



Biennial Report of the Wisconsin Department of Tourism

2009-2011

Prepared: November, 2011

Governor Scott Walker
Secretary Stephanie Klett

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Introduction

Tourism is vital to the economic health of Wisconsin as an industry that provides an economic impact and jobs to the state's economy. The Wisconsin tourism industry substantiates its value not only by contributing to the economy and jobs, but to the overall quality of life. Therefore, the Wisconsin Department of Tourism aggressively promotes Wisconsin as a premier year-round travel and tourism destination.

Armed with the expert advice of the industry, through the Governor's Council on Tourism and its various sub-committees, the Department is poised to continue to make Tourism a successful economic driver.

The Wisconsin visitor economy rebounded in 2010 after suffering from the recession ramifications of the past three years. During the worst of the recession, visitor expenditures fell nearly 8%. While this recovery began slowly and didn't really begin to take hold until spring of 2010, from there, every season showed increases. This trend will likely continue throughout 2012.¹ Visitor volume rose across all segments and the overnight visitor market surged, increasing 6.4%. Per trip spending rose slightly in concert with the relative strength of overnight visits, while price increases were modest as tourism service providers exerted limited pricing power.² Leisure travelers spent \$8.738 billion in Wisconsin, 71 percent of all expenditures. Those visiting for meetings and conventions spent \$ 1.299 billion and those traveling for individual business purposes spent \$ 2.266 billion.

Summer continues to be Wisconsin's top tourism season with travelers spending \$4.801 billion between May and August. Travelers spent \$2.076 billion in the winter and 2.530 spring seasons (December-April), and \$2.896 billion in fall (September-November).³

Many factors impact the strength and viability of tourism – economic health, changing populations, new and updated facilities/attractions/experiences, perceived value of the Wisconsin tourism experience, weather, and the collective budgets of state, Destination Marketing Organizations (DMO) and individual businesses.

Efficiently targeting our most profitable markets is critical to ensure continued success in this economic environment. Branding Wisconsin as a fun destination with a wealth of seasonal activities and excellent customer service has been, and will continue to be, the motive behind our communications.

¹ Wisconsin Department of Tourism National Tourism Week Key Messages, 2011

² Tourism Economics, An Oxford Economics Company 2011

³ Davidson-Peterson, 2010 Impact of Visitor Spending on Wisconsin's Economy

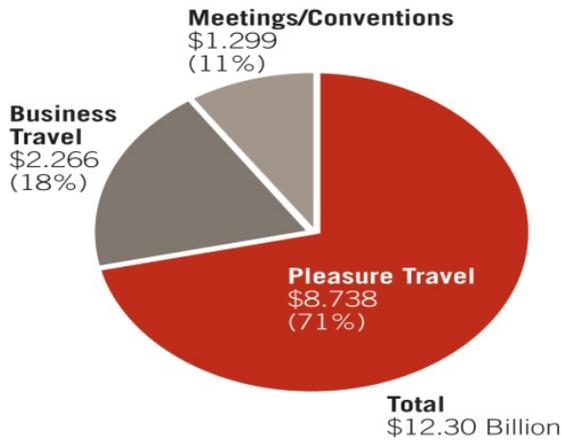
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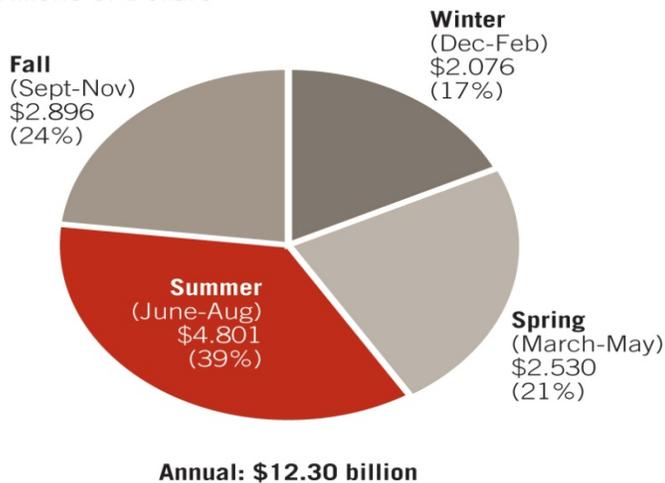
Travel Purpose

