

NC

Q U A R T E R L Y

UPDATE

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TRAVEL & TOURISM

UPDATE IS

PUBLISHED BY THE

NORTH CAROLINA

DIVISION OF

TOURISM,

FILM AND SPORTS

DEVELOPMENT.

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OR NEWS ITEMS

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PUBLICATION TO

THE TRAVEL UPDATE,

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2004 NORTH CAROLINA GOVERNOR'S CONFERENCE ON TOURISM



The Westin Charlotte

The NC Division of Tourism, Film and Sports Development will hold its annual Governor's Conference on Tourism at the Westin Charlotte, April 5-7.

This year, keynote speaker Ed Barlow, CEO of Creating the Future Inc., will open the conference with his presentation entitled, "Creating a Competitive Economic Advantage Through Tourism." Business analyst Delos Smith will

follow up with a presentation entitled, "Business As Usual in Times That Aren't." The conference also features an open forum on important issues facing the tourism industry. For more information, including registration instructions, visit the Governor's Conference Web site at www.nccommerce.com/tourism/govconf.



FIRST FLIGHT CENTENNIAL CELEBRATION



Thousands of visitors flocked to the Wright Brothers National Memorial in Kill Devil Hills during the First Flight Centennial Celebration in December. The park opened for a weeklong event featuring air shows, displays, live music and entertainment, culminating with a re-enactment of man's first powered flight. The centennial celebration brought worldwide attention to North Carolina and the Outer Banks, and according to the Outer Banks Visitors Bureau, the five-day event generated more than \$14.4 million in visitor expenditures.

NORTH CAROLINA TOURISM DAY SET FOR MAY 11

Join the NC Division of Tourism, the Travel Industry Association of NC, state legislators and other representatives of the North Carolina tourism industry as they celebrate the state's annual Tourism Day Fair on Tuesday, May 11, on the Halifax Mall in downtown Raleigh. This event is intended to emphasize and promote a wider understanding of the importance of travel and tourism as a major industry, which is vital to the economic stability and growth of our state and local communities. It is one of the many festivities surrounding National Tourism Week scheduled for May 8-16. For more information, contact Donna Daughtry at 919/715-6703, or by email at doughtry@nccommerce.com.

"DURHAM GRILL" TO BEGIN FILMING IN SUMMER 2004

Durham production company TVSouth is scheduled to begin filming a \$6 million feature comedy titled *Durham Grill* in the Bull City starting in mid-summer 2004. Written by native North Carolinian Clyde Edgerton and Hollywood screenwriter John Schulian, the film is based on a group of Durhamites who thwart the development plans that some slick New Yorkers have for their hometown. While the movie's budget is not as large as some of the major motion pictures filmed in North Carolina, such as *The Last of the Mohicans* and *Black Knight*, NC Film Commissioner Bill Arnold says that *Durham Grill* will be just as important to the state's film industry. TVSouth, which is responsible for producing such hits as *Bull Durham* and *Tequila Sunrise*, will work with Los Angeles-based RKO Pictures to produce the film.



MESSAGE FROM THE EXECUTIVE DIRECTOR

LOOKING FORWARD TO THE POSSIBILITIES OF 2004

By: Lynn Minges, Executive Director



In 2003, the travel and tourism industry as a whole continued to see its ups and downs. North Carolina, in particular, was able to maintain its position among the leading tourism destinations in the U.S. Despite several hurdles along the way, including the war in Iraq, an elevated terror alert in the early part of the year and the extensive damage caused by Hurricane Isabel in September, the state's tourism industry continues to maintain its influence in key markets.

Despite the challenges, the NC Division of Tourism, Film and Sports Development and its industry partners accomplished a great deal in 2003. Together, we helped secure a new direct air service between Charlotte and Germany through Lufthansa

Airlines. We also launched new per-inquiry television and internet programs and filmed three new commercials to promote the state. We opened a new Welcome Center at I-26 in Madison County and installed touch-screen kiosks at all of our Welcome Centers. We hosted conventions for ESTO and the National Tour Association, helped achieve national recognition for the Blue Ridge National Heritage Area, brought the television program *One Tree Hill* to Wilmington, and generated \$42.4 million in media coverage. We also took part in one of the most highly anticipated events ever, where thousands of people descended upon the Wright Brothers National Memorial in Kill Devil Hills to celebrate the 100th anniversary of powered flight.

