

Visit South Walton Economic Impact & Visitor Tracking Report

CALENDAR YEAR 2019



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INTRODUCTION



Economic Impact

Total economic impact of tourism on Walton County is a function of direct spending by visitors in Walton County, as well as indirect and induced effects of this spending.

- Indirect effects are increased business spending from tourism dollars.
- Induced effects are increased household spending resulting from tourism dollars.

Multiplier

Downs & St. Germain Research uses IMPLAN economic modeling to calculate the economic multiplier based on direct expenditure data collected from visitors to Walton County.

- IMPLAN models how dollars are spent and re-spent in other sectors of the economy, generating economic activity.
- Over 1,500 organizations use IMPLAN, which has been used to model the economic impact of tourism since 1992.
- Agencies such as FEMA, EPA, Federal Reserve Bank, and the Bureau of Land Management use IMPLAN modeling.

STUDY OBJECTIVES: MAP THE VISITOR JOURNEY

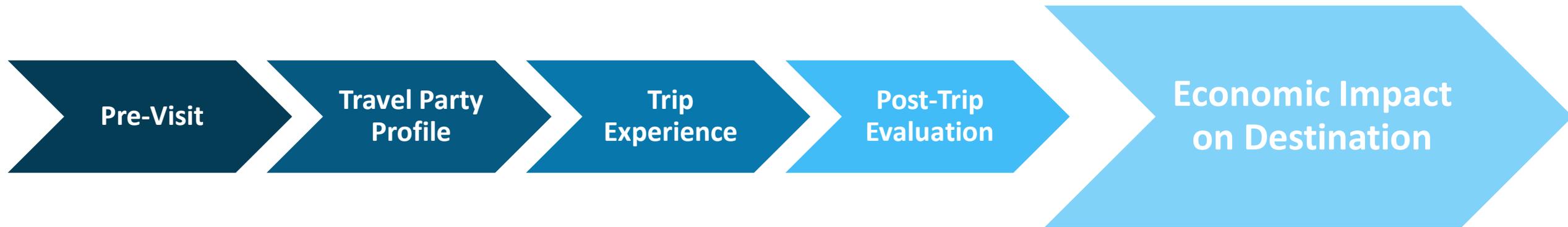


EXECUTIVE SUMMARY



VISITOR JOURNEY: ECONOMIC IMPACT

We start at the end, that is, the economic impact of the visitor's journey.



DIRECT SPENDING

Visitors who traveled to Walton County in
CY 2019 spent

\$3,503,895,400

in Walton County on accommodations,
restaurants, groceries, transportation,
attractions, entertainment, and shopping.

An increase of **8.2%**.



TOURISM MATTERS TO WALTON COUNTY

Visitor spending in CY 2019 generated a total economic impact of

\$5,185,759,600

in Walton County.

An increase of **8.2%**.



VISITORS

Walton County attracted

4,305,700

visitors in CY 2019.

An increase of **6.2%**.



ROOM NIGHTS

Walton County visitors generated

2,834,100

room nights in paid
accommodations in CY 2019.

An increase of **4.1%**.



JOBS & WAGES

Tourism in Walton County supported

23,700 (+4.9%)

local jobs in CY 2019, generating

\$688,978,600 (+4.5%)

in wages and salaries.



VISITORS SUPPORT JOBS

An additional Walton
County job is supported by
every

182

visitors



HOUSEHOLD SAVINGS¹

Visitors to Walton County
save local residents

\$1,354

per household every year



¹ Slide 47 shows revenue to Walton County government emanating from visitors (\$130,308,609), while costs to Walton County government for servicing visitors is \$94,522,364. The net benefit to Walton County government is \$35,786,245, spread across 26,432 households in Walton county translates to a savings of \$1,354 per household in local and state taxes.

MARKETING SPENDING

Every dollar spent by Visit South
Walton on marketing is
associated with

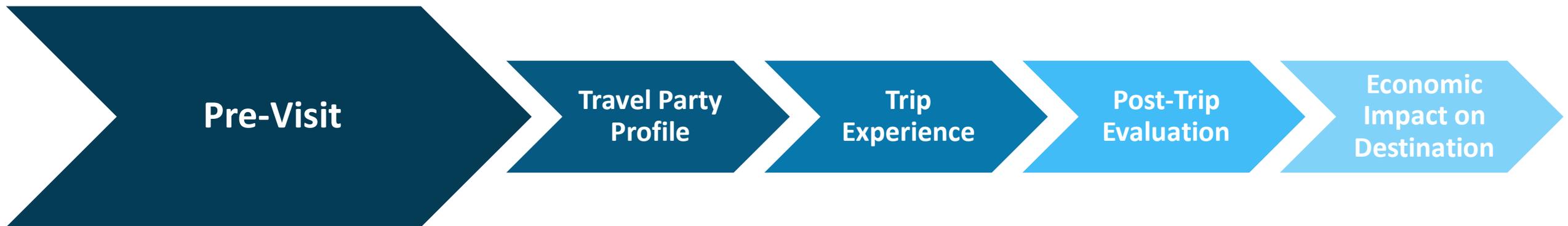
\$344¹

in visitor spending within Walton
County



¹Visit South Walton's marketing budget for CY2019 was \$10.2 million.

VISITOR JOURNEY: PRE-VISIT



PLANNING CYCLE

- » **1 in 2** visitors plan a South Walton vacation at least 4 months in advance
- » **58%** did not consider another beach community other than the one they selected
- » **1 in 10** considered vacationing at a beach outside of South Walton



TRIP PLANNING SOURCES*



Friends, family (52%)

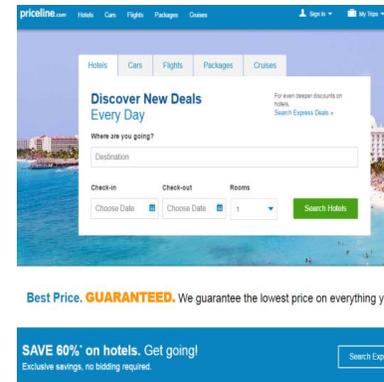
Search engines (39%)



Website for 1 of the 16 beach neighborhoods (29%)



Travel websites (24%)



VisitSouthWalton.com (18%)



* Multiple responses permitted.

SOUTH WALTON VISITOR GUIDE

- » **21%** of visitors viewed the South Walton Visitors Guide before going to South Walton



¹10 = Extremely useful; 1 = Not at all useful

TOP REASONS FOR VISIT*

Family vacation (**80%**)



Relax and unwind (**55%**)



Annual routine (**25%**)



Special occasion (**10%**)



*Multiple responses permitted

SOUTH WALTON PROMOTIONS

- » **30%** of visitors have recently noticed promotions about South Walton
- » Visitors were more likely to notice promotions on traditional media

Television (22%)



Magazine Ad (22%)



Magazine article (21%)



Social media (18%)



TOP BOOKING SOURCES

Vacation Rental Company (**50%**)

ROSEMARY
BEACH
COTTAGE RENTAL COMPANY

HOMEOWNER'S
COLLECTION
Seaside, Florida

NEWMAN-DAILEY
RESORT PROPERTIES, INC.

Hotel/condo (**31%**)

Residence
Inn[®]
Marriott

Sandestin[®]
Golf and Beach Resort

THE
PEARL
hotel • dining • spa

VRBO, HomeAway (**13%**)

HomeAway[®]

VRBO[®]
from HomeAway[®]

VacationRentals.com[™]
Part of the HomeAway Family

VISITOR TRANSPORTATION

- » **82%** of visitors drove to South Walton
- » **18%** who flew used the following airports:

8%

Northwest Florida Beaches
International Airport



7%

Destin-Ft. Walton Beach
Airport



2%

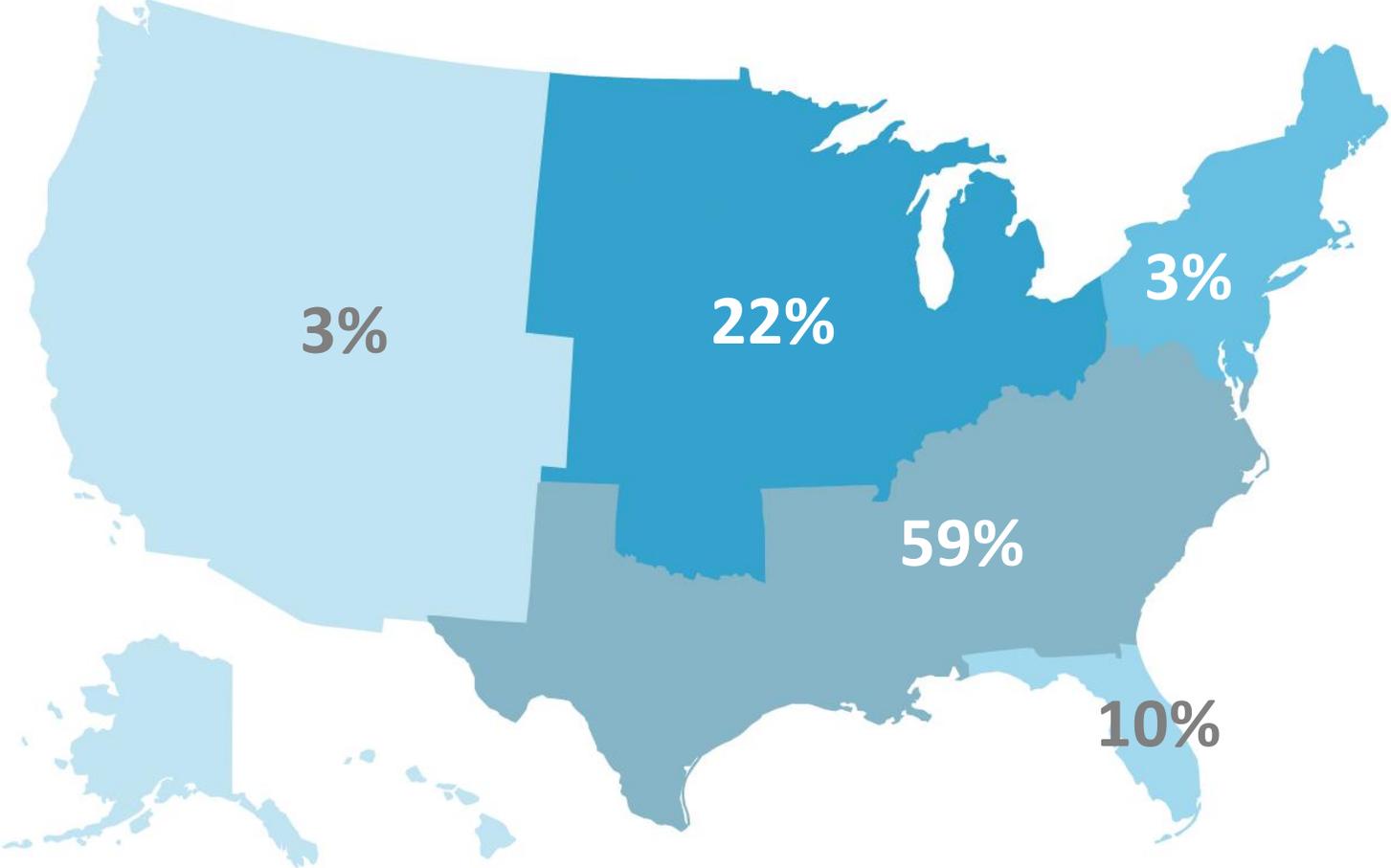
Pensacola International
Airport



VISITOR JOURNEY: TRAVEL PARTY PROFILE

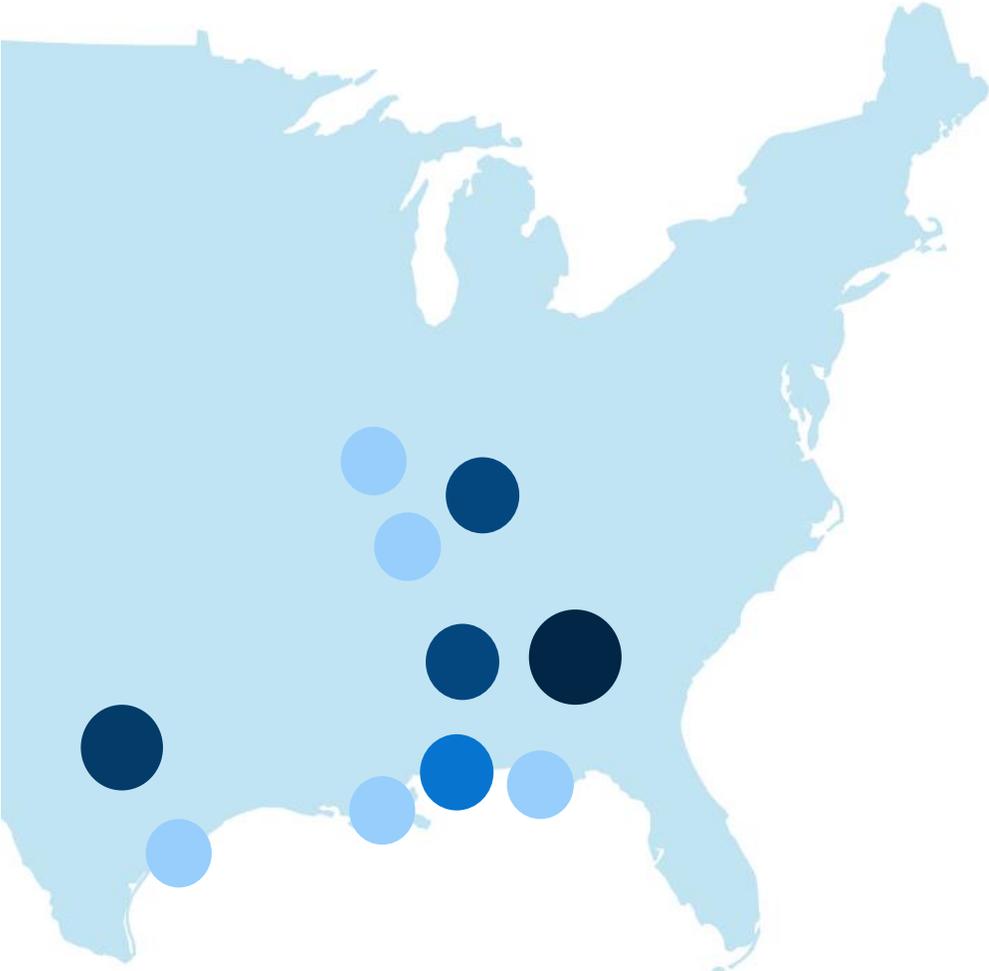


ORIGIN OF VISITORS



3% of visitors were from areas outside the U.S.

