Buxton Tourism Study
Executive Summary – Highlights

Palm Springs, California
September 19, 2012

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Buxton Company Overview

- Largest Provider of Retail Site Specific Data with Insights on 131 Million Households
- Retail, Public Sector, Healthcare, Financial Services
- Palm Springs has used Buxton Since 2004

Executive Summary - Highlights

58% of Palm Springs tourist dollars come from 10 Primary demographic customer segments

80% of overall retail sales dollars come from 5 geographic markets, plus Palm Springs

| Rank	DMA	Percent of Spend
NA	Palm Springs, CA	29%
1	Los Angeles, CA	24%
2	Seattle-Tacoma, WA	10%
3	San Francisco-Oakland-San Jose,CA	7%
4	Portland, OR	5%
5	San Diego, CA	4%
	Total	80%

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Buxton Tourism Study – Palm Springs

Buxton (via credit card processing partner) analyzed tourist data within Palm Springs over a 12 month period (2011). Consumers came from across the U.S.

- Total transactions approximately $200 million
- Summarized at retail sales expenditure level by zip+4 (4 to 15 households)
- Buxton looked at 9 retail spending categories

Palm Springs Tourism Purchase and Exclusion Zones

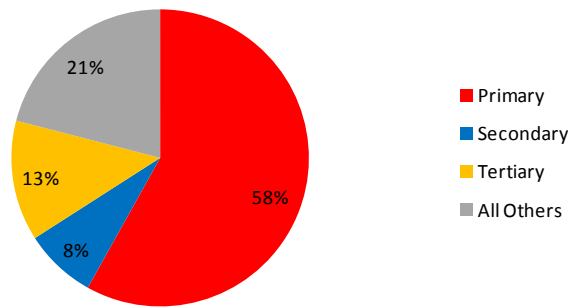**Purchase Zone:** Consumer spending within the Palm Springs zip codes 92262 and 92264.

Exclusion Zone: A "tourism buffer" excluded consumers that live just outside Palm Springs but within a 30 minute drive time; most likely Coachella Valley residents and business commuters.
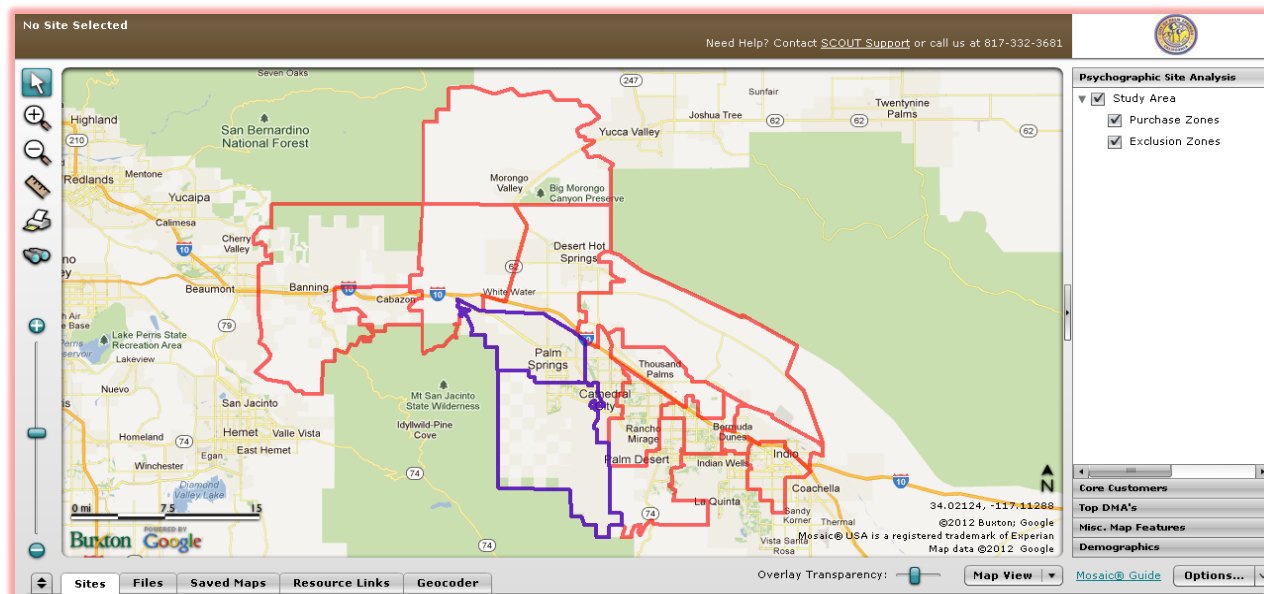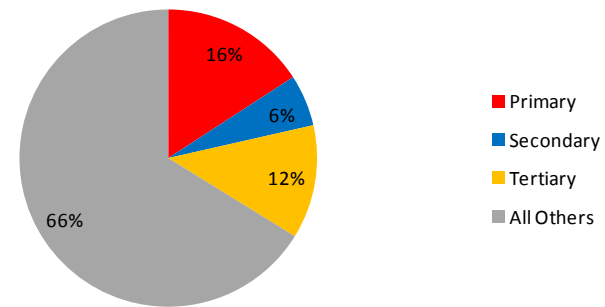
Tourist Consumer Insights (Group Composition)

