

To: Secretary Richard Benda

From: Billie Jo Waara

Date: 09/6/07

RE: August 2007 - 2010 Summary

Accomplishing the 2010 Initiative will take the Office of Tourism, the visitor industry and the State of South Dakota to a whole new level. I welcome your feedback and suggestions regarding this summary report. The second page of this report highlights key statistics representing the visitor industry compiled by the Research and Marketing team.

GOAL ONE: Double Visitor Spending from \$600 Million to \$1.2 Billion by 2010

Tourism Office Funding Update:	July 2006	July 2007	% Change
Deadwood Gaming Tax	\$248,476	\$265,081	6.68%
Tourism Promotion Tax	\$641,552	\$726,625	13.26%
Total Monthly Deposits	\$890,028	\$991,706	11.42%
FYTD 2008 vs. 2007	\$1,436,252	\$1,591,073	10.78%

1A. Change the way we market South Dakota.

- Media Contacts: Sent invitations to 53 international journalists and domestic/international tour operators. Worked with Native Discovery on itinerary for Buffalo Roundup fam for these groups.
- Tour Operators: Attended Japanese Market Sales Mission in Los Angeles and met with 63 of the 95 Japanese tour operators in attendance. Confirmed 16 tours (nine with four overnights and seven with three overnights) coming to South Dakota as a direct result of that mission.
- Buffalo Roundup: Mailed Buffalo Roundup invitations to two inbound tour operator companies – ATI and America 4 You, and one Austrian tour company – Americareisen.at.

1C. . . greater use of partnerships and cooperative efforts

- South Dakota Film Festival: Was able to work with the production company of the movie “Into the Wild” for the South Dakota premiere at the September 21, 2007 at South Dakota Film Festival in Aberdeen.
- The Early Show on CBS: Besides working with The Early Show on CBS for their live broadcast at Mount Rushmore National Memorial, Tourism coordinated a vacation giveaway with partners, and it was awarded to Tina Gramkow of Avon.
- CVB Co-op: Worked on design of the 24-page, four-color Meeting Planners Guide, a first-ever, co-op piece in partnership with 11 of the 12 CVBs in the state. Publication will be printed by the end of September and will be distributed by the Office of Tourism.

1E. Capitalize on the existing outdoor opportunities in our state

- Media Activity Highlights: Compilation of earned media: August – estimated ad value of \$99,488 (circ. of 889,089); Total 2007 – estimated ad value of \$573,815 (circ. of 17,221,167); and Fiscal Year 2008 – estimated ad value of \$144,945 (circ. of 1,588,616).
- Hostings: Sent a story on the upcoming prairie grouse season to our outdoors writers and editors on our database. Those responding inquired not only about the particular story topic of the month, but also about other outdoors opportunities. The story has already resulted in hostings and earned media for the state.

Awards

Tourism was honored by the National Council of State Tourism Directors with two of 12 Mercury Awards: one for the 2006 Giant Step Cooperative Marketing Program and the \$20 Bucks for the Road Campaign. Winners were announced at a special awards ceremony held during Travel Industry Association of America’s (TIA) annual Educational Seminar for Tourism Organizations (ESTO) on August 18. The Office of Tourism competed against entries from all 50 states, and Tourism was only one of two states honored with multiple awards.

RESEARCH AND MARKETING

Report for the month of August 2007 (AUG FY08)

Inquiries (BHCR)				
Details	Mail	Phone	Web	Total
JUL 2007	934	1,488	12,992	15,433
AUG 2007	586	1,144	8,626	10,356
% Change	-37.3%	-23%	-34%	-32.9%
	Aug '06	FY TD	CY TD	Season
% Change	+8.2%	+15.3%	+15.1%	+8.2%

BHCR = Black Hills Central Reservations
Season = Peak (March through July: This Report MAR-JUN)

Special Inquiries and Inventory				
Special Inqs	AUG 07	%ChgLstYr	JUL 07	%Chg
Regular	96	+43.3%	107	-10%
Reviewed	2,705	+0.6%	4,532	-40%
Inventory	AUG 07	JUL 07	Used in AUG	
Maps	447,740	811,860	364,120	
Vac. Guides	9,780	47,465	37,685	

Special Inquiries = Requests requiring individual attention
Regular = Requests receiving individual responses
Reviewed = Requests fulfilled through manual assignment

Travel Activity Indicators (SDTMS)				
	JUL 07	JUN 07	% Chg	%ChgLstYr
Traffic Counts	189,458	176,232	+7.5%	+1.9%
State Park Attendance	UA	1,163,493	--	--
Aggregate Attractions *	1,322,749	880,386	*	+0.3%
STR Overnight Ldg	539,724	510,806	+5.7%	+4.6%
STR Occupancy	80.3%	78.6%	+2.2%	+4.1%
STR Ldg Rates	\$80.88	\$74.38	+8.7%	+3.6%

