Strategic Marketing & Research, Inc.

Outer Banks
Visitor Satisfaction Research

Research Findings

June 2001

Table of Contents

Executive Summary

The objectives of this research were broad in scope and included an assessment of the tourism market for the Outer Banks, a review of the current accommodations situation in the area, visitor profiling, an evaluation of visitor satisfaction, and review of trends or factors that might impact visitation. The goal is to provide valuable information for more effective marketing efforts.

- ✓ Travel among Outer Banks visitors and to the Outer Banks appears to have increased over the past few years. More visitors report that their trips increased (19%) than those who report that their travel decreased in 2000. In addition occupancy rates have increased from 4 to 12 percentage points for rental homes and from 4 to 7 percentage points for hotels depending upon the season. One exception in the increasing occupancy was observed during the 1999 shoulder season, which may have seen a decline in occupancy of 9 percentage points potentially related to Hurricane Floyd.

- ✓ One of the most defining characteristics of visitors to the Outer Banks is their loyalty. Visitors to the area average over one trip per year with a three year average of 3.6 trips. In any given year approximately 59% (1999) of visitors are annual visitors.

- ✓ High levels of repeat visitation are at least partially attributable to the type of visitors attracted to the Outer Banks. More than half (54%) of visitors say that they prefer a familiar destination that they have visited in the past as opposed to a new destination.

- ✓ Visitors are well-educated, upper middle class families or couples. While 68% of households nationally are couples, many more Outer Banks visitors (89%) are couples. Likewise the share of Outer Banks visitors who have kids is 45% as compared to 36% nationally. PRIZM profiles for the Outer Banks show that visitors come from the top economic tiers of small towns, second cities, suburban areas, and rural areas. They are not as likely to come from large urban centers.

- ✓ Satisfaction measures show that high satisfaction contributes to repeat visitation. Two-thirds (66%) of visitors report that the Outer Banks is their favorite East Coast destination. And when visitors rated the Outer Banks on a 4-point scale, their average score for the destination was 3.67 – significantly better than even the next highly rated destination the Florida Keys, which was rated 3.41.

- ✓ While satisfaction is high, expectations are also high since most visitors have been to the Outer Banks and know what to expect. As such it is difficult to exceed visitor expectations. Overall, this measure showed that performance is not exceeding expectations, but is not failing to meet them either. However, among first time visitors expectations are not being met, which suggests that the true challenge is converting these visitors to loyal visitors. Or perhaps the challenge is attracting the appropriate audience for trial visits.

- ✓ Specific attribute ratings showed that the landscape (clean environment and beautiful beaches) is most important to visitors and performance exceeds expectations in this area. Attractions and entertainment is less important comparatively, but some specific attributes fail to meet expectations – namely arts or cultural and music.

- ✓ Accommodation ratings show that quite high expectations are not being met. Specifically, the hotels that have lower ratings than expectations whereas the rental properties and condos have better ratings.

- ✓ Among visitors from the past few years 29.2% did not return to the Outer Banks. Although this is a low percentage, understanding why they did not return may be insightful to marketing efforts. Among these non-returning visitors 54% are considering the Outer Banks for a future visit and 46% are not considering the Outer Banks. These two groups differ significantly in their reasons for having not returned.

- ✓ One hypothesis being tested was that worsening overdevelopment and related issues may be impacting visitation. Although high percentages of visitors say that traffic (75%), overcrowding (60%), and overdevlopment (65%) have gotten worse; those who have stopped coming were no more likely to say that these things have gotten worse. This suggests that these are not contributing factors to the non-returns.

- ✓ Non-returning visitors who are not considering the Outer Banks appear to not return because they are more likely to prefer new destinations (59%) as compared to overall visitors (46%) or loyal visitors (71%). This is supported by the fact that they have visited more destinations in the past three years. As such, this segment does not make a good target for increased visitation.

- ✓ Non-returning visitors who are considering the Outer Banks have not returned because they take fewer trips in general and have taken fewer during 2000 as compared to 1998 and 1999. This group is more sensitive to cost of accommodations, lodging taxes, and gasoline prices. This suggests that life changes may be impacting their travel budget and the only way to increase travel is to offer them money saving promotional offers.

- ✓ The impact of Hurricanes upon visitation was considered. Hurricanes do appear to have an impact upon travel to the Outer Banks since those who did not return were more likely to say that they have changed travel plans because of a hurricane. However, it is not nearly as big of a factor as things such as personal financial situation, illness, lack of time and several other factors. In addition, those most likely to change destinations because of hurricanes are people who want to try a new destination anyway.

- ✓ Generating more visitation appears to be best approached by attracting new visitors who are similar to existing loyal visitors. This means attracting visitors who prefer familiar destinations to new destinations and visitors who enjoy relaxed versus active destinations.

- ✓ Promoting things that are important to loyal visitors will help to build loyalty. These things are the clean environment, beautiful beaches, fishing, and good restaurants. However, generating an initial trial visit may differ somewhat. Looking at new visitors who returned, things like scenic areas/drives, historic sites, and beautiful beaches are most important.

- ✓ Attracting new visitors with potential for becoming loyal visitors will require marketing to an audience that is at the appropriate life stage. Demographics of return tryers suggests that this audience is younger (44 - 46 years) and much more likely to have kids (55%) as compared to loyal visitors. Although their household incomes are lower ($78,500) than current loyal visitors ($82,619), they are still very upscale and well-educated. They were also more likely to be female suggesting that perhaps the initial appeal of the Outer Banks comes from women.

Background & Objectives

Over time, the Outer Banks of North Carolina has enjoyed steady popularity and growth as a vacation destination. Yet, in the face of a more competitive environment and more aggressive marketing of vacation destinations, the Outer Banks Visitors Bureau has recognized the need to stay atop market changes and visitation patterns in order to plan for future marketing efforts. As such, the Bureau wants to explore any issues that may be negatively influencing visitation, or may have the potential to do so, and to gain a better understanding of its visitors. This research effort was conducted to assess the existing situation and enable the development of more effective marketing.

Since the informational needs of this study were broad in scope, several primary goals were identified. The goals of this study were to assess the market, including a review of the current accommodations situation in the area, profile visitors, assess visitor satisfaction, and observe trends or factors that might impact visitation. The specific objectives of this research effort include:

- ✓ Examine trends in accommodations relative to occupancy and room rates.
- ✓ Develop profiles of visitors and identify any changes over the past few years.
- ✓ Explore the visitor experience and measure satisfaction with the Outer Banks as a vacation destination. Identify the drivers of satisfaction and loyalty.
- ✓ Investigate various external factors such as increased competition, gas prices, weather, etc. that may be influencing changes in visitation.
- ✓ Provide conclusions and recommendations regarding marketing the Outer Banks and attracting new visitors.

Methodology

To accomplish the objectives of this research it was necessary to interview visitors from the past few years. This was accomplished by contacting people who had stayed at local hotels and motels as well as local rental properties during a specified period provided the best option, since alternative methods such as collecting names at various locations would not provide visitors from previous years. In addition, a phone methodology was used to ensure non-response bias and to provide for timely data collection. As such, names and contact information of visitors from 1998 through 2000 were obtained from participating hotels and rental properties.

Over 70,000 visitor records were obtained from various accommodations. These were PRIZM coded and analyzed to learn more about the demographics and psychographics of visitors. The visitor contact information was also used for the telephone survey. In order to assure representation across years and by types of accommodations, the quotas shown in the table below were established. In total, 500 interviews were completed, with 200 completes for 2000 visitors, 300 completes for 1998 and 1999 visitors, and 250 each for hotels/motels and rental/real estate properties. The total sample has a maximum sampling error of plus or minus 4.47%

Category	Quota
2000 Hotel / Motel	100
2000 Rental / Real Estate	100
1998 & 1999 Hotel / Motel	150
1998 & 1999 Rental / Real Estate	150

Data collection was conducted from SMRI's call center using computer-aided technology. A copy of the survey instrument is included in the Appendix. Upon completion of the interviewing, the data were cleaned and coded for analysis purposes. Data analysis was conducted and statistical tools such as factor analysis and regression were used to clarify the data.

