

**2003 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 regions of the state. For the 2003 study, the number of regions was changed from five to four so that the boundaries correspond to the regions defined in the annual economic report and are consistent with those used by the four regional tourism associations. The new regional areas are:

Region 1	Southeast
Region 2	Glacial Lakes and Prairies
Region 3	Great Lakes
Region 4	Black Hills, Badlands and Lakes

Basically the two previous regions that in the past encompassed the Missouri River corridor have been combined into one region. A few other boundary changes have occurred. See the map on page 11 for exact regional boundaries. Past occupancy statistics have been adjusted to reflect the new boundary definitions. 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 64.8 percent during the six- month sampling period.** This rate is moderately lower than occupancy levels achieved in 2002, but somewhat stronger than experienced in 2000 and 2001. Only in May was the occupancy rate significantly lower than corresponding months in the previous year. Occupancy in October, the last month of the sample year, was somewhat improved over the same month in 2002.
2. Region 4 in the Western part of the state experienced occupancy that was unchanged from last year at 68.3 percent. The highest seasonal occupancy rate in that region occurred in July. Regions 1, 2, and 3 experienced lower occupancy rates in 2003.
3. Region 3 (Great Lakes) recorded monthly reductions throughout the sample period. 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 2003 of 1.8 percent when compared to 2002. **The number of rooms available in 2003 is 10.7 percent higher than the number that existed five years ago.**
5. Campground occupancy in 2003 was comparable to 2002 levels in the state, equating to 57.0 percent. The Black Hills, Badlands and Lakes region experienced an improvement in camp facility occupancy. The three remaining regions of the state were comparable to slightly lower in occupancy compared to last year. Statewide, occupancy during the month of July was the highest among all months in 2003.

**TABLE 1**

<b>MOTEL OCCUPANCY BY MONTH FOR REGIONS 1998 THROUGH 2003</b>																									
	<b>REGION 1 SOUTHEAST</b>						<b>REGION 2 GLACIAL LAKES AND PRAIRIES</b>						<b>REGION 3 GREAT LAKES</b>						<b>REGION 4 BLACK HILLS BADLANDS &amp; LAKES</b>						
	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003	
<b>MAY</b>	60.4%	65.5%	58.0%	64.7%	66.0%	<b>59.1%</b>	55.4%	49.5%	56.8%	55.8%	51.7%	<b>48.9%</b>	51.8%	55.0%	51.2%	47.8%	55.2%	<b>44.5%</b>	45.0%	45.6%	49.8%	51.8%	54.9%	<b>51.6%</b>	
<b>JUNE</b>	75.9%	73.4%	72.1%	77.4%	74.0%	<b>75.8%</b>	71.3%	63.5%	62.6%	60.1%	64.0%	<b>54.5%</b>	71.4%	66.7%	65.3%	64.9%	68.6%	<b>55.7%</b>	81.1%	80.9%	75.6%	71.2%	75.9%	<b>73.1%</b>	
<b>JULY</b>	79.1%	86.1%	81.2%	76.9%	80.2%	<b>75.7%</b>	72.4%	66.3%	64.9%	61.7%	67.1%	<b>58.9%</b>	78.7%	73.1%	72.9%	70.0%	69.1%	<b>60.5%</b>	87.0%	89.1%	83.5%	80.3%	84.3%	<b>87.2%</b>	
<b>AUG</b>	79.9%	77.3%	74.1%	74.5%	78.8%	<b>75.7%</b>	68.7%	66.9%	62.9%	57.7%	58.6%	<b>57.1%</b>	72.6%	71.2%	66.7%	65.6%	63.7%	<b>56.9%</b>	85.1%	82.7%	79.3%	77.5%	81.0%	<b>82.6%</b>	
<b>SEPT</b>	66.1%	65.3%	65.0%	63.4%	63.7%	<b>60.5%</b>	65.5%	56.3%	57.5%	56.5%	55.9%	<b>52.6%</b>	56.9%	61.5%	60.4%	58.2%	53.0%	<b>48.8%</b>	73.3%	68.3%	62.9%	54.5%	66.7%	<b>64.9%</b>	
<b>OCT</b>	62.0%	63.6%	68.2%	66.4%	66.3%	<b>62.7%</b>	68.4%	65.0%	57.1%	60.3%	60.1%	<b>61.7%</b>	68.7%	66.2%	58.9%	66.8%	58.8%	<b>59.5%</b>	57.6%	50.9%	47.9%	46.0%	46.8%	<b>50.3%</b>	
<b>REG. AVE.</b>	<b>70.6%</b>	<b>71.9%</b>	<b>69.8%</b>	<b>70.5%</b>	<b>71.5%</b>	<b>68.2%</b>	<b>66.9%</b>	<b>61.2%</b>	<b>60.3%</b>	<b>58.7%</b>	<b>59.6%</b>	<b>55.6%</b>	<b>66.7%</b>	<b>65.6%</b>	<b>62.6%</b>	<b>62.2%</b>	<b>61.4%</b>	<b>54.3%</b>	<b>71.5%</b>	<b>69.6%</b>	<b>66.5%</b>	<b>63.5%</b>	<b>68.3%</b>	<b>68.3%</b>	

