



# National Park Market Research Summit

## Contribution of National Parks to Local and National Economies

**Daniel Stynes**  
**Michigan State University**

# Outline

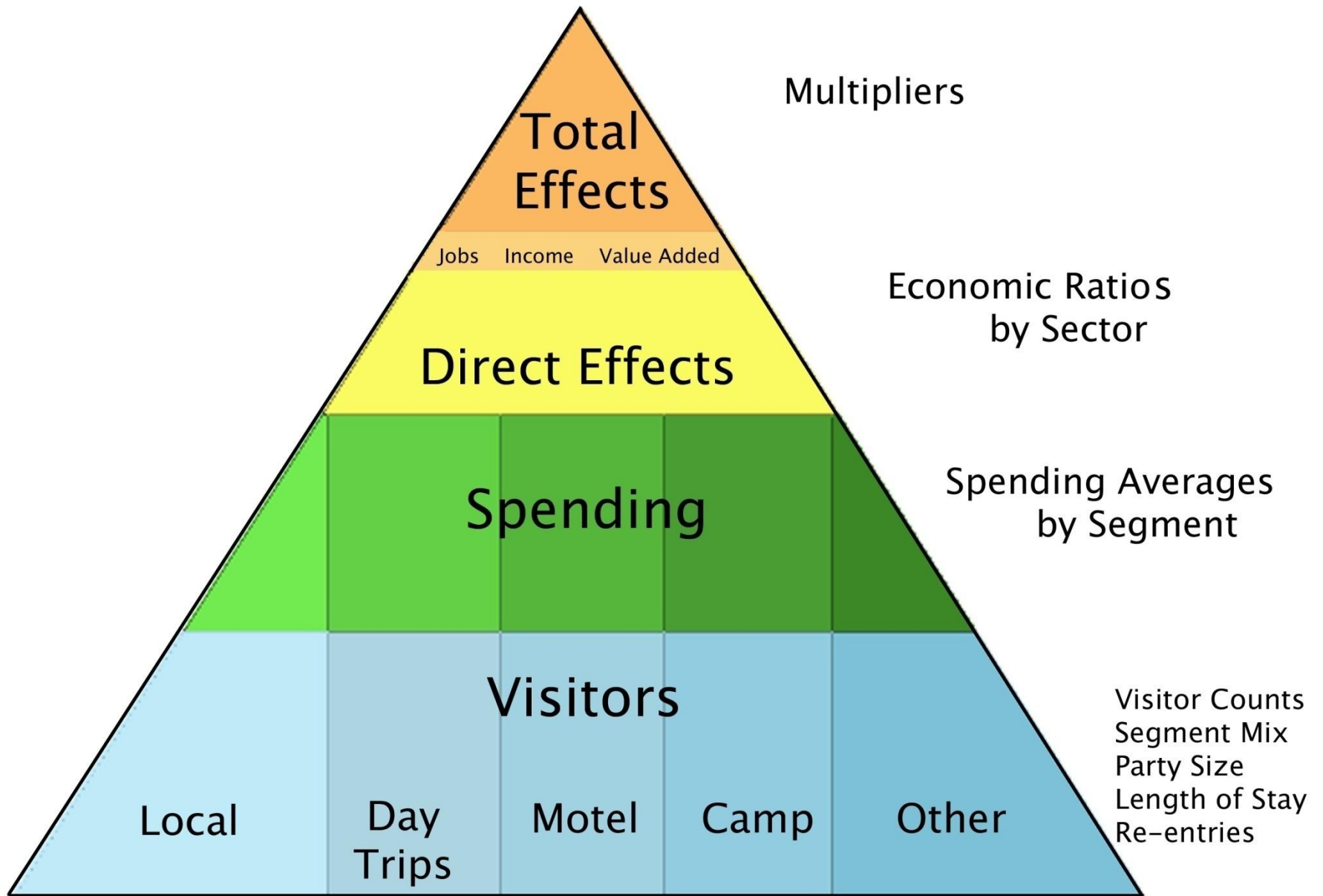
- Economic Impacts of National Parks
  - National estimates
  - MGM2 model
  - Yosemite estimates
- Implications for Marketing/Promotion
  - Audiences
  - Visitor Market Segments
  - Spending Opportunities

