



2023 Lodging Study Findings

Visit Winston-Salem

June 2023



GRAYRESEARCH
S O L U T I O N S

Lodging Study: Method & Scope

- Lodging Study
 - Analysis of 6 year historical trend report from Smith Travel Research
 - Includes all chain hotels in Forsyth County.
- Confidential Hotel Survey
 - A confidential survey of lodging partners to understand visitor behavior patterns
 - Response rate: 60% of all rooms in Forsyth County represented



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Thank you for being a valued driver of the tourism industry in Winston-Salem/Forsyth County, NC!

Visit Winston-Salem is partnering with Gray Research Solutions to conduct travel & tourism market research over the next year. This survey is intended to document the visitor market mix of Winston-Salem/Forsyth County, as well as the priorities and needs of lodging partners.

Your individual responses are confidential. **Only aggregated cumulative responses will be presented in the research report.** No one in Winston-Salem/Forsyth County will see your individual responses.

Thank you for participating in our study and have a great day!

Hotel Industry Patterns in Forsyth County, NC

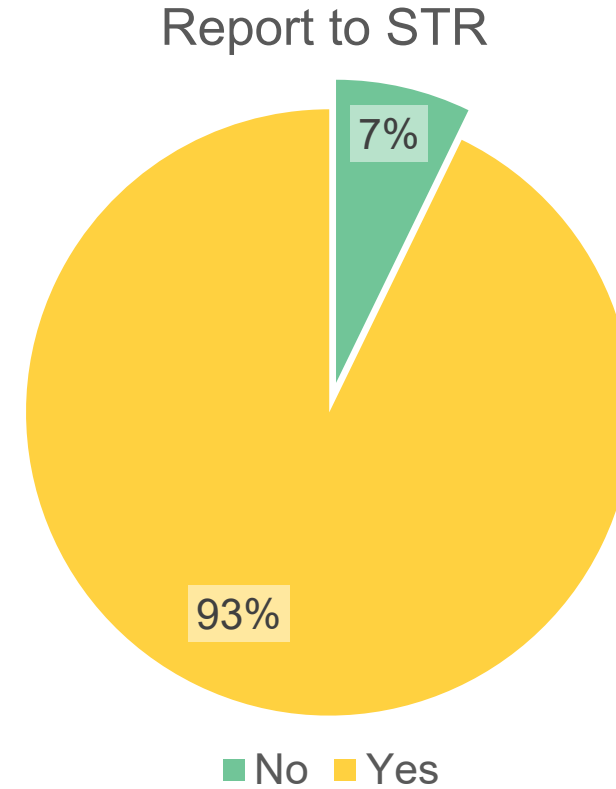
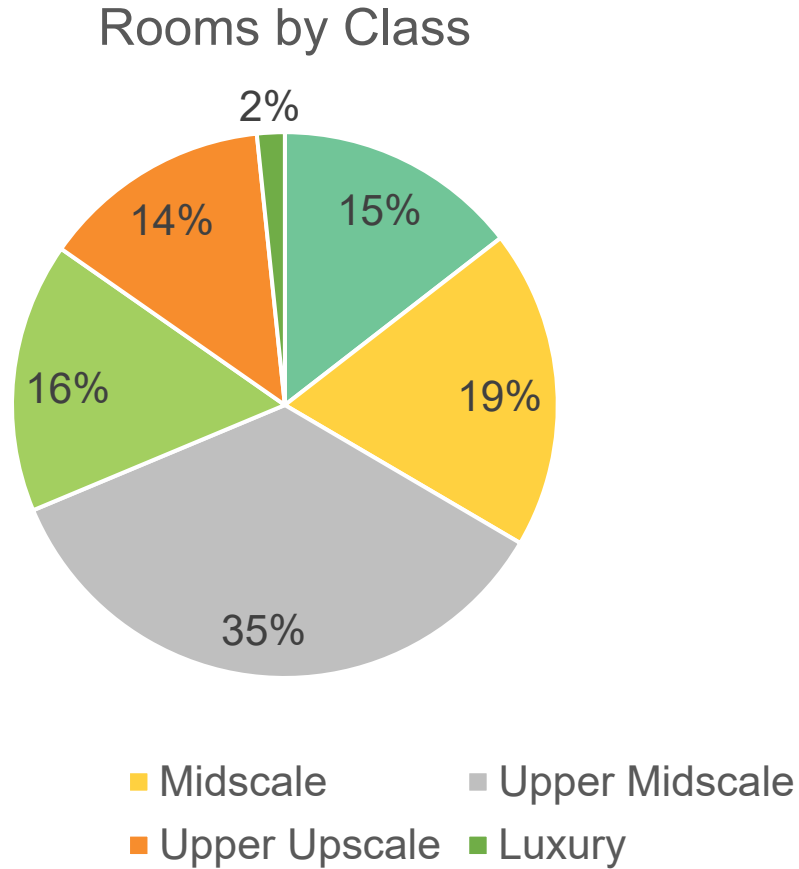
2015 – 2023 YTD
Smith Travel Research