In Billions of Dollars



2010 Seasonal Traveler Expenditures

In Billions of Dollars



Department of Tourism Budget

In one of the most challenging fiscal times in history, Governor Scott Walker recommended, and the state legislature approved, a stepped-up tourism marketing appropriation for the next two fiscal years with a \$1.191 million increase in FY '12 and an additional \$2.344 million increase in FY '13. These numbers are in addition to the appropriation of \$9.9 million already in place.

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Strategic Mission

The Wisconsin Department of Tourism's mission is to market the state as the Midwest's premier travel destination. By executing industry-leading marketing programs, providing reliable travel information and establishing strategic partnerships, we will play a significant role in delivering exceptional customer service and generating greater economic impact and jobs for Wisconsin.

Strategic Objectives and Benchmarks

Strategy: Increase agency funding for innovative marketing efforts

Success Benchmarks:

- Annual appropriation increased by \$2.5 million per year over the 2012-13 biennium – a more than 20% increase
- Launched new marketing platform around the number one motivator for travel – FUN. The strategy is supported by extensive research.
- Created a new grant program, Meetings Mean Business, to assist destinations “win” meetings and convention business
- Effectively deploy traditional and new media (social media) to support, grow and better brand Wisconsin's tourism sector. Through September 2011, there were nearly 2 million visitors to the state's website travelwisconsin.com

Strategy: Leverage marketing dollars with earned (PR) media opportunities

Success Benchmarks:

- Achieved \$30 million in earned media in fiscal 2011
- Began a successful series of editorial board meetings throughout Wisconsin, including Milwaukee, Madison, Green Bay, La Crosse and Oshkosh generating extensive media coverage
- Hosted over 100 travel writers

Strategy: Develop an improved business model for Wisconsin Welcome Centers

Success Benchmarks:

- Reopened the state's busiest Welcome Center in Beloit with a public-private branding partnership
- Welcomed 111,058 visitors since July 1, 2011 at Travel Wisconsin branded Welcome Centers in Kenosha, Beloit and La Crosse.
- The Travel Wisconsin branded partnership also includes these state highway locations :

Marinette Travel Wisconsin Welcome Center, Platteville Area Chamber of Commerce & Travel Wisconsin Welcome Center, Prairie du Chien Regional Tourism Center, and Superior – Douglas County Welcome Center.

- Model allows industry partners to distribute their marketing materials at no cost
- Working collaboratively with Department Of Transportation and community leaders on options for the Hudson gateway

Strategy: Develop stronger partnerships and collaborations with state agencies and tourism industry

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Success Benchmarks:

- Successfully integrated the Wisconsin Arts Board into Department of Tourism
- Developing new marketing partnerships with all 11 Native American sovereign nations
- Further enhance strong relationships with other state agencies to communicate the attributes of Wisconsin as a place to live, work, visit and recreate
- Assumed film tax credit program, including a legislative change to lower the application fee
- Communicate the “Power of Tourism” as a plausible means to grow Wisconsin’s economy and jobs with appearances by the Secretary, Deputy and other staff in nearly all 72 counties. Provide industry with numerous tools and research
- Partnered with Governor’s office and VISIT Milwaukee to win 2013 National Governor’s Conference

Strategy: Reinforce Wisconsin’s position as a leader in sustainable travel practices

Success Benchmarks:

- 282 tourism business currently Travel Green Certified, up from 234 in December 2010

Core Geographic Target Markets

In 2010, approximately 84.5 million leisure person trips were taken to Wisconsin.⁴ This number is up from 77.6 million leisure trips in 2009 (an increase of 8.2%). One thing remains certain, regardless the number of personal leisure trips taken; Wisconsin is dominated by Midwest travelers. A cluster of the surrounding states (IL, MN, IA, MI and WI) account for the majority of travel to Wisconsin. To most effectively maximize the budget, the majority of our promotional efforts focus on reaching out to our neighbors. Laser-focused public relations strategies allow consumer connections beyond these primary markets to other domestic travelers cost effectively.

