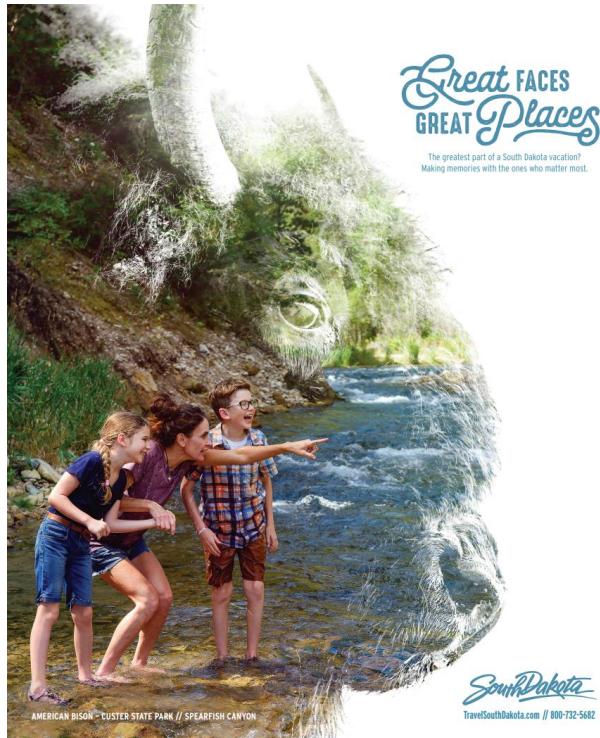


South Dakota



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South Dakota 2018 Advertising ROI Research

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Background and Purpose

- ✓ In early 2018, South Dakota launched a new advertising campaign in key instate and out-of-state markets.
 - ✓ The campaign consisted of both traditional and online media including:
 - ✓ Digital
 - ✓ Out-Of-Home
 - ✓ Print ads.
 - ✓ Social media.
- ✓ Longwoods was engaged to conduct a program of research designed to:
 - ✓ Measure the effectiveness of the advertising campaign in bringing visitors to South Dakota during the campaign period and shortly thereafter, and increasing intentions to visit in the future.
 - ✓ Estimate the return on advertising investment yielded by the campaign, in terms of incremental spending in South Dakota by those visitors, and incremental taxes generated by that spending.
 - ✓ Through an analysis of South Dakota's image, provide input into the development of positioning and messaging for future campaigns.

Research Objectives

- ✓ The objectives of the research were to measure:
 - ✓ Awareness of South Dakota as a desirable vacation destination.
 - ✓ Awareness of South Dakota's advertising activity, i.e., individual advertising elements.
 - ✓ Impact of South Dakota's advertising on:
 - ✓ South Dakota's image.
 - ✓ Actual visits to South Dakota during and shortly after the campaign period.
 - ✓ Carry-over impacts: anticipated trips planned in the next 2 years as a result of the campaign.
 - ✓ The relative importance of image factors in getting on the destination wish list.
 - ✓ Impact of South Dakota's advertising on conversion and intentions to visit by media combinations and markets.

Method

- ✓ A benchmark study was conducted after the conclusion of the advertising period to measure awareness of specific ads, estimate the impact of advertising awareness on intentions to visit and image, and measure short-term conversion that occurred during and shortly after the campaign period.
 - ✓ A national self-completion survey of 1,400 respondents in the advertising markets
 - ✓ Respondents are members of a major online consumer research panel.
 - ✓ Adults 18 years of age and older were randomly selected from the panel, so as to ensure a representative sample.
 - ✓ Sample was drawn to be proportionate to population by specific cities/regions, age, sex and income.

Method (Cont'd)

- ✓ The survey took an average of 25 minutes to complete.
- ✓ During the survey respondents were shown copies of the advertising materials, including video files of media-rich ads. This was done at the end of the survey so as not to bias earlier questions on attitudes towards South Dakota and other behavioral measures.
- ✓ The fieldwork was conducted in November 2018.
- ✓ Data were weighted on key demographic variables (region, age, sex, household income) prior to analysis to ensure that results are representative of and projectable to the traveler population in specific DMAs.
- ✓ For a sample of this size, the confidence level is $\pm 2.5\%$, 19 times out of 20.

Method (Cont'd)

- ✓ The estimates of the campaign's impacts on visits and intentions to South Dakota are conservative in that:
 - ✓ Trips taken/intended by people in the absence of advertising are backed out.
 - ✓ Conservative control procedures help ensure that only advertising-influenced trips are included.
- ✓ Unless otherwise noted, results shown are representative of all respondents surveyed (n=1,400 travelers).



