STOCKTON UNIVERSITY

LLOYD D. LEVENSON INSTITUTE
OF GAMING, HOSPITALITY & TOURISM

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SCHOOL OF BUSINESS

Atlantic City Lifestyle Tourism

Preliminary Report – October 2021

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Background and Purpose of Study

As Atlantic City continues to evolve, it is imperative that the resort's business operators and advocates develop an understanding of who visits the city, how they experience and perceive it, and what motivates their choice of destination.

With an aim to address these questions, Who, How and What, LIGHT, with the assistance of the Casino Reinvestment Development Association (CRDA) and their consultants Masterpiece Advertising (Masterpiece), conducted a survey in September 2021. The survey, administered online and distributed to a mailing list of Atlantic City visitors provided by the CRDA and Masterpiece, yielded over three thousand completed responses.

In addition to providing a snapshot of the current Atlantic City visitor, the survey also provides some insight into the impacts of the COVID-19 pandemic and public health crisis on visitor perception and behavior. These specific impacts were also examined in the *Atlantic City Visitor Perceptions and Preferences* study conducted by LIGHT in Mid-January – Early February 2021. That study found 57% of respondents at that time had yet to visit the city following the relaxation of pandemic related restrictions and the reopening of casinos in July 2020. Most respondents (67%) who had yet to return to the city cited pandemic related reasons. Visitors who had already returned to the city reported satisfaction with their visit: 78% reporting they were "extremely satisfied" or "very satisfied," 9% expressed dissatisfaction.

The *Atlantic City Visitor Perceptions and Preferences* survey also detected a willingness to return to the city. As of January/February 2021, 72% of all respondents said that they planned to visit the resort within the next six months. A little over six-months later the findings of the current study are consistent with the observations and predictions of the prior survey. While frequency of visitation has been reduced over the past 18 months compared to pre-pandemic periods, visitors *are* coming to the city and are, overall, satisfied with their visit despite the lingering impacts of the pandemic.

Methodology

An anonymous link was sent to a mailing list of Atlantic City visitors. These visitors were asked to answer a series of questions regarding their experience of Atlantic City and factors influencing their choices in travel destinations. The 21-question survey was administered online via Qualtrics from September 9th through September 20th, 2021. The mailing list, provided by Masterpiece Advertising, was comprised of individuals who had previously expressed an interest in Atlantic City and had interacted with the Casino Reinvestment Development Association (CRDA) through the DoAC/VisitAC website (www.AtlanticCityNJ.com). To incentivize survey completion, respondents were entered into a drawing to win "an exciting overnight stay at Hard Rock Atlantic City Casino, a pair of Michael Bublé tickets, and two gift cards to Atlantic City Restaurant Week."

While a total 4,017 respondents participated in the survey, only 3,269 finished the survey and not all answered every question. The following analysis only includes completed responses.

Executive Summary

The impacts of the COVID-19 pandemic and public health crisis still overshadow the tourism experience of Atlantic City and have led to reduced visitation to the resort. Visitors, drawn from dozens of states across the nation are nevertheless overwhelmingly satisfied with their experience.

While the current visitor is most likely over the age of forty (Gen X and Baby Boomers) and traveling with a spouse or significant other, the next generation (Millennials) is also represented in this sample.

Compared to older generations, Millennial visitors place greater importance on recommendations from peers and the media and are more likely to choose a destination based on a specific event or activity. Millennials' reliance on recommendations and the relatively low importance of "nostalgia/memories of past visits" suggest that they have less direct experience of Atlantic City and their opinions regarding the resort may still be forming. The relative importance of special events and specific activities to this group further suggests that events such as the Beach Concert series, the Air Show and other concerts and shows may be a particularly compelling draw for this category of visitor.

The dominant visitor group Gen X and Baby Boomers place great importance on affordability and discounts/promotional offers, and less importance on recommendations, novelty, and variety suggesting that they may have more direct experience of the resort and, having decided what they like about the destination, are seeking value for money in their tourism experience.

Key Findings

- Respondents originated from 42 U.S. states, the District of Columbia and Puerto Rico
- 66% of respondents were between the ages of 41 and 66 encompassing the "Gen X" and younger range of the "Baby Boomer" generation. 8% of respondents were of the "Millennial" generation.
- Visitors made less frequent trips to Atlantic City in the past 18 months than in an average year prior to 2020.
- Individuals traveling with a spouse or significant other were the most common travel group size and composition. Groups traveling with children under the age of 3 were rare.
- Respondents and/or their spouse or significant other made most travel decisions.
- 82% of respondents were satisfied with their most recent visit to Atlantic City with 7% dissatisfied with their visit. Dissatisfaction was largely due to pandemic related or induced changes in service or amenities.
- Travel group interests were less important than affordability and deals and promotions to respondents choosing a travel destination.
- Younger respondents were more likely to rate the recommendations of peers and the media as important in making travel decisions than their older counterparts.

- Specific events and activities, and variety of activities at a destination were more important in the travel decision making process of younger respondents (older Gen Z and Millennials) than their older counter parts (Baby Boomers and Post War/WWII).

