

2014

Cape May County Tourism Conference

Game Changers

Technology, Travel Trends & Targeting

Economic Impact of Tourism
in Cape May County

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2014 Cape May County Tourism Conference

Game Changers – *technology, trends and targeting*



The 2013 economic impact numbers were released by the New Jersey Division of Travel and Tourism in March, and for the state tourism industry, there was a 1.3% overall increase in tourism expenditures. After concern over the impact from Super Storm Sandy, and the perception the entire Jersey Shore was devastated, the Jersey Cape was able to move past the storm and deliver a winning tourism season. Cape May and Monmouth Counties were two of the four beachfront counties that saw an increase in tourism expenditures. Of the remaining 19 counties, two beachfront and two non-beach counties registered a loss in tourism revenue and one county remained the same.

Tourism in New Jersey is a huge economic engine for the state, ranked the fifth largest industry with \$38.4 Billion in direct tourism sales. Tourism creates 320,240 direct jobs and 511,777 indirect jobs and is ranked as the fifth largest employer in the state, generating 10% of all jobs. Restaurants, Lodging and Retail are the top three job creators statewide. A record 87 million visitors came to New Jersey in 2013, growing nearly 6%.

The four beach counties, Monmouth, Ocean, Atlantic and Cape May, represent 50% (\$19.277 Billion) of the total tourism revenue for the state. The creation of the statewide Destination Marketing Organizations (DMOs) and the marketing funding generated through the Occupancy Tax has allowed destination managers to successfully develop and market attractions and venues that have fostered tourism growth in New Jersey. Each of the 21 counties in New Jersey impact tourism revenue and together creates a thriving and diverse year round destination that supports the local, county and state economy.

Due to late reporting, the final expenditure numbers have been adjusted from last year. However, for the sake of comparison and to get a clear picture, we are comparing the 2012 vs. 2013 data as published in the NJ Tourism Economic Impact study conducted by *Tourism Economics, an Oxford Economics Company*. The New Jersey

Division of Travel and Tourism provides useful and updated research that can be found on their website (www.visitnj.org) under Industry Links.

Based on the data presented at the 2012 New Jersey Tourism Conference and compared to the 2013 numbers, total growth in tourism dollars for Cape May County came in at a net gain of \$266.6 million; the greatest impact was in the retail sector with a \$165 million increase. An increase in retail spending is a good indicator of recession relief and discretionary dollars have eased up with visitors willing to spend on non-essential needs beyond accommodations and food.

In 2013, Cape May County saw a 2.3% increase, representing a record \$5.508 Billion in total expenditures. The Jersey Cape tourism industry saw an increase in revenue in four out of the five segments over 2012. The breakdown in sectors is Lodging, Food and Beverage, Retail, Recreation and Transportation. Retail grew 5.5%, the highest recorded growth since 1994. Transportation was down 3%, the only sector showing a loss.

Cape May County outpaced every other county in the state in retail and recreation sales. The County's share of the state lodging revenue is 20%; and in Food and Beverage the county share is 13% of the state's total. This marks the twentieth year Cape May County tourism has shown growth in tourism expenditures. In 1994, the first year the state provided tourism economic growth numbers, Cape May County generated \$2 billion in tourism revenue and has continued to register growth every year since.

With a boost in lodging, food and beverage, retail and recreations sales, comes an increase in state and local tax receipts. In 2013, Cape May County tourism raised \$511.4 million in tax revenue, representing a 4.2% or \$20.7 million increase in sales tax. We are second to Atlantic County in tourism tax impacts, and average about \$1.4 million in sales tax generated every day of the year by the tourism industry. Each household in New Jersey would need to be taxed an additional \$1,440 per year to replace the tourism taxes received by state and local governments.

To date, Occupancy Tax collected from the Cape May County lodging industry amounted to \$8.01 million, representing 9% of the total \$88 million, an increase of 3.7%, collected state wide, according to the New Jersey Treasury. After a devastating June with nearly \$94,000 fewer dollars generated in Occupancy Tax, and struggling through the first half of July, Cape May County started to see a bump in overnight stays by the second half of July. From that point on, the summer took off, with an uptick in room tax collected during the last quarter, total Occupancy Tax revenue was less than one percent under the 2012 collection rate. August is the peak of the summer season with more visitors coming in August than July. More than 12 million visitors vacation in Cape May County, with two thirds coming during the six week period between mid-July and late August.

On the job front, Cape May County saw a 1.1% increase in direct tourism employment with 25,479 jobs created in 2013. Compared to the other New Jersey counties, Cape May County ranks third in the number of tourism jobs. Tourism employment growth increased in seventeen of the twenty-one counties. Four counties lost tourism jobs (Atlantic, Cumberland, Ocean and Salem) giving the state a .5% increase in total tourism employment.

While there is always room for more business during the summer season, Cape May County tourism has continued to experience growth, however there is a need to expand the season to create more full time jobs and spur investment. With 64% of the economy dependent on tourism it is necessary to develop new investment that will generate more year round jobs in the county. The Jersey Cape has the best opportunity to substantially grow tourism in this county by expanding the spring and fall season. Our 2014 Visitor Survey found that 9.5% of our visitors came in the spring. With the weather still a bit unsettled and many businesses not open full time, we found special events including Easter, bring visitors back to the area during the pre-season. Fall generated twice the number of spring visitors with an 18% visitor rate. The additional number of special events with a broader appeal in the fall attracts more visitors and is in line with the survey results, proving that special events are a key factor in growing tourism.

Interest in fall vacations and getaways is also heightened through nature based activities such as a fall bird and butterfly migration, historic and cultural attractions and shopping and dining—add these elements to a special

events package and the visitor has a compelling reason to stay longer. Non Beach/Boardwalk activities such as museums, historic tours, art galleries, golf, fishing, camping and the zoo are perfect fall activities and of high interest to both domestic and international visitors.

Eco, Agri and Heritage tourism are three of the fastest growing trends in tourism and Cape May County couldn't be a better fit. In researching emerging travel trends, it is easy to connect the dots and promote our historic attractions, birding and wineries as key elements of a fall getaway. Marketing these activities to the summer visitor to entice them to return in the shoulder season is a good way to bring your customer back after the summer. The addition of six wineries and two breweries, that remain open through the fall and winter, are also huge attractors that add to the shoulder season inventory and also fit the demographic of our target audience. Local wines and products tie in with growing trends such as "culinary" and "creative tourism" and blend an authentic experience with the local foods and customs that connects the visitor to the destination.

Foodies are everywhere and always looking for local wines, fresh seafood and agricultural produce and products. Wine pairing and fresh seasonal produce with the catch of the day is something most restaurants can do with a minimal adjustment to their menu. The trend of 'farm to table' meals is of high interest to the foodie and again fit the demographic of our visitors who make food part of the experience. Special events are often the hook to attract visitors during the shoulder season, and a diverse and expanded experience will keep them over night.

We have data showing that fall on the Jersey Cape is sellable and gaining interest for those not tied to the school calendar. In 2013, Occupancy Tax collected from September through November exceeded the 2012 collection rate. The Occupancy Tax collection rate, which represents 5% of the room rate, for September 2013 was up over the 2012 amount by \$37,403; October's increase was \$32,124 and November's increase was \$4,964. October traffic on the Garden State Parkway was up, indicating a potential trend toward later fall visits to the county. The September and October increases are significant since they compare to pre-Sandy impacts.

The large number of second homes in Cape May County (48,350) provides a built-in audience for the shoulder season. Many of our second homeowners use their property as a vacation home only but 53% rent out their property all or part of the summer season. For those, the shoulder season is their time to escape to the cape. Per our second homeowner survey, we are seeing 35% are using their vacation homes throughout the year, coming in the spring, fall and winter. Holidays “down the shore” are on the rise and Boomers/grandparents, who represent the majority of our second homeowners, are bringing families together to celebrate milestone events. Family reunions, holiday weekends and special family gatherings are the top reasons second homeowners come back after the summer. While visiting they support the retail, entertainment and food/beverage sectors.

Multigenerational vacations are growing with 1 in 5 of our visitors in 2013 traveling with parents/grandparents. Businesses need to consider activities that have a broad age appeal. As Boomers age, they want to travel with family members to create memories and bond with children and grandchildren.

The Department of Tourism launched the Boomerang Campaign in July 2013, promoting fall events and attractions during the height of the season to target the largest mass of visitors to the county. Using cooperative marketing grant funding from the New Jersey Division of Travel and Tourism, the department was able to develop a fall campaign that focused on promoting vacationers to return or boomerang back to get a totally difference experience after the summer. In addition to a multi-level outer market campaign, the Boomerang campaign was designed to give summer visitors a glimpse of what the Jersey Cape has to offer during the fall and winter. The premise was to let visitors know about the fall events and pique their interest in a return trip to Cape May County. With participation from the business community, we promoted major attractions, accommodations packages, reduced rates and discounts. Rack cards were placed in participating businesses and posters were displayed at information centers. The success of the program was measured in both the positive response of the businesses as well as the internal metrics we used such as Google analytics to measure website hits and Facebook interaction such as likes and posts.

2013 Cape May County Tourism Expenditures

(Source: NJ Division of Travel and Tourism/Tourism Economics)

Lodging	Food/Bev	Retail	Recreation	Transport	TOTAL
\$2,249 B	\$1,212.8 B	\$1,044.9B	\$637.9 M	\$363.6 M	\$5,508.2B

Direct Tourism Employment:

2010	2011	2012	2013	% Increase
23,990	23,847	24,463	24,479	1.1%

Tourism Employment Impacts

Tourism Employment Direct Impact	Direct Share of Total Employment	Tourism Employment Total Impact	Total Share of Total Employment
24,479	48.5%	35,801	68%

Tourism Tax Impacts (State and Local Taxes generated by Cape May County Tourism)

2011	2012	2013	Percent Change	Share of State	Occupancy Tax
\$473.8	\$478.5	\$511.4	4.2%	11%	\$8.01 million

Comparison (+, -) over 2012

Lodging	+ \$16.9 Million	1%
Food & Bev	+ \$72.8 Million	4.6%
Retail	+\$165.6 Million	5.5%
Recreation	+\$49.6 Million	1%
Transport	-\$46.9 Million	-3%

2013 Cape May County Tourism Inventory

Hotel/Motels - 2,267	Units/Rooms - 18,718
Restaurants - 560 -Yr Rd	700 - Seasonal
Businesses - 3,869	
Campgrounds - 47	17,199 - Campsites
Second Homes - 48,350	

Garden State Parkway Toll Count

<u>DATE</u>	<u>GREAT EGG</u>	<u>CAPE MAY</u>	<u>DATE</u>	<u>GREAT EGG</u>	<u>CAPE MAY</u>
January 2010	408,437	270,934	January 2011	392,844	258,840
February	343,801	228,131	February	386,597	245,321
March	476,201	317,272	March	464,133	308,650
April	532,659	363,274	April	510,691	339,627
May	660,671	472,647	May	641,889	472,647
June	774,787	594,543	June	778,808	574,682
July	1,012,949	796,872	July	1,000,503	815,094
August	933,464	789,460	August	867,017	726,615
September	684,499	538,077	September	664,604	513,921
October	525,919	371,011	October	498,909	357,078
November	459,596	305,548	November	448,929	300,807
December	442,141	277,591	December	452,934	291,147

<u>DATE</u>	<u>GREAT EGG</u>	<u>CAPE MAY</u>	<u>DATE</u>	<u>GREAT EGG</u>	<u>CAPE MAY</u>
January 2012	394,876	256,809	January 2013	395,814	263,726
February	401,482	263,134	February	370,344	249,077
March	460,321	301,300	March	444,938	302,059
April	490,182	338,933	April	476,101	332,943
May	641,301	466,314	May	631,983	458,659
June	785,327	580,870	June	726,541	556,570
July	927,809	773,966	July	911,029	748,472
August	945,009	764,682	August	953,082	767,786
September	597,322	507,089	September	597,635	507,070
October	457,095	323,176	October	506,706	340,465
November	440,162	291,436	November	438,278	279,824
December	426,181	276,709	December	409,966	267,893

Cape May County's Visitor

The 2014 Visitor Survey, measuring the travel habits of the 2013 season visitor found some interesting trends emerging that are helpful as we develop marketing and business plans. The good news is that 80% in 2013 were return visitors which signals a high level of customer satisfaction. This number is significant to the special events and activity planners who need to keep their events fresh and new to draw the return visitor back to their property year after year. Thirty eight percent of our visitors take more than one trip to Cape May County each year and twice as many return in the fall than in the spring.

