

Chapel Hill
ORANGE COUNTY
Visitors Bureau

The State of Orange County Tourism An Industry Overview

February 2007

North Carolina Tourism

- **64.5 Million Visitors to North Carolina in 2005**
- **North Carolina occupancy was 60.1% in 2006**
 - **2006 ADR was \$75.60**
- **Increase in rooms sold was 3.3% from 2005**
- **Travelers spent \$14.2 billion** across the state
- **70%** visited for **leisure**; 30% for business (including meetings)
- The top states of origin:
 - **North Carolina (38.3%)**
 - **South Carolina (9.3%)**
 - **Virginia (6.6%)**
 - **Georgia (5.7%)**
 - **Florida (5.2%)**
 - **New York (4.5%).**

Orange County Tourism

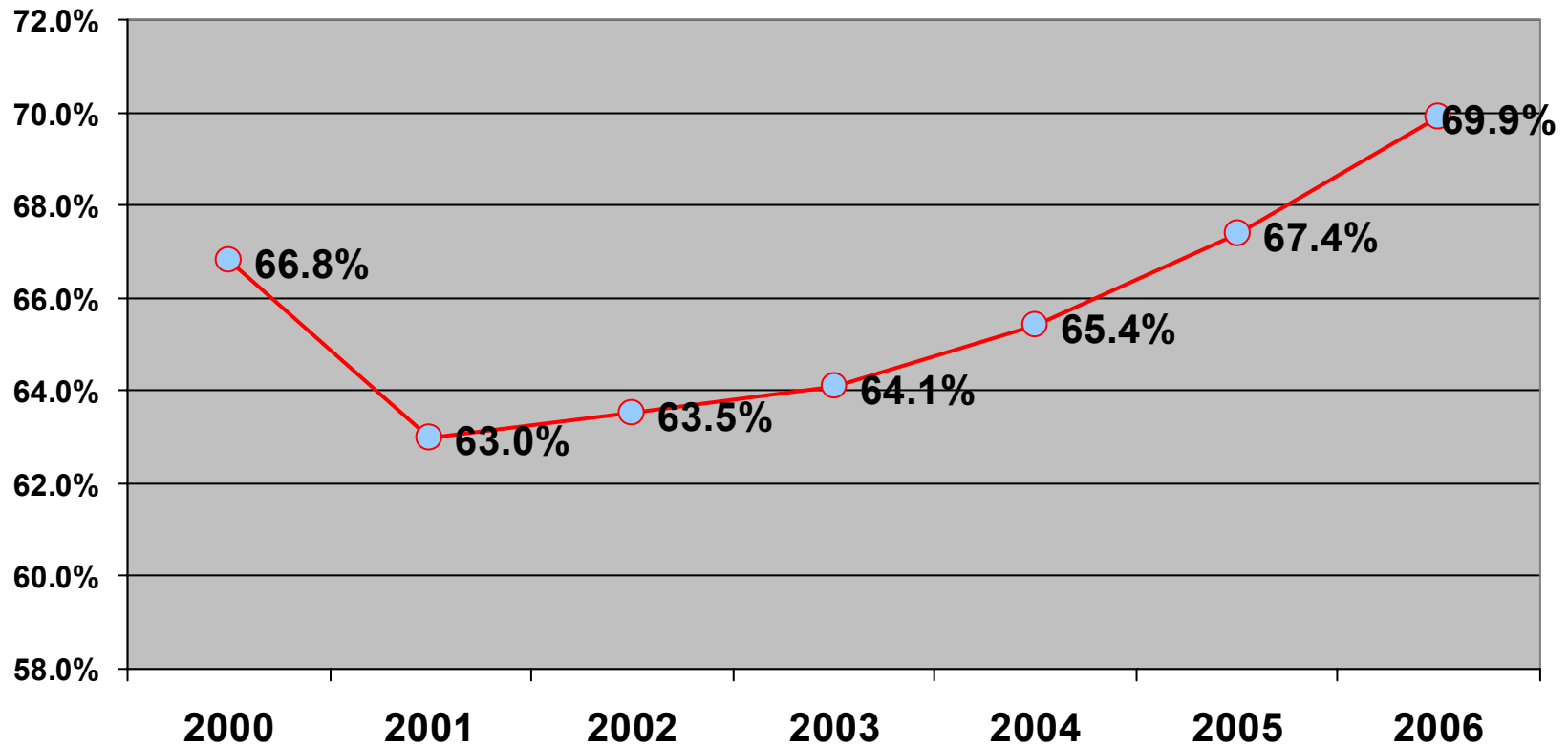
- Chapel Hill is located in the **Research Triangle**, anchored by the cities of Raleigh, Durham, and Chapel Hill.
 - **Raleigh is home to 14,000 hotel rooms;**
 - **Durham has 8,000 rooms**
 - **Chapel Hill, 1,400**
- Until recently, Raleigh's inventory consisted of primarily limited service properties
- Durham has a greater mix of limited and full service properties