Main Findings: Advertising Impacts



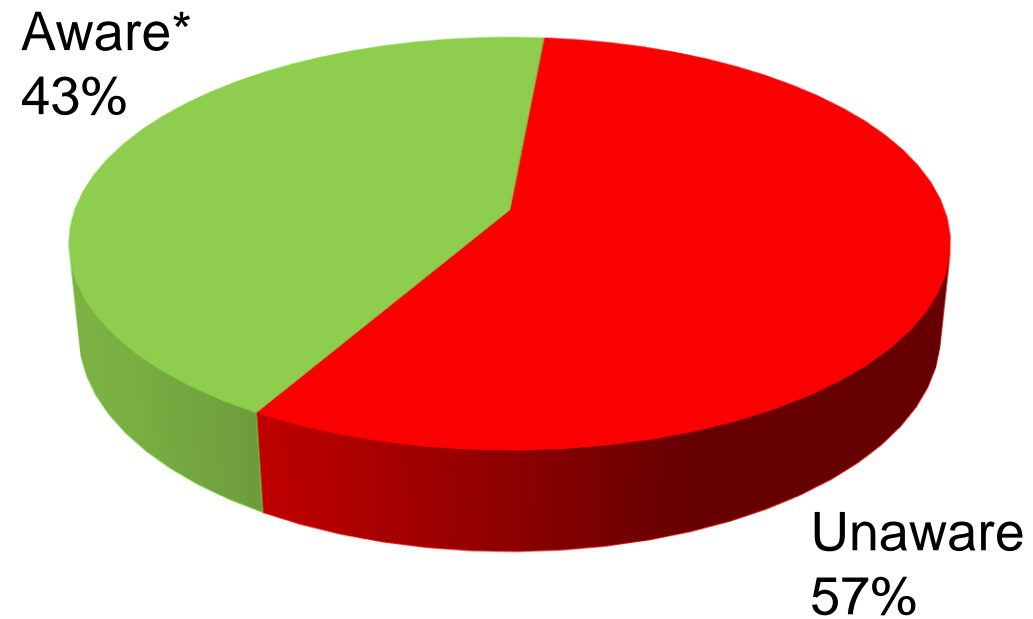
Advertising Awareness

Advertising Awareness

- Approximately 4 in 10 (43%) of travelers in South Dakota's core markets recalled seeing at least one South Dakota tourism ad among the portfolio they were exposed to in the survey:
- Ad awareness was uniformly high across all markets.
- People were more likely to remember a digital ad (29%) and print ad (27%) than one of the out-of-home (22%), TV (15%), radio* (15%) or social media (13%) ads.
- The ads compilations that were most often recalled were:
 - Billboard compilation
 - Digital banner compilation
 - Email compilation
 - Social media compilation