On the flip side, one in five was a first time visitor, signaling a 20% growth in new customers. Seventy eight percent of our visitors take more than one vacation each year and 65% of them take a vacation to warmer climates such as Florida and the Caribbean. Rentals are a growing form of lodging with nearly one third (28%) of our visitors renting a condo, apartment or house in 2013. With 47% of our dwellings considered second or vacation homes, the highest amount in the state, rental income is in excess of \$8 million.

We are deep in the throes of the aging of the baby boomer generation or preferably call, "vacationers of a certain age"; the youngest turning 50 this year and the oldest turning 68. With that comes a high rate of 55 plus visitors and an increase in couples vacationing in Cape May County. With a slight increase over last year, 48% of the respondents to the survey were couples traveling without children. They are not only a big part of our visitor base but the majority of our second home owners.

Loyalty to Cape May County is strong with the boomers with nearly 37% returning for twenty years or more. They tend to have a higher income bracket, travel more than any other age group, and nearly 44% spend between \$1500 to over \$3000 while on vacation in Cape May County.

The beach and boardwalk remain the top choice for visitors and shopping, the zoo and historic tours and living history rounding out the top five activities of our visitor.

Visitor Profile

Quality of life		Age		Vacation Spending	
Family Oriented	47%	18 – 24	0%	\$100 - \$500	9%
Close to Home	23.5%	25 – 34	<1%	\$500 - \$700	10%
Quiet	50.2%	35 – 44	6.7%	\$700 - \$1000	18.8%
Value	22.6%	45 – 55	24.4%	\$1000 - \$1500	18.8%
Romantic	24.4%	55 – 64	41.6%	\$1500 - \$2000	15%
		65 & over	27.6%	\$2000 - \$2500	11%
				\$2500 - \$3000	8.6%
				Over \$3000	9.1%

- 80% are return visitors
- 87% went to the beach
- 77% went shopping
- 76% went to the boardwalk
- 40% went to the Park & Zoo
- 35% went on Historic Tours/Living History
- 34% went to special events
- 21% traveled with grandchildren
- 48% traveled as couples
- 53% traveled with children
- 79% take more than one vacation per year
- 38% take more than one vacation to Cape May County per year
- 57% return during the shoulder season
- 39% stay 7 days or longer

Top Visitor Markets

Pennsylvania	31%
New Jersey	29%
New York	11%
Canada	7%
Maryland	4%
Other	18%

From technology to travel trends to targeting, tourism marketing is without a doubt changing almost daily, technology has single handedly revolutionized every segment of the industry. Mobile apps are replacing hotel concierges and booking sites are replacing travel agent. The recession changed spending patterns that are not likely to return and that is forcing suppliers to add value to their product. Families are concentrating on paying down debt and expecting bigger than life vacations on a smaller budget. Fuel costs continue in the yo-yo pattern that has been the norm over that past few years, and travel planners are adding the costs to the trip and taking to the sky and or roads in search of the dream vacation.

Value remains top of mind and all inclusive and special packaging is a trend that is here to stay. Vacations are still considered a must for most and luxury is clearly defined and an option for those willing to pay. Shopping is a big part of the vacation experience and in Cape May County approximately 20% of the visitor's total expenditures are on retail purchases. Adventure travel is on the rise and is all about the activities that include nature, culture and physical activities.

The Internet has empowered the vacation planner to find the best vacation deals available and if that isn't you, they are off to the next destination. The traditional summer vacation can be around the corner or around the world. Travel booking sites, such as Kayak, Expedia and Hotels.com are making vacation planning easy by putting all the information, including total costs at the planner's finger tips. Baby Boomers and Millennials are vying for the attention of the suppliers and each has very different wants, needs and expectations, and both are taking vacations and spending money to get them.

The diverse customer base with expanded marketing options makes it impossible for the small business owner to market effectively and efficiently across all media platforms. Research is the beginning of effectively marketing your tourism product. Before you decide on how to spend your marketing budget, no matter what size, you have to know your visitors wants and needs. Most importantly, do you have what they are willing to spend their money to get? Once that is determined you need to review your inventory of assets and ensure that you can provide the products and services that can compete with other suppliers. You can't be all things to all people.

Your research needs to go beyond simple demographics, you need to know more about behaviors, personalities, values and habits that will allow you to better customize your product and services and reach customers that you won't reach using blanket marketing messages. The data provided by Chris Pike of *Tourism Economics* will help you know your customer and determine the profile and behavior of the Jersey Cape visitors.

Technology

If the automobile revolutionized travel in the twentieth century, technology is revolutionizing travel in the twenty first century. Technology is one of the top game changers in tourism marketing, and as new methods of communicating are developing, it becomes harder to compete and get our message to our customer. Mobile technology is growing at warp speed and it is safe to assume that most travelers have access to at least a smart phone. Simply put, in order to grow your market as we move forward, you have to incorporate Social Media into your marketing plan. Social media is not only for the young, it has become the most powerful communications tool since the printing press, and it is here to stay. Marketers should know how it works and use it.

Marketing messages are everywhere; the average person is bombarded with thousands of messages each day from every media platform available, with the next format possibly minutes away. This only makes it harder to define what works, and more and more difficult to differentiate you from your competitor. How you decide what method to use will depend on your product and target audience. You need to give your customer the information about your business in the format they want, and that will depend on knowing their preferences.

Travel research on the Internet has become the top resource for vacation planners to get vacation information and its influencing decision-making faster than any other source. Trip Advisor, Yelp, Trivago and other search engine websites that review properties are giving travelers discounts, ratings and reviews of properties in real time and by people just like them. Are you on their radar?

Marketing has evolved way beyond websites, the World Wide Web has come a long way over the past decade, and the information highway has become information traveling at the speed of light. Google has become a verb, everyone is “Googling” to get the latest information on everything from time zones to happy hour and beyond. There is no better evidence of that than in tourism marketing and services. Technology has empowered the consumer and leveled the playing field among competing destinations. Travelers are trading in their desktops and laptops, and more than 40% of all online travel research is being done on mobile devices, forcing marketers to rethink website content. Less is more when it comes to providing online information and content has to be scaled down into manageable bites for the mobile platforms.

The 2013 Visitor Survey found the top three preferences for getting vacation information is Direct Mail – 59%; Internet/Website – 42%; and, Email – 31%. Keep in mind that our research indicated that 69% of our respondents are 55 plus and 31% are under age 55. This is a compelling response to the claims that print is dead, and a huge reason why we need to determine who our customers are and how they want to receive their information. If we jumped on the trend to use only internet marketing, we would miss a large portion of our lucrative and loyal visitor base. However, we see how the trend is morphing and are moving into the techno-marketing realm while still providing information the “old fashion way”.

Research needs to include not only demographics, but psychographics and technology which will let you know not only who your customer is, but what they like and how they will spend their money. Marketing messages are being used that combine promotional advertisements with entertainment to compete for attention. Traditional print, television and radio ads are driving customers to the web. Mobile devices are putting information in the pockets of our visitors. Geotargeting is allowing marketers access their customers’ locations based on signals from mobile devices to better understand their likes and wants. Again, technology is the biggest game changer in tourism marketing.

Social Media is keeping us on our toes and as our audience becomes more global, we need to keep in tune with the changing techno-landscape to ensure that we are reaching our expanded customer base. As with all media outlets, social media is becoming overcrowded and messages are getting lost in the rush. New to the mix is the shift from conventional brand messaging to conversations and Twitter is being used more as a marketing tool than ever before because it allows the customer to ask questions and get an immediate response.

To reach, and at times keep your customer, you need to refocus your content and listen to what your customer is saying about you. Respond to their questions and comments and develop a dialog and discussion about what you offer and what they want. Added to the conversation aspect is Crowdsourcing, an innovative way of obtaining needed services, ideas, or content by soliciting contributions from your online community. This also provides opportunities to engage with your audience through co-creation of content and enables your audience to share stories, comments and photos.

There was a day when businesses only needed to spruce up, apply a fresh coat of paint and turn on the lights and visitors from throughout the region would flock to their doors from Memorial Day until Labor Day. Were they really the good old days? Not many have the time to process that question. We all know the industry changed at warp speed and fortunately, technology has allowed for easy adaptation by the travel industry. Online bookings and reservation services have allowed smaller niche competitors to thrive based on their ability to be flexible and adaptive to the needs of a specific target audience.

Social Media is already highly used by the younger generation, but older segments of the population are beginning to close the gap. However, almost as soon as we got a handle on Social Media, we find that too is getting overcrowded and saturated with commercial content. Your customer is being bombarded with more than 1500 messages a day; it is becoming more and more difficult for your message to stand out. It is no longer about the message but more about the conversation. Marketers now need to engage the audience, answer questions, respond to comments and facilitate discussion about the product.

Wi-Fi is no longer an amenity but expected and it must be seamless. Mixing business with pleasure is an occupational hazard that businesses need to understand. Smart phones, tablets and other mobile devices are common and many visitors are arriving wired and not far from the job. The tourism industry must stay ahead of the curve or lose customers to those who can offer expected services. Another game changer the destination marketer needs to consider is that travel trends are changing as well.

Keep those hashtags going – visuals are the international language and social media apps such as Instagram are not new but simple to use and its creating #bigbuzz in marketing. Photos are a big part of the sell and need to be part of your marketing efforts. The Instagram app is all about photo sharing and should be included in your tourism marketing plan. As with most social media, this is uncontrolled marketing and comes with some problems. However, this is an opportunity for you to post great images of your product with some educational information to allow the conversation to begin with your followers posting #pictures of your property with comments. Images don't have to be just of your property, but should be more about the visitor experience and special moments that evoke fond memories and emotions. Marriage proposals, anniversary celebrations, milestone events, baby first trip to the beach are shared with followers and help market your business. The most popular hashtag by far is #love. Google hastags and see what ones are the most viewed by followers.

So, how do I do that? If you don't know, below are the instructions taken directly from Instagram.com that will make you part of the #hashtag marketing revolution. First, you have to download the Instagram App.

To tag a photo or video:

1. Take a photo/video and choose a filter
2. On the screen you see after choosing a filter, type your #hashtag in the **Caption** field (example: #flower)
3. If you want to tag a post you've already uploaded, just include your #hashtag in a comment on your photo

After you tag your post with a hashtag, you'll be able to tap on the hashtag to see a page that shows all photos and videos people have uploaded with that hashtag. ([Read our blog](#) for more tips on using hashtags!)

Keep in mind:

- When people who've made their profile private tag posts, they won't appear publicly on tag pages.
- Numbers are allowed in hashtags. However, special characters, such as \$ or %, won't work.
- You can only tag your own posts, not other people's photos/videos.
- You can use up to 30 tags on a post. If you include more than 30 tags on a single photo/video, your comment won't post.

The Power of Facebook

- YouTube is the second largest search engine on the web, 50% of YouTube's 300 million users go at least once a week.
- 3.5 billion pieces of content are shared each week on Facebook.
- Facebook usage is up 40% since last year.
- 65 million Facebook users access the site through their mobile phones, up 100% in the last 6 months.
- 2.5 billion photos are uploaded to Facebook each month.
- The average user on Facebook has 120 friends.
- 96% of 18-35 year olds are on a social network.
- 78% of consumers trust peer recommendations while 14% trust advertisements.
- 25% of search results for the World's top 20 largest brands are links to user-generated content.
- Over 30 million tweets per day.
- 80% of Twitter use is on a mobile device.
- Twitter has 75 million users and adding 300,000 a day.
- 1 in 5 Americans (age 28-35) use Twitter.

Trends

Visitors are looking for the next best thing in travel, something that is unique and will define their vacation memory. For the Cape May County visitor, this is not their first rodeo. Four out of five have visited before, some for more than twenty years. They want to know, what's new; what do you have that I can't get at home; and, can I afford it? Will it be an eco adventure, a culinary experience or an historic tour? Can they find it on your website and is your website mobile? Some travel trends are short lived while others have staying power. Businesses need to be aware of emerging trends and make adjustments to stand out in the crowd of those that are offering what the visitor wants.