2006 Orange County: A Record Year



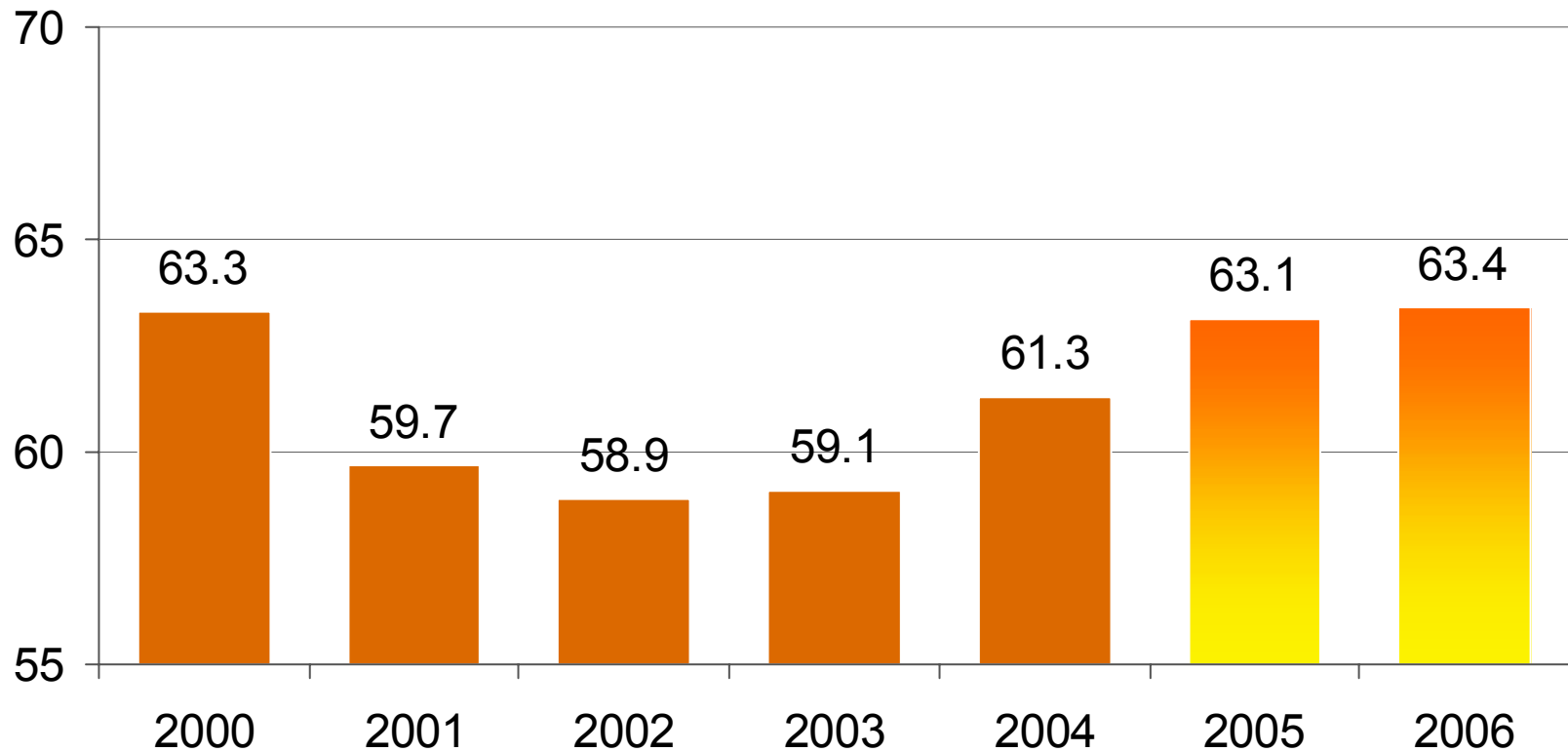
- Positive tourism trends:
- 2006 Occupancy **up 3.2%**; Room rates **up 5.7%**
- Revenue **Per Available Room up 9.1%**
- 380,912 rooms available; 270,911 rented
- **2006 Room Revenues up \$4 million dollars**
- 2006 Room TOTAL revenue \$39 million
- Tourism spending in 2005 increased 6.9%
- Spending totaled **\$127** million in Chapel Hill
- **2006 Hotel Occupancy *Tax Revenues collected by county and town:* \$1.3 million**

Orange County Occupancy (2000-2006)



