

2008 Cape May County Tourism Annual Report



Sponsored by:

**The Cape May County Board of Chosen Freeholders
Cape May County Department of Tourism**

Research, Emerging Trends & Dynamics Impacting the Cape May County Tourism Industry

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"Cape May County Government...your primary source for information."

Introduction



The role of the Cape May County Department of Tourism has evolved over the past decade to become more of a resource center for the tourism industry. While we continue to provide other services such as advertising, marketing and literature distribution, research is the one area that we can provide that we feel is necessary to help the businesses make effective decisions about all segments of the tourism industry.

The Visitor Survey first conducted in 1998, was the beginning of a marketing shift from an information provider for the visiting public to an information strategist for the business community about the visiting public. Over the last ten years, we have learned that a vast segment of the tourism industry has come to rely on this data to help understand the spending habits of the visitor and to make educated marketing decisions.

The information provided in this booklet is designed to keep the industry aware of the economic impact of tourism and emerging trends. It is commonly referred to as the 'bible' for countywide grant writers, bankers, realtors, retail managers and tourism planners, alike.

More than 40 years ago, the Cape May County Board of Chosen Freeholders formally organized the business of tourism on behalf of Cape May County businesses and residents as a department. And today, the Cape May County Department of Tourism is the only fully funded and staffed department that deals with all segments of the industry of tourism. In 2008, the Board of Chosen Freeholders remains steadfastly committed to supporting the business of tourism on behalf of its constituents whose livelihood is a direct or indirect result of the industry.

The Tourism Department is a government funded full-service destination marketing organization with an operating budget of \$350,000 and full-time staff of six. The main mission of the Tourism Department is to market and promote the county to outer markets to increase visitor awareness and grow visitorship to the destination of Cape May County. Other direct tourism related projects and initiatives supported by the County include the Cape May County Park and Zoo, the Cape May County Historical Museum, the Cultural and Heritage office and grant program. The Freeholder's national award winning community grant program, now in its 3rd year, has also funded several tourism-based infrastructure projects within each municipality. The Freeholder Board also funds and manages the departments of health, planning, consumer affairs and roads, to name a few, that indirectly affect the tourism industry.

The economy has forced all of us to find ways to maintain and expand our marketing efforts on a tight budget. And the Cape May County Department of Tourism is no different. Increased costs and a flat budget have made us look for new and innovative ways to keep our marketing ideas fresh and exciting. In FY2008, we ramped-up our game to become one of the State's newest Destination Marketing Organizations (DMO). Working with Cumberland County, we have secured State Grants totaling \$1 million dollars to date, and forged private business partnerships that will work to offset some costs and expand the marketing plans of the DMO and the County's Department of Tourism.

By evaluating the strengths and duties of the department, we have worked more closely with a key stakeholder group of local and regional business partners to combine our marketing efforts and share the workload and costs. This is an ongoing effort to help counterbalance the increasing financial burden placed on the industry as we try to do more with less money. In fact, one of the newest partnerships is a travel show consortium of tourism associations such as Mid-Atlantic Center for the Arts, Cape May County chamber of Commerce, Cape May Chamber of Commerce and the Cape May Tourist Development Commission that participate as one entity sharing the costs of booth rentals, labor and travel expenses to participate in consumer travel and trade shows.

Another cooperative marketing tool is the production and distribution of *The Southern New Jersey Vacationer*, the official travel destination magazine that is supported by three counties; Atlantic County and ACCVA; Cumberland County, Cape May County and the Southern Shore Regional DMO. The concept is simple and it works. The three counties combined, account for more than 50% of the total tourism expenditures in the state. By partnering to market one destination without borders or boundaries, the destinations pool the promotional funds to create one marketing piece that is distributed to visitor leads in all three counties and expanding the marketing reach. The magazine is designed to tell the story of the region with high quality photos and interesting feature stories describing the great events and attractions that will entertain and enlighten the reader. With a ratio of 2:1, editorial and photos being approximately two thirds of the total magazine and advertising one third, we feel we can tell the story of the destination when opening new markets. The tri-county partnership gives us the luxury to produce the 94-page destination guide that can sell region. We have just produced our fifth successful edition.

2007 Travel and Tourism Expenditures in Cape May County

(Data gathered by Global Insight for the New Jersey Office of Travel and Tourism April 2008)

Total dollars generated in Cape May County in 2007 was \$5.1 Billion.

<u>Accommodations</u>	<u>Food</u>	<u>Entertainment</u>	<u>Retail</u>	<u>Transportation</u>
\$2.4 Billion ↑	\$1.06 Billion ↑	\$551 Million ↓	\$1 Billion ↑	\$86 Million ↑

Key Facts:

- Cape May County continues to rank second in the State in Tourism Expenditures.
- Cape May County's tourism expenditures grew by 6.7% in 2007.
- The gap between Cape May and Ocean County has widened to \$1.8 Billion, with Ocean County showing growth on 3.6%.
- The accommodations sector showed the most growth since 2003 with an increase of \$200 million over 2006.
- 47% of Cape May County's tourism expenditures come from accommodations.
- The retail sector grew by nearly \$107 million.
- If tourism did not exist, each NJ household would have to pay \$1,330 more in taxes to maintain current tax receipts.
- Visitors from other states represent the largest portion of tourism expenditures in New Jersey at 66%.
- Residents' travel represents 22% of the total tourism expenditures.
- 50.2% of all second homes in New Jersey are in Cape May County
- Rental income generated \$1.585 Billion in Cape May County in 2007, an increase of more than \$80 million from 2006.
- \$90.5 million collected in Occupancy taxes.
- Cape May County share of Occupancy tax is \$19 million, based on 22% of statewide accommodation expenditures.