Baby Boomers continue to dominate the travel market with more than 1.5 billion of them; they are still the largest domestic and international travel segment and control a huge amount of wealth. They will inherit \$8 trillion and control 70% of all wealth in the United States. They earn \$2 trillion annually, and have more disposable income than other age groups, spending 74% more on vacations than non-boomers. They statistically take 3.7 trips per year and spend \$157 billion on vacation annually. Fortunately for those in the travel business, they rank travel as their number one leisure activity.

Boomers are the fastest growing segment on Facebook and are lost without their computers (84%). They spend more on groceries, health products, and leisure than any other age group, and they still prefer to read a print magazine rather than an online publication.

You may already know this, but they are not only the world's wealthiest segment; they are also the most demanding. Customer service is crucial and they tend to have little tolerance for bad service. For most, they favor quiet and less congested destinations, and like to move at their own pace, stopping along the way to experience new activities. They tend to prefer traveling during the shoulder season and take vacations for rest and relaxation.

Boomers are at a time in their lives when they are looking to check items off their bucket list. Many are combining travel with their pursuit of passion and are at a point in life when they have the time and money to live out their dreams. They are incorporating learning into their vacations such as culinary and photography classes and wine education tours as part of the package.

As the baby boomers age, they are creating another travel sector referred to as “multi-generational’ traveler. Boomers are sharing not only the wealth but the vacation experience. They want their families with them to share the experience and create memories and new traditions. Providing services and activities that appeal to a broader age range is not easy. Attractions need to keep in mind viewing areas for “grands” who want to be part of the experience, along with extra seating, and subtle rest stops along the way.

Millennials are the 18-30 year olds that are coming of age and of growing importance to the travel industry. They have distinct travel preferences and tend to favor urban vacations. They were born between 1980 and 2000 and the last generation born in the 20th century. As a result of growing up with the Internet, Millennials are often said to be the most technologically savvy generation to date. There are about 76 million Millennials in the United States and 20% have at least one immigrant parent.

Baby Boomers and Millennials are impacting tourism trends and many are looking for the experience rather than the consumer goods. It’s no longer the “been there, done that, got the t-shirt’ attitude. They want the, “been there, done that and got the experience I will never forget” vacation. Everyone wants that one bigger than life experience that will define their vacation. In Cape May County, is it sighting that one bird to add to their life list? Tagging a monarch butterfly or catching the big one? Will it be a culinary experience or the thrill of catching the perfect wave or the perfect sunset?

Value Vacations are a trend that is here to stay and the emphasis is on the word, “value”, from automobiles to vacations everyone is looking for value and is not afraid to ask for discounts and coupons. Packages and deals are going to bring attention to your business. Be aware, there is a huge difference between price and value and your customer will know the difference. Value is what you get, compared to what you pay. The vacations planners of today consider value a significant factor in making decisions. Bargain shopping for vacations remains a key element in the hunt for a great family vacation. The value conscience traveler to Cape May County can find a myriad of arts, cultural and historic attractions that will keep them entertained and on budget. Lodging, restaurants, retail and attractions should maintain a brochure rack to pique the interest of the visitors. The more they have to do while on vacation the longer they will stay and the greater chance they will return.

Customers and their perceptions about price have changed as consumers move from credit buying to debit buying as they attempt to reduce personal debt. With most purchases, consumers are resistant to paying more and understandably prefer to get more for less. Coupons, discounts and other incentives are game changers and push loyalty out the window when making purchasing decision. Paying down consumer debt is a priority and top of mind when making vacation plans. If they don't think they are getting value they will move on to the next vacation option.

Conspicuous leisure is another key trend that has been identified *Resonance Consultancy* president Chris Fair as an emerging trend in 2014. This is defined as “the signaling of social status through consumption of experience rather than through consumer goods.” Travelers are looking for the destination that will offer the experience that is the talk of the travel networks and makes them the envy of the social networks. They want the real experience and they want it documented. Unique experiences are not just for the affluent, they are considered social currency, according to Fair. “The preponderance of social media – and with it the widespread sharing of vacation photos with friends, families and colleagues – has fostered the trend”. It doesn't have to be traveling to exotic and remote places to get a real experience. Tours to areas after disasters that allow the visitor to experience the ordeal are now part of the tourism landscape.

Luxury travel continues to be a robust segment of the industry, the number of affluent U.S. households is projected to increase from 10.5 million in 2012 to 20.5 million in 2020. There is a segment of the population that is willing to pay for luxury and they range in age from the Millennials to the Boomers. Saying you provide luxury services is one thing, providing them is another. Know your customer and how much they are willing to spend for your product. Luxury is more than the price tag.

The Destination is the Sell. According to Roger Brooks, CEO of Destination Development International (DDI) travel planners are looking for the activity and not the town or resort. Vacation planners are using search engines to find the activity they are interested in first. While it remains the top reason to choose Cape May County as a vacation destination, it's no longer only about the beach for many visitors. Visitor Surveys conducted by the Department of Tourism follow the national trends and show a rise in eco and heritage travel. Visitors are not afraid to move around the destination and immerse themselves in the local culture and indulge in authentic experiences. Geographical borders and boundaries are not a consideration for those seeking a unique and memorable vacation. Every person they meet along the way from the destination manager to the front line employee should all have a vested interest in letting the visitor know the options available by sharing a bit of local culture.

While Destinations and attractions can't be all things to all people, they must stay fresh, exciting and innovative. Value remains the key and while they are looking for 'bigger than life' experiences on a budget, most cost conscious vacation planners will factor in price over the experience. Adding value to a package or itinerary can be tricky but can be done. One stop shopping is the way that most time starved vacation planners are seeking, and value-added products allow for an opportunity to expand the vacation, spend more or give them a reason to return. In offering traditional travel segments such as nature-based, adventure, agri and heritage tourism options, make sure you include activities such as birding, biking, kayaking, special events and festivals in the overall sell.

Targeting

Target Marketing involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments. The cost of print collateral and mail force businesses to find ways to reach their customer in the most cost efficient manner. Target marketing makes the promotion, pricing and distribution of your products and services easier and more cost-effective. It provides a focus to ensure your message and marketing activities are directed to those who have an interest and will spend money for your services. Research is key in effectively targeting your audience.

Target markets are the different groups of customers who buy particular goods or services. Most tourism organizations have different types of customers who have varying needs and expectations. These different types of customers are known as market segments. Today's consumers are more marketing-savvy than ever before and don't like to be "lumped" with others, it's important that you understand your target market. Defining your customer so narrowly takes continual research and effort. To be effective, it is better to aim at a small target of people who have similar interests and are more likely to buy your services, than expand your reach and waste advertising dollars on lost geography.

Geo targeting in geo-marketing and internet marketing is the method of determining the geo-location of a website visitor and delivering different content to that visitor based on his or her location, such as country, region/state, city, metro code/zip code, organization, IP address, ISP or other criteria.

Geotargeting is on the rise, marketers are now able to access their customers' locations based on signals from mobile devices. Geographic marketing to mobile platforms can be adapted fairly so travelers in certain areas can be offered content and deals applicable to where they are. Apps like Google Wallet, Venmo, and PayPal are

making mobile purchases even easier, streamlining the buying process for travelers targeted by location-based advertising.

A common usage of geo targeting is found in online advertising, as well as internet television with sites such as iPlayer and Hulu, which restrict content to users geolocated in specific countries; this approach serves as a means of implementing digital rights management.

Niche marketing, also referred to as micromarketing allows us to define specific segments of the population and market products and services that would appeal to that audience. Research and geotargeting helps to identify the likes and wants and customize our message. Age and gender were often used as a marketing segment and all ads were geared toward a broad demographic using those parameters. Those lines have been blurred and niches need to be 'created' by identifying needs, wants, and requirements that will satisfy them. As a strategy, niche marketing is aimed at being a big fish in a small pond instead of being a small fish in a big pond. This again points to the theory that marketing to a thousand people who want your product is more effective than marketing to 5000 who are not familiar with you and their preferences are unknown. It goes back to trying to sell ice to an Eskimo.

Made in Cape May County or selling locally grown products and merchandise is a growing trend that allows us to showcase our culture and heritage. We don't have to build it or invent it; Cape May County has many local specialties that are in demand for the trendy visitor. From fresh seafood, including the return of the salt oyster, to fresh farm picked produce, flowers, honey, beach plum jams and wine, we have the foodie covered.

This is a movement that also has staying power and fits into many travel trends. Art by local artists depicting area vistas and attractions have been the answer to how many t-shirts and boxes of salt water taffy do I need to remind me of my vacation. Shell collecting has been a favorite since the first visitors set foot on our shores and it's hard not to find that unique shell along the beach that tells the vacation story and evokes fond memories.

Eco and Agri tourism were made with the Jersey Cape in mind. Nature based activities add to the experience and extend the vacation. Dolphin and whale watching trips were part of the vacation list for 1 in 5 visitors in 2013. Birding attracts international visitors throughout the year. Butterflies, horseshoe crabs and red knots have put Cape May County on the International map.

Vineyards, wineries and breweries are a natural and have opened a new and exciting addition to a Jersey Cape vacation. Wineries and Breweries have become part of the destination and for many they are a destination in and of themselves. Events, tours and tastings are part of the experience on so many levels and fit the demographic of our visitor. Wineries and Breweries in the area are growing and will serve to expand the season and bring new customers to the area year round.

The *Cape May Salt Oyster* is an Atlantic oyster grown in the Delaware Bay along the shores of Cape May County, New Jersey. The salty, succulent flavor of the *Cape May Salt* has made it a favorite of oyster lovers for centuries. Archeological evidence shows that what we now call a *Cape May Salt* was first enjoyed by the Native Americans who inhabited the southern New Jersey Delaware Bay Shore. When European Colonists arrived in the 1600's they too developed an appreciation for this delicacy. Intensive cultivation of *Cape May Salts* began towards the end of the 19th century. *Cape May Salts* quickly became the prize of oyster connoisseurs across the country. Production of *Cape May Salts* continued well into the first half of the 20th century. Unfortunately MSX, an oyster specific disease, decimated the entire Mid-Atlantic oyster industry in the late 1950's. As a result, production of *Cape May Salts* ceased for almost half a century. (www.capemaysalts.com)

What's the Buzz? Each year marketers come up with terms or phrases to identify and target certain segments of consumers. Move over Yuppies, Boomers and GenXers, there are new spenders in town.

YUM or a YUMMY is a Young, Urban, Male, who because they haven't married yet, have substantial disposable income that they are spending on luxury goods. During their vacations, they are likely spending time enjoying nightlife in cities, and then venturing out for adventurous activities, such as climbing, surfing, kayaking, or safaris.

Millennials – 18- to 30-year-olds, a much more ethnically diverse group than other generations and spend money to travel. They are more likely to travel for leisure in organized groups with family and friends. This age group is

more likely to use their mobile phones to share travel photos, post travel reviews and blog or recount travel experiences online.

Bleisure is a business traveler who extends a business trip to participate in a leisure activity. According to Orbitz, 72% of business travelers take an extended trip that has a leisure component.

PANKS – Professional Aunts; No Kids. – this demographic travels with nephews, nieces and godchildren. In the US alone, PANKS collectively spend about \$9 billion annually.

Bike-Sharing is a service in which bicycles are made available for shared use to individuals on a very short term basis. The main purpose is transportation: bike share allows people to depart from point "A" and arrive at point "B" free from the worries of ownership.

Age shifting – people in general are not living lives based on their chronological age, which makes it more difficult to target based only on age.

Psychographics - the study of personality, values, attitudes, interests, and lifestyles and focuses on interests, attitudes, and opinions. Lifestyle and behavioral information are playing a larger role in branding and target marketing, it is important to know why they buy.

Crowdsourcing – the practice of obtaining needed services, ideas, or content by soliciting contributions from a large group of people and especially from the online community rather than from traditional employees or suppliers.

Virtual Community – also known as an online community is a social network of individuals who interact through specific social media, crossing geographical and political boundaries in order to pursue mutual interests or goals.

