LLOYD D. LEVENSON INSTITUTE OF GAMING, HOSPITALITY & TOURISM

THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

2011 Tourism Promotion Survey

Comparing Casino and General Recreational Travel

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

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

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

2011 TOURISM PROMOTION SURVEY

The 2011 Tourism Promotion Survey was conducted by Stockton College's Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT) with support from the William J. Hughes Center for Public Policy. This fifth annual tourism survey, based upon a sample of more than 3,000 respondents gathered by Zogby International, in 16 major Northeast U.S. markets, provides insight into demographic, activity preference and planning habits of general recreational travelers and compares them to casino travelers. The implications for both Atlantic City and destination resorts, in general, are considered.

Our research team included professionals from several fields of research including:

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Sample Characteristics *by Designated Market Area*

We sampled from the 16 Designated Market Areas (DMA's) that produce the most visitors to the State of New Jersey.

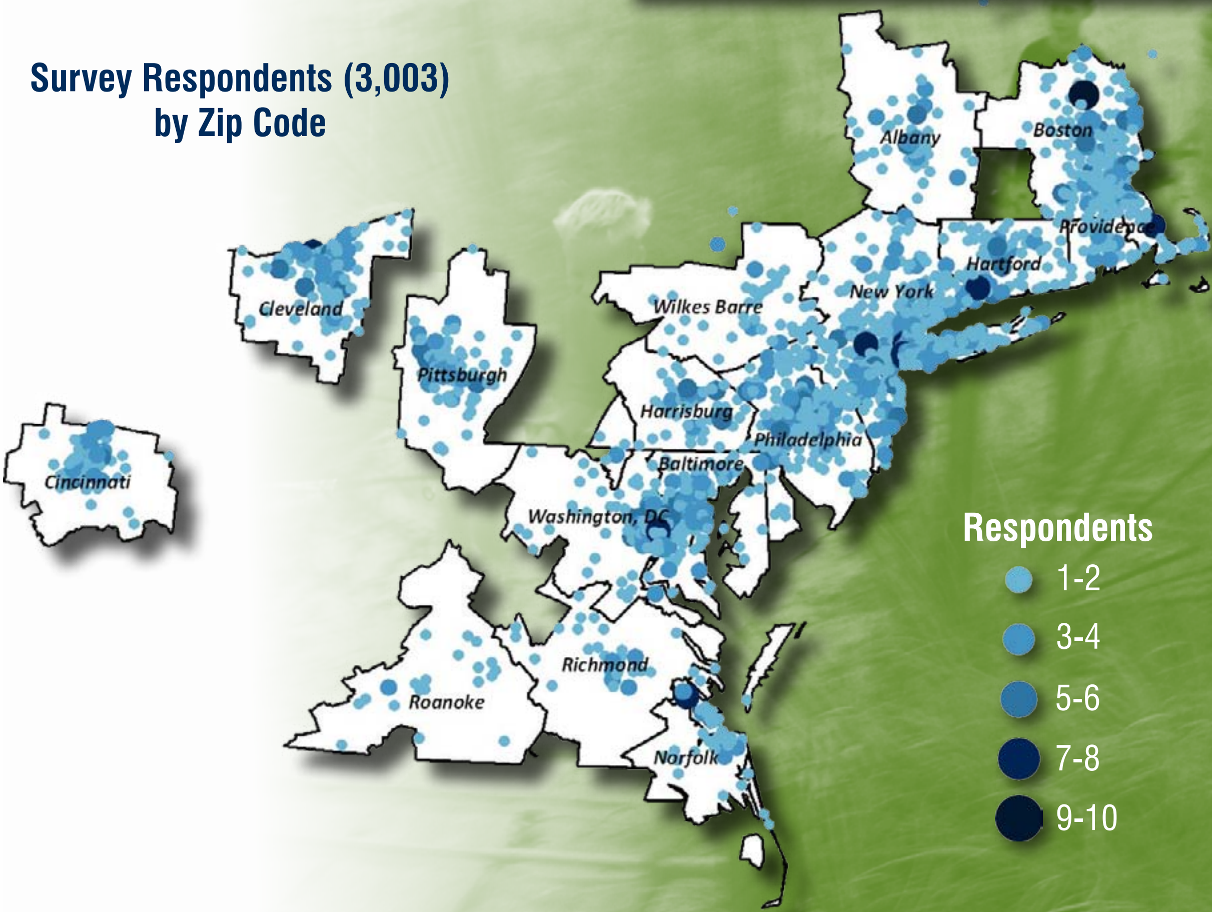
Nearly a quarter of the respondents lived in the high-density population DMA of New York.

23% of the total sample had visited a casino in the past 12 months.

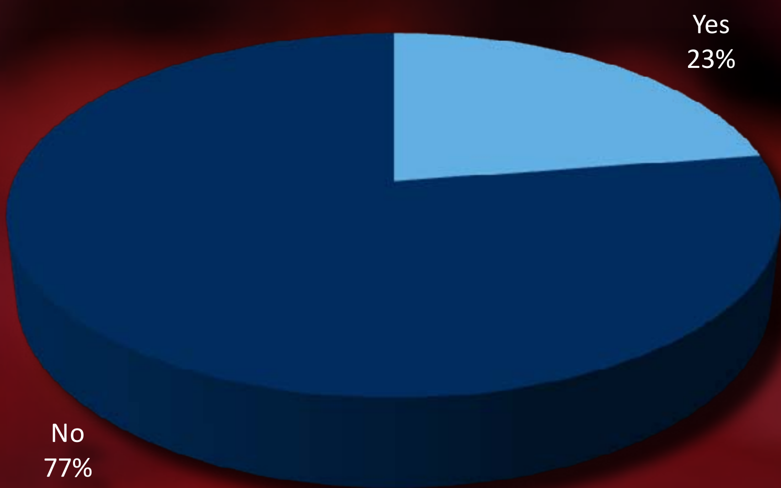
There was, however, quite a bit of variability with respect to casino visitation, ranging from a high of 50% in Hartford to a low of 8% in Richmond and Roanoke.