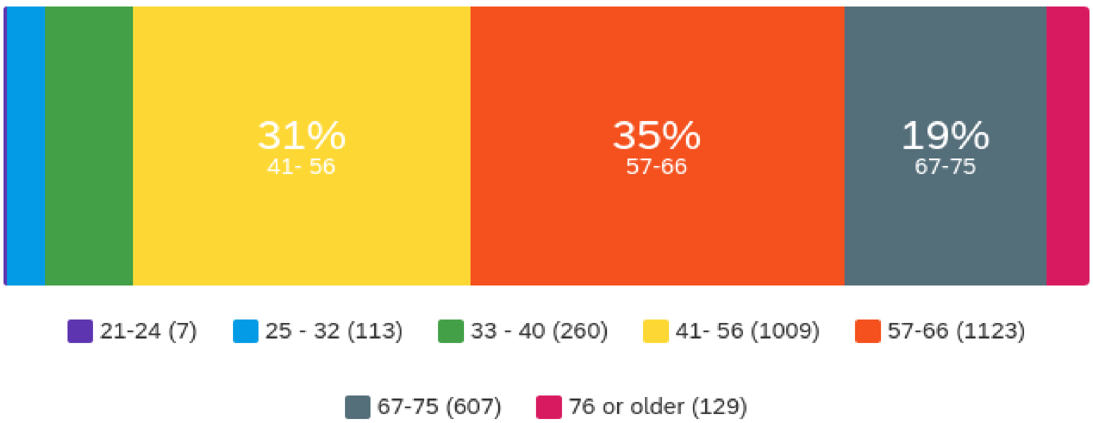
Who: Visitor Demographics

Respondents were asked a series of basic demographic questions to provide context for survey analysis.

Age

While individuals from the Gen Z (24 or younger) through Post War/WWII (76 or older) generations were captured in the survey, the majority of respondents identified as age 41 through 66, encompassing the Gen X and the younger range of Baby Boomers.

"Which of the following captures your age?"



Gender or Sexuality

More than half of survey respondents (62%) self-identified as female. Of the remainder, 34% identified as male and 3% identified as Gay, Lesbian, Trans Woman, Intersex, Questioning, Gender Queer, Agender, Two Spirit or Other, 1% preferred not to answer.

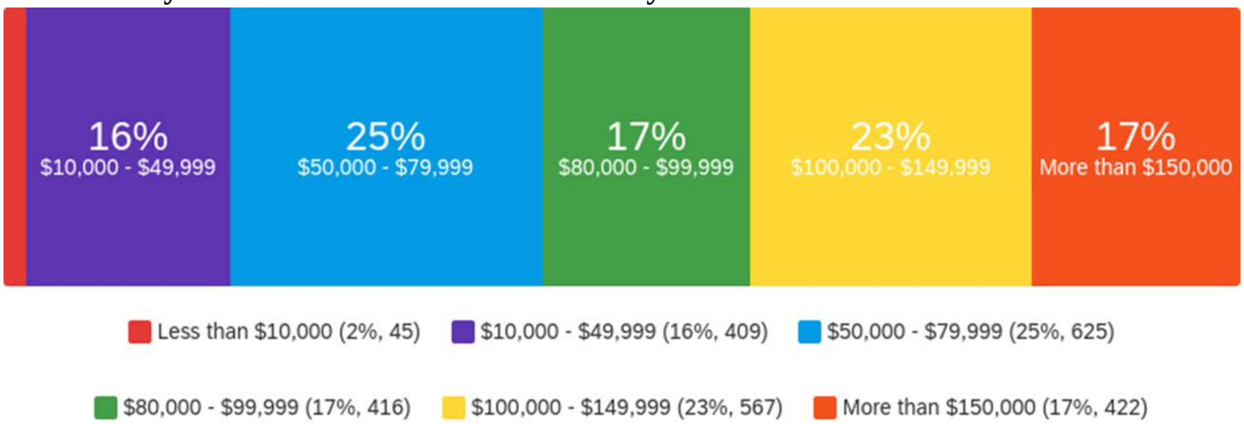
Ethnicity

Nearly three-quarters (74%) of respondents self-identified as White or Caucasian, 11% identified as Black or African American, 4% Hispanic or Latinx, 2% Asian or Asian American, 2% Mixed Ethnic Background, less than 1% American Indian or Alaska Native, less than 1% Native Hawaiian or Other Pacific Islander. 1% self-identified as "Other" with several specifying their ethnicity as "Mixed," "American" or simply "Human." 5% of respondents preferred not to answer this question.

Household Income

Respondents were asked to disclose their household income last year before taxes. Nearly a quarter (23%) preferred not to answer this question. Excluding these individuals, 65% of respondents reported annual household income within the $50,000 to $149,999 range.