Our alliance with Great Lakes USA allows us to reach an international audience, primarily Germany and the United Kingdom. International visitors make up about 2% of the total Wisconsin travel market.

The Wisconsin Tourism Brand Strategy

In 2010, the Wisconsin Department of Tourism embarked on an ongoing study to monitor traveler perceptions and behaviors. A generationally and ethnically diverse sample of visitors from Eastern Iowa, Twin Cities, Milwaukee and Chicago were included in the research. Responses from nearly 5,800 total travelers have been captured. As a result, five Key Performance Indicators (KPI) were identified as being instrumental in the formation and evolution of Wisconsin’s brand strategy:

⁴ Source: Longwoods International



- Fun as a motivator for travel
- Association of Midwest states with Fun
- Recommendability of Midwest States
- Perceived value of Midwest States
- Seasonal appeal of Midwest states with focus on Wisconsin and Michigan in the Chicago market

Based on the research, the following strategies allow great opportunity to reinforce the brand and grow positive perceptions of Wisconsin:

1. Get Chicago first: Chicago is a heavily contested and expensive market and accounts for the largest proportion of trips taken to the state (outside of our own residents). Armed with this knowledge, media buys will be focused here first and then brought to additional Midwest markets.
2. Be “always on”: While summer represents the largest proportion of trips to Wisconsin, research shows a constant influx of visitors year round. In addition, people are taking shorter trips closer to home.
3. Be obvious during planning: Travelers are planning their vacations closer to their departure dates. Major seasonal advertising must be present during this time of planning which means closer to the time when the trips are taken.
4. Focus on fall: Fall colors are one of Wisconsin’s greatest assets, knowing this Wisconsin shall own the season in the mind of the visitor.

TW.com—the Department’s Workhorse

Benchmark	2009	2010	Year to Date Jan- Oct. 2011
Total Web Site Visits	1,992,546	2,197,237	2,101,615
Unique Visits	1,660,532	1,457,097	1,352,067
Average Time on Site	Not tracked	3:30	3:29
Click Thrus to Partner Sites	380,334	321,495	216,509
Total E-News Subscriptions	79,969	77,946	81,300

Primary Market Segments

- Leisure/Pleasure Travelers
- Meetings and Convention events and attendees
- Sports Market
- Group Travel Market

The Wisconsin Arts Board

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In the biennial budget of FY 12-'13, the Wisconsin Arts Board and its \$1.563 budget and the film tax credit program was transferred to the Department of Tourism. The purpose of this opportunity is to create greater synergies and focus on activities that both support and grow the economy.

Mission

The Wisconsin Arts Board nurtures creativity, cultivates expression, promotes the arts, supports the arts in education, stimulates community and economic development and swerves as a resource for people of every culture and heritage.

Goals

- Assist Wisconsin communities to engage the creative industries in sustainable community and economic development.
- Champion lifelong learning that inspires imagination, creativity, and innovation.
- Encourage all in Wisconsin to live vibrant expressive lives by affording them opportunities to connect to the rich heritage of this state and to explore their individual creativity.
- Insist upon sufficient resources and smart [public policy to ensure that these goals, valued by the public, are achieved.

Wisconsin Film Tax Credits

The Wisconsin Department of Tourism is supportive of Wisconsin's film industry and their ability to support film, video and gaming productions based in Wisconsin. This industry is important to our overall economy and the tourism industry in general. To strengthen this business sector we offer film tax credits for accredited productions. There is \$500,000 available on an annual basis; a production can earn a maximum of \$100,000 in the form of a tax credit.

This tax credit covers production expenditures that are incurred in Wisconsin and are directly used to produce an accredited production.

