



The National Voice of Scenic Byways & Roads

MONTHLY MARKETING TOOLBOX Unit Eight

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MONTHLY MARKETING TOOLBOX

National Scenic Byway Foundation is pleased to introduce the members-only Monthly Marketing Toolbox. Each month for the next year, you will receive one unit of a 12 step marketing process. Implementing the entire process will transform a destination's or Byways' marketing from an organization focused on marketing to selected membership to an organization focused on delivering the best traveler experiences that appeal to today's vastly changed travelers.

Each month we will look at a different aspect of marketing and see how it applies to real world situations, enabling you to determine how the material can be used to transform your own destination or Byway marketing.

This month we are addressing the economic impact of Scenic Byways and how to take advantage of the economic value that Byways and scenic roads deliver.



Scenic Byways Have Been A Part of America For More Than A Century

Road travel in the United States isn't going anywhere. The first scenic road was built in 1916 and auto travel began to take advantage of getting out into nature to enjoy the drive. Road trips have grown consistently as the population has grown and cars improved. The family road trip exploded during the 1960s when the parents of today's Baby Boomers began taking the Brady Bunch on trips across the US.

The first officially designated scenic roads were created in Massachusetts in 1910. Later in that decade, Arkansas and Mississippi joined the movement. Soon, California, Colorado, New York, Washington, and Wisconsin recognized their special scenic roads. The Highway Beautification Act of 1965 improved the appearance of America's roadways. In 1988, the USDA US Forest Service created 144 Forest Service Scenic Byways and in 1989, the Bureau of Land Management designated 54 BLM Scenic Byways. In 1991, the Intermodal Surface Transportation Efficiency Act (ISTEA) created the National Scenic Byways program through the Federal Highway Administration. The program was created specifically to empower local communities to protect these irreplaceable resources that deliver visitor experiences.

Indicating the importance of road trips and scenic drives to Americans, already 75% of all travel in the United States is within 4-6 hours from home and 56% of trips are taken over a long weekend. Travelers are able to expand two weeks of vacation into 25 days of travel by combining vacation days with long weekend and holiday breaks.

Road trips are always the first to recover in times of industry disruption when people don't want to get on planes, and contrary to the assumption that they are only taken by those with limited incomes, road trips actually increase as household incomes increase. Travelers don't want strict schedules and want to be able to pick and choose what they want to do, often spontaneously while on the road. Research by Duke University revealed that participation immersed in experiences is as effective to lower blood pressure and promote health as exercise. If the United

States experiences another major recession, even road trips will feel the pinch as discretionary expenses are curbed. The purchase of fewer cars may impact road trips, but more likely rental cars will be used for this purpose.

Scenic Byways Are Economic Drivers And Job Creators

Very important to the regions in which they occur, Scenic Byways are economic drivers. And, because the majority of Scenic Byways are off the beaten path, the spending and jobs generated by Byways are in rural areas, where it is most challenging to generate new jobs and increased economic impact. At the very basic level, 100 new traveling parties to a destination creates the equivalent of one new job. 1,000 traveling parties create the equivalent of 10 new jobs. In a 2018 study, Ford Motor Company discovered that 54% of drivers traveling for leisure prefer to take the scenic route.

Ongoing detailed research indicates that Scenic Byways deliver strong economic impact throughout the country. During 2009-2010, the University of Minnesota Center for Tourism studied the economic impact of traveler spending since 2000 on two Minnesota Scenic Byways. Overall, the Paul Bunyan Scenic Byway generated \$631,000 of direct and indirect spending and contributed \$271,000 of labor income to the local economy. In addition, they estimated that the Lake Country Scenic Byway generated \$477,000 of direct and indirect spending and contributed \$181,000 of labor income. Research concluded that that 23,800 parties visited specifically for the Paul Bunyan Byway, adding \$21.2 million in economic output to the regional economy, including 331 jobs. The same research along the Lake Country Byway indicated that 51,000 parties visited specifically for the Byway, adding \$31.7 million in economic output to the regional economy, including 512 jobs. That's more than \$344,000 per mile!

