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INTRODUCTION

The South Carolina Tourism Action Plan (SCTAP) consultancy assignment was contracted to Tourism Development International (TDI) by the South Carolina Tourism Cluster Committee (SCTCC) as part of the South Carolina Competitiveness Initiative (SCCI). It was designed to achieve the goal identified by Professor M. Porter and the Monitor Company Group in its 2004 study of the Hospitality and Tourism Cluster under the SCCI of:

*increasing gross tourism product per visitor*

and, in so doing, to respond to the challenges laid down by the Porter group, namely:

- to improve collaboration amongst industry & officials,
- to identify high spending potential tourist segments,
- to develop & package its tourism assets to attract the markets identified, and
- to execute an appropriate marketing strategy.

Tourism Action Plan

The report is presented in three volumes:

- Volume 1 – The Action Plan
- Volume 2 – The Technical report on which the Action Plan is based
- Volume 3 – Technical and Administrative Annexes

Volume II – Technical reports

This volume contains the detailed reports prepared in respect of Economic Impact & Analysis (Chapter 1), Tourism Industry Organization & Cooperation (Chapter 2), Air & Surface Access (Chapter 3), Tourism Planning & Product Development (Chapter 4), Market Evaluation & Prioritization (Chapter 5), Marketing Strategy (Chapter 6), and the Development of Human
Each of the Chapters is preceded by an Executive Summary that constitutes the “bridge” to this Volume II.

The technical reports were compiled by a team of experts who conducted over 400 meetings and site visits with Industry Officials and State Government Officials covering all 11 tourism regions in South Carolina, during the period, November 2005 to May 2006. In state mileage traveled by experts is estimated to have been over 5000.

Technical study visits to Ireland and Florida for benchmarking purposes, were also organized during this time frame comprising members of the South Carolina Tourism Cluster Committee (SCTCC) and the expert team. (Details in volume III)

These reports address the objectives and challenges identified by the Porter/Monitor group and determine the direction, methodology and actions necessary to be taken by the State and the private sector if tourism is to realize its full potential across the entire State of South Carolina.

Acknowledgements

The Tourism Development International team of experts wishes to sincerely thank the members of the Tourism Cluster Committee, and the Directors of the Regional Tourism Organizations and Convention Visitor Bureau, throughout South Carolina, for the assistance, advice and courtesy extended to the team during the course of their work. There were also many individuals involved in tourism in South Carolina who provided advice and information during the study period for which the team is most grateful (see Volume III for meeting contacts).

Finally, without the organizational support, assistance and guidance provided by the tourism staff of the South Carolina Parks, Recreation and Tourism Department, the expert team would not have been enabled to complete this project In particular we would like to mention:

Chad Prosser – Director of Parks, Recreation and Tourism
Amy Duffy – Chief of Staff
Julie Flowers – Director Research and Policy
Beverley Shelley – Director Sales and Marketing
George Estes – Heritage Director
Dudley Jackson – Research Director
Victoria Lewis - Assistant to Director

We owe our gratitude of to all concerned
Project Personnel:

South Carolina Tourism Cluster Committee:

Chad Prosser, Director; South Carolina Department of Parks, Recreation & Tourism
Billy Alford, Vice President; A&I Inc.
Dr. Peter Barr, Provost; Coastal Carolina University (Tourism Research)
Paula Harper Bethea, Director, Marketing & Client Relations; McNair Law Firm
Andy Cajka, President; Southern Hospitality Group
Willie Calloway, Exec. Director; South Carolina State Museum
Woody Crosby, President & CEO; Jordan Properties/Crown Reef
Mike Griffey, Owner and Manager; Abingdon Manor County Inn
Helen T. Hill, Executive Director; Charleston Area CVB
Frankie Miller, Dean; Trident Technical College
Bettis Rainsford, President; Rainsford Development Company
Douglas P. Wendel, President & CEO; Burroughs & Chapin
George Fletcher, CEO; New Carolina Council on Competitiveness

Tourism Development International expert team:

Michael Mac Nulty – Project Director
Eamon Henry – Economist
Mike Bell – Air Access Expert
John Robinson/Jim Flannery – Planning and Product Development
Peter Mac Nulty – Market Evaluation and Prioritization
Robert Cleverdon – Marketing Strategy
Gordon Currie – Human Resource Development
CHAPTER ONE

ECONOMIC IMPACT MEASUREMENT
Gross State Product and Employment
TERMS OF REFERENCE

The economic impact measurement assignment comprised the following three tasks:

* Review current methods of calculating economic impacts of tourist expenditure.

* Compare the existing approaches (methodologies) as used by South Carolina and the Consultant, setting out the capabilities of each.

* Based on the analysis in the first two tasks, attain a common understanding of the best approach.

The mission covered the period November/December 2005
CHAPTER ONE
NEW CAROLINA TOURISM ACTION PLAN

ECONOMIC IMPACT MEASUREMENT: GROSS STATE PRODUCT AND EMPLOYMENT.

EXECUTIVE SUMMARY

1. INTRODUCTION

As part of the New Carolina Tourism Action Plan, it was agreed that the methodology used in calculating the impact of the tourism sector on the State’s economy be reviewed in line with the terms of reference outlined above. The analysis was undertaken at State, rather than individual resort level. The consultant worked in close collaboration with Ms Julie Flowers, the State Tourism Economist, and her colleagues in the South Carolina Parks, Recreation and Tourism Department’s Economic and Research Division, to whom thanks are due.

2. IMPACTS: DIRECT, INDIRECT & INDUCED

Economic impacts can be direct, indirect and induced. Direct impacts are the wages and salaries paid to employees in the tourism sector – calculated using the 2003 South Carolina Tourism Satellite Account figures. Indirect impacts are made up of hotels buying supplies, government expenditures related to tourism and travel, public and private capital expenditures, and non-visitor tourism merchandise exports. These generate wages and salaries for employees across other industry sectors – again calculated using the 2003 Satellite Account figures. Induced impacts -the inflow of purchasing power from out-of-State visitor expenditure, as an expenditure stimulus to economic activity, does not stop at direct plus indirect impacts, because the take-home pay generated by these impacts is spent on goods and services. This generates wages, salaries and profits for the employees and enterprises where this spending occurs; and thus creates further Gross State Product and jobs as induced impacts. The IMPLAN calculation package already has facility to compute induced impacts, where required.

3. FULL ECONOMIC IMPACT OF TOURISM FOR SOUTH CAROLINA

Consequently, the full economic impact of 2003 Travel and Tourism on South Carolina is calculated at $11,055 million of Gross State Product and 219,500 jobs – i.e. with induced impacts included. These figures compare with $9,572 million of Gross State Product and 188,300 jobs – without inclusion of induced impacts. The full impacts show an increase of $1,483 million (15.5 percent) of Gross State Product and 31,200 (16.6 percent) of jobs, resulting from the inclusion of induced impacts. All these figures come from the basic IMPLAN calculations provided by the Parks, Recreation and Tourism Division in Columbia, South Carolina. NB. Further refinement of the IMPLAN data relating to the induced impact analysis was carried out by the SCPRT’s Economic and Research Division subsequent to the completion of the consultant’s work. These result in slightly lower figures for GSP contribution of $10.9 billion and total job creation of 216,000.
4. BENEFICIARIES OF THE ECONOMIC IMPACT OF TOURISM

The multiplier effect of tourism expenditure spreads the benefits across many important areas of employment in South Carolina. While two-fifths of all jobs are in the expected areas of hotels, food and beverage, and amusement and recreation operations, significant employment effects from tourism also occur in sectors such as auto/gas (i.e. 21,000 jobs, almost 10 percent of the total), services (over 15,000, 7 percent), manufacturing (just under 15,000, 7 percent), the public sector (12,000, almost 6 percent), air and transit (9,000, over 4 percent) and real estate/construction (over 8,000, 4 percent), with other notable contributions in the wholesale, financial/insurance, health and utilities sectors.

5. ACTION RECOMMENDATION

It is strongly recommended that in future economic calculations of the State’s tourism sector contribution, full account should be taken of induced impacts. In this way the full effects of tourism on both GSP and jobs can be accurately assessed.
INTRODUCTION

As part of a Tourism Action Plan for South Carolina it was agreed that the means of calculating economic impact be reviewed, the terms of reference for which are given above and detailed in Annex A.

Prior to the consultant’s field trip to South Carolina from November 14-23, 2005, preparatory communications between the consultant and staff of the Department of Parks, Recreation and Tourism in Columbia took place during October/early November 2005. From these discussions, the following situation was found and work agreed in fulfillment of the terms of reference:

ToR Task 1: Review current methods of calculating economic impacts of South Carolina Tourism expenditure:

Since March 2001, following the World Travel & Tourism Council (WTTC) research and report for the Department of Parks, Recreation and Tourism, the WTTC Tourism Satellite Account definitions and coverage have been used to measure South Carolina “Travel and Tourism” activities and impacts. The State Tourism Economist made available technical literature including the IMPLAN (modeling and impact calculation) package manual. Several calculations on 2003 data were made at the request of the consultant.

ToR Task 2: Compare the existing methodologies setting out the capabilities of each:

The Tourism Satellite Account methodology as applied in South Carolina was discussed with particular reference to South Carolina Travel and Tourism impacts of year 2003. A full set of 2003 impacts has been computed by using IMPLAN, and some of these results are compatible with Henry and Deane (1997) impacts. These 2003 impact results provide the basis for summary comparisons of Tourism Satellite Account impacts with those based on Henry and Deane, to be shown in tabular form in the consultant’s final report viz. Part 1 below.

It is important to stress here that Tourism Satellite Account impacts do not include “Induced” impacts occurring through Out-of-State Visitor expenditures, whereas the Henry and Deane (1997) total impact does include them.

ToR Task 3: Based on the analysis in Tasks 1 & 2, obtain a common understanding of the best future approach:

The consultant answered queries by Departmental staff on aspects of the Henry 12-page overview of input-output (I–O) analysis, received by the State Tourism Economist in advance of the consultant’s visit. This document comprises Annex D.

Resulting Report including Appendices

Part 1, following, presents and discusses a summary of South Carolina Travel and Tourism Expenditures for the year 2003, and sets out the derived economic impacts for Gross State Product, Employment and Government Taxes. In Part 2 some important conclusions are drawn and recommendations made.

Annex B (see the Volume III) describes two concepts of Tourism Satellite Account coverage of economic activities and derived impacts, with further reference to coverage and impacts as described in the Henry and Deane (1997) article. The first Tourism Satellite Account concept is that of the U.S. Bureau of Economic Analysis (BEA). The second Tourism Satellite Account concept is that of the World Travel & Tourism Council (WTTC), described in its 2001 report ‘South Carolina: the Impact of Travel and Tourism on Jobs and the Economy.’

Annex C describes how the Department of Parks, Recreation and Tourism calculates annual South Carolina Travel and Tourism impacts, by using the IMPLAN software package, including related data files. Three stages of the impact calculations are briefly outlined. First Stage is preparing data on estimated Travel and Tourism expenditure for say year 2003, before applying IMPLAN. Second Stage is using IMPLAN to break down and re-arrange First Stage data so as to give 60-sector Final Demand values of domestic outputs at producers prices, with South Carolina Imports (of goods and services) deducted. Third Stage is computing impacts as Type I (direct plus indirect) or Type II (direct plus indirect plus induced), and reporting results.
PART 1 SOUTH CAROLINA TRANSPORT AND TOURISM EXPENDITURES 2003, WITH DERIVED IMPACTS COMPARED

1.1 INTRODUCTION

This part presents and discusses a summary of South Carolina Travel and Tourism Expenditures of year 2003, and derived economic impacts for Gross State Product, Employment and Government Taxes. First, section 1.2 sets out components of South Carolina 2003 Gross State Product and Taxation, shown in order to provide bases for comparing Travel and Tourism impacts as shares of State totals.

In the next section, 1.3, a breakdown is considered of year 2003 Travel and Tourism expenditures, as stimuli which generate impact responses. In section 1.4 these responses are presented and discussed for Gross State Product. Similar Employment responses are addressed in section 1.5, while Tax and Imports responses are treated in section 1.6.

1.2 GROSS STATE PRODUCT AND OTHER STATISTICS

The data in Table 1.1 are taken from various electronic files of the South Carolina Department of Parks, Recreation and Tourism.

Table 1.1 - South Carolina 2003 Gross State Product components, and other Statistics

<table>
<thead>
<tr>
<th>Gross State Product components</th>
<th>Value ($million)</th>
<th>Taxation components</th>
<th>Value ($million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal consumption</td>
<td>52,220.63</td>
<td>Personal taxes</td>
<td>2,057.08</td>
</tr>
<tr>
<td>Govt. consumption</td>
<td>21,866.19</td>
<td>Corporate taxes</td>
<td>222.30</td>
</tr>
<tr>
<td>Gross capital form.</td>
<td>16,193.22</td>
<td>Profits tax</td>
<td>1,093.40</td>
</tr>
<tr>
<td>Exports of goods &amp; services</td>
<td>70,306.71</td>
<td>Indirect (business) taxes</td>
<td>4,562.70</td>
</tr>
<tr>
<td>TOTAL FINAL DEMAND</td>
<td>160,586.75</td>
<td>TOTAL TAX</td>
<td>7,935.48</td>
</tr>
<tr>
<td>Less Imports of goods &amp; services</td>
<td>-37,168.32</td>
<td>Other items</td>
<td>Value</td>
</tr>
<tr>
<td>TOTAL GROSS STATE PRODUCT</td>
<td>123,418.43</td>
<td>Population (number)</td>
<td>4,100,000</td>
</tr>
<tr>
<td>(at Market Prices)</td>
<td></td>
<td>Total Employment (number excluding small businesses etc., year 2003)</td>
<td>1,783,682</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Employment (all activities, 2002)</td>
<td>2,237,000</td>
</tr>
</tbody>
</table>

The left-hand two columns show components of Gross State Product as Final Demands of aggregate value $160,586.75 million (m). From this, Imports worth $37,168.32m are subtracted, so as to give total Gross State Product of $123,418.43m at Market Prices.

The right-hand two columns first show four components of 2003 Taxation, within a total $7,935.48m. The largest component is Indirect (Business) Taxes worth $4,562.70m, and the next largest is Personal Taxes of $2,057.08m. The lower portion of these two columns shows three
further items. We see total population of some 4,100,000 persons. Total employment of persons in larger businesses in 2003 was about 1,784,000. An estimate of total employment in all activities (year 2002) was some 2,237,000.

1.3 TRANSPORT AND TOURISM EXPENDITURES

These Final Demand data appear in Table 1.2, as provided by the Department of Parks, Recreation and Tourism.

<table>
<thead>
<tr>
<th>Table 1.2 - South Carolina Travel and Tourism 2003 Final Demands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Demand item</td>
</tr>
<tr>
<td>In South Carolina:</td>
</tr>
<tr>
<td>Personal travel &amp; tourism</td>
</tr>
<tr>
<td>Business travel</td>
</tr>
<tr>
<td>Govt. expenditure (individual)</td>
</tr>
<tr>
<td>Visitor exports</td>
</tr>
<tr>
<td>TOTAL direct expenditure within South Car. (A)</td>
</tr>
<tr>
<td>Outside South Carolina:</td>
</tr>
<tr>
<td>Personal travel &amp; tourism</td>
</tr>
<tr>
<td>Business travel</td>
</tr>
<tr>
<td>TOTAL expenditure outside South Carolina (B)</td>
</tr>
<tr>
<td>TOTAL Travel &amp; Tourism Industry (Tourism Satellite Account) (A)+(B)</td>
</tr>
<tr>
<td>Rest of Travel &amp; Tourism Economy (expenditure within South Carolina)</td>
</tr>
<tr>
<td>Government Expenditure (collective)</td>
</tr>
<tr>
<td>Capital Investment</td>
</tr>
<tr>
<td>Exports (non-visitor)</td>
</tr>
<tr>
<td>TOTAL Rest (C)</td>
</tr>
<tr>
<td>TOTAL Travel &amp; Tourism Economy (Tourism Satellite Account)</td>
</tr>
</tbody>
</table>

The left-hand column of Table 1.2 shows nine individual items of Final Demand, combined into three groups. Values of year 2003 appear in the middle column, with brief description in the right-hand column. Further details are given in Annex B.

The first group (A) of four items combines all direct 2003 expenditure within South Carolina, of value $9,425.1 million. This group is of prime importance as the main Travel and Tourism stimulus of economic impact response within South Carolina.

The second group (B) of two items shows $1,920.5m of 2003 expenditure on Travel and Tourism outside South Carolina. This group is of least importance, as this expenditure produces a zero economic impact response within South Carolina.
The third group (C) of three items has 2003 value $3,290.1m, all spent within South Carolina and thus stimulating economic response. This group covers tourism-related activities, including capital formation. It also has a component of estimated merchandise export shares for use in Travel and Tourism industries outside South Carolina, or for purchase by travelers and tourists outside South Carolina.

All three groups (A), (B), (C) combined give the aggregate Final Demand $14,635.7m across the “Travel and Tourism Economy” (Tourism Satellite Account definition). Groups (A) and (B) combined give the aggregate Final Demand $11,345.6m of the “Travel and Tourism Industry” (Tourism Satellite Account definition).

1.4 GROSS STATE PRODUCT IMPACTS

Impact calculations were performed on South Carolina Travel and Tourism 2003 data by Departmental staff at the consultant’s request. Summary results appear in Table 1.3 for Gross State Product impacts. Only groups (A) and (C) are treated since group (B), as explained above, has zero impact effect within the South Carolina economy.

<table>
<thead>
<tr>
<th>Travel and Tourism Expenditure group</th>
<th>Final Demand Expenditure stimulus ($million)</th>
<th>Direct+ Indirect Gross State Product Impact response ($million)</th>
<th>Induced Gross State Product Impact Response ($million)</th>
<th>Total Impact (2) + (3) Response ($million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total direct expenditure within South Carolina</td>
<td>9,425.1</td>
<td>7,420.1</td>
<td>1,482.7</td>
<td>8,902.8</td>
</tr>
<tr>
<td>(C) Rest of expenditure within South Carolina</td>
<td>3,290.1</td>
<td>2,151.7</td>
<td>0.0</td>
<td>2,151.7</td>
</tr>
<tr>
<td>(A) + (C) Total expenditure within South Carolina</td>
<td>12,715.2</td>
<td>9,571.8</td>
<td>1,482.7</td>
<td>11,054.5</td>
</tr>
</tbody>
</table>

Impact responses as proportions of stimuli:

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total direct within South Carolina</td>
<td>0.7873</td>
<td>0.1573</td>
<td>0.9446</td>
<td></td>
</tr>
<tr>
<td>(C) Total rest within South Carolina</td>
<td>0.6540</td>
<td>0.0</td>
<td>0.6540</td>
<td></td>
</tr>
<tr>
<td>(A) + (C) Total Expenditure within South Carolina</td>
<td>0.7528</td>
<td>0.1166</td>
<td>0.8694</td>
<td></td>
</tr>
</tbody>
</table>

Impact responses as percentages of State total Gross State Product($123,418.43m):

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total direct within South Carolina</td>
<td>6.01</td>
<td>1.20</td>
<td>7.21</td>
</tr>
<tr>
<td>(C) Total rest within South Carolina</td>
<td>1.74</td>
<td>0.0</td>
<td>1.74</td>
</tr>
<tr>
<td>(A) + (C) Total Expenditure within South Carolina</td>
<td>7.76</td>
<td>1.20</td>
<td>8.96</td>
</tr>
</tbody>
</table>

In the first three rows, column (1) shows Final Demand stimuli (A) and (C), of combined value $12,715.2m. Column (2) shows the Direct plus Indirect impacts, of combined value $9,571.8m.
Column (3) shows an Induced impact of $1,482.7m, valid only for the Visitor Exports ($6,791.4m) part of (A), as discussed in Annex B.

The Induced impact occurs through Households spending the “take-home pay” generated by Direct plus Indirect impacts. Column (4) shows combined impacts along each row, namely $8,902.8m for (A) and $2,151.7m for (C), thus making a total Gross State Product impact of $11,054.5m generated by a total 2003 stimulus of $12,715.2m.

It will be noted that the Tourism Satellite Account treats the direct plus indirect impact $9,571.8m as “Total”, thus failing to take into account the additional impacts arising at the induced stage.

In the next three rows, impacts are treated as proportions of values of Final Demand stimuli, thus deriving Gross State Product “multipliers”. For (A), the direct + indirect shows 0.7873, and the total shows 0.9446, the latter implying that on average every $100m of type (A) expenditure generates $94.46m of Gross State Product. For (C), only the direct + indirect is valid, showing a Gross State Product multiplier 0.6540 per unit Final Demand stimulus. The combined (A) + (C) effect shows a multiplier 0.7528 as direct + indirect, and 0.8694 as total.

These “direct + indirect” multipliers have the same meaning as IMPLAN “Type I” multipliers, while these “direct + indirect + induced” multipliers have the same meaning as IMPLAN “Type II” multipliers.

The lowest three rows show the various Gross State Product impacts as percentages of the 2003 State total Gross State Product $123,418.43m. The combined impacts (A) + (C) show a share nearly 8 percent for direct + indirect, and about 9 percent for total impact (direct + indirect + induced).

NB. Further refinement of the IMPLAN data relating to the induced impact analysis was carried out by the SCPRT’s Economic and Research Division subsequent to the completion of the consultant’s work. These result in a slightly lower figure for GSP contribution of $10.9 billion.

1.5 Employment Impacts

The IMPLAN model calculates Employment impacts as full-time equivalent number of jobs. In a layout similar to that of Table 1.3, these impacts are shown in Table 1.4 below.
Table 1.4 - South Carolina 2003 Employment Impacts of Travel and Tourism Expenditures (number of full-time equivalent jobs)

<table>
<thead>
<tr>
<th>Travel and Tourism Expenditure group</th>
<th>Final Demand Expenditure stimulus ($million)</th>
<th>Direct + Indirect Employ. Impact Response (2)</th>
<th>Induced Employ. Impact Response (3)</th>
<th>Total Impact (2) + (3) Response (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total direct expenditure within South Carolina</td>
<td>9,425.1</td>
<td>145,940</td>
<td>31,251</td>
<td>177,191</td>
</tr>
<tr>
<td>(C) Rest of expenditure within South Carolina</td>
<td>3,290.1</td>
<td>42,321</td>
<td>0</td>
<td>42,321</td>
</tr>
<tr>
<td>(A) + (C) Total expenditure within South Carolina</td>
<td>12,715.2</td>
<td>188,261</td>
<td>31,251</td>
<td>219,512</td>
</tr>
</tbody>
</table>

**Impact responses per $million of stimuli:**

<table>
<thead>
<tr>
<th>Travel and Tourism Expenditure group</th>
<th>Direct + Indirect Employ. Impact Response (2)</th>
<th>Induced Employ. Impact Response (3)</th>
<th>Total Impact (2) + (3) Response (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total direct within South Carolina</td>
<td>15.48</td>
<td>3.32</td>
<td>18.80</td>
</tr>
<tr>
<td>(C) Total rest within South Carolina</td>
<td>12.86</td>
<td>0.0</td>
<td>12.86</td>
</tr>
<tr>
<td>(A) + (C) Total Expenditure within South Carolina</td>
<td>14.81</td>
<td>2.46</td>
<td>17.26</td>
</tr>
</tbody>
</table>

**Impact responses as percentages of State total Employ.(1,783,682):**

<table>
<thead>
<tr>
<th>Travel and Tourism Expenditure group</th>
<th>Direct + Indirect Employ. Impact Response (2)</th>
<th>Induced Employ. Impact Response (3)</th>
<th>Total Impact (2) + (3) Response (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Total direct within South Carolina</td>
<td>8.18</td>
<td>1.75</td>
<td>9.93</td>
</tr>
<tr>
<td>(C) Total rest within South Carolina</td>
<td>2.37</td>
<td>0.0</td>
<td>2.37</td>
</tr>
<tr>
<td>(A) + (C) Total Expenditure within South Carolina</td>
<td>10.55</td>
<td>1.75</td>
<td>12.31</td>
</tr>
</tbody>
</table>

In the first three rows, column (1) shows Final Demand stimuli (A) and (C), of combined value $12,715.2m. Column (2) shows the Direct plus Indirect impacts, of combined Employment 188,261 jobs. Column (3) shows an Induced impact of 31,251 jobs, valid only for the Visitor Exports ($6,791.4m) part of (A), as discussed in Annex B. Column (4) shows combined impacts along each row, namely 177,191 jobs for (A) and 42,321 for (C), thus making a total Employment impact of 219,512 jobs (full-time equivalent) generated by a total 2003 stimulus of $12,715.2m occurring within South Carolina. As in the case of Gross State Product above it may be noted that the Tourism Satellite Account treats the direct plus indirect impact 188,261 jobs as “Total”, in effect ignoring any induced impact.

In the next three rows, impacts are treated as average Employment per $million unit of Final Demand stimuli, thus deriving Employment “multipliers”. For (A), the direct + indirect shows 15.48, and the total shows 18.80, the latter implying that on average every $100m of type (A) expenditure generates Employment of 1,880 jobs. For (C), only the direct + indirect is valid, showing an Employment multiplier of 12.86 jobs per $million Final Demand stimulus. The combined (A) + (C) effect shows a multiplier of 14.81 jobs as direct + indirect, and 17.26 jobs as total.

The Final three rows show the various Employment impacts as percentages of the 2003 State total Employment, taken as 1,783,682 jobs. The combined impacts (A) + (C) show a share of about 10.6 percent for direct + indirect, and about 12.3 percent for total impact (direct + indirect + induced). The higher percentage of state total employment (12.3) compared to that of Gross State Product (9.0) arises because of the relatively labor-intensive nature of the Travel and Tourism industries.
NB. Further refinement of the IMPLAN data relating to the induced impact analysis was carried out by the SCPRT’s Economic and Research Division subsequent to the completion of the consultant’s work. These result in a slightly lower figure for total job creation of 216,000.

1.6 Taxation and Imports Impacts

The IMPLAN model does not provide a detailed impact report for either Taxes or Imports. However, sufficient details are available to give “Direct plus Indirect” impact amounts, as shown below.

Government Taxes:

For the overall Tourism and Travel Economy, the 2003 Tax impact total is $1,018.4m (direct plus indirect), having components $515.4m of Indirect (business) taxes, $202.0m of Personal income tax, $17.1m of Corporation tax, and $283.9m of Property taxes. This impact total of $1,018.4m comprises 12.8 percent of the State total $7,935m (Table 1.1).

The Induced impact worth $1,482.7m of Gross State Product of course carries or implies further Tax components. For this Gross State Product being 15.49 percent of the direct plus indirect Gross State Product impact $9,571.8m, a pro rata additional Tax share related to Induced Gross State Product would be $157.75m. This suggests an overall Taxes impact arising from tourism-related activity of roughly $1,200m, some 15 percent of the State total $7,935m.

Imports (including Outbound Tourism)

Some three relevant Import components may be considered. These emerge for each of groups (A), (B), (C) above. For (A) and (C), Imports are the residuals left, when Gross State Product impacts (direct plus indirect) are subtracted from their respective Final Demand stimulus values. For (B), of course, the full value $1,920.5m is entered, as this consists completely of “invisible“ imports.

Accordingly, we get a total 2003 Import amount $5,063.9m, given by $2,005.0m plus $1,138.4m plus $1,920.5m. This comprises 13.62 percent of the State total $37,168.32m (Table 1.5) of goods and services.
PART 2  CONCLUSIONS AND RECOMMENDATIONS

2.1 CONCLUSIONS: METHODOLOGY AND DATA CONSIDERATIONS

Methodology:

Three methods (including scope of relevant activities) have been discussed and compared in this report:

- The Henry and Deane (1997) method comprises application of input-output (I-O) impact analysis at basic prices to 1990 and 1995 Final Demand travel and tourism expenditure within Ireland, covering international tourists, domestic tourists and international fares paid to Irish carriers. This coverage may be denoted Inbound plus Internal. Direct and indirect impacts have been computed, with induced impacts also for international visitors and fares paid to Irish carriers. Impact measures include Gross National Product, Employment, Government Revenue, and Imports. Outbound tourism expenditure is not discussed, because this has zero economic impact within Ireland.

- The Bureau of Economic Analysis (2005) method comprises application of a Tourism Satellite Account to U.S. travel and tourism data mainly of year 2003. Direct and indirect impacts are calculated by I-O standard analysis at producers prices. Coverage includes Inbound and Internal tourism, as well as Outbound. The Internal has a wider coverage than Henry and Deane (1997), by also including cost of travel by business and government employees. Measured impacts, direct and indirect, include domestic sector outputs, Value Added and Employment. Considerable detail is shown, by tourism commodity and industry. No induced impacts are included.

- The World Travel & Tourism Council (2001) study of South Carolina 1996-2000 travel and tourism activity again uses as framework a Tourism Satellite Account. Coverage is wider than that of 2) above, by also including tourism-related Government individual and collective current expenditure, capital investment (both private and public), and non-visitor merchandise exports for ultimate use by tourists abroad. Measured impacts, direct and indirect (by standard I-O methods at producers prices), are calculated for Value Added, Employment, Government revenue and Imports. No induced impacts are included.

Conclusions:

- The input-output methodology is essentially the same in all three cases. However, valuation at basic prices, as in Henry and Deane (1997) and throughout the European Union, gives more precise impact estimates than does valuation at producers prices.

- Export Tourism (Inbound visitor) expenditure has a valid “Induced” impact response included in Henry and Deane (1997), but not counted in methods 2) and 3) above. Omission of this “Induced” impact gives a significant under-estimate of the full impact response to Export Tourism expenditure stimulus.

- The inclusion of the word “Travel” in the Tourism Satellite Account description indicates that a wider coverage than that of “Tourism” alone is intended. The WTTC coverage summarized in method 3) above seems reasonable, although wider than that of methods 1) and 2). All components of 3) do have relevance to the concept of the “travel and tourism economy”.
The 2003 group (A) full impact results (including Induced) show a Gross State Product impact average response some 94 percent of the expenditure stimulus, thus generating $8,903 million, which is 7.2 percent of the 2003 State total $123,814 million. They also show an average 1,880 jobs (full-time equivalent) per $100 million expenditure, thus generating 177,200 jobs, which comprise 9.9 percent of the 2003 State total 1,784,000.

The 2003 group (C) full impact results (direct plus indirect) show smaller impacts, namely Gross State Product some 65 percent of the expenditure stimulus, and 1,286 jobs per $100 million expenditure. Group (C) has thus realized $2,152 million (1.7 percent of the 2003 State total) and 42,300 jobs (2.4 percent of the 2003 State total).

Data Considerations:

In the Consultant’s view, the analysis undertaken by staff of the Department of Parks, Recreation and Tourism understates the true value of travel and tourism impacts, and thus does not make the best case for Government support. This does not imply that the calculations are inaccurate, but that they simply do not go far enough.

However, there is a loss of precision in estimating impacts, by the IMPLAN system using values “at producers prices”, rather than values “at basic prices”.

Of chief importance is group (A) of Part 1, covering all direct expenditure on Travel and Tourism activities within South Carolina. This group is the main source of economic impacts.

All group (A) impacts should be shown separately from those of group (C), which also has economic impacts within South Carolina.

Group (B) “Outbound tourism” has all its expenditure outside South Carolina, and thus produces zero economic impacts within South Carolina. This group should be kept separate, and clearly labeled “zero impact”.

2.2 RECOMMENDATIONS

Induced impacts should be calculated for Export Tourism.

The possibility of working with values “at basic prices” should be investigated, with a view to obtaining more precise impact estimates.

The Travel and Tourism data and impact results should be presented clearly and interpreted as three separate and quite distinct events. The main event (referred to as (A) in Part 1 above) is Travel and Tourism direct expenditure within South Carolina, having the most important impact responses and implications. The next most important event (C) is the Travel-and-Tourism-related expenditure within South Carolina because of expected future Travel and Tourism activity, and having its own impact responses within South Carolina. The third event (B) is Outbound Travel and Tourism, which produces no impacts within South Carolina to the extent that it purchases goods and services outside South Carolina.
NEW CAROLINA COMPETITIVENESS COMMITTEE

Tourism Action Plan 2006

CHAPTER TWO

ASSESSMENT OF TOURISM INDUSTRY ORGANIZATION AND CO-OPERATION
TERMS OF REFERENCE

The assessment of current Tourism Industry Organization and Co-operation was undertaken under the following headings:

* Review Private Sector Institutional Arrangements.
* Review Tourism Related Legislation.
* Review Public/Private Sector Co-operation.

The mission covered the period December 2005 to June 2006.
CHAPTER TWO
NEW CAROLINA TOURISM ACTION PLAN

ASSESSMENT OF CURRENT TOURISM INDUSTRY ORGANIZATION AND CO-OPERATION;
AND PROPOSED ACTIONS FOR THE FUTURE.

EXECUTIVE SUMMARY

1. BACKGROUND

In order to improve South Carolina’s Tourism Performance in line with other States, and also in accordance with best practice elsewhere, examination was made of how the tourism industry operates. An important challenge has been to observe how the private sector collaborates between its various sub-sectors, and also with State tourism officials.

This Chapter of the New Carolina Tourism Action Plan, examines the current situation, and proposes new organizational and institutional management structures and procedures designed to strengthen tourism co-operation, thereby benefiting the industry as a whole, and improving tourism performance.

In this regard, over 80 meetings took place with private sector organizations and individuals, and also with State tourism officials over the period December 2005/ June 2006.

2. PRIVATE SECTOR

There are 12 private sector organizations/groups operating in the 11 tourism regions in the State. Most of these are primarily concerned with looking after their own interests. In consequence, there is little evidence of co-operation. The private sector is not speaking with a “Single Voice” on behalf of the largest industry in South Carolina. As a result, there is a low awareness amongst Government Legislators of the importance of tourism as an economic generator, and a major source of employment.

The 11 geographically-based tourism regions’ Regional Tourism Organizations (RTOs) promote their tourism products and activities within their local boundaries. The many Convention & Visitors’ Bureau (CVBs) across the State follow similar practice. This has reinforced the fragmentation of the State’s tourism product presentation and been a major contributory factor to the absence of sufficient critical mass of tourism products to attract visitors.

Chapter 6 Marketing Strategy indicates that the State marketing budget is inadequate to penetrate the targeted markets and segments. The spreading of a significant portion of this already insufficient budget over 11 regions for largely uncoordinated promotional
activities represents both wastage of scarce resources and further diminishes the impact of the marketing spend on the marketplace.

The present role of the regions in promotion and visitor information, without a product development support input, undermines an integrated enterprise policy. In addition the absence of a State Product Development Plan has resulted in the vacuum being filled by non-tourism market-related developments.

3. STATE TOURISM ADMINISTRATION

The relegation of the Tourism Administration to a minor role within the Department of Parks, Recreation and Tourism (SCPRT) of the South Carolina State Government, is seriously inhibiting its effectiveness in leading and developing tourism as the most important industry in South Carolina. The SCPRT Department’s culture is service-orientated (i.e. Parks and Recreations) while Tourism is a business. Recent cut backs in staffing has also diminished the skills base of the Division.

As shown in Chapter 6, Marketing Strategy, the marketing/promotions budget is seriously inadequate to maximize the potential visitor inflow, and the absence of a Product Development Department, and consequent State Product Development Plan, is a major shortcoming in both the development, packaging and positioning of the State’s tourism products.

Under present legislation, the Director of Tourism is a Government appointee at the level of Cabinet Officer. The fact that the post is a political one, with no long-standing security of tenure is not conducive to continuity of experience and leadership.

4. TOURISM-RELATED LEGISLATION

The Consultant considers that that, in order to strengthen tourism as the major industry in South Carolina, it is essential that the present Tourism Related Legislation should be reviewed and extended.

Tourism is now the third largest industry in the world, and because of its fragmentation in comparison to other industries, needs strong government support and leadership. This is not happening in South Carolina, the consequence of which is that it is not achieving its full potential.

As illustrated in Chapter 4, Tourism Planning & Product Development, as a tourism destination, South Carolina has the resources to be able to offer a more diversified and extensive tourism product than many of its neighboring States, including Florida, if that product potential was fully developed.

The absence of product development grant assistance in South Carolina is judged to be a serious deterrent to the achievement of the State’s full tourism potential.

Inadequate funding of the present Tourism Administration is seriously undermining its efforts to support the State’s support for the tourism sector.
5. PUBLIC PRIVATE SECTOR CO-OPERATION

The absence of any formal liaison & reporting relationship between the RTOs/CVBs and the State Tourism Administration is a serious obstacle in delivering an effective State-wide Tourism Policy & Mandate.

The lack of a consensus voice among the private sector is a major contributory factor in the under-valuing of tourism by the State Legislators. No single organization is making the necessary coordinated, cohesive and cogent case for greater State support for the development of the tourism sector.

6. ACTION RECOMMENDATIONS

• A “Single Voice” for the Tourism Industry should be formed through the establishment of a Tourism Industry Confederation, involving the major players in all sectors of the industry. The Confederation should be accorded representation on the Board of the proposed State Tourism Authority in order to ensure effective implementation of public and private sector initiatives & activities – see next recommendation.

• The State’s Tourism Administration should be strengthened to provide more effective support and leadership for the industry. The recommended format is that of State Tourism Authority (or a Public/Private Partnership body), in accordance with accepted best practice.

• The role of the Director of South Carolina State Tourism Administration should be strengthened by making it a permanent Chief Executive position, as distinct from the present Cabinet Officer position.

• The present approach of the RTOs/ CVBs in promoting tourism products/activities within the boundaries of the State’s eleven Tourism Regions should be reviewed with the aim of moving to a future “destination” approach of expanded tourism flagship products, clusters & circuits appealing to a range of markets & segments.

• This review should include examination of the expansion of the role of the RTOs/CVBs to include New Product Development support, thereby acting as an extension of the State Tourism Administration. It is recognized that technical assistance and financial resources will need to be provided by the State Tourism Administration.

• The role of the State Tourism Administration should be expanded to include a new Product Development Department (PDD) The PDD would produce a State Product Development Plan, updated annually, and the provide technical assistance and financial support for new product development, and refurbishment/upgrading of existing private sector tourism facilities and amenities.
• A system of grant assistance to the private sector should be established as an incentive for new product development. Such an approach is widely accepted as best practice around the world as a successful means of developing tourism product in line with policy.

• An intensification of marketing & promotional support is needed to position South Carolina as a destination capable of attracting a major increase across a range of market segments in domestic & international markets, attracted by a diversified and high quality range of tourism products based on the State’s natural, historic, and cultural assets. In the short term, marketing should be focused on established destinations in the State, being broadened out as new products in the interior of the State (i.e. flagships, clusters, and integrated circuits) come on stream. See detailed recommendations in Chapter 6 Marketing Strategy.

• The State Tourism Administration should also strengthen its Market Research Department with the recruitment of experienced market research personnel.

• Major increases in funding should be sought by the State Tourism Administration from the State Government, for the proposed product development department, the grant assistance scheme, marketing & promotion (including the increased market research capability) and the professional personnel to accomplish this expanded range of activities.

• A Regional Tourism Co-ordination Manager (RTCM) should be appointed within the State Tourism Administration to facilitate the delivery of a state-wide integrated tourism policy: the RTCM should have a seat on the board of all the RTOs/ CVBs.

With appropriate support from State Government, and an active and energized private sector industry working in close collaboration and co-operation, tourism has the potential to deliver U.S. $ 30 billion in Gross State Product by the year 2020, with increases in business opportunities, employment, taxation revenues and other economic benefits in line with this threefold increase over the next decade-and-a-half.
NEW CAROLINA TOURISM ACTION PLAN

Assessment of Tourism Industry Organization and Co-Operation; and Proposed Actions

INTRODUCTION

The New Carolina Tourism Cluster Committee has decided that new directions and actions need to be taken to improve South Carolina’s tourism performance in line with that of other States and in accordance with best practice worldwide.

An important challenge is to improve collaboration among the sub-sectors of the industry and also with State officials. This Chapter 2 of the New Carolina Tourism Action Plan examines the current situation and proposes new institutional and organizational arrangements, structures and procedures for tourism co-operation that will benefit the industry as a whole.

In examining the organization of, and co-operation, within the State’s tourism industry, over eighty meetings took place with private sector organizations and individuals, and with representatives of the South Carolina Parks, Recreation and Tourism Department (SCPRT). Senior members of the State House and Legislature graciously gave their time and views.

The meetings were arranged in different regional locations throughout the State over the time period of December 2005/June 2006.

In responding to the many questions posed, industry personnel, without exception, welcomed the opportunity to provide the information sought, and to give their opinions.

The findings and recommendations in this Chapter are based on the current practice observed and outlined by industry members, and comparison with best practice in the U.S. and international destinations.
PART 1 REVIEW OF PRIVATE SECTOR INSTITUTIONAL ARRANGEMENTS

1.1 TOURISM PRIVATE SECTOR ORGANIZATIONS

The Tourism Industry in South Carolina is very fragmented, comprising:

- Eleven Regional Tourism Organizations/Convention Visitor Bureaux (RTOs/CVBs).
- Three separately funded Regional Organizations (Columbia RTO, Midland Authority CVB, Greenville/Spartanburg CVB).
- Other groups including:
  - The South Carolina Hospitality Association
  - The Car Rental Association
  - Car Rental Companies
  - Airlines – Delta/Hooter/US Air
  - Airport Directors Group
  - Golf Course Owners Association
  - South Carolina Golfers Association
  - South Carolina Tourism and Land Council
  - South Carolina CVBs Association (Small Town Bureaux)
  - South Carolina Association of Tourism Regions
  - South Carolina Tourism Coalition
  - South Carolina Bed and Breakfast Association.

Within this overall framework, the RTOS/CVBS are the main promoters of activities and events within their respective regions, while the other groups promote their own products, services and functions.

1.2 FUNDING OF THE PRIVATE SECTOR INSTITUTIONS

South Carolina Parks, Recreation and Tourism Department (SCPRT) provides limited matching support for marketing (i.e. $3 million approximately), in partnership programs with RTOs/CVBs, and for golf events, attractions and museums. Other funding for promotional activities is raised from the private sector and, in the case of CVBs, the drawdown of accommodation tax revenue, distributed by local councils, amounts to 30% of local accommodation tax revenue. This small proportion of “payback” is a serious “bone of contention” within the industry.
While the current marketing approach by the State and tourism industry is examined in detail in Chapter 6, **Marketing Strategy**, it must be said that the current funding of promotional efforts by the tourism private sector from State Government would appear inadequate to achieve the full potential of the State as a tourism destination.

In 2003, tourism produced $10.9 billion in Gross State Product for the State of South Carolina. Against this background the State provided approximately $3 million to the industry in marketing support and restricted the income to 30% of accommodation tax expended in four regions, towards the support of CVBs. This would seem inadequate in comparison to best practice in other destinations in funding support of tourism industry marketing.

**1.3 ABSENCE OF PLANNING**

In the absence of state tourism planning for new Product Development, and without any formal linkage to SCPRT, the hard working and dedicated efforts of many involved in the industry are hampered through an absence of technical advice, fragmentation, and disorganization. In many cases, this leads to duplication of effort and spend, and competition between regions. Also, the vacuum left by an absence of state planning for regional product development and marketing, creates an open disposition to politically-influenced decision making and wasteful spending, not always according to market needs. Sustainable planning for product development that balances the needs of the tourist with care for the environment and support of the local population can best be exercised at regional level by the private sector working in close collaboration with Local Authorities in accordance with an overall State Product Development Plan, with support provided by the SCPRT in the form of technical advice and assistance.

**1.4 THE DISPOSITION OF ELEVEN TOURISM REGIONS IN SOUTH CAROLINA**

The disposition of eleven tourism regions in South Carolina to accommodate the promotional efforts of 14 RTOs/CVBs, and 12 other Associations/Organizations (as listed) begs the question as to their effectiveness, and their reason for existing. It would appear that from a start in 1969 with one or two, the RTO structure has increased to its present strength, as the result of strong local political support.

Currently, the four coastal regions account for 70% of South Carolina’s tourist inflow. This raises the question as to whether there is sufficient tourism product of genuine visitor potential in each of the other six regions to justify the organizational effort and investment. Experience elsewhere indicates that unless there is sufficient critical mass created by a cluster of medium-to-high interest visitor attractions in a particular area, no amount of promotional spending will produce the desired results. In the present situation, it is doubtful if the present promotional programs in some of the regions can be effective.

The case for and against the eleven regions is examined from the viewpoint of product: market “matching” in Chapter 4, **Tourism Planning & Product Development**.
1.5 KEY FINDINGS AND CONCLUSIONS

- In a highly fragmented tourism industry, the RTOS/CVBs are the most appropriate institutions to ensure that the promotion and development of tourism by the private sector is fully integrated with state Tourism Policy.

- The absence of State support for tourism product development, and the lack of a clear direction to the RTOs/CVBs on marketing strategy & planning appear to have combined to lead to an independence of approach by the RTOs/CVBs that is parochial. Little focus has been made at RTO/CVB level on what might be best for the State as a whole, or even the region, in achieving its full tourism potential.
State funding of regional marketing and promotion is inadequate to make a significant impact on the marketplace. Marketing expenditure is spread over too many products, the consequence of which is inadequate coverage for any individual tourist destination, attraction etc. The present paucity of substantive tourism product in the interior regions disqualifies any immediate increase in funding for these areas in the short term. Marketing support over the next two-to-three years should be concentrated on the State’s established tourism regions. The level and allocation of marketing funds is dealt with in Chapter 6 Marketing Strategy.

The current eleven Tourism Regions promoting geographically-based products within local boundaries has little real meaning for the visitor, whose interest in tourism attractions, amenities and facilities is not boundary-based.

The present role of the RTOs/CVBs is centered on promotion and visitor information. They have no distinct product development role within an integrated State and Regional Tourism Enterprise Policy, where their proximity to the enterprise base across the State could deliver on a range of services and advice.

The present mix of RTOs/CVBs independently operated, but purporting to provide similar services, though with different emphasis, is not the most satisfactory arrangement to achieve an integrated Regional Tourism Enterprise Policy, despite the existence and positive intentions of SCATR (South Carolina Association of Tourism Regions). Additionally, independent bodies such as Greenville/Spartanburg CVB and Columbia CVB working outside the loop, and smaller town bureau that are members of the CVB association, but not linked to SCATR, contribute to further fragmentation.

The work of the Heritage Corridor, an admirable concept with good intentions, presently operated with “pass through” funding from State Legislators, is not integrated with that of the RTOs/CVBs. This minimizes its effectiveness.

The absence of any formal liaison & reporting relationship between the RTOs/CVBs and the State Tourism Administration is a serious obstacle in delivering an effective State-wide Tourism Policy & Mandate.

The consensus view within the industry that the State Government does not take tourism seriously appears to be well-founded. An under-resourced and under-funded State Tourism Administration is not capable of providing the leadership and technical support to the industry that would allow South Carolina to achieve its full potential as a tourism destination.

1.6 RECOMMENDATIONS FOR ACTION

1. It is recommended that a review be undertaken of the RTO/CVB structure and operation with the view to rationalizing present arrangements making them more in line with an expanded cluster of tourism destinations of genuine visitor market appeal. This review should include consideration of smaller town tourism offices and the Heritage Corridor project team. This issue is dealt with in detail in Chapter 4 Tourism Planning & Product Development.
2. It is proposed that State Marketing and Product Development Plans should be
regionalized to ensure integration with State Tourism Policy and implemented
through the regional structure.

3. The present promotion and visitor information role of the RTOs/CVBs should be
expanded to include new product development support for the industry. The
RTOs/CVBs would act as an extension arm of the SCPRT – and in time the new STA
- in this regard. Technical assistance and additional resources will need to be
provided by SCPRT/STA for this purpose from a proposed new Product
Development Department.

4. As outlined in section 2.3.2.2 below, a formal relationship should be established
between the regional organizations and the SCPRT/STA through the appointment of a
Regional Tourism Co-ordination Manager (RTCM) in the State tourism organization.
This would ensure an integrated approach to the delivery of a State-wide Tourism
Policy and Mandate. The RTCM should have a seat on the board of all the RTOs/
CVBs.

5. Additionally it is recommended that the regional organizations – including CVBs -
should be represented on a proposed advisory committee for the proposed STA.

6. State funding of regional marketing should be increased and directed in the short term
to supporting established tourism regions, with a broader spread in the mid-term and
beyond once new tourism products are established by the proposed Product
Development arm of the SCPRT/STA. The level and allocation of marketing funds is
dealt with in Chapter 6 **Marketing Strategy**.
PART 2 REVIEW OF STATE GOVERNMENT POLICIES AND SUPPORT

2.1 DEPARTMENT OF PARKS RECREATION AND TOURISM

The State Tourism Administration is located in the Department of Parks, Recreation and Tourism at 1205 Pendleton Street, Columbia, South Carolina, under a Director who is a Cabinet Officer. Within the Department, there are three divisions: Parks and Recreation, Community Development, and Travel and Tourism.

2.1.1 Division of Parks and Recreation

The major role and function of this Division is primarily focused on the operations and management of South Carolina’s State Park Service, which operates 46 State Parks, under the control of 250 permanent staff, 200 hourly staff and 300 seasonal staff.

The State Parks now attract an annual level of visitation of 8.5 million: while the majority are residents of South Carolina, 25%-30% are out-of-state visitors. The present level of visitors is reduced over the earlier peak when 10 million visitors were attracted.

Visitor revenue for the State Parks is approximately $16 million, with a State subsidy of $8 million, balancing an operations budget of $24 million.

Accommodation is provided in the State Parks in cabins, villas and campsites for overnight visitors, the majority being nature-loving South Carolina residents. The Department operates a website and central reservation system for the State Parks.

A policy of maintaining the balance between the carrying capacity of the State Parks, conservation of the Parks themselves, and meeting visitor needs, responds to the increase in popularity of nature-based tourism.

It is considered that if the State Parks were marketed as a primary provider for nature-based tourism, out-of-state visitors could be increased.

2.1.2 Division of Community Development

The Division has an objective of providing assistance for the maintenance and development of recreational facilities throughout the State.

2.1.3 Division of Travel and Tourism

Tourism occupies a minor position within the Department of Parks, Recreation and Tourism.
With a current staffing allocation of 73, the Division’s primary function is the marketing and promotion of South Carolina as a tourism destination and the operation of Visitor Information Centers.

The marketing budget for the year ending 30 April 2006 was $14.6 million, with $10.1 million contributed through State appropriation. Detailed review and assessment is made in Chapter 6 Marketing Strategy. The funds were allocated according to three main Goals:

- Leisure travel – consumer programs $9.9 million
- Market & Product Development $1.5 million
- Leadership $3.2 million

The focus of marketing activities is on the domestic (including Canadian) market to which over 62% of the budget is dedicated; international markets account for 10% of marketing spending; over 22% goes on building relationships under the “leadership” goal, of which $3 million (or over 20%) is distributed as grants through the Tourism Marketing Partnership Program (TMPP); and the remaining 6% is spread across State Parks, the Heritage Corridor and niche market segments.

The main components by form of marketing activity are:

- Advertising $5.6 million
- TMPP $3 million
- Collaterals, inc. Official State Guide $1.7 million
- eMarketing $1.2 million
- Partnerships $1.0 million
- Inquiry fulfillment $0.9 million
- Research $0.3 million
- Public relations $0.2 million
- Contract representation (in Germany & the UK) $0.2 million
- Direct sales $0.2 million
- Promotions $0.1 million
- Other activities (i.e. customer service, direct mail, education & packaged travel product development) $0.2 million
- **TOTAL MARKETING SPEND $14.6 MILLION**

While the Division encourages the private sector, through RTOs/CVBs, to market their products under the umbrella of a State campaign the present “matching” marketing support fund when spread over the regions, becomes ineffective in its application across such a wide spread of recipients.

The Division does not include product development planning, or Grant Aid Support for product development/improvement for the industry in its remit from State Government.
The Division has no formal linkage with the RTOs/CVBs, through a Regional Tourism Manager or Section, to ensure the deliverance and continuity of, or consistency with, State policy.

The manpower resources of the Department of Parks, Recreation and Tourism were cut back by 20% in the recent past, in accordance with State policy, which was carried through to the Division of Travel and Tourism, thus further depleting its staff in numbers and technical expertise.

2.2 KEY FINDINGS AND CONCLUSIONS

- The positioning of the Tourism Administration for the State of South Carolina, as a minor role of responsibility within the Department of Parks, Recreation and Tourism is an indication both of:
  1. the lack of importance attached to, and understanding shown of, the sector by the State Government, and
  2. the necessity for a strengthening of the State’s tourism leadership, technical assistance and funding support for tourism, the largest industry in South Carolina.

Inclusion of the administration of tourism – a business activity - within the Department of Parks and Recreation – a State service operation - is not conducive to best performance. It is accepted wisdom worldwide, that a successful tourism industry will only achieve its full potential, if it is built on the twin pillars of:

1. strong leadership, funding and technical support from a National or State Tourism Administration, and
2. an organized and market responsive industry.

- A total marketing budget of $14.6 million for the State Tourism Administration, is inadequate, and falls short of best practice – for comparative State and National Administration budgets refer to Chapters 5 Market and Prioritization and 6 Marketing Strategy. Within this budget, an allocation of less than $0.3 million for market research is insufficient to guide marketing strategy, or product development. Reference should be made to Chapters 4 Tourism Planning & Product Development and 5 Marketing Strategy for detailed examination of the necessity for a concerted program of research into new and emerging tourism markets.

- Products and markets are mirror images of each other. Marketing strategy and activities are designed to generate demand for tourism products, such products having been developed according to market needs. The absence, therefore, of a Product Development and Planning Section within the SCPRT Tourism Division is hampering appropriate tourism development planning within the State. Consequently, the private sector investors & developers, with the support of County Officials and Legislators, progress their development plans according to their own perception of market needs and commercial goals, with no guidance as to State tourism development policy. It is understood that the SCPRT originally operated a development and planning division with well-qualified staff, but that this was disbanded.
There is a general consensus within the worldwide tourism industry about product development and the need for destination administrations, in the context of a fiercely competitive and fast-moving tourism environment, to develop a product innovation capability that can react swiftly to changing consumer needs. Efforts to continue with, at best, an unchanged product/quality offering, could consign South Carolina to markets where its ability to compete is most impaired – traditional markets where pricing is the principal competitive instrument. (France, Spain, Italy, Turkey, Greece, have all suffered in turn, over the past years, from an over-concentration on beach tourism, which has a record of a downwards pricing spiral.) The continuation of an unchanged product/quality offering would severely circumscribe the size of visitor revenue yields and, by implication, future profitability growth. An immediate strengthening of the Tourism Division within the SCPRT is necessary, pending a future re-organization as outlined in section 2.3.1.

The absence of grant assistance for product development, particularly in low volume tourism areas, can inhibit the development of high quality facilities and attractions. Note that neighboring States, Florida and Virginia, operate New Product Development Services within their Tourism Administrations, with West Virginia also providing Product Development Grant Funding for the industry.

As noted in Part 1, without a formal arrangement for an appropriate linkage between the SCPRT/STA and the RTOs/CVBs, who should execute State Tourism Policy in their support of local enterprises, the State’s tourism industry will continue to be fragmented and disaggregated. An integrated State and Regional Tourism Enterprise Policy can only be realized through the emergence of strong Regional Tourism Centers with a strong service delivery capability, and the appropriate level of support from the State Tourism Administration.

The current skills base of the Tourism Division of the SCPRT has been diminished by cutbacks and retirements, and is judged unlikely to be able to deliver the range of services to the regions that are identified in the New Carolina Tourism Action Plan as being needed to improve South Carolina’s tourism performance.
2.3 RECOMMENDATIONS FOR ACTION

2.3.1 Positioning of the State Tourism Administration

The role and positioning of the Tourism Administration of the State of South Carolina should be strengthened in keeping with the importance of tourism as the largest industry in the State.

In accordance with accepted best practice the Tourism Administration should be a State Tourism Authority in its own right, or an entirely separate structure taking the form of a Public/Private Partnership. Currently Virginia operates as a State Tourism Authority, while Florida operates as a Public/Private Partnership organization.

Any new structure or formation will be decided by the State Legislature, presumably with industry inputs. It is pertinent to note that the Tourism Administration was originally operated as a separate Government Department, and there is a precedent for the creation of a STA. Since tourism is now one of the world’s largest industries, most countries administer tourism through an Authority in its own right.

2.3.2 Short-term action to strengthen the State Tourism Administration within PRT

The present Tourism Division within the South Carolina Parks, Recreation and Tourism Department is under-resourced in key areas:

- Product Development Planning
- Regional Co-ordination
- Market Research

2.3.2.1 Product Development

A new Product Development Section should be formed within the SCPRT.

Currently, there is no Product Development/Planning Section within the Tourism Division of the SCPRT. Consequently, a new Section should be formed to develop and promote a range of tourism products in key areas within the State as identified in Chapter 4 Tourism Planning & Product Development.

The formation of this Product Development Section will require recruitment of experienced personnel, with product development experience, since a Product Development Plan will need to be prepared and implemented in co-ordination with the RTOs/CVBs.
2.3.2.2 Regional Co-ordination

A Regional Tourism Co-ordination Manager should be appointed within the Tourism Division to provide a formal linkage with the RTOs, to ensure the fullest co-operation and integration of State Tourism Policies and Plans at regional level. He/she should have a seat on the Boards of all RTOs/CVBs.

2.3.2.3 Market Research

The Market Research function should be strengthened by the employment of experienced market research personnel, drawn from the private sector, with experience in planning and implementing consumer research. Also the Market Research section could increase its effectiveness by working closely with the proposed new alliance of four State Universities to conduct market research programs.

2.3.2.4 Proposed Administration Chart for Proposed State Tourism Authority

*(See Section 3.4.2 Advisory Committee)
2.4 FUNDING

The State Government is currently under-funding the Tourism Administration in the areas of:

- Staffing/technical experience
- Marketing/Promotion funds
- Product Development Grant Aid support for the industry
- Regional Tourism Administration Costs Support

Presently the Tourism Industry contributes $11 billion in Gross State Product, and employs 216,000 people in South Carolina. The State funding of the SCPRT tourism budget is $16 million. It is recommended that the State Government should provide a major increase in its tourism budget funding in order to achieve an improved performance through the maximization of South Carolina’s tourism potential, which is presently not being reached.

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<tr>
<th>Item</th>
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<tr>
<td>Salaries/Administration budget for new staff</td>
<td>1.0 increase</td>
</tr>
<tr>
<td>Marketing/Promotion (including international spend)</td>
<td>15.0 increase</td>
</tr>
<tr>
<td>Market Research</td>
<td>0.5 increase</td>
</tr>
<tr>
<td>Grant assistance to Private Sector for New Product Development</td>
<td>10.0 new</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>26.5 million increase</strong></td>
</tr>
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</table>

Further elaboration on these recommended budgetary increases is given in Chapters 4 Tourism Planning & Product Development and 6 Marketing Strategy.

In order therefore to make a serious impact in marketing, and developing new/upgrading existing products to meet customer demand, it is recommended that the Tourism Division’s budget be increased by $26 million. Considering the value of tourism to the State of South Carolina is $11 billion in Gross State Product, a proposed budget of $42 million, including $10 million annual spend over the next 5 years in Product Development is considered the minimum necessary to enable the state to achieve its full potential of a $30 billion Gross State Product by the year 2020 (see Chapter 6 Marketing Strategy).

The consultants believe that currently South Carolina is “Punching below its weight” in a highly competitive world market. South Carolina has “more” to offer visitor than all neighboring States, provided the product potential is developed.
PART 3 REVIEW OF TOURISM-RELATED LEGISLATION

3.1 GENERAL PROVISIONS

The consultants have reviewed the Code of Laws Title 51 Parks. Recreation and Tourism Chapter 1: Department of Parks, Recreation and Tourism, and Chapter 23: Grants for Parks and Recreation. The following provisions relating to tourism have been noted:

SECTION 51-1-10. Department of Parks, Recreation and Tourism created; governing commission; members; terms; vacancies.

“The Director is subject to removal by the Governor as provided in Section 1-3-240 (B).”

SECTION 51-1-30. Divisions of Department; administrators.

“The Department shall be composed of the Division of Travel and Tourism which shall advertise, promote and encourage travel and tourist industry for the State; a Division of Parks and Recreation which shall develop and promote state parks and provide recreational programs in such areas; and other divisions which may be provided for by the General Assembly. Each Division may be headed by a deputy director who shall be knowledgeable, either by training or experience, in the requirements of the Division he is to direct.”

