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# *North Carolina's Tourism Industry: A Journey Toward Respect*

by Matthew Crawford

**F**ew would dispute the claim that many of North Carolina's industries are experiencing significant growth: health services, finance, and business services, to name only a few, all are becoming more important to the state's economic well-being. Sometimes ignored, however, is the tourism industry, which rung up \$9.8 billion in revenue in 1996.<sup>1</sup>

Susan Moran, former public relations manager at the North Carolina Division of Travel and Tourism within the Department of Commerce, thinks that it is the diversity of North Carolina, not just in the state's geography but also in "its people and ideas" that makes the state so popular. Although the industry has experi-

enced phenomenal growth in the last few years, tourism is far from realizing its full potential. "We've just taken a step," says Moran.

Already though, tourism is recording impressive growth, according to statistics compiled by the Division of Travel and Tourism. The \$9.8 billion spent in the state in 1996 is an increase of 15.6 percent from the \$8.5 billion spent in 1994. According to Larry Gustke, Associate Professor of Tourism Management at North Carolina State University, these numbers represent the total amount of money out-of-state visitors spend in North Carolina each year.

Although it's nearly impossible to pinpoint tourism spending exactly, the U.S. Travel Industry Association has developed a model that simulates the percentage of sales gathered from tourists. Refined and updated annually, the accuracy of this model is widely accepted, says

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## ***A historic view of Pinehurst, the golfing mecca.***



*N.C. Division of Archives and History*

Gustke. Several other indicators also point to the importance of tourism. More than 166,000 people had jobs in the various tourist-related businesses in 1996, resulting in a total payroll of \$2.7 billion. In addition, 1996 overall tax receipts from tourism businesses totaled \$730 million, \$261 million of which went into local coffers.

Robert Cottrell, labor market information director, cautions that there is no commonly accepted definition of "tourism" as an industry, so any dollars attributed to tourism are also attributed to some other sector of the economy—such as restaurants, service stations, or convenience stores. Nonetheless, it's clear that tourism does have an impact.

The state's major metropolitan areas benefit most, in absolute terms, from tourism as measured by the Department of Commerce. Mecklenburg County alone brought in more than \$2.2 billion in tourism expenditures in 1996. (See Table 5, p. 21.) Per capita impact was stronger in resort counties like Dare on the coast, which saw \$13,581 spent per resident in 1995, the highest per capita expenditure in the state. Among the top ten counties in per capita spending, only Moore and Mecklenburg are located in the Piedmont. The others were in the mountains or along the coast.

It's little wonder that Tar Heel tourism is seeing success. The raw materials are exceptional. From the craggy face of Grandfather Mountain near Linville to the windswept Outer Banks where the Wright Brothers took man's first flight, North Carolina's top scenic attractions can rival any in the nation. Manmade attractions like the golf mecca Pinehurst and the North Carolina Zoological Park also draw scores of visitors. And as the state becomes increasingly urban, its major cities are gaining both leisure and business travelers.

Yet even counties with neither large populations nor spectacular scenery saw phenomenal growth in travel spending. In Nash County, travel expenditures rose from \$99.2 million in 1994 to \$137.2 million in 1996, an increase of almost 40 percent. In the same period, residents of Rutherford County saw travel expenditures increase by 30 percent.

The N.C. Division of Travel and Tourism is working to put North Carolina tourism on the



**Aviary at the North Carolina Zoo**

map both nationally and internationally through promotions, advertising, publications, and welcome centers. The division even has a small community development budget to help rural areas with their tourism promotion needs.

And while Travel and Tourism is doing a considerable amount to promote tourism statewide, cities and counties are gaining an increased awareness of the importance and poten-

**Table 5.**  
**North Carolina Counties**  
**with the Greatest**  
**Expenditures by Tourists**

| County         | Total Expenditures<br>(millions) |
|----------------|----------------------------------|
| 1. Mecklenburg | \$2,224.5                        |
| 2. Wake        | 922.8                            |
| 3. Guilford    | 679.0                            |
| 4. Forsyth     | 375.8                            |
| 5. Buncombe    | 369.9                            |
| 6. Dare        | 367.5                            |
| 7. Durham      | 333.8                            |
| 8. New Hanover | 235.1                            |
| 9. Cumberland  | 223.1                            |
| 10. Carteret   | 194.7                            |
| 11. Moore      | 192.5                            |
| 12. Brunswick  | 188.8                            |
| 13. Catawba    | 141.4                            |
| 14. Nash       | 137.2                            |
| 15. Henderson  | 123.3                            |
| 16. Cabarrus   | 111.5                            |
| 17. Pitt       | 107.3                            |
| 18. Gaston     | 106.8                            |
| 19. Iredell    | 101.5                            |
| 20. Onslow     | 89.1                             |

Source: N.C. Division of Travel and Tourism

tial in tourism and are creating their own programs to attract travelers to their communities. In many ways—due primarily to prominent attractions as well as well-funded and organized promotion—the more populous areas of the state are in the best position to attract large numbers of travelers. In 1987, the Greater Raleigh Convention and Visitors Bureau was created to help accomplish this goal. “Our chief mission is to

bring people from outside of the region to Raleigh,” says Scott Dupree, director of communications at the visitors bureau.

