally, the research gathered some information regarding when people begin planning their trips to provide insight into when the area should expect advance bookings.

Hurricane Isabel

During 2003, the Outer Banks was battered by Hurricane Isabel, a force which inflicted serious damage on Hatteras Island. This damage received extensive media coverage and may have negatively influenced interest in visiting the Outer Banks.

Overall awareness of the reported damage and perceptions of the extent of damage was addressed in the survey.

Perceptions of Damage by Isabel



Interestingly, awareness of the damage was similar across markets.

Atlantic Coast Damage

	Traditional	Emerging	All Other
Severe	23%	21%	25%
Moderate	38%	34%	35%
Mild	19%	18%	15%
No Damage	3%	2%	2%

Many consumers were aware of significant damage to the Outer Banks area, although perceptions of damage were widespread in other areas. Moreover, many people who were aware of the damage were unsure about exactly where the damage occurred.

Sites of Significant Damage

Destination	%
Outer Banks	23%
Hatteras	16%
South Carolina	10%
Florida	8%
North Carolina	8%
Other	7%
Virginia Beach	6%
East Coast	2%
Maryland	1%

Don't Know	17%
------------	-----

There was greater awareness of damage in the Outer Banks area among the traditional market respondents. The "other" markets were the least aware.

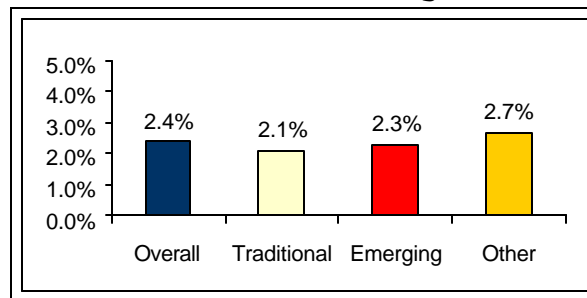
Perceptions of the Site of Damage

Thought to have Received Significant Damage

Site	Traditional	Emerging	All Others
Outer Banks	39%	30%	21%
Hatteras, NC	22%	17%	20%

Fortunately, very few people indicated that their perceptions of the damage would make them less likely to visit the Outer Banks. In fact, only 2% indicate that this might be a problem.

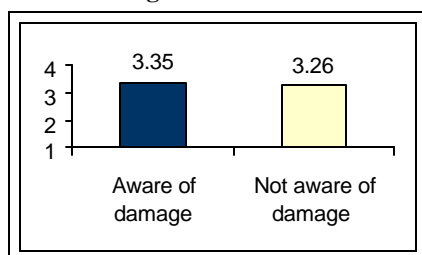
Less Likely to Visit the Outer Banks because of Damage



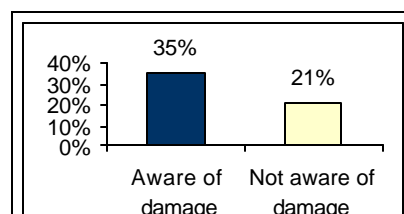
Because so few people indicated being less likely to visit, it is not possible to determine their perceptions of the damage. Generally, the few people who were negatively impacted believed that severe damage was done to the beaches and, to a lesser degree, the hotels.

Of course, people are not necessarily good predictors of their behavior. Despite the fact that consumers may believe that their perceptions of the damage will not influence their travel, there is some reason to be concerned. However, further review reinforces the fact that this will probably not be a problem. A comparison of how people rated the Outer Banks as a destination shows that those who aware of damage to the area were actually more positive about it. These respondents were actually much more likely to have visited in the past, and much more likely to be considering a visit in the next two years.

Ratings of Outer Banks



CONSIDERING VISIT IN NEXT 2 YEARS



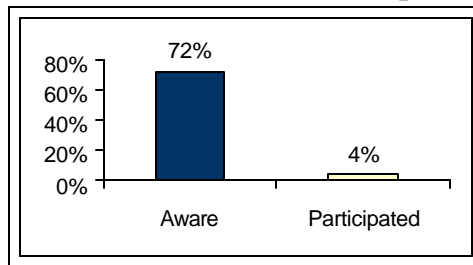
These findings indicate that while there is some awareness of possible damage to the area, those who are more aware of the damage are also knowledgeable about the area's offerings as a tourist destination. As such, few people will be deterred from visiting, and perceptions of the hurricane damage are unlikely to negatively influence visitation this season.

