Understanding the Visitor to Kansas City

August 2013
Introduction

- Longwoods International began tracking American travelers in 1985. It is currently the largest ongoing study of American travelers, providing our clients with greater ability to hone in on market segments of interest. Longwoods provided traveler data for this study.

- Reach Market Planning LLC is a marketing and tourism product development firm based in Washington DC providing strategy, consumer research and planning consulting to travel sector clients since 1997. Reach produced the visitor profile.

- Tourism Economics applies a union of economic disciplines and tourism sector understanding to answer the big questions of policy and strategy facing destinations. Tourism Economics produced the economic impact estimates for this report.
Each quarter, a random cross-section of 500,000 panel members is sent an e-mail invitation to participate in the survey, for a total annual outgo of two million. A reminder is e-mailed several days later to non-responders. In 2012, the completion rate for those accessing the Travel USA® questionnaire was 85%.

For the 2012 travel year, this yielded:

- 223,271 trips for analysis nationally:
  - 148,056 overnight trips
  - 75,215 day trips

For Kansas City, the following sample was achieved in 2012:

- 1,547 trips:
  - 1007 overnight trips
  - 540 day trips

For analysis, data were weighted on key demographics to correct for any differences between the sample and U.S. population targets.
Executive Summary

- Kansas City hosted 22.3 million visitors in 2012; up 2.4% in 2012. Slightly less than half of guests arrived (48%) for overnight visits.
- Among the 10.8 million overnight guests, 84% came for leisure.

- The KC visitor economy surpassed pre-recession highs in both visitation and sales in 2012 with visitor sales growing to nearly $2.8 billion.
- Room demand continued to expand, growing 2.4% annually over the past two years.
- With expanded demand tourism businesses were able to raise prices above the pre-recession levels for the first time since 2008.

Prepared by Reach Market Planning LLC. www: ReachMP.Com
U.S. Market Trends for Overnight Trips — 2012 vs. 2011

Base: Adult Overnight Trips

- All Overnight Trips: +2.7%
- Visiting Friends/Relatives: -2.3%
- Marketable Trips: +8.9%
- Business-Leisure Trips: +6.3%
- Business Trips: -4.9%
Visitor growth in KC outpaced the US in 2012 resulting in increased share of market for Kansas City.

**Visitor Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>KC</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-10%</td>
<td>-10%</td>
</tr>
<tr>
<td>2009</td>
<td>-8%</td>
<td>-8%</td>
</tr>
<tr>
<td>2010</td>
<td>-6%</td>
<td>-6%</td>
</tr>
<tr>
<td>2011</td>
<td>-4%</td>
<td>-4%</td>
</tr>
<tr>
<td>2012</td>
<td>-2%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Source: Tourism Economics/Longwoods International

KC visitation did not fall as far and is now growing faster than the US tourism recovery. Both positive signs for your local visitor industry.
Kansas City experienced a new high in visitation in 2012, surpassing the pre-recession high seen in 2008.

Kansas City hosted 22.3 million domestic visitors in 2012, a 2.4% increase from 2011.

Visitation has grown by 730,000 visitors since 2010.

Day trips represent just over half of all visitors with 11.5 million person trips.

Kansas City hosted 10.8 million overnight visitors last year.

Source: Longwoods International
Overnight length of stay for leisure exceeded business for the first time in 2010 and continues the trend in 2012.

Overnight growth was driven by a 4% pt. increase in share of business visitors and increased length of stay among leisure visitors.

Kansas City’s 2012 Overnight Travel Market by Trip Purpose

Overnight Person-Trips = 10.8 Million

- Leisure = 84%
- Business = 13%
- Business-Leisure = 3%

Average Overnight Stay Length:
- Leisure = 3.42 Nights (up 14.8%)
- Business = 2.96 Nights (up 3.5%)

Prepared by Reach Market Planning LLC. www.ReachMP.Com
Kansas City’s 2012 Overnight Leisure Travel Market — by Party Composition

Total Overnight Leisure Person-Trips = 9.1 Million

- Adult Singles 19%
- 2 Adults 33%
- 3+ Adults 8%
- Adults w/Children 40%

The number of parties traveling with Children increased in 2012.