SDTMS = South Dakota Travel Monitoring System UA = Unavailable
* Aggregate Attractions Counts contain varying numbers of reporting Attractions and are comparable only annually

Online Statistics			
AUG 2007	Visits	Ave ToS	Ave Depth
TravelSD.com	88,198	389s	5.7pages
% Chg JUL	-16%	-9%	-15%
SDVisit.com	+7%	+37%	+32%
TravelSmart	Emails Sent	Opened	Clicks
AUG 2007	208,850	28,354	8,996
% Chg JUL	-1.5%	-24.6%	-1.4%

Ave ToS= Average Time on Site in seconds
Ave Depth= Average number of pages viewed

Economic and Social Indicators (SDTMS)				
	JUL 07	JUN 07	% Chg	%ChgLstYr
TPI	251.3	249.1	+0.9%	+3.4%
CPI-U	208.3	208.4	-0.0%	+2.4%
CCI	111.9	105.3	+6.3%	+4.6%
Gas Prices	\$2.95	\$3.02	-2.3%	+0.8%
Vac Intention	42.0%	45.2%	-7.1%	+0.7%

TPI = Travel Price Index CPI-U = Consumer Price Index
CCI = Consumer Confidence Index

Information Center Activity				
Car Counts	US Cars	Canadian	Foreign	Total
JUL 2007	80,092	3,120	1,120	84,332
AUG 2007	83,174	3,432	1,393	87,999
% Chg Jul	3.8%	10.0%	24.4%	4.3%
%ChgLstYr	+5.6%	+5.4%	+9.3%	+5.7%
BUS People	5,199	BUS Days In SD		418 33%

BUS People = Total People Counted on Bus Tours in July.
BUS Days in SD = Total Days spent in SD by Bus Tours and percent of Total Tour days spent in SD.

Notable Reports, Secondary Research and Related Information
<p>STR: RALLY LODGING NUMBERS UP SLIGHTLY According to Smith Travel Research, occupancy in the Black Hills, Badlands and Lakes Region during the week of August 5 through August 11 was up by 0.8 percent in comparison to last year. This equates to a 2.5 percent increase in overnight stays and a 2.2 percent in overall revenue during the Sturgis Rally week.</p> <p>OTTI: International Visitation up 10 percent in May, 12 percent in June. SPENDING EXCEEDED \$10 BILLION Year-To-Date Arrivals 8 Percent Above Last Year. The U.S. Department of Commerce announced that 3.8 million international visitors traveled to the United States in June 2007, an increase of 12 percent over June 2006. Total visitation for the first six months of 2007 was up over eight percent from the same period in 2006. International visitors also spent over \$10.0 billion during the month, up 14 percent from June 2006 and \$58.0 billion year-to-date, up 10 percent from the first six months in 2006.</p>

OTTI = Office of Travel and Tourism Industries (US Dept. of Commerce) STR = Smith Travel Research

MEMORANDUM TO: Richard Benda
DATE: September 7, 2007
FROM: Billie Jo Waara
SUBJECT: Tourism's August Monthly Status Report

2010 Initiative

Please refer to the web site at 2010initiative.com for updates.

Cultural Heritage Tourism

Continued meeting with the Arts Council, South Dakotans for the Arts, and the Historical Society to develop the upcoming Cultural/Heritage Tourism Publication.

Plan to send form to be listed on the Visitor Services Directory on TravelSD.com. to Arts and History's databases.

Media & Public Relations

Compilation of earned media: August – estimated ad value of \$99,488 (circ. of 889,089); total for 2007 – estimated ad value of \$573,815 (circ. of 17,221,167); and Fiscal Year 2008 – estimated ad value of \$144,945 (circ. of 1,588,616).

Handled media calls and fulfilled requests for information from the Today Show, *Midwest Living* magazine, Rapid City Journal, Court TV, and several MediaSD inquiries.

Worked with Diane Shrago of LA Splash Magazines Worldwide to set up a tour of palentological and archeological sites in South Dakota; provided her with press credentials.

Sent press releases: film industry and film industry media: "South Dakota's Unknown Locations," "Opportunity to Showcase Films in South Dakota," and "Cineposium International Conference 2007;" in-state media (posted to www.MediaSD.com and the State News Web): "CBS Early Show Great American Vacation Destination," "Wheels & Wings: Rev Up Your Engines," "First Annual Custer State Park Tribal Art Show," "Tourism Award Nominations Due in September," and "Wheels & Wings to Kick Off;" outdoors media: "Prairie Grouse Thrive in South Dakota;" Uniquely SD series that highlights counties (Moody, Pennington, Perkins, Potter, Roberts); posted six industry releases to MediaSD.com; and posted two industry releases to FilmSD.com.

