Lake Tahoe Visitors Authority

Visitor Profile Study

Four Season Visitor Profile Study
2015/16

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"Solutions and ideas for your competitive world"

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Table of Contents

List of Tables

List of Figures

Project Overview

A. Overview

To better understand changes that have occurred in the South Shore tourism market, the Lake Tahoe Visitors Authority (LTVA) has commissioned a year-round study of visitors to gather and analyze data for 2015/16 year.

The goals of the **South Shore Intercept Survey** include the following:

1. Develop visitor profile data by measuring:

    - *Visitor Specifics* – new and repeat visitors, day and overnight visitors, number of visits, number of nights stayed and number in party
    - *Visitor Behavior* – purpose of visit, chosen accommodations, gambling behavior and daily expenditures.
    - *Visitor Attitudes* – visitor satisfaction and the likelihood of future visits.
    - *Demographics* – respondent gender, age, income, marital status, family status and ethnicity.

2. Analyze the importance of various factors on a decision to visit Lake Tahoe.

3. Analyze how visitors rate various Lake Tahoe offerings.

4. Analyze the effectiveness of advertising in creating awareness of the South Shore, influencing travel decisions and driving traffic to www.tahoesouth.com.

B. Methodology

Intercept surveys were conducted with South Shore visitors between July 2015 and July 2016. Visitors were interviewed at various South Shore locations, including the casino hotels, Heavenly Village, Heavenly Ski Resort, South Shore beaches, Ski Run Marina, Zephyr Cove Resort, Round Hill Resort and Lakeview Commons.

Interviews were conducted on both weekends and weekdays. Visitors were provided a small gift to participate and were offered a chance to win a Lake Tahoe vacation. Local residents were not included in the survey.

A total of 689 respondents completed the survey. At the 95% confidence level, the survey results are +/- 6%. As such, differences within 6% are not significant.

Executive Summary – Data

Summer Season Sample Summary

- First time visitor = 32%
- Average trip frequency in the past 12 months = 2.9 trips
- Highest importance for decision to visit = Scenic Beauty and the Weather
- Definitely/probably plan a return visit in next 12 months = 43%
- Most frequently mentioned activities = Sightseeing and Shopping
- Highest trip ratings = Scenic Beauty, Outdoor Recreation, and Good Feel of Area
- Average age = 42 years
- Average household income = $136,000
- Advertising awareness for any South Shore message = 49%

Fall Season Summary

- First time visitor = 40%
- Average trip frequency in the past 12 months = 2.2 trips
- Highest importance for decision to visit = Scenic Beauty and the Lake Itself
- Definitely/probably plan a return visit in the next 12 months = 50%
- Most frequently mentioned activities = Sightseeing, Gaming and Shopping
- Highest trip ratings = Scenic Beauty, Outdoor Recreation and Good Feel of Area
- Average age = 43 years
- Average household income = $127,000
- Advertising awareness for any South Shore message = 50%

Winter Season Summary

This past winter marks a return to a normal, historical weather pattern where 300-500 inches of snow fell during the season.

- First time visitor = 36%
- Average trip frequency in the past 12 months = 3.5 trips
- Highest importance for decision to visit = Scenic Beauty and the Weather
- Definitely/probably plan a return visit in the next 12 months = 59%
- Most frequently mentioned activities = Skiing (fully 44%) and Snowboarding (38%)
- Highest trip ratings = Outdoor Recreation, Scenic Beauty and Combination of Day and Night Activities
- Average age = 40 years
- Average household income = $137,000
- Advertising awareness for any South Shore message = 47%

Spring Season Summary

- First time visitor = 32%
- Average trip frequency in the past 12 months = 2.1 trips
- Highest importance for decision to visit = Scenic Beauty and Price/Value
- Definitely/probably plan a return visit in the next 12 months = 53%
- Most frequently mentioned activities = Sightseeing, Gaming and Shopping
- Highest trip ratings = Scenic Beauty, Good Year-Round Destination and Good Feel of Area.
- Average age = 41 years
- Average household income = $154,000
- Advertising awareness for any South Shore message = 44%

Executive Summary – Analysis

The following is an analysis of key findings in the collected data. These issues are identified as offering potential to be integrated in future LTVA marketing efforts.

- **Younger Visitors with Higher Income**

  One key finding is the average age of visitors has decreased while their income level has increased. This is evident in the broader marketplace with the advent of the millennial market segment.

  This trend has been consistent for a number of years. SMG compared these two data points going back to previous studies in 2010 and 2004.

	2004	2010	2016
Average Age	44	44	41
Average HHI	$99,980	$101,500	$138,000

  The importance of this shift cannot be understated as it represents the attraction of a younger millennial segment to South Shore. As baby boomers age and Gen X visitors behave more like baby boomers, the future direction, of not just South Shore but destinations throughout the country, will depend on the travel behavior of millennials.

  As this segment grows in economic importance, it is critical for South Shore to enhance and communicate the kinds of activities and events these visitors like to secure their future trip loyalty. The millennial market brings with it definite characteristics that includes the following:

  - Technology – they love it and have integrated it into their lifestyles. The destination must provide reliable Wi-Fi in hotels or attractions, shopping centers, restaurants and other public areas.
  - Social Media – they trust their friends, not advertising. A focus on reaching this segment through social media platforms will continue to be important.
  - Adventurous - they don’t hang out in their hotel rooms; they get outside and experience the destination.
  - Modern Accommodations - cookie cutter hotels won’t do. This group likes design and expects it.
  - Socially Conscious - they care about social issues and notice if a destination is lacking in this area.
  - Authentic Experience - millennials want to experience a destination in an authentic way. South Shore should review current and future events to be sure they are in alignment with this segment.

- **Diverse Recreation Participation**

  For years, South Shore has been defined primarily by gaming and skiing/snowboarding and to a lesser degree a variety of other activities that have had very low participation rates (typically 2-3%). However, outdoor activities such as hiking, mountain biking, road biking, stand up paddling and kayaking have become popular with visitors.

  This shift in interest is not surprising as more and more visitors participate in these types of outdoor activities and events that support them, including road and mountain biking events, spread across the country. Several interesting elements contribute to this shift. Traditional cost-based summer activities, like golf, boating and jet-skiing have been augmented by activities that are free of charge or have minimal costs associated with them. This suggests a shift in visitor spending. With a lower cost structure, these activities will increase their participation rates along with traditional South Shore activities. The survey data also indicated that while researching a destination online, potential visitors spent considerable time researching recreational opportunities.

Cost-Based Recreation	Low to No Cost Recreation
• Golf • Skiing/Snowboarding • Boat/Kayak/ Stand Up/Paddle • Snowmobiling • Fishing (Guided)	• Hiking • Road Biking • Mountain Biking • Snow Shoeing • XC Skiing • Boat/Kayak/Stand Up/Paddle • Fishing (Unguided)

  While gaming still receives solid participation, outdoor recreation is increasing and redefining the destination as a multi-dimensional recreation destination.

  All of this suggests there is potential to rethink the marketing of recreation offerings from a destination perspective in a vibrant and new way utilizing all available technology applications to better communicate these experiences.

- **Special Events Gain Traction**

  Since the 2008-2009 recession, the South Shore has focused much more attention on providing special events both as means to attract visitors to the destination as well as to draw visitors to the event once they are here. Both the private sector and the City of South Lake Tahoe have increased their involvement in bringing special events to the area. This is most relevant during the summer season where 15% of those surveyed indicated they visited South Lake Tahoe primarily to attend a special event – double the percentage that is seen in other seasons.

The results illustrate the impact that events and entertainment could have year-round with appropriate indoor and outdoor facilities. This increased focus would allow the destination to position itself more effectively to different visitor segments based on special events – all which would build frequency and loyalty among all visitor segments to South Shore.

- **Vacation Rental Segment Surprises**

  One of the biggest lodging trends reshaping both the South Shore and destinations throughout the country is the advent of services like AirBnb. The data indicates South Shore has experienced a significant transition from traditional lodging to these new options.

  Since the motel /hotel industry has failed to keep up with the changing needs of the consumer and with the advent of new technology, visitors have shifted demand to vacation rentals both through traditional rental agencies and individual rentals via AirBnb.

  This shift in lodging preferences illustrates the need for traditional lodging in the hotel and motel sector to improve their infrastructure. From a competitive standpoint, South Shore could be vulnerable to other destinations with better overall lodging choices and quality.

- **Concerts/Entertainment**

  Higher profile entertainment acts brought to the area by the casinos, particularly during the summer season, have increased significantly providing potential visitors with a very specific reason to visit.
  The addition of sought after entertainment shows are included as working to redefine South Shore as a recreation, entertainment and special event destination.

- **Key Shift in Spending Budgets**

  A major shift in visitor budgets lies in food and beverage expenditures. Food is now a greater part of the budget than lodging. This is seen in the increase of vacation rentals where visitors are using the kitchens and primarily shopping in the local grocery stores. Anecdotally, grocery stores get very busy during the late afternoon and evenings further adding evidence to this spending shift.

- **Segment Worth Tells an Interesting Story**

  Destinations are often challenged by the proximity of markets and the value of those markets in terms of dollars. In the case of South Shore, its core market, the Sacramento/Stockton/Central Valley areas, provides the highest trip frequency. But the greatest worth in terms of economic impact over twelve months or five years to the destination is realized by visitors from markets outside of California. The incremental value of visitors from other markets is significantly higher.

As can be seen below, on an incremental basis, the per person per day expenditure is much greater from markets outside of California markets but trip frequency is higher in visitors from the Sacramento/Stockton area.

	Sac/ Stockton	Bay Area	So. Calif.	Non Calif.
Per Person Per Day Expenditure	$243	$269	$253	$294
% above Sac/Stockton	N/A	11%	4%	21%
5-year trip frequency	7.7	6.1	4.9	6

Consideration should be given to targeting the areas with the highest sources of economic impact as well as those areas with most trip frequency. The addition of southern California air service provides a strategic opportunity for South Shore to attract a market with easy access to the area which will also have a greater economic impact.

- **Local Culture could be an Opportunity**
  The report identifies a potentially new way to look at connecting with visitors. As many destinations become similar in their offerings with entertainment, bike trails, shopping, dining and other offerings, it's important to look for opportunities to further differentiate the destination from the competition. For the first time, this survey asked questions related to the cultural elements of the destination as well as what visitors were looking to get out of their trip. The results were interesting in that many were looking to connect with friends or family. This insight might provide opportunity to better shape the messaging of local culture to attract visitors who wish to connect with friends or family to the area.

- **Restaurants Need Focus**
  An opportunity for South Shore is the potential to perhaps increase its focus on restaurants and dining. The survey ranked twelve different attributes of the destination and restaurants were ranked the lowest both in terms of choices and quality.

  It's no secret that competitive destinations throughout California have significantly improved the quality of food choices they offer visitors. Because of this, visitors have come to expect similar options in any destination. South Shore has a solid base of quality restaurants and building on this is an opportunity that will result in increased satisfaction from visitors. As the restaurant industry improves, tourism promotion can use this attribute in its messaging to increase the long term competitive positioning of the destination.

Summary

The data brings to light several key issues that, when combined, can improve current marketing efforts.

1. Segmentation

There is a need to continue to segment potential visitors based on a variety of key elements including the following:

- Geographic origin
- Economic impact
- Access
- Activity participation

2. Message Development

There is potential for the message to connect visitors with the real and authentic South Shore as well as link that authenticity to specific destination attributes.

3. Creating Awareness

Along with social media, advertising plays a role in decision making for consumers considering a visit to the destination. In addition, advertising plays a larger role with visitors from outside of Northern California.

4. Internet Use

Given that internet use is the primary source of information for people planning a trip to the destination, Search Engine Optimization (SEO) strategies and investment is essential to drive consumers to the LTVA website so they can be influenced to visit the area.

5. Website Content Influence

The destination should look for fresh and innovative approaches to connect consumers with the experiences they are seeking through the use of video, photos and compelling text. If consumers can feel the experiences they are looking for, they are more likely to visit.

Market Overview

Tourism: A Much Improved Landscape

The tourism landscape in the past several years has significantly improved and thus visitation has also improved. The change is marked by an improved economic environment that has seen consistent Gross Domestic Product growth, low unemployment, a rise personal income and very low inflation. All economic conditions are ripe to see increased travel. Specifically, for Lake Tahoe, the normal winter snowpack directly impacted the visitation throughout the winter.

To put this in perspective, the last time the Lake Tahoe Visitors Authority conducted visitor research in 2010, the economic picture was significantly different from the current marketplace.

Table 1: Key California Economic Indicators

	2004	*2010*	*2015*	*2016*
GDP (% Change)	2.2%	- 2.4%	3.0%	3.4%
Unemployment % (California)	6.2%	11.4%	6.5%	6.0%
Unemployment % (United States)	5.5%	9.8%	5.5%	5.2%
Personal Income Growth (Real)	3.9%	-1.7%	3.9%	4.5%
Consumer Price Index	2.65	-.4%	0%	2.2%

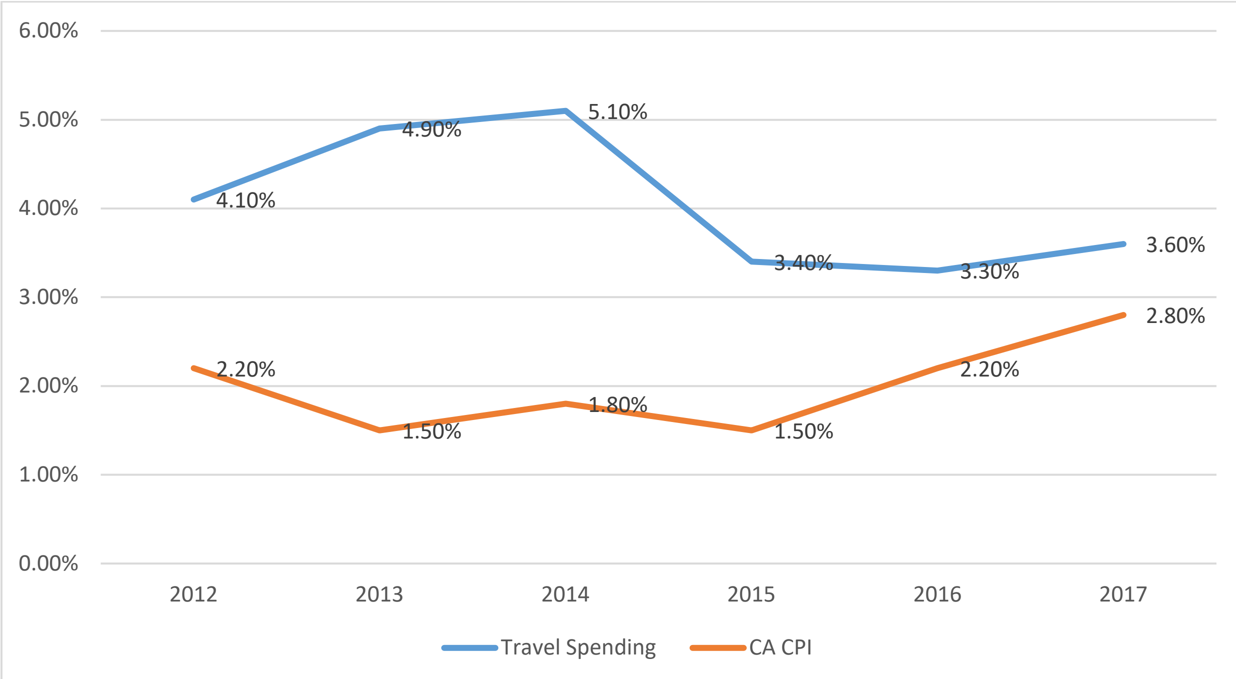
Source: State of California, Department of Commerce

These broad California economic indicators provide a positive backdrop for the tourism and travel sector within the state. In addition, statewide leisure and hospitality spending has remained consistently above the rate of inflation. This suggests a very positive environment for tourism and travel.

Because of these changes and public and private sector marketing efforts, the South Shore has experienced strong visitation. Anecdotal information from the tourism industry as well as increased traffic provide evidence South Shore has seen a strong uptick in visitors to the destination.

Along with high demand comes increased revenue growth. As seen in the graph on the next page, travel and leisure spending has seen real growth consistently outpacing the Consumer Price Index.

Figure 1: Travel and Leisure Spending Growth vs. Consumer Price Index



Source: State of California Department of Finance

Section 1: Respondent Characteristics

1.1 Demographic Characteristics

Survey respondents provided their gender, marital status, family status, age, annual household income, and ethnicity (see Table 2). Most respondents were white (80%), and married (59%). Slightly more women (58%) participated in the survey than men (48%).

Overall, the average age of survey respondents was 42 years, with the median age at 38 years. In terms of family status, 48% of survey respondents indicated they had no children while 35% indicated they had children at home.

The average household income of survey respondents was $138,000. Fully 48% of those surveyed indicated they had a household income above $100,000 with 23% having an income of between $60,000-$99,999.

Table 2: Summary Demographic Characteristics

	Total	2015 Summer	2015 Fall	Winter 2016	Spring 2016
Gender					
Male	42%	42%	40%	44%	40%
Female	58%	58%	60%	56%	60%
Marital Status:					
Single	20%	20%	20%	19%	20%
Married	59%	58%	57%	62%	60%
Living together	20%	21%	22%	18%	19%
Widowed	1%	1%	0%	1%	1%
Family Status:					
No children	48%	44%	46%	53%	52%
Children at home	35%	31%	31%	41%	39%
Empty nester	18%	25%	23%	15%	7%
Age:					
Mean	41.5	42	43	40	41
Median	38	37	38	36	38

Table 3: Summary Demographic Characteristics

	Total	2015 Summer	2015 Fall	Winter 2016	Spring 2016
Household income:					
0–$29,000	3%	3%	3%	3%	4%
$30,000–39,999	3%	3%	6%	3%	2%
$40,000–49,999	10%	12%	13%	9%	7%
$50,000–59,999	9%	8%	12%	9%	8%
$60,000–69,999	8%	9%	8%	10%	6%
$70,000–99,999	15%	15%	14%	14%	20%
$100,000–149,999	18%	20%	19%	19%	13%
$150,000–200,000	12%	10%	10%	12%	18%
$200,000-249,000	9%	11%	9%	11%	6%
$250,000-349,000	7%	2%	2%	8%	17%
$350,000-499,999	2%	1%	-	4%	3%
Mean	$138,000	$136,000	$127,000	$137,000	$154,000
Median	$105,000	$100,000	$88,000	$108,000	$126,000

1.2 Geographic Origin

Approximately half (48%) of all respondents lived in California. Visitors from outside California primarily originated in Nevada (10%), Illinois (5%), Texas (4%), Florida (3%), Washington (3%). The remaining respondents were distributed across other U.S. regions in small numbers, with no more than 4% originating from any other single geographic region (see Table 4). International visitors accounted for 2% of visitation.

Table 4: Geographic Origin

	Total	*Summer 2015*	*Fall 2015*	*Winter 2016*	*Spring 2016*
California	48%	44%	49%	48%	47%
Northern California	37%	37%	41%	40%	37%
Southern California	10%	8%	8%	7%	8%
Other California	1%	3%	1%	1%	2%
Nevada	10%	15%	6%	10%	10%
Northern Nevada	7%	12%	4%	7%	7%
Other Nevada	3%	3%	2%	3%	2%
Total CA + NV	58%	59%	54%	62%	57%
Other States:					
Midwest (IL/IN/MI/OH/WI)	9%	11%	12%	5%	3%
South West (AZ/NM/TX/OK)	6%	5%	6%	7%	5%
Pacific Northwest (WA/OR)	5%	3%	5%	7%	6%
Northeast (NJ/NY/PA)	5%	4%	4%	6%	7%
Other Domestic	15%	14%	18%	12%	23%
International	2%	4%	1%	1%	1%

Table 5: Top Visitor States

State	Percent
California	48%
Nevada	10%
Illinois	5%
Texas	4%
Florida	3%
Washington	3%
Arizona	2%
Oregon	2%

Over half of California respondents (59% or 28% of the total sample) originated from Northern California, with 38% (18% of the total sample) from the Bay Area and 21% (10% of the total sample) from the Sacramento area. Southern California respondents represented 21% of California visitors and 10% of the total sample.

