

New Ways to Look at Marketing Old Places

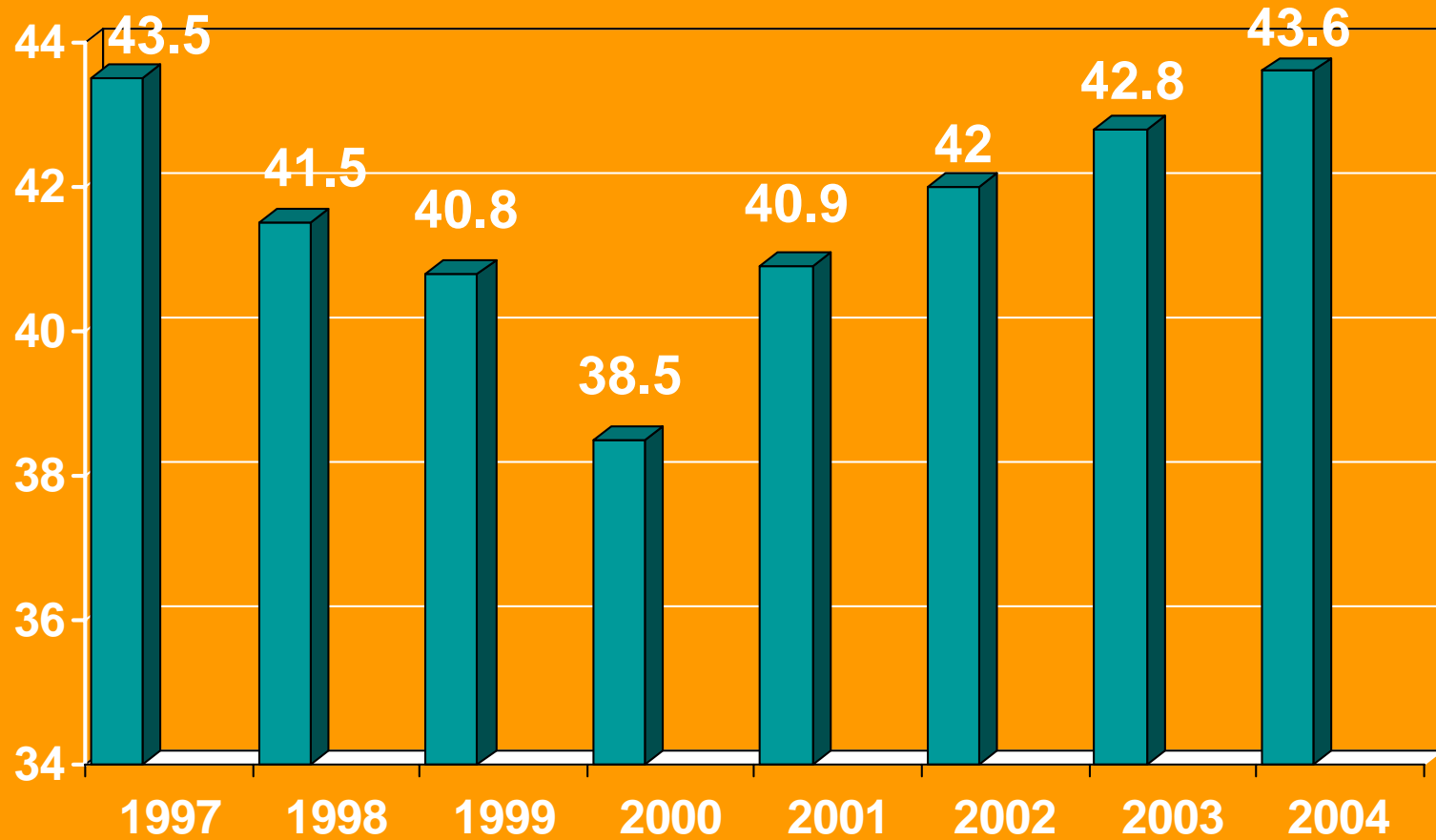
- Tennessee Association of Museums
- March 22, 2007
- Steve Morse, Ph.D.
 - Director, Tourism Institute
 - University of Tennessee, Knoxville

