BRINGING TOURISTS TO THE GRAND STRAND DURING HOLIDAY SEASON

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ABSTRACT

Seasonality is characteristic of the tourism industry in the Carolinas. Marketing organizations including the Myrtle Beach Area Chamber of Commerce, are constantly experimenting with ways to bring visitors to Myrtle Beach and the Grand Strand in what are known as the ‘Shoulder Season’ or ‘Holiday Season’ to smooth out the tourism businesses activity and keep people employed. This study concerns a hospitality and entertainment bundle with a single price point aimed at ten segments identified by previous research. Although this is not a controlled study, it does suggest, however, that bundled accommodations and nearby attractions can have appeal with a fixed price point in the Myrtle Beach market. Future research could allow better definition of the impact of such partnerships on profitability, employment, and number of visitors to the area during Holiday Season.

BACKGROUND

Myrtle Beach is the heart of the state's tourism industry, where an estimated 14 million visitors a year flock to the area's beaches, 100-plus golf courses and 1,700 restaurants. Horry County received $3.3 billion in domestic travel expenditures to lead all of South Carolina’s 46 counties. Charleston County ranked second with nearly $1.8 billion, followed by Beaufort County with $1.0 billion [12].

The tourism business in South Carolina, the Grand Strand, and in Myrtle Beach is seasonal. The market has a peak season from Memorial Day in the Spring weekend to Labor Day weekend in the fall. There are also shoulder seasons, or peak golf seasons, from mid-February through May and September through mid-November. Off-season for golfers is from mid-November through mid-February. Demand for the various attractions varies by the season with the changing demographics and psychographics of the Myrtle Beach visitor. Many attractions have continuous peak demand from mid-June through early August and trough attendance the rest of the year. Local discounts are offered during trough periods of demand to maintain profitability. More recently there has been discussion of a ‘Holiday Season’ which is a short period running from Thanksgiving to New Year’s Eve. Stimulating demand in the Holiday Season is a key goal of the Chamber.

On its website, the Myrtle Beach Area Chamber of Commerce says the following:

“The Grand Strand, as the Myrtle Beach area is commonly called, stretches for 60 miles along the South Carolina coast and encompasses many communities within two counties Horry County and Georgetown
In tourism, bundle pricing is a widespread phenomenon to deal with drivers and barriers of consumer behavior. The obvious reasons for this is ‘unbundling or a la carte pricing benefits the buyer and packaged or bundled deals give the advantage to the seller [10]. However, most of the research literature is about how to find optimal bundle prices [3]. Rarely is the research focused on an existing bundle with a fixed price to determine what components of the bundle are important and what modifications in the bundle except for the price might be more relevant to consumers [9]. Some researchers describe bundling, price bundling, product bundling, pure bundling, and mixed bundling based on how the bundling is executed [8]. Mixed bundling was used here.
As noted by other authors [2], executing a bundling strategy requires setting a specific price with limited information and the courage to avoid a simple ‘cost plus’ or a ‘follow the leader’ approach is relevant. Starting with that realization, a cooperative research effort was undertaken involving the Marketing Research Department of the Myrtle Beach Area Chamber of Commerce, one Resort and two attractions, plus a Marketing Strategy class comprising a research team to collect data. Quantitative data were gathered from visitors to the area during the Holiday Season to determine their reactions to an actual bundle offer. In addition to collecting quantitative data, the team also collected suggestions for improving efforts to attract tourists during the Holiday Season.

**METHOD**

The focus of the research effort is to determine what is important to tourists who come to the Grand Strand and stay overnight in hotels during the Holiday season. In cooperation with the Myrtle Beach Chamber of Commerce Marketing Research Department, 10 segments were identified and are presented in the sampling plan below. In addition to those segments, the visitors’ gender and prior visit status were also of interest and included in the plan. The complete plan with a total sample size of 200 is presented in Table 1 below.

**Table 1**
**Sampling Plan**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Prior Visit</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>Blue Collar Trades</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Family Members</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Young Professionals</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Business Organizations</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Golfers</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Low Income Non-Trades</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>College Students</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Elderly or Retired</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Canadians</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Military</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>200</td>
</tr>
</tbody>
</table>

The Self-Administered Questionnaire (SAQ) including the bundle offer appears in the Appendix.

