

Travel Michigan E-Newsletter Conversion Study

The Role of the Michigan Travel E-Newsletter
in Drawing Travelers to Michigan Destinations

Prepared for:

Travel Michigan



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Introduction

A. Background

Travel Michigan is seeking to conduct an evaluation of its travel e-newsletter program. The goal is to develop a research program to determine how effective the Michigan Travel E-Newsletter is in inducing prospective visitors to travel in Michigan.

Travel Michigan commissioned Davidson-Peterson Associates to conduct a conversion study analyzing the e-newsletter program's effect on travel in Michigan. This study looks at travel in Michigan as a result of e-newsletter readership between November 2000 and November 2001. The e-newsletter subscribers sampled include all current subscribers as of January 31, 2002 who signed on *before* November 1, 2001.

B. Objectives

The goal of this program of research is to ensure that Michigan has a reliable assessment of the effectiveness of the Michigan Travel E-Newsletter in enticing visitors to travel in Michigan. A number of measurements are necessary in order to determine effectiveness. The specific objectives of this program of research are:

- To identify the proportion of e-newsletter subscribers who took a trip in Michigan after subscribing to the e-newsletter (gross conversion);
- To determine for what proportion of subscribers the e-newsletter led to the decision to travel in Michigan (net conversion);
- To assess differences in gross and net conversion rates; and
- To determine various characteristics of trips taken in Michigan.

C. Methodology

Travel Michigan provided Davidson-Peterson Associates with a complete database of current Michigan Travel E-Newsletter subscribers as of January 31, 2002. A total of 44,668 households were in this database. Since this study was designed to analyze travel in Michigan as a result of e-newsletter readership between November 2000 and November 2001, only readers who subscribed before November 2001 were included in the sample used by Davidson-Peterson Associates. In order to calculate Travel Michigan's return on investment, conversion rates will be projected to this reduced group of 37,287 subscribers.

A sample was selected from the group of subscribers described above. This sample included 6,000 subscribers, with 2,000 in each of three geographically defined groups – 1) residents of Michigan, 2) residents of Indiana, Ohio, Illinois, and Wisconsin, and 3) residents of all other states. An e-mail invitation was sent to these 6,000 subscribers on February 6, 2002 asking them to participate in an online survey. A sweepstakes drawing was offered as an incentive – the sweepstakes prizes included one first prize of \$200, one second prize of \$100, and one third prize of \$50.

A reminder message was e-mailed to non-respondents on February 11, 2002, and by February 12, Davidson-Peterson Associates had received 888 completed questionnaires, achieving the sample quotas set for this study. This represents a response rate of 15%. The data were weighted by each respondent's residence in order to reflect the proportions of each group in the original database distribution.

Davidson-Peterson Associates, an independent marketing research company located in Kennebunk, ME, conducted the fieldwork, data tabulation, analysis and summary report. All procedures were conducted in accordance with accepted research standards as expressed by CASRO.

Executive Summary

Travel Michigan commissioned Davidson-Peterson Associates to conduct a conversion study analyzing the Michigan Travel E-Newsletter program's effect on travel in Michigan. This study looks at travel in Michigan as a result of e-newsletter readership between November 2000 and November 2001. The e-newsletter subscribers sampled include all current subscribers as of January 31, 2002 who signed on *before* November 1, 2001. A sample of 6,000 subscribers was selected, and these subscribers were e-mailed an invitation to complete the survey on February 6, 2002. In total, 888 subscribers completed the survey by the deadline, for a response rate of 15%.

Conversion Rates

- **The *gross conversion* of subscribers to actual travelers (the percentage who traveled in Michigan after subscribing to the e-newsletter) is 67%.** This 67% translates to 24,982 households, generating 72,448 party-nights in Michigan. (A *party-night* is one travel party spending one night in Michigan.)
- **The *net conversion* of subscribers to actual travelers (the percentage who traveled in Michigan as a direct result of something they read about in the e-newsletter) is 17%.** This 17% translates to 6,339 households, generating 18,383 party-nights in Michigan which are directly attributable to the Michigan Travel E-Newsletter.

- **The *length of stay conversion* among subscribers (the percentage who had already decided to travel in Michigan when they read about an idea in the e-newsletter but who extended their trip as a result of what they read) is 4%.** This 4% translates to 1,491 households. These households generated an additional 4,324 party-nights in Michigan.

