

**2020 REGIONAL LEISURE TRAVELER DATA/
MARKETING ANALYSIS:
*ESSEX and HAMILTON COUNTIES, NY-
ADIRONDACK REGION***



Photo credit: ROOST

**Prepared by: PlaceMaking
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BACKGROUND

In 2020, the Regional Office of Sustainable Tourism (ROOST) managed the marketing tourism assets for the Essex and Hamilton County and the Village of Tupper Lake in Franklin County, New York State. The agency commissioned a study, as it has for the past five years, to determine leisure traveler information at the county levels and to gauge key regional marketing program statistics. ROOST contracted with PlaceMaking, a regional community and economic development research firm to complete this research. Regional traveler data and a summary marketing/return on investment (ROI) analysis are provided in this briefing.

Certainly, this year provided an unprecedented time in modern history because of the COVID-19 pandemic. As such, the researchers and ROOST recognize the unusual visitation and social trends during 2020 and caution against direct comparison to other years of research. As the pandemic caused near shutdowns of most industries by late first quarter, most of the measured year show these impacts.

This research measures the leisure travel market and does not reflect impacts produced by the meeting/convention and group market segments. This summary depicts the regional impacts of leisure visitor marketing expenditures and estimated return on these investments.

METHODOLOGY

In January 2020, using a jointly created survey tool with the consultant, ROOST sent an invitation to a representative sample of its travelers to Essex and Hamilton counties. The end-product of the research includes detailed traveler information, estimated traveler expenditures and associated analysis.

ROOST sent a jointly created survey tool to a sample of its 2020 leisure travelers to Essex and Hamilton counties. Visitors were requested to complete an online survey (via social media and email) and the results were compiled from the responses received specifically from visitors to the region.

The number of potential visitors who inquired about travel to the two-county region in 2020 and provided contact information (traceable leads) was 168,089. Traceable leads do not include the potentially much larger audience that could also be influenced by promotional material for the region suggesting that the traceable leads

represent a conservative number to base both the return on marketing dollars and ROI calculations.

A total of 13,434 invitations were sent by ROOST successfully through electronic mail. Of this group 3,593 responses were received for a 26% response rate. An additional 467 responses were received by Facebook respondents from 35,000 who viewed the request for the survey. This 1.3% response is much less significant of course, but given the overall high level of response, researchers included the social media response to the aggregate group.

The number of survey responses is approximately 30 percent less than the prior year response, which is not surprising given the COVID-19 pandemic and greatly impacted travel.

The project team for this research is consistent with previous years of study, including project manager Victoria Zinser Duley- AICP, Principal with PlaceMaking, John Parmelee, CHIA- faculty member of the SUNY Plattsburgh Department of Hospitality Management and Lisa Cyphers- Statistician. Given the numerous years of data collection and many similar demographic and visitor trends, the researchers feel confident in the data collected and marketing/ROI analysis at this regional level.

SUMMARY TRAVELER DATA

Highlights of 2020 visitation to the region included:

Demographics and Visit Information

- Average traveler party age of respondents was 53 years old, slightly younger than the five-year average and in prior year.
- The average reported total traveler party size was 4 adults and 1 child, for a total of 5 persons. This showed a near doubling of the adult party size from prior year (2.7).
- Respondents included 58% females, 41% males and 1% unspecified.
- 95% of visitor respondents were of white ethnicity; with just under 1% each reporting Native American, Hispanic, Asian ethnicity and 1.5% each mixed race or African American.

- Visitation by respondents from New York State jumped to greater than three out of four of all reported visitors (78%).
- Central/Western New York visitors comprised the greatest group of these at 37%. Approximately one-third (34%) of these NY State visitors came from the most nearby region, the Capitol District and north. Northeastern state visitors outside of NYS dropped slightly to 16% of respondents.
- Not surprisingly as a result of the border closing in spring 2020, Canadian visitors dropped to only 2% of respondents (from 8%). Similarly, out of state visitation from those outside the Northeast also dropped substantially to only 5% total.
- Stay length reported by 2020 travelers increased greatly from prior years. The average length of stay roughly doubled from average stay length of the past five years to 6.7 nights. Researchers believe this is also highly impacted by the pandemic.
- 2020 data depicted very strong reported summer peak visitation, modifying a slow trend toward increased shoulder season visitation of recent years. July/August visitation climbed to one-third of annual reported visitation (33%). September/October visitation dropped somewhat to 22%. November/December (5%) and January/February (8%) visitation both declined. March/April reported visitation stayed consistent at 6%. May/June showed the only other months of higher visitation compared with prior year, climbing from 15% to 22% of responses.
- Hotels/motels remained the most reported lodging choice among 2020 traveler respondents by a high margin (40%).
- Short-term rentals grew substantially in reported use, tying in 2020 with camping/RVs as the second most common lodging choice used by 17% of respondents. Second home use grew slightly to 13% of responses. Staying with family as a lodging choice dropped slightly from the prior year to 11%.

Interests

- The two most-commonly reported draws to visit the area had “double digit” growth in comparison to prior years. Outdoor activities were the largest draw to

the area with 85% of respondents selecting this attraction. Relaxing, dining and shopping was the second most frequently reported draw to visit the region at 61%. It is notable that these three areas, historically the most common responses, grew so markedly during 2020.

