



***Department of  
Tourist Development  
Budget Hearing***

***November 24<sup>th</sup>, 2014***

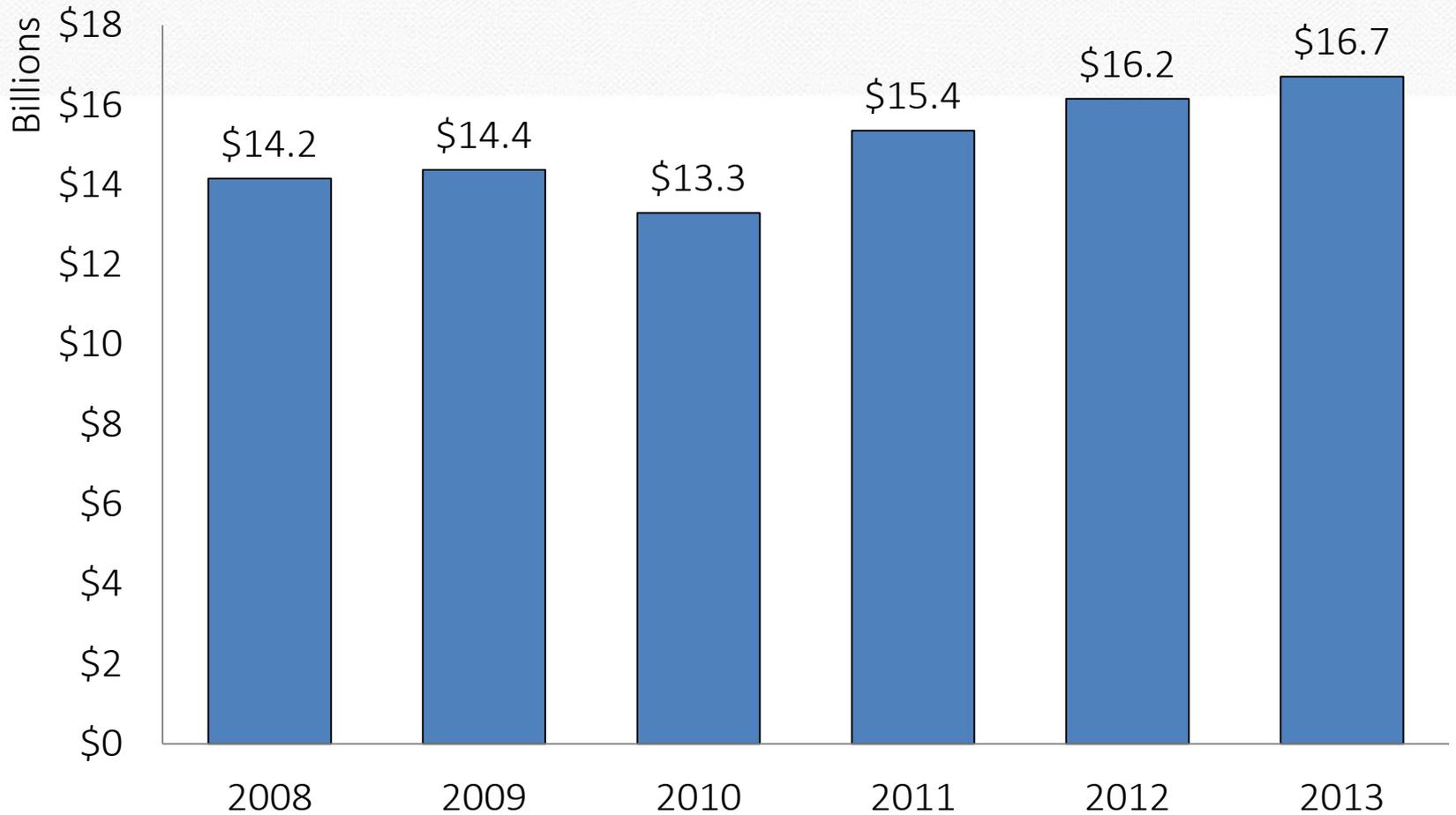


# Customer-Focused Government Goals

	Marketing Goals	Welcome Centers Goals	Agency Goals
Key Operational Goals	<ul style="list-style-type: none"><li>• Increase travel-generated revenues to local communities and the state.</li><li>• Utilize paid, owned and earned media to increase consumer awareness and potential traveler engagements.</li><li>• Utilize public relations strategies to increase consumer intent to travel to Tennessee.</li></ul>	<ul style="list-style-type: none"><li>• Improve customer service to travelers who visit the Welcome Centers.</li></ul>	<ul style="list-style-type: none"><li>• Direct the administrative and financial operations of the department in a manner that supports the department's vision to make Tennessee the global music destination of choice.</li></ul>
Strategic Initiatives	<ul style="list-style-type: none"><li>• Increase awareness of Tennessee as the global music destination of choice; an authentic American experience rooted in blues, bluegrass, country, gospel, soul and rock 'n' roll at the crossroads of American history and renowned scenic beauty.</li></ul>	<ul style="list-style-type: none"><li>• Provide excellent customer service to the traveling public within Tennessee by implementing our Welcome Center Customer-Focused Certification Program by December 2015.</li></ul>	



# Total Travel Spending in Tennessee



Source: Economic Impact of Travel on Tennessee Counties 2014 Report



# Tourist Development Successes

## Marketing

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- **Generated \$16.7B Economic Impact in 2013. (3.4% growth from 2012)**
- **Generated \$1.3B in combined state and local taxes in 2013.**
- **8th consecutive year generating \$1B state and local taxes to TN.**
- **3 counties had more than \$1B in direct tourism expenditures.**
- **19 counties had more than \$100M in direct tourism expenditures; all 95 counties had more than \$1M in direct tourism expenditures.**
- **55 counties generated more than \$1M in local sales tax revenues from tourism.**
- **Person stays in Tennessee totaled 96.4M, an increase of 4.7% from 2012.**
- **International travel generated \$531.6M in economic impact to TN.**



# Tourist Development Successes

## Marketing

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- **Increased Consumer Engagements (website visits, vacation guides, emails, banner media, social media, etc.)**
