Research and Resources

Sound research is the basis for solid marketing decisions. The Office of Tourism studies economic impact and researches travelers' perceptions and motivations. In this section, you'll also find a plethora of information pertaining to trends at the national, international, regional and state level.

National Outlook

This section looks at travel trends and statistics on a national and international level.

Travel Forecast, 2004-2006

The Travel Industry Association of America (TIA) predicts travel volume and expenditures in the U.S. will increase in 2004. Travel volume is expected to increase slightly (1.2 percent) while expected total travel expenditures in 2004 will reach $587.8 billion, a 5.9 percent increase over 2003. Total travel expenditures for 2005 are forecast to reach $616 billion for a 4.6 percent increase over 2004. 2006 expenditures are forecast to reach an estimated $646.6 billion. TIA expects spending by international travelers to outpace domestic traveler spending in percentage gains in 2005 and 2006.

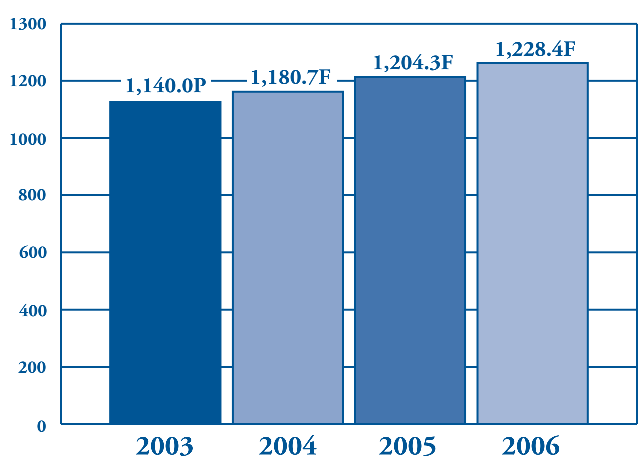
Domestic Travel 2003 vs. 2002

- Total U.S. domestic travel volume in 2003 was up slightly over 2002 (+1.2 percent).
- Auto travel was relatively strong as Americans continued to take even more of their trips than usual on the nation's highways.
- U.S. domestic air travel continued to decline due primarily to the decline in business travel.

Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

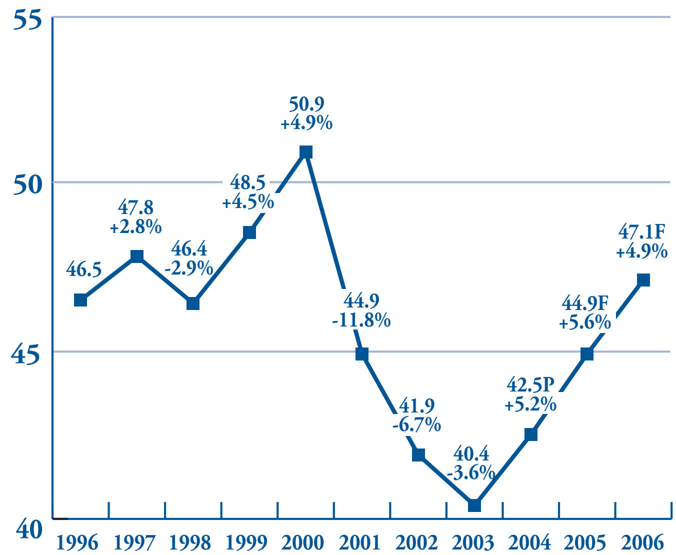
Total Domestic Person-Trips*

(in millions)



*One person on one trip 50 miles or more (one way) away from home or including one or more nights away from home.
P=Preliminary F=Forecast

International Travel to the United States (arrivals in millions)



P=Projection F=Forecast

Source: Office of Travel and Tourism Industries/International Trade Administration, U.S. Dept. of Commerce

Top 10 Generating Countries for U.S., 2003

1. Canada
2. Mexico
3. United Kingdom
4. Japan
5. Germany
6. France
7. South Korea
8. Italy
9. Australia
10. Netherlands

Source: Office of Travel and Tourism Industries/International Trade Administration, U.S. Dept. of Commerce

Economic Impact of Travel in the U.S., 2003*

(Domestic and international travel)

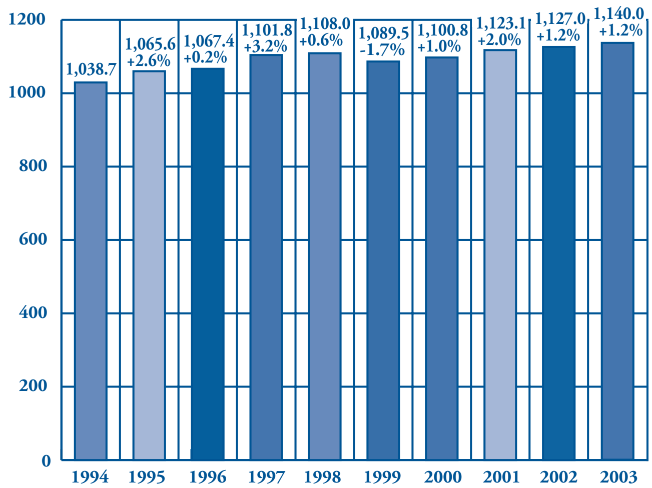
Travel Expenditures	$554.5 billion
Travel-generated tax revenue	$94.7 billion
Travel-generated payroll	$158.4 billion
Travel-generated employment	7.2 million jobs
Trade surplus	$2.6 billion

* Preliminary data

Source: Travel Industry Association of America Economic Impact of Travel and Tourism

U.S. Domestic Travel Volume*

Domestic travel in the U.S. has increased 9.8 percent from 1994 to 2002. (Person-trips** in millions)



*TIA's TravelScope survey was modified slightly in 2003 to capture more information from traveling households. These changes enhanced the reporting of day-trip travel by U.S. households. Therefore, 1994 to 2002 actual travel volumes have been re-estimated to maintain comparability to 2003 data. However, yearly change over time remains the same. The enhanced reporting of day trips by households caused slight shifts in the profiles of some travel segments in 2003 compared to the past. Caution should be used in comparing the 2003 profiles of some travel segments to earlier years.

**One person on one trip 50 miles or more (one way) away from home.

Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

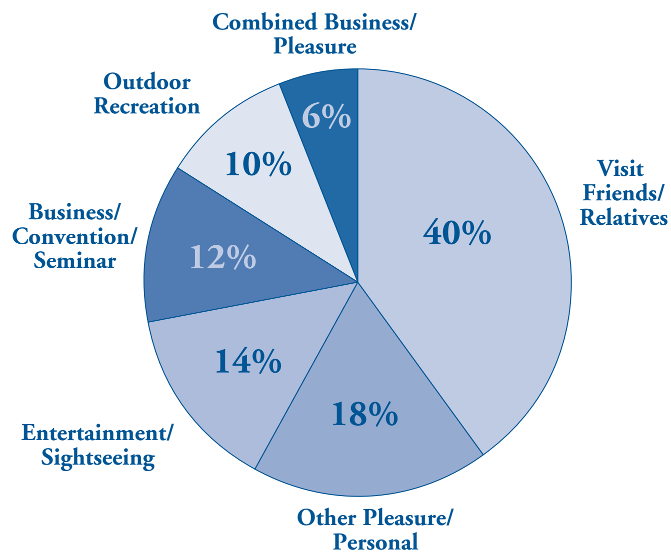
Nationwide, June, July and August are the most popular months for overnight trips. December is the most popular month for day trips.

Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

Primary Purpose of Travel, 2003

(percent of person-trips)

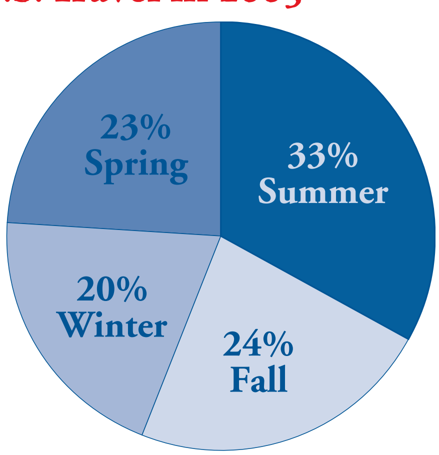
Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition



Season of U.S. Travel in 2003

(percent of person-trips)

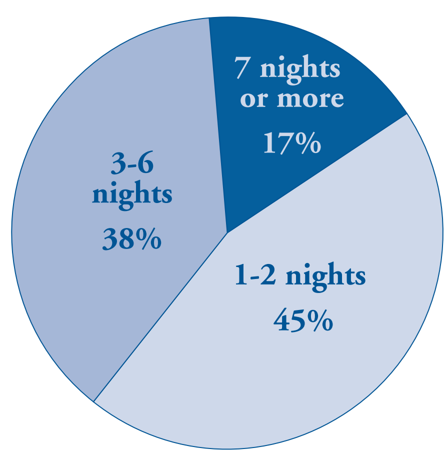
Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition



Overnight Travel in 2003

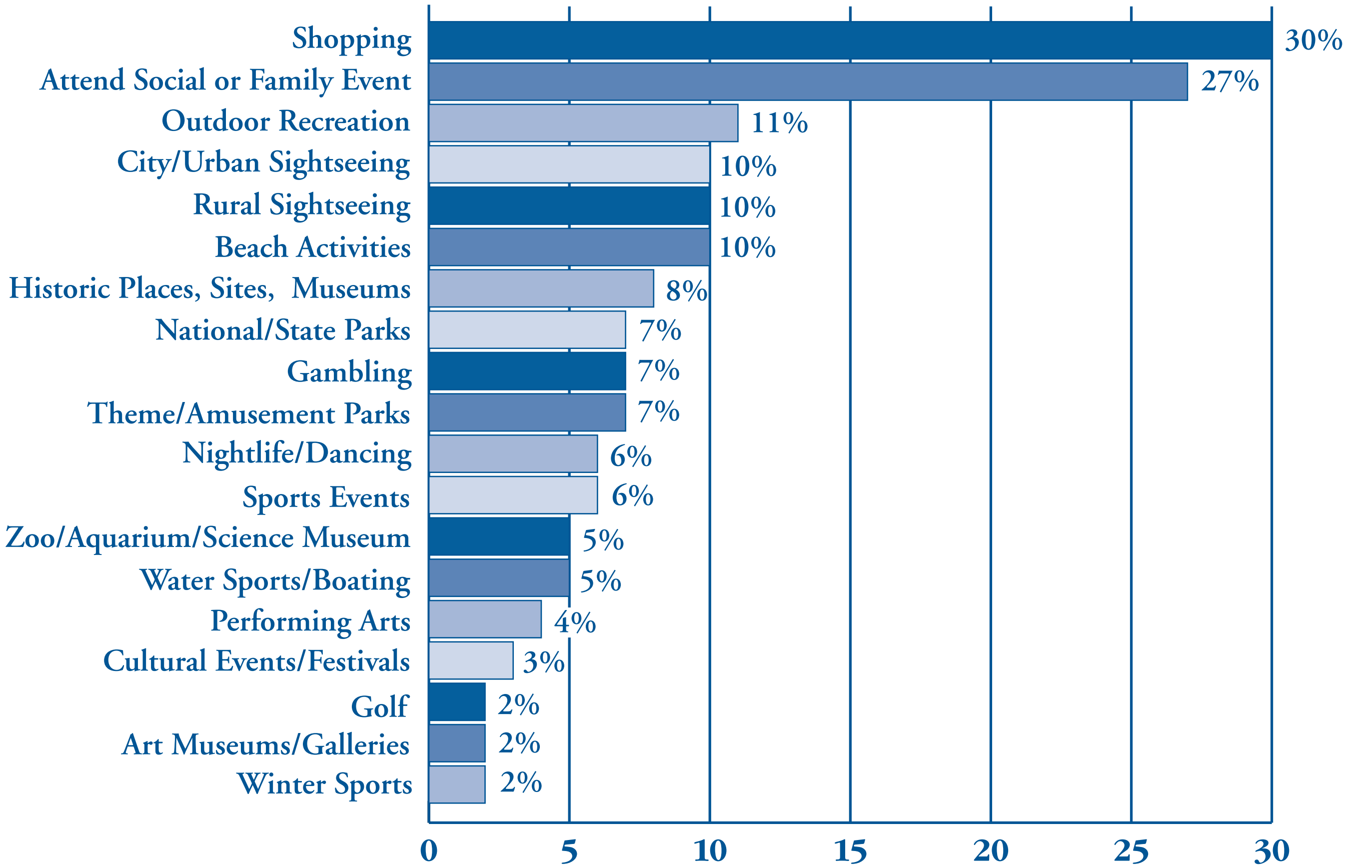
(percent of Domestic U.S. Person Trips)

Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition



Domestic Trip Activity Participation by U.S. Travelers in 2003

(percent of person-trips)



Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

U.S. Domestic Travel 2003 at a Glance

- Leisure travel accounts for 82 percent of all U.S. domestic travel, while business travel accounts for 12 percent. Six percent of all travel combines business with pleasure.
- Auto travel, by car, truck or RV, accounts for 78 percent of all person-trips in the U.S. Air travel accounts for 16 percent of all travel.
- Nearly half (45 percent) of overnight person-trips last one or two nights.
- More than half (55 percent) of overnight trips include a hotel, motel or bed-and-breakfast stay.
- Shopping is the most popular trip activity at 30 percent.
- Households spend an average of $366 on leisure trips, not including transportation to the destination.
- Four in 10 (42 percent) household trips are made by adults traveling alone or with someone outside their household, while about one-third (32 percent) are taken by multiple adults.
- One quarter (26 percent) of household trips include children.
- Travel is most likely to occur in the traveling households' own state, accounting for two in five (42 percent) of all person-trips.

Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

Traveler Profiles by Age Group, 2003

Profile of 2003 U.S. Domestic Traveling Households

- 62 percent married, 22 percent single/never married, 16 percent divorced, widowed, separated
- Average age: 47 (household head)
- 34 percent have children in the household
- Average annual household income: $69,500

Demographics of Generation X and Y Traveling Households (Ages 18-34)

- 44 percent are married
- Average age: 29 (household head)
- 33 percent have a child in the household
- 43 percent have an annual household income of $50,000+

Demographics of Baby Boomer Traveling Households (Ages 35-54)

- 73 percent are married
- Average age: 44 (household head)
- 52 percent have a child in the household
- 68 percent have an annual household income of $50,000+

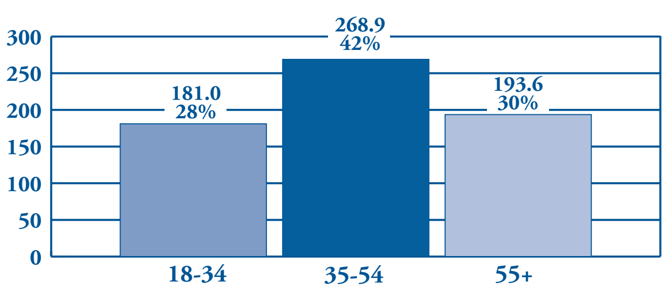
Demographics of Mature Traveling Households (Ages 55+)

- 64 percent are married
- Average age: 66 (household head)
- 8 percent have a child in the household
- 52 percent have an annual household income of $50,000+

Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

Who Travels the Most?

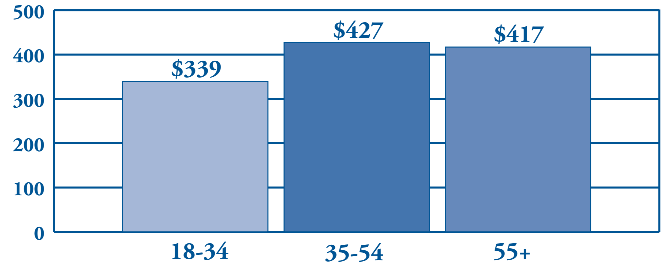
Volume of Travel by Age of Household Head, 2003 (Number of household trips in millions)



Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

Who Spends the Most?

Average Spending Per Trip by Age of Household Head, 2003



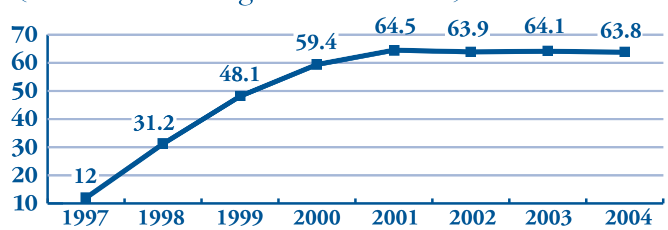
Source: Travel Industry Association of America's Domestic Travel Market Report, 2004 Edition

Travel and the Internet

In 2004, the Travel Industry Association of America estimates 56 percent of American adults use the Internet. A majority (65 percent) of travelers who go online say they consulted the Internet to get travel and destination information in 2004. While the number of Americans planning trips online has remained relatively stable, the share of online travel planners who also book online continues to grow. Indeed, of online travel planners, four in 10 (42 percent), are booking or making travel reservations online. This may include booking an airline ticket, hotel room, rental car or package tour online. Today, there are 44.6 million online travel bookers. It seems e-mail promotions do indeed influence some consumers to take a trip they otherwise would not have taken. In 2004, one in 10 online travelers (11 percent) claimed they had taken a trip they otherwise would not have taken based on an e-mailed travel promotion, discount or offer.

Incidence of Internet Travel Planning

(In millions among online travelers)

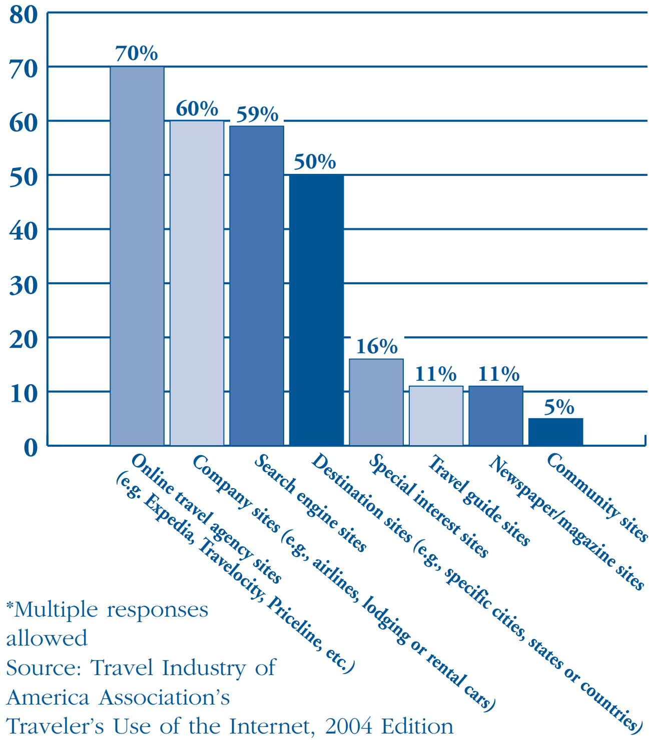


Note: Multiple responses allowed

Source: Travel Industry of America Association's Traveler's Use of the Internet, 2004 Edition

Types of Sites Used for Travel Planning*

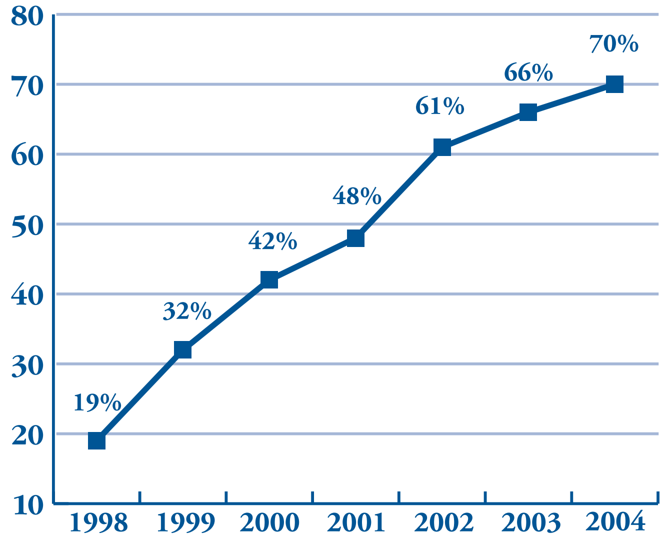
(Among 63.8 million online travelers who used the Internet to make travel plans)



*Multiple responses allowed
Source: Travel Industry of America Association's Traveler's Use of the Internet, 2004 Edition

Incidence of Travel Reservations/Booking Online

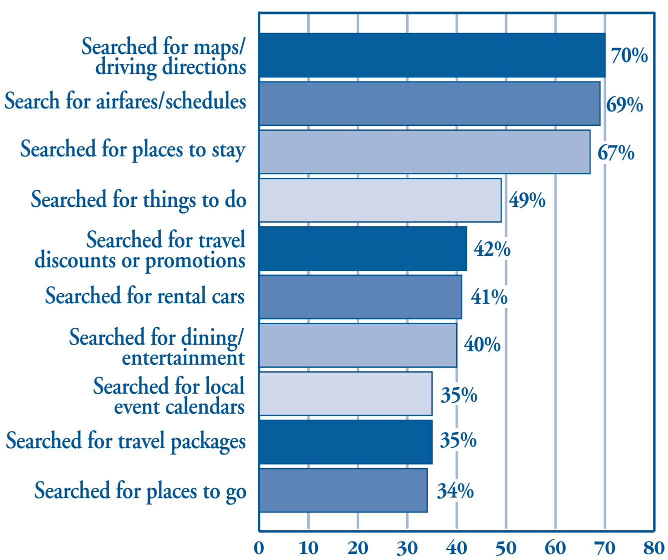
(Among online travel planners)



Source: Travel Industry of America Association's Traveler's Use of the Internet, 2004 Edition

Travel Planning Done Online for Trips in Past Year*

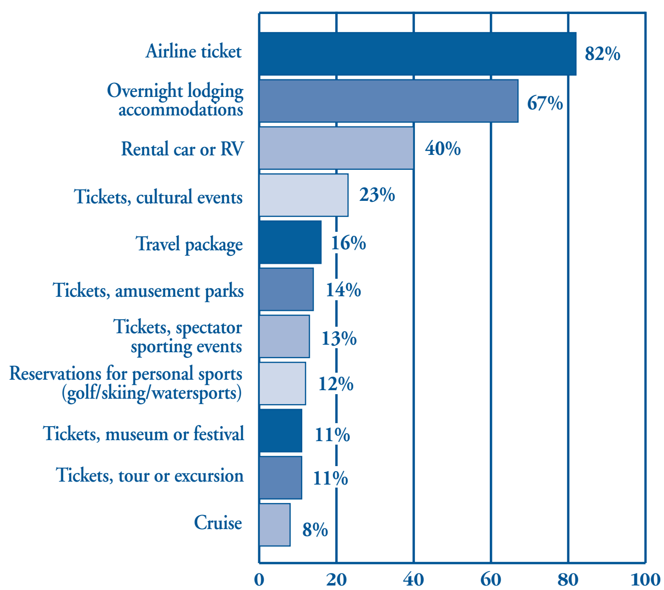
(Among 63.8 million online travelers who used the Internet to make travel plans)



*Multiple responses allowed
Source: Travel Industry of America Association's Traveler's Use of the Internet, 2004 Edition

Travel Products/Services Purchased Online*

(Among 44.6 million online travelers who booked travel online)



*Multiple responses allowed
Source: Travel Industry of America Association's Traveler's Use of the Internet, 2004 Edition

Demographics of Online Travelers, 2004

- Travelers who go online are split equally between men and women.
- 48 percent are Baby Boomers (35-54), 36 percent are Generation X and Y (18-34) and 16 percent are Matures (55+).
- Average Annual Household Income is $81,000.
- 63 percent work full-time and 40 percent have college degrees.
- Most (65 percent) are married, 27 percent are single and 8 percent are divorced, separated or widowed.
- Four in 10 (41 percent) have children at home.