100th Anniversary of Flight

While Hurricane Isabel generated negative publicity for the Outer Banks, the area also hosted a major nationwide event – the 100th Anniversary of Powered Flight. This national celebration re-enacted the initial flight of Wilbur and Orville Wright, and the celebration included events throughout the year, which lead up to the actual anniversary in December.

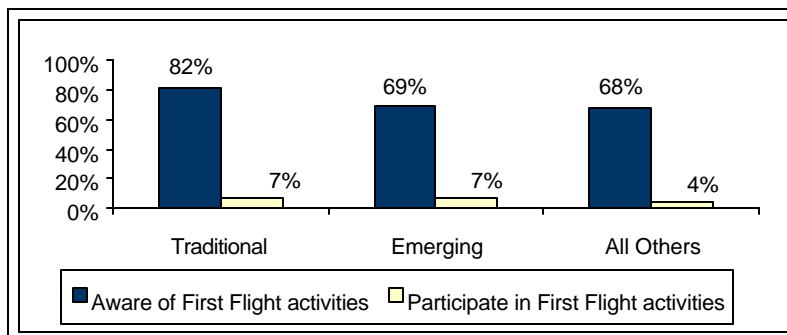
This event generated widespread awareness, with over 70% of respondents indicating awareness of the celebration. At the same time, few people actually participated in any of the activities.

**Awareness & Participation
in 100th Anniversary**

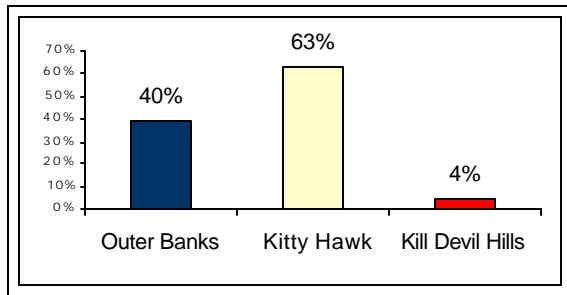


Awareness of the celebration was better in the traditional markets, perhaps because of the association with North Carolina and the east coast. There was greater participation on behalf of the traditional and emerging markets.

Awareness & Participation - by Market



Awareness of Site of 100th Anniversary



Most people associated the celebration with Kitty Hawk, while over one-third were aware that the celebration took place in the Outer Banks. On the other hand, few had any awareness of Kill Devil Hills as the site of the celebration.

In terms of imagery surrounding the celebration, the respondents primarily associated the event

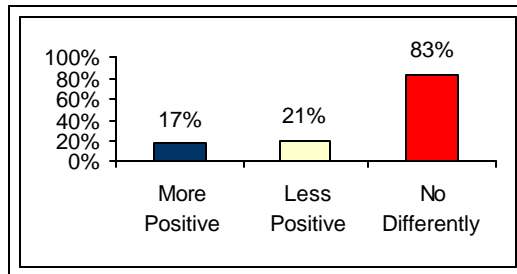
with an historical theme. Of course, flight themes were mentioned as well.

When asked directly, consumers generally indicated that given what they knew about this event, there was a small but significant positive influence on their image of the Outer Banks. While most indicated no impact on their travel, 17% said that it made them feel more positively about the area.

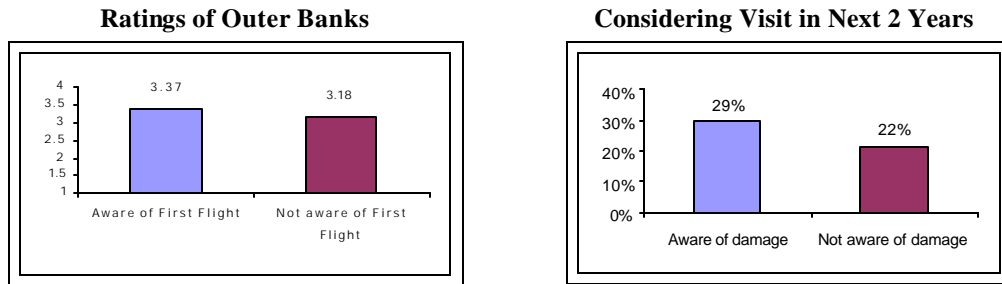
Themes Associated with First Flight Anniversary

History/historical	29%
Airplanes	10%
Fun	8%
Flying/planes	7%
Beach/Sand	5%

Impact of First Flight Celebration



These findings are reinforced when the attitudes of those who were aware that the celebration occurred in the Outer Banks are compared to the unaware group. Those who claimed awareness were again more familiar with the area and were more likely to be past visitors. Moreover, they gave the Outer Banks higher ratings as a place to visit and claimed to be more likely to consider visiting over the next two years.