SECTION 51-1-60. Powers and duties of Department.

“(a) to promote, publicize and advertise the State’s tourist attractions;
(c) To develop a coordinated plan utilizing to best advantage the natural facilities and resources of the State as a tourist attraction;
(d) To include in its plan the preservation and perpetuation of our State’s rich historical heritage.”

ARTICLE 3 - DIVISION OF COMMUNITY DEVELOPMENT.

SECTION 51-1-310. Purpose and general duties.

“The Division shall promote economic diversity in all areas of the State by extending to them the full benefits of tourism and recreation development. The Division shall coordinate and act as a liaison with regional tourism organizations, local chambers of commerce, development agencies and other federal, state, regional and local agencies and organizations to promote economic and business development, the expansion of tourism, recreation, cultural, retirement, and heritage events. The Division shall have such additional duties and responsibilities as may be assigned by the director of the department.”
CHAPTER 23. - GRANTS FOR PARKS AND RECREATION

SECTION 51-23-10. Definitions.

For purposes of this chapter:
“Eligible entity” means any local governmental entity, including a special purpose district, within a county area applying for a grant under this chapter which has provided parks or recreation services”.

SECTION 51-23-30. Grant Program for planning, developing, and renovating park and recreation facilities.

“The Department shall devise and administer a non-competitive program of grants to eligible entities within each county area for planning and development for new parks and recreation facilities or renovations of existing facilities”.

3.2 GENERAL OBSERVATIONS

The inclusion of tourism within a Department primarily concerned with the development, preservation and perpetuation of the natural facilities, resources and historical heritage of the State is, to a certain degree, valid bearing in mind that tourists use these facilities during their visit.

The inclusion also of a Community Development responsibility in developing and expanding new and existing recreational areas, including the existing State Park systems, to promote the general health and welfare of the people of the State (Section 51-1-60 Item (b)) is also, to a certain degree, valid considering that tourists will use these facilities where convenient.

However, tourism is a commercial business, the largest service industry in the world commanding 30% of world services exports. The business of tourism is much more than the provision of parks, natural facilities and heritage attractions, a fact notably demonstrated in South Carolina where 216,000 are employed in many different business ventures, making it the largest economic sector within the State.

Current legislation identifies the position of the State Tourism Administration as a Division within the Department of Parks, Recreation and Tourism with a staff of 73 compared to 250 permanent staff in the Division of Parks and Recreation.

More usual practice in other destinations, where tourism is not a Ministry or entity in its own right, and where a Government Department is shared, has been to locate tourism in a Ministry or Department of Commerce recognizing the importance of a business focus from Government in respect of the development of the tourism sector. However, as outlined in section 2.3.1, it is recommended that legislation be changed to position tourism as a State Authority or Public/Private Partnership. Both approaches are used extensively in tourism destinations around the world and accord to best practice.
3.3 **SPECIFIC OBSERVATIONS**

Under present legislation, the Director with responsibility for tourism is subject to removal by the Governor. This ruling is not conducive to continuity of leadership and experience so crucial to both the administration itself and the industry.

The Division of Community Development has a liaison role with Regional Tourism Organizations and other Agencies etc, to promote economic and business development, the expansion of tourism and other events. By contrast, the Tourism Division has no such role. This seems to be an anomaly, particularly in relation to the Regional Tourism Organizations, where a form of linkage is necessary for the integration of tourism policies and practices.

Grants for parks and recreation are devised and administered by the Department to Local Government entities for the planning and development for new parks and recreation facilities or renovation of existing facilities. No such grants are available to the private sector from the Division of Travel and Tourism for new product development or renovations to existing tourism products. This policy seems to be biased towards facilitating Local Communities, while ignoring the need to assist, encourage and incentivise the private sector to invest in new product development and upgrading existing tourism facilities/amenities for tourists.

3.4 **RECOMMENDATIONS FOR ACTION**

3.4.1 **Repositioning the State Tourism Administration**

As outlined in section 2.3.2, it is recommended that the existing tourism division within SCPRT should be strengthened, with immediate effect. This is an interim measure. An exercise should be commenced involving a detailed review of the State legislation on Travel and Tourism with the view to strengthening the future positioning of the Tourism Administration in keeping with the importance of Tourism and Travel as the largest industry in this State. As outlined in section 2.3.1, it is proposed that the Tourism Administration should operate, as an entirely separate structure of a State Authority (as in Virginia and other States) or as a Public/Private Partnership organization (as is the case in Florida). It is understood that there is a precedent for a State Authority in South Carolina in the operation of the Port Authority and the Santee Cooper Power Authority.

3.4.2 **Advisory committee**

An Advisory Committee comprising industry, regional and other stakeholder representatives should be appointed by the State Government to advise the STA and to facilitate the integration of tourism policies and strategies between the STA, the tourism private sector and RTOs/CVBs.
It is recommended that the Tourism Advisory Committee should include:
- Two heads of Development Corporations
- Two Regional Tourism Chairpersons
- Two Regional Tourism C.E.O.s
- Two Industry Representatives (E.g. Hospitality Association/Airport Directors)
- Director of Tourism and Senior Administration Official

3.4.3 Director of State Tourism Administration

The leadership role of the Director of the State Tourism Administration should be strengthened by making it a permanent Chief Executive position, and not a Cabinet Officer, which is currently subject to change every four years. It is understood that there have been four Directors of SCPRT over the past twelve years. This lack of continuity of leadership in the present circumstances is a problem for any administration, and most notably for the industry which looks to stability and consistency of the tourism administration when considering capital investments in developments in the sector.

3.4.4 Liaison with Regional Tourism Organizations

The Tourism Administration should be empowered to assume a formal liaison role with Regional Tourism Organizations/CVBs and other agencies.

3.4.5 grant Scheme for Tourism Product Development

The State Government should institute a grant assistance scheme to be made available to assist and encourage the private sector in new product development and renovation of existing facilities.
PART 4 REVIEW OF CURRENT PUBLIC/PRIVATE SECTOR CO-OPTION

4.1 PRIVATE SECTOR REPRESENTATIVE ORGANIZATIONS

In a highly fragmented private sector, the South Carolina Tourism Industry does not have a consensus voice amongst all of the major sub-sectors when communicating with the State Government/Legislature, the Department of Parks, Recreation and Tourism and other relevant organizations in regard to policies and strategic issues affecting the development and operation of tourism in the State.

Presently the South Carolina Hospitality Association, representing Hotel and Restaurants, concentrates efforts on related issues of interest to that sector, for example, taxation and liquor laws.

The South Carolina Association of Tourism Regions (SCATR) was founded to market and promote local and regional activities, events, festivals etc.

The South Carolina Tourism Coalition, open to all members of the industry, appears not to have the resources or support to speak on behalf of the whole industry.

The recently formed South Carolina Tourism and Land Council is a major group for developers where the objective is to develop environmentally-friendly tourism projects, which will benefit tourism.

However, the many other groups, noted in Section 1 of this report, while making their individual voices heard from time to time, also have little say in influencing the future of the industry.

4.2 AWARENESS OF TOURISM’S ECONOMIC CONTRIBUTION

During the course of this study, the Consultants have become increasingly aware of the fact that tourism is not understood or appreciated as the major industry in South Carolina. This is not unusual among destination administrations. The fragmented nature of tourism and its prevailing perception among those without knowledge of tourism’s economic operation and contribution that it is a lightweight sector of the economy and not to be treated seriously is a major impediment to the full realization of its potential.

In contrast, manufacturing, agriculture and other product-based industries are more readily and extensively appreciated because of the visibility of the process.
Tourism commands 30% of the world’s service export industry (WTO 2006) by delivering individual travelers to a destination, who spend their money and enrich local economies. South Carolina is a direct beneficiary of this process.

4.3 **CREATING A SINGLE VOICE FOR THE TOURISM INDUSTRY**

Best practice in other destinations, recognizes and supports the role of a National or State Tourism Industry Confederation or Association, in influencing Government Policy formation and the future direction of the industry. Through such an approach, a working partnership can be established between the private sector and Government, drawing on the practical experience of working in an increasingly competitive travel and tourism environment. By presenting serious research/economic studies and other position documents relevant for industry growth, such an industry organization can provide a solid foundation for long term planning and development in partnership with Government.

Such an industry organization can bring value to the tourist industry itself by:

- Bringing together and stimulating co-operation and discussion between the many organizations involved in tourism.
- Prioritizing and supporting important strategic issues essential to the successful development of tourism.
- Commissioning authoritative independent research to assist industry planning and input into Government Policy formulation.
- Communicating effectively with policy makers, the media and the general public.
- Developing effective partnerships with official bodies.
- Leading the way forward as the authoritative voice of the tourism industry.

**Membership**

Membership of an industry confederation/association would include major private and commercial organizations, as well as the principal representative bodies in the tourism industry.

**Funding**

Subscriptions from members would fund the work carried out by the organization.
Operations

Responsibility for policy implementation would rest with an Executive Committee, which in turn would appoint sub-committees to work in specific areas.

4.4  KEY CONCLUSION

The travel and tourism industry in South Carolina is seriously undervalued and under-resourced, mainly due to its importance to the State’s economy and the wellbeing of the people not being fully recognized by either Government or the population. A major contributory factor to this low level of recognition is the fragmentation of the industry and its failure to make its voice heard effectively and professionally.

4.5  RECOMMENDATIONS FOR ACTION

The travel and tourism industry in South Carolina should form and strongly support a Tourism Industry Federation/Association or Confederation. This organization should aim to become a strong, cohesive and cogent voice in helping the State’s tourism sector achieve its full potential. It must represent all key players in the industry, who will need to commit to serious participation and support, in speaking with one voice on issues of major importance.

(N.B. An example of a Tourist Industry Organization is included in Volume III Annexes by Courtesy of the Irish Tourist Industry Confederation.)
1. MISSION CONTACTS

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### South Carolina Tourism Action Plan

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<tr>
<td>Jim Creel Jnr.</td>
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<tr>
<td>Ed Prince</td>
<td>C.E.O.</td>
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<td>Frank Boulineau</td>
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<td>Wayne Gray</td>
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<td>Colleen Zilio</td>
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### SOUTH CAROLINA ACADEMIC INSTITUTIONS

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<td>South Carolina Tourism Coalition</td>
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<td>Conway Chamber of Commerce</td>
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NEW CAROLINA COMPETITIVENESS COMMITTEE

Tourism Action Plan 2006

CHAPTER THREE

SOUTH CAROLINA: AIR AND SURFACE ACCESS
TERMS OF REFERENCE

The review of air and surface for South Carolina was undertaken according to the following terms of reference:

* evaluation of the market potential for each of the State’s primary airport regions

* preparation of recommendations on air transport initiatives/incentives to expand direct access to South Carolina

* develop initiatives to improve linkages between access and tourism products

The mission covered the period March and April 2006.
CHAPTER THREE
NEW CAROLINA TOURISM ACTION PLAN

SOUTH CAROLINA: AIR AND SURFACE ACCESS

EXECUTIVE SUMMARY

1. BACKGROUND

A fundamental determinant of the competitive performance of the South Carolina tourism sector is the ease and cost of access between the point of origin and State destination for the prospective visitor. While the bulk of visitors use automobile travel, there exists considerable potential to increase the volume of air travel into the State. The review and survey of access for visitors to South Carolina has, therefore, focused on air travel while also covering the most significant needs related to road travel.

2. STATE OF AIR SERVICE

The State of South Carolina is desirous of attracting and expanding direct air access from both domestic and international markets. This effort is a component of a broad-based effort to grow tourism through a unified, state-wide approach sponsored by the Department of Parks, Recreation, and Tourism (SCPRT).

The State’s six commercial service airports have historically attempted to gain new or additional service through individual efforts. Today, the state of air service can be summarized as follows:

- Primarily regional jet service by affiliates of major carriers to hubs and major markets.
- Low cost carrier service on a limited basis at Myrtle Beach only.
- Large aircraft comprise only 13% of total airport departures.
- Passenger traffic at north State airports (Columbia, Greenville/Spartanburg) is subject to drive diversion due to proximity to the Charlotte hub.
- Service to Charlotte (US Air) and Atlanta (Delta) dominates the market.

When compared to each airport’s peer group, the current service levels are consistent from both a destination and capacity standpoint. This is not to rule out however, the possible need for Airport Service improvements at individual South Carolina Airports.

3. CHARLESTON AIRPORT AS THE FOCAL HUB

In order to achieve the broader goals of the tourism effort, especially in attracting international traffic, a regional approach must be undertaken. Each airport was evaluated based on the local traffic base, level of inbound tourist traffic and drive proximity to a major hub. The result of this review indicates that the coastal region offers the best potential to attract new service, with Charleston the focal destination.
The key elements necessary to achieve the objectives are:

- Demonstrate that the coastal region is a legitimate catchments area offering traffic potential significantly greater than any local MSA.
- Develop a strategy to divert target market traffic from competitive destinations.
- Leverage the potential for a South Carolina multiple activity vacation; e.g., golf/beach/history.
- Partner with originating airports to double the promotional impact.
- Enhance surface transportation between regional destinations.
- Engage primary lodging/resort properties to develop packages consistent with air service days of operation.
- Offer a tangible array of incentives to any carrier adding or increasing service.
- Enlist State funding to provide necessary levels of promotion and advertising to ensure market success.
- Package the State’s story for airline and travel industry audiences.

4. MYRTLE BEACH AIRPORT

The existing airport serving Myrtle Beach is limited in its capacity and services. As part of the repositioning of Myrtle Beach as a national convention centre expanded airport facilities will be required.

The North Eastern Strategic Alliance (NESA) is about to commission a study on the need for a new regional airport. If the need is established then the new airport should be sited so as to serve the local convention traffic as well as enable the consolidation of other small airports serving the same region. Alternatively, the existing airport should be expanded, especially in volume-sensitive areas such as passenger check-in, baggage claim and, perhaps, customs/immigration.

5. COASTAL ROAD ACCESS AND EVACUATION

The road access to the coastal resort areas is under strain and causing frustration for arriving visitors. This is an impediment to growth. More importantly, it undermines the State’s responsibility to its visitors in ensuring their safety in the event of hurricanes or other natural disasters in that the roads are not adequate for orderly evacuation. Investment by the Federal and State administrations in upgrading the coastal access/evacuation routes is a matter of urgency. Improving road access will also facilitate passenger access to/from the envisioned broader regional passenger catchments area.
INTRODUCTION

South Carolina’s desire to attract and expand direct air access must be based on realistically achievable objectives. In order to determine which region or airport(s) provide the optimal chance for success, the market potential for each primary airport region was evaluated. This evaluation was based on personal interviews with airport management along with local tourism and commercial representatives. Supplemental statistical data was provided both locally and through the resources of Tourism Development International.

The consultant’s executive level experience in major airline network planning and scheduling provides the basis for the development of a strategy to attract new or increased air service. Current service levels at the State’s six primary airports were evaluated, with particular attention focused on how airlines make air service decisions.

While the resulting primary strategy focuses on Charleston and the coastal region, specific objectives for each airport are identified.
PART 1  MARKET REVIEW

1.1 SOUTH CAROLINA

The State’s population of 4.26 million ranks 26th nationally and 7th in the southeast region. Slightly more than 50% reside in the counties surrounding Greenville/Spartanburg, Columbia, Charleston, and Myrtle Beach. Total tourism volume for 2003-2004 was 32.5 million but these numbers are inclusive of in state and “passing through” travelers.

Provided data coupled with responses from interviews results in the following reasonable assumptions regarding tourism:

- Most state visitors are destined for Myrtle Beach, Charleston, or Hilton Head (approximately 80%).
- 83% of the State’s domestic leisure visitors drive.
- 33% of the State’s domestic visitors do not overnight in South Carolina.
- Domestic visitor travel is broken down by business 25%, leisure 40%, visit friends and relatives 40%.
- Canadian international visitors comprise less than 2% of the total overnight visitor count and primarily originate in Ontario.
- European visitors totaled were less than 66,000 in 2004 (179/day), primarily of UK/Ireland and German origin.
- Overall, availability of lodging is not an impediment to increasing tourism.
- Canadian travel is heavier during the traditional off season (i.e. 65% October-March, 10% July-September).

The prominence of drive traffic is due in part to the confluence of two major interstate highway systems – I-77 originating in Cleveland, transitioning the Ohio valley, and I-85/I-95 extending through the Mid-Atlantic States to New York and New England. Both also provide convenient access to Toronto and Montreal. Unfortunately, both also position South Carolina as a stop-over point for travelers en route to their final destination in Florida. The Interstate highway access has also clearly defined South Carolina’s top North American markets as the Ohio valley, Mid-Atlantic States and New York/New Jersey.

1.2 CHARLESTON

Charleston is South Carolina’s second largest tourist destination with over 4 million annual visitors. While the city itself is a well known and primary destination, the close-by resorts of Kiawah Island, Seabrook, and the Isle of Palms also use Charleston as their air gateway. Airport traffic in the off peak winter is 72% of the peak spring flow demonstrating far less seasonality than Myrtle Beach and Hilton Head. The lower seasonality is due to a better business mix of traffic than other coastal resorts and less dependence on weather-influenced “beach” traffic.

Airport deplanements compared to total visitors suggest that Charleston receives a much higher percentage of tourists arriving by air than Myrtle Beach or Hilton Head.
International traffic is estimated to be 6-7% of total emplacements, led by German origination.

The primary new development at Charleston is the Boeing 787 fuselage assembly plant adjacent to the airport which will generate significant cargo and business traffic to Dallas/Fort Worth, Seattle, Japan, and Italy.

The airport’s existing level of service is provided by six major airlines or through their regional affiliates. Destinations and total flights are consistent with Columbia (CAE) and Greenville/Spartanburg (GSP); but Charleston does enjoy a higher level of large aircraft departures. Airport rates and charges are competitive with similar airports, but incentives are not currently offered.

Several factors position Charleston as the most favorable gateway for new air service. Foremost is geography. The city is equidistant from Myrtle Beach, Hilton Head/Beaufort and Columbia. Hence, it is the only airport capable of maximizing the regional catchments potential. Secondly, Charleston is the most recognizable South Carolina destination in a global market. Finally, the growing business mix of Charleston traffic provides interested airlines with the potential for year-round, premium traffic, thus improving the financial outlook for potential new service.

From a domestic perspective, Charleston’s location also fits the profile of cities typically considered by Southwest Airlines. Charleston’s central location and surface access would put the entire State within Southwest’s proven 150-200 mile potential traffic pool. Inclusion in the Southwest network would provide high volume access to the Midwest and Mid-Atlantic regions. JetBlue Airways service to New York JFK should also be sought as Charleston fits the Embraer 190 service profile that JetBlue has ordered in large numbers.

1.3 MYRTLE BEACH

Myrtle Beach is South Carolina’s highest volume tourist destination with 14 million annual visitors although this number does include transient traffic. Most visitors arrive by car (93%) primarily from eastern U.S. states – New York, New Jersey, Ohio, North Carolina, Virginia, and Florida. The market is highly seasonal reflected by the fact that 45% of total visitation occurs between June and August. Hotel occupancy is 55% annual and 30-35% during the winter, indicating surplus capacity.

Local experts believe that the primary competitors for potential Myrtle Beach tourists are Daytona Beach, Gatlinburg, the North Carolina coast, Norfolk/Virginia Beach, and Panama City/Destin. With an estimated 100,000 rooms available by 2007, coupled with the existing low occupancy rate, the potential – and necessity - for significantly increasing tourism traffic is high.

New local developments planned for the near term are the Cal Ripken Experience, Hard Rock Theme Park, and the Art Linkletter Planetarium and Dreamatorium. All should bolster the beyond adjacent State appeal of the area as more than a beach resort.

One primary and unique attribute of Myrtle Beach, which should be leveraged fully to increase international traffic, is golf. Currently 15% of total guests arrive for the purposes of playing golf at one of the area’s 100 plus courses. Golf somewhat addresses the seasonality issue, as the strongest golf seasons are March-May and September-November...
(60% of total rounds). The typical golf guest makes 7 repeat visits and 11% of golfers bring a non-golfer. The golf potential (availability and price) is the clear advantage that Myrtle Beach has over competing destinations for the international tourist.

The other area of tourist growth that has yet to be maximized is convention and group business. Currently, lack of peak day air capacity has limited convention business to groups of 150-300 compared to the potential for 10,000. The availability of golf coupled with beach and new leisure attractions should position Myrtle Beach well for family-accompanied convention groups.

The current level of air service handicaps both the golf and convention tourism components. This is primarily due to the lack of seat capacity on peak days, especially Sunday, coupled with the inability of the regional jet to handle the high volume of golf clubs. The high degree of seasonality in the market is exacerbated by the fact that the major low cost carrier, AirTran Airways, only operates between April and October. Furthermore, as part of the repositioning of Myrtle Beach as a national convention centre expanded airport facilities will be required.

Priorities for air service growth should include the following:

- AirTran year round
- Attract JetBlue for the top U.S. golf market – New York
- Capacity increase for Atlanta and Charlotte hubs
- Attract WestJet Airlines, or equivalent, for direct service to Ontario, Canada

The North Eastern Strategic Alliance (NESA) is about to commission a study on the need for a new regional airport. If the need is established then the new airport should be sited so as to serve the local convention traffic as well as enable the consolidation of other small airports serving the same region. Alternatively, the existing airport should be expanded, especially in volume-sensitive areas such as passenger check-in, baggage claim and, perhaps, customs/immigration.

1.4 HILTON HEAD/SAVANNAH

Hilton Head Island receives 2.3 million annual visitors with air travel accommodating less than 25%, around half a million arriving through Savannah airport across the State border in Georgia. The market has 19,000 bedrooms with peak occupancy between March and October.

The strongest out-of-state markets beyond the southeast region are Ohio, Washington DC, and New York. Internationally, the top markets are the United Kingdom (including Ireland) and Germany with most inbound traffic arriving via Savannah – Atlanta connecting services. The resort considers their peer group to be Naples, Ponte Vedra, and Amelia Island in the region, which reflects a higher income guest.

The local airport on Hilton Head is runway-limited to turboprop (currently DH8) regional aircraft with no expansion capability. Air service is exclusively provided by US Air Express. Given the airport limitations, the primary local needs are weekend capacity, particularly Saturday where timeshares change over, and Delta affiliate service to Atlanta.
Savannah International (SAV) is the primary air gateway. The airport has a capable and aggressive management team that has been proactive in attracting new service. Since Hilton Head traffic is an important contributor to Charleston’s positioning as an international gateway, the risk of competing proposals from two important contributors is high.

1.5 COLUMBIA

As the State capital, Columbia has a different traffic mix than the coastal region. Traffic is 60% origin, 40% destination with a 75% business composition. The metropolitan airport has been recently remodeled and offers 48 daily flights to 14 nonstop destinations. Service is provided by the regional affiliates of the six major airlines (Delta, Continental, Northwest, United, US Air, American). Only two daily departures to Atlanta are operated on larger than regional aircraft.

While the city has opened a new convention complex, the lack of major hotel space is a hindrance to attracting large groups. The city’s drive proximity to US Air’s Charlotte hub results in a drive diversion of 20% of the market, which also makes Charlotte the focal point for local international travel.

The primarily local air service objective is to gain more unit capacity while continuing to appeal to Southwest and JetBlue.

New developments are highlighted by the Innovista project which is 2-3 years away from completion. This project is envisioned to develop a high tech, university research center that will generate 2,000-4,000 jobs and generate more convention business. A new Hilton hotel is under construction near the convention center as well as ongoing renewal/development in the river area adjacent to the university.

Due to Columbia’s minimal near-term potential for tourism development, it will not be included in the air service priority recommendations. Columbia developments should be monitored to see if early trends mirror those evidenced at other high tech centers prior to their explosive growth i.e. Raleigh, Austin, San Jose.

1.6 GREENVILLE/SPARTANBURG

Greenville/Spartanburg was not reviewed as part of the personal interview/area familiarization process. The four county population of 963,000 greatly exceeds that of the metropolitan areas of Charleston, Columbia, or Myrtle Beach. The market’s 17,000 lodging units compared to Charleston (26,000), Hilton Head/Beaufort (29,000), and Myrtle Beach (100,000 est. YE 2006) are evidence of a lower volume of tourist visitation.

The Greenville airport is positioned between two major hubs, Atlanta and Charlotte, with Charlotte in particular being a 1:15 interstate drive. Current air service is consistent with Charleston and Columbia. Six major airline regional affiliates offer 58 daily flights to 16 nonstop destinations. Only Delta offers large jet service 2 times daily to Atlanta. Traffic levels are 16% below Charleston (2005).

Greenville has a strong business base anchored by the BMW assembly plant. The airport’s relatively low seasonal emplacement deviation supports the assumption of a strong business mix. While the airport services a truly regional traffic base in the northwest part of the State, it is much closer to the aforementioned hubs than the State’s
primary tourist draw – the coastal region. Hence, any air service improvements would have local regional benefit only.

1.7 NORTHERN SOUTH CAROLINA REGION

From an air service perspective, the influence of Charlotte on the state’s northern region cannot be understated. As previously mentioned, neither Greenville/Spartanburg, Florence, nor Columbia currently have the traffic base to attract significant new air service. In addition, this region does not have a tourism “anchor” to develop new, major inbound traffic.

Fortunately, Charlotte already offers what the region’s independent airports lack – a major domestic hub and an international gateway served by all major carriers except Southwest. Expressway access to Charlotte is direct and within a reasonable travel time to most of the area’s population centers. Furthermore, Charlotte’s airport management has expressed a willingness to “blur” the state boundaries and work with South Carolina to achieve its objectives.
PART 2   ATTRACTING NEW AIR SERVICE

2.1 THE APPROACH

Virtually every airport in the United States is desirous of increasing existing service and attracting new carriers. In order for South Carolina to realize its objective of attracting and expanding air access in this intensely competitive environment, the following must be understood or considered:

- Current South Carolina air service reality
- The airline planning process
- Similar case histories of growth
- Value of incentives
- Strategy for success

2.2 CURRENT SOUTH CAROLINA AIR SERVICE

The State has six airports handling scheduled air service – Columbia (CAE), Charleston (CHS), Florence (FLO), Greenville/Spartanburg (GSP), Hilton Head (HHI), and Myrtle Beach (MYR). Hilton Head is runway-limited to small turboprop aircraft only. Table 3.1, extracted from the March 2006 published airline schedule, reflects a consistent pattern of service for the State’s three largest airports. Noteworthy is the fact that, excluding Myrtle Beach, only 13 of 173 scheduled departures are operated by larger than regional aircraft.

Table 3.1 - South Carolina Air Service, March 2006

<table>
<thead>
<tr>
<th>Airport</th>
<th>Airlines Serving&lt;sup&gt;1/&lt;/sup&gt;</th>
<th>Nonstop Destinations</th>
<th>Daily Flights</th>
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<tr>
<td>Columbia</td>
<td>AA CO DL NW UA US</td>
<td>14</td>
<td>48</td>
</tr>
<tr>
<td>Charleston</td>
<td>AA&lt;sup&gt;2/&lt;/sup&gt; CO DL NW UA US</td>
<td>15&lt;sup&gt;2/&lt;/sup&gt;</td>
<td>52</td>
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<tr>
<td>Florence</td>
<td>DL US</td>
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<td>7</td>
</tr>
<tr>
<td>Greenville</td>
<td>AA CO DL NW UA US</td>
<td>16</td>
<td>58</td>
</tr>
<tr>
<td>Hilton Head</td>
<td>US</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Myrtle Beach</td>
<td>CO DL FL NK NW UA US</td>
<td>13&lt;sup&gt;3/&lt;/sup&gt;</td>
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</tr>
</tbody>
</table>

<sup>1/</sup> Includes regional affiliates

<sup>2/</sup> Includes AA DFW service

<sup>3/</sup> Five destinations, weekend only

Again, excluding Myrtle Beach, destinations consistently involve the scheduled carriers’ hubs plus New York/Newark, as shown in Table 3.2.
Table 3.2 - South Carolina Airport Nonstop Service

<table>
<thead>
<tr>
<th>Columbia</th>
<th>Charleston</th>
<th>Florence</th>
<th>Greenville</th>
<th>Hilton Head</th>
<th>Myrtle Beach</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAE</td>
<td>CHS</td>
<td>FLO</td>
<td>GSP</td>
<td>HHI</td>
<td>MYR</td>
</tr>
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<td>ATL</td>
<td>CLT</td>
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<tr>
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<td>BOS (6 only)</td>
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<td>CLT</td>
<td>ACY</td>
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</tr>
<tr>
<td>ORD</td>
<td>CLT</td>
<td>ORD</td>
<td>CVG</td>
<td></td>
<td>BOS (6 only)</td>
</tr>
<tr>
<td>CVG</td>
<td>ORD</td>
<td>CVG</td>
<td>CLE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFW</td>
<td>CVG</td>
<td>DFW</td>
<td>CVG</td>
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<td></td>
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<tr>
<td>DTW</td>
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<td>MSP (6 only)</td>
</tr>
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<td>MEM</td>
<td>MEM</td>
<td></td>
<td>MEM</td>
<td>LGA</td>
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<tr>
<td>LGA</td>
<td>MSP (6 only)</td>
<td>LGA</td>
<td>PHL</td>
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<td>RDU</td>
<td>PHL</td>
<td>IAD</td>
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<td>DCA</td>
<td>DCA</td>
<td>TPA</td>
<td>DCA</td>
<td>DCA (6, 7 only)</td>
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</tr>
<tr>
<td>IAD</td>
<td></td>
<td></td>
<td></td>
<td>IAD</td>
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</tr>
</tbody>
</table>

The current level of South Carolina air service is consistent with peer group airports in the southeast region illustrated in Table 3.3.

Table 3.3 - South Carolina Airport Peer Group

<table>
<thead>
<tr>
<th>South Carolina Airport</th>
<th>Peer Group Airports</th>
</tr>
</thead>
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<tr>
<td>Columbia</td>
<td>Montgomery, Jackson, Tallahassee, Baton Rouge, Richmond, Lexington</td>
</tr>
<tr>
<td>Charleston</td>
<td>Mobile, Savannah, Sarasota</td>
</tr>
<tr>
<td>Florence</td>
<td>Columbus (MS), Dothan, Meridian, Wilmington</td>
</tr>
<tr>
<td>Greenville/Spartanburg</td>
<td>Greensboro, Huntsville, Knoxville</td>
</tr>
<tr>
<td>Hilton Head</td>
<td>Naples</td>
</tr>
<tr>
<td>Myrtle Beach</td>
<td>Daytona Beach, Panama City, Ft. Walton Beach</td>
</tr>
</tbody>
</table>

Myrtle Beach (MYR) deviates from the other primary South Carolina airports in several areas. It is the only airport with a low cost carrier presence, served by AirTran (FL) seasonally and Spirit (NK). Myrtle Beach traffic and capacity also reflects the greatest seasonal deviations, with winter traffic less than 50% of the Summer peak.

Myrtle Beach and Charleston have international capability (i.e. customs and FIS dedicated facilities); however, Charleston has customs inspectors on site whereas Myrtle Beach is served as a satellite of Charleston.

### 2.2 International Potential

Historic travel data, coupled with regional interviews, clearly point to the United Kingdom, Germany, and Canada, particularly Ontario, as the international markets having the greatest potential for new air service. Current service to the U.S. from these
regions was reviewed in order to assess the potential for targeted South Carolina markets as compared to similar airports.

The smallest U.S. gateways served from Germany are Portland, Oregon, with daily Lufthansa (LH) service from Frankfurt and Fort Myers with twice weekly Frankfurt service provided by Condor (DE). Raleigh-Durham served by American (AA) and Tampa served by British Airways (BA) are the smallest non-hub U.S. – London markets. The combined metropolitan populations of Charleston, Myrtle Beach, Columbia, and Hilton Head/Beaufort approximate that of Portland and Raleigh-Durham. The Tampa Bay area has a significantly higher local population.

Hence, the challenge for South Carolina is to demonstrate the broader local catchments area of the coastal region coupled with inbound tourism potential.

The South Carolina international market is currently served primarily via regional jet connections over a major U.S. carrier gateway, i.e. Atlanta, Charlotte, Washington (Dulles), Philadelphia, Newark. In order for nonstop service to the coastal region to be effective, it must be demonstrated that a direct flight into Charleston coupled with a 1.5 hour drive to outlying regions is preferable. Advantages to the direct service are:

- Ease of customs (less congested)
- Eliminates baggage issues
- No missed connection or delay risk
- Favorable cost and availability of parking
- Convenient ground transportation
- Elimination of “waiting for connection” dead time

A second challenge to demonstrating the viability of the regional approach is proving that the aforementioned surface transportation to outlying areas is viable. For example, if Charleston is designated as the international arrival destination, Hilton Head and Myrtle Beach must be conveniently accessible in order to include these markets in the catchments region. Examples where this strategy has been successful are European rail connections; Melbourne and Daytona Beach, Florida traffic flowing over Orlando; and the use of Seattle to feed Vancouver cruise traffic.

One advantage that South Carolina could leverage in attracting an international carrier is the fact that Fall and Spring shoulder season traffic is strong. The period between IATA seasonal changes, late October-early April, is a period where international carriers typically have surplus capacity and may be more willing to test a developmental market than the peak Summer season where profitable opportunities abound. A proposal to European carriers should initially focus on October-April, positioning the State as a “sun spot” alternative.

2.3 AIRLINE METHODOLOGY

Put in simple terms, airline planners are looking for the highest return on investment for their committed aircraft resources. This is accomplished through reallocation of existing aircraft or initial allocation of new delivery aircraft. Understanding airline planning methodology with cognizance of planning timelines is necessary to being able to develop an achievable service attraction strategy.
Mainline or “legacy” carriers are defined as American, Delta, Continental, Northwest, US Air, United, and foreign counterparts Air Canada, Aer Lingus, British Air, and Lufthansa. New service allocations typically adhere to a planning cycle where initial market considerations are made one year in advance with final decisions made approximately 6 months prior to effective date. For example, new Summer transatlantic service is announced in late Fall to enable publication in tour brochures prior to early December.

Mainline carriers are primarily focused on serving their hubs or primary gateways to generate beyond traffic to their networks. A carrier is reluctant to overfly a hub to serve a point-to-point market unless compelling traffic potential or competitive pressure exists. The regional jet has begun to break this paradigm domestically as mainline carriers use this aircraft for penetrating non-hub markets with lower capacity risk. The lack of growth aircraft is also a constraint in attracting new service by the larger mainline carriers. These airlines, however, typically reallocate 10-15% of their existing aircraft on an annual basis by reducing service in under-performing markets and rescheduling to markets having greater potential. Reallocations are also accomplished on a tighter timeline due to carriers’ unwillingness to sustain poor financial performance. Keeping airlines continuously informed as to local market developments fosters top-of-mind awareness as these ongoing reallocation decisions are made.

Airline planners are driven by numbers and maintain a “top 10-20” list of unserved markets for reallocation potential. This list is updated semi-annually. It is South Carolina’s challenge to prove that there are new local developments or traffic potential that are not reflected in the forecast data. For example, the new Boeing 787 assembly plant in Charleston will generate significant business traffic to Dallas/Fort Worth. That potential was the key factor in influencing American to inaugurate new Charleston-Dallas/Fort Worth service.

Low cost carriers use similar methodology, but their objectives and capabilities are more individualized. Most look for markets with sustained high traffic volume due to their low fare base. Each has a different network philosophy as summarized below:

Southwest - Only consider markets with the ability to sustain high frequency (10-12 daily flights); assume up to a 200 mile drive catchments area with good road access; low delay risk airport environment; and avoid major hubs but surround in satellite cities.
AirTran - Only low cost carrier with a defined hub (ATL); new market focus on those offering guarantees or subsidies; enter Atlanta hub markets with high fare structures; and enter markets vacated or downsized due to legacy carrier financial problems.

JetBlue - Expand New York JFK presence to small/mid-sized markets using large numbers of new delivery Embraer 190 (90 seat) aircraft; need sustainable load factors in the 80% range; and typically focus on maximizing utilization rather than optimal departure times.

Foreign Low Cost - Niche carriers offering a preponderance of less-than-daily service in U.S. markets (Air Transat, Ryan Air, LTU); focus on tourist volume; and capability to operate tourist charters. South Carolina offers the “avoidance of scheduled carrier” niche that should prove attractive.

Low cost carriers have proven capabilities to generate high passenger volumes, which in turn, lead to higher airport revenues and tourist expenditures. This makes them an ongoing priority for South Carolina’s air service growth. The burden of proof will be that the desired traffic volume does exist, particularly in diverting the existing high volume of inbound leisure drive traffic.

2.5 HISTORIC SIMILARITIES

South Carolina’s challenge is to change the airline sector’s perception of the market that has resulted in the current level of service to a reality that meets growth objectives. Several case studies from the consultant’s background at Delta support the contention that such growth is achievable.

The Republic of Ireland is similar in population to, though slightly smaller in area than, South Carolina. When Delta first considered service to Ireland in 1986, the challenge was as equally daunting as that faced by a foreign carrier potentially considering service to South Carolina today. The Irish economy was heavily based on tourism; and due to bilateral restrictions, service to the largest city (Dublin) was not permitted. Ireland had to be considered as a regional market where passengers would fly to a centrally-located airport (Shannon), then take surface transportation to their ultimate destination. Partnership with the Irish Tourist Board was essential to promote the service. Eventually, despite a market seasonality that was much more intense than exhibited by South Carolina, Delta has sustained year-round service since inauguration.

Keeping airlines abreast of new developments has also resulted in tangible new service benefits as evidenced below:

- Casino development in Gulfport/Biloxi, Mississippi led to the attraction of a low cost carrier (AirTran) followed by Delta, Continental, American, and Northwest.
- The Bay Point Resort was the catalyst that led to Delta’s inauguration of service at Panama City, Florida.
- Liberia, Costa Rica had no scheduled air service until local resort interests brought Delta representatives in for an on-site review of new development. Delta inaugurated less-than-daily service in 2002 and now six U.S. airlines offer nonstop service to eight U.S. destinations.
Allentown, Pennsylvania made a compelling presentation that their true market catchment area was much larger than the traditional MSA used by carriers to forecast demand potential. Delta inaugurated service to Atlanta and Cincinnati based on their report.

The contrast in growth between Fort Myers and Sarasota demonstrates the benefit of a regional versus local approach to improving air service. Fort Myers built a new airport with expansion capability to capitalize on the expected burgeoning growth in southwest Florida. Sarasota maintained a small in-town airport serving the local market. In the early 1980’s, both markets were similar in size and level of air services. Today, Sarasota has fewer departures than Charleston while Fort Myers is more akin to Fort Lauderdale or West Palm Beach. A regional rather than local approach embraced by all stakeholders paid significant dividends.

In general terms, new low coast carrier service will stimulate a market to the extent that mainline carriers will follow. Mainline carrier service will typically start on a low risk basis, e.g. regional jet, less than daily, or seasonal; and expand based on market results.

2.6 THE VALUE OF INCENTIVES

The solicitation of new or expanded airline service is often accomplished by incentive packages. In order to be effective, incentives must work for both the carrier and the local community or region. The revenue guarantee is the policy of subsidizing a carrier’s new service either through direct payment or through the use of a travel bank where local businesses commit to a level of ticket purchases. Typically, these agreements are for a defined period (e.g. first year of service). Examples where guarantees work are ski markets where carriers serve a mutually agreed upon route exclusively. For example, Steamboat Springs, Colorado (HDN) has agreements with Delta for Atlanta and Salt Lake City, American for Dallas and Chicago, and Continental for Houston and New York. Such agreements are seasonal and are renegotiated annually. Since the agreements are route specific, there is no risk of competitive alienation. Furthermore, the market would not achieve the variety of services scheduled without the guarantee.

Examples of guarantees that often lead to negative results are cases where cities subsidize a new carrier to the detriment of incumbent carriers that have been historically committed to the market. These subsidies are often used to attract low cost carriers, some of which will not enter a market without them. The new service also often mirrors that already offered by incumbents. In these cases, the primary benefit is a lower fare structure.

Tallahassee, Florida and Wichita, Kansas are two cities that had unfavorable results from these agreements. In worst cases, the end of the subsidy results in the end of service leaving the community with nothing to show for often sizable expenditure of funds. Furthermore, the biased, favorable treatment given to one carrier could jeopardize the service levels provided by incumbent carriers, not to mention a damaged business relationship.

Incentives that are attractive to carriers are:

- the provision of promotional funds, and
- reduction of airport fees and charges.
Carriers simply do not have the advertising/promotional funds to spend on small markets. The local community’s willingness to “blitz” the origin market with promotional material coupled with advertising support provides a jump start to a new market’s initial success. This is especially important where a carrier perceives a high risk factor due to a lack of strong historic traffic. In such cases, strong initial success is critical.

Reduction in airport fees and charges, while not essential for a flight’s financial success, do offer a tangible reduction in costs in an environment where any such benefit is desirable.

In both cases, the risk of alienating incumbent carriers is easily circumvented by offering such incentives to any carrier offering new or a defined level of expanded service. Regardless of the final package of incentives offered, any market desirous of new service that does not have a strong historic traffic base must be proactive in putting their case before potential carriers. Communities compete for new service as carriers often face a choice among equal alternatives.

Two strategies that have good potential in attracting new service are:

- providing a flow of relevant information to key personnel at targeted airlines, and
- the familiarization trip.

Of paramount importance is identifying the department or person(s) in an airline’s organization with most influence on aircraft market allocations. In most cases, these areas are described as network, flight scheduling, market planning, capacity planning, or the like. Making an initial presentation to the key decision makers and setting up communication channels for periodic updates is critical for success.

The offering of a local familiarization trip (e.g. golf weekend in Myrtle Beach), if accepted, allows the planner to get a personal feel for the market. When facing a choice among relatively equal alternatives for the allocation of an aircraft, personal familiarization can be “the tie breaker”. Such trips also make the numbers come alive, as the planner can see first hand what the market offers.
PART 3 RECOMMENDATIONS FOR ACTION

3.1 RECOMMENDED APPROACH

Traditional methods of attracting new air service have had minimal impact at the State’s six scheduled service airports. This is because airlines, which consider hundreds of viable new service options, rely heavily on historic traffic flows and the potential defined by an airport’s MSA. South Carolina must take a broader approach, focusing on a tourist region coupled with featuring the State’s attractions as compared to competitive destinations. The recommended approach is summarized as follows:

- Package the South Carolina story
- Identify new service objectives
- Target airlines for each objective
- Procedure to contact the airlines
- Recommended incentives
- Marketing coordination

3.2 PACKAGING THE SOUTH CAROLINA STORY

The South Carolina story must be told by the state. Individual airports have a local bias and varying degrees of funding and capability. This story should have two elements for distinct audiences:

1. the airline decision makers, and
2. the tour operator/travel agent community that will ultimately sell the product.

Airline Audience Content:

1. Illustrate driving times between Charleston and Myrtle Beach, Hilton Head, Beaufort, Columbia, and other coastal resorts.
2. Conduct a parking lot survey at Charleston and Myrtle Beach to determine the county of registration for parked cars and illustrate breadth of the local origin catchments area.
3. Package the airport story – modern facilities, low operating cost, available gates, Charleston FIS and customs in place.
4. Break out the Charleston traffic more finitely.
   - Business versus leisure
   - Local versus destination
5. Develop statistical comparison between the Charleston-anchored coastal region and existing small U.S. international gateways.
   - Portland/Fort Myers – Europe
   - Fort Myers/Nashville/Raleigh-Durham/Sarasota – Toronto
Consortium and Tour Operator Content:

1. Dispel the image of poor winter seasonality.
   - Climate comparisons with accepted “sun spots”; e.g. North Florida, Jacksonville, San Diego.
   - Feature Spring/Fall shoulder season activities and benefits.
2. Develop pointed comparisons to key competitors – Norfolk, Virginia Beach, Daytona Beach, Panama City, Destin, Gatlinburg, North Carolina coast.
   - Room availability
   - Average price
   - Weather
   - Multiple activities (esp. golf)
3. Illustrate variety of accommodations
   - Timeshare
   - Condominium
   - Hotels
   - All inclusive resorts
   - Budget to luxury price range
   - Large number of rooms
4. Develop a glossy state brochure or update existing product similar to Visit Florida.
5. Contract for an express, high quality surface transportation service between Charleston and Myrtle Beach/Hilton Head.

3.3 NEW SERVICE OBJECTIVES

South Carolina’s approach should be a targeted effort, with proposals and justifying data for specific markets. The key objective for international service is to attain at least a minimum level starting point that can grow based on market performance.

1. Toronto – Number one Canadian market
   - Daily scheduled service to Charleston
   - Weekend service to Myrtle Beach
   - Fall start-up
2. London Stansted – Manchester and Stansted only open UK airports
   - Minimum twice weekly scheduled service or charter
   - Service to Charleston
   - Fall start-up
3. Frankfurt - High German business element
   - Minimum twice weekly scheduled service or charter
   - Service to Charleston
4. Ireland – High golf affinity
   - Minimum twice weekly scheduled service or charter
   - Service to Charleston
   - Bilateral requires Shannon or equally split between Shannon and Dublin
   - Fall start-up
5. New York (JFK) – Potential for international connections
   - Daily service to Charleston
   - Timed to connect to international arrival/departure banks
6. Attract a new domestic low cost carrier
   - Focus on Charleston due to central location
   - Facilitate direct high volume access to primary tourist origin areas (Ohio valley, Mid-Atlantic, Florida)
7. Increase capacity to primary hubs
   - Increased aircraft size between Charleston/Myrtle Beach and Atlanta/Charlotte especially on peak days.
   - Attract new regional service between Atlanta and Hilton Head.
   - Low cost carrier year-round at Myrtle Beach.

3.4 TARGET AIRLINES

1. Toronto
   - Air Canada or affiliate Zoom
   - WestJet
2. Stansted
   - To be determined
3. Frankfurt
   - Condor or LTU
4. Ireland
   - Ryan Air
5. Low cost carrier
   - Southwest to Baltimore, Nashville, New Orleans, Jacksonville
   - JetBlue for JFK
6. Increased capacity
   - Delta – Atlanta
   - US Air – Charlotte
   - Delta regional – Hilton Head to Atlanta
   - AirTran – Year round at Myrtle Beach
7. Other incumbent carriers (Continental, Northwest, American, United, Spirit) should be provided information updates but service objectives have a lower priority and incremental.
3.5 AIRLINE CONTACT PROCEDURE

Airlines will typically receive local delegations, but chances for contact with the right people are enhanced if the team has at least one high profile individual.

1. Target airlines for specific needs (see above).
2. Identify key contact personnel.
   - Normally involves areas such as planning, flight scheduling, capacity planning, network, or route development.
3. Set up a regional South Carolina contact group who represent the key constituencies for airline visitation.
   - Airport
   - Regional tourism
   - State parks, recreation, tourism
   - Key local business leader
   - Facts and figures expert
4. Visit the airline with a specific proposal supported by economic and traffic data.
   - Give them new information that will bolster their normal statistical forecast.
5. Offer a local site familiarization visit to key decision makers.
   - Typically involves free hotel and local attraction tickets.
6. Set up a procedure for supplying periodic local updates.

3.6 RECOMMENDED INCENTIVES

Incentives other than revenue guarantees do not materially affect the financial performance of a flight. They do, however, demonstrate a local commitment and spirit of partnership that helps alleviate new service risk. Revenue guarantees are not recommended unless:

❖ all recommended efforts fail, and
❖ such guarantees are limited to attracting a European carrier for a specific market segment (e.g. Myrtle Beach/golf). This would be analogous to the accepted practice of ski market guarantees in the U.S.

1. Standing offer for a defined period of waiver of landing fees and terminal rentals for any carrier adding a new nonstop destination or increasing capacity by X%.
2. Determine viability of subsidized contract ground handling.
3. Develop a combined state and local promotional package to support new destination service.
   - Origination market print and outdoor media.
   - Informational blitz to travel agents and tour operators.
   - Local representatives (e.g. Myrtle Beach golf, Charleston history) on site at origin market for pre-launch activities.
4. Partner with originating airports for promotional activity.
   - New service to S.C. benefits them as well.
   - Local airport posters, signage promoting S.C. as a destination
3.7 PRIVATE SECTOR SUPPORT

Successful implementation of new air service at resort/tourist markets also requires a strong partnership with local attraction and accommodation stakeholders.

1. European tour operators must have hotel space availability year round. Therefore, if they are going to sell the product in the off season, they must also have access to rooms during the peak season (e.g. Myrtle Beach summer season).

2. Less-than-daily air service must involve careful coordination with local interests to ensure round trip traffic, for example through:
   - Golf package days
   - Timeshare turnover days
   - Package duration (i.e. 4 day, 10 day, etc.)

3. Develop off-season incentives.

4. Understand that targeted international airlines primarily involve high volume, discount seeking passengers booked through home country tour operators. Therefore,
   - the South Carolina product must be priced competitively with other similar global markets, and
   - packages and products must adhere to European brochure deadlines.

3.8 ROAD ACCESS IMPROVEMENTS

There is concern expressed by the international travel trade, as reported in Chapter 5 Market Evaluation and Prioritization, as well as by coastal operators in South Carolina that the State’s road network and capacity impairs the full realization of the State’s tourist potential by extending journey times during periods of even moderately high demand. This is of particular concern to the Myrtle Beach/Grand Strand area. The need for full Interstate access is also pertinent when considering the need for evacuation when hurricanes threaten the area.

The road access to the coastal resort areas is under strain and causing frustration for arriving visitors. This is an impediment to growth. More importantly, it undermines the State’s responsibility to its visitors in ensuring their safety in the event of hurricanes or other natural disasters in that the roads are not adequate for orderly evacuation. Investment by the Federal and State administrations in upgrading the coastal access/evacuation routes is a matter of urgency. Improving road access will also facilitate passenger access to/from the envisioned broader regional passenger catchments area.
The tourism development planning consultant’s terms of reference comprised:

* Audit the ten Tourist Regions in South Carolina
* Propose actions to upgrade existing/develop new tourism products where necessary
* Design programs to stimulate new product development where necessary
* Prepare proposals for maintenance/improvement of environmental standards
* Recommend fiscal and monetary investment to be offered by State Government to attract domestic and foreign investment in South Carolina tourism
* Identify “flagship” tourism projects (existing and new)
* Propose capital investment budget for tourism development in South Carolina

The mission covered the period January to May 2006
CHAPTER FOUR
NEW CAROLINA TOURISM ACTION PLAN
TOURISM PLANNING AND PRODUCT DEVELOPMENT.

EXECUTIVE SUMMARY

1. INTRODUCTION

The overall objective was to benchmark the South Carolina tourism product and propose improved and new marketable products, facilities and services that will enhance tourism revenues for South Carolina. Over the period January to May 2006 the team visited South Carolina, touring the State, inspecting existing and potential tourism sites, meeting and holding discussions with State officials, industry practitioners, developers and investors.

2. NATURAL AND CULTURAL RESOURCE BASE

The State of South Carolina contains a variety of natural, cultural and heritage resources with potential for tourist appreciation but which at present are underutilized in the development of the tourist sector as a strong economic generator.

The development of these resources for tourism growth will require their conservation, protection, packaging and presentation on a planned basis, each and all contributing to an overall attractive visitor experience which tells the South Carolina story in an integrated and easily accessible manner for both local residents and visitors.

3. TOURISM ACCOMMODATION, ACTIVITIES, FACILITIES AND SERVICES

A wide range of accommodation types are available throughout the State including hotels/motels, apartments, bed and breakfast establishments, park villas, condos and camping sites. The amount of five star accommodations is limited and some of the hotel accommodation is outdated. To develop nature, activity and heritage tourism, additional accommodation will be required outside the coastal areas. The average spend per visitor is influenced downwards by the dominance of self-catering accommodation.

Tour companies and travel agents are mainly involved in outbound traffic and inbound packaging is not well developed. Charleston tour guiding and flow management is commended for addressing the conflicts between the needs of residents and visitors.

4. PRODUCT DEVELOPMENT SWOT

The main development strengths include golf, beaches, nature, heritage rural areas and country towns. Nature, heritage and activity products are identified in market research as in growing demand by today’s tourists.

The product strengths are counterbalanced by a weakness in presentation and packaging, a lack of flagship or icon products and the mixed image of Myrtle Beach. The current organization of tourism, lack of planning and asset preservation, inadequate investment and marketing pose the most significant threats to the future of tourism to and within the state.
The market research findings reported in Chapter 5 Market Evaluation and Positioning indicate culture and heritage tourism as one of the fastest growing tourism segments, with golf, soft adventure and beach set to continue to grow over the next decade. South Carolina has the potential products to take advantage of these trends.

5. IMPROVING THE PRODUCT

The main thrust of the Tourism Action Plan is to attract higher spend tourists, improve the yield and achieve a better spatial spread of the benefits of tourism. Towards this end the existing range of products and facilities must be improved and expanded.

The product concept should reflect what is unique about the State and be grounded on reality. The coastal assets will remain the lure in the short term while in the inland culture, heritage, activity and nature products are developed in clusters so as to ensure resources are not spread too thinly.

A number of planning issues which are larger than the tourism sector need to be addressed and will require the State tourism organization becoming involved in general planning where there is an indirect relevance to tourism within the State. Controls must be developed and implemented to conserve the many natural assets within the state. Tourism must become an economic supporter, rather than a consumer, of the natural resources and future tourism assets.

The town and local communities are attractive to tourists if they present a clean welcoming and well-maintained aspect, telling their own story. Nature and heritage sites require sensitive development without compromising their integrity and have regard to visitor facilities for children as well as adults. Interpretation and presentation are the keys to visitor understanding and appreciation, complemented by good guiding and people flow management. The guiding and people flow management in Charleston is a model that could be usefully followed by other areas.

A long term approach is recommended which supports market-led developments that are integrated, environment protective, clustered, enhance social economic benefits and provide a total experience for day and night experiences.

6. TOURISM PLANNING

To increase the economic and social benefits of tourism and achieve a better spread of tourism, it is proposed that the tourism developed areas along the coast improve access and develop high yield products. Inland quality activity, heritage and culture products should be developed in clusters.

The State Parks are an important national asset. It is recommended that ten be selected as a special flagship project for major development by way of upgrading the accommodation and establishing new activities and nature outdoor activity schools.

At present the State is a collection of varied diverse destination each with a separate identity and appealing to different markets. Many are not strong attractions on an individual basis. Clustering them will strengthen their attractiveness.
To overcome this and give a focus to development eight separate character zones have been identified as potential Tourism Destination Areas (TDAs)

Each TDA has a combination of attractions creating clusters and underpinned with flagship projects. The Tourism Structure Plan focuses on:

- Building on existing strengths
- Developing nature, heritage and community-based products
- Creating marketable clusters
- Developing centers and flagship projects as key attractions

The overall concept is to establish and promote a network of tourism clusters, circuits and linkages between tourism sites and attractions within and between the TDAs.

7. ACTION PLANS

The development of the TDAs will require the existing RTOs and CVBs to work across their regional boundaries in cooperation with regional colleagues to drive the development and marketing.

Apart from attracting higher spend tourists and improving the yield, a third objective of the Tourism Action Plan is achieving a better spatial spread through enhanced existing products and new products. Forty-nine pilot demonstration projects have been identified to kick-start the product development action plan which include:

- Parks, Lakes and Beach Improvements
- Historic and Culture Sites
- Arts and Crafts
- Discovery Routes and heritage Trails
- Waterfront and Resort development

Eleven Priority Flagship Projects are proposed to give a focus to the TDAs these will be dependent on State funding and incentives to influence private sector investment. These are:

The **Central Core** is centered on Columbia the State Capital with a concentration of facilities and services. The development of the “River Alliance” and the “Vista” area will give Columbia a recreation focus linked to the lakes and surrounding rural areas.

The **North West** focus is to maintain the rich heritage and natural environment, regeneration of the main towns including the Garden City, crafts and adventure.

The **Mid West** is the equine centre that would become a national horse centre majoring in horse racing, stud farms, riding and hunting.

The **three Coastal Areas** of Hilton Head, Charleston and Myrtle Beach have the coast as their main link, with golf remaining the principal recreation product. Charleston is the icon of South Carolina and Myrtle Beach needs re-positioning.
The **East** is a rural and rural towns area rich in revolutionary war heritage – the Swamp Fox and many battle sites. Rural / farming life and rural towns will form an attractive visitor experience.

The **North** can be a center for the revolutionary war linked to the East with many heritage towns, the arts and parks development.

## 8. PULLING IT ALL TOGETHER

With the involvement of all stakeholders including the private sector, government and communities and NGOs, plans should be developed for each TDA. These will set out the strategic approach and development guidelines, briefs and usages.

A visitor information program will be developed and put in place to establish and promote a network of scenic routes with appropriate signage and information to link destinations and facilities and will comprise:

- Discovery Routes
- Nature and Heritage Trails
- Visitor Maps and Information Sheets
- Signage and Interpretation Panels
- Guide Books

The access and egress roads to the coastal areas need to be upgraded to ensure easy access and safe and orderly evacuation

A range of improved development incentives should be introduced. These will include State grant schemes and tax incentives.
INTRODUCTION

The overall objective of the consultant’s task was to benchmark the South Carolina tourism product and propose improved and new marketable products, facilities and services to enhance tourism revenues for South Carolina.

Over the period January to May 2006 the team visited South Carolina, touring the State, inspecting existing and potential tourism sites, meeting and holding discussions with State officials, industry practitioners, developers and investors.

Based on these visits, meetings and discussions and input from market research, the team formulated this Chapter 4 **Tourism Planning and Product Development**.

The consultant’s work involved:

- analysis and evaluation of the existing products, facilities and services;
- identification of existing ‘destinations’ within the State and proposing new destinations through the development of products;
- identification of Tourism Destination Areas (TDAs); and
- identification of marketable flagship developments.

Chapter 4 is presented under the following headings:

**Part 1 Review and Analysis**

- Natural and Cultural Resource Base
- Tourism Accommodation, Activities, Facilities and Services
- Product Development SWOT
- Improving the Product

**Part 2 Strategic Planning**

- Tourism Planning
- Action Plans
- Pulling it all Together
PART 1 REVIEW AND ANALYSIS

1. NATURAL AND CULTURAL RESOURCE BASE

1.1 Natural Resources

The State contains a variety of natural resources which have good potential for tourist appreciation and use, particularly during the spring and summer months. The natural attractions include:

- State Parks and forest areas managed by the State Parks Service;
- areas of scenic and landscape beauty such as the Duke Foothills Trail, the marches and swamp areas;
- a variety of native animals and birds such as deer, Southern Bald Eagles, Wild Turkeys
- coastal beaches, coastal waterways and rivers; and inland lakes controlled by the Utility Companies, US Army Corps of Engineers, Department of Natural Resources, National Forest (lake side), US Fish Hatchery.

The parks and forest areas are a significant natural resource providing the public with amenity and recreational facilities in a variety of natural settings from coastal to mountain forests. A number of sites offer excellent opportunities for further tourism and residential accommodation, ecotourism and generally low impact nature-based tourism.

Data collected by the team were evaluated on the basis of discussions with the stakeholders, including State authorities, utility companies, development companies and tourism operators regarding potential for use as tourism destinations and the type of tourism they would be able to support.

1.2 Cultural Heritage Resources

The State has a long history, spanning some thousands of years from the earlier period of the Native Americans settlements through the arrival of the Spanish, French, English and the African Americans. These cultural heritage sources can be broadly grouped as follows:

**Built Heritage:**

- historic sites –, Charleston, Cowpens, Greenville;
- restored buildings – Newbury and Abbeville opera houses (used as a catalyst for regeneration of the towns); and
- places – Hitchcock Wood in Aiken, squares in Pendleton etc.
- plantations

**Soft Culture:**

The State has a rich source of cultural resources including -

- traditional arts and crafts – pottery, basket making, woodworking, rugs, blankets;
- Gullah heritage;
- traditional dress, costumes, rituals, agriculture;
- cuisine, particularly Southern and Creole cooking;
- museums and exhibitions such as Columbia State Museum and numerous local museums located in various cities and towns such as Charleston, Columbia, Greenville;
festivals and events such as the Hilton Head Island Gullah Culture Festival, Beaufort Water Festival, opera/shows (Newbury), horse shows/ polo, festival park at Spartanburg; and
hunting, fishing for deer, quail, wild turkey, bluegill, bass, shell cracker, barracuda, mackerels etc.

The overall assessment of the heritage suggests that the State has a large number of sites and features that have the potential for supporting a vibrant non-beach tourism industry. In particular, sensitive development could provide sustainable tourism revenues and jobs in the inland areas where it is most needed.

