

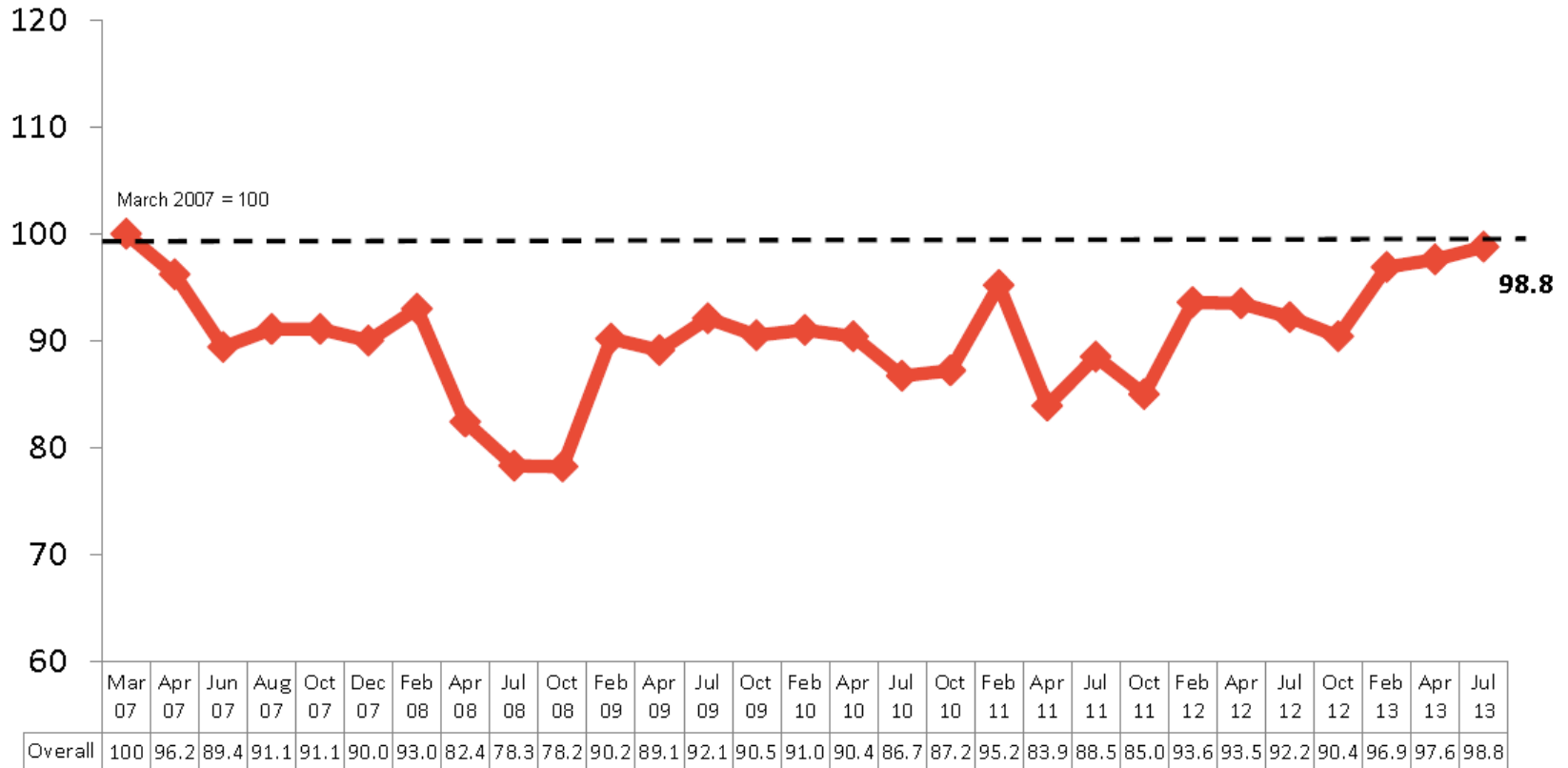
POWER

of

TRAVEL

KANSAS

TRAVELER SENTIMENT INDEX™ OVERALL



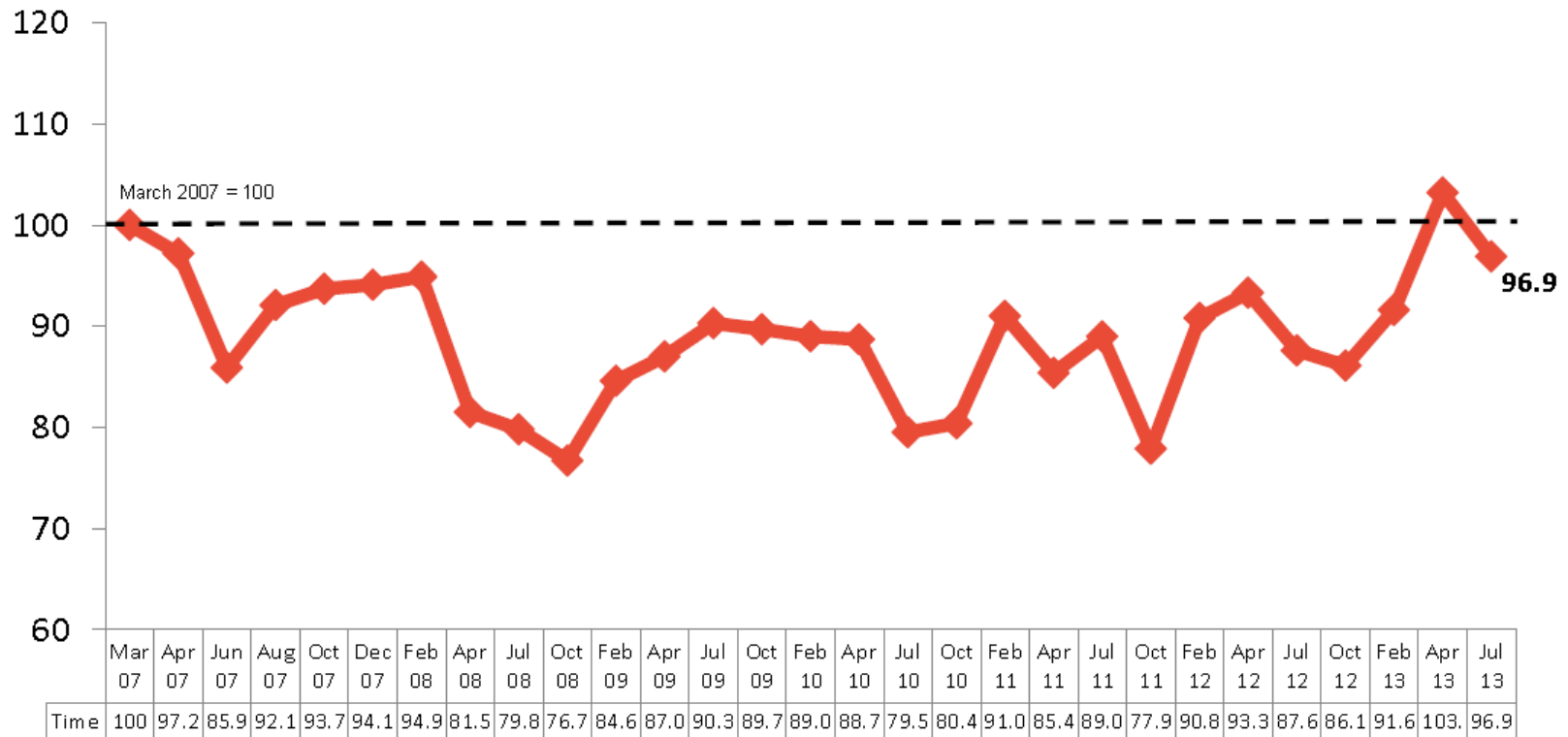
Combined from questions 28 through 33. Base: Total Respondents

