

**2012-2017 Michigan Tourism Strategic Plan
Promotion, Marketing & Communications (PMC) Committee Meeting
Treetops Resort, Signature Board Room, 10am – 4pm, July 9 2013**

Agenda

1. Welcome – Sarah Nicholls, Roger Curtis and Barry Owens
2. Introductions – All
3. Review of Plan Process and PMC Goal/Objectives – Sarah Nicholls
4. Update from Travel MI/on Pure Michigan – George Zimmermann
5. Discussion of Metrics for the PMC Objectives – All
6. Preliminary Identification of Funding and Research Needs – All
 - a. Forthcoming Request for Budgets from Funding Committee
7. Review of PMC Suggested Strategies and Identification of Additional Strategies – All
8. Consideration of Prioritization of the PMC Objectives – All
9. Consideration of Formation of PMC Subcommittees – All
10. Next Steps and Next Meeting – Sarah Nicholls

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Meeting Notes

In attendance: Roger Curtis (Co-Chair), Barry Owens (Co-Chair), Allen Crater, Camille Jourden-Mark, Stefanie Kulpe, Sally Laukitis, Kristin Phillips, Dave Serino, Jill Stone, Jennifer Zieger, George Zimmermann, Sarah Nicholls, Anna Popp.

Absent: none.

Welcome – Provided by Sarah Nicholls, Barry Owens and Roger Curtis.

Introductions – Made by all.

Review of Plan Process and PMC Goal/Objectives – Provided by Sarah Nicholls with updates from George Zimmermann.

- *Objective One: Increase regional and national awareness of the Pure Michigan campaign from 70% and 36%, respectively, in 2011, to 80% and 50% by 2017.* Awareness data come from Longwoods International, awareness is defined as having seen at least one Pure Michigan spring/summer ad. Regional and national awareness for 2012 = 72% and 39%, respectively, representing a 3% and 8% increase over 2011. Continued increases at these annual rates would generate 83% regional and 57% national awareness by 2017. The regional market is defined as follows: Chicago, IL; Milwaukee, WI; Indianapolis, IN; Cleveland, OH; Akron, OH; Canton, OH; Cincinnati, OH; Columbus, OH; Dayton, OH; Toledo, OH; St. Louis, MO; South Bend, IN; Green Bay, WI; Ft. Wayne, IN; and, Southern Ontario.
- *Objective Two: Increase visitor spending from \$17.7 billion in 2011 to \$21.5 billion in 2017.* Spending data come from D.K. Shifflet and include business and leisure activity. The 2012 data are coming soon. In 2010 and 2011, leisure spending increased at a greater rate than business spending, and out-of-state leisure spending increased at a greater rate than the in-state leisure spend. Will need to see a 5% increase in spending each year to achieve this objective. Other states are increasing their budgets and going national with their advertising efforts, e.g., NY just increased their state budget to \$60 million – this will increase competition within the US for the leisure spend.
- *Objective Three: Increase the return on investment on Pure Michigan from \$4.90 in 2011 to \$6 by 2017.* ROI data come from Longwoods International and represent the number of dollars returned to the state treasury in the form of state sales taxes for every dollar

invested in spring/summer Pure Michigan advertising. ROI for 2012 = \$5.76. Critical stat in terms of increasing state willingness to allocate more funds to PM efforts.

- *Objective Four: Improve Michigan's desirability as a place to visit (per the Portrait of the American Traveler Report) from 28th in 2010 to 15th or better by 2017.* This report is published by MMGY Global/Harrison Group. It is based on a national survey of U.S. households with an annual household income of \$50,000 or more who have taken at least one overnight trip of 75 miles or more from home during the previous 12 months (2,527 households participated in 2012). The 2012 ranking is pending an update from TM.
- *Objective Five: Increase the Pure Michigan campaign's presence in international markets.* The recently-announced \$4 million in additional funding for PM in FY2014 will support this objective, including: expansion of Ontario advertising to include Toronto; expansion of promotion in the UK and Germany via existing partnership with Great Lakes USA; entry into new markets in Asia via new partnership with Brand USA. No plans for Latin America as of yet.
- *Objective Six: Increase Canadian visitation to Michigan from 1.54 million in 2011 to 2.15 million by 2017.* Need to see 6% growth per annum to achieve this objective by 2017. Toronto = a critical market which will be accessed for the first time in 2014. In comparison to Chicago, Toronto has a slightly larger population (3.8 million in comparison to 3.5 million) and a greater proportion of higher income households (33% of Toronto households earn more than \$100,000 per annum, in comparison to 26% in Chicago).

This goal and the work of this committee is somewhat unique in its heavy tie to/dependence on the work of Travel Michigan and on funding for the PM campaign. What can this committee do, and what can the broader industry do, to assist TM in the achievement of these objectives? E.g., national TV ads currently run for 13 weeks in spring/summer, but are off air for 39 weeks. How can the industry assist in keeping MI in the minds of travellers in those off times? What can the committee and the industry do to increase brand exposure and awareness?