Lodging: the Foundation of Tourism

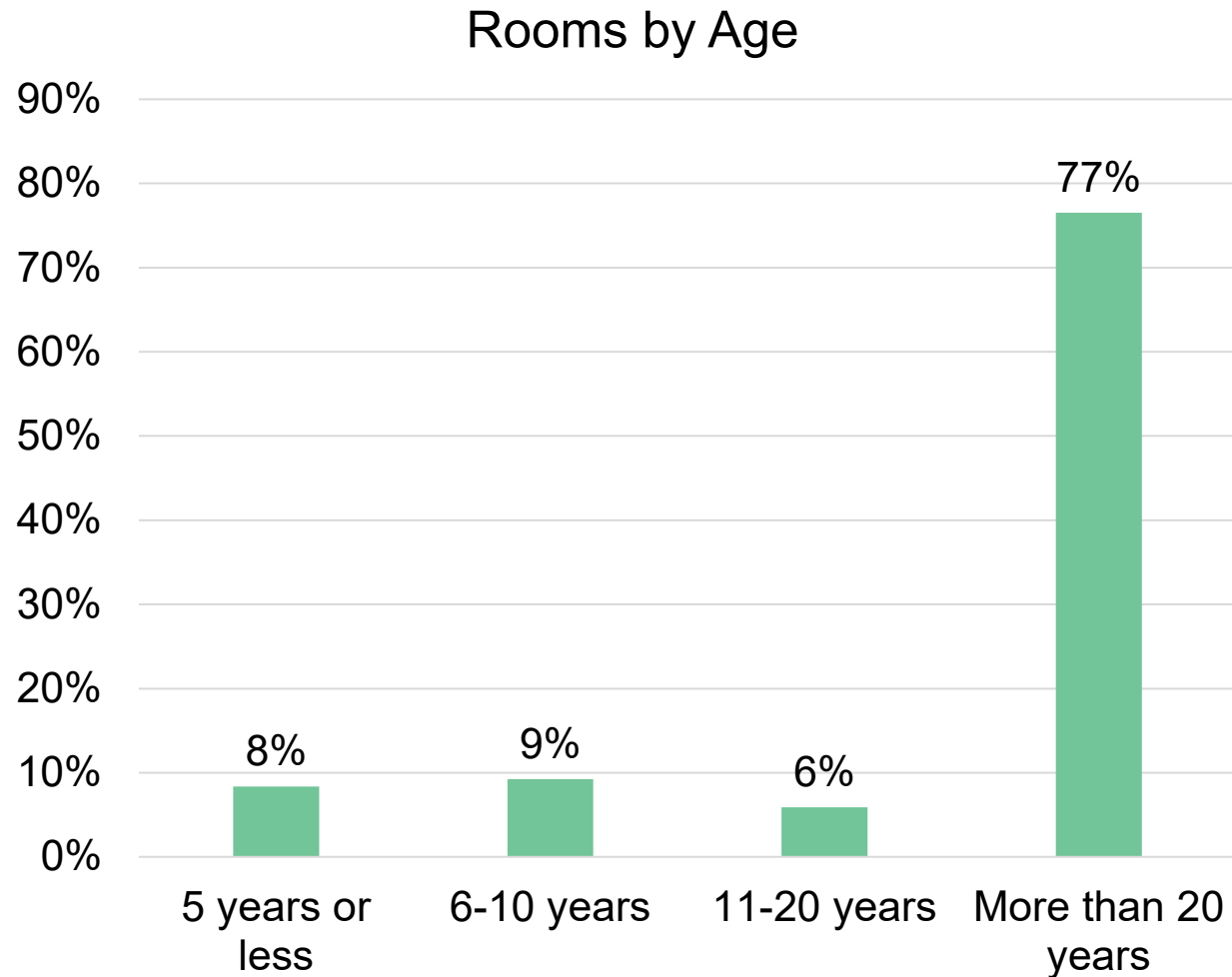
Smith Travel Research: Industry leader on hotel performance analytics

- Metrics/Key Performance Indicators
 - ADR – Average Daily Rate
 - RevPAR – Revenue Per Available Room
 - Supply – Rooms Available
 - Demand – Rooms Sold
 - Occupancy – Rooms Sold/Available
 - Revenue = Rooms Sold x ADR
- According to STR, there are 46 hotel properties in Forsyth County, making up 4,230 rooms.
 - 43 properties provide booking and rate data to Smith Travel Research

Rooms by Class



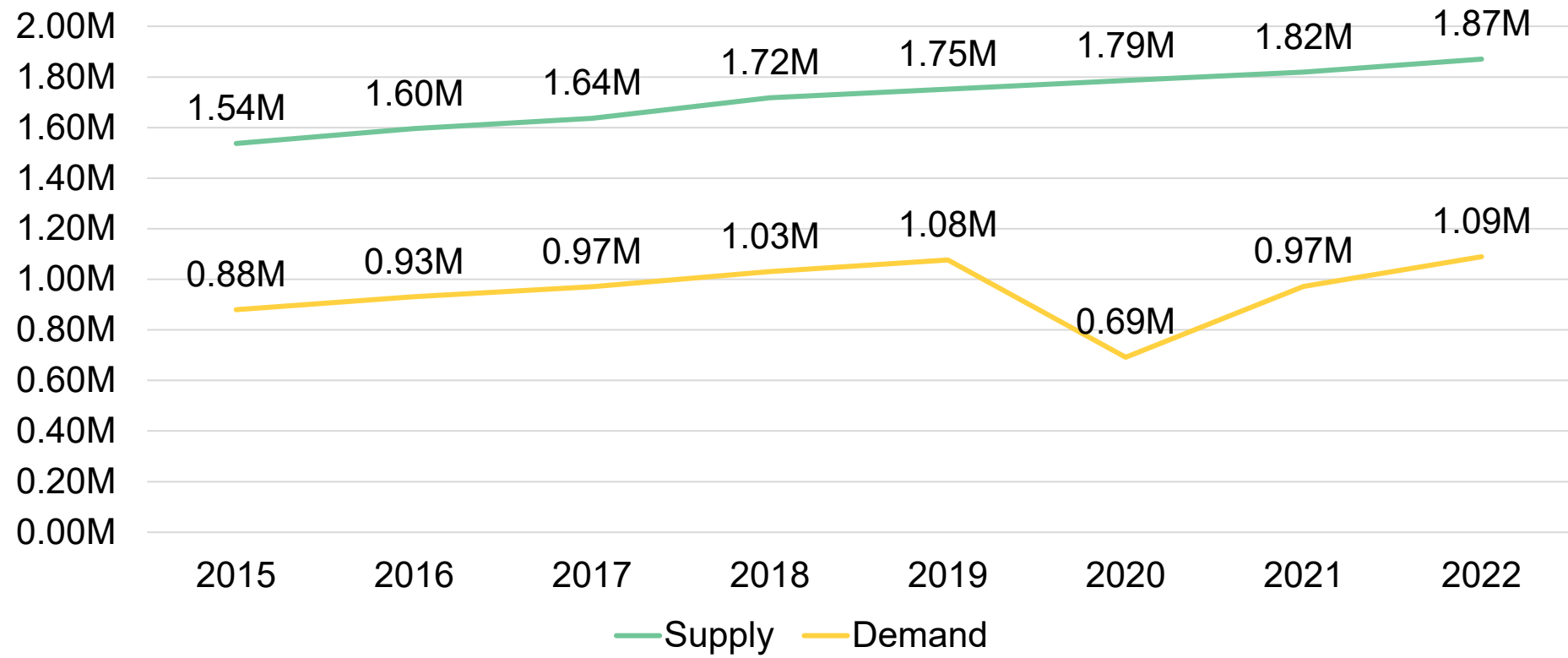
Age of Destination Inventory



- Over $\frac{3}{4}$ of hotel inventory in Winston-Salem is more than 20 years old.
 - This is the age of the building, and does not take into account renovations or upgrades.
- An aging inventory can be a threat to tourism growth, but “historical” properties can be an asset (e.g., Historic Brookstown Inn).