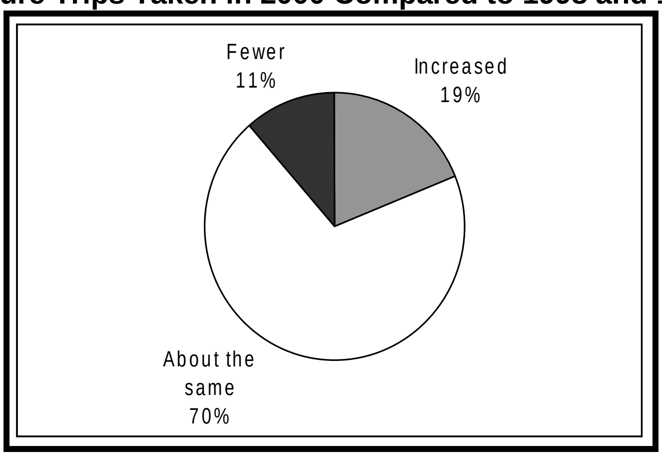
In addition to interviewing visitors, properties were surveyed regarding their room supply, occupancy, and room rates. This was conducted via a mail survey sent to the properties by the Outer Banks Visitors Bureau. In total 17 properties returned surveys which were data entered and the results analyzed. The following report highlights the key findings from all phases of this research effort.

Visitation Trends

One of the primary objectives of this research is to identify any changes or trends in levels of visitation. The optimal method for measuring trends would be a tracking study over time, which this study has the potential to provide. However, at this point, only one round of surveying has been conducted. As such it was important to capture visitors from multiple years and to look into their previous travel behavior as well as future travel intentions.

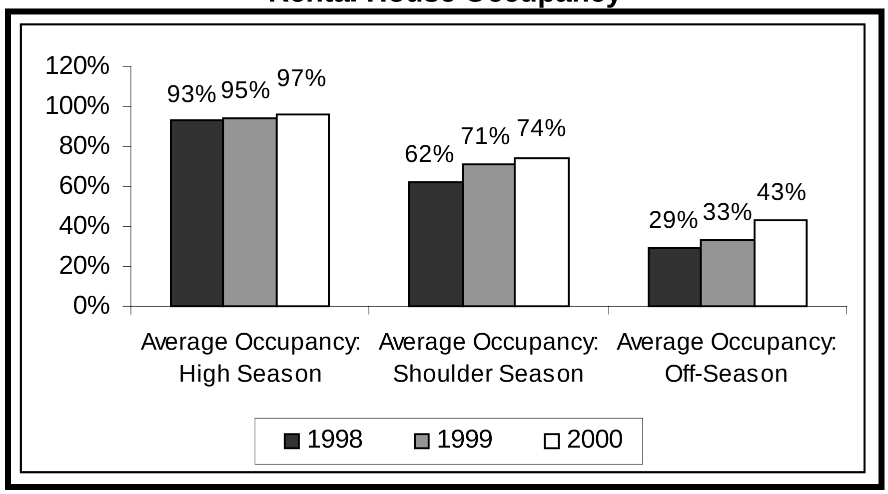
Among past visitors to Outer Banks, travel appears to have increased slightly in 2000. While most visitors (70%) say that they have taken about the same number of trips in 2000 as compared to 1998 and 1999, those who say the number of trips increased outnumber those who say they took fewer trips 19% to 11%. Thus, the net increase applies to about 8% of past visitors. Yet the increase was probably minimal in number of trips and it appears not to be a continuing trend. Visitors report that they anticipate taking, on average, 2.9 leisure trips that involve at least three nights stay in 2001, which is the same number of trips they took in 2000.

Leisure Trips Taken in 2000 Compared to 1998 and 1999



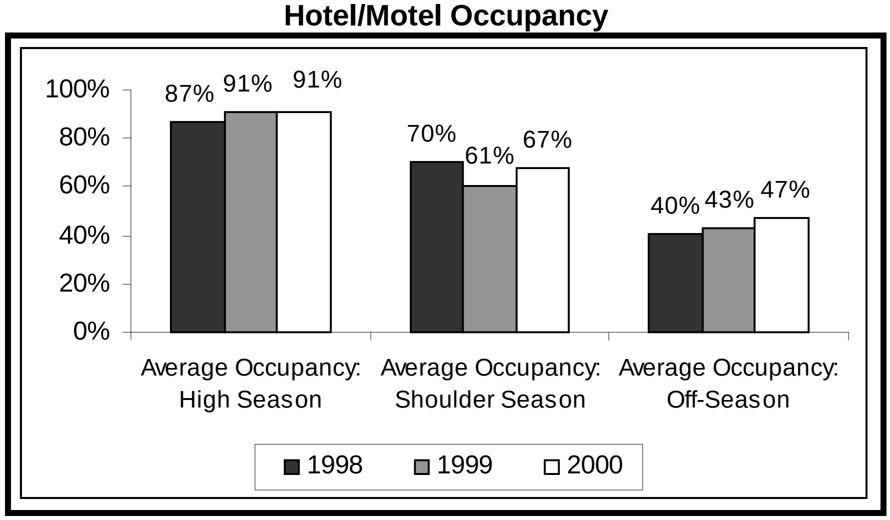
The reported increase in number of trips taken by visitors in 2000 could translate to more trips to Dare County. In fact, trends in occupancy rates reported by lodging properties do suggest increased travel to the area during 2000, but suggest there has been a gradual increase from 1998 to 2000. Over this time period, rental properties have increased their occupancy by 4 percentage points during the high season, 12 points during the shoulder season and 13 points during the off-season.

Rental House Occupancy



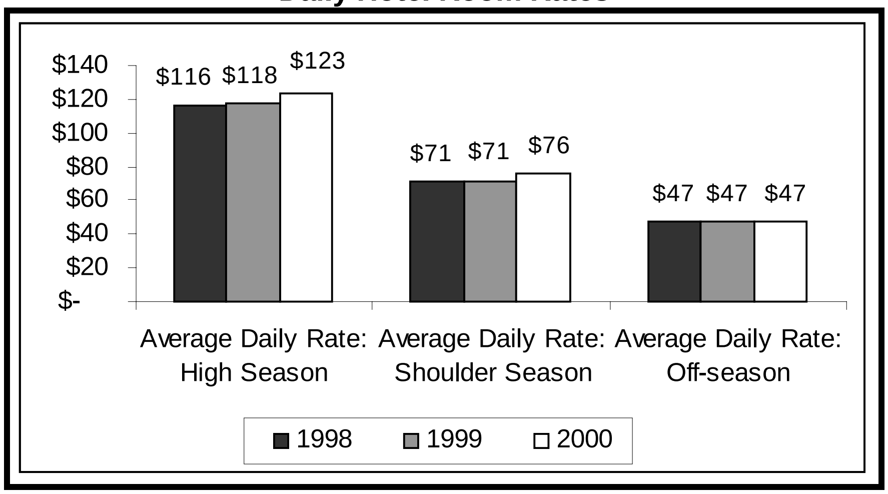
Hotel and motel occupancy figures tell the same story for the most part with occupancy increasing over the past couple of years during the high season and the off-season, however, occupancy during the shoulder season dropped substantially in 1999. This drop is most likely attributable to Hurricane Floyd as several properties mentioned having some units out of service due to the hurricane. However, occupancy did not return to its prior level by 2000.

Hotel/Motel Occupancy



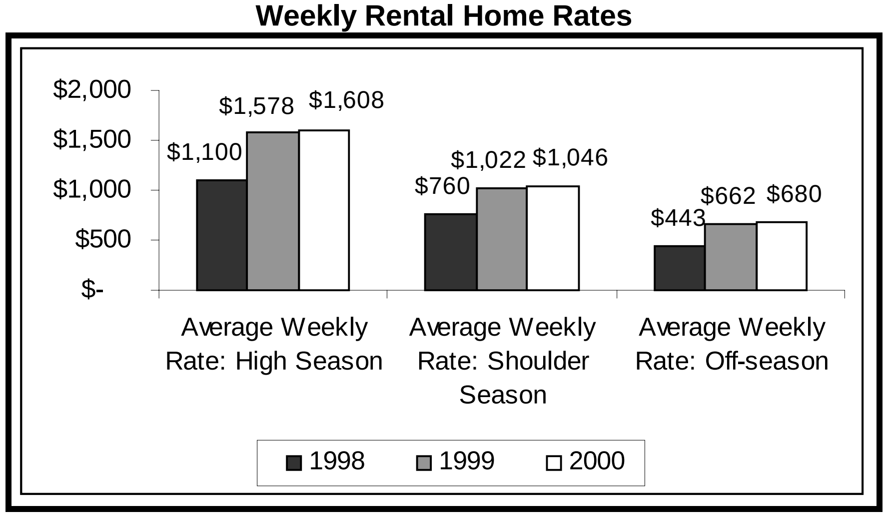
Additionally, trends indicate that the average daily hotel room rates increased somewhat in 2000 for the high and shoulder seasons.

Daily Hotel Room Rates



While hotel rates increased in 2000, weekly rental home rates jumped significantly in 1999 and increased a little more in 2000.

