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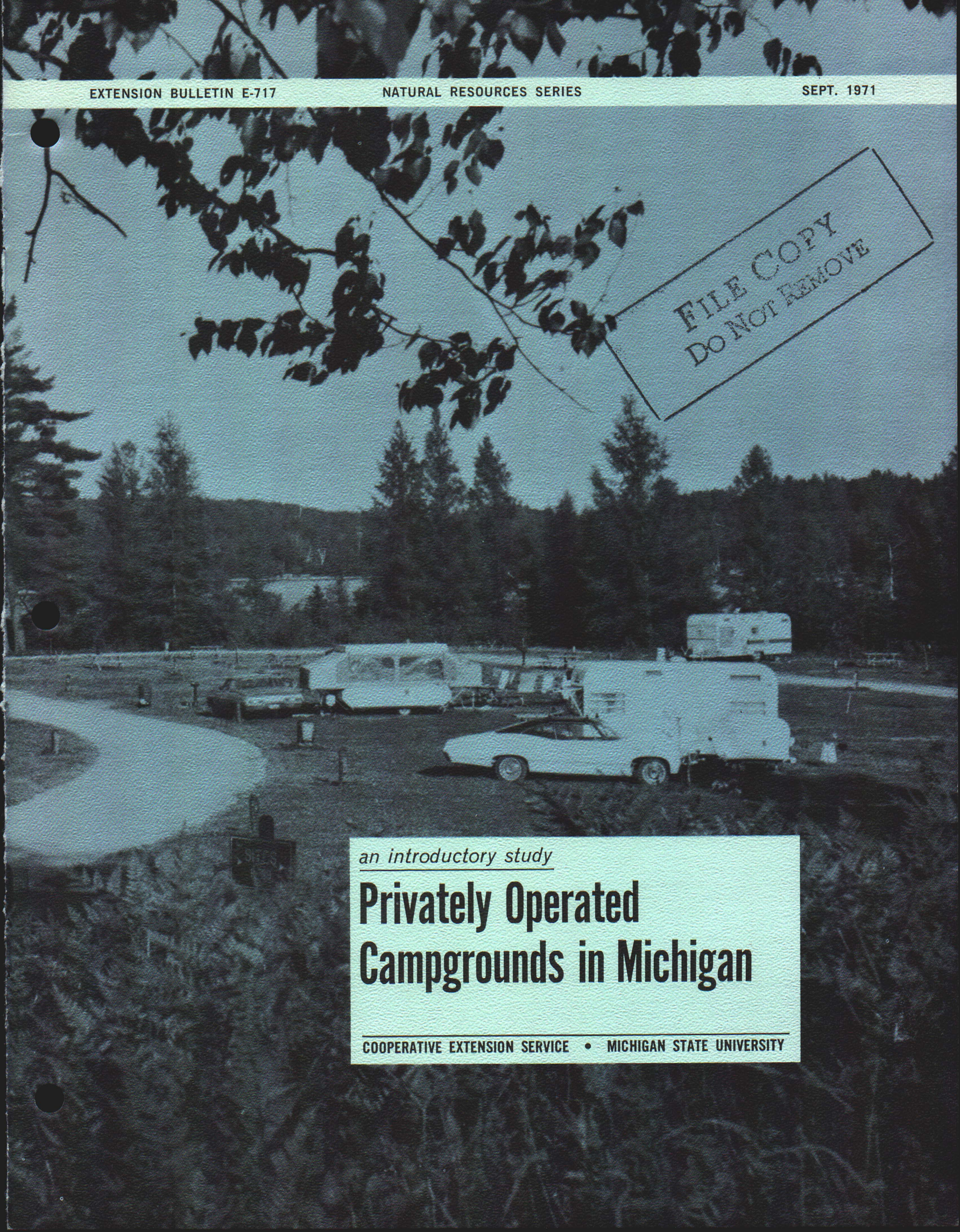

an introductory study

Privately Operated Campgrounds in Michigan

COOPERATIVE EXTENSION SERVICE • MICHIGAN STATE UNIVERSITY

an introductory study

Privately Operated Campgrounds in Michigan

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Typical campground facilities are shown at the left plus a unique feature in the bottom picture – a structure housing showers separated from bathrooms, as well as laundry, office, carpeted store and reception area.

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The growth in sales of camping vehicles and equipment in the United States in recent years has prompted this investigation of Michigan campground facilities and practices. Peak-period overflows of campers from public facilities suggest that demand exceeds supply. But the high degree of seasonality in this climate creates internal problems for private enterprise attempting good returns on investment. This bulletin does not examine management and profitability of the campground business, but looks at the nature of the privately operated campground business in Michigan. To be examined: growth in number of campgrounds and sites per campground, fees, facilities, locational characteristics, and functional types.

