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# Presentation Overview

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- Introduction
- The Indiana Office of Tourism
- The Power of Travel
- Tourism Development
  - Types of Product
  - Types of Development
  - Place-Based Development
  - Proactive Development Process

# Introduction

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- Brian Blackford  
Development Director  
Indiana Office of Tourism
  - Alliance Management
    - Byways (INRA, ORSB, IHP)
    - Indiana Main Street
    - RISE 2020
    - Lincoln Bicentennial
  - Developing Niche Markets
    - Agritourism (SARE, Tourism Council Work Group, etc.)
    - Golf
  - Development Workshops and Trips
    - Mitch Nichols Workshop
    - Artisan Best-practice trip
    - Development funding trips (KY and IA)
  - Grants and Research
  - International Tourism Marketing

# Office of Tourism Development

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- Who we are
  - Staff of eight
  
  - With the passage of Senate Bill 335, the Indiana Office of Tourism Development became a stand-alone agency under the leadership of Lt. Governor Skillman

# Office of Tourism Development

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□ Our **Vision** is that:

- Indiana will be a top leisure visitor destination in the Midwest, with growth in leisure travel annually exceeding our competitive set

# Office of Tourism Development

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## □ What we do

- Promote Indiana's tourism product in select areas (regionally and internationally)
- Maintain consumer ([www.visitindiana.com](http://www.visitindiana.com)) and industry websites
- Produce publications like the Travel Guide and Festival Guide
- Work closely with regional and local tourism offices (CVBs)
- Develop niche markets (agritourism)

# Office of Tourism Development

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- Also, our 2006 Strategic Plan identifies four goals:
  - Position IOTD as an alliance manager throughout the state
  - Create development incentives to enhance existing attractions or create new attractions
  - Develop a strategic brand for Indiana
  - Expand IOTD operating budget through creative partnerships

# Office of Tourism Development

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## □ Alliance managers

- Even with limited finances and human resources, IOTD can serve as alliance managers. As industry leaders, bringing ideas and people together is an important role. By speaking with groups, organizing meetings and helping to “connect the dots”; IOTD can have a positive impact on the state’s tourism industry.

# Office of Tourism Development

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## □ Create development incentives

- This goal is a work in progress. IOTD has organized two fact-finding trips designed to explore examples of successful development programs. We visited Louisville and Newport, KY to learn more about the Kentucky Tourism Development Act (a sales tax recapture incentive program) and we will visit Dubuque, IA in August to see some of the positive results of the Vision Iowa program (a massive grants program funded through gaming proceeds).

# Office of Tourism Development

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## □ Develop a strategic brand

- In April, IOTD revealed its new brand—*Restart Your Engines*. It is a tourism brand (not a state slogan) designed to motivate travel. It references a known Indiana tourism commodity—auto racing. Research indicated that racing has a strong association to Indiana—not just Indianapolis. (Other states also use the strategy of capitalizing on a known commodity while expanding its usefulness. KY=Unbridled Spirit, MI=Great Lakes, Great Times, etc.). In addition, the brand has a double meaning. It evokes thoughts of relaxation, rejuvenation, and recharging. None of the original image advertisements featured auto racing.

# Office of Tourism Development

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## □ Expand budget

- This is another work in progress. IOTD recently hired someone to help develop corporate partnerships. In addition, efforts to grow the nations 43<sup>rd</sup> lowest tourism budget are ongoing.

# Office of Tourism Development

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- ❑ What is the state of Indiana tourism?
- ❑ What is our tourism product?
- ❑ Who are the visitors?
- ❑ Also, what resources does IOTD use to attract these visitors?