THE UNIVERSITY *of* TENNESSEE

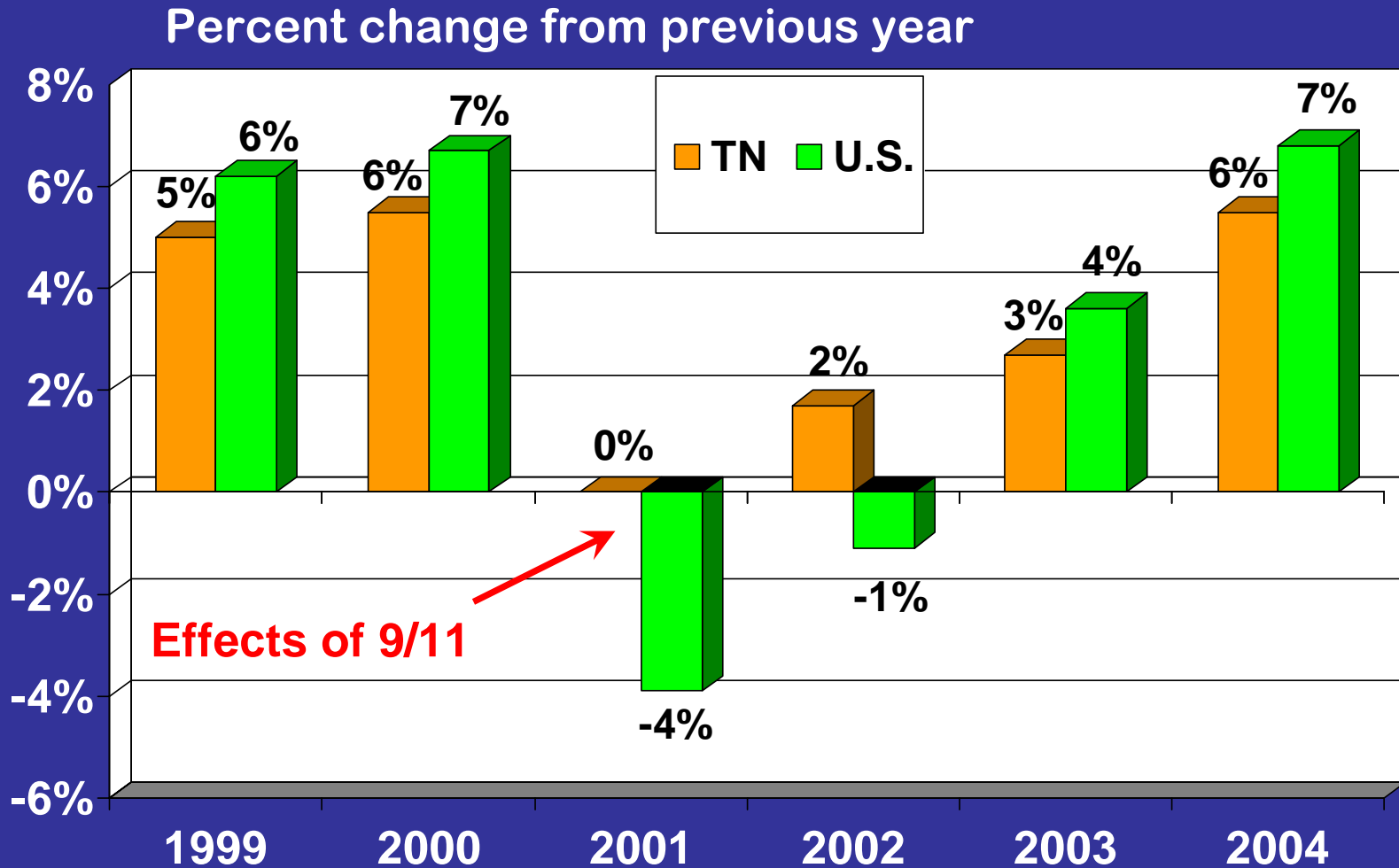


Tourism Institute
Hotel, Restaurant and Tourism Management
Knoxville, Tennessee

TN Traveler Volume (millions)

