Fall River Tourism Insights and Opportunities

2023

Viva
FALL RIVER

ONE SOUTHCOAST CHAMBER

FALL RIVER MASSACHUSETTS

About Viva Fall River

Viva Fall River is an active tourism organization that champions economic growth and celebrates all the city has to offer: creative arts, rich ethnic and cultural traditions, diverse businesses, a picturesque waterfront, spirited events, and more. The organization is a grant-funded, public-private partnership and is a fiscal sponsorship of the One SouthCoast Chamber Foundation, a not-for-profit entity.

Viva FALL RIVER

Funding for this report was provided by the City of Fall River.
The research was conducted in collaboration with the
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As part of the University of Massachusetts, the Charlton College of Business mission includes contributing to regional economic development. Travel and tourism contribute significantly to the Southeastern Massachusetts economy. Under the leadership of Dean John Williams, a nationally recognized expert in visitor information and tourism development, the college of business collects and analyzes tourism data to help local organizations and communities. The college's efforts are organized by faculty member Paul Bacdayan, whose research interests include higher education's contributions to economic development.

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FXM Associates
Economic Planning and Research

FXM Associates is a consulting firm specializing in economic planning and research for public and private sector clients nationwide. The company was established in 1991 by Francis X. Mahady, an economist and planner with more than 35 years' experience in economic development and transportation planning. The firm offers expertise in economic development, transportation planning, social and economic impact assessment, and waterfront development.

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EXECUTIVE SUMMARY

The long term goal of this project is to support Fall River's economic development efforts by leveraging the potential of the creative economy and cultural tourism. The short term goal has been to develop initial research about visitor spending, origins, and economic impact. The research was conducted by UMass Dartmouth's Charlton College of Business with support from Springline Research Associates and FXM Associates. The work was overseen by Viva Fall River and its Tourism Advisory Committee, which met bi-weekly with the project team to identify key visitor segments and potential market opportunities for attracting more visitors to Fall River. Many of the findings and ideas discussed during these meetings have already been incorporated in Viva's marketing and planning.

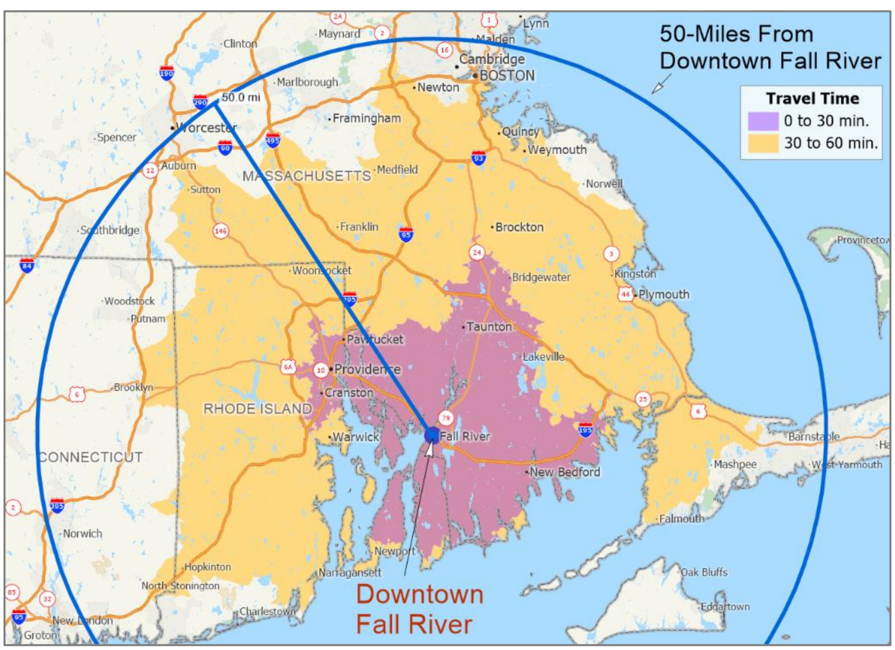
The report builds on Fall River's Arts and Culture Creative Economy Plan and aims to provide data-driven insights to inform targeted marketing strategies. The research is divided into three primary tasks. **Task 1** assesses current market conditions and consumer spending in tourism-related industries, comparing Fall River to other communities. **Task 2** develops visitor profiles and market segments by analyzing visitor data from major attractions and conducting interviews with key informants. **Task 3** establishes baselines of visitor-influenced economic activity, such as room and meals taxes, to track the growth of visitor spending over time.

Key takeaways from the analysis include:

Fall River's Tourism Market Area

An analysis of visitor and market data and conversations with local businesses and organizations confirm that the majority of the City's visitors reside within a 60-minute drive time of downtown Fall River, with the vast majority of these visitors residing within 30-minutes. Accordingly, the 30- and 60-minute drive time markets represent a more attainable and cost-effective short-term strategy for Viva and the City for increasing visitation. Figure 1 displays the two drive time bands as well as a fifty mile radius from downtown.

Figure 1. Fall River Market Area, Two 30-Minute Drive Time Bands

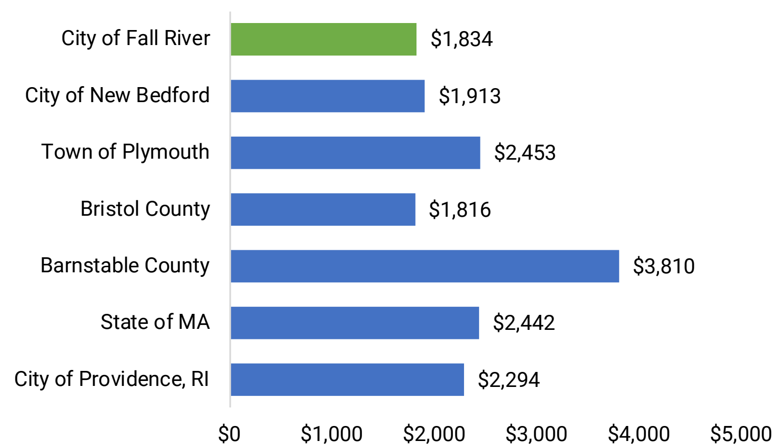


Current Market Conditions And Consumer Spending

The Project Team utilized Claritas data to analyze current market conditions and consumer spending in key economic sectors, with a focus on tourism and related industries. Major findings include:

- Fall River captures substantial retail sales from non-Fall River residents in sectors such as Retail Trade, Arts/ Entertainment/ Recreation, and Accommodation and Food Services. Increasing visitor spending in these areas can have a positive ripple effect on businesses and job opportunities.
- The retail opportunity/gap analysis reveals store types in which Fall River residents make more purchases than the sales of local stores, which represents opportunities for existing or new local stores to capture sales currently being made outside the City. Art Dealers, in particular, have significant sales potential leaking out of the region, making them an attractive market to target.
- Conversely, clothing stores in Fall River attract substantial retail sales from outsiders, indicating a cluster that can be promoted to tourists. Similarly, food and beverage stores in the City sell more to non-local residents than to Fall River residents.
- Per capita sales comparisons in the Food Services & Drinking Places sector indicate that Fall River has room to grow as a dining destination. While the City lags behind other reference geographies in drawing sales from outside the community, there is potential for growth, particularly in full-service restaurants.

Figure 2. Per capita Sales Comparisons in the Food Services & Drinking Places Sector



Source: Claritas *Site Reports*, 2022, and FXM Associates

- Fall River lags behind other reference geographies in overall per capita sales in the Arts, Entertainment, and Recreation sector. However, the City excels in the Amusement, Gambling, and Recreation Industries subsector, mainly attributed to its marinas.

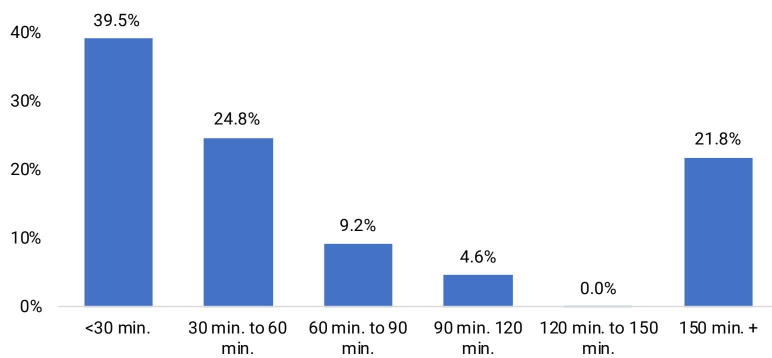
Visitor Profiles and Market Segments

This section analyzes visitor data from three key attractions in Fall River: Battleship Cove, Lizzie Borden House, and Narrows Center for the Arts. The combined dataset represents a collaborative community effort from major attractions in the city. The data focused on geographic insights from zip codes recorded at the attractions. Other insights (e.g., about age, income, information sources, etc) will be provided in a forthcoming addendum to this report, which will present the results of 4 intercept surveys conducted in June 2023. The current zip code data highlights important facts about visitorship to the City. This includes the fact that a majority of current visitors live within an hour's drive of Fall River and thus are probably day-trippers who arrive by automobile. The City can accommodate the likely needs of those visitors by attention to road signage, parking, and information on common day-trip activities such as museums, entertainment, and dining. It should also be noted that a significant chunk of visitors reside more than 2.5 hours away. This finding suggests the importance of marketing outside the immediate area to build awareness about Fall River's attractions and events. Visitor profiles with much more detail are possible, given additional data contributed by City businesses as well as intercept surveying.

It is important to note that the data from the attractions measures visitations rather than unique visitors, so the actual percentage of unique visitors from outside New England is higher.

- The majority of visitors to Fall River's catalyst destinations reside within a 60-minute drive from downtown Fall River. Approximately 35.7% of visitors come from locations more than an hour away, with 21.8% residing more than 2.5 hours away (see Figure 3).

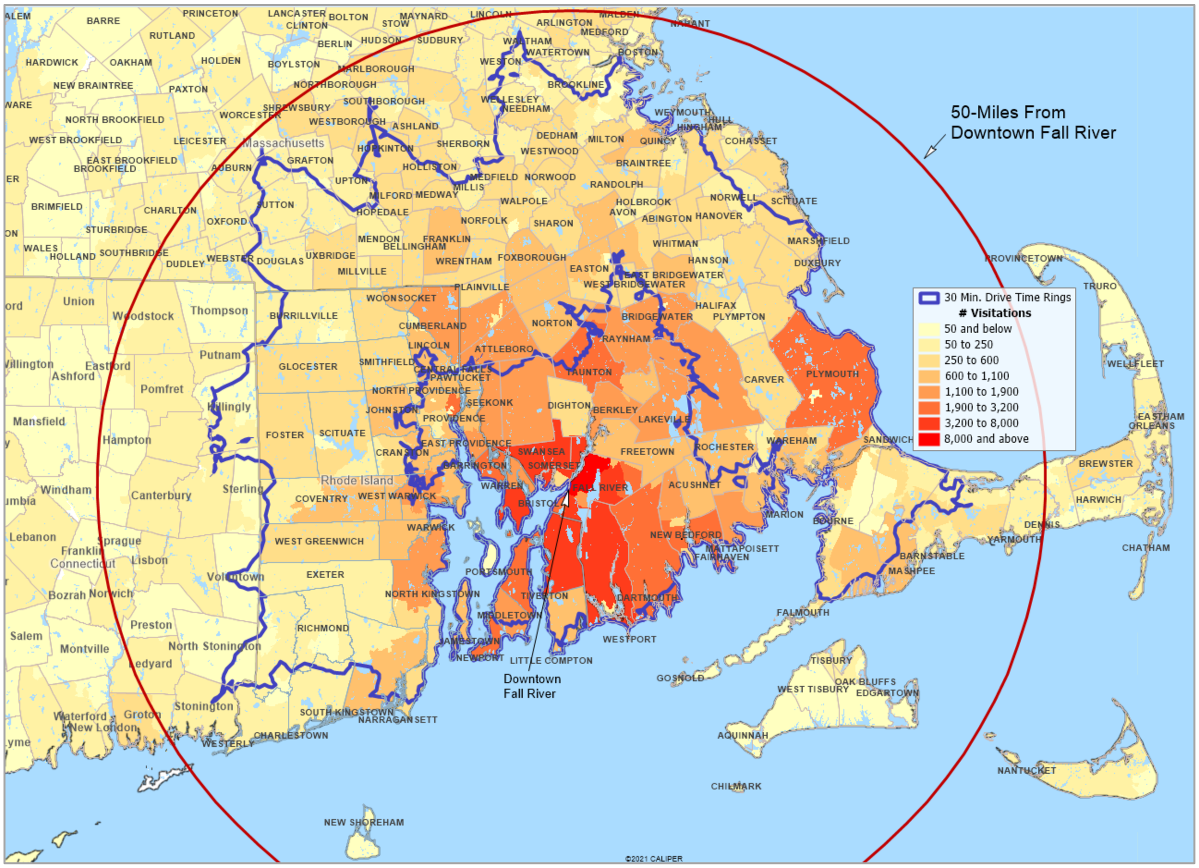
Figure 3. Visitor Drive Time to Downtown Fall River



Source: Visitor data from Battleship Cove, Narrows Center, and Lizzie Borden House

- While a significant portion of visitations comes from Fall River and neighboring communities, there are also notable visitations from areas beyond the 30-mile drive time, including Rhode Island communities (see Figure 4).

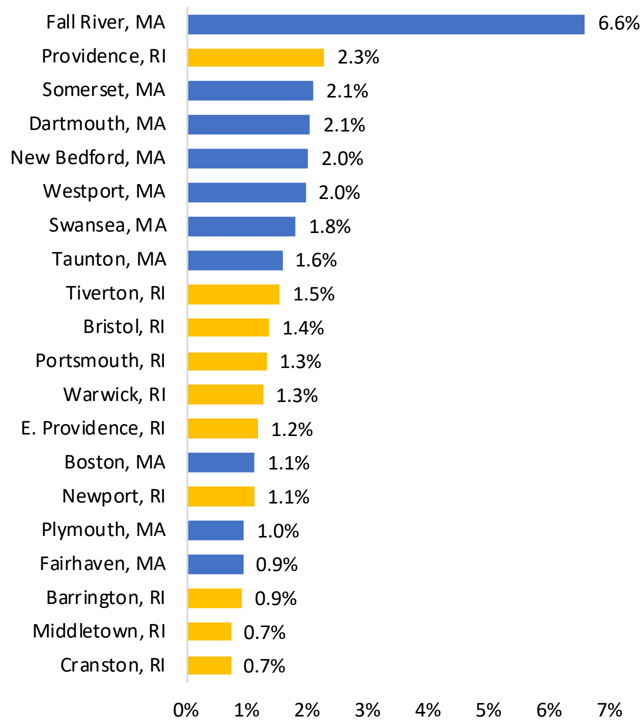
Figure 4. Visitations to Battleship Cove, Lizzy Borden House, and Narrows Center Showing 50-Mile Radius and 30-Minute Drive Time Bands



Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

- Fall River residents comprise the highest percentage of visitors to the City. Providence represents the second highest percentage of visitations, highlighting the importance of Rhode Island as a market for Fall River (see Figure 5).

