

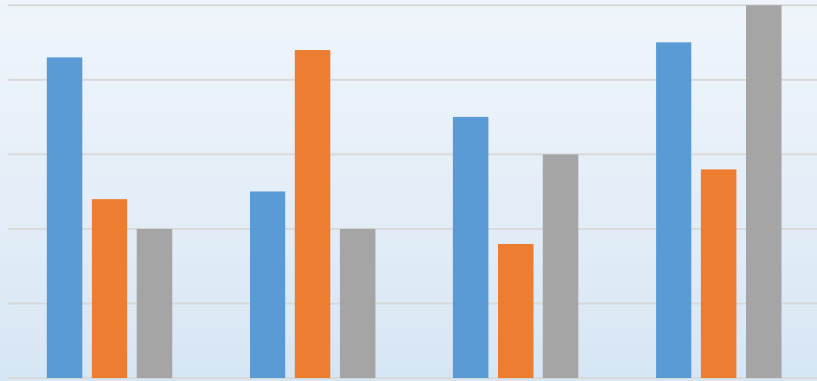
# Visit South Walton

Economic Impact of Tourism

Calendar Year 2018

# Purpose of Economic Impact Research

Document TDC Performance



Inform Marketing Decisions



Inspire Tourism Partners



Communicate Value of Tourism



# Tourism Matters to Walton County



**\$4,699,566,300**  
Economic Impact – CY2018

Up 6.6% from CY2017

# Total Economic Impact of Tourism – CY2018

# \$4,699,566,300

■ Induced   ■ Indirect   ■ Direct

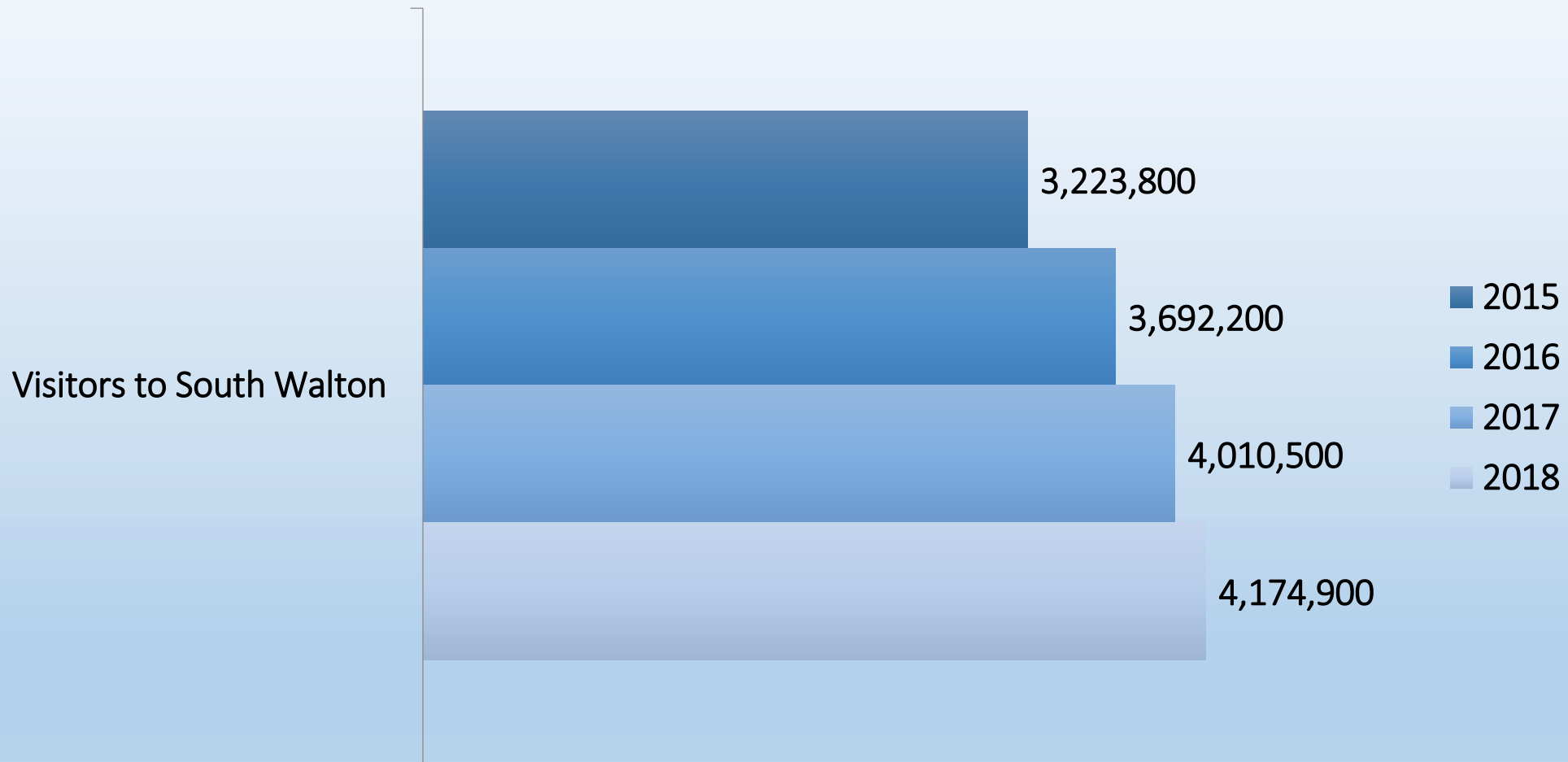


Induced – Increased business spending resulting from tourism dollars.  
Indirect – Increased household spending resulting from tourism dollars.

# 4,174,900<sup>1</sup> Visitors in CY2018

4.1% increase from CY2017

# Visitor Trends: CY2015 – CY2018



\*Includes visitors who stay in paid accommodations, visitors who stay with friends, and day trippers.

# Tourism Matters to Walton County – CY2018



1

Visitor to  
Walton County

=

\$1,126

In economic impact in  
Walton County

# Tourism Metrics – CY2018

Economic Indicators	CY2017	CY2018	Change
All visitors <sup>1</sup>	4,010,500	4,174,900	+4.1%
Direct expenditures	\$2,978,783,000	\$3,175,882,600	+6.6%
Total economic impact	\$4,408,598,800	\$4,699,566,300	+6.6%
Jobs created - direct <sup>1</sup>	21,900	22,600	+3.2%
Direct + indirect jobs <sup>1</sup>	28,400	29,300	+3.2%
Wages paid <sup>1</sup>	\$630,579,000	\$659,223,900	+4.5%

<sup>1</sup>Includes visitors staying with friends and relatives and in their own condos and timeshares and day visitors.



# Tourism Metrics – CY2018

TDT collections were up 10.3% reflecting a 7% increase in inventory and 4% increase in ADR.

Tourism Metrics	CY2017	CY2018	% Change
Room nights	2,945,800	3,138,100	+6.5%
TDT collections	\$23,754,442	\$26,192,299	+10.3%
Occupancy <sup>1</sup>	59.9%	59.4%	-0.8%
Room rates <sup>1</sup>	\$269.84	\$281.68	+4.4%
RevPAR <sup>1</sup>	\$161.63	\$167.32	+3.5%

<sup>1</sup>In previous annual reports, hotel data were weighted by season. Hotel data for 2017 and 2018 are not weighted in this report.

Data sources: Walton County government, properties in South Walton that rent to visitors, Key Data, and Downs & St. Germain Research.

# 29,300 jobs



# \$659,223,900 in wages

Includes jobs emanating from direct visitor spending + indirect and induced effects.