# NPS Impacts Economy thru

- Commercial Activities in Parks
- Visitor Spending on Trips
- NPS Payrolls
- NPS Operating Expenses
- NPS Construction
- Induced Development

# Impacts are Estimated Using Regional Economic models

- First must estimate spending = sales
- Translate sales into associated jobs, income
- Trace multiplier effects as spending circulates thru local, state, or national economies
- MGM2 is a spreadsheet model that carries out these calculations. We use it to estimate impacts of park visitor spending at 356 parks every year



# National Economic Significance of NPS Visitor Spending, 2009

- 285.6 Million Visits
- \$ 11.9 Billion Visitor spending in local gateway regions
- 247,000 Jobs
- \$9.15 Billion Labor Income
- \$15.58 Billion Value Added

## National Economic Significance of NPS Visitor Spending , 2009

<b>Sector/Spending category</b>	<b>Sales (\$Millions)</b>	<b>Jobs</b>	<b>Labor Income (\$ MM)</b>	<b>Value Added (\$MM)</b>
<b>Direct Effects</b>				
Lodging	3,136	37,582	1,055	1,917
Restaurants & bars	3,031	50,146	1,068	1,580
Amusements	1,185	9,632	258	449
Local transp.	406	6858	158	229
Grocery stores	260	4,236	110	169
Gas stations	315	3,413	96	218
Other retail	808	13,936	354	528
Wholesale Trade	450	2,209	171	294
Manufacturing	1,722	3,842	254	337
<b>Total Direct Effects</b>	<b>11,314</b>	<b>131,852</b>	<b>3,525</b>	<b>5,721</b>
Secondary Effects	19,077	115,104	5,627	9,863
<b>Total Effects</b>	<b>30,391</b>	<b>246,956</b>	<b>9,152</b>	<b>15,584</b>

# Yosemite Economic Impacts

- 3.7 Million visits in 2009,
  - 1.7 million overnight stays
- \$352 million visitor spending within 50 miles of park (\$166 million inside park)
- Local impact
  - 4,600 jobs,
  - \$130 million labor income
  - \$226 million value added

# Delimitations – Estimates

## Don't include

- Visitor spending outside local area
  - Airfares, car rentals, en route spending
- Purchases of durable goods, at home
- Parks/heritage areas without visit counts
- Spending by non-visitors

# Payroll Impacts, 2009

- 26,000 NPS employees
- \$ 1.62 Billion payroll
- 38,000 Jobs in gateway regions including induced effects of park payrolls

# Uses of Economic Impact Info

- Political Justification & Leverage
- Fostering Local Partnerships
- Evaluation of Management, Policy and Marketing Decisions (inside & outside park)
- Understanding relationships between the park and the surrounding region

# MGM2 Features

- **Visitor Counts & Segment Mix**
- **Spending Profiles – for NPS visitors**
- **Sector-Specific Economic Ratios/Multipliers**
- **Detailed Estimates of Direct Effects**
- **Excel Workbook Automates Calculations**
- **Spending and Multiplier Databases**

# Economic Impact

$$= \text{Visits} * \text{SPENDING} * \text{MULTIPLIER}$$

## Visitor Segments

- Local Visits
- NL Day Trips
- Overnight Trips
  - Motel
  - Camp
  - Seas. Home
  - Inside or outside park

## Spending categories

- Lodging
- Restaurant
- Groceries
- Gas & oil
- Amusements
- Retail
- .....

