

# TOURISM

## ESTIMATING COMMUNITY VISITOR DAYS

In analyzing tourism, we want to know how many visitors will be coming to visit and how much they will spend, so that we can evaluate:

- Whether existing facilities can handle the visitors expected.
- Whether it will be profitable to make preparations for increased tourists.

It is important to know the cost of a visit to your community relative to the cost of a visit to another community. That cost includes expenditures for food, lodging, travel, and entertainment. Many of these amounts, however, are outside of a community's control (such as the cost of travel to your area).

Communities may be able to cooperate to influence the effects of transportation costs on tourists. The Durango/Silverton railroad, for example, is a multi-community effort that enhances regional tourism.

Other expenses are those not usually considered in terms of dollars and cents. The most important cost of driving may not be the gasoline or depreciation of the car, but the hours spent.

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### Regional Tourism Fact Sheets

- WREP 144 THE ECONOMIC IMPACT OF VISITORS TO YOUR COMMUNITY
- WREP 145 MEASURING VISITOR EXPENDITURES AND THEIR IMPACT ON LOCAL INCOME
- WREP 146 ESTIMATING VISITOR DEMAND AND USAGE
- WREP 147 COST-BENEFIT ANALYSIS OF LOCAL TOURISM DEVELOPMENT

Community leaders, or others involved with tourism-related community development, can use this series of fact sheets to lead a focused discussion on the economic benefits of tourism. Who will benefit from tourism? How many tourists will a new project bring to the community? How much will new tourists spend in your community? This series of fact sheets is designed to address these questions, which must be answered in order to realistically evaluate decisions related to local tourism development.

The price of a visit must be balanced with the benefits offered to visitors. Are there natural attractions—beaches, rivers, canyons, scenic views—or events that are interesting to a visitor?

However we must face the reality that factors other than price influence tourism potential. A primary factor is personal income of the tourist you intend to target with your product. Are personal incomes increasing (are the media mentioning a prospering or expanding economy) or remaining constant? Is there a recession? What is the state of the economy—both national and international?

If incomes are rising, people will have more to spend on tourism. This may mean that more people will visit your area and that they will pay more for a trip, or stay longer. It may also mean that tourists decide to go to more expensive areas in the United States, or to foreign countries, but keep in mind that international travel may be affected by factors other than income, such as the currency exchange rate and political stability. The effect of any changes in income level are difficult to assess, however, they should be considered because income level relates closely to the types of tourists attracted. Of particular interest is how income levels are changing for the tourists that are most likely to visit your community.

In evaluating the tourism potential it is important to consider the number of competing communities that would affect your town. If you are surrounded by other communities with strong tourism industries you will need to focus on the “distinctive” qualities that your town has to offer. These qualities might be natural (parks, beaches, climate) or man-made (museums, historical attractions, special events, sports attractions). Depending on your competitive environment, you may find advantages in multi-community collaborative attractions; again, the Silverton/Durango Railroad is an example.

Complementary tourism resources are also important. Many cities have cooperatively (and sometimes not so cooperatively) developed tourism based on the historical nature of a region, for example, many areas in the western U.S. emphasize Oregon Trail attractions.

An example of competing communities will illustrate the importance of this issue. Along the California coast, Santa Barbara, Pismo Beach, Santa Cruz, and the communities between them attract visitors on the basis of their warm, pleasant climates and the interesting historical aspects of their cities. All have substantial tourism industries, yet the distance between these cities can easily be covered in a day’s drive. These cities view each other as competitors; each, therefore, tries to differentiate itself from the other. Each city is aware of the attractiveness of the others. This is clearly evident in their promotional literature and in the new areas of interest that the cities develop. All are successful in attracting visitors, despite their proximity.

### Estimating tourist potential for existing attractions

The most appropriate starting point for estimating economic potential of existing attractions is the level of visitation for previous years. Using Figure 1, list the average annual visits and the peak day visits for each year (for the last ten years, if available). Use daily, weekly, or monthly visit figures as appropriate for your community. If you are not collecting these figures now, you should start to establish a basis for assessing your situation and potential.