# The State of Tourism

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- The state's tourism product includes (among other things):
  - Motor Sports
  - Outdoor Recreation
  - Historical Importance
  - Cultural and Heritage Experiences
  - Spectator Sports
  - Special Interest Attractions (agritourism)
  - Gaming
  - Events and Festivals
  - Golf

# The State of Tourism

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- The average visitor
  - Is 42 years old
  - Has a household income of \$60,000
  - Drives between 101 and 200 miles
  - Travels in groups of 2 or 3
  - Visits for two to three days
  - Is on a weekend getaway or is visiting friends and family
  - Travels during the summer (45 percent)

*Courtesy of: Strategic Marketing & Research, Inc.*

# The State of Tourism

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- Top reasons for visiting are
  - Enjoy scenic beauty
  - Eat at unique restaurants
  - Shop
  - Visit lakes, rivers, or other natural features
  - Visit with friends and family
  - Take scenic drives and driving tours
  - Visit small or quaint towns
  - Visit historic sites

*Courtesy of: Strategic Marketing & Research, Inc.*

# The State of Tourism

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- Indiana visitors primarily come from
  - Indiana (more than 50 miles one way)
  - Illinois
  - Ohio
  - Michigan
  - Kentucky

# The State of Tourism

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## □ Tourism budget

- Currently ranked 43<sup>rd</sup> in nation for tourism funding at \$4.3 million
- By comparison: Illinois, \$49 million; Kentucky, \$6.8 million; Michigan, \$14.7 million and Wisconsin, \$14.8 million
- Still, even with a limited budget, we are able to maximize tourism's impact

# The Power of Travel

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- What is Tourism's impact?
  - The Travel Industry of America calls it the Power of Travel
  - Data illustrates tourism's importance

# The Power of Travel in Indiana

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## □ Statewide impact

- Tourism is BIG business in Indiana
- Each year, we welcome 59 million people to the state
- And more than 190,000 jobs in Indiana are tourism-related
- Visitors spend approximately \$8.9 billion in Indiana annually

# The Power of Travel in Indiana

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## □ Visitor Spending

- Travel volume and spending continue to increase
- Over the past several years leisure travel grew at an average of 2 percent nationally
- Leisure travel now outpaces business travel

*Courtesy of: Strategic Marketing & Research, Inc.*

# The Power of Travel in Indiana

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## □ Impact of Marketing

- The overall impact of Tourism's complete marketing efforts in the spring 2004 campaign was over \$500 million
- The Return on Investment increased from \$572 in 2003 to \$618 in 2004
- *Again, the ROI in 2004 was \$618 for every \$1 invested*
- Considering paid advertising alone, Tourism's campaign generated a \$17 ROI in tax funds in the state and an overall ROI of \$37 in tax revenue for each \$1 invested in marketing

*Courtesy of: Strategic Marketing & Research, Inc.*

# The Power of Travel in Indiana

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## □ Local impact

- In the Indy MSA, tourism accounts for \$3 billion in direct spending and is responsible for employing 68,000 individuals
- Parke County turned to tourism thirty years ago to combat a slow economy and save their covered bridges
- Holiday World brings nearly 1,000,000 visitors to Spencer County each summer

# The Power of Travel in Indiana

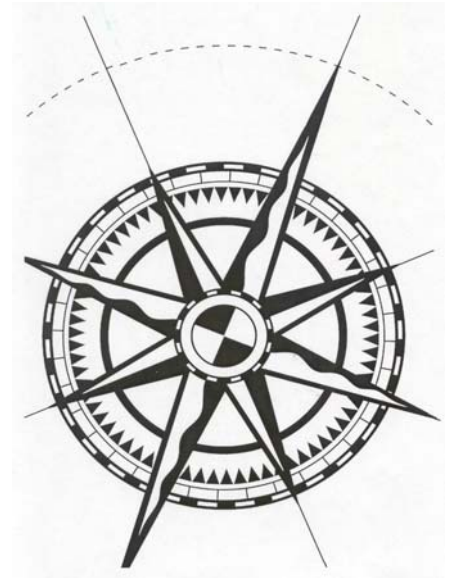
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- Tourism's impact is very real
  - Facts and figures indicate this
  - And examples go beyond the numbers
- To continue tourism growth, an effective mix of marketing and development must be utilized

# Tourism Development

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## □ WHY PRODUCT DEVELOPMENT?