Return on Investment

- **The Michigan Travel E-Newsletter program brought definite economic benefits to the State of Michigan between November 2000 and November 2001. The funds generated by the travelers enticed to visit Michigan by the e-newsletter more than covered the costs of operating the e-newsletter program.** In order to calculate Travel Michigan's return on investment, we look at three groups of people:
 - Those who traveled to Michigan and indicated that an idea they read about in the Michigan Travel E-Newsletter led them to travel, and who had not yet decided to travel in Michigan when they read about this idea (17%);
 - Those who had already decided to travel in Michigan when they read about an idea in the e-newsletter, but who said that the idea led them to stay in Michigan longer (4%); and
 - Those who indicated that they are likely to take a trip in Michigan during 2002 (9%).

These travelers brought/will bring to the State of Michigan:

- 23,540 party-nights in Michigan,
- \$3,427,000 in direct sales,
- 80 full-time equivalent jobs, and
- \$1,350,000 in personal income to residents.

- Travel Michigan spent \$174,000 on activities and materials directly associated with the Michigan Travel E-Newsletter program between November 2000 and November 2001. The funds spent can be broken out as follows:

\$160,000 – November 2000 to June 2001 (Contract with MLive)

\$14,000 – July 2001 to November 2001 (Contract with Gammet)

Considering the \$1,350,000 in personal income generated by travelers deciding to visit or extend their visit in Michigan as a result of the e-newsletter, this would translate to an 8:1 return on Travel Michigan's investment.

Influence of the Michigan Travel E-Newsletter

- **Though most readers are already planning trips in Michigan when they read the Michigan Travel E-Newsletter, the e-newsletter appears to be adequately enticing them to travel in Michigan.** Among the subscribers surveyed, 83% say that, at some point, the Michigan Travel E-Newsletter gave them an idea for something they would like to see or do in Michigan. Three-fourths of these subscribers say that the idea actually led them to travel in Michigan.

I. Who Subscribes to the Michigan Travel E-Newsletter?

Introduction

The purpose of this chapter is to discuss the characteristics of those who subscribe to the Michigan Travel E-Newsletter. We will look at the demographic characteristics of this group of people, as well as a few details of their subscription history.

A. Demographic Characteristics

- Three-fourths of subscribers are 40 years of age or older (71%). Their average age is 46 years.
- Three e-newsletter subscribers in four are currently married and living with their spouses (76%).
- Including themselves, subscribers have an average of 2.9 people living in their household. Eleven percent of inquirers live alone.
- Half of the e-newsletter subscribers do *not* have any children under the age of 18 living in their households (56%).
- Eight in ten subscribers have completed at least some college (78%), with most having some college (26%) or a four-year college degree (27%), and slightly fewer having completed post-graduate work (21%).

- Half of all e-newsletter subscribers have annual household incomes in excess of \$50,000 (54%). One-fourth have household incomes of more than \$75,000 annually (27%). The estimated average annual household income among subscribers is \$64,900.
- Nine in ten subscribers have access to the Internet at home (91%), while half have access to the Internet at work (54%).
- Nearly two-thirds of the e-newsletter subscribers are from Michigan (61%). One quarter are from the Great Lakes states of Illinois, Ohio, Indiana, and Wisconsin (27%).¹

	<u>Respondents</u>	
Base:	(888)	
Michigan	61%	
Illinois	9	} 27%
Ohio	8	
Indiana	6	
Wisconsin	4	
Other	12	

- Sixty-three percent of subscribers are female, while 36% are male.

¹ Respondent data was weighted to reflect the proportion of subscribers in the E-Newsletter subscriber database residing in different areas (Michigan, Great Lakes states, All other states).

B. Subscription History

Ninety-five percent of potential travelers who responded to this survey are still currently subscribing to the Michigan Travel E-Newsletter.

Since the Michigan Travel E-Newsletter was first offered in April 2000, a fairly consistent proportion of subscribers have signed on each quarter. Slightly more subscribers are signing up to receive the e-newsletter during the spring/summer months of April, May, and June.