Tourism in Cape May County

Tourism is big business, generating a record \$5.1 billion in expenditures in 2007 in Cape May County and \$38 billion statewide. Cape May County is second highest in the State in tourist spending and continues to be at the forefront in the creation of innovative marketing techniques and forecasting. Tight marketing budgets and expanding media options make decisions on where and how to promote harder each year. Travel market trends and visitor profiles are key research tools for making the most of the advertising dollar. The research provided is geared to help you better understand Cape May County's visitor and to identify and target the primary market right for your property or business.

Tourism in Cape May County has changed over the years, with the most noteworthy taking place in the past eight years. Baby Boomers, natural disasters, terrorism, fuel costs and the overall economic conditions have forced us to rethink the ways in which we market Cape May County. Determining buyer motivation is more important than ever as increased fuel costs are pushing travel costs up across the board. Research helps us to better understand what motivates a person to plan a vacation. There is no doubt that fragile consumer confidence will affect travel decisions.

Energy costs are affecting every sector of the family budget. Rising fixed costs have greatly impacted the discretionary income of the American family and shorter vacations are

the answer for many travelers. For more than a decade, the County has maintained a 'tank of gas away' marketing strategy. In today's economy, facing exploding fuel costs and a higher and rising cost of living, having more than 30 million people within a 300-mile radius can work in our favor. In fact, the business feedback thus far is favorable. Reports from hoteliers, campground owners and realtors are that reservations are ahead of this time last year.

The Cape May County Tourism Department has an advertising budget of \$150,000 and has been able to leverage its advertising buys by co-oping with the Southern Shore Regional Tourism DMO. The regional destination approach allows us to promote as a more diverse destination and market to a larger audience. Cooperative Marketing Grants from the Department of State, Division of Travel and Tourism have also supplemented and expanded our marketing reach.

In 2007, Cape May County saw the return of the Canadians in record numbers. The weakened dollar will create a flurry of incoming visitors to the US with our friends from the north showing a renewed interest in a Jersey Cape vacation this year. Three Canadian journalists spent time in the area last summer which resulted in five articles in high profile French publications. The sixth feature story will be published this month in the French Canadian version of *Elle Magazine*.

In June we will conduct a sales mission to Montreal. As one of only two U.S. organizations in ANTOR (Association of National Tourism Office Representatives), we will meet with 50 -60 journalists from the Province of Quebec to pitch stories about the resorts, attractions and events in Cape May County. The only other U.S. tourism office is Virginia. Later in June, we will partner with our countywide tourism colleagues to host a Familiarization (FAM) Tour with two Canadian Journalists from Quebec City as well as a group from Montreal scheduled to promote Cape May County vacations in a parenting magazine and on a companion radio and TV show, and will feature the story on their travel website.

Record response from our advertising and travel shows in 2008 is a clear indication that we will see more Quebec license plates traveling our roads this year. The weakened dollar has stimulated inbound travel to the U.S. With a reenergized Canadian market, we can anticipate longer stays that will help with the mid-week slump that many of our hotels have been experiencing over the past few years. Traveling from a farther distance will generate longer stays and higher per person expenditures.

Destination Marketing

Through the efforts of the Department of State, Division of Travel and Tourism we have become a Destination Marketing Organization (DMO). We have been moving toward this

designation for the past four years. Cooperative Marketing Grants from the Department of State, Division of Travel and Tourism, in the amount of \$200,000 have helped us to reach our goal. To date with our \$50,000 match, the Southern Shore Regional DMO has received \$1 million to cooperatively market the region.

With strong regional ties that predate the DMO initiative, Cape May and Cumberland counties partnered with Atlantic County to create marketing cooperatives to promote the three counties as one 'super destination'. The Southern New Jersey Vacationer is the premier collateral piece that promotes the region as one destination.

The farther out of County that we target our marketing, the more important the destination concept becomes. Vacationers have no idea or concerns about county or city borders. They are interested in enhancing their visitor experience. NJ's Southern Shore offers diverse vacation opportunities that appeal to the visitor demographic.

The Cape May County Visitor Survey shows the varied interests of our visitor. More than 1 in 4 (28%) go to Atlantic City while vacationing in Cape May County. More than 1 in 3 (33%) take historic tours. Other shared visitor activities include Eco and Outdoor options such as birding and fishing, one-third (31%) of our visitors come to the region for that experience; special events from all three counties fill the calendar year-round and 22% of our survey respondents indicate they come for special events. Shopping is number three on the list of

activities, and more than half of our visitors (58%) shop while on vacation. As a destination, Cape May County can provide our visitors with a diverse array of vacation options within a tank of gas from home. The more activities that a visitor can fit into their vacation plans, the longer the stay will become which results in higher per-person expenditures.

Travel Shows

In 2007, the Tourism Department participated in 20 consumer travel shows. This year instead of bearing the total costs of participating in consumer shows and distributing countywide information, we formed a consortium of local tourism associations by combining our workforce and funds. Working with Mid-Atlantic Center for the Arts (MAC), Southern Shore Regional DMO, Cape May Tourist Development Commission (TDC), Greater Cape May Chamber and the Cape May County Chamber of Commerce, we were able to participate in a record 30 shows in 2008. The benefit to the partners was the opportunity to distribute their literature at 30 consumer travel and trade shows at the cost of doing 5 shows on their own. The benefit to the tourism department was the ability to expand the show schedule by 50% (20 to 30) with a savings of 50%.

The biggest winner was the countywide tourism industry. We were able to send professional marketers out on the road, whose job it was to “sell” Cape May County. Costumed actors attracted attention and heightened interest in our booth. Record distribution at the New York Times show in March was a clear indication that the cooperative show was the most cost effective way to promote the region. According to the cooperative partners, the pilot program was successful and we are looking to expand the program in 2009. Attendance at the consumer shows has remained steady and interest in Cape May County is high. Targeting 30 consumer shows within the 300-mile radius was an aggressive program that should pay off with increased visitors to the region.

