

# Significant Highlights: February 2009

## Property Manager Survey

### Occupancy Rates

- **In February 2009, the average occupancy rate for responding Palm Beach County (PBC) hotels was 72.1%, a 9.7 percentage point decrease from February 2008 (81.8%).**
  - According to surveyed property managers, an average of 302,946 room nights\*\* were occupied in February 2009 over 28 days. For 29 day comparisons, the average number of occupied room nights in February 2009 would have been 313,766++, which is 33,927 fewer room nights than in February 2008 (347,693).
- **Properties in the Central region of Palm Beach County experienced the highest average occupancy rate (78.9%) among the three regions (Northern – 66.4% and Southern – 68.8%).**
  - In February 2009, responding PBC property managers in all three geographic regions reported decreases in their average occupancy rates compared to February 2008 (North – down 11.8 percentage points, from 78.2% to 66.4%, South - down 9.9 percentage points, from 78.7% to 68.8% and Central – down 8.3 percentage points, from 87.2% to 78.9%).
- **In February 2009, decreases in average occupancy rates relative to the same month last year were reported regardless of hotel size (50-100 rooms\* – down 8.2 percentage points, from 79.1% to 70.9%, 101+ rooms – down 9.8 percentage points, from 82.3% to 72.5%).**
  - Among larger properties, the average occupancy rate of hotels with 101-219 rooms decreased by 9.1 percentage points (from 82.3% in February 2008 to 73.2% in February 2009), hotels with 220-500 rooms experienced a 4.9 percentage point decrease in their average occupancy rate relative to the same month last year (from 81.3% in February 2008 to 76.4% in February 2009) and the greatest percentage point decline was cited by hotel managers with 501+ rooms (down 22.9%, from 84.0% in 2008 to 61.1% in 2009).
- **According to responding hotel managers, the average percentage of international guests staying at PBC hotels in February 2009 was 5.3%.**
  - The percentage of international hotel guests was comparable among smaller and larger hotels; managers of smaller hotels (50-100 rooms) claimed that 6.0% of their guests were international travelers and managers of larger properties (101+ rooms) stated that 5.0% of their guests traveled from outside of the United States (4.8% among those with 101-219 rooms, 6.6% among those with 220-500 rooms).
  - All three hotel regions experienced comparable percentages of international guests (Central - 5.6%, Southern - 5.3% and Northern - 3.9%).
- **In February 2009, leisure travelers occupied the greatest percentage of room nights in Palm Beach County (46.0%). Business travelers and convention/group travelers occupied 29.8% and 24.3% of February hotel room nights, respectively.**
  - Relative to February 2008, the percentage of room nights occupied in February 2009 by leisure travelers increased (up 7.4 percentage points, from 38.6% in February 2008 to 46.0% in February 2009), while the percentage of room nights occupied by business travelers and convention/group travelers decreased (business travelers – down 2.9 percentage points, from 32.7% in February 2008 to 29.8% in February 2009, convention/group travelers – down 4.3 percentage points, from 28.6% in February 2008 to 24.3% in February 2009)
- **In February 2009, the percentage of room nights occupied by convention/group visitors in designated convention hotels (29.1%) remained at parity compared to the same month last year (30.2%).**

\* Caution: Low response rate among properties with 50-100 rooms (36.4%)

\*\* Properties well below 50 rooms are only included in room count and total inventory.

++ Because February 2008 has 29 days, calculations have been conducted to adjust to 29 days for comparison purposes and numbers for room nights occupied are reported for 28 days

# Significant Highlights: February 2009

## Property Manager Survey (continued)

### Average Daily Room Rate (ADR)

- **In February 2009, the average daily room rate (ADR) among responding Palm Beach County hotels was \$199.44, which was 14.4 percentage points lower (\$33.48) than the same month last year (\$232.92).**
  - In February 2009, managers at smaller (50-100 rooms)\* and larger (101+ rooms) hotels reported decreases in their ADR compared to February 2008 (50-100 rooms - down 29.4 percentage points (\$87.70), from \$298.20 in February 2008 to \$210.50 in February 2009, 101+ rooms – down 11.0 percentage points (\$24.61), from \$222.76 in February 2008 to \$198.15 in February 2009).
  - Among larger hotels in February 2009, participating managers at hotels with 101-219 rooms reported their ADR to be 3.4 percentage points (\$4.87) higher than in February 2008 (from \$142.32 in February 2008 to \$147.19 in February 2009); however, hotel managers with 220-500 rooms and 501+ rooms cited decreases in their ADR relative to the same month last year (220-500 - down 30.4 percentage points (\$76.08), from \$250.53 in February 2008 to \$174.45 in February 2009, 501+ rooms – down 4.5 percentage points (\$23.07), from \$513.23 in 2008 to \$490.16 in 2009).
- Approximately seven-in-ten responding hotel managers cited that their hotel's ADR was calculated based on retail plus wholesale rates (70.7%) in February 2009.