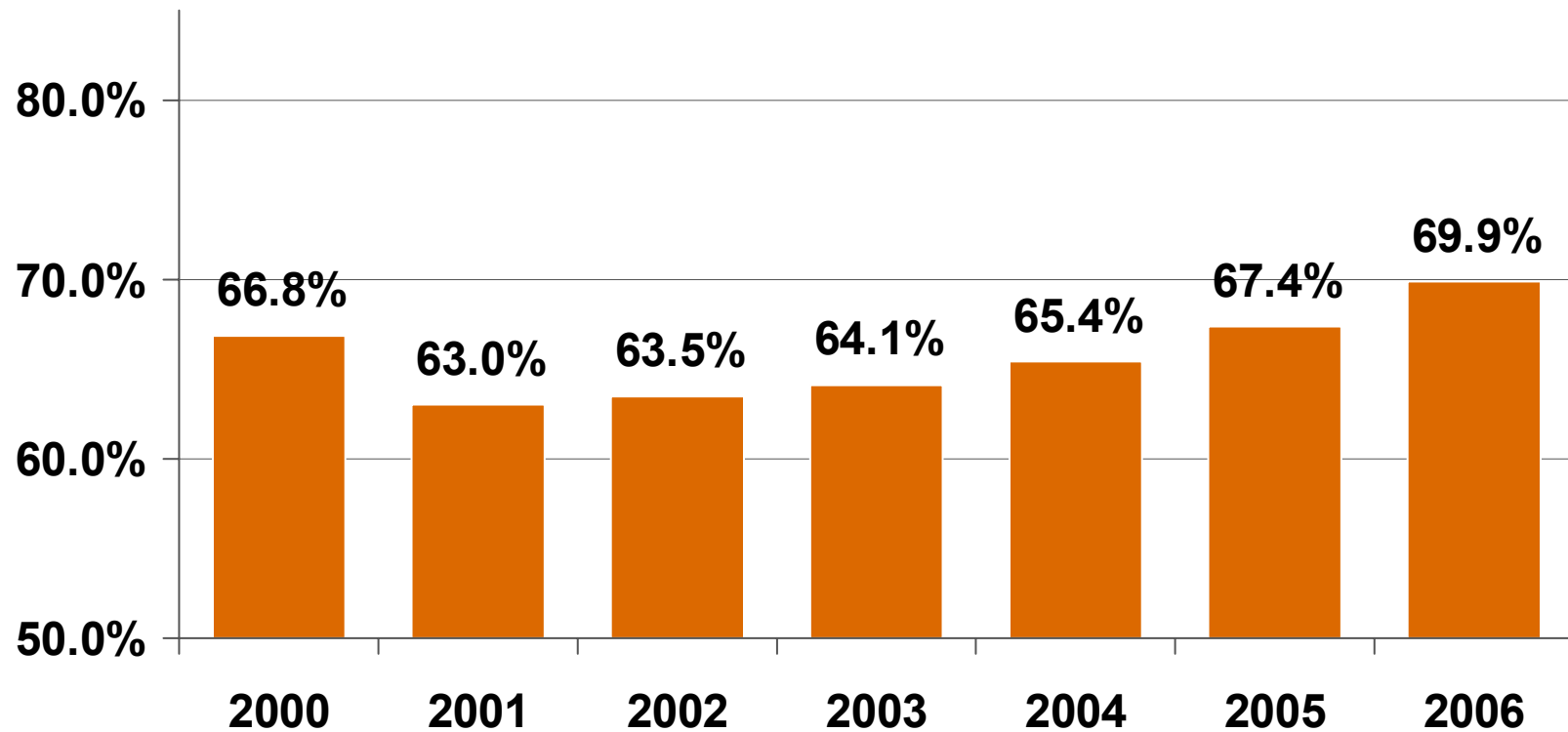
Source: Smith Travel Research

Total United States Occupancy Percent (2000-2006)



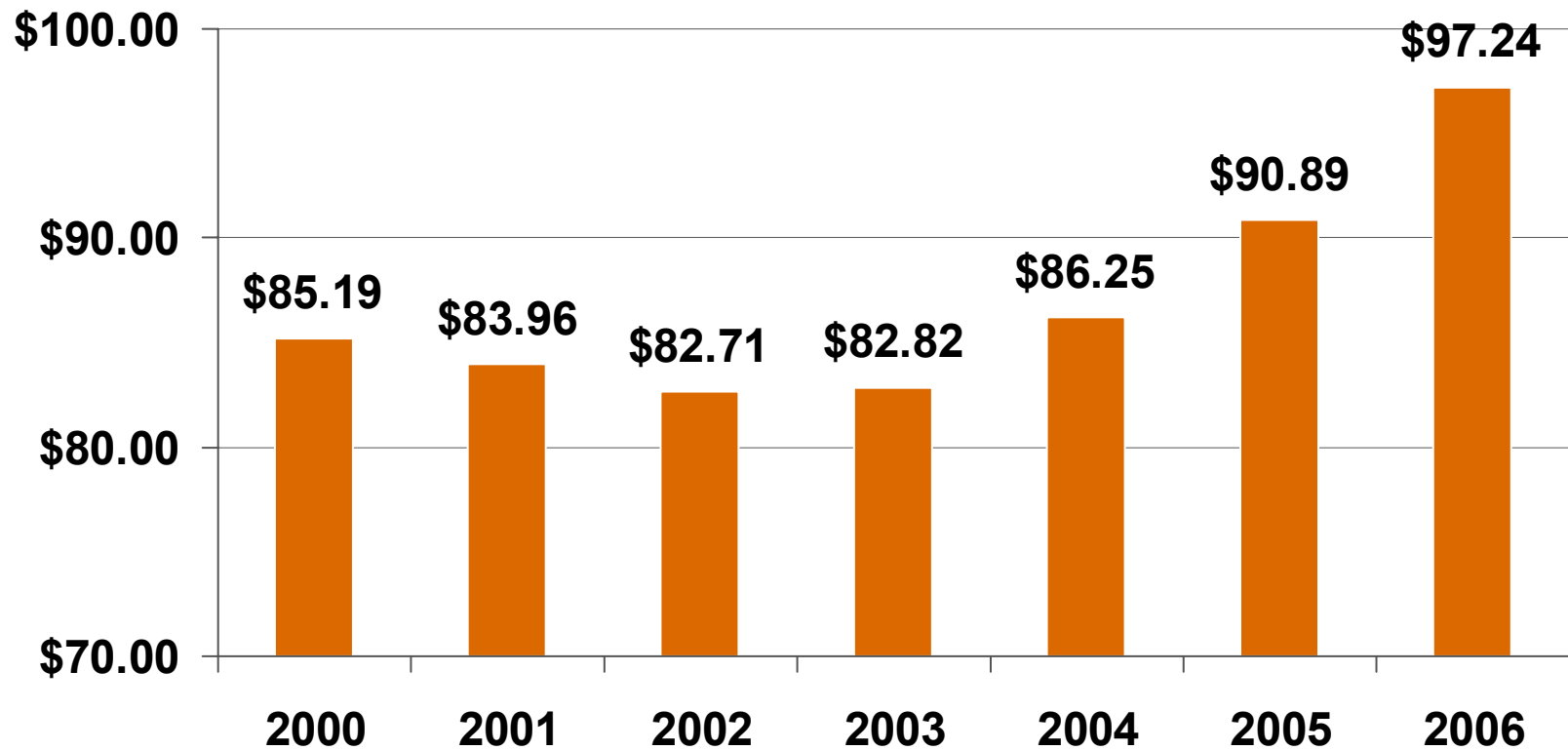
Source: Smith Travel Research

Orange County Occupancy (2000-2006)



