

North Dakota

LEGENDARY

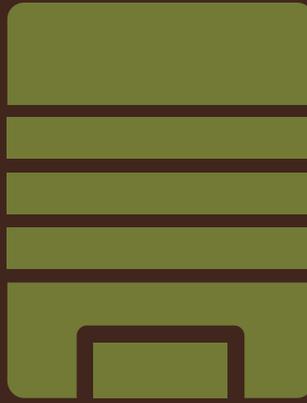
2012 TOURISM ANNUAL REPORT



Arrive a Guest. Leave a Legend.

What makes up tourism in North Dakota?

886 Hotels



646

Attractions



Governor Jack and First Lady Betsy Dalrymple

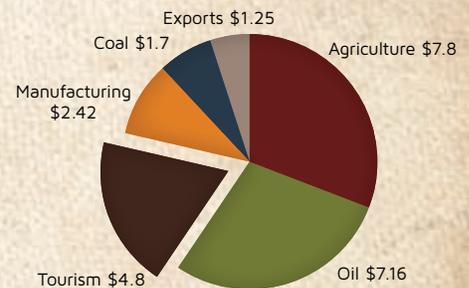


Governor Jack and First Lady Betsy Dalrymple

"North Dakota hosted more than 17 million visitors in 2012, each enjoying North Dakota's rich history, vibrant culture and legendary experiences. Tourism is our third-largest industry and it's helping to grow our economy one trip at a time. We invite you to Arrive a Guest. Leave a Legend."

Jack Dalrymple

North Dakota Economic Base 2011 (NDSU: in billions)



A message from Commerce Commissioner Alan Anderson

Tourism is one of five industries the North Dakota Department of Commerce targets to broaden the state's economic base, create new wealth and generate high-paying, career-track jobs.

Tourism is the third-largest contributor to North Dakota's economic base. Tourism industry growth is visible in increased visitors and through the number of new hotels constructed across the state.

Clearly, North Dakota tourism efforts are paying off. We've been marketing North Dakota as a great place to live, work, play and conduct business. Of course, tourism focuses on the fun part – playing in North Dakota. As commissioner of the Department of Commerce, I'm proud of the results our tourism efforts have brought and look forward to partnering with industry to continue growth into the future.



Al Anderson and his grandson enjoy a day on the water.

Alan Anderson



more than
33,000 Jobs
Attributed to tourism
(1 out of every 12 jobs in ND)

WELCOME!



357 Festivals
& Events

A message from Tourism Director Sara Otte Coleman

It isn't just oil that's bringing people to North Dakota. Tourism pumps millions of dollars into every county and continues to be one of the state's leading industries. For the past five years, traveler spending in North Dakota has grown faster than the national average.

Events and businesses serving North Dakota's visitors also improve our residents' quality of life. The scenery and fun displayed in our advertising and earned media pieces not only attract visitors, but help create a positive image for our state, which, in turn, attracts workforce and families. Our photography has been used in countless articles about the state and websites as far away as Australia.

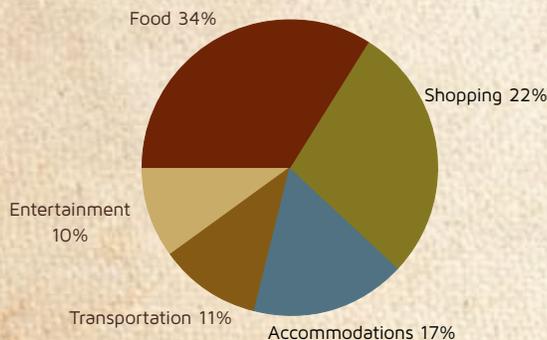
Tourism is strong and research shows that dollars spent marketing North Dakota are an excellent investment. The US Travel Association economic research shows we continue to lead the nation in growth and growing faster than the national average. Our Tourism Satellite Account (TSA) shows more leisure and business travel statewide. Visitor stats show growth in attractions, accommodations, border crossings and deplanements. Our efforts in international marketing, outdoor promotions, group travel, public relations and social media engagement are helping build our Legendary brand and attract more visitors. Tourism development efforts are focused on expanding the experiences we have