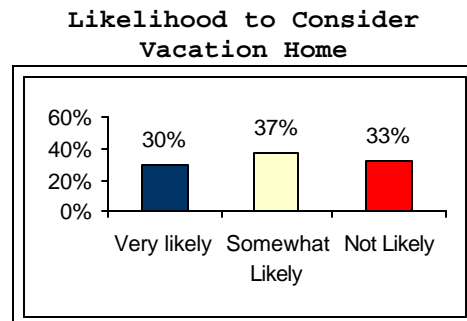


Apparently, the 100th Anniversary of Powered Flight generated increased awareness of the Outer Banks. The event seemingly created greater familiarity with the area and positive imagery. While consumers generally associated the event with Kitty Hawk, ancillary awareness of the Outer Banks was generated overall. While this event generated positive influence, it seems that perhaps the recorded boost in awareness and interest exceeds this event alone. At the same time, the Anniversary apparently sensitized a larger audience to the potential of the Outer Banks. The challenge will be to continue building on this base to transform the additional interest into additional visitation.

Vacation Home Rental

Finally, we consider the impact of accommodation options in the Outer Banks. Unlike many areas, much of the available lodging in the Outer Banks is rental property, which could create a barrier to visitation due to a lack of familiarity with the concept or some objection to this type of accommodation. In fact, overall awareness of the rental home concept is quite high, at 90%. Awareness is so widespread that no significant differences are noted between the various markets or different age groups.

Generally, consumers seem open to the vacation home concept, with two-thirds claiming willingness to consider this option. Moreover, those who are willing to consider this option are more likely to consider visiting the Outer Banks in the next two years. While some are not interested in this option, they are the minority and, since other options are available in the area, no problem is apparent.



The respondents mentioned several reasons for not wanting to rent a vacation home. First, some prefer to camp or to travel in their own RV. Among those who use accommodations, the main issues seem to be missing the services provided by hotel properties, not staying long enough to rent a home, or finding rental homes more expensive.

Reasons for Not Considering a Rental Home

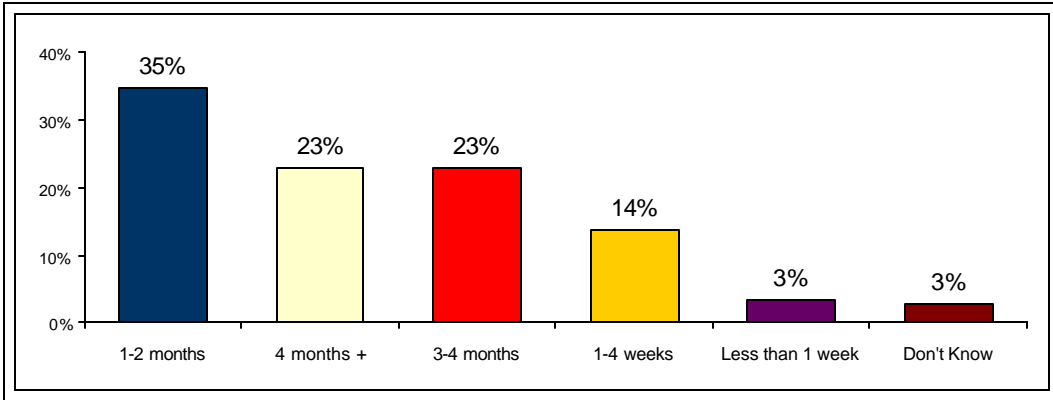
Convenience/amenities of hotel	28%
Don't stay long enough/like to move around	27%
Expensive	20%
Just like hotels	14%
Too much space	8%
Too hard to find information	5%

Interestingly, the younger audience is more likely to consider renting a vacation home, with this percentage rising to 74%. This is encouraging, since it suggests that acceptance of this option will continue to grow.

Trip Planning Timeframes

The survey also addressed the duration of the trip planning process. National research consistently indicates that people are waiting longer to plan their trips. The travel industry has "trained" people to wait longer by rewarding last-minute bookings with deals and lower prices. As a result, the Outer Banks may not see the advanced bookings that were typical in the past. The respondents were asked to indicate how far in advance they **begin** planning their travel. This indicates the earliest timeframe that they might book accommodations and, in reality, the actual booking process is probably later. Over 50% claimed that they do not begin planning their travel more than two months or less ahead of time.