Interesting to note, visitors from Illinois and the Northwest (Oregon + Washington) each comprised 5% of visitation.

Table 6: California Market

	% of Total	% of CA
Bay Area	18%	38%
East Bay	9%	19%
San Francisco	2%	4%
South Bay	6%	13%
North Bay	1%	2%
Sacramento	10%	21%
Southern California	10%	21%
LA Basin	6%	13%
Orange County/San Diego	3%	6%
Riverside/San Bernardino	1%	2%
Other	1%	2%
Other CA	9%	20%

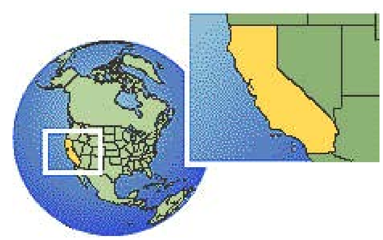


Table 7: Visitor Markets by Mileage

From a mileage perspective, approximately 51% of total visitors live within 530 miles. Approximately 37% are within 200 miles.

Market	Miles	% of Total Visitors	Cumulative
Reno/Sparks/Carson City		6%	
Sacramento	<100	10%	16%
Bay Area	100-200	20%	36%
Central Valley	201-449	4%	40%
Los Angeles	450-499	6%	46%
Las Vegas	450-499	2%	48%
Orange County/San Diego	530	3%	51%

1.3 Visitor Type

Overall, 28% of those surveyed were day visitors, while 72% of those surveyed were overnight visitors. Overnight visitors were more likely to be from California/Nevada than outside of California/Nevada.

Figure 2: Visitor Type – Overall

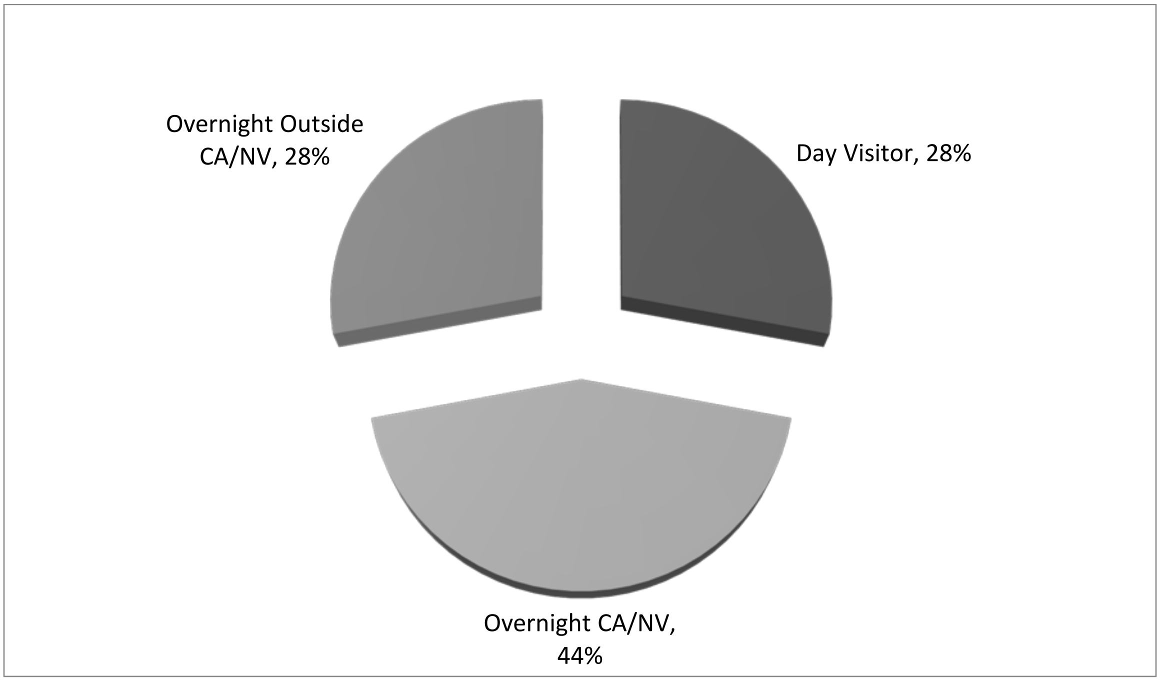


Table 8: Type of Visitors

	Summer	Fall	Winter	Spring
Day Visitor	32%	23%	30%	27%
Overnight CA/NV	38%	47%	39%	51%
Overnight Outside CA/NV	30%	30%	31%	22%

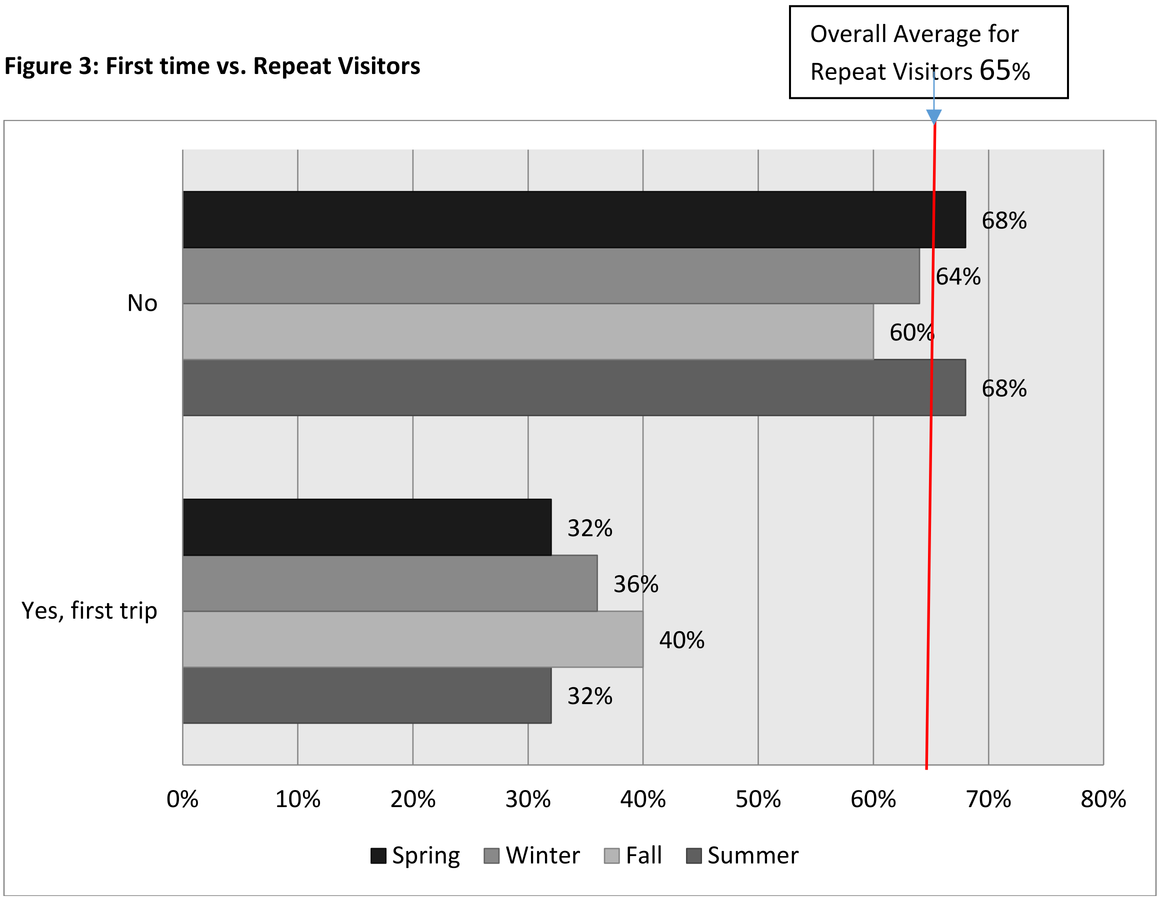
**Numbers may not foot due to rounding.*

Section 2: Visitor Behavior

2.1 First Time vs. Repeat Visitors

Most respondents (65%) had visited South Shore previously. As might be expected, summer visitors had the highest concentration of repeat visitors (68%), while the fall (40%) and winter seasons (36%) had the highest concentration of first time visitors.

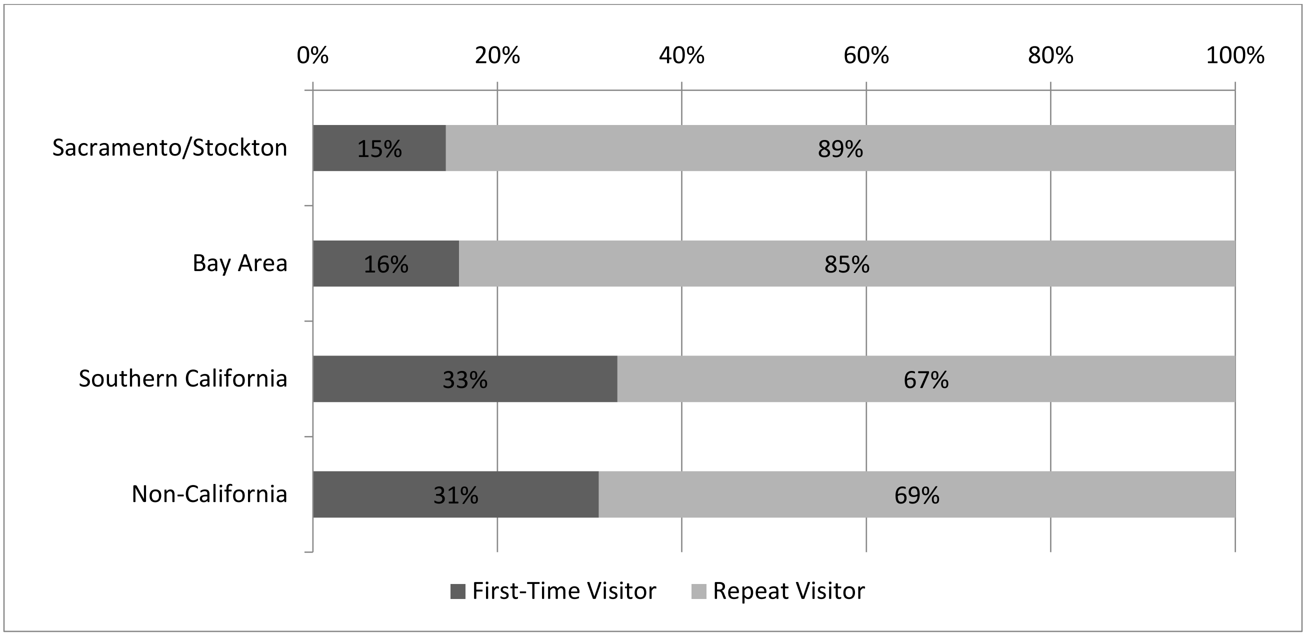
Figure 3: First time vs. Repeat Visitors



******Numbers may not foot due to rounding*

It should be noted the primary source of first time visitors is from areas outside of Northern California. See table on the following page.

Figure 4: First-Time and Repeat Visitors



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2.2 Visitor Trip Frequency

Overall, respondents visited South Shore an average of 2.6 times in the past 12 months. Winter visitors were most likely to have children present with them on their trip (33%), while fall visitors were least likely (23%).

Table 9: Number of trips to South Shore Past 12 Months

	Total	Summer	Fall	Winter	Spring
In the last 12 months	2.68	2.9	2.2	3.5	2.1
% with children	**27%**	**27%**	**23%**	**33%**	**28%**

In viewing the five year demand curve for the destination, there appears to be three distinct patterns: casual/infrequent visitors, loyal visitors and passionate visitors.

Figure 5: Five Year Trip Demand Curve

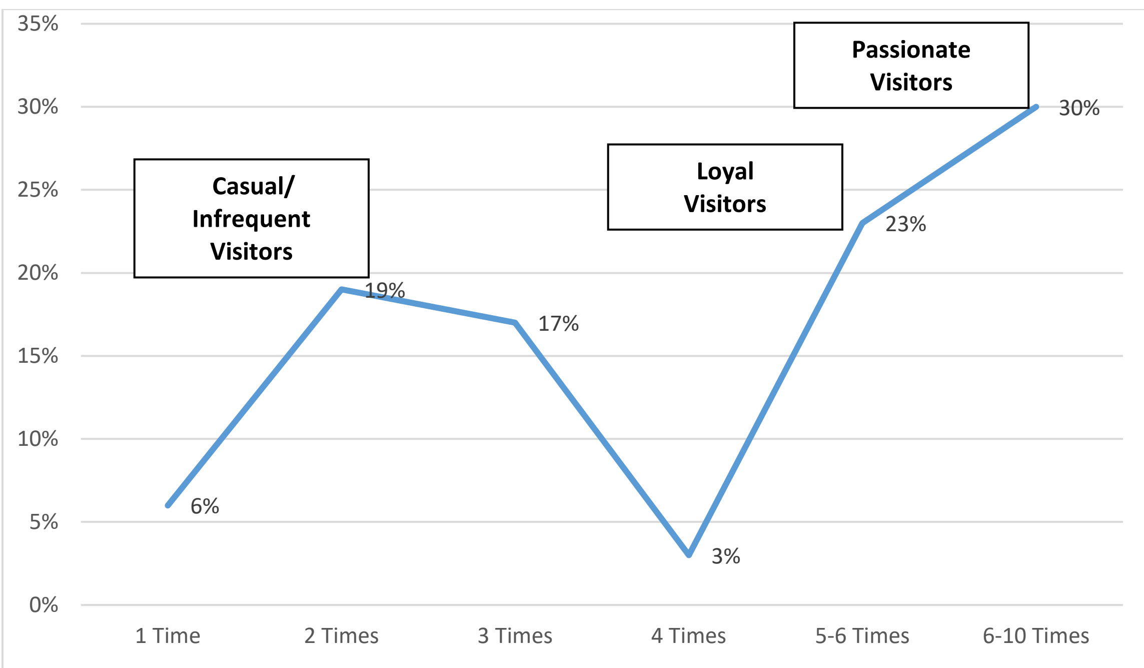
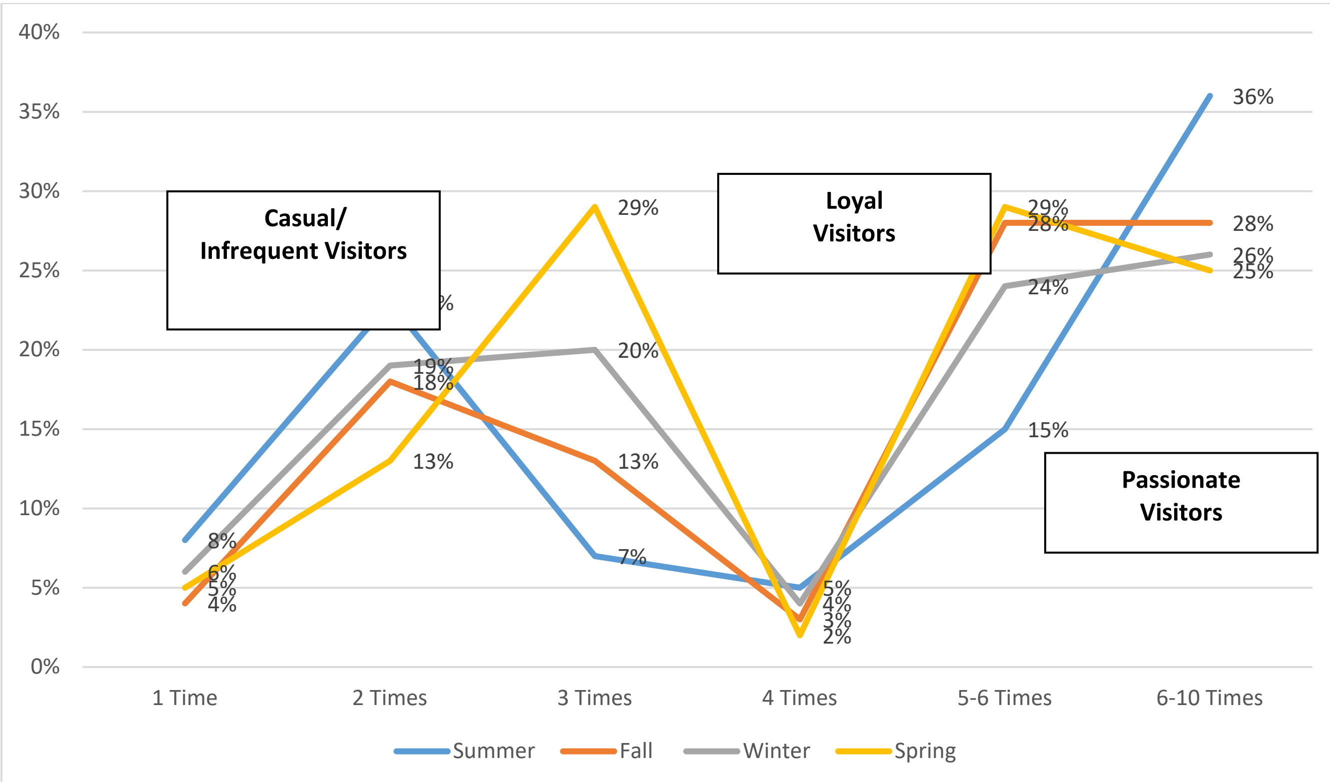


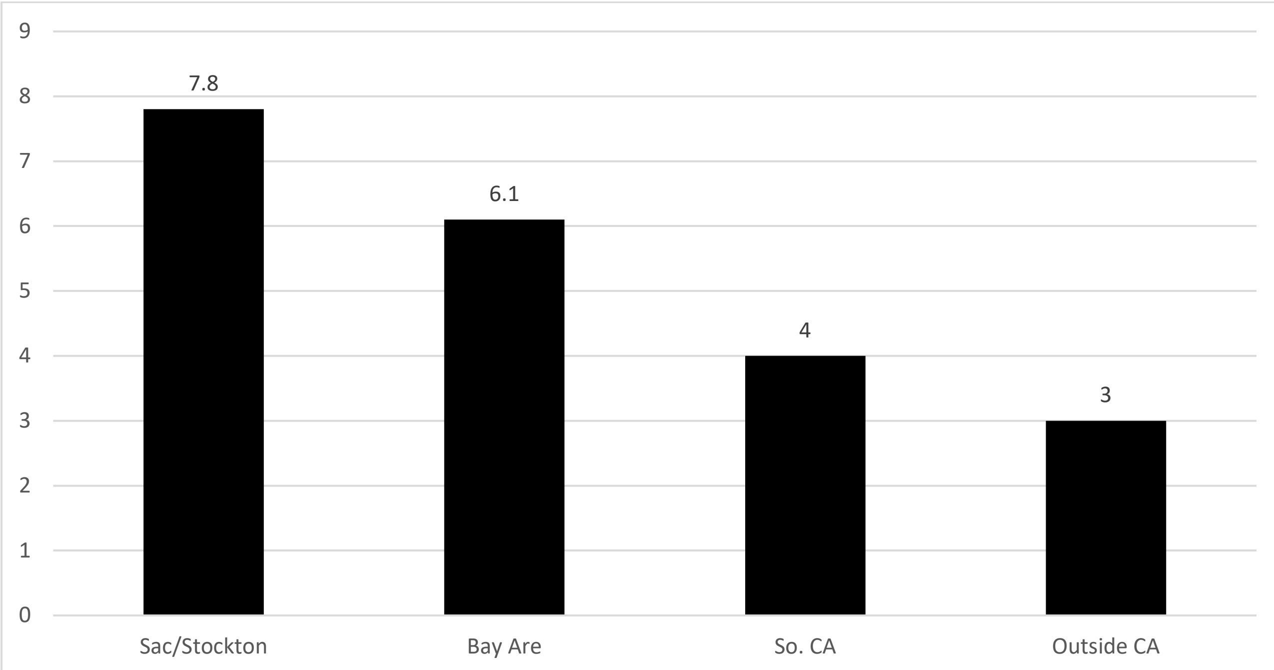
Figure 6: Five Year Trip Demand Curve by Season



The demand for the destination is also impacted by visitor's geographic location. Specifically, those located in closer geographic proximity are more likely to take more trips while those from further destination markets are much more likely to take fewer trips. (See the following page.)