Media Buys

Comcast advertising is one of the largest media expenses. We are targeting the greater Philadelphia market with additional broadcast buys in the Baltimore/Washington DC zones as well. In 2007 and again in 2008, the DMO grant dollars have purchased an additional 40% more broadcast frequency, and expanded the reach of Cape May County’s marketing message with regional advertisements promoting both Cape May and Cumberland Counties as NJ’s Southern Shore.

New for 2008 is the Comcast.net component. A banner ad on Comcast Internet will run for four months and be linked to our Jersey Cape website. Video on Demand is still strong for the Jersey Cape with over 34,000 unique viewers watching the five minute video approximately three and one-half minutes or longer. The partnership with Comcast has resulted in an expanded broadcast cable schedule for the same cost of a smaller schedule in 2007. Other media buys include prints advertisements in 20 major publications within the mid-Atlantic region and Canada.

The \$250,000 DMO funding from the Department of State, Division of Travel and Tourism is the fourth cooperative marketing grant awarded to the region in as many years. To date, we have received \$1 million in grant funding. A portion of the marketing dollars from the grant has provided funding for local radio during the summer months in order to promote regional events and attractions. With the rise of the second homeowner audience, many of our frequent visitors do not use traditional information resources to find out what is happening in town, funding from the grant has allowed Cape May County to include a radio advertising schedule to help non-traditional visitors to move around the marketplace. And found that it works!

A regional co-op with DRBA on Washington Post.com resulted in 1.7 million visitors who clicked through to our website over a six month period. The return on investment has been

above all expectations with one of the most notable being in the public relations sector. Reader response from our brochure advertising resulted in 18,000 responses and contributed to a record 56,815 vacation packets directly mailed out-of-county to visitors' homes in 2007.

Target Market

The 2007 marketing efforts of the County continues to focus on the leisure, overnight stays for adults between 36 and 55 years old traveling with children. The primary target of 30 million people within a 300-mile radius keeps us within a “tank of gas” away concept that will bode well for us in 2008. Demographically, our primary media is targeted to those groups most likely to travel and the greatest economic impact, adults earning more than \$50,000 per household, 36-55 years old and traveling with children. The majority of our promotional efforts were focused on the out-of-market drive audiences of Greater Philadelphia, Northern New Jersey, Greater New York, Greater Baltimore/DC Metro market and Connecticut. This ties directly into and covers the County's top five markets.

Top 5 Markets for Cape May County

Pennsylvania	29%
New Jersey	26%
New York	15%
Maryland/DC	10%
Connecticut	4%

Public Relations

Through an expanded PR effort funded by the DMO Cooperative Marketing Grant awarded by the Department of State, Division of Travel and Tourism, Cape May County and the Southern Shore Region have been highlight in several regional, national and international publications. *AAA World* voted the Beaches of Cape May, the Wildwoods and Ocean City as their number one place to sun in the Mid-Atlantic region. April 2007 *Better Homes and Gardens* highlighted the popularity of bird watching in Cape May. Also in April 2007, *The Washington Post* published a feature story in their Sunday travel section about the Jersey Shore and highlighted the Art Scene in Cumberland and the beaches of Cape May and the Wildwoods. Another article appeared in *The Washington Post* in June 2007 talking about the homey atmosphere of the Jersey Cape beach resort. In August 2007, the New York Times wrote about

the seasonal changes and summer's dwindling days along our coastal towns, Montreal Journal included a 7-page spread of the county in July 07, just to name a few.

PR value is conservatively estimated at five times the value of paid advertising. In 2007, the region garnered 3,077 inches of publicity in various regional, national and international publications making the PR value \$3.3 million.

Cape May County as an "IT" Destination

Frommer's designation as one of the top places to go in 2008 was the icing on the cake when it comes to special designations. Listed as an "it" destination puts the Jersey Cape into a very special category among vacation spots in the country. Over the years we have been listed by several travel publications as top places to visit. Ocean City was listed in *USA Today* as a top destination, and *Fine Living* magazine just listed the Ocean City Boardwalk among the top fun places to go. Yahoo Traveler listed Wildwood/Cape May beaches as the top fun beaches, Disney's *Family Fun* magazine ranked the Wildwoods' Boardwalk among the top family fun places to take children.

Being listed as a top place for family travel is publicity that we cannot purchase at any price. While it is a source of pride from the industry, the PR value is immeasurable because it is considered more credible than advertising by the reader. The more often we are listed in

national publications as an "it" destination, the more travelers want to come see what we have to offer. As the quest for unique vacation options grows more travelers are looking for destinations that are in the loop. Often the traveler with more wealth is looking for one-of-a-kind luxury vacation options and cookie cutter chain hotels are not on their list.

Annual Visitor Survey

The culmination of the department's work is the annual visitor survey that is updated each year. Results are compiled and compared from year to year to track visitor trends. Additionally, new and emerging travel trends and best practices relevant to our industry are researched and featured in this handout. Working with Dr. Richard Perniciaro of the Center for Research and Business Development at ACCC, the hard data is analyzed and presented to the industry leaders.

This booklet is designed as a guidance tool to help owners and planners prepare business and marketing plans. The data had been used in grant applications as well as being requested by local and national retail firms looking to "do business" in Cape May County. No other county in the State provides this important data. Last year more than 250 books were distributed to tourism colleagues.

The new data reflects the 2007 season. Surveys were sent to 1000 callers to our 800 line and 1000 respondents to our website. The response rate was an impressive 26% return.

In an effort to keep up with emerging trends we have conducted a “Second Homeowner” survey. With more than 43,000 second homes in Cape May County, we knew they were making a huge impact on tourism in the county and changing the dynamics of marketing our attractions and events. The 2007 second homeowner survey will serve as a benchmark for future surveys.

