The Business of Summer Vacation

Many business owners in popular summer vacation destinations depend on revenues earned during the summer season to keep them going throughout the rest of the year. Now that summertime is here, they’re crossing their fingers that rising fuel prices won’t affect their bottom line.

Lori Pennington-Gray, director of the Tourism Crisis Management Institute, at the University of Florida, College of Heath and Human Performance, says the summer season is the most popular time of the year for people to go on vacation.

Pennington-Gray says that the most popular summer vacation destinations in the United States are traditional family vacation spots such as national parks, beaches, urban destinations — like New York City, or theme parks.

Tourism is the main livelihood of many residents living in these popular summer vacation destinations, Pennington-Gray says.

“That’s their bread and butter,” she says.

Robert Curtis, Business program director at South University — Savannah, says that a number of businesses in his city depend on revenue from tourists to survive.

“In addition to the usual hotels, restaurants, city tour, water taxis, bicycle and scooter rental businesses, there are also a number of retail and specialty outlets that depend on tourists,” Curtis says. “Among these are chocolate purveyors, novelty shops, art galleries, antique shops, and various nightclubs and bars.”

Curtis says that other local businesses such as the theater and the symphony also get additional business from tourists.

Pennington-Gray agrees that even businesses that don’t necessarily rely solely on summer vacations still benefit from them.

“There’s an economic multiplier for tourism, a ripple effect,” Pennington-Gray says.

Working Together to Create Vacation Destinations

Donna Abbott, communications manager for Ocean City, Maryland, says that as a vacation destination, tourism is crucial to Ocean City’s economy.

“Summer is Ocean City’s prime vacation season and all business depends on summer vacationers,” Abbott says.

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In order to attract tourists to the Ocean City, Abbott says the town has a tourism department that focuses on destination marketing.

“Ocean City also has active business organizations that work on various promotions and events that bring tourists to the resort town,” Abbott says.

Curtis says that businesses in Savannah also work together to try to entice vacationers to visit the city. He says this is often seen during events such as art festivals, when art galleries band together to produce one large affair, or for the city’s annual “Taste of Savannah” event, where local restaurants and other businesses join forces to attract both tourists and local residents.

Pennington-Gray suggests that tourists visit the convention of visitors’ bureau when they visit a city, as these serve as a central organization to find discounts and incentives from local businesses.

“It’s a conduit for tourism promotion and marketing,” Pennington-Gray says.
Importance of the Summer Vacation Crowd

Pennington-Gray says that even one slow summer can be detrimental to small businesses located in popular vacation destinations.

“When the economy is down, a lot of the mom-and-pop shops close for good because they can’t sustain themselves,” Pennington-Gray says.

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Curtis agrees that a drop in the amount of summer vacationers can result in a number of negative consequences for tourist destinations.

“They suffer unemployment and loss of profits, tax revenues, income from fees, and admissions charges to monuments and parks,” Curtis says. “As a result, their budgets have to contract or they run a deficit.”

Fuel Prices on the Rise

Although fuel prices continue to rise, Abbott does not expect this to affect travel to summer vacation destination, Ocean City.

“That many of our vacationers can drive to our beach using only a half a tank of gas or less,” Abbott says. “We are conveniently located to large population centers, such as Baltimore, Washington, and Philadelphia.”

Although Ocean City may not see a drop in tourism this summer, other popular vacation destinations may not be as fortunate. But depending on individual circumstances, some people may choose to travel no matter what.

“Some people are going to travel regardless of the cost of gasoline because of their income, wealth, and affluence,” says Heather Hunter, public relations manager at AAA.

Hunter says that people will probably not cancel travel plans they booked ahead of time because of rising fuel prices.

“Those who have made plans and booked travel accommodations well in advance are still going to travel,” Hunter says.

Hunter says that some travelers will offset increased fuel prices by traveling shorter distances, reducing the duration of their trips, spending less in other travel budget areas, or mapping their fuel costs online before they depart.

People often find great deals when booking their summer vacation at the last minute, but that may not be the case this summer.

“Some potential last-minute travelers and some people who are living paycheck to paycheck, on fixed incomes, unemployed, or who are otherwise financially stressed may decide to stay home,” Hunter says.