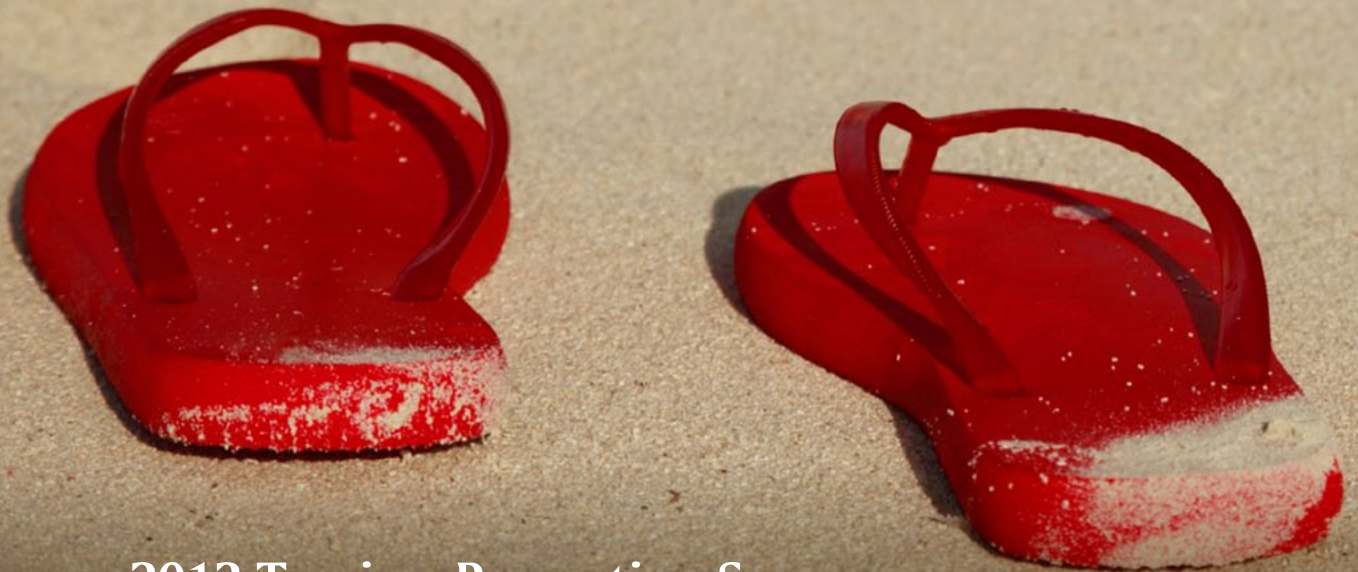LLOYD D. LEVENSON INSTITUTE
OF GAMING, HOSPITALITY & TOURISM

THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

# 2012 Tourism Promotion Survey

*Insights into the Travel and Gaming Behavior
of Northeast US Residents*

## THE LLOYD D. LEVENSON INSTITUTE OF GAMING, HOSPITALITY AND TOURISM

in the School of Business at the Richard Stockton College of New Jersey, leverages Stockton's intellectual resources and community connections to provide research and outreach that supports gaming and tourism leaders and policy makers in the Atlantic City region, in the State of New Jersey and beyond.

**Israel Posner, Ph.D.,** *Executive Director*
Lloyd D. Levenson Institute of Gaming,
Hospitality and Tourism

## 2012 TOURISM PROMOTION SURVEY

The 2012 Tourism Promotion Survey was conducted by Stockton College's Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT) with support from the William J. Hughes Center for Public Policy. This 6th annual tourism survey, based upon a sample of more than 3,000 respondents gathered by Zogby International, in 16 major Northeast United States markets, provides insight into demographic, activity preference and planning habits of general recreational travelers and compares them to casino travelers. The implications for Atlantic City and destination resorts, in general, are considered.

### The research team included:

**Dr. Brian J. Tyrrell:** *Survey Project Manager, Associate Professor of Hospitality and Tourism Management Studies* in the School of Business **www.stockton.edu/busn** (609.652.4759)

**Dr. Israel Posner:** *Executive Director, Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism* at The Richard Stockton College of New Jersey **www.stockton.edu/levenson** (609.347.2168)

## New Jersey State Hotel Occupancy Tax



Source: New Jersey Division of Taxation,
2012. New Jersey Hotel and Motel Occupancy Fee Information.