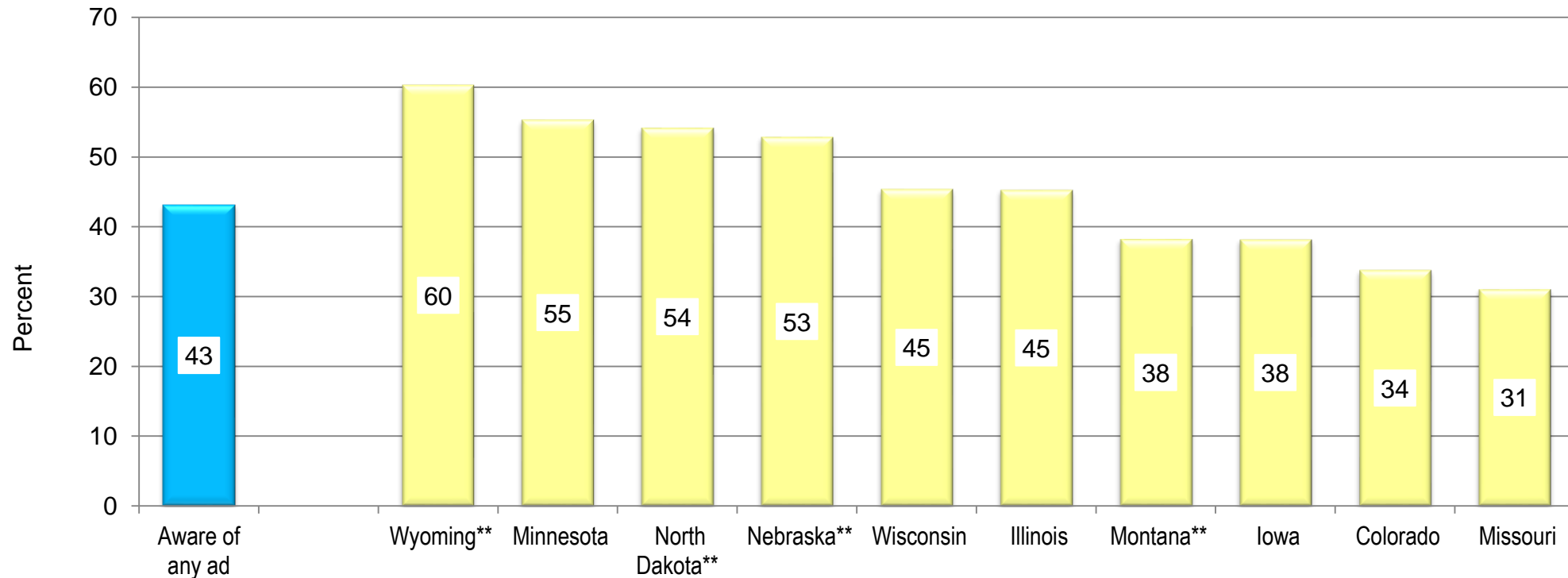
*Based on Illinois Market Only

Awareness of the Ad Campaign



*Saw at least one ad

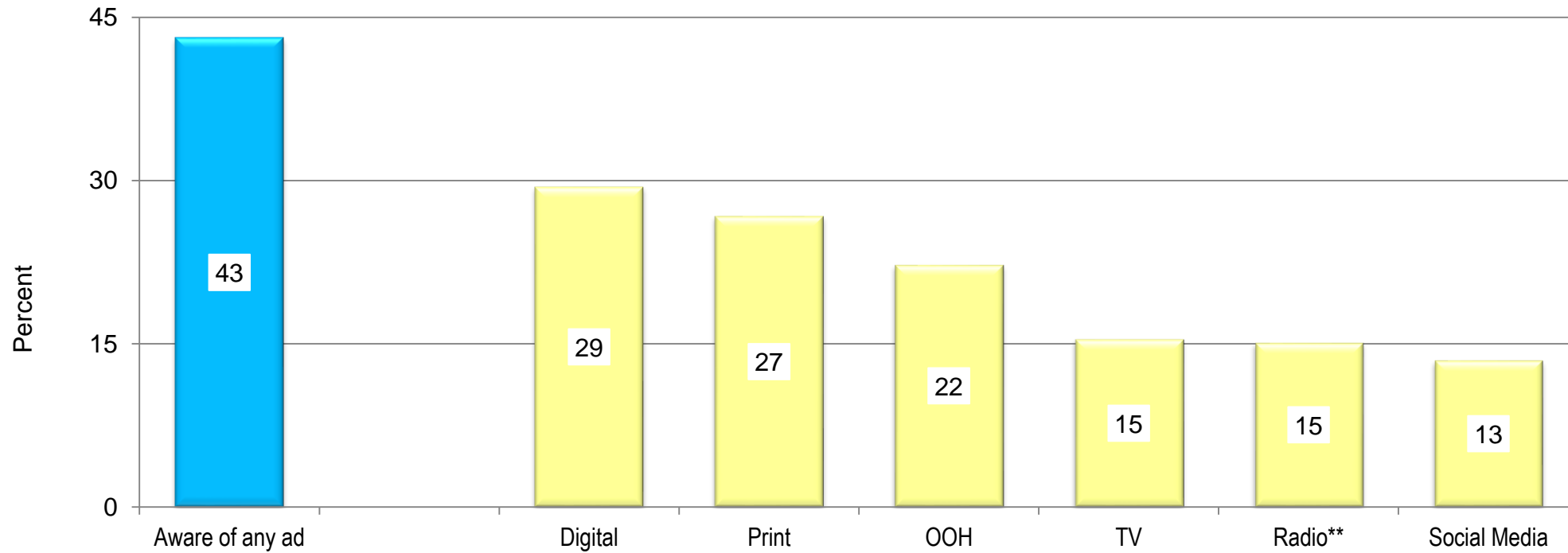
Advertising Awareness* by Market



*Saw at least one ad

**Caution: low sample size

Advertising Awareness* by Medium

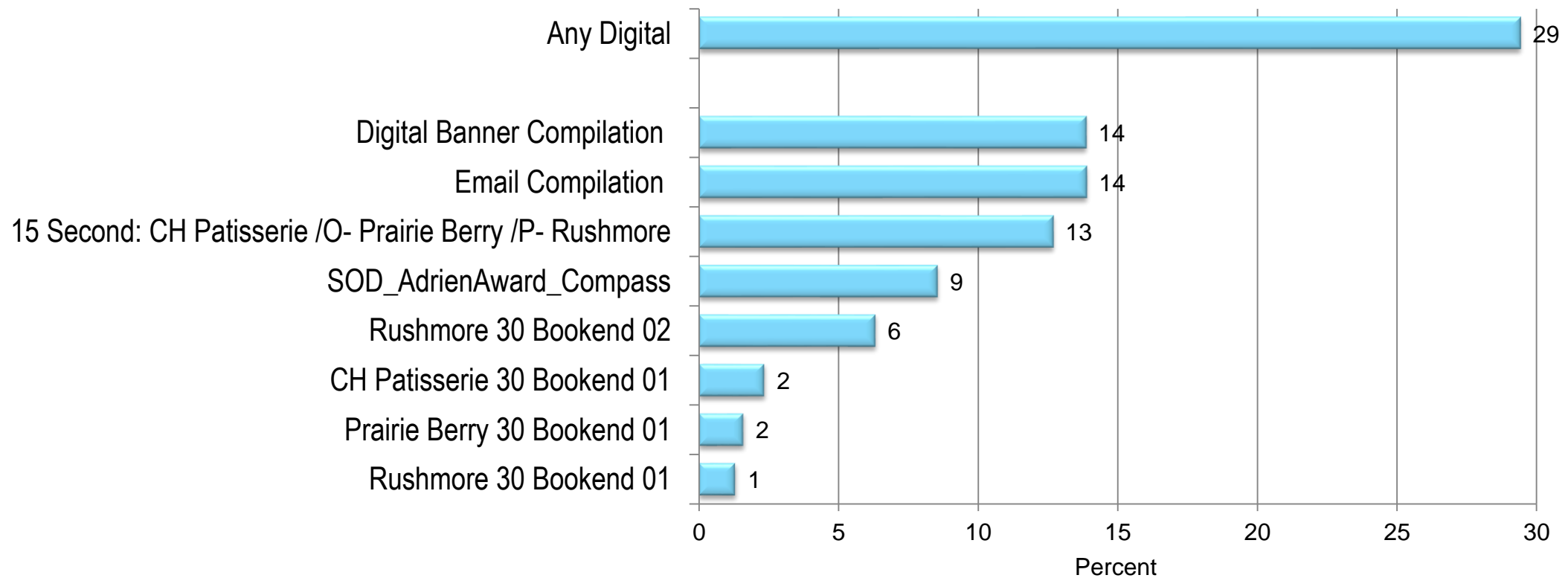


*Saw at least one ad

**Based on Illinois Market Only

Awareness of Individual Ads*

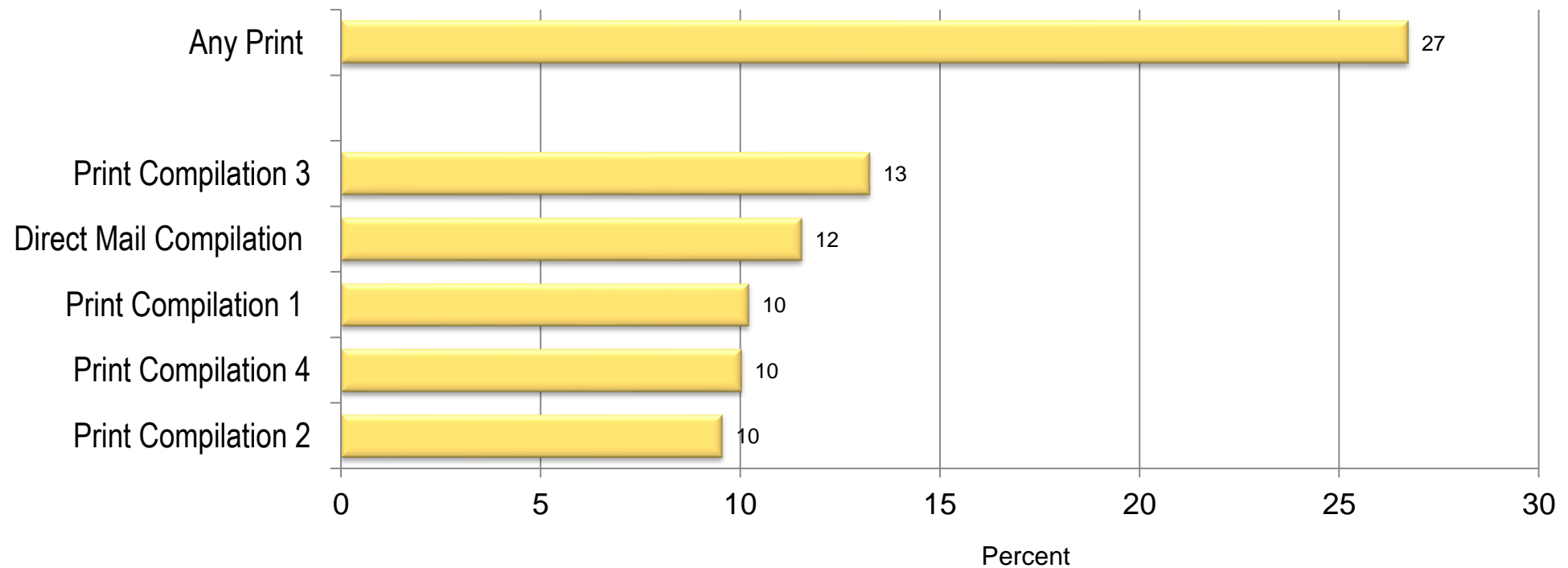
— Digital



