

**2000 SOUTH DAKOTA MOTEL AND
CAMPGROUND OCCUPANCY REPORT
AND INTERNATIONAL VISITOR SURVEY**

January 2001

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Commissioned by:

THE SOUTH DAKOTA DEPARTMENT OF TOURISM

**SOUTH DAKOTA MOTEL AND CAMPGROUND
OCCUPANCY REPORT AND INTERNATIONAL VISITOR SURVEY**

In 1989, the South Dakota Department of Tourism commissioned a new occupancy tracking system. This system has been continued each successive year. Annual summary reports are prepared at the end of each sampling year.

The system is based on random sampling with a stratification in the sampling procedure for motel properties. The strata for motels consist of those properties with less than 75 units and those with more than 75 units. Occupancy data is collected for each stratum and then weighted according to the relative number of rooms in the state represented by each stratum.

Campgrounds are not separated according to size nor according to whether they are privately or publicly owned.

An important aspect of the sample design is that data collected was separated into five regions of the state as these regions were defined in 1989. The regional boundaries have been unaltered so that regional comparisons can be made from year to year.

Region 1	Southeast
Region 2	Northeast
Region 3	Southcentral
Region 4	Northcentral (Chamberlain and northerly)
Region 5	Western South Dakota - Black Hills area

See the attached map for exact regional boundaries. Regional occupancy rates can therefore be compared by month for differences and similarities during the summer travel season.

The survey is performed by telephone covering the months of May through October for motel properties and June through August for campgrounds. The success and validity of the sampling effort is highly dependent on the cooperation of lodging property owners and managers. A summary of the results appears in the following tables.

The reader should study the occupancy statistics in the tables for regions or months which are of particular interest. Some important general observations in this occupancy data are enumerated below.

1. **Overall, motel lodging occupancy was 65.8 percent during the six- month sampling period. This is slightly below the 68.4 percent occupancy achieved in 1999.** The occupancy rate achieved in 2000 is similar to that achieved in 1996 and 1997. Occupancy in May of 2000 was measured as being higher than for the same month in most previous years. However, occupancy in other months was marginally lower than in most other years.
2. Region 3 (South central) recorded a moderate increase in motel occupancy. June and September showed the largest gains in this region, but other months also demonstrated greater occupancy in 2000 for this region. This is the second consecutive year of occupancy rate improvement for this region.
3. Occupancy in Region 4 (North central) suffered somewhat this year with drops in rentals occurring throughout the sampling period. Other regions experienced more moderate reductions in occupancy, some of which are well within the range of statistical sampling error.

The state experienced an increase in total available lodging units in 2000 of 3.5 percent when compared to 1999. **The number of rooms available in 2000 is 8.0 percent higher than the number existing five years ago.**

5. Campground occupancy has continued its upward trend for the state as a whole in 2000 when compared to 1999. Region 4 experienced the largest regional increase in campground use, partly because of coming off a soft year in 1999. **It appears that camping visitors comprise an increasing share of the travel market over the past few years.**