2008 Cape May County Visitor Survey

Updated survey measuring the 2007 season

Tourism revenue was increased by 6.7% in 2007, bringing the total tourism expenditures in Cape May County to a record \$5.1 billion. For the first time since 2003, the accommodations expenditure is up and represents the largest growth of the five sectors measured. Accommodations, food and retail each generated more than \$1 billion for the first time. Entertainment was the only sector that lost ground. This sector grew by 60% in 2006 and it could be correcting itself in this survey. Seventy four percent (74%) of Cape May County tourism expenditures come from outside of the state.

Cape May County continues to buck the national average with visitors staying more than six days. It is no surprise that June through September is the time of the year when most of our visitors are here with August now considered the busiest vacation month. Return visitors represent 76% and 24% vacationed in the Jersey Cape for the first time in 2007. With one in four new customers to the county, it is important that we continue to grow our first time visitor segment as well as reenergize our return visitorship about the local vacation offerings in order to sustain and increase visitors and revenue to the County's attractions and events.

2008 Cape May County Visitor Survey

(Measuring 2007 summer season)

First Visit to Cape May County: 24% Yes 76% NO

Average number of years vacationed in Cape May County: 12 years

Average length of Stay: 6.6 days

Size of Travel Group: 4

How many vacations per year:2.6

How many to Cape May County: 1.5

What was THE most important factor in choosing Cape May County for vacation destination?

Beach	(53%)
Dining	(28%)
Historic interests	(26%)
Shopping	(20%)
Special Events	(9%)
Camping/outdoor activities	(7%)

The quality of life in Cape May County is a strong attractor for visitors.

Family Oriented	(33%)
Quiet	(30%)
Close to Home	(25%)
Family Tradition	(24%)
Value	(15%)
Romantic	(15%)

At which Cape May County Resort did you stay?

Ocean City	19%
Sea Isle City	4%
Avalon	2%
Stone Harbor	4%
The Wildwoods	37%
Cape May	46%

After the beach, what made the visitor choose that particular resort?

(more than one answer could be selected)

Beach	54%	Affordable	20%
Family Oriented	41%	Historic Interest	18%
Boardwalk	31%	Romantic	13%
Quiet	27%	Shopping	12%
Close to home	24%	Nightlife	7%

What leisure activities did you participate in while at the Jersey Cape?

Beach	74%	Nightlife	18%
Boardwalk	73%	Eco/Outdoor	17%
Shopping	58%	Fishing	15%
Historic Tours	33%	Biking	14%
Zoo	31%	Golf	4%
Atlantic City	27%	Other	11%
Parks	25%		
Special Events	22%		

Costs/Expenses while on Vacation

Lodging	\$485
Food	\$204
Gas	\$60
Entertainment	\$125

Highest months visited:

August
July
September
June

Group makeup: Family travel is still the bread and butter of Cape May County's tourism industry.

Spouse	60%
Children	33%
Family (extended)	41%
Friends	22%
Girl/Boyfriend	12%
Alone	7%

Accommodations choice:

Motel/Hotel	60%
B & B	15%
Condo	12%
Apartment	5%
Campground	7%
Relative/Friend	7%

Age Group:

18-25	<1%
25-34	2%
35-44	5%
45-54	28%
55-65	36%
65 & over	28%

Income Bracket:

\$25,000	<1%
\$25-35,000	2%
\$35-50,000	3%
\$50-75,000	7%
\$75-100,000	13%
\$100-150,000	17%
\$150-200,000	8%
Over \$200,000	19%

Going Green on vacation is becoming as important as it is at home for the visitor. Environment awareness was listed as a factor for nine percent (9%) of the respondents to the survey. This is up from four percent (4%) on the 2007 survey.

Global warming and carbon foot prints are becoming part of our everyday vocabulary and influence our everyday lives to serve as a constant reminder of our need to be more conservation minded. Visitors are expecting more than just recycling and many look for other conservation practices when looking for lodging and restaurants.

The impact of the escalating fuel costs is putting the “green scene” foremost in the traveler’s minds and could alter travel plans. Shorter vacations will be the result of the financial burden being felt by families. Closer to home vacations will be the result fewer discretionary dollars. Small initiatives add up and are recognized and appreciated by the traveler. Don’t be afraid to ask your guests to participate in environmental practices you have instituted in your establishment, it could mean more customers.

Visitor Profile

What does our average visitor look like? The visitor profile is taken from our survey and highlights who vacations in Cape May County.

One in four visitors is new to the County with 76% return visitors and 24% first time visitors.

Three in Four (74%) come from outside of New Jersey.

Average length of stay is 6.6 days (They stay on average one week, bucking the national average of 3.5 days.)

- 60% traveled with Spouse
- 33% traveled with children
- 34% traveled with adults only
- 74% went to the beach
- 73% went to the boardwalk
- 58% went shopping
- 33% visited historic attractions
- 31% went to the zoo
- 27% went to Atlantic City

- 33% are between ages 35 - 54
- 64% are 55 plus
- 21% earned between \$50k-\$75k
- 19% earned between \$75k-\$100k
- 23% earned between \$100k-\$150k
- 15% earned over \$150k

Accommodation Profile:

- 60% stayed in a hotel/motel
- 15% stayed in a Bed and Breakfast Inn
- 17% stayed in a Condo/apartment
- 7% stayed in a Campground
- 7% stayed with a Friend or Relative

2008 Second Homeowner Survey

(measuring 2007 season)

The second homeowner phenomenon is still changing the dynamics of the market place. To get a better idea of the impact of the second homeowner, we have conducted a separate survey that is geared solely toward this nontraditional visitor. This first of its kind survey will serve as the benchmark to measure the impact and spending habits of this ever-growing visitor segment. More than 50% of all second homes in the state are located in Cape May County. More than 47% of all dwellings in Cape May County are considered “second homes”. Ocean City tops the list of second homes with more than 13,000 or 32% of the total second homes in Cape May County. The Wildwoods ranked second with 30% of the total second homes in the county. Pennsylvania leads the pack in establishing second home residency in Cape May County with more than 57% of all second homeowners came from that neighboring state.