Many 'would-be' advisers of those entering this business have contended that site quality and location are the two most important factors to consider. It is becoming more and more evident that these factors alone cannot assure success. Instead, management skill and innovativeness are probably the most important requirements for success in the campground business.

METHODS OF INVESTIGATION

The initial data for this study was secured through the cooperation of the Michigan Department of Public Health, Division of Engineering. Valuable data on the change in number and size of businesses, as well as location, resulted from a search of the records of licensed campgrounds.

Statistical deductions on size of business, fee charges, facilities offered, and regional comparisons were developed from the Michigan Association of Private Campground Owners Annual Directory and the Automobile Club of Michigan's private campground directory "Camping Tips."

Reports on public campgrounds were investigated principally for locational comparisons with privately operated campgrounds. These reports also yielded limited data on attendance in public campgrounds.

For the study, Michigan was divided into three basic areas or regions (Figure 1): Upper Peninsula – area A; northern Lower Peninsula – area B, and southern Lower Peninsula – area C. Area C was then sub-divided into a western and eastern half, C^1 and C^2 respectively. This was done because of the differences in natural physical features, economic activity, and population concentrations.

Comparisons were made between the regions and sub-regions. The divisions yield significant information for owners of existing and potential privately operated campgrounds. This information should also be of interest to those responsible for planning public campground facilities.

CAMPGROUND TYPES

Campgrounds in Michigan serve a variety of camping functions, depending to some extent upon location. "Overnight campgrounds" are usually established near expressway interchanges. The traveling camping enthusiast stops at these facilities for a night's rest and perhaps limited sightseeing. The principal tourist routes into the interior and northern regions of Michigan flow on a north-south direction, contrary to the east-west flow of trans-continental traffic. Once onto the north-south flow, the traveler is within a few hours of principal attractions, or his destination. This helps explain why the strictly overnight campground type does not represent a very high proportion of all privately operated campground developments within the state.

"Destination campgrounds" provide away-from-home vacation headquarters and are found largely in the northern parts of the state. The camping vehicle or tent is located at a favorite campground for several days or weeks (Figure 2). This vacation headquarters allows campers to fan out for a variety of leisure activities and return for sleep and quiet relaxation.

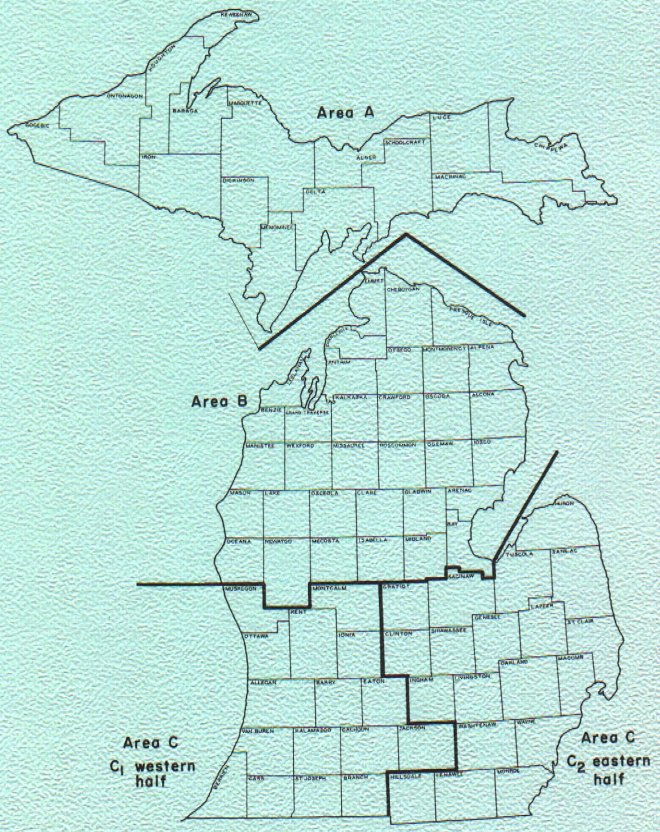


Fig. 1. Areas of Michigan delineated for the purpose of this investigation.

