

# LOUISIANA BUSINESS SURVEY

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## Contents

- Mardi Gras 2000: Its Economic Impact** ..... 2  
*James J. McLain*
- The Effectiveness of Louisiana Tourism Promotions: The 1999 Louisiana  
Conversion Study** ..... 5  
*Ludivine Dorée Foley*  
*(Editor's Note: This study was funded by the Louisiana Office of Tourism.)*
- Changing Demographics and Implications for the Louisiana Tourism Industry** ..... 9  
*Michael M. Liffman and Michael Todd Jones*  
*(Editor's Note: This study was summarized by Christine A. Carll.)*



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# MARDI GRAS 2000: ITS ECONOMIC IMPACT

*James J. McLain*

## INTRODUCTION

In 2000, the Carnival economy continued its upward trend by breaking into the billion dollar region for the first time ever. Possible reasons for this strong showing include the late date of Mardi Gras (March 7) with its warmer weather, large conventions just before and after the five-day peak parade period, 700 rooms added to local hotel capacity, increased advertising, and a ninth straight year of national prosperity. Total spending in 2000 rose by nearly \$100 million.

The overall trend in tax revenues and total spending since these annual studies began may be seen in Table 1. As the table suggests, Carnival spending in metropolitan New Orleans increased 342 percent between 1986 and 2000; during the same period, the national price level rose 52 percent. Thus, the fourteen-year growth in real (inflation-adjusted) spending was 290 percent, representing a 20.7 percent simple annual real growth on average.

**Table 1: GOVERNMENTAL REVENUES & AREA SPENDING 1986-2000**  
(millions of dollars)

Year	City of New Orleans Govt. Revenues from Parades	Orleans Parish City + RTA + Schools	Spending by New Orleans Area Residents	Overall Spending Resulting from Carnival	% Change from Preceding Year
1986	4.3	11.9	29.9	239.2	0.0
1987	4.8	14.3	35.3	275.3	15.1
1988	5.6	16.7	35.7	309.6	12.5
1989	5.6	16.5	45.2	330.4	6.7
1990	8.3	27.2	50.0	487.9	47.7
1991	8.9	27.7	52.9	499.1	2.3
1992	10.9	32.3	48.4	579.9	16.2
1993	10.6	31.4	49.0	567.7	-2.1
1994	12.7	37.7	46.5	660.0	16.3
1995	18.2	54.8	43.9	929.1	40.8
1996	15.8	48.8	45.9	810.6	-13.6
1997	15.3	40.4	39.8	800.8	-1.2
1998	17.1	43.7	47.3	840.7	5.0
1999	19.1	49.7	49.2	956.9	13.8
2000	21.6	55.7	54.9	1,056.1	10.4

Source: Earlier annual studies in this series.

**Table 2: Estimated 2000 Local Government Revenues from Orleans Parish Carnival Parades**

(This table is discussed in detail in the following text.)

Category	Column 1 Revenue to City Government of New Orleans	Column 2 Revenue to all Government Agencies in Orleans Parish Including Column 1
A. Throws	\$79,475	\$123,750
B. Riders' food, drink, etc.	10,200	20,400
C. Riders' costume, etc.	41,600	75,711
D. Royal parading accessories	1,600	3,200
E. Truck krewe decorations	2,268	4,536
F. Float bldg., decorations, etc.	152,000	304,000
G. Parade-viewers (daytrippers, local, and hotel guests)	9,544,018	25,524,726
SUBTOTAL A-G	\$9,831,161	\$26,026,323
H. Real estate & personal property tax from float builders, dens and related businesses	35,750	76,450
J. Other city revenues (from Mayor's 2000 Mardi Gras report)	939,655	939,655
TOTAL DIRECT REVENUE (A-J)	\$10,806,566	\$27,072,428
A-G increased by multiplier of 2.1	\$20,645,438	\$54,718,278
H-J (multiplier not applicable)	975,405	1,016,105
TOTAL REVENUES GENERATED	\$21,620,843	\$55,734,383

**CARNIVAL REVENUES**

Table 2 shows the estimated local government revenues from Orleans Parish carnival parades in 2000. The following paragraphs provide more detail.

TOTAL DIRECT REVENUE (A-J), Column 1 is City of New Orleans total tax and other revenue collected from paraders, parade-builders, parade-viewers, and related sales.

TOTAL DIRECT REVENUE (A-J), Column 2 is from the same sources as the preceding, but it includes revenues both to the City and to all other local government (i.e., Public Schools, Regional Transit

Authority, Superdome Bond Fund, Levee Board, Water Board, etc.).