According to the recent Global Insight study, 2007 rental income generated \$1.58 billion and is 66% of the revenue generated by the accommodations sector. The high number of second homes can impact both positively and negatively on the tourism industry. Upon

further examination of this phenomenon, we find some interesting factors that can help in understanding the spending habits of the second homeowner.

With rental income at a record \$1.58 billion in Cape May County, we found that more than half of our second homeowners or 53% use their second home as a vacation only and do not use it for rental purposes. Only four percent indicated their second home was an investment. The rental income comes from 43% of the properties being used as rentals, which also includes the owner using the property as a vacation home.

Why buy in Cape May County?

When asked why they purchased in Cape May County, the **Beach was the number one answer with 54%** of the respondents saying they chose to purchase a second home in Cape May County because of the beach. This is not a surprising answer but it is interesting when you think that there is 127 miles of New Jersey beachfront. What needs to be pointed out is that half (50.2%) of all second homes in the State are located in Cape May County. Other beachfront counties such as Ocean County have 28%; Atlantic County has 9%; and Monmouth has 6% of the state share of second homes. Sussex County in the Skylands' Region has the fifth highest percentage with 1.7%. Five percent are scattered among the remaining 16 counties in the State. The number of second homeowners choosing Cape May County can be a

selling point for realtors. Of all the places they can go to purchase a second home, half are purchased in Cape May County providing Cape May County with an elite distinction from other beachfront communities.

Top 5 reasons the second homeowner *purchased* in Cape May County.

Beach	54%
Boardwalk	10%
Dining	10%
Historic Interest	8%
Organized Activities/Tours (Special Events)	5%
Nightlife	3%

Quality of Life issues are other factors that lead to the decision to buy in Cape May County. Top answer in that category is **Family Tradition** with 38% saying they bought because they vacationed here with family for many years, came as children or brought their children for years, and buying was the natural next step. Interestingly, the average number of years it took for a visitor to become a homeowner was 16 years, and the average second homeowner has owned their property for 13 years.

5 Top Quality of Life reasons a person chose to buy in Cape May County

Family Tradition	38%
Family Oriented	34%
Quiet	17%
Close to Home	13%
Environment Awareness	10%

Respondents could choose more than one reason that helped them make their decision to buy in Cape May County. **Affordability and Value were also listed as an important factor in choosing Cape May County for their second home; 10% indicated that was a consideration when deciding where to buy.** When you take into consideration the flight out of New Jersey that is occurring in record numbers, it is impressive that half of all people who buy a second home in New Jersey—buy their home in Cape May County. Romantic was the choice for 3% of our second home buyers.

Reaching the second homeowner with your marketing message is not easy. Reaching the renter is also hit or miss. More than 8 out of 10 (82%) are not getting their information from traditional marketing options such as visitor/information centers or responding to multi-

media advertisements. The most common way they are finding out what is happening in the County is asking a friend or neighbor. A common answer among the respondents is the second homeowners have always attended the event or activity as a family tradition or consider it a “must do when on vacation”. Reinventing the second homeowner as a vacationer is even more important now than ever. The survey indicates that the second homeowner is aware of the attractions and events; therefore our challenge is to keep them informed about new facets of the event or activity. Renters on the other hand are difficult to track. Surveying them will begin this year.

We need to make sure our information is part of the realtor welcome bags; the Department of Tourism is working with several countywide realtors to have the Southern New Jersey Vacationer magazine and pocket map distributed at local offices. Realtor offices are becoming the new concierge or ‘front desk’ of the industry. It is our job to ensure that our renters are getting more than a key to their lodging when they arrive.

Breakdown by resort of Second Homes (47% of total dwellings in CMC are 2nd homes)

Ocean City	32%	Avalon	11%
Wildwoods	30%	Cape May	8%
Sea Isle City	13%	Stone Harbor	6%

Profile of the Second Homeowner

Age		Income	
25-34	2%	\$74k and under	16%
35-44	5%	\$75k - \$100k	19%
45-54	28%	\$100k- \$150k	24%
55-64	36%	\$150k - \$200k	12%
65 +	28%	Over \$200k	28%

Average number of people who vacation at second home. 4

Average number of days spent at vacation home each year. 40

Average number of years the second home was owned. 13

Where does the second homeowner come from? Pennsylvania 57%

How is the second homeowner getting their vacation information?

- 52% Return Visit/do what we always do
- 30% Ask a friend or neighbor
- 13% Print Advertising
- 12% Radio/TV
- 3% Internet

Where do the second homeowners come from?

- Pennsylvania 57%
- New Jersey 31%
- Maryland, Virginia and Washington DC 3%
- New York 2%
- Delaware 2%
- Florida 1%

Remaining four percent of the second homeowner population comes from 38 other states and and foreign countries including Canada, Germany, Ireland, China, England, Israel, France.

Who is traveling with the Second homeowner when they come to the County?

Spouse (alone)	75%
With Children	53%
Family (extended)	68%
Friends/adults	55%

The second homeowner participates in what activities?

Beach	94%	Boating	28%
Shopping	71%	Atlantic City	28%
Boardwalk	70%	Parks	25%
Biking	59%	Golf	25%
Zoo	42%	Historic Attractions	23%
Fishing	37%	Eco/outdoor	18%
Nightlife	30%	Birding	14%
Special Events	29%		

2007 Direct Mail History

A total of 56,815 vacation packets were direct mailed to potential visitors who requested the information via Internet, the toll-free 800-telephone line or brochure advertising in 2007. March through July was the heaviest mailing time with 35,259 pieces mailed out. June was the busiest time and 14,192 pieces were mailed in that month. In 2007, information was requested by potential visitors and mailed to 50 states.

