Michigan Tourism: An Update

Prepared by Dr. Sarah Nicholls
Depts of CARRS & Geography, MSU
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Preparing the next Michigan Tourism Strategic Plan

2010 Tourism Data

- Visitor spending: $17.2 billion, up $2.1 billion (14%) = biggest one-year increase ever!
- Business travel up 15.3%
- Resident leisure travel up 6.1%
- Non-resident leisure travel up 21.1%
- First time non-resident exceeded resident (leisure)
- 152,600 tourism jobs (up 10,000 from 2009)
- $964 million in state taxes paid by visitors (up $114 million from 2009)


Preliminary 2011 Tourism Data

- Visitor spending: $17.7 billion, up $0.5 billion (3%)
  - Business travel up 0.4%
  - Leisure travel up 4.2%


Michigan Origin States

<table>
<thead>
<tr>
<th>State</th>
<th>Leisure Person Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>54.6%</td>
</tr>
<tr>
<td>Illinois</td>
<td>6.8%</td>
</tr>
<tr>
<td>Indiana</td>
<td>5.3%</td>
</tr>
<tr>
<td>Florida</td>
<td>4.7%</td>
</tr>
<tr>
<td>Ohio</td>
<td>4.3%</td>
</tr>
<tr>
<td>California</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

proportion of in-state travel ↓ from 62% in 2009
out-of-staters earn + spend more
attracting older, empty nest travelers
transportation
79% auto, 12% air
purpose
40% VFR, 34% vacation
accommodations
50% paid (↑ from 45% in 2009)
40% private home


Michigan Destination Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of 2010 Leisure Person Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast</td>
<td>45%</td>
</tr>
<tr>
<td>Northwest</td>
<td>14%</td>
</tr>
<tr>
<td>Southwest</td>
<td>21%</td>
</tr>
<tr>
<td>Northeast</td>
<td>13%</td>
</tr>
<tr>
<td>Upper Peninsula</td>
<td>7%</td>
</tr>
</tbody>
</table>

TOP SEVEN COUNTIES FOR SPENDING (2010)

1. Wayne ($4,408m, 25.6%)
2. Kent ($1,004m, 5.8%)
3. Saginaw ($804m, 4.7%)
4. Oakland ($716m, 4.2%)
5. Grand Traverse ($693m, 4.0%)
6. Ingham ($639m, 3.7%)
7. Washtenaw ($595m, 3.5%)

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NEWS FROM TRAVEL MICHIGAN’S DIRECTOR, GEORGE ZIMMERMANN

WEDS JUNE 27, 2012
“Results for 2012 continue to be positive as we head into the 4th of July. According to Smith Travel Research, MI’s hotel occupancy rate through May of this year is 50.7%, up 3.5% from the same period in 2011. The average daily rate (ADR) for Michigan hotels is $79.18 through May, up 3.3% from 2011. And revenue per available hotel room (RevPAR) through May is $40.14, up 6.9% over the first five months of 2011.”

WEDS JULY 25, 2012
“Key hotel data continues to improve in Michigan, according to Smith Travel Research. Through June, Michigan’s hotel occupancy rate was 53.4%, up 4% from the same period last year. Revenue per available hotel room (RevPAR) was $43.01 through June, up 7.9% over the first six months of 2011.”
Pure Michigan Accolades

- Best State Tourism Advertising Campaign: 2007
- Best State Tourism Television Advertising: 2007, 2010
- Best State Tourism Radio Advertising: 2008-2011
- Best State Tourism Niche Advertising: 2009
- Best State Tourism Welcome Centers: 2010
- Best State Tourism Partnership Program: 2010

“Mercury Awards” presented by the United States Travel Association

2011 David Ogilvy Award for Excellence in Advertising Research

- Presented by Advertising Research Foundation
- “Celebrate the extraordinary and/or creative use of research in the advertising development process”

Forbes (2009): All-time Ten Best Tourism Promotion Campaigns

1. Las Vegas (“what happens here, stays here”)
2. Incredible India
3. New Zealand
4. Australia (Paul Hogan, 1980s)
5. Jamaica
6. Pure Michigan
7. Alaska (B4UDIE billboards, 2005)
8. Canada
9. Oregon
10. Virginia (is for Lovers)

2011 State of the State Address

“In our budget recommendations, we will include the funding of Pure Michigan at an annual rate of $25 million... It’s positive for our image and it’s a positive return on our tax dollars.... I ask the legislature to recognize that return on investment and lend its full support.”

