

# 2015 PATRIOTS POINT VISITOR AND RESIDENT SURVEY REPORT

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USS YORKTOWN  
PATRIOTS POINT DEVELOPMENT AUTHORITY

## EXECUTIVE SUMMARY

Patriots Point and the USS Yorktown continue to be valuable tourism assets with significant economic impact for the Charleston area and the greater state of South Carolina. Based on our years of conducting this research report, it is clear that the sizable stability of spending by Patriots Point visitors is a great benefit to South Carolina and overall tourism in the state.

In the fall of 2014, researchers from the University of South Carolina and the International Tourism Research Institute directed a comprehensive visitor profile, destination image, and economic impact study for Patriots Point and the USS Yorktown. Herein these researchers provide details concerning the data collection methods and research design of the project. Further provided are the results of these methods, including findings relative to individual survey questions, insightful conclusions, and future recommendations for Patriots Point.

Specifically, the focus of this project was centered on three primary areas: (1) visitor and resident satisfaction with Patriots Point and the USS Yorktown, (2) the financial impact of Patriots Point and the USS Yorktown on local and state economies, and (3) the perceived destination image of Patriots Point and the USS Yorktown. This report—one of two—will address Charleston visitors and residents who visited Patriots Point and USS Yorktown.

## RESEARCH METHODS

USC researchers conducted a total of 573 surveys using paper-and-pencil questionnaires. Throughout the winter, spring, and summer months of 2014-2015, surveys were conducted among more than 327 visitors and 82 residents (additional surveys were deemed unusable due to respondents' unique circumstance of having attended Patriots Point for a Boy Scouts event) to gather perceptions of Patriots Point and its many offerings while these consumers were on-site. For the destination image survey, the research team collected 164 surveys in various parts of downtown Charleston and surrounding areas, such as the Waterfront Park, South Carolina Aquarium, Folly Beach, and the Charleston Market.



## VISITOR SURVEY

During the data collection period of 2014-2015, majority of visitors to Patriots Point were between the ages of 35 and 44 (33%), which is a shift away from the 45-54 year-old group that has been the majority age group at Patriots Point in previous years. In fact, of visitors surveyed, 45-54 year-olds accounted for only 12%. Consistent with years past, visitors with at least one relative having served in the military accounted for 52%, while a parent (37%), child (15%), and self (33%) were each similar to previous studies. Majority of respondents identified as American or Caucasian, and there were twice as many males visitors (66%) as female visitors (34%). The highest number of males (98) and females (90) in each travel party was between the ages of 35-44, which is also consistent with previous years. Also, visitors surveyed reported an average household income between \$45,000 and \$59,999.

Seventy-five percent of visitors to Patriots Point visited for the first time, with more than half of the responding citing general interest (39%) and educational interest (24%) as the primary reasons for their visit.

Visitors who had been to Patriots Point once or more before reported having visited Patriots Point an average 1.88 times during the past five years. The largest percentage of respondents (38%) reported having spent at least two hours at Patriots Point, followed closely by at least three hours (33%). Relative to previous seasons, it seems visitors are spending one or more hours longer during their visit to Patriots Point.

For visitors touring other similar attractions in the Charleston area, majority had planned to visit or had already visited Fort Sumter (81), the Downtown District (70), and the Charleston Market (33).

A high percentage of visitors (80%) reported visiting Patriots Point by automobile, signifying a large drive-in audience. By comparison, 10% traveled to Patriots Point by airplane. These figures are nearly identical to year's past, which illustrates Patriots Point is a popular driving destination, but one not many are making concerted efforts to visit by airplane.



Most visitors traveling to Patriots Point did so during a vacation (53%), followed by visiting family and friends (13%) and business-related visits (10%). Majority of visitors stayed in the Charleston area an average of 3 nights with 81% reporting paid accommodations, followed by non-paid campsites, RVs, and/or friends and relatives. Of the respondents who stayed in a paid accommodation, 86% stayed in a hotel or inn in the Charleston area.



