

**Travel Michigan
General Inquirer Conversion Study
Winter 2001-2002**

(November 2001 to February 2002 Inquiries)

The Role of Michigan Travel Advertising
And Fulfillment Materials in Drawing
Travelers to Michigan Destinations

Prepared for:

Travel Michigan



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Introduction

A. Background

Travel Michigan is seeking to conduct a complete evaluation of its travel information fulfillment system. The goal is to develop a research program to determine how effective different types of communications are in inducing prospective visitors to travel in Michigan.

Travel Michigan commissioned Davidson-Peterson Associates to conduct a series of conversion studies analyzing different aspects of the travel information system. This is the tenth wave of the study, covering inquirers who requested information from Travel Michigan between November 1, 2001 and February 28, 2002.

B. Objectives

The goal of this program of research is to ensure that Michigan has a reliable assessment of the effectiveness of Travel Michigan's communications 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 inquirers who took a trip in Michigan after requesting information (gross conversion);
- To determine for what proportion of inquirers the communications and fulfillment materials led to the decision to travel in Michigan (net conversion);
- To assess differences in gross and net conversion rates;

- To examine the role played by communications and fulfillment materials in planning travel in Michigan; and
- To assess the overall quality of the materials for meeting the needs of prospective visitors.

C. Methodology

Travel Michigan provided Davidson-Peterson Associates with a random sample of 600 households that requested information from Travel Michigan between November 1, 2001 and February 28, 2002. A total of 16,088 households requested information during this time period.¹

Due to the March 26, 2002 transition of Travel Michigan's call center operations from the Watts Communications call center on Prince Edward Island, Canada to a new call center operation within the Michigan Economic Development Corporation, the inquiry database listing the Winter 2001-2002 inquirers was not immediately accessible. Therefore, the Winter 2001-2002 inquirers were contacted two months later than were inquirers in past seasons. This later mailing date should be considered in analyzing the results, as a longer time period being studied can result in a higher proportion of inquirers having traveled, as well as differences in travel patterns.

A questionnaire was mailed to the 600 selected households on July 12, 2002. A reminder postcard was mailed to those who had not yet responded on July 26, 2002. An incentive of \$2.00 was included with the questionnaire in an attempt to increase the response rate. In addition, inquirers were informed in a letter accompanying the survey that they would be entered into a sweepstakes drawing for three prizes – one grand prize of \$500 and two second prizes of \$250.

¹ The sample was selected from the group of inquirers who listed their complete name and address, were not students, and were not "walk-in" inquirers (i.e., entered their information at the guest registry at one of Michigan's Welcome Centers). The total number of inquirers in this time period including students, walk-ins, and those without complete name and address information was actually 28,886, but only 16,088 fit DPA's definition of an inquirer necessary for the return on investment model used in this conversion study.

By August 15, Davidson-Peterson Associates had received 346 completed questionnaires, for a response rate of 58%. Twenty-two of these questionnaires were not completed properly and were therefore not used in the final tabulations. Twenty-seven respondents did not recall requesting information from Travel Michigan during the winter season. They are, of course, excluded from any questions concerning the fulfillment materials but are included in the base for the conversion rates.

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 series of conversion studies analyzing the effectiveness of different aspects of the travel information system. This portion of the study covers inquirers who requested information from Travel Michigan between November 1, 2001 and February 28, 2002. A random sample of 600 households was selected from 16,088 inquirers in the specified time period, and these households were mailed a questionnaire on July 12, 2002. Of the 600 questionnaires mailed out, 346 were returned, for a response rate of 58%.

Conversion Rates

- The **gross conversion** of inquirers to actual travelers (the percentage who traveled in Michigan after requesting information) is **49%**. The **gross conversion of inquirers to *planned* travelers is 18%**. In total, this 67% translates to 10,779 households, generating 42,038 party-nights in Michigan. (A *party-night* is one travel party spending one night in Michigan.)
- The **net conversion** of inquirers to actual travelers (the percentage who traveled in Michigan as a direct result of the materials they received) is **10%**. The **net conversion of inquirers to *planned* travelers is 7%**. This 17% translates to 2,735 households, generating 10,667 party-nights in Michigan which are directly attributable to the material received from Travel Michigan.

Visitor Expenditures

- **The Michigan travel information brought definite economic benefits to the State of Michigan through the travelers it enticed to visit Michigan.**

In order to calculate the money brought into Michigan from these travelers, we look at four groups of people:

- Those who traveled to Michigan and indicated that the Michigan travel information they received played an important role in their decision to travel, and who had not yet decided to travel in Michigan when they requested the information (10%);
- Those who indicated that they have specific plans to travel in Michigan this year and whose travel is also directly attributable to the Michigan travel information (7%);
- Those who had already decided to travel in Michigan when they requested information, but who said that the Michigan travel information led them to stay in Michigan longer (11%); and
- Those who indicated that they are likely to take a trip in Michigan during 2002 (6%).

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

- 16,750 party-nights in Michigan,
- \$1,980,000 in direct sales,
- 46 full-time equivalent jobs, and
- \$776,000 in personal income to residents.

