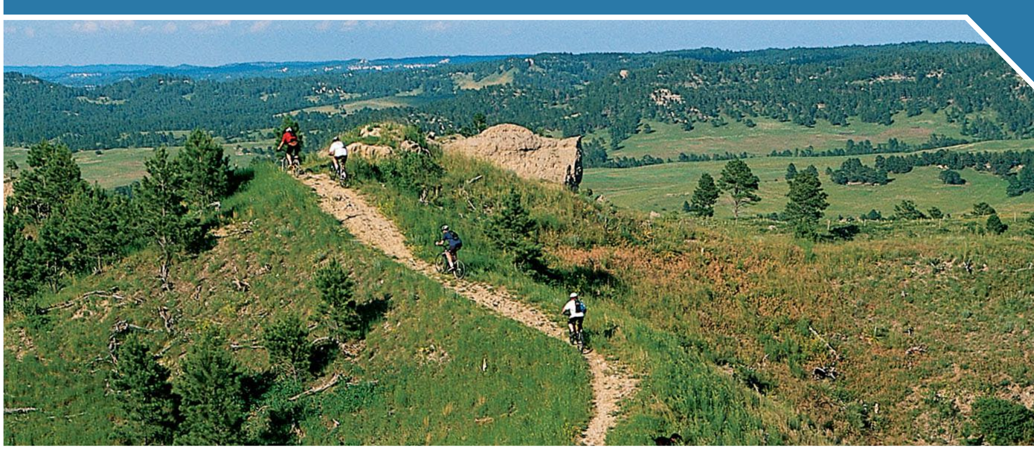
NEBRASKA STATEWIDE TOURISM INDUSTRY STRATEGIC PLAN

2015 UPDATE

FEBRUARY 19, 2016



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February 19, 2016

Ms. Kathy McKillip
Executive Director
Nebraska Tourism Commission
301 Centennial Mall South – 1st Floor
Lincoln, Nebraska 65809

Dear Ms. McKillip:

We are pleased to present a 2015 Update to the Nebraska Statewide Tourism Industry Strategic Plan. Building on the extensive 2012 Strategic Planning effort, this updated Strategic Plan was developed with consideration of recent internal and external changes affecting the Commission and the Nebraska Destination, as well as new industry benchmarking research, best practices insight, and engagement with the Commission and industry stakeholders.

The core concepts, research and insight presented in the 2012 Strategic Plan continue to remain relevant. The 2012 Plan included the opinions and comments from over 500 tourism, business and community leaders throughout the state, plus 28 community forums and focus groups and extensive field research in every region of the state. This 2015 Update is not intended to restate and/or duplicate the research, outreach and content of the 2012 effort; rather, it aims to establish a current, actionable set of strategic recommendations (including both carry-over and new items) designed to continue to support the positive transformation of the Commission and its strategic efforts to grow the statewide tourism industry.

In our involvement in Nebraska and with the Tourism Commission since 2012, we have been privileged to experience the energy and character of the larger metropolitan areas, the historic small towns, scenic byways, highly unique natural beauty, adventure and wildlife, the opportunities to experience a western heritage unique to North America, and a history directly linked to the growth of the country. This combines with a spirit of self-reliance, openness and friendliness that helps define the character of Nebraska.

We look forward to assisting you in applying the findings and recommendations contained within this Strategic Plan as you move forward.

Very truly yours,

CSL International

CSL International

Conventions, Sports & Leisure International
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TABLE OF CONTENTS

INTRODUCTION

The intent of this Strategic Plan is to present opportunities that will lead to increased tourism activity and impact throughout Nebraska. Building on the extensive 2012 Strategic Planning effort, this updated Strategic Plan was developed with consideration of recent internal and external changes affecting the Commission and the Nebraska Destination, as well as new industry benchmarking research, best practices insight, and engagement with the Commission and industry stakeholders.

The core concepts, research and insight presented in the 2012 Strategic Plan continue to remain relevant. The 2012 Plan included the opinions and comments from over 500 tourism, business and community leaders throughout the state, plus 28 community forums and focus groups and extensive field research in every region of the state. This 2015 Update is not intended to restate and/or duplicate the research, outreach and content of the 2012 effort; rather, it aims to establish a current, actionable set of strategic recommendations (including both carry-over and new items) designed to continue to support the positive transformation of the Commission and its strategic efforts to grow the statewide tourism industry.

A summary of the primary tasks and events that were completed include the following:

1. Meetings. Participated in and facilitated discussion during the July 23-24 Nebraska Tourism Commission meetings held at the Embassy Suites in La Vista. Key items/topics discussed included:
    a. Established scope of work, timing and deliverable targets for the 2015 Strategic Plan update.
    b. Reviewed implementation, execution and progress related to recommendations contained within the 2012 Strategic Plan.
    c. Discussed relevant tourism industry, destination, stakeholder communication and collaboration, Commission structure/operations/policy issues and items that have changed or evolved since the development of the 2012 Plan.
    d. Discussed challenges and opportunities currently facing the Commission.
    e. Discussed and determined "carryover" 2012 Strategic Plan recommendations for the updated 2015 Plan.
    f. Reviewed Commission's Mission Statement, Vision Statement, Values and Goals.
    g. Discussed opportunities, ideas and vision concerning core Commission Strategic Goal categories/functions. Considered adjustments/revisions to specific Goals based on tourism industry best practices to better align with the Commission's Mission (rather than duplicating Goal categories that were carried over from the established State of Nebraska template). Existing Goal categories include:
        i. Content/Services
        ii. Education
        iii. Public Awareness
        iv. Financial Resources
        v. Human Resources

vi. Technology
vii. Governance

h. Staff/consultants presented information regarding recent marketing/advertising and media tour initiatives and efforts.
i. Discussed a number of topics and issues of interest and/or concern, including Board versus Staff roles and communication, stakeholder collaboration and communication, marketing/advertising/branding direction, Board policies and procedures, funding issues, and other such matters.
j. Reviewed results of a statewide industry survey conducted four weeks prior and a subsequent public comment period.
k. Agreed upon a series of "added" action steps and recommendations (beyond the "carryover" items) that should be considered for the Updated 2015 Plan.
l. Received comments from several community members who were in attendance at the second day public meeting.

2. Industry Benchmarking. Completed benchmarking research and investigation into comparable state tourism agencies operating throughout the country. Key items include:
   a. Identified a set of 15 comparable State Tourism agencies, including those representing Arizona, Colorado, Idaho, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, New Mexico, North Dakota, Oklahoma, South Dakota, Wisconsin, and Wyoming.
   b. Collected detailed information from each agency, including, but not limited to:
      i. Organizational type and structure
      ii. Staffing and budget levels
      iii. Board composition and bylaws
      iv. Policies and procedures
      v. Website and visitor guides
      vi. Annual report
      vii. Strategic plan documents
      viii. Marketing plan
      ix. Media and FAM tours
      x. Economic impact/ROI tools, reports
      xi. Board vs. Staff roles, coordination and oversight
      xii. Stakeholder interaction, coordination and communication
   c. Identified and interviewed key representatives of comparable State Tourism agencies to collect additional information and ask questions pertaining to targeted topics.
   d. Researched and collected reports and publications associated with other similar strategic planning efforts, industry trends and best practices.

Effective Strategic Plans, and also Marketing Plans, help define the attributes of the state—that if properly marketed—can elevate the perception of Nebraska in the minds not just of travelers, but of business leaders and other decision makers that can influence the direction of future business development. In this way, the Tourism Strategic Plan can serve as a critical and pervasive economic development tool that filters into virtually every aspect of growth in the overall Nebraska economy.

In practical sense, tourism is not just a matter of a public agency spending public revenue to market a destination. In fact, thousands of business owners make their livelihood within the tourism industry, and a significant base of employment and tax revenue is supported by expenditures made by tourists. The Strategic Plan must ultimately therefore work to support and expand these businesses by removing barriers to success, by expanding positive awareness of Nebraska as a destination and by providing important planning support throughout every region of the state.

Reaching for tourism success continues to be the objective and the challenge for the Nebraska Tourism Commission. With its tourism budget of about $6.6 million dollars against the total $120+ million dollar regional weight of its nearby Midwest/Great Plains competitors, it is certainly no simple task to cut through the competitive marketing clutter and produce top of mind destination awareness for potential Nebraska visitors that will lead to greater interest and resulting desire to visit.

To achieve these goals, it will be necessary to build on the principles set forth in the 2012 Strategic Plan and the subsequent positive transformational action taken by the Commission. This updated Strategic Plan highlights areas of emphasis that will guide the Commission in continuing to make beneficial best practice adjustments to internal workings and resource allocation relating to the Commission, how it interacts with the extensive network of tourism entities throughout the state, and strategic decisions that generate the highest return-on-investment in order to enhance Nebraska's tourism product and grow economic impacts.

CURRENT SITUATION AND 2012 PLAN IMPLEMENTATION

In 2012, over a period of eight months, extensive research was conducted to form a basis for a Nebraska Statewide Tourism Industry Strategic Plan. The opinions and comments from over 500 tourism, business and community leaders throughout the state were incorporated into the Plan. Twenty-eight community forums and focus groups were conducted statewide, in conjunction with extensive field research in every region of the state. Extensive research into visitor perceptions, competitive destination impacts, and visitor industry assets throughout the state were conducted and incorporated into the Plan.

The Strategic Plan was developed to provide guidance to the executive leadership and board of a new Tourism Commission as to how to allocate existing financial resources to maximize tourism levels and associated economic impacts. Recommendations as to measuring the impact of specific tourism initiatives were made, and consideration of the economic benefit or return-on-investment merits of future funding levels were given. Opportunities were presented that were designed to lead to increased tourism activity and impact. But perhaps more importantly, the Strategic Plan was devised to help define the attributes of the state that, if properly marketed, could begin elevating the perception of Nebraska in the minds not just of travelers, but of business leaders and other decision makers that could influence the direction of future business development. In this way, the Tourism Strategic Plan was developed as a critical and pervasive economic development tool that could filter into virtually every aspect of growth in the overall Nebraska economy.

As of July of 2012 and as a result of LB 1053 and the efforts of countless industry stakeholders and advocates, Nebraska Tourism (a division under the State's Department of Economic Development) became the Nebraska Tourism Commission, a semi-autonomous organization led by industry, to direct the strategic tourism efforts of the state. The mission of the Nebraska Tourism Commission is to expand Nebraska's dynamic and diverse travel industry making it more viable by creating awareness and attracting increased visitors which results in greater tourism revenue and economic gain throughout the state.

The legislation also created a nine-person Board (comprised of diverse members representing various industries, organizations and regions throughout the state) to provide strategic guidance to the Executive Director and staff, approve budgetary matters, and to oversee the administration of the legislation, Commission interests and performance, and to serve (collectively and individually) as statewide advocates for the tourism industry. Finally, the legislation mandates the development and maintenance of a statewide strategic plan to cultivate and promote tourism in Nebraska.

Since its recent inception, under the leadership of the Board and the Executive Director, the Nebraska Tourism Commission has taken bold steps to productively transform Nebraska's statewide tourism agency into an improved and more effective organization. Most of the recommendations set forth in the 2012 Strategic Plan have been fully adopted/integrated or at least preliminarily addressed through investigation and planning steps. Best practice adjustments have been made to internal workings and resource allocation at the Tourism Commission, how the Commission interacts with the extensive network of tourism entities throughout the state, and resource allocation and collaboration strategies to key areas of the state to enhance the tourism product.

Based on a summary delivered by the Executive Director, the following presents some (but not all) of the noteworthy progress and implementation items pertaining to the 18 core recommendations contained in the 2012 Strategic Plan.

<u>2012 Recommendation 1: Taking Nebraska on the Road</u>

- Conducted product research trips.
- Pursuing additional target markets, including meetings in Denver during the National Western Stock Show and meetings with Group Tour companies in Nashville at the National Bus Association show.
- Working with Swanson Russell and Bailey Lauerman to research additional media markets, such as Kansas City, Minneapolis and Chicago regional markets.
- Continue expansion into new key markets. The Big Ten has produced solid numbers for the Commission and increased interest and engagement in our website and travel guide request.
- As of July 2015, Commission out-of-state marketing/advertising efforts have increased significantly.

<u>2012 Recommendation 2: Review and Assessment of the Official Travel Guide</u>

- Changes to the 2014 guide. Fewer copies printed due to increased demand for online version.
- Bailey Lauerman and the Commission established new options, design criteria and cost measurements that led to a major re-construction of the 2015 guide. This included changes in size, content, layout, paper weight, photo usage, ads, more reader content, removal of listing with encouragement to populate the website for free and providing better exposure.
- Guide reviews and models were shared from other state agencies and visible trends within the industry nationally. The feedback demonstrated a passion to continue with the listings, produce 2 guides as a pilot and review the visitor comments or requests.
- There is still a value with a printed guide(s), but to what extent and affordability needs to continue with research and discussions.

<u>2012 Recommendation 3: Develop the Nebraska Brand and “Brand Promise”</u>

- The Commission and the Bailey Lauerman team partnered with Believable Brands to conduct a Brand Strategy based on the methodology of branding and research. Brand package was delivered in December 2013.
- As of 2015, the Brand has been doing well. It has received several key recognitions nationally. It continues to gain traction in the main stream as a reference and in language.

<u>2012 Recommendation 4: PR/Internet to include Media Tours & Realigned Marketing Initiatives</u>

- In June 2013, the Commission awarded the Public Relations RFP to Swanson Russell, with targeted media tours contracted to Geiger & Associates.
- Two media tours were conducted in 2013 and three were completed in 2014.
- The Commission’s Internet/social media efforts were increased more than 100 percent, employing YouTube (Skyworks video), Facebook, Twitter, Pinterest, Google+, Instagram, Foursquare, Vine, among others.

- As of 2015, the Commission's social media platforms are doing very well. There is still a great deal of room for growth with the biggest challenge being able to manage and provide content and timely posts.
- Efforts continue to be taken to identify the most appropriate model and approach to media tours, considering a variety of impacting issues such as cost, accountability, varying the tour areas and targeted markets, travel logistics, positive and negative feedback from certain businesses.

2012 Recommendation 5: Creating Traditional Marketing Plan

- The Commission worked with Bailey Lauerman and Swanson Russell to conduct research, hold discussions, survey and educate industry members about the potential and future of collaborative marketing efforts and new marketing initiatives.
- A new 2015-17 Marketing Plan, adhering to industry best practices and recommendations in the 2012 Strategic Plan, was completed and made available publicly. It was attached to the Commission's 2015-17 Bi-annual State Budget. The plan takes into consideration several factors; reach potential, impressions, statewide representation, fast changing technology, emerging trends, traditional markets, proven producers and new target markets.

2012 Recommendation 6: Accountability of Marketing Efforts with Research Data

- Several research projects were completed targeting the industry and its relevance, including studies performed by industry consultants Dean Runyan and Associates and the U.S. Travel Association. All research studies are available on the Commission's website.
- However, it is clear that as a state and a Commission, research needs to be conducted to develop an Economic Impact Model and strategy. This is imperative in order to have a united voice, and to clearly articulate the impact of tourism as an industry for Nebraska.

2012 Recommendations 7: Assessing Stakeholder Interest via Stakeholder Assessment Survey

- Stakeholder assessment surveys were included in the Brand Strategy research conducted in 2013.
- The Commission also conducts industry surveys regularly at the two conferences held yearly and periodically throughout the year.
- The Commission also conducts pre- and post-surveys for all travel writers that participate on the scheduled Geiger & Associates media tours.
- The Commission has increased the number of stakeholder surveys deployed every year. The Brand survey received more than 4,000 participants. The Annual Tourism Conference and Agri-Eco Tourism conference conducts yearly surveys, and for the 2015 Strategic Planning session, a survey was sent out to the Commission's database of stakeholders and industry leaders statewide seeking participation and engagement.

2012 Recommendation 8: Addressing Management Issues for the Nebraska Tourism Commission

- This was completed in 2013 as a result of crafting the Commission Governing Principles and Code-of-Ethics.
- As the Commission continues to progress and move forward, additional committee structures will need to be reviewed as well as policies and defining the role of Commissioners, staff and contractual agencies. This is perceived to be an ongoing process.

2012 Recommendation 9: Tourism Signage

- Completion and implementation of the 37 I-80 road signs was completed in April 2013.
- In addition to the major signage overhaul project, the Commission assisted/partnered in developing the Way Finding Sign Project in 2012 and partnered with the Nebraska Department of Roads for a Federal Amber Alert Grant that will place new information monitors within the State's rest areas with specific placement of Tourism information with the monitors.
- The recent passing of LB 449 established the opportunity for communities to collect funds for tourism marker development for attractions.

