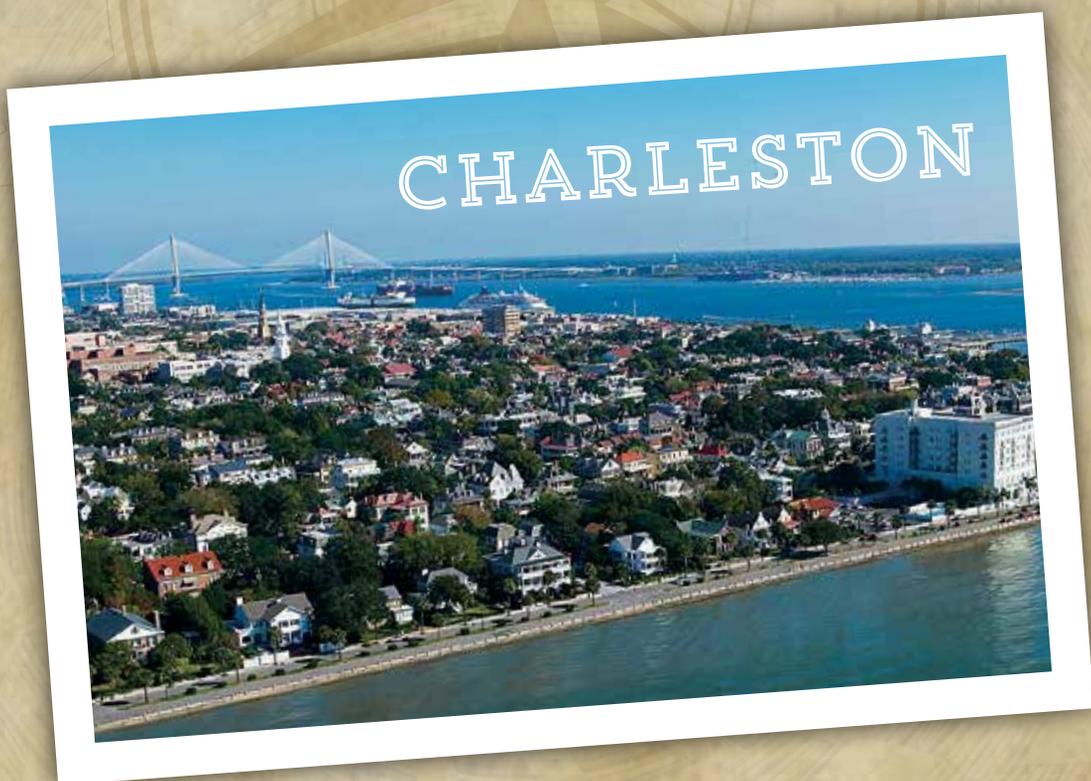


OFFICE OF TOURISM ANALYSIS ANNUAL REPORT

2014-2015



Office of Tourism Analysis
School of Business
College of Charleston

June 2015



COLLEGE *of*
CHARLESTON

SCHOOL OF BUSINESS

MISSION

The Office of Tourism Analysis (OTA) is one of the Centers of Excellence in the School of Business at the College of Charleston. The Office is counseled and advised by industry and community leaders charged with proposing the office's research priorities. The Office collaborates mainly with the Charleston Area Convention and Visitors Bureau (CACVB) to implement a series of competitiveness research and monitoring programs and disseminates such information to decision-makers and stakeholders in the Lowcountry's hospitality and tourism industry.

GRANTS

Charleston Hospitality Performance Tracking Project, funded by the Charleston Area Convention and Visitors Bureau

Tourism Planning Research projects, funded by the City of Charleston

Economic Impact of Beach Renourishment, funded by the City of Folly Beach

Big Data based Nowcasting Methods for Sudden Increase/Decline of Tourist Flows, January 2015 – December 2016, funded by Chinese National Natural Science Foundation

SCHOOL OF BUSINESS

COLLEGE OF CHARLESTON

STAFF



Bing Pan, Ph.D.,
Head of Research and
Associate Professor



Melinda Patience,
Research Coordinator



Ray Rhodes,
MBA and Adjunct
Research Partner

AFFILIATED FACULTY MEMBERS



**John Crotts, Ph.D.
and Professor**

Dr. Crotts worked with the OTA on surveying Charleston residents' attitudes toward tourism development, funded by the City of Charleston.



**Robert Frash, Ph.D. and
Associate Professor**

Dr. Frash worked with the OTA on his research project investigating county park visits and happiness.



**Stephen Litvin, Ph.D.
and Professor**

Dr. Litvin has worked with the OTA for six years on allocating Charleston accommodation taxes for the county council.



