

2016 Annual Report

Visit North Carolina
A Part of the Economic Development Partnership of North Carolina
October 6, 2017

The mission of Visit North Carolina, a part of the Economic Development Partnership of North Carolina, is to unify and lead the state in positioning North Carolina as a preferred destination for travelers and film production and in maximizing economic vitality statewide.

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2016 NC Travel and Tourism Board

Listed here is the Board for the year 2016 as required for the 2016 Annual Report. For information on the current board, please go to <https://partners.visitnc.com/travel-tourism-board-1>.

Kevin Baker
Piedmont Triad International Airport
Appointed By: Senate President Pro Tempore

Sabrina Bengel
Craven County TDA
Appointed By: Governor

Rolf Blizzard
Turnpike Properties
Appointed By: NC Travel & Tourism Coalition

Donna Carpenter
Cabarrus CVB
Appointed By: DMANC

Christopher Chung (non-voting member)
Visit North Carolina, EDPNC
Appointed By: NC Department of Commerce

Robert "Randy" Cobb
Abercrombie Oil Co., Inc.
Appointed By: NC Petroleum Marketers Assn.

Robert Danos
NC Youth Camp Association
Appointed By: Senate President Pro Tempore

S. Lewis Ebert
NC Chamber
Appointed By: NC Chamber

Rich Geiger
Winston-Salem CVB
Appointed By: DMANC

Joel Griffin
Griffin Stafford Hospitality, LLC
Appointed By: NCRLA

Marshall Hilliard
Bissell Hotels
Appointed By: NCRLA

Sen. Ralph Hise
North Carolina Senate
Appointed By: Senate President Pro Tempore

Katherine Hopkins
North Carolina Watermen United
Appointed By: NCWU

Kim Hufham
Wilmington & Beaches CVB
Appointed By: DMANC

Chris Humphrey
Allstate Insurance / ERA Humphrey Realty Group
Appointed By: Senate President Pro Tempore

Rep. Charles Jeter
NC House of Representatives
Appointed by: House Speaker

Rep. Patricia McElraft
North Carolina House of Representatives
Appointed By: House Speaker

Caleb Miles
Pinehurst, Southern Pines, Aberdeen Area CVB
Appointed By: NCTIA

Lynn Minges
NC Restaurant and Lodging Association
Appointed By: NCRLA

Tammy O'Kelley, Chairperson
Randolph County TDA
Appointed By: House Speaker

Vinay Patel
SREE Hotels, Inc.
Appointed By: Governor

Jessica I. Roberts
Greater Mt. Airy Chamber of Commerce
Appointed By: House Speaker

Norman Sanderson
North Carolina Senate
Appointed By: Senate President Pro Tempore

Arthur Schools Jr.
Former Mayor of Emerald Isle
Appointed By: Governor

Secretary John E. Skvarla III
NC Department of Commerce
Appointed by: NC Department of Commerce

Kathy Sparrow
North Carolina Watermen United
Appointed By: NCWU

Chris Valauri
The Valauri Group, LLC
Appointed By: House Speaker

Paula Wilber
The Biltmore Company
Appointed By: NCRLA

Lynn Wingate
Washington TDA
Appointed By: NCTIA

Economic Development Partnership of North Carolina

October 2014 marked the transition to the nonprofit corporation known as the Economic Development Partnership of North Carolina (EDPNC). The EDPNC is contracted by the North Carolina Department of Commerce to execute North Carolina's marketing and recruitment functions. The partnership serves to assist efforts in economic development, international trade, and tourism, film and sports development. With the transition, Commerce's Division of Tourism is now referred to as "Visit North Carolina."

2016: The Year in Review

North Carolina's tourism industry achieved record performance in 2016, with estimated visitor spending increasing in 97 of the state's 100 counties and resulting in an all-time high of \$22.9 billion in direct spending, a 4.4 percent increase over 2015. Spending by travelers directly supported more than 219,000 jobs for North Carolinians, setting yet another record. Additionally, payroll income generated nearly \$5.6 billion. Visitor spending generated roughly \$1.2 billion in state and local tax revenues for reinvestment in communities all across North Carolina.

Source: U.S. Travel Association

Partnerships with destinations, attractions, lodging and dining properties and associations statewide remain key to North Carolina's success. Effective collaboration within the tourism industry contributed to North Carolina maintaining its position as the nation's sixth most-visited state. While the actual number of visitors for the state decreased in 2016, those that came stayed longer and spent more resulting in increased economic impact.

Source: TNS TravelsAmerica

Program Highlights for 2016

Employment generated by domestic and international travelers in North Carolina increased 3.2 percent in 2016. These travel-related jobs comprised 5.2 percent of total non-agricultural employment in North Carolina during 2016.

Source: U.S. Travel Association

On an average day in 2016, visitors in North Carolina spent more than \$63 million and contributed approximately \$5.1 million in state and local taxes.

Source: U.S. Travel Association

Following record gains in site traffic and visitation in 2015, Visit North Carolina continued its successful marketing program in a year that brought natural disasters and political and social controversy challenges in the state and nationwide. Visit North Carolina combined close monitoring of outside events and related media coverage with analysis of messaging across key audiences and stakeholders to adapt and optimize its program over the course of 2016, resulting in another record year despite strong headwinds. Such efforts included participation in consumer travel shows, tailored media strategy and the launch of new television and online video messaging showcasing the inner and outer beauty travelers can find in North Carolina. The "Beauty Here" campaign emphasized the striking and disarming beauty North Carolina offers. Website traffic in media markets grew 76 percent year-over-year during the TV campaign. That

increase included 131 percent growth from Atlanta and 123 percent growth from Nashville, the two largest target markets.

VisitNC.com ended 2016 with a record 6.88 million user sessions, a 9.76 percent increase from 2015. These sessions drove 1.92 million downstream referrals to North Carolina industry partner websites, and the site generated a total of more than 3 million key performance indicator actions.

Social media continued its growth in 2016, with followers across Visit NC Facebook, Twitter, Instagram, Pinterest and YouTube channels reaching 253,557, a 37 percent growth year-over-year. Social traffic to VisitNC.com increased by 70 percent, with 232,120 referrals.

Visit North Carolina cost-effectively enhanced its efforts to reach travelers increasingly planning travel online by continuing to focus on and enhance its investment in digital advertising, including an evolving mix of display advertising, native advertising, paid search and paid social to accomplish goals across awareness, site traffic and conversion.

Proactive public relations efforts expanded Visit North Carolina's outreach to key audiences with a program that generated more than 765 million consumer impressions across the United States and 1.65 billion consumer impressions internationally.

Cooperative marketing programs with NC travel industry partners and effective partnerships with in-state media associations resulted in an estimated \$8 million in incremental direct investment, in-kind support and brand exposure for North Carolina and VisitNC.com within and outside the state – an increase of \$2 million from 2015.

The North Carolina Film Office continued to attract productions to film in the state. The year saw the continuation and maturity of the state's rebate program, which is monetized by the recently created Film and Entertainment Grant. For the 2016 calendar year, productions were estimated to have had a direct in-state spend of more than \$140 million while creating in excess of 11,500 job opportunities including 1,700 for the state's well-trained crew professionals. Among the many 2016 highlights were the filming of season one of *Good Behavior*, the event series *Shots Fired*, season one of *Six*, the made-for-television event *Dirty Dancing*, the continuation of *Love It or List It*, season four of *A Chef's Life*, the second season of *Wicked Tuna: Outer Banks* and the third season of *My Big Fat Fabulous Life*. Independent feature films included *Three Billboards Outside Ebbing, Missouri*, *Abundant Acreage Available* and *Bolden!*. National commercials for Mountain Dew, Country Inns & Suites, Hillshire Farm, Coca-Cola and Audi were also filmed within the state.

Visit North Carolina's partnership with the North Carolina Sports Association continued to pay dividends with the state's success in attracting sporting events to small and large communities.