2012 Recommendation 10: Leveraging I-80 Visitors/Traffic

- There are no funds available to afford large-scale, fully digital displays for key points along I-80. In addition, this approach has recently been challenged in the Supreme Court and the case against large-scale digital signs was not upheld on behalf of the Lady Bird Johnson, Highway Beautification Act.
- There continues to be no Commission interest in pursuing this recommendation.

2012 Recommendation 11: Liability Issues

- While not making it out of Committee during the 2013 Legislative session, LB 329 was subsequently passed establishing limited liability for Agritourism businesses and related activities.

2012 Recommendation 12: Buy Nebraska

- This did not make it out of committee in the 2013 Legislative Session.
- However, GROW Nebraska participated in the Commission's Passport program which a tour for local products was an elective and highly popular among business owners and program participants. Through the partnership with GROW Nebraska program promoting Nebraska based products, the Commission has seen a significant increase in sales and market growth via Passport Program participation. The Commission also partners with GROW Nebraska at the Omaha Eppley Airport store to promote Nebraska goods and attractions.
- Currently, the Commission promotes Nebraska small businesses within the tourism industry via the Passport program, the Destination Nebraska Nice weekly radio show, Sirius Channel 147, during additional interviews and broadcast opportunities.

2012 Recommendation 13: Tourism Grant Programs

- The 2013 Legislative session allocated $250,000 designated as a grant funding source to recruit national events or to elevate Nebraska's tourism industry via national exposure.
- The Commission increased the Marketing Grant Program funds to a minimum award amount of $2,000 to $15,000 that begun in 2014.
- Per the passage of LB 449, marketing grant program and research funds were cut ($250,000) from the General fund allocations. The Community Impact Grants for National/International events was maintained at $250,000. Overall, the Commission's general fund budget was cut. Cash funds continue to increase.

2012 Recommendation 14: Revisit the Regions

- Commission staff was given reassigned duties to accommodate regional boundaries. In addition, the Commission is working with the Nebraska Game & Parks Commission to produce new regions across the state that make more sense to the visitor, complement our resources and send one unified message. Meetings were held to discuss ideas throughout 2012 and 2013.
- At the current time, the Commission has not redefined regions. Commission field staff does not focus on one specific region but works together to cover areas and topic matter according to schedules, funding, and availability.

2012 Recommendation 15: Land Acquisition and Infrastructure Strategy

- Currently, this topic has not been addressed. However, since 2012, the Commission's staff and Game & Parks staff meets monthly to focus on marketing efforts. These meetings focus on best use of resources through collaborative efforts and partnerships. The Commission may need to establish a foundation in order for this recommendation to be more effective.
- The Commission is not authorized to acquire land. It will be important for the Commission to continue research regarding the potential and opportunity to create or associate with a foundation.

2012 Recommendation 16: Evaluate the Roles for Regional Tourism Consultants

- Staff changes resulted in Quarterly Reports to the Commission regarding industry engagement, staff assessment of current job duties, new assignments as related to the Strategic Plan, additional staff certifications and trainings, incorporating new approaches to social media outreach and independently managing the Commission's own Agency.
- Staff have re-assessed Commission programs to either support the removal or expansion opportunities.
- Staff is currently working with other agencies and organizations to create a better process of tracking service through evaluation.
- A request for staffing increase in 2013 was not approved by the Legislature.
- Current Commission staff changes have produced opportunities to realign resources and fill positions that are better suited to execute on the Commission's goals.
- Per the 2014 Desk Audits, supported by the Legislative Appropriations Committee, conducted by University of Nebraska–Omaha, several positions were compared with neighboring state agencies staff, personnel issues, targeted markets and legislative initiatives. An audit was conducted with current Commission staff members in comparison to other state agencies. Recommendations and adjustments were shared with Nebraska Department of Administration and Nebraska State Personnel. From this, new hires and job descriptions were approved.
- The Commission will continue (per the discussions) work to change the classification codes from Economic Development Consultant to Tourism Development Consultant.

2012 Recommendation 17: Visitor Centers

- In December 2012, the Commission received approval and became eligible to implement our Certified Nebraska Travel Consultant program. This program is now endorsed and recognized by the U.S. Travel Association and merits certification.

- In 2013, the Commission incorporated five additional visitor centers to provide opportunity to engage more travelers.
- Recently, the Commission moved out from NOTIC and began a 25-year partnership with the Omaha Henry Doorly Zoo and Aquarium to host a visitor center within the zoo. In addition, travel consultants have been placed in CVBs located within a half-mile of an interchange exit statewide to provide information.
- In 2015, the Commission employed 44 part-time seasonal employees for the visitor centers at a cost of $439,300.

<u>2012 Recommendation 18: Evaluating Nebraska Lodging Tax Allocation</u>

- The Commission is actively engaged in this topic. In 2013, the Commission designated a committee that includes Commissioners and industry stakeholders to discuss and focus upon the recommendations of "Best Practices & Guiding Principles" as they relate to the distribution and implementation of lodging tax dollars at the county level. This is also a potential topic of interest in the 2014 Legislative session.
- The Committee has engaged counties, industry leaders, visited committee funding allocation meetings, reviewed grant guidelines from different sectors and utilized the Dean Runyan research.
- The Commission's Best Practices Committee conducted meetings, surveys and shared industry input regarding this topic to formulate and seek full Commission approval for the Best Practices and Guiding Principles. The Nebraska Association of County Officials members and all elected county officials received copies of the guidelines.
- Commission staff made several presentations and hosted many conference calls with county board members, city clerks, and visitor committee members statewide to educate and share potential and possibilities for communities as it related to Best Practices & Guiding Principles.
- As of December 31, 2015, only 78 of Nebraska's 93 counties collect a lodging tax.

By embracing and implementing recommendations and best practice principles set forth in the 2012 Master Plan, the Nebraska Tourism Commission is now better positioned to grow and compete within the greater domestic and international marketplaces for new visitors and the resulting expenditures, tax revenue and employment that they generate. The purpose of this 2015 Strategic Plan Update is to establish a current, actionable set of strategic recommendations (including both carry-over and new items) designed to continue to support the positive transformation of the Commission and its strategic efforts to grow the statewide tourism industry.

KEY RECOMMENDATIONS AND RESEARCH

Building on the extensive 2012 Strategic Planning effort, consideration of recent internal and external changes affecting the Nebraska Tourism Commission and the Nebraska Destination, as well as new industry benchmarking research, best practices insight, and engagement with the Commission and industry stakeholders, we have prepared a set of policy and planning recommendations designed to enhance the Nebraska tourism product, and to enhance the economic and tax revenue impact of tourism throughout the state. These recommendations, including discussion of relevant issues pertaining to the Commission and insight from industry research, are summarized below.

1. Clarify Board's Role and Oversight

There appears to be a need to better clarify the Board's role, degree of oversight of Commission staff, and other related issues. There continues to be some discussion and perceptions of ambiguity among the Board and staff concerning decision-making roles/responsibilities, involvement and/or oversight of certain types of decisions and strategic initiatives (both major and minor, specific and non-specific). While the Commission's Governance Principles document (approved March 2013) delineates certain responsibilities—such as those relating to budgeting, elections, meetings, and administration—specific guidance on key role, oversight, decision-making, and communication issues is presently relatively limited.

As recommended in the 2012 Plan, pursuant to industry best practices, the Board's role should include (a) providing advice and consent with respect to overall Commission policy and goals, while not interacting in day-to-day activities of the Executive Director or staff; (b) approving the annual operating budget and monitor the Commission's finances; (c) providing broad direction and general oversight to the Executive Director for the Commission's operations; (d) monitoring the performance of the Executive Director; and (e) representing the Commission's interests among external audiences and serve as an advocate for tourism and destination marketing issues, speaking with a single voice.

Should there be any particular major strategic issues/items of sensitivity among Board members that are believed to be worthy of board input/consent prior to staff development—for instance, major strategic product/service changes, such as a significant shift in web strategy, visitor guide strategy, etc.—these "exception" items should be clearly indicated in any clarified/revised Governance Principles document. If included, these "exceptions" should be limited in number and provide clear guidance concerning criteria and procedures. This type of clarification language should not be overly onerous as to invalidate the core separation principles of board "strategic oversight" versus staff "business execution autonomy".

Given the constraints of the Nebraska Tourism Commission's budget and staff levels, it is believed to be imperative that unnecessary inefficiencies and impediments to the execution of the Commission's mission be limited. Therefore, Board micromanagement of most staff decisions and execution of business activities should be avoided.

Additionally, the frequency and location of regular board meetings has been a topic of conversation recently. Based on a review of other state's agencies, a variety of approaches are taken to frequency (e.g., monthly, bi-monthly, or quarterly) and location (e.g., fixed central location, rotating, and/or multiple satellite).

In terms of frequency and given the relative young age of the Nebraska Tourism Commission, it is believed that bi-monthly is the appropriate model.

In terms of location, there is a fundamental challenge inherent with Nebraska given its geographic layout and concentration of large population bases. An Omaha/Lincoln base for regular meetings is expedient for a number of members and stakeholders, but inconvenient and challenging for others. Given the importance of transparency, inclusiveness, and maximization of communication, interaction, collaboration, and cross-promotion with all state stakeholders and constituents, efforts should be taken to investigate and consider: (1) a rotation of board meeting locations—e.g., every third meeting at a west Nebraska location (e.g., west of Kearney), (2) dual locations connected via live videoconferencing; and/or (3) live stream video feeds of the public portions of the meetings available via web for stakeholder and public consumption. These strategies would improve buy-in, participation and exposure to the Commission's efforts and highlight the critical mission that it delivers to the state's citizens and businesses.

Industry Benchmarking Insights

Specific information and best practices insight was obtained through a detailed benchmarking effort into comparable state tourism agencies elsewhere throughout the country. Insight and best practices comparisons pertaining to this strategic item's topic area is presented in this section.

To provide initial context, a review of board structure was completed among comparable state tourism boards, with the following exhibit presenting an overview of board member representation.

Comparison of Comparable Tourism Agency Board Member Representation by Type

	CO	ID	MI	MN	MO	MT	NM	OK	SD	WI	WY	NE	AVG
Number of Board Members	**15**	**8**	**13**	**28**	**10**	**12**	**7**	**8**	**11**	**13**	**9**	**9**	**12**
Legislative Members	4	-	-	4	5	-	6	-	-	2	-	**-**	**4**
Regional Representatives	-	7	6	4	-	6	-	5	-		6	**-**	**6**
At-Large Members	2	1	-	-	-	-	1	3	-	2	3	**1**	**2**
Tourism Industry Assoc.'s	6	-	-	11	5	-	-	-	11	5	-	**5**	**8**
Private Sector	1	-	7	6	-	-	-	-	-	7	-	**1**	**5**
Other State Agencies	2	-	-	-	-	1	-	-	-	3	-	**1**	**2**
Population Per Board Member (in 000s)	**357**	**204**	**762**	**195**	**606**	**85**	**298**	**485**	**78**	**443**	**65**	**209**	**325**
Budget Dollar Per Board Member (in 000,000s)	**$10.00**	**$9.21**	**$24.18**	**$4.97**	**$13.02**	**$11.87**	**$14.75**	**$17.86**	**$11.51**	**$11.72**	**$12.92**	**$6.89**	**$12.91**

Given the attributes of Nebraska, the Commission's budget and staff levels, it is believed that the board composition and representation is appropriate at its current configuration.

In terms of the location and logistics of board meetings, some state tourism agencies/offices rotate the location of their regular meetings, while some remain fixed. Some offer additional flexibility to maximize member, stakeholder and public participation, such as Explore Minnesota, that allows for remote participation. Per Explore Minnesota's statutes:

> The Explore Minnesota Tourism Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:
>
> 1. If members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;
> 2. If members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;
> 3. If at least one member of the council is physically present at the regular meeting location; and
> 4. If all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

In Nebraska, approaches such as these would need to be vetted against current legal and legislative codes and may or may not be possible/feasible for consideration by the Commission.

From an industry best practices standpoint, other state tourism agencies have clearly delineated the Board/Staff relationship and respective roles and responsibilities. Specific passages from Board Bylaws/Governance Principles documents and information from conversations with state agency representatives that speak to this issue include the following:

> <u>Ohio Office of Tourism</u>
>
> The Board will advise the Director of ODSA and the Chief of the Office of Tourism Ohio. It will act as a single Board and not as individual members in carrying out its duties. In this spirit, the Board will:
>
> 1. Concentrate on the achievement of its core purpose and mission and not on the administrative or programmatic means to attain them.
> 2. Do all that is necessary to ensure that the members of the Board remain mindful of their obligations to the Board in order to allow it to govern in accordance with the policy it has established.
> 3. Remain accountable to the membership and the public for the accomplishment of its obligations under its public trust.
> 4. Remain aware of the changing needs in the Ohio tourism industries and develop policies to meet those changing needs.

New Mexico Tourism

The commission shall be a planning commission administratively attached to the department. The commission shall provide advice to the department on policy matters. The commission shall be responsible for the annual approval and update of the state's five-year tourism plan.
The commission shall:

1. develop and recommend policies and provide policy and program guidance for the department;
2. review, modify and approve annual updates to the state's five-year tourism plan generated by the department; and
3. establish such rules and regulations for its own operations as are necessary to achieve the purposes of the Tourism Department Act. Rules and regulations of the commission shall be adopted in the same procedural manner as rules and regulations of the department are adopted and shall be filed in accordance with the State Rules Act [Chapter 14, Article 4 NMSA 1978].

Oklahoma Department of Tourism and Recreation

The Commission shall determine or set policy for the Department and shall determine the broad plans and programs necessary to accomplish the duties and responsibilities in the Commission.

Colorado Office of Tourism

The Board for the Colorado Tourism Office is responsible for oversight on the Office's budget, long-term goals and general policy decisions. About the most granular the Board's involvement will get is to review the Summer Media Plan, approve its funding and comment on its content. This exception is made particularly to collect feedback from statewide industry representatives to ensure that the long-term goals and policies enacted by the Board are being incorporated into the Media Plan.

Strategic Plan Action Items:

a) The Board's Bylaws should be revisited and language providing specificity and guidance with respect to role, oversight, direction, communication, and advisory issues should be strengthened and/or clarified. At a minimum, the guidance should explicitly state that the Board's role should include:

   a. providing advice and consent with respect to overall Commission policy and goals, while not interacting in day-to-day activities and programming of the Executive Director or staff;

   b. approving the annual operating budget and monitor the Commission's finances;

   c. providing broad direction and general oversight to the Executive Director for the Commission's operations;

   d. reviewing the performance of Executive Director; and

   e. representing the Commission's interests among external audiences and serve as an advocate for tourism and destination marketing issues, speaking with a single voice.

b) Consider adding further guidance that would clarify what types of special strategic/planning items are subject to Board overview/consent (e.g., major web strategy change, two visitor guides versus one guide, single projects whose costs exceed a certain threshold—more than 20 percent of the Commission's budget, for instance).

c) Consider adjustments to the frequency and location pertaining to Board meetings. Efforts should be taken to investigate and consider: (1) a rotation of Board meeting locations—e.g., every third meeting at a west Nebraska location (e.g., west of Kearney), (2) dual locations connected via live videoconferencing; and/or (3) live stream video feeds of the public portions of the meetings available via web for stakeholder and public consumption. In particular, with regard to Board meeting videoconferencing, while it is understood that current State laws impact how videoconferencing can be used and current costs/logistics can be high, this issue should be one that the Commission maintains as a priority to continue to evaluate and interface about with appropriate State officials, particularly given the rapidly evolving nature of technology and the unique geographical attributes of Nebraska, which would make this a more logical option to consider than in other states.

2. Enhance Marketing Plan, Annual Report and Accountability Metrics

The most recent Marketing Plan and Annual Report that were produced by the Nebraska Tourism Commission represents improvements over previous iterations and is more consistent with industry best practices. The Commission should continue to work to enhance and optimize content and presentation of both the Marketing Plan and Annual Report. These efforts should include integration of a more robust set of measurement and performance metrics/statistics, derived, in part, through the creation of enhanced economic impact assessment strategies.

