



Assessing Tourist Demand for Traditional Coastal-Dependent Businesses on the South Carolina Coast

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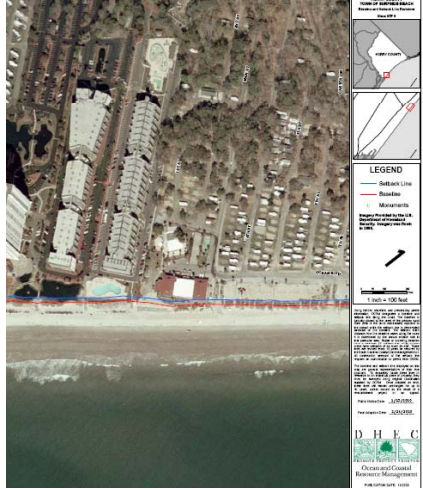
Introduction

- Decreasing access to marine resources
- Decline of traditional coastal-dependent businesses
- Tourists like authentic experiences within unique cultures
- Business strategy can benefit from information about SC coastal tourists



Policy

- U.S. CZMA Section 303
- SCDHEC OCRM
 - Water-dependent facility =coastal waters are essential to the functioning of its primary activity
 - No new nonwater-dependent “seaward of the baseline” without a special permit.
 - Identification & incentives for preservation of traditional coastal uses



Coastal-Dependent Businesses with tourism linkages

- Commercial fisheries (seafood)
- Recreational fishing charters
- Local crafts (e.g., sweetgrass basket makers)
- Restaurants serving local seafood/coastal view
- Nature-based tourism companies
- Marinas, boating and fishing suppliers, boat ramps
- Coastal parks (e.g., state parks)
- Coastal hotels/lodging



Reasons for decline

- Availability & quality of marine resources
- Competition
- Marketing capacity
- Infrastructure & operating costs
- Coastal development
- Changes in landscape/views



Research Question

- Are SC coastal tourists interested in coastal destinations that feature local and traditional products and experiences?



Methods

- 2 focus groups (tourists, businesses)
- Survey sample
 - Intercept tourists in 3 major coastal regions (Myrtle Beach, Charleston, Beaufort/Hilton Head) during Fall & Summer (2008 & 2009)
 - Send mail survey to address provided
- Survey Questions
 - **Demographics**
 - Traditional coastal economic **activities**
 - **Importance** in tourists' decision to visit & overall experience
 - **Willingness-to-pay** (WTP) for local traditional
 - **Preferred mix of attributes** (Stated Preference Choice Modeling /SPCM)



Methods – Fictional willingness-to-pay scenario

Increased accommodation tax to fund marketing and small business training programs for coastal-dependent businesses, to assure tourism money stays in the community and authenticity of the travel experience.

27. If the program is implemented, considering the benefits that might accrue, would you be willing to pay \$ ___* more per night as an accommodation fee which would support the program?

- YES
 NO

*1,2,3,5,7,10,20,30,50



Methods – SPCM – attributes included

Attribute	Description	Levels
Destination	Degree of destination development	1. Urban setting 2. Rural setting 3. Resort setting 4. State Park/Natural Setting
Availability of activities	Activities available at or near the destination chosen	1. Low 2. Medium 3. High
Activities' local flair/personality	Degree to which the activities possess a flair/personality unique to the SC coasts	1. None 2. Some flair 3. High flair
Restaurant quality	Quality of the food at the restaurants you eat at	1. Two stars 2. Three stars 3. Four stars
Restaurant Ownership	Types of Restaurant ownership	1. Local 2. Mix 3. National
Trip Cost	Total cost of a coastal trip	1. 20% less than your last trip's cost 2. The same as your last trip's cost 3. 20% more than your last trip's cost



Methods – SPCM – Sample Question

TRIP A	ATTRIBUTES	TRIP B
Small town	DESTINATION	Small town
Medium	AVAILABILITY OF ACTIVITIES	Low
No emphasis	ACTIVITIES' EMPHASIS ON REGIONAL CHARACTER	High emphasis
High	RESTAURANT QUALITY	Medium
Mix	RESTAURANT OWNERSHIP	National
20% less than your last trip cost	TRIP COST	20% less than your last trip cost

Given these choices, I would choose... (CHECK ONLY ONE)