1.3 RESOURCE MANAGEMENT AND USE

The State’s natural, heritage and cultural resources are an integral part of the overall Tourism Action Plan. Diversifying the tourism product will add opportunities for visitors to experience these resources and add significant additional dimensions to its tourism profile.

Nature Based Tourism

Nature-based tourism requires the conservation and protection of natural resources for the benefit of both locals and visitors to enjoy. Many areas lack effective management where tourism assets are being lost because the full potential is not recognized and access to potential valuable tourism areas is being closed off by badly-sited developments. Tourism and conservation are therefore mutually dependent, and opportunities for channeling economic benefits from tourism into conservation activities are required in order to expand and upgrade recreational facilities and services. This in turn will provide the opportunity for visitors to enjoy a quality experience. Developing a nature-based tourism product, attractive to increasingly environmentally sensitive tourists will require a well-conceived, focused and controlled development program.

There are 46 State Parks in South Carolina. The majority are in the northern part of the State providing a facility which can contribute more to attracting tourists to the northern counties.
Heritage-Based Tourism

Heritage-based tourism promotes the State’s unique history and culture. The cultural heritage sites and attractions can be further interpreted and packaged to attract more tourists. By doing so, the State will:

- enable the diversification of its tourism product and strengthen its competitiveness;
- reduce its reliance on the shopping, entertainment and beach product;
- cater to both mid market and upscale, mature markets that increase the area’s economy; and encourage historical preservation and urban regeneration.

However developing the heritage tourism product requires research and good presentation so that the visitor is presented with a story and an experience that provides an understanding and appreciation. Stand alone, non-major, heritage sites are difficult to successfully market and get the tourist to visit. It is important therefore that they are part of an overall set of tourist experiences and not necessarily solely heritage experiences.

As mentioned elsewhere the rural areas and small towns are part of the attractions of South Carolina. The town centre renewal that is happening is very important for tourism growth and indeed to create a more attractive environment for local residents.

A well-packaged nature and heritage product, promoted as opportunities for visitors to experience and to learn from, will greatly enhance the total attractiveness of the area, for both the domestic market and as a future international destination.

International research has established that the tourist is becoming more concerned about the environment and the protection and enhancement of the physical and social environment. This requires sensitivity not only at the development stage but on an ongoing basis to ensure continuing asset management and the management of tourism flows.

1.4 KEY FINDINGS AND CONCLUSION

- The State contains a variety of natural resources which have the potential for tourist appreciation and use, including State Parks, areas of scenic and landscape beauty, native animals and birds, coastal beaches and waterways, rivers and inland lakes.
- The State’s long history covering earlier Native American settlements through to the arrival of European and African Americans provides a rich cultural heritage including historic sites, places of interest and plantations with traditional arts and crafts, dress and cuisine.
- The potential is there to support non-beach tourism in the inland areas where it is most needed. The following natural resources have potential for development:
  - State Parks
  - Lakes and Lake Shores and Rivers and River Fronts
  - Mountain Areas
  - Inshore Waterways
  - Rural Towns

  …and Heritage and Culture assets such as
  - Native American Sites
  - Gullah Heritage
  - War Sites
  - Charleston and Greenville
2. TOURISM ACCOMMODATION, ACTIVITIES, FACILITIES AND SERVICES

2.1 ACCOMMODATION

A wide range of accommodation types including hotels/motels, furnished apartments/condominiums, bed and breakfast establishments, park villas and resorts/villas are available throughout the State.

Hotels/Motels

There are over 90,000 hotel/motel rooms in the State. A small number of international/national hotel operators are present controlling about 10% of the room stock mainly in four star hotels. The amount of five star accommodation is very limited and some of the existing stock is outdated. Just under thirty percent of hotel rooms are in Horry county and over half of all the hotel and other transient accommodation is on the coast. More four and five star accommodation will be needed.
Condos and Resort Units

Condos and resort units cater primarily to the family market. This market tends to replicate the ‘at home’ way of life during holidays by avoiding splitting up family members in several different hotel rooms. SCPRT has identified 25,800 condo units and 4,600 resort units. Again the coastal area accounts for 86% of these. This is a growing sector as other states are losing their appeal because of climatic conditions. The popularity of self-catering accommodation contributes to the low average spend by tourists. It should also be noted that there is growing trend of lettings being arranged on the internet and outside the established commercial system thereby avoiding control over standards, taxation and statistics.

Bed and Breakfast Establishments (B&Bs)

There are only 1,650 bed and breakfast establishments - Beaufort, Charleston and Georgetown account for two-thirds of these. Interestingly, Myrtle Beach (Horry County) has an insignificant number. The balance is fairly unevenly distributed across the State. This suggests that B&Bs are a popular accommodation for travelers from and to the coast.

Park Villas and Cabins

There are 3,380 units in the Parks; these provide an attractive and competitively priced package to families. They enjoy a high 75% to 80% repeat business and in many cases second and third generation visitors.

Camping Sites

There are 13,700 campground pitches. Just under 50% are in Horry County. In total there are just under 140,000 transient units in the State identified by SCPRT.

Second Homes

Second homes generate additional tourism as they account for pre-purchase visits followed by family and friends visits after purchase. 70,000 second homes have been identified by SCPRT. This could be well under the actual number and the market for these is growing as South Carolina is becoming more popular and attracting second home owners from the more hurricane-susceptible areas.

Standards and Quality Control

Physical standards in the accommodation sector are generally good. There are exceptions such as in the older properties in Myrtle Beach. Operational standards vary and in the hotel sector, services vary from very good to very limited, particularly limited meal and other services. Hotels which have three and four star physical standards provide two star services. To improve this situation a hotel and other accommodation classification system should be considered which would set operational as well as physical standards.
2.2 ACTIVITIES

Activities can be categorized as follows:

- urban including shopping, visiting museums, Interpretative centers, heritage tours, golf, business meetings, eating out – day, evening and night time entertainment;
- rural including camping, park visits, hunting, hiking, activity sports, and bird watching, rural museums, interpretative centers; and
- coastal and lakes including sunbathing, swimming, fishing, boating, yachting, water sports.

The facilities which provide scope for these activities are:

- shopping malls and streets – shopping is an integral part of the tourism experience - typically, tourists spend between 25% and 30% of their holiday expenditure on shopping of one sort or another;
- regional and local museums;
- conference and exhibition centers;
- restaurants and local cooking;
- some large-scale theme and amusement parks such as Broadway on the Beach and Carowinds;
- golf courses;
- equestrian/ polo – Camden and Aiken;
- zoos;
- public beaches/facilities;
- fishing – Lake Murray and most other lakes (five National events every year);
- sport centers/stadiums – major events in Columbia, Anderson;
- marinas, notably Charleston;
- race tracks;
- numerous heritage sites (along the Heritage Corridor); and eco-agro sites.

Regional and local museums are numerous throughout the State, however many need to be upgraded in presentation.
The number of conference and exhibition centers is increasing with a number of towns building new facilities, many in conjunction with existing and new hotels. Myrtle Beach is proposed as a national convention centre.

The equestrian facilities which are mainly based around Aiken & Camden such as race courses, equestrian centers and stud farms could become more important tourist attractions through being opened to tourists with tourist facilities and marketing.

Golf, as can be seen on the map below, is spread throughout the State with the concentration on the coast.
The numerous heritage sites, which are situated around Charleston, Hilton Head, The Low Country and Resort Islands, Pee Dee Country and Olde English District need better presentation and interpretation.

A major issue for these and other attractions is that they tend to stand alone and are not part of a tourist cluster or part of a set of coordinated/linked tourist experiences.

2.3 FACILITIES AND SERVICES

Although there are a large number of tour companies/travel agents in the State, their business is mainly outbound travel. The inbound package tour business is not well developed. This is due to the fact that a majority of tourists are primarily independent travelers. The package tours are generally catered for by tourism offices from each of the regions. The Parks Service offer guided tours to their sites as well as educational tours. Local operators offer day and half day tours and booking services for entertainment and events.

Tours of Charleston are provided by local guides, coach and tour operators licensed and controlled by the city administration. The organization and management by the city administration, which have serious regard for the local residents and the environment, are highly commended.

Other services which tourists may need to use include banks, medical facilities, telephone and internet. These are all in good supply.

2.4 KEY FINDINGS AND CONCLUSIONS

- A wide range of accommodation types are available throughout the State, including hotel/motels, apartments, bed and breakfast establishments, park villas, condos and camping sites. The amount of five star accommodation is limited and some of the existing hotel accommodation is outdated. In many hotels the services available are limited particularly restaurant services. A classification system that considers service as well as physical standards should be considered to address this issue. To develop nature activity and heritage tourism additional accommodation will be required outside the coastal areas.

- South Carolina is becoming increasingly popular as a second home location. The dominance of self-service accommodation lowers the average spend per visitor to the State.

- Tour companies and travel agents are mainly involved in outbound traffic consequently inbound packaging is not well developed. Attractions, facilities and services tend to be stand alone and not part of linked tourist experiences. More clustering and packaging is required to make an impact in the marketplace and give the tourist an organized, varied and accessible range of tourist products.

- Charleston tour guiding and flow management is commended for addressing the conflicts between the needs of the tourist and local residents.

- Golf & Beach activities are the most dominant products

- Heritage and Culture, soft adventure by the lakes in the State Parks could have the strongest potential for growth to satisfy market trends
Table: 4.1 – Regional Audit  
Evaluation 1 poor- 5 Excellent

<table>
<thead>
<tr>
<th></th>
<th>The Up-Country</th>
<th>Olde English District</th>
<th>Pee Dee Country</th>
<th>Myrtle Beach &amp; The Grand Strand</th>
<th>Historic Charleston &amp; Resort Beaches</th>
<th>Low Country &amp; Resort Islands</th>
<th>Capital City &amp; Lake Murray</th>
<th>Thoroughbred Country</th>
<th>Old 96 District</th>
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<tbody>
<tr>
<td>Significance</td>
<td>4</td>
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<tr>
<td>Uniqueness</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>5</td>
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<td>5</td>
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</tbody>
</table>
3. PRODUCT DEVELOPMENT SWOT

The SWOT analysis is a common analytical technique for evaluating an area in an integrated manner to provide a systematic basis for decision-making in planning and marketing. SWOT refers to strengths, weaknesses, opportunities and threats. It focuses on major issues that will likely influence development and does not attempt to include all minor points.

The analysis is presented in tabular format. Conclusions are based on the results of the field appraisals, data and information gathered through interviews, literature review, and the consultant’s knowledge and experience.

It is interesting to note that the travel trade surveyed indicated Golf and Beaches as the main strengths. Lack of consumer awareness of the destination and the lack of direct air access were listed as the main weaknesses.

3.1 SWOT ANALYSIS OF SOUTH CAROLINA

<table>
<thead>
<tr>
<th>Product Strengths:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Location</td>
</tr>
<tr>
<td>• Mild Winter Climate</td>
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<tr>
<td>• Small State/Easy Access</td>
</tr>
<tr>
<td>• Road Network/Easy Driving</td>
</tr>
<tr>
<td>• Rural Areas/Small Towns</td>
</tr>
<tr>
<td>• Golf</td>
</tr>
<tr>
<td>• Beaches</td>
</tr>
<tr>
<td>• Diversity of Product Offer</td>
</tr>
<tr>
<td>• Charleston</td>
</tr>
<tr>
<td>• Horse/Equestrian</td>
</tr>
<tr>
<td>• Berthing Facilities for Yachts</td>
</tr>
<tr>
<td>• Lakes</td>
</tr>
<tr>
<td>• Mountains</td>
</tr>
<tr>
<td>• Waterways</td>
</tr>
<tr>
<td>• Parks</td>
</tr>
<tr>
<td>• Civil War</td>
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<tr>
<td>• War of Independence</td>
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<tr>
<td>• Southern Hospitality</td>
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<tr>
<td>• Cuisine</td>
</tr>
<tr>
<td>• Colonial/Plantation Buildings</td>
</tr>
<tr>
<td>• Inns/Boutique Hotels</td>
</tr>
<tr>
<td>• Military Basis</td>
</tr>
<tr>
<td>• Movies Exposure</td>
</tr>
<tr>
<td>• NASCAR/Darlington</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Weaknesses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of Product Presentation/Packaging</td>
</tr>
<tr>
<td>• Lack of Flagship Visitor Attractions</td>
</tr>
<tr>
<td>• Lack Distinctiveness/Standout (except Charleston)</td>
</tr>
<tr>
<td>• Poor Coordination of Product Offer/Product Linkages</td>
</tr>
<tr>
<td>• Lack of Tourism Planning (over-development in some places/under-development in others)</td>
</tr>
<tr>
<td>• Lack of Direct International Air Access</td>
</tr>
<tr>
<td>• Poor Information Signage</td>
</tr>
<tr>
<td>• Poor Road Access to Key Resorts</td>
</tr>
<tr>
<td>• Lack of Public Transport</td>
</tr>
<tr>
<td>• Poor Service/Negative Attitude at Highway Service Points</td>
</tr>
<tr>
<td>• Fragmentation/Parochialism</td>
</tr>
<tr>
<td>• Myrtle Beach-tatty/lacks planning</td>
</tr>
<tr>
<td>• Over Reliance on Self Catering Development</td>
</tr>
<tr>
<td>• Lack of New Product Development</td>
</tr>
<tr>
<td>• Restricted Opening Hours at Attractions/Restaurants</td>
</tr>
<tr>
<td>• Funding of Tourism/Lack of Incentives</td>
</tr>
<tr>
<td>• Hotels-Limited Services/Lack of Atmosphere</td>
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<tr>
<td>• Inadequacy of 5* Full Serviced Hotels</td>
</tr>
<tr>
<td>• Inadequate Outdoor Activities (except golf)</td>
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<tr>
<td>• N.A.A.C.P. Boycott</td>
</tr>
<tr>
<td>• Homeland Security Immigration Implementation, Image/Actuality</td>
</tr>
</tbody>
</table>
Product Threats:
- Lack of Understanding/Appreciation of Tourism
- Current Organization of Tourism
- Lack of Vision/Leadership
- Failure to Provide Relevant up-to-date Research Information
- Developments not Market Led
- Lack of Planning/Planning Controls
- Current Funding of Tourism
- Failure to Prioritize-Cluster Development
- Failure to Cooperate
- Inadequate Marketing
- Deterioration of Product from Inadequate Investment
- Competitor Tourism Development Activity
- Infrastructure/Roads
- Labour Supply
- Hurricanes
- Academia/Universities Failure to Provide Practical Support for Tourism
- Failure to Provide Direct International Air Access
- Negative effect of Myrtle Beach on Rest of South Carolina.

Product Opportunities:
- Develop Flagship Visitor Attractions (Hub) (Francis Marion)
- Develop Heritage/History Products
- Independence Heritage
- Native American Heritage
- Flagship Project for I-95
- Develop Nature-Based Tourism
- Develop Activity/Sports/Health Tourism
- Upgrade Myrtle Beach
- Theme Parks/Family
- Charleston
  - Week End/City Breaks
  - Pedestrianization
- Mountains
- Low-Cost Land
- Development of Utility-Owned Properties (Lakes)
- Yacht Market
- Native American and Gullah Heritage
- 5* Hotel Developments/Branding
- Packaging-City Breaks-Sports-Day visitor Programs
- Improve Visitor Information
- Southern Culinary Experience

The process has assisted in the identification of potential tourism products and the likely market. The analysis also assists in the identification of the key issues to be addressed for tourism management and development as a whole.

The diversity of the product offer is a major strength but those with potential must be prioritized by market demand and location to form clusters. Golf and Beaches are already well developed. Ecotourism, soft adventure, Parks, equestrian and heritage are obvious opportunities for development.

Planning and packaging and presentation are prominent weaknesses together with fragmentation/parochialism and the lack of flagship – icon products, and need to be addressed. Myrtle Beach which is in transition and affecting the image of the whole State is in urgent need of being upgraded and repositioned – a process already started.

Charleston as an icon can help re-position the State particularly in the international market place. The development of the lakes, coastal waterways, heritage and nature based activities tourism offer the best opportunities for the future.
However without the re-organization of the tourism management, planning, investment and marketing, the way forward will be very slow.

3.2 **Regional SWOT Analysis**

**Myrtle Beach/The Grand Strand**

Myrtle Beach/The Grand Strand is the most popular destination in South Carolina with nearly eight million visitors. Shopping and beach activities are the most popular activities. The following sets out the main SWOT for the area.

<table>
<thead>
<tr>
<th>Product Strengths:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Mild Winter Climate</td>
<td>• Poor Coordination of Product Offer/Product Linkages</td>
</tr>
<tr>
<td>• Golf</td>
<td>• Lack of Tourism Planning (over-development in some places/under-development in others)</td>
</tr>
<tr>
<td>• Beaches</td>
<td>• Lack of Direct International Air Access</td>
</tr>
<tr>
<td>• Berthing Facilities for Yachts</td>
<td>• Poor Information Signage</td>
</tr>
<tr>
<td>• Southern Hospitality</td>
<td>• Poor Road Access</td>
</tr>
<tr>
<td>• Cuisine</td>
<td>• Fragmentation/Parochialism</td>
</tr>
<tr>
<td>• NASCAR/Darlington</td>
<td>• Myrtle Beach-tatty/lacks planning</td>
</tr>
<tr>
<td></td>
<td>• Over Reliance on Self Catering Development</td>
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<tr>
<td></td>
<td>• Lack of New Product Development</td>
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<tr>
<td></td>
<td>• Hotels-Limited Services/Lack of Atmosphere</td>
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<tr>
<td></td>
<td>• Inadequacy of 5* Full Serviced Hotels</td>
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<tr>
<td></td>
<td>• Inadequate Outdoor Activities (except golf)</td>
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<tr>
<td></td>
<td>• Seasonality</td>
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</table>

<table>
<thead>
<tr>
<th>Product Weaknesses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Poor Coordination of Product Offer/Product Linkages</td>
<td>• Developments not Market Led</td>
</tr>
<tr>
<td>• Lack of Tourism Planning (over-development in some places/under-development in others)</td>
<td>• Lack of Planning/Planning Controls</td>
</tr>
<tr>
<td>• Lack of Direct International Air Access</td>
<td>• Failure to Cooperate</td>
</tr>
<tr>
<td>• Poor Information Signage</td>
<td>• Inadequate Marketing</td>
</tr>
<tr>
<td>• Poor Road Access</td>
<td>• Deterioration of Product from Inadequate Investment</td>
</tr>
<tr>
<td>• Fragmentation/Parochialism</td>
<td>• Competitor Tourism Development Activity</td>
</tr>
<tr>
<td>• Myrtle Beach-tatty/lacks planning</td>
<td>• Infrastructure/Roads</td>
</tr>
<tr>
<td>• Over Reliance on Self Catering Development</td>
<td>• Beach Erosion</td>
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</table>

<table>
<thead>
<tr>
<th>Product Opportunities:</th>
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</thead>
<tbody>
<tr>
<td>• Develop Flagship Visitor Attractions-Convention Destination</td>
<td>• Develop Activity/Sports/Health Tourism</td>
</tr>
<tr>
<td>• Develop Activity/Sports/Health Tourism</td>
<td>• Upgrade Myrtle Beach</td>
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<tr>
<td>• Upgrade Myrtle Beach</td>
<td>• Theme Parks/Family</td>
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<tr>
<td>• Theme Parks/Family</td>
<td>• Hard Rock Development</td>
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<tr>
<td>• Hard Rock Development</td>
<td>• Ripken Experience</td>
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<tr>
<td>• Ripken Experience</td>
<td>• Yacht Market</td>
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<tr>
<td>• Yacht Market</td>
<td>• 5* Hotel Developments/Branding</td>
</tr>
<tr>
<td>• 5* Hotel Developments/Branding</td>
<td>• Improve Visitor Information</td>
</tr>
<tr>
<td>• Improve Visitor Information</td>
<td>• Southern Culinary Experience</td>
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</table>

<table>
<thead>
<tr>
<th>Product Threats:</th>
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<tbody>
<tr>
<td>• Developments not Market Led</td>
<td>• Infrastructure/Roads</td>
</tr>
<tr>
<td>• Lack of Planning/Planning Controls</td>
<td>• Beach Erosion</td>
</tr>
<tr>
<td>• Failure to Cooperate</td>
<td>• Competitor Tourism Development Activity</td>
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<tr>
<td>• Inadequate Marketing</td>
<td>• Deterioration of Product from Inadequate Investment</td>
</tr>
<tr>
<td>• Deterioration of Product from Inadequate Investment</td>
<td>• Competitor Tourism Development Activity</td>
</tr>
<tr>
<td>• Competitor Tourism Development Activity</td>
<td>• Infrastructure/Roads</td>
</tr>
<tr>
<td>• Infrastructure/Roads</td>
<td>• Beach Erosion</td>
</tr>
</tbody>
</table>
Golf and Beach are the strongest products. The Boulevard area and a lack of varied outdoor activities are major weaknesses. Re-positioning through planned development of a market led flagship product, and upgrading the accommodation stock, offers the best opportunities to face the threats.

Beach erosion is an issue in certain areas and given the importance of the beaches to the coastal products, measures will be required to ensure their protection into the future.

**Historic Charleston and Resort Beaches**

Historic Charleston and Resort Beaches attract nearly five million visitors with Shopping, Historic Places, Museums and City sightseeing being the most popular visitor activities. The following are the main SWOT for the area

<table>
<thead>
<tr>
<th>Product Strengths:</th>
<th>Product Weaknesses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Charleston-Icon City of Heritage/Culture</td>
<td>• Lack of Direct International Air Access</td>
</tr>
<tr>
<td>• Plantation Homes</td>
<td>• Poor Service/Negative Attitude at Highway Service Points</td>
</tr>
<tr>
<td>• Colonial/Plantation Buildings</td>
<td>• Lack of New Product Development</td>
</tr>
<tr>
<td>• Inns/Boutique Hotels</td>
<td>• Funding of Tourism/Lack of Incentives</td>
</tr>
<tr>
<td>• Cuisine</td>
<td>• Inadequacy of 5* Full Serviced Hotels</td>
</tr>
<tr>
<td>• Golf</td>
<td>• Run-down Areas</td>
</tr>
<tr>
<td>• Beaches/Coastal Resorts</td>
<td>• Restricted Opening Hours at Attractions</td>
</tr>
<tr>
<td>• Diversity of Product Offer</td>
<td>•</td>
</tr>
<tr>
<td>• Berthing Facilities for Yachts</td>
<td>•</td>
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<tr>
<td>• Waterways</td>
<td>•</td>
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<tr>
<td>• Parks</td>
<td>•</td>
</tr>
<tr>
<td>• Civil War</td>
<td>•</td>
</tr>
<tr>
<td>• War of Independence</td>
<td>•</td>
</tr>
<tr>
<td>• Southern Hospitality</td>
<td>•</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Opportunities:</th>
<th>Product Threats:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Develop more Heritage/History Products</td>
<td></td>
</tr>
<tr>
<td>• Native American Heritage</td>
<td></td>
</tr>
<tr>
<td>• Charleston</td>
<td></td>
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<tr>
<td>• Week End/City Breaks</td>
<td></td>
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<tr>
<td>• Pedestrianisation</td>
<td></td>
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<tr>
<td>• Yacht Market</td>
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<tr>
<td>• Native American and Gullah Heritage</td>
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<tr>
<td>• 5* Hotel Developments/Branding</td>
<td></td>
</tr>
<tr>
<td>• Packaging-City Breaks-Sports-Day visitor Programs</td>
<td></td>
</tr>
<tr>
<td>• Southern Culinary Experience</td>
<td>• Current Funding of Tourism</td>
</tr>
<tr>
<td></td>
<td>• Inadequate Marketing</td>
</tr>
<tr>
<td></td>
<td>• Deterioration of Product from Inadequate Investment</td>
</tr>
<tr>
<td></td>
<td>• Competitor Tourism Development Activity</td>
</tr>
<tr>
<td></td>
<td>• Infrastructure/Roads</td>
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<tr>
<td></td>
<td>• Labour Supply</td>
</tr>
<tr>
<td></td>
<td>• Failure to Provide Direct International Air Access</td>
</tr>
<tr>
<td></td>
<td>• Negative effect of Myrtle Beach on Rest of Coast.</td>
</tr>
<tr>
<td></td>
<td>• Perceived as High-Price Destination</td>
</tr>
</tbody>
</table>
Historic Charleston city is the strongest South Carolina product with its war heritage, war history, and coastal facilities. Opportunities exist in developing the yacht market and more heritage if provided more marketing and investment is provided.

**Hilton Head/Low Country and Resort Islands**

Hilton Head and the Low Country receives just fewer than three million visitors with shopping and beach activities the main activity. The following are the principal strengths, weaknesses, opportunities and threats.

<table>
<thead>
<tr>
<th>Product Strengths:</th>
<th>Product Weaknesses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mild Winter Climate</td>
<td>• Very Poor Road Access</td>
</tr>
<tr>
<td>• Golf</td>
<td>• Over Reliance on Self Catering Development</td>
</tr>
<tr>
<td>• Beaches</td>
<td>• Inadequate Outdoor Activities (except golf)</td>
</tr>
<tr>
<td>• Islands Resorts</td>
<td>• Seasonality</td>
</tr>
<tr>
<td>• Berthing Facilities for Yachts</td>
<td></td>
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<tr>
<td>• Southern Hospitality</td>
<td></td>
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<tr>
<td>• Cuisine</td>
<td></td>
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<tr>
<td>• Heritage</td>
<td></td>
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<tr>
<td>• New Sensitive Developments</td>
<td></td>
</tr>
</tbody>
</table>

Again golf and beaches are its strongest products but inadequate activities and road access need to be addressed and supported by more marketing, and road access.

**Santee Cooper Country/Pee Dee Country**

The region with one and a half million tourists with shopping as the only significant visitor activity.
### Product Strengths:
- Lakes
- Parks
- Civil War
- War of Independence-Swamp fox
- Southern Hospitality
- Rural Areas and Towns

### Product Weaknesses:
- Lack of New Product Development
- Funding of Tourism/Lack of Incentives
- Fragmentation
- Lack of Development Incentives

### Product Opportunities:
- Develop Heritage/History Products
- Packaging-Day visitor Programs
- Southern Culinary Experience

### Product Threats:
- Current Funding of Tourism
- Inadequate Marketing

The lakes, parks, rural areas and association with the Swamp Fox are waiting to be developed and presented as much needed new products supported by marketing initiatives.

**Capital City/Lake Murray Country**

The Capital city – Columbia attracts two and a half million visitors with shopping as the main visitor activity. The following is the SWOT for the area

### Product Strengths:
- Lakes
- River
- Conagree National Park
- Southern Hospitality
- Capital City Vista area of Columbia
- Year Round Business
- University of South Carolina
- Newbury Opera House

### Product Weaknesses:
- Lack of New Product Development
- Funding of Tourism/Lack of Incentives
- Fragmentation
- Lack of Development Incentives

### Product Opportunities:
- Develop Heritage/History Products
- Develop University Quarter
- Southern Culinary Experience
- Integrated River Front Development
- Activities (White water Rafting)
- Columbia Events Program

### Product Threats:
- Current Funding of Tourism
- Inadequate Marketing

The lakes, parks and Capital City are the foundation to develop new heritage and activity products particularly the “River Alliance” project supported by marketing and clustering.
Thoroughbred Country/Old 96 District/Olde English District

The area attracts one and a half million visitors with shopping again the main visitor experience. The following sets out the area’s strengths, weaknesses, opportunities and threats.

<table>
<thead>
<tr>
<th>Product Strengths:</th>
<th>Product Weaknesses:</th>
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<tbody>
<tr>
<td>• Lakes</td>
<td>• Lack of New Product Development</td>
</tr>
<tr>
<td>• Equestrian</td>
<td>• Funding of Tourism/Lack of Incentives</td>
</tr>
<tr>
<td>• Heritage Trail</td>
<td>• Fragmentation</td>
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<tr>
<td>• Mountains</td>
<td></td>
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<tr>
<td>• Southern Hospitality</td>
<td></td>
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<tr>
<td>• Rural Areas and Towns</td>
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<table>
<thead>
<tr>
<th>Product Opportunities:</th>
<th>Product Threats:</th>
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</thead>
<tbody>
<tr>
<td>• Develop Equine Products</td>
<td>• Current Funding of Tourism</td>
</tr>
<tr>
<td>• Develop Heritage/History Products</td>
<td>• Inadequate Marketing</td>
</tr>
<tr>
<td>• Activities/Sports</td>
<td></td>
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<tr>
<td>• Southern Culinary Experience</td>
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</tbody>
</table>

The equine, rural areas and lakes are the strong products but fragmentation and lack of investment and planning has hindered the development of the equine, heritage and activity products. Again market-led products and focused marketing will be needed to ensure feasibility and success.
UP Country Region
The area attracts over one million visitors with mountain related activities, scenic areas of waterfalls, rapids, mountain streams. Cultural interests are represented through picturesque town squares, historic districts, and revolutionary war battlefields. Greenville is an attractive walking city for shopping, art galleries and restaurants.

<table>
<thead>
<tr>
<th>Product Strengths:</th>
<th>Product Weaknesses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Greenville</td>
<td>• Lack of incentives</td>
</tr>
<tr>
<td>• Golf</td>
<td>• Lack of funding for new product development</td>
</tr>
<tr>
<td>• Culture/Art Galleries</td>
<td></td>
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<tr>
<td>• Mountains/Rivers/Lakes</td>
<td></td>
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<tr>
<td>• Outdoor activities incl. cycling</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Opportunities:</th>
<th>Product Threats:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improvement programs</td>
<td>• Current under funding of tourism development</td>
</tr>
<tr>
<td>- Anderson (sports/events)</td>
<td>• Fragmentation</td>
</tr>
<tr>
<td>- Pendleton town Square</td>
<td>• In adequate marketing</td>
</tr>
<tr>
<td>• Sumter Forest adventure development</td>
<td></td>
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<tr>
<td>• Lake Jocassee/Keowee resort development</td>
<td></td>
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<tr>
<td>• National Park improvement program</td>
<td></td>
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<tr>
<td>• Area interpretative flagship project</td>
<td></td>
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</tbody>
</table>

The revitalization of Greenville and its parks and cultural attractions, make it a catalyst for the region.

3.3 KEY FINDINGS AND CONCLUSIONS

- The main development strengths include golf, beaches, nature and heritage, rural areas and country towns, leading to opportunities for the development of new nature-based heritage and activity tourism.

- These are counterbalanced by weakness in packaging and presentation, a lack of flagship or icon products and above all a lack of planning and asset preservation and enhancement, the mixed image of Myrtle Beach, the current organization of tourism, and inadequate investment in development and marketing pose the most significant threats to the future of tourism in the State.

- The market research findings indicate culture and heritage tourism as one of the fastest growing segments in the domestic market and growing in the international market. Family holidays, golf, soft adventure and beaches are other areas set to grow over the next decade.

- South Carolina, with sensitive and focused development, is well positioned to capitalize on these growth areas as its product strengths match the market needs.
4. IMPROVING THE PRODUCT

4.1 PRODUCT RANGE

The main thrust of the Tourism Action Plan is to attract higher spend tourists, improve the yield from tourism and achieve a better spatial spread tourists throughout the State. A key need towards achieving these goals is the need to upgrade and diversify the existing range of products available – cultural/heritage, nature, soft adventure, accommodation, shopping experience, beaches, and the conservation and management of protected areas and to seek to provide key ‘flagship’ development projects.

However, attracting more visitors to South Carolina will depend on getting a number of factors right – variety, things to see and do, more facilities etc. To succeed, the product concept must be grounded in the reality of what the State has to offer. In addition, the product concept must reflect what is unique about the State, otherwise the area will become just another ‘me too’ tourist destination without any defining characteristic or unique appeal.

It therefore only makes sense in the first instance for the State to use its coastal assets – Charleston, Myrtle Beach and Hilton Head to act as a lure. Although there are a number of cultural and natural assets which can be developed into attractive tourism experiences over time, building on the coastal setting will make the task much easier. However, we must begin to develop and conserve special tourism products and activities and develop ‘flagship’ projects to attract a wider base of tourists and in the short term focus on doing one or two projects really well.

The State Parks offer the foundation for the development of activity products in a readymade environment. The Parks are ideal to develop walks, trails, boating, fishing, children’s adventures and learning nature experiences.

4.2 GENERAL SETTING FOR TOURISM

Developing tourism within the social, environmental and economic framework requires the achievement of a delicate balance between several factors. Competition at national and international level is on the increase. To meet this competition the enhancement of the existing product and new product development is required which will provide a quality tourism experience in products, facilities and services which are organized in clusters, branded and packaged, and offer the tourist a cohesive tourism experience. The industry must in future avoid spreading scarce resources too thinly which to date has been the result of parochialism and lack of co-operation.

To be successful, therefore, development of tourism must adhere to the following guidelines.

Addressing the Planning Issues

A number of planning issues have been identified with regard to accommodation in Section 2.1. Many of these issues are much larger than the tourism sector. It is recommended that the SCPRT involve itself in the planning activities of many other sectors, because often they have indirect or even very direct relevance to tourism. An important tourism planning issue which requires to be addressed is the ability of the private sector to develop virtually unchecked, on private land. This has implications for the conservation of proposed scenic routes, scenic vistas and quality of development generally.
There needs to be more checks and balances on current encroachment into scenic lake side areas and attractive or sensitive habitats as well as the ‘uncontrolled’ developments along the coast at Myrtle Beach. Enforceable planning and environmental controls must be implemented, to protect the substantial investments by government and developers, as well as international tourism marketing investments made by the SCPRT, and overseas marketing partners.

The entire tourism industry must be attuned to development and planning procedures. Future tourism growth will put additional pressures on the planning process. These pressures will be compounded by growing environmental awareness, increased regional government responsibility and greater community participation in planning. Physical tourism planning in South Carolina needs to be substantially strengthened and emphasized in the development process.

**Establishing Ongoing Asset Management**

The importance of promoting a quality environment and capitalizing on the growing market for nature based, heritage and culture tourism will be vital for South Carolina.

One of the keys to successful conservation and management of the tourism sites will be a clear definition of the economic value of these sites – in particular, Sumter National Forest areas in the north west, Francis Marion National Forest on the coast, the many National and State Parks throughout South Carolina – and the development of a sustainable revenue stream from the sites that provide for conservation and management as well as significant economic contributions to the local and national economy. Tourism, in effect, must become an economic supporter rather than a consumer of the State’s natural resources.

**Optimize Tourism's Potential to Benefit Towns and Local Communities**

Benefiting the local towns and communities is one of the principles of tourism. Visitors are attracted to, and spend more in places, that are attractive, clean, welcoming and well maintained - a ‘special place’.

Every town and place has its own stories, character, style, history, people and culture that reflect the essence of the place. When this is preserved and interpreted in a manner that enhances the experience of visitors, they have an edge over the all too familiar ‘sameness’ (off-the-shelf street furniture etc). Visitors want to understand and experience the local story whether it is through the character of the streets, the foods, the museums, the special events, or the lifestyle of the people. It makes for a fresh or different perspective and far richer and rewarding experiences. It is also more likely to be aligned to the values of the local residents as it has originated from their own communities.

All places have something that makes them different. When that ‘something’ is attractive to visitors, then it is possible that something can lead marketing efforts, and possibly even the branding.

**Development of Nature and Heritage Sites**

While there may be many definitions of ecotourism, the underlying messages are clear. Nature, heritage and community tourism-based experiences are characterized by a respect for the integrity of the resource and instill a sense of appreciation for the visitor. The result is a ‘value-for-money’ experience which should enable the visitor to better understand the destination’s natural, heritage and cultural attributes.
Within this context, certain principles are important to note in guiding investment in product development. These are essential to both maintain the integrity of the resource while offering quality experiences to the visitor:

- from a tourism perspective, the site should be designed and developed to offer an ‘experience’. It is not just a matter of developing a tourism product or attraction, the most important design consideration is the quality of the experience offered;
- the experience offered must not compromise the integrity of the resource and must impart a sense of respect for the resource through site treatment and interpretation activities;
- the experience must also consider the needs of the visitor for facilities, again without compromising the integrity of the resource; and
- development on the site to create the experience must follow internationally accepted practices and/or standards for resource management and protection and clearly demonstrate resource sustainability.

**Interpretation and Presentation is Key**

The presentation of tourism products is critical to the experience sought by the visitor. Presentation means how readily understandable and enjoyable the experience is – at a historic house, museum, battlefield or natural attraction. It is enhanced by quality interpretation, and experiential, hands-on experiences, and may involve being sensitive to the needs of special market segments (e.g., children, families, seniors) as well as to the needs of the resources (in terms of sensitive visitor management).

Interpretation is a critical skill which contributes to environmental education and ecological awareness. It should also contribute to visitor management, which should be one of the key objectives of protected area management, and should be a top priority in licensing the private sector or other types of ecotourism enterprises to function in special areas. The training and licensing procedures for guides, as well as the tourist flow management, operated by the Charleston City Authorities is an example that could be usefully followed elsewhere.

**Long Term, Sustainable Perspectives**

In view of the complexity of the tourism situation in South Carolina, a long-term approach is needed. From a practical perspective, growth in tourism will only be achieved by planning that future. It will need to ensure that:

- tourism enterprises demonstrate ‘future demand analysis’ as a cornerstone of planning;
- owners/managers of facilities/protected areas demonstrate realistic returns; and
- enforceable planning and environmental controls are implemented.

Our overall tourism development strategy therefore seeks to:

- demonstrate feasibility by allowing the market to identify and implement development opportunities, while providing a vision of tourism development over a 20 year time frame;
- demonstrate the benefits of creating a framework to integrate development by providing a clear structure for organizing development and responding to opportunities as they arise;

- protect and strengthen the existing South Carolina product, through a better environment for all;

- provide an overall design approach, creating a sense of place, good development sites in an attractive environment and practical guidelines for tourism development and operation; and priorities which areas and products are to be developed;

- develop clusters rather than stand alone products having regard to adding night attractions to day attractions to give an incentive for overnight stays in an area. Evening entertainment, cultural event to compliment daytime activities or visits;

- organize product linkages by attractions working together such as a plantation and an equestrian operation complementing each other;

- Demonstrate related economic, social and community benefits, and provide a stimulus to local people’s employment, entrepreneurial activities and investment opportunities.

It is within this context that tourism destination areas and projects are identified. The proposals will need to be piloted, but the concepts should form the basis for future detailed specific plans.
4.3 **MARKET INDICATORS**

In Chapter 5 *Market Evaluation and Prioritization* the findings as a result of consultations with the South Carolina industry stakeholders and a survey of the domestic and international travel trade are outlined.

The beaches, golf and coastline have been identified as the top product strengths in South Carolina followed by hospitality, natural resources, diversity, climate and heritage. Domestic and international trends indicate activity/soft adventure, history, culture, museums as most sought after. Many opportunities are open to South Carolina by developing and better presenting its nature, history and culture products. Environmental protection, natural resources, new products/attractions, signage and interpretation are foremost in the minds of today’s tourists underlining the need for better environmental protection, planning, planning controls and presentation.

Access is cited as the primary reason for growth of US destinations. This highlights the necessity to improve the road and air access to South Carolina.

Just half of all domestic out-of-state trips to South Carolina involve an overnight stay yet overnight stay visitors account for two thirds of domestic travel expenditure in South Carolina. Myrtle Beach, with a lower-than-average median spend by visitors, accounts for forty percent of out-of-state visitor overnights. This concentration is a major contributor to the overall low level of visitor expenditure and needs to be addressed by attracting higher income/spending visitors to an improved and broadened set of visitor experiences.

The products proposed in the following paragraphs take full cognizance of these findings and the international tourism trends evident in UNWTO and other reports. They are drawn from the product: market opportunity matrix developed by the consultancy team and discussed in Chapter 6 *Marketing Strategy*.

The National and International markets are open to a wide range of products which are available for development in South Carolina.
4.4 **KEY FINDINGS AND CONCLUSIONS**

- The main thrust of the Tourism Action Plan is to attract higher spend tourists, improve the yield and achieve a better spatial spread of the benefits of tourism. Towards this end the existing range of products and facilities must be improved and expanded.

- The product concept must reflect what is unique about the State and be grounded on reality. The coastal assets will remain the lure in the short term while the inland culture, heritage and activity, nature products are developed.

- To succeed and avoid spreading resources too thinly, clustering is necessary.

- A number of planning issues which are larger than the tourism sector need to be addressed and will require the State tourism organization becoming involved in general planning where there is an indirect relevance to tourism within the state.

- Controls must be developed and implemented to conserve the many natural assets within the state. Tourism must become an economic supporter rather than a consumer of the natural resources and future tourism assets.

- The town and local communities are attractive to tourists if they present a clean welcoming and well-maintained aspect, telling their own story. Nature and heritage sites require sensitive development without compromising their integrity and have regard to visitor facilities. Interpretation and presentation is the key to visitor understanding and appreciation complemented by good guiding and people flow management.

- A long-term approach is needed in South Carolina which supports market-led developments that are integrated, environment protective, clustered, enhance social economic benefits and provide a total experience for day and night experiences.

- The market research conducted as part of this project and international experience shows that South Carolina has many of the basic ingredients i.e. history, culture, nature, activity that have the potential to attract visitors. For this potential to be realized, it will be necessary for the product to be developed to meet market needs.

- Market products which have potential to be developed are positioned a the following table 4.2. This table (Product Market Segment Opportunities) also indicated the market segments that the products that are likely to be attracted in each case.
Table 4.2 – Product: Market Segment Opportunities

<table>
<thead>
<tr>
<th>Product</th>
<th>Domestic (USA)</th>
<th>Canada</th>
<th>International</th>
<th>Corporations</th>
<th>Associations</th>
<th>Conference &amp; Incentive Organizers</th>
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<tbody>
<tr>
<td></td>
<td>Tour</td>
<td>FIT</td>
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<td></td>
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<td>Family</td>
<td>Family</td>
<td>Couples</td>
<td>Family</td>
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<tr>
<td>Beach-Fun</td>
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<td>Beach + Recreation/Activity</td>
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<tr>
<td>Golf</td>
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<tr>
<td>Nature-Viewing</td>
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<tr>
<td>Nature-Soft Adventure</td>
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<tr>
<td>Nature-Hard Adventure</td>
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<td>Sports-Individual</td>
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<td>Sports-Events</td>
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<td>Culture-Colonial History</td>
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<td>Culture-Arts</td>
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<td>Culture-Native American History</td>
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<tr>
<td>Culture-Festivals &amp; Events</td>
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<tr>
<td>City Breaks</td>
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<td>Rural Town Circuits</td>
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<td>Residential Tourism</td>
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<tr>
<td>Business</td>
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<td>Business/Leisure</td>
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<tr>
<td>Convention/Leisure</td>
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<tr>
<td>Incentive</td>
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PART 2     STRATEGIC PLANNING

5. TOURISM PLANNING

To position South Carolina in order to increase the economic and social benefits from tourism and achieve a better special spread of tourism the following development strategies are proposed. In the tourism developed areas along the coast, and particularly Myrtle Beach, the need is to improve access and the existing product and facilities, and develop new high yield products so as to make the area more attractive to a higher spend visitor. In the rest of the State, the thrust should be to priorities and develop quality activity, heritage and culture products, and things to do. The key is to avoid spreading the resources too thinly and provide better tourist experiences by developing clusters of products and facilities.
5.1 **TOURISM DESTINATION AREAS (TDAs)**

The State does not currently enjoy a cohesive identity from a tourism perspective. It is in reality a group of administrative regions encompassing a diversity of destinations, which range from hi-tech industrial cities to pristine nature environments, from city centers to the quiet lakes. Rather than being a destination itself, the State is a collection of varied destinations, each with a separate identity and appealing to different markets. It is therefore important that these individual characteristics are recognized and promoted in the Tourism Action Plan.

A number of Tourism Sites (TSs) have been identified. TSs comprise significant natural and cultural heritage sites, areas of attractive landscape, other attractions where activities take place and key sites for tourism development. Most of these sites were visited by the study team and brief descriptions and comments on development potential are provided in the Appendix.

![Tourism Sites Map]

The following development principles were used by the team in identifying Tourism Sites.

**Significance of Tourism Features**

Significance is one of the key feasibility elements used in identifying tourism sites in product evaluation, especially for international visitors. As has been already pointed out, although there are a number of cultural and natural assets which can be developed into attractive tourism experiences, building on the attractiveness of significant features will make the task much easier. This, for example, is why there is such interest in and around Charleston by various developers.
Distinctiveness

Distinctiveness varies form significance, in that it enables one tourism region or area to be differentiated from another. In some places, for example, the natural assets may be interesting but not spectacular (as in the case of many of the National Forests and Parks). However, by tapping into the right target market segments, providing a quality experience, ensuring authenticity, as well as a strong local identity and involvement, a strong appeal and unique selling proposition can be created, which allows an attractive and feasible tourism offering to be developed. The development of the historic town of Cheraw is a good example.

Clustering

It is quite common to find cultural heritage or natural assets scattered in a region (e.g. in the Olde English District and Pee Dee Country) where the sites are relatively distant from each other. While some towns may individually have strong lure potential, many of the other tourism assets in the immediate and adjacent areas do not constitute individually strong international lures. However, clustering them, and developing itineraries, will increase their attractiveness. Similarly, developing themes and links between various products will strengthen their attractiveness, and will also allow ‘weaker’ potential products to tap into the lure potential of more attractive individual products.

To this end, eight separate character zones have been identified, each an existing or potential Tourism Destination Area (TDA).

1. Central Core
2. The North West
3. The Mid West
4. Hilton Head
5. Charleston
6. Myrtle Beach
7. The East
8. The North

A tourism ‘destination’ is a centre which draws visitors to stay a considerable period by virtue of a combination of attractions, facilities and amenities which meet their various interests and needs. The coastal area of South Carolina is characterized by ‘destinations’ that are distinct, distinctive and established. By contrast the interior, with the exception of Greenville, has no tourism products of substance and, in consequence, there are no tourism ‘destinations’ outside of the coast and Greenville. What is required is the creation of ‘destinations’ through product development. This can be done in a number of ways, some of which are:

- creating and marketing ‘clusters’ of small and mid-scale attractions to constitute circuits or trails; and
- developing ‘flagships’ in respect of a particular theme related to identified market segments, and using these as the magnet to draw visitors in to an area and then ‘spinning’ them out to other related sites on the ‘hub and spoke’ basis.
These approaches can only be effective if the themes/segments around which the products are based are marketed as individual destinations. Each of these destinations within the State has its own strengths, weaknesses, opportunities and threats, but share certain characteristics, which prevail in the State as a whole.

The map showing the Tourism Destinations is conceptual. The boundaries will need to be further defined by the locations of the products, facilities and services that are within the areas.

The **Tourism Destination Areas** are proposed to form clusters that can be developed. These clusters will then constitute the embryos for the growth of the industry in South Carolina. (These areas are dealt with separate maps/details on pages which follow).

The **Central Core** is centered on Columbia the State Capital with a concentration of facilities and services. The development of the “River Alliance” and the “Vista” area will give Columbia a recreation focus linked to the lakes and surrounding rural areas.

The **North West** focus is to maintain the rich heritage and natural environment, regeneration of the main towns including the Garden City, crafts and adventure.

The **Mid West** is the equine centre that would become a national horse centre majoring in horse racing, stud farms, riding and hunting.
The three Coastal Areas of Hilton Head, Charleston and Myrtle Beach have the coast as their main link, golf will remain as the principal recreation product. Charleston is the icon of South Carolina and Myrtle Beach needs re-positioning.

The East is a rural and rural towns area rich in revolutionary war heritage – the Swamp Fox and many battle sites. Rural / farming life and rural towns will form an attractive visitor experience.

The North can be a centre for the revolutionary war linked to the East with many heritage towns, the arts and parks development.

Chapter 6 Marketing Strategy, section 4.3, identifies a set of possible marketing handles for the eight TDA areas.
5.2 TOURISM STRUCTURE PLAN

Designation of TDAs provides the basis for integrated planning of the entire South Carolina State so that it functions efficiently and is relatively self-contained.

The Tourism Structure Plan focuses on:

1. Building on the strengths of the Hilton Head, Charleston and Myrtle Beach coastal areas with emphasis on ‘branding’ according to development, type of experience, etc. The intention is to have a series of differentiated products that will be very different from the other States and will be much more in keeping with South Carolina and future demands of the markets.
2. Developing the nature, heritage and community based tourism product in the north, the east and west in a more intensive and commercial manner, offering an experience, but not compromising the integrity of the resource.
3. Creating marketable clusters of products supported by facilities and services to attract visitors for what will be a destination experience.
4. Developing tourism centers with specific themes and for impact identifying and creating flagship projects as key attractions across the State.
Anchoring and Linking TDAs and TSs

**Clustering:**
In order to attract more tourists to the TDAs, induce them to stay longer, and be convenient for tour/ground operators, various sites and attractions have been combined or linked in one area. It is very important for the State to develop a product that effectively integrates sites, attractions, events, activities, and associated accommodation. This clustering of sites is particularly applicable to The Mid West, where each attraction should be developed and packaged showcasing authentic products (crafts, events, services, products, experiences) and given a place on an itinerary to achieve a strong appeal.

Similarly, creating larger programs or festivals out of a series of individual local events (village fairs, horse trials, or more special events) should be achieved, clustering these attractions through coordinating dates, content and publicity.

**Theming:**
Clusters may be made more attractive by developing and building on themes likely to interest potential visitors. Themes may enable product differentiation. Main themes for South Carolina include:

- nature (forest areas and lakes, soft adventure)
- golf (Hilton Head, Charleston, Myrtle Beach, Greenville, Rock Hill, Columbia);
- equine (Aiken, Camden); and
- Rural (The East).

**Key Attractions:**
Key attractions are usually to be found within the city/town centers:

- Hilton Head, Myrtle Beach, (golf, beach);
- Charleston, Columbia (heritage);
- Columbia, Florence, Rock Hill (sports/events);
- Darlington (NASCAR);
- Greenville (town centre/park/river)
- Aiken (equine).

However, there are a grouping of key attractions within the North TDA including Carowinds Theme Park and Historic Brattonsville. Key attractions as flagship projects need to be developed to create strong spotlight attractions throughout the State for the visitor.

**Tourism Centers/Specific Themes:**
Specific tourism centers have been identified. Key themes will need to be identified for each centre such as:

- heritage;
- culture;
- arts;
- antiques;
- sports;
- events;
- rural/agriculture;
- shopping;
- beach; and
- marine.
Themed visitor centers are identified for each TDA. The purpose of the visitor centre would be to provide structured environmental education and a concentration of facilities, services and information for tourists.

**Resort Areas:**
Resort areas are identified to encourage integrated planning and protection of the environment. They will include:

- themed hotels/lodges/ranches;
- villa development to support nearby heritage sites and towns; and
- park and recreational areas around lakes.

The concentration of resort areas will also:

- make more efficient use of infrastructure;
- concentrate development to support more specialized facilities; and
- provide a variety of facilities in one area to meet a wide diversity of tourist needs.

**Themed Routes and Trails:**
Specialty routes enable visitors to focus on themes. This allows them to choose a particular experience (nature interpretation, heritage, the coast, eco/agro production etc.). Within this framework, a trail system can be developed to offer a mix of recreational settings from remote to urban. The Heritage Corridor has become a major theme for promoting tourism in South Carolina. However, the Corridor is sparse in the things to do and lacks linkages and interpretation along the way. It should also be noted that it covers only a portion of the heritage areas in the State. The TDAs and the identification of heritage towns will provide a more focused marketable experience which can be linked by an identified scenic route from which a variety of trails can be developed.

**State Parks**
The State Parks are an outstanding asset and ideal for the development of major centers for activity, recreation, nature, and eco tourism for residents and out of state visitors. If developed they can play an important role in repositioning South Carolina as a distinctive tourism destination.

At present they enjoy a very loyal patronage with a high level of repeat visits particularly by families and some second-generation families.

To attract new visitors they need to be developed. It is proposed that ten Parks be selected for major development as a separate Flagship Project. Upgrade and expand the overnight accommodation and make it more attractive by more upmarket design, fixtures and fittings as well as new decks and outdoor and recreation facilities around the accommodation units.

Open adventure trails and exploring trails. Establish fishing, boating, sailing, scouting and hunting schools within the parks. Provide guided fauna and flora tours. Organize camp-fire nights with participatory entertainment.
Integrating TDAs, TSs, Links and Themes

The overall concept aims to establish and promote a network of designated tourism circuits, scenic routes and trails, with appropriate signage and interpretive information that forms strong linkages with tourism sites and attractions, protected areas, visitor centers, community projects, events, and related experiences. There is a need to integrate all these elements, in terms of:

- delivering product experiences;
- raising awareness about exploring and discovering South Carolina; and
- marketing and promoting the product.

Investments made in the existing and proposed tourism sites probably cannot be justified on an individual basis alone. The real value of the investment will be achieved through integration strategies that present the sites in the context of an overall product experience. In this respect, well-organized tour routes and excursions, escorted by well-trained, knowledgeable and friendly guides, can make a significant difference to a visit.

5.3. CONCLUSIONS AND RECOMMENDATIONS

- To increase the economic and social benefits of tourism and achieve a better spread of tourism, it is proposed that the developed tourism areas along the coast improve access and develop high yield products. In the rest of the State, it is recommended that development should create quality activity, heritage and culture products in clusters.

- At present the State is a collection of varied diverse destination each with a separate identity and appealing to different markets. Many are not strong attractions on an individual basis. Clustering them will strengthen their attractiveness.

- The State Parks are an important national asset. Ten should be selected as a special flagship project for major development by way of upgrading the accommodation and establishing new activities and nature outdoor activity schools.

- Eight separate character zones have been identified as potential Tourism Destination Areas (TDAs)

- Each TDA has a combination of attractions creating clusters and underpinned with flagship projects. The Tourism Structure Plan focuses on;
  - Building on existing strengths
  - Developing nature, heritage and community based products
  - Creating marketable clusters
  - Developing centers and flagship projects as key attractions

- The overall concept is to establish and promote a network of tourism circuits and linkages between tourism sites and attractions within and between the TDAs.
6. ACTION PLANS

6.1 PROJECTS

The overall objective of the Product Development Action Plan is to enhance the existing product and develop a range of new products. This will be achieved through the following sub-objectives:

- to conserve, interpret and exploit the natural and cultural heritage sites and areas;
- to conserve, enhance and market the product – existing and new;
- to enhance the quality and extend the range of tourism products in developed tourism areas.
- to encourage the special spread of tourism to the underdeveloped areas;
- to encourage different types of accommodation to include high quality lodges;
- to introduce flagship developments (waterfront, equine and heritage themes) and a variety of things to see and do; and
- to promote community-based tourism development;

Forty-nine pilot/demonstration projects have been identified to begin the process of implementation of the Product Development Action Plan and include:

- natural resource development – parks, lakes and beach improvements;
- cultural heritage resource development - historic sites and interpretation;
- community development – promotion of soft culture, arts and crafts and small business enterprises;
- product promotion – discovery routes and heritage trails; and
- integrated planning – long-term waterfront, resort and recreational developments.

Projects have been identified for each Tourism Development Area.

6.2 FLAGSHIP PRIORITY PROJECTS

Eleven priority Flagship Projects are proposed to kick-start and give a focus to the TDAs. Their development will be dependent on State grant funding and other incentives to drive and influence private sector investment. Indicative capital costs are given where possible. These costs do not include site acquisition. Final costs will, of course, be dependent on detailed planning, size and quality of finish. These flagship projects have been proposed having regard to

- market need,
- existence of product components,
- potential to attract investment from the private sector/market,
- potential for employment and business opportunities,
- potential to create environmental benefits/awareness, and
- availability of infrastructure/ease of connection.
6.3 TOURISM DESTINATION AREAS

The eight Tourism Destination Areas span the existing Tourism Regions with individual Regional Tourism Offices (RTOs) and Convention and Visitor Bureaus (CVBs) being responsible for more than one TDA and sharing responsibility with neighboring RTOs and CVBs. This will require the RTOs and CVBs coordinating their development and marketing activities and working closely with the State tourism organization.

The following map shows the cross over between the Tourism Regions and the Tourism Development Areas.

The RTOs and CVBs are situated in the following locations:

Irmo, Charleston, Point South (Yamassee) Myrtle Beach, Laurens, Florence, Pendleton, Santee, Chester, Aiken, Greenville, Columbia, Anderson, North Augusta, Georgetown, Greenwood, Hilton Head, Spartanburg, Sumter, and York
6.3.1 **Central Core**

Columbia is the State’s capital, university city and shopping destination. It provides a concentration of facilities and services, including a range of tourism accommodation, residential areas around large lakes and with good linkages to Newberry to the west and Camden to the east. The “River Alliance” and “Vista” areas development will give Columbia a recreation focus and make it a tourist centre with the lakes, rural areas and towns providing nature and activity.

**TDA 1: Central Core**

The following projects are identified for the Central Core:

- Columbia Urban Regeneration Program – Main Street, Vista, Five Points, University Area
- Newberry Town Centre Improvement Program
- Camden Resort Development – identification of sites/briefs for flagship ranches
- Santee Town Centre Improvement Program
- Lake Murray Development Strategy – planning controls, public access to lake
- Lake Marion Development Strategy – identification of sites/briefs for flagship resorts, planning/zoning for land and water, public access to lake, bird hides

Two Flagship Priority Projects are proposed for the Central Core
Columbia - River Alliance

Columbia is maturing as the State Capital. The River Alliance is developing the riverside area as a leisure area and refocusing the city towards the river which is a significant asset. This development should be accelerated to provide, amongst others, an integrated riverside development including a 4/5* hotel, consumer and residential developments (converting the old mills), a cruising base for canal cruising, rowing centre, whitewater rafting, excavation/archaeological dig of war sites and earth works culminating in an active archaeological interpretative centre.

To complement the Riverside Alliance development, the “Vista Area” and University quarter should be further expanded.

Indicative Cost $125m.

State Interpretative Centre - on I-95/I-20 Intersection Area

An opportunity exists to showcase South Carolina and its history, culture and the variety of attractions to the transit traffic passing through the State on the north-south/east-west corridors near the I-95/I-20 intersection. An Interpretative Centre is proposed to tell the South Carolina Story. This would include a menu of the State’s history, culture, South Carolina’s Native Americans, the slavery period, the State’s cuisine, music, dress, general lifestyles, the revolutionary and civil wars.

This would entice transit visitors to stop and visit other parts of South Carolina on their trip or to make a subsequent trip to do so.

Santee is suggested as the possible location

Indicative Cost $3m.
6.3.2 NORTH WEST

The philosophy is to maintain a rich environmental reserve of natural and heritage features with appropriate development carefully integrated into the setting. Urban regeneration and improvement of the main towns with the focus on the Garden City (Greenville), sports, agriculture, crafts and adventure sports.

**TDA 2: The North West**

The following projects are identified for the North West:

- Greenville Urban Regeneration Program – focus on ‘Garden City’ and ‘gateways’ to mountains
- Anderson Town Centre Improvement Program – focus on sports and events
- Pendleton Town Square Improvement Program and Agricultural Trail
- Sumter Forest Adventure/Extreme Sports Centre
- Lake Jocassee/Keowee Resort Development – identification of sites/briefs for hotel/villa development, bird hides
- National Park Improvement Program – site planning and repositioning of accommodation

A Mountain and Nature flagship projects is proposed for the North West
Mountain and Nature

Organize and package Soft Adventure, Walking, Cycling, Fauna, Flora in the area and promote Greenville for shopping, crafts, local produce arts, culture.

Greenville to be designated the flagship city for the North West. It could be the location for an interpretative centre for the area, highlighting what the area has to offer particularly crafts, local produce, arts and culture, acting as a hub with spokes to Anderson, Pendleton, Sumpter Forest, Lake Jocassee, Keowee, with Greenville itself developing walking streets and park extensions.

Indicative Costs $1m.

6.3.3 MID WEST

Again the philosophy is to maintain the rich environmental reserve of natural and heritage features. This is horse country and the aim is to make it a national equine centre for racing, hunting, equine academies supported by rural towns and lakeside development.

