



Tourism and the Value of Place-Based Investments

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Current Project Partners

- Indiana Tourism Association
- IUPUI Public Policy Institute, SPEA
- IUPUI Tourism, Conventions and Event Management
- Indiana Office of Tourism Development



Tourism and the Value of Investing in Community

- Cities, towns and counties in Indiana aspire to be great places to live and visit but determining what makes a place “great” is subjective.
- What works for some communities, does not work for others. It is different for every community.



The Project

- Concept: A case study project to research a diverse group of tourism investments and determine the Return on Investment for Quality of Place and for Visitors
- Timeline: 2015-2017
- Schedule: Three sites each fall.
- Process: IUPUI SPEA graduate class does the research and presents final papers on their results, culminating in a series of white papers.



The Goals:

- To help the industry identify potential future investments by measuring the impact of these projects.
- To illustrate how community development investments yield returns for both tourism and local residents.



The projects will include:

- Small, medium and large scale attractions
- Geographically diverse attractions
- Old and new attractions



The themes will include:

- Downtown improvements
- Greenways, outdoor projects
- Sports facilities
- Arts districts
- Convention centers
- Others



Phase One Projects:

1. Arts/Cultural Districts – Elkhart, IN. Historic 1920s Lerner Theater and surrounding district, restored and reopened in 2011.



Phase One Projects:

2. Nature/Outdoor Experiences – In Northern Indiana, Porter County's Indiana Dunes Nature Center features both visitor information as well as displays on natural history, science and ecology.



Phase One Projects

3. Arts/Cultural District – Franklin Street is a historical part of Evansville and now a center for daily activities and night life in.



Return on Investment Includes Both Quantifiable and Anecdotal Results

- * Visitor Spending
- Resident Spending
- Increase in Property Tax Values



Process:

- Team of graduate students is assigned to each project.
- Team meets with community contact.
- Team goes out into the field to meet with local industry partners.
- Analyze their findings and submit a final paper with results.



Process:

- Site visits
- Stakeholder surveys at each site
- Analysis of data provided by each site
- Analysis of government data
- Analysis of social media data



Results/Special Notes

- Some trends were hard to identify due to the Great Recession and recovery. (Dunes, Lerner)
- Some sites had not been in existence very long. (Franklin Street)
- Comparisons are difficult if the footprint is small (Franklin Street) or diffuse (Dunes.)



Lerner Theatre Results

- Renovated from 2009-2011
- \$18M in private and public funding
- Restored theatre to original condition, added ballroom
- Serves as site for concerts, community events, theatrical productions
- Led to the SoMa Initiative – Live Work Play, Downtown



Lerner Theatre Results

- Conducted interviews with city leaders, reviewed media articles.
- Analyzed data from ticket sales and STR reports
- Conducted survey of local business owners, analyzed prior surveys
- Analyzed socio-economic data from government sources



Elkhart Business Survey Results:

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* Online survey results supported the notion that more restaurants, bars and coffee shops opened than other businesses in other sectors in recent years.

Additionally, there was anecdotal evidence that sales were reported to rise in relation to events being held at the theatre. Business owners validated that the theatre creates business.



Social Media

The Lerner Theatre received strong reviews on TripAdvisor. Overall, it had an average of 4.72 stars out of a possible 5.



Survey Results from Business Owners

- Indicated an increase in downtown pride as a result of the Lerner.
- 60% positive – improved image of downtown, attracted new business
- 40% said no impact



Survey Results from Residents

- 90% positive
- Increased sense of community pride
- 89% of residents thought “Downtown is moving in the right direction.”



Did Lerner events affect hotel occupancy or revenue?

No. Occupancy and RevPAR were no different on Lerner event dates (or the day before or after, or for big or small events.)

Where did the ticket purchasers come from?

Nearby.

56.93% came from 0-10 miles.

29.72% came from 10 – 25 miles.

9.12% came from 25-100 miles.

