

To: Secretary Richard Benda

From: Billie Jo Waara

Date: 05/9/07

RE: April 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:	March 2006	March 2007	% Change
Deadwood Gaming Tax	\$185,589	\$212,668	14.59%
Tourism Promotion Tax	\$206,240	\$201,310	-2.39%
Total Monthly Deposits	\$391,829	\$413,978	5.65%
FYTD 2007 vs. 2006	\$6,779,629	\$7,160,579	5.62%

1A. Change the way we market South Dakota.

- Internet Marketing: In order to develop a greater presence for South Dakota on the World Wide Web, the Media and PR team is positioning material in travel blogs and other on-line forums. Tourism is currently registered and has stories on Wordpress.com and Mspace.com. The team is also working on submissions to Fodor's Travel Blog, Lonely Planet Blog, Thorn Tree Forum, Travelers Point, Travel Blog.org, and Virtual Tourist.com
- Information Centers: The 2007 Information Center travel counselors traveled to Pierre for training and briefings for the upcoming season which begins on May 12, 2007. New in 2007, each Center will have computers with internet access and a new reporting system for data being collected by Tourism. Additionally, the four entry Centers and the Lewis and Clark Information Center near Chamberlain will remain open through October. This is to accommodate the influx of out-of-state hunters during the fall season, as well as the increasing number of visitors to South Dakota during the fall season

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

- New Publication: Tourism began compiling information, researching other directories, and discussing options with members of the South Dakota Golf Association in order to develop a new golfing brochure in 2008.
- New SD Highway Map: The Office finalized copy and design of backside of new state highway map. In partnership with the Department of Transportation, handles the map side design, the Office expect delivery of new maps in late June for public distribution.

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

- Media Activity Highlights: Compilation of earned media: April – estimated ad value of \$6,468 with circulation of 459,696; 2007 – estimated ad value of \$164,635 with circulation of 3,695,671; and Fiscal Year 2007 – estimated ad value of \$702,608 with circulation of 15,152,110.
- Filming Activities: The South Dakota Film Office received third place award for direct marketing piece in AFCI (Association of Film Commissioners International) Marketing Award Contest 2007. The Association of Film Commissioners International is a non-profit educational organization founded in 1975 to serve the growing needs of on-location film and television production. Today the organization has grown into a worldwide network of over 300 commissions from 30 countries.

RESEARCH AND MARKETING

Report for the month of April 2007 (APR FY07)

Inquiries (BHCR)				
	Mail	Phone	Web	Total
MAR 2007	1,076	2,697	15,858	19,631
APR 2007	995	2,744	19,820	23,559
% Change	-7.5%	+2%	+25%	+20.0%
APR 2006	4,096	1,955	11,653	17,704
%ChgLstYr	-75.7%	+40.4%	+70.1%	+33.1%

BHCR = Black Hills Central Reservations

Special Fulfillments and Inventory			
Fulfillment	APR 07	% Chg MAR	%ChgLstYr
Domestic	2,278	+1.4%	+115.3%
International	795	-0.3%	+19.7%
Inventory	APR 07	MAR 07	Difference
Maps	28,600	118,560	89,960
Vac. Guides	122,046	178,236	56,190

Travel Activity Indicators (SDTMS)				
	MAR 07	FEB 07	% Chg	%ChgLstYr
Traffic Counts	120,108	112,832	+6.4%	-0.0%
State Park Attendance	222243	131648	+68.8%	+20.7%
Aggregate Attractions *	98,374	50,195	*	+9.1%
STR Overnight Ldg	292,175	236,542	+23.5%	+3.1%
STR Occupancy	46.8%	42.2%	+10.9%	+1.1%
STR Ldg Rates	\$60.53	\$60.58	-0.1%	+4.8%

SDTMS = South Dakota Travel Monitoring System

* Aggregate Attractions Counts contain varying numbers of reporting Attractions total Attendance

Online Statistics			
TravelSD.com	Hits	Page Views	Sessions
MAR 2007	7,616,425	483,548	70,120
APR 2007	18,960,404	1,136,558	99,693
% Change	+149%	+135%	+42.2%
TravelSmart	Emails Sent	Opened	Clicks
APR 2007	197,197	35,868	9,236
% Chg MAR	+2.9%	+9.1%	+43.6%

MAR Opened and Clicks numbers adjusted to APR total.

Economic and Social Indicators (SDTMS)				
	MAR 07	FEB 07	% Chg	%ChgLstYr
TPI	237.6	231.6	+2.6%	+2.8%
CPI-U	205.4	203.5	+0.9%	+2.8%
CCI	108.2	112.5	-3.8%	+0.7%
Gas Prices	\$2.5	\$2.235	+11.9%	+3.7%
Vac Intention	40.5%	39.9%	+1.5%	-6.7%

TPI = Travel Price Index CPI-U = Consumer Price Index
CCI = Consumer Confidence Index *=Not Available

Email Marketing - TravelSmart Details				
MAR 2007	Tier 1A	Tier 1B	Tier 2	Tier 3
Sent	26,148	124,599	41,744	4,706
Tier Share	13.3%	63.2%	21.2%	2.4%
Opened	4,796	20,492	9,644	936
Clicked	1,215	5,379	2,363	279
Bounced	2.9%	2.6%	1.8%	1.8%

Tier 1A = IL, WI, WV Tier 1B= All Others Tier 2= IA, MN, NE, WY
Tier 3= SD, ND

Notable TIA, TTRA and CTR Reports and other not so Minute Minutia

Office of Tourism: 2007 Peak Season Marketing Campaign details now available online at <http://www.sdvisit.com/campaigns/peak07/index.asp>

CTR: "2006 Fall Season Report" Travel activity for the Fall of 2006 was reported as "a positive season for South Dakota's visitor industry." A Decrease in gas prices in combination with increases in consumer confidence, and vacation intentions, may have contributed.

