



# STRATEGIES FOR MONITORING TOURISM IN YOUR COMMUNITY'S ECONOMY



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# **Strategies for Monitoring Tourism in Your Community's Economy**

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## Table of Contents

I. Introduction.....	4
II. Assessing Tourism Data Already Available.....	4
a. Bed Tax Revenues.....	4
b. Hotel Room Inventory and Occupancy Rates .....	6
c. Attraction Visitor Counts and Admissions.....	7
d. Event Related Figures .....	8
e. Visitor Information From Visitor Centers.....	10
f. Cost Information from Visitor Centers and Promotions.....	10
g. Studies From Other Communities .....	12
h. State and National Studies and Data .....	13
III. Improving the Way Current Data Are Being Collected.....	15
IV. Deciding Whether Additional Data Collection Is Needed.....	16
V. Using Data to Track Tourism Activity Over Time.....	17
VI. Using Data for Strategic Decision Making.....	18
VII. Getting Feedback to Improve the Quality of Your Attractions and Visitor Experience.....	20
Appendix A. Example Guestbook Formats .....	23
Appendix B. A Comparison of Globe-Miami and Tucson Visitors Who Stopped at Visitor Centers Versus All Visitors.....	24
Appendix C. Summary of 1995 American Travel Survey for Arizona.....	25
Appendix D. County Business Pattern Data 1995 and 1985 for Arizona Counties in 1995 Dollars.....	35
Appendix E. Tourism Related Personal Income Data for 1996 and 1986 for Arizona in 1996 Dollars.....	39
Appendix F. Example Annual Report on Tourism in the Community.....	40
Appendix G. Consumer Price Index for Estimating Real Dollar Returns in Tourism.....	41
Appendix H. Potential Questions for Community Swap.....	42

## List of Examples

Example 1. Estimating Lodging and Total Expenditures from Bed Taxes.....	4
Example 2. Estimating Lodging Expenditures at the County Level.....	4
Example 3. Estimating Total Room-Nights and Average Price Per Room-Night Using Hotel Occupancy and Bed Tax Data.....	5
Example 4. Tracking Visitation to Major Attractions.....	7
Example 5. Estimating Total Visitor Expenditures to Costs of Promotion Using Visitor Center Cost Data.....	10
Example 6. Estimating Direct Revenues and Direct Costs from Tourism.....	11
Example 7. Calculating Location Quotients for Tourism Related Sectors.....	14
Example 8. Calculating Annual Growth Rates for Bed Tax Revenues.....	16

## **I. Introduction**

Tourism plays a critical role as a provider of jobs and income in many communities. Local Chambers of Commerce are often involved in tourism marketing and product development. While Chamber executives and others who provide support for tourism can point to real products such as attractions and advertising materials, it is more difficult to get a handle on what tourism means to the local economy.

The purpose of this bulletin is to provide ideas for tracking local tourism activity. If you hold a position that is responsible for tourism promotion or development, you may already be collecting and using some of this information. Perhaps you need ideas concerning how to present this information to the media and local decision makers. This bulletin can help. In addition, this bulletin will explain how to use this information to make strategic planning decisions.

If you need additional assistance monitoring tourism, do not hesitate to contact your local Cooperative Extension office, State Office of Tourism, or University departments involved in tourism, travel, and recreation research and development.

## **II. Assessing Tourism Data Already Available**

There are several sources of data available to help track tourism in your community. These data can help you estimate the number of visitors to the community and tourist expenditures. The data can also reveal visitor characteristics and trends in tourism.

### ***a. Bed Tax Revenues***

The most objective source of data for monitoring tourism in the local economy is bed tax revenue data. These data are often available at the city, county, and state level. If you know the tax rate and have bed tax revenue data, you can estimate total expenditures at lodging places very effectively. You can also break these data out seasonally.

Before you do, talk to the fiscal officer who keeps this information to find out if he/she is reporting the total collected for each month or the total amount due. If it is the total collected, it could represent taxes due in previous months, not just the current month. The total collected per month may vary in ways unrelated to the total amount due each month. Typically, this month's tax receipts were actually collected by hotels in the previous month. It may not be possible to compare these data on a month to month basis. However, it may still be possible to compare for the winter and summer season and for the year.

Ask your local fiscal officer about exemptions to the tax. For example, it is common to not charge the bed tax on visitors who stay for 30 days or more. If there are a lot of these types of visitors to your community who stay in commercial lodging, estimates of lodging expenditures based on bed taxes will underestimate the actual amount spent on accommodations. Likewise, state employees are exempt from paying bed tax in some states. Their lodging expenditures will not be reflected in estimates based on bed taxes.

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**Example 1. Estimating Lodging and Total Expenditures from Bed Taxes.**

Let's say that the city bed tax is 8 percent. The annual total of bed taxes collected is \$100,000. This means that the amount spent on lodging in the city was  $\$100,000/.08 = \$1,250,000$ . Unfortunately, we don't have any way of determining how much was spent by leisure visitors and how much by business visitors.

In recent surveys in Arizona, lodging was 26 percent of total expenditures in 1995-96 in Tucson (Charney and Leones, 1997), and 27 percent in Globe-Miami in 1995-96 (Leones, Dunn, and Ralph, 1997). Using U.S. Travel Data Center data for domestic travelers in the U.S. in 1994 and dropping public transportation (this figure is largely for airfare which is paid before arriving at the destination), about 22 percent of total visitor expenditures were on lodging.

If we were trying to estimate total visitor expenditures, we might estimate that between \$4,630,000 ( $\$1,250,000/.22$ ) and \$5,680,000 ( $\$1,250,000/.27$ ) was spent by visitors in the community.

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Some hotels and motels may not be within city limits and will not be included in your lodging expenditure estimates. You may need to collect data directly from them on their average room rates and occupancy rates by month to estimate their contribution to total lodging expenditures. Likewise, your city may have just annexed an existing hotel. This will cause the city lodging taxes to increase even though total lodging expenditures in the area have not really increased. Also, have average room rates increased over the previous year? Are the increases in bed tax collections the result of increased visitations or higher room rates?

In addition to bed taxes imposed by cities and counties, the state of Arizona charges a 5.5 percent bed tax. It records these data by county and by month. These data are available in the "Special Report on Taxable Sales" published by Arizona Department of Revenue. This is another source for estimating total visitor expenditures on lodging and on total expenditures at the county level. You can also use these data in combination with city data to estimate lodging expenditures at the sub-county level.

The examples provided show how you can use tax figures to estimate total visitor expenditures. **However, it is important to know that the share of visitor expenditures in lodging can vary significantly between communities and can change over time.**

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**Example 2. Estimating Lodging Expenditures at the County Level**

Let's say that you want an estimate of total lodging expenditures at the county level. State bed tax receipts for the county are \$660,000, so total lodging expenditures are  $\$660,000/.055 = \$12,000,000$ . The Arizona Department of Revenue report provides the hotel/motel sales on a collection basis (i.e. sales reported in one month are actually from the month before). Let's say that there is one large community and a number of smaller communities in the county. The large community has a bed tax, but the smaller ones do not. It would be possible to estimate what part of the lodging expenditures are occurring in the large community and what part in the rest of the county by using both the city and state bed tax information. Say the city bed tax rate is 2 percent and \$150,000 were collected in the last fiscal year. This means that  $\$150,000/.02 = \$7,500,000$  of lodging expenditures occurred in the large community and  $\$12,000,000 - \$7,500,000 = \$4,500,000$  occurred in the rest of the county.

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## ***b. Hotel Room Inventory and Occupancy Rates***

At the very least, you should maintain an inventory of the number of hotels, motels, bed and breakfasts, dude ranches, outfitters, RV parks, and campgrounds in the area, the number of rooms or spaces that they offer, rates, and the name of the current manager in your database. In addition, you may be able to get local hoteliers to cooperate in providing you with their monthly occupancy rates throughout the year. Knowing the size of each facility and the occupancy rate gives you a basis for estimating room-nights spent in the community.

**Note: Confidentiality is essential in gathering such information. Data on a specific firm should generally not be shared publicly. Instead, share only aggregated data or totals for all lodging in public documents.**

With this information you can track the changes in the number of rooms or spaces available in the community over time. You can also track the number of room-nights spent in the community over time. By dividing total estimated expenditures in hotels from bed tax revenues by room-nights, you can estimate average cost per room-night over time as well.

The number of rooms multiplied by the number of nights in a month, season, or year gives the total supply of room-nights in your community for the month, season, or year. A summation of the average occupancy rate times the number of room-nights for the month, season, or year for each lodging facility will give you an estimate of total demand for the number of room-nights. You can graph room-night supply and demand over time to see what trends are occurring in your community.