For the second consecutive year, over 30% of visitors reported staying in a region outside of the downtown Charleston area. These visitors reported staying in places like Myrtle Beach (27%), Beaufort (27%), Columbia (18%), and Charlotte (18%). These findings may indicate a high percentage of budget travelers among Patriots Point visitors (consistent with last year).



Common travel tools used by visitors to plan for their trip included a friend or relative's suggestion or recommendations (41%), followed by travel websites (22%), the Charleston Area Convention & Visitors Bureau Website (22%), and the Charleston Area Visitors Guide (22%). Common decision making influences included the recommendation of a friend or relative (43%), seeing the Yorktown from a distance (25%), Internet research (17%), the Charleston Area Visitors Guide (12%), or previously visiting Patriots Point (24%). In the age of Internet and social media marketing, a substantial percentage of Patriots Point visitors may still prefer to be reached by traditional methods of destination marketing. Also, given the reliance on friend and/or relative recommendations, word-of-mouth marketing is a key to a sustained competitive advantage for Patriots Point. Both relationship marketing and high-quality service should be a primary focus moving forward.



Most visitors made the decision to come to Patriots Point at home before the trip (67%), but a high proportion would have come to Charleston if Patriots Point were not in the area (61%). Both of these figures are more positive than last year, as most people made plans to visit Patriots Point before they left their home, and fewer visitors are reporting they would have come to Charleston if not for visiting Patriots Point (i.e., Patriots Point is becoming a focal point for many of Charleston visitors).



On a scale of 1 to 5 with 1 being "not interesting at all" and 5 being "very interesting," most visitors to Patriots Point reported the USS Yorktown (4.85), the planes and flight deck (4.77), and an overall evaluation (4.72) to be very interesting.



However, when asked if they planned to visit the USS Yorktown within the next two years, responses were slightly unfavorable, as 54% reported “no.” For visitors that reported “no,” a total of 85% of these visitors responded that more interactive exhibits, special events, and more variety of activities would increase their likelihood of returning. Finally, 53% said they would definitely recommend the Patriots Point experience to a friend or a colleague.

Significantly, 61% of visitors said they would NOT like to receive news and other emails about Patriots Point via email. These numbers are consistent with previous years and with industry trends (i.e., consumers are increasingly less available by email). However, among those who reported “yes,” indications were that these respondents would like to hear more about group visits and tours for youth and adults and overnight camping for youth.

### **VISITOR SPENDING AND ECONOMIC IMPACT**

Spending by non-residents and the economic impact of this spending was measured and calculated. Visitors were asked about their spending both at Patriots Point and off site, within the Charleston Metropolitan Statistical Area (MSA).

Visitor groups to Patriots Point spent \$105.05 on average per group, per visit. Admission fees accounted for almost half (49.9%) of all spending by visitor groups at Patriots Point. Spending on other, food and beverage, and gift shop purchases accounted for 21.3%, 11.1%, and 8.4% of purchases respectively, while parking (3.3%) and extra activities (6.1%) were the areas generating the least amounts of spending.

These visitor groups averaged spending \$532.12 per group, per visit while in the Charleston MSA. Approximately 70% of all spending occurred within three sectors of the local economy: lodging (40.3%), eating/drinking (20.0%), and transportation (9.9%). Two other sectors where spending was concentrated included shopping (5.5%) and entertainment (4.8%). The remaining sectors where spending occurred were tours (3.0%), groceries (2.8%), and recreation (1.3%). Across all sectors, spending on “other” accounted for 12.4% of the average.





In total, the average spending by non-resident groups on their total visit to Patriots Point and the Charleston MSA was \$637.17.

Next, the economic impact of this spending was calculated. The most important principle when evaluating economic impact is to measure economic benefits that accrue to the region that would not have occurred without the development of Patriots Point. When calculating economic impact, local spending is not included in the impact analysis as most local spending is considered displaced spending.