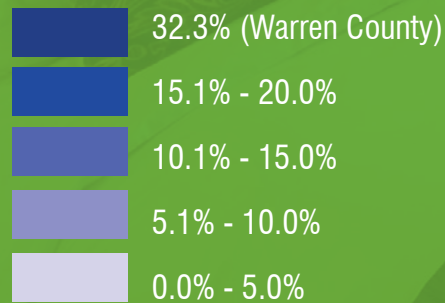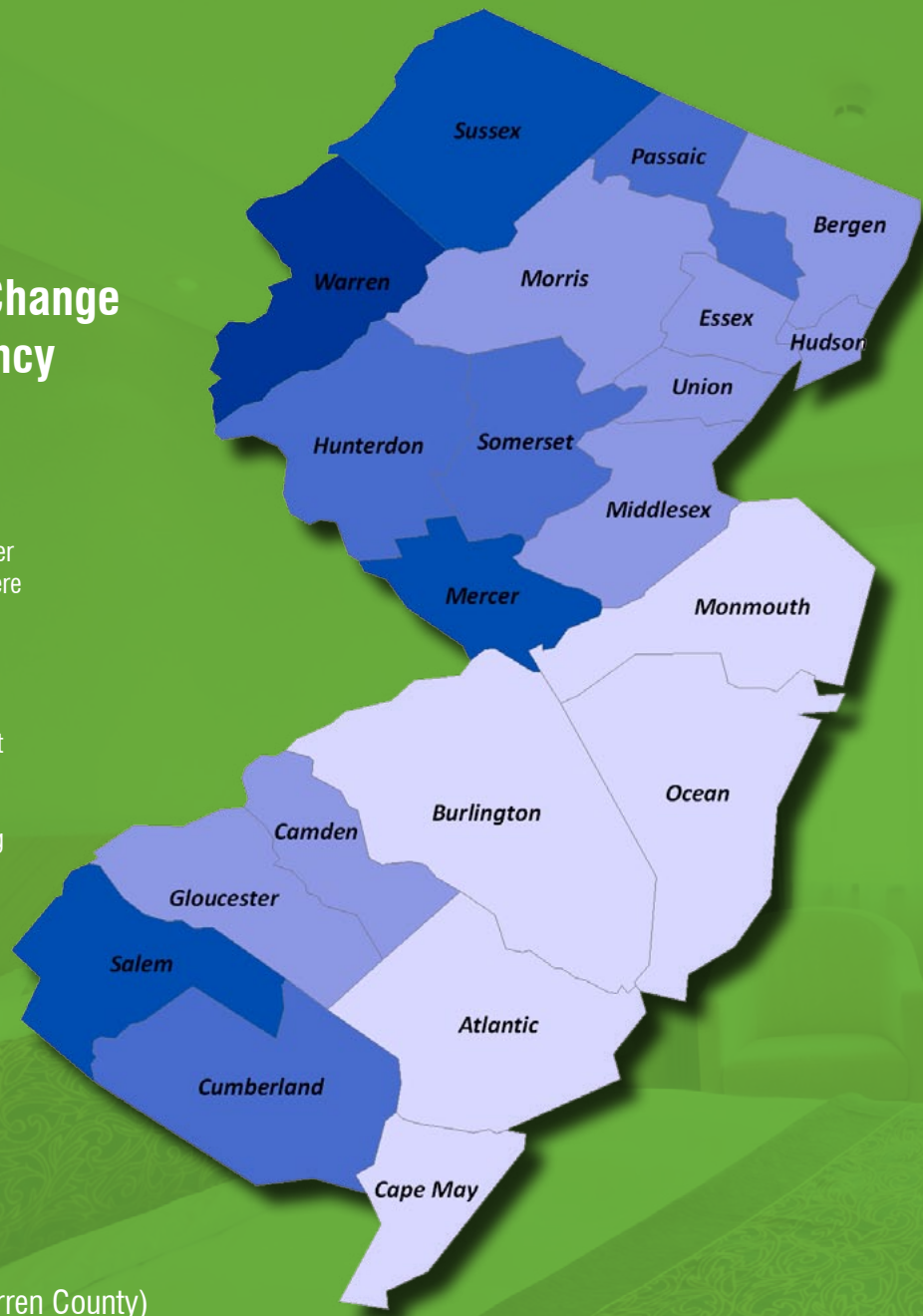## PriceWaterhouseCoopers (PWC) Revenue per Available Room trends compared with NJ Hotel Occupancy Tax
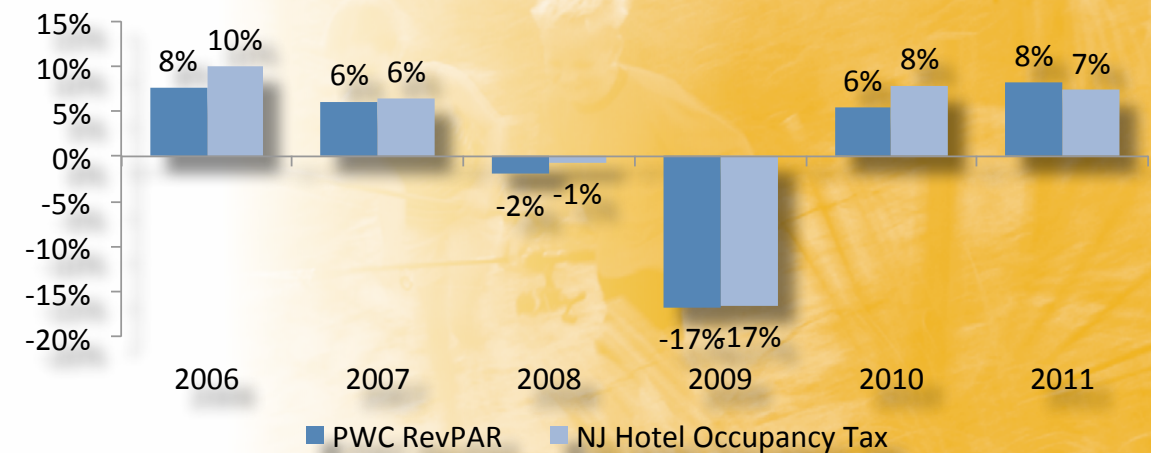


Source: New Jersey Division of Taxation, (2012). New Jersey Hotel and Motel Occupancy Fee Information.
and
PriceWaterhouseCoopers (2012). With Improved Occupancy, Focus Turns to Pricing in 2012, According to PwC US Lodging Industry Forecast. Available online at http://www.marketwatch.com/story/with-improved-occupancy-focus-turns-to-pricing-in-2012-according-to-pwc-us-lodging-industry-forecast-2012-01-23.
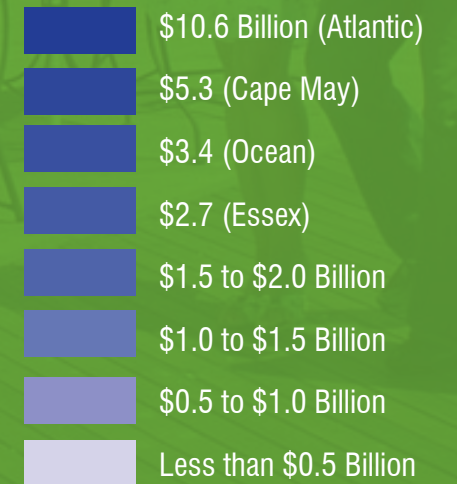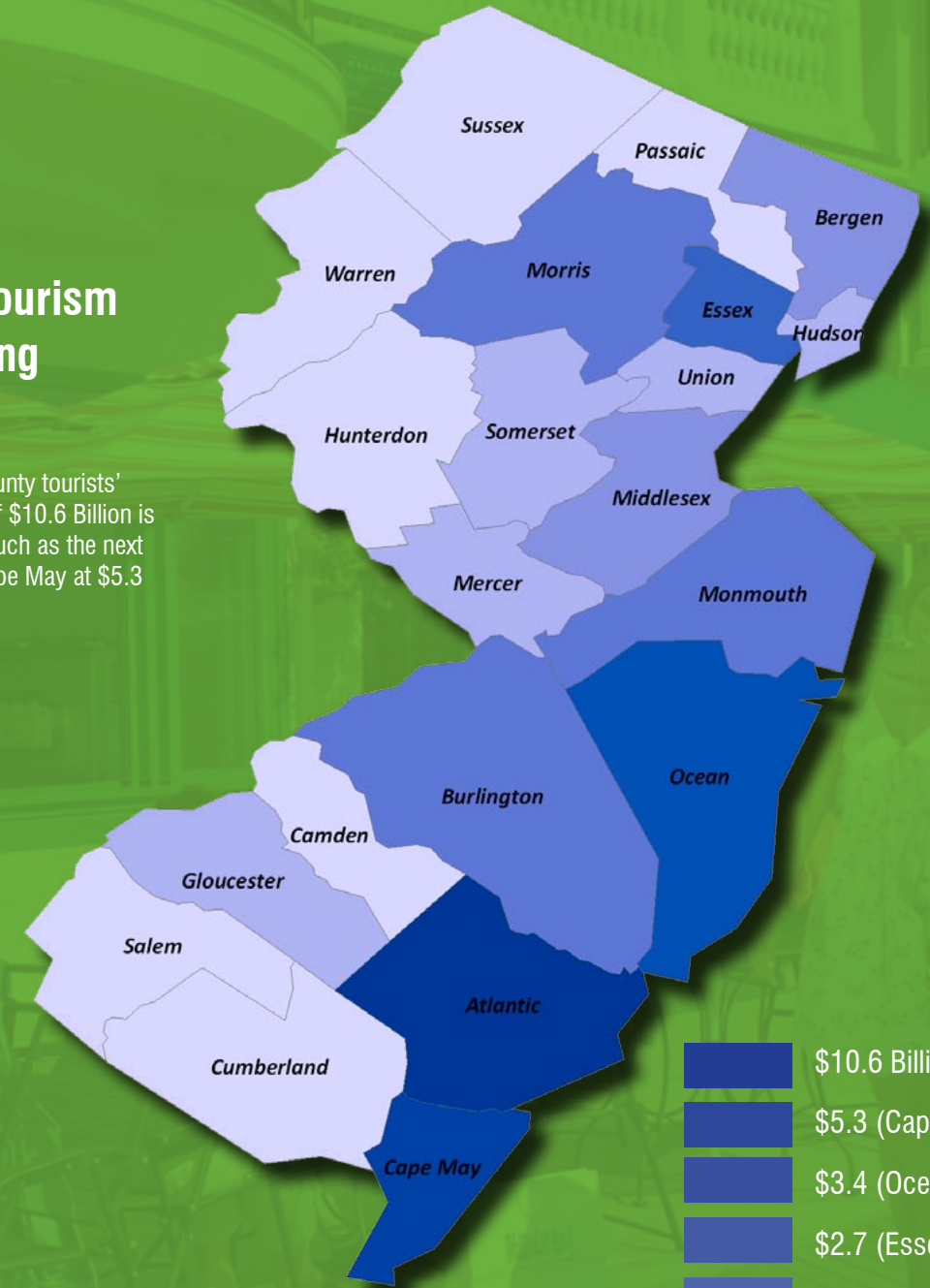
## Year over Year Change in Hotel Occupancy Tax Receipts