**TDA 3: The Mid West**

The following projects are proposed for the Mid West:

- Abbeville Town Square Improvement Program and Heritage Trail
- Lake Russell/Thurmond Development Strategy - identification of sites/briefs for hotel/villa development
- Edgefield Town Square Improvement Program and Cotton Trail
- Aiken Alley Improvement Program and Heritage Trail
- Aiken Resort Development - identification of sites/briefs for flagship ranches
- Barnwell Town Square Improvement Program and Agricultural Trail

Two Priority Flagship Projects are proposed for the Mid West.
National Equestrian Area

A new equine corridor should be created with a primary focal point at Aiken. The race course should be developed so that it hosts regular race meetings with a number of major events of national – and international – status. Stud farms and training establishments should be encouraged to be open for guided visits. A Horse Activity Centre should be established to include tuitions and residential equestrian experiences. The full package of equestrian-related events should be developed into a calendar of events, packaged and promoted. Aiken, with I-20 nearby links to Camden, should be the centre.

Indicative Cost $40m.

Heritage Corridor/Towns

The approach should change from heritage sites to heritage towns, and to increase, develop and link key heritage towns with interlinked interpretation. The existing towns of Blackville and Edgefield should be complemented by new heritage-related developments in towns (some already proposed) at Pendleton, Abbeville, Aiken, Santee and Summerville.

Indicative Cost $3m.

**TDAs 4, 5, 6: Hilton Head/Charleston/Myrtle Beach**

The maps for the three coastal Tourism Development Areas are linked together as they share the necklace of coastal marinas and many other features.
6.3.4 **HILTON HEAD**

Along the coast are three key TDAs, (which could be taken as a single coastal destination area) – Hilton Head, Charleston and Myrtle Beach.

Hilton Head offers marine/beach recreation and golf, plus heritage (Bluffton) and new recreation development with high conservation values.

The following projects are proposed for Hilton Head:

- Access road improvements
- Bluffton Town Urban Regeneration Program
- Palmetto Bluff Resort Development
- Develop Hilton Head as part of Necklace of Coastal Marinas
- Develop Ecotourism (including sea safaris and mammal watching)

**Necklace of Marinas**

South Carolina is about half way between New York and Miami. Its popularity as a stopover for yachts en-route between the two areas is slowly growing Some longer term berthing of yachts in South Carolina is also growing. Independent marinas exist or are being developed or expanded along the coast at Grand Dunes, Charleston, Hilton Head, Palmetto Bluff, These should be further developed and marketed as a Necklace of Marinas to position South Carolina as the yachting centre on the East Coast. This will enhance the positioning of the State and grow another tourism revenue source. (e.g. Monte Carlo)

Indicative Top up Costs $3m.

6.3.5 **CHARLESTON**

Charleston is the jewel in the South Carolina crown with its rich heritage. Charleston’s conservation, presentation and tourist flow management make it one of the most attractive and best known destination areas within the State and the United States. Indeed it could be regarded as the ‘hook’ for South Carolina for international visitors. Charleston is unique in having its own successful visitor management plan: this could serve as a model for other towns in the State.

The following projects are proposed for Charleston:

- Charleston Urban Regeneration Program – focus on ‘gateways’ to town
- Charleston Town Shopping/Heritage Trail (Preserve small shops in town centre. Rising rents are forcing them out)
- Tourism Park and Ride Program
- Bird Watching Strategy/Interpretation Centre (Francis Marion Forest and Coast)
- Develop Charleston as part of Necklace of Coastal Marinas

The development of the Gullah heritage is proposed as the Priority Flagship Project for the Charleston area.
Gullah Country

The Gullah story requires stronger presentation. Towards this end, better packaging and three interpretative centers are proposed which will gather together the Gullah story and present it in a more understanding and interactive manner. The locations proposed are Penn Centre, Charles Towne Landing and Beaufort as the hub centre for the Gullah.

Indicative Cost $5m.

6.3.6 MYRTLE BEACH

Myrtle Beach is the most popular resort area in South Carolina. Much of its tourist plant is outmoded and “tired”. It needs to be repositioned so as to attract higher spending visitors and alleviate its high seasonality factor.

Re-development of the beach front area, upgrading the accommodation bank together with the major new developments in progress or planned – i.e. sports training academy, Hard Rock theme park, major convention center - supported by the enhancement of the inland towns will better position it to have a more positive future with medium term development as a convention centre.

The following projects are proposed for Myrtle Beach

- Myrtle Beach Urban Regeneration Program – focus on ‘gateways’ to town and in the future, develop as convention and sports centre supported by improved airport and air access
- Atlantic Beach Resort Centre – public realm improvements/facilities
- Little River Resort Centre – public realm improvements/facilities
- Myrtle Beach Resort Centre – public realm improvements/facilities
- Beach Protection, Re-nourishment program
- Surfside Beach Resort Centre – public realm improvements/facilities
- North Myrtle Beach Resort Area – hotel/villa development
- Develop Myrtle Beach as part of Necklace of Coastal Marinas
- Golf Development Strategy – future demand/type/quality etc
- State Park Improvement Program – site planning and repositioning of accommodation including Hunting Beach State Park
- Georgetown Town Centre Improvement Program and Heritage Trail

The following is proposed as the Priority flagship Project for Myrtle Beach

Myrtle Beach Repositioning

Myrtle Beach suffers from a high level of seasonality. To generate shoulder and low season business Myrtle Beach has to be re-positioned. Towards this end a number of developments are underway or planned, such as the Kal Ripkin Sports Centre (construction started), Hard Rock Theme Park (underway), closing down the Pavilion amusements, further expansion of “Broadway on the Beach”, This should help generate the rehabilitation of the Boulevard and beach front area giving greater access to the beach.
The above developments lead the way for Myrtle Beach to become a National Convention and Sports Academy destination. This requires:

- additional four and five star hotels,
- major investment to develop an international-style and –standard Convention Center,
- improved airport capacity and road access.

In respect of access, the construction of I-73 to Myrtle Beach must be seen as a priority though it will take some years to come to fruition. The early completion of the research work of the North Eastern Strategic Alliance (NESA) on the new regional airport and a plan of implementation are also essential.

Indicative Cost $225m.

6.3.7 THE EAST

The East is essentially comprised of ‘quiet areas’ showcasing country and country town life. Living, experiencing earlier rural farming and lifestyle for the enjoyment of both in state, out of state and international visitors with a continuation of the revolutionary war experience from the Rock Hill area and majoring on the ‘Swamp Fox’ - Francis Marion.

**TDA 7: The East**

The following projects are proposed for The East

- Florence Town Centre Improvement Program – focus on sports and events
- Cheraw Town Square Improvement Program and Heritage Trail
- Hartsville Town Park Improvement Program and Cotton Trail
- Darlington Town Centre Urban Regeneration Program and Agricultural Trail
Two Priority Flagship Projects are proposed for The East

**Francis Marion Trail**

The State Legislature has already passed a resolution to create the Francis Marion Heritage and Tourism Trail honoring Francis Marion’s revolutionary campaigns. The research and archaeological work to develop the Francis Marion trail be progressed. The defined sites developed and made accessible to visitors.

To further and present the story a central Francis Marion Interpretative Centre is proposed. This to be based at the Francis Marion University near I-95 and be supported by four clusters of Francis Marion sites interpreted at subsidiary Interpretive Centers at locations selected for access and their relationships to the site clusters.

Indicative Cost $5m.

**Country Life, Food and Rural Town Circuits**

The rural and rural town lifestyle of earlier times is of interest to today’s visitors. Presenting it in a meaningful and attractive manner is the challenge. The country towns’ architecture and street furniture of former times should be preserved, revived, rehabilitated and/or recreated.

A series of Outdoor/Indoor Country Life presentations are proposed to give an interactive experience of former days farming and country living. These could include live period farms and farmyards with the relevant machinery, equipment, buildings and methods in operation. Some could include overnight accommodation again furnished, fitted and operated to reflect the former ambiance, food etc.

Indicative Cost $3m.
6.3.8 THE NORTH

The North should have Rock Hill as a center for a major interpretation centre and trail related to the wars fought in the State. This should be complemented by heritage, cultural and arts trails with attractive town centers.

**TDA 8: The North**

The following projects are proposed for The North:

- Rock Hill Town Centre Improvement Program
- York Town Centre Improvement Program and Heritage Trail
- Chester Town Centre Improvement Program and Heritage Trail
- Lancaster Town Centre Improvement Program and Arts Trail
- Historic Bartonville Improvement Program (linkage with York Heritage Trail)
- Catawba Cultural Centre Improvement Program and Cultural Trail
- State Park Improvement Program – site planning and repositioning of accommodation

The following Priority Flagship Project is proposed for The North

**Revolutionary War (Battlefields)**

A major Interpretative Centre is proposed in the Rock Hill Area with subsidiaries at important battle sites in the region and linking to the Francis Marion centers. These should comprise vivid presentations using audio visual and other techniques to recreate and present the battle tactics as well as the events linking them together and to other battles and campaigns in the Revolutionary and Civil Wars around the country. The aim would be to establish these as the places where people get an understanding of the wars fought in the State.

Indicative Cost $3.5m.
6.4 CONCLUSIONS AND RECOMMENDATIONS

- The overall objective of the Action Plans is to attract higher spend tourists, improve the yield and achieve a better spatial spread through enhanced existing products and new products.

- Forty-nine pilot demonstration projects have been identified to kick-start the product development action plan. These cover various types of development:
  - Parks, Lakes and Beach Improvements
  - Historic and Culture Sites
  - Arts and Crafts
  - Discovery Routes and Heritage Trails
  - Waterfront and Resort development

- Eleven Priority Flagship Projects are proposed to give a focus to the TDAs these will be dependent on state funding and incentives to influence private sector investment.

- The State Parks are such a valuable asset that it is proposed that ten be selected for development as a special Flagship Project

- Eight Tourism Development Areas (TDAs) are proposed to produce themed tourism clusters and circuits.

- The development of the TDAs will require the existing RTOs and CVBs to work across their regional boundaries in cooperation with regional colleagues to drive the development and marketing.
7. PULLING IT ALL TOGETHER

7.1 TOURISM DEVELOPMENT AREAS (TDA) PLANNING

Tourism development involves capitalizing on the State’s natural and heritage resources which usually means many diverse opinions on use and management. To be successful and sustainable, tourism development requires the involvement of all stakeholders, including the private sector, government, communities and NGOs to ensure that there is a general understanding and consensus on the direction and magnitude of tourism development in the State.

For this reason it will be important to prepare TDA Plans for each area:

1. Central Core
2. The North West
3. The Mid West
4. Hilton Head
5. Charleston
6. Myrtle Beach
7. The East
8. The North

The level of planning will present the tourism development opportunities for the TDA as a whole and set out an overall strategic approach and development guidelines for all major aspects of physical tourism development. The TDA Plans will define development briefs for specific sites and:

- specify development land parcels for different tourism uses;
- integrate market potential inputs;
- define development potential, densities and constraints;
- incorporate design guidelines/illustrations; and
- develop implementation strategies in conjunction with tourism investment inputs.

7.2 VISITOR INFORMATION PROGRAM (VIP)

Besides the coastal areas of Charleston, Hilton Head and Myrtle Beach, the individual tourism sites on offer, for the most part, are not sufficiently strong attractions in themselves. There is, therefore, the need for integration, both in delivering product experiences and raising awareness about and promoting the value of exploring and discovering the State. A well coordinated visitor information package will help visitors find their way to a variety of interesting sites, enabling them to learn more about and fully appreciate South Carolina’s natural, historic and cultural resources.

Every visitor to South Carolina comes with his/her personal biases and interests. Villa owners and golfers will prefer a cursory look at the historic towns and enjoy the State’s natural setting. Others will wish to learn more about South Carolina’s history and investigate its heritage. Many stay over visitors may wish to meet nature on its own terms, to challenge themselves physically and fully experience the forests, parks and lakes. However, most visitors will appreciate a mix of settings. Diversity of experience is key.

The overall concept of the VIP, therefore, seeks to establish and promote a network of designated scenic routes and trails away from the coast, with appropriate signage and interpretative information that forms linkages with a number of nature and historic destinations together with accommodation facilities.
The concept comprises of:

- a discovery route;
- specialty routes;
- nature and heritage trails;
- visitor map/information sheets;
- visitor signs and interpretation panels; and
- visitor guide book.

The above will be all coordinated and linked together with a graphic theme and based upon the extensive work already carried out under the Heritage Corridor program.

**Discovery Route**

The Discovery Route integrates the TDAs and TSs with the intent to:

- bring visitors to sites with a focus on nature and heritage;
- make visitors want to go back to discover more;
- provide one day or half day scenic excursions that impress the visitor, provide positive word of mouth, and make them feel like ‘I have really been to South Carolina’;
- provide positive economic benefits to the State and to the communities; and
- leave the visitor with a better understanding of the significant heritage of South Carolina, its natural resources, its people and communities.

**Specialty Routes**

The Specialty Routes will enable visitors to focus on a number of themes, allowing them to choose a particular experience. Themes could include, for example, nature interpretation, battlefields, cotton, agriculture and bird watching.

**Nature and Heritage Trails**

The trails present a mix of recreational settings from remote to urban. Within this framework, the trail system can be presented to the visitor thematically. Themes will help the visitor in comprehending the entire trail system and selecting trails which fit their interest and physical capabilities. The trail system may include the following themes:

- waterfalls;
- lakes;
- forests;
- wetlands;
- birds; and
- historic towns.

**Visitor Map and Information Sheets**

The map will be used to attract visitors to South Carolina and for them to explore the State. A revised full color, fold out map is envisaged which would stress the natural and cultural heritage resources and tourism attractions.
Visitor Signage and Information Panels

Three levels of signage are proposed:

- comprehensive road signs;
- directional signs to tourism sites - these serve to provide guidance to the start of trails, car parks and remind residents and inform visitors of the existence of South Carolina’s extensive nature and cultural heritage resource; and
- interpretative signs - these would be installed only in those locations where it is considered important to give information on sites, for example at heritage sites and intensive use areas.

Visitor Guide Book

The guide book will be fully integrated with the map and signage and share a common graphic palette. It will describe the discovery and specialty routes, nature and heritages trails, and include brief essays on tourism related topics.

The VIP will be promoted at all the border Visitor Welcome Centers and tourism centers within each TDA. With the product offerings packaged and promoted, this will result in more expenditure flowing to the interior of the State. A significant benefit will also be increased opportunities for local people to learn about their own State and gain a sense of pride in being able to offer these products and experiences. Familiarity with the Visitor Guide Book should be incorporated in the Tourism Awareness Campaign for the State’s population proposed in Chapter 7 Human Resource Development.

Coastal Access and Evacuation

The road access to the coastal resort areas is under strain and causing frustration for arriving visitors. This is an impediment to growth. More importantly, it undermines the State’s responsibility to its visitors in ensuring their safety in the event of hurricanes or tornadoes in that the roads are not adequate for orderly evacuation. Investment by the Federal and State administrations in upgrading the coastal access and evacuation roads is a matter of urgency.

Development and Enhancement Incentives

To encourage and generate private investment in developing tourism products, facilities and services it will be necessary to have incentive packages offered by Federal, State and Local administrations. More importantly the provision of incentives can play a major role in directing investment towards the type, quality and location of products, services and facilities that are in keeping with and advance the tourism plan.

In this connection, the State tourism organization, with an effective development arm, will need to have a consultative role in the granting, by other agencies, of incentives for tourism development.
There is a range of incentives available at present such as

- Historic Tax Incentives
- Job Creation Tax Credits
- Income Tax Credits
- Property Tax Exemptions
- Sales Tax Exemptions
- Tax Increment Districts
- Municipal and Government Bond Issues

Some of these need to be reviewed and reshaped to the needs of tourist investment. In addition there is a case for a non-repayable grant scheme for tourism development in certain areas and for certain types of development where the investment attraction is not strong. Such grant schemes have been used successfully in other destinations (e.g. Ireland) to attract and direct investment.

7.3. CONCLUSIONS AND RECOMMENDATIONS

- With the involvement of all stakeholders including the private sector, government and communities and NGOs, plans should be developed for each TDA. These will set out the strategic approach and development guidelines, briefs and usages.

- A visitor information program will be developed and put in place to establish and promote a network of scenic routes with appropriate signage and information to link destinations and facilities and will comprise:
  - Discovery Routes
  - Nature and Heritage Trails
  - Visitor Maps and Information Sheets
  - Signage and Interpretation Panels
  - Guide Books

- The access and egress roads to the Coastal areas need to be upgraded to ensure easy access and safe and orderly evacuation

- A range of improved development incentives should be introduced. These will include State grant schemes and tax incentives.
SOUTH CAROLINA TOURISM ACTION PLAN

Tourism Action Plan 2006

CHAPTER FIVE

MARKET EVALUATION AND PRIORITIZATION
**TERMS OF REFERENCE**

Working closely with other team members, the market research expert undertook the following tasks:

* A comprehensive desk research program. This review comprised an examination of statistics relating to South Carolina, the United States and international tourism.

* Consultations with 35 opinion formers and tourism industry representatives in South Carolina. Consultations were held by means of face-to-face interviews carried out during three visits to South Carolina from February to May 2006.

* A survey of 54 Travel Trade Executives was conducted in the United States and South Carolina’s main international markets. The survey was carried out by telephone and e-mail from 20th February to 20th April. A copy of the questionnaire and sample details are included in Volume III.

* The preparation of 8 case studies with a view to identifying examples of best practice in tourism.

This mission report covers the period January to May 2006.
CHAPTER FIVE
NEW CAROLINA TOURISM ACTION PLAN

MARKET EVALUATION AND PRIORITIZATION

EXECUTIVE SUMMARY

1. BACKGROUND

In order to ensure that South Carolina adopts a market-led approach, a detailed market appraisal and evaluation was carried out. The overall objectives of the market appraisal and evaluation were:

- to identify the markets/market segments (both Domestic U.S. and International) that will offer the greatest potential for South Carolina, and
- to advise on the type of products/experiences that will be required to cater for these markets/market segments.

This chapter of the New Carolina Tourism Action Plan examines in detail Domestic and International tourism trends, and tourism in South Carolina. The views of 38 industry stakeholders in South Carolina and 54 travel trade executives regarding South Carolina and its potential for tourism were also sought.

Finally, to assist in the benchmarking of South Carolina, Case Studies have been prepared in respect of five U.S. States and four international destinations.

2. DOMESTIC AND INTERNATIONAL TOURISM TRENDS

South Carolina is very well positioned to capitalize on its close proximity to the main tourism generating markets in the United States. Five of the top ten trip generating States are on the Eastern Seaboard of the United States and three (Florida, Georgia and North Carolina) are close neighbors.

International tourism has been growing at a significantly faster rate than Domestic U.S. tourism over the past two decades (4.5% versus 1%). Tourism is now one of the world’s largest industries. As a consequence of lower growth rate than recorded in other parts of the world, the United States’ share of international tourism has declined from 9% in 1992 to 6% in 2004. Given the buoyancy and long term durability of International tourism, it is essential that the New Carolina Tourism Action Plan should have a strong international focus.

In respect of both the Domestic and International markets, demand for culture and heritage tourism, and outdoor activity and soft adventure-based vacations has grown. Across the globe, vacationers display an increased awareness of the environment.
3. **TOURISM IN SOUTH CAROLINA**

Overnight out-of-state visitors currently account for half of all (32 million) visits made to South Carolina but two-thirds of domestic travel expenditure. Domestic marketing activities should focus on generating increased visitation from overnight out-of-state visitors.

The very high concentration of visits (40%) in Myrtle Beach, allied to the lower-than-average median income of visitors to this part of the State, is the major contributory factor in the low level of visitor expenditure in South Carolina by comparison with other U.S. destinations.

In order to increase visitor expenditure from its current low levels, it will be necessary for South Carolina to attract higher income visitors than is currently the case. To achieve this objective, investment will be required to upgrade tourism products and develop new tourism products in locations where potential exists to attract discerning U.S. and international visitors.

4. **STAKEHOLDER CONSULTATIONS**

There is a consensus amongst tourism industry stakeholders in South Carolina that the State is ‘punching below its weight’. This is due to a range of weaknesses including those associated with marketing, the tourism product, and the manner in which tourism is organized.

Stakeholders were critical of the fact that insufficient resources had been allocated to the marketing of the State as a tourism destination. There is a call for greater resources to be allocated to promoting awareness of South Carolina in key markets. In tandem with increased marketing budgets, a new, more distinctive tourism brand is recommended to help position the State in an increasingly competitive environment. In particular, it was felt that the current slogan ‘Smiling Faces Beautiful Places’ does not reinforce the State’s Unique Selling Propositions.

The State is acknowledged to have a wide diversity of assets including natural features/attractions allied to rich history and culture. To date, however, there has been a lack of investment in developing the State’s resources into tourism products (i.e. attractions, activities etc.). It is a strongly-held view that South Carolina has all the essential ingredients to cater for the heritage/culture and the soft adventure/activity segments of the market.

The lack of direct flights to South Carolina, allied to the poor condition of the State’s roads, is considered to be a major weakness. Unless addressed, stakeholders believe these access-related issues will greatly hinder the development of tourism.

5. **SOUTH CAROLINA’S POSITION IN THE TOURISM MARKETPLACE**

Current levels of awareness of South Carolina within the United States are low. Where potential consumers do hold an impression of the State the image of South Carolina is not as favorable as that of its direct competitors.

Sustained marketing efforts (underpinned by the development of a distinctive new brand for South Carolina tourism) will be required to raise awareness levels and strengthen the State’s positioning as an appealing tourism destination.
6. TRAVEL TRADE SURVEY

The travel trade reports an increase in demand for vacation experiences that will challenge individuals both mentally and physically. Hence, there has been a growth in heritage/cultural tourism and outdoor activity/soft adventure vacations.

Apart from its mainstream tourism offer of beaches and golf (for which there is likely to be continued demand) the travel trade is of the opinion that South Carolina has many of the constituent elements to cater for heritage/cultural tourism.

The availability of direct access and (sustained) marketing efforts are the reasons attributed by the travel trade to the growth of the most popular U.S. destinations. Conversely, the absence of direct access and perceived inadequate levels of marketing (resulting in low levels of awareness) are the main shortcomings associated with South Carolina.

7. CASE STUDIES

In the United States a diversity of tourism organizational models exist at State level. These range from divisions of State Departments through to public/private companies (as is the case with Visit Florida). Typically, tourism efforts (and specifically budgets) are focused on marketing. A number of States do have a product development planning remit but only West Virginia backs this up with grant aid for tourism product development.

In the international realm, independent tourism authorities are the preferred organizational model. These organizations are at arm’s length from government and have greater freedom in implementation and decision-making than a government department. Typically the National Tourism Authorities have a remit for the totality of tourism including human resources, visitor servicing, tourism development and marketing.
INTRODUCTION

1. INTRODUCTION

This Chapter 5 presents the findings and conclusions from a market appraisal and evaluation carried out as part of the South Carolina Tourism Action Plan.

2. OBJECTIVES AND TERMS OF REFERENCE

The overall objectives of this assignment were:

- to identify the markets/market segments that offer the greatest potential for South Carolina, and
- to advise on the type of products and experiences that will need to be developed to cater for these markets/market segments.

The specific terms of reference for the assignment were as follows:-

- To undertake a detailed examination of recent and current tourism patterns in South Carolina.
- To undertake an examination of US and world tourism trends and the competitive environment in which South Carolina tourism finds itself.
- To obtain an understanding as to how South Carolina is perceived as a tourism destination.
- To identify the issues/priorities which key stakeholders in the South Carolina tourism industry feel should be addressed in the Tourism Action Plan for South Carolina.
- To examine examples of best practice in tourism in the United States and internationally.
- To identify South Carolina’s unique selling proposition and the target markets and market segments that will offer South Carolina the greatest opportunity for growth.
- To recommend the most appropriate types of products and experiences that will be required to satisfy the needs of the target markets and market segments.

3. METHODOLOGY

In order to address the objectives and terms of reference for this assignment, the following activities were undertaken:-

- A comprehensive desk research program. This review comprised an examination of statistics relating to South Carolina, the United States and international tourism.
- Consultations with 35 opinion formers and tourism industry representatives in South Carolina. Consultations were held by means of face-to-face interviews carried out during three visits to South Carolina from February to May 2006.
- A survey of 54 Travel Trade Executives was conducted in the United States and South Carolina’s main international markets. The survey was carried out by telephone and e-mail from 20th February to 20th April. A copy of the questionnaire and sample details are included as an appendix to this report.
- The preparation of 8 case studies with a view to identifying examples of best practice in tourism. The case studies examined were:-
4. REPORT FORMAT

Chapter 5 is presented under the following headings:-

- Part 1 Domestic and International Tourism Trends.
- Part 2 Tourism in South Carolina.
- Part 3 Stakeholder Consultations
- Part 4 South Carolina’s Position in the Tourism Marketplace
- Part 5 Survey of Travel Trade
- Part 6 Case Studies

5. ACKNOWLEDGEMENTS

The consultant wishes to acknowledge the cooperation of South Carolina industry representatives, travel trade executives, and tourism officials in other US States and overseas countries. The ongoing support and cooperation of SCPRT research staff was also much appreciated.
PART 1  DOMESTIC AND INTERNATIONAL TOURISM TRENDS

In Part 1 of Chapter 5, examination is made of the pattern of recent tourism performance both in respect of Domestic and International tourism. Against this backcloth, the Chapter sets out an overview of how tourism has preformed in South Carolina in terms of tourism numbers, visitor expenditure (revenue) and market share.

The source for this information is the Travel Industry Association of America (T.I.A.)

1.1 DOMESTIC TOURISM

1.1.1 Trips

In 2004, there were an estimated 1.16 billion trips* (of 50 miles or more) made by individuals in the U. S. These trips include both day and overnight travel. The number of total trips taken increased by 2.1% over 2003 and by 12% over a ten year time frame 1994-2004.

More than three quarters (77%) of all trips in the U.S. include at least one overnight stay, resulting in an estimated 893.1 million overnight trips in 2004. There were an estimated 270 million day trips (23% of total trips made in 2004).

| Table 5.1 – Volume of U.S. Domestic Travel Trips Duration (2004) |
|-------------------------|-------------------------|
| Overnight Trips         | 77%                     |
| Day Trips               | 23%                     |

* Source: T.I.A.

1.1.2 Spending

Domestic travelers spent more than $524.4 billion in the U.S. during 2004, an increase of 6.8% on 2003.

Total domestic leisure spending reached $355.4 billion up 5.3% over 2004. Spending by domestic business/convention travelers increased dramatically, up 10% to $169 billion. Domestic business travelers spending accounted for about one third of total domestic travel spending in 2004.
Table 5.2 – US Domestic Travel expenditure (2003/2004)

<table>
<thead>
<tr>
<th></th>
<th>2004 U.S. Domestic Travel Spending ($ Billions)</th>
<th>2003 U.S. Domestic Travel Spending ($ Billions)</th>
<th>2004 Percent Change Over 2003 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure Travelers</td>
<td>$355.4</td>
<td>$337.4</td>
<td>5.3%</td>
</tr>
<tr>
<td>Business Travelers</td>
<td>$169.0</td>
<td>$153.5</td>
<td>10.1%</td>
</tr>
<tr>
<td>Total</td>
<td>$524.4</td>
<td>$490.9</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

* Source: TIA

1.1.3 Purpose of Trip

Leisure travel (including V.F.R. (Visiting Friends/Relatives), sightseeing/entertainment, outdoor recreation, and other pleasure/personal reasons, accounts for four out of every five US domestic trips. One trip out of every five is for business purposes (both general business and convention/conference).

Table 5.3- Primary Purpose of Trip (2004)

<table>
<thead>
<tr>
<th>Purpose of Trip</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting Friends / Relatives (VFR)</td>
<td>41%</td>
</tr>
<tr>
<td>Business</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>17%</td>
</tr>
<tr>
<td>Leisure/Vacation</td>
<td>23%</td>
</tr>
</tbody>
</table>

* Source: T.I.A.

For future marketing purposes, priority will be given to those segments of the market which can be influenced through promotion. These promotable segments are the leisure/vacation segment (23%) and the convention/conference segment of business travel.

Most trips throughout the US will continue to take place regardless of marketing/promotional activities undertaken by individual destinations.
1.1.4 Trip Origin and Destinations

Generally, the most populous states of the US produce the highest number of trips. The top ten states of origin are shown below and include three (North Carolina, Georgia and Florida) that either border or are in close proximity to South Carolina.

South Carolina is also strategically located in relatively close proximity to the North Eastern region of the US, which includes a number of the top generating states (i.e. New York, Pennsylvania)

<table>
<thead>
<tr>
<th>States of Origin (Top 10)</th>
<th>State of Destination (Top 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>California</td>
</tr>
<tr>
<td>Texas</td>
<td>Florida</td>
</tr>
<tr>
<td>New York</td>
<td>Texas</td>
</tr>
<tr>
<td>Florida</td>
<td>New York</td>
</tr>
<tr>
<td>Illinois</td>
<td>Pennsylvania</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>Illinois</td>
</tr>
<tr>
<td>Ohio</td>
<td>Ohio</td>
</tr>
<tr>
<td>Michigan</td>
<td>North Carolina</td>
</tr>
<tr>
<td>Georgia</td>
<td>Georgia</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Virginia</td>
</tr>
</tbody>
</table>

* Source: T.I.A.

There is a very strong correlation between States of residence and States of destination. Therefore, it is not surprising that the most populous census division, the South Atlantic (with 22% of trips) is the most popular region in the US along with the Pacific Census Division (16%) and East North Central (15%). In terms of top destination States, the hierarchy includes four of South Carolina’s closest neighbors (Florida, North Carolina, Georgia and Virginia).

Travel is most likely to occur in the households own state of residence, accounting for two in five (42%) of all trips taken. One of five trips (20%) is made outside the traveler’s own state but within the census division of residence. The balance of trips (38%) are made to destinations outside the census division.

<table>
<thead>
<tr>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of origin and destination are same 42</td>
</tr>
<tr>
<td>Destination is in census division but not in state 20</td>
</tr>
<tr>
<td>Destination is out of census division 38</td>
</tr>
</tbody>
</table>

* Source: T.I.A.

So while South Carolina’s best prospects are likely to be close to home, there is clear evidence to suggest that potential also exists to attract visitors from outside the South Atlantic census region.
### 1.1.5 Trip Characteristics

**Mode of Transport:** Own automobile/truck is by far the most important mode of transport used for trips taken in the U.S. Air Travel accounts for 16% of trips taken.

**Trip Duration:** Average length of stay for all trips taken (including day trips) is 3.1 nights and 4.1 nights when day trips are excluded.
Table 5.7 – Trip Characteristics (2004)

<table>
<thead>
<tr>
<th>Primary Mode of Transportation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus/Motorcoach</td>
<td>2</td>
</tr>
<tr>
<td>Train</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Trip Duration</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day trips</td>
<td>24</td>
</tr>
<tr>
<td>1 or 2 nights</td>
<td>34</td>
</tr>
<tr>
<td>3 or 6 nights</td>
<td>29</td>
</tr>
<tr>
<td>7 nights or more</td>
<td>13</td>
</tr>
<tr>
<td>Average duration (includes 0 nights)</td>
<td>3.1 nights</td>
</tr>
<tr>
<td>Average duration (excludes 0 nights)</td>
<td>4.1 nights</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lodging at Destination</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(among overnight household trips)</td>
<td></td>
</tr>
<tr>
<td>Hotel/motel/B&amp;B</td>
<td>55</td>
</tr>
<tr>
<td>Friends, relatives homes</td>
<td>39</td>
</tr>
<tr>
<td>RV or tent</td>
<td>5</td>
</tr>
<tr>
<td>Condo or time share</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
<tr>
<td>Average duration at hotel/motel/B&amp;B (nights)</td>
<td>3.2 nights</td>
</tr>
<tr>
<td>Average duration at friends/relatives (nights)</td>
<td>4.1 nights</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Party Composition</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solo Traveler</td>
<td>41</td>
</tr>
<tr>
<td>Multiple Adults</td>
<td>33</td>
</tr>
<tr>
<td>Adults with children</td>
<td>26</td>
</tr>
</tbody>
</table>

* Source: T.I.A.

Lodging at Destinations: serviced accommodation in the form of hotels, motels and B&Bs are the most popular type of accommodation used (by 54%). The homes of friends or relatives account for four out of every ten trips.

Party composition: 41% of trips occur amongst individuals traveling on their own. One trip is every four comprised adults with children.

Day Trip vs. Overnight Stay Variations: Apart from the difference is spending between day visits ($133 per trip) and overnight units ($479 per trip), other variations are evident as between the characteristics of individuals making day trips and those making overnight trips. The most significant variations are as follows:

- Overnight trips are more likely than day trips to involve a visit to friends or relatives as the primary purpose of the trip (43% as against 34%).
- 20% of overnight trips involve air travel (as against 3% for day trips).
- On average, day trips involve one activity while overnight trips typically involve an average of two activities.
- For seven out of every ten day trips, the state of origin and destinations are the same. Where overnight trips are concerned just one third of trips involve the state of origin and destination being the same.
1.1.6 Participation in Activities

Shopping and attendance at social or family events are the most popular activities undertaken.

As can be seen from table 5.8 below, overnight trips in the US involve participation in a more extensive range of activities which also include sightseeing, outdoor activities, beach visits and visits to historic attractions.

Taken collectively, sports are significant with 10% participating in different sporting activities and 6% attending sporting events.

Table 5.8 – Activities Undertaken at Destination (2004)

<table>
<thead>
<tr>
<th>TRIP CHARACTERISTICS</th>
<th>Day Trips</th>
<th>Overnight Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base = millions of person –trips</td>
<td>270.8</td>
<td>893.1</td>
</tr>
<tr>
<td>Activities at Destination**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>Attend a Social/Family event</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td>Outdoor</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>City/Urban sightseeing</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Rural sightseeing</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Beach Activities</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Historic Places, Sites, Museum</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Gambling</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Theme/Amusement Park</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>National/State Park</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Seminar/Courses</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Nightlife/Dancing</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Attend Sports Event</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Zoo/Aquarium/Science Museum</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Water Sports/Boating</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Cultural Events/Festivals</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Golf</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Art Museums/Galleries</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Winter Sports</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

* Source: T.I.A.

1.1.7 Seasonality

July and August are the most popular months for US domestic travel followed by May and June. Outside of the summer period, the holiday months of November and December are next in order of importance in terms of visits generated.
As can be seen from Table 5.9, the pattern of day trips displays little variation throughout the year. Overnight trips, on the other hand, peak in the summer months.

### 1.1.8 Geodemographic Profiles of US Traveling Householders

In July 2003, the Travel Industry Association of America launched a new geodemographic neighborhood segmentation system PRIZM© developed by Charitas Ltd.

The system is based on the principle that people with similar backgrounds and consumer behavior, cluster of move into neighborhoods best suited to their chosen lifestyles. Through extensive statistical analysis, a PRIZM contains 66 clusters across 14 broader social groups that are organized by degree of urbanization and affluence or socio-economic status.

Table 5.10 below shows the propensity of US householders to take trips (measured by household trips), compared to the share of total householders in each of the 14 PRIZM social groups.

Of the 14 PRIZM social groups, the largest shares of household trips are generated by the Landed Gentry (14%) and the County Comfort (12%) social groups. The Landed Gentry comprise 8% of US households yet make 14% of US household trips. Because this group/cluster makes many more trips than their population size would suggest, the Landed Gentry social groups has a Travel Intensity Index of 169. Equally, a disproportionate number of trips are made by the Country Comfort, The Affluentials, Elite Suburbs, and Second City Society social groups.
The characteristics of some of the more significant PRIZM Social Groups are:

- **Landed Gentry**
  Widely scattered throughout the nation, the five segments in the Landed Gentry social group consist of wealthy Americans who migrated to the smaller boomtowns beyond the nation’s beltways. Many of the households contain Boomer families and couples with college degrees, professional jobs—they’re twice as likely as average Americans to telecommute—and expansive homes. With their upscale incomes, they can afford to spend heavily on consumer electronic, wireless and computer technology, luxury cars, powerboats, books and magazines, children’s toys and exercise equipment.

- **Second City Society**
  Among second-tier cities, Second City Society stands at the top of the heap, a social group consisting of the wealthiest families who live outside the nation’s metropolitan core. The three segments in this group are dominated with married couples with children, college degrees, large homes, and executive jobs. Ethnically, the residents are predominantly white with above-average rates of Asian Americans. In the marketplace, they spend big on digital and wireless technology, business and cultural media, casual-dining restaurants, upscale retailers, foreign travel and luxury cars.
Elite Suburbs

The most affluent suburban social group, Elite Suburbs is a word of six-figure incomes, post-graduate degrees, single-family homes and managerial and professional occupations. The segments here are predominantly white with significant concentrations of well-off Asian Americans. Befitting their lofty salaries, members are big consumers of large homes, expensive clothes, luxury cars and foreign travel. Despite representing a small portion of the U.S. population, they hold a large share of the nation’s personal net worth.

The Affluentials

The six segments in The Affluentials are one socioeconomic rung down from the Elite Suburbs—with a 25 percent drop in median income—but their residents still enjoy comfortable, suburban lifestyles. The median income of this segment is nearly $60,000, the median home value is about $200,000, and the mostly couples in this social group tend to have college degrees and white collar jobs. As consumers, The Affluentials are big fans of health goods, computer equipment, consumer electronics and the full range of big-box retailers.

County Comfort

The five segments in Country Comfort are filled with predominantly white, middle-class homeowners. In their placid towns and scenic bedroom communities, these Americans tend to be married, between the ages of 25 and 54, with or without children. They enjoy comfortable upscale lifestyles, exhibiting high indices for barbecuing, bar-hopping and playing golf as well as home-based activities such as gardening, woodworking and crafts. Reflecting their rural, family environment, they prefer trucks, SUVs and minivans to cars.

A detailed explanation of other PRIZM Clusters and Social Groups is contained in the Travel Industry Association of America Domestic Travel Report – 2005 Edition.

1.1.9 EMERGING TRENDS IN DOMESTIC U.S. TRAVEL

In their publication ‘The Power of Travel’, The Travel Industry Association of America highlights the following trends in Domestic travel and tourism.

- Cultural and heritage tourism is one of the fastest growing segments of the travel industry. More and more travelers are seeking the authentic American experience offered through cultural and heritage tourism.

- Eighty-one percent of the 146.4 million U.S. adults who took a trip of 50 miles or more away from home in the past year included historical or cultural activities on at least one of their trips in the past year. Compared to other travelers, cultural and heritage tourists:
  - Spend more: $623 vs. $457 per trip (not including transportation to their destination)
  - In 2004, the vast majority (71.6%) of Americans 16 years of age or older participated in at least one human powered active outdoor activity
  - 62 percent of U.S. travelers say it is important that they learn about other cultures when they travel
  - 81 percent of adult travelers (over 118 million people) have included an historic or cultural activity while traveling
Some 58.8 million U.S. travelers (38%) would ‘pay more’ to use travel companies that strive to protect and preserve the environment. Of these, 61 percent say they would pay 5 to 10 percent more to use such companies.

More than three-quarters of U.S. travelers feel it is important that their visits not damage the environment.

North American ecotourists are willing to pay on average $1,000 - $1,500 per trip more than mass tourists.

Bookings are being made closer to the actual travel date and regional travel is on the rise.

Family reunions are on the rise for dude ranches, along with specialty weeks such as singles, adults-only, mother-daughter, photography. Many of the ranches are now hosting conferences and team building events during their shoulder seasons.

1.2 INTERNATIONAL TOURISM

1.2.1 World Tourism- A major player in the World Economy

Tourism is now one of the world’s largest industries. When international airfare receipts are taken into account, tourism represents approximately 7% of worldwide exports of goods and services as expressed in $. Tourism thus occupies fourth position in the ranking of exports after chemicals, automotive products and fuels. When considering service exports, tourism’s share of service exports increases to 30%.

The primary source of information presented in relation to international tourism is the World Tourism Organization (U.N.W.T.O.)
Table 5.11 –Worldwide Export Earnings

<table>
<thead>
<tr>
<th>Rank</th>
<th>(US $ billion)</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total worldwide export of services and goods among which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Chemicals</td>
<td>537</td>
<td>586</td>
</tr>
<tr>
<td>2. Automotive Product</td>
<td>556</td>
<td>577</td>
</tr>
<tr>
<td>3. Fuels</td>
<td>430</td>
<td>678</td>
</tr>
<tr>
<td>4. Tourism</td>
<td>559</td>
<td>579</td>
</tr>
<tr>
<td>International Tourism Receipts</td>
<td>455</td>
<td>473</td>
</tr>
<tr>
<td>International Fare receipts</td>
<td>104</td>
<td>106</td>
</tr>
<tr>
<td>5. Computer and Office Equipment</td>
<td>460</td>
<td>562</td>
</tr>
<tr>
<td>6. Food</td>
<td>439</td>
<td>432</td>
</tr>
<tr>
<td>7. Textiles and Clothing</td>
<td>331</td>
<td>351</td>
</tr>
<tr>
<td>8. Telecommunications Equipment</td>
<td>326</td>
<td>398</td>
</tr>
<tr>
<td>9. Mining Products Other Than Fuels</td>
<td>158</td>
<td>190</td>
</tr>
<tr>
<td>10. Iron and Steel</td>
<td>124</td>
<td>142</td>
</tr>
</tbody>
</table>

* Source: U.N.W.T.O.

In general, the growth of international tourism arrivals significantly outpaces growth of economic output as measured in Gross Domestic Product (G.P.D).

In the period 1975-2000, tourism increased at a rate of 4.6% compared to an average GDP growth of 3.5%. In the period 2001-2003 tourism showed a decline (post 9/11) but returned to positive growth in 2004.

1.2.2 World Tourism Performance

In 2005, International Tourism across the globe grew by 5.5% resulting in a total of 808 million tourist arrivals. This second successive year of growth clearly demonstrates the very robust nature of international tourism and the industry’s ability to recover from calamitous events (i.e. 9/11; Asian Tsunami).

Table 5.12 below sets out a five year time series for international tourist arrivals by region.
Europe is the world’s most important region in terms of the overall volume of international tourist arrivals. In 2005, Europe attracted 444 million international tourist arrivals thus achieving a 55% share of global business (when measured in trips). By comparison, North America attracted 89 million international tourist arrivals in 2005 resulting in an 11% share of world trips.

Over the 5 year period 2000-2005, world tourism has grown by an average of 3.2% per annum with the Asia and the Pacific region (7%), Middle East (9%) and Africa (5%) recording above average growth during this timeframe. North America is the only region to have recorded a decline in arrivals over the 5 year period.

Table 5.13 - International Tourist Arrivals: Regional Shares

<table>
<thead>
<tr>
<th>Region</th>
<th>Full Year</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>689</td>
<td>688</td>
</tr>
<tr>
<td>Europe</td>
<td>396</td>
<td>395</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>111</td>
<td>116</td>
</tr>
<tr>
<td>Americas</td>
<td>128</td>
<td>122</td>
</tr>
<tr>
<td>North America</td>
<td>91</td>
<td>86</td>
</tr>
<tr>
<td>Africa</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Middle East</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

*Source: U.N.W.T.O.
Over the five year timeframe in question, regional shares of international tourist arrivals have remained relatively stable with the most significant gains being recorded by the Asia/ Pacific region.

The pre-eminent position of Europe as the world’s most important region in terms of international tourism trips can be explained by the fact that the continent features 6 of the top ten tourism destinations including France and Spain, the world’s two most popular destinations. The United States, followed by China are the third and fourth ranked in terms of international tourism arrivals.

Table 5.14 – Worlds Top 10 Tourism Destinations

<table>
<thead>
<tr>
<th>Rank</th>
<th>International Tourist Arrivals (Million)</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
<td>2003</td>
</tr>
<tr>
<td>World</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>77.0</td>
<td>75.0</td>
</tr>
<tr>
<td>2.</td>
<td>52.3</td>
<td>51.8</td>
</tr>
<tr>
<td>3.</td>
<td>43.6</td>
<td>41.2</td>
</tr>
<tr>
<td>4.</td>
<td>36.8</td>
<td>33.0</td>
</tr>
<tr>
<td>5.</td>
<td>39.8</td>
<td>39.6</td>
</tr>
<tr>
<td>6.</td>
<td>24.2</td>
<td>24.7</td>
</tr>
<tr>
<td>7.</td>
<td>16.6</td>
<td>15.5</td>
</tr>
<tr>
<td>8.</td>
<td>19.7</td>
<td>18.7</td>
</tr>
<tr>
<td>9.</td>
<td>18.0</td>
<td>18.4</td>
</tr>
<tr>
<td>10.</td>
<td>18.6</td>
<td>19.1</td>
</tr>
</tbody>
</table>

*Source: U.N.W.T.O.

1.2.3 Overview of International Tourism Trends

In seeking to identify international market opportunities for South Carolina it is important that future strategies should take in to account the following trends identified by the World Tourism Organization (U.N.W.T.O.)

- Factors that will shape tourism in the mid term:
  - Increased concern for safety and security
  - More mature and experienced travelers
  - Increasing competition
  - Stress on value for money
  - Aging population
  - Shift from service to experience
  - Incorporation of new technologies
  - Importance of sustainable development
The following conditions will be necessary to capitalize on market opportunities:

- Continuous product development and diversification
- Increase of capacity of mid-category accommodation
- Above all focus on value-for-money
- Development of secondary air links, low – cost airlines?
- Further liberalization of air traffic
- More focused marketing and promotion
- Reliable market information more important than ever
- Sustainable development of tourism
- Regulation and limitation of access to congested sites

The U.N.W.T.O. has identified the following as the most important market segments up to 2020:-

- Sun and beach - Long haul trips
  - Specific segments
  - Combined trips
- Sports - Winter sports
  - Water contact sports
- Adventure
- Nature – based tourism
- Cultural tourism
- Urban tourism
- Rural tourism
- Cruises
- Theme parks
- Meetings and conferences

The following trends are likely to be particularly significant over the next decade:

- Globalization
- Electronic technology will become all-powerful
- Customers will “call the shots”
- Polarization of tourist tastes
- The tourist’s “shrinking world”
- Product: market development oriented to the three Es: Entertainment, Excitement and Education
- Destination focus on “image”
- Everyone chasing the Asian tourist
- Campaigns for sustainable tourism development and “fair trade” in tourism
- Increased consumer socio-environmental consciousness versus the urge for travel consumption
1.2.4 International Tourism to the United States

In 2004, the United States attracted 46 million international visitors, up 12% compared to 2003.

However, United States’ share of international tourism declined by 36% between 1992 and 2004 while world tourism grew by 52% over the same timeframe. As a consequence, the US share of world travelers declined from 9% in 1992 to 6% in 2004.

<table>
<thead>
<tr>
<th>Table 5.15 – US Share of International Tourist Arrivals (2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
</tr>
<tr>
<td>56%</td>
</tr>
</tbody>
</table>

* Source: U.N.W.T.O.

International traveler expenditure in the United States in 2004 is estimated at $ 93.3 billion, up 17% from $79.7 billion recorded in 2003.

Therefore, taking into account domestic traveler expenditure as previously recorded, total traveler expenditure in the US in 2004 was $618 billion.

<table>
<thead>
<tr>
<th>Table 5.16 – Travel Expenditure in US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Travel</td>
</tr>
<tr>
<td>International Travel</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

* Source: T.I.A.
1.2.5 Markets

The main generating markets for international arrivals to the United States are presented in Table 5.17 below.

Table 5.17 – International Tourism Markets for United States (2004) (% of inbound trips)

- **Canada** has maintained its position as the United States’ most important international market. However, since 2000, the number of arrivals from Canada has actually declined from 14.7 million to 13.8 million in 2004.

- **Mexico** has recorded an increase in visits from 10.6 million in 2000 to 11.9 million in 2004.

- **Japan** - The number of visitors from Japan has declined significantly from 5.1 million in 2000 to 3.7 million in 2004. As a consequence, it has been relegated to the 4th ranked international market.

- **United Kingdom** – Although the UK has replaced Japan as the third most important international tourist generating market, the actual number of visitors has declined from 4.7 million in 2000 to 4.3 million in 2004.

- **Germany** – although maintaining its position as the 5th most important international market, the number of arrivals has also declined from 1.8 million in 2000 to 1.3 million in 2004.

* Source: T.I.A.
1.2.6 U.S. Destinations (states) Favored by International Visitors

Florida, California and New York are the most popular US States visited by international visitors when measured in terms of spending.

Table 5.18 - Top US Destinations for International (2003)

<table>
<thead>
<tr>
<th></th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Florida</td>
<td>13,372</td>
</tr>
<tr>
<td>2. California</td>
<td>10,485</td>
</tr>
<tr>
<td>3. New York</td>
<td>7,708</td>
</tr>
<tr>
<td>4. Hawaii</td>
<td>5,416</td>
</tr>
<tr>
<td>5. Texas</td>
<td>3,119</td>
</tr>
<tr>
<td>6. Nevada</td>
<td>2,021</td>
</tr>
<tr>
<td>7. Arizona</td>
<td>1,384</td>
</tr>
<tr>
<td>8. Illinois</td>
<td>1,368</td>
</tr>
<tr>
<td>9. Washington DC</td>
<td>1,401</td>
</tr>
<tr>
<td>10. Massachusetts</td>
<td>1,247</td>
</tr>
<tr>
<td>US Total(2003)</td>
<td>$64.5 Billion</td>
</tr>
</tbody>
</table>

* T.I.A.

In expenditure terms, the top three destinations of Florida, California and New York account for almost half of all international visitors’ expenditure ($31.5 billion), while the top 10 account for almost three quarters ($47.5 billion) of international visitor expenditure.

1.3. KEY FINDINGS AND CONCLUSIONS

The key findings and conclusions that can be drawn from the analysis of Domestic and International Tourism Trends are as follows:

1.3.1 Domestic Tourism

- Domestic travel has grown at an average annual rate of 1% over the last decade. This rate of growth is well behind that achieved by International travel.

- Five of the top ten trip generating States are on the Eastern seaboard of the United States; three (Florida, Georgia and North Carolina) are neighbors of South Carolina.

- Four of South Carolina’s closest neighbors are ranked within the top 10 Destination States. South Carolina is therefore very well positioned to capitalize on its close proximity to the main trip generating states and capture market share from its neighbors.

- Culture and heritage tourism is one of the fastest growing segments in the United States. With its rich history, colonial architecture, southern charm and distinctive cuisine, South Carolina is very well positioned to develop cultural and heritage tourism.

- Charleston is the ‘Jewel in the crown’ and can be used as a springboard for the development of heritage and cultural tourism throughout the State.

- There is growing environmental awareness amongst American travelers. This is reflected in a desire that their visits should not adversely affect the environment. Furthermore, there is
clear evidence that Americans will pay more for vacation destinations that have adopted strict environmental standards.

1.3.2 International Tourism

- Tourism is now one of the world’s largest industries. Tourism represents approximately 7% of worldwide exports of goods and services.
- In the period 1975-2000, tourism increased at a rate of 4.6% compared to an average GDP growth rate of 3.5%.
- Despite international crises, international tourism has demonstrated its durability. In 2005, tourism grew by 5.5% resulting in 8.8 million tourist arrivals.
- The United States’ share of international tourism declined from 9% in 1992 to 6% in 2004.
- Sun and beach, sports, adventure, nature-based tourism and cultural tourism are the segments of the international tourism market that are set to grow over the next decade.
- To capitalize on these international market opportunities, South Carolina will need to adopt a focused marketing approach involving market segmentation and backed up by reliable market research and intelligence. Sustainable tourism development policies (including new product development, visitor management and conservation) will also be required.
PART 2 TOURISM IN SOUTH CAROLINA

2.1 DOMESTIC TRAVEL

In 2004, there were an estimated 32 million domestic trips to South Carolina. Of the domestic trips taken in South Carolina one third are day trips and two thirds are overnight trips.

74% of domestic trips to South Carolina are generated from outside the State while 26% of trips are In-State.

Table 5.19 - Domestic Travel to South Carolina

<table>
<thead>
<tr>
<th></th>
<th>Overnight Trips</th>
<th>Day Trips</th>
<th>Total Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-State</td>
<td>16.4</td>
<td>7.5</td>
<td>23.9</td>
</tr>
<tr>
<td>In-State</td>
<td>5.0</td>
<td>3.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Total</td>
<td>21.4</td>
<td>10.9</td>
<td>32.3</td>
</tr>
</tbody>
</table>

* Source: SCPRT

As a consequence, of the total trips to South Carolina, 50% (16.4 million) are made by individuals from outside the State, staying at least one night.

2.2 DOMESTIC SPENDING

Domestic travelers spent nearly $7.8 billion in South Carolina during 2004, up 7.6% from 2003.

- Foodservice, the largest spending sector registered nearly $2.4 billion 2004, up 5.8 percent from 2003 and accounted for nearly one third of the state total.
- The lodging industry, which reached $1.7 billion, was the second largest spending sector in 2004, up 7.5 percent from 2003.
- Domestic travelers’ spending on auto transportation jumped 11.8 percent to nearly $1.5 billion, the highest increase among six categories investigated in this report, largely due to the increase of gasoline prices.
Average expenditure per party trip for overnight visitors to South Carolina is $467. Average expenditure per party per trip for day visitors is $113.

Taking into account the significantly higher level of spending by overnight visitors to South Carolina, it can be estimated that overnight visitors (both out-of-state and in-state) spent an estimated $6.9 billion in 2004. So, while overnight trips account for two thirds of all trips to the State, overnight travel accounts for almost 90% of tourism expenditure in the State.

### Table 5.21 - Domestic Travel to South Carolina –Expenditure billion ($)

<table>
<thead>
<tr>
<th></th>
<th>Overnight Spend US$</th>
<th>Day Trip Spend US$</th>
<th>Total Spend US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-State</td>
<td>5.3 billion</td>
<td>620 million</td>
<td>5.9 billion</td>
</tr>
<tr>
<td>In-State</td>
<td>1.6 billion</td>
<td>280 million</td>
<td>1.9 billion</td>
</tr>
<tr>
<td>Total</td>
<td>6.9 billion</td>
<td>0.9 billion</td>
<td>7.8 billion</td>
</tr>
</tbody>
</table>

*Source: S.C.P.R.T.*

South Carolina currently enjoys a 3% share of all domestic trips taken in the United States (table 21). However due to a significantly lower average spend, South Carolina’s share of domestic travel expenditure is significantly lower at 1.5% (table 22).

*South Carolina currently attracts on estimated 800,000 international visitors spending an estimated $514 million. Details relating to International visitation to South Carolina are outlined in section 2.8.
Table 5.22 - Trips

<table>
<thead>
<tr>
<th></th>
<th>Domestic Million</th>
<th>International Million</th>
<th>Total Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>1,160</td>
<td>46</td>
<td>1,206</td>
</tr>
<tr>
<td>South Carolina</td>
<td>32</td>
<td>0.8</td>
<td>32.8</td>
</tr>
<tr>
<td>Share</td>
<td>3%</td>
<td>1.7%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

* Source: TIA/SCPRT/CO

Table 5.23 - Spend

<table>
<thead>
<tr>
<th></th>
<th>Domestic US$ Billion</th>
<th>International US$ Billion</th>
<th>Total US$ Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>524</td>
<td>93.3</td>
<td>617</td>
</tr>
<tr>
<td>South Carolina</td>
<td>7.8</td>
<td>.514*</td>
<td>8.3</td>
</tr>
<tr>
<td>Share</td>
<td>1.5%</td>
<td>0.6%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

* Source: TIA/SCPRT/CO
* Relates to 2002

2.3 PURPOSE OF TRIPS

Table 5.24 below sets out purpose of trips both in respect of visitors from outside South Carolina and in-state (both day and overnight).

Table 5.24 - Purpose of Trip

<table>
<thead>
<tr>
<th>Purpose of Trip</th>
<th>% Out-of-state</th>
<th>% In-state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting Friends/Relatives (VFR)</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>Leisure (outdoor recreation/entertainment)</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Business and Pleasure</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convention/ Seminars</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Personal/ Other</td>
<td>22</td>
<td>20</td>
</tr>
</tbody>
</table>

*Source: T.I.A.
For both out-of-state and in-state travel, more than three in ten trips are made for the purpose of Visiting Friends/Relatives (VFR) while outdoor recreation/entertainment trips account for one in every five taken.

### 2.4 Source Markets for Domestic Tourism to South Carolina

The main generating domestic markets for overnight trips to South Carolina are the neighboring states of North Carolina (21% of trips), Georgia (10%), Florida (6%) and Virginia (6%).

In-state travel accounts for 23% of overnight trips.

**Table 5.25 - Domestic Tourism – Source markets**

<table>
<thead>
<tr>
<th></th>
<th>Overnight trips</th>
<th>Day trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>Georgia</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Florida</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Virginia</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>New York</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Ohio</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Other Out-of-State</td>
<td>23</td>
<td>31</td>
</tr>
<tr>
<td>South Carolina (in-state)</td>
<td>23</td>
<td>31</td>
</tr>
</tbody>
</table>

* Source: TIA

A similar pattern is evident in respect of day trips although North Carolina and South Carolina (in-state travel) account for an even greater share of visits (combined six visits in ten).
2.5 DESTINATIONS VISITED

The Myrtle Beach/Grand Strand area, Charleston and Hilton Head are the main destinations which overnight visitors to South Carolina report visiting. Four in ten for out-of-state visitor nights in 2004 were reported to have been spent in Myrtle Beach, while two thirds of all out-of-state nights were spent in the three coastal destinations of Myrtle Beach, Charleston and Hilton Head.

Table 5.26 - Destinations Visited by Overnight Domestic Visitors (Visitor Nights 2004)

<table>
<thead>
<tr>
<th>Location</th>
<th>Ex – State</th>
<th>In – State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myrtle Beach</td>
<td>39%</td>
<td>(33%)</td>
</tr>
<tr>
<td>Charleston</td>
<td>14%</td>
<td>(14%)</td>
</tr>
<tr>
<td>Hilton Head</td>
<td>12%</td>
<td>(9%)</td>
</tr>
<tr>
<td>Greenville</td>
<td>6%</td>
<td>(4%)</td>
</tr>
<tr>
<td>Columbia</td>
<td>4%</td>
<td>(7%)</td>
</tr>
<tr>
<td>North Myrtle Beach</td>
<td>2%</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Florence</td>
<td>0.5%</td>
<td>(3%)</td>
</tr>
<tr>
<td>Aiken</td>
<td>1%</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Anderson</td>
<td>1%</td>
<td>(2%)</td>
</tr>
<tr>
<td>State Parks</td>
<td>0.5%</td>
<td>(2%)</td>
</tr>
<tr>
<td>Isle of Palms</td>
<td>0.5%</td>
<td>(2%)</td>
</tr>
<tr>
<td>Lake View</td>
<td>0.5%</td>
<td>(2%)</td>
</tr>
<tr>
<td>Other</td>
<td>22%</td>
<td>(22%)</td>
</tr>
</tbody>
</table>

* Source: SCPRT/TIA

A similar pattern is evident in respect of domestic in-state visitor nights. There is a marginally lower share of nights attributable to Myrtle Beach, Charleston and Hilton Head compensated by a higher share of visits to other destinations including the State capital Columbia, Florence, Anderson, Isle of Palms, Lake View and the State Parks.
2.6 TRIP CHARACTERISTICS

Trips to South Carolina are seasonally peaked with June and July being the most popular months for visits. 25% of all trips taken in South Carolina occur during these two summer months. Spring is also a popular time for travel within and to the State. One in five visits takes place during the months of April and May.

Table 5.27 - Trip Characteristics and Household Demographics

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>5.5%</td>
</tr>
<tr>
<td>February</td>
<td>4.5%</td>
</tr>
<tr>
<td>March</td>
<td>7.3%</td>
</tr>
<tr>
<td>April</td>
<td>9.4%</td>
</tr>
<tr>
<td>May</td>
<td>9.9%</td>
</tr>
<tr>
<td>June</td>
<td>11.5%</td>
</tr>
<tr>
<td>July</td>
<td>13.1%</td>
</tr>
<tr>
<td>August</td>
<td>8.3%</td>
</tr>
<tr>
<td>September</td>
<td>7.4%</td>
</tr>
<tr>
<td>October</td>
<td>7.2%</td>
</tr>
<tr>
<td>November</td>
<td>7.5%</td>
</tr>
<tr>
<td>December</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lodging:</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>32.4%</td>
</tr>
<tr>
<td>Condo/Time share</td>
<td>9.3%</td>
</tr>
<tr>
<td>RV/Camper/Tent</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping</td>
<td>32.5%</td>
</tr>
<tr>
<td>Beach activities</td>
<td>27.0%</td>
</tr>
<tr>
<td>Historic places, sites, museums</td>
<td>5.9%</td>
</tr>
<tr>
<td>National/State Parks</td>
<td>3.1%</td>
</tr>
<tr>
<td>Cultural events/Festivals</td>
<td>1.3%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>7.3%</td>
</tr>
<tr>
<td>Nightlife/Dancing</td>
<td>4.2%</td>
</tr>
<tr>
<td>Golf</td>
<td>6.1%</td>
</tr>
<tr>
<td>Attend sport event</td>
<td>3.1%</td>
</tr>
<tr>
<td>City/Urban sightseeing</td>
<td>6.0%</td>
</tr>
<tr>
<td>Rural sightseeing</td>
<td>6.2%</td>
</tr>
<tr>
<td>Zoo/Aquarium/Science museum</td>
<td>5.9%</td>
</tr>
<tr>
<td>Water sports/boating</td>
<td>2.8%</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>2.8%</td>
</tr>
<tr>
<td>Art museums/galleries</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Median Household Income | $55,000-$59,999

* Source: SCPRT/TIA
Where accommodation is used, hotels are the preferred choice although condominiums/timeshare are significant (There has been significant growth in recent years in the condominium market supply, particularly in the Myrtle Beach area).