Displaced spending is defined as spending by local residents on an activity that would have been spent elsewhere in the local economy if the activity did not exist. For this reason, local spending is not counted in an economic impact analysis (see writings by Crompton; Rascher; and Brown, Rascher, Nagel, & McEvoy). As such, an analysis of spending must distinguish between attendees who are non-residents, or visitors (living outside the Charleston MSA), and those who are local residents (living within the Charleston MSA).

This study used zip code data captured during the survey collection to divide spending into two groups: visitors to the Charleston MSA and local residents of the Charleston MSA.

An analysis of visitors must be broken down further to get an accurate estimate of the true economic impact of Patriots Point on the Charleston MSA. Both Crompton and Rascher in their peer-reviewed works on economic impact define several types of visitors to a region. Two visitor types are important for this study. Casual visitors are non-residents who were already in town for another reason and decided to visit Patriots Point. Incremental visitors are non-residents who came to town because of Patriots Point and they would not have come to town otherwise. In economic impact, the direct spending of only incremental visitors should be included in the analysis.

Based on Patriots Point attendance data and an analysis of resident and non-resident visitors to Patriots Point, it was estimated that the total number of non-residents visiting Patriots Point in the last fiscal year was 216,659. Of these non-resident visitors, 178,949





were classified as casual visitors, meaning they were in the Charleston MSA primarily for some other reason and added a trip to Patriots Point on as part of their visit to Charleston. The number of incremental visitors (those in town primarily to visit Patriots Point) was 37,710. These incremental visitors spent an average of \$28.35 per person at Patriots Point on their entire trip while also spending \$47.16 per person within the Charleston MSA. The total direct spending of incremental visitors at Patriots Point and within the Charleston MSA was \$2.85 million.

A second component of direct spending was measured using the organization's most recent audited financial statements. Direct spending of visitors related to camping sales, facility rental and catering sales was calculated after analyzing these financial documents.

It must be noted that the direct spending of organizations with long-term leases on the Patriots Point footprint (the expenses of these organizations) could also have been factored into the overall determination of Patriots Point's economic impact. However, this information was not available to the research team. As such, the overall impact will be underestimated. Total direct spending of incremental visitors was \$6.67 million.

Direct spending subsequently affects many other industries within the local economy. This impact is called the indirect economic impact. These are impacts that occur in the Charleston MSA that represent the recirculation of initial visitor expenditures (direct impacts). Direct and indirect economic impacts further affect earnings and employment in a local economy. Induced economic impact is the effect of direct and indirect impacts on earnings and employment. This study used an input-output table of the Charleston MSA economy within the IMPLAN system from MIG, Inc. (2015) to estimate the indirect, or supply chain, impacts as well as the impacts induced by the spending of household income contributed directly and indirectly by Patriots Point.

The total economic impact (direct, indirect and induced) of incremental visitors to Patriots Point on the Charleston MSA was \$10.07 million. Further, \$3.56 million of labor income and



121 jobs were generated as a result of this spending. The tax impact was \$1.6 million, of which \$0.9 million was federal tax revenue and \$0.7 million was state and local tax revenue. The economic impact of incremental visitors was down slightly in 2015. The total impact was off \$1.1 million while earnings were off \$0.6 million. This decrease is likely due to a change in patron demographics. Survey results in 2014 showed that 87% of patrons to Patriot's Point were visitors. In 2015, the data indicated that 80% of patrons were visitors. So while overall attendance increased in 2015, the number of visitors (and incremental visitors) decreased slightly.

If examining total visitor spending at Patriots Point without removing causal visitors from the analysis, direct spending of visitors at Patriots Point was \$5.7 million<sup>1</sup>. An additional \$28.9 million was spent by these visitors within the Charleston MSA. It is estimated that 216,659 non-resident visitors purchased tickets during the last fiscal year. The average expenditure at Patriots Point of these visitors was \$26.24 while they spent an average of \$132.92 additionally within the MSA during their entire trip to Charleston. This included both visitors with an overnight stay and visitors coming into the MSA for a day without staying overnight (day trippers).

