# Group Tours in New Hampshire

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## RESEARCH TOPIC AND APPROACH

In an effort to better understand the importance of the Group Tour segment to the New Hampshire tourism market, research was undertaken in partnership with New Hampshire businesses considered by New Hampshire's Division of Travel and Tourism (DTTD) as "group friendly." For the purposes of this research, a group friendly business was defined to include clubs, motor coach tours, SMERF (social, military, education, religious, fraternal), or other groups (but NOT meetings, conferences, or weddings). Specifically, the research sought to understand:

- The general characteristics of the Group Tour segment
- Trends with regard to seasonality, domestic vs. international, length of stay, size of group, etc.
- The overall economic impact of Group Tours on New Hampshire's economy in 2013

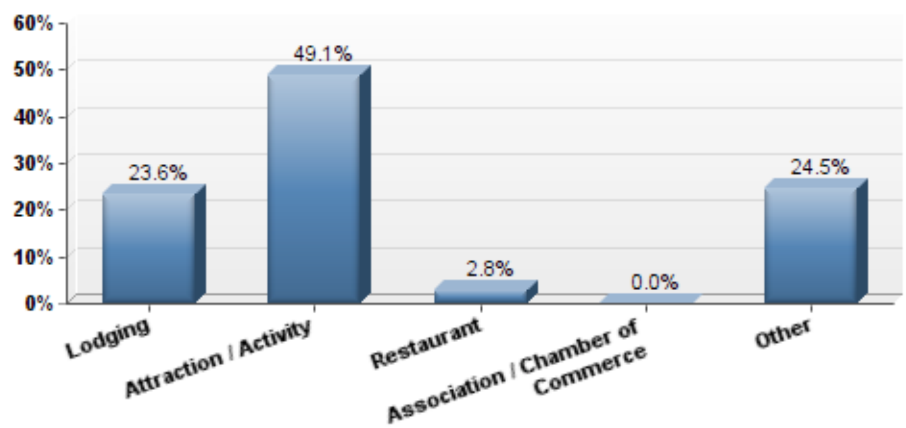
In mid-2014, an online survey was administered to over 700 representatives of properties identified by DTTD as having served Group Tours at some point in the past five years. Participants were asked to look back to 2013 to answer a series of questions in which they described their business, their interaction with groups, and any observed trends. Follow-up reminders and phone calls were sent in late 2014 to encourage responses. When the survey was completed, responses had been received from 114 properties for an overall response rate of over 16%.

This report presents data tables and figures for each question in the survey supplemented with verbatim comments. *It should be noted that since not every respondent answered each question in the survey, the sample size (n=) will vary by question.* While survey respondents are felt to be "representative" of the total group friendly market in terms of size and type of properties, results are felt to be more "directional" in nature than absolute. In this regard, it is advised that more emphasis be placed on the relative percentages and averages rather than the preciseness implied by the survey statistics themselves.

### **Respondents**

Respondents were asked to self-classify their business into one of several categories. Figure 1 demonstrates that almost half (49%) of respondents viewed their business as an attraction or activity, while another quarter (24%) self-selected lodging. The 25% who chose "other" gave examples including "religious" or "house of worship" (4 mentions), shopping/retail (4 mentions) and "educational programming" (2 mentions).

**Figure 1**
**Self-Classification of Host**
**(Percentage)**
**(n=106)**




## GENERAL GROUP TOUR INFORMATION

### Impact on 2013 Revenues

Respondents were asked about the relative importance of the Group Tour market to their overall business by indicating the percentage of their 2013 revenues attributable to this segment:

- Approximately 60% of the businesses responding indicated that group tours represented less than 10% of their revenues.
- Slightly less than 30% (27.1%) indicated that group tours represented more than 20% of their revenues.
- The average for all respondents (including those indicating zero) was a not-insignificant 18%.

**Table 1**
**Percentage of Revenues Attributed to Group Tour Market**
**(n=114)**

| | |
|---|---|
| 0 percent | 5.3% |
| 1 to 5 percent | 29.8% |
| 6 to 10 percent | 25.4% |
| 11 to 20 percent | 12.4% |
| 21 to 30 percent | 11.4% |
| 31 to 50 percent | 7.9% |
| 51 to 90 percent | 4.3% |
| 100 percent | 3.5% |
| **Total** | **100%** |

Respondents were asked about the relative change in that percentage over the last 5 years and how they'd expect the percentage to change over the next 5 years. Table 3 suggests that respondents are optimistic about the future:

- Two thirds of the respondents expect the percentage of revenue attributed to group tours to increase in the future compared to half who reported an increase over the last 5 years.

