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Tourism in Rural Arizona

by Julie Leones

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Arizona has long been recognized as a major tourist destination. In fact, some communities have had such a steady stream of visitors for so long that they take visitation for granted. Many communities do not want to become too dependent on tourism to sustain their economy because of the reputation of the industry for providing predominantly low paying, seasonal service sector jobs.

However, some of our communities would have trouble surviving economically if it weren't for their tourism industry. Much attention in the industry is now directed towards providing higher value experiences to meet the demand of more affluent visitors and to enhance local earnings from tourism. In order to identify opportunities for value-added tourism products or services in your community, it is critical to know who your current visitors are, why they are coming to your community, how long they are staying and what else are they doing on their trip. Like other businesses, the 'tourism business' is becoming increasingly competitive and the market increasingly segmented and complex. In perhaps no other line of business is the total quality management principle of 'putting the customer first' more critical.

One characteristic of tourism in the state is that much of total visitation in Northern Arizona occurs in the summer while most visitation to Southern Arizona occurs in the

winter. In 1991, 68% of all visitation to selected northern historical, scenic and water-based recreation parks occurred during the 6 month period from May to October. In contrast, only 13% of total visitation occurred during the 3 month period from December through February, 1991.

The pattern is reversed in Southern Arizona where visitation to selected scenic, historical and water-based recreation sites was 61% of the total during the six month period from December through May, 1991. During the three month period from August through October, only 18% of total visitation occurred (Economic and Business Research Program, UA, Spring, 1992).

While both parts of the state depend on tourism, northern rural communities are more dependent on tourism and deal with larger volumes of visitors than the south. Visitation to the selected northern sites represented 87% of the total on average between 1984 and 1991. Visitation to northern areas increased as a percentage of total visitation to the state over this period.

The 1990-1991 Arizona Visitor Profile (Arizona Hospitality Research and Resource Center, NAU, 1992) provides additional support for the relative importance of tourism in the northern rural counties of the state. The survey results from this study indicate that about 71% of total visitors expenditures occur

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in Maricopa and Pima county. This is not surprising given that well over three fourths of the state's population lives in these counties and given that visitors to the state include business travellers as well as tourists. Looking at visitor expenditures in the remaining counties, 19% of total expenditures were in the northern counties while 10% were in the southern counties. Total visitor expenditures for the fiscal 1990-1991 year were almost \$6.8 billion, of which almost \$2 billion was spent in counties other than Pima and Maricopa counties.

The top six activities of visitors to Arizona were shopping, visiting attractions, sunbathing, visiting museums, golfing and organized tours. Nearly 85% of all visitors planned to revisit Arizona within 24 months. Over half of all visitors were here on vacation as opposed to being here for business related activities, to visit friends and family or because they were on their way to another destination. Although 64% of all air tourists received trip planning information from travel agents, 78% of highway tourists relied neither on travel agents nor on information obtained by writing or calling. Not surprisingly, 16% of air tourists and 23% of highway tourists were from California. Texas and Colorado are also important tourist markets for Arizona. Likewise, visitors from Mexico represent 58% of all foreign tourists (this only includes Mexican tourists who visit areas beyond the forty kilometer border zone and make one over-night stay!).



As mentioned earlier, although general information about visitor numbers and expenditures is useful, tourism has many market segments. In Arizona, some of the more important segments include winter visitors, Mexican visitors and outdoor recreational visitors. Within each of these groups there are further market segments.

Winter Visitors

According to ASU's Center for Business Research winter visitor survey, approxi-

mately 184,000 winter visitors were in mobile-home and travel-trailer parks throughout the state. They spent approximately \$386 million during their 1991-1992 stay. Of course, many winter visitors stay in places other than mobile-home and travel-trailer parks, so the total expenditures of winter visitors is probably much higher (estimates range between \$.5 and 1 billion for 1991-92). Winter visitors tend to stay four months on average and spend approximately \$1,000 per month. Approximately 44% of the winter visitors in this survey stayed in nonmetropolitan counties. While 60% of all winter visitors to the Phoenix area are believed to stay in mobile-home and travel-trailer parks, 75% of all winter visitors to Yuma stay in them (Arizona Business, June, 1992).

Mexican Visitors

The University of Arizona's Economic and Business Research Program recently completed a study entitled "The Economic Impacts of Mexican Visitors to Arizona." They estimate that Mexican visitors spent \$688.3 million in Arizona during 1991. Eighty percent of this amount was spent in Santa Cruz, Cochise and Yuma counties. The \$268 million spent in Santa Cruz county represents 39% of statewide expenditures. More than 96% of Mexican visitor parties were from Sonora. Almost 71% of the visitors came to Arizona primarily to shop. Mexican visitors who lived near the border represented 83% of all visitor parties and spent just \$75 per party per day. As a consequence, their expenditures represented only 41% of total visitor expenditures. Mexican visitors coming to Arizona from more than 50 mile of the border represented under 13% of all visitor parties, but contributed 54% of total expenditures.

