

**2002 SOUTH DAKOTA MOTEL AND
CAMPGROUND OCCUPANCY REPORT
AND INTERNATIONAL VISITOR SURVEY**

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

In 1989, the South Dakota Department of Tourism commissioned an 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 peak visitor 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 the state's 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 67.2 percent during the six- month sampling period. This rate is measurably higher than occupancy levels achieved in the two previous years.** The occupancy rate achieved in 2002 is quite comparable to the level experienced in 1999. Occupancy rates for each of the months in 2002 were higher than those achieved in 2001, except for the month of October.
2. The positive move in statewide occupancy was lead by Region 5 in the Western part of the state. Occupancy was about five percentage points higher than was the case in 2001. Regions 1, 2, and 3 experienced nominally higher occupancy rates, but were within one percentage point of 2001 levels
3. Region 4 (northcentral) recorded monthly reductions after June that apparently grew in magnitude as the season progressed. This observation is probably due to reduced water levels and associated drops in related recreational opportunities on Lake Oahe.
4. The state experienced an increase in total available lodging units in 2002 of 2.4 percent when compared to 2001. **The number of rooms available in 2002 is 9.5 percent higher than the number that existed five years ago.**
5. Campground occupancy in 2002 returned to pre–2001 levels in the state, equating to 56.6 percent occupancy. Regions 2 in the northeast and 5 in the Black Hills led the improvement in camp facility occupancy. The southeast part of the state was the only region that saw a drop in campground use. Statewide, occupancy in the months of June and August were significantly improved over the same months in 2001.

TABLE 1

**MOTEL OCCUPANCY BY MONTH FOR REGIONS
1998 THROUGH 2002**

	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
MAY	60.4%	65.5%	58.0%	64.7%	66.0%	55.4%	49.5%	56.8%	55.8%	51.7%	47.1%	52.1%	50.2%	44.4%	46.3%	53.7%	56.2%	51.6%	49.2%	58.8%	45.0%	45.6%	49.8%	51.8%	54.9%
JUNE	75.9%	73.4%	72.1%	77.4%	74.0%	71.3%	63.5%	62.6%	60.1%	64.0%	60.5%	62.0%	66.5%	61.6%	69.7%	75.8%	68.6%	64.8%	66.3%	68.1%	81.1%	80.9%	75.6%	71.2%	75.9%
JULY	79.1%	86.1%	81.2%	76.9%	80.2%	72.4%	66.3%	64.9%	61.7%	67.1%	67.2%	68.0%	70.2%	57.8%	60.2%	83.4%	75.2%	74.0%	75.0%	72.8%	87.0%	89.1%	83.5%	80.3%	84.3%
AUG	79.9%	77.3%	74.1%	74.5%	78.8%	68.7%	66.9%	62.9%	57.7%	58.6%	63.3%	72.1%	70.5%	59.2%	57.2%	76.4%	70.9%	65.1%	68.2%	66.4%	85.1%	82.7%	79.3%	77.5%	81.0%
SEPT	66.1%	65.3%	65.0%	63.4%	63.7%	65.5%	56.3%	57.5%	56.5%	55.9%	54.4%	56.0%	65.9%	52.9%	47.8%	57.9%	63.8%	58.2%	60.3%	55.1%	73.3%	68.3%	62.9%	54.5%	66.7%
OCT	62.0%	63.6%	68.2%	66.4%	66.3%	68.4%	65.0%	57.1%	60.3%	60.1%	63.1%	65.1%	59.5%	53.2%	50.9%	71.0%	66.6%	58.6%	72.3%	62.0%	57.6%	50.9%	47.9%	46.0%	46.8%
REG. AVE.	70.6%	71.9%	69.8%	70.5%	71.5%	66.9%	61.2%	60.3%	58.7%	59.6%	59.3%	62.5%	63.8%	54.8%	55.3%	69.7%	66.9%	62.1%	65.2%	63.9%	71.5%	69.6%	66.5%	63.5%	68.3%

TABLE 1 (Cont.)

