

Measuring the Market in Resort and Recreation Communities

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In order to estimate demand for consumer goods and services offered by a store, shopping center or downtown commercial district a standard approach is to characterize the population living within the trade area defined by a series of concentric rings. These rings may be defined by driving time and extend to distances of 5, 15 or 30 minutes depending on the extent of the customer draw. When the “usual place of residence” for potential and actual consumers is located within those rings then geo-demographic segmentation data based on decennial census characteristics are a useful way to characterize and measure the markets. However, when the market is substantially composed of persons with a “usual place of residence” elsewhere then developing consumer profiles, estimating market share, and identifying new markets to develop becomes exceedingly difficult. This paper presents three approaches used in three different communities to measure such elusive markets. These markets are for day visitors, overnight visitors and seasonal residents. In each case we used individual address information to geocode and characterize the consumers by geodemographic segment.

The first is for a community with an annual festival that draws several thousand visitors—primarily day visitors who pay for amusements, meals and specialty retail goods. The objective is to better understand the characteristics of the visitors and how to market the festival more effectively to persons living within a two hour drive. We worked with the community to develop an intercept interview and gather data from a sample of visitors regarding their home address and their spending behavior.

The second is for a county convention and visitors bureau that is attempting to improve its conversion rate—that is to convert more of the inquiries they receive via their website and 800 number into actual visitors who are overnight guests in one of the county’s hotels or B&Bs. We have geo-coded the address lists from the inquiries they receive and identify the major segments. A sample from the list of inquiries, stratified by geo-demographic segment, will be surveyed in order to determine what percent followed up the inquiry with an actual overnight visit. In this way the county will be able to target their promotional campaign.

The third is for a community where two-thirds of the housing units are “vacant-for seasonal, recreational or occasional use.” In order to plan for retail development, the community, chamber of commerce and local ski resort asked us to help characterize the absentee owners of these second homes. We used the local property tax records to identify residential parcels with owners whose addresses were outside the local area. These addresses were broadly dispersed throughout the nation, with the bulk in the extended New York metropolitan area. Although they were broadly dispersed geographically they were heavily concentrated in a few geodemographic segments—differing substantially from the local segments. These data are now being used to attract businesses to the community based on the seasonal residents.