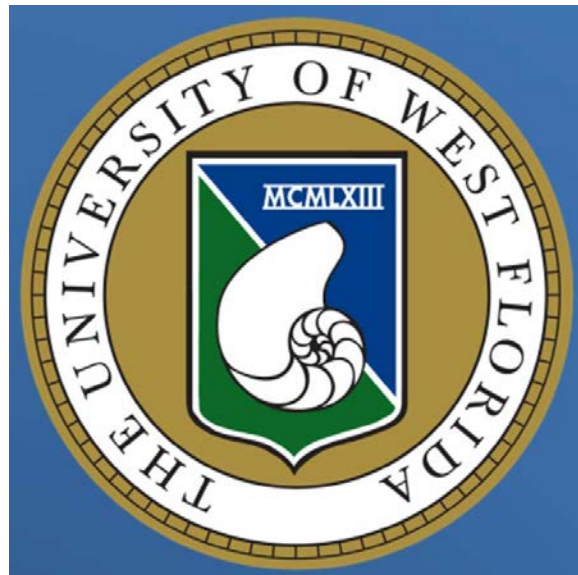


MAJORITY OPINION

R E S E A R C H

Pensacola Culture & History Market Potential Study

Conducted for



October 2012

Project Overview

Purpose

The purpose of this marketing research is to estimate likely visitation to Pensacola, if culture and history are marketed for downtown Pensacola, along with bed and breakfast lodging.

Research Approach

Telephone interviewing was utilized to screen for individuals age 45 or older who reside in the 'densely populated' Northeast and Midwest and who currently travel to visit culture and historical sites in smaller towns in the U.S.

Those that meet these criteria were read a short concept statement about the proposed development in downtown Pensacola and the historical significance of the destination. They were then asked for their likelihood to visit Pensacola for this offering.

A total of 1,800 interviews (150 in each of 12 target markets) was conducted between September 27 and October 3, 2012.

Limitations

It should be remembered that survey results are based on a sample, which is subject to "sampling error." Sampling errors arise because interviews were conducted with a sample of the population instead of with all the population. Sampling error is based on two factors: (1) the size of the sample, and (2) the actual percentage answer of a given question. The following table shows the plus or minus variation which can be expected, due to chance, with various sample sizes.

<u>If Percentage Answer is:</u>	<u>Total Study</u> (1,800)	<u>Individual Market</u> (150)
5%/95%	+/- 1%	+/- 4%
10%/90%	+/- 1%	+/- 5%
20%/80%	+/- 2%	+/- 7%
30%/70%	+/- 2%	+/- 7%
40%/60%	+/- 2%	+/- 8%
50%/50%	+/- 2%	+/- 8%

Concept Statement Read to Respondents

Founded more than 450 years ago - long before Jamestown or even Plymouth Rock, Pensacola Florida was the first European settlement in the United States and has some of the most unique archaeological treasures anywhere in the country. With several districts listed on the National Register of Historic Places, Pensacola had major roles in both the Revolutionary War and the Civil War. It is also home to the National Museum of Naval Aviation which houses one of the largest collections of military aircraft and memorabilia on display.

To showcase its cultural and historical significance, Pensacola is considering opening several historic bed and breakfasts and adding boutique hotels in the downtown district; constructing a ferry system to transport people across the bay to its two civil war forts and the historic lighthouse; adding a history path that connects the town's historic sites and points of interest; bringing back the original brick and cobblestone streets in the historic district, and adding a trolley system to allow easy exploration of downtown Pensacola.

Likelihood to Visit

	<u>Very Likely</u>	<u>Somewhat Likely</u>	<u>Total Likely</u>
<u>Market (DMA)</u>	<u>%</u>	<u>%</u>	<u>%</u>
Boston, MA	25	50	75
Pittsburgh, PA	18	57	75
Chicago, IL	32	39	71
New York, NY	36	34	70
Cincinnati, OH	23	47	70
Cleveland, OH	29	38	67
Virginia Beach, VA	9	56	65
Detroit, MI	29	34	63
Washington, DC	19	40	59
Philadelphia, PA	15	44	59
Baltimore, MD	26	31	57
Newark, NJ	18	29	47

Q: Knowing what you do now about Pensacola's historic and cultural offerings, if Pensacola were to make the improvements that I just mentioned, how likely would you be to visit Pensacola for its historic and cultural offerings?

Projected Visitation

Projected Visitation Formula

Population of those age 45+ x incidence of current travel to visit culture and historical sites in smaller quaint historic towns in the U.S. x weighted visitation intention (Industry Standard: 80% of those that say they are “very likely to visit” and 20% of those that say they are “somewhat likely to visit”).

	<u>Population Age 45+</u>	<u>Incidence of Category Travel</u>	<u>Weighted Visitation Intention</u>	<i><u>Projected Visitation If All Targets Can Be Reached With Marketing Message</u></i>
<u>Market (DMA)</u>	<u>#</u>	<u>%</u>	<u>%</u>	<u>#</u>
New York, NY	5,994,555	34	36	733,734
Boston, MA	1,817,340	63	30	343,477
Chicago, IL	2,489,340	41	34	347,014
Washington, DC	1,554,840	62	23	221,720
Philadelphia, PA	2,276,505	46	21	219,910
Detroit, MI	1,402,590	42	30	176,726
Cleveland, OH	1,221,255	40	31	151,436
Baltimore, MD	818,580	57	27	125,979
Pittsburgh, PA	995,295	38	26	98,335
Cincinnati, OH	612,360	37	28	63,440
Virginia Beach, VA	486,360	52	18	45,523
TOTAL				2,527,296

* Newark, NJ market included in NYC DMA

Limits of a \$5 Million Budget

Because actual visitation is dependent on target visitors being reached with marketing messages that will make them aware of the destination offering and motivate their travel to that destination, marketing budget is also a variable.

Bohan, the agency of record for Visit Pensacola, was consulted on how to best maximize the impact of a \$5MM marketing budget for this plan. Their recommendation for the \$5MM plan is to narrow the geographic targets to three markets in order to secure adequate TRPs (television rating points) and flight weeks in the expensive media markets to make an impact. Markets that were selected for this are Chicago, Baltimore and Washington, DC, due to the ease of travel via direct flights and/or proximity to Interstate 65.

Based on the projected costs, a \$5MM dollar media budget would secure 12 weeks of broadcast television activity in these three markets (100 TRPs weekly). Rough audience projections are listed below for a campaign targeting adults age 45+:

<u>Baltimore</u>	<u>Chicago</u>	<u>Washington, DC</u>
9,335,000 impressions	28,450,000 impressions	17,769,000 impressions
87% Reach	78% Reach	82% Reach
13.8 Frequency	15.0 Frequency	14.6 Frequency

Projected Visitation with \$5 Million Budget

Projected Visitation Formula

Population of those age 45+ x incidence of current travel to visit culture and historical sites in smaller quaint historic towns in the U.S. x weighted visitation intention (80% of those that say they are “very likely to visit” and 20% of those that say they are “somewhat likely to visit”) x reach in media markets.

<u>Market (DMA)</u>	<u>Population Age 45+</u> %	<u>Incidence of Category Travel</u> %	<u>Weighted Visitation Intention</u> %	<u>Marketing Reach</u> %	<u>Projected Visitation</u> %
Chicago, IL	2,489,340	41	34	78	270,671
Washington DC	1,554,840	62	23	82	181,811
Baltimore, MD	818,580	57	27	87	109,602
TOTAL					562,084

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