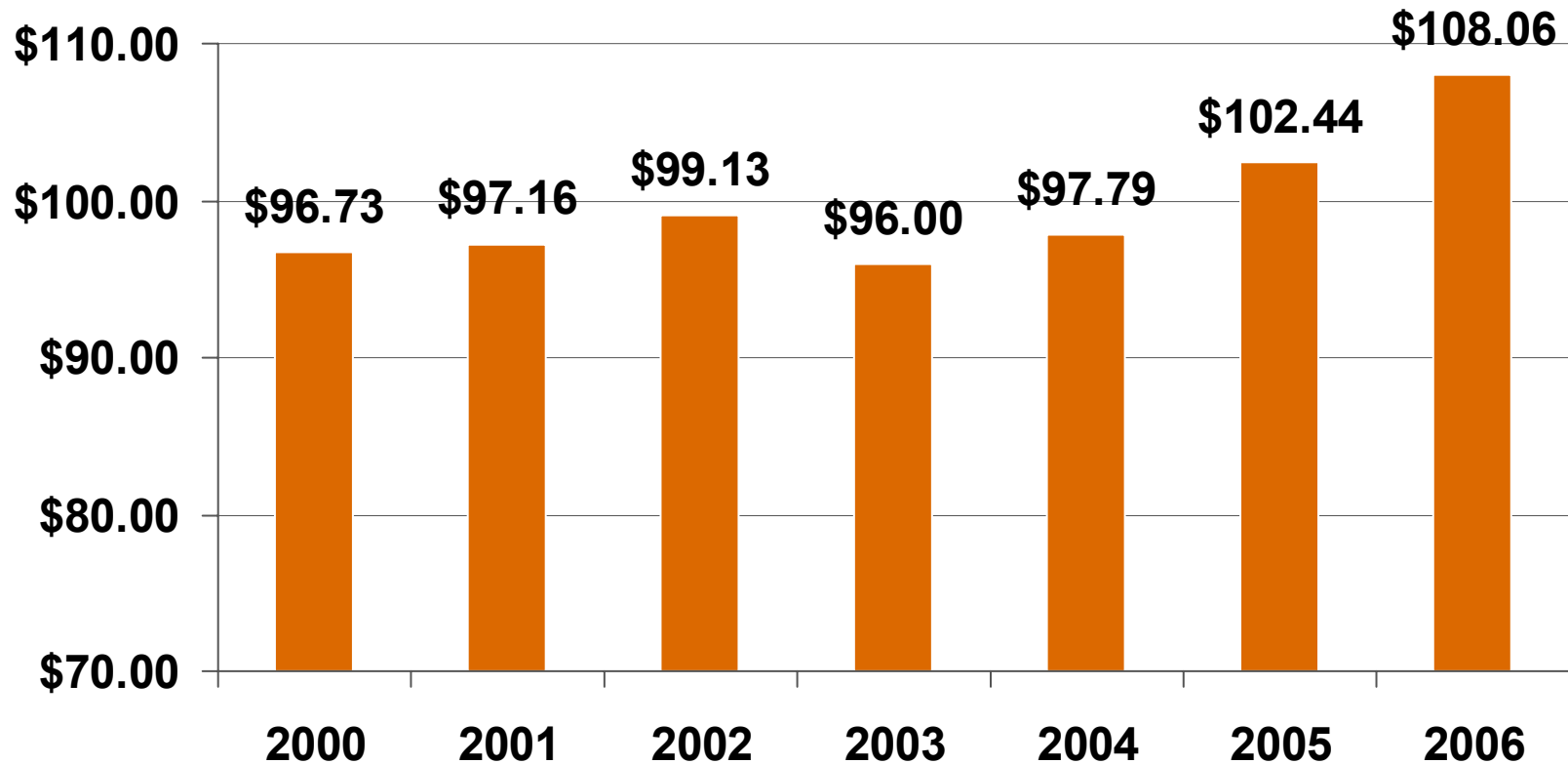
Source: Smith Travel Research

Total United States Average Daily Rate



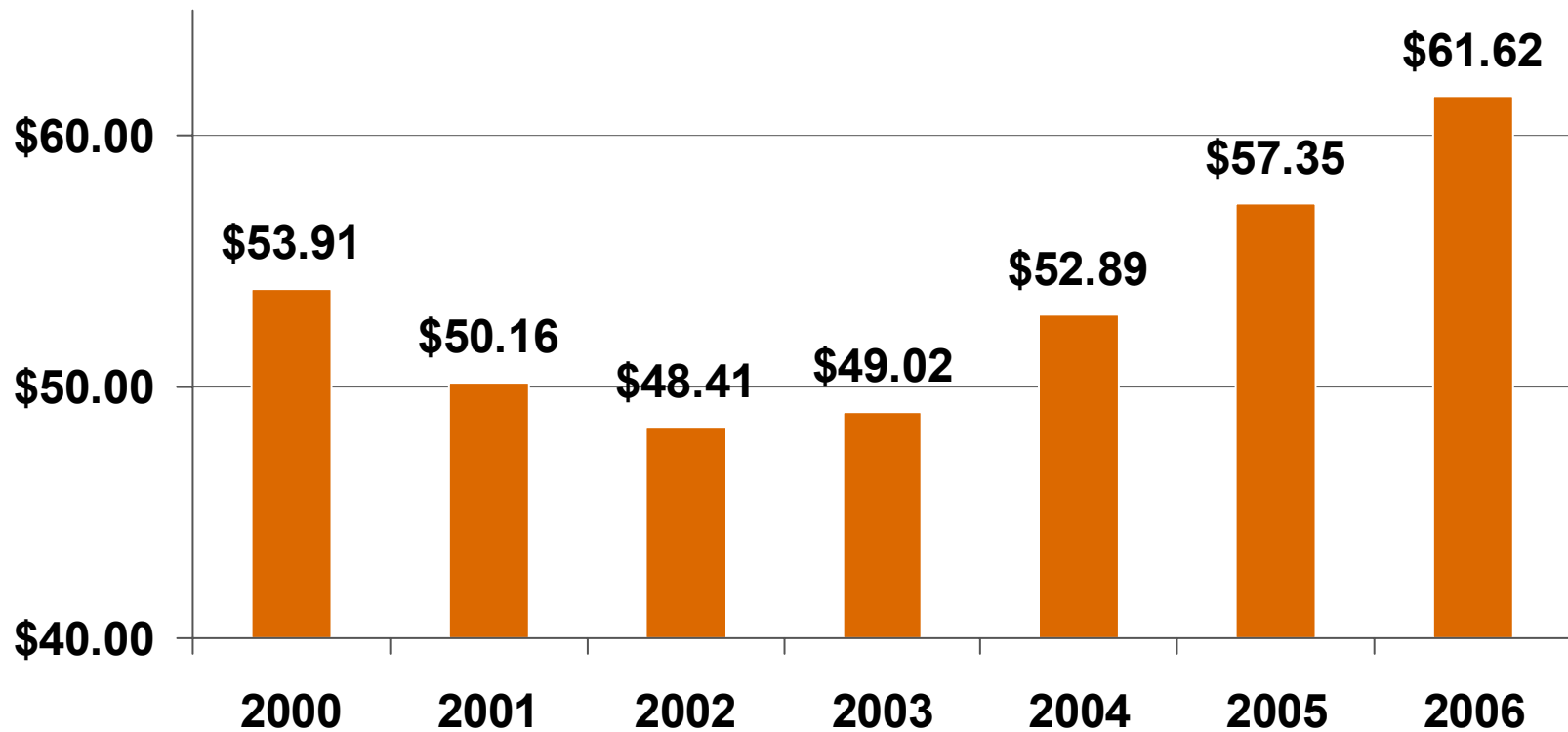
Source: Smith Travel Research

