

Visit South Walton Economic Impact & Visitor Tracking Report

CALENDAR YEAR 2020



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INTRODUCTION



METHODOLOGY

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.

Surveying Visitors

Interviewers with iPads interviewed visitors along beaches and in town centers, plus vacation rental agencies allowed us to interview past visitors by email. A total of 2,865 visitors were interviewed in January – December 2020.

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

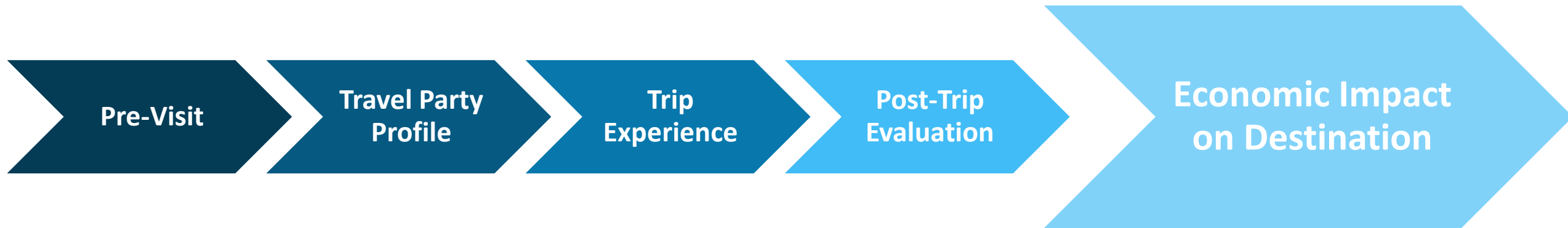


EXECUTIVE SUMMARY



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 2020 spent

\$3,595,702,900

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

An increase of **2.6%**.



TOURISM MATTERS TO WALTON COUNTY

Visitor spending in CY 2020 generated a total economic impact of

\$5,321,640,300

in Walton County.

An increase of **2.6%**.



VISITORS

Walton County attracted

4,466,600

visitors in CY 2020.

An increase of **3.7%**.



ROOM NIGHTS

Walton County visitors generated

2,815,500

room nights in paid
accommodations in CY 2020.

A decrease of **0.7%**.



JOBS & WAGES

Tourism in Walton County supported

27,800 (+4.1%)

local jobs in CY 2020, generating

\$808,169,000

(+3.8%)

in wages and salaries.



VISITORS SUPPORT JOBS

An additional Walton
County job is supported by
every

123

visitors



HOUSEHOLD SAVINGS¹

Visitors to Walton County
save local residents

\$1,232

per household every year



¹Slide 47 shows revenue to Walton County government emanating from visitors (\$145,273,447), while costs to Walton County government for servicing visitors is \$111,483,279. The net benefit to Walton County government is \$33,790,168; spread across 27,420 households in Walton County this translates to a savings of \$1,232 per household in local and state taxes.

MARKETING SPENDING

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

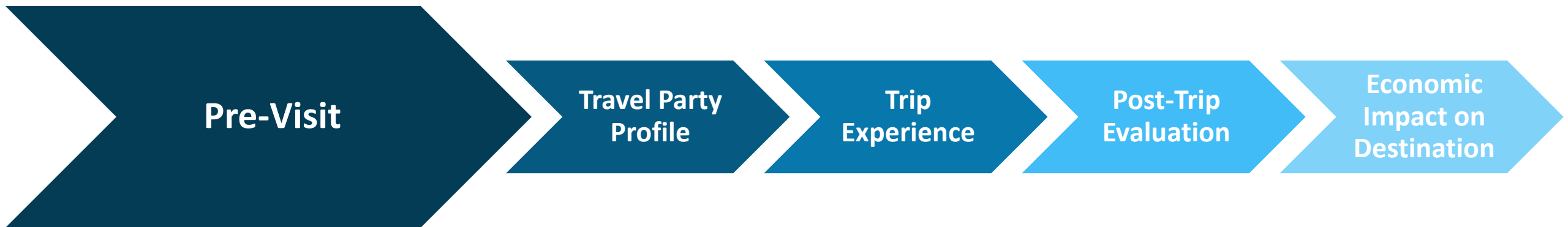
\$360¹

in visitor spending within Walton
County



¹Visit South Walton's marketing budget for CY2020 was \$10 million.

VISITOR JOURNEY: PRE-VISIT



PLANNING CYCLE

- » **2 in 5** visitors plan a South Walton vacation at least 4 months in advance
- » **42%** did not consider another beach community other than the one they selected
- » **1 in 7** considered vacationing at a beach outside of South Walton



TRIP PLANNING SOURCES*

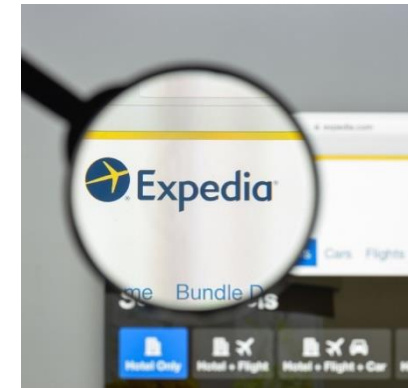


Friends, family **50%**

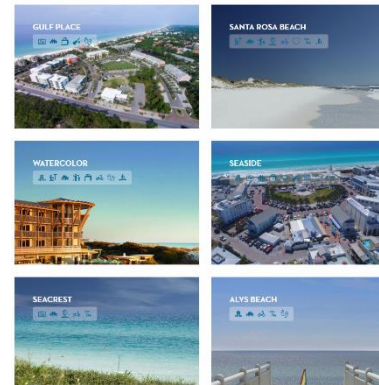
Search sites **35%**



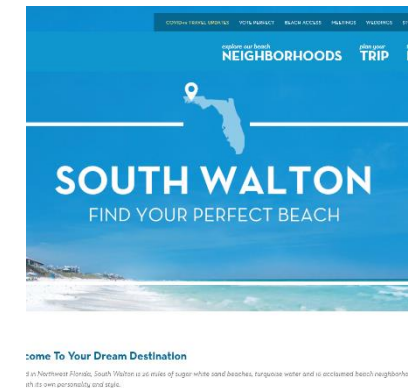
Travel websites **27%**



Website for 1 of the 16 beach neighborhoods **27%**



VisitSouthWalton.com **23%**



SOUTH WALTON VISITOR GUIDE

- » **28%** of visitors viewed the South Walton Visitors Guide before going to South Walton



TOP REASONS FOR VISIT*

Family vacation **68%**



Relax and unwind **58%**



Annual routine **22%**



Special occasion **12%**



*Multiple responses permitted

SOUTH WALTON PROMOTIONS

- » **28%** of visitors have recently noticed promotions about South Walton
- » Visitors were more likely to notice promotions through digital media

Top Promotion Sources

Other social media **23%**



VisitSouthWalton.com **23%**



Television **20%**



TOP BOOKING SOURCES

Vacation Rental Company **49%**



Hotel/condo **31%**



VRBO, HomeAway **11%**



VISITOR TRANSPORTATION

- » **87%** of visitors drove to South Walton
- » **13%** who flew used the following airports:

7%

Northwest Florida Beaches
International Airport



4%

Destin-Ft. Walton Beach
Airport



1%

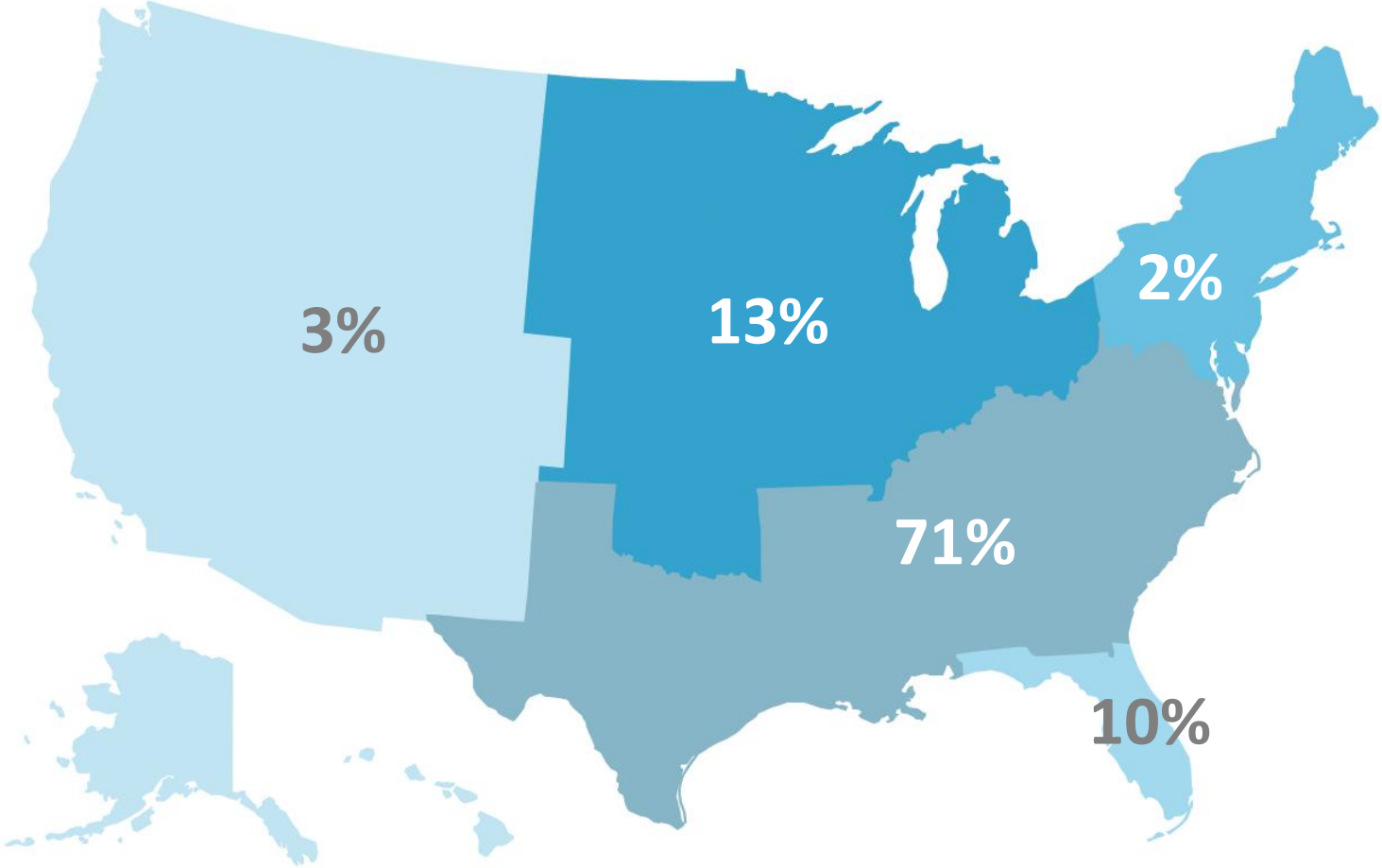
Pensacola International
Airport



VISITOR JOURNEY: TRAVEL PARTY PROFILE

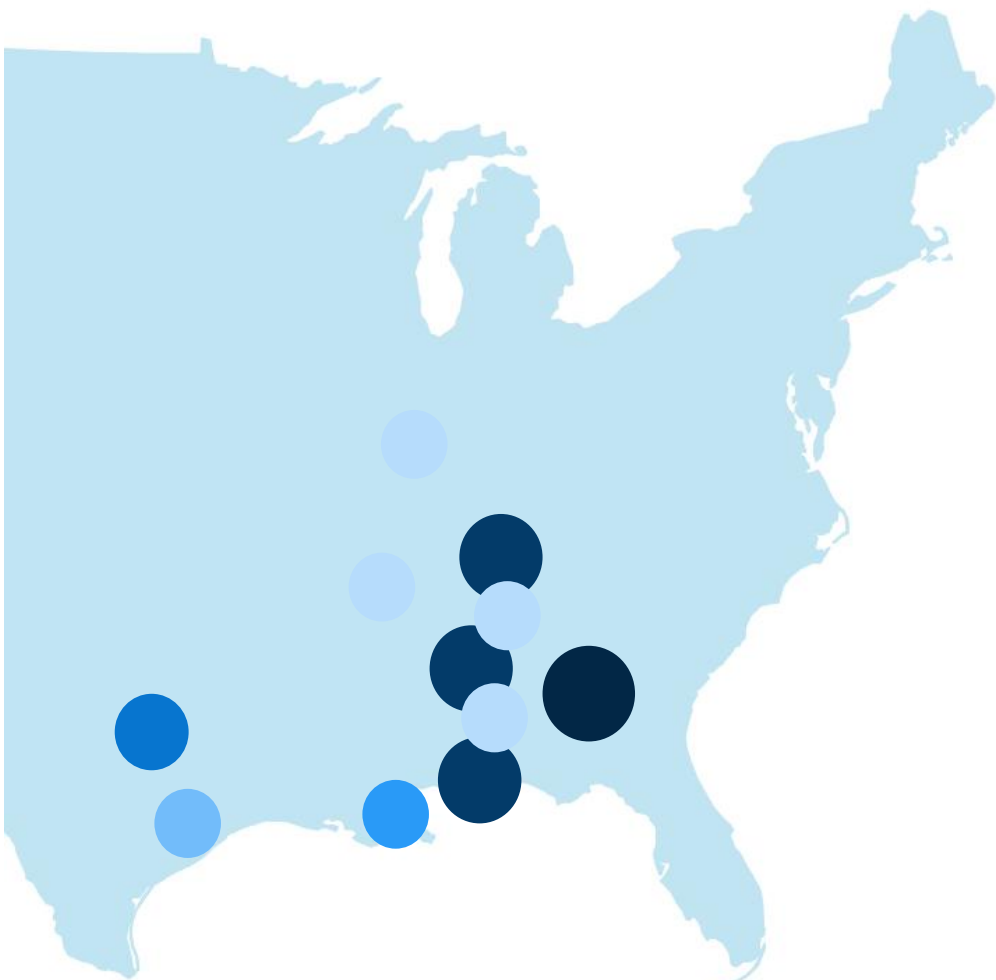


ORIGIN OF VISITORS



1% of visitors were from areas outside the U.S.