  - **6.7M - July-Sept. 2014 (3.6M same quarter last year.)**
  - **6.9M - FY 2013-2014 Target**
  - **6.6M - Total FY 2012-2013 consumer engagements**
  
- **Increased Public Relations Impressions**
  - **1.5B - July-Sept. 2014 (112M same quarter last year.)**
  - **1.48B - FY 2013-2014 Target**
  - **1.3B - Total FY 2012-2013 PR impressions**
  - **New PR opportunities have helped expand our reach.**
  - **Major PR coverage: Rolling Stone, Tina Turner Museum, Birthplace of Country Music Museum, Civil War Sesquicentennial, etc.**



# Tourist Development Successes

## Marketing

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- **New “Made in Tennessee” branding campaign key research results:**
  - **The campaign had a 50% lift in intent to travel among those who had seen an ad and were likely to visit Tennessee in the next 12 months.**
  - **Following the 4-month Summer/Fall media flight (1,500+ sampled):**
    - **49% recalled seeing a TN vacation ad.**
    - **95% who viewed one of the four video ads had positive response.**
    - **91% of those who viewed a print ad had a positive response.**
    - **83% who saw an internet display ad had a positive response.**
    - **Travelers see TN as strong in music, scenic beauty, and value.**



# Tourist Development Successes

## Welcome Centers

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- **Increased average cumulative score on Welcome Center comment cards (scale 1-5) from 4.7 to 4.9 in first FY Qtr. 2014 versus same period in FY 2013.**
- **100% Welcome Center staff completed DOHR customer service training by March 2014.**
- **All Welcome Centers have been green certified for hospitality industry operations.**
- **New I-26 Kingsport Welcome Center will be opening soon.**



# Tourist Development Challenges

## Agency

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- **“Made in Tennessee” Campaign**
  - Funding limitations impact the number of markets reached and channels used.
  - \$8M cost increase requested for FY 2015-2016.
  - 7% reduction submitted totals \$762,600 will limit marketing funds available for campaign and other initiatives.
- **Tennessee Music Trail**
  - In conjunction with ECD and the Tennessee Tourism Committee, TDTD will develop a trail to identify the various musical venues, history, and related sites of interest to generate travel in TN.
  - Currently in R&D phase.



