

## MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairwoman Lana Gordon at 3:30 P.M. on January 25, 2005 in Room 526-S of the Capitol.

All members were present except:

Todd Novascone- excused  
Tom Burroughs- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Renaë Jefferies, Revisor of Statutes  
Helen Pedigo, Revisor of Statutes  
Carlene Maag, Committee Secretary

Conferees appearing before the committee:

Terry Leatherman, Kansas Chamber of Commerce  
Jerry Lindberg, Kansas Economic Development Alliance  
Cindy Cash, Kansas City Ks Chamber of Commerce  
Mickey Fornaro-Dean, Harvey County Economic Development Council  
Gary Gore, Great Bend Chamber of Commerce

Others attending:

See attached list.

Chairwoman Gordon introduced Terry Leatherman, who represented the Kansas Economic Development Alliance. Mr. Leatherman requested introduction of a bill concerning rural enterprise zones. Representative Carlin made the motion to introduce the legislation proposed by Mr. Leatherman and Representative Huntington seconded the motion. A vote was taken, motion passed.

Jerry Lindberg, representing the Kansas Department of Commerce presented testimony before the Committee stating Kansas is taking measured and determined steps toward increasing revenue from tourism, business development, and other economic development sources. (Attachment 1) He also presented committee members with information regarding research which relates to business development and Kansas image. (Attachment 2).

This campaign has the strongest business legs of any marketing campaign that Kansas has utilized. The brand image will work for both business development and tourism. Continued use of this campaign will build market wares over time and increase the impact of the brand message. The sizeable openness and opportunities that are part of the Kansas landscape are character in heritage. That's what this whole brand image campaign is about. It's a business investment that makes very good sense.

Mickey Fornaro-Dean, Executive Director of the Harvey County Economic Development Council talked about the image campaign and showed slides of the various ads being used. To do an image campaign that is centered towards tourism, business development, community development and our state in general is a smart move. Based on what is authentic, distinctive and relevant to our target audience, the following positioning statement was developed. In Kansas, our wide open spaces give people the freedom to dream and make big things happen. Kansas does not put limitation on what you think. Beginning on January 10, Kansans were exposed to television and radio spots featuring the new slogan, Kansas, as big as you think. Newspaper and print ads are also being featured. The goal with the image campaign is to create a strong, dynamic, durable and flexible brand for the state of Kansas. Set goals, dream big and watch neighboring states catch up.

Cindy Cash from the Kansas City, Kansas Chamber of Commerce gave an overview of the Image Campaign. This campaign is designed to communicate the same branding message to at least four different audiences. Our own state citizens, tourists looking for the very real historical, cultural and recreational experiences Kansas can offer, businesses looking to expand or re-locate their business and our current and future workforces who have training and skills that our current businesses and new businesses need to grow and

CONTINUATION SHEET

MINUTES OF THE House Economic Development Committee at 3:30 P.M. on January 25, 2005 in Room 526-S of the Capitol.

expand. With this new campaign we have the message getting out and we as business partners throughout the state can also help spread the message in using the branding in our own marketing messages. The tourism industry continues to create new job opportunities in our state. Kansas, as big as you think. (Attachment 3)

Gary Gore of the Great Bend Chamber of Commerce gave his views on the image campaign. In marketing only two things matter: 1) the message a person receives and, 2) the frequency that the person is exposed to the message. Kansas as big as you think can easily become "...explore the Kansas wetlands. Visit North America's largest inland wetlands...Cheyenne Bottoms...where nature is a big as you think! (Attachment 4)

A question and answer session followed. The meeting was adjourned at 4:30 p.m. The next meeting is scheduled for Thursday, January 27, 2005.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE GUEST LIST

DATE: 1-25-05

NAME	REPRESENTING
Rob Menly	HEIN Law Firm
Matt Jordan	Commerce
CINDY CASH	KCK Chamber of Commerce
MIKE MICHAELIS	ELLIS Co COALITION
Bary Gore	Great Bend Co of C
Shirley Tompe	Woodson County Chamber
Lindsay Hargill	KS Dept of Commerce
John Kuetler	Callahan Creek, Inc.
Cindee C Stratton	Commerce
Mickey Tomaro-Dean	Harvey Co. E.D.C.
Steve Kelly	Commerce
Rubal Smally	Commerce
SCOTT AUEGRUCCI	COMMERCE
Gery Pinilley	KEIDA
Marcia Adzard	KEIDA - City of Bonner Springs
Matthew Dinty	KANSAS CITY POWER & LIGHT
<del>Matthew Dinty</del>	



## AN IMPORTANT INVESTMENT FOR KANSAS

With a clear mandate from business and community leaders that the state's image and marketing are top priorities to the growth and development of Kansas and its economy, the Kansas Department of Commerce launched a brand image campaign in January 2005. By creating a more positive image targeted at both in-state and out-of-state audiences, **Kansas is taking measured and determined steps toward increasing revenue from tourism, business development, and other economic development sources.**

The Kansas brand image is the result of a rigorous process designed to deliver a positive result for the state.