Designated Market Areas (DMA's)	*Total*	*Non-Casino Visitor*	*Casino Visitor*
New York	743	544 (18.1%)	198 (6.6%)
Philadelphia	422	289 (9.6%)	128 (4.3%)
Boston	339	273 (9.1%)	53 (1.8%)
Washington, DC	311	260 (8.7%)	50 (1.7%)
Cleveland	180	140 (4.7%)	40 (1.3%)
Pittsburgh	159	113 (3.8%)	46 (1.5%)
Baltimore	155	132 (4.4%)	23 (< 1.0%)
Harrisburg	131	105 (3.5%)	26 (< 1.0%)
Hartford	118	78 (2.6%)	39 (1.3%)
Albany	112	96 (3.2%)	16 (< 1.0%)
Cincinnati	99	79 (2.6%)	19 (< 1.0%)
Wilkes Barre	62	46 (1.5%)	16 (< 1.0%)
Providence	59	52(1.7%)	7 (< 1.0%)
Norfolk	48	40 (1.3%)	8 (< 1.0%)
Richmond	40	37 (1.2%)	3 (< 1.0%)
Roanoke	26	24 (< 1.0%)	2 (< 1.0%)

Survey Respondents (3,003) by Zip Code



Have you visited a casino or slots parlor in the past 12 months?



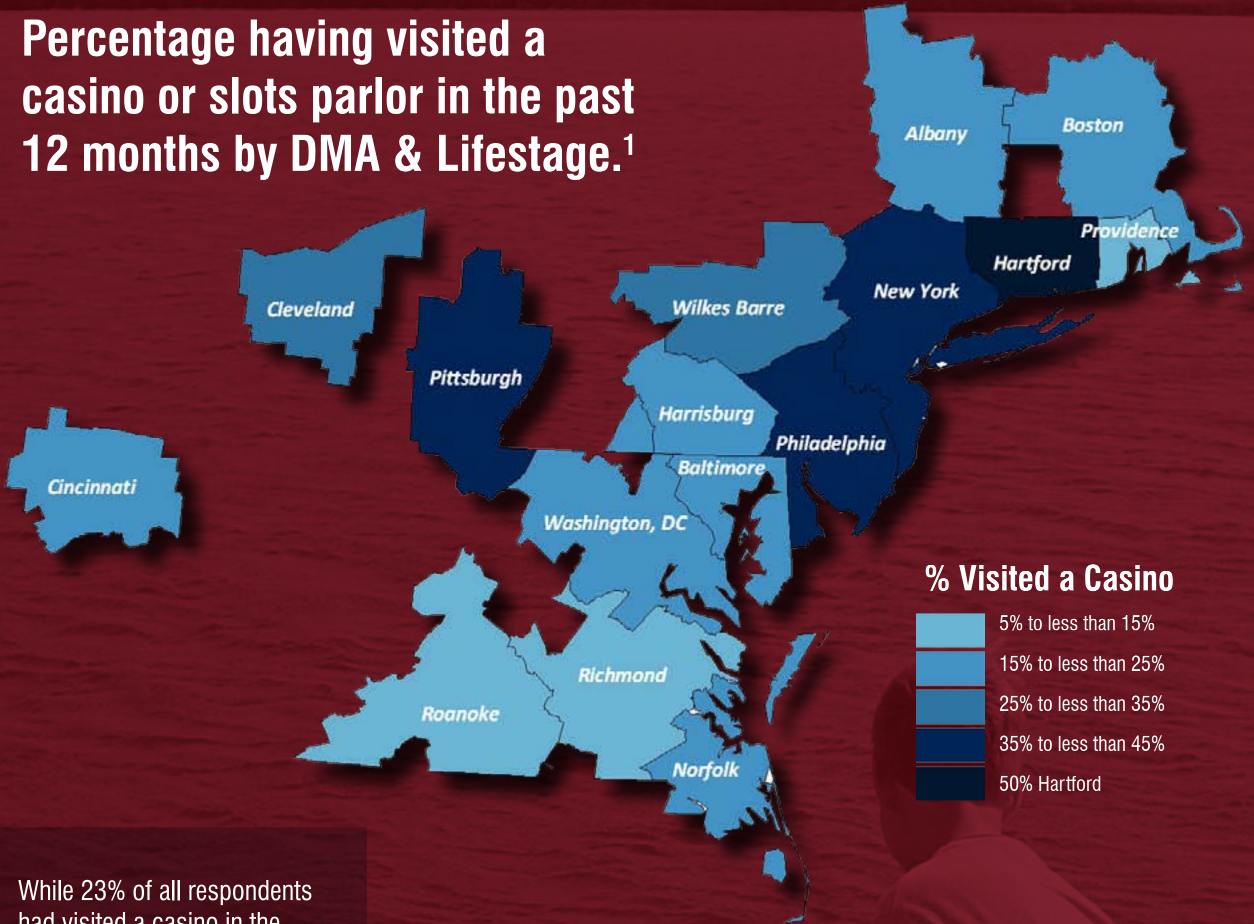
Comparing Casino Visitation and General Recreational Travel

One of the major goals of this survey was to differentiate between the travel behaviors of casino visitors compared to general recreational travelers.

Respondents were asked if they had visited a casino or slots parlor in the past 12 months; 23% of the respondents had visited a casino.

Respondents who had visited a casino were then asked about their trip characteristics and behaviors during their most recent casino visit, while the remaining 77% were asked the same questions about their general recreational travel.

Percentage having visited a casino or slots parlor in the past 12 months by DMA & Lifestage.[1]



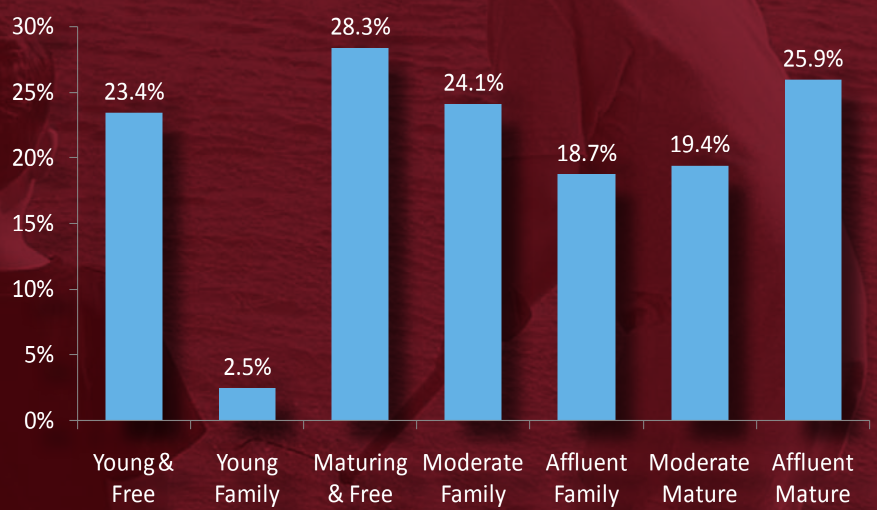
While 23% of all respondents had visited a casino in the past 12 months, there was considerable variation across the Northeast DMAs.