Industry Relations

Mailed contact information/change of information request to visitor industry as the first step in updating our database.

Coordinated details for Tourism's booth at the State Fair around the theme "Destination for All Seasons." Booth photos showcase South Dakota in different seasons and experiences. The giveaway will be the series of four posters representative of the state. Maps, Fall Calendar of Events, plastic Great Faces. Great Places. pins, Hunting and Fishing Guides, and other publications will be at the booth.

Continued progress on organizing details for the Governor's Conference on Tourism, including speaker bios, sponsorship mailer, meals, décor, Web consultants, ad critique sessions, updates to SDVisit, and Annual Report.

Made arrangements to ship Tourism publications and lapel pins to Michigan to fulfill a request from a state senator for the annual Midwest Council of State Government Conference.

Contacted lodging properties and other organizations to complete details for itineraries for several journalists' hosting. Evaluated the hostings that took place this summer. Began working on details for fall hostings.

Continued working with local committees on their Million Dollar Challenge projects, budgets, and marketing plans.

Trade Sales Group Tour/International

Fulfilled requests for information from AAA/CAA offices in Colorado, Indiana, Michigan, Minnesota, Ohio, and Pennsylvania. Assisted regional directors from AAA in Chicago, Ohio, Michigan, Minneapolis, Nebraska, Missouri, Mid-Atlantic, Oklahoma, North Dakota, as well as various independently owned travel agencies in Minnesota, Colorado, Ohio, and Michigan.

Selected photos and edited copy for the TourSDakota/Travel Trade Professionals Web page.

Updated Hosting/Fam tip sheet, which will be added to SDVisit to assist and offer suggestions for suppliers when hosting.

Mailed letter to 80 South Dakota National Tour Association (NTA) and American Bus Association (ABA) members inviting them to attend the Pre-convention Caucus on September 12 at the Tourism Office. There is a first-timers session in the morning to help prepare them for convention. In the afternoon trends, what's new items, and co-op marketing efforts will be discussed along with a sponsorship at NTA.

Worked on design of the 24-page, four-color Meeting Planners Guide. It is a first-ever, co-op piece with 11 of the 12 state's CVBs. Expected delivery of the piece is late September and it will be distributed by Tourism. Forwarded advertising opportunities to the CVBs. Compiled their suggestions and a list of FY2009 trade shows to consider. Looking into hosting an FY2009 meeting and event planner fam.

Sent ad file to MLT publication.

Sent requested information to Group Destinations Unlimited, New Jersey; Group Travel Masters, Minnesota; Landmark Tours, Wisconsin; Teresa Stehly, South Dakota; and Barbara Stafford, Rocky Mountain International office, United Kingdom.

Sent Buffalo Roundup invitations to 53 international journalists and domestic/international tour operators, including two inbound tour operator companies – ATI and America 4 You, and one Austrian tour company – Americareisen.at. Worked with Native Discovery on itinerary for a pre-fam. Compiled and sent additional information and itineraries for add-ons for their articles. Provided itinerary and assisted with arrangements for Meike Boldt, CRD International, American Travelhouse, Germany, for visit to Deadwood, Buffalo Roundup, Badlands National Park, and Pine Ridge. Worked with Rapid City to arrange a bike builder tour and two days of excursions on a motorcycle for Dirk and Adriane Koester, German journalists who will also attend the Roundup for their articles in Tourfahren Magazine, Germany's largest motorcycle magazine. Compiled itinerary for Thomas and Christa Jeier, Germany, for their trip to include Sioux Falls, Mitchell, Chamberlain, Rosebud and Pine Ridge Reservations, and the Roundup. They will publish two articles and are writing a book about Native Americans. Invited Tom Ruhl, Port Culinaire magazine, Germany, to the Roundup. He plans to write a 16-page article for the magazine (ad value equivalency of \$21, 760). Custer is working with them and has provided information on restaurants that serve buffalo, the Buffalo Roundup chili cook-off, and they've offered to help find lodging. A gourmet chef will be in the group and he will be promoting this trip on his television show in Germany.

Attended Japanese Market Sales Mission in Los Angeles and met with 63 of the 95 Japanese tour operators in attendance. Confirmed 16 tours (nine with four overnights and seven with three overnights) coming to South Dakota as a direct result of that mission.