TOTAL REVENUES GENERATED, Column 1, reflects City revenue generated directly and indirectly by the parades. It is obtained by applying a spending multiplier of 2.1 to the figure in TOTAL DIRECT REVENUE, Column 1 (less H and J). Although a figure of 2.1 might appear low when compared to national multipliers, it is justified by the small geographical area of the study and is supported by current regional and urban economic research, theory, and practice. (Cf. U.S. Department of Commerce's Regional Input-Output Modeling System, RIMS II.)

TOTAL REVENUES GENERATED, Column 2, is the grand total of all local government revenues generated directly and indirectly by parades. It is also obtained by using the 2.1 multiplier. If, for instance, parades in Orleans Parish were abolished, then local tax revenues would likely fall by this amount. Parade viewer tax revenue (G2) was up 11.5 percent from 1999, reflecting a 6 percent increase in the number of tourists (and 700 more hotel rooms with higher occupancy rates). Overall, 2000 City tax and other revenues were up by 13.1 percent over 1999.

Finally, the total revenue generated of \$21,620,843 for City government (and \$55,734,383 for overall government in Orleans Parish) compares favorably with the direct expenses of City government in connection with Mardi Gras, mostly for police overtime pay (as provided by the New Orleans Mayor's Office) in the amount of \$6,280,190. The "return on investment" from the 2½ cents the City receives on each dollar of tourism spending clearly continues to dwarf the amount the City government spends for Carnival.

## CARNIVAL SPENDING

The ideal approach to estimating total expenditures on Mardi Gras would be to include an aggregation of all official krewe spending (that is, annual expenditures by the organizations from present dues and fund raising) plus all spending by members for goods and services associated with festivities such as extra

costume and throw expenses. It has been possible to generate from published and confidential sources estimates for the year 2000, as shown in Table 3. (The present figures are limited to krewes and activities in Orleans, Jefferson, and St. Bernard parishes.) Sources for these figures involve visual observation (including pictures and videotapes), confidential information from krewe captains and members, and estimates by college students whose relatives are krewe members.

The estimates of parade-viewing expenses in Orleans Parish used to determine government revenues assumed that local viewers do not increase their spending at parade time – they simply divert spending to parade food, drink, and souvenirs from whatever purchases they might have made were there no parades. It is a fact that the overwhelming majority of parade viewers in the suburban parishes are locals; hence, the only increase in parade-viewer spending for the greater New Orleans area over the Orleans Parish figures would be for tourists who visit the suburbs for parades. It is assumed that such visits are insignificant. Thus, the estimate of visitor spending for Orleans Parish parades (adjusted to include an estimate of spending by out-of-town parade riders) is used for the entire metropolitan area, namely, \$448,000,000 (including \$2.2 million by visiting riders).

*(Continued on p. 8)*

**Table 3: Estimated 2000 Carnival Spending in Greater New Orleans**

Category	Spending
A. Official Krewe Spending	\$15,712,425
B. Individual Parade Spending	\$16,776,760
C. Individual Ball and Dinner-Dance Spending	\$22,427,427
D. Individual Parade-Viewer Spending	\$448,000,000
TOTAL DIRECT SPENDING (A THRU D)	\$502,918,612
OVERALL SPENDING FROM CARNIVAL 2000 (with multiplier of 2.1 applied)	\$1,056,124,885

# THE EFFECTIVENESS OF LOUISIANA TOURISM PROMOTION: THE 1999 LOUISIANA CONVERSION STUDY

*Ludivine Dorée Foley and Harsha Chacko*

## INTRODUCTION

Advertising and promotion are key in tourism marketing and development. While most marketing efforts are focused on increasing profits, the public component of the travel and tourism industry does not have a direct measure of profits. One of the most common evaluation tools that exist in the public sector of the travel and tourism industry is the inquiry conversion survey. These surveys are performed in order to evaluate the effectiveness of specific advertisements and media, and to determine the costs and revenues associated with these advertisements. This is done by sampling individuals who have requested State travel information packets during a specified time period and determining if a visit (conversion) occurred as a result of the information received.

The 1999 Louisiana Tourism Conversion Study was performed under contract with the Research Division of the Louisiana Office of Tourism by the Tourism Research Unit of the University of New Orleans, a collaborative effort of the Division of Business and Economic Research and the School of Hotel, Restaurant and Tourism Administration. This year was the sixth year for this collaborative effort. The primary objective of this conversion study is to evaluate the effectiveness of different types of media and advertising placements in bringing visitors (conversion) to Louisiana. Another objective of the conversion study was to evaluate the direct economic impact resulting from out-of-state visitors to Louisiana.

The first section of this article will present conversion results of advertisements placed in traditional media, i.e. print and TV. The second section of the article will present conversion results of Internet-based promotions. The use of LouisianaTravel.com, the official website of the Louisiana Office of tourism, has experienced dramatic increases in the past few years, progressively replacing traditional media as a promotional and informative tool. The extent of the

Internet's revolutionary impact is only matched by the challenge it presents to researchers trying to measure advertising effectiveness.

