

South Dakota

Longwoods
INTERNATIONAL

**South Dakota
2022
Advertising ROI
Research**

Background and Purpose

- South Dakota's 2022 advertising campaign was launched in key markets.
 - The campaign consisted of both traditional and digital/online media including:
 - Print
 - Radio
 - Broadcast/Cable TV
 - Digital (display, audio, videos)
 - Social media
 - Out-of-home
- Longwoods was engaged to conduct a program of research designed to:
 - Measure the ROI and advertising awareness of South Dakota's 2022 advertising campaign.
 - Through an analysis of South Dakota's image, provide input into the development of positioning and messaging for future campaigns.

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 image, and measure short-term conversion that occurred during and shortly after the campaign period.
 - A self-completion survey of 1,603 respondents in key markets, distributed as follows:
 - Minnesota 206
 - Wisconsin 215
 - Illinois 401
 - Missouri 226
 - Iowa 115
 - Colorado 210
 - Nebraska 80
 - North Dakota 50
 - Montana 50
 - Wyoming 50

Method (Cont'd)

- To qualify for the survey, respondents must have personally taken at least one day or overnight leisure trip in the past three years and intend to take at least one day or overnight leisure trip in the next two years.
- 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 states, age, and sex.
- 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 as not to bias earlier questions on attitudes towards South Dakota and other behavioral measures.
- The fieldwork was conducted in November 2022.
- Median length of survey was 22 minutes.

Method (Cont'd)

- Data were weighted on key demographic variables (geography, age, sex, household income, household size) prior to analysis to ensure that results are representative of and projectable to the traveler population in specific markets.
- The estimates of the campaign's impacts on visits 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.
- For a sample of this size, the confidence level is +/- 3%.



South Dakota

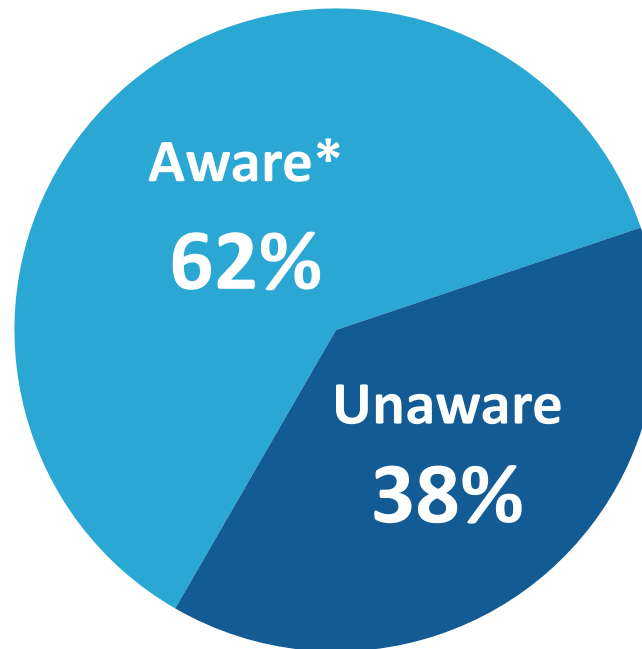
**Advertising
Awareness**

Advertising Awareness

- Almost two-thirds (62%) of travelers in South Dakota’s regional advertising markets recalled seeing at least one South Dakota Department of Tourism ad.
- The majority of travelers in each of South Dakota’s regional advertising markets were aware of this campaign. Ad awareness was highest in – Minnesota (72%), Nebraska (67%), and Wyoming (67%).
- Travelers were more likely to remember a digital ad (51%), followed by TV (40%), radio (27%), social media (23%), print (22%), and OOH (10%) ads.
- The ads with the highest level of recall were:
 - SDT Peak 2022 TV ad – 30%
 - SDT Peak Adventure TV ad – 27%
 - Adventure Video digital ad – 23%
 - Wildlife Video digital ad – 23%

