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SUCCESS OF CAMPGROUNDS STUDIED AS GUIDE TO RECREATION PLANNERS

As part of its forest recreation research, the Northeastern Forest Experiment Station in the summer of 1964 made a survey of all privately owned campgrounds in New Hampshire, in cooperation with the New Hampshire State Planning Project. The purpose of the survey was to find out what characteristics of campgrounds — and campground management — lead to success.

A total of 108 campground owners were interviewed. Information collected during these interviews included data on size of investment, method of financing, management costs, and volume of business since opening. Each campground owner was also questioned about his business outlook and his attitudes toward further development of camping facilities on public lands in the State (LaPage and Foster 1965).

To provide an objective basis for comparing campgrounds, a "successful" campground was arbitrarily defined as one that had been used to more than 50 percent of its capacity during the preceding year. Attendance figures for 1963 were available for 85 enterprises, or 96 percent of the private campgrounds that were in business that year. Of these, 37 were found to be successful according to our definition, and 48 were unsuccessful.

Although defining success in this way ignores past attendance trends as well as important differences in managerial objectives and efficiency, several interesting comparisons were made. The 37 more successful campground enterprises were those that were well established, were built near

lakes, contained 70 or more family units, and were located in either the central or southern part of the State (tables 1 to 4).

The 48 less-successful enterprises, besides being those that were new, small, and dry, also included 11 out of 13 owners who did not expect to remain in business through the next 5 years, and 27 out of 36 owners who did not plan to expand their operations within the next 3 years.

Interpreting These Findings

Expressing a campground's annual attendance in terms of the percentage of capacity use received may provide a reasonably good index of comparative success for any single year; but the venture's ultimate success will depend on more than its gross volume of business. However, since annual attendance is the raw material for success, the factors that influence it are well worth examining.

The direct relationship of enterprise age to success (table 1) should not be taken to mean that success follows the simple establishment and aging of a camping enterprise. In addition to reflecting a probable increase

Table 1. — Percentage of successful enterprises,¹ by age of campground development

Years in business	No.	Percentage successful
1-3	34	24
4-6	30	43
Over 6	21	76

¹Campgrounds that averaged more than 50-percent of capacity use throughout the 1963 camping season.

Table 3. — Percentage of successful enterprises, by type of on-site attraction

Attraction ¹	No.	Percentage successful
Lake	35	60
River	32	44
Non-water	18	28

¹ All bodies of water irrespective of size, including farm ponds, were classed as lakes. Similarly the category of rivers includes small streams.

Table 2. — Percentage of successful enterprises, by size of campground development

Size of enterprise ¹	No.	Percentage successful
Small	53	31
Large	22	78

¹Campgrounds containing 70 family units or more were classed as large; those containing fewer than 70 units were classed as small.

Table 4. — Percentage of successful enterprises, by geographic location within the State

Region ¹	No.	Percentage successful
Northern	29	20
Central	43	53
Southern	13	62

¹ See figure 1 for locations of the three regions.

Table 5. — Proportion of successful and unsuccessful campgrounds that had investments of more than \$10,000, and had 70 or more developed family units, according to the number of years in operation

Campground age (years)	Proportion that had investments of \$10,000 or more		Proportion that had 70 or more developed family units in 1963	
	Successful	Unsuccessful	Successful	Unsuccessful
1-3	4 out of 8	8 out of 22	3 out of 7	2 out of 22
4-6	9 out of 13	5 out of 17	7 out of 12	2 out of 14
Over 6	10 out of 15	1 out of 5	9 out of 15	1 out of 5

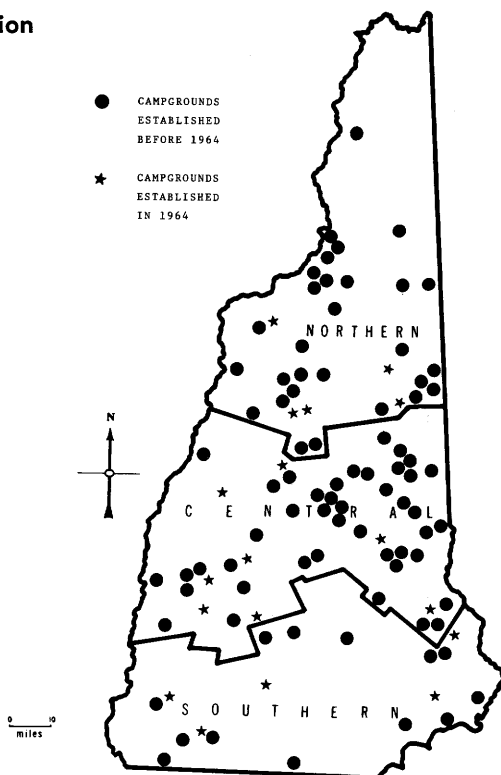
in popularity, campground age is also an expression of the changes that take place in the enterprise and in its management over time. The older and more successful campgrounds have large investments as well as numerous individual family units. The less-successful ventures demonstrated no significant change in either their developed capacity or dollar investment with age (table 5).

Though campground size (table 2) has much to do with success, its importance depends upon regional campground location. Out of 23 small campgrounds in the northern region of New Hampshire, 22 were unsuccessful; while 5 out of 6 larger ventures in the same region were successful. In the central region, the success of small campgrounds improved to 9 out of 21, and 12 out of 15 large ones reported attendances in excess of 50 percent of their 1963 capacity. Campground size seemed to be of least importance in the southern region, where the proportion of successful small campgrounds was 6 out of 8.