ORIGIN OF VISITORS



- 20% ● Atlanta
- 6% ● Pensacola-Mobile
- 6% ● Nashville
- 6% ● Birmingham
- 5% ● Dallas-Ft. Worth
- 4% ● New Orleans
- 3% ● Houston
- 2% ● Memphis
- 2% ● Montgomery
- 2% ● St. Louis
- 2% ● Huntsville

TRAVEL PARTY SIZE AND COMPOSITION

The typical visitor traveled in a party composed of **4.7** people



55% traveled with at least one person under the age of 20 in their travel party





» The typical South Walton visitor:

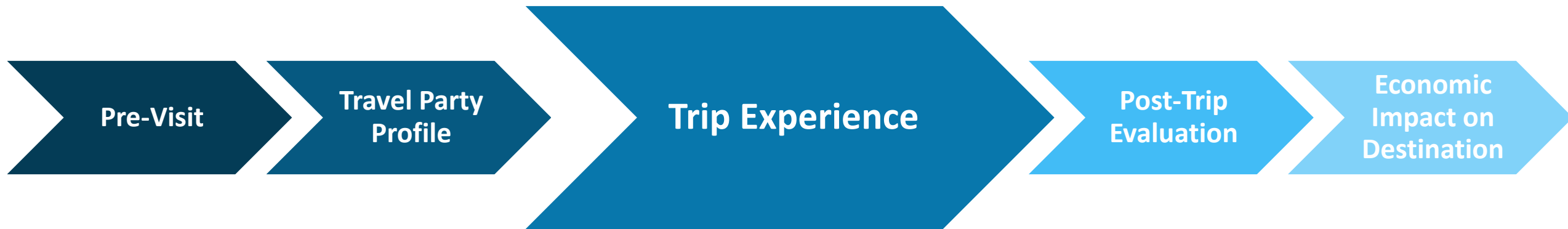
» **52** years old

» Female (**63%**)

» Median household income of **\$176,100**

» From the Southeast (**81%**)

VISITOR JOURNEY: TRIP EXPERIENCE



ACCOMMODATIONS

66% Condos, rental houses, etc.



16% Hotels



9% Personal condo



TOP VISITOR ACTIVITIES*

Beach **92%**



Restaurants **87%**



Relax and unwind **78%**



Family time, reading,
cooking **64%**



Shopping, antiques **56%**



Biking, running, etc. **41%**



- » Visitors spent **6.2*** nights in South Walton



FIRST-TIME AND EXPERIENCED VISITORS

- » **11%** were first-time visitors
- » **41%** had visited more than 10 times



VISITOR EXPENDITURES*

- » Visitors spent **\$935** a day
- » Visitors spent **\$5,805** on their trip



VISITOR JOURNEY: POST TRIP EVALUATION



VISITOR SATISFACTION

- » Visitors gave South Walton a rating of **9.0**¹ as a place to vacation
- » **96%** will return to South Walton²

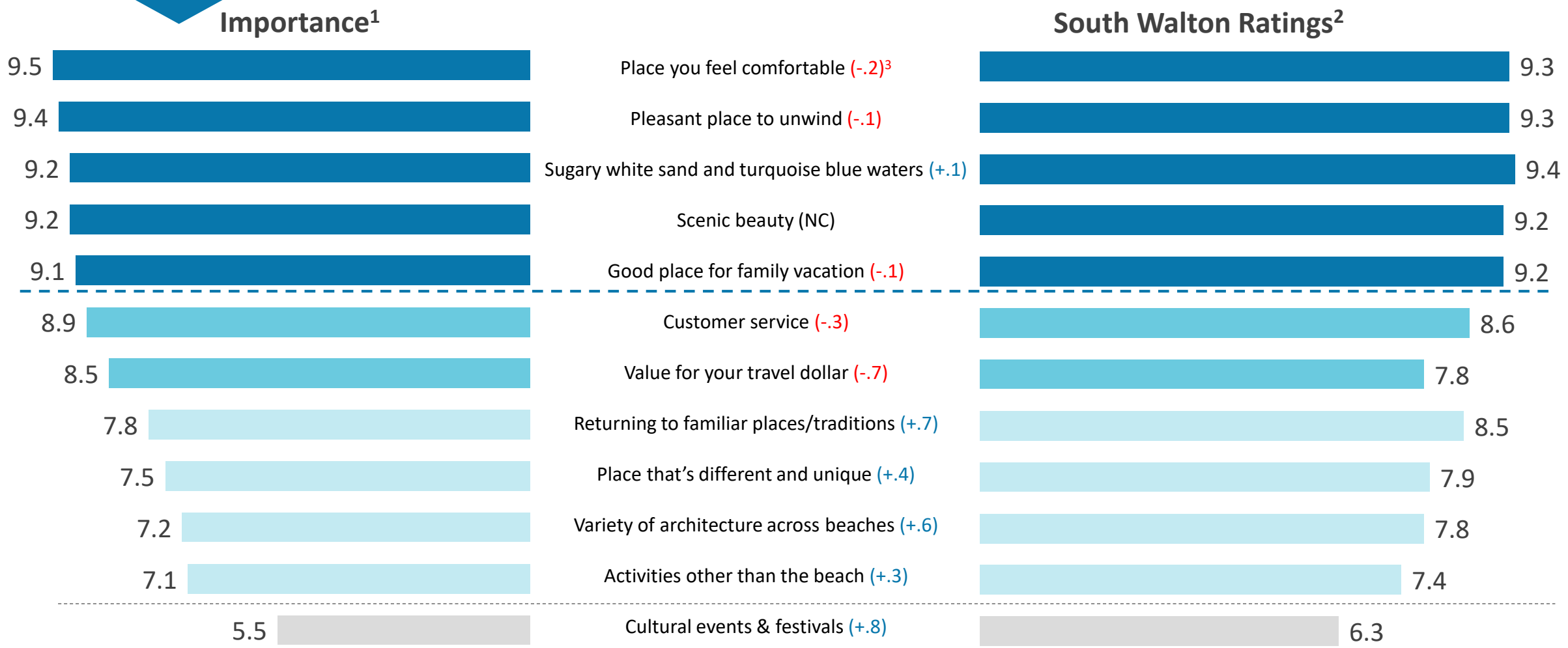


¹10 = Excellent; 1 = Poor

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

1. Too crowded 2. Too expensive 3. Traffic was a problem

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.

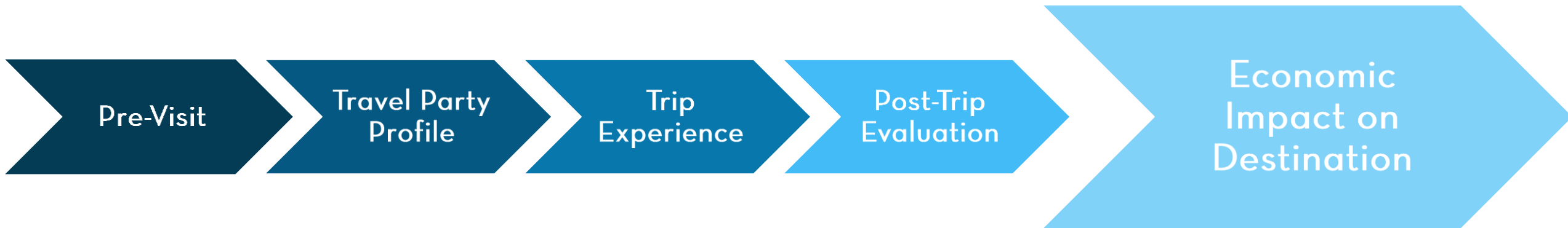
² Rated on a scale from 1 to 10 where 10 is excellent and 1 is poor.

³ Gap between Ratings & Importance. A score of -.2 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 CY2020

Economic Indicators	CY2019	CY2020	Change
All visitors ¹	4,305,700	4,466,600 ²	+3.7%
Direct expenditures	\$3,503,895,400	\$3,595,702,900	+2.6%
Total economic impact	\$5,185,759,600	\$5,321,640,300	+2.6%
Room nights	2,834,100	2,815,500	-0.7%
TDT collections ³	\$27,429,024	\$34,768,913	+26.8% ³
Occupancy	56.4%	49.8%	-11.7% ⁴
Room rate	\$275.86	\$291.70	+5.7% ⁴
RevPAR	\$155.59	\$145.27	-6.6% ⁴
Jobs created – direct	26,700 ⁵	27,800	+4.1%
Direct + indirect jobs	34,600 ⁵	36,400	+5.2%
Wages paid	\$778,833,500 ⁵	\$808,169,000	+3.8%

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

² Visitation from August forward compensated for spring losses.

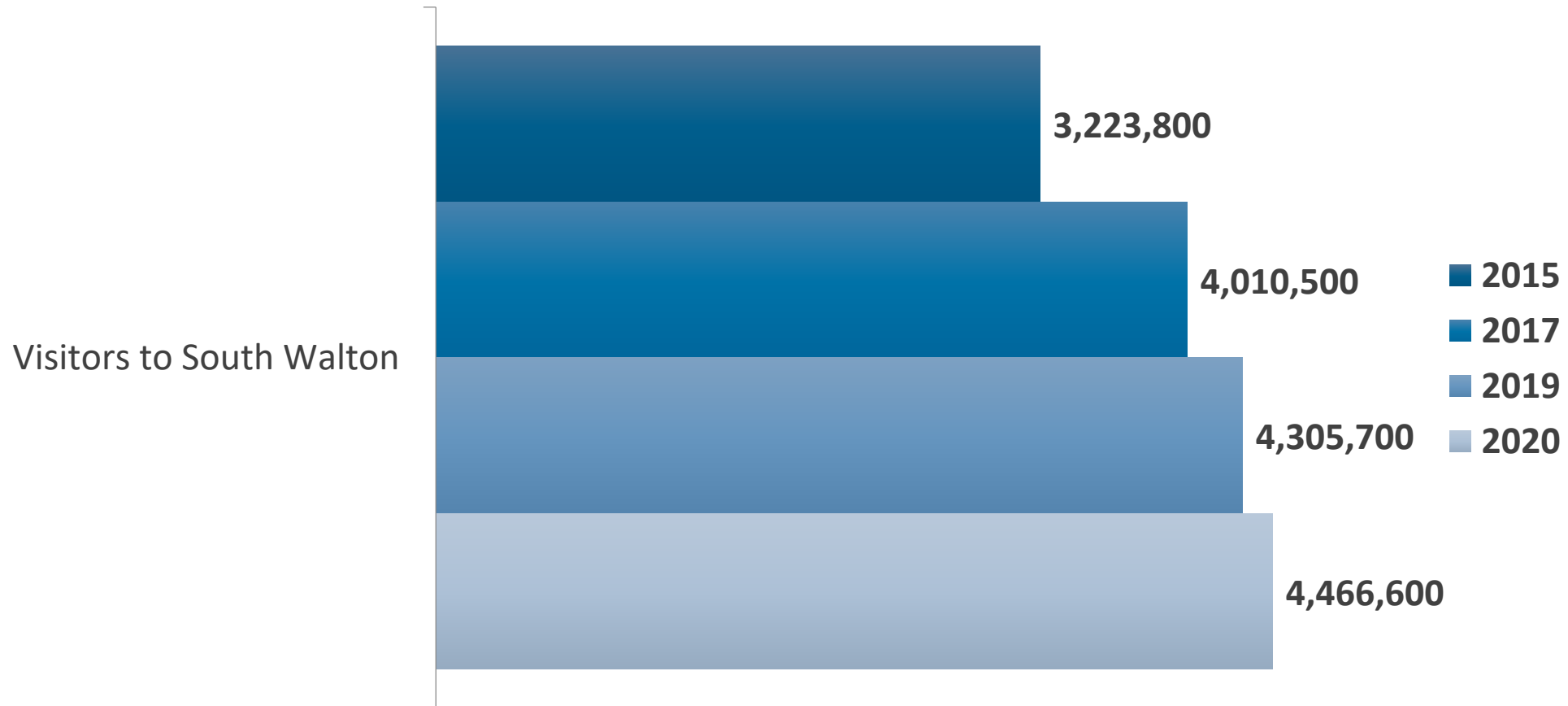
³ 2020 tax rate is 5% compared to 4% in 2019. At the 4% level, CY2020 TDT collections exceeded CY2019 collections by 1.4%.

⁴ A 6.7% increase in units coupled with COVID-19 in early spring tamped down property metrics.

⁵ IMPLAN economic analyses in 2020 included a new multiplier for jobs created. To facilitate comparison to 2019, adjustments were made to 2019 jobs data.