2013 Cape May County Facts and Figures

(Prepared by Cape May County Planning Department)

Demographics

256 Square Miles	13,115 Available Land Acres
210 Miles County Roads	16 Municipalities
22 Bridges	16 Local School Districts
5 Toll Bridges	1 Regional High School
3,869 Businesses	1 Technical School District
57,300 Labor Force	1 Special Services District
54,511 acres eco-tourism/open space	

Population

Year	Winter	Summer
2005	106,512	634,532
2006	99,286	634,532
2007	98,149	624,654
2008	95,650	766,228
2009	96,392	767,708
2010	97,265	763,940
2011	96,601	808,104
2012	96,304	812,015
2013	N/A	796,655

Utilities

Year	Winter	Summer
2005	100,082	105,726
2006	100,948	106,482
2007	100,942	107,620
2008	106,558	110,525
2009	110,784	112,828
2010	109,567	112,383
2011	108,877	112,067
2012	106,021	110,653
2013	103,171	109,009

Public School Enrollment

Year	Elementary	Secondary
2001	11,078	4,181
2005	10,179	4,695
2006	9,880	4,179
2007	9,448	4,372
2008	9,933	4,016
2009	8,625	4,202
2010	9,873	3,513
2011	10,016	3,219
2012	10,315	2,756
2013	9,859	3,134

Non-Public School Enrollment

Year	Elementary
2000	1,719
2003	1,737
2005	1,755
2006	1,354
2007	1,178
2008	1,292
2009	784
2010	505
2011	428
2012	373
2013	358

Hotels and Motels

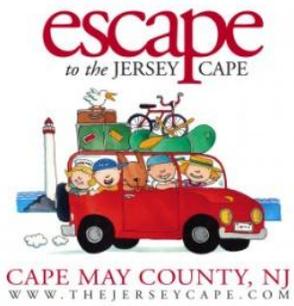
YEAR	# OF BLDGS	UNITS/RMS
2000	2,358	23,729
2003	2,374	24,009
2006	2,270	18,877
2007	2,268	18,725
2009	2,269	18,749
2010	2,269	18,749
2011	2,269	18,747
2012	2,267	18,699
2013	2,267	18,718

Campgrounds

Year	Number	Sites
2003	47	15,432
2006	46	15,394
2007	45	15,672
2008	47	15,506
2009	47	15,238
2010	47	15,154
2011	47	14,724
2012	47	15,159
2013	47	17,199

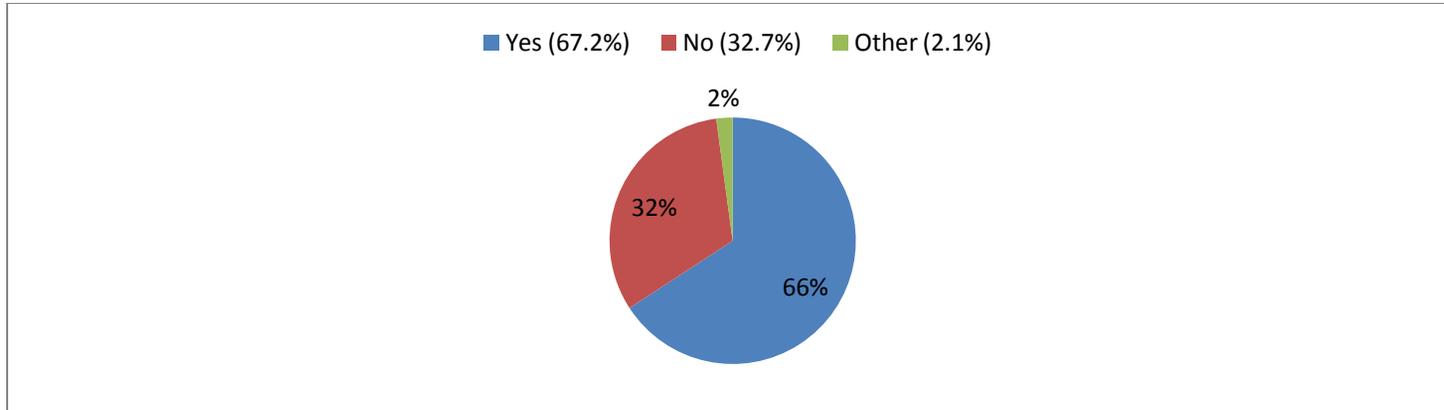
Restaurants

Year	Year Rd.	Seasonal
2005	620	835
2006	623	793
2007	629	762
2008	634	743
2009	660	765
2010	670	773
2011	522	783
2012	687	798
2013	560	700

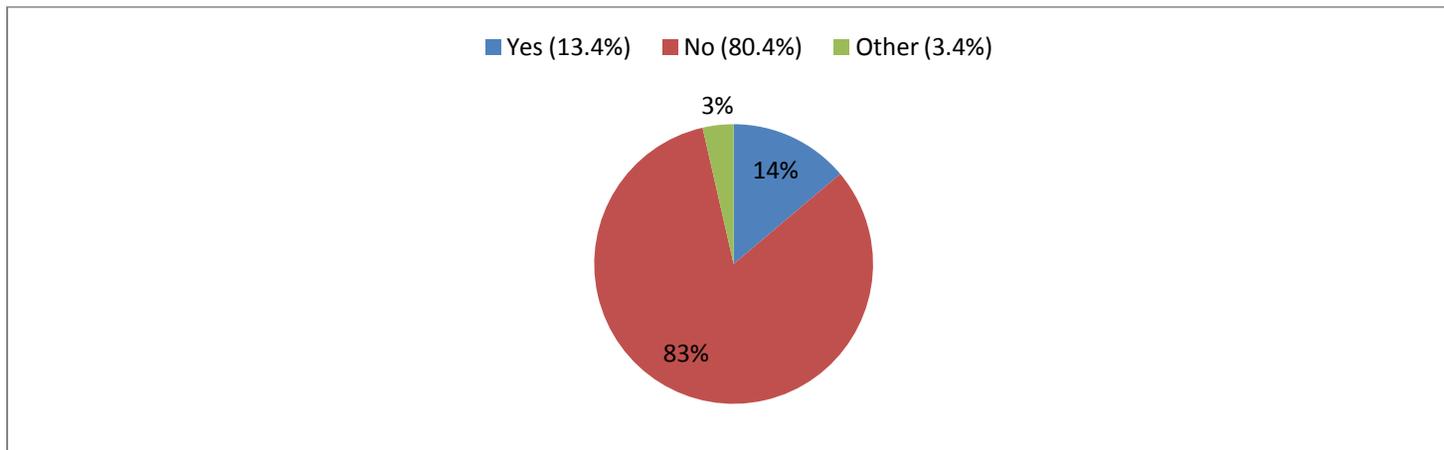


2013 Visitors Survey

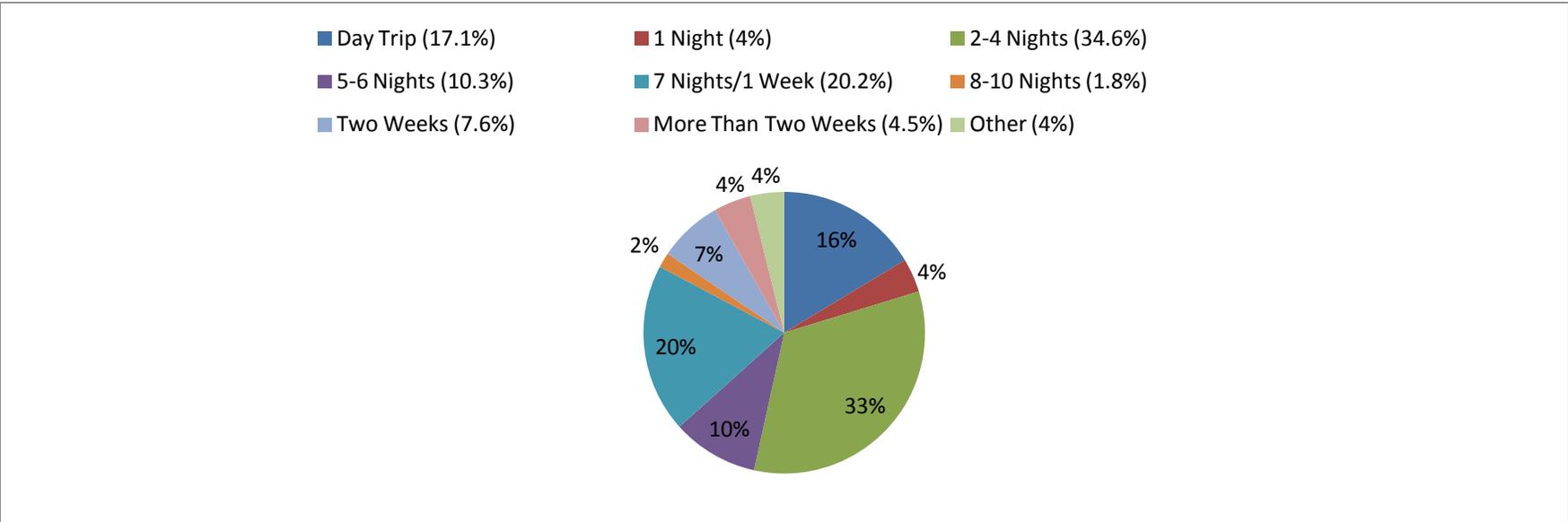
Did you take a vacation to Cape May County in 2013?



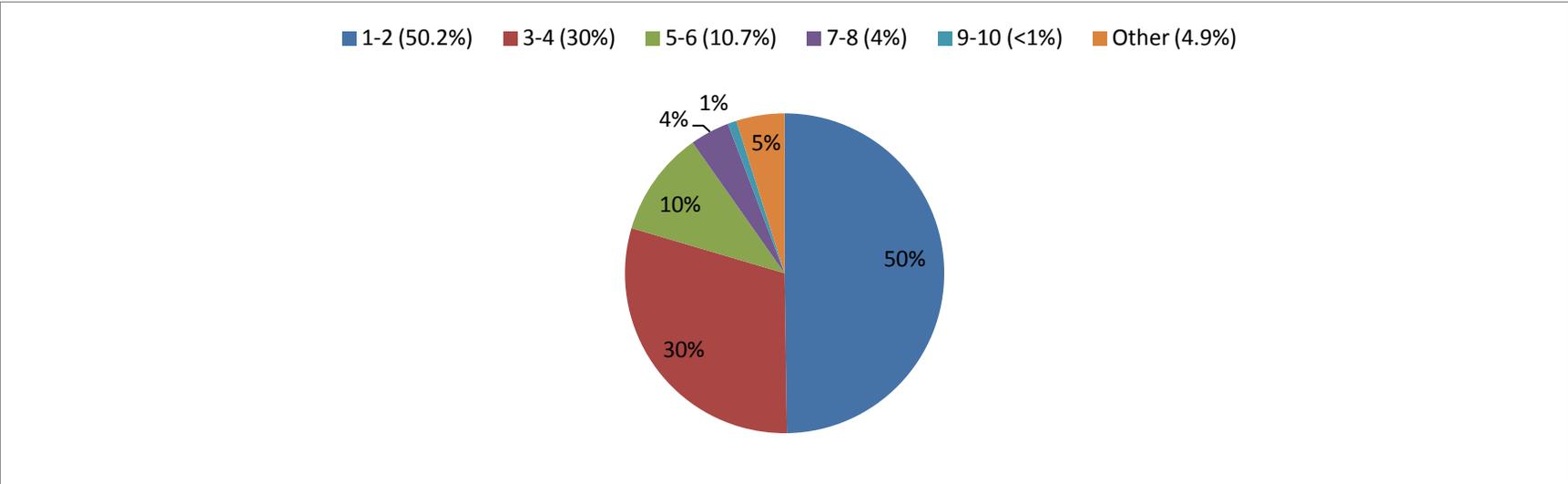
Was this your first trip/vacation to Cape May County?



If you visited Cape May County, how many nights did you stay?

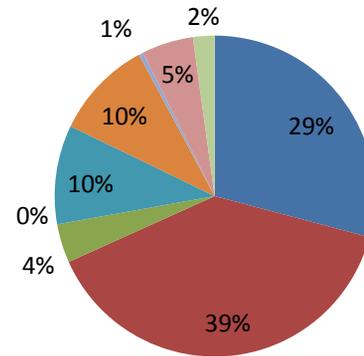


Total number of people, including yourself, who travelled with you:



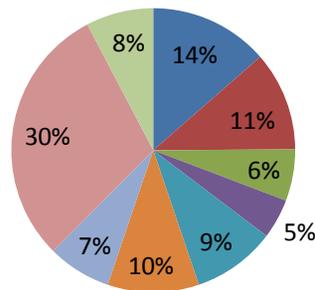
How did you hear about us?