Weekly Rental Home Rates



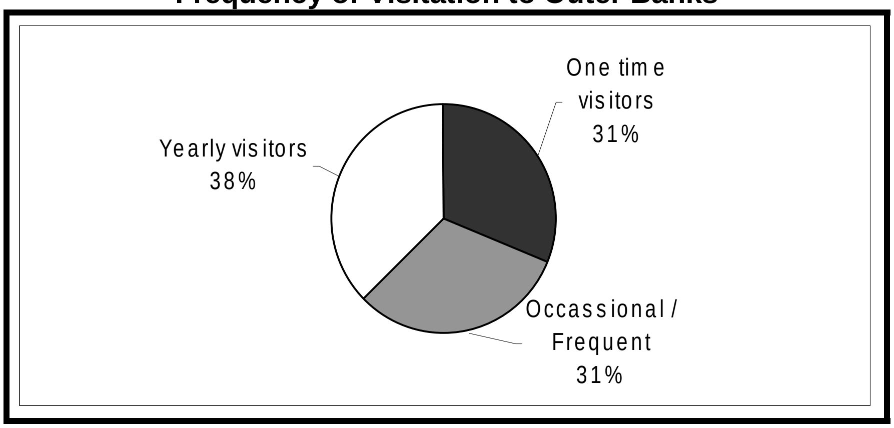
Since only 17 hotels and rental properties are represented in these trends, the results should be considered suggestive, since overall trends could differ from these particular properties. With the data available, these trends do not reveal any particularly alarming information and they look positive. Visitation appears to be increasing along with room rates and revenues The only trended data that may be cause for concern is the apparent hurricane related drop in hotel occupancy. As such, it will be important to better understand how hurricanes and the fear of hurricanes can impact visitation. The remainder of this report may also shed light on the increases in hotel occupancy.

Outer Banks Visitors

Another primary objective of this research was to profile and better understand visitors to the Outer Banks. While leads or those who request travel materials have been profiled in the past, that audience represents only a portion of visitors to the Outer Banks and perhaps the less familiar visitors. This study provides a better opportunity to understand visitors as a whole.

Perhaps the most defining characteristic of outer banks visitors is their loyalty. Visitors to the area average over one trip per year with a three year average of 3.6 trips. This frequency alone signals a high occurrence of repeat visitation, but even the share of visitors who make multiple trips is high. The pie chart below breaks visitors down by their frequency of visits. A sizeable share (38%) comes to the Outer Banks every year. This number is even higher as a percent of visitors from any single year. For example, 59% of 1999 visitors come annually. The number in the graph below is lower because it represents several years and one time or occasional visitors add up over time. Another 31% of visitors shown as occasional/frequent visitors have taken multiple trips to the area over the past several years bringing the total repeat visitation to 69%.

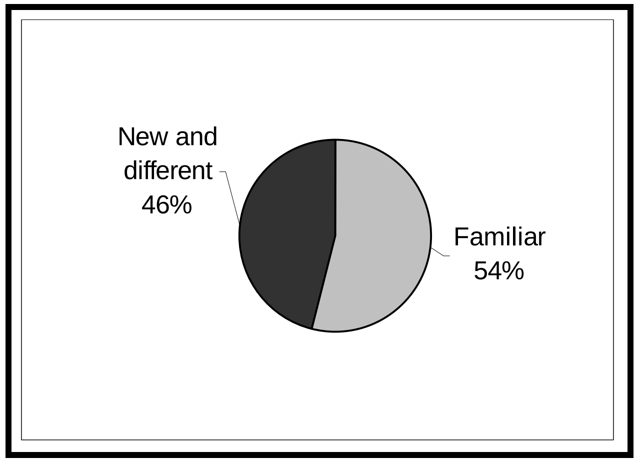
Frequency of Visitation to Outer Banks



*One-time visitors may have visited multiple times, but if so the multiple visits were prior to 1998.

Obviously Outer Banks visitors like the area or they would not have such a high occurrence of repeat visitation. However, another characteristic that may be impacting their tendency to return to the area is the fact that more than half of visitors prefer a destination that they have visited in the past and are familiar with. And, the data suggest that people are reluctant to admit that they prefer the same place since one-fourth of those who say they prefer new and different destinations (24%) travel to Outer Banks every year. The tendency of Outer Banks visitors to be the type of people who prefer the same destination rather than new destinations suggests that they are a risk averse audience.

Vacation Destination Preference



Outer Banks visitors are still fairly conservative when it comes to trying a new area of the Outer Banks during repeat visits. Just about half (53%) stayed in different areas of the Outer Banks when they returned. And given the high level of repeat visits this means that a lot of people are going back to the same place. In addition, lording information shows that new visitors tend to stay in hotels and repeat visitors stay in rental homes. Thus, the change may be a one-time shift that has to do with the switch from a hotel to a rental home. When asked why they changed, 20% said it was to go to a nicer hotel or rental home which may actually reflect this change. Other common reasons for changing locations were for a quieter area, better value for the money, and some switched to an area with more things to do.

Reason for changing areas	%
Area that was quieter	33%
Better value for money	27%
Nicer hotel or rental home	20%
Area with more things to do	16%
Bigger cottage	7%
Try different location	6%
Friends and family	3%
Time share	1%
Miscellaneous Other	7%

The areas in which visitors stay has tended to remain fairly constant over time with only a couple minor exceptions. Visitors are most likely to stay at Nags Head, Kill Devil Hills or Duck and have been more inclined to stay at these locations for the past few years. This stability suggests that people are fairly loyal to their area of the Outer Banks as well as to the Outer Banks overall.

Which Outer Banks area did you stay at prior to 1998?	1998	1999	2000
Nags Head	27%	29%	27%
Kill Devil Hills	19%	22%	20%
Duck	22%	18%	17%
Kitty Hawk	11%	13%	14%
Hatteras Island	11%	13%	11%
Corolla	5%	4%	5%
Avon	2%	1%	2%
Ocracoke	1%	2%	2%
Rodanthe	1%	1%	2%
Salvo	0%	1%	2%
Manteo or Roanoke Island	2%	2%	1%
Waves	0%	0%	1%
Miscellaneous others	6%	5%	5%

Visitor behavior tends to define those visitors and for Outer Banks visitors it demonstrates that they are loyal people who enjoy the comforts of a familiar destination. However, demographics profile visitors in a more useful way for marketing efforts. For the most part, visitors are well-educated, upper middle class families or couples. They are much more likely to be married and have kids compared to national demographics. Nationally 68% percent of households are made up of couples whereas 89% of Outer Banks visitors are couples. The percent of households in the U.S. with kids is just 36% while it is 45% among Outer Banks visitors. Since the Outer Banks get such high level of repeat visitation it is no surprise that the demographic profile has not changed over time. The profile of visitors prior to 1998, in 1998 and in 1999 is essentially the same as the 2000 profile below.

	2000 Visitors
Age	**49**
Income	**$82,962**
Marital Status	
Single	**11%**
Not single	**89%**
% With Kids	**45%**
Last Grade of School	
Less than high school	**0%**
High school	**16%**
Some college/technical school	**33%**
College graduate	**28%**
Post graduate	**23%**
Ethnic Heritage	
Caucasian/White	**96%**
African American	**1%**
Hispanic/Latin American	**1%**
Asian or Pacific Islander	**1%**
Native American	**0%**

Other	**1%**

To provide a richer profile of visitors, SMRI used the PRIZM geo-coding classification system in addition to standard demography. The PRIZM system classifies households, by address, into 62 clusters. Each cluster demonstrates similar characteristics and consumption behavior. PRIZM allows the classification of visitors without survey data and, therefore, the entire database of visitors was PRIZM coded and analyzed. This provides a good profile of visitors to the Outer Banks over the past two years.

There is a wealth of PRIZM data relative to each cluster including demographics, travel behavior and, most importantly, media usage. Thus, once a target profile of PRIZM clusters has been identified, the best media options for reaching that audience can be determined. In addition, mailing lists can be purchased by PRIZM code to facilitate direct marketing efforts. Additional information about PRIZM is included in the Appendix.

The PRIZM system groups clusters by population density - urban (U), suburban (S), Second City (C), Small Town (T) and Rural (R). The PRIZM groups also show affluence factors with a 1, 2, or 3 after the population density letter. A (1) represents the most affluent group for that population density segment whereas a (3) represents the least affluent. The 12 PRIZM clusters shown below account for over half of Outer Banks visitors, whereas they account for only 19% of the national population. As such they would make good potential for marketing efforts. The profile for Outer Banks visitors indicates that visitors are not likely to come from urban areas, but from a mix of small towns, second cities, suburban, and rural areas. Within these geographies, however, they are among the top economic tiers as indicated by the number (1) in the group column.