- The shore communities were more stable during the recession and thus their lower percentage gains in 2011 were not a big surprise.

- Interestingly, the strong 2011 performance in Sussex and Warren are two very different stories.

- Warren County is rebounding from some of the worst performance in the state in both 2009 and 2010.

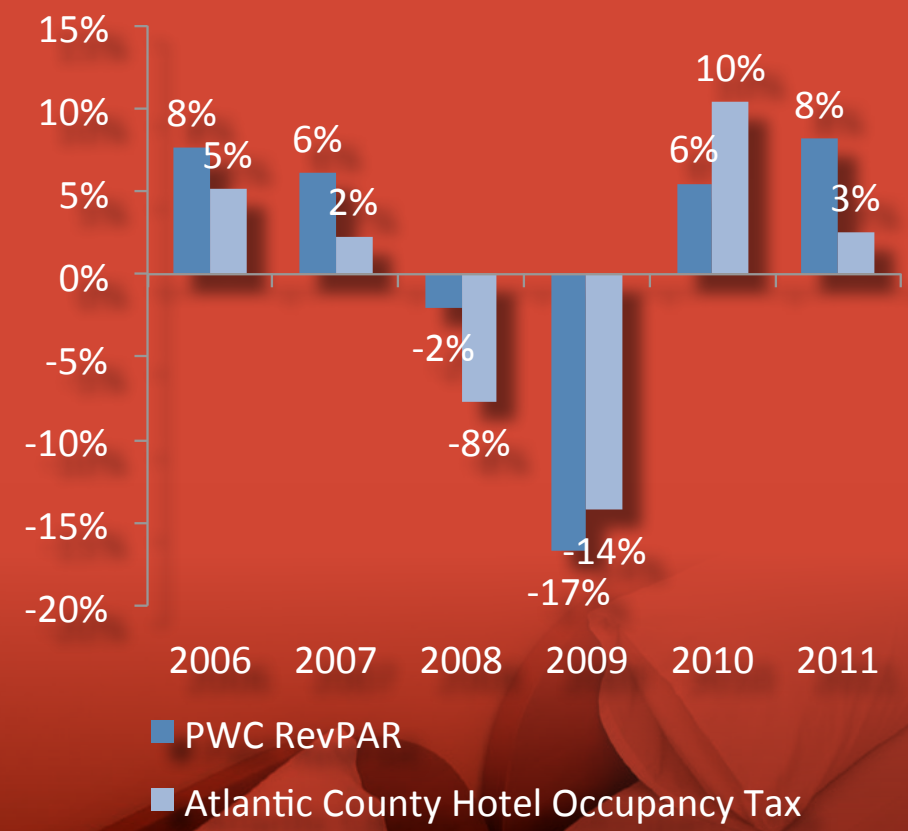- Sussex County has been outperforming most of the state over the past 5 years.

Legend:
- 32.3% (Warren County)
- 15.1% - 20.0%
- 10.1% - 15.0%
- 5.1% - 10.0%
- 0.0% - 5.0%

Map counties: Sussex, Passaic, Bergen, Warren, Morris, Essex, Hudson, Hunterdon, Somerset, Union, Mercer, Middlesex, Monmouth, Burlington, Camden, Ocean, Gloucester, Salem, Cumberland, Atlantic, Cape May

## 2010 Tourism Spending

- Atlantic County tourists' spending of $10.6 Billion is twice as much as the next county (Cape May at $5.3 Billion)

Legend:
- $10.6 Billion (Atlantic)
- $5.3 (Cape May)
- $3.4 (Ocean)
- $2.7 (Essex)
- $1.5 to $2.0 Billion
- $1.0 to $1.5 Billion
- $0.5 to $1.0 Billion
- Less than $0.5 Billion

Map counties: Sussex, Passaic, Bergen, Warren, Morris, Essex, Hudson, Hunterdon, Somerset, Union, Middlesex, Mercer, Monmouth, Burlington, Camden, Ocean, Gloucester, Salem, Cumberland, Atlantic, Cape May

Source: McGill, K. and Gray, J. (2011). 2010 Tourism Economic Impact Study. Conducted for the New Jersey Division of Travel and Tourism by Vantage Strategy. Available at www.visitnj.org.

## Atlantic County Hotel Occupancy Tax and PriceWaterhouseCoopers RevPAR 2006 - 2011

- Hotel revenues in Atlantic County have closely tracked national trends in hotel revenues.

- PriceWaterhouseCoopers is projecting an increase of 6.25% in Hotel Revenue for 2012.

- The opening of Revel in the Spring of 2012 will boost the available supply of rooms for Atlantic County.