Credits can be earned towards acquiring real property or building, rehabilitating or reconstructing property.

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Grant Programs

Grant	Available Budget	Overview
<p>Joint Effort Marketing Awarded 2009 55 awards totaling \$1.182 million drove \$18 million in visitor expenditures</p> <p>Awarded 2010: 53 awards totaling \$1.195 million drove over \$20 million in visitor expenditures</p>	<p>\$1.13 million per fiscal year</p>	<p>Projects must show they'll generate an increase in number of visitors and dollars brought into the local area. Categories: Destination Marketing; New Event; Sales Promotion; Existing Event; and One-Time, One-of-a-Kind.</p> <p>State statute allows reimbursement up to 75% of a project's first year promotional costs. There is grant support during subsequent years - up to 50% of the promotional costs for the second year and 25% for the third year.</p>
<p>Ready, Set, Go! (Sports) Awarded 2009: 12 awards totaling \$74,115</p> <p>Awarded 2010: 13 grants totaling \$96,114 added est. \$10 million in visitor spending</p>	<p>\$110,000 per fiscal year</p>	<p>Secure competitive sport events that require an upfront cash or financial commitment. The goal of the fund is to generate visitor spending from sports tourism in Wisconsin. Amount available per destination/per request is 50% of a Bid Fee or 50% of other allowable site/venue/municipal fees, up to a maximum \$20,000 during the fiscal year.</p>
<p>Meetings Mean Business (Meetings and Convention) New, no awards in 2009, 2010</p>	<p>\$110,000 per fiscal year</p>	<p>Attract national or Midwest regional meetings and conventions. Destinations may apply for 50% of the costs for convention facility rental, in-community convention transportation or host costs, up to a maximum of \$20,000 during the fiscal year.</p>
<p>T.I.C. (Travel Information Center) New in 2010 Awarded 2010: 23 centers received \$160,000 and served over 900,000 visitors</p>	<p>\$160,000 per fiscal year</p>	<p>For non-profit tourism organizations, municipalities or Native American tribes who operate a regional tourist information center, providing information on cultural, recreational and other tourism businesses. Must be in a key location for travelers to stop by, have trained staff, track visitors and provide information on the region and the state. Reimburse up to 50% of eligible expenses 15,000 per organization per year.</p>

Welcome Centers

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In April 2009, the Department of Tourism’s Welcome Center program ceased operations.

The balance of 2009 and all of 2010 saw a transition from the Welcome Center model of the past, to a public/private partnership. This partnership featured ten local tourism organizations forming a consortium to operate Gateway Visitor Information Centers (GVIC) located at key entry points to the state. During this period (2009-2011) GVIC partners designed a pay-to-play relationship with the tourism industry, implementing a fee for distribution of guides and brochures.

The Department of Tourism offered no staffing, but made a one-time operational funding commitment.

In 2011, new agreements were developed resulting in a public-private partnership between the Department of Tourism, local destination marketing organizations, and in some cases the Department of Transportation. This collaboration creates a branded presence for TravelWisconsin.com at key locations on the state borders. The destination provides the staffing.

The Travel Wisconsin branded partnership includes Welcome Centers at Interstate locations in Beloit, Kenosha and La Crosse and state highway locations in Marinette, Platteville, Prairie du Chien and Superior-Douglas County.

The Department purchases advertising space in the centers to brand the locations as a Travel Wisconsin Welcome Center giving the Department an opportunity to market TravelWisconsin.com, iPhone / Android mobile apps and social media vehicles to valuable, qualified customers. The Department’s cost is based on “impressions” (instances of viewing) calculated on visitors served. As part of the agreement, staff distributes approved publications at no charge to the state’s travel and hospitality industry, establishes standards for hours of operation and implements tracking to measure the number of people served.

Summary

Tourism is a critical component to Wisconsin’s economic growth. It affects employment across the state, revenue for the state and the livelihoods of many residents. It is our job at the Department of Tourism to ensure people know to come here.

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