TABLE 1

MOTEL OCCUPANCY BY MONTH FOR REGIONS 1996 THROUGH 2000																									
	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
MAY	58.7%	60.1%	60.4%	65.5%	58.0%	55.5%	47.5%	55.4%	49.5%	56.8%	58.6%	47.2%	47.1%	52.1%	50.2%	59.6%	56.3%	53.7%	56.2%	51.6%	46.2%	44.8%	45.0%	45.6%	49.8%
JUNE	72.1%	72.6%	75.9%	73.4%	72.1%	64.8%	58.5%	71.3%	63.5%	62.6%	75.0%	69.3%	60.5%	62.0%	66.5%	64.7%	75.8%	75.8%	68.6%	64.8%	78.6%	73.7%	81.1%	80.9%	75.6%
JULY	76.5%	78.2%	79.1%	86.1%	81.2%	68.7%	65.8%	72.4%	66.3%	64.9%	68.5%	66.9%	67.2%	68.0%	70.2%	80.6%	81.8%	83.4%	75.2%	74.0%	85.6%	83.9%	87.0%	89.1%	83.5%
AUG	81.1%	79.2%	79.9%	77.3%	74.1%	74.0%	66.0%	68.7%	66.9%	62.9%	66.7%	64.7%	63.3%	72.1%	70.5%	73.7%	77.7%	76.4%	70.9%	65.1%	82.6%	84.4%	85.1%	82.7%	79.3%
SEPT	55.2%	57.4%	66.1%	65.3%	65.0%	65.0%	58.9%	65.5%	56.3%	57.5%	54.5%	56.5%	54.4%	56.0%	65.9%	50.4%	60.3%	57.9%	63.8%	58.2%	65.3%	70.2%	73.3%	68.3%	62.9%
OCT	58.4%	54.2%	62.0%	63.6%	68.2%	68.5%	61.9%	68.4%	65.0%	57.1%	66.4%	72.2%	63.1%	65.1%	59.5%	69.3%	60.0%	71.0%	66.6%	58.6%	55.1%	59.8%	57.6%	50.9%	47.9%
REG. AVE.	67.0%	67.0%	70.6%	71.9%	69.8%	66.1%	59.8%	66.9%	61.2%	60.3%	65.0%	62.8%	59.3%	62.5%	63.8%	66.4%	68.7%	69.7%	66.9%	62.1%	68.9%	69.5%	71.5%	69.6%	66.5%

TABLE 1 (Cont.)

MOTEL OCCUPANCY BY MONTH FOR ENTIRE STATE 1996 THROUGH 2000					
	1996	1997	1998	1999	2000
MAY	53.8%	50.2%	51.2%	52.3%	53.0%
JUNE	73.4%	71.4%	77.1%	74.5%	71.4%
JULY	79.8%	79.1%	81.9%	82.8%	78.8%
AUG	79.4%	79.1%	79.7%	77.5%	73.8%
SEPT	60.8%	63.9%	68.0%	64.9%	62.3%
OCT	59.8%	57.9%	61.9%	58.2%	55.7%
STATE AVE.	67.8%	66.9%	70.0%	68.4%	65.8%

Lodging Units 1995 to 2000

The monthly occupancy survey that is used to derive the estimates in Tables 1 and 2 simply provides a record of the percentage of rooms rented in a region for a given month. The total amount of room rentals, however, is found by multiplying the occupancy rate by the number of rooms available. The number of rooms available is determined by the number of new lodging units added per year less the number of units which are taken out of the overall lodging inventory.

The number of lodging units, the annual changes and percentage changes are summarized for each region in the following table.

TABLE 2

LODGING UNITS BY REGION, 1995 THROUGH 2000												
REGION	1995	1996	1997	1998	1999	2000	CHANGE 1995-96	CHANGE 1996-97	CHANGE 1997-98	CHANGE 1998-99	CHANGE 1999-00	CHANGE 1995-00
1	4,830	4,868	5,102	5,111	5,471	5,552	38	234	9	360	81	722
2	2,723	2,935	2,805	2,818	2,723	2,954	212	-130	13	-95	231	231
3	852	1,066	891	883	858	881	214	-175	-8	-25	23	29
4	2,118	2,120	2,174	2,248	2,195	2,234	2	54	74	-53	39	116
5	9,304	9,403	9,402	9,444	9,503	9,888	99	-1	42	59	385	584
OTHER	469	327	440	442	426	417	-142	113	2	-16	-9	-52
TOTAL	20,296	20,719	20,814	20,946	21,176	21,926	423	95	132	230	750	1,630

Room count data is based on South Dakota Department of Health records as of October each year. The total number of lodging units in the state is now 21,926. The largest absolute growth in lodging units occurred in Region 5, western South Dakota, followed by the northeast Region 2. The statewide growth of 750 lodging units from 1999 to 2000 represents the largest one year change since 1995 when 970 rooms were added to inventory. Additionally, the number of licensed lodging rooms in specialty resorts and bed-and-breakfast establishments now totals about 1,025. If these lodging units were included, the number of lodging accommodations would total 22,951. The percentage increase in the number of available rooms was 3.5 percent from 1999 to 2000. Since 1995, the number of hotel and motel lodging units in the state expanded by 1,630, an 8.0 percent increase.

