



CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT



# LET'S TALK BUSINESS

*IDEAS FOR COMMUNITY DEVELOPMENT PROFESSIONALS WORKING TO EXPAND LOCAL BUSINESS ACTIVITY*

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## Increasing Retail Activity through Tourism

by Bill Ryan and David Scheler \*

According to Davidson-Peterson Associates, Inc., shopping and food expenditures represented 52% of visitor spending in Wisconsin.<sup>1</sup> A 1997 study of summer visitors to the state by the Wisconsin Department of Tourism reported that shopping and eating at restaurants were the second and third most universal activities enjoyed by visitors (behind swimming).<sup>2</sup>

The importance of shopping and dining out to the traveler provides a significant opportunity to retailers and restaurant operators throughout the state, including those located in small towns. But for businesses to capture this potential spending, they must know who is coming or passing through town and be able to expand their products and services to satisfy their unique needs.

### Know the Demographics of Your Visitors

It is helpful to understand demographics and geographic origins of visitors to your specific community. Consider the following findings from the Department of Tourism's summer 1997 study representing four different communities:

- 40% of those visiting had children living in their homes
- 53% of respondents were 35-54 years old
- 43% of travel parties were on a traditional family vacation
- 35% were from Wisconsin followed by Illinois and Minnesota (19% and 14% respectively)
- the two most predominant reasons for vacationing here were scenery and relaxation
- the median length of vacation was 4 days

The specific characteristics of visitors to your particular community should be examined carefully. Differences in party characteristics, age, travel purpose and other characteristics will directly effect purchasing behaviors.

### Know the Activities of Your Visitors

Visitors don't necessarily come to an area for dining or shopping; they do however use these services while recreating in the area. Take an account of the attractions and activities that your community has to offer. The mix creates interest in and draw to your community.

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Shopping and dining will naturally follow wherever travelers vacation.

According to the Wisconsin Department of Tourism, summer visitors to our state typically fall into one of eight activity groupings. They include:

- **Rock 'n' River.** These are visitors interested in visiting attractions, rafting, swimming and watching wildlife.
- **Outdoor Adventures.** These active visitors are most interested in active sports such as bicycling, canoeing, hiking, swimming, kayaking, fishing, rafting and motorboating.
- **Live and Learn.** Included are people who visit museums, antique stores, historic sites, state parks, dine out and watch wildlife.
- **Woodsman Experience.** These travelers seek a rural experience including rural festivals and watching wildlife.
- **Resort Land and Water.** This group enjoys golfing, gambling, motorboating, playing tennis, and water-skiing.
- **Do-It-All Resort Package.** These travelers seek a diverse mix of activities including motorcycling, bicycling, canoeing, fishing, golfing, riding personal watercraft, rafting, sailing, swimming and water-skiing.
- **Browsers Delight.** Included are visitors who enjoy shopping, antiques, dining out and swimming.
- **Keep in Touch.** These travelers typically visit friends and relatives, but also dine out, gamble and visit state parks.

Each community or region will have a different mix of these activity groups. Each group will have different shopping and dining needs and preferences based on how they spend their leisure time. It is important to

determine which are the dominant clusters in your community so that businesses can work together to develop cooperative promotions that are properly targeted to the local visitor.

### **Expand/Promote Community Activities**

Use the existing activity clusters that best match your community's offering as part of business and community promotions. Sell your shopping or dining as a tie-in to what to do when your group is done recreating. For example, if you own a restaurant in an area that features some or all of the activities in the Live and Learn category, highlight the fact that customers can also go on a nature walk, shop at nearby antique stores or a visit to the local historical museum. This may present an opportunity to partner with other community businesses and share advertising costs.

Remember to think like the traveler. They like to have the destination decision-making made easy. Packaging retail and tourism together is one strategy.

*A study is currently underway to showcase businesses around the Midwest that have become more profitable by recognizing the importance of tourism. The Center for Community Economic Development in cooperation with the Wisconsin Department of Tourism is searching for retail businesses that have identified a tourism niche to supplement its business. A database and publication is being developed to highlight innovative examples that link retail and tourism.*

**Showcase a business in your community! Call Bill Ryan at 608/263-4994.**

#### Sources:

- 1 Davidson-Peterson Associates, Inc., *The Economic Impact of Expenditures by Travelers on Wisconsin, Calendar Year 1997*, p.3.
- 2 Wisconsin Department of Tourism, *Summer In-Market Survey*, October 16, 1997, p.4.

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