With the addition of air service in Southern California, opportunity may exist to increase the visitation frequency to the market. The same might also be true for destination markets outside of California with good air access.

Figure 7: Five Year Demand Curve by Market



2.3 Party Size

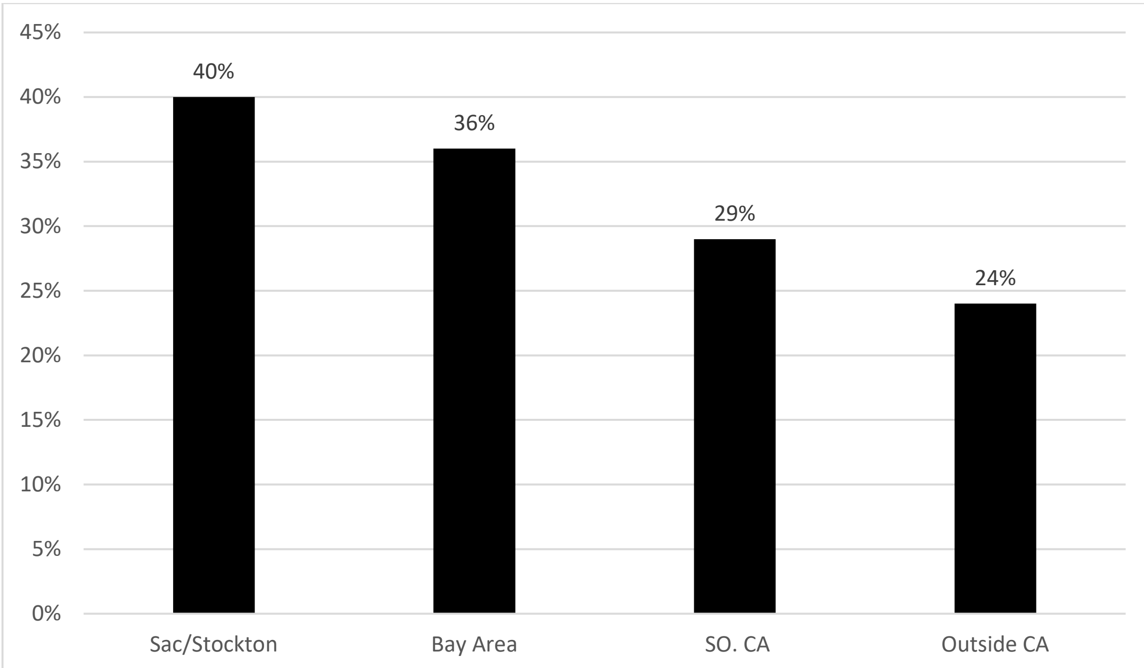
Overall, trip party size was 3.2 persons with winter and summer visitors having the largest party size. Fall and spring visitors had slightly smaller party sizes.

Table 10: Party Size by Season

	Total	Summer	Fall	Winter	Spring
Average party size:	3.2	3.2	3.0	3.3	3.0

It should be noted that the overall presence of children is approximately 30%. A clear pattern exists that those markets in closer proximity to South Shore tend to have children in their party while those coming from further away tend to have children with them less frequently. Overall the presence of children is not a dominant segment of visitors to South Shore.

Figure 8: Percent with Children by Market



2.4 Length of Stay

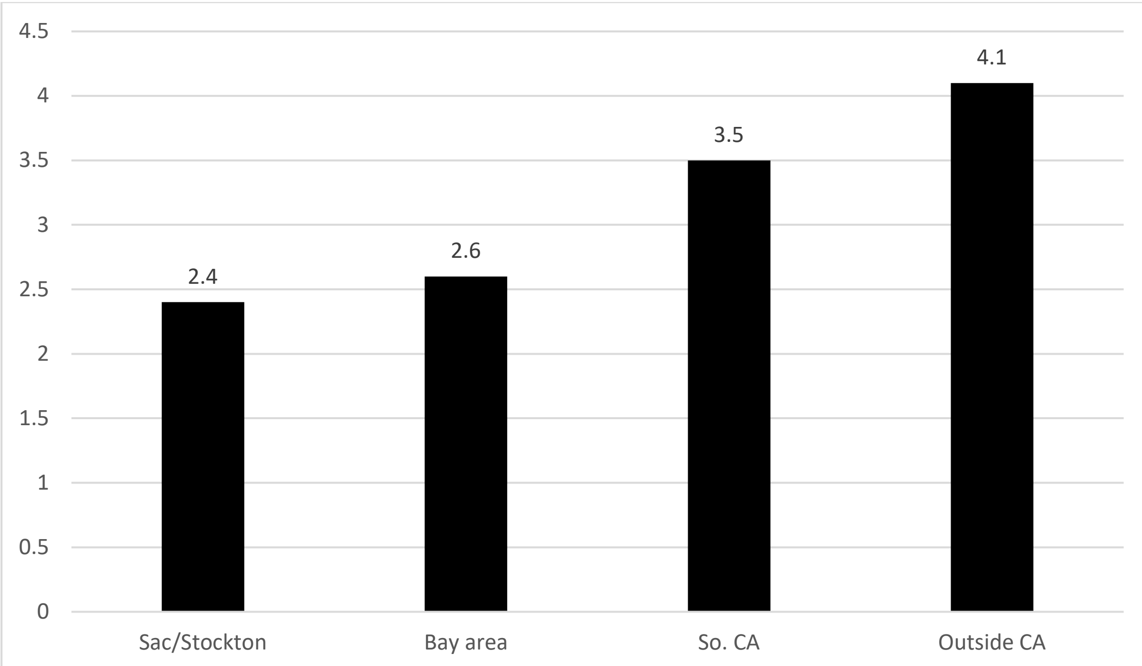
Overall, trip length was 3.3 nights. with winter season visitors having the longest length of stay (3.5 nights). Spring season visitors had the shortest length of stay (2.5 nights).

Table 11: Length of Stay by Season

	Total	Summer	Fall	Winter	Spring
Length of Stay (Nights):	3.3	3.2	2.9	3.5	2.5

Length of stay also varies by market with those originating from more distant markets staying longer. In some case almost twice as long. (See following page.)

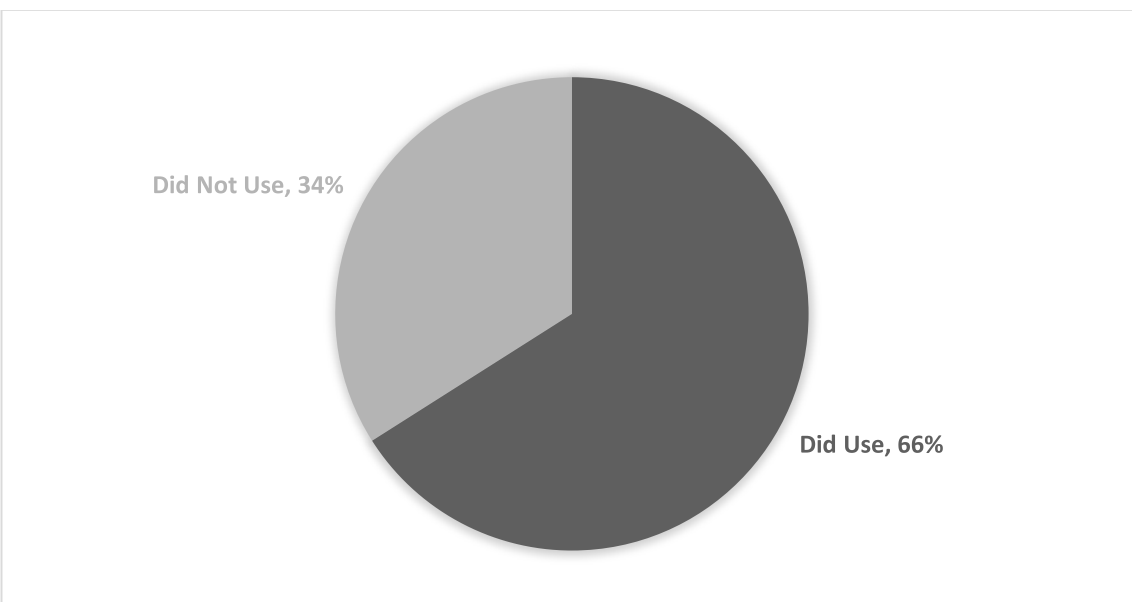
Figure 9: Length of Stay by Market



2.5 Trip Booking

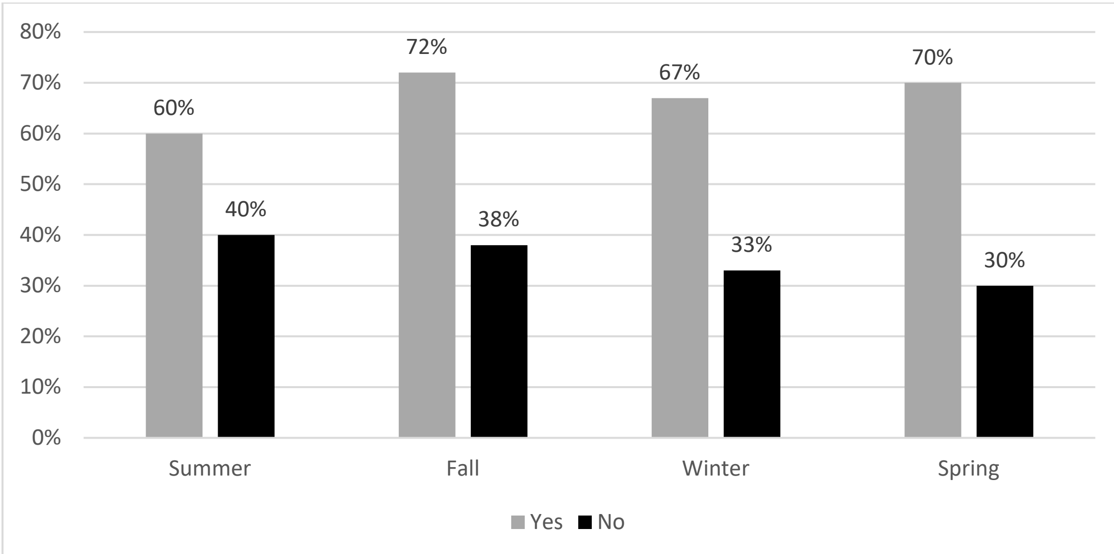
Overall 66% of those surveyed indicated they used the internet to plan or purchase a part of their trip.

Figure 10: Internet Use to Plan or Purchase any Part of the Trip



As seen below, there are some variations of internet use by season.

Figure 11: Internet Use to Plan or Purchase any Part of the Trip by Season



2.6 Tahoe South.com Use

Of those surveyed, 21% indicated they used Tahoe South as part of their trip planning process. The highest use of the site was by winter visitors 26%. The lowest use was by summer visitors 17%.

Figure 12: Tahoesouth.com Use

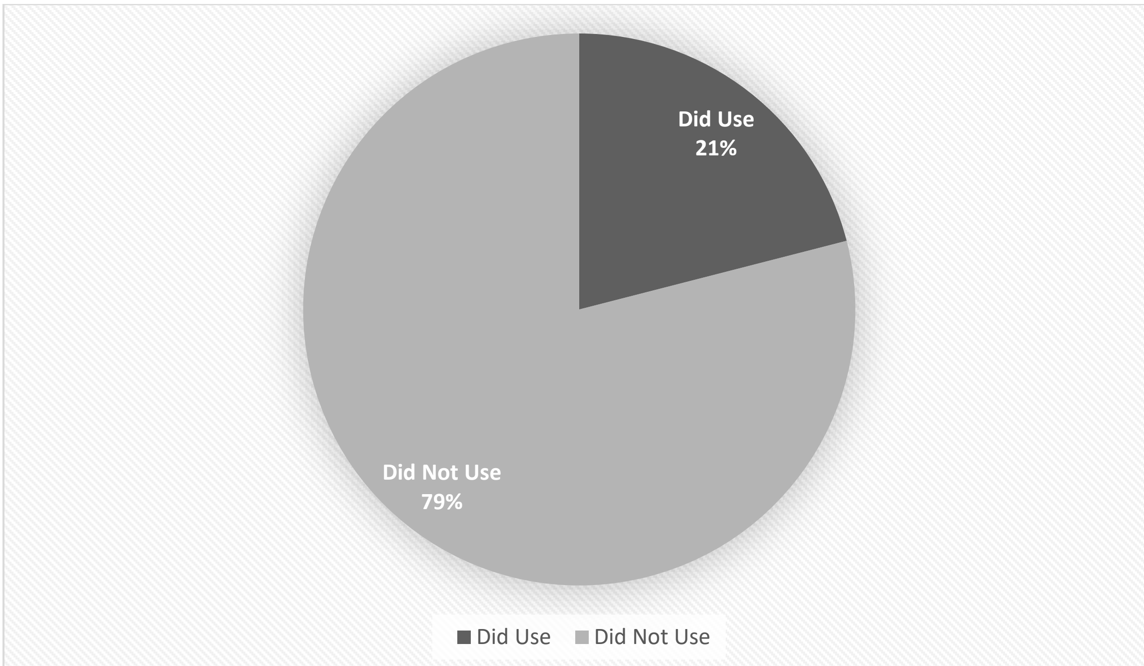
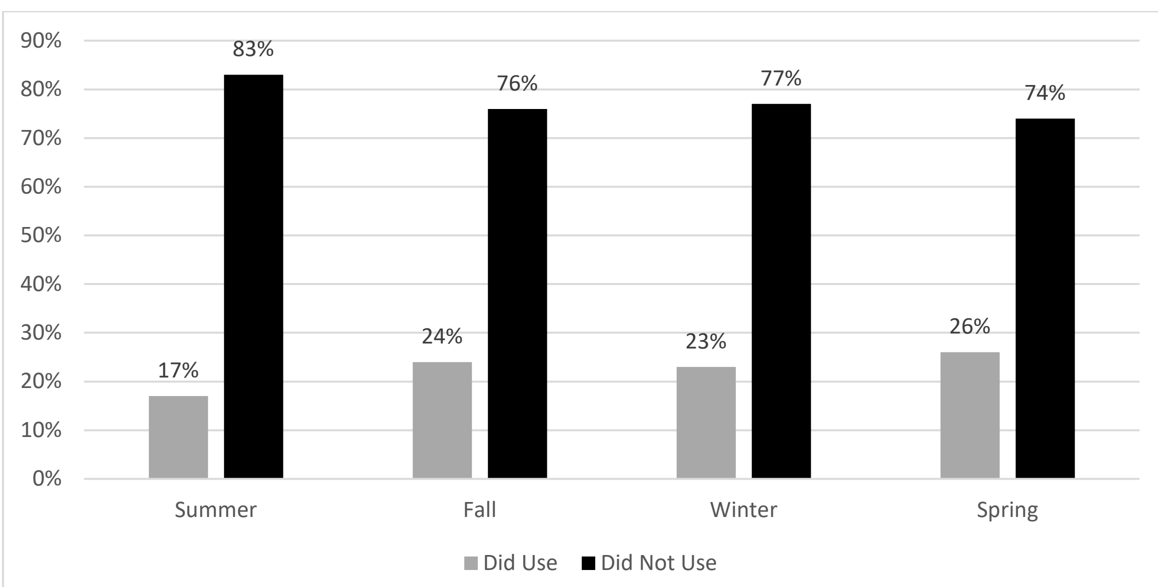
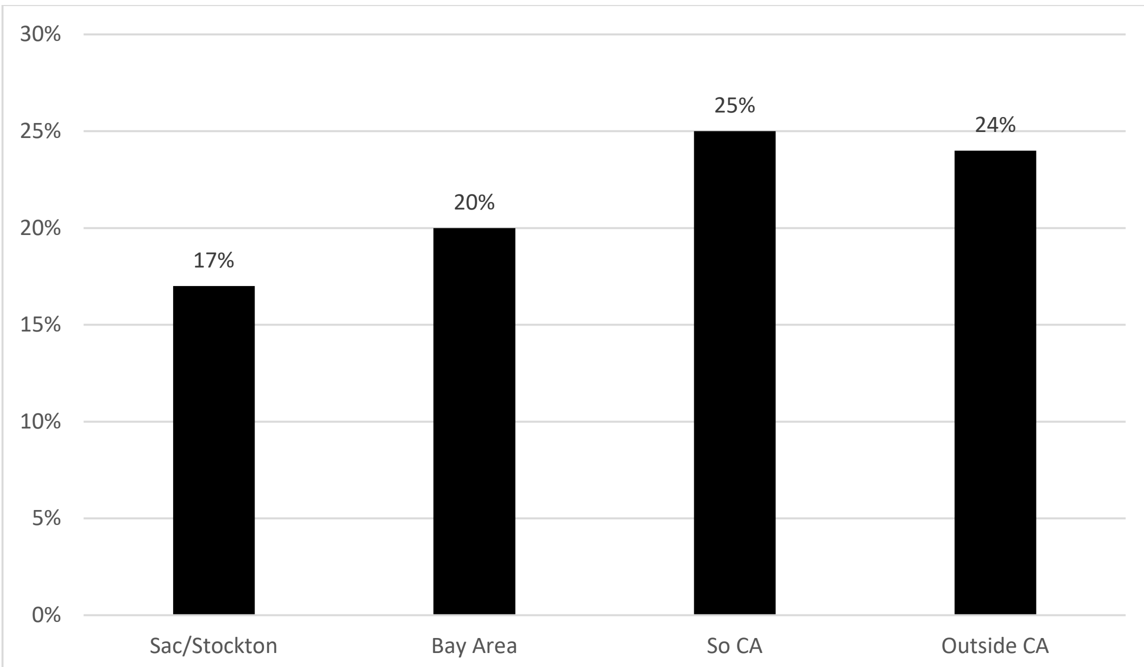


Figure 13: Tahoesouth.com Use by Season



The use of Tahoesouth.com varied by market. A clear pattern exists where those from destination markets were more likely to use the website compared with those from proximity markets. This would make sense given that those visitors from proximity markets have a higher trip frequency and knowledge of the destination. Often, they have developed a relationship with specific properties or other elements of the destination. However, those from destination markets have a higher need to familiarize themselves with the broad offerings of the destination which TahoeSouth.com is uniquely suited for.

Figure 14: Tahoesouth.com Use by Market



It should be noted that visitor's recollection as to the specific use of the Tahoe South website may not be precise. Despite this, the data provides some relative measure of website familiarity and use.

2.7 Website Actions

This is a **new** question designed to get some level of insight in understanding what visitors did once they went to the website. Visitors were asked what actions they took once on the website. The most frequently mentioned action was searching for recreation activities. Fully 63% of respondents indicated they searched in part for available recreation activities.

