



epiphany

THE INSIGHT BEHIND INSPIRATION

South Padre Island Visitor Tracking Survey

September 2006

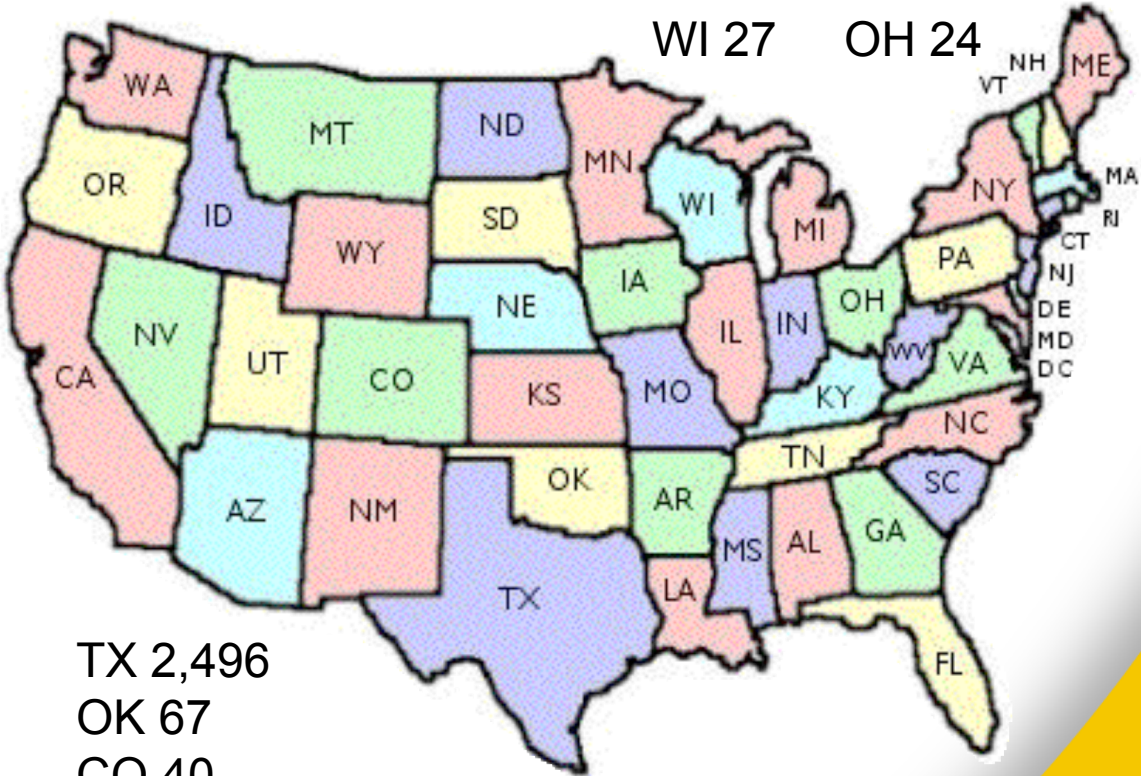
Methodology

- 15-Minute Phone Survey; 42 questions
- Phone numbers collected May through Aug. 10th
 - 3,691 usable cards
 - 10 Hotels & 4 Condo/Rental Agencies
 - 6 Restaurants
 - 3 Shopping/Entertainment Attractions
 - Visitor Information Center
- Fielded last week in August 2006
- 408 respondents chosen randomly
 - 301 from Texas
 - 107 Out-of-State (31 different states)

Origination of Cards Received

Key Markets

IL 37 MI 31
MO 32 IN 28
WI 27 OH 24



TX 2,496
OK 67
CO 40
AR 24
LA 22

Origination of Cards Received Texas Markets

- The Valley accounted for 330 cards
 - Mc Allen (104), Brownsville (96), Laredo (63), Mission (60)
Harlingen (58) and Edinburg (49)
- There were 257 cards from San Antonio
- 166 cards from Austin
- 147 from Houston
- 106 from Dallas/Ft. Worth
- Rest were from smaller towns in Texas, some of which are in ADIs of major cities

Objectives

- Develop a demographic profile of SPI's visitors
- Gain insight into the travel planning process
- Define most popular activities
- Determine average spend by market segment
- Measure satisfaction with SPI, including likelihood to return
- Quantify areas for improvement
- Identify differences in travel patterns and visitor behavior from season to season and by market segment

Executive Summary

- Median age of visitor was 44.3 years
- Median Household Income was \$78,600
- Visitors were highly educated; 75% attended at least some college
- Over 50% of visitors came to SPI for their primary or extended-stay vacation; 35% came for a weekend getaway
- 72% stayed in a hotel; 23% rented a condo
- Stayed an average of 4.2 nights

Executive Summary

- 79% of respondents were married
- 54% were families traveling with children
- Average travel party size was 4.1
- 38% were first time visitors
- Make an average of 2.1 trips to South Padre and 1.4 trips to other beaches
- 84% drove to the Island

Executive Summary

- Most first heard about South Padre from family and friends and from stories in the media
- Planned an average of 44.4 days in advance
 - Very few requested a visitor information packet
 - 54% visited sopadre.com
 - 55% booked hotel over Internet
- 40% considered other destinations besides SPI
- Among the primary reasons for choosing SPI this trip were:
 - The beauty and quality of the beach
 - Tropical island atmosphere
 - Beach and bay experience in 1 trip
 - Recommendation of family or friends and
 - Previous experience on the Island

Executive Summary

- Other than visit the beach, the most popular activities were:
 - Shop on the Island
 - Visit Port Isabel
 - Eco-tourism activities
 - Shop off the Island
 - Visit Schlitterbahn
 - Fish
 - Go to Mexico and
 - Water sports
- Almost 35% of visitors ate out every meal

Executive Summary

- Average expenditure was \$1,502; weekend visitors spent an average of \$1,122 while extended stay visitors spent \$1,759
- Average expenditure for lodging was \$133/night; \$139 for Texans, \$118 for out-of-state visitors
- 51% were aware of The Wave but only 11% of them said they rode it
- Satisfaction is high; 95% said they plan to return

Executive Summary

- Using a scale of 1 to 10, with 10 being excellent, visitors rated the following attributes the highest:
 - A Safe Place to Visit (8.94)
 - Ease of Getting Around (8.93)
 - Cleanliness of Destination (8.64)
 - Cleanliness of Beaches (8.62)
- The following attributes were rated the lowest:
 - Variety of Retail Shops (7.43)
 - Quality of Retail Shops (7.62)
 - Variety of Things For Children to Do (7.66)
 - Value For Your Dollar (7.95)

Executive Summary

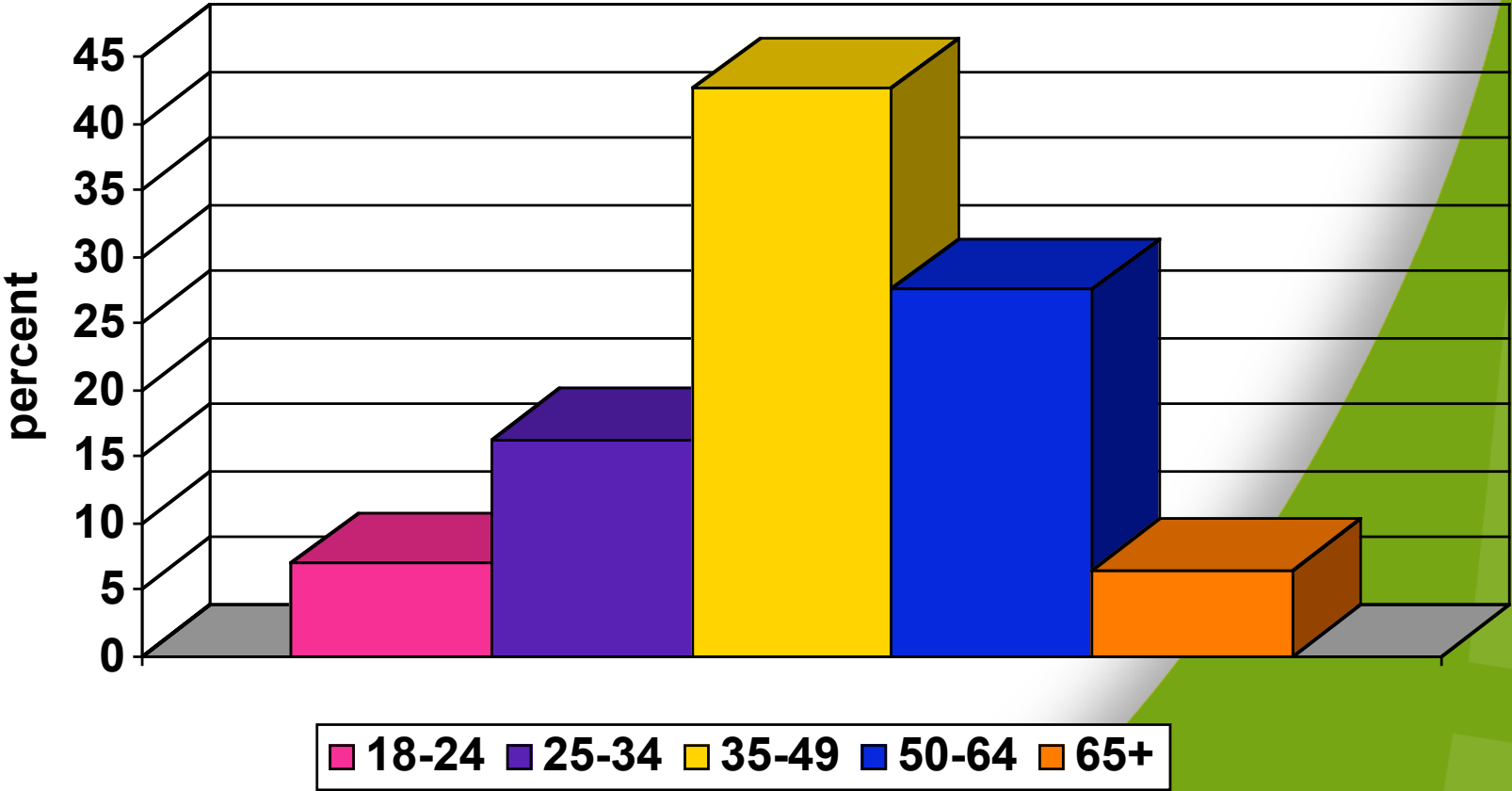
- Vast majority agreed that SPI offers the “best beach experience in Texas” and that it is unpretentious, a place where “I can relax and be myself”
- Only 40% agreed that the quality of the South Padre beach is similar to that of Florida; 30% disagreed and 30% didn't know
- 27% said that nothing needed to be done to improve the South Padre experience
- Among the things mentioned the most to be improved were:
 - More activities for children & adults
 - Prices; want discounts or special offers
 - More restaurant choices and better quality
 - Better variety and quality of retail stores