Travel Information Request Methods

- **Half of inquirers request information from Travel Michigan using the web site, and nearly as many (43%) are using the toll-free number.** Travel Michigan needs to continue drawing people to its web site, as this is a convenient and cost-effective means for communicating information to inquirers. Information provided on the Travel Michigan web site has to be accurate, up-to-date, and effectively communicate the reasons why people should travel in Michigan. Travel Michigan should also continue to evaluate and improve the services provided by its telephone travel counselors, as this remains a medium through which a high proportion of its inquirers request information.

Fulfillment System

- **Overall, the fulfillment system continues to deliver useful information in a timely manner to inquirers.** Over the last few seasons, there appears to be an increase in the proportion of inquirers reporting that the information arrived in a timely manner and a decrease in the proportion reporting that the information arrived too late. Since Travel Michigan's fulfillment operations were moved to a local agency in Lansing in late March, 2002, Travel Michigan needs to continue tracking inquirers' satisfaction with fulfillment time to ensure that the new fulfillment process is working as well or better than the previous one.

Influence of Travel Information

- **Consistent with the past nine seasons, the majority of travelers had already decided to travel in Michigan when they requested information.** Even though we continue to measure a high percentage of inquirers who

have already decided to take a trip when they requested information, Michigan's travel information can provide sufficient information to entice travelers to extend their stay in Michigan. In addition to basic travel information, Michigan's web site and travel publications should provide potential travelers with more numerous interesting and unique ideas for things to do and see in Michigan, thereby increasing the percentage of travelers in Michigan who decide to stay in Michigan for a longer period of time.

I . Who Requested Information?

Introduction

The purpose of this chapter is to discuss the characteristics of those who recall requesting information from Travel Michigan between November 1, 2001 and February 18, 2002. We will look at the demographic characteristics of this group of people, as well as the means by which they requested information from Travel Michigan, and the types of communications and fulfillment materials they received from Travel Michigan. In addition, we will highlight significant differences between these inquirers and those in the previous seasons studied.

A. Demographic Characteristics

Overall, these potential travelers tend to be older and to live in traditional households. Most do not have children living with them. In addition, they are well educated.

- Half of inquirers are 45 years of age or older (50%). The average age of inquirers is 47 years. This average age is consistent with Fall 2001 and Summer 2001 inquirers, but it is slightly older than Winter 2000-2001 inquirers (average age is 45 years).
- Three potential travelers in four are currently married and living with their spouses (75%).

- Including themselves, potential travelers have an average of 2.7 people living in their households. Thirteen percent of inquirers live alone.
- Sixty-one percent of inquirers do *not* have any children under the age of 18 living in their households. This is similar to the percentage of inquirers without children in past seasons (Winter 2000 to 2001 - 65%; Summer 2001 – 63%; Fall 2001 - 66%).
- Three inquirers in four have completed at least some college (75%), with most having a four-year college degree (24%) or some college (26%), and slightly fewer having completed post-graduate work (18%).
- Half of all potential travelers have annual household incomes in excess of \$50,000 (49%). One-fourth have household incomes of more than \$75,000 annually (25%). The estimated average annual household income among inquirers is \$65,500.
- Two-thirds of the inquirers have access to the Internet at home (68%), while 40% have access to the Internet at work. One-fifth do not have access to the Internet (18%). Though the proportion of inquiring households without Internet access is higher than last season (13% in Fall 2001), it is about the same as in the past winter (17%), and less than in the Summer of 2001 (26%).

- Nearly all inquirers reside in the United States. One winter inquirer in four is from Michigan (24%), while one-third are from the target market states (33%). Compared to the last winter season (Winter 2001), fewer respondents are from Michigan (24% versus 32% in Winter 2001).

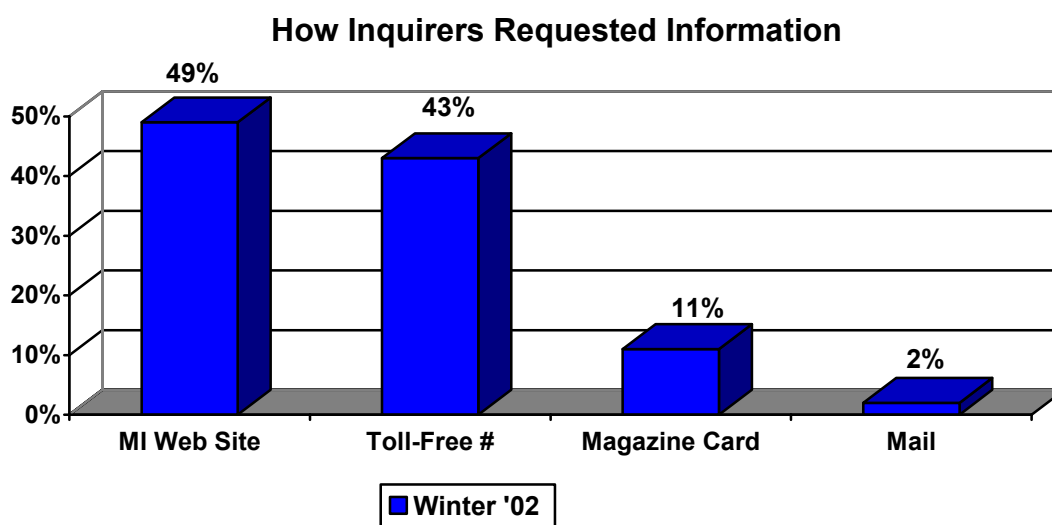
Base:	<u>Respondents</u> (324)	<u>Sample</u> (600)
Michigan	24%	23%
Illinois	12	11
Ohio	9	9
Indiana	7	7
Wisconsin	5	5
Other	43	45

- Fifty-nine percent of inquirers are female, while 37% are male. Four percent of inquirers did not respond to the question asking them to state their gender.

