

Tourism Promotion

Mission

To promote the state's history, heritage, and culture through the development and marketing of quality travel experiences in Indiana.

Summary of Activities

The **Department of Commerce** (DOC) promotes Indiana as a travel destination to residents and out-of-state travelers and provides development programs for Indiana's tourism professionals.

The DOC marketing strategy includes multimedia advertising campaigns, the www.enjoyindiana.com web site, publication and distribution of more than 6 million travel guidebooks, inbound telemarketing and trained travel counselors, public relations activities, sales to the domestic and international trade, eight staffed Welcome Centers, and regional marketing cooperatives.

Tourism professionals benefit from the Tourism Information and Promotion Fund, the www.indianatourism.com web site, marketing cooperatives, trade research, literature distribution through the state's Welcome Centers, tourism development programs, attraction signage support, technical assistance, and educational workshops.

External Factors

Research shows that Indiana is not perceived as a destination state – an image challenge that will require a concerted effort to overcome.

Consumer needs and expectations are changing rapidly with demographic shifts in the population and technological innovation. People are taking more frequent, shorter trips, and are looking for travel experiences that offer collective activities and family togetherness. The accessibility and affordability of long-haul travel means that destinations that could once rely on proven geographic markets for business must now compete with destinations half a world away. Indiana is no longer competing with only Ohio, Michigan, Kentucky and Illinois, it is competing with Florida, Australia and France.

Evaluation and Accomplishments

The DOC employs independent research studies to measure the economic impact of visitor spending, travel volume and market share. It also tracks numbers of consumer inquiries and the percentage of advertising respondents who convert into actual travelers. The DOC has determined that Indiana's 53 million visitors spend \$5.9 billion in Indiana every year, and the travel and tourism industry provides 120,000 FTE (Full Time Equivalent) jobs for Hoosiers.

According to the 1998 D.K. Shifflet Domestic Travel Report, Indiana's share of all U.S. travel is 1.8 percent, and ranks 22nd among all states. When compared to our competitive set of six states (Michigan, Ohio, Wisconsin, Illinois, Indiana and Kentucky), Indiana ranks fifth in market share, with Kentucky ranking last. Looking at specific trip types among the same competitive set, Indiana enjoys an above-average share of travel for special and sporting events, gaming, and festivals. Our opportunities for growth are the outdoor recreational visitor, cultural visitor and getaway weekend visitor.



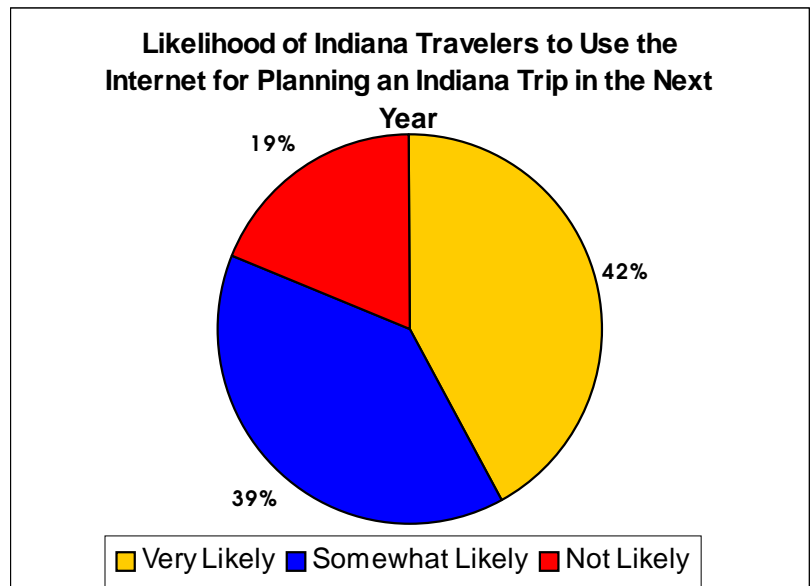
The first State Capitol, in Corydon, Indiana

The percentage of advertising respondents who become travelers to Indiana has increased from 31.5 percent with a net economic impact of \$36.5 million in 1994 to 55 percent with an economic impact of \$112 million in 1999.

Local and private-sector investment in Indiana's tourism programs is crucial for success. In the past five years, the DOC has seen private-sector investment in its programs grow from approximately \$500,000 to nearly \$3 million in calendar year 2000.

The DOC has created several model public/private marketing partnerships over the past few years. The state covers 20 percent of the overall marketing program expense, while local and private organizations invest 80 percent.

For example, the current magazine advertising cooperative, a \$750,000 program, reaches more than 30 million households annually. This produces tens of thousands of sales leads for local tourism organizations and results in a 41 percent overnight conversion rate and a \$23-to-\$1 return on investment.



Plans for the Biennium

The future of tourism marketing lies in information marketing and management. The goal of the DOC for the coming biennium is to become the most sophisticated and complete source of information for traveling consumers and tourism industry professionals. The DOC has worked to create a single-source product database that is the basis for all marketing communications. The goal is to increase the number of industry participants by 50 percent, creating a more comprehensive set of information for consumers. In addition, the plan calls for integrating this system beyond the current web site into call-center, customer relations management and wireless communications applications.

<u>Program: 0215</u>	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Appropriation (All Funds)	\$6,302,635	\$5,883,160	\$5,883,160	\$6,018,396	\$6,018,396
Expenditures	\$6,123,972	\$5,809,979	\$6,149,784		

<p>Sources of Funds FY 2001 (Approp)</p> <p> <input type="checkbox"/> General <input type="checkbox"/> Dedicated <input type="checkbox"/> Federal <input type="checkbox"/> Other </p> <p style="text-align: center;">100%</p>	<p>Uses of Funds FY 2001 (Approp)</p> <p> <input type="checkbox"/> Personal Services <input type="checkbox"/> Distributions <input type="checkbox"/> Capital <input type="checkbox"/> Other </p> <p style="text-align: center;">76%</p>
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