# Tourist Development Challenges

## Marketing

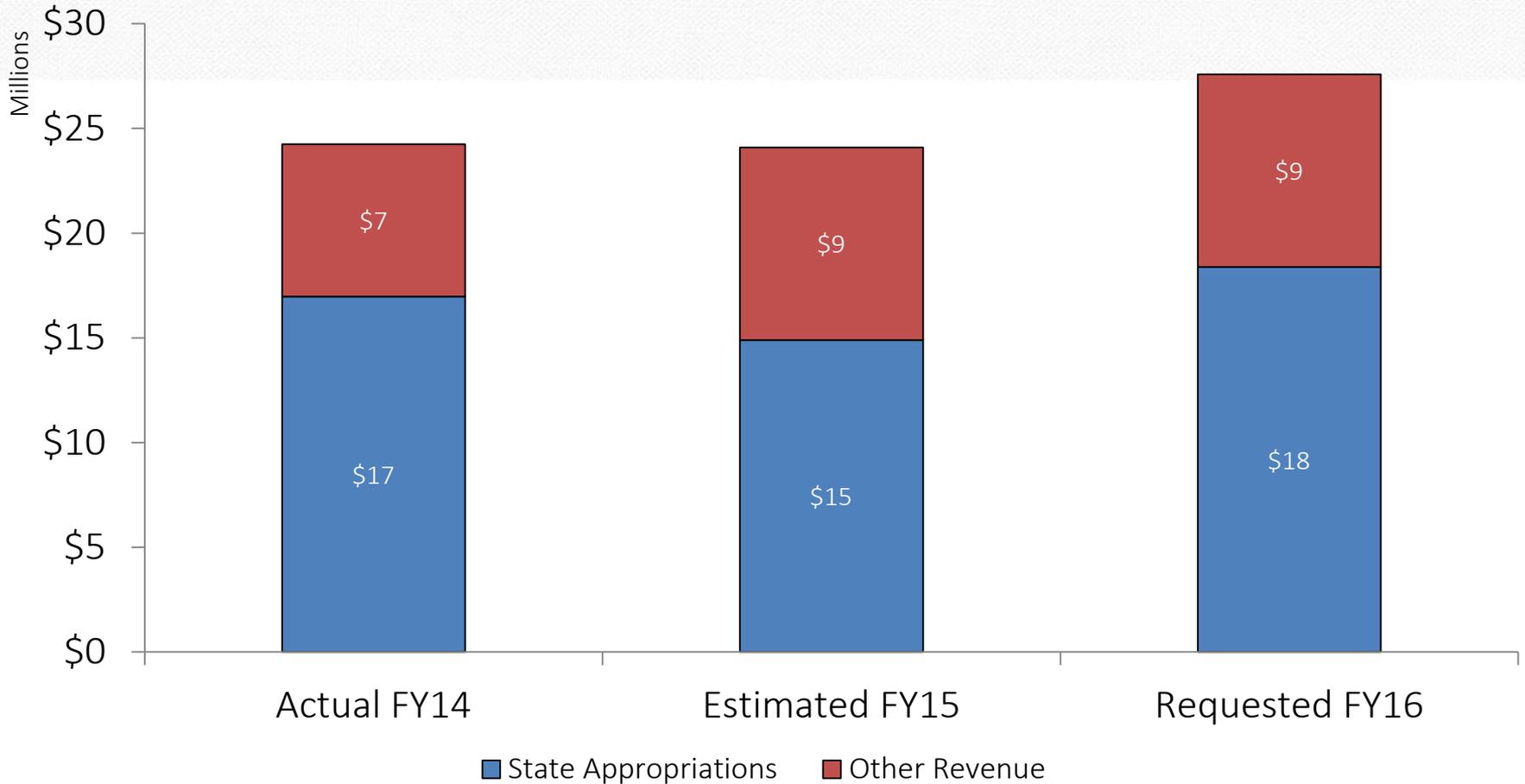
- **“Made in Tennessee” Funding**
  - Funding limitations impact the number of markets reached and channels used.
  - ROI Study Planned Summer/Fall 2015 (after campaign has been in market for a year).
- **Leveraging industry partner matching funds thru cooperative marketing campaigns.**
- **Expanding international marketing opportunities to increase global awareness.**

## Welcome Centers

- **Staff Certification Program**
  - To be completed by December 2015.
  - Plan to include staff incentives for completion and achievement.
- **Broadening the “Made in Tennessee” brand to WCs.**
- **Capital Investments**
  - Exploring WiFi options in all centers.
  - Music Trail Kiosks TBD.
  - I-55 Memphis and I-40 Haywood County centers scheduled to come on-line fall 2015.
  - I-26 Nickajack center scheduled to come on-line late 2016.



