

South Dakota State University
**Open PRAIRIE: Open Public Research Access Institutional
Repository and Information Exchange**

Bulletins

South Dakota State University Agricultural
Experiment Station

9-1-1974

Economic and Managerial Characteristics of the Private Camping Industry in the Black Hills and Badlands of South Dakota

A. J. Bateman

Follow this and additional works at: http://openprairie.sdstate.edu/agexperimentsta_bulletins

Recommended Citation

Bateman, A. J., "Economic and Managerial Characteristics of the Private Camping Industry in the Black Hills and Badlands of South Dakota" (1974). *Bulletins*. Paper 633.
http://openprairie.sdstate.edu/agexperimentsta_bulletins/633

This Bulletin is brought to you for free and open access by the South Dakota State University Agricultural Experiment Station at Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. It has been accepted for inclusion in Bulletins by an authorized administrator of Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. For more information, please contact michael.biondo@sdstate.edu.

The Private Camping Industry in the Black Hills and Badlands of South Dakota

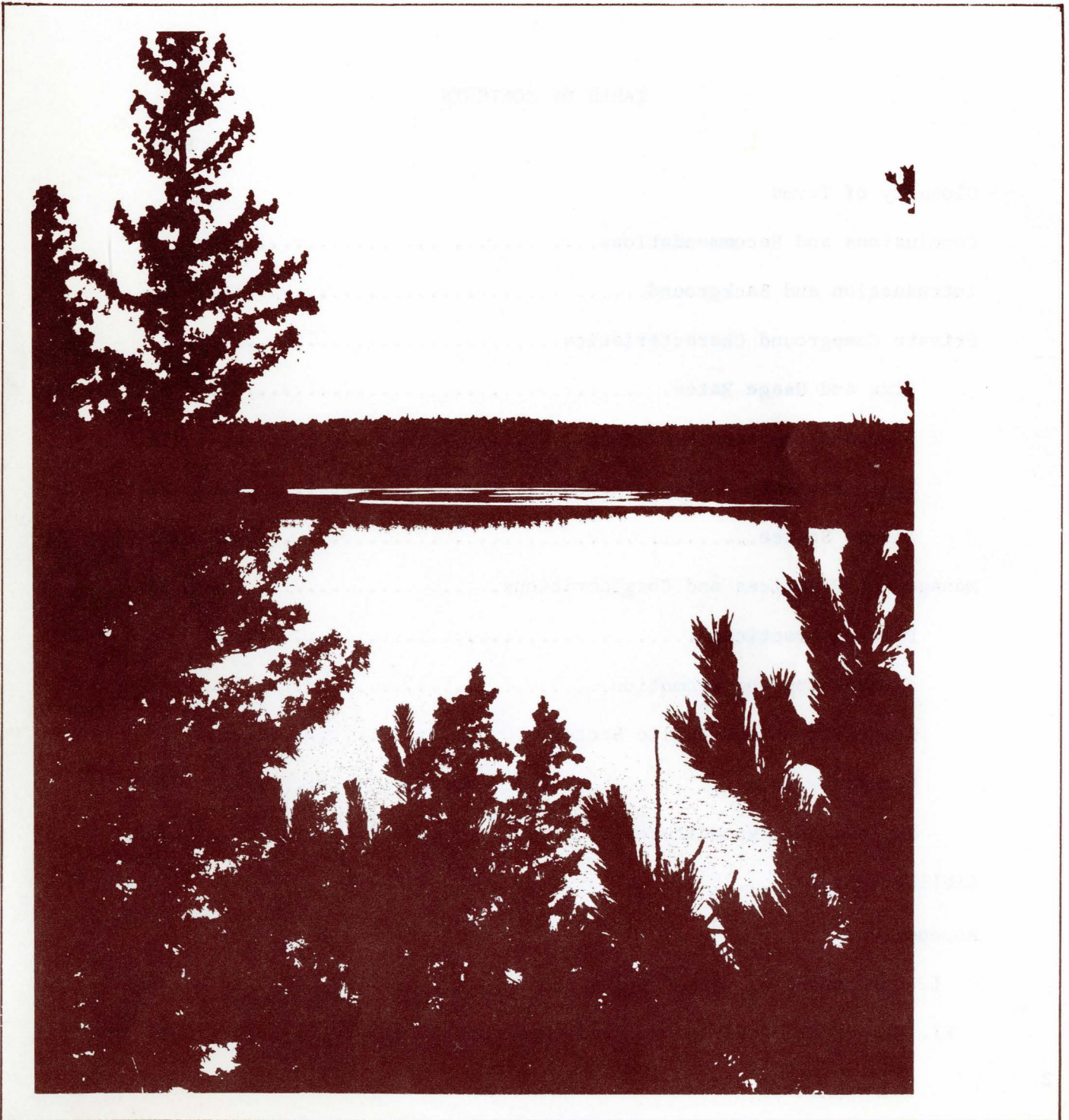


TABLE OF CONTENTS

	Page
Glossary of Terms	
Conclusions and Recommendations.....	9
Introduction and Background.....	12
Private Campground Characteristics.....	17
Size and Usage Rates.....	17
Site and Location Features.....	18
Socio-Economic Characteristics.....	21
Income Source.....	23
Management Practices and Considerations.....	23
Pricing Practices.....	23
Advertising and Promotion.....	27
Competition from Public Sector.....	28
Occupancy Rate.....	30
Revenue and Expenditures.....	33
Bibliography.....	40
Appendix	
I. Understanding your Camping Business.....	42
II. Map of Black Hills and Badlands Study Area.....	43

ECONOMIC AND MANAGERIAL CHARACTERISTICS OF THE
PRIVATE CAMPING INDUSTRY IN
THE BLACK HILLS AND BADLANDS
OF SOUTH DAKOTA

Arnold J. Bateman

Agricultural Experiment Station
South Dakota State University
Brookings, South Dakota
500--9-74

LIST OF TABLES

Table Number	Page
1. Black Hills and Badlands Private Campgrounds.....	17
2. Number of Developed Acres per Private Campground in Black Hills and Badlands, 1972.....	17
3. Average Number of Occupied and Vacant Sites at Black Hills and Badlands Private Campgrounds, 1972.....	18
4. Percent of Private Black Hills and Badlands Campgrounds Providing Recreational Facilities, 1972.....	19
5. Degree of Importance of On-Site Features in the Black Hills and Badlands for Attracting Campers to Private Campgrounds, 1972.....	19
6. Degree of Importance of Off-Site Features in the Black Hills and Badlands for Attracting Campers to Private Campgrounds, 1972.....	20
7. Reasons Given for Selecting Area in Which Private Campground was Purchased or Developed, 1972.....	21
8. Black Hills and Badlands Private Campgrounds by Years of Operation, 1972.....	22
9. Campground Owners Listed by Their Other Occupations, 1972...	22
10. Most Frequent Base Prices for Black Hills and Badlands Private Campsites, 1972.....	24
11. Percent of Private Campgrounds Using Various Methods of Charging Basic Fees, 1972.....	24
12. Private Campground Site Base Fee Based on Types of Facilities for Black Hills and Badlands, 1972.....	25
13. Percent of Private Campgrounds in the Black Hills and Badlands with Advantages Over Public Facilities.....	29
14. Advantages Public Facilities Have Over Private Campgrounds..	30
15. Percent of Private Campground Occupancy Rates for Black Hills and Badlands Area, 1972.....	32
16. Average and Range Per Site Annual Expenditures at Private Campgrounds in the Black Hills and Badlands, 1972.....	34
17. Average and Range Figures for Gross and Net Incomes, Expenses, Investment, Labor, Occupancy Rate, and Sources of Income for Private Campgrounds in Black Hills and Badlands, 1972...	36

17.	Average and Range Figures for Gross and Net Income, Expenses, Investment, Labor, Occupancy Rate, and Sources of Income for Private Campgrounds in Black Hills and Badlands, 1972...	36
18.	Average of the Six Most Successful Private Campgrounds In the Black Hills and Badlands Based on Net Income for Site, 1972.....	37
19.	Average and Range Per Site Annual Expenditures at the Six Most Successful Private Campgrounds in the Black Hills and Badlands, 1972.....	38

Figure Number

1.	Methods Used by Black Hills and Badlands Campground Operators to Determine 1973 Base Fee.....	26
2.	Percent of Black Hills and Badlands Private Campground Operators who Changed Their 1973 Base Fee, or Plan to Change Their 1974 Base Fee, 1973.....	27
3.	Percent of Private Campground Owners Indicating Most Effective Method of Advertising, 1972.....	28
4.	Percent of Private Campground Operators Indicating How Public Campgrounds Affect Private Camping Firms, 1972.....	29
5.	Percent of Campers by Length of Visit per Private Campground in Black Hills and Badlands, 1972.....	31
6.	Length of Camping Season in Black Hills and Badlands, 1972.	32
7.	Map of Black Hills and Badlands Study Area.....	43

GLOSSARY OF TERMS

Base Fee - The daily amount charged per camping party for the rental of one campsite.