A critical requirement for a successful tourism organization is the quantifiable production of performance results in response to its marketing efforts. While both documents (Annual Report and Marketing Plan) present a myriad of important Nebraska tourism and program statistics and highlights, they lack concise, quantified return-on-investment (ROI) statements that directly correlate to Commission performance. A simple statement that can be understood by nearly all constituents within the state (stakeholders, elected officials, media, and citizens) can be more powerful and impactful than a long list of accomplishments and statistics. Most tourism organizations and destination marketing organizations will highlight long bulleted lists of their accomplishments and tourism statistics—that are an important part of demonstrating the impact of tourism and agency efforts—however, few also provide a powerful statement that successfully draws a "cause-and-effect" link between the organization's efforts and new tourism impacts.

In a perfect world, a tourism marketing organization would know exactly how many of its destination's visitors were motivated to come solely by its efforts, and which of its marketing efforts were responsible for that visitor. However, the destination marketing organization and its community tourism industry don't exist in a perfect world. Instead, potential visitors are constantly bombarded by myriad stimuli (the tourism office, its industry partners, national sales offices, the media, and so on) that it becomes impossible to say that a visitor was motivated 100 percent by the Commission and only by that organization. In practice, when addressing the issue of visitors generated and their positive economic impacts, the tourism marketing organization should, at the very least, have in place monitoring and research programs that identify visitors and visitor spending that were clearly and significantly generated by its efforts.

As mentioned in the 2012 Strategic Plan, a template should be developed for a formal ROI and impact statement that—while concise—demonstrates performance, value and adherence to the Commission's mission, while serving the interests of Nebraska residents and taxpayers. Such an impact statement would describe the value associated with the Commission's efforts. It would be generated annually, allowing for year-over-year comparison of performance and progress. Such a statement should be prominently highlighted in all formal Commission public reporting documents (in particular, the Annual Report) and might look like the following (with fictitious figures inserted for purposes of illustrating the example):

> In 2015, operating with a staff of 14 and a $6.6 million budget, the Nebraska Tourism Commission produced an estimated **$100 MILLION IN NEW VISITOR DOLLARS** to Nebraska, including **1.0 MILLION VISITOR TRIPS**.
>
> In addition, more than **$50 MILLION IN MEDIA PUBLICITY** was generated by the Commission, reaching 200 million potential domestic and international visitors.
>
> Thus, on behalf of the State of Nebraska and its business partners, the Tourism Commission delivered a **24-to-1 RETURN ON INVESTMENT** of marketing dollars expended.

To produce an impact statement, the Commission should standardize a measurement system, the actual number of visitors and their economic results for the year produced through Commission marketing, along with the return on investment. Performed annually, this will involve a multi-faceted approach and set of techniques, including conversion research studies, visitor surveys, economic impact analyses, and other sources of tourism trend data. Initial funds should be identified to contract with a consultant, or set of consultants, to establish the appropriate methodology and template to allow for efficient annual deployment of the assessment and tracking.

For instance, Longwoods International offers a proprietary technique called R.O.EYE that uses survey and modeling techniques to quantify the relationship between marketing efforts and visitation, excluding impacts that were not induced/influenced by the agency's marketing efforts. Other complementary consultants could be engaged for the initial project team efforts to work collaboratively with the Commission on establishing the most appropriate methodology and template for ROI impact tool that will include repeatable visitor surveys, analysis of internal and external data sources, and conversion research.

As another example, Tourism Economics is a firm that could assist in developing a statewide measurement model regarding the economic impact of the tourism industry to assist the Commission and the industry with strategic planning, program measurements and statewide economic impact model. The Commission could incorporate a component into the tourism economic impact model that provides a scoring and ranking system for potential tourism projects statewide that provide significant impact to communities, counties, industry and the state. This would then provide the Commission with the matrix and criteria to also recommend and present up to five projects to the Appropriations Committee each biennium for discussion and further funding consideration. The ranking would prioritize large scale projects based on the following: 1) potential economic impact using asset-based community development models, 2) geographic diversity of the project and its visitors, 3) natural, cultural and historical value, 4) potential to attract visitors from outside the state and 5) investment ready. These are necessary decision making components that would be included within the economic impact model.

Once the methodology, process and template are established, a multi-year contract with a consultant could be executed for maintaining tracking/reporting activities. These efforts should pay large dividends in the Commission's overall long-term accountability, public and stakeholder relations, fundraising, and internal performance assessment strategies.

Overall, presently, the structure, organization and content contained in both the marketing plan and annual report are good and mostly conform with industry best practices. There is an opportunity to further improve the annual report, in particular, through:

1. integration of more concise and direct quantifications relating to the ROI of the Commission's efforts;
2. more transparency in terms of sources and uses of funding, including a greater breakdown of budget spending than a single number;
3. more discussion of how tourism affects all Nebraska citizens and the importance of tourism investment;
4. more information about how anyone (stakeholder or not) can interface with and participate in tourism promotion efforts; and

5. upgrading the artistic/creative "look/feel" and polish of the annual report (i.e., a more professional, polished public statement piece enhances perceptions of value and importance of the subject organization/mission).

It is suggested that the Commission review current annual reports from other states for insight into content and creative best practices.

Industry Benchmarking Insights

From an industry best practices standpoint, marketing plans and annual reports should illustrate the effect the tourism division's efforts have on the State's overall economy. The groundwork for tracking and collecting information used to measure ROI should be outlined in the marketing plan as a main goal for each objective. For the annual report, ROI metrics should be shown in a clear and concise manner directly after the message from the director. Generally, tourism is a top industry and economic driver for a state's overall financial health and this should be clearly exemplified throughout annual reports and marketing plans with the repetitive use of metrics as a main tool. Some comparable state tourism agency/office examples offer some useful insight:

Missouri

Objective 2 in Visit Missouri's Marketing Plan states: Increase the impact of the *Enjoy the Show* Campaign, of which they will track and analyze campaign referrals to VisitMO.com and identify, implement, and report new website conversions. They use tools such as Google Analytics to help with tracking data and converting them into valuable insights. Their goal specifically cites this as the groundwork to be able to inject more messages and more targeted messages in the future with more specific ROI measurement. By compiling this type of information which can be converted to show the direct ROI of different marketing tools, tourism divisions can measure the success of various techniques and campaigns and use this to adjust the following year's objectives and goals. Missouri's analysis efforts presently estimate that tourism expenditures are increased by more than $57 for every dollar that the State of Missouri invests in tourism marketing.

North Dakota

Strategies in North Dakota's Marketing Plan also revolve around the mission of delivering ROI. Their stated Brand Strategy is, "The Legendary brand strategy is guided by research and measurement to ensure the strategy aligns with trends, changing demographics, visitor behaviors and travel motivators, with a mission of delivering a strong return-on-investment to North Dakota. Resources utilized to track this information include":

- SMARI – visitor profiles
- Statistics Canada
- Environics Analytics
- Tourism Satellite Account

- Google Analytics
- Visitor Request Database
- Longwoods Advertising Effectiveness ROI studies and volume estimates

This strategy is cited to show the specific resources used by comparable markets when finding important ROI measures. The most common study used by comparable markets to show ROI and come up with ROI statements translated into annual reports is the Longwoods Study. This study is also mentioned in Idaho's marketing plan.

Minnesota

Minnesota is a good example of how an annual report highlights the division's operations and their direct return on investment using recent year and historical metrics. Minnesota shows their annual budget of $13.8 million (and its annual growth) and the breakdown of their budget with the majority being spent on marketing and communications. From this budget they illustrate the positive impact of their monies by showing annual sales of $13 billion, State sales tax of $840 million and job creation of 250,000. This information is then used to show the direct return on investment of advertising of $1 invested = $68 in traveler spending. Minnesota also has a *Tourism and the Economy Fast Fact* sheet, which shows a concise overview of overall spending, visitation, and impacts of state tourism advertising. These types of ROI metrics are important to show stakeholders and can lead to positive impacts for the tourism division, which is what happened in Minnesota in 2012, when public and private stakeholders affected important strategic changes. There was a recognition that a number of key regional competitors, such as South Dakota, Illinois, Michigan, Wisconsin, and others, were outspending them with regard to state tourism promotion. In 2012, they had a budget of approximately $8.5 million (Wisconsin's was almost twice that at $14.9 million), but after conducting various ROI analyses, they recognized that every dollar spent on advertising the state led to $84 in direct spending. As a result of highlighting these core issues and through collaborative industry efforts, the Governor and other advocates worked with the Legislature to put forth a State budget proposal which included an increase in the tourism budget by $11 mil ($5.5 million per year) specifically to be used for marketing efforts. This came from an increase in the State's 6.2 percent car rental tax to 9.2 percent, with the incremental difference going to the Tourism Fund. It is arguable that this increased funding would not have materialized without proponents being able to demonstrate a direct cause-and-effect case via a defensible and compelling ROI statement.

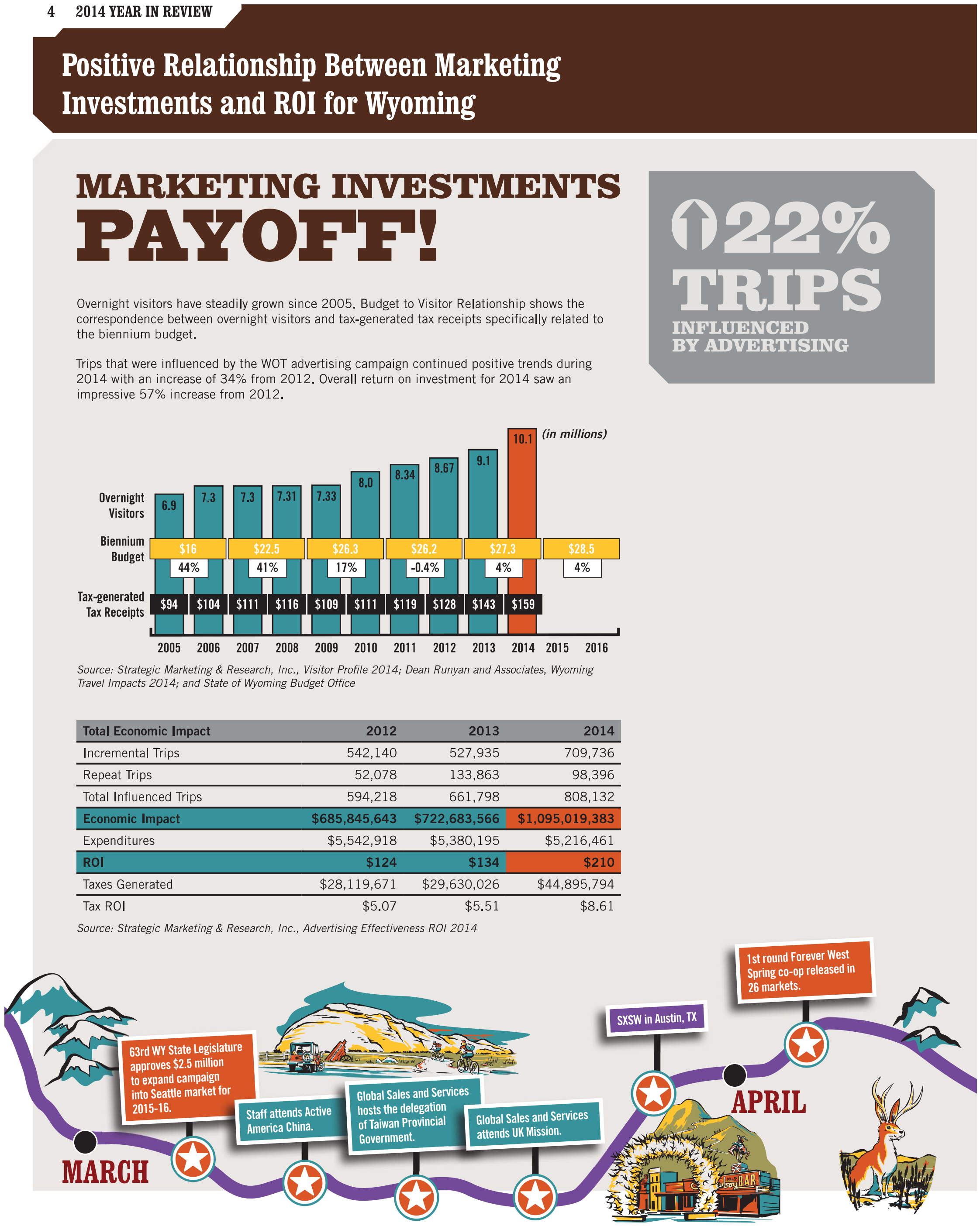
Colorado

The Colorado Tourism Office annually conducts a variety of survey and analysis techniques to track ROI, organization and campaign/initiative performance. It conducts an annual tourism economic impact analysis (Dean Runyan Associates), visitor surveys (Longwoods International), stakeholder surveys (internal), and six ad effectiveness/conversion studies (SMARI).

Wyoming

The Wyoming Office of Tourism also highlights a simple and compelling statement of the positive relationship between tourism marketing investments and ROI for Wyoming in its concise and polished annual report (Year in Review). A sample is shown below:

Example of Strong ROI Illustration – Wyoming Office of Tourism


4 2014 YEAR IN REVIEW

Positive Relationship Between Marketing Investments and ROI for Wyoming

MARKETING INVESTMENTS PAYOFF!

Overnight visitors have steadily grown since 2005. Budget to Visitor Relationship shows the correspondence between overnight visitors and tax-generated tax receipts specifically related to the biennium budget.

Trips that were influenced by the WOT advertising campaign continued positive trends during 2014 with an increase of 34% from 2012. Overall return on investment for 2014 saw an impressive 57% increase from 2012.

22% TRIPS INFLUENCED BY ADVERTISING

Source: Strategic Marketing & Research, Inc., Visitor Profile 2014; Dean Runyan and Associates, Wyoming Travel Impacts 2014; and State of Wyoming Budget Office

Total Economic Impact	2012	2013	2014
Incremental Trips	542,140	527,935	709,736
Repeat Trips	52,078	133,863	98,396
Total Influenced Trips	594,218	661,798	808,132
Economic Impact	$685,845,643	$722,683,566	$1,095,019,383
Expenditures	$5,542,918	$5,380,195	$5,216,461
ROI	$124	$134	$210
Taxes Generated	$28,119,671	$29,630,026	$44,895,794
Tax ROI	$5.07	$5.51	$8.61

Source: Strategic Marketing & Research, Inc., Advertising Effectiveness ROI 2014

Wisconsin

The Wisconsin Department of Tourism annually conducts five individual studies measuring the return-on-investment of allocated funds and/or resources. Three of these studies are handled by a third-party entity, for which the department budgets approximately $240,000. The other two analyses are handled internally by WIDT representatives. Specifically:

- Total Business Sales/Economic Impact Analysis – Longwoods International
- Return on Marketing Investment/Ad Effectiveness Study – Longwoods International
- Direct Visitor Spending – Tourism Economics/Oxford Economics
- Return on Grant Investments – internal
- Earned Media – internal

These analytics are used to justify annual budget appropriations and make strategic business planning decisions annually and on an on-going basis.

Strategic Plan Action Items:

a) Review marketing plans and annual reports produced by comparable State Tourism agencies, along with economic impact/ROI tools.

b) Contract with appropriate industry consultants to develop a Nebraska-specific economic impact model and reporting template for a formal ROI and impact statement that—while concise—demonstrates performance, value and adherence to the Commission's mission, while serving the interests of Nebraska residents and taxpayers.

c) Consider received comments/criticism of current Marketing Plan content and format.

d) Revisit "Goals" (carryover from State of Nebraska system-wide classifications) and consider category adjustments more specific to the tourism industry.

e) Improve Annual Report to elevate to industry best practices.

    a. integration of more concise and direct quantifications relating to the ROI of the Commission's efforts;

    b. more transparency in terms of sources and uses of funding, including a greater breakdown of budget spending than a single number;

    c. more discussion of how tourism affects all Nebraska citizens and the importance of tourism investment;

    d. more information about how anyone (stakeholder or not) can interface with and participate in tourism promotion efforts; and

    e. upgrading the artistic/creative "look/feel" and polish of the annual report (i.e., a more professional, polished public statement piece works to enhance perceptions of value and importance of the subject organization/mission).

3. Enhance Website Usability and Buy-in

The recent unveiling of the new Nebraska Tourism website represents a significant upgrade in look/feel, structure, layout, organization, database management, functionality, themes and aesthetics/artistry relative to the previous version of the website. The current website is largely in alignment with industry best practices (both in terms of the modern standards within the tourism industry and also general web development trends).

