

CITY OF KINGMAN
ECONOMIC DEVELOPMENT AND MARKETING COMMISSION
REGULAR AGENDA

Wednesday, April 13, 2016, 7:30 A.M.
Council Chambers – 310 N. 4th Street, Kingman, Arizona

EDMC MISSION STATEMENT

The mission of the Kingman Arizona Economic Development and Marketing Commission is to foster and encourage responsible economic development through developing an empowered workforce, assisting to sustain local businesses, and marketing Kingman to outside commercial and industrial enterprises. These endeavors will diversify the economic climate, create jobs, expand Kingman's tax base, and enhance the quality of life for all citizens.

Chair: Chuck Waalkens
Vice-Chair: William Wales
Members: Mike Cobb Alie Reynolds
Roy Forrest Yvonne Woytovich
Gene Kirkham
Council Liaison: Mark Abram

Roll Call & Pledge of Allegiance

1. APPROVAL OF MINUTES

The Regular Meeting minutes of March 9, 2016

2. PUBLIC COMMENTS

Those wishing to address the commission should fill out request forms in advance. Action taken as a result of public comments will be limited to directing staff to study the matter or rescheduling the matter for consideration and decision at a later time. There will be no comments allowed that advertise for a particular person or group. Comments should be limited to no longer than 3 minutes.

3. OLD BUSINESS

None

4. NEW BUSINESS

a. Discussion and possible action on recommending Buxton services to Council

Cody Gunstenson of Buxton will provide a presentation on the company's retail and restaurant customer analytics and site selection services. The commission may discuss and/or take action on information provided during the presentation.

b. Discussion and possible action on promoting Kingman on tour busses via video

Chair Waalkens requested an agenda item to discuss the possibility of showing the Kingman economic development opportunities video on tour busses that travel through the Kingman area. The commission may discuss and/or take action on this item.

c. Discussion and possible action on supporting the expansion of the Historic Overlay District

Commissioner Kirkham requested an item to discuss the possibility of supporting the Downtown Merchants Association's push to expand the footprint of the Historic Overlay District in downtown Kingman.

5. REPORTS

a. Update on efforts to revitalize commercial filming as a source of revenue in Kingman

The commission will hear a report from Commissioner Woytovich on steps taken to revitalize commercial filming activity in Kingman.

b. Kingman SOARS

Commissioners will hear a brief synopsis of the proposed Kingman SOARS program. This item is for informational purposes only.

c. Updates from commissioners who have attended local business and community organization meetings

Commissioners will give brief reports on matters discussed during local business and community organization meetings that are related to the mission/efforts of the EDMC.

6. COMMISSIONER'S COMMENTS

Limited to announcements, availability/attendance at conferences and seminars, requests for agenda items for future meetings and requests for reports from staff.

ADJOURNMENT

POSTED _____

**CITY OF KINGMAN
REGULAR MEETING OF THE
ECONOMIC DEVELOPMENT AND MARKETING COMMISSION**

**City Council Chambers
310 N. 4th Street
Kingman, Arizona**

7:30 a.m.

Minutes

Wednesday, March 9, 2016

Members:	Officers:	Visitors Signing In:
C. Waalkens, Chair	J. Dougherty, City Manager	See Attached
W. Wales, Vice-Chair - ABSENT	M. Abram, Council Liaison	
M. Cobb - EXCUSED	R. Anderson, Mayor	
G. Kirkham	G. Jeppson, Development Services Director	
A. Reynolds	E. Roper, Deputy City Clerk	
Y. Woytovich		
Vacant		

EDMC MISSION STATEMENT

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MEETING MINUTES

CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL

Chair Waalkens called the meeting to order at 7:30 A.M. All commissioners were present except for Commissioner Cobb, who was excused, and Vice-Chair Wales, who was absent.

1. APPROVAL OF MINUTES

The Regular Meeting minutes of February 10, 2016

Commissioner Kirkham made a MOTION to APPROVE the Regular Meeting minutes of February 10, 2016. Commissioner Woytovich SECONDED and it was APPROVED by a vote of 4-0.

