

WEST VIRGINIA TOURISM OFFICE

ANNUAL REPORT

— 2017 —

WILD, WONDERFUL
WEST VIRGINIA





Greetings

FROM THE COMMISSIONER

As my first year with the Tourism Office draws to a close, I'm excited to share the progress we've made in promoting West Virginia as a world-class tourism destination. The past year has been one of tremendous change for the Tourism Office, and that change has created momentum that has already begun to show positive results.

The Tourism staff spent a lot of time this year digging into all the data available on the state's tourism industry. We took an inventory of tourism assets in the state as well as a comprehensive review of our past marketing activities. We've worked to craft a strategy for a path forward in a new and ever-changing marketplace that will set us apart, raise our profile, and increase the economic impact of this vital industry.

We had a couple big wins this year. Our June #AlmostHeaven social campaign was a runaway success, scoring more than 15 million impressions worldwide thanks to West Virginians near and far who shared their love of the state. The campaign demonstrated the power of social influence, and it demonstrated the deep and profound longing West Virginia inspires in everyone who has been here.

The Tourism Act of 2017 passed during the legislative session and took effect July 7. The Act ended the outdated Matching Advertising Partnership Program and replaced it with a modern cooperative advertising program that will make every advertising dollar work harder for both our industry partners and the state brand as a whole. The program was unveiled in October, and the first offering received an overwhelmingly positive response.

At our Governor's Conference on Tourism in October, we shared that we have obtained the rights to the song "Country Roads" for use in our marketing efforts. This classic anthem is known across the globe and has demonstrated ability to increase positive perceptions of the state.

We're closing out the year on a positive note with all our key indicators ticking up: hotel occupancy, website traffic, welcome center visits, and travel guide requests. It's no secret we've been in a tough economic cycle, but these indicators offer promising signs that we're figuring out how to take back some market share. We're letting the world know that West Virginia is almost heaven, and it's working.

Chelsea A. Ruby

Tourism Commissioner
Executive Director, West Virginia Tourism Office

INDUSTRY OVERVIEW

The tourism industry in West Virginia is strong.

\$4.1 BILLION
ANNUAL DIRECT SPENDING

\$11.3 MILLION
PER DAY IN DIRECT SPENDING

45,000
JOBS

\$527 MILLION
TOTAL TRAVEL-GENERATED
TAXES



3.5 MILLION
VISITORS TO WELCOME
CENTERS EACH YEAR

15.9 MILLION
OVERNIGHT VISITORS

Source: Dean Runyan Associates, 2017.

We've seen consistent increases in hotel occupancy when compared to last year.

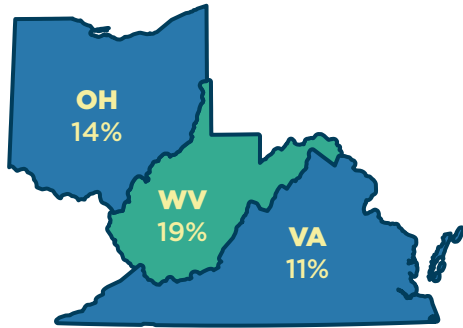
	2017	2016	Change
Occupancy	57.7%	54.2%	+6.5%
Demand (Room Nights Sold)	6.0M	5.6M	+7.8%
Revenue	\$562M	\$532M	+5.7%

Change calculated as (this year - last year) / last year.
Source: Smith Travel Research, 2017.

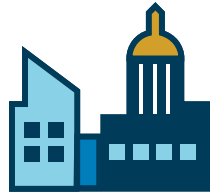
INDUSTRY OVERVIEW

We know where our visitors are coming from and their top interests.

STATE OF ORIGIN



CITY OF ORIGIN



WASHINGTON, D.C. 11%
 CHARLESTON-HUNTINGTON 8%
 PITTSBURGH 7%
 CLEVELAND 6%
 COLUMBUS 4%

REASON FOR VISIT



FAMILY
47%



OUTDOORS
10%



TOUR
8%



CASINO/GAMING
7%

Source: Longwoods International, 2016.

