

2005 INDIANA TOURISM COUNCIL REPORT TO THE GOVERNOR

“PEOPLE ARE TURNING TO COMMUNITY RATHER THAN TO CORPORATIONS TO DEFINE THEMSELVES. WHEN SMART, SKILLED JOB CANDIDATES VISIT A COMPANY, THEY DON'T JUST TAKE IN THE WORK SPACE AND THE CULTURE. INCREASINGLY, THEY CHECK OUT THE SURROUNDING STREETS, THE PARKS, AND THE NIGHT SPOTS. THEY LOOK FOR AUDIAL AND VISUAL CUES, SUCH AS ACTIVE OUTDOOR RECREATION, A THRIVING MUSIC SCENE, LOTS OF AMENITIES, AND HIGH ENERGY, WHICH SIGNAL THAT THIS IS A PLACE WHERE THEY CAN LIVE AS WELL AS WORK.”

Richard Florida, author of the 2002 best seller *The Rise of the Creative Class*

INDIANA TOURISM COUNCIL 2004 YEAR IN REVIEW

THE 33 MEMBER INDIANA TOURISM
COUNCIL ADVISES THE INDIANA
DEPARTMENT OF COMMERCE'S OFFICE
OF TOURISM DEVELOPMENT THROUGH
STRATEGIC PLANNING AND CONSENSUS
BUILDING

2004 INDIANA TOURISM COUNCIL REPORT

Following the 2003 Indiana General Assembly's legislation calling for the restructuring of the existing Indiana Department of Commerce in 2005, the Indiana Tourism Council has taken proactive steps to develop scenarios which will position the Office of Tourism as a full partner in the state's economic development activities. The council strived to develop possible scenarios, which could be implemented to compliment and conform to the state's Peak Performance plan.

The Indiana Tourism Council's annual retreat was held in Gas City on September 22-23. During the retreat, members broke out into groups and deliberated and weighed the strengths and challenges inherent in each of the following options.

Scenario 1: The creation of an independent Department of Tourism and Community Development as introduced in HB 1001. This scenario included the proposal to replace the Council with a policy and budgetary oversight Commission.

Scenario 2: Tourism would become a part of the new Economic Development Corporation (EDC). Presuming that legislation would ratify the EDC the tourism program would be folded into the EDC.

The Indiana Tourism Council also considered options including considerations as to what would happen should HB1001 be rescinded and tourism would remain an Office under the Economic Development Division within the Indiana Department of Commerce. The additional options considered included:

The creation of a privatized or quasi-governmental tourism organization outside of the EDC.

The development of a new hybrid department of state government, such as a department of tourism and cultural affairs, uniting several cultural, heritage and recreation-based state agencies that currently exist elsewhere within the system.

The elimination of the Office of Tourism based on the comparison with other state tourism organizations, which have been presented with this possibility in recent years.

A combination of scenarios.

The Tourism Council strongly endorses the first of the many scenarios that creates an independent department focused solely on tourism with its own staff and budget. This position echoes the view expressed by the Promote Indiana Coalition, the Association of Indiana Convention and Visitors Bureaus (AICVB), Restaurant and Lodging Association and the Indiana Festival Association.

2004 NATIONAL AND STATE TRAVEL TRENDS

Outdoor recreation and visiting national or state parks is one of the top activities for U.S. travelers taking leisure trips within the U.S. One in four (23%) leisure person-trips includes some form of outdoor recreation and/or a visit to a national or state park. Outdoor trips are also likely to be taken by car (76%), and one in six (17%) outdoor trips includes camping in an RV or tent.

With the new emphasis placed on outdoor recreation across the nation, the Indiana Office of Tourism, the Indiana Department of Natural Resources and the Recreation Vehicle Indiana Council will deliver a first-of-its-kind guidebook to 750,000 recreation enthusiasts in 2005.

2005	2004 (%)
Low Visitors Enjoy Indiana	
Sports and Travel Two out of five U.S. adults (38%) attended an organized sports event, competition or tournament, as either a spectator or as a participant while traveling in the past five years. This equates to 75.3 million U.S. adults. A majority of these sports event travelers took their most recent sports trip in the <i>past year</i> (70% or 52.7 million adults).	53.5
Shopping	

Minority Travel Hispanic travel volume is up 20 percent from 2000 to 2002, much higher than the two percent growth of travelers overall. A majority of trips taken by Hispanics is for leisure (77%), of which visiting friends or relatives are the ultimate goal for many (43%). Entertainment trips (16%) and outdoor recreation (8%) make up smaller shares. African-American travel volume is up 4 percent from 2000 to 2002 with 74% for leisure, most often to visit friends or relatives (44%). One in five (22%) of trips taken by African-American are for business, including combined business and pleasure purposes.

The Internet and online services are very popular with travelers. Travelers tend to be quite computer savvy, with two thirds (65%) of the 98.3 million travelers who are online-63.8 million, using the Internet to make travel plans in 2004.

Baby Boomer households generated the highest travel volume in the U.S. in 2003 (registering 268.9 million trips, more than any other age group). Baby boomer households (households headed by someone age 35-54) are the most likely to stay in a hotel, motel or bed and breakfast establishment on overnight trips (59%) and travel for business (29%).

Cultural Events/Festivals are very popular among travelers. In fact, most (75%) U.S. adult travelers attended a cultural activity or event while on a trip in the past year. Specifically, one in five (20%) past-year travelers (28.9 million adults) say they attended a heritage, ethnic, or folk festival or fair.