2. PUBLIC COMMENTS

Those wishing to address the commission should fill out request forms in advance. Action taken as a result of public comments will be limited to directing staff to study the matter or rescheduling the matter for consideration and decision at a later time. There will be no comments allowed that advertise for a particular person or group. Comments should be limited to no longer than 3 minutes.

City Manager John Dougherty asked the commission to add a presentation about Buxton services to the next meeting agenda. Mr. Dougherty stated Mayor Anderson, Kingman Visitors Center, Inc. employee Josh Noble, Commissioner Woytovich, and he attended a Buxton webinar last week and he wanted to present the information to the commission.

3. OLD BUSINESS

a. Discussion and possible action on filling vacancies on the EDMC

Commissioners will discuss and possibly take action on filling one vacancy with a term that expires December, 2017.

Applicant Phillip R. Forrest stated he had a Masters in Nursing Education and Administration and administration of nursing was very complex. Mr. Forrest stated he had experience writing grants for people that wanted to start small businesses in California, which was difficult at the time because the economy was in a recession and people were reluctant to award money. Mr. Forrest stated he had administrative experience and ideas to help develop industry in Kingman. Mr. Forrest stated Kingman had a lot of potential for business growth and he wanted to see that realized.

Chair Waalkens asked Mr. Forrest what he believed to be Kingman's best potential business avenue.

Mr. Forrest stated the pharmaceutical industry and the movie industry should be explored. Mr. Forrest stated there was a lot of land that could be used by the movie industry.

Commissioner Kirkham asked Mr. Forrest to describe his grant work.

Mr. Forrest stated he wrote grants for private individuals that wanted to start up a business. Mr. Forrest stated some of the people lost their jobs due to the recession and did not know what to do. Mr. Forrest stated he helped them find something they were passionate about and wrote the grants for them to obtain funding to start their businesses.

Commissioner Kirkham made a MOTION to RECOMMEND Phillip R. Forrest for appointment to the Economic Development and Marketing Commission. Commissioner Reynolds SECONDED and it was APPROVED by a vote of 4-0.

b. Discussion and possible action regarding the content of the convention flash drives

Commissioners will review and possibly take action on including Kingman Area Chamber of Commerce videos on the flash drives that will be distributed at upcoming retail conventions.

Development Services Director Gary Jeppson stated all the information, including three Chamber videos, would be able to fit onto the drives if an extra \$60 was spent to obtain a bigger drive. Mr. Jeppson stated the drives would be ready for the conference.

Commissioner Kirkham made a MOTION to APPROVE increasing the budget for flash drives by \$60 and to include three videos from the Kingman Area Chamber of Commerce on the flash drives. Commissioner Reynolds SECONDED and it was APPROVED by a vote of 4-0.

4. NEW BUSINESS

None

5. REPORTS

a. Presentation on the Mohave Community College Small Business Development Center (SBDC)
Center Director Mark Retersdorf will give an overview of the SBDC mission and operations.

Mark Retersdorf presented the slides included in the agenda packet. On slide one Mr. Retersdorf stated the SBDC has been open since the mid-1980s and was funded by the United States Small Business Administration (SBA) and Mohave community College (MCC). Mr. Retersdorf stated the goal was to