Black Hills and Badlands area - Includes the following counties in western South Dakota: Lawrence, southwestern Meade, Pennington, Custer, northern Fall River, Jackson and Jones. A map of the area appears at the end of this publication.

Campground - A tract or tracts of land upon which two or more campsites are located, used wholly or in part for recreational camping or group activity purposes or accommodations for overnight or longer periods of time, with or without a fee being charged for the renting, leasing, or occupancy space.

Campsite - A plot of land designated as one camping area on the campground.

Entrepreneur - The owner or person who assumes the risks of a business (camping) enterprise.

Hookups - Providing at the campsite of water, electricity and sewer attachments that can be used by individual camping units.

Occupancy Rate - The percentage of campsites at any given campground being occupied during a specified time.

One-day Camper - Camping visit by campers at a campground limited to one overnight stay.

Operating Costs - Costs incurred each year in the normal operation of the camping business, such as hired labor, taxes, utilities, insurance, maintenance and depreciation.

Opportunity Cost - The price or value of a factor of production such as capital that has to be given up because the factor is put in one use at the expense of another use.

Per Site Charge - Rental of a campsite based on a single fee regardless of the number of people in the camping party.

Per Party Charge - Rental fee based on a given number of people in the camping party, i.e., two, three, four . . . with an additional fee charged each person over that number.

Public Campground - A campground owned and operated by a federal, state, or local government agency.

Sanitary Station - A facility for removing and disposing of wastes from trailer holding tanks along with a water connection for the necessary flushing of the area.

Service Building - A structure housing toilet, lavatory, and such facilities.

Transient Camper - A camper who stays no more than two camping nights at the same campground.

Vacation Camper - A camper who stays more than two consecutive camping nights at the same campground.

3-way Hookups - Campsite with water, electricity, and sewer attachments provided.

Years of Operation - The number of years a camping firm has been in business.

Years of Ownership - The number of years the present owner has owned his camping business.

Blank

CONCLUSIONS AND RECOMMENDATIONS

Because the camping season is so short and because private campgrounds are often poorly located to attract visitors are all the more reasons why private campground operators should utilize the highest business management skills. Too often they do not, as this study of existing marketing, pricing, and management practices of private campgrounds in the Black Hills and Badlands of South Dakota shows.

- (1) During the summer of 1972, over forty percent of the existing campsites at private campgrounds were unoccupied.
- (2) During the last three years a high turnover rate in campground ownership has prevailed among the private entrepreneurs in the Black Hills and Badlands of South Dakota.
- (3) Past trends have indicated that it is not uncommon for campground operators to start with a specific location, and then attempt to mold the camping enterprise to fit it. This has resulted in the development of some campgrounds that are in remote areas, thus making it inconvenient for campers to travel there.
- (4) Those campground operators who have been evaluating advertising indicated that magazines and directories are the most effective methods. Roadsigns were the next most effective method.
- (5) Many private campground operators suggested that public-operated campgrounds "hurt them" by providing camping at cheaper rates.
- (6) The campground operator who establishes prices on the basis of operating costs seems to be a rare person indeed. Pricing is more typically based on prevailing rates at comparable campgrounds in the area.
- (7) The most frequent length of visit at campgrounds was one day; sixty-five percent of all campers were classified this way. Weekend occupancy rates in most cases were not very high.
- (8) In 1972 the average investment per campsite including land, service buildings, recreational facilities, etc. was \$1,515.75. The average annual net income per site before deducting a charge for family labor, management, and capital was \$1,142.67 for a campground with 123 campsites. These were larger campgrounds; the average number of sites per campground in the study was 50.

- (9) Further study is needed to better identify geographical camper marketing areas. This could enable campground operators to spend their advertising dollars more efficiently.
- (10) Additional research is also needed to develop a simple but complete financial and statistical campground accounting system. This could include recommended ways for recording data about origin of campers, occupancy rates, facilities used, lengths of stay, revenue and costs.
- (11) Based on the information obtained by the study, the following suggestions are set forth:
 1. Before developing a new campground or expanding existing operations, develop on paper a long range comprehensive campground plan. Following such a plan will allow organized expansion, compliance with the health regulations and minimizing of long range development costs.
 2. Do not select a potential site for developing a new campground until a detailed study of the location has been made to determine its desirability for a camping area.
 3. The decision to change camping fees should be made at least one year in advance. This will allow enough time to change prices in the coming year's camping directories.
 4. Campground entrepreneurs, when establishing site rental fees, should first take into consideration operating costs, facilities and services provided and occupancy rate trends, if their objectives are profit oriented. Then, fees charged by comparable campgrounds should be examined.
 5. Private camping firms should consider using price differentiation. This might involve charging more for sites located near water or in well-shaded areas if these sites provide relatively greater attractions to the camper.
 6. In order to avoid making financial decisions based on guesswork, accurate financial and occupancy level records need to be kept.

7. In order to increase occupancy rates, encourage camping families to spend more than one day in the Black Hills and Badlands area. Campground operators can promote longer camping visits by offering organized on-site activities for all members of the camping family and giving suggestions about attractions in the Black Hills and Badlands area.

INTRODUCTION AND BACKGROUND

The private camping industry in the Black Hills and Badlands began in the late 1950's. There is still little information available from which present and potential campground operators can make sound management decisions.

Many people buy or develop a camping firm with little or no past experience in the business. After a few years, they discover that they are unhappy, and are not realizing an acceptable rate of return on their investment. They sell their camping facilities, and a high turnover in campground ownership results.

During the last two weeks in May, June, and part of July 1973, a stratified random sampling of private campground operators was made in the Black Hills and Badlands of South Dakota. The sample was drawn from the list of 66 campgrounds in operation during the 1972 season. Only those campgrounds with 20 or more campsites were included. The stratification was based on the number of developed campsites per campground. All campgrounds having 100 campsites or more were surveyed, while 60 percent of those having 50 - 99 campsites and 40 percent of all campgrounds with 20 - 49 campsites were surveyed. The field enumerator used a personal interview procedure.

Twenty eight campground operators responded to the survey. Only 12 of the 28 had sufficient information to complete the business questions on the survey. Reasons volunteered for not having sufficient information were (1) "the records are kept jointly with another business operation," (2) "this is our first year of ownership," and (3) "our business is too small to keep detailed records."

Studies of campgrounds and camper characteristics have provided insights as to why people camp, where they camp, and why some campgrounds are more successful than others. The following review provides background information for understanding campground problems in the Hills and Badlands.

Each year many urban and rural dwellers desire to return to the open spaces for awhile, and camping allows them to do so at a reasonable cost. "A number of sound and logical forces, all of which relate in some way to the improved standard of living in these United States, have been advanced as the reasons for camping's immense popularity and recent growth.

And for the most part, it is these forces and this growth that have produced the surge of interest in private camping development." ¹

According to LaPage, little has been done to evaluate the market, cost of development, operating expenses, and potential income of private campgrounds. Consequently many of the private campground operations are marginal economic ventures. "The result of this lack of responsible planning is the development of campgrounds that are destined for failure and thus act as a deterrent to the private campground industry in the state."²

Oklahoma researchers concluded that a transient campground as a primary source of income for farm families is not economically feasible. Careful planning and good management are crucial factors in developing and operating a transient campground. People that are marginal in agriculture are likely to be completely unable to cope with a still more complex type of industry, particularly with its marketing aspects. Personal characteristics are critical in a transient campground business where good public relations are necessary. An operator must possess the ability to meet and work with customers in order to satisfy their demands. "Many farm operators, due to their background of individualism and experience in dealing with non-human enterprises, may lack the adaptability necessary to satisfy the paying public."³

In 1971 the rule of thumb on the cost of developing a campsite was that it required between \$700 to \$900. This did not include the cost of land, which varies considerably by geographic area. The cost of development is directly related to the resourcefulness of the individuals involved and the price of labor and materials in the area where the campground is being constructed.⁴

¹State of New Hampshire State Planning Project. "The Privately-Owned Campgrounds of New Hampshire", Concord, New Hampshire, March 1965, p. 2.

²State of New Hampshire State Planning Project. "The Privately-Owned Campgrounds of New Hampshire", Concord, New Hampshire, March, 1965, pp 36-37.

³J. W. Williams and R. W. Schermerhorn. "Economic Analysis of the Potential for Developing Overnight Camping Facilities on or near Major Highways in Oklahoma", Bulletin, B-660, Sept. 1968, p. 29.