Half of all respondents from Hartford had visited a casino in the past 12 months.

Over one-third of respondents in the New York, Philadelphia and Pittsburgh DMAs had also visited a casino during that time.

In terms of lifestage characteristics, the Maturing & Free were the most likely to have visited a casino (28.3%), followed by the Affluent Mature (25.9%).

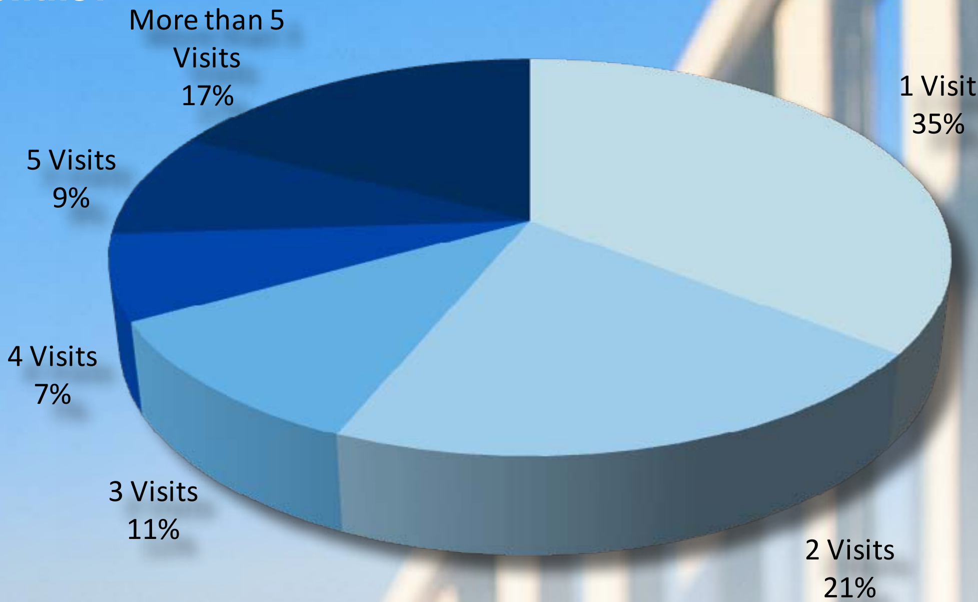
Very few of the Young Families (2.5%) had visited a casino or slots parlor in the past 12 months.

