

**THE SHOPPING TRAVELER**  
**Highlights for TTMA Meeting at South Coast Plaza**  
**July 14, 2005**  
**Presented by ChrisAnn Richards, SCMD**

**California Travelers Spend Big on Shopping**

- Californians themselves are the mainstay of the state's travel and tourism industry, comprising 85 percent of domestic travel, or 254 million person trips. Out-of-state visitors account for 45 million person-trips. California's top domestic markets in 2003 were Nevada (approx. 6.6 million person trips), Arizona (5.7 million), Texas (3.6 million), Oregon (3 million), Washington(2.4 million), and Utah (1.8 million).
- Visitor spending by commodity purchased as outline in the Cal. Travel Impact by County conducted by Dean Runyan Associates and just released – defined shopping or retail sales as spending for gifts, souvenirs, clothing but excludes food stores or recreation.
- California travelers spent an estimated \$14 billion on shopping in 2004, up from \$13.8 billion in 2003, and up from \$13.7 billion in 2002, but still lower than the 2000 high of \$14.4 billion.
- Of all expenditures on commodities, which include accommodations, food & beverage, food stores, ground transportation and fuel, recreation & entertainment, the traveler is spending approximately 20% of their budget on shopping. You have to eat and sleep, but you don't have to shop.
- Shopping is the number one leisure activity of visitors in and to California. In visitor spending, shopping ranks 3<sup>rd</sup> behind meals/beverages and lodging expenditures. Most travelers (87%) say that their most recent trip that included shopping was for leisure purposes vs for business travel purposes.
- In the estimates that I have seen, Leisure travel is up 2005 over 2004, and so is spending and that's good news for shopping.
- Shopping expenditures by California travelers have increased at an average compounded rate of 4% since 1995. (Nationally it is 5.8%)

Source: [http://www.visitcalifornia.com/tourism/pdfs/TI\\_RS\\_County\\_Travel\\_Impacts.pdf](http://www.visitcalifornia.com/tourism/pdfs/TI_RS_County_Travel_Impacts.pdf)

**The Shopper Traveler – 2001 Comprehensive Study by the Travel Industry Assoc. of America([www.tia.org](http://www.tia.org)) and developer – The Taubman Company**

***Shopping Travel Trends***

- According to the most comprehensive study completed by TIA and the Taubman Company in 2001 and released in 2002 on attitudes about shopping while traveling, most shopping travelers (73%) want to shop at stores they do not have in their home cities or towns.....and most of those agree that because they are on a trip they have more time to go shopping....and over half of shopping travelers say they go shopping on trips in order to find items that represent the destination they are visiting.
- One in five shopping travelers (22%) spend \$500 or more, in total, on purchases during their trip. And, approximately 8% of shopping travelers spent \$1,000 or more. The average expenditure is \$333 on purchases.
- Shopping travelers are likely to be Baby Boomers and have higher-than-average household incomes
- Shopping travelers get their information about shopping from 1). Friends and family (59%) 2). Hotel/motel concierge and in-room maps and brochures (25%) 3). Travel guides, books or magazines 4). The internet. 5). Newspaper travel section (12%) 6). Tourism office, chamber or visitor center (10%)
- Shoppers are almost as likely to stay at a hotel, motel, or bed and breakfast establishment (49% of person-trips) as they are with friends or relatives (48%). They stay an average 4.8 nights.

Source: The Shopping Traveler 2001 - Travel Industry Association of America, Washington, D.C. [www.tia.org](http://www.tia.org)

**Culture Heritage Tourism Shoppers – 2003 Comprehensive In-Flight Survey of Intertanional Air Travels by TIA and The Taubman Company\*  
(30,000 Surveys in 2003)**

**How are they defined?**

- What turns an ordinary shopper into a Cultural Shoppers? The study showed that they take time out for art galleries, museums, concerts, musicals or play, cultural or historic sites, or national parks...as well as shopping.

**Who are they?**

- Cultural Tourism Shoppers are overall more affluent, they stay 38% longer, and spend 38% more than other tourist....and are typically leisure travelers
- They tend to be new-to-market travelers
- The study does an excellent job of profiling the unique characteristics of the top overseas markets in which they are traveling from so I encourage you to take a look at the executive summary ...found at [tia.org/media](http://tia.org/media) for FREE ...

**In May 2005, the first California Cultural & Heritage Tourism Council Symposium present the following facts about the California Cultural Traveler ...**

- 32% (29.6 M) added extra time because of their cultural activity or event
- 30% choose their destination for specific historic, cultural events or activities
- In the Spring of 03, a promotion was conducted that reached out to this traveler and the program tracked card member expenditures and 57% of all expenditures within this tracking group spent it on retail...

Source: \*The U.S. Department of Commerce and Taubman Centers have published data on the top 11 markets to the United States from the 2003 International Air Traveler Survey, providing an in-depth profile of the shoppers and cultural shoppers to the United States. For the complete study visit:

[http://www.ita.doc.gov/media/FactSheet/1204/tourism1\\_122004.html](http://www.ita.doc.gov/media/FactSheet/1204/tourism1_122004.html)

## Suggestions and comments?

- Centers need to focus on value-added promotions tied to entertainment, rather than by discounting alone....to increase leisure shopping spending in their stores. Performances ticket stub offers...in-magazine entertainment venues.
- If it is not the brand or specific store that the shopping travelers are looking for, then **value-added incentives** are what entice shoppers to choose your shopping destination over another.
- It's not about being cheap; it is about perceived value to the traveler.
- Create shopping tour packages that can be promoted by the Center and can be sold as value-added packages with tour operators that influence travel. Gift with purchase, 10% off clothing purchase, free valet parking...things that don't cost. It's all about incremental \$'s being spent in your store at no cost to you. Go to [shopamerica.com](http://shopamerica.com) and look at their packages...and copy them.
- Centers need to create a VIP Passport to Savings and Map that can be used by all hotels and in-store cross promotion.
- What can I offer a shopping traveler? Take a look at what your competition is doing to promote to the travelers. Beverly Center Passport to Savings and an in-mall California Welcome Center. South Coast Plaza VIP Passport. The Grove's VIP credit card.
- 4x9" rack card that is distributed in all hotels, airports and attractions through Certified Folder Display and have a bounce back tracking devise for a gift that can be redeemed in store for tracking purposes.
- Take advantage of Shop California, the state's non-profit arm that promotes shopping in California. [www.shopcalifornia.org](http://www.shopcalifornia.org) Front page link on [www.visitcalifornia.org](http://www.visitcalifornia.org) which gets 6 million hits per month.
- List your events on [www.culturecalifornia.org](http://www.culturecalifornia.org)