As would be expected with any significant change, there have been some criticisms. While many of these criticisms relate to abrupt changes in the status quo and unfamiliarity as to the organization of, and access to, content, the Commission should document, consider and respond to these specific concerns. Should there be legitimate items/issues that merit changes to the website strategy, they should be considered for implementation. If there are specific or broader reasons/rationale that effectively discredit specific criticisms/suggestions, they need to be explained to stakeholders. It is critical to obtain widespread buy-in by tourism stakeholders of all types throughout the state to the Commission's ongoing web strategy. Consideration should be given to engaging Bailey Lauerman and others involved in development/execution of the new website to visit certain stakeholder groups throughout the state to explain and answer questions concerning the goals, rationale and logic behind creative, content and layout/organization decisions related to the new website. A simple presentation and discussion of the rationale and strategic thinking underlying these changes with concerned stakeholders can go a long way in diffusing discontent and promoting buy-in and participation that the changes to the web strategy was intended to produce.

Importantly, a major flaw in the previous Nebraska Tourism's website was rectified with the new website—the high prevalence of broken links to stakeholder websites and incorrect/outdated data concerning attractions and tourism assets. At any given time under the previous web model, it has been estimated that between 80 and 100 broken links populated the State's Tourism website. This was materially damaging the Commission's efforts and the Nebraska tourism brand.

The new system of allowing stakeholders and attractions to update/upload their own information through the web portal and having a Commission verification process is a strong and effective step in improving the quality of the data/content. A destination's full profile page shows complete details for the attraction with contact information, social media and website URLs, hours, photos and a description. This functionality is provided free of charge to all destinations. This allows smaller destinations that may have a limited budget the ability to have as big a presence on VisitNebraska.com as any other destination. For a small fee, destinations can also enhance their profile with additional photos and videos as well as a longer description. This allows a destination to have a complete online presence without the need for its own website, if desired.

However, additional efforts should be made to better educate stakeholders of all types (and technical competencies) how to engage and update information regarding their individual tourism businesses on the state's website. Understanding and interfacing with the Internet, e-commerce items, and technical website issues can be very daunting for many small business tourism stakeholders. Educational sessions for local CVB representatives would provide an opportunity for individual attractions to utilize local resources to answer technical and other questions, enhancing the local CVB's relationship with area attractions while at the same time limiting the overall impact on Nebraska Tourism Commission staff resources.

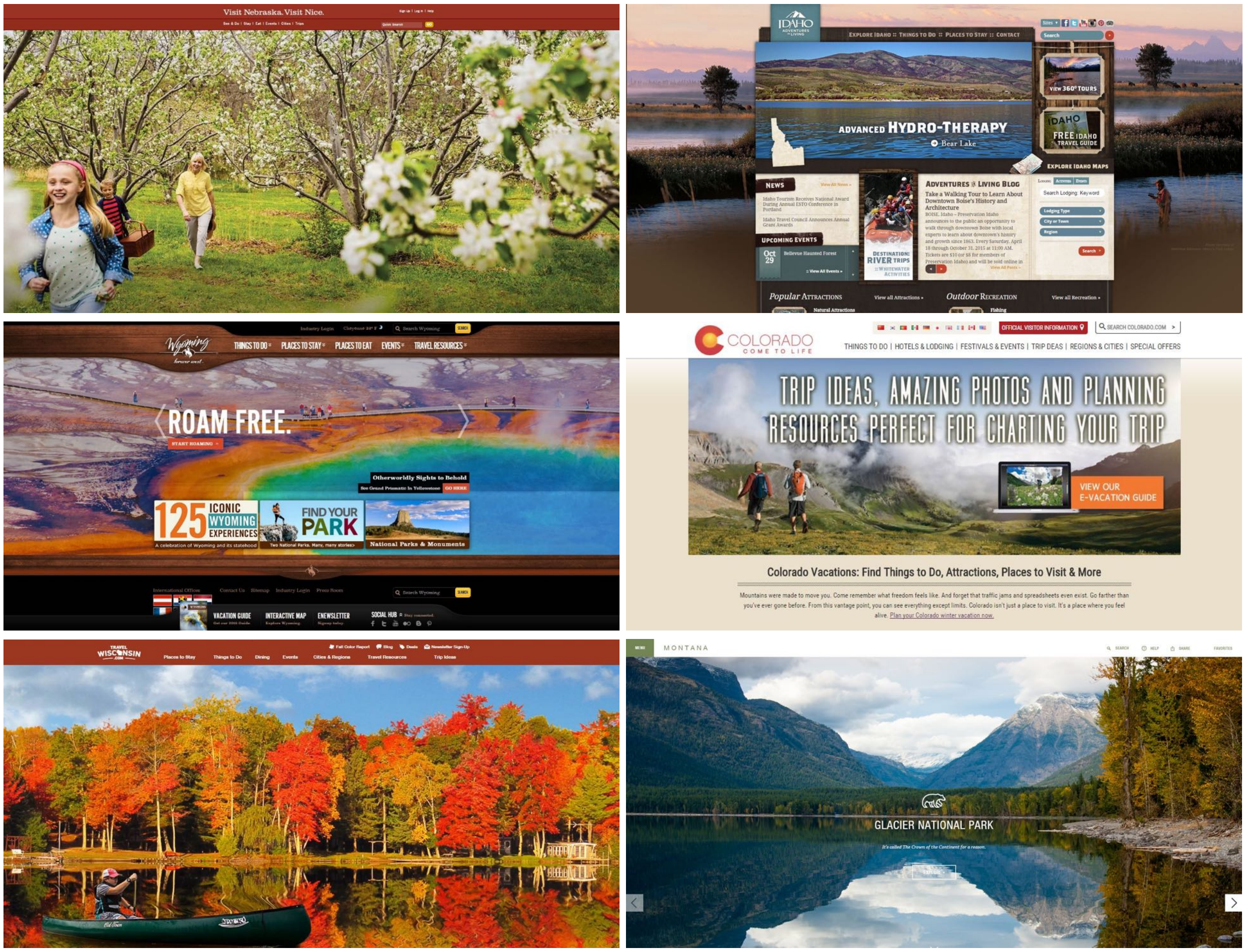
Hard copy step-by-step instructions (with screen captured visuals) should be mailed to all known stakeholders and also distributed to local CVBs. If these efforts have been attempted, they should be repeated and/or enhanced through revisiting the instructional material (i.e., making the visuals more robust and understandable, in addition to adding more compelling rationale narrative for the practical, real-world benefits to their individual attraction/business—evolve the emphasis of the information away from a business-like list of instructions to a more compelling sales pitch as to why taking these steps will be important to them and to the economic health of their community and their state). These strategies would be expected to improve stakeholder buy-in and engagement with the website, including, importantly, improvements in quality, quantity, and accuracy of statewide attraction information.

Additionally, the visitnebraska.com website should be improved with respect to how a visitor can view the Visitors Guide(s) online. When a person clicks the link for requesting a travel guide, the site brings you to a page dominated by a form requesting information as to where they should send the person a hard copy. Rather hidden in the text introducing the form is a link embedded into the text that brings you to the online version, essentially establishing the decision tree to steer people to requesting a hard copy first, leaving only those savvy enough to locate the small link able to download the guide. Instead, the choice between a user-friendly online guide (easily navigable, searchable, downloadable and printable) and a hard copy request option should be clear and of equal prominence. As an example, Explore Minnesota's website currently executes this well—making the path to their visitor guides simple from the front page, and then striking a nice balance that makes the choice between online and hard copy versions of the Visitors Guide clear. This will serve to limit the number of hard copies ordered, reduce printing costs (as more people will either get what they need through the on-line version or have the option to print what they need themselves), improve the opportunity to capture data such as page views, downloads, etc. that would help to quantify advertising sales, accountability and other such metrics.

Industry Benchmarking Insights

Based on a benchmarking review of comparable state tourism agency/office offerings, Nebraska's current website (visitnebraska.com) is largely in alignment with industry best practices (both in terms of the modern standards within the tourism industry and also general web development trends). Examples of creative execution of comparable websites are presented on the following page. Like most comparable state tourism websites, visitnebraska.com's home page integrates a rotating set of strong tourism-oriented imagery.

Comparison of Comparable Websites – Home Page



Strategic Plan Action Items:

a) Commission should develop a plan to document, consider and respond to specific web strategy criticisms and concerns.

b) Consideration should be given to visit certain stakeholder groups throughout the state to explain and answer questions concerning the goals, rationale and logic behind creative, content and layout/organization decisions related to the new website.

c) Additional efforts should be made to better educate stakeholders of all types (and technical competencies) how to engage and update information regarding their individual tourism businesses on the state's website, including mailing/delivering hard copy instructions for stakeholders of all technical competence/comfort. If these efforts have been attempted, they should be repeated and/or enhanced through revisiting the instructional material (i.e., making the visuals more robust and understandable, in addition to adding more compelling rationale narrative for the practical, real-world benefits to their individual attraction/business.

d) Continue to provide free training webinars and public training sessions related to stakeholder website engagement. As with the previous recommendation, consider adjustments in the "sales pitch" to stakeholders as to the compelling reasons and practical benefits of better understanding and engaging with State Tourism via the Commission's website. This could lead to increased participation in the free webinars and training sessions. The goal of these efforts needs to be to "light a fire" in the minds of more stakeholders of all technical competencies that convinces them that taking this first step to get more information could (a) materially grow their business, (b) is not technically daunting, (c) is not onerous to their time, and (d) not doing so could negatively impact their competitiveness among other attractions/tourism businesses in the state.

e) Website should be improved with respect to how a visitor can view the Visitors Guide(s) online.

4. Review and Assessment of the Official Nebraska Travel Guide(s)

While all industry sectors are reducing reliance on print media and print marketing materials, the Official Nebraska Travel Guide remains an important element of Nebraska's tourism marketing and promotion strategy. More so than in other states, a physical, traditional travel guide still resonates with many of Nebraska's target traveler segments and a relatively large portion of key attractions throughout the state.

The 2015 version of the Travel Guide is significantly improved over previous iterations and conforms with industry best practices. There should be continued emphasis on creating compelling and motivational graphics, copy and useful information that can increase conversion of potential to actual visitation. Comparisons of Nebraska's current guide format/content to other successful state tourism guides now in use throughout the country should be actively and continuously pursued. Further, it is believed that the current strategy idea of producing two versions of the Nebraska Travel Guide is appropriate. The importance of breaking the guide into multiple versions (allowing for more targeted and effective marketing) will continue to increase, as more and more guide consumption transitions to online and electronic media rather than print. Industry best practices definitely illustrate movement towards multiple guides.

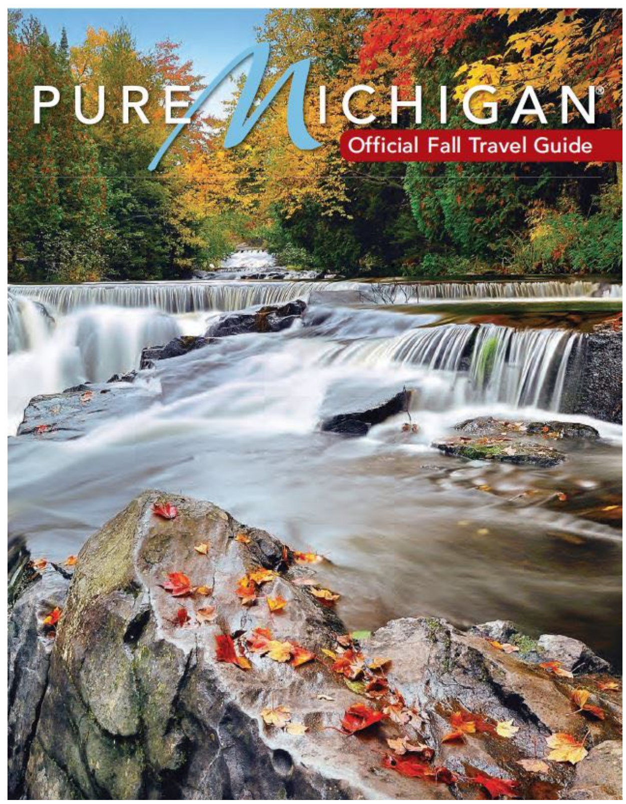
Due to the high costs of printing and distributing the print guide, along with declining industry support for print advertising purchases, the assessment of print budget, production volume and prioritization of content and ad space should be constantly assessed. The free listings section has grown to more than 60 pages in the 2016 Spring/Summer Guide, which is accelerating the necessity to appropriately weigh print costs versus print volume versus return-on-investment. There needs to be a sufficient inventory of printed guides to strategically place in Visitor Centers, at high out-of-state travel destinations (e.g., hotels surrounding the College World Series, Cornhusker football games or the Omaha Convention Center during large events; at the Henry Doorly Zoo, etc.), and there needs to be an adequate supply on hand or available to support on-line hard copy requests.

The ongoing assessment of the Travel Guide should include regular interviewing/surveying of Nebraska leisure visitors (including interviews at the visitor welcome centers), in order to access opinions from those who rely on this guide the most. An annual Nebraska tourism stakeholder survey process should also be used to probe for feedback and suggestions specific to the Travel Guide(s).

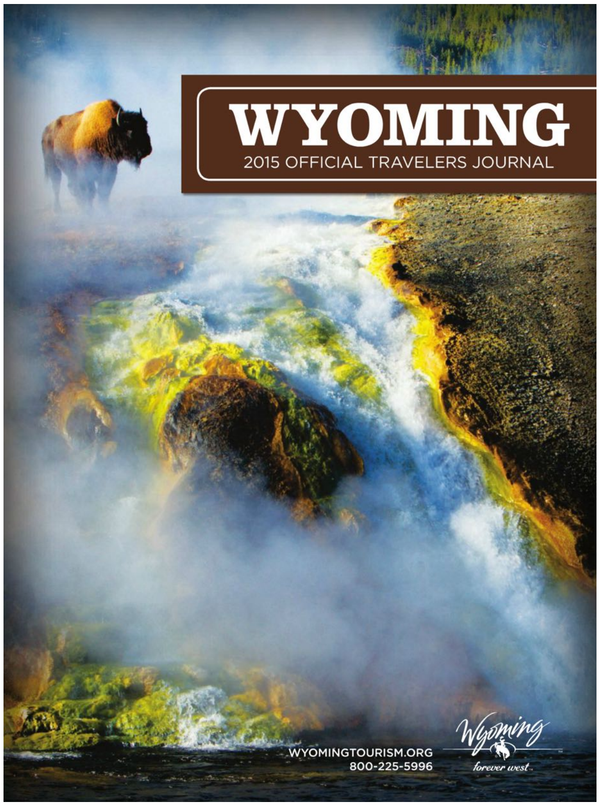
Industry Benchmarking Insights

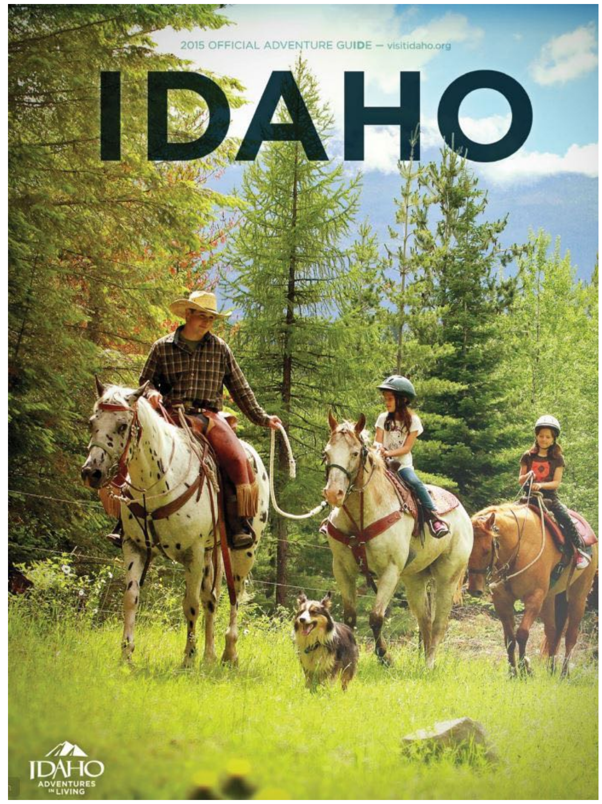
Based on a benchmarking review of comparable state tourism agency/office offerings, Nebraska's current visitors guide is largely in alignment with industry best practices (both in terms of the modern standards within the tourism industry and also general web development trends). However, most comparable state tourism agencies/offices generate multiple versions of both printed and electronic guides. Examples of creative execution of comparable visitor guides are presented on the following pages.