⁴Robert Stump, "Recreation Vehicles Styles and Trends", Better Camping for All, Bradford Woods, Martinsville, Indiana, June 8, 1971, pp. 1-2.

Investment for developing a campground is high, but in general, returns to labor and management have been extremely low.

According to Johnson, "probably three out of five recreation enterprises will fail financially, or go out of business for some other reason within five years after they start. And, probably not more than half of the remainder will ever be really financially successful."⁵

In a study of the private campground industry in Vermont, Bevins found that forty-seven percent of the campground operators were operating at a loss. To make matters worse, they had no return on their equity.⁶ In another study of campground businesses in New York, Loomis and Wilkins concluded, "Incomes derived from the campground operations studied were extremely modest." Actually, net cash income less depreciation averaged only \$83.00 for the season (before any allowance was made for interest on investment per campground).⁷ In a study of private campground enterprises in Delaware, Maryland, and southeastern Pennsylvania, Bateman found that total expenditures per site averaged about the same for campgrounds with 50 - 99 sites and campgrounds with 100 or more sites. Average percent return to capital and labor per site ranged from a low of 0.99 percent for campgrounds with less than 50 sites to a high of 5.22 percent for campgrounds with 100 or more sites. Average annual net income per site ranged from a low of \$29.28 for campgrounds with less than 50 sites to a high of \$70.80 for campgrounds with over 100 sites, after depreciation was deducted.⁸

Several factors are associated with income levels in the private campground business. Among the more important are location of enterprise, scale of operation, business volume, length of season and price level.

⁵Hugh A. Johnson, "Opportunities and Limitations in Private Recreation Development", USDA Econ. Res. Serv. 1966, p. 10.

⁶Malcolm I. Bevins, "The Private Campground Industry in Vermont", University of Vermont, Agriculture Economics, April, 1967, p. 5.

⁷Clifton W. Loomis and Bruce T. Wilkins, "A Study of Campground Businesses in New York State", Cornell University, Agriculture Experiment, A. E. Res. 315, 1970, p. 11.

⁸Arnold J. Bateman. "A Managerial and Economic Analysis of Campgrounds in Delaware, Maryland and Southeastern Pennsylvania", Unpublished M.S. Thesis, University of Delaware, 1972, p. 5.

Johnson emphasized the importance of a good location: "Awesome scenery, salubrious climate, spectacular fishing, and other natural resources are economically sterile without the well-beaten path along which the necessary services can afford to cluster".⁹ In another study of campground business, LaPage restated the importance of campground site. In a regional comparison conducted in New Hampshire, "less successful ventures were mostly in a region remote from major metropolitan centers, where lakes were scarce, competition (both public and private) was keen, and the camping season was short".¹⁰

Johnson concluded that two major causes for low return for recreational ventures were small size of enterprise and too few customers.¹¹ According to Loomis and Wilkins, "It is difficult to operate businesses profitably without sufficient volume over which to spread fixed costs."¹²

Campers may pick their campgrounds by the number of attractions provided. A campground swimming pool with the necessary filtration and cleaning equipment may cost \$6000. The cost for providing this type of recreation services is excessive for the operator who is small or fails to reach fairly high occupancy rates.

In the same study Loomis and Wilkins correlated campground size with net cash income less depreciation. They found that, for the campgrounds studied, those with fewer than 100 sites averaged a minus \$1,043; those with 100 to 199 sites, a minus \$451; and those with 200 or more sites a plus \$1,818 return per campground.

On the basis of occupancy, Loomis and Wilkins' study indicated that those firms with less than 40 percent occupancy had a net return of minus \$2,273; those with 40 to 60 percent occupancy had a positive return of \$758; and those with occupancy exceeding 60 percent had a positive return

⁹Hugh A. Johnson, "Private Enterprise in the Development of Outdoor Recreation", USDA Economic Research Service, 1962, p. 20.

¹⁰Wilbur F. LaPage, "The Role of Customer Satisfaction in Managing Commercial Campgrounds." U.S. Forest Service Research Paper, N.E. 105, 1968, p. 7.

¹¹Hugh A. Johnson, Op. Cit., 1966 Study, p. 19.

¹²Clifton W. Loomis and Bruce T. Wilkins, Op. Cit., p. 11.

averaging \$4,289.¹² Bateman found that campgrounds in Delaware, Maryland, and Southeastern Pennsylvania with less than 50 sites had the lowest average occupancy rates for holidays, weekends, and weekdays during the summer season. Campgrounds with 100 sites or more had the highest average holiday and weekend occupancy rates.¹³

The Bureau of Outdoor Recreation surveyed more than 2,000 financial institutions in a nationwide study of lending practices. Bankers and lenders were asked if outdoor recreation enterprises were more risky than other business ventures and, if so, why. Nearly two-thirds of the respondents answered yes, and cited the limited length of season.¹⁴

In 1970 Loomis and Wilkins indicated that fees then charged in New York campgrounds may have been inadequate in terms of generating realistic levels of income. The entrepreneur who establishes price levels on the basis of operational cost is a rare person indeed. Pricing is more typically based on prevailing rates in the area than on operating costs.¹⁵

Outdoor recreation is a service that the customer expects to receive at a minimal price. This attitude developed over the years when public facilities have been made available at less than full-cost pricing. At a Congressional hearing to restore the Golden Eagle program in 1970, testimony revealed that 73 percent of the respondents in a general population survey felt entrance fees at public areas should cover half or less of the total operational cost. Only 8 percent of the respondents felt that all costs should be borne by the recreationist.¹⁶

As a rule the returns to the labor and management input in private campground enterprises are low. Improper location is a major factor associated with low returns. Other factors include insufficient size of operation and too short a business season.

¹²Ibid, p. 11.

¹³Arnold J. Bateman, Op. Cit., p. 5.

¹⁴Bureau of Outdoor Recreation, "Financing of Outdoor Recreation", U.S. Department of Interior, 1966. p. 5.

¹⁵Clifton W. Loomis and Bruce T. Wilkins, Op. Cit., p. 10.

¹⁶1970 Golden Eagle program. U. W. Government Printing Office, Serial 91-16, Washington, D.C., p. 695.

PRIVATE CAMPGROUND CHARACTERISTICS
IN THE BLACK HILLS AND BADLANDS

Size and Usage Rates

While new camping firms continue to enter the campground industry in the Black Hills and Badlands area each year others are being forced out of business. Thus, total increase in the number of camping firms has been modest during the last four years (Table 1).

The total number of developed campsites has increased by 1126 between 1970 and 1973, while the average number of sites per campground has remained about the same. This would indicate that most camping firms in the Black Hills and Badlands area are small business operations. In fact, 51 percent of the campgrounds had 50 or less developed sites in 1972.

Table 1
Black Hills and Badlands Private Campgrounds

Type	Year			
	1970	1971	1972	1973
	-----Number-----			
Total Number	70	75	74	79
Total No. Sites	4046	5023	4976	5172
Average No. of Sites	57.8	66.9	67.2	65.5

The results of the survey indicated that 90 percent of the respondents had less than 20 developed acres per campground (Table 2). Over 70 percent of the campgrounds surveyed had additional land that can be used for expansion.

Table 2
Number of Developed Acres Per Private Campground
in Black Hills and Badlands, 1972

<u>Number of Acres</u>	<u>Percent of Campgrounds</u> -Percent-
0 - 9	57.3
10 - 19	32.3
20 - 29	3.5
30 - 39	3.5
<u>40 - 49</u>	<u>3.5</u>
Total	100.0

During the summer months of 1972 an average 2588 sites were vacant per day (Table 3). At no time during the 1972 season were private campgrounds in the Black Hills and Badlands area averaging higher than a 60 percent occupancy rate.

Table 3
Average Number of Occupied and Vacant Sites at
Black Hills and Badlands Private Campgrounds, 1972

Time	No. of sites occupied	No. of vacant sites
	per/day	per/day
	-----Number-----	
June	1492	3484
July	2886	2090
August	2836	2140
July 4th	2936	2040
Aver. for June, July & August	2388	2588

With over 40 percent of the existing campsites unoccupied during the summer months, there is no shortage of private campgrounds in the Black Hills and Badlands area. Potential campground entrepreneurs should approach the development of a new campground with caution. Competition is keen and new campground operators must provide those services demanded by the camping public to compete in the camping market.

Site and Location Features

All campgrounds surveyed provided some type of on-site campground recreational facilities. Table 4 indicates that swimming, fishing, enclosed recreation halls, and nature trails were the most common types of recreation facilities. Other types of on-site facilities and services provided by over 60 percent of the campgrounds were: firewood or charcoal, vending machines, pinball machines, and playground equipment.