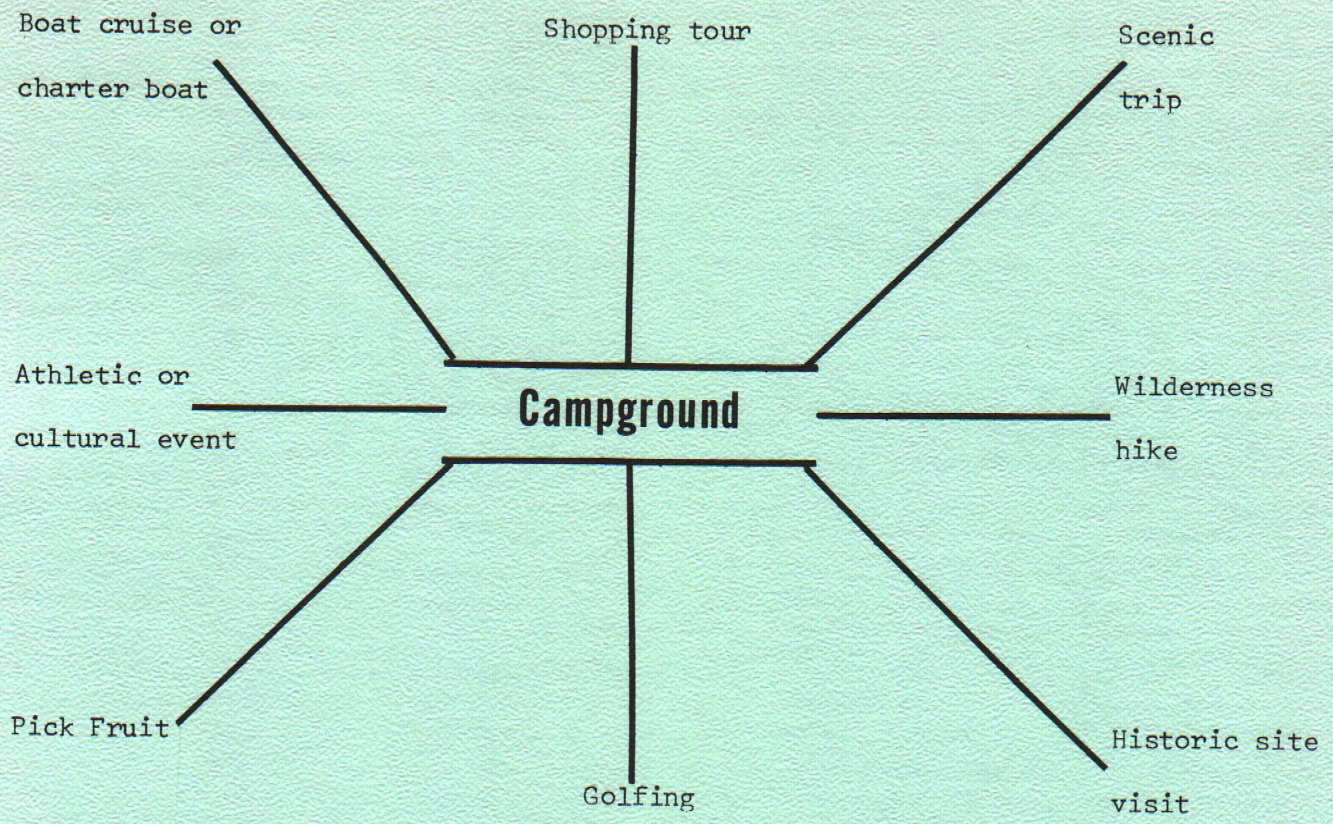


Fig. 2 Campground depicted as headquarters for family vacation.

Destination campgrounds provide the vacationing family or group with opportunity for a variety of experiences. Most destination campgrounds are found on natural lakes, waterways, or near natural scenic sites.

A new function of southern Michigan campgrounds is providing a site upon which the family can park the camping vehicle for long periods of time within easy driving distance of home and work. In this type, the campground functions as a kind of "semi-summer residence." Typically, mother and children take up a kind of partial summer residence at such a campground and father joins them at night or for holidays and week-ends. The needs and services from this type of campground differ somewhat from the overnight and destination types. Many of these campgrounds are being developed around man-made water impoundments or the smaller lakes found in southern Michigan. They also serve as destination campgrounds for out-of-state campers from Ohio, Indiana, and Illinois. The semi-summer residence campground depends upon a large population within an hour or two drive. Special rates for season-long parking are sometimes offered.

As would be expected, there is considerable overlap of types. Few campgrounds, if any, would be classified as distinctly one type or another. But, it is important to consider these different functions both to better understand marketability of the campground and prepare for the needs of the different camping grounds. Today, most operators aim basically for one of the functional types, but still attempt to serve the other types to a lesser extent. A destination or semi-summer residence campground obviously can serve some overnight traffic. But, an overnight campground is not well equipped to meet the services of the other two types.

