



Preliminary Report on Visitor Center Numbers and Cruise Ship Calls

This report is preliminary and confidential

Visit San Pedro has recorded the number of people who come to the San Pedro Visitor Center since its opening in 2014. It has also researched the number of ships calling in San Pedro. Together these data give some interesting insights into the tourism sector in Downtown San Pedro.

Certainly not every visitor to San Pedro goes to the Visitor Center. And not every person who called at the Visitor Center is a tourist; approximately 15% of those going to the Visitor Center were local to San Pedro or the Los Angeles or Palos Verdes Peninsula communities. The information presented here is most specific to Downtown San Pedro.

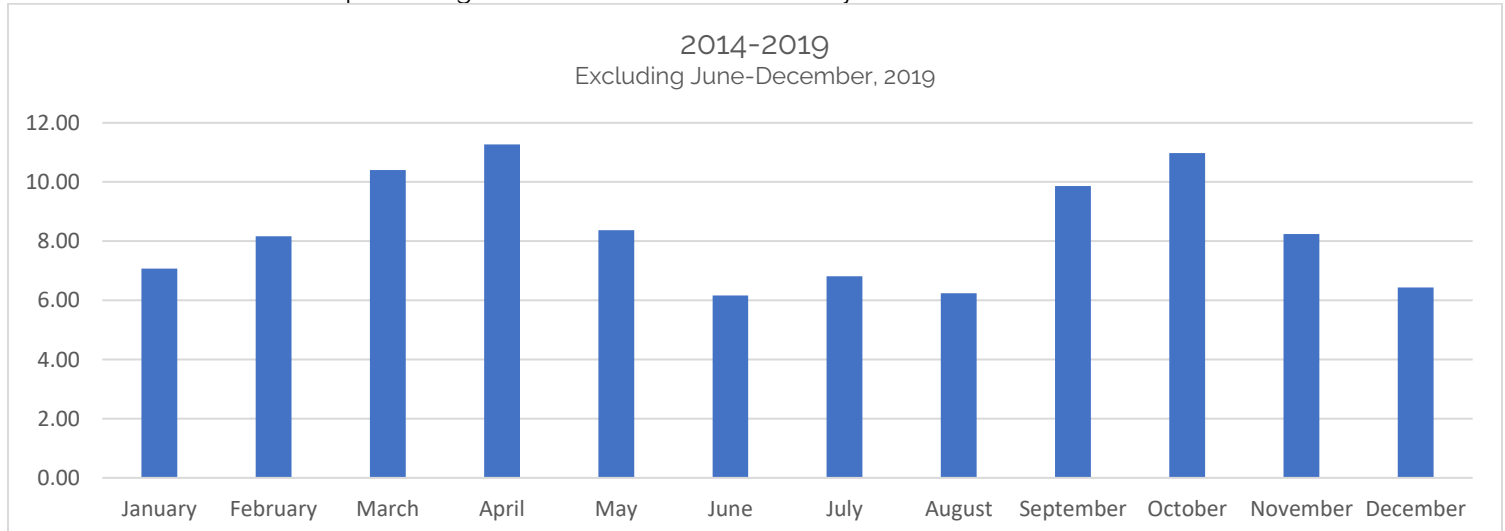
These data were collected over the course of more than five years. They do not, of course, include June through December of this year. Nevertheless, the year-to-year numbers have been consistent in terms of their magnitude.

April is the busiest month for visitors, with 11.27% of the total number of visitors going to the Visitor Center. June is the slowest month, with 6.6% of the annual visitors.

Table I: Percentage of visitors to Visitor Center by month

| Month | Percentage of annual visitors |
|-----------|-------------------------------|
| April | 11.27 |
| October | 10.98 |
| March | 10.40 |
| September | 9.86 |
| May | 8.37 |
| November | 8.24 |
| February | 8.17 |
| January | 7.07 |
| July | 6.81 |
| December | 6.43 |
| August | 6.24 |
| June | 6.16 |

Chart I: Bar chart of annual percentage of visitors to Visitor Center by month



Effect of cruise ship calls to San Pedro

The presence of cruise ships does not appear to have an effect on the number of visitors who go to the Visitor Center. Ship calls to San Pedro are seasonal. That is, the port experiences the greatest number of ship visits during the cruising season, which is generally from September to May, with occasional calls in June, July, and August*.

The difference reported in the right-hand column of Table II is the difference between the percentage of annual visitors and the percentage of ship calls for each month. For example, January accounts for 7.07% of the total annual visitors who go to the Visitor Center. It is also when 14.84% of all cruise ships have called in the port since 2014. The negative difference shows, for example, that although January is the month with the most cruise ships calling, it ranks 8 out of the 12 months for the percentage of annual Visitor Center visitors.

Chart II shows the month-by-month comparisons as a line graph.