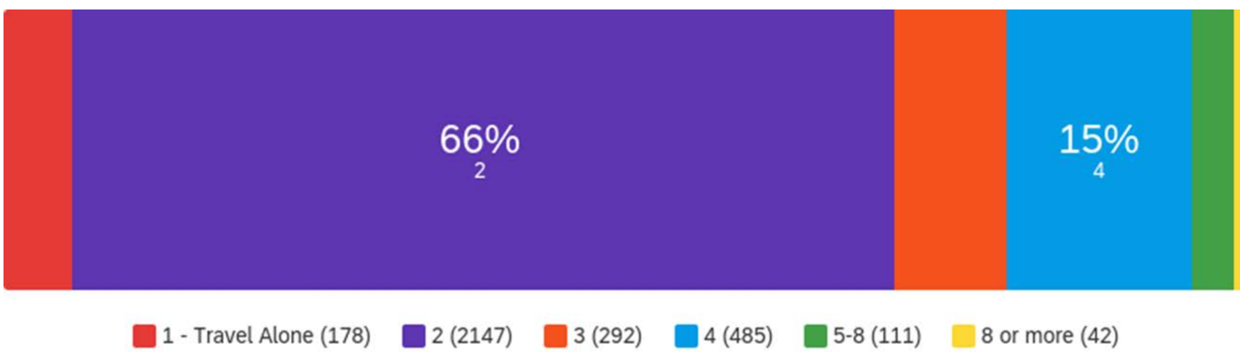
“What was your annual household income last year before taxes?”



Group Size and Composition

The most common size of travel group for respondents was 2 (66%). The second most common travel group size was 4.

“Including yourself, how many people are usually in your travel group?”



When asked who they travel with most often, the majority of respondents indicated that they traveled with a “spouse or significant other.” “friends” or “other family members” were also common travel companions. “adult children or grandchildren,” and “children or grandchildren 13 to 18 years old were less common travel companions and groups including “children or grandchildren 3 years old or less” were rare.

These findings are consistent with past studies including the previously cited *Atlantic City Visitor Perceptions and Preferences 2021* and the annual *Atlantic City Restaurant Week Patron Survey* (the 2020 and 2019 editions).

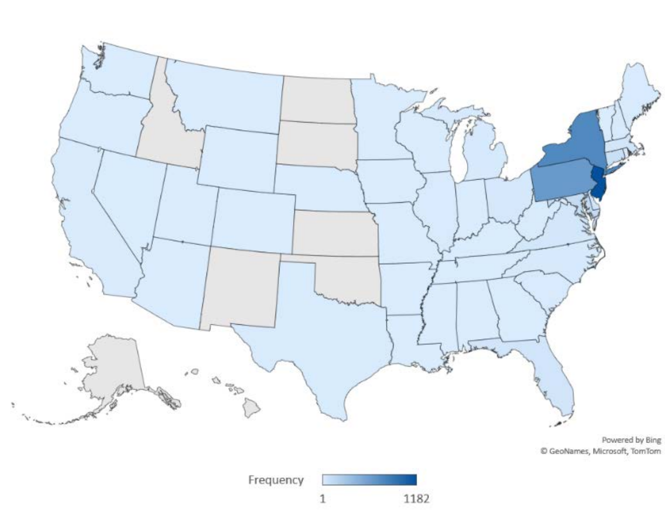
Origin

Respondents were asked to provide the zip code of their primary residence. These zip codes were then organized into county, state, sub-region and regional groupings as defined by the U.S. Census Bureau.

Consistent with prior research, the majority of respondents (81%) originated from the Middle Atlantic states of New Jersey, New York and Pennsylvania. The second highest geographic concentration of respondents (10%) were from South Atlantic states including (in order of frequency) Maryland, Delaware, Florida and Virginia.

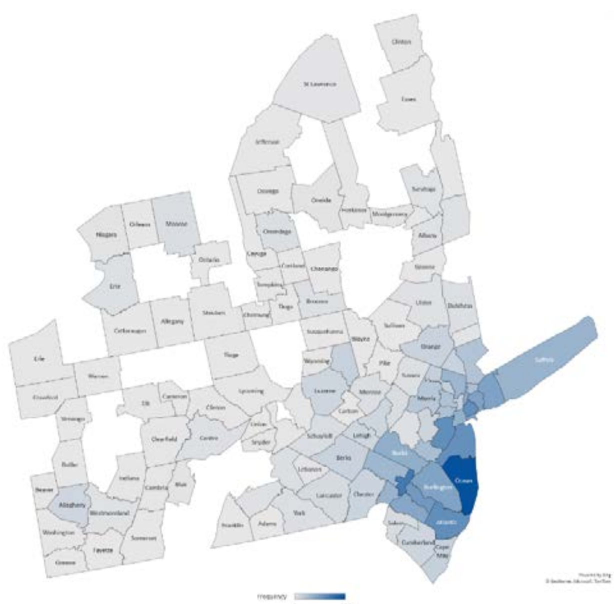
"What is the Zip Code of your primary residence?"

US Census Regions	Frequency
NorthEast	2,722
Middle Atlantic	**2,562**
New England	**160**
South	352
East South Central	**10**
South Atlantic	**328**
West South Central	**14**
Midwest	71
East North Central	**63**
West North Central	**8**
West	22
Mountain	**11**
Pacific	**11**
Puerto Rico and the Outlying Areas	2
Grand Total	**3,169**



While visitor origin concentrated in the Middle Atlantic region, 42 U.S. states the District of Columbia and Puerto Rico were represented in the sample. This is particularly impressive given the lingering impacts of the pandemic which have seemed to suppress air travel in favor of road trips.