# Revenue Sources





# Proposed Reduction Plan

Priority	Category	Reduction Description	State Savings
1.	Program and Operations	Reduce marketing activities.	\$762,600



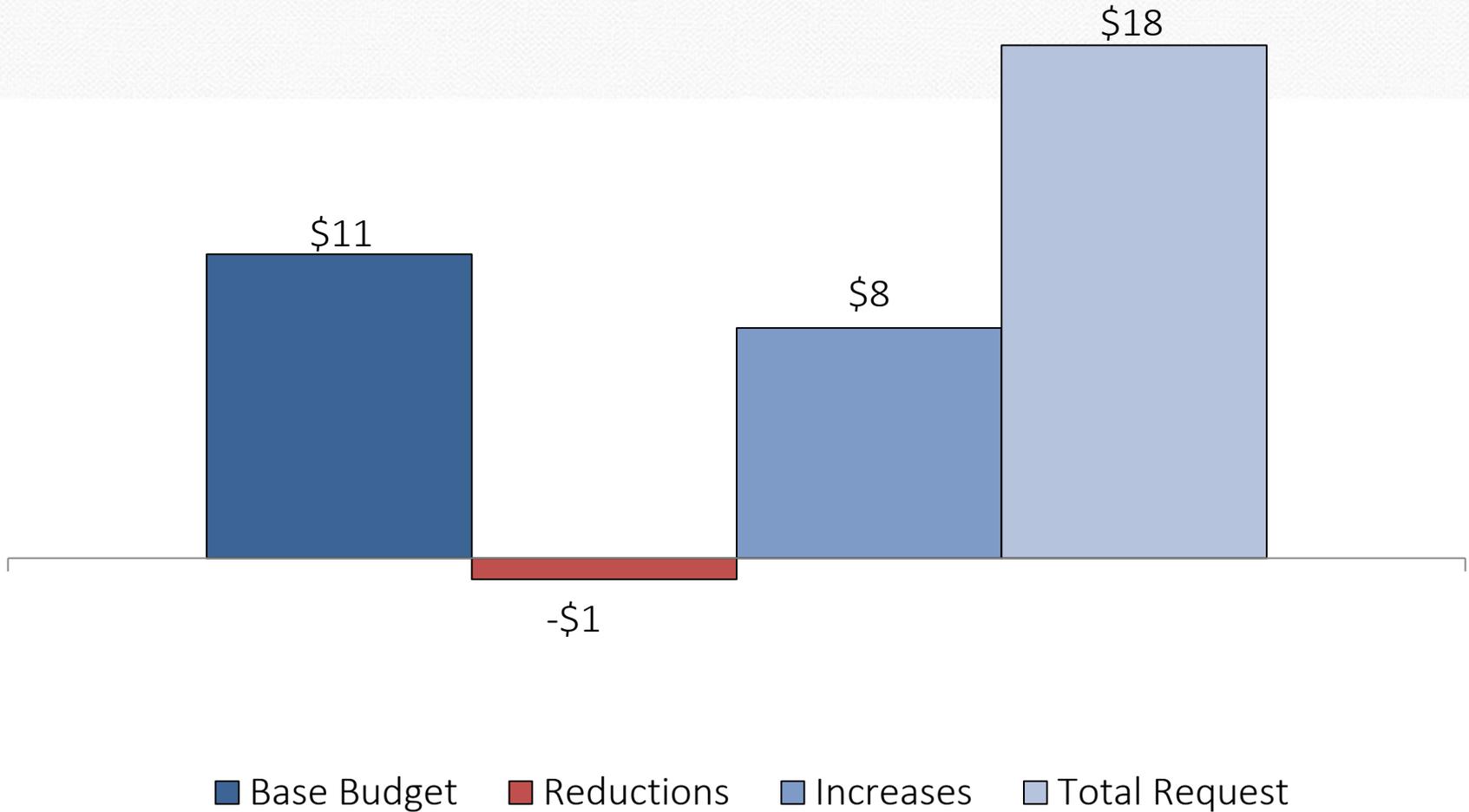
# Proposed Cost Increases

	Increase	Total	State	Federal	Other	Positions
1.	Administration and Marketing – Non-recurring marketing funds for the Tourism Task Force	\$8,000,000	\$8,000,000	\$0	\$0	0
2.	Welcome Centers Operations – Provide security for two new and two renovated welcome centers	\$250,000	\$250,000	\$0	\$0	0
	Total Cost Increases	\$8,250,000	\$8,250,000	\$0	\$0	0