B. How They Requested Information

Half of the inquirers requested information by filling out a form on the Michigan web site (49%). Two in five inquirers say that they requested information from Travel Michigan by calling the toll-free number (43%). One in ten mailed in a card from a magazine on which they could request information from a number of destinations (11%).

Comparisons to previous seasons cannot be made for this question since the options presented with this question were modified this season to reflect a change in Travel Michigan's inquiry database.



Nearly half of the potential travelers who requested information say they had seen and/or heard advertising about traveling in Michigan during the late fall or winter of 2001-2002 (46%). Among these inquirers, seventy-three percent indicated that the Michigan advertising they saw or heard played either a very important role or somewhat important role in their decision to request information on travel in Michigan.

The percentage of inquirers who say they saw/heard travel advertising during the late fall or summer of 2001-2002 is similar to the 48% reported in Winter 2000-2001.

II. Response to Fulfillment Materials

Introduction

This chapter will outline inquirers' perceptions of and satisfaction with the materials received from Travel Michigan as a result of their request. The chapter will discuss:

- The type of information received, and
- The timeliness and usefulness of the information received.

A. Type of Information Received

When they requested information from Travel Michigan, most inquirers say that they received a *calendar of events/seasonal guide* (64%), *other brochures or information* (64%), a *Michigan state map* (62%), or a *Travel Ideas magazine* (60%).

Season:	Winter 2001	Summer 2001	Fall 2001	Winter 2002
Base:	(198)	(264)	(274)	(297)
Calendar of events/seasonal guide	61%	67%	61%	64%
Other brochures or information	65	63	58	64
State map	51	64	47	62
Travel Ideas magazine on MI	59	55	59	60
Conversation on the phone	15	18	16	13
E-mailed information needed	4	8	18	12
Faxed information on specific things asked about	3	4	2	--

Inquirers are much more likely to report receiving a *Michigan state map* during Winter 2002 (62%) than are inquirers during the Fall 2001 (47%) and Winter 2001 (51%) seasons. The proportion of Winter 2002 inquirers reporting that they received a *Michigan state map* is similar to the proportion of Summer 2001 inquirers (64%).

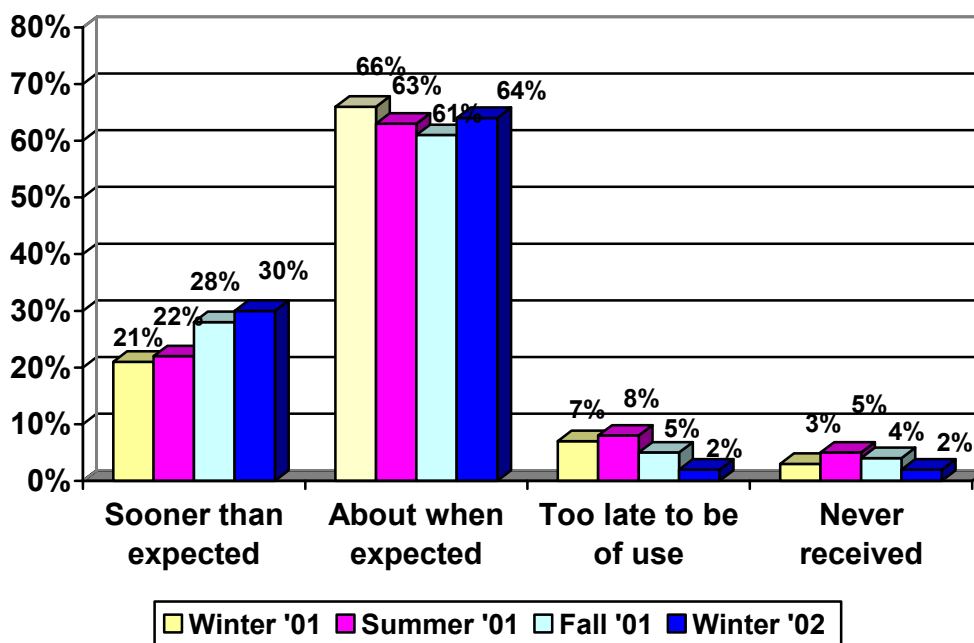
More than half of the inquirers also received a separate packet that included materials from a specific area, activity, or type of accommodation (57%), the result of sharing the leads with other groups in Michigan.

B. Timeliness and Usefulness of Fulfillment Materials

Nine inquirers in ten indicate that the materials they requested from Michigan arrived at least *about when they were expected* (94%). Four percent either *never received* the materials (2%) or received them *too late to be of use* (2%). Thus, the system fails for 4% of inquirers. This number of inquirers who weren't pleased with when they received the fulfillment materials appears to be improving over the last few seasons (13% Summer 2001; 9% Fall 2001; and 4% Winter 2002).