THE COUNCIL IS CHARGED WITH:

1. Assisting in developing goals and objectives for the Office of Tourism
2. Establishing advisory groups to make recommendations on tourism research, development and marketing
3. Analyzing the results and effectiveness of grants made by the Office of Tourism
4. Building commitment and unity among tourism industry groups
5. Creating a forum for sharing ideas regarding tourism
6. Encouraging public and private participation on tourism promotion
7. Making recommendations to the Office of Tourism regarding any matter involving tourism.

MEMBERS TAKE RESPONSIBILITY FOR:

Acting as the point of contact for their representative industry group or geographic region

Bringing industry issues to the Council's executive committee or Council meetings for discussion

Placing Council updates into member association newsletters and in other appropriate correspondence

Sharing Council news with industry groups at professional functions

INDIANA TOURISM COUNCIL

Communicating with an Indiana Tourism Council member is one of the best ways for you to voice your issues, concerns and ideas. You are invited to contact any member at any time.

PURPOSE

The Indiana Tourism council was established by the Indiana legislature in 1997 and acts as an advisory body to the Office of Tourism Development.

Lieutenant Governor, Chair

Government Officials

Office of Tourism Director
Dept of Natural Resources Director
Dept of Transportation Commissioner

Governor Appointees

Anthony Mason, Circle City Classic
John Chidester, Holiday World
Tina Connor, Historic Landmarks Foundation of Indiana
Lisa Farris, Conner Prairie
Bob R. Miller, Das Dutchman Essenhaus
Bill Wellman, Whiteco Industries
Connie Weinzapfel, Historic New Harmony
Linda Williams, Bloomington Economic Development Corp.

Paul Sauerteig, Snow & Sauerteig, LLP
Ray Kavanaugh, Purdue University

Indiana Legislators

Sen. James Merritt, District 31
Sen. Connie Sipes, District 46
Rep. Jerry Denbo, District 44
Rep. David Yount, District 59

Association Representatives

Susan Hindman, RVIC
Michael Smith, Casino Association of Indiana
John Livengood, Restaurant and Hospitality Association of Indiana
Katie Holderby, Tour Indiana
Ken Surber, Indiana Bed and Breakfast Association
Dean Morgan, Indiana Hotel and Lodging Association
Peggy Hobson, Association of Indiana Convention and Visitors Bureaus
Doug Weisheit, Indiana State Festivals Association

Regional Representatives

June Julien Northern
Randy Ballinger, Eastern
Bob Bedell, Central
Jeanne Stanbaugh, Western
Linda Lytle, South Central
Gordon Smith, Southern

Agri-Tourism Representative

Dana Huber, Huber Winery

SCHEDULE

The Indiana Tourism Council meets quarterly, with one meeting per year serving as an annual retreat to fully examine issues affecting travel and tourism in Indiana. All meetings are open to the public.

AGRITOURISM

The Indiana Tourism Council was asked to promote Agritourism to national and international visitors and sustain the growth of this growing industry in Indiana.

Representatives from the industry were added to the Council following legislation which was passed unanimously in 2004, as an amendment to House Bill 1244, which called for the addition of two seats on the Indiana Tourism Council.

ACCOMPLISHMENTS OF NOTE

RETURN ON INVESTMENT

Visitors spend \$618 in Indiana for every dollar invested in marketing. The state realizes \$37 in sales tax revenues per dollar invested in advertising.

FIRST OF ITS KIND TOURISM DEVELOPMENT INITIATIVE

In 2004, a cooperative funding partnership was introduced to provide grants for blueprints that will result in strengthening Indiana's tourism product, create and expand jobs, enhance Indiana's image as a destination and stimulate visitor spending. This is the first time the Office of Tourism has been able to offer substantial product dollars to Indiana constituents. Eleven projects were awarded a total of \$600,000 in October 2004 to support the efforts of local communities and regional tourism groups as they engage in strategic planning for capitol projects.

INDIANA RANKS THIRD

Nationally, Indiana is ranked 3rd for local and private investment in state tourism programs (behind Florida and California, both of which are privatized). Indiana's unique investment-generating business model raised \$2.1 million from 1,500 Indiana businesses and organizations in 2004. Nearly 40 percent of Indiana's marketing plan is funded by partnerships.

INDIANA TOURISM'S ECONOMIC ACCOMPLISHMENTS

Total Visitor Volume	58 Million person trips
Total Visitor Expenditures	\$6.5 Billion
Total Direct Jobs	94,000
Payroll	\$1.7 Billion

BRAND POSITIONING

In 2003, Indiana's tourism brand positioning was modified to incorporate themes that align with the Department of Commerce's key messages. The central Indiana advertising community awarded six television commercials filmed in 2003 with silver medals. Three more television spots in the series were produced in 2004, for a total of nine complimentary spots designed with the four key messages.

ENJOYINDIANA.COM

A dramatic redesign of the state's official travel Web site, EnjoyIndiana.com, incorporated new, highly advanced mapping and flash remoting technologies. Nearly 2 million users visited the site in 2003 and viewed 6.2 million pages.

OUTDOOR RECREATION GUIDE

The Office of Tourism, Indiana Department of Natural Resources and the Recreation Vehicle Indiana Council will deliver this first-of-its-kind guidebook to 750,000 recreation enthusiasts in 2005.

AGRITOURISM

The Office of Tourism was instrumental in bring together dozens of organizations in the creation of a new Agritourism initiative that will assist Indiana farmers, food producers and rural communities in attracting new revenue streams.

PUBLICATIONS

In 2005, the Office of Tourism will deliver 8 publications to more than 5 million travelers through direct delivery and through more than 1,000 distribution points. Randall Travel Marketing, an independent research firm, ranked the Indiana Travel Guide the number one state guidebook in the nation in 2002.