**Brumby McLeod, Ph.D.
and Assistant Professor**

Dr. McLeod has worked with the OTA on benchmarking vacation rental market performance for four years.



**Wayne Smith, Ph.D. and
Associate Professor**

For many years, Dr. Smith has worked with the OTA on his projects on evaluating economic impact and studying visitor behavior of many festivals, including Wine & Food Festival, the Fashion Week, and the Charleston James Island Connector Run.



**Frank Hefner, Ph.D.,
Director of Office of
Economic Analysis
and Professor**

Dr. Hefner has worked with the OTA on the forecasting of Charleston hospitality performance and the economic impact of Patrick Properties Hospitality Group for several years.

STUDENT RESEARCHERS



Michael Richards



Hannah Wagner



Stephanie Baril



Logan Elliott

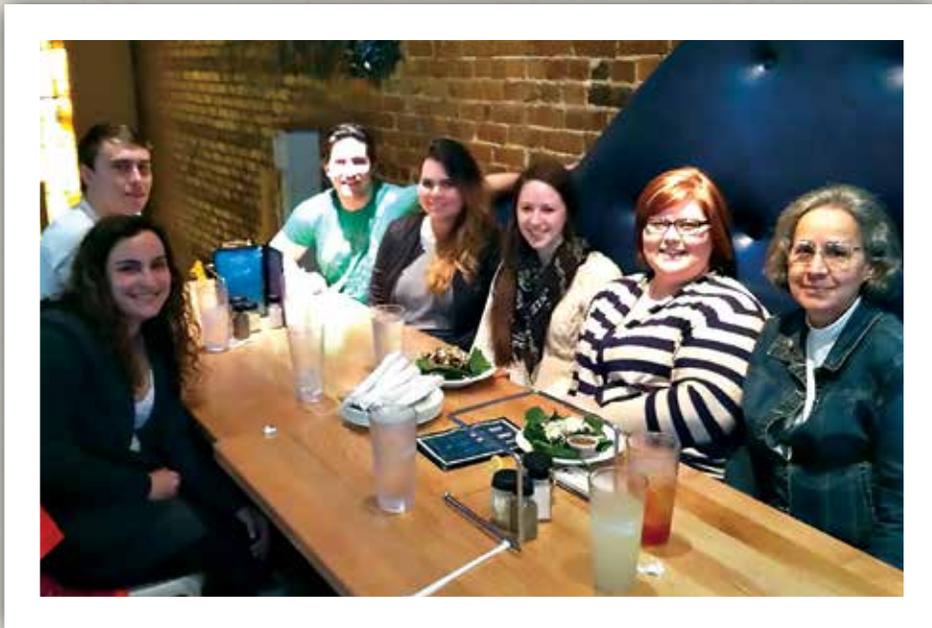


Ashley Leggett



Kathleen Vanderlip

Chaisson Dangerfield, Jack Fishman, Darby MacKay, Caitlin Buckley, Lisa Diamond, Jake Farkas, Paige James, Shannon Leneghan, Kathryn MacGovern, Courtney Shaw, Elizabeth Simmons, and Shea Mensch.



OTA Staff lunch at Mellow Mushroom on King Street.

INDUSTRY PRESENTATIONS

1. Charleston Tourism by the Numbers, Charleston Metro Chamber of Commerce Leadership Program, May 21, 2015



Dr. Pan explaining tourism numbers to the Charleston Metro Chamber of Commerce Leadership Program.

2. Demographics and Behavior of First-Time Visitors to Charleston, Charleston Travel Council Monthly Meeting, April 15, 2015



Dr. Pan delivering "Demographics and Behavior of First-Visitors to Charleston" talk at Charleston Travel Council. Also pictured is Perrin Lawson, Deputy Director of the Charleston Area Convention and Visitors Bureau.

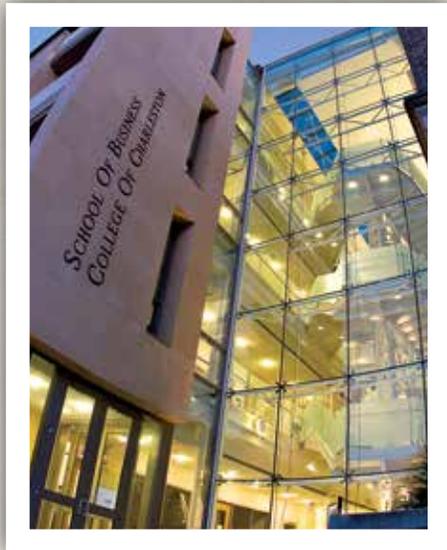
3. Charleston County's Hotel Performance in the Third Quarter of 2014, Charleston Area Hospitality Association, November 19, 2014