Awareness of the Ad Campaign

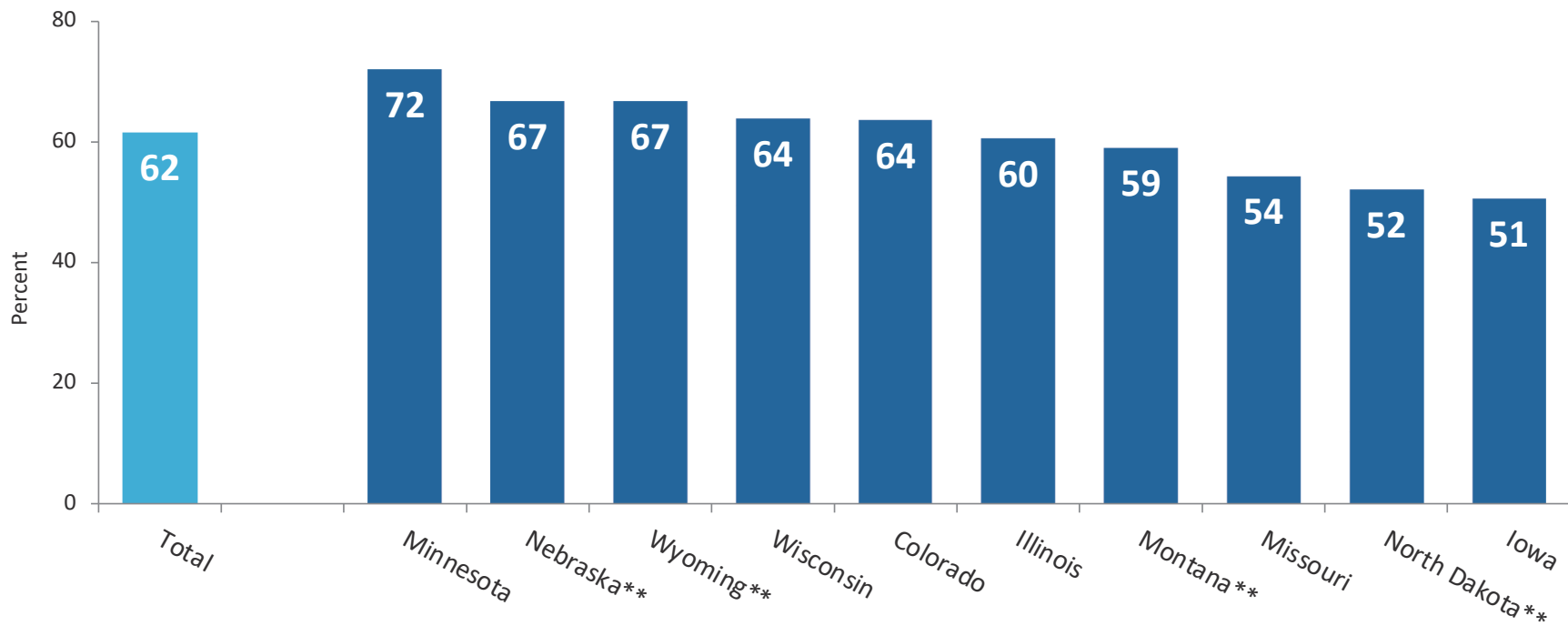
Base: Residents of South Dakota's Regional Advertising Markets