Table 4
Percent of Private Black Hills and Badlands Campgrounds
Providing Recreational Facilities, 1972

<u>Facilities</u>	<u>Percent of Campgrounds</u> -----Percent-----
Enclosed recreation hall	35.7
Swimming pool	32.1
Stocked fishing	25.0
Nature trails	24.4
Non-stocked fishing	10.7
Others	10.1
Swimming area	7.1
Open pavilion	7.1
Horses (riding)	7.1

To attract camping clientele, campground operators must provide those services desired by the camper. In the Black Hills and Badlands of South Dakota, campground operators have learned that clean campsites and facilities are very important (Table 5). Other services frequently sought by the camping public are shaded campsites and a swimming area for the children.

Table 5
Degree of Importance of On-Site Features in the
Black Hills and Badlands for Attracting Campers
to Private Campgrounds, 1972

<u>On-site features</u>	<u>Percent of Campground Operators</u> -----Percent-----	
	I ^a	II ^b
Clean facilities and sites	25.0	10.7
Shade	20.2	10.7
Swimming	14.3	14.3
Natural environment	7.4	0
Hookups	7.4	0
Boating and/or fishing	7.4	0
Level Pull thru sites	7.4	3.5
Convenience of facilities	7.4	0
Don't know	3.5	49.9
Social environment	0	7.4
Store and Gift shop	<u>0</u>	<u>3.5</u>
Total	100.0	100.0

^aMost important

^bSecond most important

The Black Hills and Badlands of South Dakota draw thousands of potential campers to the area each year (Table 6). Even though campers are attracted to the area, this does not provide each campground with a regular camping clientele. Campers search for those campgrounds that provide the on-site services and facilities desired to make their visit enjoyable. This is especially true if they plan to stay more than one day at the same campground.

Table 6
Degree of Importance of Off-Site Features in the Black Hills
and Badlands for Attracting Campers to Private Campgrounds, 1972

<u>Off-Site Features</u>	Percent of Campground Operators	
	I ^a	II ^b
	-----Percent-----	
Badlands & Black Hills	42.7	25.0
Amusements	21.8	10.7
Mt. Rushmore	10.7	10.7
Historic	10.7	0
Hunting, fishing & hiking	7.1	0
Don't know	3.5	46.5
Lakes	3.5	0
Museums	<u>0</u>	<u>7.1</u>
Total	100.0	100.0

^aMost important

^bSecond most important

Location is critical. Any good text in business management stresses the importance of studying the business site in great detail before making a final selection. But many campground operators did not take this critical step. As indicated in Table 7, 42 percent of the respondents made the decision for purchasing or developing their camping firm on the basis of how they felt about the area.

Table 7
Reasons Given for Selecting Area in Which Private
Campground was Purchased or Developed, 1972

<u>Reasons</u>	<u>Percent of Black Hills & Badlands Campground Operators</u> -----Percent-----
General feeling about area (good for campground)	42.8
Land was in family	25.3
Physical location to tourist attraction	10.7
Does not know	7.1
Physical site characteristics	7.1
Wanted land in this area	3.5
Natural environment	<u>3.5</u>
Total	100.0

It has not been uncommon for campground operators to start with a specific location and then attempt to mold the camping enterprise to fit it. In some cases, the property has been in the family for years. In other cases, it was purchased for personal pleasure rather than business potential. This is fine for personal satisfaction but makes poor business sense. Improper location is a major factor associated with low occupancy rates which results in low returns.

Socio-Economic Characteristics

As indicated in Table 8, 74 percent of the private campgrounds in the Black Hills and Badlands of South Dakota have been in operation five or more years. During the last three years, 23 percent of the camping firms have begun operation; while 60 percent have owned their operation for three or less years. Only 33 percent of the operators have retained ownership of their camping enterprise five or more years.

Table 8
Black Hills and Badlands Private Campgrounds
by Years of Operation, 1972

Years of Operation	Percent of Total Campgrounds -----Percent-----
1	3.3
2	6.7
3	13.3
4	3.3
5	6.7
6	6.7
7	10.0
8	13.3
9 or more	<u>36.7</u>
Total	100.0

This indicates that there is a high turnover in campground ownership. There are several factors associated with this. Among the more important are small size of enterprise, too few customers, poor location, and short operating season, which all contribute to a low return on total investment.

Of the campground owners surveyed, only 7 percent in the Black Hills and Badlands area of South Dakota had no other occupation in 1972 (Table 9). Of those campground operators with another occupation, managers, officials, and proprietors ranked highest, followed by laborers, craftsmen and foreman, and retired people.

Table 9
Campground Owners Listed by Their Other Occupations, 1972

Occupation of Owners	Percent of Black Hills & Badlands Campground Owners -----Percent-----
Managers, officials, proprietors	46.6
Retired	10.7
Laborers	10.7
Craftsmen, foremen	10.7
Campground operator	7.1
Professional, technical	7.1
Sales	<u>7.1</u>
Total	100.0

Many of the smaller campground businesses in the Black Hills and Badlands are operated by the wife and children in the family, while the husband works at another family business or away from home during the day and assists at the campground on weekends and nights. Where both the husband and wife at a family operated camping enterprise are self employed during the summer months, at least one will seek other employment during the remainder of the year in order to supplement their income.

The age of campground owners surveyed ranged from a low of 28 to a high of 65 years. Over 80 percent of the entrepreneurs were 40 years or older. This indicates that many of the Black Hills and Badlands area campground operators are venturing into the camping business after having been self employed or in the labor market for several years.

Income Source

In the Black Hills and Badlands of South Dakota 62 percent of the campground operations surveyed received over 60 percent of their gross income from site rentals and all campgrounds received over 54 percent of their gross income from site rentals. The other major contributor of gross income was store sales.

MANAGEMENT PRACTICES AND CONSIDERATIONS

Pricing Practices

In 1972, 63 percent of the campground operators were charging a base price of less than \$3.25 per site (Table 10). Less than 11 percent of the camping firms charged more than \$4.00 per site. It would seem that those camping firms providing free swimming, showers, and other on-site services at no extra cost are charging a camping fee that may be inadequate in terms of generating realistic levels of income.

Table 10
Most Frequent Base Prices for Black Hills and Badlands
Private Campsites, 1972

<u>Most Frequent Prices</u>	<u>Percent of Campgrounds -----Percent-----</u>
Less than 3.00	37.7
3.00 - 3.24	25.0
3.25 - 3.49	7.1
3.50 - 3.74	17.8
3.75 - 3.99	3.6
4.00 - 4.24	3.6
4.25 - 4.49	3.6
4.50 - +	<u>3.6</u>
Total	100.0

In comparing the different methods for charging campers, the per site charge regardless of the number of people in the party was the most common method used, followed by the unit charge per party of two persons and per party of four person (Table 11).

Table 11
Percent of Private Campgrounds Using Various Methods
of Charging Basic Fees, 1972

<u>Unit Charge</u>	<u>Percent of Campgrounds -----Percent-----</u>
Per site	46.4
Party, 2 persons	21.4
Party, 3 persons	0
Party, 4 persons	21.4
Party, 5 persons	7.2
Party, 6 persons	<u>3.6</u>
Total	100.0

There is a direct relationship between the basic party unit charge method used and the additional fee charged adults and children whose camping party exceeds the maximum number of people per party unit. In the Black Hills and Badlands 75 percent of the campgrounds surveyed charged \$.25 per adult and \$.25 per child over six years of age when a basic unit per party charge was used. The other 25 percent charged \$.50 more per adult and per child over six years of age.

The results of the survey indicated that 64 percent of the campgrounds that had sites without hookups charged a base fee of less than \$3.00 per site (Table 12). Most of the campgrounds surveyed had sites with three-way hookup facilities. The most frequent base fee for these ranged from \$3.50 to \$3.75 per site.