## PRINT AND TV CONVERSION ANALYSIS

### *Methodology*

The Louisiana Tourism Conversion Study utilized a descriptive research design based upon responses to mail surveys. The survey instrument was designed by the Research Department of the Louisiana Office of Tourism and the University of New Orleans. The Office of Tourism, which also administered the questionnaire printing and mailing, approved final versions of the surveys. After roughly three weeks, non-respondents were sent a follow-up request to participate as well as another copy of the survey.

The 1999 conversion study results are a combination of the Spring 1999 and the Fall 1999 studies. The total population for this study consisted of 293,842 inquirers, individuals who requested travel information from the Louisiana Office of Tourism between January 1, 1999 and February 29, 2000, after being exposed to print or TV advertisements. This time period was based upon ads placed during the 1999 Advertising Campaign. Excluded from the study were residents of Louisiana, residents of foreign countries, inquirers from trade advertising, inquirers from special promotions, travel intermediaries, libraries, residents on military bases, non-advertising inquirers and inquirers for which only incomplete addresses were on file.

The selection of specific media to be highlighted was determined by the Louisiana Office of Tourism. The actual samples were randomly selected by UNO. A total of 17,200 individuals were chosen to receive the Spring 1999 survey. The media chosen for this analysis included 28 publications, seven television

markets, and three cable television channels. Publications and television placements not specifically selected for analysis were grouped into an “other” category. For each individual publication and television market, 400 randomly selected inquirers were targeted to receive the survey. The “other” sample group for publications and television each consisted of approximately 1,000 inquirers. Another 10,200 individuals were chosen to receive the Fall 1999 survey. The media chosen for this analysis included 15 publications, one TV market and two cable television channels. For each individual publication and television market, 400 randomly selected inquirers were targeted to receive the survey. The “other” sample group for publications and television each consisted of approximately 1,000 inquirers. Thus, overall, 27,400 individuals received either the Spring or the Fall 1999 survey.

A weighting scheme was employed to derive population aggregates for each medium. It was designed to overcome problems associated with variations in the population base, sample size, and response rates across media to accurately calculate parameters of the Louisiana visitor population. Survey results calculated for each medium were applied to the population of travel information inquirers in that medium. Statistics for each medium were combined to derive totals and averages for the two major media groupings (publication and television) and the total population of inquirers.

## Results

### Survey Results

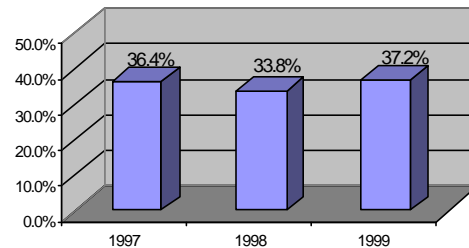
The following results are based on a total of 7,279 responses that were received, analyzed and tabulated by the Tourism Research Unit of the University of New Orleans.

Gross conversion rates are useful in comparing the effectiveness of different media in bringing visitors to the State. The weighted gross conversion rate was 37.2% in 1999, indicating that more than 37% of all print and TV inquirers came to Louisiana between January 1999 and March 2000. This result

was higher than both in 1997 and 1998, as presented in Figure 1.

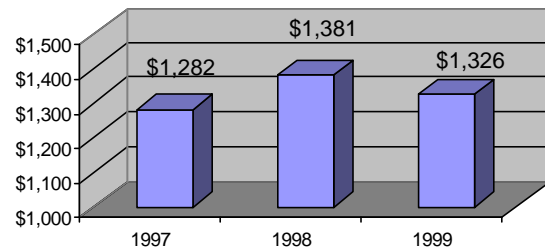
Based on gross conversion, visitors trip expenditures averaged \$1,326 in 1999, a slight 4.0% decrease compared to 1998 (Figure 2). Visitors to Louisiana stayed an average of 4.1 nights in the State in 1999.

**Figure 1: Gross Conversion Rates (1997-1999)**



Despite an increasing conversion rate, total State travel expenditures generated by the Office of Tourism promotional efforts in traditional media (i.e. print and TV) has declined steadily since 1997. Total State expenditures were \$145 million in 1999, a 34.2% decline compared to 1998 (Figure 3).