Identification of Metrics for the PMC Objectives – Agreed by all that metrics for five of the six objectives are already clearly articulated. Intention to 'Increase the Pure Michigan campaign's presence in international markets' also deemed to be adequately defined for the time being.

Consideration of Prioritization of the PMC Objectives – All objectives are interrelated, success in any one will likely aid/be a result of achievement of others. Preliminary prioritization of objs 1 and 2, over 5 and 6, over 3 and 4.

Consideration of Formation of PMC Subcommittees – Group agreed that formation of subcommittees is premature at this point. Will reconsider this option at a later date as/when appropriate.

Review of PMC Suggested Strategies and Identification of Additional Strategies – A subset of suggested strategies as published in the plan document were reviewed. A multitude of other ideas were put forward during the summer meetings; those could still be reviewed and discussed at a future meeting. The strategies reviewed were divided into those for which TM has primary responsibility and those which the committee/industry could take the lead on implementing/encouraging.

Strategies – for Travel Michigan:

- Launch Pure Michigan in Toronto – Will occur in FY2014.
- Translate michigan.org into relevant languages – Not likely for the entire website (there are already more than 15,000 pages on michigan.org). However, there is the possibility of build micro-sites in foreign languages. Four-page ‘highlights’ brochures are being produced in multiple languages. Opportunity for TM and individual CVBs to partner with Brand USA on translation efforts (GZ will investigate – see action items). Connect Worldwide was also mentioned in this regard (“provides outsourced global travel representation in the areas of sales, marketing, and PR specifically for the Travel Industry. Our focus is on international market expansion and revenue development for our clients”): <http://connect-worldwide.com/>
- Increase promotional/marketing activity in Delta hub cities and in cities with direct flights to DTW (from US + abroad) – Problem is number of entities that would like to partner with Delta and with hub airports. Desirability of adding someone from Delta to PMC committee (there is a representative from DTW on the Product Development committee) (see action items).
- Continue to partner with Brand USA – Ongoing, will increase in FY2014. Brand USA will contribute towards cost of TV ads if their logo is included. Brand USA: <http://www.thebrandusa.com/>
- Expand Michigan’s presence at international sales shows such as ITB and WTM – Only destination-specific representation to date from Traverse City CVB, Detroit CVB and The Henry Ford. Interest in attending is growing amongst other entities. Important that entities make a long-term commitment – will take several years of attendance to develop strong relationships in foreign markets and for investment to pay off. Side discussion of Tour Mappers – a Boston-based receptive tour operator which now sells MI rooms and programs <http://www.tourmappers.com/> – and of length of international booking cycle, e.g., Europeans often book a year in advance, meaning brochures are printed more than a year out too.

Strategies – for committee/industry:

- Identify key niche markets + encourage to be on michigan.org – Need to identify current, emerging and high potential niches and help appropriate organizations/associations feature these niches (on their own and on the michigan.org sites). Problem: there are hundreds of these niche activities and thousands of related events – how to track and promote them all? Noted that some activities are easy to track due to license/permit requirements, others are not. Another problem: some of the organizations/associations/ clubs associated with these activities don't see themselves as a part of the tourism industry; the smaller entities also don't necessarily have the time, skills or inclination to promote. Another problem: some activities, e.g., boating, golf, have strong industry associations whereas others have no central, staffed or funded industry group. Suggestion to survey CVBs, to identify the current and emerging niches in their areas; then identify and approach appropriate organizations/associations/clubs to encourage them to increase promotion and partner with CVBs and TM. Need to be able to explain to them the benefits of doing this.
- Hunting, fishing, etc. – MDNR can track these kinds of activities via license sales (though license sales do not equate to actual participation nor provide information regarding the location of participation).
- Trails – No single source of trails data due to multiple trail types and varying land ownership. Most websites/online mapping software is run on point data (street addresses), which makes linear trails harder to integrate. MDNR has good data on trail users as well as access to those users via activity-specific listservs.

The topic of niche markets generated much conversation and seems to be a high priority agenda item for action in 2013 and 2014.

- Encourage CVBs to translate their websites – Ann Arbor CVB just launched an international site. Typically very expensive. Would be useful to know cost per page by language. The issue of translation also applies to other promotional media, as well as to onsite brochures, signage, etc.
- Encourage participation in International Pow Wow (now called IPW) – Ongoing. Attracts close to 1,200 international and domestic buyers from more than 70 countries. In Chicago in 2014 (April 5-9) (<http://www.ipw.com/>). TM hopes for a substantial MI presence.
- Create a “Pure Michigan Ambassadors” program for international students at Michigan colleges/universities – To tap into international students and their friends/relatives. Need to get good information into the hands of these students (e.g., at student orientation, via student groups), and make it easy for them to travel, esp. those without cars. Some tour operators already have programs in place for these groups, e.g., Michigan Travels: <http://www.michigantravels.net/english/student-tours/>. Idea of some kind of fam tour for selected international students – could recruit at

international student orientations each autumn or via international student groups. MLTA has an Education Committee with reps from 7-8 schools with tourism/hospitality programs, which might be another way to reach these students. Questions: How to make such opportunities of interest and value to these students? How many students, and from which schools and countries? Possibility to partner with outbound Study Abroad students, e.g., PM t-shirts. The topic of working with international students generated much conversation and seems to be a high priority agenda item for action in 2014.