*Saw at least one ad
Overall awareness in 2018: 41%, 2016: 64%

Awareness* by Market

Base: Residents of South Dakota's Regional Advertising Markets

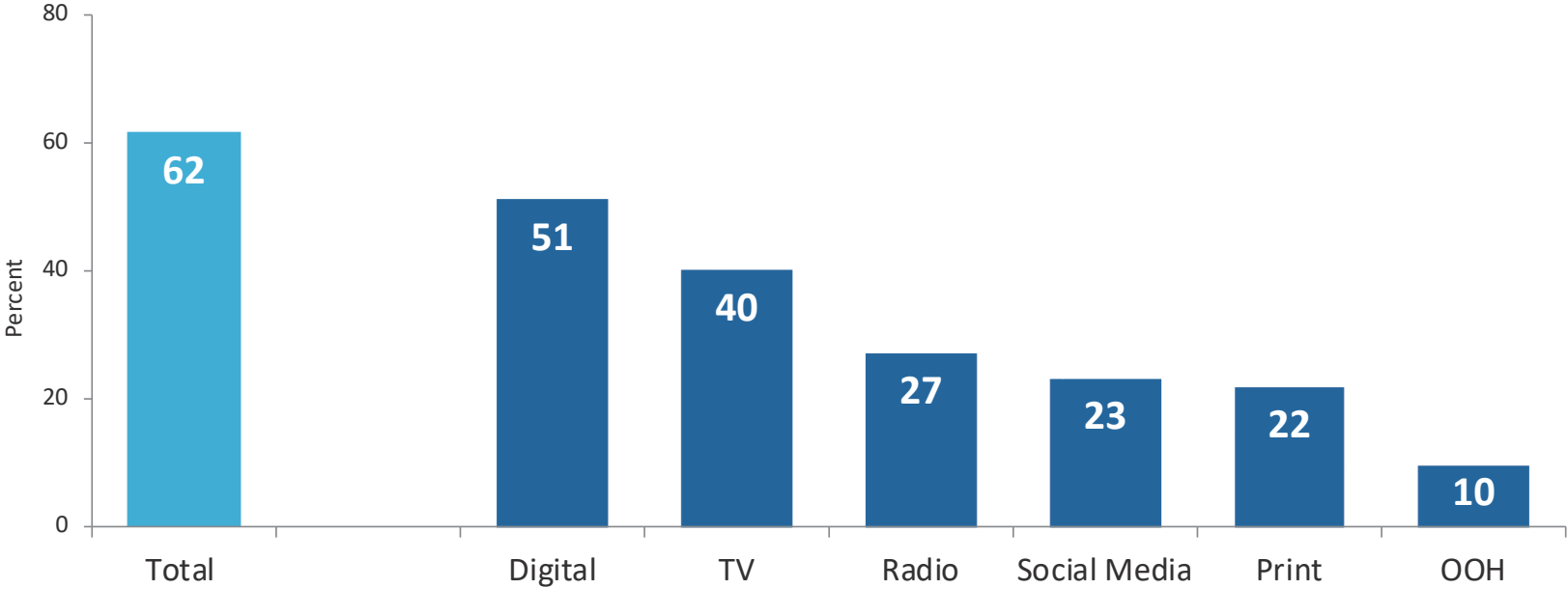


*Saw at least one ad

**Caution: low sample size

Awareness* by Medium

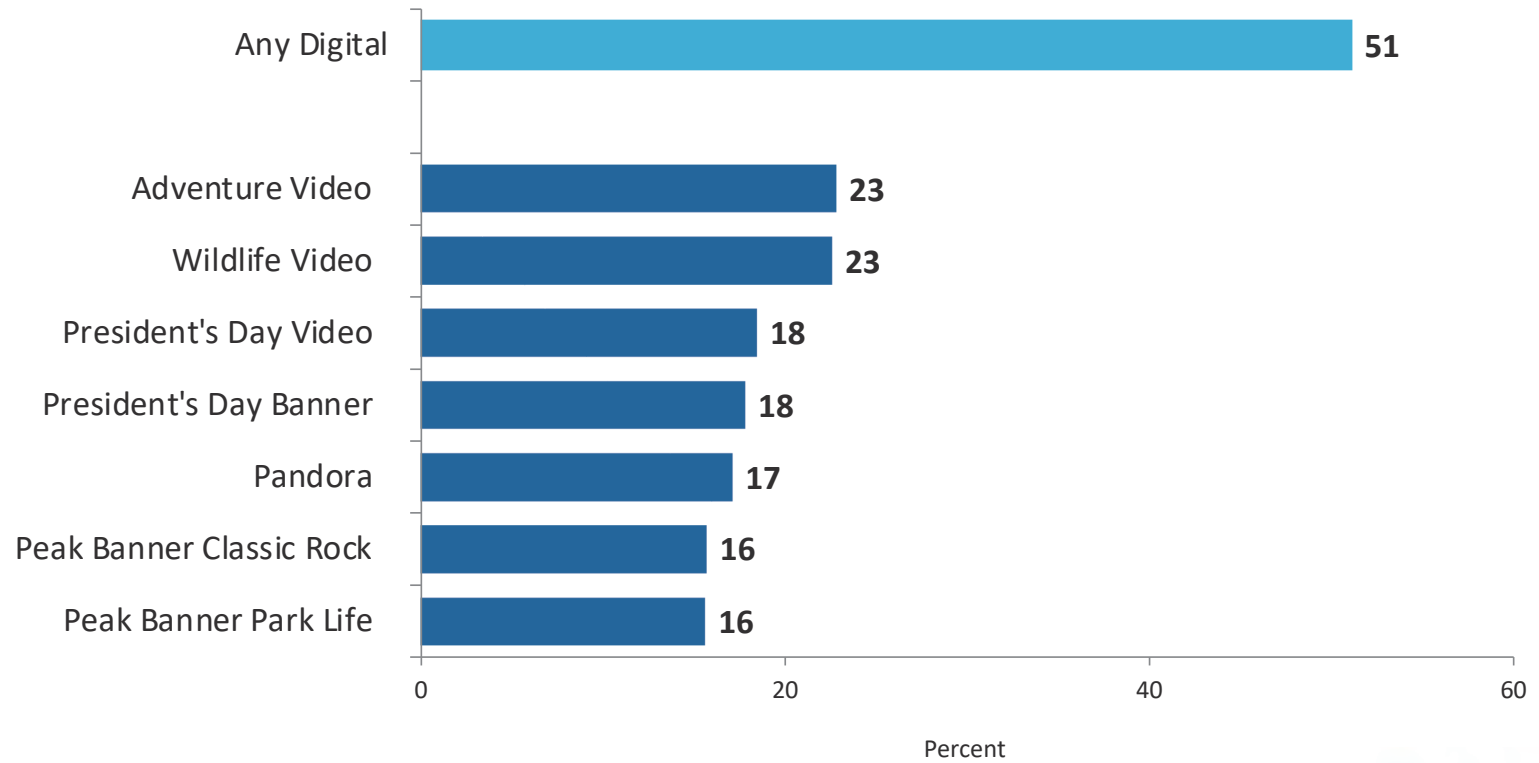
Base: Residents of South Dakota's Regional Advertising Markets