**TABLE 1 (Cont.)**

<b>MOTEL OCCUPANCY BY MONTH FOR ENTIRE STATE 1998 THROUGH 2003</b>						
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>MAY</b>	51.2%	52.3%	53.0%	54.9%	57.2%	<b>52.3%</b>
<b>JUNE</b>	77.1%	74.5%	71.4%	70.2%	72.7%	<b>69.0%</b>
<b>JULY</b>	81.9%	82.8%	78.8%	75.4%	79.3%	<b>76.8%</b>
<b>AUG</b>	79.7%	77.5%	73.8%	72.2%	75.6%	<b>74.0%</b>
<b>SEPT</b>	68.0%	64.9%	62.3%	57.5%	62.9%	<b>60.0%</b>
<b>OCT</b>	61.9%	58.2%	55.7%	56.1%	55.3%	<b>56.4%</b>
<b>TATE AVE.</b>	<b>70.0%</b>	<b>68.4%</b>	<b>65.8%</b>	<b>64.4%</b>	<b>67.2%</b>	<b>64.8%</b>

### Lodging Units 1998 to 2003

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 number 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.

Since the regions were redefined this year, the previous room counts were adjusted into each of the appropriate new regions so that year to year comparisons can still be accomplished. The number of lodging units, the annual changes, and percentage changes are summarized for each of these regions in the following table.

**TABLE 2**

LODGING UNITS BY REGION, 1998 THROUGH 2003												
REGION	1998	1999	2000	2001	2002	2003	CHANGE 1998-99	CHANGE 1999-00	CHANGE 2000-01	CHANGE 2001-02	CHANGE 2002-03	CHANGE 1998-03
1	5,560	5,917	5,995	6,281	6,202	6,244	357	78	286	-79	42	684
2	2,955	2,857	3,087	3,082	3,145	3,130	-98	230	-5	63	-15	175
3	2,668	2,588	2,649	2,635	2,767	2,899	-80	61	-14	132	132	231
4	9,763	9,814	10,195	10,240	10,668	10,914	51	381	45	428	246	1151
<b>TOTAL</b>	<b>20,946</b>	<b>21,176</b>	<b>21,926</b>	<b>22,238</b>	<b>22,782</b>	<b>23,187</b>	<b>230</b>	<b>750</b>	<b>312</b>	<b>544</b>	<b>405</b>	<b>2241</b>