Excellence in Tourism Award

The Cape May County Board of Chosen Freeholders and the Cape May County Department of Tourism received the Department of State, Division of Travel and Tourism Excellence in Tourism Award for 2007. The award was announced at the Governor's Conference on Tourism in April and given for the creation of the iPod Press Kit. This is the sixth Governor's award that the department has received since 1996. The Tourism Department will receive the South Jersey Cultural Alliance Encore Award in Atlantic City on May 21 to pay tribute to the creation and implementation of the travel show cooperative.

RESEARCH

Recognizing emerging travel trends and applying them to your business.

At the core of traveler behavior is *time poverty*, which translates into more to do with less time to do it. It is the number one trend driver and affects every travel segment of the industry. Overwhelmingly, the number one reason for not traveling is the inability to get away from work. The American traveler is working harder than ever and in need of respite.

Yesawich Pepperdine, Brown and Russell (YPB&R), a leading travel marketing research firm, reported that nearly half of Americans suffer from “time poverty” – the generalized sense is that people do not have enough time to do what they want. In travel, they report the desire to simplify their lives by buying all-inclusive events.

Research from Expedia, a worldwide internet website, shows that Americans, with an average of 12 vacation days per year, leave a total of 421 million vacation days unused. Nearly one-third of the respondents to Expedia’s survey reported that they did not take all their vacation days. Only 14% of Americans plan to take a two-week vacation in 2007, which is down from 16% in 2006, according to a new study by Harris Interactive for Expedia. One-third

of workers do not always use all their vacation days. *(Source: Harris Interactive online survey of 12,494 employees 16 and older).*

A recent study by Orbitz, a worldwide internet travel website, found a drop in the number of people taking a two or three week vacation, and an increase in those who vacation for a week or less. One-third of respondents said they took five or less days of vacation in the past year. Many Americans now seem to be foregoing their annual vacations—a trend that has some experts worried that workers are not getting away from their jobs to relax and recharge, both physically and mentally. The reasons vary, from having too few vacation days available to lacking money for travel. But in some cases, it seems, many people just aren't into the habit of getting away. While people have less free time, there is greater competition for those rare leisure hours. Saving time is the greatest luxury in our 24/7 world. Any service that achieves this will be a big winner. While most of today's 24/7 world seems to be speeding up, a growing number of the affluent among us are taking a road less traveled and slowing down.

One of the latest trends is to incorporate something labeled “slow” into their lives, from food and fashion, to design and travel - even sex. What does this mean? For one thing, the affluent are looking backwards to a nostalgic past - whether real or rosily imagined - for inspiration. You may call it the lifestyle equivalent of “comfort food.” Those who are detouring

along this rarified path fully expect to pay a premium to apply a touch of the brakes in everything they do.

Green Travel

Green Travel is the hottest trend in tourism and there is no doubt that the green movement will continue to influence consumer travel decisions. Not to be confused with "adventure travel," which may take one to wild places, but which may also do harm to them, genuine "eco-tourism"—according to the United Nations—must satisfy several criteria that speak to both the enjoyment of the traveler and the well being of the host community. For the traveler, eco-tourism's main motivation should be the observation and appreciation of both the local ecology and the local culture, and it should contain "educational and interpretation features." And to truly benefit the host community it should be organized for small groups by local businesses, it should minimize impact on both the natural and cultural environment, and it should generate income for the host community and increase awareness of the need for conserving its natural and cultural assets.

Every individual's travel choices add up to the total social and environmental impact of tourism. While things like over-used trails, emissions from cars and planes, and the inefficient

use of water and energy are fairly obvious, other aspects of tourism, like loss of cultural identity, economic dependence on foreigners, and a lack of economic benefits to local communities, are harder to see.

Tourism can be a valuable conservation tool, providing motivation and funds for conservation. It also provides jobs and revenue for the surrounding communities. As anyone who has ever truly felt changed by travel can tell you, tourism can also impact the mindset of visitors, instilling us with environmental, social, and cultural awareness.

Sustainable tourism

The concept of sustainable tourism has emerged in response to concerns about traditional travel and tourism. According to the World Tourism Organization, sustainable tourism should “make optimal use of environmental resources,” “respect the socio-cultural authenticity of host communities,” and “provide socio-economic benefits to all stakeholders.” One of the most challenging aspects of sustainable tourism is the need to certify operators. With such a large industry operating in virtually every country in the world, it has been difficult to establish standards and certification schemes which are accepted worldwide.

Ecotourism

Heightened awareness of the environment has combined with increased income to make travel to natural areas the fastest-growing sector of the tourist industry⁴. “Ecotourism” and nature travel are estimated to constitute about 20% of current leisure travel, up from about 2% in the late 1980s.

Ecotourism differs from sustainable tourism in that it focuses specifically on travel to natural areas, but it should still encompass principles of sustainability. Unfortunately, many operators simply adopt the word “ecotourism” to capitalize on its popularity, while ignoring its actual meaning. Again, it is essential to look at the practices of the company you choose.

Generational Shifts will be the trend for the next decade. Retiring Boomers, GenX entering peak earning years, and GenY and MGeneration are becoming more defined. Each has its influence in determining travel trends.

Baby Boomers are entering their sixties. The aging population is not just a US phenomenon, by 2020, there will 700 million people over age 65 worldwide. *(Source: Deloitte & Touche)*

Travel tops the list of desired retirement activities across all ages of this segment. Other popular interests are:

spending time with loved ones/friends (42%)

exercising more (42%)

volunteering (37%)

taking up a hobby (33%)

acquiring new skills (29%)

taking classes (25%)

(Source 2005 Del Webb Baby Boomer Survey).

On the other end of the spectrum, youth/student travelers make up 24% of all international travelers worldwide. There is a growing student population, with more diversity, traveling in higher percentages, at earlier ages, on more expensive trips, using technology, demanding more from their travel experience, and going to destinations farther away than previous generations. *(Source: Student Youth Travel Association, SYTA)*

Demographers are identifying traits of the youngest age category or “Generation M” and tracking those under age 12. The “M” stands for multi-tasking and mobile. This is the generation that has grown up with iPod, text messaging on their cell phones, and other forms

of continuous and instant communication.