### Bookings via Third Party Websites

- **In February 2009, sixteen percent of occupied hotel rooms were booked through third party websites (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) according to participating hotel managers (15.7%).**
  - In February 2009, the percentage of hotel rooms at smaller properties (50-100 rooms) booked via third party websites remained at parity compared to the same month last year (16.0% in 2008 and 16.2% in 2009). Larger properties (101+ rooms) in February 2009, experienced a slight increase in their third party website bookings relative to February 2008 (up 2.9 percentage points, from 11.1% in 2008 to 14.0% in 2009).

### Future Business Outlook

- **Approximately eighty percent of participating property managers foresee a decrease in their total room revenue for March and April 2009 (79.9%; 88.5% Group/Individual Business, 81.0% Individual Vacation) relative to March and April 2008. Five point five percent of surveyed managers anticipate an increase (2.7% Group/Individual Business, 5.3% Individual Vacation), while those who predict no change represent the remaining 14.6% of surveyed hotel managers (8.8% Group/Individual Business, 13.6% Individual Vacation).\*\***
  - **Property managers who predict an increase in room revenues relative to March and April of the prior year expect an average increase of 12.0% (11.0% Group/Individual Business, 8.0% Individual Vacation).\*\***
  - **Property managers who anticipate a decrease in room revenues as compared to March and April of last year estimate an average decrease of 20.0% (19.1% Group/Individual Business, 20.0% Individual Vacation).\*\***

\* Caution: Low response rate among properties with 50-100 rooms (36.4%).

\*\* Based on those responding for each (total, group/individual business, individual vacation)

# Significant Highlights: February 2009

## Property Manager Survey (continued)

### Future Business Outlook (Continued)

- **When predictions were requested concerning the months of May and June 2009, three-quarters of surveyed managers projected a decrease in their total room revenue compared to the same months in 2008 (74.6%; 73.2% Group/Individual Business, 74.1% Individual Vacation). An increase is expected among 8.7% of surveyed hotel managers (11.7% Group/Individual Business, 8.2% Individual Vacation) and no change is anticipated among 16.7% of surveyed hotel managers (15.0% Group/Individual Business, 17.7% Individual Vacation).\*\***
  - Property managers who foresee an increase in room revenues compared to May and June 2008 expect an average increase of 13.5% (6.1% Group/Individual Business, 10.5% Individual Vacation).\*\*
  - Property managers who anticipate a decrease in room revenues relative to May and June 2008 predict an average decrease of 20.7% (19.4% Group/Individual Business, 19.9% Individual Vacation).\*\*

### Market Focus

- **In February 2009, more than three-quarters of surveyed property managers (77.3%) cited that their primary focus was on the Florida Leisure Drive Market in terms of marketing, advertising and promotion.**
  - Nearly two-thirds of responding hotel managers in the Southern region claim to be focusing primarily on the Florida Leisure Drive Market and Amateur Sports Events (both 64.7%). Nearly ninety percent of responding hotel managers in the Central region are concentrating primarily on the Florida Business Drive Market (86.4%). Nearly nine-in-ten participating property managers in the Northern region cited the Florida Leisure Drive Market as their primary focus (88.9%).
  - Three-quarters of participating hotel managers from smaller properties (50-100 rooms) are primarily concentrating on the Florida Leisure and Business Drive Markets (both 75.0%). More than three-quarters of responding hotel managers from larger properties (101+ rooms) cited that the Florida Leisure Drive Market is their main focus in terms of marketing, advertising, and promotion (78.8%). Hotels with 220-500 rooms are focusing equally on the Florida Leisure Drive Market, Weddings, and Amateur Sports Events (85.7% each).
- **When hotel managers were asked about their greatest challenges for 2009, responses related to the economy were most often reported. The full, detailed list of challenges can be found on page 20.**

\*\* Based on those responding for each (total, group/individual business, individual vacation)

# Significant Highlights: February 2009

## Hotel Visitor Study

### Characteristics of Stay

- **In February 2009, the average party size\* of surveyed hotel guests traveling to Palm Beach County (PBC) was 1.9. The mean number of nights visitors stayed in hotels in PBC was 3.8. The average number of rooms occupied per night\* was 1.2.**

