

To: Secretary Richard Benda  
From: Billie Jo Waara  
Date: 03/07/07  
RE: February 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**

<b>Tourism Office Funding Update:</b>	January 2006	January 2007	% Change
Deadwood Gaming Tax	\$163,233	\$194,854	19.4%
Tourism Promotion Tax	\$268,537	\$301,510	12.3%
<b>Total Monthly Deposits</b>	<b>\$431,770</b>	<b>\$496,364</b>	<b>14.96%</b>
<b>FYTD 2007 vs. 2006</b>	<b>\$5,992,432</b>	<b>\$6,280,977</b>	<b>4.8%</b>

### **1A. Change the way we market South Dakota.**

- Travel Agent Marketing: Created a TravelSD.com travel agent web page, which offers an online opt-in form for the Travel Trade E-newsletter, but also includes links to other parts of TravelSD that travel agents might find useful.
- Enhanced Newspaper Advertising: The 2007 Great Getaways newspaper insert co-op will have a new format and marketing plan: three full-color, magazine-style marketing pieces for the peak season for insertion in newspapers in Iowa, Nebraska, Minnesota, and South Dakota. One piece covers the northeast, one covers central South Dakota, and the other covers the southeast. Each piece will have a circulation of 660,000 and will be inserted beginning in early May.
- Target Market Blitzes: The Office is reaching out to journalists and travel agents and group tour operators in key markets to leverage other paid media efforts. The PR and Media team conducted a blitz campaign in Milwaukee and Madison, Wisconsin, with six appointments. The team is also preparing for appointments in Denver and Minneapolis for March. The Trade Sales team coordinated Denver sales blitz arrangements for Tourism staff, CVB representatives, and regional tourism associations and they continue to work on arrangements for a Minneapolis Sales Blitz in March.

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

- Cooperative Local Community Marketing: Developed timeline and specifics for two mailers for a marketing partnership with CVBs across the state:
  - Events direct mailer will be free to participate and each CVB can have up to five events that take place May through September. The other is a local flavor co-op mailer which is fee-based. Mailer can include travel specials, events, attractions and up to 50 words and picture submitted by each CVB.
- See South Dakota Week Coop: Tourism is also developing the See South Dakota Week campaign with CVBs. A new aspect of this promotion is a match program, whereby Tourism is offering to match a CVB marketing proposals up to \$1,000. Deadline to submit a proposal is March 15. See America Week also includes PR effort with radio stations/media interviews in local communities.

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

- Media Activity Highlights:  
Compilation of earned media: February – estimated ad value of \$59,645 with circulation of 295,811; 2007 – estimated ad value of \$74,059 with circulation of 672,364; and Fiscal Year 2007 – estimated ad value of \$603,041.90 with circulation of 12,128,803.
- Outdoor Hostings:
  - Hosted 7 journalists on an ice fishing FAM trip near Webster.
  - Developing a hosting trip for Rob Fancher from Rhode Island and seven writers from key outdoor publications (*Outdoor Life*, *Field and Stream*, *Sports Afield*, *American Hunter*, etc) and list of freelancers on a pheasant hunt in southern South Dakota.



# OFFICE OF TOURISM

## February 2007 (FEB FY07) Monthly Report

Questions or Comments contact Tim Binder 773-5327 tim.binder@state.sd.us

Inquiries (BHCR)				
	Mail	Phone	Web	Total
JAN 2007	730	964	12,716	14,410
FEB 2007	1,008	1,177	12,239	14,424
% Change	+38.1%	+22.1%	-3.8%	+0.1%
FEB 2006	1,654	1,412	9,992	13,058
%ChgLstYr	-39.1%	-16.6%	+22.5%	+10.5%

BHCR = Black Hills Central Reservations

Fulfillment and Inventory			
Fulfillment	FEB 07	% Chg JAN	%ChgLstYr
Domestic	1573	-26.1%	+116.4%
International	711	-1.7%	+15.0%
Inventory	JAN 07	FEB 07	Difference
Maps	184,000	142,560	41,440
Vac. Guides	28,705	14,550	14,155

