

Tourist Profiling and Prospecting Research

Knowing How to Reach Your Customers During Tough Economic Times

With uncertainty about future travel, tourism businesses must develop marketing plans based on solid customer information. UW-Extension resources help tourism businesses examine the place of origin of existing customers as a basis for making marketing decisions during tough economic times.

Getting Started:

Communities and their businesses can improve the precision of their marketing efforts by studying characteristics of their existing customers. Marketing professionals suggest that new customers often share similar, geographic, demographic, and lifestyle characteristics with existing customers. By mapping the origins of your existing customers, you can analyze the demographic and lifestyle makeup of their zip codes (or neighborhoods) as a basis for finding other places with similar customers.

Zip codes can be used to determine where existing customers reside. A simple spreadsheet can be used to sort the numbers of customers by zip code. These zip codes can then be illustrated on a map using Geographic Information Systems (GIS). A free and easy-to-use mapping software called *Trade Area Analyst LT* is available through UW-Extension and may be helpful for some customer zip code lists (not suitable for Windows Vista).

Once the geographic origin of current customers has been identified, places with significant concentrations of customers (high market penetration) can be examined to understand their demographic and lifestyle characteristics. Various data sources are available to profile these communities, starting with the U.S. Census <http://www.census.gov/> See other sources at: <http://www.uwex.edu/ces/cced/communities/CountyEconomicProfile.cfm>

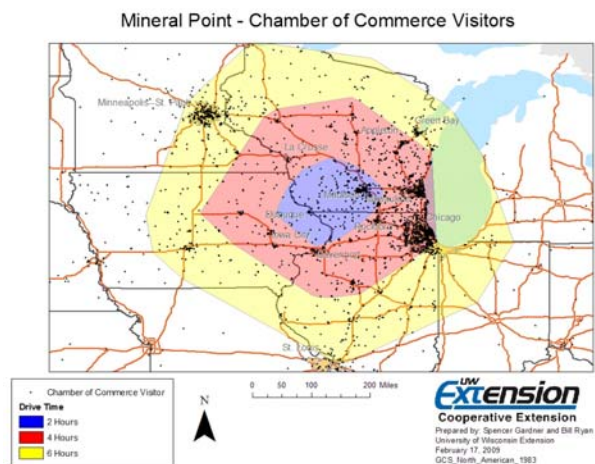
Some private data firms offer lifestyle segmentation systems that describe an area's residents by their spending behaviors and preferences. Two web sites provide a glimpse of how a community is viewed through the lenses of lifestyle segmentation systems. See: http://www.esri.com/data/esri_data/tapestry.html or <http://www.claritas.com/MyBestSegments/Default.jsp?ID=20>

For a More Comprehensive Analysis:

For community or regional tourism organizations, the UW-Extension Center for Community & Economic Development can conduct more extensive geographic, demographic and lifestyle research using GIS. Customer profiling and prospecting assistance through Extension has served a variety of businesses and organizations including lodging establishments, chambers, visitor bureaus, and retail stores.

For More Information:

Bill Ryan
Center for Community & Economic Development
UW-Extension
610 Langdon Street, Room 329
Madison, Wisconsin 53703
E-mail: bill.ryan@uwex.edu
Ph: 608-263-4994



Tourism Business Development Toolbox

Including Financial Analysis and Planning Software

<http://www.uwex.edu/ces/cced/tourism/>

With uncertainty about future travel, businesses must develop financial plans based on solid information. This requires accurate operating projections and “what-if” financial scenarios to prepare for uncertain sales. Free on-line resources are available from UW-Extension to help tourism businesses make good decisions during these tough times.

About this Resource:

The University of Wisconsin – Extension maintains a free, on-line toolbox to assist tourism businesses in market analysis and financial planning. The on-line toolbox provides existing and prospective business operators with relevant business trends, industry comparison data, market analysis techniques and downloadable financial planning software.

The toolbox focuses on six types of tourism businesses. These include: hotels/motels; small resorts; bed and breakfasts; campgrounds; retail stores; and restaurants.

The toolbox includes downloadable MS Excel workbooks that have been developed for each business category. The easy-to-use software allows the user to develop 12-month operating budgets and 5-year pro forma income and cash flow statements. The software is especially useful as it allows the user to do “what-if” and “break-even” analyses. Operators considering changes to their rates, operating expenses or capital spending will find the software a useful tool in decision-making during tough economic times.

This resource complements the comprehensive line-up of market research and services provided by the Wisconsin Department of Tourism and state trade/industry associations.

Putting it to Work in Your Community:

This resource is intended to be used as a self-help tool by business operators. The toolbox's website can be shared with Chamber and Visitor Bureau members, bankers, consultants, and others who work directly with tourism business operators. It can also serve as an educational resource offered by SBDC counselors and other UW-Extension educators.

For More Information:

<http://www.uwex.edu/ces/cced/tourism/>

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Center for Community & Economic
Development, UW-Extension
610 Langdon Street, Room 329
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E-mail: bill.ryan@uwex.edu
Ph: 608-263-4994

