Section 1: Overview
Duties of the SCPRT Research Office:

1. Conducts economic impact research and tracks performance indicators of South Carolina tourism

2. Conducts research to inform and evaluate SCPRT’s advertising efforts

3. Provides data and advice to partners and stakeholders

4. Responds to public requests for information
Budget of the SCPRT Research Office:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classified Positions</td>
<td>$114,271</td>
<td>$120,993</td>
<td>$120,993</td>
</tr>
<tr>
<td>Temporary Personnel</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Operating</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Employer Contributions</td>
<td>$51,079</td>
<td>$54,430</td>
<td>$55,500</td>
</tr>
<tr>
<td>Totals</td>
<td>$185,350</td>
<td>$195,423</td>
<td>$196,493</td>
</tr>
</tbody>
</table>

The SCPRT Research Office spends:
- $294,596.68K annually on data (SCPRT Marketing Plan)
- $6,270.80K annually on software licenses (Research Operations Budget)
- $12,381.00K annually on intern (Research Operations Budget)

Total SCPRT Research Office Annual Spending = $490K
SCPRT Research Office regularly obtains or purchases data from over 20 Sources, including:

- STR Hotel Performance
- STR Hotel Forecast
- SCDOR Accommodations Tax Collections
- SCDOR Admissions Tax Collections
- SCDOR Tourism-related Gross Sales
- Airport Data
- SCDEW Tourism Employment Data
- FW Dodge Construction Permits
- SC State Parks Overnight Accommodations & Golf Rounds
- SC Treasurer Allocation of 2% Accommodations Tax
- SMARI Insights
- DHS I-94 Arrivals
- National Golf Foundation Inventory of Golf Courses
- USTA Survey of State Travel Office Budgets
- USTA TEIM
- USTA TTSA
- VisaVue Travel Data
- NTTO Survey of Inflight Air Travel
- TNS/Kantar Travels America
- Statistics Canada
Overview

Dudley Jackson
Director of Research
20 Years State Service

- Coordinate or Perform Economic Impact Analyses
- Coordinate advertising strategy and evaluation research
- Create complex, customized analyses using data from government, businesses, consumer surveys
- Proof all reports and analyses
- Respond to Ad Hoc Requests
- Meet/coordinate with other research partners, state agencies, stakeholders

Sherri Bush-Herndon
Research Office Manager
12 Years State Service

- Manage research budget, purchase data, perform administrative functions
- Enter data into spreadsheets which support regular reports and analyses
- Distribute and publish public reports
- Create basic, customized analyses using government data and business data
- Proof all reports and analyses
- Respond to Ad Hoc Requests
Duty #1: Economic Impact Research and Tracking Performance Indicators

1. Work with US Travel Association to produce state and county level tourism economic impact studies
   “Tourism is a $21.2 billion industry, employing 1 in 10 South Carolinian residents and generating $1.6 billion in state and local taxes”

2. Track tourism indicators such as hotel performance statistics, accommodations tax collections and air passenger deplanements
   “Revenue per Available Room or RevPAR (Occupancy Rate x Average Daily Rate) for January - June 2018 was $75.35, up 2.1% compared to the same period of 2017.”
Duty #2: Inform and Evaluate SCPRT Advertising

1. Contract (1-5 years) with a marketing research vendor to perform advertising strategy and evaluation research. Potential contractors could include:
   - Private Businesses
   - Universities
   - Gov’t Institutes

2. Use TravelsAmerica (TravelTrakAmerica) data to provide advertising research to advertising agency
Duty #3: Provide Data and Advice to Partners and Stakeholders

1. Collaborate with partners to help them develop research methodologies

2. Regularly provide data to partners to facilitate their missions

* Partners include CVBs, Chambers of Commerce, SCATR representatives, state agencies, SCPRT staff, event organizers and private businesses
Duty #4: Respond to Public Requests for Information

1. Respond to Ad Hoc requests from general public, the media, tourism industry partners, legislators, government agencies, private businesses etc.

