



South Dakota

OFFICE OF TOURISM
**ANNUAL
REPORT**

2010

JANUARY 2011



South Dakota's visitor industry is one of the great success stories of the past eight years. As your Governor, I am excited to help the industry further its success.

I fully recognize the positive impact the visitor industry has in South Dakota—from the hundreds of millions of dollars spent by visitors each year to the more than 36,000 jobs supported by the industry. Your work is truly helping grow South Dakota's economy and improve the quality of life we all enjoy.

South Dakota is exceptionally lucky to have dedicated and strong industry leaders in all corners of the state. Thank you for your hard work!

I know South Dakota's visitor industry will continue to prosper. I look forward to the success stories the industry will create as it continues to invite visitors from across the world to experience our great state.

Sincerely,

A handwritten signature in black ink that reads "Dennis". The signature is written in a cursive, slightly slanted style.

Dennis Daugaard
Governor

2011 MESSAGE



Melissa Miller
Director, Office
of Tourism



Arline Hammer
Administrative
Assistant

The 2010 Initiative set an aggressive set of goals for the industry and the industry was up to the challenge. Together we overcame a number of challenges, and I am proud of how far we've come.

The year 2010 itself was a very successful year; we had a growth in co-op partnerships, which have proven to be very successful, the launch of the Digital Revolution, the "Take Me Hunting" campaign, and more.

On the following pages, you'll find a review of Tourism's advertising and marketing efforts, co-op partnerships, research information, economic impact and travel indicators, plus information on how the Tourism staff is dedicated to working with you.

Moving forward into 2011, I will miss working with you, but look forward to watching the industry achieve continued success!

Cheers!

A handwritten signature in white ink that reads "Melissa Miller". The signature is written in a cursive, flowing style.

Melissa Miller, Director

2010 INITIATIVE GOALS

GOAL ONE: DOUBLE VISITOR SPENDING FROM \$600 MILLION TO \$1.2 BILLION BY 2010



1A. CHANGE THE WAY WE MARKET SOUTH DAKOTA

Identify and utilize new tools and ideas.

For several years, the Office tossed around the idea of a balloon in the Macy's Thanksgiving Day Parade. While a balloon was not possible, we quickly found out that a Mount Rushmore float had been discussed by the Macy's design studio, and a partnership was born. As the float rolled down the streets of New York City, it was exposed to 3.5 million live spectators and 60 million watched on NBC-TV and CBS-TV.

1B. FOCUS ON EXPANDING THE FALL SHOULDER SEASON

See things from a new perspective.

Everyone knows a dog is a man's best friend, and a hunting dog is an upland bird hunter's best friend. For shoulder season, the dog became the focus of the ads, which garnered an outpouring of positive responses from hunters. To expand on this new perspective, the Office launched the Take Me Hunting photo contest on Facebook. In just eight weeks, 369 photos were submitted and the page gained 612 new fans.

1C. GREATER USE OF PARTNERSHIPS AND COOPERATIVE EFFORTS

Coming together is a beginning. Keeping together is progress. Working together is a success.

The Office of Tourism continues to grow its list of industry partners, realizing that the more we can pool our dollars and complement each other's marketing plans, the better and more consistent we can be. In 2010, the Office of Tourism matched more than \$2 million in cooperative marketing through traditional co-ops

and the Matching Dollar Challenge. Through these partnerships, South Dakota tourism messages reached more than 25 markets, including surrounding states and Canada. Total impressions from these efforts were more than 304 million.

1D. DEVELOP A STATEWIDE "ONE-CLICK, ONE-CALL" RESERVATION SYSTEM

Start a revolution.

Since launching the Digital Revolution in January 2010, the Office of Tourism has seen enormous success, as well as some great challenges. Working with both website visitors and industry partners, the Office was able to implement several suggestions that ultimately benefited all parties. There are now 296 partners involved, and online sales have grown significantly.

1E. CAPITALIZE ON THE EXISTING OUTDOOR OPPORTUNITIES IN OUR STATE

Don't be afraid to try something new.

During the 2010 peak season, the Office of Tourism decided to try something new – promote to fishermen. The Department of Game, Fish & Parks contacted the Office, looking for ways to increase the number of fishing licenses sold in the state. The Office of Tourism developed a plan that included emails that targeted previous license holders, as well as some social media postings.

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2010 INITIATIVE IN REVIEW

In 2003, communities, private enterprise, and the state came together to launch an unprecedented commitment to growing South Dakota's economy and branding its quality of life. The 2010 Initiative outlined a series of specific goals for economic growth and visitor spending in the state by the year 2010. That vision has been realized, and the Initiative yielded an era of opportunity and economic development for South Dakota.

2003

- * The 2010 Initiative was unveiled in October 2003.
- * The Office of Tourism launched two new websites, FilmSD.com and TourSDakota.com, specifically targeting the film industry and trade sales professionals, respectively.
- * Vacation packages were added to the office's television spots.
- * TravelSD.com underwent a re-design.

2004

- * The Office of Tourism began utilizing Black Hills Central Reservations as a reservation center for visitor information requests. The Office also began pointing out the 800 number on TravelSD.com.
- * The Made in South Dakota website was launched in the fall of 2004 with a virtual ribbon-cutting by First Lady Jean Rounds.

2005

- * To overcome the exchange rate between the U.S. and Canada, the

Office of Tourism offered at par vacation packages, meaning Canadians could book vacation packages at a discounted rate, saving them money on a trip to South Dakota.

2006

- * The "20 Bucks for the Road" promotion was wildly successful, garnering national media attention and increasing awareness of South Dakota as a destination.
- * The Interactive Trip Planner was added to TravelSD.com, allowing online visitors to plan their trips to South Dakota directly from the website.
- * TravelSD.com unveiled a newly-designed site during peak season.
- * The launch of the South Dakota Travel Monitoring System expanded the use of research as an integral component in the targeting and execution of marketing campaigns.

2007

- * The Black Hills Digital Strategy group was formed in a ground-



- breaking alliance to build an integrated Web community and provide visitors with cutting edge technology as they plan and book their travel to South Dakota.
- * Beginning in July 2007, Governor Rounds appropriated \$1 million to be used solely for new cooperative initiatives with the state's visitor industry.
- * Tourism begins the earliest stages of the Visitor Relationship Management (VRM) program, identifying core visitors and gathering key demographic data to pool visitors into four key profiles.



2008

- * The Office of Tourism wrapped two light-rail trains in Minneapolis and sent a guerilla-style team to the streets for a week. The effort resulted in \$1.64 million in earned media and an increase of 37% in web traffic from Minnesota.
- * To allow for increased customer convenience, the Office of Tourism developed an embedded booking engine for TravelSD.com, allowing potential visitors to book directly from the website.
- * Capitalizing on the 100th anniversary of the introduction of the pheasant to South Dakota, the Office launched the Pheasantennial celebration, which resulted in more than 14,000 new leads specific to the hunting niche.
- * The Office of Tourism, in conjunction with the College of Business and Technology at Black Hills State University, developed a free, online hospitality training program for the visitor industry.

- * The State of South Dakota hosted the Primal Quest: Badlands race in August 2009. The 600-mile human endurance race showcased South Dakota's adventure opportunities to outdoors enthusiasts across the globe.
- * Tourism took to the interstates and highways in 2009, wrapping seven semi-truck trailers with sweeping South Dakota imagery. The trucks traveled their usual commercial routes, reaching potential visitors across the United States and Canada.



2009

- * To celebrate South Dakota's growing pheasant hunting tradition, the Office launched the Rooster Rush promotion, which included a partnership with the Minnesota Vikings and partnerships with several South Dakota communities eager to celebrate the Rooster Rush.
- * In response to the growing social media trend, the Office of Tourism launched a digital relations campaign in April 2009 utilizing tools such as Facebook, Twitter and an office blog.



PEAK SEASON 2010

In 2010, online efforts again meshed with traditional elements and unique new ideas. With the 2010 Initiative always top of mind, the Office of Tourism continued its march toward doubling visitor spending.



MARKETS

The 2010 peak season campaign continued with its three-tiered approach in trusted markets. Research continued to show strength in Minnesota, Nebraska, South Dakota and Wisconsin. As a result, the Office of Tourism focused on these markets with both traditional and online media. The office also had advertising in Winnipeg, Canada, and the suburbs of northern Chicago.

FISHING NICHE

In 2010, the Department of Game, Fish & Parks approached the Office of Tourism to ask if we could help them market to in-state fishermen. Utilizing GF&P's database of license holders, the Office began a targeted email campaign to both in-state and out-of-state fishermen. The emails encouraged fishermen to "Get Hooked on South Dakota Fishing," and reminded them that water levels across South Dakota were optimal and the fish were biting.

The targeted emails were both informational and educational, offering tips for finding and catching certain species, as well as educating the reader on how to get kids interested in the outdoors. The Office also placed advertisements in various outdoors media outlets to complement the fishing message.

ONLINE MEDIA

The Office of Tourism continued to market heavily online with a niche-focused pay-per-click campaign, as well as banners placed on Trip Advisor and Orbitz to target avid travelers, families and adventure travelers. The banner campaign performance was tracked by

Exact Drive. The industry average for banner ad click-through rates is .08%. The Office of Tourism banners averaged .13%.

VRM TRIGGERED MESSAGING

Visitor Relationship Management has been an on-going goal of the South Dakota Office of Tourism for the past three years. As we continue to learn more about our visitors and their online and travel planning behavior, we can better understand what type of marketing content is relevant to them. We now have the ability to provide specific sales- and service-oriented messaging based on content they have viewed, information they've requested, or online actions they've taken.

The VRM program provides consumers with relevant information exactly when they would expect it, and the open rates on these triggered emails show that the program has been effective thus far. A typical open rate is 15%. The VRM emails have been reaching a 33% open rate.

SOCIAL MEDIA

The Office of Tourism began their social media usage in April 2009. In 2010, the Office knew it was time to take social media to the next level. Utilizing Facebook ads, postcards and two contests to boost fan development, social media became a larger part of the marketing mix.

5,000 Fan Contest

A giveaway contest began in August on the South Dakota Tourism Facebook page in an effort to increase the number of fans that follow the page. Facebook members were encouraged to "like" our page and share our page with their

Facebook friends. Promotional posts regarding the contest were sent on Twitter, Facebook, and blogs. After reaching 5,000 fans, Facebook friends were able to comment on a celebratory wall post stating we had made it to 5,000 fans. The first five fans to comment received a free South Dakota Tourism backpack and the next five people obtained a free South Dakota coffee tumbler.

BLACK HILLS DIGITAL STRATEGY GIVEAWAY

Vacation Makeover

For peak season 2010, the Black Hills Digital Strategy Group and Kodak sponsored a contest called "Vacation Makeover: Destination Mount Rushmore." Entrants were encouraged to tell their best vacation tale – it could be funny, touching, adventurous or amusing, and from anywhere at all. Entrants posted their stories, along with photos and video, at the Vacation Makeover website, www.blackhills.travel.

Online voting determined the four best vacation stories. These winners, plus a sweepstakes winner, received a free trip to South Dakota's Black Hills during summer 2010. They were also given a Kodak Zx1 Pocket Video Camera, which they used to film their Black Hills adventure. Back home, the winners edited their Black Hills videos and posted them on www.blackhills.travel.

Following are a few results from the Vacation Makeover promotion and Digital Strategy efforts:

- * Story entries: 235
- * Voter sign-up: 7,403
- * Votes (engagement): 60,238
- * Entries browsed: 24,996
- * Total leads generated in 2010: 24,627
- * Website visits: 31,852
- * Average time on site: 00:03:09
- * Page views: 372,828
- * Pages per visit: 8.02

GIANT STEP MAGAZINE CO-OP PROGRAM:

In 2010, the Giant Step magazine program got a slightly updated look, but stayed with the two-page and six-page ads in national publications.

- * Thirty-nine Giant Step partners were included in two- and six-page ads that ran in national magazines, including *Better Homes & Gardens*, *Family Circle*, *Ladies Home Journal*, *Midwest Living*, *Parents*, *Guideposts*, *O Magazine* and *Travel 50 + Beyond*. Circulation for these publications totaled 6,611,428, with total impressions reaching nearly 79 million.
- * These nationally-known magazines were complemented by advertising in niche publications. These included *Budget Travel*, *National Parks* magazine, *Wild Blue Yonder* magazine, the *Trailer Life Directory*, *Woodall's Directory*, and an insert in the Midwest Vacation Guide.