Figure:15 Website Action

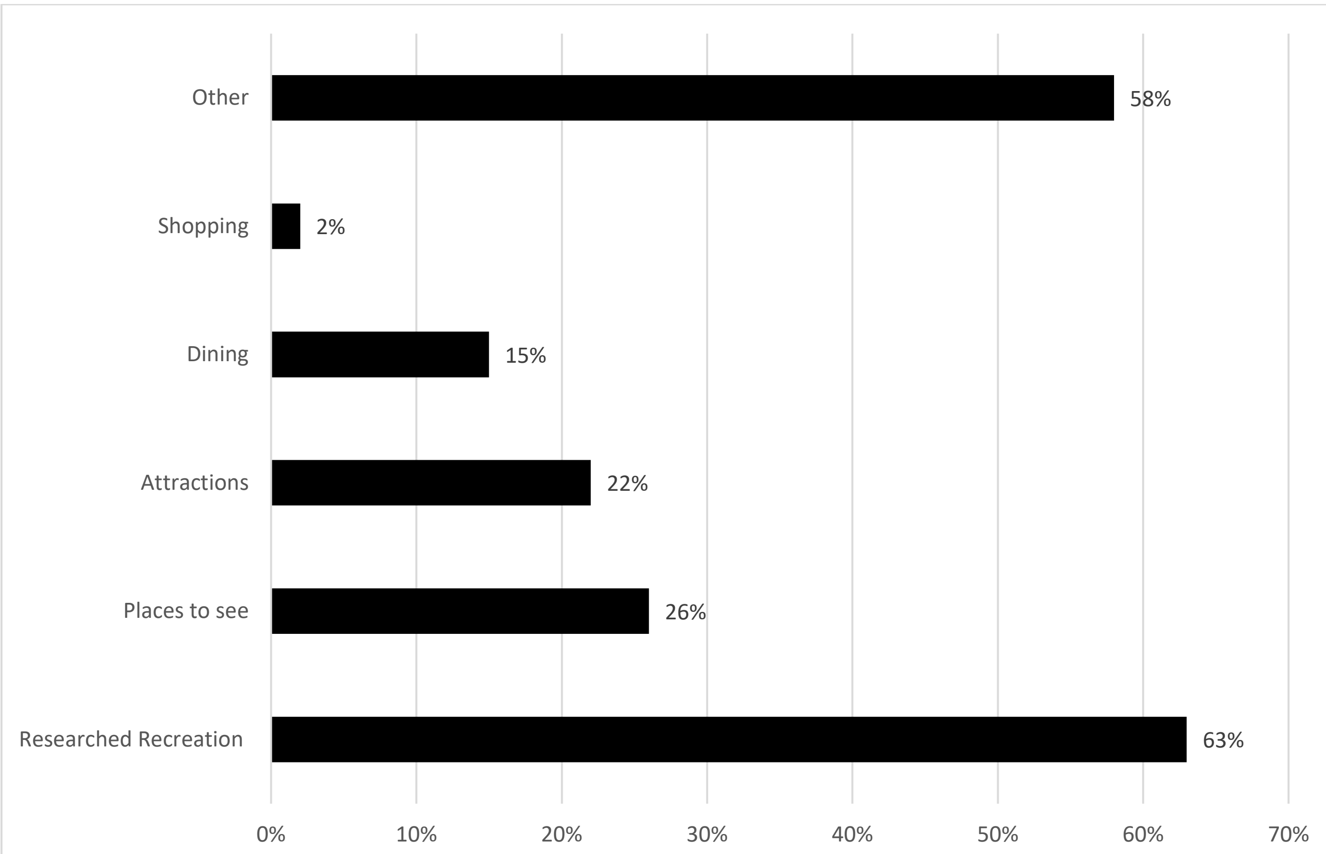
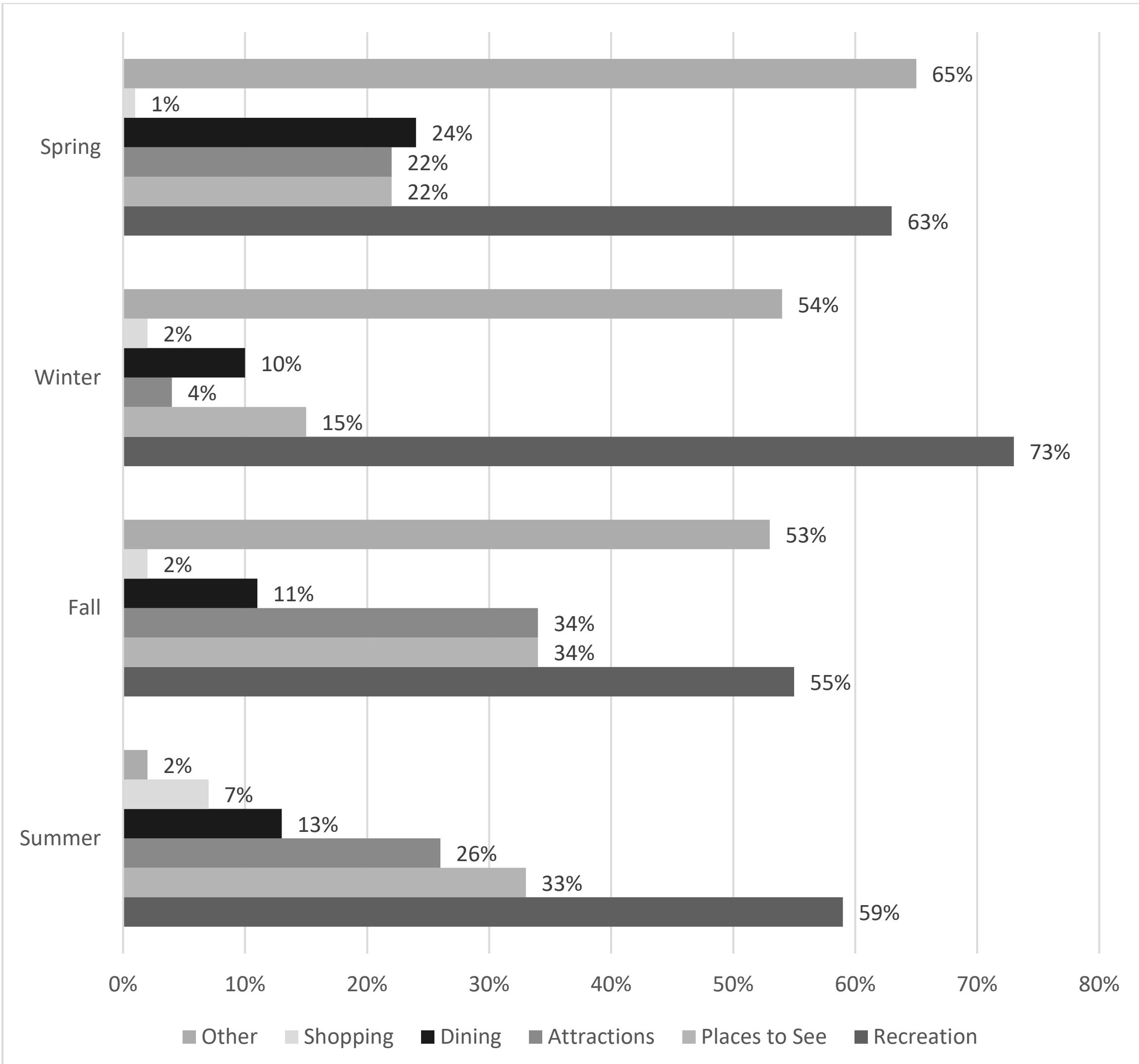


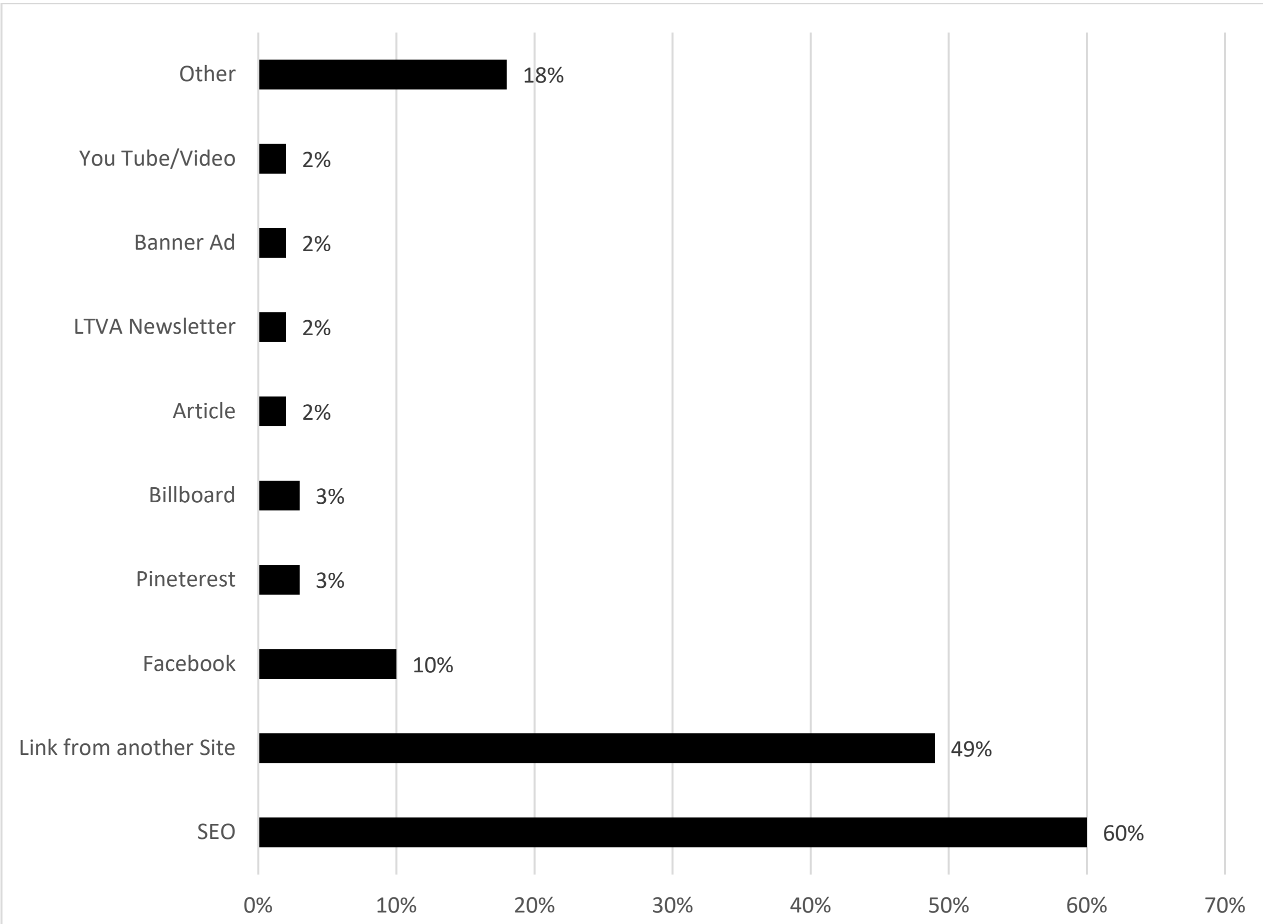
Figure 16: Website Actions by Season



2.8 Means for Finding the Website

As might be expected, the most frequently mentioned way of finding the TahoeSouth.com website was via Search Engine Optimization (SEO).

Figure 17: Means for Finding the Website



It should be noted that these findings illustrate "how" people found the website not how they became aware of the South Shore or why they were motivated to visit. It also identifies the importance of Search Engine Optimization (SEO) as a strategy to deliver consumers to the website where they can be influenced to visit.

This pattern varied by season; however, the dominant source of how consumers found out about the website was through Search Engine Optimization.

Figure 18: Means for Finding the Website by Season

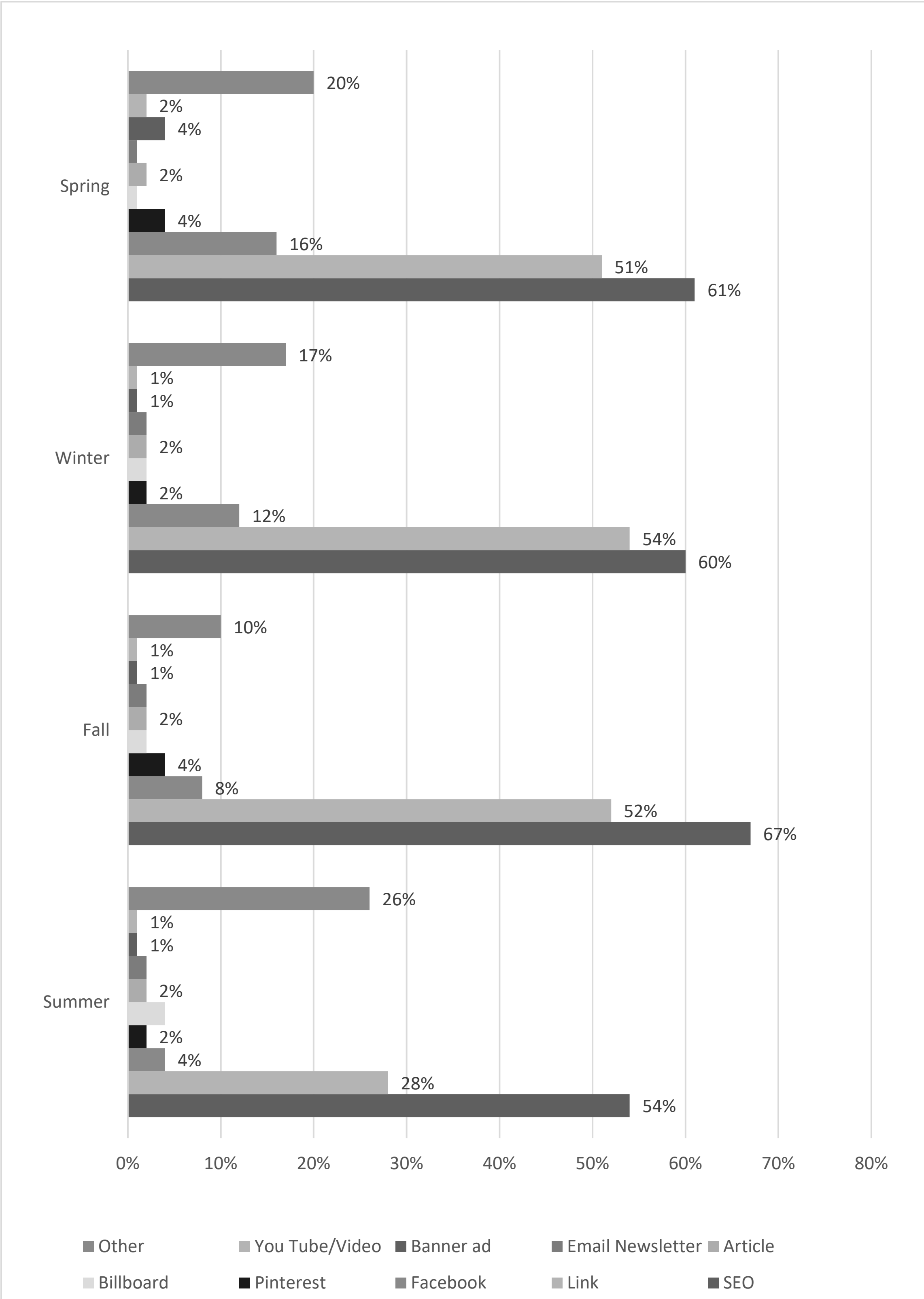


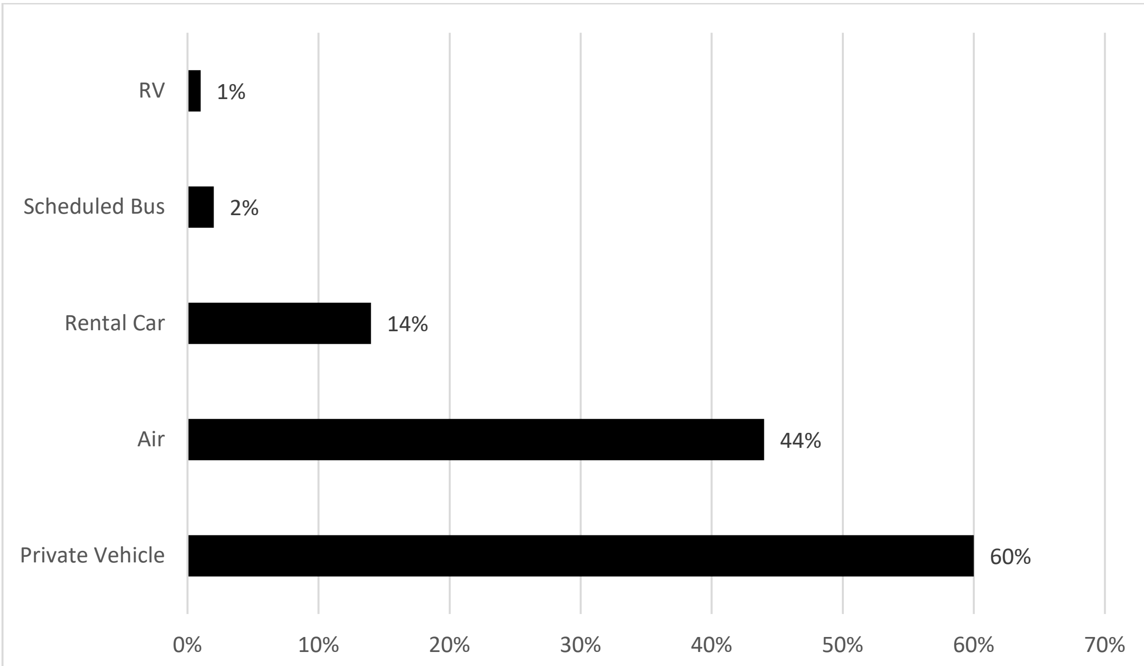
Table 13: Means for Finding the Website by Market

	Total	Sac/Stocton	Bay Area	SO CA	Outside CA
Search Engine	60%	89%	69%	55%	55%
Link from another site	49%	37%	28%	50%	58%
Facebook	10%	5%	3%	20%	12%
Pineterest	3%	5%	3%	1%	3%
Advertising Billboard	2%	3%	3%	5%	1%
Article (Internet, traditional print)	2%	1%	1%	1%	3%
LTVA Email Newsletter	1%	2%	3%	1%	1%
Online Banner Ad	1%	1%	2%	2%	2%
Advertisement Radio	1%	1%	3%	2%	1%
You Tube/Vimeo/Online Video	-	1%	1%	2%	25%
Other	18%	5%	9%	10%	23%

2.9 Method of Travel

Among all respondents, the primary method of travel to the general area was via a private vehicle, followed by air, rental car, RV and bus.

Figure 19: Primary Travel Method to the General Area

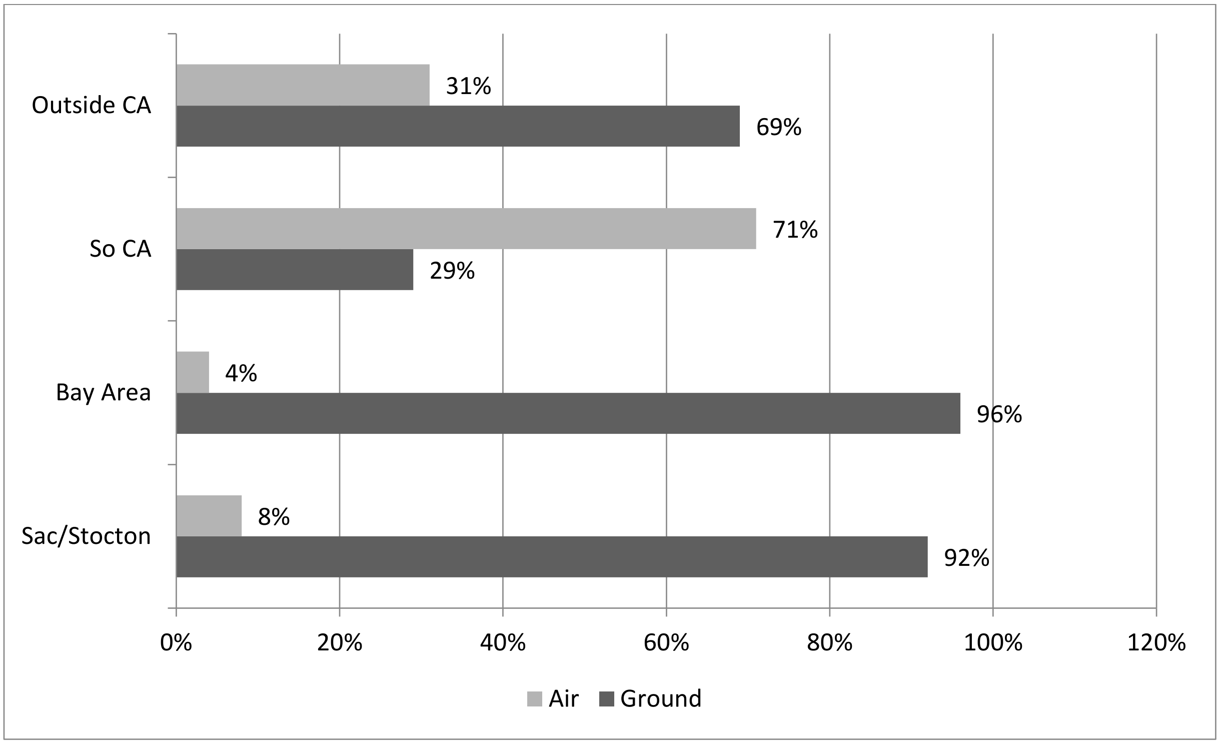


It should be noted that some visitors may have taken multiple modes of transportation.