help people start businesses, grow their existing businesses, and help troubled businesses when possible. Mr. Retersdorf stated business analyst Lisa Card also worked in the SBDC. Mr. Retersdorf reviewed the information on slide two and stated the majority of the SBDC clients were referred by banks. Mr. Retersdorf stated cash flow was where many people encountered problems and the number one reason for failed businesses. Mr. Retersdorf stated the SBDC worked towards being proactive with people on this issue. Mr. Retersdorf stated the staff had great relationships with the local banks and knew where people would have the best chance of securing a loan for their specific business and financial situation. Mr. Retersdorf stated the staff also helped people prepare for government contracts, especially federal contracts as currently 90% of the contracts were awarded to businesses located outside of Arizona. Mr. Retersdorf stated local, state, and federal contracts could boost a business. On slide three Mr. Retersdorf stated the SBDC used a lot of different programs to help clients and provided training to help business owners understand income and balance sheets. On slide four Mr. Retersdorf stated the trainings were held at different sites in the tri-state area. Mr. Retersdorf stated the SBDC had a close connection with the Arizona Division of Occupational Health and Safety (ADOSH) and facilitated trainings in the tri-state area in order to save business owners the expense of making trips to Phoenix for necessary training. Mr. Retersdorf stated the SBDC received an award for their partnership with ADOSH. On slide five Mr. Retersdorf discussed the 2016 winner of the success award, who was a manager at Panda Express and came to the SBDC for help opening a franchise location. Mr. Retersdorf stated the SBDC looked at his assets and provided a list of franchises he would qualify for. Mr. Retersdorf stated he selected Baskins Robbins, opened a store in Kingman and hired 12 people. Mr. Retersdorf stated he now owned a second store in Bullhead City and was working on a Lake Havasu City location. Mr. Retersdorf stated the stores provided first time jobs for people and supervisory positions. On slide six Mr. Retersdorf stated last year's success award winner was Frozen Yogurt Island. Mr. Retersdorf stated the business had one very slow night each week and the SBDC talked to the owner about hosting a pet night at the yogurt shop to capitalize on the rise in pet ownership. Mr. Retersdorf stated the shop's sales increased dramatically. On slide seven Mr. Retersdorf stated Rim Country Rock and Yard was another success story. Mr. Retersdorf stated a husband and wife team wanted to start a business their son could take over when he left the military. Mr. Retersdorf stated the son and his wife now operated the successful business. Mr. Retersdorf reviewed the figures on slide eight and stated the SBDC had goals it needed to hit each year such as creating 40 new jobs and working with 15 startups. On slide nine Mr. Retersdorf stated the SBDC had ratings from clients on its website. Mr. Retersdorf reviewed slide 10. On slide 11 Mr. Retersdorf stated the SBDC was part of a state wide network. Mr. Retersdorf reviewed slide 12. On slide 13 Mr. Retersdorf stated the SBDC provided two to three posts a week of tips for businesses.

Chair Waalkens stated the SBDC was a phenomenal program and there was a lot of help available in Kingman for people who wanted to start a business. Chair Waalkens asked if there was a cost involved with the program.

Mr. Retersdorf stated there was no cost and the SBDC was tax payer funded through MCC and the SBA. Mr. Retersdorf stated some of the more extensive trainings had fees, such as the ADOSH classes that earned certificates.

Chair Waalkens asked how the community could get ahold of the SBDC.

Mr. Retersdorf stated a person could call MCC or visit the SBDC website and submit a request for counseling. Mr. Retersdorf stated Ms. Card worked in Kingman and she had a strong accounting background. Mr. Retersdorf stated the SBDC could not give legal advice, but could help with limited liability company (LLC) forms.

Commissioner Reynolds stated she worked with the SBDC in 1994 to start her real estate office and was currently working with Ms. Card to start an online business.

Mr. Retersdorf stated the SBDC staff sometimes had to give bad news that an idea was not feasible, for example if a person's credit or assets were not enough or the idea was not profitable. Mr. Retersdorf stated the staff asked the interested person to go through a feasibility study and focus on the reality of the situation. Mr. Retersdorf stated people should always come to the SBDC before buying a business because the staff could run an evaluation on the business and see what it was worth. Mr. Retersdorf stated an idea to encourage businesses to move to Kingman would be to create a Google Alert for certain topics such as high regulations or increased taxes. Mr. Retersdorf stated the Alert would send current articles about businesses experiencing the pain of increased taxes or regulations and the City could target these companies' zip codes with an advertisement promoting Kingman. Mr. Retersdorf stated the Kingman Regional Medical Center could also use this tactic to recruit doctors, for example promoting Kingman's good weather during heavy winter snow storms on the east coast.

Commissioner Kirkham asked if the SBDC could help large businesses.

Mr. Retersdorf stated the SBDC was limited to helping companies with no more than 200 employees. Mr. Retersdorf stated the SBDC worked to help second stage companies on the edge of growth become stage three companies, many of which faced the issue of not being able to find qualified management staff in the local community. Mr. Retersdorf stated businesses needed to be cautious about hiring management staff from outside the community as these individuals may not have strong ties to the community and decide to relocate it to another city or state. Mr. Retersdorf stated the SBDC experienced this issue in the past.