Base: Overnight Person-Trips to Kansas City

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Tourism remains a vital and growing component of the Kansas City economy.

- Spending by visitors to Kansas City grew 3.6% in 2012, reaching $2.8 billion.

- This spending generated $4.6 billion in total business sales including indirect and induced impacts.

- 45,107 jobs were sustained by visitors to KC last year with total income of $1.5 billion.

- 5.2% (1 in 19) of all jobs in the region are sustained by tourism either directly or indirectly.

- KC tourism generated $141 million in state taxes and $186 million in local taxes in 2012.
Overnight visitors represent the majority of spending (75%) with $2.1 billion in direct visitor spending in the Kansas City economy.

Day visitors spent $692 million in Kansas City last year.

### Visitor Spending in 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Overnight</th>
<th>Day</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$740.8</td>
<td></td>
<td>$740.8</td>
</tr>
<tr>
<td>Local transport</td>
<td>$64.4</td>
<td>$36.0</td>
<td>$100.4</td>
</tr>
<tr>
<td>Food &amp; beverage</td>
<td>$407.0</td>
<td>$216.3</td>
<td>$623.2</td>
</tr>
<tr>
<td>Shopping</td>
<td>$298.8</td>
<td>$233.9</td>
<td>$532.7</td>
</tr>
<tr>
<td>Gas Stations</td>
<td>$111.9</td>
<td>$62.9</td>
<td>$174.7</td>
</tr>
<tr>
<td>Recreation</td>
<td>$201.0</td>
<td>$142.5</td>
<td>$343.5</td>
</tr>
<tr>
<td>Air transport</td>
<td>$243.9</td>
<td></td>
<td>$243.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,067.7</strong></td>
<td><strong>691.5</strong></td>
<td><strong>2,759.3</strong></td>
</tr>
</tbody>
</table>
• The accommodation and food & beverage sectors together comprise over half of all visitor spending in KC.

• Shopping is also an important part of the KC visitor economy with 21% ($533 million) of all spending.

• The share of the visitor dollar spent in the lodging industry has grown 0.4 percentage points since 2010.
As home of the convention center, central business district and a significant hotel base, Jackson County attracts more than half of visitor spending in the Kansas City region.

Visitor Economy: Sales by County

- Jackson, MO: 52%
- Platte, MO: 17%
- Johnson, KS: 17%
- Clay, MO: 10%
- Wyandotte, KS: 4%
Tourism Employment Trend

<table>
<thead>
<tr>
<th>Category</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Tourism Employment</td>
<td>42,978</td>
<td>43,914</td>
<td>44,369</td>
<td>44,807</td>
<td>42,780</td>
<td>43,499</td>
<td>43,772</td>
<td>45,107</td>
</tr>
<tr>
<td>% Change</td>
<td>2.2%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>-4.5%</td>
<td>1.7%</td>
<td>0.6%</td>
<td>3.1%</td>
<td></td>
</tr>
</tbody>
</table>

- This growth of 3.1% outpaced the overall economy, which grew just 2.4% in 2012.
Tourism generated $677 million in taxes in 2012.

- $186 million in local taxes and $141 million in state taxes were generated by tourism in 2012.

- Total state and local tax proceeds of nearly $330 million saved the region’s households an average of $490 in tax burden in 2012.

- $186 million in local tax receipts would cover the entire KC fire department budget for fiscal year 2012 with enough left over for the parks department.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Taxes</td>
<td>$349.2</td>
</tr>
<tr>
<td>Corporate</td>
<td>$50.6</td>
</tr>
<tr>
<td>Indirect Business</td>
<td>$39.1</td>
</tr>
<tr>
<td>Personal Income</td>
<td>$106.6</td>
</tr>
<tr>
<td>Social Security</td>
<td>$153.0</td>
</tr>
<tr>
<td>State Taxes</td>
<td>$141.4</td>
</tr>
<tr>
<td>Corporate</td>
<td>$22.6</td>
</tr>
<tr>
<td>Personal Income</td>
<td>$26.8</td>
</tr>
<tr>
<td>Sales</td>
<td>$89.4</td>
</tr>
<tr>
<td>State unemployment</td>
<td>$2.7</td>
</tr>
<tr>
<td>Local Taxes</td>
<td>$186.4</td>
</tr>
<tr>
<td>Sales</td>
<td>$23.8</td>
</tr>
<tr>
<td>Property</td>
<td>$79.3</td>
</tr>
<tr>
<td>Excise and Fees</td>
<td>$7.0</td>
</tr>
<tr>
<td>Gaming</td>
<td>$5.1</td>
</tr>
<tr>
<td>Hotel and Motel</td>
<td>$63.5</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$3.6</td>
</tr>
<tr>
<td>Car Rental</td>
<td>$4.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$677.1</td>
</tr>
</tbody>
</table>
Overnight Leisure
Trip Detail
Average Per Person /Per Day Expenditures on Overnight Trip — by Trip Purpose

