



# Tourism

## ECONOMIC INDICATORS

MYRTLE BEACH AREA – OCTOBER 2020





# Tourism

## ECONOMIC INDICATORS

At the beginning of 2020, several metrics suggested the year would unfold with a continuation of the overall growth trajectory seen in 2018 and 2019. However, due to COVID-19 there has been a significant economic downturn for Myrtle Beach, South Carolina and the nation. This has been felt across all industries, but the hospitality industry has been hit hardest. However, Myrtle Beach is positioned well for future success and solid recovery. When there is a significant reduction in COVID-19 cases, discovery of an effective medical treatment, or creation of a vaccine, we can expect a positive shift in consumer behavior likely leading to the resumption of economic

growth. We expect this because of media habits related to site visitation and a recent increase in deplanements, which suggests that much of the public has an interest in future travel.

Moving forward, Myrtle Beach will continue to leverage owned channels to encourage future bookings. If applicable, Myrtle Beach will market itself as “safe” and “affordable” since safety is a foremost concern and unemployment has risen. Myrtle Beach will pivot with the economy rather than react to socioeconomic shifts.







## THE ECONOMY

Nationally, the economy continues to fall, with a turnaround unlikely until 2021. However, national spending increased WoW for the month of August. While air trips have risen, car trips remain flat.

## NATIONAL INDICATORS

- Q1 GDP growth was -5.0% (annualized).
- Q2 GDP declined 32.9% (advanced estimate).
- In January, unemployment stayed under 4% but rose to 12.5% in July.
- Average hourly wages increased 3.0% YOY in February, staying above the inflation rate of 2.5%.
- In January, 225,000 jobs were added to the overall market and 9,000 of these jobs were related to travel. Fortunately, the manufacturing industry also regained a foothold in the U.S. economy.
- On Tuesday, August 25, 2020, the Dow Jones industrial average closed at 27,692. Over the past six months, significant fluctuation has occurred. At its lowest, the Dow closed at 18,591.93 on March 23, 2020.
- In 2019, consumer confidence waned toward the end of the year (Q4) as individuals spent 0.4 point less than projected.
- In February, the Consumer Confidence Index improved to 131.6. While confidence early in the year was expected as trade normalized, effects of the coronavirus will be felt in upcoming months.

## FEEDER STATE INDICATORS

As of June 2020, the most current available data, unemployment rates in key feeder states rose YoY. The national unemployment rate was 12.5%. Key feeder states including Pennsylvania (13.7), New Jersey (13.8) and New York (15.9) presented unemployment rates higher than the national average. Other key feeders, such as South Carolina (8.6), Florida (11.3), Ohio (8.9), Virginia (8.0), North Carolina (8.5), Maryland (7.6) and Georgia (7.6), presented unemployment rates lower than the national average. States nearest Myrtle Beach have lower unemployment rates; however, proximity has not equaled visitation historically. This can be largely attributed to states like Georgia having myriad travel options. Markets that are driven by tourism and retail like Myrtle Beach have suffered tremendously. Yet we expect Myrtle Beach's seasonality and positive press to promote growth in tourism during fall and winter months.

## MYRTLE BEACH'S BUDGETARY FORECAST

Using the Tourism Economics Report and 2019 as benchmarks, public revenue is expected to be down by about the same amount in 2021 as in 2020 (-18.7%). But in 2022, the gap is expected to narrow, with restricted revenue down by -9.2%, compared to 2019. Thus far, Myrtle Beach is trending closer to the baseline than the downside in accommodations tax and tourism development fee predictions and is expected to follow the Tourism Economics Report predictions.

# PRESS AND MEDIA

## FALL 2020 VISITATION TRENDS

According to Hospitality Net, domestic travelers are interested in visiting the beach rather than city centers. Moreover, areas like Myrtle Beach should expect higher traffic this fall specifically. Because of consumers' desire to get away, short trips (two- to five-night stays) will be planned less than a week in advance of travel.

### Ranked 5th

Among "Top U.S. Destinations for Fall 2020" by TripAdvisor (based on YoY growth bookings and interest)

### Ranked 17th

In "Top 25 Beaches – United States" by TripAdvisor's Traveler's Choice

## VISITOR AND TRAVEL GUIDE REVIEWS

"Better than Florida – we travel from New York to Myrtle Beach four times a year for a reason. Great food and great weather." – TripAdvisor reviewer, September 2020

"My happy place... soothing to the soul! The beach is beautiful. Everyone was respectful and socially distanced." – TripAdvisor reviewer, September 2020

"Myrtle Beach is great for water lovers, high-energy family fun, oyster bars, and after dark activities" – TripAdvisor, 2020

## MEDIA MENTIONS

Myrtle Beach shows continued success across channels, platforms and outlets. Not only are visitors writing positive reviews about their stays, but they also are responding well to marketing efforts.

Instagram climbed to the top of the leaderboard (9) for positive sentiment. Consumers continue to view video in a very positive light. Sentiment for Twitter and Blogs dropped by three and four points, respectively. Similarly, mentions on both of these platforms decreased.

In 2020, Myrtle Beach mentions by influencers have moved into a diversified group of outlets that span South Carolina rather than primarily locally. Most notably, mentions in *The Post and Courier* increased 67% in 2020 (Digimind).

2020		2019	
Instagram	9	Video	8
Video	8	Instagram	8
Facebook	6	Facebook	8
Forums	5	Forums	7
Twitter	3	Twitter	6
Blogs	2	Blogs	6
News	0	News	3

### 2020

### 2019

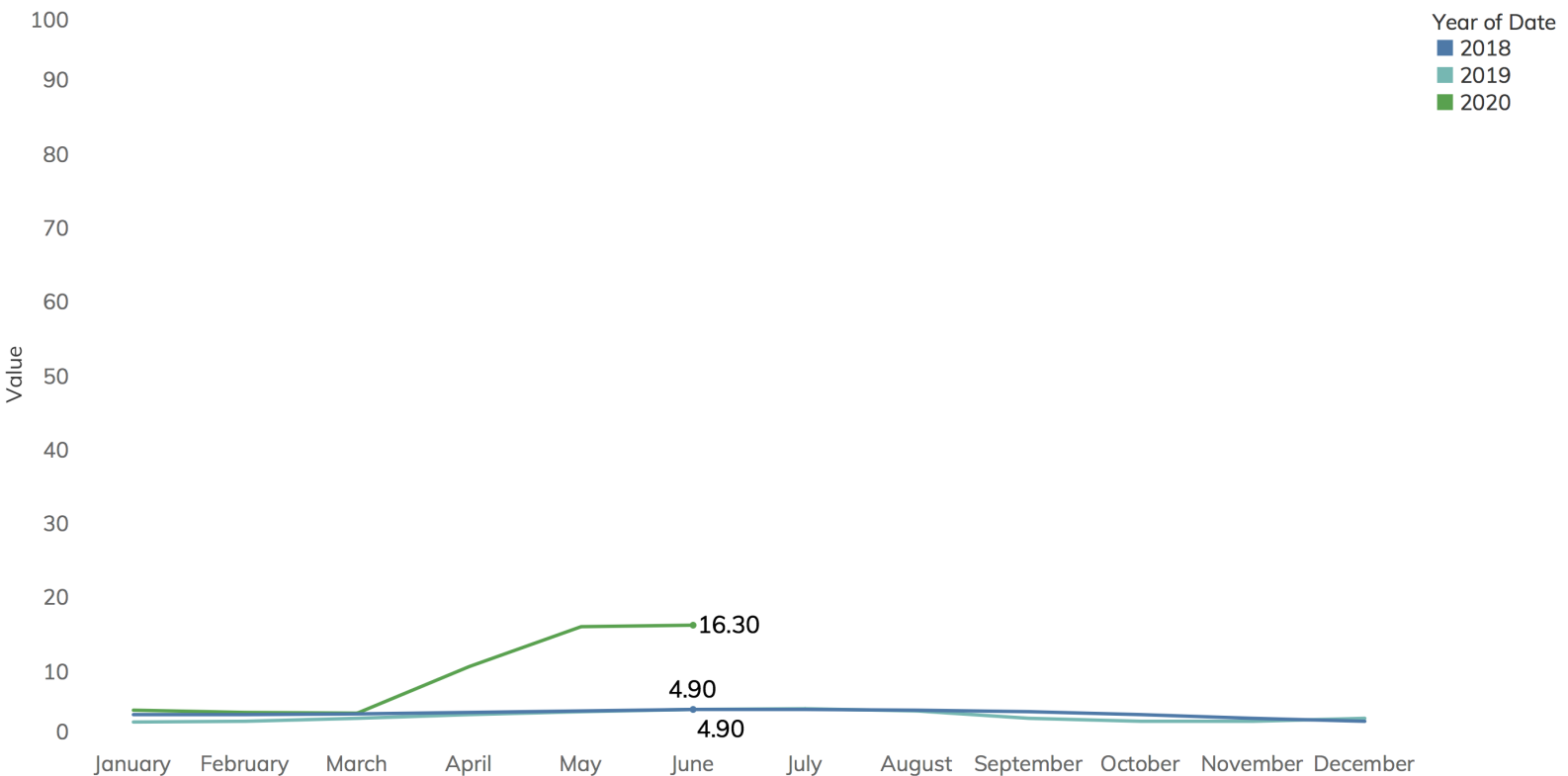
The Post and Courier	21	WYFF News 4	17
WIS News 10	19	FOX8 WGHP	10
WeatherNation	10	News 19 WLTX	8
James Spann	9	Live5News	7
News 19 WLTX	7	Nina Turner	7
WFMY News 2	6	The Post and Courier	7
WBTB News	6	WBTBNews	7
The State Newspaper	6	WPXI	7
ABC11 EyewitnessNews	5	WIS News 10	6
WRAL News in NC	5	FOX 5 San Dieao	5





