



## Outer Banks Visitors Bureau

---

## 2004 National Awareness Study

---

Hurricane Isabel &  
100<sup>th</sup> Anniversary of Flight Celebration

March 2004

## Table of Contents

---

---

|  |                                     |
|--|-------------------------------------|
| Background & Objectives .....                  | 1                                   |
| Methodology .....                              | 5                                   |
| the Travel Environment.....                    | 6                                   |
| 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 .....                              | 23                                  |
| Recommendations .....                          | 24                                  |
| Appendix .....                                 | <b>Error! Bookmark not defined.</b> |
| National Awareness Research Questionnaire..... | 26                                  |

## 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 100<sup>th</sup> 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 imagery 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 100<sup>th</sup> Anniversary of Powered Flight events. Link awareness to any attitudinal changes relative to the Outer Banks as a vacation destination.
  - 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.

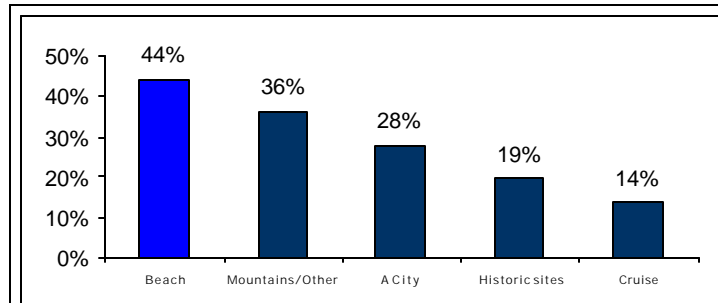
Upon completion of the data collection effort, the data were coded and prepared for analysis and weighted to represent the national population. This report summarizes the key findings from this research effort.

## 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 Outer Banks is best known for its stunning shoreline. As it is important to evaluate the target market's demand for "beach" vacations. If there is a trend toward

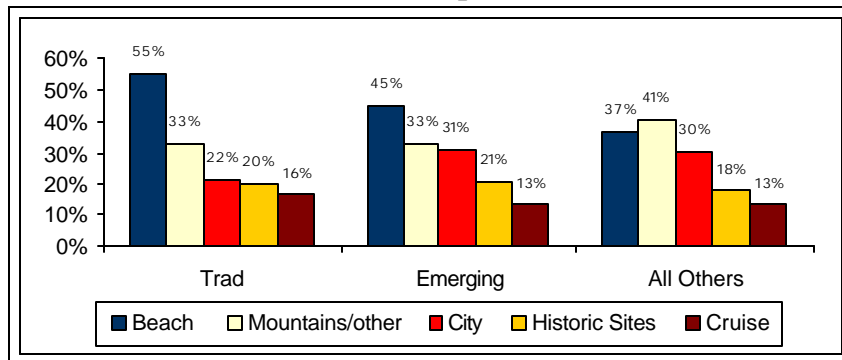
**Likelihood to Take this Type of Vacation**



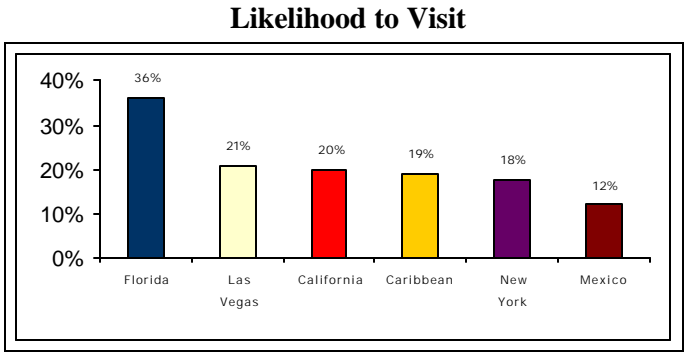
people taking beach vacations, this will obviously impact the Outer Banks. Respondents were asked how likely they were to take various types of vacations. Overall, beach vacations were *preferred* over other types of vacations. Hitting the beaches seems to be a much stronger motivator than city attractions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