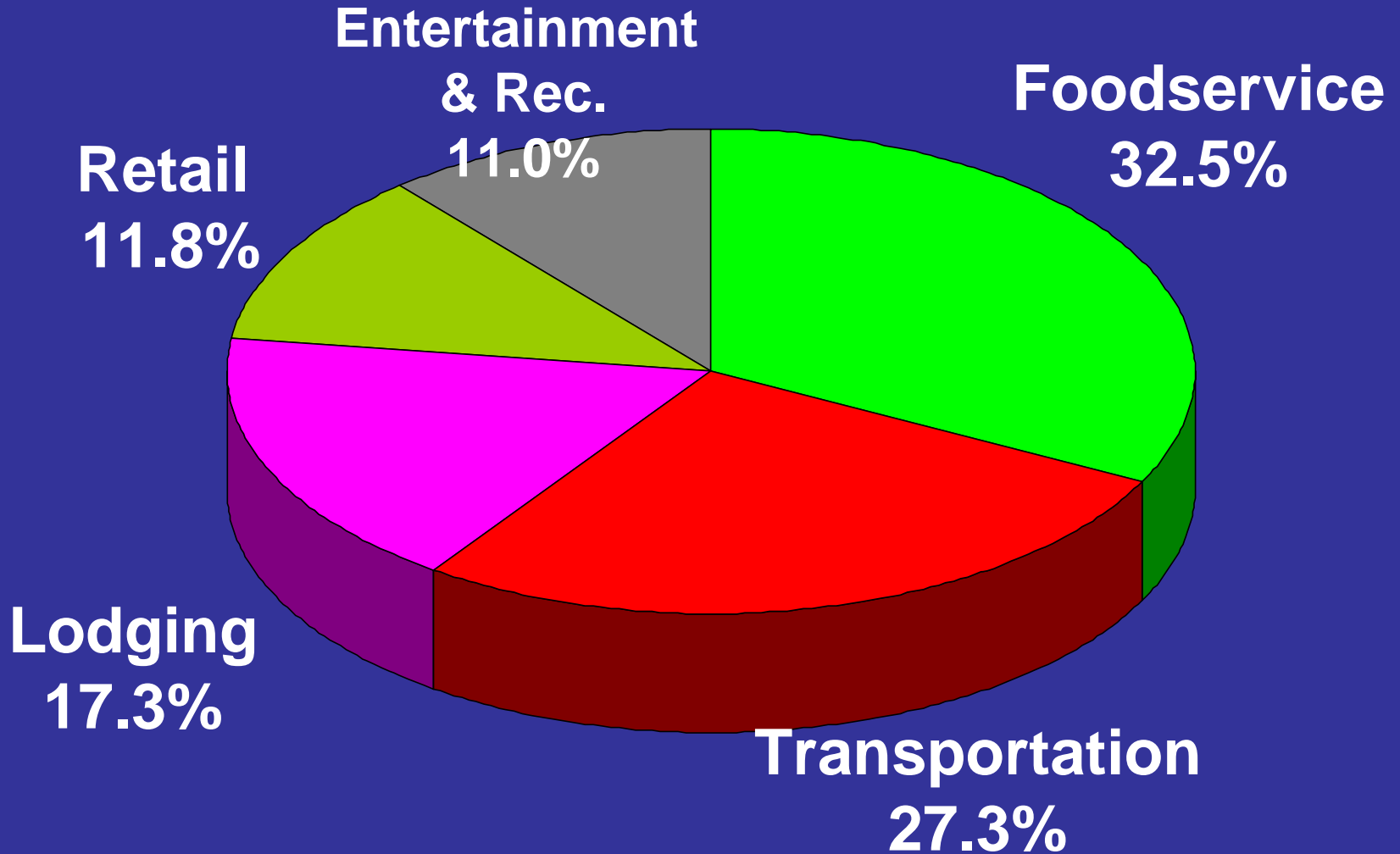


Effects of 9/11 on TN and U.S. Travel Expenditures



Source: TN Dept. of Tourist Dev. & TIA

Where Tourists Spend Money in Tennessee, 2006

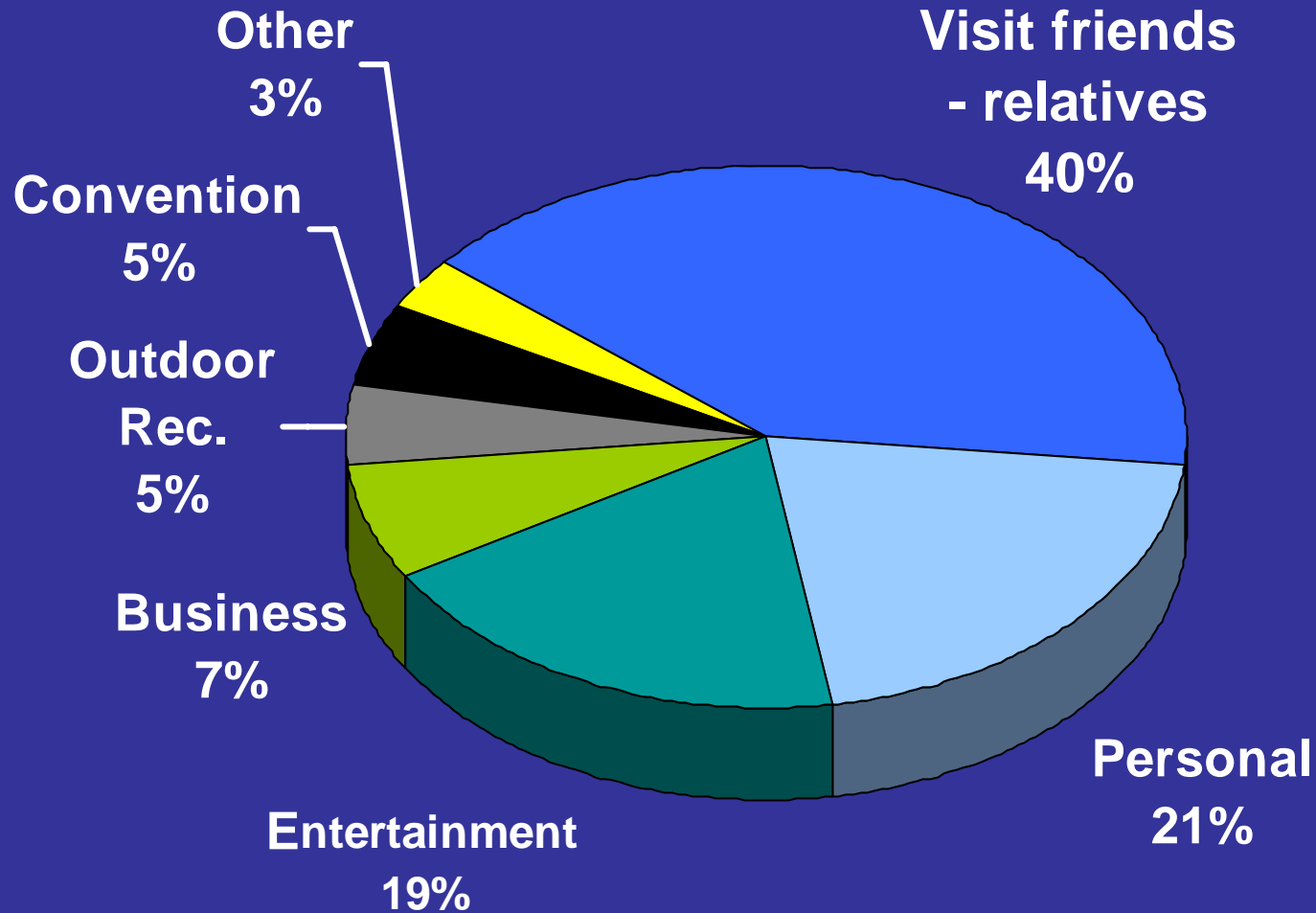


Source: TN Dept. of Tourist Dev. & TIA

Top 10 Trip Activities for Visitors to Tennessee - 2005

1. Shopping	28%
2. Social/Family Event	18%
3. Rural Sightseeing	10%
4. Historical Pl. & Museums	9%
5. National or State Parks	9%
6. City/Urban Sightseeing	8%
7. Zoo/Aquarium/Sci. Museum	7%
8. Theme/Amusement Parks	7%
9. Outdoor Recreation	7%
10. Performing Arts	4%

Primary Purpose of Trip to Tennessee



Source: TN Dept. of Tourist Dev. & TIA

Historic Places, Sites & Museums, Percent Tourist Activity, 2005

1. Chattanooga	23%
2. Memphis	14%
3. Gatlinburg	10%
4. Pigeon Forge	8%
5. Nashville	8%
6. Knoxville	7%
7. Bristol/Kingsport/Johnson Cty	4%
Tennessee Statewide Average = 9%	

Zoo, Aquarium, Science Museums, Percent Tourist Activity, 2005

1. Chattanooga	32%
2. Gatlinburg	23%
3. Pigeon Forge	20%
4. Knoxville	6%
5. Memphis	6%
6. Nashville	4%
7. Bristol/Kingsport/Johnson Cty	1%
Tennessee Statewide Average = 7%	

Compared to the U.S. traveler, 2004 Tennessee visitors were...

- ✓ More likely to visit for entertainment purposes (17% TN vs. 14% U.S.)
- ✓ Less likely to visit for outdoor recreation (6% TN vs. 10% U.S.)
- ✓ More likely to travel by auto, truck or RV (87% TN vs. 81% U.S.)
- ✓ Less likely to fly to destination (7% TN vs. 16% U.S.)

Compared to the U.S. traveler, 2004 Tennessee visitors were...

- ✓ More likely to use a hotel/motel/B&B (57% TN vs. 47% U.S.)
- ✓ More likely to be visiting for a day (37% TN vs. 24% U.S.)
- ✓ Less likely to attend a family/social event (18% TN vs. 27% U.S.)
- ✓ More likely to visit a national or state park (9% TN vs. 7% U.S.)

Compared to the U.S. traveler, 2004 Tennessee visitors were...

- ✓ Less likely to shop (28% TN vs. 31% U.S.)
- ✓ More likely to visit a zoo, aquarium, or science museum (7% TN vs. 6% U.S.)

Challenge - Get tourists to stay longer in Tennessee

Rank of TN Cities by Avg. Nights Stayed

TN Avg. = 2.9 nights

1. Pigeon Forge	3.4 nights
2. Gatlinburg	3.1 nights
3. Memphis	3.0 nights
4. Nashville	2.9 nights
5. Chattanooga	2.6 nights
6. Knoxville	2.4 nights