- Sightseeing (48%), Visiting friends (28%), Olympic sites (25%) were the next most reported draws. Olympic site visitation interest doubled from the prior year.
- A remarkable 90% of respondents who indicated that they came to the area for outdoor activities stated that hiking was an activity they sought. This also represents a double-digit gain from prior recent years' levels of interest. Reported interest in canoeing or kayaking also nearly doubled from prior years with over half (56%) of respondents to this question showing interest in that activity.
- Fishing (24%) and boating (23%) remained the next most-commonly reported outdoor activities of interest, both increasing somewhat from prior year response.
- Reported interest in cross-country skiing more than doubled from prior recent years surveying to nearly one-quarter (20%) of respondents indicated interest in this outdoor activity. Skiing/boarding also grew substantially in reported interest (17% of respondents). Mountain biking (12%) and snowmobiling (7%) also doubled in reported interest in comparison to prior years. Interest in birding and golf also grew during this year.
- A question regarding hiking preferences indicated that the most popular types of hiking continue to be day hikes, leisure and family hikes. All types of hikes, however, indicated greater interest. This is indicative of the explosion of the already-growing hiking traffic in the Adirondacks during 2020.

Traveler Spending and Conversion

- The average daily traveler party spending in 2020 was estimated at \$249 per day. While this represents a 34% drop in daily spending from prior recent years, it is not indicative of overall lower spending because of longer stays.

- The total estimated trip expenditure was \$1,667, which represents a nearly 30% increase in average overall spending per visitor group. Visitor spending has been increasing for the past five years and this is an even greater jump.
- Reported spending on lodging (\$813) nearly doubled from 2019 to 2020. This is correlated to the greater average lengths of stay.
- Average meals (\$414) and shopping (\$251) also showed substantial increases from recent years of data. All other reported expenditures showed lower average spending amounts, presumably in large part due to pandemic closures and health concerns.
- Conversion measurement, representing the percent of travelers who stated that the information or marketing viewed either reinforced potential plans to visit or helped them decide to take an unplanned trip was 82%, a slight increase over the prior year.
- Over 168,000 individuals contacted ROOST via its various outlets for travel information about the region in 2020. This represents an approximately 40 percent decrease in contacts from the prior year and is well below the five-year average; none of which is a surprise in an unprecedented pandemic year.

ESTIMATED TRAVELERS

The 2020 estimated traveler count is tabulated by multiplying the number of *traceable* leads generated by ROOST (those who contacted their office during 2020 for information through all sources) by the conversion factor and by the average party size (determined by the survey).

168,089 (direct leads) X 82% (gross conversion factor) x 5 (average party size)

Estimated travelers in 2020 = 689,165

The number of travelers who were influenced by ROOST in visiting the region in 2020 is estimated at just under 690,000. This represents an approximately 32% drop in estimated visitation from the prior year.

RETURN ON INVESTMENT

Return on investment (ROI) is measured by estimated expenditures generated by direct expenditures of travelers and divided by the total marketing dollars spent by ROOST.

The first step in this process is to estimate total revenue generated by leisure travelers to the region who were influenced by ROOST marketing materials. This is done by multiplying the number of traceable inquiries by the average gross conversion rate, daily traveler expenditures and length of stay:

*168,089 (number of direct, traceable inquiries) x 82% (gross conversion factor)
x \$249 (mean traveler party expenditure per day) x 6.7 (mean length of stay in nights)*

= \$229,946,761

(total estimated revenue generated by travelers influenced by ROOST in 2020)

The second step in this process is to divide the total revenue generated by travelers by the marketing dollars spent by the total ROOST marketing budget:

\$229,946,761 (total estimated traveler revenue) / \$3,266,422 (total ROOST marketing expenditures)

Return on Investment (ROI) = 70:1

The above calculations show that the total estimated revenue generated by travelers touched by ROOST was over \$229 million in 2020. This produces a conservatively-estimated ROI of \$70 in leisure traveler-related revenue for every marketing dollar expenditure. This includes only direct spending impacts, not the secondary or tertiary multipliers that result from this direct spending that would be much greater.

CONCLUSIONS

The COVID-19 pandemic had drastic results on the tourism industry as it did across most industries around the globe. ROOST played a key leading role in promoting more localized tourism with safety policies such as masking even on its outdoor main streets. ROOST worked with its many tourism assets and hospitality partners to

determine how many could safely stay open or re-open to serve a reduced tourism population that was visiting the region.

As 2020 hit mid-year, the region began to see increases to visitation levels. While certain markets such as sports tournaments/events and group meetings were generally precluded, family and extended family trips became very popular. Reviewing 2020 regional travel data¹ with national trends, it is clear that the region fared comparatively well.

Occupancies over the year were indeed down (approximately 27% at year-end)¹, but this is far less than was experienced nationwide or in most regions (40-50%). Occupancy tax collections for short term rentals increased by 18% during 2020 which highlights at least some of this area of variation from national level declines.

