



Tapping International Tourism

by James M. Klas

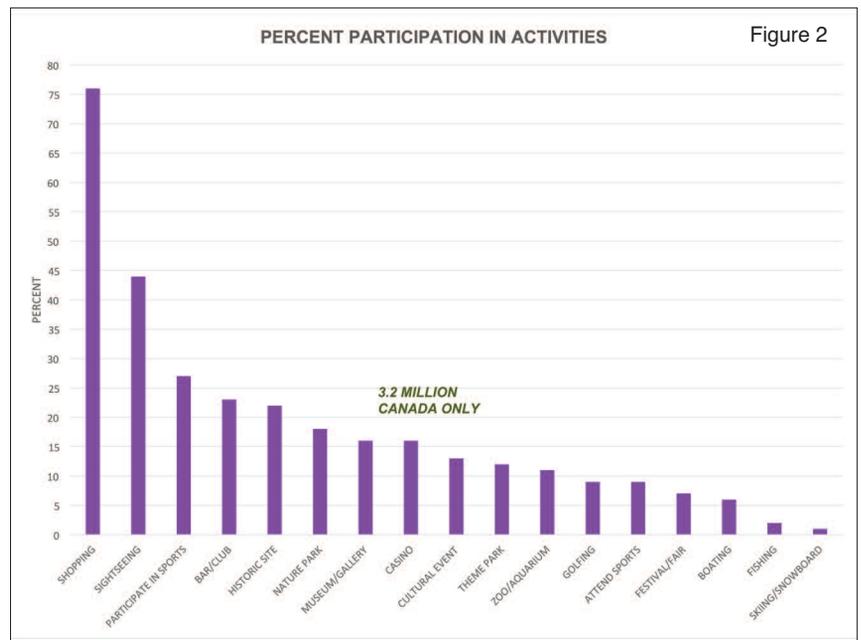
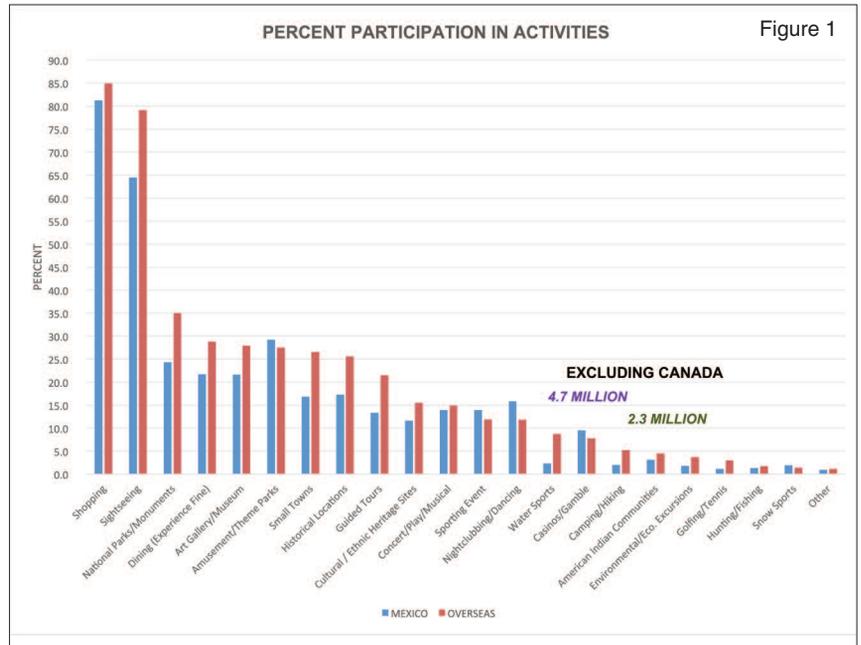
With all of the talk of trade wars and tariffs, one of our most important export industries doesn't ship any products to customers overseas at all. Instead it draws the overseas customers here to spend their money, namely tourism. Tourism is indeed an export industry. However, since you can't ship the Grand Canyon to China, you bring the customers from China and everywhere else here. Either way, money is coming into our country from other lands.

