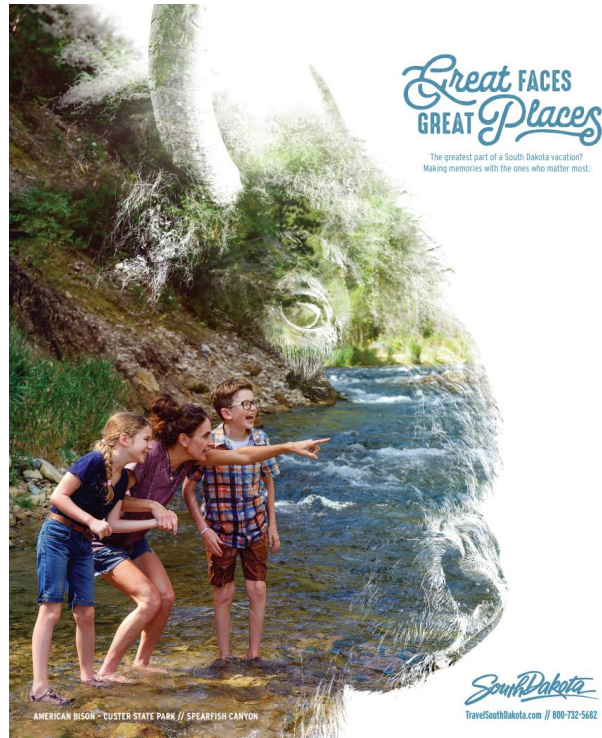


South Dakota



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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: South Dakota's Overall Position in the Target Market



Great FACES
GREAT *Places*

Whether you're looking to make a splash or prefer the tranquility of a quiet afternoon on the lake, South Dakota waters provide opportunities for both rest and recreation. Kayaking, canoeing, paddle boarding and boating are just a few ways to enjoy our lakes and rivers.

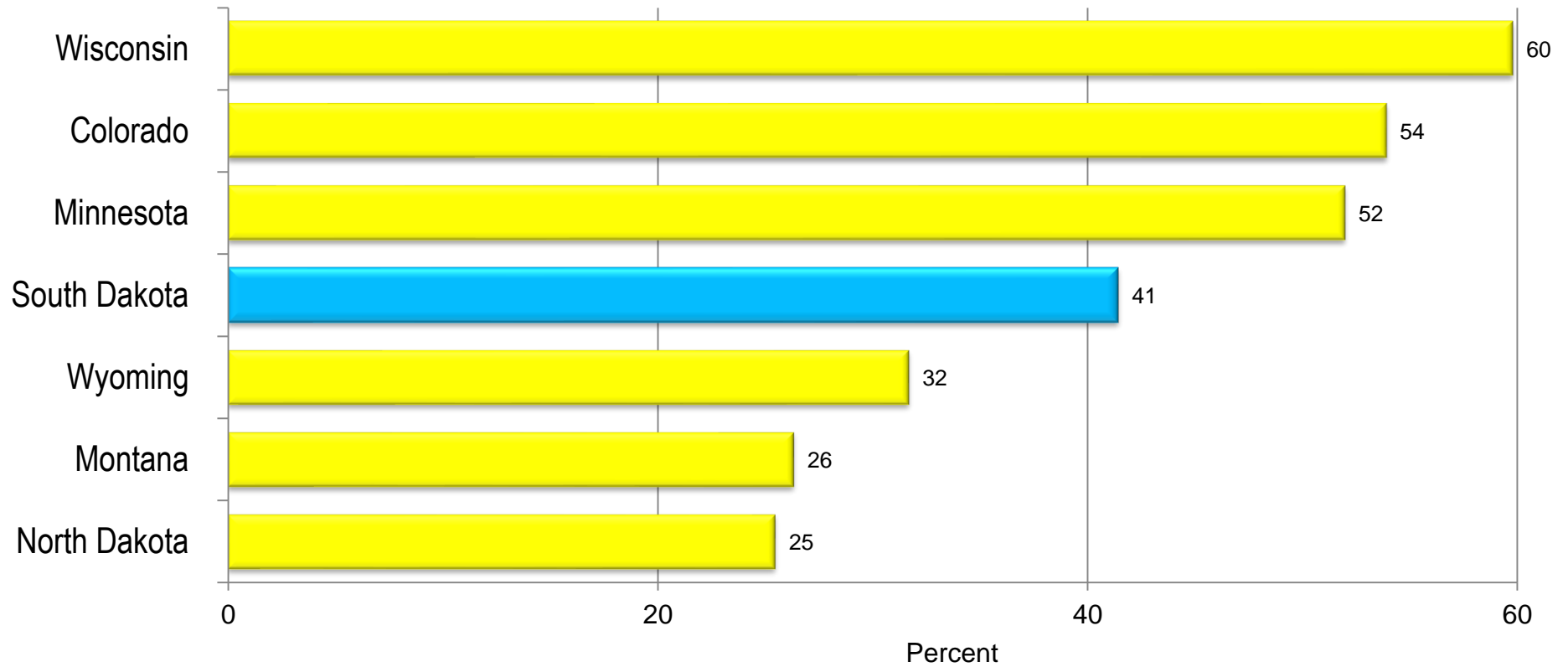
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Destination
Visitation
& Interest

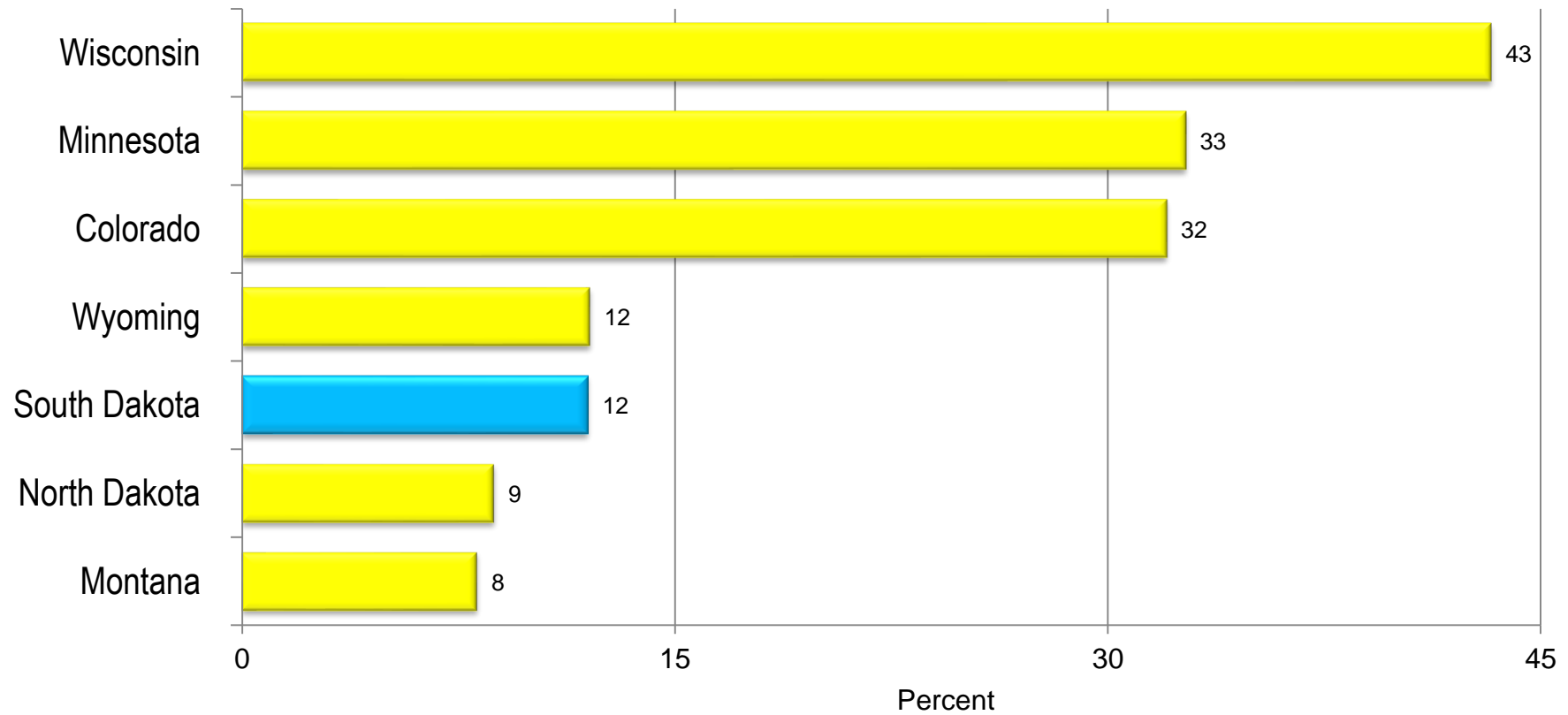
The Competitive Set

- Past and intended visitation numbers provide some insight into the where South Dakota sits amongst its long-haul competitive set.
 - Past visitation and interest were high for the destinations of Wisconsin and Colorado.
- South Dakota is in the middle of the pack in terms of destinations respondents have ever visits and intend to visit in the next twelve months.
 - For destinations visited in the past two years, South Dakota drops to 5th place

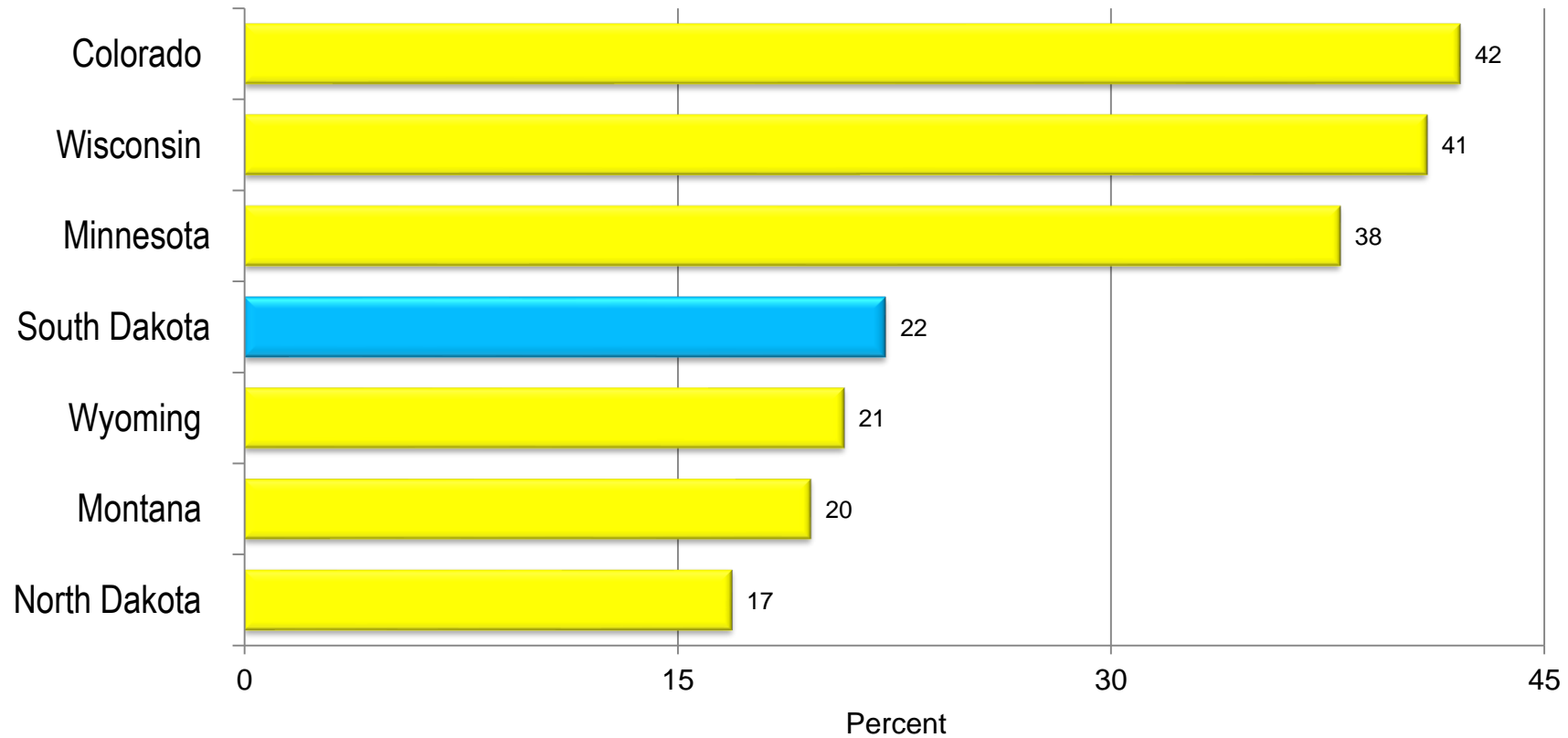
Destinations Ever Visited



Destinations Visited in Past 2 Years



Destinations Intend to Visit in Next Twelve Months





Destination Hot Buttons

Travel Motivators

- Respondents evaluated the image of South Dakota and six other destinations on an overall basis and on a series of 53 additional detailed image attributes.
- To determine hot buttons for getting on the “wish list”, we measured the degree of association between the destinations’ overall image and their ratings on individual attributes:
 - For this purpose, we used the main overall measure included in the image battery – “A place I would really enjoy visiting” – as the predictor variable.
- Then, in order to better communicate the results, the data were grouped into broader categories or factors.
- For a destination in this competitive set to get on travelers’ consideration list, it must, first and foremost, be perceived to:
 - Be **exciting** – being seen as exciting means being a must-see place to visit, offering many once-in-a-lifetime experiences and a real sense of fun and adventure.
 - Be suitable for **adults** and couples – which is logical, since they are paying for the vacation.

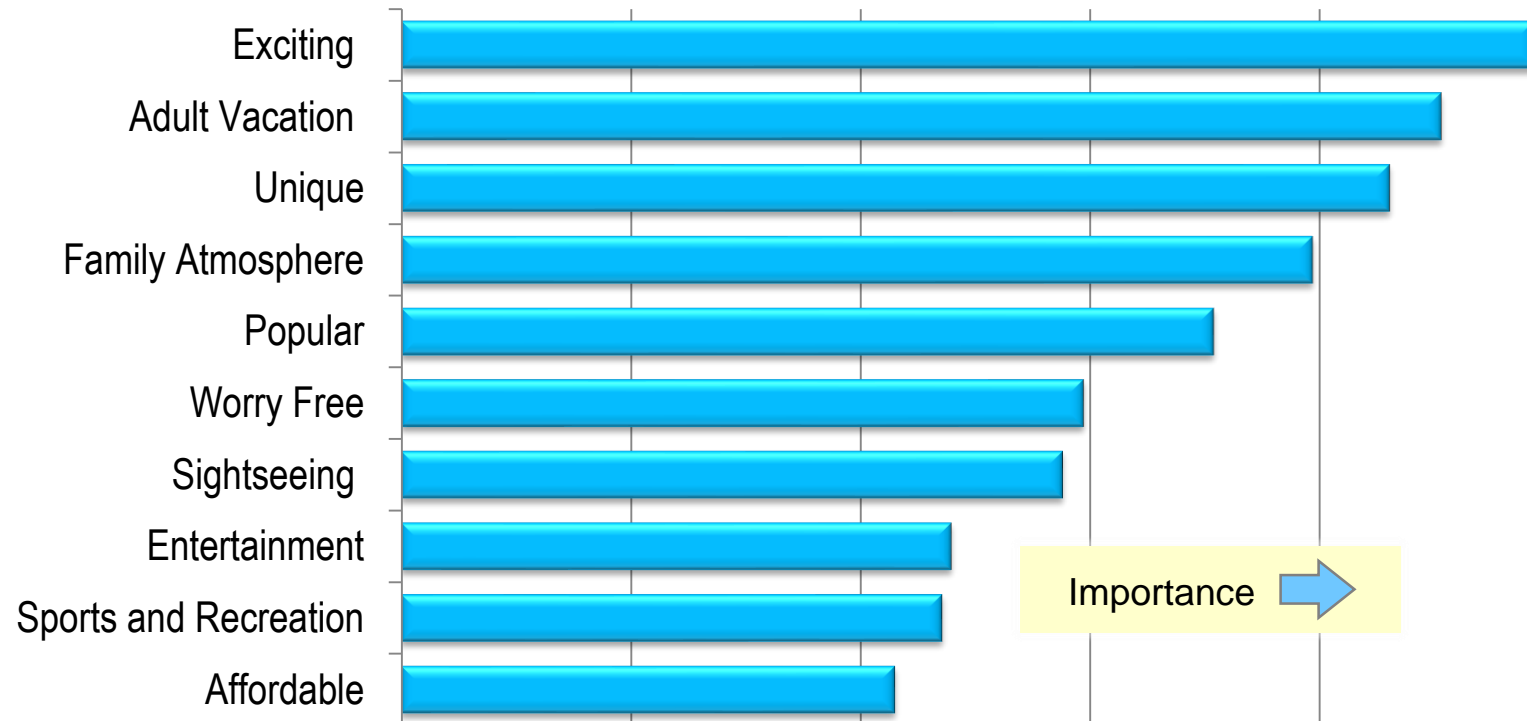
Travel Motivators

- There are several factors that individually are of moderate importance, but that in combination define the excitement and suitability for adults that attracts vacationers to a destination:
 - **Uniqueness**, including the scenery, local food, people and culture.
 - A safe, welcoming and **worry-free** environment
 - **Climate**.
 - Great **sightseeing**, including lots to see and do, beautiful scenery, landmarks, walkability, parks, museums, etc.

Travel Motivators

- Lower priorities are:
 - The availability of **luxurious** accommodations and dining.
 - **Popularity**, i.e., is the place popular among vacationers? Is it well-known? Do you often see advertising or favorable reviews?
 - A great **family atmosphere** – with things to see and do that kids would especially enjoy.
 - The opportunities for **entertainment**, e.g., shopping, theater, nightclubs, live music, professional sports events.
 - **Sports and recreation**, including organized activities (e.g., golf, tennis), water sports such as swimming/beaches, and other outdoor recreation.
- **Affordability** is also relatively unimportant at the wish list stage:
 - But it tends to rise to the top of the list the closer one gets to closing the sale, as travel distance and pocketbook issues come into play.
 - Affordability includes both the cost of getting there/distance to market and costs once you have arrived, such as food and lodging.

Travel Motivators



*A measure of the degree of association between each factor and whether destination is a place "I would really enjoy visiting."

Top 10 Hot Buttons

Top 10 Hot Buttons
A fun place for vacation
An exciting place
Must-see destination
Lots to see and do
Good for adult vacation
Vacation there is a real adventure
Children would enjoy
Unique vacation experience
Popular with vacationers
Great place for a Classic American Roadtrip



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South Dakota's Image vs. Competition

South Dakota's Image

- Relative to the other destinations in the competitive set for this study, South Dakota has a very positive overall image among travelers:
 - Across the markets survey, 4 in 10 (40%) rated South Dakota very favorably as a destination they “would really enjoy visiting.”
 - Virtually the same as indicated this about Wyoming.
 - Somewhat ahead of Wisconsin.
 - Clearly outdistancing North Dakota.
- On the other overall image measure, perceptions for “popularity”, the rank ordering is quite different:
 - South Dakota comes in second to Colorado. Colorado has a big lead over the competitive set.

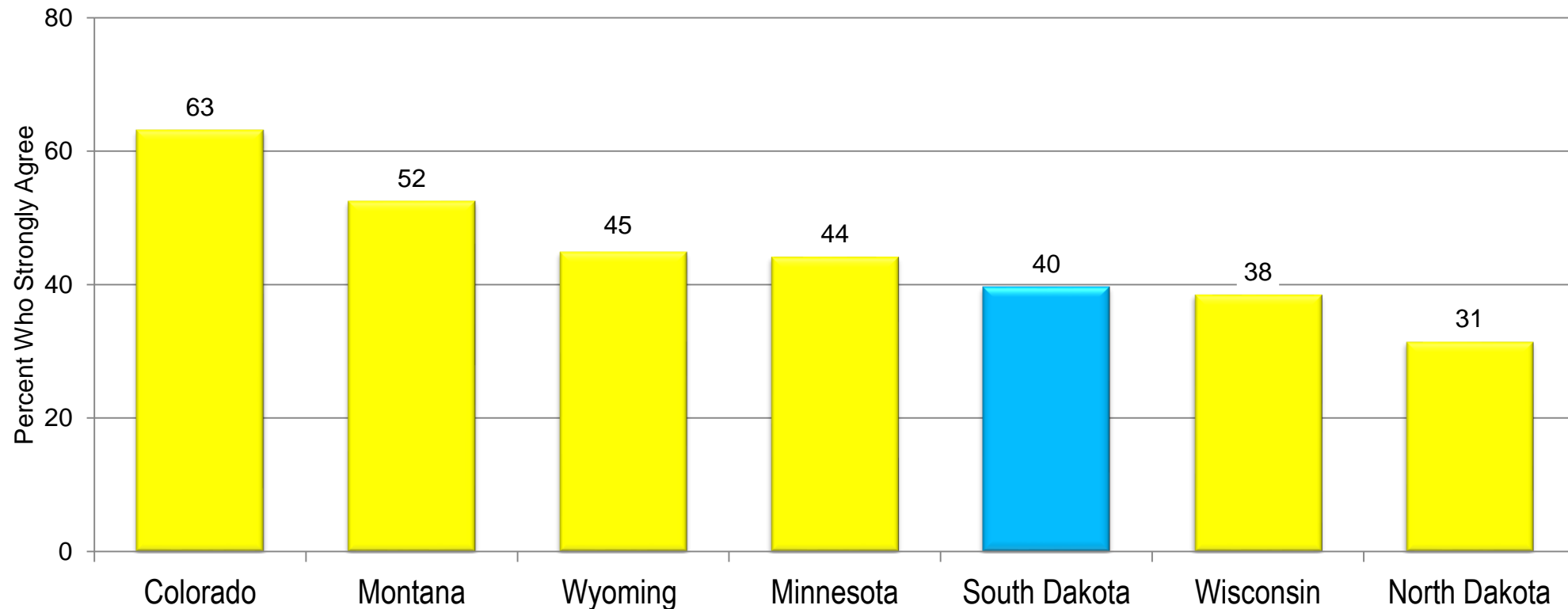
South Dakota's Image

- When comparing South Dakota's image versus the image of the combined competition, South Dakota's top image strengths are related to:
 - Well-known landmarks.
 - Native American culture.
 - Authentic historical sites.
 - Noted for its history.
 - Great place for a Classic American road trip.
 - Excellent national/state parks.
- To a somewhat lesser extent, people believe South Dakota is better than other destinations for:
 - Sports and recreation.
 - Entertainment and dining options.