*Based on markets where shown

Awareness of Individual Ads*

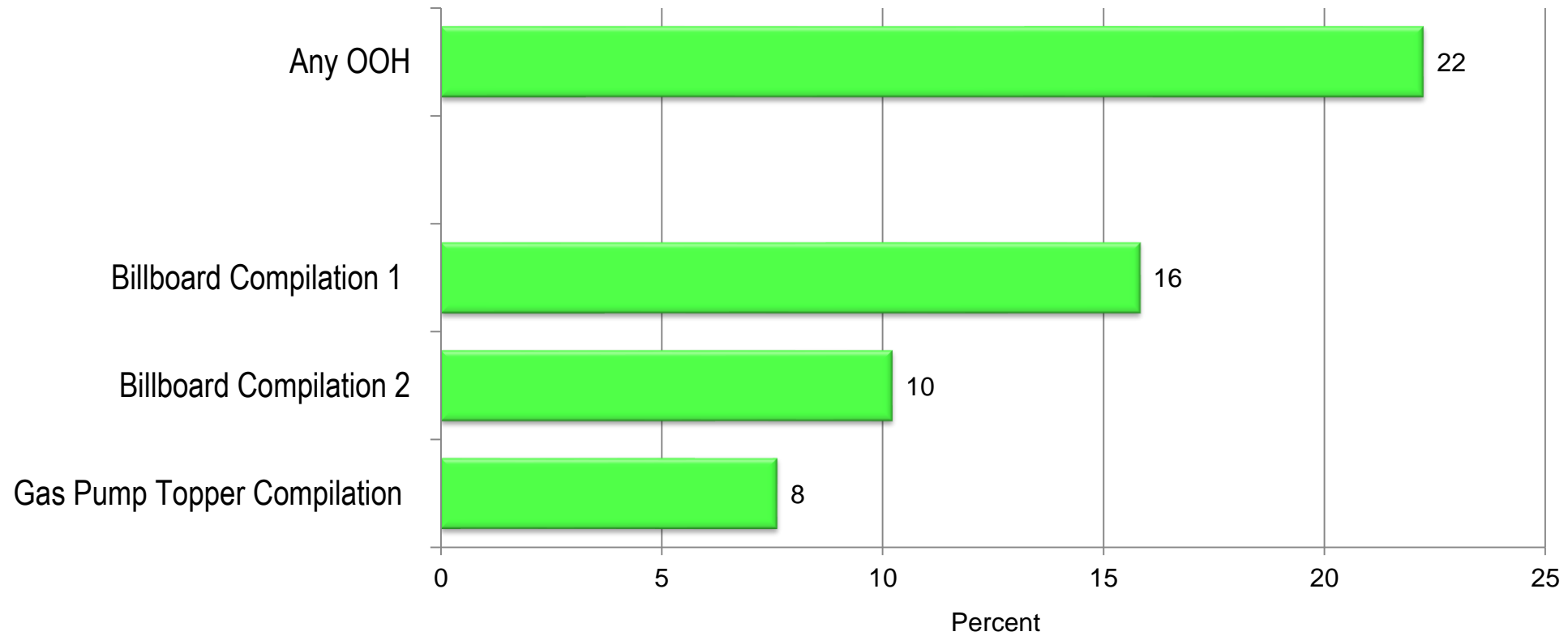
— Print



*Based on markets where shown

Awareness of Individual Ads*

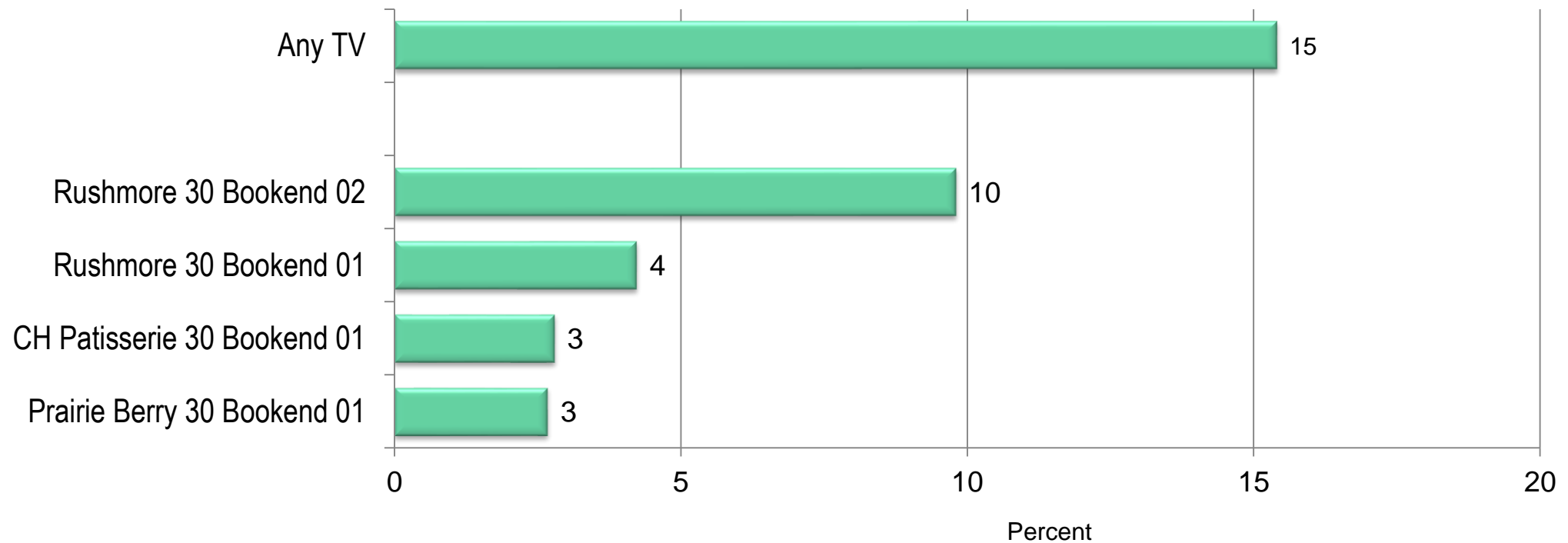
— OOH



*Based on markets where shown

Awareness of Individual Ads*

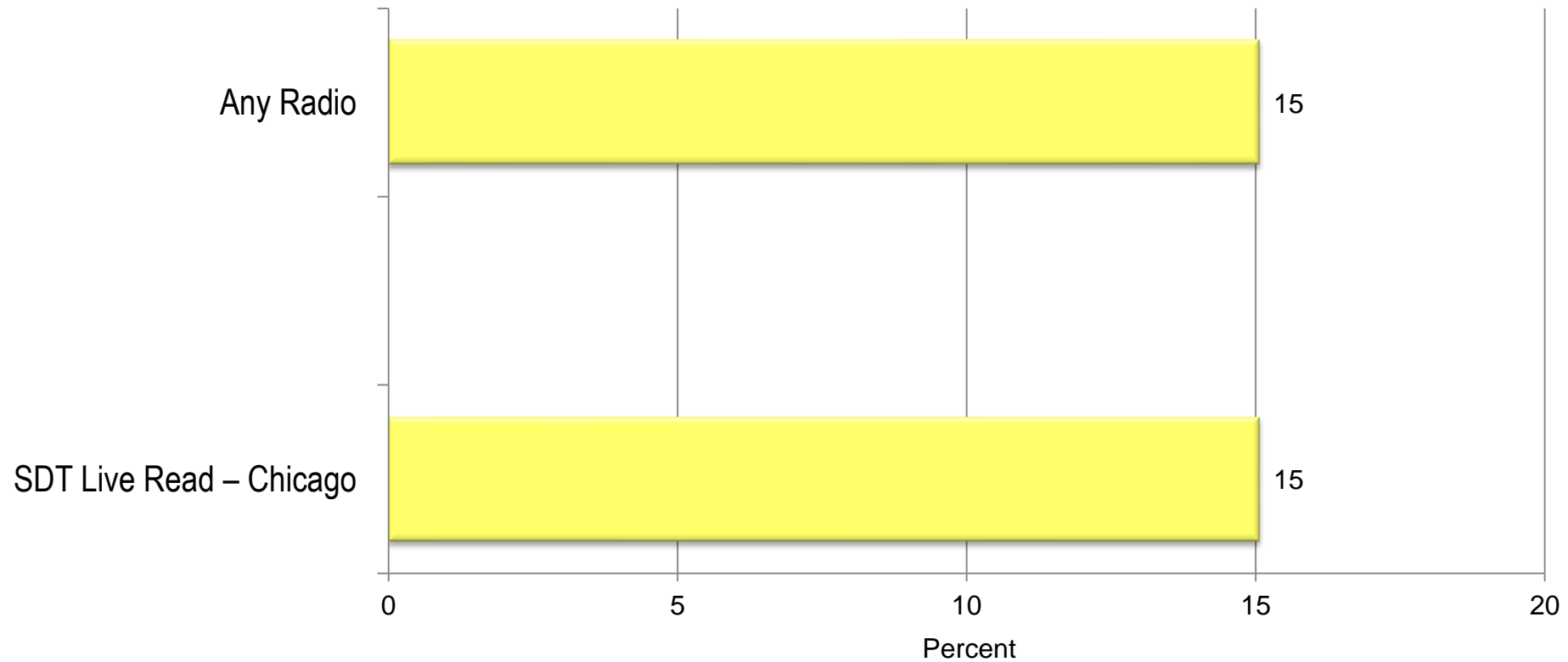
— TV



*Based on markets where shown

Awareness of Individual Ads*

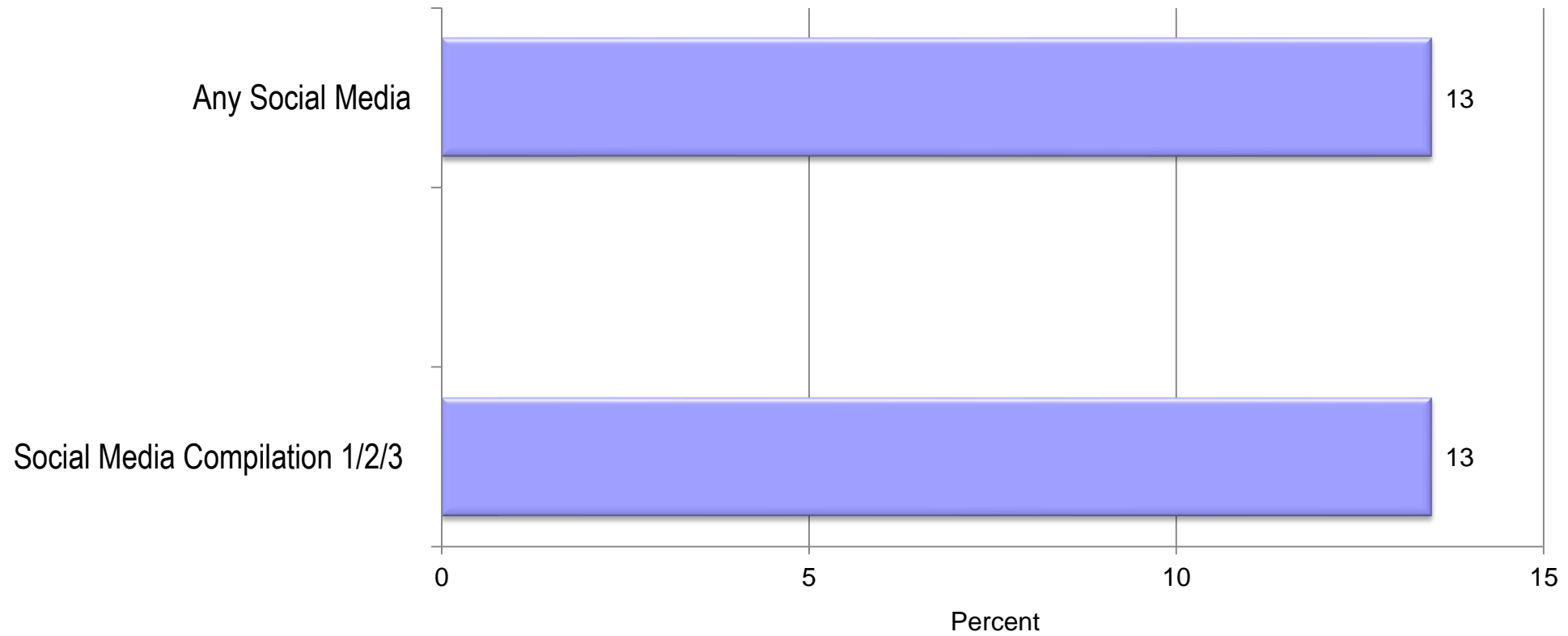
— Radio



*Based on markets where shown

Awareness of Individual Ads*

— Social Media



*Based on markets where shown



Bottom Line Advertising Impacts



Advertising Impacts

- The campaign had a positive impact on travelers' perceptions of South Dakota:
 - People exposed to the campaign gave South Dakota substantially higher rating scores than those unfamiliar with the campaign
 - For the more detailed attributes, we find that the campaign did a very good job of improving people's perceptions of South Dakota for every image dimension evaluated
- The advertising had greatest impact on perceptions related to:
 - Entertainment, such as shopping, theater/arts, events such as festivals, etc.
 - Popularity as a destination.
 - Uniqueness
- Of these variables, being thought of as unique and popular are motivators for travelers at the "wish-list" stage of selecting destinations for future trips, i.e., when destinations are just ideas and no actual plans have been made.

