

**1999 SOUTH DAKOTA MOTEL AND  
CAMPGROUND OCCUPANCY REPORT  
AND FOREIGN VISITOR SURVEY**

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**1999 SOUTH DAKOTA MOTEL AND CAMPGROUND**

## OCCUPANCY REPORT AND FOREIGN 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 above 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 table.

TABLE 1

MOTEL OCCUPANCY BY MONTH FOR REGIONS 1995 THROUGH 1999																									
	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTHCENTRAL)					REGION 4 (NORTHCENTRAL)					REGION 5 (BLACK HILLS)				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
MAY	69.6%	58.7%	60.1%	60.4%	<b>65.5%</b>	56.8%	55.5%	47.5%	55.4%	<b>49.5%</b>	58.7%	58.6%	47.2%	47.1%	<b>52.1%</b>	55.2%	59.6%	56.3%	53.7%	<b>56.2%</b>	52.9%	46.2%	44.8%	45.0%	<b>45.6%</b>
JUNE	78.0%	72.1%	72.6%	75.9%	<b>73.4%</b>	67.5%	64.8%	58.5%	71.3%	<b>63.5%</b>	58.7%	75.0%	69.3%	60.5%	<b>62.0%</b>	75.6%	64.7%	75.8%	75.8%	<b>68.6%</b>	80.3%	78.6%	73.7%	81.1%	<b>80.9%</b>
JULY	81.4%	76.5%	78.2%	79.1%	<b>86.1%</b>	70.3%	68.7%	65.8%	72.4%	<b>66.3%</b>	59.6%	68.5%	66.9%	67.2%	<b>68.0%</b>	82.3%	80.6%	81.8%	83.4%	<b>75.2%</b>	86.9%	85.6%	83.9%	87.0%	<b>89.1%</b>
AUG	83.2%	81.1%	79.2%	79.9%	<b>77.3%</b>	69.5%	74.0%	66.0%	68.7%	<b>66.9%</b>	56.2%	66.7%	64.7%	63.3%	<b>72.1%</b>	73.6%	73.7%	77.7%	76.4%	<b>70.9%</b>	79.9%	82.6%	84.4%	85.1%	<b>82.7%</b>
SEPT	70.3%	55.2%	57.4%	66.1%	<b>65.3%</b>	63.1%	65.0%	58.9%	65.5%	<b>56.3%</b>	39.0%	54.5%	56.5%	54.4%	<b>56.0%</b>	60.5%	50.4%	60.3%	57.9%	<b>63.8%</b>	66.4%	65.3%	70.2%	73.3%	<b>68.3%</b>
OCT	68.1%	58.4%	54.2%	62.0%	<b>63.6%</b>	64.3%	68.5%	61.9%	68.4%	<b>65.0%</b>	66.5%	66.4%	72.2%	63.1%	<b>65.1%</b>	63.1%	69.3%	60.0%	71.0%	<b>66.6%</b>	48.6%	55.1%	59.8%	57.6%	<b>50.9%</b>
REG. AVE.	<b>75.1%</b>	<b>67.0%</b>	<b>67.0%</b>	<b>70.6%</b>	<b>71.9%</b>	<b>65.2%</b>	<b>66.1%</b>	<b>59.8%</b>	<b>66.9%</b>	<b>61.2%</b>	<b>56.4%</b>	<b>65.0%</b>	<b>62.8%</b>	<b>59.3%</b>	<b>62.5%</b>	<b>68.4%</b>	<b>66.4%</b>	<b>68.7%</b>	<b>69.7%</b>	<b>66.9%</b>	<b>69.2%</b>	<b>68.9%</b>	<b>69.5%</b>	<b>71.5%</b>	<b>69.6%</b>

TABLE 1 (Cont.)

MOTEL OCCUPANCY BY MONTH FOR ENTIRE STATE 1995 THROUGH 1999					
	1995	1996	1997	1998	1999
MAY	58.1%	53.8%	50.2%	51.2%	52.3%
JUNE	76.6%	73.4%	71.4%	77.1%	74.5%
JULY	81.6%	79.8%	79.1%	81.9%	82.8%
AUG	77.7%	79.4%	79.1%	79.7%	77.5%
SEPT	65.2%	60.8%	63.9%	68.0%	64.9%
OCT	57.8%	59.8%	57.9%	61.9%	58.2%

STATE AVE.	69.5%	67.8%	66.9%	70.0%	68.4%
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**TABLE 2**