Room Supply & Demand

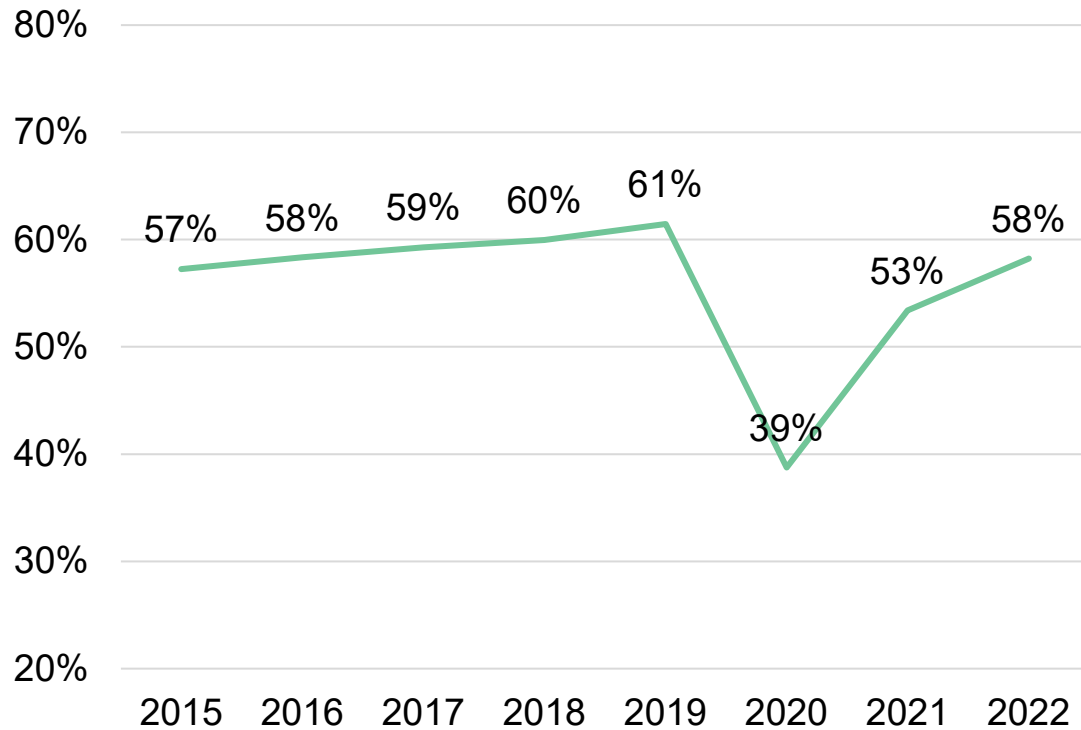
Annual Supply & Demand, 2015-2022
(000s)



- Supply has been slowly growing since 2015, but demand got off track after Covid.
- 2022 demand barely beat out that of 2019.

Occupancy (Demand/Supply)

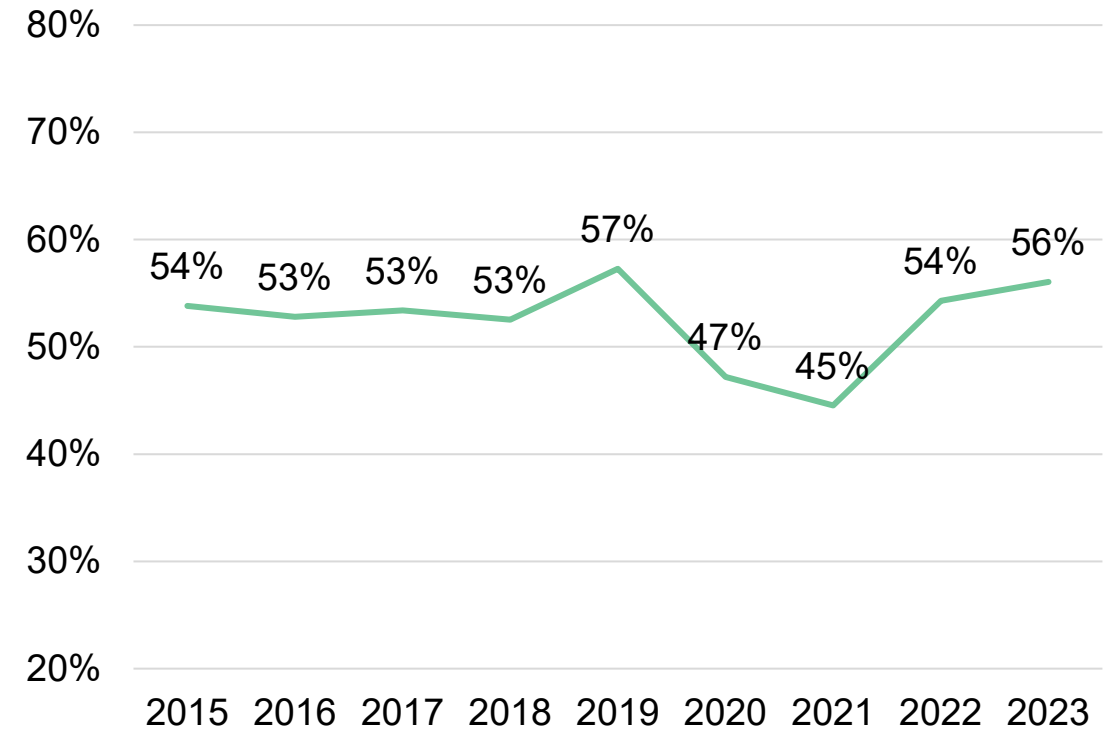
Annual Occupancy, 2015-2022



- While 2022 demand met 2019 levels, the year ended with lower occupancy because of higher supply.