In addition to the \$34.6 million of direct spending by all non-resident visitors, direct spending of visitors related to camping sales, facility rental and catering sales was calculated using the organization's audited financial statements. Total direct spending of all visitors is estimated to be \$38.3 million. Total impact was calculated using the same IMPLAN model previously discussed. Total impact was estimated to be \$57.8 million in the current year.

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<sup>1</sup> Mistakes in calculating economic impact can cause estimates to overstate the true economic impact. Dr. John Crompton, in his article *Economic Impact Analysis: Eleven Sources of Misapplication* (1995), stated that failure to exclude casual visitors will lead to an overestimation of economic impact as income generated from their expenditures would have occurred in the region anyway as these visitors are in the region due to some other primary activity. Further, their spending in the region is related to that other activity.





Additional impacts included \$20.5 million of labor income and 695 jobs created as a result of the direct spending. Further, \$8.9 million of tax revenue was generated with \$5.0 million federal and \$3.9 million state and local taxes. While the economic impact of incremental visitors decreased in 2015, the impact of all visitors increased significantly across the measured categories of spending. This included increases in total impact, earnings, jobs created, and tax revenue generated. The rate of increases outpaced the growth in attendance from 2014 to 2015. In addition to having more visit Patriots Point in 2015, patrons spent more during their visit.

### RESIDENT SURVEY

Similar to visitor respondents, residents tended to be more male (66%) and slightly younger than previous years (i.e., 26% between ages 25-34, 33% between ages 35-44). Further, most residents had a relative in the military (46%) or served in the military themselves (34%). This higher percentage of military representation among residents illustrates how Patriots Point should keep military veterans who reside in the Charleston area a primary focus. Residents visited Patriots Point from Charleston and surrounding areas like Goose Creek, Summerville, Johns Island, and Mount Pleasant. Unlike visitors, most residents reported having an income of under \$49,999 or in the range of \$75,000 to \$99,999. The highest number of males 17 in each travel party was between the ages of 25-34 and 6-11, while the highest percentage of females in each travel party was between the ages of 35-44.

Response to the question “was this first visit to Patriots Point” was much less divided this year among residents (59% “yes,” 41% “no”). For residents that answered “yes,” general interest (72%) was cited as the most common reason for coming, followed by educational interest (23%) and “other,” which mostly included discounted tickets (e.g., Groupon) and group events (e.g., wedding). Among those answering “no,” they indicated they came to Patriots Point an average of 2.5 times over the last five years.

Residents indicated they spent between two (26%), three (35%), and four (25%) hours at Patriots Point, which indicates residents are spending a bit more time at Patriots Point than visitors (but not by much). Also similar to visitors, residents found the USS Yorktown “very



interesting” on a scale of 1 to 5 (4.84), following by the Medal of Honor Museum (4.83), the Vietnam Experience Exhibit (4.81), and overall evaluation (4.79). Interestingly, the flight deck and planes was not included in the top areas visited, a sign that perhaps residents are less captivated by the “core attraction” but more with the newer and era-specific exhibits.

Approximately 79% of residents said they planned to visit the USS Yorktown within the next two years. Most respondents reported that they would return for ghost tours (58%), annual passes (25%), overnight camping (20%) and VIP guided tours (16%). Further, most residents noted interest in new interactive exhibits (38%), enhanced Vietnam Era Support Base (19%), and the Apollo 8 Capsule (16%). Almost 57% of residents reported that they would strongly recommend the USS Yorktown to a friend or colleague.