CAMPGROUND OCCUPANCY BY MONTH FOR REGIONS 1995 THROUGH 1999																									
	REGION 1 (SOUTHEAST)					REGION 2 (NORTHEAST)					REGION 3 (SOUTH CENTRAL)					REGION 4 (NORTH CENTRAL)					REGION 5 (BLACK HILLS)				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
JUNE	40.0%	49.3%	42.6%	40.7%	43.1%	29.6%	39.7%	31.5%	29.9%	38.0%	57.3%	49.2%	51.2%	48.4%	48.6%	45.5%	41.9%	56.4%	54.0%	45.1%	42.0%	38.4%	40.7%	43.9%	46.1%
JULY	47.2%	44.0%	51.4%	49.8%	56.1%	33.1%	40.6%	36.1%	40.8%	54.2%	55.7%	55.1%	63.6%	57.2%	57.2%	57.8%	62.3%	67.2%	58.4%	41.9%	39.4%	39.0%	62.6%	65.8%	70.9%
AUG	39.4%	43.9%	43.9%	45.0%	43.1%	31.5%	39.5%	36.1%	34.0%	34.4%	27.5%	55.8%	59.1%	53.9%	47.5%	43.8%	58.7%	55.7%	59.0%	39.8%	55.7%	55.3%	59.7%	62.9%	62.3%
REG. AVE.	42.2%	45.7%	46.0%	45.1%	47.4%	31.4%	39.9%	34.6%	34.9%	42.2%	46.8%	53.4%	58.0%	53.2%	51.1%	49.1%	54.3%	59.8%	57.2%	42.3%	45.7%	44.2%	54.3%	57.5%	59.8%

**TABLE 2 (Cont.)**

CAMPGROUND OCCUPANCY BY MONTH FOR STATE, 1995 THROUGH 1999					
	1995	1996	1997	1998	1999
JUNE	42.7%	40.8%	42.9%	44.2%	45.3%
JULY	43.9%	43.4%	60.3%	61.0%	63.8%
AUG	48.4%	57.0%	55.9%	58.0%	54.7%
STATE AVE.	45.0%	47.1%	53.0%	54.4%	54.6%

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, lodging occupancy was 68.4 percent during the six month sampling period. This is slightly below the 70 percent occupancy achieved in 1998. It is noted, however, that 1998 recorded the highest occupancy in recent years. The month in 1999 in which occupancy was highest was July at 82.8 percent. July occupancy in 1999 was measured as being slightly higher than for the same month in 1998. Taken together, the high volume months of July and August were essentially on par with the most recent preceding years.
2. Region 1 (Southeast) and Region 3 (Southcentral) recorded moderate increases in motel occupancy. Region 3 showed consistent improvement in the number of rooms rented throughout the year when compared with corresponding months in 1998.
3. Occupancy in Region 4 (Northcentral) suffered somewhat this year with drops in rentals being the largest in the months of June through August. It has been speculated by some that changes in fishing regulations may have influenced this region of the state more than others. However, the perception of the quality of fishing was probably the biggest factor for this region's downturn. Many people heard that fewer walleye were being caught, and that influenced them to change their travel plans and go to other fishing hot spots instead.
4. The state experienced an increase in total available lodging units in 1999 of 1.1 percent when compared to 1998. The number of rooms available in 1999 is 9.6 percent higher than the number existing five years ago.
5. Campground occupancy was strong for the state as a whole in 1999, but regions varied significantly. Region 4, for example, experienced a drop in campground use of fifteen percentage points. The Black Hills region recorded a 2 percentage point rise in campground utilization

largely because of the month of July. Also, Region 2 in the northeast section of the state had a significant increase in camp facility use.

### Lodging Units 1994 to 1999

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 3**

LODGING UNITS BY REGION, 1994 THROUGH 1999												
REGION	1994	1995	1996	1997	1998	1999	CHANGE 1994-95	CHANGE 1995-96	CHANGE 1996-97	CHANGE 1997-98	CHANGE 1998-99	CHANGE 1994-99
1	4,725	4,830	4,868	5,102	5,111	5,471	105	38	234	9	360	746
2	2,616	2,723	2,935	2,805	2,818	2,723	107	212	-130	13	-95	107
3	768	852	1,066	891	883	858	84	214	-75	-8	-25	90
4	1,923	2,118	2,120	2,174	2,248	2,195	195	2	54	74	-53	272
5	8,912	9,304	9,403	9,402	9,444	9,503	392	99	-1	42	59	591
OTHER	382	469	327	440	442	426	87	-142	13	2	-16	44
<b>TOTAL</b>	<b>19,326</b>	<b>20,296</b>	<b>20,719</b>	<b>20,814</b>	<b>20,946</b>	<b>21,176</b>	<b>970</b>	<b>423</b>	<b>95</b>	<b>132</b>	<b>230</b>	<b>1,850</b>

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 21,176. Region 1 in the southeast section of the state experienced a substantial growth of 360 lodging units from 1998 to 1999. The number of licensed bed and breakfast lodging rooms now totals about 500. If bed and breakfast operations were included, the number of lodging accommodations would total nearly 22,000. The percentage increase in the number of available rooms was 1.1 percent from 1998 to 1999. Since 1994, however, the number of lodging units in the state expanded by 1,850, a 9.6 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 1998 during the May through October period, there were 2,697,844 roomnights rented (i.e. 70.0 percent X 20,946 rooms X 184 days). By comparison, in 1999, the number of room nights rented over the same period is estimated to be 2,680,712 (i.e. 68.8 percent X 21,176 rooms X 184 days) which is essentially the same as was achieved in 1998.