Sara Otte Coleman and husband, Clark.

to offer residents and out-of-state visitors alike. Our grant programs have helped open eight new tourism operations. Forty-two new hotels have opened in North Dakota in the past two years, including 11 in communities east of US Highway 83. Our hotels have enjoyed strong demand but we are now starting to see decreases in occupancy rates. More available rooms mean more opportunity for new visitors to North Dakota. The growth is exciting and our team is passionate about working with our industry partners to continue the progress.

ND Visitor Spending 2011
(IHS Global)

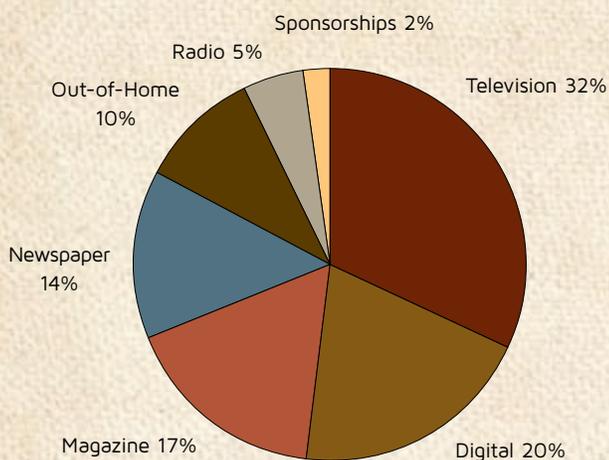


Sara Otte Coleman

Advertising North Dakota

North Dakota advertises in target markets in order to drive travel results. North Dakota Tourism currently targets markets in Minnesota, Wisconsin, South Dakota and Montana and the Canadian provinces of Manitoba and Saskatchewan. Advertising messages are selected for these markets based on research and motivating traffic.

2012 Advertising Investment \$1,942,406



Legendary Strategy – United States

This strategy is targeted toward audiences in Minnesota, Wisconsin and South Dakota and is used in national media buys.

Television: Broadcast in six markets, direct response in eight markets.

Print: Nine publications with a circulation of 2,486,747, an additional 9,887,082 in circulation through five travel directory ads.

Newspaper: Inserts distributed in all North Dakota papers and 35 US and Canadian papers reaching a circulation of 2.3 million.

Out-of-Home: Five weeks of signage at Target Field, nine weeks of billboards and two months of truckside billboards in the Minneapolis area.

Border/City Experience Strategy

This strategy is targeted toward Canadian audiences in Manitoba and Saskatchewan, Canada, Minnesota, eastern Montana and northern South Dakota.

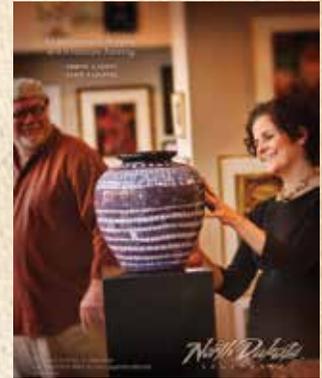
Television: Broadcast in two near-border markets.

Print: Three publications with a circulation of 326,390.

Newspaper: In addition to the 2.3 million circulation summer insert, a fall insert was distributed in eight Canadian papers reaching 436,000 households.

Radio: Two weeks of radio in three markets.

Out-of-Home: Seven-week campaigns of billboards, bus wraps and transit signage in Winnipeg and Regina.



Magazine ad

Legendary Niche Strategy

Messages specifically targeted to specialty audiences regionally and nationally.

Birding: Three publications with a circulation of 76,092.

Golf: Two publications with a circulation of 141,000.