## LOCAL MARKET INDICATORS

As of Q2 2020, Horry County's workforce remained heavily concentrated (37.9% of the total workforce) in the Accommodations and Food Services, and Retail industries, both of which are driven by tourism. The unemployment rate for Horry County stood at 16.3% (seasonally adjusted) and continues on a steady decline. As of June, the regional unemployment rate was 3.8% higher than the national rate. Just one year earlier, the unemployment rate for Myrtle Beach-Conway-North Myrtle Beach, SC, sat at 4.8% (Chmura Economics & Analytics). Since March, travel spending has trended upward. For the week ending August 15, average spending measured 44% down YoY; however, this is the highest level of spending we have seen since mid-March.



## U.S. TRAVEL FORECAST

	TRAVEL FORECAST						
	2017	2018	2019	2020	2021	2022	2023
<b>Total Travel Spending in the U.S. (\$ Billions)</b>	<b>1,038</b>	<b>1,089</b>	<b>1,127</b>	<b>622</b>	<b>855</b>	<b>976</b>	<b>1,049</b>
U.S. Residents	882	933	972	583	787	874	921
International Visitors <sup>2</sup>	156	156	155	39	67	102	128
<b>Total International Visitors to the U.S. (Millions)</b>	<b>77.2</b>	<b>79.7</b>	<b>79.3</b>	<b>28.9</b>	<b>47.3</b>	<b>63.7</b>	<b>73.8</b>
Canada	20.5	21.5	20.7	8.4	13.8	18.8	21.7
Mexico	17.8	18.4	18.1	8.1	12.9	16.8	19.0
Overseas	38.9	39.9	40.4	12.4	20.5	28.2	33.1
Global Long-Haul Travel (Millions)	319.5	342.3	356.9	132.9	224.8	306.0	351.3
<b>U.S. Share of global long-haul travel (%)<sup>3</sup></b>	<b>12.2</b>	<b>11.7</b>	<b>11.3</b>	<b>9.3</b>	<b>9.1</b>	<b>9.2</b>	<b>9.4</b>
<b>Total U.S. Domestic Person-Trips<sup>4</sup> (Millions)</b>	<b>2,241</b>	<b>2,278</b>	<b>2,321</b>	<b>1,633</b>	<b>2,072</b>	<b>2,254</b>	<b>2,326</b>
Business	454	458	462	300	387	420	437
Leisure	1,787	1,820	1,858	1,332	1,685	1,834	1,889

## U.S. TRAVEL FORECAST (GROWTH)

	TRAVEL FORECAST						
	2017	2018	2019	2020	2021	2022	2023
<b>Total Travel Spending in the U.S.</b>	<b>4.4%</b>	<b>4.9%</b>	<b>3.5%</b>	<b>-44.8%</b>	<b>37.5%</b>	<b>14.2%</b>	<b>7.4%</b>
U.S. Residents	5.2%	5.8%	4.2%	-40.0%	35.0%	11.0%	5.4%
Average Spending per Trip	3.6%	4.0%	2.3%	-14.7%	6.4%	2.0%	2.1%
International Visitors <sup>2</sup>	0.1%	0.3%	-1.1%	-75.1%	75.0%	52.0%	25.0%
Average Spending per Trip	-0.9%	-2.9%	-0.5%	-31.8%	7.1%	12.8%	7.9%
<b>Total International Visitors to the U.S.</b>	<b>1.0%</b>	<b>3.3%</b>	<b>-0.6%</b>	<b>-63.5%</b>	<b>63.4%</b>	<b>34.8%</b>	<b>15.8%</b>
Canada	6.3%	4.8%	-3.5%	-59.6%	65.2%	36.0%	15.4%
Mexico	-6.3%	3.4%	-1.3%	-55.1%	58.6%	29.9%	13.5%
Overseas	2.0%	2.5%	1.3%	-69.2%	65.3%	37.0%	17.4%
Global Long-Haul Travel	9.1%	7.1%	4.3%	-62.8%	69.1%	36.1%	14.8%
<b>Total U.S. Domestic Person-Trips<sup>4</sup></b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.9%</b>	<b>-29.6%</b>	<b>26.9%</b>	<b>8.8%</b>	<b>3.2%</b>
Business	-0.1%	0.9%	0.9%	-35.1%	28.9%	8.6%	4.0%
Leisure	2.0%	1.9%	2.1%	-28.3%	26.5%	8.8%	3.0%
Auto	1.4%	1.4%	1.6%	-26.9%	25.8%	8.1%	2.3%
Air	3.0%	4.9%	4.3%	-57.0%	57.0%	24.7%	16.7%
Day Trips	1.6%	0.9%	1.8%	-21.4%	16.5%	6.4%	1.8%
Overnight Trips	1.5%	2.3%	1.9%	-37.1%	38.7%	11.1%	4.4%

1. 1982-84 = 100

2. Excludes international traveler spending on medical, educational and cross-border/seasonal work-related activities or international passenger fares on U.S. airlines

3. Reflects the share of overseas visitations to the U.S. (ie: visitations from all countries except Canada and Mexico) to global long-haul (inter-continental) travel

4. One person trip of 50 miles or more, one way, away from home or including one or more nights away from home

Sources: U.S. Travel Association's Travel Forecast Model, Tourism Economics, Department of Labor, Department of Commerce



## LIKELIHOOD OF TRAVEL

Though interest may be high, U.S. travel is at an ebb due to COVID-19. The increasing number of cases serves to dissuade visitors and lower consumer confidence. These and other factors have placed downward pressure on the most recent travel forecasts published by the U.S. Travel Association. In 2019, U.S. travel increased 1.7% domestically, and the original forecast for travel spending in 2020 suggested there should be expectations for 1.5% growth. However, due to COVID-19 it is highly unlikely the forecast will be met, and since travel influences payroll both indirectly and directly, most, if not all, industries will feel the impact from reduced visitation.