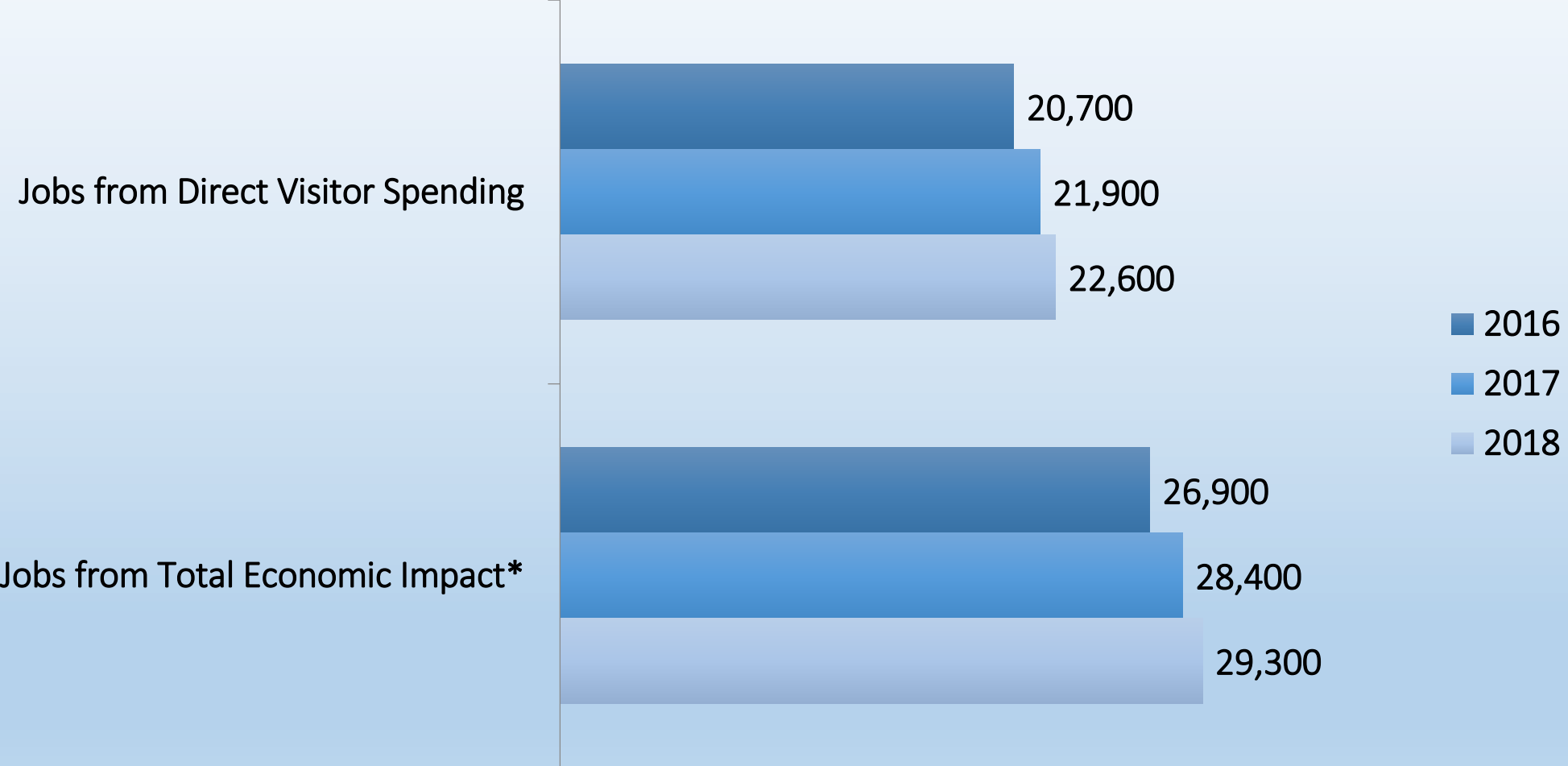
# Jobs in Walton County – CY2018

143 Visitors

=

1 job in Walton County

# Tourism's Impact on Employment – CY2018



\*Includes jobs from the direct, indirect, and induced impacts of visitors' spending + jobs from visitor-related construction .

\$26,192,299  
TDDT collected in CY2018

Up 10.3% from CY2017

# Walton County TDC's Marketing ROI

**\$1** of VSW marketing<sup>1</sup> spending  
is associated with about  
**\$315** in visitor spending.

<sup>1</sup>Based on a \$10.1 million marketing budget.

# Revenues from Visitors to Walton County Government

Visitors account for over \$108 million of Walton County government's revenue. 67% of all Walton County government revenues come from visitors to South Walton.<sup>1</sup>

Sources of Funds	Total Revenues	Revenues Attributed to Visitors
Property taxes	\$69,022,768	\$46,245,255
Sales & use taxes	\$51,510,692	\$34,512,164
Licenses & permits	\$1,810,891	\$1,213,297
Intergovernmental revenue	\$21,736,673	\$14,563,571
Charges for services	\$9,744,550	\$6,528,849
Fines & forfeitures	\$111,300	\$74,571
Interest earned/other	\$6,632,184	\$4,443,563
Balance budget forward	\$5,163,919	\$3,459,826
Less statutory 5%	-\$3,451,138	-\$2,312,262
<b>Total revenues</b>	<b>\$162,281,839</b>	<b>\$108,728,832<sup>1</sup></b>

<sup>1</sup>Visitors to Walton County account for 76.7% of all spending in the County. It could be argued that visitors account for a higher percentage of government revenue than 67%, but this figure is used in an effort to be conservative in reporting the impact of visitors.

Sources: Walton County FY2019 budget and Downs & St. Germain Research.

# Net Benefit of Visitors to Walton County Government

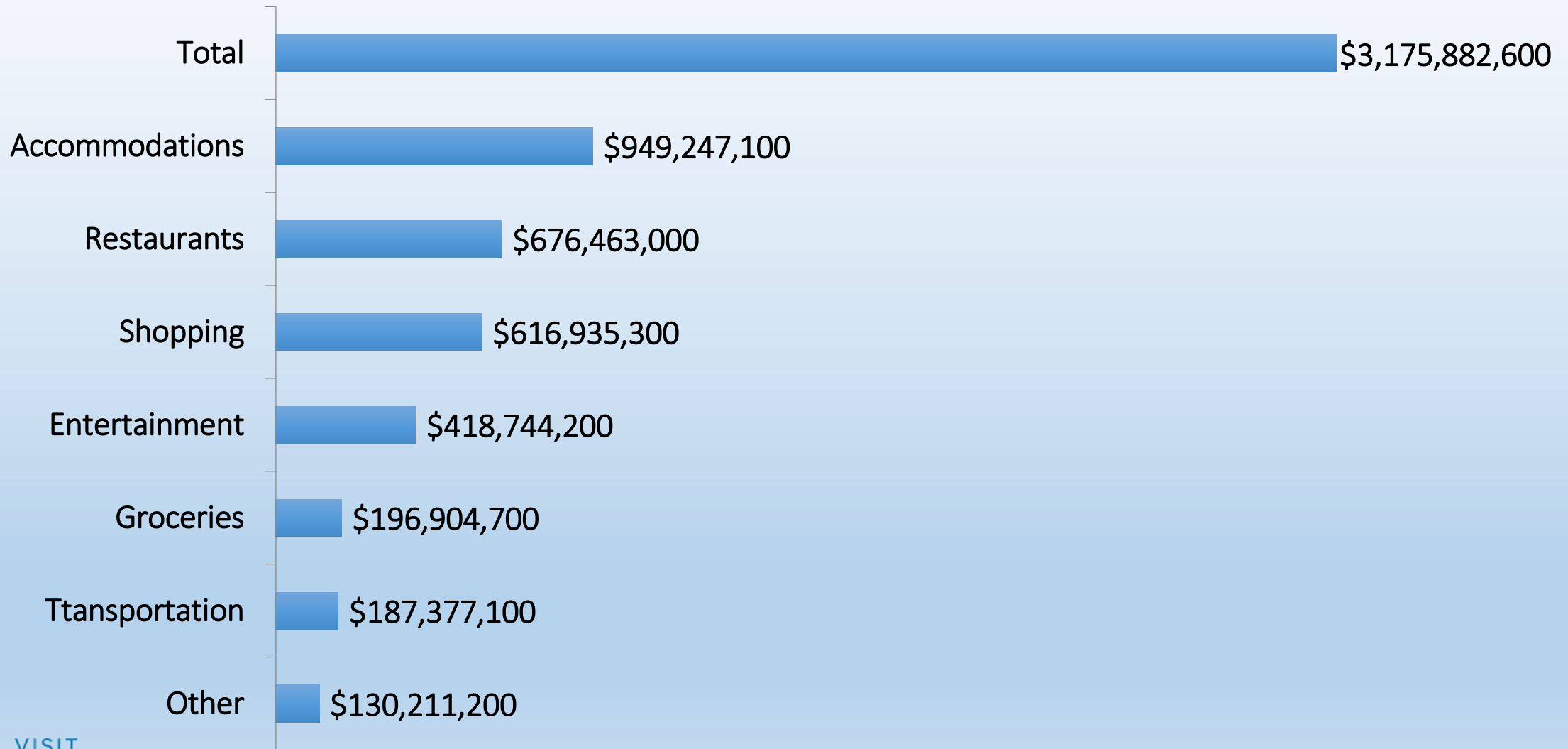
→ **\$32.1 million** – Net benefit of tourism to  
Walton County government

→ Tourism saves each Walton County household  
**\$1,263** per year in local taxes

- 
- \$108,728,832 in revenues from visitors to Walton County government
    - Revenues from property taxes, sales & use taxes, licenses & permits, etc.
    - Visitors provide 67% of Walton County government revenues
  - \$76,597,028 in costs to Walton County government for servicing visitors<sup>1</sup>
    - Costs for road maintenance, law enforcement, beach maintenance, public works, planning & development, parks & recreation, etc.
    - Visitors account for 47.2% of the costs of running Walton County government



# Visitors Direct Spending CY2018



# Visitors Direct Spending: CY2017 – CY2018

Category	CY2017	CY2018
Accommodations	\$805,996,400	\$949,247,100
Restaurants	\$602,714,900	\$676,463,000
Shopping	\$619,384,300	\$616,935,300
Entertainment	\$411,370,800	\$418,744,200
Groceries	\$193,670,900	\$196,904,700
Transportation	\$196,705,500	\$187,377,100
Other	\$148,940,200	\$130,211,200
Total	\$2,978,783,000	\$3,175,882,600

# Typical South Walton Travel Party<sup>1</sup> – CY2018

- Spent **\$884** a day
- Spent **\$5,390** on their trip

	Average Daily Expenditure	Total Trip
Accommodations	\$415 <sup>2</sup>	\$2,532
Restaurants	\$149	\$909
Groceries	\$64	\$391
Shopping	\$111	\$679
Entertainment	\$54	\$329
Transportation	\$55	\$334
Other	\$35	\$215
<b>Total</b>	<b>\$884</b>	<b>\$5,390</b>

<sup>1</sup> Visitors staying in paid accommodations.