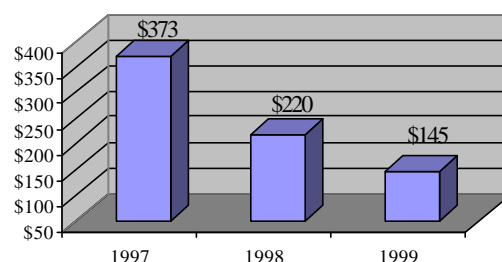
**Figure 2: Average Trip Expenditures\* (1997-1999)**



\* Figures derived using gross conversion rate

Most of this decline can be explained by a decrease in the number of inquiries generated by ad placements. These inquiries, which totaled 471,495 individuals in 1998, were only 293,842 in 1999. Consequently, State taxes generated from travel expenditures decreased – from \$9.2 million in 1998 to \$6.1 million in 1999 (Figure 4). The amount of Louisiana travel expendi-

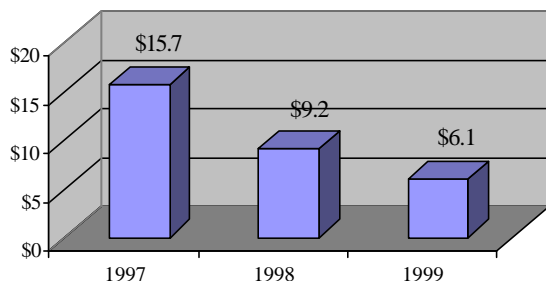
**Figure 3: Total State Travel Expenditures\* (1997-1999) (\$Million)**



\* Figures derived using gross conversion rate

tures generated for each dollar of ad placement was \$60 in 1999, down from \$71 in 1998 and \$82 in 1997. Additionally, the ratio of state taxes generated to advertising placement cost was \$2.51, down from \$2.96 in 1998 and \$3.45 in 1997. Still, this ratio, indicating that for each dollar spent on advertising the State received \$2.51 in taxes in return, demonstrates a successful outcome of the Office of Tourism's promotional efforts.

**Figure 4: State Taxes Generated\* (1997-1999)**  
(\$Million)



\* Figures derived using gross conversion rate

### Adjusted Conversion

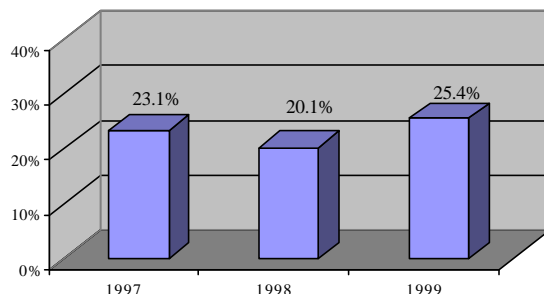
The term *gross conversion rate* refers to the percentage of the population of inquirers who visited Louisiana in 1999, calculated from weighting the survey results for each medium and then applying them to the population of travel information inquirers. The *adjusted conversion rate* however, is the percentage of the population of inquirers who visited Louisiana in 1999, who either *had not yet decided* to visit or pass through the State before requesting travel information (Type 1), but were influenced to do so by the information they received, or who had already decided to visit or travel in the State and *extended* their stay as a result of the information they received (Type 2). When considering travel expenditures under the adjusted conversion method, all expenditures of Type 1 adjusted conversion are included. For Type 2 conversion expenditures, only the proportion attributable to trip extension due to advertising was included in the calculation.

The adjusted conversion rate is weighted by the same technique as used for the gross conversion rate. It is always lower than the gross conversion rate, but because of the exclusion of visitors who were not directly influenced by the promotional efforts, this

figure is a better measure of the true impact of the State's promotional efforts on ultimate travel behavior. Thus, it is often used to determine economic impact.

The overall weighted adjusted conversion rate was 25.4% in the 1999 campaign, higher than both in 1997 and 1998 (Figure 5). However, total State travel expenditures from converted visitors totaled \$75.2 million in 1999, down from \$99.4 million in 1998. Similarly, total State taxes generated from those visitors were \$3.2 million in 1999, down from \$4.2 million in 1998. Visitors spent approximately \$31 in Louisiana for every dollar of advertising placement cost, which translated into \$1.30 in State taxes for every dollar of advertising placement cost.

**Figure 5: Adjusted Conversion Rates (1997-1999)**



## INTERNET CONVERSION ANALYSIS

The 1999 Louisiana Tourism Conversion Study also included an important special project: the Internet. The Office of Tourism utilizes the Internet as a source of travel advertising and of information for prospective visitors. The official website of the Louisiana Office of Tourism is:

<http://www.louisianatravel.com>

The population for this section included 57,112 individuals who visited the site and requested a travel guide. The methodology used for the Internet inquirers was identical to the one used and described above for print and TV inquirers. Questionnaires were sent to 1,800 inquirers. A total of 409 responses were received, analyzed and tabulated by the Tourism Research Unit of the University of New Orleans.

The gross conversion rate for Internet inquirers was 56.9% in 1999, considerably higher than that of traditional media. However, the adjusted rate was 23.9%, comparable to traditional media results, suggesting that while a greater proportion of Internet inquirers come to Louisiana, they tend to have already decided to visit the State when they request the tour guide. One explanation could be that visitors utilize the website itself, which provides extensive and valuable information, to assist their decision to vacation in Louisiana.