TRIP A

I WOULD NOT CHOOSE EITHER TRIP

TRIP B



Results – Response Rate

- 1682 valid addresses collected
 - 30% fall 2008, 70% summer 2009
- 798 responses
 - 35% fall 08; 65% summer
- 47.4% effective response rate



Results – Demographics

- 59% female
- Average age = 50.1 (18 to 83)
- 39% had a household income >\$100,000
- 8.3% had a household income > \$200,000.
- 70.5% employed
- Significant difference ($p < .001$) in average age for unemployed (57.8; N=218) and employed (47.1; N=564)
- 64% college graduates
- 93.8% were white



Results – Characteristics of trip group

- Average group size (N=787) was 5.2 people
- Type of group:

Type of Group	% within intercept region			Total (N=762)
	Myrtle Beach (N=275)	Charleston (N=264)	HH/ Beaufort (N=223)	
Family	62.9	58.7	63.2	61.5
Family & friends	21.5	18.2	30.0	22.8
Friends	10.5	13.6	3.1	9.4
By yourself	2.5	4.5	2.7	3.3
Club	1.1	0.4	0.0	0.5
Co-workers	0.4	1.1	0.0	0.5
Other	1.1	3.4	0.9	1.8



Results – Average number of nights spent on most recent trip

- Average =5.74 nights

Trip length	Intercept region			Total (N=765)
	Myrtle Beach (N=276)	Charleston (N=264)	Beaufort & HH (N=225)	
Day trip	2.5%	6.4%	2.2%	3.8%
1-2 Days	10.9%	31.1%	12.4%	18.3%
3-7 Days	64.9%	52.7%	65.8%	60.9%
8-14 Days	16.7%	8.7%	15.6%	13.6%
More than 2 wks	5.1%	1.1%	4.0%	3.4%



Results –Accommodations used on most recent trip

Accommodation Type*	% in Intercept region			Total (N=749)
	Myrtle Beach (N=287)	Charleston (N=280)	Beaufort & HH (N=230)	
Hotel/Motel/Resort	31.0%	58.2%	22.6%	38.1%
Rental Home/Villa/Condo	27.2%	15.4%	42.6%	27.5%
Friends or Relatives	13.2%	16.8%	15.7%	15.2%
Own beach house or time share	17.1%	5.0%	16.5%	12.7%
Campground/RV park	10.5%	1.4%	6.1%	6.0%
Bed and Breakfast	0.0%	2.9%	0.9%	1.3%
Other	4.5%	5.7%	4.3%	4.9%

*Respondents could check more than one accommodation



Results –Information source

Type of information source	% (N=798)
My past experience	61.8
Internet	40.2
Family	38.5
Travel guide/brochure	18.7
Tourist office or visitor center	8.9
Email Offers	3.9
Advertisement (TV, Radio, Print)	2.4
Newspaper travel article	1.6
Travel Agent	1.5
Other	5.0

Type of information source (Other)	% (N=798)
Realtor/Resort	0.8
Someone else	0.6
Friend	0.5
Own vacation home/time share	0.4
Event driven	0.3
GPS/Digital map	0.1
Hotel info	0.1
Phone Directory	0.1



Results – Average spending (per respondent) during trip

Product or Service	If done at destination			If done outside of destination		
	N	Share of Total spent	Average amount spent (USD \$)	N	Share of Total spent	Average amount spent (USD \$)
Hotel/motel/other lodging	796	43%	\$583.21	791	22.9%	\$33.09
Grocery and retail stores	797	15%	\$206.64	796	14.0%	\$21.08
Restaurants and drinking places	798	20%	\$268.86	797	17.9%	\$25.85
Outdoor recreational activities (fishing, golf, etc.)	798	4%	\$60.31	796	2.1%	\$3.08
Entertainment (movies, mini golf, music, etc.)	797	3%	\$36.95	797	1.0%	\$2.15
Automobile transportation (gas, service, rental, parking)	798	8%	\$107.45	798	21.0%	\$30.37
Other Transportation (airplane, shuttles, limos)	797	6%	\$75.78	797	8.2%	\$11.78
Anything else (others)	718	1%	\$12.74	723	13.3%	\$19.21
TOTAL			\$1,348.80			\$144.40



Results – Average spending per night during trip (average of 5.74 nights)