ORIGIN OF VISITORS



- 10% ● Atlanta
- 6% ● Dallas – Ft. Worth
- 6% ● Nashville
- 5% ● Birmingham
- 4% ● Pensacola-Mobile
- 3% ● Panama City-Destin
- 3% ● Houston
- 3% ● St. Louis
- 3% ● New Orleans
- 3% ● Memphis

TRAVEL PARTY SIZE AND COMPOSITION

The typical visitor traveled in a party composed of **4.6** people



46% traveled with at least one person under the age of 20 in their travel party



VISITOR PROFILE



» The typical South Walton visitor:

» **54** years old

» Female (**57%**)

» Median household income of **\$179,600**

» From the Southeast (**69%**)

VISITOR JOURNEY: TRIP EXPERIENCE



ACCOMMODATIONS

71% Condos, rental houses, etc.



11% Personal condo



10% Hotels



TOP VISITOR ACTIVITIES*

Restaurants (93%)



Beach (91%)



Relax and unwind (87%)



Shopping, antiquing (73%)



Family time, reading, cooking (72%)



*Multiple responses permitted.

LENGTH OF STAY

- » Visitors spent **5.9*** nights in South Walton



*Visitors who stayed 30 or fewer nights.

FIRST-TIME AND EXPERIENCED VISITORS

- » **16%** were first-time visitors
- » **41%** had visited more than 10 times



VISITOR EXPENDITURES*

- » Visitors spent **\$853** a day
- » Visitors spent **\$5,033** on their trip



*Visitors staying in paid accommodations.

VISITOR JOURNEY: POST TRIP EVALUATION



VISITOR SATISFACTION

- » Visitors gave South Walton a rating of **9.2¹** as a place to vacation
- » **96%** will return to South Walton²

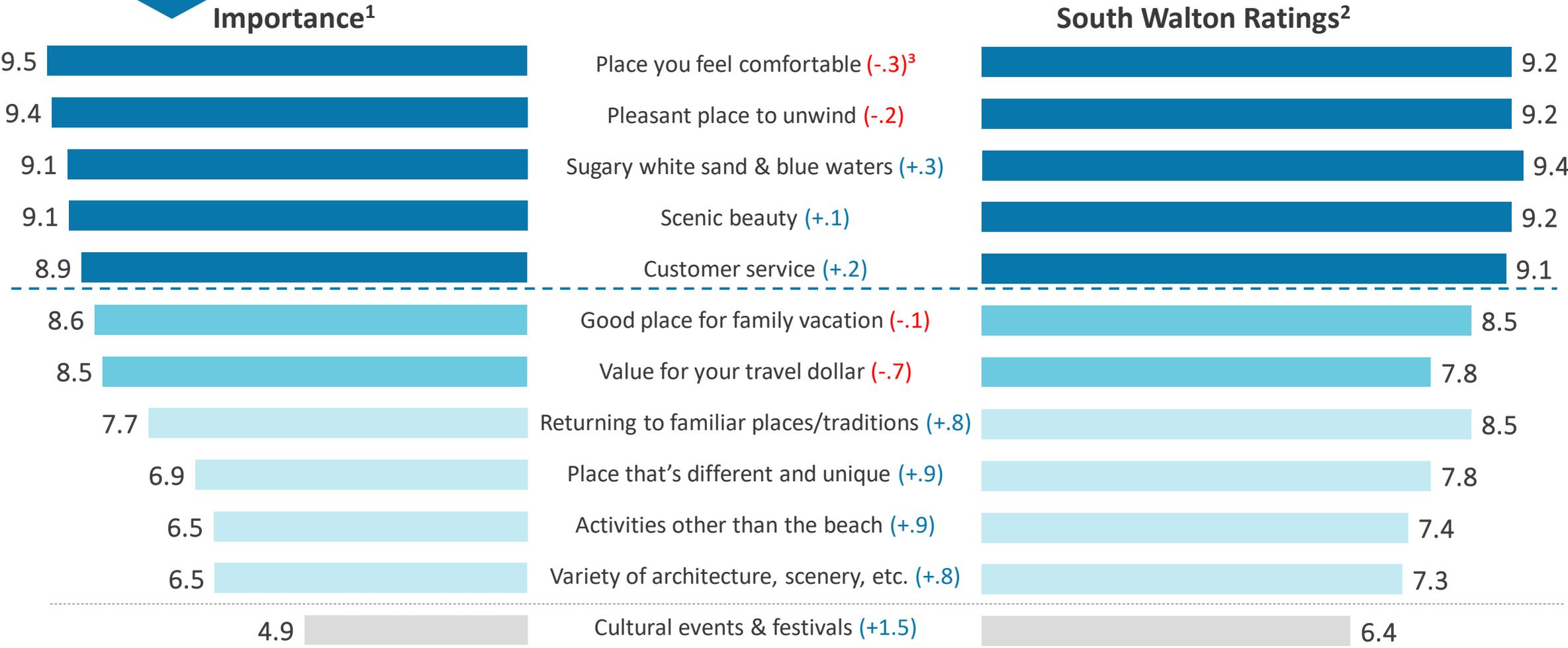


¹10 = Excellent; 1 = Poor

²About 3% of visitors will probably not return to South Walton because of the following reasons:

1. Too expensive, 2. too crowded, 3. too many families

VACATION ATTRIBUTE IMPORTANCE VS. RATINGS



¹ Rated on a scale from 1 to 10 where 10 is very important and 1 is not at all important.

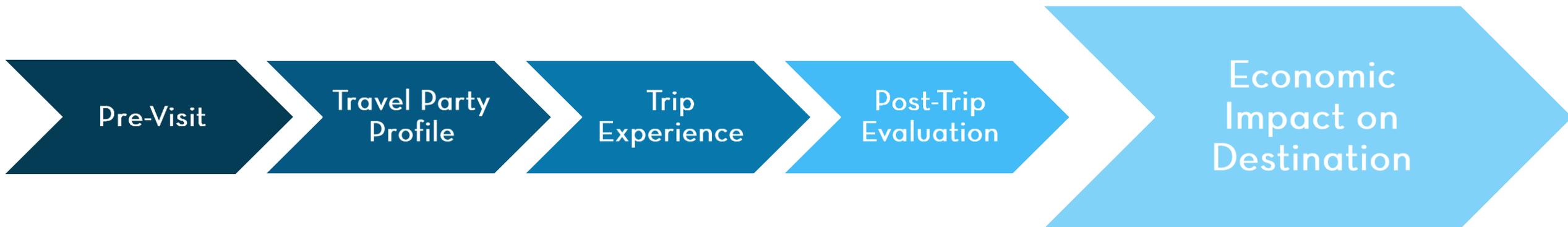
² Rated on a scale from 1 to 10 where 10 is excellent and 1 is poor.

³ Gap between Ratings & Importance. A score of -.3 means "Place to feel comfortable is more important to visitors than the rating they gave South Walton on this attribute."

DETAILED FINDINGS



STUDY OBJECTIVES: ECONOMIC IMPACT



TOURISM METRICS CY2019

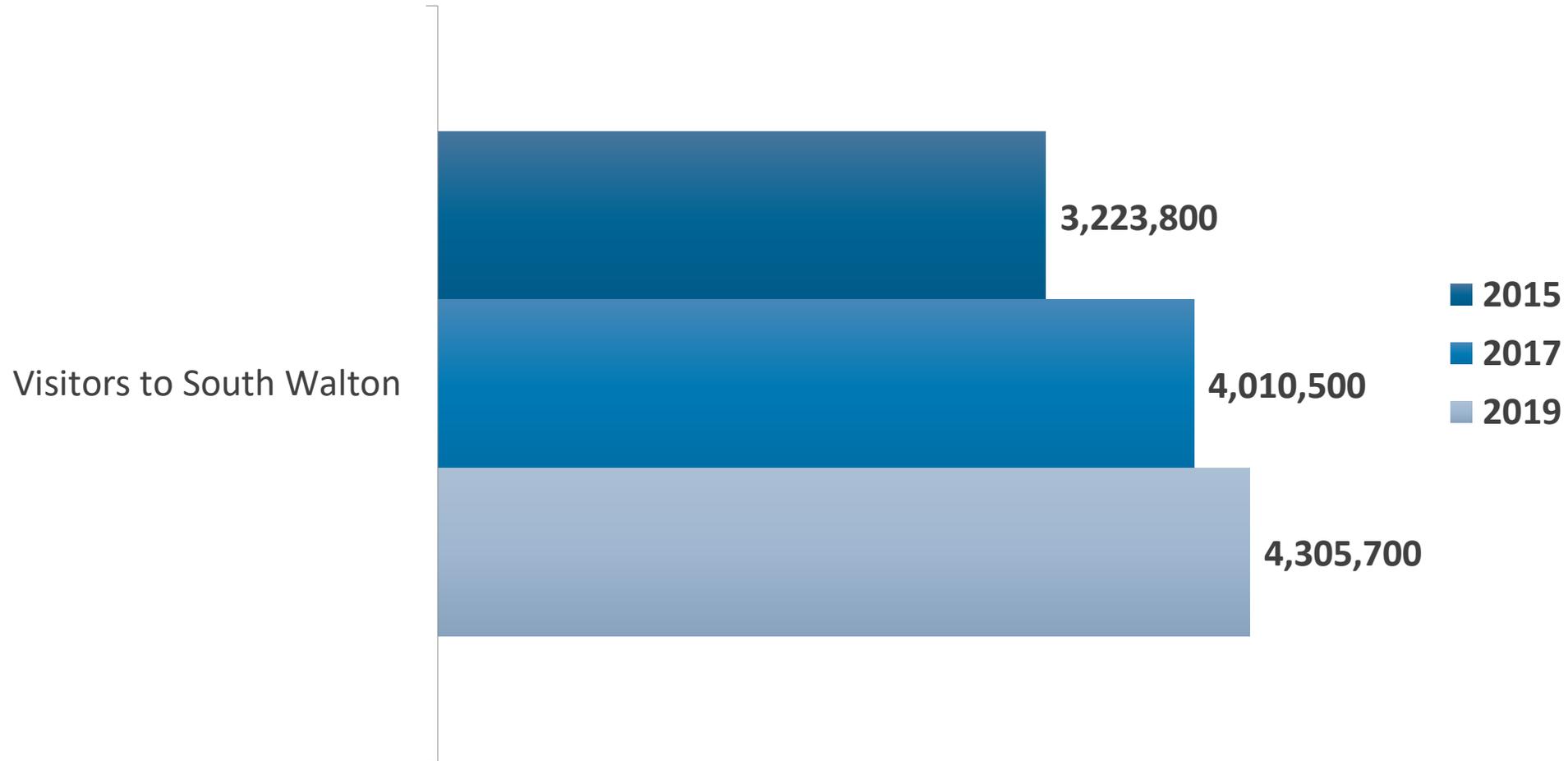
Economic Indicators	CY2018	CY2019	Change
All visitors ¹	4,053,100 ²	4,305,700	+6.2%
Direct expenditures	\$3,239,255,500	\$3,503,895,400	+8.2%
Total economic impact	\$4,794,098,100	\$5,185,759,600	+8.2%
Room nights	2,722,340	2,834,100	+4.1%
TDT collections	\$26,192,299	\$27,429,024	+4.7%
Occupancy ¹	56.9%	56.4%	-0.9%
Room rate ¹	\$271.82	\$275.86	+1.5%
RevPAR ¹	\$154.67	\$155.59	+0.6%
Jobs created – direct ¹	22,600	23,700	+4.9%
Direct + indirect jobs ¹	29,300	30,700	+4.8%
Wages paid ¹	\$659,223,900	\$688,978,600	+4.5%

¹ Includes visitors staying with friends and relatives and in their own condos and timeshares and day visitors.

² Slight adjustment was made to 2018 data to compensate for additional interviews conducted in public places in 2019.

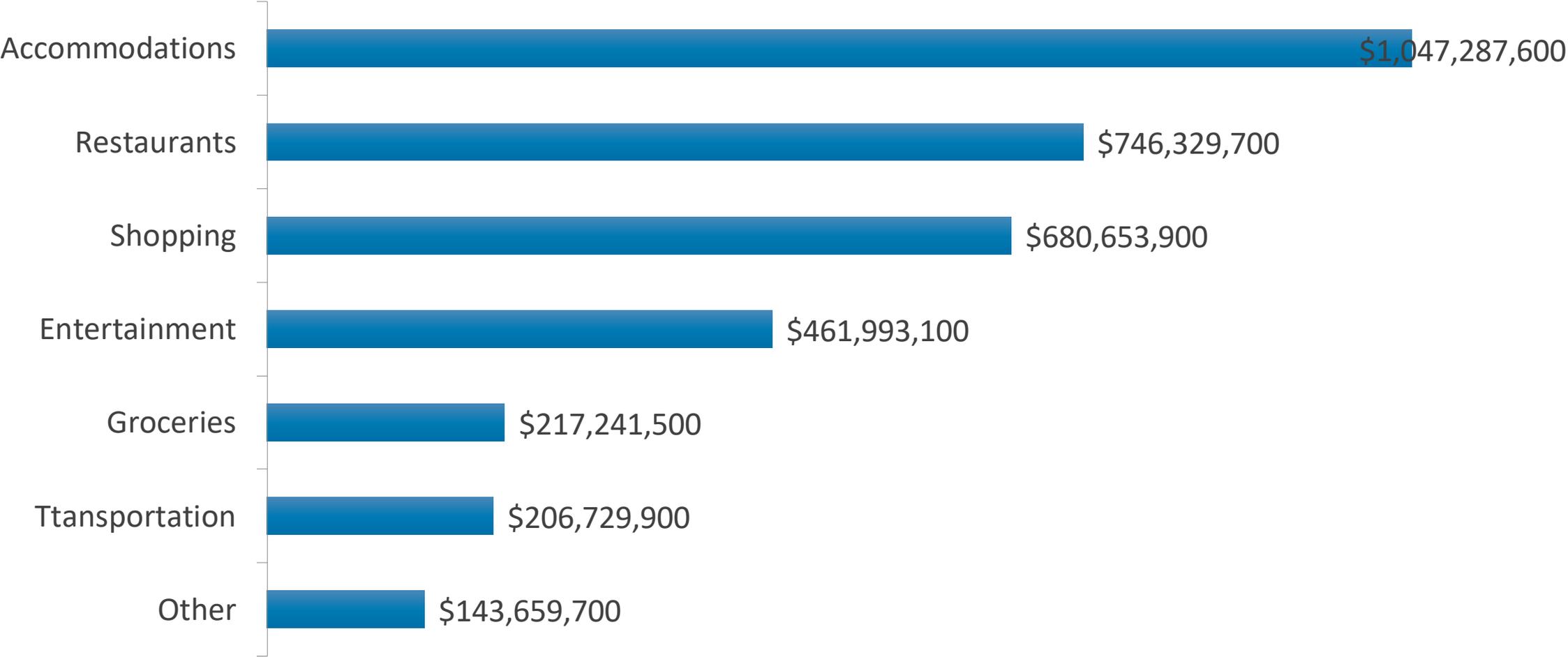
VISITOR TRENDS: CY2015 – CY2019

The number of visitors has grown by 6% per year over the past 4 years.