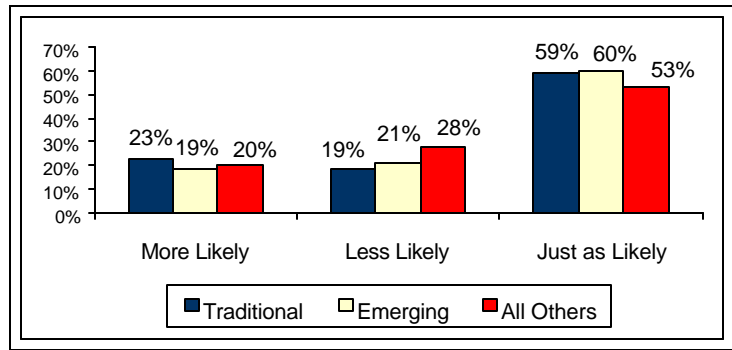
This finding is confirmed when we review consumers' likelihood to visit certain destinations. To further assess whether people were moving toward other types of vacations, the respondents were queried about several popular vacation destinations. The fact that Florida, a major beach destination, is so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



Have travelers' attitudes changed?

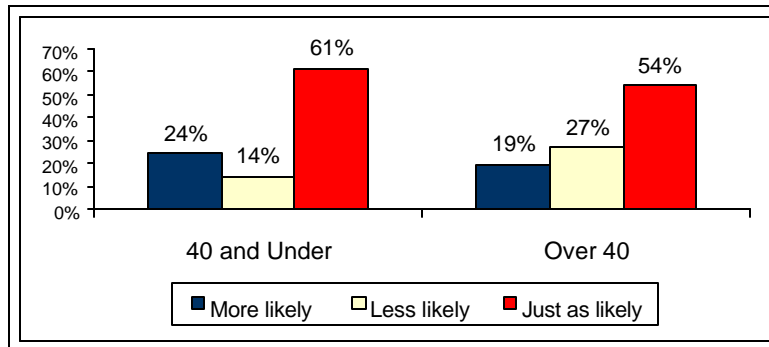
Respondents were asked to compare their likelihood to take a beach vacation in the next year to their likelihood to do the same in the past. Most of these respondents claimed to be just as likely to vacation at the beach as they were before. However, markets other than the traditional and emerging markets 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.



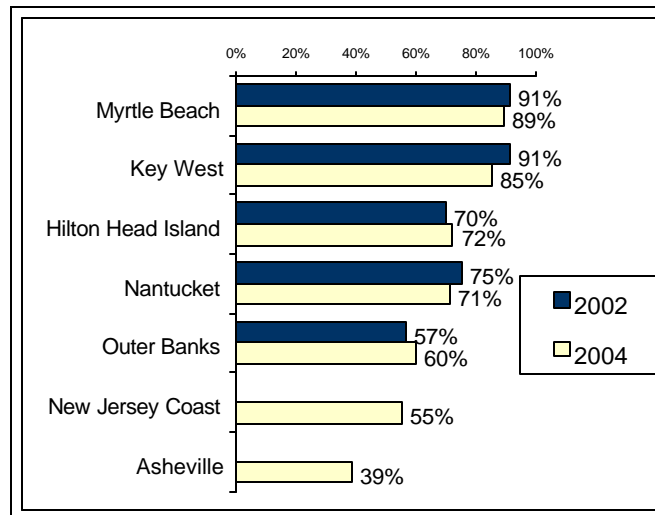
## Awareness & The Competition

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.

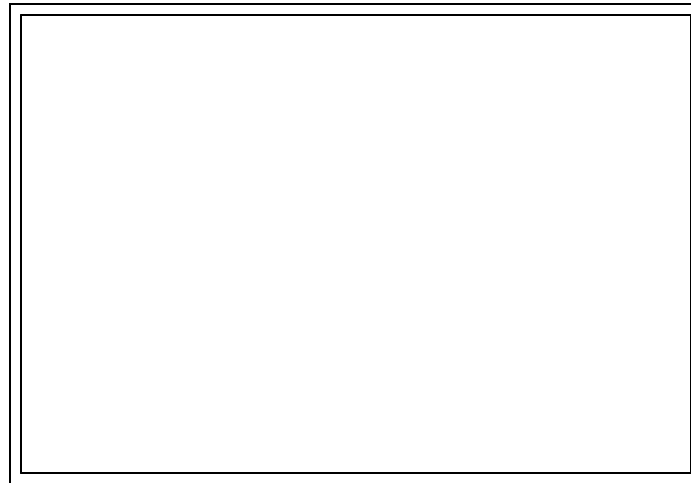
### Percent having heard of Destination



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.