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.

### **FOREIGN TRAVEL IN 1999**

Over the past ten years, the South Dakota Department of Tourism has made increased efforts to market the state to foreign travelers. Because of this activity, since 1995, the department has conducted research that tracks foreign travel. Over the past five 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 foreign 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 most foreign travel takes place in the western part of the state. This factor influenced the decision to focus on western South Dakota. In 1996 and 1997, the sample period spanned the months of August and September. In 1998 and also in 1999, sampling shifted to June and July so that comparisons could be made to July and August data compiled in earlier years.

The sample was subdivided into Rapid City properties and the balance of western South Dakota. The results of the foreign travel survey for 1999 are summarized in the following table.

TABLE 4

INFLUENCE OF FOREIGN VISITORS IN WESTERN SOUTH DAKOTA MARKET, 1999				
	Monthly Average		Highest Two Sampling Dates	
	June	July	June 22	July 20
Non Rapid City	3.9%	3.8%	4.0%	5.6%
Rapid City	4.9%	3.3%	8.5%	3.4%
Combined	4.3%	3.6%	5.8%	4.8%

Rapid City, as may be expected, showed a marginally higher foreign influence than the balance of the region. For the entire sample period, Rapid City is estimated to have a foreign impact of 4.1 percent while the balance of the area had an impact of about 3.8 percent. It is noted that on one of the sample dates, an estimated 8.5 percent of the rented rooms in Rapid City were occupied by foreign guests. In comparison with data collected in 1998, the findings indicate that foreign travel in 1999 was somewhat lower in June, but somewhat higher in July. Overall, foreign travel was measured to be somewhat lower for the entire sample period. A comparison of the individual samples also points to the fact that foreign travel volume fluctuates dramatically from day to day during the travel season. This has been observed in earlier years as well.

It is also noted that the foreign component of lodging guests is estimated to be significantly higher in June than July. In surveys from earlier years, it was observed that the foreign component in September is larger than is the case in August. **That is, the relative shoulder months of June and September are characterized by higher percentages of foreign guests than the traditional peak travel months of July and August.** This finding may bear some significance in designing promotional activities in connection with foreign travel. This is because it appears that the foreign segment of the overall travel market are 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 foreign travelers may provide the greatest economic benefits to the industry.

The following table provides a comparison of monthly average foreign travel statistics that have been compiled over the last four years.

**TABLE 5**

<b>PERCENTAGE OF LODGING GUESTS OF FOREIGN ORIGIN, BY MONTH, 1996 - 1999 AVERAGE</b>	
Month	Foreign Component
June	5.3%
July	3.3%
August	3.8%
September	5.9%
Four Month Average	4.6%

It is noted that the estimated percentages for each of the four months are based on two survey years. In general it is estimated that foreign travel accounts for nearly 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 foreign 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 foreign visitors. However, in 1998, as in 1997, evidence of a definite trend to more diversification with respect to country of origin has been observed. Particularly noteworthy in 1998 is the fact that western European countries not listed in the table accounted for more than 12 percent of the responses. These countries include Belgium, Denmark, France, Switzerland, Hungary, Yugoslavia and Austria.

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**

<b>COUNTRY OF ORIGIN OF FOREIGN VISITORS</b>				
<b>ORDINAL RANKING</b>				
1995	1996	1997	1998	1999
Germany	Germany	Germany	Germany	Germany
France	United Kingdom	United Kingdom	United Kingdom	United Kingdom
Italy	Japan	Norway	Japan	France (t)
United Kingdom	Switzerland	Japan	Italy	Netherlands (t)
Austria	Australia	Switzerland	Netherlands	Switzerland (t)
Japan	France	Austria	Australia	Japan
Belgium	Austria	Italy	Norway	China

t = Tie in number of responses

Other countries contributing significantly to foreign travel in 1999, that are not included in the table include Sweden, Austria, Italy, Belgium and Denmark.

The last five years of foreign travel sample research have resulted in a much better understanding of the foreign segment of the overall travel market. It is recommended that for the next travel season, this sampling project should again focus on the spring and early summer.