- Buxton utilized <u>actual household level data</u> summarized at a zip + 4 household level.
- Palm Springs tourists can be classified as: Primary, Secondary, Tertiary, and All Others.
- "Primary" consumer households are over <u>3 ½ times more likely than an average household to be a Palm Springs tourist</u>. "All Other" households are only 1/3 as likely.
- Over 22 million households in the U.S. look like our "Primary" tourist consumers.
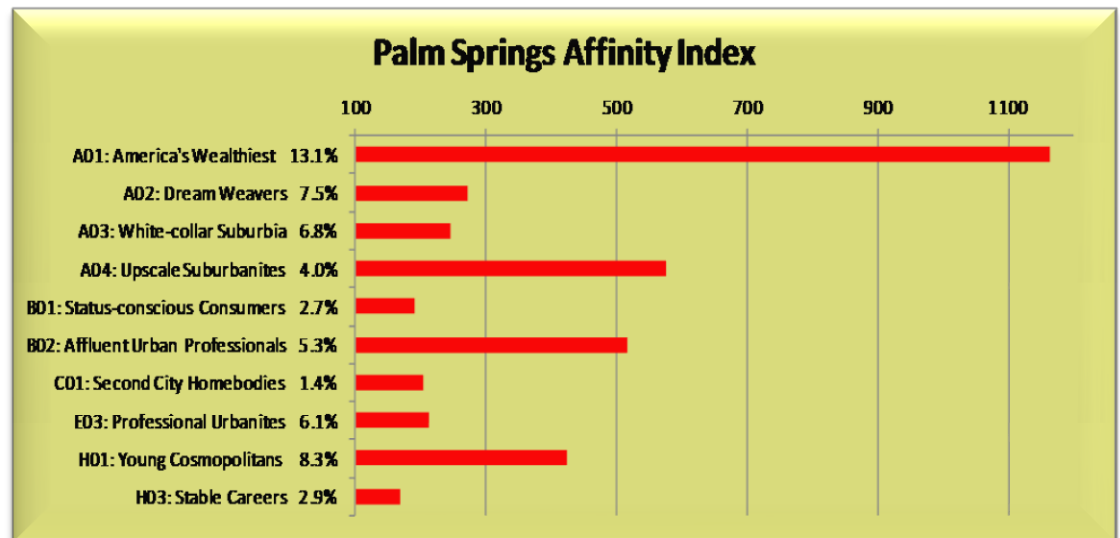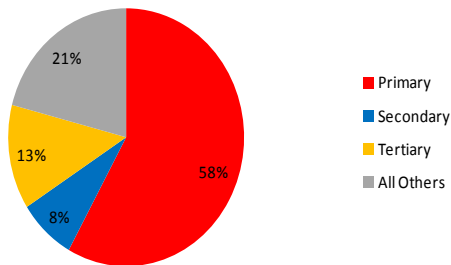
Palm Springs Tourist Dollars

- Primary — 58%
- Secondary — 8%
- Tertiary — 13%
- All Others — 21%

U.S. Households

- Primary — 16%
- Secondary — 6%
- Tertiary — 12%
- All Others — 66%

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Tourist Consumer Insights (Group Composition)

- Primary: there are 10 types of consumers out of a potential of 60 that have an extremely high Palm Springs "Affinity Index."

- Affinity Index describes consumer preference: an "average" consumer would have a Palm Springs Affinity Index of 100.

- **Consumer segment A01, America's Wealthiest, represents over 13% of our total tourist dollars and is "off the chart" with an Index over 1100 -** over 11 times more likely to be a Palm Springs tourist than an average consumer.