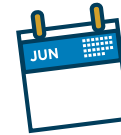
While our return visitor rate remains steady and strong, we have identified several areas for growth and improvement, including extending the average length of stay and increasing the average spend per visitor.



2.7 NIGHTS
 AVERAGE LENGTH
 OF STAY



\$465
 AVERAGE SPEND
 PER VISITOR



86%
 OF ANNUAL
 VISITATION COMES
 FROM RETURNING
 VISITORS



52%
 OF VISITORS REPORT A
 HOUSEHOLD INCOME OF
 LESS THAN \$50,000
 PER YEAR

Source: Longwoods International, 2016.

We are **well positioned** to capture additional market share in a robust travel region to grow these numbers.

West Virginia offers travelers:



Unmatched
 outdoor
 recreational
 opportunities



Breathtaking
 scenic beauty
 in all nine travel
 regions

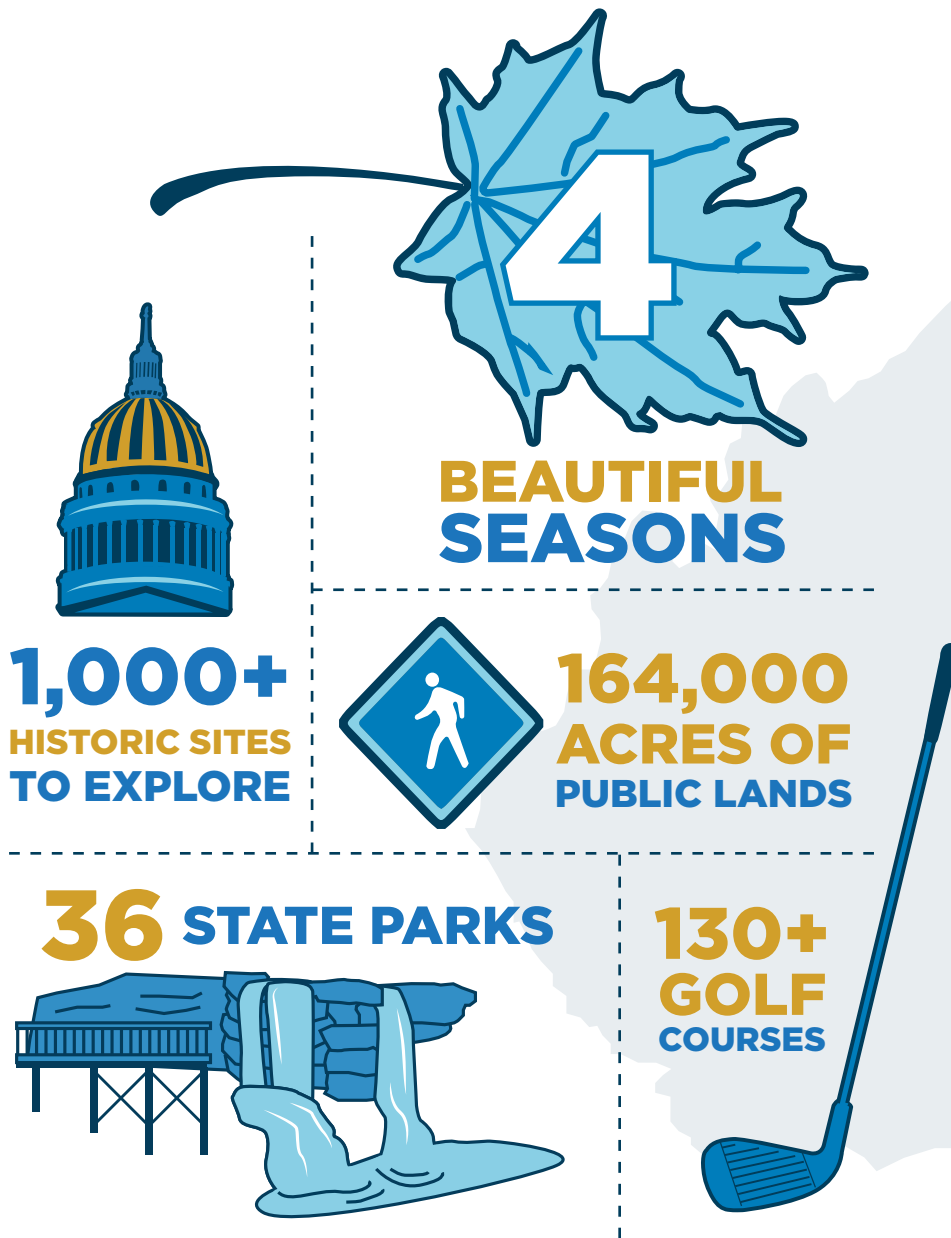


An affordable
 and safe place to
 visit and stay

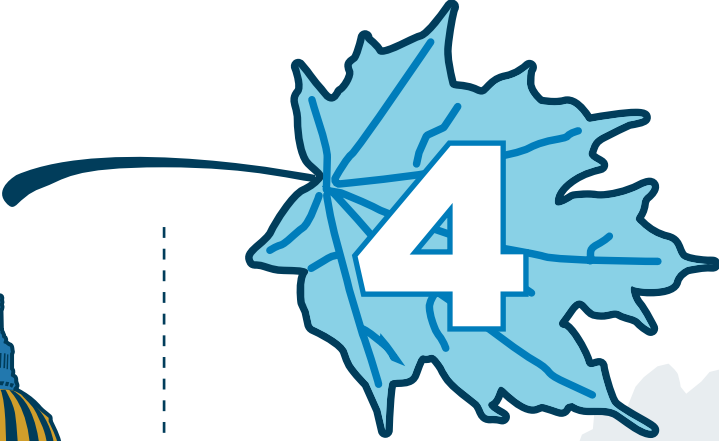


Natural paradise
 near urbanized
 east coast



Tourism Assets



4 BEAUTIFUL SEASONS