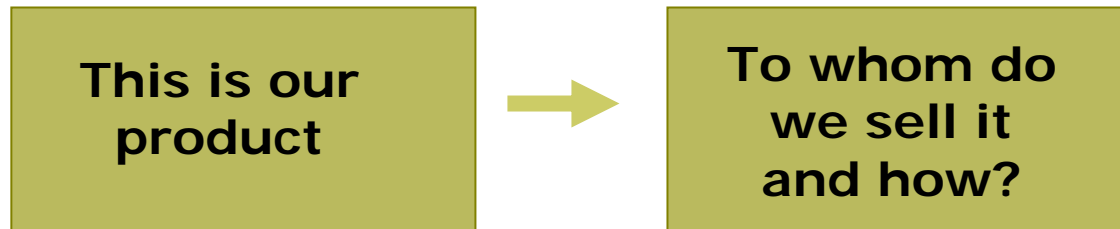


# Tourism Development

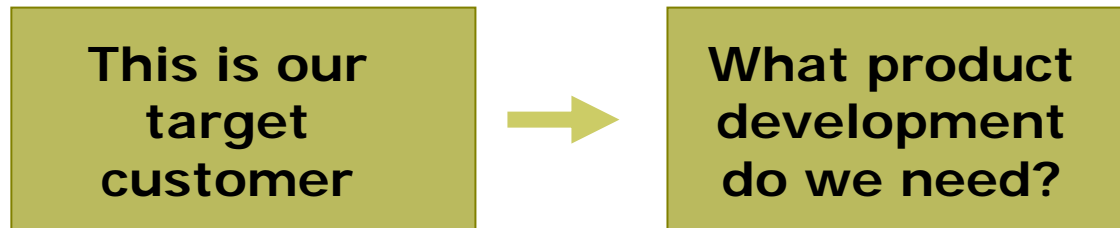
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## □ THINKING EVOLVES

### Traditional tourism approach



### Strategic tourism approach



# Tourism Development

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- When discussing development consider:
  - Types of Product
  - Types of Development
  - Place-Based Development
  - Proactive Development Process

# Types of Product

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## □ Product Infrastructure

<b>Destination Drivers</b>	<b>Driver Accelerants</b>	<b>Destination Drivers</b>
Stimulate Travel Decision	Increase Degree of Decision Stimulation	Little Influence on Decision to Travel Process

# Types of Product

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## □ Product examples

<b>Destination Drivers</b>	<b>Driver Accelerants</b>	<b>Destination Drivers</b>
<ul style="list-style-type: none"><li>• Powerful attractions</li><li>• Conventions/meetings</li><li>• Friends/Relatives</li><li>• Business</li><li>• Powerful events</li><li>• Powerful settings</li><li>• Powerful collection of amenities, activities or assets</li></ul>	<ul style="list-style-type: none"><li>• Value-added activities and amenities (golf w/ meetings, casino with convention, etc.)</li><li>• Powerful package</li><li>• Ease of access</li><li>• Ease of purchase</li><li>• Great value</li><li>• Powerful offer</li><li>• Great marketing</li></ul>	<ul style="list-style-type: none"><li>• Most lodging</li><li>• Most restaurants</li><li>• Much shopping</li><li>• Less powerful attractions</li><li>• Less powerful events</li><li>• Less powerful activities</li></ul>

