History of Tourism in the Daytona Beach Halifax Area

Mid-Florida Marketing & Research, Inc. has been a neutral observer of tourism in Daytona Beach and the Halifax area since 1979.

The company began as a self-sustaining division of Daytona Beach Community College, designed to lend support to the business community served by the college.

During that time we have talked to thousands of people, including residents and visitors to the area, as well as those who don't choose Daytona Beach for their vacations or business trips or meetings.

We have accomplished telephone surveys and focus groups; collected occupancy and average daily rate information and have used that information to advise hotels and motels; prospective developers of tourism product; local government agencies; education and the Halifax Area Advertising Authority.

The history of tourism in Daytona Beach and the Halifax area goes back to the beginning of the 20th century.

Speed has always been part of our character.

Visitors came to Daytona Beach to test their cars as early as 1906. The hard packed beach allowed them to get the most from their experimental automobiles.

The first sustained powered flight actually took place in Daytona Beach in 1909 and we held our first air show in 1911.

And, our first motorcycle race took place in 1937.

For decades Daytona Beach and the Halifax Area was the only beach destination in the state with a dedicated pot of money to market tourism.

All the retail businesses in the Halifax Area (including restaurants and lounges) paid a tax just for advertising and marketing to tourists.

This money was spent by the Ad Tax board, and their efforts largely consisted of taking and sending photos of visitors (families, sports teams and young lovelies) to home town newspapers.
In the late 70s other Florida counties realized we had this pot of money for tourism marketing and went to the state legislature for permission to charge a “bed tax” on short-term accommodation.

This produced significantly more money than the ad tax and in 1978 our hoteliers went to the legislature and received permission to assess the same tax.

In order to establish the bed tax they had to forfeit the local ad tax and thus the hotels became the only industry taxing their guests for marketing purposes.

The bed tax was limited to the Halifax area, but several years later West Volusia and, still later, Southeast Volusia sought and were provided similar legislation.

Daytona Beach always was, and still is the only destination selling the same rooms to different separate groups through the year.

Most destinations, Orlando, Miami, Las Vegas, etc., have a pretty steady mix of visitors year round; X% families; X% adults; X% business travelers; X% meetings & conventions; etc.

Daytona Beach sees:

Mature Visitors & Meetings in late Spring
Families in Summer (and race fans for July 4 weekend)
Mature visitors & Meetings in early Fall
Classic Car fans for Thanksgiving weekend
Canadians in late Fall and early Winter
Motor Sports fans in late January/February
Motorcycle Fans in March
Families and Singles for Easter/Spring break

For Years each of these groups thought the Daytona Beach tourism experience was specifically designed for them.

90%+ of our visitors were repeats and the levels of satisfaction were consistently high.

In 1971 Disney World opened with one Theme Park. And, Sea World opened in 1973. Our guests stayed in Daytona Beach and spent one day of their week long vacation at Disney.

Bus companies shuttled our visitors, Disney paid commissions to our desk clerks for selling Disney tickets.
Business continued to be stable and the Orlando attractions were seen as an asset for Daytona Beach tourism.

College and High School spring break continued to peak in the 1980s, culminating in 1989 with huge national, mainstream media demonstrating out of control breakers at Daytona Beach events.

MTV’s live broadcast from Daytona Beach, emphasizing the most wild events, was broadcast over and over again; throughout the year.

Residents reported their quality of life was negatively impacted by young people who were out of control.

During this period the relationship between the biker visitors and Daytona Beach residents and law enforcement deteriorated, resulting in negative publicity in biker and other national media.

Many of our visitors who thought Daytona Beach was their destination, pleasing people just like them, saw the news and decided Daytona Beach had changed.

They believed the destination that catered to those types of visitors could not and would not cater to them.

And, those who hadn’t been to Daytona Beach could not imagine themselves being happy there.

At the same time, Disney World grew to several parks; with on-site accommodation at many different price points; Sea World provided many more live animal experiences than (nearby) Marineland and Universal Studios opened with several theme parks.

Orlando hotel stock grew and pools became as enticing as the beach. Visitors developed a strategy of visiting the parks early in the day and returning to their hotels in the afternoon.

Instead of day tripping to Orlando, visitors were day tripping to the beach.

Instead of coming to Daytona Beach annually and staying for a full week, visitors were trying other destinations and Daytona Beach was getting a smaller part of their vacation time and dollars.

And, families wanted more...more entertainment, more dining options, more culture and education opportunities.