Governor Rick Snyder, January 19, 2011

Pure Michigan ROI 2011

- $14.25 million in out-of-state spring/summer advertising
- Motivated 3.2 million trips to MI
- 2 million from the region (IL, IN, OH, WI, MO, Ontario)
- 1.2 million from outside the region
- Those visitors
  - spent $1 billion at MI businesses
  - paid $70 million in MI sales tax
- ROI = $4.90 for each dollar spent on Pure MI spring/summer advertising in 2011

Source: Longwoods International

2012 Advertising Partners
Pure MI Brand Promotion/Partnerships

**michigan.org**
Most popular state tourism web site in US in 2011 (for fifth year in a row)
1. michigan.org 8,646,540 web visits
2. Arkansas 5,971,427
3. Virginia 5,408,223
4. Florida 5,313,552
5. Hawaii 4,764,513
6. Colorado 4,480,770
7. Texas 4,391,059
8. North Carolina 3,957,667
9. Utah 3,360,181

Source: Experian Hitwise

14,168 listings as of June 2012

Michigan Travel Ideas

**facebook.com/puremichigan.org**
Most Facebook fans/likes of any state tourism Facebook site

1,000,000 printed
650,000 polybagged with March/April Midwest Living

However ...

**Pure Michigan Merchandise**
MI ranked 28th in terms of desire to visit US states in 2010 Portrait of the American Traveler Report

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State and US Comparisons

Preparing the next Michigan Tourism Strategic Plan

Pure Michigan Budget vs. Other States
(for 2012)

1. Hawaii -- $75 million
2. California -- $61 million
3. Illinois -- $55 million
4. Florida -- $38 million
5. Texas -- $36 million
6. Michigan -- $25 million

Average = $14.5 million

MI ranked 34th in 2005

2010 Leisure Visitor Volume

• MI ranked 11th in leisure visitor-days in the US in 2010 (2.6% of market, ↓ from 8th [3.0%] in 2009)

• Average spend per person per day = $81
  (↑ from $75 in 2009 – US average = $105)

Source: D.K. Shifflett

2010 Leisure Visitor Spending (in billions)

1) Florida
2) California
3) Nevada
4) Hawaii
5) New York
6) Pennsylvania
7) Ohio
8) North Carolina
9) Illinois
10) Arizona
11) Michigan

2009-2011 Leisure Visitor Opinion

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>MI</th>
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<tbody>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>7.8</td>
<td>7.5</td>
</tr>
<tr>
<td>2010</td>
<td>8.3</td>
<td>8.4</td>
</tr>
<tr>
<td>2011</td>
<td>8.4</td>
<td>8.5</td>
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<tr>
<td>Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>7.7</td>
<td>7.3</td>
</tr>
<tr>
<td>2010</td>
<td>8.0</td>
<td>8.2</td>
</tr>
<tr>
<td>2011</td>
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Note: on a 10-point scale, 10 = highest

Preventing the next Michigan Tourism Strategic Plan

The International Dimension

Preparing the next Michigan Tourism Strategic Plan

Great Lakes USA

- Markets the Great Lakes region in Europe
- Co-funded/managed by MI, OH, IL, WI and MN tourism offices
- Rep firms in UK + Germany
- State-level inbound int’nal stats very poor

Change in Top 15 Inbound Markets (US, 2011 vs. 2010)

1. Canada +5% 9. China (ex. HK) +36%
2. Mexico 0% 10. Australia +15%
3. UK 0% 11. Italy +6%
4. Japan -4% 12. Spain +9%
5. Germany +6% 13. India +2%
6. Brazil +26% 14. Netherlands +5%
7. France +12% 15. Venezuela +14%
8. South Korea +3%

GROWTH IN TRAVEL SPENDING WILL BE LED BY EMERGING MARKETS

Estimated growth in outbound international travel expenditures in 2012
- China +38%
- Brazil +32%
- India +32%
- Russia +21%

Source: UNWTO http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/unwto_barom12_01_january_en_excerpt.pdf

Source: U.S. Office of Travel and Tourism Indicators (OTTI)

Initial focus on: Canada, UK, Japan, Brazil and South Korea