
EXECUTIVE SUMMARY

This report presents opportunities to pursue in order for Carteret County to reach an optimal level of tourism supply and demand. This research and analysis has revealed the two critical issues in Carteret County tourism are:

- 1) Better **cooperation** among those involved in the tourism industry is needed.
- 2) Insufficient integration among regions within the county and between tourism assets has created a lack of **connection**.

The first step in addressing these concerns and implementing the recommendations and opportunities presented in this report is for members of the Carteret County community to establish realistic and measurable goals for the tourism industries. The research presented in this report and the ideas and opportunities that arose during research will help establish goals for the destination. Conclusions for each section of this report are summarized in the columns below.

NATURAL RESOURCES

Natural resources affecting tourism are geography, climate, residents, culture, and history. There is a strong emerging segment of travelers with an interest in what Carteret County provides—natural, historic, and cultural sites and attractions. These characteristics are what make any area unique. This demand for an area's unique attributes is often contrary to what many destinations supply, which is more often a homogenous experience similar to their competitors. Without focusing on what is unique, a loss of differentiation is often the result.

Travelers seeking these unique experiences will open up new possibilities for the destination and tourism businesses. Focusing on preserving the natural attributes of the area is important not only for cultural preservation but equally important, there is an opportunity to capture burgeoning tourism demand by positioning the destination around its natural resources.

It will serve Carteret County well to wrap tourism development planning around the county's natural resources to capture tourism demand. Protect the past and preserve the future through tourism development.

ASSEMBLED ELEMENTS

Assembled elements (destination management, infrastructure, technology, information, and visitors) are put in place by the government or private-sector tourism developers as the destination evolves. The assembled elements are developed within or upon the natural resources and should be developed so that a distinctive permanent environment is the result.

Carteret County is a collection of unique tourism experiences. Cooperatively compiling the collection of unique tourism offerings will be critical to differentiating the Crystal Coast experience.

One example of disconnection in this area is how the destination is presented by various organizations marketing Carteret County. The

area is referred to by these organizations as Carteret County, the Crystal Coast, and/or the Southern Outer Banks. Each designation may have a diverse meaning or be entirely meaningless to different travelers, businesses, or new residents looking to relocate to the area. This creates an identity crisis for the area that needs to be addressed through a consolidated branding effort.

Another destination management challenge is the ambiguous restrictions placed upon the Tourism Development Authority (TDA) by its own enabling legislation. The TDA is limited in the amount it can spend on administration, which results in a critical understaffing situation when compared to destination management organizations of similar budgets. This leads to operational inefficiencies and should be addressed.

OPERATING SECTORS

The operating sectors consist of the physical assets developed to meet tourism demand and include accommodations, gathering places, transportation, activities and entertainment, food services, outdoor recreation, visitor services, and shopping.

Having the appropriate quantity and quality of tourism supply enables the destination to capture the optimal amount of demand from its potential visitor base and to differentiate itself from its competitors. There are nearly 1,100 tourism-related businesses in Carteret County. The supply inventory is likely to change frequently and should be regularly updated and analyzed to recruit and develop tourism supply that is matched with visitor and resident (customer) needs and wants. Therefore, visitor research is crucial to understanding the way in which operating sectors should be developed.

National traveler research conducted by several organizations consistently indicates the kind of tourism offerings found in Carteret County—beaches, outdoor activities,

historical places and museums, national and state parks—are popular activities with travelers. Two popular activities that Carteret County does not offer to its visitors are extensive retail stores and quality amusement areas.

Wide-ranging visitor research needs to be conducted in Carteret County to understand how to best reach and serve the area's visitor base.

TOURISM AREA PROFILES

Profiling each tourism area highlights development opportunities in various parts of the county. In this analysis, the area was divided into the following tourism areas: Northern Gateway, Western Gateway, Bogue Banks, Morehead City, Beaufort, Down East, and Harkers Island and the Natural Banks.

While there are a variety of visitor activities in Carteret County and interesting tourism areas within the county, there are no areas that have everything a visitor might want. For example, the meeting hotels on Bogue Banks do not have significant proximate retail and restaurant supply. And the commercial areas in downtown Morehead City and Beaufort do not have extensive meeting space or full-service hotels. The challenges traveling through the county, simply because of the area's size, may complicate this problem for many visitors.

The tourism areas are diverse but the product offering is not. By expanding tourism product and capitalizing on numerous unique experiences in the destination, the Carteret County tourism industry could be able to expand its reach by targeting niche markets, such as kayaking, hunting, fishing, diving, and naturalists. This would capture demand from visitors interested in more than just the beach and would further differentiate the destination.