Source: MMGY Global, *travelhorizons™*, April 2013



TRAVELER SENTIMENT INDEX™

INTEREST IN TRAVEL

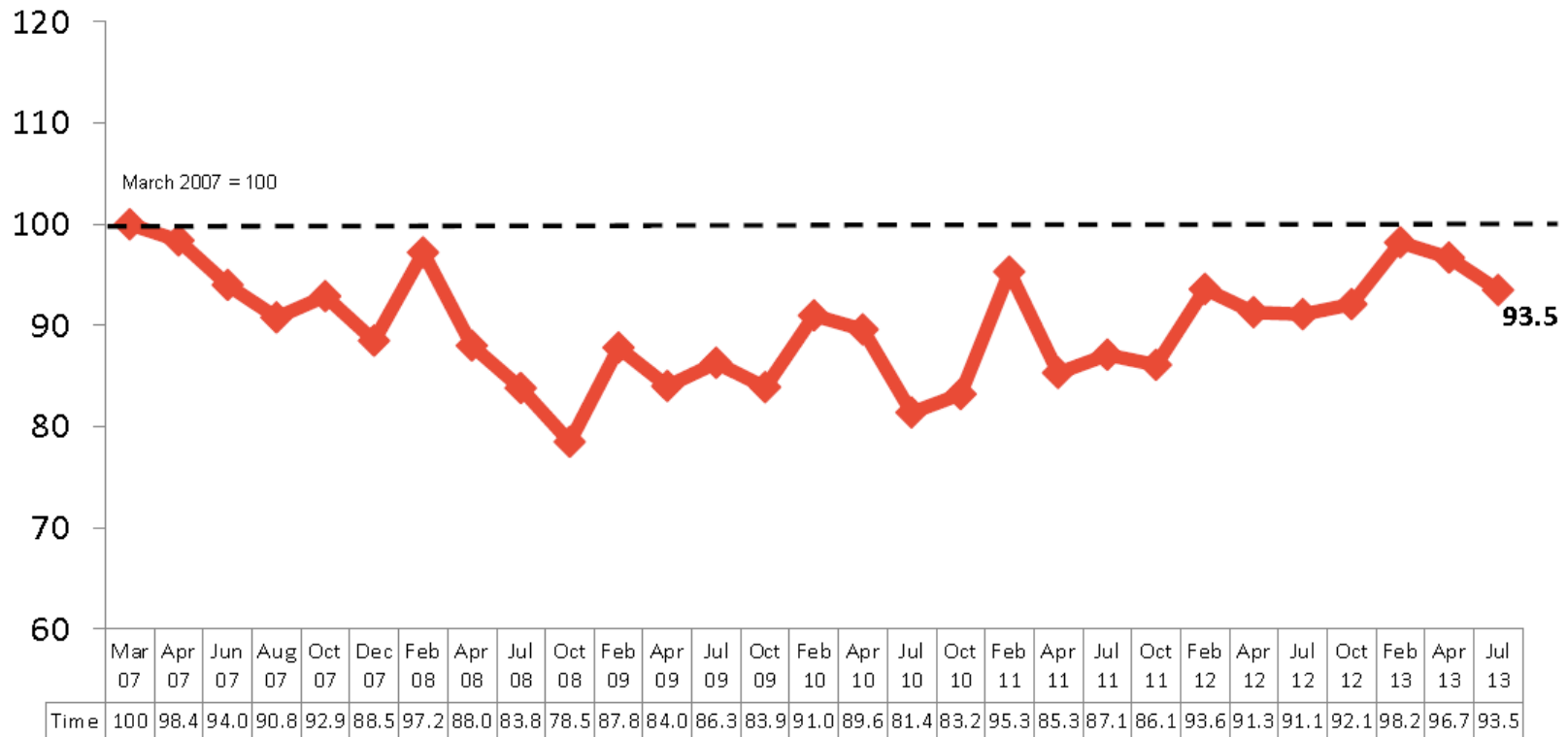


Q28. In terms of your overall interest in travel, would you say you are currently more interested or less interested in taking a pleasure or vacation trip this year than you were a year ago? Base: Total Respondents