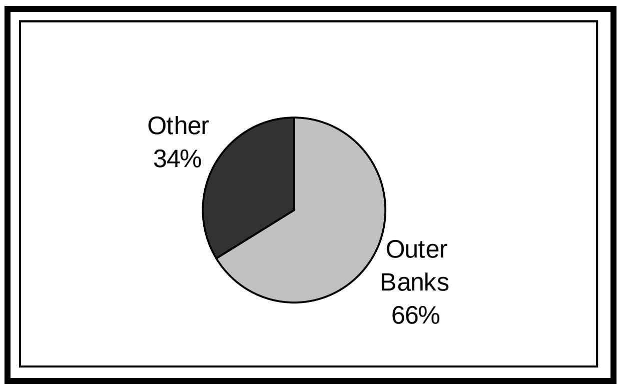
Cluster	Group	PRIZM Code	National Distribution	All Dare County	Index
Second Cities					
Second City Elite	C1	11	1.0%	3.7%	382
Upward Bound	C1	12	2.3%	4.8%	205
Rural					
Big Sky Families	R1	41	1.0%	2.9%	303
Blue Blood Estates	S1	01	0.5%	2.6%	572
Suburban					
Winner's Circle	S1	02	2.0%	5.6%	276
Kids & cul-de-sacs	S1	05	2.7%	6.8%	251
Executive Suites	S1	03	1.6%	3.6%	222
Pools & Patios	S1	04	1.9%	3.1%	158
Small Towns					
Country Squires	T1	14	0.9%	5.2%	593
God's Country	T1	15	2.4%	9.5%	395
Greenbelt Families	T1	17	1.0%	2.5%	252
Big Fish, Small Pond	T1	16	2.0%	3.6%	182
Total			**19.3%**	**53.9%**	

The loyalty of Outer Banks visitors is a clear benefit representing stability for the local tourism industry. Yet, given that a large share of visitors are repeat customers, their satisfaction is even more important. A lost visitor is several lost trips. As such, it will be important to carefully consider current satisfaction and understand how to maintain good levels of satisfaction.

Visitor Satisfaction

As with any destination, visitor satisfaction is crucial to the retention of visitors. For the Outer Banks, assessing satisfaction among visitors can be a challenging task since visitors are quite loyal and would be expected to give high ratings. Thus, a couple of different measures of satisfaction were used. The first measure used was a measurement of satisfaction that put the Outer Banks into context of other East Coast destinations. Respondents were asked to name their favorite East Coast destination. Since visitors keep coming back to the Outer Banks one might expect that many would say their favorite destination is the Outer Banks. This was the case with two-thirds of visitors reporting that the Outer Banks is their favorite destination.

Favorite East Coast Destination



A more direct measure of satisfaction was also used whereby respondents were asked to rate the East Coast destinations that they have visited on a 4 point scale where the higher the number, the better the destination for a vacation. In this context Outer Banks outscores all other destinations by a significant margin with an average score of 3.7 compared to 3.4 for the next best destination – the Florida Keys. A 3.67 score is very good and indicates continued strong loyalty.

Rating of destinations visited

	Total		Total
Outer Banks	3.67	Ft. Myers	3.03
Florida Keys	3.41	Morehead/Crystal Coast	3.02
Destin/Ft. Walton Beach	3.17	Tampa/St. Pete/Clearwater	2.99
West Palm Beach	3.11	Daytona Beach	2.88
Hilton Head Island	3.08	Panama City	2.82
Wilmington/Cape Fear	3.07	Ft. Lauderdale	2.77
Myrtle Beach	3.03	New Jersey Coast	2.75

To put these satisfaction scores into a more meaningful context, respondents were asked if the destination was better than expected, about the same as expected or worse than expected. The rating for each destination among those who said it was about the same as expected would then be the expectation for that destination. As the table below shows, expectations for the Outer Banks is 3.66 or well above any other destination. Other destinations received expectation scores ranging from 2.70 up to just 3.30. Outer Banks visitors know what to expect and have high expectations because they have been there before. Because of this it is difficult to exceed expectations, but doing so leads to greater satisfaction.

	Expectations		**Expectations**
Outer Banks	3.66	Tampa/St. Pete/Clearwater	2.98
Hilton Head Island	3.30	Wilmington/Cape Fear	2.90
Florida Keys	3.20	Morehead/Crystal Coast	2.89
Destin/Ft. Walton Beach	3.13	Daytona Beach	2.86
Myrtle Beach	3.12	Panama City	2.77
Ft. Myers	3.00	New Jersey Coast	2.71
West Palm Beach	3.00	Ft. Lauderdale	2.70

By comparing the average scores for all visitors to each destination to expectations for that destination, actual performance compared to expectations becomes clearer. The Index scores below are calculated by dividing the rating by expectations and multiplying by 100. Indexes above 100 indicate that expectations are being exceeded, whereas indexes below 100 indicate that expectations are not being met for the particular destination. Thus compared to expectations the Outer Banks is meeting, but not exceeding expectations of its visitors. But as already mentioned it would be hard to exceed expectations when visitors are repeaters and know what to expect. While several other destinations exceed expectations of visitors, this too might be expected given a sample of Outer Banks visitors which is probably not representative of regular visitors to those destinations.

	Expectations	**Rating**	**Index**
Florida Keys	3.20	3.41	107
Wilmington/Cape Fear	2.90	3.07	106
Morehead/Crystal Coast	2.89	3.02	104
West Palm Beach	3.00	3.11	104
Ft. Lauderdale	2.70	2.77	102
Panama City	2.77	2.82	102
Destin/Ft. Walton Beach	3.13	3.17	102
New Jersey Coast	2.71	2.75	101
Ft. Myers	3.00	3.03	101
Daytona Beach	2.86	2.88	101
Outer Banks	3.66	3.67	100
Tampa/St. Pete/Clearwater	2.98	2.99	100
Myrtle Beach	3.12	3.03	97
Hilton Head Island	3.30	3.08	93

Somewhat surprisingly the Outer Banks actually slightly exceeds the higher expectations of its yearly visitors while also exceeding expectations among frequent/occasional visitors. It tends to be first time visitors that give lower ratings than expectations showing that the true challenge is converting one-time visitors to loyal visitors. This will require not only the right product, but also generating trials from the right audience. It will be important to get people who are like the loyal visitors and who like the comfort of returning to the same destination rather than new destinations.

	Expectations	Rating	Index
First time visitors	3.46	3.38	98
Frequent/Occasional	3.58	3.70	104
Yearly	3.83	3.87	101

In order to better understand how to maintain or improve satisfaction, a similar analysis of specific attribute ratings was carried out. The table below shows the importance of various attributes to Outer Banks visitors as well as the average rating and index to indicate whether expectations are being met. Factor analysis was also carried out on the attributes to determine which ones were important to the same people. The factor analysis resulted in 3 different factors – attractions/entertainment, sports, and landscape.

The factor that holds the greatest weight in terms of expectations is landscape. For outer banks visitors, the scenery is very important, especially when it comes to the beaches and having a clean environment. Fortunately expectations are exceeded in these areas and the ratings are good.

Landscape	Expectations	Score	Index
Scenic areas/drives	3.34	3.46	104
Beautiful beaches	3.52	3.62	103
Clean environment	3.53	3.63	103

The attractions and entertainment are generally less important than the landscape, but would not be considered unimportant. Historic sites and good restaurants are especially important, whereas the other attractions and entertainment offerings are less important. The Outer Banks exceeds expectations for most of these attributes, but the two attributes with the lowest expectations– arts or cultural and music – are not exceeded. Perhaps there is room for improvement in these areas or perhaps expectations could be managed so visitors don’t have unrealistic expectations in these areas.

Attractions/Entertainment	Expectations	Score	Index
Historic sites	3.33	3.43	103
Good shopping	2.89	2.96	103
Good restaurants	3.29	3.35	102
Family attractions	3.09	3.15	102
Arts or cultural	2.49	2.48	100
Music	2.06	2.02	98

The final factor was sports and while fishing is somewhat important golf and sporting activities in general are not that important to visitors. Expectations are being met in this area.

Sports	Expectations	Score	Index
Fishing	3.29	3.43	104
Sporting activities	2.70	2.71	100
Golf	2.51	2.52	100

While accommodations ratings were not included in the attribute ratings, the same analysis was conducted on those scores. Expectations for accommodations are quite high and, in-fact, are higher than any of the attributes. This is an area where average ratings failed to meet expectations.

Accommodations	Expectations	Score	Index
Satisfied with accommodations	3.67	3.64	99

Satisfaction differs substantially by type of accommodation with the highest ratings for house rentals and condos. Despite having lower expectations the average ratings for hotels are below expectations.