Source: Travel Industry of America Association's Traveler's Use of the Internet, 2004 Edition

National Parks Travelers

Seventy-five percent of national park travelers included at least one overnight stay in or within 10 miles of a national park on their most recent national park trip. Many of these overnight national park travelers stayed three or more nights (42 percent). Households taking national/state park leisure trips spend an average of $627 on each of these trips. The average leisure trip including a visit to a national or state park is taken by auto or RV and lasts five nights. Nearly half (46 percent) of national/state park trips are taken by households headed by Baby Boomers. One in four (25 percent) national/state park trips are taken by households headed by someone in Generation X and Y (age 18-34). Mature households age 55+ take 29 percent of national/state park trips.

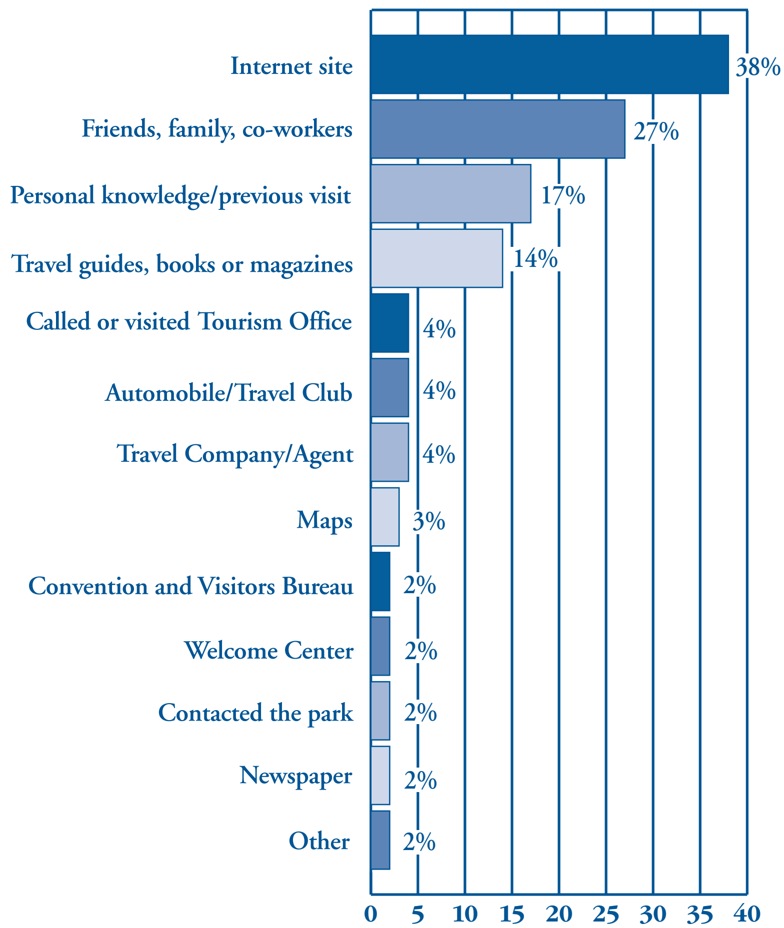
Demographics of National Parks Traveler

- Average age: 47
- 39 percent have children in the household
- Average annual household income: $66,800
- 55 percent of national/state parks travelers hold a bachelors degree or more

Source: Travel Industry Association of America's The National Parks Traveler, 2004 Edition

Sources Used for Planning Most Recent National Park Trip, 2003

(Among 84.4 million national parks travelers)



Source: Travel Industry Association of America's The National Parks Traveler, 2004 Edition

State Tourism Budgets

(in millions of dollars)

State	FY 2003-2004 projected budget
1. Hawaii	$56.3
2. Illinois	$46.1
3. Pennsylvania	$29.5
4. Texas	$29.5
5. Florida	$25.6
6. West Virginia	$20.8
7. Louisiana	$16.4
8. New Mexico	$15.4
9. South Carolina	$15.3
10. Missouri	$15.0
11. Colorado	$14.1
12. Wisconsin	$12.8
13. Arkansas	$12.4
14. Virginia	$12.1
15. Tennessee	$12.0
16. Arizona	$12.0
17. Maryland	$11.7
18. North Carolina	$11.3
19. Nevada	$11.2
20. Alaska	$10.4
21. Oklahoma	$10.4
22. Mississippi	$9.2
23. Alabama	$8.7
24. California	$8.5
25. Georgia	$8.4
26. Minnesota	$8.0
27. Michigan	$8.0
28. Montana	$7.4
29. South Dakota	**$7.3** *

State	FY 2003-2004 projected budget
30. Maine	$7.2
31. Ohio	$6.2
32. Vermont	$6.2
33. Kentucky	$6.1
34. Massachusetts	$6.0
35. Wyoming	$5.6
36. Idaho	$5.5
37. Indiana	$5.3
38. New Hampshire	$5.2
39. Utah	$4.4
40. Kansas	$4.2
41. Oregon	$3.9
42. Washington	3.7
43. North Dakota	$3.6
44. Iowa	$3.5
45. Nebraska	$3.0
46. Rhode Island	$1.8
Connecticut	No data
Delaware	No data
New Jersey	No data
New York	No data

* South Dakota's actual budget for FY04 was $8,014,860*. The estimated FY05 budget is $8,606,912*.

* Includes $1 million pledged by Gov. Rounds.

Source: Travel Industry Association of America's 2003-2004 Survey of U.S. State and Territory Tourism Office Budgets

Tourism Budgets in Review

- The average projected state budget for 2003-2004 was $11.9 million.
- Hawaii had the largest budget of $56.3 million. Illinois came next with $46.1 million and Pennsylvania third with $29.5 million.
- South Dakota's projected budget ranked 29th among the 46 states that provided budget figures for the survey. Three of the four states not reporting (Connecticut, New Jersey and New York) typically have larger budgets than South Dakota's.
- South Dakota's neighboring states ranked as follows: Minnesota 26th, Montana 28th, Wyoming 35th, North Dakota 43rd, Iowa 44th and Nebraska 45th.

Source: Travel Industry Association of America's 2003-2004 Survey of U.S. State and Territory Tourism Office Budgets

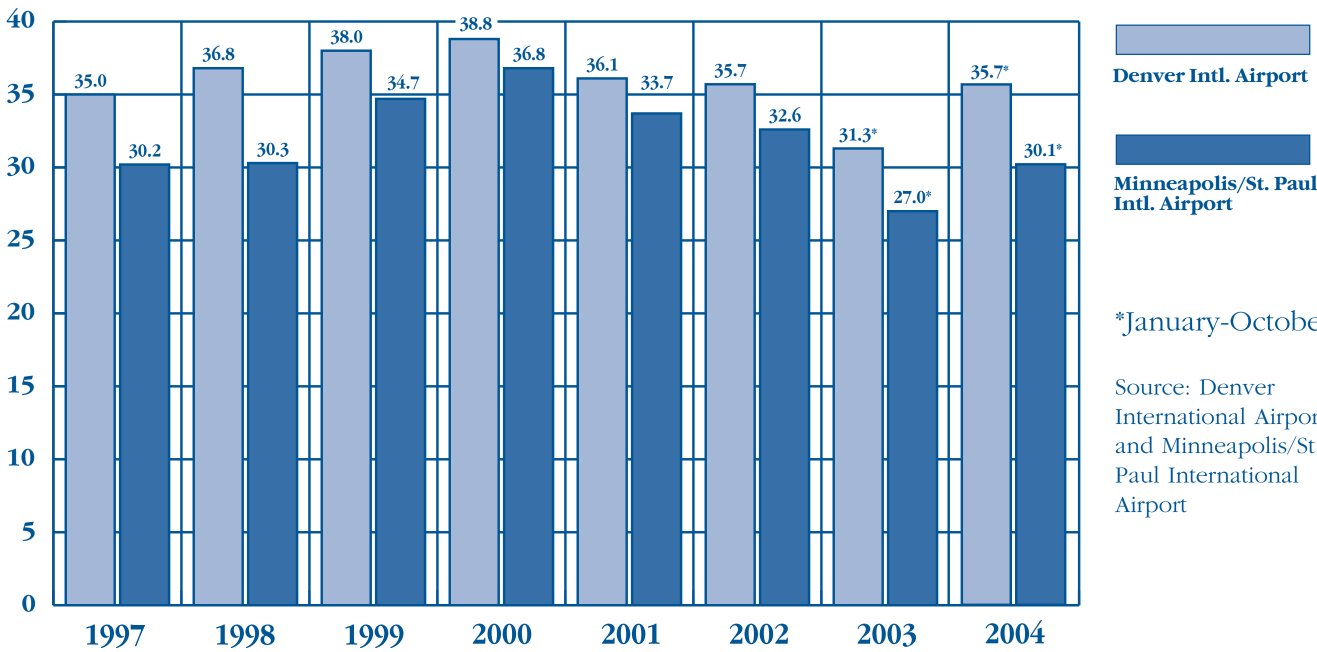
Regional Roundup

Occupancy Rates around the Region (January-November)

	2003	2004	change
Colorado	55.9%	58.1%	+4.5%
Iowa	56.6%	58.5%	+4.3%
Michigan	53.5%	54.0%	+0.9%
Minnesota	58.9%	60.4%	+4.3%
Montana	58.5%	57.6%	-1.4%
Nebraska	55.2%	56.7%	+1.3%
North Dakota	59.5%	61.9%	+2.8%
South Dakota	**56.1%**	**55.7%**	**+0.2%**
Wisconsin	55.1%	55.4%	+1.1%
Wyoming	60.3%	59.9%	-1.6%

Source: Smith Travel Research's Lodging Review Outlook, December 2004

Passenger Volume at Gateway Airports (in millions)