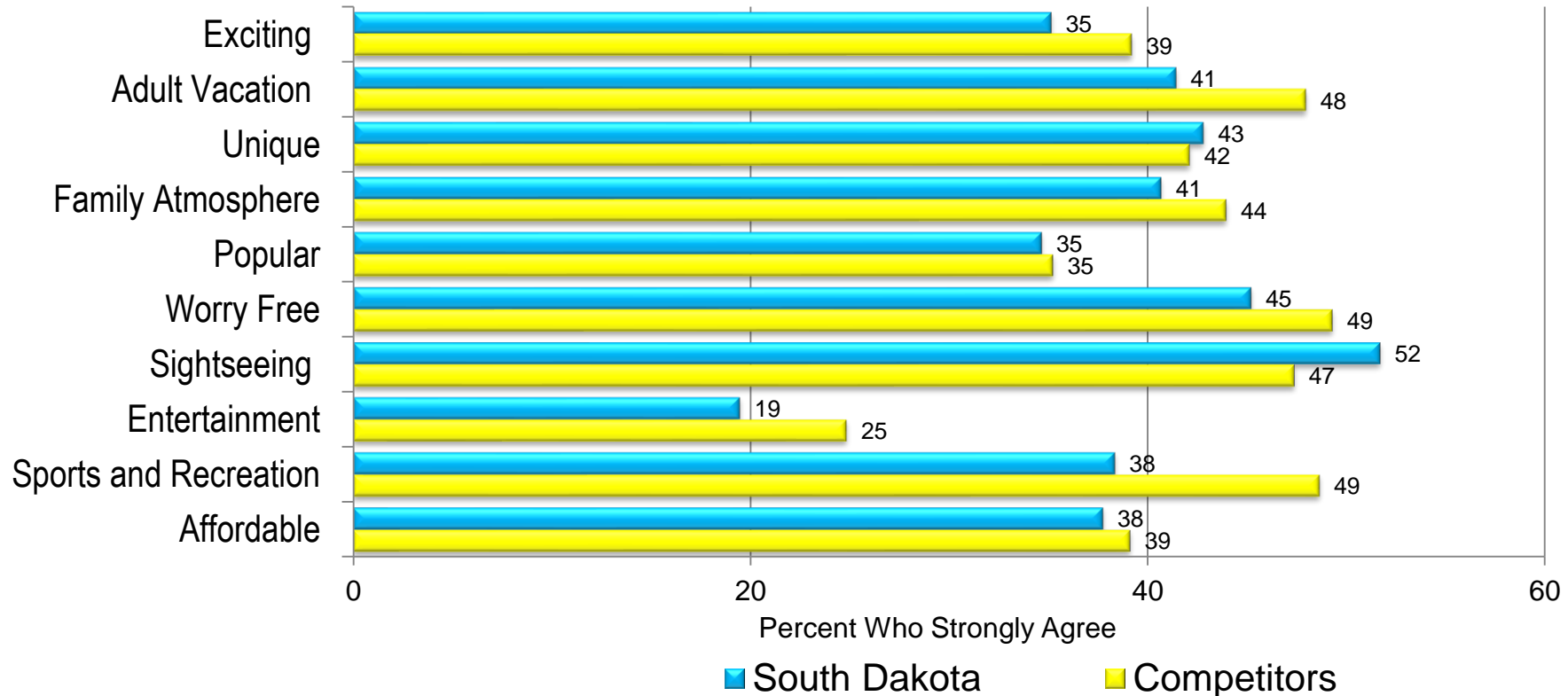
South Dakota's Image

- Colorado is the leader amongst this competitive set in most of the attributes standing out with its high ratings for great outdoor activities (hiking, camping and snowmobiling), scenery, wilderness, abundance of things to do and overall popularity as a well-known destination.
- Montana was known for its great national/state parks, wilderness, hunting and RV'ing.
- Minnesota ranked high for fishing and hunting and its friendly local people.
- Travelers felt that Wisconsin was within a good distance and not too far away for a vacation.
- Wyoming's main strength is its national/state parks (Yellowstone and Grand Teton).
- North Dakota rated highest in only one attribute, affordable accommodations.

South Dakota Overall Image vs. Competition — “A Place I Would Really Enjoy Visiting”

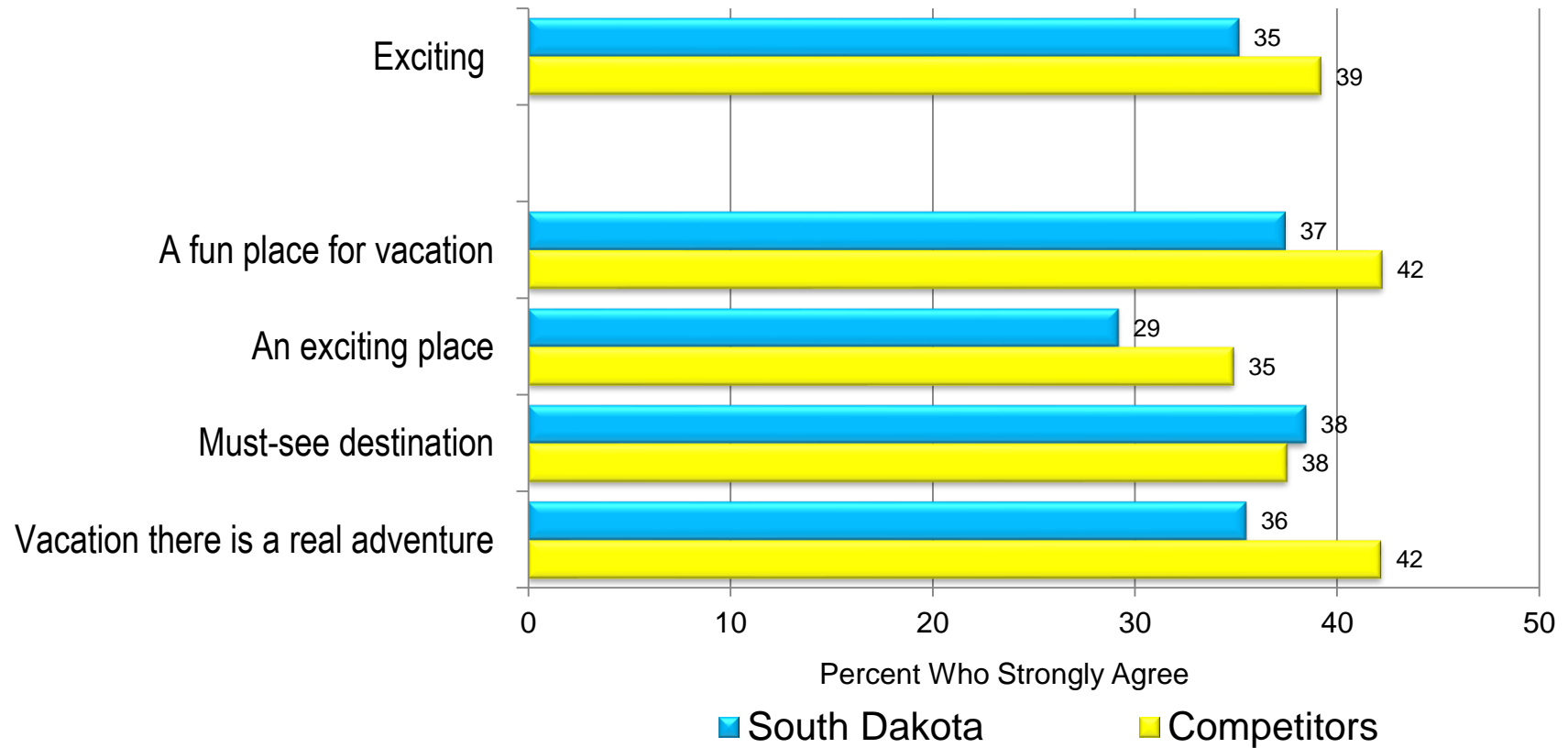


South Dakota's Overall Image vs. Competition



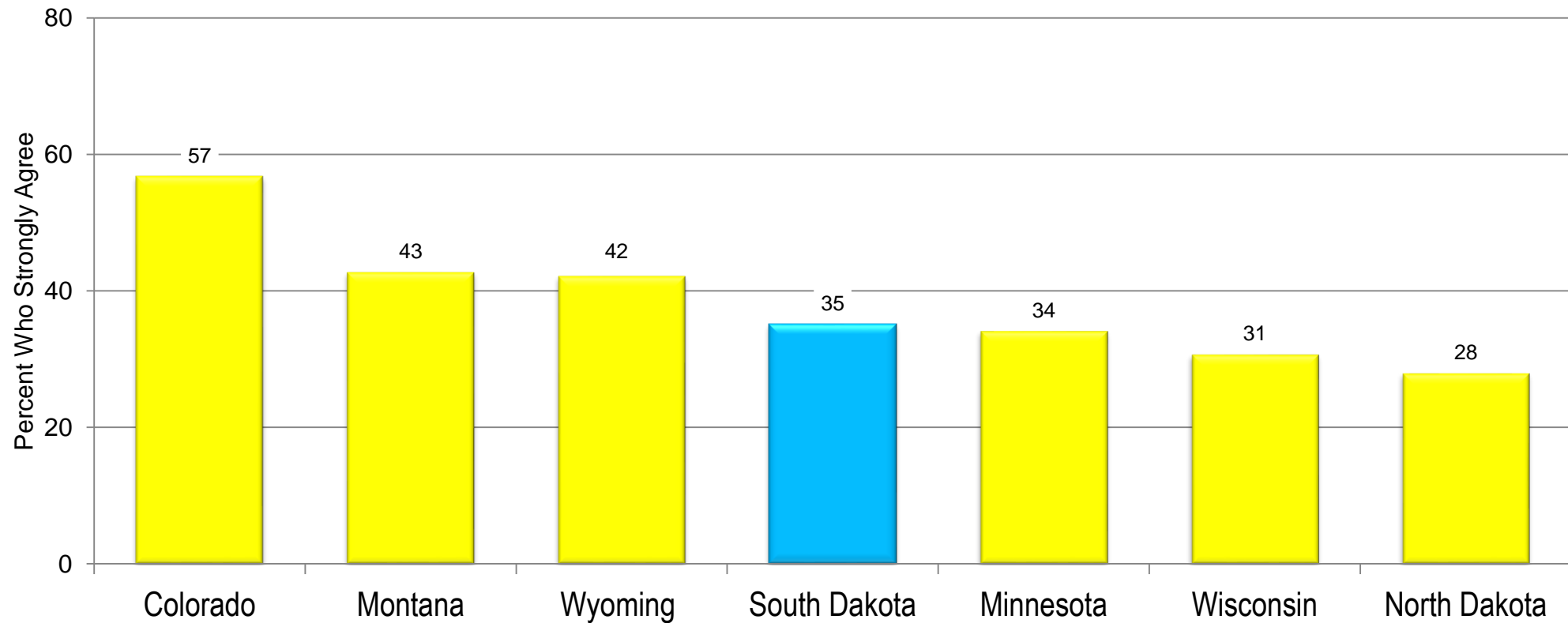
* Includes North Dakota, Minnesota, Wyoming, Wisconsin, Montana, Colorado

South Dakota's Image vs. Competition — Exciting

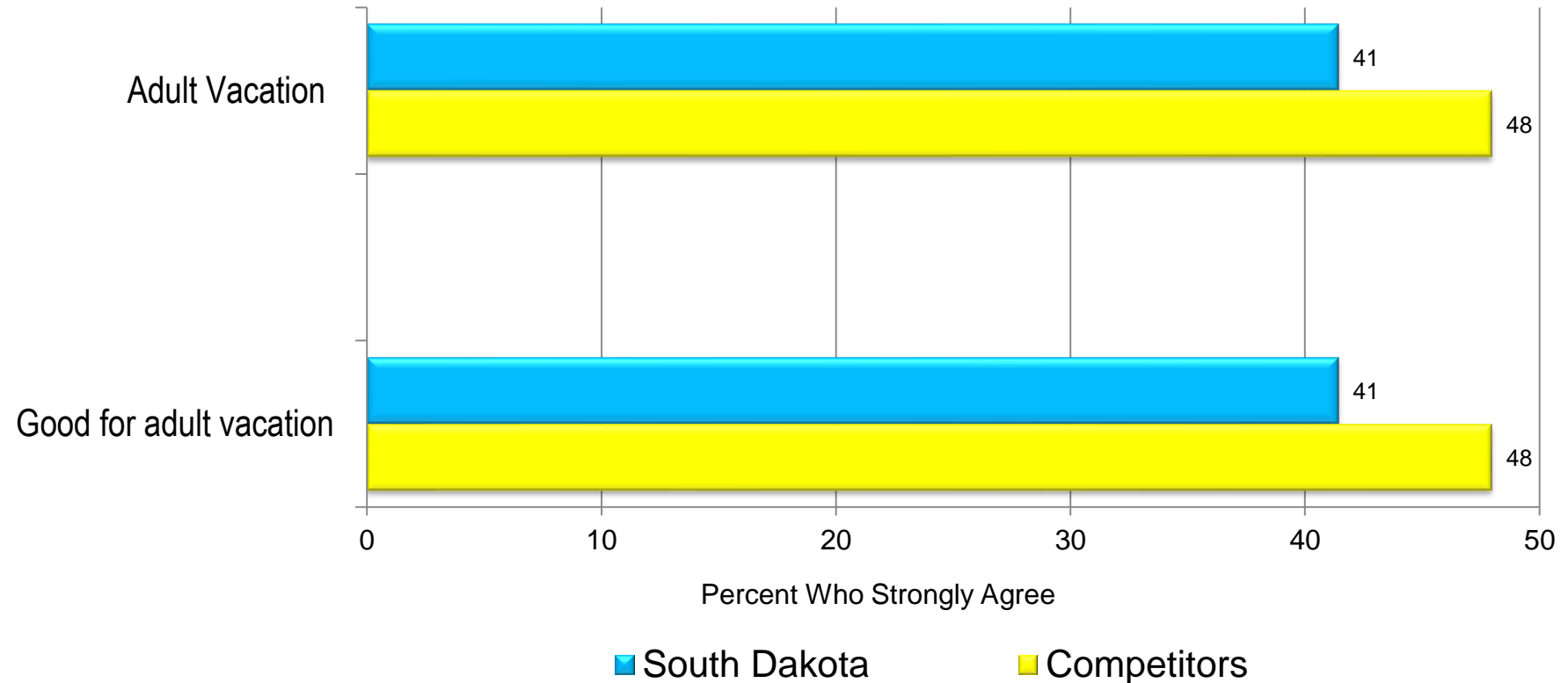


South Dakota's Image vs. Competition

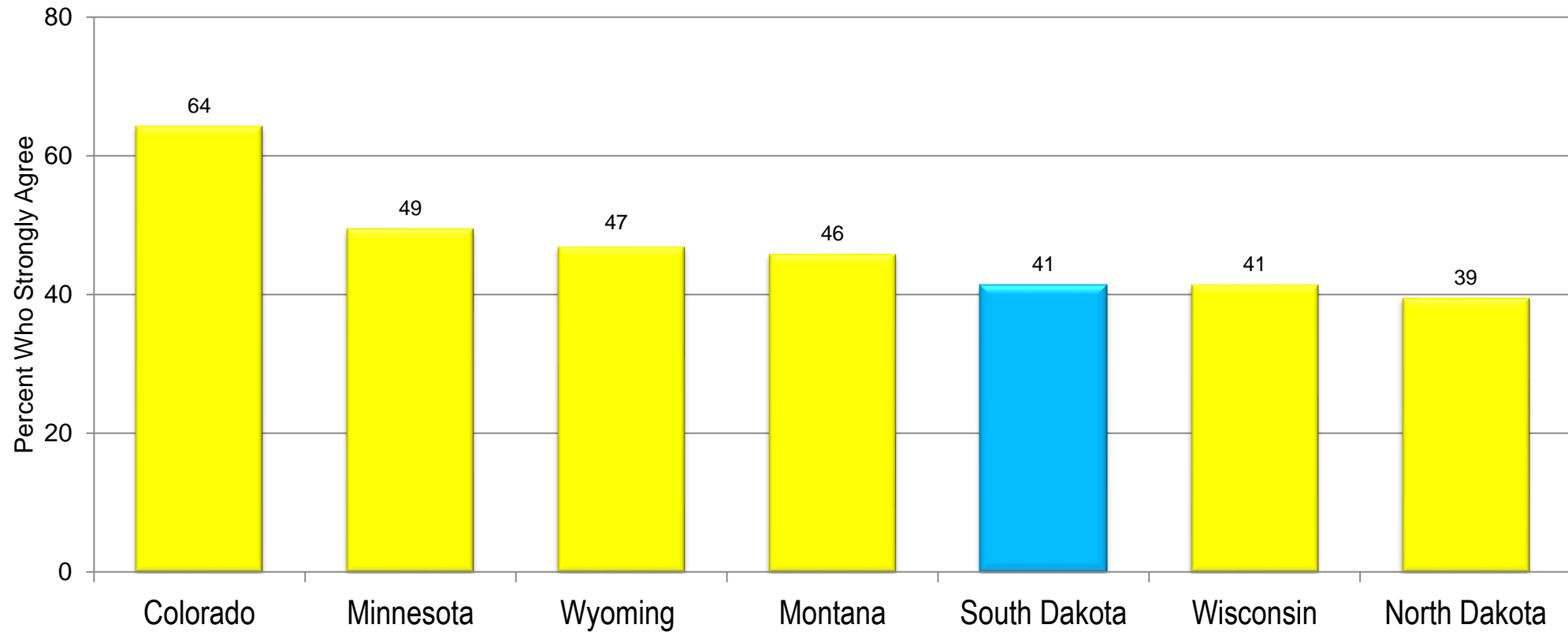
— Exciting



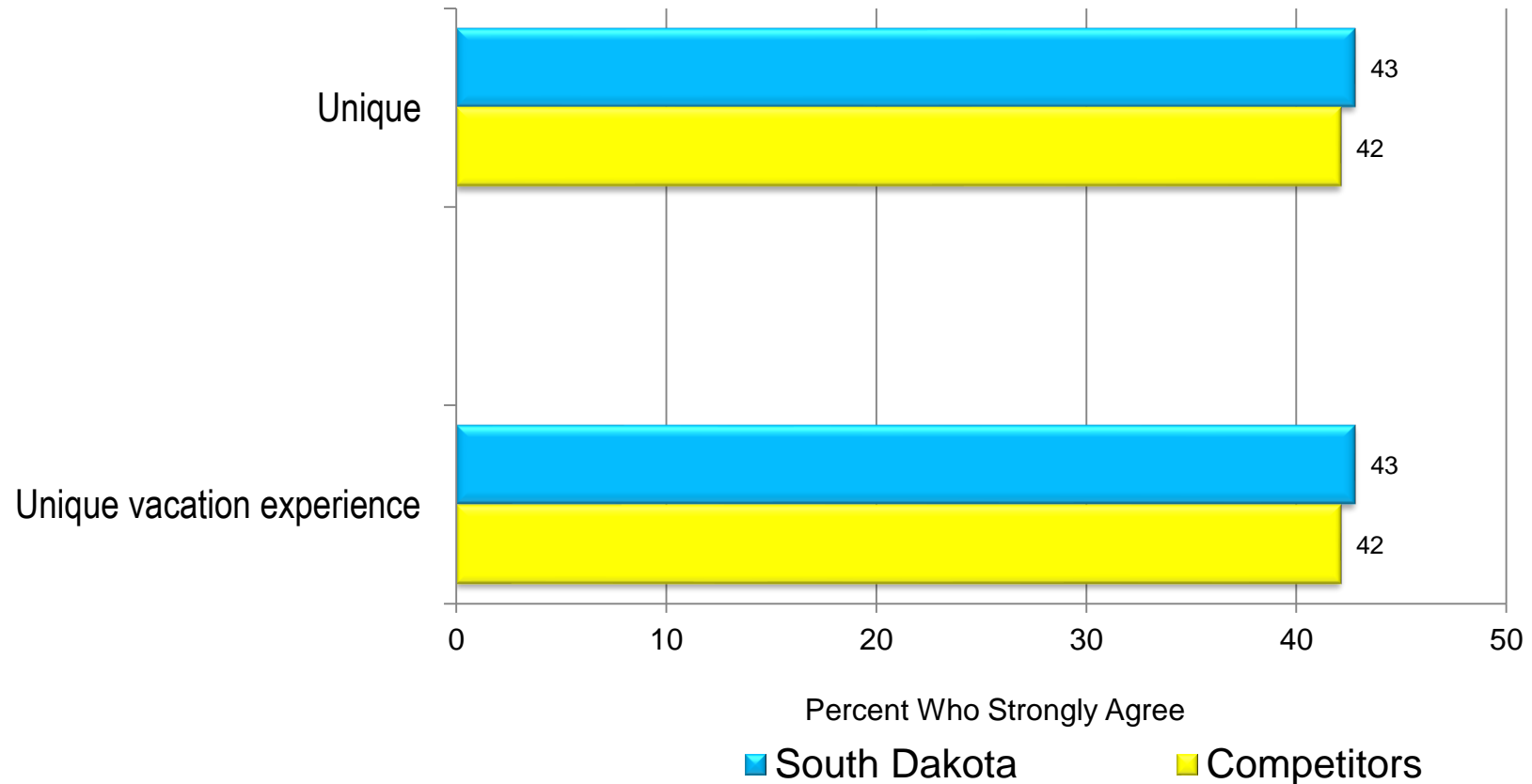
South Dakota's Image vs. Competition — Adult Vacation



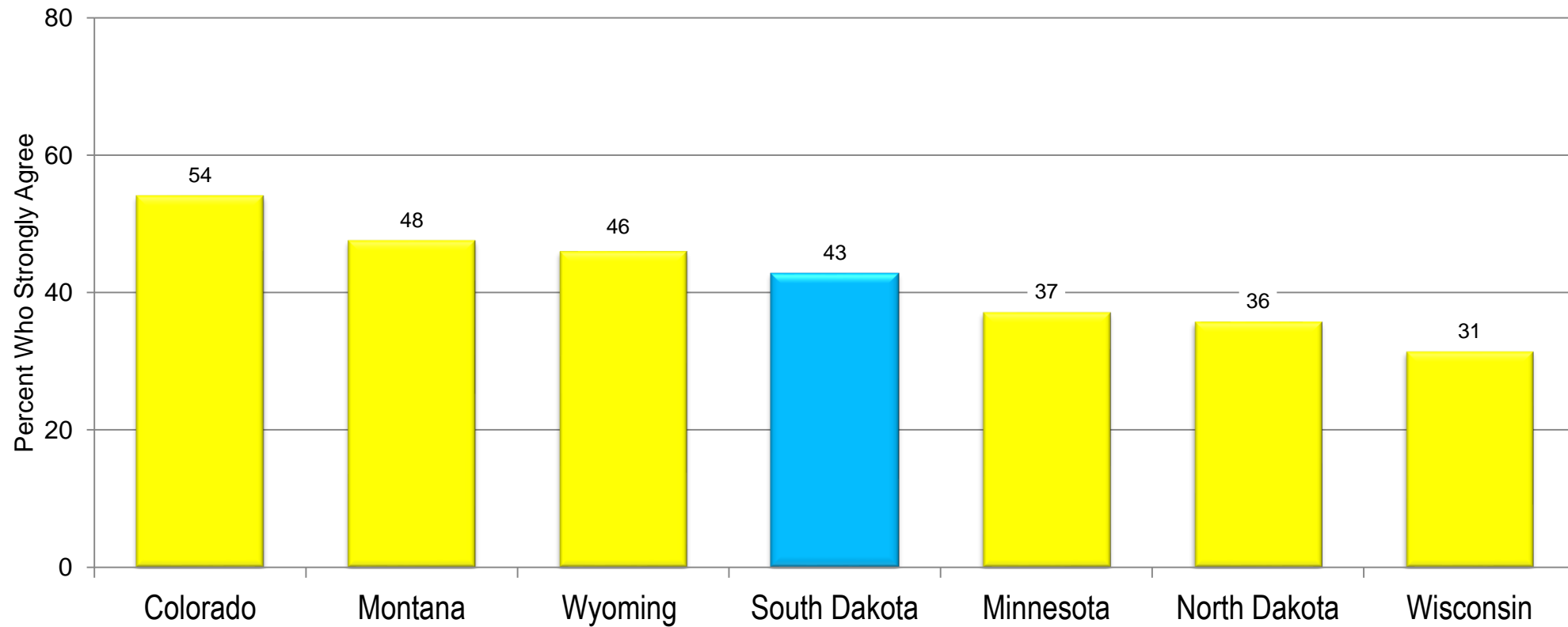
South Dakota's Image vs. Competition — Adult Vacation