SPONSORSHIPS

Co-Sponsored Hotel Real Estate Forum, April 22, 2015, Francis Marion Hotel, Charleston, SC



Sponsored Charleston Area Vacation Rental Summit, December 11, 2015, College of Charleston, SC



CERTIFICATION



Certification in Hotel Industry Analytics (CHIA) from American Hotel & Lodging Educational Institute, Melinda Patience, September 17, 2014

Certification in Hotel Industry Analytics (CHIA) from American Hotel & Lodging Educational Institute, Bing Pan, September 17, 2014

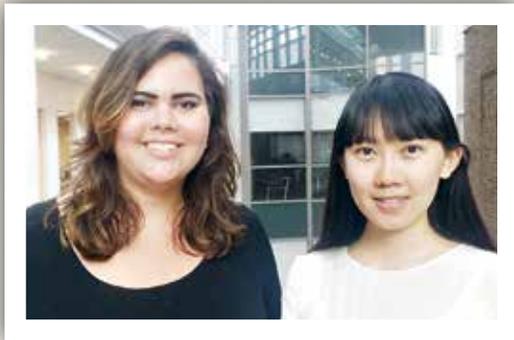




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INTERNATIONAL EXCHANGES



Danling Wang, Master Student, Jinan University Shenzhen Tourism College, China, January - July, 2015

Hannah Wagner, undergraduate student researcher, with exchange student Danling Wang.

Drs. Zhenbin Zhao, Dongqian Xue, and Beibei Ma, Tourism and Environment College from Shaanxi Normal University, September 27-30, 2014



Professor Xue presents his lecture topic.



Dr. Bing Pan acts as translator during Professor Zhao's lecture.



Dr. Rene Mueller tells stories of Charleston's history to visiting professors from Shaanxi Normal University.



Left to Right: Dr. Bing Pan, Dr. Zhenbin Zhao, Dr. Dongqian Xue, Sue Frost, Dr. Rene Mueller, and Beibei Ma

ACADEMIC EXCHANGES

Dr. Jian Wang and Sneha Bishnoi, the Rainmaker Group, December 15-16, 2014, Charleston, SC

Dr. Yang Yang, Temple University, December 16, 2014, Charleston, SC



Dr. Jian Wang, Sneha Bishnoi, Dr. Bing Pan, and Dr. Yang Yang

Attending South Carolina Annual Governor's Conference on Tourism and Travel, February 9 -11, 2015, Myrtle Beach, SC



Melinda Patience and Dr. Bing Pan at the 2015 South Carolina Governor's Conference on Tourism & Travel.

PROJECTS

Research Projects and Reports

1. Tracking of hotel room inventory in the Charleston area
2. The continuation of the vacation rental market performance tracking system
3. Quarterly Barometer Report of Charleston Area's Hospitality Performance
4. Complete Charleston Area Visitor Intercept Survey Project and Report
5. Annual hospitality forecasting 2014-2015, with Dr. Frank Hefner
6. Charleston County accommodation tax distribution, 2014, with CACVB and Dr. Stephen Litvin
7. Economic impact of Charleston Area Convention Center in 2014
8. Charleston tourism impact study of 2014, with Raymond Rhodes
9. Weekly and monthly hospitality performance reports, 2014-2015
10. Chinese National Natural Science Foundation Project on Big Data Forecasting
11. Historic Weekly and Monthly Hotel Performance Benchmarking
12. Property Taxes Generated from Accommodations and Restaurants for the City of Charleston
13. Weekly forecasting for hospitality performance in the Charleston area
14. Monthly forecasting for hospitality performance in the Charleston area
15. Comparison Study of Mobile Phone Data with Intercept Survey Results
16. The economic impact of low-cost airlines to Charleston
17. The Economic Impact of Beach Nourishment in the City of Folly Beach
18. Happiness of Charleston County Park visitors, with Dr. Robert Frash
19. Forecasting project with Rainmaker Group
20. Forecasting project with an anonymous Bed & Breakfast in the City of Charleston