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 23,187. The largest absolute growth in lodging units in 2003 occurred in the Black Hills, Badlands and Lakes region (Region 4) with a growth of 246 rooms. The statewide growth of 405 lodging units from 2002 to 2003 represents a 1.8 percent addition to inventory. Additionally, the number of licensed lodging rooms in specialty resorts and bed-and-breakfast establishments now totals about 1,605. **If these lodging units were included, the number of lodging accommodations would total 24,792. Since 1998, the number of hotel and motel lodging units in the state expanded by 2,241, or a 10.7 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 2002, there were 2,816,949 room nights rented (i.e. 67.2 percent X 22,782 rooms X 184 days). By comparison, the number of room nights rented over the same period of 2003 is estimated to be 2,764,632 (i.e. 64.8 percent X 23,187 rooms X 184 days). This is a reduction in the number of rooms rented over the season of about 2 percent relative to 2002, a strong travel year. Total room rentals in 2003 was, however, about 5 percent above 2001.

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 Office 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 2003																								
	REGION 1 SOUTHEAST						REGION 2 GLACIAL LAKES AND PRAIRIES						REGION 3 GREAT LAKES						REGION 4 BLACK HILLS, BADLANDS & LAKES					
	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003
JUNE	40.7%	43.1%	41.0%	61.8%	52.7%	<b>44.8%</b>	29.9%	38.0%	41.0%	60.6%	62.4%	<b>49.1%</b>	50.9%	47.0%	46.3%	63.7%	65.6%	<b>47.0%</b>	43.9%	46.1%	50.1%	49.4%	59.6%	<b>53.7%</b>
JULY	49.8%	56.1%	56.2%	51.8%	48.3%	<b>52.0%</b>	40.8%	54.2%	51.3%	49.6%	51.2%	<b>50.2%</b>	57.7%	50.3%	57.1%	52.3%	48.4%	<b>51.1%</b>	65.8%	70.9%	67.1%	65.5%	67.9%	<b>73.1%</b>
AUG	45.0%	43.1%	48.8%	43.8%	40.6%	<b>44.0%</b>	34.0%	34.4%	35.1%	39.2%	42.8%	<b>48.9%</b>	56.2%	44.0%	48.6%	37.2%	39.9%	<b>43.0%</b>	62.9%	62.3%	64.8%	49.2%	56.9%	<b>60.3%</b>
REG. AVE.	<b>45.1%</b>	<b>47.4%</b>	<b>48.7%</b>	<b>52.5%</b>	<b>47.2%</b>	<b>46.9%</b>	<b>34.9%</b>	<b>42.2%</b>	<b>42.5%</b>	<b>49.8%</b>	<b>52.2%</b>	<b>49.4%</b>	<b>55.0%</b>	<b>47.1%</b>	<b>50.6%</b>	<b>51.1%</b>	<b>51.3%</b>	<b>47.0%</b>	<b>57.5%</b>	<b>59.8%</b>	<b>60.7%</b>	<b>54.7%</b>	<b>61.5%</b>	<b>62.4%</b>

TABLE 3 (Cont.)

CAMPGROUND OCCUPANCY BY MONTH FOR STATE, 1998 THROUGH 2003						
	1998	1999	2000	2001	2002	2003
JUNE	44.2%	45.3%	48.0%	53.6%	59.5%	<b>51.2%</b>
JULY	61.0%	63.8%	63.0%	59.9%	60.2%	<b>65.2%</b>
AUG	58.0%	54.7%	57.4%	44.7%	50.0%	<b>54.5%</b>
STATE AVE.	<b>54.4%</b>	<b>54.6%</b>	<b>56.1%</b>	<b>52.7%</b>	<b>56.6%</b>	<b>57.0%</b>

## **INTERNATIONAL TRAVEL IN 2003**

For more than a decade, the South Dakota Office of Tourism has made efforts to market the state to international travelers. Because of this activity, the office 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 (Black Hills, Badlands and Lakes region) 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. From 2000 to 2002, the survey was conducted in August and September and in 2003, the survey shifted to June and July.