Initial Subscription	Total Respondents
Base:	(888)
April 2000 – June 2000	18%
July 2000 – September 2000	14%
October 2000 – December 2000	10%
January 2001 – March 2001	14%
April 2001 – June 2001	18%
July 2001 – September 2001	16%
October 2001	6%

II. Influence of the Michigan Travel E-Newsletter Program on Travel

Introduction

The purpose of this chapter is to review the influence that the Michigan Travel E-Newsletter program had on travel in Michigan. We will highlight the following:

- Suscribers' travel behavior – actual travel, planned travel, and likely future travel to Michigan;
- The claimed influence of the e-newsletter on the decision to travel in Michigan;
- The net influence of the e-newsletter based on the timing of the decision to travel in Michigan; and
- Estimated gross and net conversion of subscribers into travelers.

A. Travel Behavior: Actual/Planned/Likely

Two-thirds of subscribers to the Michigan Travel E-Newsletter say they had traveled in Michigan at some time between November 2000 and January 2002 (67%). An additional 13% indicate that they have specific plans to take a trip in Michigan sometime during the remainder of 2002. In total, then, 80% of households who currently subscribe to the Michigan Travel E-Newsletter have either visited Michigan or have specific plans to do so in 2002.

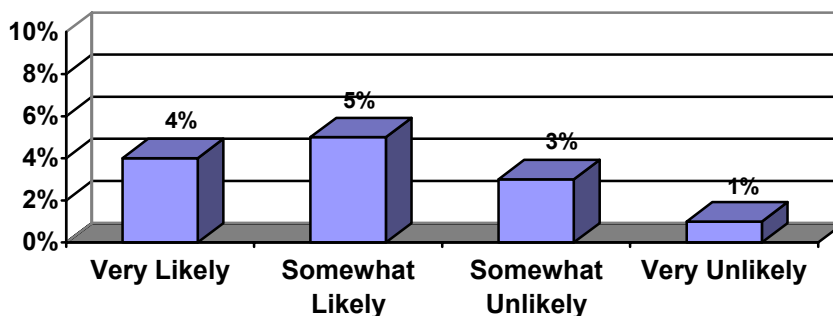
	Total Respondents	Michigan	Great Lakes States	Elsewhere
Base:	(888)	(542)	(240)	(106)
Traveled in Michigan	67%	72%	63%	50%
Have specific plans to travel in Michigan during 2002	13%	13%	14%	15%
Total Actual or Planned Travel	80%	85%	77%	65%

Michigan residents are more likely to have traveled in Michigan or to have specific plans to travel there in 2002 (85% versus 77% among residents of the Great Lakes states and 65% among residents of all other states). Nonetheless, two-thirds of the residents of states quite distant from Michigan have traveled in Michigan or have specific plans to do so in 2002.

Considering the total number of subscribers sampled (37,287 subscribers), these visits and planned visits project to 29,830 households either visiting or planning to visit Michigan in 2002. For trips already taken in Michigan, the average number of people in each travel party is three. These 29,830 trips will then bring 89,490 visitors to Michigan between November 2000 and the end of 2002. Typically, on these trips, travelers spent 2.9 nights in Michigan, so these trips represent 259,521 person-nights in Michigan.

Of course, this number may underestimate the actual number of trips to be taken in Michigan between November 2000 and December 2002. Those respondents who had not taken a trip in Michigan and did not have specific plans to take one during 2002 were asked how likely it would be that they would travel in Michigan in 2002. An additional 9% of the inquirers indicate that it is either *very* (4%) or *somewhat likely* (5%) that they will travel in Michigan in 2002. These respondents who indicate that they would be likely to travel in Michigan could bring an additional 3,356 travel parties to Michigan in 2002. Since these intentions might change, we will include only 30% of these parties in our Return on Investment (ROI) calculations.