DETAILED FINDINGS
Profile of Summer Visitors

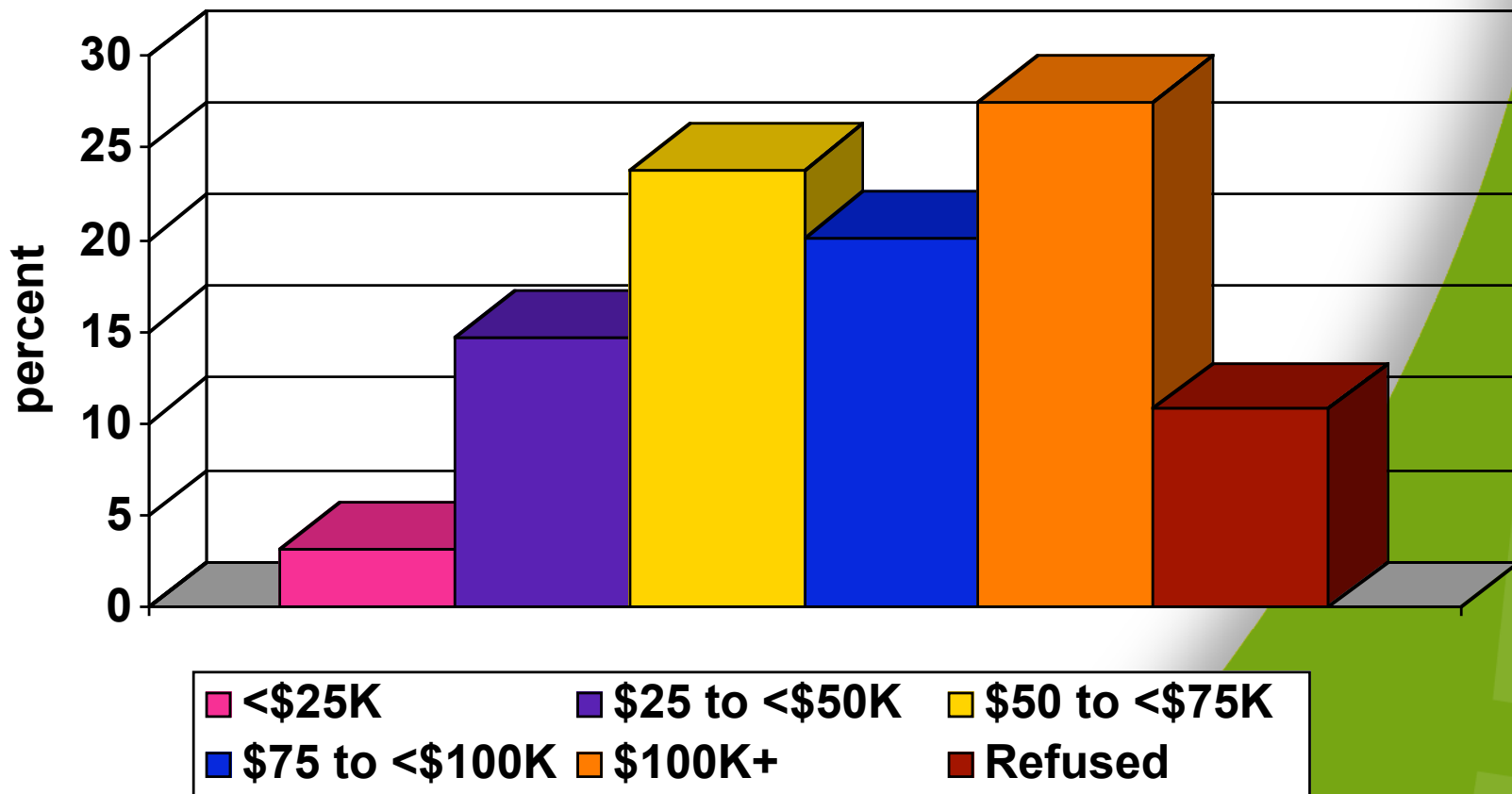
Visitors' Age

Median Age = 44.3

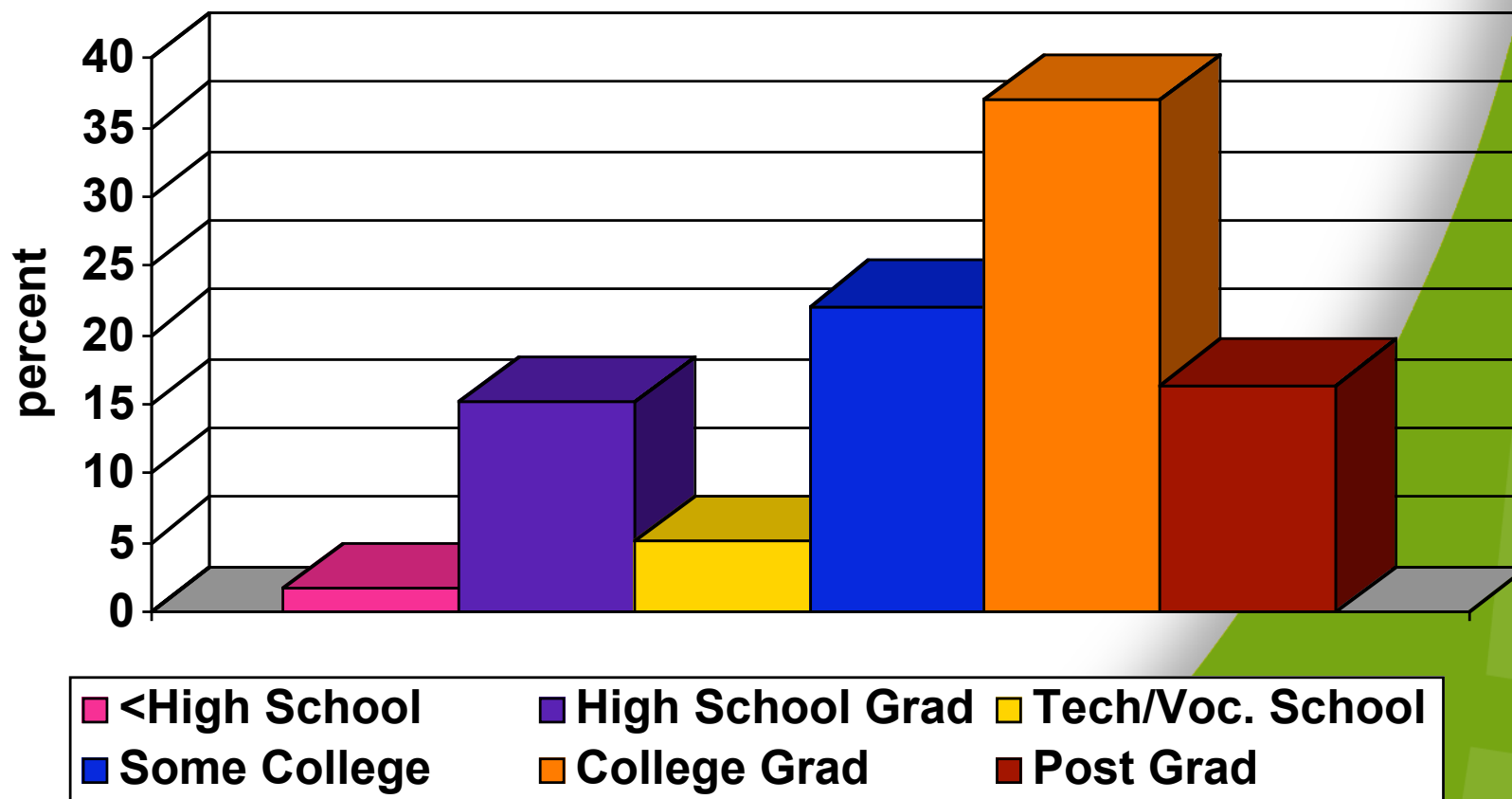


Visitors' Annual Household Income

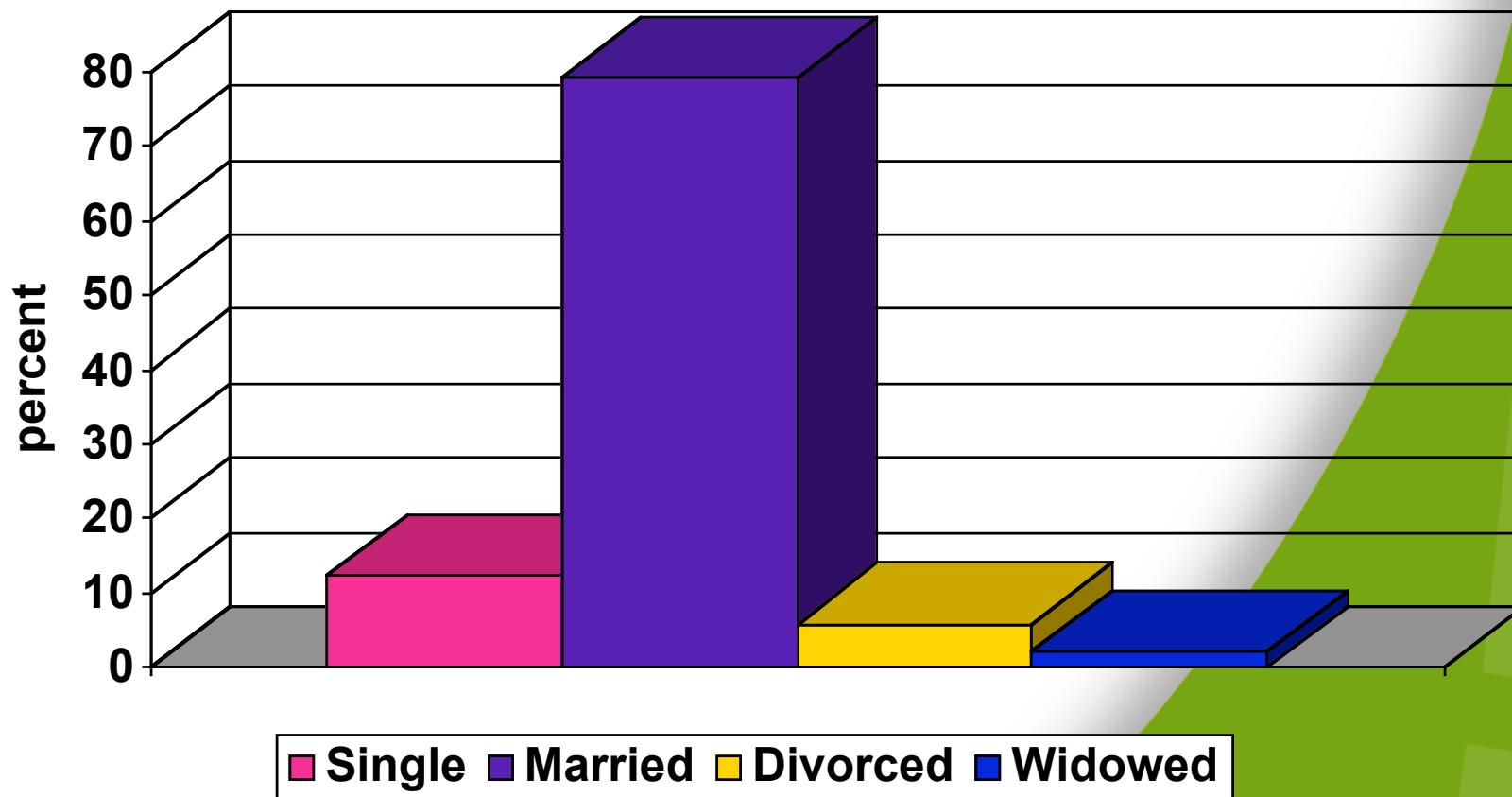
Median HHI = \$78,600



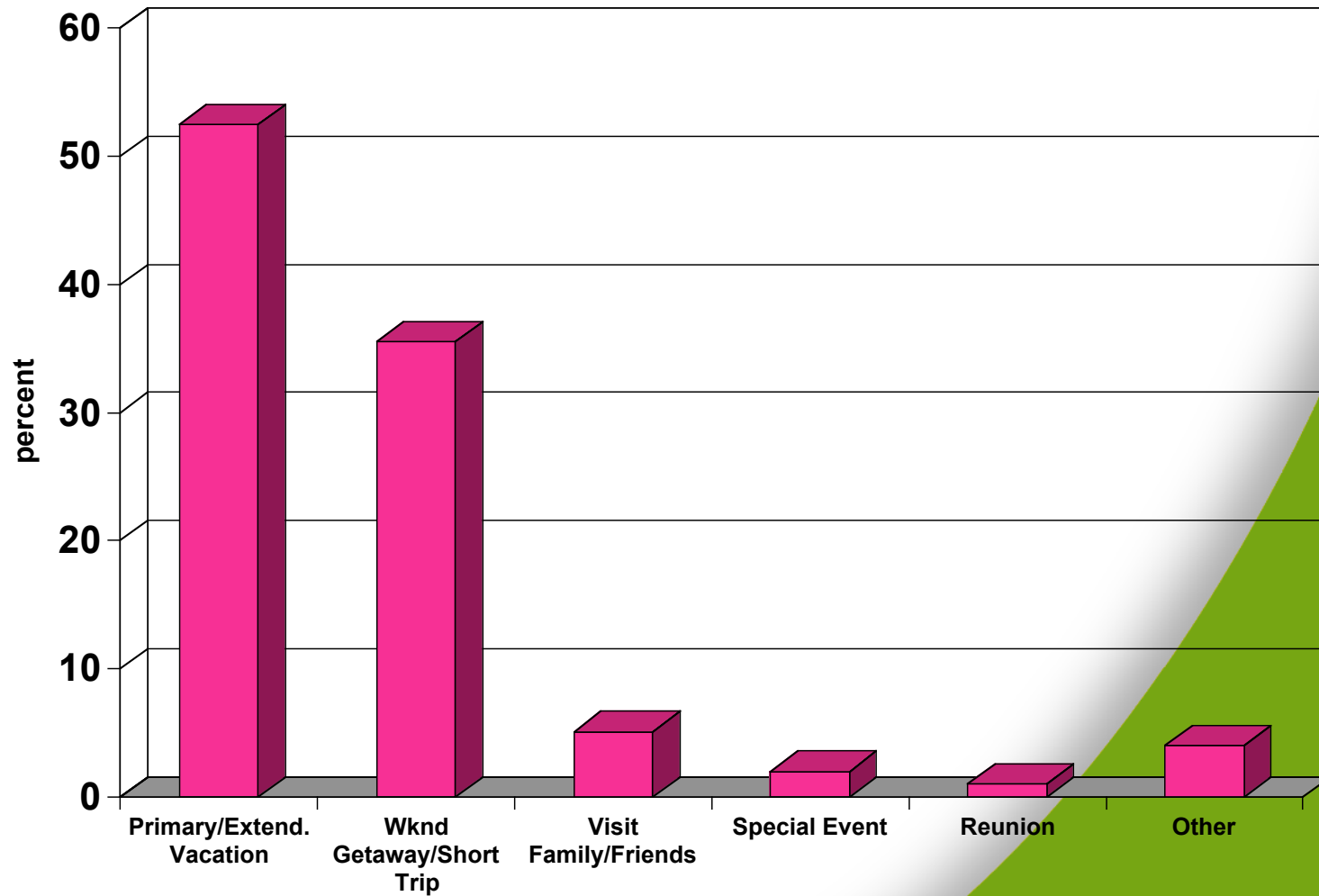
Visitors' Education Level



Visitors' Marital Status



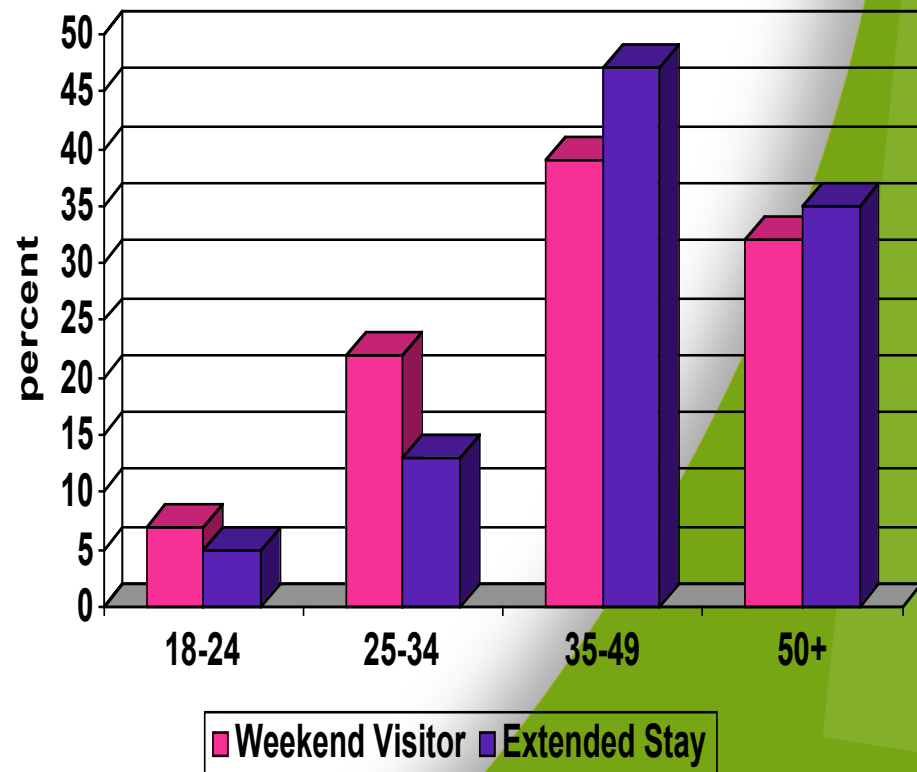
Primary Purpose of Trip To SPI; Leisure Visitors



