

**2001 SOUTH DAKOTA MOTEL AND
CAMPGROUND OCCUPANCY REPORT
AND INTERNATIONAL VISITOR SURVEY**

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**By: Dr. Michael K. Madden
Rapid City, SD**

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**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. Summaries of these results appear 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 64.4 percent during the six- month sampling period. This is slightly below the 65.8 percent occupancy achieved in 2000.** The occupancy rate achieved in 2001 is lower than levels that have been achieved in recent years. However, for the state as a whole, the first and last months of the survey period (May and October) generated somewhat better occupancy than the same months in 2000.
2. Region 4 (northcentral), boosted by October business, recorded a moderate increase in motel occupancy for the year. Region 1 (southeast) experienced occupancy levels that were at least on par with the 2000 travel year. The overall occupancy count for the state was dominated by the reductions in lodging rentals experienced in the western part of the state with its large number of lodging units.
3. Occupancy in Region 3 (southcentral) witnessed a drop in room rentals throughout the sampling period. Other regions experienced more moderate reductions in occupancy, some of which are well within the range of statistical sampling error.
4. The state experienced an increase in total available lodging units in 2001 of 1.4 percent when compared to 2000. **The number of rooms available in 2001 is 7.3 percent higher than the number that existed five years ago.**
5. After a five year upward trend in campground occupancy, 2001 saw a reduction in statewide campground rentals, equating to 52.7 percent occupancy. However, the northeast and southcentral regions saw significant increases. The lower occupancy in the western region, coupled with its large number of campground units, more than offset increased occupancy percentages that these two regions experienced in 2001.

TABLE 1

**MOTEL OCCUPANCY BY MONTH FOR REGIONS
1997 THROUGH 2001**

	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
MAY	60.1%	60.4%	65.5%	58.0%	64.7%	47.5%	55.4%	49.5%	56.8%	55.8%	47.2%	47.1%	52.1%	50.2%	44.4%	56.3%	53.7%	56.2%	51.6%	49.2%	44.8%	45.0%	45.6%	49.8%	51.8%
JUNE	72.6%	75.9%	73.4%	72.1%	77.4%	58.5%	71.3%	63.5%	62.6%	60.1%	69.3%	60.5%	62.0%	66.5%	61.6%	75.8%	75.8%	68.6%	64.8%	66.3%	73.7%	81.1%	80.9%	75.6%	71.2%
JULY	78.2%	79.1%	86.1%	81.2%	76.9%	65.8%	72.4%	66.3%	64.9%	61.7%	66.9%	67.2%	68.0%	70.2%	57.8%	81.8%	83.4%	75.2%	74.0%	75.0%	83.9%	87.0%	89.1%	83.5%	80.3%
AUG	79.2%	79.9%	77.3%	74.1%	74.5%	66.0%	68.7%	66.9%	62.9%	57.7%	64.7%	63.3%	72.1%	70.5%	59.2%	77.7%	76.4%	70.9%	65.1%	68.2%	84.4%	85.1%	82.7%	79.3%	77.5%
SEPT	57.4%	66.1%	65.3%	65.0%	63.4%	58.9%	65.5%	56.3%	57.5%	56.5%	56.5%	54.4%	56.0%	65.9%	52.9%	60.3%	57.9%	63.8%	58.2%	60.3%	70.2%	73.3%	68.3%	62.9%	54.5%
OCT	54.2%	62.0%	63.6%	68.2%	66.4%	61.9%	68.4%	65.0%	57.1%	60.3%	72.2%	63.1%	65.1%	59.5%	53.2%	60.0%	71.0%	66.6%	58.6%	72.3%	59.8%	57.6%	50.9%	47.9%	46.0%
REG. AVE.	67.0%	70.6%	71.9%	69.8%	70.5%	59.8%	66.9%	61.2%	60.3%	58.7%	62.8%	59.3%	62.5%	63.8%	54.8%	68.7%	69.7%	66.9%	62.1%	65.2%	69.5%	71.5%	69.6%	66.5%	63.5%

TABLE 1 (Cont.)