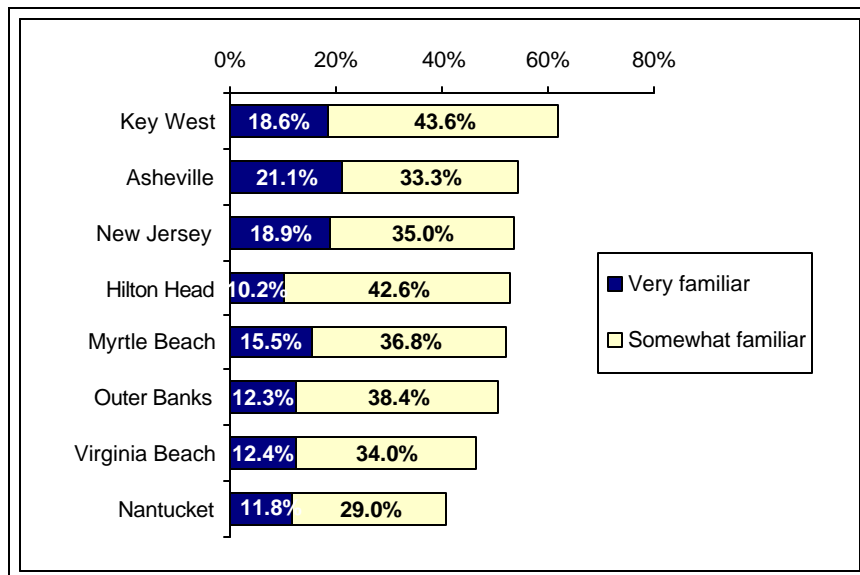
When considering measures of familiarity, it seems that travelers are more familiar with all the destinations this year as compared to 2002. On quite a positive note, the percentage of people that correctly named its home state doubled -- the greatest improvement among the destinations considered in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

**Percent having heard of Destination and Correctly Naming its Home State**



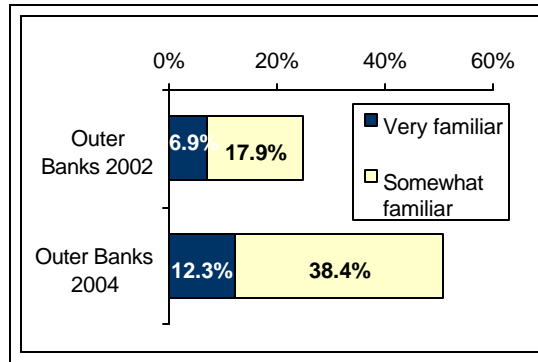
Finally, the respondents who had heard of a destination were asked to indicate their level of familiarity with the area. Among all the measures, this is the most conservative and probably the *most meaningful*. People who claim familiarity have greater knowledge and awareness of the destination. When 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.

The depth of familiarity (% very familiar) increased in all market areas.

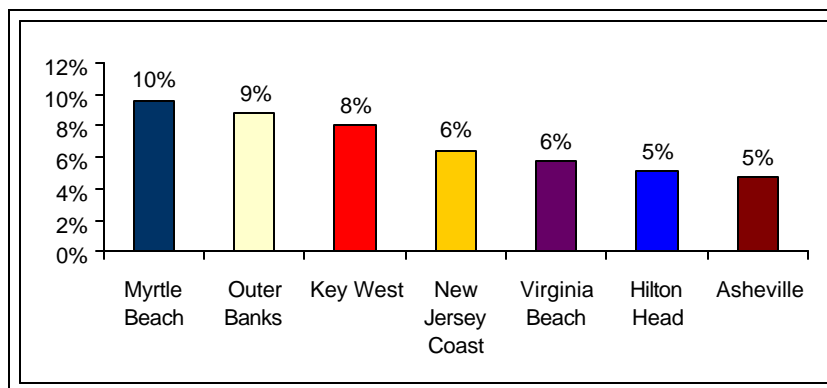
### Market Awareness & Familiarity of Outer Banks