4.23% came from 100+ miles.



Economic Impact

- Downtown lofts are 90% occupied, charge highest rates in county
- Brings 1,000+ people downtown for ArtWAlk events
- Crystal Ballroom events have raised \$8M in fundraising
- 400,00 attendees at theatre since opening



Economic Impact

Has it driven the local economy?

Overall, the Lerner Theatre renovation has had its biggest impact on the local Elkhart area. By all indications, it is the residents who benefit most and this is not surprising and was intended.



Take Away Messages for Communities Considering Arts-Related Projects:

- Arts development and theatre projects first provide a benefit to residents. They take pride in them.
- They take time to build success but are viable
- They take community investment to be sustainable but the ROI for residents and businesses is worthwhile
- Arts development and theatre projects create demand but other layers of entertainment are needed



Site Two: Indiana Dunes Visitor Center

- Opened in 2006
- Located on SR49
- The National Lakeshore Visitors Center is also a tenant
- Hosts 80,000 visitors per year; up from 7,500 at old location.
- New initiatives: rebranding, new signage, Dunes-Kankakee Trail (in progress), Dunes Deals coupons



Indiana Dunes Visitor Center



- Reviewed economic and market research from Indiana Dunes Tourism
- Conducted interviews with key informants
- Surveyed 47+ business and 160+ residents
- Public economic data and website data were also collected



Questions

Indiana Dunes Tourism wanted to know:

1. To what extent, have local residents taken advantage of tourism amenities in Porter County?
2. To what extent, if any, have tourism related investment affected the quality of life of Porter County residents?
3. How have local businesses been impacted by tourism and tourism related investments?
4. How has the tourism industry affected the economy of Porter County?



Business Surveys

- 47 responses from e-newsletters distributed by the three Porter County Chamber of Commerces
- 56% did not perceive that tourism influenced their businesses success even though other statistics may support other views as we will see later.
- Two thirds of these businesses were tourism related.
- The beaches and visitor center were perceived to have the most influence on local businesses of the various amenities offered.
- The Indiana Dunes trails and the 3 Dune Challenge were perceived to be the third and fourth most influential amenities.



Business Surveys

- Businesses reported that they utilized tourism amenities most frequently for entertaining clients.
- Only 14% of respondents reported participating in the Dunes Deals promotion. Of participants, 45% reported significant value, 22% reported some value and 33% reported no value.
- All together, 67% of respondents reported significant or some value in the Dunes Deals.



Business Surveys

- Likewise, 59% reported an increase in out of town customers since the new visitor center opened in 2006.
- Interestingly, despite a significant portion of businesses saying earlier that tourism has no influence on the success of their business when other indicators were given many did indicate a positive influence of tourism on their business.



Residents Survey

- 160 responses, distributed from IDT's Facebook page and through its newsletter.
- Potential for a significant bias toward IDT in responses.
- When asked why live in Porter County, recreation (12%) and natural environment (13.5%) cited almost as much as proximity to Chicago (14.3%)
- The beach was the most popular amenity among residents.
- Residents made significant usage of IDT information materials.



Social Media

1. IDT produced a Dunes Deals coupon book for five years. They distribute the coupons at the State Park. The coupons are for restaurants, lodging, services and attractions.
2. Restaurants that advertised in the Dunes Deals coupon book saw significantly more reviews on Trip Advisor than those who did not advertise.



Findings

1. The findings from the business and residential surveys suggest positive impact for both from the tourism industry in Porter County.
2. Though business owners did not perceive positive return on investment, indicators such as seasonal employment fluctuations and perceived business opportunities indicate positive impact is real.
3. Residents were more openly positive about tourism's impacts. The general opinion was that tourism provides significant positive impact for residents.
4. Dunes Deals appears to have increased participants reach among visitors but its value does not appear to be recognized from participating businesses even though those that participate tend to receive more social media comments and reviews.