Hunting/Fishing: 12 weeks of cable in 11 Minnesota, Wisconsin, South Dakota and North Dakota markets, Jason Mitchell Outdoors sponsorship, UND versus Minnesota men's hockey sponsorship with Fox Sports North/Fox Sports Wisconsin and one publication with a circulation of 110,000.

Motorcycling: Five publications with a circulation of 82,090.



Digital Advertising

Digital marketing results for North Dakota show click-through rates for online ads and open-rates on emails are far above industry norms. Traffic to the NDTourism.com website also reflects the investment being made through all types of media in target markets.

- Digital ad click-through: .22% vs. 0.08% industry average
- Email open rate: 20.43% vs. 7% industry average
- NDTourism.com:
 - 15% of site traffic originates from Canada and other international markets
 - 28% of traffic comes from North Dakota
 - 56% of traffic from other US states

Cooperative Advertising

Seven in-state partners cooperatively advertised in newspaper inserts and email promotions developed by North Dakota Tourism in 2012.



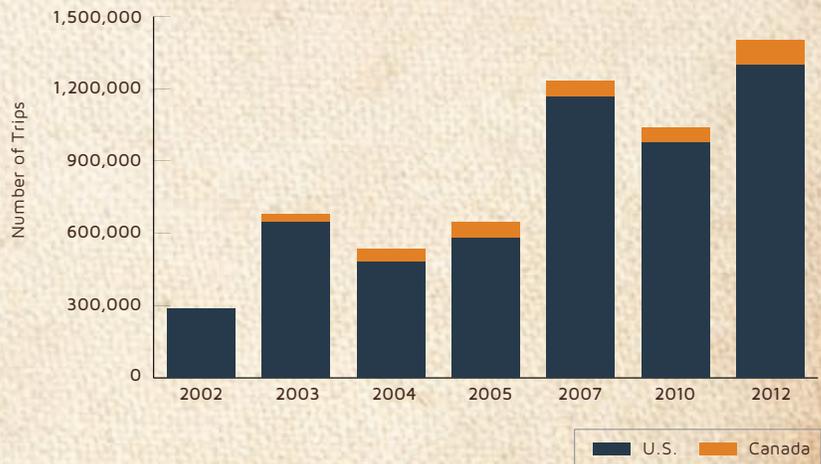
Email promotion

Advertising is a Solid Return on Investment

Tourism's total advertising investment of \$1.9 million returned \$236.9 million or \$119 in visitor spending for every \$1 invested. The *Arrive a Guest. Leave a Legend.* campaign has shown improved effectiveness from 2010-2011, which had a 1:91 return.

Year	ROI
2002	\$1 = \$75
2003	\$1 = \$82
2004	\$1 = \$55
2005	\$1 = \$81
2007	\$1 = \$123
2010	\$1 = \$91
2012	\$1 = \$119

2012 Incremental Trips Generated by Tourism Advertising



Advertising North Dakota generated 1.4 million trips in 2012. The number of travelers visiting North Dakota has consistently increased due to advertising and promotion.

top 5 countries

requesting visitor information on

North Dakota

in 2012

1 United States

2 Canada

3 United Kingdom

4 Germany

5 Brazil

Making North Dakota an International Success

International travelers find great interest and appeal in North Dakota's culture, heritage and outdoors. North Dakota works closely with industry, focusing on international tour operators, travel agents and media representatives. In cooperation with Rocky Mountain International (RMI), North Dakota is featured as part of a marketing effort around an international experience that includes the states of Idaho, Montana, South Dakota and Wyoming.

Promotion Successes 2012

- **Exposure Through RMI** – Featured in *Real America* guide which will be distributed at shows in Australia, New Zealand and the Nordic region.
- **One-Stop Branding** – Supporting Brand USA efforts for a central website and magazine that promotes US travel to international visitors.
- **Video Vignettes** – Developed one, two and three minute videos showcasing North Dakota for use at international shows.
- **FAM tours** – Hosted 29 familiarization tours in conjunction with Rocky Mountain International (RMI) since 2011.

