

ABSTRACT

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A 1990 study conducted on Wisconsin Association of Campground Owners assessed which profit centers other than campsite rentals contributed significantly to campground gross revenue. Detailed financial data were collected from 86 surveys. Correlation analysis was used to determine whether site rental, store, recreation, and supplemental service income contributed significantly to gross revenue. It was found that almost 27% of the total income was generated from sources other than campsite rentals. A rank ordering showed overnight campsite rentals with the largest contribution (73.1% with $r^2 = .843$, $p = <.01$) and recreational services with the least (4.2% with $r^2 = .390$, $p = <.01$). Retail store sales was a complementary service which contributed 15.1% with $r^2 = .560$, $p = <.01$. Spending patterns of campers was compared to profit center revenue. Overnight, seasonal, trailer rental, and cottage/cabin site rental represented a separate segment of camper. It was found overnight campers contributed the most revenue support and best explained the variation in gifts, wood/ice, and vending profit center revenues with r^2 values $> .750$, $p = <.01$. Seasonal campers contributed the least profit center revenue support, although gifts were important as indicated by $r^2 = .520$, $p = <.01$. Understanding the relationship of spending patterns and profit center revenue would aid campground operators in developing effective profit centers.

PROFIT CENTER ANALYSIS WITHIN PRIVATE CAMPGROUNDS

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INTRODUCTION

The United States private campground industry is characterized as a high capital investment enterprise with a low rate of return on the investment. High land and development costs compounded by a short operating season are some of the causes for poor return on investment in Wisconsin private campgrounds (Rose Cooper & Schink 1986; Arimond Cooper & Silva 1992). Further, the campground industry shares the financial management problems commonly associated with small businesses in general. Increased competition, market changes, and spiraling overhead costs are a few of the problems. To remain profitable the typical small business must carefully evaluate the cost effectiveness of its financial management style, and simultaneously seek to increase market share (Lawler & Livingstone 1986; Niemeyer 1991; Rhodes 1991; Ronkainen & Woodside 1984). In the case of private campgrounds, still another solution to profitability problems is the selection and use of supplemental profit centers.

PURPOSE

This study had three overall purposes. The first was to assess which profit centers (PC) might contribute significantly to a campground's total gross revenue. Profit centers that generate large revenues and have a significant positive correlation with a campground's total gross revenue

could, potentially, increase the campground's annual profit margin. A profit center is defined as a primary service, complementary service, or retail product for which a fee is charged. It is assumed the service is provided within the confines of the campground, and if successful, produces sufficient revenue to increase the campground's annual net profit (Arimond et al 1992). Usually, separate revenues and expenditure accounting records are kept for each profit center to assess its profit contribution. A campground's primary profit center is its campsite rentals. Secondary or complementary forms of profit centers include supplementary services such as laundromats, coin operated showers; recreation services like minigolf; and store services like groceries.

The second purpose of the study was to identify profit areas (PA) and assess which of them might contribute significantly to a campground's total gross revenue. Like profit centers, profit areas generating large revenues and correlating positively with total gross revenue may contribute to an increase in annual profit margins. For purposes of this study, profit centers with common characteristics were grouped together and termed a profit area. For example, recreation activities like video, water craft rental, and mini golf were grouped together to form a single profit area. It was thought profit area analysis

would enhance the accuracy of data analysis for the study of profit centers. The reason being that most respondents could provide financial records for most all of the profit areas, but not necessarily for all the profit centers. Some profit centers identified in this study are not found in every campground. In other cases, the respondents' accounting methods may not be detailed enough to provide accurate reporting for each profit center. In fact, the accounting methods used within the campground industry appear to be quite diverse. Thus, it was thought respondents would record fewer financial errors within the profit areas as compared to the profit centers.

A third purpose of the study was to compare the relationship of four types of site rentals to the various profit areas and profit centers. Many owners believe the spending patterns of their campers with respect to each of the profit centers differs according to the type of site rental the camper selects -- overnight/weekly rental of campsite, seasonal rental of campsite, trailer rental, or cottage/cabin rental. Therefore, the assumption was made that these four types of site rental represent different segments of the camper population, with each having potentially different spending patterns within the campground's various profit centers. Understanding this relationship would aid campground operators in developing

effective profit centers based upon the number and types of campsites provided.

BACKGROUND

According to Cooper (1992) and Rose et al (1986), financially successful campgrounds provide a well developed campground with a variety of camping services. These services are those which, in the eyes of the camper, significantly enhance the camping experience. Private campgrounds tend to attract a very large market share of R.V. (recreational vehicle) users. These users are family oriented and prefer well developed, structured types of recreational services (Penaloza 1988).

A 1987 Wisconsin campground study compared the expenditure rate of public state run campground patrons versus private campground patrons. The findings found that a private campground camper spends an average of 19% more than a state campground camper (Penaloza 1988). Studies by Henderson and Cooper (1983) and Hammitt and Strohmeier (1983) further support the concept of well developed campgrounds and a willingness of private campground campers to pay higher fees. With the higher dollar expenditure of the private campground patron, comes the real feasibility of providing added services or profit centers and collecting higher fees for these services.

Profitable campgrounds have three important factors in common. First, they have higher occupancy rates. Second, they generate added revenues through development of successful profit centers. And third, they charge campsite rental rates and other complementary service fees high enough to make a profit (Rose et al 1986).

In a nationwide study of private campgrounds affiliated with the National Campground Owners Association (NCOA), McEwen (1989; 1991) found that revenue from supplementary profit centers such as food service, equipment rental, and other developed facilities contributed significantly to the campground's annual gross revenue. With respect to the selection of profit centers, Cooper (1992), suggests adding profit centers only when they either earn a profit or act as an added service attraction which contributes to an increase in the occupancy rate. The occupancy rate increase has to be sufficient, however, to offset the operational cost of the profit center. Cooper further recommends using industry research data on the various profit centers as a means of selecting profitable profit centers. Likewise, industry data would be useful with decisions affecting the expansion of existing profit centers.

Financial forecasting, an essential element of planning, is the basis for budgeting and for estimating future financing requirements. One of the most widely used methods

for financial forecasting is the operating ratio (percent-of-sales) method (Livingstone 1992). All profit center sales and expenses are calculated as a percent of projected annual sales or gross revenue within a campground's annual forecasted operating statement. For an owner/operator to have information such as industry operating ratios on all profit centers is considered very useful in making sound financial decisions.

METHODS

The private campground industry in Wisconsin is relatively large with 850 campgrounds. The state's campground industry is fairly representative of seasonal, Northern Midwest campgrounds ranging in size from 10 to 700 campsites. To gather a representative sample of the potentially successful campgrounds within the state, a mail survey was sent to members of the Wisconsin Association of Campground Owners (WACO). It was believed that WACO members, because of their organizational exchange of management methods and educational offerings in fiscal management, were likely to be some of the more profitable campgrounds. And, equally important, they would have sufficient accounting knowledge to respond accurately to the requested financial data in the survey. A preliminary letter was sent to all WACO members announcing the arrival of the survey and explaining the purpose of the study.

One week later the survey was sent. Follow-up letters were also sent and telephone calls were placed to nonrespondents encouraging them to respond. As a result, the return rate was 54% with 86 usable surveys. Rollin Cooper (1993), a 20 year consultant with the Wisconsin campground industry, felt this was a very good return rate given the sensitive nature of the financial data. The researcher carefully screened the financial data for each respondent and excluded 31 cases. These cases had financial data which were believed questionable or inaccurate. To aid in accurate financial data reporting, respondents were asked to use their 1990 financial records and real estate tax statement to complete the income statement portion of the survey.

In the analysis of data, the revenues and expenditures for each profit center were calculated as a percent of the campground's annual sales or gross revenue. Percent averages were then calculated for each profit center. A coefficient of determination (r^2) analysis was used to assess the proportion of variability in the campground's total gross revenue that is explained by (or predicted by) the profit center's revenue. For example, a coefficient of determination such as $r^2 = .900$ means that 90.0% of the variations in a campground's total gross revenue can be explained by variations in the profit center revenue.