TRAVELER SENTIMENT INDEX™

TIME FOR TRAVEL

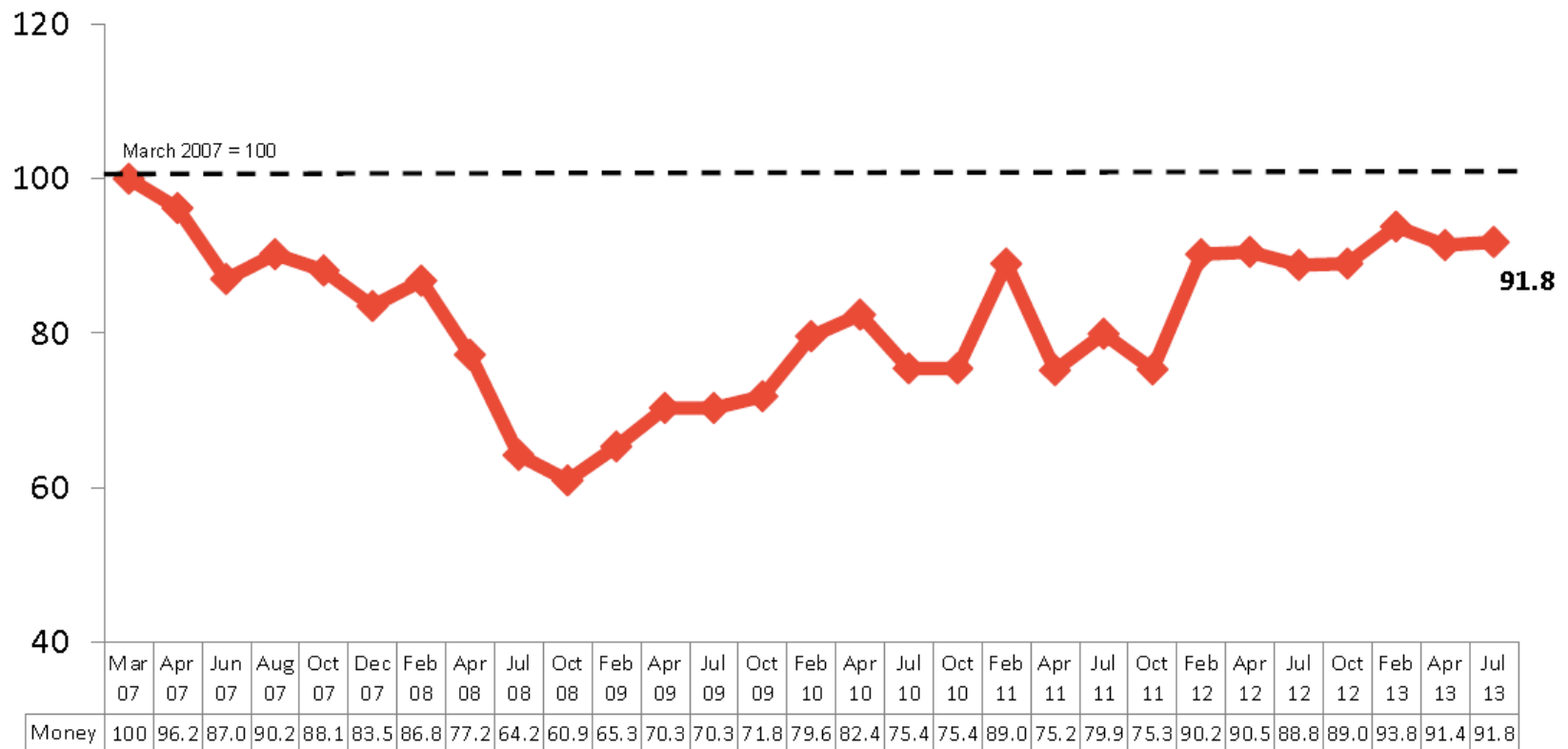


Q.29 Considering demands on your TIME this year, would you say you are MORE able or LESS able to take a vacation trip this year as you were a year ago? pleasure or Base: Total Respondents



TRAVELER SENTIMENT INDEX™