Commissioner Kirkham stated he was impressed by Mr. Retersdorf's presentation and did not know this resource was available in Kingman.

Chair Waalkens stated that was the reason for asking Mr. Retersdorf to present at the meeting. Chair Waalkens stated he wanted the community to know about this resource.

b. Update on efforts to revitalize commercial filming as a source of revenue in Kingman

The commission will hear a report from Commissioner Woytovich on steps taken to revitalize commercial filming activity in Kingman.

Commissioner Woytovich stated the Chamber Board needed to discuss the idea, which was tabled at the last meeting due to other issues that needed to be addressed.

c. Updates from commissioners who have attended local business and community organization meetings

Commissioners will give brief reports on matters discussed during local business and community organization meetings that are related to the mission/efforts of the EDMC.

Chair Waalkens stated he attended the Business and Government Committee meeting where the issue of legalized marijuana in Arizona was discussed. Chair Waalkens stated legalization would not benefit the business community as marijuana use tended to lead to higher employee absenteeism and decreased productivity. Chair Waalkens stated the potential tax benefits would not be enough to outweigh the

damage to the community.

Commissioner Reynolds stated the Downtown Merchants Association was presenting an extension of the downtown historic district to the City. Commissioner Reynolds stated the goal was to enlarge the footprint of the district in order to help businesses and improve the downtown area. Commissioner Reynolds stated she attended a meeting for the farmers' market, which was somewhat disappointing because very few people showed up. Commissioner Reynolds stated the group developed a mission statement and scheduled another meeting.

Commissioner Kirkham stated the Downtown Merchants Association approached him about the historic district and would be having a meeting this week to obtain more information. Commissioner Kirkham stated the commission should look at whether to support the expansion of the district.

6. COMMISSIONER'S COMMENTS

Limited to announcements, availability/attendance at conferences and seminars, requests for agenda items for future meetings and requests for reports from staff.

Commissioner Kirkham asked for an agenda item addressing the Kingman SOARS proposal and associated steering committee. Commissioner Kirkham stated he wanted more information on the proposal including how it would conform to the City's General Plan. Commissioner Kirkham stated Mr. Dougherty or Mr. Jeppson could provide the presentation and the commission should have a representative on the steering committee.

Chair Waalkens directed Staff to add the film commission activity agenda item to the April, 2016 agenda.

Commissioner Kirkham made a MOTION to ADJOURN. Commissioner Reynolds SECONDED and it was APPROVED by a vote of 4-0.

ADJOURNMENT – 8:16 A.M.

APPROVED:

Chuck Waalkens, Chair of the Economic Development and Marketing Commission

STATE OF ARIZONA)
COUNTY OF MOHAVE) ss:
CITY OF KINGMAN)

CERTIFICATE OF ECONOMIC DEVELOPMENT AND MARKETING COMMISSION

I, Erin Roper, Recording Secretary of the City of Kingman, Arizona, hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the Economic Development and Marketing Commission held on March 9, 2016.

Dated this 13th day of April, 2016

Erin Roper, Recording Secretary

Buxton Overview

Buxton is the industry leader in customer analytics and site selection with more than 500 years of development experience. We work with more than 3,000 national and regional retail clients including Wal-Mart, Bed, Bath & Beyond, Lowes, FedEx, Marriott, Trader Joe's, California Pizza Kitchen, In & Out Burgers, Dave and Busters, New Balance, Applebee's, Ben & Jerry's, Jamba Juice, Massage Envy and thousands more unique concepts.

In addition to our retail clients, we work directly with municipalities, assisting communities, local EDCs, and regional partnerships in understanding what specific retailers/restaurants are suitable for specific development sites. Buxton has worked with more than 700 communities both large and small. In fact, we've been able to assist our community clients recruit more than 40 million square feet of retail space around the U.S. using the tools we have provided.

