

STOCKTON COLLEGE

THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

**THE NEW JERSEY CENTER
FOR HOSPITALITY AND TOURISM RESEARCH**

*Highlights from the 2008 Survey
to Improve the Effectiveness of Tourism Promotion*



The Center's Mission

The New Jersey Center for Hospitality and Tourism Research at The Richard Stockton College of New Jersey collects and disseminates statewide information on tourism and hospitality, conducts applied research activities, and houses a website for furthering the goals of the center. In addition, the center works closely with an advisory council of tourism and hospitality professionals throughout the state of New Jersey, as well as the prominent polling firm Zogby International, on design and implementation of polling operations.

The results of these polls, and other data relevant to the tourism industry in the state of New Jersey, will be made available to statewide hospitality and tourism professionals through the Center. The Center also works closely with partners across the College including the Stockton Institute for Gaming Management (SIGMA) to produce custom data analysis. We extend an invitation to stakeholders in the hospitality, tourism and gaming industries to partner with the College for broader publication of their data.

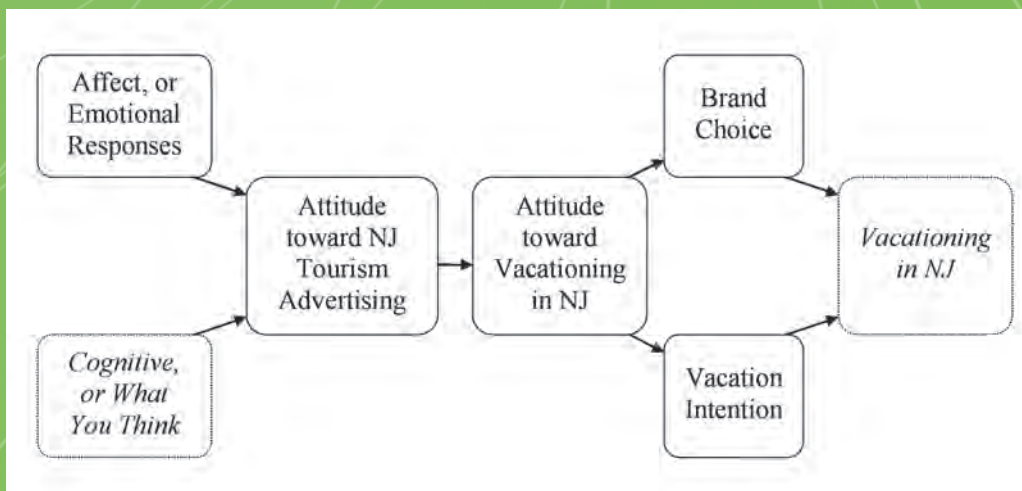


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Analyzing Tourism Promotion Effectiveness in New Jersey

The New Jersey Center for Hospitality and Tourism Research at The Richard Stockton College of New Jersey has been commissioned by the state of New Jersey to conduct an annual survey and analysis of New Jersey's tourism industry for the purpose of providing data to improve the effectiveness of tourism promotion. In this, our second such survey, the Center takes a look at the effectiveness of the New Jersey Division of Travel and Tourism's fiscal year 2008 advertising campaign.

Tourism advertising seeks to cause behavioral change in the form of increased visitation, longer stays or more dollars spent. The current study hopes to gauge respondent's reactions to the current advertising campaign and to estimate the impact their attitudes towards the advertisements might have on visitation to New Jersey. The survey is based on a model of learned behavior,¹ a model often utilized in promotional effectiveness studies. The model proposes the following relationship between advertising and vacation behavior:



With help from our advisory board members, comprising tourism professionals throughout the state of New Jersey, and our polling partner Zogby International, the New Jersey Center for Hospitality and Tourism Research developed a survey that would allow respondents to experience eight of the New Jersey Division of Travel and Tourism's current advertisements. A total of 2,120 respondents in each of sixteen Designated Market Areas (DMAs), the entirety of those New Jersey advertised in, were asked about their attitudes towards these advertisements as well as about vacationing in New Jersey in general. The following pages provide some preliminary highlights from the 2008 survey to improve the effectiveness of tourism promotion in New Jersey. It begins with a review of the current state of tourism in New Jersey before exploring some of the highlights from the current survey.