Differences In Visitor Profile

Weekend Getaway vs. Extended Vacation

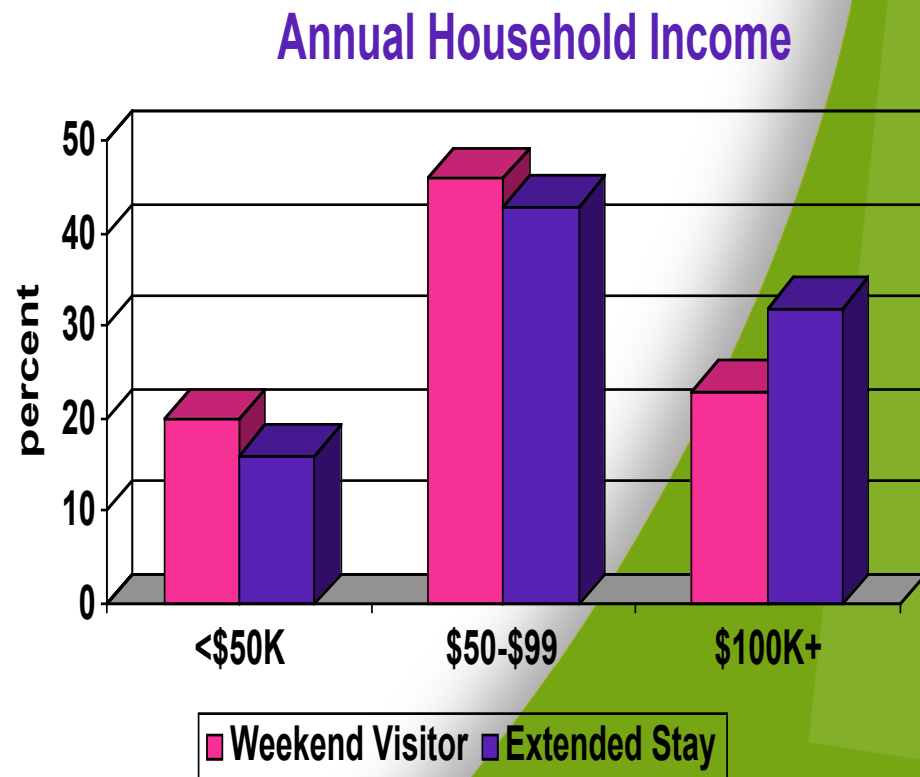
- Extended stay visitors are slightly older
 - 83% are 35+ compared to 71% of weekend visitors
 - 22% of weekend visitors are 25-49 vs. 13% of extended stay visitors



Differences In Visitor Profile

Weekend Getaway vs. Extended Vacation

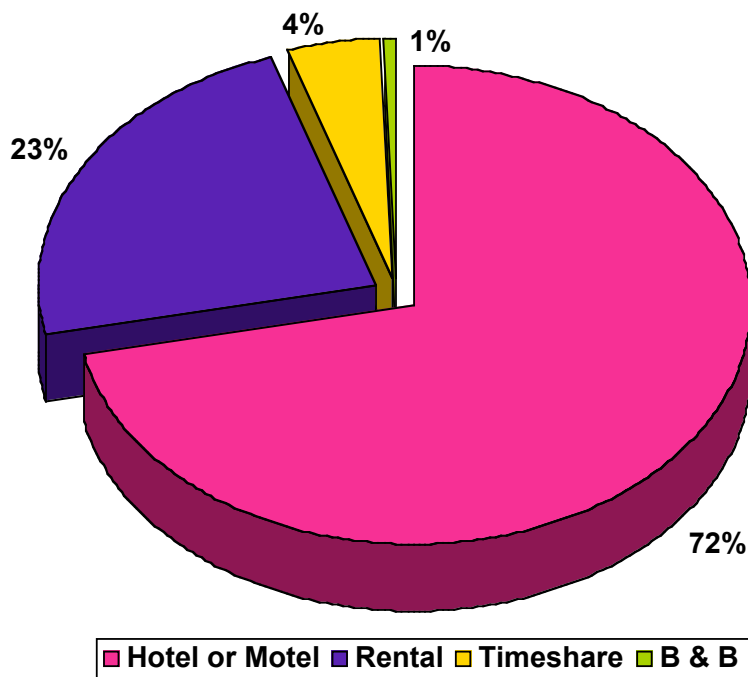
- Extended stay visitors are more affluent and spend more on lodging per night
 - 62% of those with HHI of \$100K+ were extended stay visitors
 - 54% of extended stay vacationers spent \$100+/night on lodging vs. 36% of weekend visitors



Differences In Visitor Profile Weekend Getaway vs. Extended Vacation

- Extended stay vacationers are more likely to be first time visitors
 - 52% of first time visitors were on an extended vacation vs. 37% of weekend visitors
- Extended stay vacationers are mostly families
 - 58% of extended stay vacationers were traveling with kids vs. 50% of weekend visitors
- 30% of extended stay vacationers were from out-of-state vs. 19% of weekend visitors
- Among very small number who would not return to SPI, 77% were extended stay vacationers

Accommodations

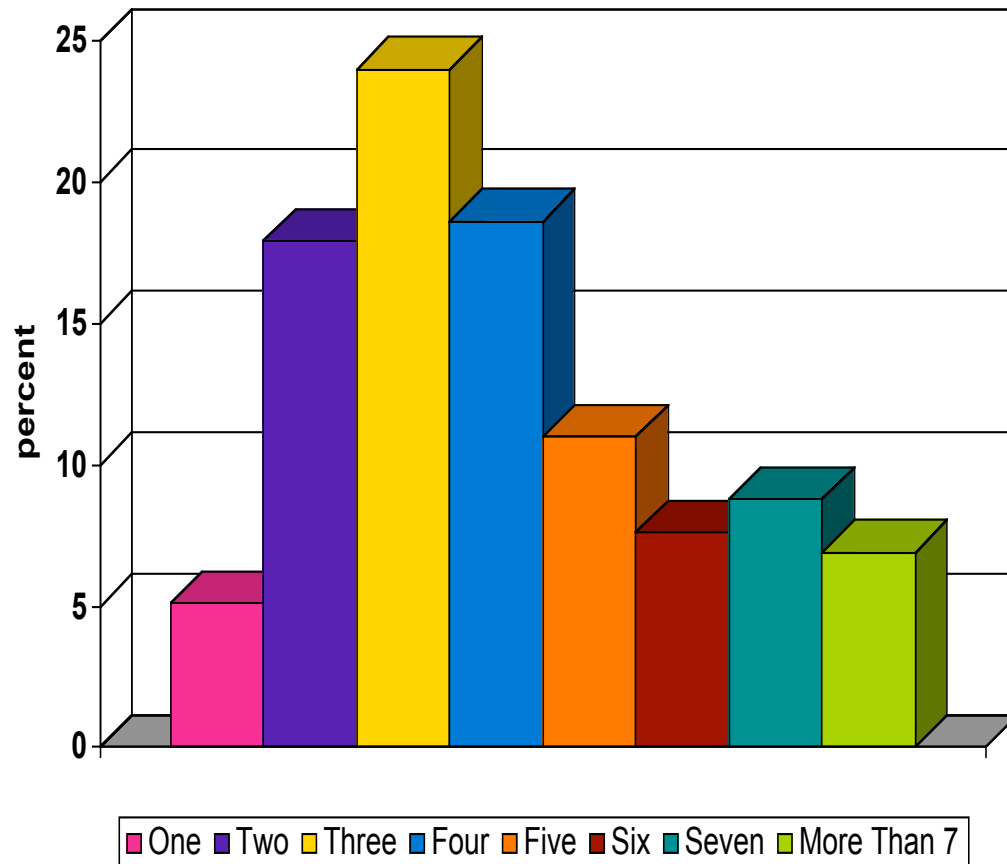


- 80% of weekend visitors stayed in a hotel/motel vs. 67% of extended stay visitors
- 32% of extended stay visitors stayed in a condo or time share

Accommodations

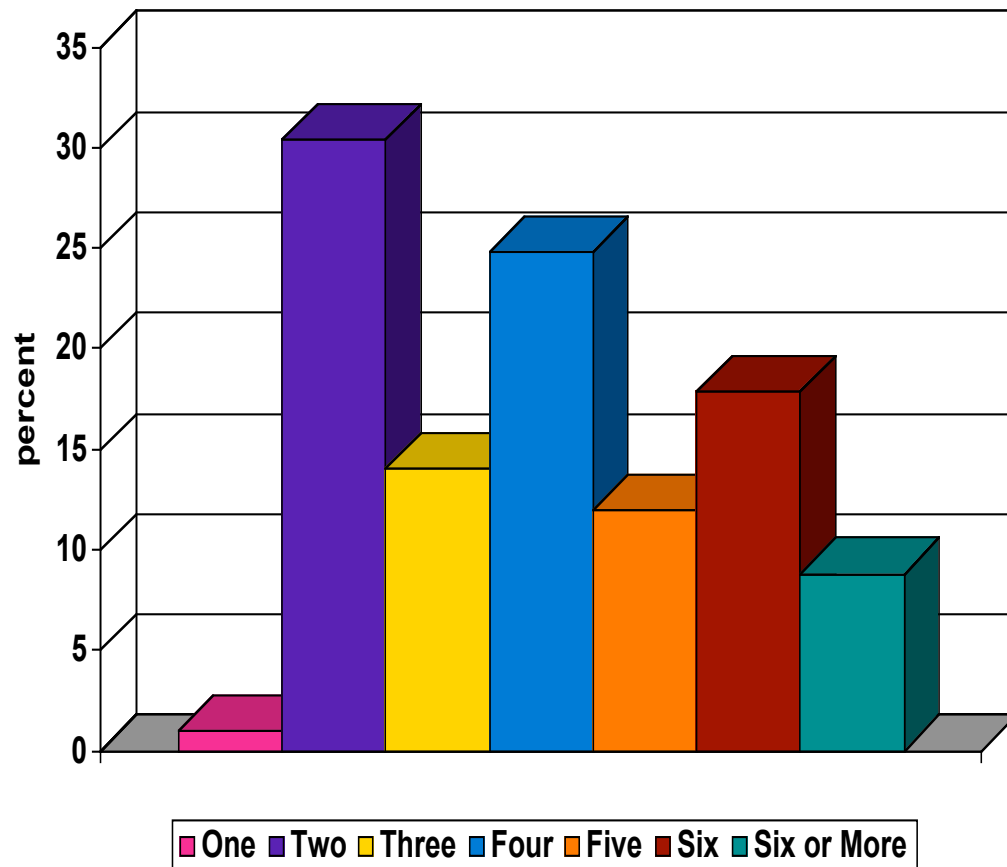
- Of those who rented a condo, 42% were 50+ vs. 29% of those who rented a hotel or motel
- 41% of out-of-state visitors rented a condo or timeshare vs. 23% of Texans

Length of Stay on South Padre



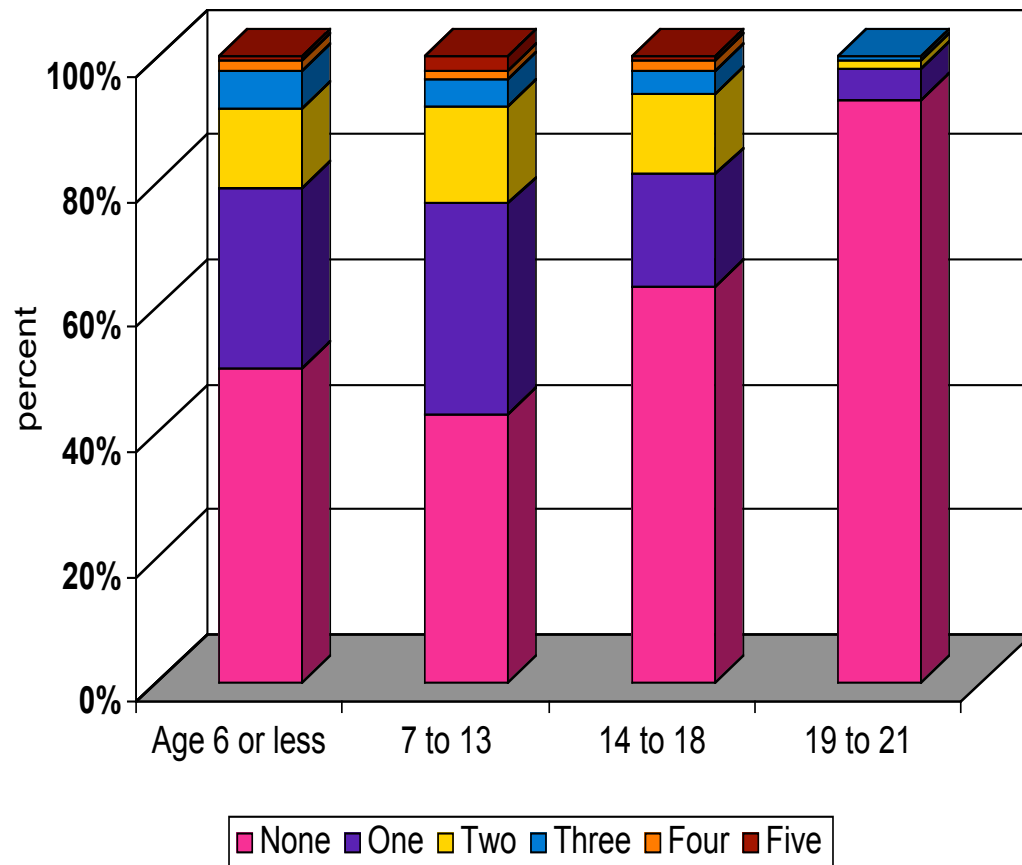
- Average stay was 4.2 nights
- 3.5 nights for weekend or short trip
- 4.5 nights for primary or extended vacation
- 5 nights for out-of-state visitors
- 4.7 nights for adults age 50+
- 4.8 nights for those who spent \$1000+