**Sample Demographics**

The total sample reached 202 and was well distributed across segments as can be seen in Table 2 below which shows the distribution of respondents across segments.

**Table 2**
**Actual Sample Distribution Across Segments**

<table>
<thead>
<tr>
<th>Segment</th>
<th>% of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Collar Trades</td>
<td>10.4</td>
</tr>
</tbody>
</table>
Other demographics indicated the majority of the sample tended to be:

- Less than 40 years old (61%)
- Female (56%)
- From the Mid-Atlantic or South-East region (74%) with an equal split at 37%
- Had made two or fewer overnight trips to Myrtle Beach in the past five years (59%), 28% had made none
- Either made or shared in the final decision about visiting the area (84%) with 35% making the final decision alone
- In a full-time job (60%)
- Renting with others (42%) or owning with others (33%)
- Were either single or married (91%) with many singles in the sample (49%)
- Earning an annual household income less than $75 thousand (57%), but with many less than $50 thousand (37%)

### Driving Distance

Table 3 below shows the distribution of respondents and their longest acceptable driving distance to the Myrtle Beach-Grand Strand area defined in hours of driving time. Consistent with other research, the natural break point is 7-8 hours indicating the sample is in line with the target market for the Chamber of Commerce and Myrtle Beach.

### Table 3
**Longest Car Travel Distance for a Three Night Stay**

<table>
<thead>
<tr>
<th>Driving Time</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Hours or Less</td>
<td>13.4</td>
</tr>
<tr>
<td>3-4 Hours</td>
<td>26.7</td>
</tr>
<tr>
<td>5-6 Hours</td>
<td>13.4</td>
</tr>
<tr>
<td>7-8 Hours</td>
<td>15.8</td>
</tr>
<tr>
<td>9-10 Hours</td>
<td>9.4</td>
</tr>
<tr>
<td>11-12 Hours</td>
<td>4.5</td>
</tr>
<tr>
<td>13-14 Hours</td>
<td>2.5</td>
</tr>
<tr>
<td>Would not Drive</td>
<td>14.4</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Bundle Offer**
The bundle offer appears below in the SAQ in the Appendix. It was a real offer, presented to the target market through direct mail. The price point and the options were used in developing the SAQ portion where importance and satisfaction ratings were collected.

The key issue for this research effort is determining which aspects of the holiday season vacation bundled offer are most important and have the highest utility to the market. The $53.55 offer based on availability, double occupancy, and a three-night stay with four potential partners in the bundle:

- Ocean front accommodations at the Sand Dunes Resort
- Two tickets to the Carolina Opry Special Christmas Show of the South
- Two tickets to The Laser Holiday Show tickets
- Optional upgrades to the Marriott Grand Dunes Resort

In addition, a less expensive two-night stay was included in the bundle offer. A concern about local ground transportation availability by the Chamber Members led to inclusion of this item as a decision factor in the questionnaire, but it was not part of the offer.

**Importance, Satisfaction, and Utility of Decision Factors**

The percentage of respondents indicating a decision factor is Very Important and the percentage indicating the same decision factor is viewed as being Very Satisfied in the offer bundle along with a mean utility score appears in Table 3 below. The utility score is formed by multiplying the importance score by the satisfaction score for each decision factor [1].

**Table 3**

<table>
<thead>
<tr>
<th>Decision Factor</th>
<th>% Very Important</th>
<th>% Very Satisfied</th>
<th>Mean Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Night Stay in Ocean Front Accommodations</td>
<td>44.1%</td>
<td>23.9%</td>
<td>15.3</td>
</tr>
<tr>
<td>2 Tickets to the Holiday Show</td>
<td>39.5%</td>
<td>27.9%</td>
<td>15.0</td>
</tr>
<tr>
<td>2 Tickets to the Laser Light Show</td>
<td>15.8%</td>
<td>24.1%</td>
<td>11.4</td>
</tr>
<tr>
<td>Upgrades Available</td>
<td>20.5%</td>
<td>33.7%</td>
<td>11.9</td>
</tr>
<tr>
<td>2 Nights Available</td>
<td>9.9%</td>
<td>27.6%</td>
<td>10.4</td>
</tr>
<tr>
<td>Local Ground Transportation Available</td>
<td>11.4%</td>
<td>31.3%</td>
<td>12.5</td>
</tr>
<tr>
<td>Price of $53.55 Per Person Per Night with Double Occupancy Required</td>
<td>24.3%</td>
<td>26.6%</td>
<td>13.4</td>
</tr>
</tbody>
</table>