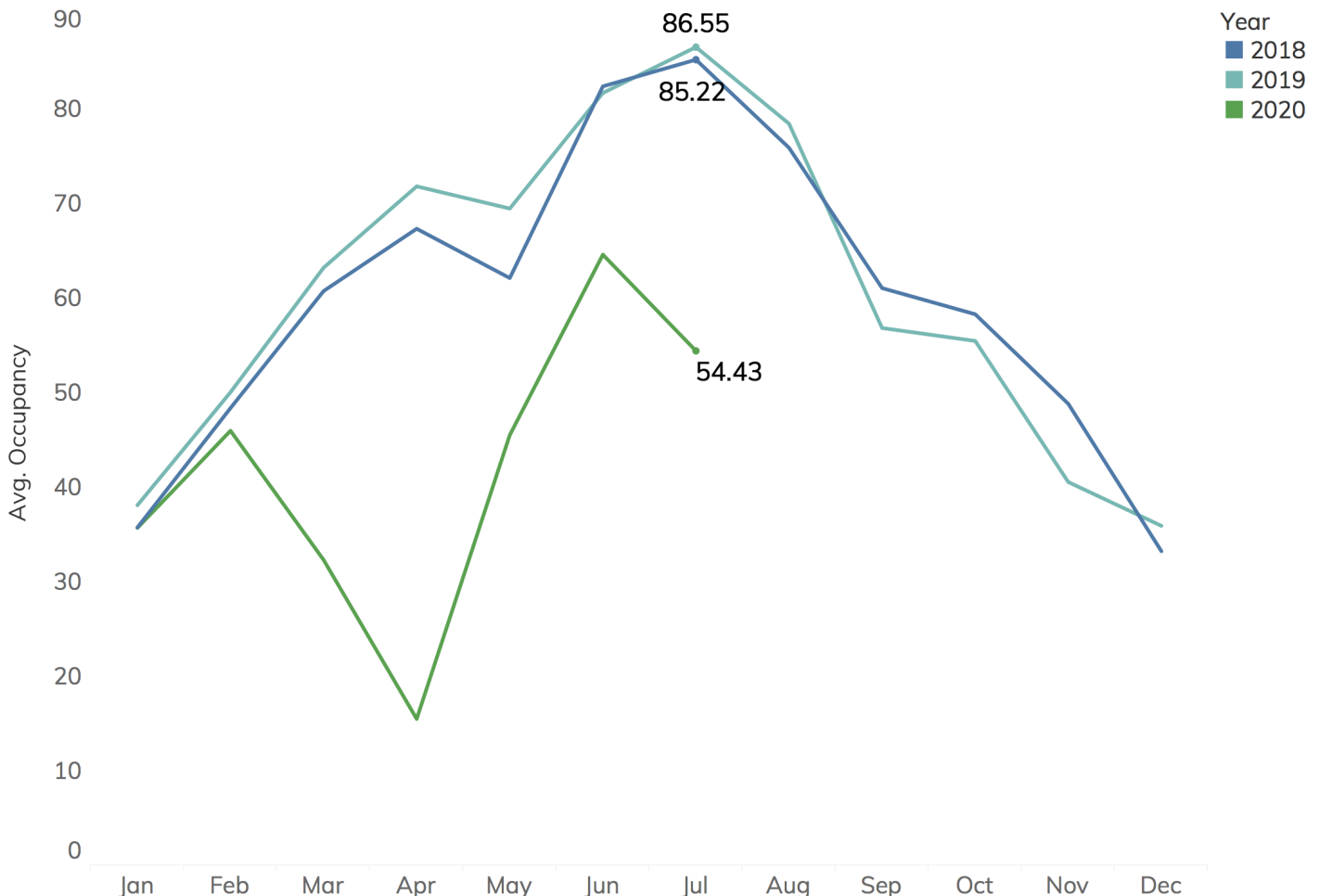
## DEMOGRAPHIC INSIGHTS

Across the different seasons during 2019, there was a trend for high visitation from visitors under the age of 18. When comparing the winter and holiday seasons to spring, there was a 10% increase in visitation for those over the age of 65. However, there was little variation in visitation levels for ages 35-44 going from season to season, and this age group was the least likely to travel to Myrtle Beach when doing year-over-year comparisons.

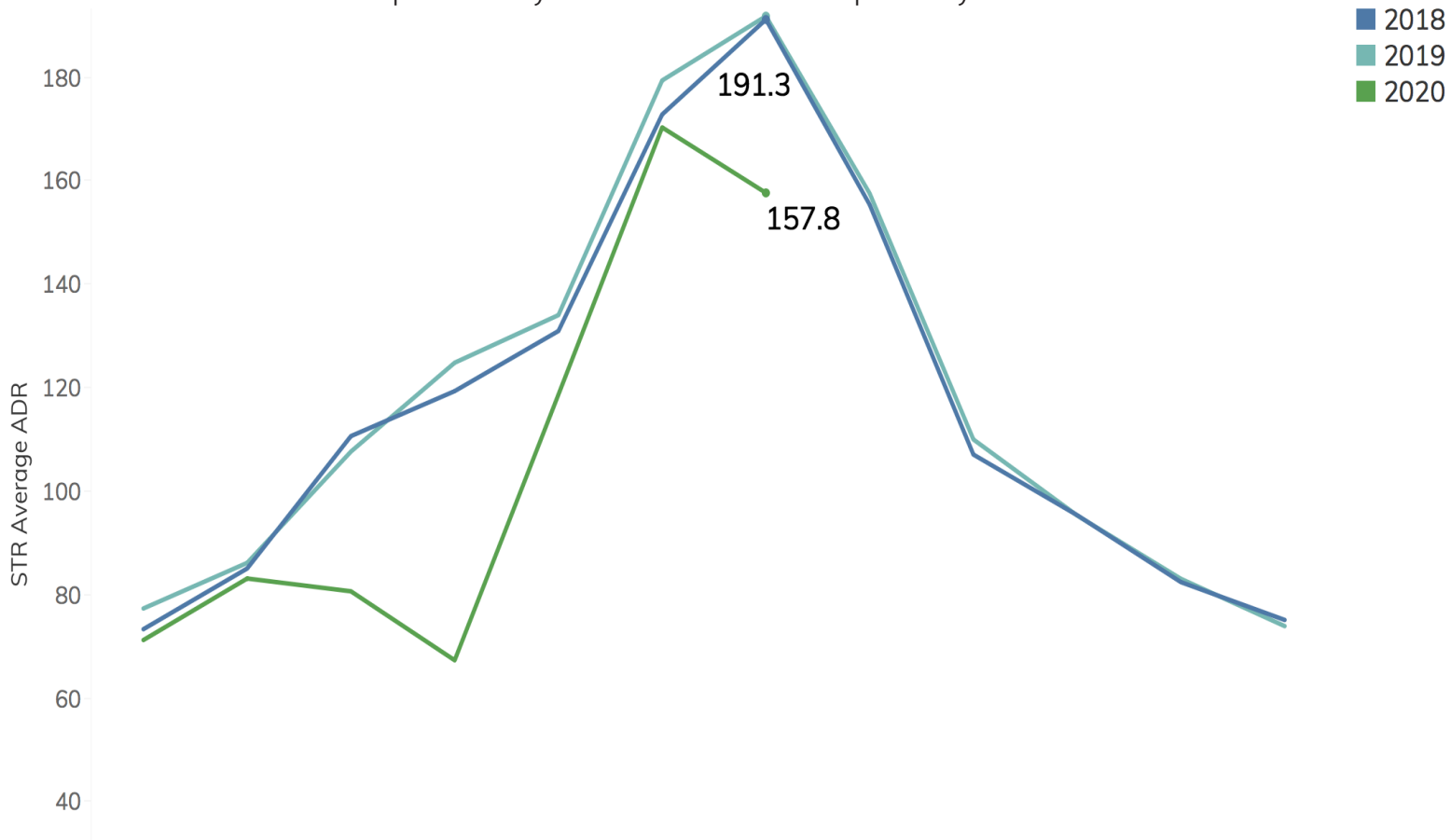
In 2019, there was an increase in less affluent visitors. For example, 29.2% of visitors during the winter and spring seasons fell within the \$0-29K income bracket. On the other hand, in both 2018 and 2019, people making more than \$150K were more likely to visit Myrtle Beach during the summer. However, the majority of people who visited Myrtle Beach fell within the \$30-74K income bracket.