Among air visitors, 36% of visitors arrived via the Reno-Tahoe International Airport, 7% via the San Francisco airport and 2% among the Sacramento Airport.

Not surprisingly, travel methods varied by geographic origin. Those from outside of California were the most likely to fly, while those from Northern California almost exclusively arrived by private vehicle. Opportunity may exist in the Southern California market. Since air service has increased with flights from Orange County, San Diego, Long Beach and Los Angeles as well as connecting flights from Hollywood/Burbank and Ontario, South Shore has more access to this market than it has had in years. Additionally, new highway connections between the Reno-Tahoe International Airport and South Shore will reduce travel time from the airport to under an hour.

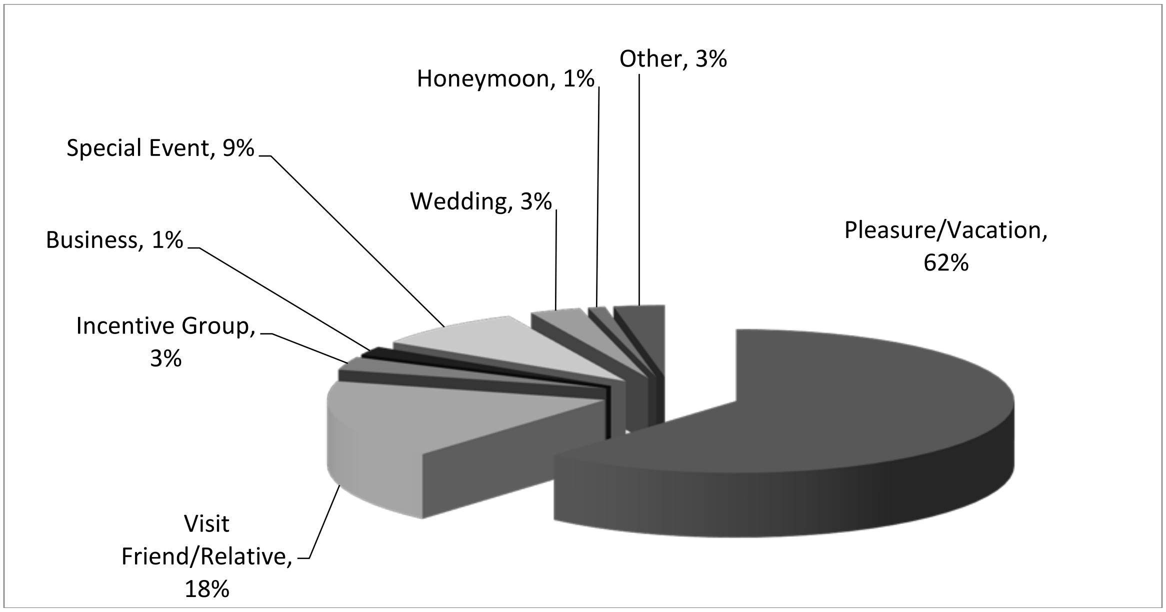
Figure 20: Primary Method of Travel to the Area



2.10 Purpose of Visit

Respondents most frequently cited “pleasure or vacation” as the primary purpose of their visit to the South Shore (62%), followed by “visiting a friend or relative” (18%). It should be noted that fully 9% of those surveyed indicated they came specifically for a special event.

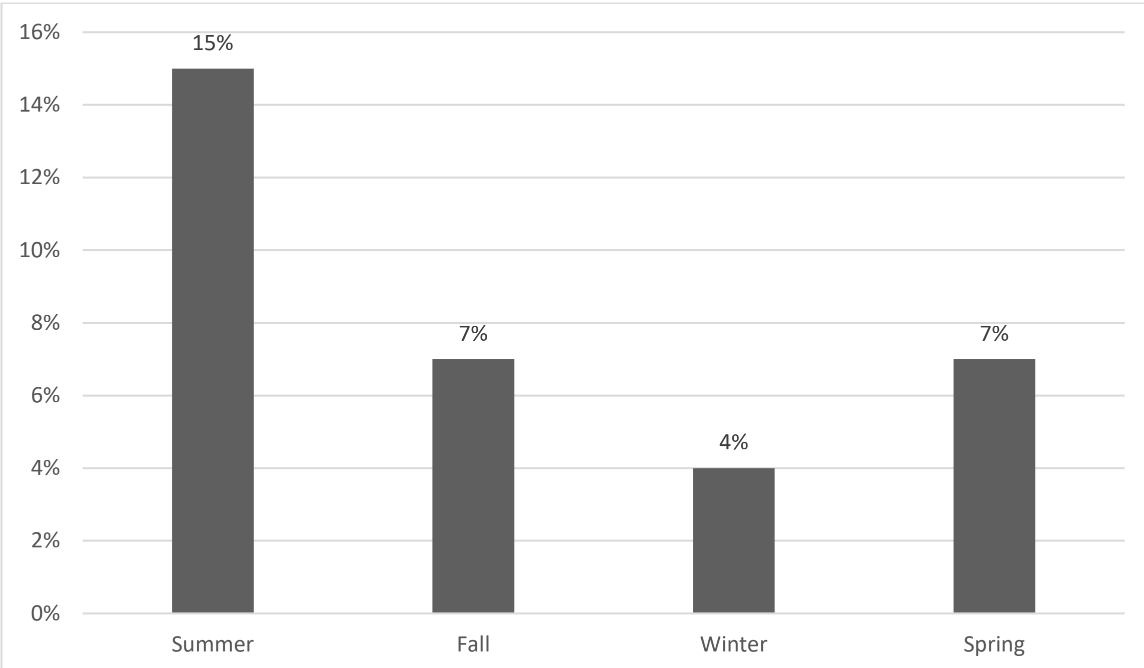
Figure 21: Purpose of Visit



Special events as a primary reason for visiting by season varied. For some time now, the destination has invested in the development of a special event strategy to increase visitors to the area. These efforts appear to be working especially during the summer season. During this season, 15% of respondents indicated their primary reason for visiting was for a special event, followed by the fall season (7%) and the spring season (7%). (See figure on the following page.)

These results illustrate the potential opportunity for increasing special events as a reason to visit if year-round facilities conducive to events can be developed.

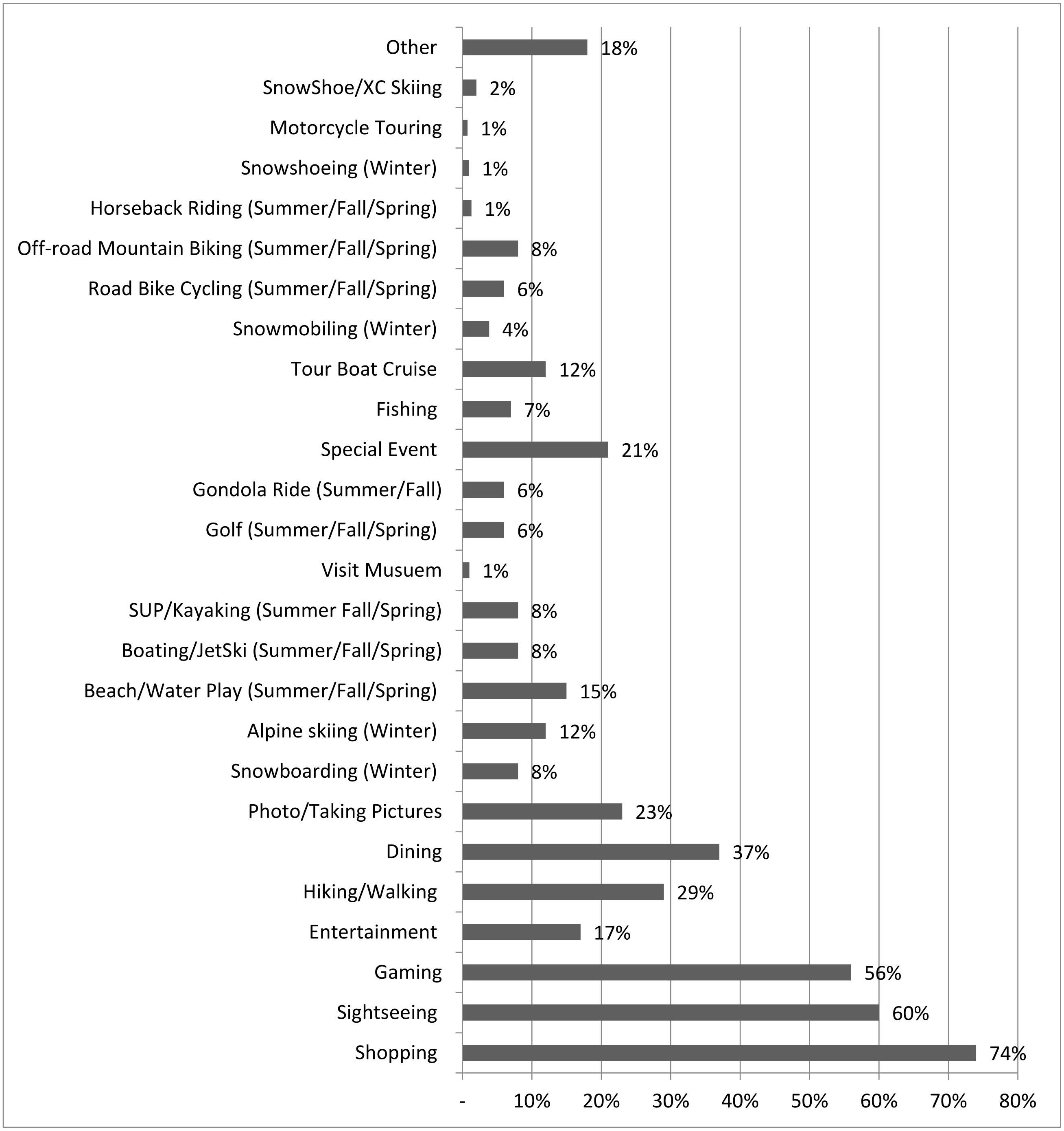
Figure 22: Special Events as a Primary Reason to Visit by Season



2.11 Activity Participation

The variety of visitor participation in activities is extensive. Everything from shopping and sightseeing to snowshoeing are experienced.

Figure 23: Activity Participation



******Note: Number may not foot due to multiple responses*

There are several key observations regarding activity participation:

- Given that historically South Shore has been dominated by gaming and winter sports, the destination appears to be more well-rounded in terms of providing a variety of activities for visitors to participate in.
- The most frequently mentioned activities visitors participated in were shopping and sightseeing. While sightseeing has historically seen high participation rates, it is interesting to note that shopping has become a highly participated in activity. Perhaps the impact of The Village, Ski Run, and Harrison Avenue are being recognized by visitors. This data should be treated as preliminary and more is needed, but it does suggest some interesting changes. If this is in fact the case, it would indicate the potential for other areas of South Shore as they are updated including lower Kingsbury, the Y and potentially Meyers. Product improvement does matter.
- Also worth noting is the increase in participation rates of traditionally niche activities such as mountain and road biking, stand up paddle, kayaking, hiking and photography.
- Special events are again worth noting as it becomes evident that visitors are not just motivated to visit the destination because of a special event, but may also choose to participate in one once they have arrived on the South Shore.
- Seasonal changes are evident as visitors shift activity participation especially during the fall and spring season.
- Entertainment is an important part of the year-round experience.

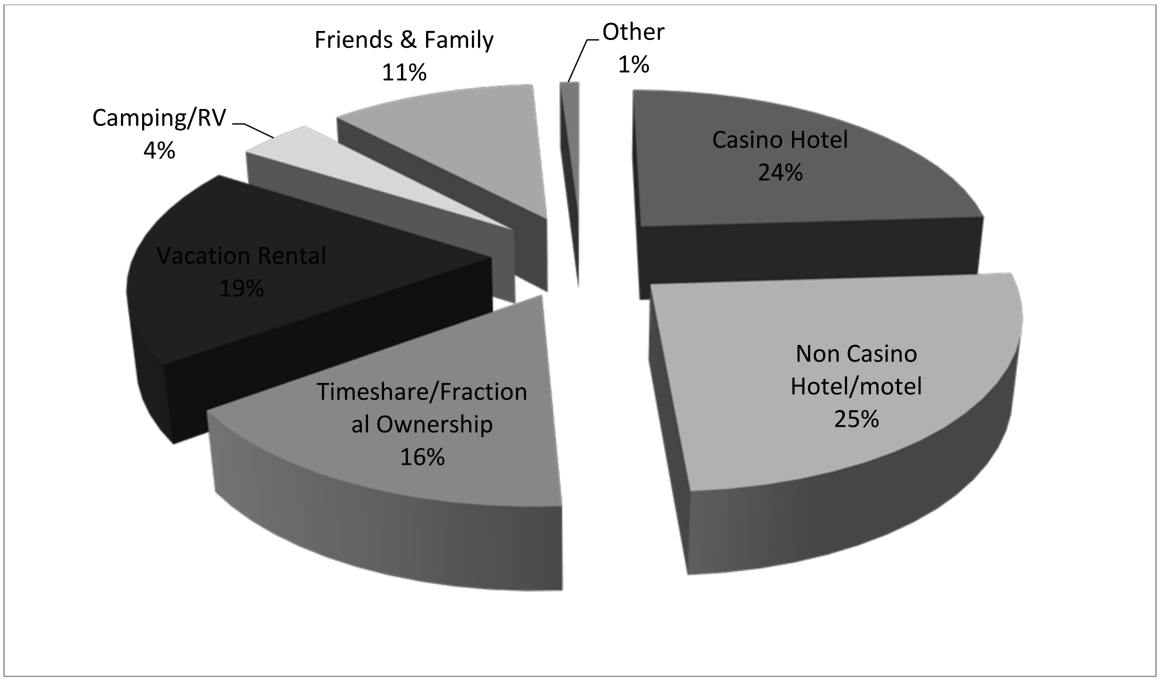
Table 14: Activity Participation by Season

	Summer	Fall	Winter	Spring
Shopping	66%	70%	60%	63%
Sightseeing	74%	65%	44%	54%
Gaming	51%	65%	52%	58%
Entertainment	22%	16%	17%	14%
Hiking/walking	52%	40%	16%	5%
Dining	44%	35%	32%	38%
Photo/Taking Pictures	25%	23%	11%	35%
Snowboarding (Winter)	N/A	2%	38%	3%
Alpine skiing (Winter)	N/A	3%	44%	5%
Beach/water play (Summer/Fall/Spring)	15%	7%	N/A	18%
Boating/JetSki (Summer/fall/spring)	8%	1%	N/A	2%
SUP/Kayaking (Summer Fall/Spring)	8%	1%	N/A	7%
Visit Musuem	1%	1%	1%	1%
Golf (Summer/Fall/Spring)	8%	6%	N/A	2%
Gondola Ride (Summer/Fall)	12%	4%	N/A	N/A
Zip Line	2%	4%	N/A	N/A
Special event	22%	25%	19%	5%
Fishing	6%	6%	4%	3%
Tour Boat Cruise	12%	12%	12%	6%
Snowmobiling (Winter)	N/A	N/A	12%	N/A
Road/bike trail cycling (Summer/Fall/Spring)	6%	8%	N/A	1%
Off-road mountain biking (Summer/Fall/Spring	8%	10%	N/A	4%
Horseback riding (Summer/Fall/Spring)	1%	1%	N/A	1%
Snowshoeing (Winter)	N/A	N/A	2%	N/A
Motorcycle Touring (summer/Fall/Spring)	1%	1%	N/A	1%
XC Skiing	N/A	N/A	1%	N/A
Other	15%	16%	17%	11%

2.12 Lodging

Overall, visitors tended to stay primarily in casino hotels (24%), non-casino hotels/motels (25%) and timeshare/fractional ownership (16%). It should be noted that 19% indicated they stayed in a vacation rental unit and 11% indicated they stayed with family & friends.

Figure 24: Type of Lodging



There are several key observations worth noting:

- Lodging at The Village has become an important component in the South Shore lodging mix.
- The level of demand for vacation rental properties is growing. Fully 19% of respondents indicated they are staying in a vacation rental unit. This underscores the impact of not just traditional vacation rentals, but also new entrants like AirBnb. Given the excess supply of low quality motels, visitors have turned to vacation rentals as a preferred lodging option.

2.13 Visitor Spending

The survey asked visitors to estimate the amounts their party would spend each day on various aspects of their visit. Overall, each party spent $879 per day.

Figure 25: Visitor Spending by Percent

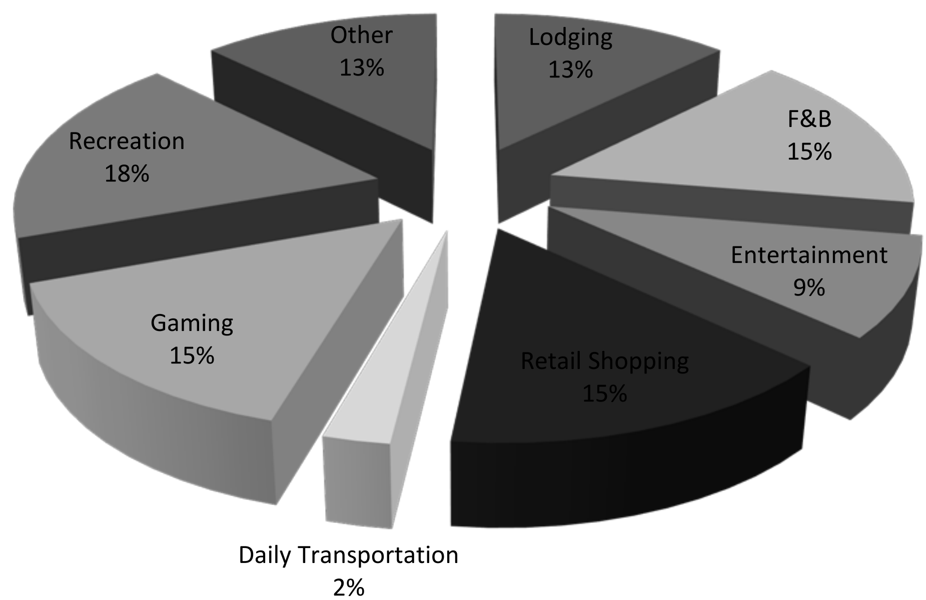


Table 15: Per Party/Per Day Expenditure

Segment	Amount	%
Lodging	$141	13%
F&B	$170	15%
Entertainment	$48	9%
Retail Shopping	$118	15%
Daily Transportation	$33	2%
Gaming	$184	15%
Recreation	$129	18%
Other	$56	13%
Total	$879	

$879 Per Party/Per Day Expenditure

$2,900 Per Party Trip Expenditure =

$266 Per Person Per Day Expenditure

The following table identifies the per person/per day expenditures.