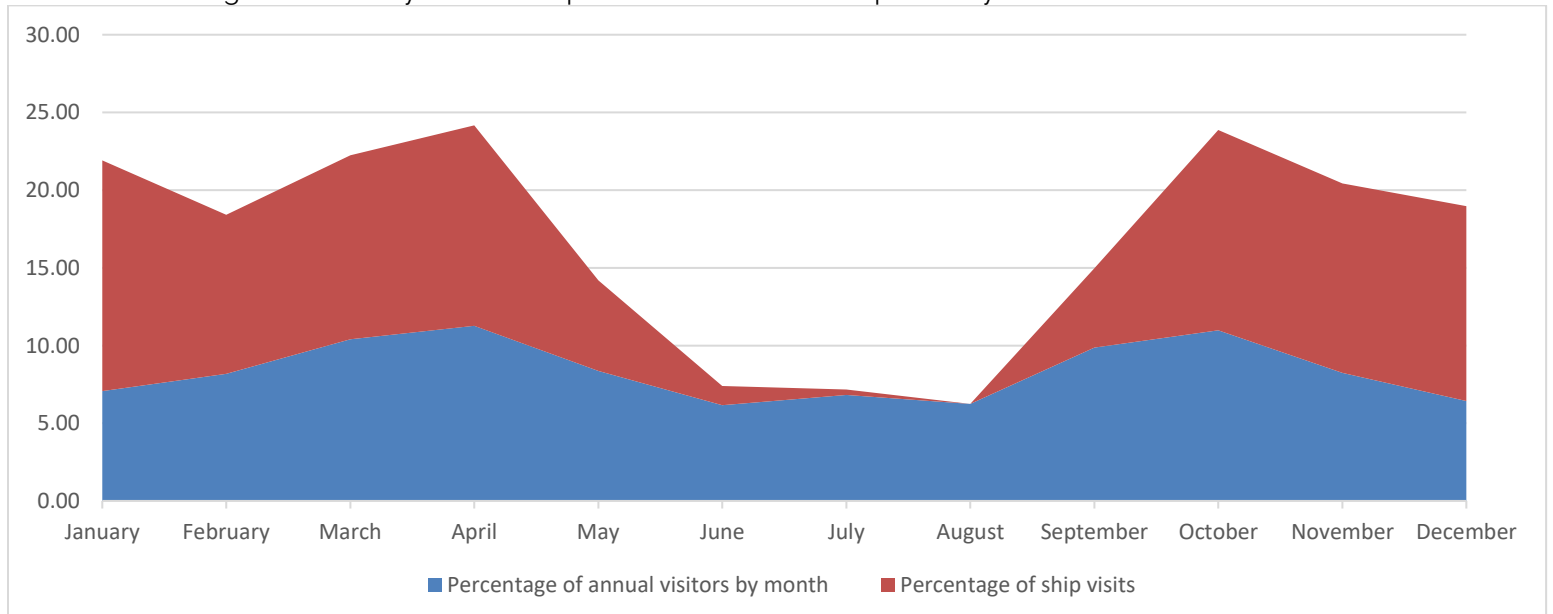
*Princess will operate round-trip Alaska voyages beginning in summer of 2020. These will sail every two weeks throughout the summer.

Table II: Percentage of annual visitors by month compared with percentage of ship visits

| Month | Percentage of annual visitors by month | Percentage of ship visits | Difference |
|-----------|--|---------------------------|------------|
| January | 7.07 | 14.84 | -7.77 |
| February | 8.17 | 10.25 | -2.08 |
| March | 10.40 | 11.84 | -1.44 |
| April | 11.27 | 12.90 | -1.63 |
| May | 8.37 | 5.83 | 2.54 |
| June | 6.16 | 1.24 | 4.92 |
| July | 6.81 | 0.35 | 6.46 |
| August | 6.24 | 0.00 | 6.24 |
| September | 9.86 | 5.12 | 4.74 |
| October | 10.98 | 12.90 | -1.92 |
| November | 8.24 | 12.19 | -3.95 |
| December | 6.43 | 12.54 | -6.11 |

Negative numbers indicate that a month has a greater percentage of ship calls than the relative percentage of visitors who come to the Visitor Center.

Chart II: Percentage of visitors by month compared with number of ship visits by month



The meaning of the data

The percentage of visitors to the Visitor Center in each month has remained remarkably consistent over the past five years. While the numbers have increased as the Center became better known, each month has been consistent in the proportion of total visitors seen each month.

April is the busiest month; June is the slowest month.

This is not a surprise. April is spring break time. Schools have vacation and families travel.

March, April, September, and October appear to be months when cruises most likely result in an increase in visitors in town.

June being the month with the fewest visitors is also no surprise. Graduations, weddings, and other events, along with schools still being in session in many places, means families may postpone travel. Nevertheless, San Pedro does draw visitors during this month exactly for graduations, weddings, and other events; these visitors may not come to Downtown, however.

Chart III shows some months with notable spikes in the number of visitors. For example, September 2016 had the greatest number of visitors. Both the first Fleet Week and Horton's Hayride were held that month, drawing many visitors to Downtown. (Godmothers Saloon was the official pre- and after-party location for Horton's Hayride.)

Special events are an essential part of drawing visitors. They are also expensive and difficult to produce, with many logistical hurdles.

Perhaps Downtown's greatest potential still lies in attracting cruise passengers into town before or after their cruises. Visit San Pedro has made great strides in this regard by working with the cruise lines to provide information to passengers and having the opportunity to set up information displays on board ships. This has been a years-long effort that entailed building relationships with the cruise lines.

But there are challenges in the cruise market. Our research has found that passengers on cruises longer than seven days and those on luxury-level cruise lines are more likely to stay in San Pedro before or after their cruises. Seven-day and shorter cruises tend to draw from a regional market, and these passengers are more likely to arrive on the day of their cruise, whether by car or air. Those on cruise line air and transfer packages are generally scheduled to arrive at the airport on the morning of their cruise and arrive at the terminal about the time boarding begins. This means there is no opportunity to draw them into town.

Families are more likely, also, to schedule time ashore before, but more often after, their cruises.

Therefore, our promotional efforts are best aimed at the passengers who are likely to take time before their cruise and also to reach out to the regional market to encourage them to spend time in San Pedro before or after their cruise.

These efforts are naturally in addition to marketing programs aimed at generally attracting visitors to San Pedro. For example, we recently ran electronic billboards on the 105 Freeway adjacent to Space X encouraging local residents to Visit San Pedro and, specifically, the Visitor Center.

Chart III: Representation of visitors by month for each year to San Pedro Visitor Center