<sup>2</sup> This figure differs from the ADR reported by properties (\$) because of various fees added to the price visitors pay such as swim & tennis fees, amenity fees, housekeeping fees, reservation fees, arts & entertainment fees, linen charges, damage fees, etc.

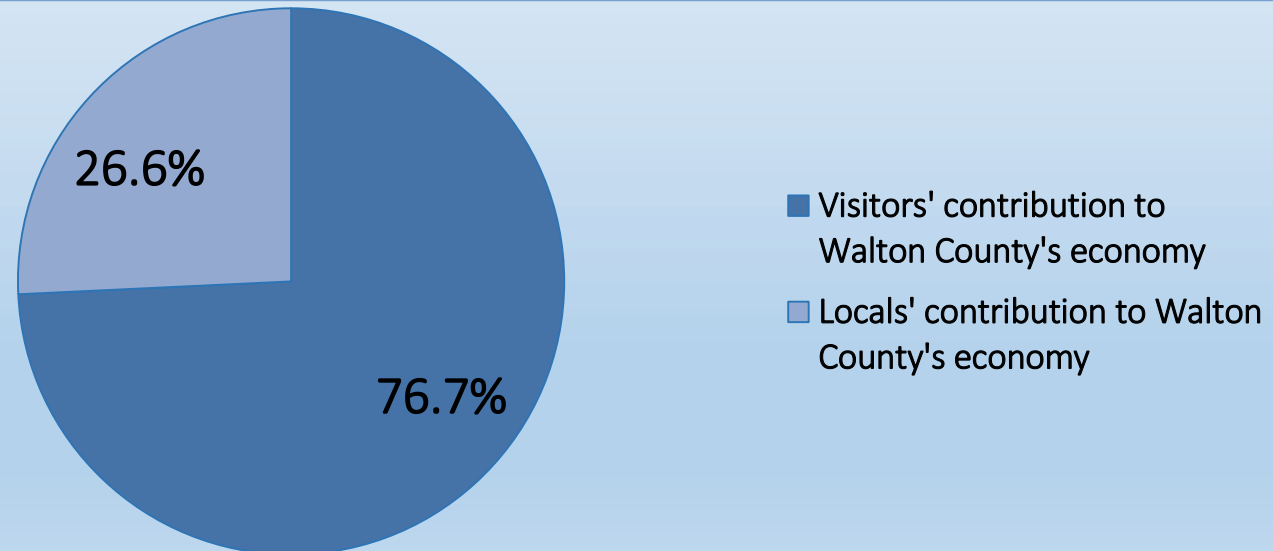
# Direct Spending by Visitor Type CY2018



# Retail Spending in Walton County – CY2018

Visitors to South Walton account for over 3/4 of retail spending in Walton County.

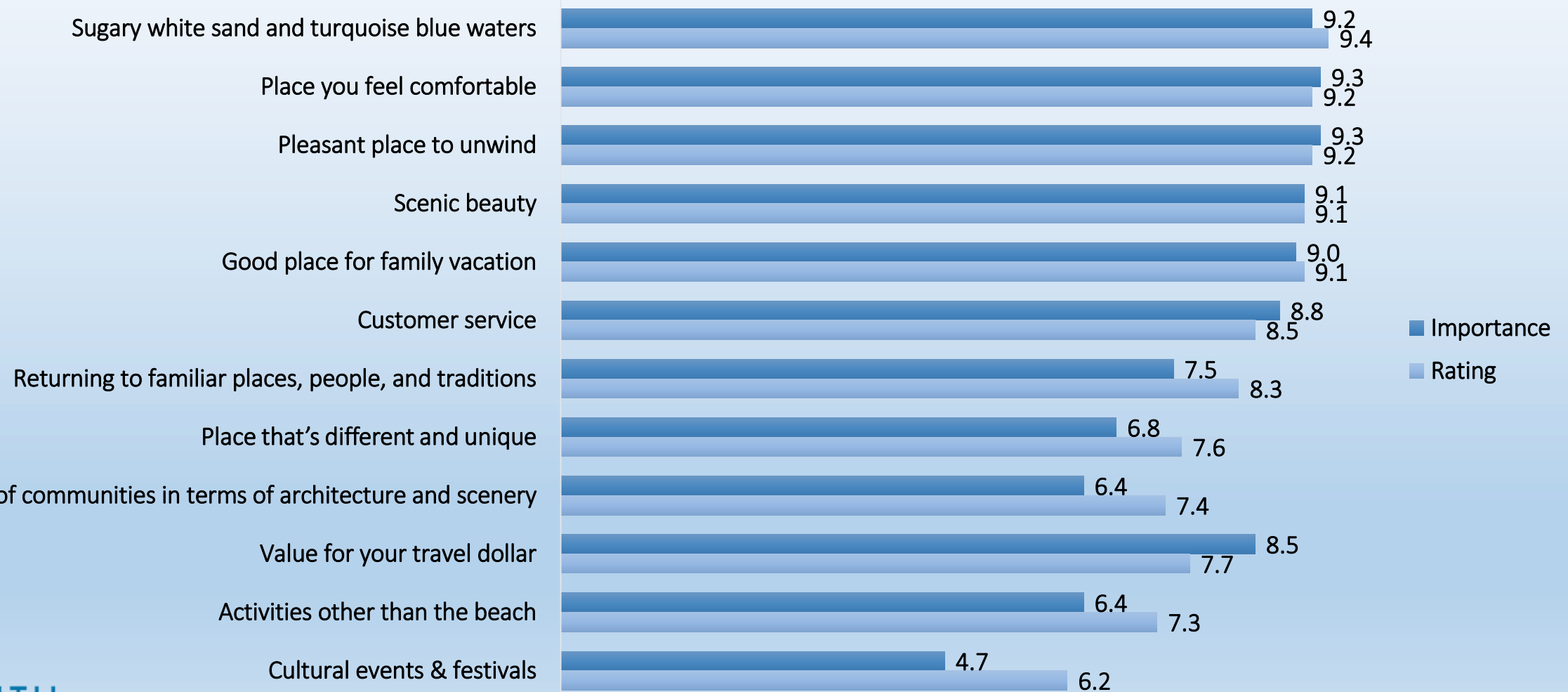
Spending in Walton County	Dollar Amount	Percentage
Visitors' spending <sup>1</sup>	\$3,175,882,600	76.7%
Local residents' spending <sup>1</sup>	\$966,209,300	23.3%
Total spending	\$4,141,591,900	100.0%



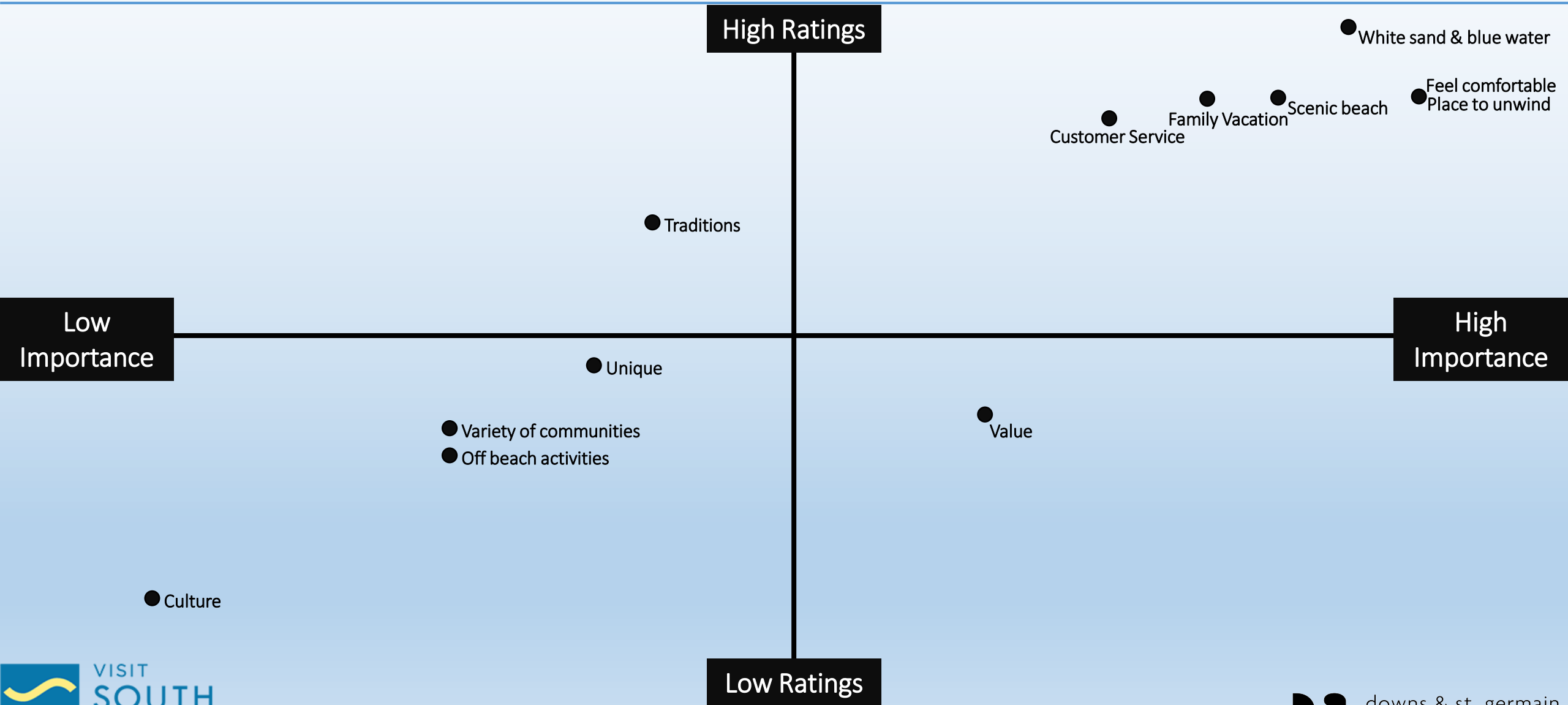
<sup>1</sup>Local residents' spending derived from US Census data; visitors' spending derived from Visitor Tracking surveys conducted for VSW by Downs & St. Germain Research.