PERSONAL FINANCES AVAILABLE FOR TRAVEL

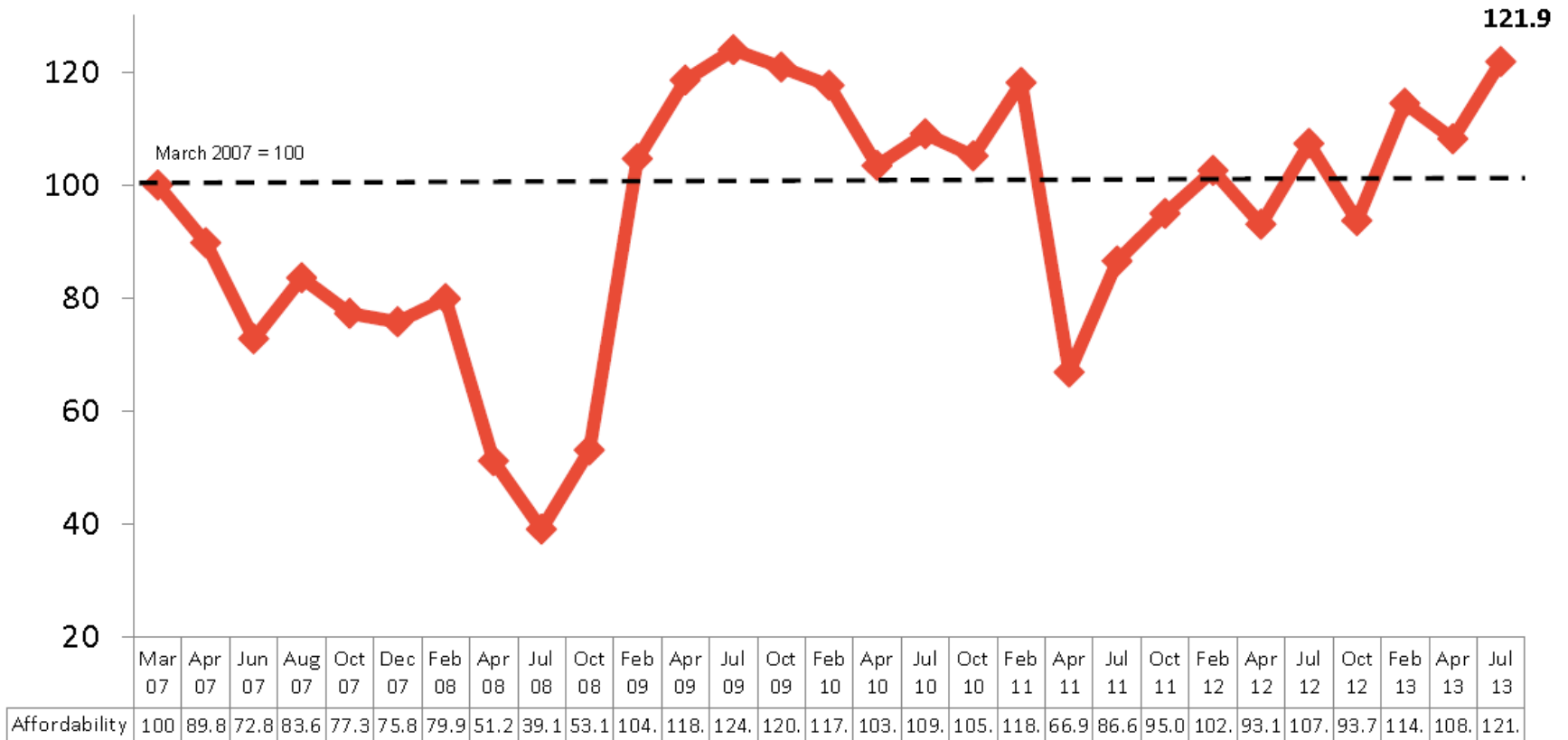


Q.30 Considering demands on your PERSONAL FINANCES this year, would you say you are MORE able or LESS able to take a pleasure or vacation trip this year as you were a year ago? Base: Total Respondents



