



THE IMPACT OF TOURISM AND HOSPITALITY ON ARKANSAS

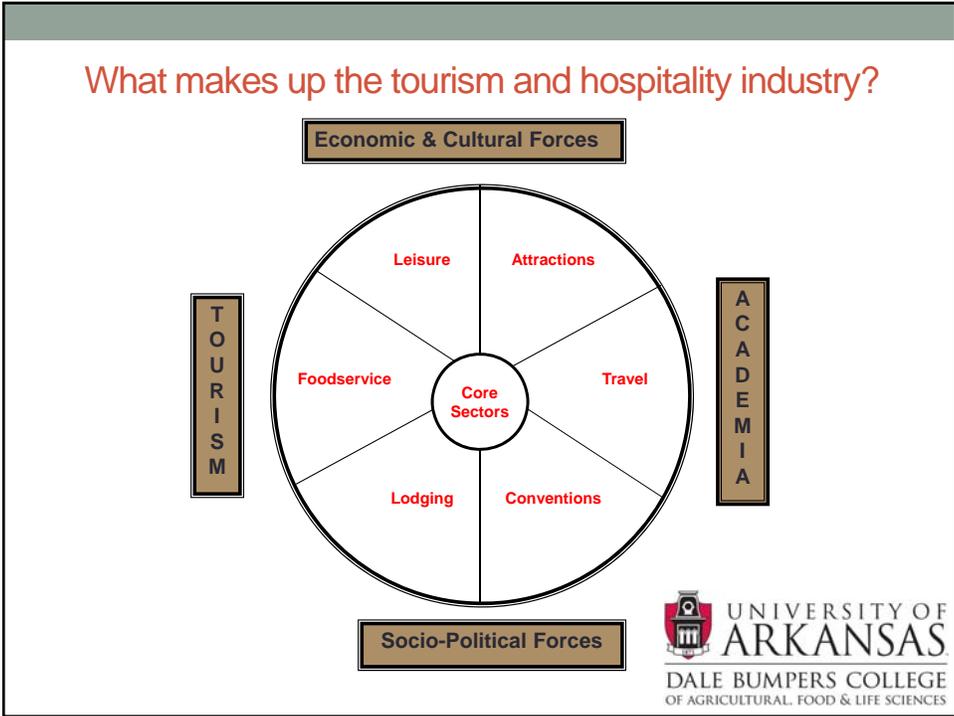
Robert J. Harrington, PhD, MBA
Hospitality Innovation Management
University of Arkansas, Fayetteville



An Overview

- What is the tourism and hospitality industry?
- The scope of the industry
- Travel and tourism represents an export for a destination with direct and indirect economic impact
- Key drivers of travel and tourism
- The Hospitality Innovation Management Program at the University of Arkansas





- ### Scope of the Tourism Industry
- US holds 12% of the world traveler spending and \$1.51trillion in total tourism sales (direct and indirect)
 - As a percentage of GDP, travel and tourism revenues in Arkansas represent the second largest industry next to agriculture (ADPT, 2013).
 - Travel and tourism expenditures in NWA are 13.14% of the total for the state and 3.4 million visitors to NWA per year.
 - Hospitality and leisure job sector was among the fastest growing sectors in NWA during the 2007-2013 period with 33.3% growth and representing 10% of the total workforce.
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The Tourism Industry by the Numbers (2013)

	US	Arkansas	NWA
Traveler revenues (direct)	\$900.1 Billion	\$6 Billion	\$783 Million (13.1%)
Traveler revenues (indirect)	\$614.7 Billion	\$2.42 Billion	\$316.3 Million
Total Economic Impact	\$1.51 trillion	\$8.42 Billion	\$1.1 Billion
Visitors	69.8 Million (to the US)	23.3 Million	3.37 Million
Direct revenues per capita	\$2823.43	\$2027.45	\$1574.87 (\$6283.73 Carroll County)
Growth percentage	9%	3.35%	
GDP Growth percentage	1.8%	2.4%	



State Tourism Tax revenues for the first half of 2014

- 2% State tourism tax is accessed to lodging, camping, attractions entry, and some marine rentals
- 92-93% is from lodging tax and provides a good indicator of visitor patterns and growth from outside the region or state