Orange County Average Daily Rate (2000-2006)



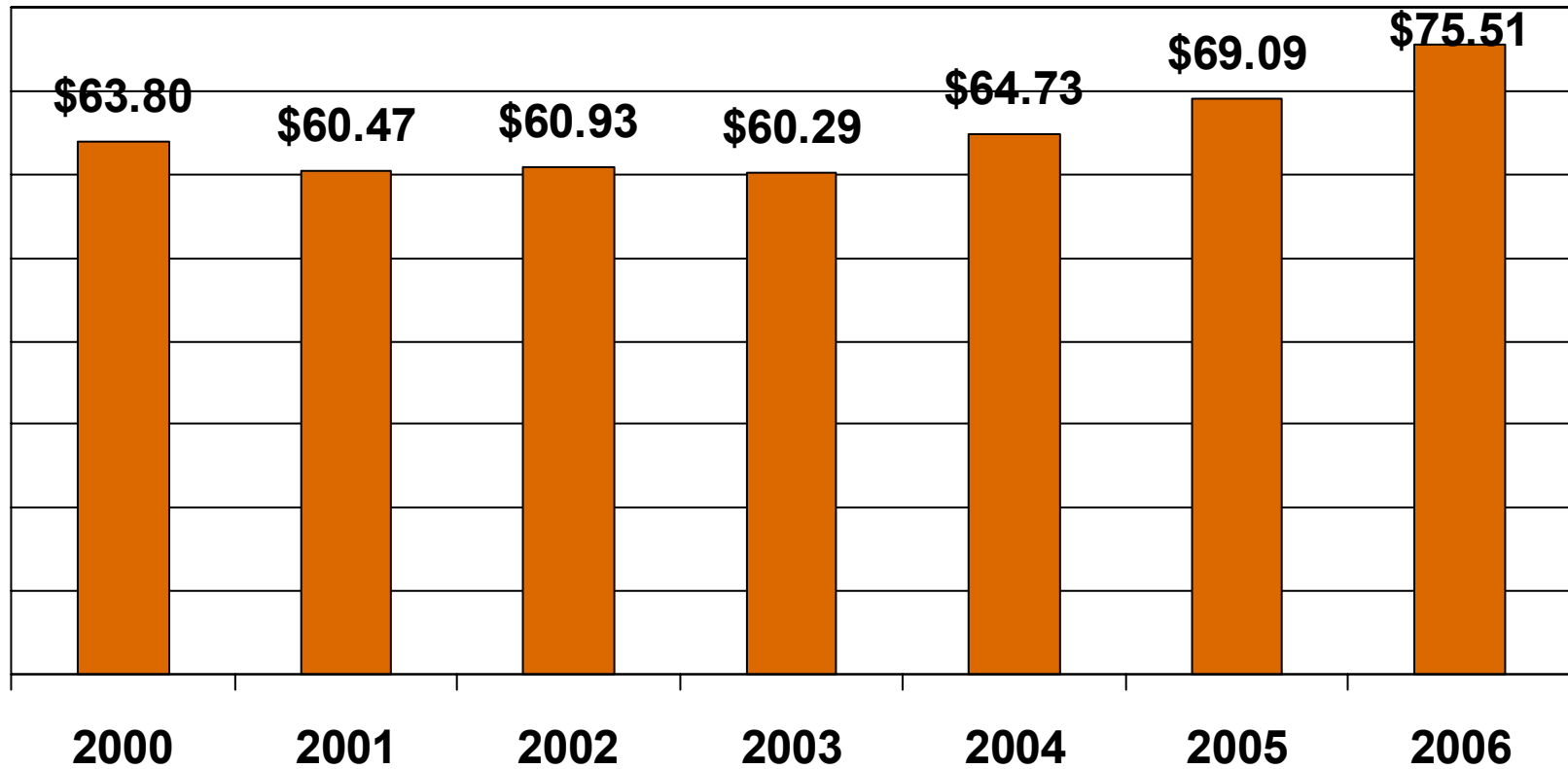
Source: Smith Travel Research

Total United States RevPAR (2000-2006)



Source: Smith Travel Research

Orange County RevPAR (2000-2006)