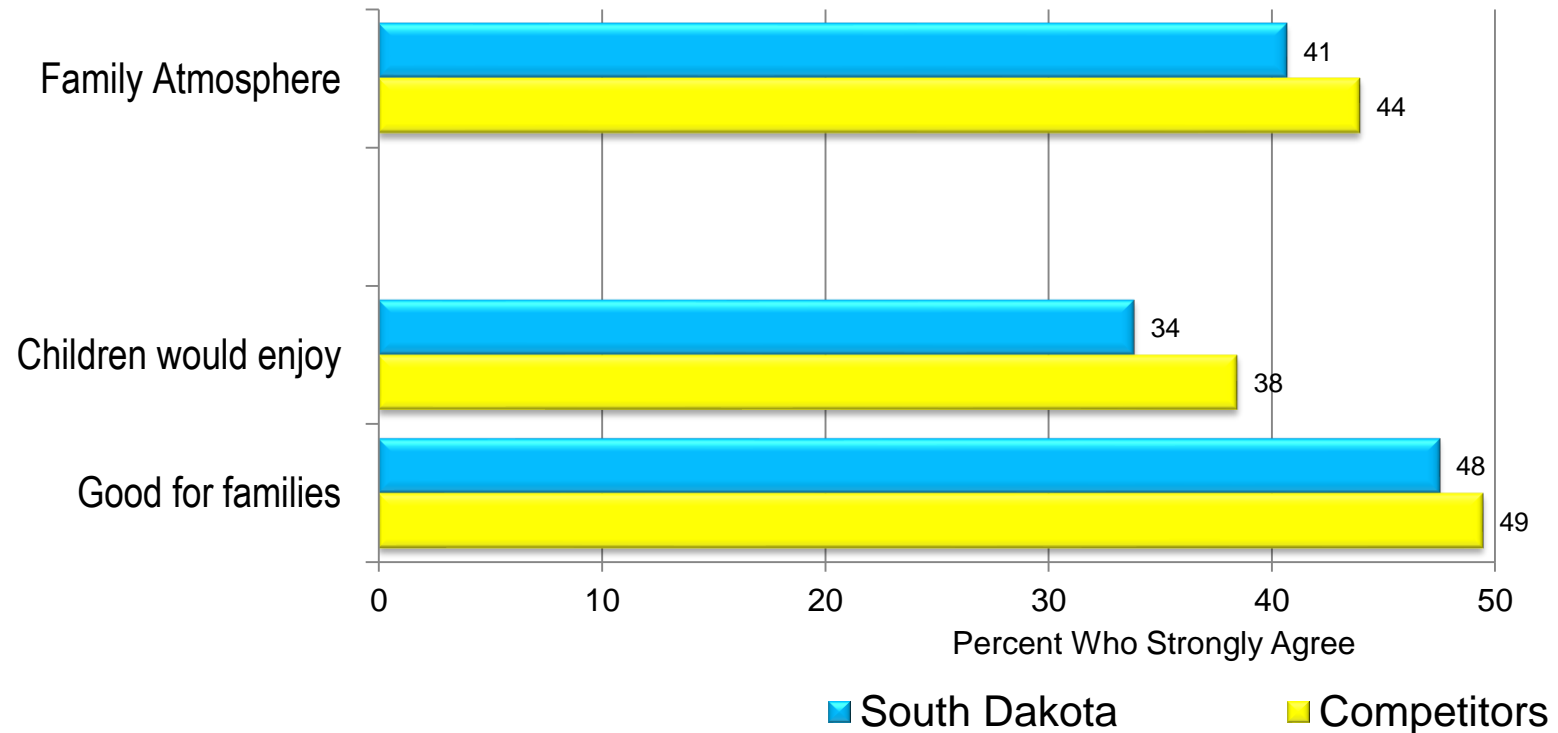
South Dakota's Image vs. Competition — Unique



South Dakota's Image vs. Competition — Unique

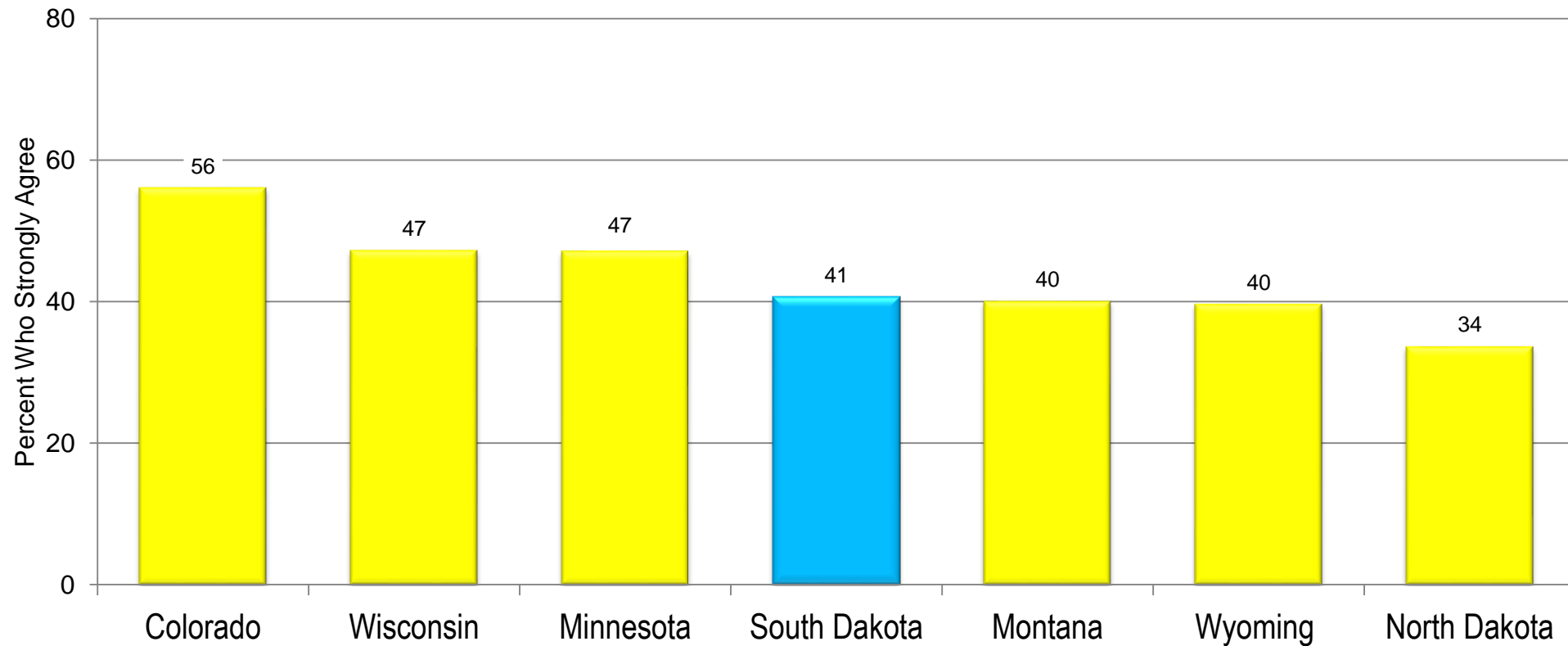


South Dakota's Image vs. Competition — Family Atmosphere

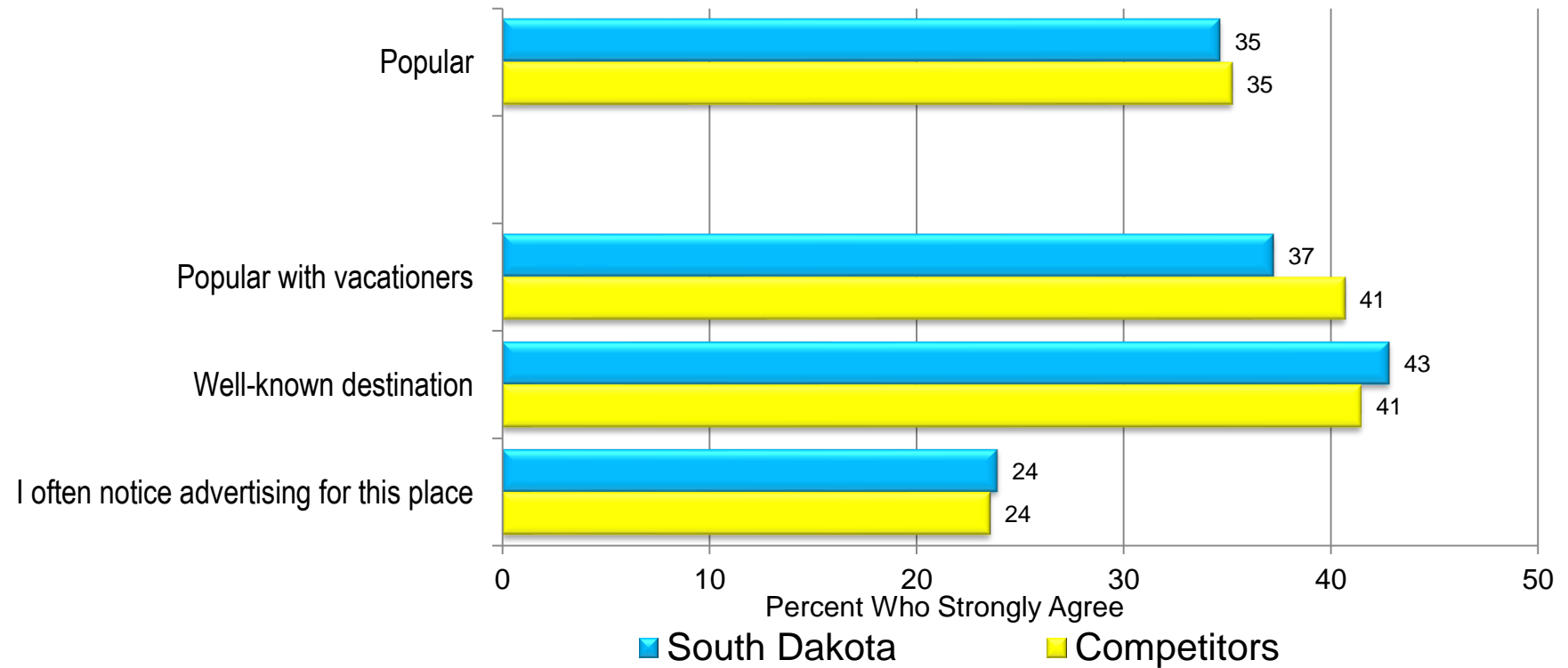


South Dakota's Image vs. Competition

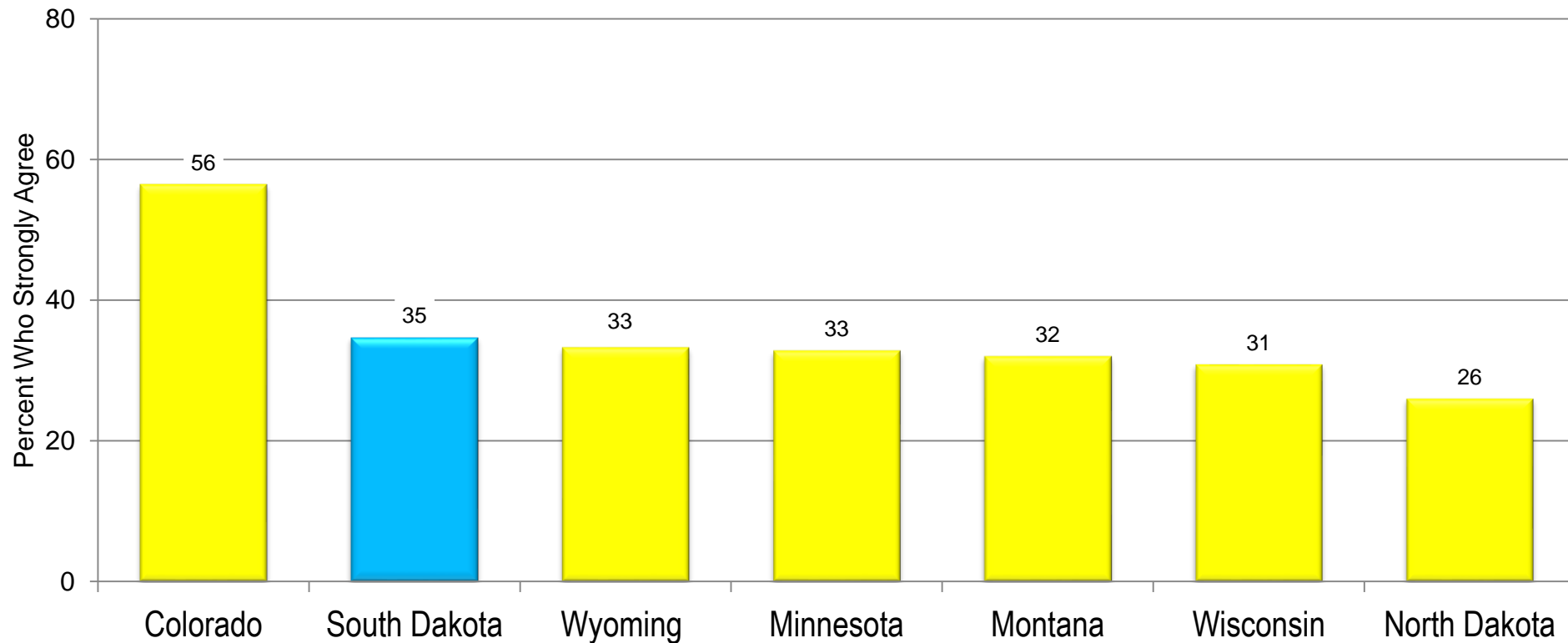
— Family Atmosphere



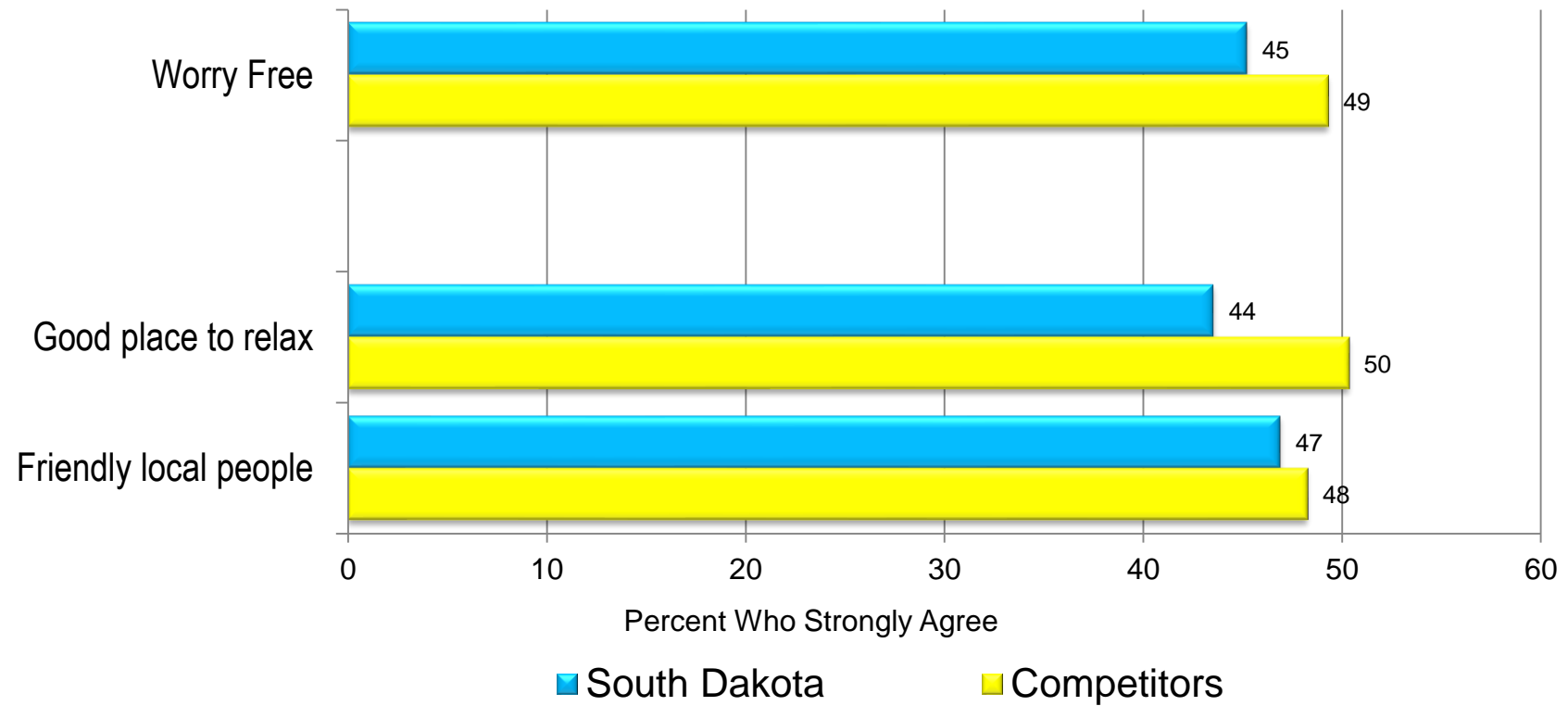
South Dakota's Image vs. Competition — Popular