North Dakota advertising has been translated into Spanish, Danish, Swedish, Finnish, Norwegian, Japanese, French and Italian.

International Markets

- Norway
- Sweden
- Denmark
- Iceland
- Finland
- Germany
- Belgium
- Netherlands
- Luxembourg
- France
- Italy
- United Kingdom
- Australia
- New Zealand



International print ad



@InternationalND



International North Dakota

Promotion Successes 2012

- “Legendary” branded professional angler Jim Carroll was featured in two episodes of *“The Next Bite with Keith Kavajecz”* filmed in North Dakota, as well as several videos on hunting and fishing being shared through social media.
- **Sport Show Success** – 16 partners participated in promoting outdoor recreation at eight sport shows, which have resulted in increased bookings and media features.
- **Brad Durick Outdoors** – Credits business growth to opportunities such as a Tourism Marketing Grant and participation as a booth partner at an Omaha sport show where he filled his June schedule for guided channel catfishing on the Red River.

Showcasing Legendary Outdoor Adventure

North Dakota continues to provide outdoor experiences that inspire, exhilarate and excite our visitors. Tourism promotes the rich outdoor culture of North Dakota with key agency partners from North Dakota Game and Fish and North Dakota State Parks, as well as a wide variety of stakeholders providing visitor experiences.



Magazine ad



@OutdoorsND



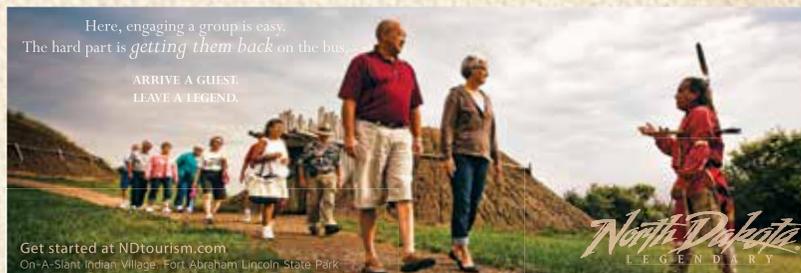
Outdoors North Dakota

Promotion Successes 2012

- **Relationship Building** – Presented North Dakota Group Travel at seven travel shows and scheduled more than 250 appointments with operators.
- **Group Promotion** – Promoted North Dakota to new group travel operators in Vermont, Michigan and Virginia. As a result, Telgen Tours, Vermont, created a new group tour and brought more than \$10,000 in direct spending during its visit.
- **Dream Destination** - *“The Dakotas”* itinerary is being promoted in national group tour publications, websites and through social media.
- **Group Travel** – Hosted two tour company FAMs in 2012, resulting in 190 people returning to the state.

Going Group in North Dakota

The Group Travel Marketing program specializes in promoting and coordinating travel to North Dakota by creating and maintaining relationships with tour operators, group travel planners, banking professionals, reunions and other travel groups. Expos, familiarization tours and marketing sales missions are avenues for stakeholders to represent product and capture a group tour audience.



On-line ad



@GroupTravelND



Group Travel North Dakota; I Love Motorcycling in North Dakota

CELEBRATING 10 YEARS OF



2002 Launched Legendary brand

- Visits go up significantly at state parks and attractions.

2003 Legendary Lewis & Clark Bicentennial

2004 Enhanced Legendary campaign launched in the US and Canada

2005 Legendary campaign capitalized on the Lewis & Clark bicentennial

2006 Launch of Legendary border/city experience and niche strategies

2007 The Legendary brand grows with new website and campaign

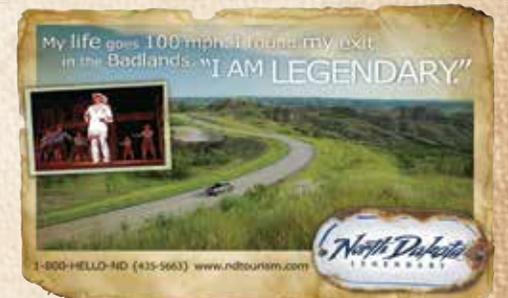
2008 Legendary campaign adds social media, more online and out-of-home advertising