The higher the value of r^2 , the stronger the linear relationship. A value of .50 or higher is considered a good predictor. This coefficient measurement combined with the profit center's estimated percent of gross revenue should provide an indication of the profit center's potential profitability. This measurement is a good indicator of profitability, but it is not an exact measurement because it does not include the influence of profit center expenses. Profit areas were measured against gross revenue in the same manner.

Normally, predicting the profitability of profit centers is more accurately done using annual net profit instead of gross revenue. However, the reliability of collected expense data was questioned by the researchers. Many of the respondents do not separate expenses by profit centers within their income statements from which this survey information was tabulated. Profit center revenue, on the other hand, appeared to be very accurate. Thus, for purposes of accuracy, total gross revenue was used instead of net profit.

Profit areas provided a global picture of similar profit centers (see Table 1). Similar profit centers were grouped into four profit areas. The site rental area is viewed as the campground's primary customer service with store,

supplemental services, and recreation considered as secondary services. Store services are primarily retail sales such as groceries, taxable items, and camp supplies. Supplemental services are services which enhance the comfort of the camper's stay, but do not include store sales or organized recreational services. Examples are laundromats and coin operated showers. Recreational services included recreation games, rental equipment, or organized activities.

The four types of site rental revenues were correlated with the profit area revenues (see Table 3) and profit center revenues (see Table 4). It was presumed that each type of site rental represents a separate segment of camper. High r^2 for a particular profit center would indicate a strong linear relationship between that segment of camper and their spending patterns within that profit center.

RESULTS

The findings are presented in four major sections. General characteristics of the campgrounds are discussed first, followed by profit areas, profit centers, and comparative site rental relationships.

Campground Characteristics

The size of campgrounds in this study was defined by the number campsites provided. The average size was 108 campsites. Sixty two percent of the campgrounds had 50 to

200 sites, while 26% had fewer than 50 sites and only 12% had 200 or more sites. The size of campgrounds in Wisconsin is slightly smaller than the national average. McEwen (1989; 1991) found national averages of 148 in 1989 and 186 in 1991.

The majority of the surveyed campgrounds (83%) were seasonal with the largest majority of them having a five to six month operating season. The average occupancy rate was 39%. Campgrounds with 200 or more campsites had a much higher average occupancy rate (52%).

Most of these campgrounds (98%) had been in operation from 10 to 70 years with the average being 23 years. The majority of current owners (73.6%) had owned their campground five or more years. The range was 1 to 40 years with the average being 12 years. Most of these campgrounds were family owned and operated. Adults, usually husband and wife, worked an average of 70 hours per week during the operating season. Their children worked an average of 19 to 30 hours per week. And, an average of three nonfamily employees were hired to work 31 to 40 hours per week. In general, the larger a campground the greater the number of nonfamily workers hired.

Averages for fair market value and debt service were measured. The fair market value average, however, was difficult to assess since only 20% responded. For those who

responded, the average fair market value, as reported on their property tax forms, was \$328,323 and the median was \$201,020. The average debt service expense was \$17,783 and the median was \$13,705. Debt service was about 13% of their gross sales.

Profit Areas

Profit areas and profit centers were each individually correlated with annual gross revenue to determine the r^2 for each. In the sample, the average annual gross revenue was \$135,406. The range was from \$3723 to \$702,437 with the median being \$97,744. In measuring the variability about the mean for profit areas and profit centers, it was found that a few had one or two extreme outliers. To improve the accuracy of central tendency measures, all outliers beyond three standard deviations of the mean were removed.

Among the four identified profit areas in Table 1, site rental contributed the largest percent of revenue with a mean percent of 73.1. It also had the strongest positive linear relationship to gross revenue with $r^2 = .843$. This indicates that over three quarters of the variation in gross revenue was explained by site rental revenue. Store revenue was next, contributing 15.1% of gross and having $r^2 = .560$. Thus, 56% of the variation in gross revenue was explained by store revenue. Supplementary service revenue was next

contributing 7.9% of gross revenue. Its linear relationship to gross revenue was good with $r^2 = .535$. Recreation revenue was the lowest among profit areas, contributing 4.2% of gross revenue and having $r^2 = .390$. The r^2 for all four profit areas were statistically significant at the .01 significance level, and their respective correlation coefficients (r values) were all positive.

TABLE 1
RELATIONSHIP OF PROFIT AREA REVENUES
TO THE CAMPGROUND'S GROSS REVENUE

Profit Areas	Percent of \bar{x} Gross Revenue	r^2	n
Campsite Rental	73.1	.843**	55
Store	15.1 ^a	.560**	47
Supplemental Services	7.9 ^a	.535**	43
Recreation	4.2 ^a	.390**	46

** = $P < .01$; * = $P < .05$

^a Extreme outliers, beyond three standard deviations, were removed

It should be noted that each r^2 has an unexplained portion of variability which is the complement of the r^2 percentage. In other words, site rental revenue explained 84% of gross revenue, but left 16% unexplained. Recreation revenue explained 39%, but left 61% unexplained. Those profit areas with r^2 greater than or equal to .50 are considered to have practical significance for predicting

gross revenue, because it means over half (50%) of the variation in gross revenue was explained by this profit area alone.

Profit Centers

In the site rental profit area the overnight/weekly rental profit center contributed the largest percent of revenue (44.9%) of all the profit centers (see Table 2). In addition, it had the strongest coefficient of determination $r^2 = .653$. It predicted 65% of the variation in gross revenue. Seasonal site rentals was the next largest revenue producer, producing 31.3% of the gross revenue. It explained only 26% ($r^2 = .261$) of the variation in gross revenue. Cottage/cabin rental and trailer rental contributed smaller percents of revenue (16.8 and 3.8%). Their r^2 were .451 and .550. These coefficients were significantly better than the seasonal site rental coefficients. All of these r^2 values were statistically significant at the .01 level.

TABLE 2
RELATIONSHIP OF PROFIT CENTER REVENUE
TO CAMPGROUND GROSS REVENUES

Profit Area	Profit Centers	Percent of Gross Revenue	r ²	n
Site Rental	Overnight/Weekly	44.9	.653**	50
	Seasonal Sites	31.3	.261**	40
	Cottage/Cabin	16.8	.451**	13
	Trailer Rental	3.8	.550**	11
Store	Taxable Items	8.5	.293**	32
	Souvenirs/Gifts	3.1	.332*	18
	Groceries	2.9 ^a	.247**	38
	Wood/Ice	2.5	.441**	39
	Camp Supplies	2.4 ^a	.001 ^b	16
	Vending Machines	1.3	.465**	17
	Bottle gas	1.0	.114	17
Supplemental	Snackbar/Restaurant	3.9	.403*	17
	RV Storage	1.7	.001	10
	Laundromat	0.5 ^a	.397**	27
	Coin Operated Showers	0.8	.554**	18
Recreation	Water Craft Rental	3.3	.061	16
	Gameroom/Video	1.9 ^a	.021	42
	Mini Golf	1.9	.323*	15

** = P < .01; * = P < .05

^a Extreme outliers, beyond three standard deviations, were removed

^b Values represent coefficients of determination whose corresponding and values were negatives

The profit centers within the store area contributed from 8.5 to 1.0% of the total gross revenue. Excluding camp supplies and bottle gas, the store area profit centers had r² values ranging from .293 to .465. Some campgrounds in this study may have incorporated camp supplies,

souvenirs/gifts, and bottle gas into their taxable item profit center. This would explain the large difference in recorded percentages between taxable items and other profit centers within the store area. Over half of these r^2 values were statistically significant at the .01 level and only two were not significant -- camp supplies and bottle gas. Camp supplies was the only profit center r^2 value with a negative correlation coefficient (r value).

Profit centers within the recreation area contributed only 2 to 3% of the gross revenue. Mini golf's r^2 value was .323 ($p = <.05$). The other two profit centers were low and not found to be statistically significant.