Ownership characteristics tend to differ according to type of campground. Overnight campgrounds are often developed by large corporations or national franchises. Both destination and semi-summer residence campgrounds tend to be owned and operated as family enterprises, often stemming from previous farming experiences.

Another measure of function, provided in the 1970 Michigan Campground Act (No. 171), distinguishes between two basic types dependent upon level of facilities offered. Those offering only the basic hand pump water supply and pit toilet waste facilities are termed "primitive campgrounds". "Modern campgrounds" are those with electricity, water under pressure, and sewage disposal systems.

GROWTH IN PRIVATELY OWNED CAMPGROUNDS

The increase in both numbers of campgrounds and sites per campground has been dramatic since 1965. Examination of the construction permit applications for 1969 and 1970 shows considerable growth in size and efficiency of campgrounds. Licensed private campgrounds operating in 1970 averaged 45 sites each, but new campground construction permit applications in 1969 and 1970 averaged 81 sites per campground. Thus, private campgrounds in the state are becoming much larger. In addition, many of the earlier licensed campgrounds are developing additional sites.

Figure 3 presents the growth pattern in Michigan licensed privately owned campgrounds since 1954. These data include the developments which were licensed as seasonal campgrounds by the Michigan Department of Public Health. Not shown are 42 licensed mobile home courts which were also permitted to rent sites to campers during the full calendar year. Many of the overnight type camping facilities were licensed as mobile home courts because of the open year-round provision. (In 1971, the new Michigan Campground Act became effective and provides for year-round licensing of all campgrounds.)

In the period 1954 thru 1965, the number of licensed seasonal campgrounds in Michigan grew from 23 to 94, and average number of sites per campground increased from 14.2 to 30.1. In the next 5 years, the number of campgrounds increased from 94 to 198. A relative increase in average sites per campground also occurred in this period. From 1954 to 1970, campground numbers grew 800%, and sites per campground, 300%. Applications for 51 new construction permits, with a total of 4,106 sites, were made in 1970.

Characteristics of the private campground business in Michigan have changed. While many of the earlier and smaller campgrounds offered only supplemental income, the new trend is toward primary income enterprises. The increases in size obviously represent larger investments, greater labor and management inputs, and demand greater business organization skills.

Increased use of public campgrounds provides another measure of total demand for campground facilities. The report on attendance at the 69 state park campgrounds issued by the Parks Division of the Department of Natural Resources showed an increase of 13.5% from 1969 to 1970 – 12.4% in the U.P.; 11.9% in the northern Lower Peninsula and 16.5% in southern Michigan. Total camping sites in the state park campgrounds was 14,478 in 1970 – 2,688 in area A; 6,241 in area B; and 5,549 in area C. The State Parks Division projects a short-term need for 23,120 additional sites.

Figure 4 shows seasonal campgrounds, mobile home court camping facilities and planned additional campgrounds in the private sector, as of 1970. These are shown for the entire state and by areas. Coupling proposed private campgrounds with the anticipated growth in the public area suggests significant expansion in both public and private camping facilities in the next few years.

Figure 3 — Growth in privately operated campground facilities in Michigan between 1954 and 1970.

Year	No. Campgrounds	No. Sites	Avg. Sites Per Campground
1970	198	8910	45.00
1969	171	6106	35.12
1968	137	5010	36.78
1967	116	3753	32.41
1966	104	3097	29.87
1965	94	2833	30.13
1964	77	2065	26.63
1963	69	1647	23.60
1962	63	1466	23.17
1961	55	1132	20.32
1960	54	1003	19.31
1959	46	852	18.24
1958	39	721	18.19
1957	31	537	17.10
1956	32	623	19.15
1955	26	389	14.25
1954	23	342	14.20

*Data from Michigan Department of Public Health, Engineering Division.

Figure 4 — Seasonal campgrounds, mobile home court camping facilities and planned additional campgrounds in the private sector as of 1970.

	No. Statewide	No. By Area				
		A	B	C	C^1	C^2
Seasonal	198	11	55	132	102	30
Mobile Home	42	9	18	15	10	5
Sub-Total	240	20	73	147	112	35
Proposed	108	2	48	58	45	13
TOTAL	348	22	121	205	157	48

FACILITIES AND FEE SYSTEMS

Examination of facilities and fees of privately owned campgrounds in the four areas identified earlier reveals some interesting patterns. Their analysis also presents opportunities for additional research.

It was possible to evaluate 205 of the 240 privately owned campgrounds through campground promotional literature and direct contacts with owners. Fee charges were compared by size of campground (number of sites), Figure 5. Two campgrounds which charge more than five dollars were excluded. The remaining campgrounds show a definite correlation between the number of sites per campground facilities, and fee charges. As the size of the enterprise (investment) increases, facilities and per site charges tend to increase.