## AREA TOURISM INDICATORS: STR

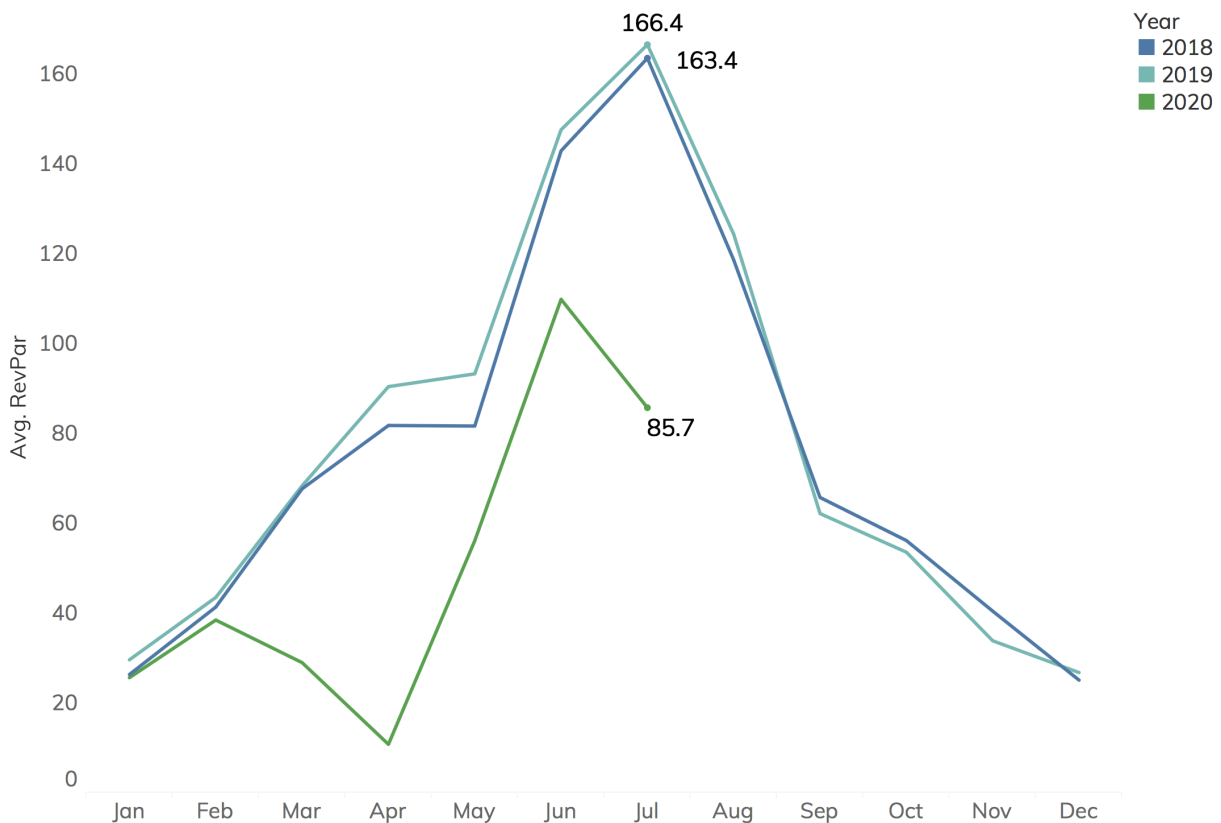
As states have reopened, Myrtle Beach's occupancy has tracked upward. In April, occupancy was down 78%. In July, Myrtle Beach's occupancy improved but was down 37% YoY, according to STR data.



Like occupancy, ADR has steadily grown throughout the summer. As of July, ADR had regained a foothold and was down 18% compared to 46% in April. Moreover, ADR's downward sloping trend that typically occurs during the fall months is not as steep and is likely to remain steadier than in previous years.



Similarly, RevPar has suffered dramatically but has not recovered at the same pace as ADR. In July, RevPar was down 48% YoY. Though RevPar lags, favorable weather and economic conditions will incentivize travel to Myrtle Beach during the fall, holiday season and winter months.





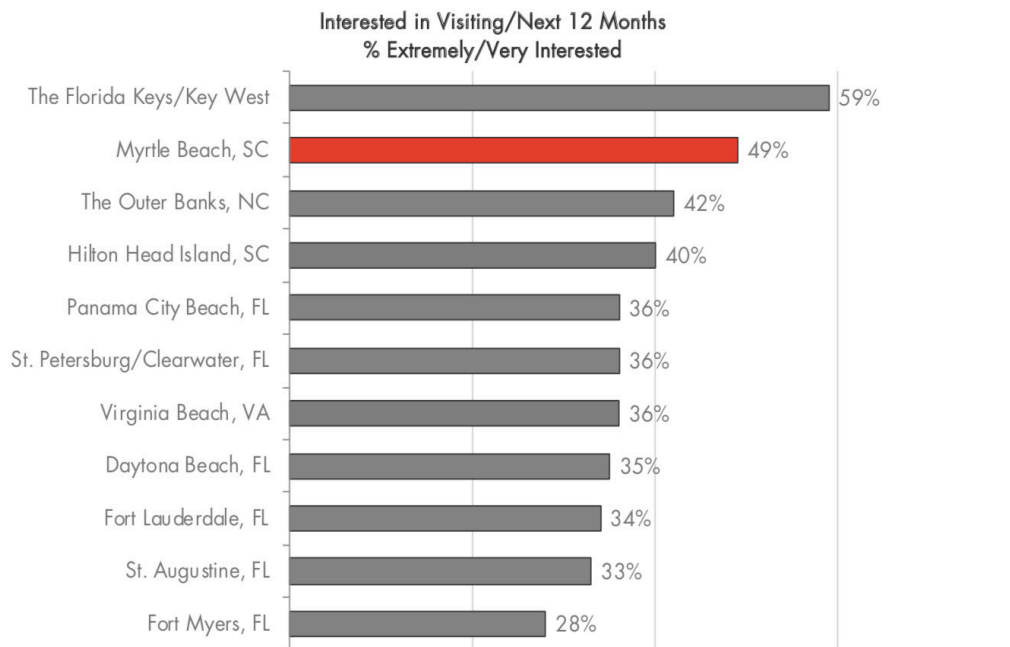
## MYRTLE BEACH DEMAND

After two years of record tourism growth, Myrtle Beach area tourism declined. This is likely due to COVID-19. Despite this, the destination continues to see growth relative to the economic situation through visitation from its two principal feeder states, North Carolina (34.9) and South Carolina (25.5).

In spring 2020, key feeder states included Virginia, Georgia, Pennsylvania, Ohio and Tennessee. Visitation to the Myrtle Beach area from states further north, like Maryland, New Jersey and New York, dropped off seasonally but is expected to pick back up during fall and as the holidays approach.

According to the January 2020 wave (21st month) of the MMGY traveler sentiment study/survey conducted on behalf of the Myrtle Beach destination:

- Just under half (49%) of all respondents are “extremely” or “very” interested in visiting Myrtle Beach.
- Among those who have visited the destination before, 61% are interested in visiting again. This metric reached its high point in the survey period, the prior month (May) at 67%. Relative to those who have not previously visited the destination, 37% were “extremely” or “very” interested in visiting Myrtle Beach.
- Nearly one-fifth (17%) of total survey respondents indicated an interest in visiting Myrtle Beach.
- Less than 5% of visitors indicated that their visit was less than satisfactory.



MMGYGLOBAL

Please indicate your level of interest in visiting each of the following destinations for a vacation in the next 12 months.