Tourism development outreach in small communities was strengthened through several initiatives, including an ongoing partnership with the NC Department of Commerce and NC Department of Natural & Cultural Resources on efforts including Cultural Heritage Tourism Development, Blue Ridge Music Trails and an expanded schedule for Visit North Carolina's Tourism Resource Assistance Center.

Please review the balance of this Annual Report for more details on Visit North Carolina's 2016 program of work and accomplishments. Visit North Carolina continues to collaborate with partners statewide to ensure North Carolina's continued success and growth as a preferred travel, film and sports destination and positive economic force for the entire state.

2016 Results

Visitor Spending

In 2016, it is estimated domestic visitors to North Carolina spent a record \$22.9 billion in the state, an increase of 4.4 percent from 2015.

Domestic visitor spending directly supported 219,094 jobs for North Carolina residents and the tourism industry directly contributed \$5.6 billion to the state's payroll in 2016.

Traveler spending generated \$3.57 billion in federal, state and local tax receipts, an increase of 4.6 percent from 2015.

Ninety-seven of North Carolina's 100 counties experienced growth in visitor spending in 2016.

Mecklenburg County received \$5.2 billion in domestic travelers' expenditures, the highest in the state. Wake County ranked second with \$2.2 billion, followed by Guilford County with \$1.3 billion, Dare County with \$1.1 billion and Buncombe County with \$1.1 billion in visitor spending.

Cherokee County had the largest percentage increase at 13.4 percent followed by Watauga (7.3 percent), Jackson (7.0 percent), Buncombe (6.9 percent) and Brunswick (6.8 percent) counties. Durham and Haywood counties followed with 6.6 percent increases with Transylvania (6.5 percent), Henderson (6.5 percent) and Ashe (6.4 percent) counties rounding out the top 10 largest increases in 2016.

Positive spending growth was seen throughout the state's economic development regions. The Western (+6.6 percent) and Northwest (+5.3 percent) regions experienced the strongest growth, and all eight regions had spending growth of 3 percent or more.

Mecklenburg County had the largest direct employment in the tourism sector with 50,770 employees and the largest payroll at \$1.8 billion. Wake (22,740), Guilford (15,530), Dare (13,160) and Buncombe (11,270) counties each had more than 10,000 direct tourism employees.

Ninety-six percent of the state's counties saw direct tourism employment growth in 2016. The counties with the largest increases in direct tourism employment were the same counties setting the pace in visitor spending including Cherokee (+12.3 percent), Watauga (+6.3 percent), Jackson (+6.0 percent), Buncombe (+5.9 percent), Brunswick (+5.8 percent), Durham (+5.7 percent) and Haywood (+5.6 percent) counties.

Source: U.S. Travel Association

2016 Travel Volume

North Carolina person-trip volume was 48.6 million in 2016, ranking North Carolina No. 6 in total domestic person-trip volume. This total visitor volume estimate for 2016 was an 11% decrease from 2015, but was still the third largest volume estimate since tracking began. The 2016 overnight visitor volume estimate was the second largest on record. While visitor volume showed a decrease from 2015 to 2016, length of stay for most North Carolina visitors increased over that time. Total overnight visitors had a length of stay increase of 10% from 2015 to 2016, bringing the average length of stay to 3.8 nights.

Over the last decade, business visitors to NC (including meetings/conventions/general business) have represented less than 15% of all visitors to and from the state annually. However, in terms of visitor volume by trip type, there has been a noticeable downward trend in business travel in NC over the last several years. and in 2016 these travelers represented only 6% of total visitors.

Source: TNS Travels America

2016 Total State Rankings by Volume

1. California
2. Florida
3. Texas
4. New York
5. Pennsylvania

6. North Carolina

7. Georgia
8. Ohio
9. Michigan
10. Illinois

Source: TNS Travels America

Average Trip Spending

North Carolina overnight visitor parties spent approximately \$616 per trip in 2016. Out-of-state visitors spent approximately \$748 per trip in 2016, while in-state resident travel parties spent \$392 per trip on average. This represents a 62% difference in average per trip among resident visitors traveling within the state and out-of-state visitor parties.

U.S. travel parties on average spent \$850 per trip in 2016.

Source: TNS Travels America

Average Overnight Trip Duration

The average length of stay of North Carolina visitors was 3.7 nights in 2016. Resident visitors stayed an average of 3.2 nights, while out-of-state visitors stayed an average of 3.9 nights.

U.S. travelers stayed an average of 3.6 nights per trip in 2016.

Source: TNS Travels America

North Carolina's Top States of Origin for Overnight Visitors

- NC 37%
- VA 10%
- SC 9%
- GA 7%
- FL 5%
- NY 4%
- PA 3%
- MD 3%
- TN 3%
- NJ 3%
- OH 2%

Source: TNS Travels America

NC's Activities for Overnight Visitors

Nearly one-third (31%) of 2016 overnight visitors to North Carolina spent time with relatives while in the state. More than one-fourth shopped (27%) and nearly one-fifth visited friends (17%) while traveling overnight in North Carolina. Activities that showed the largest increases in the proportion of overnight visitors participating from 2015 to 2016 included visiting relatives (+2 percentage points) hiking/backpacking (+2 percentage points), theater/drama (+2 percentage points), craft breweries (+ 2 percentage points) and wine tasting/winery tour (+2 percentage points). ****Note that responses to this question are not mutually exclusive and percentages do not equal 100%. Therefore, proportions should not be aggregated to combine categories of activities. Also note these activities do not imply purpose of trip.***

Activities Participated in by Overnight Visitors to North Carolina

Activity	2015	2016	Activity	2015	2016
Visiting Relatives	29%	31%	Sport Event – Youth/Amateur/Collegiate/Other(Spectator)	4%	2%
Shopping	26%	27%	Nature Travel/Eco-touring	3%	2%
Visiting Friends	18%	17%	Bird Watching	2%	2%
Beach	16%	14%	Theme Park/Amusement/Water Park	2%	2%
Fine Dining	16%	14%	Golf	2%	2%
Rural Sightseeing	15%	12%	Horseback Riding	2%	2%
Historic Sites/Churches	11%	10%	Native American ruins/Rock art	2%	2%
Urban Sightseeing	11%	9%	Biking/Road Biking/Cycling	1%	2%
State Park/Monument/Recreation area	9%	8%	Farms/Ranches/Agri-tours	2%	2%
Museums	8%	7%	Spa/Health Club	2%	1%
Wildlife Viewing	7%	6%	Sport Event – Youth/Amateur/Collegiate/Other(Participant)	1%	1%
Craft Breweries	4%	6%	Rafting/Kayaking/Canoeing/Paddleboarding	1%	1%
Hiking/Backpacking	4%	6%	Area where a TV show or movie was filmed	1%	1%
Fishing	5%	6%	Motorboat/Jet ski	1%	1%
Old Homes/Mansions	7%	5%	Sailing	1%	1%
Wine Tasting/Winery Tour	3%	5%	Symphony/opera/concert	1%	1%
Casino/Gaming	5%	4%	Sport events – Major/Professional	2%	1%
National Park/Monument/Recreation Area	5%	4%	Motor Sports	1%	1%
Local/folk arts/crafts	5%	4%	Rock/Mountain climbing	1%	1%
Other nature (photography, rockhounding, etc).	5%	4%	Distilleries	1%	1%
Nightclubs/Dancing	4%	4%	Mountain Biking	1%	1%
Gardens	5%	3%	Musical Theater	2%	<1%
Theater/Drama	1%	3%	ATV/Four-wheeling	1%	<1%
Special Events/Festivals	3%	3%	Rodeo/State Fair	1%	<1%
Musical performance/Show	3%	3%	Scuba diving/snorkeling	1%	<1%
Zoos/Aquariums/Aviaries	4%	3%	Skiing/snowboarding	1%	<1%
Art Galleries	4%	3%			

Source: TNS Travels America

Visit North Carolina Budget Overview

Marketing Media Purchase & Production	\$5,704,268
Personnel & Administration	1,110,490
Rent, Facilities and Computers (tech and licensing)	124,907
VisitNC.com Dev. & Maintenance (Interactive)	1,158,080
International Marketing (Canada, Germany, UK)	750,000
Film Office Marketing	175,000
Public Relations	425,000
Domestic Sales Promotion (Group and Sports)	150,000
Industry Relations	61,000
Research	406,000
Additional funds for Targeted Media Campaign	2,000,000
RetireNC	20,000
TOTAL	\$12,084,744

North Carolina Visitor Services Budget Overview

The Visitor Services function remains part of the North Carolina Department of Commerce and was funded by appropriations from the General Assembly. Visitor Services, comprised of the State's nine Welcome Centers, the Tourism Call Center and the Tourism Warehouse, is staffed by about 48 FTEs annually. Appropriations included:

Welcome Center	\$2,157,808
Inquiry/Fulfillment	383,908
TOTAL	\$2,541,716

State Tourism Office Budgets: 2016-17

According to the U.S. Travel Association, North Carolina's budget of approximately \$12 million ranked 28th among state tourism office budgets in 2016-17, significantly behind several states that are direct competitors.