According to YPB&R, the incidence of leisure travel continues to be dominated by adult travelers. A breakdown on types of travelers is as follows:

National

couples (61%)
adults traveling with children (31%)
adults traveling alone (28%)

Cape May County

couples (60%)
children (33%)
adults alone (34%)

A breakdown of types of vacations follows:

visiting friends and relatives (56%)
beach/lake vacations (27%)
general sightseeing vacations (21%)
urban/city vacations (15%)
cruise vacations (12%)
camping/hiking vacations (12%)
theme park vacations (11%)
gambling vacation (9%)
golfing vacation (2%)

How do these national numbers apply to Cape May County?

Six out of the eight vacation types can be found in Cape May County with gambling only minutes away. Cape May County offers the leisure activities today's traveler is looking for. Knowing what they want is the key to individual marketing. Mentioning these activities are available will appeal to most travelers looking to enhance their vacation experience. Providing contact information regarding the diverse options will serve the 'one stop shopping' the visitor is looking for and make travels arrangements easier for the time starved vacation planner.

Mature affluents are gravitating to "stealth wealth." They seek products that express personal interests and style while requiring connoisseurship. They prize uniqueness and limited-edition luxe: originals, one-of-a-kind objects, which are expensive and highly collectible. Non-branded or one-of-a-kind hotels are sought out that are all about the owner's exquisite taste, selectivity and demanding standards. To know and appreciate these products, one must savor subtle details and be in the loop.

Health, well-being and looking good continue to move up in financial priorities. The affluent regularly spend several thousand dollars monthly just for "maintenance," or to stay

“in the game.” These motivations are driving the spa and medical tourism boom we saw in 2007. Spas are going well beyond the dedicated spa outlet or the home spa, and branching out into mobile spas, “macho” spas for men, and even for pets. We are seeing the advent of medical real estate, where entire communities are in the works, where, monthly fees provide luxuries, including annual physical examinations and doctor house calls. Five star hotels are increasingly offering medi-healthy holiday packages in alliances with neighboring medical facilities.

Attractions: The state of arts, culture and fun

Nationwide attendance at the 20 largest theme parks increased 1.5% to 120 million in 2006. This marked a third straight year of attendance increases. Worldwide, amusement park attendance was also up in 2.2% in 2006. *(Source: Amusement Business, Economics Research Associates Theme Park Insider)*

North Carolina's Biltmore Estate recorded one of its best years for attendance and revenues in 2006 while *USA Today* reported that Hearst Castle in California reported its worst year for attendance in twenty years.

According to the American Association of Museums (AAM) there are approximately 17,500 museums in the United States. AAM's *2006 Museum Financial Information* survey found that the median annual attendance for different types of museums is as follows:

Zoo	440,502
Science/Technology Museum	244,589
Arboretum/Botanic Garden	106,235
Children's/Youth Museum	78,500
Natural History/Anthropology	62,803
Art Museum	59,822
Nature Center	52,850
General Museum	43,500
Specialized Museum	20,000
Historic House/Site	16,000
History Museum	10,750

There are 227 zoos and aquariums accredited by the Association of Zoos and Aquariums. The 2007 total attendance at these 216 accredited facilities was 143 million averaging 662,037 per

member facility. Forty six states have at least one accredited zoo or aquarium. The Cape May County Zoo was reaccredited in September 2007.

Internet: #1 Source of travel planning and purchasing

Consumers are using the Internet in record numbers for travel planning but that doesn't mean they like the process...streamlining of the planning process is critical to long term growth.

The Internet still beats other vacation planning tools. A third of U.S. Internet users now research and book travel online, according to the Conference Board and a recent TNS "Consumer Internet Barometer" study. The report was conducted in the second quarter of 2007 and it covered U.S. households.

Forrester Research predicts that travel will remain the number one online retail category and grow to \$119 billion by 2010. (Source: Hotelmarketing.com). Thirty one percent (31%) of our website survey respondents said they make all travel arrangements via the internet.

Geotourism - - increased traveler demand for destinations that protect the authenticity and geographic character of place

According to the Center for Sustainable Destinations (CSD), National Geographic Society, Geotourism is defined as tourism that sustains or enhances the geographical character of a place—its environment, culture, aesthetics, heritage, and the well-being of its residents.

Geotourism incorporates the concept of place-based sustainable tourism—that destinations should remain unspoiled for future generations—while allowing for enhancement that protects the character of the locale. Geotourism also adopts a principle from its cousin, ecotourism—that tourism revenue can promote conservation—and extends that principle beyond nature travel to encompass culture and history as well or all distinctive assets of a place.

A recent study sponsored by the Travel Industry Association of America (TIA) and National Geographic Traveler, found that at least 55.1 million Americans could be classified as "sustainable tourists." Specifically, the study states that: "These travelers have ceaseless expectations for unique and culturally authentic travel experiences that protect and preserve the ecological and cultural environment." (Stueve-Cook-Drew, The Geotourism Study: Phase I, TIA-National Geographic Traveler, 2002)

(Source: The Center for Sustainable Destinations, National Geographic Society)

**More demand by all travel segments for “Orientation and facilitation”
- - evolving to more of a “concierge service on demand”**

Time poverty underpins this trend. Regardless of the type of traveler, (business, leisure, meeting, etc.), today’s traveler is impatient with the process of “finding the good stuff.” From preferred restaurants and lodging, to things to see and do on vacation, travelers report frustration about having to dig through tons of brochures, websites, etc. to find travel choices. They want someone or something that provides instant and easy information. Online concierge services such as travelnewyork.com are proliferating as consumers seek easier trip planning where planning services are provided.