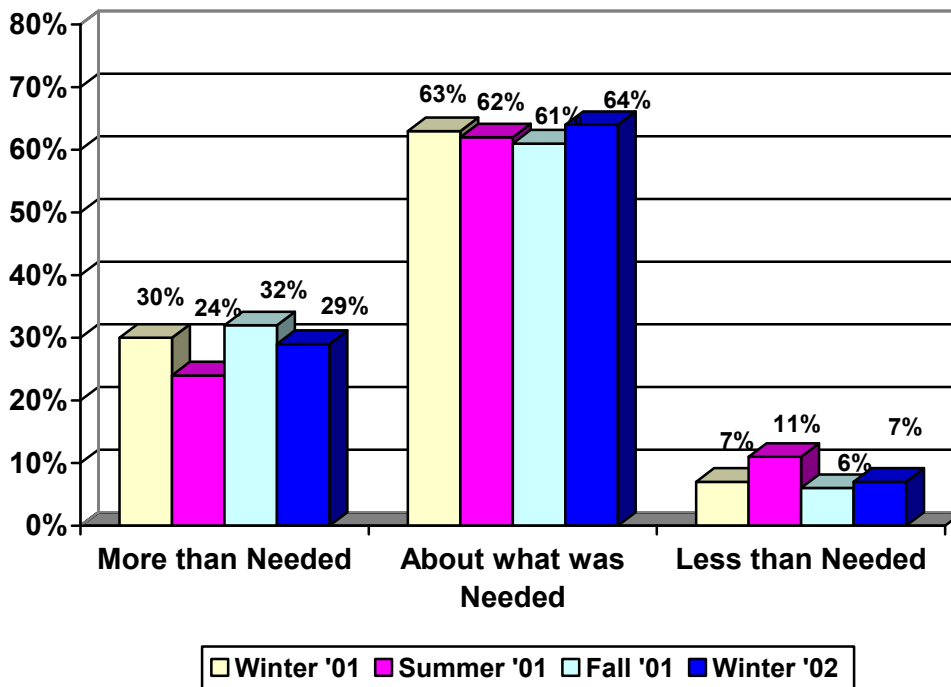
It also appears that the proportion of inquirers who received their materials at least about when they expected has been increasing over the past year (87% Winter 2001; 85% Summer 2001; 89% Fall 2001; and 94% Winter 2002).

Arrival of Fulfillment Materials



Most inquirers found the materials to include at least *about what they needed* (93%). Seven percent find the materials to contain *less than what was needed* .

Usefulness of Fulfillment Materials



III. Influence of the Fulfillment System on Travel

Introduction

The purpose of this chapter is to review the influence that the advertising/fulfillment system had on travel in Michigan. We will highlight the following:

- Inquirers' travel behavior – actual travel, planned travel, and likely future travel to Michigan;
- The claimed influence of Michigan's travel information on the decision to travel in Michigan;
- The net influence of Michigan's travel information based on the timing of the decision to travel in Michigan; and
- Estimated gross and net conversion of inquirers into travelers.

A. Travel Behavior: Actual/Planned/Likely

Among those who requested information from Travel Michigan, 49% say they had traveled in Michigan at some time between November 2001 and July 2002. An additional 18% of these potential travelers indicate that they have specific plans to take a trip in Michigan sometime during the remainder of 2002. In total, then, 67% of households who requested information from Travel Michigan between November 1, 2001 and February 28, 2002 have either visited Michigan or have specific plans to do so during 2002.

In comparison to the Winter 2001 season, a higher percentage of the Winter 2002 inquirers reported that they traveled in Michigan (49% versus 39%). Fewer Winter 2002 inquirers indicate that they have specific plans to travel in Michigan than Winter 2001 inquirers (18% versus 32%). This is likely due to the fact that the Winter 2002 questionnaire was mailed out two months later than the Winter 2001 questionnaire, allowing more time for inquirers to have traveled, with more planned trips actually taken.

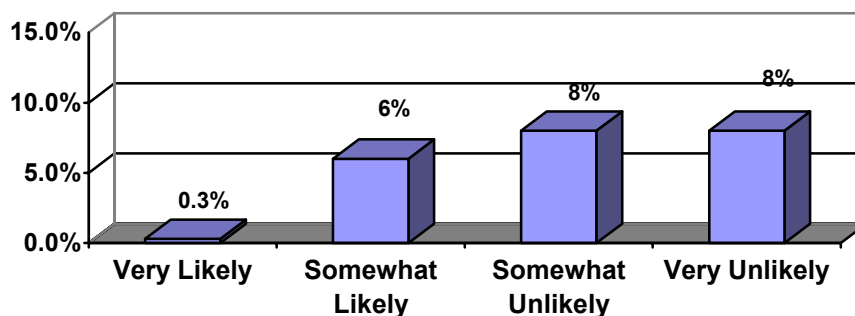
Season:	Winter 2001	Summer 2001	Fall 2001	Winter 2002
Base:	(231)	(272)	(274)	(324)
Traveled in Michigan	39%	65%	53%	49%
Have specific plans to travel in Michigan during 2002	32%	9%	11%	18%
Total Actual or Planned Travel	71%	74%	64%	67%

Considering the total number of inquirers in the specified time period (16,088 inquirers), these visits and planned visits project to 10,779 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 3.2. These 10,779 trips will then bring 34,493 visitors to Michigan between November 2001 and December

2002. Typically, on these trips, travelers spent 3.9 nights in Michigan, so these trips represent 134,523 person-nights in Michigan.