¹Fishbein, M., & Ajzen, I. (1975). *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research*. Reading, MA: Addison-Wesley.

Where New Jersey Tourists are Going

At \$37.6 billion² in 2006, New Jersey's travel and tourism industry ranks among the three most economically vibrant industries in the state. Travel and tourism also ranks as the third largest private sector employer in the state of New Jersey. At 400,000 jobs, tourism industry employment represents almost 10% of all employment in the state. Over \$4.3 billion in state and local tax revenues were generated in 2006 by New Jersey's travel and tourism industry. New Jersey's multi-billion dollar industry ranks the state in the top ten in tourism dollars generated throughout the United States of America.

Tourists are spending this \$37.6 billion throughout the state of New Jersey. Notable, indeed, is the nearly \$13 billion tourists spent in Atlantic County alone. Cape May County contributed to the state total with an additional \$4.9 billion in receipts. The other shore counties of Ocean and Monmouth contributed \$3.2 billion and \$2.0 billion respectively. Essex generated \$2.5 billion in tourism receipts in 2006. Still, those counties not highlighted here contribute significantly to both current tourism expenditures throughout New Jersey as well as to potential growth of the tourism industry.

Promoting tourism in New Jersey does not end once the television advertisements are shot and spots are purchased. Providing the customer with a quality experience is vital to maintaining a positive perception of the New Jersey tourism experience by providing our visitors with great stories to tell of their travels in the state. Last year's survey revealed this word of mouth was the second most popular source of information (30%) for visitors to the state behind only the internet.³ For visitors from Maryland (37%), Connecticut (28%) and Massachusetts (24%) word of mouth was the number one source of information. Exciting casino action, rich heritage, scenic beauty and the relaxation of the shore are but a few of the tourism attractions in New Jersey. The service provided by these attractions contributes to the promotion of the state through providing guests with a quality experience they share with others.

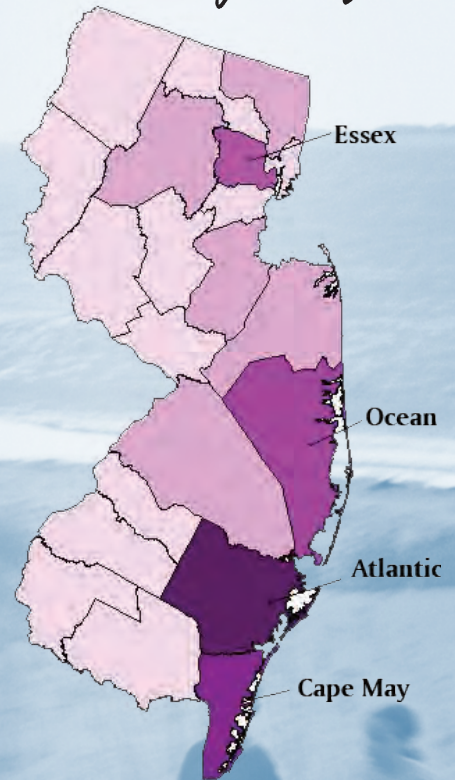


Figure 1: 2006 New Jersey tourism expenditures²

County	Tourism Expenditures in \$Billions
Atlantic	\$13.0
Cape May	\$4.9
Ocean	\$3.2
Essex	\$2.5
Monmouth	\$2.0
Bergen	\$1.6
Burlington	\$1.5
Middlesex	\$1.3
Morris	\$1.1
All Others	\$0.79 or less

²Global Insight. (2007). NJ Tourism Continues to Impress. Retrieved, January 5, 2008 from the New Jersey Division of Travel and Tourism website: <http://www.state.nj.us/travel/ppt/fy2006-04-tourism-ecom-impact.ppt>

³Tyrrell, Brian J. (2007). First Annual Survey to Improve the Effectiveness of Tourism Promotion. Retrieved January 5, 2008 from the New Jersey Center for Hospitality and Tourism Research at The Richard Stockton College of New Jersey website: www.stockton.edu/njtourism.