OTTI: INTERNATIONAL VISITATION UP FIVE PERCENT IN JANUARY 2007 (April 26, 2007)

The U.S. Department of Commerce today announced that 3.1 million international visitors traveled to the United States in January 2007, an increase of 5 percent over January 2006. Arrivals to the United States: Canadian visitation (both air and ground) grew 7 percent over January 2006.

TIA = Travel Industry Association TTRA=Travel and Tourism Research Association CTR=Center for Tourism Research (BHSU)



OFFICE OF TOURISM

April 2007 (APR FY07) Monthly Report Definitions

INQUIRIES

The Office of Tourism contracts with Black Hills Central Reservations (BHCR), which manages a correspondence center in Deadwood, SD, to handle the majority of information requests regarding travel to and within South Dakota. Tracking of inquiry data provides both a metric of interest in travel to SD as well as an invaluable marketing database.

FULFILLMENT and INVENTORY

The Office of Tourism manages the dissemination of requested literatures and materials. The fulfillment indicators show total normal requests fulfilled. The Inventory numbers represent the actual inventory on hand and month to month changes.

TRAVEL ACTIVITY INDICATORS (SDTMS)

The Center for Tourism Research (CTR), located within Black Hills State University, maintains a travel monitoring system on behalf of the Office of Tourism. The data and the following definitions are derived from this system:

Highway Traffic Counts

Highway traffic count statistics are obtained from the South Dakota Department of Transportation's Division of Planning and Engineering. They are the aggregate of average daily traffic counts recorded by permanent traffic recorder (PTR) stations on all rural highways within a given region. Data from a given station for a given month are included in calculations only if this same station also reported data for the same month of the preceding year.

State Park Attendance

Statistics are estimated attendance figures obtained from the Parks and Recreation Division of the South Dakota Department of Game, Fish and Parks. They are estimates derived through such means as mechanical traffic counters and are not head-counts like those recorded by many commercial tourist attractions.

Aggregate Attractions Attendance

Aggregate attractions attendance figures are the sum of monthly attendance reported by members of the South Dakota Travel Monitoring System Attractions Panel, plus statistics on recreation visits to each of the five National Park System units in South Dakota (Badlands National Park, Jewel Cave National Monument, Minuteman Missile National Historic Site, Mount Rushmore National Memorial, and Wind Cave National Park).

Lodging Occupancy Rates and Prices

Figures are obtained from Smith Travel Research (STR) (<http://www.smithtravelresearch.com/>), a firm that monitors the performance of lodging establishments throughout the U.S. The 162 facilities in STR's panel represent 36% of the 451 lodging facilities in South Dakota that contain 15 or more rooms; the 12,138 guest rooms in the STR panel represent 53% of the 22,802 guest rooms in South Dakota lodging facilities that contain 15 or more rooms.

ECONOMIC and SOCIAL INDICATORS

Travel Price Index (TPI)

Developed by the Travel Industry Association (TIA), the TPI measures the seasonally unadjusted inflation rate of the cost of travel away from home in the United States. The TPI is based on U.S. Department of Labor price data collected for the monthly Consumer Price Index (CPI). The TPI is released monthly and is directly comparable to the CPI.

Consumer Price Index (CPI)

A measurement of the cost of living determined by the Bureau of Labor Statistics.

Consumer Confidence Index

The Consumer Confidence Index (CCI) is a measure of how optimistic or pessimistic consumers are with respect to the economy in the near future.

Gasoline Prices

Data are conventional regular gasoline prices from the U.S. Energy Information Administration.

ONLINE STATISTICS

TravelSD.com Website traffic of the Office of Tourism's primary consumer website are tracked to maintain website effectiveness as well as monitor marketing influences.

TravelSmart is a monthly email highlighting travel specials, activities and events in South Dakota sent to individuals who have submitted their email addresses.

REVENUE DATA

Tourism Tax Due

The tax applies to the gross receipts of lodging establishments, campgrounds, motor vehicle rentals, recreational equipment rentals, recreational services, spectator events, visitor attractions, and visitor-intensive businesses.

Lodging Taxable Sales Revenue

These are the taxable sales revenue of licensed commercial lodging establishments in South Dakota obtained from the South Dakota Department of Revenue and Regulation.

BBB Tax Due

Is a one percent tax imposed on alcoholic beverages, eating establishments, lodging accommodations, admissions to places of amusement, and athletic and cultural events.

Deadwood Gaming Tax

This is an 8% gaming tax on the adjusted gross proceeds of gaming in Deadwood.