South Dakota's Image vs. Competition — Popular

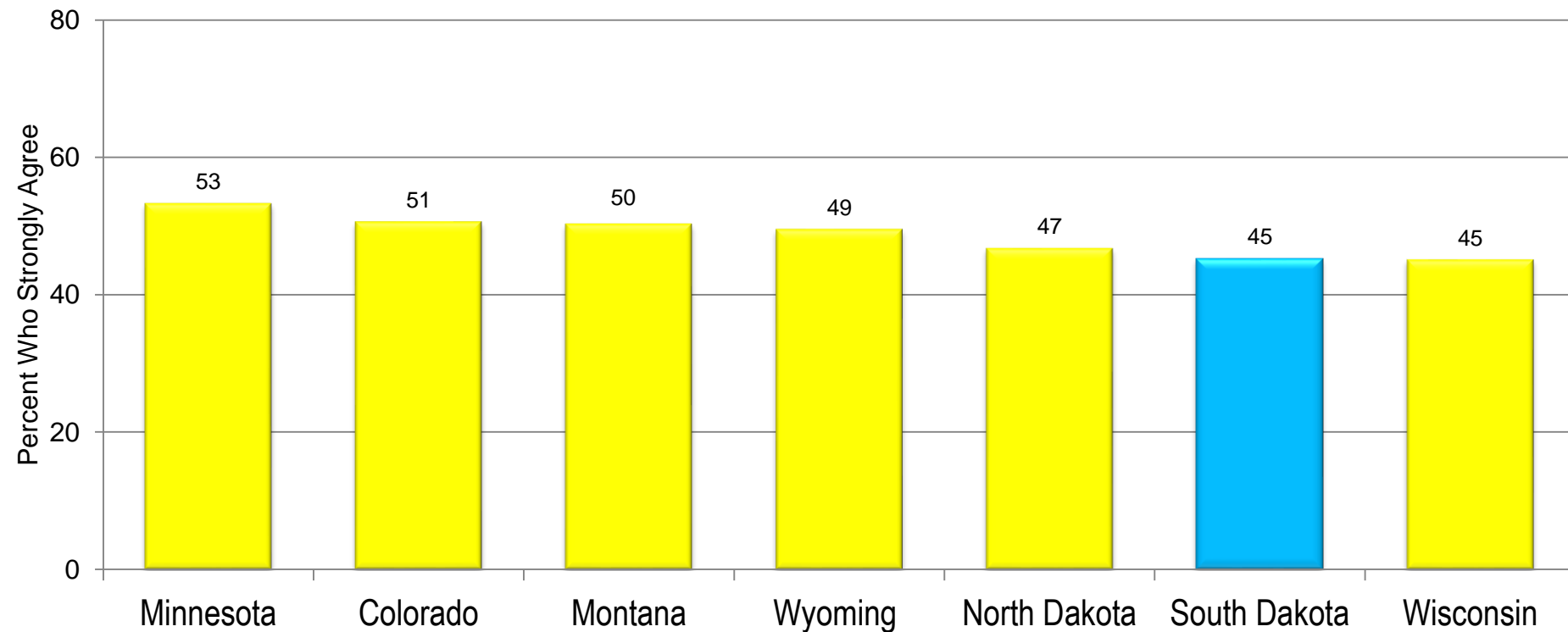


South Dakota's Image vs. Competition — Worry Free

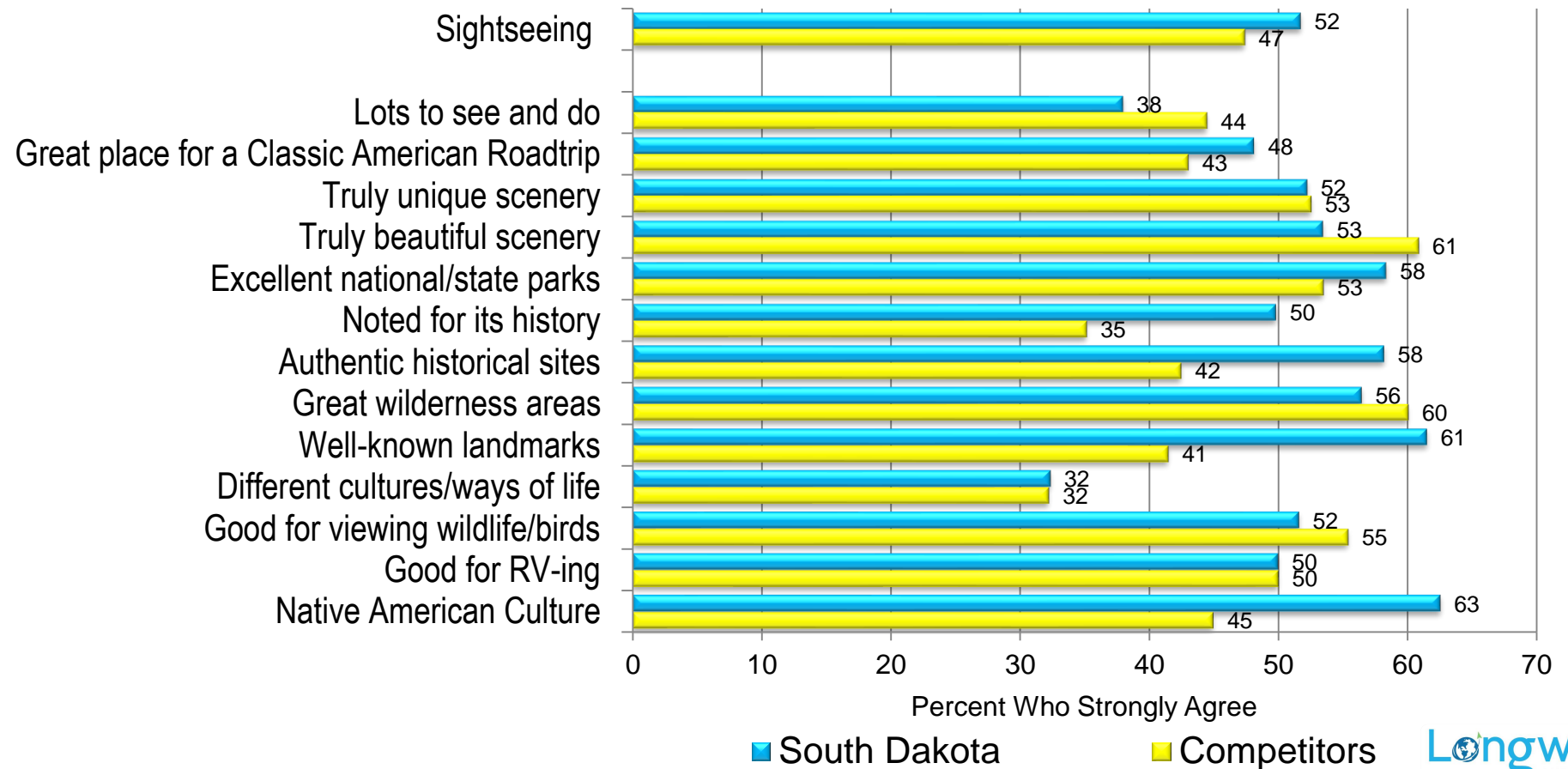


South Dakota's Image vs. Competition

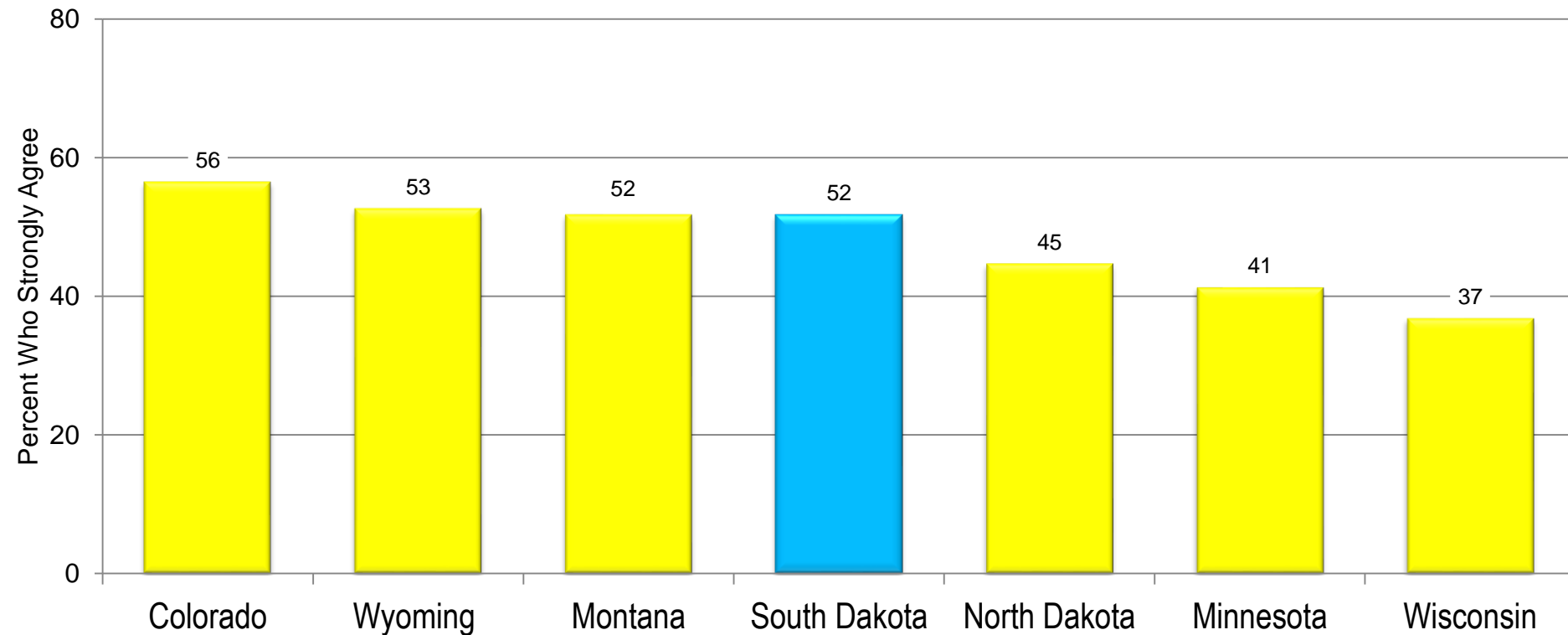
— Worry Free



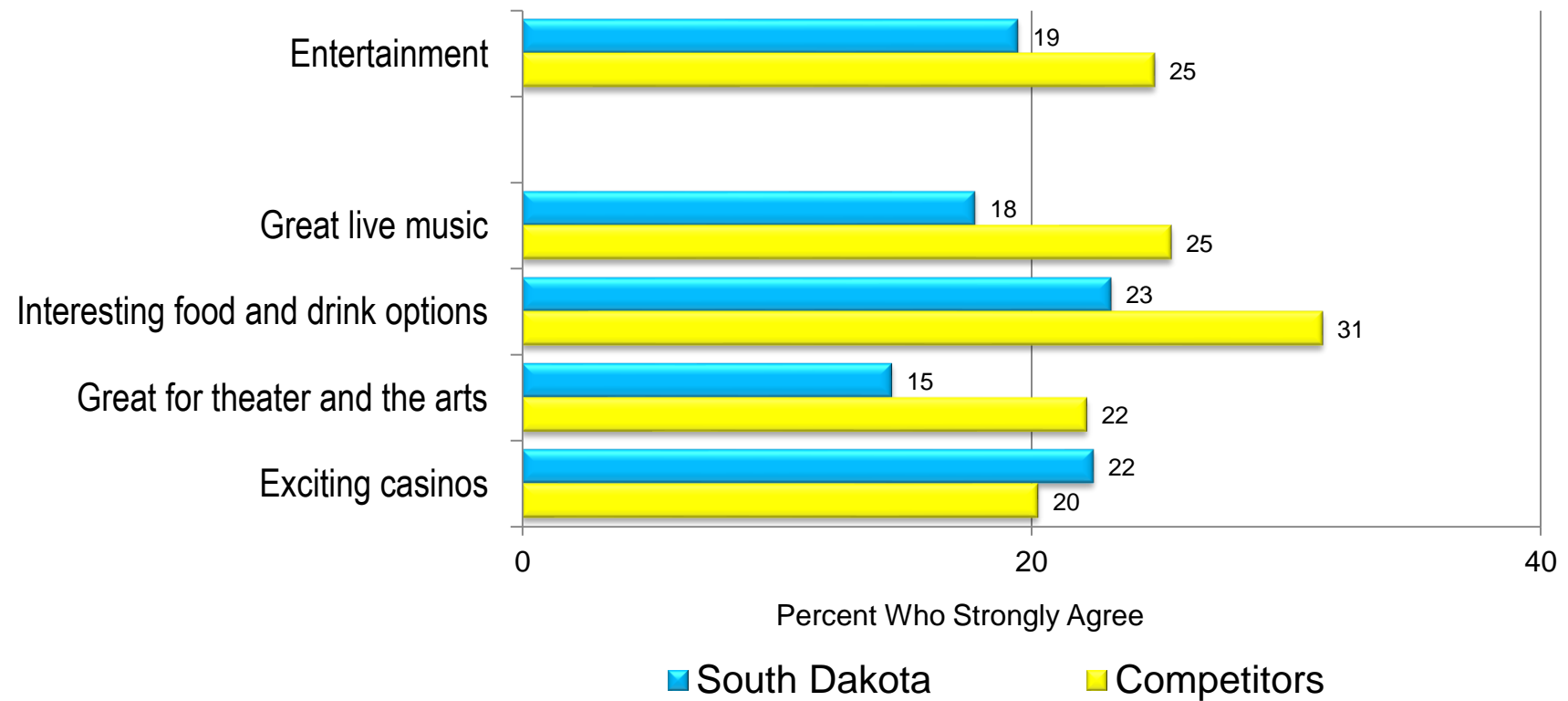
South Dakota's Image vs. Competition — Sightseeing



South Dakota's Image vs. Competition — Sightseeing

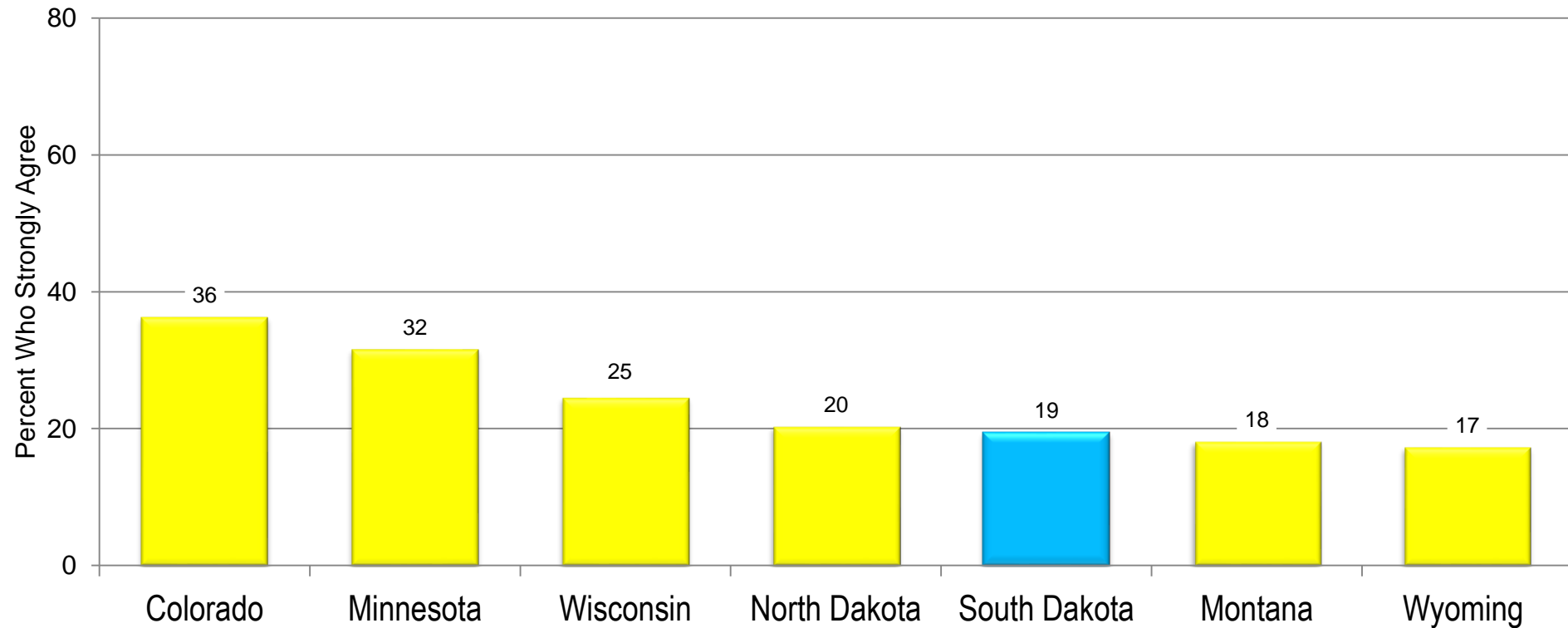


South Dakota's Image vs. Competition — Entertainment

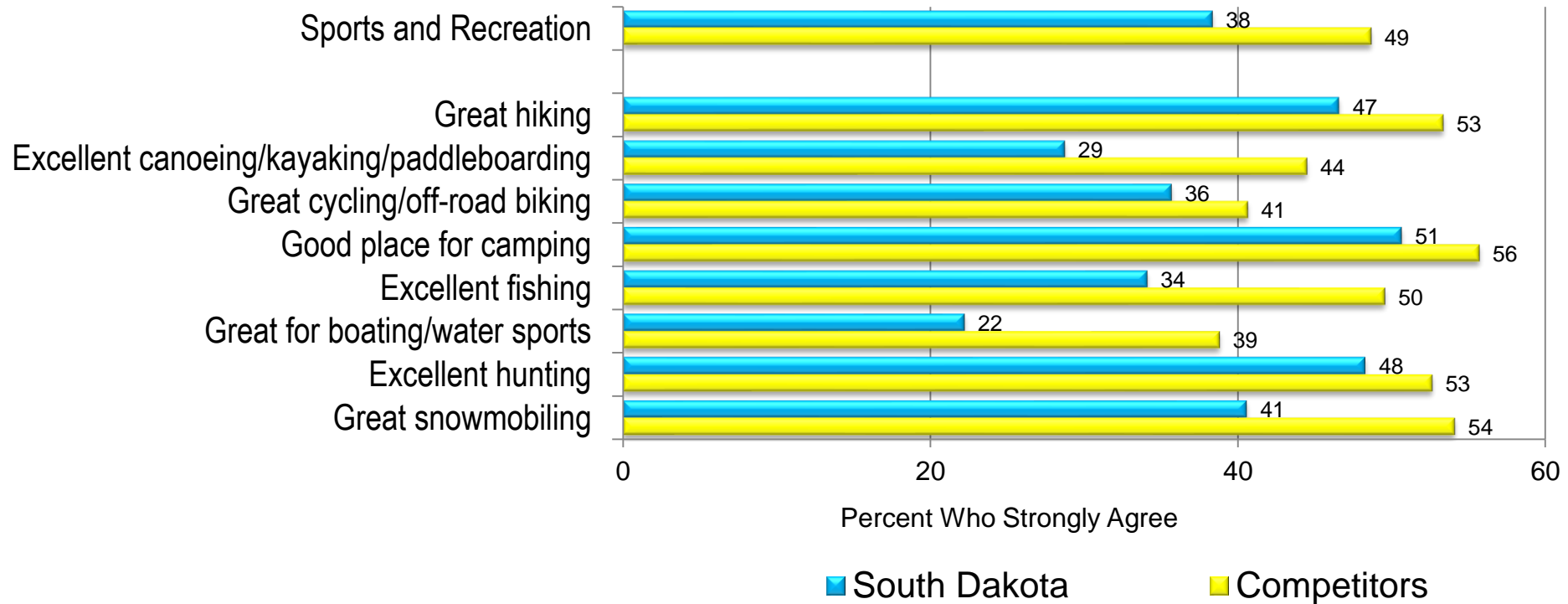


South Dakota's Image vs. Competition

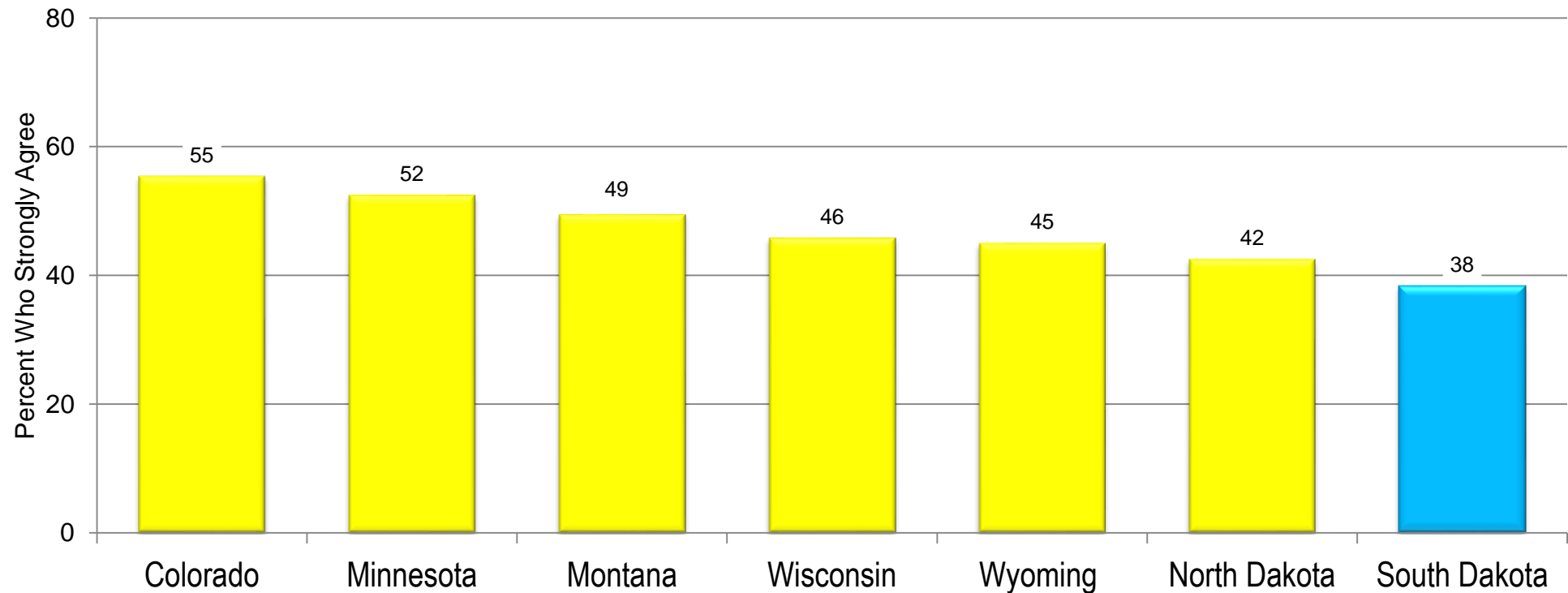
— Entertainment



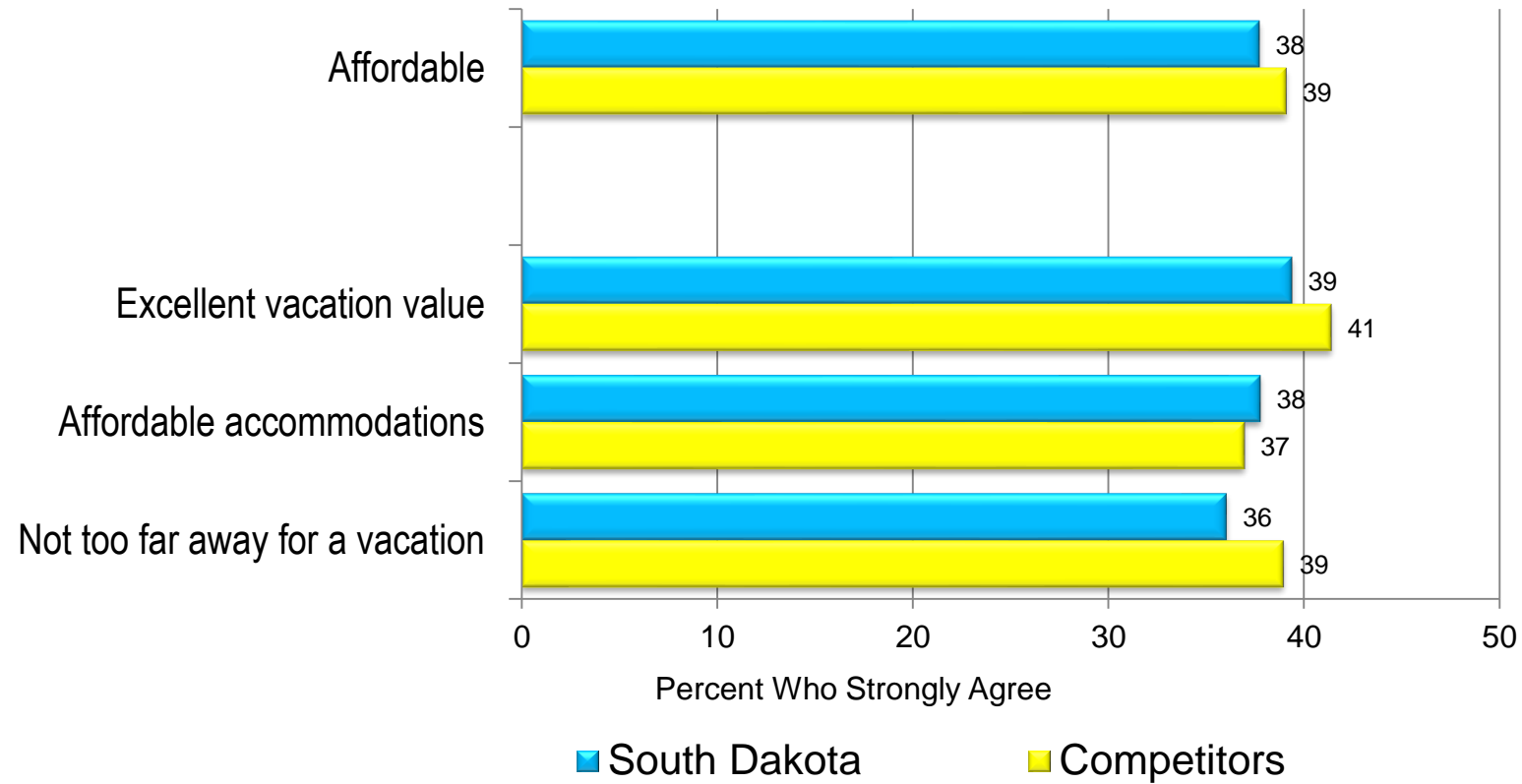
South Dakota's Image vs. Competition — Sports & Recreation