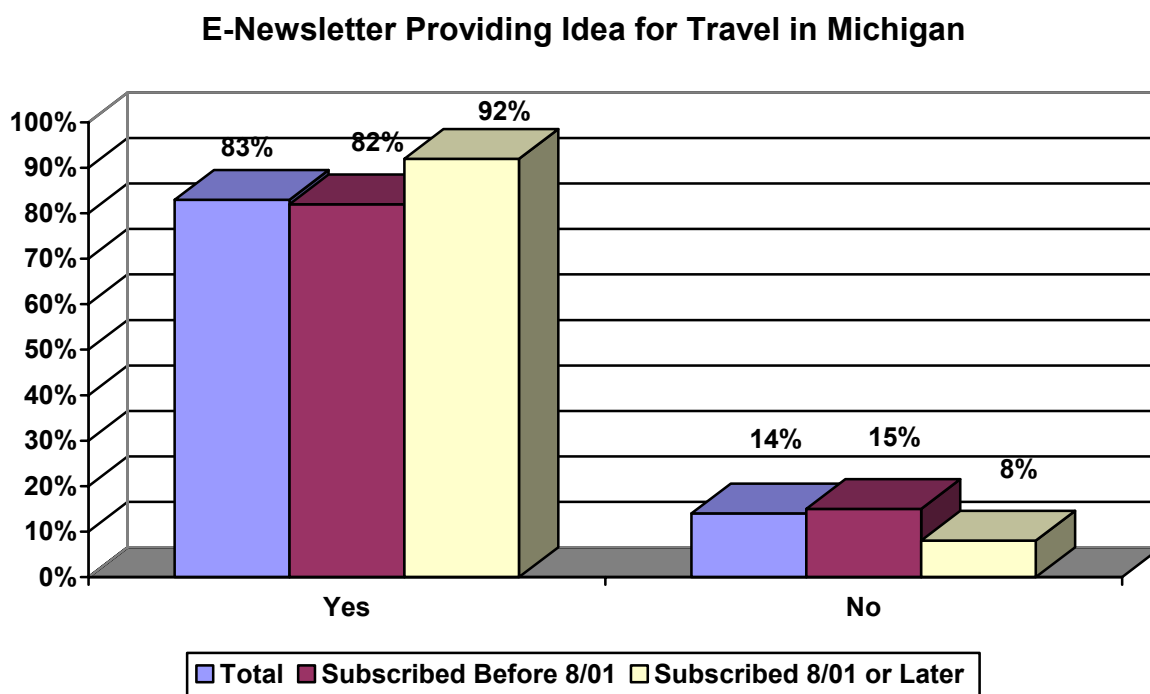
Likelihood of Traveling in Michigan During 2002
Base=888
(Asked of Those Who Have Not Traveled or Do Not Have Specific Plans To Travel)



B. Claimed Influence of Michigan Travel E-Newsletter on Travel Decision

Among the entire group of travelers (593 respondents who took a pleasure trip in Michigan), four in five say that, at some point, an article in the Michigan Travel E-Newsletter gave them an idea for something they would like to see or do in Michigan (83%).

Travelers who subscribed to the Michigan Travel E-Newsletter recently (after August 2001) are more likely to indicate that the e-newsletter has given them an idea for something they would like to see or do in Michigan (92% versus 82% among travelers who subscribed before August 2001).



Among the subscribers who indicated that the e-newsletter gave them an idea for something they would like to see or do in Michigan, three-fourths say that the idea they read about led them to take a pleasure trip in Michigan (71%). Two in five say that they took one trip in Michigan because of an idea they read about in

the e-newsletter, while one in five took two trips. On average, these subscribers took 1.7 trips as a result of something they read about in the e-newsletter.

As shown in the table below, residents of Michigan are more likely than out-of-state subscribers to have taken a pleasure trip in Michigan as a result of something they read about in the Michigan Travel E-Newsletter. However, travel to Michigan is still done by a majority of subscribers in the Great Lakes states and more distant states.

Total	Michigan	Great Lakes States	All Other States
71%	76%	65%	53%

C. Net Influence of Michigan Travel E-Newsletter on Travel Decision

Although several subscribers indicate that an idea they read about in the Michigan Travel E-Newsletter led them to take a trip in Michigan, some of them may have already decided to travel in Michigan before they read about the idea. Therefore, one must take into account these instances in order to arrive at an assessment of the *net* influence of the e-newsletter.