VISITORS DIRECT SPENDING CY2019

Total direct spending by visitors = \$3,503,895,400



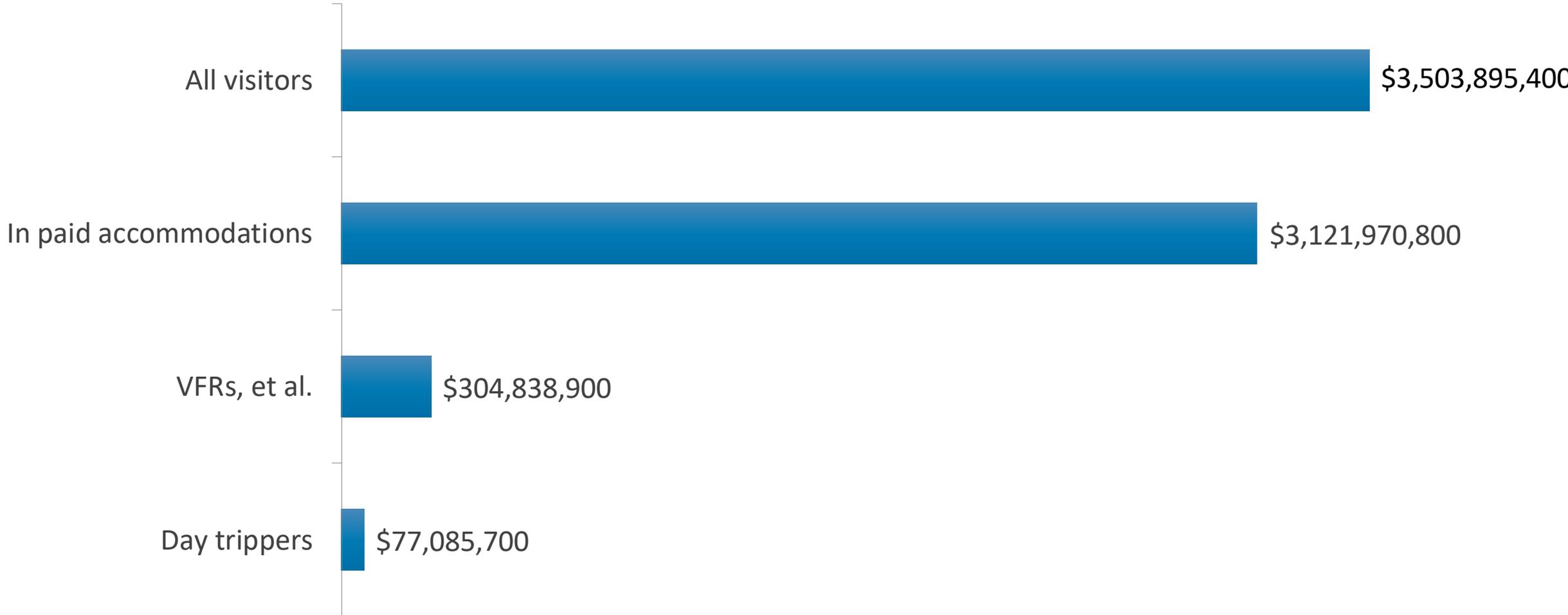
VISITORS DIRECT SPENDING CY2018 vs. CY2019

Category	CY2018	CY2019
Accommodations	\$968,188,800 ¹	\$1,047,287,600 ¹
Restaurants	\$689,961,400	\$746,329,700
Shopping	\$629,245,900	\$680,653,900
Entertainment	\$427,100,000	\$461,993,100
Groceries	\$200,833,800	\$217,241,500
Transportation	\$191,116,100	\$206,729,900
Other	\$132,809,500	\$143,659,700
Total	\$3,239,255,500²	\$3,503,895,400

¹ Includes room rate, sales tax, tourist development tax, cleaning fees, resort fees, and services such as golf, spa, etc., and some food charges that visitors do not differentiate from their room rate on their invoice.

² Slight adjustment was made to 2018 data to compensate for additional interviews conducted in public places in 2019.

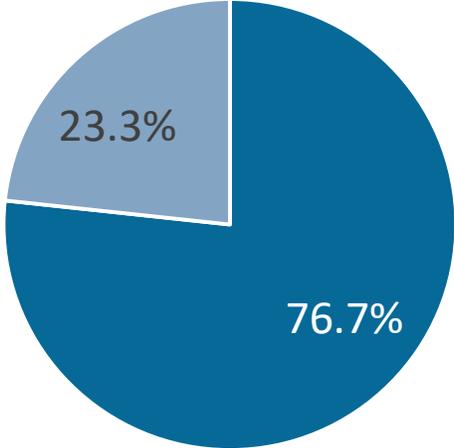
DIRECT SPENDING BY VISITOR TYPE CY2019



RETAIL SPENDING IN WALTON COUNTY CY2019

Visitors to South Walton account for over 3/4 of retail spending in Walton County.

Spending in Walton County	Dollar Amount	Percentage
Local residents' spending ¹	\$1,066,233,840	23.3%
Visitors' spending ¹	\$3,503,895,400	76.7%
Total spending	\$4,570,129,240	100%



- Visitors' contribution to Walton County's economy
- Locals' contribution to Walton County's economy

¹Local residents' spending derived from US Census data; visitors' spending derived from Visitor Tracking surveys conducted for VSW by Downs & St. Germain Research.

REVENUES FROM VISITORS TO WALTON COUNTY GOVERNMENT

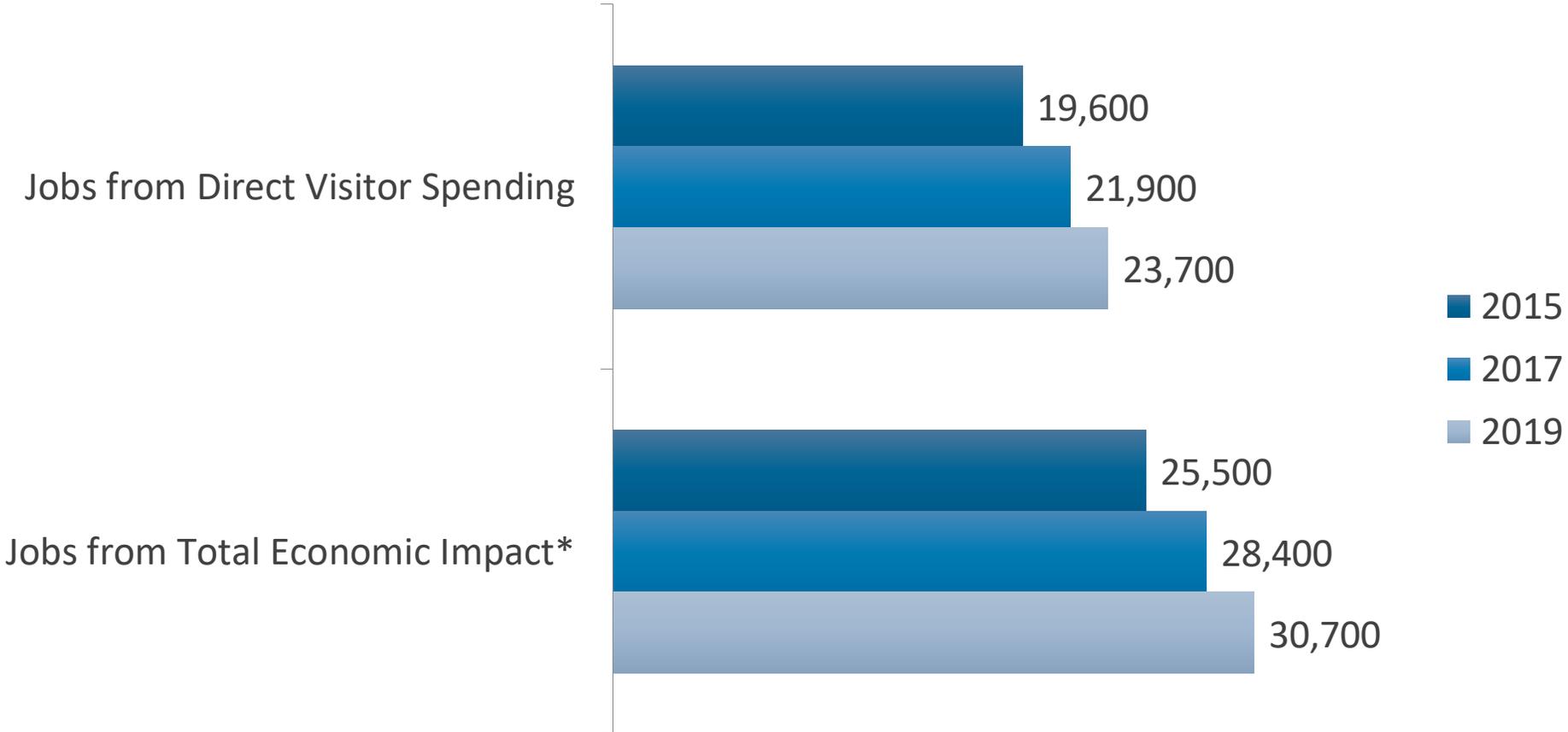
Visitors account for over **\$130 million** of Walton County government's revenue.
67% of all Walton County government revenues come from visitors to South Walton.¹

Sources of Funds	Total Revenues	Revenues Attributed to Visitors
Property taxes	\$75,602,648	\$50,653,774
Sales & use taxes	\$61,580,821	\$41,259,150
Licenses & permits	\$3,254,638	\$2,180,607
Intergovernmental revenue	\$21,569,103	\$14,451,299
Charges for services	\$10,182,666	\$6,822,386
Fines & forfeitures	\$113,976	\$76,364
Interest earned/other	\$9,416,176	\$6,308,838
Balance budget forward	\$5,660,958	\$3,792,842
Transfers In	\$10,892,359	\$7,297,881
Less statutory 5%	-\$3,782,884	-\$2,534,532
Total revenues	\$194,490,461	\$130,308,609

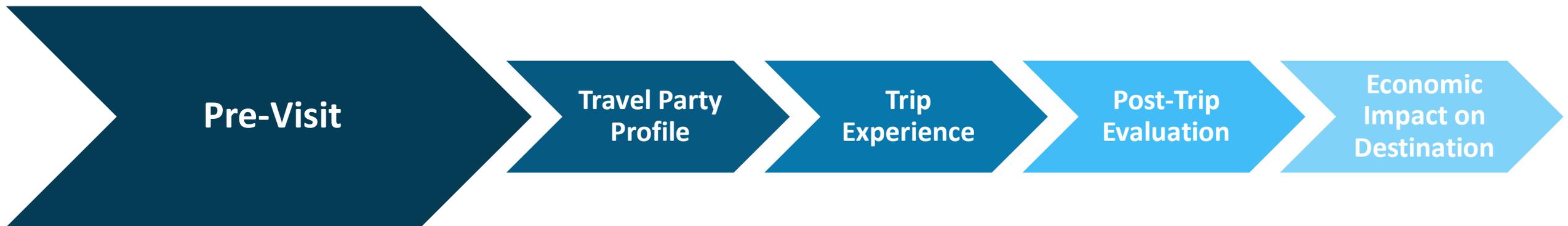
¹Visitors to Walton County account for 76.7% of all spending in the County. It could be argued that visitors account for a higher percentage of government revenue than 67%, but this figure is used in an effort to be conservative in reporting the impact of visitors.

Sources: Walton County FY2020 budget and Downs & St. Germain Research.

JOBS SUPPORTED BY VISITORS CY2016 – CY2019



VISITOR JOURNEY: PRE-VISIT



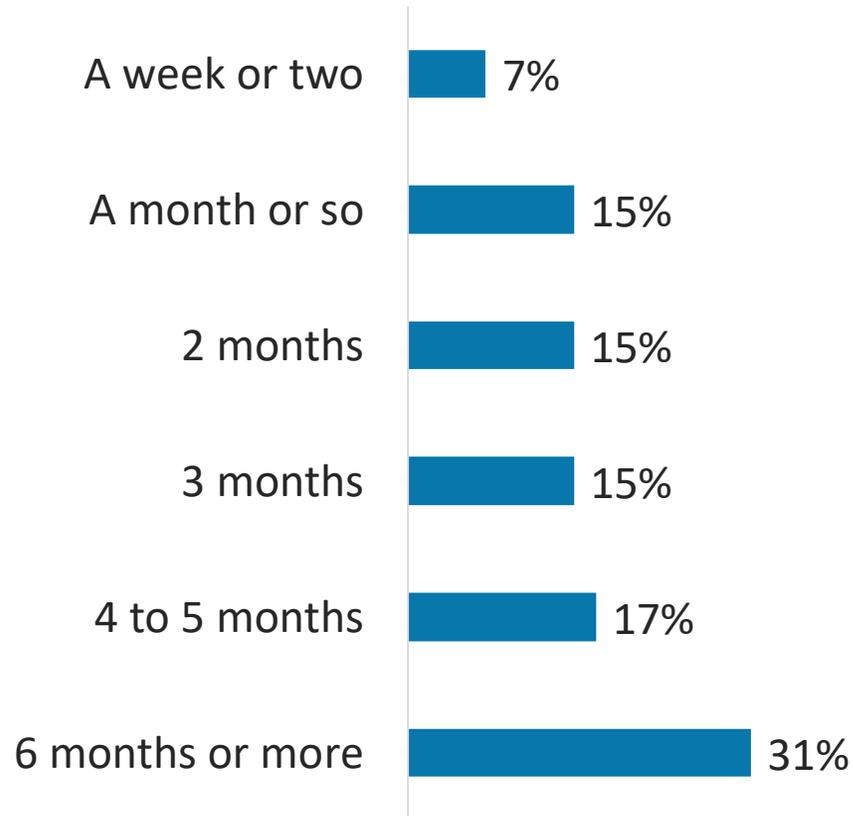
PLANNING CYCLE



A plurality of visitors spend over 6 months planning their trips to South Walton, and **1 in 2** visitors plan a South Walton vacation at least **4 months out**.