Begin Planning Trip



conclusions

This research provides a snapshot of the Outer Banks' positioning in the marketplace and into issues relevant to upcoming marketing endeavors. Several key findings are especially worthy of note.

- **The travel environment is generally favorable toward beach vacations.** A beach vacation is more popular than many other types of trips, especially among the residents of traditional markets. In addition, popularity of the beach vacation is holding steady.
- **The activities and events over the past two years, including the marketing efforts on behalf of these events, have been quite successful in promoting the Outer Banks.** Awareness and familiarity with the destination has enjoyed a substantial increase and the area is being considered comparable to key competitors.
- **The most positive finding is the significant interest in visiting the Outer Banks over the next two years,** with 15.5% of respondents considering such a trip. This is the highest level recorded among all the destinations included in the survey. This certainly suggests that visitation will grow over the next two years, barring any negative, external factors.
- **As noted in past research, the Outer Banks is known for its beaches, clean safe environment, and scenic beauty.** These key elements create the area's existing image and these attributes earned the highest ratings from respondents.
- **Interestingly, a few underlying attributes also help drive positive ratings of the area as a fine leisure trip destination.** While beaches and scenery are greatly appreciated, those who are most positive about the area also recognize the area's wonderful restaurants and good shopping opportunities.
- **Awareness of the hurricane damage along the Atlantic Coast - specifically in the Outer Banks/Hatteras area - was high.** Awareness of the damage was seemingly highest among those who are familiar with the area. As such, very few people indicated that their perceptions of the damage would keep them from visiting the area. In fact, more of those who were aware of the damage indicated a likelihood to visit. Any negative impact from perceptions of hurricane damage is seemingly quite slight.

- **The First Flight Celebration generated widespread awareness of the area, especially Kitty Hawk.** About one-third of respondents were aware that the celebration was held in the Outer Banks. Those who were aware of the events were more positive about the area and more likely to be planning a visit. This finding indicates that the Celebration helped to build awareness of the area and contributed to increased interest in visitation.
- **Generally, most of these respondents were open to considering a vacation rental home, though approximately one-third were not.** While awareness of this option was almost universal, some obstacles to this option were offered. Specifically, a significant number of people want the convenience and service available in a hotel and the flexibility of short-term stays. A significant number also consider the expense of rental homes too high.
- **People are planning their trips in shorter and shorter timeframes,** with over one-half saying that they do not start planning for two months or less before the trip. Businesses in the Outer Banks will have to adjust to these shorter cycles when evaluating their booking positions.

Recommendations

Based on these findings, SMARI makes several recommendations for consideration:

- **The Outer Banks is poised to experience robust growth.** Awareness and interest is high, and the Visitors Bureau needs to take advantage of this scenario and turn potential visitors into actual visitors. The key will be attracting a new audience and expanding the overall visitor population.
- **The traditional markets seem to offer the best avenue for accomplishing this objective and should thus be the primary focus of the Bureau's marketing efforts.** The emerging markets, as a whole, do not show strong potential. There are likely some areas within these markets that offer potential, but analysis and identification of specific areas would benefit the Bureau's decision-making process.
- **The over-arching message that the Outer Banks must communicate is that the area offers beautiful beaches, a clean and safe environment, and scenic**

beauty. At the same time, focusing on specific amenities such as restaurants and shopping will help build a more positive overall imagery for the area. The current campaign highlighting restaurants is definitely on target.

- **Given the publicity and interest generated by the First Flight Celebration, it would make sense to build on this theme, perhaps through the promotion of packages.** This should not be the focus of the advertising, but if people who did not attend the celebration can be convinced that there is still something to see, great benefits could be reaped.
- **There is some sense among people who have taken beach vacations that they have "been there/done that."** Nationally, many destinations are taking note of this trend. The Outer Banks should focus on demonstrating to potential visitors that there is more to the area than just sand and water.
- **The prevalence of vacation rental homes is not generally a barrier to visitation.** At the same time, if greater flexibility in the minimum number of rental days can be offered, the appeal of this option will be enhanced. In addition, one message to consider is showing people that they can be pampered in a rental home and will have access to amenities that are not available at a hotel.

Appendix

National Awareness Research Questionnaire

First Flight and Hurricane

Final – Feb 2, 2004

Job #: 947108

Hello, I'm _____ from Strategic Research. Today/Tonight we are interviewing people about their travel and vacation choices, and I would like to include your opinions.

S1. First, who in your household is primarily responsible for making decisions concerning travel destinations?