|               | 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

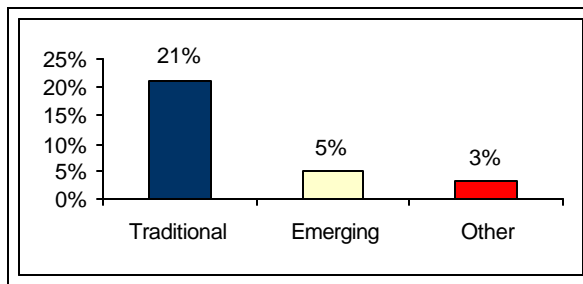
The name recognition and familiarity ratings are good. Ultimately, however, the goal is to generate visitation. The Outer Banks has generated a reasonable level of past visitation, trailing only Myrtle Beach.

### 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*.

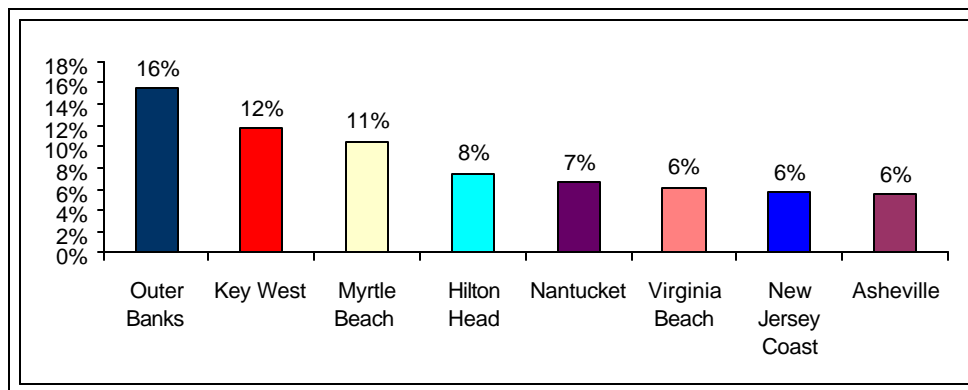
**Ratings of Destinations as Vacation Spots**

|                  |      |
|------------------|------|
| 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.

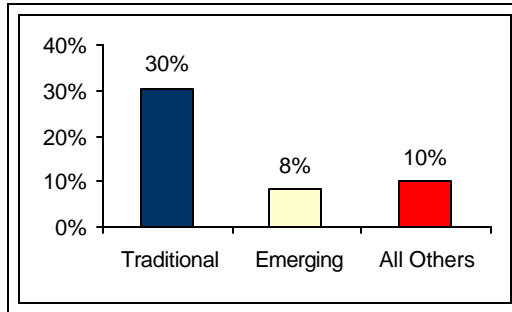
The most encouraging finding is noted when future travel intentions are considered. Respondents were asked whether they were considering each area for a leisure trip in the next two years. The Outer Banks was the leader, with over 15% indicating interest in visiting the area. Of course, this does not 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. 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.

**Future Travel Intentions to Outer Banks**



## 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%   |

area  
mind  
the  
the

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 4point 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.

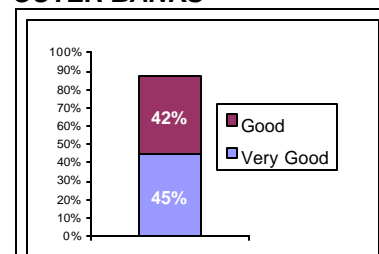
### Vacation Ratings for the Outer Banks