Table 12
Private Campground Site Base Fee Based on Types of Facilities
for Black Hills and Badlands, 1972

<u>Price</u>	Percent of Campgrounds with Particular Facilities			
	No Hook-ups	Elect. Only	Elect. & Water	3-Way Hook-ups
	-----Percent-----			
Less than 3.00	64.0	31.3	5.8	4.2
3.00 - 3.24	16.0	25.0	23.5	16.6
3.25 - 3.49	0	0	0	4.2
3.50 - 3.74	20.0	37.5	41.4	45.8
3.75 - 3.99	0	0	11.7	0
4.00 - 4.24	0	6.2	17.6	12.5
4.25 - 4.49	0	0	0	4.2
4.50	<u>0</u>	<u>0</u>	<u>0</u>	<u>12.5</u>
Total	100.0	100.0	100.0	100.0

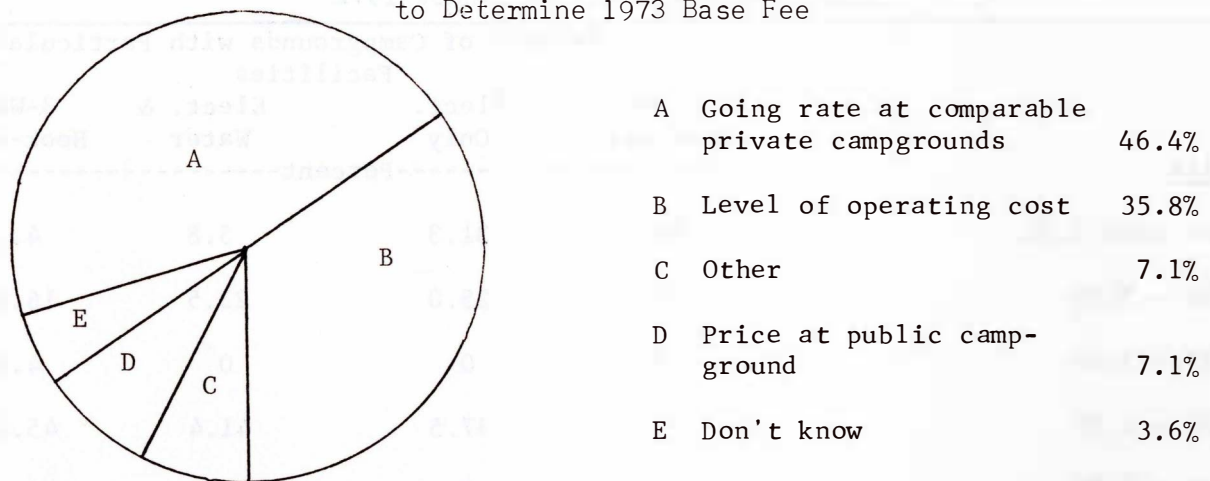
In 1972, many of the private camping firms charged the same per site base fee to campers using electric and water hookups or three-way hookups as they did campers using sites without any hookup facilities. There are considerable costs involved in installing and maintaining underground electrical hookups, water lines, sewer lines, and in

monthly user bills. Either the campground operator is forcing the non-users of these facilities to subsidize the users, (which is bad public relations) or he is absorbing the extra costs himself. Considering the low fees most operators charge, it is likely to be the latter case.

Setting price levels on the basis of operational cost is a rare practice. The results of the study indicated that in the Black Hills and Badlands area, pricing is more typically based on prevailing rates in the area than on operating costs (Fig. 1).

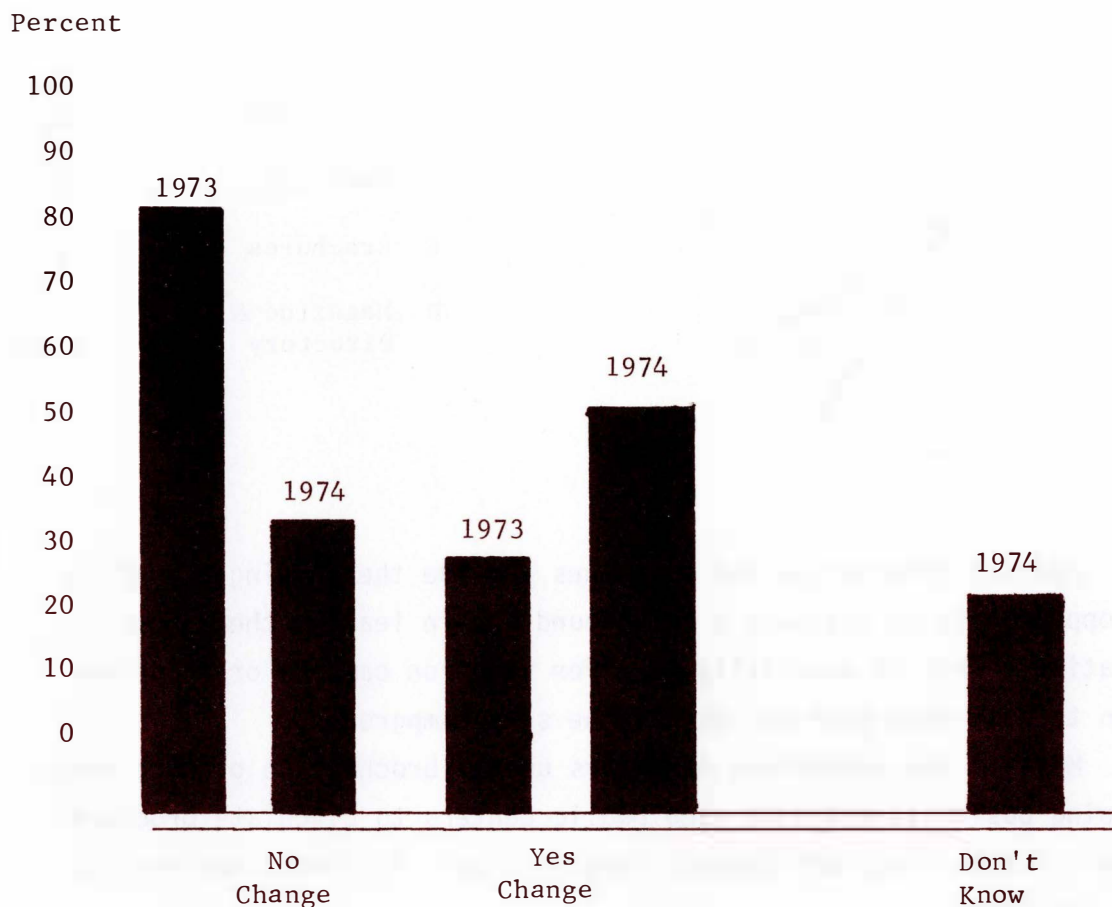
Before establishing site rental fees, first take into consideration operating costs, facilities and services provided and occupancy rate trends. Then, examine the fees charged by comparable campgrounds. Neglecting to account for operating costs including amortization when determining the price levels may result in sub-marginal or negative returns for the camping business.

Figure 1
Methods Used by Black Hills and Badlands Campground Operators to Determine 1973 Base Fee



The survey indicated that 78 percent of the campground entrepreneurs did not increase their basic unit camping fee in 1973 and that only 46 percent plan to increase their basic unit camping fee in 1974 (Fig. 2). The decision to increase camping fees should be made at least one year in advance by the individual camping firms. All too often, camping firms are locked into charging last year's prices because they neglected to plan ahead before listing their facilities and prices in the camping directories for the coming year. When listing camping fees on a campground brochure, the printed supply should not exceed the time period for which operators plan to maintain current camping fee prices. If use of brochures is minimal each year and money can be saved by having large quantities printed, then it may be better not to include camping fees.

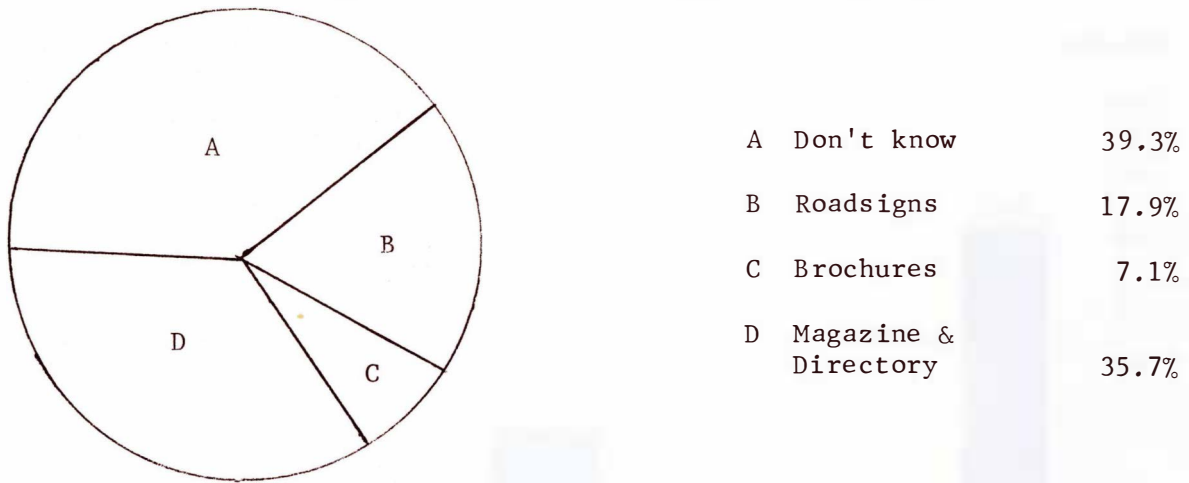
Figure 2
 Percent of Black Hills and Badlands Private Campground Operators
 Who Changed their 1973 Base Fee,
 or Plan to Change their 1974 Base Fee, 1973



Advertising and Promotion

Evaluation of advertising methods is vital if campground operators want to best determine where to put their advertising dollars. One method of evaluation being used is to provide a check list of the types of advertising used by the camping firm on the registration form. While only 60 percent of the camping firms have evaluated their advertising methods, they have indicated that magazines and directories are the most effective (Fig. 3).