Product or Service	If done at destination			If done outside of destination		
	N	Share of Total spent	Average amount spent (USD \$)	N	Share of Total spent	Average amount spent (USD \$)
Hotel/motel/other lodging	796	43%	\$101.60	791	22.9%	\$5.76
Grocery and retail stores	797	15%	\$36.00	796	14.0%	\$3.67
Restaurants and drinking places	798	20%	\$46.84	797	17.9%	\$4.50
Outdoor recreational activities (fishing, golf, etc.)	798	4%	\$10.51	796	2.1%	\$0.54
Entertainment (movies, mini golf, music, etc.)	797	3%	\$6.44	797	1.0%	\$0.37
Automobile transportation (gas, service, rental, parking)	798	8%	\$18.72	798	21.0%	\$5.29
Other Transportation (airplane, shuttles, limos)	797	6%	\$13.20	797	8.2%	\$2.05
Anything else (others)	718	1%	\$2.22	723	13.3%	\$3.35
TOTAL			\$234.98			\$25.16



Results –Main reason for most recent trip to the SC Coast?

Main purpose of your trip	% (N=762)
Recreation/pleasure	81
Family/relatives reunion	14
Seminar/convention/meeting	1
Business	1
Other	3

Why SC Coast?	% (N=683)
Previous enjoyable experiences	41
Drive distance	18
Recreational opportunities	13
Scenic views	7
Cost of trip	4
Quiet	1.5
Wildlife	0.5
Other	15



Results – Satisfaction & Loyalty

- 91.2% were very or extremely satisfied with trip
- Loyalty to primary destination is highest for Myrtle Beach
- Loyalty to Charleston and Beaufort/HH is similar

Question (Visiting primary destination)	Average for region		
	Myrtle Beach	Charleston	Beaufort & Hilton Head
# years	18.28 ^{a,b}	11.06 ^a	11.59 ^b
# trips in last 12 months	2.75 ^a	2.16	1.56 ^a
# trips in last 5 years	10.63 ^{a,b}	7.68 ^a	5.71 ^b

^{a,b} = significant difference at $p \leq 0.001$



Results - Importance of activities while visiting SC coastal destination

Activity	Mean* (N=603)	Activity	Mean (N=603)
Eating local food	3.91	Visiting a museum	2.13
Beach swimming/sunbathing	3.86	Picnicking	2.03
Shopping for fun	3.28	Visiting an aquarium	2.01
Walking for pleasure/hiking	3.24	Visiting fishing docks/seafood op	1.90
Visiting historical/cultural sites	2.86	Boating/jet skiing/sailing	1.87
Watching wildlife	2.62	Golfing*	1.84
Pleasure driving	2.58	Saltwater fishing (personal)	1.60
Guided historical tour	2.42	Canoeing, kayaking	1.56
Guided nature/historical tour	2.40	Saltwater fishing (charter)	1.53
Purchasing local arts/crafts	2.34	Surf/windsurf/sail board	1.38
Attending a festival	2.16	Horseback riding	1.21
Visiting a farmer's market	2.16		

*Scale: 1=Not at all important to 5=Extremely important



Results - Importance of activities while visiting SC coastal destination

Activity	Mean Importance			
	All (N=603)	MYR (N=209)	CH (N=206)	BFRT/HH (N=188)
Eating local food***	3.91	3.74 ^a	4.10 ^a	3.91
Beach swimming/sunbathing***	3.86	4.22 ^a	3.12 ^{a,b}	4.27 ^b
Visiting historical/cultural sites***	2.86	2.62 ^a	3.50 ^{a,b}	2.43 ^b
Pleasure driving*	2.58	2.49 ^a	2.79 ^{a,b}	2.44 ^b
Guided historical tour***	2.42	2.29 ^{a,b}	2.93 ^{a,c}	1.99 ^{b,c}
Guided nature/historical tour***	2.40	2.34 ^{a,b}	2.84 ^{a,c}	1.98 ^{b,c}
Purchasing local arts/crafts***	2.34	2.05 ^a	2.73 ^{a,b}	2.22 ^b
Visiting a farmer's market***	2.16	1.98 ^a	2.52 ^{a,b}	1.96 ^b
Attending a festival*	2.16	2.11 ^a	2.36 ^{a,b}	2.00 ^b
Visiting a museum***	2.13	2.14 ^{a,b}	2.38 ^{a,c}	1.84 ^{b,c}
Visiting an aquarium***	2.01	2.27 ^{a,b}	2.03 ^{a,c}	1.70 ^{b,c}
Golfing*	1.84	1.92 ^a	1.66 ^{a,b}	1.96 ^b
Boating/jet skiing/sailing**	1.87	1.81 ^a	1.70 ^{a,b}	2.12 ^b
Saltwater fishing (charter)*	1.53	1.57	1.42 ^a	1.61 ^a