**MOTEL OCCUPANCY BY MONTH FOR ENTIRE STATE
1997 THROUGH 2001**

	1997	1998	1999	2000	2001
MAY	50.2%	51.2%	52.3%	53.0%	54.9%
JUNE	71.4%	77.1%	74.5%	71.4%	70.2%
JULY	79.1%	81.9%	82.8%	78.8%	75.4%
AUG	79.1%	79.7%	77.5%	73.8%	72.2%
SEPT	63.9%	68.0%	64.9%	62.3%	57.5%
OCT	57.9%	61.9%	58.2%	55.7%	56.1%
STATE AVE.	66.9%	70.0%	68.4%	65.8%	64.4%

Lodging Units 1996 to 2001

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 minus 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, 1996 THROUGH 2001												
REGION	1996	1997	1998	1999	2000	2001	CHANGE 1996-97	CHANGE 1997-98	CHANGE 1998-99	CHANGE 1999-00	CHANGE 2000-01	CHANGE 1996-01
1	4,868	5,102	5,111	5,471	5,552	5,832	234	9	360	81	280	964
2	2,935	2,805	2,818	2,723	2,954	2,946	-130	13	-95	231	-8	11
3	1,066	891	883	858	881	874	-175	-8	-25	23	-7	-192
4	2,120	2,174	2,248	2,195	2,234	2,225	54	74	-53	39	-9	105
5	9,403	9,402	9,444	9,503	9,888	9,923	-1	42	59	385	35	520
OTHER	327	440	442	426	417	438	113	2	-16	-9	21	111
TOTAL	20,719	20,814	20,946	21,176	21,926	22,238	95	132	230	750	312	1,519

Room count data is based on South Dakota Department of Health records as of October of each year. The total number of lodging units in the state is now 22,238. The largest absolute growth in lodging units in 2001 occurred in Region 1, southeast South Dakota, with a growth of 280 rooms. The statewide growth of 312 lodging units from 2000 to 2001 represents a 1.4 percent addition to inventory. Additionally, the number of licensed lodging rooms in specialty resorts and bed-and-breakfast establishments now totals about 1,051. If these lodging units were included, the number of lodging accommodations would total 23,289. Since 1996, the number of hotel and motel lodging units in the state expanded by 1,519, a 7.3 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, during the May through October period in 2000, there were 2,654,624 room nights rented (i.e. 65.8 percent X 21,926 rooms X 184 days). By comparison. The number of room nights rented over the same period of 2001 is estimated to be 2,635,114 (i.e. 64.4 percent X 22,238 rooms X 184 days), which is marginally lower than that achieved in 2000.

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 planning promotions and assist those planning industry growth, both from a regional standpoint, as well as for the entire state.

TABLE 3

CAMPGROUND OCCUPANCY BY MONTH FOR REGIONS 1997 THROUGH 2001																									
	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
JUNE	42.6%	40.7%	43.1%	41.0%	61.8%	31.5%	29.9%	38.0%	41.0%	60.6%	51.2%	48.4%	48.6%	43.6%	70.5%	56.4%	54.0%	45.1%	49.6%	55.4%	40.7%	43.9%	46.1%	50.1%	49.4%
JULY	51.4%	49.8%	56.1%	56.2%	51.8%	36.1%	40.8%	54.2%	51.3%	49.6%	63.6%	57.2%	57.2%	56.7%	59.9%	67.2%	58.4%	41.9%	57.5%	43.0%	62.6%	65.8%	70.9%	67.1%	65.5%
AUG	43.9%	45.0%	43.1%	48.8%	43.8%	36.1%	34.0%	34.4%	35.1%	39.2%	59.1%	53.9%	47.5%	56.9%	49.5%	55.7%	59.0%	39.8%	38.5%	22.2%	59.7%	62.9%	62.3%	64.8%	49.2%
REG. AVE.	46.0%	45.1%	47.4%	48.7%	52.5%	34.6%	34.9%	42.2%	42.5%	49.8%	58.0%	53.2%	51.1%	52.4%	60.0%	59.8%	57.2%	42.3%	48.5%	40.2%	54.3%	57.5%	59.8%	60.7%	54.7%

TABLE 3 (Cont.)