Profit Center and Type of Site Rental Relationship

In Table 3 the variation in store profit area revenue was explained best by overnight/weekly site rental ($r^2 = .574$, $p = <.01$) followed by trailer rental ($r^2 = .455$, $p = <.05$), and seasonal rental ($r^2 = .373$, $p = <.01$). Supplemental service profit area revenue could not be accurately explained by any of the site rentals. Recreation area revenue was explained best by cabin rentals ($r^2 = .632$, $p = <.01$) followed by trailer rental ($r^2 = .470$, $p = <.05$), and overnight/weekly ($r^2 = .300$, $p = <.01$). All of their respective correlation coefficients (r values) were positive.

TABLE 3
 r^2 RELATIONSHIPS OF PROFIT AREAS
 TO TYPES OF SITE RENTALS

Profit Areas	Overnight/ Weekly	Seasonal	Trailer Rental	Cabins
Store	.574**	.373**	.455*	.283
Supplemental Services	.113*	.109	.064	.064
Recreation	.300**	.046	.470*	.632**

** = $P < .01$; * = $P < .05$

Table 4 shows that overnight/weekly rentals best explained the variation in gifts, wood/ice, and vending profit center revenues. They all had r^2 values of .750 or higher and were statistically significant at the .01 level. Laundromat and mini golf were the only two other profit centers where overnight/weekly rental had r^2 values of .500 or greater. The only profit center where seasonal rentals reached an r^2 value higher than .500 was gifts. Gifts was .520 at a significance level of .01. Other than gifts, seasonal rentals explained very little of the revenue variation for any of the profit centers.

The trailer rentals explained best the variation in gifts and camp supply profit center revenues. These two had r^2 values greater than .95 at the .01 significance level. In addition, trailer rentals explained .500 or more of the variation in revenue for wood/ice, groceries, and video

profit centers. Vending was .857, but not statistically significant. Cabin rentals explained .500 or more of the variation in revenue for groceries, and restaurant profit centers. Water craft rental was .633, but not statistically significant.

TABLE 4

r^2 RELATIONSHIPS OF PROFIT CENTERS
TO TYPES OF SITE RENTALS

Profit Areas	Profit Centers	Overnight/ Weekly	Seasonal	Trailer Rental	Cabins
Store	Camp Supply	.000	.003 ^b	.976**	.000
	Taxable Items	.375**	.016	.301	.476
	Gifts	.831**	.520**	.985**	.140
	Groceries	.227**	.150*	.526*	.501*
	Wood/Ice	.823**	.040	.584**	.031
	Vending	.769**	.111	.857	.381
	Bottle Gas	.008 ^b	.285*	.355 ^b	.120 ^b
Supplemental Service	Restaurant	.250*	.084	.057	.622*
	RV Storage	.195	.085 ^b	.437	.456
	Laundromat Coin	.601**	.176	.309	.123
	Showers	.426**	.397**	.011	.427 ^b
Recreation	Video	.029	.211**	.519*	.465*
	Water Craft Rental	.029	.105 ^b	.000	.633
	Mini Golf	.635**	.000*	.505	.487

** = $P < .01$; * = $P < .05$

^b Values represent coefficients of determination whose corresponding r values were negative

Not all r^2 values in Table 4 had positive correlation coefficients (r value). However, those with negative r were

not found to be statistically significant and had r^2 values less than .43.

DISCUSSION AND CONCLUSIONS

It was not surprising that site rental (see Table 1) was the biggest contributor (73.1%) to the gross revenue, since it is the primary customer service offered by a campground. This site rental percentage is probably inflated slightly because a small percent of the respondents do not have all of the other three profit areas. In comparison, however, McEwen (1991) also found in his nationwide study that site rental was the largest contributor to gross revenue. He further found that site rental was 72% of gross revenue for medium size campgrounds (100-250 sites). Considering the size of this profit area's revenue contribution, site rental pricing should be formulated with great care. With proper pricing levels, site rental could provide the largest profit of the four profit areas. Poor pricing, on the other hand, could lead to considerable profit losses. This is even more significant for campgrounds not charging a separate fee for secondary profit centers. The operational costs of an indoor game room, for example, would have to be built into the site rental costs before formulating the site rental price.

Store sales was the second largest revenue contributor at 15.1%. McEwen (1991) also found it to be the second largest contributor at 17% of gross. Its r^2 value was considerably lower than site rental. But, store sales, by itself, still explained over 50% of the variation of gross revenue.

The difference in profitability between the site rental profit area and store sales profit area may be due to the influence of three factors in the store sales area. First, retail accounting and bookkeeping skills of campground operators may be poor. Second, some operators may have no desire to make this a profitable profit area. Instead, they may consider it a complementary, breakeven service whose sole purpose is to enhance the campgrounds attractiveness, not make a profit. Lastly, cost of goods sold and the store's operating costs may be quite high in relationship to the revenue contribution. Raising prices might solve this last factor. However, there may be, in some cases, competing discount stores nearby, which makes it difficult to adequately raise prices. Small convenience items might still sell because of the campground store's closeness and convenient access. In any case, the store profitability is questionable if these three factors are not carefully considered.

The r^2 value for the supplemental services profit area was comparable to store sales in explaining the variability in gross revenue, yet it produced only half the revenue (8%) of the store sales profit area. However, a small portion (15%) of the respondents made from 20% to as much as 50% of their gross revenue through these supplemental services. Thus, this area may have the potential to produce more revenue, especially if separate enterprises like a restaurant, RV sales, or bar area are added. It should be noted that these enterprises are sometimes subject to nearby competition. But, in many instances rural area competitors are many miles apart. When this is the case, both campers and local area residents may become customers of these supplementary enterprises. This may have been the cause for the extreme range of gross revenue percentages in the findings.

Recreation service profit area provided the smallest percent of gross revenue and predicted less of the variation in gross revenue. Again, owners may view this profit area as a breakeven, enhancement service, not a profit making enterprise. Also, overhead costs for some of these services, especially labor intensive services, could be costly. Most of the recreation services were, however, unorganized activities with little supervision.

Indeed, a large portion of this revenue came from equipment rental fees. However, like supplemental services, a small portion (13%) of the respondents made from 10 to 21% of gross revenue on recreational services. Depending upon the type of campers, recreation services may have the potential to generate larger revenues at large campgrounds that cater primarily to cabin, trailer rental, and overnight/weekly types of campers.

In reviewing the validity of findings in Tables 1 and 2, there appeared to be a potential problem due to a low number of respondents. The number of cases (n) within Table 1 were higher than Table 2, therefore the data in Table 1 are less susceptible to sampling error. Data that had extreme outliers were adjusted throughout the study which likely reduced some of the potential sample error due to small sample size. Also, the majority of these campgrounds had been in operation more than 15 years and the majority of the respondents had operated their campground five or more years. The importance of this is that well established campgrounds with seasoned owner/operators are more likely to provide valid, reliable information. As further evidence, Rose et al (1986) stated longer ownerships impacted profitability positively. They also found that senior owners have a larger percentage of return campers and a lower debt service.

The average 8% debt service in this study was low. Debt service is an important factor in development of new profit centers and in measuring annual profit and loss. While campgrounds with large debt service will show significantly less annual profit, many are in the process of building greater equity in their campground. Adding new profit centers is one means of adding equity and eventually increasing profits.

In Table 2, overnight/weekly rental and seasonal site rental contributed the largest percents of revenue. The overnight/weekly rental's r^2 value shows it is potentially a very profitable site rental, barring any excessive operational costs. However, the seasonal site rental's low r^2 values brings into question how profitable it might be. The low r^2 may be due to lower prices being charged for seasonal sites as compared to other site rentals. For example, in this study the median price for an overnight site was \$13.00 per day and the median price for a seasonal site was \$3.45 per day.

Recreation profit centers produced very little revenue as compared to the other profit centers. They may not be profitable. However, some owners and consultant Rollin Cooper reported that many operators view recreation as a complementary service and are quite satisfied to simply

break-even on their costs for these services. Many may believe it is not possible to charge a profit-maximizing fee and still have adequate participation rates to earn a positive profit. Operators should note, however, that recreation is one of the primary reasons why people go camping.