U.S. TOURISM INDUSTRY PROFILE

The United States travel industry is continuing to recover following roughly four years on the rebound. Several major U.S. inbound markets, such as the United Kingdom, Canada, South Korea, and Spain, are expected to return to 2000 levels this year; while most other inbound markets are expected to remain under 2000 levels.

The U.S. worldwide market share, still down 36 percent between 1992 and 2004, did improve by two percent last year. Domestic travel is expected to rise to record levels in 2005, continuing the travel recovery momentum that began in 2004. At the national level, nearly every travel industry sector is forecasted to be up, particularly air travel, business travel, expenditures, and international visitation.

N.C. TOURISM INDUSTRY PROFILE

Tourism in North Carolina, at \$13.2 billion, is one of the state's largest industries. Nearly 183,000 jobs are directly supported by tourism. In 2004, domestic travelers spent \$13.2 billion across the state, which represents a 4.9 percent increase over the previous year. Spending by the 49 million visitors who traveled to North Carolina generated over \$2.1 billion in tax receipts.

Other than North Carolina residents, visitors to the state primarily come from Virginia, South Carolina, Georgia, Florida, and Pennsylvania. On average visitors spent \$332 per person per trip and typically stayed 4.2 nights during their visit to North Carolina in 2004. Top activities visitors to the state participate in are shopping, enjoying beaches, outdoor activities, and visiting historical places and museums.

COMPETITIVE DESTINATION PROFILES

Competitive analysis is important when positioning the destination in the minds of current and future visitors. Travelers have choices when deciding on vacation destinations and may choose the mountains or beaches, cities or rural areas, domestic or international locations. Therefore, Carteret County competes for the travelers' vacation dollars with many destinations.

Because of Carteret County's diverse tourism assets and attractions in varying tourism areas within the county, the Crystal Coast can compete with a wide array of destinations that do not include beaches but may be rich in heritage, historical, or recreational attractions.

For this analysis based on similarities in markets of origin, tourism assets and activities, geographic situation, and natural resources; the destinations believed to be most competitive or comparable with Carteret County are the coastal destinations within Virginia, North Carolina, South Carolina, and Georgia.

Of the competitive southern U.S. beach tourism market, Carteret County ranks 10th and represents 2.4 percent of the tourism market, in terms of visitor expenditures in 2003. Destinations in the top ten include one in Virginia, four in North Carolina (including Carteret County), three in South Carolina, and two in Georgia.

Because of its geographic placement, Carteret County must work harder to entice visitors to make the trip to the Crystal Coast. This is achieved by providing facilities and services visitors desire and effectively communicating this to visitors through proactive marketing.

The Carteret County community should pursue the ideas and opportunities presented in this report in order to achieve optimized tourism development, based on our research. These ideas and opportunities are summarized in the list below. Adoption of these ideas will help increase cooperation and connect components of the local tourism industry, enabling the community to meet tourism development goals. Strategies for implementing each idea and opportunity can be found in this report on the page number in parenthesis within each item in the list. The detailed description of each idea and opportunity should be carefully read to fully understand its importance and how it should be implemented. The summarized list is:

- Passionately pursue natural resources preservation and promotion (Page 6)
- Encourage local residents to act like tourists (Page 9)
- Differentiate the destination with quality customer service (Page 10)
- Actively participate in advocacy efforts of regional tourism organizations (Page 11)
- Enhance communication within the tourism community (Page 13)
- Establish industry committees to advise the TDA board (Page 14)
- Create a comprehensive research program (Page 15)
- Develop a community-wide brand (Page 16)
- Conduct organizational development review of the Carteret County TDA (Page 17)
- Partner with tourism-related organizations outside Carteret County (Page 18)
- Provide information in innovative ways (Page 19)
- Develop a streetscape and gateway improvement plan (Page 20)
- Expand the meeting segment/develop a convention center (Page 66)
- Accommodations product development ideas (Page 69)
- Shopping product development ideas (Page 71)
- Attractions and activities product development ideas (Page 72)
- Capitalize on the discovery of the Queen Anne's Revenge (Page 73)
- Connect tourism activities by developing transportation alternatives (Page 74)
- Establish an inter-agency tourism development committee (Page 76)
- Actively recruit tourism businesses through the EDC (Page 76)
- Create Crystal Coast competitions (Page 77)
- Develop Carteret County as a culinary tourism destination (Page 78)
- Develop existing and new festivals and events (Page 79)
- Ideas for marketing (Page 81)

Section 4 of this report presents the short-term and long-term strategies of how these ideas and opportunities should be implemented and the organizations and individuals that should be responsible for their implementation.