Based on gross conversion, average trip expenditures were \$1,264 for 1999 Internet inquirers and the average length of stay was 4.3 nights – figures that are virtually the same as traditional media inquirers. Internet inquirers who came to Louisiana spent \$41.1 million in the state, generating \$1.7 million of State taxes. The adjusted conversion figures show that Internet visitors spent \$10.8 million in Louisiana, resulting in tax revenues of \$453,000.

The Internet as a new advertising medium presents strong challenges to researchers trying to measure its impact. For the purpose of comparing the Internet conversion results to other media results, the methodology used for the 1999 Internet conversion study is correct. However, the population of Internet viewers who did get information from the website itself, but did not request the tour guide, was not included in our study. Thus, the impact of the Internet is likely to be underestimated. The challenge of capturing the appropriate population of Internet viewers shall be addressed in future studies.

## CONCLUSION

In concluding this synopsis, there are several key factors to highlight. The first being that although this study showed a decline in State taxes generated in 1999 as compared to previous years, State taxes of \$6.1 million resulted from the 1999 print and TV ad campaign. This tax revenue exceeded the cost of advertising, making the advertising cost effective. Additionally, the Internet has been replacing traditional media as an effective information tool. As conservatively measured by the number of tour guide requests on the website, the LouisianaTravel.com site generated an additional \$1.7 million of State taxes.

These taxes generated by the promotional efforts of the Louisiana Office of Tourism resulted in a substantial economic benefit to Louisiana.

*(Ludivine Dorée Foley is the Tourism Research Analyst, Division of Business and Economic Research, University of New Orleans, and Harsha Chacko is a Professor of Tourism, School of Hotel, Restaurant and Tourism Administration, University of New Orleans. Special thanks to Rich Paisant, Graduate Research Assistant, Division of Business and Economic Research, University of New Orleans, who helped summarize the information used in this article.)*

## *(Mardi Gras — Continued from p.4)*

When total direct spending, \$502,916,612 (A thru D), is multiplied by the local economic multiplier of 2.1 to reflect the circulation of spending (see the Carnival Revenues section for an explanation of the multiplier), the following grand total is obtained for overall Carnival spending in greater New Orleans: \$1,056,124,885.

Since the overwhelming bulk of this spending is by tourists, it is clear that Mardi Gras is an important regional “export” industry, bringing in many more dollars than the area’s citizens invest in it.

In any event, despite the disappearance of some smaller, financially weaker krewes on the one extreme and the seeming expansion of better-funded krewes on the other, spending by tourists for Carnival is up once again, and with it City and Parish governments continue to realize significant increases in tax collections. (This is a point that could be made for Louisiana state government as well, if estimates had been generated involving the state government’s 3 and 4 percent retail sales tax.)

*(Dr. McLain is Associate Professor of Economics in the Department of Economics and Finance, University of New Orleans.)*

# CHANGING DEMOGRAPHICS AND IMPLICATIONS FOR THE LOUISIANA TOURISM INDUSTRY

Michael M. Liffman and Michael Todd Jones

## INTRODUCTION

The Louisiana Sea Grant College Program at Louisiana State University (Sea Grant) under contract with the Office of Tourism of the Louisiana Department of Culture, Recreation, and Tourism conducted research in the latter part of 1999 and early part of 2000. The purpose of the project was to study the important demographic changes taking place in Louisiana and the seven primary southern market states that feed its tourism industry. The results were published in a report titled, *Changing Demographics and Their Implications for Louisiana's Tourism Industry*. (For additional copies of this report contact Louisiana Sea Grant College Program, Communications Office, Sea Grant Building, Louisiana State University, Baton Rouge, LA 70803-7507.) A summary of these results is presented here.

Earlier research indicated that increases in older segments of the population and in numbers of people in certain ethnic groups are likely to affect the demand for product lines at the State's public and private attractions. Current and projected data for Louisiana and its major domestic tourism market (Texas, Alabama, Mississippi, Arkansas, Oklahoma, Florida, and Georgia) were studied to verify this suggestion.

Changes in demographic data are presented in Table 1 for each of the above States by age category and race/ethnic group. National studies and earlier visitor profile surveys conducted by the Travel Industry Association of America and the University of New Orleans enabled Sea Grant to conclude that these distinct population trends are likely to shape Louisiana's tourism future and thus affect the demand for certain types of attractions and activities.

## OVERVIEW

The U.S. population is aging and new immigrants are stimulating growth. According to the U.S. Census Bureau, the population of the United States is expected to grow from 264 million in 1996 to 300 million by 2010.