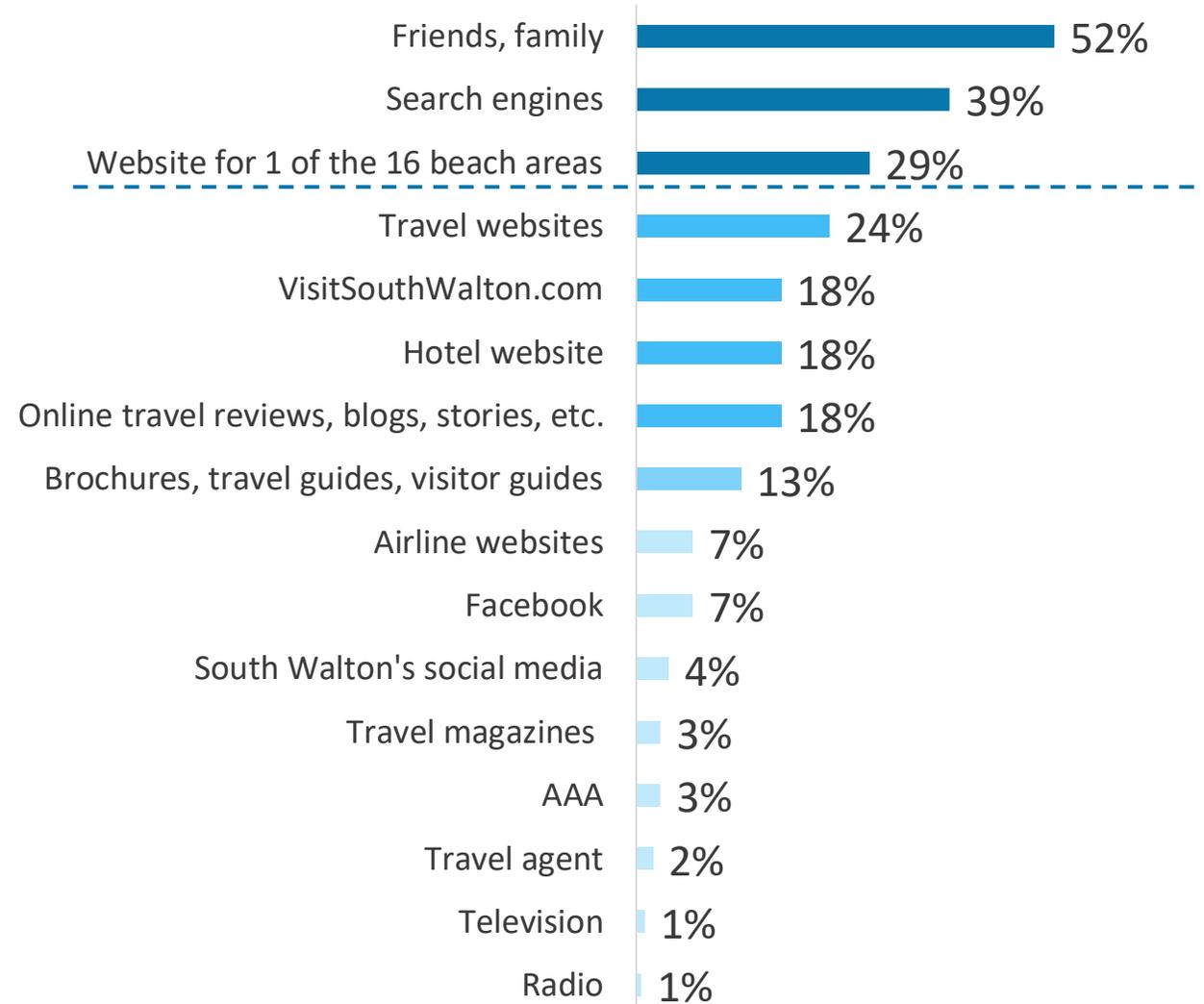
Relatively few visitors (22%) to South Walton have **a short (a month or less) planning cycle**, and only 7% visit South Walton based on an impulse decision.



PLANNING SOURCES¹

Over **half** of visitors used friends and family to help plan their trip to South Walton.

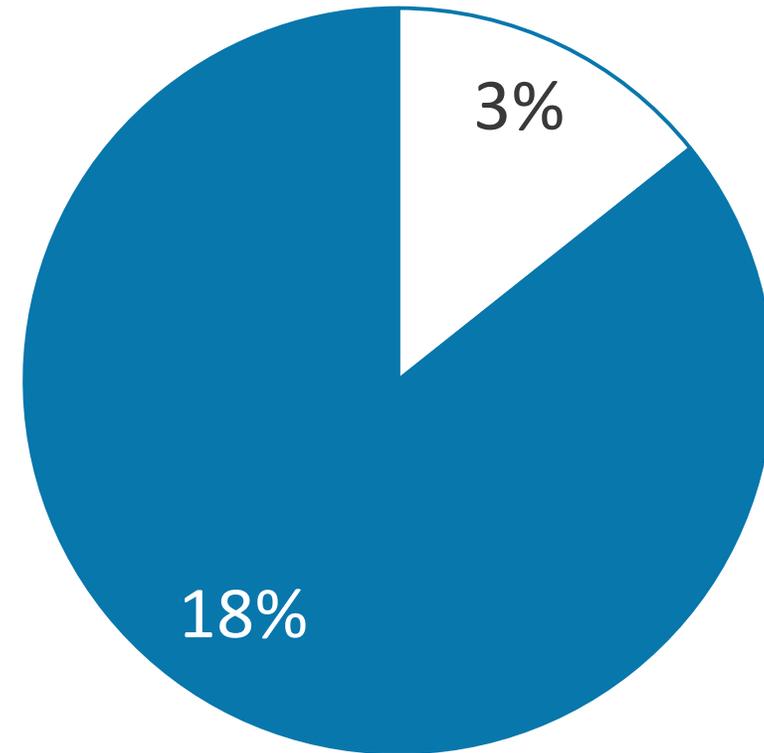
Online and digital sources were used extensively, while traditional media were used sparingly as planning sources.



¹Multiple responses permitted.



21% of visitors viewed a South Walton Visitors Guide before going to South Walton. Use of the online version exceeded use of the print version by a 6 to 1 ratio.



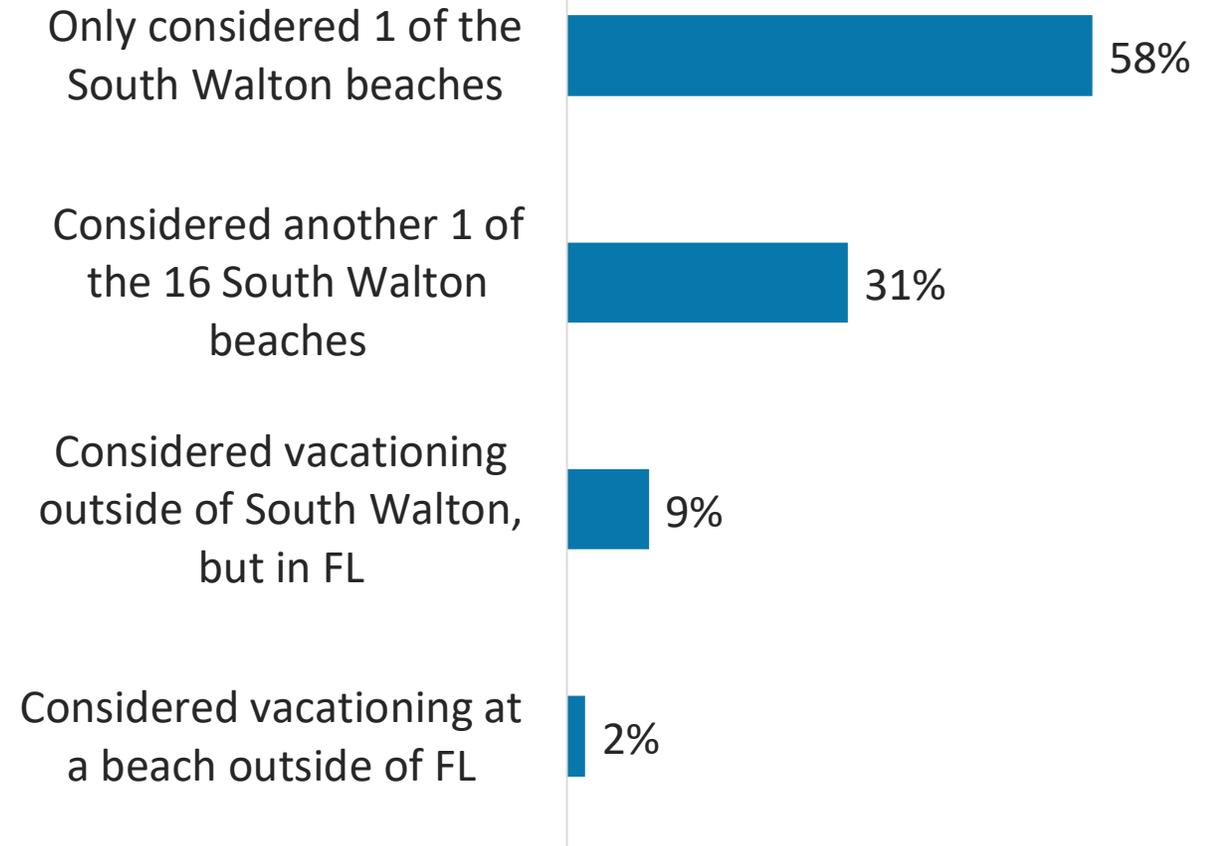
□ Print version ■ Online version

¹Rated on a 10 point scale where 10 is extremely useful and 1 is not at all useful.

OTHER DESTINATIONS CONSIDERED

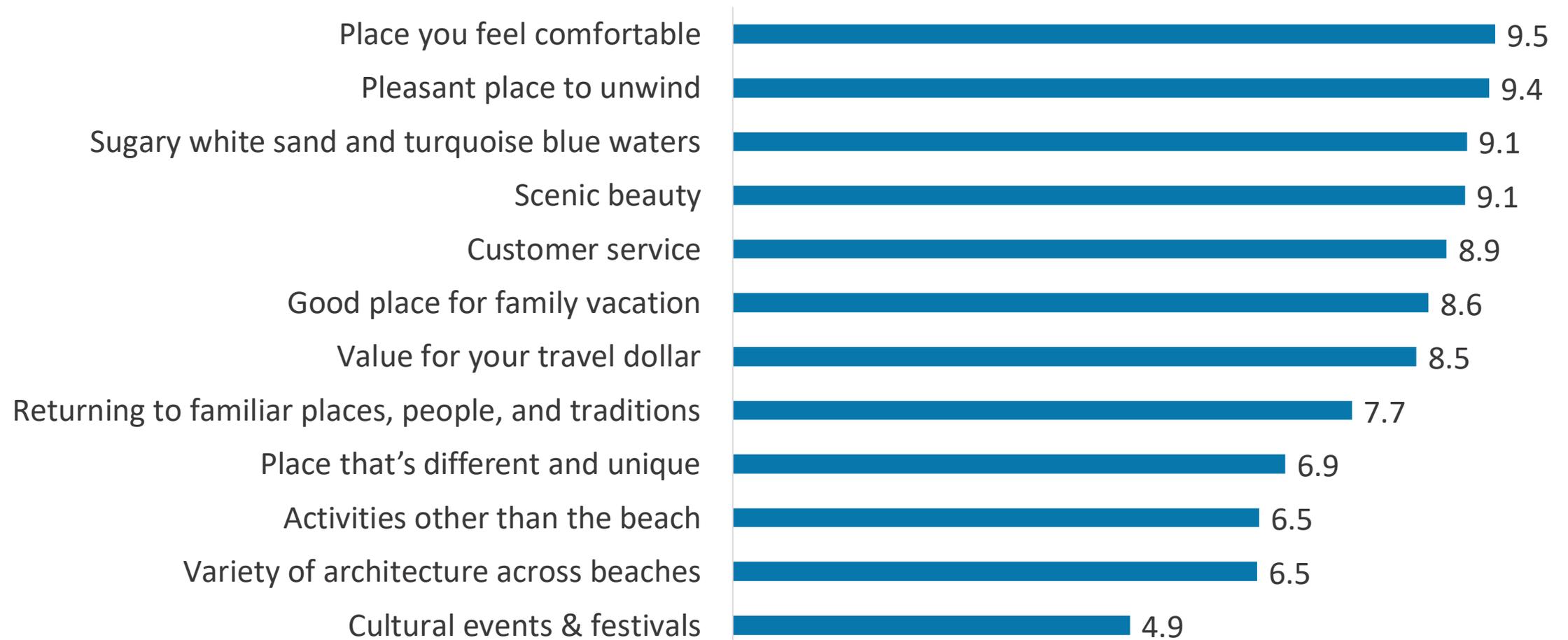
6 in 10 visitors know exactly which beach community they prefer. Another **3 in 10** considered multiple South Walton communities before deciding.

South Walton is in the enviable position of not actively competing for its visitors, as only **1 in 9** visitors considered another beach destination.