Since Summer 2013, we have fielded about 380 ad hoc requests.
Section 2: Deliverables
Deliverable 52
Create & Publish Tourism Research Reports

Provided to achieve the requirements of applicable law:

Primary Customer Segments
- Local Governments
- Destination Marketing Organizations
- Tourism-related Associations
- Tourism Businesses
- Higher Education Institutions

SCPRT does not charge for research reports.
Deliverable 52
Create & Publish Tourism Research Reports
Deliverable 52
Create & Publish Tourism Research Reports

324 research reports on SCPRT.com including:

- State Level Lodging Report (Monthly)
- Accommodations Tax Collections by County (Monthly)
- Admissions Tax Collections by County (Monthly)
- Accommodation Tax Distribution by Local Gov’t (Quarterly)
- Economic Contribution of Tourism in South Carolina (Annually)
- Economic Impact of Travel on South Carolina Counties (Annually)
- Accommodations Tax Revenue Distribution by Local Gov’t (Annually)
- Expenditures of Annual Accommodations Tax Revenues (Annually)
- Profiles of Consumer Travel to South Carolina (Annually) such as:
  - Domestic Out-of-State Leisure Travel to South Carolina (Annually)
  - Domestic VFR Travel to South Carolina
- Economic Impact of Golf in South Carolina (Every Three to Five Years)
Deliverable 52
Create & Publish Tourism Research Reports

From: The Economic Contribution of Tourism in South Carolina

Tourism Spending: Core & Economy

- Spending by travelers constitutes the “core” of tourism economic activity.
- Tourism-related government, investment and merchandise trade expenditures add to the core activity to give a picture of the entire tourism-generated economy.

2016 Tourism Spending by Category (in $ millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC Residents</td>
<td>$3,643</td>
</tr>
<tr>
<td>Out-of-State Visitors to SC</td>
<td>$10,852</td>
</tr>
<tr>
<td>International Visitors</td>
<td>$824</td>
</tr>
<tr>
<td>Government (Collectively)</td>
<td>$490</td>
</tr>
<tr>
<td>Investment</td>
<td>$740</td>
</tr>
<tr>
<td>Merchandise Trade</td>
<td>$4,630</td>
</tr>
<tr>
<td>Total Tourism Demand</td>
<td>$21,179</td>
</tr>
</tbody>
</table>

Beneficiary Industries of Total Impact on Employment

- Tourism employment is sustained within a diverse set of industries.
- In 2016, direct traveler (core) spending generated 131,300 jobs, accounting for 6.4% of the state’s total non-farm employment and 8.0% of private employment.
- Including direct, indirect and induced impacts generated by all tourism (economy) spending, tourism supports 209,700 jobs, or 9.8% of all non-farm employment and 12.2% of total private employment.
Deliverable 52
Create & Publish Tourism Research Reports

Change in Statewide 2% Accommodations Tax Collections for July-June (June-May Business) FY17-18 Compared to the Same Period in FY16-17 by County

Legend
- Increased collections from some period in previous year
- Increased collections from same period in previous year

Note: Collections and data to the accuracy of revenue database, local cities are responsible
Source: South Carolina Department of Revenue

Deliverables
Deliverable 52
Create & Publish Tourism Research Reports

Not Published on SCPRT’s research webpages:

- Full Reports on SCPRT internal programs (Deliverable 53)
Deliverable 52
Create & Publish Tourism Research Reports

Not Published on SCPRT’s research webpages:

- Full reports on SCPRT internal programs
- Reports based on vendor or government data that legally or contractually prevent us from publishing their data
Deliverable 52
Create & Publish Tourism Research Reports

Things you won’t find on SCPRT’s research webpages:

- Full reports on SCPRT internal programs
- Reports based on vendor or government data that legally or contractually prevent us from publishing their data
- Full impact reports for statewide weather events (e.g. Hurricanes, The 2017 Solar Eclipse)
Deliverable 52
Create & Publish Tourism Research Reports

South Carolina Eclipse Visitor Volume & Economic Impact Summary

Ultimately, the visitor volume and economic impact estimates were derived using a model combining data from SMARInsights' primary research, data from STR, Inc., and SCPRT's room inventory database.