Size of Travel Party



- 54% of visitors described their travel party as a family traveling with children
- Average travel party size was 4.1
- Just 19% of those between 35-49 were parties of 2

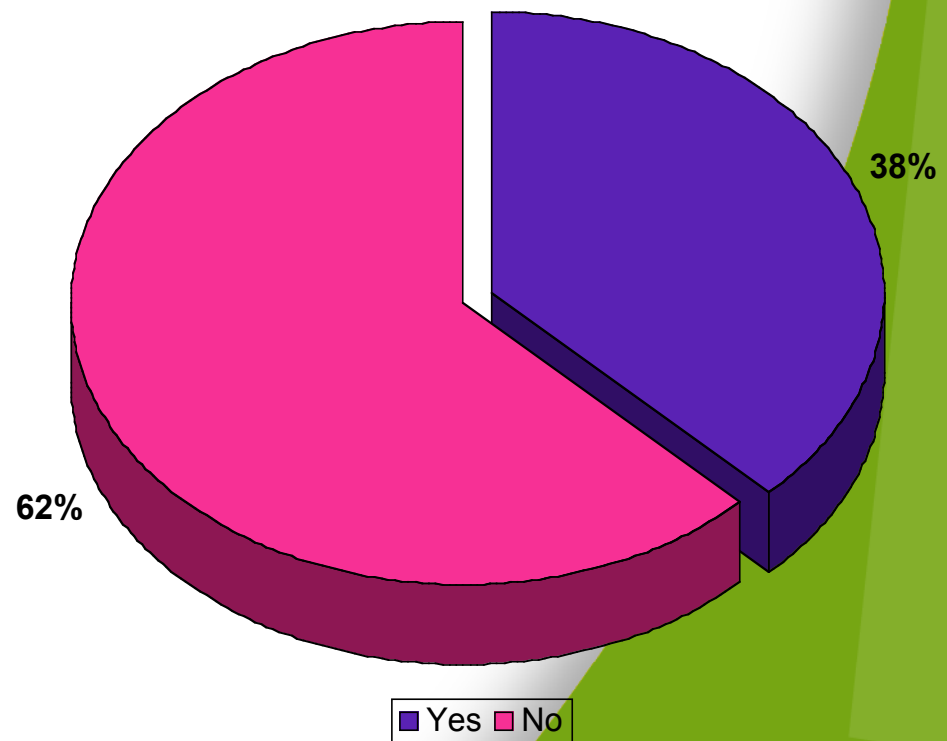
Ages of Children



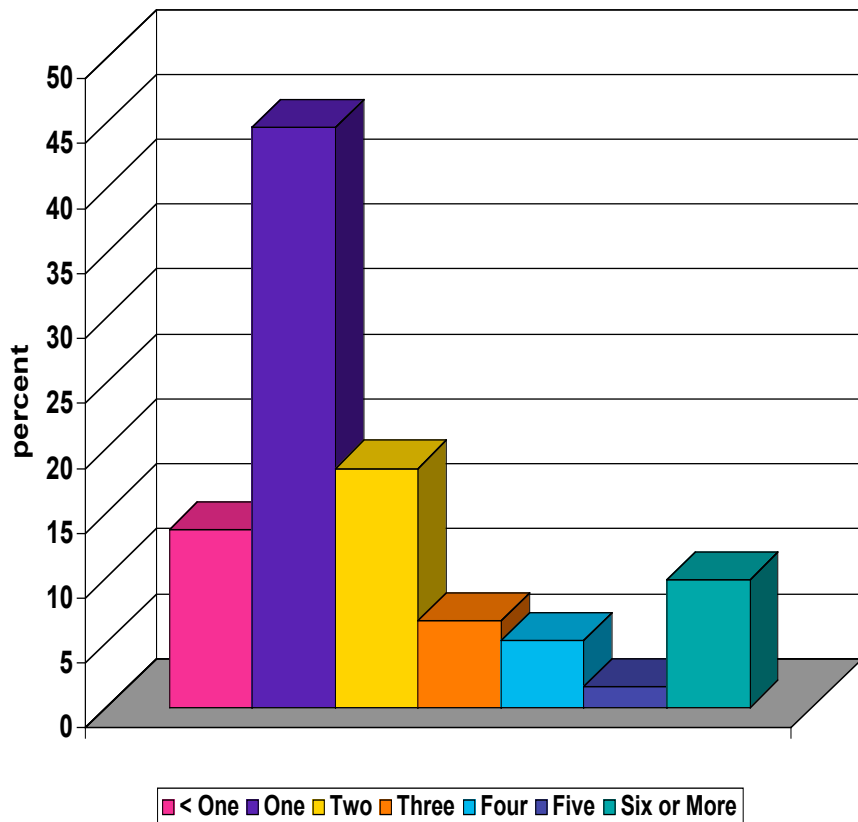
- 50% of respondents had children 6 and under with them
- 57% had children age 7-13 with them
- 38% took 14-18 year old children on their SPI vacation
- 7% took adult children with them

First Trip To South Padre Island

- 38% were first time visitors
- 56% of out-of-state visitors were first time visitors vs. 31% of Texas visitors



Number of Leisure Trips/Year to South Padre

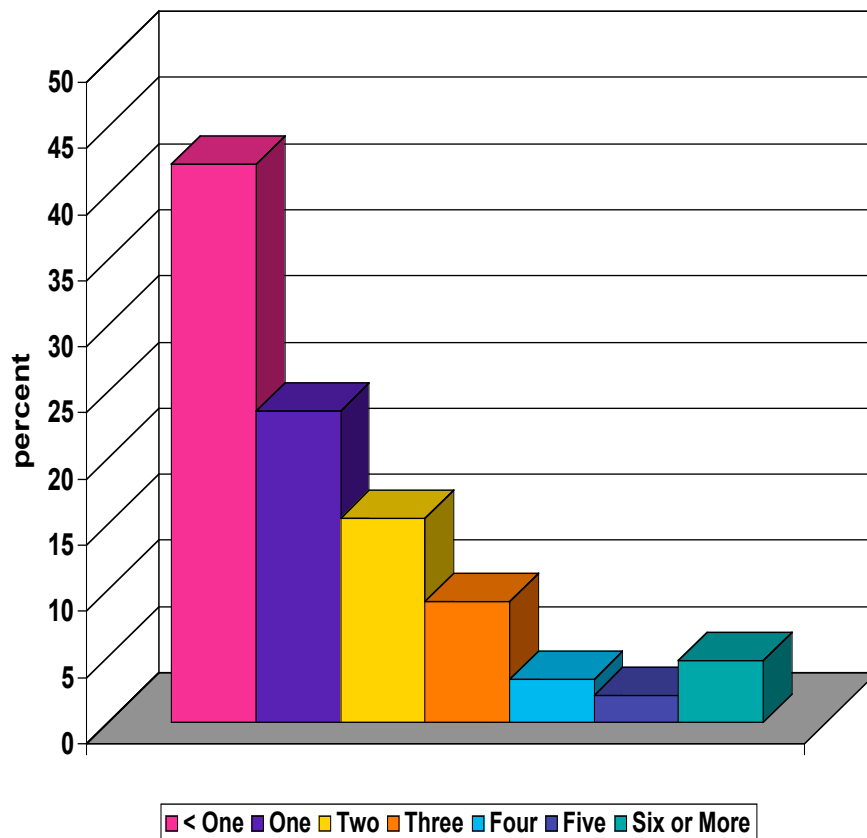


- Average number of trips/year to SPI among all visitors is 2.1
- Among Weekend/Short Trip Visitors, average number is 2.7
- Texas visitors make an average of 2.4 trips vs. 1x/year for out-of-state visitors

Number of Leisure Trips/Year to South Padre

- Those who had been to SPI before (not first time visitors) make an average of 3.3 trips/year
- Those who spend <\$100/night on hotel make 2.9 trips/year vs. 1.9 for those who spend \$100K+
- 25-34 year olds visit an average of 2.9 times
 - 18-24 year olds 1.7x/year
 - 35-49 year olds 1.8x/year
 - 50+ 2.2x/year
- Those who earn < \$50K average 2.6 trips/year vs. 1.8 trips for those who earn \$100K+; \$50-99K/year make 2.4 trips

Number of Leisure Trips/Year to Beach Other Than SPI



- Visitors took an average of 2.1 trips to SPI and 1.4 trips to other beaches
- More affluent travelers visited more beaches/year (1.8 vs. 1.35 for households earning less than \$100K)

Number of Leisure Trips/Year to Other Beaches

- Of those who had previously visited SPI (255 respondents), 50% said they take < 1 trip/year to another beach
- Among those who visit SPI 3+ times/year, 68% don't visit other beach destinations

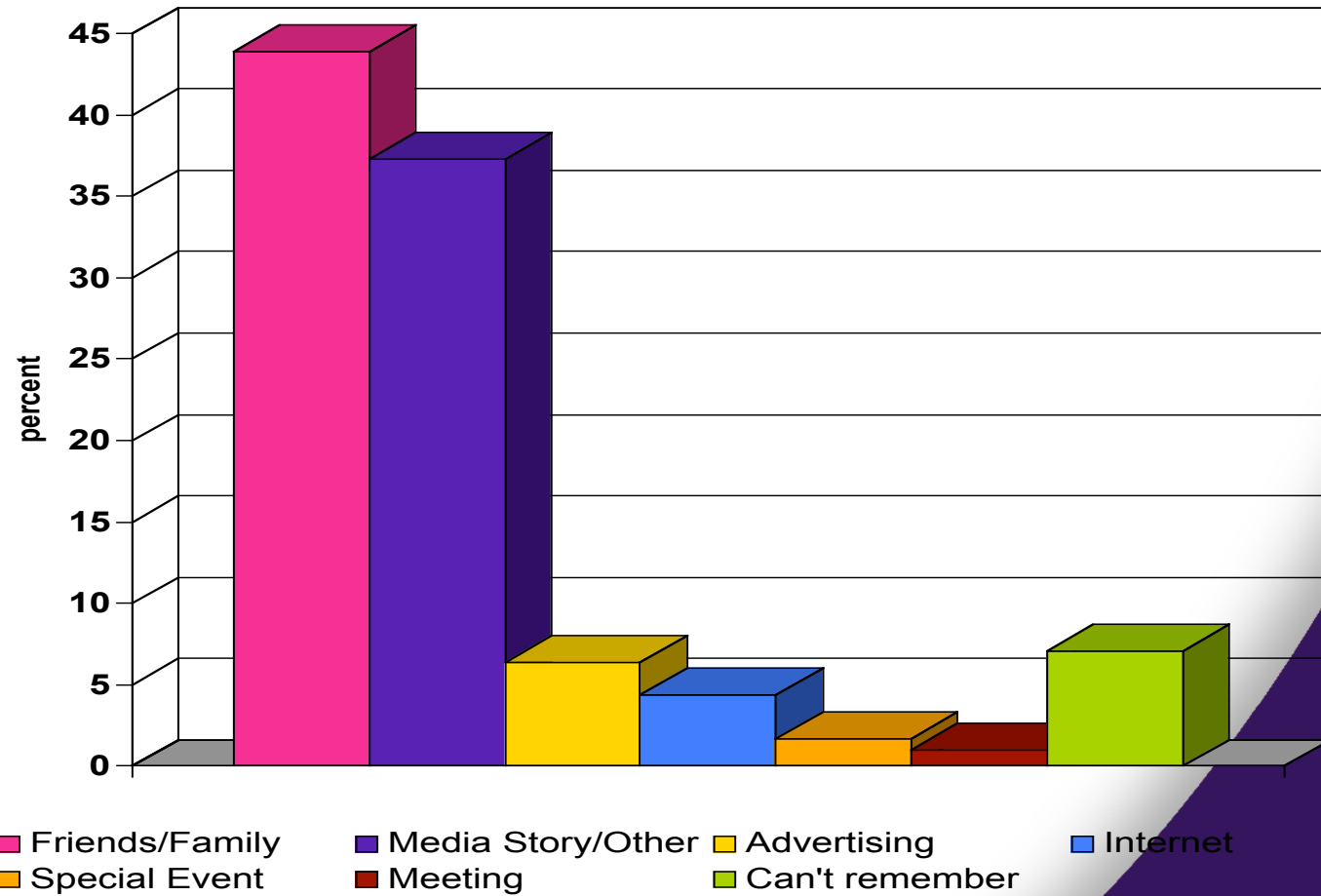
Transportation to the Island

- 84% of all visitors drove to South Padre Island
 - 51% flew into Valley International
 - 22% into Brownsville International
 - 15% into McAllen International
- Not surprisingly, 36% of out-of state visitors flew vs. just 9% of Texas visitors
- 24% of those traveling without kids flew compared to 10.5% of those traveling with kids
- 23% of those aged 50+ flew compared to 11-14% of 18-49 year olds
- Of the respondents who flew, 72% rented a car