Trip Duration in Tennessee - 2005

Overnight Trips **62%**

Day Trips **38%**

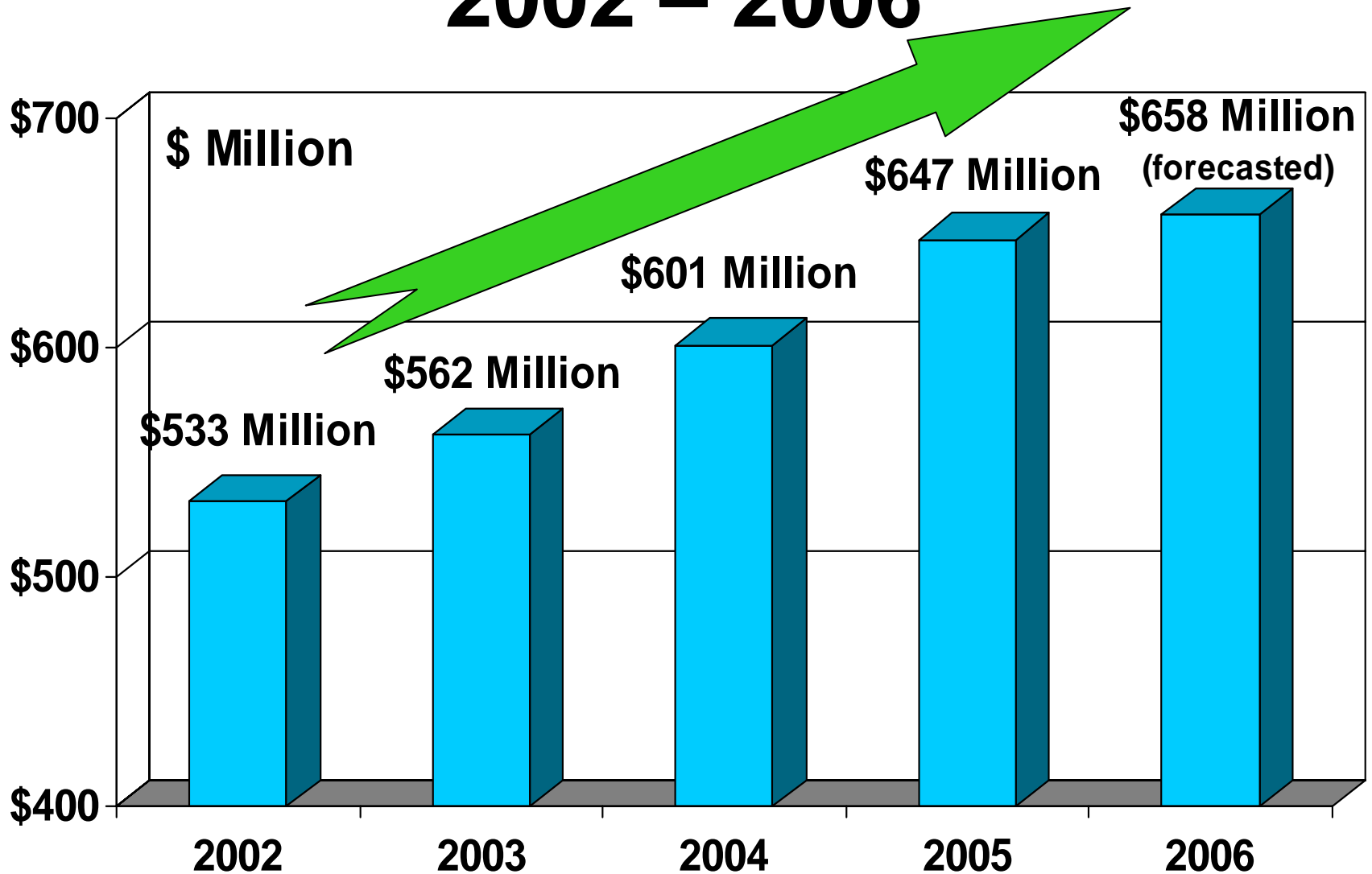
Total **100%**

Case Study: High gas prices and the “soft” 2006 summer in Chattanooga tourism

Three Questions:

- 1) How did higher 2006 gas prices impact Chattanooga tourism?**
- 2) What is impact on museum, zoos, & heritage tourism areas?**
- 3) How can you adjust to these trends to increase tourist demand?**

Tourist Spending, Hamilton Co., 2002 – 2006



Source: TN Dept. of Tourist Dev.; Tourism Institute, University of Tennessee

What States Do Chattanooga Tourists Come From?