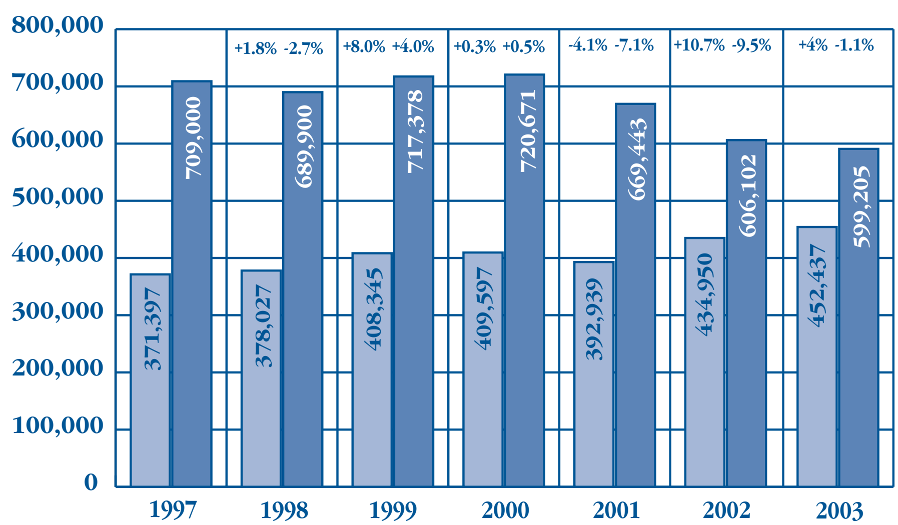
*January-October

Source: Denver International Airport and Minneapolis/St. Paul International Airport

Passenger Volume Rapid City and Sioux Falls Regional Airports

Rapid City Regional Airport

Sioux Falls Regional Airport



Source: Rapid City Regional Airport and Sioux Falls Regional Airport

Visitation at National Parks, January-November*

	2003	2004	% Change
Badlands National Park, South Dakota	**877,493**	**954,893**	**+8.8%**
Devils Tower National Monument, Wyoming	394,034	384,917	-2.3%
Effigy Mounds National Monument, Iowa	80,087	78,214	-2.3%
Glacier National Park, Montana	1,661,666	2,032,831	+22.3%
Grand Teton National Park, Wyoming	3,921,093	3,850,814	-1.8%
Jewel Cave National Monument, South Dakota	**126,393**	**109,326**	**-13.5%**
Minuteman Missile National Historic Site, South Dakota	**389**	**4,874**	**+1,153.0%**
Mount Rushmore National Memorial, South Dakota	**2,957,099**	**2,754,057**	**-6.9%**
Pipestone National Monument, Minnesota	81,718	81,215	-0.6%
Scotts Bluff National Monument, Nebraska	101,304	104,159	+2.8%
Theodore Roosevelt National Park, North Dakota	494,768	476,825	-3.6%
Wind Cave National Park, South Dakota	**942,332**	**828,367**	**-12.1%**
Yellowstone National Park, Wyoming	3,901,232	3,748,611	-3.9%

* Total of recreational and non-recreational visits

Source: National Park Service Public Use Statistics Office

State Statistics

See how South Dakota's visitor industry fared in 2004. This section contains statistics on visitor spending, occupancy and visitation across the land of Great Faces and Great Places.

2004 Economic Impact

Visitor spending totaled $752 million in 2004. This level of spending is the highest that has ever been achieved in South Dakota and is more than $54 million more than 2003. Visitor spending in 2004 is estimated to be 7.8 percent higher than recorded in 2003. This growth rate is slightly more than one percentage point higher than the state's average annual growth realized since 1997.

From a statewide perspective, September through October experienced the strongest relative performance with the remaining portion of the year exhibiting much uniformity.

As was the case last year, positive growth rates occurred in many Black Hills counties and in a significant number of Glacial Lakes and Prairies counties. Again this year, the weakest visitor spending levels were associated with counties along the Missouri River. Significant movements took place in various smaller population counties dispersed through the state. Meade County had the highest growth in visitor spending among South Dakota's more populated counties.

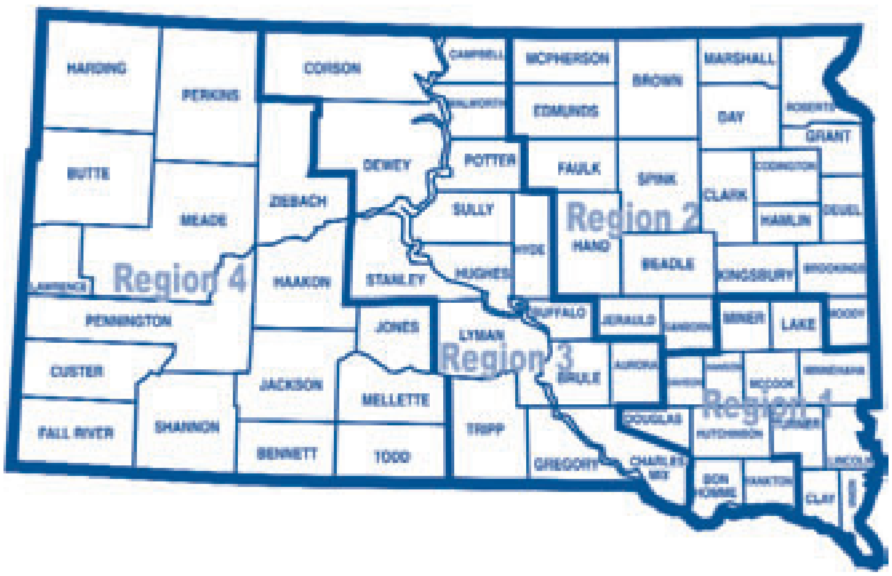
As for the state's four regions, Glacial Lakes and Prairies again experienced the largest increase in visitor spending, 10.6 percent. This continues a growth trend in that region that began in 2002. Spending in the Black Hills, Badlands and Lakes region increased by 8.9 percent and can be attributed in large part to high annual growth rates in Meade and Lawrence Counties. Travel volume in the Southeast, an increase of 4.9 percent, was comparable to its long-term trend with Davison County showing the greatest annual growth. Growth in expenditures this year in the Great Lakes region were undoubtedly impacted by low water levels on Lake Oahe. Negative growth in many northern counties within that region were offset by more diversified counties such as Hughes, Lyman, Stanley and Gregory.

In the long-term, annual increases in South Dakota's real spending growth (a figure that factors out inflation) have averaged 3.6 percent since 1990. In 2004, however, the state experienced a 4.8 percent increase in real growth.

Travelers yielded an estimated $44.6 million in gas and sales tax receipts for 2004, about $1.9 million more than in 2003. The visitor industry also accounted for an estimated 33,107 jobs across South Dakota, an increase of nearly 1,300 jobs when compared to 2003.

*Unless otherwise noted, statistics included in this section are provided by Dr. Michael K. Madden. For an explanation of the methodology used in computing travel industry estimates, see Appendix A on page 100.

Travel Regions Used in Study



Region 1 = Southeast

Region 2 = Glacial Lakes and Prairies

Region 3 = Great Lakes

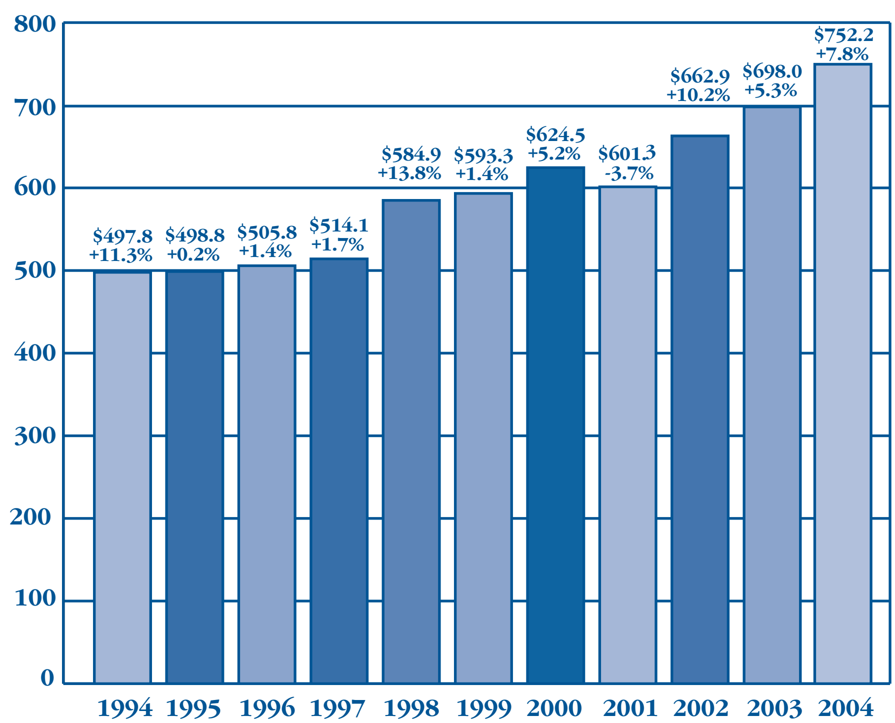
Region 4 = Black Hills, Badlands and Lakes

*In 2003, regional boundaries for the economic impact and occupancy studies were revised to mimic the boundaries followed by the regional tourism associations. Data in the following charts and graphs has been adjusted for the regional comparisons from 1996.

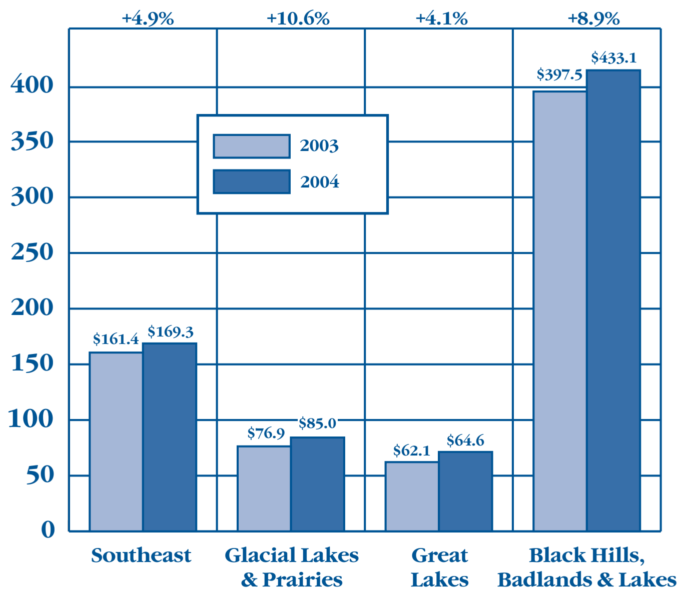
Facts at a Glance 2004

		% Change from 2003
Total visitor spending:	$752,200,454	+7.8 percent
Impact on state's economy:	$1.88 billion	+7.7 percent
State sales tax from visitor spending:	$21,386,000	+4.5 percent
State gasoline tax from visitor spending:	$23,311,000	+4.8 percent
Employment traceable to visitor industry:	33,107	+4.0 percent

Total Visitor Expenditures and Percent Change 1994-2004 (in millions)



Visitor Expenditures by Region 2003-2004 (in millions)



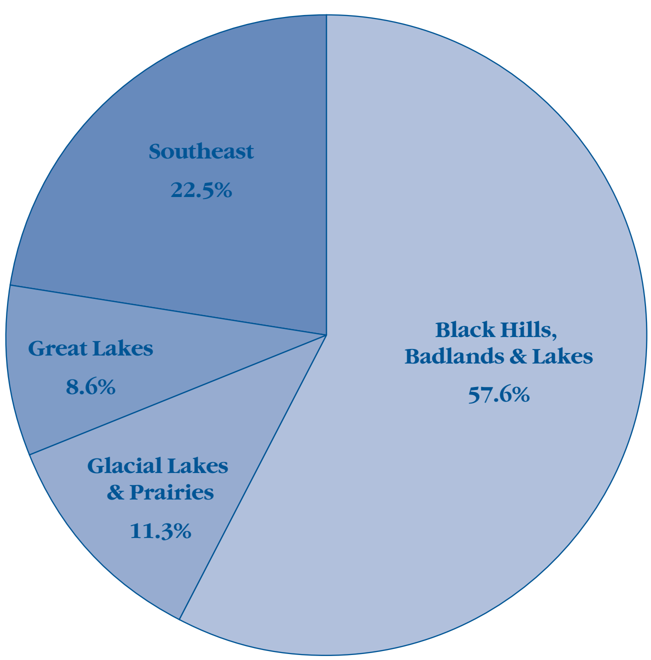
Percentage Change in Real Growth (Visitor Sales Volume) 1990-2004

(Percentages factor out the impact of inflation on actual expenditure levels.)