The zip code data provided by respondents also permits analysis at the county level. The most popular counties for origin for respondents were (in order) Ocean County, NJ; Philadelphia, PA; Atlantic County, NJ, Middlesex County, NJ; Monmouth County, NJ; and Kings County, NY.

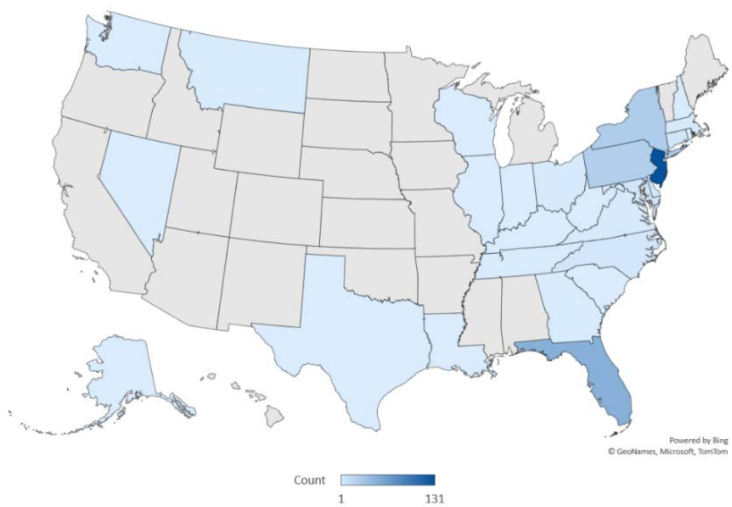


The most common zip codes (in order of frequency) were 08753 (Toms River, NJ), 08757 (Toms River, NJ), 08081 (Sicklerville, NJ), 08401 (Atlantic City, NJ), 08205 (Absecon, NJ), 08050 (Manahawkin, NJ), 08831 (Monroe Township, NJ), and 08087 (Tuckerton, NJ).

Respondents were also asked if they owned a second home and to provide the zip code of that secondary residence. Among the 10% of respondents who indicated they owned a second home; the most common location of that home was again in the Middle Atlantic states.

"What is the Zip Code of your secondary residence?"

US Census Regions	Frequency
NorthEast	195
Middle Atlantic	183
New England	12
South	81
East South Central	3
South Atlantic	76
West South Central	2
Midwest	8
East North Central	8
West	5
Mountain	3
Pacific	2
Puerto Rico and the Outlying Areas	1
Grand Total	**290**



Of the 290 respondents who reported owning a second home 131 (45%) reported owning a second home in New Jersey and 51 (18%) reported owning a second home in Florida. The most common zip codes (in order of frequency) were 08401 (Atlantic City, NJ), 08406 (Ventnor City, NJ), 08206 (Wildwood, NJ), and 08226 (Ocean City, NJ).

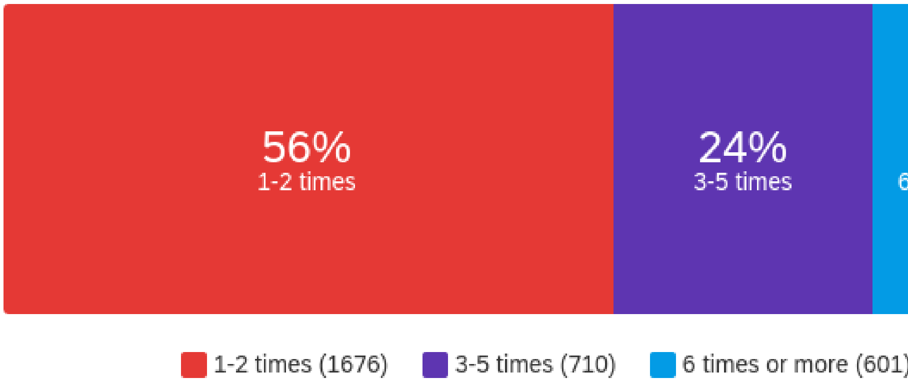
How: Visitor Experience & Perception

Trip Frequency and Length

Respondents were asked about their frequency of visiting Atlantic City in the past 18 months, a period encompassing February 2020 through August 2021 when the impacts if the COVID-19 pandemic and public health crisis were being felt in the region's gaming, hospitality and tourism industries, as compared to pre-pandemic frequency of visiting.