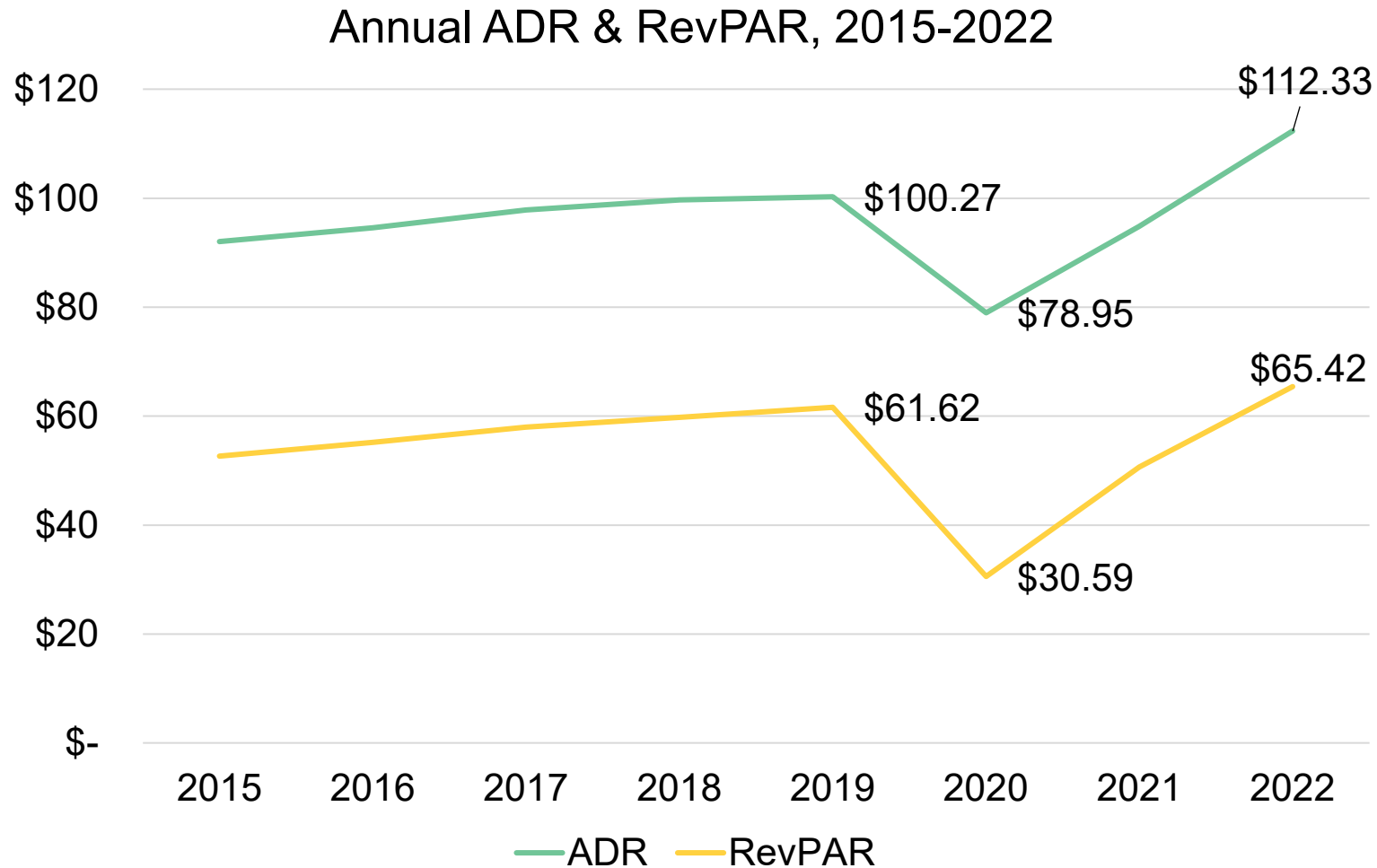
Source: STR Trend Report, Jan 2015- Mar 2023, Created 18 May 2023

March YTD Occupancy, 2015-2022



- When looking at YTD numbers however, 2023 is already off to a great start.

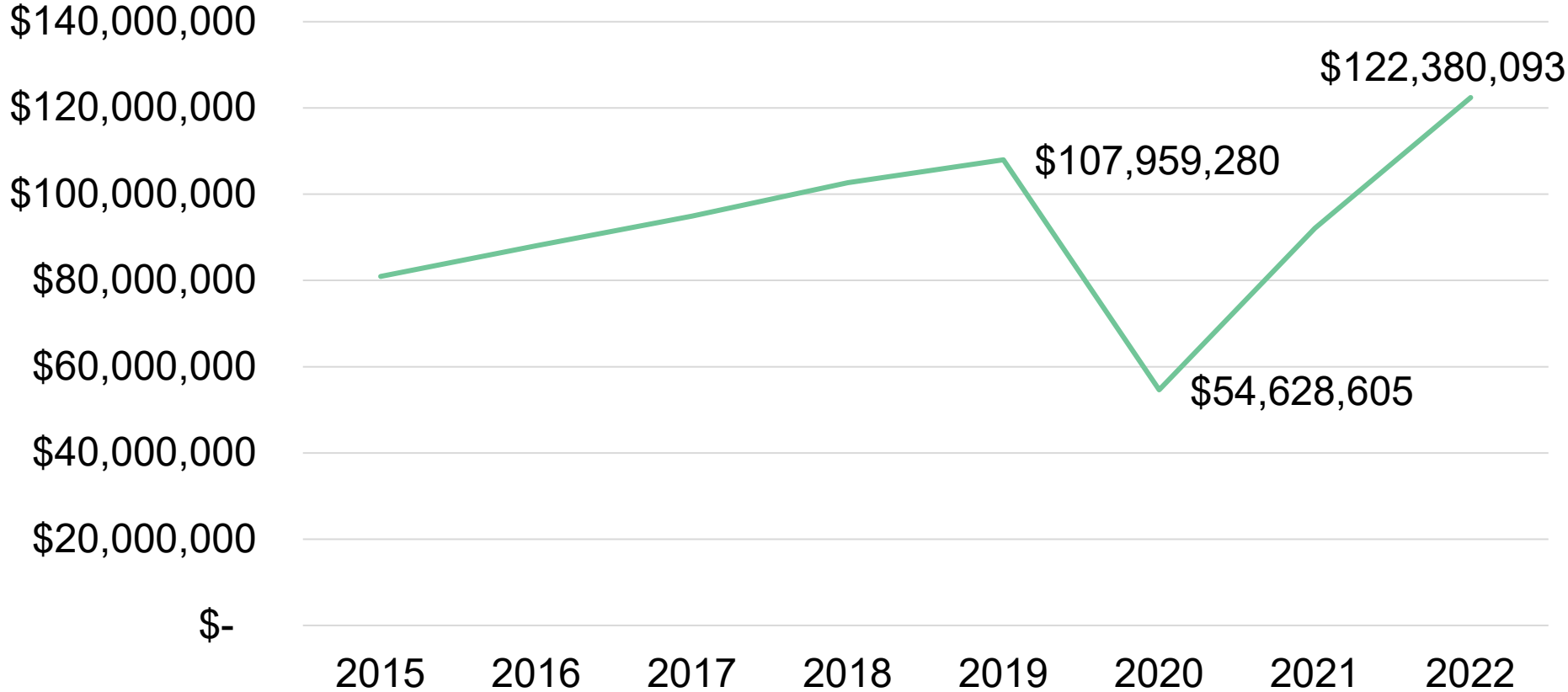
ADR & RevPAR



- ADR has risen substantially since 2019, creating a boost in RevPAR (aka hotel profitability)