Be more cautious using these numbers than tax receipt numbers. Some hotel managers do not keep good occupancy records, others may provide numbers that are higher or lower than their actual occupancy rates. You might do a rough check of occupancy data by also asking for average room-night price data from each lodging place (or by using an estimate from a published source). Estimate total room-nights as shown in Example 3 and multiply by the average room-night price. Compare the sum of this estimate of total lodging receipts to your estimate based on bed taxes. If the figures are different by more than 10 percent, you may have some inaccurate occupancy or average room-night price data.

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### **Example 3. Estimating Total Room-Nights and Average Price Per Room-Night Using Hotel Occupancy and Bed Tax Data.**

Let's say that there are 450 hotel rooms in your town. The average occupancy rate in January was 40 percent and the average occupancy rate in June was 80 percent. This would mean that there were a total of  $450 \times .40 \times 31 \text{ days} = 5,580$  room-nights in January and  $450 \times .80 \times 30 \text{ days} = 10,800$  room-nights in June in your community. Let's assume that we have estimated total lodging expenditures from bed tax data. Let's say that the January expenditure was \$306,900 and the June expenditure was \$702,000. This means that the cost per room-night to stay in your community was  $\$306,900/5,580 = \$55$  in January and  $\$702,000/10,800 = \$65$  in June. As you might expect, the average room rate tends to be lower during the off-season when hotel occupancy is lower and higher during the peak season when hotel occupancy is higher. It is possible to examine not only trends from year to year but also season to season in this way.

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### ***c. Attraction Visitor Counts and Admissions***

Another valuable set of data are visitor counts and admission to area attractions. These can be useful indicators of total visitor numbers in tracking trends at specific attractions. However, without survey data, it is difficult to use these data directly to estimate visitor numbers and impacts. This is because both local residents and visitors may visit attractions and it can be difficult or impossible to determine what percent of total people admitted are visitors. A review of the sign-in registers at your community's attractions will indicate what percent of total visitors are local residents. However, local residents tend to be less likely to sign such registers, thus you may overestimate the percentage of out-of-town visitors using this method.

In addition, visitors to an area are likely to visit more than one attraction. Without survey data indicating the average number of attractions visited and which attractions are visited, it is difficult to use the attraction visitor counts to estimate total visitors to the community. Finally, not all visitors to a community will visit local attractions, especially if they are in the community on business or to see family and friends.

Visitor count and admission data may be available from public attractions such as national and state parks, from nonprofit attractions such as museums, botanical gardens, and zoological gardens, and from private attractions such as IMAX theaters and amusement parks. The best counts are generally kept at attractions that have paid admission and have turnstiles at the entrance.

Find out what kinds of visitor count data are available from local attractions. If some of your local attractions do not already keep a good count on the number of visitors (as is frequently the case for attractions with free admission), then you might consider working with them to establish a registry or to install turnstiles, door counters, or road counters. Door counter numbers should be divided by two to account for entering and exiting the attraction.

You should randomly survey the average number of people who come through the door (or drive up in a car) to compare against the door count (or road count) number. Do periodic counts on randomly selected days at randomly selected times. It is easy to be criticized for inflating or undercounting if you do not periodically check the average number of people entering the door or arriving by car. Even national parks have been criticized for using inaccurate average number of people per car in their estimates of total visitors. Turnstiles at the entrance tend to be more accurate since they count only the entry and count one person at a time. However, turnstiles are more expensive to install than door counters.

Paid admissions may be a good way to keep count, except that some attractions sell memberships or an annual pass and allow free admission to card holders. Unless the attraction keeps track of member and complimentary admissions separately, these may be overlooked. Another problem with admission data is that if different admissions are charged for various age groups, it may not be easy to estimate total number of people admitted from the gross admission receipts alone. Check to see if your local attractions keep track of tickets sold by admission price category (such as children, adults, families, and senior citizens).

The admission data may help confirm trends that you see in the tax revenue data you collect. It may also reveal some changes in how popular specific attractions are to visitors over time. If a specific attraction is declining in number of visitors or not keeping up with other attractions, it may indicate some problems at that attraction. These problems could range from inconvenient hours of operation to the need for major repairs and remodeling.

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**Example 4. Tracking Visitation to Major Attractions.**

Let's say there are two major attractions in your community and their total visitor numbers for the past few years are as follows:

	Attraction 1			Attraction 2		
	Visitors	Change in Visitors	Growth Rate	Visitors	Change in Visitors	Growth Rate
Most recent year	120,000	5,000	4.3	85,000	10,000	13.3
Year 2	115,000	-7,000	- 5.7	75,000		0
Year 3	122,000	10,000	8.9	75,000	20,000	36.4
Year 4	112,000	2,000	1.8	55,000	10,000	22.2
Year 5	110,000			45,000		
Average growth rate:			1.8			13.6

See Example 7, *Calculating Annual Growth Rates for Bed Tax Revenues*, for one way to calculate average growth rate.

Attraction 1 has more overall visitors than Attraction 2, but the growth rate in visitation for Attraction 2 is much higher. It might be worth spending time finding out what strategies Attraction 2 is using to sustain such fast growth and to find out what Attraction 1 is doing that may be leading to lower growth rates. The difference in growth may reflect changes in visitor preferences, or in what visitors are interested in doing. The question then becomes, can Attraction 1 do anything to appeal to this change in preferences. Remember growth rates can be deceptive when you compare an attraction that started with very low visitation and then increased, to one with high visitation all along. As the level of visitation grows, the growth rate can be expected to decrease.

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**d. Event Related Figures**

Events that are held in enclosed areas and require admission are the easiest to monitor. Use of event locations with limited entrances and exits (such as fair and rodeo grounds) might be encouraged even when admission is not charged in order to keep better track of the number of visitors. When this is not possible, due to the nature of the event or the purpose of the event, then it may be necessary to use other sources of information to estimate attendance. These include estimates by police of crowd size and estimates by volunteers with hand held counters stationed at key entry or exit areas and traffic counts. You may be able to supplement some of this information with data on raffle ticket sales or soft drink sales.

Check with the city or town transportation division to see if road counters are in place in the area where the event is to be held. If they are, the difference between the average counts for a particular day of the week and the actual count for the day of the event should help in estimating approximate attendance at the event. How effective road counters are will depend on the number

of vehicle access points to the event and the placement of the counters. It may be possible to request that a road counter be installed at the access point to parking just for the event as a means of estimating attendance.

Another way to estimate attendance for events where there is no admission fee, is to rely on crowd estimates by police officers. Find out from the local police what kind of training they have had in estimating crowds, and when they will be making their estimates. For some events, people may be spending the whole day, for others, they may just be visiting a few hours. Hence, if the amount of turnover in visitors is not known it may be difficult to estimate total attendance based on periodic police crowd estimates.

If there are a limited number of entrances into the event and you have a large group of volunteers helping you, you could have volunteers at the entrances with hand counters keeping track of the number of people coming into the event area. Of course, some people may come in and out of the event area more than once during their visit. As mentioned earlier, keeping track of the number of soft drinks sold or the number of individual sales of raffle tickets (not just the number of tickets sold) can be other ways of estimating attendance at an event. Since not everyone at an event will buy a soft drink or raffle tickets, and others will buy more than one, these counts generally provide only rough estimates of attendance.

At this point, you may be convinced that charging some sort of entrance fee to events makes sense not only as a way of raising money to support the event, but also as a way of keeping track of attendance. At some events, people who pay admission get a discount off of one or more purchases that they make at the event to help offset their admission fee. In other events, each paid admission is awarded a raffle ticket. This may help ease the pain of having to pay for admission.

In some instances, you may just want to do periodic car counts to get an estimate of visitation to the community. License plate counts can be particularly useful in communities with a high level of out-of-state visitors, but may not be so useful if most of your visitors are from in-state. You will also not be counting out-of-state and foreign visitors who rented a car with in-state plates and drove to your community.

In a car or license plate survey, you can randomly select times and dates to send volunteers to main entries into the community to count the number and type of license plates they see. On streets with more than two lanes, a volunteer might monitor one lane for half of the period and the other lane for the other half of the period. If visitation to your community is concentrated on particular days or times of the year, you may just want to monitor license plates during these peak times. Volunteers should monitor both the number of in-state and out-of-state license plates that they see to help in estimating out-of-state licensed cars as a percent of the total. Visitor counts can also be derived by counting the number of designated parking spaces and then monitoring their occupancy during the day.

### ***e. Visitor Information From Visitor Centers***

Many local Chambers of Commerce, Convention and Visitor Bureaus, and Tourism Authorities maintain visitor centers to provide information to tourists. Keeping counts of people who stop for information is another good source of visitor numbers. There is typically no admission fee to enter a visitor center, so door counters and registration books are used to keep track of visitors.

A registration book can be used effectively to collect more information than where the visitor is from. You can also set up the registration to ask a few simple questions, such as how many nights visitors are staying in the community and how many people are in their visitor party. Appendix A contains some examples of registration forms.