### A talented group of experts guided the work

Tourism and economic development professionals from around the state played a critical role in this effort. A **21-member State Image Task Force** representing urban and rural Kansas was assembled to work closely with the State and with marketing professionals. The Task Force:

- Tapped a wide variety of resources through interviews, surveys, and group work.
- Was geographically and professionally diverse, and included tourism and economic development professionals and business leaders from across the state.

### A positive brand image is vital to Kansas

Branding has been around for a long time. It began as a way to distinguish one rancher's cattle from all the others. Imagine the confusion of thousands of cattle owned by different ranchers all grazing in the same pasture! The purpose of branding is not to *describe* but to *distinguish*.

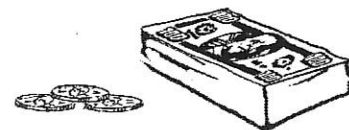
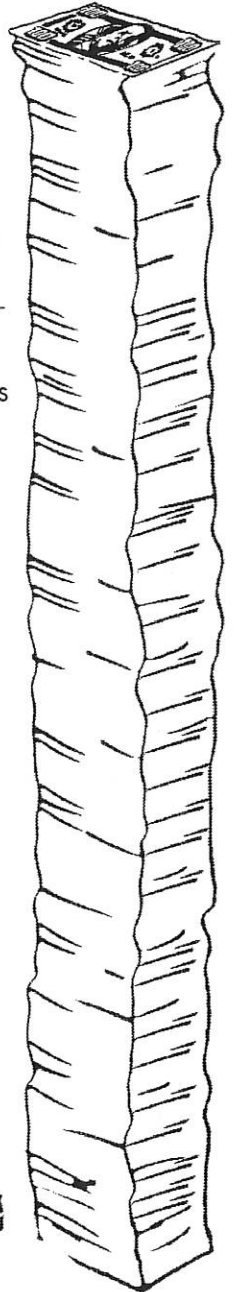
Our brand is a reflection of our core values, a promise, and all of the customer experiences that deliver that promise. A well-executed brand will differentiate Kansas from other states in an authentic and relevant way. We are providing the foundation and the tools for the state to

embrace this brand and build its impact over time with consistent communications from Kansas state agencies, communities, and businesses.

Kansas has historically conjured up images of tornadoes and vast, dusty plains. We know it is much more. In order to **attract tourism and business development dollars**, it is important to tap into what people believe about Kansas as it relates to what they want.

Research revealed:

- Travelers are seeking historic, cultural, and "experiential travel." A confident Kansas can boast a multitude of these travel options.
- Businesses are seeking bottom-line performance. While important, incentives alone won't win Kansas new business. A positive, well-balanced offer featuring the Kansas lifestyle and unstinting work ethic will win in the long term.



**Brand Image**  
**\$1.7 Million**

**EDIF**  
**\$38 Million**

**State Budget**  
**\$5 Billion**

Spending for image and marketing is 0.034% of the state's budget.

House Economic Development  
Attachment 1

1-25-05

## Return on investment

While no one can predict the exact return on investment Kansans can expect from this work, one thing is clear: **enhanced economic development and increased tourism positively impact every Kansan.** Line-item expenditures for the work clearly show the emphasis was on **impact** and **effectiveness of the campaign**, not merely for development of a clever slogan:

- \$1,100,000 (64.8%) for advertising, web site, marketing activities, and materials
- \$261,500 (15.4%) for strategic planning and final creative production of numerous advertisements
- \$181,500 (11.3%) for qualitative and quantitative research and development of the brand image campaign and slogan
- \$137,000 (8.5%) for Travel and Tourism research

The 2004 Legislature appropriated \$700,000 for the state image work. In addition, the Kansas Department of Commerce allocated \$1,000,000 from its internal marketing budgets, including \$300,000 received from KDOT's Blue Sign proceeds.

## A perspective on spending

Kansas has historically spent fewer dollars marketing itself than almost any other state. The resources used come from lottery proceeds, not state tax revenues. Kansas' spending for image and marketing for 2004-05 (\$1.7 million) is 0.034% of the state's budget. Since 1995, Commerce has spent an annual average of \$854,500 on separate advertising campaigns for tourism and business development. Most importantly, **Commerce believes this strategic investment, in support and partnership with communities and regions, is a prudent economic development strategy.**

**Commerce received a sizable investment by the Legislature last year to implement new rural development, entrepreneurship, and state image initiatives. No additional funds are needed to**

**maintain this enhanced image campaign. Commerce will be able to sustain this initiative and others if funding is held at the FY 2005 level. Continued use of the campaign builds consistency over time to increase the impact of the brand message. It also reduces future research and development expenses.**

## Commerce programs perform for Kansas

Historically speaking, it's hard to out-perform programs made possible by the Economic Development Initiatives Fund (EDIF). Since 2001, the EDIF:

- Expanded the Kansas payroll by \$1.1 billion (\$290 million annually).
- Created or retained 67,800 jobs (16,950 annually).
- Generated \$2.8 billion in capital investment (\$705 million annually).
- Increased tourism visitation by more than 1.3 million (335,000 visitors annually).
- Helped more than 300 cities in Kansas strengthen their downtown districts and complete major community improvement projects.