Outdoor Recreation Visitors

Information on outdoor recreation visitors is not so accessible. Although several outdoor recreation surveys are conducted on a periodic basis, most of this data is not broken out between Arizona residents and nonresidents. The 1987 SCORP for Arizona estimated that Arizonans spent almost \$2.6 billion on

outdoor recreation activities in Arizona (Arizona State Parks Board). The 1991 National Survey of Fishing, Hunting and Wildlife-Associated Recreation indicates that Arizonans spent a total of \$774 million on hunting, fishing and wildlife-associated recreation (U.S. Fish and Wildlife Service). None of this information provides insights into the expenditures by visitors to the state on outdoor recreation. However, information on a specific type of outdoor recreation, nature or ecotourism, at two sites in Southeastern Arizona is described in the next article.

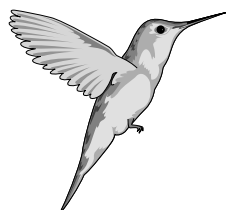


Nature-Based Tourism and the Economy of Southeastern Arizona

based on a study by
 Kristine Crandall, Julie Leones and Bonnie Colby
 by Julie Leones, Extension Economist

Nature tourism or 'ecotourism' is believed to be on the rise both nationally and internationally. Although there is not complete agreement about what constitutes nature tourism, a good basic definition is visitation of natural areas that involves no consumptive use of those areas. Thus, bird watching, nature photography and study would all be forms of nature tourism. Nature tourists are generally attracted to areas that have been preserved in their natural state. To sustain nature tourism in a given area, conservation of natural areas is critical.

In Arizona, one of the most well known forms of nature tourism is bird watching. The southeastern corner of the state is noted for providing habitat for more types of birds than anywhere else in the United States.



Nature-tourism was the focus of this study for two important reasons. First, many types of rural tourism, especially in counties adjacent to metropolitan counties, involve low

expenditures by visitors. Since there is a significant difference between expenditures by people who spend a night in commercial lodging versus those that do not, targeting visitors likely to make an overnight stay in commercial lodging is an effective way to increase tourism revenues in rural communities.

The second reason that nature tourism was of interest in this area was to assess whether nature tourism can supplement income from other rural land based industries such as farming, ranching, forestry and mining.

Birding is likely to bring in high revenues for several reasons. First, it is a popular activity among older people who have both the time and money to spend in an area that attracts them. Second, the best time to engage in bird watching is in the early morning and late afternoon hours. Thus, most birders prefer to stay in accommodations close to where they plan to bird watch.

To estimate visitor expenditures, we randomly sampled visitors at Ramsey Canyon and the San Pedro. A total of 835 surveys were collected over a three month period. We had access to excellent visitation data at Ramsey Canyon, but we had visitation records from the San Pedro only for the days on which we surveyed. The estimate for the San Pedro was only for one of five access points, so it underestimates visitor expenditures for the San Pedro.

We used the U.S. Forest Service IMPLAN input-output model to estimate multiplier effects on the Cochise County economy from nature tourism at Ramsey and the San Pedro. Multiplier effects are the total economic impact of visitor expenditures on the economy. They incorporate the purchase of locally produced goods and services directly by tourists, the expenditures of businesses that receive revenue from tourism on local products and services (indirect effects), and the expenditures of the employees at businesses receiving revenues from nature tourism (induced effects).

A large proportion of nature visitors were well educated, had above average family income and were retired. About two thirds of the visitors were from outside of the state of Arizona and 5-6% were from outside the U.S.. Seventy four percent of the Ramsey Canyon visitors and 22% of the nonresident San Pedro visitors indicated that visiting this particular site was the main reason for their trip. However, approximately 95% of these visitors also spent time in other local tourist destinations during their trip.

The typical non-resident visitor to Ramsey Canyon spent \$55 per day in the Sierra Vista area while the typical non-resident visitor to the San Pedro spent \$51 per day. The typical day trip visitor to the San Pedro spent less than \$7.00 per day. An overnight stay clearly makes a large difference in the amount that a visitor spends while in a community.

The visitation data from Ramsey Canyon and the results of this study indicate that nature tourism complements winter visitor tourism because it occurs primarily in the late spring and late summer months. The total number of visitors to Ramsey Canyon was about 26,300, while the estimated number to the one portion of the San Pedro was about 11,700 between July, 1991 and June, 1992.

Nature visitors were visitors who were not resident to the area who either indicated that visiting this particular site was the main reason for their trip, or indicated that birding or nature tourism were the reason for their trip. General visitors included nature visitors and also visitors who indicated that visiting the sites was not the main reason for their trip. We apportioned their expenditures associated with visiting one of the two sites based on the time spent in the site, and not based on their total Sierra Vista area stay. We used a similar approach in apportioning the expenditures of visitors engaged in nature tourism at several sites in addition to Ramsey Canyon and the San Pedro.