As we look forward to 2004, we still have a great deal to be excited about. The 2004 advertising campaign will consist of more partnership opportunities than ever before, including newspapers, magazines, per-inquiry television and per-inquiry internet options. Our Web site, publications and sales programs will also offer opportunities for partnership. We look forward to having another fantastic Governor's Conference in Charlotte, as well as continued success with our Tourism Day Fair in Raleigh. And we would like to thank all of our partners for their assistance with these programs.

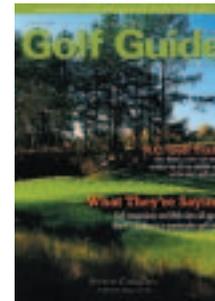
We also look forward to beginning a new relationship with the NC motorsports industry and kicking it into high gear. Our state features over 50 racetracks, including Lowe's Motor Speedway in Concord and the North Carolina Speedway in Rockingham, which host some of the biggest races on the NASCAR circuit. North Carolina is also home to over 1,000 motorsports related businesses including corporate headquarters, testing facilities, memorials and museums. The North Carolina Motorsports Association estimates the industry's economic impact in NC at nearly \$2 billion, and we are eager to help promote motorsports as part of our state's heritage and economic well being. A recent study by racing economists in England estimate that the overall economic value of American motorsports will climb 34 percent to \$22 billion in 2007, and since North Carolina represents approximately 10 percent of US motorsports industry this looks to be a tremendous opportunity for the entire state.

Indeed, 2004 will be a year of picking up where we left off and taking it to the next level. We encourage all of our tourism partners to join with us as we continue to promote our state as a unique travel destination, and discover new ways to boost our industry's message. We thank you for your support, and we look forward to working with you in the coming year.

Lynn D. Minges
Executive Director

NC DIVISION OF TOURISM 2004 PUBLICATIONS NOW AVAILABLE

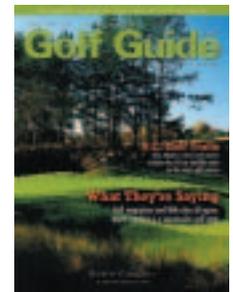
The NC Division of Tourism announced the release of its 2004 publications at a press conference December 8, at the Folk Art Center in Asheville. The 2004



Official North Carolina Travel Guide, which features a spectacular shot of the Linn Cove Viaduct on the Blue Ridge Parkway on the cover, includes information on over 700 attractions and more than 3,700

accommodations across the state. The 2004 *Official North Carolina Golf Guide* includes information on over 400 public and semi-private golf courses across the state, and features a

cover shot of the 18th hole at Tobacco Road in Tramway. The January-June edition of the 2004 *Calendar of Events* features information on over 970 events. Some 700,000 Travel Guides, 200,000 Golf Guides and 275,000 Calendars



of Events will be available through the state's nine Welcome Centers, sent to callers of 1-800-VISIT NC, ordered by surfers at www.visitnc.com, and distributed at travel trade shows worldwide. The July-December 2004 Calendar of Events will be available in May.

ARE YOU GETTING THE NEWSLINK?

Every Wednesday, the Division produces a weekly electronic publication that is designed to provide information to tourism industry leaders across the state in a timely fashion. It is emailed weekly to over 1,000 people and includes information on tourism-related research, statewide and international trends, media leads, updates on conferences and events and much more. It is free of charge and available to anyone with a valid email address. To subscribe, go to www.nccommerce.com/tourism/newsletter, or contact Publications Director Chip Bremer at cbremer@nccommerce.com.

SALES & TRADE DEVELOPMENT NEWS

HISTORY CHANNEL UK COMPETITION RECEIVES RECORD NUMBER OF ENTRIES

The NC Division of Tourism, in partnership with the History Channel, US Airways, Dollar Rent A Car and several industry partners, recently sponsored a competition to win a seven-night holiday to North Carolina. The three-week promotion received a record 2,200 entries, reflecting the largest number of responses the site has previously received in a competition. In addition to promoting the competition on their website and through an e-newsletter to 10,000 aviation buffs, the History Channel broadcast television programs in December and January, highlighting the 100th Anniversary of Flight. The seven-night prize package to North Carolina included overnight stays in Charlotte, Raleigh, the Outer Banks, Wrightsville Beach and Fayetteville. Industry partners provided hotel accommodations, attraction tickets, restaurant gift certificates and shopping certificates to the family of four. US Airways provided four airline tickets and car rental was arranged through Dollar Rent A Car.