In 2011, Rutgers, The State University of New Jersey, studied the economic impacts of Historic Route 66 to determine traveler spending and trip characteristics. The researchers estimated the total direct economic activity related to Route 66 to be

about \$132 million annually, bringing economic impact to the rural areas off the Interstates, where Route 66 was once the traditional travel route.

In 2013, research about the Beartooth Highway which travels through the far reaches of the area in Wyoming and Montana surrounding Yellowstone National Park, visitors from all 50 states, most Canadian provinces and several foreign countries delivered \$53 million in annual spending.

Research conducted in 2014 for Scenic 12 in Utah, illustrated that per party spending averaged \$853.56 for a 4.02 day long trip, (or \$212.33 per day) on the Scenic Byway which generated an increase of 60,176 annual trips after designation, for a total annual economic impact of \$12,777,155.

Studies for the Blue Ridge Parkway illustrated that in the 29-county byway region of North Carolina and Virginia, the Parkway generated \$1.5 billion in total business sales, sustained approximately 9,300 jobs, and delivered an increase of \$251.7 million in labor earnings.

In a four-county region of Oklahoma and the Cherokee Nation, the Cherokee Hills Scenic Byway generated \$85.3 million in total business sales, created 924 jobs, and an increase of \$30.2 million in earnings.

In the 15-county region in Maryland, Pennsylvania and Virginia, the Journey Through Hallowed Ground National Scenic Byway generated \$1.06 billion in total business sales, more than 6,500 jobs, and an increase of approximately \$165.1 million in earnings.

Research regarding the six-county region in California and Oregon indicates the Volcanic Legacy Scenic Byway generated \$163.6 million in total business sales, sustained more than 1,000 jobs, and an increase of \$24.6 million in earnings.

A 2016 economic analysis of Colorado's economy pegged the cumulative impact of visitor spending from the Scenic Byways between 2009 and 2014 at nearly \$4.8 billion, or nearly \$800 million annually.

And even short Scenic Byways benefit their regions. The two-county byway region in Detroit surrounding Woodward Avenue (M-1) Automotive Heritage Trail benefited from \$234,000 in total business sales and an increase of approximately \$53,000 in earnings.

Byways Attract A Huge Visitor Market

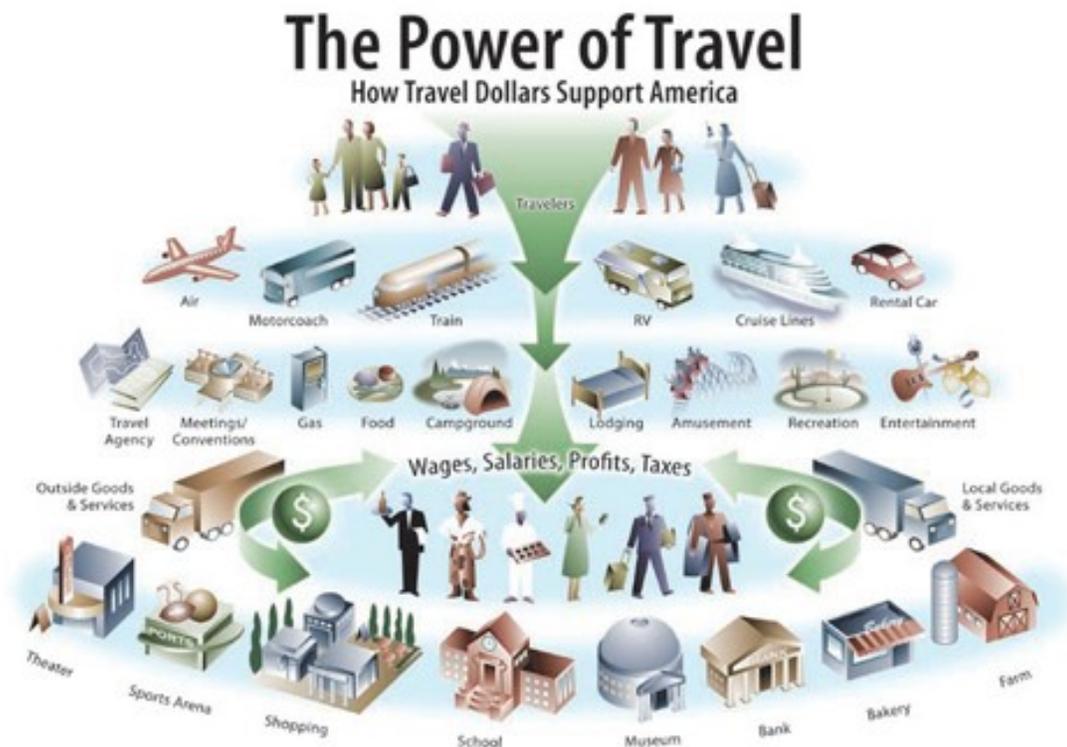
There is a huge market visitor market in the United States that seek out new off the beaten path experiences. Nearly 75% of American adults travel. A major subset of that market (81% of travelers or 139 million) engage in cultural and heritage travel visiting historic and cultural locations, of the types found along Scenic Byways. Approximately 62 million are particularly attracted to the cultural and heritage experiences along Scenic Byways, who leave the money they spend behind, and return home to tell their friends and family what a great experience they had, without requiring the area to spend for schools, hospitals or other community services.