- Slightly more than 6% expects the percentage to decrease in the future compared to 20% reporting a decrease over the last 5 years.

**Table 2**
**Relative Change Last 5 Years/Next 5 Years**

| | **Last 5** (n=115) | **Next 5** (n=112) |
|---|---|---|
| Decreased considerably | 5.2% | 0.9% |
| Decreased somewhat | 14.8% | 5.4% |
| Stayed the same | 28.7% | 27.7% |
| Increased somewhat | 39.1% | 52.6% |
| Increased considerably | 12.2% | 13.4% |
| **Total** | **100%** | **100%** |

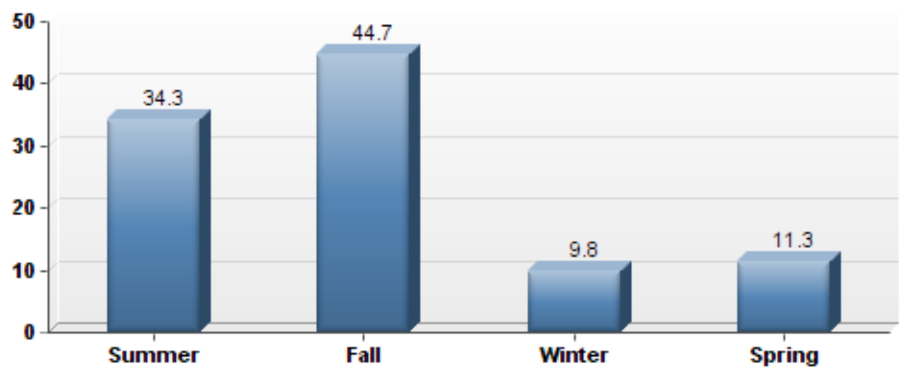
Respondents were also asked to comment:

- For 2014, we have been actively promoting group sails and have 3 bus tours booked for 2014
- Our physical property is not conducive to group tours
- Most of our larger adventures take 2 to 3 hours to complete which does not fit into the bus schedules
- Physical plant and parking issues don't allow for large tour busses to park in proximity to the theater
- Group tour advertising is simply not affordable on our marketing budget
- We need more support from the state to encourage group tour visits - we should track motor coach business
- The nature of my business is such that I have very little idea which customers are actually part of a tour
- We're really not set up well to invite group business in our current mode of operation
- We do a ton of groups, but not group tours
- As a winery, we are seeing more limousine, bachelorette and bridal shower groups
- Due to increased marketing of school group programs and we will continue to do so
- More price sensitive and groups wanting to come in peak season on weekends
- For the future, we are targeting more coaches in Canada
- It appears that the increase is coinciding with the increase number of baby boomers retiring
- More bus tours, but particularly more private groups celebrating birthdays, bachelorettes, company outings in the last year
- 2013 was a high point; we noticed a decline in bookings, last minute bookings or last minute cancellations in 2014 that I think reflect the changes others are reporting about group travel.
- Bus tours have changed--tend to let passengers have more choice so we might get 5 rather than 40
- Different style of group tours coming now: seeing younger, European, shopping groups
- Until Bus groups become younger, we will not be a top destination
- We are finding that Tour companies are having trouble filling coaches, trends are changing
- The economy is getting better - People are spending more and planning more trips

**Seasonality of Group Tour Business**

Respondents were asked to indicate the approximate percentage of their Group Tour business that was attributable to each season. Figure 1 suggests that nearly 80% of group tour business occurs in the Summer and Fall seasons, while Winter and Spring are nearly equal:

**Figure 2**
**Seasonality of Group Tour Business**
**(Percentage)**
**(n=114)**




Comments:

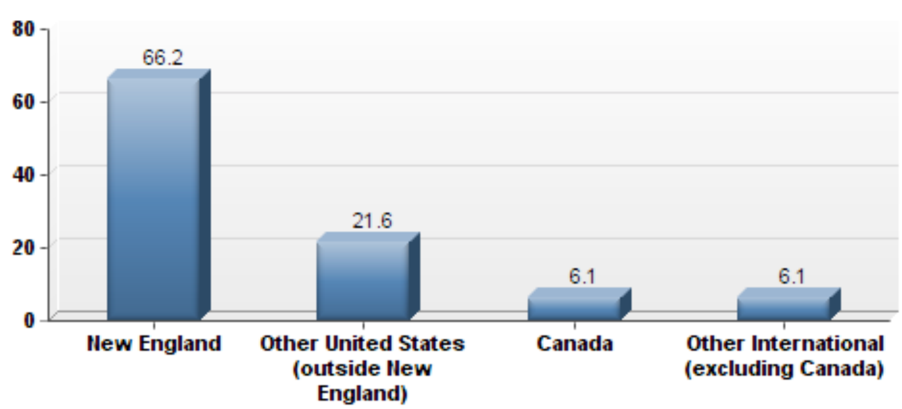
- Our fish ladder is a seasonal attraction, open and operating only in the spring
- We have only had one large tour group (motor coach) come through
- We do not have group tour availability in spring and winter
- We are a seasonal theatre, performing August through October
- The Museum is not open during the winter, late fall nor early spring months
- Due to cyclical nature of school group visits and the push for end of the school year visits
- Fall foliage is New England's biggest draw for the motorcoach industry. I'm not sure any increase advertising for them to come in the other seasons will drastically change this
- Lots of groups staying in Portsmouth on summer weekends and booking a daytime tour before going out in the city at night
- Primarily school field trip programs
- Ski groups & foliage tours represent most of the group business
- Once fully open, we anticipated business to increase sharply in all seasons
- We could use more tours the last two weeks of August when kids are back in school

- Would prefer to see the percentages spread out through the year since we are already busy in Fall, however the groups coming in Fall know they need to pay rack rate so it doesn't displace full rated business
- Beautiful views of fall foliage
- Tour business is heavily weighted to the fall. Would be great to try to push some of this business to summer
- Children's Fair generates visitors
- Spring is always the challenge
- We are a seasonal business open from May-October
- I would like to get some groups here in the early summer
- We'd like to get more off season (April) groups

**Origination of Group Tour Business**

Respondents were also asked to describe the origination of their Group Tour business for areas including New Hampshire, New England, Canada, and beyond. Figure 2 demonstrates that 87% of business is focused on domestic tours:

**Figure 3**
**Origination of Group Tour Business**
**(Percentage)**
**(n=114)**



Comments:

- A majority of our tours come through a New England based Receptive Tour Operator
- We work with all the New England receptives, and their clients' locations range from the Northeast to our far domestic markets as well as international
- Mostly out of the Boston and North of Boston area
- We've seen more groups from Toronto Canada, PA, Indiana, Nebraska, NJ, NY in the past few years. A rare group from the Japan now and then in the past two years
- Other=NY and Missouri
- The White Mountain Storytelling Festival draws audiences from throughout New England and as noted, there are those who attend who are touring who find their way to the festival, the number of which increases some each year
- Most of this business is actually at local markets or online. The online sales are the "Other United States"
- Either local schools or Asian tours out of NYC
- It would be nice to get Canadian tours!
- We meet international tourists on Main Street, and they need help with directions, or plans for local activities
- Would like to add more groups including international.
- Many groups don't give us that information
- Significant opportunities exist to market Asian markets as Boston now has direct flights from both China and Japan
- Many of the groups are working with receptive operators based in New England and we don't always know their home of origin
- Many people attending our bicycling event return every year and stay in NH for 7-10 days of vacation time

## TRENDS IN GROUP TOUR TRAVEL

### Length of Stay & Size of Group

Table 4 describes respondents' observations of trends in both the size of their groups and the length of their stay.

- While more than half (68%) report no observed change in terms of length of stay, a noticeable percentage (14%) reported lengths that are shorter. Less than 20% overall reported longer stays.

- In terms of group size, slightly more than half reported no change, while those reporting both increases and decreases were approximately even.

**Table 3**
**Observation of Trends in Group Travel**

| | Size of Group (n=111) | Length of Stay (n=110) |
|---|---|---|
| Considerable decrease | 5% | 3.6% |
| Moderate decrease | 17.1% | 10.0% |
| No change | 54.1% | 68.2% |
| Moderate increase | 16.2% | 10.9% |
| Considerable increase | 7.2% | 7.3% |
| **Total** | **100%** | **100%** |

**Other Observed Trends in Group Travel**

Respondents were provided an opportunity to comment on any other notable trends in the Group Tour business. Write-in comments were received as follows:

- Two things: domestic bus tour groups are getting OLDER, but there are more international tour groups with younger people participating
- Schools need to rationalize their use of school time in terms of aligning their visit with state curriculum standards
- We seem to be getting more Asians and Asian Americans
- Over the last 5-10 years, we are seeing younger, more active seniors
- Group numbers really dipped about 5 years ago, but have risen steadily since
- Groups seem smaller, younger and more interested in watching a demonstration
- Today's tour groups are more independent--don't like being herded around as much
- Senior citizen funds have decreased some and are taking less trips
- As the economy has rebounded so has group size
- The groups are getting younger
- Many groups stay just one night but we've been able to win some 4 nighters
- Much less price sensitivity
- Group size is definitely increasing
- Length of stay is increasing and the groups want to learn more while they are here