Two major factors will affect the nation's demographic makeup in the first part of this century. First, 76 million baby-boomers (those born between 1946 and 1964) will become senior citizens in the next decade. In Louisiana and the seven States that serve as its primary tourism market, approximately 17.8 million individuals will be 55 years of age or older in 2010, an increase of 33.4% over 2000.

Table 1: Age Change 1990 - 2010

	AL	AR	FL	GA	LA	MS	OK	TX
<18	-2.8	-4.0	-2.4	-2.3	-2.8	-3.2	-3.2	-1.6
18-34	-5.3	-4.7	-5.7	-5.6	-4.3	-5.0	-3.9	-4.6
35-54	3.0	2.6	3.1	3.0	1.6	3.5	1.2	1.7
55+	5.0	6.1	5.0	4.9	5.4	4.7	5.9	4.5
<b>White</b>	-1.0	-0.5	-8.9	-5.8	-5.1	-1.4	-4.9	-8.6
<b>Hispanic</b>	0.3	0.8	5.5	1.1	1.0	0.4	1.9	5.9
<b>African-American</b>	0.3	-0.6	2.5	3.8	3.3	0.7	1.9	1.3
<b>Other</b>	0.4	0.4	1.0	0.9	0.8	0.3	1.1	1.5

The second major factor is a dramatic increase and change in the ethnicity of immigrants. These “new immigrants” are primarily from Latin America and Asia. Texas and Florida, for example, are projected to have a Hispanic population hovering around 10 million by 2010, an increase of 28% over 2000.

During the 1990s, African-Americans’ domestic migration increased to southern locations. Many of these migrants are settling in Louisiana’s primary southern market; in fact, a 16% increase in this population is expected between 2000 and 2010.

### BABY BOOMERS AGE

The population of the United States is aging as its large baby boomer population reaches the mature stage of their lives. According to the Travel Industry Association of America, in 1997 Louisiana hosted over seven million mature adult visitors, three-fourths of whom came from the seven primary southern market states. These baby boomer travelers are much more experienced, more adventurous than their earlier counterparts, and will expect more out of their vacations than past generations. Baby Boomers not only seek “active relaxation” and entertainment when they travel, but they also want to learn new things. And because there are so many, they will represent significant demand. By 2016, “empty-nesters” who are mortgage- and child-free will make up almost one third of family households. In addition, over the next twenty years or so, baby boomers stand to inherit as much as one trillion dollars from the previous generation.

### CHANGING IMMIGRANT RACIAL AND ETHNIC DIVERSITY

Changes in the population of immigrants and domestic migrants are important considerations for Louisiana’s tourism marketing plans. The new immigrant population is concentrated in Texas, Florida, California, and New York. As stated above, Texas and Florida are part of Louisiana’s primary southern market.

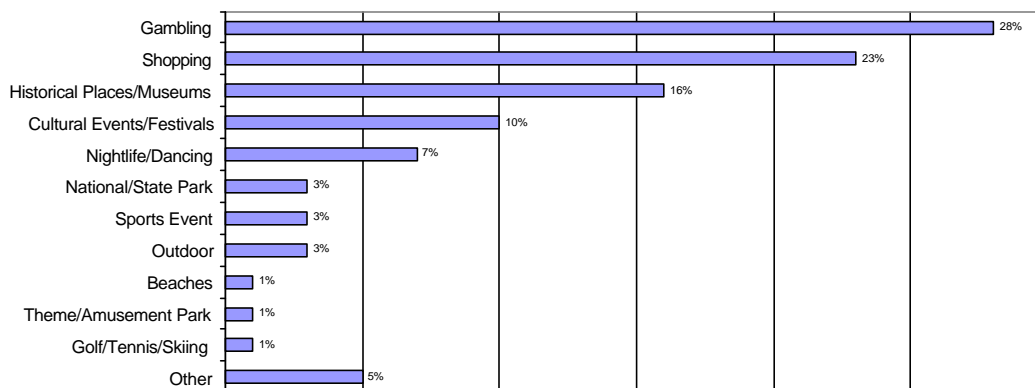
The racial and ethnic diversity of the U.S. is changing. The number of non-Hispanic Whites is projected to decline from 74% of the total population in 1995 to 53% by 2050. The population of persons of Hispanic origin is predicted to grow substantially and outnumber African-Americans by 2005. There were approximately 33.1 million African-Americans in 1995. This number is expected to increase to 40.1 million by 2010.

### IMPLICATIONS FOR THE LOUISIANA TOURISM INDUSTRY

The Tourism Industry Association of America and the University of New Orleans conducted studies between 1994 and 1997 to determine in which activities travelers were most interested. These studies concluded that preferences vary among specific demographic groups.