Accommodations by Type	Expectations	Score	Index
Familiar chain hotel with amenities	3.57	3.50	98
Familiar chain hotel without amenities	3.57	3.31	93
Non-chain hotel	3.58	3.36	94
Condo or timeshare	3.67	3.73	102
House rental on beach	3.79	3.85	101
House rental not on beach	3.79	3.74	99

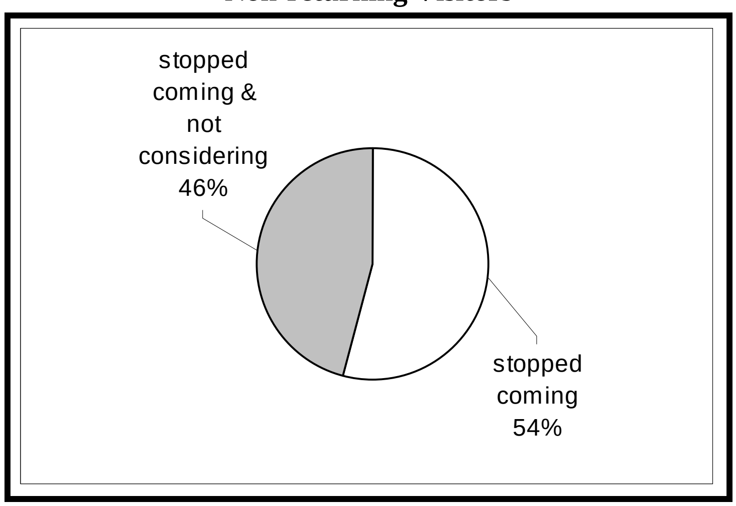
These ratings and expectation scores suggest that visitors expect a fairly “laid back” vacation. They want to come to enjoy the beauty of the beaches, take in a few historic sites and dine at good restaurants without the drawbacks of an otherwise dirty environment or dissatisfying accommodations. Regression analysis was carried out to determine which attributes had the greatest impact upon satisfaction and exceeding expectations. The results showed that good restaurants had the greatest impact upon satisfaction, but beautiful beaches had the greatest impact in exceeding expectations. Thus both are deserving of efforts to convert one-timer visitors to loyal visitors.

Lost Visitors

While visitors generally appear to be happy with the Outer Banks, a fact that is demonstrated primarily in their return visits, not all visitors return. Understanding the reasons why people did not return is the first step in overcoming problems if they exist or to more effectively marketing to generate repeat visitation. For this analysis visitors that came at least once previously but did not return in 2000 were grouped together for further analysis. Of visitors from the past few years 29.2% did not return to the Outer Banks.

While non-returning visitors have one thing in common – the fact that they did not return, they are not otherwise all alike. However, one characteristic does provide key insights into differences between them - that is whether or not they are currently considering the Outer Banks for a leisure trip in the next two years. Among all non-returning visitors, 54% are considering the Outer Banks for a leisure trip suggesting that they are not entirely lost customers. The remaining 46% are not considering the Outer Banks.

Non-returning Visitors



One hypothesis explored in this research was that over development or related issues may have been driving customers away. However, that appears not to be the case. Respondents were asked how traffic, overcrowding, quality of the beaches, rudeness of people, or over development have changed over time. The percentages below show the percent who believe these things have gotten worse. Relatively high percentages of visitors believe that traffic, overcrowding and over development have gotten worse. However, those who have stopped coming were no more likely to say that these things have gotten worse. In fact significantly fewer believe that overcrowding has gotten worse, which may suggest that they are less likely to be long-term returning visitors and perhaps don't know the level of overcrowding several years ago.

	Stopped coming but considering	Stopped coming not considering	Total
Traffic has gotten worse	74%	70%	75%
Overcrowding has gotten worse	53%	51%	60%
Quality of the beaches has gotten worse	13%	10%	13%
Rudeness of people has gotten worse	6%	7%	9%
Over development has gotten worse	58%	65%	64%

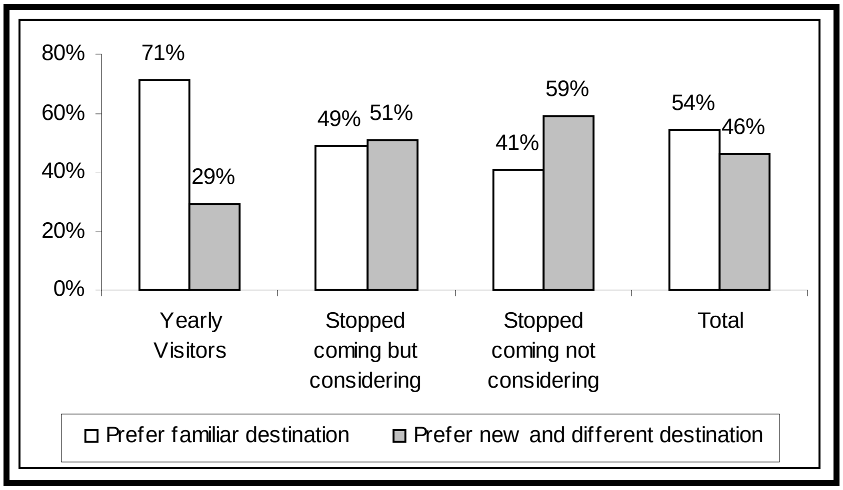
The fact that non-returning visitors are not more likely to believe that over development related issues have gotten worse is not conclusive evidence that these are not factors in their decisions not to return. Over development could, in fact, be more important to them whereas others place little importance on over development. That would be a question of how much worse things have gotten and how much people will tolerate. However, further review of the data provides evidence that there are other factors driving their decisions not to return.

Data already suggested that those who don't return are less familiar with the Outer Banks. This appears to be the case as they are less frequent visitors and many are first-time visitors. First time visitors are not going to know how things have changed over time, which helps to support the finding that over development is not a major factor. Yet, what is interesting is that those who are not considering the Outer Banks are much more likely to be first time visitors (81% are first-time visitors) as compared to those who are considering the Outer Banks. In other words, most of those who are not considering the Outer Banks were just trying the area.

	Stopped coming but considering	Stopped coming not considering	Total
First time visitors	64%	81%	31%
Occasional visitors	36%	19%	31%
Yearly visitors	0%	0%	38%

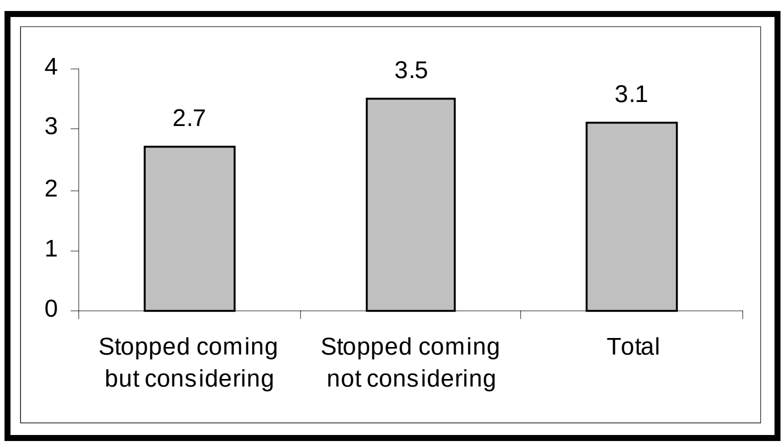
One factor considered in the determining why people did not return was their rating of the Outer Banks and specific attributes. These ratings were lower, however, less familiarity contributed to lower expectations, and their expectations were generally met or exceeded. Thus the product appears not to be the problem and perhaps looking to factors specific to these visitors and their personal preferences will be insightful. Since we know that many Outer Banks visitors prefer a familiar destination over one that is new and different, this may be a place to begin. This is a factor in the decision not to return. Those who have stopped coming but are considering the Outer Banks are more likely to prefer a new destination as compared to all Outer

Banks visitors. And preference for new destinations is even stronger among those who are not considering the Outer Banks.



Among those not considering the Outer Banks the preference for a new destination is confirmed when looking at the number of other destinations visited. They have visited 3.5 other destinations on average in the past three years as compared to 3.1 for all Outer Banks visitors. If they are going to other destinations they are not coming to Outer Banks. However, the opposite is true of those who stopped coming but are considering. They have visited fewer other destinations. And since their travel to Outer Banks is less frequent, this means that they travel less in general.

Number of Destinations Visited



Those who are not considering are more likely to have visited nearly all of the other East Coast destinations again reinforcing the point that they are not as potentially likely to become loyal Outer Banks visitors.