Byways Are Important to Local Culture, Heritage and Scenic Byways

Yet, Scenic Byways are not just about tourism. Local communities are also keenly invested in the heritage, culture and other special qualities found along the Scenic Byways. It is very important for the communities that surround Scenic Byways to preserve these roads with special scenic, historic, recreational, cultural, archeological, and natural qualities. Once they are gone, a very important part of the American story will be lost forever.

Proving Economic Impact Has Been Challenging

Proving the economic impact of visitors on Scenic Byways and scenic roads has been one of the most challenging issues that destination marketers face. Unlike manufacturing or agriculture which are carefully tracked as industry sectors, the visitor industry is not even considered an industry by some. 99% of businesses that serve visitors are small and many family owned. Others are privately held and another portion of non-profits. This situation does not lend itself to effective collection of revenue information, unlike data available from publicly held entities. Another reason may be the astounding gap between tourism and promoting spending and the marketing spending in private industry. To many, the limited spending of tourism just doesn't seem like a legitimate economic generator.



Every destination that must prove their economic value to the community has a dilemma. Visitors arrive at a destination, pay for a hotel room, pay for admissions to attractions and activities, eat in restaurants and shop in local stores, leaving money behind and arriving home with great memories. This is an exceptionally good deal for any community pursuing visitors. But visitor parties of 2, 3, or 4 are mostly invisible. We know there are people from out of town at any given time in a community, but unlike manufacturing which can document the number of products shipped every day, there is virtually no way to count each and every visitor when they are in destination.

Unfortunately hotels and Beds and Breakfast accommodations are the only category used primary by visitors. Yet, visitors also eat in restaurants, fill their car with gas, stop for snacks, visit attractions, engage in activities and shop in local retail stores. To make things more complicated, categories such as vacation rentals can also be used as second homes, renter only a portion of the year.

The easiest way do arrive at the total visitor population would be to require the cooperation of every location in the destination that serves visitors, something that is very unlikely. Obtaining zip code information about all patrons would enable several things: to determine the percentage of patrons from the local area, the proportion from a 50 mile radius and how many are actually visitors from out of the area. Armed with that information, it would be possible to determine the portion of employees that are supported by visitor revenues and calculate both the revenue impact and employment impact for each location category. Barring the ability to do that, most proof depends on surveys of visitors that are extrapolated out to a larger visitor community.

Another challenge has been how to present the information about economic impact clearly and simply enough so political officials and other individuals not in the travel industry will understand and believe it — to sustain funding for tourism promotion.

One of the clearest statements about the value of tourism was issued by New York State, where one graph is used to clearly show the unemployment rate in New York State was 5.3% in 2015 with jobs in tourism included and would be 13.2% if the tourism jobs were eliminated.

The Cabarrus County North Carolina Tourism Contribution Face Sheet was one of the first, or the first to summarize: If visitors did not travel to Cabarrus County, each household would pay \$467 more in state and local taxes per year, to replace the taxes generated by visitor spending.