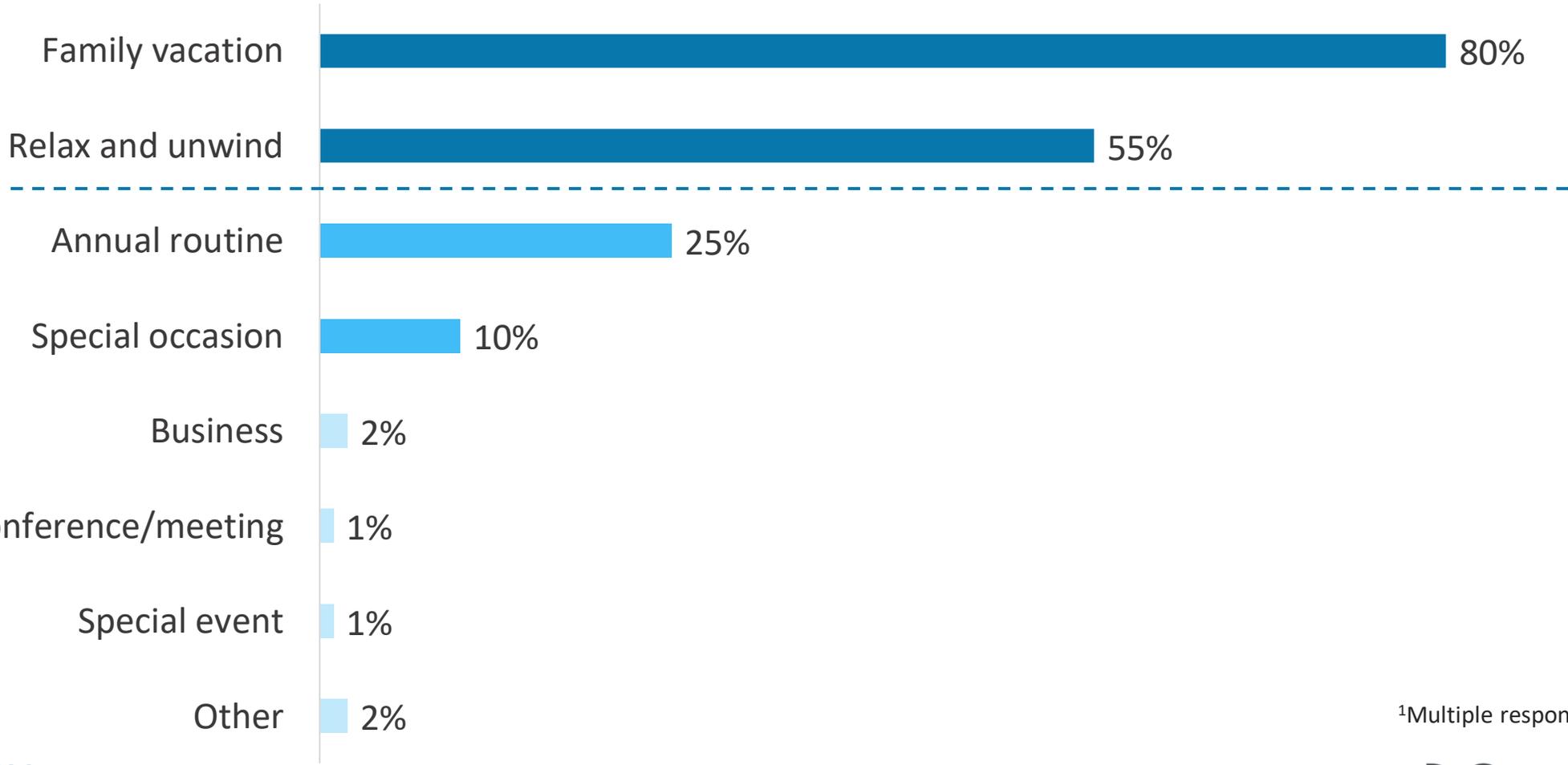
IMPORTANT VACATION DESTINATION ATTRIBUTES¹

While visitors love our beaches, they love even more how relaxed and comfortable they feel while in South Walton. These results reinforce the unique emotional positioning focus group results.



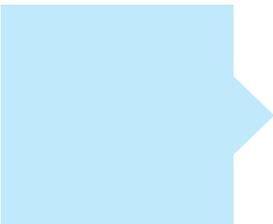
REASONS FOR VISITING¹

4 out of 5 trips to South Walton involve a family vacation, and 1 in 4 visitors says visiting is an annual affair. Very few visitors (3%) come for business or meetings.

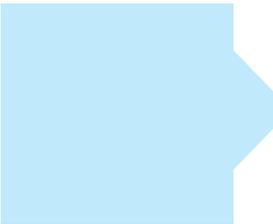


¹Multiple responses permitted.

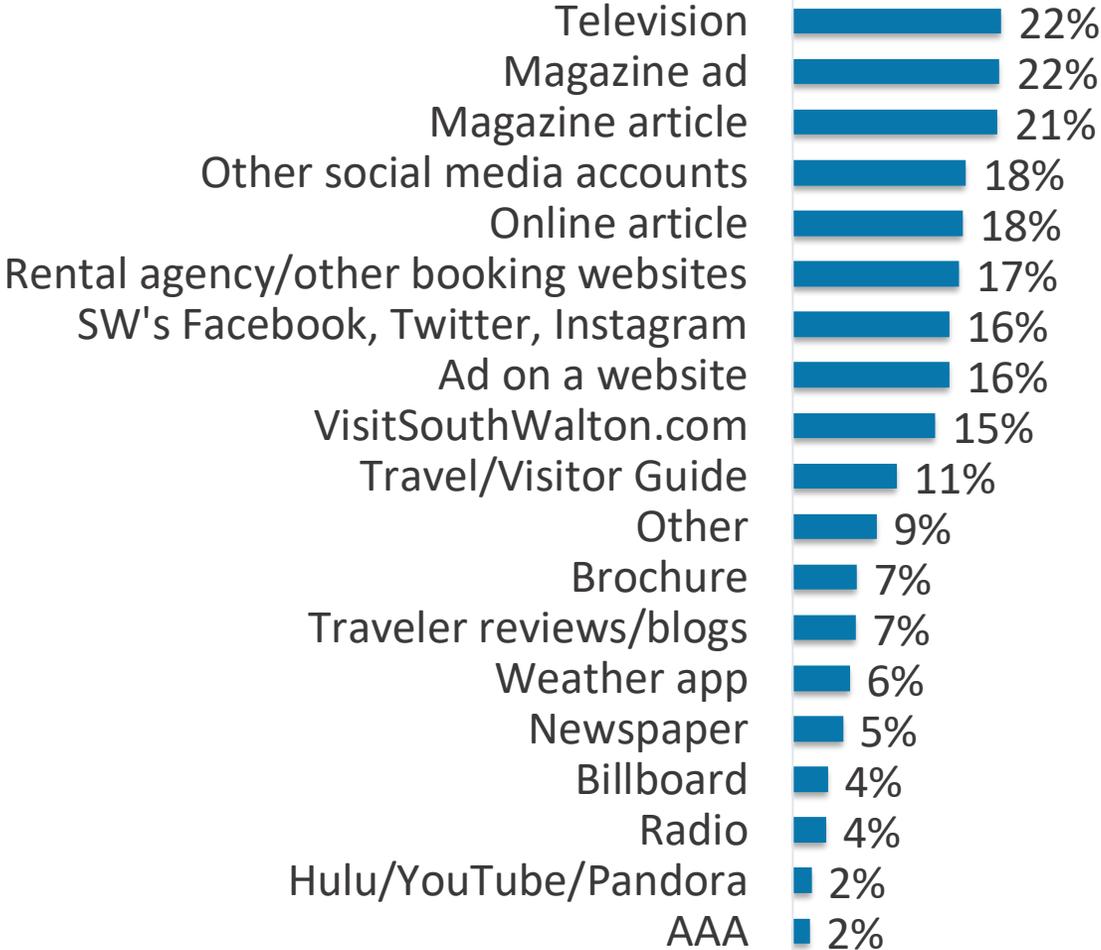
SOUTH WALTON PROMOTIONS¹



30% of visitors have recently noticed promotions or travel stories about South Walton – down 2% points from last year.

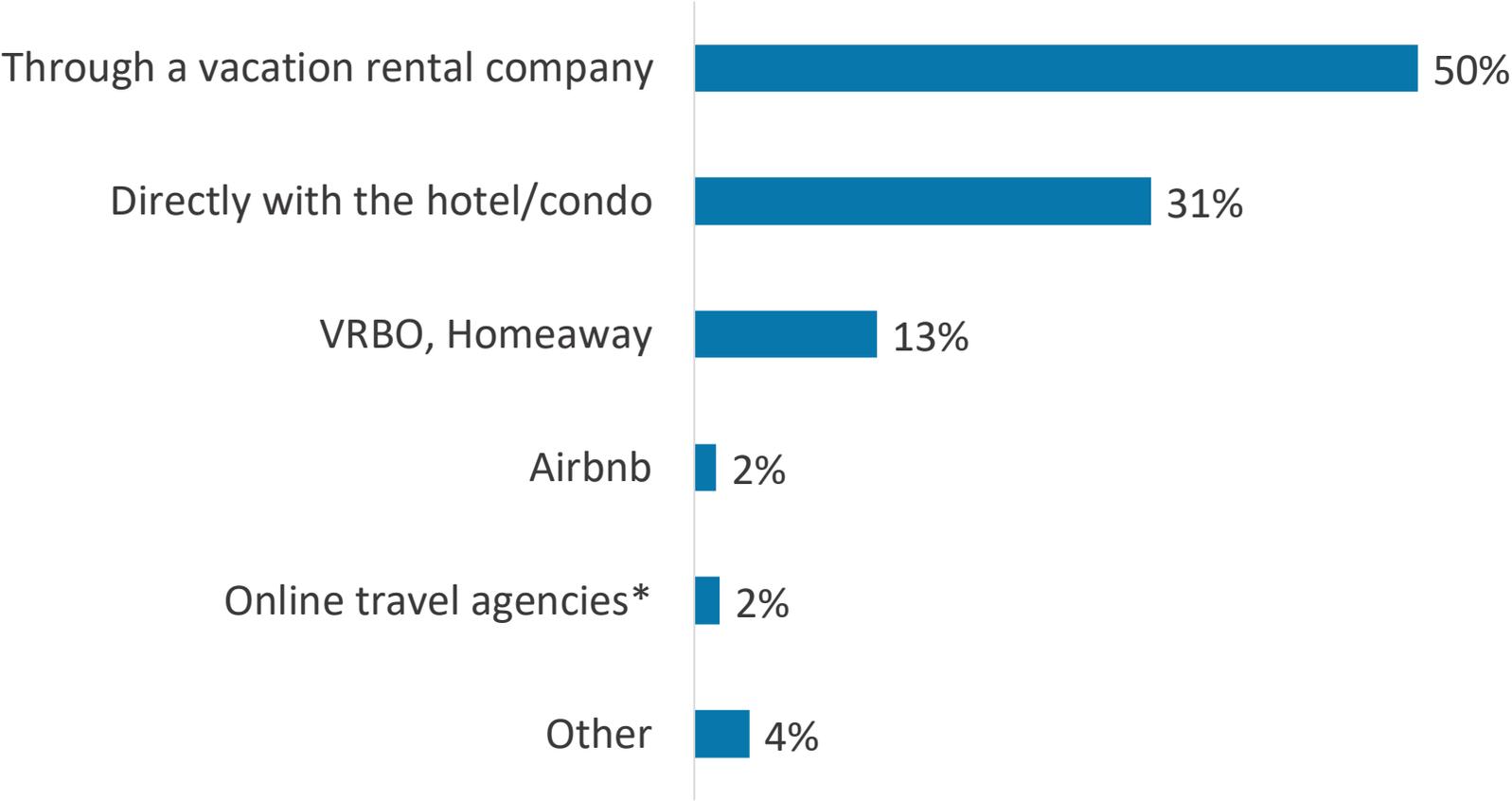


It is interesting to note that most visitors use social and digital planning sources, but are more likely to notice SW promotions on traditional media.



BOOKING ACCOMMODATIONS

Vacation rental agencies still rule with 50% of the bookings, yet this figure is down from 61% last year. More visitors (31%) reported booking directly with hotels and condos this year (up from 22% in 2018).



* For example, Expedia, Hotels.com, etc.

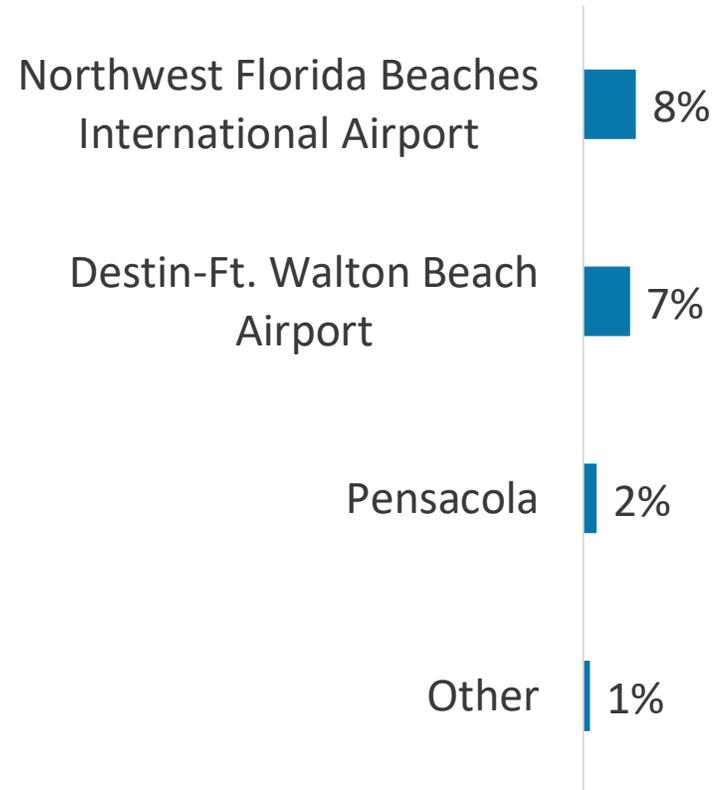
VISITOR TRANSPORTATION

82% of visitors drove to South Walton – down 2% points from 2018.

29% of those who drove were aware that there were direct flights from their city to the South Walton area – down 5% points.

Northwest Florida Beaches Airport's share of visitors remained constant from 2018, while Destin-Ft. Walton Beach's share dropped 3% points.