DETAILED FINDINGS

Trip Planning Process

How First Heard About South Padre



Visitor Information Packet

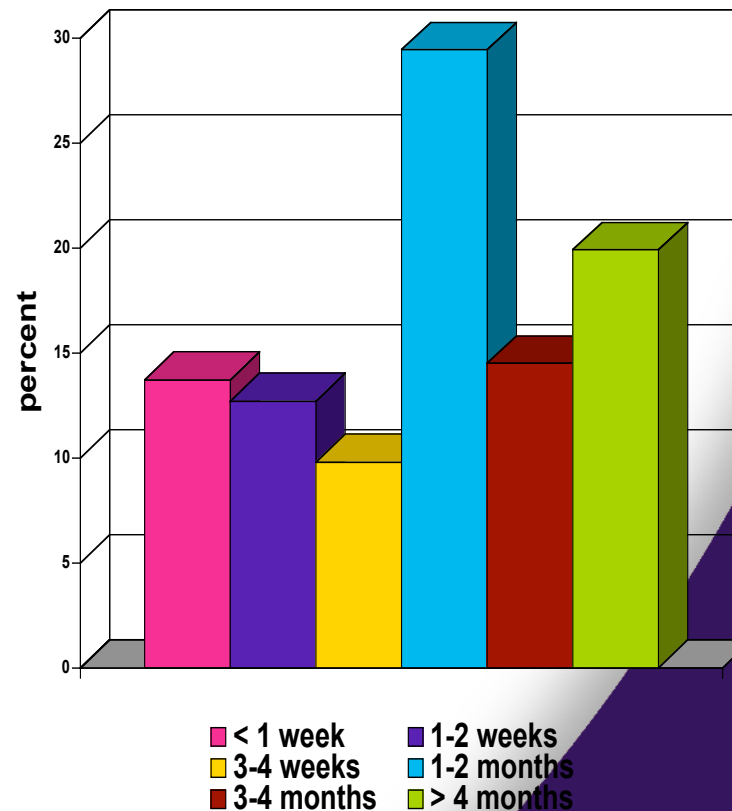
- Less than 15% requested a visitor information packet in advance
 - Not surprisingly, 25% of out-of-state visitors requested one
 - 21% of those who spent less than \$100/night on a hotel also requested a packet
- Although the base was small, 69% of those who received the packet reported that it had “some” or “a lot” of influence; only 30% said it had “no influence at all”

Visited SPI Web Site (sopadre.com)

- 54% said they visited the SPI web site prior to their visit
 - 65% of adults 35-49 visited the web site
- 64% reported that it had “a lot” (28%) or “some influence” (36%) on their decision to visit SPI
- Although the sample was relatively small, 56% of those with an \$100,000+ annual HHI said it had no influence at all

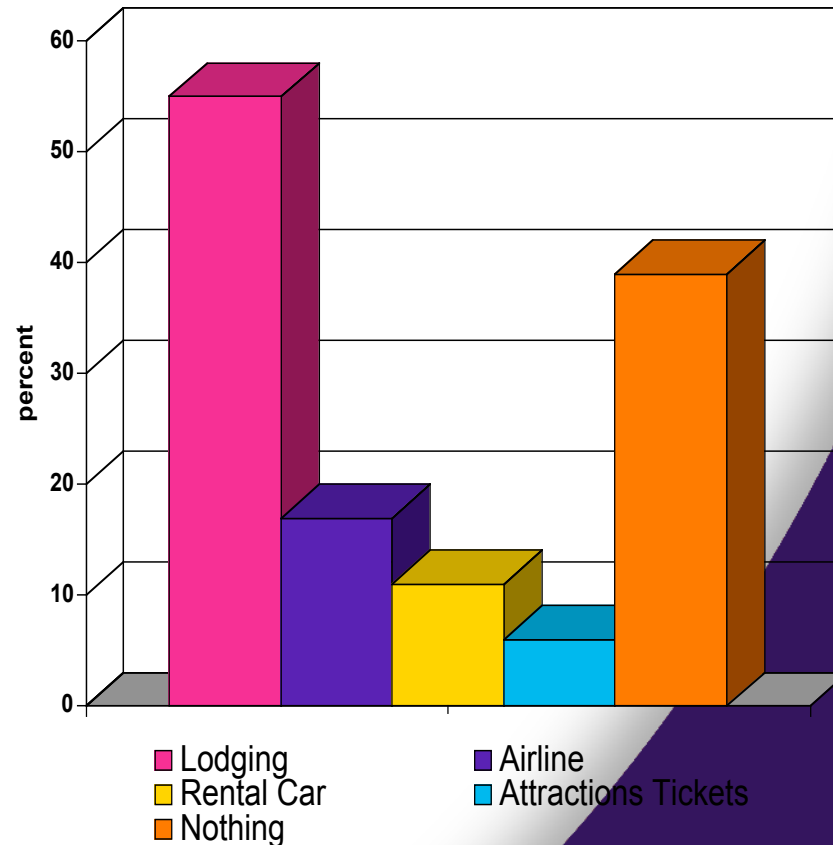
Time Spent Planning

- Visitors planned an average of 44.4 days in advance
 - Out-of-state visitors planned 70.4 days in advance
 - Younger visitors spent less time planning (30 days for 25-34 year olds vs. 51 days for 50+)
 - Those who spent more than \$1000, spent more time planning (53.5 days)

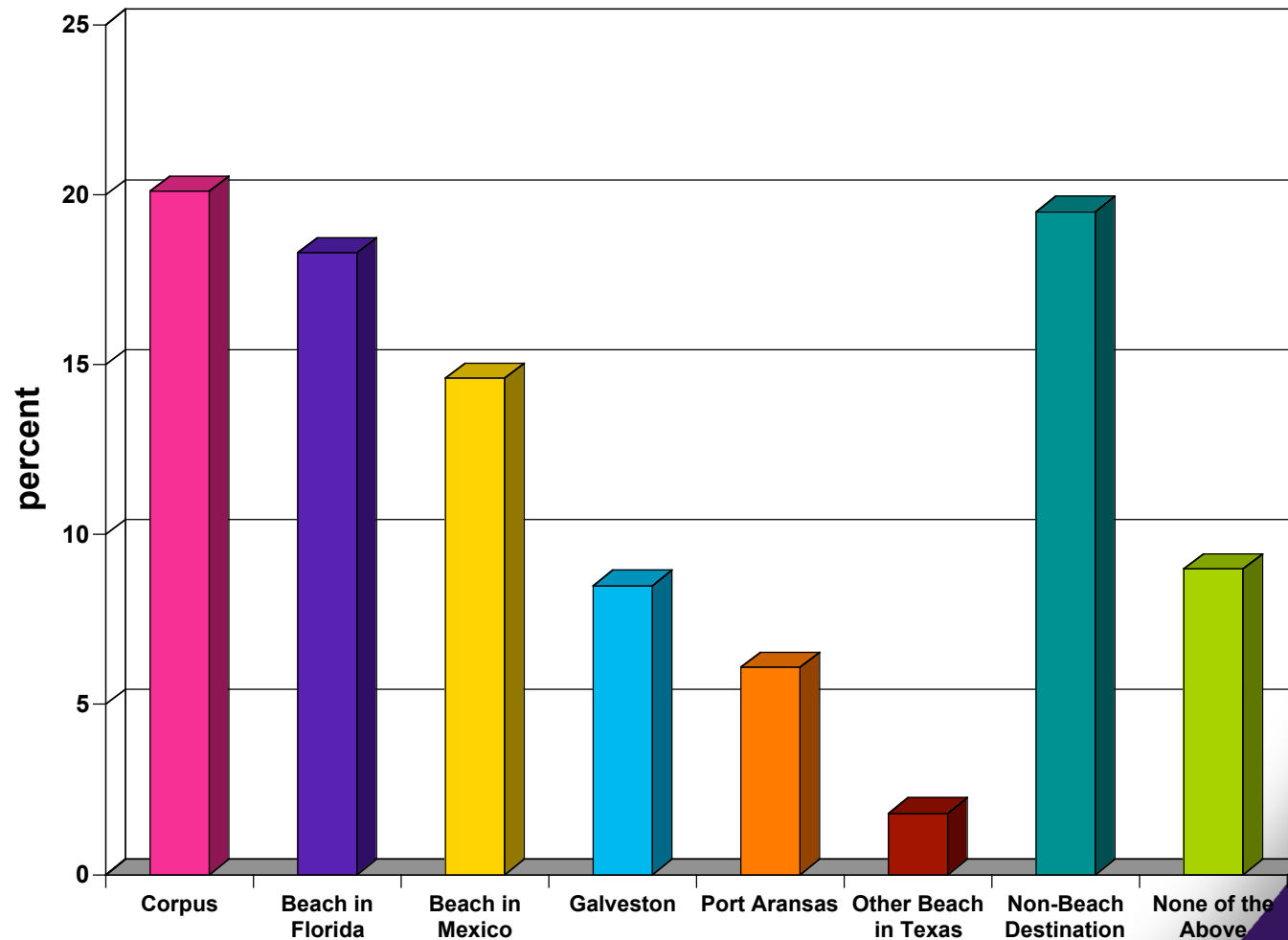


Travel Elements Booked on the Internet

- Over 60% of those 25-49 booked lodging over the Internet vs. 42% of those age 50+
- 65% of those who spent \$100+/night for hotel booked on Internet vs. 45% of those who spent <\$100/night
- 62% of families traveling with kids booked hotel on Internet



Considered Other Destinations

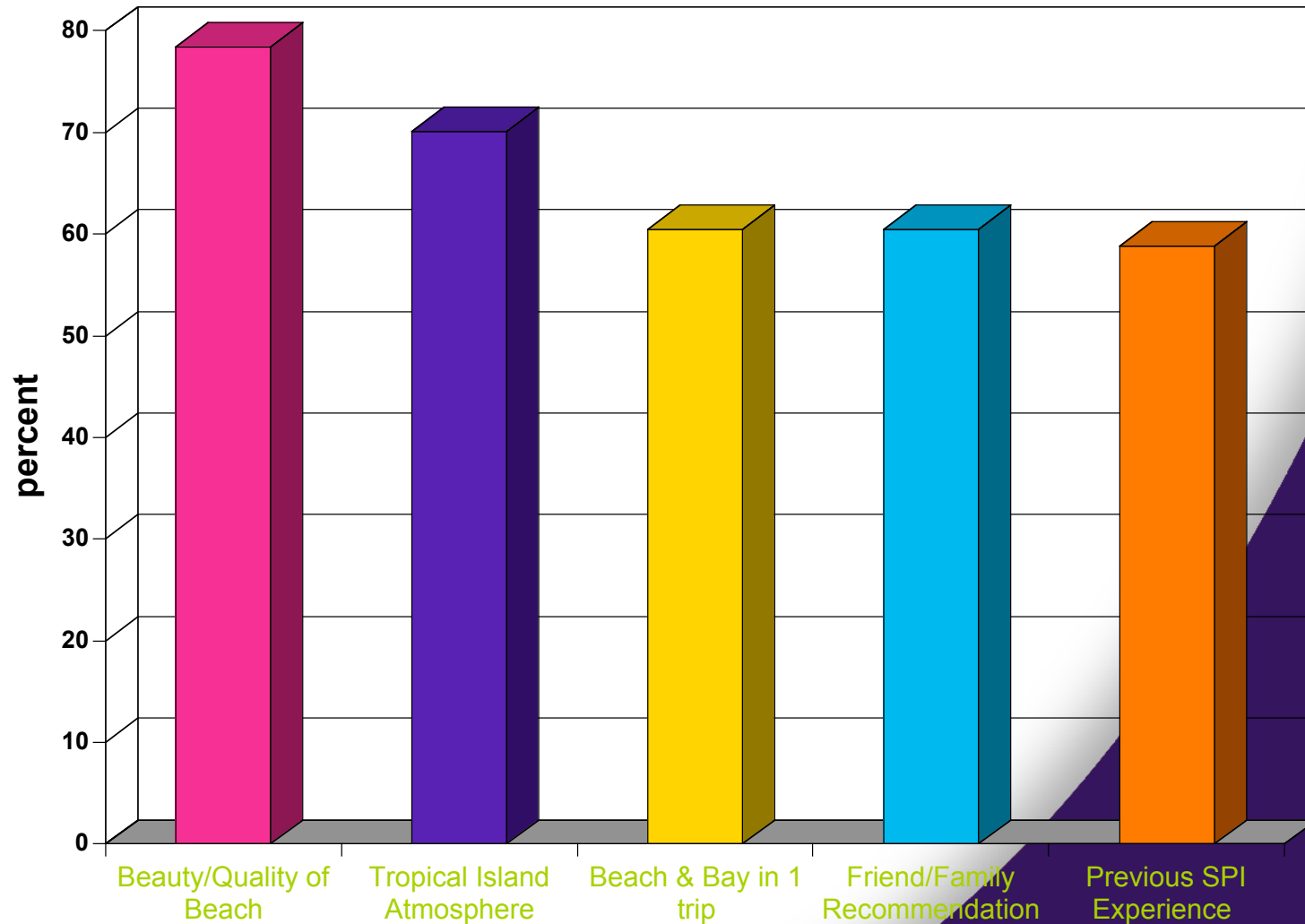


40% considered another destination; 30% of weekend visitors and 46% of extended stay visitors

Among Those Who Considered Other Destinations

- Those who spent \$1000+ more likely to consider beaches out of Texas; those who spent <\$1000 more likely to consider other Texas beaches
- 30% of weekend visitors considered Corpus