1990	+9.1%
1991	+5.5%
1992	-0.1%
1993	+11.3%
1994	+8.2%
1995	-2.6%
1996	-1.4%
1997	-0.6%
1998	+12.1%
1999	-0.7%
2000	+2.7%
2001	-6.4%
2002	+8.4%
2003	+3.2%
2004	+4.8%

Arithmetic Average 3.6%

2004 Visitor Expenditures by Regional Share



Expenditures by Region 1996-2004

(in millions)

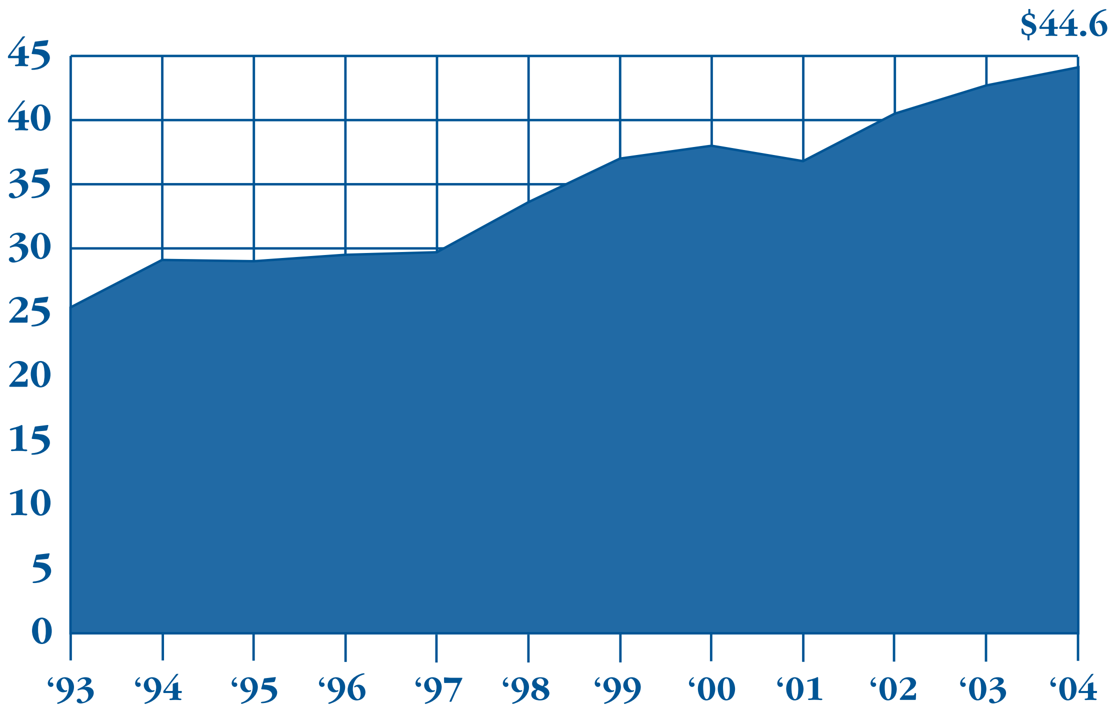
	Black Hills, South-east	Lakes & Prairies	Great Lakes	Glacial Badlands & Lakes
1996	$275.9	$57.3	$53.9	$118.7
1997	$272.3	$62.2	$56.1	$123.4
1998	$314.9	$67.3	$58.7	$144.0
1999	$326.1	$66.5	$57.6	$143.2
2000	$351.7	$68.7	$58.6	$145.5
2001	$326.5	$67.3	$61.1	$146.3
2002	$376.6	$70.8	$62.2	$153.2
2003	$397.5	$76.9	$62.1	$161.4
2004	$433.1	$85.0	$64.6	$169.3

Estimated Total Visitor Sales - Volume by County and Percent Change

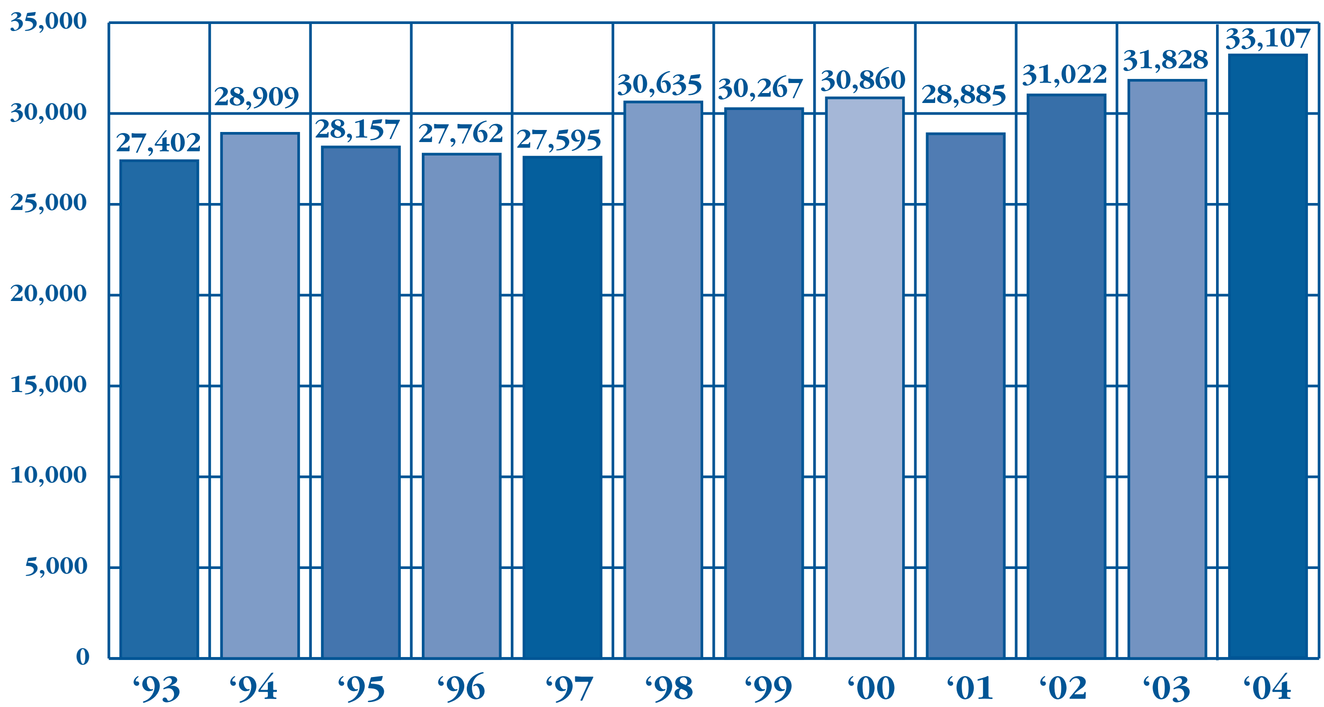
County	2003	2004	Change
Aurora	$1,238,749	$1,305,295	+5.4%
Beadle	$6,391,729	$8,148,620	+27.5%
Bennett	$915,770	$821,777	-10.3%
Bon Homme	$1,113,065	$1,174,627	+5.5%
Brookings	$10,488,644	$11,336,391	+8.1%
Brown	$15,322,655	$17,595,552	+14.8%
Brule	$9,387,018	$9,544,139	+1.7%
Buffalo	NA *	NA *	NA *
Butte	$5,667,450	$6,038,924	+6.6%
Campbell	$1,032,545	$934,916	-9.5%
Charles Mix	$5,951,158	$5,557,231	-6.6%
Clark	$680,580	$945,088	+38.9%
Clay	$7,311,751	$8,020,025	+9.7%
Codington	$14,704,118	$15,494,561	+5.4%
Corson	$655,763	$590,775	-9.9%
Custer	$45,134,744	$47,749,103	+5.8%
Davison	$25,404,403	$28,110,904	+10.7%
Day	$2,644,480	$2,792,427	+5.6%
Deuel	$1,055,326	$884,438	-16.2%
Dewey	$872,823	$748,740	-14.2%
Douglas	$486,431	$414,003	-14.9%
Edmunds	$706,686	$971,676	+37.5%
Fall River	$10,566,917	$9,984,483	-5.5%
Faulk	$678,230	$832,385	+22.7%
Grant	$1,999,881	$2,307,430	+15.4%
Gregory	$1,680,178	$2,174,870	+29.4%
Haakon	$720,130	$557,556	-22.6%
Hamlin	$1,220,931	$1,271,563	+4.1%
Hand	$1,749,594	$1,251,047	-28.5%
Hanson	$602,799	$576,847	-4.3%
Harding	$753,436	$604,733	-19.7%
Hughes	$14,400,302	$15,920,098	+10.6%
Hutchinson	$1,807,815	$1,618,725	-10.5%
Hyde	$377,553	$352,054	-6.8%
Jackson	$7,720,572	$8,253,541	+6.9%
Jerauld	$1,706,778	$1,893,356	+10.9%
Jones	$5,269,183	$5,563,007	+5.6%
Kingsbury	$2,854,279	$3,127,829	+9.6%
Lake	$3,424,542	$3,562,668	+4.0%
Lawrence	$89,579,643	$99,660,780	+11.3%
Lincoln	$5,967,165	$5,868,114	-1.7%
Lyman	$10,615,462	$11,673,521	+10.0%
McCook	$1,630,289	$1,658,863	+1.8%
McPherson	$768,233	$773,384	+0.7%
Marshall	$1,820,196	$1,904,778	+4.6%
Meade	$38,275,561	$48,750,674	+27.4%
Mellette	$379,404	$278,265	-26.7%
Miner	$686,999	$745,329	+8.5%
Minnehaha	$92,940,303	$97,998,790	+5.4%
Moody	$6,303,594	$7,179,163	+13.9%
Pennington	$184,548,939	$197,421,263	+7.0%
Perkins	$901,603	$1,021,756	+13.3%
Potter	$2,971,591	$2,937,105	-1.2%
Roberts	$2,899,159	$3,418,842	+17.9%
Sanborn	$669,829	$714,282	+6.6%
Shannon	$789,924	$866,902	+9.7%
Spink	$2,248,024	$2,188,690	-2.6%
Stanley	$2,152,248	$2,307,688	+7.2%
Sully	$2,182,459	$2,082,398	-4.6%
Tripp	$4,013,546	$3,997,247	-0.4%
Todd	$6,139,657	$5,391,624	-12.2%
Turner	$1,305,170	$1,014,337	-22.3%
Union	$6,264,376	$5,465,330	-12.8%
Walworth	$4,583,937	$4,557,774	-0.6%
Yankton	$12,465,498	$13,147,078	+5.5%
Ziebach	$169,816	$145,071	-14.6%

* Not available: Taxable sales not available for lodging, eating and drinking establishments for Buffalo County 2003.