Budget Rank	State	Estimated 2016-17 Budget	Budget Percent Change
11	Tennessee	21,762,258	+17.2
15	Virginia	18,153,646	-23.0
18	Louisiana	16,804,510	-20.0
21	South Carolina	15,211,931	-5.3%
23	Alabama	13,475,000	+2.9%
26	Kentucky	12,307,800	+8.7%
28	North Carolina	12,050,042	+20.0
35	Georgia	7,443,293	-3.2%
39	Mississippi	5,491,528	-10.1

As a result of the continued support and incremental funding from the General Assembly, 2016 brought the opportunity for enhanced advertising exposure for North Carolina and visitnc.com through television and digital advertising buys. The spring campaign extended to six key markets of origin with the fall effort focused on the core targets of Atlanta, Washington, D.C. and Nashville, Tenn.

Advertising

Print

Print advertising garnered more than 14,729,893 impressions for Visit North Carolina, with placements in several high-profile regional publications. Top-performing 2016 publications included *Coastal Living*; *Country Living*; *Family Fun*; *Garden & Gun*; *Good Housekeeping*; *Local Palate*, *Southern Living* and *Woman's Day*. The campaign also delivered local market ads within *Atlanta Magazine*, *The Washington Post Magazine*, *Richmond Magazine*, *Our State Magazine* and *The Blue Ridge Country Magazine*.

Broadcast

TV Broadcast campaigns generating awareness for Visit North Carolina were featured in Atlanta, Washington, D.C., Cleveland, Columbia (SC), Jacksonville (FL), Nashville, Richmond and Greenville/Spartanburg with 5,707 spots airing, delivering more than 51,370,000 impressions.

Paid Search

North Carolina's paid search efforts continued to be effective and efficient throughout 2016. While overall site traffic remains important, Visit NC ultimately wants to deepen user engagement with VisitNC.com and drive specific on-site activities that help quantify travel intent. Examples of those travel-intent activities include ordering a Travel Guide, signing up for a VisitNC.com e-newsletter, and most importantly, driving downstream (referral) traffic to local partner sites for further travel planning. The campaigns were continuously optimized to improve travel-intent metrics by lowering the cost-per-activity (CPA) to achieve high-level and cost-efficient performance. In 2016, the paid search campaign generated 480,543 clicks to VisitNC.com, 273,079 active sessions and a \$1.18 cost per activity.

Digital

As consumer behaviors and consumption habits around travel research, planning and booking are constantly expanding and evolving, digital advertising continues to play an ever-increasing role in Visit North Carolina's communication mix.

In 2016, the digital media strategy remained rooted in the following three objective areas and planned against accordingly:

- Awareness Drivers: To increase exposure of the overall Visit North Carolina identity
- Site-Traffic Drivers: To drive qualified, cost-efficient traffic to VisitNC.com and enhance site visitation
- Conversion Drivers: To drive downstream (referral) traffic from VisitNC.com to local partner sites, thus quantifying travel intent

The overall digital planning approach continued on the course established in 2015, in which each seasonal round was planned and placed as an independent and focused campaign (i.e., winter, spring, summer, fall). Planning seasonally rather than placing one upfront 12-month campaign continued to allow for annual brand presence while providing more frequent checkpoints to: acclimate to seasonalities and ever-changing editorial concentrations; optimize both media vendor and creative mixes; increase and apply campaign-over-campaign learnings and insights; and be more nimble and quick to respond to market and performance changes.

Each seasonal campaign comprised of a blended mix of digital strategies – from native content distribution to performance-driven display – as well as a diverse set of media partners – from targeted reach vehicles to travel-endemic sites. Leading media performers, such as Bidtellect, Dstillery, Nativio, Quantcast and TripAdvisor, provided a strong foundation for campaigns while supplemental partners were tested and optimized across the varying seasons, including Adara Media, AdRoll, Amobee, SAY Media and StumbleUpon. Media vendors, such as WeatherBug, were specifically rotated into the fall mix to support an inaugural, user-generated content (UGC) initiative called “NC Fall of Fame” – a lively call-to-action for North Carolina visitors to share their unique fall experiences across the state by posting photos and videos to Visit NC’s various social channels.

Cooperative Programs

Visit North Carolina negotiated favorable rates with leading travel, lifestyle and special interest publications to provide partners with cost-effective opportunities to broaden the reach of their own advertising efforts. In total, 29 partners were showcased in magazine insertions in:

- *Atlanta Magazine*
- *Blue Ridge Country*
- *Coastal Living*
- *Country Living*
- *Family Fun*
- *Garden & Gun*
- *Good Housekeeping*
- *Our State Magazine*
- *Outside Magazine*
- *Richmond Magazine*
- *Southern Living*
- *The Local Palate*
- *Washington Post Magazine*
- *Woman’s Day*

North Carolina Ski Areas Association

Visit North Carolina also partnered with the North Carolina Ski Areas Association on a cooperative marketing campaign promoting GoSkiNC.com, running December 2015 - January 2016. The campaign included cable television in the following markets: Atlanta, Charlotte, Columbia, Greensboro/Winston-Salem, Greenville/Spartanburg/Asheville, Knoxville, Raleigh/Durham, Johnson City/Kingsport/Bristol and Jacksonville, FL.

VisitNC.com

Overview

As the state's official travel website, VisitNC.com hosted 6,876,868 user sessions, a 9.76 percent increase from 2015. VisitNC.com generated a total of more than 3 million key performance indicator actions in 2015.

VisitNC.com 2016 Key Performance Indicators

- 53,517 site visitors participating in **sweepstakes**
- 38,116 **Travel Guides** ordered from website
- 10,458 downloads of **virtual brochures**
- 538,504 page views of individual **trip ideas**
- 21,643 new subscriptions to **e-newsletters**
- 406,917 site **searches** performed
- 113,776 clicks to view online **travel publications**
- 1,918,080 **clicks to partner websites**
- 50,123 clicks to view **special offers**
- 235,874 on-site **video views**
- 49,798 mobile **phone calls**

Display (Banner) Advertising

34 participating partners
9,751,207 total impressions
24,057 clicks to partner sites
0.25 percent click-through rate

Virtual Brochures

84 virtual brochures
10,458 downloads

Featured Event Listings

46 participating partners
161 total featured events
109,728 views of featured events
32,936 clicks to partner sites

Sweepstakes

12 participating partners/12 sweepstakes
53,517 total entries

Most Popular Homepage Sweepstakes

1. North Carolina Zoo in February (12,277 entries)
2. Sanderling Resort in September (6,706 entries)
3. Pinehurst Resort in February and March (5,301 entries)

International

Complementing VisitNC.com, five custom microsites appeal to prospective travelers in the markets that continue to be top international priorities for Visit North Carolina.