- We are finding in the fall, groups are staying 3+ nights
- Group Tours are more active and hands-on
- We've started to see a slight increase in Asian traffic
- The groups from the New England area tend to be day travellers
- There is more interest in agricultural tours now
- Looking for added value to the tours (i.e. food, drinks, different)
- More people have commented on the friendliness of NH residents

## GROUP TOUR PROFILES

In this section, respondents were asked to provide more specific information related to their Group Tour business for 2013.

### Number of Groups Hosted

As indicated in Table 5, the distribution was about evenly split (1/3 each) for 5 or less, 6 to 30, and more than 30. The reported mean was 41.5.

**Table 4**
**Number of Groups Hosted**
**(n=90)**

| Groups | | |
|---|---|---|
| None | | 12.2% |
| 1 to 5 | | 20.1% |
| 6 to 10 | | 11.1% |
| 11 to 20 | | 13.3% |
| 21 to 30 | | 7.8% |
| 31 to 50 | | 10.0% |
| 50+ | | 25.5% |
| | **Total** | **100%** |

Mean = 41.5 groups

### Average Size of Group Hosted

As indicated in Table 6, medium-sized groups seemed to be the norm, with over 40 percent of respondents reporting a group size between 20 and 40 people. Another quarter reported group sizes larger than 40. The average group size reported was 30.5 people.

**Table 5**
**Average Size of Group**
**(n=102)**

| People | |
|---|---|
| 10 or less | 17.6% |
| 11 to 20 | 15.7% |
| 21 to 30 | 24.5% |
| 31 to 40 | 16.7% |
| 41 to 50 | 20.6% |
| 51+ | 4.9% |
| **Total** | **100%** |

**Average Length of Stay - # Nights**

Table 6 demonstrates that more than half (59.5%) of respondents reported that their groups were day-trippers. The average length of stay (including day-trippers) was .76 days. After removing the day-trippers, the average length of stay rose to 1.9 nights.

**Table 6**
**Average Length of Stay**
**(n=101)**

| Nights | |
|---|---|
| None | 59.5% |
| One | 13.9% |
| Two | 19.8% |
| Three | 4.9% |
| Four or more | 1.9% |
| **Total** | **100%** |

## ECONOMIC IMPACT OF THE GROUP TOUR SEGMENT

The economic impact of the Group Tour segment, understood simply, is a function of the number of groups, how much they spend, and a multiplier that captures the indirect impact of that spending (i.e. what proprietors such as hotel and restaurant owners ultimately spend themselves).

## Size of the Group Tour Market

Determining the exact composition and size of the group tour market in New Hampshire is a challenging task. There are "core" businesses which actively market and pursue group business by advertising in group publications, attending shows, following-up with group tour leads, having a "for groups" link on their website, and having programs available only to groups. Previous estimates (INHS/DTTD 2009) suggest 250-300 of such core-market group-friendly businesses in the state. In addition, however, there are hundreds of others that can and do accommodate groups, but do not actively market to this segment. In order to produce a conservative estimate, and because the distribution of the relative size and types of businesses in the survey sample are representative of all businesses catering to this market segment, the range of 250-300 businesses is used for this analysis.

## Spending and Number of Groups Hosted

According to the survey data (Table 4), the average number of groups hosted in 2013 by the survey respondents was 41.5. These respondents indicated that those groups spent an average of $4,352 during their visit. This should be considered an estimate, however, due to the low number of respondents willing to provide revenue information.

**Table 7**
**Average Spending Per Group**
**(n=31)**

| | | |
|---|---|---|
| Lodging | | $1,800 |
| Food & Beverage | | $1,905 |
| Other | | $647 |
| | **Total** | **$4,352** |

## The Economic Impact of Group Tours

Given the assumptions cited above, reported revenues have been "extrapolated" using an industry-accepted methodology to project the economic impact of the group tour segment in 2013. Assuming 250-300 businesses host an average of 41.5 groups who spend an average $4,352, and using a previously published (INHS/DTTD 2013) multiplier of 1.48, the total economic impact of the group tour market in New Hampshire can be said to be in the range of $67-$80 million. Since over 65% of respondents stated that they expect group tour revenues to increase in the next five years (Table 2), this economic impact figure can be expected to increase.