Shopping, (mentioned by 32%) and beach trips (27%) are the main activities undertaken by visitors to South Carolina. Other activities in which visitors participate are outdoor activities (7%), City/urban sightseeing (6%), Golf (6%), visits to historic sites/museums (6%) and visits to other attractions (Zoo/Aquarium -6%). It should be noted that participation in different activities varies quite significantly across the different regions of South Carolina. There variations are examined in 2.7.

The median household income of visitors (all categories) to South Carolina US $ 59,999.

2.7 DESTINATION ANALYSIS

This section of Chapter 5 examines trip characteristics and patterns of visitor demand by domestic visitors in respect of six regions in South Carolina, namely:-

- Myrtle Beach/The Grand Strand
- Historic Charleston and Resort Beaches
- Hilton Head/Low Country and Resort Islands
- Santee Cooper/Pee Dee Country
- Capital City/Lake Murray Country
- Thoroughbred Country / Old 96 district/Olde English District
- Discover Upcountry Carolina
2.7.1 Myrtle Beach/ the grand Strand

In terms of visitation, Myrtle Beach/ the Grand Strand is South Carolina’s most popular destination with 7.6 million visitors spending 38 million visits days.

Table 5.28 – Myrtle Beach/ Grand Strand Trip Characteristics

<table>
<thead>
<tr>
<th>Month</th>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>NC 33%</td>
</tr>
<tr>
<td>February</td>
<td>SC 20%</td>
</tr>
<tr>
<td>March</td>
<td>VA 7%</td>
</tr>
<tr>
<td>April</td>
<td>GA 5%</td>
</tr>
<tr>
<td>May</td>
<td>PA 4%</td>
</tr>
<tr>
<td>June</td>
<td>NC 15%</td>
</tr>
<tr>
<td>July</td>
<td>NC 14%</td>
</tr>
<tr>
<td>August</td>
<td>SC 12%</td>
</tr>
<tr>
<td>September</td>
<td>PA 9%</td>
</tr>
<tr>
<td>October</td>
<td>GA 4%</td>
</tr>
<tr>
<td>November</td>
<td>RA 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose of visit</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business**</td>
<td>Shopping 45%</td>
</tr>
<tr>
<td>Friends/Relatives</td>
<td>Beach activities 61%</td>
</tr>
<tr>
<td>**Rec/Entertainment</td>
<td>Historic places, sites, museums 4%</td>
</tr>
<tr>
<td>Personal/Other</td>
<td>National/State Parks 2%</td>
</tr>
<tr>
<td></td>
<td>Cultural events/Festivals 2%</td>
</tr>
<tr>
<td></td>
<td>Outdoor 8%</td>
</tr>
<tr>
<td></td>
<td>Nightlife/Dancing 10%</td>
</tr>
<tr>
<td></td>
<td>Golf 11%</td>
</tr>
<tr>
<td></td>
<td>Attend sport event 1%</td>
</tr>
<tr>
<td></td>
<td>City/Urban sightseeing 7%</td>
</tr>
<tr>
<td></td>
<td>Rural sightseeing 7%</td>
</tr>
<tr>
<td></td>
<td>Zoo/Aquarium/Science museum 10%</td>
</tr>
<tr>
<td></td>
<td>Water sports/boating 7%</td>
</tr>
<tr>
<td></td>
<td>Performing Arts 7%</td>
</tr>
<tr>
<td></td>
<td>Art museums/Galleries 1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lodging</th>
<th>Median household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel 39%</td>
<td>Median HH income $40,000 - $59,999</td>
</tr>
<tr>
<td>Condo/Time share 24%</td>
<td></td>
</tr>
<tr>
<td>RV/Camper/Tent 4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top destinations</th>
<th>Median household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myrtle Beach 91%</td>
<td>Median HH income $40,000 - $59,999</td>
</tr>
<tr>
<td>North Myrtle Beach 4%</td>
<td></td>
</tr>
<tr>
<td>Surfside Beach 0.9%</td>
<td></td>
</tr>
<tr>
<td>Garden City 0.8%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: SCPRT/T.I.A.
Significant characteristics of the Myrtle Beach/Grand Strand region are as follows:-

- Trips to the region are more seasonally peaked than average. 3 visits in every ten take place during the June/July period while a further 1 in 4 visits occur in the two months of May and August.

- Trips are highly concentrated in one area, Myrtle Beach which receives 91% of total trips to the region.

- The Myrtle Beach / Grand Strand region has a higher proportion of visitors visiting for the purpose of recreation/entertainment (35%) than any other region.

- While hotels are the most popular form of accommodation used (39% of all visitors), condominium usage is also significant at 24%.

- Beach activities (mentioned by 61%), shopping (45%), Golf (11%), nightlife (10%) and Zoo/Aquarium visits (10%) are the most popular activities participated in by visitors to the Myrtle Beach/Grand Strand area.

- North Carolina is Myrtle Beach’s single most important source market.

- Perhaps most significantly, the median income of visitors to Myrtle Beach Grand Strand is lower than the average for all visitors to South Carolina, and significantly lower than the median income of visitors to either Charleston or Hilton Head.
2.7.2 Historic Charleston and Resort Beaches

The Historic Charleston and Resort Beaches region attracts 4.6 million visitors spending an estimated 16.8 million days.

**Table 5.29 – Historic Charleston & Resort Beaches Trip Characteristics**

<table>
<thead>
<tr>
<th>Month</th>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>SC 29%</td>
</tr>
<tr>
<td>March</td>
<td>NC 16%</td>
</tr>
<tr>
<td>April</td>
<td>GA 7%</td>
</tr>
<tr>
<td>May</td>
<td>FL 6%</td>
</tr>
<tr>
<td>June</td>
<td>VA 4%</td>
</tr>
<tr>
<td>July</td>
<td>SC 29%</td>
</tr>
<tr>
<td>August</td>
<td>NC 16%</td>
</tr>
<tr>
<td>September</td>
<td>GA 7%</td>
</tr>
<tr>
<td>October</td>
<td>FL 6%</td>
</tr>
<tr>
<td>November</td>
<td>VA 4%</td>
</tr>
<tr>
<td>December</td>
<td>SC 29%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping 38%</td>
</tr>
<tr>
<td>Beach activities 19%</td>
</tr>
<tr>
<td>Historic places, sites, museums 29%</td>
</tr>
<tr>
<td>National/State Parks 6%</td>
</tr>
<tr>
<td>Cultural events /Festivals 2%</td>
</tr>
<tr>
<td>Outdoor 6%</td>
</tr>
<tr>
<td>Nightlife/Dancing 3%</td>
</tr>
<tr>
<td>Golf 3%</td>
</tr>
<tr>
<td>Attend sport event 2%</td>
</tr>
<tr>
<td>City/Urban sightseeing 28%</td>
</tr>
<tr>
<td>Rural sightseeing 8%</td>
</tr>
<tr>
<td>Zoo/Aquarium/Science museum 8%</td>
</tr>
<tr>
<td>Water sports/boating 3%</td>
</tr>
<tr>
<td>Performing Arts 2%</td>
</tr>
<tr>
<td>Art museums/Galleries 3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose of visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business** 21%</td>
</tr>
<tr>
<td>Friends/Relatives 35%</td>
</tr>
<tr>
<td>Rec/Entertainment*** 21%</td>
</tr>
<tr>
<td>Personal/Other 22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lodging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel 52%</td>
</tr>
<tr>
<td>Condo/Time share 9%</td>
</tr>
<tr>
<td>RV/Camper/Tent 3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top destinations</th>
<th>Median household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charleston 89%</td>
<td>Median HH Income $60,000-$89,999</td>
</tr>
<tr>
<td>Isle of Palms 5%</td>
<td></td>
</tr>
<tr>
<td>Kiawah 1%</td>
<td></td>
</tr>
<tr>
<td>Summerville 1%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: S.C.P.R.T./T.I.A.*
Significant characteristics of tourism to the Historic Charleston and Resort Beaches region are:

- While July is the most popular month for visiting (19% of trips), the Charleston area also attracted business at off-peak times of the year. 23% of visits occur in April/May while November (with 11% of visits) is also a popular time for visiting.

- The bulk of visits are concentrated in Charleston itself which accounts for 89% of visits.

- Hotels (mentioned by 52%) are the preferred type of accommodation used.

- Shopping (38%), visits to historic places/sites (29%) and city/urban sightseeing (28%) are the main activities pursued by visitors to the Charleston area.

- South Carolina is the top State of origin.
2.7.3 Hilton Head/Low country & Resort Island

The Hilton Head/Lowcountry and Resort Islands region attracts 2.6 million visitors spending an estimated 13.7 million days.

Table 5.30 – Hilton Head/Lowcountry and Resort Island, Trip characteristics

<table>
<thead>
<tr>
<th>Month</th>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GA</td>
</tr>
<tr>
<td>January</td>
<td>SC</td>
</tr>
<tr>
<td>February</td>
<td>NC</td>
</tr>
<tr>
<td>March</td>
<td>FL</td>
</tr>
<tr>
<td>April</td>
<td>TN</td>
</tr>
</tbody>
</table>

Activities

- Shopping 40%
- Beach activities 45%
- Historic places, sites, museums 7%
- National/State Parks 4%
- Cultural events/Festivals 0%
- Outdoor 15%
- Nightlife/Dancing 10%
- Golf 15%
- Attend sport event 2%
- City/Urban sightseeing 11%
- Rural sightseeing 8%
- Zoo/Aquarium/Science museum 1%
- Water sports/boating 4%
- Performing Arts 1%
- Art museum/Galleries 0%

Purpose of visit

- Business** 15%
- Friends/Relatives 29%
- Rec/Entertainment*** 24%
- Personal/Other 32%

Lodging

- Hotel 26%
- Condo/Time share 29%
- RV/Camper/Tent 2%

Top destinations

- Hilton Head Island 75%
- Beaufort 11%
- Fripp Island 4%
- Parris Island 3%

Median household income

- Median HH Income $60,000 - $89,999

*Source: S.C.P.R.T./T.I.A.*
Significant characteristics of the Hilton Head/Lowcountry and Resort Islands region are:

- Visits to the region are seasonally peaked with 30% of all trips taking place over the four month period June to September
- While Hilton Head island attracts the bulk of visitors (75%), Beaufort (11%) is an important destination within the region
- Condominium /Time Share (29%) is the preferred type of accommodation used by visitors to the Hilton Head area
- Beach activities (45%), shopping (40%), Golf (15%) and Outdoor Activities (15%) are the main activities pursued by visitors to the region
- Georgia is Hilton Head’s primary market accounting for 23% of visits
2.7.4 Santee Cooper Country/Pee Dee Country

As with the two other regions examined here (Capital City/Lake Murray Country and Thoroughbred Country/Old 96 District and Olde English District), with 1.4 million visits, the level of tourism activity in Santee Cooper Country /Pee Dee Country region is significantly lower than in the aforementioned coastal regions

Table 5.31 – Santee Cooper Country/Pee Dee Country Trip Characteristics

<table>
<thead>
<tr>
<th>Month</th>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SC</td>
</tr>
<tr>
<td>December</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>GA</td>
</tr>
<tr>
<td>November</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>PA</td>
</tr>
<tr>
<td>October</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>FL</td>
</tr>
<tr>
<td>September</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>NC</td>
</tr>
<tr>
<td>August</td>
<td>11%</td>
</tr>
<tr>
<td>July</td>
<td>10%</td>
</tr>
<tr>
<td>June</td>
<td>2%</td>
</tr>
<tr>
<td>May</td>
<td>3%</td>
</tr>
<tr>
<td>April</td>
<td>12%</td>
</tr>
<tr>
<td>March</td>
<td>4%</td>
</tr>
<tr>
<td>February</td>
<td>9%</td>
</tr>
<tr>
<td>January</td>
<td>4%</td>
</tr>
</tbody>
</table>

Activities

- Shopping: 20%
- Beach activities: 6%
- Historic places, sites, museums: 0%
- National/State Parks: 5%
- Cultural events/Festivals: 0%
- Outdoor: 4%
- Nightlife/Dancing: 1%
- Golf: 3%
- Attend sport event: 6%
- City/Urban sightseeing: 4%
- Rural sightseeing: 2%
- Zoo/Aquarium/Science museum: 1%
- Water sports/boating: 3%
- Performing Arts: 0%
- Art museum/Galleries: 0%

Purpose of visit

- Business: 25%
- Friends/Relatives: 44%
- Rec/Entertainment: 18%
- Personal/Other: 13%

Lodging

- Hotel: 32%
- Condo/Time share: 4%
- RV/Camper/Tent: 8%

Top destinations

- Florence: 22%
- Sumter: 13%
- Edisto: 7%
- Kingstree: 7%

Median household income

- Median HH income $40,000 - $59,999

*Source: S.C.P.R.T./T.I.A.*
Significant characteristics for the region are as follows:

- One third of all trips take place during the two month period November and December
- While Florence is the most popular destination (accounting for 22% of trips), visits are spread across a number of other locations
- The main purpose of visit is to see friends or relatives (44%)
- Shopping is the only significant activity undertaken by visitors to the Santee Cooper/Pee Dee Country region
- The African American market is very significant for the region (27% compared to 11% for State as a whole).
2.7.5. Capital City /Lake Murray Country

Columbia and its hinterland attracts 2.6 million visitors spending an estimated 6.9 days.

<table>
<thead>
<tr>
<th>Month</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>8%</td>
</tr>
<tr>
<td>February</td>
<td>7%</td>
</tr>
<tr>
<td>March</td>
<td>12%</td>
</tr>
<tr>
<td>April</td>
<td>8%</td>
</tr>
<tr>
<td>May</td>
<td>6%</td>
</tr>
<tr>
<td>June</td>
<td>9%</td>
</tr>
<tr>
<td>July</td>
<td>13%</td>
</tr>
<tr>
<td>August</td>
<td>7%</td>
</tr>
<tr>
<td>September</td>
<td>4%</td>
</tr>
<tr>
<td>October</td>
<td>15%</td>
</tr>
<tr>
<td>November</td>
<td>5%</td>
</tr>
<tr>
<td>December</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC</td>
</tr>
<tr>
<td>GA</td>
</tr>
<tr>
<td>NC</td>
</tr>
<tr>
<td>FL</td>
</tr>
<tr>
<td>OH</td>
</tr>
</tbody>
</table>

**Activities**

- **Shopping** 23%
- Beach activities 1%
- Historic places, sites, museums 4%
- National/State Parks 1%
- Cultural events/Festivals 3%
- Outdoor 6%
- Nightlife/Dancing 2%
- Golf 0%
- Attend sport event 5%
- **City/Urban sightseeing** 8%
- Rural sightseeing 3%
- **Zoo/Aquarium**
  /Science museum 8%
- Water sports/boating 2%
- Performing Arts 1%
- Art museum/Galleries 1%

**Purpose of visit**

- **Business** 44%
- Friends/Relatives 38%
- Rec/Entertainment 18%
- Personal/Other 13%

**Lodging**

- **Hotel** 42%
- Condo/Time share 1%
- RV/Camper/Tent 2%

**Top destinations**

<table>
<thead>
<tr>
<th>Top destinations</th>
<th>Median household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>83%</td>
</tr>
<tr>
<td>Lexington</td>
<td>5%</td>
</tr>
<tr>
<td>Fort Jackson</td>
<td>3%</td>
</tr>
<tr>
<td>Saluda</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Median HH Income $40,000 - $59,999*

*Source: S.C.P.R.T/T.I.A.*
Significant characteristics for the Capital City/Lake Murray Country region are as follows:

- The primary purpose of visit to the region is business (44%)
- As a consequence, Columbia and its hinterland attracts visitors throughout the year
- Apart from shopping, visitors to the region are not engaged in other activities to any great extent apart from visits to attractions and general sightseeing
- South Carolina is the top State of origin for the region accounting for 42% of visits
- 83% of visits to the region are concentrated in the State Capital Columbia
2.7.6. Thoroughbred Country/Old 96 District / Olde English District

The Thoroughbred Country/Old 96 District/Olde English District aggregated region attracts 1.6 million visitors spending 4.3 days

Table 5.33 – Thoroughbred Country/Old 96 District /Olde English District

<table>
<thead>
<tr>
<th>Month</th>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SC</td>
</tr>
<tr>
<td>January</td>
<td>8%</td>
</tr>
<tr>
<td>February</td>
<td>3%</td>
</tr>
<tr>
<td>March</td>
<td>11%</td>
</tr>
<tr>
<td>April</td>
<td>4%</td>
</tr>
<tr>
<td>May</td>
<td>8%</td>
</tr>
<tr>
<td>June</td>
<td>18%</td>
</tr>
<tr>
<td>July</td>
<td>15%</td>
</tr>
<tr>
<td>August</td>
<td>5%</td>
</tr>
<tr>
<td>September</td>
<td>2%</td>
</tr>
<tr>
<td>October</td>
<td>6%</td>
</tr>
<tr>
<td>November</td>
<td>4%</td>
</tr>
<tr>
<td>December</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>GA</td>
</tr>
<tr>
<td></td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>NC</td>
</tr>
<tr>
<td></td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>FL</td>
</tr>
<tr>
<td></td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>OH</td>
</tr>
<tr>
<td></td>
<td>3%</td>
</tr>
</tbody>
</table>

Activities

- Shopping: 22%
- Beach activities: 1%
- Historic places, sites, museums: 4%
- National/State Parks: 0%
- Cultural events/Festivals: 0%
- Outdoor: 4%
- Nightlife/Dancing: 1%
- Golf: 2%
- Attend sport event: 5%
- City/Urban sightseeing: 3%
- Rural sightseeing: 6%
- Zoo/Aquarium /Science museum: 0%
- Water sports/boating: 4%
- Performing Arts: 2%
- Art museum/Galleries: 1%

Purpose of visit

- Business: 31%
- **Friends/Relatives**: 54%
- Rec/Entertainment: 9%
- Personal/Other: 6%

Lodging

- Hotel: 23%
- Condo/Time share: 0%
- RV/Camper/Tent: 2%

Top destinations

- Aiken: 21%
- Rock Hill: 18%
- Greenwood: 12%
- Jefferson: 6%

Median household income

- Median HH Income: $40,000 - $59,999

*Source: S.C.P.R.T./T.I.A.*
Significant characteristics for the region are as follows:

- At US$ 168, average expenditure is significantly lower than all other regions. This, in part, can be explained by the higher than average proportion of day trips (35%)

- As with Capital City/Lake Murray Country region, the incidence of recreation/leisure visits is not significant. Most visitors cite visiting friend and relatives as their primary purpose of visit

- Consistent with the Santee Cooper Country/Pee Dee Country and the Capital City/Lake Murray Country regions, the absence of significant visitor attractions and ‘things to do’, is reflected in the low levels of visitor participation in activities compared to the more developed coastal regions
### 2.7.7. Greenville /The Upcountry

Greenville/The Upcountry attracts 3.1 million visitors spending an estimated 10 million days.

#### Table 5.34 – Greenville/The Upcountry

<table>
<thead>
<tr>
<th>Month</th>
<th>Top State origins</th>
</tr>
</thead>
<tbody>
<tr>
<td>• January</td>
<td>12%</td>
</tr>
<tr>
<td>• February</td>
<td>7%</td>
</tr>
<tr>
<td>• March</td>
<td>5%</td>
</tr>
<tr>
<td>• April</td>
<td>13%</td>
</tr>
<tr>
<td>• May</td>
<td>5%</td>
</tr>
<tr>
<td>• June</td>
<td>12%</td>
</tr>
<tr>
<td>• July</td>
<td>10%</td>
</tr>
<tr>
<td>• August</td>
<td>5%</td>
</tr>
<tr>
<td>• September</td>
<td>5%</td>
</tr>
<tr>
<td>• October</td>
<td>5%</td>
</tr>
<tr>
<td>• November</td>
<td>8%</td>
</tr>
<tr>
<td>• December</td>
<td>12%</td>
</tr>
</tbody>
</table>

| SC    | 24% |
| NC    | 22% |
| GA    | 17% |
| FL    | 5%  |
| TX    | 5%  |

#### Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping</td>
<td>24%</td>
</tr>
<tr>
<td>Beach activities</td>
<td>2%</td>
</tr>
<tr>
<td>Historic places, sites, museums</td>
<td>3%</td>
</tr>
<tr>
<td>National/State Parks</td>
<td>2%</td>
</tr>
<tr>
<td>Cultural events/Festivals</td>
<td>1%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>4%</td>
</tr>
<tr>
<td>Nightlife/Dancing</td>
<td>1%</td>
</tr>
<tr>
<td>Golf</td>
<td>3%</td>
</tr>
<tr>
<td>Attend sport event</td>
<td>5%</td>
</tr>
<tr>
<td>City/Urban sightseeing</td>
<td>3%</td>
</tr>
<tr>
<td>Rural sightseeing</td>
<td>5%</td>
</tr>
<tr>
<td>Zoo/Aquarium /Science museum</td>
<td>1%</td>
</tr>
<tr>
<td>Water sports/boating</td>
<td>1%</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>1%</td>
</tr>
<tr>
<td>Art museum/Galleries</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Purpose of visit

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>33%</td>
</tr>
<tr>
<td>Friends/Relations</td>
<td>50%</td>
</tr>
<tr>
<td>Rec/Entertainment</td>
<td>9%</td>
</tr>
<tr>
<td>Personal/Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

#### Lodging

<table>
<thead>
<tr>
<th>Lodging</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>27%</td>
</tr>
<tr>
<td>Condo/Time share</td>
<td>0%</td>
</tr>
<tr>
<td>RV/Camper/Tent</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Top destinations

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenville</td>
<td>44%</td>
</tr>
<tr>
<td>Spartanburg</td>
<td>14%</td>
</tr>
<tr>
<td>Anderson</td>
<td>10%</td>
</tr>
<tr>
<td>Clemson</td>
<td>4%</td>
</tr>
</tbody>
</table>

#### Median household income

| Median HH Income | $60,000 - $89,999 |

*Source: S.C.P.R.T./T.I.A.*
Significant characteristics of the Greenville/Upcountry region are:

- One quarter of visits take place in the winter months of December and January. April is also a popular time for visiting the Upcountry.
- Greenville is the hub of the region accounting for 44% of all visits.
- Half of all visits to Greenville/Upcountry are for the purpose of Visiting friends or relatives.
- Median Household income of visitors is above average and on a par with Charleston and Hilton Head.
- Shopping is the main activity currently undertaken by visitors (one in four). There are minority levels of participation in outdoor activities, attending sports events and rural sightseeing.
- South Carolina, North Carolina and Georgia are the primary markets.
2.8 International Visitation to South Carolina

2.8.1 Canada

Among South Carolina’s 735,700 annual Canadian visitors, Ontario (70%) is their primary origin with Quebec (23%), in second place. Vacationers account for 76% of these visitors. About half (54%) of all Canadian visitors to South Carolina spend the night.

Canadians (that spend at least one night in South Carolina) report an average stay of 7.0 nights. They mostly stay in hotels (60%) with some staying with friends or relatives (6%), in cabins/condos (1%), in campgrounds (3%) or in combinations of the above (9%). These overnight visitors travel primarily by auto (82%), followed by airplane (15%), and bus (3%). Among overnight Canadian visitors, 41% travel between January and March, 21% from April to June, 11% from July to September, and 28% from October to December.

The average travel party size of South Carolina’s overnight Canadian visitors is 2.4 visitors. Visitors in these overnight parties spend an average of $572.66 per person, per night (U.S. dollars). Only 17% of these parties include children. Their ages are distributed as under 19 (9%), 20 to 34 (6%), 35 to 54 (32%), and 55 and over (46%).

2.8.2 Other Overseas Markets

In calendar year 2004, according to I-94 data at least 65,533 overseas travelers, excluding Canadians and Mexicans, visited South Carolina (calendar year 2003 was 59,098). Historical data indicates that two of South Carolina’s largest overseas visitor origin-countries are Germany and the UK. In calendar year 2004, according to I-94 data at least 12,009 German residents and 19,197 UK residents visited South Carolina (calendar year 2003, 11,021 German residents and 17,735 UK residents). The US Department of Commerce, Office of Travel and Tourism Industries’ “In-flight Survey” estimates South Carolina’s total overseas visitation at around 163,000 (in 2004) visitors per year.

2.8.3 Expenditure by International Visitors

The S.C.P.R.T. estimates that expenditure by international visitors to South Carolina amounted to $514 million in 2003. Thus, while international visitation accounts for a 2.4% share of all trips to South Carolina (day and overnight), the international share of total expenditure is significantly higher at 6.6%. This is due to the higher level of spend by international visitors.

2.9 Key Findings and Conclusions

The key findings and conclusions from the review and analysis of tourism in South Carolina are as follows:

- Although South Carolina generated 32 million domestic trips in 2004, only half of this number (16.4) involved an overnight stay by out-of-state visitors. Overnight out-of-state visitors accounted for two thirds of domestic travel expenditure in South Carolina

- South Carolina’s share of US domestic trips is 3%. However, due to a lower average spend, the State’s share of domestic travel expenditure is significantly lower at 1.5%
The main source markets for domestic tourism to South Carolina are the State itself, and the neighboring states of North Carolina, Georgia, Florida and Virginia.

Tourism activity is heavily concentrated along the coastline with Myrtle Beach, Charleston and Hilton Head accounting for two thirds of out-of-state visitor nights.

Myrtle Beach alone accounts for 40% of visitor nights (out-of-state). This very high concentration of visits, allied to the lower than average median income of visitors, is the major contributory factor in the low level of visitor expenditure by comparison with other destinations.

In order to address this weakness (low spend), it will be necessary to attract higher income/spending domestic visitors to Myrtle Beach and South Carolina generally. To achieve this goal, investment will be required to upgrade the tourism product offer and, where necessary, develop new products capable of satisfying visitor needs.

Further opportunities exist to increase tourism revenues by focusing on international tourist markets. As with the objective of targeting the higher spending domestic customers, the need for investment in South Carolina’s tourism product is even greater if international tourism is to be successfully developed.
PART 3  STAKEHOLDER CONSULTATIONS

3.1 INTRODUCTION

In order to ensure that the South Carolina Tourism Action Plan is supported by the tourism industry in South Carolina, it is important that the Action Plan is seen to address the issues which are of concern to the industry, while at the same time adopting a market-led approach. To this end, consultations were held with 38 industry stakeholders during three visits by the consultant to South Carolina from January to May 2006. A listing of consulters is included in the appendices to this Tourism Action Plan.

In-depth personal interviews were conducted with stakeholders with a view to obtaining opinions in relation to the following subjects:-

- South Carolina’s strengths (as a tourism destination)
- South Carolina’s weaknesses
- Market segments considered to have growth potential
- Product development initiatives stakeholders would like to see implemented
- Marketing initiatives stakeholders would like to see implemented
- HRD initiatives stakeholders would like to see implemented
- Organizational initiatives stakeholders would like to see implemented
- Information gaps

This section highlights the priorities and issues under each of the above headings. It should be noted that the views outlined in this section do not purport to be the views of the consultants but are an overview of issues discussed during meetings.

3.2 SOUTH CAROLINA’S STRENGTHS AS A TOURISM DESTINATION

South Carolina is perceived to have a number of significant strengths as a tourism destination. Some of these, namely the State’s beaches/coastline and reputation as a golf destination, are prominently featured in marketing collaterals and well-established in the mindset of the travel trade.

In addition to beaches and golf, the hospitality and ‘Southern Charm’ of the South Carolina population, the State’s rich history and heritage, the existence of established destinations (i.e. Charleston, Myrtle Beach and Hilton Head), its natural resources and outstanding cuisine all contribute to South Carolina’s appeal as a tourism destination.

Table 5.35 - South Carolina’s strengths as a tourism destination:

<table>
<thead>
<tr>
<th>Strength</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches / Coastline</td>
<td>16</td>
</tr>
<tr>
<td>Friendly people / hospitable, Southern culture / Charm</td>
<td>13</td>
</tr>
<tr>
<td>Natural resources / Mountains / upstate / rivers and lakes</td>
<td>13</td>
</tr>
<tr>
<td>Variety / diversity</td>
<td>10</td>
</tr>
<tr>
<td>Climate</td>
<td>10</td>
</tr>
<tr>
<td>Heritage / history (Civil War / independence / early colony)</td>
<td>9</td>
</tr>
<tr>
<td>Destinations (Charleston, Myrtle Beach, Hilton Head, Kiawah Island)</td>
<td>7</td>
</tr>
<tr>
<td>Golf</td>
<td>6</td>
</tr>
<tr>
<td>Small state / easy access</td>
<td>4</td>
</tr>
<tr>
<td>Gastronomy / food</td>
<td>3</td>
</tr>
<tr>
<td>Affordable / lower cost of living / taxes / land values / cost of vacations</td>
<td>3</td>
</tr>
</tbody>
</table>

This section highlights the priorities and issues under each of the above headings. It should be noted that the views outlined in this section do not purport to be the views of the consultants but are an overview of issues discussed during meetings.
The Tourism Action Plan will aim to capitalize on those strengths where South Carolina has a clear competitive advantage. Significant in this regard is the fact that the State has a wide diversity of features and attractions in relatively close proximity to each other, therefore offering the opportunity for product bundling and linkages.

Furthermore, South Carolina’s relative proximity to major U.S markets and Western European markets gives it a competitive advantage over other U.S. States.

3.3 SOUTH CAROLINA’S WEAKNESSES AS A TOURISM DESTINATION

Marketing inadequacies and lack of direct air access are identified as the State’s primary weaknesses from a tourism perspective.

The marketing inadequacies relate not only to the inadequate funding of tourism marketing activities, but the failure to develop a strong, distinctive and appealing brand for South Carolina. The current slogan ‘Smiling Faces and Beautiful Places’ is considered weak. The lack of funding for tourism marketing can be attributed to the general lack of appreciation (amongst legislators and policy decision markers) of the importance of tourism as an economic generator.

Access is also seen as a major issue. The absence of direct flights to the State is compounded by the generally poor condition of the interstate highways and roads to the major destinations of Myrtle Beach, Charleston and Hilton Head (Genuine concerns were expressed regarding the capacity of major coastal resorts to implement evacuation procedures in the event of hurricanes striking the coast).

<table>
<thead>
<tr>
<th>Weakness</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access / No direct flights/ Hubs outside the State</td>
<td>10</td>
</tr>
<tr>
<td>Low awareness of SC as a tourism destination (lack of “stand out”/distinctive “brand”/USP)</td>
<td>9</td>
</tr>
<tr>
<td>Image (negative perceptions less well educated/conservative/ old Southern state; race issues/confederate flag)</td>
<td>6</td>
</tr>
<tr>
<td>Inadequate funding of tourism marketing</td>
<td>6</td>
</tr>
<tr>
<td>Roads/poor condition/hard to get to</td>
<td>5</td>
</tr>
<tr>
<td>Internal competition/parochial/”can’t see the big picture” /fragmentation of effort/not well organized</td>
<td>4</td>
</tr>
<tr>
<td>Tourism concentrated on coast/dominated by “Myrtle Beach”/overdevelopment</td>
<td>4</td>
</tr>
<tr>
<td>Lack of investment in Tourism Projects/lack of incentives for investors</td>
<td>4</td>
</tr>
<tr>
<td>Lack of appreciation of the importance of tourism</td>
<td>3</td>
</tr>
<tr>
<td>Overdevelopment of certain areas (planning / zoning inconsistencies)</td>
<td>2</td>
</tr>
</tbody>
</table>

On the product side, the lack of business supports/advisory services and financial incentives to the private sector has, in a number of circumstances, contributed to an ageing tourism product. A lack of tourism planning (resulting in overdevelopment and environmental degradation) is also an issue.

Finally, where organizational matters are concerned, the absence of a co-operative and coordinated approach by South Carolina tourism interests is seen as major inhibiting factor.
3.4 Market Segments Considered to Have Growth Potential

Family vacations, business travel, heritage/culture and outdoor activity/soft adventure vacations are identified as the segments of the market considered to have potential for growth.

The established coastal destinations and the undeveloped up-state nature areas are seen as key assets which have the potential to cater for the family vacation market. Charleston’s unique appeal, the southern culture and South Carolina’s involvement in the War of Independence and Civil War are distinctive aspects that will undoubtedly appeal to the growing heritage/cultural vacation market. Other segments of the market identified as having growth potential are golf and business travel.

Table 5.37 - Market segments considered to have growth potential:

<table>
<thead>
<tr>
<th>Market segment</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family vacations</td>
<td>10</td>
</tr>
<tr>
<td>Business Travel (conventions and meetings)</td>
<td>9</td>
</tr>
<tr>
<td>Heritage / cultural / historical interest</td>
<td>8</td>
</tr>
<tr>
<td>Golf</td>
<td>5</td>
</tr>
<tr>
<td>Baby boomers (attracted by climate / location /health conscious)</td>
<td>5</td>
</tr>
<tr>
<td>Activity tourism / soft adventure</td>
<td>4</td>
</tr>
<tr>
<td>Special events and festivals (incl. sports / church / schools)</td>
<td>4</td>
</tr>
<tr>
<td>Condominium Sales / Real estate</td>
<td>4</td>
</tr>
<tr>
<td>Independent Travelers</td>
<td>4</td>
</tr>
</tbody>
</table>

The current growth in demand for real estate in the form of condominium sales has also contributed to the emergence of a new market – people seeking second homes or to re-locate in the State, many as retirees.

3.5 Product Development Initiatives Stakeholders Would Like to See

The main product development initiatives that stakeholders would like to see implemented concern the issue of access to and within the State of South Carolina. In particular, while South Carolina is perceived to be strategically located in close proximity to key markets, the poor standard of highways at the present time is a major weakness and has a negative impact on the visitor experience.

The upgrading of one of the State’s airports to cater for direct flights is seen as a necessary initiative to open up new markets.
Table 5.38 - Product development initiatives stakeholders would like to see:

<table>
<thead>
<tr>
<th>Product development / infrastructure</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade roads / interstate highways / evacuation routes</td>
<td>8</td>
</tr>
<tr>
<td>Improve access / direct flights / upgrade airports</td>
<td>7</td>
</tr>
<tr>
<td>Environmental protection (incl. beach) / conservation / planning framework</td>
<td>5</td>
</tr>
<tr>
<td>Development of natural resources / state parks, lakes, rivers</td>
<td>4</td>
</tr>
<tr>
<td>Signage - need for uniform / branded signs</td>
<td>3</td>
</tr>
<tr>
<td>Identify tourism assets / develop products / attractions</td>
<td>3</td>
</tr>
<tr>
<td>Develop routes / trails / interpretation</td>
<td>2</td>
</tr>
</tbody>
</table>

With the over-development of Myrtle Beach cited as a concern, stakeholders would welcome the introduction of a planned approach to development in the future designed to protect the environment and conserve the State’s natural assets.

Other initiatives are recommended to capitalize on South Carolina’s cultural and natural assets. These include the introduction of uniform ‘branded’ signs, the development of routes and trails (with supporting interpretation) and the sensitive development of the State’s natural resources (i.e. State Parks, lakes and riverfronts). The development of new attractions is also recommended in order to position South Carolina for growth.

Verbatim comments:

**Product:**

“Conservation and the environment is going to become more important. Nature-based tourism could be a good card for South Carolina to play!”

“An expansion of convention centre is required (look at Orlando – it’s the corporate market that sustains us in the off-peak.”

“People spend half their time in gridlock. – Roads are not big enough. Interstate 95 is great until you get to South Carolina. There is no proper funding for roads.”

“There could be more support for the Parks. One of our great secrets – offering Cabins – improve visitor experience. If we can take the existing parks and turn them in to something more sophisticated.”

“Signs – Designed to be visitor friendly. We really need this – need low key, sensitive signs.”

“We need to create signature attractions which we do not currently have.”

“We don’t have criteria. South Carolina would benefit from grading and registrations.”

“Charleston - there is no major luxury branded hotel. It’s cosmopolitan enough of a city to have one.”

“We need to start creating standards so that we can reverse the perception of this island as an older outdated product (e.g. enforce home owners to update their homes).”
3.6 **Marketing Initiatives Stakeholders Would Like to See**

There was a general consensus amongst stakeholders that insufficient funding had been allocated to the marketing of South Carolina as a tourism destination. This historic under-funding of tourism marketing can be directly attributed to the lack of appreciation of the importance of tourism. Stakeholders, therefore, want to see bigger marketing budgets for tourism marketing.

There is a clear understanding, however, that money alone will not solve the problem. Raising awareness will undoubtedly address a major perceived weakness; however, stakeholders feel there is a need for a more sophisticated marketing approach. This will involve the development of a distinctive brand for tourism in South Carolina and strategies aimed at differentiating the State from its competitors. Furthermore, there is a call for resources to be invested in the development of vacation packages to cater for each of these segments.

<table>
<thead>
<tr>
<th>Marketing</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bigger budget for marketing SC</td>
<td>13</td>
</tr>
<tr>
<td>SC needs to <strong>differentiate</strong> itself / develop a distinctive <strong>brand</strong></td>
<td>10</td>
</tr>
<tr>
<td>Develop and promote products (i.e. history and culture Charleston / Mountains / Myrtle Beach / golf (need for market segmentation – a more sophisticated approach)</td>
<td>10</td>
</tr>
<tr>
<td>More co-ordinate state approach / co-operative marketing / Joint market of attractions etc.</td>
<td>6</td>
</tr>
<tr>
<td>Movie tourism / film production</td>
<td>2</td>
</tr>
<tr>
<td>Eco – certification / criteria for sustainable tourism projects / environmentally friendly approach</td>
<td>2</td>
</tr>
</tbody>
</table>

Two other stakeholders’ recommendations warrant mention. These are: the need for increased investment in tourism research to guide effective marketing and product development; and a more coordinated approach to marketing (including co-operative advertising campaigns), as significant fragmentation of effort exists at present resulting in inefficiencies and questionable impact on the target audience.

**Verbatim comments:**

**Marketing:**

“In Chattanooga they have an integrated marketing approach (Website) – everything is linked but in Columbia, attractions are stand alone.”

“It would be great if PRT could provide business development support – to developers – research - feasibility study support “

“We are not competitive enough. Don’t have enough resources. Should have a bigger sales force out there building a market for South Carolina.”

“There is so much potential to get the name out there. As a State we are not doing a very good job.”
We are losing market share to: Florida - Puerto Rico. Older people liked coming back to the same place, but younger/baby boomers don’t want to do the same things over and over again.”

“State needs to spend more money on marketing. It’s hard for us to do that so if State could provide platform for co-operative marketing.”

“The Brand – I’m not sure what the South Carolina brand is? We need to brand ourselves around a theme. “Smiling faces and beautiful places” just does not do it.”

“Most people do not know much about South Carolina. South Carolina needs to spend more money on marketing. South Carolina has a blurred version” – lacks a clear image.”

“There is a huge opportunity. Develop the brand. Raise awareness in the markets. Target the markets with different collaterals – focus on diversity.”

“South Carolina has everything that Florida has, without the negatives.”

“We have an opportunity to position our beaches as a more upmarket experience than Florida.”

“If South Carolina is serious about tourism business it will have to deal with the image problem.”

3.7 HRD INITIATIVES STAKEHOLDERS WOULD LIKE TO SEE

Given the widespread lack of appreciation of tourism’s importance for the economy of South Carolina, education and training is recommended from high school students up to public servants. In this regard, consideration could be given to launching a Tourism Awareness Program within the State.

There was also a call for an increase in public funding for tourism education and training aimed at strengthening South Carolina’s hospitality employee base and developing basic skills (i.e. customer care etc.)

3.8 ORGANIZATIONAL INITIATIVES STAKEHOLDERS WOULD LIKE TO SEE

The fragmented way in which tourism is organized at a regional level (i.e. 10 SCATR regions) is not considered conducive to maximizing South Carolina’s tourism potential. Ideally, stakeholders would like to see a reduction in the number of tourism regions in the State but recognize that political considerations have a significant bearing on this issue.

Notwithstanding the number of regions, there was a consensus that considerable scope exists for improved levels of co-operation between various tourism stakeholders (i.e. RTAs and CVBs; cooperation between visitor attractions; accommodation establishments and activity organizers working together etc.).

Finally, there was a call for Tourism Action Plan with a suggestion that key industry leaders be approached with a view to championing priority actions.
3.9 INFORMATION GAPS

Two main information gaps were identified. The first relates to the claim that there is currently inadequate market research carried out on visitors to South Carolina and potential visitors. In relation to the former, stakeholders would like to see more research on the profile and characteristics of current visitors, their motivations and reasons for visiting South Carolina, likes and dislikes, and patterns of visitation and participation in activities. There was also a call for more research into the markets with a view to identifying potential new business for South Carolina and the types of products/services that would be required to cater for these potential new visitors.

It is important that standardized measurements and tracking mechanisms be used so that stakeholders would be in a position to benchmark the performance of their enterprise/region against others.

Finally, there was a call for greater sharing of research data and a streamlining of how research findings are communicated to the industry.

3.10 KEY FINDINGS AND CONCLUSIONS

The key findings and conclusions from the consultations undertaken with stakeholders in South Carolina are as follows:

- There is a consensus that South Carolina has a wide diversity of assets and strengths. Apart from beaches and golf, the State’s natural assets (Mountains, lakes and rivers) and rich history and culture contribute to South Carolina’s appeal.

- There is an acknowledgement, however, that currently there is a low level of awareness of South Carolina as a tourism destination and the full extent of its resources. The State’s positioning in the marketplace is also considered to be weak as it lacks a “stand-out” “distinctive” brand/identity.

- In particular, it was felt that the current slogan ‘Smiling Faces and Beautiful Places’ does not reinforce the States Unique Selling Propositions.

- Access is also identified as a major issue. The lack of direct flights and the poor state of the roads serve to hinder the development of tourism.

- Lack of investment in tourism and the manner in which tourism is organized are further weaknesses that need to be addressed.

- There is an emerging consensus that South Carolina has all the necessary ingredients with which to target the heritage and culture and the outdoor activity/soft adventure segments of the market. Tourism products, in the form of attractions and activities, will need to be developed if South Carolina is to attract custom from these segments.

- Allied to the implementation of a tourism product development strategy is the need for a more sophisticated marketing approach. Central to a new marketing strategy should be the development of a distinctive brand for South Carolina, the segmentation of the market, the creation of ‘platforms’ for co-operative marketing between the State and private sector. Underpinning this, there is a need for a significant increase in tourism marketing budget.
PART 4  SOUTH CAROLINA’S POSITION IN THE TOURISM MARKETPLACE

4.1 INTRODUCTION

In order to obtain an insight into South Carolina’s current position and standing as a tourism destination, a review was undertaken of the market research which the South Carolina Department of Parks, Recreation and Tourism commissioned following the 2005 Domestic Consumer Leisure Advertising Campaign.

The market research in question ‘Advertising Awareness and Impact Study’ was undertaken by the Market Search Corporation in December 2005. The objectives of the research study were to measure awareness and recall of SCPRT advertising; to identify attitudes to South Carolina and to measure interest in South Carolina as a tourism destination.

As the 2005 advertising campaign was targeted at female travelers, the survey sample was conducted amongst a nationally representative sample of 900 women. A further 1,029 interviews were conducted with women in the States east of the Mississippi.

4.2 FAMILIARITY WITH SOUTH CAROLINA

- A majority of female travelers (both nationally and East of the Mississippi) have only limited familiarity with South Carolina as a vacation destination.
- Less than a third of respondents (both Nationally and in the East) describe themselves as being either ‘somewhat’ or ‘very’ familiar with South Carolina.
- Familiarity with South Carolina as a vacation destination is significantly lower than Florida and near the bottom of South Carolina’s competitor set (i.e. Virginia, North Carolina, Georgia).

4.3 INCIDENCE OF VISITING SOUTH CAROLINA

11% of National respondents and 13% of those in the East visited South Carolina in 2005. South Carolina is thus ranked 11th as a domestic destination. Amongst those that have seen advertisements for South Carolina, the incidence of visitation is 21% with South Carolina’s ranking jumping to 4th out of 50 States.
Table 5.40 – Top States Visited in 2005

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>Seen SCPRT Ads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>29% Florida 38%</td>
</tr>
<tr>
<td>California</td>
<td>19 Georgia 26</td>
</tr>
<tr>
<td>Georgia</td>
<td>18 North Carolina 21</td>
</tr>
<tr>
<td>New York</td>
<td>17 South Carolina 21</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>14 New York 20</td>
</tr>
<tr>
<td>Nevada</td>
<td>13 California 20</td>
</tr>
<tr>
<td>Illinois</td>
<td>13 Illinois 19</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Tennessee 18</td>
</tr>
<tr>
<td>New Jersey</td>
<td>12 Texas 18</td>
</tr>
<tr>
<td>Virginia</td>
<td>11 Virginia 17</td>
</tr>
<tr>
<td>South Carolina</td>
<td>Alabama 17</td>
</tr>
<tr>
<td>Tennessee</td>
<td>11 Pennsylvania 16</td>
</tr>
<tr>
<td>Texas</td>
<td>11 Kentucky 16</td>
</tr>
</tbody>
</table>

*Source: MarketSearch

4.4 Opinion of South Carolina as a Tourism Destination

- 45% of females Nationally and 50% of those in the East give South Carolina a positive rating. However, South Carolina’s rating as a vacation destination is lower than that attributed to most of its direct competitors with only Georgia achieving a poorer rating.

Table 5.41 – Impression of States as Vacation Destinations (Mean Score Ratings based on 10 Point Scale)

<table>
<thead>
<tr>
<th></th>
<th>National Sample</th>
<th>East Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>7.8</td>
<td>8.1</td>
</tr>
<tr>
<td>Virginia</td>
<td>6.4</td>
<td>6.5</td>
</tr>
<tr>
<td>North Carolina</td>
<td>6.4</td>
<td>6.6</td>
</tr>
<tr>
<td>South Carolina</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Georgia</td>
<td>5.9</td>
<td>6.1</td>
</tr>
</tbody>
</table>

*Source: MarketSearch

- Those who have seen advertising for South Carolina tend to give significantly higher ratings and have more favorable impressions of the State.
South Carolina Tourism Action Plan

- Myrtle Beach, Charleston, Hilton Head together with South Carolina’s State Parks are the destinations in South Carolina which are most highly rated. At a somewhat lower level, Greenville, Beaufort and Columbia also achieve above average ratings.

- Respondents who have seen advertisements for South Carolina are also more likely to make return visits to the State than those who have not been exposed to promotional activities.

4.5 MOTIVATIONS

- The research findings suggest that the advertising of South Carolina as a vacation destination has an impact on the target audience and has the potential to influence behavior and travel patterns.

- Those who had seen the advertisement for South Carolina were more likely to stay longer and spend more than those who had not seen the ads.

- Routine visits and visits to friends or relatives are the primary motivating factors amongst those who had visited South Carolina in 2005. Considerable scope exists to encourage potential visitors to extend their relationship with South Carolina beyond these narrow confines.

<table>
<thead>
<tr>
<th></th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>A place we routinely visit</td>
<td>36%</td>
</tr>
<tr>
<td>Family lives nearby</td>
<td>32</td>
</tr>
<tr>
<td>To explore new places</td>
<td>27</td>
</tr>
<tr>
<td>Heard about from friends/family</td>
<td>26</td>
</tr>
<tr>
<td>A place we’ve been before (but don’t routinely go) and wanted to go back</td>
<td>25</td>
</tr>
<tr>
<td>Have always wanted to go, but never had the opportunity</td>
<td>17</td>
</tr>
<tr>
<td>To take advantage of a sale or package deal</td>
<td>16</td>
</tr>
<tr>
<td>To combine a vacation and business trip</td>
<td>13</td>
</tr>
</tbody>
</table>

*Source: MarketSearch*
4.6 MEDIA USAGE

- Three quarters of the target audience subscribe to or read magazines on a regular basis.
- The internet is used by most respondents in planning their travel/vacations arrangements. A sizeable proportion (six in ten) also claim to have used the internet to book accommodation and flights.
- Those who had seen advertisements for South Carolina are somewhat more likely than others to use the internet for travel planning/reservations. Expedia.com, Travelocity.com and Orbitz.com are the most popular sites.
- Only 3% of the target audience had visited ‘Discover South Carolina.com’ in 2005. Amongst those that had seen the advertisement for South Carolina the incidence of visiting the site was higher at 8%.

4.7 KEY FINDINGS AND CONCLUSIONS

The key findings and conclusions from the review of South Carolina’s position in the tourism marketplace are as follows:

- Awareness levels within the Domestic market of South Carolina as a tourism destination are currently low. The initial marketing challenge under the Tourism Action Plan will be to raise South Carolina’s profile in the marketplace.
- Where consumers do have an opinion on the State, South Carolina’s image and reputation is not as favorable as many of its direct competitors.
- There is evidence, however, that individuals who have been exposed to advertising of South Carolina as a vacation destination have a more favorable impression of the State. The development of a ‘distinctive’ new brand identity for South Carolina will greatly strengthen the State’s standing.
- The promotion of a range of product offers, vacation packages, events etc. through the print and electronic media and the internet to segments within the marketplace is likely to pay dividends.
PART 5 SURVEY OF TRAVEL TRADE

5.1 SURVEY DETAILS

For this project, Tourism Development International conducted a survey of Travel Trade Executives in South Carolina’s main markets. In total 54 executives were interviewed, 14 from the United States, 10 from Canada, and 30 based in the main international markets. The full sample breakdown which comprised tour operators, travel writers, airline and cruise company executives is presented in table 5.43 below:

Table 5.43 - Sample details

<table>
<thead>
<tr>
<th></th>
<th>Tour Operators</th>
<th>Travel Writers</th>
<th>Airlines / Cruise Lines</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>11</td>
<td>-</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Canada</td>
<td>3</td>
<td>7</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Britain / Ireland</td>
<td>9</td>
<td>5</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Europe</td>
<td>13</td>
<td>-</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>TOTAL</td>
<td>36</td>
<td>12</td>
<td>6</td>
<td>54</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International

The survey was conducted over an eight week period from 20th February to 20th April 2006.

5.2 DESTINATIONS AND TOURISM PRODUCTS GROWING IN POPULARITY

At the outset of the survey (and prior to broaching the subject of South Carolina), the views of travel trade executives were sought regarding the destinations in the United States that are perceived to be growing in popularity. Respondents’ opinions on demand trends for vacations products/types of experiences were also sought.

Florida, New York and Las Vegas are the US destinations identified by the travel trade as growing in popularity.
A significant proportion of respondents reported South Carolina to be growing in popularity. The proportion of respondents reporting South Carolina to be growing in popularity was highest amongst executives from UK/ Ireland (29%). This compares with 19% of Europeans and 12% of US/Canadian executives reporting growth in demand for the State.

The specific types of vacation experiences or tourism products that are reported to be growing in popularity are independent fly drive programs, cruise vacations, and golf. The trade also report a growth in demand for activity/soft adventure vacations and history/culture.

* Source: Tourism Development International

<table>
<thead>
<tr>
<th>Table 5.44 - US Destinations growing in popularity</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
</tr>
<tr>
<td>Florida</td>
</tr>
<tr>
<td>Las Vegas</td>
</tr>
<tr>
<td>South Carolina</td>
</tr>
<tr>
<td>North Carolina</td>
</tr>
<tr>
<td>Georgia</td>
</tr>
<tr>
<td>Virginia</td>
</tr>
<tr>
<td>Louisiana</td>
</tr>
<tr>
<td>Tennessee</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 5.45 - Products growing in popularity (main)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent/ Fly – drive</td>
</tr>
<tr>
<td>Cruise Vac.</td>
</tr>
<tr>
<td>Golf</td>
</tr>
<tr>
<td>Motor Coach Tours</td>
</tr>
<tr>
<td>History &amp; Culture</td>
</tr>
<tr>
<td>Activity Vac. Soft adventure</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International
There are some notable variations in the pattern of demand across the three market areas. These are presented in table 5.46 below:

**Table 5.46 Vacation types growing in demand analysis by market (top 5)**

<table>
<thead>
<tr>
<th>USA/Canada</th>
<th>Europe</th>
<th>Britain/Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cruise vacations</td>
<td>29</td>
<td>Independent</td>
</tr>
<tr>
<td>History/culture</td>
<td>21</td>
<td>Cruise vacations</td>
</tr>
<tr>
<td>Motor coach</td>
<td>21</td>
<td>Special interest</td>
</tr>
<tr>
<td>Eco-tourism</td>
<td>21</td>
<td>Activity</td>
</tr>
<tr>
<td>Golf</td>
<td>17</td>
<td>History/culture</td>
</tr>
</tbody>
</table>

Access is cited as the primary reason for growth in the most popular U.S. destinations. Two factors are significant here. Firstly, the availability of direct air access to the US destination from the customer’s own country of origin. Secondly, the increased availability of cheaper air fares from low cost carriers.

Apart from access, the survey results clearly indicate the importance of marketing as a key reason in the growth of US destinations. It is clear that those destinations that have adopted a sustained and pro-active approach to marketing have succeeded in making an impact on the marketplace.

The ‘weak’ dollar is also cited as a factor in contributing to more affordable vacations.
There were some notable variations in the reasons for growth in popularity of the main US destinations.

Where Las Vegas and (to a letter extent) Florida are concerned, the availability of direct access was cited as the main reason for growth in popularity. The desire of vacationers to experience ‘something new’ was also an important factor in the growth in demand for Las Vegas.

Florida’s popularity can, in the main, be attributed to good marketing which clearly involves programs designed to ensure that the travel trade are familiar and kept ‘up to date’ with the Florida product offer.

Favorable exchange rate (resulting in affordable prices) is cited as the main reason in growth in popularity of New York.
5.3 UNDERSTANDING CUSTOMER NEEDS

Where leisure travel is concerned, consumer needs are constantly changing. To obtain an insight into current consumer trends, travel trade executives were asked for their views as to the type of experiences customers are looking for.

In citing activity/soft adventure vacations, independent/fly drive and history/culture as the types of experience that vacationers are now seeking, the feedback from the travel trade is consistent with other information sources (including trends reported by Travel Industry Association of America (T.I.A.) and the World Tourism Organization (U.N.W.T.O.).

The desire of customers to ‘seek new experiences’ and to participate in cruising vacations also offers South Carolina an opportunity to capture vacation business.

Table 5.48 - Reasons for growth in popularity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Direct air access from own market available / low fare/ airline offer cheaper flight</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>2. Good marketing / high marketing profile / they do fam trips</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>3. Reasonable prices (mainly due to weaker US $)</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4. Expanded brochure coverage</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>5. Try something new / to see what’s new</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International
Florida is seen as the US destination which is best responding to changing customer needs. Arizona, California and New York are also mentioned in this regard.

Table 5.50 - US Destinations Best Responding to changing customer needs

<table>
<thead>
<tr>
<th>Top Performers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>33 %</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>13 %</td>
</tr>
<tr>
<td>Arizona</td>
<td>11 %</td>
</tr>
<tr>
<td>New York</td>
<td>11 %</td>
</tr>
<tr>
<td>California</td>
<td>9 %</td>
</tr>
<tr>
<td>North Carolina</td>
<td>7 %</td>
</tr>
<tr>
<td>Virginia</td>
<td>4 %</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International
Proactive marketing, both to the travel trade and directly to consumers, is seen as the main reason why the aforementioned US destinations are responding to customer needs. These destinations clearly have the appropriate organizational structures and personnel in place to respond promptly to enquiries from the travel trade and consumers.

It should also be noted that ‘product renewal’ is also cited as a key factor in ensuring that destinations meet the needs of customers.

Table 5.51 – How ‘top performing’ States are responding to changing customer needs

<table>
<thead>
<tr>
<th>Reasons</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Active marketing to public and media / fam trips</td>
<td>31%</td>
</tr>
<tr>
<td>• General, constant renewal of tourism product</td>
<td>19%</td>
</tr>
<tr>
<td>• Quick in responding / great co-operation with tour operators</td>
<td>9%</td>
</tr>
<tr>
<td>• Golf: new golf resorts built (only) there</td>
<td>5%</td>
</tr>
<tr>
<td>• Is very vibrant and open to changes</td>
<td>4%</td>
</tr>
<tr>
<td>• Many different types of consumer targeted</td>
<td>2%</td>
</tr>
</tbody>
</table>
5.4 SOUTH CAROLINA’S STRENGTHS AND WEAKNESSES

South Carolina’s primary strengths are perceived to be golf and beaches/recreation. The trade also identify a number of other strengths, most notably history and culture, the State’s climate and the friendliness/hospitality of South Carolina people.

Interestingly, the city of Charleston was unique amongst South Carolina’s locations in being identified as a tourism asset.

* Source: Tourism Development International

There were some notable variations in response according to market. Europeans identified golf (followed by beaches/recreation) as the main strengths of South Carolina. The UK/Ireland and US/Canadian trades, on the other hand, cited beaches/recreation as the main strength (followed by golf).

Other significant variations are as follows:

- South Carolina’s climate is seen as a strength by US/Canadian and European travel trade representatives
- Europeans identify Charleston specifically and history/culture as appealing aspects
- British and Irish respondents also cite history/culture as strengths, along with the hospitality/friendliness of the people of South Carolina.

Lack of consumer awareness and the absence of direct access are cited as South Carolina’s main weaknesses.
In terms of variations by market, European and UK/Ireland travel trade identify lack of consumer awareness/marketing as the main weakness. US/Canadian operators, on the other hand, cite lack of direct air access as the main shortcoming.

“South Carolina needs to build partnership with corridors to major airports like Atlanta & Jacksonville!”

“Myrtle Beach is overdeveloped and very ugly!”

“Only little information available about upstate”

“There is still a general dislike of the immigration procedures when arriving in the USA”

“American Border Guards don’t trust Canadians, which brings down tourist numbers from Canada dramatically”

When asked to identify South Carolina’s Unique Selling Proposition (USP), the responses mirror the strengths of the State as previously reported.

What is clearly evident is that South Carolina has much to offer to the consumer.

* Other weaknesses (Myrtle Beach overdeveloped; Homeland Security approach; Poor access)

*Source: Tourism Development International
Variations in response by market can be summarized as follows:

- **US/Canada** – Beaches are identified as South Carolina’s USP
- **UK/Ireland** – No single USP evident. South Carolina’s appeal is seen as the variety of product offer including golf, history/culture, beaches and the friendliness of the host population
- **Europe** – Beaches are identified as the USP although a sizeable proportion of executives cite history/culture as distinctive assets.

*Source: Tourism Development International*
5.5 SOUTH CAROLINA PRODUCT RATINGS

In an effort to obtain an evaluation of the South Carolina tourism product offer, respondents were asked to rate 21 different aspects of the product using a five point rating scale (Very good - very Poor).

The findings are presented in a series of three charts below and are ranked based on those reporting each aspect to the ‘very good’.

The following conclusions can be drawn:

- For many products, a high level of no reply/non-response was recorded. This is confirmation of a lack of familiarity of the South Carolina tourism product offer amongst many travel trade executives.
- Golf is the South Carolina product that achieves the highest rating with a majority of responding executives scoring this aspect as ‘very good’.
- Beaches, friendliness/hospitality and, to a lesser extent, scenery, are also highly rated.
- Positive ratings were also recorded in respect of visitor attractions/places to visit, accommodation, and history/culture.