PEAK SEASON CO-OP MAP



GREAT GETAWAYS NEWSPAPER INSERT

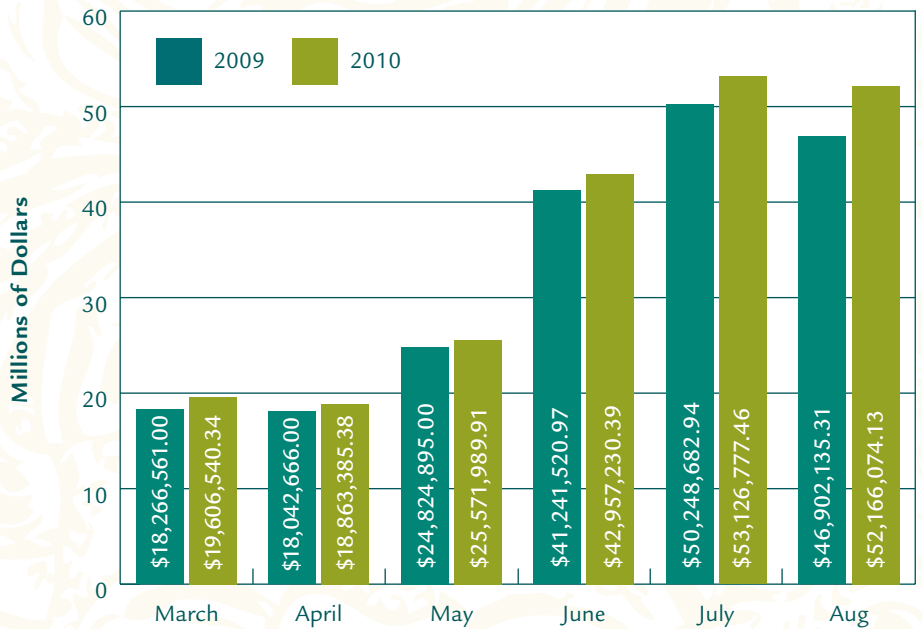
- * Fifty-nine Great Getaways partners participated in this magazine-style marketing piece that was inserted into newspapers in Colorado, Iowa, Nebraska, North Dakota, Minnesota, South Dakota and Wyoming.
- * Total circulation was 701,148

PARTNERSHIPS:

The 2010 peak campaign included cooperative partnerships with the Aberdeen Convention and Visitors Bureau, Black Hills, Badlands & Lakes Tourism Association, Custer BID Board, Custer State Park, Deadwood Chamber and Visitors Bureau, Rapid City Convention and Visitors Bureau, and Visit Spearfish.



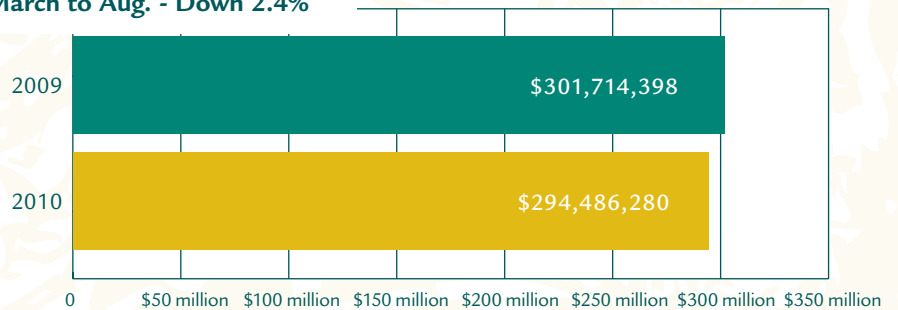
PEAK - HOTEL REVENUE



Source: Smith Travel Research

PEAK SEASON TOURISM TAXABLE SALES

March to Aug. - Down 2.4%



Source: Dept. of Revenue

SHOULDER SEASON 2010

Continuation of the Rooster Rush, a promotion to celebrate the pheasant hunting tradition, dominated shoulder season 2010. The campaign was promoted through traditional outdoor media outlets as well as online and social media.

ROOSTER RUSH

In 2009, the Office of Tourism introduced the Rooster Rush, a celebration of South Dakota's pheasant hunting tradition. Building on the success of the 2009 promotion, the Office made the Rooster Rush an annual event, continuing to market to out-of-state visitors as well as encouraging South Dakota communities to get involved in the Rooster Rush in their own unique way.

For the 2010 campaign, the Rooster Rush again featured a sponsorship with the Minnesota Vikings. The Office sponsored a football game during opening weekend of pheasant hunting. It featured in-stadium banners, videos, a tailgating tent, halftime promotion and a special message from Governor Mike Rounds that encouraged hunters to come to South Dakota. The winner of the halftime contest won a two-day pheasant hunt for two at the Cogan House Lodge near Springfield, SD.

In addition to the Vikings game sponsorship, the Office of Tourism partnered with Big Shot Pheasant Fields near Aberdeen for a pheasant hunt giveaway. The winner was awarded a two-day, three-night pheasant hunt for four, as well as upland outdoor gear from Cabela's and a Ruger Red Label shotgun from Pheasants Forever.

The Office of Tourism also partnered with several communities across South Dakota to promote Rooster Rush. The Office was able to provide limited funding for businesses and communities wanting to develop a Rooster Rush celebration of their own. Activities included welcoming events at airports, street banners, posters, door clings, pheasant feeds, street dances and

other activities that welcomed hunters to South Dakota communities. The Office of Tourism also provided design templates for posters, door clings, T-shirts, banners and advertisements.

Rooster Rush results:

- * New email leads – 9,821
 - * Top states were Minnesota, Wisconsin, Iowa, South Dakota and Michigan
- * Total impressions from the sponsorship and marketing – 111,787,645

TAKE ME HUNTING

The print and television ads used for the Rooster Rush campaign took on a new perspective in the 2010 shoulder season. The ads focused on the hunting dog's perspective, asking the reader to "Take Me Hunting." The ads resonated with hunters whose hunting dogs are their best friends.

After an overwhelming amount of positive feedback on the "Take Me Hunting" ads placed in magazines, it was clear that there was room for some great interaction with our social media followers. The "Take Me Hunting" Facebook photo contest began on October 3. The eight week contest received 369 photo entries and the number of followers to the page increased by 612.

A prize package, including dog treats, a collapsible water dish, a plush bird, a "Take Me Hunting" orange collar, and a letter from the Governor's dogs, Baby and Brandy, was sent to each weekly winner. One of the weekly winners won a \$100 gift card to Cabela's.

MACY'S

The Office of Tourism strives to think outside of the box in terms of new and unique marketing ideas. The idea of having a balloon in the Macy's Thanksgiving Day Parade had been discussed for a few years; and in 2010, seven partners came together to support and promote the float, "Mount Rushmore's American Pride." Partners included the Black Hills, Badlands & Lakes Association, Custer BID Board, Deadwood Chamber and Visitors Bureau, Mount Rushmore National Memorial Society, Rapid City Convention and Visitors Bureau, Visit Spearfish and South Dakota Office of Tourism.

A few metrics of success:

- * 50 million television viewers on NBC
- * 10 million television viewers on CBS
- * 3 million live spectators
- * 179 earned news clips
- * 103,719,227 estimated earned media impressions
- * \$220,057 estimated ad value
- * Bump in Google searches for South Dakota and Mount Rushmore-related terms

BH PHOTO SHOOTOUT

More than 120 photographers from 18 states gathered for the Black Hills Photo Shootout in September. Two days of outdoor photography workshops, classroom instruction, and inspirational lectures were held throughout the Black Hills and Badlands area. Combined efforts of the Black Hills, Badlands & Lakes Association, Black Hills State University, the U.S. Forest Service, National Park Service and South Dakota Tourism made the event a strong success. Canon Cameras sponsored an appearance by keynote speaker George Lepp. Response from participants was overwhelmingly positive and plans are underway for a second annual Shootout to be held Sept. 30-Oct. 2, 2011.

SHOULDER GIANT STEP MAGAZINE CO-OP PROGRAM:

The 2010 Shoulder Season Giant Step program featured two-page and six-page ads in national publications.

- * Thirty-nine Giant Step partners were included in two- and six-page ads

that ran in national magazines, including *Better Homes & Gardens*, *Family Circle*, *Field & Stream*, *Ladies Home Journal*, *Midwest Living*, *Guideposts*, *O Magazine* and *Travel 50 + Beyond*. Circulation for these publications totaled 8,294,800, with total impressions reaching 36 million.

- * These nationally-known magazines were complemented by advertising in niche publications. These included *Budget Travel*, *National Parks* magazine, *Wild Blue Yonder* magazine, the *Trailer Life Directory*, *Woodall's Directory* and an insert in the Midwest Vacation Guide.

SHOULDER SEASON CO-OP MAP



SHOULDER GREAT GETAWAYS NEWSPAPER INSERT

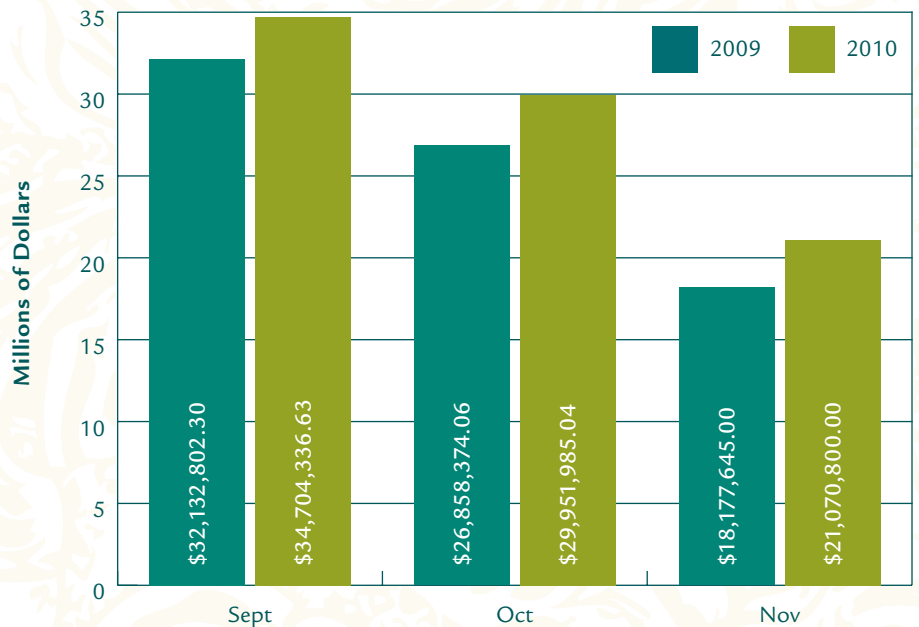
- * Forty-two Great Getaways partners participated in this magazine-style marketing piece that was inserted into newspapers in Colorado, Iowa, Nebraska, North Dakota, Minnesota, South Dakota and Wyoming.
- * Total circulation was 557,895.

PARTNERSHIPS

The 2010 shoulder season campaign included cooperative partnerships with the Aberdeen Convention and Visitors Bureau, Custer BID Board, Custer State Park, the Deadwood Chamber and Visitors Bureau, the Rapid City Convention and Visitors Bureau, Visit Spearfish and Watertown.



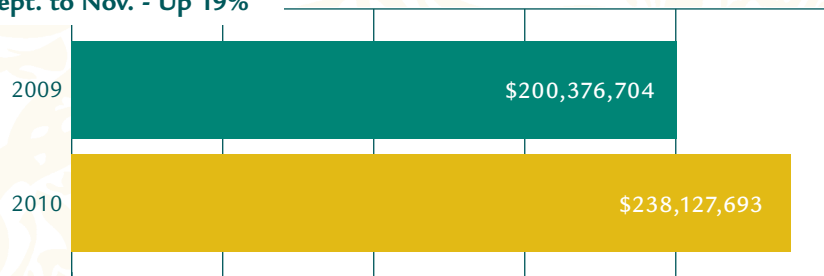
SHOULDER - HOTEL REVENUE



Source: Smith Travel Research

SHOULDER SEASON TOURISM TAXABLE SALES

Sept. to Nov. - Up 19%



Source: Dept. of Revenue

WINTER SEASON 2010

The Office of Tourism partnered with the Deadwood Chamber and Visitors Bureau to promote winter vacations in the Black Hills.