In total, an estimated 513,000 parties came to or traveled within South Carolina to view the total solar eclipse. The average party size was 3.1, equating to an estimated 1.6 million eclipse travelers. Overall, these travel parties spent $524 in South Carolina, for a total economic impact of $269 million. Eclipse travelers are basically evenly distributed between in-state and out-of-state, but the out-of-state visitors spent more — so they account for about two-thirds of the total economic impact.

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eclipse travel parties</td>
<td>253K</td>
<td>260K</td>
<td>513K</td>
</tr>
<tr>
<td>Avg. party size</td>
<td>3.2</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Eclipse travelers</td>
<td>805K</td>
<td>795K</td>
<td>1.6M</td>
</tr>
<tr>
<td>Avg. spending</td>
<td>$872</td>
<td>$673</td>
<td>$524</td>
</tr>
<tr>
<td>Economic impact</td>
<td>$94.2M</td>
<td>$174.8M</td>
<td>$269M</td>
</tr>
</tbody>
</table>
Deliverable 52
Create & Publish Tourism Research Reports

Things you won’t find on SCPRT’s research webpages:

☑ Full reports on SCPRT internal programs

☑ Reports based on vendor or government data that legally or contractually prevent us from publishing their data

☑ Full impact reports for statewide weather events (e.g. Hurricanes, The 2017 Solar Eclipse)

☑ Data that is tracked or owned by tourism partners
Deliverable 52
Create & Publish Tourism Research Reports

Greatest Harm: SCPRT, DMOs, and other tourism businesses and organizations use this information to gauge tourism growth trends. SCPRT is the only entity that creates these reports so if SCPRT didn’t create them they would not be available. A very few CVBs or other entities with sufficient budgets and research staff to buy and process a portion of the relevant data.
Deliverable 53
Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

Provided to achieve the requirements of applicable law:

Primary Customer Segments
SCPRT Internal Departments
Contracted Partners (e.g. Advertising Agency)
Deliverable 53

Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

Current Indicators of South Carolina Travel & Tourism

**Hotel Operating Statistics**

**Calendar Year:**
- **Revenue per Available Room:** May 2018: $72,535, down 4.5% compared to the same period in 2017. May 2017: $76,535, down 4.5% compared to the same period in 2016.

**Occupancy:**
- June 2018: 64.8%
- June 2017: 59.8%
- June 2016: 54.8%

**Average Daily Rate:**
- June 2018: $120.6
- June 2017: $115.8
- June 2016: $110.8

**YTD Change:**
- June 2018: down 2.0%
- June 2017: down 2.0%
- June 2016: down 2.0%

**Deliverable 53 Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations**

**State Accommodations and Admissions Tax Collections**

**Fiscal Year:**
- After 12 months of FY17-18 (January-May), state accommodations and admissions Tax collections were $75.9M (up 3.5%). Due to a computer online upgrade at SCDDR, admissions Tax collections from hotels are unavailable at the time of this report. See the hands-on experience guide to︺.

**State Park Operating Statistics**

**Fiscal Year:**
- Occupancy in FY17-18 for campgrounds was up 10.6% and cabins were down 1.4% compared to the same period in FY16-17. Staff costs were down 1.3% for January-June 2018 compared to the same period in 2017.

**Employment**

**Calendar Year:**
- Low and hospitality employment was 13,000 in June 2018 (9) compared to the same period in 2017.

**State Park and Recreation Statistics**

**State Park and Recreation Tax Collections**

**Unavailable**

**State and Regional Airport Departure Statistics**

**Calendar Year:**
- Departures for May 2018 were up 4.1% compared to the same period in 2017.
- Departures for the full calendar year 2018 were up 4.5% compared to 2017.

**Source:** SC Department of Parks, Recreation & Tourism

**Blue Sheet**

Deliverables

From: SCPRT
Deliverable 53
Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

From: Fiscal Year 2016-17 Advertising Effectiveness Research
Deliverable 53
Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

From: 2015 Welcome Center Focus Groups Report

Overall Reaction
Generally speaking, the redesigned welcome center was well liked by all the groups. There certainly were differences in terms of both how the center was introduced to participants as well as in the context of their past experience. The group with the least welcome center experience who were given a guided tour of the facility and its amenities found it the nicest. Those with more experience were less effective, but were nonetheless quite favorable.