Table 16: Per Person/ Per Day Trip Spending by Segment

	Sacto/ Stockton	Bay Area	So. Calif.	Non Calif.	Summer	Fall	Winter	Spring
Per Party Daily Expenditure	$754	$861	$863	$912	$833	$861	$873	$912
Party Size	3.1	3.2	3.4	3.1	3.2	3	3.3	3
Per Person Per Day Expenditure	$243.23	$269.06	$253.82	$294.19	$260.31	$287.00	$264.55	$304.00

Note: sample size is small

Highest segment per person/per day trip spending is found among those visitors from segments outside of Northern California during the winter and summer seasons.

Table 17: Segment Worth

	Sacto/ Stockton	Bay Area	So. Calif.	Non Calif.	Summer	Fall	Winter	Spring
Per Person/Per Day Expenditure	$243	$269	$253	$294	$260	$287	$264	$304
Length of Stay	2.4	2.5	3.5	4.1	3.2	3.2	3.2	3.2
Per Person Trip Expenditure	$583.20	$672.50	$885.50	$1,205.40	$832.00	$918.40	$844.80	$972.80
# Trips/12 months	4.1	3	2.7	2.9	2.9	2.2	3.5	2.1
12 Month Segment Worth	$2,391.12	$2,017.50	$2,390.85	$3,495.66	$2,412.80	$2,020.48	$2,956.80	$2,042.88
# Trips/5 Years	7.5	6.1	4.9	6	7.9	6.6	5.4	5.6
5 Year Segment Worth	$4,374.00	$4,102.25	$4,338.95	$7,232.40	$6,572.80	$6,061.44	$4,561.92	$5,447.68

Visitors from the Sacramento/Stockton market consistently have a higher frequency of visitation both annually and over a five-year period, but they also have the lowest economic impact on the destination. This high frequency vs. lower yield segment must be balanced with other lower frequency vs. higher yield segments.

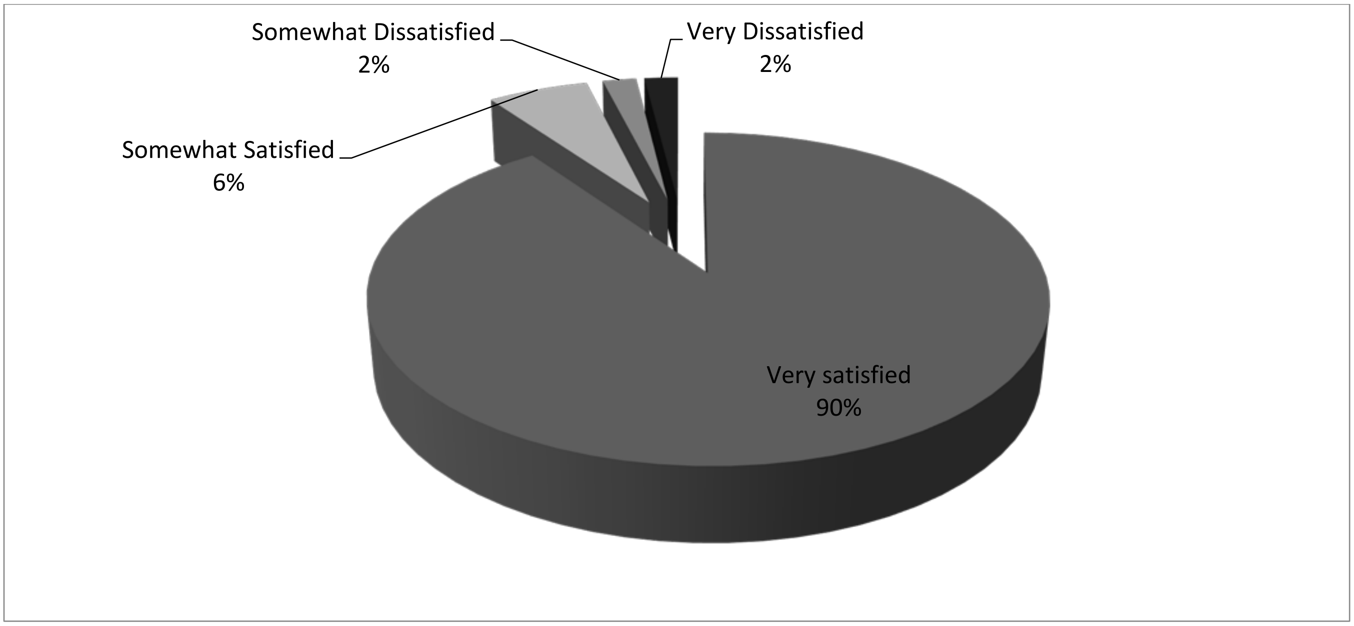
A strategy should be developed that looks to optimize total revenue for the destination which might better balance visitation from Northern California, Southern California and visitors outside of California.

Section 3: Destination Experience and Perceptions

3.1 Trip Satisfaction

Overall trip satisfaction was high with 96% of respondents indicating they were either very satisfied or somewhat satisfied.

Figure 26: Overall Trip Satisfaction

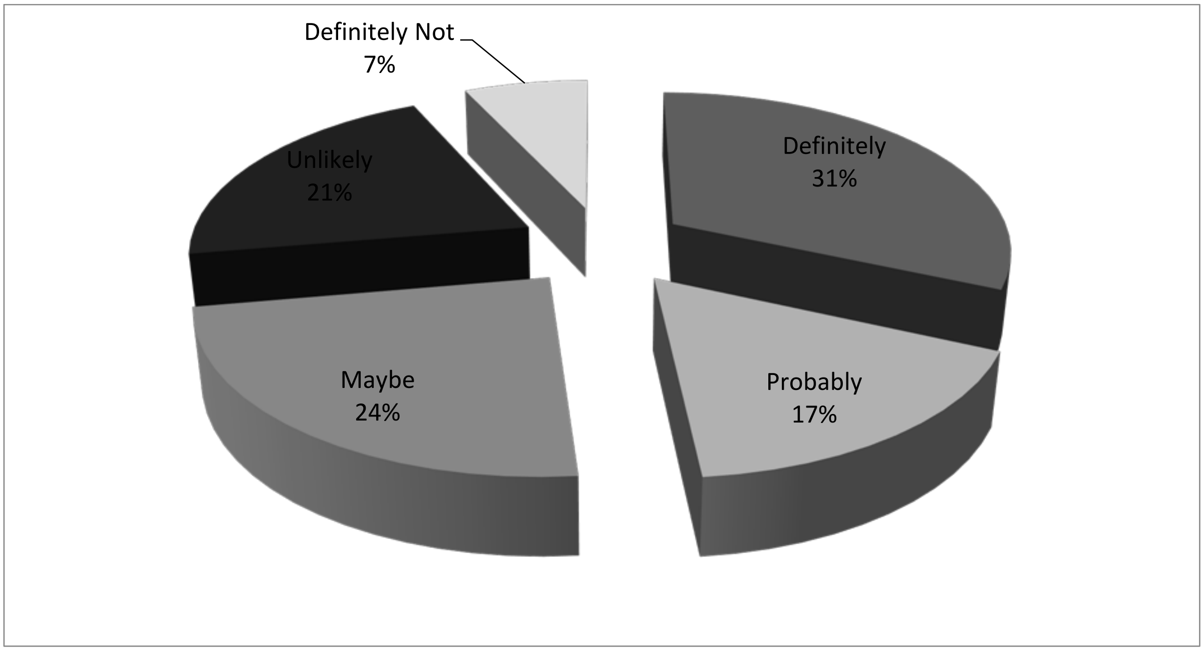


3.2 Likelihood of Future Visit

The survey asked visitors to rate how likely they were to visit the South Shore again in the next 12 months. Ratings were based on a scale between (definitely not) to (definitely).

Most respondents (48%) stated that they were definitely/probably likely to return to the South Shore in the next 12 months, 31% would return and 17% would probably return.

Figure 27: Likelihood of Future Visit in Next 12 Months



The likelihood of returning to the South Shore differed among segments. Those from the Sacramento area were more likely to visit than were other visitor segment markets.

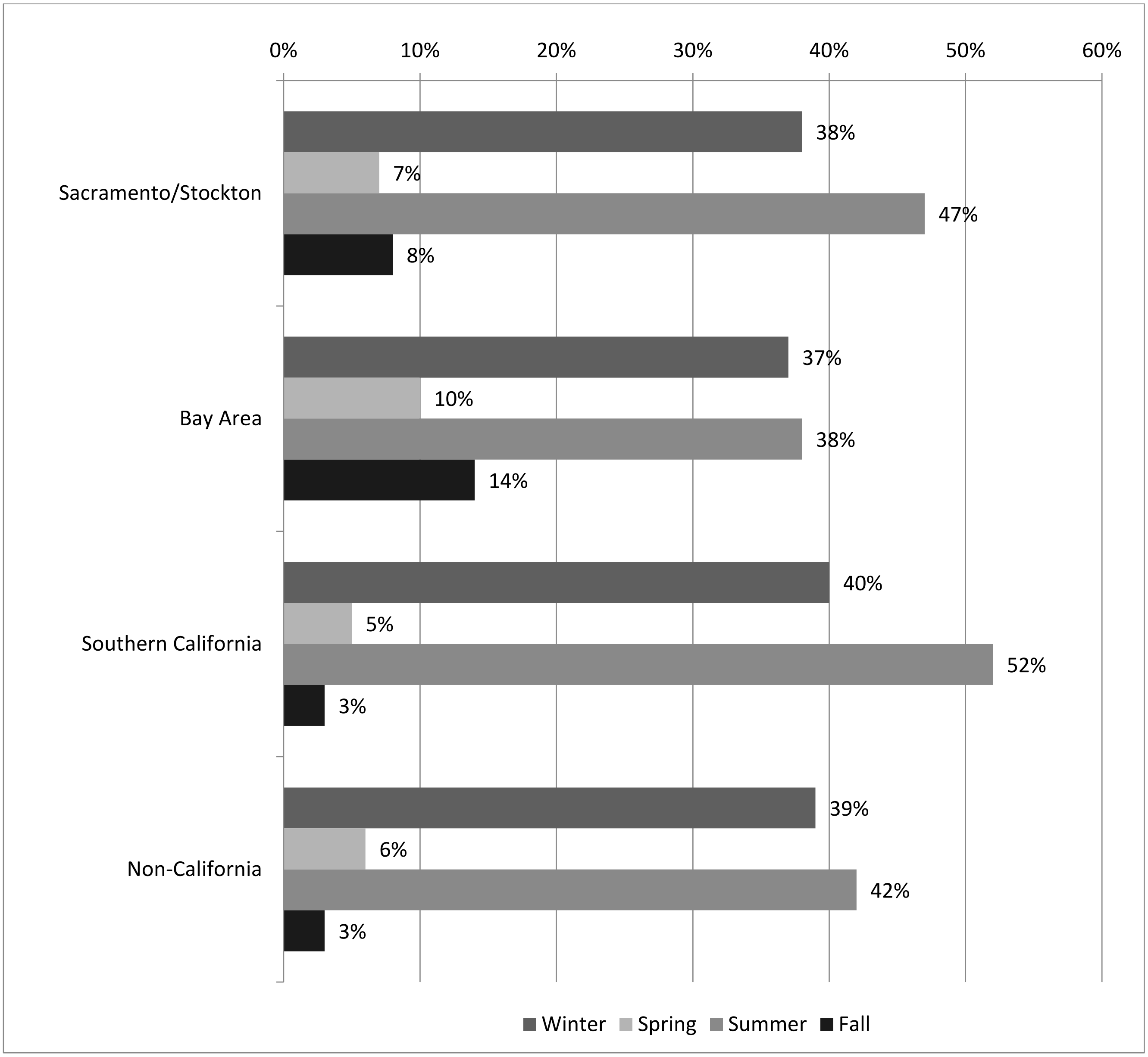
Table 18: Likelihood of Returning Within 12 Months

	Summer	Fall	Winter	Spring	Sac/Stockton	Bay Area	So CA	Outside CA
Definitely	34%	34%	41%	26%	67%	51%	19%	16%
Probably	9%	16%	18%	27%	22%	31%	17%	10%
Maybe	16%	28%	26%	27%	10%	14%	38%	28%
Unlikely	27%	21%	16%	19%	1%	3%	24%	34%
Definitely Not	13%	13%	1%	1%	1%	1%	1%	12%

3.3 Season of Future Visit

Most respondents (45%) stated that they would prefer to return to South Shore during summer, followed by 39% who would return in winter, 9% who would return in fall and 7% who would return in spring. It's clear that both fall and spring season may not provide enough incentive for visitors to return suggesting the need to provide programming/activities that will attract visitors to the shoulder seasons.

Figure 28: Preferred Season of Future Visit

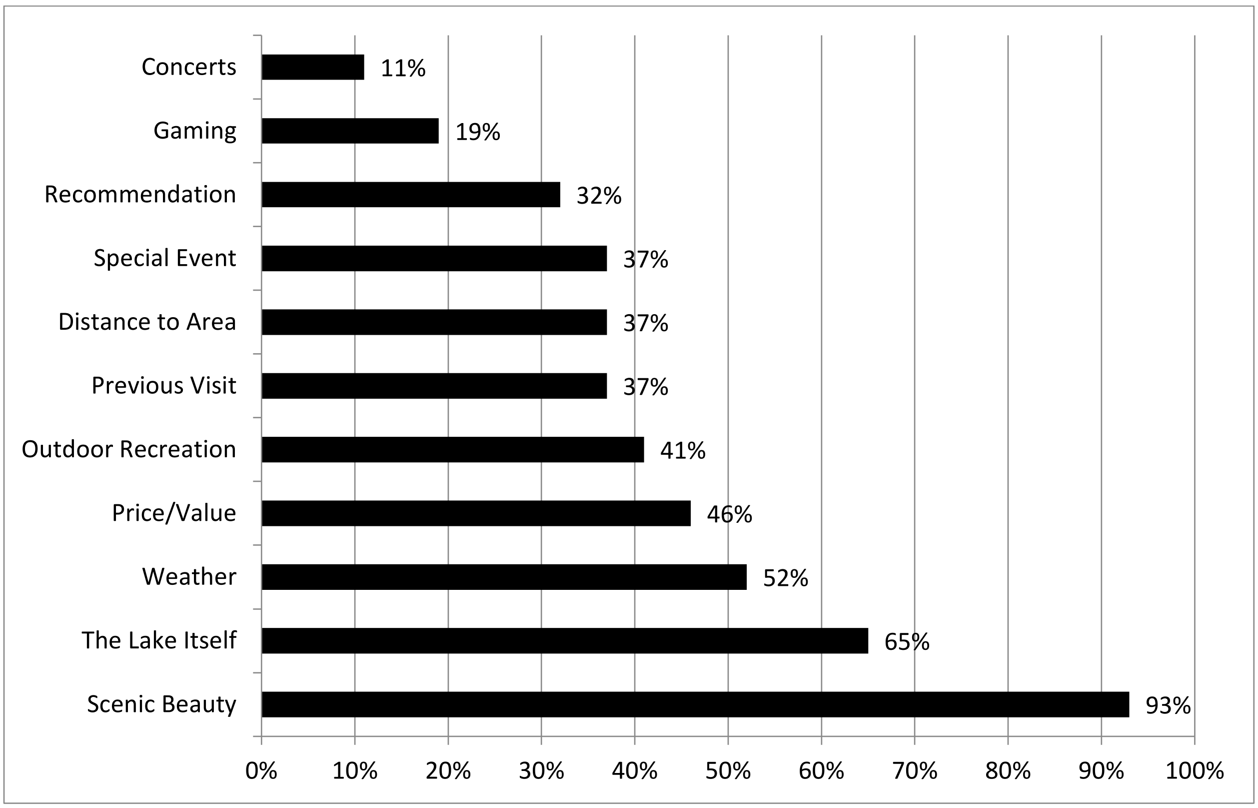


Section 4: Destination Attribute Importance Ratings

4.1 Attribute Importance

The survey asked respondents to rate the importance of several attributes on their decision to visit Lake Tahoe. The attributes that garnered the highest ratings included scenic beauty (93%), the Lake itself (65%), the weather (52%), price/value (46%) and outdoor recreation (41%). These ratings varied little among different segments.

Figure 29: Average Importance Ratings



Outdoor Recreation

Outdoor recreation scored high importance ratings among respondents, averaging 2.2 (on a scale of 1=very important and 5= not important). Ratings varied little by group, except among Sacramento/Stockton respondents who rated it more important (1.5).

Gaming

Gaming scored relatively low in comparison with other attributes, averaging 2.9. importance rating varied very little across all segments.

Weather

Weather averaged an importance rating of 1.7, the third highest rating among all respondents.

Previous Visit

Previous visit averaged an importance rating of 3.1 among respondents. Ratings varied little among other segments.

Recommendation

Recommendation received an average rating of 2.5.

Distance to Area

Distance to area received an overall importance rating of 2.5.

Price/Value

Price and value received an average importance rating of 2.0.

Scenic Beauty

Scenic beauty received the highest importance ratings among all segments averaging 1.1.

The Lake Itself

The Lake itself also received very high importance ratings, averaging 1.6 among respondents.

Special Events

Special events score 3.2 with little difference between segments.

Table 19: Importance Ratings (1= Most Important/5=Not at all important)

	Sacramento/ Stockton	Bay Area	So. Calif.	Non-Calif.	Summer	Fall	Winter	Spring
Outdoor Recreation	2.3	2.3	2.0	2.5	2.4	2.5	2.0	2.6
Gaming	3.3	2.8	2.8	2.8	3.0	2.7	3.0	2.9
Weather	1.4	1.6	1.8	1.7	1.5	1.9	1.6	1.6
Previous Visit	1.9	2.0	3.5	3.8	2.9	3.4	2.9	3.1
Recommendation	3.0	3.0	2.6	2.2	2.3	2.8	2.7	2.1
Distance to Area	1.3	1.5	2.5	3.0	2.6	2.6	2.3	2.1
Price/Value	1.4	1.6	2.3	2.2	2.1	2.2	1.9	1.6
Scenic Beauty	1.0	1.0	1.2	1.1	1.1	1.1	1.1	1.0
The Lake Itself	1.6	1.5	1.6	1.7	1.3	1.7	1.8	1.8
Special Event	3.8	3.7	3.2	2.9	2.8	3.5	3.5	2.9
Concerts	4.1	4.2	4.6	4.4	3.4	4.7	4.4	4.6

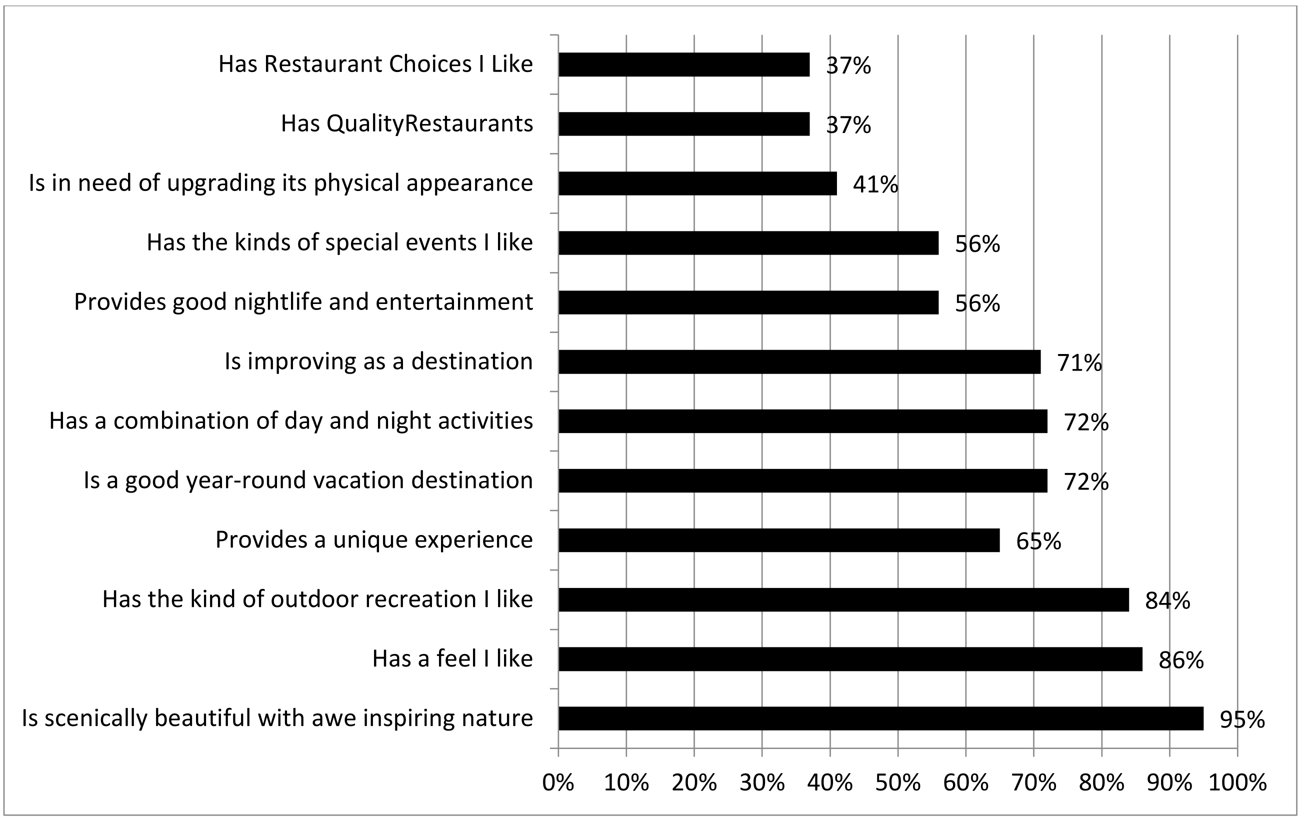
There are subtle differences between each of the segments that are worth noting:

- A previous visit to those from the Sacramento/Stockton and Bay area markets is very important but less important to markets outside of that region.
- Recommendation plays a more important role with visitors from outside Northern California.
- Distance to the area is more important to visitors from Sacramento/Stockton and the Bay Area and less so for visitors from Southern California and outside of California.
- Weather is rated highest among visitors from Sacramento.
- Scenic beauty continues to be the most important attribute in the decision to visit the area.