UK.VisitNC.com

8,275 visits

12,135 page views

1.47 average number of page views per visit

1:10 minutes, average visit duration

Microsite complemented by 30,062 additional visits directly to VisitNC.com from U.K. travelers

DE.VisitNC.com

10,466 visits

15,551 page views

1.49 average number of page views per visit

1:21 minutes, average visit duration

Microsite complemented by 12,415 additional visits directly to VisitNC.com from German travelers

ZH.VisitNC.com

1,438 visits

1,761 page views

1.22 average number of page views per visit

0:56 seconds, average visit duration

Microsite complemented by 1,179 additional visits directly to VisitNC.com from Chinese travelers

MX.VisitNC.com

9,545 visits

11,889 page views

1.25 average number of page views per visit

0:48 seconds, average visit duration

Microsite complemented by 3,271 additional visits directly to VisitNC.com from Mexican travelers

QC.VisitNC.com

5,290 visits

6,923 page views

1.31 average number of page views per visit

0:48 seconds, average visit duration

Microsite complemented by 8,846 additional visits directly to VisitNC.com from Quebec travelers

Paid SearchVisitNC.com

18,079,323 total impressions

293,982 total clicks

\$0.72 average cost-per-click

Family of SitesMedia.VisitNC.com

52,201 visits in 2016

1.40 average page views per visit

1:27 average time spent on site

SportsNC.com

13,391 visits in 2016

2.03 average page views per visit

1:07 average time spent on site

NCFilm.com

66,216 visits in 2016

2.28 average number of page views per visit

1:33 average visit duration

Database and Web Management

- Working in collaboration with hundreds of partners statewide, provided timely maintenance and technical support for VisitNC.com's Extranet database of more than 18,000 lodging, dining and attraction listings.
- Created and distributed a consistent program of e-newsletters, advisories and informational mailings.
- Incorporated more social networking efforts into the ongoing marketing program including Pinterest, Instagram and continued promotion of Project 543.

Public Relations

- In 2016, Visit North Carolina hosted visits from 76 journalists from around the globe and assisted hundreds of travel writers and reporters on stories involving travel to North Carolina. Proactive earned media activities sparked hundreds of articles, blog posts and broadcast placements on North Carolina's travel experiences, generating more than 765 million consumer impressions across the United States and 1.65 billion consumer impressions internationally.
- Visit North Carolina hosted group media tours of engaged editorial decision makers and content creators from across the United States and in the Canada, Germany and United Kingdom international markets. Partnerships with TravelSouth and BrandUSA brought editorial contacts from France as well.

More Highlights

U.S. Media Missions

The 2016 program year included strategic domestic media missions in New York City and Raleigh. More than 110 editorial contacts were engaged with North Carolina Story ideas from more than 40 destination partners from around the state. A sampling of top tier outlets hosted included: *Brides*, *Conde Nast Traveler*, *The Daily Meal*, *Every Day with Rachel Ray*, *Food Network*, *Forbes*, *Good Morning America*, *National Geographic*, *The Today Show*, *Thrillist*, *Travel + Leisure* and *The Wine Spectator*.

Fall Consumer/ Media Tour Partnership

Visit North Carolina partnered with celebrated chef and TV personality Vivian Howard during the fall of 2016 to reach travelers face to face and generate media coverage in target markets across the eastern seaboard. This effort took the form of sponsorship of Howard's *Deep Run Roots Food Truck Tour* of 23 out-of-state markets from New York to Memphis to Atlanta. The alignment with Visit NC target markets and the unique personality and story behind Howard's show, newly released book and the food truck tour itself provided the perfect outlet for Visit NC's more one-to-one, personal communications strategy in the second half of 2016. Integrated media relations and content strategy efforts generated 38,879 VisitNC.com sessions with users consuming content around Howard's travel recommendations across the state, Kinston as a travel destination, chef insider tips and more.

North Carolina Beer Month

North Carolina's craft beer community continues to grow each year. Building off of the success of previous North Carolina Beer Months from 2013 - 2015 in partnership with the Craft Brewers Guild, Visit North Carolina seized the opportunity and momentum by partnering with more breweries and creating more unique craft beer events for travelers to the state for the 2016 North Carolina Beer Month.

Visit North Carolina collaborated with New Belgium Brewing to create the CeleBEERation Weekend Sweepstakes, allowing one lucky winner and their guest VIP access to New Belgium Brewing's grand opening party and their CLIPS Film & Beer Festival on August 26, 2016.

This popular Visit North Carolina earned-media lead promotion brought back the "Pint Hound Brewery Challenge" Passport created in 2015. The passport program allows craft beer enthusiasts the opportunity to download a passport and collect stamps at participating breweries to claim prizes such as keychains, T-shirts and customized Freakers, the ultimate beer accessory from Wilmington-based Freaker USA.

Partnerships, events and offerings such as these led to recognizable results, including:

NCBeerMonth.com Performance Summary

- Featured more than 90 breweries, 125 events, 8 beer trip ideas and 10 travel deals
- 24,437 visits (14,493 from mobile/tablet) and 71,556 pageviews between March and April
- 8,700 downstream clicks with a 21% conversion rate (compared to 3,047 and 18.25% in 2015)
- 2:33 average time on page between March and April (compared to 2:01 in 2015)
- More than half of the traffic to the site came from North Carolina, while other visitors came from Georgia, Tennessee, Virginia, New York and Florida, among others

Earned/Sponsored Media Coverage

- Covered in more than 81 articles and social media posts, generating 53,945,159 impressions
- Major players covering NC Beer Month included DRAFT Magazine, Forbes and Paste Magazine
- Successful launch of Beer Blogger Program, partnering with popular blog Whiskey, Tango, Globetrot for a variety of online and social media posts showcasing NC Beer Month

Untappd Results

- March Badge received 185,136 unlocks (as compared to 62,367 in 2015) and ~5.6 million in social reach (as compared to ~4.5 million in 2015)
- April Badge received 183,899 unlocks (as compared to 126,233 in 2015) and ~5.4 million in social reach (as compared to ~11.3 million in 2015)

eNews Engagement

- Distributed five NC Beer Month e-newsletters once every two weeks during the 2016 campaign
- Sent to 12,500 subscribers, a 110% growth rate from the 2015 subscriber list
- Average open rate was 27%, and average click rate was 5.4%

Social Media Results

- 34 tweets and retweets of other tweets generated 24,700 impressions and 2,307 profile visits
- 361 mentions of @NCBeerMonth on Twitter
- 169 new followers generated, increasing the follower count on Twitter to 3,152
- Top Tweet garnered 6 likes and 5 retweets, earning 2,210 impressions
- Top media Tweet garnered 8 likes, 7 retweets and 1 reply, earning 1,711 impressions
- Top mention was at Brewgaloo, garnering 31 likes and 10 retweets, earning 226 engagement
- 18,920 uses of #NCBeerMonth on Twitter in April, resulting in 17,136,844 potential impressions (compared to 17,567 uses and 17,662,801 potential impressions in 2015)
- 1,997 uses of #NCBeerMonth on Instagram, resulting in 4,015,094 potential impressions (compared to 1,092 uses and 966,197 potential impressions in 2015)

Pint Hound Passport Results and Feedback

- Received a total of 205 passports (as compared to 67 in 2015)
- 35 people got 5-14 stamps (Keychain), 156 people got 14-29 stamps (Keychain and T-shirt) and 14 people got 30 or more stamps (Keychain, T-shirt and Freaker)

CeleBEEration Weekend Sweepstakes

- Period: March 1 – April 30, 2016
- 1,970 entries
- 708 Travel Guide requests and 405 partner information requests
- Resulting eNews subscriptions: 399 Beer Month, 607 Events, 448 Travel Deals/Offer, 111 Golf

In-State Marketing Initiatives

While out-of-state visitors tend to stay longer and spend more when visiting the state, North Carolinians are also a point of focus within Visit North Carolina's program. Residents typically comprise approximately one-third of annual visitation, and partnerships with the North Carolina Association of Broadcasters, the North Carolina Press Foundation, the North Carolina Outdoor Advertising Association and UNC-TV remain key to Visit North Carolina's ability to cost-effectively reach more than ten million prospective travelers in the state's own backyard

North Carolina Association of Broadcasters

Member television and radio stations aired 58,432 spots representing a value of \$4,280,001.