By subtracting 1) *the number of trips taken for which each respondent had previously decided to take that trip* from 2) *the total number of trips taken as a result of reading the e-newsletter*, we arrive at the 3) *number of trips each respondent was directly influenced to take by the e-newsletter* (see formula below).

$$1) \text{ Trips Taken} - 2) \text{ Trips Taken Where Decision Had Already Been Made} = 3) \text{ Trips Directly Influenced By E-Newsletter}$$

Number of Trips	Percentage Who Were Directly Influenced to Travel by the E-Newsletter
Base:	(888)
0	83%
1	11%
2	3%
3 or more	2%
MEAN	1.7

D. Conversion Ratios

The gross conversion of e-newsletter subscribers to actual travelers in Michigan is 67%. This ratio represents the percentage of subscribers who decided to travel in Michigan after subscribing to the Michigan Travel E-Newsletter. Residents of Michigan have a higher gross conversion rate than subscribers from other areas (72% versus 63% among residents of the Great Lake states and 50% among residents of all other states).

A more telling figure is the *net conversion* ratio, which illustrates the percentage of those who visited Michigan as a direct result of getting an idea from their subscription to the Michigan Travel E-Newsletter. We measure this ratio by tracking those respondents who traveled in Michigan who had *not yet decided* to travel in Michigan at the time they read about a travel idea in the e-newsletter. *It must be noted that this net conversion calculation is not so conservative as the calculation method utilized in the Michigan General Conversion and Web Site Conversion studies. Since this study is measuring travel behavior based on an ongoing subscription and not a point-in-time inquiry or web site visit, the net conversion must be calculated in a different manner.*

In this study, 593 of the subscribers traveled in Michigan (67% of the total sample). Of these 593 travelers, 149 had not yet decided to travel in Michigan on at least one of the trips they took when they read about an idea for travel in the Michigan Travel E-Newsletter. **This translates to a net conversion ratio of 17%.** Similar to the gross conversion rates, Michigan residents have a higher net conversion rate (20% versus 13% among residents of the Great Lakes states and 8% among residents of other states).

Another interesting figure to examine is the *length of stay conversion* ratio. This ratio illustrates the portion of visitors who indicated that the e-newsletter did not

lead them to take a trip in Michigan, but who stayed in Michigan longer as a result of something they read about in the e-newsletter. In total, 39 Michigan Travel E-Newsletter subscribers indicated that although the e-newsletter did not lead them to take a trip, they extended a previously planned trip in order to do or see something they read about in the Michigan Travel E-Newsletter. **This translates to a length of stay conversion ratio of 4%.**

Travelers who said that they stayed in Michigan longer due to something they read about in the e-newsletter spent an average of 1.5 extra nights in Michigan.

Summary Table:

Gross, Net, Length of Stay Conversion Ratios

Gross conversion	67%
Net conversion	17%
Length of stay conversion	4%

III. Michigan Trips Taken

Introduction

This chapter will highlight the characteristics of the trips taken in Michigan by Michigan Travel E-Newsletter subscribers who have already traveled in Michigan. Specifically, we will cover:

- For how many trips travelers stayed overnight in Michigan,
- The timing of travelers' first trip taken after subscribing to the e-newsletter, and
- On the first trip:
 - The number of nights spent away from home,
 - The number of nights spent in Michigan,
 - The number of people in the travel party,
 - The primary region visited in Michigan,
 - The type of accommodation stayed in, and
 - The primary reason for traveling and activities participated in.

A. Number of Trips Taken and Stays in Michigan

Sixty-seven percent of those who currently subscribe to the Michigan Travel E-Newsletter have taken a trip in Michigan between November 2000 and January 2002. The average number of trips taken in Michigan since November 2000 is 2.9.

Trips Taken in Michigan	Total Respondents
Base:	(888)
0	33%
1 to 3	47
4 or more	19
Mean	2.9

Among only those who have traveled, one-third took four or more trips in Michigan, while half took one or two trips.

Trips Taken in Michigan	Travelers
Base:	(593)
1	26%
2	26
3	18
4 or more	30

These travelers indicate that they stayed overnight in Michigan (not in their primary home in Michigan) on 2.4 trips.

B. Characteristics of the First Trip in Michigan After Subscribing to the Michigan Travel E-Newsletter

Travelers were asked to answer a series of questions regarding the first trip they took in Michigan *after* November 2000 and after subscribing to the Michigan Travel E-Newsletter. Not surprisingly, more than one-third of travelers began this first trip in Michigan during the summer months of June, July, or August (37%). One in four began the trip in the winter of either 2000 or 2001 (27%). One in five began this trip during the fall months (20%).