Palm Springs Tourist Dollars

Palm Springs Affinity Index

Segment	
A01: America's Wealthiest	13.1%
A02: Dream Weavers	7.5%
A03: White-collar Suburbia	6.8%
A04: Upscale Suburbanites	4.0%
B01: Status-conscious Consumers	2.7%
B02: Affluent Urban Professionals	5.3%
C01: Second City Homebodies	1.4%
E03: Professional Urbanites	6.1%
H01: Young Cosmopolitans	8.3%
H03: Stable Careers	2.9%

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Palm Springs Primary Tourist Market

This group exhibits a Media preference for…

CNBC and The Golf Channel
Educational, Classical and News Radio
Economy Magazines, Business and Finance in the Sunday paper
Floating internet ads
www.etrade.com

They are over twice as likely to have shopped at…

Bloomingdale's, Crate and Barrel, Saks Fifth Avenue, Whole Foods, Williams-Sonoma, Neiman Marcus, Nordstrom, Trader Joe's, Pottery Barn, Jos. a Bank, Off 5th, Chico's, Brooks Brothers, Costco

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Palm Springs Tourist Consumer Representation

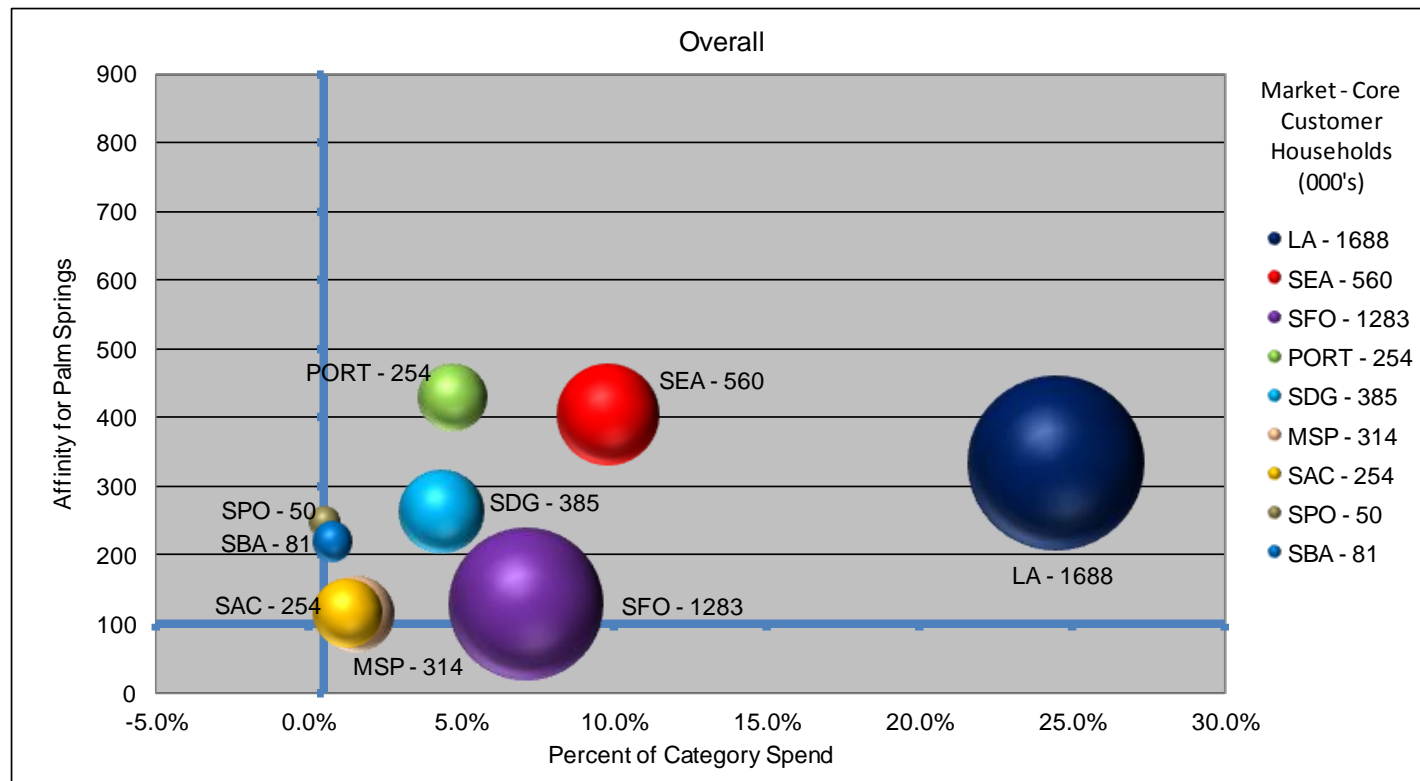**Palm Springs Consumer Spending Coverage**