<table>
<thead>
<tr>
<th>Table 5.55 - South Carolina Tourism Product Ratings (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Golf</td>
</tr>
<tr>
<td>Beaches</td>
</tr>
<tr>
<td>Hospitality/Friendliness</td>
</tr>
<tr>
<td>Scenery</td>
</tr>
<tr>
<td>Visitor attractions/places to visit</td>
</tr>
<tr>
<td>Accommodation</td>
</tr>
<tr>
<td>History &amp;Culture</td>
</tr>
</tbody>
</table>

*Source: Tourism Development International

- While not unsatisfactory, scope clearly exists to improve ratings on aspects including cultural entertainment, tourism routes/trails, visitor information, visitor activities and infrastructure.
Although the rating attributed to places to eat/restaurants is ‘satisfactory’ at best, the rating could reflect a lack of knowledge on the part of the travel trade. (NB. It is the experience of the consultants that South Carolina’s cuisine is a genuine product strength and gives the State a competitive advantage)

Table 5.66 - South Carolina Tourism Product Ratings (2)

<table>
<thead>
<tr>
<th>Product</th>
<th>Very good</th>
<th>Good</th>
<th>Fair</th>
<th>Not reply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural entertainment</td>
<td>15%</td>
<td>26%</td>
<td>48%</td>
<td>55%</td>
</tr>
<tr>
<td>Touring routes/trails</td>
<td>17%</td>
<td>15%</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>Places to eat/restaurants</td>
<td>12%</td>
<td>28%</td>
<td>51%</td>
<td>51%</td>
</tr>
<tr>
<td>Visitor Information</td>
<td>15%</td>
<td>31%</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>Visitor activities</td>
<td>13%</td>
<td>33%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Infrastructure (roads, signposting)</td>
<td>13%</td>
<td>33%</td>
<td>50%</td>
<td>36%</td>
</tr>
</tbody>
</table>

*Source: Tourism Development International

5.6 INTEREST IN SOUTH CAROLINA TOURISM PRODUCTS

At the penultimate stage of the interview, travel trade executives were asked for their views as to how interested consumers would be in a range of South Carolina tourism products.

Five vacation types/products stand out. These are golf, general sightseeing, beach/resort vacations, history/culture and Charleston.
The key variations by market area can be summarized as follows:

- **United States/Canada** – The highest levels of interest are recorded in respect of beach vacations/resorts and history/culture.

- **United Kingdom/Ireland** – general sightseeing, history/culture, Charleston and beach vacations/ resorts are the products that attract the highest levels of interest.

- **Europe** – Consumer interest is the highest in respect of golf and general sightseeing while the historical/cultural aspects (including Charleston) are also likely to appeal to a significant proportion from this market.

*Source: Tourism Development International*
### Table 5.58 - Interest in South Carolina Tourism Products by Market

(% Very Interested)

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>UK/Ireland</th>
<th>US/Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>16</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Golf</td>
<td>10</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>General Sightseeing</td>
<td>7</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Beach Vacations/Resorts</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>History/Culture</td>
<td>5</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Charleston</td>
<td>6</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Family Vacations</td>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Rural Vacations</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International

When those respondents who indicated that customers would be ‘quite interested’ are added to those who are ‘very interested’, there is evidence of consumer interest in a wider range of products in respect of each market. These are highlighted in table 56 below.

### Table 5.59 - Interest in South Carolina Tourism Products by Market

(% Respondents Very/Quite interested)

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>UK/Ireland</th>
<th>US/Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>16</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Golf</td>
<td>11</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Independent</td>
<td>11</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Beach Vacations/Resorts</td>
<td>13</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>History/Culture</td>
<td>12</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Charleston</td>
<td>13</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Family Vacations</td>
<td>7</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Rural Vacations</td>
<td>2</td>
<td>10</td>
<td>4</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International
5.7 UNLOCKING SOUTH CAROLINA’S POTENTIAL

The market segments/visitors types that are considered to offer the greatest potential for South Carolina are golfers, families, beach/resort vacationers and independent fly drive vacationers.

In terms of age, all opportunity clearly exists to capture tourism business from ‘baby boomers’ and the ‘grey’ market.

Table 5.60 - Market segments / visitor types considered to offer greatest potential for South Carolina

<table>
<thead>
<tr>
<th>Visitor Type</th>
<th>Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golfers</td>
<td>35%</td>
</tr>
<tr>
<td>Family vacations</td>
<td>22%</td>
</tr>
<tr>
<td>Beach vacations</td>
<td>17%</td>
</tr>
<tr>
<td>Fly drive</td>
<td>15%</td>
</tr>
<tr>
<td>Retired couples/greys</td>
<td>13%</td>
</tr>
<tr>
<td>Baby boomers</td>
<td>13%</td>
</tr>
<tr>
<td>History and culture</td>
<td>6%</td>
</tr>
</tbody>
</table>

* Source: Tourism Development International

To unlock South Carolina’s tourism potential, the travel trade would like to see a range of measures implemented. Of greatest significance is the need for more marketing and targeted promotional activities designed to raise awareness of South Carolina within the travel trade and amongst potential consumers.
The following verbatim comments were recorded:

“If I was to tell you the three most important measures, I would say ‘Direct flights, direct flights, direct flights’!”

“Constant updates on new developments”

“Far more co-operative attempts & joint initiatives!”

“Wake up the Europeans”

“Do less for golfers, more for the rest!”

“Very good marketing in Ontario, Canada already”

“Reduce prices – applies to any State, though”

“Create an ad using Shaggy’s song ‘Oh, Carolina!’”

While many tour operators remain uncommitted at this stage, it is clear that the adoption of a proactive marketing approach (including regular travel trade updates and familiarization trips), would serve to stimulate interest in South Carolina and encourage inclusion in tour operator programs.
5.8 KEY FINDINGS AND CONCLUSIONS

The key findings and conclusions arising from the survey of Travel Trade are as follows:

- Travel trade executives report general sightseeing/independent travel, cruise vacations, golf, coach tours, history and culture, and activity/soft adventure vacations to be growing in popularity.

- Customers are now seeking vacation experiences that will challenge them physically as well as mentally. Hence, the travel trade reports an increase in demand for activity/soft adventure and history/culture vacations. This is consistent with trends reported elsewhere in this report.

- The availability of direct air access and marketing are the primary reasons attributed to the growth of the most popular U.S. destinations. If South Carolina is to achieve significant growth, it will be essential that the provision of direct access to the State be examined. An increase in marketing budgets will also be required.

- Golf and beaches/recreation are identified as South Carolina’s primary strengths. At a secondary level, history/culture, climate and hospitality are also cited as positive attributes.

- Significant levels of travel trade interest were recorded in a range of vacation products which could be offered by South Carolina. Variations in the pattern of demand are evident according to market. However, all markets display an interest in history and culture in addition to the more established golf and beach/resort vacations traditionally associated with South Carolina.

- Segments of the vacation market considered to offer the greatest potential are golfers, families, beach vacationers, independent fly drive (for sightseeing and history/culture).

- Lack of consumer awareness of South Carolina as a vacation destination and absence of direct access are identified as the State’s main weaknesses.
PART 6  CASE STUDIES

6.1 INTRODUCTION

As a final information gathering exercise, case studies were prepared in relation to 8 tourism destinations, four in the United States and four international.

In most cases although not all, the destinations selected have a similar population size to South Carolina. The selection process also took into account initial feedback and suggestions from stakeholders who were consulted as part of this assignment.

The destinations examined were as follows:-

- United States
  - Virginia/West Virginia
  - Florida
  - Illinois
  - North Carolina

- International
  - Ireland
  - Scotland
  - Norway
  - New Zealand

The information sought in relation to each case study was as follows:-

- Visitor numbers/Revenue
- Organizational Structure
- Staffing levels/Resources
- Annual marketing expenditure
- Product development planning responsibilities
- Annual product development grant fund

Additional information on two of the international case studies - Scotland and New Zealand - along with information on Canada are included as an appendix to this report.

6.2 UNITED STATES CASE STUDIES

An examination of tourism organizational structures in the United States case studies indicates a wide diversity of organizational models. These range from tourism divisions within State Departments of Commerce (West Virginia and Illinois) to public/private companies (Visit Florida).

In most cases, the focus of tourism efforts is on marketing-related activities. In a number of cases (i.e. West Virginia Tourism) the tourism organization’s remit also includes tourism product development planning.

The key facts on each of the U.S. destinations examined are presented in table 5.62 below:-
### Table 5.62 - Case Study Comparative Profile-United States Destinations

<table>
<thead>
<tr>
<th></th>
<th>West Virginia Tourism</th>
<th>Virginia Tourism</th>
<th>Visit Florida</th>
<th>Illinois Bureau of Tourism</th>
<th>North Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population (Million)</strong></td>
<td>1.8</td>
<td>7.6</td>
<td>17.8</td>
<td>18.8</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>GDP per Capita (US$$)</strong></td>
<td>25,219</td>
<td>44,021</td>
<td>34,127</td>
<td>41,056</td>
<td>39,389</td>
</tr>
<tr>
<td><strong>Visitor Numbers (person trips)</strong> (Million)</td>
<td>16</td>
<td>44</td>
<td>85</td>
<td>50</td>
<td>49</td>
</tr>
<tr>
<td><strong>Visitor Expenditure (person trips)</strong> (Billions US$$)</td>
<td>1.8</td>
<td>14.3</td>
<td>56.3</td>
<td>23.0</td>
<td>13.0</td>
</tr>
<tr>
<td><strong>Structure</strong></td>
<td>Tourism Division of Dept. of Commerce</td>
<td>Government Authority</td>
<td>Public/Private Company (501C6)</td>
<td>Division of Department of Commerce and Economic opportunity</td>
<td>Tourism Division of Dept. of Commerce</td>
</tr>
<tr>
<td><strong>Annual Marketing Budget (including staff cost) (Million US$$)</strong></td>
<td>18</td>
<td>18</td>
<td>89 (25 State 64 Private Sector)</td>
<td>50</td>
<td>11</td>
</tr>
<tr>
<td><strong>Staff Levels</strong></td>
<td>72</td>
<td>65</td>
<td>118 (65 HQ 40 TIOs) 13 o/s</td>
<td>12</td>
<td>80</td>
</tr>
<tr>
<td><strong>Annual Marketing Spend (Million US$$)</strong></td>
<td>15</td>
<td>13</td>
<td>82</td>
<td>20 (+ 25 in funding 40 CVBS)</td>
<td>6</td>
</tr>
<tr>
<td><strong>Product Development Planning Department</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>NO</td>
<td>No</td>
</tr>
<tr>
<td><strong>Annual Product Development Grant Fund (Million US$$)</strong></td>
<td>Yes 10</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

*Source: T.I.A. (all the other information based on consultations with respective Tourism Organizations)

Visitor expenditures in this table and following commentary relate to 2003
6.2.1 West Virginia Tourism

West Virginia attracted an estimated 16 million visitors (person trips) in 2005 spending $1.8 billion. The lower level of tourism revenue by comparison with the state of Virginia can, at least in part, be explained by the high proportion of day trippers attracted by the gambling on offer.

West Virginia Tourism is a division of the State Department of Commence. The annual marketing budget is $18 million of which $13 million is allocated for ‘pure’ marketing/promotional activities and the balance on overheads and administration. Marketing activities are funded on a $ for $ basis with the State matching industry contributions.

The Tourism Division of West Virginia Department of Commence has a total staff complement of 72. Its remit also includes tourism product development planning for which an annual grant fund of $10 million has been set aside.

6.2.2 Virginia Tourism

Virginia attracted an estimated 44 million visitors (person trips) in 2004, spending $14.3 billion. In terms of visits, the State attracted an equal number of day and overnight visitors.

Two thirds of visitors to Virginia travel for pleasure/leisure purposes. Business tourism accounts for 14% of visitors. In terms of origin, Virginia’s main markets are the State itself and its close neighbors North Carolina, Maryland, along with Pennsylvania and New York.

History and culture is a very important feature of the State of Virginia’s tourism product offer augmented by arts and events programs.

Virginia tourism is a quasi government authority. It is not restricted by government regulations on the hiring of personnel etc. Total annual marketing budget including staff overheads is US$18 million, 70% of which is funded by the State Government and 30% by industry. Marketing expenditure amounts to US$13 million annually.

Virginia tourism has a staff complement of 65. It provides product development planning support to the industry in the form of technical expertise but not grant aid.
6.2.3 Visit Florida

Florida is one of the top destinations in the United States. In 2005, the State attracted an estimated 85 million visitors (person trips) spending $56.3 billion.

Visit Florida is a public/private enterprise. Total marketing budget including staffing and administration is $89 million. The state provides $25 million in funding marketing activities with the balance being generated through private sector contributions. Most of Visit Florida budget is committed to advertising, sales and other marketing activities.

The organization has a total staff complement of 118, 13 of whom are located in the main overseas markets.

Visit Florida’s remit also includes product development planning although a limited budget exists for this purpose ($1 million).

6.2.4 Visit North Carolina

In 1995, North Carolina attracted an estimated 49 million visits (person trips), spending an estimated $13 billion. 54% of visitors stayed at least one night in the State with the balance visiting for the day only. The State’s tourism offer includes activity vacations /soft adventure, golf, rural/countryside tourism, history and culture, arts and events and gastronomy.

North Carolina attracts 43% of its visitors from within the State. The main out-of-state markets are South Carolina (8% of visitors), Virginia (8%), Georgia (6%), New York (4%), Florida (4%) and Tennessee (4%). The main activities in which visitors to North Carolina participate are diving, shopping, touring/sightseeing and entertainment.

North Carolina Tourism is a division of the State Department of Commerce. Total annual marketing budget including staff overheads is US$11 million. Annual expenditure on marketing activities amounts to US$6 million.

The North Carolina Tourism Division has a staff complement of 80. It does not have a product development planning remit and consequently does not provide grant aid to the industry.

6.2.4 Illinois Bureau of Tourism

In 2004, Illinois attracted 50 million visitors (person trips), of whom 1 million were from international markets. Tourism revenue was estimated at $23 billion. Illinois is the joint 6th most popular state and Chicago the 9th most popular city for overseas visitors to the U.S. The top five generating domestic states for Illinois are the State of Illinois, Wisconsin, Missouri, Indiana and Michigan.

The Illinois Bureau of Tourism is a division within the Department of Commerce and Economic opportunity. Total budget is $50 million. The tourism budget is funded solely through State tourism receipts. $20 million is spent annually on promotional activities (advertising, PR etc.) A further
$ 25 million is allocated to the funding of 40 CVBs in the state. The balance ($ 5 million) covers the cost of administration which includes head office staff of 12.

Currently the Illinois Bureau of Tourism does not have a product planning remit though it is understood that this is something which the organization may become involved in at some stage in the future. A small fund of $ 1.5 million exists for grant aid towards tourism infrastructure enhancement.

6.3 INTERNATIONAL CASE STUDIES

Most of the International Case Studies examined have dedicated National Tourism Authorities which are at ‘arm’s length’ from the government/civil service. The exception is in Norway, where tourism is a department within a government agency responsible for the development of a number of sectors.

In most instances (Ireland being the exception), the tourism bodies concerned have a remit for both tourism product development and marketing.
### Table 5.63 - Comparative Profile - International destinations

<table>
<thead>
<tr>
<th></th>
<th>Ireland</th>
<th>Scotland</th>
<th>New Zealand</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><a href="http://www.tourismireland.com">www.tourismireland.com</a></td>
<td><a href="http://www.visitscotland.com">www.visitscotland.com</a></td>
<td><a href="http://www.newzealand.com">www.newzealand.com</a></td>
<td><a href="http://www.visitnorway.com">www.visitnorway.com</a></td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>4.1 (Million)</td>
<td>5 (Million)</td>
<td>4.1 (Million)</td>
<td>4.6 (Million)</td>
</tr>
<tr>
<td><strong>GDP per Capita (US$)</strong></td>
<td>34,100</td>
<td>30,900</td>
<td>24,100</td>
<td>42,400</td>
</tr>
<tr>
<td><strong>Visitor Numbers (out of state)</strong> (Million)</td>
<td>7.0</td>
<td>10.7</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td><strong>Tourism Revenue</strong> (Billions US$)</td>
<td>5.2</td>
<td>6.2</td>
<td>4.2</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Structure</strong></td>
<td>FAILTE IRELAND - National Tourism Development Authority - TOURISM IRELAND - Overseas Marketing</td>
<td>Visit Scotland – National Tourism Authority</td>
<td>Tourism New Zealand – upper care-National Tourism Authority</td>
<td>Innovation Norway - Tourism is one division within this government agency</td>
</tr>
<tr>
<td><strong>Annual Marketing Budget</strong> (including staff cost) (million US$)</td>
<td>81.9</td>
<td>85</td>
<td>52</td>
<td>20</td>
</tr>
<tr>
<td><strong>Staff Levels</strong></td>
<td>FAILTE IRELAND - HQ 230 - RTA/TIO 110 - TOURISM IRELAND - HQ 50 - Overseas 100</td>
<td>- HQ 220 - TIO 800</td>
<td>100 Overseas Staff.</td>
<td>- HQ 20 - overseas 35</td>
</tr>
<tr>
<td><strong>Annual Marketing Spend</strong> (Million US$)</td>
<td>51.2</td>
<td>77.2</td>
<td>39</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>Product Development Planning Department</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Annual Product Development Grant Fund</strong> (Million US$)</td>
<td>13</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
6.3.1 Ireland

In 2005, the Republic of Ireland attracted an estimated 7 million out-of-state visitors, a 6% growth on the previous year. Total tourism revenue is 2004 was $5.2 billion. Britain, Ireland’s closest neighbor, is the main market accounting for 55% of tourists. Mainland Europe (with 25% of visitors) and North America (15%) are other key markets.

Almost half (49%) of out-of-State travel to the Republic of Ireland is vacation/leisure related. Visits to friends or relatives (VFR) account for 30% of visitors while 14% of visitors travel to the country for the purpose of undertaking business.

Prior to 1995, the Republic of Ireland had one dedicated agency ‘Bord Failte’ (The Irish Tourist Board) which had responsibility for both tourism product development and marketing for the Republic of Ireland. Following the signing of the Good Friday Agreement leading to a new constitutional arrangement with Northern Ireland, a decision was made to establish a new organization Tourism Ireland to promote the Republic of Ireland and Northern Ireland on an all-island basis in overseas markets.

This involved the transfer of all marketing personnel from the Irish Tourist Board to Tourism Ireland. A new body was subsequently established, Failte Ireland, the National Tourism Development Authority, which has responsibility for tourism product development, visitor servicing, training and business support services for the industry. Failte Ireland’s remit extends to the Republic of Ireland only.

Tourism Ireland’s has a total staff complement of 150, 100 of whom are located in overseas offices. Failte Ireland has a staff complement of 340 which includes 110 Regional Tourism Authority staff recently subsumed into the organization.

Tourism Ireland annual budget is $81.9 million with $51 million allocated to overseas marketing activities.

Failte Ireland, under the current Tourism Product Development Scheme, allocates grant aid worth $13 million annually to the industry.

6.3.2 New Zealand

New Zealand attracted 2.3 million out-of-state visitors in 2005 spending an estimated US$ 4.2 billion. The high level of tourism revenue relative to visitor numbers can be explained by the longer than average length of stay by visitors traveling from long haul destinations.

Half of visitors to New Zealand travel there on vacation. Individuals visiting friends or relatives (VFR) account for 28%, and business travelers 13%.

Amongst the main products promoted by the country are fly drive programs-developed self-drive itineraries which include all the highlights and ‘must see’ regions that New Zealand has to offer. Considerable resources have been allocated to the development of a strong, distinctive brand-100%
Pure New Zealand and marketing activities have capitalized on 2 major events to showcase the country: the Americas cup – sailing; and the movie ‘Lord of the Rings’.

In terms of organizational structures, Tourism New Zealand is an independent authority which has a mandate to promote New Zealand internationally. Regional Tourism Organizations focus on product development depending on the maturity of the destination. A key goal of Tourism New Zealand’s strategy is to develop stronger partnerships between local government and tourism to drive regional development.

Tourism New Zealand’s overall marketing budget in 2005 was US$ 52 million which includes staff salaries (The organization currently has 100 overseas staff). Marketing expenditure in 2005 amounted to US$ 39 million.

Tourism New Zealand works closely with the Regional Tourism Organizations on product development. Grant aid is available from a number of sources, including a tourist facilities grants program, National Lottery and Regional Partnership Program. A feature of the Tourist Facilities Grant Program is to support Nationally Significant Tourism Facilities.

6.3.3 Scotland

Scotland has a population similar to Ireland, Norway and New Zealand. Like Norway, it is the centre of the oil and gas sector and derives considerable export revenues from that activity.

In 2005, Scotland attracted an estimated 10.7 million out-of-state visitors. Tourism revenue is estimated $ 6.2. Britain is Scotland’s main market and accounts for 54% of visitors. Mainland Europe and North America are also key markets accounting for 25% and 14% of visitors respectively.

Scotland’s main tourism products are touring (all types), activity holidays (with golf, walking and angling being particularly important), city breaks, culture and heritage, and business tourism.

Visit Scotland is the National Tourism Authority. Its remit is “To develop Scotland’s tourism product portfolio in line with changing customer needs”. The organization is also responsible for the national marketing strategy. Visit Scotland works closely with Scottish Enterprise and Highlands and Islands Enterprise which are the main bodies responsible for business/tourism product development and infrastructure.

Visit Scotland has a total staff complement of 220 with a further 800 Tourist Information office staff. Total marketing expenditure including administration and staff overheads is $ 85 million. Pure marketing expenditure amounts to $ 77 million annually.

Visit Scotland’s remit also involves product development although, with the exception of the Challenge Fund scheme ($ 1.5 million per annum), the organization is not directly involved in grant aiding capital projects. Financial support is administered by the Regional Tourism Organizations and the development agencies, Scottish Enterprise and Highlands and Islands.
Visit Scotland does, however, assist in the recruitment and funding of project managers employed by other agencies whose remit is to help develop and market tourism products (e.g. Forestry Service).

Scotland has a wide range of tourism grant schemes designed to support the industry (private sector) and public sector projects. Like Ireland, many of Scotland’s regions have benefited from European Union grant aid programs (i.e. European Regional Development Fund (ERDF) and LEADER).

6.3.4 Norway

Norway attracted or estimated 3 million visitors in 2005. Tourism revenue in the same year was $6.2 billion. Norway’s main markets are its close neighbors Denmark and Sweden, together with United Kingdom, Germany and the Netherlands.

In response to increasing demand for short breaks, Norway has developed a range of theme-based offers (e.g. fishing and hunting) and winter breaks (e.g. 3 to 4 days with activities including whale safaris, sea fishing and family culture (e.g. Lappish people) geared at the Southern European market.

Innovation Norway is the organization responsible for tourism in Norway. Innovation Norway is a government agency responsible for the development of a number of sectors of the economy including trade, tourism and agriculture. Tourism is a division within Innovation Norway which has assumed the responsibilities of the now defunct Norwegian Tourist Board.

Innovation Norway has a staff complement of 55 including 35 overseas staff. In 2005, total marketing expenditure including staff salaries and administration was $20 million. Pure marketing expenditure was $12.6 million.

Innovation Norway is actively involved in supporting tourism product development in Norway. Funding for tourism product development is received from four government ministries (Trade, Agriculture, Environment and Fisheries) and from eight counties. In the current Program, 300-400 million Norwegian Kroner ($55 million) has been allocated to tourism.

There is a mixture of different sources for grants. The level of grant support differs between the regions. Typically the grant rate is 35% to 40% of project development cost although agri-tourism projects can receive up to 75% grant aid.
6.4 Key Findings and Conclusions

The key findings and conclusions that have emerged from the Case Studies are as follows:

6.4.1 United States

- A diversity of tourism organizational models exists. In most instances the State Tourism Organization is a division within a State Department (typically Commerce). Visit Florida is the exception and is a Public/Private Company.

- Typically, 75% - 80% of tourism budgets are allocated to marketing activities.

- Three of the five case studies (West Virginia Tourism, Virginia Tourism and Visit Florida) have a product development planning department though only West Virginia has a dedicated product development grant fund.

6.4.2 International

- In most international cases examined, the country’s tourism organization has been established as an independent Tourism Authority, at arm’s length from government.

- The primary focus for all international Tourism Authorities examined is to attract out-of-state tourists.

- Significant tourism marketing budgets have been set aside for marketing while all have offices in their main overseas markets. (Visit Scotland are represented by the British Tourist Authority).

- All four countries’ tourist authorities have a product development planning department. All administer grant aid for tourism product development (sometimes in association with other organizations).
NEW CAROLINA COMPETITIVENESS COMMITTEE

Tourism Action Plan 2006

CHAPTER SIX

MARKETING STRATEGY
TERMS OF REFERENCE

The formulation of an overall tourism marketing strategy for the State of South Carolina, and the preparation of an immediate action orientated marketing and promotional program entailed the following tasks:

* Review official tourism statistics and research carried out by the Monitor Group on the competitiveness of South Carolina as a tourism destination.

* Review the State’s tourism resources, facilities & services, and assess the likely product developments and related market opportunities.

* Review the findings of market research conducted with tour operators, and the visitor attitude survey in key locations – as reported in Chapter 5 Market Evaluation and Prioritization.

* Review the marketing approach of the State and industry, comparing it with competing neighboring States.

* Identify and project visitor targets by type, category and segment

* Prepare a five-year marketing strategy and plan

* Propose achievable targets for tourism numbers and revenues

The mission covered the period April to May 2006
CHAPTER SIX
NEW CAROLINA TOURISM ACTION PLAN

ASSESSMENT OF MARKET PERCEPTIONS, PERFORMANCE, MARKETING APPROACH & ACTIVITIES; AND PROPOSED MARKETING STRATEGY AND PLAN.

EXECUTIVE SUMMARY

1. BACKGROUND

The competitive performance of the South Carolina tourism sector is determined to a major extent by its product offering, positioning, marketing strategy and marketing and program of activities. As part of the initiative to improve South Carolina’s tourism performance in line with other States, and in accordance with best practice elsewhere, examination was made of the strength of the State’s tourism products (reported in detail in Chapter 4 Tourism Planning and Product Development) and the marketing strategic directions and mix of marketing tools being presently employed – the subject of this present Chapter.

This Chapter of the New Carolina Tourism Action Plan, examines the current situation with regard to market performance, characteristics, perceptions, strategy and program; it proposes short and mid-long term strategies to ensure the development of an appropriate product: market mix and establish South Carolina as a tourism destination offering an extensive range of diversified tourism products capable of attracting many different market segments; it outlines a five-year marketing action program; and it sets achievement targets for the tourism sector over the period to the year 2020.

In carrying out the research for this Chapter during April/June 2006, the consultant visited all 11 tourism regions in the State and held discussions with 110 officials and representatives of State Departments, regional tourism organizations (RTOs)/conference and visitor bureaus (CVBs), private sector organizations and local community individuals.

2. MARKET PERFORMANCE

The relatively modest level and growth of visitor levels to South Carolina is brought about by a combination of:

- the lack of tourist attractions and facilities in the proximity of the Interstate highways that traverse the State with the “draw” to persuade travelers to stopover;
- the concentration of tourist accommodation and facilities in the coastal areas, away from the main Interstate routes;
- the absence of international air service gateways in the State, in consequence of which overseas visitors have to transit through a neighboring State; and
- a low level of marketing budget and activity, spread thinly across many parts of the State and attraction/facilities, not all of which have the power to attract out-of-state visitors.

South Carolina’s tourism is founded on the leisure market, primarily drawn from in-state and neighboring States traveling by automobile in family units, couples or on motor coach tours.
Tourists are drawn to South Carolina by its coastal attractions & facilities, each area along the coast catering for a different market segment, ranging from the Myrtle Beach beach area and recreational facilities catering for the middle and lower income family and golfing markets to Charleston attracting the older tourist interested in history and culture, and Hilton Head drawing the upscale segments attracted by the area’s quality facilities and ambience. The nature of the State’s coastal tourism is changing, however, with new developments attracting higher spending tourist market segments.

South Carolina is seriously under-performing in respect of prime geographic markets and market segments i.e. north east and mid west States, Canada, overseas markets and the African American market segment.

3. MARKET PERCEPTIONS AND COMPETITIVE STANDING

Perceptions of South Carolina are relatively weak against main competitors (i.e. Florida, Georgia, North Carolina, Virginia) on most measures. It ranks bottom out of the five States in respect of natural areas, and fourth out of five for the key tourism attributes of arts/culture, quaint/small towns & rural areas, entertaining/exciting cities, and “having the type of things you like to do on holiday”; for historic landmarks/sites and family-oriented activities, it ranks third; while its highest rating is second in respect of beaches and golf – in both cases to Florida – and for African-American heritage - to Georgia.

The fact that the State is ranked more highly by respondents who had already visited South Carolina than those who had not, and by those from immediately neighboring States than those from further afield, suggests a lack of knowledge about the attractions and facilities available on the part of non-travelers and those living more distant from the State – a weakness that a more extensive marketing could help rectify.

Given the weak image of South Carolina in respect of travel experiences other than beach and golf – e.g. Virginia stands out for its image as a State with many historical sites and natural beauty, North Carolina for natural beauty, Georgia for African-American interest – the need is to develop travel experiences in these other types in the form of “clusters” of destinations that can work together to attract tourists through the creation of a “critical mass”.

The State’s advertising leads to more favorable impressions, a higher incidence of repeat visits, a higher visitor spend and longer stays. This clearly suggests that a greater investment is required in advertising budget in order to increase the level of positive image and tourist visitation and spend.

The role of the internet is vitally important for the future marketing of South Carolina, given that the majority of respondents use it to plan their vacation/travel arrangements, yet only 3% had visited the discoverSouthCarolina website in 2005.

Tourism stakeholders in South Carolina believe the State could be developed to offer products targeted at the heritage/culture and outdoor activity/soft adventure segments of the market. The tourism product development strategy should be allied to more sophisticated marketing approach. Central to a new marketing strategy should be the development of a distinctive brand for South Carolina, the segmentation of the market, and the creation of ‘platforms’ for co-operative marketing between the State and private sector. Underpinning this, there is the need for a significant increase in tourism marketing budget.
Travel trade respondents endorse the need for a more extensive marketing campaign to boost market awareness of the destination and what it offers. Given greater marketing effort and better access, the prospects for South Carolina are promising with many operators interested in featuring programs to the State.

4. REVIEW OF MARKETING PLAN AND BUDGET

The SCPRT’s marketing budget for the year ending 30 April 2006 was $14.6 million, with $10.1 million contributed through State appropriation. The focus of marketing activities is on the domestic (including Canadian) market to which over 62% of the budget is dedicated; international markets account for 10% of marketing spending; over 22% goes on building relationships under the “leadership” goal, of which $3 million (or over 20%) is distributed as grants through the Tourism Marketing Partnership Program (TMPP); and the remaining 6% is spread across State Parks, the Heritage Corridor and niche market segments.

The State’s contribution to the marketing budget represents barely 0.1% of the GSP from tourism (i.e. $10.1 million as against $9 billion direct tourist spending). This represents a remarkably low level of re-investment in such a major industry.

There is a strong case for a substantial increase in budget to be given to the State’s tourism marketing entity: in the short term in order to more extensively support the State’s coastal and other established tourism destinations; and in the mid-to-long term, as significant new products are developed throughout the State, both to promote and package these various “destinations” within the State and their flagships, clusters and circuits, and to establish the State of South Carolina as a “house of brands”, widely acknowledged as a renowned tourist area catering for all types of tourist market segments.

The Marketing and Sales section acknowledges that the activities specified in the marketing plan are inadequate to achieve strong growth across all potential market segments. They also recognize that both because of political pressures to support all regions within the State and the temptation to try to engage in all activities that it sees as important, the budget is spread too thinly with a lack of continuity and impact of activities. They seek to eke out the limited funds approved by engaging in partnerships with other entities inside and outside the States, over whose activities they are unable to exert strong influence or control.

The SCPRT’s marketing activities can be characterized as “marketing what sells” – an approach that in practice means “selling the coast”. The situation is one that is forced on the SCPRT Marketing and Sales section through a combination of:

- budgetary limitations, and
- the absence of a proactive product development focus – in particular the fact that there is neither an integrated development strategy and plan, nor support offered by the State for the planning of new products and bringing good concepts to reality through State incentives for private sector investors.

The State’s present positioning focuses on its scenic beauty and hospitality i.e. Smiling Faces. Beautiful Places. Its marketing strategies, as outlined in the Rawle Murdy 2006 Media Recommendation, are to:

- increase traffic to the SCPRT’s new website launched in March 2006;
- focus messaging on affluent activities;
- grow business from repeat visitors;
• continue to establish South Carolina as a leading upscale golf destination; and
• explore and introduce new tools, maximizing spending per visitor.

These strategies relate solely to the US domestic leisure and golf market segments. Affluent women – as a key leisure travel decision maker – and golfers are primary targets. The SCPRT has insufficient funding to exploit other market segments and does not directly control much of its marketing activities aimed at international markets.

The South Carolina Tourism Marketing Partnership Program (TMPP) comprises a scheme by which an annual sum of money allocated by the State Legislature for the “creation and implementation of projects designed to stimulate and expand the travel and tourism industry within the State” is allocated by “an industry-based” panel based on applications submitted through the SCPRT. It is laudable in that it encourages partnership – grants being given on a “matching” basis – and involves local entities to engage in tourism marketing in combination with the State in order “to manage a sustainable tourism industry throughout South Carolina”.

However, the scheme has a number of flaws: it encourages individualism rather than coordination between local towns/cities; many of the activities supported are not related to tourism to any significant degree; the size of grant is too small to enable activities to be undertaken with significant “reach” into the marketplace; and there is little consistency between activities/events receiving grants with the State’s tourism marketing and promotion thrusts.

The TMPP represents a drain of $3 million from the SCPRT’s Marketing and Sales section’s marketing budget, over which it has minimal control or influence. Funds to provide support for local activities/events should not be drawn from the State’s tourism marketing budget, nor taken away from the State’s major tourism destinations through the distribution of the accommodation tax revenue these destinations generate.

The Marketing and Sales section of the SCPRT comprises a group of committed and capable professionals who are frustrated in their work through:

• the lack of resources to carry out their functions in the way that they recognize can achieve optimal results for the State’s tourism sector; and
• little coordinating control/influence over the tourism marketing activities conducted through the RTOs/CVBs, and the tourism private sector in general.

Much of the SCPRT’s marketing and promotion activity is well-designed and –directed, in particular the new website, but suffers from being under-researched, under-financed, spread too thinly across markets and segments, and ineffectively coordinated. This has led to a certain degree of alienation from the private sector with many operators not regarding SCPRT Marketing and Sales section’s efforts positively. Building a good relationship with the private sector is a priority issue to be dealt with if individual operators, or their representative associations, are to be persuaded to contribute an increasing share of a much greater destination marketing budget.

There is little assurance that RTO/CVB activities are consistent with the overall State tourism marketing goals and targets; and there is little coordination of activities between several of the neighboring RTOs/CVBs. As a result there is considerable duplication of collateral material and wastage of scarce resources, creating confusion among visitors when an amalgamated, coordinated brochure incorporating all the relevant sites/attractions/events etc across all the RTO areas could create a coherent circuit, or cluster of like attractions, that could draw tourists.
The proposal in Chapter 2 **Assessment of Tourism Industry Organization and Co-operation** for the creation of the post of Regional Tourism Co-ordination Manager (RTCM) within the State Tourism Administration, with a seat on the board of all the RTOs/CVBs, is designed to address this issue.

### 5. PRODUCT: MARKET MATCHING APPROACH

No consideration of marketing strategy or development of a marketing plan can proceed without detailed understanding of the products available since it will be these products for which demand is sought through the campaign undertaken. Products and markets are mirror images of each other.

The 11 geographically-based RTOs and CVBs promote their tourism products and activities within their local boundaries. This has reinforced the fragmentation of the State’s tourism product presentation and been a major contributory factor to the absence of sufficient critical mass of tourism products to attract visitors. The present role of the regions in promotion and visitor information, without a product development support input, undermines an integrated enterprise policy, a situation that is exacerbated by the absence of a State Tourism Product Development Plan.

The State has a myriad of natural and cultural resources with the potential to meet the needs and expectations of many tourist market sources and segments. Only in the coastal areas and centers like Greenville, however, have these resources been developed to attract and cater for various tourist markets on any significant scale. To invest substantive financial resources in promoting up-state destinations, with the notable exceptions of Greenville and to a lesser extent places like Aiken, is not justified.

In order to attract higher spend tourists, improve the yield and achieve a better spatial spread of the benefits of tourism, the existing range of tourist products must be expanded and improved. A Tourism Destination Area (TDA) development approach is proposed with eight separate character zones identified in each of which it is proposed that a network of tourism clusters and circuits be developed, in each case underpinned by a flagship project – see Chapter 4 **Tourism Planning and Product Development**.

The key markets and market segments which should be subject to detailed research into the profiles, characteristics and trends are:

1. Domestic US – family, couples and motor coach tour segments for a range of interests and pursuits
2. Canada – family, couples and motor coach tour segments for a range of interests and pursuits – though slightly less extensive than for the domestic US markets
3. International markets – initial focus on the UK/Ireland, Germany, Scandinavian countries, France – predominantly couples across a wide range of pursuits and interests, but also families and motor coach tour for beach, nature-related and culture purposes
6. MARKETING STRATEGY

There is the need for a two-phased tourism development and marketing strategic approach. This is in recognition of the following:

- present development is largely at coastal destinations but there is the opportunity to develop an extensive and varied tourism product over the next five years or so,
- there exists the short term opportunity to broaden the range of markets and segments attracted to the established destinations such as Charleston, through developments targeted at the upscale segments, a greater marketing focus on international markets and increased attention to extending visitors’ length of stay through combining the different coastal destinations, and
- the present overcapacity in the Myrtle Beach area represents an emergency situation that needs to be addressed through a major increase in marketing and promotional support.

A marketing strategy can be considered based on the concept of “more”, with each of the variety of experiences illustrated in a tableau, or on successive pages of an audio visual presentation. Given the compact configuration of the State, all these potential developments can be located within relatively close proximity to each other. This combination of an extensive range of products and easy access can give South Carolina a competitive advantage over even a major competitor like Florida if marketing campaigns are sufficiently well-designed and – financed.

The SCPRT has a leadership role as one of its three key objectives. One means by which it can fulfill this role and, at the same, time, win over those within the private sector who are skeptical about the State’s support for the tourism industry would be through a substantive increase in the amount of market research undertaken into existing, emergent and potential markets and segments – and to disseminate the findings to its industry partners and representative organizations. This should constitute one component of a major effort by the State tourism organization to forge a much closer working relationship than at present with the private sector through the proposed consolidated – single voice - industry association. The aim should be to jointly determine future marketing strategies and campaigns on the basis that these will be funded in partnership by the State and the association through member subscriptions.

It is proposed that a detailed study should be made of the Maison de la France statute of establishment, partnership agreements and mode of operation. A mission to Paris for this purpose should be organized for a joint public: private State delegation.

With the development of extensive new products in the eight TDAs identified in Chapter 4 Tourism Planning and Product Development, South Carolina will, within a relatively short space of time, have a series of tourism destinations each offering a distinctive range of tourist attractions and facilities. They will be distinct from, yet complement, each other. At that time, to bolster the marketing strategic approach based on the diversity of the State’s tourism product offering, it will be vital to invest marketing effort in the house of brands strategy – provided the organizational, access and human resource development improvements specified in the Tourism Action Plan have been implemented.

7. MARKETING ACTION PLAN RECOMMENDATIONS

Research should be conducted on a continuous rolling basis in primary metropolitan centers through intelligence gathering at trade exhibitions and discussions with tour operators. In
addition, a continuing program of research is needed with tour operators, airlines and travel agents in those markets identified as representing the greatest potential for the State. The ongoing trade research should feed into the design of an in-depth series of consumer surveys into the profile, characteristics and trends of major markets and segments within those markets. The research should cover motivational, attitudinal and behavioral facets. At least two major studies a year should be undertaken.

The priority marketing tasks during the next five years are:

- to begin the process of building the image among North American mainland tourist markets of South Carolina as a tourism destination providing a diverse range of tourist attractions and facilities catering for a broad set of markets and market segments, and to focus on attracting a higher spending clientele;
- to change the perception commonly held in domestic US markets that South Carolina has some attractive features but is weak in terms of access, facilities and service – this, of course, requires actions to correct these shortcomings to the extent that they are real;
- to create awareness among both the travel trade and consumers of international markets that South Carolina is a State with outstanding touristic resources that has embarked on a development strategy to make it a premier tourist destination catering for an extensive range of vacation market segments.

In essence, the task facing the destination marketers of South Carolina is twofold:  
1. to change perceptions and create a destination brand so as to attract market segments that previously were not choosing the State for their trips; and
2. to further penetrate those markets and segments that are already visiting the State but are opting in greater volumes for other destinations e.g. Florida.

South Carolina has a split focus during the next five years: for the image building task, the emphasis is more concentrated on the initial phases of the AIDA marketing continuum (awareness>interest>desire>action) than on hard selling which is more suited to advertising techniques. By contrast, market penetration requires extensive advertising.

A mixed program of trade- and consumer-directed public relations, advertising and promotional activities is proposed. The trade program features: familiarization trips, trade shows/fairs, tour operator/travel agent workshops etc, tour operator support, travel agent’s manual and trade advertising.

The consumer marketing program should comprise a combination of:

- extensive development of a tourism website;
- an extensive program of facilitating travel in the State for writers, photographers and film crews representing prestigious publishers and broadcasters, in order to extend the number and spread of positive editorial features on South Carolina;
- extending the range of high quality collateral and audio visual materials on South Carolina’s tourism;
- undertaking a direct mail campaign, providing a sufficiently tightly targeted mailing list/lists can be acquired i.e. memberships of historical interest societies, golf clubs, adventure and sports societies and clubs, ecotourism associations;
- a major, multi-media consumer advertising campaign in the domestic US and Canadian markets, and in selected magazines and other media with a proven high readership/circulation/viewership among the targeted segments in European markets.
The internet is rapidly becoming the most important marketing tool in tourism. The newly-launched DiscoverSouthCarolina website is an important step in the right direction. It represents a “jumping off” point for additional investment in electronic marketing and is strongly endorsed.

A priority of the marketing program is the availability of collateral materials on South Carolina that present appropriate information using the designated image and standard slogans, symbols, icons etc. Many of these overlap each other being published by different agencies. It is recommended that a review should be undertaken of all collateral materials distributed via the Visitor Welcome Centers with the view to synchronizing and reducing the volume of publications.

The State’s tourist handbook - *Smiles* – produced annually at a cost of almost $1 million is becoming an outmoded promotional vehicle. It is recommended that the publication’s format and content should be reviewed with the intention of radically reducing its size and cost of production.

Consideration should be given to producing certain of the collateral materials in German once the results of the proposed Year 4 market research into that market have been established.

To maintain a US domestic market consumer advertising campaign across the full range of relevant media throughout the year demands a minimum annual budget of $10 million a year, divided $5 million for network/cable TV, $2 million print-based, all co-operative building on the TV work, and $3 for interactive marketing. There will be a need to widen the creative approach to focus on opportunity market segments.

No general consumer advertising is proposed in European markets – at least for the short term; the consumer advertising recommended should be directed at those publications aimed at specific market segments and niches identified, in particular golfers, history/culture enthusiasts, outdoor pursuit/adventure participants, nature/wildlife – ecotourism – enthusiasts.

The small budgets of the two overseas representative offices contracted by the SCPRT in the UK/Ireland and German markets prevent the achievement of any substantive progress in developing these markets’ potential. It is recommended that these operations should remain contracted but with budgets some two-to-three times present levels.

Once the results of the major consumer survey recommended for Year 1 in the Canadian market have been finalized, steps should be taken to appoint a market representative agency to coordinate a major program of marketing and promotional activities covering the Ontario and Quebec markets.

The present level of marketing budget is insufficient either to fully penetrate the targeted markets and segments or to realize the State’s full potential from tourism. The key areas where budgetary expansion is needed are:

1. greater penetration in domestic leisure market through increase in media appropriation to $10 million a year;
2. annual allocation for consumer marketing activities in the international markets of Canada, the UK/Ireland, Germany, Scandinavia, France – as primary European markets – of between $0.5 million (France, as an emerging market for the State) and $2.5 million (Canada, an under-exploited market) i.e. total of over $5 million a year.
3. increase in market segment studies, and the regular – quarterly - collection of key tourism performance and trends statistics (with dissemination to the State’s tourism stakeholders) through an increase in the market research budget of $0.5 million a year.

In aggregate, it is proposed that the State tourism marketing budget should be increased to between $30 and 31 million a year over the next five years to enable the full range of marketing and promotional activities to be deployed to further penetrate existing markets and to develop new ones for which the State has outstanding opportunities. The principal emphasis in the proposed marketing program should be on advertising (principally consumer) - $16 million a year across all markets – consumer PR and promotions - $6 million a year – and the extension of electronic marketing activities - $3 million a year.

The marketing budget should be financed jointly by the State and the private sector. The latter’s willingness to contribute a significant share of funds will be a function of the closeness of the working relationship achieved through the proposed public: private sector marketing partnership and the tourism industry’s perception of the degree of relevance to its own objectives of the marketing strategy and program.

With implementation of the Tourism Action Plan’s recommendations in respect of product development, access, organization and co-operation, human resource development and marketing, South Carolina can more than double present growth rates in domestic tourism and achieve major growth in its international markets.

With the increased presence in the total visitor mix of: a. more up-market tourists (in response to product developments, easier access and more marketing), and b. more international tourists (who stay longer and spend more than domestic tourists), a significant rise in average visitor spend can be expected with a consequent growth in the tourism’s economic contribution to the State.

South Carolina can look to a near doubling of the economic benefits it generates from the tourism sector by 2010 – as compared with 2004 – and to further doubling between 2010 and 2020. These targets are broadly double the levels that are likely to be achieved given no change in policies, organizational arrangements and marketing.
NEW CAROLINA TOURISM ACTION PLAN

Assessment of Market Perceptions, Performance, Marketing Approach & Activities; and Proposed Marketing Strategy and Plan.

INTRODUCTION

The New Carolina Tourism Cluster Committee has decided that new directions and actions need to be taken to improve South Carolina’s tourism performance in line with that of other States and in accordance with best practice worldwide.

Central to the consideration of the State’s tourism sector performance and competitive standing is the range of tourism products offered and the way in which these are marketed. While Chapter 4 Tourism Planning and Product Development presents a full analysis of the present range of tourism products and an assessment of future development opportunities, the examination of present marketing strategy and actions needs to be set within the product context. This Chapter 6 develops its recommendations on future marketing strategy and marketing plan on the basis of product: market matching across the whole State of South Carolina. The proposals made for short-term and mid-to-long strategies and actions take full account of the present development and financing deficiencies, and are designed to create a situation where South Carolina can establish itself as a major destination region through a “house of brands” comprising a range of diversified tourism products across the State.

In the process of this program of study and research, field trips were made to each of the State’s 11 tourism regions, and discussions were held with 110 officials and representatives of State Departments, regional tourism organizations (RTOs)/conference and visitor bureaus (CVBs), private sector organizations and local community individuals. This program of activities took place in a five-week period from early April to mid-May 2006, with further market analysis conducted in to June 2006.

The program was organized through the Tourism Marketing and Sales Office of the Division of Tourism of the SCPRT. Especial appreciation and acknowledgment is extended to each member who participated in the administrative arrangements to make the whole itinerary totally flawless. Each individual met responded eagerly to the invitation to express their views and willingly answered the many questions posed. This spirit of co-operation augurs well for the future of the tourism sector in South Carolina.

The findings and recommendations in this Chapter are based on observations as to the effectiveness of present strategies and programs compared with best practice in other US States and international destinations.
PART 1 MARKET PERFORMANCE

1.1 BREAKDOWN OF VISITOR FLOWS

The key statistics of South Carolina’s tourism performance are as follows:

- of the 32.3 million visits recorded in the State in 2004, the ratio of *overnight to day visitors* was 2:1. The *out-of-state versus in-state* visitor ratio was 3:1.
- day trippers account for 3.4mn of the total *in-state* visitors of 8.4mn.
- large volumes of *out-of-state* visitors are “drive-through” travelers en route to/from Florida, most of whom make only a brief food/fuel/comfort etc stop. These day visitors amounted to 7.5mn in 2004, almost a quarter of total visits;
- taken together in-state and out-of-state day visitors comprise over one-third of total visitor flow;
- two-thirds of visitors stay in the State for at least one night, 16.4mn being out-of-state visitors and 5mn being South Carolinian residents;
- over two-fifths of all visitors go to Myrtle Beach – forecast level of 14mn in 2006 (according to the Myrtle Beach Chamber of Commerce);
- flows to Charleston & HH total 4.7mn and 2.3mn respectively, meaning that in aggregate the State’s coastal areas account around two-thirds of all visitors to the State. Visitor volumes to broad areas centered on Columbia & Greenville account for much of the remaining flow leaving fewer than one-in-ten visitors to all other parts of the State;
- apart from residents of South Carolina itself which account for 23% of recorded visitors, the main geographic sources are the neighboring States of North Carolina (21%), Georgia (10%), Florida & Virginia (both 6%). An informal survey conducted by the consultant through April involving the inspection of car registration plates at marinas, golf courses & other tourist sites in various parts of the State indicates that visitor levels at this time of the year are significant from States such as Ohio and Pennsylvania, as well as from Ontario in Canada.
- data on foreign visitor volumes are not separately recorded but are understood to be of the order of 800,000 a year. The bulk of these are Canadians – estimated at 735,000 in 2004 – though many Canadians merely pass through South Carolina en route to/from Florida. The numbers of international tourists were placed at 65,000 in 2004, the main markets being Germany and the UK, with golfers leading the way.

These patterns of visitation can be explained by the following factors:

- the interstate routes I-77 and I-86/I-95 which cross the State linking the major tourist markets of the Ohio Valley, Mid-Atlantic states and New York/New Jersey with Florida;
- the dominance of tourist plant in the coastal area. The supply of tourist accommodation in the Myrtle Beach area is estimated at over 80,000 rooms currently having grown by 45% over the past ten years according to the Myrtle Beach Chamber of Commerce. Charleston offers 26,000 rooms and the Hilton Head/Beaufort area 29,000. This represents an estimated 65% of the State’s total accommodation supply; the capital, Columbia, provides over 12,000 rooms; and Greenville (incorporating Spartanburg and Anderson/Clemson) has 17,000, leaving just over 20% - or around 43,000 rooms spread throughout the remainder of the interior of the State;
- the absence of substantive tourist attractions, product clusters or circuits in most of the interior of the State, as a consequence of which few “drive-through” tourists are
“drawn off” the interstates and attracted to spend one or more nights in South Carolina;
• the lack of direct international air services into the State, all foreign tourists being obliged to travel through another US entry point, those most used being Charlotte, Atlanta, and Savannah-Hilton Head. In consequence, few European tour operators feature South Carolina in their programs.

1.2 MARKET SEGMENTS AND PROFILES OF VISITATION

Who are these visitors in terms of market segments?

Analyses are available by main purpose of visit – leisure, business, (VFR) visits to friends & relatives – and between in-state (i.e. residents of South Carolina) and out-of-state visitors. The level of detail is limited while for visitors from Canada and overseas markets the analysis available is even more rudimentary. There are no detailed data related to market segments. Broadly-based research findings are published on the State’s discoversouthcarolina website related to various segments:
• motor coach travel
• visitors to historic attractions
• birding and other wildlife watching
• heritage travel
• hiking and camping
• National and State Parks
• RV camping
• Sport fishing
• Sport hunting

The market information and findings in these studies are insufficiently specific to be used in detailed planning for the State’s marketing programs.

What is clear from the consultant’s analysis of research findings available through the SCPRT and the discussions held with industry leaders across the State is that:
• South Carolina’s tourism is founded on the leisure market, primarily drawn from in-state and neighboring States traveling by automobile in family units, couples or on motor coach tours.
• tourists are drawn to South Carolina by its coastal attractions & facilities, each catering for a different market segment. A simple analysis is that: the Myrtle Beach beach area and recreational facilities cater for the middle and lower income family and golfing markets; Charleston attracts the older tourist interested in history and culture; and Hilton Head is primarily for the upscale segments attracted by the area’s quality facilities and ambience.
• that division of coastal tourism is recognized as being over-simplistic as it does not take account of recent developments in Kiawah Island, Beaufort & the Grand Dunes project in Myrtle Beach, each of which are seeking to attract higher spending tourist market segments.
• tourist growth rates are modest and inadequate to meet the scale of development in accommodation taking place in Myrtle Beach in particular.

Analysis of the research material made available to the consultant reveals the following pattern, characteristics and profile:

Purpose of visit
• domestic tourism trips break down between business, leisure and VFR (visits to friends and relatives) in the broad proportions of 20:40:40. In terms of domestic visitor days these proportions change to one-sixth, a half and one-third. This reflects the greater
volume of business day trips and the longer-than-average stay of leisure travelers – at over 4 nights, double the average for both business and VFR visitors.

**Domestic business travelers**
- one-in-five attend a convention/conference, while 15% extend their trip to include a pleasure component – mostly for shopping or beach recreation purposes.

**Out-of-state domestic leisure travelers**
- these account for three-quarters of all domestic leisure trips and visitors to South Carolina, with *in-state* travelers making up the remaining one quarter. In respect of visitor days spent by domestic leisure travelers in South Carolina, the dominance of *out-of-state* visitors rises to four-fifths.
- children are present on one-third of trips, while 90% of such trips are by automobile.
- the split between overnight visits and day trips is 3:1.
- the primary trip purpose breakdown is personal 48%, entertainment 35% and outdoor recreation 17%. The most popular activities for overnight visitors are beach (60% of trips), shopping (48%), outdoor – hunt, fish, hike, bike, camp (17%), golf (14%) and zoo/aquarium/science museum, theme/amusement parks, and historic places/sites/museums all at just over 10%.
- seasonal patterns are skewed towards the summer quarter (40%), more noticeably for overnight visitors. Only 12% of visits are in the winter quarter.

**In-state domestic leisure travelers**
- children are present on two-fifths of overnight trips, with almost all such trips being by automobile.
- the split between overnight visits and day trips is 2:1.
- the primary trip purpose breakdown is personal 48%, entertainment 28% and outdoor recreation 24% - a higher incidence of this last category than for out-of-state travelers. The most popular activities for overnight visitors are beach (53% of trips), shopping (47%), outdoor – hunt, fish, hike, bike, camp (15%), golf (14%), zoo/aquarium/science museum (12%) and theme/amusement parks (11%). No other individual activity category scores above 10% but a much wider range of activities are engaged in by in-state than out-of-state visitors.
- there is little difference between visitation levels in the spring and summer quarters (each accounting for between 30 & 35%) with the fall and winter quarters accounting for 18% and 15% respectively.

**Domestic VFR travelers**
- children are present on one-third of trips, with four-out-of-five trips being made by automobile.
- the split between overnight visits and day trips is 60:40.
- the most popular activities for overnight visitors are to attend a family/social event (35% of trips, but 45% of trips involving an overnight stay), shopping (30% of total trips, 40% of overnight trips), and beach (13% of all trips, 19% of overnight trips). No other individual activity category scores above 10%.
- there is a relatively even seasonal pattern of visitation i.e. summer 29%, spring 26%, fall 24%, and winter 21%. This shows the importance of Christmas/New Year as a period to visit families.

**Canadian travelers**
- children are present on one-sixth of trips, with in excess of four-out-of-five trips being made by automobile.
- the two dominant source areas are Ontario (70%) and Quebec (23%)
- the split between travelers on vacation and visiting for other purposes is 3:1.
- there is a fairly even division between those making an overnight stay and those on day trips – passing through to/from a neighboring State.
• the average length-of-stay for overnight visitors is 7 nights.
• the over 55 age group is the largest, accounting for 46% of total Canadian visitation, followed by the 33-54s at 32%.
• reversing the pattern of domestic visitors, Canadians come to South Carolina primarily in the months when their own climate is at its harshest i.e. winter 41%, fall 28%, spring 21%, and summer 11%.

**International travelers**

• data on travel from overseas countries to South Carolina are extremely limited.
• the two primary markets of the UK and Germany recorded visitation levels of 19,197 and 12,009 respectively in 2004 but no analysis is available as to the pattern or characteristics of travel from these or other overseas source markets.

**African American market**

• fewer than one-in-ten visitors is an African American – 8%. Nationally 12.3% of the population is African Americans while in neighboring States the proportion ranges between 15 and 30%, strongly suggesting that South Carolina is seriously underperforming in attracting this major market segments.

### 1.3 COMPETITIVE STANDING

The performance of South Carolina’s tourism sector is relatively weak when compared with neighboring States – Florida in particular. The total visitor flow to Florida in 2005 grew 6.7% over 2004 reaching 85 million.

Of these visitors, the air:non-air split was almost even, illustrating how poorly South Carolina is performing in attracting air arrivals – and the airlines to bring them. Addressing this issue is central to Chapter 3 **Air and Surface Access**.

Of even greater concern, albeit related to the previous point, is the State’s performance in attracting overseas visitors. Florida recorded 4.4 million overseas visitors in 2005, as against the level of 173,000 recorded by the Office of Travel and Tourism Industries (OTTI) of the International Trade Administration of the US Department of Commerce.

NB the OTTI data for South Carolina are based on in-flight surveys and run at almost three times the level arrived at from an analysis of the I-94 immigration cards. This suggests that two-thirds of foreign travelers to South Carolina include it as a secondary destination on a round itinerary of more than one State.

Florida outscores South Carolina by a factor of at least 25: In respect of visitor arrivals from overseas markets. Just compare the level of UK visitors attracted: 1.5 million in the case of Florida in 2004 as against just 19,197 for South Carolina! Given the suitability of South Carolina’s existing and potential product offering in respect of history/culture, nature, golf and beach/entertainment, this is a serious state of affairs. It is pertinent to observe that Florida has been losing international visitors – the 2005 level being a full quarter less than the 6 million attracted in 2000. It will be important for South Carolina’s tourism sector to understand the reasons – apart from the reluctance to visit the US post-9/11 and concerns about the hurricane season – since there may be opportunities on which it can capitalize.

Canadian flows to Florida reached a record level of 2.1 million in 2005. The comparative volume for South Carolina is around a third of this level. A significant proportion of the Canadian travelers to Florida drive through South Carolina en route to/from their destination/home. There exists a big opportunity to draw off a significant proportion of this flow through better packaging and promotion of the South Carolina tourism offering in respect of beach attractions, golf and nature.
While the comparative assessment against other south-east US regional competitors may not be so damning as for Florida, it nonetheless shows that the State is a weaker competitor. Immediate neighbor, North Carolina, attracted more than double South Carolina’s visitor flows at 64.5 million in 2005. It received 283,000 international visitors in 2005, over 100,000 more than were recorded by the OTTI’s in-flight survey in South Carolina – undoubtedly due to the availability of direct international air services to Charlotte.

Georgia also benefited from having airports – Atlanta and Savannah – that are served on international routes. In 2005, its international visitor volume was put at 650,000 by the OTTI in-flight survey.