18% who **flew** used the following airports:



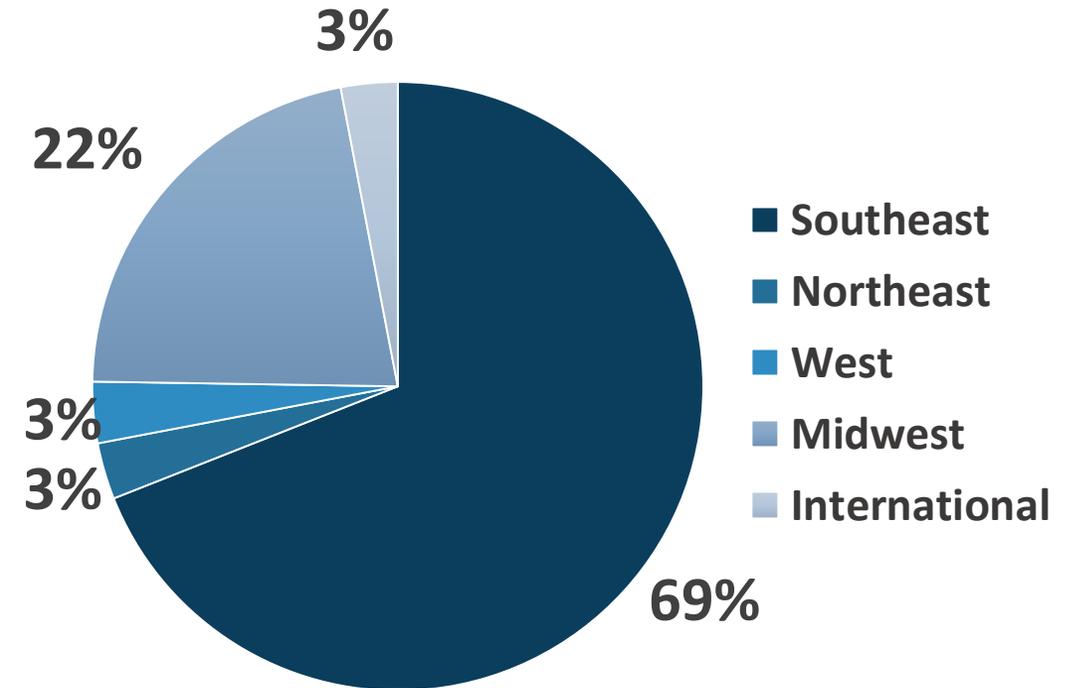
VISITOR JOURNEY: TRAVEL PARTY PROFILE



ORIGIN OF VISITORS

Origin Markets	% of Visitors	Origin Markets	% of Visitors
Atlanta	10%	Knoxville	2%
Dallas-Ft. Worth	6%	Cincinnati	2%
Nashville	6%	Montgomery	2%
Birmingham	5%	Huntsville	2%
Pensacola-Mobile	4%	Chattanooga	2%
PC-Destin	3%	Kansas City	2%
Houston	3%	Little Rock	2%
St. Louis	3%	Chicago	2%
New Orleans	3%	Baton Rouge	2%
Memphis	3%	Tallahassee	2%

Midwest and international visitors are up 3% points and 2% points, respectively, while the southeast's share dropped 5% points.



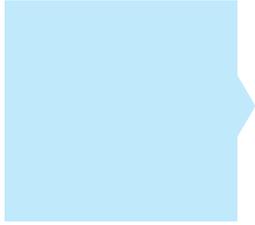
¹The metro area of St. Louis includes some parts of Missouri and Illinois.

ORIGIN OF VISITORS

State	% of Visitors	State	% of Visitors
Alabama	12%	Arkansas	3%
Georgia	12%	Illinois	3%
Florida	10%	International	3%
Tennessee	10%	Michigan	2%
Texas	10%	Oklahoma	2%
Kentucky	5%	North Carolina	2%
Louisiana	5%	South Carolina	1%
Mississippi	4%	Wisconsin	1%
Ohio	4%	New York	1%
Missouri	3%	California	1%
Indiana	3%	Minnesota	1%



TRAVEL PARTY SIZE AND COMPOSITION



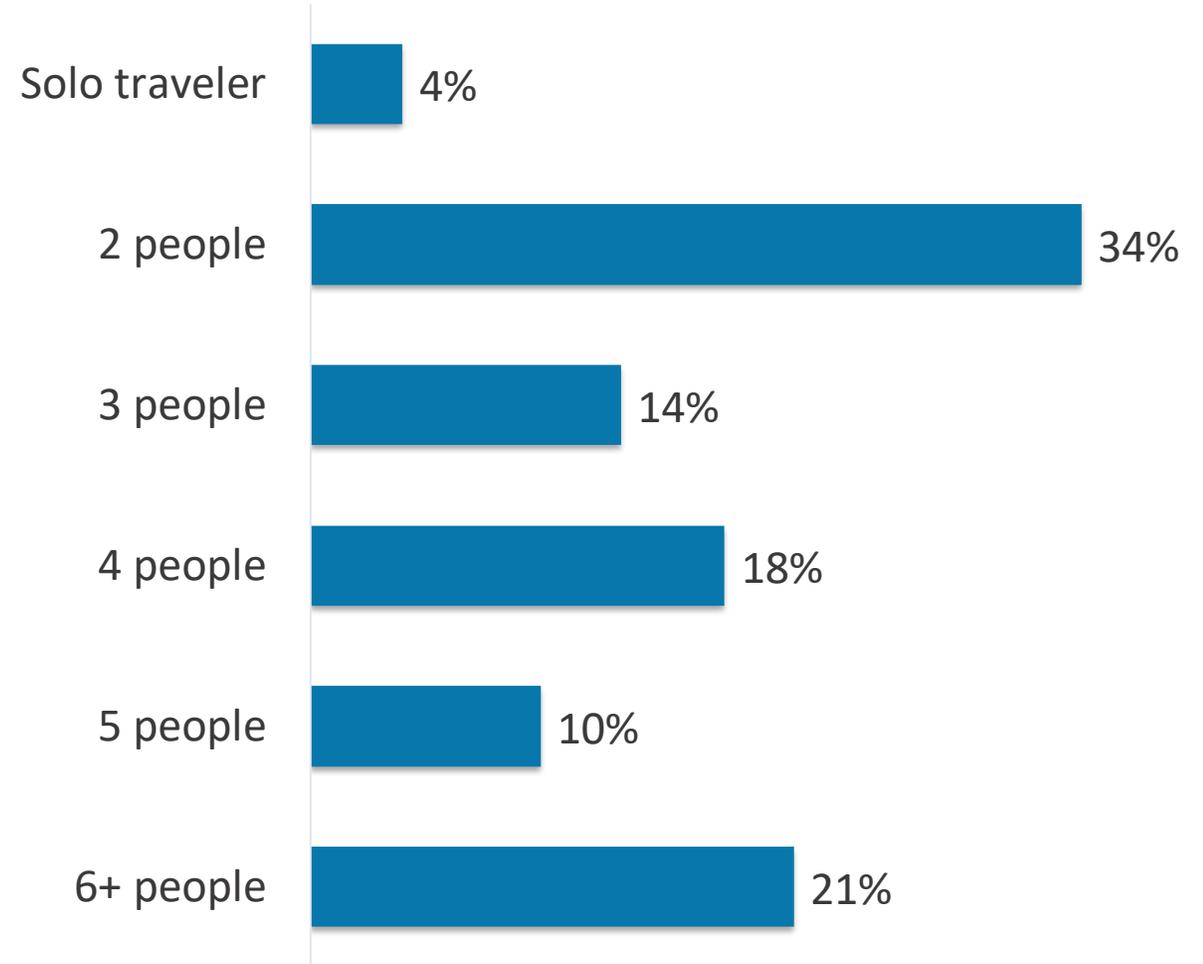
Visitors traveled in a party composed of **4.6** people, down from 5.4 in 2018.



46% of visitors traveled with children under the age of 18, down from 56% in 2018.¹



There were more single travelers and couples in 2019, yet 1 in 3 travel parties had 5 or more people.

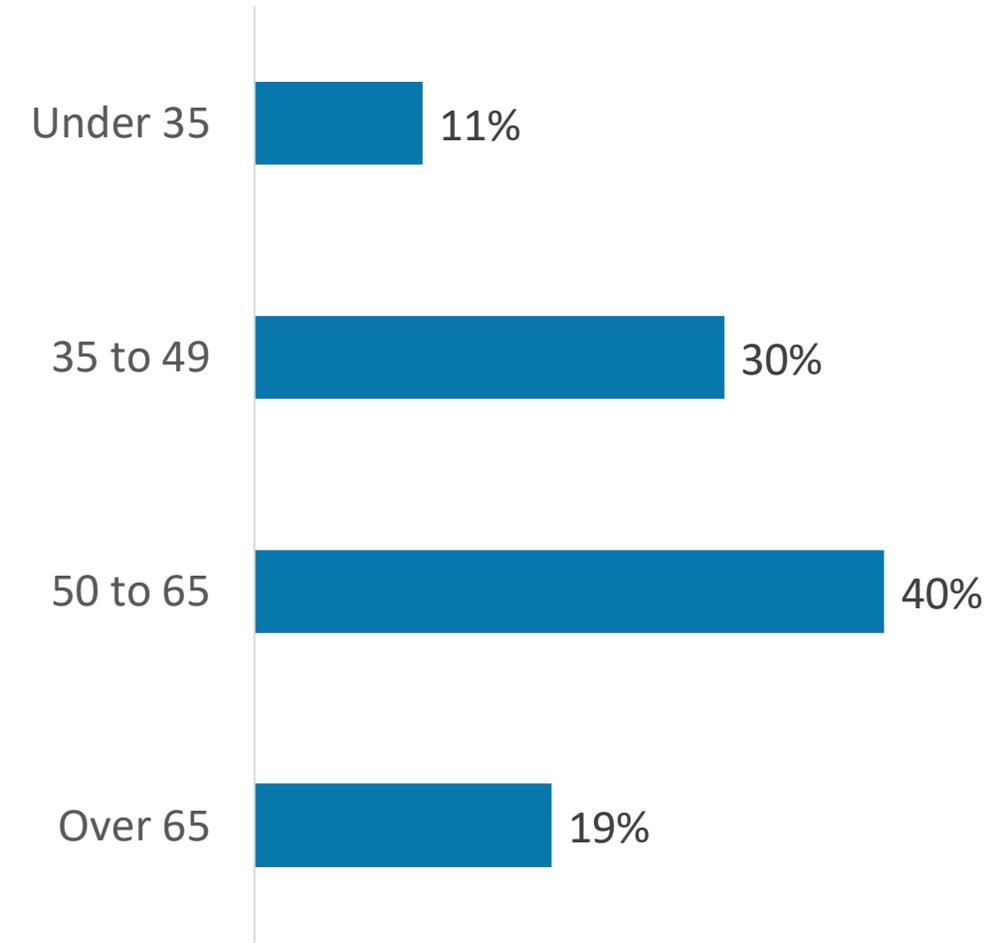


¹There were more interviews in public places in 2019, which may have impacted this percentage.

AGE OF VISITORS

Median age of visitors was **54 years old**, one year older than in 2018.

The percentage of 65+ visitors increased from 14% in 2018 to 19% in 2019.



TOTAL HOUSEHOLD INCOME IN 2018



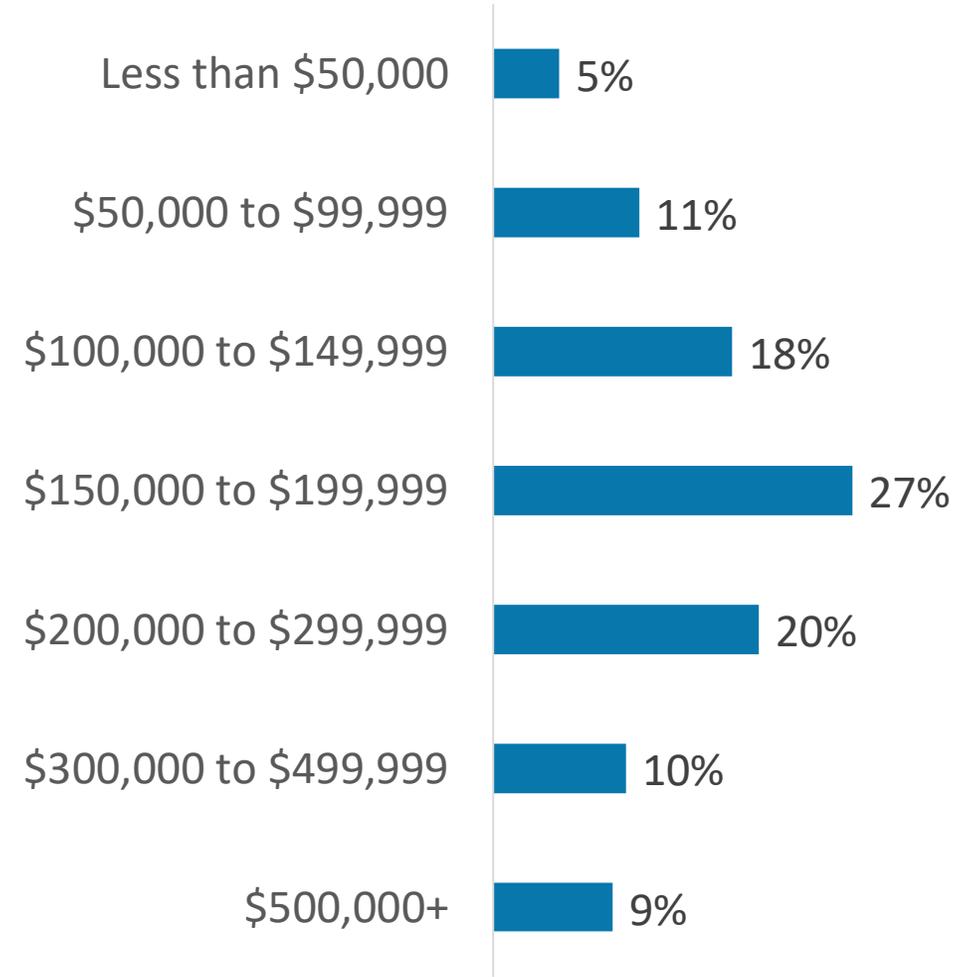
Visitors had a median household income of **\$179,600**, up about 5% points from 2018.



The estimated average¹ household income is \$250,000¹



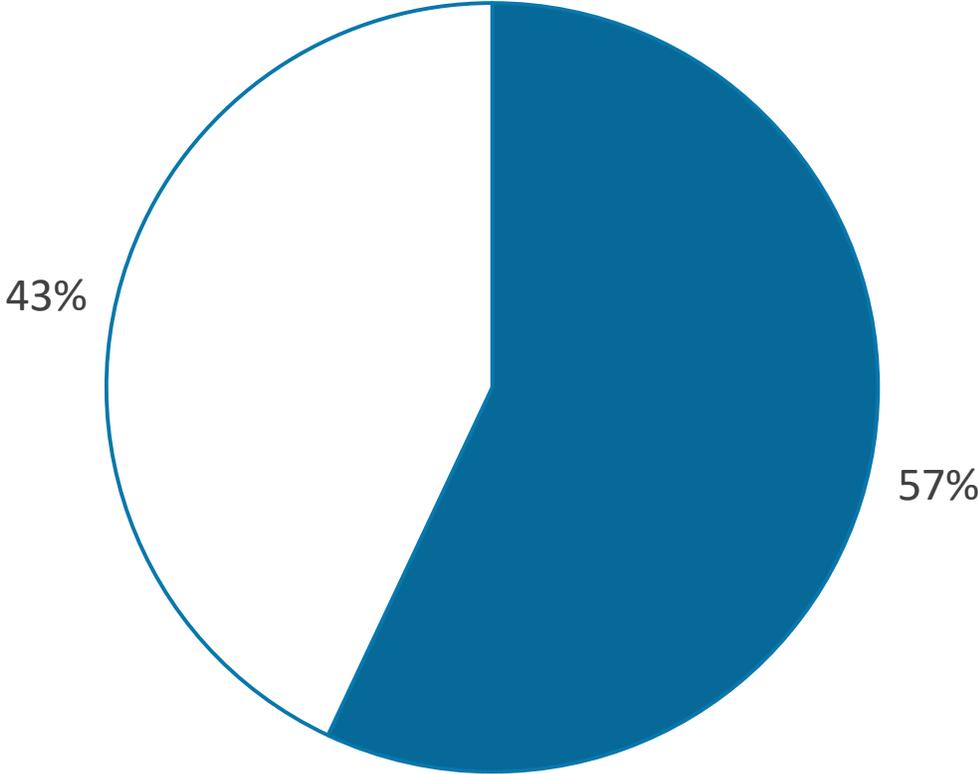
While 1 in 6 visitors to South Walton reports income of less than \$100,000, 1 in 11 visitors' income exceeds \$500,000.