2009-2010 TEXT PROMOTION

Email blasts, newspaper, radio and television ads all focused on affordable winter vacation packages to Deadwood and the northern Black Hills. Skiing and snowmobiling were featured, but mentions of cabin rentals, gaming, winter events, snowshoeing, sledding and other activities were part of the campaign.

In addition, Deadwood launched a Blackjack text game. The game began in March and ran through the year, with prizes awarded monthly. Prizes ranged from Deadwood attire and gift certificates to weekend getaways in Deadwood. Players also received discount rates at Deadwood businesses, including casinos, restaurants and hotels.

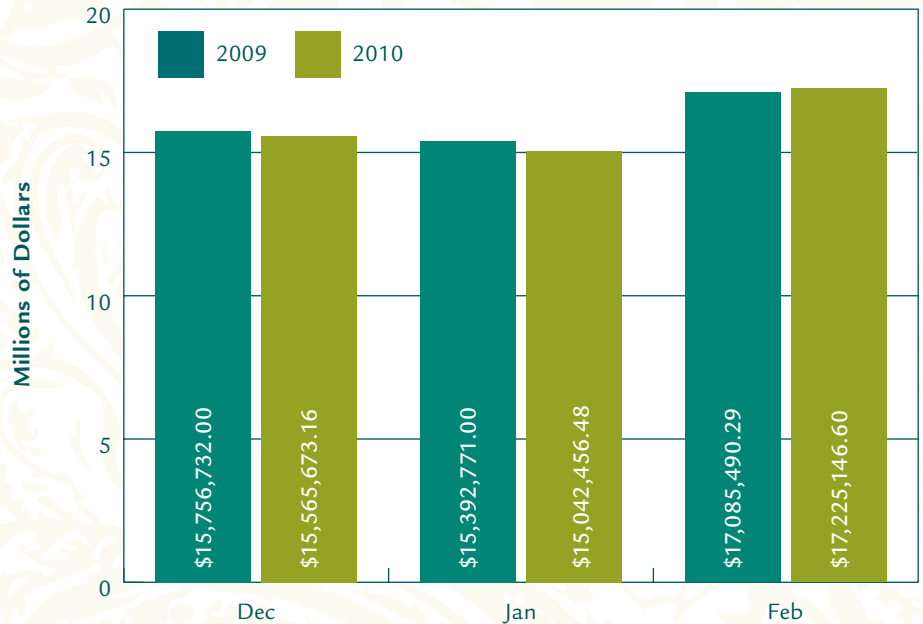
Those who signed up to play the game interacted with Deadwood frequently, keeping the town at the top of their minds. This was the first time anyone had utilized a Blackjack game through text marketing, making it an innovative promotion. Since the start of the promotion in March 2010, Deadwood has gained 1,202 leads.

2010-2011 PLANS

For the 2010 winter season, the Office of Tourism again plans to partner with the Deadwood Chamber and Visitors Bureau to promote winter getaways and outdoor adventure opportunities. Plans include a variety of promotional efforts.

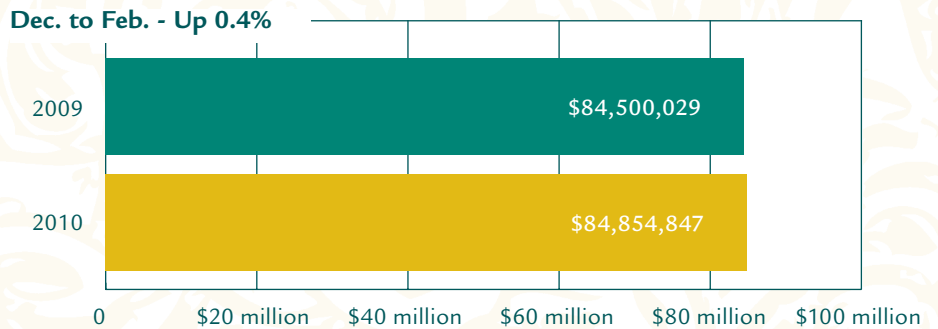
The Office of Tourism also plans to partner with Visit Spearfish to promote outdoor adventure activities in and around Spearfish, including Spearfish Canyon.

WINTER - HOTEL REVENUE



Source: Smith Travel Research

WINTER SEASON TOURISM TAXABLE SALES



Source: Dept. of Revenue



DIGITAL REVOLUTION

In 2009, Governor Mike Rounds challenged the Office of Tourism to develop an online program that would promote cross-selling and cross-linking within South Dakota's visitor industry. It is a program that everyone, even the small business, can afford. The program was developed to keep visitor industry businesses ahead of the curve in the rapidly growing world of online travel. Below are just a few of the benefits the visitor industry receives from this program:

- * The opportunity to increase and extend their web presence on www.TravelSD.com with content, videos and photos that showcase their business or event.
- * The ability to directly access and manage their own content and update it as frequently as they wish.
- * Cross-selling and promotional opportunities with other attractions, hotels, restaurants and points of interest throughout South Dakota.
- * Options for immediate sales with an online booking engine that will give visitors the opportunity to make reservations or purchase other offerings.
- * Enhanced search engine optimization (SEO) efforts.

In addition to website development, Digital Revolution provides visitor information that allows Tourism to up-sell to travelers who are already planning to visit our state. We can tailor a relationship management campaign specifically targeted at keeping them in our state longer. We are also able to use this information to re-market and bring visitors back to South Dakota. VRM Stats: The open rates on the triggered emails used in the Visitor Relationship Management campaign show that this program has been effective thus far. The VRM emails have been reaching a 33% open rate, versus a typical open rate of 15%.

As of November 30, the Office of Tourism had 296 partners enrolled in the program. Several enhancements have been made, based on feedback from industry partners. Enhancements include:

- * Revised the rotation so partners receive 70% of non-homepage related searches.
- * Programmed cross-promotion features so related news stories and packages appear on partner pages.
- * Updated search results to return in random order instead of alphabetical, allowing for equitable exposure for all partners.
- * Revised the site search functionality to make it more like a Google based search engine.
- * Updated design template for a stronger callout of keyword search.
- * Updated the programming for the results list so the first businesses listed are always Digital Revolution partners.
- * Added all eight category widgets to both regional and city pages and simplified the tagging structure within the maintenance area.
- * Conducted a site usability study with an online consumer panel. Findings will be used to prioritize and steer additional enhancements.
- * Added CVB & Chamber links on relevant city pages.
- * Simplified tagging in the maintenance area so each tag option is listed under the appropriate category.



The stats below compare site performance for the first 11 months of 2010 vs. 2009, unless otherwise noted:

- * 10.4% increase in unique visitors
- * 2.8% increase in page views
- * 12.5% increase in time on site
- * 17.3% increase in Google organic (non-paid) search
- * 772% increase in sales from TravelSD.com (January – October 2010 vs. 2009)

MATCHING DOLLAR CHALLENGE: FY11 Partners

BLACK HILLS AIR SERVICE PARTNERSHIP/ AMERICAN AIRLINES

Rapid City, SD

The Black Hills Air Service Partnership's mission is to create long-term, mutually beneficial business arrangements to ensure quality, safe, dependable and competitive air service for the future. The project intended to further their mission by leveraging the opportunity of new, direct air service to Dallas/Fort Worth on American Airlines. The project worked to create awareness and branding of Rapid City and Black Hills destinations in the Dallas/Fort Worth market, as well as promote the new direct airline service from Dallas/Fort Worth to Rapid City Regional Airport on American Airlines.

BLACK HILLS FILM FESTIVAL

Hill City, SD

The Black Hills Film Festival was a three-day event, occurring in three locations: Crazy Horse Memorial, Hill City and Mount Rushmore National Memorial. Featuring classic and independent films from South Dakota and around the world, the Black Hills Film Festival built awareness of independent films and film as an art form. It created a unique opportunity for South Dakota communities and Black Hills visitors to experience high-quality films.

CHILDREN'S MUSEUM OF SOUTH DAKOTA

Brookings, SD

The Children's Museum of South Dakota is a welcoming, fun and entertaining environment, which helps spark learning through imagination, creativity, and discovery. Located in Brookings, it is a place where children and adults learn through play. The museum is using Matching Dollar Challenge funds to draw more out-of-state visitors from the region.

GREAT PLAINS ZOO – BLACK RHINO EXHIBIT

Sioux Falls, SD

In the summer of 2010, the Great Plains Zoo opened a state-of-the-art exhibit for its two Eastern Black Rhinos – a

critically endangered species with fewer than 4,000 remaining in the wild. In addition to providing a larger space for the rhinos, a new exhibit will engage and educate visitors about Africa, rhinos and conservation. With the addition of new attractions and exhibits, the Great Plains Zoo officials anticipate new visitors and greater exposure for the Zoo.

NORTHEAST SOUTH DAKOTA CELTIC FAIRE & GAMES

Aberdeen, SD

The Northeast South Dakota Celtic Faire and Games was an event that featured a unique blend of the arts, sporting events, and agricultural demonstrations. The event educated the public on Celtic culture and its contribution and impact on our American society. Activities included concerts, music workshops, dance performances, dance instruction, heritage arts demonstrations, traditional Celtic sporting events, historical and genealogical experts and authors.

SIoux FALLS SPORTS AUTHORITY – SIoux FALLS MARATHON

Sioux Falls, SD

The Sioux Falls Marathon was an event produced by the Sioux Falls Sports Authority. The goal of the event was to attract local, regional and national runners to South Dakota to participate in a certified marathon or half-marathon race. The Sioux Falls Sports Authority is hoping to produce an event that will grow to equal or surpass competing marathons in surrounding states.

SOUTH DAKOTA DISCOVERY CENTER – DINOSAURS!

Pierre, SD

The South Dakota Discovery Center brought in an extraordinary exhibit – DINOSAURS! The larger-than-life display attracted both young and old visitors to the Discovery Center. The exhibit appeared to progress from time to time, providing a fresh experience and enticing visitors to return.

SOUTH DAKOTA WINE COUNTRY

Statewide

Partnering with the Office of Tourism and the Matching Dollar Challenge, the South Dakota Wine Growers Association was able to continue to build on member wineries' successes and showcase them as great vacation locations. Serious wine lovers and families found fun, relaxing times. The South Dakota Wine Country project is an exceptional asset for one of South Dakota's fastest growing niches.

SPIRIT OF THE WEST FESTIVAL

Sioux Falls, SD

The goal of the Spirit of the West Festival was to keep the history and spirit of cowboys and the Old West alive. Whether visitors were attracted by the history of the West, western collectibles, or the lore of the cowboy, there was something for everyone at the Spirit of the West Festival in Sioux Falls.

WATERTOWN ARTS & CRAFTS FESTIVAL

Watertown, SD

The Watertown Arts & Crafts Festival featured demonstrations, craft booths, food and beverage vendors, cultural entertainment, and activities for kids. Partnering with the Matching Dollar Challenge and the Redlin Art Center, Uptown Watertown celebrated with art enthusiasts of all ages.

WHEELS & SQUEALS

Beresford, SD

Wheels & Squeals was a new event in Beresford to promote a signature event for the community, to promote tourism in southeastern South Dakota, and celebrate the area's rich BBQ heritage. The event featured a BBQ cook-off competition, BBQ vendors, a classic car show, a "burnout competition," street dance, arts and crafts fair and a community breakfast. The BBQ competition is also a qualifying event for the SD BBQ State Championship held in Vermillion each September.

CREATIVE STRATEGIES TEAM

The Creative Strategies team is charged with the task of making sure each project produced is consistent with the South Dakota brand. From designing and producing publications to capturing breathtaking photos and captivating video, the team makes sure South Dakota's Great Faces and Great Places are at the top of travelers' minds.



Thad Friedeman
Creative Strategies Manager

- * Assists with planning ad campaigns and promotional materials
- * Provides Tourism image direction in print materials and Tourism logo requests
- * Maintains the in-house graphic design computer system



Ashley Brassfield
Graphic Designer

- * Creates and designs various print projects, including flyers, brochures, guides and other promotional materials
- * Design highlights include: 2011 Tourism Conference print materials, special event invite and signage



Chad Coppess
Senior Photographer

- * Photographs attractions, events and activities for use in promotional materials
- * Maintains digital image database
- * Fulfills photo requests from our digital database



Michele Ganschow
Project Manager

- * Coordinates Creative staff project assignments
- * Oversees progress and completion of projects and advertising campaigns
- * Handles department's promotional product needs



Angela Hofmeister
Graphic Designer

- * Creates and designs various print projects, including flyers, brochures, guides and other promotional materials
- * Design highlights include: Peak and Shoulder Great Getaways, group tour co-op inserts and special event invites



Scott Howard
Video Specialist

- * Shoots video for use in promotional materials
- * Coordinates television commercial filming, live satellite feeds at special events, and AV equipment needs
- * Fulfills requests from our in-house video library



Tara Meise
Graphic Designer

- * Creates and designs various print projects, including flyers, brochures, guides and other promotional materials
- * Design highlights include: Group Tour Planning Guide, special event print materials and Great Events promotions

HIGHLIGHTS

Peak & Shoulder Great Getaways

Black Hills Photo Shootout Results

Group Tour Co-op Ad



MEDIA PUBLIC RELATIONS TEAM

Public and media relations are essential to maintaining a positive reputation. In order to uphold this positive image, the Media & Public Relations team focuses on telling the great stories of South Dakota to a variety of audiences, from domestic media to potential visitors, through traditional and digital public relations.