**Leisure Up 11%**
- Lodging up 8%
- Transportation down 19%
- F&B up 5%
- Recreation up 14%
- Retail down 13%

**Business Up 10%**
- Lodging up 12%
- Transportation down 7%
- F&B up 36%

Average Overnight Stay Length:
- Leisure = 3.44 Nights
- Business = 2.93 Nights

Prepared by Reach Market Planning LLC. www.ReachMP.Com
2012 Average Per Person/Per Day Overnight Leisure Trip Expenditures By Expenditure Sector *

Base: Total Overnight Leisure Person-Trips

* Averages include those staying in unpaid lodging

* Multiply average party size (2.91)* $26.17 *1/share in paid accommodation
73.6%=.average per party daily room expense of $103.47

![Bar graph showing average expenditures by category:
- Lodging: $26
- Restaurant Food & Beverage: $22
- Retail Purchases: $20
- Recreation/Sightseeing/Entertainment: $16
- Transportation at Destination: $13
- Transportation to Destination: $24]
2012 Average Per Person/Per Day Overnight Business Trip Expenditures By Expenditure Sector *

Base: Total Overnight Business Person-Trips

* Averages include those staying in unpaid lodging

* Multiply average party size (2.93) * $73.07 * 1/share in paid accommodation.
  92.6% = average per party daily room expense of $231.20

Dollars

<table>
<thead>
<tr>
<th>Expenditure Sector</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$73</td>
</tr>
<tr>
<td>Restaurant/Food &amp; Beverage</td>
<td>$42</td>
</tr>
<tr>
<td>Retail Purchases</td>
<td>$16</td>
</tr>
<tr>
<td>Recreation/Sightseeing/Entertainment</td>
<td>$18</td>
</tr>
<tr>
<td>Transportation at Destination</td>
<td>$26</td>
</tr>
<tr>
<td>Transportation to Destination</td>
<td>$74</td>
</tr>
</tbody>
</table>

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Comparison to a Competitive Set

It is useful to compare performance and profile information for Kansas City to an average for competing destinations. We refer to this group as the “Comp Set”. This group includes:

- Dallas
- Denver
- Memphis
- Minneapolis
- St Louis
Main Purpose of 2012 Overnight Leisure Trip

Kansas City Comparisons

- Visiting friends/relatives: 58% (Kansas City), 58% (U.S.), 58% (Comp Set)
- Special event: 13% (Kansas City), 12% (U.S.), 10% (Comp Set)
- City trip: 10% (Kansas City), 9% (U.S.), 8% (Comp Set)
- Touring: 9% (Kansas City), 6% (U.S.), 6% (Comp Set)
- Casino: 5% (Kansas City), 5% (U.S.), 4% (Comp Set)
- Theme park: 3% (Kansas City), 3% (U.S.), 3% (Comp Set)
- Outdoors: 4% (Kansas City), 7% (U.S.), 7% (Comp Set)
- Resort: 1% (Kansas City), 1% (U.S.), 1% (Comp Set)

Prepared by Reach Market Planning LLC. www.ReachMP.Com
2012 State of Origin:
Overnight Leisure Trips

- Missouri: 26.2%
- Kansas: 17.3%
- Nebraska: 5.7%
- Iowa: 5.5%
- Oklahoma: 4.9%
- California: 4.4%
- Texas: 3.6%
- Colorado: 3.6%
- Florida: 3.1%
- Illinois: 2.8%
- Arkansas: 2.8%
- Minnesota: 2.1%
DMA Origin Of 2012
Kansas City Overnight Leisure Visitors