Total estimated expenditures by nature tourists visiting Ramsey or the San

Pedro in the Sierra Vista area for the year were \$1.2 million. Expenditures by visitors to the Ramsey Canyon represented approximately 85% of these total expenditures. Lodging was between one third and one half of most overnight visitor's total expenditures. Groceries and food eaten in restaurants represented another 30% of total expenditures. Other local expenses included gas, tour fees and miscellaneous retail purchases.

The total economic impact of visitors to Ramsey and the San Pedro in the Sierra Vista area for the year was \$2.7 million in output for all visitors and \$2.1 million in output for nature-based visitors only. The most significant economic impacts (almost 70% of total impacts) were felt in retail trade and lodging. The next most affected sectors were services, wholesale trade

and transportation, communication and utilities. Notably absent from this list of major beneficiaries are the agriculture, forestry and mining sectors. However, since a large majority of farming households have members who are employed at least part time in other sectors, farm households may benefit from nature tourism through their off-farm employment.

The results of this study indicate that nature tourism is a high value form of tourism in the Sierra Vista area. However, in order to expand visitation in the area, consideration would need to be given to conservation in additional natural areas, and an expansion and improvement of sectors providing visitor goods and services, particularly lodging, high quality restaurants and tour service sectors. Information received since this study was completed indicates that a number of businesses in the Patagonia area have recently started to cater to nature tourists. Not all rural communities have the natural resources necessary to attract nature tourists. However, most communities can increase returns from tourism by concentrating on attracting visitors likely to spend the most time and money in their community.



Agricultural Tourism in Cochise County

by Douglas Dunn,
Cochise County Cooperative Extension Director

What is the second most visited tourist attraction in Cochise County, behind Tombstone? It has become **agriculture!**

Over 200,000 people visited the county's 27 pick-your-own orchards and produce farms during the mid-July to October season in 1992. U-Pick operators report having 60 to 100 cars in the yard most of the day during peak weekends and approximately 10,000 to 30,000 visitors per farm during the produce season. Hunsdon Farms reported over 7,500 visitors to their October Pumpkin Festival alone. These numbers far exceed the 65,000 visitors to the Chiricahua National Monument or the number of summer visitors registering with the Bisbee Chamber of Commerce.

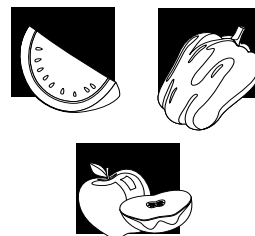
Most of these visitors are from outside Cochise County, coming from as far away as Phoenix, Yuma, Flagstaff and New Mexico where fresh summer produce is not available due to climate. Families, with children in tow, are coming for more than fresh fruits and vegetables. Many want a rural farm experience. Many are believed to be staying overnight in Willcox. This year saw a significant increase in the number of bus and group tours, with several Tucson area businesses holding their annual company picnic at a Cochise County farm.

The farms are particularly popular with ethnic groups, East Indians, Asians, Europeans, and Blacks, as farms grow the produce they crave. For example, over fifty varieties of squash are available. Some farms feature organic produce, bakery goods, cider, chilies, and meat products.

A promotional brochure, "Fresh Farm Produce" originally developed by Cooperative Extension agent Deborah Young, provides information and directions to the 27 locations where fresh produce can be picked or purchased. The brochure and media campaign, now in their sixth year, have been transferred to the Willcox Chamber of Com-






merce and Agriculture and is financed by producers. "The U-Pick brochures have made us," reports farm operator Marta Jernigan. "We can't top it. We are all now spending more on advertising, but most of our customers are repeats who first came based on word of mouth and the brochure. Our business has doubled each year over five years."

The "Fresh Farm Produce" brochure is available free from the Willcox Chamber of Commerce and Agriculture, North Circle I Road, Willcox, AZ 85643, or by calling (602) 384-2272 during the summer season.





Travel Facts


by Marshall Worden
UA Extension Specialist & Asst. Director,
Drachman Institute for Land &
Regional Development Studies

-  40 percent of all person-trips require hotel or motel accommodations
-  Approximately 76 percent of all person-trips are taken by automobile, truck or recreational vehicle and 20 percent are taken by airplane.
-  During the decade of the 1980s, airline travel increased more rapidly than travel by automobile, truck, and recreational vehicle.
-  Interest in arts activities and cultural tourism is expected to boom during the 1990s.
-  The 35 to 54 age group has the highest incidence of travel. Rapid growth in size of that cohort during this decade will spur increased travel. It is estimated that growth in that age cohort alone will result in a 16 per-

cent increase in travel volume by the end of the decade. (**Discover America 2000**, Travel Industry Association of America)

 85 percent of the residents of the Tucson and Phoenix metropolitan areas take one or more day trips each year.