South Dakota's Image vs. Competition — Sports & Recreation

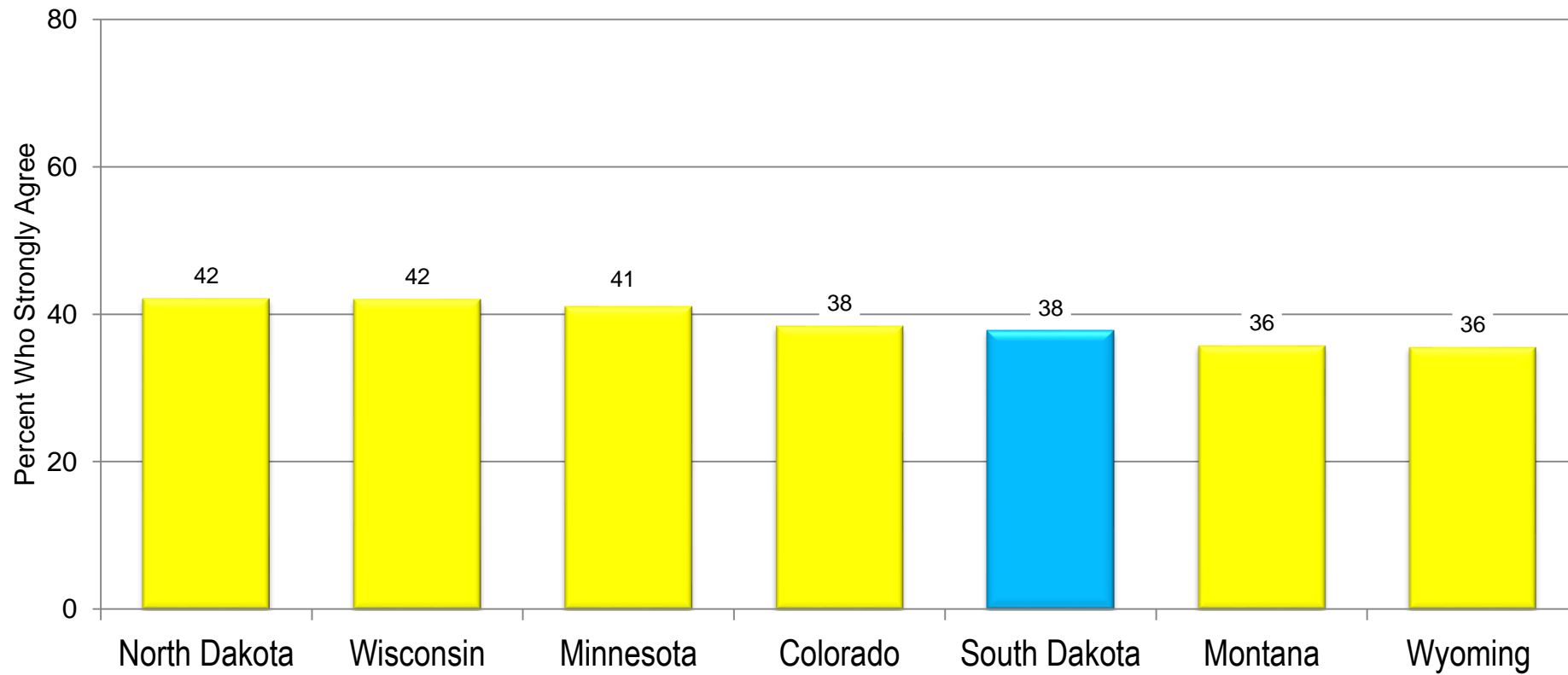


South Dakota's Image vs. Competition — Affordable

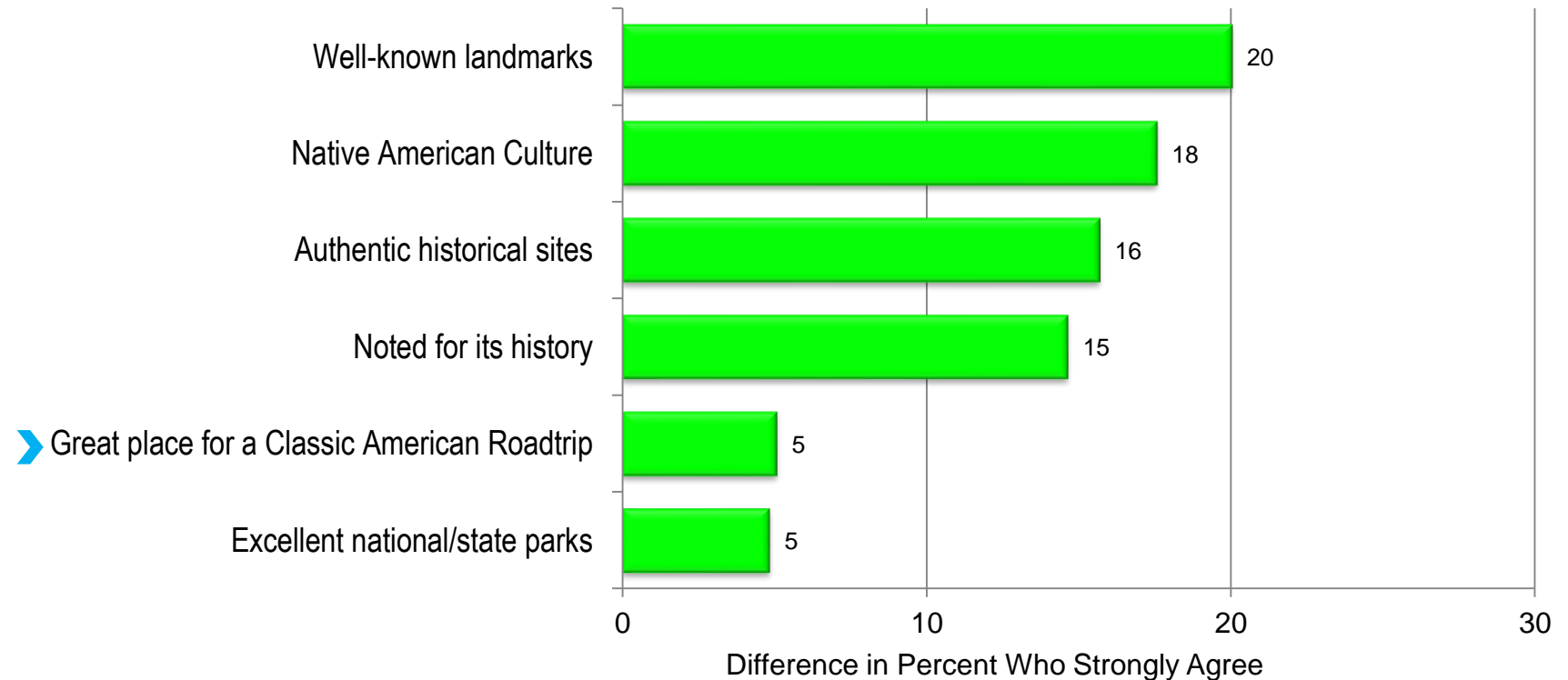


South Dakota's Image vs. Competition

— Affordable

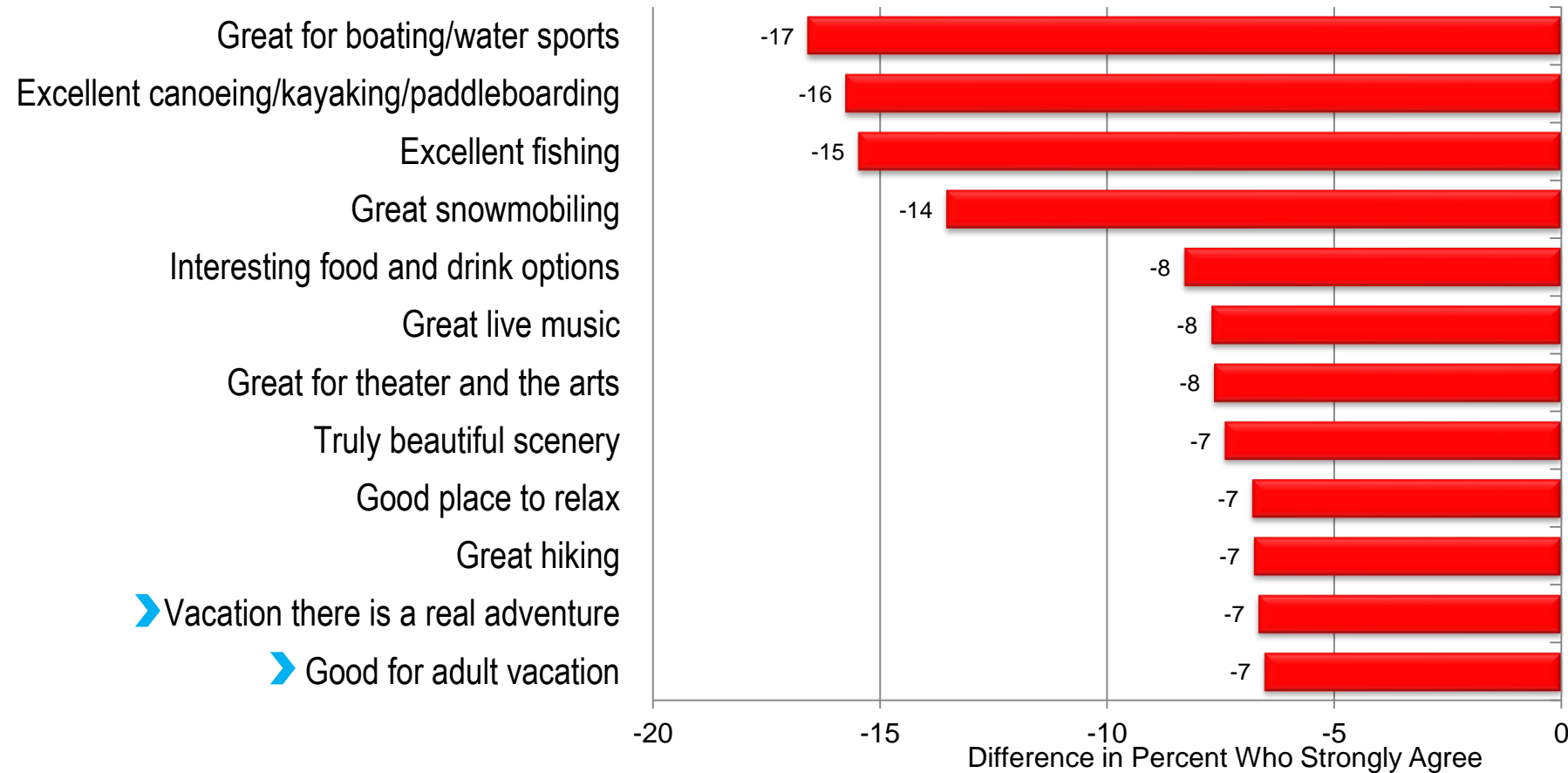


South Dakota's Image Strengths vs. Competition

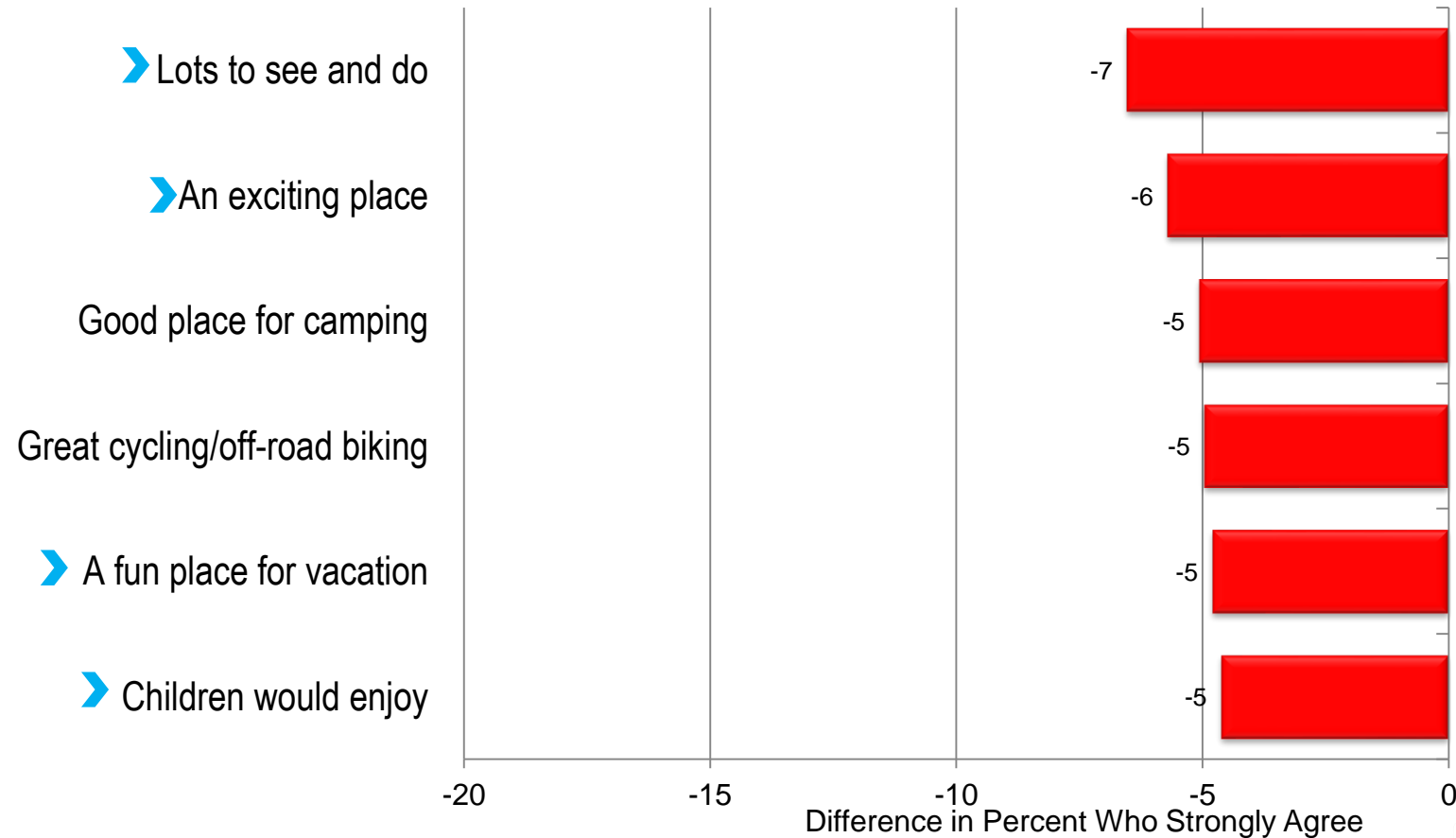


* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Weaknesses vs. Competition



South Dakota's Image Weaknesses vs. Competition (Cont'd)





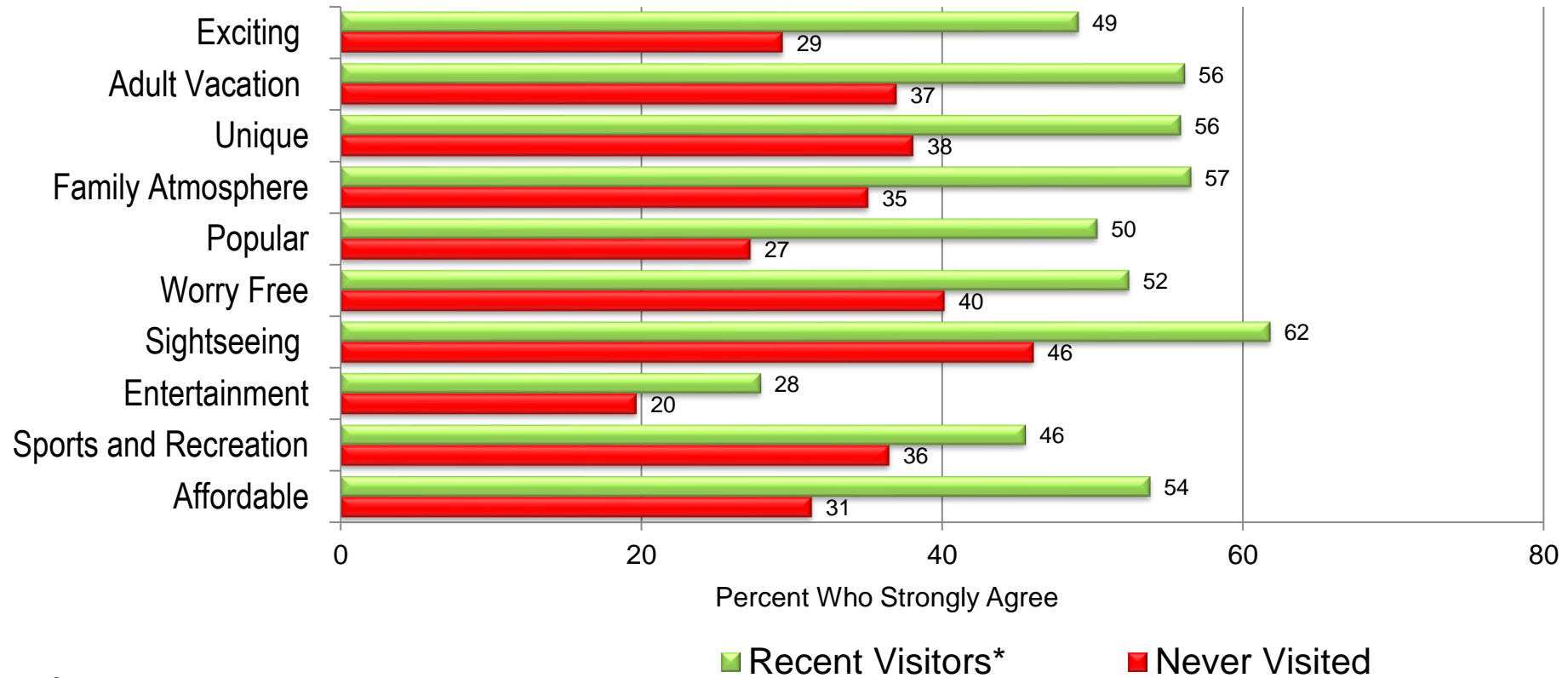
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South Dakota's Product Delivery

Product Delivery

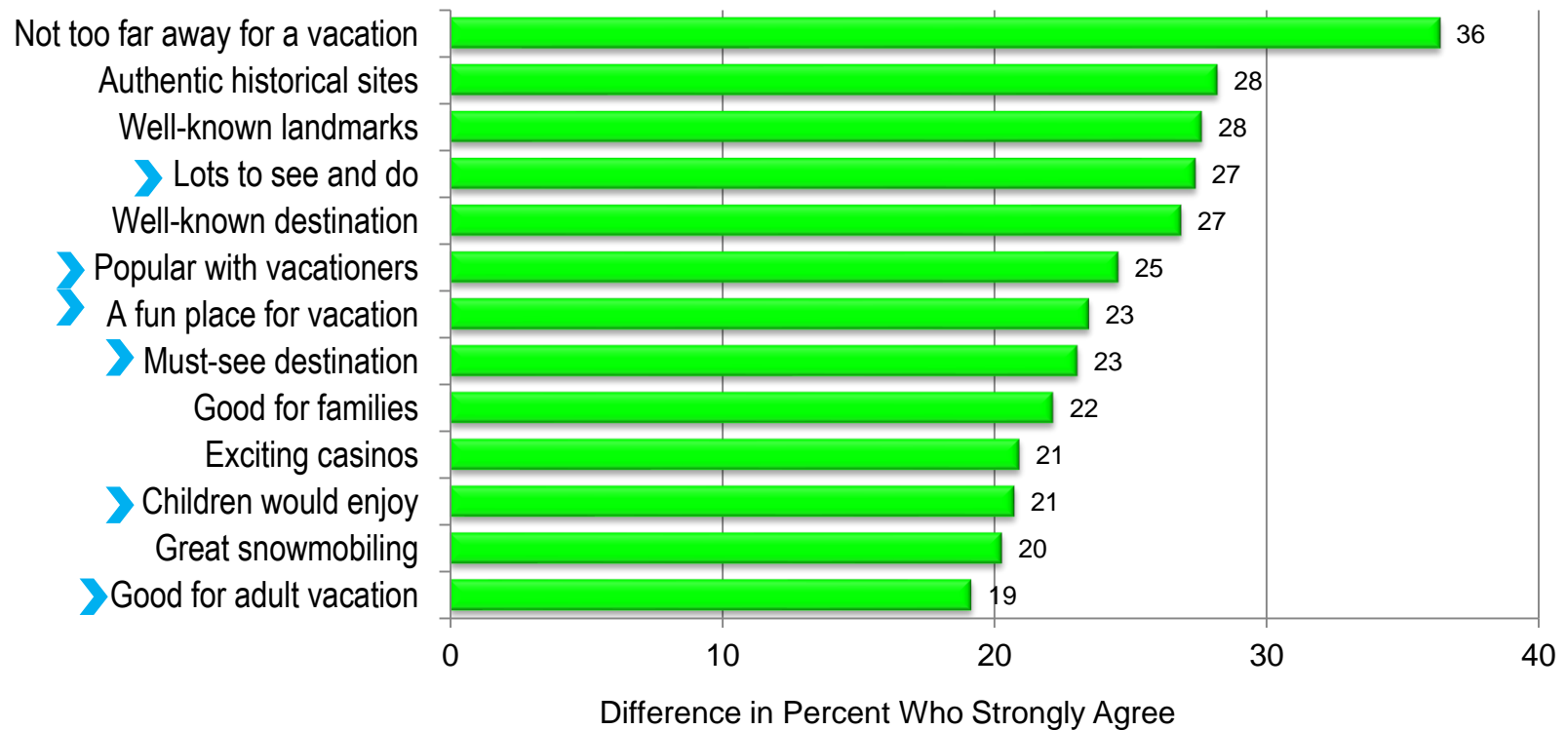
- When we compare the image ratings of people who have not visited South Dakota recently versus the ratings of those who have visited in the past two years, we have a measure of “product delivery”, i.e., the relative satisfaction of the two groups.
- From this analysis we find that people who have experienced South Dakota recently were especially impressed with:
 - How affordable South Dakota is.
 - The sense of excitement.
 - How popular South Dakota is.
 - Great for both adult and family vacations.
- Among the dimensions evaluated, there no areas where visitors felt South Dakota failed to live up to expectations.