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 (Glacial Lakes and Prairies region). In 2003, the survey for the first time was conducted statewide. The results from the first statewide survey representing the four regions of state are summarized in the following table.

TABLE 4

<b>PERCENTAGE OF RENTED ROOMS OCCUPIED BY INTERNATIONAL VISITORS, 2003</b>					
Region	Overall Avg.	June Avg.	July Avg.	June Max.	July Max.
1. Southeast	1.2%	1.1%	1.3%	2.1%	1.7%
2. Glacial Lakes and Prairies	0.7%	0.4%	1.1%	0.6%	1.9%
3. Great Lakes	0.6%	0.4%	0.9%	1.2%	2.1%
4. Black Hills, Badlands and Lakes	2.4%	2.7%	2.2%	4.2%	2.8%
Weighted State Average *	1.7%	1.7%	1.6%	2.8%	2.3%

\* Weighted according to number of regional lodging units

Results for this survey year reflect much of what has been discovered in previous survey years. First, the proportion of international visitors is higher in the Black Hills, Badlands and Lakes region than is the case in the balance of the state. This region's proportion is twice that observed in the Southeast region and around four times higher than the other two regions. Second, the impact of international travel is somewhat higher in June than is the case for July, an observation that has held true in past years. This pattern did not occur in the other regions of the state, but this finding could be influenced by measurement error since the international percentages are quite small in these regions.

Table 5 provides a recap of international survey findings for all years in which sampling was conducted in June and July. Black Hills, Badlands and Lakes is the only region where sampling has occurred over multiple years in June and July.

TABLE 5

<b>INTERNATIONAL AVERAGES, WESTERN SOUTH DAKOTA FOR JUNE - JULY SURVEY YEARS</b>		
Survey	June Average	July Average
1998 Survey Year	6.3%	2.9%
1999 Survey Year	4.3%	3.6%
2003 Survey Year	2.7%	2.2%

In 2003, western South Dakota survey evidence suggests that the international impact on the travel industry is less than was the case in 1998 and 1999. A variety of factors may account for this such as international political and economic phenomena.

It is also noted from surveys in past years that the international component of lodging guests has been higher in June than in July. Generally, 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 2003 in western South Dakota.

The following table provides a comparison of monthly average international visitor statistics that have been compiled over the last five years for the Black Hills, Badlands and Lakes region. Similar data for the other three regions are not available since these regions of the state have not been sampled over this span of time.

**TABLE 6**

<b>PERCENTAGE OF LODGING GUEST OF INTERNATIONAL ORIGIN, BY MONTH, 1996 – 2003 AVERAGE IN WESTERN SOUTH DAKOTA</b>	
<b>Month</b>	<b>International Component</b>
June	4.4%
July	2.9%
August	3.2%
September	4.3%
Four Month Average	3.7%

It is noted that the estimated percentages for June and July are based on three survey years, and August and September are based on five survey years. In general, it is estimated that international visitors account for between 4 and 5 percent of the lodging market in June and September and

around 3 percent in July and August. Obviously, the occupancy rates for lodging properties are impacted, particularly in the shoulder months, by international guests.

The countries of origin, as estimated in the sampling process, are presented in Table 7. 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 2003, that are not included in the table, include Sweden, Austria, Belgium, Spain, Ireland, Denmark, and Australia.

**TABLE 7**

<b>COUNTRY OF ORIGIN OF INTERNATIONAL VISITORS</b>				
<b>ORDINAL RANKING</b>				
1999	2000	2001	2002	2003
Germany	Germany	Germany	Germany	Germany
United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
France (t)	Netherlands (t)	Japan	Japan	Japan
Netherlands (t)	Italy (t)	Italy	Asia/China	Netherlands
Switzerland (t)	Japan	Australia	Netherlands	Italy
Japan	France	France	Italy	France
China	Poland	China	France	Norway

t = Tie in number of responses

The South Dakota Office 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, called Rocky Mountain International.

The last eight years of research have resulted in a 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.