- 1...SELF
- 2...SELF/JOINT
- 3...SPOUSE/OTHER (ASK TO SPEAK TO THEM)

S2. Do you normally take at least one overnight leisure trip or vacation per year?

- 1...YES
- 2...NO (TERMINATE)

S3. When you are planning a vacation or leisure trip, how far in advance do you typically begin your planning?

- 1...Less than one week
- 2...One to four weeks
- 3...1 - 2 months
- 4...3-4 months or
- 5...More than four months in advance
- 6...(DO NOT READ) Don't know

1. How likely are you to take each of the following types of vacations in the next year?

- 1.....Very likely
 - 2.....Somewhat likely
 - 3.....Not very likely
 - 4.....Not at all likely
- a. A beach vacation
 - b. A vacation to view historic sites
 - c. A vacation to the mountains, or scenic sites other than the ocean
 - d. A cruise
 - e. A city vacation

1a. Compared to past years, are you...

- 1.....More likely to take a beach vacation
- 2.....Less likely to take a beach vacation →ASK 1B
- 3.....Just as likely

1b. Why are you *less likely* to take a beach vacation this year?

2. How likely are you to take a vacation in each of the following areas, in the next 2 yrs?

(ROTATE)	Very Likely	Somewhat Likely	Not Likely
a. Florida	1	2	3
b. New York	1	2	3
c. Caribbean	1	2	3
d. Las Vegas	1	2	3
e. Mexico	1	2	3
f. California	1	2	3

3. Which of the following places have you heard of as travel destinations?

- 1...Hilton Head Island
- 2...The Outer Banks
- 3...Myrtle Beach
- 4...Virginia Beach
- 5...Key West
- 6...Nantucket
- 7...New Jersey Coast
- 8...Asheville
- 9...None – skipto Q9

FOR EACH ONE MENTIONED IN Q3 ASK 4-8

4. [INSERT NAME] is located in which state? DO NOT READ LIST

- 1.....NORTH CAROLINA
- 2.....SOUTH CAROLINA
- 3.....DELAWARE
- 4.....NEW YORK
- 5.....VIRGINIA
- 6.....MASSACHUSETTS
- 7.....OTHER, **SPECIFY** _____
- 8.....DON'T KNOW

5. How familiar are you with [INSERT NAME]? Would you say...

- 1.....Very familiar
- 2.....Somewhat familiar
- 3.....Not at all familiar

6. Have you visited [INSERT NAME] for a leisure trip in the past 5 years?

- 1.....Yes
- 2.....No

7. Are you considering [INSERT NAME] as a place to visit for a leisure trip in the next 2 years?

- 1.....Yes
- 2.....No

8. Based on anything that you have seen, heard, or read, how would you rate **[DESTINATION – USE LIST FROM Q3]** as a place to visit for a leisure trip. Would you say...
- 1... Very good
 - 2... Good
 - 3... Fair
 - 4... Poor
 - 5...DK ANYTHING ABOUT DESTINATION/CAN NOT RATE

9. When you travel for a leisure trip, are you aware that in many destinations you can rent a vacation home, rather than stay in a hotel or motel?
- 1.....Yes
 - 2.....No

10. How likely would you be to consider renting a vacation home or condominium rather than staying in another type of accommodation?
- 1.....Very likely
 - 2.....Somewhat likely
 - 3.....Not likely → **ASK 10a**

10a. Why are you unlikely to consider using a vacation home? _____

11. Occasionally tropical storms and hurricanes cause damage along the Atlantic Coast. Based on what you have heard, would you say that the damage that occurred along the Atlantic Coast in 2003 was...
- 1.....Severe
 - 2.....Moderate
 - 3.....Mild
 - 4.....No Damage **SKIP TO Q14**
 - 5.....DON'T KNOW **SKIP TO Q14**

12. What areas do you think received significant damage? **(DO NOT READ LIST)**
 ACCEPT MULTIPLES
- 1.....HATTERAS, NORTH CAROLINA
 - 2.....OUTER BANKS, NORTH CAROLINA
 - 3.....OTHER, **SPECIFY** _____

IF Q12=1 OR 2, ASK

13. Would your perceptions of the damage from hurricanes make you less likely to visit the Outer Banks this coming year?
- 1.....Yes
 - 2.....No → **SKIP TO Q14**

13a. Please consider the following types of damage that could have occurred and indicate whether you believe that the damage was...