Factors that Influenced Decision to Visit SPI



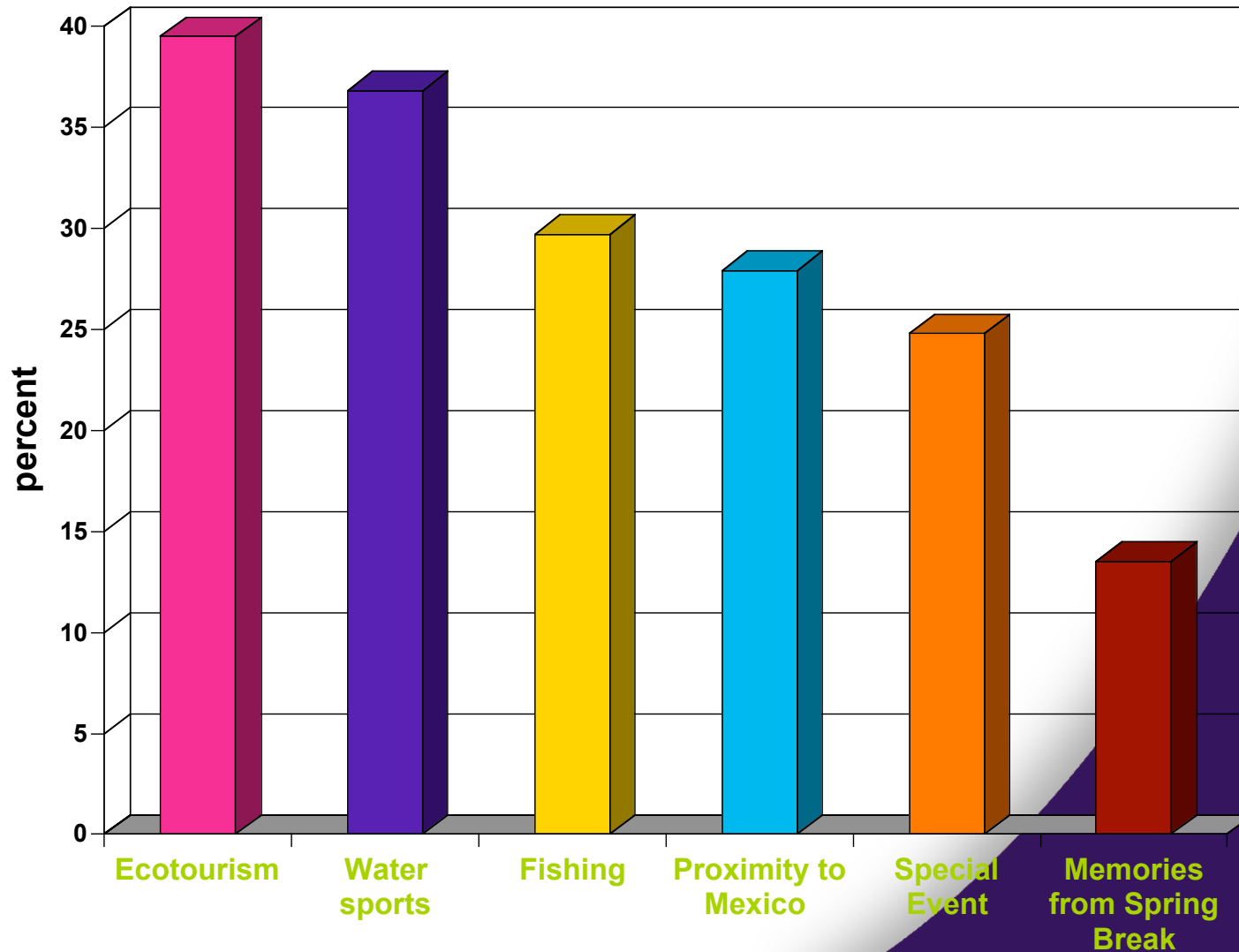
Factors that Influenced Decision to Visit SPI

- Overall beauty and quality of the beach had more influence in decision to come among:
 - Families with children
 - Repeat visitors
 - Those who spent \$1,000+
 - Texans
- Tropical Island atmosphere had more influence among:
 - Families with children
 - Those who spent \$1,000+
 - Those who spent \$100+ night on lodging
 - 35-49 year olds

Factors that Influenced Decision to Visit SPI

- Recommendation of family/friends was especially important among:
 - Out-of-state visitors
 - 25-34 year olds and
 - Those earning <\$100,000
- Previous experience on the Island played a larger role in the decision-making process for:
 - Those who spent \$100+/night on lodging
 - Texas vs. out-of-state visitors
 - Those earning \$100,000+

Factors That Influenced Decision to Visit SPI



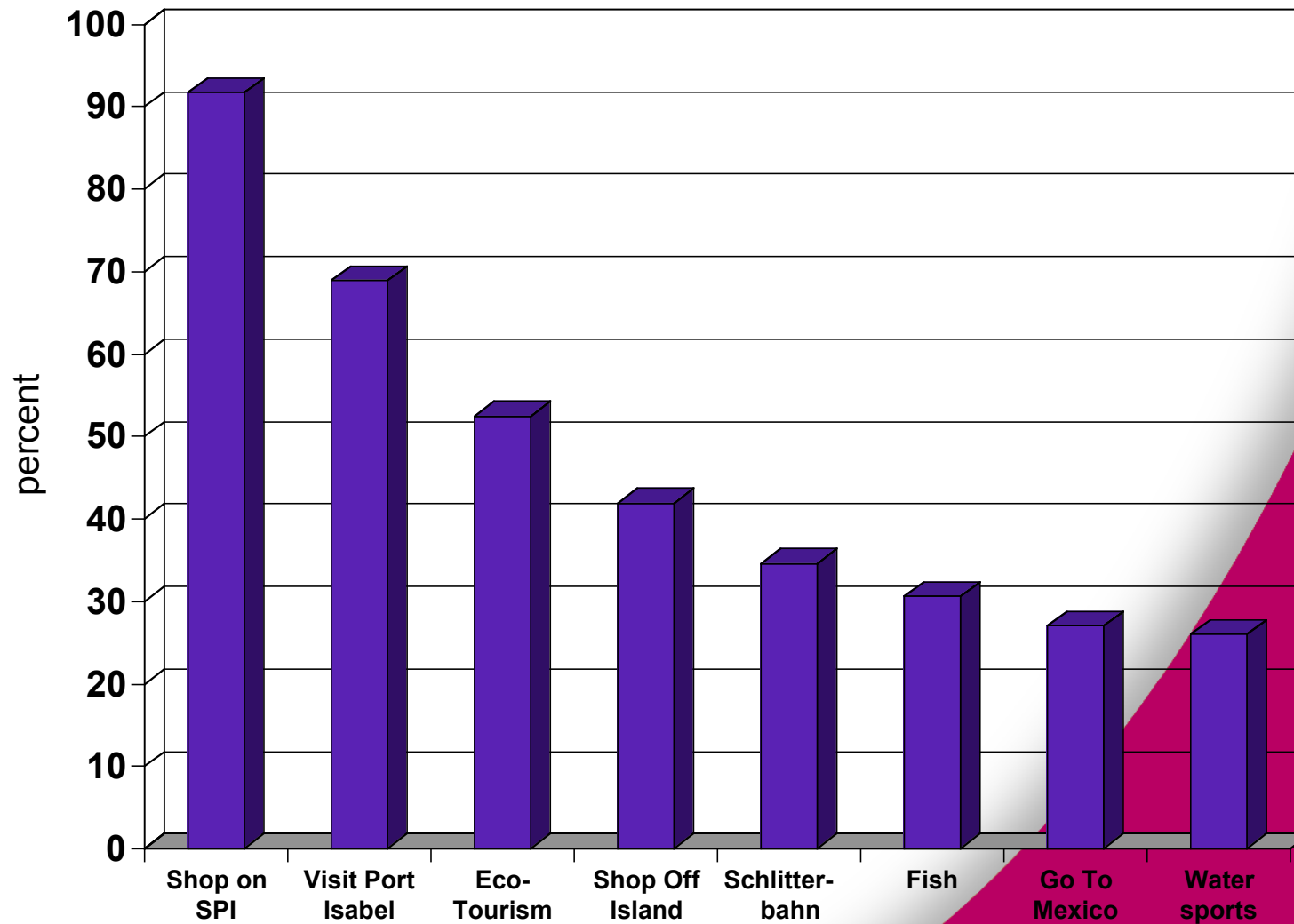
Factors that Influenced Decision to Visit SPI

- Proximity to Mexico played a larger role in the decision to visit SPI among:
 - Those who spent <\$100/night on lodging and
 - Out-of-state visitors
- Quality and variety of fishing was more of a factor among Texans than out-of-state visitors
- Having a variety of water sports activities was more important to families traveling with children than adults traveling alone
- Perhaps because of their relative low cost, eco-tourism activities were more a factor for those earning less than \$100K