State Fiscal Impacts (gas and sales tax) (in millions)



South Dakota Employment Traceable to Visitor Industry



2004 Hotel/Motel and Campground Occupancy

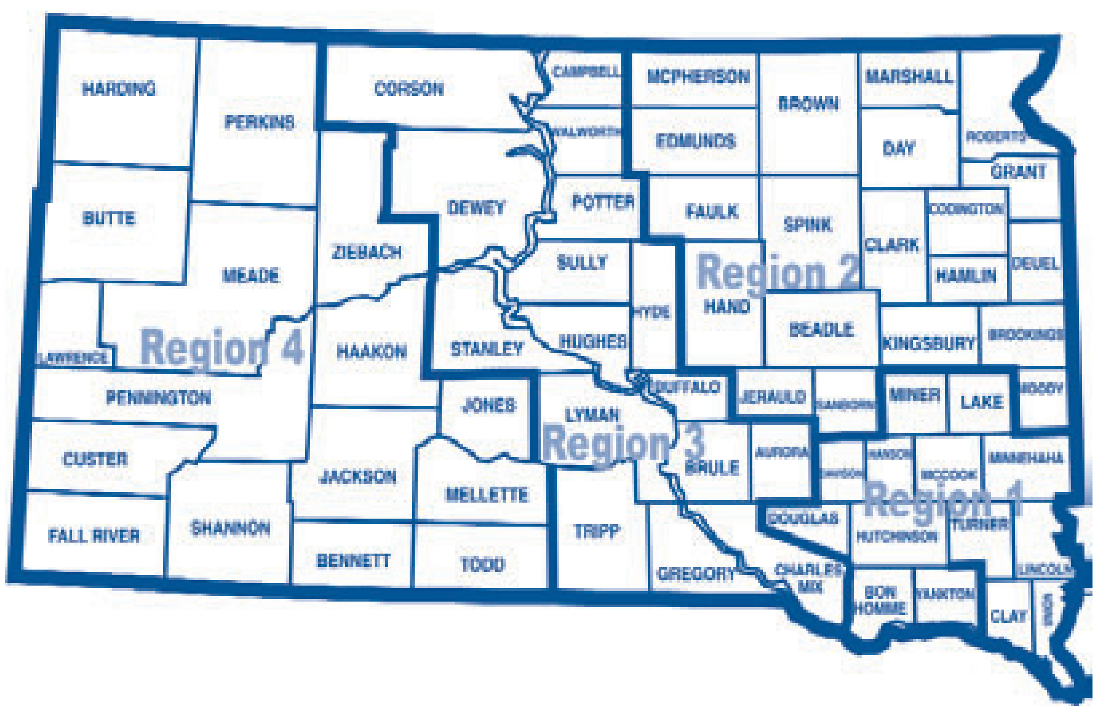
Statewide hotel/motel occupancy for May through October 2004 was 62.1 percent, a decrease of 2.7 percent when compared to 2003 occupancy levels. The May occupancy rate was significantly lower than May 2003. While June and July occupancy rebounded, both months were lower than rates posted in 2003.

After reporting 68.3 percent occupancy rates for two consecutive years, Region 4, Black Hills, Badlands and Lakes, reported an occupancy rate of 63.2 percent. This 5.1 percentage point drop is the largest year-over-year drop in this region since the survey began. The Glacial Lakes and Prairies region reported a marginal increase of 0.7 percent in its 2004 regional average with its largest gain occurring in July, 4.7 percentage points higher than 2003. The highest monthly occupancy rates among the four regions occurred in July and October. The lowest hotel/motel occupancy in the study period occurred in May in the case of all four regions.

Campground occupancy in 2004 was slightly lower than 2003 equating to 55.7 percent occupancy. Statewide occupancy rates declined from 59.5 percent in June to 52.6 percent in August. Declines in campground occupancy rates occurred in all regions except the Glacial Lakes and Prairies region, which experienced a 2.3 percent increase.

*Unless otherwise noted, statistics included in this section are provided by the Center for Tourism Research at Black Hills State University. For an explanation of the methodology used in figuring occupancy rates, see Appendix B on page 100.

Map of Occupancy Regions*



Region 1 = Southeast

Region 2 = Glacial Lakes and Prairies

Region 3 = Great Lakes

Region 4 = Black Hills, Badlands and Lakes

*In 2003, regional boundaries for the economic impact and occupancy studies were revised to mimic the boundaries followed by the regional tourism associations. Data in the following charts and graphs has been adjusted for the regional comparisons from 1998.

Season-end Motel Occupancy (May through October)

Region	1998 %	1999 %	2000 %	2001 %	2002 %	2003 %	2004 %
1 Southeast	70.6	71.9	69.8	70.5	71.5	68.2	65.4
2 Glacial Lakes and Prairies	66.9	61.2	60.3	58.7	59.6	55.6	56.3
3 Great Lakes	66.7	65.6	62.6	62.2	61.4	54.3	54.2
4 Black Hills, Badlands and Lakes	71.5	69.6	66.5	63.5	68.3	68.3	63.2
Statewide	70.0	68.4	65.8	64.4	67.2	64.8	61.2

Season-end Campground Occupancy * (June through August)

Region	1998 %	1999 %	2000 %	2001 %	2002 %	2003 %	2004 %
1 Southeast	45.1	47.4	48.7	52.5	47.2	46.9	43.3
2 Glacial Lakes and Prairies	34.9	42.2	42.5	49.8	52.2	49.4	51.7
3 Great Lakes	55.0	47.1	50.6	51.1	51.3	47.0	38.6
4 Black Hills, Badlands and Lakes	57.5	59.8	60.7	54.7	61.5	62.4	50.0
Statewide	54.4	54.6	56.1	52.7	56.6	57.0	55.7

*Sample includes both public and private campgrounds.

International Occupancy

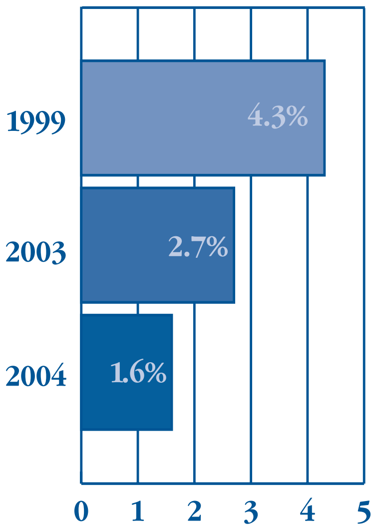
Growing the number and length of stay of international visitors in the state remains an important objective of the Office of Tourism. Focusing the State's time and resources to attract this unique market has been a 10-year investment and one that continues to show promise. And because of the ongoing potential of this market, the Office of Tourism has conducted research that documents trends in international travel to the state since 1995. 2004 is the second year in which this survey has been implemented statewide in all four regions.

The 2004 survey, conducted by the Center for Tourism Research at Black Hills State University, reflects much of what has been discovered in previous years. According to survey results, the weighted state average for international travel in 2004 was 1.3 percent. As in previous years, the Black Hills, Badlands and Lakes region experienced a higher international influence than other regions in the state. For the entire sample period, the Black Hills, Badlands and Lakes region is estimated to have received an average international impact of 1.6 percent in 2004. The Southeast region averaged 1.4 percent for the combined months of May, June, August and September. International travel generally accounted for only 0.5 and 0.9 percent of travel in the Glacial Lakes and Prairies and Great Lakes regions respectively.

The Office of Tourism targets travelers from Germany, France, Belgium, Italy and the United Kingdom with its international promotions. This is done as part of a consortium, Rocky Mountain International, with Idaho, Montana and Wyoming. The Office of Tourism also targets Japan and Scandinavia with separate efforts.

*Unless otherwise noted, statistics included in this section are provided by the Center for Tourism Research, Black Hills State University. For an explanation of the methodology used in figuring occupancy rates, see Appendix C on page 101.

Average June International Occupancy for Black Hills, Badlands and Lakes Region



Percentage of Rented Rooms Occupied by International Visitors, 2004

Region	Overall Avg.	May Avg.	June Avg.	Aug. Avg.	Sept. Avg.	May Max.	June Max.	Aug. Max.	Sept. Max.
1 Southeast	1.4	0.1	3.8	1.4	0.4	0.0	2.7	2.1	0.7
2 Glacial Lakes and Prairies	0.5	0.0	0.1	0.9	0.8	0.8	0.2	1.1	0.8
3 Great Lakes	0.9	1.5	1.5	0.4	0.1	1.9	1.9	0.7	0.1
4 Black Hills, Badlands and Lakes	1.6	0.8	1.6	1.3	3.1	2.1	1.8	1.0	11.1
Weighted State Average	1.3	0.6	2.0	1.1	1.7	1.3	1.8	1.3	5.5

South Dakota TRIP (Tourism Research Inventory Product) Report Summary and Analysis

Overnights Offered by Tour Operators, 2003-2004

	Fly-Drive	Accommodations	Motorcoach	Small Group	Packages
Benelux	4,046	2,190	8,360	75	0
France	5,085	17,885	4,120	9,800	592
Germany	8,341	14,600	15,040	4,771	870
Italy	6,641	8,030	2,320	0	0
UK	9,908	60,225	46,600	11,700	2,008
Total	34,021	102,930	76,440	26,346	2,008

Source: 2003-004 Rocky Mountain International Annual Report

Overnights Offered by Market, 2003-2004

	2002-2003	2003-2004	% change
Benelux	13,250	14,671	+11%
France	24,800	37,482	+51%
Germany	72,211	43,622	-40%
Italy	18,622	16,991	-9%
UK	64,862	128,979	+99%
Total	193,745	241,745	+25%

Source: 2003-004 Rocky Mountain International Annual Report

While these numbers don't measure visitation, according to RMI's 2003-2004 annual report they do measure demand, and are predictors of growth areas. RMI believes the numbers seem to suggest the region specifically can continue to expect higher percentages based on the growth rate of product available.

Factors that have contributed to the turnaround include:

- RMI's marketing program has remained consistent, even through tough times. We have kept a strong presence in each market – a fact that is paying dividends now.
- A strong Euro versus the U.S. Dollar has made vacations 15-20 percent more affordable this year than last year.
- While the war in Iraq has influenced people's views of traveling to the U.S. to some degree, the effects have not been nearly as significant as a large-scale terrorist attack such as Sept. 11.
- Over the past year, many tour operators have reported a lot of interest in travel to the U.S. and that pent-up demand does exist. As people begin to feel that travel to the U.S. is safe, this demand will continue to play a significant role over the next couple of years as the numbers continue to stabilize.
- The region is safe. While the region is seeing growth, other more popular destinations are seeing stagnation or relatively small growth rates. Many of these places have high profiles and are considered less safe, i.e. New York, Florida.
- Increased growth in tour operator product available online. RMI did extensive research to find these listings, and the result is impressive, especially in the UK.

Top 20 States Represented at Interstate Information Centers 2004

1. South Dakota
2. Minnesota
3. Iowa
4. Wisconsin
5. Illinois
6. Nebraska
7. Missouri
8. Washington
9. Michigan
10. Wyoming
11. Ohio
12. California
13. North Dakota
14. Indiana
15. Florida
16. Texas
17. Pennsylvania
18. Colorado
19. Kansas
20. Montana

Source: Guest registers at South Dakota Interstate Information Centers (May-October).