The above count of lodging units enables one to calculate the change in the total number of room nights rented in a given region or in the state by a process of multiplication. For example, in 1999 during the May through October period, there were 2,680,712 room nights rented (i.e. 68.8 percent X 21,176 rooms X 184 days). By comparison, in 2000, the number of room nights rented over the same period is estimated to be 2,654,624 (i.e. 65.8 percent X 21,926 rooms X 184 days) which is essentially the same as was achieved in 1999.

Similar survey data for future years will allow for continued comparisons in occupancy through time as well as between regions. An informational tool such as this will assist the South Dakota Department of Tourism in promotion and planning for industry growth from a regional standpoint as well as for the entire state.

TABLE 3

CAMPGROUND OCCUPANCY BY MONTH FOR REGIONS 1996 THROUGH 2000																									
	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
JUNE	49.3%	42.6%	40.7%	43.1%	41.0%	39.7%	31.5%	29.9%	38.0%	41.0%	49.2%	51.2%	48.4%	48.6%	43.6%	41.9%	56.4%	54.0%	45.1%	49.6%	38.4%	40.7%	43.9%	46.1%	50.1%
JULY	44.0%	51.4%	49.8%	56.1%	56.2%	40.6%	36.1%	40.8%	54.2%	51.3%	55.1%	63.6%	57.2%	57.2%	56.7%	62.3%	67.2%	58.4%	41.9%	57.5%	39.0%	62.6%	65.8%	70.9%	67.1%
AUG	43.9%	43.9%	45.0%	43.1%	48.8%	39.5%	36.1%	34.0%	34.4%	35.1%	55.8%	59.1%	53.9%	47.5%	56.9%	58.7%	55.7%	59.0%	39.8%	38.5%	55.3%	59.7%	62.9%	62.3%	64.8%
REG. AVE.	45.7%	46.0%	45.1%	47.4%	48.7%	39.9%	34.6%	34.9%	42.2%	42.5%	53.4%	58.0%	53.2%	51.1%	52.4%	54.3%	59.8%	57.2%	42.3%	48.5%	44.2%	54.3%	57.5%	59.8%	60.7%

TABLE 3 (Cont.)

CAMPGROUND OCCUPANCY BY MONTH FOR STATE, 1996 THROUGH 2000					
	1996	1997	1998	1999	2000
JUNE	40.8%	42.9%	44.2%	45.3%	48.0%
JULY	43.4%	60.3%	61.0%	63.8%	63.0%
AUG	57.0%	55.9%	58.0%	54.7%	57.4%
STATE AVE.	47.1%	53.0%	54.4%	54.6%	56.1%

INTERNATIONAL TRAVEL IN 2000

For more than a decade, the South Dakota Department of Tourism has made increased efforts to market the state to international travelers. Because of this activity, the department has been conducting research that tracks international travel since 1995. Over the past six travel seasons, the methodology has involved a telephone survey. Eight to 10 random dates, over a two-month period, were selected for the survey rather than consecutive days in order to not overburden property owners. Prior to each selected day, properties were asked to compile a record of international guests for that day. Each property was contacted the following day for the results, which included information concerning the country of origin of these guests.

Past survey results have indicated that more travel by international visitors takes place in the western part of the state compared to the balance of the state. This factor influenced the decision to focus on western South Dakota in the early sample years. In 1996 and 1997, the sample period spanned the months of August and September. In 1998 and 1999, sampling shifted to June and July so that comparisons could be made to August and September data compiled in earlier years.

This year, the sample was expanded to include the southeast region of the state in addition to western South Dakota and was conducted during the months of August and September. The results of the international travel survey for 2000 are summarized in the following table.