**Comments**

A total of 369 comments were made up to five by a single respondent at the end of the SAQ interviews. In order they numbered as follows:

- First comment 170 respondents
- Second comment 98 respondents
- Third comment 66 respondents
- Fourth comment 32 respondents
- Fifth comment 3 respondents
These comments will be content analyzed for the final draft of this research paper if it is accepted for inclusion in the program.

Conclusions

Beginning in the September, 2012 issue of Marketing News, there have been seven different options for additional ‘Ps’ to be added to Kotler’s original four of product, price, place, and promotion [4]. These new items in the order in which they appeared in Marketing News include:

- Purpose (Carol L. Cone and Brian Solis)
- People (Philip Kotler, Eric Larse, and Brian Solis)
- Process, and Physical Evidence (Philip Kotler)
- Productivity (Rick Jensen)
- Privacy (Chris Babel)
- EmPathy (Manila S. Austin)
- Packaging (Philip Kotler and Michael Latta)
- Partners (Michael Latta)

Each of these authors gave supporting evidence for their nominations in papers published in Marketing News during 2012 and 2013 [7].

The two ‘Ps’ involved in bundling for purposes of this study are, Partners and Packaging [5].

Based on the Quantitative data, the following conclusions can be drawn concerning the bundle offered to the public. The top three aspects of the bundle are below in descending order of utility.

1. Three Night Stay in Ocean Front Accommodations
2. Two Tickets to the Holiday Show
3. Price of $53.55 Per Person Per Night with Double Occupancy Required

The Partners involved are the Sand Dunes Resort and Carolina Opry Special Christmas Show of the South with the Packaging involving three nights, two tickets, and a single price per night per person with double occupancy. The Laser Holiday Show tickets, optional upgrades to the Marriott Grand Dunes Resort, and a less expensive two night stay along with local ground transportation availability were not as high in utility as the other components of the offer and could be eliminated.

Smith, an Associated Press correspondent, conducted an interview with Duane Parrish, the Director South Carolina’s Department of Parks and Recreation [11]. The report indicated, “From 1990 to 2008, the state tourism industry enjoyed average growth of about 4 percent a year. The recession started in late 2007, but the impact wasn't immediate, and 2008 was a record year for the industry. But in 2009, tourism was off 8 percent. Now the industry seems to have recovered, growing in 2011 even faster than before the 18-month recession, which officially ended in June 2009.”

As a result of the Myrtle Beach Area Chamber of Commerce’s efforts to understand the segments of visitors to the Grand Strand, The Associated Press also reports that according to the state Department of Parks, Recreation and Tourism South Carolina's tourism industry has bounced back after the Great Recession with tourism spending reaching a record $16.5 billion in 2012 [11].
Unfortunately this is a retrospective study and not a prospective study. It does suggest, however, that bundled accommodations and nearby attractions can have appeal with a fixed price point. Future research could allow better definition of the impact of such partnerships on profitability and number of visitors to the area during Holiday Season.

REFERENCES


APPENDIX

Visiting the Myrtle Beach-Grand Strand Area During the Holiday Season

For each question below, please check the blank indicating the BEST answer to the following questions.