2009 Legendary campaign features nine print ads

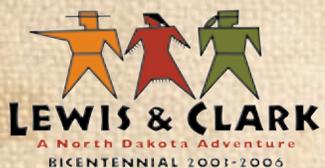
2010 Launch of I am Legendary! RU? campaign theme

2011 I am Legendary! RU? campaign continues with expanded partner participation

2012 Arrive a Guest. Leave a Legend. launches, 10-year Legendary book unveiled

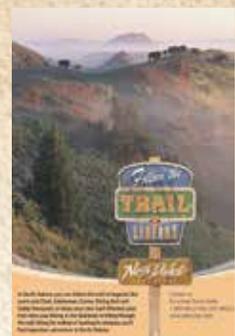


- RULegendary.com and social media campaign used as part of media mix.

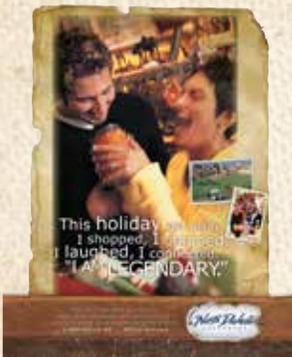
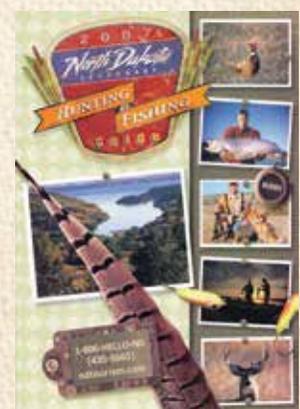
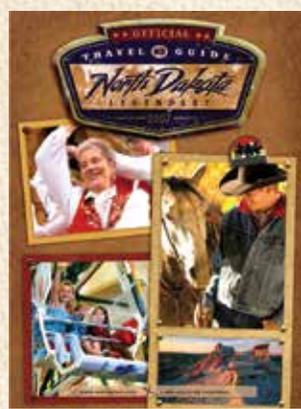


- Legislature approves lodging tax and ND Tourism applies additional \$2.9 million to Lewis & Clark media efforts, enhancing reach and frequency of US campaign.
- Cable TV, newspaper inserts and online search marketing launched in the US; radio and newspaper inserts launched in Canada.

- First visitor study shows 5.7 million overnight visits and 4.7% of the regional market share.
- New website launched.



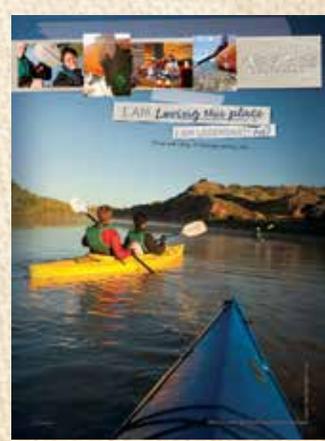
- Campaign adds TV in Canada and Wisconsin, as well as specific niche print advertising.
- State park visitors, airline boarders, occupancy rates, lodging taxes and unique website visitors all increase.
- Visitor study shows 6 million overnight trips in North Dakota with 5.5 percent of the regional market share.
- First-ever tourism satellite account shows 60% of tourism expenditures are from out of state and core tourism is the fourth-largest private-sector employer in the state.



- Stakeholder input results in anniversary brand book.



- North Dakota leads the nation in all four categories reported by US Travel Association: growth of travel expenditures, travel-generated taxes, travel-related jobs and payroll.



top 5 states

requesting visitor information on

North Dakota

in 2012

1 Minnesota

2 Illinois

3 Wisconsin

4 Michigan

5 Ohio

Promoting Image and Attracting Guests

Media interest in North Dakota continues to increase and the value of positive coverage cannot be underestimated. Public relations, or earned-media, efforts garnered more than 270 positive stories in 131 media outlets in 2012. Here are a few highlights:

Outdoor

- "A Week in Pothole Paradise" – Field & Stream, November 2012: Coordinated logistics and licenses with ND Game and Fish for a hunt that resulted in a five-page feature highlighting duck hunting in North Dakota.