CAMPGROUND OCCUPANCY BY MONTH FOR STATE, 1997 THROUGH 2001					
	1997	1998	1999	2000	2001
JUNE	42.9%	44.2%	45.3%	48.0%	53.6%
JULY	60.3%	61.0%	63.8%	63.0%	59.9%
AUG	55.9%	58.0%	54.7%	57.4%	44.7%
STATE AVE.	53.0%	54.4%	54.6%	56.1%	52.7%

INTERNATIONAL TRAVEL IN 2001

For more than a decade, the South Dakota Department of Tourism has made 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 seven 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.

In 2000, the sample was expanded to include the southeast region of the state in addition to western South Dakota. This year, 2001, the sample was again expanded to include northeast South Dakota and was conducted during the months of August and September. The results of the international travel survey for 2000 and 2001 are summarized in the following table for southeast and western South Dakota.

TABLE 4

INFLUENCE OF INTERNATIONAL VISITORS IN SELECTED REGIONAL MARKETS, 2000 and 2001					
Year		Monthly Average		Highest Two Sampling Dates	
		August	September	August	September
Southeast South Dakota	2000	2.9%	3.3%	4.5%	2.6%
	2001	1.2%	1.4%	1.9%	1.3%
Western South Dakota	2000	3.5%	3.9%	5.5%	7.6%
	2001	2.4%	2.3%	3.0%	4.6%
Northeast South Dakota	2000*	NA	NA	NA	NA
	2001	.3%	.5%	.6%	1.3%
Combined (Excludes NE SD in 2000)	2000	3.2%	3.6%	5.0%	5.1%
	2001	1.3%	1.4%	1.8%	2.4%

* Not Available - Region was not surveyed in 2000.

The most significant finding concerning the international survey in 2001 is the significant drop in estimated international travel in 2001, compared to that achieved in earlier years. As the figures in Table 4 verify, international travel dropped to roughly one-half of levels achieved in 2000. These reductions occurred on sample dates lying before and after the terrorist attacks on September 11.

Another finding in this year's survey is that international travel is much less significant in northeast South Dakota, compared to the other two sampled regions of the state. Generally, it can be said that in 2001, international travel accounted for only about one-half of one percent in that region. Since the overall survey found that international travel in the other two regions was about one-half of that occurring in earlier years it can be inferred that about 1 percent of travel in the northeast part of the state has been international in origin in years prior to 2001.

Western South Dakota, as in earlier years, exhibits a higher international influence than other regions of the state. For the entire sample period, western South Dakota is estimated to have had

an international impact of about 2.4 percent on average in 2001, while the southeast region averaged 1.3 percent for the combined months of August and September.

It is also noted from surveys in past years that the international component of lodging guests is higher in September than in August. In surveys from earlier years, it has also been observed that the international component in June and September is invariably larger than is the case in July and August. That is, the relative shoulder months of June and September have been characterized by higher percentages of international guests than the traditional peak travel months of July and August. However, in 2001, September international travel was no higher than levels achieved in August. This finding is no doubt traced to travel uncertainties and air travel disruptions that directly impacted international travelers after September 11. In fact, three of the September sample dates happened to occur after September 11.

The following table provides a comparison of monthly average international travel statistics that have been compiled over the last five years for western South Dakota. Similar data for the northeast and southeast regions are not available since these regions of the state have only been sampled for one and two years respectively.

TABLE 5

PERCENTAGE OF LODGING GUESTS OF INTERNATIONAL ORIGIN, BY MONTH, 1996 - 2001 AVERAGE IN WESTERN SOUTH DAKOTA	
Month	International Component
June	5.3%
July	3.3%
August	3.4%
September	4.6%
Four Month Average	4.2%

It is noted that the estimated percentages for June and July are based on two survey years, and August and September are based on three survey years. 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, 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 and the United Kingdom is normally close behind. Other points of origin contributing significantly to international travel in 2001 that are not included in the table include Sweden, Austria, Belgium, Spain, Ireland, Korea 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				
1997	1998	1999	2000	2001
Germany	Germany	Germany	Germany	Germany
United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
Norway	Japan	France (t)	Netherlands (t)	Japan
Japan	Italy	Netherlands (t)	Italy (t)	Italy
Switzerland	Netherlands	Switzerland (t)	Japan	Australia
Austria	Australia	Japan	France	France
Italy	Norway	China	Poland	China

t = Tie in number of responses

The last seven 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. Yet the current year vividly demonstrates the volatility of this component of the industry in connection with events that have worldwide impact.

REGIONS