Another bright spot is that the average daily rate (ADR) charged by lodging facilities increased 9% over year prior. Accommodations were able to charge higher rates to help keep workforce and to support the modifications in facilities and deep cleaning to meet COVID-19 challenges.

The impacts of the COVID19 pandemic are shown in 2020 visitor research. One of these are the residence of visitors almost entirely coming from NY State. This is due to travel restrictions which limited most New Yorkers to only tri-state travel for most of the year. The Canadian border was closed from April for the rest of the year, so Canadian visitors could generally not access the area. Some out-of-state visitation continued but was limited largely to neighboring Connecticut and New Jersey as NY Department of Health widely-permitted this travel.

Much longer average stay durations were another pandemic reported occurrence. During the past 5 years of this research the length of average visitor stays had declined, so this shift is particularly pronounced. With many industries operating remotely only, or in hybrid-form, many visitors could work remotely and stay with their families out of town.

Others had their work entirely shut down or closed and could also stay out of town longer. The impact of the Payroll Protection Program which allowed companies to keep employees on payroll while in shut-down enhanced this group available for longer travel. The increase of short-term rentals is indicative of these longer stays. Researchers for the short-term rental industry note a 58% longer reported stay nationally in 2020 than in 2019².

Another pronounced change from prior years' research is the increase in average party size. Researchers and hospitality experts believe that this is at least in part due to families or friend groups participating in "COVID-pods". This has two or more

family or friend groups traveling or spending close time together during the pandemic, with limited contact to others to prevent risk, but allowing for socializing or group work or education.

Average reported lodging and meal expenditures rose to an all-time high through this research, most likely attributed to the increased length of stay. It remains to be seen if these expenditure levels remain high in future years as the world recovers from the COVID-19 pandemic.

The U.S. Travel Association³ calculated domestic travel reductions nationwide for 2020 from 2019. An estimated 36 percent decrease in travel expenditures were noted nationwide. The leisure market was estimated to have dropped just over 30% while the business travel market dropped a staggering 70%. International travel dropped even further at 76%.

Marketing expenditures were dramatically adjusted due to the pandemic. While level of visitor interest dropped, a strong ROI, consistent with the prior year, remained at 70:1. This dropped only slightly from the prior year measurement of 74:1.

The research team continues to discuss the broader impact of regional tourism on visitor assets and areas by which to expand traveler data collection accordingly. Considering the global pandemic, these data show a bright spot for some economic recovery in the hospitality industry in the region in 2021 and beyond.

As the state and rest of the country and world access COVID-19 vaccinations and the travel industry begins to recover, it is anticipated that a new market may have found the region. It will be interesting to see if the patterns of greater expenditures and longer stays will remain. If some of these gains, as well as visitors returning who were not able to get to the region during the height of the pandemic, it could provide years of gain.

The ability of the region to continue strong visitation during a pandemic is notable, as are the longer stays and resulting increased expenditures. This is encouraging in terms of marketing impacts and future growth. These data can continue to be used to enhance and evaluate future marketing efforts, techniques, and marketing channels for the agency.

Given the global anomalies in all activities of persons during the COVID-19 pandemic in 2020, it remains to be reminded that direct comparisons of the results of this year's data to other years should be done cautiously. The study at a regional level provides a benchmark in measuring ROI on marketing investments for the two-county region. It may also be used to enhance and evaluate future marketing efforts, techniques, and marketing channels for 2021 travelers and beyond.

SOURCES CITED

1. Smith Travel Research, Inc. (property of Lake Placid CVB)- "Trend Report Essex County NY". February 2020.
2. Air DNA. "COVID-19 Short Term Rental Data". www.Airdna.co/covid-19-data-center
February 2021
3. U.S. Travel Association. "Travel- the Hardest Hit U.S. Industry". ustravel.org 3/31/21

TABLE 1. 5-YEAR SUMMARY TABLE OF KEY REGIONAL ROI DATA

	5-Year Average*	2020	2019*	2018*	2017*	2016*
Number of Completed Survey Responses	4,347	3,593	4,449	3,339	5,345	5,010
Median Income of Respondents (by \$10,000 range)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Mean Age of Respondents	54	53	56	55	53	52
Direct Inquiries to Essex County via the Bureau	265,798	168,089	367,288	319,976	311,171	162,466
Average Night Stays/ Party	3.8 Nights	6.7 Nights	3.1 Nights	3 Nights	3 Nights	3 Nights
Average Party Size	4.1 Persons	5 Persons	3.5 Persons	4.1 Persons	3.94 Persons	3.89 Persons
Conversion Factor Rate	80%	82%	80%	77%	79%	83%

Average Daily Expenditure per Party	\$342	\$283	\$383	\$358	\$326	\$362
Average Total Expenditure per Party per Trip	\$1,223	\$1,667	\$1,191	\$1,151	\$943	\$1,161
Occupancy Tax Marketing Budget	\$3,690,491	\$3,266,422	\$4,512,724	\$4,444,201	\$3,889,219	\$2,339,890
ROI	72:1	70:1	74:1	73:1	70:1	72:1
*Data from 2016-2019 also included Franklin County visitors ** <i>only median income (\$100,000) tabulated this year</i>						