### The Kansas Brand Image:

- Builds pride among Kansans about how our wide open spaces allow people to dream and make big things happen.
- Encourages tourists to create their own big adventure.
- Attracts innovative businesses to think big in Kansas.
- Enables Kansas communities to cost-effectively leverage and extend the campaign for their own communities with impressive tools and financial support.

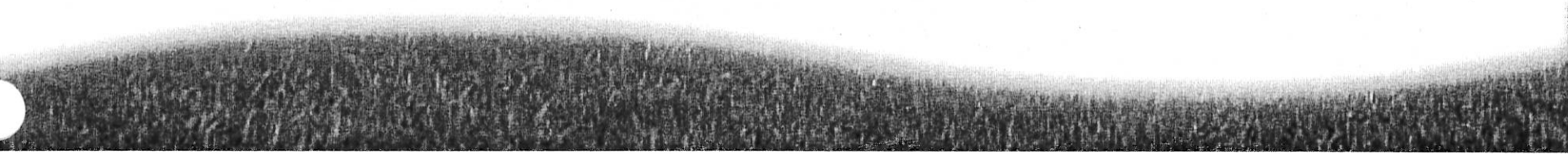
### Kansas Department of Commerce Contacts:

Matt Jordan  
Director of Operations  
(785) 296-7834

Cindee Stratton  
Marketing Manager  
(785) 296-7911

as big as you think<sup>SM</sup>

## Research

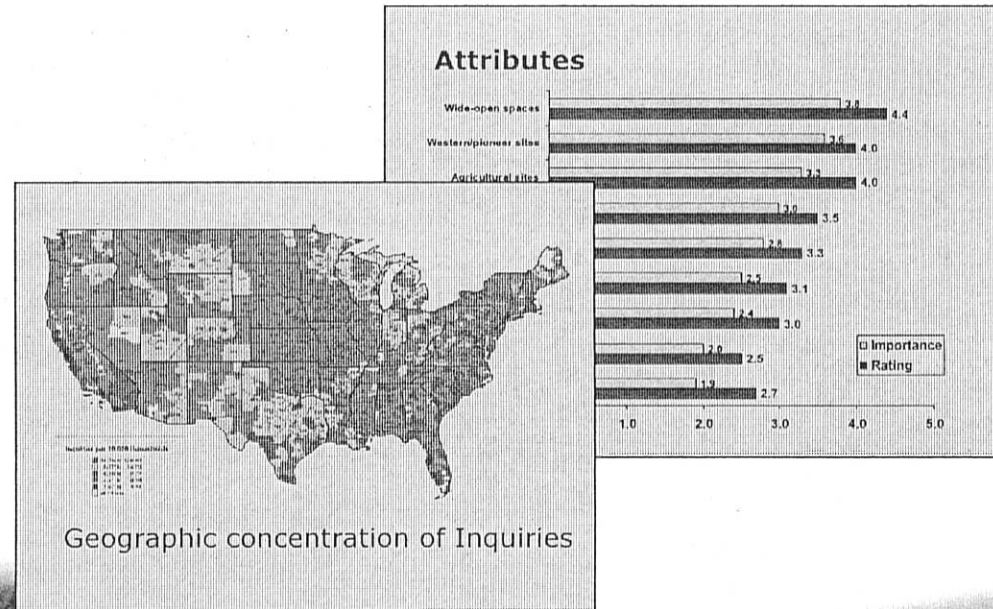
- For a brand to be distinctive, compelling, and effective it must be *authentic*
  - In-depth research was key to the Kansas brand image development process in order to uncover the unique benefits of Kansas that create engagement with our target audiences
  - Research identified core values, attitudes, perceptions, and misperceptions from both in-state and out-of-state so we could build on our strengths to create an authentic brand image
- 

# KANSAS

J-2

## Research Conducted

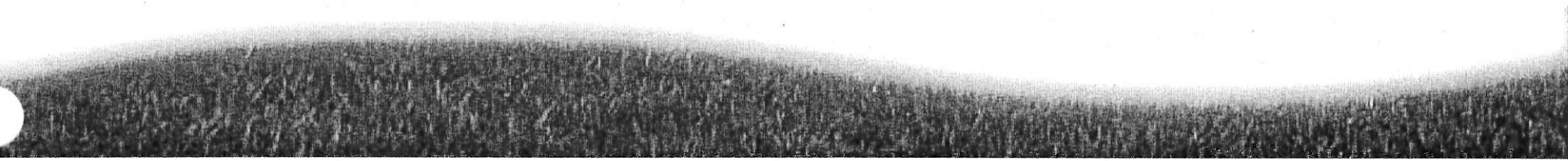
- Kansas Legislators Qualitative Research
- Out-of-State Qualitative Research (business development, travel writers, consumers)
- Tourism Conversion, Image, and Trends Studies
- Economic Impact Analysis
- Database Analytics
- Competitive Overview
- Creative Testing



## Business Development Interviews

Before visiting Kansas...