Figure 5. Top Communities of Origin



Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

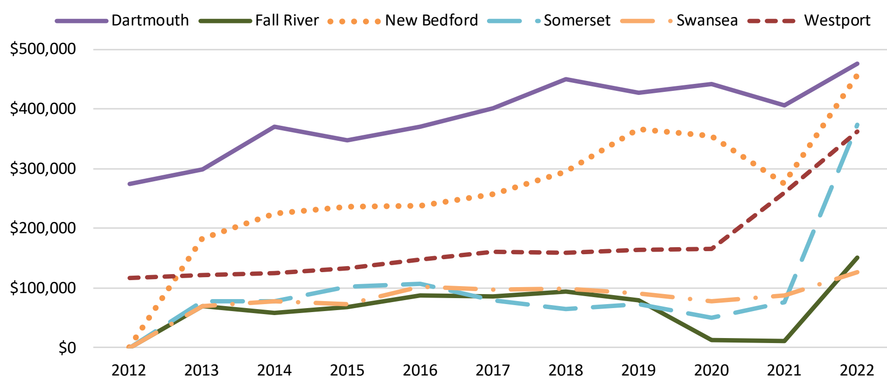
- The top states of origin for the attractions include New England states, as well as New York, Florida, Pennsylvania, New Jersey, and California.
- Visitors to these attractions come from throughout the United States. While most visitors are from New England, non-New England states account for 17.2% of total visits.
- International visitors account for 2.3% of total visitations, with a sizable portion from Canada, followed by the UK, Germany, and England.
- Further data collection efforts, including intercept surveys at attractions, will provide richer insights into visitor spending, length of stay, and attractions visited. By leveraging this information, Fall River can attract more visitors, enhance the visitor experience, and drive economic growth in the tourism sector. A forthcoming addendum to the current report will present findings from four intercept surveys conducted in June 2023 in the Waterfront district, including the Gates of the City.

Baselines Of Visitor-Influenced Economic Activity

Developing baselines of visitor-influenced economic activity is crucial for tracking the performance and impact of tourism over time. The current available data includes a time series analysis of rooms and meals tax revenues, as well as employment trends in the Retail and Accommodations and Food Services sectors. These data serve as baselines to quantify the growth of visitor spending and compare Fall River's progress with other communities in Massachusetts. Key findings include:

- In terms of rooms tax revenues, Fall River collected $150,953 in 2022, representing a 199.6% increase since 2013. However, the total amount collected is lower than other communities in the region, such as New Bedford, which collected $305,768 more in rooms tax in 2022, despite having only two hotels (see Figure 6). The difference in tax rates between Fall River (4%) and New Bedford (6%) explains only a small portion of this margin, indicating that New Bedford likely has higher revenue per available room (REVPAR).

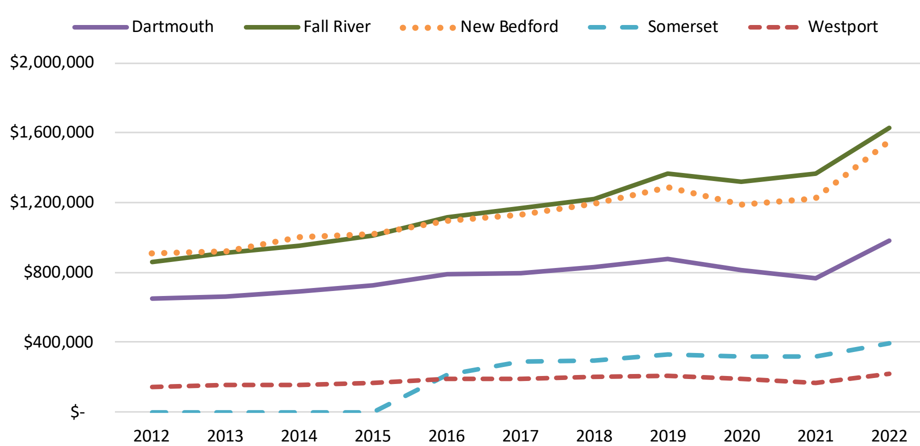
Figure 6. Rooms Tax Revenue, FY 2012 to FY 2022



Source: Massachusetts Department of Revenue

- Fall River collected significantly more in meals tax revenue compared to rooms tax. In 2022, Fall River collected $1,626,962 in meals tax, a 524% increase since 2012. In comparison, New Bedford collected $76,185 less in meals taxes in 2022 (see Figure 7).

Figure 7. Meals Tax Revenues, FY 2012 to FY 2022



Source: Massachusetts Department of Revenue

- The Retail sector experienced a decline in jobs during the 2008-2009 recession, with a modest recovery in Bristol County in 2010. However, employment in the Retail sector has been declining since 2016, suggesting challenges in reaching previous employment levels. The COVID-19 pandemic further impacted employment in 2020, making it difficult to provide reliable projections for the sector.
- Fall River, New Bedford, and Bristol County have seen positive trends since 2001 in the Accommodations and Food Services sector, although there was a significant decline in employment in 2020 due to the economic shutdown. The sector is projected to add jobs in the coming years, with most of the growth expected in the Food Services subsector.

Next Steps

The analysis up to this point has identified visitor segments and potential market opportunities, which have been utilized to develop marketing strategies for upcoming events. However, to further enhance Fall River's tourism industry, the following short-term and long-term strategies should be considered.

Short-Term Strategies

1. **Focus on the 30-Minute and 60-Minute Drive Time Markets:** Target densely populated areas within a 60-minute drive of Fall River, while still exploring opportunities to attract visitors from farther regions.
2. **Leverage Catalyst Attractions:** Utilize Fall River's catalyst attractions to raise awareness of the City's broader offerings by providing brochures, training staff, and creating themed routes or itineraries that connect attractions.
3. **Appeal to Local Residents:** Continue developing experiences and marketing campaigns that cater to the interests and preferences of local residents who reside within a 15- to 30-minute drive time of Fall River, who constitute a sizeable portion of visitors.
4. **Encourage Collaboration and Cross Marketing:** Foster collaboration among organizations, businesses, cruise lines, bus tours, tour operators, and hotels to create multi-attraction itineraries and packages that enhance the visitor experience.
5. **Develop Curated Tours and Events:** Collaborate to create destination clusters or routes that highlight specific themes (e.g., historical themes), attracting visitors and promoting lesser-known sites or businesses within the cluster.
6. **Focus on Culinary Tourism:** Market Fall River as a culinary hotspot with a unique culinary heritage by collaborating with local food producers, chefs, and restaurateurs to create engaging food experiences and food-themed events.
7. **Encourage Repeat Visits:** Implement loyalty programs, special promotions, and new programming to incentivize repeat visits and maintain visitor engagement.
8. **Focus on Impact Measurement and Reporting:** Develop systems to measure and communicate the organization's impact, which can strengthen donor trust, attract new supporters, and facilitate partnerships. This would include developing a list of key businesses and attractions with which Viva would partner to ensure that data is being collected at regular intervals.

Long-Term Strategies

1. **Secure Long-Term, Sustainable Financial Support:** Explore various funding sources and methods, such as grants, event revenues, and membership dues, to ensure sustainable support for ongoing initiatives.
2. **Optimize Marketing Efforts:** Utilize refined data from intercept surveys to identify top origin markets and tailor marketing efforts to specific visitor segments.
3. **Expand Marketing Reach:** Explore markets beyond a 50-mile radius, particularly the Greater Boston Area, to diversify the visitor base and ensure resilience against changing market conditions.
4. **Further Develop Cultural Tourism:** Showcase Fall River's rich cultural heritage and vibrant arts scene to attract travelers seeking authentic and immersive experiences, including exploring ethnic neighborhoods.
5. **Identify New Opportunities for Curated Programming:** Offering unique and tailored experiences will differentiate Fall River as a destination. Developing curated tourism programming through collaboration and partnerships will foster innovation, enhance relationships, and provide comprehensive offerings.
6. **Identify Solutions to Address Parking Issues on the Waterfront:** As the tourism economy expands, parking becomes a critical issue. Viva can contribute to addressing parking challenges by including related questions on surveys and supporting efforts to expand parking options and signage in the Waterfront/City Gates district.
7. **Extend the Tourism Season Beyond the Warmer Summer Months:** Efforts should be made to attract visitors during off-peak seasons by developing programming tailored to their interests. Examples include Victorian Christmas events, coordinated Trunk Sale Weekends, and discounted rates. Identifying specific interest groups is essential for successful off-season promotions.
8. **Focus on "Hub and Spoke" Visitors:** Fall River can position itself as a hub for visitors exploring the surrounding SouthCoast region. Coordination with tour operators and bus tours, along with budget-friendly lodging and dining options, can help establish Fall River as an attractive base for travelers who cannot find accommodations in other popular destinations.
9. **Broaden Strategies to Include Historical and Recreational Outdoor Attractions:** Attracting visitors to Fall River's historical attractions provides an additional opportunity to increase visitation. Additional market research should be conducted to gain insights into the preferences of this target audience to enable the development of tailored marketing campaigns and initiatives.
10. **Expand Programming to Include Recreational Outdoor Activities:** Fall River's parks, lakes, waterfront, and the Southeastern Massachusetts Bioreserve offer a wide range of recreational outdoor activities. To maximize the marketing impact, it is important for Viva to identify the market segments that patronize recreational outdoor activities. Moreover, focusing on attracting boat cruisers and marina users presents a strategic approach to boost recreational tourism in Fall River.

1 Project Overview

Research Purpose

The overarching goal of this project is to support Fall River's economic development efforts to leverage its creative economy and cultural tourism assets. This is accomplished by assessing current market conditions and identifying Fall River's key visitor segments and potential market segment opportunities. In turn, Viva Fall River will utilize the findings to develop targeted marketing strategies aimed at attracting more visitors to the City.

Our research builds on Fall River's *2021 Arts and Culture Creative Economy Plan*, commission by the Fall River rts & Culture Coalition (FRACC). The report provides a roadmap for the implementation of the multi-year strategy with the goal of fostering a vibrant, inclusive, and sustainable creative economy as well as identifying cross-sector opportunities that support a cohesive approach to the City's creative economy goals. This includes a focus on "long-term, sustainable support and infrastructure for arts, culture, and the visitor economy" and providing "professional marketing and promotion for all aspects of the creative economy."[1]

A Collaborative Approach

The analysis was conducted in partnership with Viva Fall River and its eight-member Tourism Advisory Committee. Viva Fall River is an active tourism organization that champions economic growth and celebrates all the city has to offer: creative arts, rich ethnic and cultural traditions, diverse businesses, a picturesque waterfront, spirited events, and more. The organization is a grant-funded, public-private partnership and is a fiscal sponsorship of the One SouthCoast Chamber Foundation, a not-for-profit entity.

UMass Dartmouth's Charlton College of Business (CCB), Viva Fall River, and Viva's Tourism Advisory Committee met bi-weekly as a working group throughout the project. The CCB team presented new data and analysis at each of these meetings to solicit feedback and ensure that the information was beneficial to Viva and the City. Importantly, these meetings provided Viva with actionable data that informed marketing strategies for the spring and summer tourist seasons. That is, much of the analysis and strategies presented in the working groups have already been implemented.

The Creative Economy and Economic Development

The creative economy and the tourism it supports can be a powerful economic driver, particularly for destinations that are able to effectively market their offerings and provide high-quality visitor experiences. Fall River's creative economy supports jobs throughout the region, from performing and visual artists to landscape designers and architects, which in turn supports employment in other, non-creative industries. The creative economy also attracts visitors from outside the region, whose spending boosts the local economy and generates additional job creation and business growth, while also generating tax revenue through taxes on hotel stays, meals, and property taxes.

[1] The analysis was conducted by CivicMoxie, a planning, urban design, and placemaking group located in Brookline, MA. Civic Moxie. (2021). Arts and Culture Creative Economy Plan. https://www.vivafallriver.com/wp-content/uploads/2021/11/ VivaArtsCulture_CreativeEconomy_FINAL_Pages.pdf.

Fall River has identified the creative economy and tourism as important components of the City's economic development efforts. For example, the City's 2009-2030 Master Plan outlines two visions related to tourism:

1. Be an active site for tourism based on its historic and cultural resources, its waterfronts, and its ethnic diversity.
2. Have many attractive mill buildings and other historic structures that have been rehabilitated to provide for retail, artists' live/work space, tourism, and residential uses.[2]

The more recent 2019 *Waterfront Urban Renewal Plan*[3] and *Downtown Urban Renewal Plan*[4] also clearly articulate the importance of the City's creative economy to overall economic development.

THE ANALYSIS INCLUDES THREE PRIMARY TASKS

Task 1: Assess Current Market Conditions and Consumer Spending

Highlights current market conditions and consumer spending in the key economic sectors that include tourism and related economic activity. The analysis also compares spending in Fall River to other communities in selected tourism-related industries.

Task 2: Develop Visitor Profiles and Market Segments

Utilizes visitor data from three of Fall River's major attractions to characterize visitor market segments and to make inferences about the visitors themselves based on the characteristics of where they reside. Interviews with local key informants were also conducted as background to assist in characterizing and prioritizing market segments. A forthcoming addendum to the current report will present findings from four intercept surveys conducted in June 2023 in the Waterfront district, including the Gates of the City.

Task 3: Establish Baselines of Visitor-Influenced Economic Activity

Develops baseline measures of visitor-influenced economic activity such as room and meals taxes to position Fall River to quantify the growth of visitor spending and the tourism sector as a whole over time.

