

**Presentation on the State of Kansas Tourism – the State Perspective
To
The House Commerce Committee**

**By Linda Craghead
Assistant Secretary Parks & Tourism
Kansas Department of Wildlife, Parks and Tourism**

February 10, 2015

In February 2011, ERO 36 sought to move the functions of the Division of Travel and Tourism, from the Department of Commerce to the Department of Wildlife, Parks and Tourism. **The Agency supported those provisions, welcomed the opportunity and continues to work collaboratively with its team of partners to enhance the positive economic impact created by the tourism industry in Kansas.**

To determine the actual role Tourism plays in the overall economy of Kansas, a team of experts from Tourism Economics conducted a comprehensive statistical analysis. Tourism Economics is a renowned global information company with world-class experts in the pivotal areas shaping today's business landscape. (Note: additional information regarding Tourism Economics, LLC & Oxford Economic LTD can be found at www.tourismeconomics.com) In summary, the results of their 2014 study reflect the following:

- In 2013, Kansas received **33.7 Million** visitors
(That's as if everyone from Texas, Nebraska and Colorado visited Kansas in one year)
- Tourism expenditures generated **\$9.5 Billion** in total economic impact
(\$9.5B in business sales is equal to about \$1,000 for every acre of wheat planted in Kansas)
- Traveller spending growth has averaged 6.0% per annum over the past four years
- 2013 average per overnight visitor spending: \$332 per trip
- In terms of jobs, tourism supports **92,265 jobs** in the state; this represents 5.2% of all employment in the state *(More than all jobs in Wyandotte County -4th largest county by employment in Kansas)*
- Total travel related personal compensation in Kansas was over **\$2.7 Billion**
- Tourism employment grew again in 2013, making three straight years of employment growth
- Tourism activity brings in **\$556 Million** in state and local government revenues
- Accordingly, tourism provides \$500 in tax relief to each Kansas Household
(about what the average household spends on pets each year)

A complete copy of the report (available at www.travelks.com/industry) has been provided for your convenient review and assessment. County specific data is also available online. Please note that Tourism Economics has removed consideration for expenditures, guests and revenues that would have been generated regardless of travelers.

February 10, 2015

A more concrete analysis of key trends reflecting the growth of the industry may be generated from reviewing Kansas Transient Guest Tax Revenues as reported by Kansas Department of Revenue and Kansas Lodging Trends found in the following charts:

Kansas Transient Guest Sales Tax

	Total	FYTD through December	% Loss/Gain/yr
FY 2011	\$ 31,795,141.00	16,781,787.38	110%
FY 2012	\$ 34,702,533.00	18,433,300.07	109%
FY 2013	\$ 35,792,115.00	19,348,278.29	103%
FY 2014	\$ 40,212,807.00	21,558,180.26	112%
FY 2015		22,771,176.55	

Source: www.ksrevenue.org/tgreports.html

Key Kansas Lodging Trends 2011-2014

	2011	2014	% Growth
Growth in Demand (room nights)	8,364,771	9,287,930	11.1%
Occupancy Rate	54.5%	58.7%	4.2%
Avg. Daily Rate Charged	\$ 72.30	\$78.96	9.7%
Total Revenue Reported	\$ 604,813,292.00	\$ 733,402,200.00	21.3%

Source: 2015 STR, Inc.

A key indicator for the industry, lodging revenues are on target for another record year of revenue generation. (Please note that revenue generated from transient guest sales tax remains in the municipality where it is generated for the intended use of enhancing local tourism promotion.) Additionally, our lodging partners continue to add rooms in an effort to fulfill the growing demand for overnight accommodations. The combined efforts of the industry team (including, but not limited to: convention & visitor bureaus, lodging, food & beverage, convenience stores, retail, sports arenas, entertainment, recreation, transportation and air travel) continues to directly enhance the Kansas economy.

Kansas Tourism recognizes our role as a coach and a leader in the effort to attract people to Kansas. At the state level, traditionally Tourism has focused its marketing investment efforts outside of the state. That effort continues, but it has been paired with an effort to inspire Kansans to experience and promote Kansas themselves. As a result of partnerships with key Kansas communities, our television marketing campaign will air across the state's networks beginning in the spring and fall. Our targeted Digital Marketing strategies continue to be aggressive and engaging resulting in over 15 million impressions and known visits to Kansas (Arrivalist). Our Visitor's Guides, Outdoor Guides and magazine advertising sales have increased due to demand and expanded partnerships. Our international efforts in English speaking Europe have more than doubled the number of itineraries marketed by travel agents in Europe. Public Relations initiatives continue to generate significant positive messaging for Kansas across the nation and beyond. And, we have launched our hospitality training program designed to inspire and train employees of our industry partners' (such as convenience stores, hotels, restaurants) and the future of our industry....our youth, through partnerships with schools and technical colleges. (video recap of efforts)

February 10, 2015

As members of the House Commerce Committee, you are very aware that our long-term success in a changing business environment relies on the state's ability to create policy that fosters small business development and promotes traditional growth. Recent conversations with Stan Ahlerich, Executive Director of the Governor's Council on Economic Development, reported that Kansas has benefited in bricks and mortar since implementation of the programs your committee has fostered. However, he also indicated we are still struggling to transition staff and recruit staff to Kansas with those business relocations. As such, it is imperative that Kansans work together as a team to convey the many assets that Kansas has to offer. To assist in this process, Kansas Tourism has worked with the communities of Manhattan and Great Bend to develop a new hospitality program referred to as "Kansas At Your Service" or "KAYS". Frequently, upon entering a convenience store, restaurant, or hotel, I ask the question "what is there to see and do around here?" Most frequently the answer is "nothing". These front line sales people are often the first interaction a potential recruit has in Kansas. If we are going to effectively lure people to Kansas, this must change. The KAYS online certificate program is provided free of charge to all Kansas businesses, schools and individuals. It is designed to enhance customer service and to introduce Kansans to some of the many assets in this great state. Released in January, this program has seen significant interaction. Plans are being developed for its expansion.

In an effort to effectively and efficiently leverage our efforts and achieve desired outcomes, it is important to note key partners in our overall strategic efforts. The ongoing positive performance of the industry could not be realized without pairing the efforts of a talented Tourism staff with that of the following team members:

- Local community organizations and businesses – These Kansas Team members help us build and market the brand. In return, Kansas Tourism offers free and cooperative marketing opportunities, training, support and development.
- Department of Transportation and Kansas Turnpike Authority - combined effort to enhance directional signage, develop byway interpretation, distribute marketing materials, engage traveler through digital media, mapping and asset development with the assistance of federal funding
- Department of Agriculture – collaborative initiatives to promote/cross promote From the Land of Kansas program, wineries, vineyards, and agri-tourism businesses
- Department of Commerce – Strategic efforts to enhance asset development through business recruitment and expansion, business incubation, and training
- Kansas State Historical Society – Leveraging resources to enhance marketing initiatives, programming and assets
- USDA Rural Development – Business incubation efforts throughout the rural communities along the Flint Hills Nature Trail and Kansas River Trail
- Jones Huyett Partners, Sunflower Publishing and Madden Media – Assisting in the development of the Kansas Brand through award winning Kansas creative efforts

Thank you for the opportunity to appear before you today. At this time, I would like to take this opportunity to introduce Kevin Fern, Executive Director of Shawnee's Convention and Visitor Bureau, president of the TIAK Board and a strong partner in our tourism initiatives. I will be happy to respond to any questions you may have after his presentation.

Additional industry information can be found at www.travelks/industry