Advertising Impact on South Dakota's Image

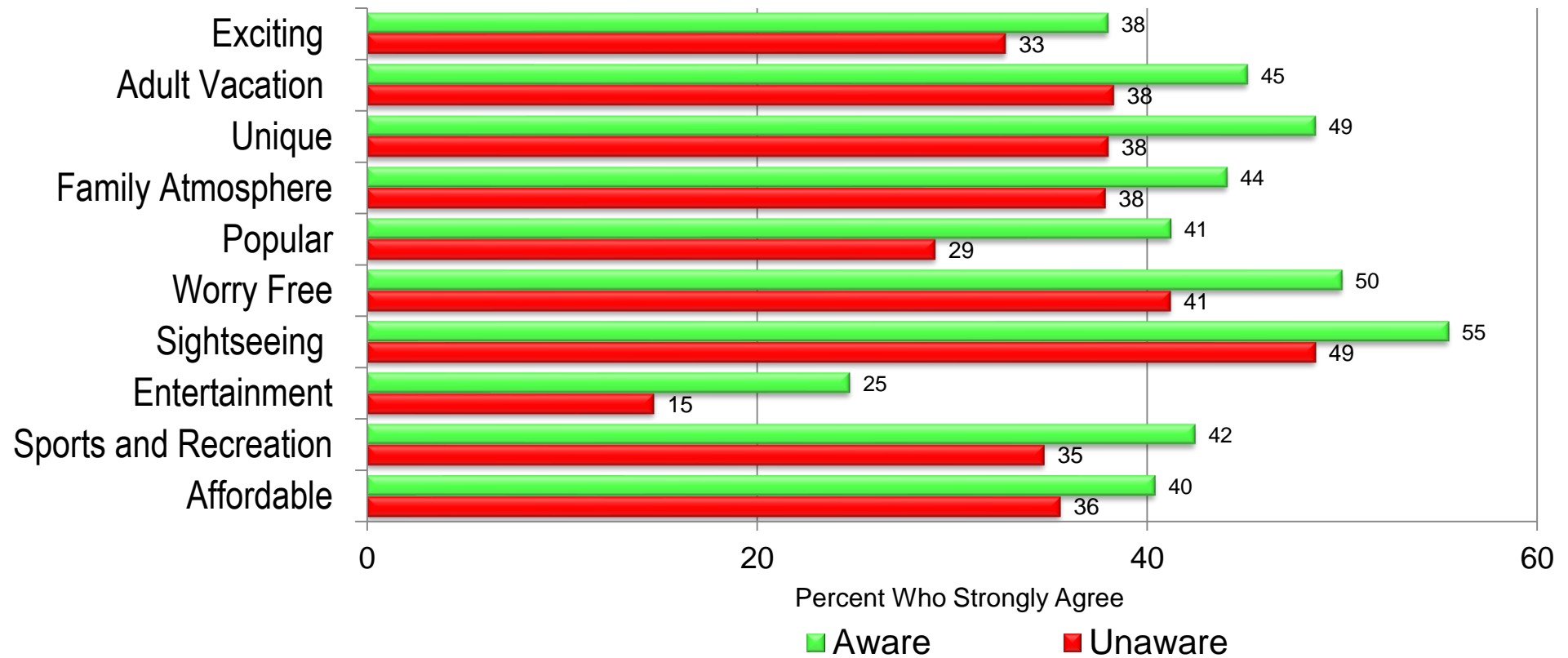
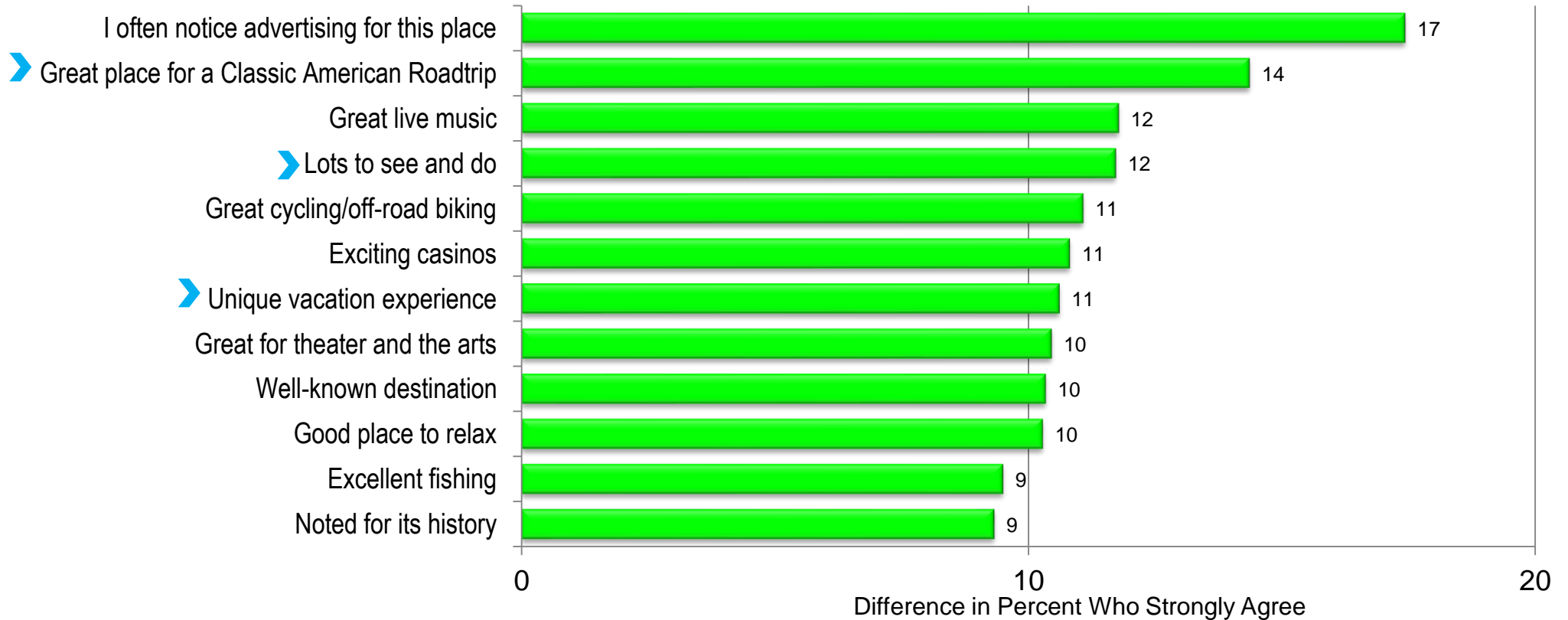
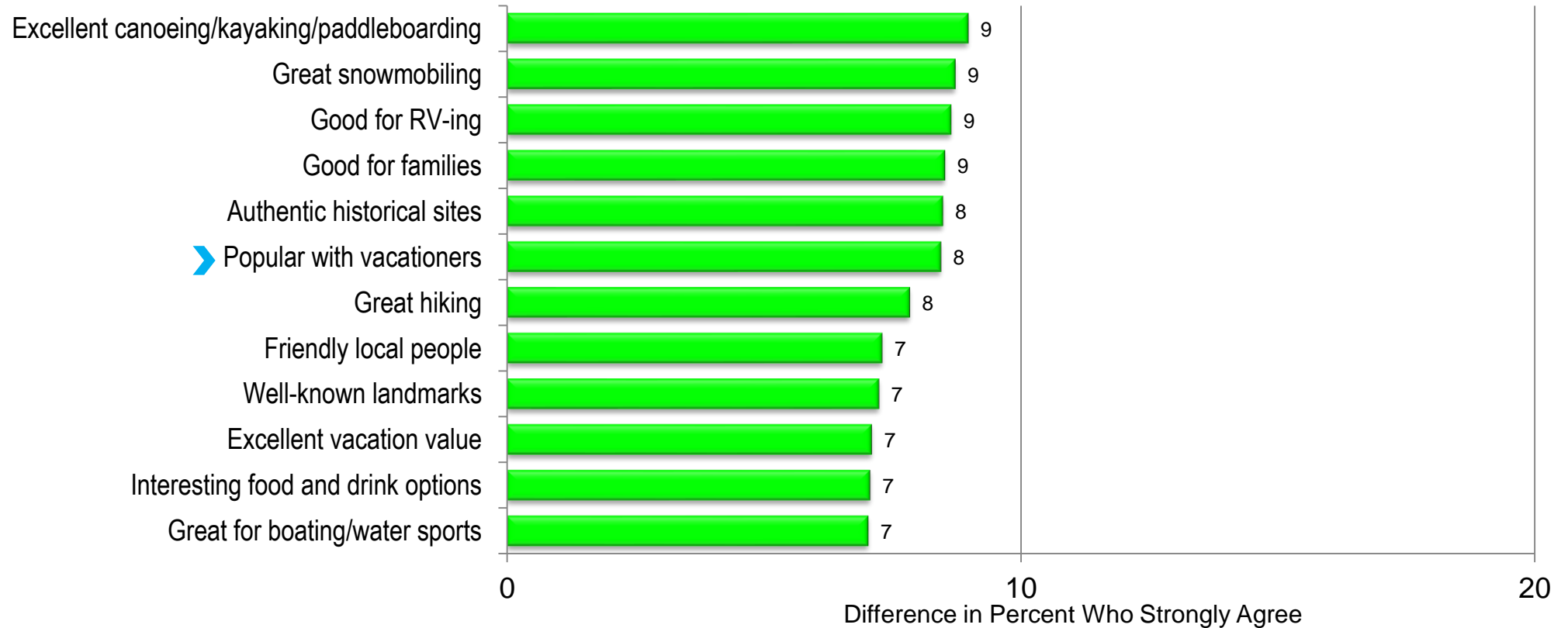