DIVISION HOSTS SUCCESSFUL UK FAMILIARIZATION TOUR

As part of the ongoing efforts to promote North Carolina as a tour destination, the Division hosted a group of United Kingdom product managers on a familiarization tour of the NC mountains and heartland, November 29-December 3. The participants were decision-making managers from top tour companies in the UK, visiting Cabarrus County, Rutherford County, Buncombe County and Forsyth County on a five-day "Mountain Fairytale Christmas" tour. The participants experienced several activities including a cruise on Lake Lure, a visit to Chimney Rock Park, a horse-drawn carriage ride in downtown Forest City, a tour of the

Biltmore Estate, a drive through Tanglewood Celebration of Lights and a lap around Lowe's Motor Speedway. US Airways partnered with the Division by providing airline seats for the participants.

CANADIAN SALES MISSION IN TORONTO HIGHLIGHTS NC MOTORSPORTS

The Division spearheaded a Canadian Sales Mission in February that provided unique opportunities to educate Toronto's travel industry face-to-face on the "sell features" of North Carolina. During the three-day mission, participants paired up to make sales calls to area tour planners and media. The week's events included a reception, trade show and luncheon co-hosted by the North Carolina Association of Convention & Visitors Bureaus. Attendance to the "North Carolina Shin-dig II" was by invitation only for qualified tour operators and media. Eight tourism partners joined Division representatives on the sales mission.

NC PRAISED FOR OUTSTANDING NTA EVENT

The NC Division of Tourism would like to thank all the representatives of North Carolina's tourism industry who helped make the National Tour Association convention in Charlotte, November 14-18, one of the most successful conventions ever held. Nearly 2,500 tour operators and tour suppliers convened in the Queen City to conduct business, enjoy local hospitality and learn more about North Carolina and the Charlotte area. Over 50 venues from across the state participated in the opening evening function at Lowe's Motor Speedway, in which "A Drive Through North Carolina" gave delegates an opportunity to see first-hand the variety of hands-on experiences our state has to offer visitors. Six pre- and post-convention familiarization tours took 150 delegates to six

SUCCESS IN THE INTERNATIONAL ARENA

German-based Lufthansa Airlines has selected Charlotte as their newest gateway to the US by introducing a non-stop service between Charlotte Douglas International Airport and Munich International Airport which began March 26. The new flights will mark the second non-stop service between North Carolina and Germany (as US Airways currently operates direct flights between Charlotte and Frankfurt). To celebrate the new service, Lufthansa ran a special introductory airfare in December. The new service will open a dense network of US connections for Lufthansa, which has not operated a direct flight service to Charlotte since 1992. The new connection with Charlotte offers Lufthansa, which already has one of the most extensive global networks of any major airline, an opportunity to expand its business to 436 new destinations, including several stops in North Carolina.

The NC Department of Commerce, the NC Division of Tourism, the Charlotte Chamber of Commerce and the VISIT Charlotte Convention and Visitors Bureau have also been instrumental in bringing the Lufthansa service to Charlotte. North Carolina has been actively marketing in Germany, Switzerland and Austria since 1994, and is currently featured in more than 50 major tour operator brochures from these countries. The state also maintains a marketing partnership with Munich-based Mangum Management to promote the state to potential German, Swiss and Austrian travelers.

THE FOLLOWING ARE FIVE FACTS THAT OUTLINE THE IMPORTANCE OF THE DIVISION'S EFFORTS IN EUROPE

(From the Travel Industry Association report, *Europe Travel Demand: Trends and Insights, 2003 Edition*):

1. Outbound travel from Europe has grown over 36 percent in the past decade, from 229 million world arrivals in 1993 to an estimated 315 million world arrivals in 2003.
2. Europe is the most important inbound travel market for the United States. In 2002, the region generated 45 percent of all overseas arrivals to the US, totaling over 8.6 million.
3. With a long-haul market share of 19 percent in 2002, the US is by far the most popular country destination for travelers from the European Union.
4. Europe is the largest source of international travel spending in the US. Europeans spent a total of \$22.9 billion in the US in 2002.
5. In 2002, two-thirds of all European travelers to the US visited for leisure purposes citing vacation or holiday (43 percent) or visiting friends or relatives (23 percent) as their main purpose of travel.

regions of the state, resulting in immediate bookings for future tours. Also, nearly 900 delegates participated in local sightseeing tours. Comments from delegates were overwhelmingly positive regarding the beauty of the state, the variety of offerings in tourism and the cleanliness of North Carolina. Our tourism industry can be proud of a job well done that will have lasting effects for years to come.