TRAVELER SENTIMENT INDEX™

AFFORDABILITY OF TRAVEL

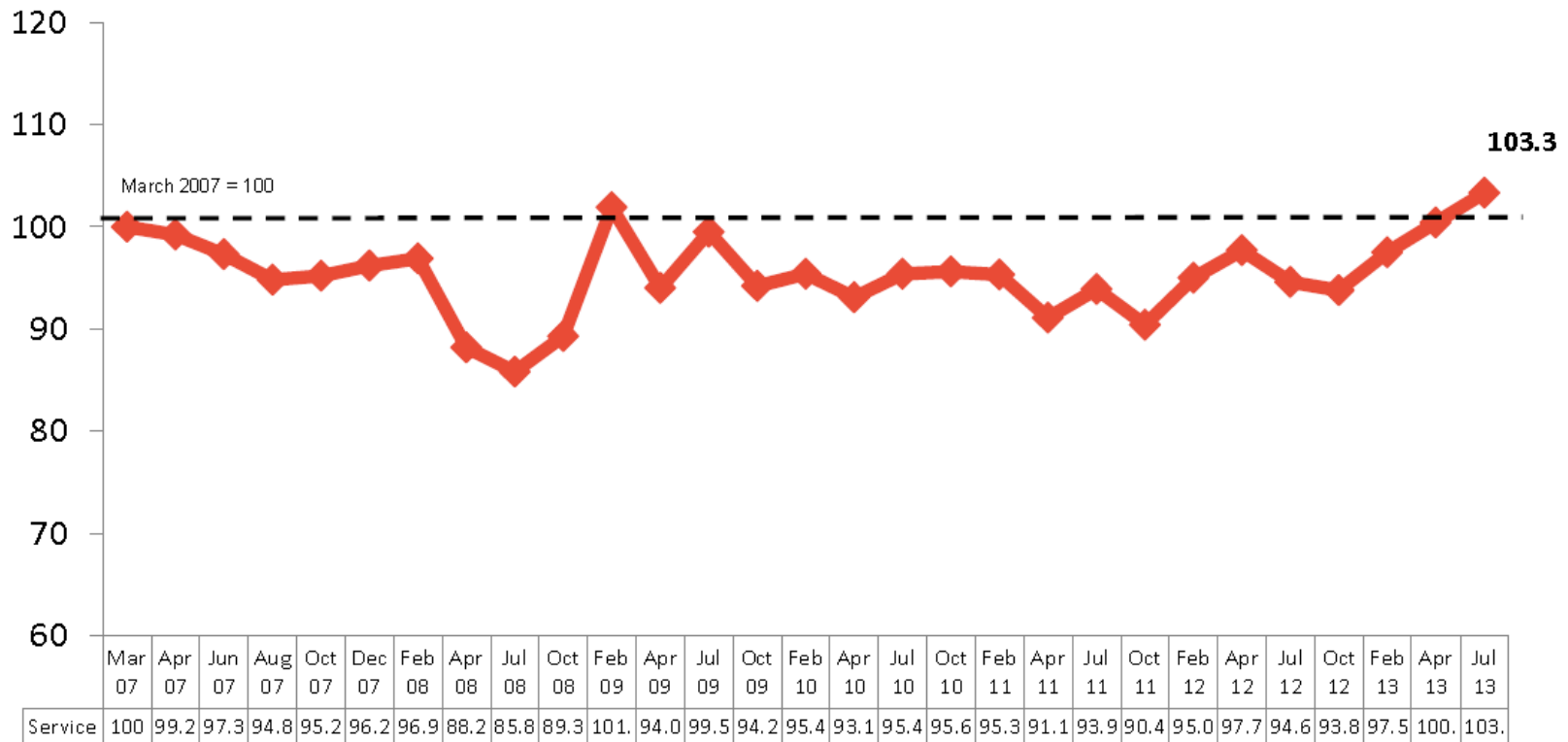


Q.31 In terms of what travelers like yourself have to SPEND now for transportation, lodging, food, and entertainment, would you say that traveling is MORE affordable or LESS affordable than it was a year ago? Base: Total Respondents