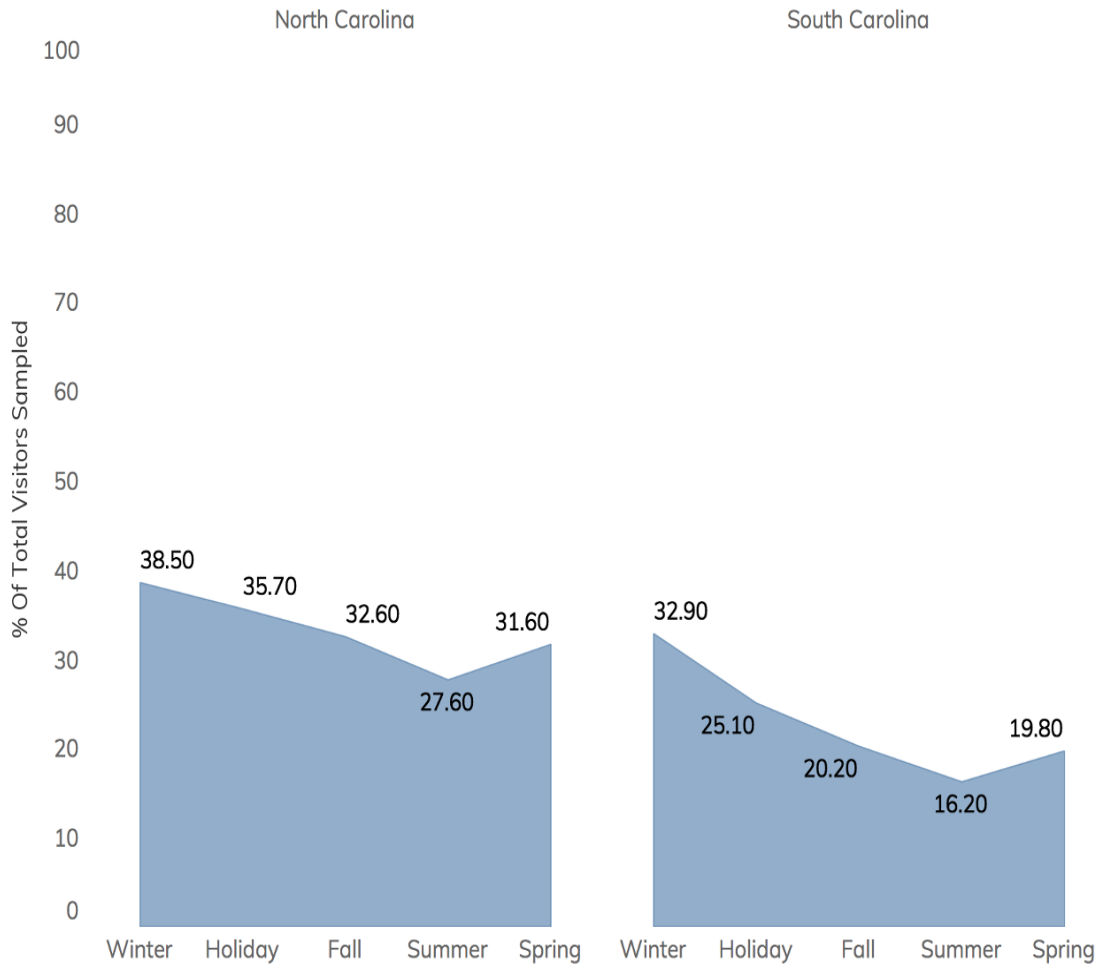


82% total respondents believe Myrtle Beach is either “about as safe” or “safer than” most vacation destinations. Converts and New Converts feel Myrtle Beach is 4% safer than the survey total (Equation Research).

## SAFETY WHILE TRAVELING

## LOCAL SEASONALITY DEMAND

While tourism growth during the summer months was down YoY, we expect tourism to improve not only due to consumers' comfort with travel but also seasonality. Despite high unemployment, visitation from the top two key feeder states North Carolina and South Carolina is highest during the Winter months. As these states make up the highest share of visitors, travel demand for Myrtle Beach will improve in the coming months.



## LODGING: VRP

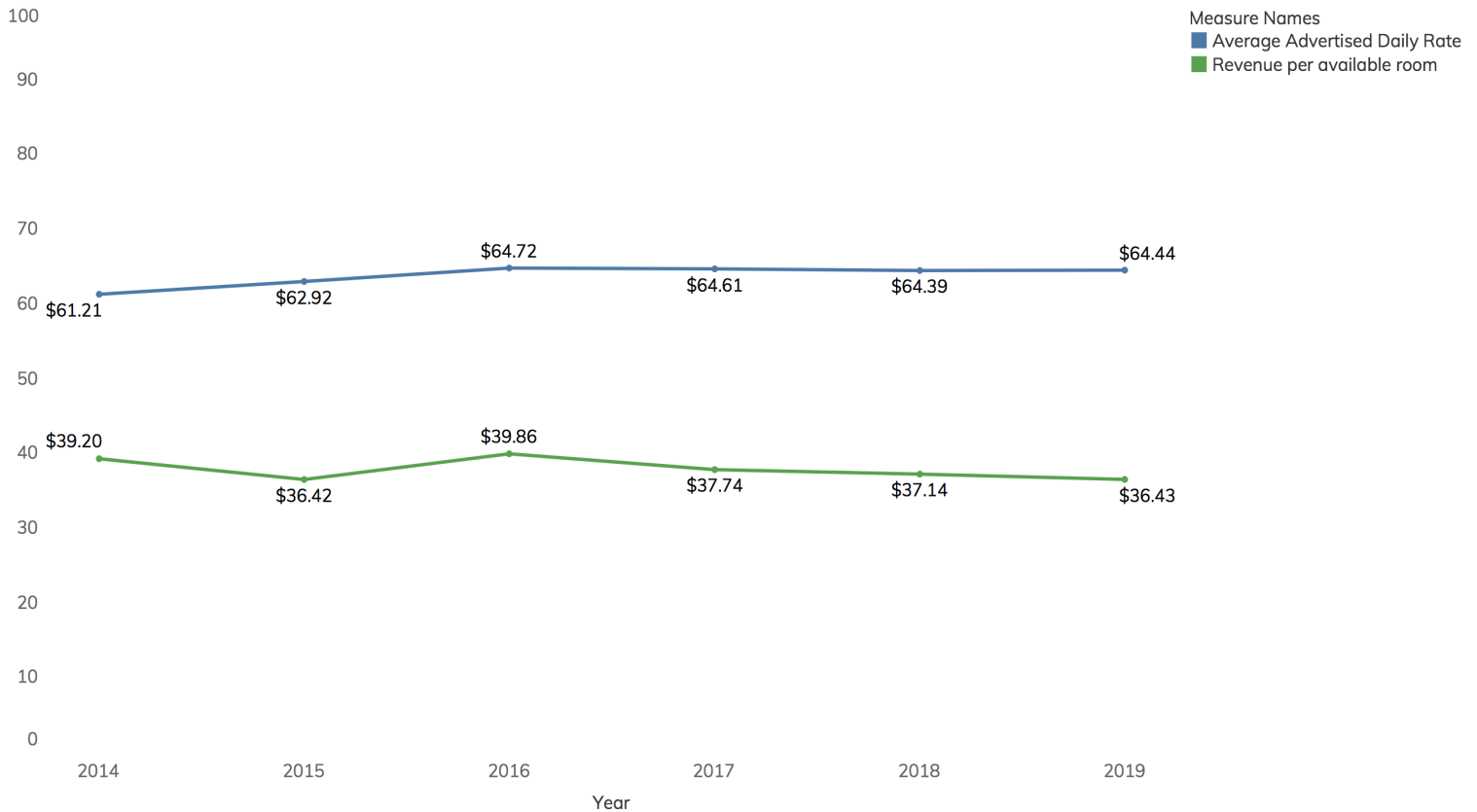
Year over year, lodging industry performance has improved since 2015. In addition, the average daily rate per room has increased since 2014. We expect this to shift for 2020. The effects of COVID-19 on lodging will not be realized in CCU's data set until year-end.

Lodging VRP						
Year	Average Percent Occupancy	Average Advertised Daily Rate	Revenue per available room	Sample Randomly chosen weekly	Average Bedrooms per unit	Percent Brand-Affiliated
2014	64.1	\$61.21	\$39.20	217	4	6.9
2015	57.9	\$62.92	\$36.42	217	4	6.9
2016	61.6	\$64.72	\$39.86	217	4	6.9
2017	58.4	\$64.61	\$37.74	208	4.1	7.2
2018	57.7	\$64.39	\$37.14	209	4	7.2
2019	56.5	\$64.44	\$36.43	208	4.1	7.2

Coastal Carolina University



While there is slight variation, the trend lines for average advertised rate and revenue per available room mirror one another with minimal fluctuation.