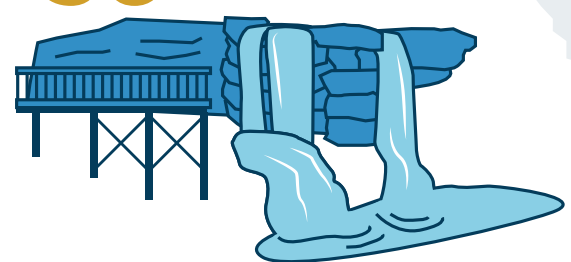


1,000+ HISTORIC SITES TO EXPLORE




164,000 ACRES OF PUBLIC LANDS

36 STATE PARKS



130+ GOLF COURSES



6 MAJOR SKI AREAS



26 CRAFT BREWERIES



MORE THAN A DOZEN RESORTS



HUNDREDS OF LOCAL EATERIES



- ▶ 20+ wineries & distilleries
- ▶ 2 dozen lakes for fishing & swimming
- ▶ Miles and miles of zip lines
- ▶ Dozens of museums
- ▶ 3 scenic train companies
- ▶ 4 minor league baseball teams
- ▶ 9 state forests
- ▶ 9 national parks, forests, & recreation areas
- ▶ 30+ spas
- ▶ 40+ bed & breakfasts

5 CASINOS



600+ MILES OF ATV TRAILS



2 D1 SPORTS TEAMS



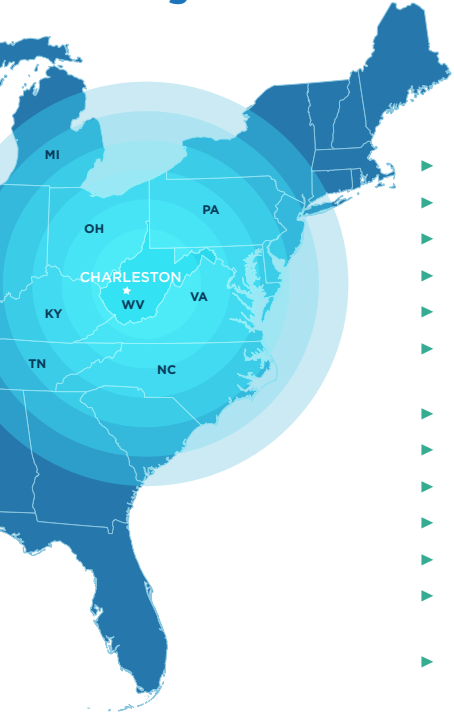
450 FAIRS & FESTIVALS



ADVERTISING

One of the main goals of the Tourism Office is to promote the Mountain State to both in-state and out-of-state travelers. As such, the majority of the office budget is dedicated to a comprehensive in-state and regional media mix that spans across broadcast, print, digital and out-of-home mediums.