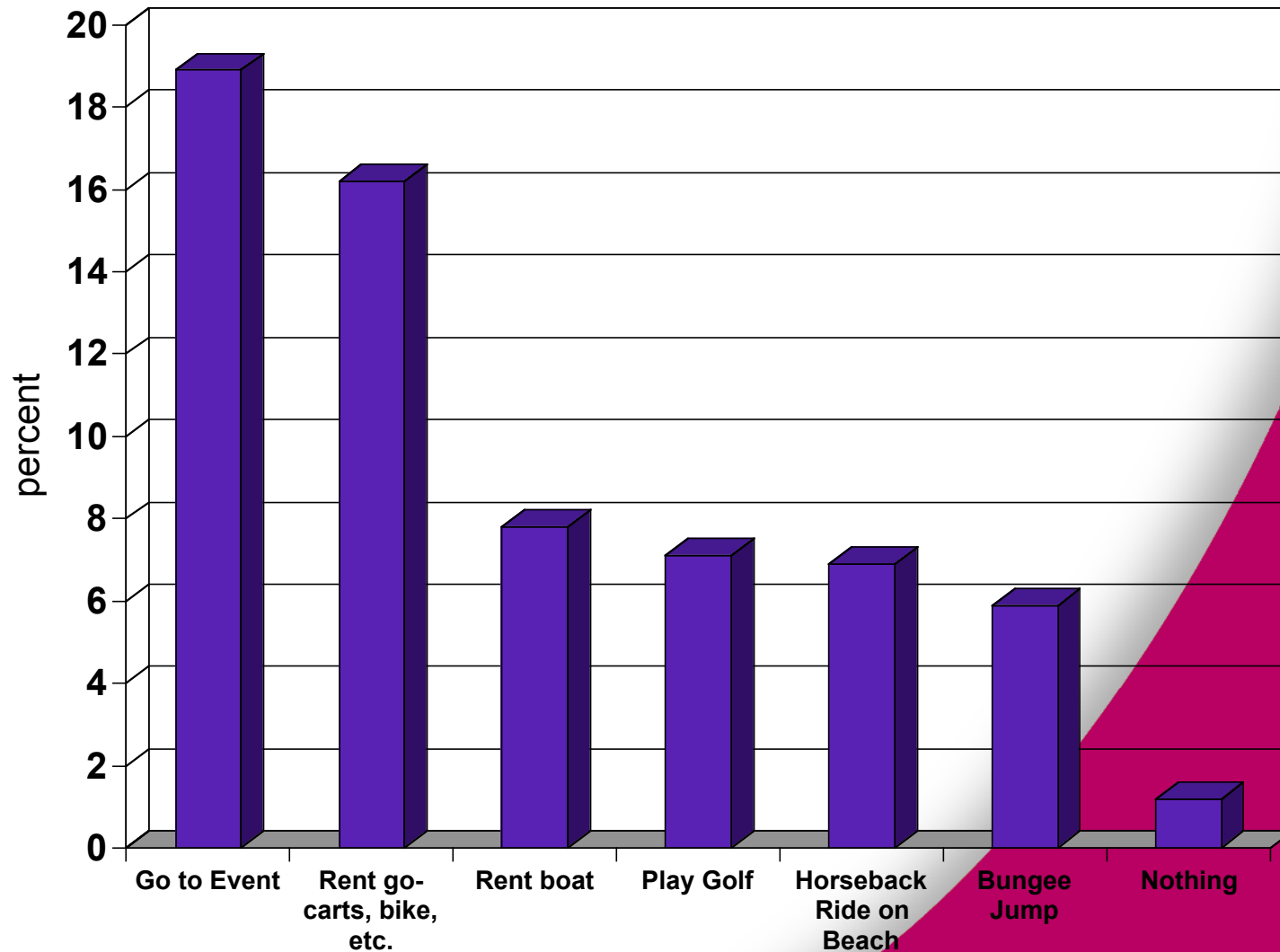
FINDINGS

The Island Visit

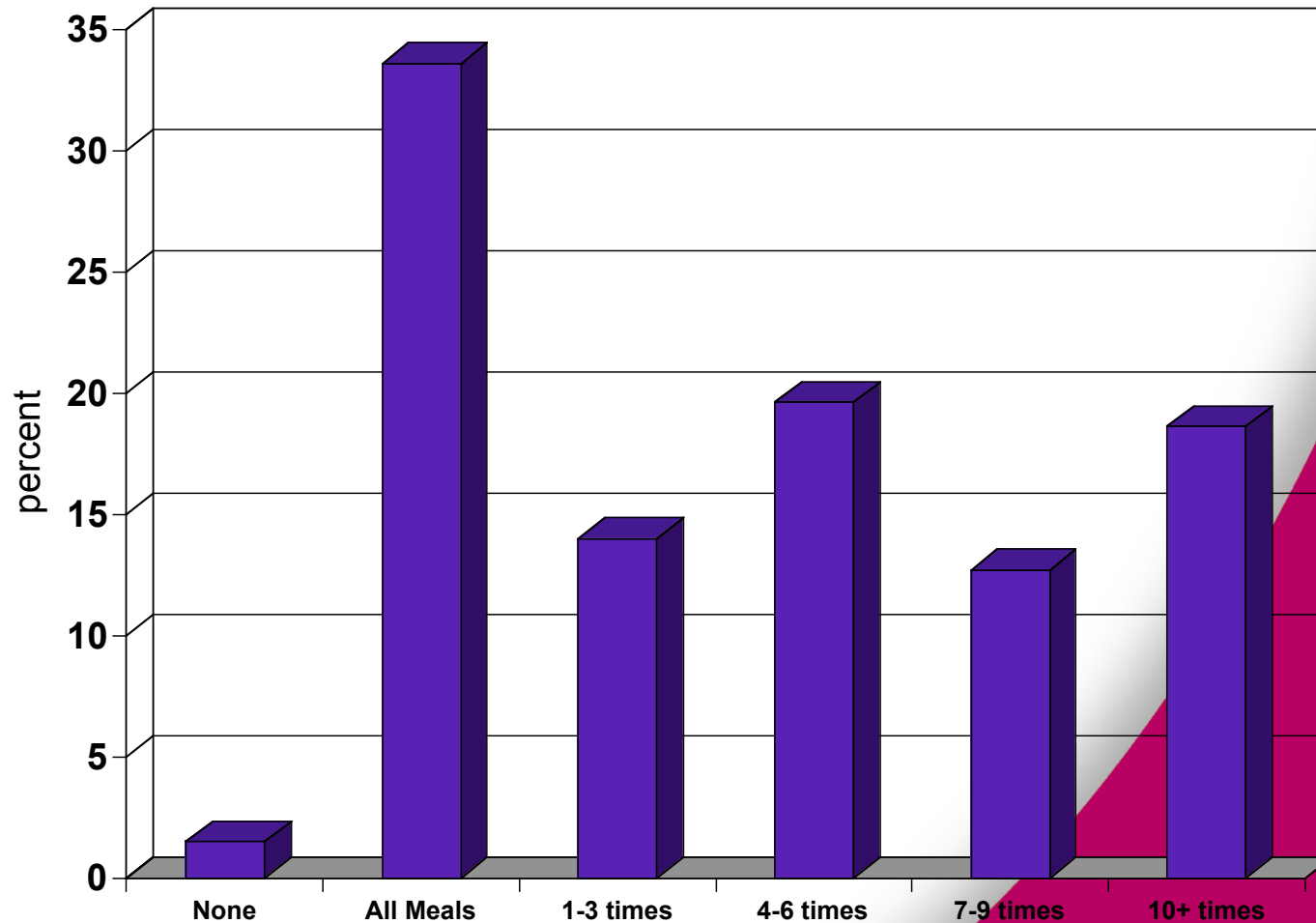
Activities Participated In



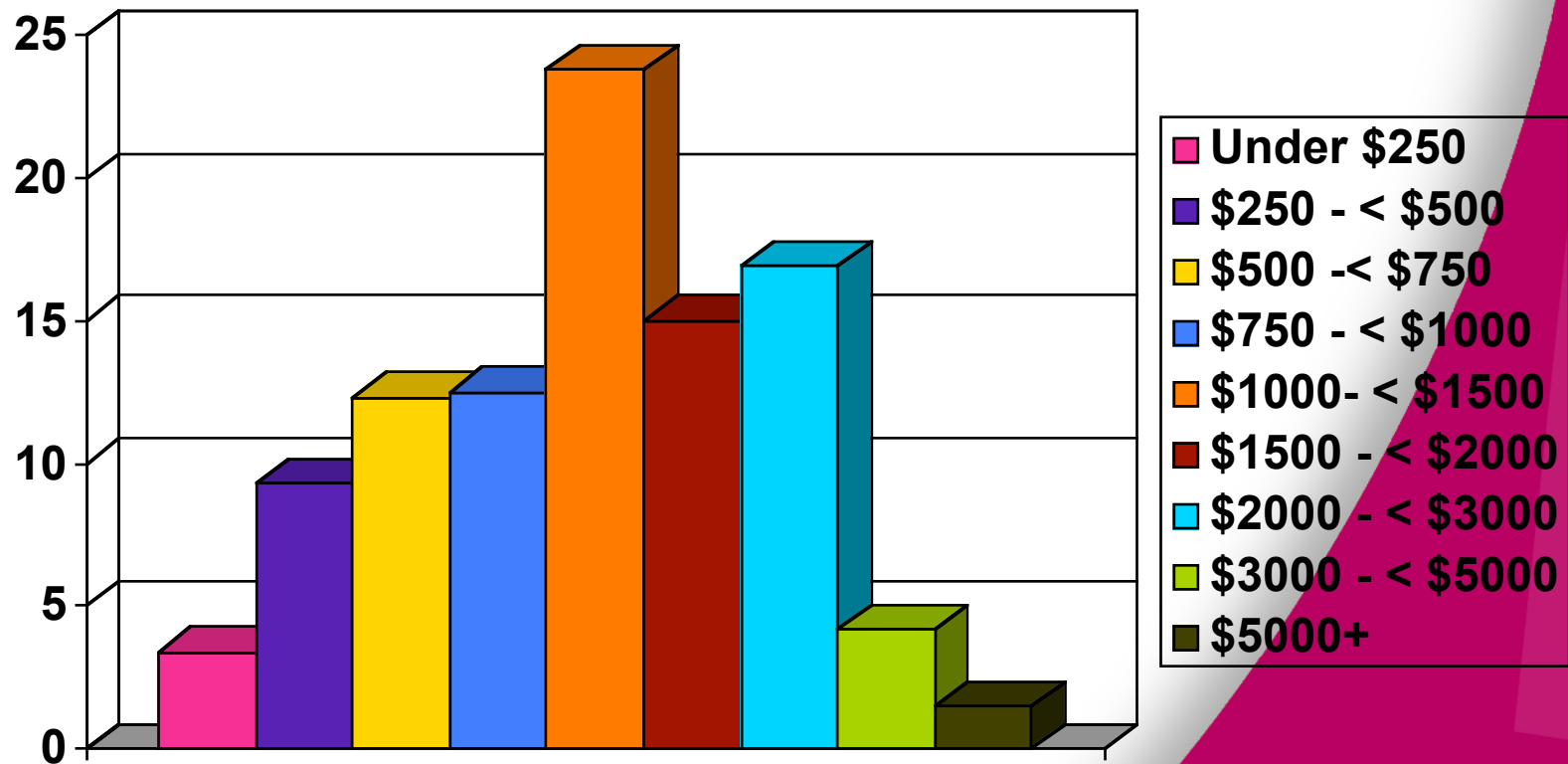
Activities Participated In



Number of Times Eat Out (Breakfast, Lunch or Dinner)



Total Spending



38% spent less than \$1,000; 62% spent more than \$1,000

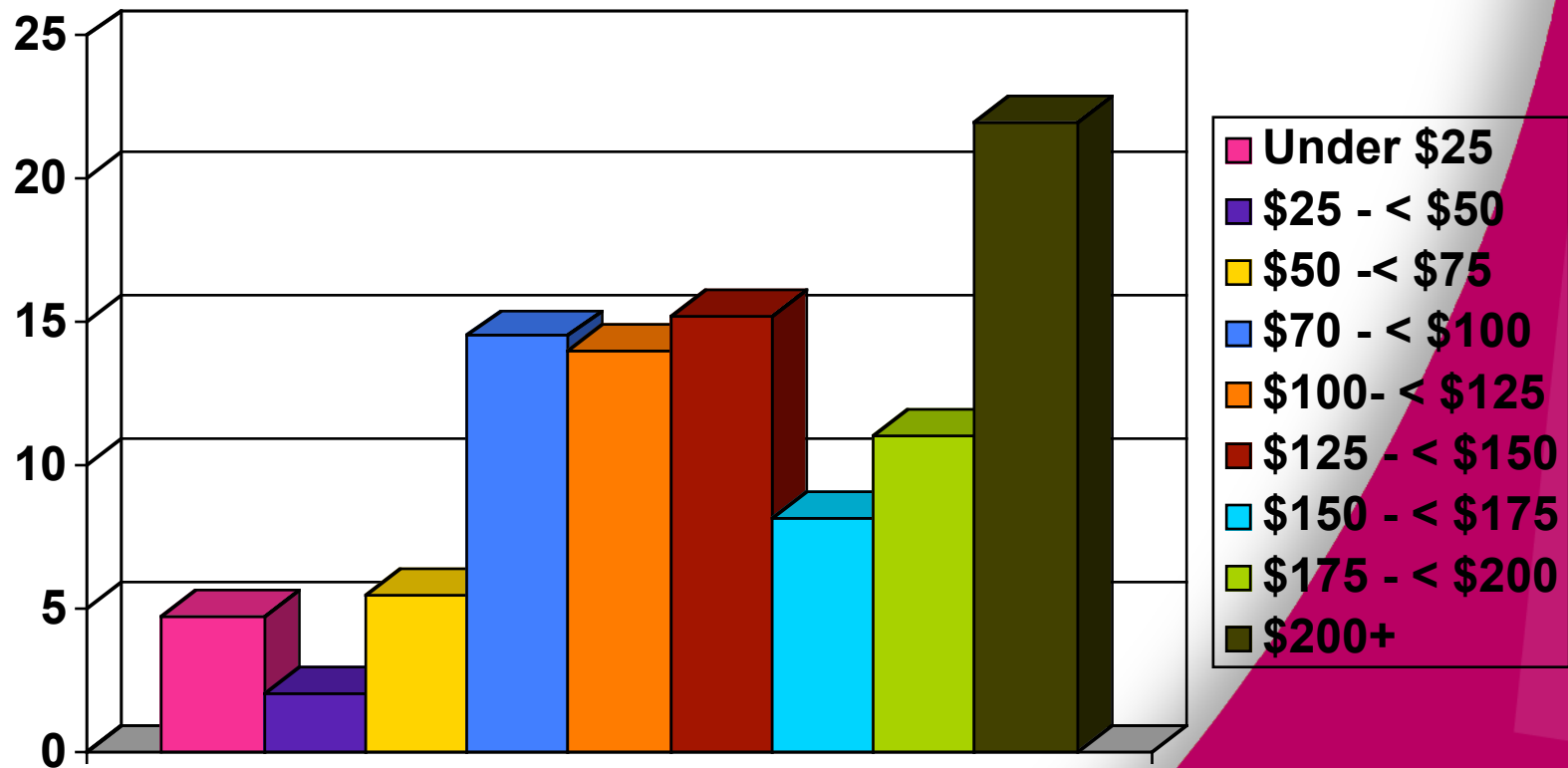
Total Spending

- Average expenditure was \$1,502
- Among those who spent less than \$1000, the average was \$600
- For those who spent more than \$1000, the average was \$2,054
- Out-of-state visitors spent an average of \$1,846 vs. \$1,381 for Texans

Total Spending

- Visitors age 35+ spent more than their younger counterparts (35-49 spent the most, an average of \$1,620)
- Those earning \$100K+ spent an average of \$1,936 vs. about \$1,270 for those making <\$100K
- Those traveling with kids spent more than the adults traveling without kids (\$1,603 vs. \$1,358)

Amount Spent On Lodging



28% spent less than \$100/night; 72% spent more than \$100

Amount Spent On Lodging

- Average expenditure for lodging was \$133/night
- 75% of visitors from Texas spent more than \$100/night vs. 61% of visitors from out of state
 - Average rate for Texans was \$139 vs. \$118/night
- 81% of visitors traveling with kids spent more than \$100/night vs. 62% of adults without kids
 - Average rate for families was \$146 vs. \$119/night for couples
- 78% of adults 35-49 spent \$100+/night vs. 65-70% of all other age groups
 - Average spend/night was \$145 for 35-49 year olds

Amount Spent On Lodging

- 88% of those with a household income of \$100K+ spent more than \$100/night (38% spent more than \$200/night) vs. 59% of those who earn less than \$50K and 68% of who earn \$50-\$99K
 - \$100K+ households spent an average of \$169/night vs. \$108 for those earning <\$50K/year

The Wave

- 51% of those surveyed were aware of The Wave
- Awareness was higher among frequent visitors, adults traveling without kids, those who spent less than \$100/night on lodging, those 50+ and those earning less than \$50K/year
 - 71% of those who make 3+ trips/year were aware
 - 59% of adults traveling without kids
 - 58% of those who spent < \$100/night on lodging
 - 65% of adults 50+
 - 60% of those who earn < \$50K/year

The Wave

- Of those who were aware of The Wave, only 11% rode it
 - 15% of out-of-state visitors vs. 10% of Texas visitors
 - 17% of those 50+ vs. < 10% of all other age groups
 - 16% of those who spent < \$100/night on lodging vs. 9% of those who spent > \$100

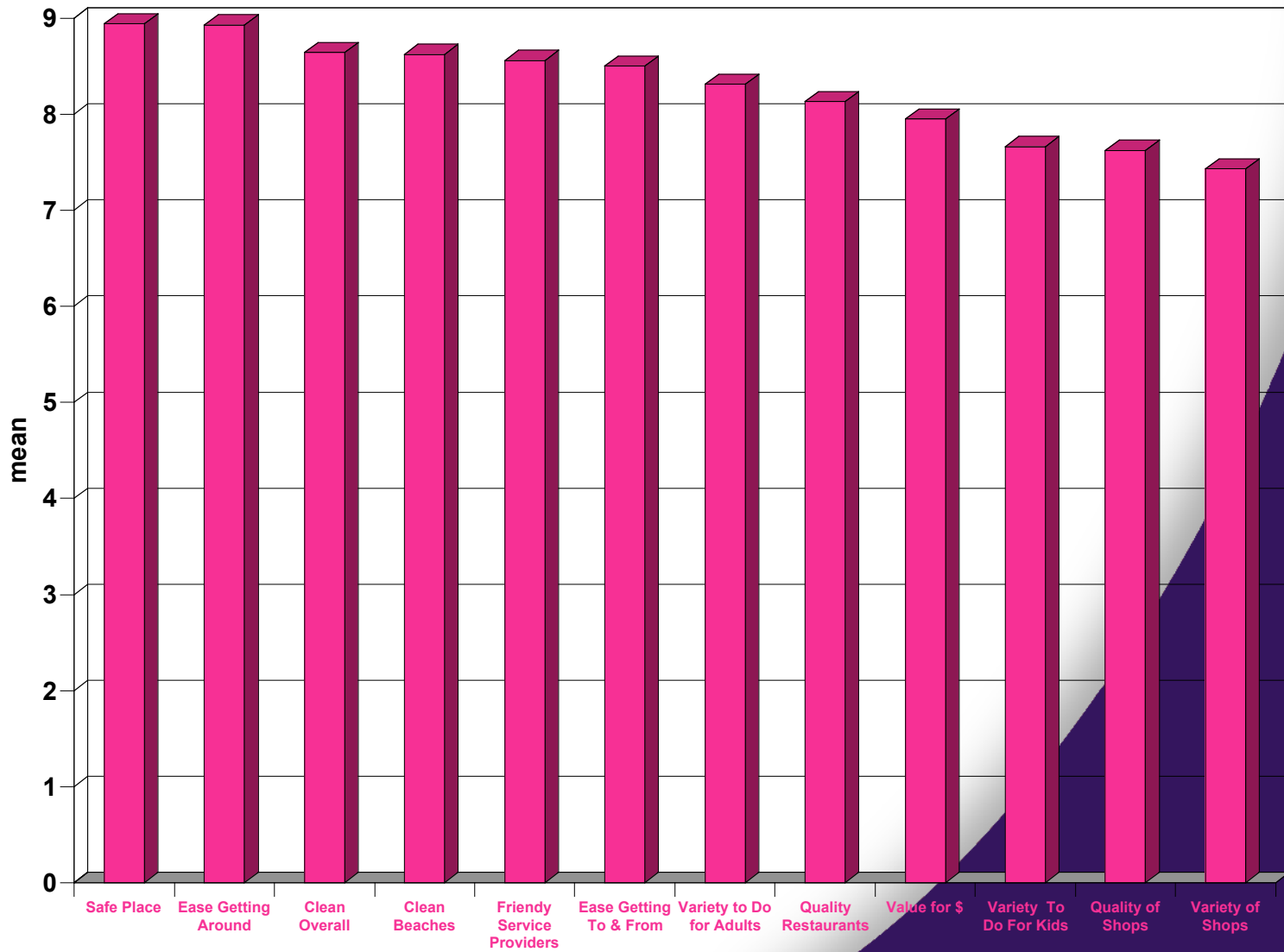
Visitor Satisfaction

- 95% of those surveyed said they plan to return to South Padre Island
 - 97% of weekend visitors vs. 92% of those visiting for their primary vacation
 - 96% of Texans and 90% of out-of-state visitors
- Of the 22 respondents who said they did not plan to return, the reasons cited were:
 - Too far away
 - Like to visit different places
 - Too expensive
 - Rather go to another beach
 - Quality of beach