¹It is not possible to determine an exact average from categorical data, especially when the highest category is open as in \$500,000+.

GENDER

Women make up slightly more than half of those interviewed.

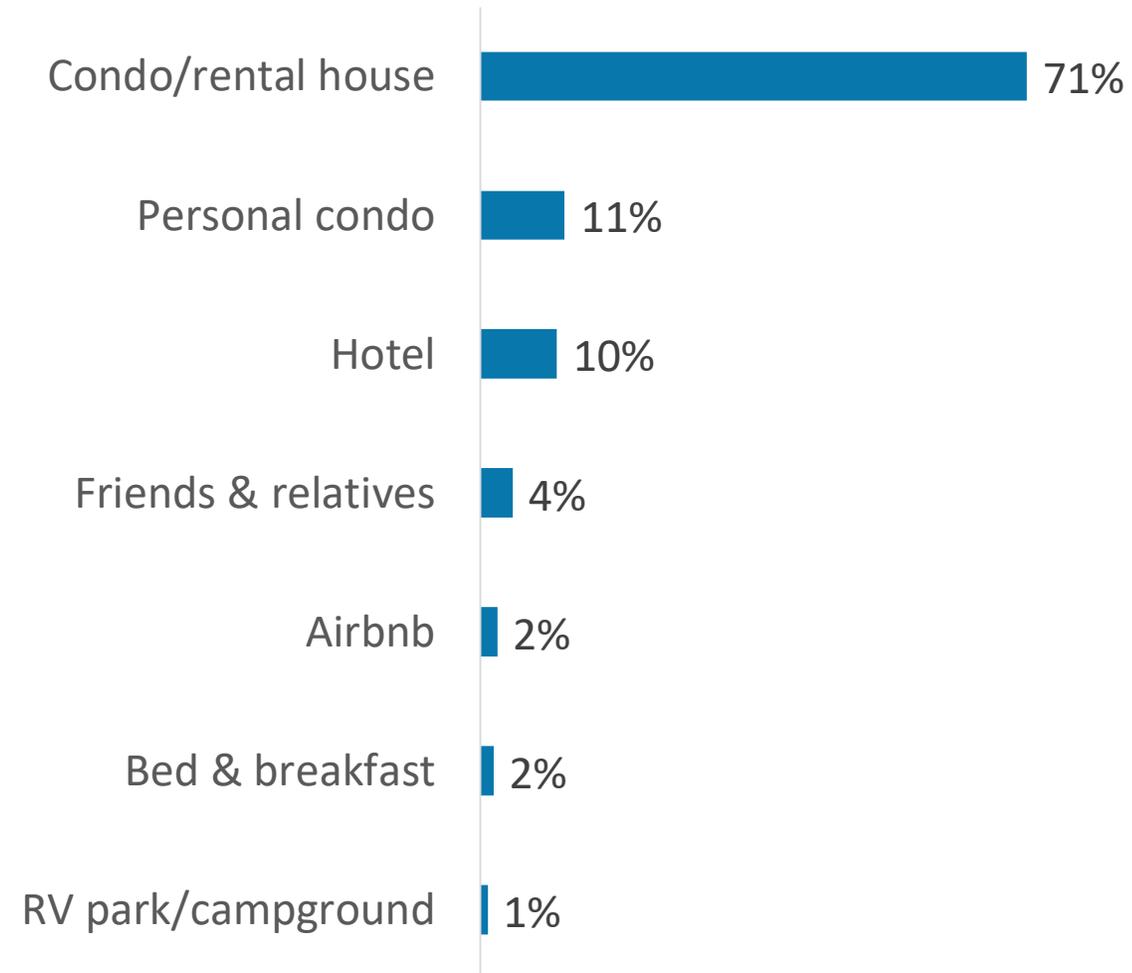


■ Female □ Male

VISITOR JOURNEY: TRIP EXPERIENCE



VISITORS' ACCOMMODATIONS



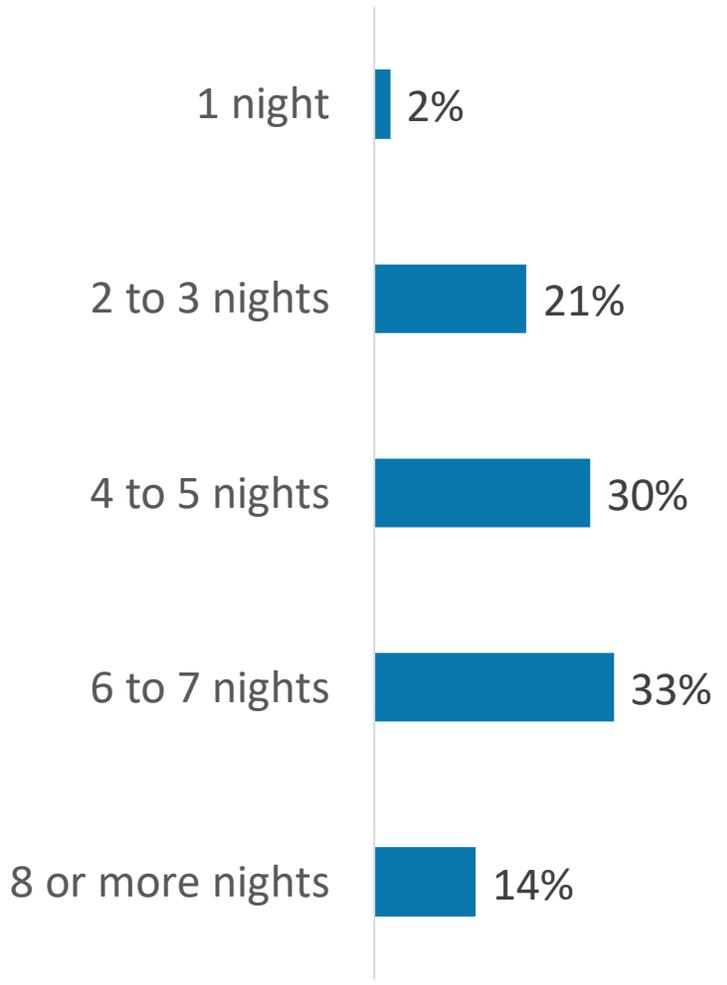
LENGTH OF STAY



Visitors spent an average of **5.9¹** nights in South Walton, a slight drop from 2018.



The percentage of visitors who stayed longer than a week dropped from 14% to 9%.

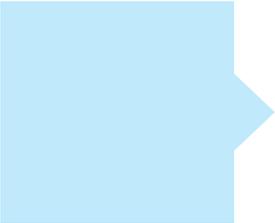


¹Visitors who stayed in paid accommodations up to 30 nights.

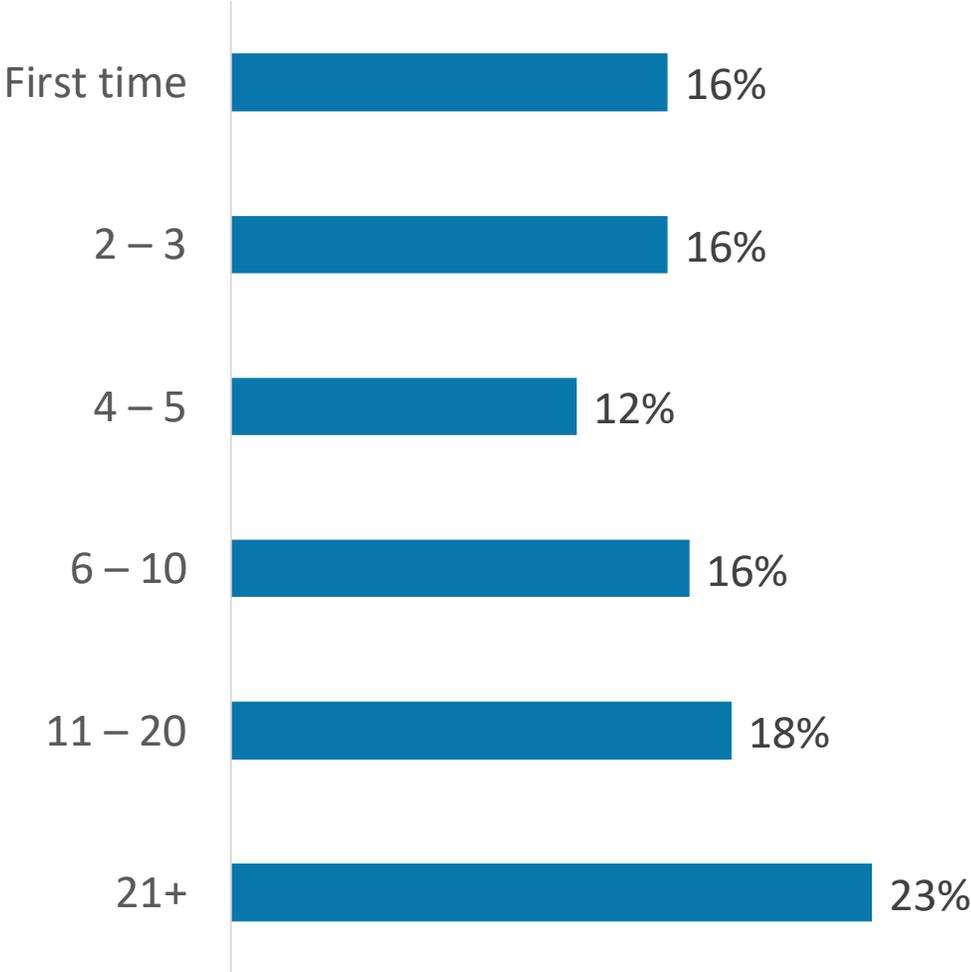
FIRST TIME AND EXPERIENCED VISITORS



16% of visitors were visiting for the first time, the same as in 2018.



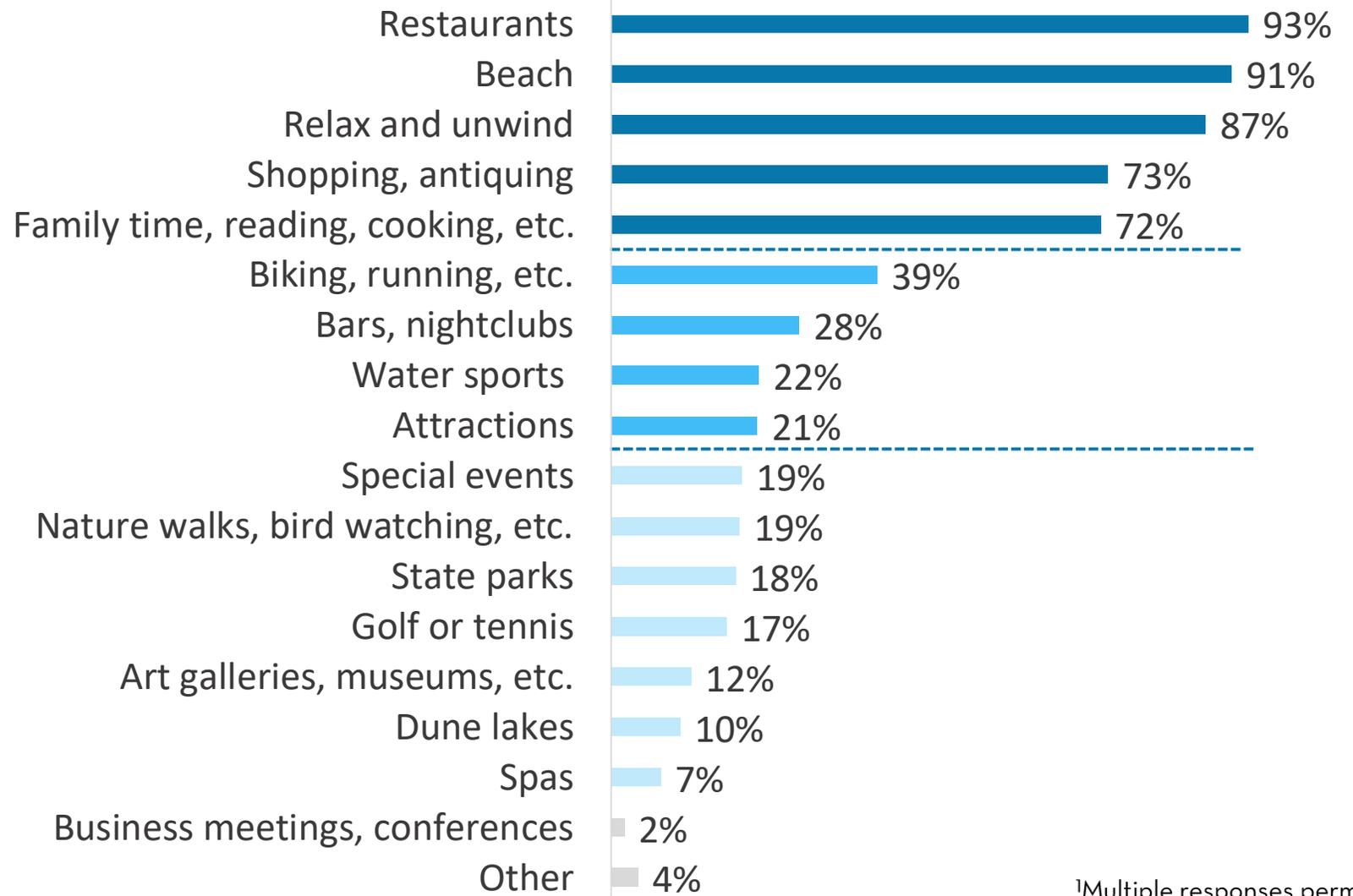
The percentage of visitors who have visited South Walton more than 10 times increased from 39% in 2018 to 41% in 2019.