The overall driving force of the improved appeal was seemingly driven by the feeling of openness and how bright and clean the place looked. Newness and new furniture were drivers – as well as comparative experience, including past visits to this center. Respondents saw as positives that they could see themselves using the free WiFi, charging stations, weather reports, and coupons and deals.

Interestingly, and importantly, what was not noticed was how the banner had been removed between the visitor and counselors by taking the staff out from behind a desk and forcing more interaction. While this is a significant operation change, and may engender significantly more engagement, it is not necessarily one that is noticed by the customer in an evaluation. Rather, it may simply make for a better, more productive experience, which can lead to longer stays and higher spending. Regardless, this significant change was not noticed.

Comparative Set
It is important to understand the perspective of the respondents and to what they were comparing the remodeled center. After much discussion about how they use welcome centers and how this one compares, it became evident that there was potentially some misunderstanding. Upon probing it became clear that there were three potential types of comparative facilities:

• Rest Stops: In general it seems reasonable to conclude from these sessions that respondents were using the notion of rest areas and welcome centers interchangeably. In fact with the first group (who were the most positive), many had not actually been to a welcome center and would consider it as a rest area. With this
Deliverable 53
Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

From: *South Carolina Tourism Today* Newsletter

### Monthly Snapshot
of tourism indicators

<table>
<thead>
<tr>
<th>May 2018</th>
<th>YTD</th>
<th>May 2018 vs May 2017 % Change</th>
<th>YTD 2018 (Jan-May)</th>
<th>YTD % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charleston</td>
<td>216,571</td>
<td>14.0%</td>
<td>843,212</td>
<td>8.7%</td>
</tr>
<tr>
<td>Columbia</td>
<td>51,004</td>
<td>8.3%</td>
<td>231,323</td>
<td>7.0%</td>
</tr>
<tr>
<td>Greenville / Spartanburg</td>
<td>97,698</td>
<td>3.8%</td>
<td>427,905</td>
<td>6.8%</td>
</tr>
<tr>
<td>Hilton Head</td>
<td>2,981</td>
<td>-8.7%</td>
<td>12,130</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Myrtle Beach</td>
<td>132,230</td>
<td>10.0%</td>
<td>428,400</td>
<td>14.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>500,484</td>
<td>10.1%</td>
<td>1,942,970</td>
<td>9.1%</td>
</tr>
<tr>
<td>Savannah/ Hilton Head</td>
<td>132,999</td>
<td>13.0%</td>
<td>539,666</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

RevPAR YTD is calculated on the calendar year. Admissions Tax Collections and State Parks Revenue YTD are calculated on the state fiscal year.

### 2018

<table>
<thead>
<tr>
<th>Occupancy Percentage Forecast</th>
<th>August</th>
<th>September</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td>68.5%</td>
<td>64.7%</td>
<td>64.2%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent Change v. Same Month in Previous Year</th>
<th>August</th>
<th>September</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.8%</td>
<td>4.6%</td>
<td>-1.3%</td>
<td></td>
</tr>
</tbody>
</table>
Deliverable 53
Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

From: *2018 TourismEconomics Data*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>491</td>
<td>425</td>
<td>430</td>
<td>1.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>25</td>
<td>25</td>
<td>30</td>
<td>18.5%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Japan</td>
<td>18</td>
<td>20</td>
<td>21</td>
<td>3.7%</td>
</tr>
<tr>
<td>China</td>
<td>13</td>
<td>15</td>
<td>16</td>
<td>12.2%</td>
</tr>
<tr>
<td>France</td>
<td>13</td>
<td>12</td>
<td>11</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>5.1%</td>
</tr>
<tr>
<td>Mexico</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>5.1%</td>
</tr>
<tr>
<td>South Korea</td>
<td>7</td>
<td>7</td>
<td>10</td>
<td>37.7%</td>
</tr>
<tr>
<td>Italy</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>5.6%</td>
</tr>
<tr>
<td>India</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>2.9%</td>
</tr>
<tr>
<td>Spain</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6.9%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>0.2%</td>
</tr>
<tr>
<td>Sweden</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>23.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>1.2%</td>
</tr>
<tr>
<td>Brazil</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>-10.6%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Ireland</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>-2.4%</td>
</tr>
</tbody>
</table>
Deliverable 53
Utilize Tourism-Related Tax Collections and Statistics to Inform Agency Operations

Greatest Harm: SCPRT uses this data to ensure that it’s programs are performing at their maximum and that the agency is appropriately serving the state’s tourism industry and citizens.