### Planning the Trip to Palm Beach County

- **Nearly six-in-ten guests surveyed at Palm Beach County hotels (58.0%) claimed they were traveling for business (conference/convention/business meeting), mainly going to PBC for a business meeting (52.4%). Vacation/pleasure was cited as the reason for the trip to PBC by nearly four-in-ten (38.4%) surveyed hotel guests.**
  - In February 2009, more surveyed visitors declared they were traveling to PBC for business (an increase of 3.3 percentage points relative to the same month last year, from 54.7% in February 2008 to 58.0% in February 2009), while claims that vacation/pleasure was the primary reason for the trip to PBC remained at parity compared to February 2008 (38.8% and 38.4%).
- **Nearly sixty percent of surveyed hotel visitors in February 2009 (58.3%) claimed that their 'Employer' made the decision to travel to Palm Beach County; more than one-third (36.1%) cited that 'Head of Household/Other Adult' made the decision.**
  - In February 2009, more surveyed visitors cited 'Employer' as the decision maker (an increase of 7.8 percentage points, from 50.5% in February 2008 to 58.3% in February 2009), while fewer surveyed visitors mentioned 'Head of household/Other adult' (a decrease of 4.3 percentage points compared to one year ago, from 40.4% in February 2008 to 36.1% in February 2009).
- **Approximately sixty percent of surveyed hotel visitors traveled to Palm Beach County instead of another destination primarily because of a 'Work Related Trip' (58.9%).**
  - 'Visit Friends/Relatives' (25.7%) and/or 'Previous Visit' (18.3%) followed as other popular reasons for choosing Palm Beach County as opposed to other locations.
- **More than one-half of participating hotel guests planned their trip to PBC one month or less in advance (56.8%), which is comparable to February 2008 (56.7%).**

\* Starting in February 2002, if 'party size' is greater than 8 or if 'number of rooms occupied' is greater than 3, then data within 'party size' and 'number of rooms occupied' is excluded from analysis, reflective of meetings/conferences rather than individual travel parties.

# Significant Highlights: February 2009

## Hotel Visitor Study (continued)

### Booking a Trip to Palm Beach County

- **In February 2009, more surveyed hotel visitors utilized a Travel Agent to book their trip to PBC than did so one year ago (an increase of 9.3 percentage points relative to February 2008, from 20.4% in February 2008 to 29.7% in February 2009). Relative to February 2008, more responding hotels guests used the Internet to plan their trip in February 2009 (an increase of 6.2 percentage points, from 42.1% in February 2008 to 48.3% in February 2009).**
  - Among those who utilized the Internet to organize their trip to PBC, nearly three-quarters (72.6%) used it to book hotel rooms, more than sixty percent (61.7%) reserved airfare and more than one-third (36.8%) used it to secure a rental car.
  - In February 2009, more hotel guests used the Internet to make hotel reservations (an increase of 3.0 percentage points compared to the same month last year, from 69.6% in February 2008 to 72.6% in February 2009), while fewer hotel guests utilized the Internet to book airfare and/or a rental car (airfare - down 11.5 percentage points, from 73.2% to 61.7%, car rental - down 9.8 percentage points, from 46.6% to 36.8%).
  - Among those surveyed hotel guests who reserved their hotel online, the greatest percentage of responding hotel guests in February 2009 utilized a hotel website (26.1%), which was 9.3 percentage points lower than in February 2008 (35.4%). Relative to February 2008, more responding hotel guests booked their hotel reservation using the Travelocity website than in February 2009 (an increase of 6.4 percentage points, from 0.0% in February 2008 to 6.4% in February 2009).
  - Fewer than one-in-ten (8.2%) responding visitors in February 2009 claimed that their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc); this represents an increase of 6.3 percentage points compared to the same month last year (1.9%).

### Visitor Expenditures

- **In February 2009, an average of \$1,699 was spent by surveyed visitors' parties - \$310 (15.4%) less than visitors surveyed the same month last year (\$2,009)\*\*.**
  - Relative to February 2008, decreases were seen in all spending categories except 'Local Travel', which increased by \$31 (20.0%) (from \$155 in 2008 to \$186 in 2009). 'Entertainment/Recreation' experienced the largest percentage point decrease relative to February 2008 (down \$18 (34.6%), from \$52 in 2008 to \$34 in 2009).
  - Surveyed hotel guests spent an average of \$894 per person per day in February 2009, representing a \$63 (6.6%) decrease compared to February 2008 (\$957).
- **In February 2009, the average per party expenditures by leisure and business travelers were less than in the same month last year (leisure - a decrease of \$366 (13.1%), from \$2,789 in February 2008 to \$2,423 in February 2009, business - a decrease of \$252 (17.5%), from \$1,439 in February 2008 to \$1,187 in February 2009).**

### Characteristics of Visitors

- More than ninety percent of surveyed visitors in February 2009 classified themselves as White/Caucasian (94.1%).
- More than one-half of responding hotel guests claimed to be between the ages of 35 and 54 (52.1%).
- Among responding PBC visitors, more than sixty percent held a professional/managerial job (61.4%).
- More than seven-in-ten surveyed hotel guests claimed an annual household income of \$100,000 or more (71.8%).
- Among those visitors traveling for leisure, nearly nine-in-ten vacationed with adult family members or friends (87.0%), while approximately six-in-ten business travelers traveled alone (59.4%).