Keep in mind that generally only a portion of total visitors stop at a visitor center and their characteristics may not be typical of all visitors. In the Globe-Miami study, 15 percent of all visitors stopped at a visitor center. In the Tucson study, 3 percent of visitors staying in commercial accommodations stopped at a visitor center. Appendix B compares some characteristics of visitors who stopped at a visitor center in Globe-Miami and Tucson to all visitors to those communities.

### ***f. Cost Information from Visitor Centers and Promotions***

It can be exciting tracking visitor revenues, but many people who work in tourism are less excited about tracking the costs of tourism. Some of the indirect costs like congestion and increases in living costs are difficult to document. However, direct costs for visitor centers and tourism promotion are relatively easy to track. Visitor center costs can be broken out and tracked as a separate expenditure in your organization's budget. Be sure to include time spent by staff on serving visitors in this amount. If all bed tax revenues are earmarked for tourism development and promotion, then these expenditures can also be documented and shared with local leaders and citizens. In addition, if there are events held primarily for out-of-town visitors, the revenues and costs of these events can be tracked. If the costs are consistently greater than the revenues, it may be time to evaluate whether the event should continue.

Often you hear tourism promoters claim that for each dollar in tourism promotion, they generate X dollars in tourist expenditure. The most common way they reach this amount is by dividing total tourist expenditures by the amount spent on promotion. While their claims are not completely accurate, the ratio of tourist expenditures to promotion expenditures is worth tracking over time.

The promoters claims are not completely accurate because factors other than traditional tourism promotion affect visitors' decisions about how much to spend. For example, the creation of new shopping areas, new attractions, and new events can increase expenditures even if promotional expenditures stay the same. Likewise, the quality of customer service and of visitor facilities such as lodging and restaurants can affect the number of visitors and their expenditures. The ratio of promotional costs to visitors' expenditures can be used to track changes over time and to compare relative to other communities.

The ratio is not a measure of either the average or marginal impact of promotion. To measure expenditure changes caused by promotion is more difficult. It requires taking into account changes in the availability and quality of visitor facilities and attractions, and changes in customer service, inflation, and general economic conditions affecting tourism and travel.

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**Example 5. Estimating Total Visitor Expenditures to Costs of Promotion Using Visitor Center Cost Data.**

Let's say that total tourist expenditures in your community are \$2,000,000. The budget for the visitor center and all promotions last year was \$100,000. Therefore, the ratio of visitor expenditures to promotion costs is  $\$2,000,000/\$100,000 = 20$ . The following year, let's say that tourist expenditures were \$1,800,000 and promotion costs were \$100,000. The ratio now falls to 18. This may be due to a single poor tourism season or it may be due to ineffective use of the promotion funds. If the trend continues, it should be of concern.

Alternatively, let's say that you receive an extra \$20,000 for a special promotion campaign. During the year, visitor expenditures increase from \$2,000,000 to \$2,500,000. Dividing the increase in visitor expenditures ( $\$2,500,000 - \$2,000,000$ ) of \$500,000 by the increase in promotional costs of \$20,000 we get a ratio of 25. Since this is higher than the ratio of 20 for all visitor expenditures to promotion costs, you have an indication that the new campaign was successful. However, other factors unrelated to the promotion may have caused the increase in visitor expenditures. If the increase in expenditures was only \$250,000, the ratio would be  $\$250,000/\$20,000 = 12.5$ . Even though the promotion may have increased expenditures, its visitor expenditures to promotion cost ratio is lower than that of your overall tourism program. You might judge such a promotion to be unsuccessful. If you consistently find that additional promotion is not generating as high a ratio as your existing total program, this may indicate that you are already spending enough or too much on tourism promotion (or it may indicate that the special event or attraction being promoted is not as attractive in drawing visitors as other attractions). However, if the ratio is consistently quite large for additional promotion campaigns, it may indicate that more money could be well spent on tourism promotion. The difference in the ratios for a single additional promotion, however, may also simply reflect the difference in quality and effectiveness of the additional promotion compared to your other ongoing promotion efforts.

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Although tracking total visitor expenditures to promotion costs is a helpful indicator, local government officials are going to be much more interested in knowing if the revenue generated by visitors is covering the public cost of serving customers. While it may be difficult to account for the use of public infrastructure such as roads and parks by visitors, costs for promotion should be readily available. Where possible, it is worthwhile to estimate additional costs for police service, search and rescue operations, maintenance of public parks and facilities, solid waste disposal from public receptacles, and road maintenance. Estimating these costs may require discussions with local service providers to identify total costs and visitors' contributions to those costs. The government revenues from visitors comes directly from taxes they pay and also indirectly from a portion of taxes paid by local residents who earn some of their income from tourism. Using bed tax information, you can come up with a rough measure of direct revenues. Estimating the indirect portion requires the estimation of economic impacts and of revenue impacts which are discussed in the two Western Rural Development Center bulletins authored by Goldman, Nakazawa and Taylor listed in the references.

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**Example 6. Estimating Direct Revenues and Direct Costs from Tourism.**

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Let's say the annual costs for tourism promotion and operation of the visitor center plus other local public service costs are \$250,000. This community has a 2 percent bed tax and collected \$80,000 in bed tax revenues. This means that there were \$4,000,000 in lodging expenditures in the community. Let's say that a recent survey tells us that 22 percent of visitor expenditures are on lodging. So the estimated total expenditures of visitors is  $\$4,000,000 / .22 = \$18,200,000$ . The same survey shows that 61 percent of all visitor expenditures are on taxable retail items (i.e., groceries are not included). Visitors spent a total of  $\$18,200,000 \times .61 = \$11,100,000$  on taxable retail items. If the city retail tax is also 2 percent, then retail tax revenues from tourists would be  $\$11,100,000 \times .02 = \$222,000$ . Total direct revenues from tourists are  $\$222,000 + \$80,000 = \$302,000$ . In this case, direct revenues more than cover the direct promotion costs of \$250,000. The ratio of revenues to costs is then  $\$302,000 / \$250,000 = 1.2$ .

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***g. Studies From Other Communities***

Characteristics of visitors and their level of expenditures can vary significantly between communities. Unfortunately, visitor surveys can be expensive to do and are frequently only conducted in larger metropolitan areas and in heavily visited regions. You can still benefit from the information that you find in studies that have been done at the state, regional, county, and metropolitan area level and studies of other communities.

Generally, you will have ideas about what type of visitor you want to attract. Pay particular attention to studies that provide information on a type of visitor who is desired in your community. Studies that provide information on visitors based on their activities or interests can also be very helpful. If you want to attract more eco- or nature tourists to your community, examine the characteristics of these types of visitors from studies of other areas.

You can learn many different things from these studies. For example, they can tell you about the typical age, education and income of these types of visitors. Are you dealing with retirees or twenty-somethings? You can learn, on average, how much these visitors spend and how long they stay. Are they coming on day trips or are they overnight visitors? Do they stay in hotels, camp, or stay with family and friends? You may learn what else they are interested in doing and where else they have been on their trip. Is this a single purpose, single destination trip or a multiple destination, multiple purpose trip? What else you learn will depend on the specific questions asked in the study you are reviewing.

You can use visitor study information in many different ways in tourism promotion, development, event planning, and attraction planning. In promotion, the information can help you decide where and when to advertise. For example, knowing that most visitors are from neighboring large cities and vacation in the summer in other towns like yours, may make you decide to spend most of your advertising budget in the those cities during the summer. Visitor study results can also help guide tourism development. For example, if you want to attract birders and you have great birding resources but very few hotel rooms, you have a development problem. Serious birders watch birds in the early morning and late afternoon. They like to stay in lodging near where they plan to watch birds. To capture a share of this type of tourism will require developing more commercial lodging in your community. Visitor study information can help you design events to attract the kind of visitors that you want. For example, many baby

boomers are interested in hands-on activities. If you are interested in attracting baby boomers, your festival may focus on activities that people can do at the festival. In developing or maintaining attractions, visitor study information can be used to guide projects. For example, if a study at a similar attraction was highly critical of food services, you might want to evaluate the quality of food services at your attraction.

#### ***h. State and National Studies and Data***

National level studies can reveal general trends over time that will affect tourism in your community. Examples of such trends include: the tendency for people today to take more frequent trips over the year, staying closer to home and for shorter time periods, rather than taking one long vacation; the growing importance of baby boomers as tourists and their interest in hands-on experiences rather than more passive activities such as viewing museum displays; the growth in demand for “ecological” vacations, cultural tourism, and farm/ranch recreation. American history and ecology, particularly of the “Old West” are very popular with foreign visitors. These trends are discussed more fully under Section VI.

A handy starting point for locating tourism and travel related information is Chapter 8 in *Travel, Tourism and Hospitality Research. A Handbook for Managers*. A complete citation is included in the list of references.