- Kansas City DMA: 15.4%
- Springfield, MO: 7.4%
- St. Louis, IL/MO: 6.3%
- Wichita-Hutchinson Plus, KS: 5.4%
- Topeka, KS: 5.1%
- Omaha, NE/IA: 4.2%
- Los Angeles, CA: 2.8%
- Tulsa, OK: 2.7%
- Denver, CO: 2.6%
- New York, NY: 2.6%
- Des Moines-Ames, IA: 2.6%
- Joplin-Pittsburg, KS/ MO: 2.5%
- Minneapolis-St. Paul, MN: 2.2%
- Lincoln & Hstsns-Kearney Plus, NE: 2.1%
- Dallas-Ft. Worth, TX: 2.0%
- Oklahoma City, OK: 1.8%
- Chicago, IL: 1.5%
- Detroit, MI: 1.5%

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Season of 2012 Overnight Leisure Trip

Base: Total Overnight Leisure Person-Trips to Kansas City

- January-March: 24%
- April-June: 26%
- July-September: 27%
- October-December: 24%

Prepared by Reach Market Planning LLC. www.ReachMP.Com
Number of Nights Spent in Kansas City: 2012 Overnight Leisure Trip

Average
Kansas City
= 3.0 Nights (2010)
= 3.4 Nights (2012)

Average
Comp Set (2012) = 3.8 Nights
U.S. (2012) = 3.6 Nights

1 night
2 nights
3-4 nights
5-6 nights
7+ nights

Kansas City 2010
Kansas City 2012

Prepared by Reach Market Planning LLC. www: ReachMP.Com
2012 Overnight Leisure Accommodations

- Hotel/Motel-Resort: 59%
- Friend/relative's dwelling (not...: 28%
- Other: 9%
- Bed & breakfast: 6%
- Campground/trailer park/RV park: 4%
- Country inn/lodge: 3%
- Own condo/apartment/cabin/home: 3%
- Rented cottage/cabin: 2%
- Rented home/condo/apartment: 2%
- Time share: 1%

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Activities and Experiences on 2012 Overnight Leisure Trip

- Shopping: 45% (Kansas City), 43% (Comp Set)
- Fine dining: 20% (Kansas City), 23% (Comp Set)
- Casino: 15% (Kansas City), 12% (Comp Set)
- Landmark/Historic site: 16% (Kansas City), 15% (Comp Set)
- Swimming: 15% (Kansas City), 15% (Comp Set)
- Museum: 13% (Kansas City), 15% (Comp Set)
- Bar/Disco/Nightclub: 14% (Kansas City), 13% (Comp Set)
- Zoo: 13% (Kansas City), 12% (Comp Set)
- Theater: 10% (Kansas City), 8% (Comp Set)
- Fishing: 8% (Kansas City), 9% (Comp Set)

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Activities and Experiences on 2012 Overnight Leisure Trip

<table>
<thead>
<tr>
<th>Activity</th>
<th>Kansas City</th>
<th>Comp Set</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme park</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>National/State park</td>
<td>8%</td>
<td>11%</td>
</tr>
<tr>
<td>Fair/Exhibition/Festival</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Pro/College sports event</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Dance</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Winery</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Art gallery</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Rock/Pop concert</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Camping</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Brewery</td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Demographic Profile of Day Trip & Overnight Leisure Visitors to Kansas City
2012 Day Trip and Overnight Leisure Visitor: Gender

Base: Total Adult Leisure Person-Trips to Kansas City

Male
- Day: 48%
- Overnight: 48%

Female
- Day: 52%
- Overnight: 52%

Prepared by Reach Market Planning LLC. www: ReachMP.Com
2012 Day Trip and Overnight Leisure Visitor: Age

Base: Total Adult Leisure Person-Trips to Kansas City

Average Day = 43
Average ON = 42

Trending shift to ON 18-44 Years
65+ ON Share Drops 6 Pct. Pts.

Prepared by Reach Market Planning LLC. www: ReachMP.Com
### 2012 Day Trip and Overnight Leisure Visitor: Income

*Base: Total Adult Leisure Person-Trips to Kansas City*

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Day</th>
<th>Overnight</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150K+</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>$100K-$149K</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>$75K-$99K</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>$50K-$74.9K</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>$25K-$49.9K</td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>Under $25K</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

Improving Economic Climate brings 13% Pt. more visitors with lower incomes to Kansas City.