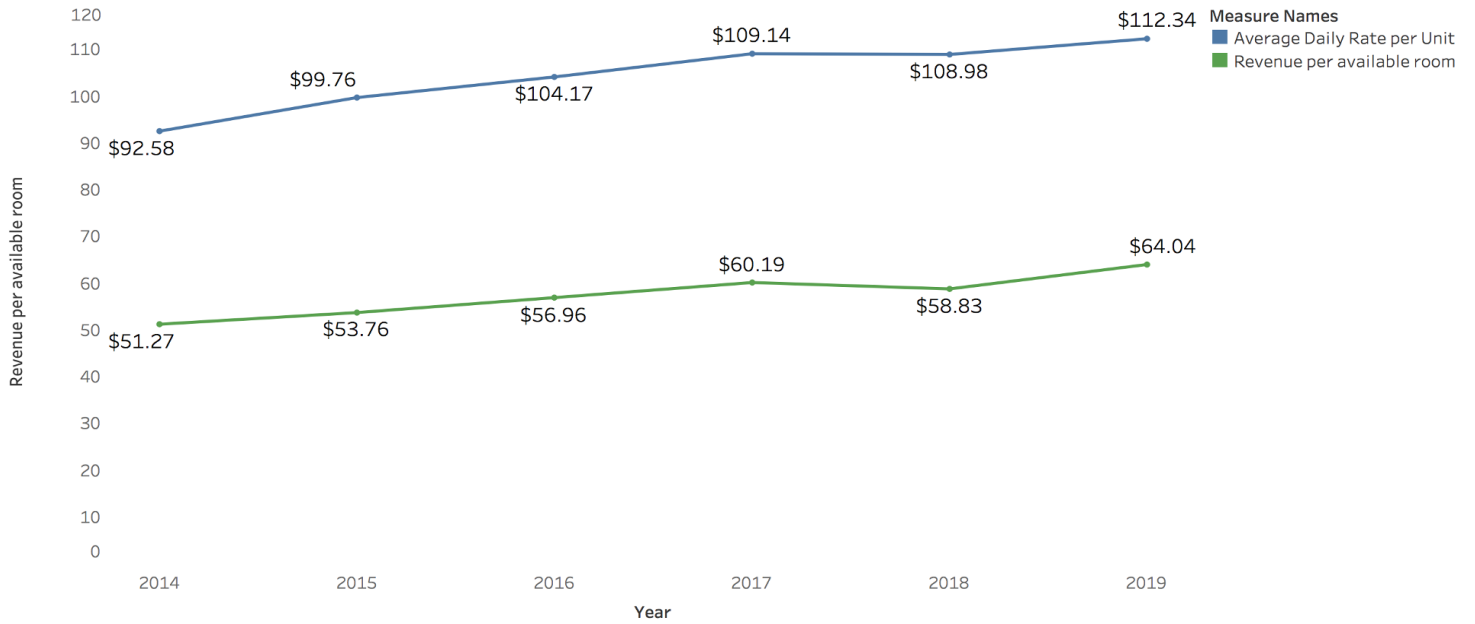
### LODGING: HCP-HCP

Trend lines mirror one another for average daily rate per unit and revenue per available room. Throughout the past few years, RevPar is about half of the average daily rate.

Lodging: Hotels, Condo-Hotels, and Campsites HC-HC						
Year	Average Percent Occupancy	Average Daily Rate per Unit	Revenue per available room	Sample Size in units	Average Bedrooms per unit	Percent Brand Affiliated
2014	55.4	92.58	51.27	9745	1.4	15.9
2015	53.9	99.76	53.76	9517	1.4	14.2
2016	54.7	104.17	56.96	9629	1.4	13.5
2017	55.2	109.14	60.19	9011	1.4	13.3
2018	54	108.98	58.83	8239	1.4	13.4
2019	57	112.34	64.04	7586	1.4	15