Month Trip Began	Travelers Influenced by E-Newsletter Idea
Base:	(353)
<u>Winter 2000-2001</u>	<u>19%</u>
November 2000	3
December 2000	5
January 2001	5
February 2001	6
<u>Spring 2001</u>	<u>15%</u>
March 2001	3
April 2001	5
May 2001	7
<u>Summer 2001</u>	<u>37%</u>
June 2001	11
July 2001	13
August 2001	13
<u>Fall 2001</u>	<u>20%</u>
September 2001	10
October 2001	10
<u>Winter 2001-2002</u>	<u>8%</u>
November 2001	3
December 2001	3
January 2002	2

For the most part, travelers took this first trip in Michigan only a few months after they first subscribed to the e-newsletter.

Travelers stayed away from home an average of 3.1 nights while on this first trip in Michigan, and an average of 2.9 nights were spent lodging in Michigan. Seven percent indicate that this first trip in Michigan was a day trip, where they did not spend any nights lodging in Michigan.

Out-of-state travelers spent more nights away from home and more nights in Michigan while on this trip. Not surprisingly, the most nights are spent in Michigan by those from distant states.

	Total	Michigan	Great Lakes States	All Other States
Nights Away from Home	3.1	2.7	3.4	6.2
Nights in Michigan	2.9	2.7	3.2	5.4

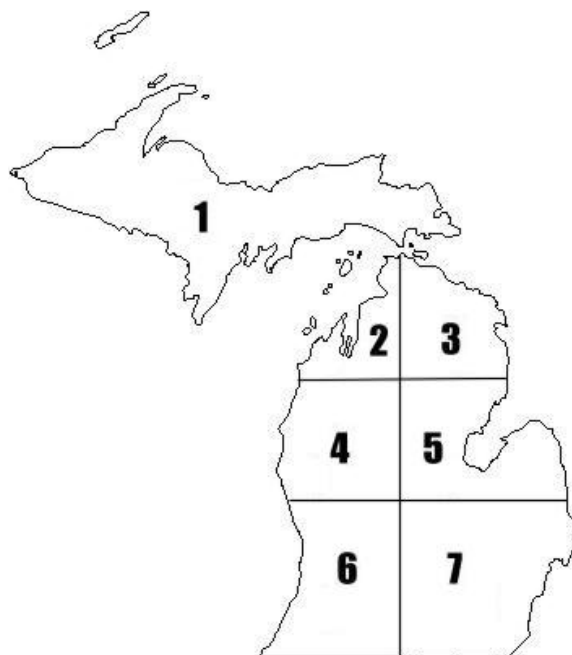
Half of all travel parties had two people in their immediate travel party on this trip in Michigan (49%). An additional one-third had three or four people in their immediate travel party (33%). The mean number of people on each of these trips was three.

Number of People in Travel Party	Travelers Influenced by E-Newsletter Idea
Base:	(353)
One	3%
Two	49
Three	13
Four	20
Five	6
Six or more	6
Mean	3.0

The majority of travel in Michigan among subscribers is in the Northwest region of the state and the Upper Peninsula. The Southeast and East Central regions of Michigan are the least visited by these subscribers.

Michigan residents are more likely than others to have visited the Northwest portion of the state (30% versus 8% among Great Lakes states residents and 13% among travelers from all other states). Residents of the Great Lakes states are more likely to have visited the Southwest region of Michigan (32% versus 7% among Michigan residents and 6% among residents of all other states).

Region Visited	Travelers Influenced by E-Newsletter Idea
Base:	(353)
Northwestern (2)	24%
Upper Peninsula (1)	20%
Northeastern (3)	14%
Southwestern (6)	13%
West Central (4)	11%
East Central (5)	9%
Southeastern (7)	8%
No answer	1%



Three-fifths of travelers spent the most nights in Michigan lodging in a *hotel, motel, or resort* (62%). One in ten travelers stayed in a *cabin/vacation home* (10%).