VISITOR ACTIVITIES¹

Eating in restaurants, going to the beach, and relaxing and unwinding conspire to make a perfect South Walton getaway. Add in shopping and family time away from the beach and you have what most visitors do in South Walton.

While culture and the Dune lakes are fabulous in South Walton, few visitors take advantage of these attributes.



¹Multiple responses permitted.

TYPICAL SOUTH WALTON TRAVEL PARTY EXPENSES¹

Visitor Metrics ¹	Average Daily Expenditure	Total Trip Expenditure
Accommodations	\$255 ²	\$1,505
Restaurants	\$182	\$1,074
Groceries	\$166	\$979
Shopping	\$112	\$661
Entertainment	\$53	\$313
Transportation	\$50	\$295
Other	\$35	\$206
Total	\$853	\$5,033

¹For visitors staying 30 days or fewer

²This figure differs from the ADR reported by properties because of various fees added to the price visitors pay such as swim & tennis fees, amenity fees, housekeeping fees, reservation fees, arts & entertainment fees, linen charges, damage fees, etc.

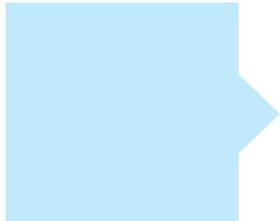
VISITOR JOURNEY: POST-TRIP EVALUATION



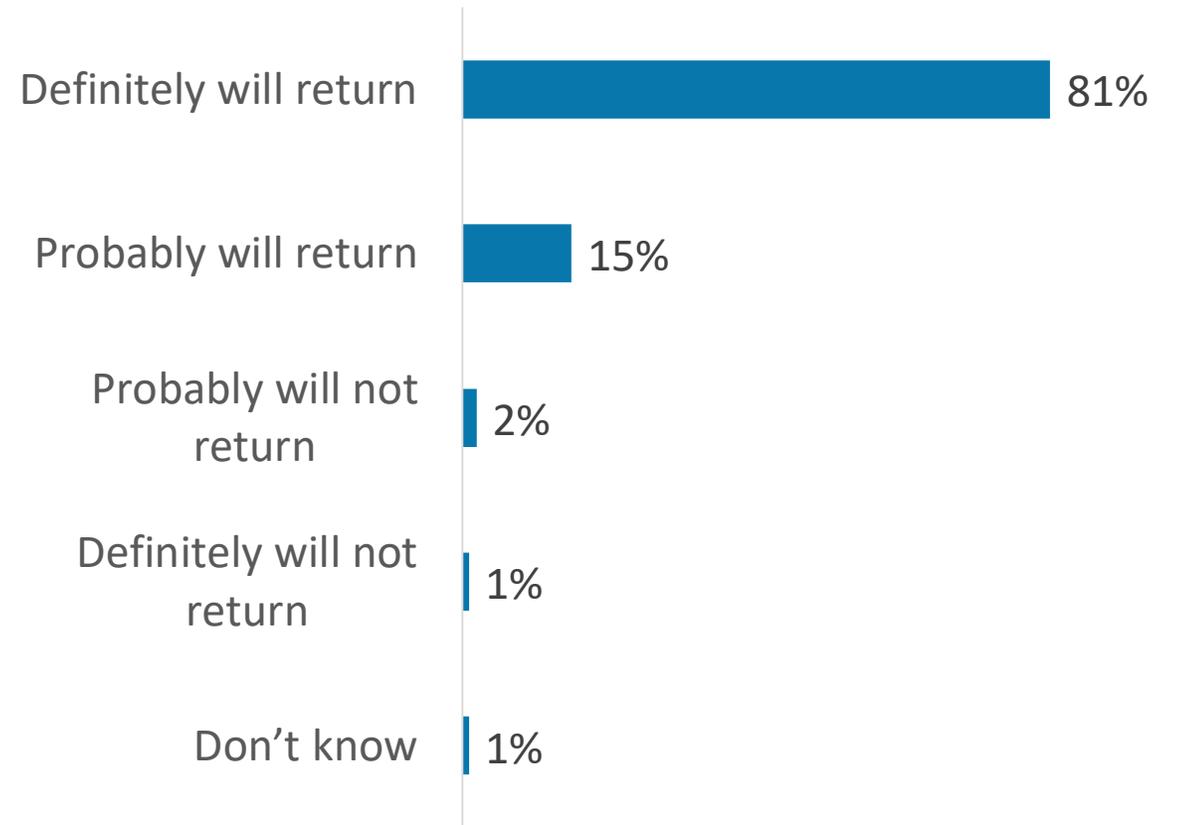
SATISFACTION WITH SOUTH WALTON



Visitors gave South Walton a rating of **9.2**¹ as a place to vacation.



96% will return to South Walton.²

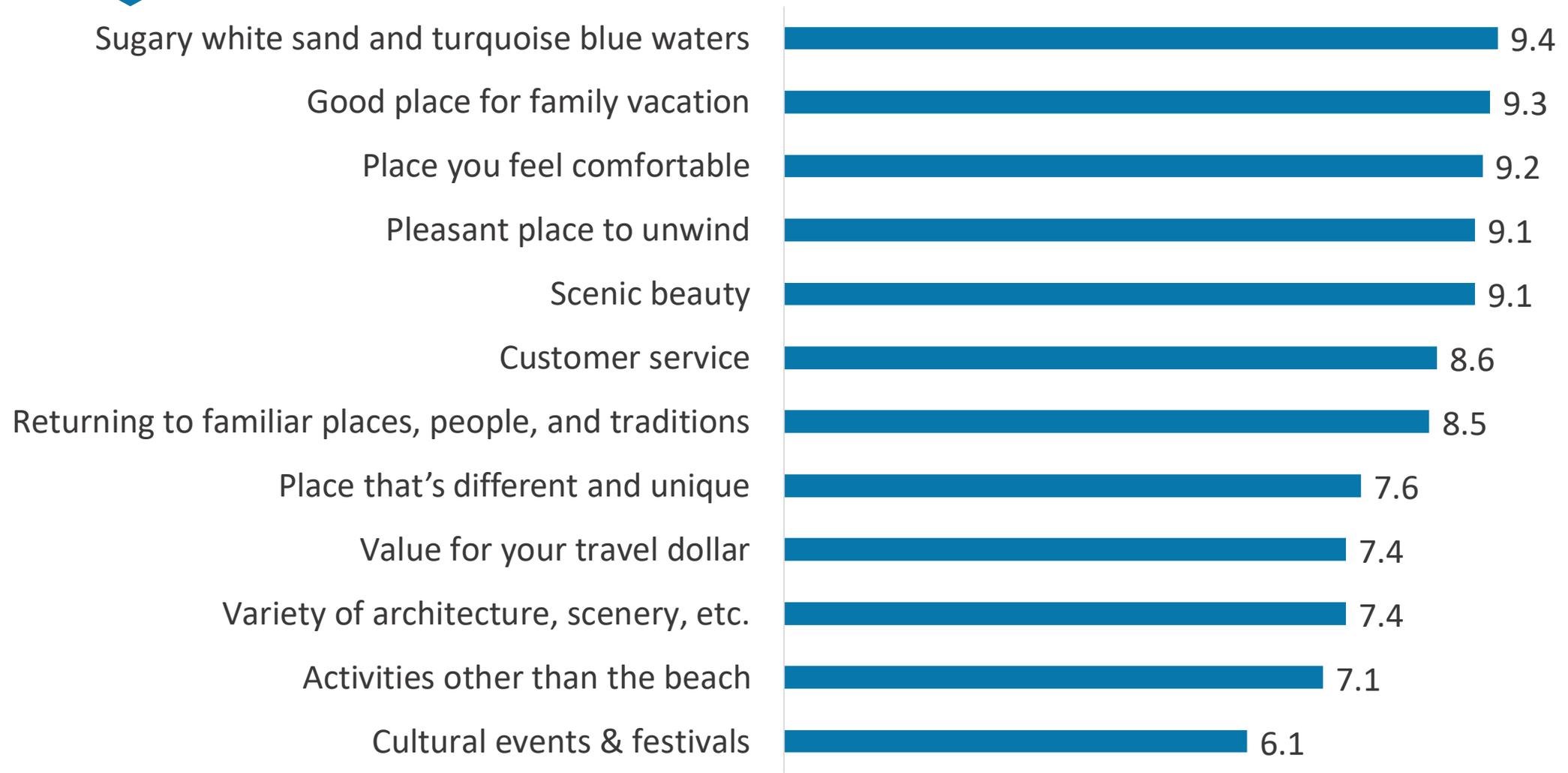


¹10 = Excellent; 1 = Poor

²2% of all visitors will not return to South Walton for the following reasons:

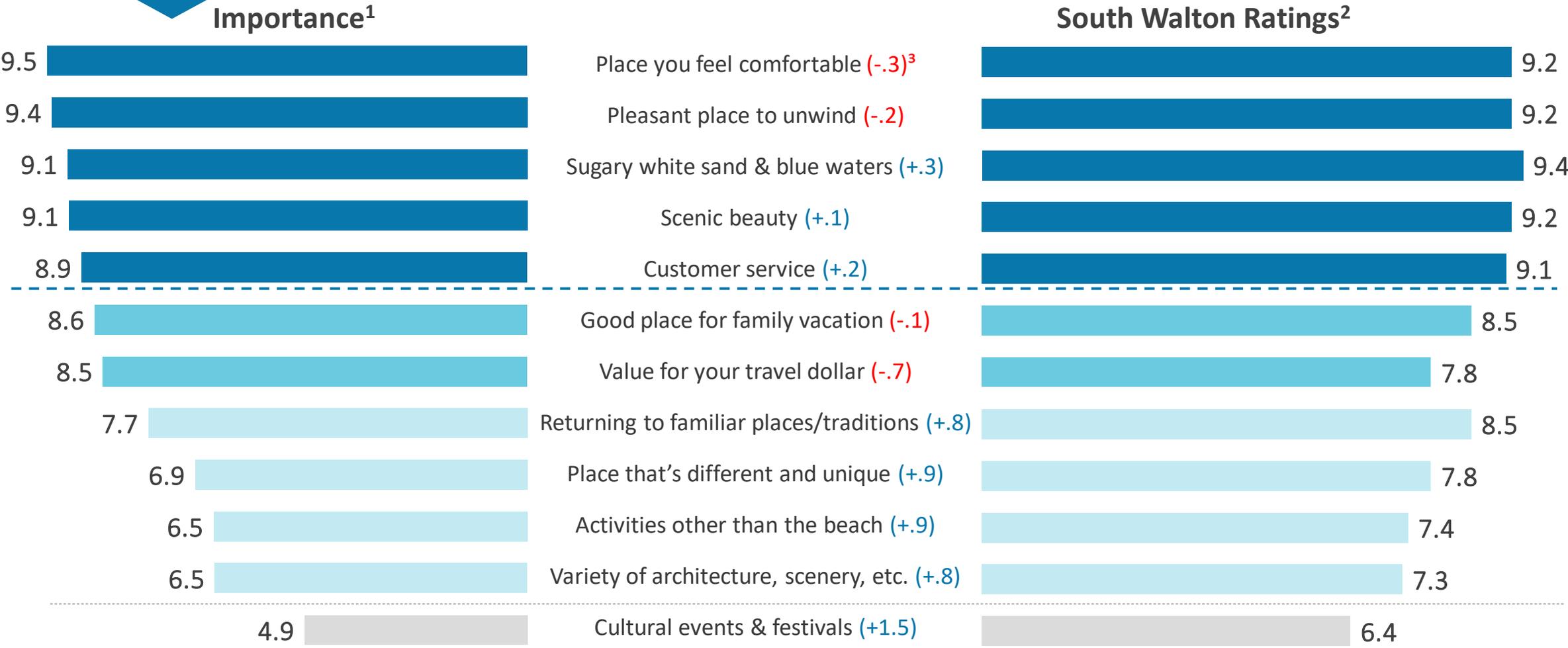
- 1. Too expensive
- 2. Parking was a problem
- 3. Traffic was a problem
- 4. Too crowded

RATING SOUTH WALTON¹



¹Rated on a scale from 1 to 10 where 1 is poor and 10 is excellent.

VACATION ATTRIBUTE IMPORTANCE VS. RATINGS



¹ Rated on a scale from 1 to 10 where 10 is very important and 1 is not at all important.

² Rated on a scale from 1 to 10 where 10 is excellent and 1 is poor.

³ Gap between Ratings & Importance. A score of -.3 means "Place to feel comfortable is more important to visitors than the rating they gave South Walton on this attribute."

VISITOR TRACKING YEAR-TO-YEAR COMPARISONS



VISITOR PROFILE – 2018 VS. 2019

Visitor Metrics ¹	2018	2019
Travel party	5.4	4.6
Kids <20	56%	46%
Median age	53	54
Estimated median household income	\$170,600	\$179,600
Stayed in condo/rental house	75%	71%
Drove	84%	82%
Nights spent	6.3	5.9
1 st time visitor	17%	16%
10+ visits to South Walton	39%	41%

¹ Visitors who stayed in paid accommodations for up to 30 nights.

VISITOR PROFILE – 2018 VS. 2019

Top Origin States	2018	2019
Georgia	13%	12%
Alabama	11%	12%
Texas	13%	10%
Tennessee	10%	10%
Florida	7%	10%
Origins - Regions	2018	2019
Southeast	72%	69%
Northeast	3%	3%
Midwest	21%	22%
West	2%	3%
International	2%	3%

VISITOR PROFILE – 2018 VS. 2019

Top Visitor Activities	2018	2019
Restaurants	93%	93%
Beach	94%	91%
Relax & unwind	89%	87%
Shop, antique	72%	73%
Family time, read, cook	77%	72%
Bike, run, etc.	46%	39%
Bars, nightclubs	26%	28%
Water sports	31%	22%
Attractions	19%	21%
Special events	14%	19%
Hiking, birding, eco tours	18%	19%
State parks	16%	18%
Golf & tennis	15%	17%
Cultural activities	9%	12%
Dune lakes	9%	10%
Spas	5%	7%
Business	2%	2%

VISITOR PROFILE – 2018 VS. 2019

Visitor Metrics	2018	2019
Will return to South Walton	95%	96%
Rating for overall experience ¹	9.1	9.2
Viewed Visitors Guide	21%	21% ²
Planned trip	4+ months out	4+ months out
Used VisitSouthWalton.com	19%	18%
Used 1 of 16 beaches' websites	31%	29%
Use the term "South Walton"	19%	17%

¹10-point scale with 10=Excellent & 1=Poor.

²18% used the online version & 3% used the print version.

Visit South Walton Economic Impact & Visitor Tracking Report

CALENDAR YEAR 2019

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