**Chart — PWC RevPAR and Atlantic County Hotel Occupancy Tax, by year:**

| Year | PWC RevPAR | Atlantic County Hotel Occupancy Tax |
|------|-----------|-------------------------------------|
| 2006 | 8% | 5% |
| 2007 | 6% | 2% |
| 2008 | -2% | -8% |
| 2009 | -17% | -14% |
| 2010 | 6% | 10% |
| 2011 | 8% | 3% |

■ PWC RevPAR
■ Atlantic County Hotel Occupancy Tax
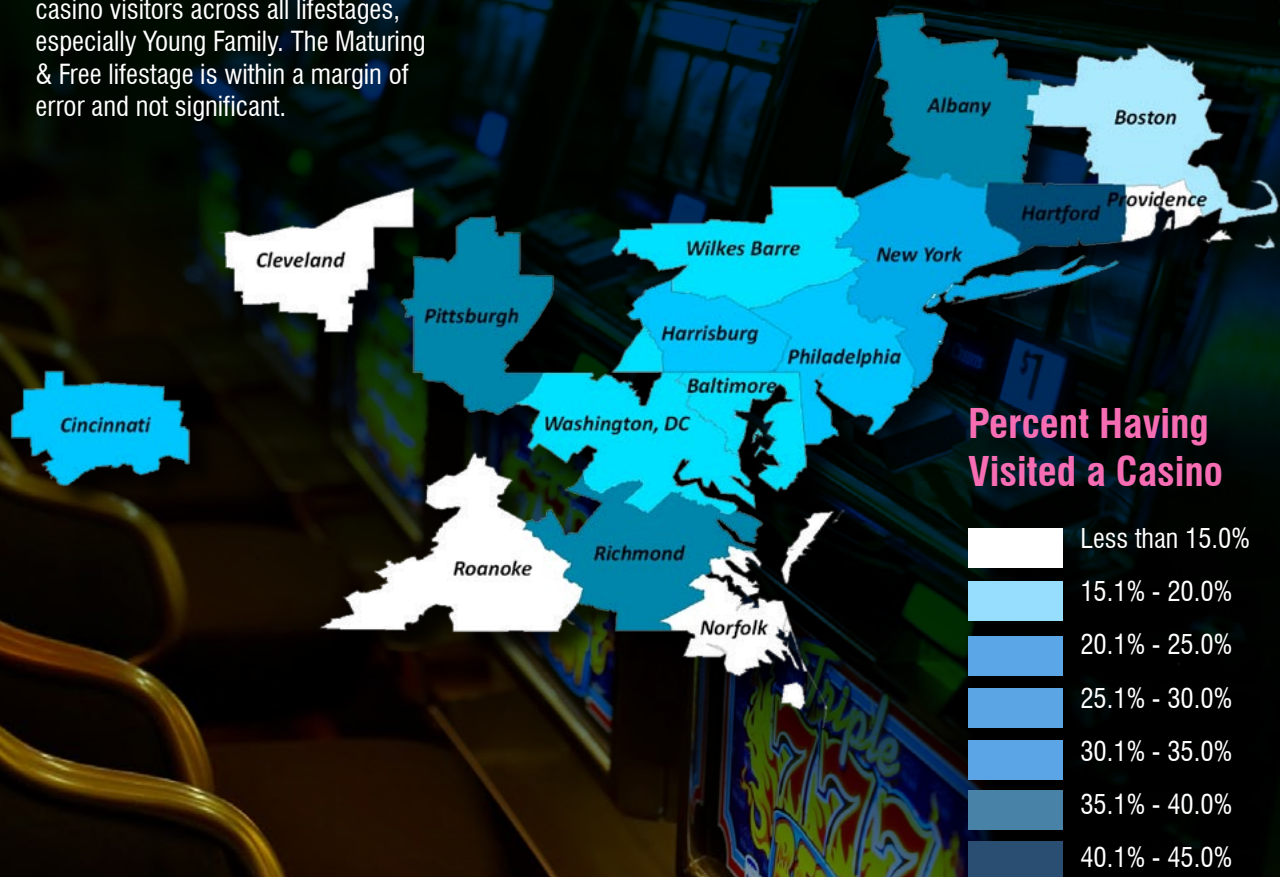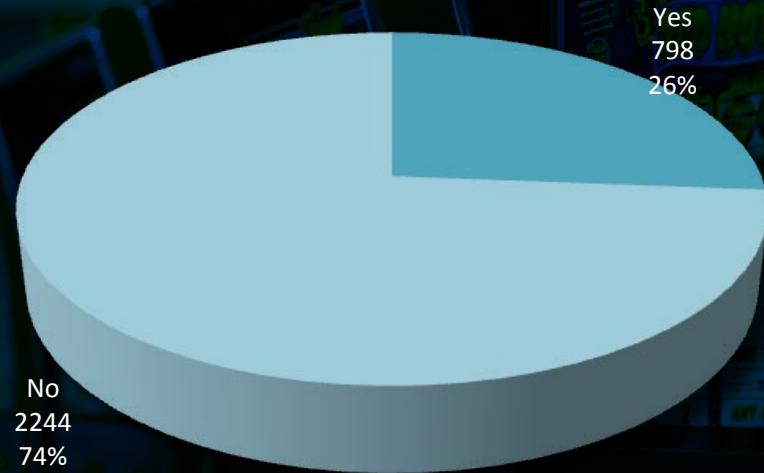
## Sample Characteristics by Designated Market Area

- In February of 2012 the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), in conjunction with Zogby International, surveyed 3,043 individuals residing in the Northeast United States.

- The sample was drawn from the 16 Designated Market Areas (DMA's) that produce the most visitors to the state of New Jersey.

| Designated Market Areas (DMA's) | Total |
|---------------------------------|-------|
| New York | 688 |
| Philadelphia | 380 |
| Boston | 343 |
| Washington, DC | 334 |
| Cleveland | 233 |
| Cincinnati | 211 |
| Pittsburgh | 204 |
| Baltimore | 149 |
| Albany | 122 |
| Hartford | 110 |
| Harrisburg | 89 |
| Wilkes Barre | 76 |
| Richmond | 66 |
| Norfolk | 58 |
| Providence | 53 |
| Roanoke | 27 |