# South Walton Attributes: Gap Analysis – CY2018

Importance of attributes when choosing destinations vs. ratings for South Walton



# South Walton Attributes: Gap Analysis – CY2018



# Visitor Profile – CY2018

	CY2018
Travel party size	5.5
Traveled with children <20 years of age	56%
Median age	53
Median household income	\$170,600
Average household income	\$223,600
Stayed in condo/rental house	75%
Drove	84%
Nights spent	6.3
1 <sup>st</sup> time visitor	17%
10+ visits to South Walton	39%
Use the term “South Walton”	19%



# Visitor Profile – CY2018

	CY2018
Will return to South Walton <sup>1</sup>	95%
Rating for overall experience <sup>2</sup>	9.1
Has smartphone	97%
Used South Walton Beach app	7%
Viewed Visitors Guide	21% <sup>3</sup>
Planned trip	4+ months out
Used VisitSouthWalton.com	19%
Used 1 of 16 beaches' websites	31%

<sup>1</sup>Key reasons for not returning were “too crowded” and “prefer variety.”

<sup>2</sup>10-point scale with 10=Excellent & 1=Poor.

<sup>3</sup>18% used the online version.

# Visitor Origins – CY2018

Top Origin States	CY2017	CY2018
Georgia	13%	13%
Texas	11%	13%
Alabama	11%	11%
Tennessee	11%	10%
Florida	7%	7%
Louisiana	7%	5%
Kentucky	5%	4%
Missouri	4%	3%
Illinois	3%	3%
Arkansas	2%	3%
Mississippi	4%	2%
Ohio	4%	2%
Indiana	3%	2%

Origins - Regions	CY2017	CY2018
South	70%	72%
Midwest	19%	21%
West	5%	2%
Northeast	3%	3%
Outside US	3%	2%

# Visitor Origins – CY2018

Markets	CY2017	CY2018
Atlanta	10%	12%
Dallas-Ft. Worth	6%	7%
Nashville	5%	6%
Birmingham	4%	6%
Houston	3%	4%
New Orleans	3%	3%
Panama City-Destin	3%	3%
Pensacola-Mobile	3%	2%
Memphis	2%	2%
Cincinnati	2%	2%

Markets	CY2017	CY2018
St. Louis	4%	2%
Chattanooga	1%	2%
Chicago	2%	2%
Louisville	2%	1%
Austin	1%	2%
Knoxville	2%	1%
Chicago	2%	2%
Baton Rouge	2%	2%
Montgomery	2%	1%
Little Rock	1%	1%

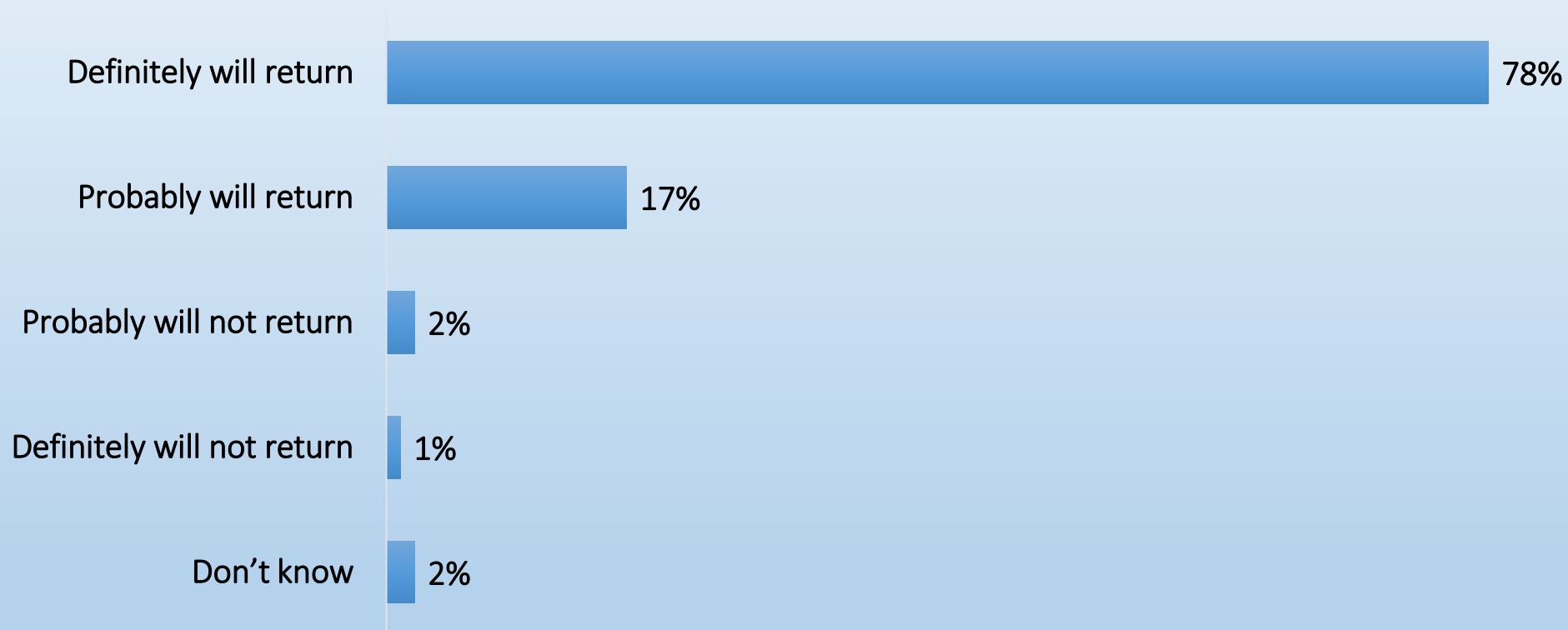
# Visitor Activities – CY2018

Visitor Activities	CY2017	CY2018
Beach	92%	94%
Restaurant	93%	93%
Relax & unwind	87%	89%
Family time, read, cook	75%	77%
Shop, antique	72%	72%
Bike, run, etc.	45%	46%
Water sports	27%	31%
Bars, nightclubs	27%	26%
Attractions	21%	19%

Visitor Activities	CY2017	CY2018
Special events	16%	14%
Golf & tennis	16%	15%
Hiking, birding, eco tours	15%	18%
State Parks	15%	16%
Cultural activities	8%	9%
Dune lakes	8%	9%
Spas	7%	5%
Business	3%	2%

# Satisfaction with South Walton

- Gave South Walton a rating of **9.1<sup>1</sup>** as a place to vacation
- **95%** will return to South Walton<sup>2</sup>