\*\* Results may not be directly comparable to same month, prior year, due to availability of specific hotels at which interviewing was conducted.

# Significant Highlights: February 2009

## Hotel Visitor Study (continued)

### Travel Details

- A comparable percentage of surveyed hotel guests stated PBC was their main destination in February 2009 (92.0%) relative to February 2008 (94.0%).
- As in February 2008, one-in-five surveyed visitors were on their first trip to PBC (20.6% in February 2009 and 19.8% in February 2008).
- With 82.6% of surveyed guests traveling by airplane, air travel was the primary means of transportation to PBC, an increase of 3.7 percentage points compared to the same month last year (78.9%).
- As in February 2008, nine-in-ten surveyed hotel guests traveled from within the United States (90.9% in February 2008 and 90.6% in February 2009).

### Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **In February 2009, 'Climate/Weather' was perceived as Palm Beach County's greatest asset with 46.1% of surveyed hotel guests claiming such.**
  - During February 2009, fewer surveyed hotel guests claimed that 'Climate/Weather' was their favorite aspect of PBC compared to the same month last year (a decrease of 7.9 percentage points, from 54.0% in February 2008 to 46.1% in February 2009).
- **As in prior months, the most disliked features of PBC among surveyed hotel visitors in February 2009, were 'Traffic/Bad Drivers' (29.6%) and 'Humidity/Poor Weather' (13.9%).**
  - In February 2009, fewer responding hotel guests stated 'Traffic/Bad Drivers' as their most disliked feature of PBC (a decrease of 6.0 percentage points compared to this same month last year, from 35.6% in February 2008 to 29.6% in February 2009), while the citing of 'Humidity/Poor Weather' remained at parity relative to the same month last year (11.9% in 2008 and 13.9% in 2009).

### Activity Participation

- Similar to February 2008, more than ninety percent of surveyed visitors ate at area restaurants while in Palm Beach County (91.4%). Shopping (27.5%), Going to the beach (26.1%), Golf/Tennis (14.1%), Visiting downtown West Palm Beach Attractions/CityPlace (11.1%), and/or Bars/Nightclubs (9.9%) were among other activities guests participated in during their stay in PBC.
  - The top mentioned activities in which hotel visitors participated during a recent trip which they wished they could have done in Palm Beach County were golfing (21.3%), going to the beach (13.4%), and fishing/deep sea fishing (9.5%), all of which are currently available in PBC.

# Significant Highlights: February 2009

## Hotel Visitor Study (continued)

### Return Visits

- **Four-in-five surveyed hotel guests plan to return to PBC; in February 2009, fewer surveyed hotel guests plan to return to PBC than guests surveyed the same month last year (a decrease of 4.4 percentage points, from 85.2% in 2008 to 80.8% in 2009). Furthermore, fewer plan to do so within the next year (a decrease of 11.1 percentage points compared to February 2008, from 80.2% in 2008 to 69.1% in 2009).**
  - Three of eight respondents who did not plan to return to PBC provided no reason as to why they would not visit PBC again. Among those who did provide reasons for their disinterest in returning, 'Going to other places/I like changing destinations' was stated by two respondents, while 'Came only for a funeral', 'No business in the area/Relocation of meeting' and/or 'Prefer other destinations' were each stated by one respondent.

### Vacation/Leisure Visitors

- In February 2009, two-thirds of surveyed leisure visitors claimed they traveled within the United States for their previous vacation (66.4%). Locations in Florida (24.7%) and the Far West (14.4%) were the top cited domestic destinations.
- One-third of responding vacationing hotel visitors stated they traveled internationally for their last vacation (33.6%); countries in Europe (14.6%) and Latin America/Caribbean (13.3%) were most frequently visited.
- Nearly two-thirds of responding leisure travelers declared another locale in Florida as part of their consideration set when planning their visit to PBC (64.9%), while nearly three-in-ten considered no other destinations (29.1%).
- PBC was seen as similar to other vacation destinations. At least one-half of responding leisure visitors claimed that PBC was about the same as their most recent vacation destination in terms of the following:
  - Being great for discovering nature-based activities/ecotourism (76.4%)
  - Being appreciated as a tourist or visitor (69.9%)
  - Being great for historical sights and places (69.2%)
  - Being able to always find a new place to see or a new thing to do (65.9%)
  - Being great for museums and other cultural activities (65.4%)
  - Being a great place to go again and again (65.2%)
  - Being a good value (54.1%)