Visitation at Major South Dakota Attractions

Mount Rushmore National Memorial

1993	2,604,692
1994	2,755,394
1995	2,700,721
1996	2,571,209
1997	2,365,008
1998	2,706,926
1999	2,656,278
2000	2,522,288
2001	2,570,271
2002	2,922,002
2003	2,998,015
2004	2,754,057

Badlands National Park

1993	1,198,322
1994	1,149,323
1995	1,094,433
1996	1,043,407
1997	989,560
1998	1,039,913
1999	969,317
2000	1,124,688
2001	974,333
2002	927,762
2003	889,898
2004	954,893

Custer State Park

1993	1,495,355
1994	1,651,115
1995	1,700,217
1996	1,678,808
1997	1,703,819
1998	1,828,623
1999	1,801,494
2000	1,693,887
2001	1,666,938
2002	1,820,154
2003	1,821,078
2004	1,806,858

Redlin Art Center

2000	234,648
2001	231,304
2002	195,552
2003	182,194
2004	188,140

Wind Cave National Park

1993	740,807
1994	1,180,024
1995	1,069,197
1996	1,059,070
1997	1,130,695
1998	1,158,001
1999	1,016,065
2000	872,194
2001	874,026
2002	965,416
2003	942,332
2004	828,367

Black Hills National Forest*

Motorized Travel

2001	1,938,800
2002	2,083,100
2003	2,133,100

Camping

2001	230,100
2002	235,800
2003	241,400

* One visitor day is one person for 12 hours or 12 people for one hour in the Forest

Lewis and Clark Recreation Area

1993	844,251
1994	1,043,451
1995	1,102,499
1996	1,122,924
1997	1,037,169
1998	1,013,286
1999	1,013,070
2000	1,028,697
2001	1,071,621
2002	1,070,190
2003	1,105,725
2004	1,095,579

Laura Ingalls Wilder Society

2004	15,081

Corn Palace**

1993	561,149
1994	587,822
1995	535,861
1996	500,372
1997	287,358
1998	334,452
1999	330,894
2000	300,851
2001	267,094
2002	294,922
2003	276,235
2004	291,285

Jewel Cave National Monument

1993	132,611
1994	148,552
1995	154,758
1996	144,983
1997	133,393
1998	131,238
1999	135,253
2000	129,445
2001	125,678
2002	131,565
2003	126,735
2004	109,326

The Mammoth Site

1993	88,527
1994	98,837
1995	103,096
1996	92,926
1997	90,391
1998	97,104
1999	99,878
2000	105,706
2001	96,160
2002	107,102
2003	102,003
2004	101,431

Akta Lakota Museum & Cultural Center

2004	21,901

Fort Sisseton State Park

1993	69,619
1994	78,407
1995	79,364
1996	72,753
1997	78,852
1998	96,992
1999	98,976
2000	107,799
2001	111,219
2002	107,862
2003	120,009
2004	114,485

Cultural Heritage Center

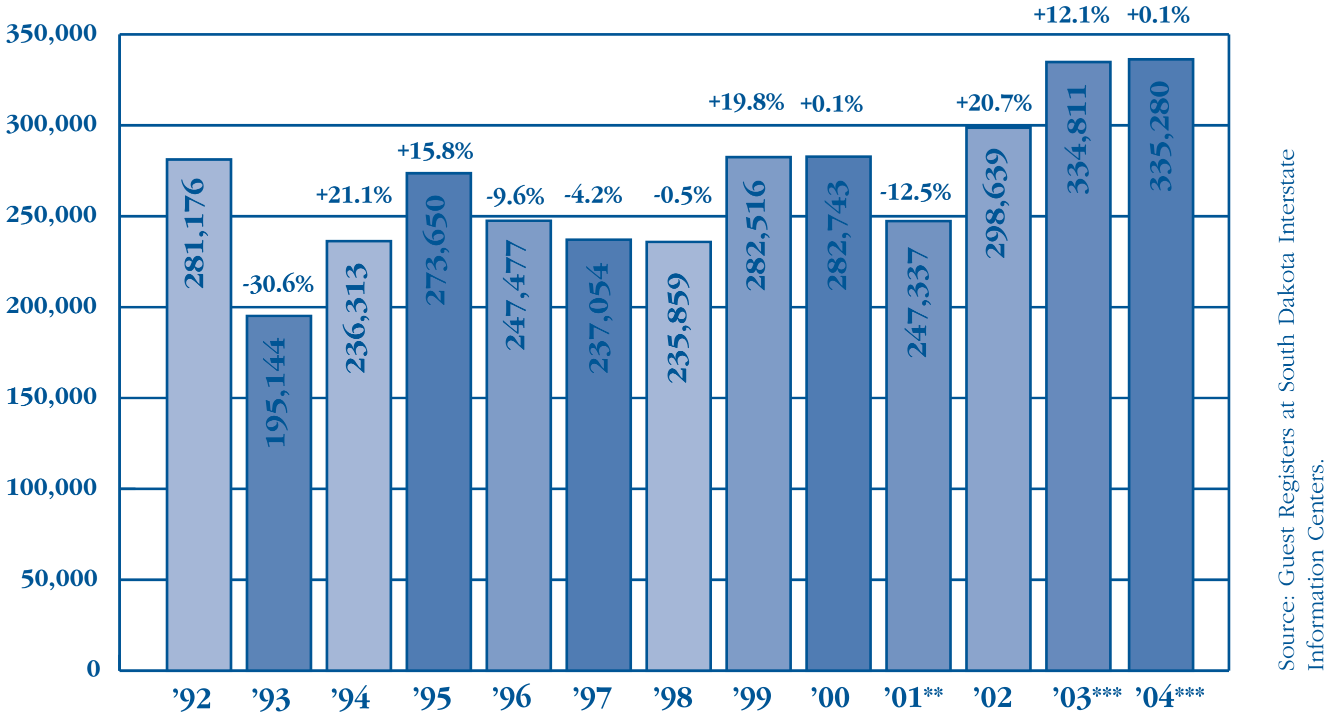
1993	37,119
1994	30,995
1995	23,614
1996	22,513
1997	20,653
1998	21,829
1999	22,262
2000	20,733
2001	22,984
2002	19,741
2003	20,979
2004	21,238

West Whitlock Recreation Area

1993	62,727
1994	74,589
1995	76,440
1996	86,658
1997	97,479
1998	69,771
1999	40,497
2000	64,047
2001	69,745
2002	70,640
2003	72,153
2004	34,889

**Corn Palace figures are for Memorial Day-Labor Day only. Changed counting method in 1997

Visitation at Interstate Information Centers*

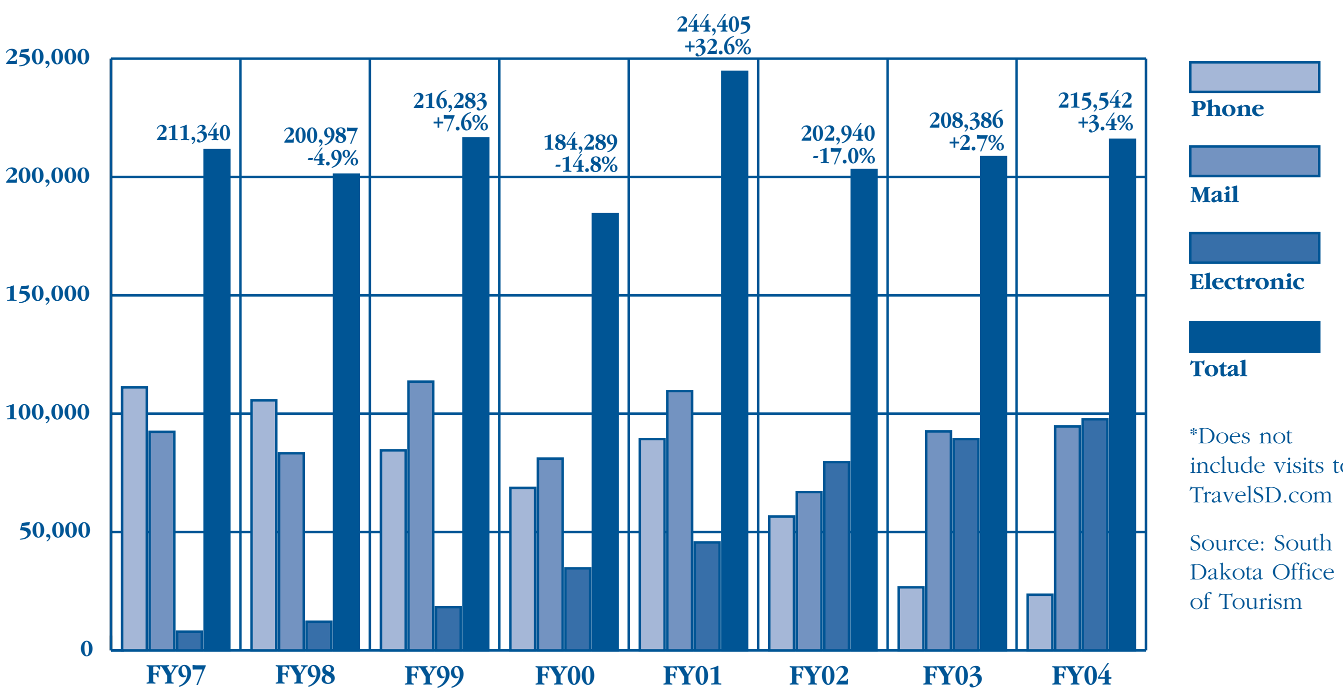


The average number of people per party at the Interstate Information Centers was 2.43 in 2004. For the season (mid-May through October), more than 814,730 people passed through the doors of South Dakota's Interstate Information Centers.

Source: South Dakota Office of Tourism

*Figures represent cars counted at 13 Interstate Information Centers during the summer travel season, generally mid-May through September.
** Vivian Information Center was closed in 2001, which accounted for 23,900 cars in 2000.
*** Represents a one to three week extended season at four of the centers.