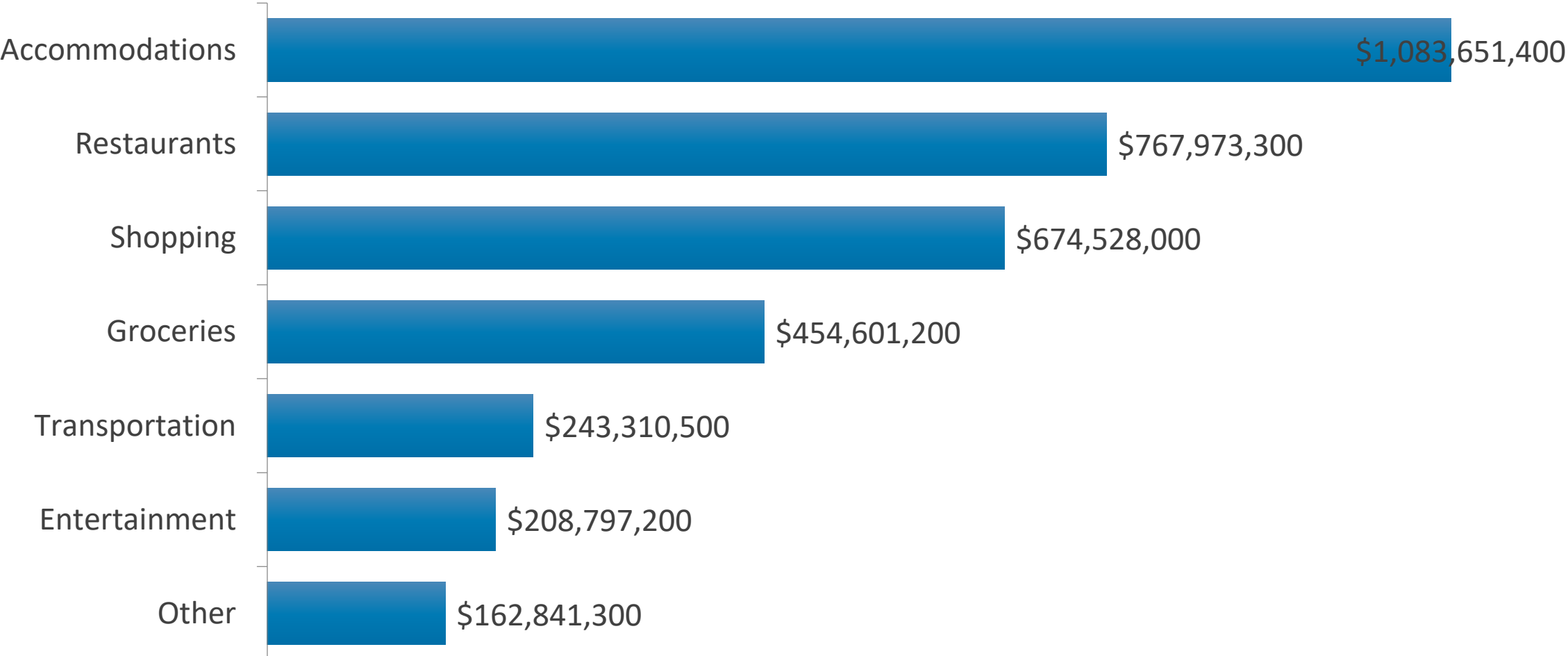
VISITOR TRENDS: CY2015 – CY2020

Despite COVID-19 the number of visitors to South Walton increased slightly from 2019.



VISITORS DIRECT SPENDING CY2020

Total direct spending by visitors = \$3,595,702,900

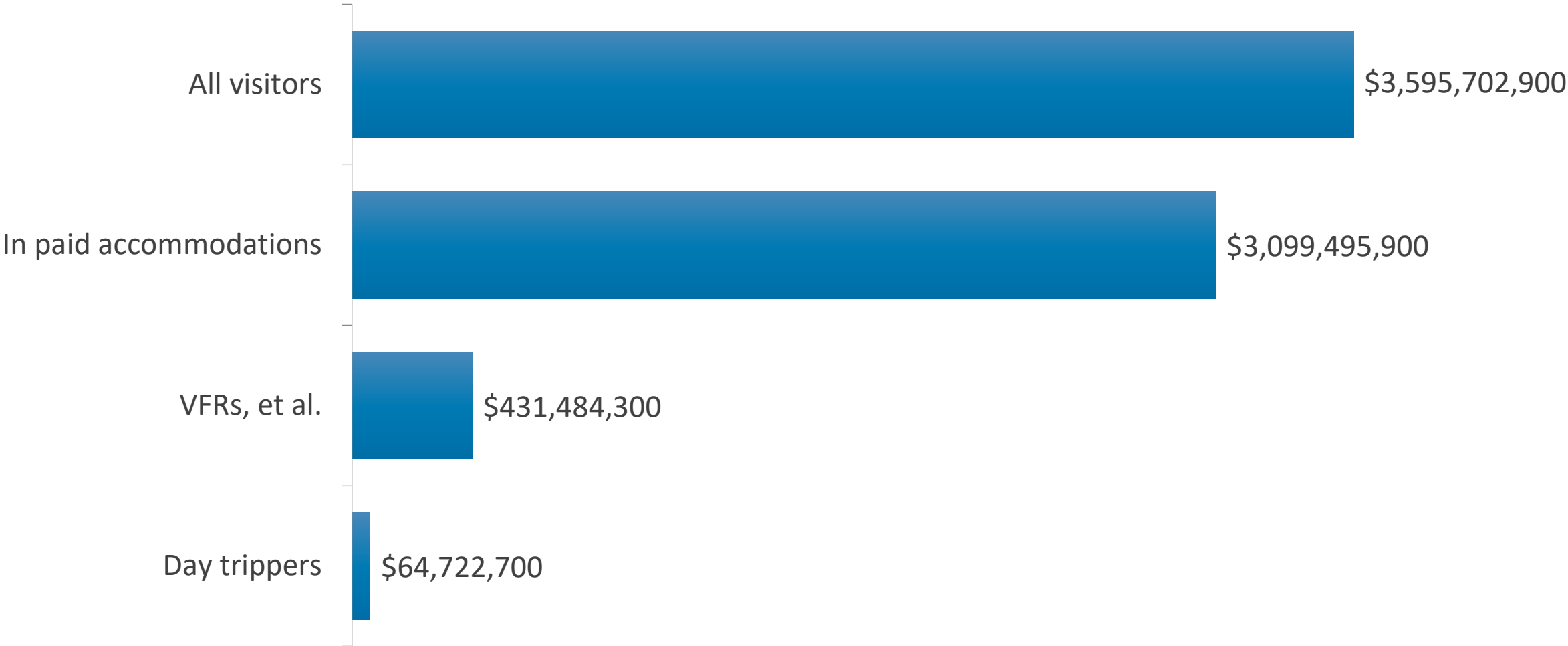


VISITORS DIRECT SPENDING CY2019 vs. CY2020

Category	CY2019	CY2020
Accommodations ¹	\$1,047,287,600	\$1,083,651,400
Restaurants	\$746,329,700	\$767,973,300
Shopping	\$680,653,900	\$674,528,000
Entertainment	\$461,993,100	\$208,797,200
Groceries	\$217,241,500	\$454,601,200
Transportation	\$206,729,900	\$243,310,500
Other	\$143,659,700	\$162,841,300
Total	\$3,503,895,400	\$3,595,702,900

¹Includes 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.

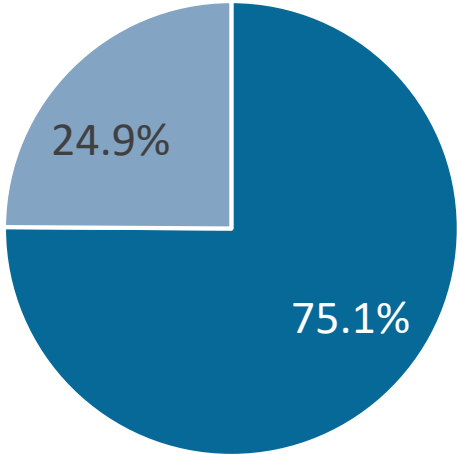
DIRECT SPENDING BY VISITOR TYPE CY2020



RETAIL SPENDING IN WALTON COUNTY CY2020

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	\$1,194,682,500	24.9%
Visitors' spending ¹	\$3,595,702,900	75.1%
Total spending	\$4,790,385,400	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

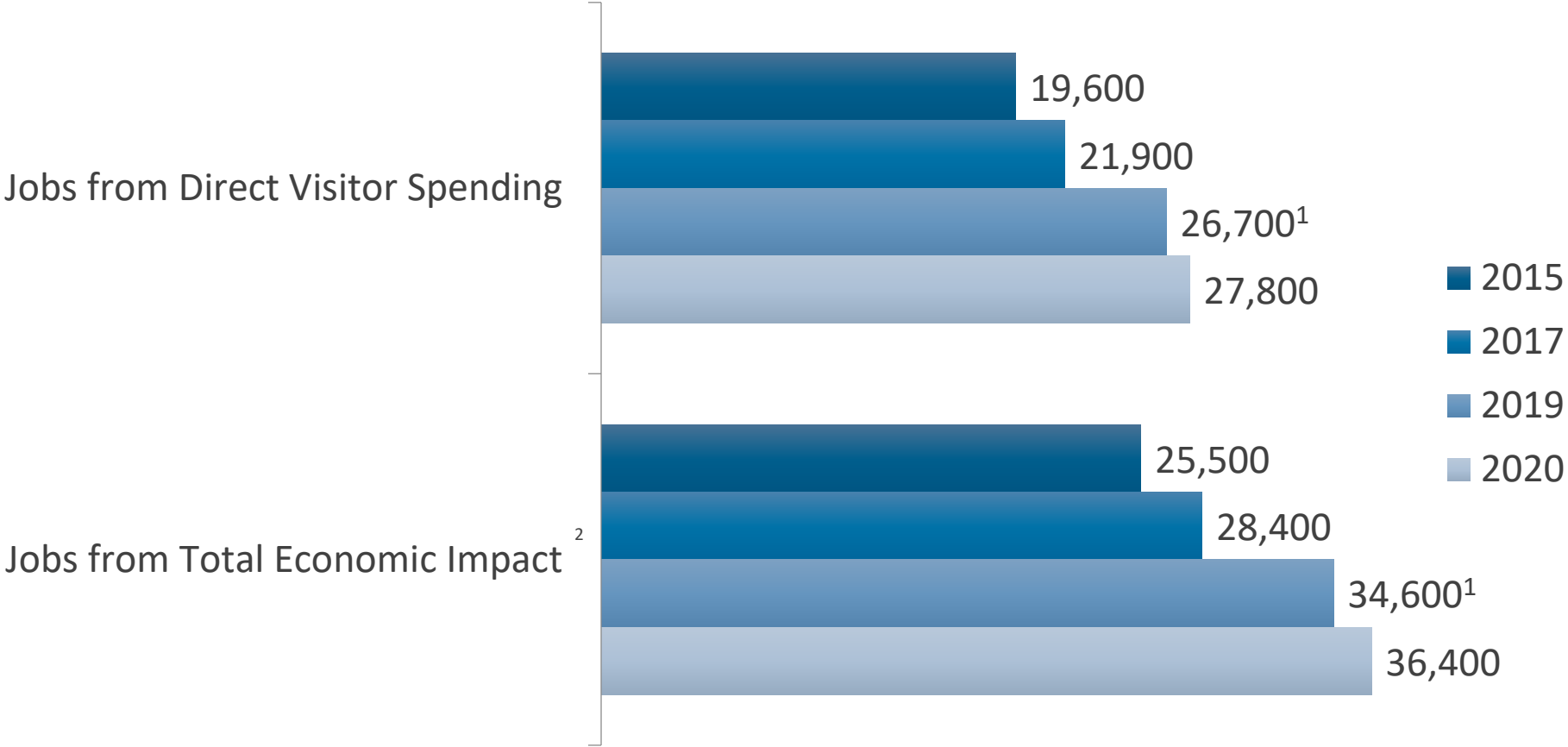
Visitors account for over **\$145 million** of Walton County government's revenue.
67% of all Walton County government revenues come from visitors to South Walton.¹

Sources of Funds	Total Revenues	Revenues Attributed to Visitors
Property taxes	\$82,293,403	\$55,136,580
Sales & use taxes	\$44,109,896	\$29,553,630
Licenses & permits	\$3,254,638	\$2,180,607
Intergovernmental revenue	\$31,180,260	\$20,890,774
Charges for services	\$10,086,666	\$6,758,066
Fines & forfeitures	\$78,976	\$52,914
Interest earned/other	\$9,368,431	\$6,276,849
Balance budget forward	\$18,679,732	\$12,515,420
Transfers In	\$21,891,460	\$14,667,278
Less statutory 5%	-\$4,117,421	-\$2,758,672
Total revenues	\$216,826,041	\$145,273,447

¹Visitors to Walton County account for 75.1% 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 FY2021 budget and Downs & St. Germain Research.

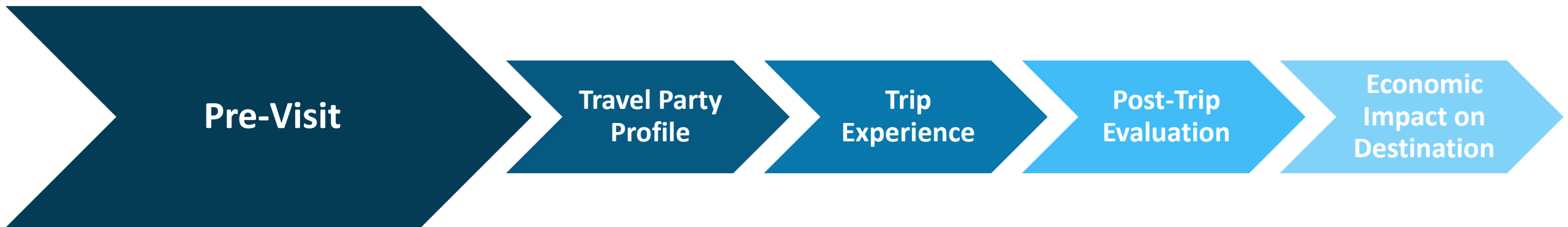
JOBS SUPPORTED BY VISITORS CY2015 – CY2020



¹ IMPLAN economic analyses in 2020 included a new multiplier for jobs created. To facilitate comparison to 2019, adjustments were made to 2019 jobs data.

² Jobs from Total Economic Impact is a function of direct spending by visitors in Walton County, as well as indirect and induced effects of this spending.