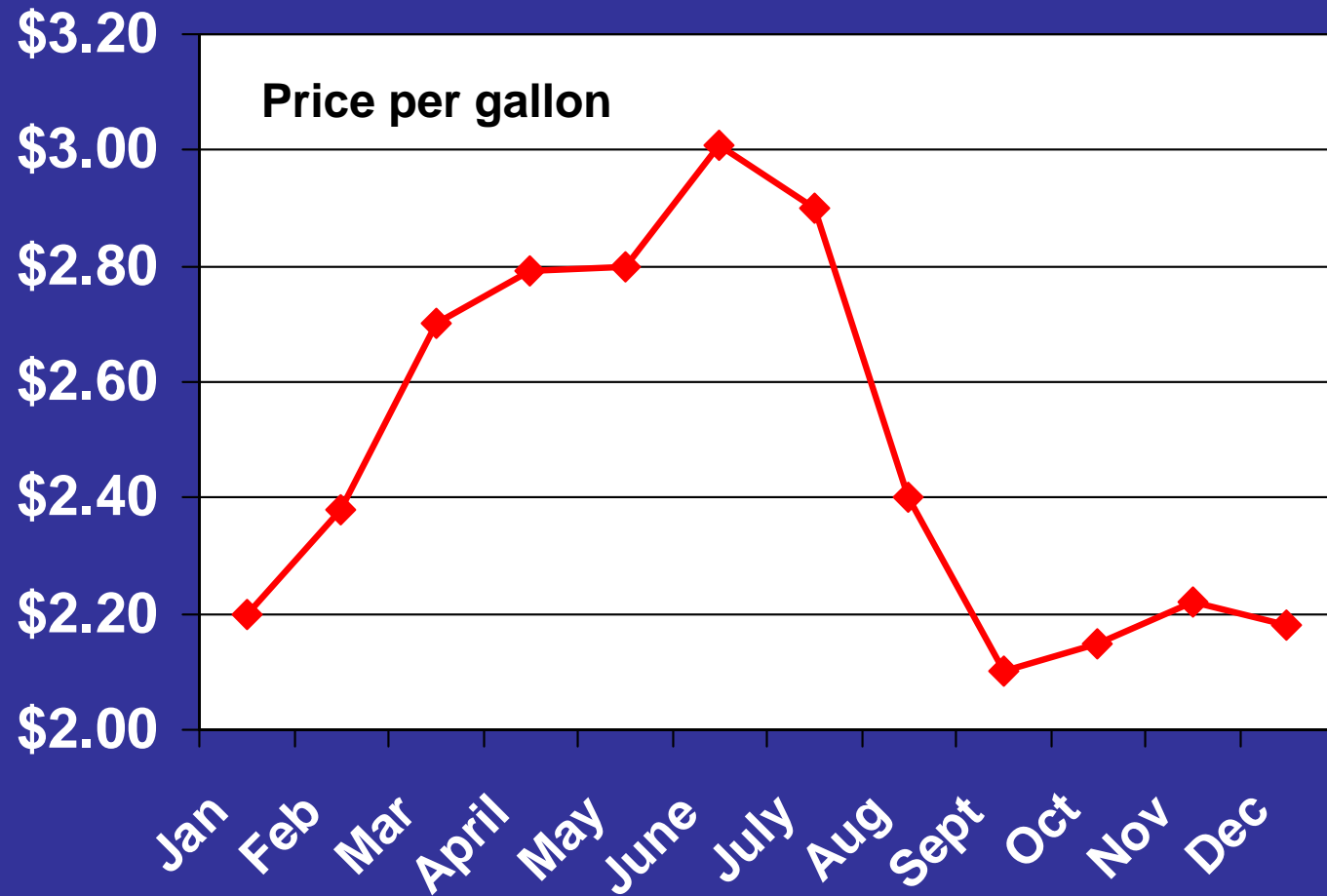
Rank of States of Origin

1. Georgia	28%
2. Tennessee	18%
3. Alabama	8%
4. So. Carolina	6%
5. Illinois	5%
6. Kentucky	4%

Other States

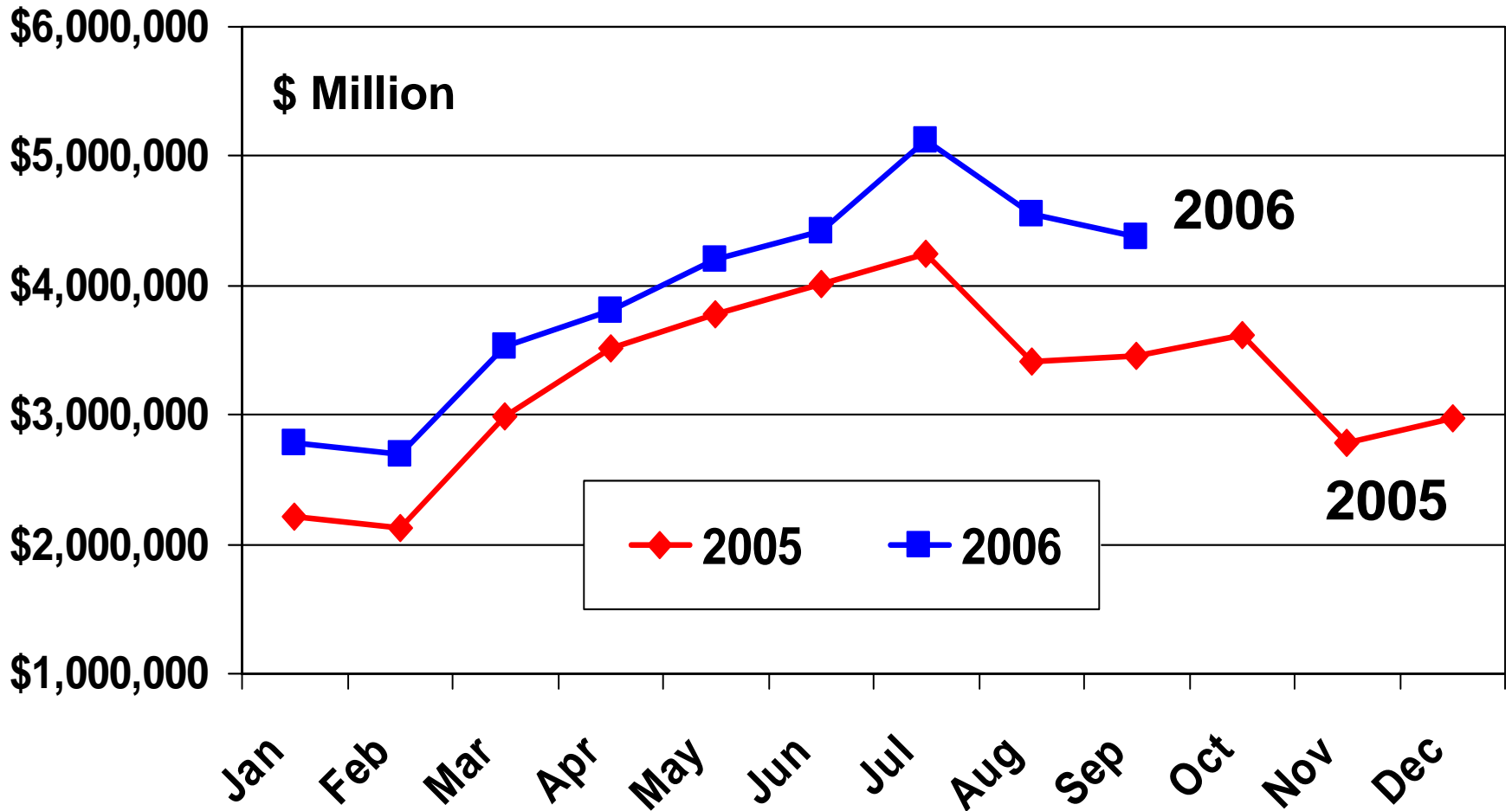
NC	3%
FL	3%
MS	3%
MI	3%

Georgia Gas Prices, by Month, 2006 (avg. statewide price per gallon)