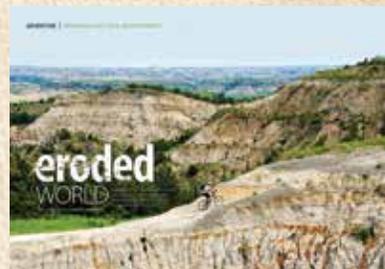


Field & Stream, November

- Hosted the editor of NationalParksTraveler.com, resulting in 23 articles about the state's national historic sites.

International

- "An Eroded World" – Australia Geographic Magazine, October 2012: Hosted journalist in North Dakota which resulted in a six-page feature.
- "Auf Den Spuren Sitting Bulls" (On the Traces of Sitting Bull), Motorad Magazine, December 2012: First of many articles to be featured in the German-speaking markets.



Australian Geographic Magazine, October

General

- "New Frontiers: Getaway in North Dakota's Badlands" – Midwest Living, May/June 2012: Hosted editor for western exploration resulting in a six-page feature highlighting Medora, Theodore Roosevelt National Park and other Badlands attractions.



Midwest Living, May/June

- Society of American Travel Writers – Assisted two freelancers during their visit to North Dakota which has resulted in continued positive travel stories about their experience.

Digital Strategies

Tourism’s digital strategy is an integrated effort to build brand identity, increase awareness and impressions of North Dakota as a travel destination, promote interest from media and engage travelers. Through its website, blog, newsletters and social networks, Tourism garnered a unique digital audience of more than 10.2 million in 2012.

- Unique website traffic: 445,322
- Unique digital guides use: 31,021
- Newsletter subscribers: 22,389
- Facebook “fans”: 11,996
- Twitter followers: 14,635
- YouTube subscribers: 111
- Flickr members: 403



Promoted social media post celebrates 10,000 fans



@NorthDakota
 Travel North Dakota

Total Digital Unique Audience increased 163% from 2011 to 2012
(3.8 million in 2011 versus 10.2 million in 2012)



Enchanted Highway, Regent

The Enchanted Highway, along 32 miles of highway north of Regent, features the world’s largest metal sculptures designed, welded and painted by artist Gary Greff as a way of bringing tourists to the community. Greff plans to add four more sculptures to the seven already erected. He also is converting Regent’s former school into a 24-room motel, aptly named “The Enchanted Castle.”

Enhancing AgriTourism Opportunities

Tourism promotes the growth of North Dakota's agritourism industry by offering education and networking for operators and those considering development of attractions. Passage of the AgriTourism Limited Liability legislation in 2011 is fostering growth of the industry with 22 businesses currently registered with the Tourism Division. A total of 81 existing or potential agritourism businesses have been identified in North Dakota.



AgriTourism North Dakota

Enhancing Tourism Development

Tourism works to identify business opportunities and conduct development functions to support start-up, retention, expansion and attraction of businesses in the tourism industry. Areas of emphasis include agriculture-based tourism, expanding recreation offerings, expanding education vacations and rural tourism development.

Tourism Grant Programs

49 total awards totaling \$1.09 million for marketing, events and construction for tourism development.

- \$319,000 - New for-profit businesses (6 grants)
- \$210,000 - Existing for-profit businesses (4 grants)
- \$774,600 - Community and nonprofit (39 grants)

The Tourism Infrastructure Grant Program's purpose is to fund new tourism operations capable of attracting visitors from outside North Dakota for at least one overnight stay.