VISITOR JOURNEY: PRE-VISIT



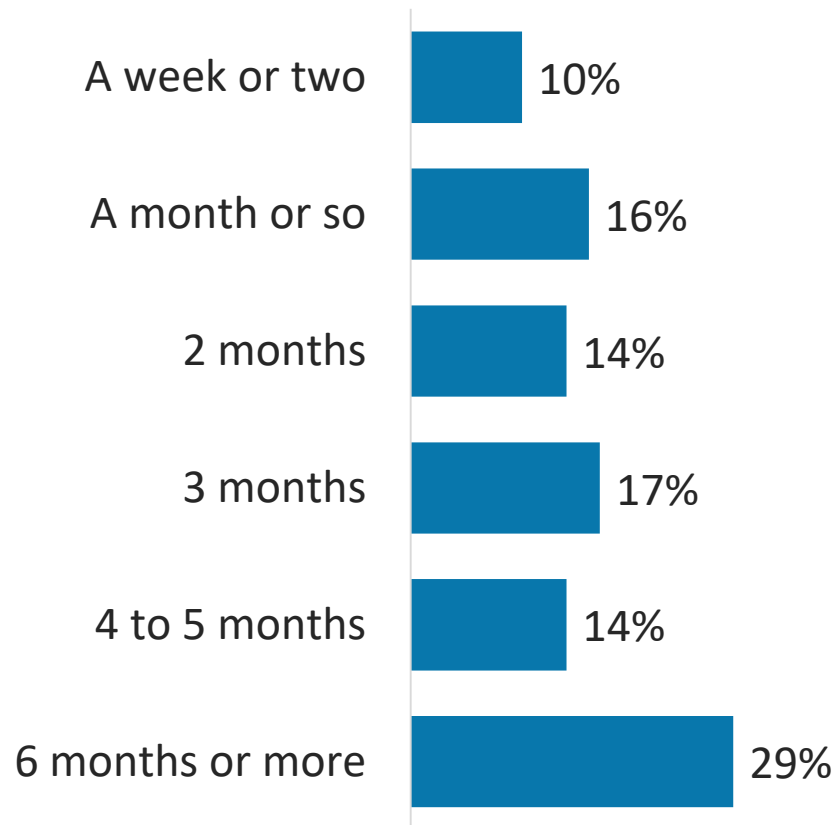
PLANNING CYCLE



Nearly **3 in 10** visitors spend over 6 months planning their trips to South Walton, and **2 in 5** visitors plan a South Walton vacation at least **4 months out**.



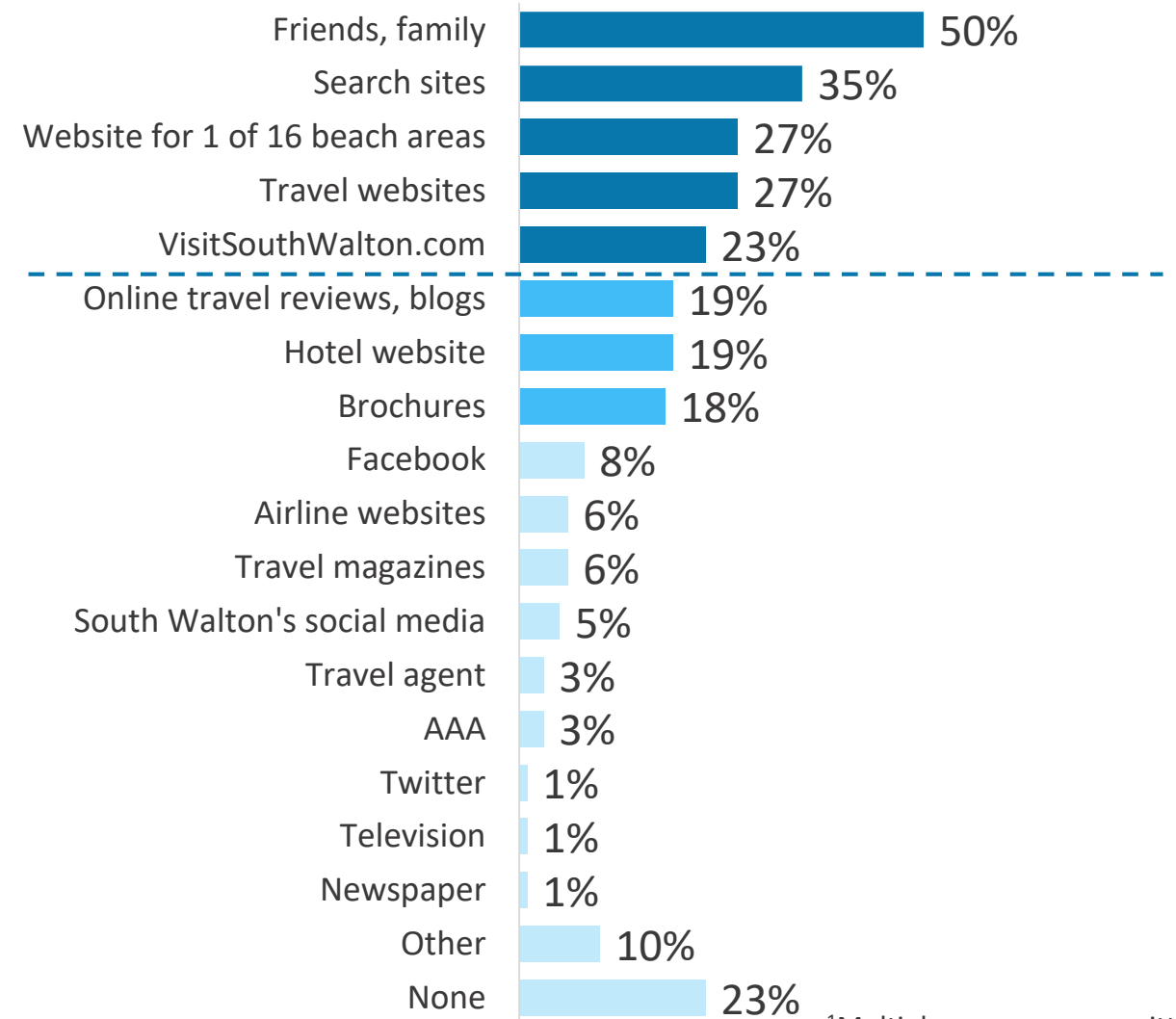
Relatively few visitors (26%) to South Walton have **a short (a month or less) planning cycle**, and only 10% visit South Walton based on an impulse decision.



PLANNING SOURCES¹

Half of visitors used friends and family to help plan their trip to South Walton.

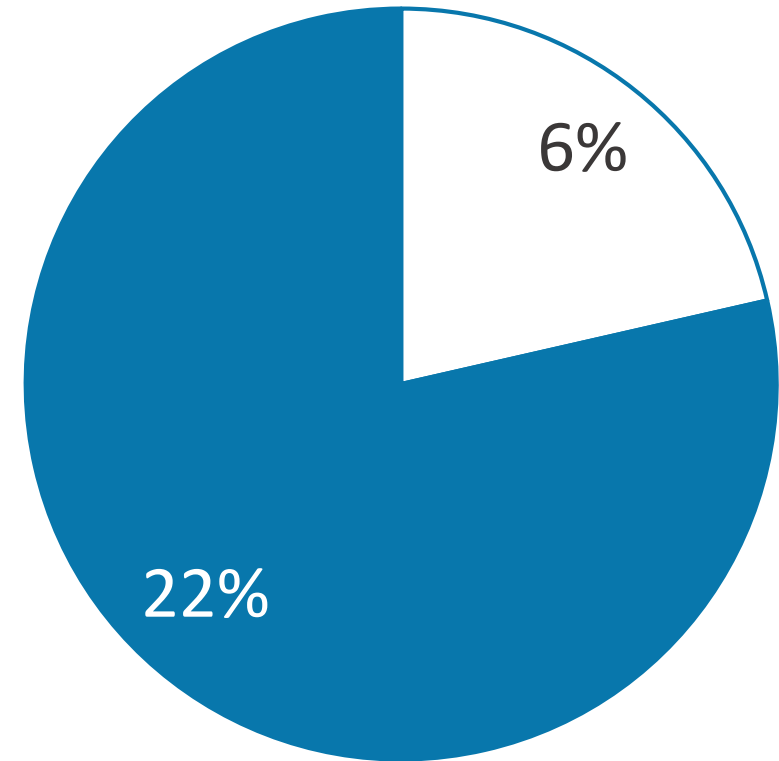
Online and digital sources were used extensively, while traditional media were used sparingly as planning sources (with the exception of friends and family).



¹Multiple responses permitted.



28% 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 nearly a 4 to 1 ratio.



□ Print version ■ Online version

OTHER DESTINATIONS CONSIDERED



Over **2 in 5** visitors know exactly which beach community they prefer. Another **2 in 5** considered multiple South Walton communities before deciding.



Only about **1 in 7** visitors considered another beach destination.



28% use the term “South Walton” when referring to the area.

Only considered 1 of the South Walton beaches



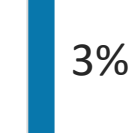
Considered another 1 of the 16 South Walton beaches



Considered vacationing outside of South Walton, but in FL

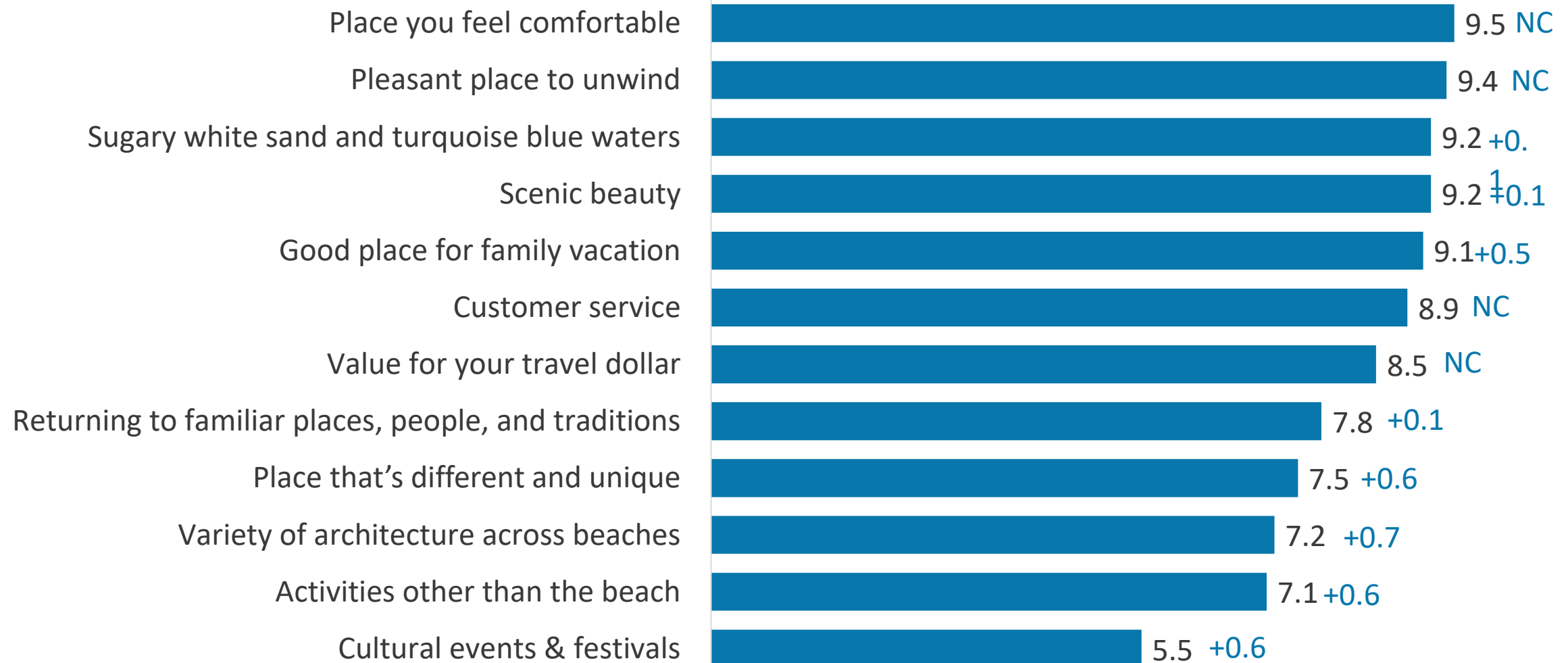


Considered vacationing at a beach outside of FL



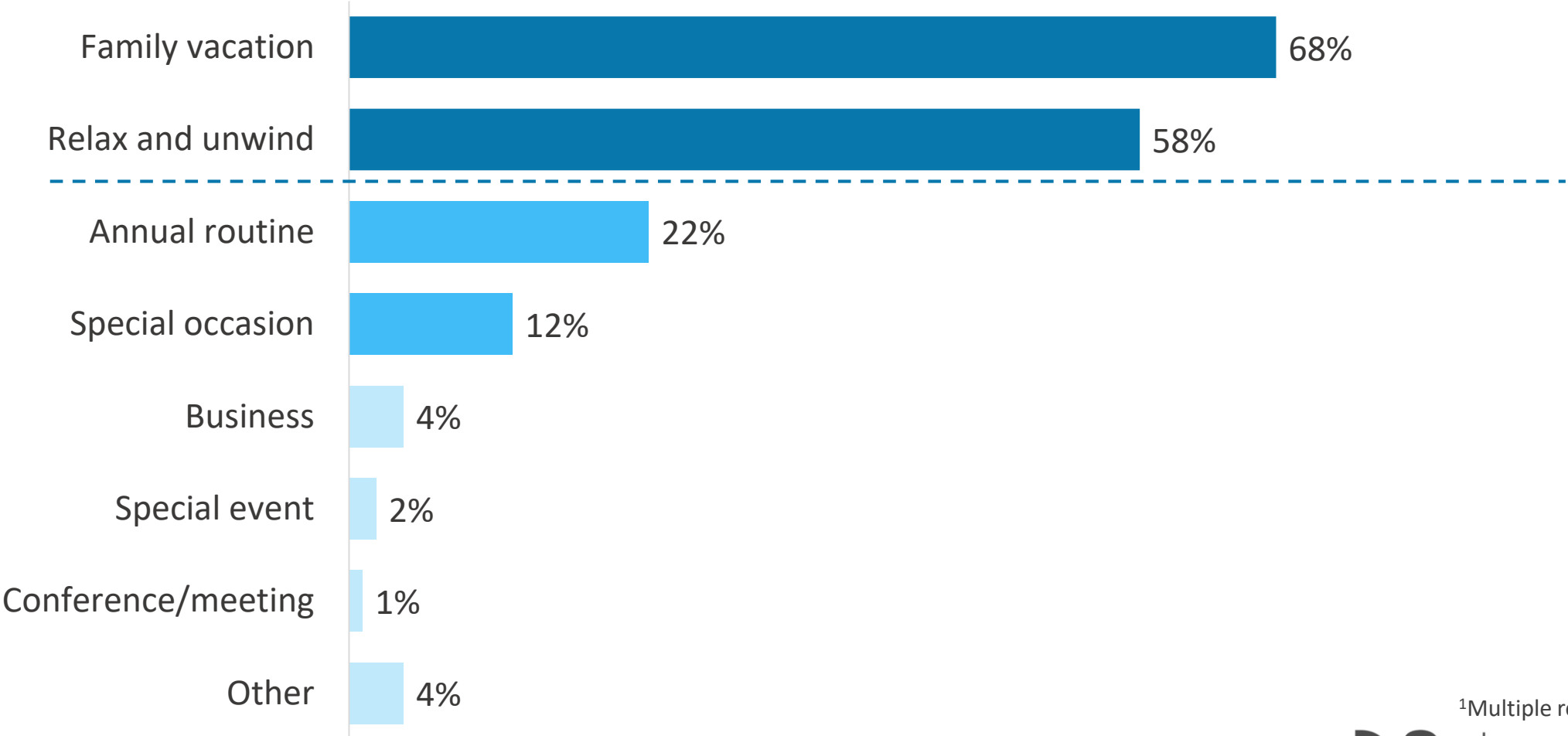
IMPORTANT VACATION DESTINATION ATTRIBUTES¹

The effects of COVID-19 on events may have influenced the increased importance placed on cultural events & festivals by visitors.