[2] City of Fall River Planning Department. (2009). *City of Fall River Master Plan 2009 – 2030.* https://www.fallriverma.org/wp-content/uploads/2017/12/Master_Plan_Entire-non_cover.pdf

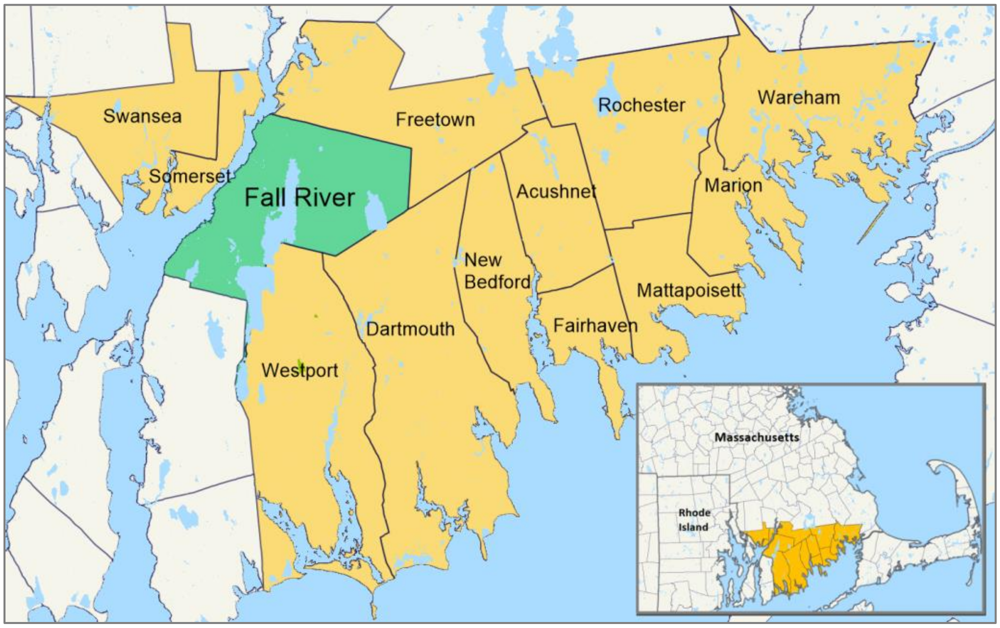
[3] Harriman et al (2019). *Fall River Waterfront Urban Renewal Plan.* Fall River Redevelopment Authority. https://www.fallriverma.org/wp-content/uploads/2018/06/20180904-Waterfront-URP-Draft-low-res.pdf.

[4] Harriman et al (2019). *Fall River Downtown Urban Renewal Plan.* Fall River Redevelopment Authority. https://www.vivafallriver.com/wp-content/uploads/2022/08/downtown-urban-renewal-plan-sept.-2018-draft.pdf.

2 About Fall River

Fall River is a city of about 94,000 people located in the southeast region of Massachusetts called the South Coast (see Figure 8). Fall River is one of the state's many Gateway Cities, which are defined as midsize urban centers that anchor regional economies. These cities are primarily former industrial centers that were the traditional gateways for immigrants.

Figure 8. Massachusetts South Coast



Fall River Boasts Many Amenities That Are Attractive To Tourists

Fall River is home to several notable landmarks, including Battleship Cove, which houses the USS Massachusetts, the Lizzie Borden House, and the Fall River Historical Society. The City has more than two dozen parks and recreational areas, including Fall River Heritage State Park, which hosts events and festivals throughout the year, and three parks designed by Frederick Law Olmstead. Other popular outdoor destinations include the 4.5-mile Quequechan River Trail and the 13,600 acre Southeastern Massachusetts Bioreserve. Fall River also has a vibrant cultural scene, with numerous venues highlighting local and regional artists and performers. The Narrows Center for the Arts is a primary destination for cultural events, offering a range of performances, concerts, and exhibits throughout the year.

There is Opportunity to Further Develop Cultural Tourism

Notably, while 73.4% of Fall River's population identifies as White, the City's White population includes much ethnic and linguistic diversity, particularly among residents of Portuguese descent. Fall River has one of the largest concentrations of residents with Portuguese ancestry in the country, which adds to the breadth of the City's cultural amenities, particularly in the number of restaurants serving traditional Portuguese cuisine. Numerous festivals and events celebrate Portuguese heritage and food throughout the year, including many church festivals and the Great Feast of the Holy Ghost of New England, which is one of the largest Azorean celebrations in the world.

While Portuguese immigrants comprised the majority of the region's foreign-born residents in the last half of the 20th century, emigration from Europe to the U.S. has slowed, and now immigrants from Latin America, South America, Africa, and Asia account for increasing shares of the populations in the region. Notably, Fall River's student population is much more diverse than the population as a whole, which portends that the City will become more racially diverse over time. For example, only 46.2% of students in the Fall River Public Schools identify as White, compared to 73.4% of all residents.

As is the case with many urban areas in the U.S., a sizable portion of new business startups are immigrant-owned businesses. Fall River's newer immigrants have already expanded the flavors of the cultural scene, including restaurants serving Brazilian, Central American, Puerto Rican, Caribbean, and Cambodian fare. The change in Fall River's demographics creates new tourism and creative economy opportunities, but also different implications in terms of how the City is marketed to tourists.

The City Falls Below State Averages on Most Socioeconomic Metrics

City residents primarily support most Fall River businesses. The local market is characterized by households with significantly lower incomes and wages compared to the state average since Fall River has not experienced the benefits from the Boston metro area's knowledge economy. Many of the region's service-related jobs require low levels of formal training or education and pay comparatively low wages. Accordingly, Fall River and some of the region's suburban communities fall below their regional counterparts and state averages on most socioeconomic metrics.

For example, Fall River's median household income is only 52.1% of the statewide median[5] and its 2021 annual average wage was only 62.6% of the state average. The latest unemployment rates available for this report show that the City's unemployment rate was 5.6% in December 2022, which compares to 3.2% statewide.[6] Consequently, expanding the City's economic base will likely require a continued influx of new residents (Fall River's population increased by 5.8% from 2010 to 2020 compared to 7.4% over this period statewide) along with attracting more day trippers from the surrounding suburbs and more visitors who reside in the Greater Boston and Greater Providence areas. Attracting visitors from outside the region will be vital because the City's population is projected to decline steadily over the next 30 years.[7]

[5] Median household income, ACS 2017-2021 estimates, Table S1903.

[6] Sources:; Average annual wage and unemployment rate, Massachusetts Executive Office of Workforce and Labor Development, ES202 and LAUS datasets respectively. The ES202 dataset reports wages by place of work, not by the city or town in which employees live. LAUS measures the unemployment rate of residents regardless of where they work.

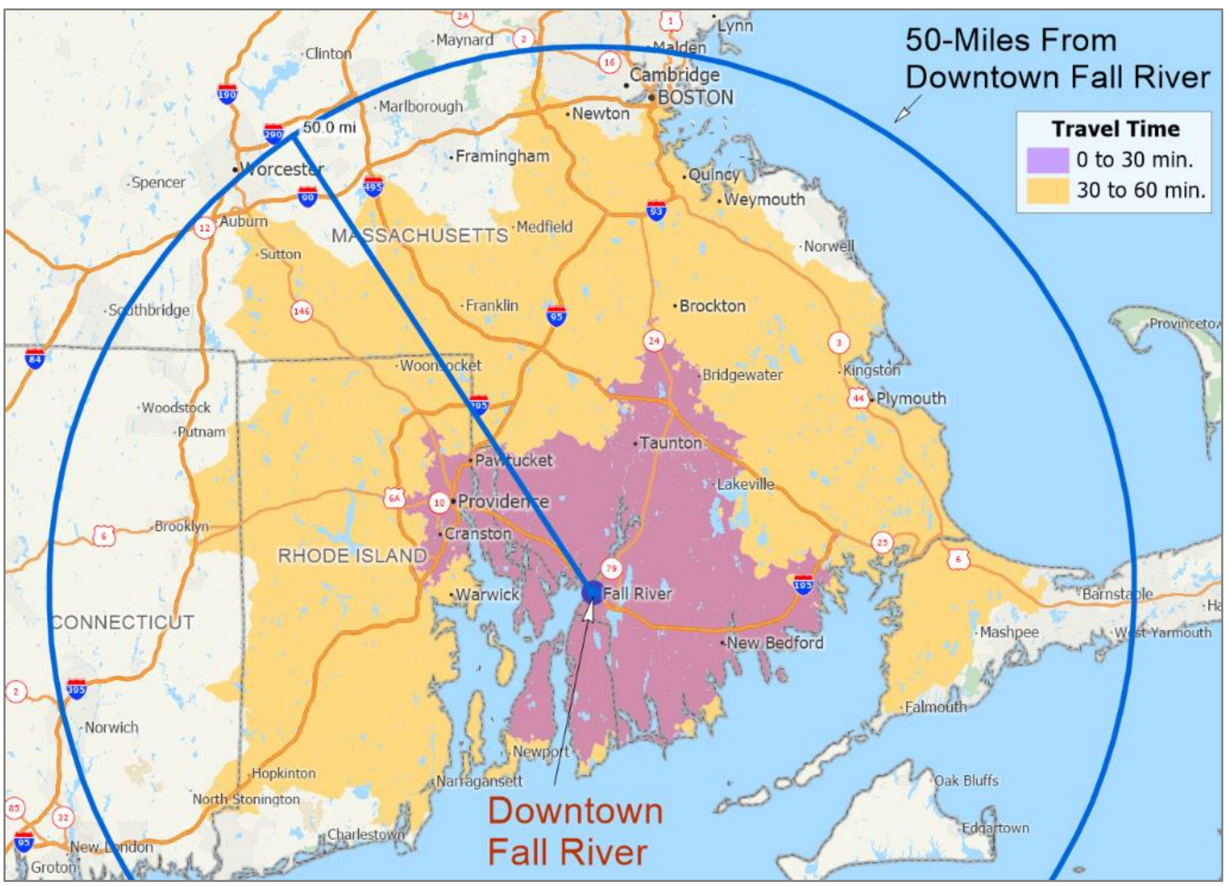
[7] The UMass Donahue Institute's Massachusetts Population Estimates Program estimates that Fall River's population will be 84,468 in 2050. See https://donahue.umass.edu/business-groups/economic-public-policy-research/massachusetts-population-estimates-program/population-projections.

3 Defining Fall River's Tourism Market

Fall River's tourism market area refers to the geographical region from which visitors primarily travel to the City for tourism purposes. While beyond 50 miles is the standard cutoff for defining tourists and the revenue they add to the local economy, an analysis of visitor and market data and conversations with local businesses and organizations confirms that the majority of the City's visitors reside within a 60-minute drive time of downtown Fall River, with the vast majority of these visitors residing within 30-minutes. Accordingly, the 30- and 60-minute drive time markets represent a more attainable and cost-effective short-term strategy for Viva and the City for increasing visitation.

Figure 9 displays the two drive time bands as well as a fifty mile radius from downtown. Importantly, the decision to focus on the local market in the short term does not imply that Viva and the City should not continue to market to households outside the 60-minute drive time zone. Indeed, as will be detailed later in this report, Fall River attracts visitors from all over the globe and the defining characteristics of Fall River's tourism market area can vary depending on factors such as proximity, accessibility, demographics, and visitor preferences. By effectively promoting its distinctive cultural heritage sites, restaurants, natural landmarks, recreational opportunities, and events, Fall River has the potential to expand its market area in both the short and long-term, encompassing regions that attract visitors seeking those particular attractions.

Figure 9. Fall River Market Area, Two 30-Minute Drive Time Bands



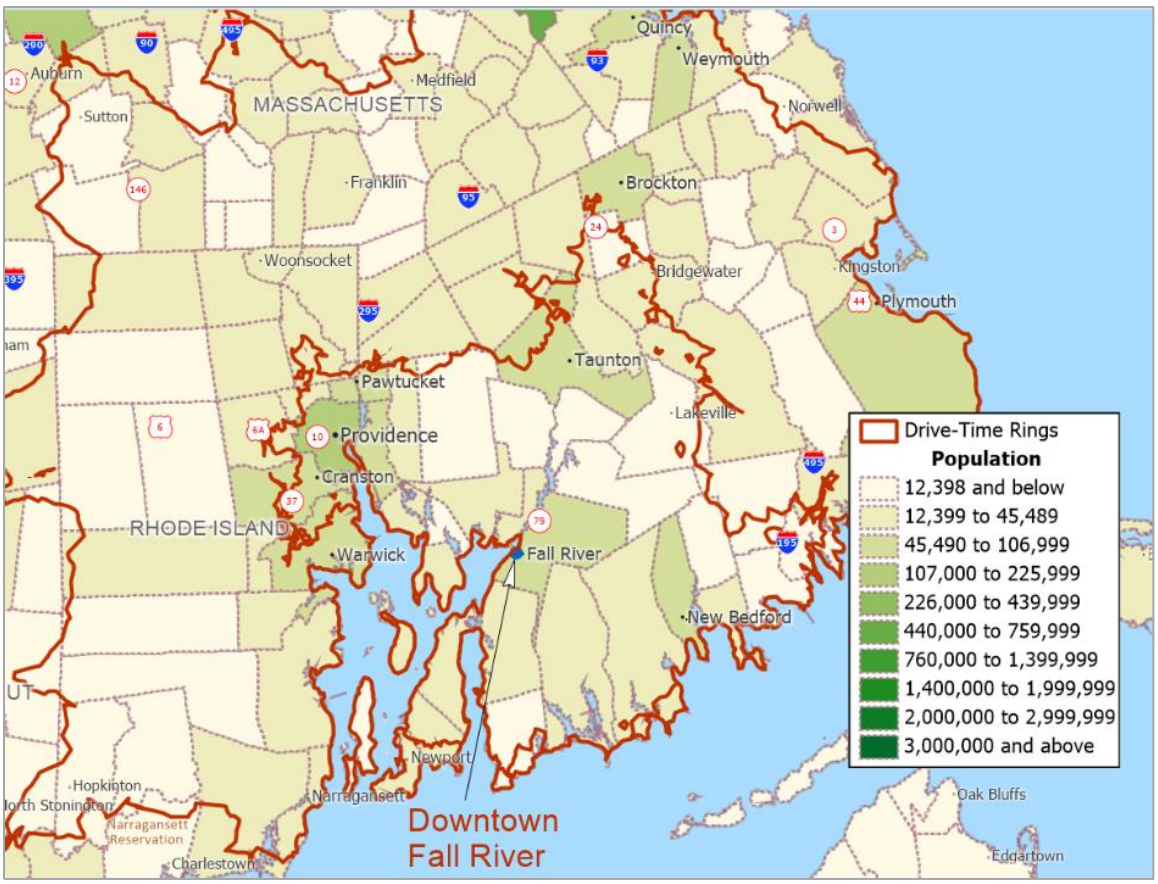
Market Segmentation

Market segmentation is a strategy used by businesses and organizations to divide their target market into distinct groups or segments based on certain characteristics and needs. Market segmentation can be based on numerous factors such as demographics (age, gender, income), psychographics (lifestyle, values, interests), behavior (buying habits, brand loyalty), and geographic location. By segmenting the market, Viva can tailor its messaging, communication channels, product offerings, and promotional efforts to effectively connect with its desired market segment. Market segmentation can also help Viva to identify new market opportunities and develop niche products or services to cater to underserved segments.