North Carolina Press Foundation

One hundred thirty-seven papers published 1,466 ads representing a value of \$1,409,922.29.

North Carolina Outdoor Advertising Association

Fifty billboards delivering 106,086,718 weekly impressions representing a value of \$351,375.

UNC-TV

UNC-TV's award-winning team produced 52 weekly episodes of its popular show *North Carolina Weekend* during the past year. Each episode was broadcast statewide ten times weekly over three of UNC-TV's program services, UNC-TV, The Explorer Channel and the North Carolina Channel reaching more than 14.6 million households in Charlotte, Greensboro, Raleigh, Norfolk and Greenville-Spartanburg. The 49 airings on Thursday nights alone averaged a .79 rating, reaching 2.1 million households, and the 287 airings on UNC-EX and The NC Channel reached 1.6 million households. The series featured more than 260 destinations, attractions and events across the state.

In the last year, North Carolina Weekend's efforts across social media platforms (Facebook, Twitter and Instagram) have increased dramatically. For Facebook, engagements increased by 2,812.6 percent; total impressions increased by 2,002.9 percent; and total fans increased by 81.8 percent (an increase of nearly 10,000 followers) since the previous year. In total, North Carolina Weekend Facebook videos garnered 2 million views in the last year. On Twitter, total followers, total impressions, number of engagements and number of engagements per tweet all increased by 100 percent since the previous year. A newly established Instagram profile accrued nearly 1,000 followers since January, with active regular engagement and activity on posts (posts average 65-75 likes).

Each of these valued in-state media partners also provided additional exposure online for the state's messaging and VisitNC.com.

Visitor Services

North Carolina's nine Welcome Centers hosted **9,335,252** visitors in 2016. A breakout of the number of visitors by Welcome Center location is below:

2016 Welcome Center Estimated Visitors	
I-95 S	1,109,992
I-95 N	1,558,192
I-85 S	1,299,183
I-85 N	544,880
I-77 S	331,143
I-77 N	1,057,311
I-40 W	1,825,093
I-26 W	297,547
I-26 E	1,311,911
Total	9,335,252

The I-40 West Welcome Center was the most visited in 2016, hosting 1,825,093 travelers. Welcome Centers registered more than 10,000 visitors from other countries, including 6,700 from Canada.

In 2016, Welcome Centers booked about 19,800 room nights, representing total revenue of nearly \$2 million at an average rate of \$99.45 per room night.

Inquiry/Call Center

In 2016, Visit North Carolina received nearly 3.5 million inquiries and mailed 190,486 NC *Travel Guides* to potential visitors.

2016 Inquiries

Reader Service	38,918
1-800-VisitNC Calls	19,229
Web Inquiries	3,436,806
Total	3,495,957

Publications

The Official 2016 North Carolina Travel Guide

The result of work throughout 2015, Visit North Carolina worked with Journal Communications to produce the *Official 2016 North Carolina Travel Guide* to serve as Visit North Carolina's primary fulfillment piece for potential visitors to and within the state. A photocentric design and state-of-the-art digital options brought a variety of interesting attractions to life in a handbook unique among state travel guidebooks. Completely advertiser supported, the *Travel Guide* was produced at no cost to North Carolina's taxpayers with support of approximately \$1 million from 100 partners.

Two covers were created for the *Travel Guide*, which included 900 attractions and nearly 3,800 accommodations and travel resources in every county. One cover featured Mount Mitchell State Park and the second cover highlighted Jockey's Ridge State Park, celebrating the 100th anniversary of North Carolina State Parks. The digital edition, available for Apple, Android and Kindle, toggled between the two stunning images.

525,000 copies of the 176-page *Travel Guide* were distributed at North Carolina Welcome Centers, through VisitNC.com and 1-800-VISITNC, and by partners across the state and throughout the country. Readers of the *Guide's* print and online editions found abundant information presented in a design unlike any other state travel guide. The *Travel Guide* incorporated the same award-winning design utilized in the 2015 and 2014 *Travel Guides*. The 2014 edition received the Mercury Award for Best Print Visitor Guide from the U.S. Travel Association's National Council of State Tourism Directors. Short copy blocks, large photos, consistent typefaces, callouts and brand reinforcement are important components of the innovative design. A number of important topics of interest to visitors are included in themed sections such as state and national parks, shopping, motorsports, unusual outdoor activities, dining and Project 543 to name just a few.

NewsLink

Emailed weekly to 4,942 subscribers, *NewsLink* is an electronic publication designed to provide information to the tourism industry. The mailing list also included legislators, economic developers and media. In 2016, *NewsLink* covered 822 stories within the 50 weekly and four "Special Edition" issues, providing timely information on tourism-related research, statewide and international trends, media leads, updates on conferences and events, plus other items of interest to those in the tourism field.

There is no subscription charge for this e-newsletter and it is available to anyone with a valid email address. It is only sent to those who have requested to receive the newsletter.

Domestic Marketing

American Bus Association (ABA) Marketplace, January 2016, Louisville, KY

ABA Marketplace is one of the premier industry events for the group travel industry, allowing Buyers and Sellers to meet face-to-face in pre-scheduled appointments. In addition to the quality appointments, Marketplace offers professional education seminars and numerous networking opportunities. At the 2016 Marketplace, Visit North Carolina:

- Teamed with 20 in-state partners to host 37 tour operators for dinner.
- Conducted 42 appointments with tour operators during the week, promoting group travel throughout the state.

Travel South Showcase, March 2016, Winston-Salem

This showcase is a regional appointment-style marketplace focused on increasing travel to and within the Southern states. The showcase offers the most targeted opportunity for tour operators / wholesalers and travel service providers to meet face-to-face with Southern travel suppliers. Visit North Carolina utilized showcase opportunities to:

- Team with 39 travel industry partners and conduct strategic, business development meetings.
- Brief domestic and international media and tour operators, focusing on what's new with the state's tourism products and on North Carolina's position as a travel destination market leader.
- Conducted 6 pre-familiarization trips taking tour operators and journalists to experience various regions of North Carolina before returning to Winston-Salem to begin Travel South Domestic Showcase. With 38 tour operators and 28 journalists participating, a new record was set for total number of fam participants hosted in the state at one time.

Annual Blue Ridge Parkway Familiarization Tour

In April, Visit North Carolina partnered with Virginia and Tennessee in hosting a seven-day tour of the Blue Ridge Parkway with 27 AAA representatives from across the United States. Several days were spent with group in all areas of North Carolina's mountain region.

Sales Mission

Five partners participated in a sales mission across Pennsylvania, visiting tour operators and AAA Auto Club offices. They traveled via executive motorcoach, inviting clients onto the coach to meet with partners in more authentic, personalized atmosphere, calling it "Office on Wheels."

Cycle NC Excursions

Visit NC has sponsored Cycle NC for several years, but this year, for the first time, the two partnered together to offer day Cycle NC/Visit NC Excursions for the Mountains to the Coast Ride. These excursions gave participants and their family the opportunity to take a break from the ride and experience the state, while expanding the economic impact of the MTC ride. Daily excursions hosted nine to 54 participants, and each day brought positive feedback from the participants on their experiences.

International Marketing

International Web Traffic

Traffic to VisitNC.com from the United Kingdom and Germany increased in 2016.