One important source of national travel data is the Travel Industry Association of America. They provide brief summaries of the results of their research at their World Wide Web site or you can order their publications (web address: <http://www.tia.org/default.asp>). Check the research and statistics page. Another recently completed study, the “American Travel Survey” conducted by the U.S. Department of Transportation is also available for U.S. states and metropolitan areas on the World Wide Web (<http://www.bts.gov/programs/ats>). A summary of results for Arizona is included in Appendix C.

We can use other government data sources to examine factors like growth in the number of hotel employees, establishments, and payroll over time. However, these figures are most readily available on an annual basis for counties, not for smaller areas. One such source is the U.S. Census “County Business Patterns” (<http://www.census.gov/ftp/pub/econ/www/mu0800.html>). Appendix D contains County Business Pattern data for selected sectors in all counties in Arizona for the years 1985 and 1995 as an illustration. There is usually a 2 to 3 year lag between when these data are collected and when they become available for use. County Business Pattern data provide estimates of employment for the week of March 12 of each year. For some communities, this is low or shoulder season and for others it is peak season. There are also disclosure problems especially for smaller counties as seen in Appendix D.

Another source is the Economic Censuses that are conducted every five years (the most recent was conducted in 1997). These are available on-line from the subscription service, Cendata, or from libraries that have government documents. Another source is the Regional Economic Information System that is compiled by the Bureau of Economic Analysis at U.S. Department of

Commerce. Personal income data for travel and tourism related sectors for Arizona are provided in Appendix E for the years 1986 and 1996 in 1996 dollars.

If you want access to all of these data sources, check the Government Information Sharing Project website at Oregon State University (<http://govinfo.kerr.orst.edu/>). The Information Sharing site has information from the Regional Economic Information System, the economic and population censuses, and many other sources of government data.

State level studies can also be helpful in tracking tourism activity over time. For example, it is useful to know if the number of specific foreign and out-of-state visitors to the state, such as European visitors or visitors from California, is changing over time. If your community has had a bad year for tourism, was it a bad year across the state (and possibly across the nation) or was it a local phenomenon? National and state level studies can help you answer this question. If the problem is local, it may be that you are losing market share to competing communities. In other words, competing communities are more effectively attracting visitors than your community. Important sources of summaries of Arizona state data and studies are the Arizona Hospitality Research and Resource Center at Northern Arizona University and the Arizona Office of Tourism. The Arizona Hospitality Research and Resource Center maintains a library of state and local tourism related studies.

Generally, you should be more concerned about trends across several years than about a single year's level. However, when it has been a bad year and everyone wants to know why and how to fix it, it can be difficult to keep a more long term perspective.

Make sure you know how to use the information found in visitor surveys. Can you interpret the data to reach your own conclusions? Can you tell whether the methods used to conduct the survey resulted in high quality information or whether there are biases in the study due to sample size, poorly constructed questionnaires, or other problems? If you have trouble with any of these skills, seek professional help from Cooperative Extension and other sources.

Learn who some of the experts in doing visitor surveys are in your state. Don't be shy about asking for their advice or assistance. Most public universities have personnel who have experience conducting and interpreting visitor surveys, particularly in their College of Agriculture Cooperative Extension, schools of recreation management, tourism development, hotel and restaurant management, and related schools and departments.

There are a variety of ways that you can use these data. You can track changes over time by sector and by key variables such as employment, payroll, total revenue, number of establishments and income. You can also compare growth between different sectors within the county. You can compare growth in the county to the state and national growth rates. You can estimate the share of each variable that is in a particular sector (for example, the percent of total county employment that is in hotels, motels, and other lodging). You can compare the share of employment or other variables in each sector in your county to the share in the state economy or the national economy.



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**Example 7. Calculating Location Quotients for Tourism Related Sectors.**

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You can estimate location quotients for your county very easily. Typically, such quotients are based on employment figures. A location quotient shows you how similar the distribution of employment in your county is to the state or the national distribution. Let's say that 150 jobs out of the 1,000 jobs in your county are in retail trade. This means that  $150/1,000 \times 100$  percent = 15 percent of all employment in your county is in retail trade. If you calculate for the state, 10 percent of all employment is in retail trade. If you take the ratio of these percentages:  $15/10 = 1.5$  you get a location quotient that tells you that employment in retail trade in your county is 50 percent higher (or one and a half times that of) state employment in retail trade. This indicates that your economy is more concentrated in retail trade than the economy of the state as a whole.

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### **III. Improving the Way Current Data Are Being Collected**

The discussion so far has mainly focused on using existing information as it is currently collected. However, there may be additional things that you can do to improve the quality of the information that is being collected about tourism in your community.

In terms of tax information, you can discuss with your city's fiscal officer or elected officials the need to provide lodging and retail sales revenue data based on the month that the revenue was due (i.e. the month in which the sale occurred) so that it can be used to track trends. Another idea to consider is a \$1.00 (or some other amount) per night lodging tax as a way to keep track of tourism by providing a good measure of total room-nights in commercial lodging over time. The City of Tucson has such a tax and it provides an accurate measure of room-nights in the city.

Cost information from Chambers and other organizations responsible for visitor centers and tourism promotion is most useful when costs related to tourism can be broken out from other costs. If you don't keep track of costs in this way already, it might be worth exploring how you can with your bookkeeper or accountant.

As suggested earlier, you can check to make sure that some mechanism is in place at all local attractions and at major tourist-oriented businesses to keep track of the number of visitors. If these mechanisms are inadequate, you can work with the manager of the facility to install a registry, door counters, road counters, turnstiles, or other appropriate (formal or informal) tracking system. Encourage managers to have their front line personnel routinely ask visitors appropriate questions to get information that will help the manager in the operation and marketing of their business. Such questions might include: Where are you from? How did you find out about (this attraction/business)? How long will you be staying in the community? Then establish a reporting mechanism within the community. Designate someone to make contact with the managers of local attractions and major tourism-oriented businesses on a quarterly (seasonal or annual) basis to collect and assess visitor data.

At your local visitor center, review your registration book and compare numbers there with the number of people coming through the door. (If you don't have a door counter, get one.) If very few are registering, try to develop strategies for increasing that number, such as asking visitors to register before providing information or hold raffles where visitors that leave their home address

will be entered into a periodic (monthly/quarterly) drawing for some travel or community related prize (like a night for two at a local hotel).

Review the form that you use for registration to make sure that you are collecting key information that will be important to you. Review the forms in Appendix A for ideas. Instruct your front line people in how to greet visitors and encourage them to register. Then recognize your front line people for the good job they are doing.

Find out about the training that local police have received in estimating crowds. See if there are ways to offer additional training to police personnel related to this important skill.

Finally, decide on a specific date each quarter, season, or year when you will schedule time to review data for the previous quarter, season, or year. Spend some time thinking about what the data means for tourism development in the community. Share this information with people in your community who are actively involved in tourism. Use it as a basis for updating yearly tourism related plans. What can be done to improve the quality of data collected?

#### **IV. Deciding Whether Additional Data Collection Is Needed**

As tourism activity grows in your community, you may reach a point where it is critical to do a more intensive study of tourism. Generally, there may be a need to undertake a study under the following circumstances:

1. Tourism is the major industry in the community and there is need for a benchmark of current activity.
2. Your community has experienced significant growth and change in tourism and you need more detailed information about visitor characteristics and expenditures.
3. Your community is on the verge of a major change (addition of new attractions, large increase in number of hotel rooms, etc.) and there is a need to anticipate what effects these changes may have.
4. Your community has decided to focus on a specific niche market and needs more detailed information about this market (for example, residents of the nearest metropolitan area, or a specific interest group such as cultural tourists or adventure travelers).

In some instances, you may be able to find or buy high quality information collected as part of ongoing state or national surveys such as Travelscope, Travel Industry Association special surveys, or national surveys conducted by national tourism consultants. This is especially true if you are trying to target a specific niche market, such as eco-tourism. In other instances, especially when you want detailed information about expenditures and characteristics of visitors to your community, you will have to conduct a study or commission one to be done. In a companion piece to this bulletin called "A Guide to Designing and Conducting Visitor Surveys," the process of actually doing a survey is described in detail (see references).

However, the first step is always to determine that such a survey is absolutely necessary. Surveys are expensive to conduct in both time and money and should not be started casually.

The advantage of doing a survey every five or ten years, is that it is possible to estimate changes in tourism expenditures between surveys if the study is tied to figures such as bed tax revenues and hotel occupancy rates.

## V. Using Data to Track Tourism Activity Over Time

At a minimum, you should track tax revenues, hotel occupancy, and visitor counts at major attractions over time. You may want to examine this information on a seasonal or quarterly basis and write a short press release on the state of tourism in your community for that period of time. An example of a short report is provided in Appendix F.

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### Example 8. Calculating Annual Growth Rates for Bed Tax Revenues.