- 1.....Severe
- 2.....Moderate
- 3.....Mild
- 4.....No damage

(ROTATE)

- a) Damage to beaches
- b) Damage to hotels
- c) Damage to attractions
- d) Damage to roads
- e) Unsafe water for swimming
- f) Unsafe fish for eating
- g) Erosion of the beaches

IF Q5 IS NOT FAMILIAR FOR OUTER BANKS, SKIP TO Q16

Now I'd like to ask you about one specific destination. In your case, I will be asking about the Outer Banks.

14. What activities come to mind when you think of the Outer Banks?

15. Now I'd like you to consider the Outer Banks of North Carolina and rate some of its features as a vacation destination. I want you to rate the Outer Banks based on your perceptions about how well it provides each vacation feature we will discuss. We will use a 4-point scale, where "4" means that the destination does an excellent job of providing this attribute and "1" means that the Outer Banks provides no opportunity for the type of place or activity. How well does the Outer Banks provide...

ROTATE

1	Family attractions	8	Good shopping opportunities
2	Beautiful beaches	9	Sporting activities such as golf
3	A clean and safe environment	10	Fishing opportunities
4	Interesting historic sites and landmarks	11	Good golf courses
5	Arts or cultural activities	12	Musical performances
6	Scenic areas or scenic drives	13	Wildlife viewing and bird watching
7	Good restaurants		

16. How likely would you be to consider visiting the Outer Banks in...

	<u>Very likely</u>	<u>Somewhat likely</u>	<u>Not very likely</u>	<u>Not at all likely</u>
a. Summer	1	2	3	4
b. Spring	1	2	3	4
c. Fall	1	2	3	4
d. Winter	1	2	3	4

17. Were you aware of the First Flight activities in 2003 that celebrated the first powered flight of Orville and Wilbur Wright?

1.....Yes

2.....No →SKIP TO Q20

17a. What was the location of this celebration or celebrations?

DO NOT READ LIST – ACCEPT MULTIPLES

- 1.....KITTY HAWK, NORTH CAROLINA
- 2.....KILL DEVIL HILLS, NORTH CAROLINA
- 3.....NORTH CAROLINA
- 4.....OUTER BANKS
- 5.....OHIO
- 6.....WASHINGTON DC
- 7.....OTHER, SPECIFY _____

18. What comes to mind when you think of these activities?

19. Did you participate in any activities related to the First Flight Celebration?

- 1.....Yes
- 2.....No →**SKIP TO Q 20**

19a. Where did you participate in these activities? DO NOT READ LIST

- 1.....KITTY HAWK, NORTH CAROLINA
- 2.....KILL DEVIL HILLS, NORTH CAROLINA
- 3.....NORTH CAROLINA
- 4.....OUTER BANKS
- 5.....OHIO
- 6.....WASHINGTON DC
- 7.....OTHER, SPECIFY _____

20. Were you aware that the celebration of the actual moment of flight took place in the Outer Banks in December 2003?

- 1.....Yes
- 2.....No **SKIP TO Q21**

20a. Given what you know about these activities, do you feel...

- 1...More positively toward the Outer Banks
- 2...Less positive toward the Outer Banks
- 3...No differently toward the Outer Banks

We ask these last few questions for classification purposes only so that we can group your responses with those of others we have interviewed.

21. Are you single or not?

- 1...Single
- 2...Not single
- 3...REFUSED

22. How many adults live in your household?

RECORD NUMBER _____

23. How many children under the age of 18 currently live in your household?

RECORD NUMBER _____

24. Which of the following best represents the last grade of school you completed?

- 1...Less than high school
- 2...High school
- 3...Some college/technical school
- 4...College graduate
- 5...Post graduate
- 6...REFUSED

25. Which of the following categories best represents the total annual income for your household before taxes?

- 1...\$50,000 but less than \$75,000
- 2...\$75,000 but less than \$100,000
- 3...\$100,000 but less than \$125,000
- 4...\$125,000 but less than \$150,000
- 5...\$150,000 or more
- 6...REFUSED

26. Which of the following best describes your ethnic heritage?

- 1.....African American

- 2.....Asian American

- 3.....Caucasian

- 4.....Hispanic/Latin American

- 5.....Mixed ethnicity

- 6.....Native American

- 7.....Other

27. What is your age?

RECORD NUMBER _____ Years

THANK RESPONDENT

RECORD GENDER:

- 1...Male

2...Female

PHONE NUMBER _____

INTERVIEWER NAME _____

CUSID _____

DATE OF INTERVIEW _____

Verbatims

Resp #	Ques.	Verbatim
131	Q1B	I got 2 boys in college and not financially able.
273	Q1B	Finances and location
457	Q1B	2 kids in college. Expensive
501	Q1B	Because of the state economy
508	Q1B	Kids in college now
825	Q1B	It is a bad financial year
1353	Q1B	Expense
1503	Q1B	Money problems
1612	Q1B	Expenses
1714	Q1B	Cost
1803	Q1B	Saving money
2007	Q1B	Reduced salary
2076	Q1B	Not falling into budget
51	Q1B	Too many people
1328	Q1B	We don't want to be around crowds.
1792	Q1B	To many people
11	Q1B	Hate the beach.
39	Q1B	It is not a good thing
77	Q1B	Neither one likes a beach
97	Q1B	Don't like the beach
191	Q1B	Not fond of beaches
247	Q1B	Not beach people
386	Q1B	Don't like beach
547	Q1B	I just don't like the beach
552	Q1B	Don't like water
746	Q1B	We do not visit the beach
759	Q1B	Jellyfish stings scares
840	Q1B	Don't like the beach
865	Q1B	Don't go to the beach
918	Q1B	Don't like the beach
1006	Q1B	Do not want too
1015	Q1B	Cause don't go to the beaches
1083	Q1B	Don't like to sit on the beach
1220	Q1B	Do not enjoy
1263	Q1B	We don't usually go to the beach.
1299	Q1B	Does not appeal to me
1325	Q1B	Not beach-oriented - not convenient
1330	Q1B	Do not
1352	Q1B	Don't do it
1355	Q1B	Do not care for the beach

1396	Q1B	We just don't go to beaches, we prefer camping.
1446	Q1B	None of my family really like the beach
1472	Q1B	My husband hates the beach.
1484	Q1B	Just not
1570	Q1B	Don't care for the sand
1583	Q1B	Cause none of my kids like the beach.
1651	Q1B	Do not go
1685	Q1B	I've never been interested in the beach.
1690	Q1B	Because husband doesn't like sand
1715	Q1B	Not a beach person.
1773	Q1B	We just not to much into the beach.
1809	Q1B	We don't go to the beaches
1811	Q1B	Not water person
1872	Q1B	Not a beach person
1907	Q1B	Not my cup of tea
1912	Q1B	Don't like beach
1973	Q1B	Not much of a beach person
2068	Q1B	Ocean doesn't do nothing for me
302	Q1B	Going to other places
1025	Q1B	Normally go to the mountains
1056	Q1B	I've made other plans.
1104	Q1B	Other vacation plans.
1211	Q1B	We are taking it but we will be going on sailboat.
1214	Q1B	Going somewhere else this year
1251	Q1B	Going on the cruise...takes all my money
1297	Q1B	Id rather go other places
1339	Q1B	We usually go to amusement parks
1410	Q1B	We camp
1459	Q1B	So many other places
1598	Q1B	Likes to fish
1752	Q1B	Cause we prefer cruises.
1752	Q1B	A trip to the beach is usually provided when you take a cruise.
1766	Q1B	Going elsewhere
1772	Q1B	There other places we want to go and other things we want to do.
1877	Q1B	I am not on my agenda
1998	Q1B	Going Disney World
2064	Q1B	Have some others planed
101	Q1B	Live on the beach
147	Q1B	Don't have to take vacation for the beach
186	Q1B	We live next to a lake.
192	Q1B	Visiting family

202	Q1B	I live on the beach
204	Q1B	We have a cottage on the beach- Lake Huron
305	Q1B	My mom lives in Florida and a sister in California and a brother in Maine.
353	Q1B	She lives near the beach.
469	Q1B	Live on beach
550	Q1B	Because we live at the beach
762	Q1B	Now I go to Florida once a year
780	Q1B	Live on the beach
972	Q1B	I visit the ocean to see my parents.
1021	Q1B	I live on a beach
1027	Q1B	We knew someone who had a beach house.
1216	Q1B	Because live by a beach
1245	Q1B	Live on one
1286	Q1B	Lives in Florida
1509	Q1B	I live on a lake.
1582	Q1B	We used to live there
1591	Q1B	Because we live close to a beach
1702	Q1B	Lives near the beach
1940	Q1B	We live close to water already.
1980	Q1B	Because I have a pool in the back yard
2042	Q1B	I live on the beach.
86	Q1B	Business owner
214	Q1B	Just for the weekend
336	Q1B	Husband is ill
389	Q1B	No reason
394	Q1B	Kids are all over country and not near beaches
445	Q1B	Far away
764	Q1B	Cause about to graduate
876	Q1B	Time
909	Q1B	Go visit family
920	Q1B	No major trips
1030	Q1B	I don't swim
1073	Q1B	Not a big thing
1124	Q1B	Too far away
1170	Q1B	Taking care of your mother.
1178	Q1B	Don't no...too far away
1240	Q1B	Because of time constraints.
1343	Q1B	Health issues
1447	Q1B	Not something we have talked about doing
1462	Q1B	Because I'm disabled.
1466	Q1B	My family does not live on the beach anymore.
1467	Q1B	Because I do not swim