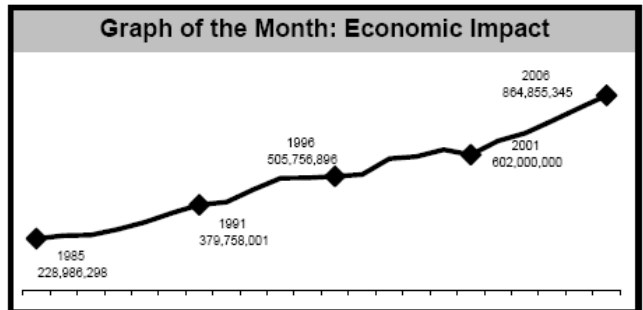
Travel Activity Indicators (SDTMS)				
	JAN 07	DEC 06	% Chg	%ChgLstYr
Traffic Counts	122,679	137,938	-11.1%	-7.0%
State Park Attendance	154,032	145,222	+6.1%	-3.5%
Aggregate Attractions	15,307	40,898	-62.6%	-80.9%
STR Overnight Ldg	240,111	238,242	+0.8%	+2.4%
STR Occupancy	38.8%	38.3%	+1.3%	+2.1%
STR Ldg Rates	\$58.19	\$58.90	-1.2%	+4.4%

SDTMS = South Dakota Travel Monitoring System  
STR= Smith Travel Research

Online Statistics			
TravelSD.com	Hits	Page Views	Sessions
JAN 2007	8,728,522	612,035	72,306
FEB 2007	5,828,220	375,194	57,271
% Change	-33.2%	-38.7%	-20.8%
TravelSmart	Emails Sent	Opened	Clicks
FEB 2007	188,030	31,658	7,214
% Chg JAN	+2%	+4%	+10%

Economic and Social Indicators				
	JAN 07	DEC 06	% Chg	%ChgLstYr
TPI	227.2	223.5	+1.7%	+2.6%
CPI-U	202.4	201.8	+0.3%	+2.1%
CCI	110.2	110.0	+0.2%	+3.2%
Gas Prices	\$2.191	\$2.284	-4.1%	-4.7%
Vac Intention	(UA)	45.4%	--	--

TPI = Travel Price Index CPI-U = Consumer Price Index  
CCI = Consumer Confidence Index Gas Prices Vac Intention



Statewide Estimated Visitor Sales Volume from "Economic and Fiscal Impacts Associated with the Vacation Travel Industry in South Dakota" 1986 and yearly updates, by Dr. Michael Madden. Range is from 1985 through 2006.

### Notable Reports and other not so Minute Minutia

**TIA:** "Travel Industry Snapshots 2007" This annual report forecasts a growth in domestic visitor expenditures by 5.1 percent over 2006, to reach a total of 647.6 billion dollars for 2007 and 704 billion dollars by the year 2009.

**TSD/L&S:** "2007 Focus Groups Executive Summary" Focus groups conducted in February in IA, MN, and WI. These Key findings include all groups reporting that, at some point during their travel planning, they utilize the internet. Also reported was that the majority of participants preferred "a destination that presents local flavor and hospitality." SD peak season TV ad tested very well with all groups and locations against MN, MT, ND and WY tourism TV spots.

**CTR:** "2006 Spring Season Report" Travel activity in South Dakota was reported as "generally positive" citing that "on a statewide basis most indicators were higher than that observed for the preceding spring." The complete report will be downloadable from the Research section of SDvisit.com.

**OTTI:** "International Visitors Spent More in 2006 Than Ever Before" A record \$107.4 billion in international travel receipts for the US in '06. This is a full recovery since 11 SEP 01, the previous record of \$103.1 billion was set in 2000.

TIA=Travel Industry Association TSD=Tourism and State Dev. L&S=Lawrence and Schiller CTR=Center for Tourism Research (BHSU)  
OTTI=Office of Travel & Tourism Industries (US Department of Commerce)



## OFFICE OF TOURISM February 2007 (FEB 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 special 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.

For questions or comments regarding the monthly report statistics, please e-mail Tim Binder, [tim.binder@state.sd.us](mailto:tim.binder@state.sd.us).