Wanda Goodman
Media & Public
Relations Manager

- * Serves as the primary point of contact for news media inquiries
- * Develops and implements public relations strategy and manages communications efforts
- * Provides campaign messaging and other copy as necessary



Joey Hockett
Outdoor Media
Relations
Representative

- * Serves as the first point of contact for outdoor-related media
- * Promotes South Dakota as an outdoor vacation destination, including hunting, fishing, outdoor recreation and adventure opportunities
- * Coordinates public relations strategy for shoulder season marketing efforts



Katlyn Richter
Media Relations
Representative

- * Serves as the first point of contact for film industry inquiries, and acts as a liaison between the national film industry and South Dakota's resources
- * Coordinates the Office of Tourism's social media efforts, and works to integrate them into the Office's traditional campaigns
- * Coordinates marketing efforts for the South Dakota Film Office

HIGHLIGHTS

Macy's press conference

The Office of Tourism, along with several industry partners, sponsored a float in the 2010 Macy's Thanksgiving Day Parade. To announce this great honor, the Media & PR team orchestrated a press conference at Mount Rushmore National Memorial. Conference speakers included Nort Johnson, President of the Black Hills, Badlands & Lakes Association, and John Piper, President of the Macy's Parade Studio. The press conference garnered 39 print, broadcast and online clips, which reached more than 50 million people.

Social media efforts:

The Office of Tourism wanted to grow its social media fan base in 2010. Since Facebook is the Office's most popular platform, the Media & Public Relations team decided to run two promotions in order to increase fans.

The first promotion was a "5,000th fan" promotion. The team made posts to Facebook encouraging people to tell their friends and family about our Facebook page. Once we reached 5,000 fans, there would be a special post on our wall. The first 10 people to comment on that special post received a gift. In one weekend the Facebook page went from roughly 4,500 fans to 5,000.

The second promotion was an extension of the fall Rooster Rush campaign, and the first time the Office of Tourism integrated social media into a traditional campaign. The Take Me Hunting photo contest launched October 4, encouraging fans to post photos of their pooch to be judged for weekly prizes. The promotion resulted in an increase of 612 fans over the course of eight weeks, and 369 photos posted to the Office's Facebook fan page.

2010 Filming Highlights:

Black Hills Film Festival

May 2010 marked the inaugural Black Hills Film Festival with the theme of "Location, Location, Location." The three-day festival was held at three locations: Crazy Horse Memorial, Hill City and Mount Rushmore National Memorial. The festival showcased forty independent films, some of which were world premieres and one Academy Award winning documentary. The Black Hills Film Festival's mission is to build awareness of independent films and provide educational opportunities for students. The Film Office hosted three location scouts from California in conjunction with the festival. Planning for the 2nd annual festival is underway.

Social media:

Twitter – 2,198 followers, up 82% over 2009
Facebook – 6,290 fans, up 172% over 2009

MEDIA QUOTES

"Like a scene from *Dances With Wolves*, hundred of North American Bison thunder across the prairie flanked by 60 riders on horseback. Crack! Bullwhips bite the air, keeping the mighty beasts moving over rolling hills in Custer State Park in southwest South Dakota."

-Claudia Carbone,
Out of Denver magazine

"[The] confluence of agriculture and tourism can be found throughout South Dakota in its variety of working ranches, farm stays, wineries, farmers' markets, corn mazes, pumpkin patches, tree farms and apple orchards which all add to the state's economy."

-Marge Peterson,
AAA Home & Away magazine

"Heading back to the lodge, the snow continued to fall heavily and by the time we got back nearly a foot of fresh snow had fallen, making it a remarkable day for riding – something that is typical for the Black Hills."

-Eric Skogman,
Wisconsin Snowmobile News

RESEARCH E-COMMERCE TEAM

Between online marketing, web analytics, and visitor and market research, this team offers their expertise both before and after a campaign launches. The team's insight into how visitors react online and in the marketplace is paramount to campaign decisions, as is their research into how a particular campaign fared. In addition, this team handles fulfillment of visitor inquiries and monitors industry trends.



Kirk Hulstein
Research &
E-Commerce
Manager

- * Oversees e-commerce, research and fulfillment functions
- * Coordinates web development and analytics
- * Leads the Office of Tourism's website optimization efforts



Ashley Worth
Research Analyst

- * Monitors and reports travel indicators to the industry
- * Coordinates marketing research and database marketing
- * Works to obtain visitor data



Ann Devany
E-commerce
Specialist

- * Works with online promotions
- * Coordinates email marketing
- * Handles content management for the Office of Tourism's websites



Robin Rattei
Information
Specialist

- * Handles consumer information requests
- * Manages the Office of Tourism's consumer inquiry database updates
- * Coordinates call center training

HIGHLIGHTS

Website usability study

In July 2010, the South Dakota Office of Tourism conducted online personal interviews and recorded website traffic patterns of visitors who recently used TravelSD.com. The Website Usability research gathered feedback from participants regarding their first-impressions of the site, their ability to find relevant information and complete common actions on the site.

After reviewing the information gathered in this project, it's apparent that the importance of a high-quality, attractive website is increasingly important to visitors' travel planning efforts. Overall, users greatly enjoyed the look of TravelSD.com and found it easy to navigate. Multiple interviewees commented they are going to do more while in South Dakota because of information found on the partner pages around the region they will be visiting. A few interviewees changed or enhanced their vacations as a result of the content and images provided on the site. In fact, one participant shared that she changed her

vacation plans from North Dakota to South Dakota after visiting each state's website. Many of those interviewed commented that peer reviews influence their decision to stay. However, simply liking a destination page may not be enough. People want to know why and be able to sort out the good reviews from the bad. Additionally, participants suggested changes to functionality of the Trip Planner, requested more opportunities to view maps and recommended changes to the site's order of search results.

An investigative Web Usability test gathers input from participants, South Dakota visitors, for site development and suggestions for enhancements. Based upon the experience and opinions of target audience visitors in the sessions, the Office of Tourism is using this feedback and direction from the state's industry partners to develop and implement enhancements to the site's look and feel, navigation and functionality.

Digital Revolution

Since its launch in January 2010, the Digital Revolution has changed the way online web visitors view and use our consumer site, TravelSD.com. The site was transformed from an information resource to a transactional site, where visitors can research, plan and book their South Dakota vacation from one place.

A few stats from the first year indicate the site is performing well:
(2010 over 2009)

- * 10.4% increase in unique visitors
- * 2.8% increase in page views
- * 12.5% increase in time on site
- * 17.3% increase in Google organic search

Event ROI Calculator

This tool allows South Dakota Tourism to quantify the incremental economic contribution of an event and compare it to the costs and benefits. Benefits are measured in terms of output/spending, job creation, corresponding payroll, and tax receipts (state & local). Calculating these benefits on a per-visitor basis provides the wherewithal to quickly evaluate a sponsor's claims. For example, if an upcoming event is estimated to bring 4,000 new visitors to the local area, the calculator can quickly estimate the resulting expenditures (hotel, food, entertainment, shopping, etc.) and their downstream job, wage, and tax benefits to the local area.

Source: IHS Global Insight

TRADE SALES MARKETING TEAM

Utilizing their expertise in business-to-business education and marketing, the Trade Sales & Marketing team informs group tour operators and travel agents of the variety of opportunities for South Dakota visitors. The team also keeps an eye on international tour markets and reaches out to meeting planners and international journalists.



Maureen Droz
Trade Sales
& Marketing
Manager

- * Leads efforts in European marketing
- * Leads team in targeting new shows and markets
- * Oversees all areas in regard to trade sales and international media



Vicky Engelhaupt
Trade Sales
& Marketing
Representative

- * Leads efforts in promoting South Dakota to group tour operators
- * Works with the Scandinavian market
- * Promotes co-op partnerships and updates travel trade publications



Justin Larson
Trade Sales
& Marketing
Representative

- * Leads efforts in marketing to travel agents
- * Works with the Japanese market
- * Develops Travel Trade monthly e-newsletter and posts social media updates

HIGHLIGHTS

FY2010 International earned media: \$2.1 million

Group Tours in South Dakota

According to data pulled from the state's Interstate Information Centers, there were 102 international and 402 domestic group tours traveling through South Dakota in 2010. These bus groups brought a total of 3,909 (25%) international and 15,691 domestic visitors to the state and spent a total of 1,702 days in South Dakota.

*Only tours who stopped at the centers were counted.

Great Faces Video

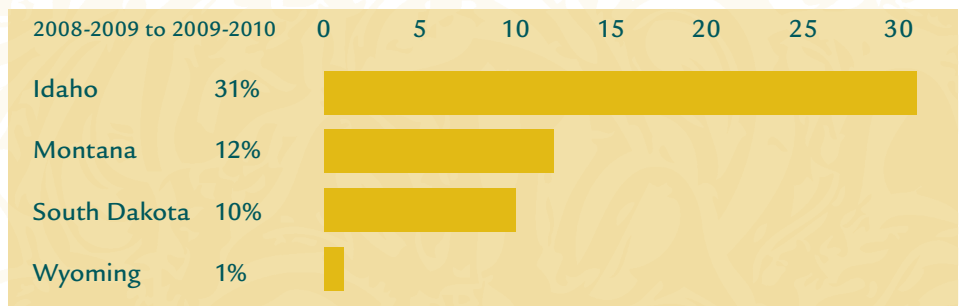
The Great Faces video is a six-minute video highlighting the four tourism regions of South Dakota. The video is linked on the Travel Professionals area of our website and is available to tour operators, travel agents and meetings planners to showcase South Dakota to their potential clients. The video has also been posted on YouTube.

FY10 Hostings

Domestic travel agents and tour operators – 23
International press – 29
International group tour counselors – 61

TRIP® Report, RMI States

Percent of Growth of Product



South Dakota TRIP® Report Summary & Analysis

Overnights Offered by Tour Market

	2008/2009	2009/2010	Change
Benelux	65,220	75,776	16%
France	59,214	53,015	-10%
Germany	99,093	103,282	4%
Italy	91,035	121,824	34%
UK	105,615	108,979	3%
TOTAL	420,177	462,876	10% increase in overnights

*TRIP (Tourism Research Inventory Product)
Source: 2010 Rocky Mountain International Annual Report

VISITOR INDUSTRY RELATIONS TEAM

With a strong belief in the power of public/private partnerships, the Visitor Industry Relations team works to strengthen South Dakota's visitor industry. Each team member plays a crucial role in developing and administering cooperative programs and services which benefit the industry.



Nicole Soukup
Visitor &
Industry
Relations Manager

- * Coordinates the Office of Tourism's marketing campaigns and leads the development and implementation of Tourism's cooperative marketing programs
- * Leads efforts/builds relationships with the South Dakota visitor industry
- * Facilitates the Governor's Matching Dollar Challenge grants



Brad Lemmel
Visitor &
Industry
Relations
Representative

- * Leads efforts in agritourism
- * Serves as an ambassador for the Governor's Matching Dollar Challenge partners and Digital Revolution partners
- * Leads online cooperative marketing efforts



Eileen Bertsch
Visitor & Industry
Relations
Representative

- * Coordinates the Governor's Hospitality Program - includes the Great Service Star businesses, Governor's Hospitality Certificates and George S. Mickelson Great Service Award
- * Manages the online and spring hospitality training - customer service training programs
- * Arranges media and travel agent hostings and press trips



Rick Jorgensen
Coordinator

- * Special projects and events



Aske Whitebird
Visitor &
Industry
Relations
Representative

- * Acts as a liaison for tribal tourism representatives
- * Coordinates tribal tourism roundtable discussions



Natasha Bothun
Visitor &
Industry
Relations
Representative

- * Manages the Interstate Information Centers
- * Leads Cultural/Heritage Tourism and Tribal Tourism efforts
- * Coordinates Giant Step and Great Getaways cooperative programs

HIGHLIGHTS

Digital Revolution

Since launching the Digital Revolution co-op program in January 2010, the program has grown to 296 partners. Partner listings appear on the Office of Tourism's consumer website, www.TravelSD.com, and receive rotating placement on the site's home page, giving each partner top exposure to the site's 2 million annual online visitors.