**Map legend:**
- 27-100
- 101-200
- 201-300
- 301-400
- 688 (New York)
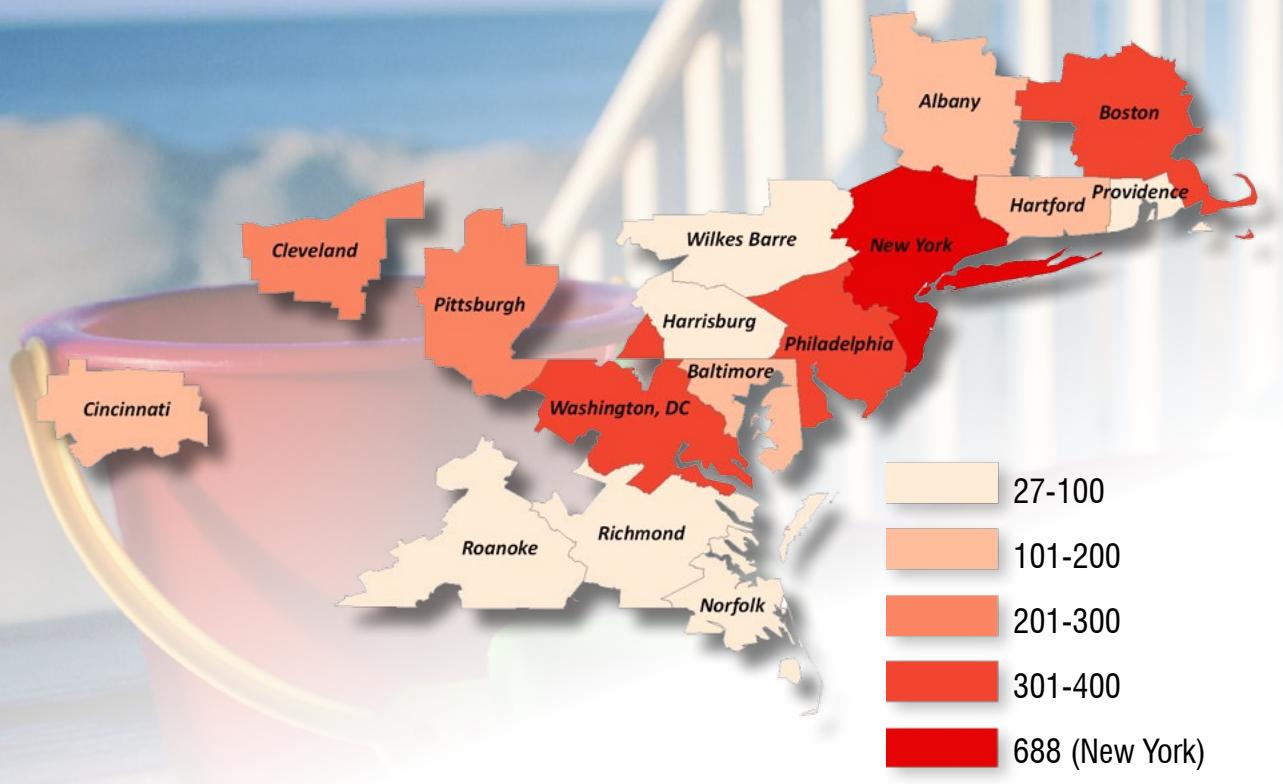
# Have you visited a casino or slots parlor in the past 12 months?

- The 26% that had visited a casino in the past 12 months is slightly higher than what we found last year (23%) but within a margin of error.

- Once again, Hartford was found to produce the highest percentage of casino visitors, with nearly half suggesting they'd visited in the past 12 months.

- With the proliferation of gaming in the northeast, this year's highlights focus a bit more closely on visitors to Pennsylvania and New Jersey Casinos.

- We see higher percentages of casino visitors across all lifestages, especially Young Family. The Maturing & Free lifestage is within a margin of error and not significant.
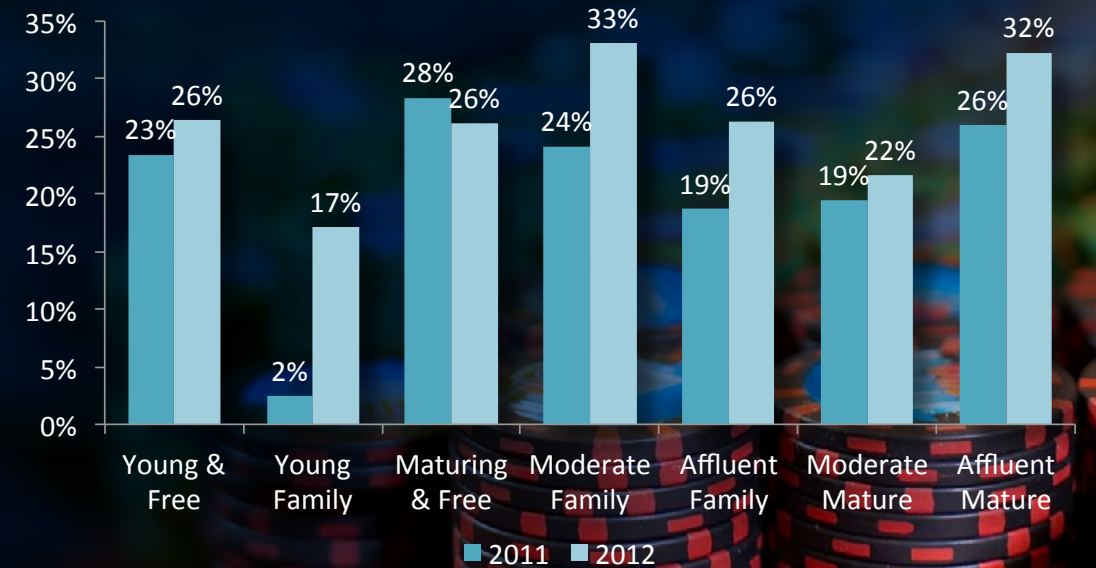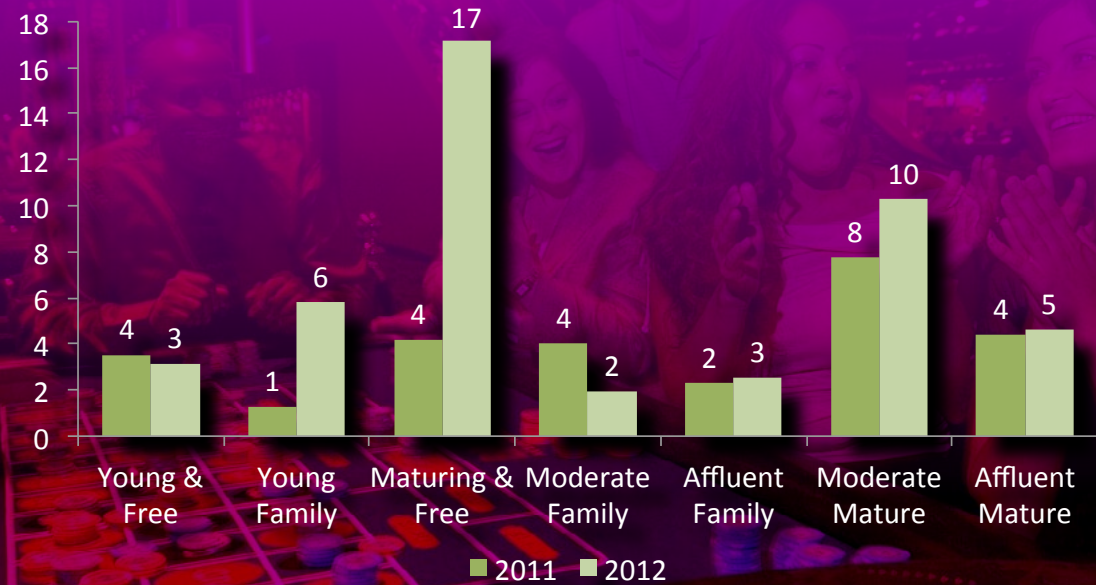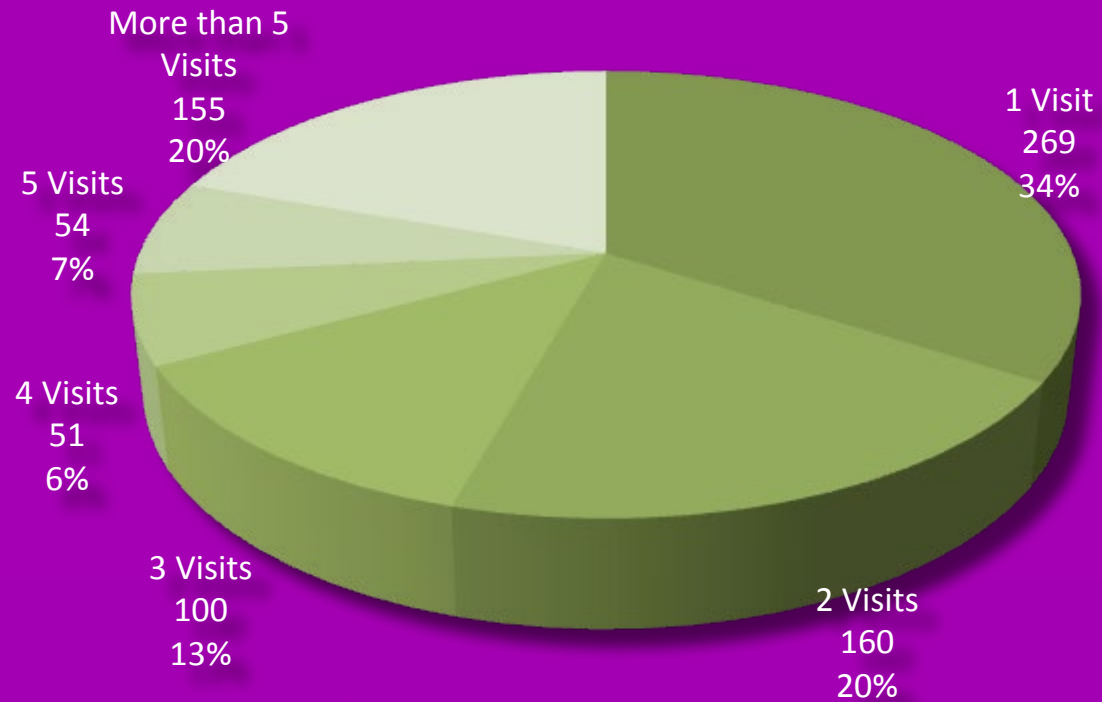
Yes
798
26%