Population Density is Low Among Most Communities in the Region

Fall River is the third most populous City in the market area, behind Providence and New Bedford. However, many of the communities in the 30-minute and 60-minute market areas have low population totals (see Figure 10). For example, the South Coast's suburbs comprise only 45.5% of the region's total population.

Figure 10. Population of Southeastern Massachusetts and Rhode Island Communities, 2021

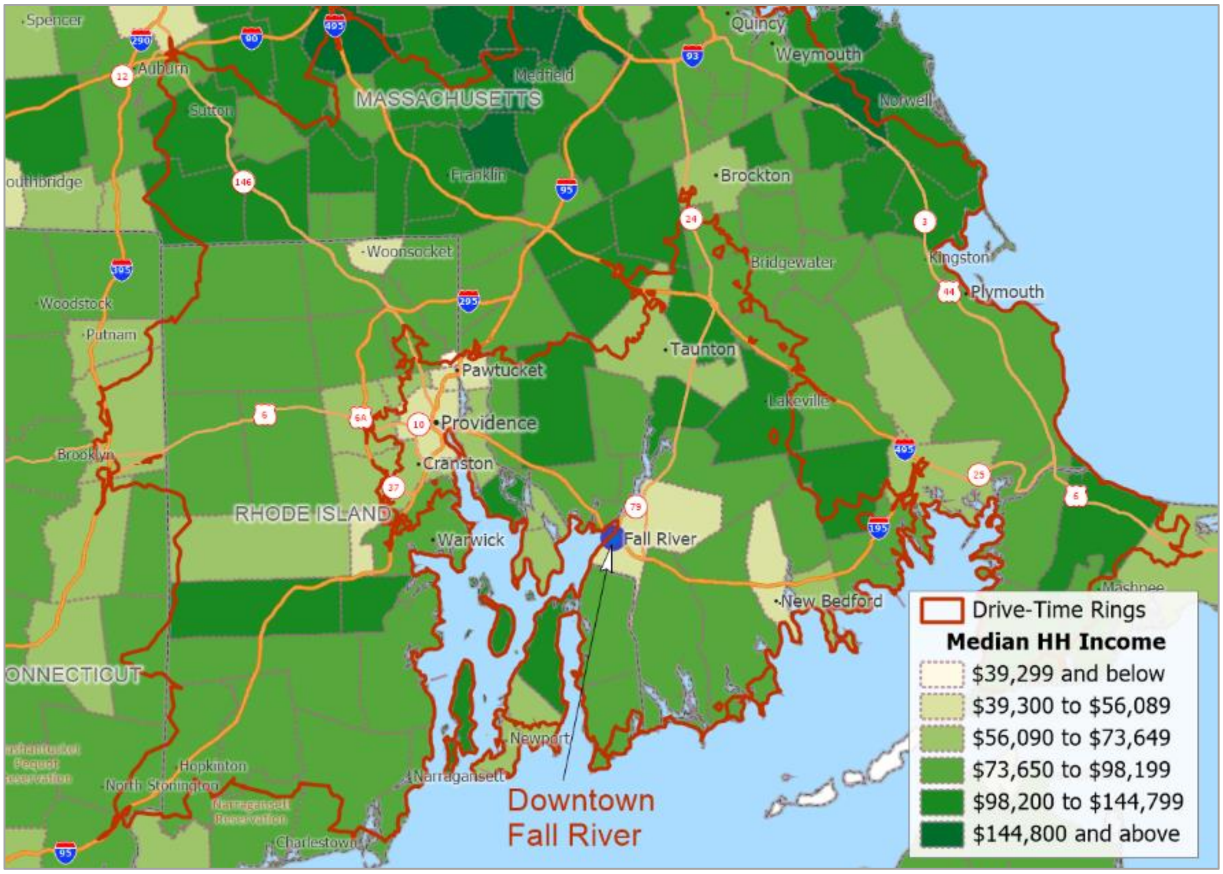


Source: U.S. Census ACS 2017-2021 5-year estimates, Table S1903

Fall River Is Surrounded by High-Income Communities

While Fall River has one of the lowest median income levels in the state, communities throughout the market area have high incomes, particularly in East Bay Rhode Island and Southern Rhode Island. In addition, many of these areas have dense populations, which provides an opportunity to focus marketing dollars on these high income-population areas (see Figure 11).

Figure 11. Median Household Income In The Market Areas, 2021

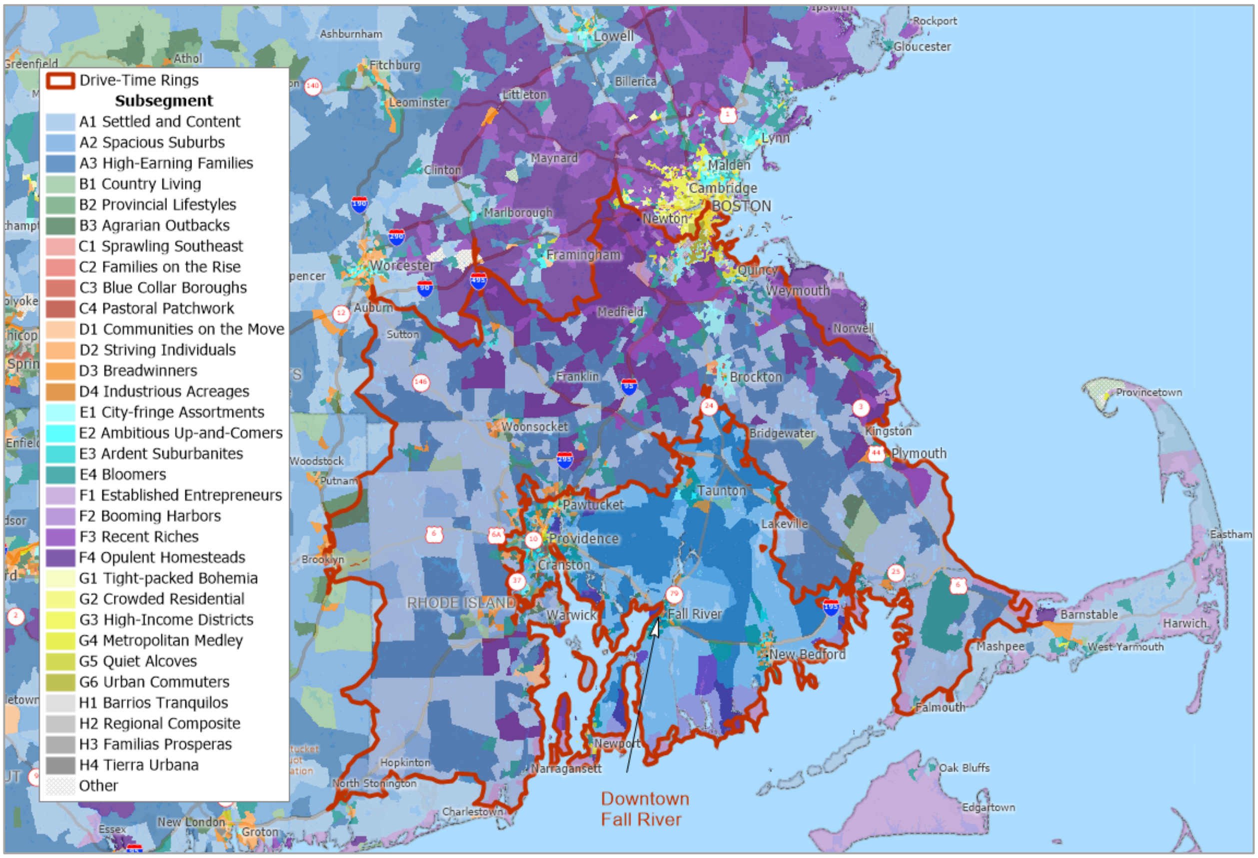


Source: U.S. Census ACS 2017-2021 5-year estimates, Table B01003

The South Coast Is Defined by Established Suburbs

The project team utilized Maptitude's Geodemographic Segmentation database, which organizes market segments into eight large segments and thirty-two subsegments. Figure 12 presents the 32 segments by Census block group for Southeastern Massachusetts and Rhode Island. The SouthCoast consists of more established suburbs (see the Comfortable Living segment), while the Greater Boston area is more affluent (see Affluent Environments). East Bay Rhode Island and Southern Rhode Island also contain pockets of high affluence. Because Rhode Island is proximate to Fall River (most of the state is within 40 minutes of downtown Fall River) and has areas with high incomes, these areas are ripe for targeted marketing efforts. Indeed, two of the City's signature attractions—Battleship Cove and the Narrows Center—currently attract a considerable number of visitors from these areas.

Figure 12. Market Segments, Southeastern Massachusetts and Rhode Island, 2022



Comfortable Living

- Middle to high income
- Primarily white population
- High percentage of families
- Low population density
- Common in the Northeast
- Mostly high school and college graduates

Affluent Environments

- High income
- Primarily white and Asian population
- High percentage of families
- Moderate population density
- Commonly found just outside of cities
- Many college graduates

Maptitude Geodemographic Segmentation

4 Assessing Current Market Conditions And Consumer Spending

The Project Team conducted an analysis of the current market conditions and consumer spending in key economic sectors, including tourism and its related industries. We also compared the spending patterns in Fall River with other communities in similar tourism-related sectors. Additionally, the team performed a retail opportunity/gap analysis to assess the potential for boosting local sales, considering the prevailing market conditions and specifically the outflow of resident spending to stores located outside the City. In contrast to identifying potential sales gaps, the team also examined industries that are attracting purchases to Fall River beyond the local residents' demand, leading to sales surpluses.

Key takeaways:

- Substantial retail sales are being captured by Fall River businesses from non-Fall River residents.
- The Retail Trade sector, the Arts/Entertainment/Recreation sector, and the Accommodation and Food Services sector have the highest visitor spending in Fall River.
- These three sectors combined contribute to $1.3 billion in annual business sales, accounting for 21% of the City's total sales, and provide 7,766 jobs, which is 18% of the City's total employment.
- The Healthcare and Social Assistance sector is the only sector that comprises more jobs than these sectors.
- Because of their potential attraction to tourists, Art Dealers are particularly noteworthy in both the local and regional market contexts with about $32 million in annual sales potential now leaking out of the region.
- Fall River businesses capture substantial retail sales from non-Fall River residents, with $485 million, or 25% of all retail sales made to non-local residents in 2022. Clothing stores, in particular, attract 63% of their sales from outside Fall River, indicating a potential cluster to promote to tourists.
- Fall River's food and beverage stores also sell more to non-local residents, suggesting that restaurants and eating establishments are an attraction to tourists. Fall River lags behind other geographies in drawing sales from outside the community or region, indicating room for growth in becoming a dining destination.

Substantial Retail Sales Are Being Captured by Fall River Businesses from Non-Fall River Residents `

This section highlights current market conditions and consumer spending in the key economic sectors that include tourism and related economic activity and compares spending in Fall River to other communities in selected industries related to tourism.

Table 1 below shows establishments, jobs, and sales in Fall River by industry sector.

Table 1. Establishments, Jobs, and Sales in Fall River By Industry

NAICS	Business Type	Number of Establishments	Employees	Annual Sales ($)
11	Agriculture, Forestry, Fishing, & Hunting	3	9	508,000
21	Mining, Quarrying, and Oil and Gas Extraction	1	8	2,015,000
22	Utilities	4	66	28,740,000
23	Construction	242	1,182	223,281,000
31-33	Manufacturing	161	3,338	568,598,000
42	Wholesale Trade	110	1,410	1,798,092,000
44-45	**Retail Trade**	**480**	**4,664**	**1,126,812,750**
48-49	Transportation and Warehousing	54	712	45,850,000
51	Information	65	487	115,102,750
52	Finance and Insurance	248	1,329	288,203,400
53	Real Estate and Rental and Leasing	182	786	82,530,500
54	Professional, Scientific, and Technical Services	417	1,581	247,284,191
55	Management of Companies and Enterprises	7	35	9,119,000
56	Admin and Support and Waste Mgmt Services	95	1,096	78,487,734
61	Educational Services	81	2,053	18,533,451
62	Healthcare and Social Assistance	1,787	17,122	1,093,638,560
71	**Arts, Entertainment, and Recreation**	**42**	**469**	**48,980,000**
72	**Accommodation and Food Services**	**216**	**2,633**	**128,195,500**
81	Other Services (except Public Administration)	494	3,090	148,199,988
92	Public Administration	73	1,084	34,193,234
	Totals	**4,762**	**43,154**	**6,086,365,058**

Source: EnvironicsAnalytics, Claritas *Spotlight Reports,* 2022, and FXM Associates

The sectors highlighted in grey – Retail Trade; Arts, Entertainment, and Recreation; and Accommodation and Food Services – are the ones in which most visitor spending is likely to be made. The three sectors combined account for $1.3 billion in annual business sales (21% of City totals) and 7,766 jobs (18% of City jobs). Only the Healthcare and Social Assistance sector comprises more jobs. While visitor spending now accounts for a small proportion of total economic activity, boosts in such spending will have a ripple effect for businesses and help maintain and expand jobs, especially for businesses operating on small profit margins endemic to firms in these sectors.

Retail Opportunity/Gap Analysis

A retail opportunity/gap analysis is one technique used to measure possibilities for increasing local sales based on current market conditions, and specifically resident spending that is now leaking from Fall River to stores outside the City. In this instance it is also used to highlight those sectors in Fall River that are currently capturing sales from outside Fall River and may therefore represent opportunities for Fall River to promote their apparent regional draw in the hope of drawing additional consumers to local stores.

Data in Table 2 show those store types in which the annual purchases made by Fall River residents are greater than the sales (supply) of local stores. These represent an opportunity for existing or new local stores to capture the sales now being made outside of Fall River. New visitor spending could enhance these prospects in the store types shown. Table 3 shows the leaked sales opportunities within a 30-minute drive time market area. Because of their potential attraction to tourists, Art dealers are particularly noteworthy in both the local and regional market contexts with about $32 million in annual sales potential now leaking out of the region.