REASONS FOR VISITING¹

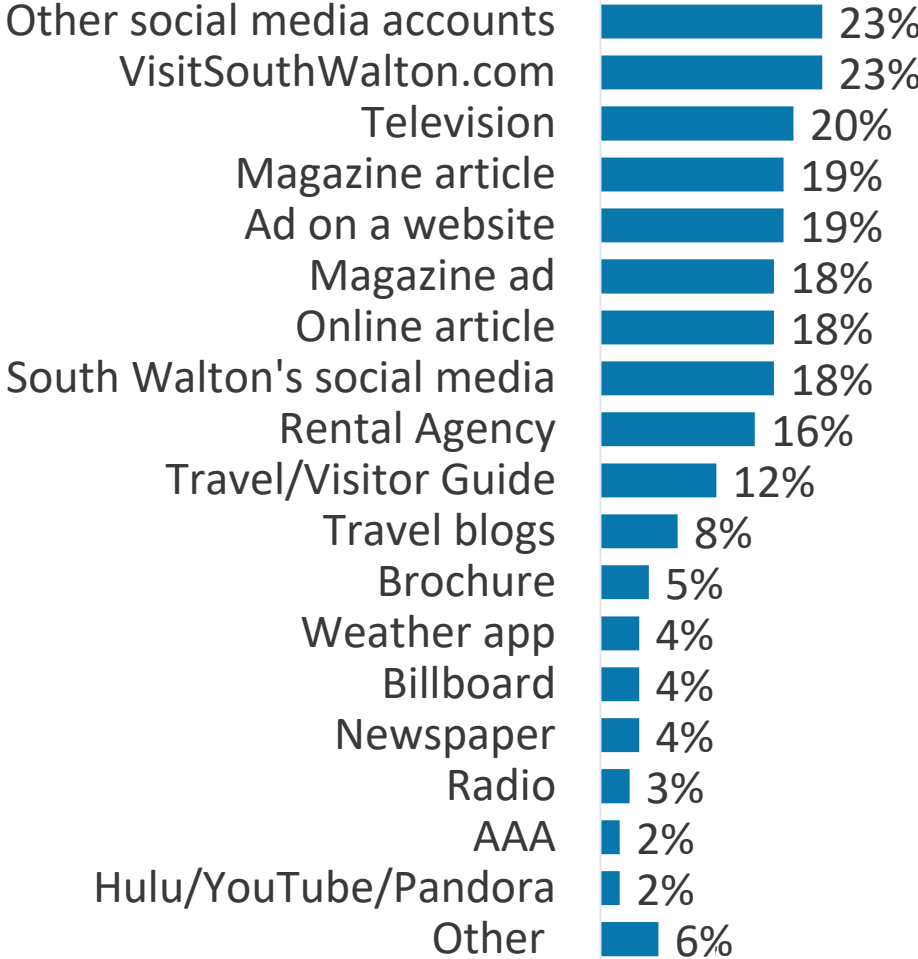
Over 2 out of 3 trips to South Walton involve a family vacation, and nearly 3 in 5 visitors say they visit to relax and unwind. Very few visitors (1%) come for a conference or meeting.



SOUTH WALTON PROMOTIONS¹



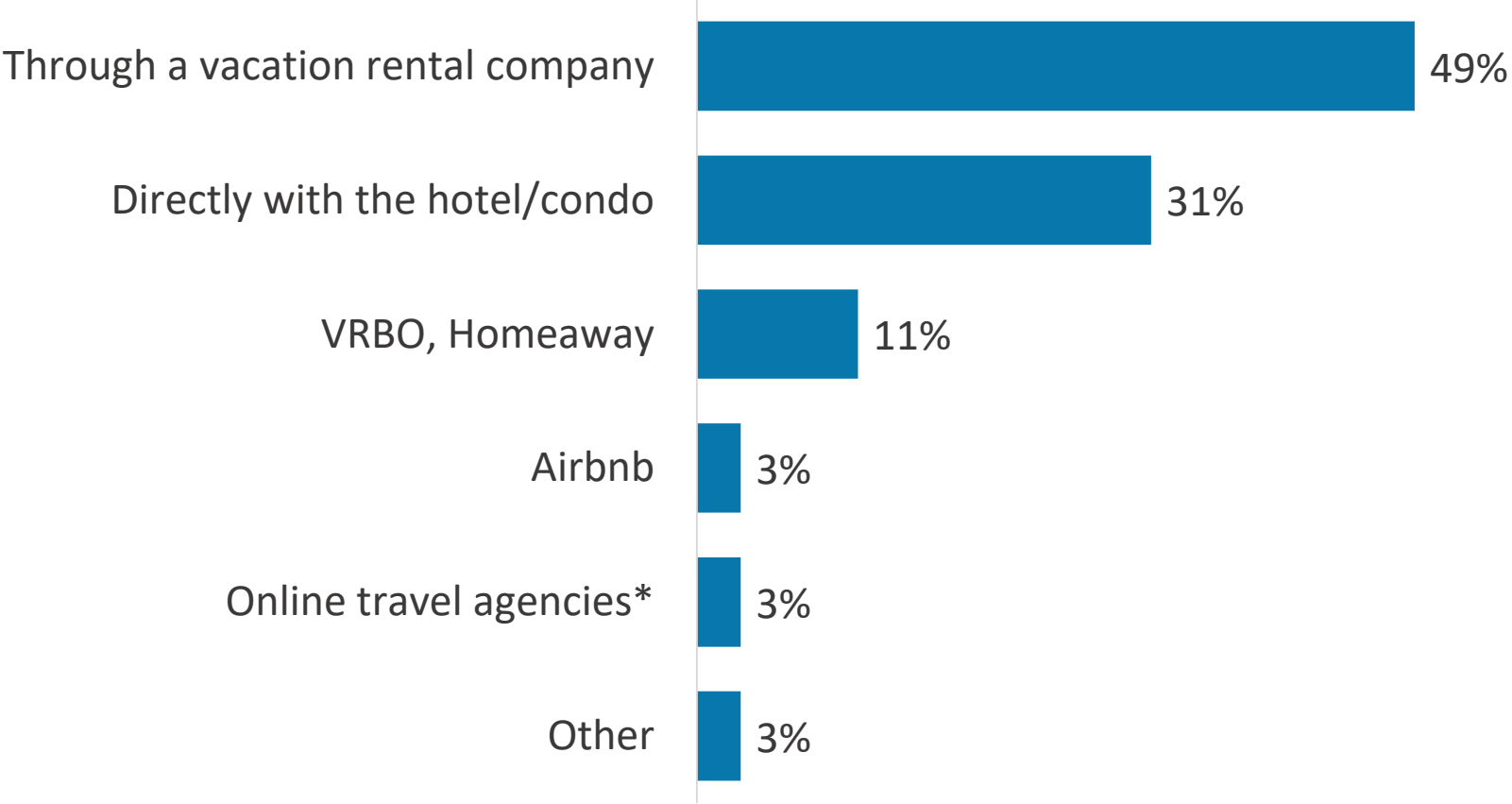
28% of visitors have recently noticed promotions or travel stories about South Walton.



¹Multiple responses permitted.

BOOKING ACCOMMODATIONS

Vacation rental agencies still rule with 49% of the bookings. Booking methods remain relatively unchanged from 2019, despite COVID-19.



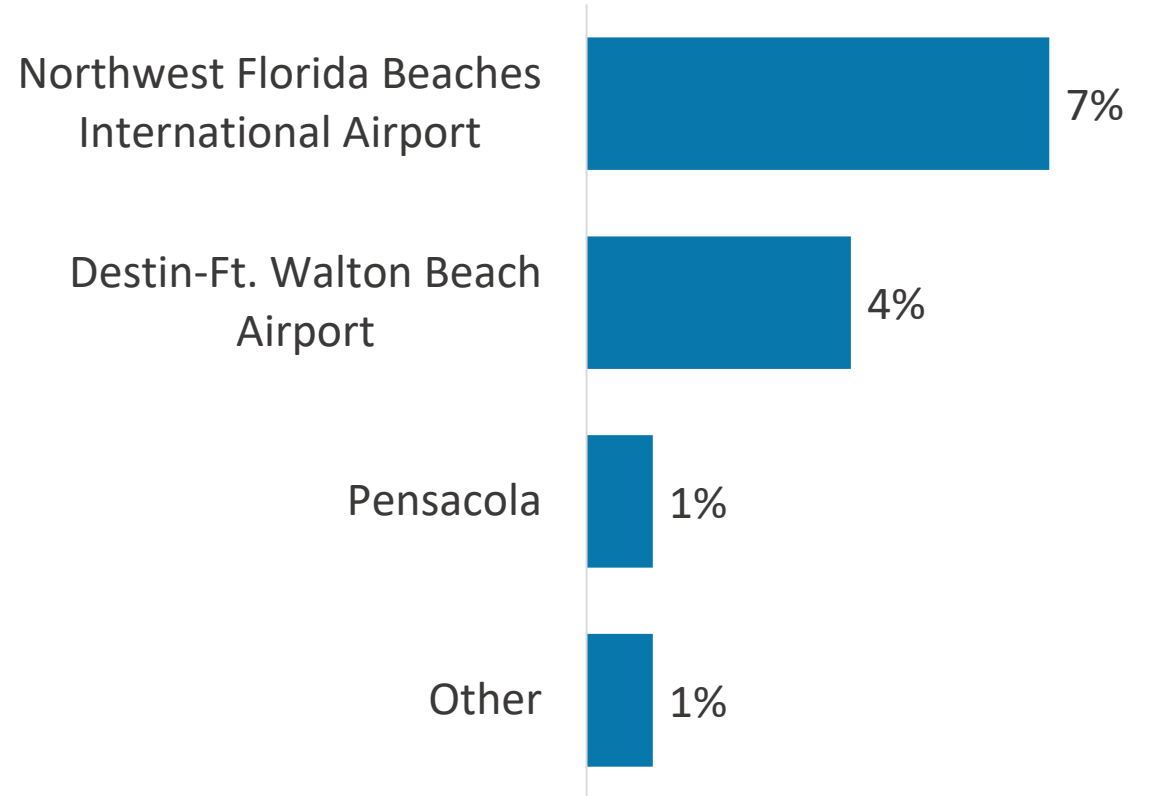
VISITOR TRANSPORTATION

87% of visitors drove to South Walton – up 5% points from 2019.

33% of those who drove were aware that there were direct flights from their city to the South Walton area – up 4% points.

Northwest Florida Beaches Airport's share of visitors remained constant from 2019, while Destin-Ft. Walton Beach's share dropped 3% points.

13% who **flew** used the following airports:



VISITOR JOURNEY: TRAVEL PARTY PROFILE

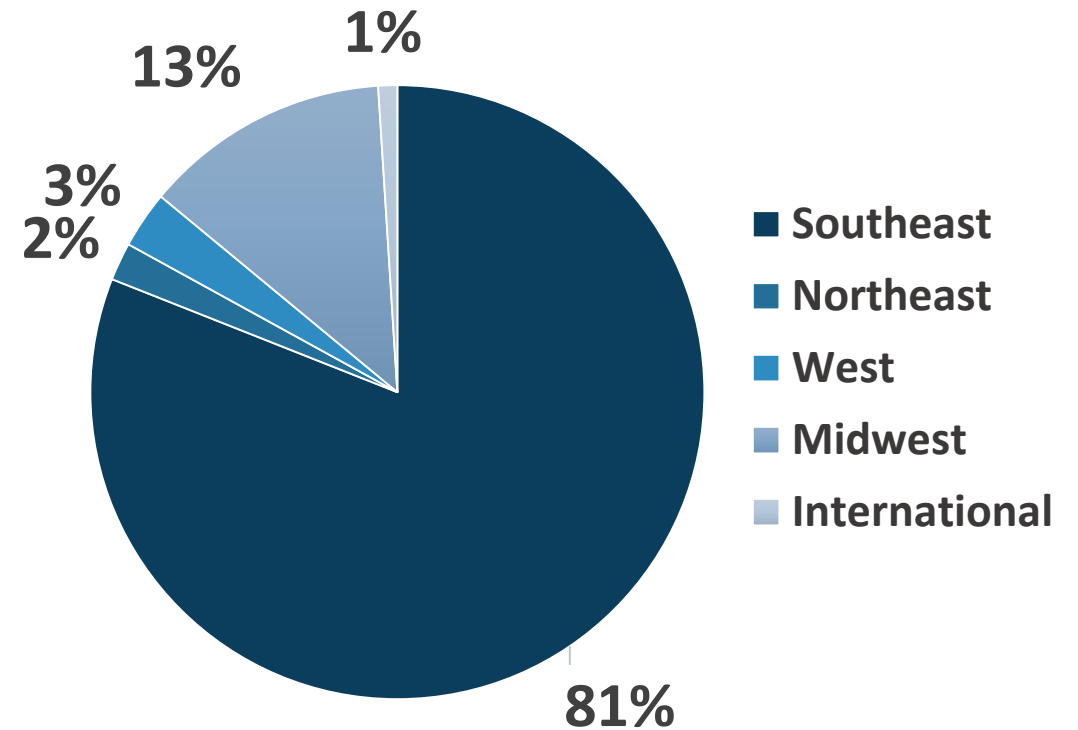


ORIGIN OF VISITORS¹

Origin Markets	% of Visitors
Atlanta	20%
Pensacola-Mobile	6%
Nashville	6%
Birmingham	6%
Dallas-Ft. Worth	5%
New Orleans	4%
Houston	3%
Memphis	2%
Montgomery	2%
St. Louis ²	2%

Origin Markets	% of Visitors
Huntsville	2%
Panama City-Destin	1%
Austin	1%
Jackson	1%
Tallahassee	1%
Orlando	1%
Knoxville	1%
Cincinnati	1%
Chattanooga	1%
Kansas City	1%

Southeastern, specifically Atlanta, visitors are up 12% points and 10% points, respectively, while the Midwest's share dropped 9% points.