Worked with Mr. Osamu Hoshino to develop ideas for a spring 2008 Japanese group tour fam and a possible fall 2008 Japanese journalist fam tour.

Finalized itinerary for SpeakUp Magazine fam for two journalists from the United Kingdom to the Black Hills and Badlands National Park.

Outdoors

Sent a story on the upcoming prairie grouse season to our database for outdoors writers and editors. Those responding inquired not only about the particular story topic of the month, but also about other outdoors opportunities. The story has already resulted in hostings and earned media for the state.

Hosted three journalists in August: Jim McDonnell, freelancer from Nebraska; Steve Weisman, freelancer from Iowa; and Joe Blake, editor of Bowhunting Magazine.

Upcoming hostings in September include: Buffalo Roundup for 12 writers from around the country; Kent Hrbek Outdoors filming; Lisa Metheney, whitetail/pheasant hunt; Lisa McClintick, caving in the hills; and Jack Robertson, grouse hunt. In September/October: Scott Linden, Cast and Blast Television. In October: Engles Outdoors TV; Lisa Price and Brenda Potts, freelance writers; Ron Schara, Pronghorn Hunt; Governors Hunt; and MD and Julie Johnson. In December: Woods and Waters Television. Discussed a possible waterfowl/pheasant hunt with Dennis Schardin from Pennsylvania

Sent an update to outdoors media list about the pheasant harvest in 2006, which has resulted in numerous inquiries from writers interested in coming back to South Dakota for deer, turkey, pheasants, and fishing.

Film Office

Worked on developing promotional opportunities for National Treasure: Book of Secrets premiere, including Walt Disney public relations.

Besides working with The Early Show on CBS for their live broadcast at Mount Rushmore National Memorial, Tourism coordinated an in-state vacation giveaway with partners, which was awarded to Tina Gramkow of Avon.

Worked with production company for the movie "Into the Wild" for a South Dakota premiere at the September 21, 2007, at South Dakota Film Festival in Aberdeen.

Worked with FLVMEN, LLC for a documentary of the Sturgis Motorcycle Rally for Harley Davidson. Fulfilled requests from Booz Allen Hamilton on a project at Ellsworth Air Force Base; Per Diem Films/Tetra Media Studio; Lynchpin Productions; J2 Pictures/J2TV; and May International Productions.

Invited Reel Scout to the office for a meeting to determine the next steps in using their services to manage electronic location files for Tourism.

Attended American Film Commissioners International (AFCI) Cineposium in Santa Fe, New Mexico. It is their primary educational event. Sessions included the pros and cons of offering incentives, ways to work productively with a publicist, and how the digital age will affect our areas. Completed Film Commission Professional Class online to become a member of AFCI. Membership is granted individually rather than by organization.

Mailed follow-up materials to Libby Platus after visiting South Dakota for International Bison Conference. She is working on a film location story for South Dakota as well.

Information Centers

For July, 143 motorcoaches/buses stopped at the Information Centers, and 22 were international.

Use of Travel tapes and CDs at the Information Centers was down 18.4% over July 2006.

Hospitality

For 2007, 472 individuals/businesses have received recognition for hospitality with the Governor's Certificate, 24 have received the foil star for a second recognition, and one lapel pin was awarded.

Prepared application form and letter and mailed to the visitor industry for the Great Service Star Program and the George S. Mickelson (GSM) Great Service Award. The Star logo can be used in advertising and the GSM Award is an annual award announced at the annual Tourism Conference banquet.

Participated in conference call with Black Hills State University staff and committee member Lois Davis, Tourism board, to discuss proposal and next steps in development of hospitality training curriculum. Will schedule meeting in September to include additional Tourism Board members.

Native American Tourism

Contacted members of the Tribal Tourism Roundtable requesting suggestions for the Tribal Tourism Issues Forum during the Tourism Conference.

Photo/Video

Fulfilled requests for photos/slides to Lawrence and Schiller, AAA South Dakota, Bison River Jerky, Sioux Falls; *South Dakota* magazine, Yankton; State Publishing, Department of Game, Fish and Parks, Curt Merriman Printing, Department of Agriculture, South Dakota Retirement System, Pierre; Pierre-Fort Pierre Rotary Club; Aberdeen American News, McQuillen Design, Aberdeen; Meeting the Need, Keystone; Huron Chamber of Commerce; Access Marketing, Rapid City Journal, Black Hills Corporation, Rapid City; TDG Communications, Deadwood; *Geocacher* magazine, Washington; journalist Libby Platus, California; AAA *Home and Away* magazine, Iowa; *Midwest Fly Fishing* magazine, Wisconsin; Minneapolis Children's Theatre Company, Minnesota; and journalist Godfrey Hall, United Kingdom.