## Sector Specific ratios/multipliers

- Capture rate
- Direct ratios
- Multipliers

# MGM2 Inputs and Outputs

## INPUTS

- VISITS
- SEGMENT MIX
- SPENDING AVG
- MULTIPLIERS
- Tax rates
- Margins and Local Production

## OUTPUTS

- Sales
- Income
- Jobs
- Value Added
- Direct & Secondary Effects
- Taxes (optional)

# Default MGM2 Segments

- Local Visits
- Non-Local Day Trips
- Motel – inside / outside park
- Camp – inside/ outside park
  - » Backcountry, developed campground
- Other overnight
  - » Seasonal home, VFR

## Party Nights and Spending by Segment, 2009

Segment	Party Nights (Millions)	Pct	Spending (\$Millions)	Pct
Local	29.8	28%	1,152	10%
Day Trip	36.0	34%	2,385	20%
Motel-In	1.1	1%	395	3%
Camp-In	2.8	3%	275	2%
Backcntry	0.6	1%	31	0%
Motel-out	25.7	24%	6,676	56%
Camp-out	7.0	7%	788	7%
<u>Other OVN</u>	<u>2.1</u>	<u>2%</u>	<u>190</u>	<u>2%</u>
Total	105.1	100%	11,893	100%

**Table 1. Visitor Spending by Segment in Local Area**

CATEGORY	SEGMENT							
	L-Day User	NL-Day User	Motel-In	Camp-In	Back-country	Motel-Out	Camp-Out	VFR
Motel, cabin or B&B	0.00	0.00	155.01	0.00	5.75	97.80	0.00	0.00
Camping fees	0.00	0.00	0.00	19.30	2.56	0.00	26.38	0.00
Restaurants & bars	14.00	20.84	69.44	12.75	7.64	58.65	15.21	15.32
Groceries, take-out	6.93	7.75	11.92	16.42	5.43	15.01	11.30	15.18
Gas & oil	9.85	22.01	27.80	23.69	14.89	21.01	23.55	19.41
Other vehicle exp.	0.57	0.96	3.03	0.94	0.56	2.29	0.93	0.94
Local transp.	0.00	0.32	1.00	0.31	0.00	0.76	0.31	0.31
Admissions & fees	4.50	8.80	22.01	7.38	4.08	18.14	15.89	6.16
Clothing	0.84	1.87	6.11	2.74	0.85	6.93	5.45	2.74
Sporting goods	0.90	1.01	1.63	0.99	2.42	1.23	0.98	1.98
Souvenirs and other	<u>7.40</u>	<u>11.45</u>	<u>22.06</u>	<u>7.47</u>	<u>7.82</u>	<u>18.19</u>	<u>14.85</u>	<u>13.72</u>
Total	45.00	75.00	320.00	92.00	52.00	240.00	114.86	75.78

# Using MGM2 Results

- Public Relations/News Releases
- Evaluation of Alternatives (GMP)
- Fostering Partnerships
- Developing a regional perspective

# Some Implications for Marketing and Promotion

# Target Audiences

- Political – national, state, local
- Partners – businesses, friends, ...
- Visitors
- General Public

# Regional Perspective

- Importance of partnerships
  - Park-gateway communities
  - Park concessions
  - Local Businesses
  - Local & regional tourism orgs
  - Other public recreation providers
- Packaging visitor experiences

# Keep in mind

- Most visitors stay outside the park
- Many visit multiple attractions on the trip
- Many don't distinguish among providers
- Limited spending opportunities inside parks
- Visitor experience is the total trip package inside and outside the park

# Visitor Market Segments

## ■ Geographic/Trip Types

- Local Residents
- Day Trip Market
- Overnight Trips
- National/International markets

## ■ Trip Purpose Segments

- Activity oriented
- General Sightseers
- Special Events
- Park as Primary vs Secondary Purpose

# Market Segments linked to NPS offerings

- Backcountry visitors
- Campers
- Lodges/Cabins
- Educational /Interp. Programs

# More Information

- Check the MGM2 Website
  - <http://web4.canr.msu.edu/mgm2>
- My broader economic impact website
  - Linked from MGM2
- E-mail : [stynes@msu.edu](mailto:stynes@msu.edu)