Sample of Comparable Visitor Guides – Cover



Sample of Comparable Visitor Guides – Cover





Comparison of Comparable Visitor Guides – Table of Contents

Sample of Comparable Visitor Guides – Table of Contents

WELCOME TO ARIZONA!

Welcome to Arizona!

Thank you for visiting us, and I know you'll enjoy your stay in the Grand Canyon State.

The beauty in every corner of this state never fails to astound me, and no matter where you're traveling throughout the Grand Canyon State, you'll experience the very best of Arizona.

We have some of the nation's best sports teams, shopping, nightlife, museums and recreational activities. The *Arizona Official State Visitor's Guide* is a great resource for your travels as you make your way across this great state. In addition to maps and accommodation listings, this guide will provide you with information about some of the best sights, food and recreational activities Arizona has to offer.

Arizona's diverse culture is part of this state's charm. We have a rich history, and we're proud of our western heritage, 22 American Indian tribes, more than 300 days of sunshine a year and more than 700 hiking trails that help make Arizona the best state in the country.

I hope you have a great visit to the state that I am so fortunate to call home.

Sincerely,

Doug Ducey
Governor

4 Arizona 2015 Official State Visitor's Guide

ARIZONA
2015 OFFICIAL STATE VISITOR'S GUIDE

FEATURES

ON THE COVER
Havasu Falls in the Grand Canyon

Sedona

REGIONAL HIGHLIGHTS

YOUR ONLINE GUIDE

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- facebook.com/arizonatravel
- twitter.com/arizonatourism
- pinterest.com/arizonatourism
- instagram.com/visit_arizona

Cave Creek Regional Park

PLUS

visitarizona.com 5

Discover more information to plan your adventure at wyomingtourism.org.

REGIONS AT A GLANCE

CONTENTS
2015 OFFICIAL TRAVELERS JOURNAL

WyomingTourism.org | 9

EXPLORE MINNESOTA

Things to Do in Minnesota
What would you like to do on your vacation? Check out these highlights and find your favorite things to see and do.

Where to Go in Minnesota
Deciding where to go? Find out about destinations in all regions of Minnesota.

exploreminnesota.com

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Contents

exploreminnesota.com 1

Most comparable state tourism agencies/offices generate multiple versions of both printed and electronic guides. The following chart presents the current guide offerings of some comparable state tourism agencies/organizations. Some states offering multiple versions of guides only make some of the guide versions available online/electronic only, rather than offering all in both print or online/electronic.

Comparable State Tourism Agency/Organization Visitors Guides

State	Guide Versions	Guides	Format
Idaho	15	Idaho Travel Guide, North Region Guide, North Central Region Guide, Southwest Region Guide, South Central Region Guide, Southeast Region Guide, East Region Guide, Central Region Guide, Marketplace Region Guide, Outfitters Guide, RV Park and Campground Guide, National Geographic Yellowstone MapGuide, Idaho Guided Outdoor Adventures, Lewis and Clark Trail Guide, Idaho Children's Guide.	12 available both in digital and print versions, 2 available only in digital online version, 1 available only by mail
Kansas	2	Official Kansas Travel Guide, Kansas State Parks Guide	Both versions available online and in print versions
Michigan	3	Pure Michigan Spring/Summer Travel Guide, Pure Michigan Fall Travel Guide, Pure Michigan Winter Travel Guide	
Minnesota	12	Minnesota Spring/Summer Travel Guide, Minnesota Fall Travel Guide, Minnesota Winter Travel Guide, Southern Minnesota Travel Guide, Minnesota ATVentures, Minnesota Biking Guide, Minnesota Fishing Guide, Spring/Summer Minnesota Explorer Guide, Fall Minnesota Explorer Guide, Winter Minnesota Explorer Guide, Ride the Arrowhead MapGuide, Student Guide: All About Minnesota	All available by mail and in digital online version
Montana	7	Montanta Official Guide Book, Glacier County Northwest Guide, Southwest Montana Guide, Central Montana Guide, Yellowstone Country South Central Guide, Missouri River Country Northeast Guide, Southeast Montana Guide	All available by mail and in digital online version
North Dakota	2	North Dakota Travel Guide, North Dakota Hunting and Fishing Guide	
Oklahoma	17	Oklahoma Travel Guide and Map Kit, Destination Dining Guide, Oklahoma Indian Country Guide, Oklahoma Outdoor Recreation Guide, Route 66 Guide, Geneaology Travel in Oklahoma Guide, Long Road to Liberty Guide, Oklahoma Fall Foliage Guide, Oklahoma Motorcycle Guide, Oklahoma Agritourism Guide, Oklahoma Country Stays Guide, Oklahoma Hunting Guide, Oklahoma Land Bounty Guide, Oklahoma Western Experience Guide, Oklahoma Wine Trail Guide, Chisholm Trail's 150th Celebration Guide, Oklahoma Online Student Guide	All available only by mail with the exception of the online student guide
Wisconsin	18	Wisconsin, Official Travel Guide 10th Edition, Spring/Summer Event Guide, Fall/Winter Event Guide, Wisconsin Biking Guide, Wisconsin Lodging Guide, Wisconsin Bed and Breakfast Fuide, Wisconsin Campground Guide, Wisconsin Rustic Roads Guide, Art and Craft Fair Guide, Native Wisconsin Guide, Wisconsin State Park Guide, Wisconsin Golf Courses Guide, Wisconsin Birding Guide - Northwoods Region, Wisconsin Birding Guide - Mississippi/Chippewa Region, Wisconsin Birding Guide - Lake Michigan Region, Wisconsin Birding Guide - Central Sands Region, Wisconsin Birding Guide - Southern Savanna, Wisconsin Activity Guide.	10 available for download and to order print, 4 available for download only, 4 available only by print.

Strategic Plan Action Items:

a) Develop a plan to address received comments/criticism of the format and content of the 2016 Guide(s).

b) Due to the high costs of printing and distributing the print guide, along declining industry support for print advertising purchases, the assessment of print budget, production volume and prioritization of content and ad space should be constantly assessed.

c) Pursue strategy of producing multiple versions of the Nebraska Travel Guide.

d) Ongoing assessment of the Travel Guide should include regular interviewing/surveying of Nebraska leisure visitors (including interviews at the visitor welcome centers).

5. Improve Assessment of Stakeholder Concerns and Interests

As is naturally inherent with most state tourism programs there is a prevalence of parochialism and competitiveness of competing destinations throughout their states. This tends to occur because, unlike other DMOs such as convention and visitor bureaus or local tourism offices, state tourism programs represent multiple destinations and diverse communities. Some communities have viewed this as a competitive dynamic rather than as an inclusive process, and are therefore, sometimes reticent to participate in consolidated state marketing efforts because of concerns that they may lose business to other portions of the state.

Given Nebraska's unique characteristics in terms of geography, demographics, diverse attractions and visitor segments, balancing the interests and concerns of all the state's tourism stakeholders has been, and continues to be, challenging. Without engagement, collaboration, and support for the Commission's mission among all of Nebraska's primary stakeholder groups, tourism efforts in Nebraska will not be optimized. Cultivating and improving stakeholder relations and participation should be one of the paramont objectives for the Commission.

This should be accomplished through (1) gaining a better understanding of stakeholders wants and concerns, (2) more effective communication and outreach, (3) openess and transparency of Commission business and rationale behind specific strategies, and (4) more effective organized stakeholder survey and assessment methods and processes.

With respect to stakeholder assessment surveys, the Commission should continue to improve on stakeholder assessment survey efforts. Focuses of emphasis for enhancement/improvement relate to items such as the (1) quality and understanding of the database of stakeholders, (2) the quality of survey instruments, techniques and targeted samples to maximize response rates and resultant actionable data, and (3) frequency of survey deployment.

<u>Industry Benchmarking Insights</u>

Conversations with representatives of other comparable state tourism agencies provided more insight into how they have respectively dealt with surveys and assessment of stakeholder concerns and interest.

Most agencies indicated that stakeholder feedback was generated through a variety of ongoing efforts by both state tourism office staff and contracted consultants/research firms. Annual Governor's conferences on tourism or other state-wide conferences/events offered a variety of breakout sessions in which roundtable discussions were conducted both for the benefit of educating state-wide stakeholders on best-practices, but also importantly served as a forum during which direct feedback could be gathered from tourism office staff on actionable feedback for future tourism office operations. During FAM trips, the Kansas Department of Tourism will conduct Town Hall meetings while on-site to gain a better understanding of local issues and insight for future strategic planning efforts.

These efforts have been coupled with regular and ongoing efforts to reach out to statewide DMOs, attractions and other stakeholders to educate on what's going on at the state level and to elicit direct feedback from these stakeholders. These ongoing discussions were then fleshed out during regular (often weekly) staff meetings of the state tourism office and ultimately led to the development of the annual strategic plan. As an example, Explore Minnesota sends out seasonal surveys to stakeholders to elicit general feedback and to provide media talking points for local successes and updates. The research staff at Explore Minnesota summarizes responses, including a qualitative analysis of open-ended responses, while the Director reads through a number of them specifically to gain an appreciation for the status of statewide tourism and marketing efforts.

Other survey methods employed tended to be conducted through third-party performance assessments. Longwoods International was consistently mentioned as a preferred firm to conduct ad effectiveness studies; Longwoods and SMARI were both mentioned as firms utilized to develop visitor profile information; and, Oxford Economics and Dean Runyan and Associates were noted as agencies capable of tracking the impact of travel/tourism efforts statewide. In conducting these research efforts, some of these firms will send out their own version of stakeholders surveys to individuals who had registered to collect a travel guide, attended a large event or were otherwise identified as a travel visitor to the state. It was suggested by a number of state tourism offices that this method of conducting online feedback surveys was best conducted by these outside third parties, rather than allocating staff resources, which were better put to use by conducting in-person and/or other conversations with stakeholders to gather direct, ongoing and real-time feedback.

<u>Strategic Plan Action Items:</u>

a) With respect to stakeholders, develop and implement a strategy to:
    a. gain a better understanding stakeholders wants and concerns,
    b. achieve more effective communication and outreach,
    c. promote openess and transparency of Commission business and rationale behind specific strategies, and
    d. produce more effective organized stakeholder survey and assessment methods and processes.
b) Work with industry consultants to develop a more robust strategy of stakeholder survey instruments, sampling and processes.
c) Improve the understanding and quality of the Commission's stakeholder database, including a more effective categorization of type (i.e., hotel, B&B, attraction, leisure traveler, local resident, CVB, local residents, business owners, outfitters, etc.)
d) Consider new methods of facilitating stakeholder engagement, such as organized Town Hall meetings, enhanced communication with influential outside representatives (such as state and local elected officials) that can, in turn, agree to formally and informally interface in home/local areas as surrogate advocates for state tourism objectives.

6. Improve Taking Nebraska on the Road

As noted in the 2012 Plan, the most successful destinations are the ones that are most serious in taking the time and effort to aggressively court the tourism customer through work with travel intermediaries—principally travel writers, tour operators and meeting planners who can best influence the marketplace. Nebraska has experienced some success by exposing these and other travel ambassadors to specific offerings throughout the state and it will be important to maintain and build off of this success moving forward.

It is recommended that the Commission continue and improve upon multi-city road shows focusing on media who can generate top-of-mind Nebraska awareness, tour operators who actually produce tour programs for the leisure market and other important potential tourism segments. Now that two years have passed since the engagement of Geiger & Associates to execute targeted media tours, it is recommended that the appropriateness of this delivery model, as well as the performance (expected versus delivered) of the contractor, be reviewed. There are benefits and drawbacks to having a third-party contractor execute targeted tours—just as there are for a non-third party model that employs primarily local community planning/execution efforts (with Commission coordination). If a conclusion is reached that an insufficient level of responsiveness and performance is being delivered via the contract, consideration could be made to transition these efforts to in-house stewardship/coordination, with local community level execution.

Industry Benchmarking Insights

The primary concern with hosting these travel ambassadors is identifying the “one big hook” that brings them to the destination. This hook can come in the form of a nationally or internationally well-known attraction (i.e., Yellowstone National Park in Wyoming, Mount Rushmore in South Dakota, etc.), a specific interest that can be found within the destination (i.e., the experience of attending a sporting event, access to hunting or fishing grounds, cultural or historical attractions, etc.) or even a specific emotion or experience (i.e., relaxation, exposure to nature, etc.). It is important to develop a variety of different itineraries depending on the composition of roadshow or FAM tour attendees.

There tend to be two (somewhat overlapping) types of tours presented: one in which the specific interests of the travel ambassador are highlighted in varying locations throughout the state; and, one where the state presents a well thought out story of how people could experience the destination.

In terms of addressing specific needs and preferences among travel ambassadors, the noted key to this effort is in relationship building and maintenance with industry representatives to ensure that any specific topics or themes are addressed through their trip to the destination. For example, the Colorado Tourism Office tries to spread out the attractions and destinations throughout the state visited as much as possible while addressing what specific journalists, tour operators or other ambassadors are most interested in (i.e., ski resorts, outdoor adventures, hunting/fishing, arts, etc.). Importantly, once travel writers, tour operators, meeting planners and other travel ambassadors have been attracted to experience some element of the destination, it is important to expand their understanding of destination offerings. This can be achieved through added stops within a given tour beyond the primary “hook” or by inviting them back in future years to experience secondary opportunities and experiences.

However, in situations in which either a large travel party is visiting with varying interests or there are limited identified specific needs among visiting ambassadors, many state tourism organizations will develop their own story to present to the traveling community. Travel Michigan representatives noted that as experts in all things travel-related throughout their state, they have identified a "story" they wish to present and have selected specific attractions and/or destinations that best help them relay that message. When responding to critics expressing the desire to visit more different attractions/locations, Travel Michigan was able to point to specific research that had been conducted on the incremental return-on-investment either through increased visitation, earned media or other measurable benefits gained through routing tours through specific locations.

As was discussed in a previous section, the research and analysis conducted to develop accountability metrics for state tourism organizations is essential to developing strategic plans surrounding the quantity of roadshows/FAM trips and itineraries for these tours. The Wisconsin Department of Tourism is able to point not only to the $112 million in earned media through hosting 40 FAM trips in the last year alone, but also to the dollar-for-dollar match they received in supporting these tours from local stakeholders. In fact, the WIDT only schedules tours through destinations that are willing to contribute financial or in-kind resources such as complimentary hotel night stays, food and beverage, tour operation, admission passes, transportation and other such necessities.

This local buy-in is also essential in Kansas, where the Kansas Department of Wildlife, Parks and Tourism conducts Town Hall meetings while on-site visiting an attraction/destination to elicit feedback, educate on upcoming and ongoing initiatives and connect with local stakeholders. If these Town Hall meetings are not well attended, future itineraries may be routed through other communities.

<u>Strategic Plan Action Items:</u>

a) Continue to emphasize and improve upon multi-city road shows focusing on media who can generate top-of-mind Nebraska awareness, tour operators who actually produce tour programs for the leisure market and other important potential tourism segments.

b) Now that two years have passed since the engagement of Geiger & Associates to execute targeted media tours, it is recommended that the appropriateness of this delivery model, as well as the performance (expected versus delivered) of the contractor, be reviewed. There are benefits and drawbacks to having a third-party contractor execute targeted tours—just as there are for a non-third party model that employs primarily local community planning/execution efforts (with Commission coordination). If a conclusion is reached that an insufficient level of responsiveness and performance is being delivered via the contract, consideration could be made to transition these efforts to in-house stewardship/coordination, with local community level execution.

c) Investigate best practices into similar road show/tour efforts by comparable State Tourism agencies (example, Montana's Food Truck program) and adjust current strategy, if appropriate.

7. Evaluate a Buy Nebraska Program

Efforts should continue to pursue development of a program of “Buy Nebraska”, whereby tourism and non-tourism businesses as appropriate are encouraged to sell made in Nebraska products. With the extensive agriculture industry that is part and parcel to the Nebraska brand, such a program would remove barriers to further expose the state and its products to visitors.

While this did not make it out of Legislative Committee recently, the Commission (through its Passport Program and other initiatives) has made noteworthy strides in collaborating and participating with organizations/efforts such as GROW Nebraska and Destination Nebraska Nice. Tourism Commission staff should continue to work with industry representatives and legislative staff to craft and approve such a program.

Industry Benchmarking Insights

Examples of similar programs in other states are presented below.