Recreation's importance can be further supported by other studies. Private campground patrons in previous surveys expressed preferences for greater recreational services and expressed the desire to meet new people and socialize. They expressed as "very important" the need for various forms of sports and outdoor recreation activities. Lastly, they wanted clean showers, flush toilets, and retail camp store facilities (Penaloza 1988; Henderson & Cooper 1983). Thus, it may be possible to charge a profit-maximizing fee for the more popular forms of recreational services.

Some supplementary service and recreation profit centers might have had a stronger percent of gross revenue and r^2 value if all responding campgrounds had charged a separate fee for each service. However, many campgrounds include the operating costs of these profit centers within their general site rental operating costs. The campsite rental revenue then reflects a gross revenue for all profit centers without

a separate use fee. This makes bookkeeping of daily receipts easier. On the other hand, profit or loss assessment of each profit center becomes exceedingly difficult.

There are other strong profit centers which were not identified in this study. Most of them are the complementary service type that can not be measured because a separate fee is not charged for them. For example, campgrounds seldom charge for the use of their swimming pool. The pool's operational costs and any revenue it may generate are built into the site rental revenue records. This one fee payment makes it convenient for the camper and avoids the operating cost of fee collection, but it makes it difficult to track the pool's profitability.

In Table 4 the different types of site rental were identified as separate segments of campers with different spending patterns. Several significant findings are evident in reviewing the r^2 values between site rental groups and the profit centers. Seasonal site campers contributed little revenue support to any of the profit centers. Seasonal campers likely have larger storage areas within their camping units and are probably better at bringing everything they need from home. Because they have a greater familiarity with the local area, they are also more likely

to purchase goods and services outside the campground. What does this mean for owners? Any operators who are considering converting all or nearly all of their sites to seasonal sites should reconsider based on these findings. Their decision could cause a significant loss in other profit center revenues. The store area seems to be supported heavily by overnight/weekly and trailer rental groups. Restaurants were supported most significantly by the cabin group. Laundromats were supported most significantly by the overnight/weekly group.

Overnight/weekly, trailer rental, and cabin groups all showed some interest in the recreational profit centers. The relationship, however, was not particularly strong for any of them.

None of the supplemental service and recreation profit centers showed evidence of any significant revenue contribution. An explanation for this may be that, other than a restaurant, all of these profit centers are seen as complementary services whose sole purpose is to enhance the quality of the camping experience, but are not designed to generate any sizable amount of revenue. If this type of profit center breaks-even and increases occupancy rate slightly, it is seen as a good financial investment. Increasing occupancy rate does increase the potential for greater profitability, but measuring the occupancy and

revenue effect from these profit centers would be difficult.

Occupancy rate findings are worth noting with respect to profitability and profit centers. The higher occupancy rate of campgrounds with 200 or more campsites found in this study puts the larger campground at a distinct advantage. All things equal, higher occupancy rates will generate greater revenue and allow the owner to invest in added profit centers or increase the size of existing profit centers. More and better profit centers, in turn, increases the attractiveness of the campground which further increases occupancy rates.

Need For Further Study

Studies need to be conducted concerning campgrounds which have provided recreational activities for a substantial period of years. Organized recreational activities, for example, have the potential to become good supplemental profit centers. Currently, they are not being provided by better than 80% of the respondents in this study. The majority of them provided unstructured forms of recreation or simply provided rental of the necessary recreational equipment. If they were to offer organized activities, it appears that all of the groups, except possibly seasonal campers, would participate. Organized activities can have large operational costs, especially if they are labor intensive. Therefore, only larger

campgrounds with a larger population of campers can probably afford these services and make them profitable.

Further investigation needs to be done with respect to enlargement of revenue and profitability of campground profit centers. Finding alternative ways of documenting the expense side of campground operators' financial report would help in assessing a net profit. Thus, profit center revenue could be correlated with net profit which takes into account the expense side. This study was unable to determine the influence of expenses and only addressed the revenue aspect of profitability.

Some respondents in this study had difficulty in providing dollar amounts for specific profit center income and expenses. Some of the respondents were excluded due to this inaccurate reporting of financial data. Many were, however, able to post an accurate overall total for a profit area, but not for some of the specific profit centers within the profit area. This suggests that few owners are keeping separate records on profit centers. Consequently, they may not be adequately assessing the profit or loss of the various profit centers and services provided. If financial statements were subdivided into income and expense categories for each major profit center, better information would be available from which to make profit and loss decisions.

A larger, nationwide study sample using the methodology in this study would be useful in generalizing the findings to a larger audience. Comparative analysis of this study is probably useful for the small to moderately large northern midwest campground.

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APPENDIX A
EXTENDED REVIEW OF LITERATURE

EXTENDED REVIEW OF LITERATURE

This extended review of literature includes information on the general private campground industry, camper characteristics, and the general implications of profit centers operated within the campground.

The Wisconsin private campground industry, as a whole, is primarily comprised of small size family owned businesses, although differences exist between the size of campgrounds within these family enterprises. A study by Rose, Cooper, and Schink (1986) found Wisconsin has over 850 campgrounds, with 50,000 campsites ranging in size from 20 to over 200 campsites per campground, with median of 101. Arimond, Cooper, and Silva (1992) findings were similar with an average of 108 campsites. Wisconsin campgrounds were smaller, overall, when compared to national averages. Studies by McEwen (1989; 1991), and supported by the National Campground Owners Association (NCOA), revealed the national average was 148 campsites (1989) and 186 campsites (1991) respectively.

Rose et al (1986) suggested that the size of a campground may positively influence the financial success of the campground (more campsites, greater financial success). Similarly, the older the campground and the more years of experience an owner has also contributes to a campground's financial success. As measured by the average years of

operation, Wisconsin's private campgrounds appear to be a mature, well established tourist industry. Wisconsin campgrounds are similar in age to the national average of 21 years (McEwen 1991). In two Wisconsin studies Rose et al (1986) found 52% of the campgrounds were between 11 and 20 years of age, and Arimond et al (1992) found that 73% of the campgrounds were between 15 and 29 years of age, with the average 23 years.

As mentioned, length of ownership is considered important in contributing to the owners level success in fiscal management. One study reported that 50% of the owners had owned their campground between 6 and 15 years, and 25% owned their's less than 5 years (Rose et al 1986). Arimond et al (1992) found the mean ownership was 12 years. This is comparable to the national industry average which was 12 years (McEwen 1989; 1991). Again, this comparison shows the Wisconsin group is likely representative of national campgrounds.

Camper Profiles

In reviewing literature on public and private campgrounds, it was found that campers using these campgrounds have varied needs and interests. The perception of a "camping experience" was different among the various groups.

Cooper defines campers as normal people who want to spend time away from home for a few hours, days, weeks, or months in a campground. Camping is a vacation that allows leisure time for recreational pursuits (Cooper 1992).

In a national study, McEwen (1989) noted that summer trade was dominated by families with children, and Penaloza (1986) found that campers with families wanted good security and noise control. Also amenities such as clean showers and flush toilets were quite important to them. Recreation facilities were important as well. Some of activities desired were various sports and outdoor recreation activities such as water access for swimming, fishing, and boating which were viewed as "very important" by private campground campers. Many of the successful campground owners seemed to recognize the recreational and facility needs of their customers and provided a variety of services which enhanced the customers "perceived camp experience" (Rose et al 1986; Cooper 1992; Penaloza 1986).

Recent studies suggest a significant difference between the needs and desires of public and private campground patrons. Public campers want a more natural environment with secluded campsites, and preferred few encounters with other people (Jones 1988). The desire of the public camper was to be close to nature (Henderson & Cooper 1983) and they were not likely to be interested in commercial campground

alternatives. The public camper was also more likely to use tents (51%) which contrasts the private campground campers (30%) who preferred to use recreation vehicles (RV's) (Hammit & Strohmeier 1983). McEwen (1989) found only 14% of the total campsites at private campgrounds were rented to tent campers, corresponding with findings by Penalozza (1986) which found 69% of private campground campers prefer RV's.