Table 2. Selected Opportunity Gap in Fall River, 2022[8]

	Demand $	Supply $	Gap $	5-year Projected Growth $	% Projected Demand Growth (2022-2027)
Lawn and garden equipment and supplies stores (NAICS 4442)	$ 11,961,484	$ 1,492,908	$ 10,468,576	$ 2,413,596	20%
Cosmetics, beauty supplies, and perfume stores (NAICS 44612)	$ 4,561,873	$ -	$ 4,561,873	$ 737,113	16%
Optical goods stores (NAICS 44613)	$ 2,042,673	$ -	$ 2,042,673	$ 444,577	22%
Food (health) supplement stores (NAICS 446191)	$ 1,303,926	$ -	$ 1,303,926	$ 204,327	16%
All other health and personal care stores (NAICS 446199)	$ 2,342,180	$ -	$ 2,342,180	$ 379,996	16%
Luggage and leather goods stores (NAICS 44832)	$ 3,674,169	$ 61,873	$ 3,612,296	$ 297,324	8%
Art dealers (NAICS 45392)	$ 2,948,709	$ 93,055	$ 2,855,655	$ 215,370	7%
Gift, novelty, and souvenir stores (NAICS 45322)	$ 3,630,512	$ 586,355	$ 3,044,158	$ 307,705	8%

Source: Claritas *Retail Market Power* and FXM Associates; NOTE: $0 appear to be incorrect or missing data

Table 3. Selected 30-Minute Opportunity Gap in Fall River, 2022

	Demand $	Supply $	GAP $	Gap % of Demand	Projected Demand Growth 2022-2027 $	% Demand Growth
Floor covering stores (NAICS 44221)	$ 119,737,811	$ 66,420,218	$ 53,317,593	45%	$ 10,329,097	9%
Hardware stores (NAICS 44413)	$ 101,010,388	$ 50,309,822	$ 50,700,565	50%	$ 16,196,310	16%
Lawn and garden equipment and supplies stores (NAICS 4442)	$ 166,200,542	$ 74,086,998	$ 92,113,544	55%	$ 36,461,723	22%
Luggage and leather goods stores (NAICS 44832)	$ 48,743,548	$ 1,946,741	$ 46,796,807	96%	$ 4,832,698	10%
Art dealers (NAICS 45392)	$ 41,658,653	$ 9,572,108	$ 32,086,545	77%	$ 3,989,319	10%
Limited-service restaurants (NAICS 722513)	$ 722,595,345	$ 635,362,564	$ 87,232,781	12%	$ 132,096,801	18%

Source: Claritas *Retail Market Power*, 2022, and FXM Associates

[8] Demand = all estimated spending by Fall River residents (inside or outside Fall River). Supply = all estimated sales of Fall River establishments. Surplus = indicates sales that exceed demand from Fall River residents.

In contrast to the analysis of potential sales gaps, examination of sales *surpluses* reveals those industries that are drawing purchases to Fall River in excess of the demand by local residents. These surplus sales may indicate store types that can be promoted for their relative attractiveness within the regional market – in other words, places to which consumers who live outside the city of Fall River are drawn. In fact, substantial retail sales are being captured by Fall River businesses from non-Fall River residents as shown in Table 4.

Table 4. Selected Retail Surplus in Fall River, 2022

	Demand	Supply	Surplus	Surplus % of Sales	5-year Projected Growth	% Projected Demand Growth (2022-2027)
All Retail	1,425,287,100	1,910,130,988	-484,843,888	25%	188,675,687	13%
Furniture and home furnishings stores (NAICS 442)	28,917,152	47,083,351	-18,166,199	39%	2,770,919	10%
Building and garden supplies dealers (NAICS 444)	101,504,064	132,029,997	-30,525,933	23%	12,567,065	12%
Food and beverage stores (NAICS 445)	206,456,469	426,528,285	-220,071,816	52%	26,324,914	13%
Pharmacies and drug stores (NAICS 44611)	69,243,171	136,516,078	-67,272,907	49%	10,898,340	16%
Clothing stores (NAICS 4481)	32,968,241	89,515,140	-56,546,899	63%	1,226,988	4%
Warehouse clubs and supercenters (NAICS 452311)	137,127,307	175,174,787	-38,047,480	22%	17,236,049	13%
Restaurants and other eating places (NAICS 7225)	128,120,403	153,965,961	-25,845,558	17%	20,171,879	16%

Source: Claritas *Retail Market Power* and FXM Associates

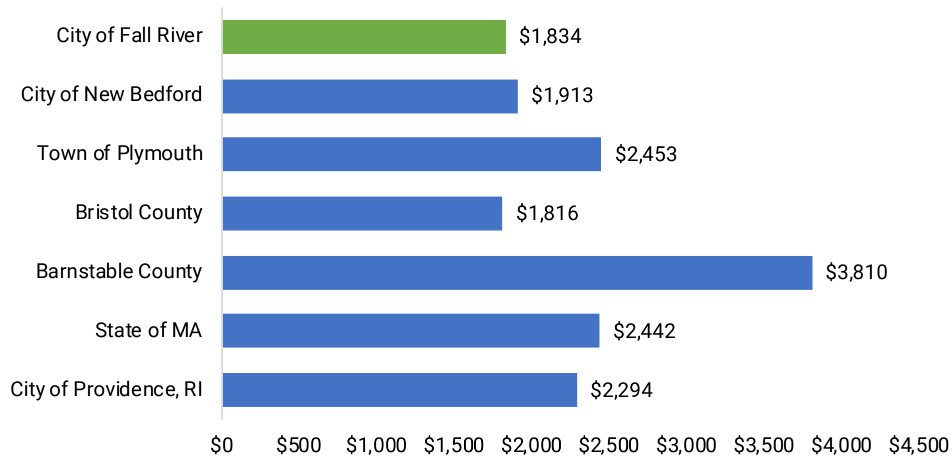
About $485 million, or 25% of all retail sales in Fall River, were made to non-Fall River residents in 2022. Of particular note are the 63% of clothing store sales made to persons not living in Fall River. This high surplus of sales in excess of local demand indicates a cluster that could be promoted to tourists based on its demonstrated attractiveness to outsiders and the fact that clothing is largely a comparative shopping item for which consumers will travel to brick and mortar stores to find specialty items and bargains they can physically touch and try on.

The surplus Claritas shows in clothing (NAICS 4481) is the most significant of any retail category examined, representing 63% of store sales in Fall River and nearly twice the demand of City residents only. On a deeper dive into the Claritas data, the largest surplus among clothing store types is family clothing stores (NAICS 44814) with store sales twice those attributable to Fall River residents only. Food and beverage stores in Fall River also sell more to non-local than to Fall River residents.

Per Capita Sales: Food Services & Drinking Places

Restaurants and other eating and drinking establishments are an obvious source of attraction to tourists and Fall River is already promoting these resources. The surplus shown in Table 4, $26 million or 17% of total sales, indicates that non-Fall River residents are dining within the City. To measure the relative attractiveness of Fall River dining establishments compared to those in other locales, a comparison of sales per capita is shown in Figure 13. The higher the per capita sales measure, the more likely that a geographic area is drawing visitors from outside the local community. In these comparisons, Fall River lags all the reference geographies in drawing sales from outside the community or region. Not surprisingly, in this measure Barnstable County shows its mettle as a tourist destination while Massachusetts overall and the Town of Plymouth exhibit high per capita dining sales. This implies that Fall River has room to grow as a destination for eating.

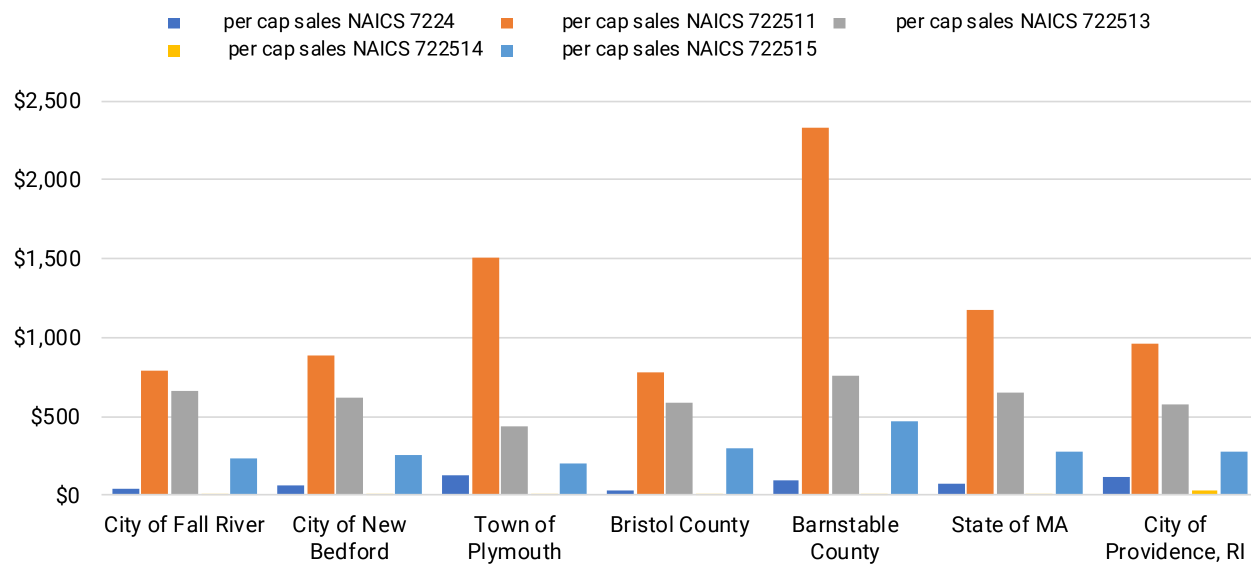
Figure 13. Per Capita Sales in NAICS 72: Food Services & Drinking Places



Source: Claritas *Site Reports*, 2022, and FXM Associates

In the following Figure 14 the per capita sales comparisons are further fleshed out by type of eating and drinking place. As shown in the figure, Fall River lags in per capita full-service restaurant sales but is exceeded only by Barnstable County in relative sales at limited-service (mostly fast food) restaurants. More emphasis on promoting the full-service restaurants, which also tend to include more locally owned establishments, could shift the dining preferences away from fast food over time.

Figure 14. Per Capita Sales Selected Eating & Drinking Places



NAICS Key:

7224: Drinking Places (alcoholic beverages)
722511: Full-service Restaurants
722513: Limited-service Restaurants
722514: Cafeterias, Grill Buffets, & Buffets
722515: Snack & Non-alcoholic Beverage Bars

Source: Claritas *Site Reports* and FXM Associates

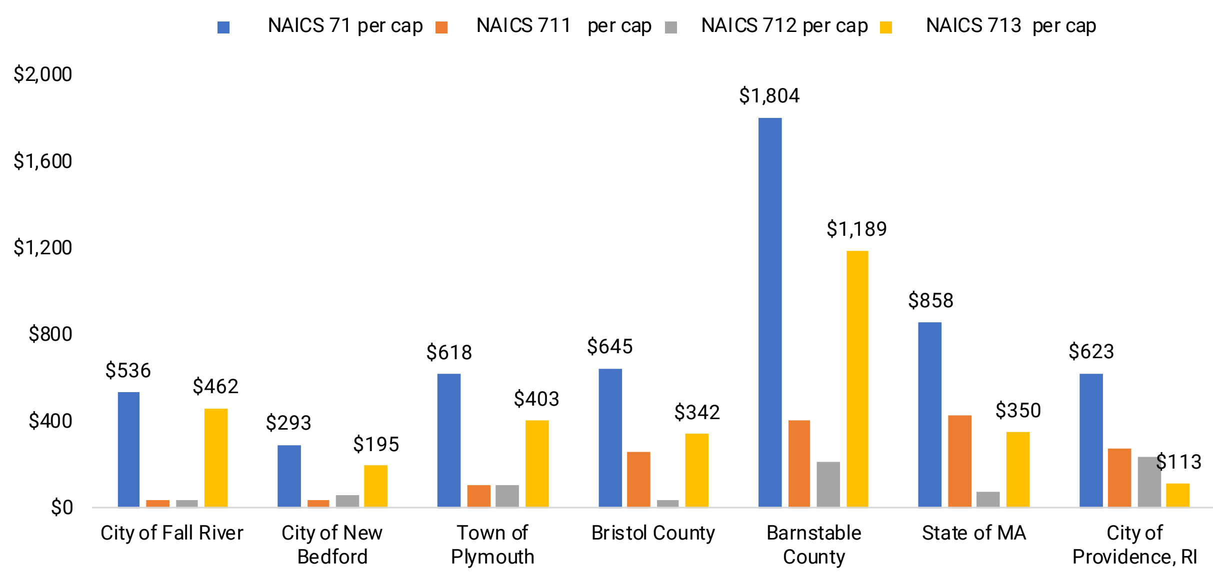
Per Capita Sales: Arts, Entertainment, and Recreation

Another sector of interest to tourism planning and promotion is Arts, Entertainment, and Recreation. Table 5 shows per capita sales for Fall River and reference geographies, while Figure 15 plots the data graphically. As shown in these data, Fall River lags all the reference geographies except New Bedford in overall per capita Arts, Entertainment, and Recreation sales, but is surpassed only by Barnstable in the Amusement, Gambling, and Recreation Industries subsector. This is primarily attributable to Fall River's marinas, which fall into this subsector.

Table 5. Sales Per Capita for NAICS 71: Arts, Entertainment, and Recreation

	City of Fall River	City of New Bedford	Town of Plymouth	Bristol County	Barnstable County	State of MA	City of Providence, RI
Population	91,347	98,614	64,406	582,366	217,714	7,078,512	187,282
Total Sales for NAICS 71	$48,980,000	$28,927,000	$39,789,000	$375,581,000	$392,788,897	$6,071,790,022	$116,691,344
NAICS 71 per cap	$536	$293	$618	$645	$1,804	$858	$623
Sales for NAICS 711	$3,358,000	$3,921,000	$6,947,000	$152,521,000	$88,154,000	$3,062,635,138	$51,587,344
NAICS 711 per cap	$37	$40	$108	$262	$405	$433	$275
Sales for NAICS 712	$3,376,000	$5,802,000	$6,914,000	$23,618,000	$45,808,500	$528,889,234	$43,942,400
NAICS 712 per cap	$37	$59	$107	$41	$210	$75	$235
Sales for NAICS 713	$42,246,000	$19,204,000	$25,928,000	$199,442,000	$258,826,397	$2,480,265,650	$21,161,600
NAICS 713 per cap	$462	$195	$403	$342	$1,189	$350	$113

Figure 15. Sales Per Capita: Arts, Entertainment, and Recreation Industries



NAICS Key:

NAICS Key
71: Arts, Entertainment, and Recreation
711: Performing Arts, Spectator Sports, and Related Industries
712: Museums, Historical Sites, and Similar Institutions
713: Amusement, Gambling, and Recreation Industries

Source: EnvironicsAnalytics, Claritas Spotlight Reports, 2022; and FXM Associates

5 Developing Visitor Profiles And Identifying Market Segments

Developing visitor profiles and identifying market segments provides insights into the needs, preferences, and behaviors of Fall River's tourists. To that end, this section analyzes visitor zip code data from three of Fall River's "trip catalyst" attractions: Battleship Cove, Lizzie Borden House, and Narrows Center for the Arts. The zip codes yield insights into travel distance and allow some inferences about the visitors themselves based on the characteristics of where they reside.