- Unclear image/"blank slate"
- Flat, farms, tornadoes, boring landscapes
- Blends into the other Midwest/Heartland states
- Not sexy or chic
- Slow-paced





# KANSAS

2-4

## Business Development Interviews

Appreciation improves after visiting...

- More green rolling hills than imagined
- History piques interest
- Honest, trustworthy, hardworking
- Trust a handshake
- Baseball and cherry pie: appealing pace
- America the way it's supposed to be



## **Tourism Research**

- Advertising/Conversion Study
- Central Region Traveler Profile
- Consumer Image Survey
- Consumer/Travel Trends

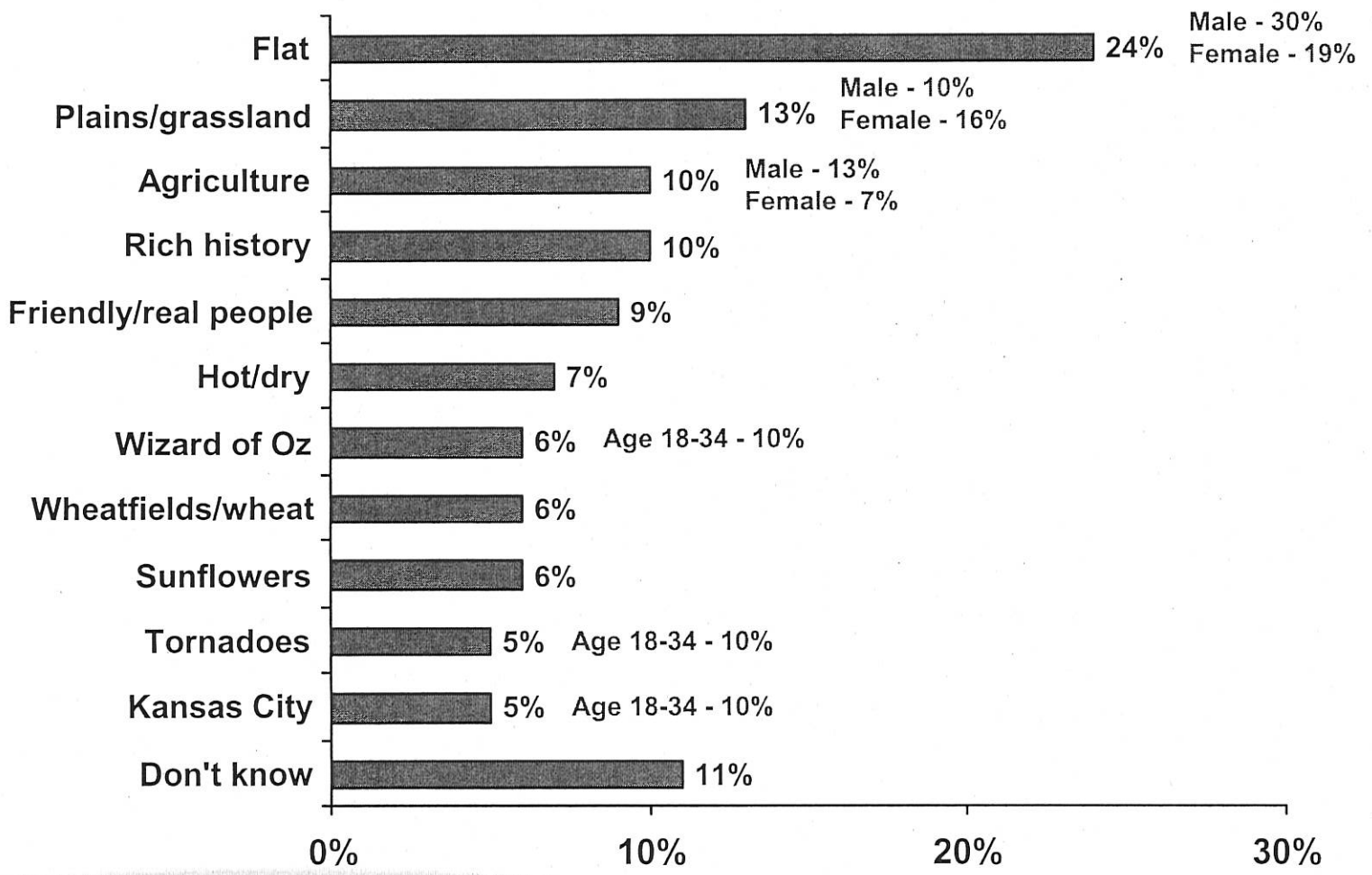
*The following pages present a small sampling of findings*