Location	Collections thru June 2014	Percentage Change
Statewide	\$6.8 Million	6.71%
NWA	\$1.41 Million	1.76%
Benton	\$756,256	8.33%
Carroll	\$274,764	4.44%
Madison	\$2,255	93.89%
Washington	\$375,735	(11.02)%



NWA Hospitality Tax Revenue for the first half of 2014

- Up 7% compared to the same time period in 2013
- Combines local city taxes on hotels, meeting space and prepared foods
- Examples:
 - Bentonville = up 9.28% to \$505,905
 - Fayetteville = up 5.15% to \$710,905
 - Springdale = up 7.98% to \$96,794
 - Rogers = up 8% to \$210,410
- STR report shows hotel occupancy rates in the region are increasing
 - June 2014 = 72.1% vs. 67% in June 2013
 - First half of 2014 = 56.3% vs. 53.5% during the same period in 2013
- Expectations are for a strong remainder of 2014 with seasonal events and attractions in the region

Tourism Drivers

- Service-based economy vs. Experience-based economy
 - Heritage, cultural, and food/culinary/agricultural tourism
- Higher propensity to travel by U.S. population
- Top 10 states of origin for 2013 visitors to Arkansas
 - Texas, Missouri, Louisiana, Illinois, Oklahoma
 - Mississippi, Minnesota, Tennessee, Wisconsin, Kansas
- Destination tourism is a key strategy for successful tourism outcomes:
 - Economic impact,
 - Job growth,
 - Tax revenues
 - and enhanced quality of life



Factors that drive successful destination tourism?

- **Accessibility** – signage, transportation, roadways, social media and other electronic marketing, etc.
- **Scenic and physical beauty** – nature, landscape, etc.
- **Hospitality infrastructure** – foodservice, lodging, other services, etc.
- **Entertainment** – events, attractions, sports
- **Reliability** – quality control, educational infrastructure



Summary: Travel and Tourism

- Growing opportunity for economic impact, job growth, entrepreneurial activity, and tax revenue growth.
- Enhances quality of life for residents and provides opportunity for rural development.
- Helps to sustain rural communities, family farms and local culture.
- Without a robust travel industry, the average U.S. household tax bill would exceed \$1,000 more every year to cover local government tax receipts and to pay for essential services.



Hospitality Innovation Management (part of the Human Nutrition and Hospitality Innovation area)

- The basic mission of this area is “maximizing human quality of life through innovation in nutrition and diet, hospitality, tourism, and culinary management”.
- Our strategy to accomplish this is to focus on the essentials and essential areas that will propel us to the highest quality and reputation possible. This requires a thoughtful process of integrating teaching and research activities wherever possible and creating a culture of innovative teaching, learning and research.



Hospitality Innovation Management Program

- **Why this name?**
 - Three legged-stool of areas to ensure innovative leaders in the hospitality field:
 - **Hospitality** = the ‘art of hospitality’ as a differentiator for success in the industry.
 - **Innovation** = leaders in the field must embrace innovative capabilities and serve as change agents to create superior guest experiences and profitable business ventures.
 - **Management** = Skills and capabilities in all areas of management and leadership are demanded for 21st Century success.
- 250 undergraduates majoring in Hospitality
- 10 Master of Science and 2 PhD students with concentrations in hospitality



Goals and Objectives of the Program

In addition to our teaching mission, our goals include:

- A leadership role in the educational infrastructure to support tourism and quality hospitality development
- Applied research and projects
 - Initiating a “Culinary, Human Nutrition and Hospitality Innovation Research Center” on campus
 - Entrepreneurship and innovation
 - Applied research in Arkansas culinary heritage, modernist approaches to culinary product development, culinary and food tourism, culinary nutrition aspects, etc.
- Projects for rural development
 - A framework using urban hubs, culinary identity and heritage tourism
 - National Center for American Origin Products



THANK YOU!

Contact:
Robert Harrington
rharring@uark.edu
479-575-4700 Office
479-445-3878 Cell