Without this data SCPRT would be unable to evaluate its performance of these responsibilities.
Section 3: SC Tourism Performance and Forecast
US Economic Growth

US Economic Indicators are currently very strong

- **Stock market** – Growth from Mar ‘09 to Aug ‘18:
  - S&P 500 up 320%
  - Dow Jones up 290%
  - Nasdaq up 520%

- **Housing** – Demand has nearly erased existing supply
  - 2018 prices are much higher than previous peak in 2006
  - New construction starting up late, +7.8%, Jan-June 2018

- **U-3 Unemployment** – Just 3.9% in July 2018.
  - May U-3 level of 3.8% was an 18 year low.
  - High school dropout unemployment of 5.1% for July was lowest ever, down from 15.6% in 2009.
US Tourism Growth

US tourism growth has been strong and consistent since the Great Recession:

- 101 consecutive months of growth in hotel room-nights sold (2\textsuperscript{nd} longest in STR Inc. historical records)
- Domestic traveler spending in the US has grown an average of 4.9% every year since 2009
Growth in SC Tourism

**Hotel Room-Nights Sold in South Carolina**

- **Average Growth**: +3.4%/yr

**South Carolina Statewide 2% Accommodations Tax Collections**

- **Average Growth**: +7.8%/yr
Growth in SC Tourism
Tourism in South Carolina, 2018

- Hotel RevPAR: UP 2.1% Jan-July 2018
- Hotel Room-Nights Sold: UP 1.5% Jan-July 2018
- Airport Deplanements: UP 9.1% Jan-May 2018
- 2% Accommodations: UP 3.6% FY2017-2018
- Tax Collections: UP 12.9% FY2017-2018
- State Parks Revenue: UP 7.1% Jan-June 2018
- Spending on Visa Cards in SC by Int’l Visitors: UP 9.1% Jan-June 2018
South Carolina Tourism Forecast

Barring unforeseen collapse, US economic fundamentals suggest several more years of economic growth:

- Economy and jobs are hot but not overheating.
- Inflation seems to be under control currently.
- Tourism will likely continue to benefit.

### Domestic Visitor Expenditures in SC

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$12.0</td>
</tr>
<tr>
<td>2011</td>
<td>$12.5</td>
</tr>
<tr>
<td>2012</td>
<td>$13.0</td>
</tr>
<tr>
<td>2013</td>
<td>$13.5</td>
</tr>
<tr>
<td>2014</td>
<td>$14.0</td>
</tr>
<tr>
<td>2015</td>
<td>$14.5</td>
</tr>
<tr>
<td>2016</td>
<td>$15.0</td>
</tr>
<tr>
<td>2017</td>
<td>$15.5</td>
</tr>
<tr>
<td>2018</td>
<td>$16.0</td>
</tr>
<tr>
<td>2019</td>
<td>$16.5</td>
</tr>
<tr>
<td>2020</td>
<td>$17.0</td>
</tr>
<tr>
<td>2021</td>
<td>$17.5</td>
</tr>
<tr>
<td>2022</td>
<td>$18.0</td>
</tr>
</tbody>
</table>

**IF:**
- Historical ratios for US and SC domestic traveler spending continue
- USTA’s national forecast is correct

**Then:**
South Carolina could get 20% growth from 2017 to 2022

### International Visitor Volume to South Carolina

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>549.8</td>
</tr>
<tr>
<td>2012</td>
<td>697.1</td>
</tr>
<tr>
<td>2017</td>
<td>667.4</td>
</tr>
<tr>
<td>2022</td>
<td>793.3</td>
</tr>
</tbody>
</table>

18.9% forecasted growth from 2017 to 2022

Source: SCPRT, Tourism Economics
Performance Measures

Questions

???