# KANSAS

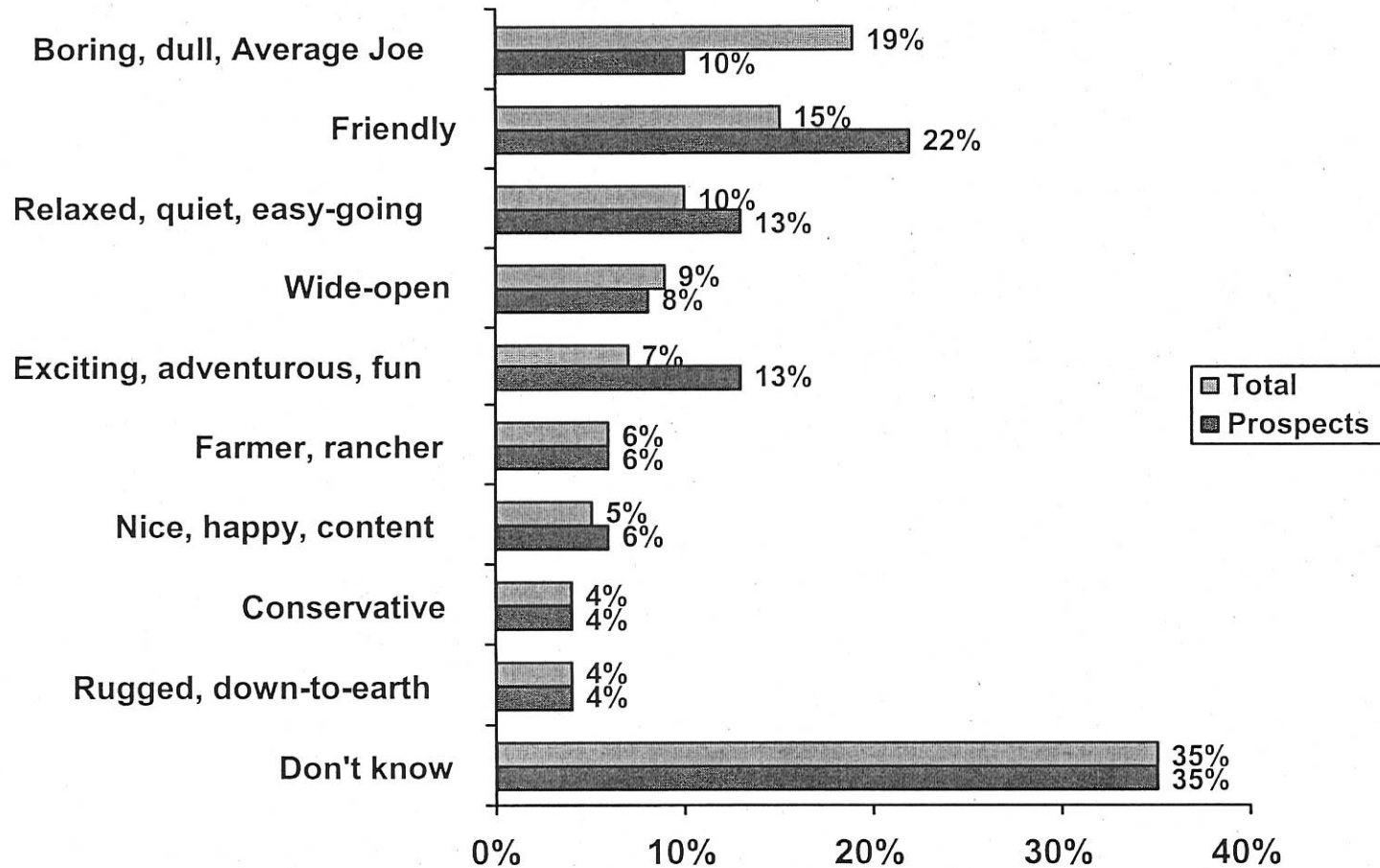
9-F

## Image of Kansas



# KANSAS

## Kansas Image—Personality

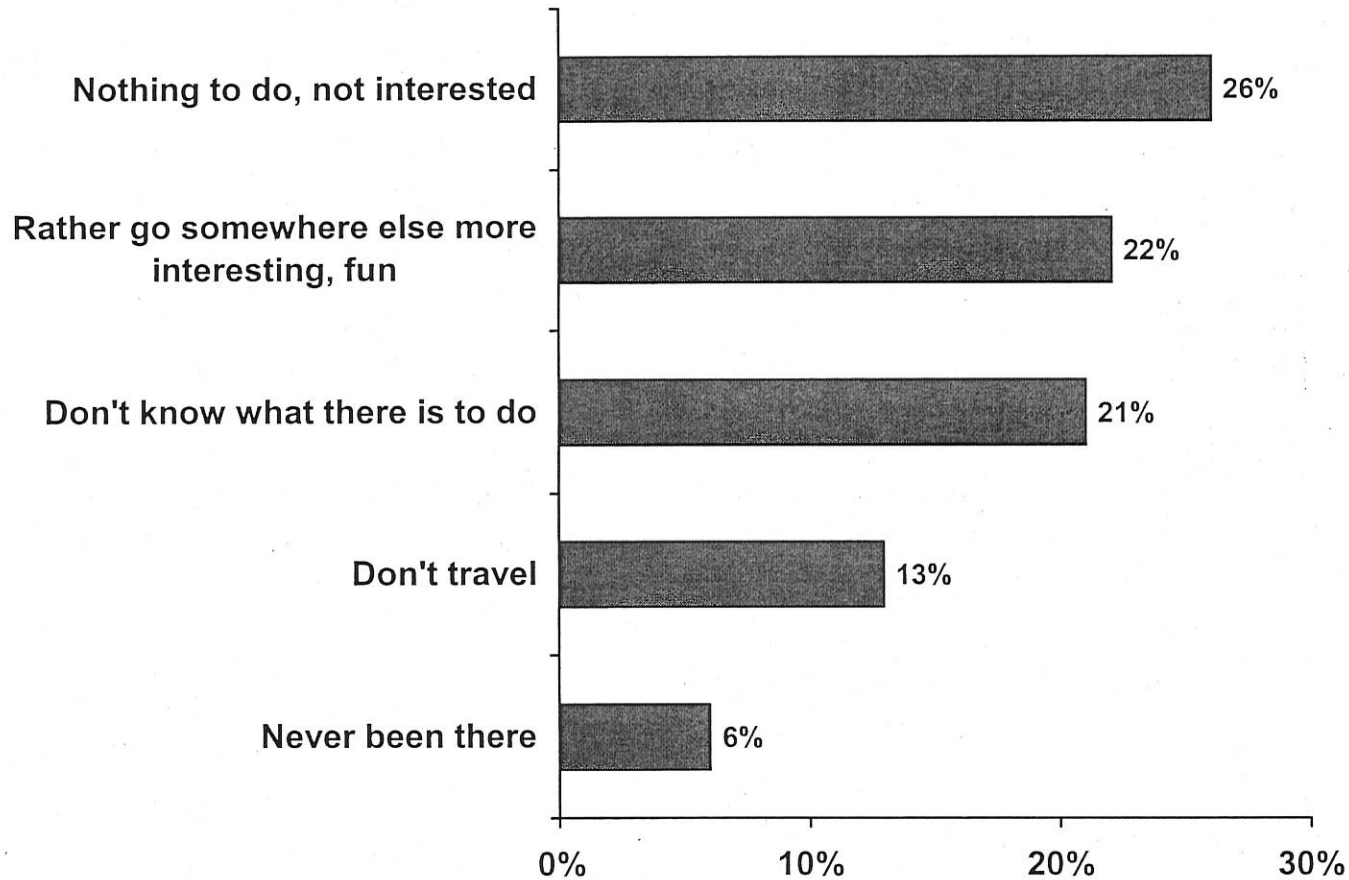




# KANSAS

2-8

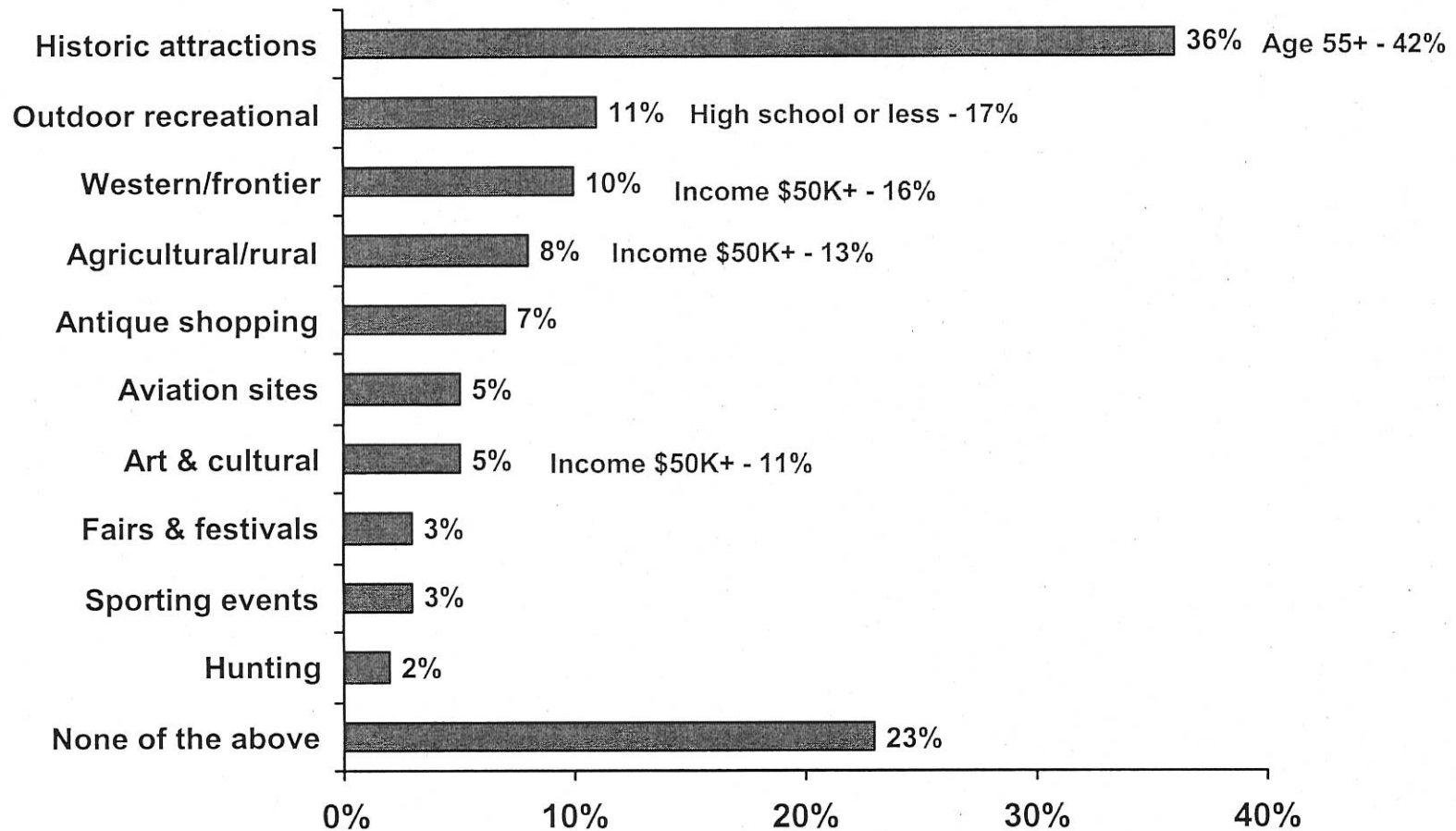
## Reasons Would Not Visit Kansas



# KANSAS

2-9

## Activities—Most Enjoyed



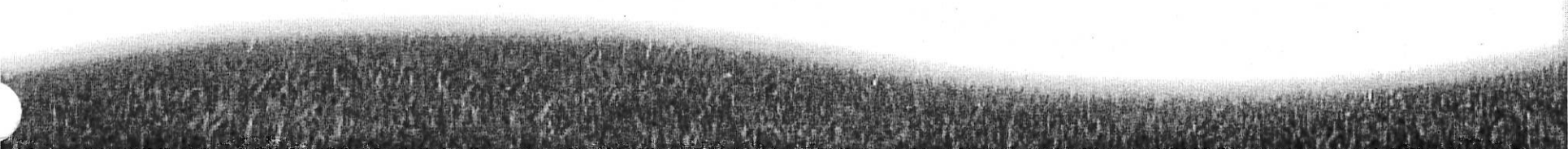
## **Tourism Secondary Research/Trends**

- History/Culture
  - More than half of travelers include cultural, arts, historic, or heritage activities/events
- Agri-Tourism
  - “City Slicker Syndrome”—take kids to corn maze, or live the life of a farmer for a week
- Geo-Tourism
  - Desire to experience preserved natural, historic, or cultural sites, and outstanding scenery
- Authenticity
  - Activities, participation



## **Tourism Secondary Research/Trends**

- 2005 travel spending expected to surpass record level set in 2000
- Enhanced desire to unwind (pent-up demand)—they need to get out!
- Family travel
  - “Togetherring”—people have turned to family/friends for comfort
  - 80% travel with extended family or friends
  - “Grandtravel”—Boomers traveling with grandkids







**THE KANSAS CITY KANSAS AREA  
CHAMBER OF COMMERCE**

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**TESTIMONY ON KANSAS STATE BRANDING AND IMAGE CAMPAIGN  