TRAVELER SENTIMENT INDEX™

QUALITY OF SERVICE

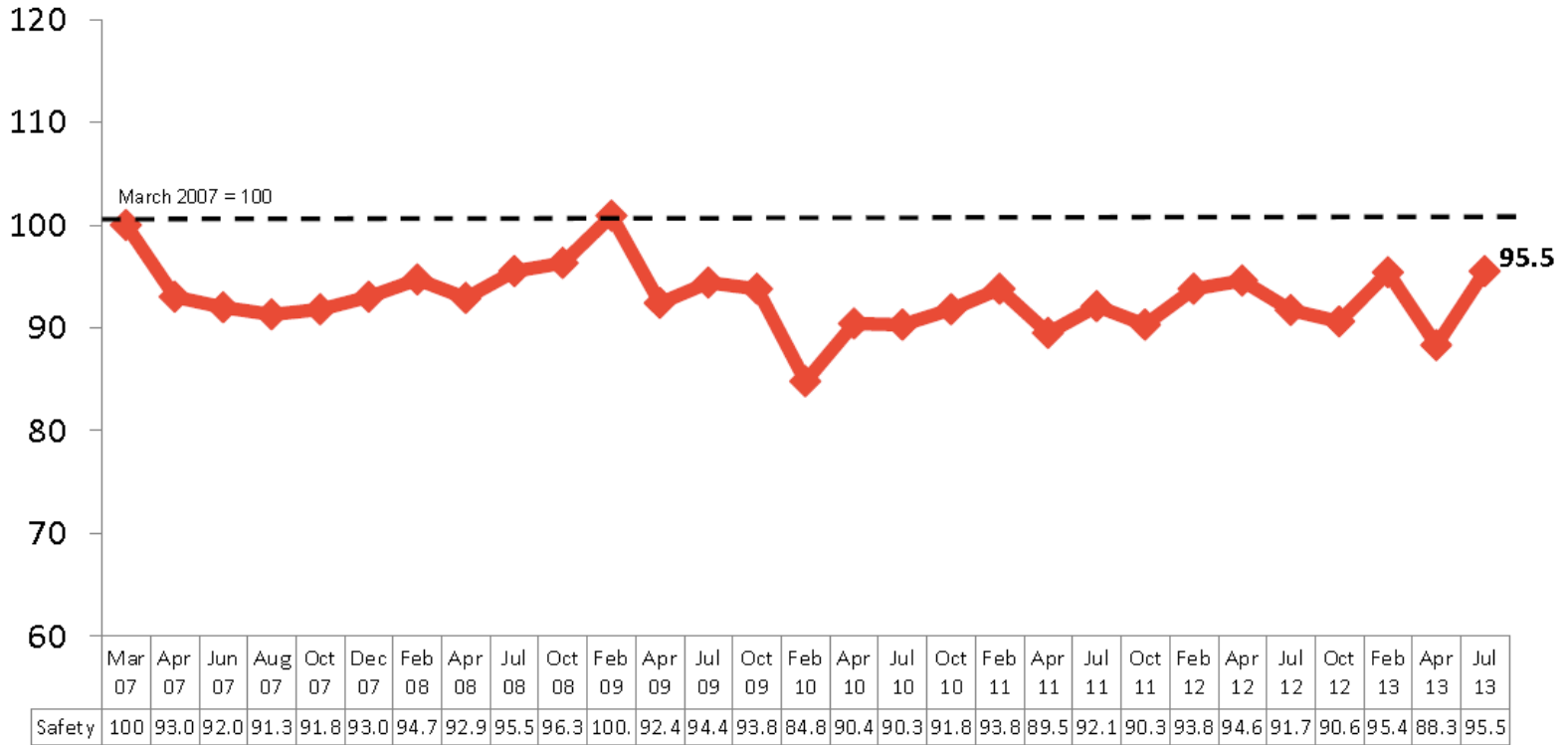


Q.32 In terms of quality of service, would you say the QUALITY OF SERVICE you currently receive while traveling is BETTER or WORSE than it was a year ago? Base: Total Respondents



TRAVELER SENTIMENT INDEX™

SAFETY OF TRAVEL IN THE U.S.