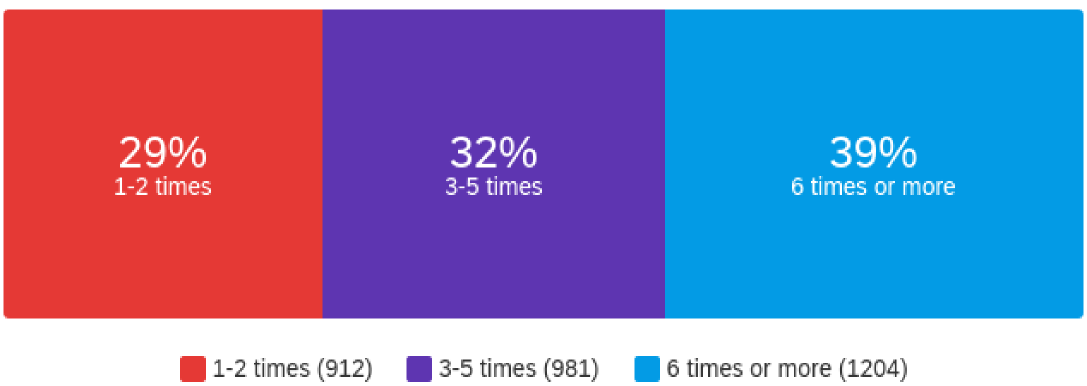
Excluding individuals who live or own property in the region, 56% (1,676 respondents of a total 2,987) had visited Atlantic City 1-2 times in the past 18 months. Only 20% (601) had visited the resort 6 or more times in that period.

“How many times did you visit Atlantic City in the past 18 months?”



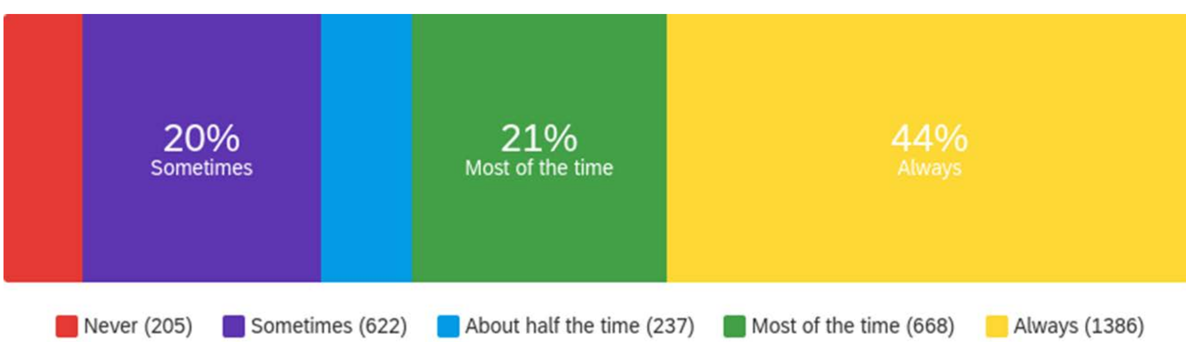
Prior to the pandemic, respondents reported more frequent visits to the resort. Again, excluding respondents who live or own property in the region, 29% of respondents (912 of a total 3,097) visited 1 or 2 times in a given year compared to 39% of respondents (1,204) who reported visiting Atlantic City 6 times or more annually.

“Prior to the Pandemic how many times did you visit Atlantic City annually?”



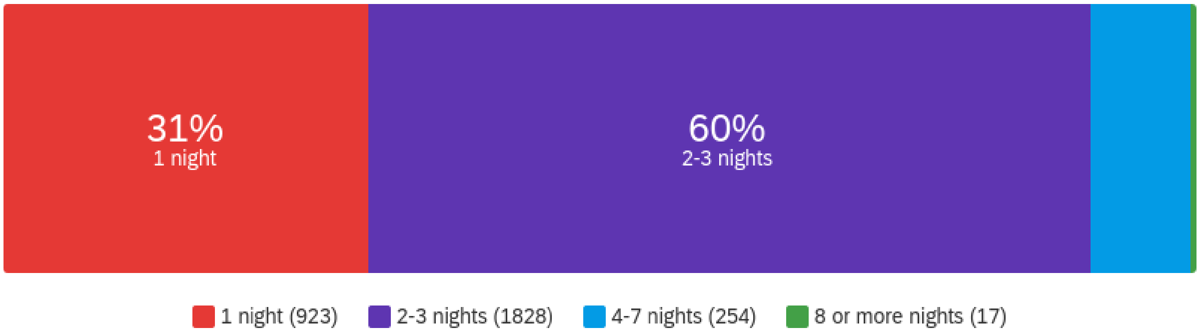
Excluding respondents who live or own property in the region, more than half (65%) of visitors stay overnight in the city “most of the time” or “always.”

“How often did you stay overnight at your destination in the city?”



Again, excluding respondents who live or own property in the region, over half of visitors (60%) spend 2-3 nights in the city during their visit.

"How long on average were your overnight stays in the city?"



Spending

Over half of respondents (65%) indicated that they spent "more than $100" per person per day when traveling including food & beverage, lodging, entertainment and transportation costs. The next largest group (18%) spent between $76 and $100 per person per day.