Colorado – “Colorado Proud”

In 1990, the State of Colorado signed into law the “Colorado Wine Industry Development Act” as the general assembly realized the importance of the industry to the state. The Act provides:

“The general assembly hereby finds, determines, and declares that Colorado has a substantial interest in promoting the development of a viable and stable wine industry in this state. The general assembly further finds, determines, and declares that grape cultivation is closely related to fruit cultivation carried out in various parts of Colorado; that grape cultivation and wine production are a logical supplement to, and development of, existing agricultural business conducted in the state; that wine production has become a significant industry in other states because of the action of state and local governments in those areas to foster development of the industry; that a viable wine industry can enhance Colorado's tourist industry; that some aspects of wine industry development can best be accomplished by an industry-wide approach rather than by individual producers, such as conducting scientific research and disseminating and publishing the results of such research, promoting Colorado wines as distinct from those produced in other regions, and promoting awareness of responsible consumption of wine; and that the state should aid Colorado's wine industry through research and promotion to allow the industry to realize its full potential in this state.”

The statute further establishes a board within the department of agriculture for the purpose of encouraging and promoting the growth of the wine industry within the state and to promote the integration of the Colorado wine industry as a component of the state’s tourism program, and to serve as a resource for the entire wine industry in the state. A Colorado Wine Industry Development Fund is also outlined in the statutes where at least one-third of its annual budget is allocated to research and development and at least one-third toward promotion and marketing of the CO wine industry.

The Colorado Department of Agriculture continued its push for local products when they developed “Colorado Proud” in 1999 as a free marketing program to promote the production and consumption of Colorado products. The Colorado Proud program began with only 65 companies, and now includes more than 2,200 members. Within the CDA, there is a Markets Division dedicated to the Colorado Proud program and branding. In fiscal year 2016, the markets division appropriation for marketing is approximately $2.6 million, of which $1.1 million came from cash funds, $927,000 from federal funds, nearly $490,000 came from general funds and the remaining from appropriated funds.

Colorado Proud Strategic Plan Metrics

Strategic Responses	Major Program Area and Key Process(es)	Leading Indicators			
		Measure	Baseline	2016	2018
Inform Coloradans about food and agricultural products grown, raised, or processed in Colorado	Markets ✓ State and Local Marketing Program including Colorado Proud, Farm Fresh, Colorado MarketMaker, and other directories and listings	% of targeted consumers aware of the Colorado Proud logo[4]	85%	85%	85%
		% of targeted consumers looking for the Colorado Proud logo more often[5]	64%	66%	70%

In addition to marketing the Colorado Proud brand, the Department of Agriculture’s Markets division also offers four loan and grant programs to assist the industry and promote products.

- The Beginning Farmer Loan providing up to $500,000 in loans for beginning farmers to acquire property for farming.
- The Enrich Colorado Ag Grant Program which offers up to $15,000 per project for funding, operational, research, sales and marketing needs.
- The Specialty Crop Block Grant which is a partnership program between the state and U.S. Department of Agriculture to enhance the competitiveness of Colorado Proud products. Fiscal year 2015 estimations of allocations for the state of Colorado was approximately $800,000.
- The ACRE3 Program – Energy Program offering state-level support for energy efficient/renewable energy projects for Colorado’s agricultural producers and processors.

Examples of statewide involvement in the Colorado Proud program include:

- In 2015, the Choose Colorado Pop-Up Picnic series, funded through the USDA’s Specialty Crop Block Grant Program by the Colorado Department of Agriculture took place on the lawns of 18 farmers’ markets, events and festivals throughout the state. The picnic series included samples of Colorado grown produce, guest agricultural experts, farmers and chefs and free promotional items such as reusable bags, recipes and postcards as a way to educate and promote the purchase and consumption of local products.

- The Governor of Colorado declared the month of August as “Colorado Proud Month”.
- Colorado Proud celebrated School Meal Day, a Governor proclaimed state-wide event where more than 100,000 students learned about Colorado agriculture with guest speakers, cooking demos and were fed locally made meals by school chefs.

<u>Oklahoma – “Made in Oklahoma”</u>

The Made in Oklahoma program was initiated by the Oklahoma Department of Agriculture, Food and Forestry (ODA) in 2004. Approximately six percent, or nearly $3 million, of their total budget is allocated to market development services which includes the Made in Oklahoma Program.

In partnership with Made in Oklahoma, the Oklahoma Department of Agriculture, Food and Forestry and the Oklahoma Tourism and Recreation Department created the Oklahoma Agritourism program to consult agritourism businesses on opportunities and promotion and promotes more than 500 events and destinations throughout the state. The Oklahoma Agritourism website was launched in 2013 as a way to reduce the distance between agritourism businesses and products and consumers.

Agriculture Enhancement and Diversification Program provides grants and loans with zero percent interest as an effort to encourage and expand the state’s agriculture. The available grants and loans include:

- Farm Diversification Grant
- Marketing and Utilization Loan
- Cooperative Marketing Loan
- Basic and Applied Research Loan/Grant
- Enhancement and Diversification Evaluation Form
- Agriculture Event Grant

Additional grants available include the Specialty Crop Bock Grant and the Oklahoma Vitaculture and Enology Center Development Revolving Fund.

Missouri – "AgriMissouri"

The AgriMissouri Program was launched to promote Missouri-grown (MoGrown) and Missouri-made (MoMade) products as well as business offering agritourism activities (MoFun, MoTravel and MoEvents) by the Missouri Department of Agriculture in 1985. In fiscal year 2015, 14 percent, approximately $4.8 million of the total budget was allocated to agritourism efforts including business planning, marketing assistance, promotion and financial assistance. The department currently offers more than twenty grants, loans and tax credit programs to eligible businesses. Additionally, AgriMissouri hosts annual events to promote and educate about Missouri products and activities, some examples include:

- Annual Missouri Agritourism Conference
- Annual Farm to Table Harvest Dinner
- Best of Missouri
- Harvest Fest at the Governor's Mansion
- AgriMissouri Business Tour

As a result of the assistance and promotion of state-grown products and agritourism activities, the value of all agricultural related sales in the state was approximately $9.16 billion last year, which was a 21.8 percent increase since 2007. AgriMissouri membership has grown from 350 in 2011 to nearly 2,400 members today. Missouri farmers markets have grown by more than 76 percent since 2008 and rank among the top ten in number of markets nationally. Additionally, Missouri is the second largest state in terms of number of farms and 12th for most farm land.

Strategic Plan Action Items:

a) Continue efforts to pursue development of a program of "Buy Nebraska", whereby tourism and non-tourism businesses, as appropriate, are encouraged to sell made in Nebraska products. Develop recommendations for Board/Staff consideration.

b) Develop compelling case study examples and position statements advocating the merits of the program/concepts to share with legislators and stakeholders.

8. Improve Efforts to Enhance Signage and Leverage Highway Traffic

The Commission should continue to explore ways to improve and better coordinate tourism signage/marker strategies among stakeholders and applicable state and federal agencies. There continues to be a widely recognized challenge in drawing visitors off I-80 into the many areas of the state that offer significant unique and authentic experiences including the numerous scenic byways, historical sites, unique natural attractions and other Nebraska experiences. The Commission should consider and evaluate options in light of LB449 and Lady Bird Johnson Highway Beautification Act implications.

Industry Benchmarking Insights

From an industry best practices standpoint, signage programs are being implemented using technological advantages to lower costs and enhance the marketability of the destination. Signage programs aim to be a supplemental tool in not only directional efforts but in marketing efforts as well, as they try to show incoming visitors authentic aspects of the destination to spark an interest in visiting certain areas of the state. Programs follow strict guidelines to ensure consistency with road safety and traffic objectives. Examples include:

Montana

Montana had a project called “Welcome to Montana” Highway Sign Redesign. In coordination with the Governor's Office, Department of Transportation, and Department of Commerce, the Montana office of Tourism (MTOT) led the redesign of 34 "Welcome to Montana" signs at highway entrances around the state. The signs used photographs of Montana landscapes and wildlife taken by a staff member of the MTOT as an effort to encourage visitors to explore the authentic experiences Montana offers. The signs were designed and produced in-house using digital printing techniques at a cost of $23,593, a much quicker and more cost-effective way than their previous technique of screen printing.

Kansas

Kansas has a Tourism Signage Program which was developed to increase awareness of travelers and residents of tourism operations and attractions. The Tourism Signage Program also ensures that road signage for tourism attractions is consistent with road safety and other road and traffic objectives, and provides effective guidance in directing tourists and visitors to tourism facilities.
Kansas offers three (3) tourism sign opportunities:

- Tourist Oriented Directional Signs (TODS) – available along two-lane and four-lane rural roadways with intersections for tourist oriented attractions, gas, food, lodging and camping services.
- Supplemental Guide Signs – available along four-lane roadways with interchanges or intersections and two-lane roadways with interchanges if designated as a national/international attraction.
- Attraction Logo Signs – available along interchanges on interstates, freeways, expressway interchanges and bypass interchanges.

Arizona

The Arizona Office of Tourism (AOT) is looking to the web and partnerships to enhance wayfinding within the State and Region. AOT is directly involved with wayfinding websites intended to assist travelers navigate byways. These include the following:

- Scenic Roads – A joint project of the Arizona Office of Tourism, Arizona Highways magazine and the U.S. Department of Transportation, the Arizona Scenic Roads project is an interactive website that assists travelers to Arizona in finding and navigating our many scenic byways. The website categorizes routes by region and includes a comprehensive road trip planner to help travelers plan their trips.

- National Geographic - Geotourism MapGuide – The Arizona Office of and the Sonora Office of Tourism – in conjunction with their partners, the Sonoran Institute and the Bureau of Land Management – were selected as the first bi-national effort that National Geographic has undertaken with their Geotourism MapGuide program – highlighting Southern Arizona and Sonora.

Colorado

Colorado currently has a state-regulated Tourist Oriented Directional Sign (TODS) Program available for tourist oriented activity that includes: services, cultural, commercial, recreational, historical, scientific, religious sites and natural phenomena. The TODS program will provide business identification and directional information for tourist oriented activities determined by the state with annual costs between $50 and $250. Seasonal businesses can also participate in the program, the signs can be erected and covered in non-operational times.

Specific guidelines are outlined by the Colorado Department of Transportation in order to participate in the program. For example, privately owned business wishing to participate must derive the major portion of their income from visitors, meaning outside of a 50-mile radius of the business.

Strategic Plan Action Items:

a) Investigate additional opportunities and initiatives associated with LB499, the 2012 Wayfinding Sign Project and other state and local signage efforts.

9. Further Enhance Visitor Welcome Centers

The Commission should continue efforts to staff, fund and operate applicable visitor centers located throughout the state according to industry best practices. It should regularly assess resource deployment on a location-by-location basis, while pursuing advantageous opportunities for partnerships with appropriate stakeholders and/or tourism-related entities, such as the new partnership with the Omaha Henry Doorly Zoo and Aquarium. The Commission should enhance efforts to educate, interface and communicate with visitor center management and staff concerning industry best practices and current Commission marketing and branding efforts.

The following exhibits illustrate total estimated 2015 visitors to the Visitor Welcome Centers located across Nebraska between February and September.

2015 Nebraska Travel Counselor Program Visitor Counts

Visitor Center	February	March	April	May	June	July	August	September	Total
Henry Doorly Zoo	5,918	56,504	37,557	30,074	29,666	31,569	25,332	15,085	**231,705**
York Westbound	-	16,184	16,218	21,500	30,416	30,362	28,480	21,041	**164,201**
York Eastbound	-	9,478	11,810	14,833	11,469	13,063	13,036	12,703	**86,392**
Brady Westbound	-	8,433	8,772	12,445	16,879	21,744	***	13,099	**81,372**
Kearney Westbound	-	8,341	8,739	13,359	12,868	14,178	11,045	10,151	**78,681**
Kearney Eastbound	-	7,139	9,306	10,373	10,226	15,927	13,599	10,190	**76,760**
Cozad Eastbound	-	6,537	7,050	8,724	11,844	14,360	12,345	9,659	**70,519**
Crane Trust	-	35,000*	177	173	337	575	1,000*	1,000*	**38,262**
Archway	-	3,419	2,715	4,323	5,998	8,859	6,006	4,624	**35,944**
Melia Hill	-	6,730	3,162	Closed	Closed	closed	5,871**	9,808	**25,571**
Ogallala Eastbound	-	1,213	1,557	2,084	3,880	4,652	3,620	2,863	**19,869**
Ogallala Westbound	-	1,254	1,221	2,190	2,317	4,042	2,362	2,110	**15,496**

* Estimated Count
** Counts are for 18 days that month
*** Missing data for Brady Westbound

Community Visitor Center	May	June	July	August	September	Total
Kimball	1,324	2,367	3,261	2,244	1,674	**10,870**
North Platte	381	1068	1345	1040	875	**4,709**
Sidney	349	904	908	778	605	**3,544**
Sarpy County	13	82	78	110	73	**356**

Source: Nebraska Tourism Commission

Industry Benchmarking Insights

From an industry best practices standpoint, State tourism Divisions are beginning to create partnerships with the State's Department of Transportation and key industry stakeholders to operate and staff visitor centers. This leads to advantages such as shared costs and consistent up to date information and materials on attractions throughout the state. These Welcome Centers rely heavily on volunteers. Examples include:

Wisconsin

There are currently 12 Welcome Centers throughout the State, established by Travel Wisconsin under a public-private partnership business model. This model includes the Wisconsin Department of Transportation and local tourism organizations for the purpose of staffing and operating the centers. These centers are located off of most major highways and have guides from destinations across the state. These centers offer consistent hours of operation.

Michigan

Michigan has 14 Welcome Centers that are operated by the Michigan Department of Transportation (MDOT). These centers were previously funded by Pure Michigan (PM) but PM did not want the added staffing costs and MDOT is better funded. PM supplies the marketing and sales materials to all of the visitor centers. Something unique that is encouraged is tourism groups partnering with their local welcome center as part of the Adopt-A-Welcome Center program. This program was developed by MDOT, Pure Michigan, and the Michigan Travel Commission, and a group of convention and visitor bureaus as a way for travel and tourism-related groups throughout the state to work together to promote and improve the operations of the visitor centers. This assistance can range from providing contacts of local Master Gardener groups to update visitor center landscape to providing volunteers to supplement the existing staff of the Welcome Center. These type of consolidated efforts keep the welcome centers up to par with industry best practices as well as help staff stay relevant on State attractions. This helps bring in approximately 9 million annual visitors to the welcome centers.

Colorado

Colorado has 10 Welcome Centers, with the State fully operating two of them (Burlington and Fruita – located on opposite ends of I-70 and are primary corridors into the state). The Colorado Tourism Office partners with local municipalities to operate and staff the other locations. They have a workforce of 500 total volunteers throughout the state. They have one manager and one assistant manager that are full time employees for each of the two fully staffed Centers. There is approximately $700,000 budgeted to operate all 10 facilities (not including the contributions of local municipalities).

Idaho

Idaho has four visitor welcome centers, each located on the Interstate Highway system to ensure maximum exposure to travelers. The centers are volunteer operated and offer the State Travel Guide as well as an RV directory, Official Highway Map, Idaho Scenic brochure, Idaho Golf Trail brochure, Idaho Whitewater Trail brochure, Ski Idaho brochure, and other information resources found consistently at each.

Strategic Plan Action Items:

a) Continue efforts to staff, fund and operate applicable visitor centers located throughout the state according to industry best practices.
b) Enhance efforts to educate, interface and communicate with visitor center management and staff concerning industry best practices and current Commission marketing and branding efforts.
c) Continue efforts to emphasize to appropriate State Legislative and Department level leadership the critical role that Nebraska Department of Roads-owned rest areas provide in the context of tourism efforts. These rest areas are logical opportunity points of communication/messaging with visitors. Small investment and coordination efforts at these “front door” points of contact could deliver important returns to the state’s tourism industry. Not even including consideration of staffing, simple things such as integrating WiFi, allowing for brochure/advertising space, and signage/interaction space can go a long way to better leveraging these assets and significantly enhancing synergy with tourism efforts. Advocacy and emphasis by stakeholders and leadership over time could hopefully lead to adjusted State rules and regulations to better allow collaboration with tourism efforts.

10. Explore Key Liability Issues

With the recent passing of LB329 establishing limited liability for agritourism businesses and related activity, a significant factor that was ostensibly resulting in high liability insurance costs was removed. However, there is debate as to whether these cost savings are being, or will be, realized by smaller insured parties and individuals.

It is suggested that the Commission interface with select insurance companies and experienced legal/industry advisors to investigate the issue more thoroughly.