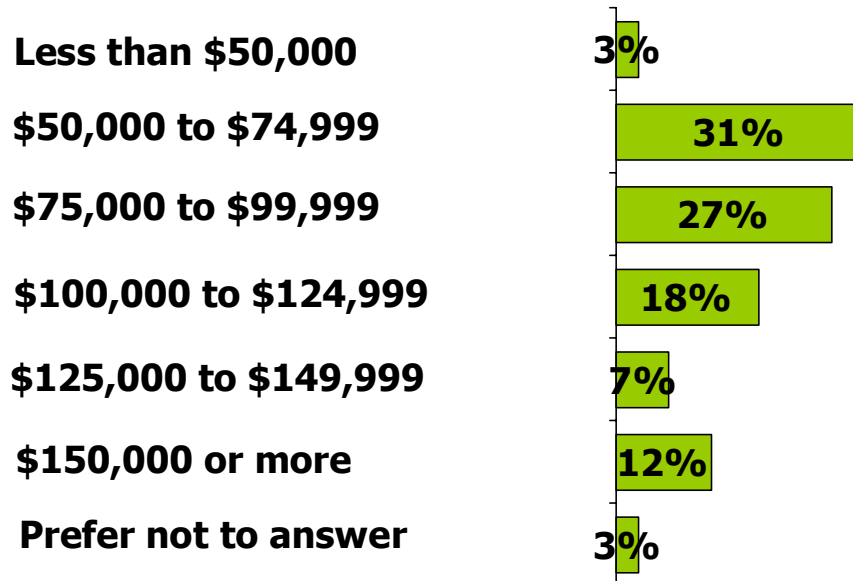


Q: Who comes to Chapel Hill (and why)?



Combined Annual Household Income

Average Household Income:	Total	Past Visitors	Prospects
	\$96,500	\$99,300	\$93,600



Visitor / Prospect Profile



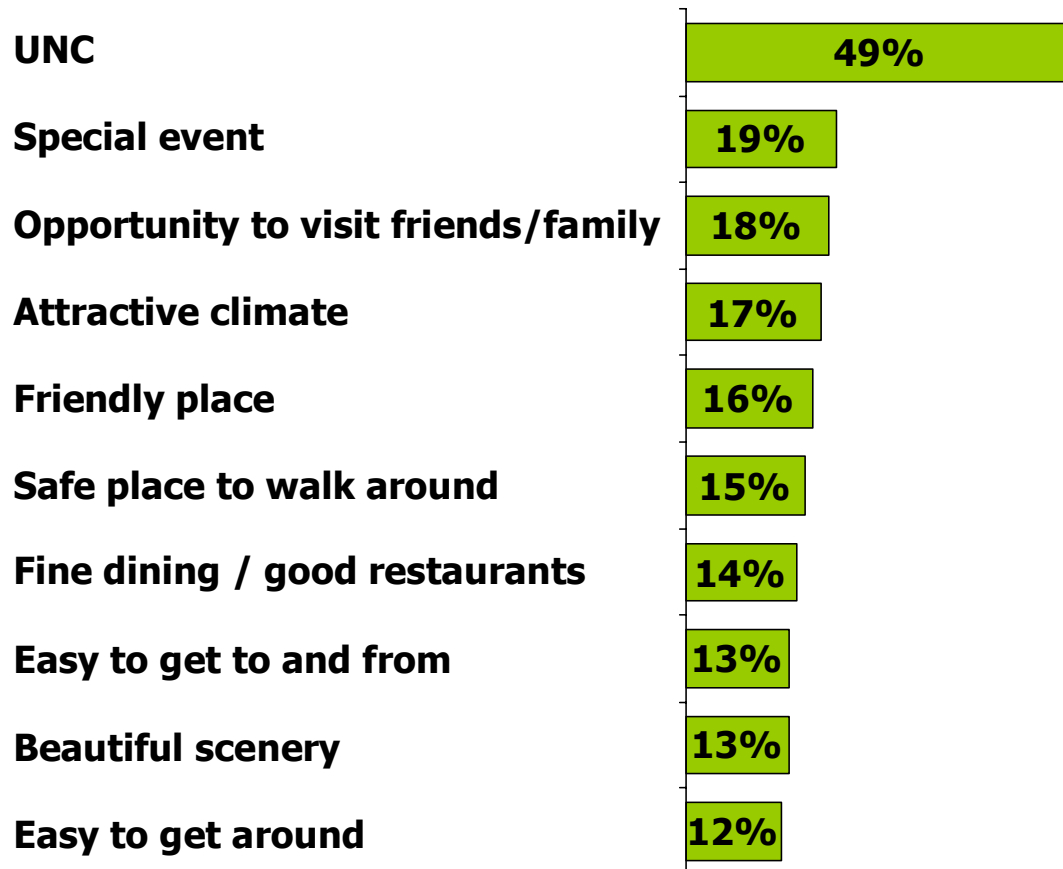
	<i>Total</i>	<i>Past Visitors</i>	<i>Prospects</i>	
	%	%	%	
• Education				
High school grad or less	8	7	8	
Some college / Trade school / Associates	31	27	36	
Bachelor degree	26	23	28	
Post-graduate or more	35	42	27	
• Employment Status				
Employed	73	74	72	
Retired	16	17	16	
Full-time homemaker	6	4	9	
Student	2	2	1	
Unemployed	1	1	2	14

Reasons for Visiting Chapel Hill (Past Visitors)



A connection to UNC is the primary personal reason past visitors came to Chapel Hill.

