

To: Secretary Richard Benda
 From: Billie Jo Waara
 Date: 04/10/07
 RE: March 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:	February 2006	February 2007	% Change
Deadwood Gaming Tax	\$192,266	\$225,964	17.5%
Tourism Promotion Tax	\$203,102	\$239,659	18.0%
Total Monthly Deposits	\$395,368	\$465,623	17.77%
FYTD 2007 vs. 2006	\$6,387,799	\$6,746,601	5.6%

1A. Change the way we market South Dakota.

- Million Dollar Challenge: At the March 22, 2007, meeting of the Governor’s Tourism Advisory Board, members of the Board reviewed several new marketing proposals for the Governor’s Million Dollar Challenge Funds. Participants completed the attached application forms and submitted them to the Office of Tourism in advance of the Tourism Board meeting. After careful consideration, the Board recommended to approve the following cooperative marketing efforts:
 - River City Racin’, Chamberlain/Oacoma
 - A T-Rex Named Sue Traveling Exhibit, Faith
 - The Golf Club at Red Rock, Rapid City
 - Member for A Day, North Sioux City
 - I-90 Prairie Tour, Wall, Badlands, Murdo and 15 Other Rural Towns along I-90
 - Thomas the Train Event, 1880 Train/Black Hills Central Railroad
 - Northern Route to the Black Hills

These proposals were approved with the understanding that partners will provide matching funds in a cooperative marketing program and follow specified guidelines. Additionally each cooperative project has been assigned a Governor’s Tourism Board liaison to work with the organization as well as a primary contact staff member from the Office of Tourism. The Office of Tourism will continue to accept applications for consideration by the Governor’s Tourism Advisory Board until 100 percent of the \$1 million challenge funds are allocated.

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

- Cooperative Internet Marketing: Tourism is partnering with Black Hills, Badlands & Lakes in an Internet campaign with an advertising network that behaviorally targets consumers. The advertising network has partnerships with more than 4,000 online publishers and delivers banner advertisements to interested consumers wherever they appear within the websites of the various partners.
- Deadwood Cooperative Advertising: The Office is also engaged in a co-op campaign with Deadwood that includes placement of weekly newspaper ads in Cheyenne, Casper, Denver, and Minneapolis; advertorials for St. Paul and Denver; television and radio spots in Denver, Minneapolis, Casper, and Cheyenne; and a two-page spread in Deadwood Guide.

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

- Media Activity Highlights: Compilation of earned media: March – estimated ad value of \$88,202 with circulation of 2,504,640; 2007 – estimated ad value of \$157,167 with circulation of 3,235,975; and Fiscal Year 2007 – estimated ad value of \$696,140 with circulation of 14,692,414.
- Filmiing Activities: The Office been working extensively with the crew of the motion picture, National Treasure: Book of Secrets, over the last several months to recruit this film to South Dakota. In addition to selling the state, hosting the key contacts and providing additional location information, the Office of Tourism is working closely with the film managers on media and public relations efforts.

RESEARCH AND E-COMMERCE

Report for the month of March 2007 (MAR FY07)

Inquiries (BHCR)				
	Mail	Phone	Web	Total
FEB 2007	1,008	1,177	12,239	14,424
MAR 2007	1,078	2,897	15,858	19,831
% Change	+6.7%	+129%	+30%	+36.1%
FEB 2006	1,863	2,591	14,013	18,467
%ChgLstYr	-42.2%	+4.1%	+13.2%	+6.3%

BHCR = Black Hills Central Reservations

Special Fulfillments and Inventory			
Fulfillment	MAR 07	% Chg FEB	%ChgLstYr
Domestic	2,248	+42.8%	+208.9%
International	797	+12.1%	+29.0%
Inventory	FEB 07	MAR 07	Difference
Maps	142,560	118,560	24,000
Vac. Guides	14,550	1,260	13,290

2007-2008 Vacation Guides have arrived: 178,236

Travel Activity Indicators (SDTMS)				
	FEB 07	JAN 07	% Chg	%ChgLstYr
Traffic Counts	112,832	122,879	-8%	-15.7%
State Park Attendance	131,648	154,032	-15%	-10%
Aggregate Attractions *	50,195	60,939	*	*
STR Overnight Ldg	236,542	237,152	-0.3%	-2.6%
STR Occupancy	42.2%	38.2%	+10.5%	-3.7%
STR Ldg Rates	\$80.58	\$58.38	+3.8%	+5.5%

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
FEB 2007	5,828,220	375,194	57,271
MAR 2007	7,616,425	483,548	70,120
% Change	+31%	+29%	+22%
TravelSmart	Emails Sent	Opened	Clicks
MAR 2007	191,707	31,942	6,252
% Chg FEB	+2.0%	+0.9%	-13.3%

Economic and Social Indicators				
	FEB 07	JAN 07	% Chg	%ChgLstYr
TPI	231.6	227.2	+1.9%	+2.8%
CPI-U	203.5	202.4	+0.5%	+2.4%
CCI	112.5	110.2	+2.1%	+8.5%
Gas Prices	\$2.235	\$2.191	+2.0%	-0.6%
Vac Intention	39.9%	43.0%	-7.1%	-11%

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

Direct Marketing - Travel Smart E-Mail				
MAR 2007	Tier 1A	Tier 1B	Tier 2	Tier 3
Sent	24841	121638	40609	4621
Tier Share	13.0%	63.4%	21.2%	2.4%
Opened	17.2%	15.3%	21.4%	23.9%
Clicked	19.2%	18.8%	20.8%	24.7%
Bounced	2.5%	2.1%	1.9%	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

TIA: "Domestic Travel Market Report" The 2006 edition of TIA's most popular publication was recently released.

Notable findings:

Most common trip activities - Dining (31%), Shopping (23%), Entertainment (19%) and Sightseeing (17%)

Season of Travel - Summer (28%), Spring (25%), Winter (24%) and Fall (23%)

Leisure Travel Volume rose 20.6% from 1995 to 2005

CTR: "2006 Summer Season Report" Travel activity for the Summer of 2007 in South Dakota was reported as being down overall compared to the Summer of 2006. However gains were made in certain categories within each region.

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

TB 04/11/2007



OFFICE OF TOURISM

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.