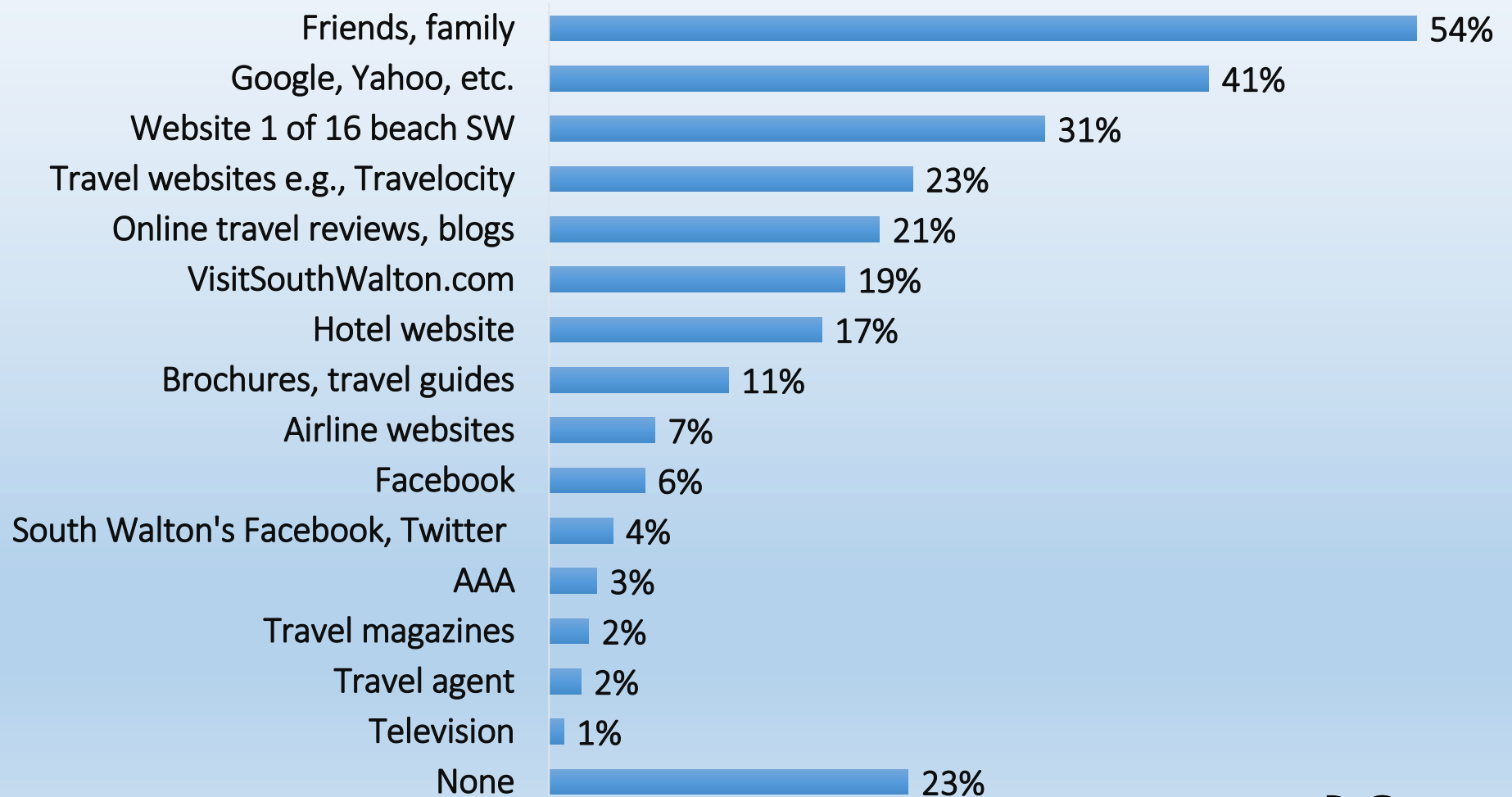
<sup>1</sup>10 = Excellent; 1 = Poor

<sup>2</sup>About 3% of visitors will probably not return to South Walton because of the following reasons:

1. Poor customer service, 2. traffic was a problem, 3. too expensive, 4. prefer variety in vacation spots

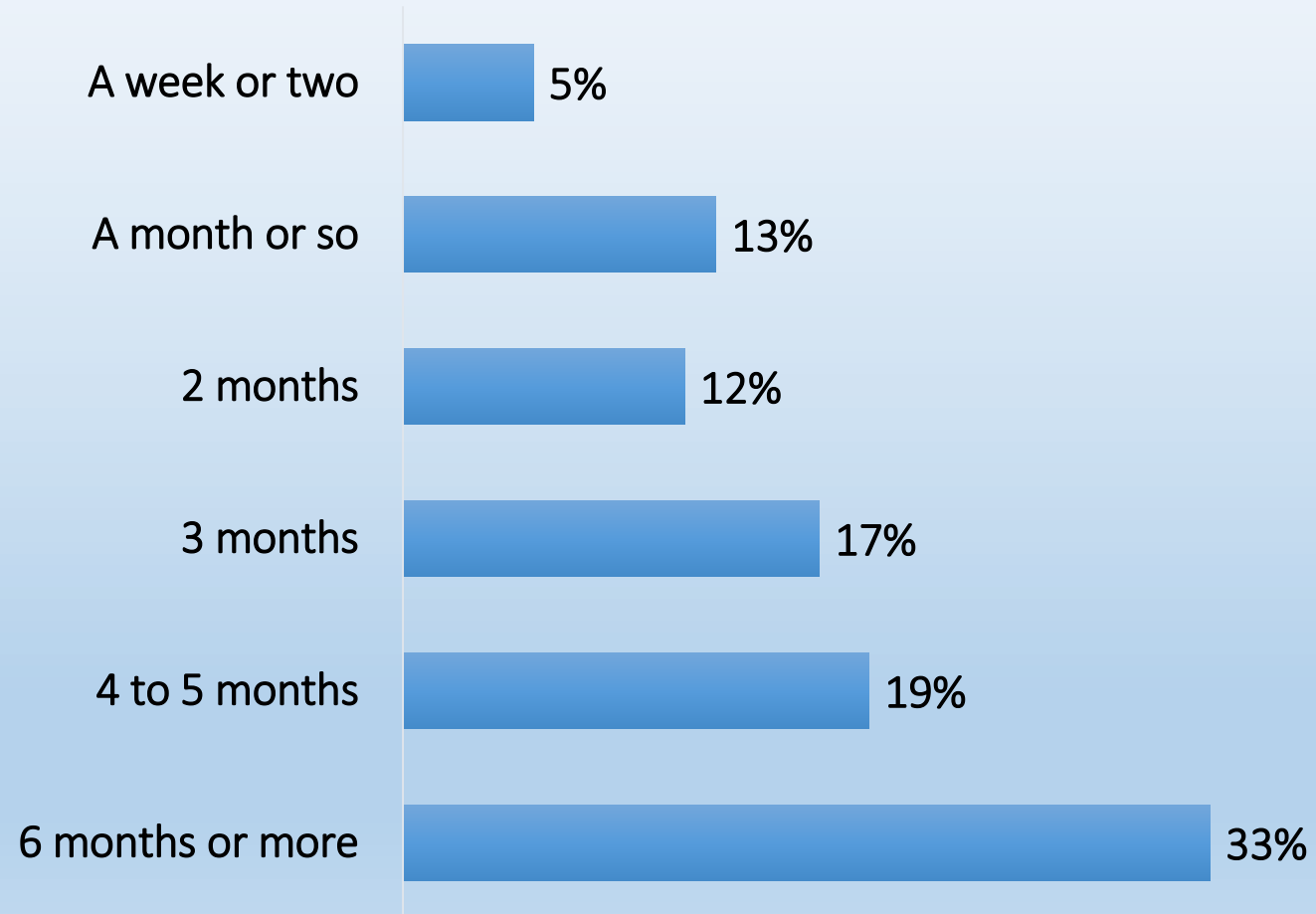
# Information Sources for Visitors – CY2018

- 2 in 5 visitors (41%) use search engines when planning their trips to South Walton.



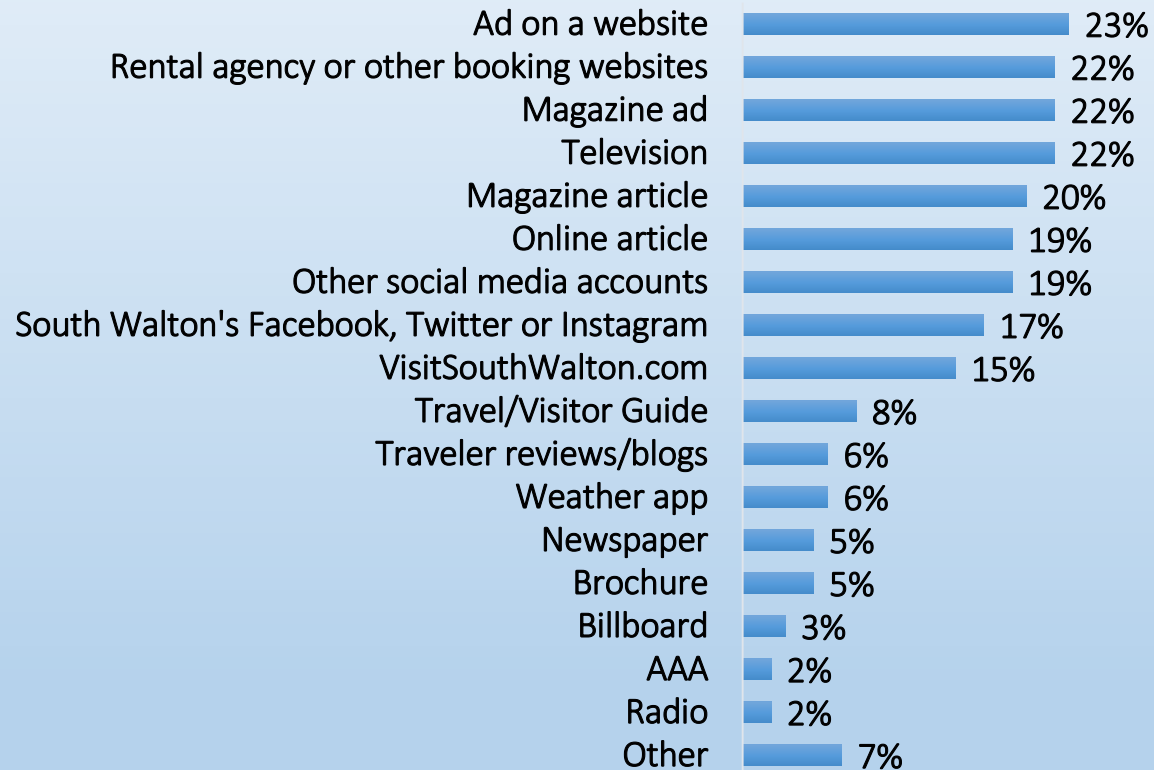
# Trip Planning Cycle – CY2018

- Over half (52%) of visitors plan vacations to South Walton at least 4 months in advance.