No
2244
74%

**Percent Having Visited a Casino**

| | |
|---|---|
| | Less than 15.0% |
| | 15.1% - 20.0% |
| | 20.1% - 25.0% |
| | 25.1% - 30.0% |
| | 30.1% - 35.0% |
| | 35.1% - 40.0% |
| | 40.1% - 45.0% |

# Family Life Cycles (Lifestage[1])

| Lifestage | Age of the Household Head | Household Income | Children under Age 18 in Household |
|---|---|---|---|
| Young & Free | 18-34 years | any | no |
| Young Family | 18-34 years | any | yes |
| Maturing & Free | 35-54 years | any | no |
| Moderate Family | 35-54 years | Under $75K | yes |
| Affluent Family | 35-54 years | $75K or higher | yes |
| Moderate Mature | 55 years or older | Under $75K | no |
| Affluent Mature | 55 years or older | $75K or higher | no |

[1] DK Shifflet & Associates (2007). NJ FY2006p Visitor Profile Public Version. Retrieved January 5, 2008 from the New Jersey Division of Travel and Tourism website: http://www.state.nj.us/travel/pdf/fy2006-visitor-profile-4-2-07.pdf

# Percentage having visited a casino or slots parlor in the past 12 months

| Lifestage | 2011 | 2012 |
|---|---|---|
| Young & Free | 23% | 26% |
| Young Family | 2% | 17% |
| Maturing & Free | 28% | 26% |
| Moderate Family | 24% | 33% |
| Affluent Family | 19% | 26% |
| Moderate Mature | 19% | 22% |
| Affluent Mature | 26% | 32% |

■ 2011 ■ 2012

## How many times have you visited a casino in the past 12 months?



More than 5 Visits
155
20%

5 Visits
54
7%

4 Visits
51
6%

3 Visits
100
13%

2 Visits
160
20%

1 Visit
269
34%



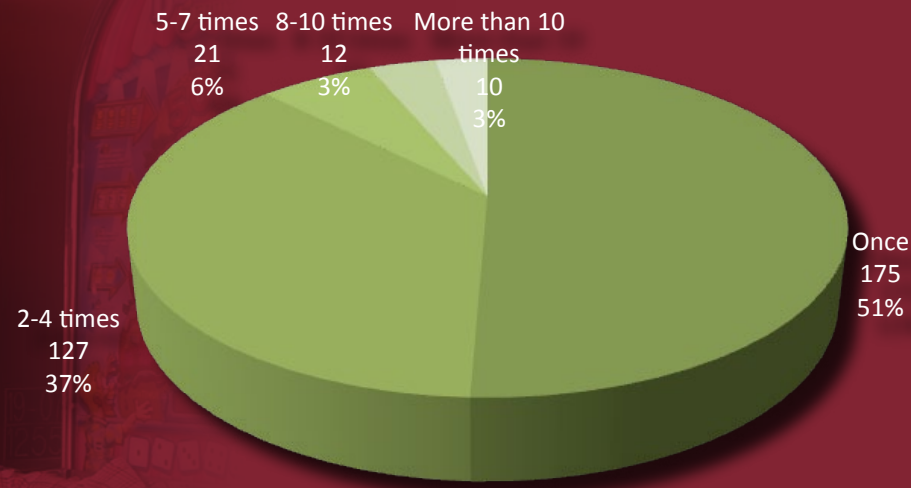| | Young & Free | Young Family | Maturing & Free | Moderate Family | Affluent Family | Moderate Mature | Affluent Mature |
|---|---|---|---|---|---|---|---|
| 2011 | 4 | 1 | 4 | 4 | 2 | 8 | 4 |
| 2012 | 3 | 6 | 17 | 2 | 3 | 10 | 5 |

■ 2011  ■ 2012

## Maturing & Free

- Despite the relatively unchanged percentage of the Maturing & Free that said they had visited a casino in the past 12 months, this important lifestage segment for the industry reported having visited much more frequently (17.1 times) this year compared with last (4.2 times).

