Atlantic City Tourism Performance Indicators: Fewer Visitors Spending More on Entertainment

Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism Report

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Galloway Township, NJ- Atlantic City’s tourism industry saw a continuation of the trend toward visitors spending more and staying longer, although the resort drew fewer visitors overall in the third quarter of 2013.

The Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT) at The Richard Stockton College of New Jersey recently released its Atlantic City Tourism Performance Indicators (AC-TPI) report analyzing the resort’s tourism market.

The AC-TPI focuses on three key metrics, the Atlantic City Luxury Tax, (which reflects the level of resort entertainment spending), the Atlantic City Casino Parking Fee (which reflects transportation levels and spending), and the Atlantic County Hotel Occupancy Fee, (which reflects overnight tourist spending on accommodations.)

The results for the third quarter of 2013 indicate:

• Modest gains were realized in both the Atlantic City Luxury Tax and Atlantic County Hotel Occupancy Fee during the quarter, though these were largely as a result of an extremely impressive August 2013.
• The Atlantic City Parking Fee continues its long-term trend of declines.
• The Atlantic County Hotel Occupancy Fee hit a new record monthly high in August of 2013, a figure that had not been surpassed since August of 2008.
• Taken on the whole, it appears Atlantic City is continuing a trend of the past couple years, in which short-term day trippers, who now have gaming options closer to home, are being replaced by longer term overnight visitors.

“It’s a better quality customer,” said Dr. Brian Tyrrell, associate professor of Hospitality and -more-
Tourism Management at Stockton’s School of Business. “Records for the best months ever were realized in August of 2013 for both the Atlantic City Luxury Tax and the Atlantic County Hotel Occupancy Fee. With both of these non-gaming metrics, we also saw record quarterly receipts, despite depressed figures in July.”

Tyrrell noted that the volume of visitors continued its negative trend, as evidenced by the Atlantic City Casino Parking Fee.

“Still, the positive trends in non-gaming revenue that had transpired for several quarters leading up to Hurricane Sandy could be materializing again,” Tyrrell said. “While the total number of visitors to Atlantic City continued to decline in the third quarter of 2013, the trend toward increased revenue from non-gaming sources shows signs of continuing.”

Dr. Israel Posner, executive director of LIGHT, said, “Since 2010, Atlantic City Luxury Tax collection has grown an average of 11 percent per year, suggesting that the transition toward a more diverse visitor experience is well underway.”

Click for the complete AC-TPI third-quarter report.

The Lloyd D. Levenson Institute of Gaming Hospitality & Tourism (LIGHT) at The Richard Stockton College of New Jersey provides a forum for public policy discussions regarding the gaming, hospitality and tourism industries in New Jersey.

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