 63 percent of the respondents indicated they typically used commercial lodging while traveling in Arizona.

 When traveling in Arizona, 51 percent of the respondents indicated they always shop, 32 percent always visit historic sites, and 20 percent always visit cultural attractions. (**In-State Travel Patterns of Arizona Residents**, prepared for Arizona Office of Tourism, 1990).



Where You Can Get More Information....

The 1990-91 Arizona Visitor Profile and In-State Travel Patterns of Arizona Residents are available from Eileen Mahoney, Arizona Office of Tourism, 1100 West Washington, Phoenix, AZ 85007 (602) 542-4876 fax (602) 542-4068

It is also possible to borrow the University of Minnesota's Rural Tourism Development video and workbook from Annie Mooney at AOT, and to contact Chuck DeWall about the Cooperative Advertising Program .

The Economic Impact of Mexican Visitors to Arizona by Randall G. Hopkins is available through the Economic and Business Research Program, College of Business and Public Administration, University of Arizona, Tucson, AZ 85721. (602) 621-2155. Also available is **Arizona Economic Indicators**, a quarterly publication that has data on border crossings and visitation to various sites.

Winter Visitor Survey Results by Timothy D. Hogan and Stephan K. Happel is available through the Center for Business Research, College of Business, Arizona State University, Tempe, Arizona 85287-4406. (602) 965-3961 fax (602) 965-5458. Also available is **Arizona Business**, a monthly publication which has summary articles on research conducted through the Center as well as useful economic statistics.

Nature-Based Tourism and the Economy of Southeastern Arizona by Kristine Crandall, Julie Leones, and Bonnie G. Colby is available from Julie Leones, Dept. of Agricultural and Resource Economics, 208 Economics Building (#23), University of Arizona, Tucson, AZ 85721. (602) 621-6255 fax (602) 621-6250

Developing Tour Packages on Reservations is an exciting new project of the Native American Tourism Center. VISTA volunteers are working with the Center and with ties directly to help develop tour packages that can be sold to tour operators. The volunteers help Indian communities identify possible tour opportunities and help determine a price for the package. In the next phase of the project, the Center will be helping tribes train people to work as tour guides and help in marketing the tour packages. For more information, contact Tandy Young, Native American Tourism Center, 4130 N. Goldwater Blvd., Suite 114, Scottsdale, AZ 85251 (602) 945-0771.



Late Breaking News....

The Phoenix and Valley of the Sun Convention and Visitors Bureau recently released results from a survey of 3,051 visitors to the Phoenix Metropolitan area. Copies of the executive summary are available from Ginny Valdespino, Phoenix and Valley of the Sun Convention and

Visitors Bureau, 400 E. Van Buren, Suite 600, Phoenix, AZ 85004.

While 13% of the estimated 10 million visitors to the Phoenix area were age 65 or over, more than 50% were between the ages of 35 and 54. A full 70% had household incomes of \$40,000 or more per year.

The Metropolitan Tucson Convention and Visitors Bureau will soon release the results from the same basic survey, but for the Tucson Metropolitan area. To request an executive summary or to find out how to purchase a copy of the longer report, write to: Sally Hankin, Metropolitan Tucson Convention and Visitors Bureau, 130 S. Scott Ave., Tucson, AZ 85701.



For more information on Tourism Development, contact the following members of the Arizona Cooperative Extension:

- Julie Leones Tucson 621-6255
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- Corky Poster Tucson 623-1223
- Ed Parmee Tucson 628-5161
- Rudy Schnabel Phoenix 255-4456
- Douglas Dunn Willcox 384-3594
- William Frost Globe 425-7179
- Jeffrey Hatch-Miller Prescott 445-6590
- James Lindstrom Yuma 329-2150



About this Newsletter...

Since this is the first edition of Community Development Issues, I wanted to explain why the newsletter was created. The newsletter is a means for sharing research results relevant to community and rural economic development from Land Grant Universities like the University of Arizona and the U.S.D.A. Economic Research Service. The newsletter is intended for people in Arizona who are concerned about community development. Most of the research featured will be projects completed by the University of Arizona College of Agriculture, Cooperative Extension, but features based on research at other institutions will also be referenced and presented.

Each newsletter will have a central theme. The theme for this first edition is rural tourism. Each edition will feature one main article and short summaries or abstracts of other related research. In addition, space will be devoted for readers to share their comments, concerns and experience. We hope you enjoy the newsletter and find it useful. Please feel free to write or call anytime with your comments, ideas, and concerns. We have enclosed a postcard for you to use to make any needed changes in the address we are using, the name of the person to receive the newsletter and to suggest the names and addresses of others who might like to receive future newsletters.

Sincerely,

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