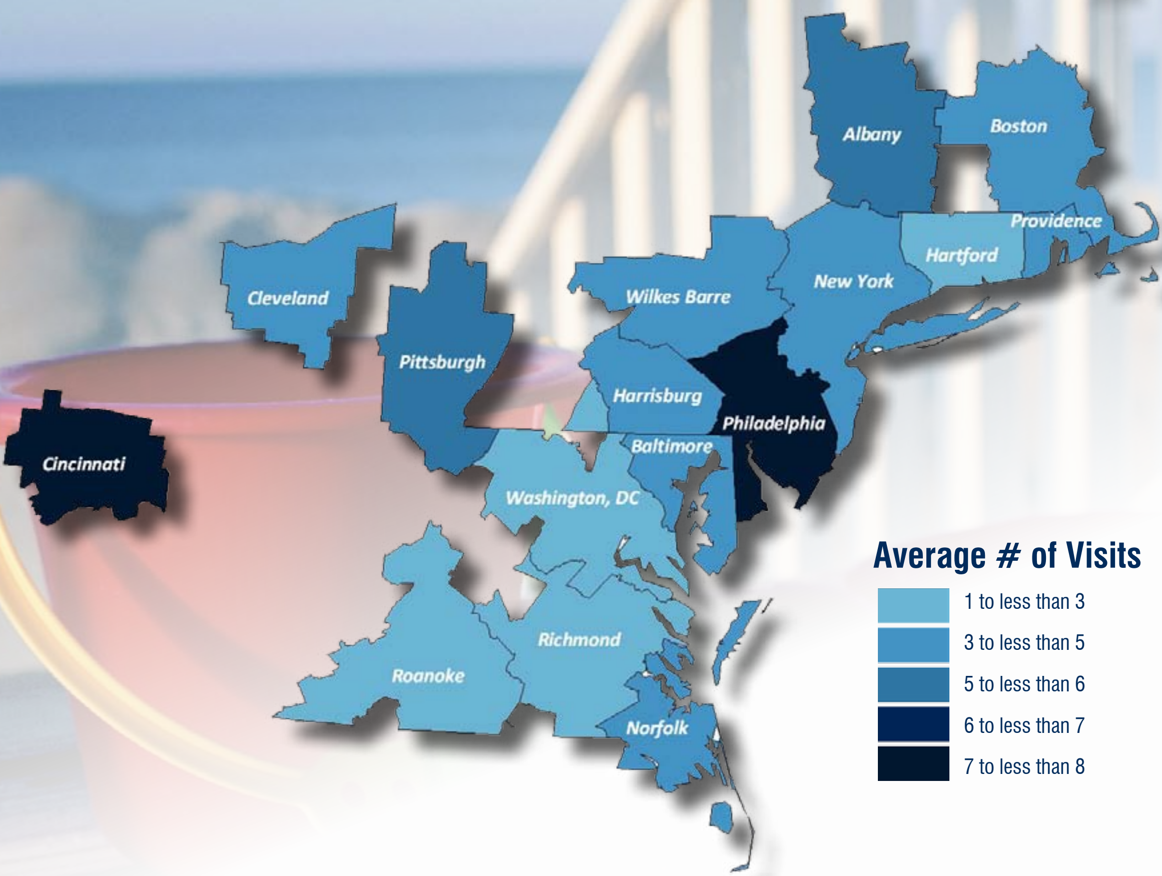


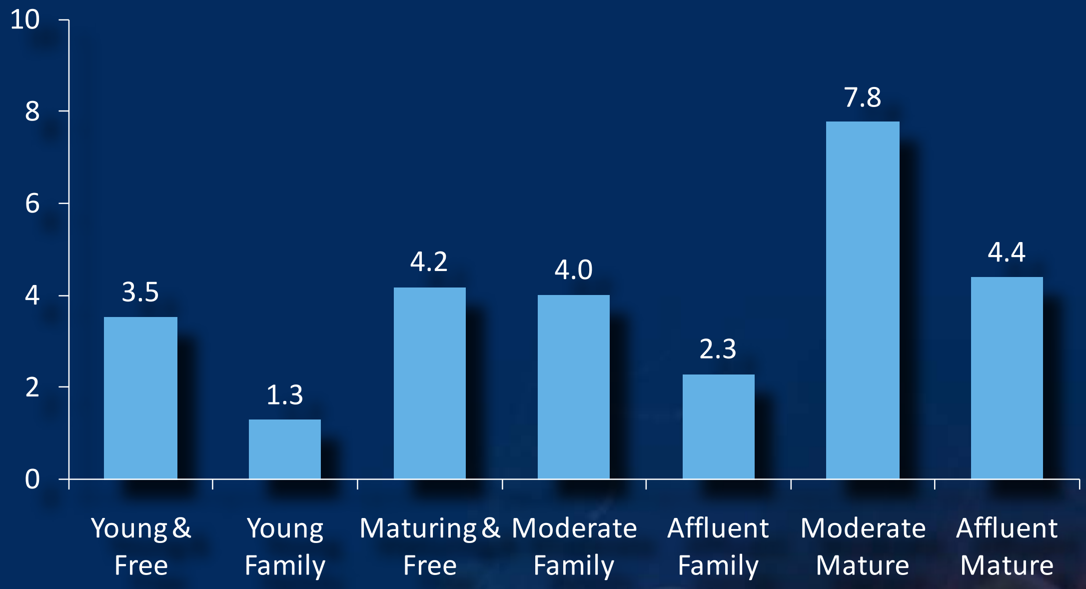
Footnote 1: Lifestage is defined by a travelers' age, income and family status. For more information see DK Shifflet's most recent NJ Visitor Profile Study at www.visitnj.org.

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

While the Hartford DMA had the highest percentage of casino visitors in the past 12 months (50%), high frequency visitors during that period were more likely to come from Philadelphia, Cincinnati, Pittsburgh and Albany.



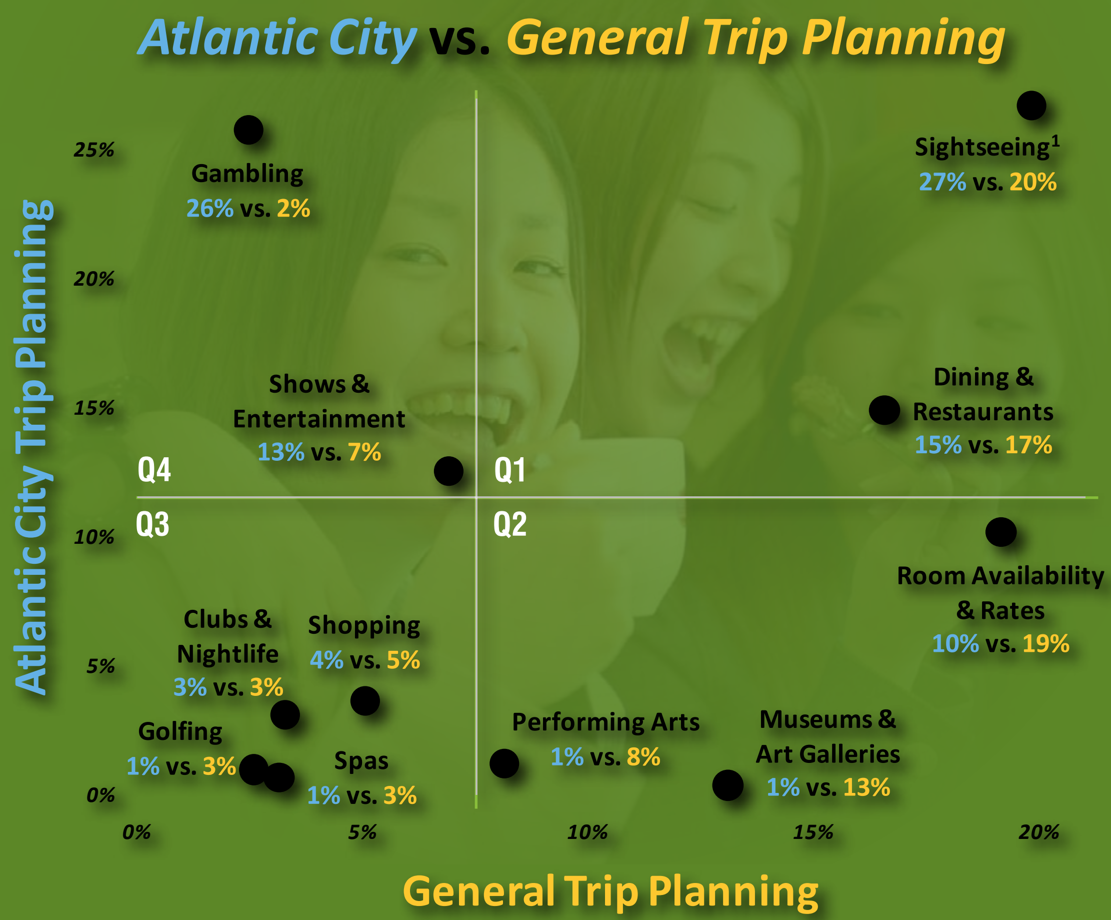




Moderate Matures visited more often than any other lifestage segment

at an average of 7.8 visits over the past 12 months. Not surprisingly, the Young Family lifestage segment visited the fewest times at an average of 1.3 visits over the past 12 months.

Perceptual Map: Important Factors in Planning a Trip.



Quadrant 1 (Q1 Stregnths) includes factors important to a relatively high portion of respondents in planning a trip in general, as well as to Atlantic City, in particular. These are strengths for the Atlantic City market and can be leveraged through mass media advertisements as these factors will resonate with the greatest number of potential travelers. The beach, boardwalk and restaurants are very important factors in the success of Atlantic City as a destination and should continue to be the cornerstone of its revitalization.