Revenue (Demand * ADR)

Annual Hotel Revenue, 2015-22



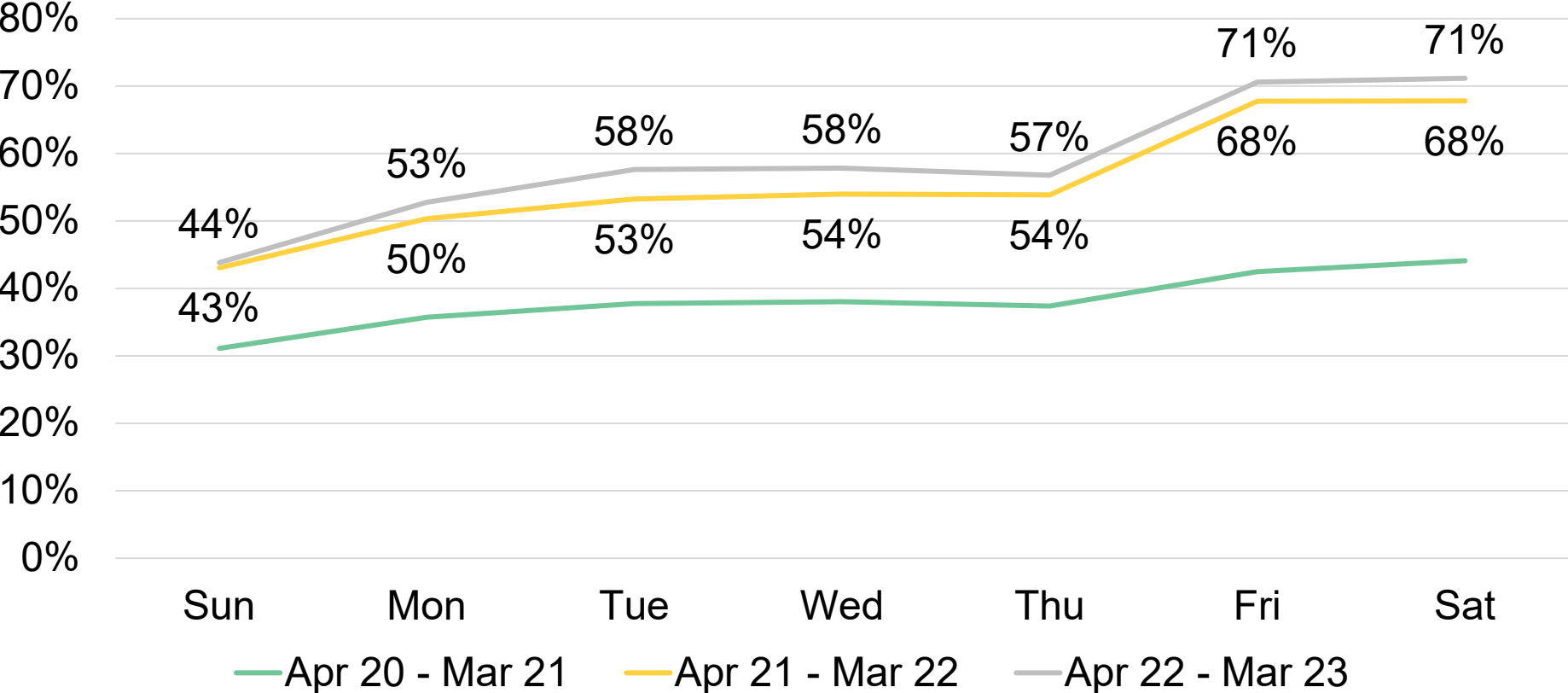
- Due to the rise in ADR, 2022 was the best year ever in terms of revenue.