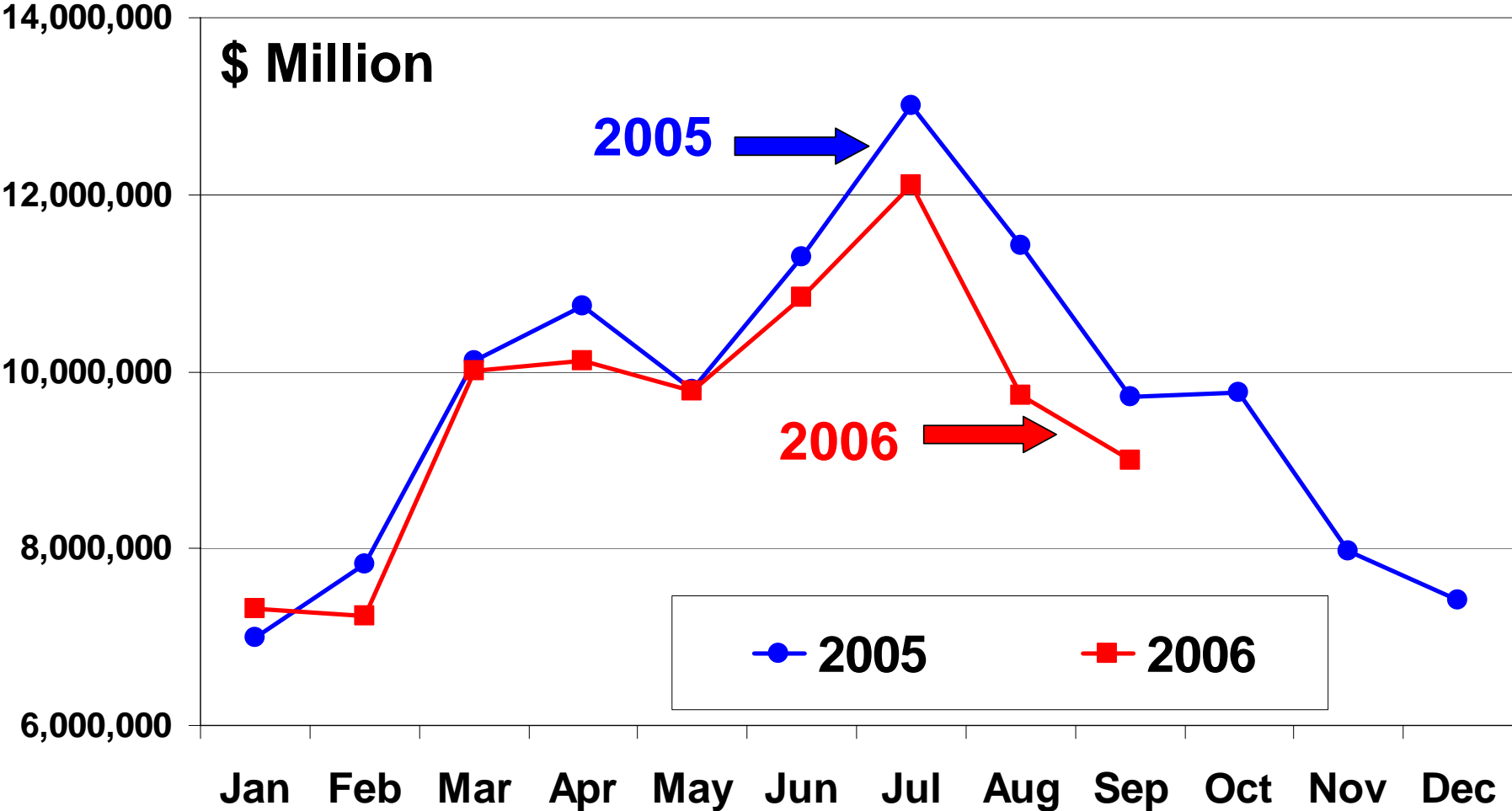
Source: AAA; and Tourism Institute, University of Tennessee

Attractions (including zoos, museums, historical sites) Gross Sales, Hamilton Co., 2005 - 2006



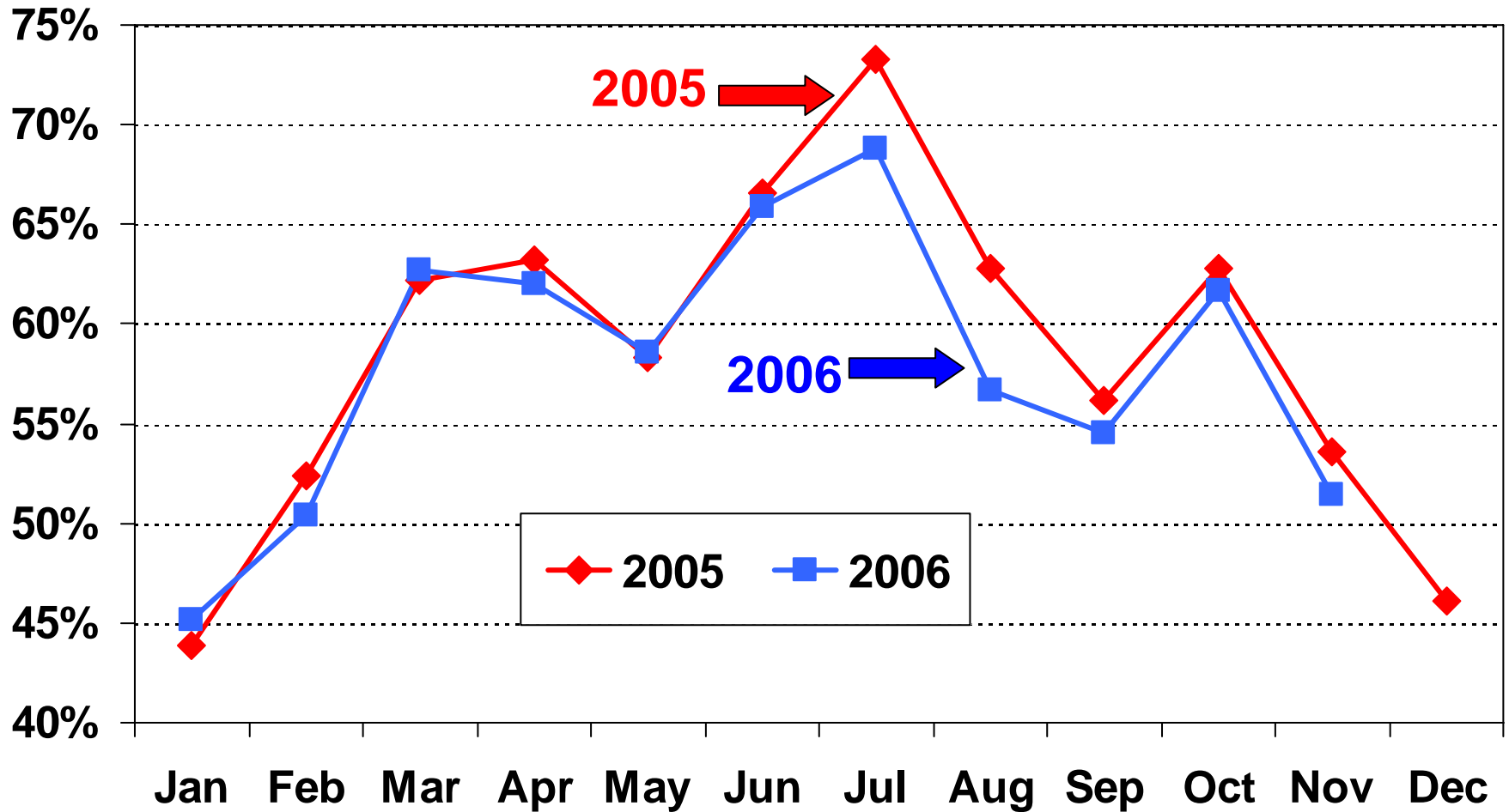
Source: TN Dept. of Revenue, and Tourism Institute, University of Tennessee