Coastal Carolina University

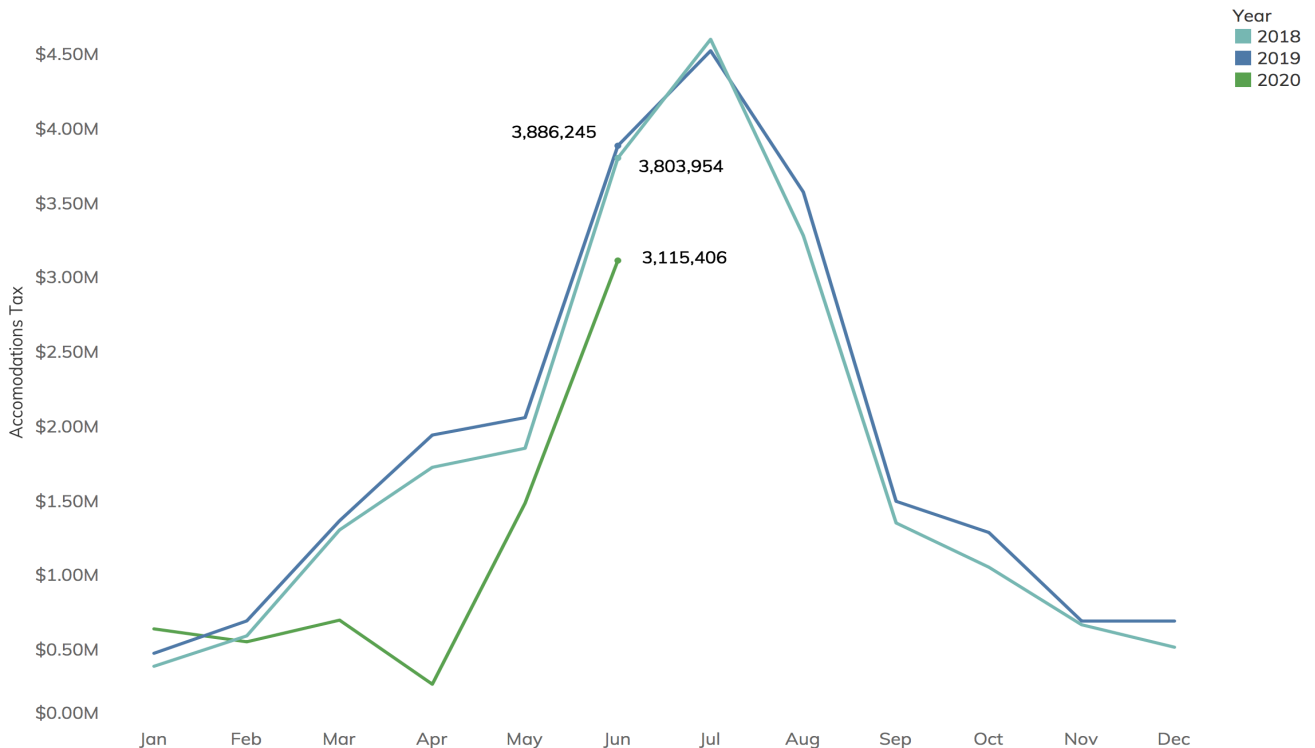
HCP-HCP Average Daily Rev and RevPar



### TAXES AND FEES

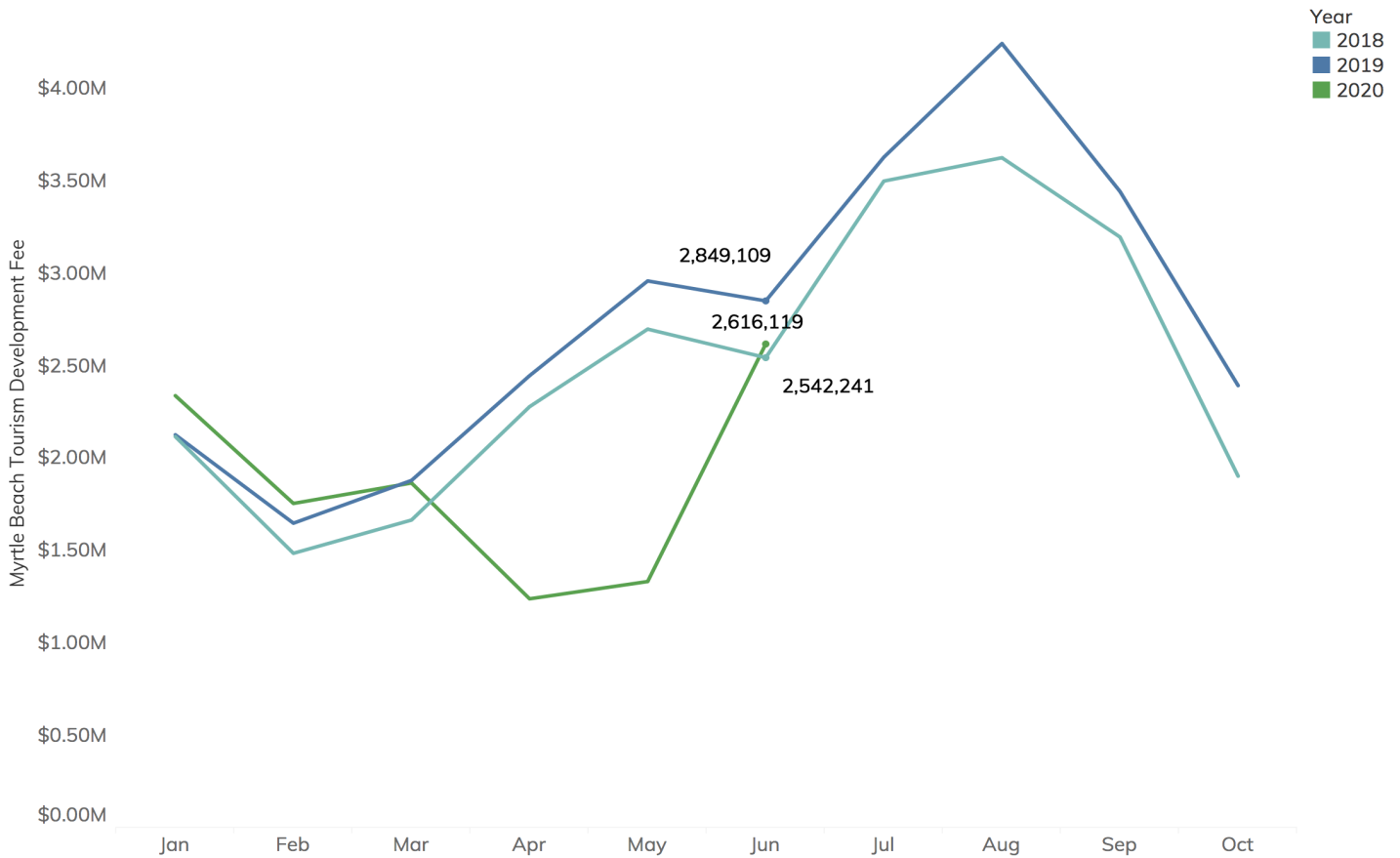
Taxes and fee collections have suffered as a result of COVID-19. Collections were strong for the first quarter, followed by a steep decrease with temporary closures and quarantines due to COVID-19. Once businesses began to re-open, including accommodations, there was a steep rebound in collections beginning in May. Tourism tax and fee collections are expected to improve as the tourism industry recovers over the next two years.

Horry County Accommodations Tax (A-Tax) revenue remains down 28% YoY due to COVID-19. While there was a steep decrease in April collections by 86%, May collections rose 82% MoM.





Revenues from the City of Myrtle Beach Tourism Development Fee (TDF) decreased in the beginning of the year. However, collections have increased dramatically since April. While they lag year over year, as of June, collections exceeded 2018's development fee and are on track to meet 2019's collections as time continues.



### MCKINSEY AND MILES TRAVEL PREDICTIONS

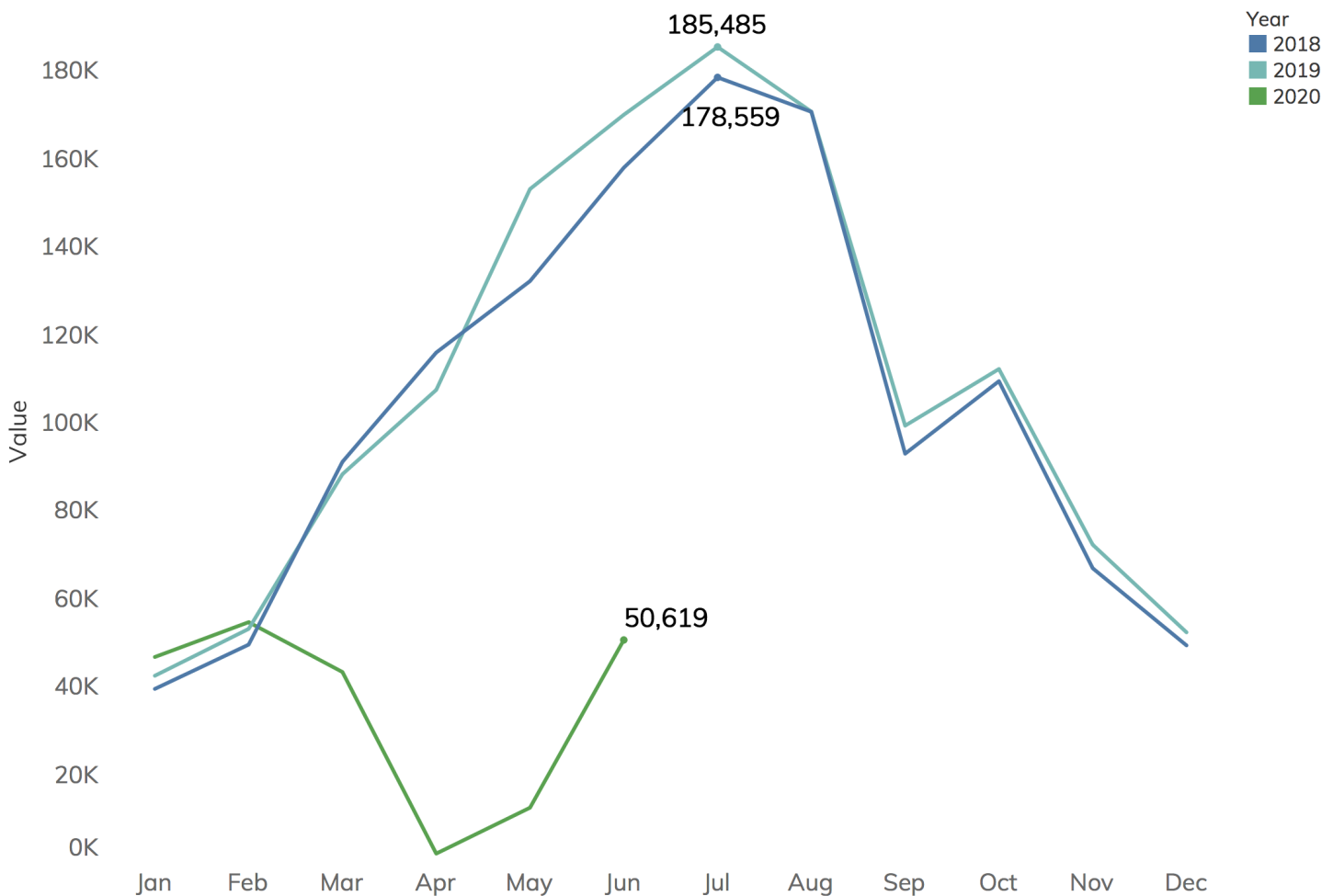
In Skift's "Travel Industry Turned Upside Down: Insights Analysis and Actions for Travel Executives" report, Matt Roberts, CEO of Vacasa, predicts, "I think this notion of space is a big one, and I think it's going to be one of those enduring things. I think people are also discovering more of the benefits of being outside and incorporating outside travel."