Our domestic advertising focused on using our budget efficiently to achieve high frequency in strategic markets.



- ▶ Washington, DC
- ▶ Philadelphia, PA
- ▶ Pittsburgh, PA
- ▶ Detroit, MI
- ▶ Columbus, OH
- ▶ Cleveland-Akron, OH
- ▶ Charlotte, NC
- ▶ Baltimore, MD
- ▶ Chicago, IL
- ▶ Raleigh-Durham, NC
- ▶ Cincinnati, OH
- ▶ Roanoke-Lynchburg, VA
- ▶ Harrisburg, PA
- ▶ Greenville, NC
- ▶ Indianapolis, IN
- ▶ Richmond, VA
- ▶ Nashville, TN
- ▶ Greensboro-High Point-Winston Salem, NC
- ▶ Louisville, KY
- ▶ Charlottesville, VA
- ▶ Lexington, KY
- ▶ Dayton, OH
- ▶ Grand Rapids, MI
- ▶ Toledo, OH
- ▶ Harrisonburg, VA
- ▶ Knoxville, TN



Backroads USA



Taste of the South



Traditional Home



Southern Living

ADVERTISING

Our international marketing focused on strategic partnerships with Brand USA and Travel South.

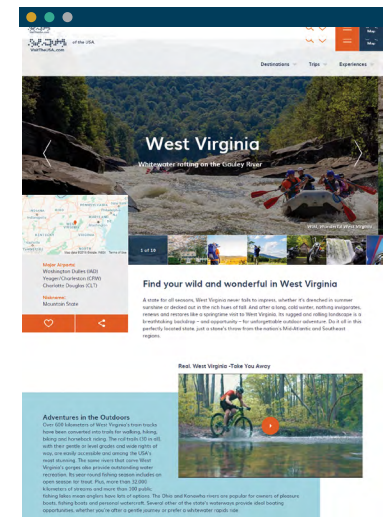
Brand USA is the destination marketing organization for the United States. Through federal funds they are able to offer a one-to-one match for any state to advertise with them in international markets. By letting them deliver our message to international travelers, we're making sure to leverage the investment they've made in promoting the United States in the international marketplace so that our message resonates with travelers.

To further maximize our investment, West Virginia coordinates all international outreach efforts through Travel South, a regional consortium of state tourism offices in the Southeastern United States aimed at attracting international visitors to come for multi-state visits.

These two programs have made international advertising an affordable and practical option for West Virginia. We've had success partnering with them for advertising and trade shows where we meet with international tour operators.

INTERNATIONAL ADVERTISING

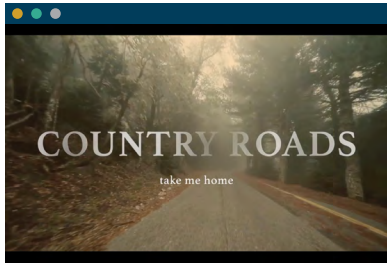
- ▶ Brand USA, United Kingdom, winter, multi-channel campaign
- ▶ Brand USA, Canada, spring, multi-channel campaign
- ▶ Brand USA Global Inspiration Guide
- ▶ Travel South Tour Planner
- ▶ Featured on VisitTheUSA.com
- ▶ Featured on TravelSouth.VisitTheUSA.com



ADVERTISING

“Country Roads, Take Me Home”