South Dakota's Product vs. Image



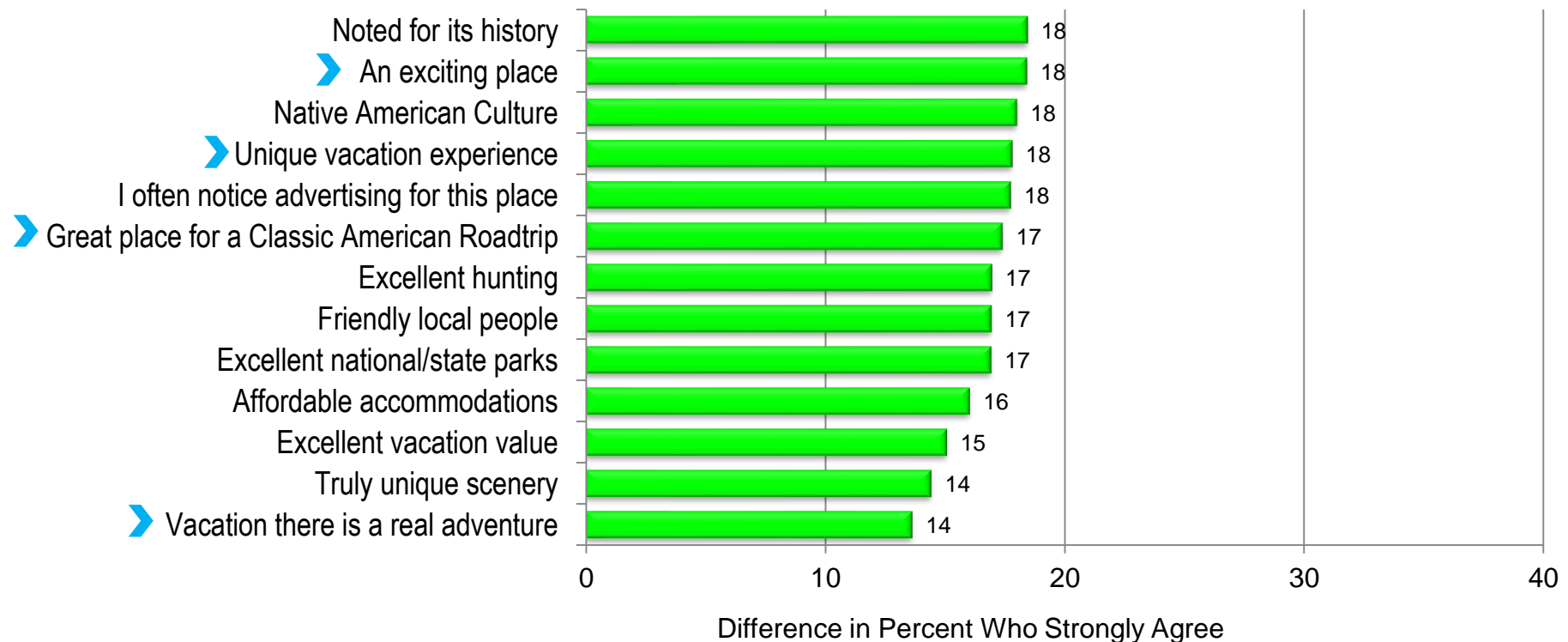
* Visited in the past 2 years

Top Product Strengths vs. Image



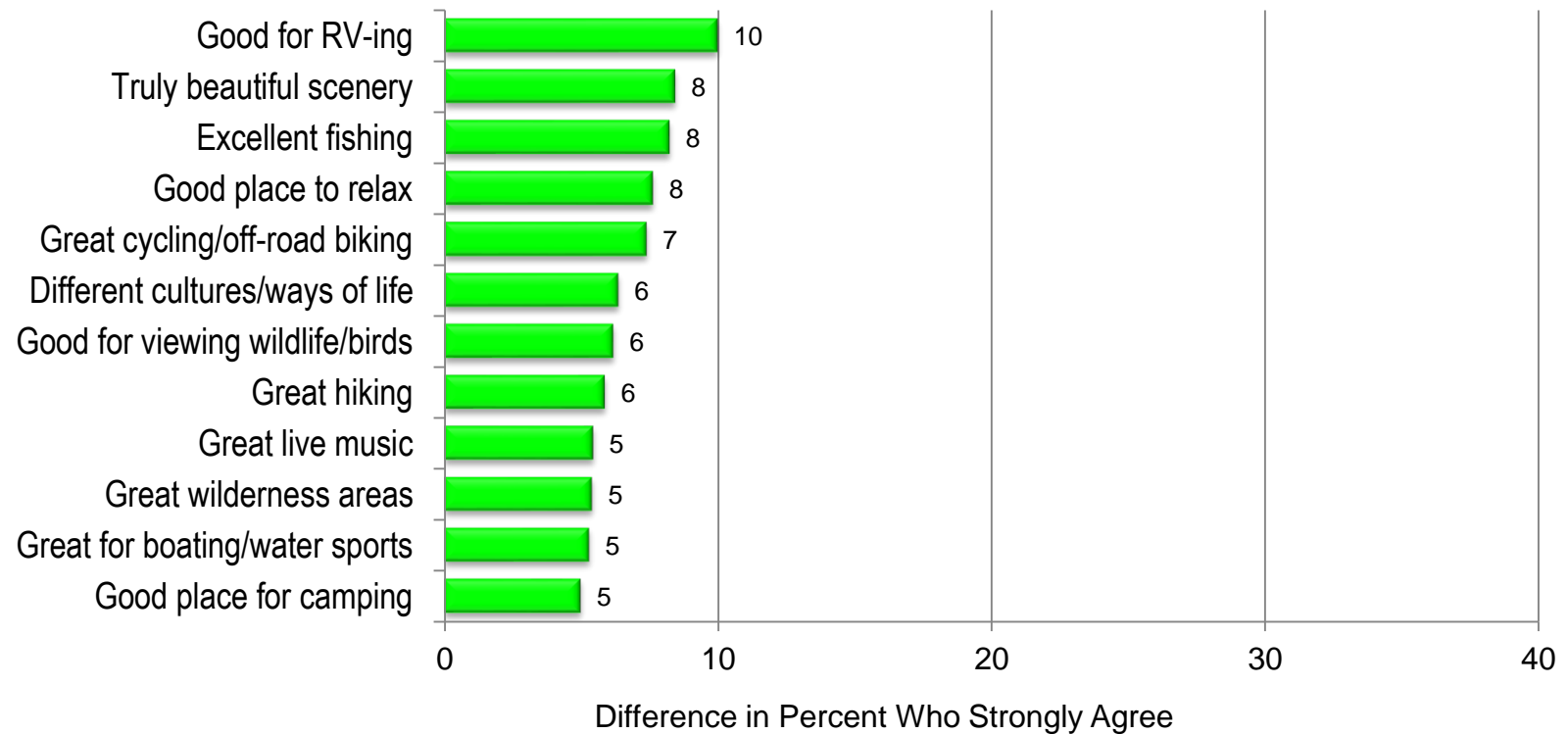
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

Top Product Strengths vs. Image (Cont'd)



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

Top Product Strengths vs. Image (Cont'd)



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

Top Product Weaknesses vs. Image

**THERE WERE NO SIGNIFICANT
PERCEIVED PRODUCT
WEAKNESSES VS. IMAGE**



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Halo Effect on Economic Development Image

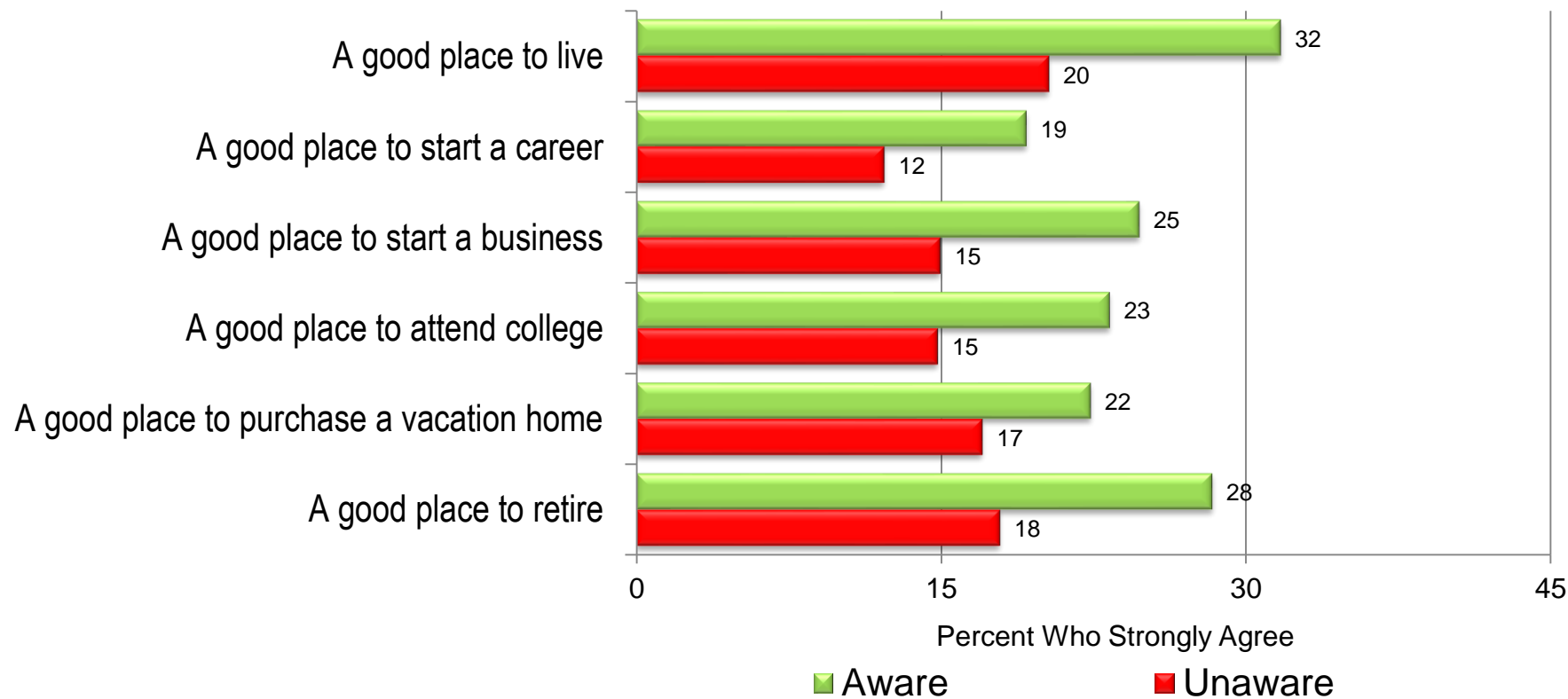
Halo Effect Analysis

- Research has long demonstrated that tourism advertising and the visitation it inspires have a positive impact on consumers' image of destinations as a place for leisure travel and recreation.
- Applying the psychological concept of the “halo effect” to tourism promotion advertising, Longwoods set out to determine if gains in image for South Dakota from its tourism advertising would extend beyond the appeal as a place to visit. Could it be that economic objectives could also be achieved, such as viewing South Dakota more favorably as a place to live, work, start a business, attend college, purchase a vacation home and retire?
- Longwoods International has conducted this research for multiple state and city destinations across the U.S since 2014.
- The research compared consumers' ratings of South Dakota on economic development image attributes by those who had not seen the campaign or visited South Dakota with those who did see the tourism ads and/or visited.
- In every case, South Dakota's tourism advertising and subsequent visitation significantly improved the image of South Dakota for a wide range of economic development objectives.

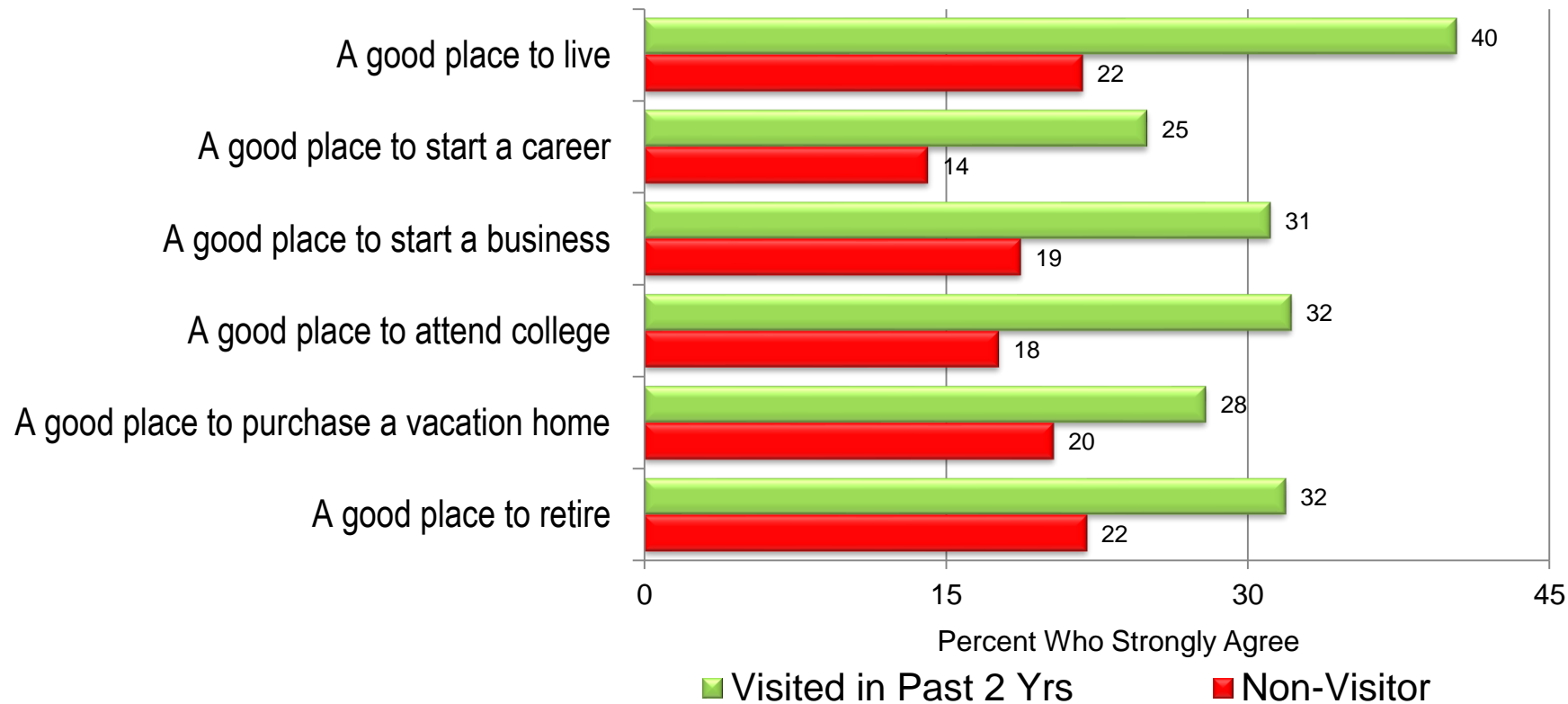
Halo Effect Analysis

- The South Dakota tourism advertising campaign created especially strong image in those considering South Dakota as a good place to start a business and to retire.
- Actual visitation produced a positive effect on people's image of South Dakota on the economic development "indicators":
 - Strongest lift on the "a good place to live" and "a good place to attend college" attributes.
- For each economic development objective, the most dramatic improvement in image was among those consumers who were both exposed to the advertising campaign message and who also visited South Dakota.
- The effect of advertising plus visitation was generally more than additive, improving consumers' perceptions of South Dakota by considerably more than the sum of their lifts in each area.

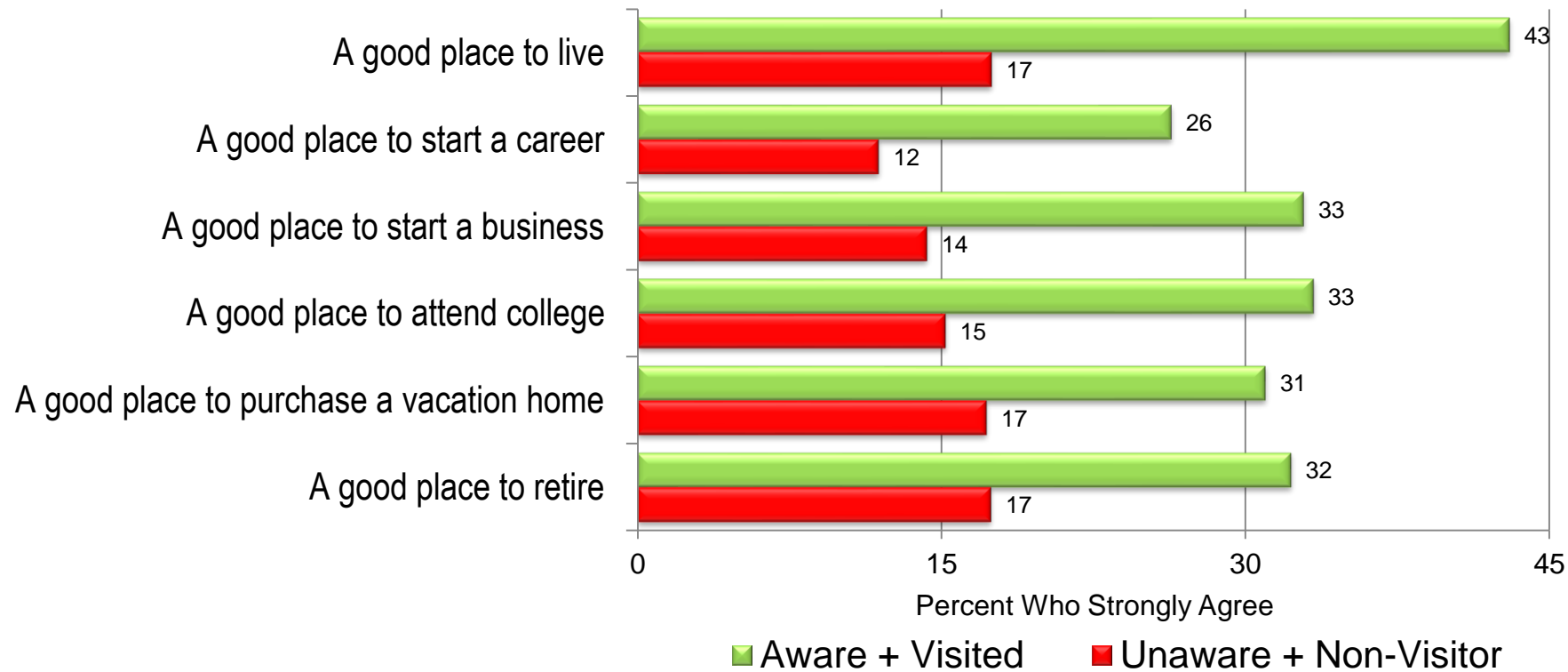
Impact of *Tourism Ad Awareness* on South Dakota's Economic Development Image



Impact of *Visitation* on South Dakota's Economic Development Image



Impact of Ad Awareness *plus* Visitation on South Dakota's Economic Development Image



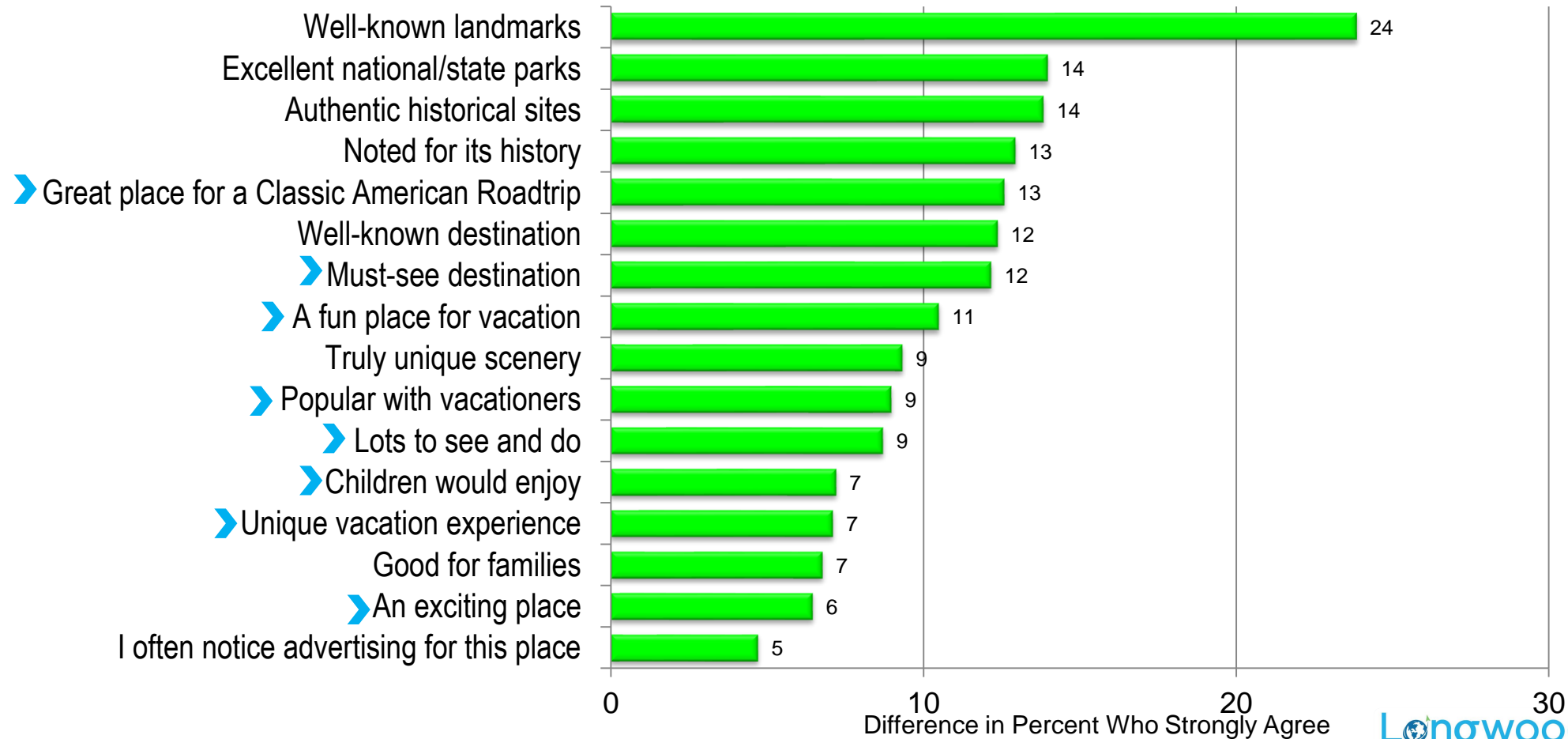


Appendix: South Dakota's Image Strengths & Weaknesses vs. Individual Competitors

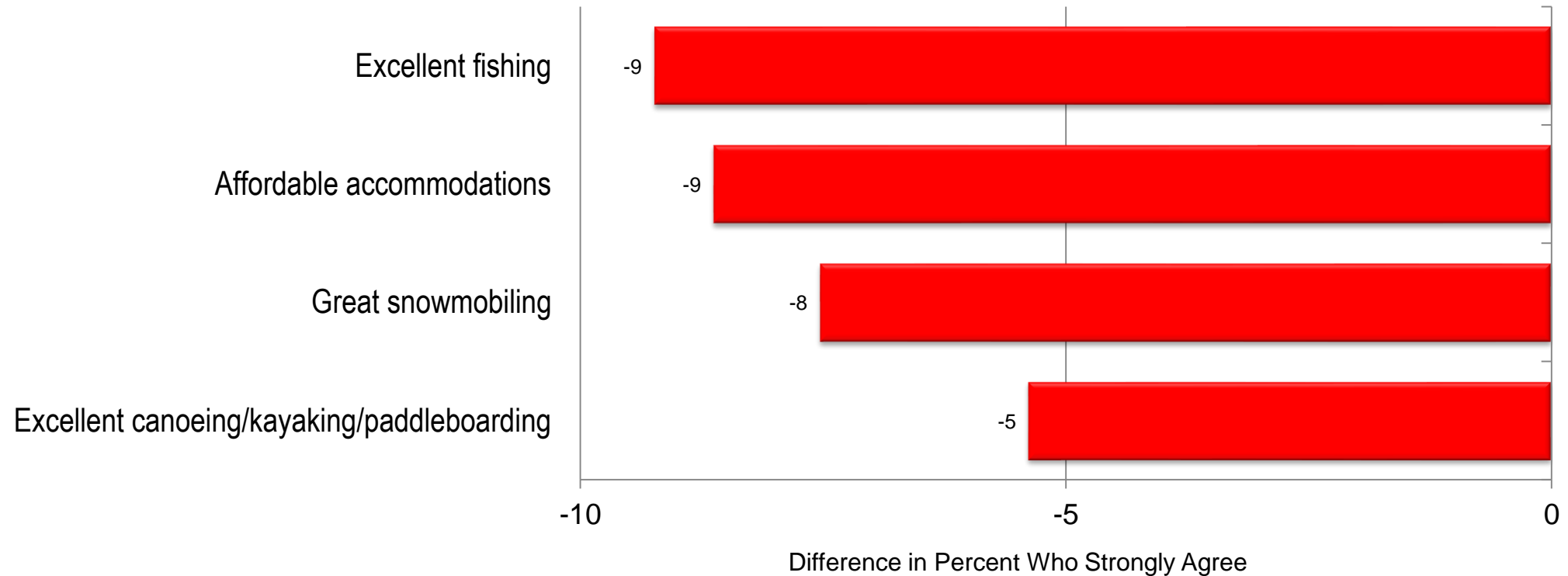
Image of the Competition

- What helps South Dakota distinguish itself from its competitors is its well-known landmarks..
 - South Dakota is also strong for its national/state parks and Native American culture.
- Among the destinations evaluated in this study, Colorado emerged as one of the image leaders, having the advantage over South Dakota and the others for great outdoor activities, beautiful and unique scenery and a destination with lots to see and do for both adult and family trips.
- North Dakota on the other hand, was at the bottom of the pack. South Dakota scored better than North Dakota on all the attributes except affordable accommodations.
- Montana and Wyoming stood out from the pack with their excellent national/state parks and wilderness areas.
- Minnesota was rated high for its fishing and hunting.