# South Walton Promotions

- 27% of CY2018 visitors have recently seen, read or heard advertising, promotions or travel stories about South Walton on the following<sup>1</sup>:

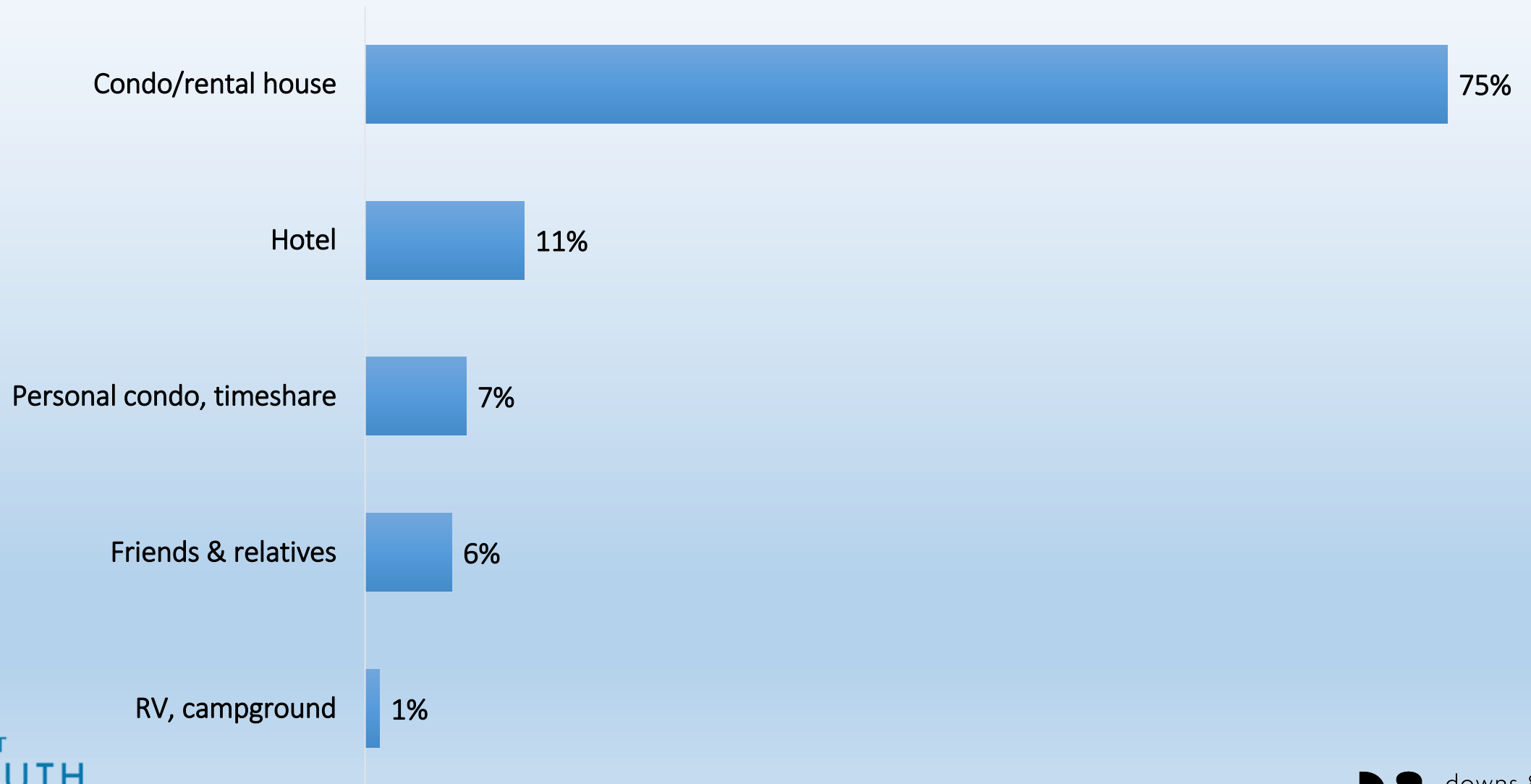


→ This information influenced 7% of visitors to visit South Walton

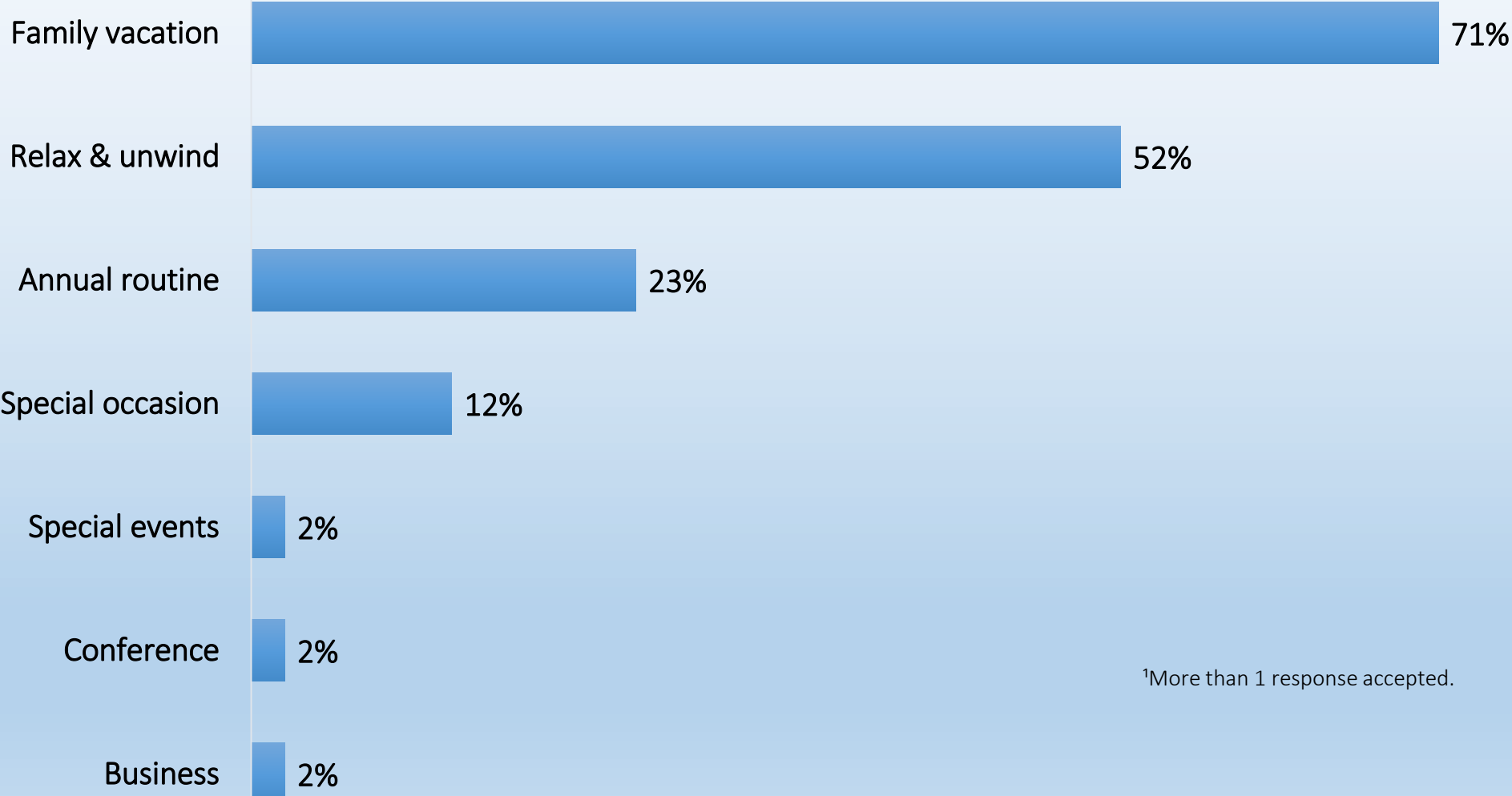
<sup>1</sup>Multiple responses permitted.