Unlike visitors, a much smaller percentage of residents decline email marketing (54%), which corroborates the findings presented earlier about residents considering returning for ghost tours, annual passes, overnight camping or VIP guided tours. indicated an interest in group visits and tours for youths and adults. We highly recommend Patriots Point consider their resident visitors for targeting email marketing communications (opposed to visitors).

### RESIDENT SPENDING

Local residents visiting Patriots Point spent an average of \$84.73 per group visiting the site. A majority of spending was on admissions (41.7%). Other was the area of next greatest expenditure (26.8%), followed by food and beverage (15.1%), parking (5.6%), extra activities (5.6%), and gift shop spending (5.2%). Total direct spending by residents was \$1,868,328 during the last fiscal year.

In comparison to non-resident spending of \$105.05 per group, resident groups averaged spending slightly more on food/beverage (\$12.79 to \$11.63), parking (\$4.75 to \$3.43), and other (\$22.75 to \$22.34).

Non-resident groups spent considerably more on admissions (\$52.46 to \$35.30), which is logical as the average group size of non-resident groups was 4.0 while resident groups averaged 2.5 people per group. On a per person basis, spending on admissions is approximately the same. Non-resident groups also spent more on average in extra activities





(\$6.38 to \$4.75) and in gift shop purchases (\$8.81 to \$12.79), which is logical if one assumes that many local visitors have been to Patriots Point on more than one occasion (as shown in the earlier analysis). On a per person basis, spending in these areas was about \$1.00 higher for non-residents as compared to residents. When examining total spending at Patriots Point on a per person basis, residents spent an average of \$34.06 per person while non-residents spent an average of \$26.24 per person. Non-resident on-site spending might be lower per person as a non-resident must account for a greater total experience cost. These costs include additional transportation costs, meal costs, and lodging costs which were \$13.21, \$26.60, and \$53.50 respectively.

Overall, the percentage of residents visiting Patriots Point increased in 2015 (20% of total patrons in 2015 to 13% in 2014). These residents also spent more on average this year as compared to 2014. This resulted in a significant increase in direct spending at Patriots Point by residents in the current year.

### **ADDITIONAL FINDINGS/RECOMMENDATIONS**

Based on results from all three surveys, respondents who visited Patriots Point find it to be more educational than Fort Sumter or the South Carolina Aquarium. As noted above, most people listed educational as their secondary or tertiary reason for attending Patriots Point ("general interest" once again led in percentage, similar to previous years). Also consistent with previous years, "Other" continues to be a frequent answer for residents for why they returned to Patriots Point. "Family" and "Children" are the most frequently reported open-ended answers to this question. Interestingly, the resident survey had several responses for "New Offering," which is significant since last year's survey had 0 responses at this time. As such, we are led to believe that the new offerings at Patriots Point bring out some resident visitation that perhaps was not doing so before.

For the question, "What influenced your decision to come to Patriots Point," we noticed an overall increase in "Enjoyed Previous Visit" and "Word-of-Mouth" for this item, which were already two of the top responses in previous years. This means that several of the resident visitors are either (1) repeat visitors who are enjoying their experience or (2) residents who have heard enough positive feedback about others' visits that they want to visit on their



own. Either way, this should lead marketers to value relationship and services marketing above radio, online, TV, print, or billboard advertising (each of these received less than 5% of the total response available).

The new offering of the Vietnam Experience Exhibit received a higher mean score (1 - “not interesting at all” to 5 - “very interesting”) than all offerings except for the “USS Yorktown,” and “Congressional Medal of Honor Museum,” surpassing even that of “Overall Visit,” that in previous years always has a top-two or top-three ranking in this category. This intriguing finding suggests either (1) a novelty effect is occurring given how new this exhibit is to the Patriots Point location or (2) this exhibit might become one of the cornerstones of Patriots Point similar to USS Yorktown and the Medal of Honor Museum.