# Request Summary

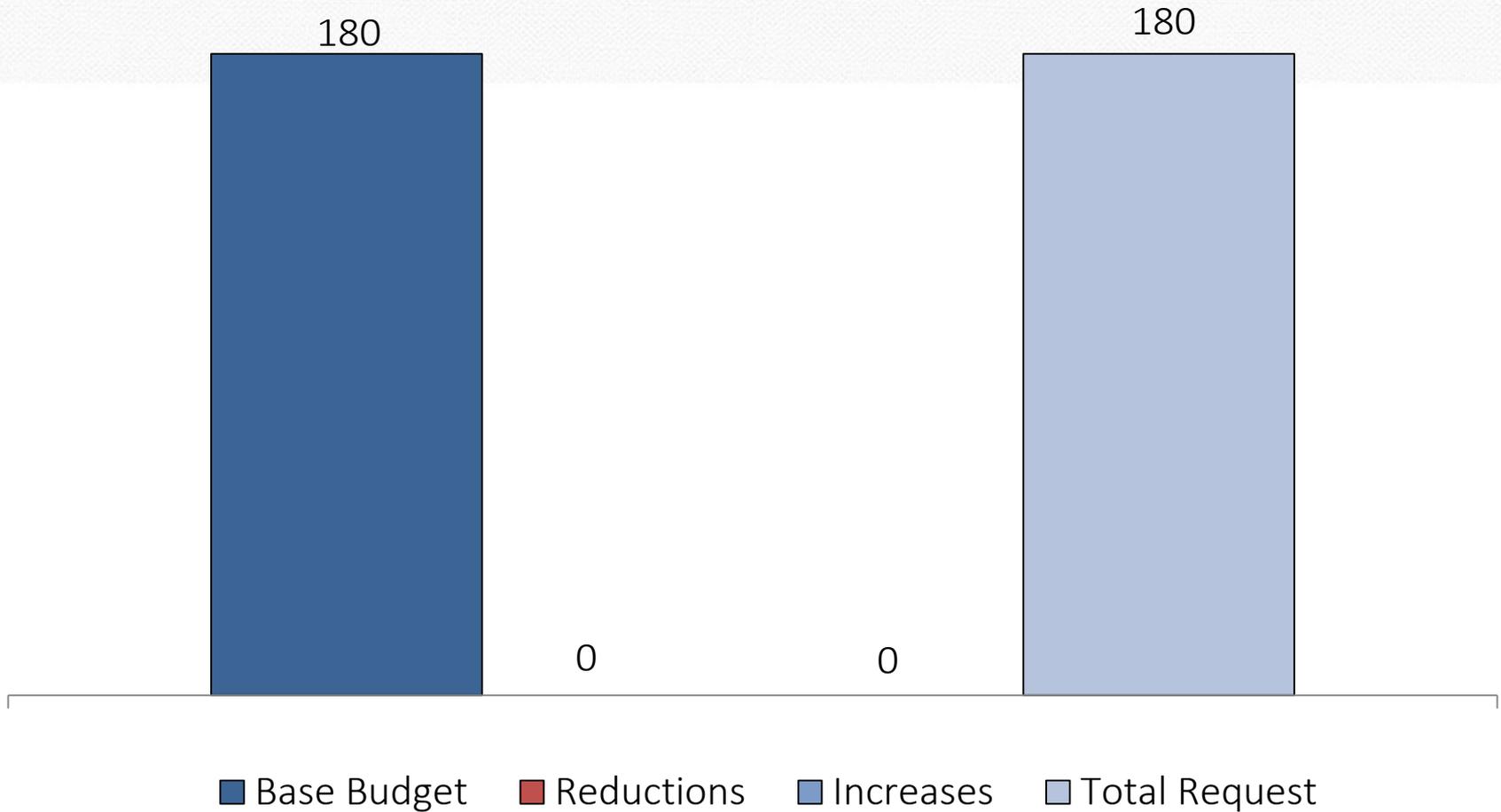
*State Appropriations (in millions)*





# Request Summary

## *Authorized Positions*





# Authorized Positions