■ Family/Friend (29.1%) ■ Return Visitor (39.1%) ■ Print Ad (3.9%)
 ■ Television (0%) ■ Internet/Website (10%) ■ Travel Guide (10%)
 ■ Travel/Trade Show (<1%) ■ Other ■ No Response

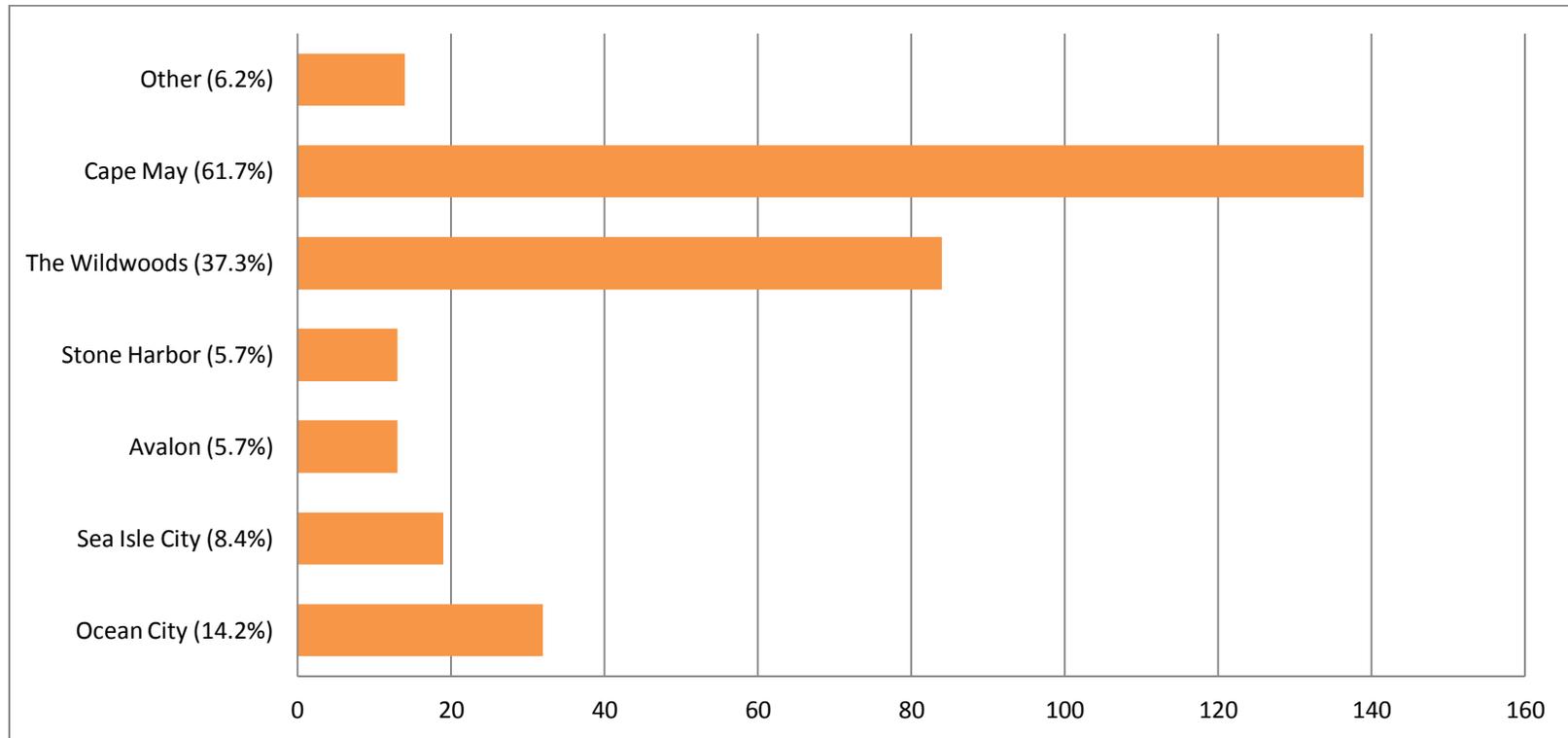


How many years have you been coming to Cape May County for a vacation?

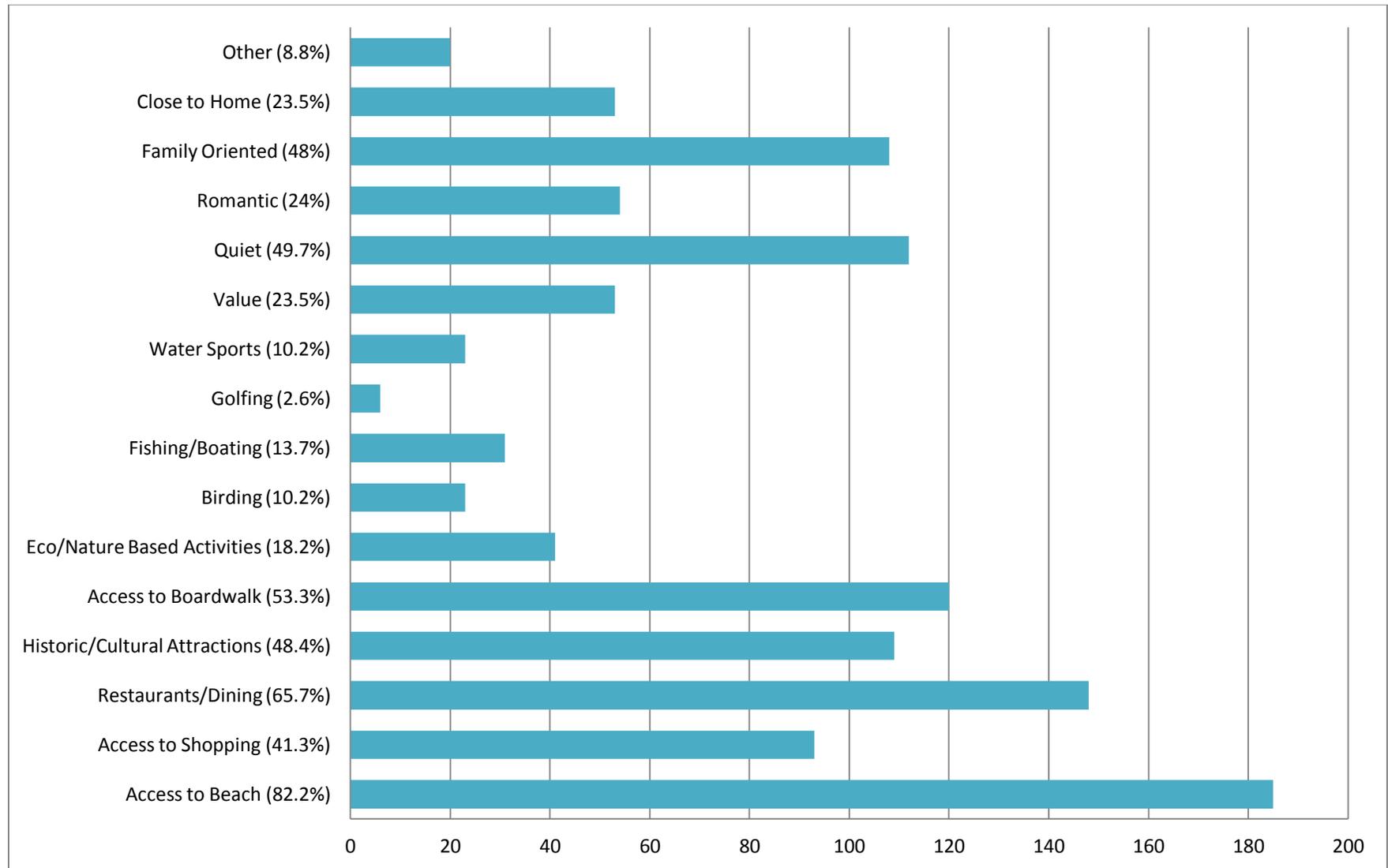
■ 1-2 Years (13.5%) ■ 3-4 Years (11.2%) ■ 5-6 Years (5.8%)
 ■ 7-8 Years (4.5%) ■ 9-10 Years (9.4%) ■ 11-15 Years (10.3%)
 ■ 16-20 Years (8.5%) ■ More Than 20 Years (29.7%) ■ Other (7.6%)



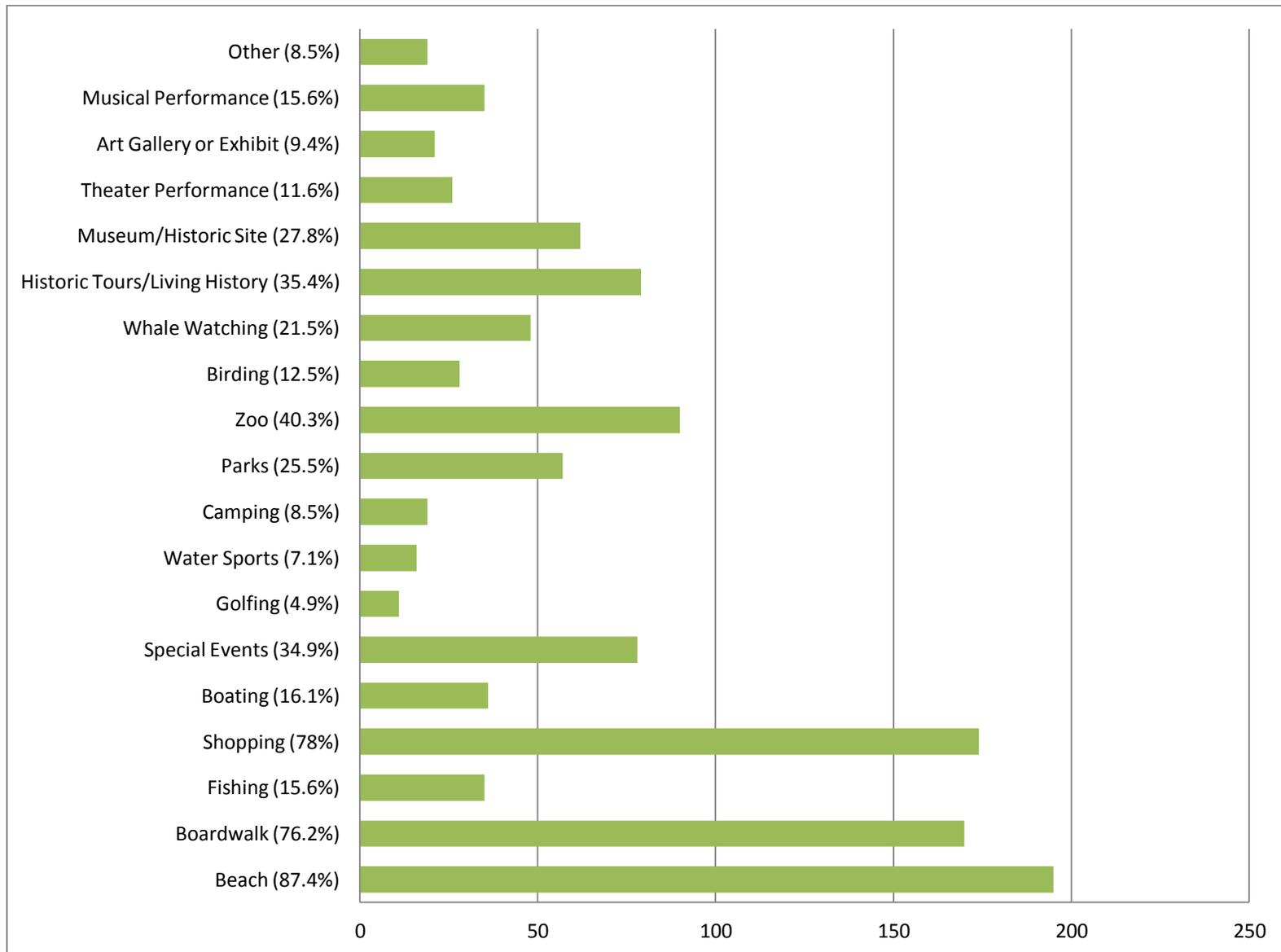
Which Cape May County resort is your vacation destination?