The variable impact of size on success undoubtedly results, in part, from differences in the size and nature of the camping demand from one region to another (fig. 1). For example, the average length of visit for campers in each region was found to be: southern, 2 days; central, 5 days; and northern, 3 days. Regions that are characterized by a demand for transient campsites probably encourage the development of fewer large, expensively equipped, family-vacation type enterprises.

An analysis of visit length and frequency at these same private campgrounds suggests that visit patterns are characteristics of the regional market, and are therefore not always subject to manipulation by campground owners. Short visits in the northern part of the State, with its established tourist potential, may be due to a scarcity of warm-water swimming; while in the southern region the short visit may be due more to the region's

Figure 1.—The regional distribution of the campgrounds studied.



accessibility for short (2-3 day) trips from nearby population centers.

The relationship of success to the presence of a water attraction at the campground (table 3) appears to be direct and strong. Yet, in comparing both large and small water-oriented campgrounds, the success ratio strongly favors the larger ventures. Among water-oriented campgrounds containing fewer than 70 family units, only 31 percent were successful, as opposed to 76 percent of the larger campgrounds having comparable water attractions.

Although the absence of a water attraction shows a fairly persistent association with unsuccessful enterprises, the presence of water is no guarantee of success in any of the three regions of the State (table 6). The success of non-water-based campgrounds in the central region can probably be attributed in part to the relative abundance of public beaches in that part of the State. In the southern region, where short visits are the rule, camping enterprises probably do not need to have either the number or the variety of recreational opportunities that are required of major vacation campgrounds.

In addition to size, age, location, and a water attraction, three other characteristics set the successful campgrounds apart from their less successful competitors. Camper visits averaged more than twice as long at the more successful enterprises (4½ days). A majority of successful campgrounds (54 percent) had a predominately advance reservation clientele, as opposed to 38 percent of the less successful ones. And the successful enterprises were more than twice as likely to be members of the New Hampshire Campground Owner's Association (49 percent vs. 19 percent).

Table 6.—Number of successful and unsuccessful campgrounds, according to the presence or absence of a water attraction, by regional location.

Region	Type of attraction	Number successful	Number unsuccessful
Northern	Water-oriented	6	14
	Non-water-based	—	10
Central	Water-oriented	20	16
	Non-water-based	3	3
Southern	Water-oriented	6	5
	Non-water-based	2	—
Total	Water-oriented	32	35
	Non-water-based	5	13

The ways in which advance reservations and extended visits might influence enterprise success are self-evident. However, the relationship between association membership and campground success is probably not a causal one because a member campground is generally indistinguishable from any other campground. Both association membership and enterprise success are probably the results of a keen business interest and energetic management. Member campgrounds apparently do receive a larger volume of business than would be expected on the basis of their numbers. Of 1,000 questionnaires voluntarily completed by private campground visitors during 1964, two-thirds originated at member campgrounds. However, only one-third of New Hampshire's private campgrounds belong to the New Hampshire Campground Owner's Association. This striking disparity in response rates indicates either better survey cooperation from owners who are association members, or the existence of a greater volume of business at association campgrounds.

Application to Campground Planning

Defining success in terms of a minimum of 51 percent occupancy, although analytically useful, may not be entirely realistic. McCurdy and Mischon (1965) reported that among 12 private campgrounds situated along the Ohio River, none exceeded 35 percent occupancy in any year since its construction. Holcomb, Conklin, and Winch (1963), and Riviere (1964), recommend that prospective campground developers in the eastern United States base their projected costs and income on a 50-percent level of occupancy, and not more than 60 percent. With these guidelines, marginal occupancy would certainly have to be something less than 50 percent.

A campground owner who can realize 50-percent occupancy, for a season-long average, will probably find that his venture has been economically successful, provided his operating and development costs have been kept to a minimum. However, in highly developed vacation regions such as central and northern New Hampshire, intensive management and its resultant high operating costs may be unavoidable if a campground is to compete effectively.

In further defense of the 50-percent occupancy definition of success, it is noteworthy that most of the campgrounds in this analysis were either very well, or very poorly, patronized. Only 13 of the 85 enterprises reported average 1963 occupancy levels of 50 percent.

Although there is undoubtedly some disagreement in what should be considered a successful occupancy level for private campgrounds, the general relationships found in this study can reasonably be expected to apply regardless of the definition of success used.

In attempting to predict the probability of success for new campgrounds, there are in these findings several strong clues concerning situations to be avoided. For example, the chances of obtaining a successful occupancy level at small, dry, campgrounds are poor in all parts of the State. And in the northern region, the odds against establishing a successful campground are impressive regardless of the combined effects of size, attraction, and investment.

But there are exceptions. And although these exceptions may be due to the quality of a special attraction, or the energy of a developer, they are also partly a result of factors external to the enterprise. For example, differences in regional success rates reflect not only variable market sizes and competitive conditions, but also differences in public policy. The fee (or absence of a fee) at publicly developed campgrounds, and the geo-

graphic distribution of public camping areas, can undoubtedly have even more significant effects upon private campground success than any of the factors included in this analysis.

Because of the continually increasing pressures for development of forest recreation enterprises on private lands, a better understanding of these inter-relationships is needed now. To provide sound and workable guides for the development of these enterprises, further studies have been planned by the Forest Service — not only of the New Hampshire camping market but of other Northeastern recreation markets as well.

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