1. Are you currently a college student? [check one]
   1____Yes              2 ____No

2. What is your age? [check one]
   1____Under 24              2 ____24-39              3 ___40-49
   4 ____50-59              5 ____60-69              6 ___70 or over

3. What is your gender? [check one]
   1 ____ Male              2 ____ Female

4. Where do you live? [check one]
   1____ Georgia              2 ____ North Carolina
   3 ___ Ohio
   4 ____ Pennsylvania      5 ____ South Carolina
   6 ___ Virginia
   7 ____ West Virginia     8____ Tennessee
   9____ Canada
   10____ Other [Please Specify]

5. How many overnight trips have you taken to the Myrtle Beach-Grand Strand area in the last 5 years? [check one]
   0____ None              1____ 1              2 ____2              3 ____3
   4____ More than 3

6. What role do you play in making decisions about

7. What is your Employment Status? [check one]
   1____ Full-time job  2 ____ Part-time job
   3____ Not currently employed

8. What is your housing Arrangement? [check one]
   1____ I rent an apartment, condo or house alone
   2 ____ I rent an apartment, condo or house with others
   3 ____ I own an apartment, condo or house alone
   4 ____ I own an apartment, condo or house with others

9. What is your marital status? [check one]
   1____ Single [never married]
   2____ Married/Partnered
   3 ____ Separated/Divorced
   4____ Widowed

10. What is your combined household annual income? [check one]
    1____ Less than $50,000          2 ____ $50,000 to $75,000
     3____ $75,000 to $100,000       4____ $100,000 to $125,000
     5____ $125,000 to $150,000      6 ____ $150,000 or more
     7 ____ Prefer not to say
visiting destinations like the Myrtle Beach-Grand Strand area? [check one]

1____ I make the final decision  2____ I share the final decision with others

3____ I give input to others who decide  4____ I play no role in the decision

11. What is the longest distance you are willing to drive for a 3 night vacation to the Myrtle Beach-Grand Strand area? [check one]

1 ____ 2 hours or less  2____ 3 to 4 hours  3 ____ 5 to 6 hours

4 ____ 7 to 8 hours  5____ 9 to 10 hours  6____ 11 to 12 hours

7 ____ 13 to 14 hours  8 ____ 15 hours or more  9____ Would not drive
Below you will find a description of a holiday vacation package for the Myrtle Beach Grand Strand area. Please read it and respond to the questions that follow.

Two Holiday Shows and Oceanfront Accommodations
Starting at $53.55*

• 3 night stay in an Oceanfront room at Sand Dunes Resort
• 2 tickets to the award-winning Carolina Opry Christmas Special, "The Christmas Show of the South"
• 2 tickets to the dazzling laser light extravaganza, LIGHT: Laser Holiday Show; you have never seen anything like these stunning lasers, choreographed to Christmas music
• Starting as low as $53.55 per person, per night*
• 2 night packages also available
• Upgrade to Marriott Grande Dunes Resort also available

Come on! Shop til you drop, eat shrimp, and see the shows that remind you what the holidays are all about: time together.

Packages sell out - Call 800-313-7313 today!

*Pricing based on availability, double occupancy and a three-night stay.
Below is a list of issues concerning the above package for visitors to the Myrtle Beach-Grand Strand area during the holiday season.

Please tell us the RELATIVE LEVEL OF IMPORTANCE of each Factor in your opinion of visiting the Myrtle Beach-Grand Strand area during the holiday season using this package.

Next, please tell us your RELATIVE LEVEL OF SATISFACTION with these six factors.

Circle the number in the boxes below for each Factor listed to indicate your answers.

NOTE: You should provide TWO answers for each Factor listed ... one for IMPORTANCE and one for SATISFACTION by circling the appropriate number.

<table>
<thead>
<tr>
<th>Visiting Myrtle Beach-Grand Strand Factor</th>
<th>How Important Are These Six Factors In Your Decision to Visit the Myrtle Beach-Grand Strand Area During the Holiday Season?</th>
<th>How Satisfied Are You With These Six Factors Concerning Visiting the Myrtle Beach-Grand Strand Area During the Holiday Season?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Night Stay in Ocean Front Accommodations</td>
<td>Not Important At All = 1</td>
<td>Not That Important = 2</td>
</tr>
<tr>
<td>2 Tickets to the Holiday Show</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2 Tickets to the Laser Light Show</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Upgrades Available</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2 Nights Available</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Local Ground Transportation</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Available</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>-----------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Price of $53.55 Per Person Per Night with Double Occupancy Required</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>