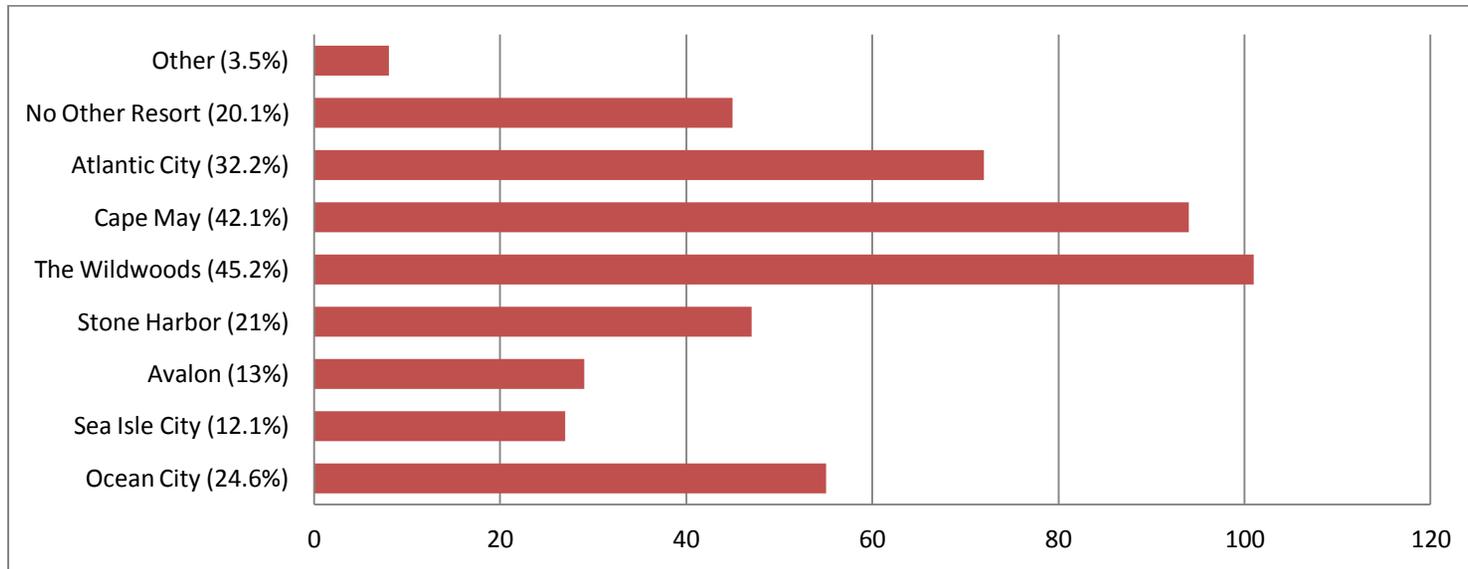
**What are the most important factors in choosing Cape May County as your vacation destination?
(Why do you come to the Jersey Cape for vacation?) Select all that apply:**



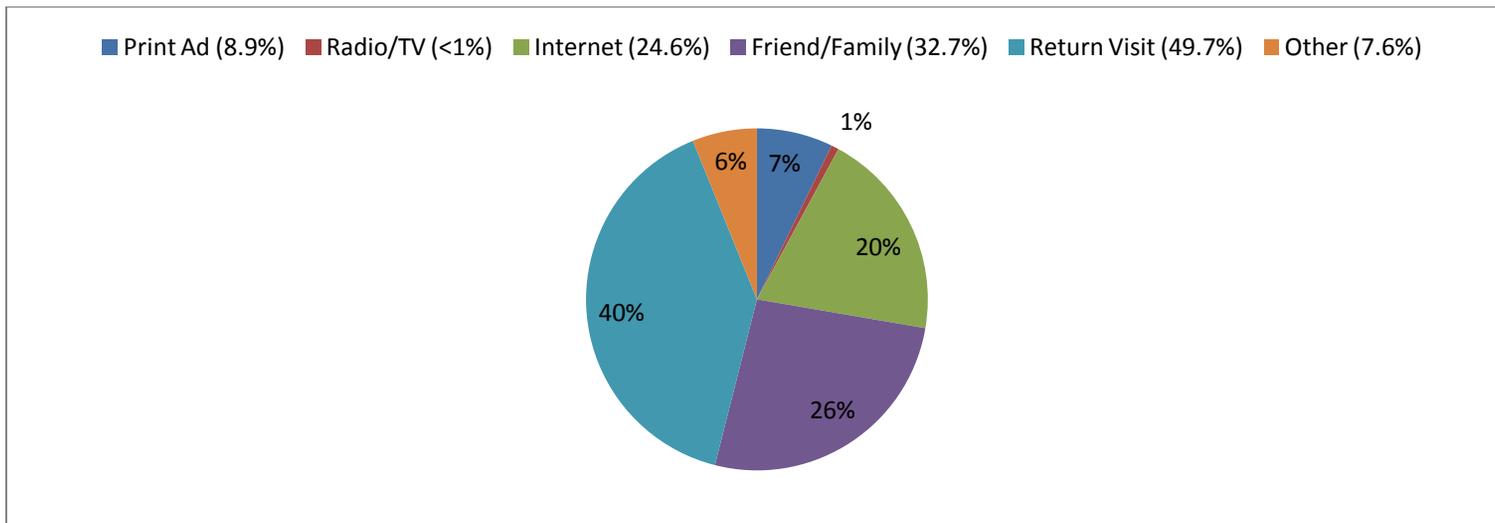
What leisure activities did you participate in while in Cape May County? Select all that apply:



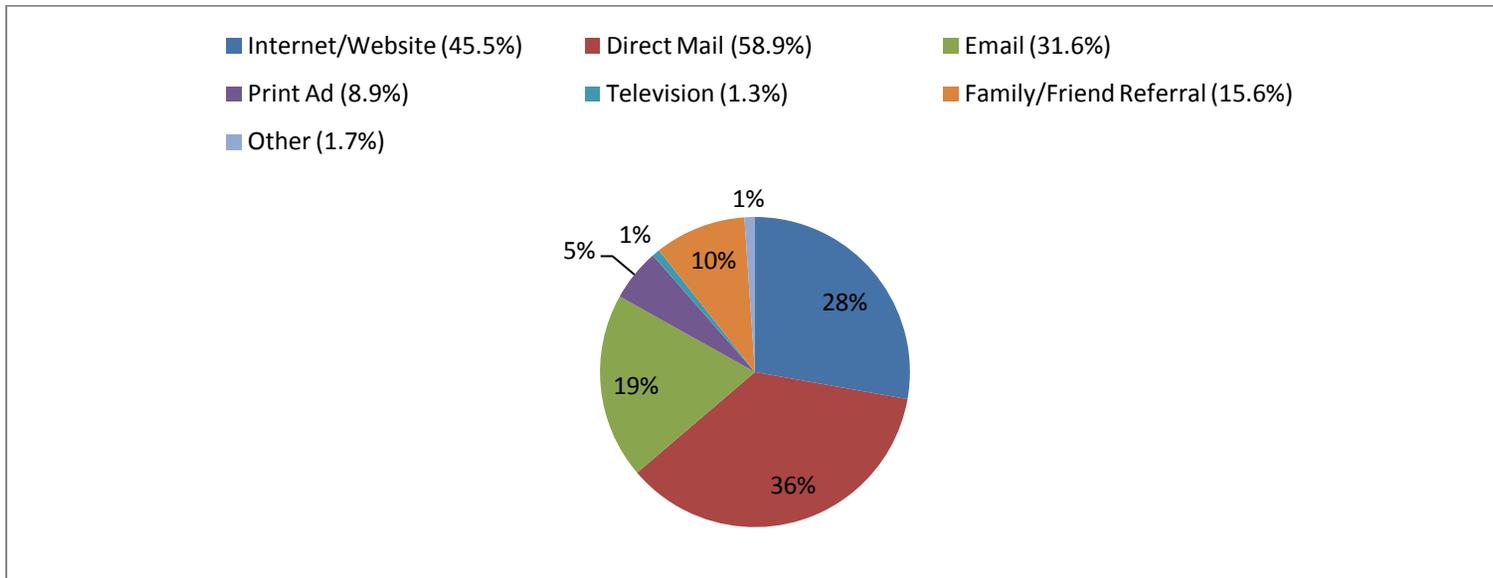
Did you visit other Cape May County resorts while on vacation? Such as the following:



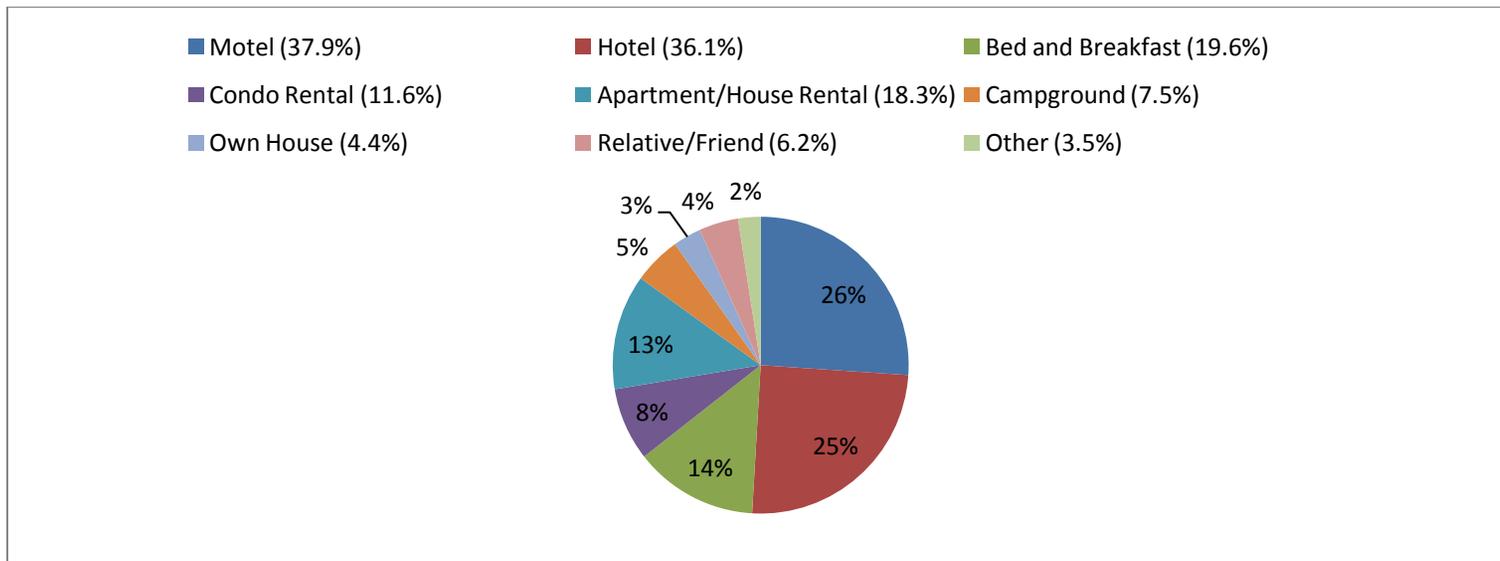
Where did you get the information that helped you choose Cape May County as your vacation destination?