*Saw at least one ad and based on markets where shown

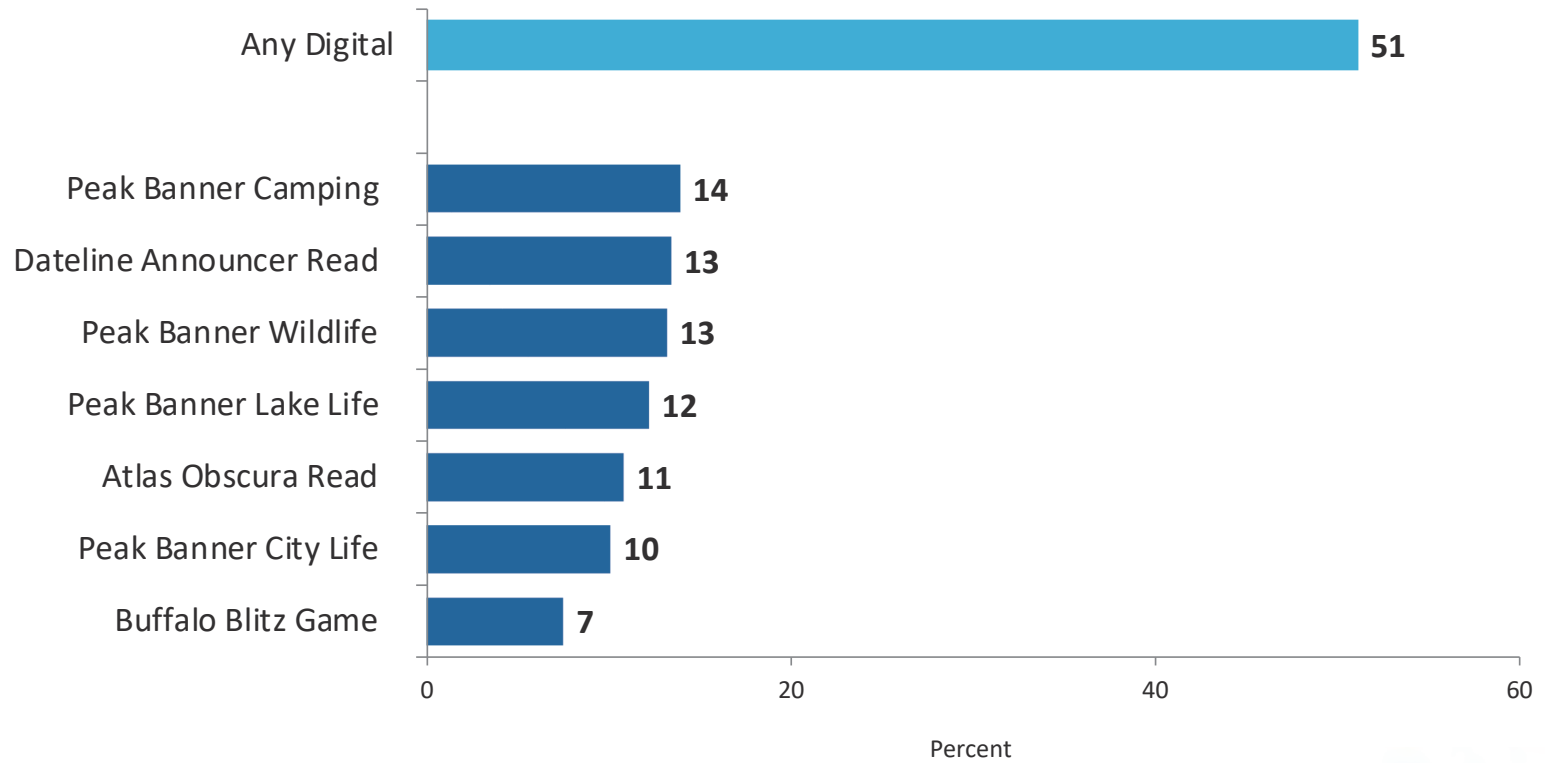
Awareness of Individual Ads* - Digital

Base: Residents of South Dakota's Regional Advertising Markets



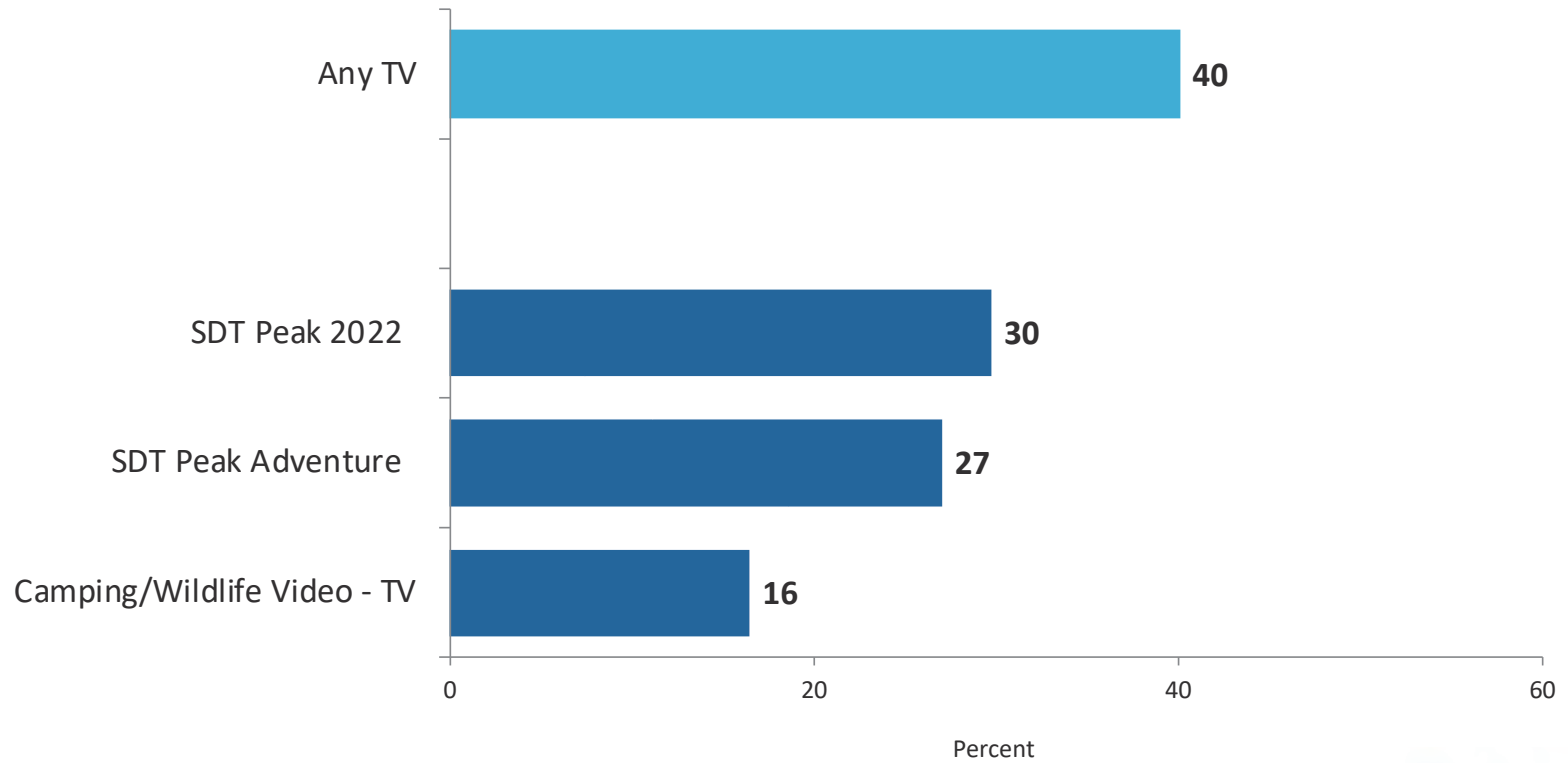
Awareness of Individual Ads* - Digital (Cont'd)