	Stopped coming but considering	Stopped coming not considering	Total
New Jersey Coast	89	124	23%
Hilton Head Island	95	124	12%
Myrtle Beach	98	95	29%
Wilmington/Cape Fear	50	135	17%
Morehead/Crystal Coast	69	140	13%
Tampa/St. Pete/Clearwater	74	103	19%
Ft. Myers	32	136	12%
Florida Keys	96	147	13%
Daytona Beach	87	115	11%
Panama City	29	237	4%
Destin/Ft. Walton Beach	55	259	5%
Ft. Lauderdale	110	97	14%
West Palm Beach	56	149	9%

The reason that people are not considering the Outer Banks is that they want to go to another destination; they want to try something new. This preference is not likely to be overcome by any marketing or promotional efforts. However, it is still not certain why those who are still considering the Outer Banks stopped coming. We do know that they travel less frequently in general, which is part of the reason, but this group also took fewer vacations in 2000 than in 1998 or 1999 as compared to all Outer Banks visitors. Perhaps other circumstances in their lives might be preventing travel to the Outer Banks.

Compared to 1998 and 1999	Stopped coming but considering	Stopped coming not considering	Total
Increased	20%	25%	19%
About the same	60%	69%	70%
Fewer	20%	6%	11%

In order to learn what factors impact travel to the Outer Banks visitors were presented with a list of things that might cause them to travel less and asked to indicate which have influenced them to take fewer trips or change the destination of a trip they were planning during the past couple of years or for the coming year. In looking at visitors who stopped coming but are considering the Outer Banks, economic factors are more prevalent as compared to all visitors. While they are less likely to say that their personal financial situation is a factor, they are more sensitive to the cost of accommodations, lodging taxes, and gasoline prices as indicated by the index values over 100. Thus special packages and promotional offers may encourage them to return when they otherwise would not. They are also more impacted by the availability of airline flights and to some degree by a fear of hurricanes.

	Stopped coming but considering	Stopped coming not considering	Outer Banks Visitors
Cost of accommodations in an area	117	101	44%
Additional lodging taxes or fees	115	74	24%
Increased gasoline prices	114	98	28%
Availability of airline flights	110	80	29%
Fear of hurricanes	105	112	37%
Cost of airline flights	97	81	44%
Safety concerns	95	103	47%
Lack of time	94	102	51%
Dissatisfaction with a destination	92	98	44%
Your personal financial situation	89	100	63%
Bad weather	88	100	37%
Illness	88	96	55%
Economic conditions	86	86	41%

A major factor that an East Coast destination such as the Outer Banks may need to be concerned about is hurricanes. Hurricanes do appear to have an impact upon travel to the Outer Banks as both groups of visitors who did not return indexed over 100 on this factor. However, not as many people have changed travel for hurricanes as compared to things such as personal financial situation, illness, lack of time, and several other factors. In addition the people most likely to change destinations because of hurricanes are people who want to try a new destination anyway. In addition many visitors are loyal and come despite the possibility of hurricanes. As might be expected, loyal visitors index below average at 93 for fear of hurricanes.

The two groups of visitors who stopped coming to Outer Banks stopped coming for different reasons. Those who are not considering the Outer Banks are not likely to return to the same destination over and over and would not offer good potential for future travel to the area. On the other hand those who are considering the Outer Banks again would offer potential for that fact alone, but the reasons they did not return to the Outer Banks suggest that they are not likely to convert to yearly visitors. They travel less overall and their travel has dropped off. Less travel combined with price sensitivity might indicate that they have lower incomes, but their incomes are actually higher than the for visitors overall. This might suggest that they are currently in a situation where they have less disposable income for travel. They are slightly more likely to have children and perhaps they are financing a new house or something that prevents travel for the moment. Regardless, they are likely to return at some point in the future, but promotional offers that save them money seems to be the only potential for getting them to visit more frequently.

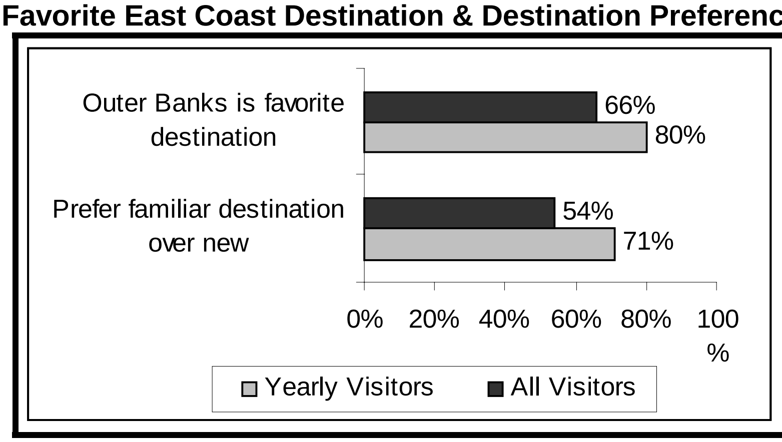
The real potential for increasing travel appears to come from neither of these groups and perhaps looking to loyal visitors would provide insight into how to generate more loyal visitors.

Building Loyalty

For the most part, visitors to the Outer Banks are loyal visitors who come every year if not more than once a year. Those who come and do not return make up a small portion of visitors and, for the most part, do not offer significant potential to become loyal visitors. By understanding who loyal visitors are and what attracts them to the Outer Banks it will be easier to attract others like them.

For visitors who come every year, obviously the Outer Banks is their favorite destination. Eighty percent of them acknowledge that and perhaps the remaining 20% come because it is a convenient getaway that they enjoy even though another East Coast destination is their official favorite. Regardless, the fact that they keep coming back alone shows that the like the Outer Banks. It also shows their willingness to travel to the same destination every year. Seventy percent of them actually prefer a familiar destination to a new destination. And those who say they prefer a new destination take more trips, on the average, allowing them opportunity to take trips to new destinations while continuing to visit the Outer Banks.

Favorite East Coast Destination & Destination Preference



In attracting new visitors with potential for becoming loyal visitors it will be important to promote the things that keep loyal visitors coming back. Loyal visitors know what to expect from an Outer Banks vacation and they obviously like it because they return. Their expectations tell what is important to them. In looking at the vacation features that are most important to loyal visitors it is the clean environment, beautiful beaches, fishing and good restaurants that keep them coming back. All of these things have expectation scores of 3.5 or more. The fact that only a few things get ratings this high suggests that people don't return for active vacations but rather for a relaxing experience. Promoting the relaxing experience is key in generating repeat visits.

Loyal Visitors	Expectations
Important	
clean environment	3.62
beautiful beaches	3.56
fishing	3.54
good restaurants	3.50
Menial	
historic sites	3.41
scenic areas/drives	3.37
family attractions	3.21
wildlife viewing	3.14
good shopping	3.07
sporting activities	2.82
golf	2.68
arts or cultural	2.58
music	2.07

The aforementioned features have the greatest potential to keep visitors coming back. However, before getting people to come back, it will be necessary to generate an initial trial visit, which may require a slightly different focus. Consider those who came to the Outer Banks for the first time in 1998 or 1999 and then continued returning. Since these return tryers have not been coming for years and are potentially at a different stage in their lives, they may have different expectations. In fact while this group is fairly inactive (since only three features are important to them), those particular features are more active. The things that are important to this group are the scenic areas/drives, historic sites, and beautiful beaches. In other words promoting the relaxing atmosphere with opportunities for a few casual activities such as scenic drives and historic sites will appeal to the appropriate audience for generating trial and repeat visits. Over time perhaps they will become more like loyal visitors and the good restaurants will become more important.

Return Tryers	Expectations
very important	
scenic areas/drives	3.69
historic sites	3.64
beautiful beaches	3.56
somewhat important	
clean environment	3.43
wildlife viewing	3.23
fishing	3.17
good restaurants	3.14
family attractions	3.13
unimportant	
good shopping	2.95
sporting activities	2.60
arts or cultural	2.55
golf	2.35
music	2.00

Where visitors stay is important to their Outer Banks experience. As already mentioned those who stay in condos and house rentals are most satisfied. However, new visitors are most likely to stay in hotels. Even those who recently started coming to the Outer Banks (return tryers) are still likely to stay in hotels. Eventually people are more likely to stay in condos, house rentals or other accommodation options as seen with yearly visitors. This suggests that a drop in hotel occupancy as seen in the 1999 Shoulder season could potentially have a negative impact upon house rentals several seasons out. It may also be helpful in retaining visitors in the long run to get them to see the benefits of the house rentals and if they so choose help them find one that is fitting for them.