**MOTEL OCCUPANCY BY MONTH FOR ENTIRE STATE
1998 THROUGH 2002**

	1998	1999	2000	2001	2002
MAY	51.2%	52.3%	53.0%	54.9%	57.2%
JUNE	77.1%	74.5%	71.4%	70.2%	72.7%
JULY	81.9%	82.8%	78.8%	75.4%	79.3%
AUG	79.7%	77.5%	73.8%	72.2%	75.6%
SEPT	68.0%	64.9%	62.3%	57.5%	62.9%
OCT	61.9%	58.2%	55.7%	56.1%	55.3%
STATE AVE.	70.0%	68.4%	65.8%	64.4%	67.2%

Lodging Units 1997 to 2002

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, 1997 THROUGH 2002												
REGION	1997	1998	1999	2000	2001	2002	CHANGE 1997-98	CHANGE 1998-99	CHANGE 1999-00	CHANGE 2000-01	CHANGE2 001-02	CHANGE 1997-02
1	5,102	5,111	5,471	5,552	5,832	5,754	9	360	81	280	-78	652
2	2,805	2,818	2,723	2,954	2,946	3,010	13	-95	231	-8	64	205
3	891	883	858	881	874	923	-8	-25	23	-7	49	32
4	2,174	2,248	2,195	2,234	2,225	2,308	74	-53	39	-9	83	134
5	9,402	9,444	9,503	9,888	9,923	10,352	42	59	385	35	429	950
OTHER	440	442	426	417	438	435	2	-16	-9	21	-3	-5
TOTAL	20,814	20,946	21,176	21,926	22,238	22,782	132	230	750	312	544	1,968

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 22,782. The largest absolute growth in lodging units in 2002 occurred in Region 5, western South Dakota, with a growth of 429 rooms and were concentrated in the cities of Keystone, Deadwood and Rapid City. The statewide growth of 544 lodging units from 2001 to 2002 represents a 2.4 percent addition to inventory. This is the largest year to year addition since the year 2000. Additionally, the number of licensed lodging rooms in specialty resorts and bed-and-breakfast establishments now totals about 1,475. **If these lodging units were included, the number of lodging accommodations would total 24,257. Since 1997, the number of hotel and motel lodging units in the state expanded by 1,968, or a 9.5 percent increase.**

The count of lodging units on the previous page 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 2001, there were 2,635,114 room nights rented (i.e. 64.4 percent X 22,238 rooms X 184 days). By comparison, the number of room nights rented over the same period of 2002 is estimated to be 2,816,949 (i.e. 67.2 percent X 22,782 rooms X 184 days). **This is significantly higher than that achieved in 2001 and represents a 6.9 percent jump in occupied rooms in the state over the six month travel season.**

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 1998 THROUGH 2001																									
	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
JUNE	40.7%	43.1%	41.0%	61.8%	52.7%	29.9%	38.0%	41.0%	60.6%	62.4%	48.4%	48.6%	43.6%	70.5%	71.0%	54.0%	45.1%	49.6%	55.4%	58.9%	43.9%	46.1%	50.1%	49.4%	59.6%
JULY	49.8%	56.1%	56.2%	51.8%	48.3%	40.8%	54.2%	51.3%	49.6%	51.2%	57.2%	57.2%	56.7%	59.9%	58.0%	58.4%	41.9%	57.5%	43.0%	36.7%	65.8%	70.9%	67.1%	65.5%	67.9%
AUG	45.0%	43.1%	48.8%	43.8%	40.6%	34.0%	34.4%	35.1%	39.2%	42.8%	53.9%	47.5%	56.9%	49.5%	51.4%	59.0%	39.8%	38.5%	22.2%	25.9%	62.9%	62.3%	64.8%	49.2%	56.9%
REG. AVE.	45.1%	47.4%	48.7%	52.5%	47.2%	34.9%	42.2%	42.5%	49.8%	52.2%	53.2%	51.1%	52.4%	60.0%	60.1%	57.2%	42.3%	48.5%	40.2%	40.5%	57.5%	59.8%	60.7%	54.7%	61.5%

TABLE 3 (Cont.)

CAMPGROUND OCCUPANCY BY MONTH FOR STATE, 1998 THROUGH 2002					
	1998	1999	2000	2001	2002
JUNE	44.2%	45.3%	48.0%	53.6%	59.5%
JULY	61.0%	63.8%	63.0%	59.9%	60.2%
AUG	58.0%	54.7%	57.4%	44.7%	50.0%
STATE AVE.	54.4%	54.6%	56.1%	52.7%	56.6%

INTERNATIONAL TRAVEL IN 2002

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 eight 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. Since 2000, the survey has been conducted in August and September.