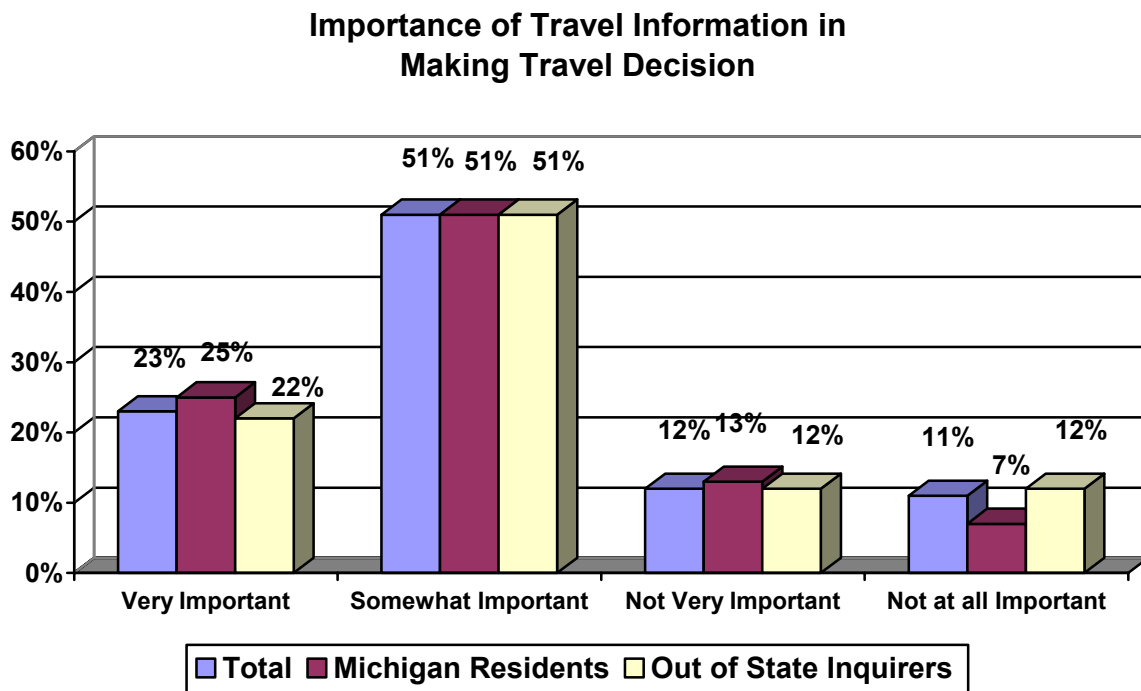
Of course, this number may underestimate the actual number of trips to be taken in Michigan between November 2001 and December 2002. Those respondents who had not taken a trip in Michigan and did not have specific plans to take one during 2002 were asked how likely it would be that they would travel in Michigan before December 2002. An additional 6% of the inquirers indicate that it is either *very* or *somewhat likely* that they will travel in Michigan through December 2002. These respondents who indicate that they would be likely to travel in Michigan could bring an additional 965 travel parties to Michigan through December 2002. Since these intentions might change, we will include only 30% of these parties in our Visitor Expenditure calculations.

Likelihood of Traveling in Michigan Through Dec 2002
Base=324
(Asked of Those Who Have Not Traveled or Do Not Have Specific Plans To Travel)



B. Claimed Influence of Travel Information on Travel Decision

Among the entire group of inquirers who remember requesting travel information from Travel Michigan, three-fourths indicate that Michigan's advertising and travel information program played an important role in their decision to visit or not to visit Michigan (74%).



The percentage of respondents indicating that the travel information they received played an important role in their travel decision has remained relatively consistent across the last four seasons analyzed (74% Fall 2001; 70% Summer 2001; and 72% Winter 2001).

C. Net Influence of Travel Information on Travel Decision

Claimed importance measures tend to overstate the influence of advertising and travel information fulfillment as a direct influence on the decision to visit an area. For example, some people request travel destination information after they have already decided to visit an area just to help them plan their trip.

In the case of the State of Michigan, three-fourths of those who traveled to Michigan had already decided to travel in Michigan when they requested information (75%). In addition, nearly half of those who have specific plans to travel in Michigan through December 2002 had already decided to travel in Michigan when they requested information (48%).

Base:	<u>Travelers</u> (158)	<u>Plan To Travel</u> (58)
Had already decided to travel in Michigan	68%	38%
Had already decided to travel through Michigan on way elsewhere	7	10
	75%	48%
Considering several travel destinations, including MI	18	38
Wanted to travel – not sure where	5	7
Just sent for information – not thinking about travel	1	2

D. Conversion Ratios

1. Actual Travel

The gross conversion of inquirers to actual travelers in Michigan is 49% for the winter season. This ratio represents the percentage of inquirers who decided to travel in Michigan after requesting information. Residents of Michigan had a higher gross conversion rate than did out-of-state inquirers (78% versus 40%). Also, inquirers who recall seeing or hearing travel advertising for Michigan have higher gross conversion rates than those who do not recall seeing or hearing advertising (67% versus 43%).

The gross conversion rate for Winter 2002 inquirers is lower than the Fall 2001 rate (53%) and the Summer 2001 rate (65%), but higher than the Winter 2001 gross conversion rate (39%). Again, the higher gross conversion rate in Winter 2002 as compared with Winter 2001 could be due to the fact that Winter 2002 inquirers were contacted further from their original inquiry date, therefore giving them more time to have traveled than the Winter 2001 inquirers.