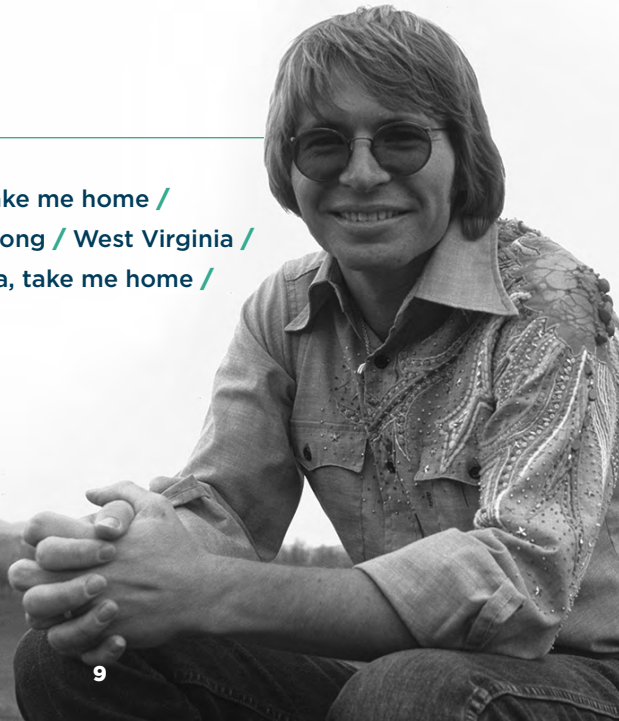
Our most profound advertising milestone of the year came after the successful acquisition of limited rights to West Virginia’s ‘unofficial’ state anthem, “Country Roads.” John Denver’s renowned song is heard and played across the world every day, and now the Tourism Office officially has rights to use the song in marketing and advertising efforts for the state. This will not only help increase brand recognition among out-of-state travelers, but will also help boost and cultivate more positive brand affinity from within state borders as well.



Research suggests hearing “Country Roads” makes West Virginia seem more appealing to consumers as a destination.



Country roads, take me home /
To the place I belong / West Virginia /
Mountain mamma, take me home /
Country roads



The John Denver Estate

Tourism advertising in West Virginia has proven to be a strong investment.



RETURN ON INVESTMENT

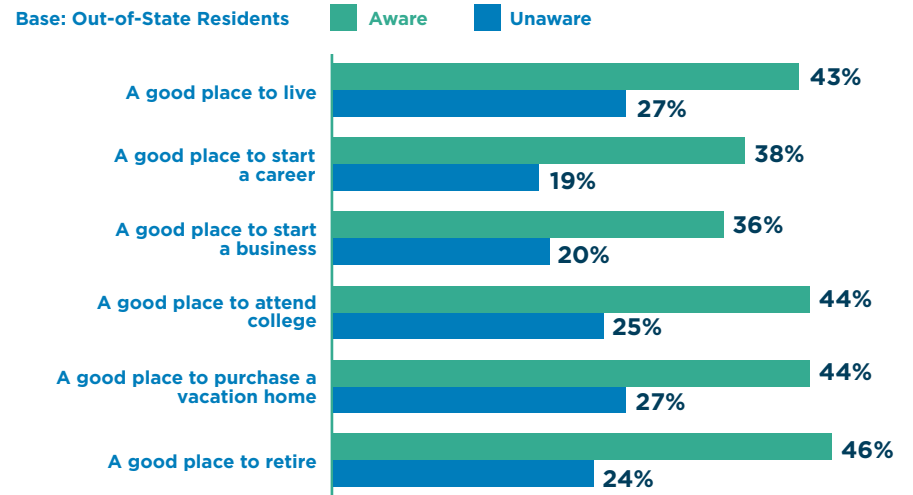
For every dollar spent on tourism advertising, the state yields \$8 in state and local tax revenue and \$106 in direct traveler spending.

Without this tourism-generated revenue, each household in West Virginia would have to pay an additional \$700 a year in state and local taxes.

Source: Longwoods International, 2016.

Promoting tourism improves the state’s image across the board.

After seeing our ads, perceptions of West Virginia improved dramatically.



Source: Longwoods International, 2016.



THE HALO EFFECT

Tourism spending helps **more** than just tourism.

Research shows tourism advertising improves West Virginia’s image as a place to live, start a business, go to college, and retire.

PUBLIC RELATIONS

As we work to extend the value of every dollar spent on paid advertising, we've increased our focus on social and earned media as supporting methods for brand awareness and promotion.