Seasonal campers differ in their choice of vehicle, were family structured, and had other camping needs as compared to other camping groups. Cooper (1992) defines seasonal campers as those who rent a campsite for one month or longer. They were generally older adults with no children, preferred recreation vehicles, and "seem to be looking for a resort-type atmosphere in the campground. They want to meet people and establish friendships, even form a sense of community" p.239.

McEwen (1989) found a dramatic increase (64%) in seasonal campers within the private campground industry in 1988. Cooper (1992) believes that seasonal campsite rental income is important to campgrounds since the rental fee is paid before the season begins, and the revenue then provides important cash for the season start-up costs.

Another important source of revenue to the campground industry is trailer rentals (trailers provided by the campground for rent). Martel, past president of Wisconsin

Association of Campground Owners (WACO) noted that trailer rentals may be the trend of the future, since many families with both spouses working desire the camp experience, but lack the preparation time for a camping vacation (P. Martel personal communication July 19 1993). Ronkainen & Woodside (1984) found 45% of surveyed campers expressed an interest in renting a trailer. The increasing trend in trailer rental is supported by research by Arimond et al (1992) which indicated trailer rentals were an important source of revenue for private campgrounds in Wisconsin.

Profit Centers

It is difficult for small campground owners to earn a profit because market demands fluctuate, investment costs are high, and competition for the tourists' dollars is high. Thus, owners must develop innovative ways of attracting new customers, maintaining existing clientele, cutting costs, and making their service areas more cost efficient so as to increase profits (Cooper 1992).

The proximity to major markets and recreational attractions is an important factor in fiscal and general managerial decisions made within the campground industry. Private campground operators have tended to locate near attractive resources, population centers, large bodies of water, or major thoroughfares. The campground features that attract campers are often relative to population centers and

tourist attractions in the geographic area (Fesenmaier & Roehl 1986; Fesenmaier et al 1989). For example, the most profitable campgrounds in Wisconsin were located near major tourist attractions and were easily accessible to major population centers such as Chicago and Milwaukee. Also, 57% of Wisconsin campgrounds were located directly on a lake or river, and offer water related recreation which is in demand (Rose et al 1986).

Successful campgrounds provided services and facilities the camper desires; and enjoyed the return of business year after year (Ronkainen & Woodside 1984; Cooper 1992). The continued return business of an established clientele of customers provides a steady flow of revenue (Lawler & Livingstone 1986); and creates the necessary capital to explore and develop new business areas (Livingstone 1992).

A profit center is defined as a subunit of the business that produces significant revenues independent of general campsite rental fees, and contributes to the general revenue of the campground. It may contribute significantly to total campground profit (Arimond et al 1992; Friedman 1987). Successful campgrounds that grew into large campgrounds offered a variety of service areas important to campers. Also, by providing a well developed campground the owner was able to charge higher fees (McEwen 1989; Cooper 1992).

Profitable campgrounds had three things in common. First, they attracted campers to their campground through effective marketing methods. Second, they generated additional revenues through the creation of well developed and successful profit centers. Lastly, they charged profit center fees and campsite rental rates high enough to cover all expenses and make a profit as well (Rose et al 1986). Arimond et al (1992) suggested many organized recreation services could become viable profit centers if the owner would only charge a fee for them. However, Cooper (1992; 1993) suggested further that profit centers be added only if they can earn a profit, or act as an attraction which increases occupancy rate sufficient to offset the profit center's expenses and make added profit through increase rental volume.

To further support the financial importance of profit centers, McEwen found that revenue from profit centers such as food service, equipment rental, and other developed facilities contributed significantly to the campground's gross revenue. For example, campground stores providing items such as groceries, camp supplies, souvenirs/gifts were critical to campground profits. They contributed 16% of the total campground revenue (McEwen 1989; 1991). Other profit centers, excluding site rental, were services like snackbar, restaurants, laundry, showers, RV storage, mini golf,

watercraft rentals, and marinas (Arimond et al 1992; Rose et al 1986).

Campgrounds as a Seasonal Business

Private campgrounds are like other tourist businesses that are seasonal in nature; they must make their annual income in a very short operating season. The camping season in Wisconsin is six months beginning in May and ending in mid-October (Rose et al 1986). The majority of Wisconsin private campgrounds operate five to six months a year. Arimond et al (1992) found that 43% of them opened in May and 42% closed in October.

A short operating season further justifies the need for campground operators to develop new sources of revenue (Rose et al 1986). The ski industry, for example, has a limited season. Because of it they constantly design more and varied profit centers in an attempt to increase profits (Smith 1991; Rhodes 1991; Niemeyer 1991). Although private campground campers may be more discriminating buyers than downhill skiers, they will likely pay fees that are reasonable, and are for services they truly desire (Arimond et al 1992).

Statistical Tests Used in Recreation Research

A review of recent recreation and tourism journal research revealed regression and correlation statistical analysis were widely used. The average use of

regression/correlation in the Journal of Travel Research was 19.3% (Reid & Andereck 1989). Stepwise multiple regression was used to evaluate quantitatively the influence of paired variables (Fesenmaier et al 1989; Fesenmaier & Roehl 1986). The coefficient of determination (r^2) was used to measure the variation in demand for the size of price differential in campsite pricing (Bamford & Manning 1988).

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APPENDIX B
EXTENDED METHODOLOGY AND RELATED FINDINGS

EXTENDED METHODOLOGY

To gather a representative sample of the state's private campgrounds, the entire Wisconsin Association of Campground Owners (WACO) was surveyed. This population was thought to be a good representative sample of potentially successful campgrounds within the state.

A survey instrument was developed requesting detailed demographic and financial information. The financial questions addressed the campground's revenue and expenses and was used for analysis of profit centers operating within the campground (see Appendix C). Respondents were instructed to use their financial records and real estate tax statement from 1990 to complete the financial questions.

The survey instrument was tested in the Indian Head Region of Wisconsin in February 1991. On March 1, 1991 a preliminary letter was sent to 166 WACO members announcing the arrival of the survey and explaining the purpose of the study (see Appendix D). One week later the survey questionnaire was sent with a cover letter which stressed the importance of the respondent's participation. A two dollar bill was enclosed as an incentive and symbolic reward for their efforts (see Appendix E). A follow-up letter was sent ten days following the mailed survey. This follow-up letter acted as a reminder to fill out the survey questionnaire, if they hadn't already done so

(see Appendix F). Phone calls were later made to nonrespondents reminding them to fill out the survey questionnaire.

As a result, there was a 54% return rate with 86 usable surveys. Data were entered into a mainframe computer through the use of Statistical Program for Social Science (SPSSx) software.

Originally, researchers had intended to use multiple regression as a means to statistically analyze relationships between profit center revenues and the campground's net profit. However, the reliability of reported expense data was viewed as questionable since many respondents did not properly record expense data for each profit center. Profit center revenue reported by respondents was, however, quite accurate. Revenue, by itself, is not believed to be a good predictor of profitability. However, it is a good indicator in determining which profit centers contributed significant revenue to campground's gross revenue. Since net profit was not available, gross revenue comparison was thought to be the next best predictor of profitability. In determining the statistical relationship between profit center revenue and total campground revenue, multiple regression was not used. Some would suggest multiple regression might be the best statistic to use because there may be interaction between profit centers. However, the combined total of all

profit center revenues and the campground's total gross revenue would be equal to each other. Therefore, the regression equation would equal a perfect 1.00. Another statistic which would avoid this problem and measure the strength of association between these two variables is the Pearson correlation coefficient, denoted by r (Norusis 1990). The square of this correlation coefficient, r^2 , (called coefficient of determination) measures the total variability in one variable that is explained by (or predictable from) its relationship with the other variable. The value of r^2 supplies a direct measure of strength of the relationship between two variables (Witte 1993). For example, the coefficient of determination ($r^2 = .546$) indicates that over half of the variation in variable x was explained by variable y (Dowdy & Wearden 1991).