	U.K.		Germany		Mexico		China		India	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
January	2,292	3,721	919	1,119	270	238	74	65	816	671
February	2,207	2,994	927	1,070	217	262	125	58	776	710
March	2,403	2,246	868	1,006	454	266	110	103	1,054	786
April	1,896	2,249	910	963	349	247	139	74	2,598	800
May	2,164	2,433	1,032	1,020	404	258	151	109	4,227	822
June	2,247	1,935	928	980	340	267	59	107	1,206	842
July	2,456	2,501	968	1,043	262	279	49	98	2,189	883
August	2,164	2,529	997	985	279	262	57	110	1,955	966
September	1,759	2,354	844	1,210	315	312	90	134	1,255	1,014
October	1,885	2,450	883	1,135	290	307	79	115	1,264	927
November	1,589	2,202	727	959	205	303	56	99	931	818
December	1,989	2,448	787	925	210	270	62	107	626	930
TOTAL	25,051	30,062	10,790	12,415	3,595	3,271	1,279	1,179	18,897	10,169

Canada

- Multiple daily non-stop flights to Charlotte-Douglas and Raleigh-Durham airports.
- No. 1 international market with 472,983 overnight visitors due to ease of access via highways and direct air service. The majority of overnight visitors came from the province of Ontario followed by those from Quebec.
- These visitors spent \$107.9 million.

Cooperative Marketing & Advertising Opportunities

iTravel 2000

Worked with iTravel to develop a customized 4 week national marketing campaign through digital ads, email blasts, social media and an agent training session. Results: total bookings grew 21% year over year during the campaign. New sales grew 23 percent.

Zoomer Magazine:

To position North Carolina as the ideal vacation destination, Visit North Carolina partnered with *Zoomer Magazine* on a campaign that included print ad, e-newsletter, social media and resulted in a prize trip to NC.

Entertainment One – The Choice

To capitalize around the release of *The Choice*, Visit NC built 2 contest giveaways with EOne to promote through multiple channels including social media, in store posters, web blasts and dedicated contesting pages at Yogen Früz and Cineplex venues.

Sales Missions and Trade Shows

The Canadian Sales Mission was held in Toronto in April 2016. Partners from Biltmore, Visit Charlotte and Ferrington met with FIT and motorcoach operators doing trainings and asset update meetings during the week.

Visit North Carolina also attended the International Travel & Tourism Show in Montreal, October 20-22, showcasing NC with a consumer engagement quiz and partnering with Ford's Foods to give Bone Suckin' Sauce prizes.

Exhibited at the Food & Wine Show in Toronto engaging 250+ potential visitors resulting in contest entries to win prizes from our partners and Ford's Foods.

Canadian Public Relations Results

- Attended TMAC and Discover America Day events.
- Placements generated a total reach of more than 49 million impressions.
- Hosted 9 journalists from consumer publications.

Overseas Visitors

In 2016, North Carolina attracted nearly 1.3 million international visitors who spent an estimated \$428 million in the state. Canada, the U.K. and Germany were the top countries of origin to the state in terms of visitor volume. Other top countries of origin were China, India, Mexico, Japan, France, Ireland and Italy.

North Carolina's Top 15 International Markets by Market Share (Ranked by Visitors)

Rank	Country of Origin	2016 Est. Visitors	% Change From 2015	2016 Total Spent	% Change From 2015	Avg. Spending per Visitor
1	Canada	472,983	-4.9%	\$107,894,948	-11.0%	\$228
2	United Kingdom	91,784	-4.0%	\$31,136,628	-10.7%	\$339
3	Germany	83,139	+6.0%	\$26,753,681	+4.1%	\$322
4	China/Hong Kong	62,036	11.3%	\$41,282,270	0.6%	\$665
5	India	46,174	3.0%	\$18,024,565	5.2%	\$390
6	Mexico	39,762	+9.6%	\$12,199,770	-7.5%	\$307
7	Japan	31,670	+10.6%	\$14,986,708	+4.7%	\$473
8	France	26,203	+3.0%	\$8,820,520	-6.0%	\$337
9	Ireland	17,489	15.4%	\$8,996,946	+60.8%	\$514
10	Italy	15,241	+6.6%	\$6,447,572	+6.3%	\$423
11	Spain	11,349	+0.5%	\$3,083,735	+10.3%	\$272
12	Australia	10,514	+2.3%	\$4,347,018	+11.7%	\$413
13	Brazil	10,415	-14.9%	\$4,577,389	-23.7%	\$440
14	South Korea	10,140	+0.3%	\$3,892,233	-18.4%	\$384
15	Switzerland	8,914	+4.8%	\$5,958,478	+15.0%	\$668
TOTAL		1,294,751	+3.0%	\$428,318,962	-3.4%	\$331

**Spending only includes what is spent in North Carolina*

**** Visit North Carolina estimates based on extrapolations from government data and aggregate Visa usage data provided by VisaVue Travel for the period of calendar year 2016. Data is subject to change upon receipt of additional data.*

North Carolina continues to rank in the top 20 most-visited states nationwide, according to estimates released by the U.S. Department of Commerce. The state ranked No. 18 in 2016.

Overseas ⁽¹⁾ Visitors To Select U.S. States and Territories: 2015-2016

2016 Rank	Destination (State/Territory)	2016 Market Share (%)
1	New York	26.6
2	Florida	25.3
3	California	21.9
4	Nevada	9.1
5	Hawaiian Islands	8.4
6	Texas	4.5
7	Massachusetts	4.4
8	Guam	4.2
9	Illinois	4.2
10	Arizona	3.1
11	New Jersey	2.9
12	Pennsylvania	2.6
13	Georgia	2.3
14	Washington	1.9
15	Utah	1.7
16	Louisiana	1.4
17	Colorado	1.3
18	North Carolina	1.2
19	Michigan	1.1
20	Virginia	1.1

(1) Excludes visitation from Canada and Mexico;

Source: U.S. Department of Commerce, ITA, National Travel and Tourism Office, August 2017

U.K. and Ireland

The UK is the top overseas market to North Carolina with Ireland the number nine market. The state is served directly as follows:

- Two daily non-stop flights to Heathrow.
- Seasonal service to Dublin, Ireland.
- No. 1 overseas market with 91,784 visitors.
- These visitors spent \$31.1 million.

Sales & Marketing Accomplishments

In addition to Visit North Carolina's co-op marketing with key tour operators in the U.K., Visit North Carolina teamed with tour operator specialist Bon Voyage for sponsorship of their clients USA Map, and featured a one-page advert with a two-year shelf life. Co-Op Marketing was carried out with a number of operators across all distribution channels.

Summary of UK meetings and trainings

- 96 Trade Meetings
- 15 Airline Meetings (American Airlines, British Airways, Delta Air Lines & Virgin Atlantic)
- 4 Brand USA meetings
- Travel Agent Training Events
- Tour Operator Trainings
- Co-Op Activity with Tour Operators
- Increased the number of operators featuring North Carolina
- Showcasing of the rich North Carolina film history which showcases the diversity of the state
- FAM Trip for Irish operators to showcase the state

Trade Shows

- Once again, Visit North Carolina joined other Travel South USA states exhibiting at World Travel Market in London.
- North Carolina was present at the Visit USA Tour Operator Day where 15 one-to-one meetings with product managers occurred.

Consumer Shows

- Visit North Carolina participated in the Destinations Consumer shows in Manchester and London held in the key planning months of January and February.
- North Carolina also participated at the Holiday World Consumer Show in Dublin, Ireland also held in January.
- In excess of 700 maps and guides were distributed.

Sales Missions

- Visit North Carolina conducted a dedicated Sales Mission to the UK in April 2016 and met with a number of key operators in and around London.

- North Carolina evening celebrating film history and marked the Ava Gardner Blue plaque unveiling in London.

Familiarization Tour

A dedicated Fam tour of operators and trade journalists from Ireland experienced the OBX, Durham and Charlotte and included a live broadcast.

New Product

- UK and Ireland have seen increased product with 20 and 15 tour operators respectively having added North Carolina to their programs.
- The opportunity for UK partners to promote and sell villa and home rentals on the Outer Banks to UK consumers came to fruition in 2016 following successful discussions with a real estate agent.
- Cruise America added new tours including additional areas of the state that will be rolled out globally with translation into four European languages.