Where New Jersey Tourists are Coming From

Global Insight² estimates the average visitor to New Jersey generates about \$100 in tax receipts per visit. Thus, even a 1% change in visitor volume originating in a Designated Market Area that currently provides 500 thousand visitors would equate to \$500 thousand in additional tax receipts for the state of New Jersey. The peripheral areas of the catchment area (the primary area the state attracts visitors from) for New Jersey tourism, while not producing the same volume of visitors to the state, are likely producing more overnight visitors. These vacationers, if you will, tend to spend more on shopping, dining and entertainment than the average visitor to the state.

Figure 2: 2006 Origin of Visitors to New Jersey by Designated Market Area (DMA)²

Visitor Origins by Designated Market Area (DMA)	2006 Visitation (000's)
New York	34,514
Philadelphia	17,257
Washington DC	2,950
Boston	2,061
Baltimore	1,848
Wilkes Barre	1,784
Harrisburg	1,727
Hartford	1,102
Albany	583
Grand Rapids ⁴	540

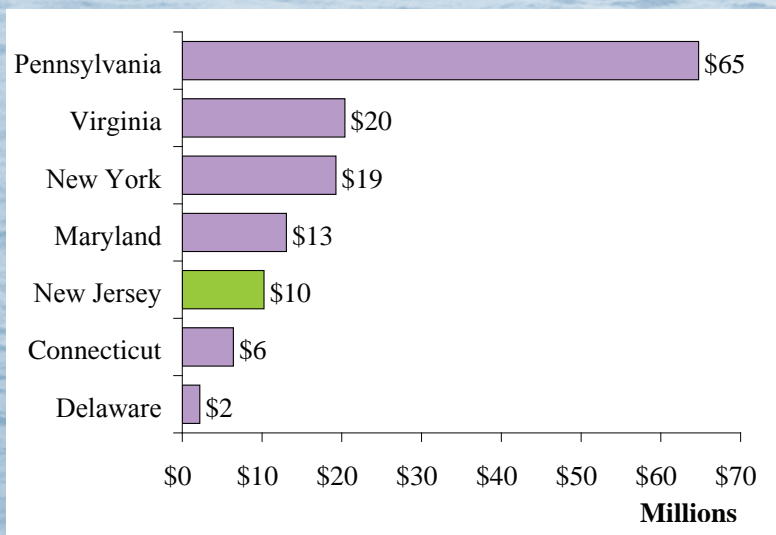


⁴Grand Rapids DMA (not shown) had more visitors than Pittsburgh, Cleveland, Providence, Cincinnati, Norfolk, Richmond and Roanoke.

The New Jersey Division of Travel and Tourism's Budget

Still, New Jersey does not fund travel and tourism in a manner consistent with competing states in the region. The New Jersey Division of Travel and Tourism's budget totaled only \$10.25 million each of the past two years and is expected to decline for fiscal year 2009 by perhaps more than \$1 million. Below are the state tourism office budgets for select states in the region.⁵

Figure 3: Projected FY07 State Tourism Office Budgets for Select States⁵



The relatively small budget means the New Jersey Division of Travel and Tourism has limited funds for, amongst other purposes, international promotion (\$27 thousand in New Jersey compared to \$1.4 million in Pennsylvania) and public relations, inquiry fulfillment and research (New Jersey had a budget 50% of Pennsylvania's and only 30% of Virginia's). The current study hopes to provide some help in maximizing this limited budget.

The Division of Travel and Tourism's funding is derived from the travel and tourism industry generated occupancy tax. The occupancy tax totaled \$91.3 million in tax receipts for the state despite the budget cuts for the Division of Travel and Tourism. The legislation creating the occupancy tax has a statutory minimum funding amount of \$12.7 million. If the current budget proposal for the New Jersey Division of Travel and Tourism is approved, this will be the third year in a row the state has operated below this statutory minimum \$12.7 million.