You will also want to know something about how tax revenues tied to tourism are growing over time. To estimate the average annual percent growth/decline between two points in time (period a and period b) you can use the following formula:

1. Divide the most current year amount by the earlier year amount.
2. Take the log of this number (you can use the log or ln key on your calculator).
3. Divide this by the number of years or periods between the two points of time.
4. Take the antilog (use the  $10^x$  button if you used the log button earlier or the  $e^x$  button if you used the ln button earlier).
5. Subtract by 1. What remains is the growth rate in decimal (not percentage) terms.
6. Multiply by 100 to get percent growth rate.

Calculate this from year to year. If you want to calculate it from decade to decade, you should adjust the amounts for inflation so that they are in constant rather than current dollars. You can do this using the consumer price index (CPI), which is provided in Appendix G.

Let's say that bed tax revenues were \$100,000 in 1986 and \$250,000 in 1996. Say we want to know the average annual growth in tax revenues in 1996 dollars. First we calculate the factor by which we must multiply the 1986 amount by to get a 1996 dollar figure. Divide the 1996 CPI of 156.9 by the 1986 CPI of 109.6. This factor is 1.43. The 1996 amount is already in 1996 dollars.

$$\begin{aligned} \$100,000 \times 1.43 &= 143,000 \\ \$250,000 \times 1.0 &= 250,000 \end{aligned}$$

Now we use the formula above to estimate average annual growth rates:

1.  $250,000/143,000 = 1.74825$
2.  $\ln 1.74825 = .5586163$
3.  $.5586163/10 = .05586163$
4.  $\text{antiln } .05586163 = 1.05745$
5.  $1.05745 - 1 = .05745$
6.  $.05745 \times 100 = 5.745 \text{ percent}$

The average annual growth rate is 5.7 percent between 1986 and 1996.

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## VI. Using Data for Strategic Decision Making

One of the best starting points for strategic planning in tourism in a community is to focus on what type of visitors you want to attract to your community given the resources that you have. The Western Rural Development Center has published a handbook called "Community Tourism Assessment Handbook" (see references) that is a good starting point for a community that is planning a major development initiative in tourism, or that wants to examine how viable tourism is as a development option for their community.

Take time to assess current tourism activities in your community. What has been the cost/benefit of tourism to the community? What kind of pay back are you getting for the time and resources you are now investing in tourism development? What is the ratio of total tourism expenditures to total direct expenditures on tourism related activities? No community wants to promote tourism if it doesn't pay—if it creates more costs than benefits.

Plan time at least annually to evaluate your tourism development and marketing program, how you are now doing business. Utilize the data you've collected, as suggested in this bulletin, to assess the impact of tourism on the community. Use this data to make strategic choices toward strengthening your visitor attractions, events, and marketing. What actions could be taken to increase the level of expenditures made by visitors to your community?

We know from numerous studies that the money spent by tourists occurs largely in the community where the visitor spends the night. Visitors that stay overnight in your community in commercial accommodations spend more money per person, per party, and per trip than visitors who do not. This is not only because of their lodging expense, but also because these visitors are more likely to eat out in local restaurants and typically spend more time in local shops.

What percent of your current visitors are staying overnight in the community? How could that number be increased? Are your eating and lodging facilities memorable? What could be done to make an overnight stay in your community more appealing? If your community is a gateway to other area attractions, what can be done to insure that visitors return to your community for the evening rather than spend the night somewhere else? Strategies you might consider are guided tours, evening seminars or special entertainment, a self-guide for evening walks, unique lodging decor, added service, unique food items on local menus, retail shops open in the evening, a free community memento, special evening events at your visitor attractions, and a list of evening and weekend activities available in your community (e.g. calf roping, little league sports, dances, movies, window shopping, star gazing, early morning bird watching). Emphasize your community's overnight amenities in any promotional materials. If most visitors to your community are currently day trippers, you may be footing much of the cost of tourism without receiving the benefits.

Those visitors who are now spending the night in commercial lodging in your community and those visitors who are repeat visitors are the ones you especially want to keep happy. Listen to them closely when they have concerns or suggestions. Communities that fail to develop local accommodations and evening attractions will be continually frustrated by the low returns they

get from tourism. Communities that are successful at bringing visitors back to their community are building a strong customer base.

Survey data show that the more time visitors spend in your community, the more money they spend. Are your current community attractions strong enough to hold people for a half a day, for a full day, for an overnight? What can be done to extend the amount of time visitors spend in each of your attractions? How attractive are local shopping facilities? Do you have unique tourist-oriented products for sale? Local cash registers will ring only if visitors are provided unique and rewarding ways to spend their money.

Some studies show that return visitors spend more than first-time visitors. In addition, the amount of time and money needed to attract repeat visitors is less than that required to attract a first-time visitor. Repeat visitors are also a good source of word-of-mouth advertising. Communities need to diligently work at turning current visitors into return visitors. Successful attractions target previous visitors in their marketing program.

As indicated earlier, today's visitors are taking frequent, shorter vacations, closer to home. Nationwide, short vacations presently account for 80% of vacation travel. Average length of trip is 2 to 4 days, often including a weekend. Average distance traveled is 75 to 100 miles. Consider putting together and marketing a special weekend/overnight get-away package to your community targeted to in-state residents.

Trends further indicate that today's visitors are increasingly experience seekers and are no longer content to be mere sight-seers. This is particularly true for the aging 'baby boomer' that will dominate the tourist market in the next decade. Such travelers want unique, authentic, life enriching experiences. They want to be involved. They want to learn about things. Historic experiences are increasingly popular. Ecological vacations are the fastest growing visitor segment today. This includes agriculture as well as outdoor adventure. Unique, ethnic, and gourmet food items are sought. These experience seekers tend to stay in the community longer and spend more. What can be done to incorporate experiential activities into your current attractions?

Are your visitor attractions self-sustaining, i.e. generating enough visitor revenue to cover costs of operation? If they are not, reassess the fees charged and/or improve the quality of the attraction.

Is your public infrastructure (streets, water, sidewalks, parks, directional signage, visitor information, public restrooms, etc.) adequate to host visitors? Is your community attractive and inviting to visitors? Are inadequate restrooms forcing visitors to shorten their stay in your community? Are tax revenues generated by visitors adequate to service the public infrastructure they demand?

Who benefits economically from the special events your community now hosts? Are adequate revenues generated through ticket sales, space rentals, commissions, business subscriptions, etc. to return a profit to the hosting organization? If not, how can that be changed? What percent of your food and other vendors are local residents/businesses that pay local sales tax versus out-of-

town vendors? What percent of your event visitors are staying overnight in your community? Are sales and bed tax revenues generated by the special event sufficient to cover the public costs of the event (police services, garbage collection, rest rooms, litter clean-up, etc.)? Many communities routinely host special events without assessing how those events might be redesigned to increase revenue to the community. Consider targeting your event to higher value customers through for-fee special tours, seminars, and small group experiential activities.

Use the data available to you in your planning efforts. If admission at key attractions is down, include finding out why as a project in the next year. If the community is having trouble attracting new motels, and thus increasing (or replacing obsolete) rooms available, make finding out why a key objective in your strategic plan. If you identify a specific target market for promotional purposes, search out as much existing information as you can find on this market. Ask tough questions. Does your community have a high value experience to offer this market? If not, what must you do to improve your product? If you do have the product, how do you reach your target market?

Visitor surveys indicate that ‘word of mouth’ is the primary way visitors find out about community attractions. The best way to get good word of mouth advertising is to offer current visitors a quality experience and outstanding customer service. Travelers are becoming much more discriminating when they travel. They often rely heavily on travel guides that tell them not only what is available in a community, but provide a rating of the quality. Communities need to diligently work at turning current visitors into tourism ambassadors for the community.

## **VII. Getting Feedback to Improve the Quality of Your Attractions and Visitor Experience**

Many businesses are very concerned about how satisfied their customers are with their product or service and will provide ways for their customers to provide this feedback. You may want to find out which tourism and travel related businesses are doing this already and what they have learned. If you find that few businesses are doing this, you might want to provide training in getting customer feedback to local businesses and to attraction managers.

There are a variety of ways to get this information. They include using community swaps, focus groups, and short surveys. A community swap involves inviting groups of people who work in tourism and travel related businesses from a community of similar size as yours (and hopefully with similar levels of tourism activity as your community) to come spend a few days in your community assessing your attractions and facilities. Usually in such a swap, you send a group of people from your community to their community to do the same thing. You ask the group to share their observations and recommendations for improving services and amenities in your community. It helps if you prepare a check list and set of questions that you want your community swap visitors to use as a basis for their evaluation. An example of such a checklist is provided in Appendix H.

Focus groups involve selecting a group of visitors of a particular type and asking them as a group to discuss what they like and dislike about your community. Because group dynamics and the

facilitator for the session can have a strong effect on the outcome of focus groups, it is good to do several of them, preferably using different facilitators. The difficulty of forming a focus group of visitors is finding an appropriate time and place to contact potential members. Many people that you approach, especially if they are on vacation, may not be interested, even if you are offering some incentive such as cash to participate.