It all started with the #ALMOSTHEAVEN campaign.

On June 6, 2017, Commissioner Ruby challenged everyone who loves West Virginia to go online to their favorite social media platform—Facebook, Twitter, or Instagram—and share with the world what makes West Virginia #AlmostHeaven.

TWO WEEKS / **14** DAYS / **336** HOURS IS ALL IT TOOK FOR US TO LEAVE OUR MOUNTAINEER MARK ON THE SOCIAL MEDIA WORLD THANKS TO #ALMOSTHEAVEN.

CAMPAIGN RESULTS



15 MILLION
TOTAL REACH
OVER 2 WEEKS

REACH IN FIRST DAY: 1 MILLION
REACH IN FIRST WEEK: 5 MILLION

The campaign resulted in consumers taking action to learn more about the state during the campaign.



30% ▲
TRAVEL GUIDE
REQUESTS



122% ▲
NEWSLETTER
SIGN-UPS

#ALMOSTHEAVEN led to across-the-board increases in social reach and engagement.



WE'VE GAINED
17,721
FOLLOWERS
THIS YEAR

WE ARE #3 IN ENGAGEMENT compared to similar tourism pages, only behind Pure Michigan and Explore Georgia. That's beating out New York, Virginia, Florida, Wisconsin, Louisiana, New Hampshire, Connecticut and South Carolina.



We've received **43,918** profile visits this year.

New Followers: **10,973**

Total Impressions: **2,518,900**



We've gained about **10,000** followers this year and averaged more than **150,000** impressions every week.

30,000+
#ALMOSTHEAVEN
POSTS

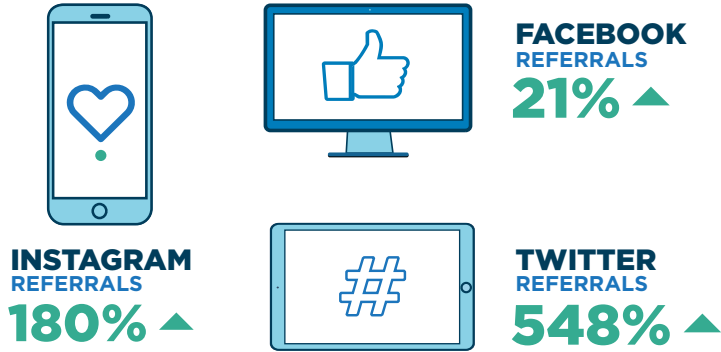
415,000+
ENGAGEMENTS

**LISTED AS
TRENDING TWICE**
IN THE TOP 10 MENTIONS ON TWITTER

**HAPPY BIRTHDAY,
WEST VIRGINIA VIDEO**
375,000 **15,000**
VIEWS IN 2 DAYS SHARES

PUBLIC RELATIONS

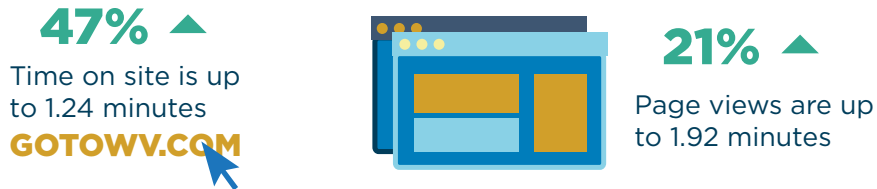
Our social presence is generating significant increases in website traffic.



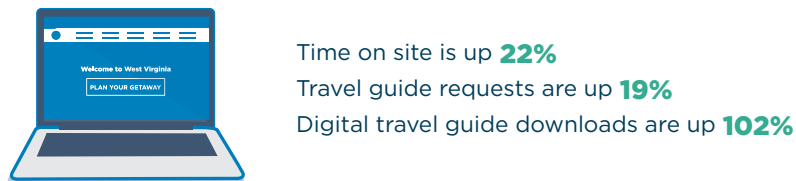
Website traffic is up, and visitors are spending more time on the site.

After receiving the legislative audit of the Tourism Office website, the team not only made the requested changes, but took the suggestions one step further and conducted an in-house audit of additional website changes to further improve the visitor experience.