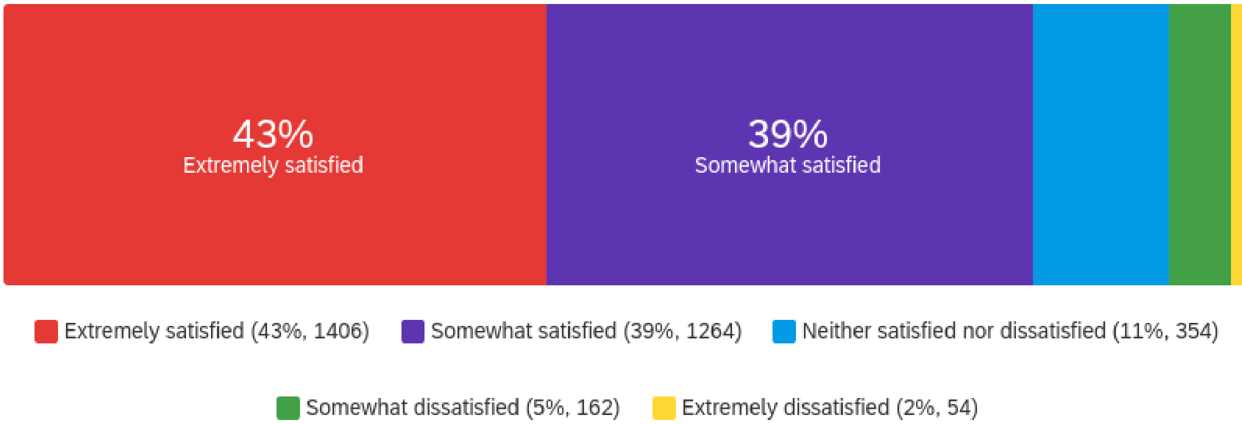
Anticipating that the cost of overnight lodging would drive up visitor spending per person per day, the data was filtered to consider only individuals who "never" or only "sometimes" stay overnight at their destination in the city. Spending rates for these individuals were only slightly lower than the general sample: 56% spent "more than $100" and 19% spent "$76-$100" per person per day. Lower ranges of spending were more represented among this group with 10% spending "$26-$50" compared to 6% of the general sample.

A more pronounced difference was seen in the spending of individuals based on reported annual household income. 49% of individuals reporting annual household income of less than $50,000 (representing 18% of the general sample), spent "more than $100" per person per day on their trip compared to 84% of individuals who reported annual household income of greater than $150,000 (representing 17% of the general sample).

Satisfaction

Respondents were asked about their satisfaction with their most recent trip to the city. The majority of respondents (82%) indicated that they were "somewhat satisfied" or "extremely satisfied" with the experience. A few respondents (7%) expressed dissatisfaction with their trip.

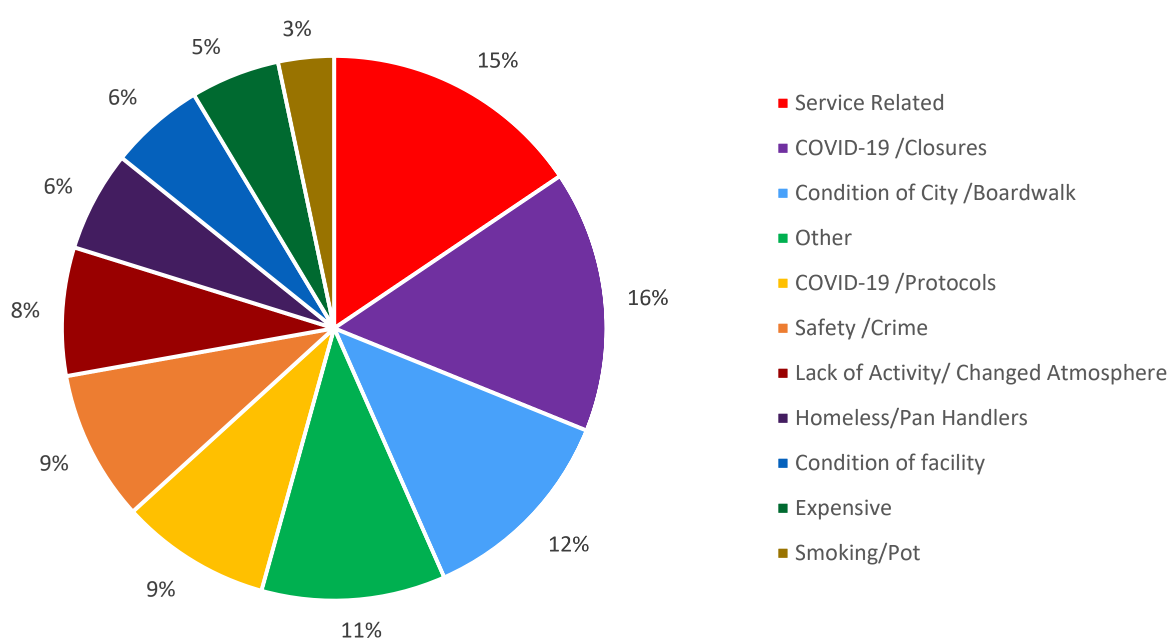
How satisfied were you with your most recent trip to Atlantic City?



When asked their reason for dissatisfaction respondents often cited pandemic related closures, protocols, changes in atmosphere and service-related challenges that may be influenced by pandemic induced staffing shortages in public facing gaming, hospitality and tourism positions. Other reasons for dissatisfaction included the condition of the City and Boardwalk (respondents used words such as dirty, trashy, run-down and grungy to describe conditions), feelings of being unsafe or perceptions that a location was unsafe, and conditions of lodging or other facilities which were perceived to be dirty, dated or not well maintained. Enough respondents mentioned observing homelessness and pan handling to merit separate coding.