Base: Residents of South Dakota's Regional Advertising Markets



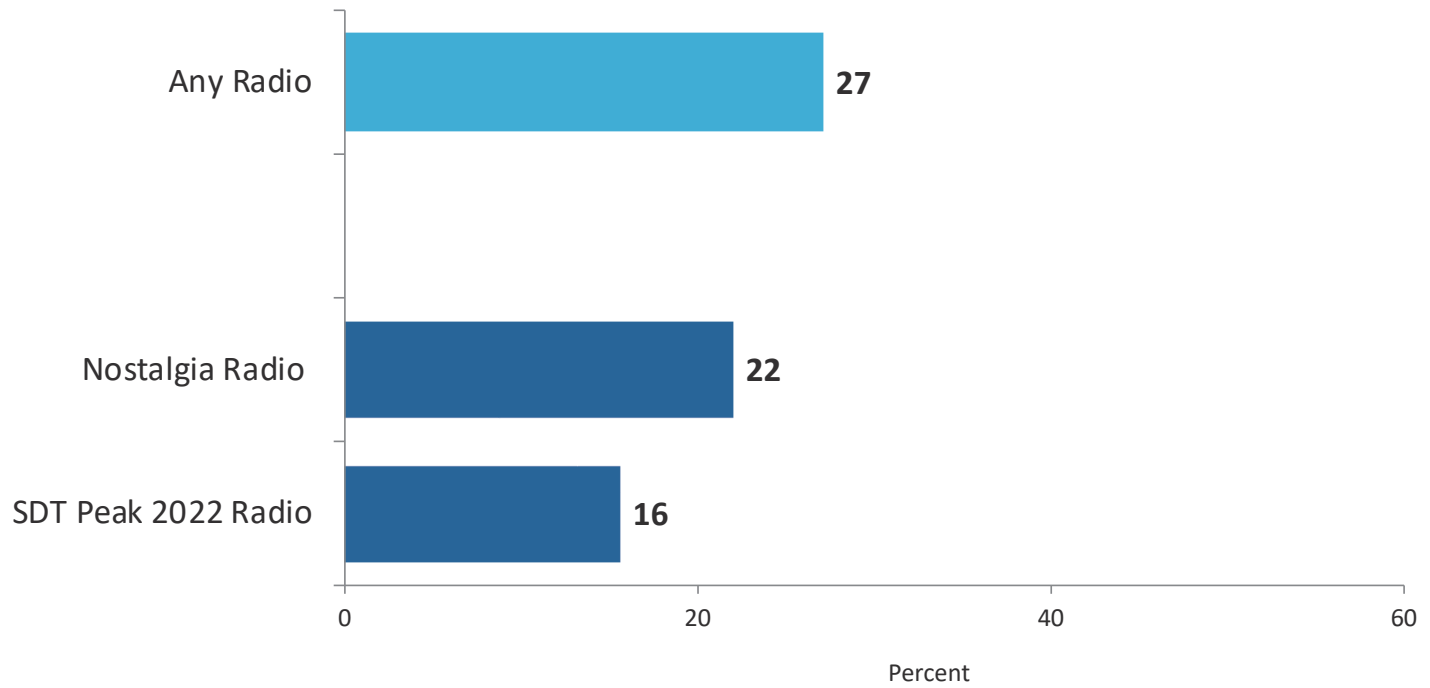
Awareness of Individual Ads* - TV

Base: Residents of South Dakota's Regional Advertising Markets



Awareness of Individual Ads* - Radio

Base: Residents of South Dakota's Regional Advertising Markets