Accommodations	Travelers Influenced by E-Newsletter Idea
Base:	(353)
Hotel/motel/resort	62%
Camper/trailer/RV/tent camping	7
Friends/relatives	5
Cabin/Vacation home:	10
Rented	8
Owned	1
Borrowed	1
Inn/Bed & Breakfast	8
Other	1
No nights spent in MI	7

Two-thirds of travelers came to Michigan primarily for *general sightseeing/touring* (63%). One in four came for *outdoor recreation* (24%), and 8% came to *visit friends and relatives*.

Reason for Visiting	Travelers Influenced by E-Newsletter Idea
Base:	(353)
General sightseeing/touring	63%
Outdoor recreation	24
Visiting friends/relatives	8
Personal business	1
Business/meeting/work	2
Convention/conference	1

Three-fourths of travelers did some *shopping* (73%), participated in *outdoor activities* (72%), or did some *sightseeing* (71%) while on this trip in Michigan.

Activity	Travelers Influenced by E-Newsletter Idea
Base:	(353)
<u>Shopping</u>	<u>73%</u>
Shopping for gifts/souvenirs	57
General shopping	35
Outlet shopping	24
Art or antique shopping	17
<u>Outdoor Activities</u>	<u>72%</u>
Swimming/sunning at lakes/beaches	38
Hiking	30
Camping	16
Farm events -apple/pumpkin picking, cider mills, etc.	16
Canoeing/kayaking/sailing/boating	15
Biking	14
Fishing	12
Playing golf	12
<u>Winter Outdoor Activities</u>	<u>12%</u>
Downhill/alpine skiing	6
Cross-country/nordic skiing	3
Snowmobiling	3
Water skiing or jet skiing	3
Other winter sports	2
Snowboarding	1
Ice skating	1
<u>Cultural Activities</u>	<u>52%</u>
Visiting historic sites	38
Visiting museums	19
Attending fairs or festivals	19
Attending concerts or plays	7
<u>Other</u>	<u>84%</u>
Sightseeing	71
Scenic drives (viewing fall colors)	47
Gambling/casinos	21
Attending sports events	4
Other	10

IV. Return on Investment

Introduction

The purpose of this chapter is to compare the **costs** of operating the Michigan Travel E-Newsletter program between November 2000 and October 2001 with the **benefits** received by the State of Michigan. Specifically, we will compare the increase in residents' personal income generated by the expenditures of travelers who decided to travel in Michigan as a result of something they saw or read in the Michigan Travel E-Newsletter. To conduct our economic impact analysis of travelers' expenditures, we have used the *Michigan Tourism Spending and Economic Impact Model*.

First, we will be examining that portion of travelers in Michigan who had not yet decided to visit Michigan when they read about an idea for something to see or do in Michigan in the e-newsletter. We will also be looking at the group of people who had already decided to travel in Michigan when they read about a travel idea in the e-newsletters, but who state that the e-newsletter led them to stay in Michigan longer. Finally, we will be looking at respondents who have *not* yet traveled in Michigan this year but who indicate that they are *very likely* or *somewhat likely* to do so during 2002. Since these stated intentions could change, we will only be using 30% of the planned trips by this last group of respondents ("very or somewhat likely") in our return on investment analysis.

Although travelers in Michigan took an average of 2.9 trips to Michigan since November 2000, we will be calculating expenditures based on their *first* trip in Michigan. Ensuing trips may have taken place for a variety of reasons,

particularly prior trips and, therefore, cannot be directly attributed to the initial Michigan Travel E-Newsletter information.

A. Visitor Expenditures

Seventeen percent of the sampled households say they took a trip in Michigan, a destination they had not selected prior to reading the Michigan Travel E-Newsletter. Based on the 37,287 households sampled, this translates to 6,339 households. Travelers stayed in Michigan an average of 2.9 nights while visiting. Therefore, the 6,339 households staying in Michigan for an average of 2.9 nights results in 18,383 party-nights attributable to the Michigan Travel E-Newsletter program.

Based on the Michigan Tourism Spending and Economic Impact Model, these 18,383 party-nights led to \$3,004,000 being spent by these travelers in Michigan. Eighty-nine percent of these expenditures were captured by the local Michigan economy, leading to \$2,676,000 in direct sales. These direct sales, in turn, generated \$1,054,000 in personal income and 63 full-time equivalent jobs.