# Lodging – CY2018

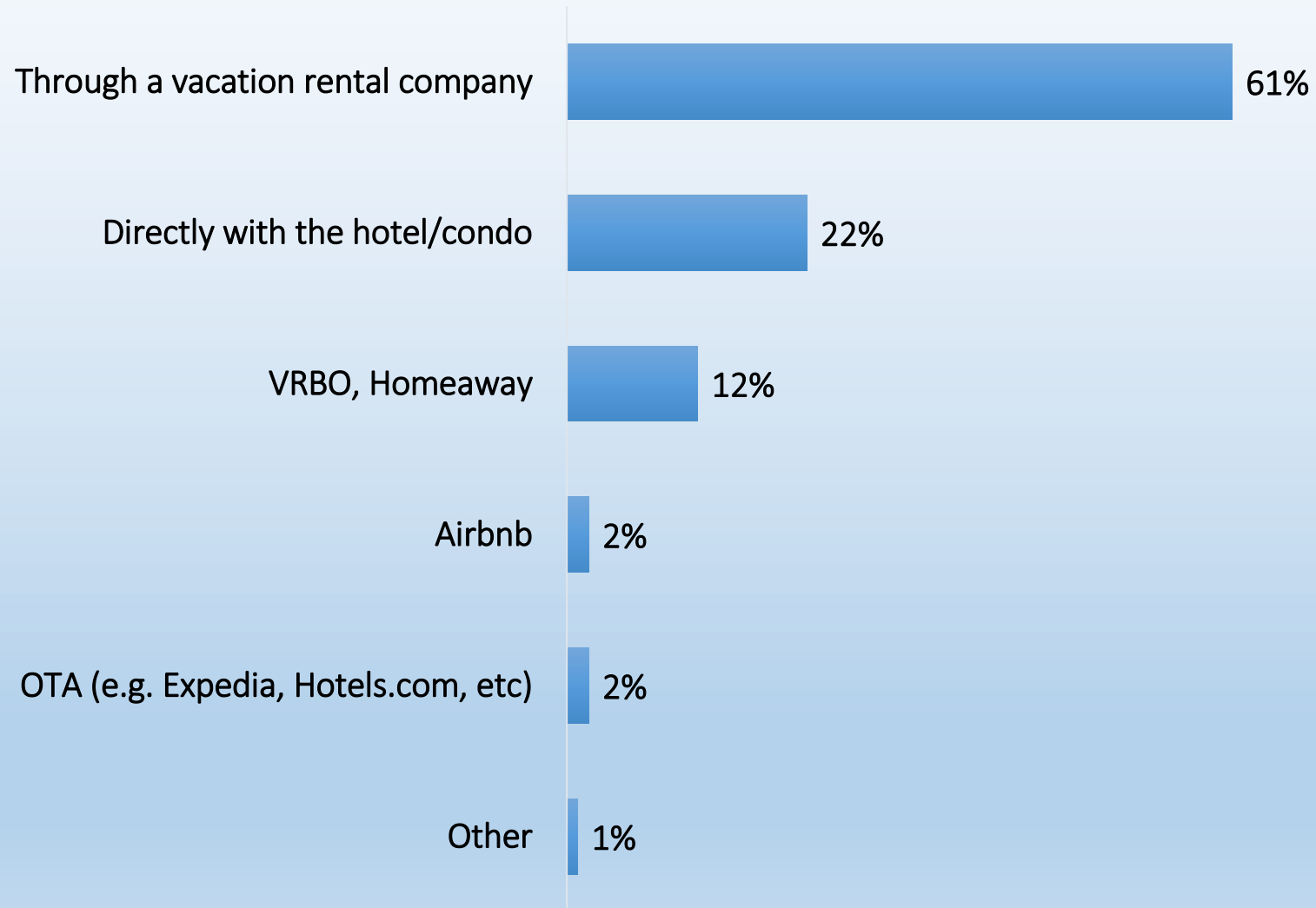


# Purpose of Trip – CY2018<sup>1</sup>



<sup>1</sup>More than 1 response accepted.

# Booking Accommodations

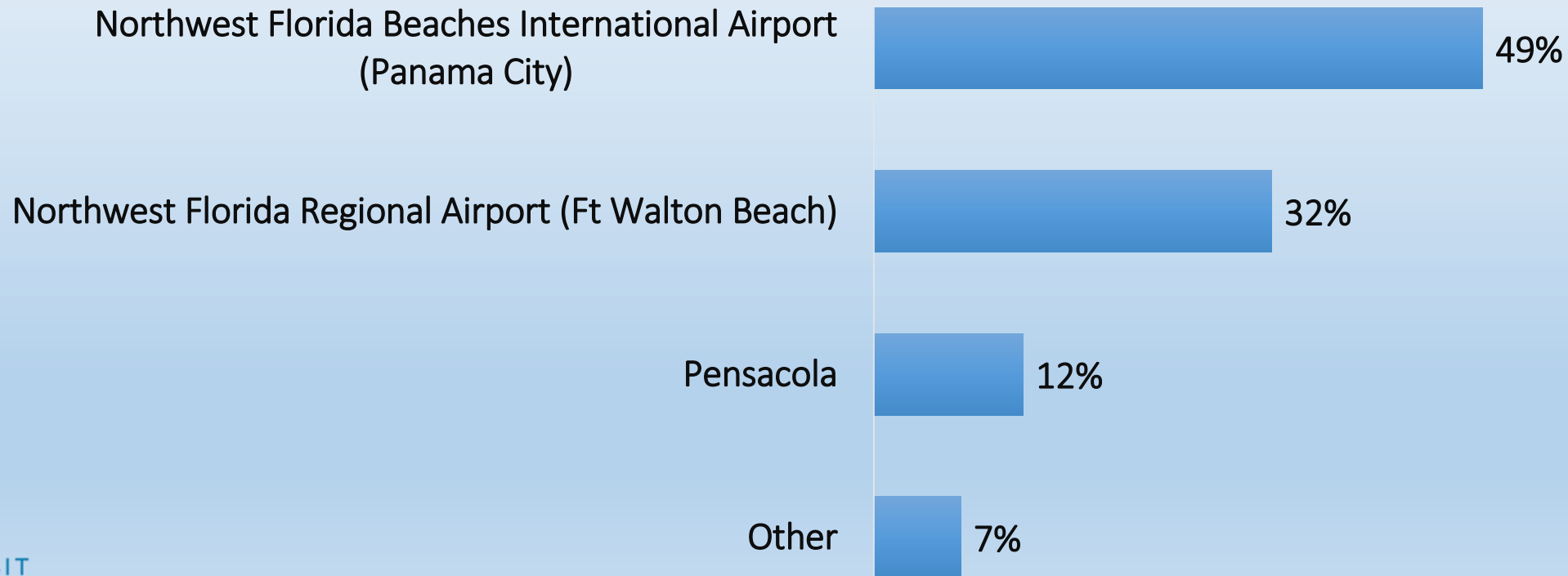


# Traveling to South Walton – CY2018

- **Drove** to South Walton (84%)

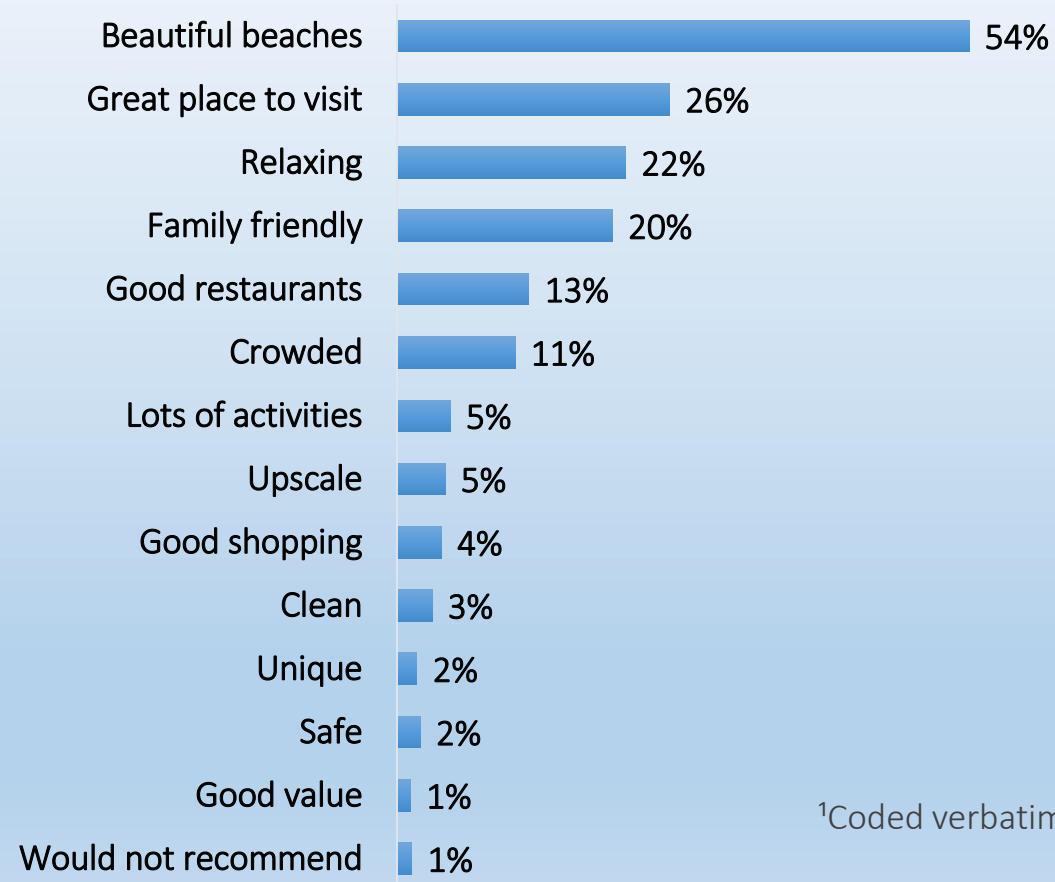
- 27% of those who drove were aware that there were direct flights from their city to the South Walton area