More detailed visitor profile data is required to clearly draw psychographic insights about current Fall River visitors that will allow the identification of the ideal prospective visitors and market gaps. Accordingly, Viva continues to encourage Fall River's business and nonprofit communities to contribute data so that additional visitor details can be explored. A forthcoming addendum to the current report will present findings (including age, income, and information sources) from 4 intercept surveys conducted in June 2023 in the Waterfront district, including the Gates of the City.

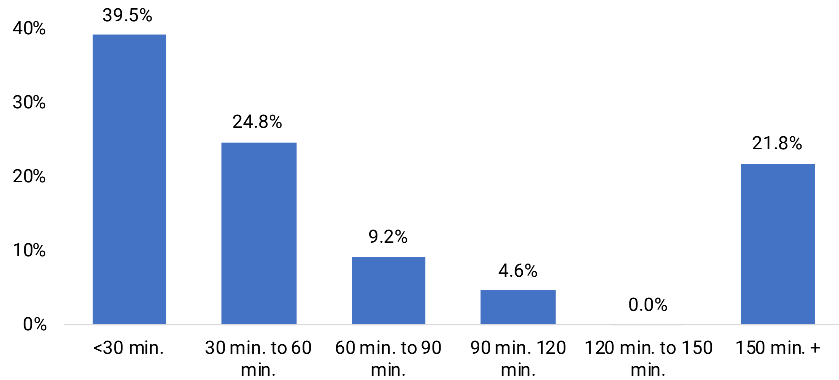
Key takeaways:

- Collecting initial visitor data was focused on three of the City's catalyst attractions: Battleship Cove, Lizzie Borden House, and Narrows Center for the Arts.
- The data collected from these institutions included over 24,000 visitor records, representing nearly a quarter million visits from 2019 to 2022.
- The top communities of origin for visitors to these attractions are primarily within a 45-minute drive of downtown Fall River, with notable inclusion of several Rhode Island communities.
- However, 35.7% of visits were from locations more than an hour away, and 21.8% were from locations more than 2.5 hours away.
- The top states of origin for visitors include the New England states, as well as New York, Florida, Pennsylvania, New Jersey, and California.
- The three attractions also attracted international visitors, with 2.3% of total visits coming from abroad, particularly from Canada, the UK, Germany, and England.

Fall River's Catalyst Destinations Attract The Majority of Visitors from Within a 60-Minute Drive

Visitor data from Battleship Cove, Lizzie Borden House, and the Narrows Center included over 24,000 visitor records representing nearly a quarter million visits over a four-year period (2019-2022).[9] Most visits to these attractions are made from those who reside less than thirty minutes (39.5%) and 30 to 60 minutes (24.8%) from downtown Fall River. Notably, however, is that 35.7% of visitors live more than an hour away, with 21.8% residing more than 2.5 hours away (see Figure 16).

Figure 16. Visitor Drive Time to Downtown Fall River



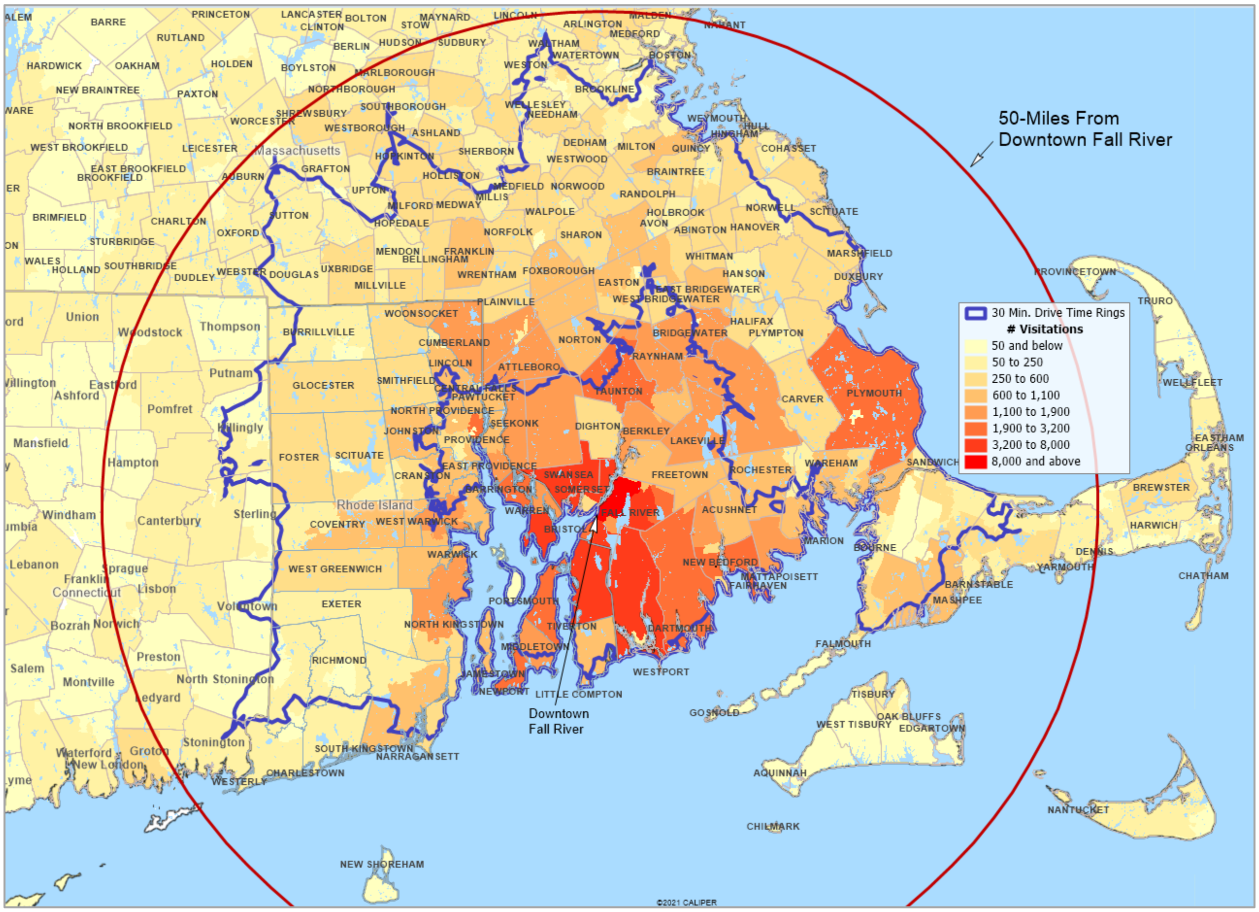
Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

Figure 17 displays the number of visitations to the three destinations by town/city for the Southeastern Massachusetts and Rhode Island areas. The map includes two 30-mile drive time rings (0-30 minutes and 31 to 60 minutes) as well as a 50-mile radius circle from downtown Fall River.

A sizable portion of visitations are from Fall River residents and the neighboring communities of Somerset, Swansea, Westport, Dartmouth, and New Bedford. There are also notable numbers of visitations from areas outside of the 30-mile drive time zone such as Plymouth and Attleboro, along with many Rhode Island communities, including those in Southern Rhode Island. Indeed, Rhode Island overall represents an important market for Fall River, with Tiverton and Little Compton, Aquidneck Island (Portsmouth, Middletown, and Newport), the East Bay (Barrington, Bristol, and Warren), and East Providence representing important markets for these attractions.

[9] Importantly, the data do not allow for the identification of individuals; thus, visitor data represent the number of visits, not the number of unique visitors. That is, visitors in the database may appear more than once, which is more likely to occur with visitors who live closer to Fall River.

Figure 17. Visitations to Battleship Cove, Lizzy Borden House, and Narrows Center Showing 50-Mile Radius and 30-Minute Drive Time Bands

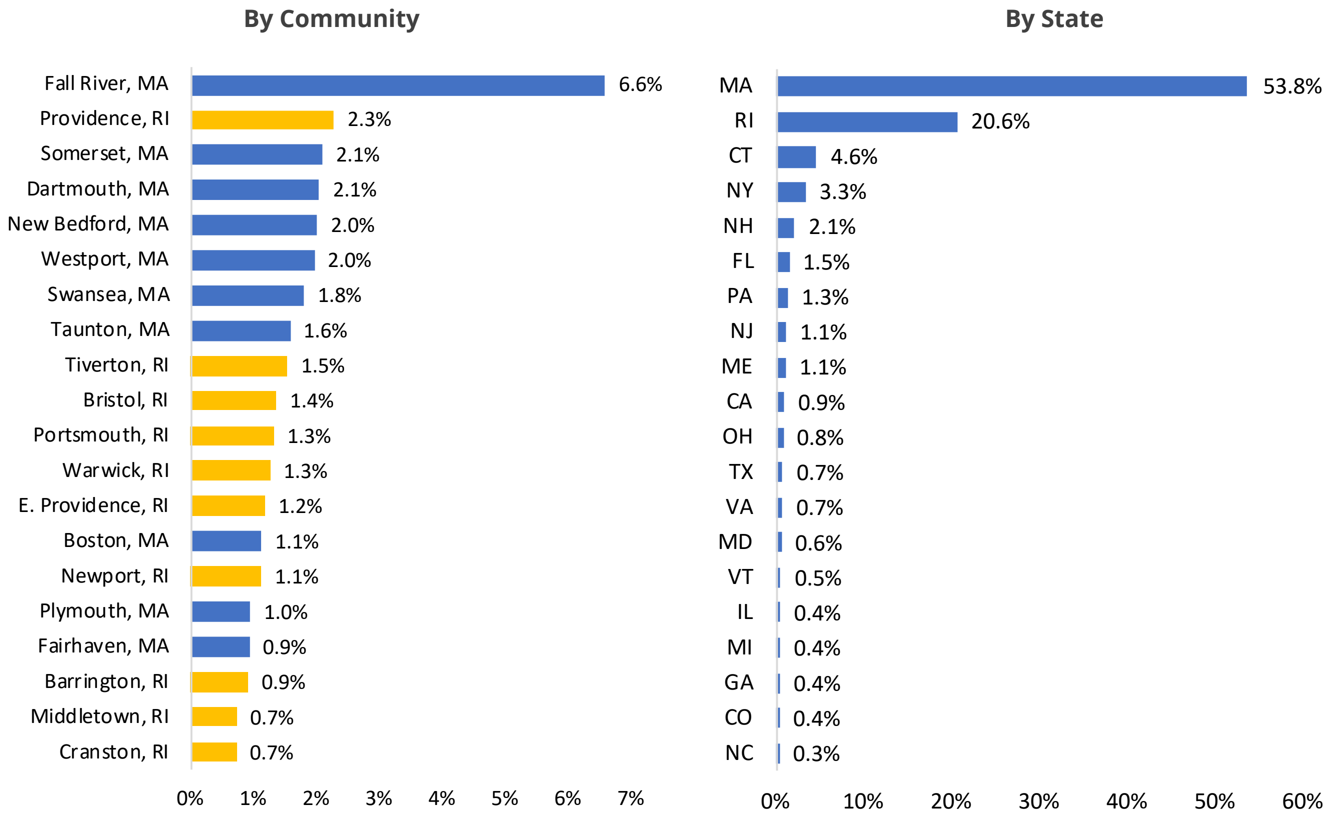


Source: Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

Figure 18 presents the top communities of origin for visitors to the three attractions. Not surprisingly, the highest percentage are Fall River residents, although Providence represents the second highest percentage of visitations. In fact, Rhode Island communities overall comprise half of the twenty top feeder markets (highlighted in yellow).

Figure 18 also presents the top states of origin for the three attractions. Most of the top visitor origins are from New England states, although New York, Florida, Pennsylvania, New Jersey, and California are among the top ten.

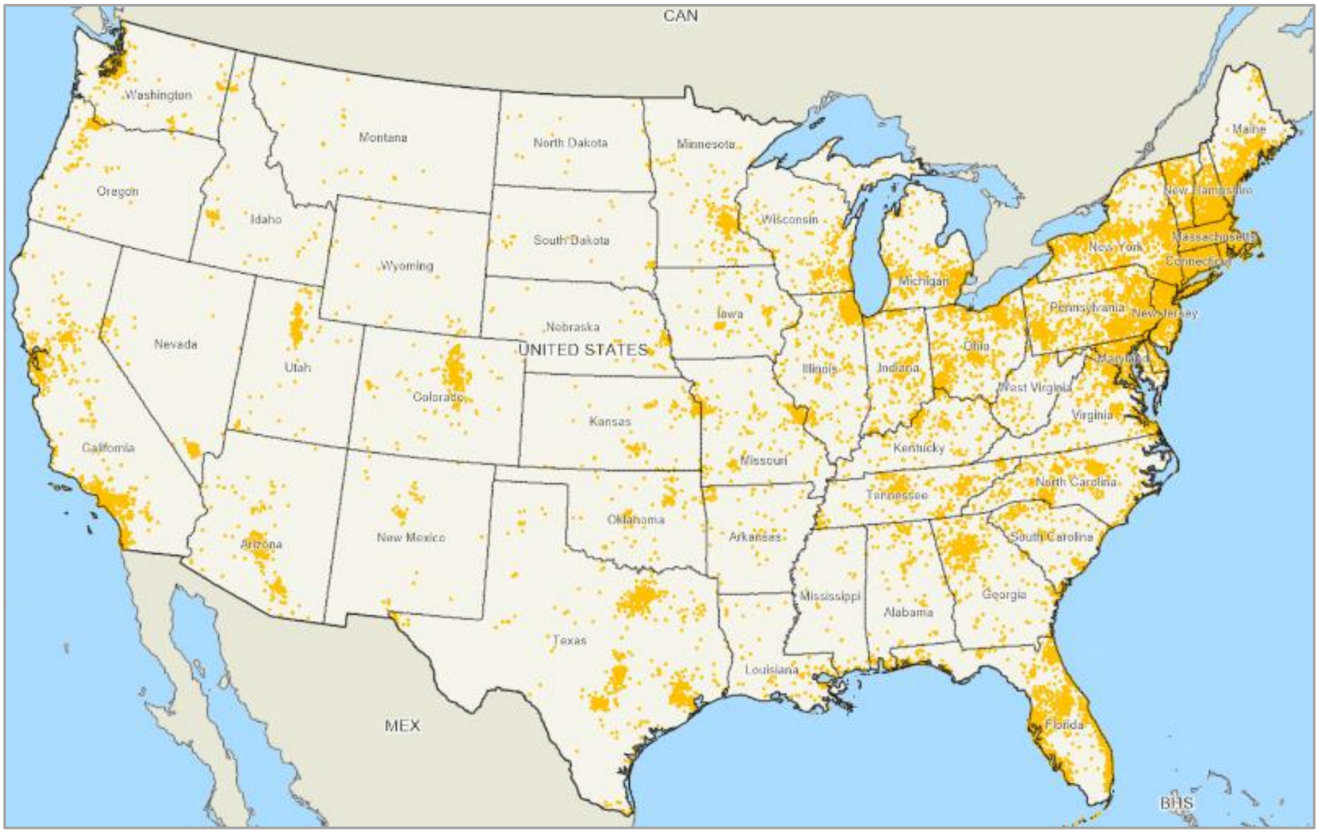
Figure 18. Top States and Communities of Origin



Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

Figure 19 displays a national perspective on visitors to these three attractions. While most visitors are New Englanders, visitors reside throughout the United States, with non-New England states accounting for 17.2% of the total visits. As noted, the data measures the number of visitations and not the number of unique visitors. Thus, the actual percentage of unique visitors outside of New England is much higher if one assumes that those who live in closer proximity to Fall River are more apt to visit multiple times as opposed to those who reside farther away.