Buxton owns the most sophisticated and granular household-level data available, which includes more than 75,000 lifestyle characteristics. This enables us to provide our clients with rolling, real-time snapshots of every household in any size trade area, as well as give our public sector clients access to intelligence that retailers, hospitals, and hotel chains utilize to make multi-million dollar decisions!

Community/ID Methodology

The proprietary methodology used to develop your Community/ID Solution is the same methodology that Buxton uses with over 3,000 retail clients to select locations for stores and restaurants and has been developed utilizing technologically advanced systems.

We use customer spending habits to determine the market viability of an area. Utilizing this information allows a more proactive and selective process to take place. It provides a focused list of targeted retailers and gives the retail concepts the assurance they need to make a speed-to-market decision about your community/county.

Additionally, Buxton's daily working relationship with major retail clients gives you the assurance that your specific marketing materials will address the needs of location decision makers. With Community/ID you can effectively sell your community/county because you are providing the details required to make decisions.

The application of this data is virtually endless, including, but not limited to:

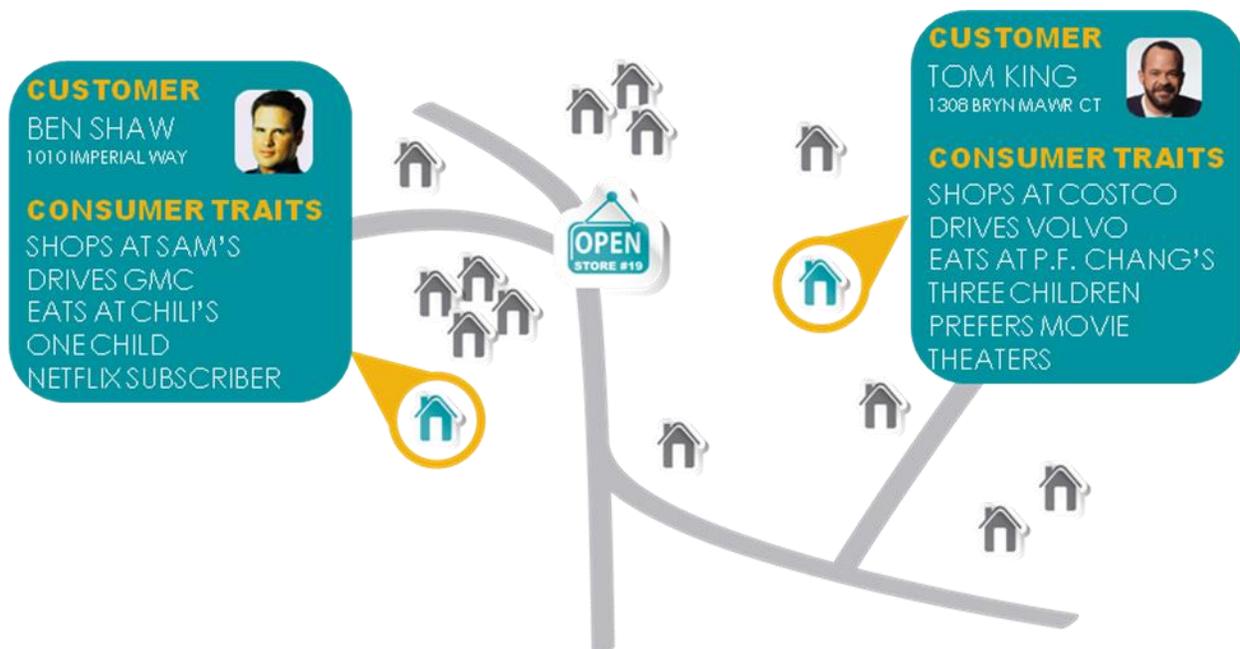
- Understanding Neighborhood Serving Retail Needs/Opportunities
- Providing Business Retention Tools
- Tourism Profiling and Direct Marketing Tools
- Hotel Recruitment
- Comparison of New Residents versus Tenured Residents
- Public Library Location Recommendations and Collection Mix
- Emergency Services
- Understanding Neighborhood Serving Healthcare Needs/Opportunities
- Transit-oriented Planning
- Marketing Tools to Promote City/County/State Initiatives such as green technologies
- Utility Comprehension
- Economic Impact and Industrial Recruitment

We Know How America Lives

Accurately defining and knowing who your customers are, relative to other customers in the market, applies to virtually any concept imaginable. For local businesses, customer knowledge creates revenues, facilitates growth, generates profits and increases shareholder value. For public sector entities, understanding the lifestyle and purchasing characteristics of their residents enables civic leaders to focus clearly on the specific economic development strategies. To achieve this level of knowledge, the actual customer household must be the foundation for all research efforts.