Results – Time and \$ spent on activities

Activity	Time on activity per day			\$ per activity		
	N	Mean time per day (hrs.)	% total time	N	Mean \$ for trip	% of total \$
Eating local foods	750	1.10	8.3%	798	154.47	16.4%
Beach swimming/sunbathing	754	2.30	17.4%	798	6.75	0.7%
Visiting historical cultural sites	760	0.31	2.3%	798	9.81	1.0%
Pleasure Driving	761	0.49	3.7%	798	10.83	1.2%
Guided historical tour	765	0.10	0.7%	796	7.99	0.8%
Guided nature tour	765	0.05	0.4%	797	2.68	0.3%
Purchasing local arts/crafts	760	0.43	3.3%	798	27.68	2.9%
Visiting a farmer's market	763	0.12	0.9%	798	9.05	1.0%
Attending a festival	766	0.17	1.3%	798	5.70	0.6%
Visiting a museum	768	0.08	0.6%	798	2.42	0.3%
Visiting an aquarium	769	0.06	0.5%	798	3.66	0.4%
Golfing	761	0.71	5.4%	798	24.06	2.6%
Boating/jetskiing/sailing	768	0.10	0.7%	798	4.54	0.5%
Saltwater fishing charter	769	0.04	0.3%	798	6.54	0.7%
Saltwater fishing personal	768	0.13	1.0%	798	2.37	0.3%
Canoeing Kayaking	768	0.04	0.3%	798	1.71	0.2%
Surfing/windsurfing/sailboarding	769	0.04	0.3%	798	.23	0.0%
Visiting fishing dock/seafood operations	767	0.07	0.5%	798	3.67	0.4%
Picnicking	765	0.09	0.7%	798	2.99	0.3%
Walking for pleasure/hiking	744	0.90	6.8%	796	1.92	0.2%
Shopping for fun	758	1.19	9.0%	798	87.57	9.3%
Watching wildlife	765	0.36	2.7%	798	1.99	0.2%
other 1	59	2.25	17.0%	49	471.86	50.2%
other 2	19	2.09	15.8%	15	90.00	9.6%
Total		13.21			940.48	



Results – Time and \$ spent on activities [OTHER]

OTHER activities	N	% of other
Coastal Dependent	8	9.9
Includes fishing, boating, visiting coastal parks and historic sites, nature-based tourism		
Non-coastal Dependent	73	90.1
Amusement parks	2	
Art	2	
Music/shows	9	
Family activities (wedding, college orientation, graduation, reunion, church)	9	
Sports events	3	
Bicycling	17	
Motorcycling	2	
Visiting gardens	4	
Other non-coastal dependent site seeing	11	
Dancing/nightlife	10	
Mini-golf	4	



Results - Importance of SC coastal development strategies (3 regions)

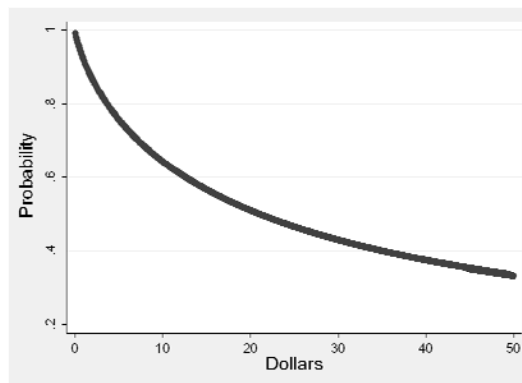
Development Strategies	All (N=647)	MYR (N=226)	CH (N=229)	BFT/HH (N=192)
Protect parks and open space	4.26	4.19	4.34	4.22
Encourage sustainable use of local natural resources	4.04	4.01	4.08	4.04
Promote/retain local heritage/culture***	4.03	3.78 ^a	4.38^{a,b}	3.92 ^b
Protect historical sites***	4.08	3.86 ^a	4.41^{a,b}	3.95 ^b
Promote the local nature-based attractions	3.97	3.92	4.04	3.95
Protect access to natural resources	3.85	3.88	3.87	3.80
Promote more locally owned restaurants**	3.70	3.58 ^a	3.88^{a,b}	3.64 ^b
Create more outdoor recreation programs	3.50	3.48	3.53	3.48
Promote the unique shopping opportunities for local products**	3.43	3.30 ^a	3.61^{a,b}	3.37 ^b
Promote local arts/crafts***	3.47	3.28 ^a	3.79^{a,b}	3.32 ^b
Promote local seafood purchasing opportunities	3.35	3.23	3.47	3.34
Encourage more local businesses to open *	3.09	3.04 ^a	3.24^{a,b}	2.95 ^b
Attract more fine dining restaurants	2.71	2.66	2.83	2.61
Encourage more bed & breakfasts to open***	2.39	2.22 ^a	2.68^{a,b}	2.23 ^b
Build resort property	1.94	1.99	1.91	1.91
Build more golf courses	1.64	1.62	1.61	1.69