Examination of fees by location (Figure 6) indicates that daily charges are highest in southern Michigan (area C) and lowest in the Upper Peninsula. Highest average daily charges are found in the southeastern sector (area C^2) of the state, suggesting a correlation between fees, economics, and demand from the most populated areas. A comparison of average number of sites per campground and location (Figure 7), shows a similar correlation. Average number of sites per campground is greatest in southern Michigan and lowest in the U.P. Thus, both smaller scale campgrounds and lower fees are found in area A and larger campgrounds and higher fees in area C. The average number of sites per campground in area C is more than twice that of area A while the average fee per day in area A is 43¢ less than in area C.

Looking closer at area C, C^1 (west) averaged ten sites more per campground than C^2 (east). However, area C^2 fees were 14¢ more than those in area C^1.

Types of facilities offered were utilized as measures of quality in this analysis. Statewide, 98% of the campgrounds are equipped with electricity; 91% have flush toilets; 86% offer showers (Figure 8). Area C is highest in each of these categories, but there is only slight variation from area to area. Area A ranks considerably higher than the other two areas in percentage of campgrounds with laundry facilities, at-site water hookups and at-site sewer hookups. For these facilities, the southern half of the state (area C) ranks lowest. However, area C has a significantly higher percentage of campgrounds with sanitary dumping stations. Area C^1 exceeds area C^2 in facilities offered in each of these categories, except sanitary dumping stations and electricity.

The relationship between fees charged and six different services offered is shown in Figure 9. The expected relationship of higher fees for increased services was consistent for four of the six variables but inconsistent for two. The trend line for both at-site water hookups and at-site sewage hookups was downward at first.

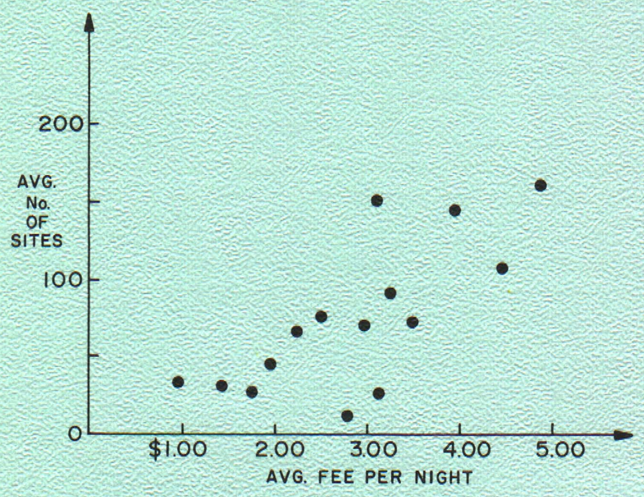


Fig. 5. Relationship between size of campground and fees charged.

LOCATION OF MICHIGAN CAMPGROUNDS

Privately owned campgrounds in Michigan are not distributed the same as those publicly owned. The theory that private campgrounds have been developed solely because of the overflow from public campgrounds is not supported by the following tables. Indeed, from a distribution standpoint, the private sector has done an admirable job of filling-in areas of the state which are not served by public facilities.

Generally speaking, federal, state, and local camp-

Figure 6 — Fees charged by areas in Michigan, 1970.

	Statewide	Area				
		A	B	C	C¹	C²
Number of Campgrounds	205	36	58	110	79	31
Average Daily Price	2.62	2.27	2.58	2.70	2.67	2.81

Figure 7 — Average number of sites by area, 1970.

	Statewide	Area				
		A	B	C	C¹	C²
No. of Campgrounds	205	36	58	110	79	31
No. of Sites	16283	1708	3966	10609	7860	2749
Sites Per Campground	79.4	46.2	68.4	96.5	99.4	89.7

Figure 8 — Facilities offered statewide and by areas in the state, 1970.

	Statewide %	Area				
		A N=36 %	B N=58 %	C N=110 %	C¹ N=79 %	C² N=31 %
Electricity	98	97	97	99	99	100
Flush Toilets	91	84	88	94	96	90
Showers	86	81	81	91	94	84
Laundry	36	43	36	34	37	29
Store in Camp	34	40	27	37	38	35
Sanitation Station	71	54	64	81	76	93
At-site Water	60	73	60	56	57	55
At-site Sewer	40	59	36	35	39	26