Fulfilled requests for video dubs and loans: footage of Mount Rushmore National Memorial and the Black Hills to NFL Films for a feature they are producing on Adam Vinatieri; stock footage to Court TV for a story they are producing on a South Dakota case; video of the boat racing at Chamberlain to the Chamberlain event committee; and video of prairie and grasslands to the Children's Theater Company in Minneapolis.

Set up locations and models for a pheasant hunting shoot; scouted locations in the Badlands for a shoot and filled out permits for the shoot.

Filmed an interview and video at the Palmer Gulch Resort, an interview with Custer Chamber and general downtown video of Custer, an interview at the Washington Pavilion and interior video of the Pavilion, and an interview at Wild Water West.

Travel Market Advertising

Mailed 3,800 fyi "Shoulder Season Strategy" newsletters to the visitor industry.

Updated the AAA CampBook ad for the North Central 2008 edition and sent file to the publication.

Finalized and shipped the following shoulder season ads: Pheasant hunting Giant Step ad, *Outdoor Life*, on sale September 18; Badlands Giant Step ad, *Travel 50+ Beyond*, on sale September 24; Rushmore Giant Step ad, *Midwest Living*, on sale October 24; Pheasant hunting ad, *Sportsman* magazine, on sale October 2; weekly newspaper ads in Eau Claire, Council Bluffs, Mankato, Omaha, Sioux City, Minneapolis/St. Paul, Fargo, SW Minnesota, and NW Iowa; hunting banner ads for PheasantCountry.com and the Sportsman Channel; two TV donut spots; and four Tier 3 radio spots.

Other shoulder co-ops include a partnership with Custer State Park and Deadwood.

Began brainstorming sessions to develop campaign elements for 2008 peak season.

Publications

Made final attempts to contact businesses who had not responded to the Adventure Travel Guide mailing. Continued making corrections/updates and began getting quotes for both b/w and color versions. Expected return from the printer is mid-October; quantities to be determined.

Completed preliminary work to updates of the Guide to the Great Sioux Nation, which will be published in 2008.

Finalized corrections for the Escort Notes for Group Tour Operators; plan to send to the printer in early September.

Finalized updates to listings in the Tourism Assistance Directory, which will be distributed at the annual Tourism Conference in January.

Prepared golf publication mock-up for review.

World Wide Web/E-Commerce

On TravelSD.com: Visitor Services Directory has 5,087 entries; and 87 travel specials are listed for 19 cities. Between July 30 and August 28, 37 e-postcards were sent by consumers. For Hot Deals, 38 businesses are registered and nine hot deals are currently running. Enhancements included Tour Guide, the Interactive Trip Planner; Online Polls, with different questions posted for responses from consumers; Video player, an update to the Experience and Travel Partners sections; and Publications Request, which includes options to request specific publications/packets and/or download PDFs. Continued working on adding the Travel Community section, a site for consumers/travelers to post comments, photos, and videos.

Research

Completed entering data from visitors who were given Intercept Surveys at the Interstate Information Centers.

Logo Usage

Sent full logo to Travel Industry Association of America.

Governor's Buffalo Roundup and Governor's Invitational Pheasant Hunt

Continued working on details of both events, including invitations, lodging, tours, menus, and transportation.

Great Events 2007

Czech Days, June 14-16, Tabor: Will compile report from evaluations.

Corn Palace Stampede Rodeo, July 19-22, Mitchell: Submitted evaluation forms to committee.

Wheels & Wings Weekend featuring Sizzlin' Summer Nights, August 25-26, Aberdeen: Set up interview with KDLT morning show. Submitted evaluation forms to committee.

Mickelson Trail Trek, Mickelson Trail, September 14-16, Black Hills: Developed a public relations plan.

Great Events 2008

Send mailing/press releases on 2008 campaign, requesting applications.

Awards

The South Dakota Office of Tourism was honored by the National Council of State Tourism Directors with two Mercury Awards: one for the 2006 Giant Step Cooperative Marketing Program and the \$20 Bucks for the Road Campaign. The Mercury Awards:

- Recognize members for excellence and creative accomplishment in state/territory tourism marketing and promotion
- Inspire the continued development of truly imaginative and exciting destination marketing and promotion programs
- Showcase outstanding work

Currently there are 12 general categories of Mercury Awards, with entries solicited between March and May.

Winners were announced at a special awards ceremony held during Travel Industry Association of America's (TIA) annual Educational Seminar for Tourism Organizations (ESTO) on August 18. The Office of Tourism competed against entries from all 50 states, and Tourism was only one of two states honored with multiple awards.