Image Attributes Most Impacted by Advertising



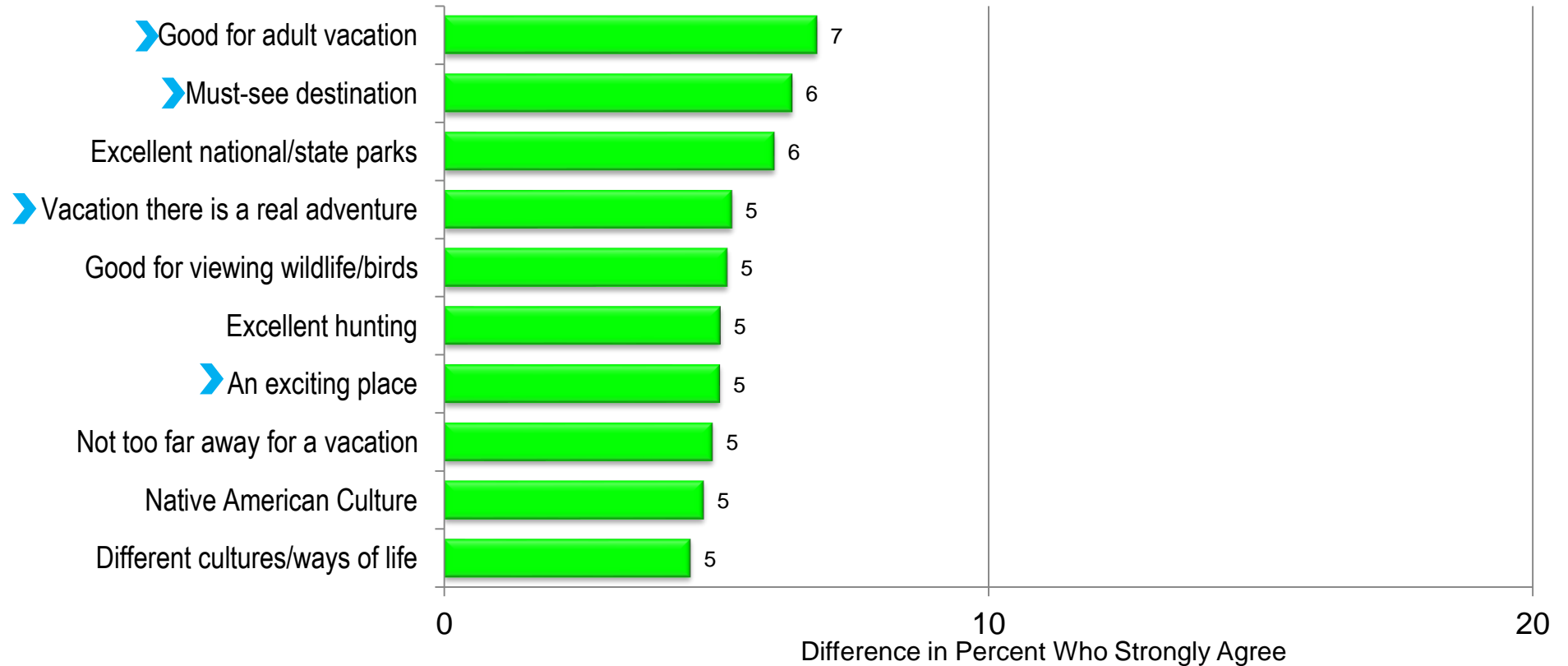
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

Image Attributes Most Impacted by Advertising (Cont'd)



* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

Image Attributes Most Impacted by Advertising (Cont'd)



* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers



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Short Term Conversion



Advertising Impacts

- The campaign also produced an additional 1.3 million trips to South Dakota that otherwise would not have materialized in the absence of advertising.
- Using South Dakota's estimates of average visitor expenditures, we estimate that these incremental South Dakota visitors spent almost \$176 million while in South Dakota.
 - When related to advertising costs of \$4 million, this translates into a return on investment of \$41 in visitor spending for each ad dollar spent.
 - The state and local tax return on investment was \$3.

Incremental Trips, Spending and Taxes Due to Advertising

	2018 Ad Campaign
Ad Investment	\$ 4.3M
Incremental Trips	1.3M
Incremental Visitor Spending	\$ 175.6M
Incremental Taxes	\$ 13.2M

- Ad Investment includes Production/Other Costs
- Effective state & local tax rate: 7.49%

Campaign Efficiency

2018 Ad Campaign	
Ads \$'s per Trip	\$3.24
Trips per Ad \$	0.3

The Bottom Line in 2018

	2018 Ad Campaign
Spending ROI	\$41
Tax ROI	\$3

Longer-term Impact of Advertising

– Intent to Visit South Dakota

	Intent to Visit South Dakota in Next 12 Months
Overnight Trip Intenders	1.46M
Day Trip Intenders	1.08M
Total Intenders	2.54M

* Among those who did not visit South Dakota in 2018