Take Away Messages for Communities Considering Outdoor-Related Projects

1. Place-based investments that contribute to outdoor recreation return well in both visitor and resident perceived value but the connection to that value is not as obvious as others might be
2. Because outdoor recreation investments are often removed from the businesses served by those investments, the connection can be harder to track even if impactful
3. Residents have “ownership” in their outdoor spaces, and therefore may not welcome intrusions by out-of-area visitors as easily (perceptions of overcrowding)



Phase One Projects

3. Franklin Street Events Association

- Founded by several Franklin Street business owners in 2012 and hosted first event in late 2013
- Organizes events to improve the quality of life of residents and benefit small business owners
- Franklin Street is located in historic area of Evansville's West Side (one mile stretch)
- Grass roots initiative, no investment from government



Franklin Street Events Association

- Hosts regular events such as the Mardi Gras Pub Crawl, Color Me Fun 5K and the Franklin Street Bazaar (Farmer's Market)



Franklin Street Events Association

Questions:

1. To what extent, if any, FSEA impacted the local business climate along Franklin Street
2. To what extent, if any, FSEA impacted the businesses of vendors participating in the weekly farmer's market
3. How local community members have been affected by the association's activities
4. Where the visitors are coming from – is it mostly a local audience or are the visitors coming from further away?



Franklin Street Events Association

- Collected background history on area, public socio-economic data
- Conducted interviews with stakeholders
- Analyzed vendor survey at the Bazaar for 2014, 2015
- Conducted a business owner survey (15 of 50 respondents)



Business Owner Survey

Sales

- 86% indicated sales had increased or significantly increased since the FSEA began hosting events
- 100% indicated that they believed FSEA influenced this increase

New Hires

- Over 61% of respondents indicated that the FSEA had some or significant influence over their decision to hire additional staff

Investments

- 70% renovated business space; 40% expanded business space; 75% of these respondents indicated that the FSEA influenced their decision to make the investments

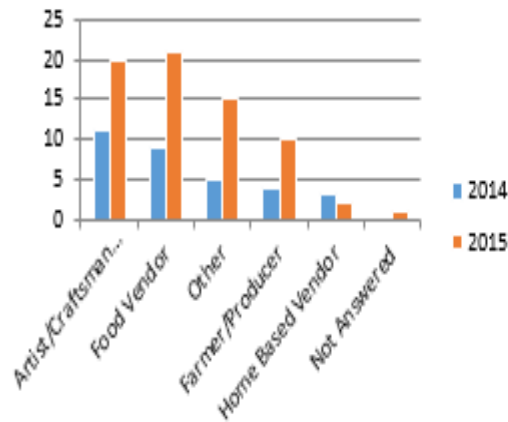


Bazaar (Farmer's Market) Results

- Survey identified a high level of vendor satisfaction with 30 of 32 vendors indicating that they planned to return for the 2015 Bazaar season
- Average net profit was just over \$1,560 with a media of \$910.
- * In 2015, follow up survey indicated number of vendors increased 244% from 32 vendors in 2014 to 110 vendors in 2015.
- In 2015, Bazaar registered a 90% increase in net profit from \$31,340 in 2014 to \$59,526 in 2015.
- * In 2015, average net profit per vendor increased 21% from \$1,492 in 2014 to \$1,803 in 2015



Bazaar (Farmer's Market) Survey Results



Returning Vendors

	Gross Profits
32%	Increased
13%	Stayed the same
21%	decreased

	2014	2015	Percent Change
Number of vendors	32	110	244%
Net Profit (group total)	\$31,340	\$59,526	90%
Net Profit (average)	\$1,492	\$1,803	21%



