

Michigan's tourism industry to grow in 2012: researcher

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Tourism spending in Michigan jumped a surprising 8 percent in 2011 and should increase by a healthy 6 percent clip this year, reflecting the ongoing economic recovery, Michigan State University researchers said in their annual tourism report.

Michigan's \$17-billion-a-year [tourism](#) market – one of the state's largest industries – should have a "very strong" 2012, said Dan McCole, assistant professor of tourism.

"As long as the weather is good – and that's always the big 'if' – I think we're going to see a very strong year for tourism," McCole said.

McCole and Sarah Nicholls, associate professor of tourism, presented their report March 27 at the Pure Michigan Governor's Conference on Tourism in Grand Rapids. The report includes both a look back at 2011 and a forecast for this year.

Even though 2011 was 3 percent cooler and 16 percent wetter than 2010, spending on tourism still doubled the projection the MSU researchers made last year. Spending projections are based on state sales tax and use tax collections.

Hotel occupancy in 2011 was up 7 percent statewide and 10 percent in Detroit, marking the second straight year that Detroit saw the biggest gain of any of the 25 major metro markets, Nicholls said.

"Recovery continues to occur at a steady pace," she said.

Michigan's tourism industry has been hurt by a statewide population decline and fewer people working in high-paying blue-collar jobs, the researchers said. But that trend has been at least partially offset by an increase in the number of people from other states and countries visiting Michigan.

Gas prices in Michigan increased 26 percent last year and continue to rise, with many areas now seeing unleaded prices around \$4 per gallon. McCole believes this will have an effect on some destinations and businesses, but doesn't think the jump in gas prices will have a significant effect on tourism for the state overall this year.

"Gas prices will certainly change some people's travel behaviors which will likely impact certain places more than others," he said. "But we're also finding that people are very protective of their vacations, so I don't anticipate too many people canceling because of \$4-per-gallon gas. Plus the people we're expecting to travel this summer are doing pretty well financially and are better able to absorb the increase."

Promotional spending for tourism also has increased through Travel Michigan, the state's tourism agency, which should continue to give the industry a boost, McCole said.

The agency, which runs the Pure Michigan campaign, matches advertising dollars for municipalities including Traverse City and Ann Arbor and attractions such as The Henry Ford Museum. This year, there are 40 partners in the program, up from 31 last year, for a total local and state investment of \$3.7 million in advertising (up from \$3.1 million).

In August, Good Morning America named Sleeping Bear Dunes National Lakeshore the "Most Beautiful Place in America" – the kind of publicity

that could help the Traverse City area have an outstanding year for tourism, McCole added.

Provided by Michigan State University

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