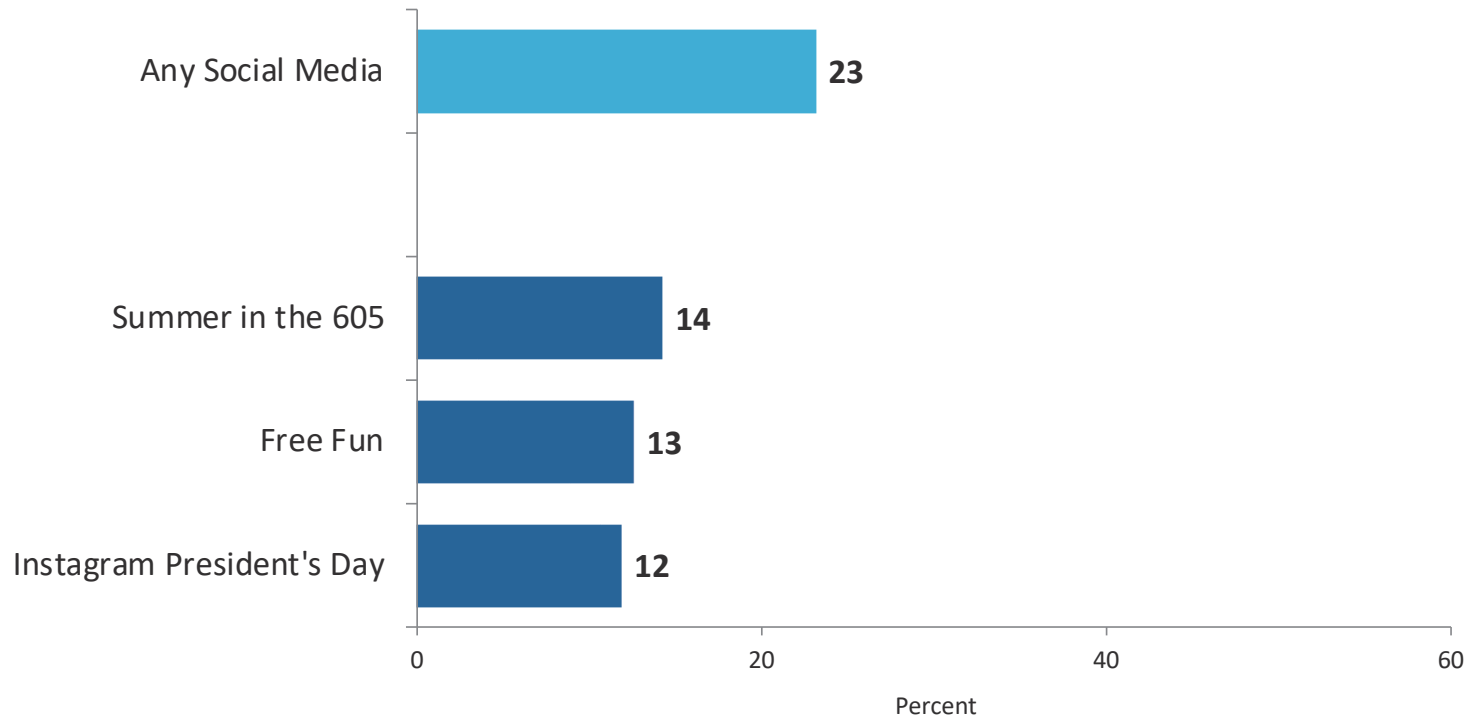
Social Media Creative



Instagram President's Day

Awareness of Individual Ads* - Social Media

Base: Residents of South Dakota's Regional Advertising Markets



Print Creative



Parents Print



Real Simple Print

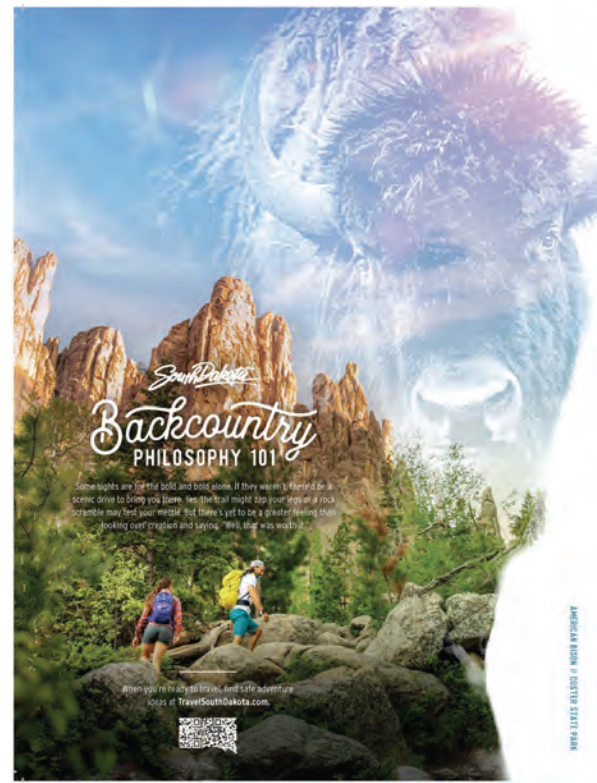


Direct Mail Compilation

Print Creative (Cont'd)