DIVISION TAKES PART IN AMERICAN BUS ASSOCIATION CONVENTION

The Division, along with 21 other North Carolina tourism promoters, participated in the American Bus Association Convention held in New York City in January. Leads from 39 scheduled appointments with ABA tour operator members may be found by accessing our Commerce Web site at www.nccommerce.com/tourism/marketing.

CRYSTAL COAST IS PRIZE DESTINATION OF UK PROMOTION

The Carteret County Tourism Development Authority, in partnership with the NC Division of Tourism, was featured in a promotion of the movie *Pirates of the Caribbean* during the movie's premier in the United Kingdom in August 2003. The promotion, conducted by the Odeon Theatres of London, was a marketing opportunity that featured both North Carolina and the Crystal Coast, a destination with a touch of pirate history. *The Pirates of the Caribbean* promotion included distribution of over 40,000 postcards to theatre patrons in the London area. The winner of the UK competition received two night's oceanfront accommodations at the Royal Pavilion Resort in Atlantic Beach, along with a five night stay in Barbados. US Airways provided round trip air passage for two.

"NORTH CAROLINA WEEKEND"



Each week, host Marla Roth offers another slice of Carolina recreational life on "North Carolina Weekend."

Since its premier in July 2003, UNC-TV's "North Carolina Weekend" has become one of the network's most successful programs. Underwritten by the NC Division of Tourism, the show features the best that North Carolina has to offer its visitors. Episodes have featured several attractions across the state, from lighthouses to ski resorts to museums. The program is consistently averaging a 1.6 rating, which exceeds the PBS primetime national average, and has received nearly 29,000 visits to its Web site in 2003. The show, which airs Thursday nights at 9 p.m., and re-airs Fridays at 8 p.m., has become extremely

popular with teachers who have requested tapes to show segments in their classrooms. The ratings for both the Thursday and Friday evening shows have steadily grown, doing especially well in the Raleigh/Durham and Piedmont areas. For more information, visit www.unctv.org/ncweekend.

"COLD MOUNTAIN" FEATURED ON VISITNC.COM

In conjunction with the Christmas release of the epic film adaptation of *Cold Mountain* starring Renee Zellweger, Nicole Kidman and Jude Law, the NC Division of Tourism featured the "Real Cold Mountain" on the main page of the visitnc.com mountain regional homepage. Based on the award-winning book by Charles Frazier that details the journey of a Civil War soldier across the state of North Carolina, the *Cold Mountain* film has helped to generate significant interest in the state. As the unique North Carolina locations featured in the movie continue to draw attention, several of the state's mountain destinations will be prepared to welcome visitors who want to see the real Cold Mountain along with the beauty and splendor of western NC after seeing the movie. The feature article on the Web page includes details of the mountain's history, attractions and most spectacular views, as well as various movie and book links. To view the Cold Mountain feature, visit www.visitnc.com/mnts/mnts_article.asp?articleid=605§iongroupid=1.

COMINGS AND GOINGS

Teresa Watts has accepted the position of Heritage Tourism Manager at the NC Division of Tourism. In addition to her continued work in the German market, she will now oversee the efforts of the Division's nine Heritage Tourism officers across the state. Teresa has served with the Division for 18 years in numerous capacities, and her talents and expertise are welcomed additions to the Heritage Tourism program. She can be reached at twatts@nccommerce.com.

On February 1, *Greer Beaty* left her position as Public Relations Manager at the Division to join the Public Information Team of the NC Partnership for Children. Since joining the Division in Nov. 2001, Greer has contributed significantly to the efforts of the NC travel and tourism industry. Her energy, enthusiasm and team spirit will be missed, but she leaves behind many imprints that will continue to help make our organization strong and NC a better place to be. We will miss Greer and wish her all the best in her new role.

The Division's Chris Mackey and Alison Couper, of Cellet Public Relations, at World Travel Market in London, November 2003. Tour operators, travel agents and the travel media were treated to Krispy Kreme Doughnuts at the North Carolina booth daily. Krispy Kreme's first European retail store is located exclusively at Harrods in London.