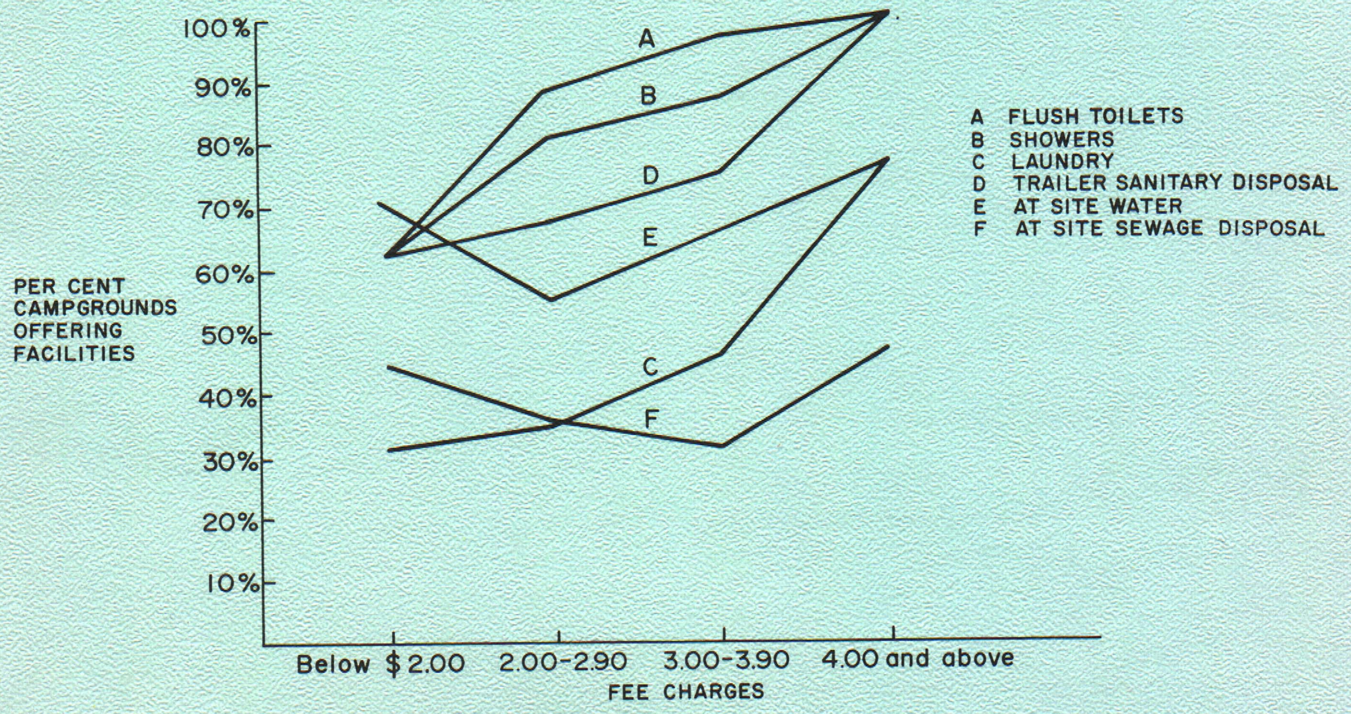


Fig. 9. Relationship between fees charged and services offered in Michigan campgrounds.

ground facilities tend to be concentrated in the less populated regions of the state. They uphold the traditional association of camping with woods, waters, and natural scenery of the northern regions of the state. The private sector, on the other hand, has developed a greater number of its campgrounds in southern Michigan, perhaps capitalizing upon the closeness of large population concentrations.

Maps on pages 8-11 show the distribution of public and private campgrounds in the state. One hundred and ten private campgrounds have been developed in area C^1 (see Figure 15 — total also includes 8 licensed mobile home courts, Figure 18). This represents nearly one-half the total number of private campgrounds in the state. This area is one of the more densely populated areas of the state, and nearest the greatest numbers of campers in the bordering states. There are 73 private campgrounds in area B and 20 in area A, including mobile home courts. More than three times as many campgrounds are located in area C^1 as in area C^2.

CONCLUSION

These data indicate the nature of the privately owned campground business in Michigan. Rather than performing an analysis of the business, its intent was to portray or inventory an existing situation. Additional research will look more factually upon the nature of investments, returns, and other elements of business analysis.

Campground enterprises in Michigan are growing both in size and scale. A large percentage of this growth has occurred over the past five years. Greatest growth has occurred near densely populated centers.

Many aspects of the private campground industry remain unclear. Despite evidence that there are not enough camping sites to fill the demand in peak periods, the private operator still has the problem of filling all camping sites during the week. Likewise, the normal camping season is extremely short. Thus, fixed annual costs must be recovered with less than full time use. This is a major factor in assessing economic feasibility, but it does not preclude managerial decisions to extend the length of season and special efforts to attract mid-week customers to expand the income.