Myrtle Beach is primed for visitation to ramp up in Q4 as McKinsey predicts. Because economic and health conditions change daily, long-term planning will not be as common in the next one to two years. During this season, distance from one's home, a non-price factor, is more important to consumers than price. If this holds, Myrtle Beach can expect to have an increased share of visitation from feeder states like South Carolina and North Carolina. 82% of Skift's survey respondents indicated that they will be using their own car for any personal travel, which represents a 13% increase from March.



## AIR TRAVEL

In January and February of 2020, deplanements exceeded 2018 and 2019's back-to-back record-breaking years for deplanements at the Myrtle Beach International Airport. However, as COVID-19 swept the nation, deplanements declined drastically. In April, Myrtle Beach International Airport hit a three-year low for deplanements, yielding only 2,035 for the month. Since April, deplanements have risen exponentially MoM. In July, there were 84,386 deplanements. While conditions remain uncertain, if coronavirus cases decrease and consumer confidence rises, we can expect to see deplanements level out YoY.



## CANADIAN TRAVEL

The volume of Canadian visitation has dropped after quarters of consecutive growth. January's report indicated a negative trend across the board. While there was a 7% increase in air travel from Canada in January, the decline in deplanements during the spring impacted international visitation for Q1 of 2020. International visitation will remain stagnant as coronavirus continues and trade remains closed. Historically, international visitation accounted for 2% of total visitation to Myrtle Beach, and Canadian travel made up the lion's share of prior international visitation at 80%-90%.

Previously, a strong U.S. dollar was the primary reason for a decline in visitation; however, in 2020, the decline in international travel will be attributed to the COVID-19 pandemic. As a whole, in 2019, Canadian travel decreased by 0.7%.

## REAL ESTATE OUTLOOK

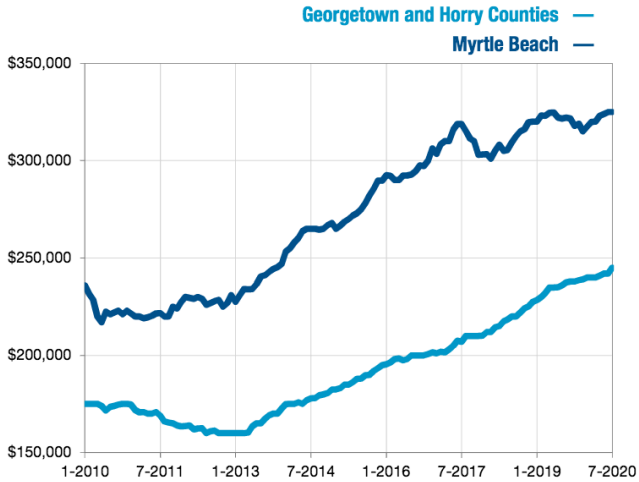
Coastal Carolinas Association of Realtors (CCRA) reports stagnant inventory for single-family homes. As inventory declines, sale prices will increase. In July, the median sale price was up 6.9% for single-family homes. Despite the impact of COVID-19, homebuyers remain resilient with the help of record-low mortgage rates. One may expect buying activity to increase into the fall season even though unemployment claims continue to rise, according to CCRA.

In July alone, Myrtle Beach experienced a 16.8% decrease in single-family property listings from 2019 to 2020. Year to date, Myrtle Beach has had 20.5% fewer listings in 2020 than 2019. While closed sales are down 7.1% year to date, they were up 27.5% for the month of July, indicating a return to normalcy.

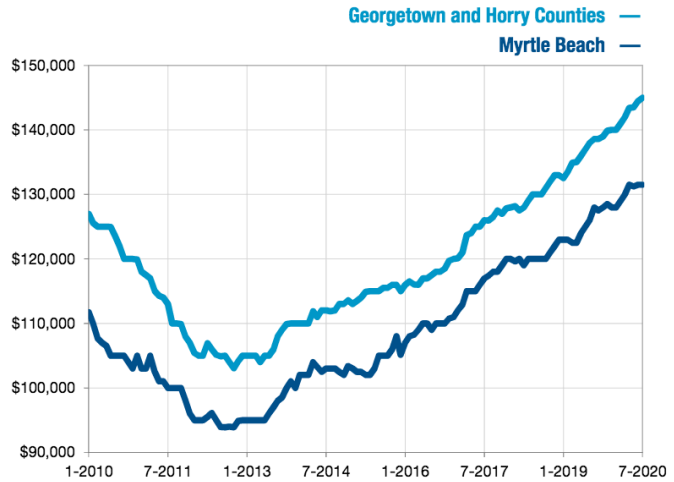
In July, new listings for townhouses and condos increased 29.5% YoY. While closed listings are down YTD, in July they increased 15.2% YoY. Additionally, both the YoY (+8.4%) and YTD (4.8%) median sale prices have increased from 2019 to 2020.

### Historical Median Sales Price Rolling 12-Month Calculation

#### Single-Family Properties



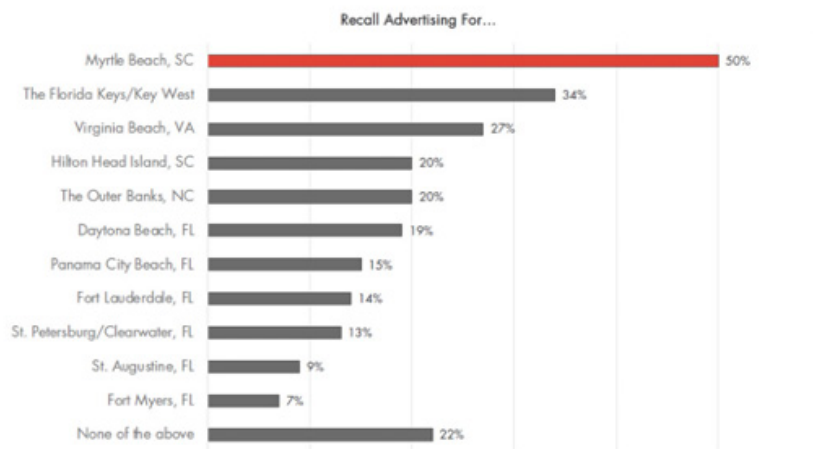
#### Condo Properties



## CONSUMER MARKETING

The Myrtle Beach Area Chamber of Commerce/CVB remains focused on marketing and promoting Myrtle Beach with an emphasis on driving demand for the destination, attracting new visitors, expanding geographic markets and continuing to build the shoulder seasons – all the while, proactively addressing the ever changing economic and travel landscapes, and traveler sentiment and preferences. With public funding levels measurably contracting this year, the chamber uses a research-based approach in targeting its marketing and promotional strategies. This ensures the maximization of ROI on its marketing investment and optimal use of the public funds the chamber is tasked to administer.

### ADVERTISING RECALL: MYRTLE BEACH AND COMPETITIVE DESTINATIONS



MMGYGLOBAL

Which of the following destinations do you recall seeing or hearing advertising for in the past 6 months?

According to MMGY traveler sentiment study last recorded in January, when compared to its competitive set, Myrtle Beach ranks the highest with respect to advertising recall. The January survey noted 47% of all respondents reporting to have seen and/or heard advertising for the destination in the past six months. Myrtle Beach led in this metric during the entire survey period (21 months to date). Comparably, surveyors recalled Florida Keys/Key West, ranked second, advertising 14% less (33%) than Myrtle Beach.



For additional research and statistics,  
please visit [MyrtleBeachAreaCVB.com](http://MyrtleBeachAreaCVB.com)

## MYRTLE BEACH AREA CHAMBER OF COMMERCE



1200 N. Oak St., Myrtle Beach, SC 29577  
843-626-7444 • [MyrtleBeachAreaChamber.com](http://MyrtleBeachAreaChamber.com)



1200 N. Oak St., Myrtle Beach, SC 29577  
843-626-7444 • [MyrtleBeachAreaChamber.com](http://MyrtleBeachAreaChamber.com)