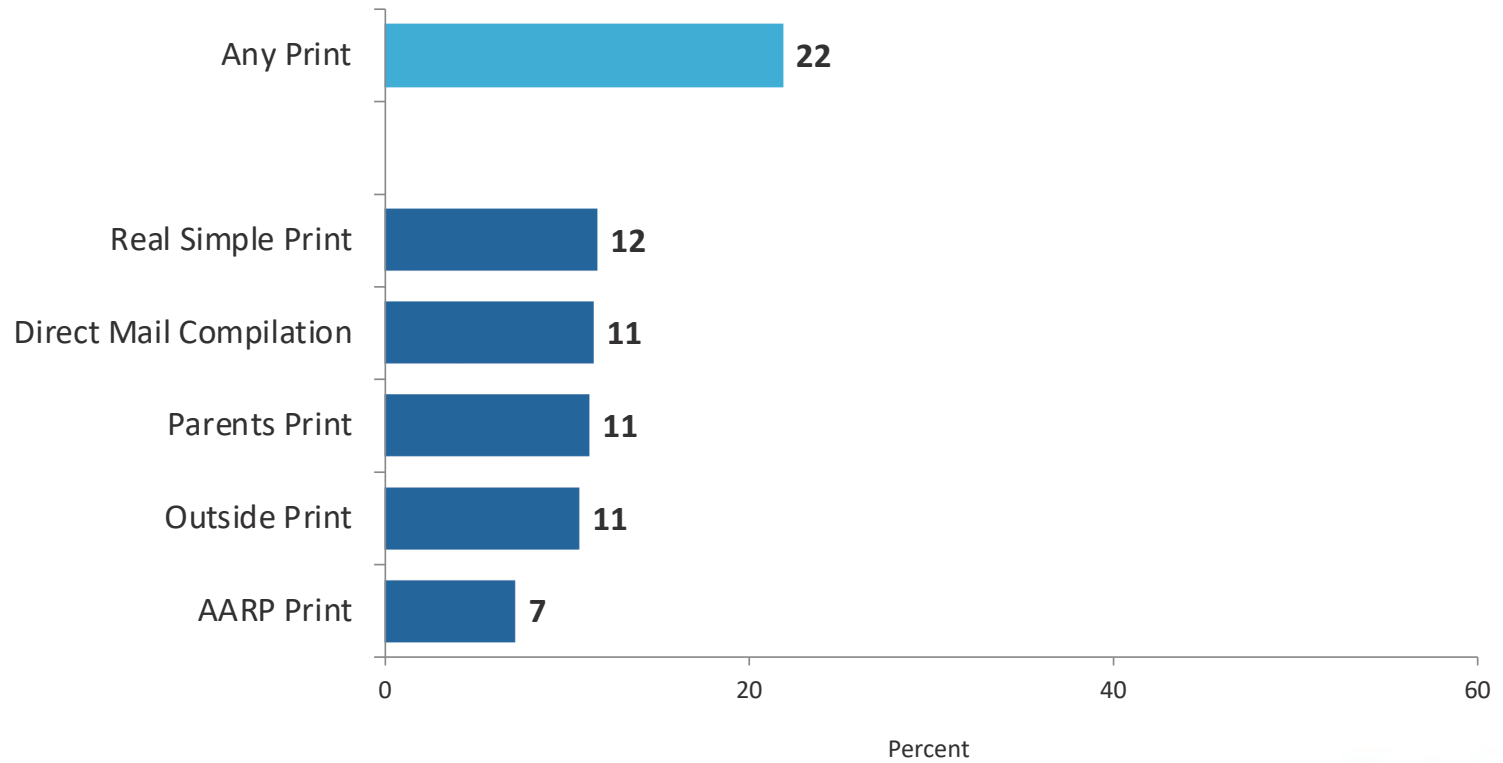
AARP Print



Outside Print

Awareness of Individual Ads* - Print

Base: Residents of South Dakota's Regional Advertising Markets



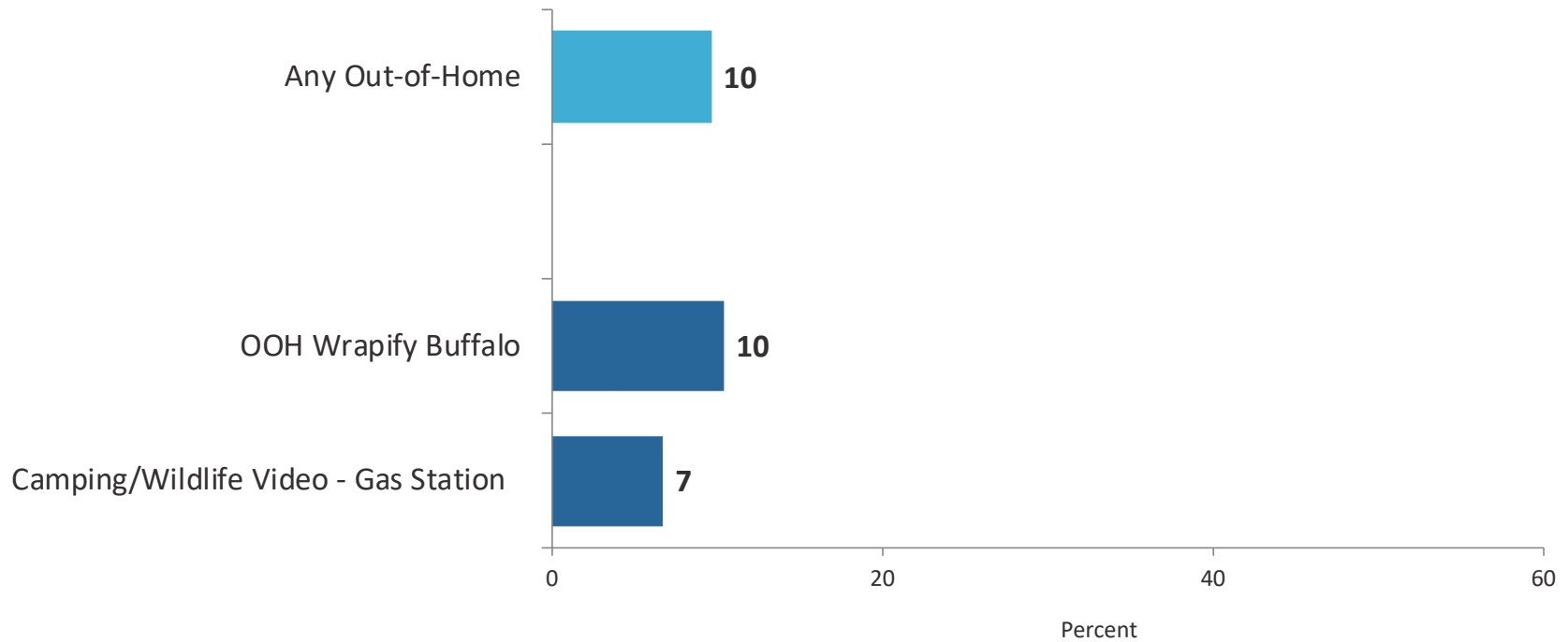
Out-of-Home Creative



OOH Wrapify Buffalo

Awareness of Individual Ads* - Out-of-Home

Base: Residents of South Dakota's Regional Advertising Markets





South Dakota

**Short-Term
Conversion**

Short-Term Conversions

- The campaign produced an additional 692 thousand trips to South Dakota, that otherwise would not have materialized in the absence of advertising.
 - There were more incremental trips earned in past years (1.3 million trips in 2016 and 2018), but the ad investment was also significantly higher for those years (2022: \$1.8 million, 2018: \$4.3 million, 2016: \$3.8 million).
- These incremental South Dakota visitors spent an estimated \$112.8 million while in South Dakota.
 - Similar to the incremental trips estimate, this is lower than previous years (2018: \$175.6 million, 2016: \$166.7 million), but, again, the ad investment was significantly lower in 2022.
- When related to advertising costs of \$1.8 million, this translates into a return on investment of \$61 in visitor spending for each ad dollar spent.
 - This is a strong showing compared to previous years (2018: \$41, 2016: \$44).
- Those incremental expenditures yielded \$8.9 million in taxes, equating to a return on investment of \$5 in taxes for each ad dollar spent.