Charlotte’s status as a major business center is behind Mecklenburg County’s huge travel industry, according to Gina King, Director of Public Relations for the Charlotte Convention and Visitors Bureau. Although the city is still trying to promote itself as a leisure market, she says, “business travel, conventions, and meetings” are central to Charlotte’s travel industry. King notes that Charlotte is the fifth largest urban region in the country, with 5.6 million residents within a 100-mile radius, and is one of the nation’s largest financial centers. There is also a great deal of international travel, she says, due to the fact that more than 300 international businesses have offices in the county. “Our sports teams also draw a lot of attention.” The Hornets of the National Basketball Association, Panthers of the NFL, and the Charlotte Motor Speedway all attract visitors to the area, she says.

But promotion of tourism is not limited to the big cities; less populous counties also are playing the travel game, and doing quite well at it. Of course, many small towns and counties don’t have the resources for promotion available to large metropolitan areas, so they have to find alternate ways of attracting visitors.

Research-based marketing provides one of the most effective ways to attract visitors. Rather than blanketing an area with television or radio advertisements, this strategy targets specific groups of travelers. “We do research on the travelers that do come here—which attractions they come for, where they come from, what they’re looking for,” says Wendy Cobb, Information Specialist with the Rutherford County Tourism Development Authority. The county then places advertisements in magazines and publications such as the state travel guide and *Southern Living* in order to attract more of the same type of visitor. While the county lacks the resources to do major media advertising by itself, it is a member of the Blue Ridge Mountain Host Group, says Cobb. By pooling resources from several counties, the host group is able to reach a broader audience than would the individual counties working by themselves.

Such organizations are very popular in the

western part of the state, with three major host groups—High Country Host, Smoky Mountain Host, and Blue Ridge Mountain Host—working to promote tourism in their areas. In addition, several eastern counties have formed Coast Host to promote their travel industries.

A new trend in the expansion of the overall industry is an increased awareness in the importance of heritage tourism. In the broadest sense, heritage tourism is the development of an area's resources—especially natural, cultural, and historical—in order to facilitate economic growth, according to Diane Henry Hobbs, executive director of North Carolina Heritage, Inc. N.C. Heritage is a non-profit, private-public partnership initiated by the Division of Travel and Tourism to help promote the use of heritage resources. "Heritage is the interesting fabric that makes North Carolina so special," says Henry Hobbs. Heritage tourism attractions include popular and well known sites like the Biltmore Estate and Old Salem, as well as local architecture, native crafts, museums, and battlefields.

Henry Hobbs thinks that the increased popularity of heritage tourism is due in large part to an evolution in attitude of typical tourists—away from mere sightseeing and towards an attempt to interact with family and learn about the areas they visit. "The profile of the tourist is changing. Parents want to do things with their children that are enriching. Heritage tourism is a wonderful family experience." Heritage tourism is attractive for communities for another reason: increased revenues and longer stays. "The heritage traveler stays half a day longer and spends \$62 more," notes Henry Hobbs.<sup>2</sup>

Susan Harris, former head of the Watauga County Economic Development Commission, also is enthusiastic about heritage tourism, especially in the mountain areas in western North Carolina. "Mountain areas face impediments to industrial development: expensive land that is not well suited to large scale development, as well as serious aesthetic and environmental considerations," says Harris. Rather than being a competition among neighboring communities, Harris thinks heritage tourism works best on a regional basis. "Tourists move around within an area, so it makes sense to promote from a regional perspective."

Unfortunately, tourism is not without pit-

falls—promoters must take care not to get too overzealous when it comes to attracting more visitors. "There is a downside," says Harris. "Where do you find the balance between accommodating visitors and overcrowding? If you do too much, you'll destroy the beauty that people come there for." One of the main goals of North Carolina Heritage is to help counties avoid that problem. "We want to help communities interested in this do it the right way and not destroy what they have," notes Diane Henry Hobbs.

Another question that plagues the tourism industry is the quality of jobs created. Critics charge that the jobs created are low-paying and only seasonal. Indeed, the \$2.7 billion payroll in 1996, divided among all of the state's jobs in tourism, only comes out to about \$16,280 per job, well below that year's overall state per capita income of \$22,010.<sup>3</sup> According to Gustke, no definitive study has ever been done of tourism pay. "It's hard to identify statistics for tourism, since there are so many different kinds of jobs," he says. These jobs fall under a variety of headings, and some of them aren't accounted for at all. However, even if the jobs are only part-time or seasonal, tourism workers still might be able to earn a living wage, Gustke says. "It is not unusual for people to work one and a half or two part time jobs," says Gustke.

Finally, Gustke warns that people shouldn't look to tourism as the only method of economic development because of the potential impact of recession, bad weather, or natural disasters like the closure of Interstate 40 due to rockslides in the summer of 1997. "If you're completely dependent on tourism and you have a bad year weatherwise and folks don't come, it can be very bad financially," he says. A county is "much better off with a diversified economy that doesn't rely too much on tourism."

## FOOTNOTES

<sup>1</sup>Data provided by the North Carolina Division of Travel and Tourism.

<sup>2</sup>"Getting Started: How To Succeed in Heritage Tourism," study funded by National Trust for Historical Preservation, National Endowment for the Arts, and American Express. The study was done in 1989 and focused on 16 pilot areas in four states, including North Carolina.

<sup>3</sup>Bureau of Economic Analysis, U.S. Department of Commerce, 1997.