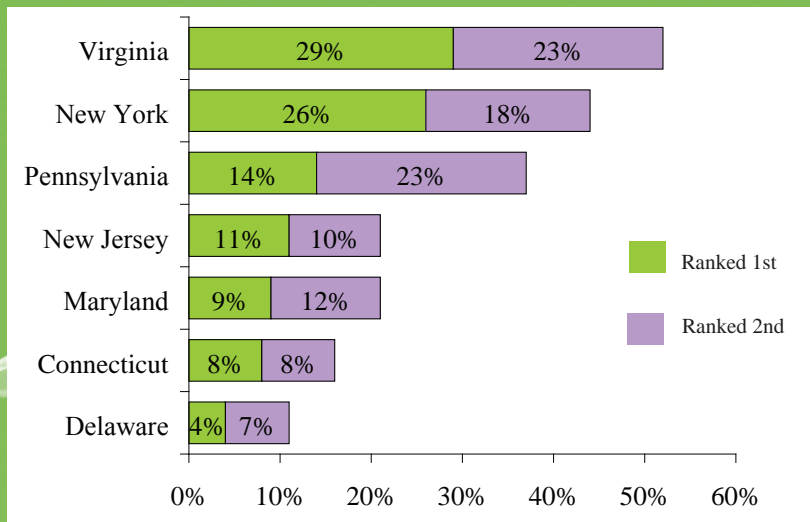


⁵Travel Industry Association of America. (2007). 2006-2007 Survey of U.S. State and Territory Tourism Office Budgets.

First and Second Ranked Vacation Choices

The New Jersey Center for Hospitality and Tourism Research asked respondents to rank seven states in the region according to their preferred vacation choice. Not surprisingly, their rankings corresponded very closely with the tourism office budgets described on the previous page. With the exception of Pennsylvania and Maryland, the order of the states and relative size of the rankings are identical to those state tourism office budgets. The successful campaigns of *Virginia is for Lovers*® and *I Love New York*® are well known nationally, largely as a result of a commitment by these states to funding tourism promotion. This survey supported the Center's suspicion that the size of the Division of Travel and Tourism's budget in New Jersey puts the state in a competitive disadvantage.

Figure 4: First and Second Ranked Vacation Choices of Respondents



New Jersey, however, seems to be competing well with Maryland for tourists' hearts and minds. Despite being outspent by Maryland in fiscal year 2007 by \$3 million, New Jersey's Division of Travel and Tourism, even with a small budget, appears to be maximizing those dollars spent on promotion relative to Maryland. New Jersey seems to be attractive to more tourists compared with Maryland. Pennsylvania on the other hand appears to have some inefficiency. Their budget of \$65 million appears questionable given the effect exhibited by our respondents. Both Virginia and New York's tourism office budgets were less than 33% of Pennsylvania's.



Attitudes towards Vacationing in New Jersey

Attitudes toward vacationing in the state of New Jersey were measured at the outset of the survey, before the advertisement exposures, and then immediately after having seen eight of the advertisements the state of New Jersey produced for fiscal year 2008. Attitudes were measured with three questions on a six-point scale producing a range from 0-18 for the attitude index. Attitudes towards vacationing in New Jersey were highest amongst those feeder markets that produce the most visitors to New Jersey; Philadelphia, New York, Wilkes Barre and Harrisburg DMAs accounted for over 75% of visitation to the state in 2006.

Designated Market Area (DMA)	Pre-exposure Attitude Index
Philadelphia	12.7
New York	12.3
Wilkes Barre	12.3
Harrisburg	11.7
Baltimore	11.3
Albany	11.3
Providence	11.0
Hartford	11.0
Pittsburgh	10.6
Washington DC	10.3
Richmond	10.1
Cincinnati	9.8
Boston	9.4
Cleveland	9.3
Roanoke	8.3
Norfolk	8.2

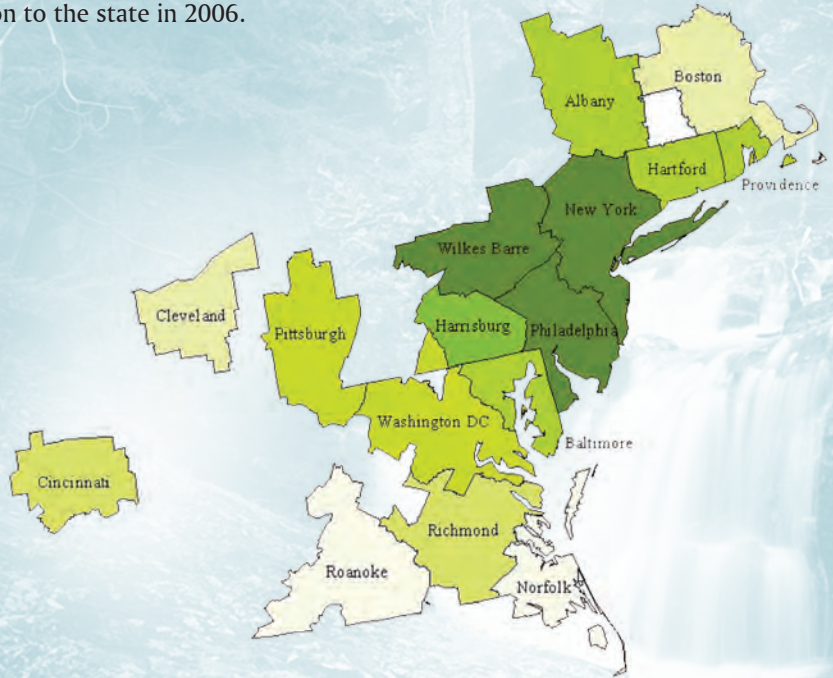


Figure 5: Attitudes towards Vacationing in New Jersey, Prior to Experiencing Advertisements

Quite simply, those more likely to have recently visited are also more likely to hold a positive impression of tourism in the state. It helps that local businesses and regional Destination Marketing Organizations are actively advertising in this, more local, catchment area. Conversely, attitudes were lowest in those areas in the periphery of New Jersey's catchment area. Likely the relatively lower scores from residents of the Designated Market Areas in the periphery are as a result of the only image of vacationing in New Jersey having been induced organically. Organic images are formed through the mass media (think *Seinfeld*® or the *Sopranos*®) as opposed to induced image formation which is created through advertising as well as actual visitation.



Advertising and Attitude Change

Accentuating the Positive - Eliminating the Negative

Attitudes about vacationing in the state of New Jersey change more dramatically in the periphery of the study area, suggesting these areas might be more “ripe” for influencing positive visitation through advertisement. The Designated Market Areas where attitude change was most prominent were in the areas where attitudes towards New Jersey as a vacation destination were the lowest. The large change in attitude in the peripheral areas suggests that the counteracting effect of induced image formation is working for the New Jersey tourism advertisements in these more distant markets.

Figure 6: Change in Attitude towards Vacationing in New Jersey, After Experiencing Advertisements

Designated Market Area (DMA)-	% Change in Attitude
Roanoke	34%
Norfolk	18%
Cincinnati	16%
Cleveland	14%
Richmond	14%
Pittsburgh	9%
Washington DC	8%
Providence	8%
Boston	8%
Albany	8%
Baltimore	4%
Hartford	3%
Harrisburg	1%
New York	0%
Wilkes Barre	0%
Philadelphia	-2%



Different advertising campaigns should be considered for these two distinct areas. In those areas where advertising does not significantly effect attitude change because of already positively held views of travel and tourism in New Jersey, the message might focus more on reinforcing those existing positive attitudes or images. Conversely, in those peripheral areas where attitude towards vacationing in New Jersey is comparatively low, the message might instead focus on correcting negative attitudes or images. According to these results, attitudes are being changed throughout the study area, but not to the same extent in the Boston DMA where scores did not improve to the same extent.



Family Life Cycles and Generational Influences

DK Shifflet⁶ describes how the lifestage (family life cycle) of visitors plays an important role in modifying visitation to the state. Lifestages combine a visitor's age, income and family status to form segments of tourists that display differing patterns of behavior. DK Shifflet suggests the lifestage comparison is useful in media targeting. The relative worth of overnight trips to New Jersey by DK Shifflet's lifestage is presented to the right. The "affluent and mature", "maturing and free" and the "young and free" lifestages account for 68% of overnight leisure (vacations).

Figure 7: Percentage of Trip Dollars for Overnight Leisure Travel to New Jersey by Lifestage⁶

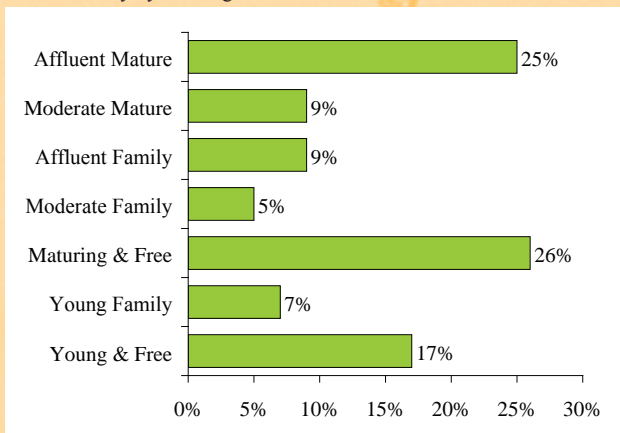
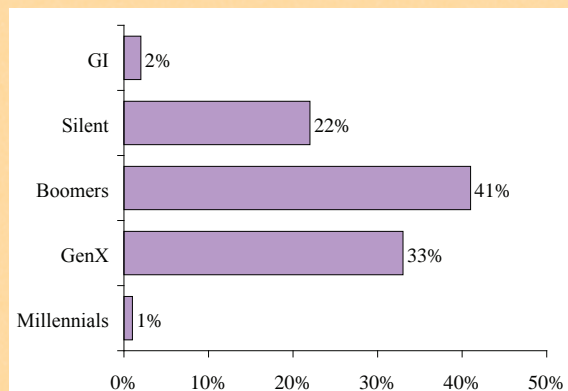


Figure 8: Percentage of Trip Dollars for Overnight Leisure Travel to New Jersey by Generation⁶



DK Shifflet also suggests segmenting travelers by their year of birth and examining these generation categories to improve public relations strategies and communication. The relative worth of overnight trips to New Jersey by DK Shifflet's generation is duplicated to the left. Not surprisingly, the "Boomers" account for the most (41%) vacation expenditures in the state of New Jersey. "GenX" is not far behind at 33% while the "Silent" generation still account for almost one-quarter of overnight leisure trips to the state.

Taken together, the above analysis highlights how, as the "Boomer" generation continues to mature, their lifestyle increasingly affords them more opportunities to vacation. Conversely, families have obligations which are more demanding on their time and resources. Applying this information to attitudes towards vacationing in New Jersey, and attitudes towards the advertisements of New Jersey, will prove beneficial in improving the effectiveness of tourism promotion for the state.

⁶DK Shifflet & Associates (2007). NJ FY2006p Visitor Profile Public Version. Retrieved January 5, 2008 from the New Jersey Division of Travel and Tourism website: <http://www.state.nj.us/travel/pdf/fy2006-visitor-profile-4-2-07.pdf>.

A Closer Look at Negative Attitudes in Boston

Below is a comparison of attitudes towards vacationing in New Jersey by both generation and lifestage for respondents from the Boston DMA. Of particular importance here are the low scores for the “Maturing & Free” and “Young & Free” lifestages. Together, these lifestages account for nearly half of all overnight leisure trips to New Jersey. Similarly, the “GenX” generation accounts for one-third of all overnight trips yet has the lowest index score of all the generations.

Figure 9: Pre-existing Attitude Index by Lifestage for Boston DMA

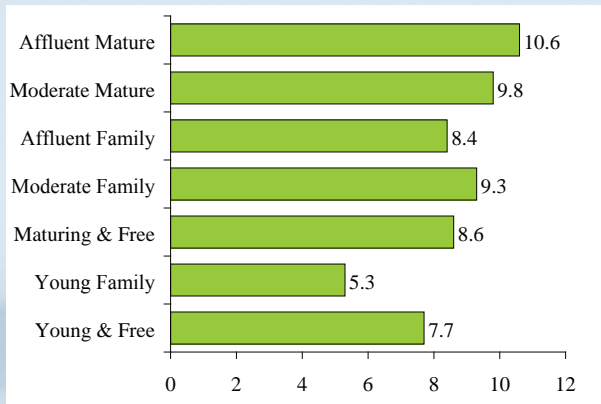
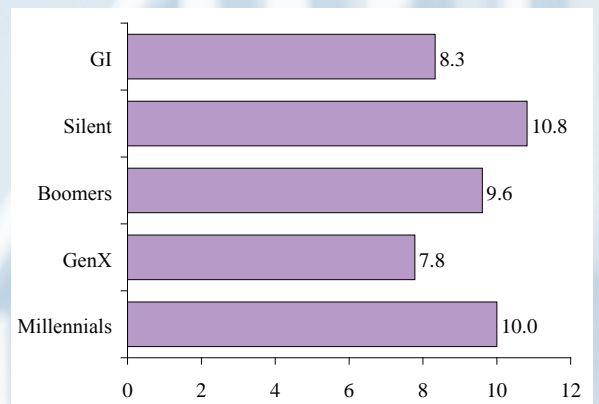