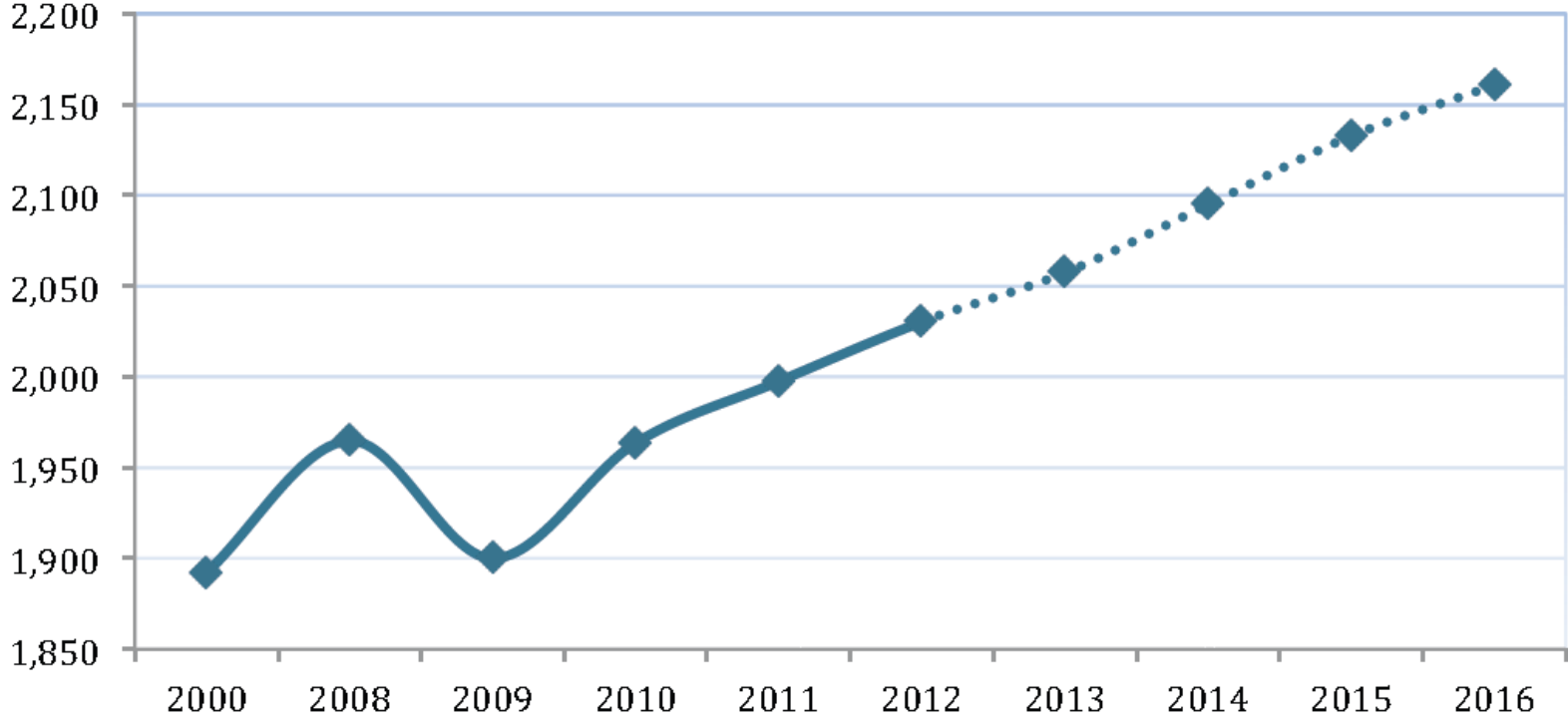


Q.33 In terms of the SAFETY of travel in the United States, would you say that travel safety is BETTER or WORSE than it was a year ago?
 Base: Total Respondents