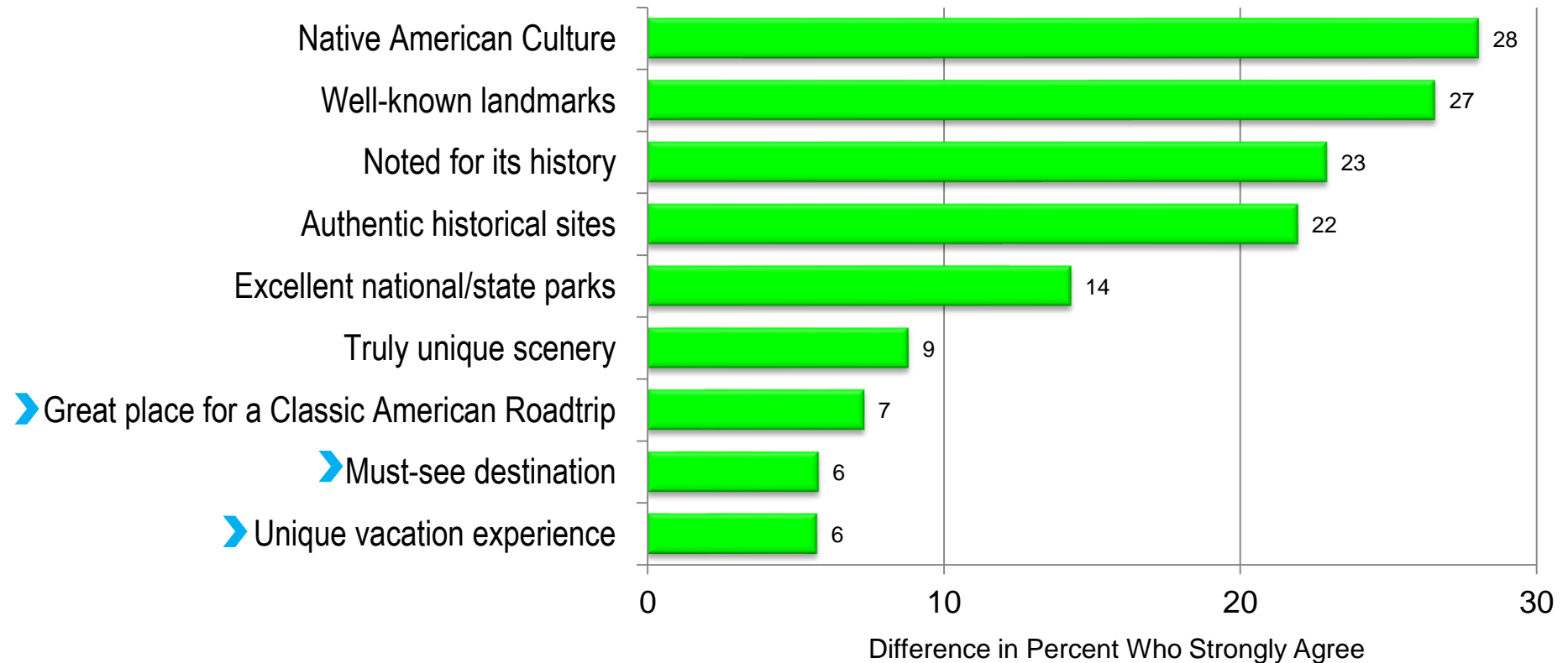
South Dakota's Image Strengths vs. North Dakota



South Dakota's Image Weaknesses vs. North Dakota

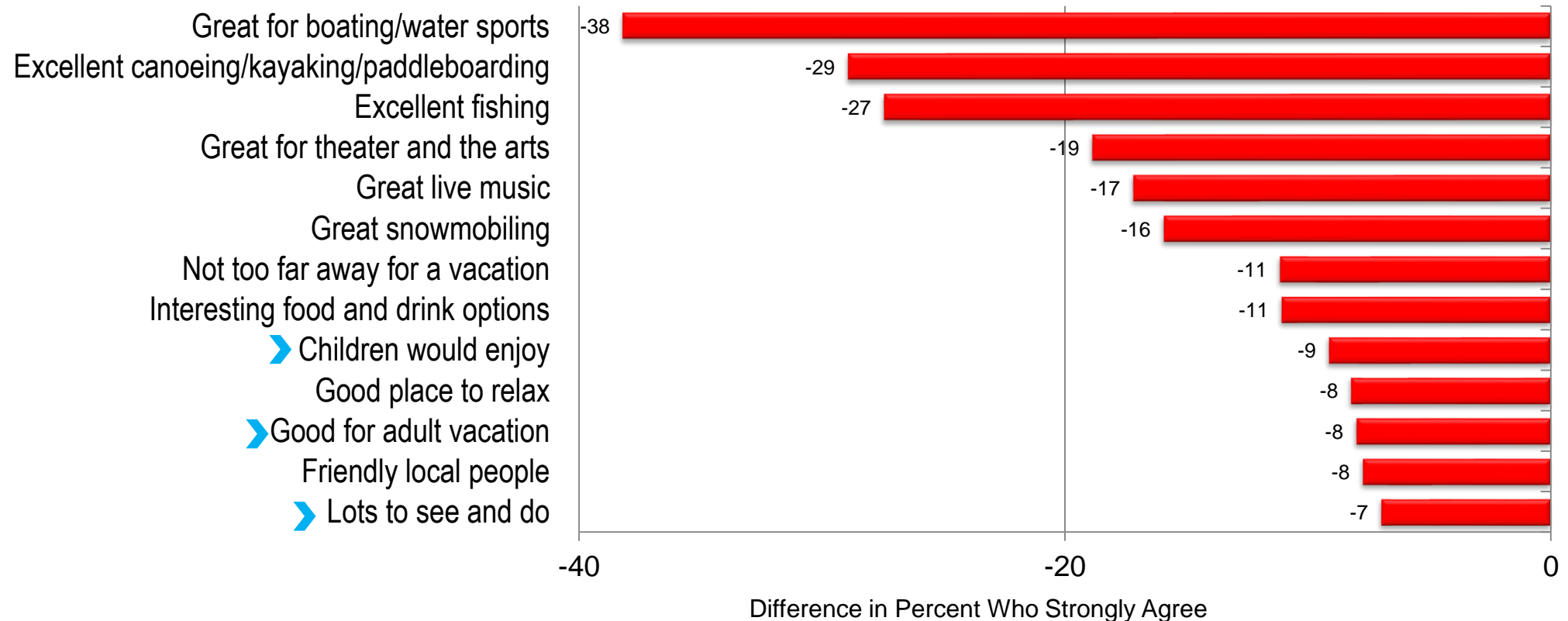


South Dakota's Image Strengths vs. Minnesota



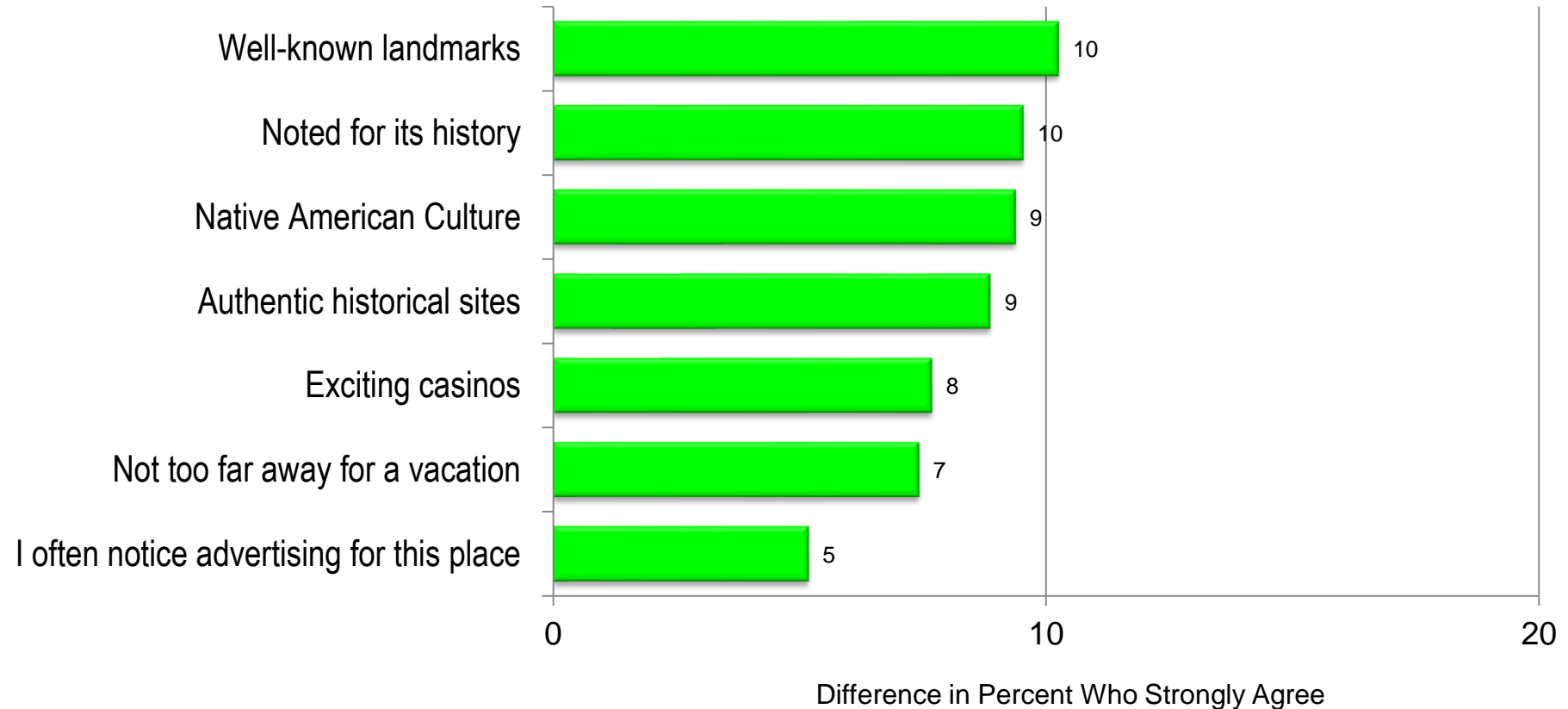
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Weaknesses vs. Minnesota

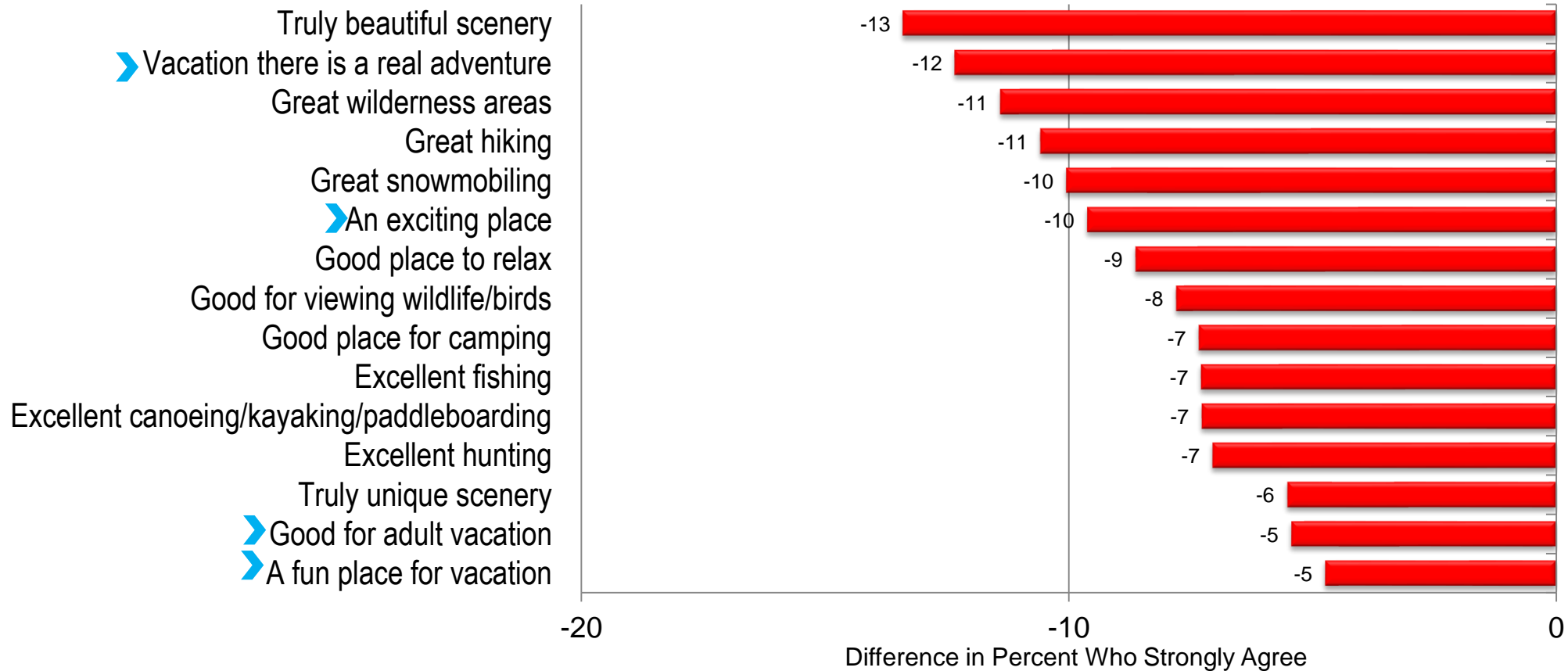


* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Strengths vs. Wyoming

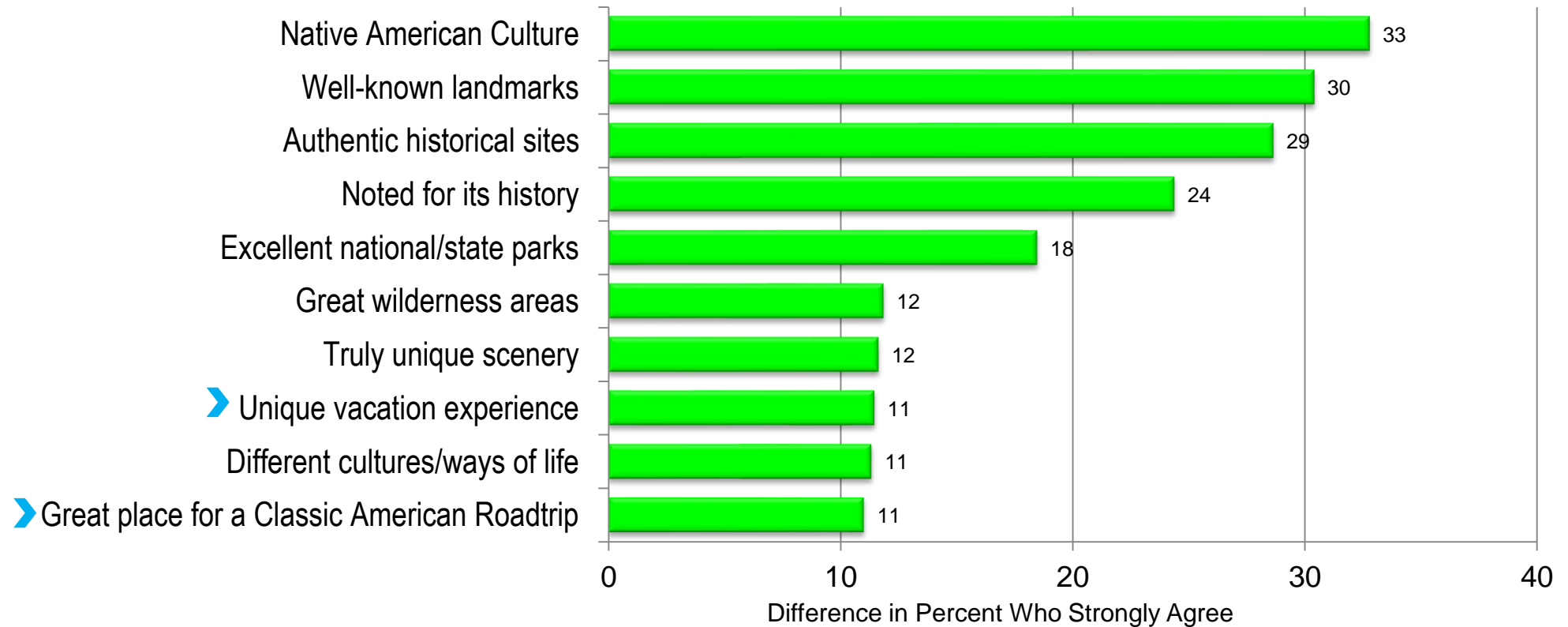


South Dakota's Image Weaknesses vs. Wyoming



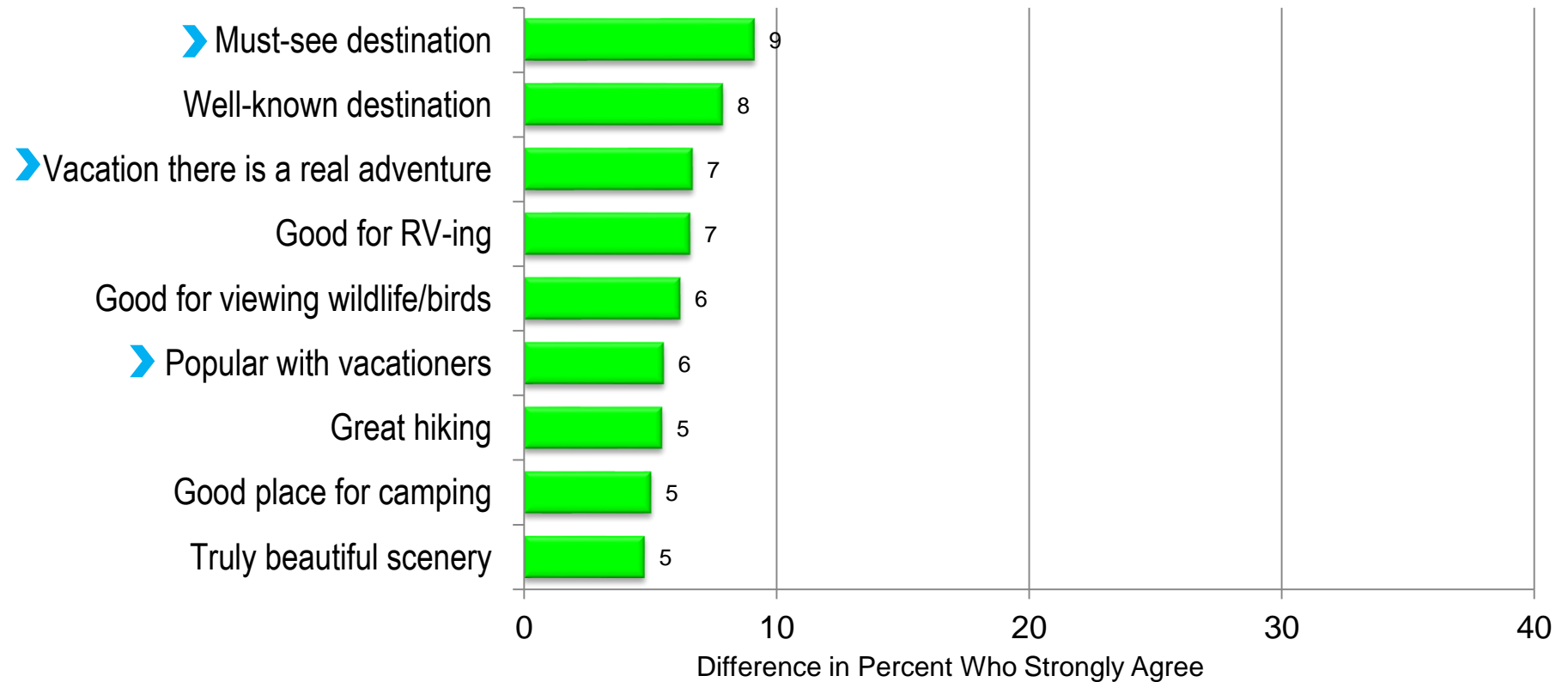
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Strengths vs. Wisconsin



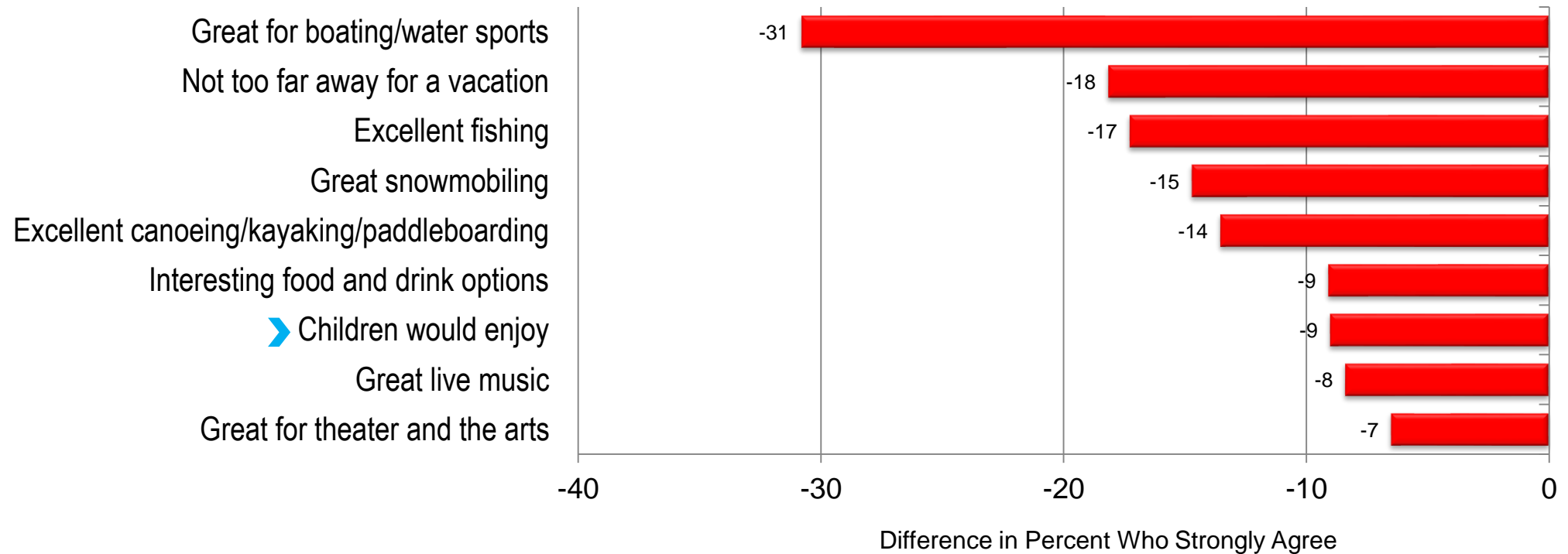
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Strengths vs. Wisconsin (Cont'd)