Reasons People Visit Chapel Hill* Top Attributes

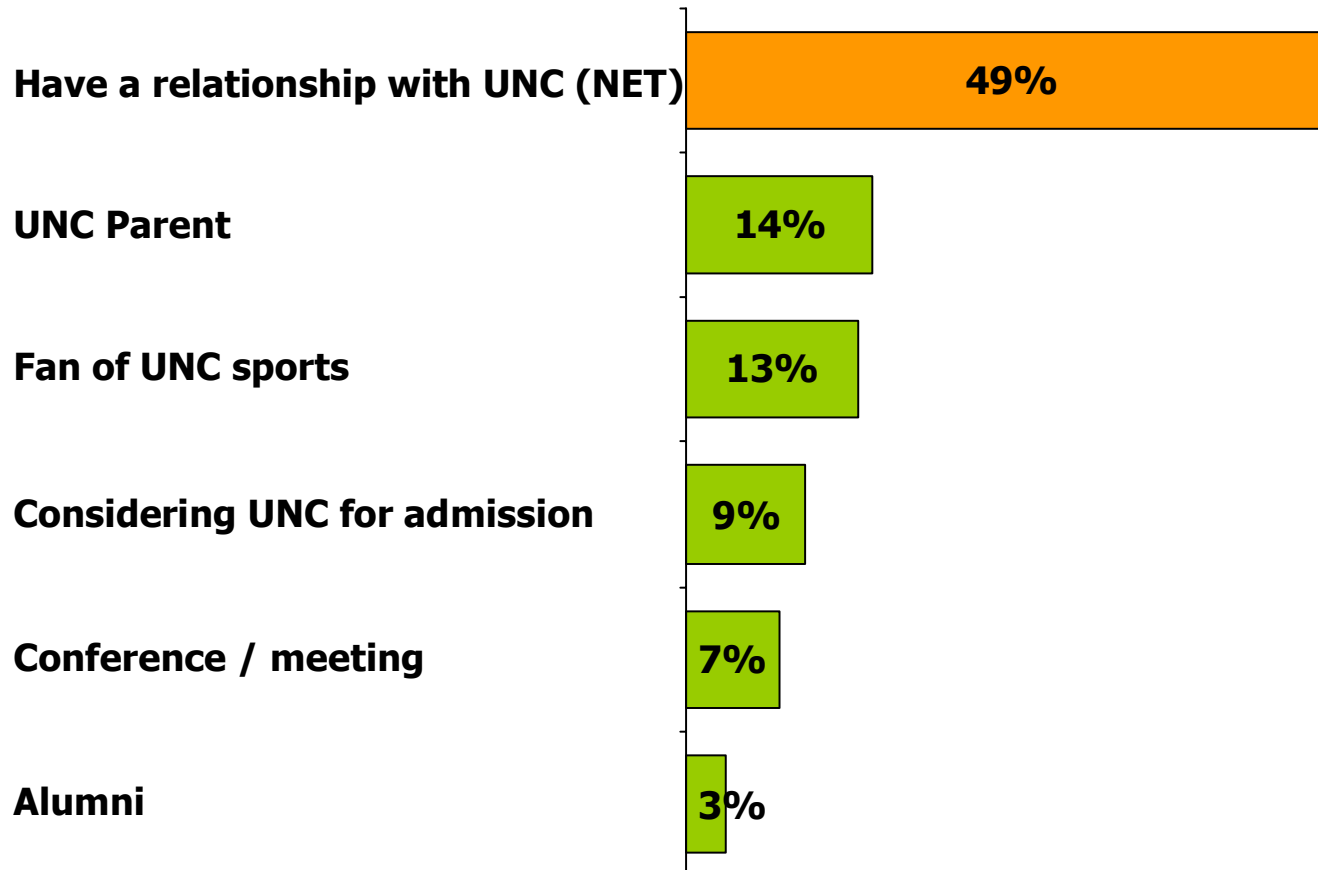


49% of past visitors indicate a relationship with UNC

Relationship with UNC (Past Visitors)



Relationship with UNC



Q: What do people think about
Chapel Hill?



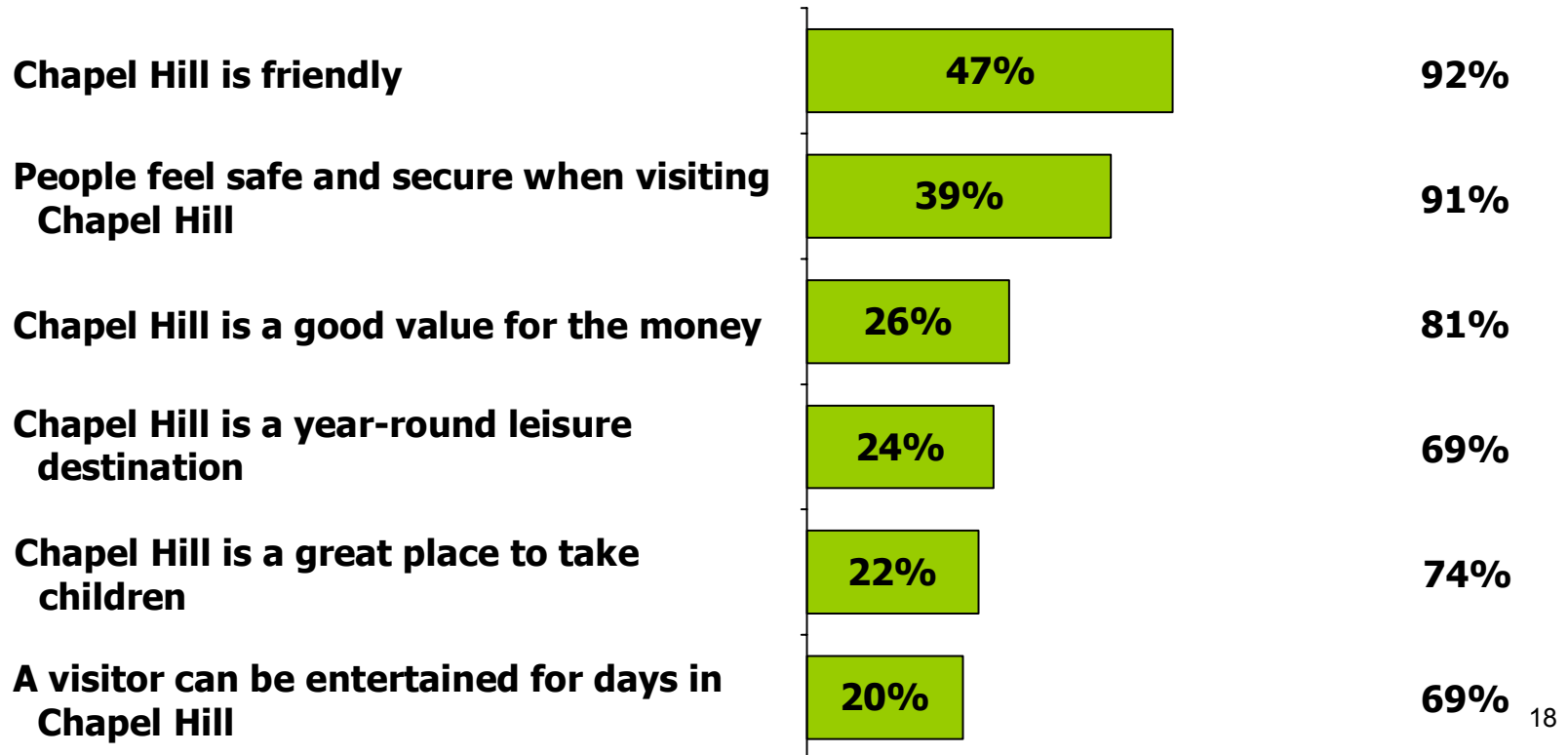
Agreement Statements (Past Visitors)