Industry Benchmarking Insights

Costs associated with liability insurance has become an increasingly significant issue among other states as agritourism's popularity grows. Although some costs cannot be controlled, some states are finding ways to reduce the financial burden placed on agritourism businesses and encourage continual growth, examples include:

Colorado

Colorado was the first state to implement funding for agritourism promotions. Colorado's Unclaimed Property Act creates an unclaimed property tourism promotion trust fund from which 10 percent of the interest earned is used to promote agritourism. The Colorado Office of Tourism (CTO) has also been involved in the promotion of agritourism throughout the state. The CTO created and provides statute-compliant signage to agritourism operators at a discounted price than what it would cost to purchase on their own. The CTO also established the Colorado Heritage & Agritourism Committee within the CTO office which works with other state agencies and private sector businesses to promote agritourism throughout the state, through partnerships, free public relations and marketing for agritourism businesses and activities. The CTO also created the Cultural, Heritage/Agritourism Mentor Program (CHAMP) to stimulate the development of high-quality cultural, heritage and agricultural tourism experiences for travelers in Colorado through a peer assistance and training program for agritourism businesses wanting to improve or expand their attractions. Currently there are about 20 mentors who receive a $5,000 grant to compensate them for 10 to 20 hours of volunteer service.

Kansas

The State of Kansas offers a five-year tax credit for 20 percent of the liability insurance paid by an agritourism operator to encourage agritourism operations throughout the state. Additionally, the Attraction Development Grant Program through the Tourism Department was implemented to encourage agritourism operations. The program reimburses up to 40% (not to exceed the amount awarded) of actual expenditures for a single grant project. Applicants must provide (as leveraged funding) at least 60% of the cost of the Project. Fifty percent of the leveraged funding may be in-kind contributions.

Missouri

Established an "Agritourism Fee Fund" to aid the promotion and encouragement of agritourism in the state. Each business providing agritourism activities may register with the Department of Agriculture to provide information on the activity and location of the business and is charged a $100.00 registration fee which is placed into the Agritourism Fee Fund. The State Treasurer is the custodian of the Fund and may approve all disbursements in conjunction with promotion and encouraging agritourism.

Oklahoma

The State of Oklahoma started a state-sponsored revolving trust fund for agritourism promotion. The Oklahoma's revolving fund receives appropriations from its state department of agriculture and fund expenditures are authorized and approved by a majority vote of a board overseeing the fund. Additionally, the Oklahoma Agritourism Program is joint program between the Oklahoma Department of Agriculture, Food & Forestry and the Oklahoma Tourism & Recreation Department to encourage agritourism activities. The program has two main components which include business development and marketing. The staff help entrepreneurial farmers and ranchers develop their Agritourism attraction and implement an extensive marketing and public relations campaign to help promote and grow their business, these services are provided for free.

Strategic Plan Action Items:

a) Interface with select insurance companies and experienced legal/industry advisors to investigate the issue more thoroughly.

11. Enhance Tourism Grant Program Strategy

Since the 2012 Plan, the Tourism Grant Program has been expanded and improved through policy/strategy enhancements (i.e., minimum award amounts, improved qualification standards, emphasis on regional bundling, etc.) and increased funding (i.e., national/international grant funds); however, the passage of LB449 now results in reduced earmarked funding for these efforts.

Specifically, through the passage of LB 449, the $250,000 in marketing grant program funds, that were designated in the 2013 Legislative session, were eliminated from future General fund allocations. The Community Impact Grants for national/international events was maintained at $250,000.

As the Tourism Grant Program has been very well received in small and mid-sized communities, and being awarded such a grant is a source of pride and a modest but useful amount of revenue for these communities, these programs also serve as a critical catalyst in collaboration, goodwill and engagement for statewide tourism stakeholders of all sizes, in turn, serving the best interests and mission of the Commission itself.

Efforts should continue to pursue and optimize two of the strategic recommendations presented in the 2012 Plan, specifically:

- At current monetary levels, it would be of value to require that multiple proximate communities combine their grant application for a larger, potentially more productive grant. For example, if the towns of Mullen, Burwell and Kearney were to jointly apply for a grant to advertise birding assets in the state, the value of the grant could be multiplied. Fewer, larger grants could then be easier to track from a productivity standpoint.
- Efforts should be made to a significant expansion of the program's dollar value, consistent with many other states in the region. Putting financial resources in the hands of local tourism industry stakeholders, under a well regulated, measurable program designed to strategically grow the tourism industry can likely be supported from a return on investment perspective.

Funding opportunities and budgetary reprioritization, including exploration of external funding sources, such as potential foundation funding (subsequently discussed) should be explored and evaluated.

<u>Industry Benchmarking Insights</u>

The following are examples of tourism marketing and infrastructure grant programs in several nearby states that may serve as a model for future Nebraska programs, should additional funding become available.

<u>Wisconsin</u>

The Wisconsin Department of Tourism (WIDT) budgets approximately $1.5 million for four different grant programs: the Joint Effort Marketing (JEM) Grant; the Ready, Set Go! (RSG) Grant; the Tourist Information Center (TIC) Grant; and, the Meetings Mean Business (MMB) Grant. Importantly, WIDT diligently tracks all grant dollars allocated and the estimated return-on-investment through matching dollar contributions, economic impact calculations, earned media and other such metrics, reporting on both independent and collective efforts during budget and other meetings with stakeholders.

Joint Effort Marketing (JEM) Grant Program

- Organizations can receive up to $39,550 in marketing reimbursement.
- A JEM grant is often a catalyst for communities, giving them the means to tap into the power of travel to make a solid impact on their economy and create jobs for its residents.
- It could mean the difference between getting your idea launched and letting it wilt away.
- The Department can reimburse up to 75% of a project's first year promotional costs.
- For some categories, we offer grant support during subsequent years (50% for the second year, 25% for the third year).
- Eligible expenses include things like e-mail marketing, print and broadcast ads, direct mail, publicity, and billboards.

Ready, Set, Go! (RSG) Grant Program

To assist destinations in securing competitive sport events that require an upfront cash or financial commitment, WIDT offers a unique sports partnership program. The goal of the fund is to generate visitor spending from sports tourism in Wisconsin. The fund has $110,000 available for matching grants. Amount available per destination/per request is 50 percent of a Bid Fee or 50 percent of other allowable site/venue/municipal fees, up to a maximum $20,000 during per grant, per fiscal year.

Tourist Information Center (TIC) Grant Program

Eligible applicants may be reimbursed up to $15,000 per organization per year, with the program reimbursing up to 50% of eligible expenses. Eligible expenses are specifically limited to:

- Staffing costs for the TIC.
- Costs to acquire promotional materials (such as signage or audio visual equipment—signage should be at or near your center's location. Equipment does not include cell phones).
- Costs for standard display equipment such as racks or shelving.

Meetings Mean Business Grant Program

The fund has $110,000 per year available for matching grants. Destinations may apply for 50 percent of the costs for convention facility rental, in-community convention transportation or host costs, up to a maximum of $20,000 per fiscal year. Importantly, organizations receiving funding from the Meetings Mean Business fund may not also request funding from the Joint Effort Marketing grant fund for the same event. This grant does NOT fund in-state events that are regularly scheduled or which routinely rotate to destinations within the state.

North Dakota

The North Dakota Tourism Division allocates an estimated $550,000 annually to four different grant programs outlined below:

Tourism Expansion Grant

The Tourism Expansion Grants ($100,000 annually) support new or expanding tourism or recreation facilities or designated development areas primarily through infrastructure projects. For every dollar of grant money being requested, the sponsor must provide one dollar. Grants can range from $5,000-$24,000 in any given year. Recipient can receive grants from the program for no more than three consecutive years, and funds can only be used for buildings and equipment. Priority is given to projects that leverage funding from various public or private sources; grant funding that completes a project rather than "seed money" to start a project; projects that have a particular urgency (i.e., the proposed project, if not completed within the next 18 months, will not happen); projects that retain visitors based on cultural, historical, or interpretive significance; projects with the potential to draw substantial attendance. This continues to be a successful and well received grant program among statewide stakeholders.

Tourism Large Infrastructure Grant

This is a new grant program that has been appropriated $750,000 for the biennium budget (approximately $350,000 annually) to support tourist attractions capable of attracting visitors from outside of the state for a least one overnight stay. The Tourism Expansion Grants support new or expanding tourism or recreation facilities or designated development areas. Eligible attractions must have the ability to attract a visitor 50 miles (one-way) and retain a visitor in the area for at least three hours, and include: recreation, historical sites, festival and cultural events, lodging and food services which are singularly and uniquely related to historical, cultural, or recreational tourist attractions, agritourism farm/ranch stays and guide services. Funds can only be used for buildings and equipment; they cannot be used for marketing or ongoing operational expenses. Grants can range from $5,000 to $24,000 in any given year and must be matched by the sponsor dollar-for-dollar.

Marketing Grant

The Marketing Grant ($35,000 to $50,000 annually) has funds available for individual businesses, communities and tourism marketing organizations wanting to promote North Dakota tourism-related programs or projects. Total annual allocations vary based on applicant pool qualifications. The program may be a recipient of a Tourism Marketing Grant for no more than 3 consecutive years or a maximum of $15,000 in total funding in multiple years. Priority is given to applications with an e-marketing, technology or innovative goal as well as learning based vacations. Matching funds must be utilized for the purpose of promoting a regional experience, activity or place unique to the state. At least 75 percent of marketing activities resulting from the grant must be promotional, focused on providing travel information. Communication must focus on illustrating unique North Dakota experiences in support of the state's tourism branding, "North Dakota Legendary," to maximize brand equity. Applications must demonstrate integration of the North Dakota Tourism Division logo, website and slogan in all communications materials. The applicant must indicate a plan to measure the impact of the promotional tactics resulting from the grant.

Events Grant

The Events Grant Program has between $35,000 and $50,000 available for communities and event promoters wanting to regionally promote their tourism-related event. Total annual allocations vary based on applicant pool qualifications. Event must be two or more days in length, be an annual event or an event with national significance, be a unique event (e.g., no Fourth of July, Labor Day, etc. celebrations), have visitor appeal and growth potential, cannot be religious or political in nature. The applicant must indicate a plan to measure the impact of the promotional tactics resulting from the grant, and there must be local support. Communication must focus on illustrating unique North Dakota experiences in support of the state's tourism branding, "North Dakota Legendary," to maximize brand equity. Applications must demonstrate integration of the North Dakota Tourism Division logo, website and slogan in all communications materials. The maximum grant is $5,000 and there must be matching funds.

Missouri

The Missouri Division of Tourism maintains the Promote Missouri Fund, which distributes grants among three separate industry programs that are designed to maximize the resources of both MDT and its partners based on a county's tourism level. The objectives of the programs are to support and further the overall annual marketing strategy and position Missouri to compete more effectively for travel and tourism market share during the next decade and create programs based on the common marketing goals of MDT and its DMOs, thereby creating mutually beneficial marketing executions.

Marketing Matching Grant Program

Designed to increase visitation and tourism spending in Missouri. Approved DMO media projects are reimbursed at 50%. The media buying leverage provided through media placement by the Division's ad agency, coupled with the match of state funds, provides meaningful financial incentive to participants and a significant economic benefit to the State of Missouri.

Collective Marketing Initiative

Creates a partnership with Destination Marketing Organizations throughout Missouri and the Missouri Division of Tourism that allows the purchase of advertising as a unified entity. The benefits of this include the strength through a unified message, better ad positioning, access to media outlets with increased reach, the potential to run larger ad sizes, and overall financial savings.

Marketing Platform Development Grant Program

Grant program for one-time marketing platform investments that will be utilized beyond the fiscal year of the initial investment. Eligible projects include those that provide for improvement, expansion, or creation of tourism marketing programs and products designed to increase tourism from outside the area for greater economic impact.

Missouri maintains two different grant programs geared toward specific tourist destinations.

Missouri Jewels

Two-year, entry-level tourism marketing program for counties that contain promising tourism assets. The program is designed to assist emerging destination marketing organizations build sustainable organizations. In this category, MDT provides assistance in developing a countywide tourism destination analysis and marketing plan, training in advertising, marketing and promotion, and financial assistance to develop a professional tourism brochure and tourism website. The desired outcome is a sustainable tourism destination marketing organization that will continue to effectively promote the destination.

Civil War 150 Promotion

In conjunction with the Cooperative Marketing Program, the Civil War 150 Promotion provides matching funds for performance-based marketing projects that are designed to increase exposure and attendance of Missouri Civil War 150 events and attractions. Last year, $16,500 was awarded to sites around the state.

Additionally, the Missouri Division of Tourism runs an SEM Partnership Program, which provides an opportunity for a coordinated strategy in the implementation of pay-per-click search engine marketing for the Division and other destination marketing organizations throughout Missouri. Last year, organizations were awarded a total of $200,000.

Wyoming

The Wyoming Office of Tourism offers two different grant programs to support tourism in the state:

Technical Assistance Co-Op Program

Intended to fund a larger variety of projects that directly support WOT's strategic areas of focus. (Examples include: visitor way-finding signage, marketing research initiatives to drive tourism development strategies, development of new local/regional collateral material, implementation of visitor service or customer service training and attendance at a new industry or consumer related tradeshow in a new market). In its first year of funding, WOT awarded up to $5,000 per project based on eligibility. This co-op requires a 50 percent cash match on behalf of the applicant and will be awarded on a reimbursable basis.

Sign Grant

Every two years the Wyoming Office of Tourism awards $300,000 in funding for signage projects within the state. The purpose of this program is to nurture Wyoming's tourism industry by creating a more visitor friendly and easily accessible destination. The program is a biannual program that provides funds for the following sign categories: Interpretive/Wayside Exhibits, Wayfinding signage, and Free Form signs. In addition to these categories, WOT is also committed to funding turnout projects that were identified in the 2011 Sign and Turnout Inventory study that was completed with the partnership between the Wyoming Department of Transportation, the Wyoming State Historic Preservation Office and the Office of Tourism. In this recent round of funding, WOT awarded $90,000 for Interpretive projects, $20,000 for Free Form signage, $20,000 for Wayfinding signage across the state and $80,00 for the development of a turnout on the Wind River Indian Reservation that will include interpretive information on the Sand Creek Massacre Trail.

Additionally, the Wyoming Film Office developed the WY Film Industry Financial Incentive Program to promote and provide public visibility of WY as a tourist or business destination at the city, town or county level by providing incentives for film production in the state. Funding provides a reimbursement of up to 15 percent of the production's qualified expenditures if a minimum of $200,000 in total qualified expenditures are made.

Strategic Plan Action Items:

a) Continue to explore and evaluate funding opportunities and budgetary reprioritization, including exploration of external funding sources, such as potential foundation funding.
b) Continue to pursue and optimize:
    a. Concept of the combination of grant applications among multiple proximate communities for a larger, potentially more productive grant.
    b. Efforts to expand the program's dollar value, consistent with many other states in the region.

12. Explore Creation of a Foundation to Assist with Funding Strategic Projects

The 2012 Plan included a recommendation for the Commission to work with Game and Parks, the Land Trust and other entities involved in tourism or land issues to embark on a program to identify specific parcels of land for which acquisition would benefit residents and visitors to Nebraska, including those which would improve the accessibility for a visitor to access marketable natural and historical areas.

At present, the Commission is not authorized to acquire land. It will be important for the Commission to continue research regarding the potential and opportunity to create or associate with a foundation. A new foundation could theoretically assist with fundraising and executing these types of strategic acquisition initiatives, as well as other targeted tourism projects requiring funding.

The Commission should seek out and obtain guidance as to the legal and legislative feasibility of creating such a foundation for these purposes.

Industry Benchmarking Insights

Conversations with representatives of other state tourism agencies did not yield any useful information concerning comparable situations where a foundation was created, or partnered with, for fundraising and/or property acquisition purposes as an extension of the state tourism agency's strategic pursuits.

Strategic Plan Action Items:

a) Seek out and obtain guidance as to the legal and legislative feasibility of creating such a foundation for these purposes.

13. Demonstrate and Advocate for Enhanced Tourism Funding and Staffing

The current Nebraska Tourism Commission budget is approximately $6.6 million, of which only $250,000 is appropriated through State general fund and/or other State appropriations (representing less than four percent of the total budget). Nebraska's $6.6 million budget represents five percent of the more than $120 million spent cumulatively by states in the region (IA, MN, ND, OK, MO, CO, MT, WI, WY and SD), and ranks ninth among the 11 regional states reviewed. With budget increases in these surrounding states, Nebraska's share of total regional tourism spending will drop.