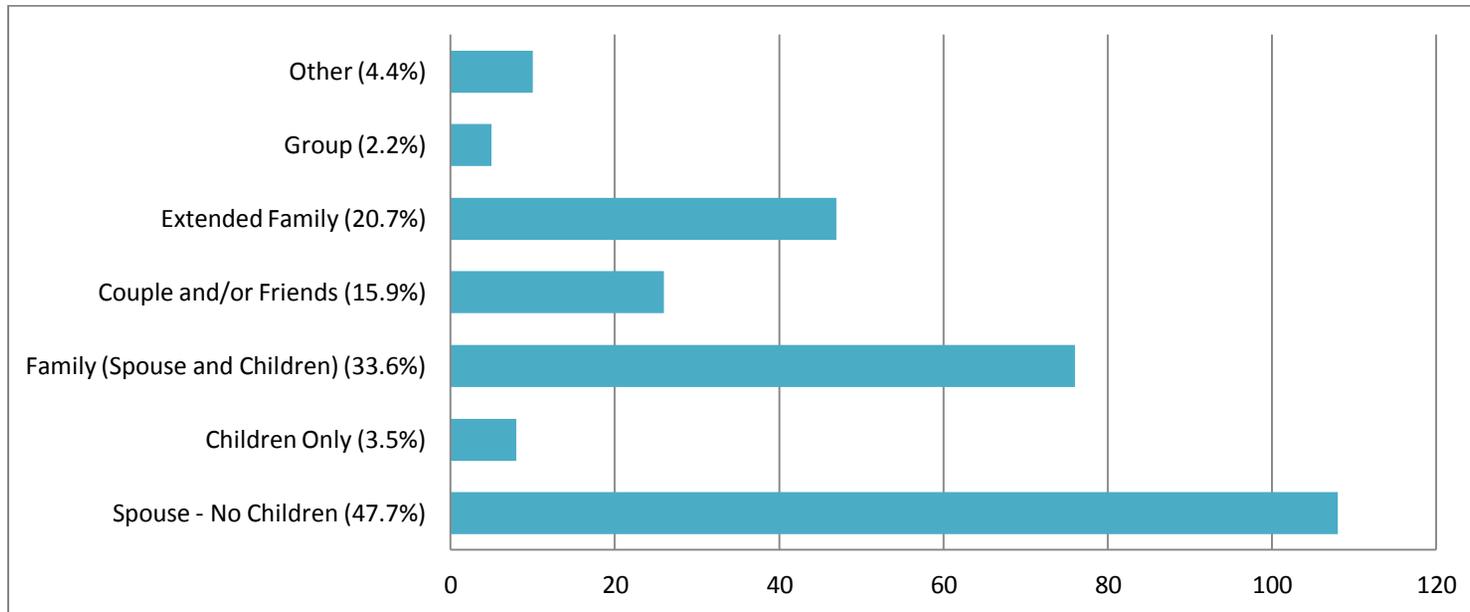
How do you prefer to get your vacation information?



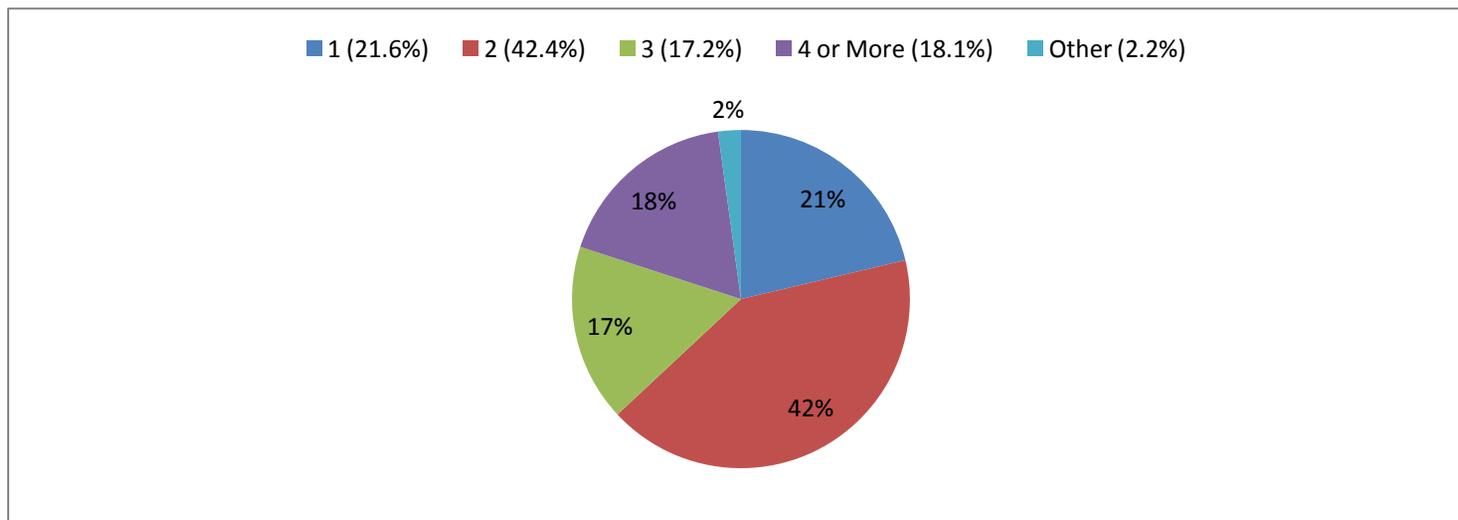
What type of accommodation do you most often stay while on vacation in Cape May County?



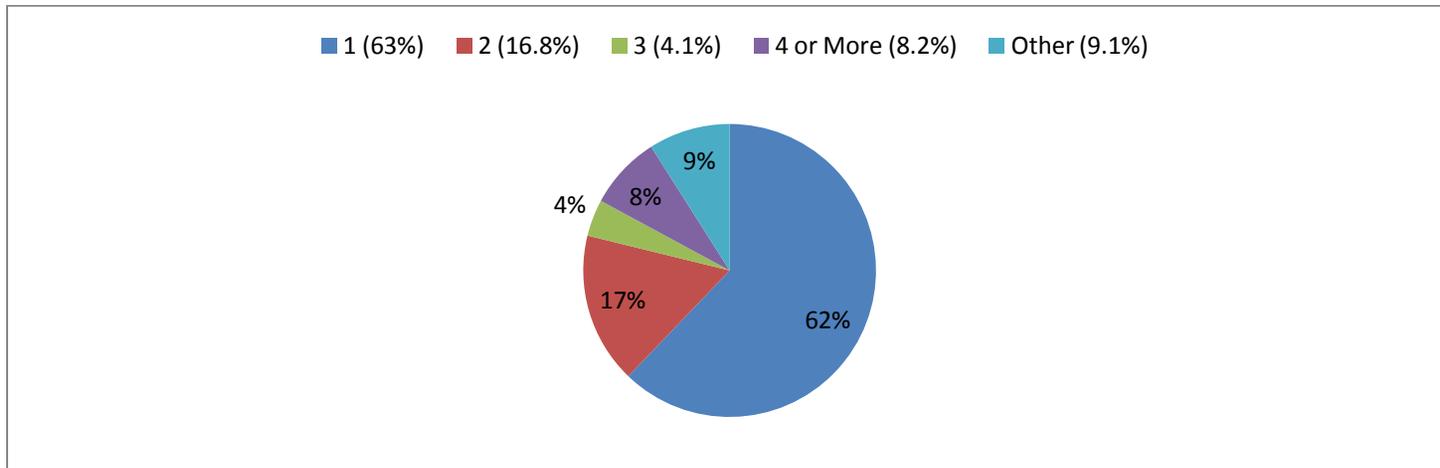
Who is most likely to travel with you when vacationing in Cape May County?



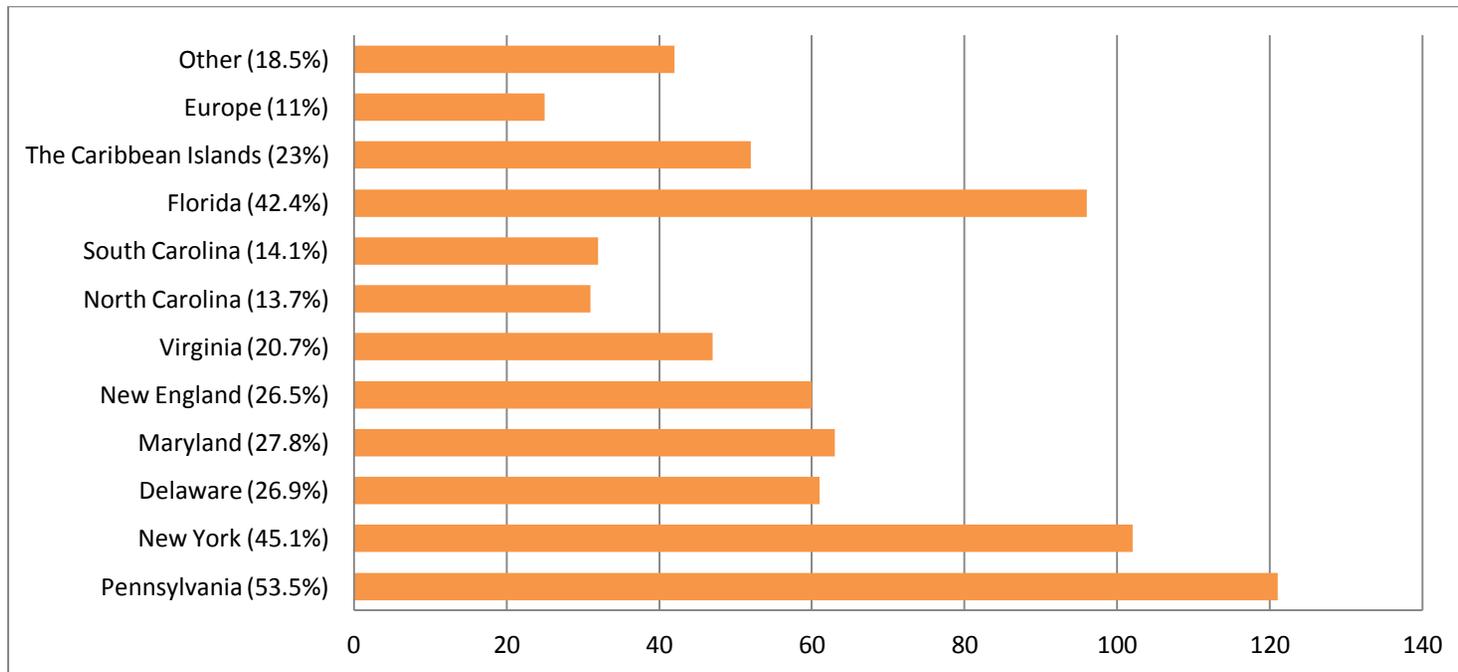
How many vacations do you usually take each year?



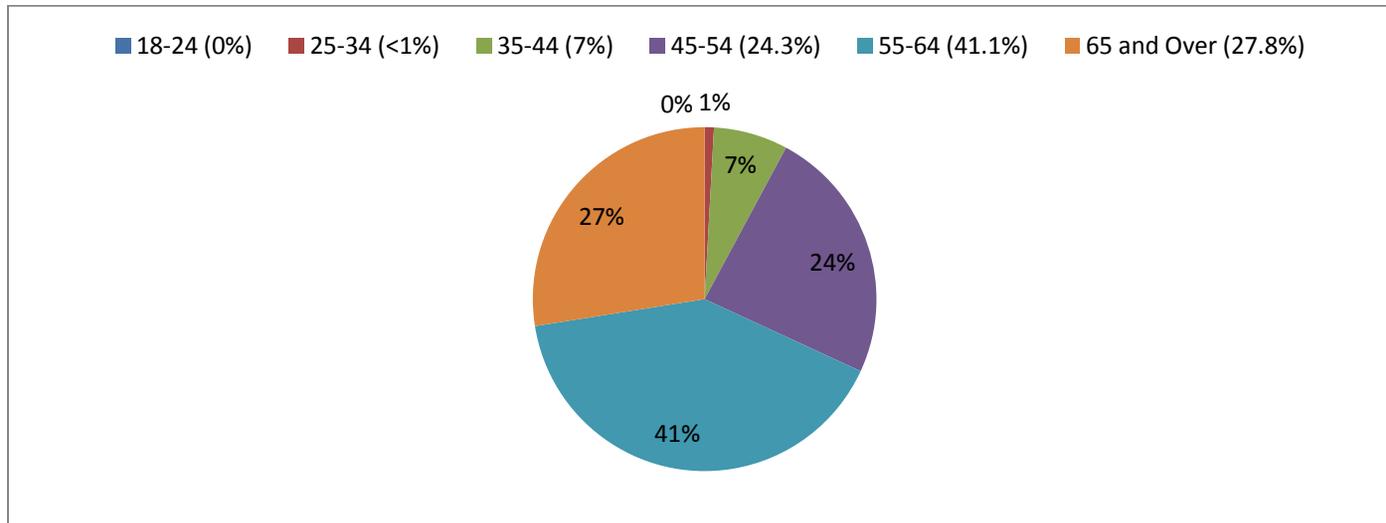
How many of those vacations were to Cape May County?