|  | Overall     | Traditional | Emerging    | All Others  |
|--|-------------|-------------|-------------|-------------|
| <b>Beautiful beaches</b>                 | <b>3.61</b> | <b>3.61</b> | <b>3.63</b> | <b>3.58</b> |
| A clean, safe environment                | 3.41        | 3.46        | 3.56        | 3.25        |
| Fishing opportunities                    | 3.44        | 3.52        | 3.54        | 3.27        |
| <b>Scenic areas or scenic drives</b>     | <b>3.37</b> | <b>3.39</b> | <b>3.39</b> | <b>3.32</b> |
| 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        |
| <b>Good restaurants</b>                  | <b>3.00</b> | <b>3.09</b> | <b>2.91</b> | <b>2.90</b> |
| 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        |
| <b>Good shopping opportunities</b>       | <b>2.51</b> | <b>2.58</b> | <b>2.41</b> | <b>2.45</b> |
| 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.

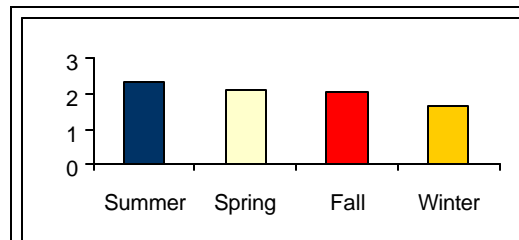
Of those having heard of the Outer Banks, most consider the destination a good place to take a leisure trip, rated by one-half as "very good."

### OVERALL RATING FOR OUTER BANKS



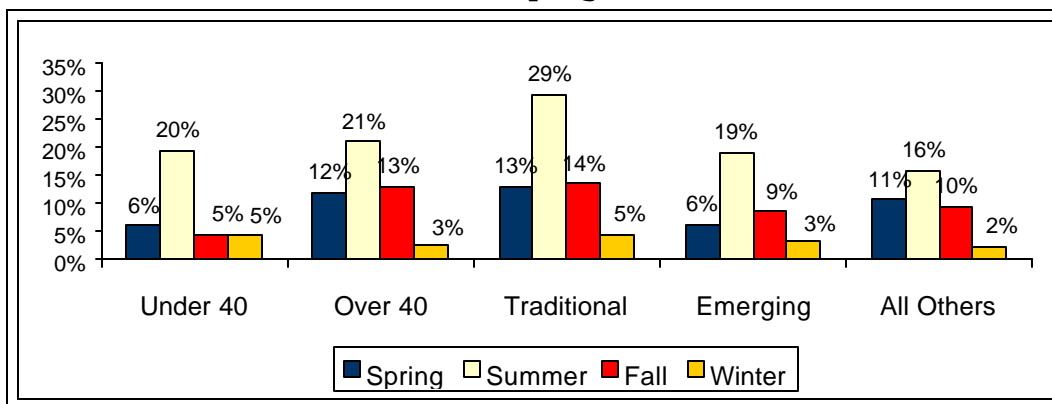
Given that the Visitors Bureau is charged with generating business during the shoulder seasons, the research explored whether increased awareness has also altered the seasons within which consumers visit the Outer Banks. Respondents were asked to rate, on a 4-point scale, how likely they would be to 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 100<sup>th</sup> 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.



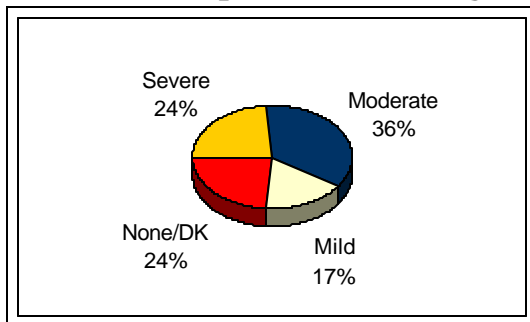
Finally, the research gathered some information regarding when people begin planning their trips to provide insight into when the area should expect advance bookings.