	Return Tryers	Yearly Visitors	Total
Familiar chain with amenities	132	72	25%
Familiar chain without amenities	75	63	8%
Non chain with amenities	250	67	6%
Non chain without amenities	0	33	3%
Condo or timeshare	33	100	9%
House rental on beach	81	119	26%
House rental not on beach	56	119	16%
Cabin	0	200	1%
Cottage court	0	175	4%
Campground	300	200	1%
National park	300	0	1%
Family or friends	150	100	2%

Like the patterns seen with accommodations new visitors prefer different areas of the Outer Banks as compared to yearly visitors. Compared to visitors overall, yearly visitors are more likely to prefer Corolla, Duck, Nags Head and Hatteras Island. On the other hand, newer return tryers have a preference for Kill Devil Hills, Manteo, Kitty Hawk or other areas. However, it is less predictable that they will mock the behavior of the loyal visitors and change location preference. At some point, after a few visits, people probably decide which area they like best and stick with it. Perhaps these return tryers have found their area.

Favorite Outer Banks Area	Return Tryers	Yearly Visitors	Total
Duck	56	114	17%
Hatteras Island	102	105	14%
Kill Devil Hills	256	64	13%
Kitty Hawk	190	69	10%
Nags Head	30	112	32%
Manteo or Roanoke Island	238	63	2%
Corolla	95	152	5%
Ocracoke Island	0	88	1%
Avon	0	88	1%
Other Areas	119	88	4%

The final element in understanding the appropriate audience for marketing efforts is demographics. While targeting those likely yearly visitors seems appropriate it is important to remember that they have been coming for years and have aged and progressed in their life cycle. As such it makes more sense to target people when they are at the life stage where they are most likely to come for the first time. By looking at return tryers we can see the demos of people who started coming a few years ago and kept coming back. While their demographics may have aged by 2-3 years since their trial visit, this group is quite different from people who tried the Outer Banks and did not return. Compared to loyal visitors this segment is younger and much more likely to have children. While return tryers have lower household incomes, they are still upscale and well educated. They are also more likely to be female suggesting that perhaps the Outer Banks may appeal more to women.

	Yearly Visitors	Return Tryers	Stopped Coming
Average Age	**50**	**46**	**50**
% with Kids	**43%**	**55%**	**45%**
Marital Status			
Single	12%	12%	17%
Not single	88%	88%	83%
Average Income	**$82,619**	**$78,500**	**$82,586**
Education			
Less than high school	0%	0%	1%
High school	17%	12%	15%
Some college/technical school	35%	36%	23%
College graduate	30%	30%	35%
Post graduate	19%	21%	27%
Ethnicity			
Caucasian/White	96%	94%	93%
African American	2%	3%	4%
Hispanic/Latin American	1%	0%	1%
Asian or Pacific Islander	1%	0%	1%
Native American	0%	3%	0%
Other	1%	0%	1%
Gender			
Male	46%	39%	45%
Female	54%	61%	55%

Conclusions & Recommendations

The objectives of this study were broad in scope, and necessitated a broad view of the tourism industry in the Outer Banks area. The goals included identifying trends that may have impacted or have potential to impact future visitation. A key issue was to profile visitors and their satisfaction with the Outer Banks as s vacation destination, and to ensure that the area would experience continued growth.

One of the reasons for the study was a concern that occupancies in the area might be dropping. In fact, the first trend identified through the research was an increase in hotel occupancy among the 17 participating hotels and rental properties over the past three years. This in part is due to the strong loyalty among Outer Banks visitors who return year after year.

At the same time, a temporary drop in hotel occupancy was observed during the shoulder season of 1999. This drop appeared to be hurricane related and impacted hotels more than resorts. A review of the data found that this is because visitors who stay in hotels are more likely to be first time visitors, a group which indicated they are more likely to change travel plans because of hurricanes. This is an important point, because another trend that was identified was that first time visitors tend to stay in hotels, but as they become loyal visitors they move to rental properties. Therefore, the declines in hotel occupancy in the past have potential to impact house rentals over the next few years. The rental properties should be alert to this situation and make efforts to ensure that occupancy remains high.

There are several reasons why Outer Banks visitors demonstrate strong loyalty to the destination. First many Outer Banks visitors prefer to visit a familiar destination rather than a new and different destination. Many also stay in the same area of the Outer Banks when they return. Visitors as a whole establish a pattern and then continue to repeat it. This means that once a visitor is attracted to the area and returns, there is a strong chance of creating a loyal visitor.

Loyalty among visitors not only relates to visitors preference for familiar destinations, but also their satisfaction with the Outer Banks. Although visitors have very high expectations, these expectations are met by the Outer Banks, and visitors give very high satisfaction scores. Generally, visitors say that the Outer Banks is their favorite East Coast destination, and they rate it much higher than other destinations. At the same time, expectations are difficult to exceed since visitors are repeaters who know what to expect.

In considering what leads to high levels of satisfaction and meeting expectations, visitors have high expectations regarding the landscape and low expectations regarding sports. The beautiful beaches have the greatest potential for exceeding expectations especially among new visitors. Interestingly, satisfaction scores are most impacted by good restaurants.

Accommodations scores show some room for improvement, at least compared to other features of the destination. Visitors have high expectations that are not always met, especially when it comes to hotels and motels. On the other hand, condos /timeshares and house rentals on the beach exceed visitor expectations of their accommodations.

While repeat visitation is high among Outer Banks visitors not all of them return. Among those who have not returned yet, about half are considering the Outer Banks for a vacation in the next two years and the other half are not. While high percentages (64% to 75%) see over-development, overcrowding, and traffic as getting worse, these factors do not seem to be a factor in visitors not returning.

In fact, the factors contributing to non-repeat visits are different between those considering a visit and those not considering a visit to the Outer Banks. Those considering the Outer Banks travel less frequently, took fewer trips in 2000 as compared to 1998 and 1999, and they are sensitive to economic issues such as the cost of accommodations, additional lodging taxes or fees, and increased gasoline prices. They appear to perhaps have less disposable income despite having higher average incomes overall. They might be enticed to visit more frequently with money saving vacation packages. The other group of visitors who did not return prefers new and different destinations and would not be expected to become loyal visitors.

The greatest potential for increasing visitation at the Outer Banks exists in attracting new customers that have potential for becoming loyal visitors. This means attracting people who prefer a familiar destination and like to go to the same place year after year. Since new visitors tend to stay in hotels and loyal visitors tend to stay in house rentals, funneling them from hotels to rental properties in future visits may help build loyalty. Of course this means first attracting new visitors to the hotels.

Based upon the attributes of Outer Banks that are important to visitors slightly different approaches should be used in attracting new visitors and building loyalty. A relaxing vacation experience should be the underlying message for all, however, for people who recently visited the Outer Banks and then returned, scenic areas/drives, historic sites, and beautiful beaches are most important. These things should be promoted to attract new visitors in out-of-area advertising. Yet as visitors keep returning factors such as the clean environment, beautiful beaches, fishing and good restaurants become more important. These things should be promoted to existing visitors through mailings or in brochures distributed locally.

Attracting new visitors that are likely to return will require bringing them to the Outer Banks at the right life-stage. This audience is somewhat younger at 44-46 years. The audience is primarily upscale families – most with kids. Females are also probably more interested in an initial Outer Banks visit. Their PRIZM profile places Outer Banks visitors in the top socio-economic tiers from small towns, second cities, suburban, and rural, but not urban areas. Targeted efforts using PRIZM for media buys or direct mail would allow the Outer Banks to effectively reach the potential audience.

Outer Banks Visitors Bureau
Customer Satisfaction & Visitation Research Questionnaire
April 5, 2001
Job #: 947102

Hello, I'm _____________ from Strategic Research. Today/Tonight we are interviewing people concerning 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)

1. When taking a vacation do you generally like to….

1……Go to a place you have visited in the past and are familiar with
2…….Try a new and different destination

2. How many leisure trips that involve staying at least three nights away from home did you take during 2000? ________

3. Compared to 1998 and 1999 is this number….

1………..Increased over 1998 and 1999
2………..About the same as 1998 and 1999
3………..Fewer than 1998 and 1999

3a. IF Q3=3, ASK Why did you take fewer trips in 2000 than past years?
____

4. How many leisure trips that involve staying at least three nights away from home do you anticipate taking during 2001? ______________

5. I am going to read to you a number of things that might cause you to travel less. For each one, please indicate whether it influenced you to take fewer trips or change the destination of a trip you were planning during the past couple years or for the coming year.