Similar individual profit centers were grouped into four profit areas as shown in Table 2. The site rental area was seen as the primary service area with store, supplemental services, and recreation considered as secondary service areas. Store services are primarily retail sales such as groceries, taxable items, and camp supplies. Supplemental services are services which enhance the comfort of the camper's stay such as laundromats and coin operated showers. Recreational services included recreation games, rental

equipment or organized activities. Profit area revenues and individual profit center revenues were correlated with campground gross revenue to find the linear relationship between the respective profit center and campground revenue. It was believed that profit centers with a large percent of gross revenue and a strong r^2 was the best predictor of the profit center's potential profitability.

The four types of site rentals, overnight/weekly, seasonal, cottage/cabin, and trailer were correlated with the profit area revenues and profit center revenues to determine the linear relationship between that segment of camper and their spending patterns within that profit center as shown in Table 4. It was assumed that each type of site rental represented a separate segment of camper. A low r^2 indicated this segment of camper did not contribute significantly to the profit center's gross revenue. These results allow owners to make management decisions on profit centers based on the spending patterns of their campground customers.

RELATED FINDINGS

Other related findings offer additional insight into Wisconsin's private campground industry. These findings may have some importance for the campground industry as a whole. Included in this extended analysis are explanations of findings pertaining to recreational activities, organizational structures of campgrounds, site rental pricing, and operating ratios.

Recreation Activities

Wisconsin's private campgrounds provide a variety of recreational activities that may or may not be organized by campground personnel as shown in Table 5. Organized activities are structured activities coordinated by camp personnel, such as recreational hall and game room activities. Unorganized activities are not structured, but facilities exist for camper participation such as fishing and playground activities. The most common primary organized activities were recreational hall activities, game room activities, and volleyball. Fishing, horseshoes, and playground activities were the most frequently recorded unorganized activities.

Interestingly, most of the recreational activities were unorganized. However, opportunities do exist to expand the number of organized activities. As an example, owners and operators could encourage low cost group activities such as

volleyball and horseshoe tournaments and private instruction on fishing and canoeing.

TABLE 5

PERCENTAGE OF CAMPGROUNDS OFFERING RECREATIONAL ACTIVITIES
BY ACTIVITY TYPE AND STRUCTURE

Type	Percent of Total	
	Unorganized	Organized
Fishing	80%	8%
Swimming pool	37	13
Swimming beach	65	5
Power boating	35	5
Sailing	28	4
Canoeing	55	9
Paddle boating	34	4
Sail boating	9	2
Water skiing	27	2
Jet skiing	16	2
Tubing	14	6
Recreation hall	47	33
Game room	63	24
Mini golf	27	14
Hiking trail	59	7
Nature trail	50	5
Equipped playground	78	12
Shuffleboard	26	7
Horseshoes	79	14
Softball	28	12
Basketball	51	8
Volleyball	72	17

n = 55

Business Organization of Campgrounds

Subchapter S, corporations, and sole proprietorship types of ownership accounted for 97% of the campgrounds surveyed (see Table 6). Corporations accounted for 50% of all campgrounds. This indicates a large percentage of Wisconsin campgrounds have implemented good business management methods of operation. The average size (by number of campsites) of these corporate campgrounds was 148 (corporation) and 126 (subchapter S) respectively. While sole proprietorships average size was 79. This does not imply that corporate ownership has a relationship to high profitability. However, a high income business does experience tax benefits by being incorporated.

TABLE 6
CAMPGROUND OWNERSHIP/BUSINESS STRUCTURE

Form of Ownership	Percent	n
Sole Proprietorship	47%	25
Partnership	2%	1
Limited Partnership	2%	1
Corporation	28%	15
Subchapter S Corporation	22%	12
no response		1

n = 55

Site Rental Pricing

There was significant variation in site rental prices among the respondents. The standard price charged by campgrounds for overnight site rentals ranged from \$7/night to \$22/night, with the median price of \$13 (see Table 7). The standard weekly price ranged from \$35/week to \$133/week and median price was \$75/week. The standard monthly price ranged from \$125/month to \$570/month with median price of \$230/month. The standard seasonal site rental rates (lump sum fee for the entire season), ranged from \$300 to \$895 and median seasonal rate was \$569.

TABLE 7
CAMPGROUND SITE RENTAL RATE STRUCTURE

Types of Site Rental	Low	High	Median
Standard Overnight Price	\$7.00	\$22.00	\$13.00
Standard Weekly Price	\$35.00	\$133.00	\$75.00
Standard Monthly Price	\$125.00	\$570.00	\$230.00
Standard Seasonal Price	\$300.00	\$895.00	\$569.00

n = 55

Comparing the revenue production of each type of site rental price provided interesting results. If all rental prices are compared on a per night fee basis, the longest duration of stay (seasonal) produced the least revenue per night of camping. In other words there was an inverse relationship between length of rental period and revenue

generated per night. This could have a significant effect on total site rental revenue collected for the entire camping season.

This study revealed the average campground operating season was 165 days. Dividing the median seasonal site price (\$569) by the number of operating days (165), it reveals the campground would receive \$3.45/day revenue from the seasonal camper. Almost four times as much revenue per day is generated by the overnight site price (\$13.00) as compared to seasonal. Given this significant difference, owners should give careful consideration to the percentage of overnight sites they convert to seasonal site rentals. Also, this may offer an explanation to the relationship of seasonal site rental ($r^2 = .261$) and gross campground revenue (see Table 2). Seasonal site rental accounted for a significant amount of campground revenue (31.3%); however the variability as explained by r^2 was quite low. This variance may be an indication that owners are not charging a high enough fee.

Operating Ratios

Operating ratios (percent-of-sales) is a useful quantitative method for making investment decisions on new or existing profit centers (PC's). An operating ratio is calculated as follows:

PC ÷ gross revenue = PC's % ratio

\$10,000 ÷ \$200,000 = .05 or 5%

The percentages from this study can be used to calculate the potential revenue a profit center would produce. One would use store sales ratio from this study (see Table 8) and the gross revenue from the campground being analyzed. For example, if revenue equaled \$125,000 and the industry average for store's ratio was 15.1% of gross revenue, the profit center's revenue would be calculated as follows:

gross revenue x PC ratio = PC revenue

\$125,000 x .151 = \$18,875.00

Thus, a campground with \$125,000 annual gross revenue could expect to make \$18,875.00 in store sales. If operators wish to compare their existing profit centers with industry average profit center revenues they would do the following:

\bar{x} gross revenue x store sale ratio = store sale \$

\$135,406 x .151 = \$20,446.31

\$135,406 x .04 = \$5,416.24

This shows, in this case, the operator's store is significantly lower than the industry revenue average for store sales.

TABLE 8

MEAN PERCENT OF PROFIT AREA REVENUE TO
CAMPGROUND GROSS REVENUE

Profit Areas	Percent of \bar{x} Gross Revenue ^b
Campsite Rental	73.1
Store	15.1 ^a
Supplemental Services	7.9 ^a
Recreation	4.2 ^a
 Profit Centers	
Overnight/Weekly	44.9
Seasonal Sites	31.3
Cottage/Cabin	16.8
Trailer Rental	3.8
Taxable Items	8.5
Souvenirs/Gifts	3.1
Groceries	2.9 ^a
Wood/Ice	2.5
Camp Supplies	2.4 ^a
Vending Machines	1.3
Bottle gas	1.0
Snackbar/Restaurant	3.9
RV Storage	1.7
Laundromat	0.5 ^a
Coin Operated Showers	0.8
Water Craft Rental	3.3
Gameroom/Video	1.9 ^a
Mini Golf	1.9

^a = extreme outliers beyond three standard deviation, were removed

^b = does not total 100%

Note: average gross revenue was \$135,406

The data from this study provide a good representation of the private campgrounds in Wisconsin. It is likely that these ratios are a close representation of national averages as well. Owners should use ratios to compare how well their existing profit centers generate revenue compared to the finding in this study. Also, they should use ratios to estimate revenue they may produce when adding a new profit center. The expansion of any service could then be monetarily evaluated based on sound financial principles.