U.K. Public Relations Results

- Individual media familiarization tours took place focusing on the various areas and activities of the state and included a mix of activities and interests.
- Seventy-three placements with a total reach of more than 374.5 million impressions.
- Coverage was across all distribution channels from print media to web and included bloggers.

Germany

- No. 2 overseas market with 83,139 visitors to North Carolina
- These visitors spent \$26.8 million.
- Supporting two daily non-stop flights from Munich and Frankfurt to the state.
- In 2016, more than 2 million Germans traveled to the US.

Sales and Marketing Accomplishments

Visit North Carolina conducted cooperative marketing with tour operators that included trainings and sales calls throughout Germany.

Events

- Tourconsult: NC client event with tour operator Tourconsult, April 2016.
- American Airlines: NC evening event with American Airlines, November 2016.
- Deep South Event: Evening event with German travel agents in cooperation with DER Touristik, November 2016.

Vaude Campaign

Visit North Carolina conducted a cross marketing campaign with the well-known outdoor gear company VAUDE and continued partnerships with tour operator CANUSA (September 2016) (Results: on the VAUDE landing page = 9,302 page visits total and 8,507 people participated in the raffle)

America Unlimited – Social Media Campaign

Visit North Carolina conducted a social media campaign with the German tour operator America Unlimited (November 2016). Included was production of a North Carolina video promoted through different channels such as YouTube in addition to Facebook and Instagram campaigns. (Results: Instagram total likes: 3,353; YouTube views: 16,846; Facebook likes: approx. 1,000; Clicks on website: approx. 3,500; 2016 room nights: 520)

Sales Mission

November 2016 - Accomplished trainings for tour operators and travel agents as well as sales meetings in Hamburg and Hannover. Conducted a dinner event with presentation for media and trade.

Consumer & Travel Trade Shows

- Attended ITB in Berlin with the Travel South region CMT Stuttgart – January
- f.r.e.e. Munich – February
- Reisen Hamburg – February
- VUSA in Switzerland and Austria – January/February

German Travel Guide

Produced a new German North Carolina travel guide to send out to consumers, trade and media.

German Public Relations Results

- Organized one individual media fam
- Conducted media calls in Munich – July
- Conducted media calls and a dinner event in Hamburg – November
- Participated in VUSA Media event in Munich – December
- Placed advertorial about fall foliage in the magazine *Urlaub für Unternehmer*
- Placed advertorial and delivered editorial content in *TIP exclusive USA 2017*
- 145 placements with a total reach of more than 1.2 billion impressions

Social Media Results

Facebook: Reached 37,274 with 871 engagements

Other International News

Visit North Carolina and other statewide partners attended the Travel South International Showcase in Atlanta from Nov. 28 – 30. One hundred international tour operators from 12 countries met with North Carolina CVBs, attractions and hotels to increase interest in international visitation to North Carolina.

Through a partnership with Travel South USA, Visit North Carolina has also been able to cost-effectively secure limited PR and marketing representation in France, Italy, Benelux and China.

IPW

Visit North Carolina hosted a double North Carolina booth at the U.S. Travel Association's IPW in New Orleans. Visit Charlotte, Explore Asheville, Biltmore and Outer Banks Visitors Bureau joined the state in more than 85 trade and media appointments.

China Mission

Visit North Carolina and four other southern states' tourism offices, CVBs and attractions organized a mission to Beijing and Shanghai. Meetings with media outlets and travel trade representatives introduced the southern USA to potential visitors. Visit NC has travel trade representation in China through a partner program with Travel South USA.

Chinese visitors are the fastest growing segment of travel to the U.S. In the last five years they have moved from 8th to 5th in inbound visitation. From 2014 to 2015, visitation grew 21 percent and is expected to grow 30 percent in 2017. In North Carolina, China ranks 3rd in overall overseas visitation, but #1 in overseas spending.

Brand USA Co-op Marketing Programs

By leveraging our marketing dollars with Brand USA, we can have an impact in several international markets. We get the power of 3X our promotional dollars to increase awareness to potential visitors. In 2016 we participated in the following programs:

- Road Trip Ideas – presented 5 different trips around NC to live on the VisitTheUSA.com website
- Enhanced Website – expanded our photos, interactive map, key destinations
- Inspiration Guide – 575,000 printed USA guides translated into 10 languages for distribution in 20+ countries
- Multi-Channel Campaigns in UK, Canada and China – aimed at both print and digital mediums with online booking built in

Tourism Development

The Tourism Development Manager continued to be involved in various initiatives to preserve and promote the various genres of traditional and heritage music across the state. Small towns are an important part of the North Carolina landscape.

Visit North Carolina is actively involved in ongoing programming either independently or in conjunction with partners such as the NC Rural Center, the Department of Commerce's Division of Community Assistance, the Department of Natural & Cultural Resources, NC Arts Council, NC Folklife Institute and other entities to foster revitalization that will make the communities more attractive to residents and visitors. To do so, Visit North Carolina's Tourism Development team:

- Set goals for the Tourism Development Program and improved the delivery of information for the program on the Department of Commerce website. The effort is designed to make local communities more aware of resources within Visit North Carolina as well as other opportunities for tourism development.
- Gathered information for Visit North Carolina's film office, public relations, domestic marketing and international marketing programs.

- Continued to research available resources in the form of grants, technical assistance and development (state, federal, private philanthropic).
- Made presentations to partners throughout North Carolina on Cultural Heritage Tourism Development and ways to work with Visit North Carolina.
- Represented Visit North Carolina during the African American Heritage Commission planning meetings.
- Continued to assist with the promotion of the Blue Ridge Music Trails of NC and other products in the region.
- Continued promotion of the NC Certified Retirement Community Program.

Tourism Resource Assistance Center (TRAC)

The Tourism Resource Assistance Center (TRAC) was developed along with the Industry Relations Manager to bring Visit North Carolina's program managers to local communities to share and discuss the nuts and bolts of partnering effectively with Visit North Carolina.

TRAC sessions through 2016:

1. New Bern
2. Lexington
3. Smithfield
4. Bryson City
5. Morganton
6. Jacksonville
7. Edenton
8. Greensboro
9. Outer Banks "Mini-TRAC"
10. Fayetteville
11. Wilmington
12. Danbury – Stokes Co.
13. Pinehurst
14. Yadkinville
15. Warrenton
16. Greenville
17. Blowing Rock
18. Banner Elk/Beech Mountain

Community Partnerships and Heritage Development

Visit North Carolina also continued to be actively engaged in the development of outdoor recreational/ecotourism/agritourism/heritage opportunities in the regions across the state. Farms, waterways, hiking and biking trails, greenways and open spaces are important features in a community that improve and promote quality of life and link people with their natural and cultural heritage. These partnerships include assistance in researching resources for communities, working with communities interested in TDA development, marketing initiatives, heritage trails development and product development plans.

Blue Ridge National Heritage Area (BRNHA)

Created by congressional legislation, the BRNHA is supported through a partnership with Visit North Carolina to assist in coordinating planning for the 25 counties in the designated region. Visit North Carolina continued to assist in the implementation of the initiatives outlined in each county's heritage plan, and has an active role in assisting the BRNHA in developing, facilitating and guiding communities along the Blue Ridge Parkway for themes such as agriculture, arts and culture, traditional music, history/heritage and natural resources. In addition, Visit North Carolina continued work on the Blue Ridge Music Trails of North Carolina with the BRNHA and the NC Arts Council to roll out the new book and map guide, as well as collaborated closely with the communities participating in the NC STEP Program through the NC Rural Center and the NC Main Street Program.

North Carolina Civil War Trails

The Civil War Trails Program is marketed in five states – Virginia, Maryland, West Virginia, Tennessee and North Carolina, with more than 1,000 interpretive markers. Visit North Carolina continued to partner with the North Carolina Department of Transportation and North Carolina Department of Natural & Cultural Resources to promote the NC Civil War Trails program. Marketing Universals were developed by Civil War Trails Inc. and all five state partners to display the program as the “best” way to experience Civil War history, using social media, print and online advertising.