A more telling figure is the *net conversion* ratio, which illustrates the percentage of those who visited Michigan as a direct result of the information they received. We measure this ratio by tracking those respondents who traveled in Michigan who had *not yet decided* to travel in Michigan at the time of their request. In addition, we look specifically at those in this group who indicate that the information they received played an important role in their decision to travel or not to travel.

In this study, 158 of the inquirers traveled in Michigan (49% of the total sample – including those who did not recall requesting information). Of these 158 travelers, 39 had not yet decided to travel in Michigan when they requested information. Of these 39 respondents, 33 indicated that Michigan's advertising

and travel information program played a *very important* or *somewhat important* role in their decision to visit or not to visit Michigan this year. **This translates to a net conversion ratio of 10%**. Inquirers who had seen or heard prior advertising for travel in Michigan had a higher net conversion rate than those who had not (16% versus 7%).

Another interesting figure to examine is the *length of stay conversion* ratio. This ratio illustrates the portion of visitors who were already planning to visit Michigan when they requested information but who stayed in Michigan longer as a result of the information they received. Among those who traveled in Michigan, 119 had already decided to travel when they requested information. Twenty-nine percent of these people indicated that the information they received from Travel Michigan caused them to spend more nights in Michigan while they were visiting. **This translates to a length of stay conversion ratio of 11%**. Those who said that they stayed in Michigan longer due to the information they received spent an average of 2.8 extra nights in Michigan.

**Summary Table:
Gross, Net, Length of Stay Conversion Ratios**

Season:	Winter 2001	Summer 2001	Fall 2001	Winter 2002
Gross conversion rate	39%	65%	53%	49%
Net conversion ratio	9	13	11	10
Length of stay conversion ratio	6	13	11	11

2. Planned Travel

In addition to actual visits taken in Michigan, we can also look at those who have specific plans to visit Michigan through December 2002. **The gross conversion of inquirers to *planned* visitors in Michigan is 18%.**

We can also look at what percentage of these planned visitors say they decided to visit as a direct result of the information they received. Again, we measure this by tracking those planned visitors who had not yet decided to travel in Michigan at the time of their request and who indicate that the information they received played an important role in their decision to visit. This percentage gives us the **net conversion for planned visitors – 7%.**

Actual Visitors		Planned Visitors	
<i>Gross Conversion</i>	<i>Net Conversion</i>	<i>Gross Conversion</i>	<i>Net Conversion</i>
49%	10%	18%	7%

IV. Michigan Trips Taken

Introduction

This chapter will highlight the characteristics of the trips taken in Michigan by winter inquirers who have already traveled in Michigan. Specifically, we will cover:

- For how many trips Michigan was the final destination,
- For how many trips travelers stayed overnight in Michigan,
- The timing of travelers' most recent trip, and
- On the most recent 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

Fifty-three percent of those who recall requesting information from Travel Michigan have taken a trip in Michigan between November 2001 and July 2002. The average number of trips taken in Michigan since November 2001 is 1.4.

<u>Trips Taken in Michigan</u>	<u>Total</u>
Base:	(297)
0	47%
1 to 3	39
4 or more	13
Mean	1.4

Among only those who have traveled, three-fourths (73%) had taken one, two, or three trips in Michigan during this time period, and the balance had taken four or more. Thus, the average number of trips taken by travelers was 2.6.

<u>Trips Taken in Michigan</u>	<u>Travelers</u>
Base:	(158)
1	43%
2 to 3	30
4 or more	25
Mean	2.6

These travelers indicate that they stayed overnight in Michigan (not in their primary home in Michigan) on 2.2 trips, 85% of the total trips taken.

B. Characteristics of the Most Recent Trip in Michigan

Travelers were asked to answer a series of questions regarding their most recent trip in Michigan.

Half of travelers began their most recent trip in Michigan during the summer months of June or July (46%). One in three began their trip in the spring months of March, April, or May (36%), primarily during the month of May (24%).

The high proportion of travelers having begun their most recent trip during the summer months can also be attributed to the later mailing of the questionnaire.

	<u>Travelers</u>
Base:	(158)
<u>Winter</u>	<u>16%</u>
November	4
December	3
January	3
February	6
<u>Spring</u>	<u>36%</u>
March	8
April	4
May	24
<u>Summer</u>	<u>46%</u>
June	20
July	26

Travelers stayed away from home an average of 4.5 nights while on their most recent trip in Michigan, and an average of 3.9 nights were spent lodging in Michigan. Eight percent indicate that their most recent trip in Michigan was a day trip, where they did not spend any nights lodging in Michigan.