Doing a survey is discussed in another extension bulletin listed in the references. It is possible to do a periodic short survey using postcards with prepaid postage to elicit response about specific aspects of the visitors' experience. However, to get scientifically valid results requires that you know how to sample effectively. Note that community swaps, focus groups, and surveys all require funding and careful planning to be effective.

## **VIII. Conclusions**

In this bulletin, we have outlined strategies for collecting information about tourism in your community and the economic contribution it makes. The most credible data source available to you is bed tax data because they are collected by an outside, disinterested source. It is possible to make fairly good estimates of lodging expenditures directly from these data. By making some assumptions about the percentage of total visitor expenditures on lodging, it is possible to come up with a rough estimate of total visitor expenditures (see Example 1). By keeping an inventory of hotels and their total number of rooms, you can track supply of rooms and room-nights in your community. If hotels and motels in your community are willing to share occupancy data, you can estimate demand for room-nights in the community. By combining this information with lodging expenditures, you can track average cost per room-night (see Example 3). Estimating the total number of visitors to the community is extremely difficult without conducting a survey of visitors. However, counting visitors to visitor centers, attractions and events can give you some indicators of visitor levels over time and allow you to assess how well individual attractions and events are doing in your community.

Tourism activity cuts across a number of sectors in the economy, so it is nearly impossible to track total tourism with secondary data. However, this information can be used to see how specific sectors like hotel and lodging, and eating and drinking places are doing over time in the community. Most of these data are available at the county level, but not for smaller communities, and are available several years after they are collected. National, regional and state studies, as well as studies from other communities, can give you some indication of the trends in tourism that may help shape your decisions concerning product development and marketing.

It is important to follow and respond to trends over several years, rather than one year's events. Example 8 presented one way to do this by estimating annual growth rates from bed tax data. You can also compare how your community is doing relative to other communities, the state, and the nation. Reviewing the trends and questions presented in Section VI in conjunction with the data you have collected can help you make tourism related decisions. In addition, consumer feedback from community swaps, focus groups, and postcard surveys can help you assess the quality of customer service in your community.

It is very difficult to estimate the economic effect that tourism and travel are having on a given community, but that does not mean that you should not use all possible information at your disposal to make these estimates. To be credible, it is important to explain how you made these estimates. The strategies presented in this bulletin should help you make a start on estimating tourism activity in your community.

## References

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## Appendix A. Example Guestbook Formats

Name	Street Address (only if you intend to use it)	City, State and Zip Code	Number in visitor party	Main purpose of this trip	How many nights will you be in town? Please put zero if you are just here for the day

Name	Zip code	Number of people in your travel group	Nights in town	What is the most important reason for your visit to this area?	How did you find out about (this attraction)?

## Appendix B. A Comparison of Globe-Miami and Tucson Visitors Who Stopped at Visitor Centers Versus All Visitors

Characteristic	Tucson		Globe	
	Visited Center	All Visitors	Visited Center	All Visitors
Size of party (people)	1.9	2.1	2.7	2.7
Length of stay in community (days)	12.4	4.8	3.6	1.7
Average expenditure per party per trip	\$1,513	\$1,133	\$209	\$140
Median income range	\$60-80,000	\$60-80,000	\$40-60,000	\$40-60,000
Percent visitors under 18 years of age	10	7	3	7
Percent visitors over 60 years of age	54	25	43	37
Percent business travelers	28	43	6	9
Percent visiting friends and family	11	14	9	11
Percent other leisure visitors	61	30	63	54

Important differences between all visitors and visitors who stop at a visitor center in both cases, include that more leisure than business visitors tend to stop at the center. Likewise, visitors in town to see family and friends are slightly less likely to stop at the visitor center. Visitors who stop tend to spend somewhat more money while in the community. Visitors to centers include more people over the age of 60. Visitors to centers also tend to stay longer in the community than the average visitor.

Sources: Charney, Alberta and Julie Leones, 1997; Leones, Julie, Douglas Dunn, and Valerie Ralph, 1997. Special run of data sets used in these studies.

## Appendix C. Summary of 1995 American Travel Survey for Arizona

Table C.1 Statistics for In-State and Out-of-State Visitors to Arizona (In Percentages Unless Otherwise Indicated)

	Travelers from:	
	In-state	Out-of-state
<b>Means of transportation</b>	<b>Percent</b>	<b>Percent</b>
Personal use vehicle	98	48
Airplane	1	52
Bus, train, other	1	1
<b>Calendar quarter of travel</b>		
First quarter	26	23
Second quarter	27	28
Third quarter	27	21
Fourth quarter	20	29
<b>Main purpose of trip</b>		
Business	15	21
Pleasure	62	69
Personal business	22	10
<b>Main purposes of pleasure trips</b>		
Visit friends and family	41	56
Rest or relaxation	19	19
Sightseeing	9	11
Outdoor recreation	13	8
Entertainment	8	5
<b>Round trip travel</b>		
Less than 300 miles	63	2
300-499 miles	33	5
500- 999 miles	4	33
1000-1999 miles	0	22
2000 or more miles	0	39
Mean (miles)	304	1907
Median (miles)	264	1317

	In-state	Out-of-state
<b>Travel party</b>		
1 adult only	29	38
2 adults only	30	34
Adults with children	37	27
Children only	3	2
<b>Nights away from home</b>		
None	43	10
1-3 nights	48	43
4-7 nights	8	32
8 or more	2	15
<b>Types of lodging if spent the night</b>		
Friend or relative's house	48	48
Hotel, motel or resort	26	43
Rented cabin, condo or vacation home	3	1
Owned cabin, condo or vacation home	9	2
Camper, trailer, RV, tent	7	4
Other	8	3
<b>Age</b>		
Under 18	22	14
18-24	7	9
25-29	8	7
30-39	16	18
40-49	16	19
50-59	17	15
60-64	5	5
65 and up	7	12
Median (years)	37	40

	In-state	Out-of-state
<b>Race &amp; Ethnicity</b>		
White	90	91
Black	0	1
American Indian, Eskimo, Aleut	6	3
Asian or Pacific Islander	0	3
Other	4	3
Hispanic Origin	17	8
<b>Income</b>		
Less than \$ 25,000	24	12
\$25,000-39,999	31	16
\$40,000-49,999	17	13
\$50,000-59,999	9	13
\$60,000-74,999	7	16
\$75,000-99,999	8	15
\$100,000 or more	4	15
<b>Educational Attainment</b>		
Less than high school graduate	10	6
High school graduate	29	19
Some college, no degree	25	23
Associate degree	7	4
Bachelor's degree	16	30
Some graduate or graduate degree	12	18
<b>Activity</b>		
Working full time	57	62
Retired	15	16
Other	28	22

	In-state	Out-of-state
<b>Household type</b>		
Married couple, no children under 18	34	37
Married couple, children under 18	39	36
Female head with children	6	2
Male head with children	1	3
Female head, no children	4	5
Male head, no children	2	1
Non-family household	14	17
<b>Key trip and party characteristics</b>		
Total person-trips	10,895,000	10,453,000
Person-trips in commercial lodging	1,625,970	4,003,227
Party-trips in commercial lodging	650,388	1,906,299
Party-trip-nights in commercial lodging	1,170,698	6,672,045
Mean party size (# of people)	2.5	2.1
Mean nights away (excluding none)	2.7	5.9
Mean nights at friends and family	2.6	5.8
Mean nights at commercial lodging	1.8	3.5

### Key Results:

- Over half of all out-of-state visitors arrived in Arizona by airplane.
- Over two-thirds of out-of-state and just under two-thirds of in-state travelers were traveling for pleasure.
- The most important purpose of pleasure trips was to see friends and family (by 41 and 56 percent of all out-of-state and in-state travelers).
- 72 percent of out-of-state and 59 percent of in-state travel parties consisted of one or two adults traveling without children.
- 90 percent of out-of-state and 57 percent of in-state travelers spent one night or more away from home.

- About half of all travelers who stayed overnight in Arizona stayed at the homes of family and friends.
- 26 percent of in-state and 43 percent of out-of-state travelers who spent one night or more away from home stayed in commercial lodging.
- The median age of travelers was 37 for in-state and 40 for out-of-state.
- 17 percent of in-state and 8 percent of out-of-state travelers were of Hispanic origin.
- The median income for out-of-state travelers was \$50,000 to \$60,000 compared to a median of \$25,000 to \$40,000 for in-state travelers.
- Almost half of all out-of-state visitors had a bachelor's degree or higher education (compared to over one quarter for in-state travelers).
- Between 15 and 16 percent of travelers were retired.
- Over a third of all travelers came from households that include a married couple with no children under the age of 18.
- Over a third of all travelers came from households that include a married couple with children under the age of 18.
- Out-of-state travelers stayed more than twice as long as in-state travelers in commercial lodging and with friends and family.
- Traveler party size was slightly larger for in-state than out-of-state travelers (2.5 people versus 2.1 people).
- Out-of-state travelers accounted for three-fourths of all party-trips in commercial lodging and 85 percent of all party-trip-nights (room-nights) in commercial lodging.