Figure 1 depicts the preferred activities of mature travelers to Louisiana. The number one preferred activity was gambling (28% participated). The second most preferred activity was shopping (23%

Figure 1: Out-of-State Mature Adult Louisiana Traveler Activities, 1994-1997



Source: Travel Industry Association of America, 1998

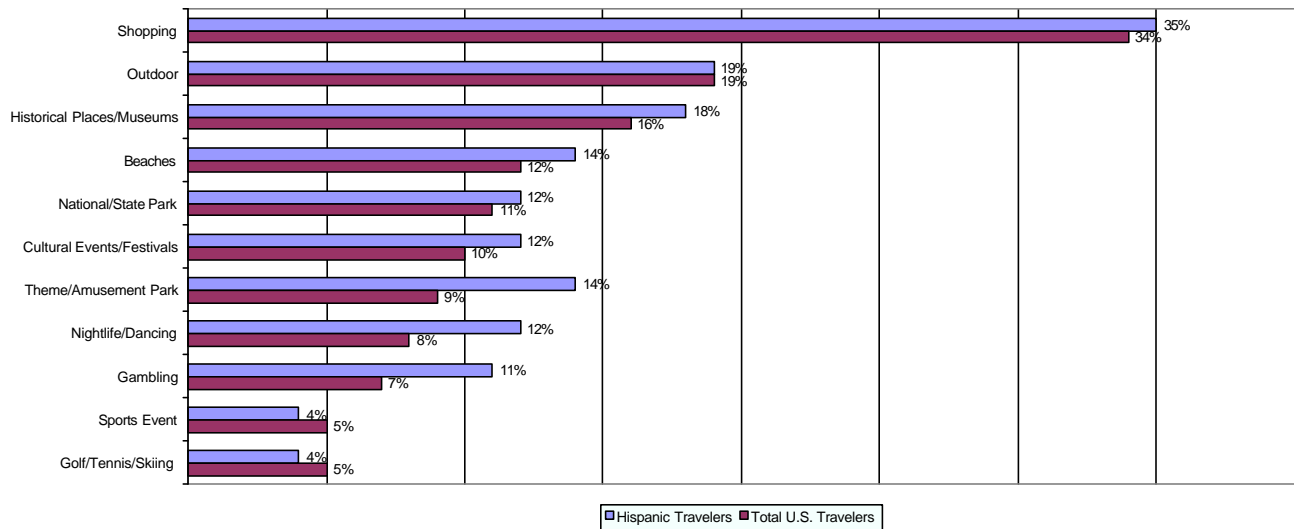
participated). Sixteen percent of mature travelers to Louisiana preferred to visit historical places and museums. Ten percent attended cultural events and festivals. Nightlife/dancing was popular among 7% of mature travelers to Louisiana. Only 3% visited national/state parks, sports events, or the outdoors. Even fewer mature travelers to Louisiana went to the beach, theme park, or engaged in golf, tennis, or skiing (1% participated).

According to the Travel Industry Association of America, Louisiana hosted 7.3 million mature adult visitors in 1997. Of that total, 1.1 million were in-state visitors and 6.2 million were out-of-state visitors. This baby boomer age group represents an opportunity for Louisiana tourism. Many of the activities in which they are interested are already

visited historical places and museums (18%). Going to the beach or theme park was popular among 14% of Hispanic travelers. Twelve percent favored national and state parks, attending cultural events and festivals, or nightlife. Gambling was the preferred activity for 11% and attending or participating in sports was preferred among 4% of Hispanic travelers. Figure 2 compares the favorite activities of Hispanic travelers with U.S. travelers.

Although the number of Hispanic visitors to Louisiana has been very low, the predicted growth of this ethnic and racial group in Texas and Florida, two of Louisiana's primary southern market States, suggests a marketing opportunity. Increased outdoor recreation and cultural tourism could attract more Hispanic visitors to Louisiana.

**Figure 2: Hispanic Traveler Activities**



**Source: Travel Industry Association of America, 1996**

available. Growth in historical and cultural tourism could be used to extend a visitor's stay, increase off-peak and shoulder business and bookings, build repeat business, as well as convert a business traveler into a pleasure traveler.

In a 1996 study, *The Minority Traveler*, the Travel Industry Association of America concluded that, like other travelers, Hispanic travelers favored shopping as their number one activity (35% participated). About two in ten pursued outdoor recreation (19%) or

visited historical places and museums (18%). Going to the beach or theme park was popular among 14% of Hispanic travelers. Twelve percent favored national and state parks, attending cultural events and festivals, or nightlife. Gambling was the preferred activity for 11% and attending or participating in sports was preferred among 4% of Hispanic travelers. Figure 3 compares the favorite activities of all U.S. travelers with those of all African-American travelers and African-Americans who visit Louisiana. Shopping is a favorite activity among all three groups. Among African-Americans who visited Louisiana, 38% favored gambling. Fifteen percent of African-Americans who visited Louisiana attended cultural events and festivals. Nightlife/dancing was popular among 12% and visiting a historical place or museum was enjoyed by 9%. National and state parks attracted 2% of African-American visitors to Louisiana

and theme parks attracted 3%. Very few participated in sports (1%) or attended a sports event (4%). The outdoors and beaches also did not attract many African-American visitors to Louisiana (2% and 1%, respectively).