One of the highlights of this program in the past year is the implementation of partner suggestions. The Office of Tourism is always open to hearing how Digital Revolution and other programs can be improved and considers all industry suggestions. In the past year, the VIR team has implemented numerous industry suggestions for a better Digital Revolution co-op program.

Rooster Rush

Rooster Rush, the Office of Tourism's premiere shoulder season promotion, was offered for a second year in 2010. The promotion was a successful partnership between the Office of Tourism and several communities statewide. The Office provided creative templates for ads and promotional materials and provided financial assistance to communities developing their own Rooster Rush events.



Tourism Conference

The Governor's Conference on Tourism is an annual educational conference held for the visitor industry in South Dakota. The conference features high-quality speakers on a variety of subjects, from marketing and social media to research and event planning. The VIR team leads the organization and production of this conference each year.



Department of **TOURISM** **STATE DEVELOPMENT**

The South Dakota Department of Tourism & State Development (SDTSD) is comprised of five divisions – Arts Council, Governor’s Office of Economic Development, State Historical Society, Tourism and Tribal Government Relations. The divisions work together to increase tourism and business development and brand quality of life in South Dakota.



Richard Benda
Secretary



Kim Olson
Deputy Secretary

Additionally, the SDTSD has three associated authorities: Ellsworth, Housing and Science & Technology. The authorities work independently, but closely with the Department of Tourism & State Development to accomplish its mission.



Brooke Bohnenkamp
Communications
Director



Marty Davis
Administrative
Director



ADMINISTRATION



Harla Jessop
Executive
Assistant



Karen Hirsch
Travel
Coordinator/
Accounting
Assistant



Kay Decker
Administrative
Assistant



Heather Davidson
Project Specialist



Amy Hertel
Senior Support
Specialist



Vern Seefeldt
Warehouse
Manager



Deenie Frederick
Support
Coordinator/
Accounting
Assistant



Teresa Tople
Support
Specialist



Lorie Jirschele
Receptionist



South Dakota's TOURISM REGIONS



BLACK HILLS, BADLANDS & LAKES

President/CEO: Nort Johnson

The year 2010 ushered in a few changes and highlights at BHB&L. The biggest change was the retirement of Bill Honerkamp in October. Bill's departure was marked by a farewell party filled with friends and family. Nort Johnson, who was working as VP of Marketing, filled Bill's position. In addition to this major change in leadership, the BHB&L Association embraced the new Road Trip branding elements, updated their winter publication with a dual cover, developed a region-wide shared content event calendar, made their publications and maps available online, and were a proud partner in the Macy's Thanksgiving Day Parade.

*Member Benefit Highlights:

- * Digital coupons, banners and publications
- * NEW for 2011
 - * Enhanced listings in traditional print publications
 - * Road Trip Road Show for 2011 will develop face-to-face sales!
 - * Hand Held iPhone and Android Black Hills Travel applications
 - * Every member is listed in this location-based marketing tool.
- * Member newsletters (email and print)
- * RE-WORKED Attraction Circular
 - * Every member is listed in the directory of this agile handout and fulfillment publication
- * Oh Ranger! Ads now available through BHB&L

www.blackhillsbadlands.com
605-355-3600

GLACIAL LAKES

Executive Director: Rosie Smith

In 2010, the Glacial Lakes Association worked on expanding the region's online presence. The redesigned website launched in the fall of 2010 and included an expanded photo library, banner ads and streamlined categories. Additions included search functionality and information on membership benefits. The Association also started actively promoting the region through Twitter, YouTube and Facebook in early 2010. There are now more than 640 fans on Facebook, and over 1,600 tweets posted on Twitter. Both of these platforms help to promote

events, attractions and prize giveaways. We've also had more than 1,800 total views on YouTube, which featured the Glacial Lakes fishing promotion.

*Member Benefit Highlights:

- * Visitor Information Area: Located on the first floor of the Redlin Art Center, the Glacial Lakes Association promotes our members' brochures. The area is open year-round and staffed daily during the summer months.
- * Northeast Regional Visitor's Guide: 45,000 distributed annually. The Association delivers all of our publications, and an e-guide is available on our website.
- * The Association promotes the region through the Glacial Lakes & Prairies Travel Show Co-op Program, which includes St. Paul, Omaha, Sioux Falls and Minneapolis.
- * E-splash bi-monthly updates to our membership.

www.sdglaciallakes.com
1-800-244-8860 or 605-886-7305

GREAT LAKES

Executive Director: Karen Kern

In 2010, the Great Lakes Tourism Association and the State Tribal Tourism Roundtable hosted the annual Great Lakes Tourism Social during the Governor's Tourism Conference – a first-ever partnership, which was very successful. The Association also began work on Group Travel marketing, which was a first for the region. This beginner project brought together attractions in the region and will be expanded in 2011.

*Member Benefit Highlights:

- * An opportunity to partner with Great Lakes in marketing to our member's target market areas. NEW in 2011 – FREE TO OUR MEMBERS – 24/7 Virtual Travel Planner on the Great Lakes website
- * Outdoor promotions on behalf of our members – through staff attendance and distribution of Missouri River Visitor's Guide at 8 sports/travel shows, marketing through Jason Mitchell Outdoors TV Show, Dakota Country magazine, and hostings

- * Production and distribution of the annual Missouri River Visitors Guide annually and coordination of the Great Lakes section in the South Dakota Vacation Guide. Magazines are distributed at travel/sports shows, SD Information Centers and mailed to inquiries within 24 hours of their request. The Visitor's Guide is also on www.sdgreatlakes.org
- * Speaking up for tourism issues with government agencies, South Dakota legislature and business and professional groups

www.sdgreatlakes.org
1-888-386-4617

SOUTHEAST

Executive Director: Jacquie Fuks

In 2010, the Southeast SD Tourism Association began work on re-branding their region. A new positioning statement, *Simply South Dakota*, speaks to a "real" South Dakota vacation experience and gives new direction to the organization, highlighting SE South Dakota products, farm and ranch vacations and small towns.

*Member Benefit Highlights:

- * Free listing/link on southeastouthdakota.com.
- * Free 50-word listing in the Southeast Regional Visitor Guide.
- * Lodging and camping members get free listings in charts of amenities in the SD Vacation Guide, Regional Visitor Guide and Sportsman's Guide.
- * All ads are linked to advertisers' websites from our online publications
- * Members may have their brochure or magazine in view and print format on our website.
- * Members may submit vacation packages to be included free of charge on our website and e-newsletter to 5,000+ visitors monthly.

www.southeastouthdakota.com
1-888-353-7382

*Member benefits listed here are a sampling of what each association offers. For more information and additional benefits, please contact each association individually.

RESEARCH EFFORTS

The South Dakota Office of Tourism continues to build our marketing efforts, based on an ever-stronger foundation of research. This forward-looking strategic approach ensures that a visitor-centered focus is used to determine short- and long-term tourism initiatives.

2010 INFORMATION CENTER INTERCEPT STUDY

Over a 10 day period in July, 6,500 surveys were distributed at the 13 South Dakota Interstate Information Centers; and 2,002 travelers completed the survey, 893 were labeled as “in-target,” meaning they fell within the Office of Tourism’s target markets: Canada, Colorado, Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Wisconsin and Wyoming. South Dakota residents made up 124 respondents.

Findings*:

- * SD was final vacation destination – 59.6%
- * Total Vacation days – 8.7 days
- * Vacation days in SD – 4.2 days
- * Most common month of planning – July
- * Previously been to SD – 76.4%
- * Years between visits – 7.7 years
- * Travel party size – 3.1 people
- * Use of mobile Internet – 44%
- * Leisure travelers – 91%
- * Days in South Dakota – 4.2
- * Used a South Dakota vacation guide while traveling – 41% (54% picked it up upon arrival to SD)
- * Total spending per day, per party – \$173.20 (Spent \$191.04 in 2009)
- * Use of WiFi while on vacation – 49% (38% in 2009)

* Results are from the in-target respondents. To see the full report, visit www.SDVisit.com.

2010 MEDIA EMAIL SURVEY

Travelsmart subscribers were invited to participate in a media usage survey. Over 290,300 emails were delivered with 15,567 (6%) opening the message. The 10,936 survey participants represent a 4% completion rate without the use of an incentive. Of the total survey participants, 3,510 fell within our target markets, excluding Wyoming and Canada.

Findings*:

- * TV (35.95%) and Internet (33.33%) have the highest recall for vacation destinations
- * Most popular days for newspaper readership are Sunday and Saturday
- * Top read sections: Local News, National News, Travel, and Life/Entertainment
- * The Internet is the most frequently used source for vacation and travel needs, followed by Magazines and Newspapers

* Results are from the in-target respondents.

SOUTH DAKOTA EVENT CALCULATOR

The Tourism Research team has worked closely with IHS Global Insight to develop an event impact calculator that can quickly and accurately estimate the economic benefits of events. We are now able to input several known factors such as attendance, visitor days, spending estimates and be able to determine the economic contribution such as direct, indirect and induced effects at both the local and state level. It will also estimate the amount of spending for different categories such as entertainment, lodging, food and shopping.

EMAIL MARKETING RESULTS

The Office of Tourism deployed nearly 4 million emails in 2010 between the Travelsmart e-newsletter to potential travelers, eFYI e-newsletter to the visitor industry,

Travel Professionals e-newsletter to the travel trade and three niche emails to hunters, fishermen and general travelers. The chart below shows the success of these email campaigns.

Email Name	Sends	Unique Opens	Open Rate	Unique Clicks	Click Rate
Travelsmart	3,431,340	445,331	13.0%	78,313	2.3%
eFYI	19,597	5,530	28.2%	1,579	8.1%
Travel Professionals	1,918	515	26.9%	254	13.2%
Fishing Campaign	268,274	35,868	13.4%	4,584	1.7%
Hunting Campaign	115,028	23,902	20.8%	6,033	5.2%
CRM*	102,787	34,345	33.4%	11,942	11.6%
Total	3,938,944	545,491	13.8%	102,705	2.6%

*Customer Relationship Management

TRAVEL INDICATORS

TOP STATES BY TRAFFIC VOLUME

States	2009 Visitors	2010 Visitors	% Change
South Dakota	125,264	162,303	29.6%
Minnesota	126,934	144,309	13.7%
Illinois	71,411	81,762	14.5%
Wisconsin	74,644	78,293	4.9%
California	68,313	68,301	0.0%
Iowa	53,505	61,611	15.2%
Texas	50,443	53,817	6.7%
Colorado	55,533	52,652	-5.2%
Nebraska	45,390	52,237	15.1%
New York	46,335	49,481	6.8%

TOP COUNTRIES BY TRAFFIC VOLUME

Countries	2009 Visitors	2010 Visitors	% Change
United States	1,184,257	1,311,906	10.8%
Canada	40,204	43,701	8.7%
United Kingdom	14,623	12,596	-13.9%
Germany	10,534	8,500	-19.3%
France	4,626	4,036	-12.8%
Italy	4,678	4,034	-13.8%
Australia	3,960	3,774	-4.7%
Netherlands	2,713	2,768	2.0%
India	2,062	2,182	5.8%
Russia	1,158	1,518	31.1%

WEB TRAFFIC BY MONTH

	2009	2010	% Change
Dec	54,954	60,189	9.5%
Jan	87,177	99,705	14.4%
Feb	94,482	91,839	-2.8%
March	118,634	125,067	5.4%
April	116,198	130,957	12.7%
May	132,306	156,495	18.3%
June	151,873	175,128	15.3%
July	149,350	165,425	10.8%
Aug	127,827	145,179	13.6%
Sept	108,563	118,596	9.2%
Oct	94,590	88,527	-6.4%
Nov	72,512	69,884	-3.6%
	1,308,466	1,426,991	9.1%