Table C.2 Statistics for Visitors from California and New Mexico to Arizona

	Travelers from:	
	California	New Mexico
<b>Means of transportation</b>		
Personal use vehicle	64	82
Airplane	33	16
Other	4	2
<b>Calendar quarter of travel</b>		
First quarter	19	27
Second quarter	27	28
Third quarter	25	24
Fourth quarter	30	21
<b>Main purpose of trip</b>		
Business	13	38
Pleasure	79	51
Other	8	11
<b>Main purposes of pleasure trips</b>		
Visit friends and family	52	63
Leisure	48	37
<b>Round trip travel</b>		
Less than 300 miles	0	19
300-499 miles	9	13
500- 999 miles	64	56
1000-1999 miles	26	11
2000 or more miles	1	1
Mean (miles)	899	656
Median (miles)	765	650
<b>Travel party</b>		
1 adult only	66	61
2 adults only	33	33
Adults with children	1	6



	Travelers from:	
	California	New Mexico
<b>Nights away from home</b>		
None	12	24
1-3 nights	57	49
4-7 nights	28	22
8 or more	4	4
<b>Types of lodging if spent the night</b>		
Friend or relative's house	49	53
Hotel, motel or resort	43	39
Other	8	8
<b>Age</b>		
Under 18	16	23
18-24	12	5
25-29	7	4
30-39	18	13
40-49	20	27
50-59	14	19
60-64	3	2
65 and up	10	6
Median (years)	38	42
<b>Race &amp; Ethnicity</b>		
White	89	69
Black	0	2
American Indian, Eskimo, Aleut	0	25
Asian or Pacific Islander	7	1
Other	4	4
Hispanic Origin	9	13

	Travelers from:	
	California	New Mexico
<b>Income</b>		
Less than \$25,000	8	35
\$25,000-39,999	11	28
\$40,000-49,999	11	9
\$50,000-59,999	13	4
\$60,000-74,999	18	7
\$75,000-99,999	22	9
\$100,000 or more	18	9
<b>Educational Attainment</b>		
Less than high school graduate	4	15
High school graduate	13	31
Some college, no degree	29	14
Associate degree	3	4
Bachelor's degree	35	15
Some graduate or graduate degree	16	21
<b>Activity</b>		
Working full time	67	57
Retired	15	8
Other	18	35
<b>Household type</b>		
Married couple, no children under 18	37	28
Married couple, children under 18	39	44
Female head with children	1	5
Male head with children	1	1
Female head, no children	4	3
Male head, no children	0	2
Non-family household	18	18

	Travelers from:	
	California	New Mexico
<b>Key trip characteristics</b>		
Total person-trips	3,832,000	798,000
Person-trips in commercial lodging	1,450,029	236,527
Party-trips in commercial lodging	659,104	107,512
Party-trip-nights in commercial lodging	1,911,402	268,780
Mean party size (# of people)	2.2	2.2
Mean nights away (excluding. None)	3.3	4.0
Mean nights at friends and family	3.7	3.9
Mean nights at commercial lodging	2.9	2.5

### Key Results:

- Travelers from CA and NM were more likely to drive than other out-of-state visitors. 64 percent of CA travelers and 82 percent of NM travelers drove.
- Travelers from CA are least likely to visit between January and March.
- Half of NM and 79 percent of CA travelers are in Arizona for pleasure.
- 52 percent of CA pleasure travelers and 63 percent of NM pleasure travelers are visiting friends and family.
- Two-thirds of CA travel parties and 61 percent of NM travel parties consist of one adult.
- 88 percent of CA and 76 percent of NM travelers spent one or more nights away from home on this trip.
- Approximately half of all travelers who spent a night away stayed at the home of friends and family.
- The median ages for CA and NM travelers were 38 and 42 years.
- One quarter of all NM travelers are American Indians.
- 9 percent of CA and 13 percent of NM travelers are of Hispanic origin.
- The median income of CA travelers is \$60,000-75,000, while the median for NM travelers is \$25,000-40,000.
- Over half of CA travelers and 36 percent of all NM travelers have a bachelor's degree or

higher.

- Almost half of all NM travelers have a high school diploma or less.
- 15 percent of CA travelers, but only 8 percent of NM travelers, are retired.
- 35 percent of NM travelers are neither retired, nor do they work full time.
- Mean party size for travelers from CA and NM is 2.2 people.
- Mean nights in commercial lodging is 2.9 and 2.5 nights for CA and NM travelers respectively.
- NM travelers account for just over 3 percent of all room-nights in commercial accommodations.
- CA travelers account for almost one quarter of all room-nights in commercial accommodations.

Source: U.S. Department of Transportation, "American Travel Survey." 1995.

## Appendix D. County Business Pattern Data 1995 and 1985 for Arizona Counties in 1995 Dollars

County	Jobs		Annual growth	Payroll (\$1000)		Annual growth
	1995	1985		1995	1985	
<b>Apache</b>						
Total	6,488	4,601	3.5	114,394	62,131	2.7
Retail Trade	1,703	1,064	4.8	17,596	9,531	2.7
Eating and Drinking	501	195	9.9	3,137	1,115	7.1
Hotel and Lodging	342	c		5,145	875	15.3
Amusement Services	f	d		d	d	
<b>Cochise</b>						
Total	18,849	12,914	3.9	346,471	177,686	3.2
Retail Trade	6,353	4,376	3.8	74,043	40,090	2.7
Eating and Drinking	2,383	1,386	5.6	17,015	6,719	6.0
Hotel and Lodging	645	295	8.1	5,160	1,934	6.5
Amusement Services	145	74	7.0	985	451	4.4
<b>Coconino</b>						
Total	33,647	19,623	5.5	613,482	271,038	4.8
Retail Trade	13,077	7,192	6.2	164,664	70,815	5.1
Eating and Drinking	5,694	2,916	6.9	49,392	17,866	6.9
Hotel and Lodging	2,633	2,067	2.4	33,606	20,307	1.6
Amusement Services	751	184	15.1	15,214	1,816	19.5
<b>Gila</b>						
Total	12,470	8,024	4.5	282,977	158,340	2.4
Retail Trade	3,145	1,855	5.4	37,575	18,049	3.9
Eating and Drinking	1,356	653	7.6	10,141	4,021	5.9
Hotel and Lodging	197	127	4.5	1,756	762	5.0
Amusement Services	273	d		5,896	d	
<b>Graham</b>						
Total	4,113	2,723	4.2	61,728	29,519	4.0
Retail Trade	1,748	1,186	4.0	20,476	10,165	3.6
Eating and Drinking	470	297	4.7	3,067	1,480	3.9
Hotel and Lodging	c	53		d	271	
Amusement Services	d	d		d	d	

County	Jobs		Annual growth	Payroll (\$1000)		Annual growth
	1995	1985		1995	1985	
<b>Greenlee</b>						
Total	h	g		d	d	
Retail Trade	280	256	0.9	2,293	1,931	-1.7
Eating and Drinking	148	d		967	d	
Hotel and Lodging	d	d		d	d	
Amusement Services	d	d		d	d	
<b>La Paz</b>						
Total	2,705	y		43,553	y	
Retail Trade	1,143	y		10,392	y	
Eating and Drinking	503	y		3,402	y	
Hotel and Lodging	d	y		d	y	
Amusement Services	d	y		d	y	
<b>Maricopa</b>						
Total	1,035,214	716,445	3.7	26,765,840	12,743,730	4.0
Retail Trade	217,001	154,207	3.5	3,309,944	1,752,095	2.9
Eating and Drinking	80,961	54,123	4.1	715,204	339,248	4.1
Hotel and Lodging	23,515	17,702	2.9	343,421	157,646	4.4
Amusement Services	14,961	7,605	7.0	272,874	72,048	10.3
<b>Mohave</b>						
Total	28,679	14,068	7.4	497,093	177,797	7.0
Retail Trade	9,252	4,560	7.3	117,706	43,003	6.8
Eating and Drinking	3,089	1,547	7.2	22,644	7,833	7.4
Hotel and Lodging	1,238	654	6.6	10,829	4,121	6.4
Amusement Services	355	112	12.2	3,981	823	13.1
<b>Navajo</b>						
Total	14,793	9,566	4.5	307,892	171,864	2.4
Retail Trade	4,668	2,967	4.6	59,143	31,742	2.8
Eating and Drinking	1,649	840	7.0	13,412	6,488	3.9
Hotel and Lodging	460	464	-0.1	4,627	3,627	-1.0
Amusement Services	d	57		d	1,153	