Hotel & Lodging Gross Sales, Hamilton Co., 2005 - 2006



Source: TN Dept. of Revenue, and Tourism Institute, University of Tennessee

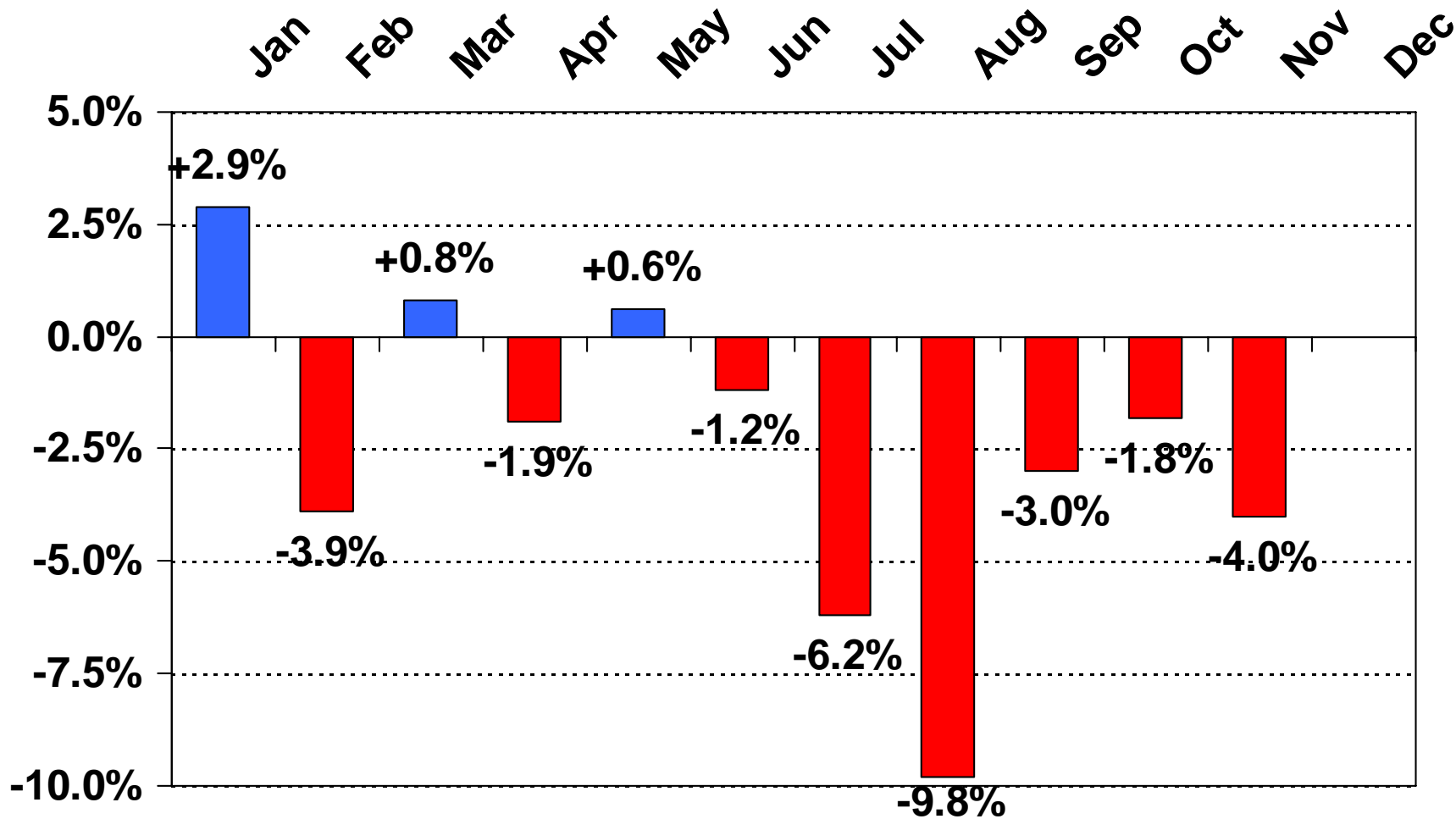
Hotel Occupancy Rates, Chattanooga Area, 2005 - 2006



Source: Smith Travel Research

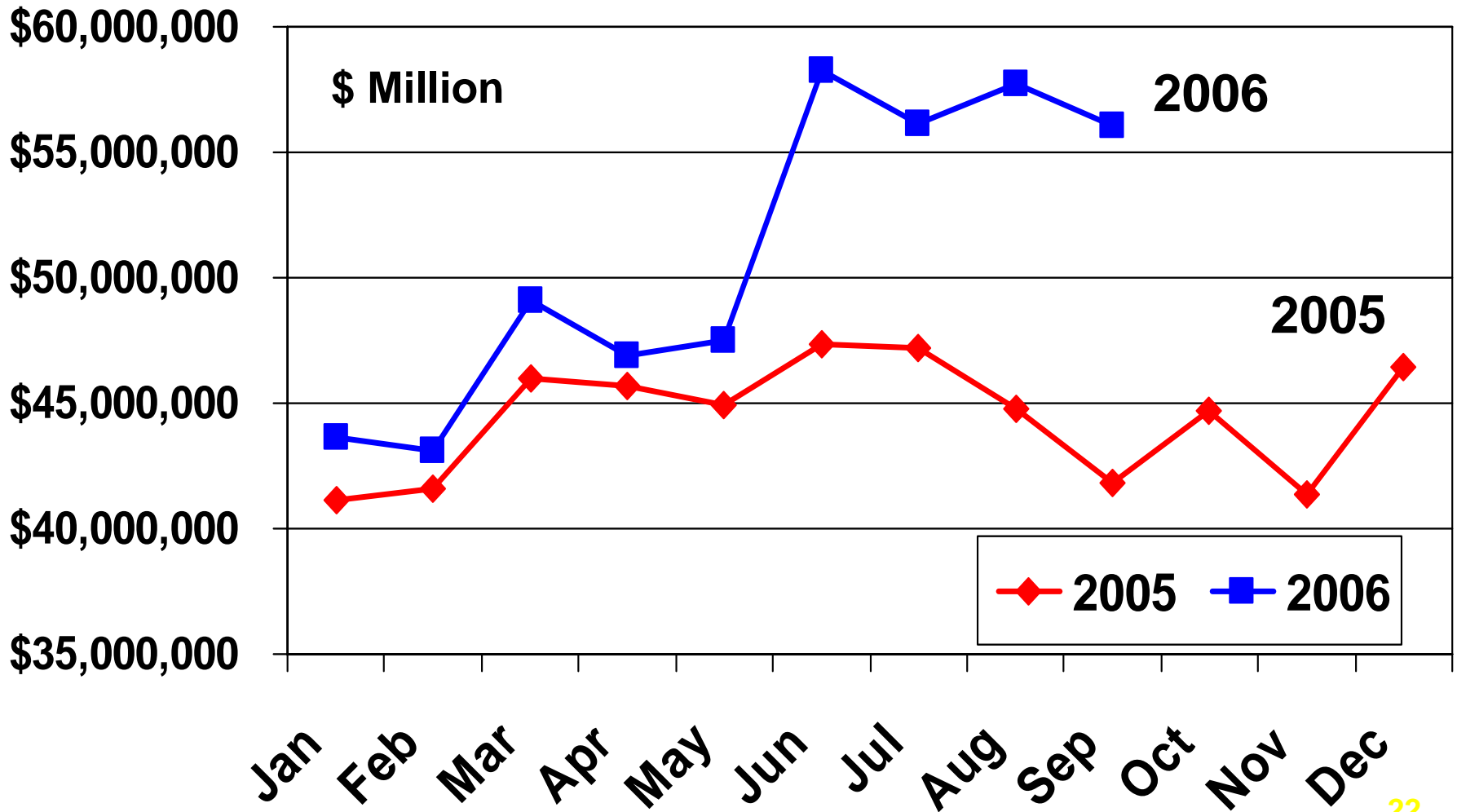
Occupancy Rates – 2006 Percent Change from Same Month 2005