PROJECT ABSTRACTS

2014 Charleston Area Visitor Intercept Survey Report

A survey of visitors to the Charleston tri-county area revealed important demographic and behavioral patterns. More than 700 survey responses revealed that the visitors are mainly 50 years or older with the “Baby Boomer” age group dominating. There is also a peak in early 30+ group, indicating business travelers. The respondents are most likely to be college educated, married or living with a partner, and have upper-middle income; they are mainly from adjacent states. International visitors increased significantly to more than 9%. Ethnically, Caucasians dominate the visitor population with very few other ethnicities. More than half of Charleston visitors are repeated guests. They spent an average of \$889 per adult per trip, with \$188 per adult per day locally. Most of them are extremely satisfied with their visits. They enjoyed the history of Charleston and food, and disliked humidity and parking. Most importantly, we also learned that most Charleston visitors also visited Mt. Pleasant, North Charleston, Isle of Palms, Kiawah Island, and Folly Beach. The average number of cities/areas visited is 3. These results show that Charleston has expanded its reputation internationally and the adoption of technologies and social media is dominating. Charleston continues to attract an affluent visitor group. The CACVB continues to play a significant role in attracting visitors and helping them plan their trips.

Charleston Area Beach Communities Vacation Rental Reporting

In 2014, the Charleston Area Beach Communities Vacation Rental Reporting project expanded its participation from four to five management companies. The addition of this fifth company allows for the production of an Isle of Palms performance report. The annual average total occupancy for 2014 was 53.9% and average sold occupancy was 37.1%. In terms of rates and revenue, the average daily rate was \$303.10 which brought in \$112.47 in revenue per available unit.

Charleston County Accommodation Tax Distribution, Fiscal Year 2014-2015

Thirty-five applications for accommodation tax grants were submitted to Charleston County for fiscal year 2014-2015. These applications were evaluated based on economic impact (50%), community impact (10%), media impact (20%), and an overall panel judgement (20%). The scores from each of these categories were combined for an overall score. These scores were then used to determine what percentage of the available \$300,000 in accommodation tax grant money the applicant would receive.

Charleston County Hospitality Forecast 2014-2015

In spite of the uncertainties on the world scene and the weakness of the national economy, the hotel industry in Charleston has remained on a solid footing and continues to grow. The outlook for the coming 17 months is for solid growth in the average daily rate and stability in the Occupancy Rates. Occupancy Rates for Peninsula hotels are forecasted to remain steady at 80.5% for 2014 and 80.1% for 2015. The average daily rate is forecasted to increase to \$188.72 in 2014 with continued growth to \$194.17 in 2015. The Charleston County hotel Occupancy Rates are forecasted to remain steady at 74.5% in 2013 and 74.7% in 2015. The Average Daily Rate for Charleston County hotels is forecasted to increase from \$136.66 in 2014 to \$143.49 in 2015.

Economic Impact of the Charleston Area Convention Center Campus in 2014

In 2014, the Campus is estimated to draw 1.5 million visitors, which was a significant increase from 2013 (an increase of 4.9%). The OTA estimated that \$53.7 million (\$45.9 million in 2013) in direct local spending was attributable to the Campus in 2014 due to the visitors it serves based on an average of \$227 per visitor per day in local spending. Direct tax revenues derived from the Campus in 2014 were estimated at \$5.9 million. Moreover, a large portion of this economic ripple effect included owners and employees of these hospitality-oriented businesses spending a substantial part of their income purchasing local goods and services, which then generated (induced) additional rounds of business income supporting more local jobs.

The Economic and Fiscal Impacts of Folly Beach on the Charleston Area and the State of South Carolina

This study documents important economic and fiscal impact at the Charleston metro and state levels associated with beach renourishment of Folly Beach, South Carolina. This study primarily focuses on economic and fiscal impacts of non-resident visitor spending that are relevant to the periodic renourishment of Folly Beach. We also projected future annual net economic impact and tax effects as the possible economic consequences if Folly Beach's next scheduled beach renourishment project is not underway by 2020. This study's findings clearly indicate that substantial amounts of the economic impacts and related tax revenues are generated by Charleston area non-resident visitors. These impacts are attributable to their visits to Folly Beach and were generally coupled to periodic renourishment of Folly Beach. These economic impacts, including tax revenues and economic values of beach renourishment benefits as positive economic externalities, can obviously flow far beyond the City's jurisdiction and therefore benefit Charleston area and South Carolina residents, not just Folly Beach residents. However, a forecast of possible economic effects if the next scheduled periodic renourishment project was delayed beyond 2020 has the potential of translating into significant net job and income losses in the Charleston area and at the state level. In addition, the market and non-market economic benefits derived from beach renourishment would also be in jeopardy over time if renourishment is delayed.

Estimation of Tourism Economic Impacts in the Charleston Area, 2014

In 2014, the Charleston area welcomed an estimated 4.9 million visitors. These visitors attributed to an estimated \$1.18 billion in labor earnings. Visitors spent an average of \$188 per visitor per day and generated \$6.7 million in attraction admission tax and \$7.4 million in lodging sales. Over 12% of Tri-County sales can be attributed to tourism. Overall, Charleston area visitors generated a total economic impact of over \$3.3 billion.