Buxton has pioneered the use of household-level data for research purposes. Millions of customer transactions are analyzed to determine purchasing habits and lifestyles, a term now known as psychographics. Once the lifestyle of a given customer is known, they and others like them can literally be found anywhere in America. Buxton's comprehensive data sets allow for a fact-based approach to retail identification and include:

- 250 national and proprietary databases including:
 - 130 million household records with up to 7 individuals within each household
 - More than 75,000 lifestyle and consumer habits for each type of customer



The sources of our data include, but are not limited to:

- Experian
- Equifax
- VISA® (*exclusive partnership*)
- Credit Cards
- Reward Cards
- Subscriptions
- Mail Order
- Warranty Cards
- Motor Vehicle Information
- Traffic Counts
- Acxiom
- InfoUSA

Replace Guesswork with Certainty

While the science of retail site selection has changed, many communities have not. Some are still using tools that put them at a disadvantage in today's brutally competitive retail marketplace. Long gone are the days of waiting for a retailer to notice you. The investment for the retailer; buying property and building a store is simply too expensive to leave to chance. With the new generation of tools for customer analysis, retailers can have confidence that the decisions they are making are the right ones. CommunityID helps take the guesswork out of the equation and helps you differentiate yourself from the cities across the U.S. that you compete with for retail. Additionally, knowing and understanding the trade area's unique customer base enables your existing businesses to succeed.

A Customized Solution

Your community is different from any other, with unique features that impact the local retail market. As a result, *Community/D* is not another “off-the-shelf” report, but a customized solution that takes into account the special attributes of your community – attributes that could be very attractive to retailers.



Community/D offers a proven strategy and plan of action for marketing your community to retailers and developers. It not only helps you achieve your short-term goals, but can ensure the economic strength of your retail sector over the long-term.

- Identify sites in your community that offer retail potential
- Profile the shopping and dining habits of your residents, tourists, and workday populations
- Target retailers uniquely suited for your community and that complement existing retail
- Market your community using the information retailers need
- Establish credibility with retail decision makers
- Prevent retail leakage and lost tax revenue
- Satisfy your citizens’ desire to shop in their own city and increase quality of life
- Become a proactive partner to local business owners by providing valuable data about the current market

Buxton's Solution

Our solution is a total marketing strategy that enables community leaders to immediately implement a retail development program. It provides the same analytical information retailers depend on today to make site selection decisions so that you will have a compelling case as to why the city can support new retail and restaurant locations and expansions. Additionally, retail recruitment identifies specific retailers who seek a market with household purchasing habits just like yours, and we provide custom marketing packages targeted to that specific retailer.

Community/D goes beyond a plan. It allows your community to be proactive rather than reactive to the recruitment process. In addition, this solution provides a number of answers for existing business retention. Including but not limited to:

- Merchandising decisions
- Marketing strategies
- Consumers preferences

SCOUT Touch®

Along with a fully customized solution that lays the foundation of a successful retail development program, access to Buxton's proprietary tool, SCOUT Touch®, will also be provided. The days of carrying large binders with information about your community when you speak with retailers is over. All of the analysis done at Buxton for your community will be stored within this tool providing you easy access anytime, anywhere right from your laptop or tablet. It will provide you, as community leaders, with the ability to also speak with your local business owners and assist them in better understanding the market in which they serve.

The usefulness of this tool cannot be understated. This tool will allow you to leverage technology like never before to assist you in your retail recruitment and retention efforts. This tool is an absolute must in successfully recruiting retail – this is the exact same tool that our retail clients are using today to make their site selection decisions.