¹ Origin of visitors for CY2020 has increased for nearby southeastern markets due to travel restraints from COVID-19.

²The metro area of St. Louis includes some parts of Missouri and Illinois.

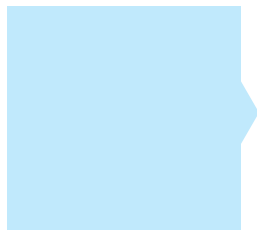
ORIGIN OF VISITORS

State	% of Visitors	State	% of Visitors
Georgia	22%	Oklahoma	1%
Alabama	15%	Illinois	1%
Texas	11%	Arkansas	1%
Florida	10%	North Carolina	1%
Tennessee	10%	South Carolina	1%
Louisiana	5%	Virginia	1%
Mississippi	4%	Michigan	1%
Missouri	2%	New York	1%
Ohio	2%	Pennsylvania	1%
Kentucky	2%	Colorado	1%
Indiana	1%		

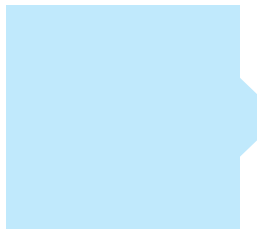
Georgia's share of visitors increased 10% points from 2019.



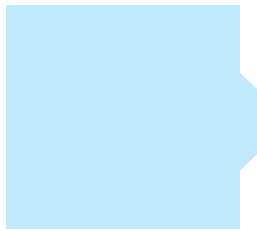
TRAVEL PARTY SIZE AND COMPOSITION



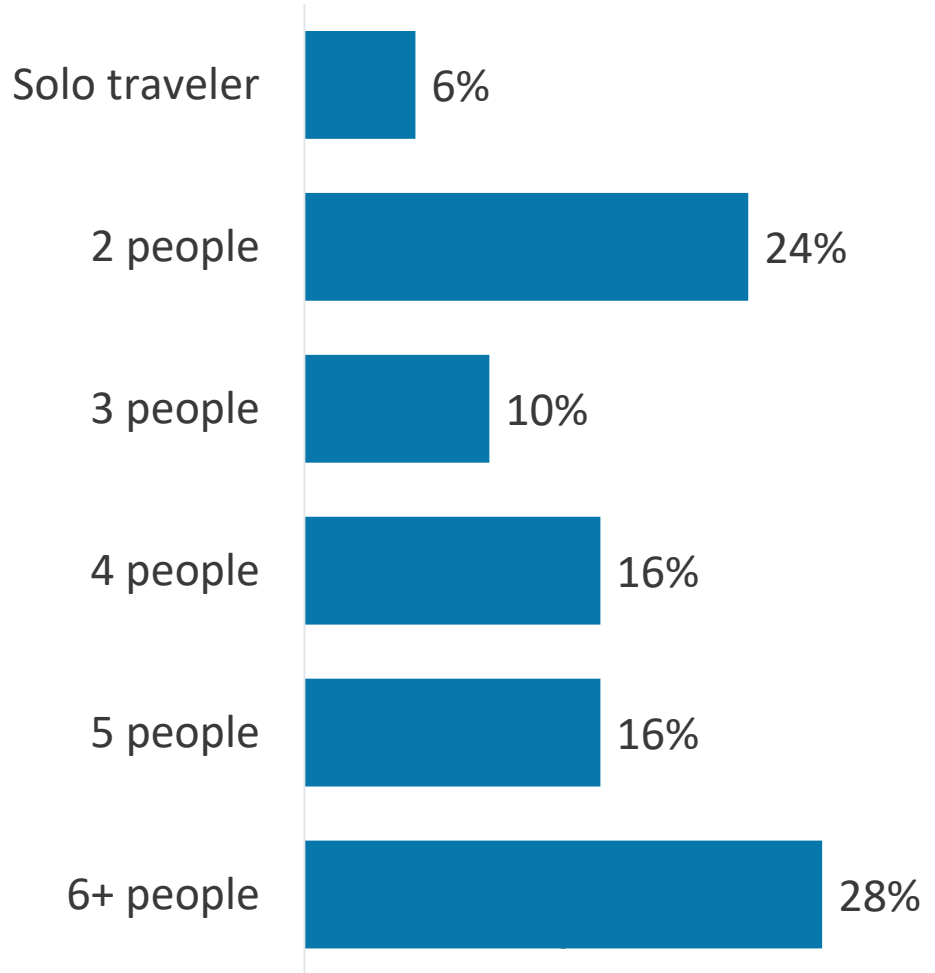
Visitors traveled in a party composed of **4.7** people, up slightly from 4.6 in 2019.



55% of visitors traveled with children under the age of 20, up from 46% in 2019.



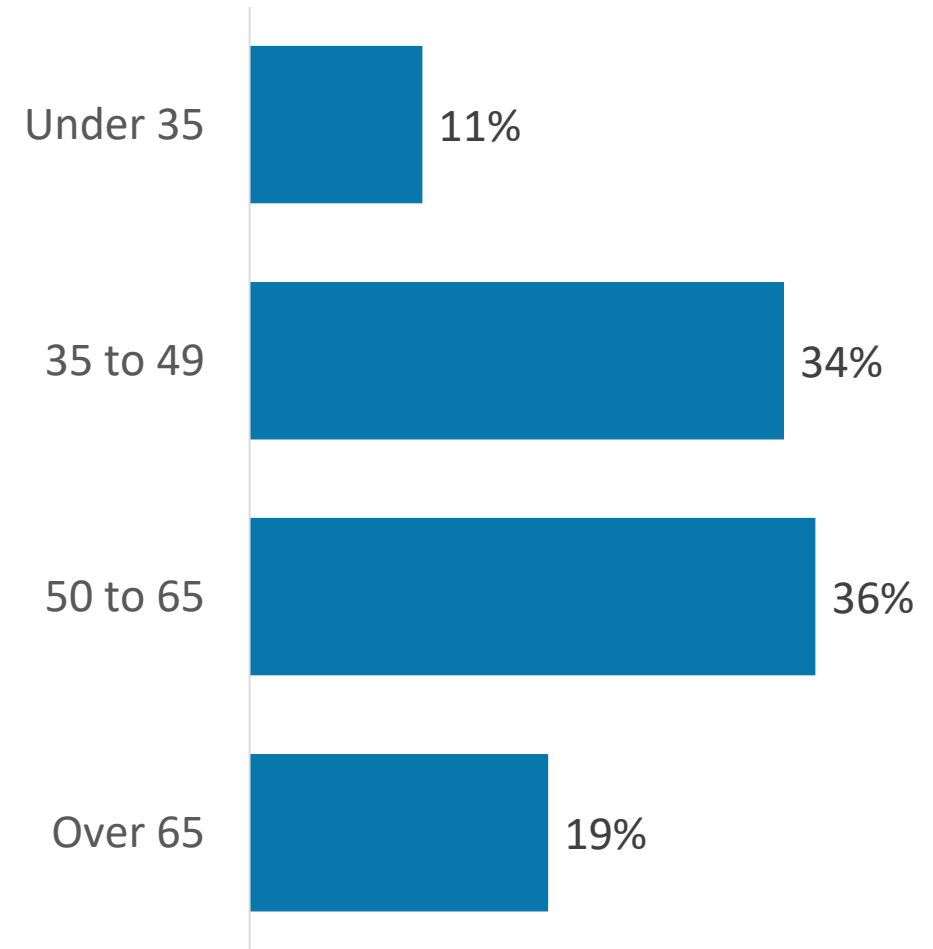
There were fewer couples that traveled 2020, yet over 2 in 5 travel parties had 5 or more people.



AGE OF VISITORS



Median age of visitors was **52 years old**, two years younger than in 2019.



TOTAL HOUSEHOLD INCOME IN 2019



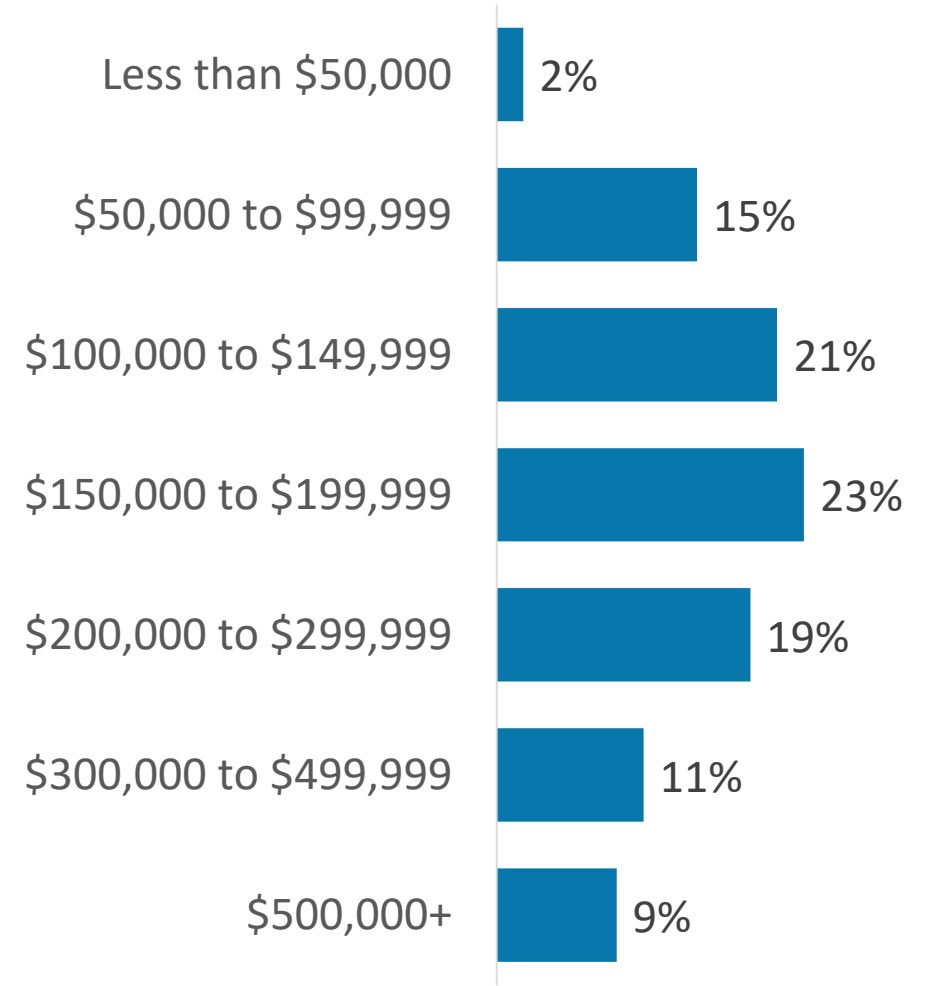
Visitors had a median household income of **\$176,100**, down 2% from 2019.



The estimated average household income is \$262,000¹.



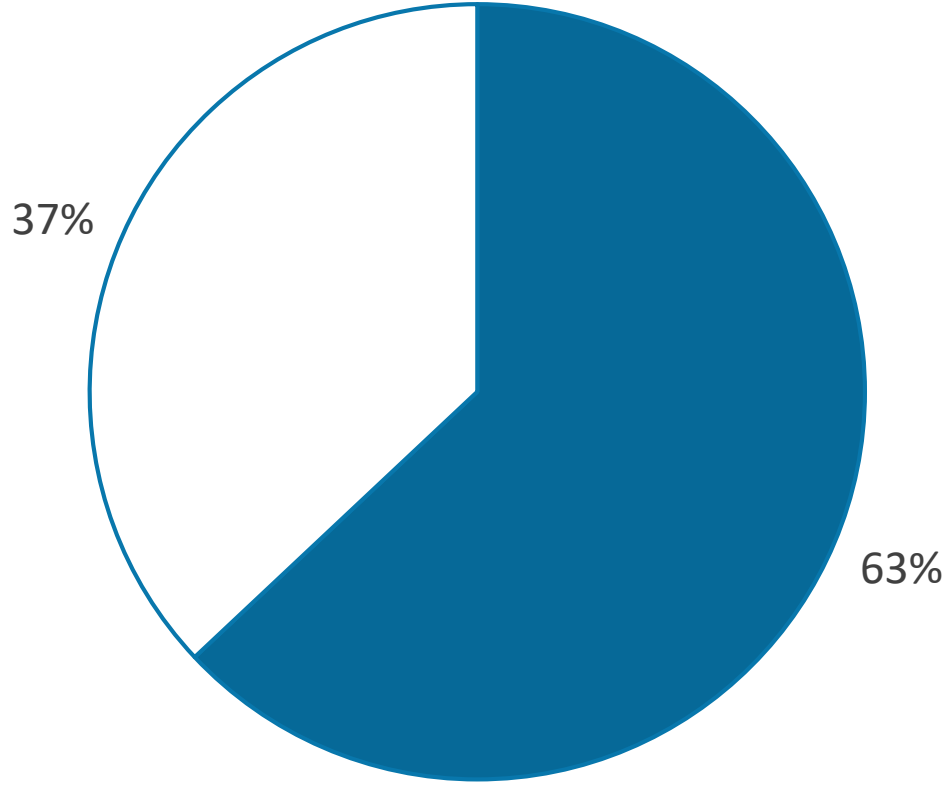
While fewer than 1 in 5 visitors to South Walton reports income of less than \$100,000, 1 in 10 visitors' income exceeds \$500,000.