Of course these higher volumes feed through into economic impact. Florida’s receipts from tourism amounted to $62 billion in 2005 with direct employment alone at just under one million and government revenues just from sales tax amounting to $3.7 billion. These levels represent targets for South Carolina to aspire to in the mid-to-long term. In the short-term matching or exceeding the performance of North Carolina should be an achievable goal i.e.
- $18 billion visitor spending,
- 322,000 jobs – direct and indirect, and
- $2.3 billion in tax receipts.
PART 2  MARKET PERCEPTIONS AND COMPETITIVE STANDING

2.1 BRAND AND IMAGE STUDIES

Research surveys in 2000 and 2003/4 commissioned by the Department of Parks, Recreation & Tourism (PRT) reveal that the perceptions of South Carolina are relatively weak against main competitors (i.e. Florida, Georgia, North Carolina, Virginia) on most measures, as evidenced by the following findings:

- South Carolina ranks bottom out of the five States in respect of natural areas, and fourth out of five for the key tourism attributes of arts/culture, quaint/small towns & rural areas, entertaining/exciting cities, and “having the type of things you like to do on holiday”;
- it ranks third for historic landmarks/sites and family-oriented activities;
- the best rating is second in respect of beaches and golf – in both cases to Florida – and for African-American heritage to Georgia;
- when asked which State is best when it comes to friendly people/hospitality, South Carolina ranked 4th with 15% of respondents rating it top;
- the State was ranked more highly by respondents who had already visited South Carolina than those who had not, and by those from immediately neighboring States than those from further afield. This suggests a lack of knowledge about the attractions and facilities available on the part of non-travelers and those living more distant from the State;
- when identifying specific destinations they have visited in the past 5 years, travelers to South Carolina were found to be significantly more likely to give a specific location within the State, as opposed to visitors to other States where the response was the State in general. This might reflect higher awareness of specific locations within the State OR it could suggest that visits to South Carolina are more focused on a single location than in other States. Under the interpretation, this suggests an opportunity to extend/cross-over into multiple destinations within the State;
- from a brand image standpoint, South Carolina’s image is tied up in beach & coastal activities, and golf. It is more like Florida than any other South East US State. This image is beneficial to the State in that beach & coastal activities have a very wide audience that cut across geographic and demographic variables;
- given the weak image of South Carolina in respect of other types of travel experiences – e.g. Virginia stands out for its image as a State with many historical sites and natural beauty, North Carolina for natural beauty, Georgia for African-American interest – the need is to develop travel experiences in these other types in the form of “clusters” of destinations that can work together to attract tourists through the creation of a “critical mass”;
- in terms of likelihood of future visitation, the research showed that South Carolina would be visited by 44% of respondents – as against 76% for Florida, 48% for Virginia and 47% for North Carolina. The most likely to visit are from neighboring States with only between 10 and 20% intending to visit from other States other than Ohio where the level of those planning to visit South Carolina over the next two years being 23%.
A December 2005 study commissioned by SCPRT on Advertising Awareness and Impact produced the following pertinent findings:

- only one-in-three respondents drawn from a nationwide sample claim to be somewhat or very familiar with South Carolina as a tourism destination, significantly lower than for Florida and other neighboring States;
- the key travel decision-maker for family vacations – the senior female member of the household – has a particularly low level of awareness of the State;
- again, in terms of favorability, South Carolina performs poorly, only Georgia achieving a lower positive rating;
- the State’s advertising leads to more favorable impressions, a higher incidence of repeat visits, a higher visitor spend and longer stays. This clearly suggests that a greater investment is required in advertising budget in order to increase the level of positive image and tourist visitation and spend;
- unsurprisingly, the established destinations – those that are featured in the State’s marketing most extensively – are perceived most positively;
- the role of the internet is vitally important for the future marketing of South Carolina, given that the majority of respondents use it to plan their vacation/travel arrangements, yet only 3% had visited the discoverSouthCarolina website. NB the survey was undertaken in late 2005 before the newly developed website was fully operational.

2.2 Stakeholder Perceptions

The detailed consultations undertaken by the study team with stakeholders from across the State drawn from all sub-sectors of the tourism industry, from public sector officials and representatives of tourism and community organizations led to the findings and conclusions elaborated in part 3 of Chapter 5 Market Evaluation and Prioritization. The key points to emerge from these discussions are:

- South Carolina is widely seen as offering a wide diversity of assets and strengths. Apart from beaches and golf, the State’s natural assets – i.e. mountains, lakes and rivers - and rich history and culture contribute to South Carolina’s appeal;
- there is an acknowledgement, however, that currently there is a low level of awareness in the marketplace of South Carolina as a tourism destination and the full extent of its resources. The State’s positioning is also considered to be weak as it lacks a “stand-out, distinctive” brand/identity;
- other areas of weakness are: access - the lack of direct flights and the poor state of some of the roads; lack of investment in tourism; and the manner in which tourism is organized;
- there is an emerging consensus that South Carolina has all the necessary ingredients with which to target the heritage/culture and outdoor activity/soft adventure segments of the market. Tourism products, in the form of attractions and activities, will need to be developed if South Carolina is to attract custom from these segments
- allied to the implementation of a tourism product development strategy is the need for a more sophisticated marketing approach. Central to a new marketing strategy should be the development of a distinctive brand for South Carolina, the segmentation of the market, the creation of ‘platforms’ for co-operative marketing between the State and private sector. Underpinning this, there is the need for a significant increase in tourism marketing budget.
2.3 TRAVEL TRADE PERCEPTIONS

The TDI survey of travel trade operators – reported in part 5 of Chapter 5 Market Evaluation and Prioritization produced the following key findings:

- while still not a major destination, there appears to be a growing level of interest in South Carolina among the travel trade;
- of the vacation types that are growing in popularity, South Carolina has development opportunities in respect of golf, outdoor activity/soft adventure and heritage/culture;
- good access and strong marketing are the two top-rated influences on the growth of a destination – both issues where South Carolina is found wanting;
- lack of awareness about, and inadequate access to, South Carolina are seen by the international travel trade as the main weaknesses – the former in the case of the UK/Europe markets, the latter for Canadians;
- five vacation types/products stand out for trade respondents as the State’s opportunity areas i.e. golf, independent travel, beach/resort vacations, history/culture and Charleston;
- echoing the call of tourism stakeholders in South Carolina for increased in the State’s tourism marketing budget with the need to develop a differentiated brand image, international travel trade operators see the need for a major awareness-creation campaign involving a broad spread of advertising and public relations activities.
PART 3   REVIEW OF MARKETING PLAN AND BUDGET

3.1 SCPRT MARKETING PLAN AND BUDGET

The SCPRT’s marketing budget for the year ending 30 April 2006 was $14.6 million, with $10.1 million contributed through State appropriation. The funds were allocated on the basis of achieving three main goals:

- Leisure travel – consumer programs $9.9 million
- Market & Product Development $1.5 million
- Leadership $3.2 million

The focus of marketing activities is on the domestic (including Canadian) market to which over 62% of the budget is dedicated; international markets account for 10% of marketing spending; over 22% goes on building relationships under the “leadership” goal, of which $3 million (or over 20%) is distributed as grants through the Tourism Marketing Partnership Program (TMPP); and the remaining 6% is spread across State Parks, the Heritage Corridor and niche market segments.

Within the Leisure Travel goal, there are 6 objectives: domestic consumer - US and Canada ($9.0 million), International Consumer ($0.2 million), Marketing Initiatives – State Parks ($0.3 million), State Park Service Central Reservation (> $0.1 million), SOP Marketing Strategies ($0.3 million), Niche Consumer ($0.2 million). The breakdown across 5 objectives in achievement of the Market and Product Development goal is: domestic trade market development – US and Canada ($0.1 million), International Trade – Market Development ($1.2 million), Parks Trade Marketing ($0.1 million), Heritage Corridor (< $0.1 million), Sports Development (zero budget allocated). The $3.2 million budget for the third goal of leadership is almost solely devoted to Relationships ($3.2 million), with less than $50,000 each allocated to the Discover Carolina Program and State Park Stewardship.

The main components by form of marketing activity are:

- Advertising $5.6 million
- TMPP $3 million
- Collaterals, inc. Official State Guide $1.7 million
- eMarketing $1.2 million
- Partnerships $1.0 million
- Inquiry fulfillment $0.9 million
- Research $0.3 million
- Public relations $0.2 million
- Contract representation (in Germany & the UK) $0.2 million
- Direct sales $0.2 million
- Promotions $0.1 million
- Other activities (i.e. customer service, direct mail, education & packaged travel product development) $0.2 million
- TOTAL MARKETING SPEND $14.6 MILLION

The SCPRT provides limited matching support for marketing (i.e. $3 million approximately), in partnership programs with RTOs/CVBs, and for golf events, attractions and museums. Other funding for promotional activities is raised from the private sector and, in the case of CVBs, the drawdown of accommodation tax revenue, distributed by local councils, amounts to 30% of local accommodation tax revenue. This small proportion of “payback” is a serious “bone of contention” within the industry.
The State’s contribution to the marketing budget represents barely 0.1% of the GSP from tourism (i.e. $10.1 million as against $9 billion direct tourist spending). This seems a remarkably low level of re-investment in such a major industry. Consider the data in Table 1. The destinations exemplified include both US States and foreign destinations at varying stages of evolution in the tourist area life cycle. They are located in various parts of the world so, at varying distances from, and attracting different, source markets. Their marketing activity spend ranges from less than 0.1% of tourist revenues – the State of Virginia - to 1 to 1.5% - Scotland, Ireland and New Zealand. South Carolina’s marketing activity expenditure of $14.6 million amounts to 0.15% of the direct spending by tourists in the State.

It should be noted that the marketing spend data include private sector contributions to the destination marketing fund, administered by the tourist authority or a public-private organization. In Florida’s case over 70% of marketing funds come from the private sector, while the marketing budget of the French operation – La Maison de la France – is contributed in broadly even contributions by the State and private sector “members”. Equally, it should be noted that the private sector contributions to destination marketing are additional to the expenditure by individual tourism operators on marketing and promotion to support their own businesses.

While it is not possible to be sure that all the data presented in Table 6.1, collected from national and State sources, are fully comparable in all respects, it is apparent that South Carolina’s marketing investment is at the low end of the range. Even increasing the marketing spend to 0.2% of tourist revenue would see a rise in marketing activities of close to $2 million. There is a strong case for a more substantial increase than this to be given to the State’s tourism marketing entity. Why?

- **Short term**: there is a need to more extensively support the State’s coastal and other established destinations e.g. Charleston because of the unrealized potential in domestic and international markets, Myrtle Beach because of the need to substantially increase visitor flows to achieve better occupancy levels and to assist in the re-positioning of the area to attract a broader cross-section of the tourist market, including upscale segments catered for through ongoing developments;

- **Mid-to-long term**: as significant new products are developed throughout the State – in line with the recommendations made in Chapter 4 *Tourism Planning and Product Development* – there will be the need to promote and package these various “destinations” within the State and their flagships, clusters and circuits. The task will be to create awareness and interest in these new destinations while maintaining support for the established ones. A proven strategic approach to the provision of tourism marketing support across many destinations in a country or region is to brand the overall area as a “house of brands”, so that the wide tourist market will acknowledge that the area is a renowned one for tourist activity, whatever the type or interest of the traveler. This requires substantive marketing investment but once the area’s reputation is established, the benefits can be great.
Table 6.1 - Comparison of 2004 Tourist Revenue and Marketing Spend, by Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>A. Tourist Revenue ($ billion)</th>
<th>B. Marketing Activity Spend ($ million)</th>
<th>% B of A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>57</td>
<td>82</td>
<td>0.14</td>
</tr>
<tr>
<td>Virginia</td>
<td>15</td>
<td>13</td>
<td>0.09</td>
</tr>
<tr>
<td>West Virginia</td>
<td>3.4</td>
<td>15</td>
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<tr>
<td>North Carolina</td>
<td>14</td>
<td>6</td>
<td>0.04</td>
</tr>
<tr>
<td>Illinois</td>
<td>24</td>
<td>45</td>
<td>0.19</td>
</tr>
<tr>
<td>France</td>
<td>42</td>
<td>82</td>
<td>0.20</td>
</tr>
<tr>
<td>Ireland</td>
<td>5.2</td>
<td>51</td>
<td>0.98</td>
</tr>
<tr>
<td>New Zealand</td>
<td>4.2</td>
<td>39</td>
<td>0.93</td>
</tr>
<tr>
<td>Norway</td>
<td>6.2</td>
<td>12.6</td>
<td>0.20</td>
</tr>
<tr>
<td>Scotland</td>
<td>6.2</td>
<td>77.2</td>
<td>1.25</td>
</tr>
<tr>
<td>SOUTH CAROLINA</td>
<td>8.3</td>
<td>14.6</td>
<td>0.15</td>
</tr>
</tbody>
</table>

*Source: Official National and State tourism offices

3.2 THE PLANNING PROCESS

The process of marketing planning is the traditional one of the Marketing and Sales section making proposals based on the team’s assessment of the marketplace, conditions and emergent trends. There appears to be little detailed market research undertaken related to specific geographic markets or segments. The market research function’s highly constrained budget – typically $250,000 a year – precludes such research thereby denying the marketing important valuable insights that could assist in devising marketing activities to develop and penetrate these markets/segments.

The proposals are reviewed and budgets approved. The Marketing and Sales section personnel are guided by experience of previous years in making their submissions, knowing that to submit a substantially greater budget request would be certain to lead to refusal. They acknowledge that the activities specified in the marketing plan are inadequate to achieve strong growth across all potential market segments. They also recognize that both because of political pressures to support all regions within the State and the temptation to try to engage in all activities that it sees as important, the budget is spread too thinly with a lack of continuity and impact of activities.

They seek to eke out the limited funds approved by engaging in partnerships with other entities such as:

- the Travel South consortium of 12 member organizations drawn from southern States to promote to the Canadian market,
- a largely informal co-operative arrangement with North Carolina in respect of international markets, and
- the Coastal South marketing program focused on UK/Europe markets on behalf of the State’s coastal areas. The program is operated independently from, but is part-funded by, the SCPRT.
3.3 POSITIONING AND TARGETING STRATEGY

The SCPRT’s marketing activities can be characterized as “marketing what sells” – an approach that in practice means “selling the coast”. The situation is one that is forced on the SCPRT Marketing and Sales section through a combination of:

- budgetary limitations, and
- the absence of a proactive product development focus – in particular the fact that there is neither an integrated development strategy and plan, nor support offered by the State for the planning of new products and bringing good concepts to reality through State incentives for private sector investors.

With little new product coming on stream in the interior of the State, the SCPRT continues – rightly - to devote the bulk of its resources to marketing the coastal areas. The up-State counties respond by pressuring their political representatives to oblige the SCPRT to devote a significant portion of its meager total budget – i.e. 30% of the State’s total appropriation – to the Tourism Marketing Partnership Program. Most of these funds go to supporting the RTOs/CVBs and local county and town initiatives with minimal relevance to, or impact on, tourism outside the immediate confines of the locality. In essence, then, a significant portion of the SCPRT’s marketing budget is lost on supporting social activities catering for local communities. This is not to argue that such activities are not worthy, only that any financial support should not be drained from the State’s tourism marketing budget.

The State’s present positioning focuses on its scenic beauty and hospitality i.e. Smiling Faces. Beautiful Places. Its marketing strategies, as outlined in the Rawle Murdy 2006 Media Recommendation, are to:

- increase traffic to the SCPRT’s new website launched in March 2006;
- focus messaging on affluent activities;
- grow business from repeat visitors;
- continue to establish South Carolina as a leading upscale golf destination; and
- explore and introduce new tools, maximizing spending per visitor.

These strategies relate solely to the US domestic leisure and golf market segments as the SCPRT has insufficient funding to exploit other market segments and does not directly control much of its marketing activities aimed at international markets. The way in which the media campaign is designed to achieve its desired impact is through the negotiation of cross platform proposals with media partners with multiple entities in order to create events unique to South Carolina. Media selection will be geared to those that are “integrated into the fabric of consumers’ everyday lives”. Affluent women – as a key leisure travel decision maker – and golfers are primary targets, with different media identified corresponding to the typical day’s activities i.e.

Women: 6.30am Wake up to PDA Alarm; 7am Check email before making kids’ lunch; 8am drop kids off at school, listening to Urban AC in Car; Noon Hop on BHG.com to find dinner recipe; 5.30pm Cook dinner while watching Home Plate; 11pm with kids in bed, take quiet moment to flip through favorite magazine.
Golfers: 5.30am Wake to tune in to Fox News; 6.30am Check email on Treo while commuting to office; 7.15am Check last night’s sports scores on ESPN.com before management meeting; 1pm eat quick sandwich while checking US Open scores on golfdigest.com; 7pm Tune in to Law & Order rerun while reading paper; 11pm Tune in to Sportscenter while wife reads a book in bed.

The selected core States are: Georgia, Maryland DC, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia

3.4 THE TMMP

The South Carolina Tourism Marketing Partnership Program (TMPP) comprises a scheme by which an annual sum of money allocated by the State Legislature for the “creation and implementation of projects designed to stimulate and expand the travel and tourism industry within the State” is allocated by “an industry-based” panel based on applications submitted through the SCPRT. Assessment is made according to: project design, performance measures/accountability, and thoroughness with account taken of the project’s previous record in the case of repeat applicants. The Guidelines and Specifications 2006-2007 document is highly detailed: it specifies the scheme’s Vision, the PRT’s Mission and the TMPP’s Mission and Strategies; and gives detailed information on the eligibility of applicants, selection criteria, points system, core stipulations and bid procedure.

In many respects it is a laudable scheme: it encourages partnership – project qualification categories requiring applicants to put up “matching” funds equal to 40% or 50% of the grant; and it involves local entities to engage in tourism marketing in combination with the State in order “to manage a sustainable tourism industry throughout South Carolina”.

On the negative side, however:

- it encourages individualism rather than coordination between local towns/cities;
- many of the activities qualifying for support are not related to tourism to any significant degree e.g. local festivals/events, sports and recreation;
- the size of grant is too small to enable activities to be undertaken with significant “reach” into the marketplace – even for destinations like Charleston, Greenville, Beaufort and Horry (including Myrtle Beach), the ceiling for marketing grant applications is set at $300,00 while for most counties the limits are between $25,00 and $50,000; and
- despite the stipulations in the Guidelines and Specifications document, the extremely wide range of activities/events for which organizations have been successful in obtaining grant money suggests that insufficient consideration is given during the application evaluation process of the consistency of such activities/events contained in proposals with the State’s tourism marketing and promotion thrusts, nor does the past record of grant recipients appear to be related to its contribution to the State’s overall marketing strategic goals.

In essence, then, the TMPP represents a drain of $3 million from the SCPRT’s Marketing and Sales section’s marketing budget, over which it has minimal control or influence. At worst, the TMPP scheme can be seen as damaging, in that it encourages and perpetuates activities/events that have little value for anyone outside the immediate population. It is not argued that maintaining the social fabric and cohesion of small towns is not important; only that the funds to provide such support should not be drawn from the State’s tourism marketing neither budget, or taken away from
the State’s major tourism destinations through the distribution of the accommodation tax revenue these destinations generate.

### 3.5 Effectiveness of Activities

The consultant finds that the Marketing and Sales section of the SCPRT comprises a group of committed and capable professionals who are frustrated in their work through:

- the lack of resources to carry out their functions in the way that they recognize can achieve optimal results for the State’s tourism sector; and
- little coordinating control/influence over the tourism marketing activities conducted through the RTOs/CVBs, and the tourism private sector in general.

The structure of the consultant’s assignment does not permit detailed examination of the many components of the marketing activity schedule as to their appropriateness or effectiveness. A number of points are, however, clear from discussions with the travel trade and inspection of the MarketSearch survey findings, both reported in Chapter 5 Marketing Evaluation and Prioritization, and from the extensive round of meetings with tourism stakeholders in South Carolina:

- the advertising campaigns conducted DO have impact, in terms of increased awareness, likelihood of visitation and repeat visitation – the problem is that there is not enough advertising to maximize this impact;
- the newly-launched website [www.discoversouthcarolina.com](http://www.discoversouthcarolina.com) is a strong new development. It is well-designed and enables prospective visitors to track through an initial area of interest right through connection through links to specific suppliers. This will be South Carolina’s primary marketing tool over coming years;
- the State tourist handbook – *Smiles* – is an expensive tool that is being increasingly replaced by the destination website and relegated to coffee table status. It should be substantially reduced in scale and budget, with more emphasis placed on collaterals and the website related to specific destinations within the State and on themes/segments/activities;
- the impact made on the travel trade in international markets through current marketing activities is very limited, given the huge destination competition for tourists in markets like Canada and Europe;
- there is an urgent need to step up consumer-focused marketing to the Canadian market, and both trade and consumer-based marketing to selected market segments in the main European markets to create destination awareness and interest;
- there is insufficient coordination – leading to too much duplication in the area of collaterals in particular - between the SCPRT and the RTOs/CVBs, and between the different RTOs/CVBs;
- in general the South Carolina tourism private sector does not view the SCPRT Marketing and Sales section’s efforts positively, though the new website is seen as a significant improvement. Building a good relationship with the private sector is a priority issue to be dealt with if individual operators, or their representative associations, are to be persuaded to contribute an increasing share of a much greater destination marketing budget;
- the opportunities to liaise with North Carolina, particularly in terms of marketing to international markets, are substantial and the present limited initiatives are promising in this regard;

In essence, the SCPRT’s marketing budget is insufficient in terms of:

- the range of marketing and promotional activities included,
• the geographic markets and market segments covered, and
• the frequency and repetition of advertising.

The Marketing and Sales section’s work is further hampered by:
• insufficient detailed research being available into the full profiles, characteristics and trends in individual geographic markets and segments as a result of which the activities carried out lack the necessary precision of focus to maximize the impact for the State,
• an over-reliance on regional “partners”, over whose activities it can only exert limited influence,
• the dilution of the marketing budget through the (political) requirement for it to support many operations that are non-productive in terms of producing increased tourist flows, revenue etc,
• the lack of coordination of the activities – including the Tourism Marketing Partnership Program – of State “partners” – the RTOs/CVBs – related to specific strategic goals, and
• little accountability of the Tourism Marketing Partnership Program grants.

Put simply, the marketing budget is inadequately research-based, is insufficient for the assigned task, is spread too thinly across potential markets and segments, and is not effectively coordinated with the RTOs/CVBs and major private sector operators. Only to a small degree can the blame for these faults be said to be the responsibility of the staff of the Marketing and Sales section of the SCPRT.

3.6 COORDINATION BETWEEN THE SCPRT AND RTOs/CVBs

While the SCPRT seeks to encourage the private sector, through the RTOs/CVBs, to market their products under the umbrella of a State campaign the present “matching” marketing support fund when spread over the regions, becomes ineffective in its application across such a wide spread of recipients. Indeed, the spreading of a significant portion of an already insufficient budget over 11 regions for largely uncoordinated promotional activities represents both wastage of scarce resources and further diminishes the impact of the marketing spend on the marketplace.

The issue of coordination of activities is a particularly vexed one. The SCPRT Marketing and Sales section has little influence over what the RTOs/CVBs spend their TMMP grant and other monies on. There is thus no assurance that such activities are consistent with the overall State tourism marketing goals and targets. It should also be noted that there is little coordination of activities between several of the neighboring RTOs/CVBs. As a result the State’s Visitor Welcome Centers stock many brochures on the same subject separate literature being issued by the individual RTOs. This leads both to considerable duplication of material and wastage of scarce resources. Even worse, it creates confusion among visitors when an amalgamated, coordinated brochure incorporating all the relevant sites/attractions/events etc across all the RTO areas could create a coherent circuit, or cluster of like attractions, that could draw tourists. Ideally a system of coordination between the RTOs would come under the overall guidance of the SCPRT Marketing and Sales section. At the same time, the allocation of funds through the TMMP should be subject to some form of accountability, related to the basis on which the grants were approved.

In an effort to address this problem, a recommendation is made in Chapter 2 Assessment of Tourism Industry Organization and Co-operation for the creation of the post of Regional Tourism Co-ordination Manager (RTCM) within the State Tourism Administration to facilitate the delivery of a state-wide integrated tourism policy. It is further proposed that the RTCM should have a seat on the board of all the RTOs/ CVBs.
Another coordination challenge relates to the Coastal Carolina campaign. The coalition of coastal destinations conducts marketing and promotional activities in Europe. It works with the Golf Tour Operators’ Association in attending the two principal European trade shows – WTM in London, ITB in Berlin – and focuses sales efforts on three markets: the UK (for which its total budget is $0.3 million), Ireland and Germany. Part of its funding comes via a TMMP grant, the remainder being contributed by the coastal chambers of commerce, the GTOA and a dozen or so hotels/resorts. While not operating as a “loose cannon”, there is no doubt that its activities need to be fully integrated within any new and increased marketing campaign focused on developing international markets.
PART 4 PRODUCT: MARKET MATCHING APPROACH

4.1 THE NEED TO BASE MARKETING ON PRODUCT

No consideration of marketing strategy or development of a marketing plan can proceed without detailed understanding of the products available since it will be these products for which demand is sought through the campaign undertaken. Products and markets are mirror images of each other.

The 11 geographically-based tourism regions’ Regional Tourism Organizations (RTOs) promote their tourism products and activities within their local boundaries. The many Convention & Visitors’ Bureaus (CVBs) across the State follow similar practice. This has reinforced the fragmentation of the State’s tourism product presentation and been a major contributory factor to the absence of sufficient critical mass of tourism products to attract visitors.

The present role of the regions in promotion and visitor information, without a product development support input, undermines an integrated enterprise policy. In addition the absence of a State Product Development Plan, has resulted in the vacuum being filled by non-tourism market-related developments.

The State has a myriad of natural and cultural resources with the potential to meet the needs and expectations of many tourist market sources and segments. Only in the coastal areas and centers like Greenville, however, have these resources been developed to attract and cater for various tourist markets on any significant scale. This is not to imply that the interior of the State has weak potential; only that it has not developed its resources in a way to draw tourists and provide fulfilling experiences. The State’s waterways, forests, parks, historical events/buildings/sites, cultural manifestations (including both Indian American and African American), agricultural heritage (i.e. cotton, fruit) can be developed to create a set of cohesive and dynamic tourism destinations within the State.

To invest substantive financial resources in promoting up-state destinations, with the notable exceptions of Greenville and to a lesser extent places like Aiken, is not justified when these areas are:

- not individually significant as tourist destinations;
- difficult to find/travel to; and
- isolated from other possible attractions, in that they do not form part of established and promoted destination packages, clusters or circuits.

Product development to create substantive destination products to achieve the necessary critical mass to attract private sector investment must be seen as a priority for the interior of the State.

As shown in Chapter 4 Tourism Planning and Product Development, the State of South Carolina possesses many opportunities for developing a more extensive tourism product. These product development opportunities are, however, just that – opportunities. The developments do not exist as yet – and will only come on stream over the next few years. Concepts cannot be part of destination marketing – at least not until their physical development is under way and a known completion date exists. In the short term, then the State’s tourism marketing should focus on what exists.
4.2 **PRODUCT DEVELOPMENT STRATEGY AND OPPORTUNITIES**

The South Carolina tourism product is considered in detail in Chapter 4 *Tourism Planning and Product Development*. It is concluded that while the State contains a variety of natural, cultural and heritage resources with potential for tourist appreciation, these resources are presently underutilized. In order to attract higher spend tourists, improve the yield and achieve a better spatial spread of the benefits of tourism, the existing range of tourist products must be expanded and improved.

A Tourism Destination Area (TDA) development approach is proposed with eight separate character zones identified in each of which it is proposed that a network of tourism clusters and circuits be developed, in each case underpinned by a flagship project. To facilitate the detailed planning and implementation of these major developments, Chapter 2 *Assessment of Tourism Industry Organization and Co-operation* presents the strong recommendation that a separate Product Development Department should be established within the State tourism organization, with an annual budget of the order of $10 million a year – over the next three years at least when the investment needed to prepare detailed tourism development plans for the TDAs and bring these towards implementation through working with local and private sector interests to develop investment portfolios will be greatest.

4.3 **KEY MARKET SEGMENT OPPORTUNITIES**

The consultancy team has prepared a product: market matching matrix – Table 6.2. A range of product development types for which South Carolina has the resources to develop are shown against the broad market segments that represent potential. The restrictions of the consultants’ research program prevented a more detailed analysis, though this should be developed to a greater degree of detail through the expanded market research function within the State tourism organization – as outlined in Chapter 2 *Assessment of Tourism Industry Organization and Co-operation*.

The key markets and market segments which should be subject to detailed research into the profiles, characteristics and trends are:

1. Domestic US – family, couples and motor coach tour segments for a range of interests and pursuits, as specified in Table 6.2
2. Canada – family, couples and motor coach tour segments for a range of interests and pursuits – though slightly less extensive than for the domestic US markets – details in Table 6.2
3. International markets – initial focus on the UK/Ireland, Germany, Scandinavian countries, France – predominantly couples across a wide range of pursuits and interests, but also families and motor coach tour for beach, nature-related and culture purposes

Relating the market opportunities to the proposed TDAs, the following marketing “handles” for the eight TDAs may be considered by the contracted creative agency:

- **TDA 1**: The Central Core – *Capital and Lakes District – for business and recreation*
- **TDA 2**: The North West – *Foothills and Arts Country – where adventure and sophistication meet*
- **TDA 3**: The Mid West – *Horse and Forest Country – explore the outdoors*
- **TDA 4**: Hilton Head – *Treasured Coast – international-standard refinement and exclusivity*
- **TDA 5**: Charleston – *History and Southern Experience Center- all the best of South Carolina*
TDA 6: Myrtle Beach – Vacation and Convention Capital of South Carolina – destination for all tastes

TDA 7: The East – Swamp Fox Country – Francis Marion land

TDA 8: The North – Center for All Times - taste the past, feel the present
<table>
<thead>
<tr>
<th>Product</th>
<th>Domestic (USA)</th>
<th>Canada</th>
<th>International</th>
<th>Corporations</th>
<th>Associations</th>
<th>Conference &amp; Incentive Organizers</th>
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<tr>
<td></td>
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<td>FIT</td>
<td>Tour</td>
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<td>Beach + Recreation/Activity</td>
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<td>Sports-Individual</td>
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PART 5  MARKETING STRATEGY

5.1 STRATEGIC APPROACH

A marketing strategy identifies and is designed to generate future demand through the specification of market segments to be targeted, products to be developed and focused on, and associated action program to realize the potential identified in these targeted product: market segments.

For the private sector, strategy is not only about marketing, but also about the organization’s ability to persuade sufficient customers to buy enough of its products to secure a surplus of revenue over costs in the long run and to produce customer satisfaction.

From the perspective of a tourism destination like South Carolina, the key components of a marketing strategy are:

- **Goals and objectives**: the position or place in its chosen markets that it seeks to occupy in a future period, defined in terms of geographic markets and segments, tourist activity projections (i.e. volumes, length of stay, seasonal flows, spending levels), product range, and market shares.
- **Images, positioning and branding**: where the destination wants to be in terms of the market’s (trade and consumer) perceptions of its products and values, including image and branding in relation to competitors.
- **Strategies and programs**: the specification of actions, including product development and investment, needed to achieve the set goals and objectives.
- **Budget**: what resources - human, technical and financial – are required to realize the goals.
- **Review and evaluation**: procedures and systems permitting the appraisal of the extent to which goals were met in the context of overall market conditions (including competitors’ activities) and external factors.

Market conditions are constantly changing. Profitable product-market portfolios will usually be under constant competitive pressure, and it will be necessary to update and augment products continuously to match changing customer needs and market conditions.

The consultancy team’s extensive program of field inspections and discussions leads to the conviction that the State of South Carolina possesses an outstanding range of tourism product development opportunities throughout the State. **Diversity** can be a key component of future tourism development and marketing strategy. At the present time, however, the State has only developed a small part of these resources. Most development is concentrated along the coast where there are three major destination areas that, as explained in section 1.2 above, traditionally cater for quite distinct market segments.

It is concluded that there is the need for a two-phased tourism development and marketing strategic approach. This is in recognition of the following:

- present development is largely at coastal destinations but there is the opportunity to develop an extensive and varied tourism product over the next five years or so – through the recommendations detailed in Chapters 2
Assessment of Tourism Industry Organization and Co-operation and 4 Tourism Planning and Product Development,

- there exists the short term opportunity to broaden the range of markets and segments attracted to the established destinations such as Charleston, through developments targeted at the upscale segments, a greater marketing focus on international markets and increased attention to extending visitors’ length of stay through combining the different coastal destinations, and
- the present overcapacity in the Myrtle Beach area represents an emergency situation that needs to be addressed through a major increase in marketing and promotional support. NB though few visitors to Myrtle Beach are interested in the fact that it is located in South Carolina, any major collapse of the tourist economy of Myrtle Beach would have a potentially devastating impact on the State’s economy and image in the marketplace. For this reason, alone, the allocation of additional financial resources for tourism marketing for the Myrtle Beach area is justified. The 2 for 1 matching fund proposal going through the approvals process at the time of the drafting of this report is an important initiative that should be implemented without undue delay or diversion of any part of the funds to other areas – for the sake of equitability!

5.2 MARKETING STRATEGY GOAL

A marketing strategy can be considered based on the concept of “more”, with each of the variety of experiences illustrated in a tableau, or on successive pages of an audio visual presentation. Given the compact configuration of the State, all these potential developments can be located within relatively close proximity to each other. This combination of an extensive range of products and easy access can give South Carolina a competitive advantage over even a major competitor like Florida if marketing campaigns are sufficiently well-designed and –financed.

The broadening the geographic markets and segments to which the expanded range of tourism destinations within the State can be targeted will then make it possible and desirable to promote South Carolina as a “house of brands”, each of the tourism destinations within the State constituting the individual brands. At present, tourists choose Myrtle Beach, Charleston and Hilton Head as their destination with little concern, or even knowledge, that it is in South Carolina; and few people talk of “going to South Carolina” when asked where they will take a vacation unlike the case for destinations like Florida or Texas. The mid-to-long term goal will be to elevate the market perception and status of South Carolina to such a positive level that tourists will wish to boast to their circle of friends that this is where they are taking their vacation. Establishing South Carolina as an aspirational destination should be the ultimate strategic goal for the State’s tourism sector.

5.3 ACHIEVING PUBLIC: PRIVATE MARKETING PARTNERSHIP
The fundamental difficulty related to any major increase in the State tourism organization’s budget is “where is the money going to come from?” The answer should be from a combination of the public sector budget and private sector operators who stand to reap direct benefit from an expanded tourism sector. The Tourism Action Plan demonstrates that State Government has neither appreciated the contribution tourism already makes to the State’s economy nor its potential for growing this contribution exponentially. It is urged to rectify this situation through committing greatly increased funding for the State tourism organization.

Of equal importance is the need for the private sector to join forces in a fully committed way with the State tourism organization to create a stronger destination image for South Carolina in tourist markets through a concerted, cohesive and fully coordinated marketing push that generates a greatly increased visitor flows and spending per tourist day from a wide range of market segments. At present, the industry is fragmented and sees the marketing efforts of the SCPRT as insubstantial and ineffective. As explained in section 3 above, this is a misconception created by the under-resourcing of the Marketing and Sales section of the SCPRT. It is an impression that is driven by the absence of industry leadership. As explained in Chapter 2 Assessment of Tourism Industry Organization and Co-operation there is an urgent need for an industry association that brings together all components of tourism in order that it can speak with a single, powerful voice. With such an entity established it will be possible for closer liaison between the State and industry: the goals, objectives and strategies of the State tourism organization can be developed through joint consultation and be better understood and accepted by the private sector.

It is clear that it is not the function of the State to generate business directly for any operator. However, the State has a responsibility to facilitate the operation of the private sector through creating conditions that are conducive to successful trading. By generating interest in, and desire to visit, the State, all interests can benefit – the State and its population, and tourism business. This is a key part of the leadership role that the SCPRT has as one of its three key objectives. One means by which it can fulfill this role and, at the same, time, win over those within the private sector who are skeptical about the State’s support for the tourism industry would be through a substantive increase in the amount of market research undertaken into existing, emergent and potential markets and segments – and to disseminate the findings to its industry partners and representative organizations.

An increase in market research activity should constitute one component of a major effort by the State tourism organization to forge a much closer working relationship than at present with the private sector through the proposed consolidated – single voice - industry association. The aim should be to jointly determine future marketing strategies and campaigns on the basis that these will be funded in partnership by the State and the association through member subscriptions.

One of the most successful models for such a public: private partnership is La Maison de la France (MF). Founded in 1987 and placed under the authority of the Ministry of Tourism, MF is an association for the development of commercial interests. It is responsible for the promotion of France as a holiday destination within France itself and abroad. It has 34 offices in 29 countries; a staff of 280; a budget of Euros64 million contributed through State subsidy – Euros30 million and partners’ contributions – Euros34 million. It has 1,300 partner
members divided into four colleges: institutions in the tourist industry – 22% of members; tourism private sector stakeholders – 26%; professional connected with the development of the tourism sector, such as leisure and service providers, department stores – 9%; and any entity from the three other categories that choose to receive a lower level of service from MF – 43%. Every year, some 2,000 marketing initiatives are carried out, including (2005 figures):

- 150 types of brochure
- 425 media campaigns, of which 139 were online
- 142 trade fairs, 131 trade workshops
- hosting 2,421 visiting media personnel
- 12 million website visits
- establishment of tourism product clubs or working groups
- establishment of the Welcome Business Travel Club of France

MF’s media campaigns and promotions relate to different destinations, themes, activities etc and have different groupings of participant partners e.g. the Chateaux of the Loire would include State and regional tourist authorities, transport operators, the chateaux operators themselves, and local business interests that would stand to benefit from increased tourism to the area.

It is proposed that a detailed study should be made of the MF statute of establishment, partnership agreements and mode of operation. A mission to Paris for this purpose should be organized for a joint public: private State delegation.

5.4 THE HOUSE OF BRANDS CONCEPT

As explained in section 5.2 above, South Carolina is not a recognized tourism destination State at present in tourist markets. Its established resorts tourist centers are chosen by visitors in their own right, not because they are in South Carolina. There is no special kudos attached to being part of the South Carolina tourism product offering.

It would be manifestly foolish to expend large sums of marketing money simply to create the realization among visitor to Myrtle Beach or Hilton Head that they are in a primary destination in the State of South Carolina. They are established tourism destinations with their own clear identities. That is not to say that this situation should not change – indeed would be highly desirable to create a situation where the market recognizes the South Carolina label as denoting some form of guarantee of quality. The concept of creating a house of brands within which individual models – or in the case of a tourist country or State/province individual destinations, resorts etc – can operate and gain reflected benefit is based on the successful adoption of this strategy by FMCG corporations like Ford and BMW, and leisure groups like Disney. Within travel and tourism the major hotel chains establish their corporate identity and trading ethos to the benefit of the various brands within the group e.g. Accor – Sofitel, Novotel, Etap, Formule 1, Dorint Resorts, Mercure, Motel 6, Red Roof Inns.

When will the time be right for South Carolina to seek to establish for itself the reputation as the major tourism destination State of the region – a house of brands? There are various prerequisites elaborated through this Tourism Action Plan in the Chapters dealing with
organization and co-operation, access, product development and human resource development. The house of brands marketing approach will not be appropriate until:

- the public and private sectors work together in full partnership,
- there is direct and regular access into the State from all major markets,
- service standards are consistently high across all sub-sectors, and
- a wide range of product developments have been undertaken.

With the development of extensive new products in the eight TDAs identified in Chapter 4 Tourism Planning and Product Development, South Carolina will, within a relatively short space of time, have a series of tourism destinations each offering a distinctive range of tourist attractions and facilities. They will be distinct from, yet complement, each other. At that time, to bolster the marketing strategic approach based on the diversity of the State’s tourism product offering, it will be vital to invest marketing effort in the house of brands strategy.
PART 6 MARKETING ACTION PLAN

6.1 FIVE – YEAR MARKETING PLAN

6.1.1 Market Research into Target Markets and Segments

The case is made in section 5.3 for the State tourism organization to exercise a leadership role through the dissemination of statistical and other research information on the State’s existing and opportunity markets and segments. This increased market research role will not only assist the private sector in its operational and development investment decisions, but will also enable the marketing plan to be more solidly based on hard evidence. Developing an understanding of the consumer

Notwithstanding the extensive program of desk and travel trade research undertaken for the Plan, and reported on in Chapter 5 Market Evaluation and Positioning, there remains the need for the tourism sector in South Carolina to understand its prospective customers in the various source markets better.

Research should be conducted on a continuous rolling basis in primary metropolitan centers through intelligence gathering at trade exhibitions and discussions with tour operators. In addition, a continuing program of research is needed with tour operators, airlines and travel agents in those markets identified as representing the greatest potential for the State i.e. neighboring and second tier US States, Canada and the principal European markets of the UK/Ireland, Germany, the Scandinavian countries and France. The research would be designed to gauge the domestic and foreign travel trade’s responses to the tourism development initiatives being undertaken in South Carolina and to help shape (or otherwise modify) tourism product development and marketing actions.

The ongoing trade research will feed into the design of an in-depth series of consumer surveys into the profile, characteristics and trends of major markets and segments within those markets. The research should cover motivational, attitudinal and behavioral facets. At least two major studies a year should be undertaken.

At the same time the tourism data collected by the State tourism organization on a regular basis should be substantially increased, covering State/Province/country of origin, purpose of visit, length of stay, mode of travel, time of visit, places visited, activities undertaken, spending patterns, travel party composition, media and other influences, booking arrangements focusing on use of the internet, etc. This additional information should be circulated through RTOs, CVBs and the industry association so that all members can access it.
The possible studies to be carried out by the market research function of the State tourism organization have been identified from the research undertaken for this Tourism Action Plan. The specific surveys may need to be amended beyond the first year in the light of:

- market and product developments,
- needs identified through public: private sector consultation, and
- budgetary provision.

The following initial schedule of major studies is proposed:

- **Year 1**: 1. Canada – Ontario, Quebec; focus on beach, golf, outdoor activity/adventure, history/culture segments
  2. Establish systems for collection and analysis of expanded series of regular tourist statistics
- **Year 2**: 1. US NE States; focus on beach, golf, outdoor activity/adventure, history/culture, teen sport/activity training camps segments
  2. UK; focus on beach, golf, nature-based, history/culture segments
- **Year 3**: 1. US national; convention and incentive markets
  2. Ireland; focus on beach, golf, nature-based, history/culture segments
- **Year 4**: 1. US Eastern seaboard/Mid West and Canada – Ontario, Quebec; residential tourism i.e. retirees, second homes
  2. Germany; focus on beach golf, nature-based, history/culture segments
- **Year 5**: 1. US African Americans; focus on history/culture but also beach, outdoor activity/adventure and teen sport/activity training camps segments
  2. Scandinavian countries; focus on beach, golf, nature-based, history/culture segments

### 6.1.2 Mix of Marketing and Promotional Activities

The priority marketing tasks during the next five years are:

- to begin the process of building the image among North American mainland tourist markets of South Carolina as a tourism destination providing a diverse range of tourist attractions and facilities catering for a broad set of markets and market segments, and to focus on attracting a higher spending clientele;
- to change the perception commonly held in domestic US markets that South Carolina has some attractive features but is weak in terms of access, facilities and service – this, of course, requires actions to correct these shortcomings to the extent that they are real;
- to create awareness among both the travel trade and consumers of international markets that South Carolina is a State with outstanding touristic resources that has embarked on a development strategy to make it a premier tourist destination catering for an extensive range of vacation market segments.
In essence, the task facing the destination marketers of South Carolina is twofold:

1. to change perceptions and create a destination brand so as to attract market segments that previously were not choosing the State for their trips; and
2. to further penetrate those markets and segments that are already visiting the State but are opting in greater volumes for other destinations e.g. Florida.

Image changing and building needs a well-orchestrated campaign involving:

- a good level of “free” editorial coverage in appropriate media,
- “support” for a group of committed tour operators with a proven level of performance,
- the provision of well-designed and quality information – principally via a website supported through printed collateral materials,
- the use of direct mail to a highly-targeted mailing list of experienced travelers (e.g. readership of retiree-targeted magazines; club/association memberships of activities/interests pursued by the more affluent social groups), and
- highly-targeted advertising, complementing and supplementing the editorial coverage generated.

Market penetration is best achieved through:

- extensive (i.e. regular and continuous) advertising to the targeted consumer groups,
- a highly developed website enabling prospective visitors to trawl it for detailed information about attractions and resorts/destinations, and move onto accessing information about – and booking – specific facilities,
- participation at trade and consumer shows/fairs/events, and
- personality endorsement, relevant to the target market segment.

In the textbook marketing sequence of AIDA (creating awareness, stimulating interest, generating desire, prompting action), South Carolina has a split focus during the next five years: for the image building task, the emphasis is more concentrated on the initial phases than on hard selling which is more suited to advertising techniques. By contrast, market penetration requires extensive advertising.

The following principles have been established from the Plan research program:

- effective communication – each market requires a tailor-made marketing plan because they respond differently to the various types of marketing activity. Indications are provided in the first five year program but further research to refine this analysis and identify communication techniques are needed, as specified in the proposed market research program outlined in an earlier subsection;
- travel trade level – the most direct and lasting means of informing and influencing the travel trade is seminars/workshops organized by the destination
for travel trade personnel (i.e. conducted in major centers in a “road show” format), and by familiarization trips;

- **consumer level** – consumers in all markets learn about destinations in common ways i.e. word-of-mouth from friends/relatives/colleagues who have visited the destination, from written articles in consumer newspapers/magazines/books, from TV travel programs and special features, from advertisements in consumer publications and from tour operators’ and destination countries’ promotional materials;

- **special interest market segments** – nature-based, adventure and history/culture being the most relevant to South Carolina – these are most effectively approached through special brochures (web pages) showing key features and distributed to memberships of clubs/associations, and readers of publications related to the activity/interest.

### 6.1.3 Public Relations

Public relations is designed to build up positive impressions of, and goodwill towards, a product or service through events which are organized or orchestrated by the provider of those products or services. In the field of tourism the prime public relations activities include:

- press releases
- information briefings
- hosting travel and general feature journalist and TV film crews
- celebrity (e.g. from entertainment, sport, fashion, politics) endorsements
- publicity “event”

All of these can be useful in building awareness of a destination. The hosting of travel writers’ and TV crews’ visits is, however, the most important for South Carolina. There are now many consumer magazines specifically devoted to travel and tourism (i.e. ranging from the long-established and highly prestigious National Geographic magazine to Conde Nast Traveler and publications dealing with specialist types of travel like Wanderlust, and Food and Travel). With all main tourist generating countries having regular travel features in large circulation newspapers and television program at peak viewing periods devoted to holiday travel, the power of the growing volumes of specialist travel writers and film makers if great. Destinations need to cooperate with them in order to create goodwill in the hope that this will encourage positive coverage of the destination in the feature eventually produced from the visit to the destination. Hosting such visits (i.e. coordinating itineraries and encouraging operators to provide hospitality such as transport, accommodation, meals and entertainment) is an increasingly important function for destination tourist office marketing departments. This will be a vital activity for the State tourism organization over the next five years since this is a primary means of building awareness of South Carolina, and of the changes taking place in its tourism development.
6.1.4 Advertising and Promotion – Travel Trade

Trade familiarization trips

There is a need for a substantive and ongoing program of educational trips for tour operators and travel agents throughout the period of the marketing program - from all primary and secondary markets, and in respect of each targeted market segment e.g. it is important for specialist ecotourism operators to see for themselves the attractions and facilities available. Though it is normal for the cost of these trips to be borne by the private sector, the high volume of such trips necessary – particularly from the inter-regional, long haul markets – to create the desired awareness of South Carolina as a credible tourism, upmarket destination indicates a larger-than typical proportion of such costs to be met by the State tourism organization during the five year program period.

Trade shows/fairs

The continued participation at domestic US and Canadian trade shows is essential. State tourism organization and private sector participation should be maximized. For international market development, the main European trade shows should be a primary target with participation coordinated through the representative offices in the UK and Germany and with good representation from the private sector on the booths. An important challenge will be for the increased focus on developing the international markets to be achieved in a fully coordinated fashion between the State tourism organization and the Coastal Carolina campaign. Ideally, the latter should be a component of an integrated European marketing program, so as to ensure maximum effectiveness and to avoid duplication.

Tour operator/travel agent presentations

Given the lack of depth knowledge of South Carolina at either the wholesale or retail levels in Europe, seminars and workshops for travel trade personnel should be given high priority and should be organized through European representative offices. These can take the form of a “road show” and be operated in conjunction with participation at trade exhibitions/fairs (i.e. in the week preceding or following the major event).

Tour operator support

The “shared” financing (and, hence, risk) between the destination tourist authorities and the tour operator of tour brochures in respect of pages devoted to a specific destination is practiced (commonly in Japan, less extensively though still to some extent in Europe). This practice is most frequent in respect of an “unknown” destination seeking to “break into” tour operators’ programs. While this is South Carolina’s position in respect of long haul generating markets – and careful, highly selective consideration might be given to providing this type of support in exceptional circumstances – the consultant advocates against more extensive usage.
The State tourism organization should, however, be fully prepared: a. to provide all materials and information to assist tour operators in their program formulation e.g. copies of collaterals, photos/slides, DVDs/videos, travel agent’s manual; and b. to respond to the travel trade’s requests and proposals for specific features to be incorporated on the State’s tourism website. An improved stock of images of the State’s attractions is regarded by a number of stakeholders as a priority need.

**Travel agents’ manual**

Though the travel agent’s manual on a destination is “old” technology and has been replaced in many instances by websites, the consultant considers that with the low level of awareness of South Carolina in long haul markets the production of a permanent record of the State – its features, facilities etc – is worthwhile. The manual should be in loose leaf format (to facilitate updating) and provide comprehensive and up-to-date information on new developments.

**Trade advertising**

A certain minimum level of travel trade advertising will be required in all markets to reinforce the trade awareness, and acceptance, of South Carolina as a destination that is serious in developing and promoting itself as a high quality, diversified tourism destination. This will not comprise a major component of the marketing and promotion program, particularly in long haul markets when advertisements are only proposed at times to coincide with the trade fairs.

**6.1.5 Advertising and Promotion – Public**

Consumer-focused marketing can be highly expensive and ineffective unless properly targeted. In the case of South Carolina where creating awareness (in the case of long haul markets) and correcting/changing image (in the case of the domestic and Canadian markets) is needed, a much increased volume of consumer advertising will be necessary.

This is in order to be able to respond to the tour operator who says:

“*Is the market sufficiently aware of, and attracted to, South Carolina to warrant my company investing in developing a tour program, and incurring the attendant costs of brochure production and marketing?*”

The public needs to know what South Carolina has to offer, and to find that offering attractive. The trade needs to be encouraged to respond positively to rising consumer interest in the State by designing and offering tour programs and travel arrangements featuring the resorts, attractions and facilities of South Carolina.

The strategy will be implemented through a variety of marketing and promotional activities: some will take the form of “purchased” components e.g. advertising in relevant media, direct mail shots, website development, brochure production and distribution; others will be in the form of “facilitation” for public relations activities like hosting visits to South Carolina of travel writers and film crews.
To exploit the identified domestic market segments a much increased investment in consumer advertising will be necessary – both in respect of what Rawle Murdy calls media that are “integrated into the fabric of consumers’ everyday lives”, and journals or magazines specifically targeted at the demographic and interest groups which represent strong potential for South Carolina.

The marketing program should comprise a combination of:

- extensive development of a *tourism website*;
- an extensive program of *facilitating travel* in the State for writers, photographers and film crews representing prestigious publishers and broadcasters, in order to extend the number and spread of positive *editorial features* on South Carolina;
- extending the range of high quality *collateral and audio visual materials* on South Carolina’s tourism;
- undertaking a *direct mail campaign*, providing a sufficiently tightly targeted mailing list/lists can be acquired i.e. memberships of historical interest societies, golf clubs, adventure and sports societies and clubs, ecotourism associations;
- a major, multi-media *consumer advertising* campaign in the domestic US and Canadian markets, and in selected magazines and other media with a proven high readership/circulation/viewership among the targeted segments in European markets.

*Website*

The internet is rapidly becoming the most important marketing tool in tourism. For destinations it offers the opportunity to showcase the range of attractions, resorts and facilities available and to broadcast news about new developments, events etc. It provides immediacy and instant updating. The twin skills in successful website design lie in:

- creating a “path” by which users can trace an initial interest right through to a reservation with a specific supplier via portal links, thereby offering a “one stop shop” facility;
- presenting the material in a way that enquirers in the target market segments relate to i.e. in terms of visual imagery, language etc.

The newly-launched DiscoverSouthCarolina website is an important step in the right direction. It represents a “jumping off” point for additional investment of $0.5 million in interactive marketing over the period to end 2007. It is planned to install a booking engine. The site has been registered on the “dot” travel directory. An interactive kids’ page will assist further penetration of the family market segment. Its design is guided by the Disney model whereby children can play interactive games on its parks site before and after their visit. The DiscoverSouthCarolina website attracted 390,000 unique visitors spending an average in excess of 5 minutes as at end April 2006.
Collaterals

A priority of the marketing program is the availability of collateral materials on South Carolina that present appropriate information using the designated image and standard slogans, symbols, icons etc. There already exist a plethora of printed materials about the State’s many attractions, sites, events etc. As noted in sub-section 3.6, there is considerable overlap leading to a certain degree of market confusion resulting from the fact that, in addition to the SCPRT, the individual RTOs/CVBs and the Heritage Corridor operation issue brochures – largely without coordination (or even consultation) with each other.

It is recommended that a review should be undertaken of all collateral materials distributed via the Visitor Welcome Centers with the view to synchronizing and reducing the volume of publications.

The State’s tourist handbook - *Smiles* – produced annually at a cost of almost $1 million is becoming an outmoded promotional vehicle. Consumers can obtain the information contained in it more readily, more up-to-date, and in a more user-friendly form - via the State’s website. It is reaching the end of its life cycle. Advertisers who contribute almost half the total production cost report that it is producing a falling volume of enquiries and bookings. What the market now needs is a ready guide to the State’s regions and attractions that can be followed up through direct enquiry to RTOs/CVBs, individual suppliers and the DiscoverSouthCarolina website.

It is recommended that the publication’s format and content should be reviewed with the intention of radically reducing its size and cost of production. The full guide will still be available to travel trade through the loose leaf manual discussed in the preceding sub-section.

Consideration should be given to producing certain of the collateral materials in German once the results of the proposed Year 4 market research into that market have been established.

**DVDs/Videos**

DVDs/videos oriented towards tour operators and travel agents in generating markets should be produced. These will need to be promotion-oriented geared towards both motivating and exciting the interest of the travel trade towards South Carolina. A generic film of, perhaps 12 to 14 minutes, can illustrate the full range of the state’s tourism product for travel agents with little advance knowledge of South Carolina; and a series of shorter films can focus on specific themes e.g. golf, outdoor activity/adventure, history – Indian American, colonial, revolutionary and civil wars.

The focus of the films should be visual content with limited commentary.
**Consumer advertising and direct mail**

The $5 million 2005/6 media budget directed towards the US domestic market barely scrapes the surface of the potential. It is being placed in an intensely competitive marketplace where success depends on sustained frequency of advertising and a constant message. To maintain a campaign across the full range of relevant media throughout the year demands a minimum annual budget of at least double – i.e. $10 million a year. This could be divided: $5 million for network/cable TV; $2 million print-based, all co-operative building on the TV work; and $3 for interactive marketing. The goal would be to drive traffic to the booking engines of partners. A valid model would be the US import automotive market.

The Bounce agency’s creative strategy presently being pursued by the SCPRT focuses on “time”. The concept is that with increasing pressure on the American in his/her workplace, the vacation is being squeezed through forfeiting it or reducing its duration. Consumers need to be reassured they can get the maximum experiences in their vacation – South Carolina is positioned as “giving you more time value” with the use of beach and outdoor activity imagery. The slogan is “It’s time”, inferring that it is the right time to “break away from your job”. “When was the last time you made time for the things that really matter?” is targeted at individuals rather than the nuclear family, so attracting visits by parties such as a mother and her daughters etc rather than the whole family. The other creative focus is on the golf segment for which the tag line is: “rediscover the beauty of the game”, with the aim of reminding the golfer that South Carolina has courses of high quality and beauty at a time when competition from neighboring States in intensifying.

While these approaches are appropriate for the markets being targeted, there will be a need to widen the creative approach to focus on new market segments with an increased marketing budget as proposed in this Tourism Action Plan.

No general consumer advertising is proposed in European markets – at least for the short term; the consumer advertising recommended should be directed at those publications aimed at specific market segments and niches identified, in particular golfers, history/culture enthusiasts, outdoor pursuit/adventure participants, nature/wildlife – ecotourism – enthusiasts. This should be run in conjunction with a limited scale direct mail campaign to those same readerships and to memberships of specialist clubs and associations. The journals/newsletters of these bodies, as well as magazines and other media aimed at the target segments are the appropriate type of media to be considered for the limited recommended program of consumer advertising.
6.1.6 Representation

Tourist destination representation in overseas generating markets involves a choice between no representation (with everything handled from head office), the appointment of a public relations or marketing representation company, or the establishment of a tourist office. The first option applies where the market opportunity is low, the public relations option where awareness needs to be built up, the marketing representative where the need is to coordinate a marketing and promotional campaign once destination awareness is developed and opportunity is growing, and the full office option for a major market to handle an extensive program of public relations and marketing and promotional activities.

The two overseas representative offices contracted by the SCPRT in the UK/Ireland and German markets exist on very small budgets of just over $100,000 a year each. This prevents the achievement of any substantive progress in developing these markets’ potential. No soundly-based assessment can be made on this level of activity. It is recommended that these operations should remain contracted but with budgets some two-to-three times present levels.

Once the results of the major consumer survey recommended for Year 1 in the Canadian market have been finalized, steps should be taken to appoint a market representative agency to coordinate a major program of marketing and promotional activities covering the Ontario and Quebec markets. An annual operating budget of around $300,000 to 400,000 will be needed – on top of the $2.5 million a year for advertising and other activities in the marketplace.

6.2 BUDGETS AND TARGETS

6.2.1 Marketing Budgets

The outline marketing budgets for the State tourism organization’s marketing operation over the next five years is presented in Table 3. It is divided into broad market activity areas. It builds on the present marketing program, maintaining all activities other than those for which the consultant has evidence of their ineffectiveness e.g. the Smiles brochure. No change is made to the TMPP allocation, in recognition of the fact that its discontinuance will require State Legislature intervention – a step that will be strongly resisted and, in any case, is likely to take considerable time to bring about. The TMMP budget has been left at $3 million, but it is strongly recommended that funding for those elements that are not directly tourism-related should be from a source other than the State tourism marketing subvention.

As concluded in Part 3, the present level of marketing budget is insufficient either to fully penetrate the targeted markets and segments or to realize the State’s full potential from tourism. The key areas where budgetary expansion is needed are:

1. greater penetration in domestic leisure market through an increase in media appropriation to $10 million a year;

2. annual allocation for consumer marketing activities in the international markets of Canada, the UK/Ireland, Germany, Scandinavia, France – as primary European markets – of between $0.5 million (France, as an emerging market for the State) and $2.5 million (Canada, an under-exploited market) i.e. total of over $5 million a year.
3. increase in market segment studies, and the regular – quarterly - collection of key tourism performance and trends statistics (with dissemination to the State’s tourism stakeholders) through an increase in the market research budget of $0.5 million a year.

In aggregate, it is proposed that the State tourism marketing budget should be increased to between $30 and 31 million a year over the next five years to enable the full range of marketing and promotional activities to be deployed – as outlined above – to further penetrate existing markets and to develop new ones for which the State has outstanding opportunities.

The marketing budget should be financed jointly by the State and the private sector. The latter’s willingness to contribute a significant share of funds will be a function of the closeness of the working relationship achieved through the proposed public: private sector marketing partnership and the tourism industry’s perception of the degree of relevance to its own objectives of the marketing strategy and program.

The broad mix of activities, by market, is presented in Table 6.3. The figures are in part notional though where possible the estimates are based on prevailing costs in the various marketplaces. Year-by-year analysis will vary because of the timing of specific activities such as the market research as outlined in section 6.1.1 and the needs of the individual markets over the five-year period. For example, trade PR and promotions may need to be more extensive in the European markets in the early years of the period in order to establish market awareness and credence. Where activities relate to all markets or where activities are undertaken in markets not separately listed, the costs are included in the “all markets” category.

The principal emphasis in the proposed marketing program should be on advertising (principally consumer) - $16 million a year across all markets – consumer PR and promotions - $6 million a year – and the extension of electronic marketing activities - $3 million a year.
Table 6.3 - Marketing Program Cost Estimates, over Five-Year Period - $ ‘000

<table>
<thead>
<tr>
<th>Activity</th>
<th>US Domestic</th>
<th>Canada</th>
<th>UK/Ireland</th>
<th>Germany</th>
<th>Scandinavia</th>
<th>France</th>
<th>All markets</th>
<th>Total for Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Research</td>
<td>1,500</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>Via</td>
<td>1,500</td>
<td>4,000</td>
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<tr>
<td>Advertising</td>
<td>50,000</td>
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<td>2,000</td>
<td>2,000</td>
<td>1,000</td>
<td>13,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Electronic/Website</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade PR &amp; promotions</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,250</td>
<td>200</td>
<td>300</td>
<td>5,750</td>
</tr>
<tr>
<td>Consumer PR &amp; Promotions</td>
<td>10,000</td>
<td>2,500</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>1,000</td>
<td>10,500</td>
<td>30,000</td>
</tr>
<tr>
<td>Representation</td>
<td>1,250</td>
<td>1,750</td>
<td>1,250</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,250</td>
</tr>
<tr>
<td>TMMP</td>
<td>14,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>Total</td>
<td>62,500</td>
<td>15,000</td>
<td>7,000</td>
<td>6,500</td>
<td>5,500</td>
<td>2,200</td>
<td>54,300</td>
<td>153,000</td>
</tr>
</tbody>
</table>

6.2.2 Visitor Arrival and Revenue Targets

What should this doubling of marketing budgets be expected to achieve in terms of increased visitor flows and spending? Consider the following:

- out-of-state tourism into South Carolina has been showing slow growth – Myrtle Beach stakeholders talks of 3 to 4 percent a year – somewhat below the level for all domestic recreational travel;
- international tourism continues to expand at between 4 and 5 percent a year, and is expected to continue to do so;
- the fastest growth rates are being achieved in non-mainstream tourism i.e. activity and specific interest-based.