Benefits

- Maximize revenue growth to fund city services
- Retain dollars that are being spent outside the community
- Create new, permanent jobs
- Satisfy citizens' desire to shop at home
- Partner with the leader in site selection analysis to the retail industry
- Establish credibility with decision makers by providing factual evidence to support your location
- Use competitive analysis to close the deal
- A dynamic, consumer-oriented retail sector is a component of a healthy economy
- Existing business growth and retention

Deliverables

- Drive-time Trade Area Map
- Retail Site Assessment (retail potential of up to three selected sites)
- Retail Match List (specific retailers that match the households in the trade area)
- Retailer Specific Marketing Packages
- SCOUT Touch® online access to deliverables
- iPad Air preloaded with results delivered upon completion of analysis

To further explore how Buxton can assist your community with your retail development efforts, please contact:



Cody Gunstenson

Director of Sales

O: (817) 332 - 3681

E: cgunstenson@buxtonco.com

4 Tips for Tourism Success



1. Align Your Resources

All city leaders should be working together toward one common goal: increasing the number of visitors. Retail and economic development leaders should especially work together with the area's convention and visitors bureau given the important role that shopping and dining plays in attracting visitors. Bottom line: have a common vision and goal.

2. Know What You Have to Offer

Have a clear picture of who you are as a community and what your community has to offer visitors. Identify your unique differentiators and go beyond simple attributes like "we have a lake." What is it about your lake that makes visitors choose to visit your community rather than the neighboring town that has a lake?

3. Gather Your Data to Discover Insights

Analyzing data helps answer critical questions that ultimately shape your tourism development strategy, such as:

- Why do people visit my community?
- What activities do visitors like?
- Where do visitors spend money?
- Where do visitors come from?
- Which markets should be prioritized for marketing initiatives?

Resources that will help you answer these questions include convention and visitors bureaus, state-level tourism agencies, the U.S. Travel Association, and analytics firms like Buxton.

4. Make Sure Your Marketing Fits Your Target

Finally, it's important to make sure that your tourism marketing message fits the profile of your target market. But don't stop there – it's also important to distribute the message through the right channels. Pay close attention to your advertising budget and media buys to make sure you are reaching the right audience with the right message.

Increase Tourism with Buxton's Visitor Insights

Since 1994, Buxton has been the industry leader in customer analytics. Our visitor insights go beyond broad demographics to give you a clear understanding of your community's visitors, providing a solid foundation for strategic tourism development initiatives.

Ready to learn how Buxton can help grow tourism in your community? Contact us today.

Retail and Tourism: A Match Made in Community Development Heaven

Retail development. Tourism development. Both initiatives, which received major blows during the recession, have recently regained strong momentum.

While these two development areas may seem to be distinct, community leaders need to recognize the vital link that connects these initiatives and avoid operating retail and tourism development in isolation. In this article, we'll explore the state of the travel industry, the link between tourism and retail development, and the three questions community leaders should be able to answer.

SMOOTH SAILING FOR THE TRAVEL INDUSTRY

The travel industry has rebounded since the recession, and the implications for communities are huge. Growth in domestic travel is steadily increasing, and isn't expected to slow any time soon.



Additionally, spending on travel is up and the tourism industry remains a tremendous source of revenue for local governments, generating \$1.1 billion in tax revenues for Texas cities, the equivalent of \$840 in taxes for every Texas household.

Direct Economic
Impact of Travel in
Texas is
\$67 BILLION

Given tourism's direct economic impact, it's not surprising that many communities are competing to capture a portion of the revenues generated by this lucrative industry. However, in order to win a larger share of travelers' wallets, it's vitally important to understand the factors that attract visitors.

RETAIL: A TOURISM MAGNET

One critical factor in attracting visitors is retail. Restaurants and retail play a tremendously important role in local tourism economies and are among the [top leisure travel activities](#) for Texas leisure travelers, ranking second and third, respectively. In 2012, travelers in Texas spent nearly \$11.5 billion on dining out and \$8.4 billion on retail.