Other destinations, not typically family destinations, from Palm Beach to St. Petersburg to Jacksonville Beach; all were going after our traditional customer base, valued oriented travelers.
And, there were product problems. Much of the hotel product was in decline. Guests anted more amenities, more up to date surroundings, full service restaurants and lounges.

A1A, was not appealing. Storefronts were empty or featured un-appealing merchandise.

There were more bars than lounges, more fast-food restaurants than dining establishments. Independent restaurants that had been long time visitor favorites were disappearing.

There was little or no money for hotels to re-invest in their properties. And, there was little or no incentive for new business to be developed in the tourist areas.

Potential visitors, who traveled to Florida beach destinations much like Daytona Beach told us why there weren’t choosing us.

Our image was that of a party town; catering to singles, whether college students or hard partying bikers.

They pictured us as dated, without high quality accommodation and other vacation amenities.

The cars on the beach were scary, and made the beach unappealing.

The Halifax Area Advertising Authority, realizing we were in a downward spiral, made several decisions.

They would no longer advertise Spring Break.

Ads for the destination would feature families and family activities, including mature couples without children.

The strategy began to work. Throughout the 90s the destination’s image began changing.

Potential visitors recognized the destination wanted family business and was catering to families with and without children.

Family business increased during the Easter break season.

Bike Week became a kinder and gentler event.

Spring Break business became fragmented with breakers looking and Florida, Texas, Mexico, the Caribbean and other destinations.

Occupancy and room rates increased.

Hoteliers began re-investing in their properties.
Timeshare and condo hotel developers began rehabbing some of the older properties, turning small rooms into two room suites with the amenities visitors were looking for.

Our airport was increasing service and we had more than one legacy carrier offering flights through several hub cities.

USTA and LPGA brought their headquarters to the area, increasing visibility as an active sports destination.

(Though USTA has since re-located to Orlando, the facility remains active in Daytona Beach attracting other tennis events.)

Then came the hurricane train of 2004.

Destruction was everywhere and not choosy about which hotels were hit.

Not only did they damage our hotels and beach, but the hurricanes also scared prospective visitors and one whole summer was lost to nerves.

With the state of the economy the private sector was unable to make the repairs necessary and the destination sits with abandoned hotels; some ugly empty lots and, in some places, a very sad looking tourist area.

There have been some rays of sunshine.

Business has been looking up; occupancy and average daily rate continues to increase. For the most part revenue per available room has grown.

The airport receives and sends full size planes with few empty seats. Jet Blue has bee added to Delta and American Airlines, serving Daytona Beach with daily flights to New York, Charlotte and Atlanta.

The Hilton Oceanfront and Shores Resort and Spa continue to lead the way with successful high quality resort, food and beverage operations.

Some of our family-run, independent properties continue to bring multi-generational families back year after year.

Senior couples come back with their friends to play golf, walk on the beach, dine at local restaurants, visit our attractions, especially Angell & Phelps chocolate factory.

Walking on the beach continues to be the thing people do most in Daytona Beach, but they also shop and dine out.

They visit our flea market, one of the most popular and recognized on the East Coast.

How about the future?
The Halifax area product needs to improve. Derelict buildings need to go away and empty stores and restaurants need to be filled with high quality operations.

Beachfront hotels are partnering with major international brands including Hyatt and Marriott.

Owners of one large beachfront hotel, which has sat empty and deteriorating since 2004, have made plans to rebuild. This will become a Westin hotel in Summer of 2017.

 Owners in Daytona Beach and the Halifax Area have spent many millions of dollars renovating and improving existing properties.

There are major resort projects on the drawing boards, including a several hundred unit condo hotel in the heart of the tourism district, providing additional first class hotel rooms for conventions and other events in the Ocean Center.

The new Hard Rock Hotel and “Protogroup” condo/hotel will be opening in 2018/2019. These hotels will add to the four star inventory in the beachside core area.

New restaurants and retail stores are appearing; including two new restaurants associated with Margaritaville, located just South of the core tourist area.

Daytona International Speedway’s major renovation has resulted in full houses for the two Speedweek Periods following completion.

Daytona One, is increasing its presence with two of its facilities open and more projected to open in Summer 2017.

Occupancy in Speedway/Airport district hotels is growing, sometimes exceeding occupancy of the traditional beach areas.

Along with growth in occupancy beachside tourist area properties are seeing an unprecedented growth in ADR (average daily rate) and REVPAR, not only in peak special events periods, but also in shoulder seasons.

There have been record breaking tax collections the last several months of 2016 and well into 2017.