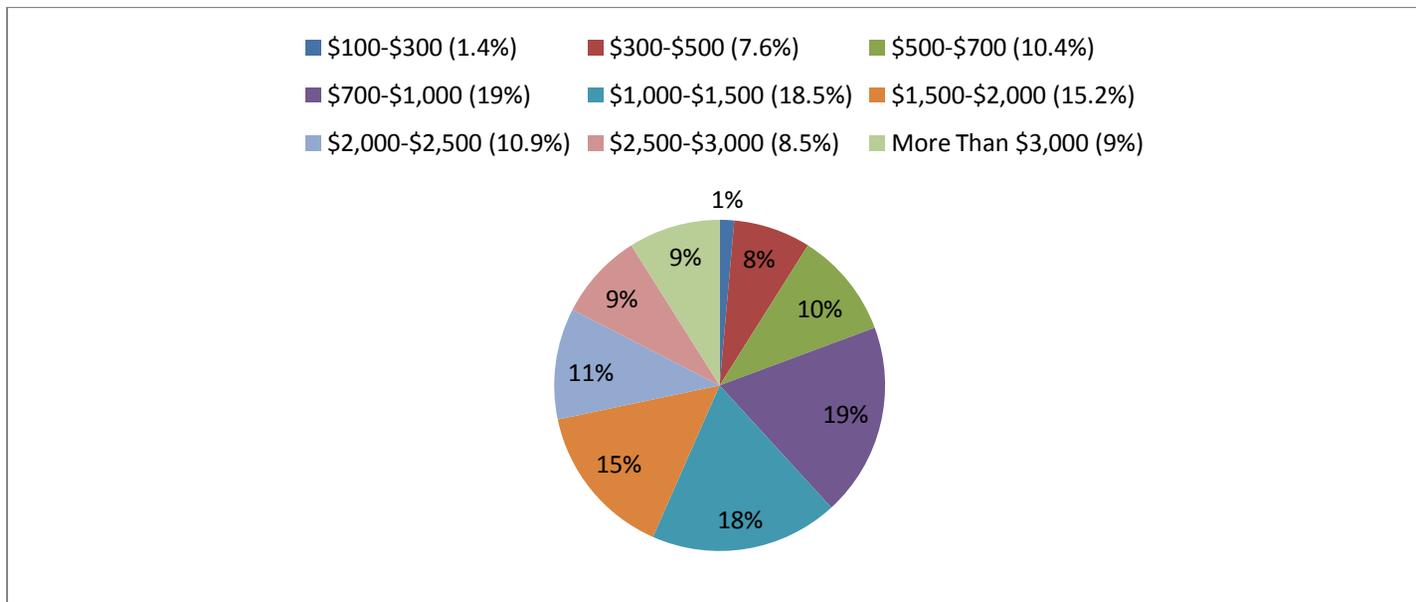
Where else do you travel?



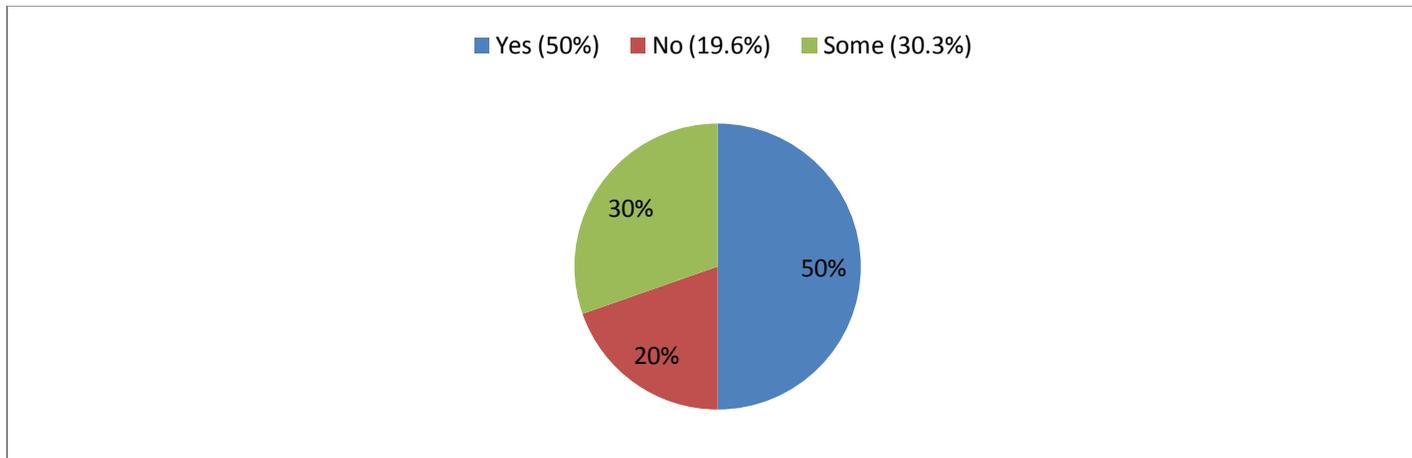
What is your age group?



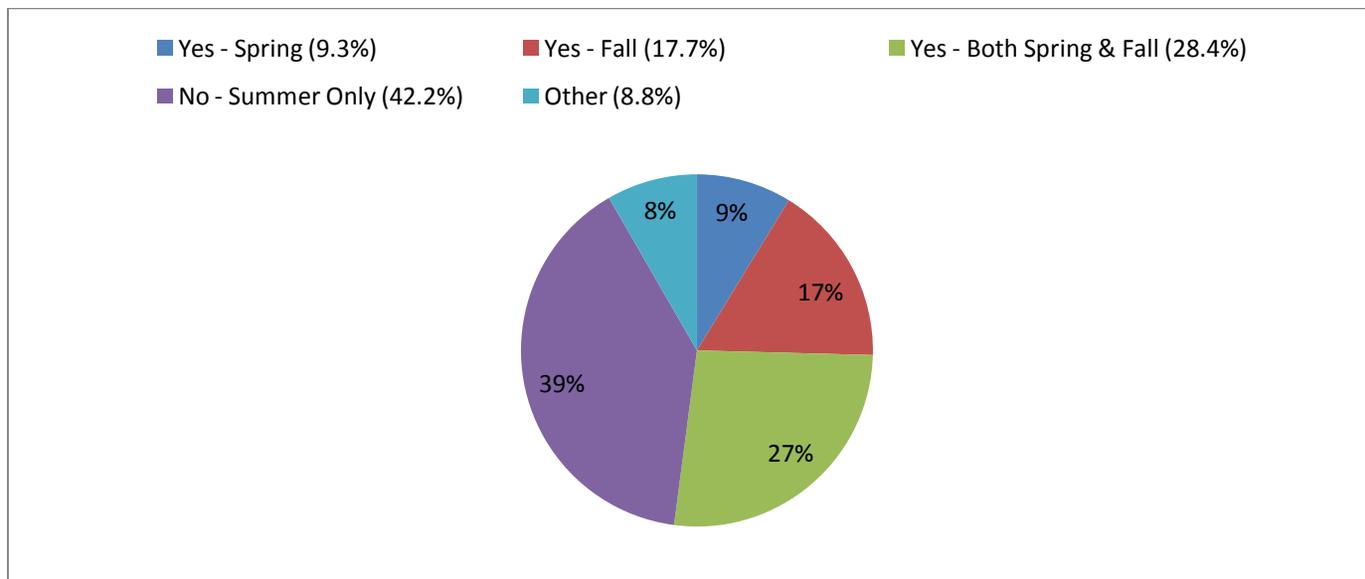
Approximately how much do you spend while on vacation?



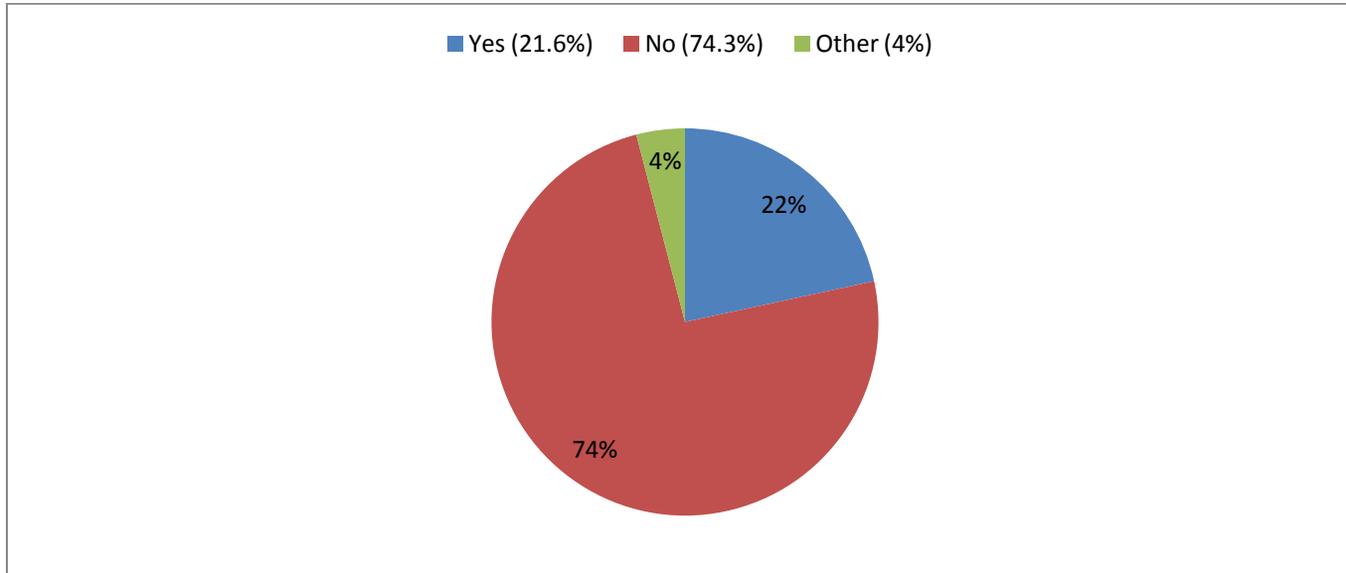
Are you familiar with the diverse array of special events held in Cape May County during the spring and fall?



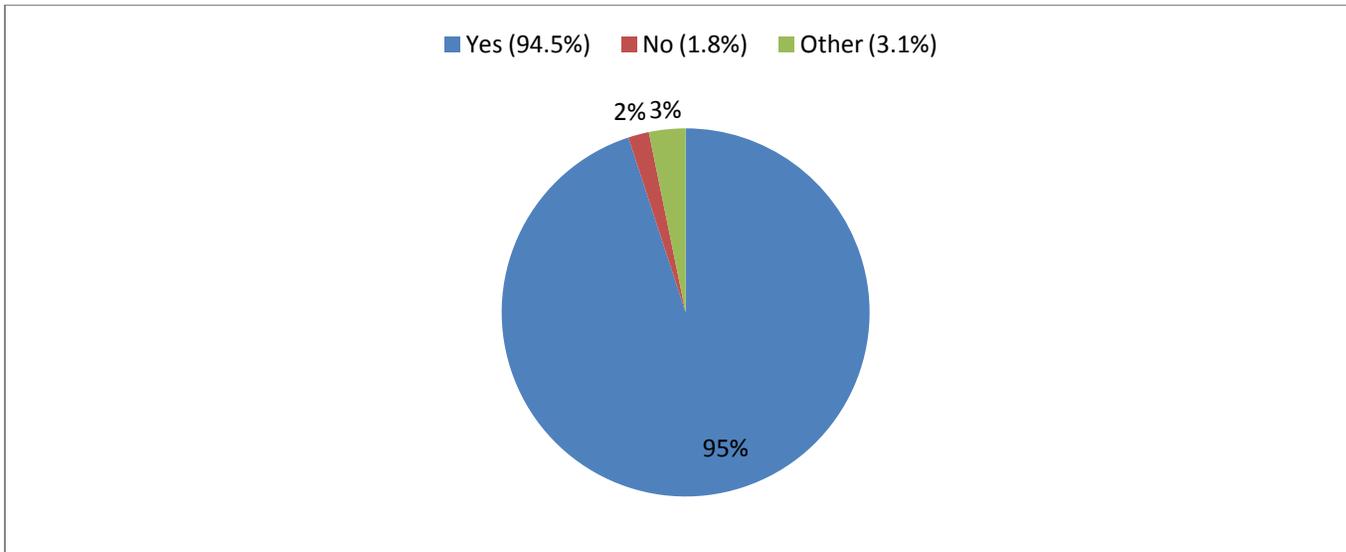
Do you come to Cape May County in the spring and fall?



Do you visit Cape May County during the winter months?



Did your vacation on the Jersey Cape meet your expectations?



NOTES: