MISSOURI®
Where the rivers run

ANNUAL REPORT

FY05

Missouri Division of Tourism

Contents

COMMUNICATIONS..... 5
COOPERATIVE MARKETING 7
CULTURAL TOURISM 9
DOMESTIC MARKETING 10
ETHNIC MARKETING..... 13
INTERNATIONAL..... 14
TOUR AND TRAVEL 17
WELCOME CENTERS 19
RESEARCH 19
BUDGET HISTORY..... 21

On behalf of the Missouri Tourism Commission, it is with pleasure and pride that I report to you on the state of tourism in Missouri.

With our industry partners we have made tourism one of Missouri's leading revenue producers, which, in the fiscal year ending June 30, 2005, reached record levels in generating sales tax revenues, was responsible for employing nearly 285,000 Missourians, and remained a $13.4 billion industry for our state.

As the chart below demonstrates, in FY05 the Division of Tourism prudently invested nearly 86 percent of its budget on advertising and marketing. We are confident that this aggressive marketing strategy will ensure that our messages continue to resonate with travelers amid increasingly aggressive competition from our neighboring states for those travelers' attention and dollars.

We are excited about the opportunities that await us and we applaud our partners in Missouri's hospitality industry for making our state a national model of success and cooperation in the promotion of tourism.

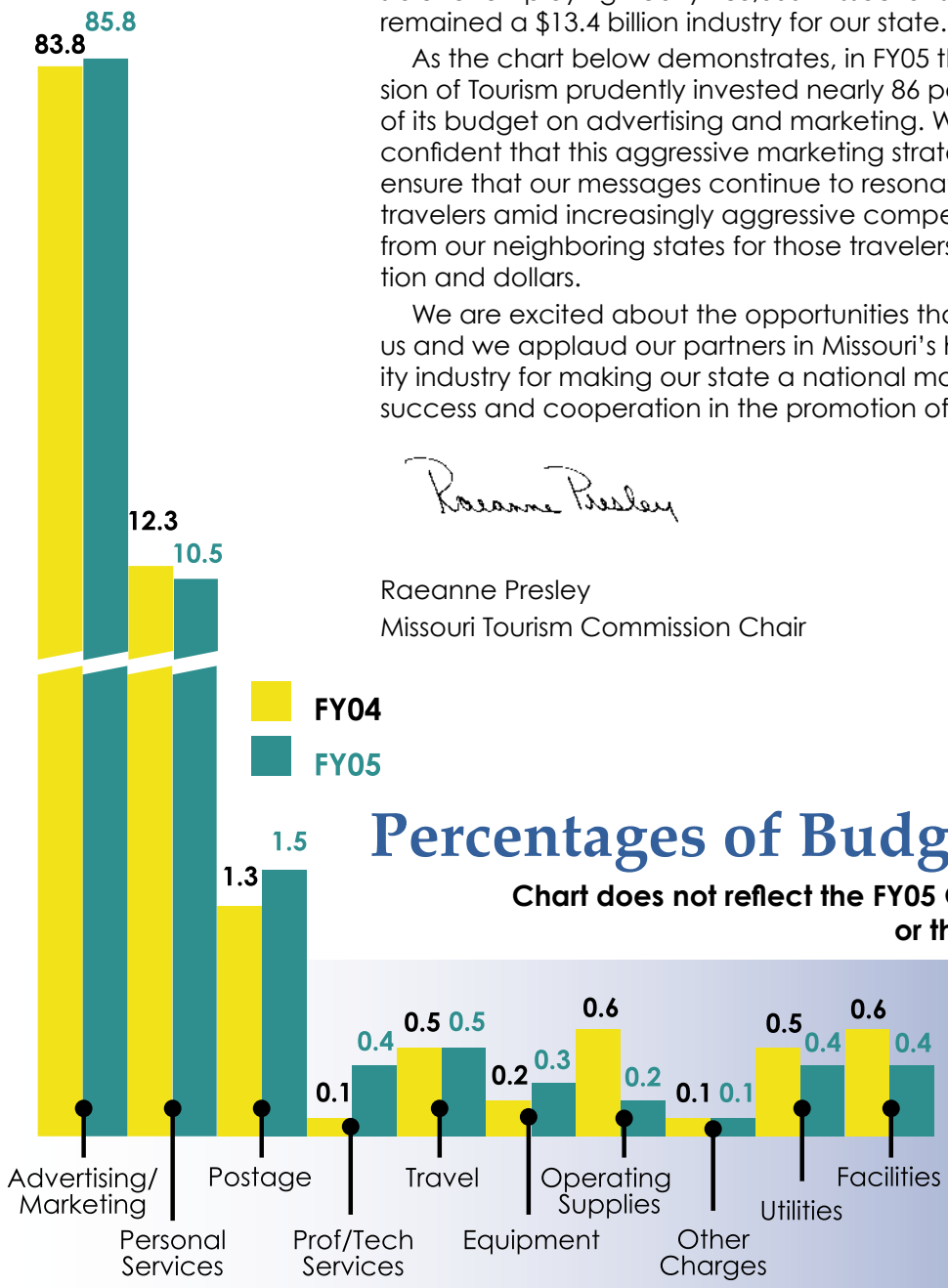
Raeanne Presley
Missouri Tourism Commission Chair

Missouri Tourism Commission

Raeanne E. Presley
Branson, *Chair*
Lt. Governor Peter Kinder
Cape Girardeau, *Vice Chair*
Sen. Maida Coleman
St. Louis
Sen. Chuck Gross
St. Charles
Rep. Maynard Wallace
Thornfield
Rep. Gina Walsh
St. Louis
Lee Clear
St. Louis
Jim Divincen
Osage Beach
Karen Graves
St. Joseph
Randy Wright
Columbia

Percentages of Budget Expenditures

Chart does not reflect the FY05 Governor's Reserves of $534,534, or the film office budget of $184,803.



Missouri's Five Marketing Regions

Primary Marketing Programs

Communications
Cultural Tourism
Ethnic Marketing
Tour and Travel
Cooperative Marketing
Domestic Marketing
International Marketing
Welcome Centers

Communications

Strategy

Enhance the Missouri Division of Tourism's marketing efforts to increase revenue from travelers' expenditures.

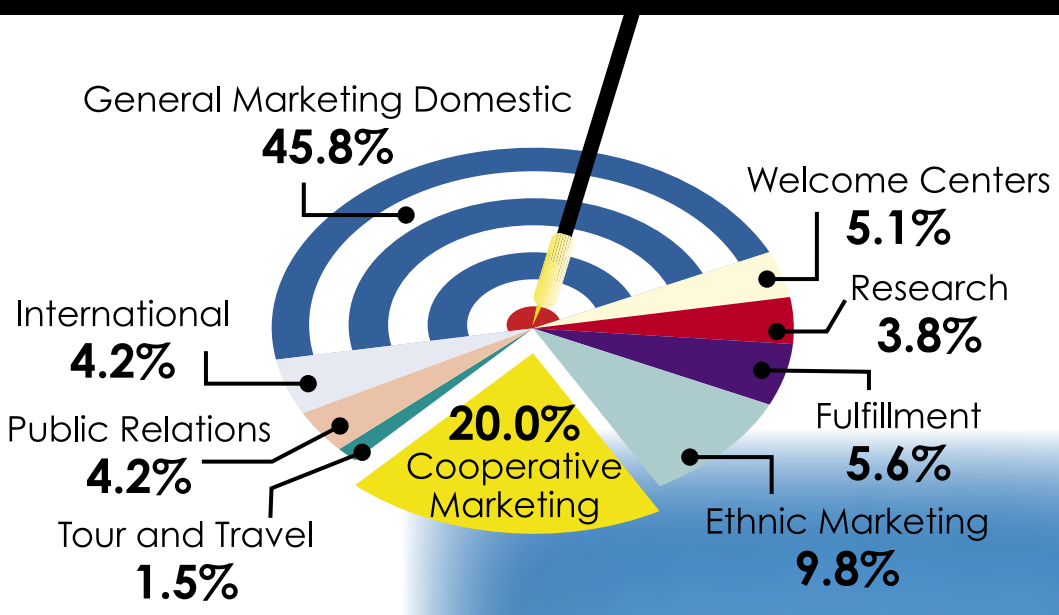
Tactics

- Generate positive editorial coverage through news releases, press tours, media missions, trade shows and memberships in professional travel writers organizations.
- Produce informative publications, such as the ***Official Missouri Vacation Planner***, Marketing Plan, newspaper insert, and Tourism's Little Book.
- Enhance content of **VisitMO.com** as a resource for residents, visitors and members of the media.
- Partner with other state agencies to extend resources.

Results

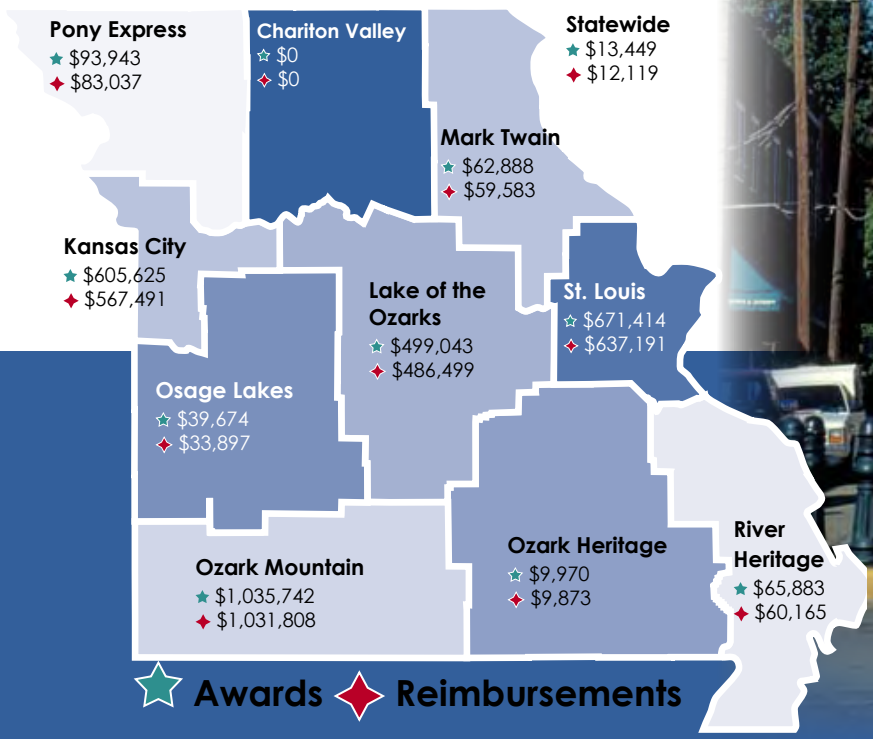
- Generated editorial copy with an advertising equivalency totaling $24,704,192.
- Recorded 2,091,268 Web site visits to **VisitMO.com**.
- Trade shows attended: PRSA Tour and Travel, Missouri Press Association and Travel Media Showcase.
- Produced ***Official Missouri Vacation Planner,*** Spring Newspaper Insert, Tourism's Little Book, Annual Report, Marketing Plan and in cooperation with the Departments of Conservation, Natural Resources and Transportation and the Mississippi River Parkway Commission of Missouri, Missouri's Great River Road Birding Trail.

Marketing Budget by Program



Cooperative Marketing

Awards and Reimbursements for FY05



- Augmented content of Web site.
- Conducted press trips inviting media members to explore different highlights of Missouri's travel opportunities: Forgotten Missouri, Taste of Missouri, Famous Missourians, Family Fun, Missouri Music and in partnership with the Department of Agriculture's Grape and Wine Program, the Best of the Bunch.
- Upgraded extranet to collect listings for the 2006 ***Official Missouri Vacation Planner***. Listings in both the *Vacation Planner* and **VisitMO.com** are now submitted online.
- Launched a series of online Getaway Guides featuring the Outdoors, Music and Entertainment and History.
- Launched an online printable 90-day calendar that is updated daily. A separate downloadable calendar of events was added for media use.

Cooperative Marketing

Strategies

- Extend MDT marketing resources through qualified partnerships.
- Support local performance-driven marketing strategies to increase tourism.
- Provide incentive and opportunity for marketing growth and improvement.
- Enhance the industry and MDT partnership.

Tactics

- Modify evaluation criteria to facilitate targeted funding.
- Implement comprehensive project tracking and reporting process.
- Monitor project goals, strategies, milestones and outcomes.
- Encourage media advertising.
- Analyze and compile in-depth end-of-project summary reports.

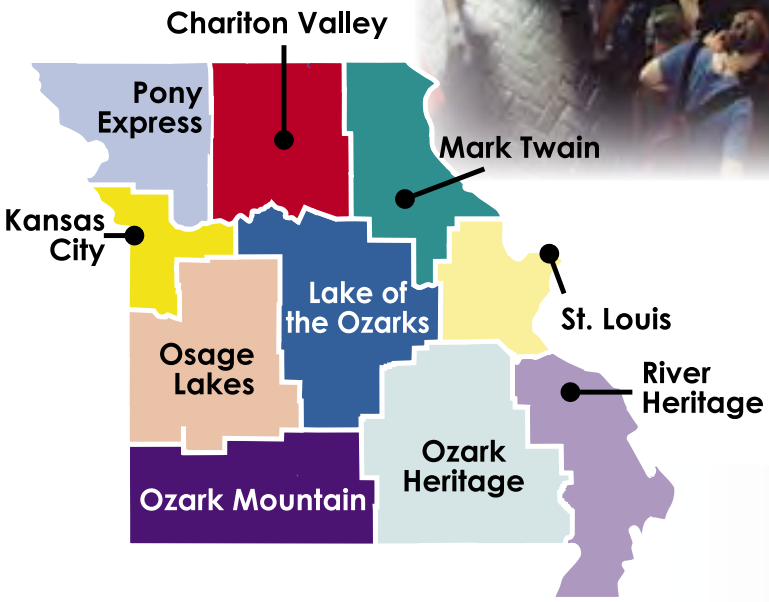
Results

State Dollars Expended	$2,981,662
Local Matching Dollars	$3,861,289
Total Project Cost (state, local expenditures)	$6,842,951
Media Expenditures	$5,450,673
Total Circulation/Gross Impressions	1,962,815,124
Inquiries Reported	976,693
Cost to State Per Inquiry	$3.05
TV Ads Placed	13,760
Radio Ads Placed	4,719
Newspaper Ads Placed	523

Magazine Ads Placed	392
Billboards Leased	25
Videos Distributed	47
Brochures Distributed	685,564
Trade Shows Attended	33
Familiarization Tours Hosted	16
Web Sites Developed/Updated	3
Other Marketing Activities	147
Number of Contracts	56

Tourism-related Employment

Regions	Number of Employees		
St. Louis	117,308	114,756	113,580
Kansas City	59,566	59,328	58,639
Ozark Mountain	39,083	37,580	37,101
Lake of the Ozarks	25,718	24,839	24,425
River Heritage	11,725	11,566	11,507
Ozark Heritage	8,096	7,731	7,538
Osage Lakes	7,960	7,744	7,605
Pony Express	7,511	7,292	7,344
Chariton Valley	4,234	4,206	4,091
Mark Twain	3,715	3,532	3,595



FY05 = **Total 284,916**
FY04 = **Total 278,574**
FY03 = **Total 275,425**

Source: *Employment Security. This is the first year we are reporting this information by NAICS codes instead of SIC codes. Employment Security no longer provides information by SIC codes.*

Cultural Tourism

Strategy

Promote Missouri as a cultural destination.

Tactics

- Develop public relations initiatives.
- Enhance Web site content.
- Place culturally focused advertising.
- Increase outreach through involvement with community groups.
- Promote agritourism, Grape and Wine Program.

Results

- Wrote and distributed news releases addressing cultural tourism topics – history, heritage and arts.
- Enhanced cultural content on MDT Web site.
- Promoted cultural aspects of the state through advertising.
- Linked to **www.mocivilwar.org.**
- Continued partnership with Civil War Heritage Committee.
- Created Civil War tour itineraries for inclusion on Web site.
- Developed partnership with Missouri Department of Agriculture to promote agritourism.
- Conducted Forgotten Missouri press trip.
- Helped distribute the Mississippi River Hills regional cuisine map.
- Highlighted Missouri's culinary experiences with the Taste of Missouri promotion: 3.2 million targeted impressions; 10,803 visits to the Taste of Missouri promotion page on **VisitMO.com**; 17.6 percent conversion rate from Web visits; 1,988 promotion entries.

Missouri Division of Tourism efforts accounted for a $4.8 billion economic impact during the past five years.

Domestic Marketing

Strategy

Increase tourism spending in Missouri by promoting the state as a desirable travel destination to the general domestic market.

Tactics

- Use a balanced mix of image and awareness-building media – television, magazines, newspapers and select online placements.
- Reinforce positive brand awareness.
- Drive potential visitors to the Web site for information.
- Time campaigns to promote fall, holiday and spring/summer travel.
- Target consumers' desire to stay closer to home, combining shorter, more frequent getaways with traditional one- or two-week vacations.
- Emphasize Missouri's unique appeal to potential travelers possessing a wide variety of leisure travel interests and needs.
- Include promotions in media campaigns, extending advertising budgets via partnerships.
- Aim direct marketing efforts at best tourism customers, relaying targeted one-to-one-based messages.
- Represent Missouri at national and regional sports shows and outdoor events.

Results

- His and Hers Promotion generated 28,652 entries with 91 percent of the total entries coming from the promotional site on **VisitMO.com**. Based on SMARI's return on investment (ROI) research model, the $968,073 spent on this promotion produced approximately 14,068 trips* at an average expenditure of $862** and potentially $12 million in trip expenditures.
- The Missouri Escape promotion tallied 85,233 entries. Based on SMARI's ROI research model, the $2,891,638 spent on this promotion

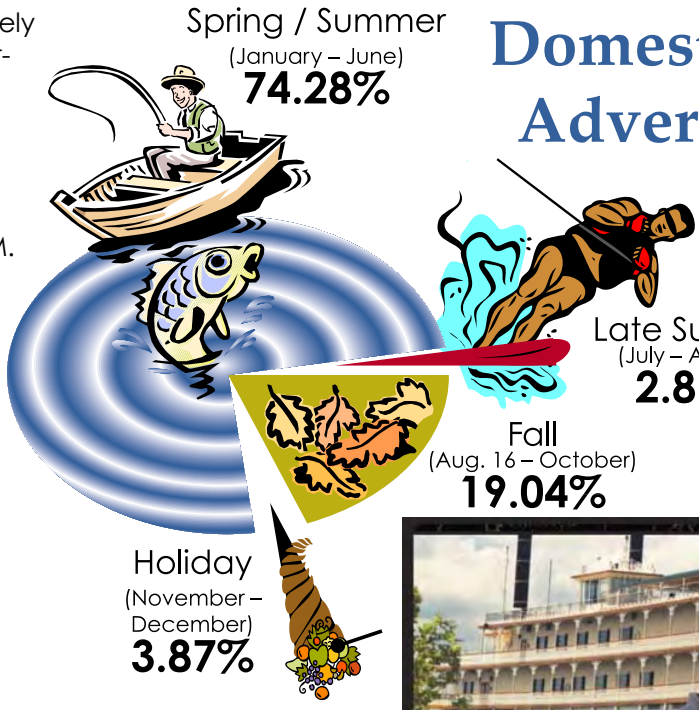
Domestic Marketing Investment by Medium

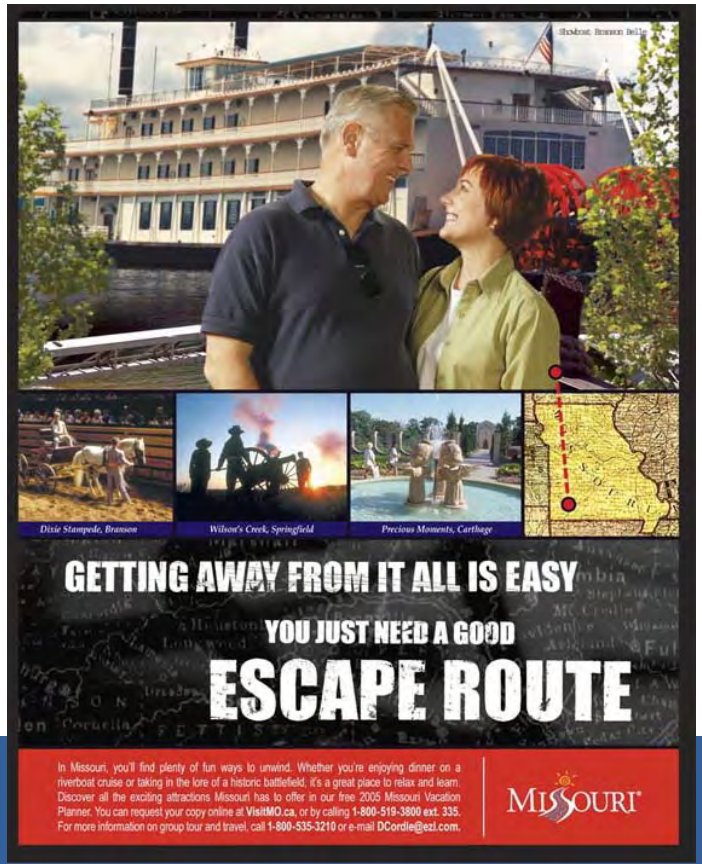
produced approximately 41,849 trips* at an average expenditure of $862** and potentially $36 million in trip expenditures. Total media impressions: 527,155,200; $4.75 CPM.

- The Taste of Missouri promotion measured 15,849 entries. The $500,000 spent on this promotion produced approximately 7,782 trips.* The average trip expenditure was $862** with potentially $6.7 million in trip expenditures, based on SMARI's ROI research model. Total media impressions: 34,042,052 (does not include online); $14 CPM (does not include online).
- The number of valid individual entries for the Holiday Campaign totaled 23,396. Based on SMARI's ROI research model, the $180,000 spent on this promotion produced approximately 11,487 trips,* at an average expenditure of $862** and generated potentially $9 million in trip expenditures.

**According to a conversion rate of 49.1 percent, determined by the SMARI CY02 Conversion Study.*
***Based on the FY05 Advertising Effectiveness Study.*

Domestic Marketing Advertising Budget by Season



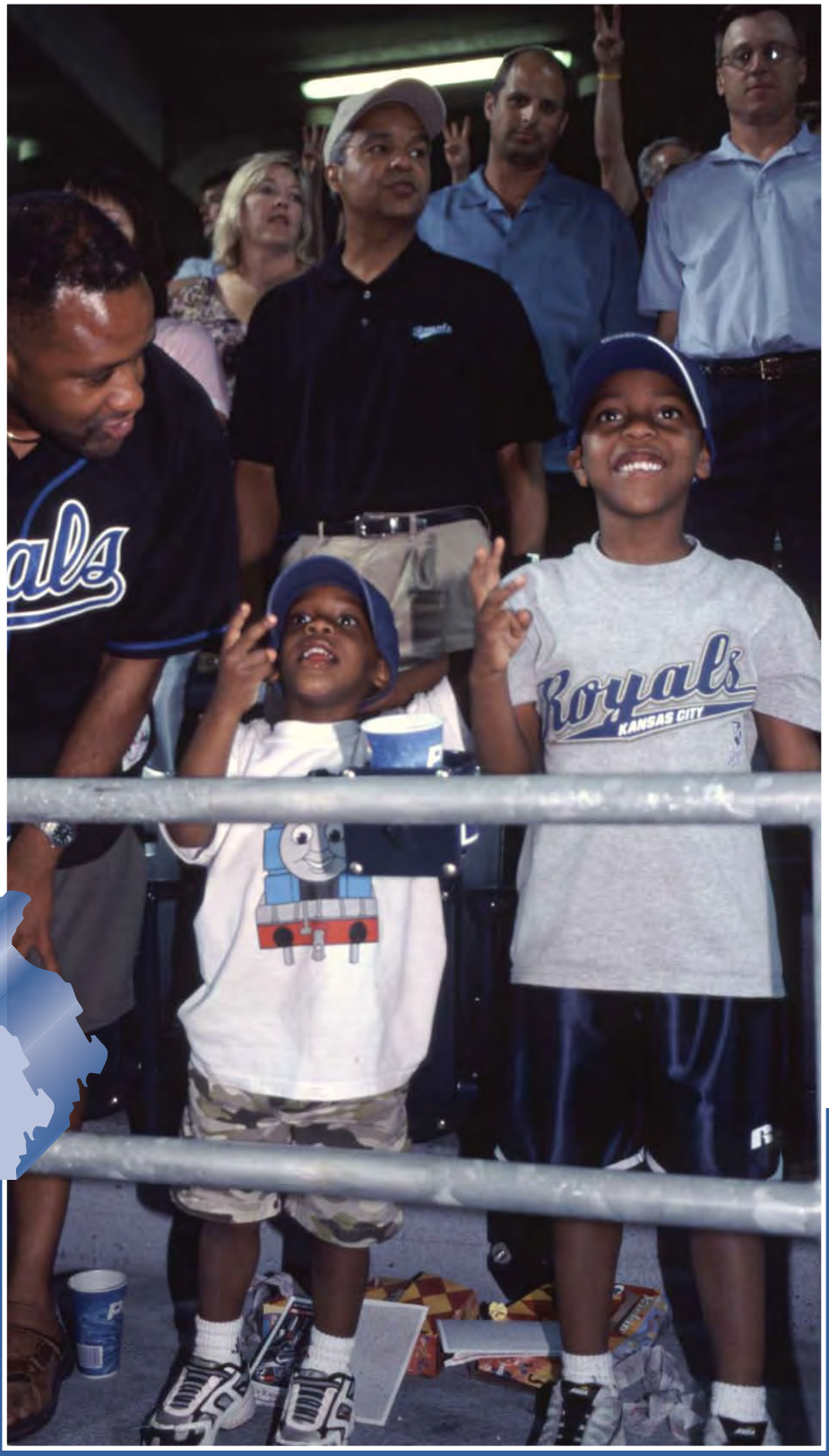


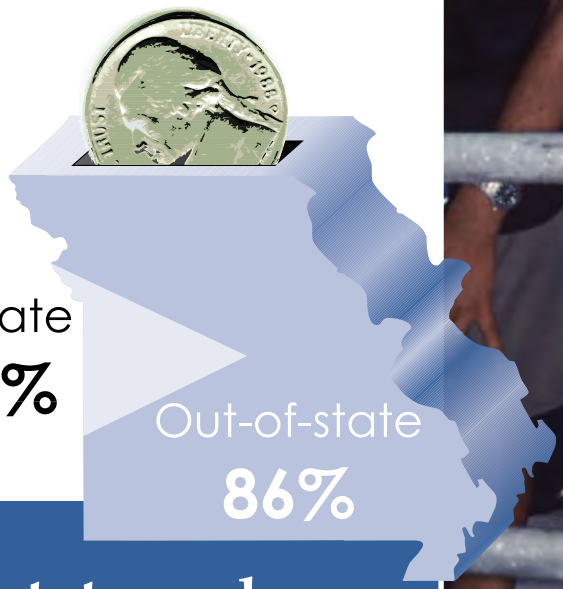
Outcome Measures

Fiscal Years	1999	2000	2001	2002	2003	2004	2005
SIC Sales Tax Revenue (in millions)*	$306.48	$316.22	$317.02	$323.66	$327.97	$346.08	$361.0
Tourism Employment	236,290[1]	240,003[1]	241,593[1]	243,165[1]	275,425[2]	278,574[2]	284,916[2]

**Source: Missouri Department of Revenue. [1]Source: Missouri Employment Security reported by SIC codes. [2] Source: Missouri Employment Security reported by NAICS codes.*

The state sales tax from 17 tourism-related SIC codes totaled $361 million in FY05.





In-state and Out-of-state Investment

Ethnic Marketing

Strategy

Promote the idea to African-American travelers that there is more to Missouri than they thought, by taking the position that Missouri offers a complete entertainment destination.

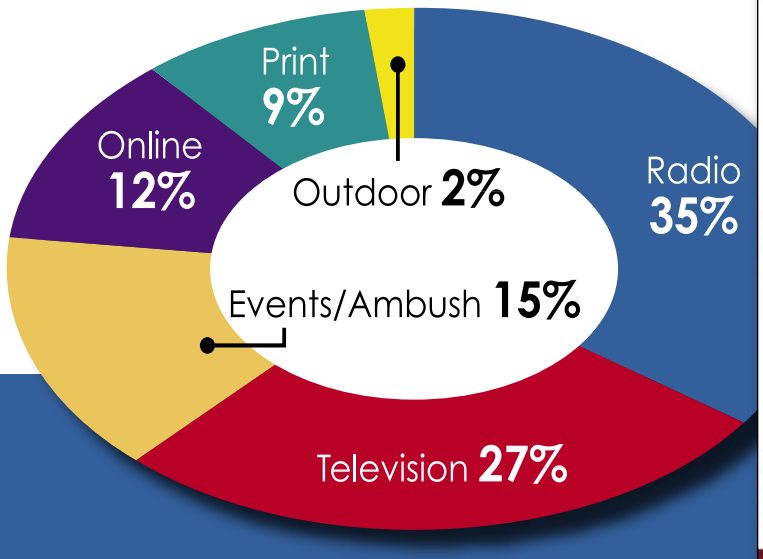
Tactics

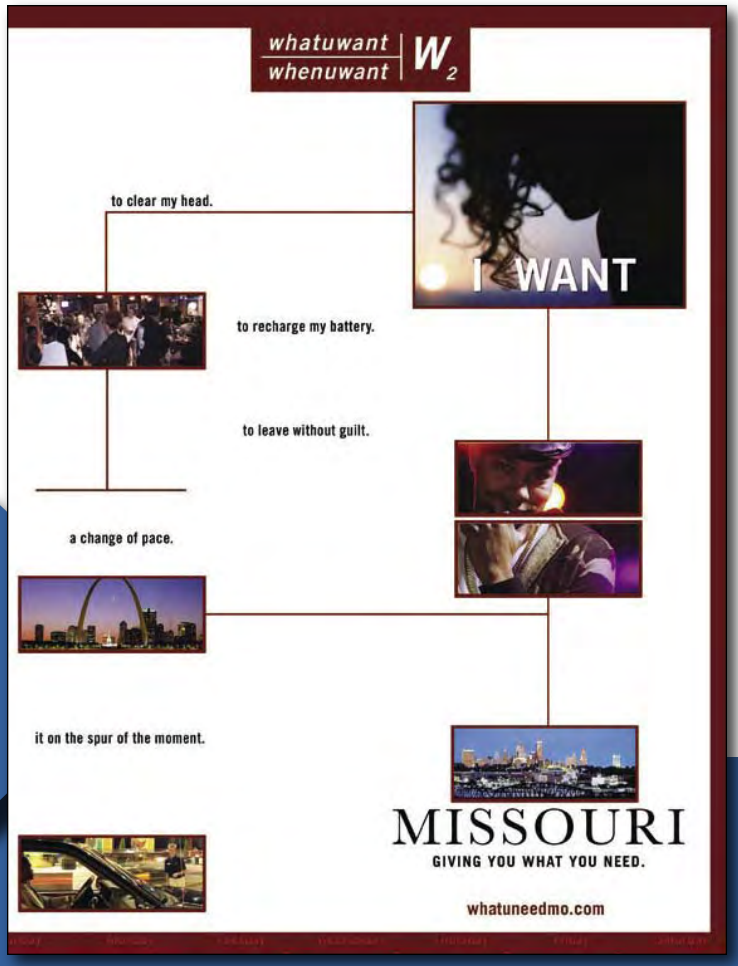
- Invest in traditional media such as television, radio, print, Internet, outdoor and direct mail.
- Use nontraditional marketing such as an interactive DVD containing video of Missouri destinations and Missouri Nights television commercial, magazine and newspaper advertising; customized Missouri Nights jazz CD to be played on radio in target markets; ambush marketing; Missouri Nights Access Card; and relationship marketing.
- Create Planogram to assist with all trip planning needs.
- Drive traffic to www.whatuneed.com Web site.

Results

- Partnership with St. Louis Gateway Classic on the Soul in the Night promotion resulted in an additional 900 room nights sold and $246,276 in return spending.

Ethnic Marketing Investment by Medium





MDT marketing efforts in FY05 accounted for an additional $47.85 million in Missouri state tax revenues.

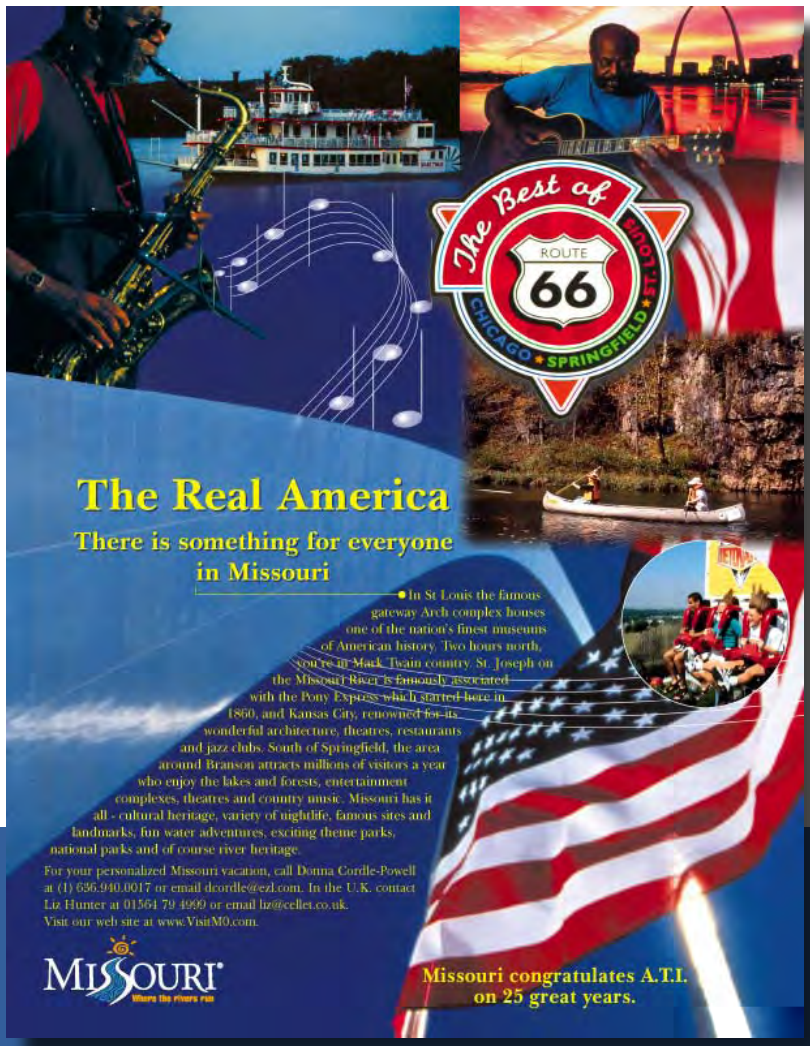
International Marketing

Strategies

- Increase awareness of Missouri as an international destination.
- Increase United Kingdom passenger volume and stays by Canadians visiting by auto.

Tactics

- Increase breadth and volume of Canadian group product.
- Work with private contractor for United Kingdom and Canada and in-country U.K. marketing firm.
- Create, place advertising in researched media within the United Kingdom and Canada.
- Promote Missouri as the "Real America" to travel trade, media and consumers.
- Regularly update and distribute press kits and news releases.
- Represent Missouri at consumer and travel trade shows.
- Create and distribute newsletter to U.K. travel trade and select consumers.
- Fulfill requests for information.
- Attract and host international journalists and travel trade for familiarization tours.
- Work with travel industry partners – airlines and tour operators – on cooperative projects to maximize resources.
- Provide sales mission opportunities to Missouri industry partners.
- Promote group tour page on MDT Web site through these URLs: **www.VisitMO.ca, www.GoMissouri.co.uk and VisitMO.co.uk.**
- Create and distribute new and themed itineraries.
- Create and distribute press releases written to entice international visitors.



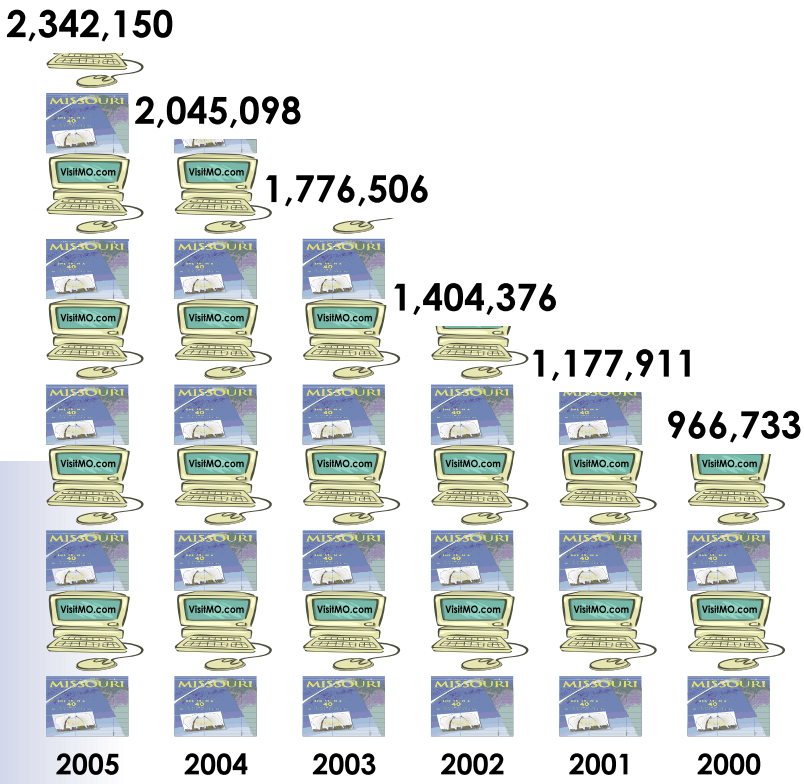
Results

- Created and distributed two newsletters to international travel agents, tour operators and consumers who have expressed interest in Missouri.
- Generated 2,045 Web site visits to **www.GoMissouri.co.uk** and **www.VisitMO.co.uk.**
- Created a group tour page on **www.VisitMO.ca** to include itineraries, images, escort notes and day-trip ideas.
- Included **www.VisitMO.ca/group** tour tag line on advertisements in Canadian trade publications to encourage tour operators to utilize online group tour services.
- Executed the Missouri Tour Operator Breakfast during the Ontario Motor Coach Association Convention in Toronto and the summer U.K. sales mission.
- Hosted trade and media familiarization trips for both Canadian and United Kingdom markets.
- Generated $1,486,093 in public relations evaluations within the United Kingdom.
- Increased Missouri tour product availability with United States-based receptive tour operators to include ATI, Unique Tours and North American Journeys.
- Generated $359,296 in Canadian public relations evaluations with an investment of less than $15,000.
- Created and launched Travel Uni, a Web-based training program for British travel agents. At the close of FY05, 4,600 agents had registered for the program.
- Engaged in co-op marketing programs with two Canadian tour operators and three United Kingdom tour operators.

Travel is a $13.4 billion industry for the Show-Me State.

Advertising Responses

Includes vacation kits shipped and Web site visits



Tour and Travel

Strategy

Promote Missouri as a memorable destination for group travelers.

Tactics

- Use trade shows and promotions to reach target markets for the affinity market (military groups, student/youth, bank clubs, group leaders) and tour operators. Allocate resources primarily to the affinity market with tour operators secondary.
- Create geographical and thematic itineraries, events calendars and editorial profiles for group travel trade publications.
- Customize advertisements to fit group travel trade publications.
- Place group tour information online for operators at **www.VisitMO.com/grouptour.**

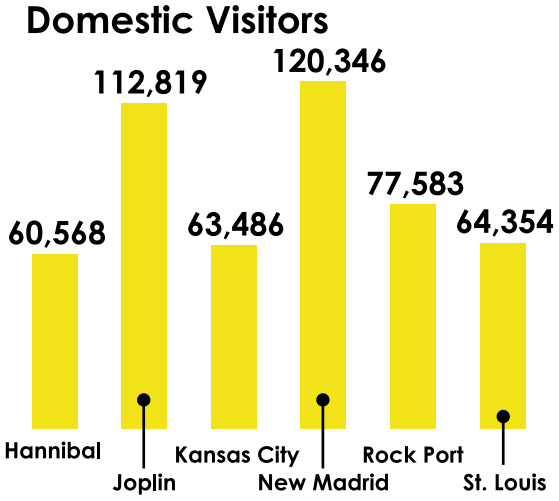
Results

- Conducted press visits for domestic group media, including *Bank Travel Management*, which resulted in a public relations evaluation of $156,585. Kaleo Tours group leader familiarization tour resulted in an estimated $30,570 of future business within 60 days of the tour.
- Placed advertisements in *Bank Travel Management, Group Travel Leader, Show Me Missouri, TravelBound!, Leisure Group Travel* and *Courier* magazines.
- Generated 321 tour operator leads and compiled and distributed 1,024 buyer profiles for the Missouri tourism industry.
- Entered into a destination marketing partnership with Tap Into Southern Treasures. Currently featuring two Missouri itineraries being sold via 14 tour operators.

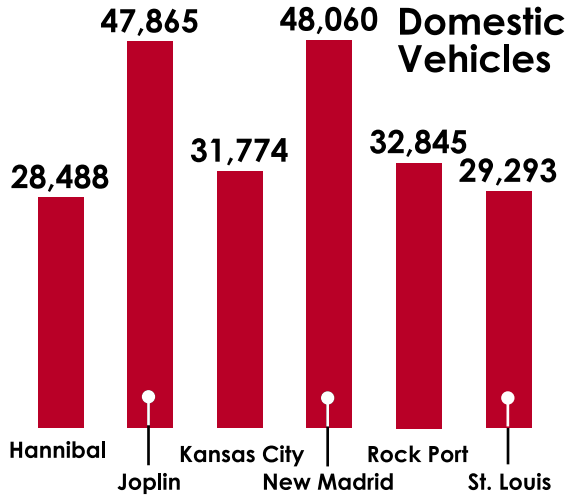
Attended the following trade shows:

Primary Trade Shows	Market
International Motorcoach Group	Tour operators
Missouri Showcase	Tour operators, group leaders
Student Youth Travel Association (SYTA)	Tour operators (student market)
National Tour Association	Tour operators
Military Reunion Network	Military planners
SYTA Summit	Tour operators (student market)
American Bus Association	Tour operators
Bank Travel Conference	Bank club planners
African-American Travel Conference	Group leaders

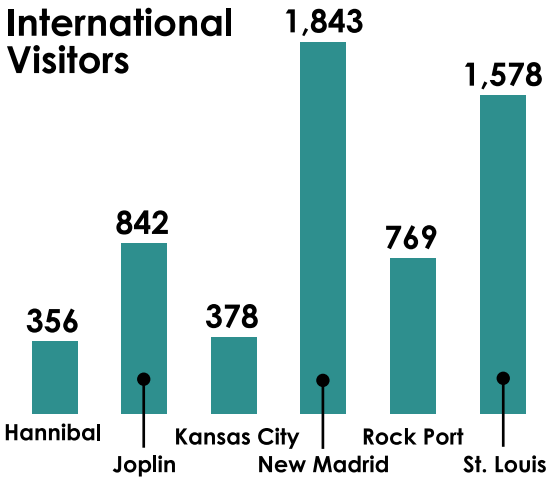
Welcome Centers
FY05 Visitor Counts



FY05 Total 499,156

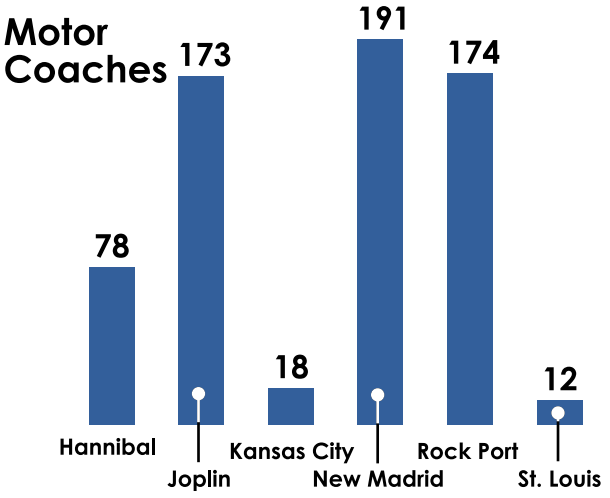


FY05 Total 28,488



FY05 Total 5,766

Total Visitors 527,775
includes domestic, international
and motor coach visitors



FY05 Total 646

Total Vehicles 221,368
includes domestic, international vehicles
and motor coaches

Welcome Centers

In cooperation with the Missouri Department of Transportation, the Division of Tourism operates six Welcome Centers located in rest areas along the interstate highway system at key entry points around the Missouri border: Hannibal, Joplin, Kansas City, New Madrid, Rock Port and St. Louis.

These centers distribute information about events to attend and attractions to visit throughout Missouri. Thousands of brochures are available to guide visitors as they pursue their Missouri vacations.

In addition to distributing information, the Welcome Centers help MDT collect data; tracking visitation by season, geographic origin and modes of transportation.

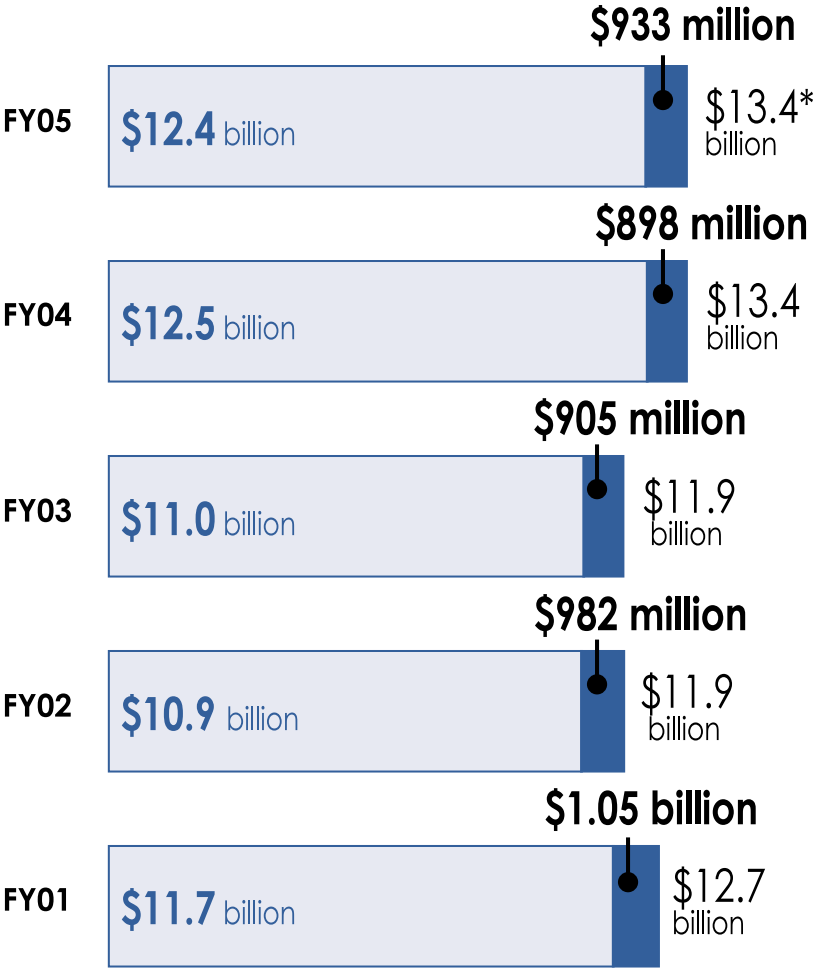
Research

Research provides a road map to help MDT make more informed marketing decisions and monitor the success of the division's strategies:

- Advertising/PR Effectiveness Report
- Economic Impact Report
- Analytic Customer Relationship Marketing (CRM) System – Database Analysis
- Destination Awareness Audit
- Market Segmentation Study
- Web Site Studies
- Lodging Statistical Analysis

For every $1 the state of Missouri spends on marketing tourism, $55 is returned in tourism expenditures.

Economic Impact of Tourism in Missouri



Economic Impact Without MDT

Travel Due to the Missouri Division of Tourism

Economic Impact Source: *University of Missouri*
Incremental Travel Source: *SMARI*
**Based on FY04. FY05 numbers not yet available.*

Budget History

Missouri's tourism funding formula often is recognized as a model for the nation. Other states, including Colorado, Iowa, Kansas, Maryland, Minnesota, Montana, Nebraska, North Carolina, Ohio, Rhode Island and Wisconsin have studied, adopted or are considering implementing funding plans patterned after Missouri's.

Conceived by industry members, the formula has allowed the Division of Tourism to fund itself from growth in the industry while reducing the division's need for traditional General Revenue Fund appropriations. The performance-based formula has provided for the Missouri Division of Tourism budget to grow from $6 million per year to $17.8 million for FY05. (Actual funding for FY05 was $16.8 million.)

State Law RSMo 620.467, known as the Tourism Supplemental Revenue Fund (TSRF), works by identifying sales tax revenue generated by businesses that serve travelers. A percentage of the growth in sales tax revenue from businesses that fall within 17 tourism-related Standard Industry Classification (SIC) codes is used to determine the growth in the TSRF. The formula also allows for 3 percent inflation each year. Once the 3 percent threshold is reached, one-half of the additional growth is used to determine the funding. The fund cannot grow by more than $3 million in any one year.

In addition, a provision in the law requires that the original FY94 General Revenue core be systematically eliminated by FY04. These reductions were accelerated such that the division was funded 100 percent through the TSRF in FY02, two years earlier than mandated.

In 1998 and 2002, the General Assembly passed legislation to enhance the original state law. One of the outcomes was to extend the sunset clause to June 2010.

Increases in the TSRF appropriation allow for additional investment in tourism marketing and promotion. Through this performance-based budget, the division expanded its marketing message to new audiences while offering a cooperative matching funds program to local tourism organizations. This places Missouri in a better position to raise awareness of travel opportunities within our state and compete with neighboring states for traveler expenditures.

The number of residents employed in tourism-related industries increased by 6,342 from FY04 to FY05.

Administration

JOHN ROBINSON
Director
573-751-3051
john.robinson@ded.mo.gov

R.B. "BOB" SMITH, III
Deputy Director
573-751-2016
rb.smith@ded.mo.gov

ROBERT L. HAIN
Deputy Director
573-751-1912
bob.hain@ded.mo.gov

SUZY SCHNEIDER
Executive Assistant to the Commission
573-751-3051
suzy.schneider@ded.mo.gov

MARY OBERREITHER
Administrative Office Support Assistant
573-751-1908
mary.oberreither@ded.mo.gov

MARY "MEG" CHURCHILL
Administrative Office Support Assistant
573-526-5900
meg.churchill@ded.mo.gov

Communications

TRACEY BERRY
Communications Administrator
573-751-3438
tracey.berry@ded.mo.gov

LAURA HOLLOWAY
Web Site Editor
573-522-9593
laura.holloway@ded.mo.gov

LUCI BRANYAN
Graphics Artist
573-751-1913
luci.branyan@ded.mo.gov

MIKE MURRAY
Public Information Coordinator
573-522-5501
mike.murray@ded.mo.gov

SCOTT McCULLOUGH
Public Information Specialist
573-522-9596
scott.mccullough@ded.mo.gov

Cooperative Marketing

BECKY HEEREN
Cooperative Marketing Officer
573-751-3246
becky.heeren@ded.mo.gov

KATHRYN CAPPS
Cooperative Marketing Development Representative
573-526-1551
kathryn.capps@ded.mo.gov

Domestic Marketing

JEFF WOHLT
Domestic Marketing Coordinator
573-526-8027
jeff.wohlt@ded.mo.gov

Financial

ROSA DARLENE NORTHCUTT
Fiscal and Administrative Manager
573-751-3337
darlene.northcutt@ded.mo.gov

DEBBIE STEFFAN
Accounting Analyst II
573-526-8081
debbie.steffan@ded.mo.gov

RANDY ROBINETT
Accountant I
573-751-3636
randy.robinett@ded.mo.gov

Special Markets

LORI SIMMS
Special Markets Manager
573-751-3208
lori.simms@ded.mo.gov

CYNTHIA MORRIS-SAPP
Group Specialist
573-751-1910
cynthia.morris-sapp@ded.mo.gov

Strategic Planning and Research

DEE ANN MCKINNEY
Research Administrator
573-526-1553
deeann.mckinney@ded.mo.gov

DEBRA LEE
Strategic Planner
573-526-3566
debra.lee@ded.mo.gov

LORINDA FOSTER
Fiscal/Research Assistant
573-751-1032
lorinda.foster@ded.mo.gov

Welcome Centers

Hannibal

BOB GREENLEE
MIKE SPURGEON
573-248-2420
tourism.hannibal@ded.mo.gov

Joplin

DEBBIE HOPPER
GARY WOFFORD
KAMALA BRAMLETT
417-629-3030
tourism.joplin@ded.mo.gov

Kansas City

JOANN FRANKLIN
DAVE SMITH
BILL HILL
816-889-3330
tourism.kansascity@ded.mo.gov

New Madrid

JAN FARRENBURG
REIDA KIMES
LAURA HOLMES
573-643-2654
tourism.newmadrid@ded.mo.gov

Rock Port

BEVERLY KING
ARTHUR SAUTER
660-744-6300
tourism.rockport@ded.mo.gov

St. Louis

MAUREEN RONE
ROBERT "BO" HILDERBRAND
314-869-7100
tourism.stlouis@ded.mo.gov

2006 Official Missouri Vacation Planner Photo Contest Grand Prize Winner

Photographer: Burt Remis, St. Louis

MISSOURI®
Where the rivers run

www.VisitMO.com