- Indeed, a closer examination of the Maturing & Free reveals that more than a third of these individuals visited a casino or slots parlor more than five times.

- Importantly, the Maturing & Free had nearly twice as many respondents (35.1%) reporting they'd visited a casino more than five times when compared with the general population (19.6%).

- Still, the research cannot reveal whether the increase in the frequency with the Maturing & Free is as a result of an improving economy or the increased proliferation of gaming supply in the Northeast.

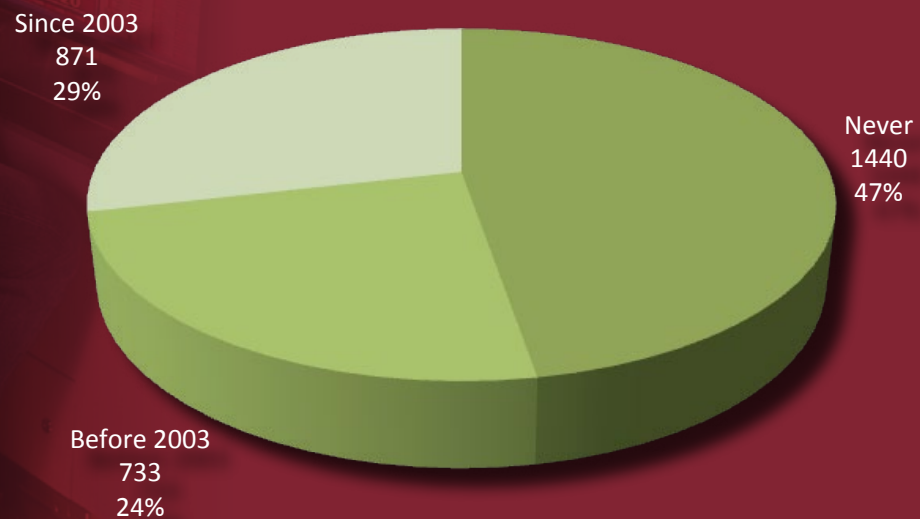## *Maturing & Free* visits to a casino in the past 12 months?



More than 5 Visits
61
35%

5 Visits
8
4%

4 Visits
22
13%

3 Visits
12
7%

2 Visits
15
9%
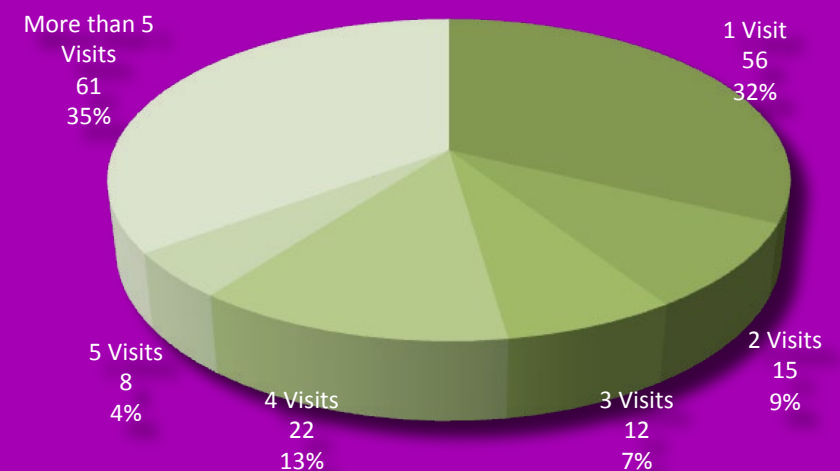
1 Visit
56
32%

## How many times in the past 12 months have you visited Atlantic City?



**Pie chart:**
- 5-7 times — 21 — 6%
- 8-10 times — 12 — 3%
- More than 10 times — 10 — 3%
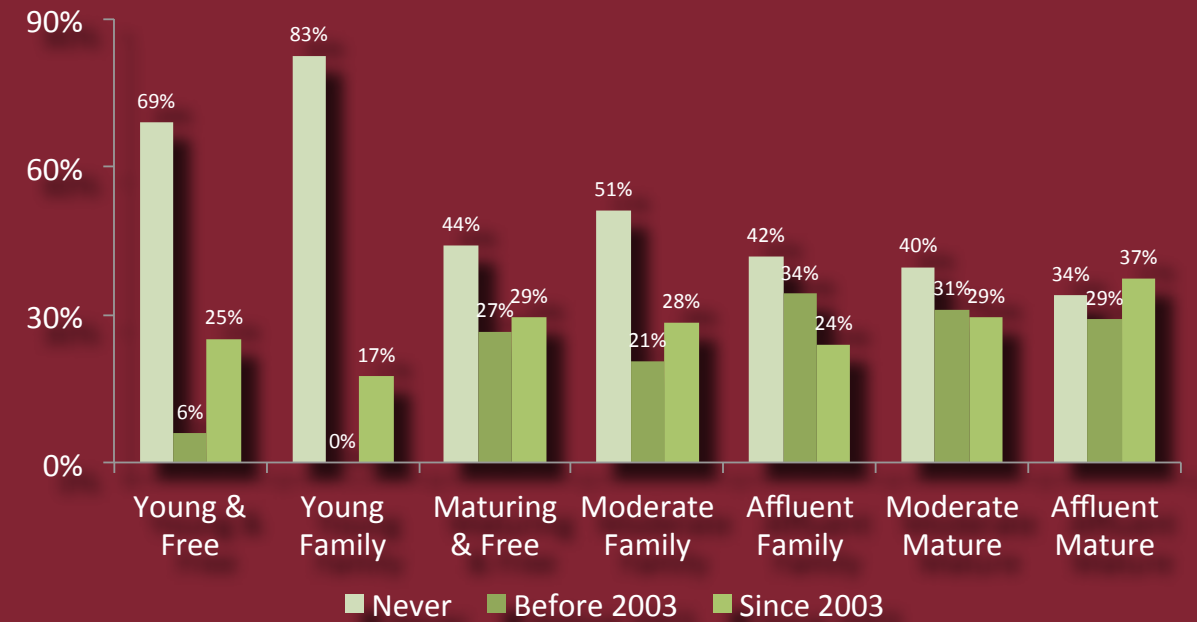- Once — 175 — 51%
- 2-4 times — 127 — 37%

- Nearly half (47%) of the respondents had never visited Atlantic City.