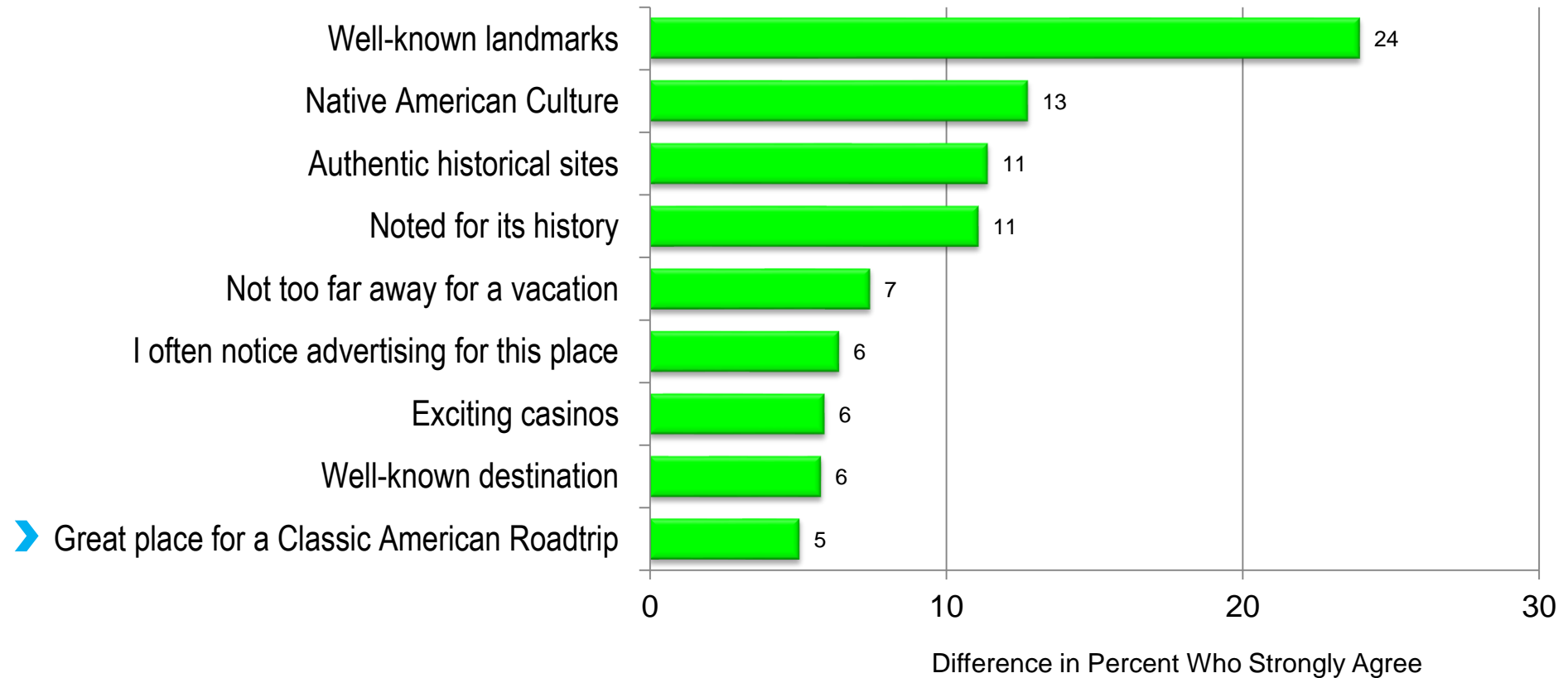
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Weaknesses vs. Wisconsin



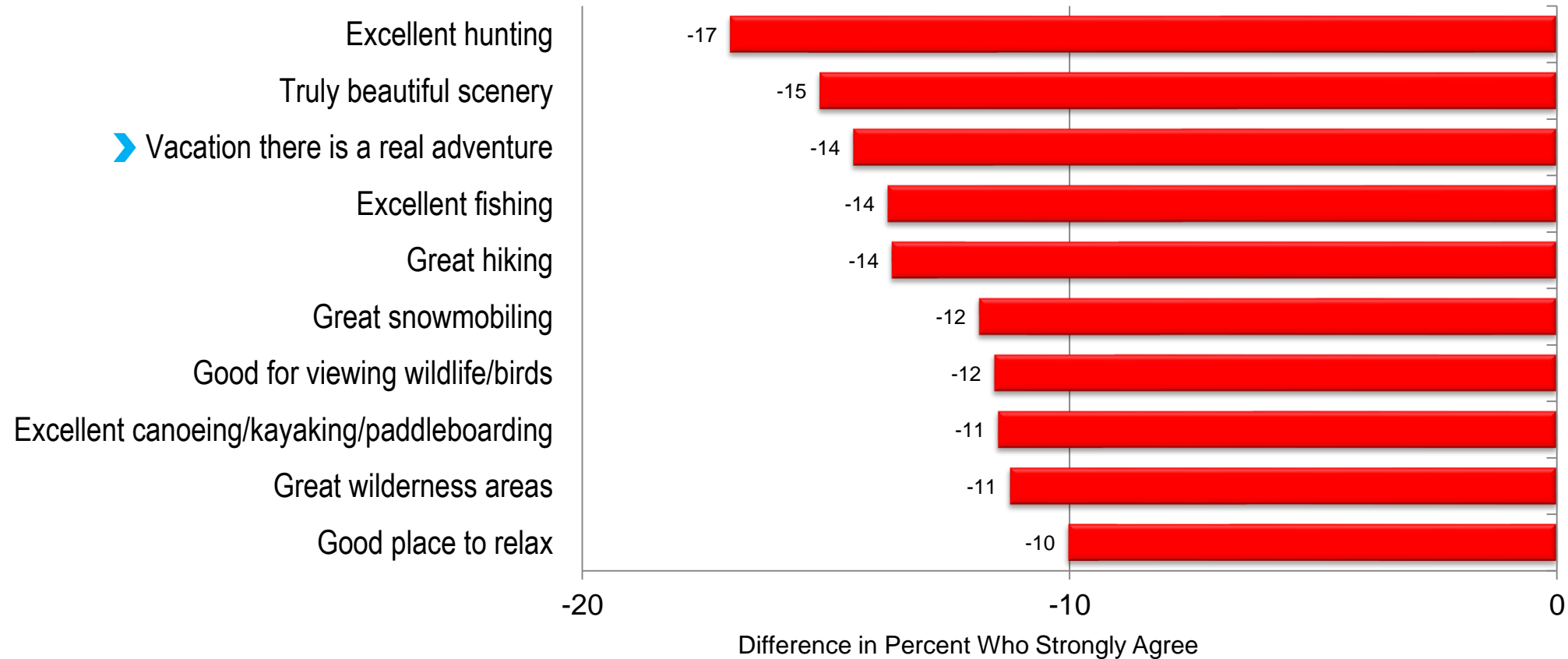
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Strengths vs. Montana



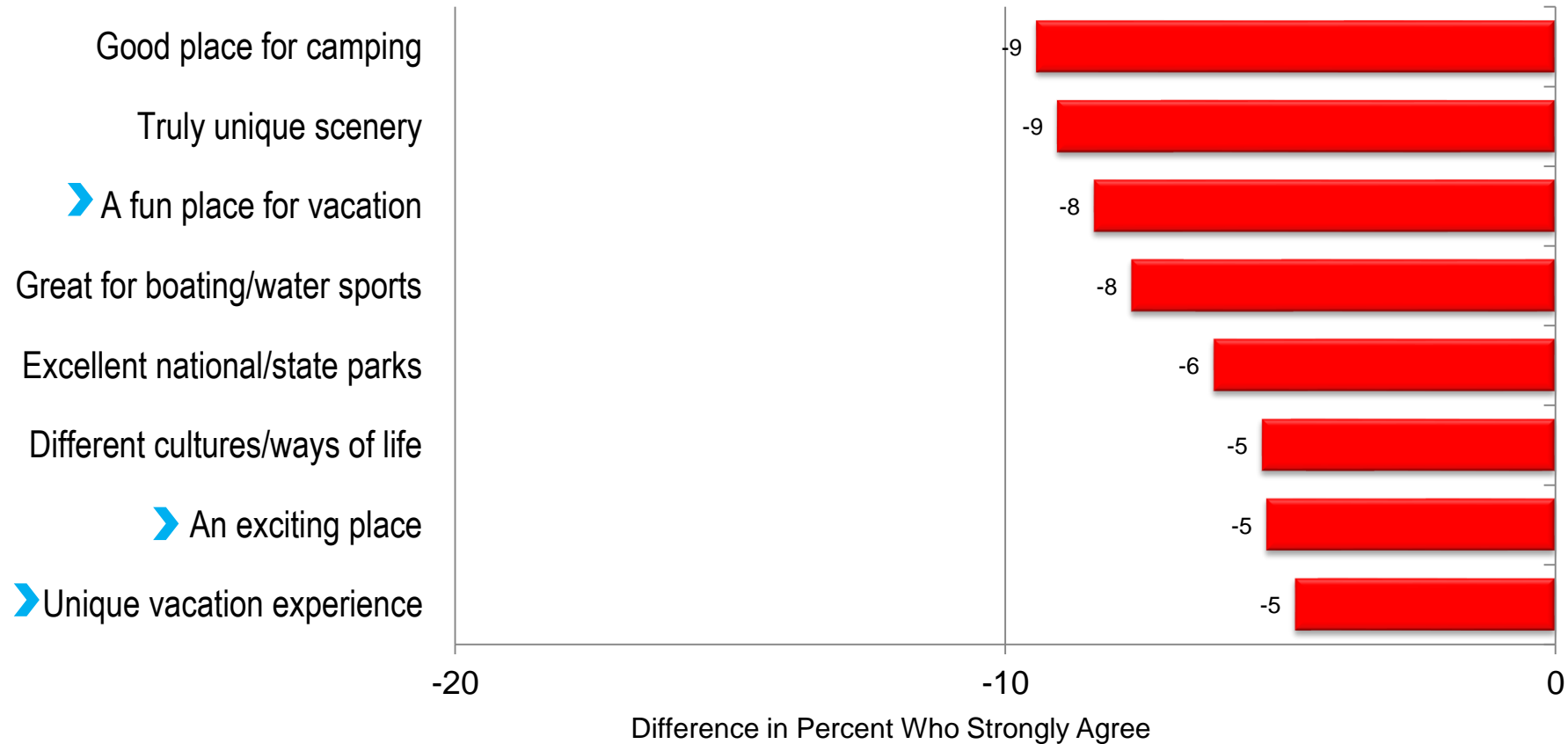
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Weaknesses vs. Montana



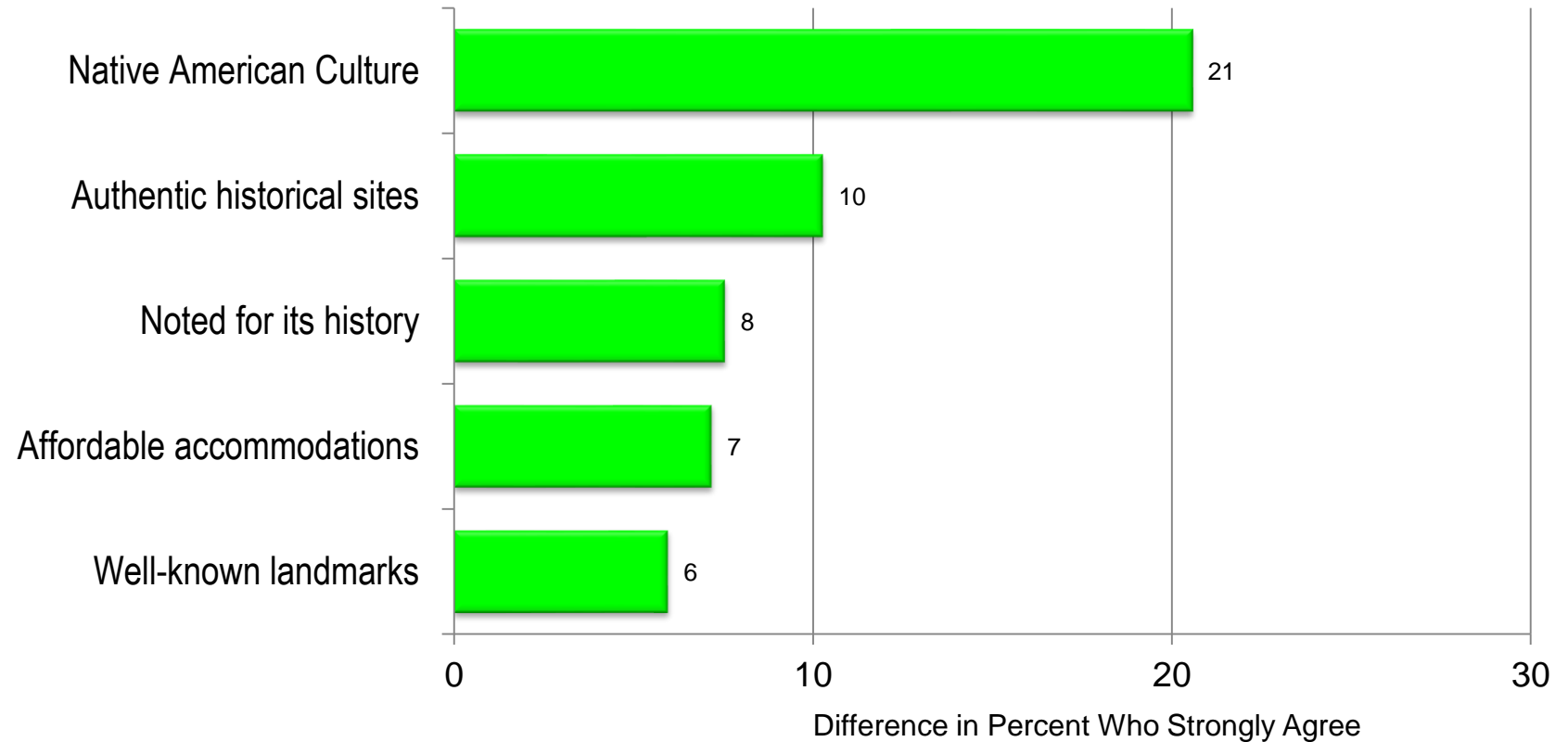
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Weaknesses vs. Montana (Cont'd)

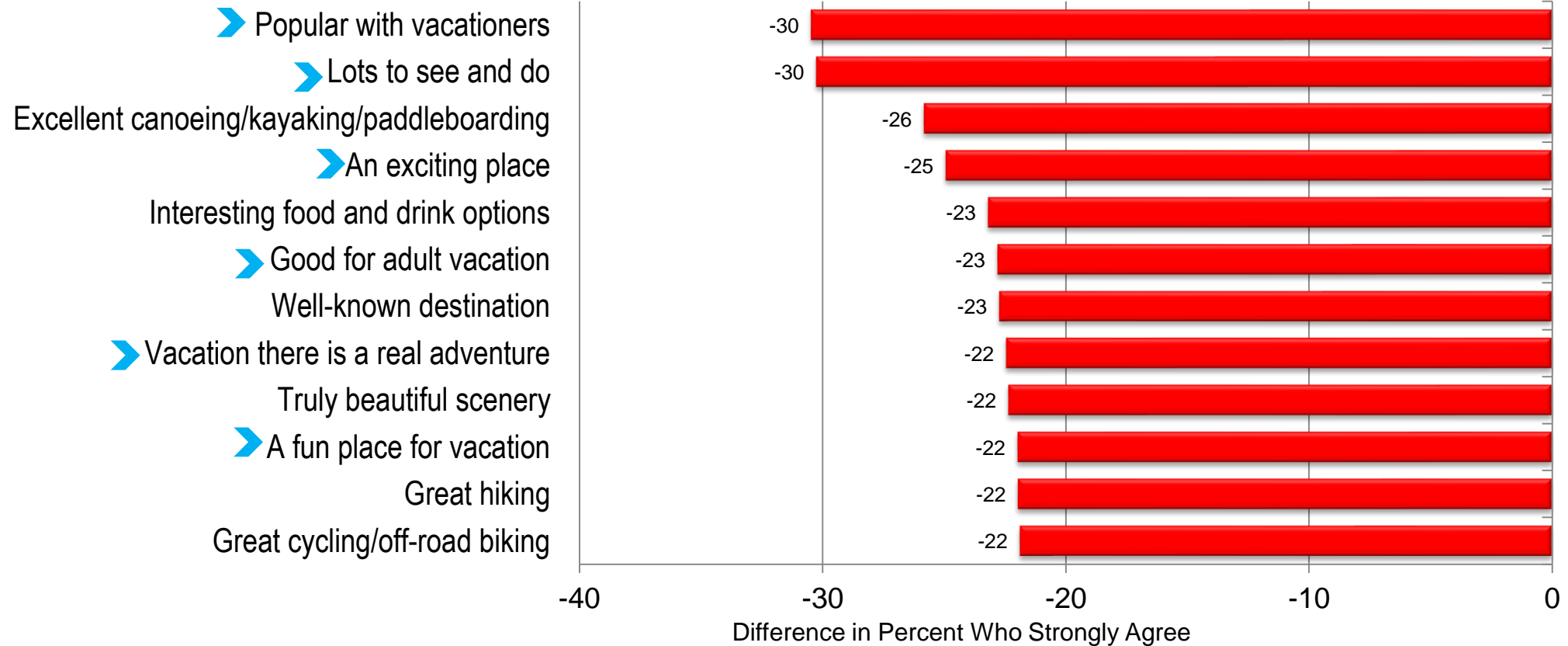


* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Strengths vs. Colorado

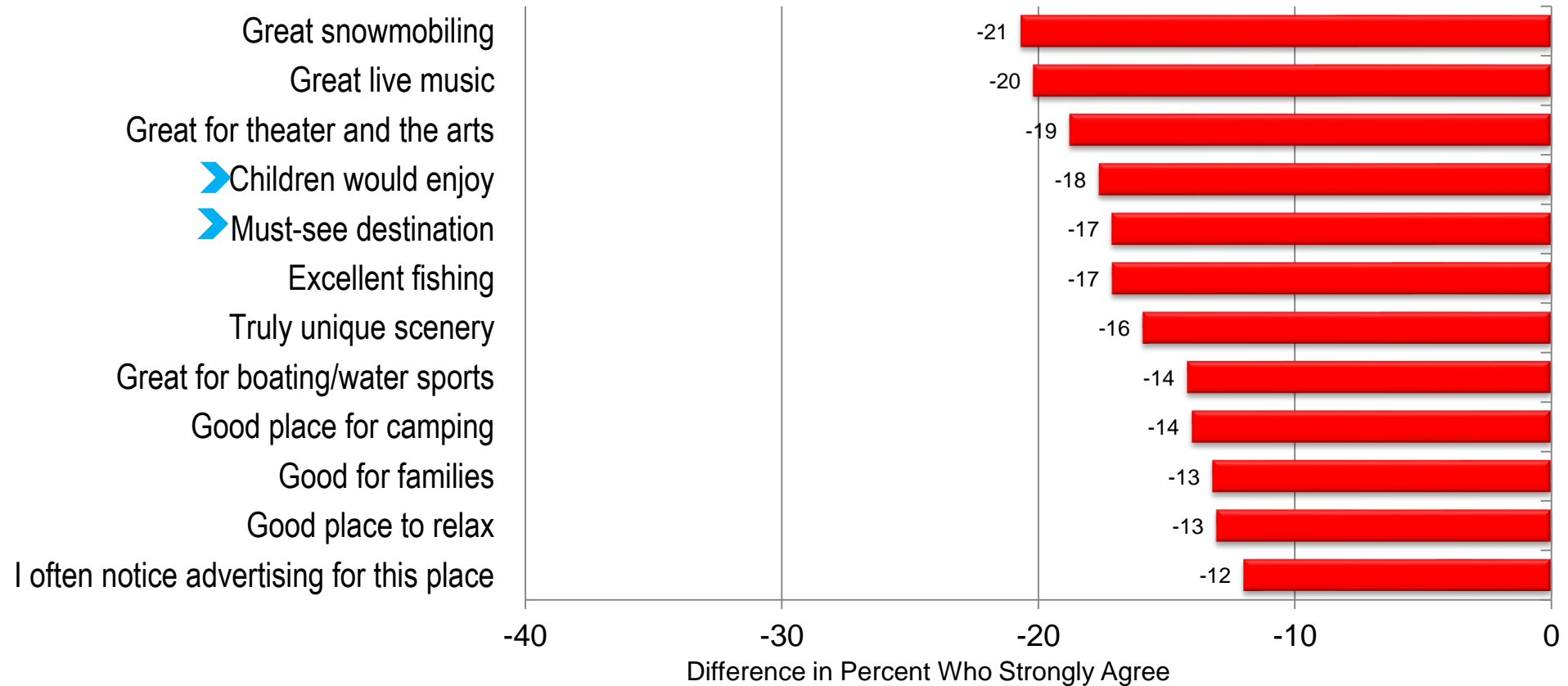


South Dakota's Image Weaknesses vs. Colorado



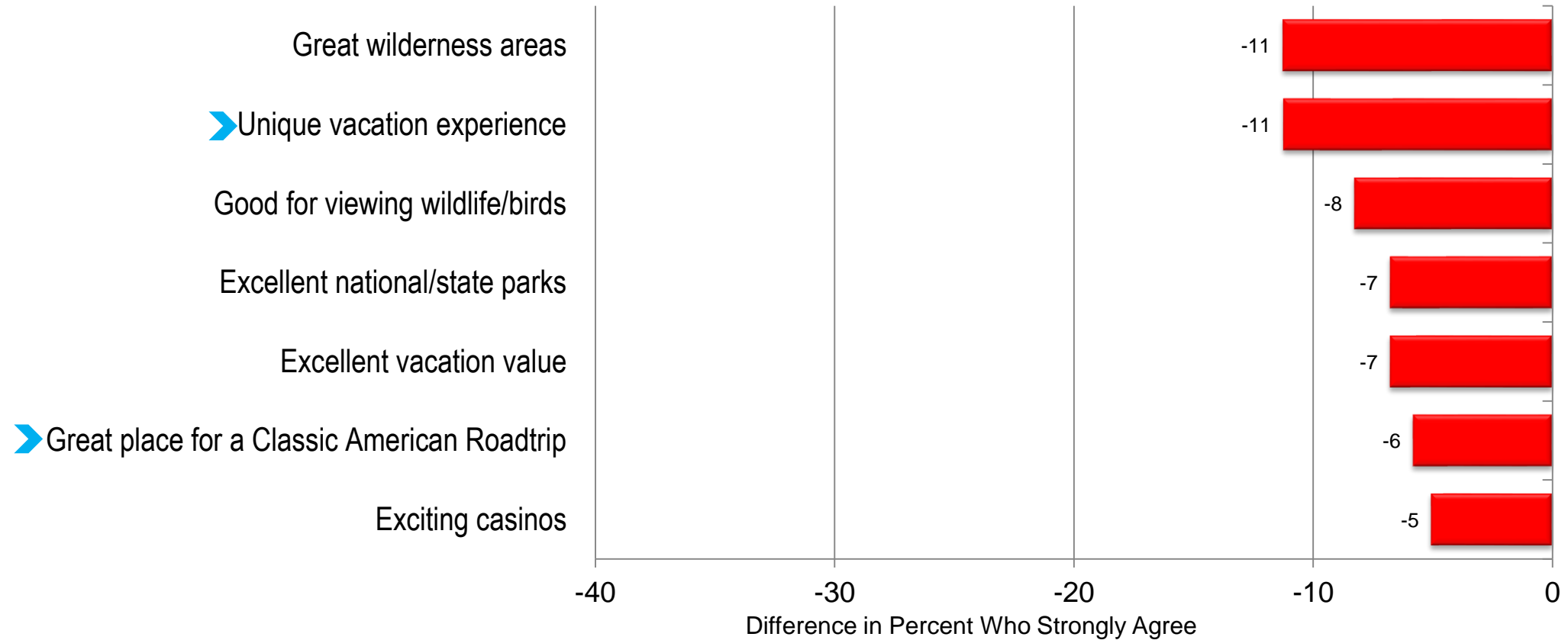
* Attributes marked with a chevron indicate some of the most important image hot buttons for travelers

South Dakota's Image Weaknesses vs. Colorado (Cont'd)



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

South Dakota's Image Weaknesses vs. Colorado (Cont'd)



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