Since retail plays such an important role in attracting tourists, retail and tourism development initiatives cannot operate in isolation.

This insight prompts three very important questions for community leaders:

1. What percentage of your community's total retail sales are driven by tourism?
2. If a significant percentage of your retail sales are driven by tourism, how are your residents different from your tourists in terms of shopping habits?
3. How do those differences in shopping behavior impact your strategy?

Of these three questions, the third is the most critical. Community leaders absolutely must understand how differences in shopping preferences impact retail development (and consequently tourism development) strategies.

By understanding the differences in shopping preferences between the two groups, community leaders can determine what types of retailers and restaurants they should recruit and/or retain. For example, the residents in a community may predominately fall into a small number of lifestyle or psychographic segmentations, while visitors may fall into different psychographic segmentations. If the variations in psychographic segmentations are slight, the impact on retail strategy may be subtle, but if a large portion of retail spending in your area is driven by visitors whose shopping preferences are markedly different from those of local consumers, it may make sense to recruit retail and restaurants that specifically cater to the two distinct groups. In a classic domino effect, increasing the number of retail offerings that appeal to visitors in turn draws even more visitors with similar lifestyles – boosting both retail and tourism in your local economy.

Understanding the differences between visitors and residents and the relative spending impact of each group also affects the balance between retail that caters to your residents and retail that caters to your tourists. Even in communities where tourism revenue drives the local economy, it's important not to neglect residents' needs when implementing your retail development strategy. Cities such as Sevierville, Tennessee have recognized the importance of this balance. While tourism is a critical component of the local economy, the city is also proactively working to make it more convenient for residents to purchase essentials.

Finally, understanding the differences in shopping preferences allows your community to provide better support for local entrepreneurs. Since many travelers enjoy shopping and dining at unique destinations – experiencing things that they can't do at home – educating local entrepreneurs about who your community's visitors are and their shopping and dining preferences helps those local businesses to make more informed marketing and merchandising decisions.

MAPPING YOUR TOURISM DEVELOPMENT ITINERARY

There are many resources available to help communities better understand the impact of tourism on their local economy, where visitors are coming from, and the shopping and dining preferences of visitors. Convention and visitors bureaus provide helpful information, as do the Economic Development and Tourism Division of the Governor's Office, the Texas Travel Industry Association, and the U.S. Travel Association.

Additionally, many communities are turning to customer analytics firms that provide visitor insights to identify where tourists come from and where they spend money. These analytics firms can provide insights into the geographic areas where the community should concentrate its tourism marketing budget, as well as provide information on the lifestyles and shopping preferences of visitors.

Palm Springs, California, is an excellent example of a community that took an analytical approach to tourism development. By using customer analytics, the city discovered that 73% of sales in the city (by dollar volume) come from people who don't live there. Furthermore, 13% of sales come from people living in America's most wealthy neighborhoods – in cities such as San Diego and West Los Angeles. The insights

persuaded voters to support a 1% sales tax increase to support parks, street renovations and an upscale retail area.

Retail development and tourism development truly do go hand-in-hand, and with access to cutting-edge analytics technology, innovative city governments are transforming their communities – one customer insight at a time.

ABOUT THE AUTHOR

Since 1994, Buxton has been the leading provider of customer analytics to more than 3,000 retailers, local governments, healthcare organizations, and other firms. We have helped more than 650 communities locate 35 million square feet of retail space and understand visitor preferences and characteristics. Learn more at www.buxtonco.com or contact us at buxton@buxtonco.com.

Tour bus companies travelling from Las Vegas to Grand Canyon

Canyon Tours	702-260-0796/866-218-3427
Mountain View Tours	800-341-7406/520-292-1183
Empire Charters	888-645-6574
Canyon Coach Lines	702-933-1128
Grand Canyon Tour Company	800-222-6966/702-655-6060
Grand Canyon South Rim Bus Tour	888-635-7272/702-736-7243
Las Vegas Bus Tours	702-892-7575/877-847-4858
Gray Line	303-394-6920
Papillion Bus Tours	702-736-7243/888-635-7272
Paradise Found Tours	702-363-1407
Sweetours	702-736-7243