 - In 2018 and 2016, the tax ROI was \$3.
- South Dakota spent an average of \$2.66 in advertising for every incremental trip earned from this campaign.
 - This is lower than previous years (2018: \$3.24, 2016: \$2.86), and 2022 was especially effective in this metric compared to 2018.

Short-Term Incremental Trips, Spending and Taxes Due to Advertising

Ad Investment
\$1.8M*



692K

Incremental Trips

\$112.8M

Incremental Visitor Spending

\$8.9M**

Incremental Taxes

*Ad investment includes production costs

**Effective tax rate: 7.9%

Short-Term Incremental Trips, Spending and Taxes Due to Advertising

	2016	2018	2022
Ad Investment*	\$3.8M	\$4.3M	\$1.8M
Incremental Trips	1.3M	1.3M	692K
Incremental Visitor Spending	\$166.7M	\$175.6M	\$112.8M
Incremental Taxes	\$11.9M	\$13.2M	\$8.9M**

*Ad investment includes production costs

**Effective tax rate: 7.9%

The Bottom Line

\$1
in advertising
investment



\$61 Spending ROI

\$5 Tax ROI

Every \$1 invested in the 2022 South Dakota advertising campaign generated \$61 in direct visitor spending and \$5 in taxes in the state

The Bottom Line

	2016	2018	2022
Spending ROI	\$44	\$41	\$61
Tax ROI	\$3	\$3	\$5

Campaign Efficiency

	2022
Ad \$'s per Trip	\$2.66
Trips per Ad \$	0.4

Campaign Efficiency

	2016	2018	2022
Ad \$'s per Trip	\$2.86	\$3.24	\$2.66
Trips per Ad \$	0.3	0.3	0.4