1723	Q1B	We vacation where daughter is and they are in Chicago now
1736	Q1B	Live in midwest...wife won't fly
1737	Q1B	Cant
1831	Q1B	Don't know
1866	Q1B	We prefer to be active
1937	Q1B	Not interested
2003	Q1B	Not interested
2030	Q1B	Too far to travel.
2051	Q1B	I never take one
2057	Q1B	Don't live as close to beach now
2158	Q1B	I don't care to travel that far
2201	Q1B	Just don't have time
51	Q1B	Been there done that
376	Q1B	Was there last year
527	Q1B	Just went to the beach
534	Q1B	We've gone to the beach on a number of occasions. So now we're looking for something different to do.
537	Q1B	Choose different place after being there
578	Q1B	Always have past
591	Q1B	We just came back from one
692	Q1B	Already went on one.
758	Q1B	Not going to California this year
772	Q1B	I am beached out, I have done it, I have seen it
984	Q1B	We did one already
1097	Q1B	Already did it
1204	Q1B	Did one last year
1247	Q1B	Been on a lot of them already.
1294	Q1B	Just come back from Australia
1384	Q1B	Been there, done that!
1399	Q1B	The last vacation was to the beach
1562	Q1B	Because we already have taken a vacation in the winter months and we would usually go to the beach in the winter.
1595	Q1B	Been there
1610	Q1B	Tried of taking beach vacation
1643	Q1B	I just took one
1909	Q1B	Because we already done that
2026	Q1B	Did last year
2204	Q1B	I've done that three and four years ago. I live in the Tampa Bay area so I can go the beach anytime.
232	Q1B	I had neck surgery and the medicine I take does not allow me to be in the sun.

435	Q1B	I don't care to be in the sun.
497	Q1B	Is on medication and not supposed to be in the sun
514	Q1B	Do not like the heat and swimming
596	Q1B	I burn.
805	Q1B	Sun is the enemy
832	Q1B	Allergic to sun
1051	Q1B	Try to stay out of the sun.
1081	Q1B	Wanted away from sun
1153	Q1B	I sunburn easily
1305	Q1B	Sun burn easily
1678	Q1B	Can't be out in the sun.
1928	Q1B	Have skin cancer
1992	Q1B	The heat taps my energy. I don't take to sun.
2110	Q1B	Because of the exposure to the sun and my age
93	Q1B	Too old
149	Q1B	Age
235	Q1B	I'm too old
408	Q1B	I am older
436	Q1B	Not wanting to travel. I'm 82 years old
484	Q1B	When we where he young we had a beach house never again
496	Q1B	Years ago, we used to take beach vacation, but we don't want to now.
559	Q1B	Cause of age
562	Q1B	Were older
669	Q1B	Getting older
672	Q1B	Older now for the beach.
731	Q1B	My age
782	Q1B	Age
937	Q1B	Kids are older
1080	Q1B	I am 80 years old and what would I do on the beach.
1198	Q1B	Husband passed away
1268	Q1B	Kids are in college, and they are the ones that like the beach.
1320	Q1B	We went when we had kids at home.
1361	Q1B	We just don't we are older
1408	Q1B	Too old
1550	Q1B	At my age, I don't really care much about a beach vacation.
1552	Q1B	Age
1682	Q1B	90 years old
1710	Q1B	Our age
1755	Q1B	At our age I am retired and I have outgrown it.

1786	Q1B	Older and the kids are growing
2047	Q1B	Cause I'm too old.
2071	Q1B	Older
2155	Q1B	An old do need to go the beach
2216	Q1B	No children at home
125	Q1B	Have small kids
783	Q1B	Tied up with 1 year old
1140	Q1B	Very young children
1164	Q1B	We have a little one which limits us.
1215	Q1B	I am 8 months pregnant now.
1379	Q1B	Because of new baby
1531	Q1B	We are having a child we prefer to do something different
1542	Q1B	I have a family we do not need it
2223	Q1B	We just had a baby
2245	Q1B	Because I'm pregnant.