Section 5: Attribute Agreement Ratings

The survey asked respondents to rate their agreement with several statements that describe Lake Tahoe. Ratings were based on a scale of 1 (agree completely) to 7 (disagree). In general, respondents agreed with all statements. The following is the percent that agree completely with each statement.

Figure 30: Percent Agree Completely-Attributes



Is Scenically Beautiful with Awe-Inspiring Nature
Respondents strongly agreed that “Lake Tahoe is scenically beautiful with awe-inspiring nature.” This statement received the highest ratings of all statements, averaging 1.4 (with 1= agree completely and 7= disagree) overall, with little difference among demographic groups.

Provides Good Nightlife and Entertainment
Most respondents agreed that “Lake Tahoe provides good nightlife and entertainment”.
Average rating = 1.8

Has a Combination of Day and Night Activities
Respondents also generally agreed that “Lake Tahoe has a combination of day and night activities”.
Average rating = 1.5

Has a Feel I Like
Respondents agreed that “Lake Tahoe has a feel I like”.
Average rating = 1.3

Provides a Unique Vacation Experience
Respondents also agreed that “Lake Tahoe provides a unique vacation experience”.
Average rating = 1.6

Is a Good Year-Round Vacation Destination
Respondents generally agreed that “Lake Tahoe is a good year-round vacation destination”.
Average rating = 1.5

Has the Kinds of Special Events I Like
Respondents overall agreed that “Lake Tahoe has the kinds of special events I like”.
Average rating = 1.9

Has the Kind of Outdoor Recreational Activities I Like
Respondents agreed that “Lake Tahoe has the kind of outdoor recreational activities I like”.
Average rating = 1.3

Is Improving as a Destination
Respondents overall agreed that “Lake Tahoe is improving as a destination”.
Average rating = 1.5

Is in need of upgrading its Physical Appearance
Respondents generally agreed that “Lake Tahoe is in need of upgrading its physical appearance”.
Average rating = 2.2

Restaurants
Respondents somewhat agreed that “Lake Tahoe has quality restaurants and choices”.
Average rating = 2.2

Table 20: Agreement Ratings

Sacramento/ Stockton	Bay Area	So. Calif.	Non-Calif.	Summer	Fall	Winter	Spring	
"Is scenically beautiful with awe-inspiring nature."								
1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.1	
"Provides good nightlife and entertainment."								
1.5	1.6	2	1.9	1.9	1.8	1.6	1.6	
"Has a combination of day and night activities."								
1.3	1.3	1.6	1.5	1.6	1.5	1.3	1.3	
"Has a Feel I like"								
1.0	1.0	1.4	1.3	1.4	1.2	1.0	1.2	
"Provides a unique vacation experience."								
1.4	1.4	1.8	1.6	1.7	1.6	1.5	1.5	
"Is a good year-round destination."								
1.2	1.2	1.6	1.5	1.5	1.48	1.5	1.2	
"Has the kinds of special events I like."								
1.9	1.6	2	2.9	2.0	2.0	1.9	1.6	
"Has the kinds of outdoor recreation I like."								
2.0	1.7	2.4	2.0	1.4	1.2	1.1	1.4	
"Is improving as a destination."								
1.4	1.2	1.4	1.3	2.3	1.7	1.6	1.8	
"Is in need of upgrading its physical appearance."								
1.5.	1.7	1.0	2.1	1.7	1.27	1.23	1.1	
"Has quality restaurants"								
2.1	1.7	2.4	2.2	2.1	2.1	2	2.3	
"Has restaurant choices I like"								
2.0	1.8	2.5	2.3	2.1	2.1	2.0	2.4	

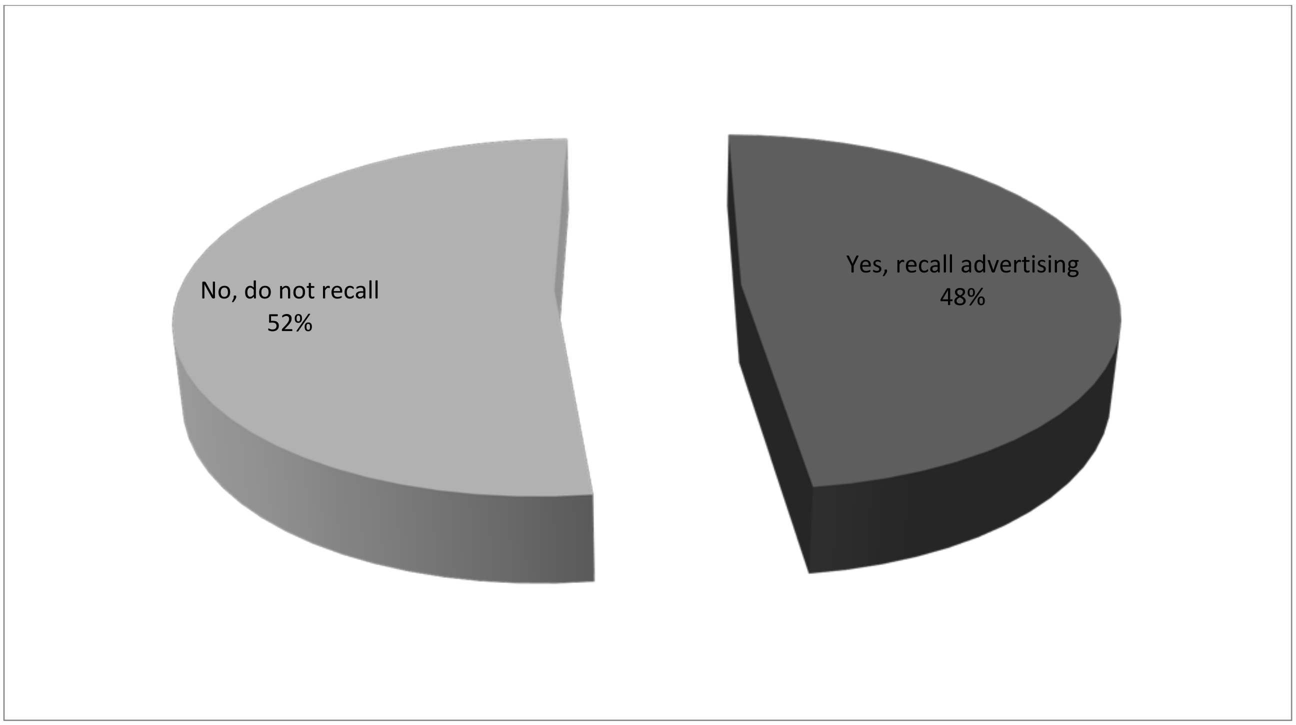
Section 6: Advertising Awareness

The survey asked respondents if they **had seen or heard of any advertising promoting a leisure vacation** for the South Shore area of Lake Tahoe. Those who were aware of advertising were asked to recall specific elements from the advertising, the source of the advertising and whether the advertising had influenced their visit.

6.1 Advertising Awareness

Approximately 48% of respondents recalled seeing or hearing advertising promoting a leisure vacation for the South Shore area of Lake Tahoe.

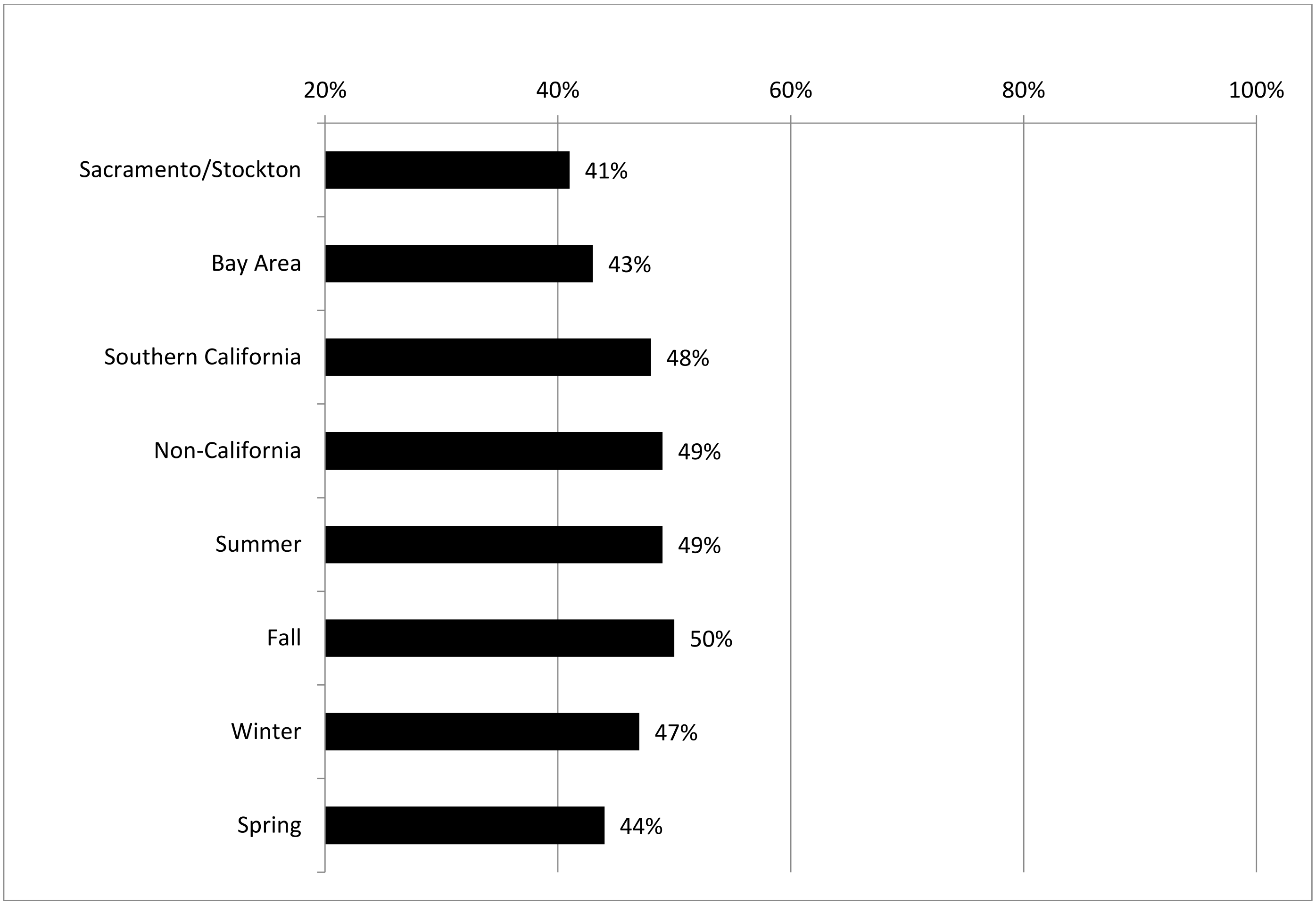
Figure 31: Advertising Awareness



Sacramento/Stockton visitors were least likely to have seen or heard any advertising promoting Lake Tahoe followed by the Bay Area. Both of these markets were much more likely to have their trip influenced by distance to Lake Tahoe.

Destination markets were more likely to have recalled some advertising promoting South Lake Tahoe. They also were more likely to be influenced by recommendations to visit the area.

Figure 32: Recalled Advertising for South Shore

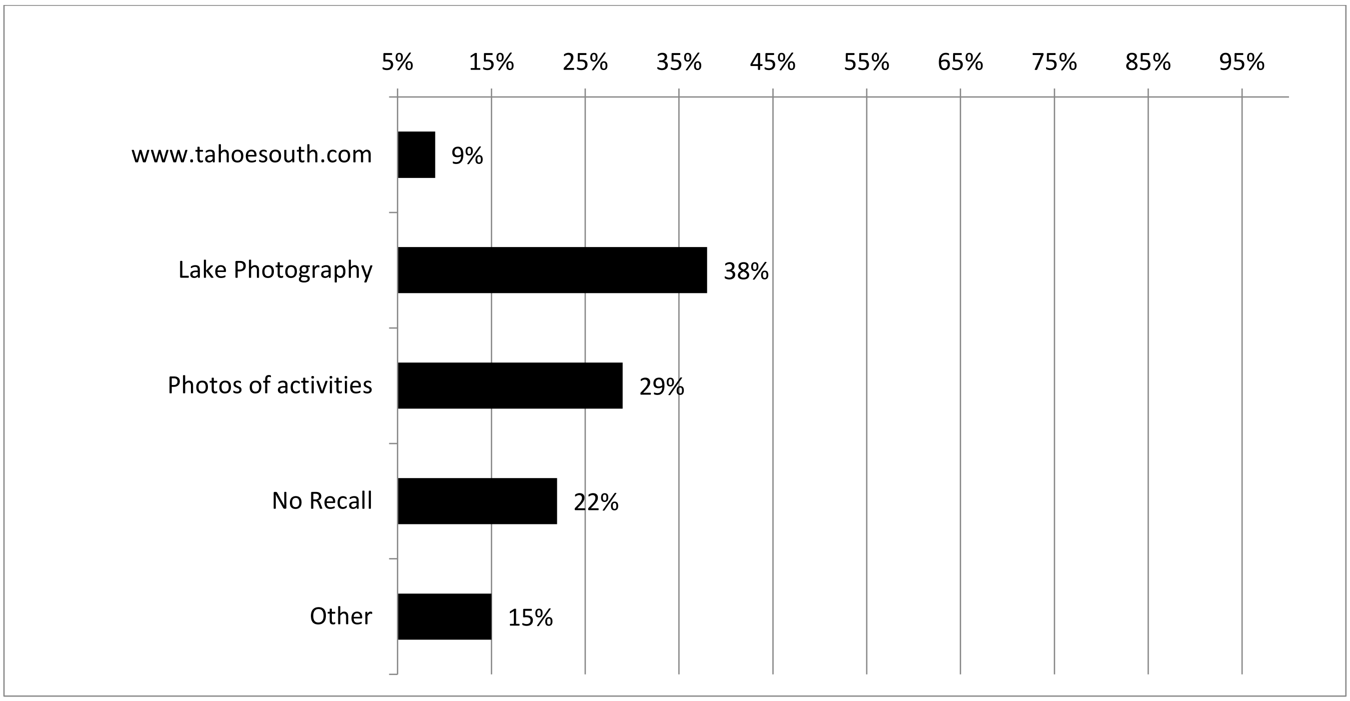


6.2 Advertising Element Recall

Among respondents who recalled seeing or hearing advertising, 22% did not recall any specific elements.

For the remaining respondents, lake photography (38%) was the most commonly recalled element, followed by photos of available activities (29%) and tahoesouth.com (9%). Twenty-two percent could not recall a specific element of the advertising.

Figure 33: Recalled Advertising Elements



Geographically, Bay Area respondents were most likely to recall lake photography than other segments. Summer and winter visitors were likely to recall photos of activities.

Table 21: Recalled Advertising Elements

	Sacramento/ Stockton	Bay Area	So. Calif.	Outside CA	Summer	Fall	Winter	Spring
Other Activities	14%	17%	12%	17%	29%	23%	34%	31%
Tahoe south.com	5%	4%	12%	13%	17%	5%	12%	7%
Lake Photo	43%	50%	40%	30%	45%	43%	38%	23%
No Recall	17%	30%	4%	30%	18%	31%	13%	24%
Other	14%	10%	12%	17%	27%	11%	6%	14%

6.3 Advertising Source

The Internet was the most commonly cited source of the recalled advertising (62%), followed by Billboard (30%), TV (28%), magazine advertisement (9%) and social media (9%). Fewer respondents recalled advertising from digital banner ads (1%) or radio (2%).