For attractions/offerings that might convince residents to return, there was a noticeable increase in responses we grouped as “Youth Activities,” “Child Attractions,” and “Group Activities.” In particular, “Ghost Tours” continues to be a highlight, especially among the younger respondent group. Among the older respondents, “Overnight Camping,” “Event Hosting,” and “Interactivity” continue to be a draw. An annual pass was of interest to all resident respondents (i.e., no age differences).

For the question, “List three things you enjoyed least about your visit to Patriots Point,” we see for the first time in years that “Food Availability/Selection” was not listed as a top-rank response (perhaps due to the change in food vendor). However, the “Weather” (cold/rain; hot/humidity) from the winter and summer residents was more of a prominent response in this year’s study. Consistent with year’s past, “Steps/Stairs” and “ADA/Accessibility are still concerns given the unique structures of the Patriots Point offerings/attractions.

It seems that respondents are spending more time at Patriots Point. This could be due to the new offerings, or due to the increased food and beverage options that allow for an all day visit to be more satisfactory.

While most of the visitors making their plans and preparations at home to visit Patriots Point (which is important in its own regard, we mentioned why above), it is important to note an increase in en route planning for Patriots Point visitors, which might be explained





by increased usage of mobile apps and mobile internet. These results also mean Patriots Point was a top-of-mind consideration for these respondents, or for the opinion leaders from who they received positive word-of-mouth about Patriots Point.

### SUMMARY/CONCLUSION

In summary, Patriots Point and the USS Yorktown are continuing to reach the appropriate demographic groups of Charleston, South Carolina, and the greater Southeastern region of the United States. Based on our sample in this study, this demographic group seems to be getting younger, yet more military-affiliated, which offers some unique opportunities and challenges for Patriots Point.

Patriots Point and USS Yorktown attendees continue to be highly satisfied with their overall visit and with the many different offerings provided on-site. Visitor respondents continue to drive from long distances, and there are still many visitors who fly by plane. These numbers suggest that Patriots Point and the USS Yorktown are still very strong at influencing tourism travel for these kinds of individuals (i.e., those involved in education, history, and military). Resident respondents also demonstrated very strong and positive feelings toward multiple attractions—most of those surveyed responded they had attended Patriots Point/the USS Yorktown previously and would do so again within two years.

As noted earlier and consistent with previous years, many of the respondents who visited Patriots Point and the USS Yorktown stayed in areas in and around the Charleston area. Due to the vast number of different locations for these visitors, there is still a vast potential for some business partnerships for Patriots Point and USS Yorktown managers to pursue. It is quite commonplace for tourist attractions to partner with hotels and other accommodating lodging areas to advertise events, shows, deals, or schedules for the upcoming season/year. Though many of these paid visitor accommodations might already be partners of Patriots Point and the USS Yorktown, it would benefit both the property to seek out new places in which their out-of-town visitors may be staying. As the city of Charleston continues to grow and develop, so too must the business relationships of Patriots Point and the USS Yorktown.





Given this research project was very much a replication of last year and years preceding, future research for Patriots Point and the USS Yorktown is still encouraged in the areas of marketing- and promotion-related activities such as sponsor effectiveness and awareness, perceptions of service quality; customer involvement; and social media trends (property and attendees). It may potentially benefit the property to know whether visitors and/or residents report different attitudes toward sponsors/partners depending on various levels of “fit” and/or effectiveness. In tourism management, service quality is vital because it has been shown to directly influence customer satisfaction that, in turn, serves to influence behavioral intentions to return to a particular attraction in the future. Furthermore, by understanding the level of involvement customers have with Patriots Point and the USS Yorktown, managers might ascertain ways in which attendees will continue to show their support (both behaviorally and fiscally).

In conclusion, Patriots Point and the *USS Yorktown* are valued attractions by attendees, both visitors and residents. It is apparent that people who pay to visit these attractions are satisfied with the trip across many different consumer levels. It likewise is apparent that various stakeholders will continue to support the event in the future.

### PROJECT TEAM

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