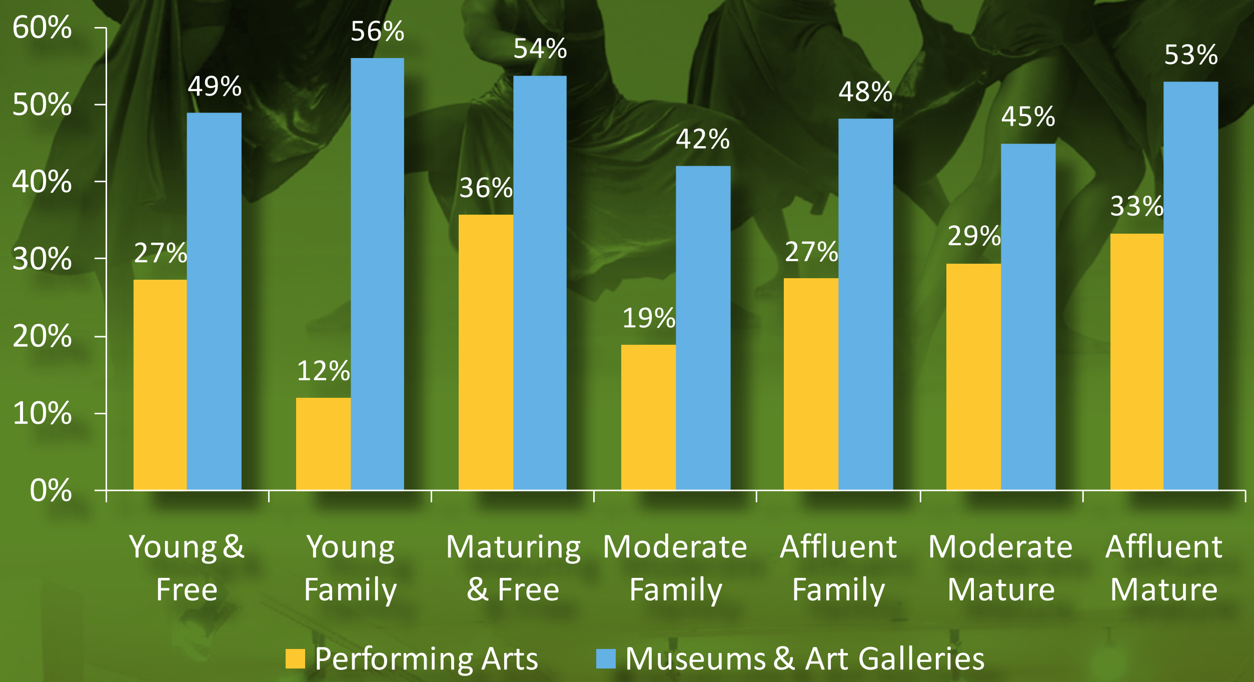
Quadrant 2 (Q2 Opportunities) includes factors that are important to most travelers, but Atlantic City travelers don't cite it as important in their visit to Atlantic City. In the case of room rates, there is likely a subset of the population that finds this to be a bonus when they are traveling mid-week. However, the lack of supply on the weekends is driving room rates up during these popular days to travel for recreation. With regards to the performing arts, museums and galleries, Atlantic City lacks much of this infrastructure and is, as a result, unable to appeal to the general travelers desire for such amenities. *See the graph on the next page for lifestyle characteristics of travelers who feel the performing arts, museums and art galleries are important factors in planning a trip in general.*

Quadrant 3 (Q3 Niches) represents niche factors that are important to a smaller percentage of the overall market. In some cases, Atlantic City seems to be satisfying overall demand for these factors (clubs and nightlife as well as shopping). However, there is a gap when one considers both golfing and spas. Given the world class golfing and spas that currently exist in or near Atlantic City, it is likely that these amenities need to be brought to the attention of these niche markets through targeted campaigns designed specifically for these niche markets.

Quadrant 4 (Q4 Differentiation) includes factors that are extremely important to travelers to Atlantic City, but not nearly as important to the general traveler. Not surprisingly, gambling as well as shows and entertainment, two main-stays of most casino destinations, show up in this quadrant. While these are important differentiating factors for Atlantic City, they will not be the driving force in encouraging trips to Atlantic City for non-casino visitors.

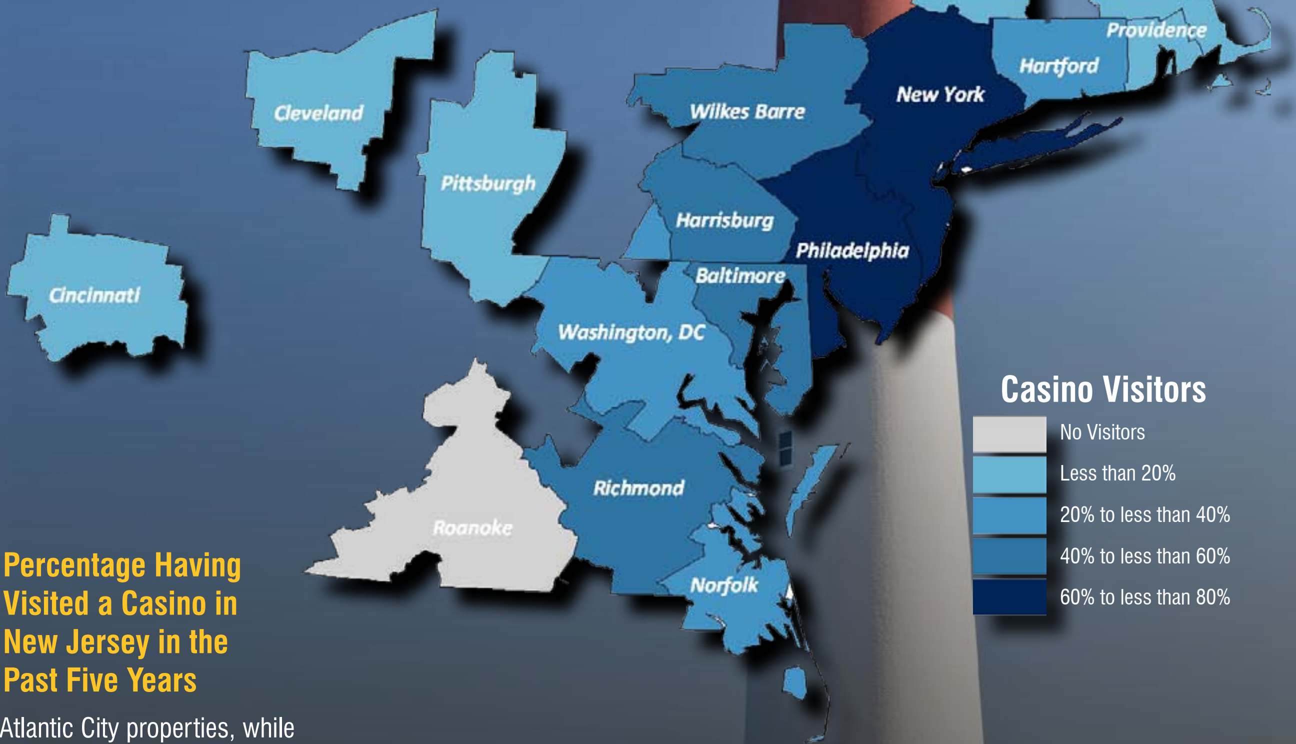
Footnote 1: "Beach & Boardwalk" (20%) and "Sightseeing" (7%) were combined on AC trip planning for comparison purposes.

Percentage reporting performing arts, museums and art galleries were an important factor in planning a trip in general.



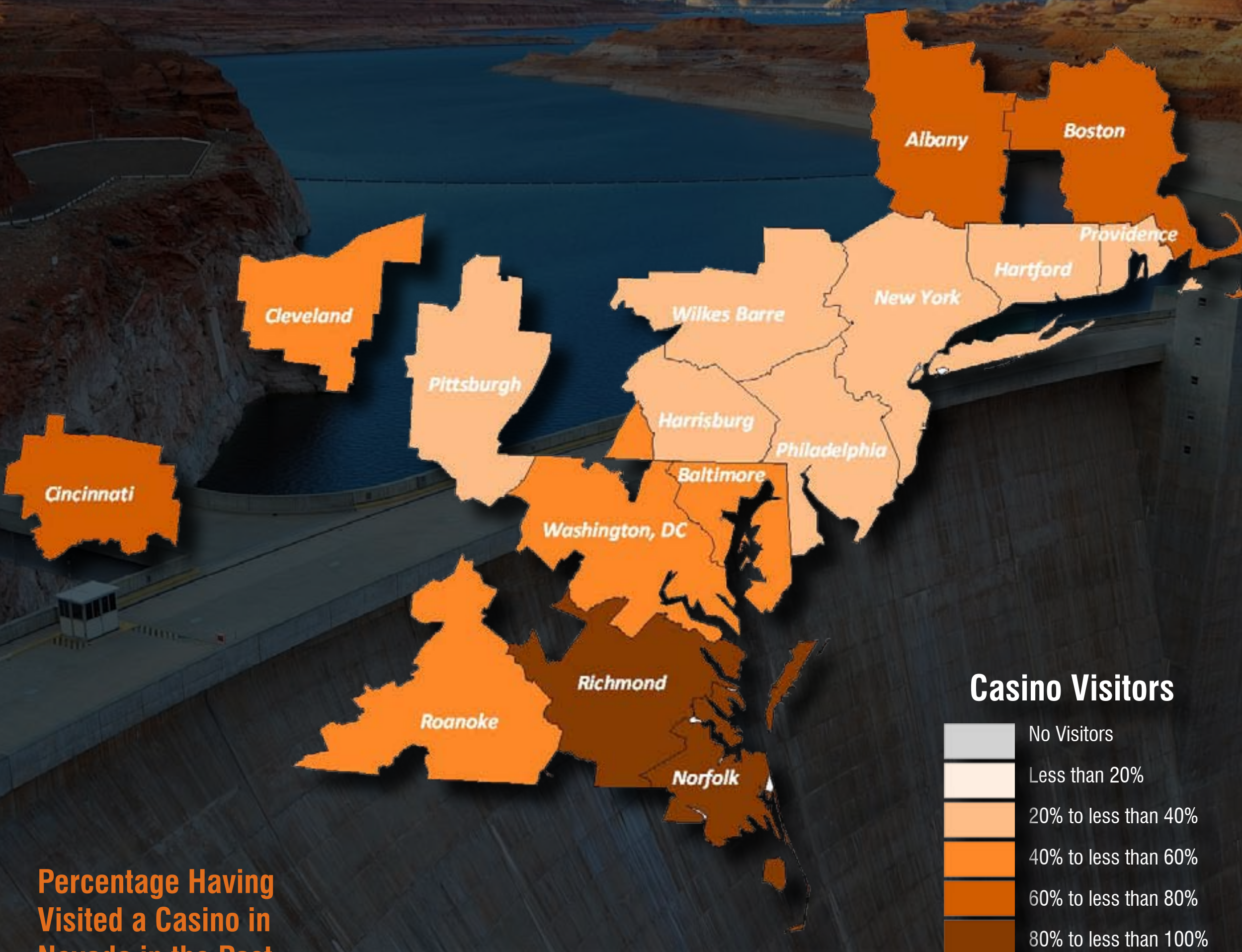
What locations have you been to within the last five years that involved a visit to any casino or slot parlor?

The major casino or slot parlor destinations that compete with Atlantic City are shown on the next few pages.