### **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.

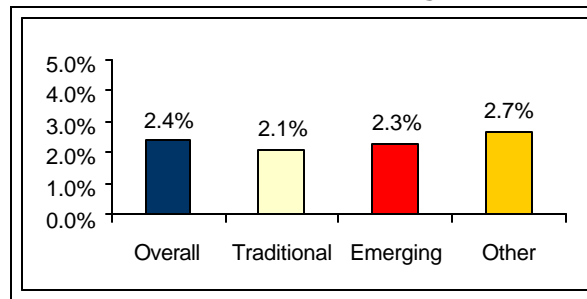
### Perceptions of the Site of Damage

#### 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.

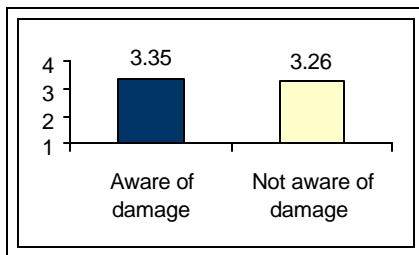
#### Less Likely to Visit the Outer Banks because of Damage



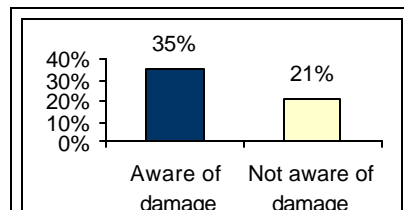
Because so few people indicated being less likely to visit, it is not possible to determine their perceptions of the damage. Generally, the few people who were negatively impacted believed that severe damage was done to the beaches and, to a lesser degree, the hotels.

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

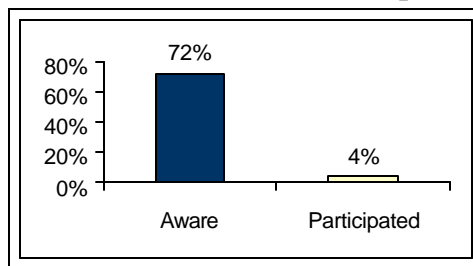
area's offerings as a tourist destination. As such, few people will be deterred from visiting, and perceptions of the hurricane damage are unlikely to negatively influence visitation this season.

### **100th Anniversary of Flight**

While Hurricane Isabel generated negative publicity for the Outer Banks, the area also hosted a major nationwide event – the 100<sup>th</sup> Anniversary of Powered Flight. This national celebration reenacted 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.

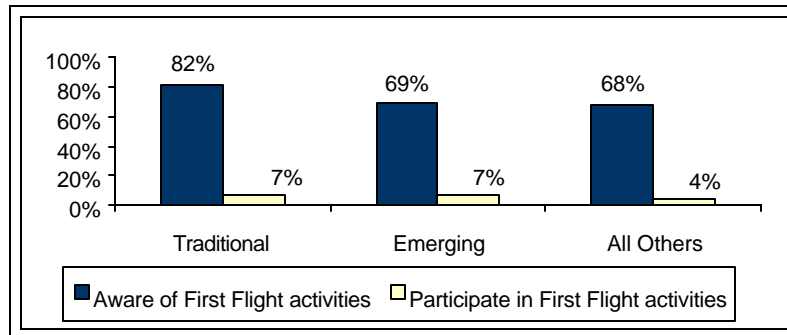
This event generated widespread awareness, with over 70% of respondents indicating awareness of the celebration. At the same time, few people actually participated in any of the activities.

**Awareness & Participation  
in 100<sup>th</sup> 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**

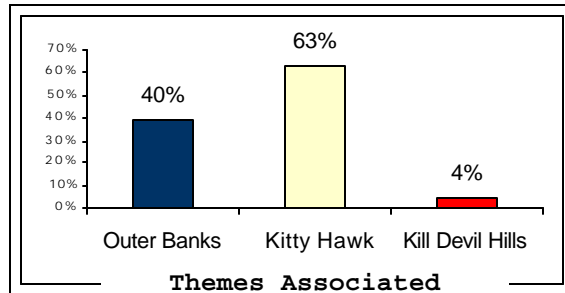


Most people associated the celebration with Kitty Hawk, while over one-third were aware that the celebration took place in the Outer Banks. On the other hand, few had any awareness of Kill Devil Hills as the site of the celebration.

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.