Likewise, with 14 paid full-time staff, Commission staffing levels are lower than the average comparable agency. Relative to the Commission's current budget and industry practices at comparable tourism agencies, additional staff resources are necessary for the Commission to continue to grow as it has been and should be advocated for through enhanced funding requests.

Additionally, per the 2014 Desk Audits, supported by the Legislative Appropriations Committee, conducted by University of Nebraska–Omaha, several positions were compared with neighboring state agency staff levels, personnel issues, targeted markets and legislative initiatives. An audit was conducted with current Commission staff members in comparison to other state agencies. Recommendations and adjustments were shared with Nebraska Department of Administration and Nebraska State Personnel. From this, new hires and job descriptions were approved.

Within the context of an increasingly competitive, evolving tourism industry and a young, growing and robust Nebraska Tourism Commission, the identification of additional funding for the Commission to allow it to achieve better alignment (both internally, in terms of staffing levels relative to budget, and externally, in terms of regional competitors) should be a critical strategic initiative by the Commission, stakeholders, legislators and other advocates. The Commission continues down a path of positive growth—improving and refining its business model, practices and operations, relationships, and strategic initiatives. The Commission is presently positioned well to leverage and convert additional funding dollars into critical incremental economic impact outcomes for Nebraska.

While we believe that many of the recommendations presented herein will serve to increase the tourism industry in Nebraska under a funding structure that holds the Commission budget constant, added Commission funding would likely enhance both the product and the level of visitation to the state.

Many state tourism organizations simply receive an annual appropriation from the general fund. Gaming is another somewhat common source of funding. The most effective and self-perpetuating tourism funding strategies, and those which the majority of industry representatives were in support of, aggregate tourism-oriented funds to be spent strategically to generate added customer spending. In essence, those businesses that benefit from tourism are taxed to fund industry sales and marketing efforts. The government's ability to tax these entities is then seen simply as a mechanism to aggregate the funds, which in the case of Nebraska, would be directed by an industry-controlled entity (the Tourism Commission).

While there are numerous legislative challenges, we recommend that research into the opinions and attitudes of Nebraska visitor industry businesses be conducted as to whether or not there is support for such a funding mechanism to support increased investment in tourism promotion. In addition, this topic should be raised and discussed at the annual Travel Conference

Industry Benchmarking Insights

Information concerning comparable state tourism agency/organization staffing and funding was compiled, along with tourism industry statistics to illustrate comparisons.

The exhibit below presents a comparison of the full-time staffing levels at a regional set of state tourism agencies/organizations.

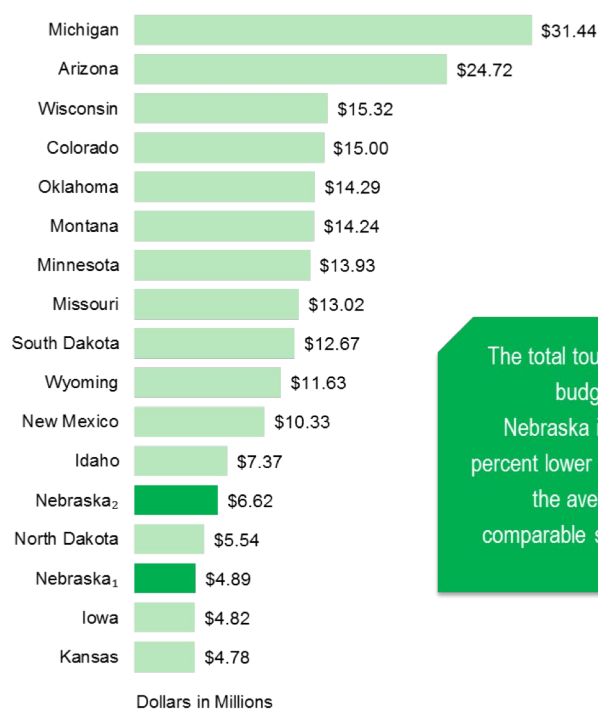
Comparison of Full-time Staffing Levels at Comparable State Tourism Agencies

Budget Category	Arizona	Colorado	Idaho	Iowa	Kansas	Michigan	Minnesota	Missouri	Montana	North Dakota	South Dakota	Wisconsin	Wyoming	**LOW**	**MEDIAN**	**AVERAGE**	**HIGH**	**NEBRASKA**	**% of Average**
Administration	7.0	2.0	1.0	2.0	3.0	3.0	7.0	6.0	6.0	4.0	0.0	6.0	5.0	**0.0**	**4.0**	**4.0**	**7.0**	**3.0**	**75%**
Sales/Business Development	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	2.0	1.0	4.0	0.0	3.0	**0.0**	**0.0**	**1.1**	**4.0**	**0.0**	**0%**
Marketing/Communications	12.0	7.0	5.0	3.0	6.0	4.0	13.0	8.0	13.0	5.0	14.0	10.0	8.0	**3.0**	**8.0**	**8.3**	**14.0**	**9.0**	**108%**
Research and Analytics	1.0	1.0	2.0	1.0	0.0	0.0	2.0	3.0	0.0	0.0	0.0	0.0	1.0	**0.0**	**1.0**	**0.8**	**3.0**	**0.0**	**0%**
Visitor Svcs/Welcome Ctrs	1.0	1.0	0.0	0.0	1.0	0.0	4.0	1.0	1.0	2.0	2.0	6.0	5.0	**0.0**	**1.0**	**1.8**	**6.0**	**1.0**	**54%**
Other	0.0	0.0	1.0	2.0	1.0	0.0	5.0	1.0	3.0	1.0	4.0	5.0	3.0	**0.0**	**1.0**	**2.0**	**5.0**	**1.0**	**50%**
Total Full-Time Employees	21.0	11.0	9.0	8.0	11.0	7.0	35.0	19.0	25.0	13.0	24.0	27.0	25.0	**7.0**	**19.0**	**18.1**	**35.0**	**14.0**	**77%**

Nebraska's present staffing level of 14 is lower than the average comparable state's tourism office (or 77 percent of the average).

As shown in the chart to the right, the Nebraska Tourism Commission's total budget is significantly lower than that of the average regional state. The data illustrated in the chart represents 2013 budget data for comparable organizations. At the time, Nebraska's budget was the third lowest among the regional states. Nebraska's most current budget estimates (relating to FY2015/16) is also shown to illustrate its growth. However, it is important to recognize that current budgets of many of the comparable states have also grown over the past two reporting periods, which are not reflected in this chart. It is believed that Nebraska's relative ranking remains consistent relative to the depiction in the chart.

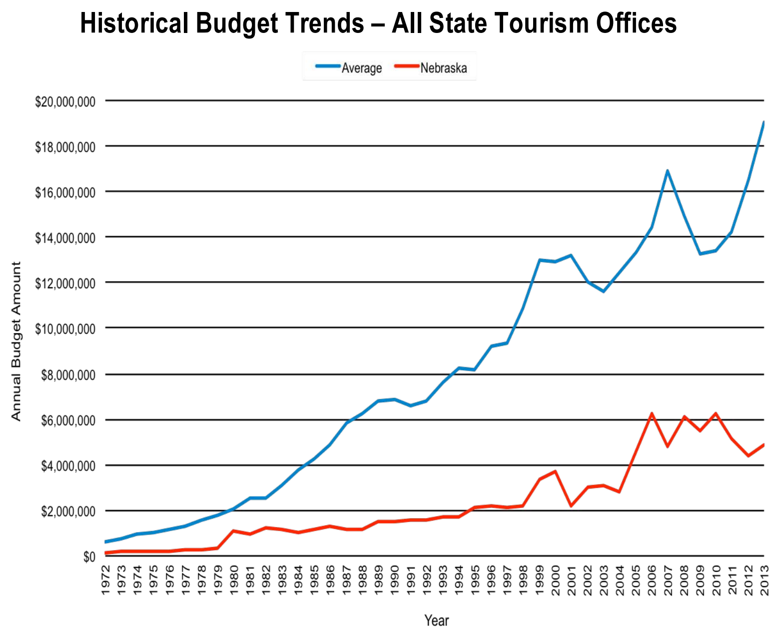
Comparison of Total State Tourism Budgets



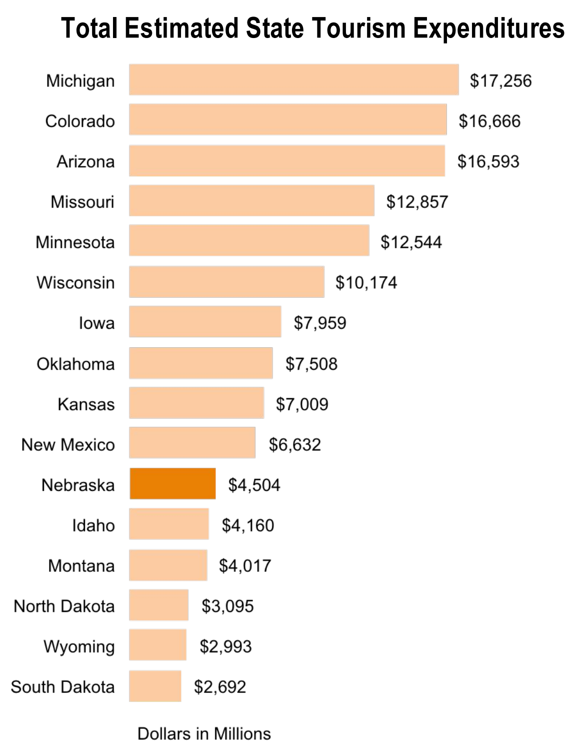
The total tourism budget in Nebraska is 58 percent lower than the average comparable state

Note: 1 = Nebraska's 2013 budget as reported by USTA
2 = Nebraska's most recent year budget
Source: U.S Travel Association, 2015

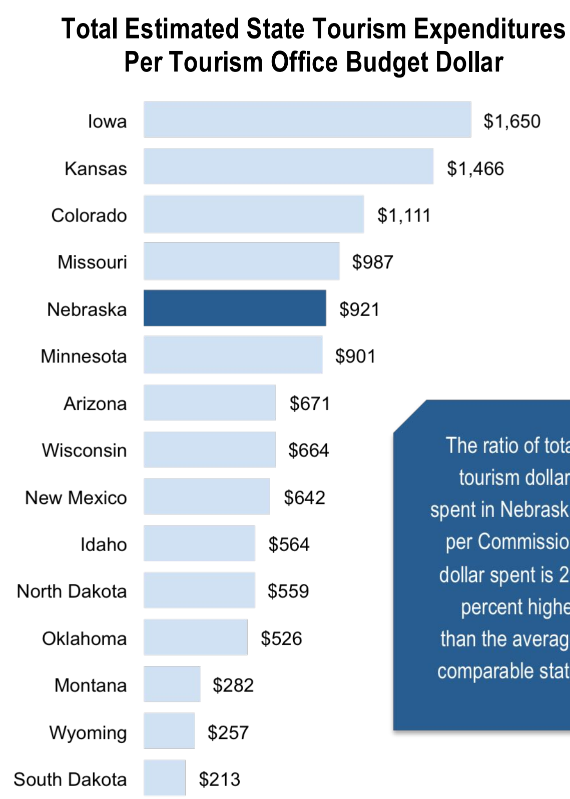
Over a long-term perspective, annual budgets at other state tourism agencies and offices have grown at a faster rate than Nebraska's funding. Year-over-year, this disparity continues to build and emphasizes the value that other states have ascribed to the tourism industry. While important enhancements have occurred with regard to the structure and funding for Nebraska's statewide tourism efforts in recent years, there is still a substantial funding gap among Nebraska and its competitive states.



The charts below illustrates estimated tourism spending in each of the comparable state and cast them against state tourism agency/office budgets. As shown, while Nebraska's tourism expenditures are lower than the average comparable market, the ratio of expenditures to dollars spent via the Commission's budget is higher than average. This indicates that incremental tourism promotion spending has the opportunity to realize a higher than average return for each dollar spent relative to other states.



Source: U.S Travel Association, 2015



The ratio of total tourism dollars spent in Nebraska per Commission dollar spent is 25 percent higher than the average comparable state

Conversations with representatives of other comparable state tourism agencies provided more insight into how they have respectively dealt with funding issues. Two examples include:

Missouri

Missouri Tourism employs an interesting funding model that could be worthy of Commission, stakeholder, and Legislative consideration as an enhancement to Nebraska's funding structure. The Missouri funding mechanism (HB 188) went into effect in 1994 and has increased the Missouri Division of Tourism's budget from $6 million in 1993 to a high of $21 million in 2009. After years of searching for a dependable revenue source to fund the Division of Tourism's efforts, Missouri's travel industry united in 1993 behind HB 188. Requiring no tax increases, the legislation set aside a percentage of tourism-generated tax revenue for more tourism promotion. The plan was developed by an industry group with representatives from the Missouri Hotel & Motel Association, the Missouri Restaurant Association, the Missouri Travel Council, the Travel Federation of Missouri and the Missouri Association of Convention & Visitors Bureaus. The funding proposal called for working with the Department of Revenue to identify tax revenue generated by specific businesses that serve travelers (within 17 specific SIC codes). A small percentage of the growth in tax revenue from those businesses is reinvested each year in tourism marketing. The plan was based on the conservative assumption that sales tax revenue generated by traveler-serving businesses would grow by at least three percent per year – considered "normal" growth. The Division of Tourism would receive half of any increase in sales tax revenue above that three percent level. The increase in money, to be used for tourism marketing and promotion, could not exceed $3 million per year over the previous year's level.

Kansas

The tourism related activities within the Kansas Department of Wildlife, Parks and Tourism do not receive any general fund allocations. Rather, the annual budget of approximately $3.87 million is generated through a $1.87 million contribution of the Economic Development Initiatives Fund and $3.0 million in earned revenue by the department. Approximately $1.0 million in funds are generated through the sale of co-op advertising including selling advertising space on 'Blue Signs' along statewide highways; approximately $1.0 million is generated through their co-op marketing program including website advertising sales and digital display sales within Visitor Centers; and, $1.0 million is generated through direct sales efforts of various publications and subscriptions.

Strategic Plan Action Items:

a) Additional staff resources are necessary for the Commission to continue to grow as it has been and should be advocated for through enhanced funding requests.

b) Continue to test stakeholder interest and opinions regarding tourist-industry tax funding sources.

c) Develop a compelling statement/demonstration of return on investment, the competitive disadvantage Nebraska presently has with regard to funding and staffing, and the linkage between tourism funding and economic impacts.

d) A large amount of industry research suggests that Nebraska's state tourism efforts are presently underfunded. It is believed that this continues to work to the detriment of Nebraska's economy. Added Commission funding would be required to bring Nebraska's tourism expenditures into alignment with industry-indicated standards and would likely enhance both the product and the level of visitation to the state. The following key observations and recommendations are offered:

    a. State Appropriation: Nebraska presently receives considerably less money from the State's General Fund or other State appropriations (i.e., $250,000) than the majority of other comparable State tourism offices (both overall and as a percentage of tourism budget). In fact, many state tourism organizations simply receive an annual appropriation as their entire funding source. Based on comparable state efforts, it is believed that Nebraska's State appropriated funding should meet or exceed $1.0 million annually. It is suggested that Commission Staff and Board members and key tourism stakeholders collaborate to better engage with State Legislators to advance the rationale for enhancement in State funding appropriations as a critical strategy for protecting the State's future economic health.

    b. State Lodging Tax: Nebraska's state lodging tax of 1.0% also represents a lower rate relative to the average comparable state with such a tax. While it is recognized that it would be politically and legislatively challenging to raise this tax, an increase in the state lodging tax to a level of up to 1.5% would be more consistent with comparable state funding approaches, while not raising the total effective taxation on hotel stays (state and local sales plus lodging taxes) in individual communities to levels considered overly onerous in the context of the nationwide hospitality industry. It is suggested that Commission Staff and Board members and key tourism stakeholders collaborate to better engage with State Legislators to advance the rationale for a modest increase in the state lodging tax as a critical strategy for protecting the State's future economic health.

    c. Other Sources: Based on benchmarking and industry research data, an appropriate target budget range for Nebraska's state tourism marketing efforts would fall between $9 million and $12 million annually. Beyond State appropriations and/or State Lodging taxes, a variety of other public and private tourist-industry taxes, assessments and/or funding strategies should be explored and discussed by Commission and stakeholders—some comparable state examples are discussed in this Strategic Plan and others in the 2012 Strategic Plan document. However, given the nature of the tools and resources available in Nebraska, it is unlikely that these other sources would supplant the need for enhanced State funding (via appropriations and/or increase in state lodging tax) to achieve the indicated target funding level.