The most efficient unit size for this type of business has not yet been determined. Nor do we know the best way to utilize supplemental enterprises to improve income from the campground. It is fairly clear that campsite rentals alone do not represent a very considerable return on investments.

Landowners with suitable sites may find campground operations a more intensive use alternative than leaving the land undeveloped. In other words, if a landowner wishes to convert non-producing property to income production, campgrounds represent one alternative. It should be understood however, that management and labor skills are the chief marketable products — the property itself represents only the location or site of the production unit. The basic resources of forest cover and water accessibility can become the features which permit marketing of the management and labor skills on a rather intensive basis.

One of the features of the private campground industry that appeals to many landowners is the opportunity to market family labor. Many present campgrounds were started for this reason. Campground owners appear to obtain non-monetary returns from the business, like the pleasures of having others around them.

One of the greatest restraints to private investment in campgrounds is the seasonal nature of camping in Michigan. New ways must be found to extend the income period beyond its present 100 day season, and fill more of the existing campsites during the low-use, mid-week period. Winterized facilities and innovative winter time activities could well capture some of the customer interest in year-round recreation opportunity. Much of the future growth of the industry will be based upon success in achieving longer and more intensive use of the facilities.

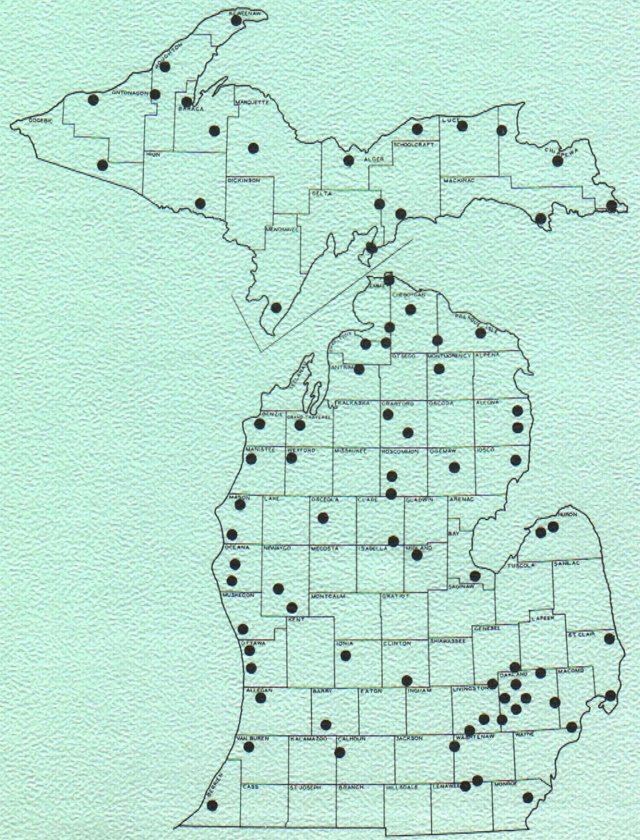


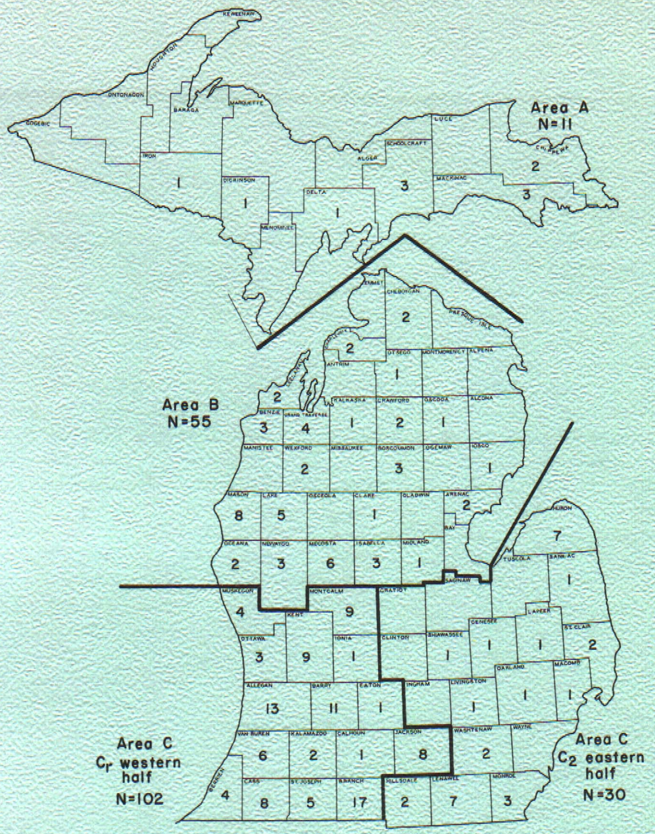
Fig. 10. Location of State Park campgrounds, 1970.