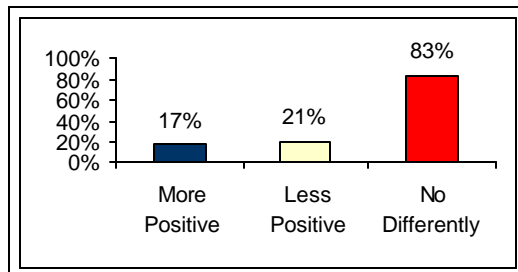
### Awareness of Site of 100<sup>th</sup> Anniversary



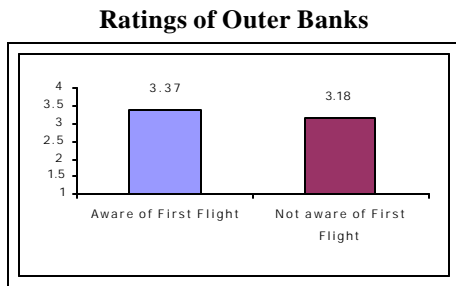
### Themes Associated with First Flight Anniversary

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

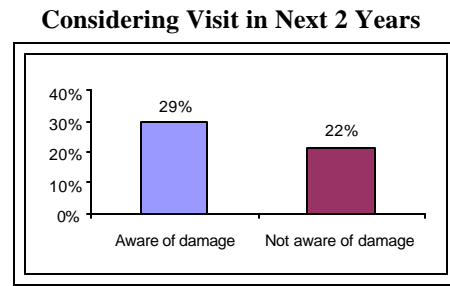
### Impact of First Flight Celebration



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 100<sup>th</sup> Anniversary of Powered Flight generated

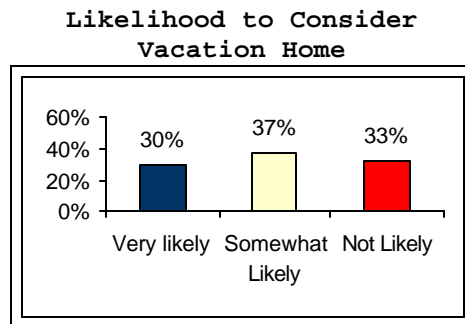


increased awareness of the Outer Banks. The event seemingly created greater familiarity with the area and positive imagery. While consumers generally associated the event with Kitty Hawk, ancillary awareness of the Outer Banks was generated overall. While this event generated positive influence, it seems 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 option are more likely to consider visiting Outer Banks in the next two years. While are not interested in this option, they are the minority and, since other options are available in the area, no problem is apparent.



this the some

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**

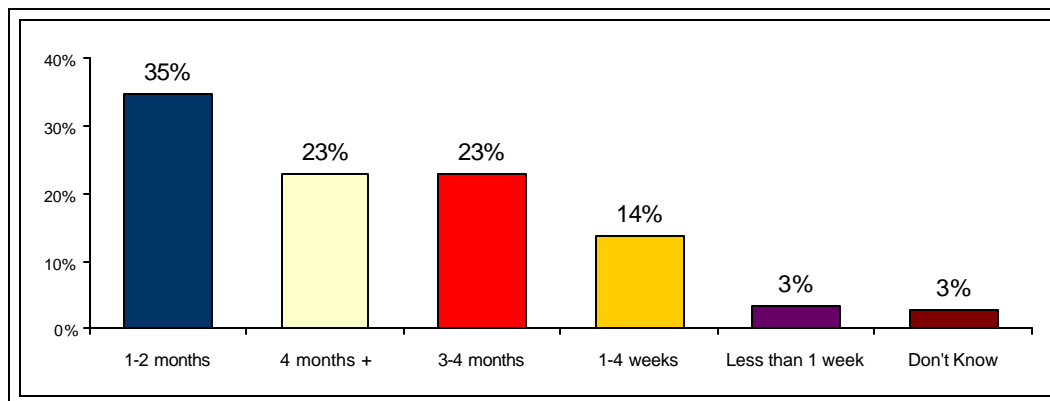
|  |     |
|--|-----|
| Convenience/amenities of hotel             | 28% |
| Don't stay long enough/like to move around | 27% |
| Expensive                                  | 20% |
| Just like hotels                           | 14% |
| Too much space                             | 8%  |
| Too hard to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

## **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**

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