Technically, almost all demand at Indian casinos is imported from the perspective of the owning and operating tribes since most customers come from outside the reservation boundaries. However, just as international tourism brings dollars into the U.S., it can bring dollars into the reservation as well. Foreign cultures, particularly Asia and Western Europe, have a long fascination with Native American culture and history. With the advent of Indian casino resorts, tribes have greatly enhanced their ability to attract, accommodate and exploit that fascination.

Together, the total number of international visitors to the U.S. in 2017 approached 77 million. Of course, the greatest amount of international tourism into the U.S. comes from Canada and Mexico. Together, they account for approximately 50 percent of all U.S. tourism from international visitors, based upon a combination of data from U.S., Mexican and Canadian sources. Other than Canada and Mexico, the top five countries of origin for international tourists are the United Kingdom, Japan, China, South Korea and Germany, together accounting for another 20 percent of the total.

Certain activities in which international tourists participate are of particular interest to tribes seeking to attract them to their reservations and casinos. According to National Travel and Tourism Office data, 9.5 percent of Mexican visitors arriving by air choose to visit casinos during their trip, with 7.8 percent of visitors from overseas making the same choice. Together, that equates to approximately 4.7 million international visitors nationwide and that

excludes Canada, for which data is measured differently. For Mexican and overseas tourists, 3.1 percent and 4.5 percent respectively choose to visit an Indian reservation during their stay, equating to a combined total of 2.3 million visitors.



While those two categories are the most directly relevant, many other activities pursued by visitors from Mexico and overseas could easily be exploited by many tribes depending on their reservation resources, including shopping, sightseeing, historical locations, cultural heritage and others. Many of those categories garner even larger shares of activity participation. The range of activities for Mexican air travelers to the U.S. and overseas tourists is shown in the Figure 1.

Canadian visitors spend an average of \$792 per person per trip. The data available for visitors from Canada is measured differently, with variations in the categories of activities tracked. Visits to Indian reservations are not specifically tracked. However, 16 percent of Canadian visitors go to casinos on their trips, equating to 3.2 million annually. Many of the other categories such as shopping, sightseeing and historical sites are tracked and have high participation levels, as shown in Figure 2.

The good news is that international tourism is projected to continue to grow. According to combined data from the U.S., Canada and Mexico, total international tourism is projected to increase at an average compound annual rate of 3.7 percent through 2023, adding a total of nearly 18.6 million additional visitors from the 2017 figures mentioned earlier. An estimated 4.4 million of those will come from Canada and 5.1 million from Mexico. On a percentage basis, visitors from India are projected to show the most rapid increase, followed by Ireland, Colombia and China.

For tribes and casino managers seeking to learn more about the opportunities provided by international tourists, there are a variety of resources available, including the National Travel and Tourism Office, the United Nations World Tourism Organization (UNWTO), the U.S. Travel Association and your state and local tourism boards. However, the single most useful resource may be AIANTA, the American Indian Alaska Native Tourism Association. AIANTA puts on annual conferences and provides a myriad of other resources. They also have developed their own statistical measurements of international tourism on tribal lands. According to the 2017-2018 AIANTA Annual Report, they estimate that there were 1.95 million overseas visitors to tribal lands who spent a combined total of \$8.5 billion dollars. International tourism to tribal lands has increased 180 percent since 2007 and is projected by them to increase to approximately 2.1 million by 2021. In addition to data, AIANTA actively markets Indian Country through their adjunct website *NativeAmerica.Travel*.

Federally and state recognized tribes can sign up for free to market their attractions, casinos and hotels.

While international tourism will never be the core business of Indian casinos and tribes, it provides the kind of highly lucrative incremental income that can make a real difference in your bottom line. With longer stays, higher average expenditures and interests in a broader variety of attractions and activities, international tourists make ideal supplements to your bread and butter local patrons. ♣

James M. Klas is Co-Founder and Principal of KlasRobinson Q.E.D., a national consulting firm specializing in the economic impact and feasibility of casinos, hotels and other related ancillary developments in Indian Country. He can be reached by calling (800) 475-8140 or email jklas@klasrobinsonqed.com.

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Contact: Linda Roe

VP Client Development
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