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

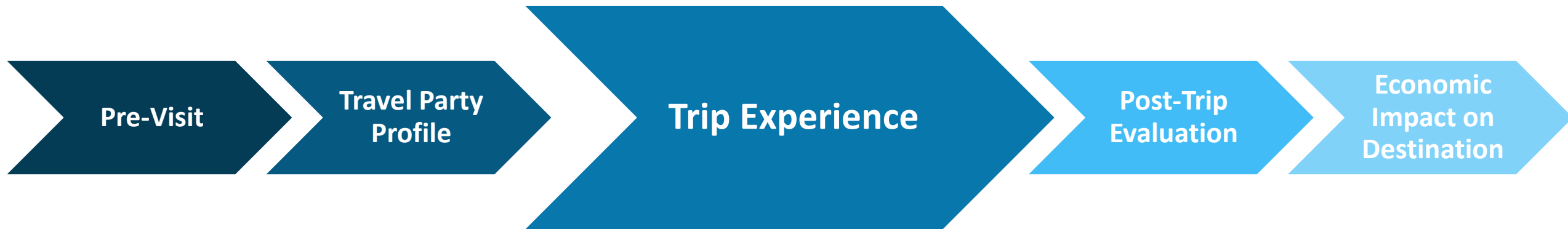
GENDER

Women make up over 3 in 5 of those interviewed.



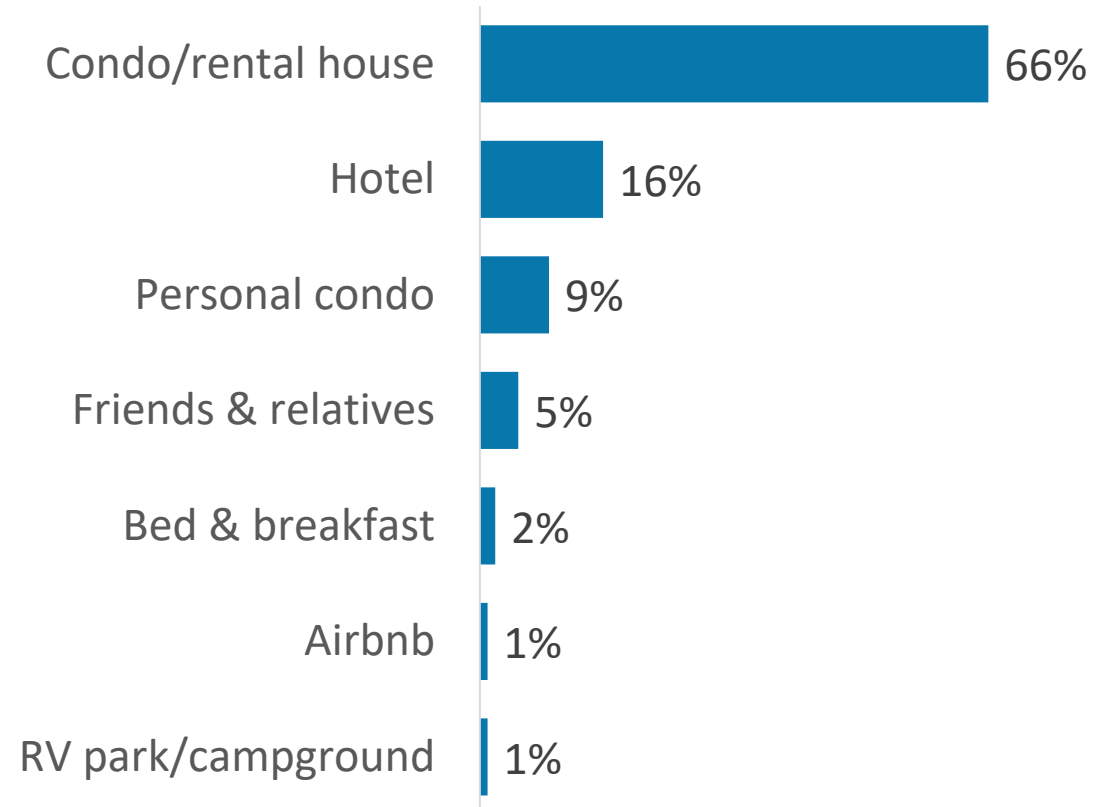
■ Female □ Male

VISITOR JOURNEY: TRIP EXPERIENCE



VISITORS' ACCOMMODATIONS

Vacation rental closures in the Spring contributed to a decrease of 5% points of visitors staying in a condo/rental house



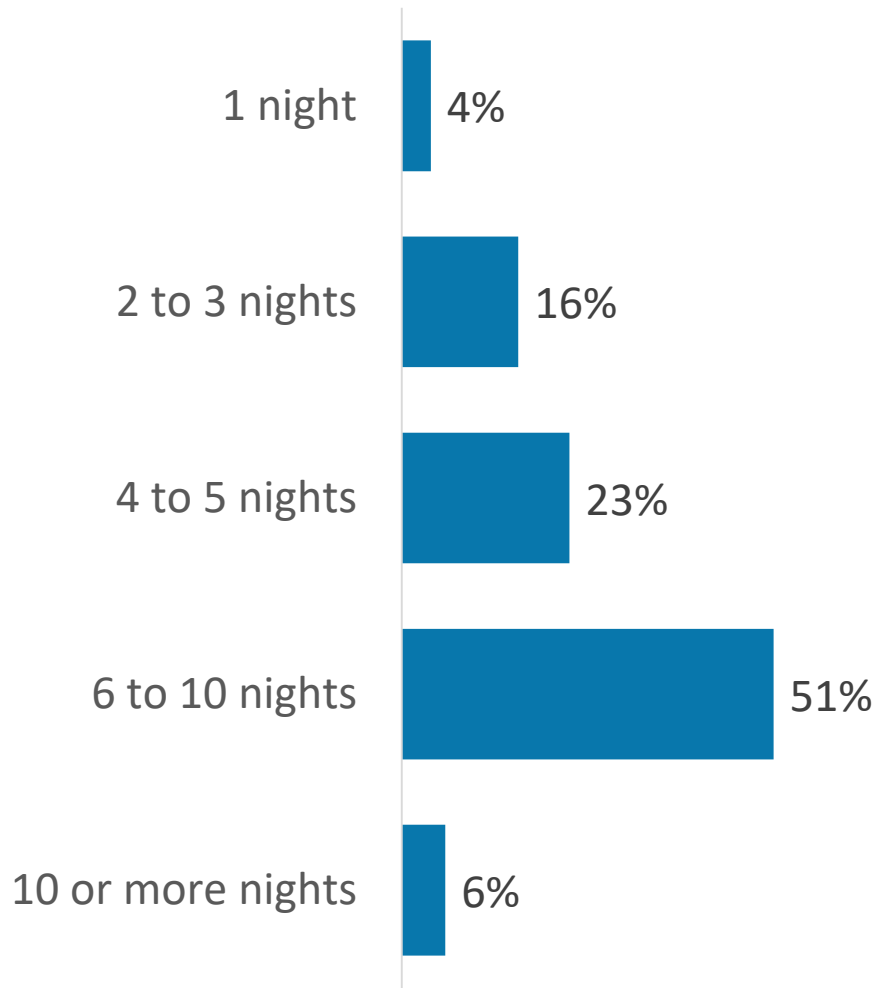
LENGTH OF STAY



Visitors spent an average of **6.2¹** nights in South Walton, an increase from 2019 (5.9).



Half of visitors stayed between 6 and 10 days.



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

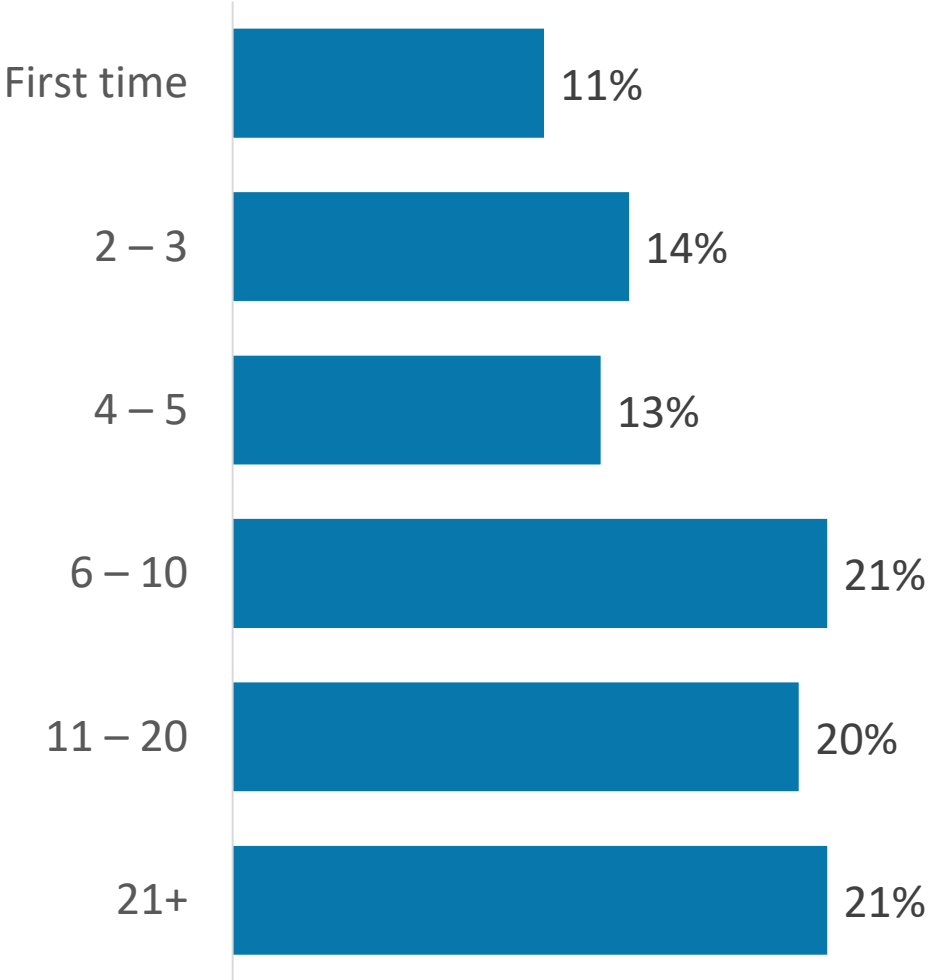
FIRST TIME AND EXPERIENCED VISITORS



11% of visitors were visiting for the first time, a decrease of 5% points from 2019.



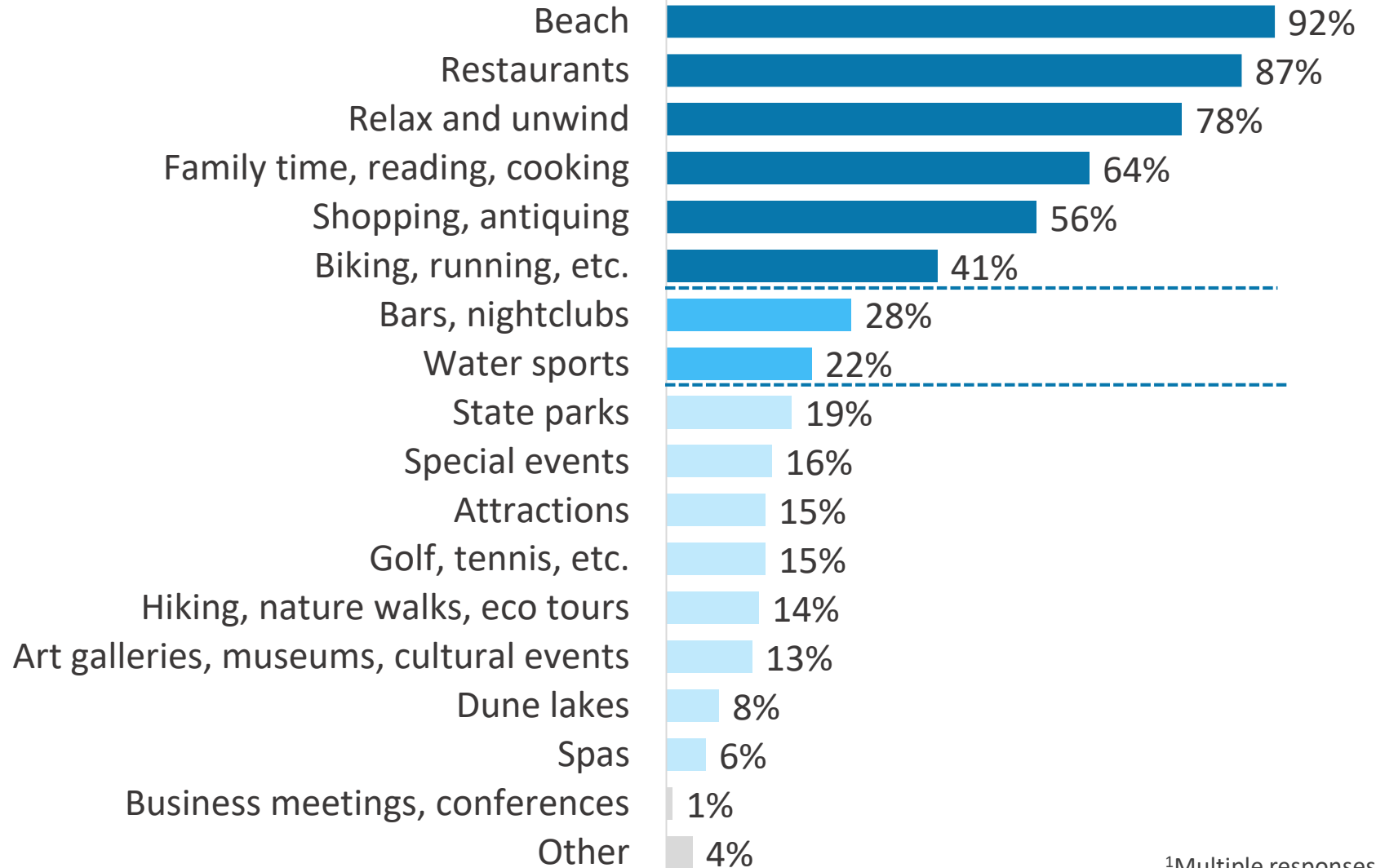
The percentage of visitors who have visited South Walton more than 10 times stayed the same as 2019.