The Asheville CVB (NC) is leading a national trend. The CVB recently opened a destination visitor center, which offers a concierge desk offering complete travel planning services. According to the Ideal American Vacation Report released by the Travel Industry Association (TIA) in February of 2007, the ideal vacation destinations for American vacation travelers are those that offer an easy travel experience, a sense of fun and adventure, and local flavor. What are the barriers to taking the ideal vacation trip? Although nearly nine out of ten travelers are highly satisfied with their last trip, fewer than half say that their last trip was close to their ideal. More than one quarter say their trip was not close to ideal.

Other Trends to Watch

RV Travel: US ownership of RV's has reached record levels. Nearly eight million American households own at least one RV - a 15% increase over the past five years. Although retail sales of RV's were down 3.5% in the first eight months of the year, 2005 is expected to be the second best year ever for RV sales. The typical RV owner is 49 years old, married, owns a home and has an annual household income of \$68,000. (*Source: RVTravel.com, RVIA*)

Pet Travel: According to a TIA survey, 14% of all adults (29.1 million) say they have traveled with a pet on a trip of 50 miles or more, one-way in the past three years. Dogs are the most common type of pet to take (78%).

Youth Sports Travel: Parents that travel to attend games represent a growing sub-segment of the sports travel segment. According to TIA, more than 52 million Americans attended an organized sports event, competition, or tournament as either a spectator or participant while traveling.

Family Reunion Travel: According to the Gale Group, there are more than 200,000 family reunions in the U.S. each year, attended by eight million people. *Reunions Magazine* reports 73% of reunions have 50 or more attendees and 35% have more than 100. Six percent have more than 200 attendees. Furthermore, 85% of all reunions occur in June, July, and August.

And 64% of families expect to use a hotel or resort for their next reunion (*Source: Reunions Magazine*)

International Travel: TIA (Travel Industry Association) projects growth of 4.6% annually for each of the next ten years. There are a number of factors that will continue to strengthen international travel in general and travel to the United States in particular in 2007, helping reverse noticeable declines in arrivals from many key inbound markets from earlier this year. First, strong economic growth in most regions – spurred by continued expansion in China, renewed signs of life in some of the Eurozone's core economies, and low interest rates around the world – will generate increases in business and leisure travel. In addition, the strong performance of a number of major currencies relative to the U.S. dollar has made travel to the United States less expensive for a large number of international travelers. (*Source: TIA*)

Girl Getaway and Man-cations : Girls just want to have fun is no exaggeration. More and more females are taking vacations as a group. This has expanded beyond the cruise industry. Topping their activity list is shopping. Man-cations are also a growing visitor segment. Sporting events, and gambling top the priorities of the men only vacation getaway. Bachelor and bachelorette parties and college reunions are now part of the vacation scene.

Know your potential Customer

The following data is from the U.S. Census Bureau and can be found at census.gov

U. S. Population, 2006 estimate 299,398,484

Population, percent change, April 1, 2000 to July 1, 2006 6.4%

Persons under 18 years old, percent, 2005 24.8%

Persons 65 years old and over, percent, 2005 12.4%

Female persons, percent, 2005 50.7%

White persons, percent, 2005 (a) 80.2%

Black persons, percent, 2005 (a) 12.8%

American Indian and Alaska Native persons, percent, 2005 (a) 1.0%

Asian persons, percent, 2005 (a) 4.3%

Persons of Hispanic or Latino origin, percent, 2005 (b) 14.4%

White persons not Hispanic, percent, 2005 66.9%

Foreign born persons, percent, 2000 11.1%

Language other than English spoken at home, pct age 5+, 2000 17.9%

High school graduates, percent of persons age 25+, 2000 80.4%

Bachelor's degree or higher, pct of persons age 25+, 2000 24.4%

The Facts on Branding

Somehow in the past few years the term “branding” has been the focus of much discussion and much more money. Many in the tourism industry thought they needed to be branded and if you weren’t you were out of touch and worst yet, outdated. Telling the world you had a brand and paid lots of money for someone to tell you what that was became somewhat of a status symbol. Hundreds of thousands of dollars were spent to brand everything from hotels to restaurants to resorts. Lots of money was made by those who said they could define a product or service by branding it. Unfortunately, no one really understood that you don’t define the brand, the brand defines you. We could spend millions to have a branding company define Cape May County as an upscale beach paradise for the rich and famous but it won’t change the fact that we are a great beach destination with a huge array of diverse attractions that cater to the not so rich and famous.

Some slick branding types even offer a slogan that would help identify the brand. I guess the mindset was that once you defined your brand, you then needed to explain your brand with a catchy slogan. I’m not sure a slogan is even necessary. They sound good on commercials and stylized in print ads but that is not what brings customers to your door. I don’t know anyone who has gone to Las Vegas because what happens in Vegas stays in Vegas.

I go to New York but it has nothing to do with the fact that 'I love New York'. And I have to tell you people go to Virginia in spite of the claim that it is for lovers.

The key to figuring out your brand is easy and costs next to nothing. If you take a few minutes and ask those who come to your town or attraction they will tell you what brought them there and if you get several who tell you the same thing, you have found your brand. While that may be over simplifying the brand craze a bit, the bottom line is that the brand is implied and you don't have to tell your customer what your brand is, they will tell you. To better help or guide your customer toward your perceived brand, it is imperative to *be* the best at something you offer in your business. In Cape May County we can say our brand is the beach and boardwalk. Our customers by way of our annual survey have stated year after year that is why they come. Media and travel outlets such as Frommer's, USA Today and National Geographic Traveler have listed us as tops for our beaches and boardwalks. New Jersey was looking for it top 10 best beaches and Cape May County beaches are among that list. We can and do tell our visitors about the diverse attractions found on the Jersey Cape but the great beaches and boardwalks are our brand.

The data provided in this document was prepared on May 10, 2008, by the Cape May County Department of Tourism, Diane Wieland, Director
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