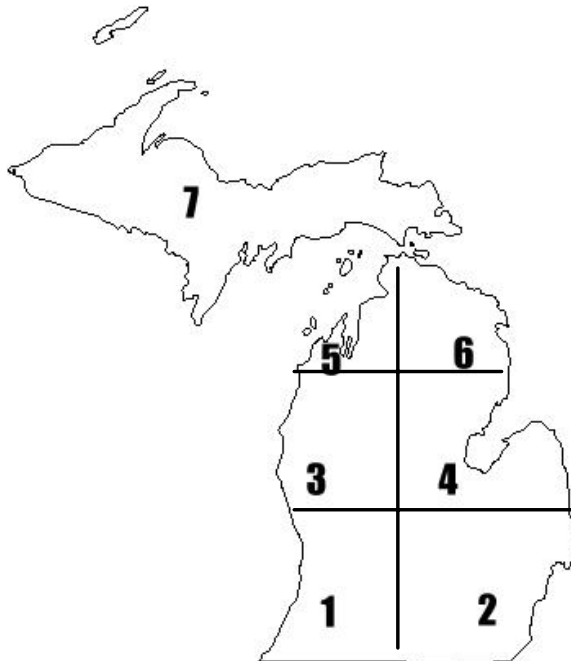
Two in five travel parties had two people in their immediate travel party on their most recent trip in Michigan (42%). An additional one-third had three or four people in their immediate travel party (32%). The mean number of people on each of these trips was 3.2.

Inquiry Season:	Winter 2001	Summer 2001	Fall 2001	Winter 2002
Base:	(89)	(178)	(146)	(158)
One	6%	5%	8%	6%
Two	46%	42%	51%	42%
Three	15%	17%	10%	12%
Four	19%	22%	20%	20%
Five	4%	5%	3%	11%
Six or more	10%	8%	8%	9%
Mean	3.3	3.2	2.9	3.2

Visitation to Michigan during the winter months appears to be concentrated in the Upper Peninsula (21%) and the Southwestern portion of the state (16%).

Compared with Winter 2001 inquiry travelers, Winter 2002 travelers are more likely to have traveled in the Upper Peninsula (21% versus 10%) and less likely to have traveled in the Southeastern region (12% versus 22%) and the Northwestern region (8% versus 20%).

Inquiry Season:	Winter 2001	Winter 2002
Base:	(89)	(158)
Upper Peninsula (7)	10%	21%
Southwestern (1)	16%	16%
Southeastern (2)	22%	12%
West Central (3)	9%	11%
Northwestern (5)	20%	8%
East Central (4)	12%	8%
Northeastern (6)	7%	6%
No answer	3%	19%



Nearly half of all Winter 2002 inquiry travelers spent the most nights in Michigan lodging in a *hotel, motel, or resort* (47%). Sixteen percent stayed in a *camper/trailer/RV*, and 12% stayed at the homes of *friends/relatives*. This distribution is generally consistent with what was true in Winter 2001, though fewer travelers in Winter 2002 stayed in *hotels, motels, or resorts* (47% versus 55% in Winter 2001) and more stayed in *campers/trailers/RVs* (16% versus 9% in Winter 2001). Again, this difference can likely be attributed to the delayed mailing of the Winter 2002 questionnaire and the resulting increase in summertime travel included here.

Inquiry Season:	Winter 2001	Summer 2001	Fall 2001	Winter 2002
Base:	(89)	(178)	(146)	(158)
Hotel/motel/resort	55%	42%	53%	47%
Camper/trailer/RV	9	19	9	16
Friends/relatives	10	12	14	12
Cabin/Vacation home:	9	10	4	6
Rented	1	6	1	4
Owned	6	2	2	1
Borrowed	2	2	1	1
Inn/Bed & Breakfast	6	2	3	5
Other	--	4	3	5
No nights spent in MI	9	10	10	8
No answer	2	2	3	1

Two in five Winter 2002 inquiry travelers came to Michigan primarily for *general sightseeing/touring* (43%). One in four inquiry travelers came for *outdoor recreation* (29%), and 19% came to *visit friends and relatives*.

A higher proportion of Winter 2002 inquiry travelers visited Michigan for *general sightseeing/touring* than did Winter 2001 inquiry travelers (43% versus 29%), while a lower proportion visited for *outdoor recreation* (29% versus 42%). Again, we see the influence of the later mailing date and more summer travelers.

Inquiry Season:	Winter 2001	Summer 2001	Fall 2001	Winter 2002
Base:	(89)	(178)	(146)	(158)
General sightseeing/touring	29%	56%	47%	43%
Outdoor recreation	42	24	23	29
Visiting friends/relatives	20	14	22	19
Personal business	6	2	3	2
Business/meeting/work	2	4	2	3
Convention/conference	--	--	--	4

Three-fourths of Michigan travelers say they did some shopping while visiting Michigan (73%). Forty-four percent participated in various cultural activities while visiting Michigan, and one-fourth participated in winter outdoor activities (27%).

A fairly large proportion of travelers indicated that they participated in some “other” activity not listed on the questionnaire. Most of these activities were summer outdoor activities attributed to the summer travel as a result of the delayed mailing of the Winter 2002 questionnaire. In addition, the delayed mailing of the Winter 2002 questionnaire may have contributed to the large differences in the types of activities Winter 2002 inquiry travelers participated in versus Winter 2001 inquiry travelers – Winter 2002 inquiry travelers were more likely to have done some *shopping* while in Michigan (73% versus 56%) and to have participated in *cultural activities* (44% versus 15%) and less likely to have participated in *winter outdoor activities* (27% versus 47%).

The table on the next page illustrates these results.