Data collected represented 152 of the 210 market areas in the U.S. including Hawaii and Alaska.
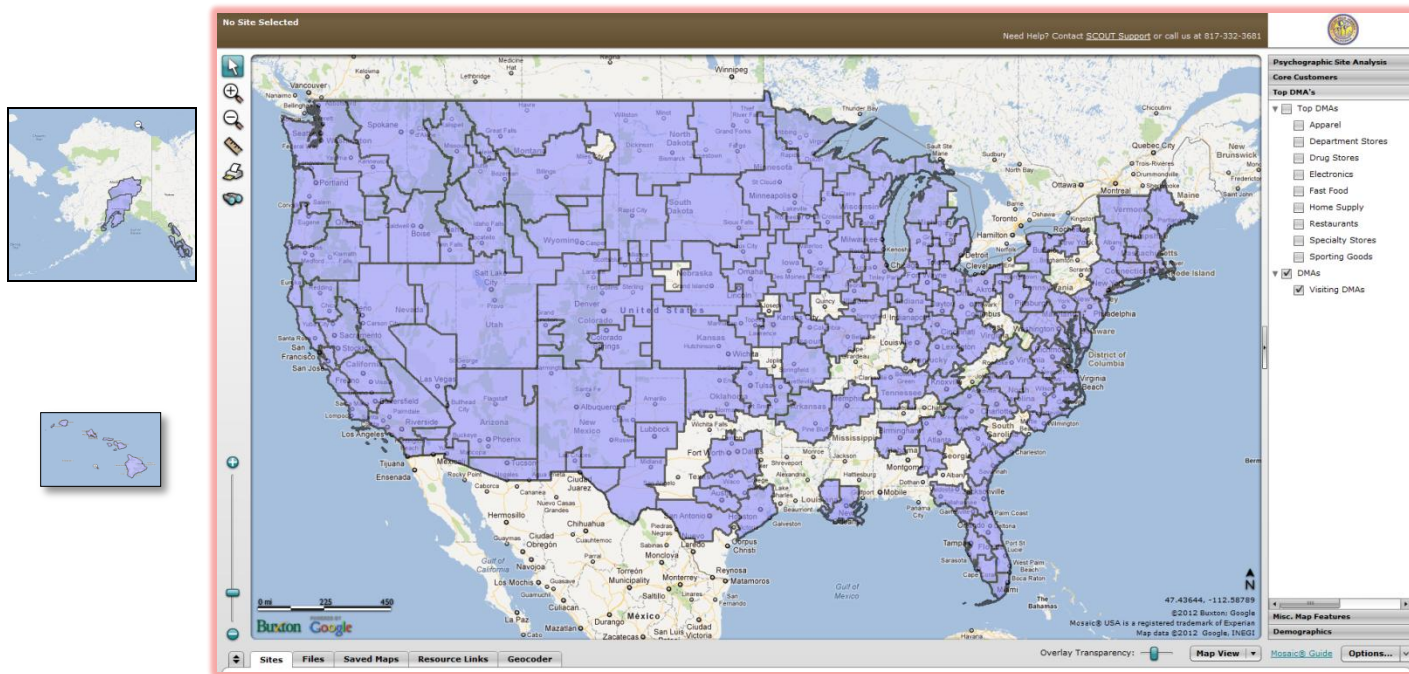
Overall Tourist Value - Market Prioritization Matrix

From the 152 markets that tourists come from, they identified those that generate the most revenue and are the most likely to visit.

Retail Categories

The Retail Categories analyzed in this study include:

- Apparel
- Department Stores
- Drug Stores
- Electronics
- Fast Food

- Full Service Restaurants
- Home Improvement/Supply
- Specialty Retail (e.g. Toys, Jewelry)
- Sporting Goods

Palm Springs Top 5 Retail Tourism Markets

- Los Angeles

- Seattle-Tacoma

- San Francisco

- Portland

- San Diego

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Conclusion

- 58% of Palm Springs tourist dollars come from 10 Primary demographic customer segments.

- 80% of overall retail sales dollars come from 5 geographic markets plus Palm Springs proper.

- The Los Angeles area (Southern California) ranks #1 in Tourists to Palm Springs.

- "Primary" consumer households are over 3 ½ times more likely than an average household to be a Palm Springs tourist.

- The consumer segment A01, America's Wealthiest, represents over 13% of our total tourist dollars, and has an Affinity Index over 1100.

- Data collected represented 152 of the 210 market areas in the U.S. including Hawaii and Alaska.

Further Study/Additional Inquiry

- Could we add data on Canada? Europe?
- We looked at a full year. Could we slice it by week? Month? Season? Could we look before and after a big event, or during a big event (e.g. Coachella?)
- Is there a way to actually track the hotel transactions?
- Are there better metrics for separating out second homeowners/long-term visitors from tourists (i.e. hotel guests)?
- What is the impact of day visitors (LA also includes Orange County and Inland Empire)?

Uses and Benefits of this Study

- It is useful for tracking the effectiveness of Tourism marketing
- It is useful for retail attraction, particularly in downtown and uptown
- It is useful for hotel development because it shows the reach and quality of the visitors to Palm Springs

City of Palm Springs
Department of Community & Economic Development

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