It becomes clear campground owners not only must meet the needs of the customer, but also know how to generate revenue in the process. Operating ratios do not determine pricing for the product or service. However, it does provide a useful analysis tool establishing price and assessing expected revenue.

APPENDIX C
SURVEY INSTRUMENT

WISCONSIN CAMPGROUND ENTERPRISE STUDY
QUESTIONNAIRE

It is critical to the success of this study that every questionnaire be completed and returned. If you are unsure about the response to a question, your best estimate will be sufficient. If you have any questions, please give me a call at (608)263-4994.

All responses are confidential. In no way will a response be associated with an individual or business.

It is also critical that the campground OWNER/OPERATOR complete this questionnaire so that the information obtained will be representative of WACO campgrounds. A two dollar bill is enclosed to serve as a token compensation for your effort.

Your cooperation in this important study is deeply appreciated! You will benefit significantly from this information in being able to better analyze your operation.

For the study team,

Rollie Cooper
Recreation Economist
Recreation Resources Center, UW-Extension

CAMPGROUND ENTERPRISE STUDY QUESTIONNAIRE

I. DESCRIPTIVE INFORMATION

1. Form of Business Organization (circle one)

Sole Proprietorship	1
Partnership	2
Limited Partnership	3
Corporation	4
Sub-Chapter S Corporation	5
Other (explain):	6

2. Age of Campground

Age of campground in years	_____
Years owned by present operator	_____

3. Acreage

Total acreage in parcel	_____
Total acreage developed into campground facilities	_____

4. Developed Sites

Number of developed sites for overnight/weekly rentals (Do NOT count overflow or seasonals. They are covered in the next question.) Give the number of each below:

Tent sites (rustic, no hookups)	_____
Water and electric (W/E) sites	_____
W/E and sewer (S) sites	_____
Deluxe (W/E/S) plus slab and/or patio	_____
Sites with rustic cabins (W/E but no S)	_____
Sites with RV rental units	_____
Total	_____

5. Other Accommodations. Give the number of each:

Overflow sites _____
 (no hookups or picnic tables)
 Seasonal sites rented in 1990 _____
 Resort cottages/cabins _____
 Motel units _____
 Condominium sites sold to date _____
 Memberships sold to date _____

6. Service Facilities (give the number of each):

Flush toilets _____
 Water saver types; _____
 (1.5 or 3 gal.) _____
 urinals _____
 Vault (pit) toilets _____
 Showers _____
 Water saver shower valves _____
 Laundromat(s) _____
 Dump Station(s) _____
 Other (explain): _____

7. What unorganized and organized recreational activities do you provide in your campground or are available in the immediate vicinity [Unorganized means the facilities only are available. Organized means there is staff leadership and/or supervision in addition to the facilities provided (circle appropriate number)]?

	<u>Unorganized</u>	<u>Organized</u>
Fishing	1	1
Swimming pool	2	2
Swimming beach (lake, river or pond)	3	3
Power boating	4	4
Sailing	5	5
Canoeing	6	6
Paddle boating	7	7
Sail boarding	8	8
Water skiing	9	9
Jet skiing	10	10
Tubing	11	11
Recreation hall	12	12
Game room	13	13

(continued on next page)

Recreational Activities (continued)

	<u>Unorganized</u>	<u>Organized</u>
Mini golf	14	14
Hiking trail	15	15
Nature trail	16	16
Equipped playground	17	17
Shuffleboard	18	18
Horseshoes	19	19
Softball	20	20
Basketball	21	21
Volleyball	22	22
Other (list):	23	23
_____	24	24
_____	25	25
_____	26	26

8. Are you a member of any tourism promotion associations (circle all that apply)?

None	1
WACO	2
Local Chamber, Lake Assoc.	3
County Chamber	4
Convention and Visitors Bureau	5
Regional Association	6
Other (list):	7
_____	8
_____	9
_____	10

9. Is your campground open all year (circle appropriate number)?

Yes 1

If yes, please go to next question

No 2

If no, what are your opening and closing dates?

Opening month and date _____

Closed month and date _____

10. What attracts campers to your campground (list the top three)?

1. _____
2. _____
3. _____

II. EMPLOYMENT

1. How many hours per week does your family contribute to your campground?

	In-Season Hours/Week	Off-Season Hours/Week
Male	_____	_____
Female	_____	_____
Child one	_____	_____
Child two	_____	_____
Other (specify):		
_____	_____	_____
_____	_____	_____

2. Check the utilities that are included in your base rate and give the amounts if there is an extra charge.

OVERNIGHT RATE

_____ No utilities included	
_____ Water only	\$ _____
_____ Electric/water -	
If not included, how much extra?	\$ _____
_____ Electric/water/sewer -	
If not included, how much extra?	\$ _____
_____ Air conditioning -	
If not included, how much extra?	\$ _____
_____ Honey wagon service -	
If not included, how much extra?	\$ _____

SEASONAL RATE

_____ No utilities included	
_____ Water only	\$ _____
_____ Electric/water -	
If not included, how much extra?	\$ _____
_____ Electric/water/sewer -	
If not included, how much extra?	\$ _____
_____ Metered electric -	
_____ Honey wagon service -	
If not included, how much extra?	\$ _____

3. What were your fees for overnight guests of campers in 1990?

No fee (circle number if no fee)	1
Adults	\$ _____
Children 5 and under	\$ _____
Children 6 to 17	\$ _____

4. What were your fees for day users in 1990?

No fee (circle number if no fee)	1
Adults	\$ _____
Children 5 and under	\$ _____
Children 6 to 17	\$ _____

5. Other fees

Extra camping unit per night	\$ _____
Extra car or other vehicle per night	\$ _____

6. Did you change your base rates for this year (1991)?

_____ Yes - If yes, tell what rates you changed and what you changed them to:

_____ No - If no, why not (circle appropriate number)?

Many of my campers would probably quit coming	1
I'm already as high or higher than my competition	2
The quality of my campground doesn't justify higher rates	3
Other (explain):	4

IV. 1990 OCCUPANCY RATE

1. What was your 1990 occupancy rate?

This means the number of site nights rented (excluding seasonals) divided by the number of sites available for rent [number of sites (excluding seasonals) times the number of days in your operating season].

(Example following on next page)

Occupancy Rate =
$$\frac{\text{Number of site nights rented for season (excluding seasonals)}}{\text{Number of sites (excluding seasonals) X length of season in days}}$$

Example =
$$\frac{6,000 \text{ sites rented}}{100 \text{ sites} \times 150 \text{ days}} = .40 = 40\%$$

Your occupancy rate = _____ percent

2. How much non-family staff do you hire (use different lines for different lengths of work weeks)?

In-Season		Off-Season	
Number of hours per week	Number of staff	Number of hours per week	Number of staff
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

3. Do you hold other jobs during the in-season?

Male: Yes - If yes, what? _____
 No

Female: Yes - If yes, what? _____
 No

4. Do you hold other jobs during the off-season?

Male: Yes - If yes, what? _____
 No

Female: Yes - If yes, what? _____
 No

5. What percent of your household income is derived from operation of the campground? _____ Percent

6. What were your primary occupations before operating this campground?

Male: _____
 Female: _____

III. RATES AT YOUR CAMPGROUND

1. What was your base rate for a family of four in 1990 (two adults, one child five or under, and one child six to 17)?

(Only fill in the spaces that pertain to your rate system.)