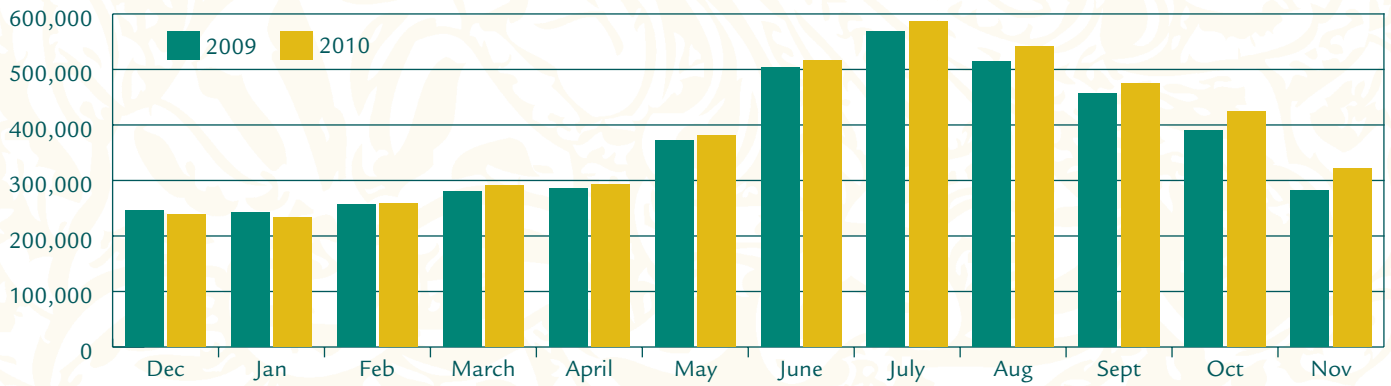
WEB TRAFFIC

	2009	2010	% Change
Visitors	1,308,466	1,426,991	9.1%
Unique Visitors	979,125	1,081,015	10.4%
Pageviews	7,981,846	8,200,855	2.7%
Pages per visit	6.1	5.75	-5.8%
Time on Site	0:04:24	0:04:55	11.8%

STATE PARKS

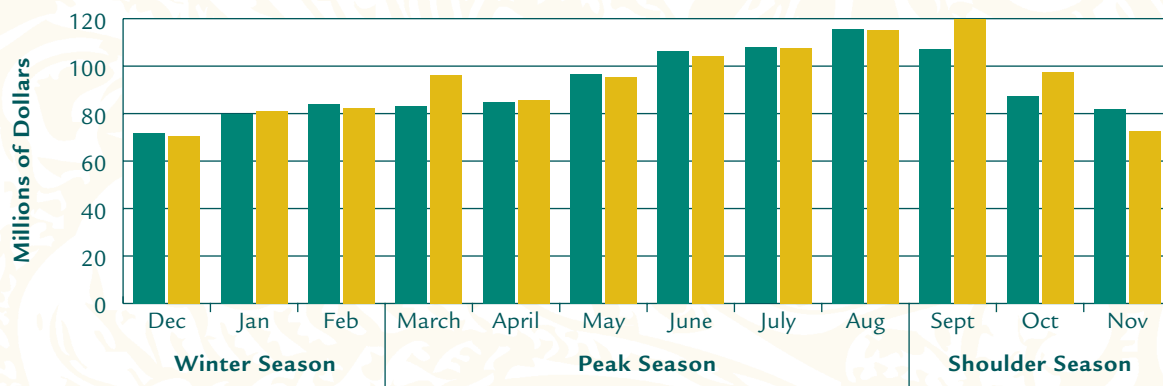
	2009	2010
Visitation	6,773,430	6,878,811
	% Change - up 1.9%	
Revenue	\$10,388,176	\$10,797,456
	% Change - up 3.9%	

HOTEL OVERNIGHT STAYS



Source: Smith Travel Research

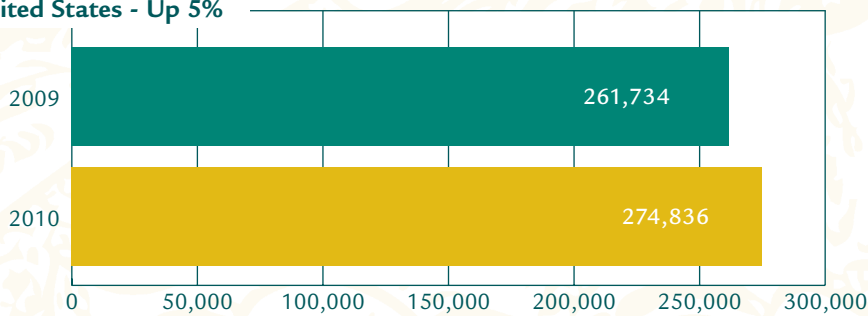
DEADWOOD GAMING HANDLE



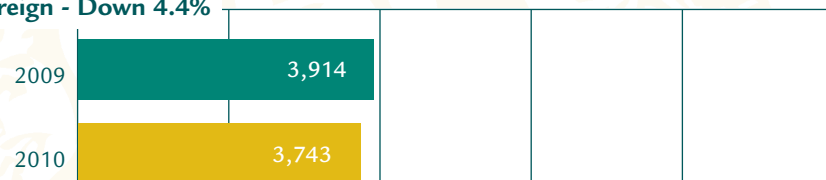
Source: Gaming Commission

TARGET MARKET CAR COUNTS

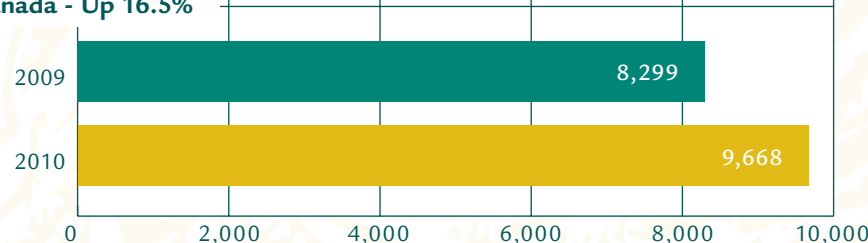
United States - Up 5%



Foreign - Down 4.4%



Canada - Up 16.5%



Source: Information Centers

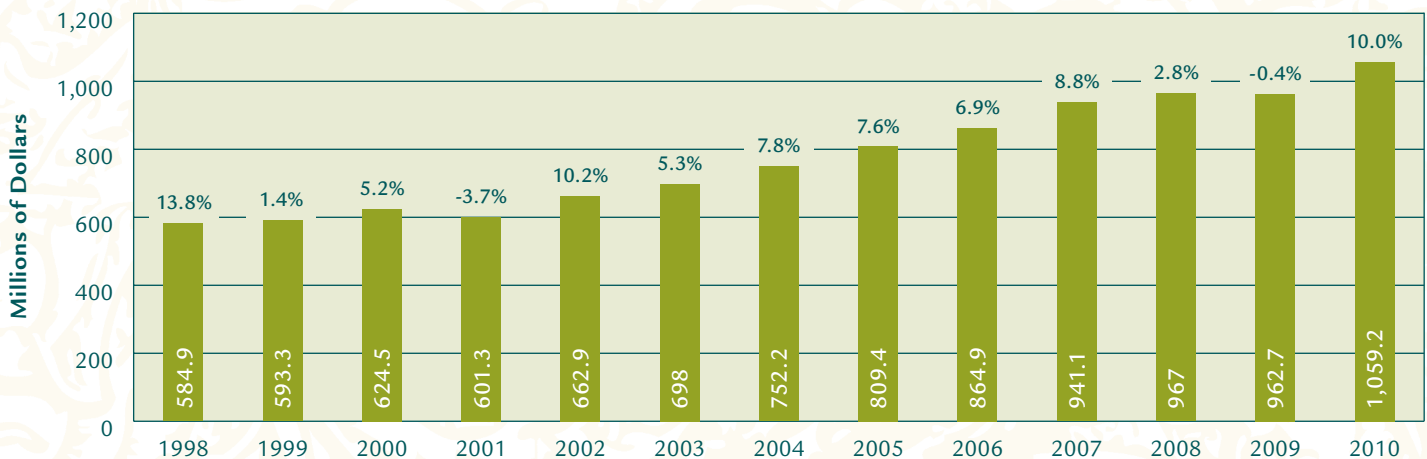
ECONOMIC IMPACT

Source: Economic and Fiscal analysis by Dr. Madden

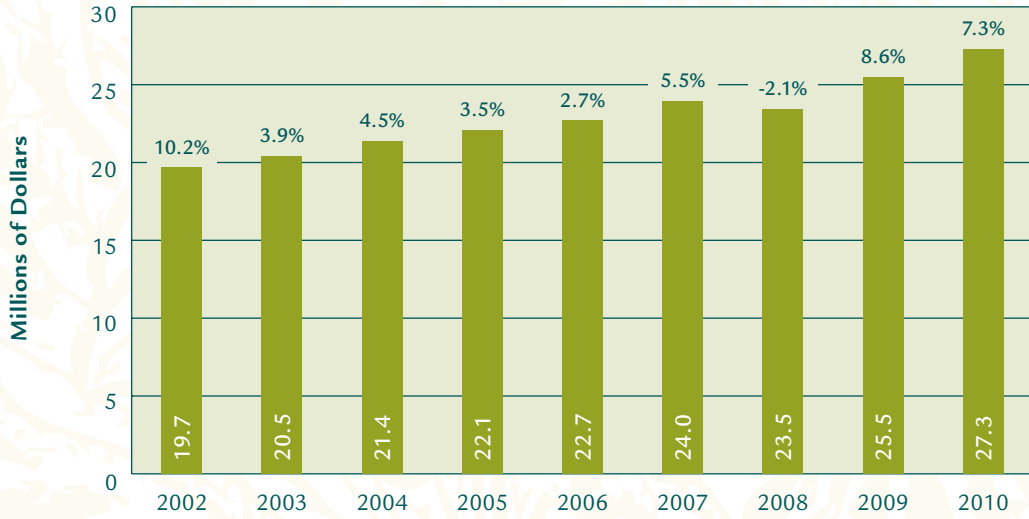
2010 ECONOMIC IMPACT BY COUNTY

County	2009	2010	% Change	% Avg Change '03-'09	County	2009	2010	% Change	% Avg Change '03-'09
Aurora	2,755,659	2,889,108	4.8%	19.0%	Jackson	9,009,301	10,242,661	13.7%	4.7%
Beadle	10,349,075	10,437,664	0.9%	9.0%	Jerauld	990,745	650,900	-34.3%	-8.8%
Bennett	1,093,748	1,177,106	7.6%	4.1%	Jones	7,869,639	8,244,200	4.8%	8.1%
Bon Homme	1,659,677	1,836,615	10.7%	9.3%	Kingsbury	3,501,475	4,460,793	27.4%	8.0%
Brookings	18,102,393	20,663,078	14.1%	13.9%	Lake	5,745,050	5,583,806	-2.8%	9.0%
Brown	24,159,574	26,493,108	9.7%	10.4%	Lawrence	114,298,300	131,146,374	14.7%	6.6%
Brule	18,924,604	16,981,993	-10.3%	11.9%	Lincoln	8,263,772	5,824,115	-29.5%	-0.3%
Butte	9,598,903	7,282,729	-24.1%	4.4%	Lyman	8,597,189	8,546,107	-0.6%	-2.8%
Campbell	1,184,506	1,057,988	-10.7%	0.4%	McCook	1,525,680	1,578,859	3.5%	-0.5%
Charles Mix	4,359,184	5,019,920	15.2%	-2.2%	McPherson	671,669	725,623	8.0%	-0.8%
Clark	1,900,818	2,260,773	18.9%	33.2%	Marshall	3,165,763	2,720,679	-14.1%	7.1%
Clay	10,806,142	11,054,456	2.3%	7.3%	Meade	60,200,053	70,381,061	16.9%	12.0%
Codington	18,811,809	19,596,866	4.2%	4.8%	Mellette	235,521	237,217	0.7%	-5.4%
Corson	2,014,877	684,214	-66.0%	0.6%	Miner	1,335,751	1,161,937	-13.0%	9.9%
Custer	67,794,992	74,157,792	9.4%	9.2%	Minnehaha	101,968,934	112,465,343	10.3%	3.0%
Davison	34,700,763	36,670,337	5.7%	6.3%	Moody	8,607,639	8,831,428	2.6%	5.7%
Day	4,428,085	4,463,770	0.8%	9.8%	Pennington	272,912,991	304,229,485	11.5%	9.3%
Deuel	1,894,160	2,511,957	32.6%	19.7%	Perkins	2,301,477	2,712,373	17.9%	28.7%
Dewey	1,792,388	1,347,206	-24.8%	7.8%	Potter	4,439,628	4,763,801	7.3%	8.6%
Douglas	1,095,433	1,175,595	7.3%	20.2%	Roberts	3,854,075	4,274,295	10.9%	6.8%
Edmunds	1,781,428	1,703,671	-4.4%	20.2%	Sanborn	935,828	952,763	1.8%	6.0%
Fall River	13,569,082	14,747,787	8.7%	5.7%	Shannon	1,840,522	2,469,796	34.2%	30.4%
Faulk	1,950,881	2,602,901	33.4%	40.5%	Spink	3,744,289	4,287,145	14.5%	13.0%
Grant	4,134,056	4,556,525	10.2%	18.3%	Stanley	4,557,767	5,759,063	26.4%	23.9%
Gregory	4,508,609	5,622,380	24.7%	33.5%	Sully	2,437,950	2,771,461	13.7%	3.9%
Haakon	800,437	882,215	10.2%	3.2%	Todd	5,283,833	5,495,539	4.0%	-1.5%
Hamlin	867,171	807,230	-6.9%	-4.8%	Tripp	4,706,665	5,425,564	15.3%	5.0%
Hand	2,840,563	3,084,440	8.6%	10.9%	Turner	1,159,113	1,063,099	-8.3%	-2.6%
Hanson	1,216,912	1,291,664	6.1%	16.3%	Union	6,115,650	5,773,272	-5.6%	-1.1%
Harding	869,957	1,085,579	24.8%	6.3%	Walworth	5,985,376	6,527,996	9.1%	6.1%
Hughes	21,079,317	22,040,474	4.6%	7.6%	Yankton	17,030,756	18,279,976	7.3%	6.7%
Hutchinson	2,257,595	2,584,097	14.5%	6.1%	Zieback	170,263	106,197	-37.6%	-5.4%
Hyde	197,026	192,250	-2.4%	-7.0%	Statewide	962,702,704	1,059,201,417	10.0%	7.4%