Source: STR Trend Report, Jan 2015- Mar 2023, Created 18 May 2023



Day of Week Metrics

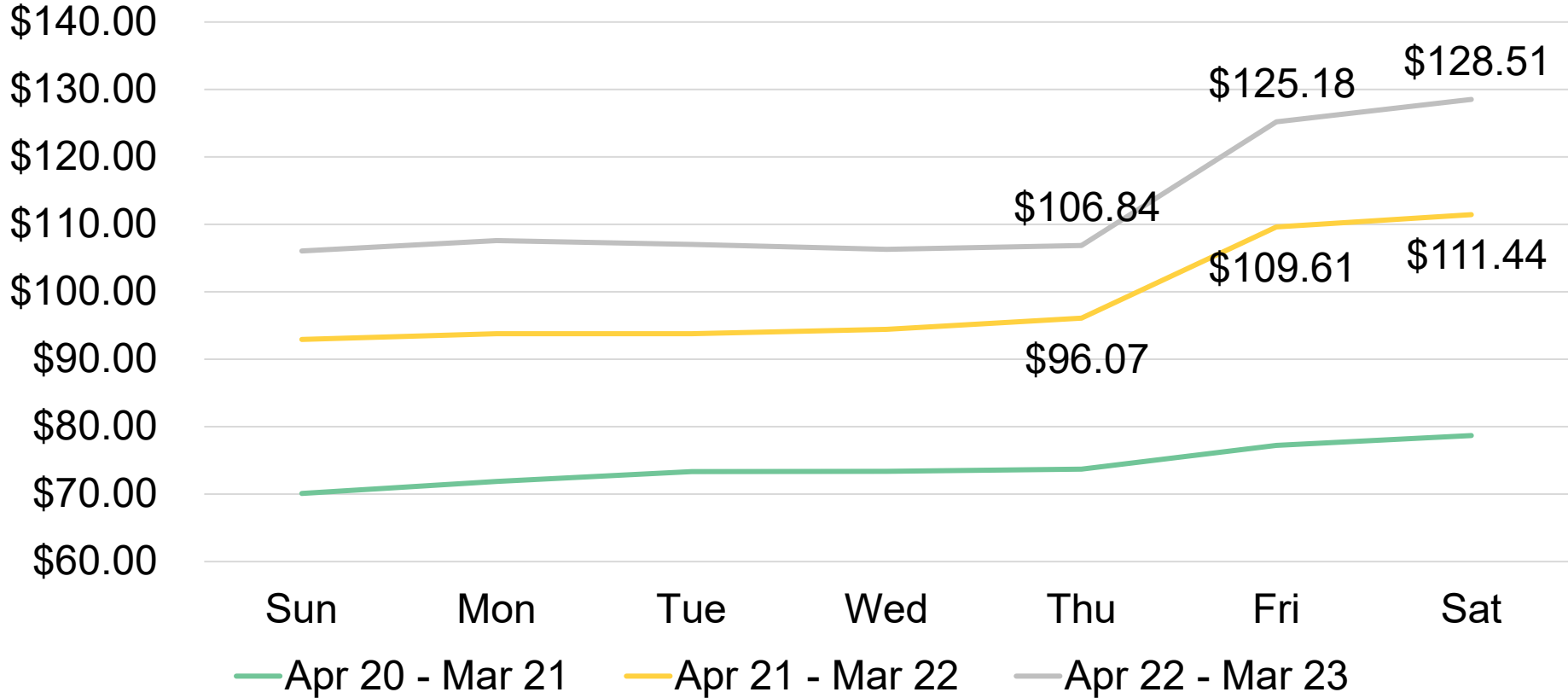
Day of the Week Occupancy, last 3 years



- For the past three years, weekends have been stronger than weekdays.
- This typically indicates a stronger leisure than business market.

Day of Week Metrics

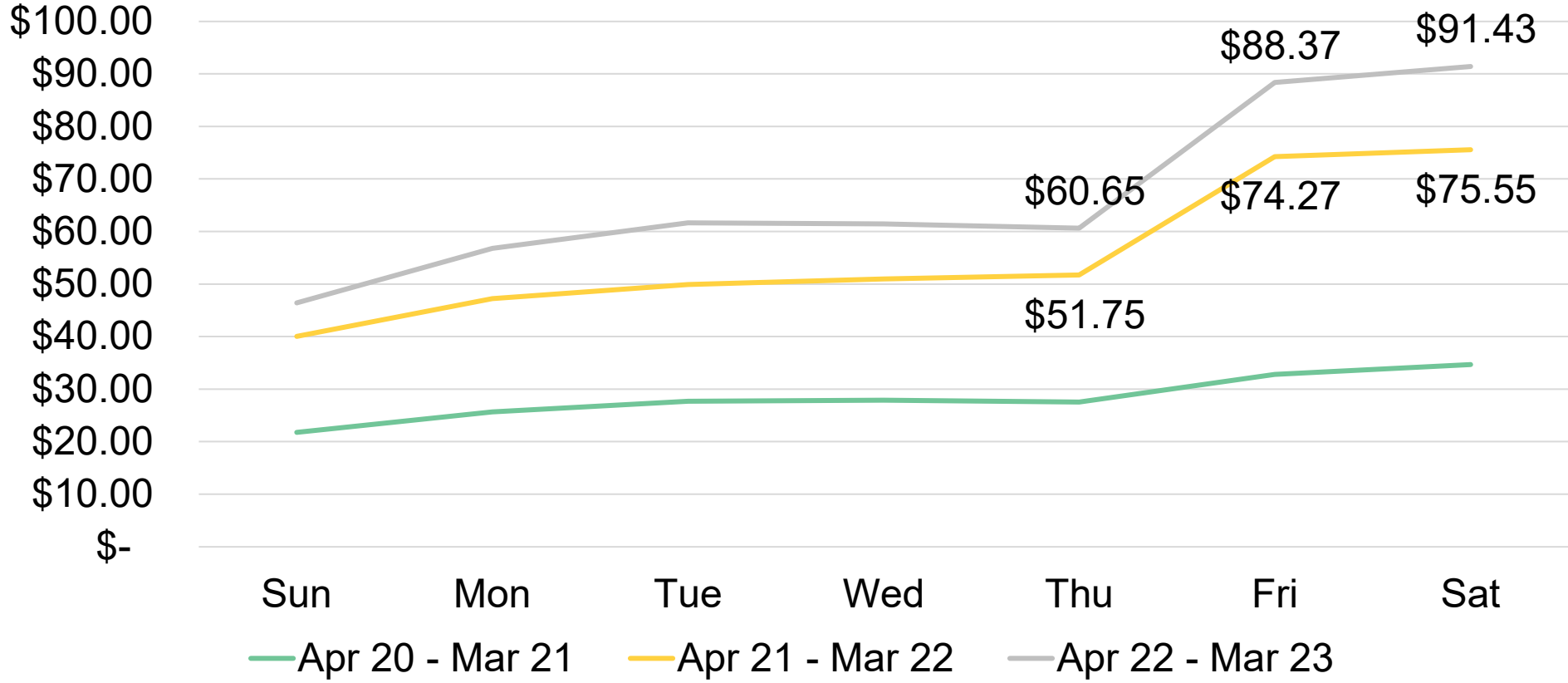
Day of the Week ADR, last 3 years



- ADR has risen each day of the week for three years, but is highest on Saturday nights followed by Friday nights.

Day of Week Metrics

Day of the Week RevPAR, last 3 years

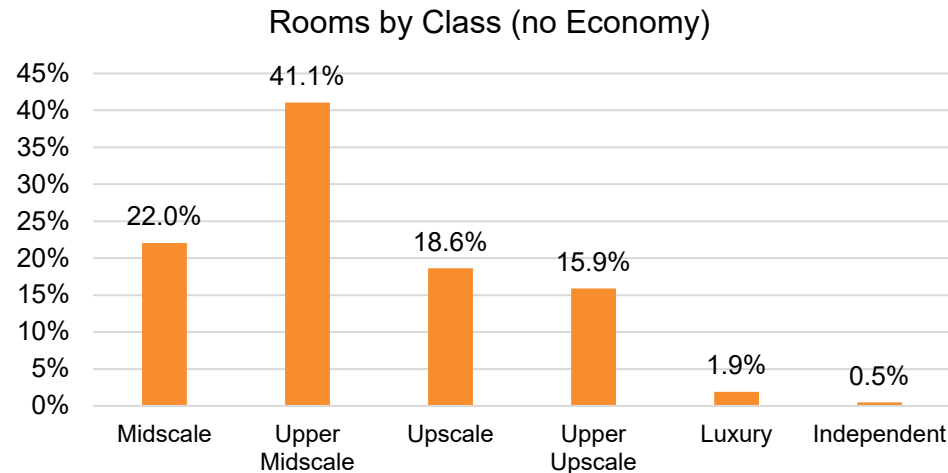


- RevPAR has risen along with ADR.

