



## OIL SPILLS AND TOURISM: THEY DON'T MIX

The Deepwater Horizon Oil Spill Disaster in 2010 marked the worst environmental tragedy in our nation's history, with effects that will last years, if not decades. Despite claims made by oil companies that offshore drilling is safer than ever before, the fact remains that the technologies surrounding offshore drilling are relatively unchanged, and the risk of a major spill is still a very real possibility.

The effects of the BP oil spill on tourism, particularly on the Gulf Coast of Florida, serve as a case study to demonstrate how an oil spill along the Atlantic coast might affect tourism in nearby states, especially in areas that were not directly tainted by spilled oil. Much can be learned from academic journal articles, interview data related to trends in the hotel industry, and Google Trends, which tracks how often a search term is entered relative to the total search volume in a region.

### Tourism significantly declines after an oil spill:

In Louisiana, leisure visitors spent much less money following the oil spill.

- Leisure visitor spending in 2010 dropped **by \$247 million**, though this loss was somewhat offset by an increase in spending from the oil spill cleanup.<sup>1</sup>
- Leisure visitor spending was **projected to lose \$422 million from 2010 through 2013**.<sup>2</sup>

As the spill spread along the coast, so did **hotel cancellations throughout the Gulf Coast**.<sup>3</sup>

- 2 weeks after the spill, 35% of hotels surveyed had cancellations.
- Cancellation percentages rose 4 weeks after the spill (44%) and 6 weeks after the spill (60%).

Hotels in Gulf Coast states had **difficulty booking future events**.<sup>4</sup>

- 2 weeks after the spill, 42% had difficulty booking future events.
- The difficulty in booking future events doubled over the next two surveys (4 and 6 weeks).

There was a **marked decline in Gulf Coast tourism interest** following the oil spill.<sup>5</sup>

- Tripadvisor.com reports that in the 20 day period after the spill, consumers searched 52% less for Pensacola, FL., 65% less for Gulf Shores, AL., and 48% less for Destin, FL.
- 26% of those who had plans to visit Louisiana postponed or canceled.
- Texas, Mississippi, and Florida found that 17% had postponed or canceled their planned vacation.

<sup>1</sup> [The Impact of The BP Oil Spill on Visitor Spending in Louisiana: Revised estimates based on data through 2010 Q4](#), *Tourism Economics*, prepared for the Louisiana Office of Tourism (June 2011)

<sup>2</sup> Id.

<sup>3</sup> [The Gulf Coast Oil Spill and the Hospitality Industry](#), *The Knowland Group* (August 16, 2010)

<sup>4</sup> Id.

<sup>5</sup> [Potential Impact of the Gulf Spill on Tourism](#), *Oxford Economics*, prepared for the U.S. Travel Association (July 22, 2010)



Events and room bookings were canceled throughout the summer. However, those travelers did not stay home - **they took their vacations elsewhere.**

- Substitute destinations, such as North Carolina, Massachusetts, and Maine, were chosen in place of Gulf destinations, indicating a high aversion to the Gulf region.<sup>6</sup>
- Tourism visits declined by 4% in cities along the Gulf Coast region of Florida, while tourism visits increased by 5% in cities along the Atlantic coast.<sup>7</sup>
- The length of time that tourists avoid an area after an environmental disaster like an oil spill depends on a variety of factors, but can be months and even years.<sup>8</sup>

### Regional tourism declined, even in areas that did not experience oil pollution:

As soon as the oil spilled, hoteliers began to experience booking cancelations, **even in areas without oiled beaches.**<sup>9</sup>

- 25% of surveyed travelers thought that the Florida Keys and Panama City Beach were areas affected by the spill, even though oil had not washed ashore at these locations.
- Even if only one-fifth of those people change their vacation plans, **a 5 percent decrease in annual visitors would cost Florida \$3 billion in lost visitor spending, \$182.5 million in lost sales tax collections and 48,000 lost jobs.**<sup>10</sup>

When asked where oil was present on the shores of Florida’s beaches, readers **incorrectly believed that there was oil on West Coast Florida beaches** from St. Petersburg to the Florida Keys (16%), South Florida from Miami to Palm Beach (8%), and all the way up the East Coast from Daytona to Amelia Island (5-6%).<sup>11</sup>

The result of the misperception of oil on Florida’s beaches was that many leisure **travelers were less likely to visit Florida in the months following the spill.**

The risks to the hospitality and recreation industries on the East Coast are too high. This may help to explain why more than 110 [communities oppose offshore drilling](#), and the opposition continues to grow and form a united front to protect our oceans. For more information, please contact [act@oceana.org](mailto:act@oceana.org).

TripAdvisor Page Views % Change in Share of U.S.			
Twenty days until...	20-May	20-Jun	18-Jul
West Palm Beach	14%	17%	9%
Daytona Beach	1%	-4%	3%
Hilton Head	-4%	0%	1%
Miami	16%	1%	-2%
Myrtle Beach	1%	3%	-2%
Outer Banks	-11%	-8%	-4%
Fort Lauderdale	5%	-1%	-5%
Biloxi	-24%	-16%	-14%
Key Largo	-24%	-28%	-14%
Clearwater	-20%	-26%	-17%
Fort Myers Beach	-20%	-31%	-29%
Panama City Beach	-18%	-31%	-30%
Destin	-9%	-25%	-48%
Pensacola	-41%	-52%	-52%
Gulf Shores	-19%	-47%	-65%

Source: TripAdvisor

The table above shows the percentage drop in the share of TripAdvisor U.S. page views for various destinations in the Atlantic/Gulf regions after the BP oil spill. Data shows that searches for travel take place on Google typically a few weeks to about a month before the actual travel.

<sup>6</sup> Id.

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> [The Gulf Coast Oil Spill and the Hospitality Industry](#), *The Knowland Group (August 16, 2010)*

<sup>10</sup> Id.

<sup>11</sup> [Response: Deepwater Horizon Update](#). VISIT FLORIDIA (August 2010)