For each year after the first year listed, calculate the percentage growth from the previous year using the formula:

$$\frac{\text{Visits for Year} - \text{Visits Previous Year}}{\text{Visits Previous Year}} \times 100\% = \% \text{ Change in Visitors}$$

You can also calculate for peak visits by month or day.

If the previous year's visitation was higher than that for the current year, the percentage growth will be negative. Both average and peak number of visits should be calculated.

After calculating the growth in average and peak visitation, write down any special events planned for the year, such as the opening of a new attraction or festival. Also, write down any outside events that might have affected visits that year, such as a recession or a world's fair.

Calculate an average growth rate for the period. You should attempt to modify the growth rates to remove the effects of special events or attractions and outside events. Major peaks or valleys need to be explained to help understand the long term trends and to know if different rates of change might be expected in the future.

Using the estimated growth rate, calculate potential visit figures for each year ahead in your planning horizon. For each year use the following formula:

$$\text{Estimated Visits for the Year} = \text{Previous Year's Estimated Visits} \times \% \text{ Annual Growth Rate}$$

Start with visits for the current year and calculate year by year into the future. Adjust these levels to consider any special events or attractions or any outside events you expect in future years.

Figure 1. Estimates of visitors to Western City, U.S.A.

Year	Average number of visitors	Growth from previous year	Peak number of visitors	Special events and/or attractions	Outside/other events that affected visits
1991	200/wk	NA	350 July 4	None	new highway open
1992	600/wk	200%	1,500 July 4	western days	chamber efforts

### Estimating tourist potential for new tourist attractions

It is obviously very difficult to come to a firm estimate of visits for new attractions because there are no current levels to use as a starting point. Generally, the best procedure is to seek out other tourist areas with similar types of attractions, similar target markets, and similar competition and use current visit levels there to estimate the levels likely for your community and attraction.

There will not be an existing area that perfectly matches the proposed one but current visitation figures for other areas can be adjusted to reflect differences in:

- Size of potential target markets.
- Nearness and convenience of target markets.
- Availability of competitive areas to the target markets.
- "Drawing power" of the area's attractions.
- Costs to the target markets of visiting the areas.

An inventory of support services will provide essential information about anticipated needs, and may be useful in advertising and marketing. For example, do the motels have facilities that appeal to families (do they have swimming pools and playgrounds), or to convention goers (do they have convention facilities and nighttime entertainment)? Does the restaurant inventory include those capable of catering gourmet meals or are they predominantly fast food establishments? Do the food services include a variety?

The general process of evaluating community needs and the costs to satisfy them involves several steps. The following pattern may be useful.

- Determine the present level of facilities and associated capacity.
- Identify the kinds of tourism and visitors contemplated. En route visitors will require fewer services than destination (overnight or longer) travelers.
- Estimate the quantity of tourists (and duration of season). This may be a projection of your past experience adjusted for expected economic conditions, or an estimate based on the experience of similar attractions elsewhere.
- Estimate the increase in facilities and services needed for the estimated quantity of visitors at the expected level of service. In most cases, simple surveys using guidelines provided here are sufficient.
- Consider methods of financing these additions and develop a budget and schedule for these provisions.

Attached is a sample form (Figure 2) for determining facilities necessary to meet anticipated demand.

The breadth and depth of inventories depend, among other things, upon the size of the community and the scope of the development plan. Surveys may be expensive or inexpensive depending on the scope, the size of the area to be surveyed, and the amount of cooperation from the support services.

Remember that inventories are not one-time affairs. Continual inventories (annual, seasonal, monthly—whatever you consider most appropriate for your needs) are essential measures of the success or failure of tourism. Special needs of visitors should be considered in assessing need for additional attractions and facilities. These needs include disability and accessibility requirements, language barriers, and cultural differences.

### Assessing support services to meet estimated visitation level

Figure 2. Sample survey to determine necessary facilities to meet visitor needs.

Existing facilities	Present capacity	Peak visits	Average visits	New capacity needed to meet		Accessibility for the disabled
				Peak visits	Average visits	
Attractions						
Support facilities						
Planned facilities						
Attractions						
Support facilities						

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