Activity	Winter 2001 (Base=89)	Winter 2002 (Base=158)
<u>Shopping</u>	<u>56%</u>	<u>73%</u>
Shopping for gifts/souvenirs	40	60
General shopping	30	42
Outlet shopping	29	17
Art or antique shopping	12	24
<u>Outdoor Activities</u>	<u>47%</u>	<u>27%</u>
Fishing	11	16
Snowmobiling	27	10
Downhill/alpine skiing	10	4
Other winter sports	4	4
Cross-country/nordic skiing	7	1
Ice skating	2	1
Snowboarding	2	1
<u>Cultural Activities</u>	<u>15%</u>	<u>44%</u>
Visiting museums	6	28
Attending fairs or festivals	7	23
Attending concerts or plays	6	9
<u>Other</u>	<u>39%</u>	<u>46%</u>
Attending sports events	1	6
Gambling/casinos	29	13
Other	15	33

V. Visitor Expenditures

Introduction

Commencing with the next season of conversion research (Summer 2002 inquirers and web visitors), the General Conversion and Web Site Conversion data will be analyzed and reported together. Though conversion rates will be reported on a seasonal basis, return on investment will only be calculated annually and will be calculated as a whole for both web site visitors and general inquirers (mail, telephone, etc.). The first annual return on investment figure for Travel Michigan will be reported in early spring of 2003 for inquiries generated during 2002. Therefore, this chapter will illustrate tourist expenditures in Michigan and their effect on personal income and jobs created; however, no return on investment will be calculated.

First, we will be examining that portion of travelers in Michigan who had not yet decided to visit Michigan when they requested information from Travel Michigan. In this group, we will only be looking at those who indicate that the information they received from Travel Michigan played a *very important* or *somewhat important* role in their decision to travel in Michigan. We will also be looking at the group of people who had already decided to travel in Michigan when they requested information, but who state that the information they received 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 either have definite plans to visit through December 2002 or are *very likely* or *somewhat likely* to do so through December 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 analysis.

Although inquiry travelers in Michigan took an average of 2.6 trips to Michigan since November 2001, we will be calculating expenditures based on their *most recent* trip in Michigan.

A. Net Conversion Actual Travel Visitor Spending

Ten percent of the sampled households say they took a trip in Michigan, a destination they had not selected prior to requesting information, and that the Michigan travel information they received directly influenced their decision to visit Michigan. Based on the 16,088 households in the inquiry period sampled, this translates to 1,609 households. Travelers stayed in Michigan an average of 3.9 nights while visiting. Therefore, the 1,609 households staying in Michigan for an average of 3.9 nights results in 6,274 party-nights attributable to the Michigan travel information system.

Based on the Michigan Tourism Spending and Economic Impact Model, these 6,274 party-nights led to \$844,000 being spent by these travelers in Michigan. Eighty-eight percent of these expenditures were captured by the local Michigan economy, leading to \$742,000 in direct sales. These direct sales, in turn, generated \$291,000 in personal income and 17 full-time equivalent jobs.

Total Visitor Spending	\$844,000
Direct Sales Captured by Local Economy	\$742,000
Personal Income	\$291,000
Jobs (FTE)	17

B. Net Conversion Planned Travel Visitor Spending

Also, 7% of inquirers say they have specific plans to travel in Michigan through December 2002, and that their decision to travel came as a direct result of the Michigan travel information they received. This translates to 1,126 households. These 1,126 households staying in Michigan for an average of 3.9 nights will generate 4,392 party-nights.

These 4,392 party-nights will lead to \$591,000 being spent by these travelers in Michigan. Eighty-eight percent of these expenditures will be captured by the local Michigan economy, leading to \$519,000 in direct sales. These direct sales, in turn, will generate \$204,000 in personal income and 12 full-time equivalent jobs.

Total Visitor Spending	\$591,000
Direct Sales Captured by Local Economy	\$519,000
Personal Income	\$204,000
Jobs (FTE)	12

C. Length of Stay Extension Actual Visitor Spending

Beyond these travelers and planned travelers, an additional 11% indicate that, although they had already decided to travel in Michigan when they requested information, the information they received led them to stay in Michigan longer. These 1,770 households who extended their stay in Michigan stayed an average of 2.8 extra nights. This translates to an additional 4,955 party-nights attributable to the Travel Michigan information system.

These 4,955 party-nights led to \$666,000 being spent by these travelers in Michigan. \$586,000 of this spending was captured by the local Michigan economy in direct sales. These direct sales, in turn, generated \$230,000 in personal income and 14 full-time equivalent jobs.

Total Visitor Spending	\$666,000
Direct Sales Captured by Local Economy	\$586,000
Personal Income	\$230,000
Jobs (FTE)	14

D. Likely Visitor Spending

Lastly, an additional 6% of respondents say they are either *very likely* or *somewhat likely* to take a trip in Michigan sometime during 2002. This would translate to 965 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 290 households staying in Michigan for an average of 3.9 nights will generate an additional 1,129 party-nights in Michigan.

These 1,129 party-nights will result in an additional \$152,000 in traveler expenditures. Eighty-eight percent of these expenditures will be captured by the local Michigan economy, leading to \$133,000 in direct sales. These direct sales, in turn, will generate \$52,000 in personal income and 3 additional full-time equivalent jobs.

Total Visitor Spending	\$152,000
Direct Sales Captured by Local Economy	\$133,000
Personal Income	\$52,000
Jobs (FTE)	3

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

Total Actual, Planned and Likely Visitor Spending

Total Visitor Spending	\$2,253,000
Direct Sales Captured by Local Economy	\$1,980,000
Personal Income	\$776,000
Jobs (FTE)	46