In 2000, the sample was expanded to include the southeast region of the state in addition to western South Dakota. In 2001, the sample was again expanded to include northeast South Dakota. These same three regions of the state and the same sampling months were used in the 2002 sample project. The results of the international travel survey for 2000 through 2002 are summarized in the following table for southeast, northeast, and western South Dakota.

TABLE 4

INFLUENCE OF INTERNATIONAL VISITORS IN SELECTED REGIONAL MARKETS, 2000 to 2002					
		Monthly Average		Highest Two Sampling Dates	
	Year	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%
	2002	1.6%	1.7%	2.2%	1.9%
Western South Dakota	2000	3.5%	3.9%	5.5%	7.6%
	2001	2.4%	2.3%	3.0%	4.6%
	2002	3.8%	5.4%	5.5%	6.9%
Northeast South Dakota	2000*	NA	NA	NA	NA
	2001	.3%	.5%	.6%	1.3%
	2002	.9%	.5%	1.2%	.8%
Combined	2000	3.2%	3.6%	5.0%	5.1%
(Excludes NE SD in 2000)	2001	1.3%	1.4%	1.8%	2.4%
	2002	2.1%	2.5%	3.0%	3.2%

* Not Available - Region was not surveyed in 2000.

The survey in 2001 revealed a significant drop in estimated international travel compared to that achieved in earlier years. These reductions occurred on sample dates lying before and after the terrorist attacks on September 11 of 2001 which suggests that other phenomena - such as a slowing global economy - may have played a part in state international travel. As the 2002 figures in Table 4 verify, however, some improvement in international travel occurred this year.

Another finding in both this year's and last year's surveys 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 concluded that international visitation accounts for only about .5 to 1 percent of all visitor business in that region.

In 2002, western South Dakota, as was true in earlier years, experienced a higher international influence than other regions of the state. For the entire sample period, western South Dakota is estimated to have received an international impact of about 4.6 percent on average in 2002, compared to 2.4 percent the previous year. The southeast region averaged 1.65 percent for the combined months of August and September, which is also an improvement over 2001.

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 domestic peak travel months of July and August. This continued to be observed in 2002, with the exception of the northeast region.

The following table provides a comparison of monthly average international visitor 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 two and three years respectively.

TABLE 5

PERCENTAGE OF LODGING GUESTS OF INTERNATIONAL ORIGIN, BY MONTH, 1996 - 2002 AVERAGE IN WESTERN SOUTH DAKOTA	
Month	International Component
June	5.3%
July	3.3%
August	3.2%
September	4.3%
Four Month Average	4.0%

It is noted that the estimated percentages for June and July are based on two survey years, and August and September are based on five survey years. In general, it is estimated that international visitors account for between 5 and 6 percent of the lodging market in June and September and around 3 to 3.5 percent in July and August. Obviously, the occupancy rates for lodging properties are impacted, particularly in the shoulder months, by international guests. It is also noted that these percentages are calculated based on equal weights for each of the three regions. This produces a downward bias in the overall impact of international travel for the state since the western region has more lodging units than any other region, and also has the largest proportion of international visitors.

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 the origin of their guests. The countries 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 for South Dakota, and the United Kingdom is normally close behind. Other points of origin contributing significantly to international visitation in 2002, that are not included in the table, include Sweden, Austria, Belgium, Spain, Ireland and Denmark.

TABLE 6

COUNTRY OF ORIGIN OF INTERNATIONAL VISITORS				
ORDINAL RANKING				
1998	1999	2000	2001	2002
Germany	Germany	Germany	Germany	Germany
United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
Japan	France (t)	Netherlands (t)	Japan	Japan
Italy	Netherlands (t)	Italy (t)	Italy	Asia/China
Netherlands	Switzerland (t)	Japan	Australia	Netherlands
Australia	Japan	France	France	Italy
Norway	China	Poland	China	France

t = Tie in number of responses

The South Dakota Department of Tourism targets visitors 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.

The last eight years of research have resulted in a much better understanding of the international segment of the South Dakota travel market. With established trends in information technology and a more global economy, this component of the market is likely to become more significant to the South Dakota visitor industry.

REGIONS