Figure 3
 Percent of Private Campground Owners Indicating
 Most Effective Method of Advertising, 1972



Camping directories and magazines provide the camping clientele an opportunity to evaluate a campground before leaving their homes on vacation. This is especially true for vacation campers or those who plan to stay more than one day at the same campground.

Most of the campground operators used a brochure to promote their camping business, and most used public centers to circulate brochures. Other distributions are through camping shows, equipment dealers and mailing lists.

All campground operators and owners responding to the survey schedule allowed camping groups to use their camping facilities, but only 57 percent gave special rates to camping groups.

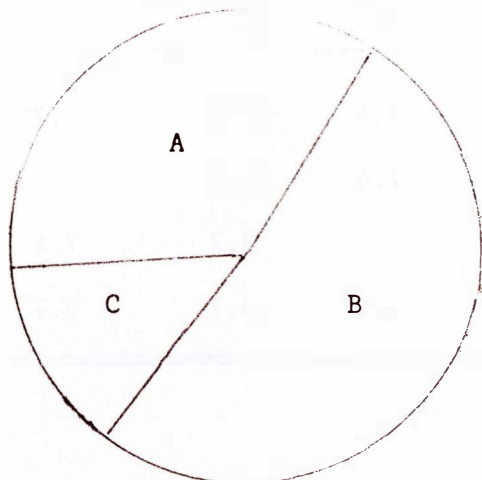
Credit cards as payment for campsite rental were not accepted at 75 percent of the campgrounds. For those who did accept credit cards, BankAmericard and Master Charge were the most frequently used.

Competition from Public Sector

The respondents were asked what effect public-operated campgrounds had on their own private campground operations. Over 52 percent of all campground operators surveyed in the Black Hills and Badlands area said, "public campgrounds hurt them," while 33 percent felt that public campgrounds had no effect on their business (Fig. 4).

Demand exceeds the supply of the limited number of overnight campsites at public operated campgrounds in the Black Hills and Badlands area of South Dakota, and many campers desiring to use public facilities are unable to secure a campsite. When this occurs campers drift toward private campgrounds, which helps to contribute to the private sector.

Figure 4
Percent of Private Campground Operators Indicating How Public Campgrounds Affect Private Camping Firms, 1972



A No effects 33.2%
B Hurts 52.0%
C Helps 14.8%

Convenience of facilities was listed as the most important advantage private camping firms have over public-operated campgrounds, followed by cleaner campgrounds as the second most important reason (Table 13). About 7 percent of the private campground operators said they had no advantage over public-operated facilities.

Table 13
Percent of Private Campgrounds in the Black Hills and Badlands with Advantages over Public Facilities, 1972

<u>Advantages</u>	Percent of Campgrounds		
	I ^a	II ^b	III ^c
	-----Percent-----		
Convenience of facilities	7.4	59.2	18.5
Campground is cleaner	7.4	29.6	11.1
Personalized services	7.4	3.7	3.7
Larger number of sites	7.4	0	3.7
Location	7.4	0	3.7

^aNo advantage

^bMost important advantage

^cSecond most important

When the campground operators were asked what advantages public facilities had over them, 62.9 percent indicated lower camping fees, followed by 22.2 percent who indicated that being located near bodies of water made public campgrounds more attractive (Table 14).

Table 14
Advantages Public Facilities Have Over Private Campgrounds, 1972

<u>Advantages</u>	Percent of Black Hills & Badlands Campgrounds		
	I ^a	II ^b	III ^c
	-----Percent-----		
Lower fees	7.4	62.9	3.7
Located near bodies of water	7.4	22.2	0
More rustic setting	7.4	3.7	7.4
Greater advertising power	7.4	3.7	3.7

^aNo advantage

^bMost important advantage

^cSecond most important advantage

Most public-operated campgrounds in the Black Hills and Badlands of South Dakota do not have the hookups, flush toilets, hot running water, and manmade on-site recreational facilities that are found at most private campgrounds. Instead, they are located near bodies of water and in forested area, which provide a rustic natural setting for the campers wanting this type of experience.

In the past, public-operated campgrounds have charged lower fees than have most private camping firms, and in some cases no camping fee at all. Some private campground operators throughout the United States are now questioning the responsibility of the public sector to provide campgrounds as a public service. Because camping is no longer considered a non-marketable commodity, it may not have to be subsidized from public funds to the extent it has in the past. Consumers are showing greater willingness to pay prices which more realistically reflect operating costs.

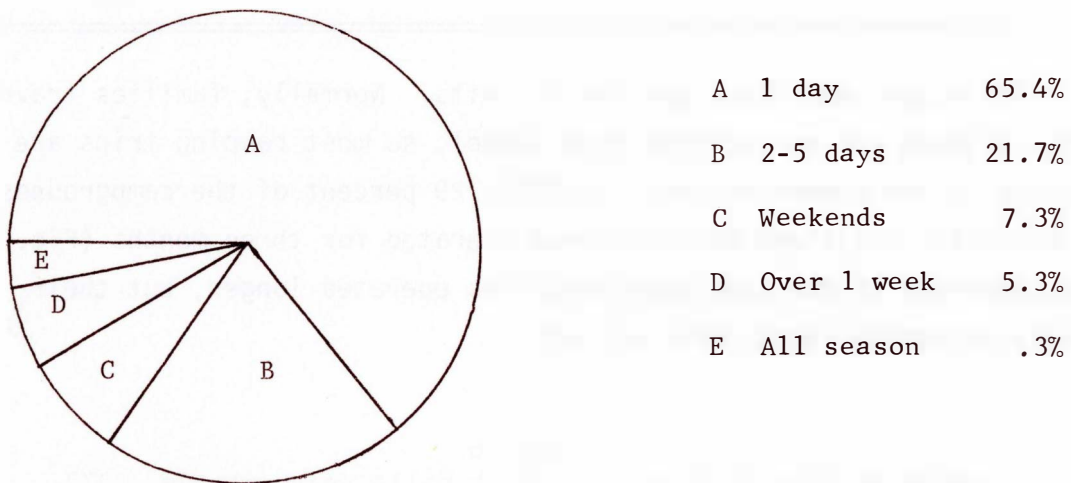
Occupancy Rate

The most frequent length of visit at campgrounds by campers was one day; 65 percent of all campers in the Black Hills and Badlands were

classified this way (Fig. 5). This does not say that these campers plan to stay only 1 night in the Black Hills or Badlands. They may have been dissatisfied with their former campground or may be just roamers, trying to cover as much territory as possible.

Weekend occupancy rates in most cases were not high. The reason is that most campers coming to the Black Hills and Badlands area do not live close enough to arrive on Friday night for camping and then return home in time for work Monday morning. Many vacation campers coming to the area who leave home on Friday night or Saturday morning do not arrive in the Black Hills and Badlands area until Monday or Tuesday of the following week.

Figure 5
Percent of Campers by Length of Visit per Private Campground
In Black Hills and Badlands, 1972



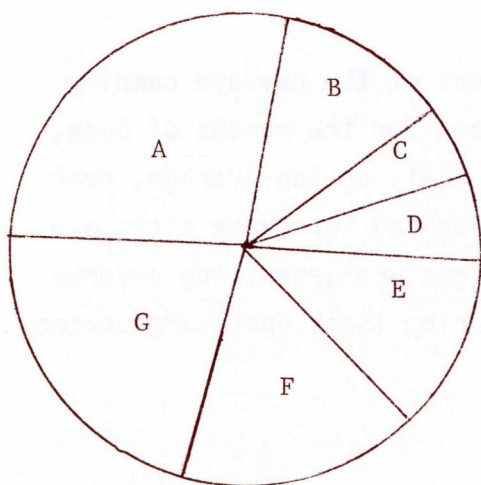
During the summer of 1972, over 66 percent of the private camping firms had less than a 60 percent occupancy rate for the months of June, July, and August (Table 15). This indicates that, on the average, over 40 percent of the campsites and facilities provided for those sites are vacant during the camping season. Camping firms are generating revenue on less than 60 percent of their campsites during their operating season.

Table 15
 Percent of Private Campground Occupancy Rates for
 Black Hills and Badlands Area, 1972

Time Period	Percent of Occupancy					
	0-19	20-39	40-59	60-79	80 or more	Don't know
	-----Percent-----					
Memorial Day	23.1	19.2	7.7	0	0	50.0
July 4th	3.8	7.7	23.1	15.4	15.4	34.6
Labor Day	11.5	26.9	7.7	3.9	0	50.0
Month of June	11.5	34.6	23.1	0	0	30.8
Month of July	0	7.7	15.4	42.8	3.8	30.8
Month of August	0	11.5	15.4	30.8	11.5	30.8
Ave. Summer Occupancy	0	25.0	41.1	16.7	0	16.7

The major camp users are family units. Normally, families travel when children are on vacation from school, so most camping trips are limited to the summer months. In 1972, 29 percent of the campgrounds in the Black Hills and Badlands area operated for three months (Fig. 6). The remainder of the camping enterprises operated longer, but their weekly occupancy rates were not high.