Figure 19. U.S. Visitations By ZIP Code

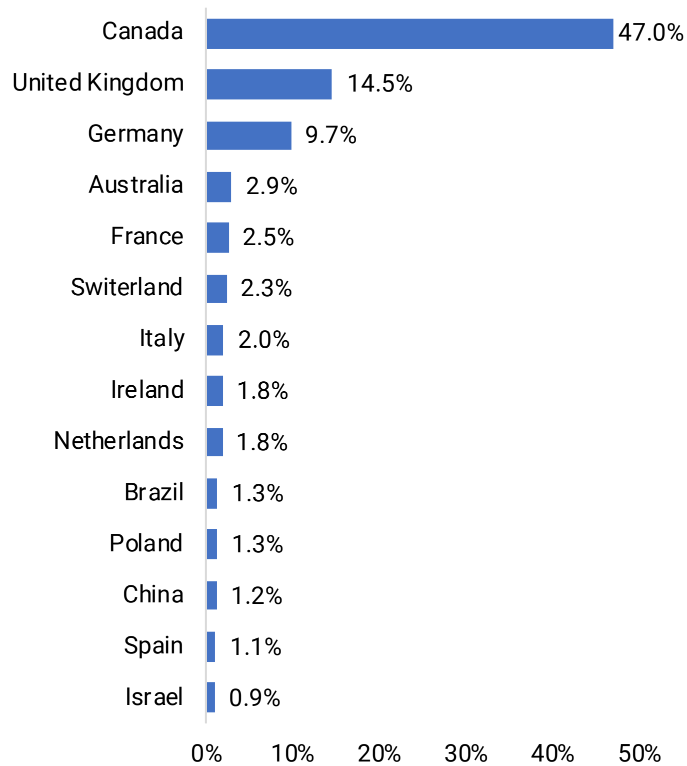


Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

International Visitors

Over two percent (2.3%) of total visitations were made by international visitors. Forty-seven percent (47.0%) are from Canada (47.0%), with smaller portions from the UK (9.7%), Germany (9.7%), and England (4.7%) (see Figure 20).

Figure 20. Top Countries Outside The U.S.



Source: Visitor data from Battleship Cove, Lizzie Borden House, Narrows Center

6 Developing Baselines Of Visitor-Influenced Economic Activity

Baseline data provides a starting point for monitoring and evaluating the performance and impact of tourism over time. By establishing key indicators at the beginning, Viva and the City will be able to track changes and measure trends, assess the effectiveness of tourism strategies and policies, and make informed decisions based on data-driven analysis.

Accordingly, this section provides a time series analysis of rooms and meals tax revenues collected by the state on behalf of Fall River and its neighboring communities. The analysis also presents historical employment trends in the Retail and Accommodations and Food Services sectors since employment in these industries tracks well with visitations. As a baseline, these data position Fall River to quantify the growth of visitor spending over time and to compare its progress to other communities throughout the state.

Key takeaways:

- Fall River has a local room occupancy tax rate of 4%, while most communities in Bristol County, including New Bedford, have a rate of 6%.
- Fall River has one hotel, a Holiday Inn Express located near the industrial park. Three nationally branded hotels, namely Westport's Hampton Inn (130 rooms), Towne Place Suites (90 rooms), and Fairfield Inn and Suites (111 rooms) in Somerset, are located on Fall River's perimeter.
- Fall River collected $150,953 in rooms taxes in 2022, a 199.6% increase from 2013, but the total amount is lower than other communities in the region.
- New Bedford, a similarly sized city, collected $305,768 more in rooms tax than Fall River in 2022 ($456,631 in total) despite having only two hotels. The difference in tax rates accounts for only a small portion of the gap in room tax collections, indicating that New Bedford has higher revenue per available room (REVPAR).
- Fall River collected $1,626,962 in meals tax revenue in 2022, a 524% increase from 2012. New Bedford collected $76,185 less in meals taxes in 2022 ($1,550,777 in total) compared to Fall River.
- Retail employment in Fall River, New Bedford, and Bristol County experienced declines since the 2008-2009 recession, with a modest recovery in the county level in 2010 but declining again in 2017.
- The COVID-19 pandemic and economic shutdown in 2020 caused significant employment declines in the retail sector for both Fall River and the county, making projections uncertain.
- The Accommodation and Food Services sector in Fall River, New Bedford, and Bristol County has shown positive employment trends since 2001, although a decline occurred in 2020. The sector is projected to add jobs in the next five years, with most growth expected in the Food Services subsector.

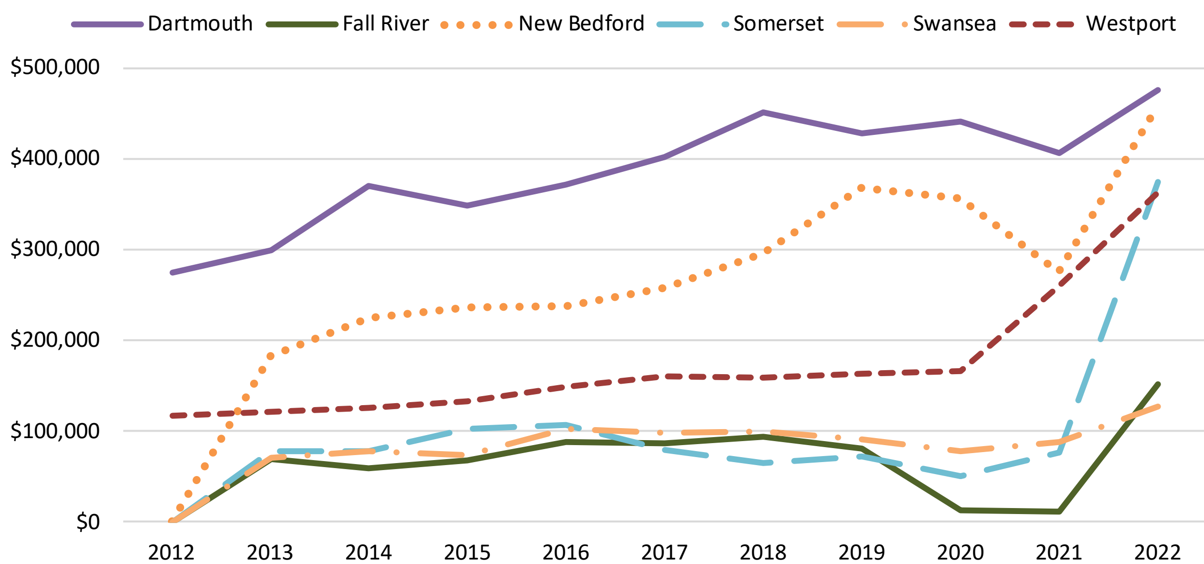
Fall River Collected Only A Small Portion of the Total Rooms Taxes in the Region

Rooms tax revenues can be a significant source of revenue for destinations, helping to fund a range of programs and initiatives that benefit both tourists and residents. Massachusetts has a state room occupancy excise tax rate of 5.7%. In addition to the state excise, Massachusetts cities and towns are permitted to charge a local room occupancy excise tax up to 6.0% (6.5% for Boston). All revenues to the towns must go to the general fund to be used to offset the tax levy and tax rate for that fiscal year. Fall River's local room occupancy tax rate is 4%, while the rate is 6% for most communities in Bristol County, including New Bedford.

Fall River has only one hotel—a Holiday Inn Express located adjacent to the industrial park. Three nationally branded hotels are located on the City's perimeter: Westport's Hampton Inn (130 rooms) and Towne Place Suites (90 rooms) and the Fairfield Inn and Suites (111 rooms) in Somerset.

Fall River collected $150,953 in rooms taxes in 2022, a 199.6% increase from 2013 (+$82,220), although the total amount is lower than other communities in the region (see Figure 21). New Bedford, a similarly sized city, collected $305,768 more than Fall River in rooms tax in 2022 ($456,631 in total) even though the City has only two hotels. The different tax rates between Fall River and New Bedford (4% versus 6%) account for only a small portion of the margin in room tax collections, which leads one to conclude that REVPAR (revenue per available room) is much higher in New Bedford.

Figure 21. Rooms Tax Revenue, FY 2012 to FY 2022

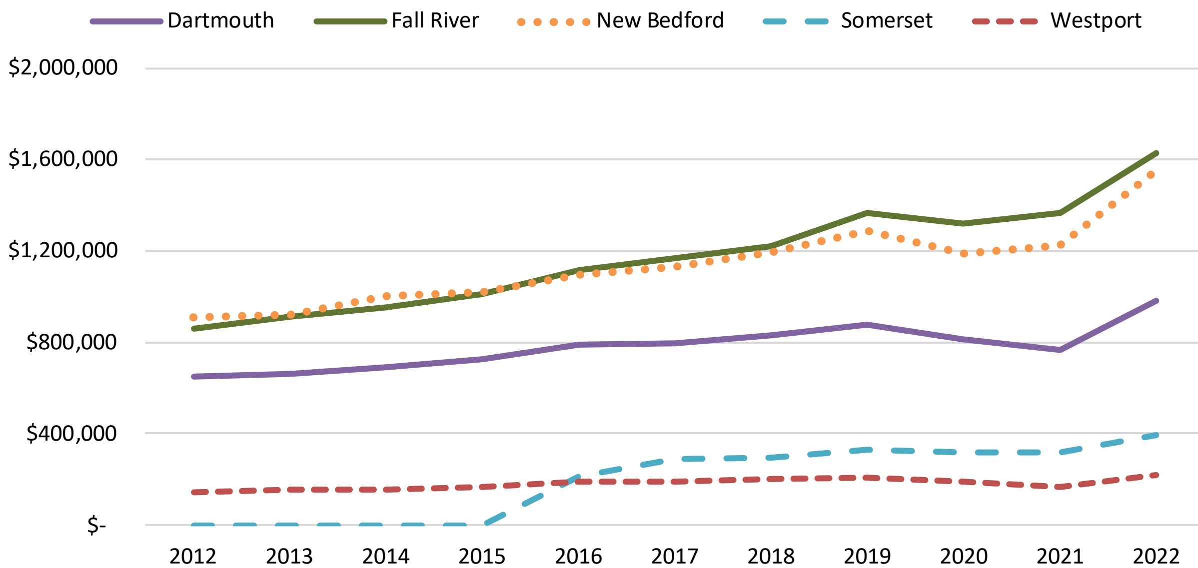


Source: Massachusetts Department of Revenue

Fall River Collected Much More In Meals Taxes Than Rooms Taxes

Similar to room taxes, meals taxes provide a source of revenue for local governments that can be used to fund various public services and infrastructure projects that benefit the local community. Fall River collected $1,626,962 in meals tax revenue in 2022, which represents a 524% increase from 2012 (+$765,583). Comparatively, New Bedford collected $76,185 less in meals taxes in 2022 ($1,550,777 in total) in comparison to Fall River (see Figure 22).

Figure 22. Meals Tax Revenues, FY 2012 to FY 2022



Source: Massachusetts Department of Revenue

Historical And Projected Employment Levels In the Retail Trade And Accommodations & Food Services Sectors

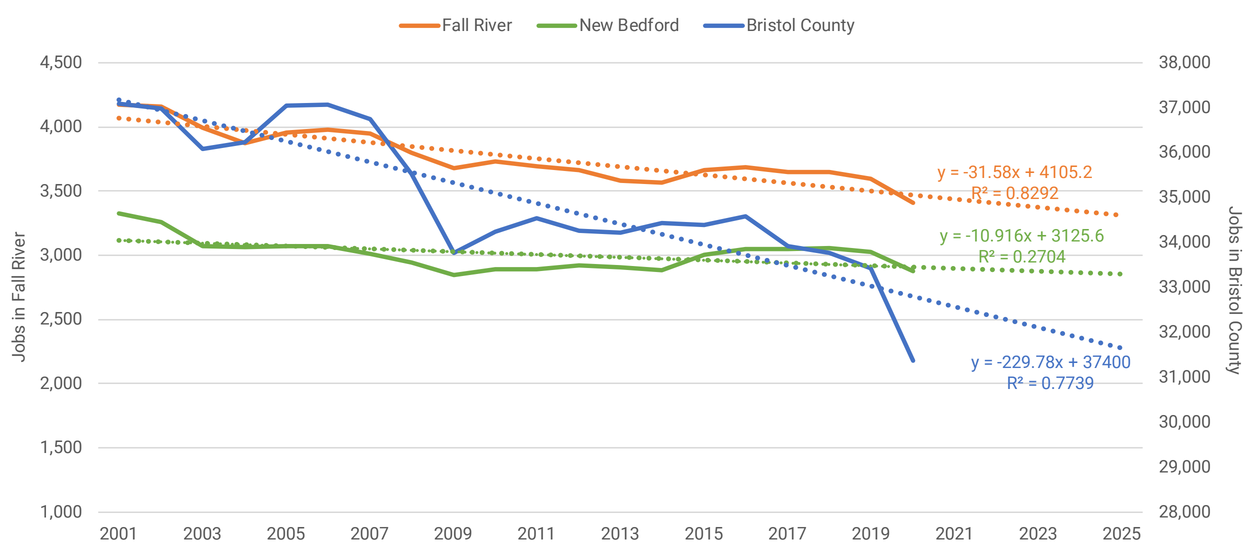
Retail Sector Trends and Projections

The measure used for the trends analyses in the Retail sector (NAICS codes 44-45) is employment, since jobs are a good indicator of the sector's strength and its future potential, whether through existing business growth or new businesses openings. In addition, reliable historic data are available on which trends may be projected. In addition, Section 4 showed that substantial retail sales are being captured by Fall River businesses from non-Fall River residents, with about $485 million, or 25% of all retail sales in Fall River made to non-Fall River residents in 2022.