- 16% who **flew** used the following airports:



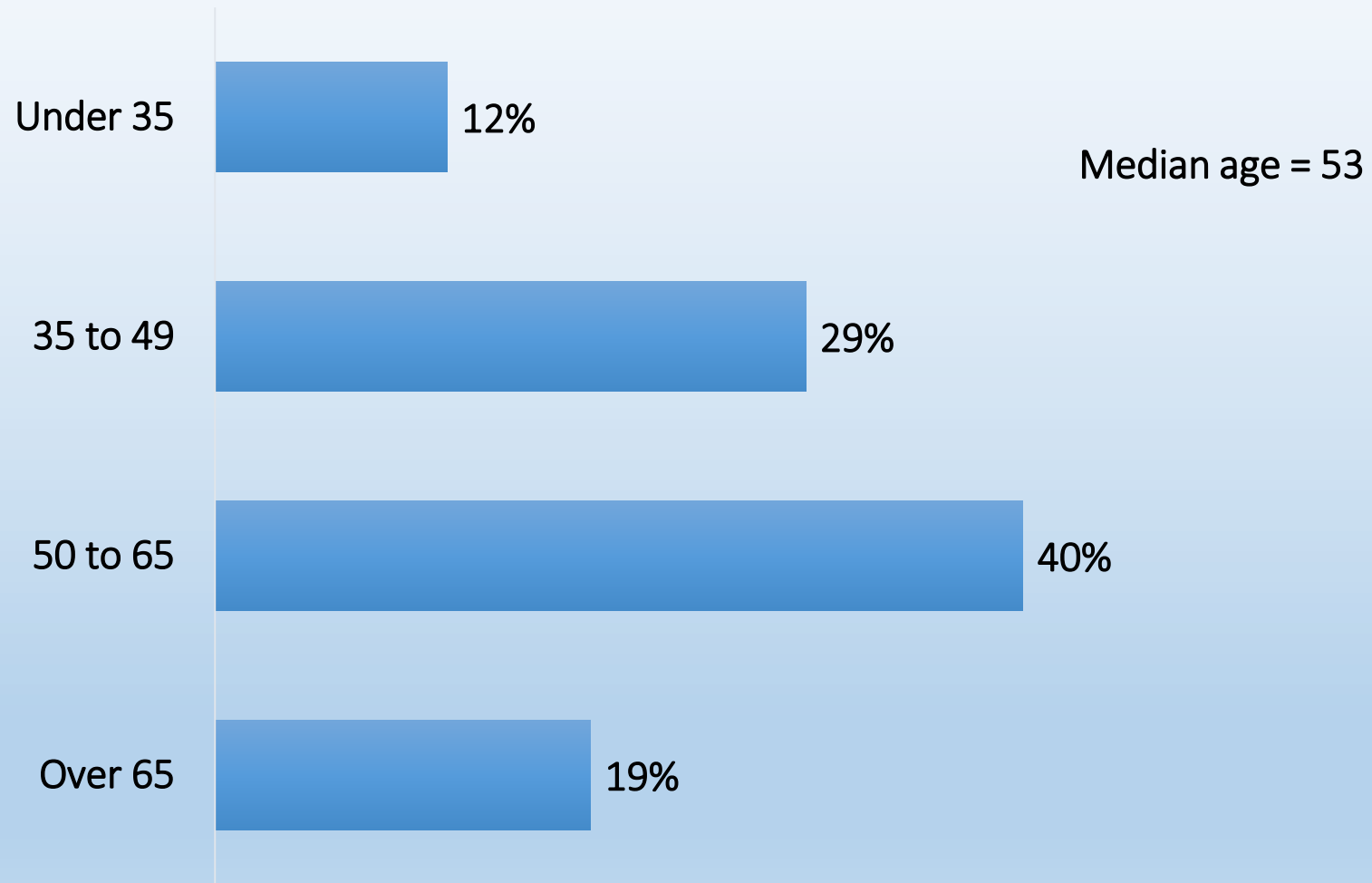
# Perceptions of South Walton

- CY2018 visitors describe South Walton as having **beautiful beaches** and being **family friendly**.<sup>1</sup>

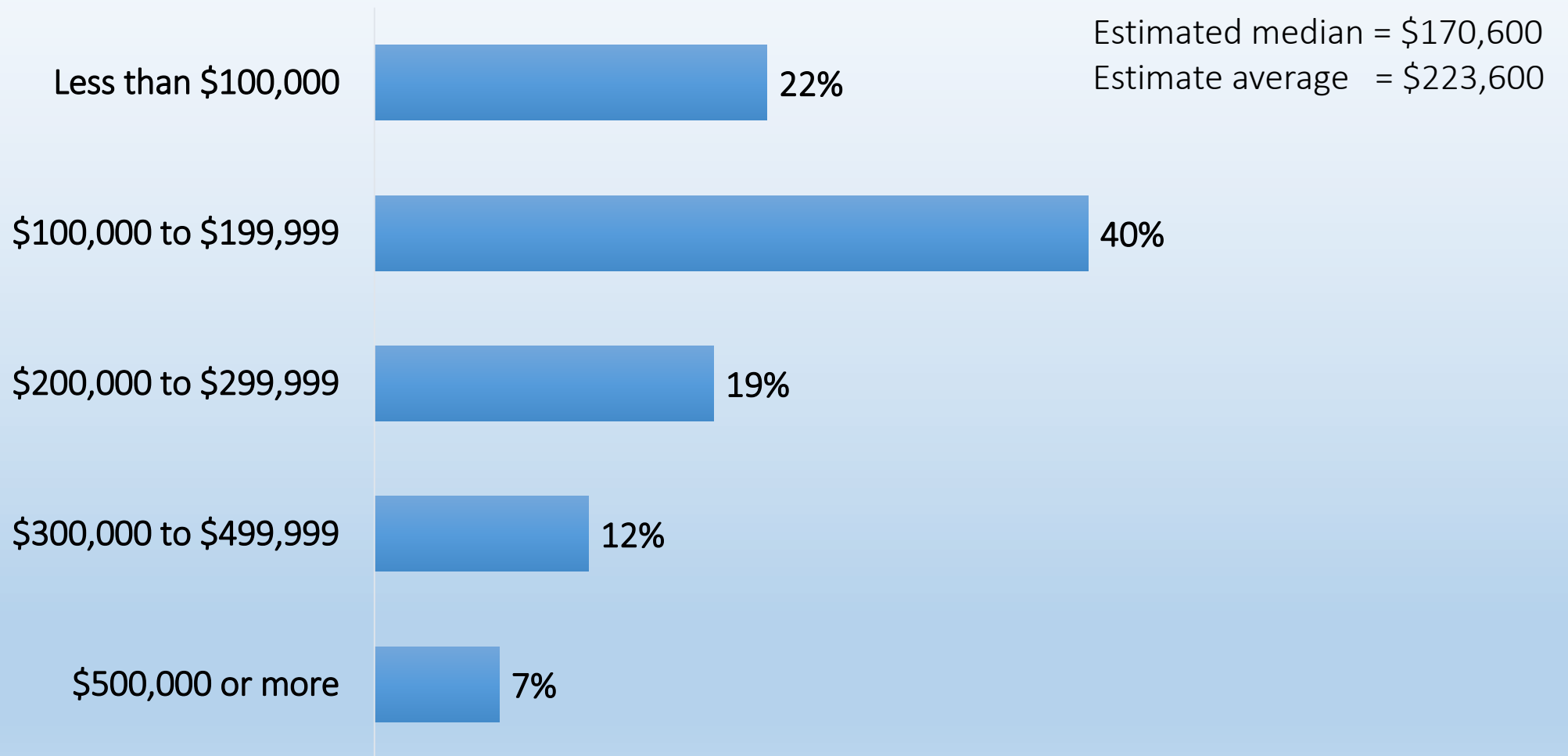


<sup>1</sup>Coded verbatim response; multiple responses permitted.

# Age of CY2018 Visitors



# Total household income in CY2018



# Methodology

- The economic impact of tourism on Walton County is based on data collected from 3,208 visitors to Walton County in CY2018. Interviews were conducted throughout South Walton.
- Total economic impact of tourism on Walton County is a function of direct spending by visitors in Walton County & induced + indirect effects of this spending.
  - Indirect effects are increased business spending resulting from tourism dollars.
  - Induced effects are increased household spending resulting from tourism dollars.
- Downs & St. Germain Research uses IMPLAN<sup>1</sup> to calculate the economic multiplier for Walton County (1.48).

<sup>1</sup>Over 1,500 organizations use IMPLAN, which has been used to model the economic impact of tourism since 1992. Agencies such as FEMA, EPA, Federal Reserve Bank, and Bureau of Land Management use IMPLAN.



# Visit South Walton CY2018 Economic Impact Study

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