Net Conversion Travel Visitor Spending

Total Visitor Spending	\$3,004,000
Direct Sales Captured by Local Economy	\$2,676,000
Personal Income	\$1,054,000
Jobs (FTE)	63

In addition to these travelers, another 4% of subscribers indicate that, although they had already decided to travel in Michigan when they read about an idea for travel in the e-newsletter, the e-newsletter information led them to stay in Michigan longer. These 1,491 households who extended their stay in Michigan stayed an average of 1.5 extra nights. This translates to an additional 2,237 party-nights attributable to the Michigan Travel E-Newsletter program.

These 2,237 party-nights led to \$366,000 being spent by these travelers in Michigan. \$326,000 of this spending was captured by the local Michigan economy in direct sales. These direct sales, in turn, generated \$128,000 in personal income and 8 full-time equivalent jobs.

Length of Stay Extension Visitor Spending

Total Visitor Spending	\$366,000
Direct Sales Captured by Local Economy	\$326,000
Personal Income	\$128,000
Jobs (FTE)	8

Lastly, an additional 9% of respondents say they are either *very likely* or *somewhat likely* to take a trip in Michigan sometime during 2002. This would translate to 3,356 households. Since it is quite possible that these intentions will change, we have only counted on 30% of these households actually taking a trip in Michigan. These 1,007 households staying in Michigan for an average of 2.9 nights will generate an additional 2,920 party-nights in Michigan.

These 2,920 party-nights will result in an additional \$477,000 in traveler expenditures. Eighty-nine percent of these expenditures will be captured by the local Michigan economy, leading to \$425,000 in direct sales. These direct sales, in turn, will generate \$167,000 in personal income and 10 additional full-time equivalent jobs.

Likely Visitor Spending

Total Visitor Spending	\$477,000
Direct Sales Captured by Local Economy	\$425,000
Personal Income	\$167,000
Jobs (FTE)	10

Adding these likely trips in Michigan to the actual trips and extended stays results in the following direct effects to the Michigan economy:

Total Actual and Likely Visitor Spending

Total Visitor Spending	\$3,847,000
Direct Sales Captured by Local Economy	\$3,427,000
Personal Income	\$1,350,000
Jobs (FTE)	80

In looking at the visitor spending and personal income generated from these visits in Michigan, it appears that there is very little difference between the money generated by Michigan residents, Great Lakes states residents, and residents of other states. Residents of more distant states generate a slightly higher proportion of visitor expenditures than do residents of Michigan, but the difference is not statistically significant.

Return on Investment

According to information provided by Travel Michigan, \$174,000 was spent on activities and materials directly associated with the Michigan Travel E-Newsletter program between November 2000 and November 2001. The funds spent can be broken out as follows:

\$160,000 – November 2000 to June 2001 (Contract with MLive)

\$14,000 – July 2001 to November 2001 (Contract with Gammet)

In order to calculate the return on Travel Michigan's investment, we have used the *personal income generated by visitor expenditures*. This figure is a representation of the amount of income travelers generated for Michigan households and businesses. In total, 18,383 party-nights were spent in Michigan as a direct result of the Michigan Travel E-Newsletter program. These trips generated \$1,054,000 in personal income for Michigan households and businesses. This translates to a **6:1 return on Michigan's investment**.

If we add the direct effects from the 2,237 party-nights from groups who extended their stay in Michigan because of the e-newsletter, \$128,000 was generated in personal income for Michigan households and businesses. This translates to a **7:1 total return on Michigan's investment**.

Finally, if we add the direct effects from the 2,920 *likely* party-nights to be spent in Michigan which will generate an additional \$167,000 in personal income, Michigan will benefit from a **8:1 return on its investment**.

In examining these figures, it appears that Travel Michigan's investment in its e-newsletter program between November 2000 and November 2001 more than paid for itself. Travel Michigan expects its return on investment for the e-

newsletter program to increase in the future due to lower costs associated with a new contract.

Return on investment can also be calculated using visitor spending or direct sales figures. These methods will yield higher return on investment figures, but will not account for the costs of serving travelers once they are in Michigan. Therefore, we use an estimate of the personal income generated by visitor spending.

APPENDIX A

SURVEY INSTRUMENT

APPENDIX B

DETAILED DATA TABLES