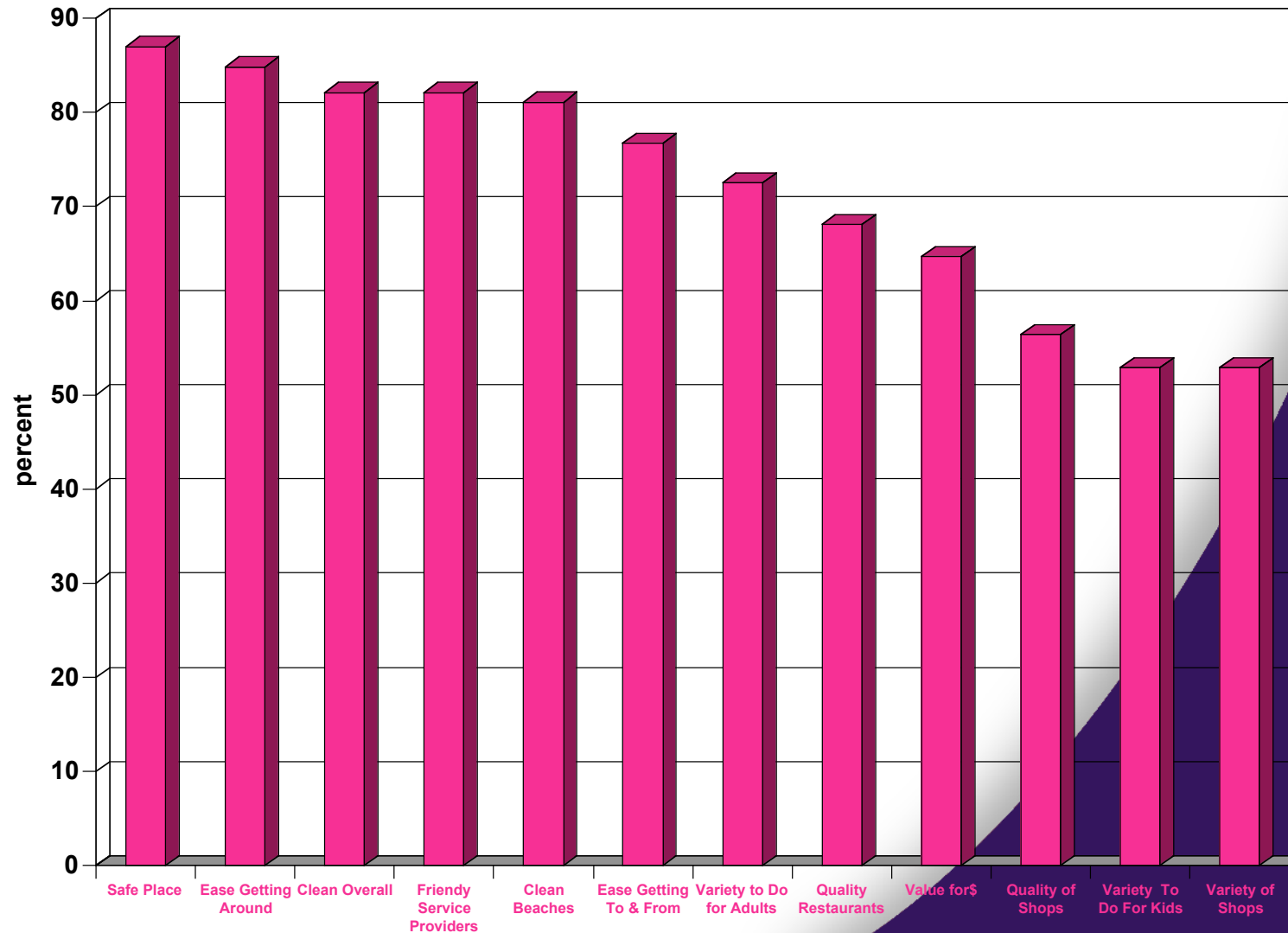
FINDINGS

Perceptions

SPI Attribute Ratings



SPI Attribute Ratings Top Three Box



SPI Attribute Ratings

Top Three Box

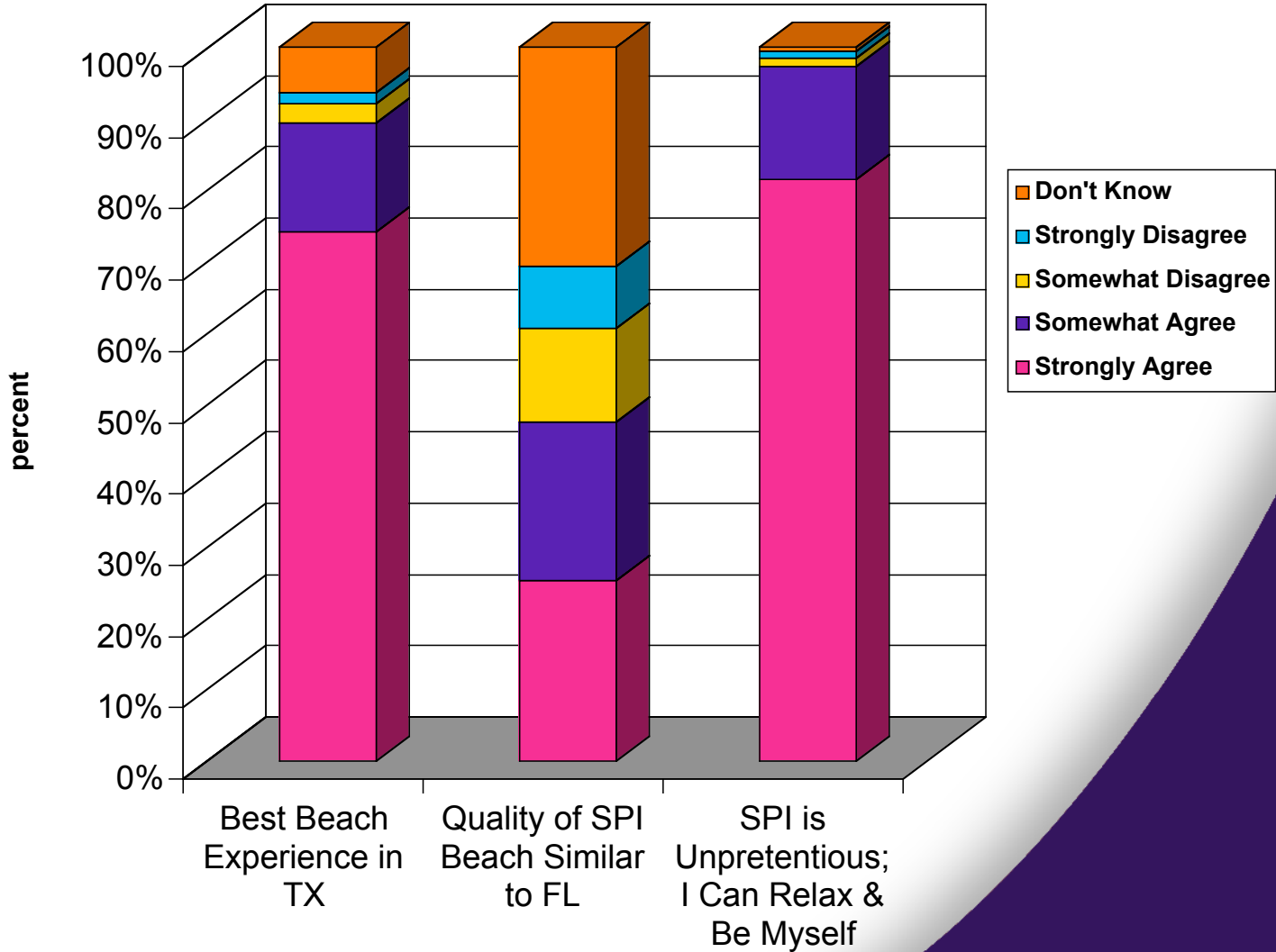
- 35+ year olds rated the friendliness of service providers higher than their younger counterparts
- Weekend visitors rated the ease of getting to and from the Island higher than extended stay visitors (higher percentage of out-of-state visitors)
- Those who spent less than \$100/night on lodging rated SPI a better value, but 62% of those who spent \$100+ still rated SPI high in terms of value

SPI Attribute Ratings

Top Three Box

- Out-of-state visitors rated the variety of retail shops lower than Texas visitors as did those who spent more than \$100/night on lodging
- Those who earn \$100K+ rated SPI lower than other visitors in terms of variety of things for adults to do
- Happily, families traveling with kids rated SPI significantly higher in terms of variety of things for kids to do than adults without kids; Texans also rated the Island higher in this category than out-of-state visitors

Descriptions of South Padre



Descriptions of South Padre

Best Beach Experience in Texas

- 13% of out-of-state visitors “didn’t know” vs. 4% of Texas visitors
- Those earning \$50K+ felt more strongly about this than those who earn <\$50K
- Fewer 18-24 year olds “strongly agreed” with statement

Quality of Beach Similar to Florida

- 52% of out-of-state visitors “strongly” or “somewhat agreed” vs. 45% of Texans
- More of those who spent < \$100/night on lodging “strongly” or “somewhat agreed”
- 25% of those who earn \$100K+ didn’t agree with statement

Things That Would Improve The Visitor Experience

- 27% said nothing, everything was fine
- 8% didn't know
- 14% wanted more activities for children and more nightlife for adults
- 12% wanted lower prices, less expensive activities or discounts
- 11% said the restaurant experience needed to be improved
 - More choices, better quality, friendlier service

Things That Would Improve The Visitor Experience

- 9% wanted better variety and quality of retail stores
- 8% made comments about the beach
 - Needs to be cleaner, access difficult, need changing facilities, need lifeguards, need more shade/cabanas
- 6% of the comments were about lodging
 - Need more hotels/motels, some properties need to be renovated, need friendlier service personnel, need to improve cleanliness
- 6% had issues with transportation
 - More directional signage on Island, easier access to beach, more awareness of The Wave, second main road to alleviate traffic, direct airline service, another emergency exit in case bridge is out

Things That Would Improve The Visitor Experience

- Miscellaneous comments included:
 - Whole area needs to be cleaner
 - Better information about what's going on; more advertising
 - More traffic signals to help control traffic
 - More police
 - More tropical landscaping
 - Spruce up Main St.
 - Put Welcome Center at Causeway

MARKETING IMPLICATIONS

Marketing Implications

- Primary Target for Weekend Visitors
 - 25-49
 - \$50,000+ HHI
 - Some College
 - Texas
- Primary Target for Extended Stay
 - 35-55
 - \$100,000+ HHI
 - College graduate
 - Texas, Contiguous States (OK, LA, AR) + Kansas and Colorado
 - Great Lakes Area (Wisconsin, Michigan, Ohio, Illinois, Indiana, Missouri)

Marketing Implications

- Weekend visitors come often and require little advance planning (almost 40% plan less than 1-2 weeks in advance); programs to reward spur of the moment travel and frequent visitation could help drive this market
- 52% of the extended stay visitors were first time visitors. This market represents the biggest opportunity to attract new visitors; they're also more likely to come with their kids and spend more
- Mapping card database and running it backwards through market segmentation system would garner additional customer information and help narrow target market
- The hotel guest is younger than condominium renter; condo rental is much more popular among out-of-state visitors, probably because they stay longer

Marketing Implications

- The market is almost split down the middle between those traveling with kids and adults traveling without kids; both are important segments
 - Very little difference in what influenced them to choose SPI except families with kids were more interested in water sports activities
- However, adults-only travel parties were slightly older, participated in fewer activities, spent less overall and spent less per night on lodging
- There is some concern over the variety of activities for children and to a lesser extent, adults; suggested trip itineraries (at various price points) could help alleviate this concern
 - The Island could also sponsor in low or no cost activities for children

Marketing Implications

- Out-of-state visitors require more advanced planning; advertising should be timed accordingly
- South Padre's website could help drive hotel reservations, especially as a central location for prospects seeking special rates, added-value offers and/or discounts
- A referral program could help drive visitation, especially among out-of-state visitors
- Awareness of The Wave is relatively low and usage is even lower; cost/benefit analysis of this service should be undertaken or money should be invested to increase awareness
- High visitor satisfaction should be leveraged in advertising and public relations



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