Tuesday, January 25, 2005**

My name is Cindy Cash. I'm the President/CEO of the Kansas City Kansas Area Chamber of Commerce. As Chamber President, I am also responsible for the contract we have with our local government to perform the Convention and Visitor function for our community as a division of our Chamber.

I have been at the KCK Chamber since 1993. I have worked with the Convention & Visitor Bureau function since 1994. I served on the State's Tourism Board in 1994 and was a co-chair of the Prosperity Summit Task force event for the East Central Region. Prior to my years at the Chamber I spent almost twenty years in retail and shopping center management throughout the eastern part of the United States. During my entire career I have worked with marketing products, projects and entities. Over this time my definition of marketing has been: repeating the correct message information over and over again.

In this day and age, I cannot tell you how important this is when you consider we are bombarded with at least 3,000 marketing messages a day. You have to get through the media clutter.

I am here today to tell you how glad I am to see the new State Branding and Image Campaign that has been developed by the Department of Commerce. This campaign is designed to communicate the same branding message to at least four different audiences:

1. Our own state' citizens
2. Tourists looking for the very real historical, cultural and recreational experiences Kansas can offer
3. Businesses looking to expand or re-locate their business
4. Our current and future workforces who have training and skills that our current businesses and new businesses need to grow and expand

Our state is no different from most states I've lived in throughout my career. Many people who live here don't realize how many things the state of Kansas has to offer. We need to remind them and this campaign does that. How many

other states can boast of not only a great military leader who oversaw one of the biggest battles to save the free world, but also a President? How many other states have a historical female pioneer in aviation that continues to be a mystery to this day over 60 years since she disappeared? How many states have as much open space so close to its urban centers? We do and this campaign is already making an impact on our citizens. Several have told me already how much they appreciate and really like the ads that are currently running.