The 215 open ended responses were coded to help identify patterns in the visitor experience.

Reasons for Dissatisfaction



What: Visitor Motivations

Interests

Respondents were asked about the interests of their travel group and how often these interests influenced their choice of destination. As anticipated based on prior research, “food & dining,” “gambling,” and “beaches” were common interests for respondents. Among the listed interests, “art & music,” “nightlife” and “shopping” were also popular as were “fairs or festivals,” “nature/outdoors” and the “airshow” specifically.

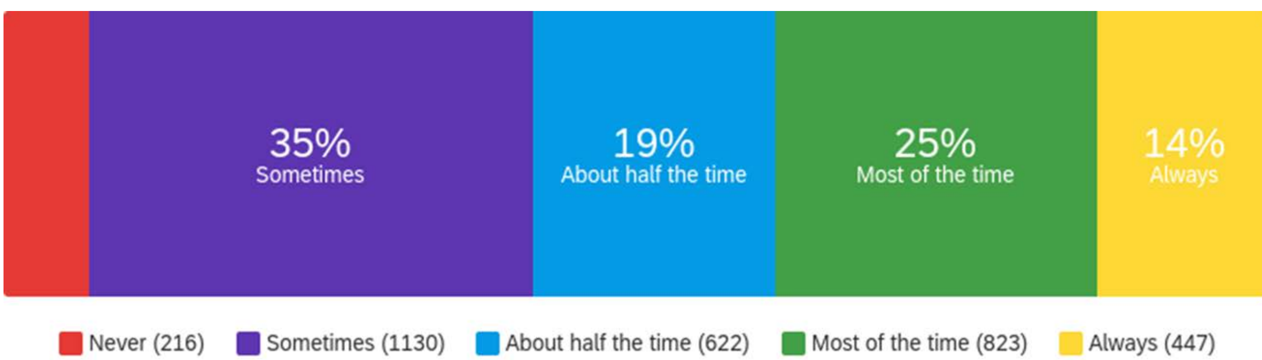
Open ended responses frequently mentioned music concerts and live entertainment as well as strolling on the boardwalk and people watching. Several respondents mentioned relaxing, receiving spa treatments and enjoying hotel amenities such as the pool as interests and features of their trip.

Decision Making

When asked who makes travel decisions, 76% of respondents indicated that they themselves did. 16% reported that their “spouse or significant other” made decisions. Write in responses to “other” (2%), indicated that decisions were made collaboratively with common responses being “Both of us,” “Myself and Spouse together” and “Group Decision.”

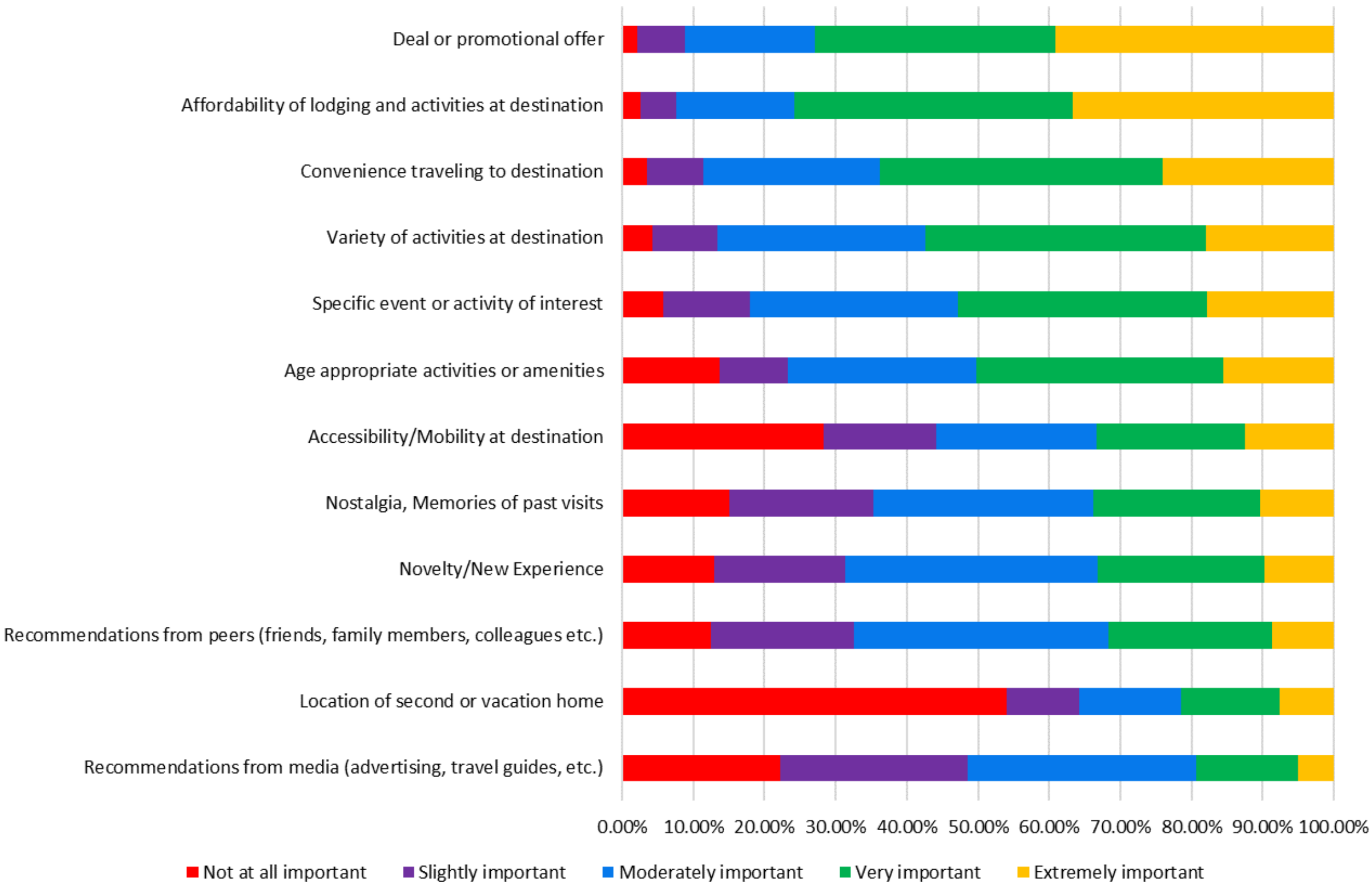
The interests of the respondent and their travel group had limited influence on their travel decision with only 39% reporting that interests influenced their decision more than half the time.