Fig. 11. County and township parks with campgrounds (1970).

Fig. 12. National Forest campgrounds in Michigan (1970).

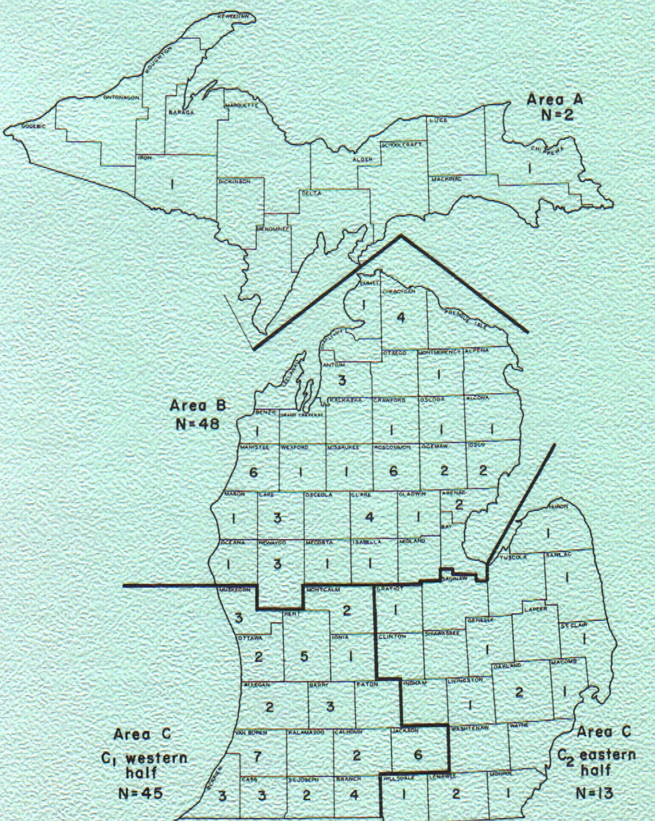
Fig. 13. State Forest campgrounds in Michigan (1970).

Fig. 14. Registered seasonal campgrounds privately owned, 1970 (N=198).



▲Fig. 15. Licensed privately owned campgrounds by county in 1970 (excluding mobile home courts N=198).

▲Fig. 16. Proposed private campgrounds for which construction permits were issued, 1965-1970 (N=108).



▲Fig. 17. Location of proposed privately owned campground developments by county, during 1965-1970 (N=108).

▲Fig. 18. Location of campgrounds licensed as mobile home courts in 1970 (N=42).

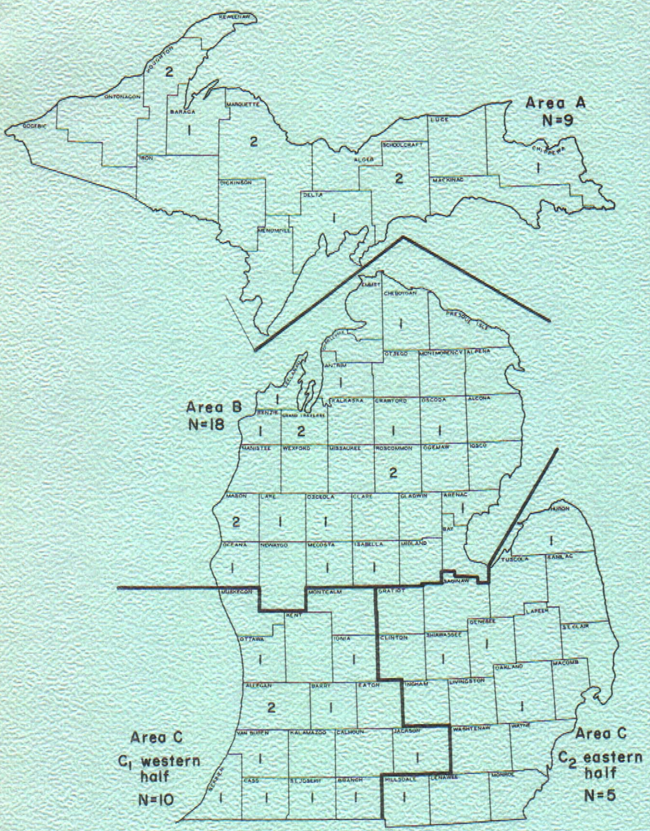


Fig. 19. Campgrounds registered as mobile home courts by county, in 1970 (N=42).