Social Media: Facebook

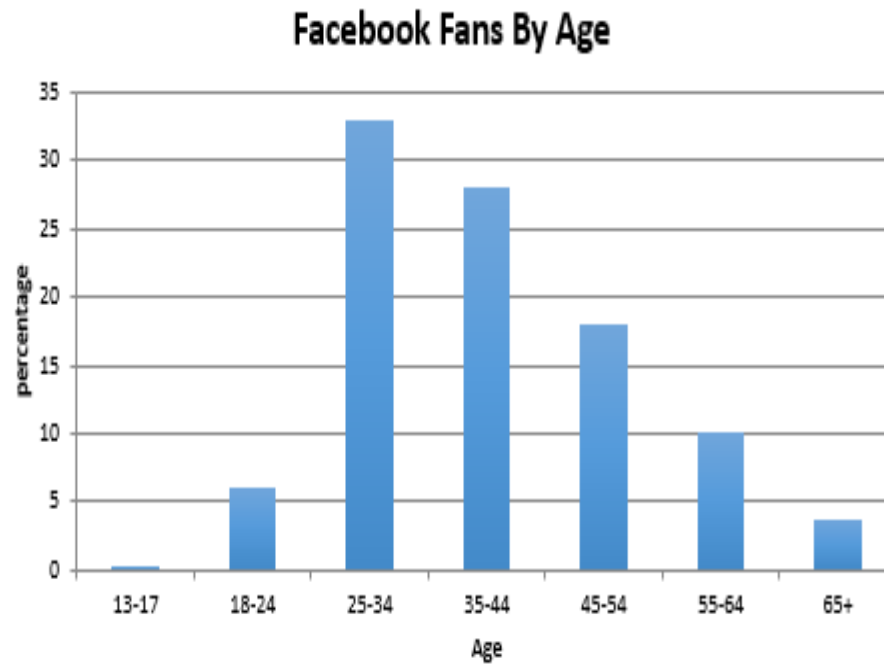
Key Findings

- City of origin of site's fans was much more diverse than expected.
- FSEA fans were clearly not just residents of Evansville.
- In fact, 10% of Facebook fans, resided in areas more than 100 miles away from Evansville.