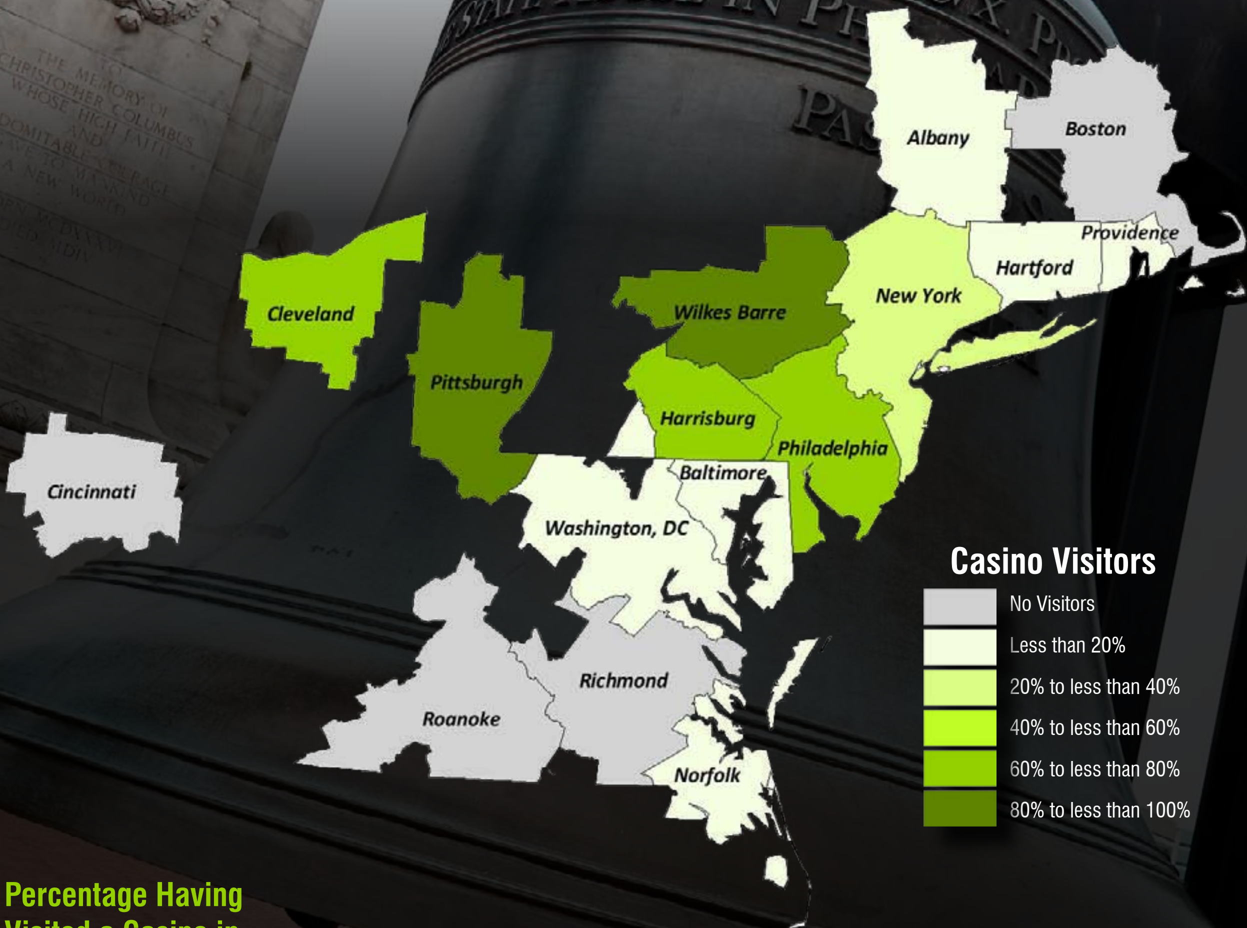
Percentage Having Visited a Casino in New Jersey in the Past Five Years

Atlantic City properties, while regional as well, appear to be able to attract from a larger region than other Northeast casino properties. This is not surprising given the city's twenty year head start, additional amenities the city has to offer as well as the volume of gaming available in the city.



Percentage Having Visited a Casino in Nevada in the Past Five Years

Interestingly, those reporting they had been to Nevada within the past five years are much more likely to have been from the periphery of the Northeast regions studied. These are markets that Atlantic City does not serve to the same extent when compared with the markets closer to South Jersey.