Lodging Partner Survey

Survey Sample

- 22 properties representing 2,637 rooms participated for a 59% response rate.
- Results were weighted by class based on the actual makeup of the inventory in Winston-Salem (economy rooms were not included).
- Hotel Classes represented included:
 - Midscale
 - Upper Midscale
 - Upscale
 - Upper Upscale
 - Luxury
 - Independent

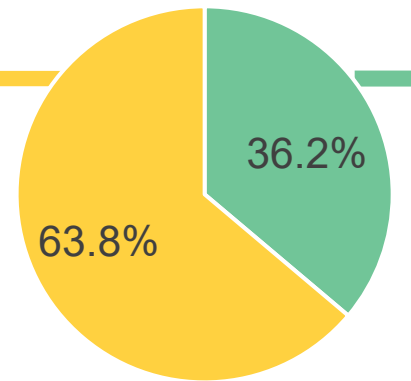


Participating Properties	Class	# of Rooms
Shaffner House	Independent	8
The Zevely Inn	Independent	13
Quality Inn & Suites Hanes Mall	Midscale	144
The Hawthorne Inn & Conference Center	Midscale	156
Fairfield by Marriott	Upper Midscale	110
Home2 Suites by Hilton WS / SpringHill Suites by Marriott WS	Upper Midscale	91
Hampton Inn Hanes Mall	Upper Midscale	130
Village Inn Hotel and Event Center	Upper Midscale	118
The Historic Brookstown Inn, Trademark Collection by Wyndham	Upper Midscale	70
Holiday Inn Express Kernersville	Upper Midscale	56
Holiday Inn Express Medical Ctr Area Winston-Salem	Upper Midscale	121
Best Western Plus University Inn	Upper Midscale	198
Hampton Inn & Suite Downtown	Upper Midscale	119
Marriott Winston-Salem	Upper Upscale	319
Hotel Indigo	Upper Upscale	75
Kimpton Cardinal Hotel	Upper Upscale	174
Embassy Suites Winston-Salem	Upper Upscale	146
Courtyard by Marriott -Hanes Mall	Upscale	122
Courtyard Winston-Salem University	Upscale	124
Residence Inn	Upscale	108
Doubletree by Hilton Winston-Salem NC	Upscale	150
Graylyn Estate	Luxury	85

Market Mix: Hotel Perspective

Transient Breakdown	
Individual Business Travelers	26.9%
Visitors Related to Colleges and Universities	17.5%
Individual Business Travelers Serving Medical/Health Care Business	16.1%
Tourists Visiting Area for Leisure	12.5%
Individual Overnight Travelers for Medical Care or Visiting Patients	11.4%
Visit friends/family	5.9%
Other Transient (government, funeral)	5.2%
Passing Through as Part of a Longer Trip	4.6%
Total Transient	100%

Q: Of the rooms sold to TRANSIENTS, what percent of them were made up of the following? Total must equal 100.



■ Group ■ Transient

Source: GRS Confidential Lodging Partner Survey
 Q: Of all the rooms your property sold in 2022, what proportion of them were sold to group visitors vs. transient visitors? Total must equal 100.

Group Breakdown	
Sports teams/ Tournaments/Competitions	33.3%
SMERF	21.2%
Family events/Weddings/Reunions	19.0%
Corporate Meetings	13.8%
Other Meeting (e.g., Associations)	7.9%
Other Group (e.g., Group tours, film crew, varies)	4.8%
Total Group	100%

Q: Of the rooms sold to GROUPS, what percent of them were made up of the following? Total must equal 100.

2022 Market Mix: DMO Perspective

- Overall, just under a third of overnight visitors are leisure/transient visitors.
 - University visitors make up 1 out of 10 overnights.
- Conference/meeting/group business makes up another quarter, with SMERF and family events leading.
- Sports teams and competitions made up about 12% of rooms booked, while 7.3% are booked by other travelers such as medical patients/those visiting patients.

Leisure/Transient	29.1%
Visitors related to colleges and universities	11.1%
Tourists visiting area for leisure	8.0%
Visiting friends/family	3.8%
Passing through as part of a longer trip	2.9%
Other transients (government, funeral)	3.3%
Conference/Meeting/Group	24.1%
SMERF	7.7%
Family events/Weddings/Reunions	6.9%
Corporate meetings	5.0%
Other meetings (association)	2.9%
Other groups (government, funeral)	1.7%
Sports	12.0%
Sports teams/Tournaments/Competitions	12.0%
Other	7.3%
Individual overnight travelers for medical care or visiting patients	7.3%

Source: GRS Confidential Lodging Partner Survey

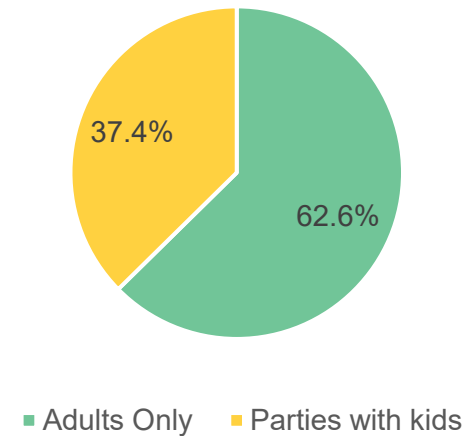
Q: Of the rooms sold to GROUP, what percent of them were made up of the following? Total must equal 100.

Q: Of the rooms sold to TRANSIENT, what percent of them were made up of the following? Total must equal 100.

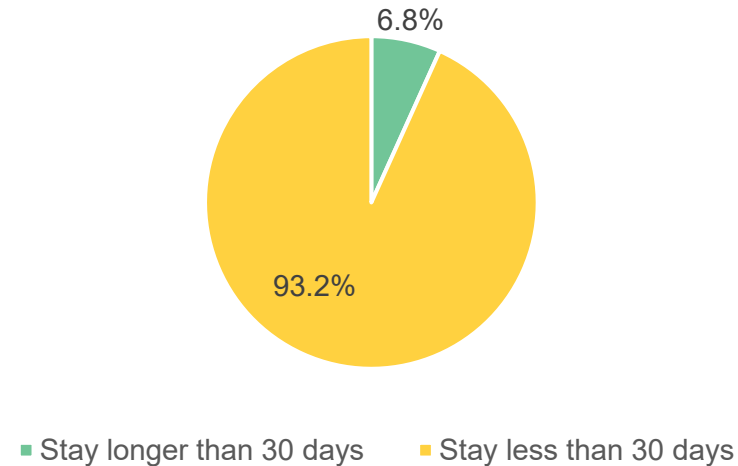
Visitor Behavior

- Hotel partners reported that about 6 in 10 rooms are sold to adults-only parties, while about 4 in 10 are sold to parties with kids.
- Only about 7% of overnight visitors stay for longer than 30 days (this is higher for extended stay properties).