# Types of Product

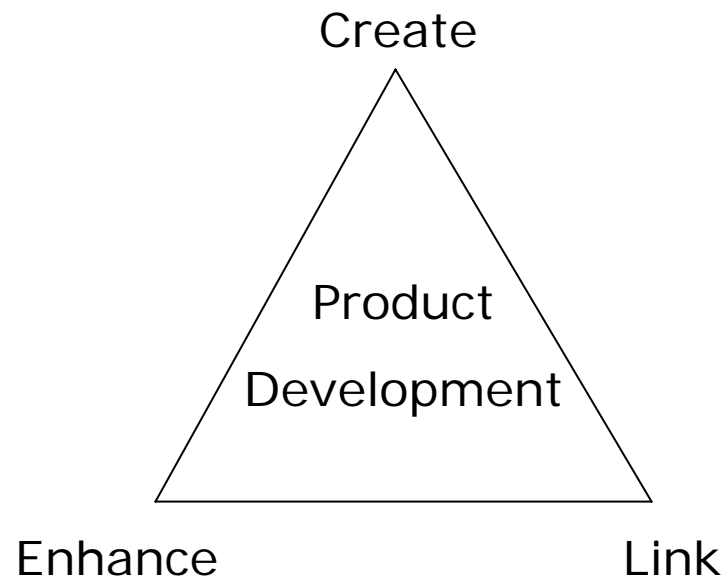
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## □ Ability to compete

Destination Drivers	Driver Accelerants	Destination Drivers
<b>CRITICAL</b>	<b>SIGNIFICANT</b>	<b>CANNOT BE IGNORED</b>

# Types of Development

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# Types of Development

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## □ Create

- Newport Aquarium/Newport on the Levee
- Dubuque, Iowa: America's River
- Casino in Orange County

# Types of Development

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## □ Link

- Handmade in America:
  - Craft Heritage Trails of Western North Carolina
  - Farms, Gardens & Countryside Trails of Western North Carolina
- The Great Texas Coastal Birding Trail
- Uplands Wine Trail

# Types of Development

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## □ Enhance

- Animal Kingdom at Disney World
- The Voyage at Holiday World
- MP3 walking/driving tours
- Restoration of French Lick Springs and West Baden Springs

# Place-Based Development

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## □ The Tourism Development Bottom Line

“To be successful in today’s increasingly competitive environment companies must learn to state **experiences** for each one of their individual customers. We have entered the Experience Economy, a new economic era in which all businesses must orchestrate memorable events for their customers that engage each one of them in an inherently personal way”

~The Experience Economy

B. Joseph Pine

James H. Gilmore

# Place-Based Development

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## □ In business it's

- Location
- Location
- Location

## □ In tourism it's

- Experience
- Experience
- Experience

# Place-Based Development

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- Visitors want unique experiences
- Take advantage of PLACE-BASED ASSETS
  - History/heritage
  - Rural /scenic setting
  - Outdoor opportunities
  - Local restaurants

# Place-Based Development

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## Example of Place-Based Assets

- Visitors to the Hawaiian Islands are paying \$600 to watch Master Chefs purchase and prepare **local produce** in a unique partnership with Hawaiian farmers
- Again, consider how to use PLACE-BASED ASSETS and maintain a strong SENSE OF PLACE

# Proactive Development Process

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## Product Development Concepts Considered

- Differentiate/Sustainable
- Leverages Existing Assets
  - Supports Other Needs



- CREATE/ENHANCE/LINK PRODUCT(S)

# Tourism Development

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Recap:

- Consider
  - Types of product
  - What development strategy works best (Create, Link, Enhance)
  - Local, place-based assets
  
- Also keep in mind
  - Embrace complimentary competition
  - Critical mass is important
  - Packaging is important
  - Marketing is key
  
- Bring the involved parties to the table
  - Chambers of Commerce
  - Convention and Visitors Bureaus

# Office of Tourism Development

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- For general travel information visit:
  - [www.visitindiana.com](http://www.visitindiana.com)
  
- For industry information including research, product development and media relations visit:
  - [www.in.gov/tourism/](http://www.in.gov/tourism/)

# Office of Tourism Development

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With general questions and further comments contact:

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