- An updated Civil War Trails map has been printed and is available online and in all NC Welcome Centers.
- Visitors can download Civil War Trails maps from www.VisitNC.com, and the map was also available via www.civilwartraveler.com.
- N.C. has 239 sites in 78 counties.

Cultural Heritage Trails Development

- Assisted in the promotion of the Blue Ridge Music Trails, partnering with the Department of Natural & Cultural Resources, NC Arts Council, BRNHA and other communities in the region.
- Assisted in the promotion of the Blue Ridge Craft Trails.
- Worked with Department of Natural & Cultural Resources in the development of the African American Music Trail in the counties of Onslow, Lenoir, Craven, Pitt, Edgecombe, Wilson, Wayne and Greene.
- Worked with the African American Heritage Commission in the development of “Freedom Roads” Underground Railroad Heritage Trail, and also collaborated with the Gullah Geechee National Heritage Corridor.
- Continued to work with the NC Folklife Institute to promote the traditional arts of NC.

Certified Retirement Community Program

Visit North Carolina works with the North Carolina Department of Commerce to assist communities that are positioning for retiree attraction as an economic and community development strategy. The N.C. General Assembly, during the 2008 short session, recognized the inherent panoply of quality living the state offers and established the N.C. Certified Retirement Community Program (**S.L. 2008-188**) as a vehicle to designate communities offering this unprecedented quality of living sought after by the mature community.

To gain certification, a local government must submit an application for consideration. Initial evaluation of the community and technical assistance is provided by the Department of Commerce's Community Development Division. The designation has a five-year life, after which communities will need to consider recertification at the sunset of the five-year period. Once a community has completed the certification process, Visit North Carolina will help market and promote the community.

- Visit North Carolina worked with the Community Assistance office to administer and review applications.
- Visit North Carolina's Tourism Development Manager continued to make presentations to local County Commissions and City Managers on the guidelines, requirements and benefits of the program to increase participation.
- Visit North Carolina continued to promote certified communities and areas of NC during the Ideal Living Regional Expos in Long Island, NY; Greenwich, CT; Parsippany, NJ; and Washington, D.C.
- Visit North Carolina continued to attend conferences on trends, research and developing retirement communities, and serves on the Board of Directors for the American Association of Retirement Communities (AARC).

Visit North Carolina's certified communities include:

1. Lumberton (pilot program)
2. Asheboro
3. Marion
4. Sanford
5. Pittsboro
6. Mt. Airy
7. Eden
8. Edenton
9. Tarboro
10. Winterville

2015 CRC additions:

11. New Bern
12. Lenoir
13. Laurinburg
14. Reidsville

2016 CRC additions:

15. Jamestown/High Point

Industry Relations

Visit North Carolina 365 in Cherokee (March 13-15)

Visit North Carolina's annual conference for the state's travel and hospitality industry was held at Harrah's Cherokee and featured dynamic educational programming and valuable networking opportunities. The 2016 Winner's Circle Awards were also presented and recognized distinguished North Carolinians for their contributions to the growth and success of the state's tourism industry. Honorees for 2016 included Alice Aumen, Mickey Gregory, Houck Medford and Steve Woody.

Tourism Week in Raleigh (May 1-7)

Gov. McCrory proclaimed during North Carolina Tourism Week the travel industry had a record impact on the state's economy in 2015, with \$21.9 billion in direct visitor spending generating more than 211,000 tourism employment jobs. In addition, state tax receipts as a result of visitor spending topped \$1.1 billion.

Visit North Carolina joined the N.C. Travel & Tourism Coalition, the N.C. Travel Industry Association, and other industry partners in Raleigh to emphasize the economic benefits of tourism throughout the week meeting with legislative representatives and hosting a legislative reception at the NC Museum of Natural Sciences. North Carolina's nine Welcome Centers hosted their own events during the week to thank travelers to the state.

Regional Mid-Year Listening Tours (September and October)

Visit North Carolina went on the road again to all regions of the state for its Mid-Year Listening Tours, offering several forums to make it easier for industry partners to participate and contribute to Visit North Carolina's planning efforts. The Listening Tours (formerly Mid-Year Marketing Updates) bring together leaders from all sectors of North Carolina's travel industry to highlight recent performance trends, provide updates on Visit North Carolina's current marketing programs and co-op initiatives, and gain insight from partners to help fuel Visit North Carolina's strategic planning for the following year.

Sports Development

Visit North Carolina continued to enhance the SportsNC.com website, promoting North Carolina's appeal as an attractive destination for sporting events of all kinds and providing sports-event rights holders and planners an easy connection to North Carolina Sports Association's (NCSA) 39-member destinations and organizations.

Working with NCSA, Visit North Carolina coordinated and led a cooperative effort with sports sales directors and managers from North Carolina communities to market the state as a premier sporting event destination at Travel, Events and Management in Sports (TEAMS) Annual Conference and the Connect Sports Marketplace. Visit North Carolina also sponsors Cycle NC's Coast, Mountains and Mountains to Coast rides which bring thousands of cyclists to the state each year. Efforts also included providing contact information for sports organizations, motorsports teams and professional sports teams in North Carolina, and attending quarterly NCSA quarterly meetings, giving updates on Visit North Carolina activities.

North Carolina Film Office (FilmNC)

The North Carolina Film Office (FilmNC) and regional film commissions promoted filmmaking in North Carolina at the annual Association of Film Commissioners International (AFCI) and on several sales calls to the West Coast. In 2016, FilmNC returned to the Sundance Film Festival in Park City, Utah and also attended the Producers Guild of America's (PGA) annual Produced By conference. FilmNC sponsored and hosted events at the Cucalorus Film Festival (Wilmington) and RiverRun International Film Festival (Winston-Salem)), while promoting more than 30 film festivals held across the state. Additionally, on a local level, FilmNC was the primary sponsor of the "Filmed In NC" filmmakers fund, given out to indigenous North Carolina filmmakers by the Cucalorus Foundation to help highlight their works on a national and international stage. The also made multiple speaking engagements at conferences and civic meetings.

The year saw the continuation and growth of the state's new rebate program, which is funded through the Film and Entertainment Grant. The grant saw a contribution of \$30 million from the General Assembly as of January 2016 and an additional \$30 million was put into the account in September with the passing of the 2016-17 fiscal budget. While the change in the incentive program continues to result in a drop in the number of productions, in-state spending by productions, employment numbers, and number of production days, it also results in the state itself directly spending less money in the form of refundable tax credits/rebates.

2016 Total Production Estimates & Highlights from N.C. Film Office:

- 52 projects shot in North Carolina and registered with the NCFO
- \$140,167,998 direct spend by productions (second-highest year-end total)
- 1,090 production days
- 11,548 jobs created
 - 1,708 crew, 509 talent, 9,244 extras

Highlights of film projects during 2016 include:

- *Good Behavior* (Season 1) – Wilmington Region (grant recipient)
- *Wicked Tuna: Outer Banks* – Northeastern Region
- *A Chef's Life (Seasons 4)* – Eastern Region
- *My Big Fat Fabulous Life (Season 3)* – Piedmont Triad Region
- *Love It or List It (NC Season 2)* – Research Triangle Region (grant recipient)
- *Bolden!* – Wilmington Region
- *Dirty Dancing* – Western Region (grant recipient)
- *Three Billboards Outside Ebbing, Missouri* – Western Region (grant recipient)
- *Shots Fired* – Charlotte Region (grant recipient)
- *Six* – Wilmington Region (grant recipient)
- *Toymakerz* (Season 1) – Piedmont Triad Region
- *Abundant Acreage Available* – Piedmont Triad Region
- National commercials for Audi (grant recipient), Hillshire Farms, Coca-Cola and Mountain Dew