As such, the Tourism Office completed Phase 1 of a website relaunch in October 2017. The relaunch included all updated content pages that focus on road trips, itineraries and actionable content to help visitors plan and book a trip.



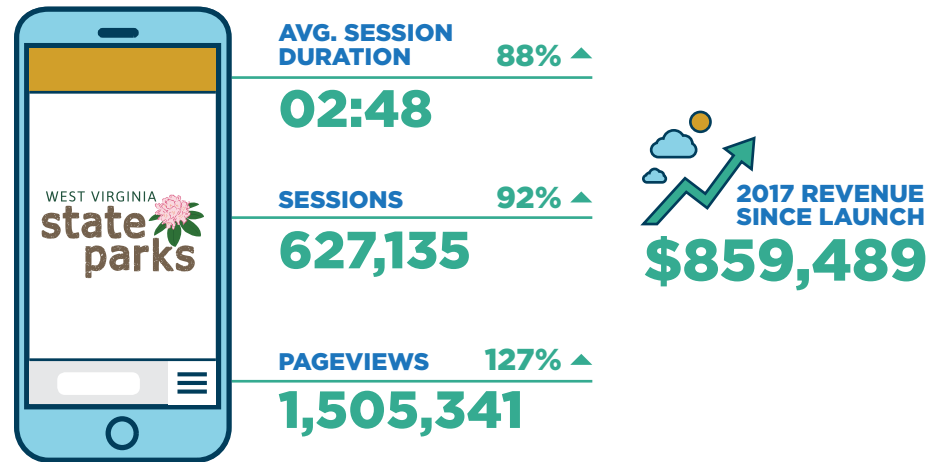
2017 TOP METRICS



We launched a new State Parks website with a new online reservations system.

We worked with the Division of Natural Resources to relaunch WVStateParks.com in August with a new online reservation system. The results were immediate and stunning: for the first time, every cabin was filled for one weekend this fall. The new platform gives the park system the tools it needs to increase revenue, and the new site is mobile-optimized and more accessible to visitors. Our state parks are some of our best tourism attractions, and the new site provides the showcase they deserve.

STATE PARKS WEB TRAFFIC



We're telling the West Virginia story and gaining traction in national publications.



PARTNER PROGRAMS

We launched a new Cooperative Advertising program to replace the outdated MAPP grant program.

Thanks to the Tourism Act of 2017, the Tourism Office designed and implemented a new cooperative advertising program at the end of November. The program allows industry partners to buy into the state's advertising campaigns and receive a dollar-for-dollar match.

The Tourism Office pledged \$1.8 million to the new program, which is designed to increase overall brand awareness for both the state and participating tourism industry partners. The program leverages the state's collective buying power to provide partners with a mix of in-state and regional advertising opportunities at a variety of price points. Opportunities are available for as little as \$250.

Participating partners will be able to use the state's tourism logo and campaign assets. Additionally, the program allows partners to tap into Tourism Office resources, including strategic media buying, creative development, media monitoring, and real-time results measurement.



The program received an overwhelmingly positive response from the industry.



126 partners registered



19 media vendors participating, representing print, digital, broadcast and out-of-home



271 total media opportunities available



145 media requests made by partners



18 multi-partner groups, demonstrating regional and industry-wide collaboration

The Tourism Act added Industry Development as a pillar of the services we provide. We are tackling that in two ways: 1. Helping existing businesses find ways to better promote and grow current operations. 2. Recruiting new tourism businesses to West Virginia.

PARTNER SERVICES

- ▶ Digital promotion through the state's website
- ▶ Photography assistance
- ▶ Social media promotion
- ▶ Story pitches to travel writers and journalists
- ▶ Blog posts featured on website and on social media
- ▶ Directing callers on the 800-CALLWVA line to local business
- ▶ Brochure distribution at our 8 Welcome Centers
- ▶ Weekly news clips and updates to keep all partners current in-state and national trends
- ▶ Custom travel itineraries for trade shows and promotion
- ▶ Local event support
- ▶ Liaison among key government contacts, including Development Office, Small Business Development Center, Economic Development Authority, Division of Highways, and others

In 2017, the Tourism Office:



Provided photography services to more than 20 partners



Helped to pitch local destinations that were featured in more than 30 national, regional and local publications



Promoted over a hundred partners in blog posts both on social media and the website



Worked with hundreds of partners to improve their business listings on GoToWV.com

CUSTOMER SERVICE

While our touchpoints with consumers by no means represent all the visitors to the state, they are a useful indicator for visitation. The feedback we get from the staff in our eight Welcome Centers offers insight to traveler needs and trends that we're able to bring back and put into action. All of our indicators were up in 2017.