- Another fourth (24%) had not been here since before 2003.

- Almost half of those who'd actually visited Atlantic City have a memory of a city that is pre Borgata, The Walk, The Quarter, Caesar's Pier, and major renovations and additions to existing properties throughout the city.
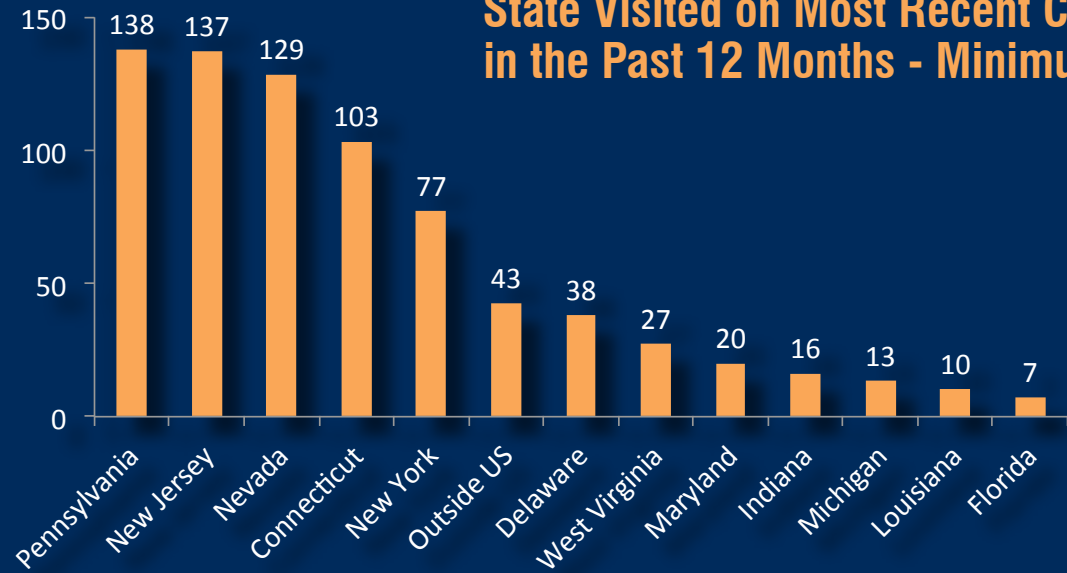
## When was the last time you visited Atlantic City?



**Pie chart:**
- Since 2003 — 871 — 29%
- Never — 1440 — 47%
- Before 2003 — 733 — 24%

## Most Recent Visit to Atlantic City *by Lifestage*



Bar chart (Never / Before 2003 / Since 2003):
- Young & Free: 69%, 6%, 25%
- Young Family: 83%, 0%, 17%
- Maturing & Free: 44%, 27%, 29%
- Moderate Family: 51%, 21%, 28%
- Affluent Family: 42%, 34%, 24%
- Moderate Mature: 40%, 31%, 29%
- Affluent Mature: 34%, 29%, 37%

Legend: ■ Never   ■ Before 2003   ■ Since 2003

## Primary Trip Purpose by Visits Before and After 2003



Bar chart (Before 2003 / Since 2003):
- Gamble: 32% / 35%
- Vacation / Pleasure: 20% / 24%
- Concert, Show, or Special Event: 4% / 9%
- Work at a Convention: 6% / 7%
- Walk on the Boardwalk: 7% / 7%
- Corporate Meeting or Other Business: 4% / 6%
- Visit Friends or Relatives: 10% / 6%
- Other: 6% / 4%
- Work at a Trade Show: 2% / 3%
- Shopping in Atlantic City: 0% / 2%
- Beach: 1% / 2%
- Golf near Atlantic City: 0% / 0%

Legend: ■ Before 2003   ■ Since 2003

## State Visited on Most Recent Casino Trip in the Past 12 Months - Minimum 5 Trips

Chart (values by state):
- Pennsylvania: 138
- New Jersey: 137
- Nevada: 129
- Connecticut: 103
- New York: 77
- Outside US: 43
- Delaware: 38
- West Virginia: 27
- Maryland: 20
- Indiana: 16
- Michigan: 13
- Louisiana: 10
- Florida: 7

- Respondents were asked specifically about their last casino trip in the past 12 months.
- Pennsylvania narrowly edged out New Jersey as the most popular response to where their last casino trip was.
- We believe the time of the administration of the survey (February) greatly influenced the responses we received to this question. Had it been conducted at the end of the summer, we likely would have had a different distribution of responses.
- Still, the ability to compare visitors across casino destinations is invaluable and a series of research will follow on this important question as well.
- Indeed, while Pennsylvania just garners the top spot on the most recent casino trip question, New Jersey is clearly tops as to visitor satisfaction, with over half of respondents expressing satisfaction with that trip.

## Satisfaction with Most Recent Casino Trip

Chart (values by state):
- New Jersey: 53.8%
- Delaware: 50.4%
- Connecticut: 45.5%
- Pennsylvania: 39.5%
- New York: 33.8%

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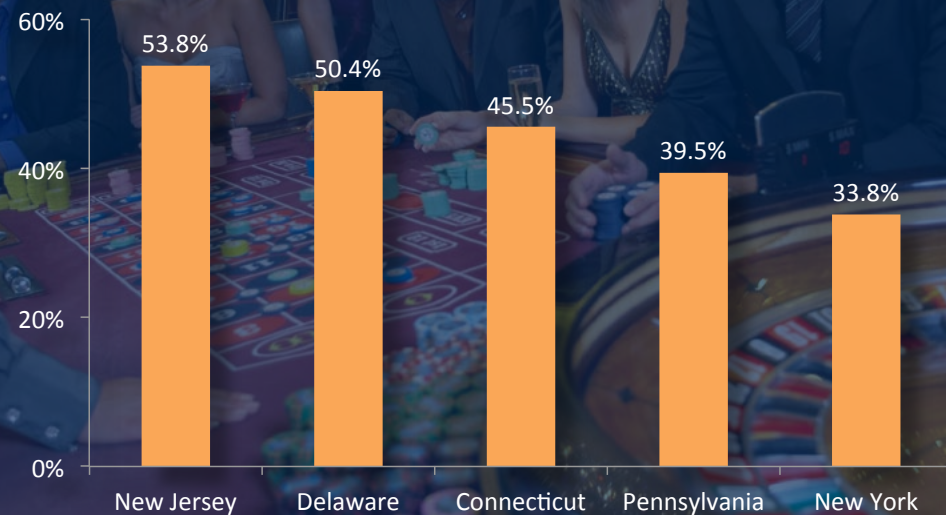
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# LLOYD D. LEVENSON INSTITUTE OF GAMING, HOSPITALITY & TOURISM

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Executive Director

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