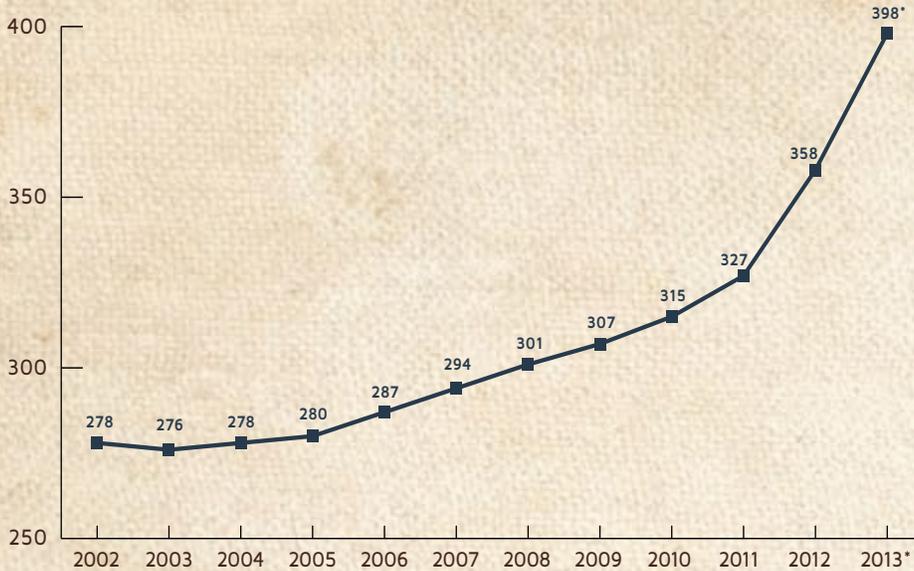


Grants help build attractions

Hotel Room Inventory Expanding

Tourism has been involved in tracking hotel growth, providing information to potential hotel developers and sending information/welcome packets to all new properties. While many new hotels have opened in western North Dakota, projects in 11 communities east of US Highway 83 have opened or are under development, leading to more hotel availability. Forty-two new hotels have added 3,500 rooms to the state since 2011 and 39 properties have announced 3,678 rooms to be added in 2013.

Hotel Property Growth Since 2002



* Estimate based on announced projects as of 2-1-2013.

Hotel Demand Monthly Percent Change 2012



Source: Smith Travel Research



Coteau des Prairies Lodge, Havana

Coteau des Prairies Lodge offers unique accommodations with grand and modern amenities in an authentic Ponderosa Pine lodge. Decorated with local artwork and rustic wood furniture, this 14-bedroom lodge comfortably entertains 45 guests and is sure to be a destination for business retreats, outdoor enthusiasts, crafters, quilters, families and the casual traveler.

Helping our Visitors

Coming in 2013, NDTourism.com will be launching a new site with greater usability for travelers seeking key information on travel to North Dakota. Travel counselors answered more than 5,100 calls from potential visitors to its toll-free line in 2012.

Online information requests through NDTourism.com included:

- 73,729 orders for online brochure requests, an 11% increase.
- 100% increase in web inquiries from NDTourism.com.

ND Tourism Representation

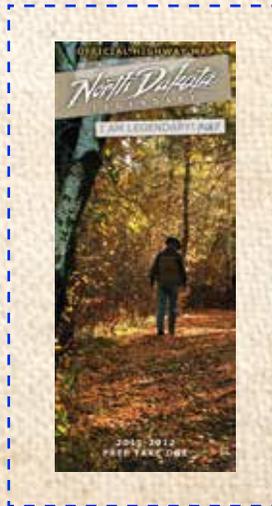
North Dakota is represented on a number of statewide and national boards and organizations, including: US Travel Association, National Council of State Tourism Directors, CenStates Travel and Tourism Research Association Board of Directors, Outdoor Writers Association of America, Discover America, Midwest Travel Writers Association, International Association of Business Communicators, National Tour Association, American Bus Association, Bank Travel, Heritage Club International, National Agritourism Professionals Association and Family Motorcoach Association.