Past visitors view Chapel Hill as friendly and safe.
Also as a good value with plenty of entertainment.
Enjoyable for family year-round.

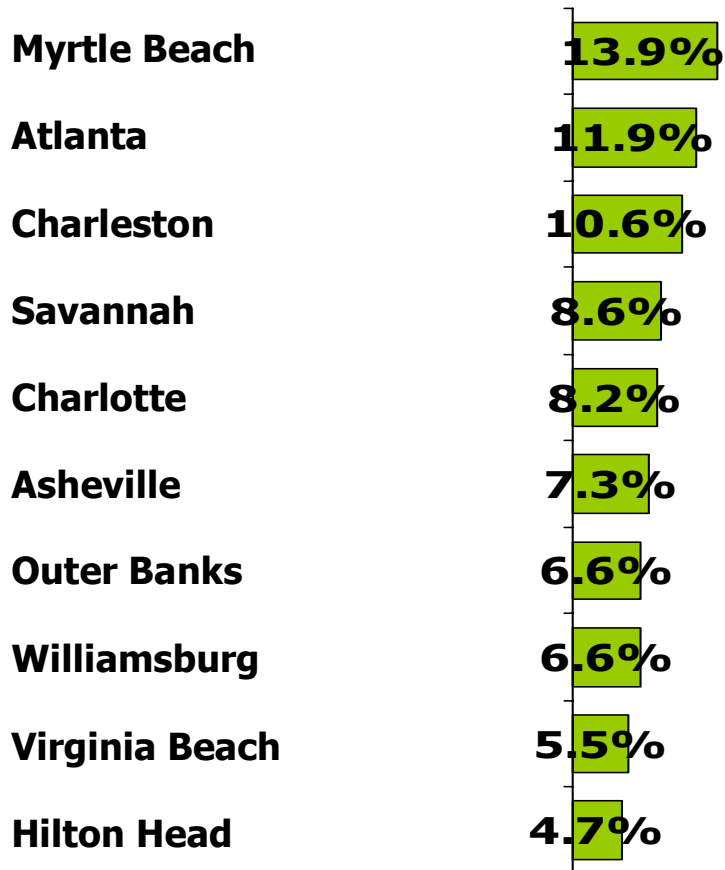
Summary of Strongly Agree

% Agree



This is where prospects have been in the last 3 years.

Visited within VA, NC, SC or GA in Last 3 years



Key Findings /Chapel Hill Tourism Research Study



1. Chapel Hill is recognized as a genuine & viable leisure destination.
 - Chapel Hill enjoys an unusually high level of awareness and familiarity (90%) in relation to tourist competitors. The challenge now is to “activate” more prospects.
2. Understandably, the University is a huge tourism magnet for Chapel Hill.
 - UNC is the main personal attraction for people visiting Chapel Hill.

Key Findings / Chapel Hill Tourism Research



3. Further develop the appeal and connection with UNC.

In light of the awareness and connection with UNC, hotels and CVB should design new and creative ways to enhance interest and access to the university.

4. The most important things people seek in a leisure destination ... they find in Chapel Hill.

- Friendliness, climate, scenery, safety and security, good food, convenience, etc. are the reasons they visit Chapel Hill.

Key Findings / Chapel Hill Tourism Research



Develop and use a promotional lexicon that evokes “relaxation.”

- Stress-free, ease, stroll, let-off-steam,

Pursue past visitors.

- Past visitors are very satisfied and indicate they are likely to return.
- Harness the Internet opportunity.
 - While the Chapel Hill website receives high ratings, few have ever visited it.

Summary



- State of **North Carolina and Chapel Hill/Orange County** **continue to increase** marketing dollars towards tourism efforts.
- Chapel Hill continues to see a strong occupancy and revenue increase
- Visitation **numbers at Visitors Center** on Franklin Street increasing at rapid pace.
- Printing of visitor materials has doubled since 2004.
- Healthy **economy, local, regional** and national variables all predict healthy continued growth.
- New **museums, expanded population** base and commercial growth contribute to overnight occupancy and overall visitation.