NC TRAVEL TRACKER: 2003 YEAR END

Categories	2003 Totals	2002 Totals	+/- Year
Top 25 NC Attractions	44,700,113	57,555,105	-22.3%
Airport Deplanements	18,732,601	17,999,502	4.1%
Airport Enplanements	17,310,221	17,936,242	-3.5%
Hotel/Motel Occupancy	55.8	55.3	0.9%
Average Daily Room Rate	\$65.56	\$65.15	0.6%
Revenue Per Available Room	\$36.59	\$36.01	1.6%
State Welcome Centers	9,567,148	9,225,198	3.7%
Regional Visitor Centers	3,191,666	3,028,146	5.4%
State Parks	11,199,997	13,626,588	-17.8%

The North Carolina Division of Tourism, Film and Sports Development is committed to a high level of communication with the taxpayers of North Carolina, the North Carolina travel industry and related businesses, and the traveling public. We encourage you to share this publication with other members of your staff and community.

WWW.VISITNC.COM

RALEIGH, NC 27699-4324

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SPORTS DEVELOPMENT

FILM AND

DIVISION OF TOURISM,

DEPARTMENT OF COMMERCE

STATE OF NORTH CAROLINA

TRAVEL & TOURISM UPDATE

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CALENDAR OF EVENTS

<i>Event</i>	<i>Date</i>	<i>Location</i>
APRIL		
NC Governor's Conference on Tourism	Apr. 5-7, 2004	Charlotte, NC (Westin)
Meeting Professionals International – Carolinas Chapter	Apr. 15-16, 2004	Rock Hill, SC (Trade-show)
International Pow Wow	Apr. 24-28, 2004	Los Angeles, CA
MAY		
North Carolina Film Council	May 4, 2004	Winston-Salem, NC
National Tourism Week	May 8-16, 2004	Nationwide
North Carolina Tourism Day	May 11, 2004	Raleigh, NC
NC Travel & Tourism Board	May 11, 2004	Raleigh, NC
JUNE		
Meeting Professionals International – Carolinas Chapter	June 3-4, 2004	Myrtle Beach, SC (Annual Meeting)
NC Golf Marketing Alliance	June 10, 2004	Greensboro, NC
NCACVB-Annual Meeting	June 10-11, 2004	Greensboro, NC
Association Executives of NC Annual Meeting	June 13-15, 2004	Asheville, NC
STS Summer Board Meeting	June 19-21, 2004	TBA
AUGUST		
STS Marketing College	Aug. 1-6, 2004	Dahlonega, GA
NCACVB	Aug. 5-7, 2004	TBA
American Society of Association Executives	Aug. 14-17, 2004	Minneapolis, MN
North Carolina Film Council	Aug. 18, 2004	Asheville, NC
Meeting Professionals International – Carolinas Chapter	Aug. 19-20, 2004	Southern Pines, NC
ESTO Conference	Aug. 21-24, 2004	Boston, MA
SEPTEMBER		
HSMIA's Affordable Meetings	Sept. 8-9, 2004	Washington, DC Convention Center
Mid-Year Marketing Update	Sept. 14, 2004	Raleigh, NC
NC Travel & Tourism Board	Sept. 14, 2004	Raleigh, NC
OCTOBER		
Travel Council of NC Tourism Leadership Conference	Oct. 2004	TBA
Cycle North Carolina	Oct. 2-9, 2004	Sparta to Olympia, NC
NCACVB	Oct. 7-8, 2004	TBA
Meeting Professionals International – Carolinas Chapter	Oct. 14-15, 2004	Greenville, SC
TIA's Marketing Outlook Forum	Oct. 27-29, 2004	Phoenix/Scottsdale, AZ
NOVEMBER		
Ontario Motorcoach Association	Nov. 7-10, 2004	Sheraton, Downtown Toronto, Can.
World Travel Market	Nov. 8-11, 2004	ExCel, London, UK
NTA's Annual Convention	Nov. 12-16, 2004	Toronto, Ontario
NC Travel & Tourism Board	Nov. 16, 2004	Raleigh, NC
DECEMBER		
NCACVB	Dec. 2-3, 2004	TBA
Association Executives of NC Mid-year Meeting and Trade Show	Dec. 8-9, 2004	TBA
North Carolina Film Council	Dec. 15, 2004	Raleigh, NC