Inquiries to the Office of Tourism*

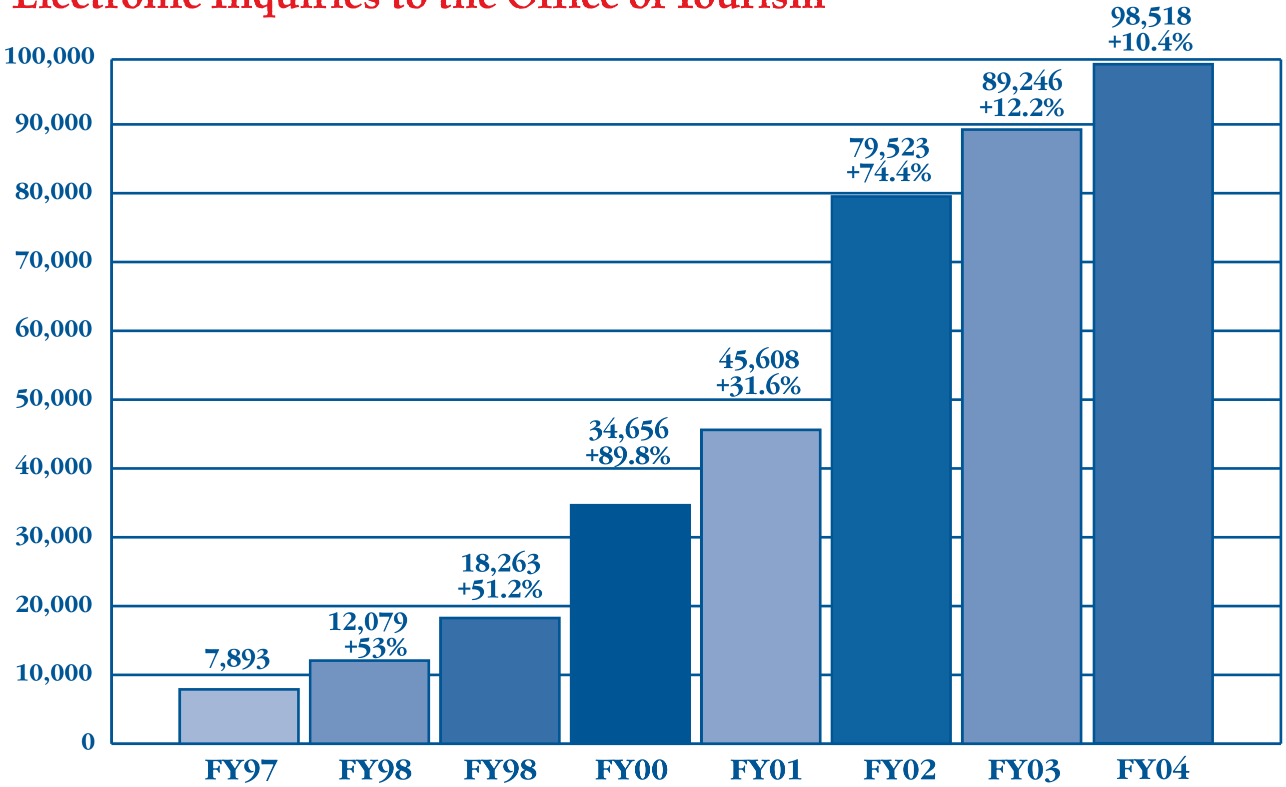


*Does not include visits to TravelSD.com

Source: South Dakota Office of Tourism

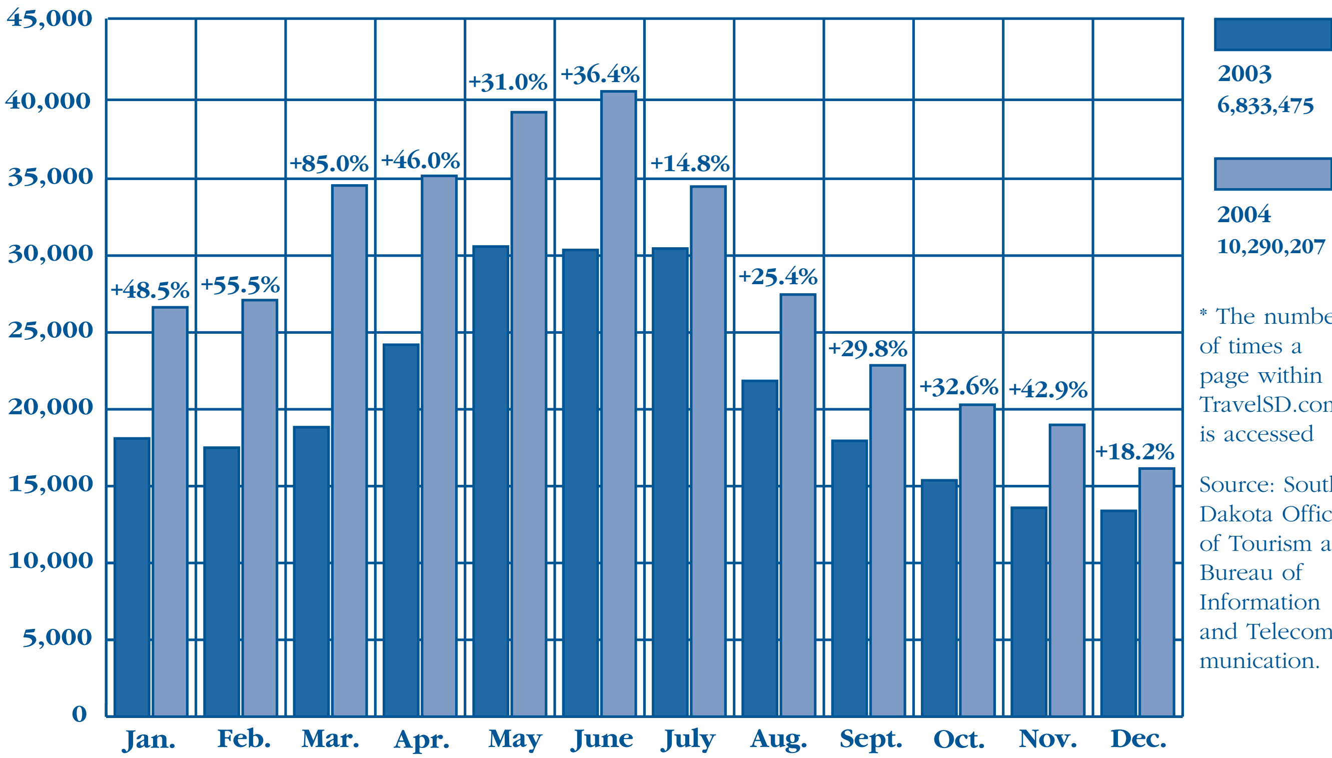
Web Statistics

Electronic Inquiries to the Office of Tourism*



*Does not include visits to TravelSD.com Web site. Source: South Dakota Office of Tourism

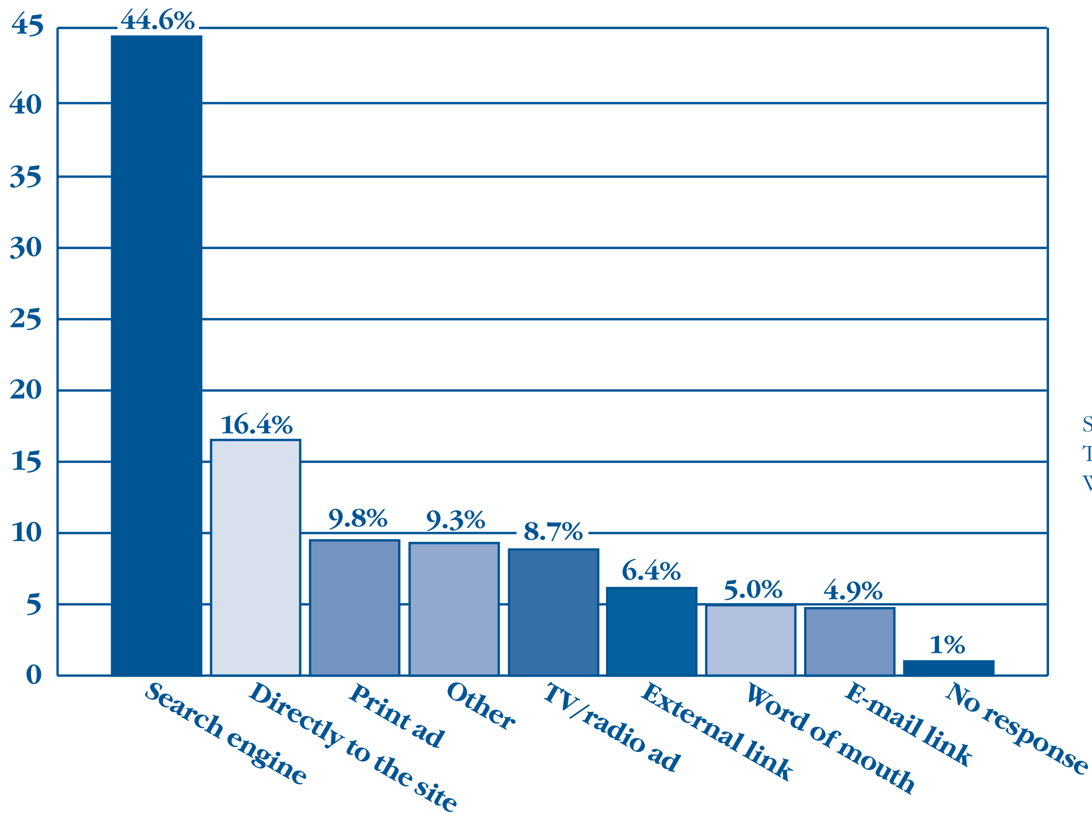
TravelSD.com Daily Average Page Views*



* The number of times a page within TravelSD.com is accessed

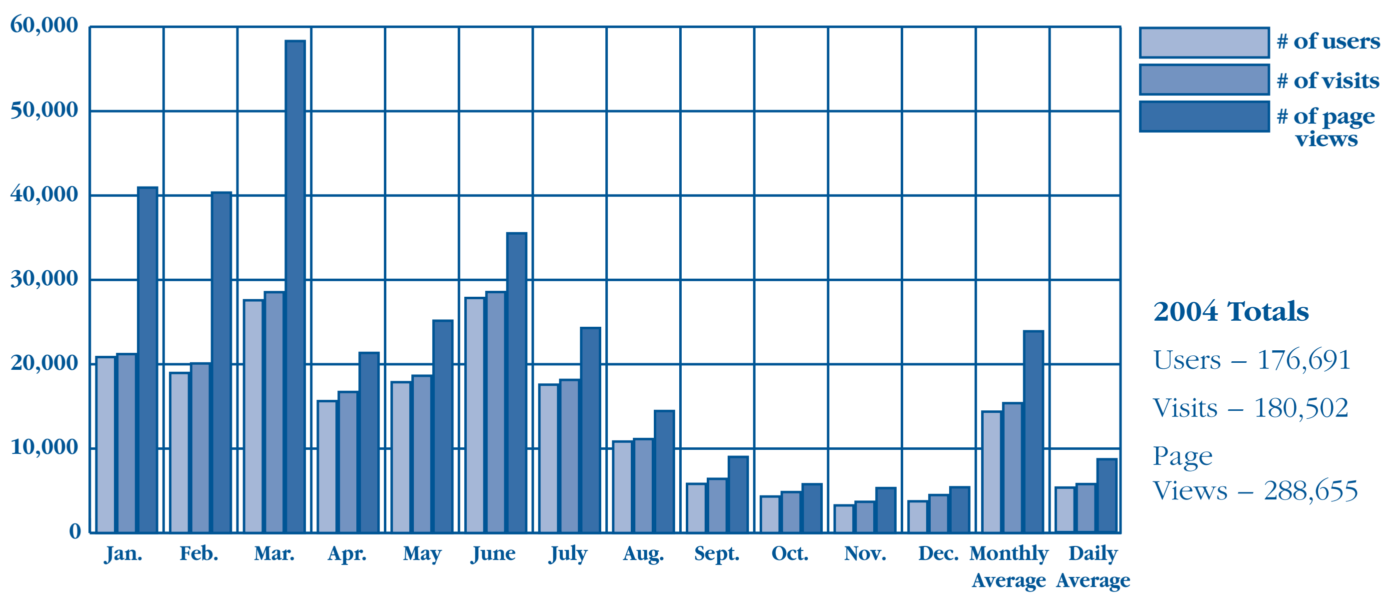
Source: South Dakota Office of Tourism and Bureau of Information and Telecommunication.

How Users Get to TravelSD.com



Source: Office of Tourism, World Wide Web User Survey, 2004

2004 Online Vacation Package and Coupon Promotion



2004 Totals

Users – 176,691

Visits – 180,502

Page Views – 288,655

Key

User – the number of users
Visit – the number of times the site is accessed

Page view – the number of times each and every page within TravelSD.com is accessed