Our Call Center saw upticks in Travel Guide requests.



15% ▲
TRAVEL GUIDE
REQUESTS



10,000+
CALLS TO
1-800-CALL-WVA



398,870
TRAVEL GUIDE
REQUESTS



2.9 MILLION
VISITORS AT
WELCOME CENTERS



ADMINISTRATION

We're committed to finding new and innovative ways to save money and work efficiently.

COST-SAVING MEASURES

- ▶ Reduced state vehicle fleet from three to one
- ▶ Cut mobile phone and data costs by half
- ▶ Reduced the number of office phone lines
- ▶ Implemented evaluation criteria for events we are asked to sponsor or attend
- ▶ Created and implemented new spending controls and sub-object codes to better track office spending

We've made our staffing structure more efficient.

We've responded to changes in legislation, industry needs, and marketing best practices by reorganizing our team and reevaluating divisions of labor.

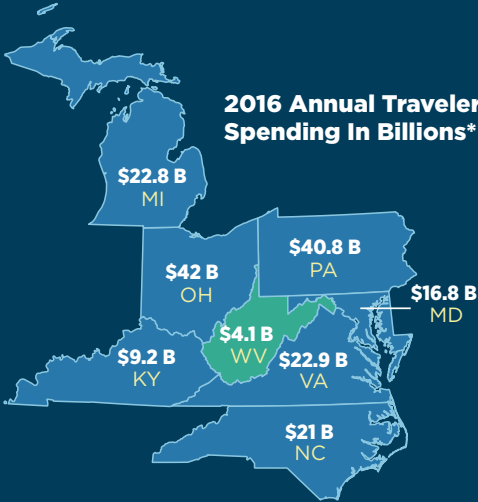
- ▶ The elimination of the MAPP grant program means no new grants will be awarded, but we will continue to administer existing grants until they close out.
- ▶ The Tourism Office staff absorbed the functions of the Film Office.
- ▶ We have eliminated a retail sales program and are working to liquidate our inventory through a partnership with Tamarack.
- ▶ The volume of calls to our telemarketing center continues to decline. We're using our call center staff's downtime to keep the business and event listings up to date on our website, and we are investigating digital customer service delivery.

We have a strong foundation going into 2018.

The past year was pivotal for tourism in West Virginia. Changes to the industry over the last decade have meant changes for the way we approach promoting travel and tourism in West Virginia, and 2017 was a year of taking stock and changing course.

The fundamentals of our industry are strong. Our state's natural beauty sets the stage for world-class recreation, charming small towns, and unique dining and entertainment. Our job is to tell our story to the rest of the world so they can discover for themselves what makes West Virginia almost heaven.

West Virginia is a world-class, four-season travel and tourism destination poised for tremendous growth and development.



We are located in the heart of a heavily traveled tourism region; however, West Virginia is dead last in traveler spending.

While every other state in the region has seen increases in traveler spending, West Virginia has continued to see declines year after year.

Now is the time for West Virginia to capitalize on the region's growth and take back some of the market share.

**As reported by each state*

We're faced with two major disadvantages.

1

We're starting from behind. Not only are we plagued by national misconceptions about our state, but our exposure in recent years has been so low that we are not even on the map as a potential travel destination among consumers.

2

When advertising to consumers, our ads run head-to-head with those from our surrounding states. While West Virginia's general revenue budget is much smaller, the market does not offer us a handicap. When you compare the budgets of our surrounding states, including those from their local convention and visitors' bureaus, we aren't competitive.

We can do better.

The key is additional advertising investment.