Tourism is big business; in fact it truly can be "As BIG As You Think." I believe we've begun to prove that in Wyandotte County/Kansas City, Kansas with the millions of tourists who have come to spend their time and dollars at Kansas Speedway, Nebraska Furniture Mart, Cabela's, Great Wolf Lodge, the restaurants and other amenities now there and yet to come. This development has also had a positive economic impact in Johnson, Leavenworth and Douglas Counties. There are also other parts of Kansas that have opportunities to parlay their attractions and natural resources into tourism dollars and impact. But it must be marketed consistently and repeatedly. This campaign offers the opportunity to tie into existing marketing and repeat a message that will hopefully be repeated throughout the state and again get through the Marketing Message Clutter when a family is making their travel plans.

In the past week, I read in the Kansas City Star newspaper, some in Missouri will be encouraging its legislature to look at its business incentives and improve upon them because Kansas has beaten them with incentives on several business opportunities. Of course, you can have great incentives, but if you don't tell people or businesses about them repeatedly, they won't know about them. With this new campaign we have the message getting out and we as business partners throughout the state can also help spread the message in using the branding in our own marketing messages. This helps spread the message by leveraging the messaging in conjunction with others across the state.

This is also an expansion of the Commerce Department's efforts to build partnerships. I believe we have a great partnership with Commerce in the Kansas City area in tourism, business development and workforce development. We now have a shared message and tool that we can help expand upon by using it with our own individual messages.

Businesses can use it as a tag line for their advertising. Chambers, Convention and Visitors Bureaus and Economic Development Organizations can use it as either a minor or major part of their efforts.

In addition with marketing to firms to come to our state, we need to make sure our current and future workforce know there is a good strong economic future for them in our state. The Tourism industry continues to create new job opportunities in our state. Manufacturing is still an important factor in our state. The new field of Bioscience is creating new opportunities in our state. These

three sectors alone are perfect examples of "As BIG As You Think". But we need to be sure we have the best talented people in our state to grow these industries. We need to market the industries and the job opportunities to our current workforce. We need to be on our campuses and in our community colleges with this message.

"As BIG As You Think" is quite an idea when you sit and think about it awhile. It's really four messages for the price of one. Sure you can have or make fun of it, but you can also visualize what our pioneer mothers and fathers must have thought when they came to this territory. You can remember from your history books that this state was a BIG prize in the question on slavery in the 1850s. You can think about the BIG part our agricultural industries play in feeding not only our country but also the world. You can think about the BIG invasion of Normandy on D-Day and remember the man who oversaw it all. You can see the BIG crowds at Kansas Speedway who come to cheer their favorite driver.

We are not looking for an "As BIG As You Think" budget to continue this process. We are only asking for the same dollars appropriated to the Department of Commerce as last year so across the state we can create the partnerships, the messages, the opportunities that can and will be "As BIG As You Think".

Thank you for listening.





Honorable members of the House Economic Development Committee,

Thank you for this opportunity to comment on economic development activity in Kansas and specifically on the state's image campaign.

My name is Gary Gore and I am the President/CEO of the Great Bend Chamber of Commerce. I have also served for two years as the President of the western Kansas Rural Economic Development Alliance and I am the current President of the Kansas Chamber of Commerce Executives. I mention this so you know the perspective that I bring before you today. I am also a member of the State's Brand Image Task Force.

I was very active in my region's Prosperity Summit and I accepted my position as a member of the State's Brand Image Task Force because of the reaction I saw during those Prosperity Summit Meetings. In every region of the state, people told us that Kansas needed to work on its image. Kansas are proud of their state and while we often are more comfortable with understatement, than we are with braggadocio, we still understand that if we want respect from the rest of the world, we have to position ourselves properly.

The world that we live in is packaged, marketed and positioned to capture the public's perception. That is the game that we enter. How do we present Kansas in a way that the message immediately rings true, yet doesn't undersell the state? This campaign does that. Maybe just as importantly, it also gives communities a tool to build upon a greater campaign.

In marketing only two things matter: 1) The message a person receives. 2) The frequency that the person is exposed to the message. The more exposures the better. Our dollar commitment isn't great enough to overwhelm anyone, but by combining Business Development marketing with Travel & Tourism under one message Kansas can improve the number of exposures that any given person will be exposed to. But the real beauty comes from the fact that any community whether it is Olathe or Oakley, can easily join into and build upon the greater campaign. Kansas...As Big As You Think" can easily become "...explore the Kansas wetlands. Visit North America's largest inland wetlands...Cheyenne Bottoms...where nature is as Big As You Think!"

By choosing a campaign that is universally acceptable and easily adaptable it allows communities such as Great Bend to expand its resources by playing off of and adding to the greater state campaign. Conversely, the entire state benefits each time a community adds to the exposure of the state-wide campaign.

With the new cooperative program, which assists communities in funding business-development marketing campaigns that utilize the brand image theme, KDOC has devised a plan that will expand the campaign's exposure. At the same time, the community's marketing dollars go further by being part of the greater campaign.

Commerce is not suggesting an increase in funding...only an extension of the current block grant. It is money well spent.

House Economic Development  
Attachment 4  
1-25-05