- Establish a statewide forum on international tourism issues – A LinkedIn group, where individuals can ask questions and share resources, was discussed. The CCP committee is developing a similar site to facilitate collaboration/cooperation/partnerships. This would also make a good topic for a breakout session at the Governor’s Conference.
- Create a “Pure Michigan Passport” or some other loyalty program – Lots of questions raised: Who would administer this? Not TM. How would it work? What would the value be for the consumer? Marriott has an excellent program from a consumer perspective but it is very expensive and high maintenance for properties to manage. Rated low priority for now. Suggested that Service Excellence group might like to consider this as an option instead.

Other strategies identified/discussed:

- Encourage tourism entities to play their local Pure MI radio commercials during their on-hold phone messages.
- Encourage inbound business travelers to extend their stay for leisure purposes.
- Develop a way for the industry to generate and share their promotional/PR ideas with TM, to generate more opportunities like Mike Busley (GTPC) on Fox & Friends on National Pie Day in January 2013.
- More partnerships with national brands.
- More emphasis on ‘grown in/made in Michigan.’
- Placing the PM logo on tourism/hospitality workers’ uniforms.

Discussion of PM merchandise – Decision was made by TM/MEDC to only deal with US-made products, which increases the prices of many items, especially apparel. This makes it too expensive for some entities to stock relative to their other offerings. Suggestions re. new offerings that tie to the activities we offer, e.g., beach towels + umbrellas.

Discussion of oversaturation of brand – Remember that awareness is still only 39% in the national market – Key is to maintain the development of new creative.

Question – Potential for tour operators to feature on michigan.org? Issue = dividing line between promotion of travel and sale thereof.

Preliminary Identification of Funding and Research Needs – Not discussed in detail. There is a difference between small projects or activities that primarily involve data/information collation (which Sarah/Louise can handle) and large projects that will involve substantial primary data collection and that should be forwarded to the Research and Technical Assistance group. Funding and research = important agenda items for next meeting, especially if the group has any short-term funding needs. The funding committee is in the process of preparing a call for preliminary funding needs (coming this fall). Noted that there is no other state funding for plan initiatives; monies allocated to TM are for PM only.

Next Meeting – The group prefers to meet in person rather than via telephone to the greatest extent possible (with call-in option). Quarterly meetings, with next meeting in late fall. Lots of offers to host: Treetops, Holland, Livonia.

Action Items and Their Status –

General

- Sarah worked with Andy Northrop (MSU Extension) to post two short MI tourism updates, regarding the Canadian market and state tourism ROI, on the MSUE website. These posts must be short (<500 words) and must be first-authored by an MSUE educator (such as Andy). The more posts the better – MSUE is always looking for timely content.
 - General site: <http://msue.anr.msu.edu/> (tourism is under the ‘Business’ tab)
 - Canada post (the fourth of five so far on the MTSP): http://msue.anr.msu.edu/news/welcoming_international_tourists
 - ROI post (the fifth of five so far on the MTSP): http://msue.anr.msu.edu/news/tourism_marketing_return_on_investment
- Sarah followed up with Mike O’Callaghan from Detroit CVB re. potential for PMC committee member from Delta. New member = Andrew Zarras, Vice President of Customer Service.
- Allen has a client with a website in 70 languages. The translation service used is East-West Concepts, based in Kalaheo, HI. Allen could post this info on the international LinkedIn page that is forthcoming (see below).
- George will talk with Brand USA re. the opportunity to partner with them on the translation of web content (and the associated cost).
- Stefanie will talk with AACVB re. their experiences translating their website (ideally including cost information).
- Kristin will share the information MDNR has on loyalty programs.
- Sarah and Louise developed a list of 100 universities/colleges in MI including numbers/proportions of international students at each. The top ten are attached as potential starting points for the proposed activities with international students. Louise is compiling a list of international students clubs/groups at these ten.
- Roger shared these two articles about college marketing <http://www.nytimes.com/2011/09/11/business/at-colleges-the-marketers-are->

everywhere.html?pagewanted=all& r=0 and Ford's College Ambassador Challenge <http://finance.yahoo.com/news/fords-college-ambassador-challenge-offers-161700033.html>

- Sarah emailed individuals who indicated special interest in a statewide forum on international tourism issues during last fall's plan review period, to remind them of their interest, inform them that the PMC committee is working on this, and ask them to start thinking about possible content.

Obj. 4 (Portrait of American Traveller)

- GZ/TM to acquire 2012 report.