Figure 23 shows the historical and projected employment levels in the Retail Trade sector. The 2008-2009 recession caused a decline in the numbers of Retail Trade jobs in the City, New Bedford, and Bristol County, although the decline began even earlier at the city level (2006). A modest recovery began at the county level in 2010, but employment began to decline again in 2017. Overall, Retail employment for the City has continued to decline, albeit at a modest rate.

Both the City, New Bedford, and the county experienced precipitous employment declines in 2020 due to the COVID-19 pandemic and resulting economic shutdown, thus the data are not yet well established enough to serve as the basis for reliable projections. Retail employment will rebound to a degree if and when the pandemic subsides and economic conditions improve, although the size of that rebound is difficult to predict. However, employment in retail for both the City and county had been declining since 2016, suggesting that the sector may have difficulty reaching previous employment levels. This hypothesis is supported by relatively high levels of confidence (i.e., R^2) in a downward employment projection for both the City and county.[10]

Figure 23. Historical and Projected Employment Levels In the Retail Trade Sector



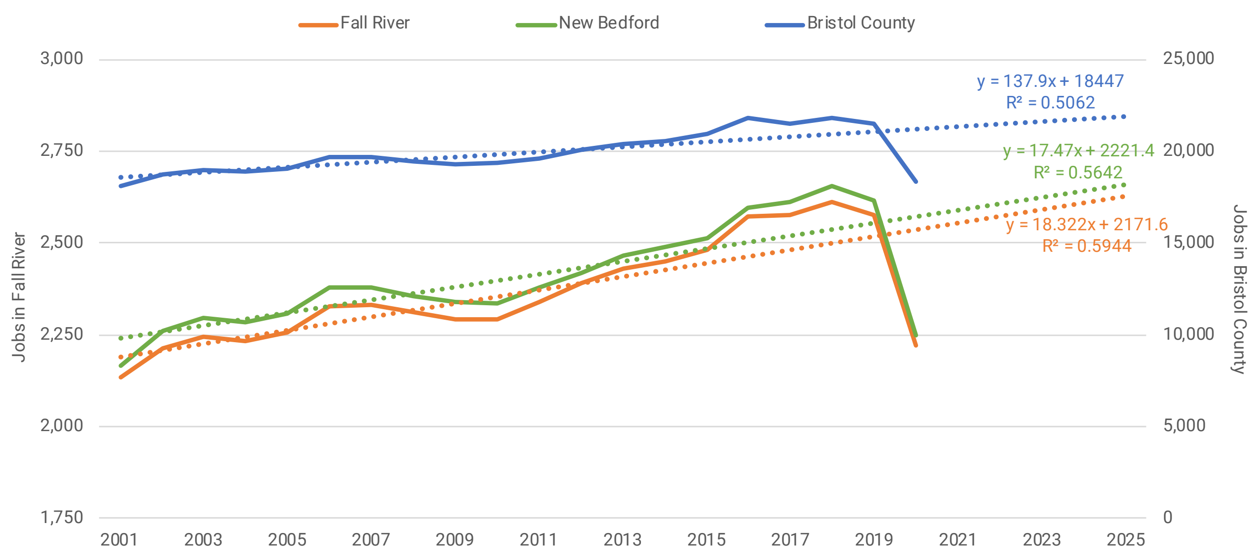
Source: EMSI; includes self-employed

[10] The reliability of the projections presented in the following figures is important to consider in interpreting the results. The statistic applied here that measures how strongly the past predicts the future is the R^2 calculation, presented on each graph. The closer the R^2 value is to 1, the better the predictive value of past performance, that is, the more reliable the projection.

Accommodations & Food Services Sector Trends and Projections

Closely related to the Retail sector and included in the Retail analysis is Accommodation and Food Services (NAICS Code 72). Figure 24 shows both historical employment and projected trends. The trend in this sector has been positive for Fall River, New Bedford, and Bristol County since 2001, although again, there was a significant employment decline in 2020 due to the economic shutdown. Despite the 2020 decline, the sector is projected to add jobs over the next five years. Notably, Accommodation accounts for only about 1% of total employment in Fall River's Accommodation and Food Services sector, thus almost all employment growth is projected to occur in the Food Services subsector (i.e., restaurants, bars, and caterers).

Figure 24. Employment in the Accommodations and Food Services Sector



Source: EMSI; includes self-employed

7 Next Steps

The analysis up to this point identifies Fall River's key visitor segments and potential market segment opportunities. These initial findings were presented at the bi-weekly meetings and have been utilized by Viva to develop marketing strategies for its spring and summer events. Importantly, this initial effort will be augmented in the coming months as new visitor data is obtained from additional attractions and businesses and the intercept surveys are implemented.

Several clear themes emerged from the current analysis that can be used to guide future marketing efforts. These are broken out below by short-term and long-term strategies.

Short-Term Strategies

1. Focus on the 30-Minute and 60-Minute Drive Time Markets

Most visitors to Fall River's largest attractions reside within a 60-minute drive time of downtown Fall River, with the vast majority of these visitors residing within 30-minutes. Accordingly, shorter term economic development success (e.g., business and employment growth) is more easily attainable by designing targeted marketing strategies aimed at the 60-minute market's densely populated areas with high household incomes. Importantly, this strategy does not imply that Viva or the City should avoid exploring potential opportunities to attract visitors who are interested in specific offerings from regions that are farther away.

2. Continue to Create Products and Experiences That Appeal to the Interests and Preferences of Local Residents

While not tourists per se, Fall River's hometown tourists comprise a substantial portion of visitors to the City's major attractions. Accordingly, Viva should continue to foster experiences that appeal to the interests and preferences of local residents and develop marketing campaigns that specifically target these residents. This strategy is aligned with Viva's mission to be a "community-based commerce, culture, and creative economy initiative…"

3. Leverage Fall River's Catalyst Attractions to Raise Awareness of the City's Offerings as a Whole

Fall River's catalyst attractions (e.g., Battleship Cove, Lizzie Borden House, Narrows Center) function as magnets, drawing visitors to the City and creating opportunities to highlight the City's other attractions, businesses, and cultural experiences. To that end, simple strategies can be employed to increase awareness, such as making brochures available at top attractions that highlight other area attractions and businesses, training staff about local options so they can pass this information on to visitors, and creating themed routes or itineraries that connect the catalyst attraction with other points of interest in the City. This encourages visitors to explore beyond the initial attraction and discover the City's broader offerings, while also potentially increasing spending.

4. Develop and Encourage More Coordination and Cross Marketing

When different organizations and businesses collaborate, they allow destinations to pool their resources and reach a wider audience and to create compelling tourism packages and itineraries that encourage travelers to visit multiple locations. These strategies help generate economic benefits, support local businesses, and contribute to the overall growth and sustainability of the tourism industry. For example, a collaborative effort might offer discounted packages or combination tickets that encourage visitors to explore multiple attractions. This not only increases visitor spending, but also exposes visitors to a variety of experiences within the City. Collaboration should also extend to working with cruise lines, bus tours, tour operators, and hotels to develop multi-attraction, multi-business itineraries.

In addition, attractions can share visitor data and develop joint marketing campaigns targeting those who have already visited Fall River. For example, a monthly email blast might include some recommendations for dining before or after an event or highlight one of the City's historical attractions. These visitors are more apt to extend their stay because they are already familiar with the City, as opposed to "cold outreach" to people who have never been to Fall River.

5. Develop Additional Curated Tours and Events

Similar to the strategy above, collaborative efforts can result in the creation of destination clusters or routes that highlight a particular theme, such as wine tourism or cultural heritage. This involves bringing together multiple attractions, businesses, and services that align with the theme. Visitors benefit from a comprehensive and curated experience, and the collaboration helps distribute tourist flows and promote lesser-known sites or businesses within the cluster, particularly those located outside the downtown area. The Taste of Portugal food tour and Fall River Restaurant week are good examples of current curated events sponsored by Viva.

6. Focus on Culinary Tourism

Culinary tourism, also known as food tourism, is a growing trend where travelers seek out unique and authentic food experiences. Fall River can attract tourists who are eager to explore and savor the local food culture by marketing the City as a culinary hotspot with a unique culinary heritage. For example, Viva might collaborate with local food producers, farmers, chefs, and restaurateurs to create engaging food experiences or organize food festivals, culinary competitions, and food-themed events to attract tourists. The aforementioned Taste of Portugal food tour and Fall River Restaurant week are current examples of Viva's efforts in the culinary tourism sphere.

7. Encourage Repeat Visits

Encouraging repeat visits is essential for sustaining the interest and engagement of visitors. Fall River attractions and businesses should encourage repeat visits by creating loyalty programs, special promotions, and new programming. Regularly introducing new attractions, exhibits, or experiences is also important to keep visitors interested and engaged. This might include temporary exhibits, seasonal events, or special programs that provide a fresh perspective and encourage repeat visits.

8. Focus On Impact Measurement and Reporting

Developing transparent and compelling impact reporting can strengthen donor trust, attract new supporters, and facilitate partnerships. Accordingly, Viva should continue to develop robust systems to measure and communicate the organization's impact. Current metrics presented in this report include room and meals taxes and employment in various tourism-related sectors. This would include developing a list of key businesses and attractions with which Viva would partner to ensure that data is being collected at regular intervals.

LONG-TERM STRATEGIES

1. **Secure Long-Term, Sustainable Financial Support**

The initiatives cited in this report cannot be achieved fully without multi-year sustainable support. Viva Fall River's tourism work with the City is funded through an American Rescue Plan Act (ARPA) grant contract which end in September 2024Viva and the City should explore models from other communities that fully integrate arts, culture, and tourism into broader economic development strategies. During the next year, the City will need to decide how to fund and manage tourism after September 2024; this includes deciding if tourism will become a municipal function or remain a contractual arrangement. In the latter scenario, other funding sources should also be investigated to stabilize current and future initiatives, including grants, event revenues, membership dues, and a dedicated funding stream from the City.

3. **Identify the Best Prospective Visitors to Optimize Marketing**

Viva will be better able to identify top origin markets and demographic and psychographic insights of potential visitors as more refined data is collected through the intercept surveys. This requires utilizing market segmentation strategies that divide the target market into distinct groups based on characteristics and needs. Marketing efforts can then be tailored to particular groups and new offerings developed to meet the specific requirements of each segment.

4. **Expand Marketing Reach to the Greater Boston Area and Beyond**

While prioritizing the local market is a valuable strategy for establishing a sustainable tourism industry in the short-term, it is crucial to explore additional markets beyond a 50-mile radius. By adopting a diversified approach to tourism, Viva can ensure the resilience of Fall River against shifting market conditions and economic trends, particularly since Greater Boston has the population density and affluence that many tourist markets covet.

5. **Further Develop Cultural Tourism**

A rich cultural heritage and vibrant arts scene can set a destination apart, attracting travelers seeking authentic and immersive experiences. This positioning helps destinations stand out in a competitive tourism market and increases their visibility and appeal to specific target markets. In addition, the need to highlight cultural assets to visitors incentivizes communities to protect and maintain their cultural sites, historical landmarks, traditions, and artistic expressions.

Much of the small business development in Massachusetts' Gateway Cities is among diverse racial and ethnic groups, particularly newer immigrants. Consequently, cultural tourism is also a means for Fall River to expand the tourism focus from downtown and the waterfront to the City's ethnic neighborhoods. This involvement preserves cultural authenticity, allows communities to share their stories, and empowers them to take ownership of their cultural identity.

6. **Identify New Opportunities for Curated Programming**

Curated programming can help Fall River to differentiate itself and stand out from other destinations in a competitive tourism market. By offering unique, specialized, and tailored experiences, the City can attract travelers who are seeking distinctive and immersive experiences. Curated tourism programming ensures that visitors have well-planned and structured experiences that cater to their interests and preferences.

Developing curated tourism programming often involves collaboration and partnerships between various stakeholders. This collaborative approach fosters stronger relationships, knowledge sharing, and resource pooling, leading to a more holistic and comprehensive tourism offering. Collaborative efforts can also bring together diverse perspectives and expertise to create innovative and unique experiences.

7. Identify Solutions to Address Parking Issues and Signage Issues On the Waterfront

The shortage of parking is one of the outcomes of having a bustling tourist base. The Tourism Advisory Committee noted that parking has become increasingly limited along the waterfront, especially when overnights at the Battleship are held on the same night as a Narrows Center show. Larger one-time events, such as those held at the City Gates, can also exacerbate parking issues. Recent surveys conducted by the project team also indicate that signage and wayfinding is confusing to many visitors.

While the parking issue is not directly under Viva's purview, parking will become a greater issue if the City's tourism economy expands. The project team plans to include a question related to parking on the intercept survey, particularly regarding the expansion of parking options and signage in the Waterfront/City Gates district.

8. Extend the Tourism Season Beyond the Warmer Summer Months

As with many tourist destinations in the Northeast, the bulk of Fall River's visitors arrive from May through September. Viva and the City should work to extend the season to the colder months by developing programming that attracts visitors during the off-season. Examples of off-season promotions could include holiday-centric promotional platforms, a coordinated Trunk Sale Weekend for the City's specialty retailers, and discounted rates and special packages. These strategies require identifying specific interest groups who would appreciate the unique experiences offered during various times of the year.

9. Focus on "Hub and Spoke" Visitors

Hub-and-spoke tourism refers to a type of travel where visitors use a central location, such as a city or a resort, as a hub for exploring the surrounding area. The SouthCoast is ideal for hub and spoke visitors who want to tour the region from a temporary base of operations. Budget-friendly prices for lodging and dining are important to many customers, and these amenities can be met in Fall River. Coordination with tour operators and bus tours may provide opportunities to further develop Fall River as a hub, particularly since Newport and Cape Cod cannot meet the demand for accommodations in the summer months, or at least at reasonable prices.

10. Broaden Programming Strategies to Include Historical Attractions and Events

The Tourism Advisory Committee acknowledges the significance of attracting visitors to Fall River's historical attractions. To effectively tailor strategies and offerings, additional market research should be conducted to gain insights into the preferences of the target audience interested in historical attractions. This requires developing marketing campaigns and initiatives that highlight the historical value of these attractions, emphasizing their individual narratives and cultural heritage.

11. Expand Programming to Include Recreational Outdoor Activities

Fall River's parks, lakes, waterfront, and the Southeastern Massachusetts Bioreserve offer a wide range of recreational outdoor activities that not only provide unique experiences, but also promote health and wellness, foster environmental consciousness, offer cultural immersion, and contribute to the City's economy. To maximize the marketing impact, it is important for Viva to identify the market segments that patronize recreational outdoor activities. Moreover, focusing on attracting boat cruisers and marina users presents a strategic approach to boost recreational tourism in Fall River.

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