Figure 10: Pre-existing Attitude Index by Generation for Boston DMA



Recall that the attitudes for residents of the Boston DMA did not change proportionally relative to other DMA's with similarly low attitudes toward vacationing in New Jersey. Analyzing the change in attitude towards vacationing in New Jersey, for the Boston DMA only, reveals that the advertising message appears to be most appealing to the younger generations. The segment “Young Family” experienced the greatest attitude change at 31% in the lifestage segmentation. Similarly, in looking closer at the generations from Boston DMA, we found that “Millennials” experienced the greatest attitude change of all the age groups. The New Jersey Division of Travel and Tourism should decide whether this was the intended effect of their current advertising campaign and adjust their message accordingly. These and other relationships are explored in greater detail in the full report due out in early summer 2008. The report will be made available on the Center’s website at www.stockton.edu/njtourism.

Figure 11: % Change in Attitude toward Vacationing in New Jersey by Lifestage for Boston DMA

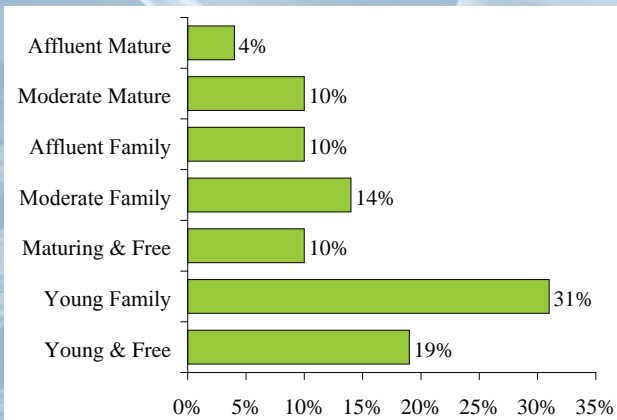
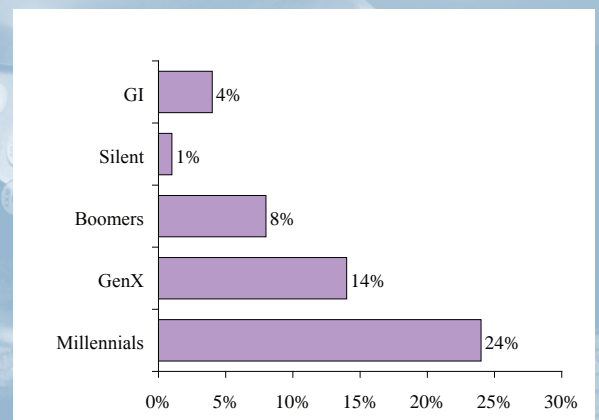


Figure 12: % Change in Attitude toward Vacationing in New Jersey by Generation for Boston DMA



New Jersey Center for Hospitality and Tourism Research

at The Richard Stockton College of New Jersey
would like to thank

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Zogby International

For their help in design of the survey and collection of data

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Dr. Cliff Whithem, Coordinator, Hospitality and Tourism Management Studies
Dr. Brian Tyrrell, Assistant Professor, Hospitality and Tourism Management Studies

and the family of the late

Mr. Bernard Spigner, Director of Communications, New Jersey Sports & Exposition Authority



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New Jersey Center for Hospitality and Tourism Research

*would like to announce
a newly formed partnership between*

The Richard Stockton College of New Jersey and the Greater Atlantic City Region Tourism Council

The goal of this newly created partnership is to place the council under the college “umbrella” and to provide a home for the council. We envision collaboration between the college and the council on tourism-related projects; such as speaker series on tourism related topics and joint grant applications. The partnership between The Richard Stockton College of New Jersey and the Greater Atlantic City Region Tourism Council is a favorable endeavor for both parties, and is intended to benefit the Atlantic County tourism industry as a whole.

www.actourism.org



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