County	Jobs		Annual growth	Payroll (\$1000)		Annual growth
	1995	1985		1995	1985	
<b>Pima</b>						
Total	247,225	187,297	2.8	5,486,328	3,060,068	2.4
Retail Trade	62,022	45,361	3.2	822,294	445,039	2.7
Eating and Drinking	24,735	17,037	3.8	196,373	94,223	3.9
Hotel and Lodging	4,915	3,422	3.7	61,894	24,231	6.1
Amusement Services	5,512	3,223	5.5	60,811	29,569	3.8
<b>Pinal</b>						
Total	26,574	15,759	5.4	573,478	263,335	4.4
Retail Trade	6,791	4,423	4.4	78,040	38,166	3.7
Eating and Drinking	2,336	1,649	3.5	15,846	7,188	4.5
Hotel and Lodging	1,270	358	13.5	17,064	1,902	20.3
Amusement Services	766	178	15.7	17,991	1,057	28.2
<b>Santa Cruz</b>						
Total	9,808	6,735	3.8	171,753	78,708	4.4
Retail Trade	3,241	2,318	3.4	35,462	21,286	1.6
Eating and Drinking	1,039	483	8.0	8,518	2,749	8.1
Hotel and Lodging	448	231	6.8	3,109	1,392	4.7
Amusement Services	144	54	10.3	1,555	436	9.7
<b>Yavapai</b>						
Total	32,441	17,092	6.6	597,799	234,176	6.1
Retail Trade	9,492	4,916	6.8	122,589	46,910	6.3
Eating & Drinking	3,401	1,861	6.2	27,508	10,560	6.3
Hotel & Lodging	584	421	3.3	5,673	2,850	3.5
Amusement Services	407	183	8.3	7,579	2,370	8.5
<b>Yuma</b>						
Total	30,257	20,654	3.9	519,277	250,532	3.9
Retail Trade	9,712	7,038	3.3	112,049	68,079	1.5
Eating & Drinking	3,443	2,524	3.2	25,063	13,846	2.5
Hotel & Lodging	625	656	-5	5,316	3,445	0.9
Amusement Services	926	441	7.7	10,321	2,581	10.9

	Jobs		Annual growth	Payroll (\$1000)		Annual growth
	1995	1985		1995	1985	
<b>Arizona</b>						
Total	1,507,132	1,038,972	3.8	36,517,113	17,756,830	3.8
Retail Trade	349,628	241,755	3.8	4,984,266	2,597,066	3.1
Eating & Drinking	131,708	85,578	4.4	1,111,689	513,647	4.3
Hotel & Lodging	37,100	26,602	3.4	499,129	223,390	4.7
Amusement Services	25,103	12,206	7.5	406,741	112,992	9.8

**Notes:**

Jobs - refers to all full and part time jobs as of March of the indicated year.

Payroll - refers to wages and benefits paid to all employees in thousands of dollars.

Annual growth - is the estimated annualized growth rate for the given sector over the period from 1985 to 1995.

Total - refers to all jobs covered by County Business Patterns. This includes all private sector jobs except in agriculture. It does not include government employment, railroad employment, or the self-employed.

d - indicates that the data could not be disclosed.

c - indicates that employment was between 100 and 249 employees.

f - indicates that employment was between 500 and 999 employees.

g - indicates that employment was between 1,000 and 2,499 employees.

h - indicates that employment was between 2,500 and 4,999 employees.

y - indicates that employment and compensation figures were not available for La Paz County in 1985.

Finally, note that not all employment under retail or eating and drinking (which is a category within retail) or amusement services can be attributed to tourism. However, most of hotel and lodging can be attributed to tourism related activity.

Source: U.S. Census, "County Business Patterns."



## Appendix E. Tourism Related Personal Income Data for 1996 and 1986 for Arizona in 1996 Dollars

Category or sector	1996 income (\$1000)	1986 income (\$1000)	Annual growth rates (%)
Personal income	94,607,350	66,633,529	3.57
Nonfarm earnings	64,441,652	45,701,467	3.50
Private earnings	54,291,153	37,652,935	3.73
Local and interurban passenger transit	136,149	120,149	1.26
Transportation by air	895,604	264,263	12.98
Retail trade	7,199,710	5,488,132	2.75
General merchandise stores	622,585	553,728	1.18
Food stores	1,220,194	1,012,215	1.89
Automotive dealers and service stations	1,497,938	1,042,128	3.69
Apparel and accessory stores	206,797	188,227	0.95
Eating and drinking places	1,683,175	1,171,475	3.69
Miscellaneous retail	1,087,728	823,161	2.83
Hotels and other lodging places	910,588	613,883	4.02
Amusement and recreation services	711,109	269,132	10.20
Museums, botanical, zoological gardens	25,389	12,568	7.28

Note: Personal income figures include all personal income from all sectors, including agriculture and government sectors and the self-employed.

Source U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

## Appendix F. Example Annual Report on Tourism in the Community

It has been a good year for tourism in Hometown:

- bed tax revenues were \$1.1 million, up 10 percent over last year's record breaking \$1 million.
- occupancy averaged 71 percent for the year:
  - 84 percent during the peak season from May through September.
  - 55 percent for October through April.
- average room rate was \$65.08 up from \$63.50 last year.
- total visitor expenditures were an estimated \$34.5 million.
- the ratio of visitor expenditures to our promotion costs was up to 20 from 18 last year based on \$1.725 million in promotion and visitor center costs.
- visitation at our premier attraction: the prehistoric ruins and museum was 180,000 this year, up 15 percent over last year.

Overall, growth in tourism has been strong over the past five years:

- bed tax revenues and visitor expenditures have increased at an estimated annual rate of 7 percent in real 1998 dollars.
- occupancy rates have remained relatively stable despite the addition of 120 new rooms in the past five years.
- average room rates have increased at an estimated annual rate of 4 percent in real 1998 dollars.

In the past year we have:

- added new public restrooms in the downtown park.
- opened a second archeological site with interpretative signage.
- received 20,000 telephone and e-mail requests for information at the visitor center.
- had 80,000 people stop in at the visitor center.
- had 10 featured newspaper and magazine travel articles written about our community in publications such as *Sunset Magazine* and *The New York Times*.

Our plans for this year include:

- a new harvest festival in late October, in addition to our three other festivals.
- special events and publicity to attract visitors to the new archaeological site.
- a downtown beautification effort on Earth Day.

## Appendix G. Consumer Price Index for Estimating Real Dollar Returns in Tourism

Year	Consumer Price Index for All Urban Consumers (1982-84 = 100)
1997	160.5
1996	156.9
1995	152.4
1994	148.2
1993	144.5
1992	140.3
1991	136.2
1990	130.7
1989	124.0
1988	118.3
1987	113.6
1986	109.6
1985	107.6
1984	103.9
1983	99.6
1982	96.5
1981	90.9
1980	82.4
1979	72.6

Source: Statistical Abstract of the United States. 1998. U.S. Department of Commerce, Bureau of the Census.

## **Appendix H. Potential Questions for Community Swap**

### **Community:**

How can the community improve its appearance or become more attractive to visitors?

What do visitors see as they enter town?

Are directional signs to attractions available and easy to follow?

Are signs in town attractive? Are they regulated in terms of size, materials, placement, etc.?

How is the area landscaped?

Are maps available to help visitors find their way around the area?

What do you find most appealing about the community as a visitor?

Are local residents friendly towards visitors?

Are historic structures renovated and put to new uses?

Are there attractive parks available or other public areas?

Are adequate public rest rooms available?

Are adequate trash receptacles available?

Is parking adequate, especially in the downtown area and near attractions?

Is there a visitor center or other place to get information about the community? Is it easy to find?

Are ATM machines readily accessible?

If a lot of foreign visitors come to the community, are there places that they can exchange foreign currency for U.S. dollars?

### **Lodging Places:**

Are hotels and lodging places attractive to the visitor or do they look run down?

Are there inns and bed and breakfast establishments available? Are they attractive?

Are the hotel staff friendly and attentive?

Are the hotel staff able to provide information about local attractions and things to do?

Are the prices for lodging fair for the quality of lodging offered?

Are the rooms clean and neat?

Is the room decor attractive?

Are there special services or products that the lodging places supply to guests?

**Restaurants:**

Is there a selection of places where visitors can eat?

Are there a variety of menus and prices at these restaurants?

Are the restaurants attractive to the visitor?

Do the restaurant staff provide good quality service during the meal?

Is the quality of the food good?

Are the prices fair for the type of food served?

Are local food specialties served?

Do the restaurants do anything extra special for diners?

**Retail Shops:**

Are there a variety of shops offering attractive products to visitors?

Are the prices fair for the quality of products offered?

Do shops offer unique visitor-oriented products?

Can visitors buy locally made products?

Are the shop staff friendly and helpful?

Are the displays appealing to the visitor?

Do the shops seem clean and uncluttered?

Are the shop fronts and street front areas attractive and inviting?

Are the operating hours convenient for visitors?

Do shops take credit cards and checks?