TABLE 4

INFLUENCE OF INTERNATIONAL VISITORS IN TWO REGIONAL MARKETS, 2000				
	Monthly Average		Highest Two Sampling Dates	
	August	September	Aug. 10	Sept. 5
Southeast South Dakota	2.9%	3.3%	4.5%	2.6%
Western South Dakota	3.5%	3.9%	5.5%	7.6%
Combined	3.2%	3.6%	5.0%	5.1%

Western South Dakota , as may be expected, showed a marginally higher international influence than the southeastern part of the state. For the entire sample period, western South Dakota is estimated to have a international impact of 3.7 percent on average while the southeast region averaged 3.1 percent for the combined months of August and September. Overall, international travel was measured to be somewhat lower for western South Dakota in 2000 as compared to the 4.1 percent recorded in 1999 . However, the difference is well within that which can be expected from sampling error. It is noted that on one of the sample dates, an estimated 7.6 percent of the rented rooms in western South Dakota were occupied by international guests. A comparison of the individual samples also points to the fact that international travel volume fluctuates dramatically from day to day during the travel season. This has been consistently observed in earlier years as well.

It is also noted that the international component of lodging guests is estimated to be higher in September than August. In surveys from earlier years, it has also been observed that the international component in September and June is invariably larger than is the case in July and August. **That is, the relative shoulder months of June and September are characterized by higher percentages of international guests than the traditional peak travel months of July and August.** This finding may bear some significance in designing promotional activities in connection with international travel. This is because it appears that the international segment of the overall travel market is more predisposed to visit South Dakota in periods of the year other than the peak of the season. If this inference is correct, marketing strategies that target shoulder season travel by international visitors may provide the greatest economic benefits to the industry.

The following table provides a comparison of monthly average international travel statistics that have been compiled over the last four years for western South Dakota. Similar data for southeast South Dakota are not available since this region of the state has only been sampled one year.

TABLE 5

PERCENTAGE OF LODGING GUESTS OF INTERNATIONAL ORIGIN, BY MONTH, 1996 - 2000 AVERAGE	
Month	International Component
June	5.3%
July	3.3%
August	3.7%
September	5.2%
Four Month Average	4.4%

It is noted that the estimated percentages for June and July are based on two survey years and for August and September three survey years are available. In general, it is estimated that international travel accounts for between 5 and 6 percent of the lodging market in June and September and around 3.5 percent in July and August. Obviously, the occupancy rates for lodging properties are impacted significantly, particularly in the shoulder months by international travelers.

The countries of origin as estimated in the sampling process are presented in Table 6. This information is obtained by asking survey respondents to provide, if they are able, the origin of their guests. The countries listed in the table are listed according to the frequency of the response to this question. Germany has always represented the most frequent origin of international visitors. However, in 2000, as in other recent years, evidence of a definite trend to more diversification with respect to country of origin has been observed. Other points of origin contributing significantly to international travel in 2000 that are not included in the table include Sweden, Austria, Australia, China, Belgium and Denmark.

The South Dakota Department of Tourism targets travelers from Germany, France, Belgium, Italy and the United Kingdom with its international promotions. This is done as part of a partnership with the states of Montana, Wyoming and Idaho, and is called Rocky Mountain International.

TABLE 6

COUNTRY OF ORIGIN OF INTERNATIONAL VISITORS				
ORDINAL RANKING				
1996	1997	1998	1999	2000
Germany	Germany	Germany	Germany	Germany
United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
Japan	Norway	Japan	France (t)	Netherlands (t)
Switzerland	Japan	Italy	Netherlands (t)	Italy (t)
Australia	Switzerland	Netherlands	Switzerland (t)	Japan
France	Austria	Australia	Japan	France
Austria	Italy	Norway	China	Poland

t = Tie in number of responses

The last five years of international travel sample research have resulted in a much better understanding of the international segment of the overall travel market. With established trends in information technology and rising standards of living internationally, this component of the market is likely to become even more significant to the South Dakota visitor industry.

REGIONS