Figure 34: Source of Recalled Advertising

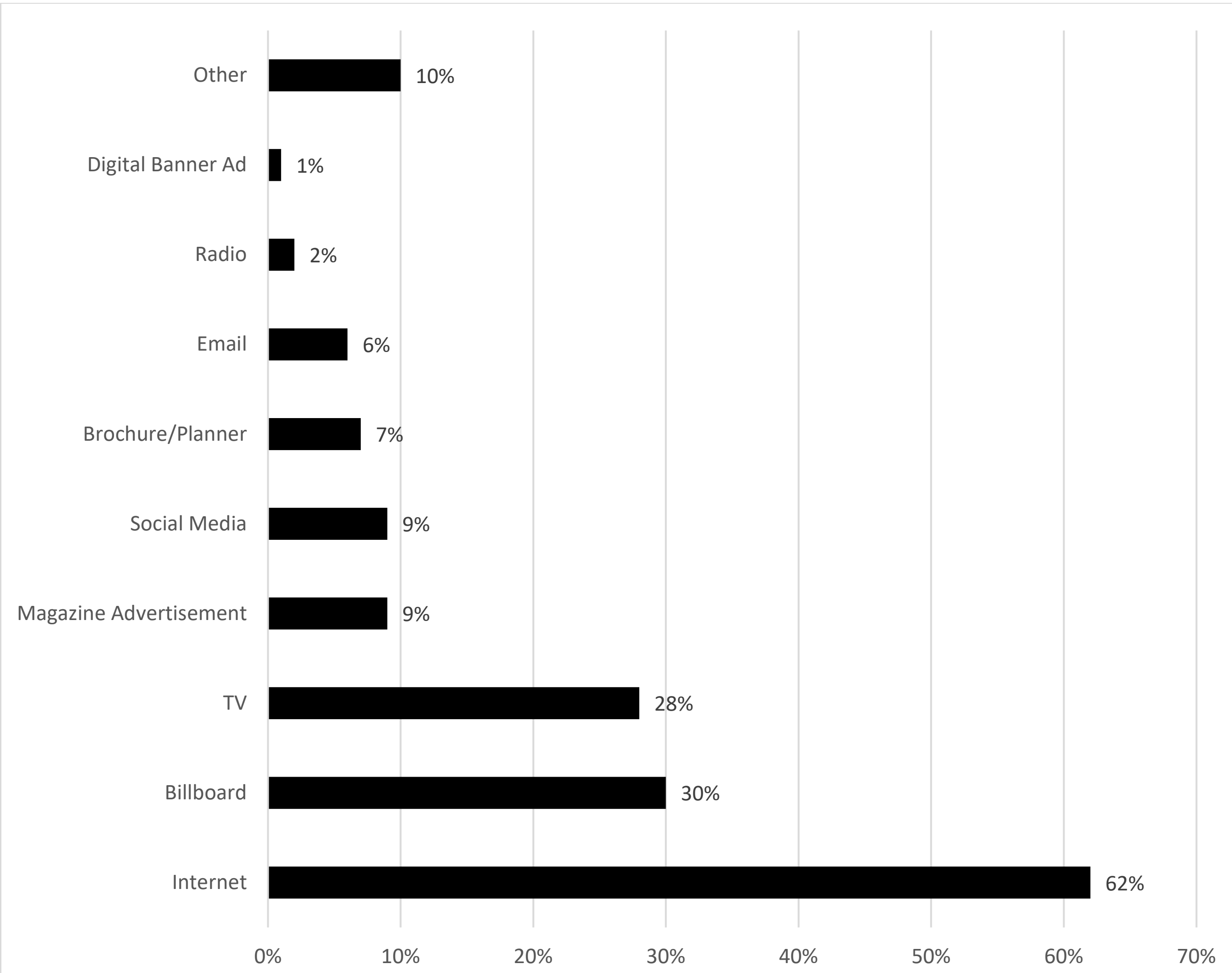


Table 22: Source of Recalled Advertising

	Sacramento/ Stockton	Bay Area	So. Calif.	Outside CA	Summer	Fall	Winter	Spring
Internet	51%	46%	72%	72%	46%	65%	65%	76%
Outdoor Billboard	54%	52%	20%	16%	35%	30%	31%	21%
TV	39%	49%	24%	18%	48%	21%	25%	14%
Magazine	10%	7%	4%	8%	18%	4%	10%	1%
Social Media	4%	2%	8%	14%	7%	2%	5%	23%
Brochure/ Planner	2%	2%	8%	11%	7%	7%	11%	4%
Email	2%	1%	12%	8%	2%	5%	3%	14%
Radio	2%	3%	1%	2%	2%	1%	3%	1%
Banner Ad	2%	1%	1%	1%	1%	1%	1%	2%
Other	5%	3%	20%	13%	11%	5%	4%	21%

6.4 Advertising Influence

Among respondents who recalled advertising, 47% said that advertising played some role in influencing their decision to take a trip. It is important to note that advertising alone may not be responsible for the decision, but it may have played a part along with other elements such as recommendations, website, and past experience.

Figure 35: Advertising Influence

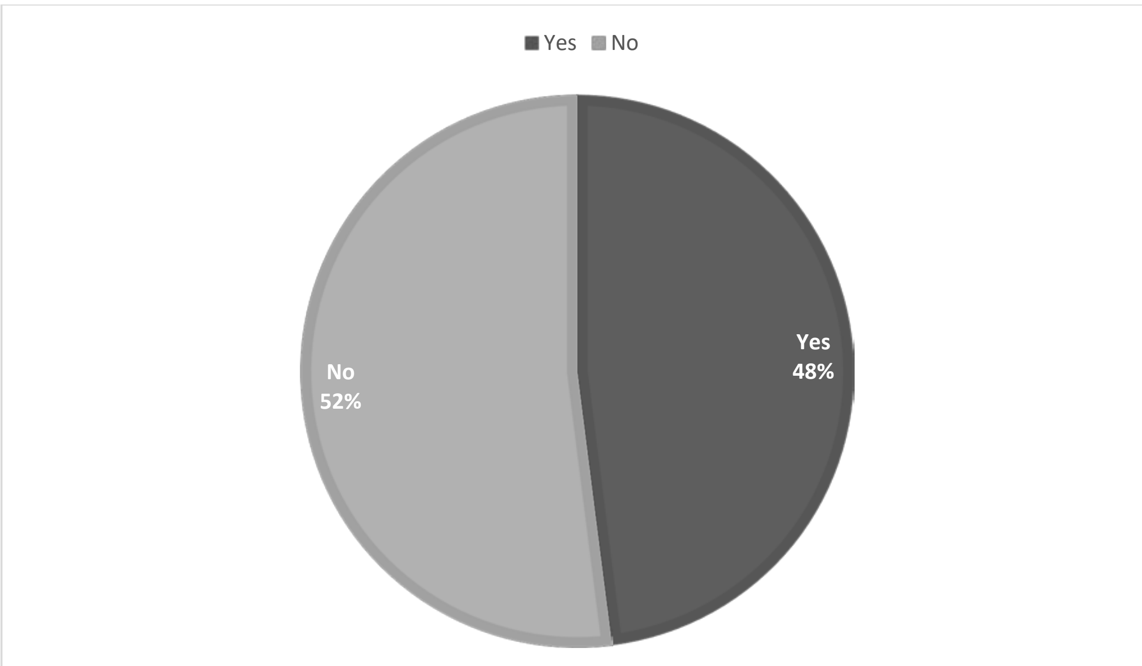
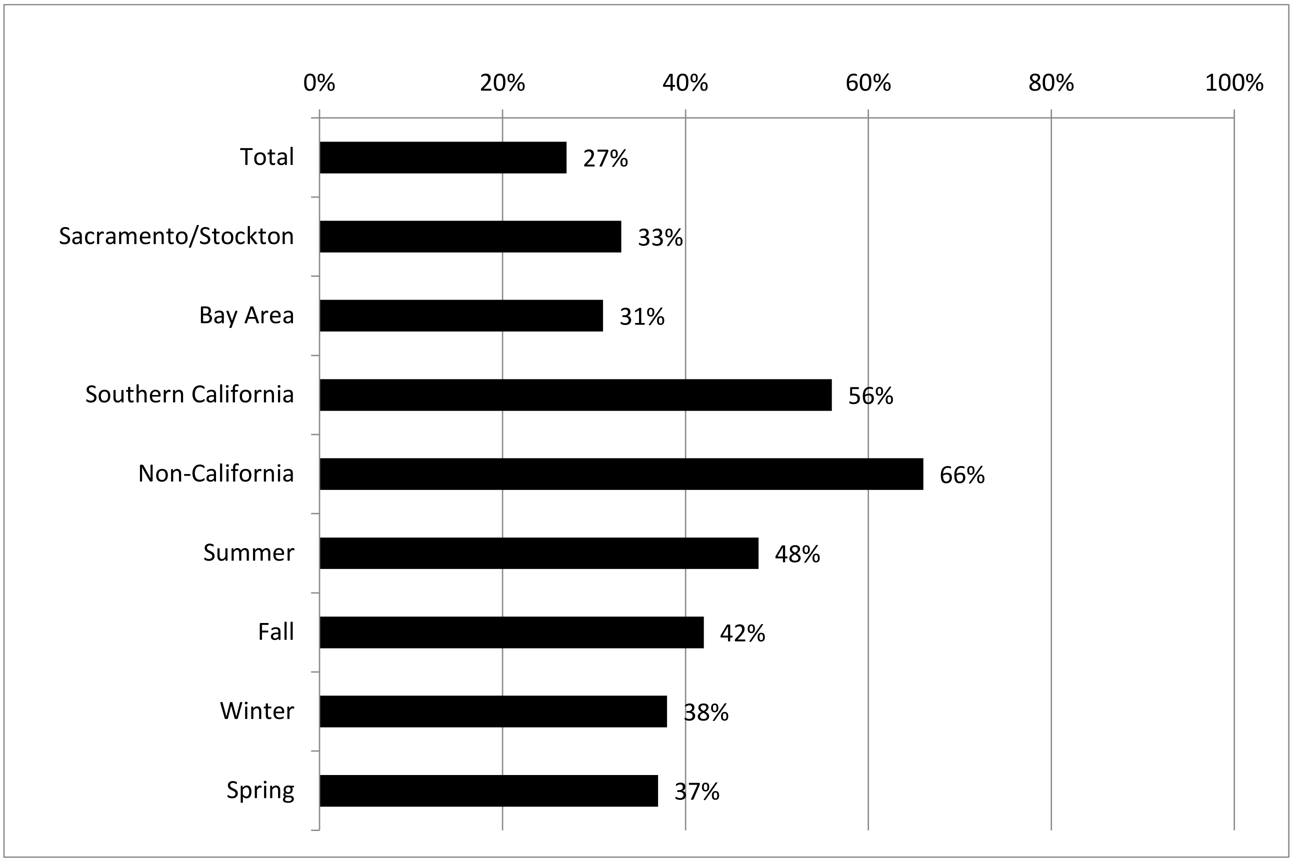


Figure 36: Advertising Influenced Decision to Visit

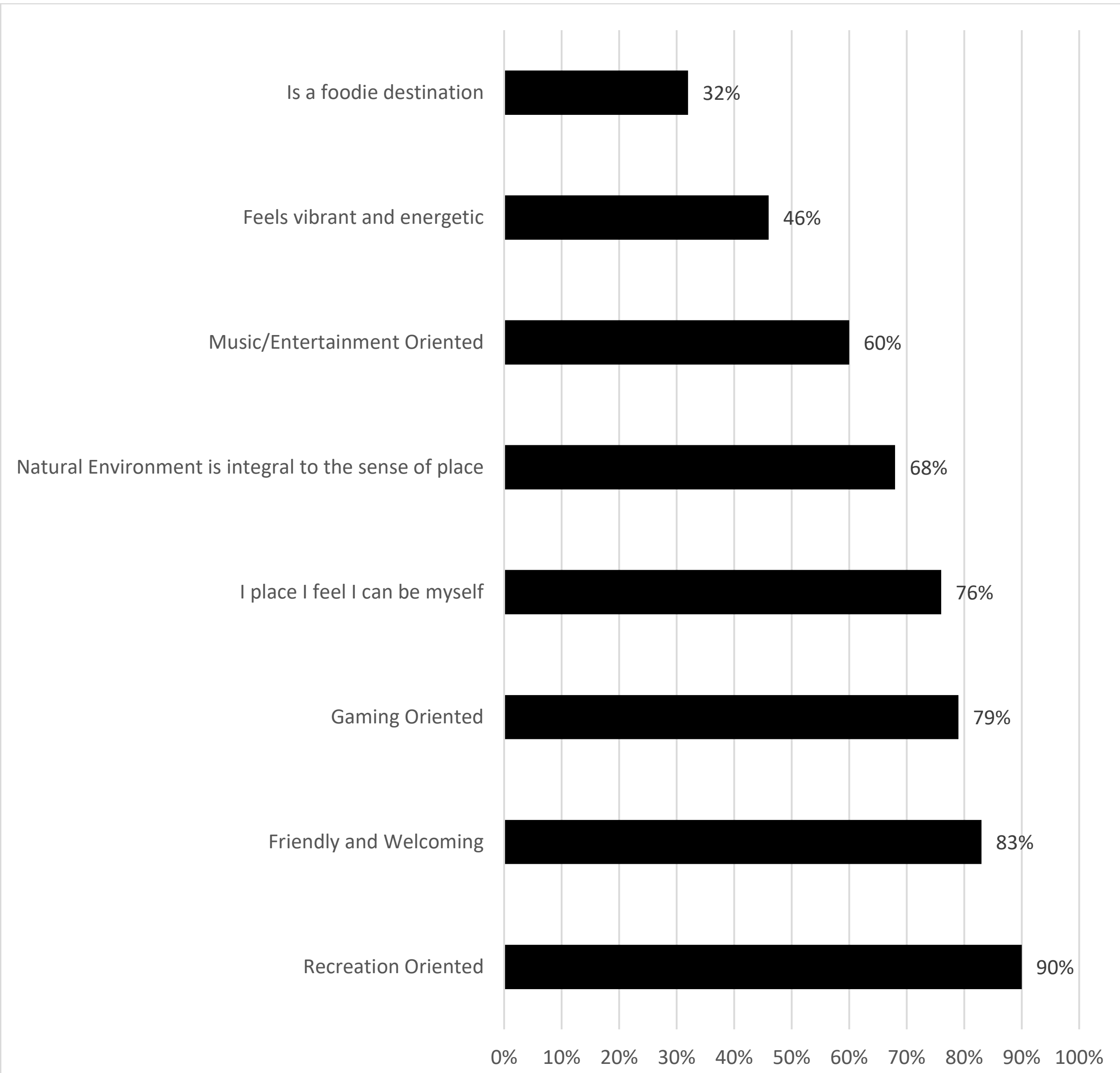


Advertising is an important influence in the decision to visit, especially in Southern California and outside of California, when compared with visitors from the Sacramento/Stockton and Bay area.

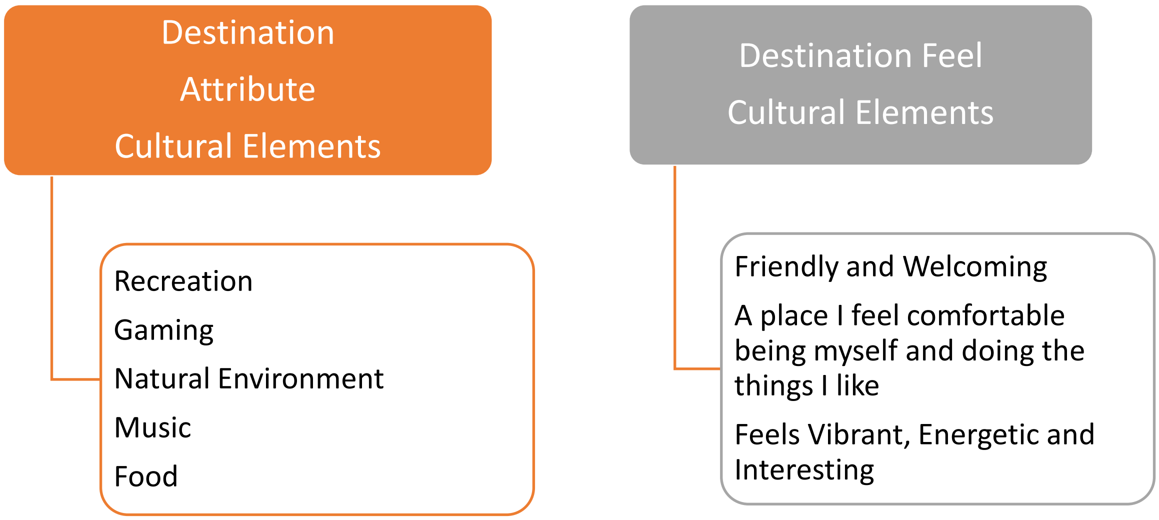
Section 7: Destination Culture

For the first time, the survey sought to explore visitor perceptions of South Shore culture. Survey respondents were asked to describe the local culture and what they hoped to personally get out of their trip to South Shore.

Figure 37: Destination Culture Description



It's important to note that visitors define the culture from two different perspectives. The first perspective is attribute base; the second perspective has more to do with less concrete elements and more to do with the feel of the destination.

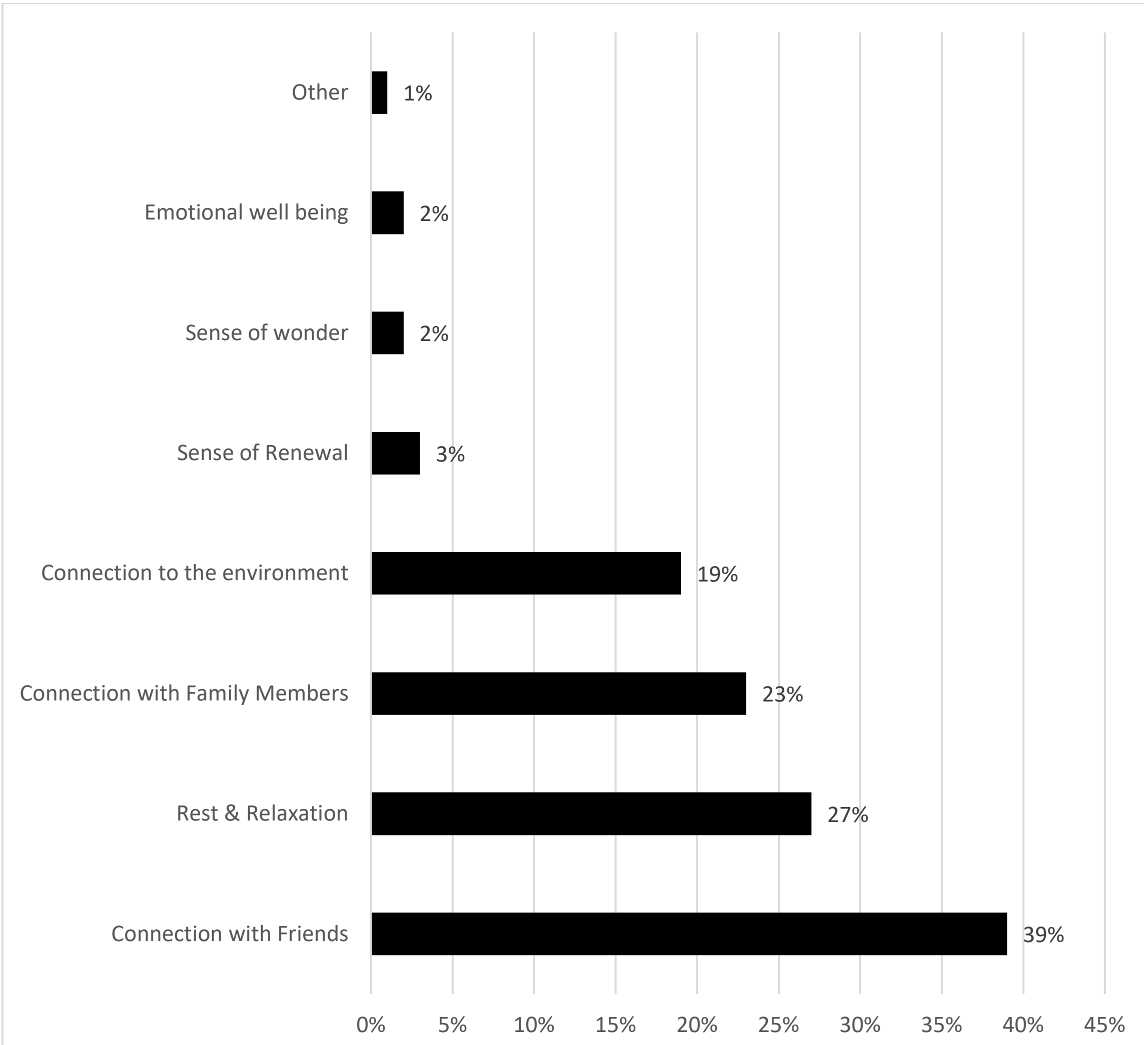


It should be noted that many destinations have developed a culture based on destination attributes. Where strategic opportunity may exist and where South Shore may truly be able to leverage its uniqueness is in the elements that visitors feel. Capturing and communicating what visitors feel within the context of the destination's attributes might provide South Shore with a strategic opportunity.

Visitors were asked what they personally wanted to get out of their trip. The single largest response was a connection with friends, followed by rest & relaxation (renewal), connection with family members and the natural environment.

While not definitive, the data indicates the need to create a connection with friends and family within the context of the destination. If in fact this is the case, it begs the question of the destination being a means to an end and not an end in itself. This may indicate a need for communication strategies that not only feature destination attributes but that also appeal to other cultural elements that can provide this connection.

Figure 38: What Do You Personally Want to get out of this Trip to South Shore?



Additional research is needed but this data may indicate a need to further develop the use of local culture and authenticity as a strategic communication direction.