	Overnight	Weekly	Monthly	Seasonal
Standard Price	\$ _____	_____	_____	_____
Differential Price				
Next to water	\$ _____	_____	_____	_____
See the water	\$ _____	_____	_____	_____
Wooded	\$ _____	_____	_____	_____
Non-wooded	\$ _____	_____	_____	_____
Others (specify)				
_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	_____	_____

V. USE OF ADVERTISING/PROMOTIONS

1. Would you please indicate which of the following you used in 1990 (circle all that apply)?

Individual brochure	1
Newspaper ads	2
Magazine ads	3
WACO Directory ad	4 Listing only 41
Trailer Life Directory ad	5 Listing only 51
Woodall's Directory ad	6 Listing only 61
AAA Directory ad	7 Listing only 71
All State	8 Listing only 81
Other directory (list): _____	9 _____
Family Vacation Services	10
Yellow Page ads	11 Listing only 91
Attend sport shows in person, not as part of WACO booth	12
Direct mail (Newsletter, brochures to former customers, inquiries)	13
Outdoor (road signs)	
Directional	14
Advertising	15
Other (list): _____	16

VI. REVENUES/INCOMES

1. Please indicate the 1990 gross sales (cash received or a promise to pay when the sales is made) of each account category listed below and the cost of sales (beginning inventory plus purchases and plus related buying, shipping, and storage costs less ending inventory) when appropriate. If it is not possible to break it down, please give a total. Remember, this information will be kept confidential.

RENTAL INCOME (1990)	Gross Sales
Overnight/weekly site rentals	\$ _____
Seasonal site rentals	_____
Day guest receipts	_____
Trailer rentals	_____
Tent rentals	_____
Cottage/cabin/room rentals	_____
Total rentals	\$ _____

STORE INCOME/COST OF SALES (1990)	Gross Sales	Cost of Sales (deduct amounts for personal use)
Grocery (non-taxable)	\$ _____	\$ _____
Taxable items	_____	_____
Camper supplies	_____	_____
Bar (off sales)	_____	_____
Packaged liquor	_____	_____
Souvenirs/gifts	_____	_____
Vending machines	_____	_____
Wood	_____	_____
Ice	_____	_____
Bottled gas	_____	_____
Other (specify):	_____	_____
Other (specify):	_____	_____
_____	_____	_____
_____	_____	_____
Totals	\$ _____	\$ _____

(Continued on next page)

RECREATION/INCOME (1990)	Gross Sales	Cost of Sales (deduct amounts for personal use)
Marina (bait, tackle)	\$ _____	\$ _____
Watercraft rentals	_____	
Mini golf	_____	
Bicycle rentals	_____	
Other recreation equipment rental	_____	
Game room/video games	_____	
	(Amount to campground)	(Amount to machine owner)
Totals	\$ _____	\$ _____

OTHER INCOME/COST OF SALES (1990)	Gross Sales	Cost of Sales
Laundromat	\$ _____	
Coin operated showers	_____	
Honey wagon/dumpstation	_____	
Bar (on sales)	_____	\$ _____
Snack bar/restaurant	_____	
RV storage	_____	
RV sales	_____	
RV repair	_____	
Interest on bank accounts	_____	
Other (specify):	_____	_____
Other (specify):	_____	_____
_____	_____	_____
_____	_____	_____
Totals	\$ _____	\$ _____

VII. COSTS

1. Please indicate your operating costs for the 1990 season:

Payroll	\$ _____
Payroll taxes and benefits	_____
Owner's draw	_____
Operating/cleaning supplies	_____
Repairs/maintenance	_____
Recreation equipment repair/maint	_____

Operating Costs (continued)

Vehicle expense	\$ _____
Telephone	_____
Utilities	_____
Advertising and promotions	_____
Office expense	_____
Dues and subscriptions	_____
Licenses and permits	_____
Garbage disposal	_____
Machines hire	_____
Legal and accounting services	_____
Swimming pool maintenance	_____
Travel	_____
Entertainment	_____
Interest on short term loans	_____
Rent	_____
Miscellaneous	_____
Depreciation	_____
Other (specify):	_____

Total operating costs	\$ _____

2. Please indicate your 1990 fixed costs below.

Real estate taxes	\$ _____
Personal property taxes	_____
Rent	_____
Insurance	_____
Debt service (interest/principal)	_____
Other (specify):	_____
Other (specify):	_____

Total fixed costs	\$ _____

VIII. INVESTMENT

- Capital expenditures in 1990 \$ _____
- What is the estimated fair market value of your campground?
See your statement of real estate taxes \$ _____
- What percent of the above value is yours vs. the bank or others?
_____ Percent.
- What do you think your campground is worth? \$ _____

5. Are you planning to expand in the next three years?
 _____Yes _____No

If yes, in what area(s)?

Approximate cost of expansion: \$ _____

IX. PROBLEMS

1. What are two or three major problems you face in the operation/management of your campground?

1.

2.

3.

These last two questions will help us compare your answers to this questionnaire with those of other respondents:

Please tell us if you are: Male _____ Female _____

Please tell us how old you were on your last birthday:
 _____ years old.

Thank you very much for your cooperation! Please place this questionnaire in the enclosed self-addressed envelope and mail at your earliest convenience.

RC:ew
 3/8/91
 (questnr9)

APPENDIX D
PRELIMINARY LETTER



University of Wisconsin-La Crosse

Department of Recreation Management & Therapeutic Recreation
128 Wittich Hall (608) 785-8207 Fax: (608) 785-8206

71

March 1, 1991

Dear Campground Owner:

This is to inform you that a campground study is being conducted this spring. You'll be receiving a questionnaire in about a week.

The purpose of the survey is to provide information that you'll be able to use to better analyze your campground operation and thereby make better decisions.

We realize that it will take considerable effort on your part to complete the questionnaire. However, the added operational information available to you will more than justify your effort. You'll receive your own personal copy of the study report.

All information you provide will be kept confidential. In no way will anyone be identified with a response.

The study team consists of Rollie Cooper, Recreation Resources Center, UW-Extension; George Arimond, Department of Recreation, UW-LaCrosse; and Don Silva, Economics Department, UW-Whitewater.

WACO endorses this study and is supporting it financially, along with the Indiana Manufactured Housing Association and Trailer Life Enterprises.

Your cooperation will be sincerely appreciated!

For the study team,

Rollie Cooper
Recreation Economist

RC:ew

La Crosse, Wisconsin 54601

An Affirmative Action/Equal Opportunity Employer

APPENDIX E
COVER LETTER



University of Wisconsin-La Crosse

Department of Recreation Management & Therapeutic Recreation
128 Wittich Hall (608) 785-8207 Fax: (608) 785-8206

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March 8, 1991

Re: Campground Survey

Dear Campground Owner:

Here is the questionnaire you were promised about a week ago. We ask you to fill out the information and return it in the enclosed, self-addressed, stamped envelope.

The effort you take to complete this will be more than offset by the benefits you receive in having better information to use in analyzing your campground operation by comparing your operation with others like you in Wisconsin. You'll be able to make better decisions, and thus increase your profits. A financial reward is enclosed as a symbolic reward for your efforts. You'll receive your own personal copy of the study report.

You'll need your financial records and real estate tax statement to complete this survey. You may want to complete the questionnaire a little at a time. However, we need your questionnaire back by the end of April in order to complete our tabulation and analysis.

If you have any questions, please give me a call at (608) 263-4994.

We sincerely appreciate your efforts in this important study.

For the study team,

Rollie Cooper
Recreation Economist

RC:ew

La Crosse, Wisconsin 54601

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APPENDIX F
FOLLOW-UP LETTER



University of Wisconsin-La Crosse

Department of Recreation Management & Therapeutic Recreation
128 Wittich Hall (608) 785-8207 Fax: (608) 785-8206

75

March 18, 1991

RE: Campground Survey Questionnaire

Dear Campground Owner:

Just a friendly reminder. Please fill out the questionnaire you received about 10 days ago, if you haven't already done so.

Remember, you benefit the most from your efforts. You'll be able to compare your operation with others who complete the questionnaire and thereby increase your profits by using better management information.

If you have any questions, please give me a call.

We sincerely appreciate your efforts in this important study.

for the study team,

Rollie Cooper
Recreation Economist

RC:ew

La Crosse, Wisconsin 54601

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