Louisiana currently provides the number one preferred activity among African-Americans, gambling. Additional visitors may be attracted to Louisiana by expanding cultural events and festivals.

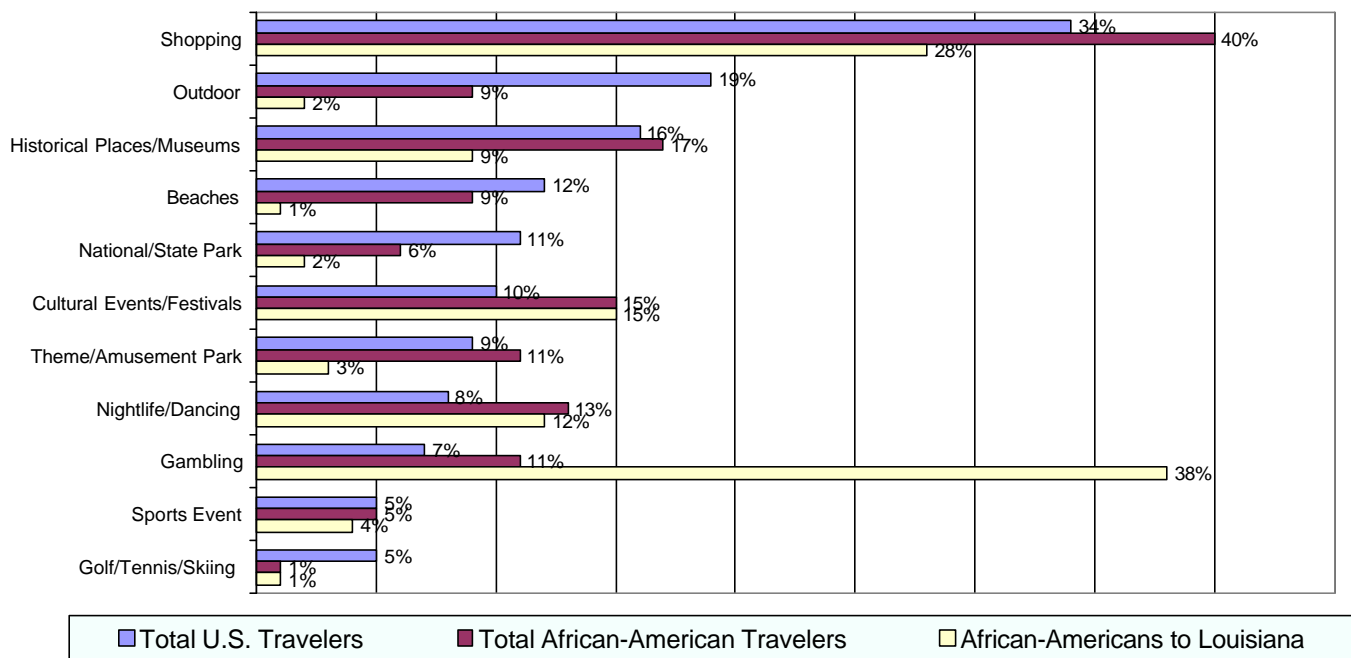
### CONCLUSION

The United States is undergoing profound demographic changes as baby boomers move into and through the latter stages of their life cycles and record numbers of new immigrants arrive in the country. These changes are not only affecting the nation as a whole, but also the seven States that provide Louisiana with the majority of its visitors. These visitors are more sophisticated, educated and adventurous than tourists of earlier generations. Many are experienced travelers and expect more from their vacations.

In the near term, Louisiana appears to be favorably positioned to accommodate these demographic changes and tourist characteristics. Surveys indicate that Louisiana’s main product lines, notably cultural, historical, and natural attractions; shopping; and gambling satisfy tourists’ current travel activity preferences. For the long term, attractions and destinations must remain alert to insure that these changes do not erode successful markets and new strategies must be devised to take advantage of these and future changes.

*(Editor's Note: This article was summarized by Christine A. Carll, Research Analyst, Division of Business and Economic Research, University of New Orleans. Michael M. Liffman is Assistant Executive Director, Louisiana Sea Grant College Program, Louisiana State University and Michael Todd Jones is Research Analyst, Louisiana Sea Grant College Program, Louisiana State University.)*

Figure 3: African-American Traveler Activities, U.S. and Louisiana



Source: Travel Industry Association of America; Louisiana Sea Grant College Program, 2000

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