Tourism's Contribution to Property Taxes of Hotels and Restaurants in the City of Charleston

A study based on data from the Charleston County Treasurer's Office and the DHEC database shows the contributions of property taxes to the City of Charleston. An average hotel contributed around \$105K annually to the City of Charleston through property taxes; an average restaurant contributed around \$19K. In total, the restaurant industry contributed almost \$6 million to the City through property taxes due to visitor spending. The hotel industry contributed more than \$8 million. Combined, they have contributed to a total of more \$14 million to the City each year. In conclusion, they are a significant contributor of government revenue in the City.



NEWS COVERAGE

FollyGras complaints from residents prompt Folly Beach to seek feedback

The Post and Courier – June 1, 2015

“Folly Beach’s economy has had an average annual growth rate of about 11 percent since 2009. That robust rate is much higher than similar Charleston-area beach communities as well as that of Charleston County, according to a report prepared by the Office of Tourism Analysis at the College of Charleston. The study, released in April, does not estimate the economic impact of the island street festivals.”

PGA Championship returning to Kiawah’s Ocean Course in 2021

The Post and Courier – April 27, 2015

“The 2012 tournament had an estimated economic impact of \$193 million, including an estimated \$75 million of media exposure, according to the PGA and College of Charleston Office of Tourism Analysis.”

Study: 23,500 attended Wine and Food Festival

Charleston Regional Business Journal – April 9, 2015

“The Charleston Wine and Food Festival’s 23,500 guests made a more than \$9.2 million economic impact on the Lowcountry, according to data compiled by the College of Charleston’s Office of Tourism Analysis.”

Charleston updates Tourism Management Plan

Charleston Regional Business Journal – April 1, 2015

“Who are Charleston’s visitors? Average Age: 51-52 (49.5% are full-time employed; 18.8% are retired); Arrive from: Regional: South Carolina, North Carolina, Virginia, Georgia, Ohio, and Florida...Tourism industry’s impact in 2012: \$205: spending per visitor, per day; 4.8 million: Visitor count, based on survey results and hotel room nights sold; \$615 million; Lodging sales in Tri-county area; 16%: Contribution to city’s economy....Source: College of Charleston Office of Tourism Analysis”

Summey, staff deliver State of the City address

Charleston Regional Business Journal – January 26, 2015

“Summey said the North Charleston Coliseum and Performing Arts Center and Charleston Area Convention Center attracted 1.5 million visitors in 2014, a 5% increase from 2013. According to the College of Charleston’s Office of Tourism Analysis, \$53.7 million in direct, local spending was attributed to the complex, a 14.5% increase from 2013, Summey said.”

Find new ways to manage tourism

The Post and Courier – December 28, 2014

“Further, the College of Charleston Office of Tourism Analysis recently found that Charleston has less tourism infrastructure than similar cities. The report is worth studying before the city moves forward.”

NEWS COVERAGE

Final tourism management meeting ends with debate over Charleston cruise ships, volume of hotels

The Post and Courier – December 20, 2014

“Another factor that played into the debate was a report released Thursday afternoon by the College of Charleston Office of Tourism Analysis, which found that the level of tourism infrastructure in downtown Charleston is low compared to similar cities. Bing Pan, head of research with the office, said the city has “done a good job in the past 30 or more years on controlling tourism development in the downtown area,” but that the overall growth of the industry in the Charleston area has put pressure on the confined historic district.”

Ocean Course teeing up for another PGA Championship?

The Post and Courier – September 27, 2014

“Warren said Kiawah was able to counter those theories in 2012. The tournament had an estimated economic impact of \$193 million, including an estimated \$75 million of media exposure, according to the PGA and College of Charleston Office of Tourism Analysis.”

Tourism management committee sharpens its focus on traffic woes

The Post and Courier – September 26, 2014

“Plus, the number of people visiting Charleston has increased by nearly 70 percent over the past 20 years, at an annual rate of about 2.7 percent, according to the College of Charleston Office of Tourism Analysis.”

Economic Impact of 2014 Spring Festival of Houses & Gardens and Antiques Show exceeds \$6.6 million

Historic Charleston Foundation – July 1, 2014

“2014 spring Festival of Houses and Gardens and Charleston Antiques Show recorded a boost to the local economy with an impact of over \$6.6 million. According to the College of Charleston’s Office of Tourism Analysis, this impact study represents a 3.85% increase over 2013.”





QUESTIONS OR COMMENTS?

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