Scale: 1=Very low priority to 5= Very high priority

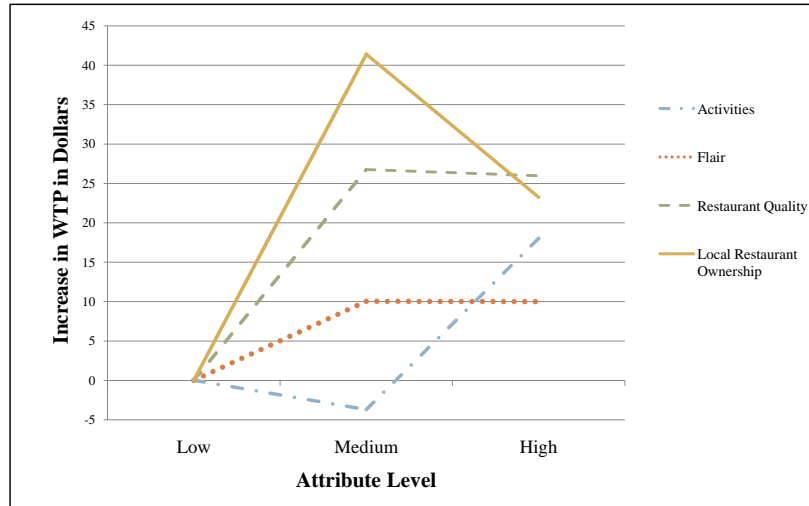


Willingness-to-pay local business sustainability accommodation tax

- 80% probability of at least \$3.65 more
- 50% probability of least \$21.00 more
- Mean = \$25.57
- 13.5% would take fewer trips with higher tax



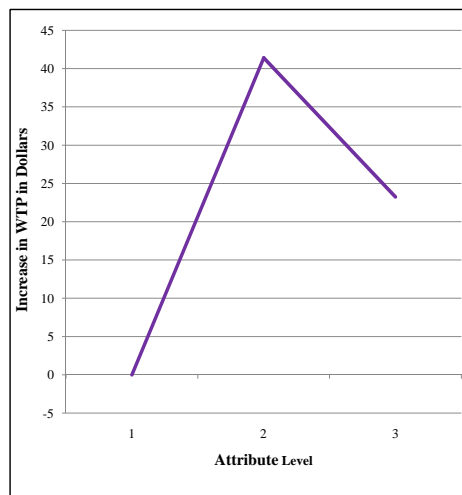
SCPM – WTP x Attribute levels



SCPM – WTP x Restaurant ownership

- Mix is preferred
- National is least preferred
- Has most effect on WTP

1=National
 2=Local & National mix
 3=Local
 * = significant (p≤.05)



Conclusions

- Relative to beaches and eating local foods, the importance of coastal-dependent products (crafts) or experiences (fishing) is moderate.
- Tourists don't favor further commercial development and support sustainability strategies
- Willingness-to-pay data suggest support for investment in retaining traditional coastal-dependent businesses and services at the coastal destination



Recommendations

- **Strategies**
 - Local food providers & restaurants should collaborate
 - Businesses should focus on enhancing visitor access to marine habitats & providing nature-based & historical interpretation
 - Coastal-dependent businesses should collaborate to advocate for community development strategies that retain the natural & historical character of the region
- **Training**
 - Natural history interpretation & marine ecology training important for businesses (e.g., marine charter) taking visitors out on the water
 - Small business training for these marine resource dependent businesses should include marketing & networking strategies such as developing linkages with tour companies focused on local heritage and best practices for use of internet.