Publications Promoting North Dakota

Tourism produces a number of publications to help promote the legendary experiences the state offers. Publications are made available through a variety of methods: request fulfillment, at sport and travel shows, in-state rest areas, visitor centers, ports of entry, traveler-frequented businesses and airports.

Travel Guide

Due to continued high demand, 335,000 copies of the 2012 Travel Guide were printed. The digital version of the Travel Guide was accessed 28,795 times by unique visitors, an 80% increase over 2011. The 2013 Travel Guide is now available across the state with 340,000 in print.

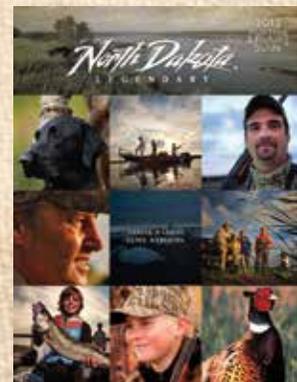


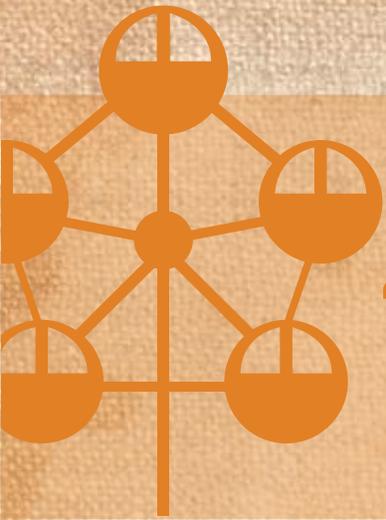
Official Highway Map

A total of 1.2 million 2011-12 official highway maps were printed and distributed in partnership with the ND Department of Transportation. The new 2013-2014 Official North Dakota Highway Map features a slightly larger size and a run of 1.2 million copies.

Hunting & Fishing Guide

Sixty thousand (60,000) copies of the Hunting and Fishing Guide were printed. There will be 50,000 copies available in 2013. The digital version had 2,226 unique visits.





4,574,832

visitors to major attractions,
up 7% from 2011



677,099

national park visitors in 2012



102,685

stops at local visitor centers
in 2012, up 9% from 2011



445,322

unique website
visits in 2012,
up 4% from 2011

(www.NDTourism.com)



1,016,254

deplanements in 2012

18%
increase



853,493

Canadian border
crossings in 2012

12%
increase

In 2011, increases of Canadian visitors
in North Dakota included:

- 15% more spending (\$242,439,300)
- 11.1% more overnights (1,578,700)

North Dakota

LEGENDARY

2012 TOURISM SNAPSHOT

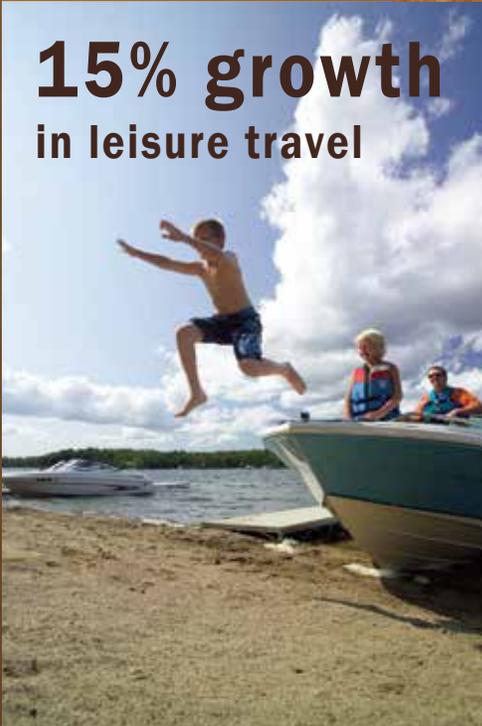


**10th most
visited U.S.
state by
Canadians**

**17.2 million
visitors**



**15% growth
in leisure travel**



**60% of visitors are
non-resident travelers**

\$943

**tax savings to
each North Dakota
household thanks
to visitor revenue**