It is the consultant’s conclusion that, with implementation of the Tourism Action Plan’s recommendations in respect of product development, access, organization and co-operation, human resource development and marketing, South Carolina can more than double present growth rates in domestic tourism and achieve major growth in its international markets.

Out-of-state overnight visitation flows of 16.4 million in 2004 should rise to 25 million by 2010, and to nearly double that level by 2020 i.e. an average annual growth rate over the whole period of 7 percent or greater.

The targeted flow of Canadian visitors should be 1.3 million by 2010 (i.e. 10 percent a year growth) and close to 2.5 million by 2020. It should be noted that Florida currently attracts over 2 million Canadian visitors a year.

International markets start from a tiny base but realistic targets for 2010 in European markets in response to the increased marketing presence in these markets would be sustained growth of 15 to 20 percent a year, reaching a level of between three-quarters of a million and 1 million arrivals a year by 2020. Flows from the main European markets to Florida in 2004
toted UK 1.5 million, Germany 265,000, France 122,000 and Italy 113,000. Over 2.5 million Europeans visit Florida each year currently.

With the increased presence in the total visitor mix of: a. more up-market tourists (in response to product developments, easier access and more marketing), and b. more international tourists (who stay longer and spend more than domestic tourists), a significant rise in average visitor spend can be expected with a consequent growth in the tourism’s economic contribution to the State.

Data limitations allied to the level of research that it was possible to undertake in the relatively brief time frame for this Tourism Action Plan preclude the preparation of forecasts using sophisticatedly numerate methods. Instead targets are set that are realistic and achievable given implementation of the many actions recommended in the Plan. South Carolina can look to a near doubling of the economic benefits it generates from the tourism sector by 2010 – as compared with 2004 – and to further doubling between 2010 and 2020. These targets are broadly double the levels that are likely to be achieved given no change in policies, organizational arrangements and marketing.

It is noteworthy to point out that the proposed marketing investment of $30 million a year would represent between 0.2 and 0.3 percent of estimated visitor spending in the State by 2010 – still below the average for destinations based on the sample reported in section 3.1, Table 1. To maintain a 0.2 percent re-investment ratio marketing budgets would need to grow to between $60 and 80 million by 2020.

The key targets are set out in Table 6.4.

<table>
<thead>
<tr>
<th>Table 6.4 - South Carolina Tourism Targets, 2010 and 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td><strong>Visitors</strong></td>
</tr>
<tr>
<td>Out-of-state overnight</td>
</tr>
<tr>
<td>Canadian</td>
</tr>
<tr>
<td>European</td>
</tr>
<tr>
<td><strong>Economic impact</strong></td>
</tr>
<tr>
<td>Spending</td>
</tr>
<tr>
<td>GSP</td>
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</table>
NEW CAROLINA COMPETITIVENESS COMMITTEE
TOURISM ACTION PLAN 2006
CHAPTER SEVEN
DEVELOPMENT OF HUMAN RESOURCES
**TERMS OF REFERENCE**

Under the direction of the Project Director, and working closely with other team members, the Human Resource Development Expert undertook the following tasks:

* Review the current tourism and hospitality training programs offered by the State, industry and education establishments

* Investigate and assess college programs for rural workers.

* Investigate and assess vocational/high school training in tourism and hospitality

* Prepare and conduct a training assessment workshop for industry officials and education establishment personnel, with recommendations for future action

* Prepare a detailed report of findings, with recommendations for future action to improve training in South Carolina.

This mission report covers the period January 30th to February 28th 2006.
CHAPTER SEVEN
NEW CAROLINA TOURISM ACTION PLAN
DEVELOPMENT OF HUMAN RESOURCES

EXECUTIVE SUMMARY

1. IMPORTANCE OF TRAINING

It should not be necessary to start off a report on the development of human resources by having to stress the importance of investing both time and money in training for the hospitality and tourism sector, but it is. While much of what has been done within the State is impressive, there is a need to ensure a return on that investment. The competition for the tourist dollar is now so intense, both nationally and internationally, that to stand still is the first step in going backward. The need for the Government and the private sector to maintain that investment should be self-evident; particularly when statistics show that the Leisure and Hospitality sector employs over 200,000 persons, second only to government. In total, well over 10% of the non-agricultural labor market for South Carolina is employed in tourism-related areas of employment, 175,000 in accommodation and food services alone.

2. TOURISM EDUCATION AND TRAINING PROGRAMS

At State and County level much has been done to ensure that those seeking a career in the hospitality and tourism sector have access to pre-employment study programs. Fifty two high schools offer the Culinary Arts program, and 23 high schools offer the Hospitality Operations program.

At high school level the South Carolina Department of Education has done a commendable job to promote the hospitality and tourism sector through the publication the ‘At Your Service’ career guide. Their electives in Culinary Arts and Hospitality Operations open up a pathway to employment for all who successfully complete the programs. The technical institutes follow with well structured associate degree, diploma and certificate programs, and the universities offer ample opportunity for the academically minded to progress to bachelor and masters degree level.

3. PRIVATE SECTOR INITIATIVES

The private sector initiatives for the development of the workforce are also impressive; on the surface at least. The efforts of the South Carolina Tourism & Hospitality Education Foundation have done much to link industry with the high school programs, and contributed greatly to the implementation of many post-employment training initiatives. Further involvement with local Chambers of Commerce has resulted in a number of pilot programs and training workshops for the industry’s employees.
4. ISSUES OF CONCERN

There are however a number of issues that, if properly addressed, could improve the effectiveness of the current programs.

Staff attrition
One major concern is attrition; the loss of students between enrolment and graduation; the loss of graduates within one or two years of graduation; and the loss of experienced personnel already employed within the sector to other areas of employment.

Dealing with the private sector first; there is an urgent need for many employers to adopt a ‘train to retain’ psychology in relation to local staff. A commitment to retain is needed partly to reduce staff turnover, but mostly to create a motivational environment that nurtures staff loyalty and rewards performance. Many operators do not even maintain a budget line for the development and motivation of their human resources. If the operators intend to ‘up their game’ they will have to up-grade the skills of many within the existing workforce. If they intend to expand, they will have to make a more determined effort to develop locally available personnel and answer the current problems of transportation, work ethic and motivation. Building a dependency on foreign labor cannot be viewed as best practice for the sector or for the State.

Content and balance of programs
As already noted, the provision for pre-employment training is both extensive and impressive. However there are a number of issues that need attention. Both the high schools and the universities need to look at the content and balance of their programs to ensure that they do not fall into the trap of teaching ‘a little of everything and all of nothing’; (a comment raised on numerous occasions during the interview sessions with the employers).

Accommodation operations
The most neglected area of study is accommodation operations – despite the fact that 60% to 65% of income is derived from rooms division. While a discussion on the merits of a broad education could fill a seminar, the bottom line is that the employers are not impressed by the lack of operational knowledge and work skills within the graduates seeking employment. University graduates in particular are failing to comprehend that progress within the sector is based on performance. On this, and on many other matters, the industry needs to be more vocal on their expectations and the institutions need to improve their listening skills.

5. ISSUES FOR CONSIDERATION

The High Schools: Student attrition; kitchen safety; funding for consumable supplies; appointment of lab assistants; structured acquisition of skills; monthly targets for skills achievement; more schools to offer the Hospitality Operations program; review of electives.
The Technical Colleges: Improved coverage of accommodation services; Spanish for supervisors; supervised food service practice; timetables; involvement of advisory board members.

The Universities: Review of course electives; higher profile for rooms division; tighter control over choice of electives; the structure and management of internships; improved communications with the private sector.

The SC Hospitality Association (on behalf of the industry): Development of a team of itinerant trainers; implementation of pre-employment programs for adults; Tourism Awareness program for rural communities; scholarships for AH&LA Hospitality Operations Graduates.

State Government support of tourism: One issue not raised within this report is the State Government’s own determination to support the development of tourism as a key industry. The perception of the general public toward the sector as an employer is still subject to a level of skepticism. Parents, career councilors and many of those currently unemployed, have a negative image of the hospitality industry. Many do not appreciate the opportunities that exist for dedicated ambitious employees to rise quickly above the minimum wages paid for most entry level positions.

While the industry itself needs to look at pay and conditions, the State could make a valuable contribution by raising the status of the sector. It does not help when the Government department responsible for tourism carries the industry’s title as the third in a string of titles of which the first two do little to project tourism as an area for career development. It is strongly recommended that the Government, the educational institutes and the private sector combine resources to launch a statewide Tourism Awareness Program; the focus of which would be on the renaming of SCPRT to give greater emphasis to its tourism role – as an interim stage towards the establishment of a State Tourism Authority, as proposed in Chapter 2 Assessment of Tourism Industry and Organization.

6. ACTION RECOMMENDATIONS

The principal recommendations for the development human resources for the tourism sector in South Carolina are:

High Schools:

I. Increase private sector involvement in SCDoE standards committees and within school advisory boards.
ii. Review the relevance and value of optional electives.
iii. Prohibit the use of university level course study units.
iv. Seek funding to improve the layout of practice kitchens to reduce risk of accidents and improve the effectiveness of practice sessions.
V. Establish monthly targets for clearly define skills achievement objectives.
vi. Establish minimum funding levels for the consumables supplies required to deliver training according to the defined achievement objectives and provide such funding.

vii. Appoint kitchen/lab assistants to assist instructors prepare for, and supervise, the practice sessions.

viii. Address the issue of attrition within their hospitality programs to establish the reasons for students dropping or changing their vocational elective.

ix. Encourage more rural schools to adopt the AH&LA Hospitality Operations program.

Technical Colleges:

i. Review and enhance the position of accommodation services within general hospitality programs.

ii. All food service courses must include tutor supervised service practice serving complete meals to real guests.

iii. College administrators to accept the need for non-standard timetabling for hospitality programs.

iv. Development and introduction of conversational Spanish language programs that focus on workplace communications.

v. Greater involvement of advisory board members in the affairs of the department.

Universities

i. Review membership of advisory boards and steering committees.

ii. Review course electives.

iii. Enhance the topic of Housekeeping Operations within Hospitality Management programs.

iv. Carry out a major restructuring of the practicum and internship programs.

Private sector

i. All operators to set aside a set percentage of income for training and staff incentive programs.

ii. The Hospitality Association of South Carolina to fund scholarships, to assist AH & LEI’s Lodging Operations graduates to move forward onto Associate Degree programs, (as is already established for ProStart graduates).

iii. The SC Tourism and Hospitality Education Foundation, on behalf of the sector, to enter discussions with the universities to redefine the arrangements for internships.

iv. The industry to resolve to be more vocal and resolute in its relationships with the teaching institutions.

v. The sector employers to accept greater responsibility for staff motivation, in-house training, and the career development of the individuals.
Rural workforce

i. The State Government, the educational institutes and the private sector to combine resources to launch a state wide Tourism Awareness Program. The first step would be to emphasize the importance of tourism to the State by renaming of SCPRT to give greater emphasis to its TOURISM role.

ii. Special efforts to be made to reach into the rural communities to better inform local organizations, school teachers, parents, and those seeking gainful employment, of what tourism means to the State, and of the opportunities open to all who wish to benefit from the job opportunities.

iii. The SC Hospitality Association to investigate WIA funding for an industry training initiative using itinerant trainers to deliver targeted pre-employment programs for those seeking employment within the sector.

iv. The Department of Education in partnership with SCHAEF to seek to secure a scholarship program for high school students who successfully complete the AH&LEI Lodging Management Program.
NEW CAROLINA TOURISM ACTION PLAN

Development of Human Resources

INTRODUCTION

Within the framework of the 2004 South Carolina Competitive Initiative the Hospitality and Tourism Cluster Committee resolved to implement a Tourism Action Plan for the State. At that time the Cluster Committee decided that new directions and actions needed to be taken to improve South Carolina’s tourism performance in line with other States. One of the five challenges identified was; ‘To identify and assess State training programs and propose future action for improvement.’ In addition to an evaluation of the current training provisions, this Chapter 7 contains important feedback from both the employers and the teaching institutions, plus a number of recommendations for consideration and possible action.

The purpose of a human resource development strategy is to assure that a cadre of sufficiently-trained and competent personnel is available in sufficient quantity to meet the needs of the sector. The procedure is one of gap analysis; a process of establishing what is in existence in the way of trained personnel, training opportunities and training facilities against what is considered necessary in relation to existing and anticipated staffing needs.

To establish a comprehensive picture of the sector the views of the hoteliers, restaurateurs educationists, and commercial associations need to be sought. The varying opinions on current training programs and information on staffing helps to validate the general perception of training needs for the tourism industry as a whole.

The development of human resources for the hospitality/tourism industry is influenced by a number of factors, many of which touch on sensitive issues such as the cultural and social acceptance of serving others, work ethic, etc. In many instances South Carolina is now relying upon foreign labor to undertake tasks currently considered unattractive or demeaning by some sectors of the population. This report assumes that it is the wish and intention of the State to reduce unemployment figures, and that any increase in employment opportunities will be taken up by native South Carolinians.

The key issues involved in the development of a human resource development strategy are best summarized using the following template:
TOURISM EMPLOYMENT AT A DESTINATION DEPENDS ON A NUMBER OF FACTORS

- The nature of tourism at the destination
- Local ability or shortage of skills
- Traditional/conventional work patterns
- Possible conflict with traditional cultural patterns
- The status of tourism work in the society
- Education and training provision and facilities

Source: UN World Tourism Organization

Chapter 7 is structured to present a detailed review of the training activities of each of the four groups involved in the development of human resources, i.e. High Schools, Colleges, Universities and the private sector. For the sake of continuity the review, observations and recommendations are contained within each sub-sectoral Part rather than presented as individual Parts in their own right.

Within the time available for the field work for this survey, 45 interviews were conducted. These interviews provided a valuable insight as to the human resource development initiatives currently being delivered to meet the needs of the hospitality sector.

While reviewing the training provisions, issues arising from comments highlighted within the working papers for the 2004 Competitive Initiative were taken into consideration. Those being as follows:

a. ‘We should have a world class Hospitality and Tourism program here.’
b. ‘Need for better support for specialized education and training programs.’
c. ‘Limited coordination between universities, government and companies.’
d. ‘Broadening and upgrading of product offering.’
e. ‘Relatively weak K-12 and specialized advanced educational programs for locals.’
f. ‘Limited supply of locally skilled workers.’
g. ‘South Carolina must begin to compete by enabling firms to create higher value, which will raise prosperity and lead to job creation.’

The following report addresses five key issues:

1. The need to reduce attrition rates within current training programs.
2. The need to attract more people to work within the hospitality/tourism sector.
3. The need to improve the content and delivery of pre-employment training programs.
4. The need to meet the expectation of the employers that graduates will have employable work skills.
5. The need for graduates to understand that access to senior positions within the hospitality industry is firmly based upon workplace performance.

The often convenient premise that education should be broad and for the benefit of the individual, and that training is the responsibility of the employer should not be used as an
excuse for the way some programs of study have been put together. Regardless of where the instruction takes place, the focus should be on the employability of the graduate upon completion of the study program. Experience shows that foundation skills are more effectively taught in a controlled environment, under the supervision of an experienced instructor, away from the pressures of a service commitment.

As in all reports, generalization often causes indignant responses from those to whom a particular comment does not apply. However, before dismissing such observations, readers should take a moment to consider if even small changes to present procedures could enhance the overall value of their programs. **Reports such as this serve little purpose if they fail to provoke some level of response and fresh thinking on issues that may have been glossed over in the past.**
PART 1  THE HIGH SCHOOLS

TOR 1.  Review the current tourism and hospitality training programs offered by the state, industry and education establishment

(Includes TOR 3: Investigate and assess vocational/high school training in tourism and hospitality.)

1.1  OVERVIEW

Under the Federal Education and Economic Development Act, (EEDA), the South Carolina Department of Education (SCDE) has created 16 career clusters, one of which is Hospitality and Tourism. Hospitality and Tourism is one of four cluster topics delivered under the banner of Family and Consumer Sciences. Two programs are on offer; i. Culinary Arts and ii. Hospitality Management and Operations. The Culinary Arts program is offered within 51 high schools, and the Hospitality Management program within 23 high schools. Currently only 9 schools are offering both programs.

The geographic dispersion of schools offering Culinary Arts is reasonably well balanced throughout the State in as much as opportunities for employment within the restaurant sector do not depend solely on tourism. However it is noted that Columbia, Hilton Head and Myrtle Beach have only one high school each offering this program. Considering the job opportunities in each of these three areas, it does seem somewhat odd. While both Charleston(5) and Myrtle Beach(4) are reasonably well covered for Hospitality Operations programs, there would seem to be an under provision for this topic in both Greenville(0) and Hilton Head(1). [See Section 6, p26 for dispersion map.]

The efforts of the Department of Education to promote Hospitality and Tourism as a viable career option deserve particular praise. The SCDE publication ‘At Your Service’ published under the banner title ‘Pathways to Success’ is a commendable piece of work. The content is
comprehensive and well balanced; the ‘Individual Graduation Plan’ clearly defines the learning options open from 9th to 12th grade; and the entry level employment opportunities following High School graduation are concisely presented. The publication leads the reader on to opportunities for further studies and enhanced job opportunities. Employers not familiar with this publication should make themselves aware of the content and of the efforts made to present the industry in a positive light. Certainly each regional Restaurant Association, Hotel Association and Chamber of Commerce should receive a copy for reference, and in turn draw the attention of their members to the contents of this publication.

Despite all this effort to promote a structured career path leading to readily accessible employment opportunities, the attrition from these vocational programs is disconcertingly high. One issue may be that information overload is resulting in confusion. Volume of information dispensed is not the same as volume of information absorbed. High schools are not universities and many students may already be struggling with the core subjects essential to graduation. The vocational electives, be that Culinary Arts or Hospitality, are intended to lead toward gainful employment. The focus of the electives should be vocational, not academic. The addition of topics from first year university programs is totally inappropriate, as is the pedantic week by week plodding through a single textbook of tenuous relevance to the employability of the student following graduation.

1.2 PROGRAM STRUCTURE

Development: It is noted that the Department of Education’s programs have been developed under the supervision of a Standards Committee, however it is also noted that the membership of the 5720 Culinary Arts Committee (for example) is composed entirely of teaching faculty. While not intending to doubt the integrity or capability of these members, such advisory panels can usually benefit from the involvement of the private sector.

Continuity: It would not seem unreasonable for employers to presume that all graduates presenting a Culinary Arts or Hospitality Major would have followed a common syllabus. Apparently not. As a matter of continuity it would seem advantageous if all schools followed the nationally accredited National Restaurant Association’s (NRA) ProStart/ServSafe programs or the American Hotel and Lodging Educational Institute (AH&LEI) Hospitality Operations program. These vocational programs with their substantial element of practice are ideal for those who struggle with topics more academic in content. The instant feedback on achievement during practice sessions builds confidence; something quickly lost if later confronted with topics intended for study at a higher level. One of the reasons given for students dropping their vocational elective in the final year is the need to re-sit one or more of the compulsory subjects - English, History, Science and Maths - to graduate.

Content: Bearing the above comment in mind, it might be opportune to look more closely at the electives currently listed and reduce the options. Topics such as marketing, accounting, business and electronic communication, entrepreneurship, sports entertainment marketing, and the like are more appropriate topics for follow-on courses. Certainly any course material that suggests that 18/19 year olds are ready for supervisory positions should be vetoed. Courses developed for university programs (e.g. University of South Carolina Beaufort’s Tourism BHRM 280, for duel credit) should also be disallowed.
The promise of university credit is a marketing tool designed to help fill high school classes. The contents of this and similar university courses are not developed for this level of study, nor for this student profile. Students need to focus on the vocational electives that will lead them into employment. As will be echoed throughout this report, the industry does expect those who complete a vocational program of study to enter the industry with usable workplace skills.

1.3 THE TRAINING ENVIRONMENT: CULINARY ARTS

Based on the understanding that all high schools offering the Culinary Arts program have been required to equip their training premises according to a pre-set formula, it is unfortunate that the specifications have led to the installation of ‘commercial kitchens’. At this level the emphasis should have been on the installation of ‘training kitchens’.

The focus at this pre-employment stage should be on the development of basic skills, not volume catering. The priority is for individual practice during which each student simultaneously participates in and observes the cooking processes. Hand skills and cooking techniques need to be repeated under supervision, making a commercial kitchen layout totally inappropriate for teaching. Much of the equipment is unsuitable for 17/18 year olds to operate, particularly when the layout often obscures the students from the sight line of the instructor. Entry level cooks will work under a senior cook or chef and will have ample opportunity to operate heavy duty equipment at that time. Those who do aspire to further training will move to the commercial level when they continue their studies at one of the four culinary academies.

Much of the cost of equipping the practice facilities could be reduced if a modular layout, (within which each pair of students operate within identical units), were to be adopted. Certainly the risk of accidents and liability would be reduced if clear site lines are established and retained. A sample layout for a training kitchen can be found at annex IV of this report.

1.4. THE TRAINING ENVIRONMENT: HOSPITALITY OPERATIONS

Revenue from rooms division accounts for 60% to 65% of gross income yet accommodation servicing is currently a much neglected topic at all levels of study. Within the hotels and condotels the housekeeping department has a constant need for entry level employees. Senior posts as floor supervisors and housekeepers are well paid; executive housekeepers and heads of rooms division even more so, yet pre-conceived ideas of what the job entails plus groundless prejudice results in this aspect of guest services being neglected.

The absence of proper housekeeping practice facilities and effective coverage of the topic within the school, college and university study programs only serves to fuel this negative image. Students should have regular access to a practice unit consisting of one fully furnished twin room and one king bedded room, both with en-suite facilities. Adequate supplies of bed linen and consumable cleaning supplies should be available for comparison and use, and students (on rotation) should develop the work-skills to make up a departure room ready for sale within a maximum time slot of 40 minutes. Classrooms designed for the teaching of cleaning science should incorporate a number of different floor and wall surfaces...
and have a ready access to running hot and cold water. Commercial cleaning equipment will already be on site within the janitorial services division of the institutions and can be available for demonstration without further cost.

The AH&LEI offers a 2 year Lodging Management Program similar to the NRA’s ProStart program for Culinary Arts, (9 High Schools already adopted this nationally recognized lodging program). The DoE should encourage more rural schools, particularly those in the vicinity of employment opportunities, to develop a Hospitality Operations (Lodging Management) option within their High School programs.

1.5 The Provision of Consumable Supplies

While the Department of Education would appear to have successfully developed a common curriculum, and established minimum standards for the equipping of the training facilities, there does not seem to be a common policy for the funding of consumable supplies.

In the case of Culinary Arts, instead of following a logically progressive skills development program, the content of practice sessions depends more on the ingenuity of the teacher to raise money for supplies through the sale of ice cream; the search for two for one bargains at the local supermarket; and the generosity of the Parent Teachers Association, than to the provision of adequate funds from the local education authority.

There is a need for all centers to adhere to clearly defined learning outcomes that establish which skills a student will have developed at the end of each four week period. (Students going on work placement can then provide employers with a clear indication of what they can do, and what they have yet to learn.) The practical exercises can then be linked to a costed commodity list for food and cleaning supplies against which each county must ensure proper funding.

Just as there is perhaps merit in all schools following the NRA’s ProStart program, there is also merit in ensuring that all teachers have an equal provision for the purchasing of the consumable supplies essential to the achievement of the teaching objectives. Only through demonstration and practice, (practice that leads progressively to efficient levels of performance in relation to time), can the students develop the entry level skills expected by the employers. This does not appear to be happening.

1.6 The Teaching Staff

It is understood that the minimum qualification for a certified vocational teacher is an associate degree plus a minimum of three years relevant working experience. It is assumed that domestic science teachers currently delivering culinary and/or hospitality units have, at some point in time, undertaken a conversion program to become Certified Secondary Food Service Educators (CSFE) or Certified Hospitality Educators (CHE). During this program they will have worked in the sector gaining sufficient operational experience to be able to reflect the realities of the workplace in relation to health and safety, and productivity.
It is noted that guidelines on class sizes for Culinary Arts are set at 16 to 20 students. In view of this class size and, as training kitchens are in effect laboratories, each teacher should have a general assistant. It is surprising that the teachers’ union have not insisted upon this, especially as the current layout of the training environment is totally inappropriate. Many work stations, (and therefore students), are out of vision of the instructor, lending to the high probability of accidents. Even within a properly designed practice unit there should always be a minimum of two persons and at no time should both be absent from the practice area leaving the group unsupervised.

With immediate effect schools should be advised to appoint a general assistant to assist the culinary arts teacher with the supervision of the group. It is the duty of this assistant to help with the acquisition and storage of food supplies; to lay-out ingredients for the practice sessions; to assist during the practice sessions as required; and to supervise clearing-up and cleaning routines upon completion of the session. Schools should also seek priority funding to improve the layout of the practice units in order to reduce the risks of accidents and create a more effective training environment.

1.7 CONCLUSION

Despite making a concerted effort to establish meaningful hospitality related vocational electives for high school students, the programs are failing to retain and graduate students in the numbers and with the skills required by the sector. While it is agreed that the industry needs to do much more to retain their junior employees, the schools also need to look more closely at the structure and delivery of their hospitality programs. The practice sessions within these programs need to be strengthened if the graduates are to meet the industry’s expectations for employable skills.

1.8 RECOMMENDATIONS FOR ACTION

I. Increase private sector involvement in SCDoe standards committees and within school advisory boards.
ii. Review the relevance and value of optional electives.
iii. Prohibit the use of university level course study units.
x. Seek funding to improve the layout of practice kitchens to reduce risk of accidents and improve the effectiveness of practice sessions.
xi. Establish monthly targets for clearly define skills achievement objectives.

xii. Establish minimum funding levels for the consumables supplies required to deliver training according to the defined achievement objectives and provide such funding.

xiii. Appoint kitchen/lab assistants to assist instructors prepare for, and supervise, the practice sessions.

xiv. Address the issue of attrition within their hospitality programs to establish the reasons for students dropping or changing their vocational elective.

xv. Encourage more rural schools to adopt the AH&LA Hospitality Operations program.
PART 2 THE TECHNICAL COLLEGES

2.1 OVERVIEW

Within the State’s fourteen Technical Colleges, five are understood to offer hospitality related programs; Greenville, Spartanburg, Trident, Horry Georgetown, and Technical College of the Low Country. These institutions provide post high school life-long learning opportunities awarding associate degrees, diplomas and certificates under numerous titles. Funding tends to be a mixture of Federal, State, County, tuition fees and fund raising. The institutions are reasonably well dispersed throughout the State with the noticeable exception of Columbia where none of the surrounding technical colleges offer a hospitality related program. It is also understood that the College of the Low Country has only a limited culinary program.

2.2 PROGRAM CONTENT

Each institution enjoys a high level of autonomy in the structuring of their respective programs. While each of the institutions visited confirmed the existence of an advisory body, the active involvement of the industry members in relation to program content, moderation, skills testing, etc., appears to be somewhat limited. Though comments on the quality of graduates from these institutions were in general more favorable than those relating to high schools and universities, there are benefits from having representatives from the sector involved beyond the annual or half yearly ‘round the table’ meeting.

In general the programs offered within the institutions visited seem to be well balanced. Programs are developed based on a ‘menu’ of standard courses (units of study) issued under the State Technical College System. These HOS coded courses have pre-set credit values ensuring equality in the value of the graduation awards.
The use of the NRA’s ServSafe training materials, (and therefore their formal recognition of the awards), provides additional levels of continuity throughout the State. Accreditation under the banners of the National Restaurants Association (NRA); the American Culinary Federation (ACF), and the Commission on Accreditation of Hospitality Management Programs (CAHM), provides further assurances of consistent standards in relation to program content and evaluation procedures.

2.3 THE TRAINING ENVIRONMENT: CULINARY ARTS

The facilities for the practice of culinary arts range from adequate (Horry Georgetown) to excellent, (Trident), with planned developments at Greenville set to emulate those at Trident. At Trident’s Culinary Institute of Charleston the State has a flagship institution. While it is not suggested that the State needs to duplicate this level of facility, other institutions would be wise to consult with Trident prior to the issue of any architectural brief in relation to new developments or alterations to existing facilities. The SC Department of Education in particular needs to familiarize itself with the difference between training kitchens and commercial production kitchens, and the role of each in the effective development of culinary students.

2.4 THE TRAINING ENVIRONMENT: HOSPITALITY OPERATIONS

In common with both the high schools and the universities, the colleges have failed to acknowledge the importance of accommodation operations within their programs of study. The sale of guest accommodation can account for 60 to 65% of gross income yet hospitality programs neglect this topic; a topic often reduced to (quote) “a thread running through a couple of the courses”. This oversight simply exacerbates the negative image of accommodation services, making it difficult not only to recruit line staff, but to develop floor supervisors, executive housekeepers and rooms division managers.

In view of the importance of this area of study, institutions should have both a twin and a king bedded room with en-suite facilities for demonstration and practice, (not kept as a showpiece of donated furniture to be dusted just prior to a visitation!) Those who aspire to supervise others should experience the pressure involved in turning over a room within a set time period. The techniques should be demonstrated and the practice supervised within the college programs, giving this area of work equal status with those of the other operational departments.

2.5 THE PROVISION OF CONSUMABLE SUPPLIES

None of the institutions visited indicated that funding for the purchase of food supplies and other consumable products was a problem. Each in their own way seem to have resolved this budget issue to their respective satisfaction.
2.6 THE TEACHING STAFF

The current pre-requisite qualifications for appointment as an instructor, and the use of adjunct lectures from industry, help to ensure a high quality of classroom delivery and practical instruction.

2.7 CONCLUSIONS

Despite a very positive assessment of both the culinary and the hospitality programs, there are a number of issues that, if resolved, would further enhance the delivery of the programs and, in some cases, may even reduce attrition. The following conclusions are not in any order of priority as they do not refer to all institutions.

a. Hospitality programs need to be reviewed to ensure:
   * an adequate coverage of accommodation services and cleaning sciences.
   * sufficient hands-on practice to develop a clear understanding and appreciation of the work of the room attendants and the housekeeping department.

b. Students following general hospitality programs should also undertake supervised food service training and practice, serving meals to guests. The use of culinary students to carry out food service in training restaurants to the exclusion of those following hospitality programs is inexcusable and needs to be resolved.[If the issue is related to the sharing of tips then the practice of tipping in a training restaurant should be discouraged by the inclusion of a suitably-worded footnote on the menu. It is not appropriate to allow students to dictate how training is to be conducted, nor is it acceptable to exclude some students from an opportunity to develop their service skills in a realistic environment under qualified supervision.]

c. Central administrators and academic servicing departments need to be briefed of the reasons and need for non-standard time-tabling that allows for food production and food service practice sessions to over-lap standard student meal breaks.

d. In view of the increasing dependency of the industry on Hispanic workers, all institutions should enhance their continuing education program with a Spanish for Supervisors program. The program should focus on conversational Spanish, (as opposed to reading and writing skills), and the development of a basic vocabulary of technical terms, and motivational expressions. The program should also include an element of cultural awareness.

e. Industry representatives on advisory boards should be asked to contribute to discussions of curriculum balance, internships, extension classes, etc and encouraged to visit (or be represented) during student recruitment, scholarship interviews, practical examinations, etc. Many industry personnel express a wish to be involved in issues other than fundraising, work placements, and attendance at social events.
2.8 **RECOMMENDATIONS FOR ACTION**

i. Review and enhance the position of accommodation services within general hospitality programs.

ii. All food service courses must include tutor supervised service practice serving complete meals to real guests.

iii. College administrators to accept the need for non-standard timetabling for hospitality programs.

iv. Development and introduction of conversational Spanish language programs that focus on workplace communications.

v. Greater involvement of advisory board members in the affairs of the department.
PART 3 THE UNIVERSITIES

3.1 OVERVIEW

With the universities offering hospitality and tourism programs strategically placed along the coast at Beaufort, Charleston and Conway; centrally at Columbia; and to the North in Greenville and Clemson, the State of South Carolina seems well provided for university places for those wishing to acquire Bachelor and Masters Degrees in hospitality and tourism related areas. As one might expect these universities are well provided for financially though this can only be sustained against adequate student enrolments and the receipt of tuition fees. Many of these programs are marketed nationally and internationally and therefore not necessarily structured for the sole benefit of the South Carolina market.

In reviewing the provision of study opportunities at university level the over-riding priority should be to address the issue of attrition, both pre and post graduation. Somewhere within the four years of study, or within two years of graduation, many students/graduates become disenchanted with their choice and abscond to other areas of study or employment. Though not lost to the workforce in general, these early departures are unnecessary and more effort needs to be made to address the issues that lead to these losses.

There is also a need to acknowledge that for many youngsters the university experience is a ‘right of passage’ toward the adult world. It is an expectation of many parents that their child will graduate and they prepare for that goal many years in advance, constantly reinforcing their own expectations upon their offspring. The urge to complete a university education is also the result of the way in which this period of time is glamorized within the teen culture. Without a doubt much of the attrition within hospitality and tourism is due to a higher than average enrolment of students still unsure of their direction in life and seeking a safe option; the subsequent discovery that it is not an ‘easy’ option often contributing to students transferring to another major or, following graduation, alternative employment opportunities.

These issues aside, the terms of reference require that all current hospitality training programs be reviewed.
3.2 PROGRAM CONTENT

[Tourism: Clemson, Costal Carolina, USC Columbia]
While one might presume that the validation procedures for programs would ensure that graduates are following a well balanced program, this may not always be the case. Certain anomalies are worthy of mention in the context of this review.

The courses leading to majors in tourism vary considerably in content from centre to centre. Some centers focusing on recreational tourism, others on permutations of courses that include hospitality topics. For the purpose of this report it has been presumed that these permutations have already been vetted for their relevance to the sector, and that student support for these programs justifies their place within the academic structure of their respective universities.

There is little doubt that sports tourism plays a significant part in the overall tourism product, particularly in South Carolina where golf is a major attraction. There is also a strong justification for the development of tourism planners fully aware of the impact of tourism upon the social and economic structure of the community. The need to develop infrastructure without detrimental effects on the environmental; the need to market the product effectively both nationally and internationally; and the need for applied research amply justify the existence of the tourism studies programs. It is however noted that none of the programs on offer appear to focus on tourism development and administration in the way that centralized government offices would require expertise in urban planning, infrastructure, transportation and communications, product development, environmental protection, control and administration, etc. Why?

The offering of both Tourism and Hospitality in the one program is not perhaps the most effective combination. Most would agree that Tourism as an area of study should focus on the planning, development and control of the product while Hospitality should focus on the effective and profitable delivery of product. One of the reasons for the high attrition rates at university level may be that the personality profile of the persons following the one is not the profile most suited to following the other. USC Columbia’s current proposal to separate these topics into two more clearly defined majors should be supported and other institutions encouraged to follow their example.

[Resort Management: Costal Carolina]
Resort Management infers the management of accommodation and restaurant facilities, much the same as hotel management, plus the care and maintenance of recreational facilities and extensive grounds, yet this is not evident in the balance of the courses that make up the programs marketed under this and similar titles. Care needs to be taken to ensure that time consuming electives do not detract from the core studies that can lead to gainful employment.

[Hospitality Management: USC Beaufort, USC Columbia, Bob Jones, College at Charleston. ¹]
The comments of employers would seem to indicate that some hospitality programs are too general and that, following graduation, few can deliver according to the expectations of the

¹ College at Charleston and Bob Jones Universities not visited.
employers. While some employers emphasize the importance of the development of the right attitude, work ethic and commitment, (preferring to do the operational training themselves), the majority of those interview fully expect a degree graduate to be able to ‘hit the ground running’.

There is, at this point in time, a serious disconnect on this issue. The unrealistic expectations of graduates that they will walk into senior positions upon graduation needs to be addressed as this is a major bone of contention with the employers. The hospitality sector in particular needs competent supervisors, heads of department and junior managers who fully appreciate that promotion depends on performance. A graduate degree may indeed shorten the time that it takes to reach the destination but it will not shorten the journey.

3.3 THE LEARNING ENVIRONMENT

USC Columbia has developed a commendable hands-on food and beverage component within their program structure using McCutchen House for daily production and service of lunch to paying guests. The USC Beaufort program needs to be similarly enhanced to provide a regular commitment to the development of work skills under the supervision of faculty staff. Programs should not be dependent on practicum’s and internships for the acquisition of workplace skills and the operational experience essential for any graduate who aspires to supervisory or junior management positions.

Both USC institutions need to look to their commitment to Accommodation Operations. As emphasized in relation to high school and college programs, this area of guest services accounts for 60 to 65% of revenue and some 20 to 25% of job opportunities yet plays no significant part within any of the graduate study programs.

3.4 PRACTICUMS AND INTERNSHIPS

Without doubt relevant work experience will enable graduates to progress quickly within the ranks following graduation. Being able to demonstrate workplace skills and to lead others by example is the ticket to early recognition and promotion. The key words in this statement are ‘relevant work experience’. Feedback from the private sector would indicate that this is where the disconnect occurs. All three participants in the internship experience; the student, the employer and the university, have quite different perspectives, expectations and agendas.

The Students.

a. First and foremost, interns do not wish to feel exploited. If after initial training they perform the same tasks as others, within the same time span, they should not be expected to work for free or to accept a lower remuneration than others.
b. While some interns will happily grunt away in tipping positions and be reluctant to move to back of house operation, others expect a commitment from the employers that will ensure a wide exposure to all key operational departments.
c. Interns expect a fair rotation of shifts that do not exclude them from some element of a social life.
d. Interns do not expect to be demeaned by their supervisors, or to be repeatedly allocated simple repetitive tasks.
The Employers. (Comments received during interviews)

a. The internship elements of degree programs need to be better monitored.
b. Feedback on internship should go beyond attendance and time-keeping.
c. Intern reports focus on behavior rather than performance.
d. Employers need more guidance from the universities on rotational requirements that will lead to a more rounded exposure to operational departments.
e. More site visits by faculty staff during internship.
f. Some students on internships just want spending money and have little commitment to the concept of rotation that takes them away from tipping positions.
g. Some managers are not too keen to support internships due to expectations of 8 to 5 shifts and poor understanding of procedures in general due to excessive book learning at the expense of operational practice.
h. Intern costs come off payroll therefore there must be sufficient payback time.
i. Interns should not be recalled till after Labour Day

The Universities. (Their agenda)

a. (For some) The need to compensate for the lack of practice facilities within the university campus.
b. To comply with a requirement for subject credits based on work experience.
c. To ensure that students with limited financial resources can finance their way through to graduation.

3.5 CONCLUSIONS

While on the surface there would appear to be a satisfactory level of communication between the institutions and the private sector employers there still exists a mismatch between the expectations of the one upon the other. While freshmen recruitment numbers are often impressive, graduation numbers are not; nor are the attrition figures following graduation.

a. There is little value in establishing steering committees composed of prestigious local luminaries if these representatives of the industry do not convey the general feelings of the sector with a degree of vigor. Industry representatives serving on advisory boards need to be more vocal in presenting industry’s concerns in relation to program content, the internships, and graduate employability.
b. Course options should be subjected to regular review to ensure that they remain relevant in the job market and pay due attention to the needs of private members clubs, condotels and convention management.
c. There is a need for Housekeeping Operations be awarded a higher and more intensive profile within Rooms Division units of study.
d. All universities need to review the management of their respective internship programs with a view to enhancing the value of the work experience and the longevity of the relationship with the host employer.
3.6 **RECOMMENDATIONS FOR ACTION**

i. Review membership of advisory boards and steering committees.

ii. Review course electives.

iii. Enhance the topic of Housekeeping Operations within Hospitality Management programs.

iv. Carry out a major restructuring of the practicum and internship programs.
PART 4  THE PRIVATE SECTOR

4.1 OVERVIEW

Based on the findings from some seventeen interviews with private sector employers, it is evident that the operational managers are fully aware of the importance of staff development. However, many managers do not have a budget line specifically for training. Due to the pressures to keep a lid on staff costs in general, they find it difficult to balance their personal wish to support post employment training, practicum attachments and internships against the reality of running their organizations on a day to day basis.

The South Carolina Hospitality Association Education Foundation.

The SCHA Education Foundation facilitates the implementation of nationally recognized training programs throughout the State bringing the benefits of the National Restaurants Association Education Foundation(NRAEF) and the American Hotel and Lodging Education Institute (AH&LEI) programs to high schools and colleges, and to the private sector.

Programs such as NRAEF’s *ProStart* that lead directly to college associate degree programs and carry a $2,000 scholarship award for successful students, and the AH&LEI Lodging Management Program help to establish consistent teaching standards and continuity in achievement assessments. Other programs such as *ServSafe* (Food Safety), *ServSafe* (Alcohol), *START*, *Go Friendly*, and *The Mark of Excellence* programs provide ample opportunity for the implementation of in-service training initiatives.

The South Carolina tourism product also benefits considerable from the presence of a number of key brand hotels. These organizations bring with them long-established training programs geared in content to their own particular needs. Many of these brand organizations have access to itinerant trainers who present these programs according to need. Most employers operate staff retention programs, looking from within when promotional positions become vacant.
In addition it should be noted that (at least) two Chambers of Commerce, Myrtle Beach and Hilton Head & Bluffton, have full time officers committed to the coordination of training initiatives within their respective catchment areas. Much of their work is directly for the benefit of the tourism industry.

During the interviews, operators were asked to comment on the following issues:

- Recruitment difficulties
- In-house training activities.
- Support for post-employment training opportunities.
- Staff development not presently covered.
- Involvement with the Vocational Training Institutions/ FE Colleges/ Universities.
- Suggestions for improvements to pre/post-employment training programs.
- Issues hindering progress. (Bureaucracy, staff skills, image, labor legislation, etc.).

Though expressed in different ways, the similarity in the responses to the questions would indicate the existence of what was numerously referred to as a *disconnect*. As one operator put it, “there is a need to join up the dots.” While both the training providers and the employers maintain that they communicate, one has to ask why so many issues remain unresolved. For sake of continuity the views of both sides are presented for study and consideration.

### 4.2 Private Sector Views on Teaching Institutions

1. Poor attendance of teaching faculty representatives at South Carolina Hotels Association (SCHA) meetings.
2. Skills element of vocational programs being overshadowed by academic topics.
3. Employment agencies and student councilors need to be better advised of career potential and diversity of opportunities offered by the sector.
4. Need for more customized programs delivered by operationally-experienced competent industry personnel.
5. Teaching staff need to be more positive about work attachments for high school kids.
6. There is a *disconnect* between schools and employment opportunities.
7. Book learning defeats many scholars; need for more on-site directed learning.
8. Promotion is based on performance not paper qualifications.
9. Graduates have poor *soft skills*. Need to emphasize professional etiquette and how to present themselves for interviews.
10. Graduates have no understanding of the *progression* route to seniority.
11. Graduates need to be able to demonstrate that they have had hands-on experience if they wish to earn the respect of their seniors and peer groups.
12. Graduates need to understand that limited service properties operate a policy of cross utilization. These are *hands-on* operations where flexibility is essential.
13. Institutions should schedule continuation classes for the sector on low days, at times suited to normal work schedules, or off season.
14. “As individuals we are happy to have our names on advisory boards but would appreciate more involvement in what happens in the college. We are more than fundraisers and depositories for students on work placement.”
15. Less text book, more application.
16. Non-culinary programs are being neglected in High Schools and Colleges.
17. Insufficient attention to Accommodation Services.
18. Some of our universities are sports universities and hospitality is the easy option.
19. Job shadowing is time consuming for the senior staff and does not contribute to reducing the workload of others.
20. The attrition rates within hospitality programs should not be considered acceptable, nor should the general dissatisfaction with the internship programs.

…and, collected from a similar questionnaire:

4.3 **TEACHING INSTITUTION VIEWS ON THE PRIVATE SECTOR**

1. Employers need to support special courses put on for existing personnel.
2. Managers should remember that nominating a member of staff for training is a form of recognition of their importance to the organization.
3. The industry needs to give a clear indication of preferred time slots for short courses and prioritize the topics. (See 4.5 below.)
4. Employers need to reward staff who complete programs.
5. Incentivise. Refund tuition fee. Pay out a one off achievement award upon completion of planned re-training exercises.
6. Put staff through Supervisory Skills programs before upgrading them. Give them the tools to do the job, and then give them the responsibilities.
7. *Clean up your act.* Ensure working environment is safe and hygienic. Students are receiving conflicting information in relation to operational standards.
8. Intern placement coordinators need to meet with and brief the person supervising the interns not just the heads of personnel.
9. Operators need to adopt a *Train to Retain* policy and develop individual career development plans for their staff.
10. Treat line staff as associates or team members NOT underlings.

[While industry and education providers may choose to accept the status quo, a communication gap, such as is apparent from the above comments in 4.2 and 4.3, will only widen if not attended to.]

4.4 **HINDRANCES TO PROGRESS**

1. Poor and indiscriminate use of the 2% Hospitality Tax.
2. Pool of competent talented personnel very shallow.
4. Unrealistic expectation of university graduates. “*This is what I want*” as opposed to “*this is what I have to give to your organization.*”
5. Poor work ethic.
6. Public transportation.
8. “*Everyone needs to get on the same page.*” Referring to government, county, district and city administrations.
4.5 **Staff Development Needs**

1. Conflict Management.
2. Dealing with Complaints.
3. Training Techniques.
5. English for Spanish speaking employees. (Pilot courses not successful due to drop off. Why? Transportation, second jobs, too intense, too academic, insufficient out of class support, classroom technique?)
6. Kitchen Management: purchasing, costing and control, staff management, general business practices.
7. Stress Management for senior staff.
8. Leadership skills.

4.6 **Practicums and Internships**

When raising this topic with operational managers, directors of human resources and heads of department, responses have varied. Some are happy just to have access to a supply of seasonal staff employable at hourly rates. Some are more concerned with value for money and have greater expectations for productivity. Others take the long term view that it is industry’s collective responsibility to invest in the future, cooperating wherever possible with the requests of the colleges and universities. However this third group are not without their concern over the present arrangements. They consider that the industry could benefit by a more disciplined approach to the coordination of the internship and a longer term progressive relationship with individual interns.

Perceptions are that there are three distinctly different groups of students:

i. Those that want instant access to earnings to finance their short term social needs or longer term survival as a student.

ii. Those who undertake the work requirement under duress in order to satisfy credit requirements. This group tend to experience difficulties in their relationships with supervisors, avoid rotational exposure and want to pick and choose their shifts. Their sometimes disgruntled attitude is inappropriate for the hospitality sector and as such they are unlikely to be considered for management training programs.

iii. The third group, apparently the minority, take the internship seriously, understanding from the beginning the importance of a broad exposure to all sectors of the operations regardless of their intentions to specialize in one department upon completion of their program. It is for the benefit of these students and their collective potential to benefit the industry that a review of internship procedures is recommended.

One model to consider would be that of a *Contract Internship* where the relationship with the intern would continue for one year beyond graduation. It is in effect an opportunity for focused students to secure an early entry into a corporate management training program. The intern would enter an agreement with one of the major employers and, in return for a graduated salary, will undertake to remain with that employer for one year following graduation. That post graduation position would not be below supervisory level and
commencing salary would not be below the average for the market at that time. The finer details of the program would be a matter for negotiation between the industry and the academic institutions, but it is suggested that the SCHA should broker the agreements and produce a model to be adopted by all wishing to support the program. Members of the SCHA would agree not to poach a Contract Intern, and jeopardize the value and professional integrity of the program.

The first period of attachment, (the summer following semesters one and two), would be a probationary practicum. This will be an hourly rate position and the assessment will be based on time keeping, personal grooming, work etiquette, work ethic, co-operation with others, flexibility, response to training, workplace skills and personal commitment.

The second period, (the summer following semesters three and four), is in effect part one of the internship. This period would see the start of a supervised rotational program. Interns will be required to demonstrate predefined competences and achieve set performance targets. The universities would look at the possibility of releasing interns in time to allow pre-season induction and training, and adjust the return dates to ensure that interns remain on duty till Labor Day. Reports for study credit can be submitted to the university prior to completion of the seasonal commitment and subject to the intern completing his/her scheduled duties.

The third period, (the summer following semester five and six), will continue the rotational agreement and again the intern will remain with the employer until Labor Day.

In agreement with the employer, and in addition to the summer period of rotated attachment, the intern will be required to work (with pay) over one of the key celebration periods each year: Thanksgiving, Christmas or Easter. In the year following graduation the intern will be employed under the same conditions as his/her peer group.

Large organization may chose to have three or four interns thus always covering one or other of the departments during the rotations. Organizations looking to the longer term may chose to build up their investment in manpower by recruiting a fresh intake each academic year eventually having 12 to 16 interns within their respective management development programs.

Numerous financial incentives can be built into the program e.g. a Labor Day bonus or a bounty to be paid upon completion of the post graduation year of employment. The possibility of an international exchange within the organization may be another incentive to encourage competition between interns.

The Contract Internship should be seen from the very start to be a serious commitment to one or other of the corporate employers. It should also be seen as a no free passengers’ trip. The Contract Internships should be set up to avoid drifters who are not committed to making the hospitality industry their long term career. The undecided, the sports jocks, and the socialite cheer leaders will have no place on this program.
4.7 CONCLUSIONS

It is quite clear that most operational managers appreciate the importance of staff development but are restricted in their actions due to budget constraints imposed upon them. Without a clearly defined budget allocation for the development of human resources all else is simply ‘lip service’. The commitment of the sector to in-house training and career development is of equal importance to the work of the teaching institutions and, as such, needs the unequivocal support at directorate and ownership level. All operators should:

▪ expect to have to train.
▪ train experience line staff as trainers, not expensive heads of department. (Staff communicate more easily with their peers and immediate supervisors. Heads of Department have other more pressing responsibilities.)
▪ reward departmental trainers by paying a premium wage or an annual bonus.
▪ remember that training is an alternative duty not an additional duty and give departmental trainers time to prepare and monitor their trainees.
▪ equip staff for promotion by conducting supervisory and leadership skills training programs before elevating their position.
▪ encourage operational managers to liaise with local institutions to ensure maximum support of training initiatives developed for the benefit of the sector employees.
▪ enhance the wages of those who gain, or have gained, relevant qualifications.
▪ encourage initiative by awarding a one time bounty for those completing a course of study relevant to their employment position.
▪ acknowledge loyalty by rewarding returning seasonal employees by enhanced hourly wages.
▪ consider the value of referring to your staff as associates or team members.

It is also clear that those representing the sector on high school, institute, and university advisory boards are not communicating the concerns of those who have to deal with the graduates on a day-to-day basis. Advisory boards are there to convey the industry’s expectations of the institutions, and institutions’ expectations of the employers. This does not appear to be happening. Appointees to advisory boards should be chosen based on their ability to convey the opinions of the sector in general, not on celebrity or longevity.
4.8 RECOMMENDATIONS FOR ACTION

i. All operators to set aside a set percentage of income for training and staff incentive programs.

ii. The Hospitality Association of South Carolina to fund scholarships, to assist AH & LEI’s Lodging Operations graduates to move forward onto Associate Degree programs (as is already established for ProStart graduates).

iii. The SC Tourism and Hospitality Education Foundation, on behalf of the sector, to enter discussions with the universities to redefine the arrangements for internships.

iv. The industry to resolve to be more vocal and resolute in its relationships with the teaching institutions.

v. The sector employers to accept greater responsibility for staff motivation, in-house training, and the career development of the individuals.
PART 5 THE RURAL WORKFORCE

TOR 2:  *Investigate and assess college programs for rural workers.*

5.1 **OVERVIEW**

[The reference to ‘rural’ has, in this instance, been broadly interpreted to include all who do not live within, or near, one or other of the main tourist destinations. In view of the high property prices for domestic housing within the key areas for tourism, the term could be considered as relevant to most industry workers, many of whom have a commute time of up to two hours at the start and end of their day. It is also assumed that the term *workers* is intended to refer to adults wishing to enter the industry as first time employees or existing employees wishing to improve their qualifications.]

As a matter of policy all colleges and technical institutes support the concept of *life long learning* and offer Personal and Professional Development Courses. With easy access to qualified instructors and to classroom and practice facilities, these institutions make ideal venues for adult learning programs; more status than a high school, less intimidating than a university campus.
Unfortunately access to these college facilities for part-time study programs is often in time slots that do not meld in with the work schedules of those working in the hospitality sector, nor does the geographical location of these institutions match the needs of those living in rural area. Transportation is as much of a problem for those seeking job training as it is for those already in employment.

Within the discussion papers for the South Carolina Competitive Initiative 2004, the ‘New Direction’ statement includes such phrases as ‘..raise the prosperity of South Carolinians’ and ‘South Carolina must begin to compete by enabling firms to create higher value which will raise prosperity and lead to job creation.’

To create higher value infers the intention of delivering superior service without loss of profitability. To achieve the superior service objective much of the existing workforce will require some degree of skills upgrading. These in-house training initiatives designed to address the need for higher levels of productivity and the delivery of more refined service standards.

If the goal to raise the prosperity of South Carolinians is to be achieved, it would be reasonable to presume that the additional jobs created would be for locals and that the survival of the new investments in the sector would not be dependent on a liberal attitude to the issue of H1b, H2, J1 and Q visas for foreign workers. Certainly a State policy to curtail the number of permits for foreign workers would have a considerable effect on the importance of human resource development in general.

But, before reviewing the options, it is important to reflect on the comments of the employers. Many of the comments are discomforting as they reflect social issues that did not develop overnight; issues that are reflected in the State’s unemployment statistics; issues that everyone is aware of but apparently unable to resolve. They can be summarized as follows:

Employers turn to visa employees as it simplifies many issues. Local staff have many life issues: transportation, dependency on car pools, child care, low wages, drugs, time keeping, work ethic, etc. When vacant positions are advertised response is very poor. Those who do present have no basic skills; they are unpolished, lacking in etiquette, have a poor physical presentation, and their general demeanor is not compatible with service positions. Many fail the drugs test. Despite their desire to better themselves, many view service positions, (particularly housekeeping), as demeaning. The exception would seem to be those with Hispanic backgrounds as these workers do have a reputation for reliability and a good work ethic.

Job applicants already on benefits have a negative attitude toward 24/7 work scheduling and its effect on family and social life. Entry level salaries do not compensate for the loss of free medical care and the cost of getting to work. Many have had a poor education and are unable to project a level of comprehension that would indicate a base upon which work and guest contact skills could be developed. Most job seekers want employment ‘on their own doorstep’. Very few of those living in non-tourist areas have the finances to relocate even if low cost housing were to be made available.
Before large amounts of money are spent on developing and implementing Benefits to Work Programs, a small representative committee needs to review past initiatives and conduct tracer studies to gauge the value of those initiatives.

Social workers and community leaders need to help establish the genuine demand for the training, as opposed to the appeal of the financial incentives to attend for training with little intention of taking up employment upon completion of the program.

5.2 PAST AND PRESENT TRAINING INITIATIVES

I. THE HOPE VI PROJECT.

This project, presented in 2004, was financed via a one time grant from the Housing Authority of Charleston and designed to get people off housing benefits. Twenty two applicants commenced the program and eighteen completed. The program comprised of study components from the American Hotel and Lodging Educational Institute’s ‘START’ program. Though judged a success, this program has not been repeated.

The review committee should initiate a tracer study to establish how many of those completing the program have entered and remained in employment within the sector. Comments from employers and from those who have not taken up employment within the sector, or have since left employment, should also be sought. If the format is considered successful, funding for repeats of the original program, and for variations matched to other employment opportunities, should be pursued.

II. MIDDLE COLLEGE. (The consultant was only advised of the existence of Middle Colleges on the last day of the assignment and therefore the review of this training provision is incomplete and may contain some misconceptions).

It is understood that the Middle Colleges were established to help those have struggled within the normal school system; typically youngsters who would benefit from a learning environment where academic subjects form a lesser percentage of the learning cycle, and where vocational skills and oral communications are given priority. Unfortunately these centers would seem to have been stigmatized as being centers for those with learning difficulties, as opposed to those who are slow or de-motivated learners. Some reactions would even infer that these institutions are some form of correctional centers.

If the “No child left behind” policy is to have any meaning, vocational skills should have equal value to academic subjects when it comes to graduation. The majority of jobs in the hospitality sector do not require algebra, geometry or calculus; simple arithmetic being quite sufficient. While an understanding of biology helps with food hygiene and nutrition, a poor grasp of physics, chemistry and history is not going effect the employment potential of these youngsters if they have instead the foundation skills needed to perform in the workplace.

Under the present classroom regime students who struggle with the academic topics are being continuously reminded of their weaknesses. This is so self destructive,
lowering self esteem at a time when the system should be building up confidence. In food production, food service and housekeeping operations, student achievement is acknowledged at the end of every practice session. Visual confirmation of progress builds self esteem and confidence. The sense of uselessness, often built up over years of underachievement, diminishes to be replaced by a sense of worth and the actual belief that they can succeed. Arithmetic, once applied to food costing and billing becomes relevant; biology, once applied to bacteria and food poisoning becomes interesting; and communications once applied to guest interaction becomes enjoyable.

With so many operational posts to be filled within the hospitality industry it is a pity that true vocational programs can not be delivered in parallel with normal high school or college programs, within the same premises, using the same training facilities, but with graduates earning a Vocational Certificate of equal worth as the traditional High School or College Certificates. As the AH&LEI programs are written for ninth grade reading ability their Lodging Management Program and the Restaurant Association’s ProStart Culinary Arts program make ideal foundations for the award of industry endorsed Vocational Certificates. As with the university internship program, there seems to be a ‘disconnect’ between the intention and the achievement of the objectives of pre-employment vocational education.

iii. Workforce Development Programs.

Workforce Development Programs of 120 hours and structured in consultation with the employers can apply for Workforce Investment Act (WIA) funding. The industry does however have to guarantee the availability of jobs and guarantee to employ those who successfully complete the training programs.

A time scale of 120 hours would allow for the deliver of a four week fulltime program, ample time for the training of food service personnel and room attendants, and, subject to entry level qualifications, front desk clerks. These pre-employment programs would target adults wishing to retrain following redundancy, single parents wishing to return to the job market, and those currently unemployed and wishing to get off benefits.

The course content can be developed based on the AH&LEI’s Hospitality Skills Certification programs for Line Level Employees. Training programs have already been published for Restaurant Servers, Banquet Servers, Bartenders, Room Service Attendants, Kitchen Stewards, Bus Persons, Cocktail Servers, Front Desk Representatives, Concierge, Bell Attendants, Guestroom Attendants, Public Space Cleaners and Laundry Attendants.

Delivery of the training would require to be de-centralized if the initiative is to benefit the target group of those currently seeking employment and living in rural areas away from the technical colleges. One solution is to develop an itinerant team of full or part-time certificated trainers. Based in locally accessible accommodation within hotels or community centers, these programs can be presented in partnership.
with the area Chamber of Commerce, Social Services, or associations of local businesses.

Coordination of the proposals for funding, for the development of the programs, for the recruitment of the trainers, and for the implementation of the project would be best handled by the South Carolina Hospitality Association Education Foundation.

5.3 CONCLUSION

The ease by which the hospitality sector has been able to acquire permits for foreign workers has weakened any resolve to find a solution that would make employment within the sector more attractive to the populace in general. This short term answer to staff shortages runs a risk of long term problems. With few alternative employment opportunities in many areas social issues may develop affecting the desirability of the State as a tourist destination. To reverse the current negative view of the sector as a caring employer could take from five to ten years. A concerted effort to do so is long overdue.

5.4 RECOMMENDATIONS FOR ACTION

i. The State Government, the educational institutes and the private sector to combine resources to launch a state wide Tourism Awareness Program. The first step would be to emphasize the importance of tourism to the State by renaming of SCPRT to give greater emphasis to its TOURISM role.

ii. Special efforts to be made to reach into the rural communities to better inform local organizations, school teachers, parents, and those seeking gainful employment, of what tourism means to the State, and of the opportunities open to all who wish to benefit from the job opportunities.

iii The SC Hospitality Association to investigate WIA funding for an industry training initiative using itinerant trainers to deliver targeted pre-employment programs for those seeking employment within the sector.

iv. The Department of Education in partnership with SCHAEF to seek to secure a scholarship program for high school students who successfully complete the AH&LEI Lodging Management Program.