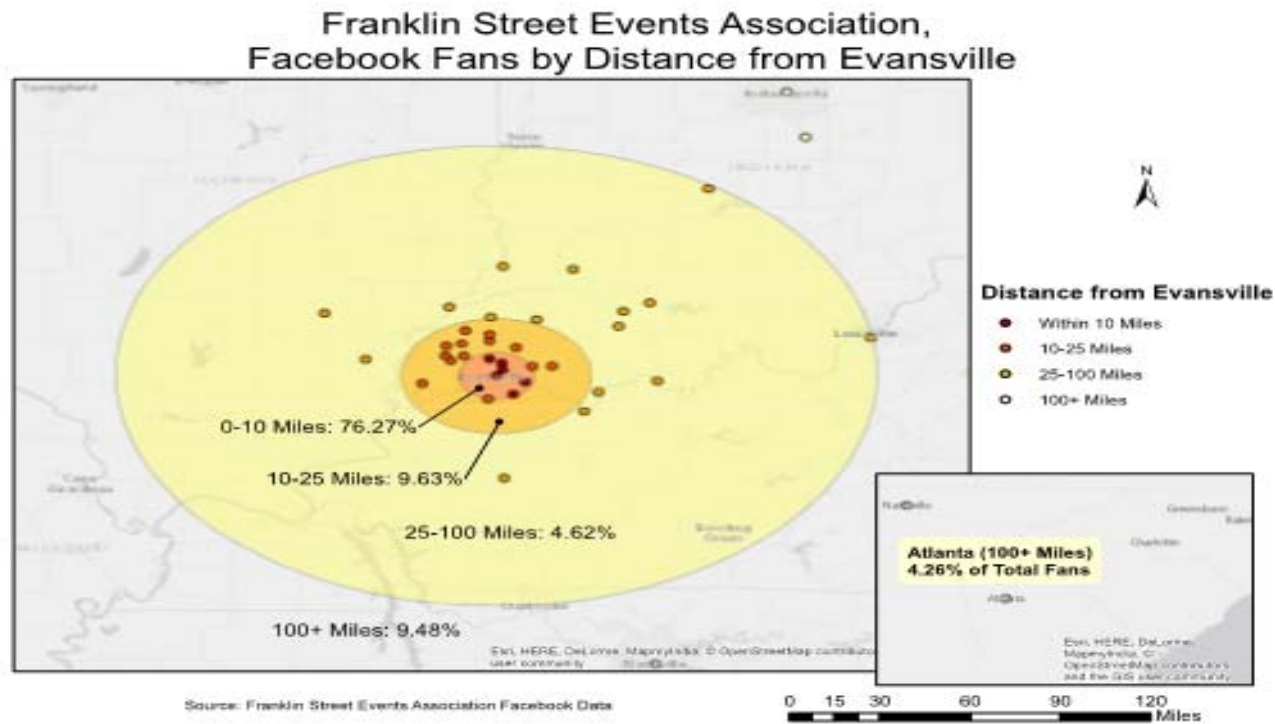


Social Media: Facebook

- 11,375 page likes
- 4.8 out of 5 stars by 197 reviewers
- 77% of fans are women



Facebook Fans by Distance from Evansville



Social Media: Trip Advisor

- Still dominated by restaurants in the North Green River Rd area
 - Proximity to interstate presumed factor

	Number of reviews	Rank in city	Percentile rank
Gerst Bavarian Haus	185	28	90
Tin Man Brewing Company	65	42	75
Smitty's Italian Steakhouse	52	140	51
Lamasco Bar & Grill	9	100	65
Sportsmans Grille and Billiards	4	166	42
Hagedorns Tavern	4	96	34
The Tasting Room	2	160	44
P G Café & Gallery	1	171	40

- Normalized data and compared to increase in number of reviews for other restaurants in city from 2013-present



Trip Advisor/Yelp Reviews

Trip Advisor

- Found few reviews; most restaurant reviews were of restaurants located closer to the interstate

Yelp

* Found more reviews here. Franklin Street was home to both the top ranked spot in Evansville for arts and entertainment (PG Café and Gallery) and nightlife (Lamasco Bar and Grill.)



Social Media: Yelp

- #1 in “nightlife”
 - Lamasco Bar & Grill
- #1 in “arts and entertainment”
 - P G Café and Gallery

Location of Ten Most Recent Yelp Reviews for Gerst House

City	State	Miles from <u>Gerst</u>
Englewood	Colorado	1,016
Brentwod	Tennessee	165
Bourbonnais	Illinois	261
Davis	California	2,145
Brooklyn	New York	861
Tampa	Florida	857
Florence	Kentucky	208
Bloomington	Indiana	122
Alton	Illinois	181
Indianapolis	Indiana	170
	<i>Average Distance</i>	598.6



Key Findings

- The Franklin Street Events Association (FSEA) has had a positive impact on the businesses located along the one mile stretch of Franklin Street.
- Since the Bazaar has only been operating for two years, it is difficult to measure the long term economic impact in Evansville.



Key Findings

- Findings do indicate that in a relatively short time, the FSEA has had a positive impact on bricks and mortar businesses along Franklin Street, Bazaar vendors and the community at large.
- Social media reviews indicate that the FSEA events seem to be attracting visitors from much farther away than anticipated.
- Findings indicate that this type of project creates impact more quickly than some of the others and attracts visitors from farther away.



Take Away Messages for Communities Considering Business District Revitalization

1. In order for an area to be a successful candidate for revitalization, passionate leadership is essential
2. Communities can encourage change of an area by creating public policy and providing incentives for businesses to relocate to the area
3. Locally grown businesses provide the most sustainable models as they are invested in the community
4. Events can create demand drivers but consistency in deliver – i.e. the weekly market – of events helps sustain business
5. Having a least a part-time paid professional event planner if at all feasible ensures longevity of events and ensure long-term viability



Thank you.



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