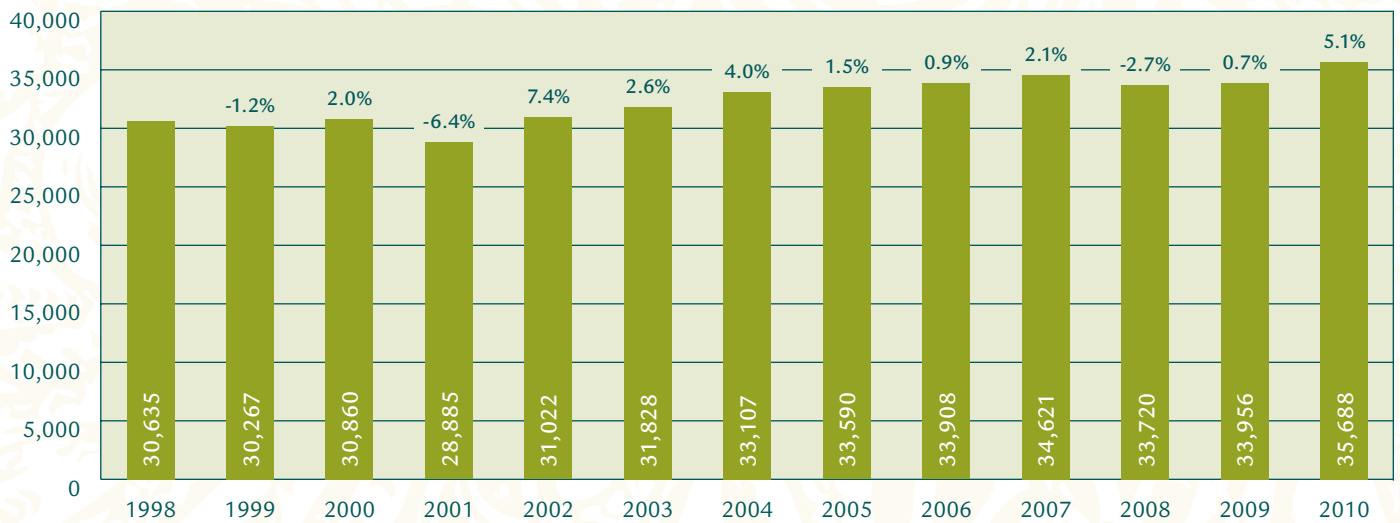
ANNUAL VISITOR SPENDING



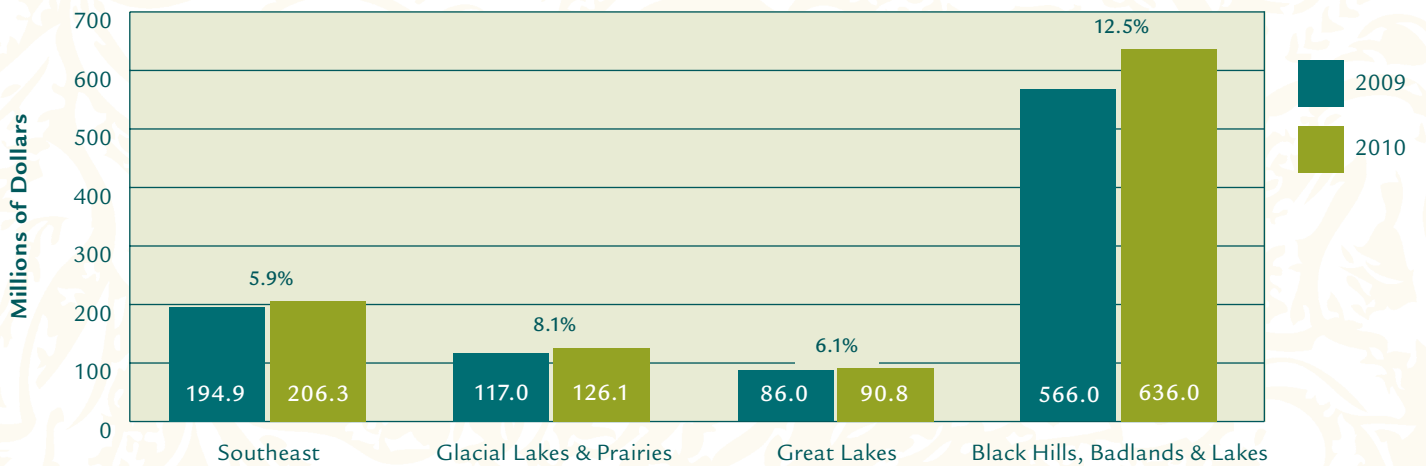
SALES TAX FROM VISITORS



TRAVEL INDUSTRY EMPLOYMENT



VISITOR SPENDING BY REGION

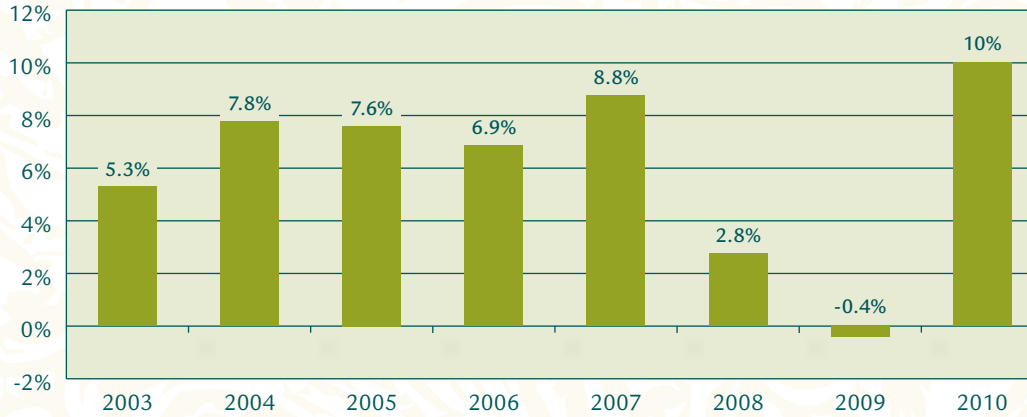


ECONOMIC IMPACT

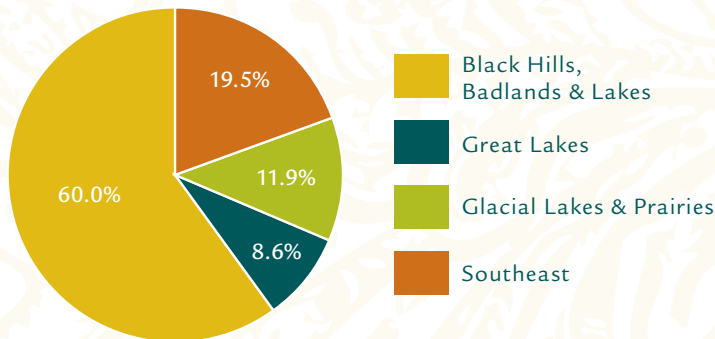


Source: Economic and Fiscal analysis by Dr. Madden

ANNUAL STATEWIDE VISITOR SPENDING GROWTH



DISTRIBUTION OF VISITOR SPENDING BY REGION



HIGHLIGHTS

2010 Total Visitation Spending - \$1,059,201,417	up 10%
Impact on South Dakota's Economy - \$2.65 Billion	up 10%
State Sales Tax - \$27,341,000	up 7.3%
State Gasoline Tax - \$27,152,000	up 6.4%
Employment Created - 35,688	up 5.1%

OFFICE BUDGET



Note: The revenue information reflects the amounts available to Tourism, fiscal year-to-date. For comparison purposes the additional promotion tax of 0.5% is not included in the figures above. FYTD \$1,514,369 has been generated from the added tax.

Source: Bureau of Finance Management

SUMMARY OF ANNUAL BUDGET FUNDS

Revenues	*FY2010	**FY2011	**FY2012
Promotion Tax	7,505,828	8,105,261	8,513,102
Gaming	3,233,887	3,283,135	3,314,978
Co-op Revolving	469,548	500,000	500,000
Investment Council Interest Total	56,107	50,000	50,000
Total	11,265,370	11,938,396	12,378,080

*actual **estimated

FYTD FUNDING UPDATE

Revenue Totals	FY2010	FY2011	% Change
Tourism Promotion Tax	\$4,230,557	\$4,508,714	6.6%
Deadwood Gaming Tax	\$1,788,932	\$1,873,705	4.7%
Total Deposits	\$6,019,489	\$6,382,419	6.0%

IHS GLOBAL INSIGHT

Beginning in 2011, the Office of Tourism will use IHS Global Insight for calculating economic impact. Global Insight is the premier country intelligence, economic analysis and forecasting organization globally, and their report will become our new benchmark for success. It should be noted that our previous model and this new model should not and can not be compared, as their methodologies are exceedingly different.

Who is IHS Global Insight?*

Global Insight has expertise in travel and tourism:

- * Visitation and spending forecasts by category and by country, region, state or U.S. city
- * The Tourism Satellite Account (TSA) – answers the question, “What does travel and tourism contribute in jobs, wages, spending, and taxes to a national or local economy?”
- * **The TSA is the international standard for measuring the contribution of tourism to an economy.**
- * **Measuring the tourism industry is difficult:**
 - * Tourism industry is not measured in standard economic accounting systems
 - * Most industries are accounted via the supply side, but tourism is a demand-side activity – the focus is on what the traveler buys before and during a trip. As a result, tourism touches many industries

* The Four Cs

- * **Credibility**
 - * Defines tourism in measurements consistent with System of National Accounts economic accounts
- * **Comprehensiveness**
 - * Includes a wider view of tourism demand to include second-home activity, capital investment, outbound resident purchases, and government spending
 - * Explicitly counts employment, sales, and GDP and allows for measurement of wages and taxes
- * **Comparability**
 - * Facilitates inter-industry comparisons
 - * Enables share analysis (tourism is x% of GSP, wages, jobs)
- * **Consistency**
 - * Measuring tourism using the same data sources and methodology year in and year out facilitates the analysis of tourism growth, promotional and public investment ROI, and economic development comparisons

* Benefits of a TSA

- * Compares government support of the tourism sector with government revenue generated by tourism
- * Allows policy-makers to compare the size and growth of tourism to other industrial sectors
- * Enables analysts to assess long-term health of the tourism sector vis-à-vis capital investment and government support
- * Provides an accepted international standard for benchmarking
- * Quantifies how other industries benefit from tourism

*Source: IHS Global Insight

INS GLOBAL INSIGHT REPORT

VALUE STATEMENTS:

What do visitors* mean to South Dakota?