Figure 6
 Length of Camping Season in Black Hills and Badlands, 1972



A	Memorial Day - Labor Day	28.6%
B	May 1 - Nov. 1	10.7%
C	April 1 - Nov. 1	3.6%
D	All year	7.1%
E	Memorial Day - October 15	10.7%
F	May 1 - Oct. 1	17.9%
G	May 15 - Oct. 15	21.4%

Revenue and Expenditures

All information in this section is based on 1972 income and tax record data furnished by campground operators during the study. While 28 campground operators responded to the survey, only 12 (18 percent of the total campground sample) had sufficient information to complete the business questions on the survey. Thus all information in this section is based on the 12 who completed the business questions. The average number of campsites per enterprise for this group was 123.

Any good business manager knows the value of keeping accurate financial and business records, and camping businesses should not be exempt. Campground operators need accurate financial information to use in projecting cost-revenue data, and to determine the occupancy level at which revenue from campsites will cover specific expenses. Without this type of information, financial management decisions can only be based on guesswork.

In 1972 the average total expenditures per campsite was \$237.68, with depreciation, interest, and hired labor contributing 42 percent of the total expenditures (Table 16). This figure does not include returns to unpaid labor, management and opportunity costs on investment.

Depreciation cost per site ranged from a low of \$13.33 to a high of \$146.76 with an average of \$57.29 in 1972. Most campgrounds were using a ten to fifteen year depreciation period. Factors contributing to the wide range in depreciation costs are: (1) the scale of the business operation, (2) the number and types of man-made recreational facilities and service buildings (swimming pool, miniature golf, recreation hall and equipment, store, office building, toilet and restroom facilities and laundry facilities), and (3) the number of developed campsites with underground hookup facilities (water, electricity, and sewer).

The cost of hired labor at a campground is directly related to the size of the camping enterprise, the number of on-site services provided by the camping business and the amount of unpaid family labor available. A well designed campground with centralized office, store, laundry and recreation hall can contribute to more efficient use of labor.

All camping businesses surveyed had some kind of a campground store, at which they sold food items and camping supplies. In 1972 the average cost of goods sold at the campground store was \$66.99 per site. The amount of goods sold at the store is related to the size of the camping enterprise, occupancy rates, length of stay by campers at the campground,

Table 16
Average and Range Per Site Annual Expenditures
at Private Campgrounds in the
Black Hills and Badlands, 1972

Items (on per site basis)	Average Per Campsite --Dollars --	Range For Campsites -- Dollars --
Labor hired	\$17.95	\$0.00 - \$65.61
Electricity	8.50	1.50 - 29.93
Propane gas	3.86	1.50 - 14.89
Phone & utilities	3.32	.22 - 4.44
Gas, oil and repairs ^a	4.75	1.20 - 13.89
Taxes	9.32	2.27 - 20.72
Interest per site	25.30	12.97 - 64.75
Insurance	6.68	1.24 - 12.84
Repairs and Maintenance	7.82	1.11 - 19.36
Advertising	10.27	.50 - 40.38
Membership dues	.78	.26 - 2.08
Office	.77	.42 - 4.23
Depreciation	57.29	13.33 - 146.76
Other	14.08	1.30 - 51.80
Cost of goods sold in the store	<u>66.99</u>	<u>11.85 - 263.92</u>
Total Expenditures	\$237.68	38.04 - 454.11

^aVehicles and tractors

and the proximity of the campground to towns with other shopping areas. In rural areas during the camping season, some campground stores serve both the camper and non-camper.

The cost of purchasing or developing a well-designed campground that appeals to the camping clientele is not low. In 1972, the average investment per campsite including land, service buildings, recreational facilities etc. was \$1,515.75 with a range of \$866.00 to \$1,903.00 (Table 17).

The average gross income per site from all campground sources was \$246.97 with an average net income of \$9.29 per campsite. This would amount to an average net income of \$1,142.67 in 1972 for a campground with 123 campsites. At most campground businesses in the Black Hills and Badlands, total annual receipts are derived from campsite rentals and store sales. Other contributors are coin-operated machines, metered showers and fees charged for use of recreational facilities to non-campers, or to campers where these services are not included in the base fee.

On the average, camping enterprises operated 139 days during the 1972 camping season with full-scale operations being restricted to 10 or 11 weeks of the year. The length of the full-scale campground operating season is directly related to the number of weeks families with school-age children are on vacation.

In order to make comparisons, the six most successful campgrounds were separated off from the 12 reporting financial statements.* The six most successful campgrounds had an average net income of \$3,848.78 per campground compared to \$1,142.67 for the 12 campgrounds in 1972. This was a difference of \$24.77 per site (Table 18). The one most important factor which contributed to higher net income for the six most successful campgrounds was a 7 percent higher summer occupancy rate. This can partially be accounted for by their convenient locations and by the operators' ability to promote camping. Higher summer occupancy rates at the six most successful campgrounds contributed to increased revenue from site rentals and store sales.

There was no great difference in the kinds of recreational facilities provided at the six most successful campgrounds, and the most frequent per site base fee was about the same for both groups of camping firms. Other noticeable differences were that the six most successful campgrounds had a higher percentage of family labor and a higher percentage of gross income coming from site rentals.

In 1972 average annual expenditures of the six most successful campgrounds were higher than the other campgrounds in 10 of the 15 categories (Table 19). The most significant differences were: hired labor, adver-

*The six most successful campgrounds refers to the six campgrounds with the highest net income per site in 1972.

Table 17
Average and Range Figures for Gross and Net Incomes, Expenses,
Investment, Labor, Occupancy Rate, and Sources of Income
for Private Campgrounds in Black Hills and Badlands, 1972

Factors	Units	Average Per Campground	Range for Campgrounds
Number of sites	number	123	20 - 250
Number of sites per acre	number	15.0	6 - 27
Years of operation	number	7.3	1 - 13
Years of ownership	number	4.1	1 - 8
Total investment per site including land	dollars	1,515.75	866.00 - 1903.00
Cost of land per site	dollars	550.00	74.00 - 961.00
Gross income per site from all campground sources	dollars	246.97	35.56 - 467.63
Total expenditures per site	dollars	237.68	38.04 - 454.11
Net income per site	dollars	9.29	-35.82 - 83.76
Percent income from site rentals	percent	54.9	23 - 88
Percent income from store sales	percent	42.1	12 - 77
Percent income from other sources	percent	3.0	0 - 14
Percentage of hired labor per site	percent	28.1	0 - 89
Percentage of family labor per site	percent	71.9	11 - 100
Total hours of labor per site per two weeks	number	3.3	1.1 - 5.4
Days of operation	number	139.6	90 - 180
Summer occupancy rate	percent	42.0	20 - 61

Table 18
Average of the Six Most Successful Private Campgrounds in the
Black Hills and Badlands Based on Net Income Per Site, 1972

Factors	Units	Six Most Successful Campgrounds	Difference ^a
Average number of sites	number	113	- 10
Average number of sites per acre	number	14.7	- .3
Average years of operation	number	6.5	- .8
Average years of ownership	number	5.2	+ 1.10
Average investment per site including land	dollars	1,695.17	+180.50
Average cost of land per site	dollars	675.60	+125.60
Average gross income per site from all campground sources	dollars	285.91	+ 38.94
Average total expenditures per site	dollars	251.85	+ 14.17
Average net income per site	dollars	34.06	+ 24.77
Average percent income from site rentals	percent	58.7	+ 3.80
Average percent income from store sales	percent	39.5	- 2.60
Average percent income from other sources	percent	1.8	- 1.20
Average total hours hired labor per site	percent	24.3	- 3.80
Average total hours family labor per site	percent	75.7	+ 3.80
Average total hours labor per site per two weeks	number	3.8	+ .50
Average days of operation	number	153	+ 13.4
Average June, July & August occupancy rate	percent	49.0	+ 7

^a Difference between per site figure for average of the 12 campgrounds and average of the six most successful campgrounds.

tising, depreciation and cost of goods sold in the store. Interest on long term loans averaged \$5.73 less per site for the six most successful campgrounds.