VISITOR ACTIVITIES¹

Going to the beach, eating at restaurants, 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.



TYPICAL SOUTH WALTON TRAVEL PARTY EXPENSES¹

Visitor Metrics ²	Average Daily Expenditure	Total Trip Expenditure
Accommodations	\$407	\$2,518
Restaurants	\$176	\$1,093
Groceries	\$64	\$395
Shopping	\$134	\$833
Entertainment	\$59	\$372
Transportation	\$58	\$360
Other	\$37	\$234
Total	\$935	\$5,805

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



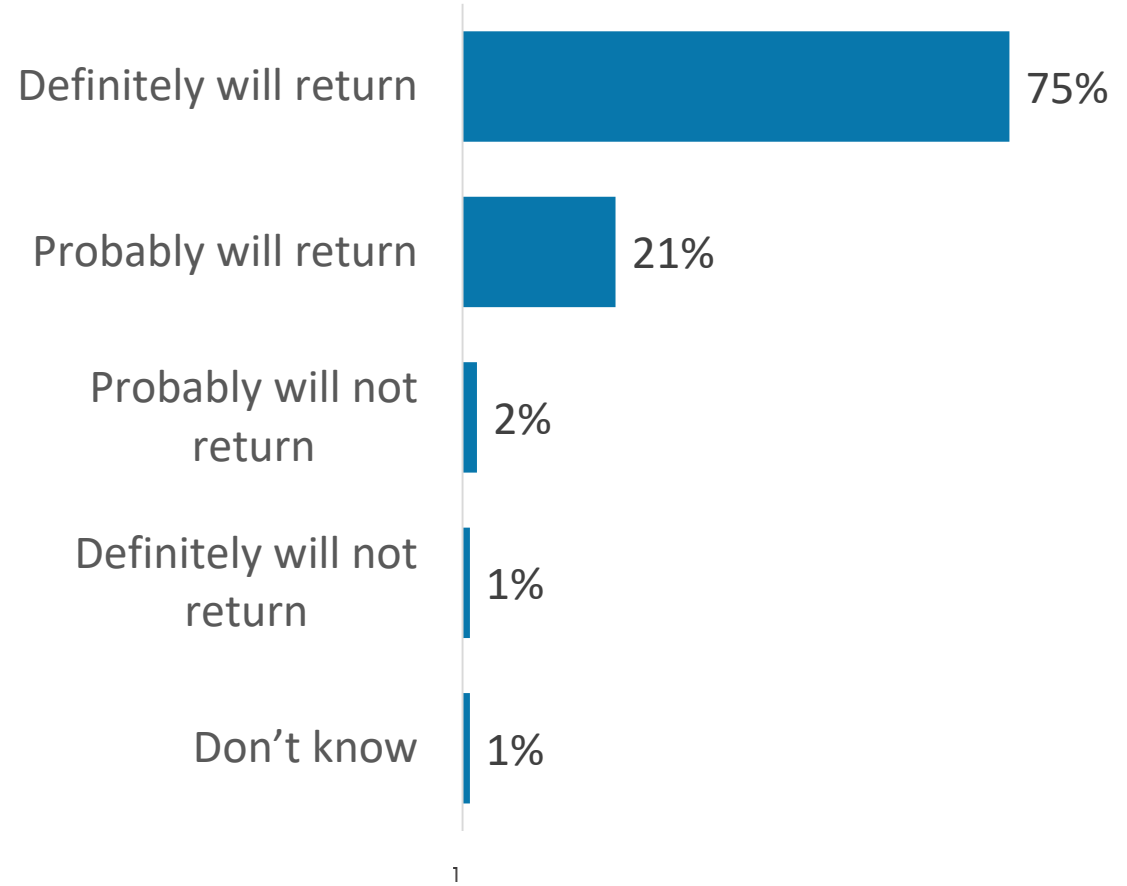
SATISFACTION WITH SOUTH WALTON



Visitors gave South Walton a rating of **9.0**¹ as a place to vacation.



96% will return to South Walton.²

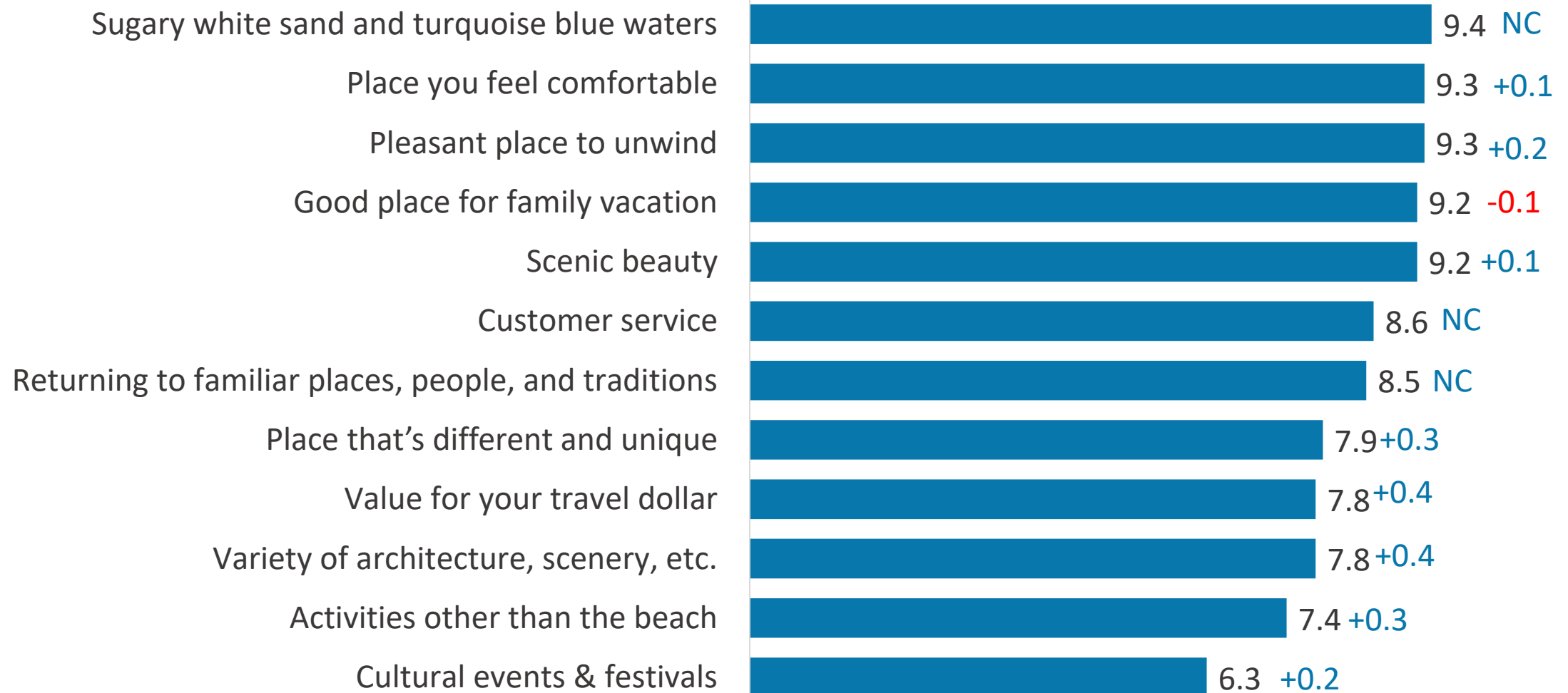


¹ 10 = Excellent; 1 = Poor

² 3% of all visitors will not return to South Walton for the following reasons:

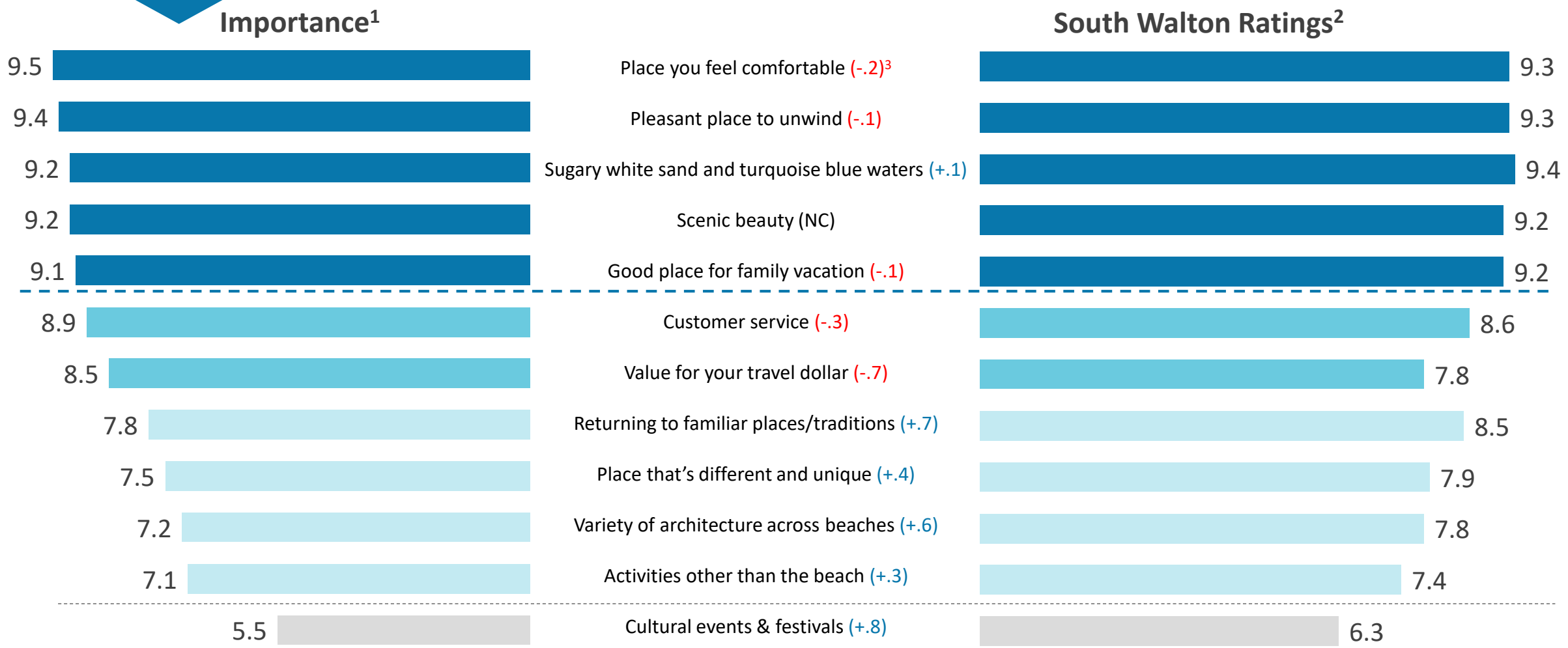
1. Too crowded 2. Too expensive 3. Traffic was a problem

RATING SOUTH WALTON¹



¹ Rated 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 -.2 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 – 2019 VS. 2020

Visitor Metrics	2019	2020
Travel party	4.6	4.7
Kids <20	46%	55%
Median age	54	52
Estimated median household income	\$179,600	\$176,100
Stayed in condo/rental house	71%	66%
Drove	82%	87%
Nights spent	5.9	6.2
1 st time visitor	16%	11%
10+ visits to South Walton	41%	42%

VISITOR PROFILE – 2019 VS. 2020

Top Origin States	2019	2020
Georgia	12%	22%
Alabama	12%	15%
Texas	10%	11%
Tennessee	10%	10%
Florida	10%	10%
Origins - Regions	2019	2020
Southeast	69%	81%
Northeast	3%	2%
Midwest	22%	13%
West	3%	3%
International	3%	1%

VISITOR PROFILE – 2019 VS. 2020

Top Visitor Activities	2019	2020
Beach	91%	92%
Restaurants	93%	87%
Relax & unwind	87%	78%
Family time, read, cook	72%	64%
Shop, antique	73%	56%
Bike, run, etc.	39%	41%
Bars, nightclubs	28%	28%
Water sports	22%	22%
State parks	18%	19%
Special events	19%	16%
Attractions	21%	15%
Golf & tennis	17%	15%
Hiking, birding, eco tours	19%	14%
Cultural activities	12%	13%
Dune lakes	10%	8%
Spas	7%	6%
Business	2%	1%

VISITOR PROFILE – 2019 VS. 2020

Visitor Metrics	2019	2020
Will return to South Walton	96%	96%
Rating for overall experience ¹	9.2	9.0
Viewed Visitors Guide	21%	28% ²
Planned trip	4+ months out	3+ months out
Used VisitSouthWalton.com	18%	23%
Used 1 of 16 beaches' websites	29%	27%

Visit South Walton Economic Impact & Visitor Tracking Report

CALENDAR YEAR 2020

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