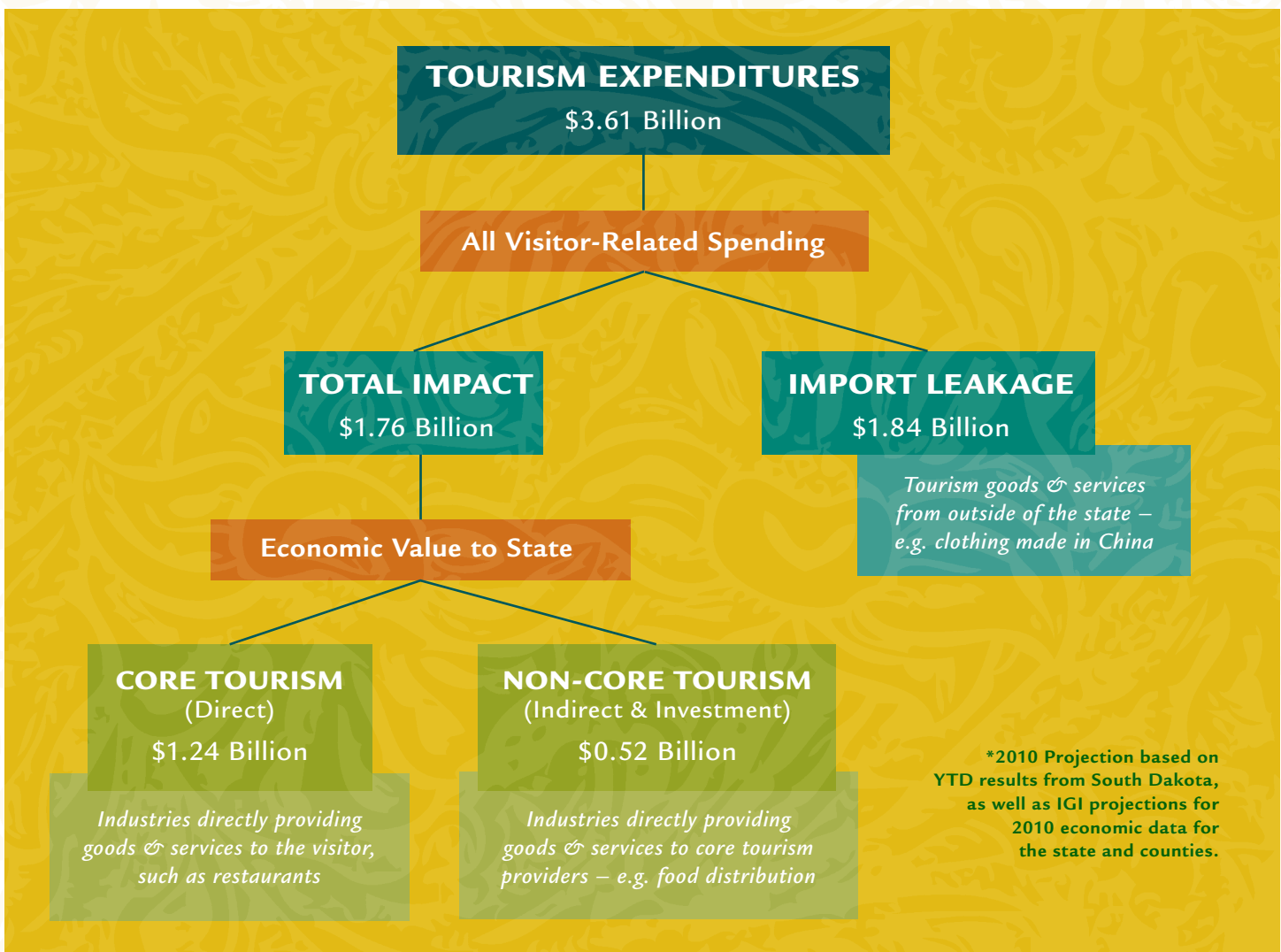
- * Each SD visitor generates about \$231 in expenditures, \$118 of which goes to businesses that do not directly “touch” that visitor
- * Every 434 visitors create a new job in South Dakota
- * Each visitor contributes about \$34 in tax receipts, \$17 of which goes to state and local authorities
- * It takes only 504 visitors to pay for one SD public school student for one year**
- * Each visitor generates \$68 in wages paid to workers directly employed in tourism
- * Each visitor adds about \$113 to Gross State Product
- * Tourism contributes about 3.1% of total SD gross state product, yet it was responsible for about 20.1% of state government revenue in 2010***
- * If tourism didn’t exist, each household would have to pay about \$828 more in taxes in order to maintain the current level of state and local tax receipts
- * In 2010, visitation grew by 3% and visitor spending increased by 5%
- * Avg. spending-per-visitor was \$231 in 2010
- * 1 of every 11 South Dakotan owes his/her job to tourism
- * In 2010, SD’s share of US total tourism jobs grew by 5.1% from 2009
- * In 2010, SD’s share of US direct tourism jobs grew by 2.7% from 2009

*Person stays

** Per student expenditure taken from the Federal Budget Project

*** State tax collections taken from the U.S. Census Bureau’s Summary of State and Local Government Tax Revenue

INDUSTRY STRUCTURE - 2010*



TRAVEL FORECAST



U.S. TRAVEL FORECASTS

	2000	2006	2007	2008	2009	2010	2011	2012	2013
Real GDP	9,817.0	12,976.3	13,228.9	13,228.9	12,880.6	13,214.4	13,538.3	14,011.0	14,547.1
Unemployment Rate (%)	4.0	4.6	4.6	5.8	9.3	9.7	9.2	8.0	6.9
Consumer Price Index (CPI)*	172.2	201.6	207.3	215.2	214.5	217.9	221.1	226.1	232.7
Travel Price Index (TPI)*	195.1	233.5	244.0	257.7	241.5	251.6	259.2	267.6	275.5
Total Travel Expenditure in the U.S. (\$ Billions)	585.8	695.7	738.0	772.5	704.4	755.6	794.9	834.7	878.8
U.S. Residents	503.4	610.0	641.3	662.4	610.2	654.0	683.1	713.2	749.8
International Visitors**	82.4	85.7	96.7	110.1	94.2	101.7	111.8	121.6	129.0
Total International Visitors to the U.S. (Millions)	51.2	51.0	56.0	57.9	54.9	59.3	61.5	64.4	66.9
Overseas Arrivals to the U.S. (Millions)	25.9	21.7	23.9	25.3	23.8	25.8	27.1	28.5	29.8
Total Domestic Person-Trips*** (Millions)	1,892.1	2,000.5	2,004.5	1,964.9	1,898.8	1,957.2	1,992.5	2,032.4	2,080.7
Business	566.6	508.7	494.3	461.1	431.1	449.0	460.8	469.0	476.5
Leisure	1,325.4	1,491.8	1,510.2	1,503.8	1,467.6	1,508.2	1,531.7	1,563.4	1,604.1

U.S. TRAVEL FORECASTS (GROWTH)

	2000	2006	2007	2008	2009	2010	2011	2012	2013
Real GDP	3.7%	2.7%	1.9%	0.0%	-2.6%	2.6%	2.5%	3.5%	3.8%
Consumer Price Index (CPI)*	3.4%	3.2%	2.9%	3.8%	-0.3%	1.6%	1.4%	2.3%	2.9%
Travel Price Index (TPI)*	6.1%	4.9%	4.5%	5.6%	-6.3%	4.2%	3.0%	3.3%	2.9%
Total Travel Expenditure in the U.S. (\$ Billions)	7.2%	6.4%	6.1%	4.7%	-8.8%	7.3%	5.2%	5.0%	5.3%
U.S. Residents	6.7%	6.6%	5.1%	3.3%	-7.9%	7.2%	4.5%	4.4%	5.1%
International Visitors**	10.2%	4.9%	12.9%	13.8%	-14.4%	7.9%	10.0%	8.7%	6.1%
Total International Visitors to the U.S. (Millions)	5.6%	3.6%	9.8%	3.5%	-5.3%	8.0%	3.7%	4.7%	3.8%
Overseas Arrivals to the U.S. (Millions)	5.9%	-0.1%	10.3%	6.1%	-6.3%	8.6%	5.2%	4.9%	4.7%
Total Domestic Person-Trips*** (Millions)	1.9%	0.4%	0.2%	-2.0%	-3.4%	3.1%	1.8%	2.0%	2.4%
Business	1.2%	-0.2%	-2.8%	-6.7%	-6.5%	4.2%	2.6%	1.8%	1.6%
Leisure	2.2%	0.6%	1.2%	-0.4%	-2.4%	2.8%	1.6%	2.1%	2.6%

U.S. INBOUND VISITOR FORECASTS (THOUSANDS)

	2000	2006	2007	2008	2009	2010	2011	2012	2013
Total Visits	51,180	50,977	55,979	57,937	54,884	59,298	61,507	64,405	66,876
North America	25,263	29,309	32,087	32,596	31,128	33,492	34,364	35,936	37,075
Overseas	25,917	21,668	23,892	25,341	23,756	25,806	27,144	28,469	29,801

U.S. INBOUND VISITOR FORECASTS (THOUSANDS)

	2006	2007	2008	2009	2010	2011	2012	2013
Total Visits	3.6%	9.8%	3.5%	-5.3%	8.0%	3.7%	4.7%	3.8%
North America	6.5%	9.5%	1.6%	-4.5%	7.6%	2.6%	4.6%	3.2%
Overseas	-0.1%	10.3%	6.1%	-6.3%	8.6%	5.2%	4.9%	4.7%

*1982-84 = 100

**Excludes international visitor's spending on traveling to the U.S. flag carriers, and other misc. transportation.

***One person trip of 50 miles or more, one way, away from home or including one or more nights away from home.

Sources: U.S. Travel Association's Travel Forecast Model, BLS, Department of Labor; OTTI, BEA, Department of Commerce.

NOTES



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2011

INDUSTRY CALENDAR

JANUARY:

- 7-12 American Bus Association Marketplace, Philadelphia, PA
- 11-19 Scandinavian Mission, Norway/Sweden
- 19-20 Governor's Conference on Tourism, Pierre
- 28-30 Pheasants Forever's Pheasant Fest, Omaha, NE

FEBRUARY:

- 1-2 NAJ Summit West, Sheraton Gateway LAX, Los Angeles
- 6-8 Bank Travel Conference, Baton Rouge, LA
- 10-11 RMI Summit Meetings, South Dakota
- 12-15 RMI Roundup, South Dakota
- 16-20 Post-RMI Roundup Fam tours in SD, MT, WY

MARCH:

- 4-13 Daytona Bike Week, Daytona, FL
- 7-19 Spring RMI Mission, Benelux, France, United Kingdom
- 9-23 International Tourism Bourse, Berlin, Germany

APRIL:

- 3-7 Active America China, Las Vegas
- 26-27 GOED Conference, Pierre
- TBD Domestic media familiarization tour, Eastern South Dakota

MAY:

- 7-15 National Travel & Tourism Week
- 9-14 Japanese Tour Operator Fam Tour, SD
- 21-25 U.S. Travel Association Pow Wow, San Francisco, CA
- 27 Interstate Information Centers Open
- 16-23 Domestic Tour Operators familiarization tour, SD

JUNE:

- 2-8 Travel agent familiarization tour, SD
- 19-23 Travel Alliance Partners (TAP) Meetings, Louisville, KY
- TBD Scandinavian Fam Tour, SD

JULY:

- 3-4 Independence Day Celebration, Mount Rushmore National Memorial

AUGUST:

- 8-14 Sturgis Motorcycle Rally
- 28-30 Educational Seminar for Tourism Officials, Salt Lake City, UT

SEPTEMBER:

- TBD South Dakota Film Festival, Aberdeen
- 20-27 International and Domestic Journalist Buffalo Roundup Hosting, Western SD
- 26 Buffalo Roundup satellite feed, Custer State Park
- TBD Japanese Mission

OCTOBER:

- 21-22 Governor's Invitational Pheasant Hunt, Pierre
- TBD MLT University Travel Agent Meetings, Minneapolis, MN
- TBD Marketing Outlook Forum
- TBD Italian Mission/Show

NOVEMBER:

- 7-10 World Travel Market, London

DECEMBER:

- 5-9 National Tour Association Annual Convention, Las Vegas, NV
- TBD Active America Japan

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