“How often have your interests or the interests of members of your travel group influenced your choice in travel destination?”



Respondents were asked about the importance of several factors in their choice of destination. Among the respondents of this survey, who may be biased based on how the sample was selected and how the survey was incentivized, “affordability of lodging and activities at destination” and a “deal or promotional offer” were very and extremely important. Less important were “location of second or vacation home,” “accessibility/mobility at destination,” “recommendations from media” and “nostalgia.”

“How important were the following in choosing your destination?”



There was some variation across generations in terms of the importance of these decision factors including a few key standouts. With regard to Accessibility/Mobility at destination, 50% of individuals 76 years or older felt it was “very” or “extremely important” compared to 33% of the general sample. While 76% of the general sample felt affordability of lodging and activities at the destination was “very” or “extremely important,” younger millennials (individuals age 25 – 32) felt it was even more important – 84% said affordability was “very” or “extremely important.” Older millennials (individuals age 33 – 40) and older Gen Z (individuals age 21-24) rated age-appropriate activities or amenities as more important than the rest of the general sample, perhaps for different reasons. 76% of older Gen Z and 57% of older Millennials rated age-appropriateness “very” or extremely important compared to 50% of the general sample.

Understandably, the importance of novelty/new experience and nostalgia/memories of past visits differed most at the extreme ends of the generational range with older Gen Z and younger Millennials rating novelty/new experience more important than their Postwar/WWII counterparts (individuals 76 years or older) and vis versa with the Postwar/WWII generation rating nostalgia/memories of past visits more important than older Gen Z and younger Millennials.

Perhaps less direct personal experience of the resort can explain why recommendations from peers held more weight with older Gen Z and younger millennials than with other generational groups. 46% of younger Millennials said the recommendations of peers were “very” or “extremely important” compared to 32% of the general sample. Likewise, recommendations from media were relatively unimportant across the generational range yet, 28% of younger Millennials rated them “very” or “extremely important” compared to 19% of the general sample.

Specific events or activities of interest were more important to Millennials than the other generational groups. Younger Millennials (66%) and older Millennials (58%) rated special events as “very” and “extremely important” with greater frequency than their younger and older Baby Boomer counterparts (53% and 51% respectively). Variety of activities at the destination was most important to older millennials (68% “very” or “extremely important”) and least important to Post War/WWII (45%).

Discussion

In asking who, how and what, the findings of this study paint a picture of two distinct groups – the city’s present, and future visitors. The currently dominant visitor group (Gen X and Baby Boomers) is looking for value in a trusted travel experience while the emerging visitor group (Millennials) is not only looking for an affordable travel option, but also one that includes a variety of quality experiences. Both groups provide Atlantic City’s business operators with an opportunity to craft a tourism product that exceeds expectations.

Through their responses, these visitors highlighted may of the city’s best assets. In addition to quality gambling, dining, and nightlife offerings, the city can claim a world class beach and boardwalk. The city’s entertainment scene, including comedy shows, musical revues, concerts and other live entertainment, resonated with many respondents as did the simple pleasures of relaxing, strolling and people watching on the boardwalk. While mentioned by some respondents, assets such as the aquarium, lighthouse, boardwalk amusements, sporting events and arts and cultural tours and museums present an opportunity to increase awareness of the city’s many off the beaten path amenities.

While very few respondents expressed dissatisfaction with their most recent visit, their observations illuminate some of the city’s most pressing challenges – the lingering impact of the COVID-19 pandemic and public health crisis, and pre-dating it the effects of poverty on the urban landscape. With the *Atlantic City Restart & Recovery Working Group Report* the city has a path forward in addressing this specific challenges not only for visitors but also for the city’s residents.