1…………Bad weather	Yes	No
2…………Fear of hurricanes	Yes	No
3…………Safety concerns	Yes	No
4…………Increased gasoline prices	Yes	No
5…………Economic conditions	Yes	No
6…………Your personal financial situation	Yes	No
7…………Lack of time	Yes	No
8…………Illness	Yes	No
9…………Dissatisfaction with a destination	Yes	No
10………..Availability of airline flights	Yes	No
11………..Cost of airline flights	Yes	No
12………..Cost of accommodations in an area	Yes	No
13………..Additional lodging taxes or fees	Yes	No

5a. Are there any other factors that caused you to travel less, or change the destination of a trip you were considering? ___________________

6. Which of the following places, if any, have you visited for a leisure trip in the past three years?

1…New Jersey Coast
2…The Outer Banks of North Carolina
3…Hilton Head Island
4…Myrtle Beach
5…Wilmington/Cape Fear
6…Morehead/Crystal Coast
7…Tampa/St. Pete/Clearwater
8…Ft. Myers
9…Florida Keys
10…Daytona Beach
11…Panama City
12…Destin/Ft. Walton Beach
13…Fort Lauderdale
14…West Palm Beach
15...Any other coastal destinations (SPECIFY)________________
16…NONE

7. (FOR EACH ONE VISITED) How many times have you visited [INSERT NAME] in the past three years?______________

8. What is your favorite east coast destination?

1…NEW JERSEY COAST
2…THE OUTER BANKS OF NORTH CAROLINA
3…HILTON HEAD ISLAND
4…MYRTLE BEACH
5…WILMINGTON/CAPE FEAR
6…MOREHEAD/CRYSTAL COAST
7…TAMPA/ST. PETE/CLEARWATER
8…FT. MYERS
9…FLORIDA KEYS
10…DAYTONA BEACH
11…PANAMA CITY
12…DESTIN/FT. WALTON BEACH
13…FORT LAUDERDALE
14…WEST PALM BEACH
15...ANY OTHER COASTAL DESTINATIONS (SPECIFY)________

9. (IF Q8 = OUTER BANKS, ASK) Which of the following areas of the Outer Banks is your favorite?

1…………Duck
2…………Hatteras Island
3…………Kill Devil Hills
4…………Kitty Hawk
5…………Nags Head
6…………Manteo or Roanoke Island
7…………Other (SPECIFY)_________________

10. Which of the following places are you now considering for a leisure trip in the next two years?

1…New Jersey Coast
2…The Outer Banks of North Carolina
3…Hilton Head Island
4…Myrtle Beach
5…Wilmington/Cape Fear
6…Morehead/Crystal Coast
7…Tampa/St. Pete/Clearwater
8…Ft. Myers
9…Florida Keys
10…Daytona Beach
11…Panama City
12…Destin/Ft. Walton Beach
13…Fort Lauderdale
14…West Palm Beach
15...Any other coastal destinations (SPECIFY)________________
16…NONE

11. (IF Q10 = OUTER BANKS, ASK) To which of the following areas of the Outer Banks are you considering a visit?

1…………Duck
2…………Hatteras Island
3…………Kill Devil Hills
4…………Kitty Hawk
5…………Nags Head
6…………Manteo or Roanoke Island
7…………OTHER (SPECIFY)_________________
8…………DON'T KNOW

12. Are there any destinations or areas that you are considering for a vacation or leisure trip, that you have not visited in the past? ________

IF OUTER BANKS OF NC NOT MENTIONED AT Q9 ASK:

13. Why are you not considering the Outer Banks of North Carolina for a leisure trip? ________________________________

FOR EACH ONE VISITED
14. Now I would like you to rate the various places you have visited to tell me how good each one is as a place for a vacation. We will be using a 4 point scale, where the higher the number, the better. With this scale, a 4 would indicate that this destination is an excellent place for a vacation, while a 1 would indicate that it's a poor place for a vacation. You may use any number between 1 and 4. How would you rate [INSERT NAME] as a place for a vacation?

1…New Jersey Coast
2…The Outer Banks of North Carolina
3…Hilton Head Island
4…Myrtle Beach
5…Wilmington/Cape Fear
6…Morehead/Crystal Coast
7…Tampa/St. Pete/Clearwater
8…Ft. Myers
9…Florida Keys
10…Daytona Beach
11…Panama City
12…Destin/Ft. Walton Beach
13…Fort Lauderdale
14…West Palm Beach

5. FOR EACH ONE VISITED. Thinking about your experience in [INSERT NAME], and your expectations for the vacation was your overall experience….

1………..Better than you expected
2………..About what you expected
3………...Worse than you expected

13a. IF Q13=1 OR 3, ASK. You mentioned that your experience in the Outer Banks of North Carolina was worse than you expected, why do you feel that way? _________________________

Now I would like to ask you some specific questions about your travel to the Outer Banks of North Carolina.

16. Did you visit the Outer Banks…..
- 1…………Anytime prior to 1998
- 2…………in 1998
- 3…………in 1999
- 4…………in 2000

FOR EACH YEAR MENTIONED
17. Which area in the Outer Banks did stay at during…….?

	VISITS PRIOR to 1998	**1998**	**1999**	**2000**
1 .... Duck	_____	_____	_____	_____
2 .... Hatteras Island	_____	_____	_____	_____
3 .... Kill Devil Hills	_____	_____	_____	_____
4 .... Kitty Hawk	_____	_____	_____	_____
5 .... Nags Head	_____	_____	_____	_____
6 .... Manteo or Roanoke Island	_____	_____	_____	_____
7 .... Other (SPECIFY)	_____	_____	_____	_____

18. (IF MORE THAN ONE DESTINATION SELECTED FOR DIFFERENT YRS, ASK) When you returned to the outer banks you stayed in a different area than you had during your previous visit(s). Was this because you wanted to……
- 1…Stay in an area that had more things to do
- 2…Stay in an area that was quieter and less developed
- 3…Found a nicer hotel or rental home
- 4…Got better value for the money
- 5…Or for some other reason (SPECIFY) ________________

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

20. Based on your experience with other destinations, and your expectations when you travel how did the [INSERT ATTRIBUTE] compare to what you expected, was it…

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

21. Consider how the Outer Banks has changed over the past several years. In your opinion has the _________ gotten better, stayed the same, gotten a little worse, gotten a lot worse?

Traffic
Overcrowding
Quality of the beaches
Rudeness of people
Over development

1…Gotten better
2…Stayed the same
3…Gotten a little worse
4…Gotten a lot worse

22. During your most recent visit to the Outer Banks, in what type of accommodations did you stay?

1…A familiar chain motel or hotel with on-site amenities such as a restaurant or swimming pool
2…A familiar chain motel or hotel without on-site amenities
3…A non-chain motel or hotel with onsite amenities such as a restaurant or swimming pool
4…A non-chain motel or hotel without on-site amenities
5…A Bed & Breakfast
6…A condominium or timeshare
7…A house rental on the beach
8…A house rental not on the beach
9…A cabin
10…A Cottage Court
11…A campground
12…A National Park where you camped
13…Family or Friends
14…Other (SPECIFY) ___________________

23. (ASK IF Q20 = 7 or 8) Why did you choose to stay in a rental home instead of a hotel? ______________________________________

24. Overall, how satisfied were you with your accommodations? Would you say…

1…Very Satisfied
2…Somewhat Satisfied
3…Somewhat Dissatisfied
4…Very Dissatisfied

25. Given what you expected of your accommodations when you made your reservations, were the accommodations better, worse, or about the same as you expected?

1…Better
2…Worse
3…About the same

26. Thinking about your accommodations, how satisfied were you with the ___? Would you say…

A. Cleanliness	1…Very Satisfied
B. Value for the money	2…Somewhat Satisfied
C. Location	3…Somewhat Dissatisfied
D. Courtesy and Professionalism of the Staff	4…Very Dissatisfied

27. Over the past few years do you think that the Outer Banks has…

1………. become a better vacation destination
2………..stayed about the same or
3………..become a worse destination

21a. IF Q21=1 OR 3, ASK Why do you feel that way?
____

These last few questions are for classification purposes only so that we can group your responses with others that we have interviewed.

28. Are you single or not?

1…Single
2…Not single
3…REFUSED

29. How many adults live in your household? **RECORD NUMBER** ____

30. How many children under the age of 18 are currently living in your household? **RECORD NUMBER** _____________

31. 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

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

1…Under $25,000
2…$25,000 but less than $50,000
3…$50,000 but less than $75,000
4…$75,000 but less than $100,000
5…$100,000 or over
6…REFUSED

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

1…Caucasian/White
2…African American
3…Hispanic/Latin American
4…Asian or Pacific Islander
5…Native American
6…Other
7…REFUSED

34. What is your age?

RECORD NUMBER _____________

THANK RESPONDENT
RECORD GENDER:

1…Male
2…Female

PHONE NUMBER _______________
INTERVIEWER NAME_____________
CUSID_____________________________
DATE OF INTERVIEW______________