Table 19
Average and Range Per Site Annual Expenditures at the Six
Most Successful Private Campgrounds in the Black
Hills and Badlands, 1972

Items (on per site basis)	Average Per Campsite --Dollars --	Range for Campsites -Dollars-
Labor hired	20.66	1.75 - 58.00
Electricity	7.15	3.69 - 13.36
Propane gas	3.17	2.11 - 6.94
Phone & utilities	3.57	2.00 - 6.46
Gas, oil and repairs ^a	6.55	1.33 - 13.89
Taxes	9.29	2.27 - 17.17
Interest per site	19.57	12.96 - 33.37
Insurance	7.67	1.24 - 12.84
Repairs & maintenance	8.05	1.74 - 19.23
Advertising	12.71	4.17 - 40.38
Membership dues	1.22	.26 - 2.08
Office expenses	.99	.40 - 4.23
Depreciation	62.24	16.67 - 75.76
Other	12.28	1.30 - 27.79
Cost of goods sold in the store	<u>76.73</u>	<u>21.94 - 263.92</u>
Total Expenditures	\$251.85	152.01 - 454.11

^a Vehicles and tractors

In summary, private campgrounds in the Black Hills and Badlands area of South Dakota have had a fairly high turnover in ownership. Several factors are associated with this, each of which has a direct influence on income generated by the camping businesses. Among the

more important are: location of the camping enterprise, scale of operation, price level, occupancy rates and length of season.

It has been suggested by many private campground operators that public-operated campgrounds provide keen competition. This may be true. However, the public-operated campgrounds in the Black Hills and Badlands area provide a very rustic setting, and perhaps they attract only those campers who desire that type of a camping experience. If so, private and public campgrounds may not be in direct competition with each other.

As a rule the returns to labor and management input in private campground enterprises were low. In fact, one may question how some camping firms stay alive. The answer to this question can be made by looking at the following: (1) land value appreciation, and (2) non-economic entrepreneurial goals.

In 1972 campground operators in the Black Hills and Badlands area of South Dakota had an average increase in land value of 20.9 percent. If this type of trend continues to exist during the next few years, such an appreciation in land value can offset many years of low labor and management returns for the private camping firms. In fact this factor may be a far greater determinant of enterprise tenure than actual cash returns to labor and management.

In some instances the decision to operate a private campground may be more related to personal and non-economic considerations than to profit maximization. The campground operator will operate his facilities if returns cover cash costs, because he enjoys the business and likes to have people around. If, however, lower returns are coupled with high property taxation over a prolonged period, the ultimate effect may be an over-balancing of these personal and non-economic considerations, causing the entrepreneur to sell his operation.

The private camping firm has an important role to play in the years ahead. We should not assume that because returns to labor and management are low and the business season is short, that this will discourage all people from entering and continuing in the private camping business. The highest degree of success will come to the entrepreneur who uses ingenuity and imagination and becomes an innovator among private camping firms. He should always observe his customers to determine how he might modify his camping operation to yield greater customer satisfaction.

BIBLIOGRAPHY

1. Bateman, Arnold, J. "A Managerial and Economic Analysis of Campgrounds in Delaware, Maryland and Southeastern Pennsylvania", Unpublished M. S. Thesis, University of Delaware, Feb. 1972.
2. Bevins, Malcolm, I. "The Private Campground Industry in Vermont". University of Vermont, 1967.
3. Bond, Robert, S. and Gerald J. Ouellette, Characteristics of Campers in Massachusetts. Research Bulletin No. 572. University of Massachusetts, 1968.
4. Burch, William, R. Jr., and Wiley D. Wenger, Jr. The Social Characteristics of Participants in Three Styles of Family Camping. Forest Service, U.S. Department of Agriculture, Research paper PNW - 48, Portland, Oregon, 1967.
5. Bureau of Outdoor Recreation, "Financing of Outdoor Recreation", United States Department of Interior, 1966.
6. Cardenuto, Joseph, R. "Five Campground Economic Survey - 1964", Extension Report, Pennsylvania State University, Nov. 1964.
7. Christiansen, Rudolph, A., Sydney D. Staniforth, Aaron Johnson, and Rollin Cooper. "Privately Owned Campgrounds in Wisconsin".
8. Cicchetti, Charles J., Joseph J. Seneca, and Paul Davidson. The Demand and Supply of Outdoor Recreation. The State University, New Brunswick, New Jersey, June, 1969.
9. Cole, Gerald L. and Bruce Wilkins. "The Camper". Recreation Symposium Proceedings. Northeastern Forest Experiment Station, Upper Darby, Pa., 1971.
10. Dice, Eugene, F. "A Study of Camper's Attitudes and Spending Patterns." Extension Bulletin E-757, Michigan State University, March 1973.
11. Family Camping Federation. "Better Camping for All", Martinsville, Indiana, June 8, 1971.
12. Johnson, Hugh A., "Private Enterprise in the Development of Outdoor Recreation", USDA Economic Research Service, 1962.
13. Johnson, Hugh A., "Opportunities and Limitations in Private Recreation Development", USDA Economic Research Service, 1966.
14. LaPage, Wilbur F. "The Role of Customer Satisfaction in Managing Commercial Campgrounds". Northeastern Forest Experiment Station, Upper Darby, Pa., 1968.
15. Loomis, Clifton W., and Bruce T. Wilkins, "A Study of Campground Businesses in New York State", Cornell University, Agricultural Experiment Station, 1970.

16. Lucas, Robert C. "User Evaluation of Campgrounds on Two Michigan National Forests". North Central Forest Experiment Station, St. Paul, Minnesota, 1970.
17. Merriam, L. C. Jr., A. S. Mills, C. E. Ramsey, P. C. West, T. L. Brown and K. D. Wald. "The Camper in Minnesota State Parks and Forests", Station Bulletin 510, University of Minnesota.
18. Moeller, George H. "Growth of the Camping Market in the Northeast". Northeastern Forest Experiment Station, Upper Darby, Pa., 1971.
19. Northeast Regional Publication, "Analysis of the Campground Market in the Northeast - Public Policy", University of Massachusetts, Agricultural Experiment Station, Amherst, Massachusetts, 1973.
20. Reid, Leslie M. Outdoor Recreation Preferences. Michigan State University, June, 1963.
21. U. S. Congress Subcommittee on National Parks and Recreation, "1970 Golden Eagle Program", U. S. Government Printing Office, Serial 91-16. Washington, D. C., 1970.
22. Williams, J. W. and R. W. Schermerhorn. "Economic Analysis of the Potential for Developing Overnight Facilities on or near Major Highways in Oklahoma", Bulletin, B-660, Oklahoma State University, Sept. 1968.

Appendix I
UNDERSTANDING YOUR CAMPING BUSINESS

The following questions are designed to help campground operators better understand their business and to serve as information questions for potential campground operators. BE HONEST WITH YOURSELF IN ANSWERING.

- (1) Are your long-run entrepreneurial goals profit maximization, or personal and non-economic considerations coupled with long-run capital gains?
- (2) Is your campground designed to accommodate vacation or transient campers, and do you know enough about both types of campers to provide the services and facilities they desire?
- (3) As a campground operator do you have the ability to meet and work with camper customers in order to satisfy their demands, and are you able to cope with the complexities of this type of an industry, particularly in its marketing aspects?
- (4) Are you acquainted with the state health regulations and have you designed your existing and long-run campground plans to be in compliance with these regulations?
- (5) Is your campground located in a remote area making it inconvenient for campers to find your operation, and are transient campers required to travel out of their way if they stay at your campground one night?
- (6) Does your location provide the natural environmental setting desired by vacation campers, and are you using these natural resources in satisfying the demands of your clientele?
- (7) Are you providing the types of recreational services and facilities desired by the camping public. If so, can you afford to continue providing these services under your present fee system?
- (8) Are you evaluating your advertising methods in order to more efficiently use your advertising resources and promote your camping business?
- (9) As a campground operator do you and your employees promote your business by being polite, courteous, and helpful to your clientele?
- (10) If you are providing free swimming, showers, recreation hall, and other on-site services at no extra cost, are you charging a camping fee that may be inadequate in terms of generating realistic levels of income?
- (11) Are you consistent in charging campsite rental fees commensurate with the facilities and services provided to the camper?

- (12) In establishing your site rental fees do you take the following into consideration: (a) operating costs, (b) facilities and services provided, (c) occupancy rates, (d) and fees at comparable campgrounds?
- (13) When advertising in next year's camping directories, do you plan ahead far enough in making campsite rental changes so that you do not lock yourself into last year's prices?
- (14) Do you encourage campers to stay longer at your camping firm by providing interesting information about the surrounding area, and by making available organized on-site activities for all members of a camping family?
- (15) Do you keep accurate financial and business records and do you use these records in making your management decisions?
- (16) As a campground operator are you innovative and do you critically observe campers' actions, in order to determine how you might modify your operation to yield greater customer satisfaction?

Appendix II
Figure 7
Map of Black Hills and Badlands Study Area