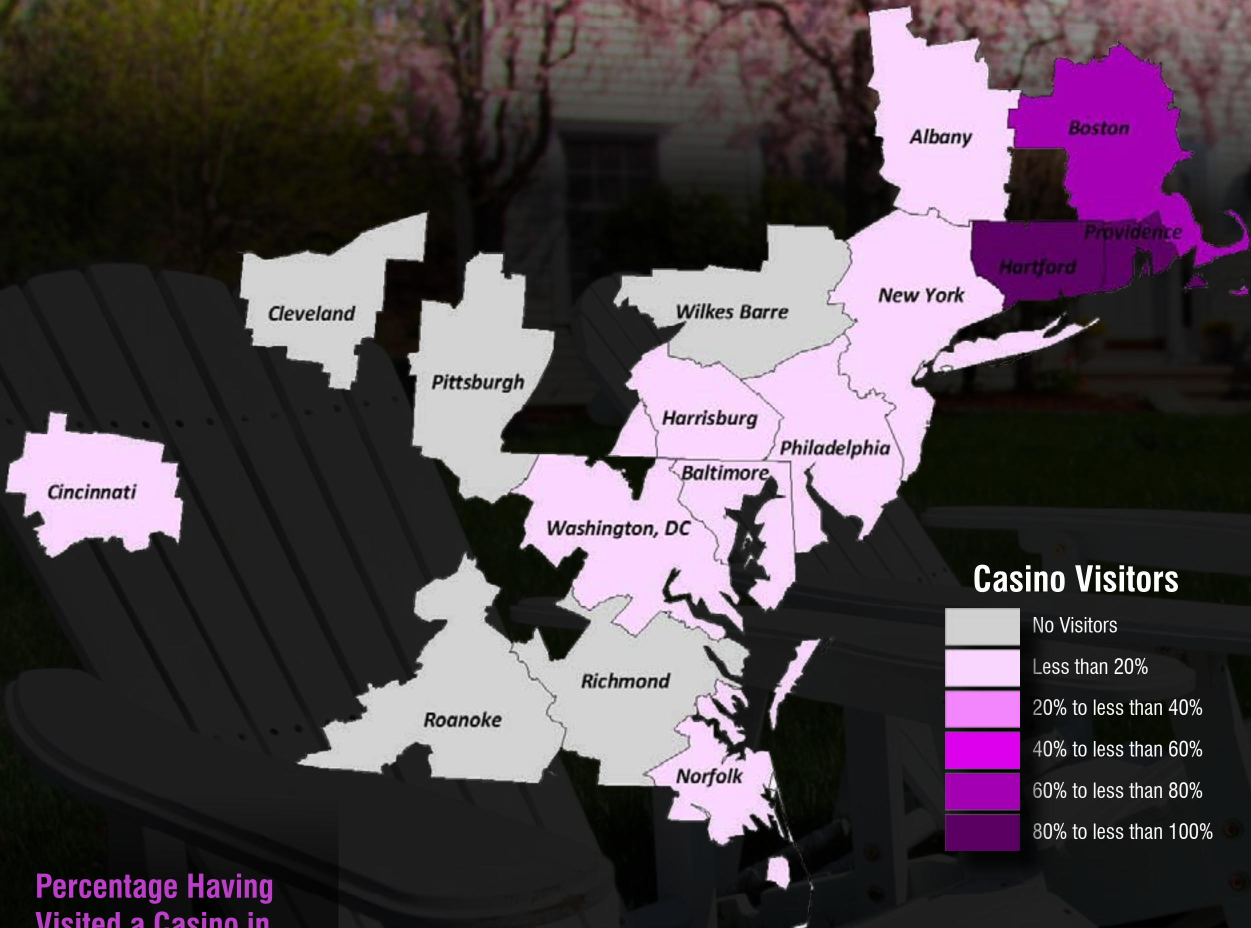


Percentage Having Visited a Casino in Pennsylvania in the Past Five Years

Pennsylvania casinos were approved on the periphery of the state (mostly east and west) in the hopes that the properties would draw more visitors from out of state. This map suggests that this might not be the case, with the majority of the patrons visiting Pennsylvania casinos residing within the state itself.

PA

Pennsylvania



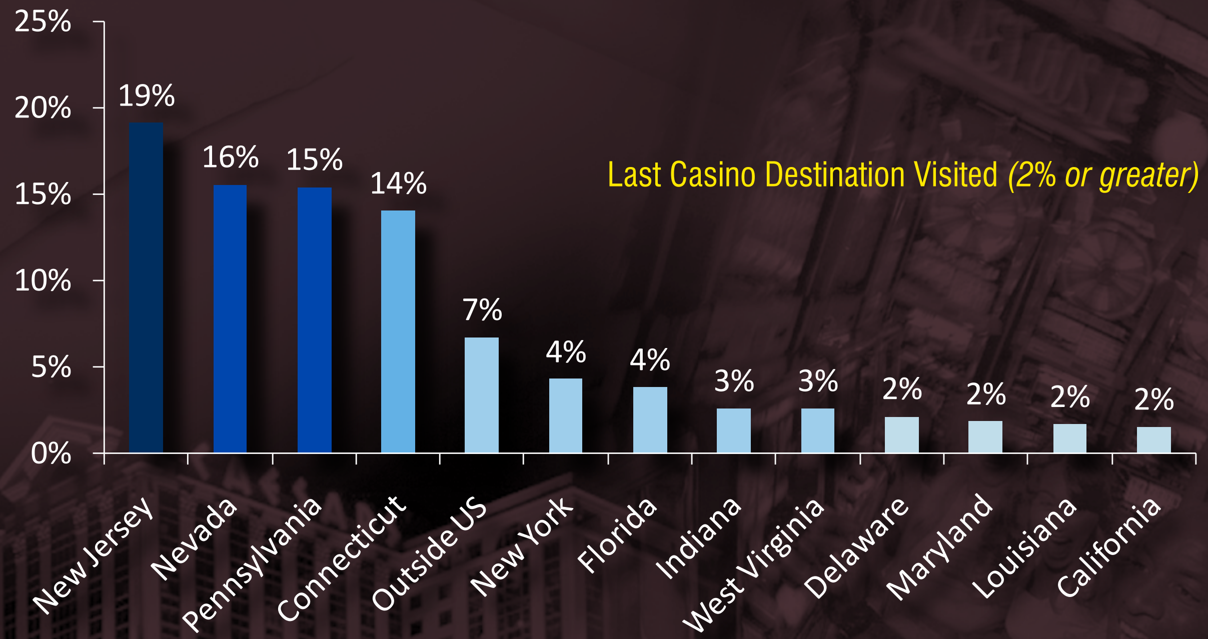
Percentage Having Visited a Casino in Connecticut in the Past Five Years

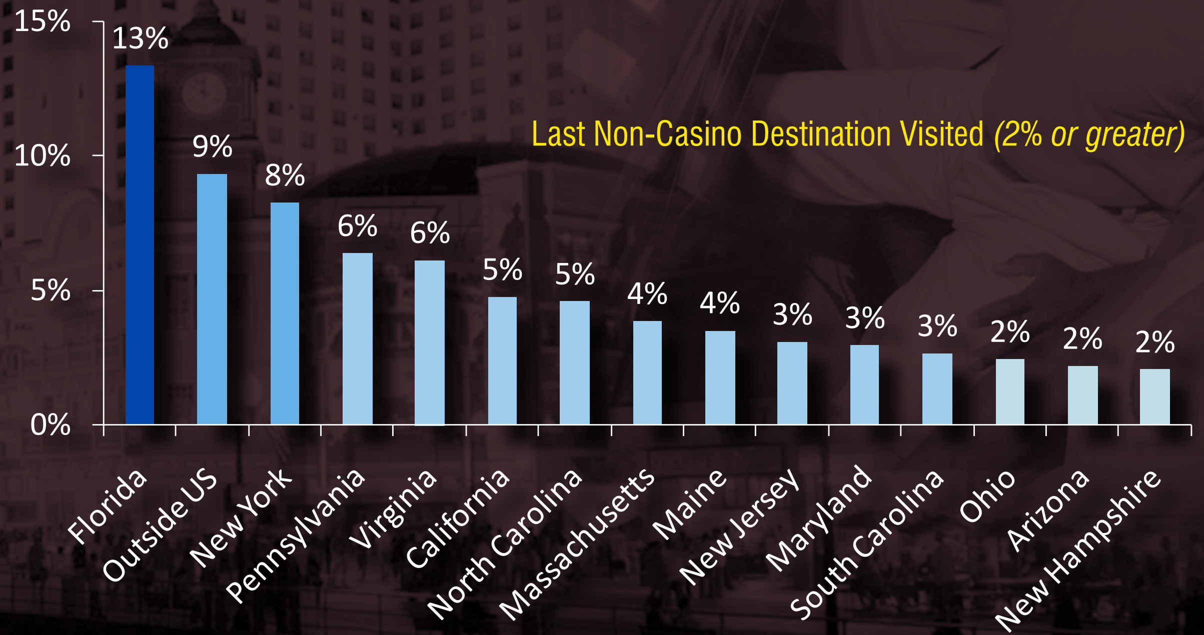
Largely, gaming in the Northeast appears to be very regional. For example, the Connecticut properties appear to be attracting mostly individuals from New England.

CT

Connecticut

Last Destination Visited.





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