Chattanooga

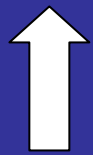


Source: Smith Travel Research

Restaurant Gross Sales, Hamilton Co., 2005 - 2006



Summary of facts about Summer 2006 Chattanooga tourism



Increase in gas prices in major markets



Decrease in hotel & lodging sales & occupancy rates



Increase in restaurant sales



Increase in attractions sales

In conclusion: How did tourists to Chattanooga react to higher summer gas prices?

Tourists adjusted to higher gas prices by:

- 1) Still traveling to visit Chattanooga, but...
- 2) Tourists stayed overnight less (lower hotel room occupancy rates & sales)
- 3) Tourists still visited attractions & spent money in restaurants (higher summer sales)
- 4) Tourists chose more day trips and shorter overnight trips (to off-set higher gas prices)

**So high gas prices induce more day-trip tourists than overnight tourists.
What's the big deal?**

⇒ Overnight tourists spend 3 times more money in an area than day-trip tourists

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For museums, zoos, and heritage centers, day-trip tourists & short-term tourists are increasingly important

What day-trip tourists want:

1) Tourists want and are attracted to the experience, not the place

TN has a wide variety of museums, zoos, & heritage centers emphasizing experiences, culture & history

What day-trip tourists want:

2) The Four-Times Rule:

On average, tourist will travel to an area that has enough activities that keep them busy **four times** longer than it took them to drive there.

What day-trip tourists want:

3) Easy to find directions & plenty of parking close to attraction

Day-trippers don't have time to spend looking for your attraction, lead them to you with good signage

Day-trippers want plenty of easy parking close to your attraction

What day-trip tourists want:

4) One-stop tourists: Visit, eat, tour, rest & relax, clean restrooms, – all in one parking event

Museums & attractions must offer more or partner with area businesses (restaurants, etc) to provide more

What day-trip tourists want:

5) Tourists want branding of museums & attractions with great stories & memories to take home

Branding is a promise to your customer. Museums & attractions can increase their “brand” by promising & delivering great experiences, stories & memories to take home

Tourists tell others you deliver on your promise and reinforce your branding

What day-trip tourists want:

6) Tourist want good information from using web sites

- What is there to do that is unique?
- How do I get there?
- Is there enough to do for the four-times rule to induce tourists to visit?
- Can we eat, relax, and park easily?
- Are there any special seasonal activities that offer new experiences & memories?

What day-trip tourists want:

7) Tourists love to tell others about great experiences they found

- “It ain’t bragging if you can back it up.”
- Give tourist something to brag about after visiting your museum or attraction. They will with photos, gifts, memories.
- Bragging is more effective when someone else does it about your museums or attraction.

TN County profiles of hotel, restaurant & travel business trends

**Example: Chattanooga & Hamilton
County**

Hamilton Co. Rank of Industries by Percent Employment Compared to Tennessee, 2005

County Industry Rank	Industry	Hamilton County	Tennessee Statewide
1	Trade, Transportation, and Utilities	29.0%	25.7%
2	Manufacturing	14.9%	17.8%
3	Professional and Business Services	14.0%	13.5%
4	Education and Health Services	11.3%	13.9%
5	Hotel, Restaurant, & Tourism	11.1%	11.9%
6	Financial Activities	9.4%	6.1%
7	Construction	5.3%	5.3%
8	Other Services	3.2%	3.0%
9	Information	1.4%	2.1%

Hamilton County Employment and Number of Establishments in the Hotel, Restaurant, & Tourism Sectors, 2005

NAICS	Sector/Sub-Sector	# of Employees	# of Estab.
721	Accommodations	1,644	80
722	Food Services and Drinking Places	14,775	630
7221	Full-Service Restaurants	6,205	284
7222	Limited-Service Eating Places	8,339	314
7223	Special Food Services	153	16
7224	Drinking Places (Alcoholic Beverages)	78	16
71	Arts, Entertainment, and Recreation	2,076	122
7111	Performing Arts Companies	128	7
7112	Spectator Sports	96	3
7113	Performing Arts and Sports Promoters	48	7
7115	Independent Artists/Writers/Performers	52	9
712	Museums, Parks and Historical Sites	671	16
713	Amusement, Gambling & Recreation	1,081	80
4853	Taxi and Limousine Service	70	5
5615	Travel Arrangement and Reservation Services	77	16
	Total: Hotel, Restaurant, & Tourism	18,642	853

Little Used Federal Program (\$\$ Grants) for Heritage Tourism Preservation (only 4 communities in TN, 67 in KY)



www.preserveamerica.gov



Attend the Certified Tennessee Tourism Professional College

When: April 23 – 24, 2007

**Where: Montgomery Bell State Park
Lodge & Conference Center**

More Info:

www.tenntourismroundtable.com

Thank you for inviting me today

Questions?
Comments?

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