Prepared by Reach Market Planning LLC. www: ReachMP.Com
2012 Vrs. 2010 Overnight Leisure Visitors: Income

- $150K+: 6% (2012) vs. 7% (2010)
- $100K-$149K: 14% (2012) vs. 7% (2010)
- Under $50K: 39% (2012) vs. 50% (2010)

Prepared by Reach Market Planning LLC. www.ReachMP.Com
2012 Day Trip and Overnight Leisure Visitor: Children in Household

Base: Total Adult Leisure Person-Trips to Kansas City

- No children under 18: 47% Day, 22% Overnight (44% total)
- Any child between 13-17: 23% Day, 29% Overnight (29% total)
- Any child between 6-12: 29% Day, 22% Overnight (27% total)
- Any child under 6: 22% Day, 22% Overnight (22% total)

12 Pct. Pt Increase in Families with Children 6-12, 13-17 Yrs. Old

Prepared by Reach Market Planning LLC. www: ReachMP.Com
The incidence of college graduates/post graduates for overnight trips rose 10% 2008-2010, yet declined in 2012.

Base: Total Adult Leisure Person-Trips to Kansas City.

- Post-graduate: Overnight 10%, Day 10%
- College graduate: Overnight 36%, Day 34%
- Some college: Overnight 30%, Day 27%
- High school or less: Overnight 27%, Day 23%
- Other: Overnight 1%, Day 1%
## 2012 Overnight Leisure Visitor Profile

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Female 58%</td>
<td>Female 52%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>44.5 years</td>
<td>41.8 years</td>
</tr>
<tr>
<td><strong>Party Size</strong></td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Party Composition</strong></td>
<td>Singles, 19.1%, 2 Adults, 40%, 3+ Adults, 11%, Adults w/Children, 30%</td>
<td>Singles, 19%, 2 Adults, 33%, 3+ Adults, 8%, Adults w/Children, 40%</td>
</tr>
<tr>
<td><strong>Daily Spending Per/Person</strong></td>
<td>$110.09</td>
<td>$122.43</td>
</tr>
<tr>
<td><strong>Length of Stay</strong></td>
<td>2.98</td>
<td>3.42</td>
</tr>
<tr>
<td><strong>% that Stay in Hotels</strong></td>
<td>47%</td>
<td>55.8</td>
</tr>
<tr>
<td><strong>% that Arrive by Auto</strong></td>
<td>82%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Prepared by Reach Market Planning LLC. www: ReachMP.Com
Kansas City's visitor market has changed significantly during the recession in response to economic and product changes.

- The overnight market has grown more affluent with younger middle to upper middle class family guests and affluent older guests. In 2012 we see the return of Younger families with children 6-17 years of age and a decline in older guests.

- These guests have busy lives and use technology to learn about and locate deals, yet most are not fully engaged in technology to “create their trip”.

- Day trip travelers shifted to a greater share of less educated and less affluent travelers with children and to a greater share of young singles starting careers.
Strategic Marketing Implications

- Visitors to Kansas City reporting their trip purpose as Visiting Friends and Relatives declined slightly in 2012 but remains 6 Pct Pt. higher than the US average, but on par for the Comp Set.
- Visitors to Kansas City are more likely than the US or Comp Set to stay in Paid lodging.
- Visitors to Kansas City are more likely than the US average, but less likely than the Competitive Set to plan and book in advance using technology.
- Kansas City Visitors are using the internet more than they did in 2008, & 2010 to plan their trip.
Strategic Marketing Implications

- The faster rate of growth in spending as compared to number of visitors reflects increased demand and the industries ability to raise prices exceeding pre recession levels for the first time since 2008.

- Kansas City prices now equal the norm for expenses/costs for all expenditure categories. You no longer can claim a value proposition solely on price. This will make your regional drive market key competitors for similar trip types and suggest a value – added positioning should be emphasized in marketing activities.
Kansas City remains a regional shopping and recreational destination. Mall and attraction locations should be leveraged to cross-sell all that is new to see and do for city-wide dining, recreation, and entertainment venues.