Visitor Parties with Kids



Length of Stay



Q: What percentage of your 2022 total guests were walk-ins (no advance reservation)? Were adults traveling without children? Stayed longer than 30 days?

Feedback from Hotel Managers

- Hotel partners rank corporate groups as their highest priority for future growth, followed by conferences and meetings.
- Medical meetings and team sports events were the next highest priority.
- Family reunions, social/fraternal groups, and religious groups were a lower priority.

Priority Order	Segment	Rank (1 is high)
1	Corporate Groups	2.88
2	Conferences/Meetings	3.64
3	Medical Meetings/Conferences	4.54
4	Adult Team Sports Events	4.95
5	Youth Team Sports Events	5.53
6	Family Reunions	6.78
7	Religious Groups	6.90
8	Weddings	6.91
9	Social/Fraternal Groups	6.92
10	Leisure/getaway	7.12
11	Outdoor Recreation	8.90

Q: Please rank the following customer segments to indicate your priority order for future tourism marketing efforts. Place a 1 next to the segment you deem highest priority, a 2 by the segment next highest and so on, until you have ranked all segments.

Q: How else could the CVB support you and your business?

Verbatim Feedback – How else can we support you?

I was thinking about mentioning working with Greater Winston-Salem Inc. for gathering production information on business travel. Specifically top employers for the county and their travel needs.

Visit Winston Salem has been a tremendous amount of help sending us leads to increase occupancy and revenue.

Focus on Sports and meetings for my facility, and not only focus on downtown properties

They are wonderful to work with!

Our weakness is weekday travel (Sunday-Wednesday nights specifically). We are heavily weekend based. It is harder for us to commit to sports teams, mainly due to their weekend pattern and release date being so close to arrival. Since we only have 70 rooms, they can account for a large percentage of our occupancy, but it is not guaranteed—ideally, more corporate, medical meetings, and conferences during the week.

Improved sense of urgency with respect to project completion.

I think they do a great job. The efforts put forth in the last 3 years has helped with tourism a lot.

By supporting our local, "coliseum area" events (ACCHL, Carolina Thunderbirds, anything at LJVM Coliseum, etc.) by promoting, which would increase attendance and hotel stays in the northern/coliseum area.

Visit WS is doing a great job! I do not know of any improvements needed

Q: How else could Visit Winston-Salem support you and your business?

2017 – 2023
Lodging Study Comparison

Tracking Changes, 2017 - 2023

- Results from a 2017 Lodging Study were compared to the results from 2023.
 - Subcategories were matched as well as possible (see Appendix A), collapsed where necessary, and reconfigured into new market segments.
 - The original researchers that conducted the 2017 study were consulted, and agreed that recategorizations were appropriate.
- Since 2017,
 - Meetings are down 12.4%, business travel is down 4.1%, and “other” travelers are down 0.4%.
 - Leisure/Transient is up 10.3% and sports are up 3.2%.

	2017	2023	Difference
Business	31.5%	27.4%	-4.10%
Individual business travelers	25.2%	17.2%	-8.00%
Individual business travelers serving medical clients/business	6.3%	10.3%	4.00%
Leisure/Transient	15.5%	25.8%	10.30%
Visitors related to colleges and universities	N/A	11.1%	N/A
Tourists visiting area for leisure	8.2%	8.0%	-0.20%
Visiting local friends and relatives	3.2%	3.8%	0.60%
Passing through as part of a longer trip	3.6%	2.9%	-0.70%
Other transients (government, funeral)	0.5%	3.3%	2.80%
Conference/Meeting/Group	36.5%	24.1%	-12.40%
Weddings/Reunions/SMERF	12.9%	14.5%	1.60%
Corporate meetings	8.5%	5.0%	-3.50%
Other meetings (association, religious, medical, government)	13.9%	2.9%	-11.00%
Other groups (Group tour/motorcoach, golf)	1.2%	1.7%	0.50%
Sports	8.8%	12.0%	3.20%
Sports teams/Tournaments/Competitions	8.8%	12.0%	3.20%
Other	7.7%	10.6%	2.90%
Individual overnight travelers for medical care or visiting patients	7.7%	7.3%	-0.40%



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Appendix A: Matching Lodging Study Categories, 2017 - 2023

2017 original subcategories	Conversion	New subcategory	New Market Segment
Corporate	same	Corporate Meetings	Conference/Meeting/Group
Other SMERF	re-categorized as "weddings/reunions/SMERF".	Weddings/Reunions/SMERF	Conference/Meeting/Group
Religious Meetings	Combined into "other Meetings"	Other Meetings	Conference/Meeting/Group
Association	Combined into "other Meetings"	Other Meetings	Conference/Meeting/Group
Government	Combined into "other Meetings"	Other Meetings	Conference/Meeting/Group
Individual business travelers	same	Individual business travelers	Business
Individuals overnighiting for medical & health-related reasons and/or visiting patients	same	Individual Overnight Travelers for Medical Care or Visiting Patients	Other
Individual business travelers serving medical clients/businesses	same	Individual Business Travelers Serving Medical/Health Care Business	Business
Medical Meetings	Combined into "other Meetings"	Other Meetings (association, religious, association, medical, government)	Conference/Meeting/Group
Team sports & tournaments	same	Sports teams/Tournaments/Competitions	Sports
Weddings/reunions/family events/social events	re-categorized as "weddings/reunions/SMERF".	Weddings/Reunions/SMERF	Conference/Meeting/Group
Group Tour/Motorcoach	added in with "other groups"	Other Groups	Conference/Meeting/Group
Visiting local friends & relatives	same	Visiting friends/family	Leisure
Tourists visiting the area (local attractions/events, shopping, etc.)	same	Tourists visiting the area for Leisure	Leisure
Transient: Passing through as part of a longer trip	same	Passing through as part of a longer trip	Leisure
Other	same	Other transient (government, funeral)	Other