Source: MMGY Global, *travelhorizons™*, April 2013

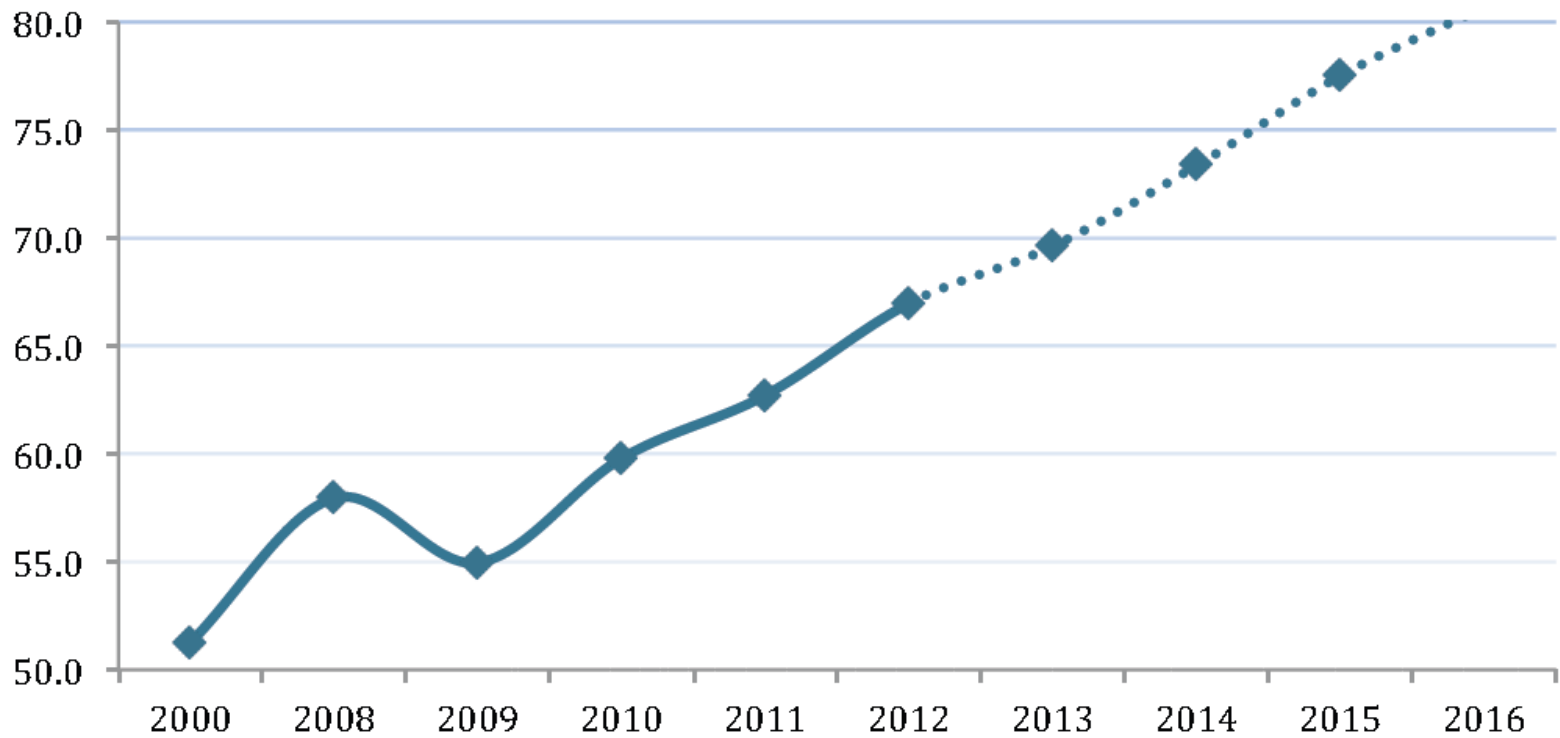


Total Domestic Person-Trips (Millions)



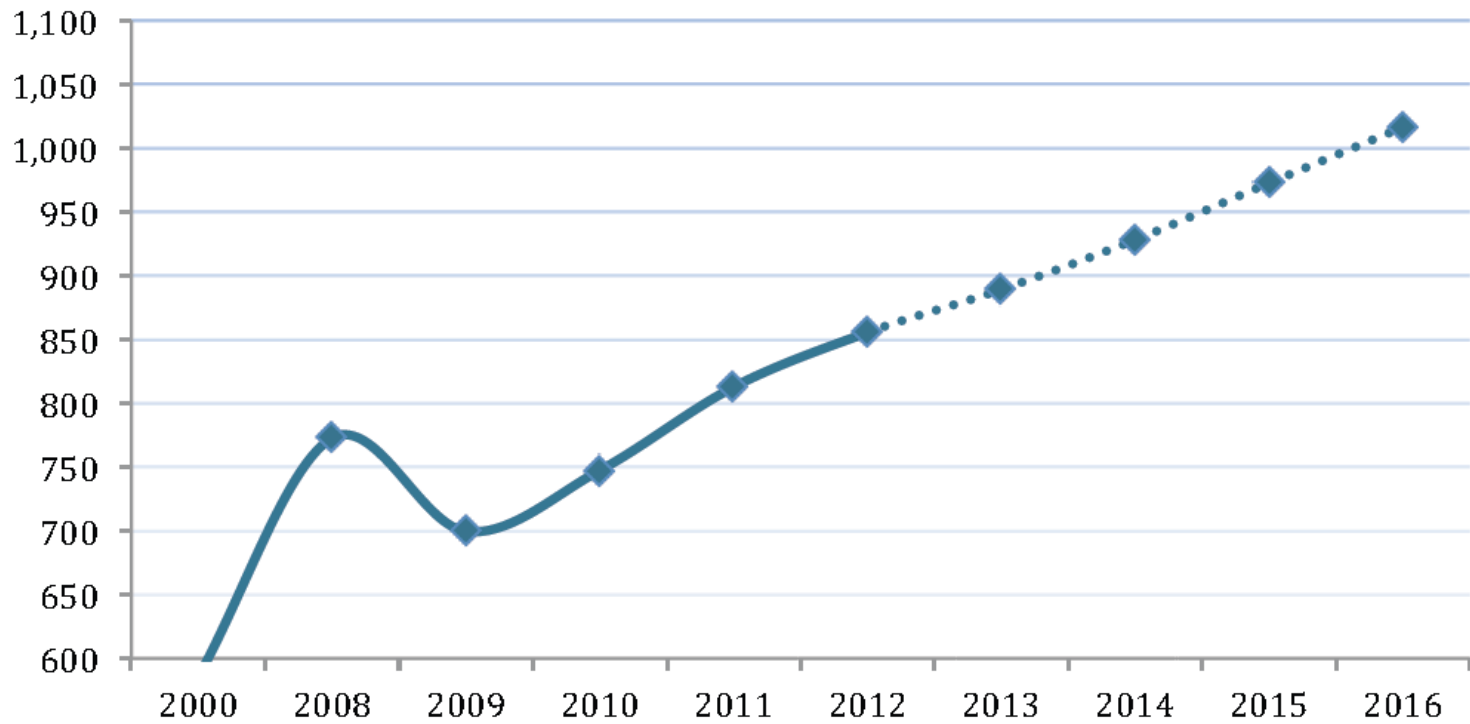
Source: U.S. Travel Association

Total International Visitors to the U.S. (Millions)ⁱ



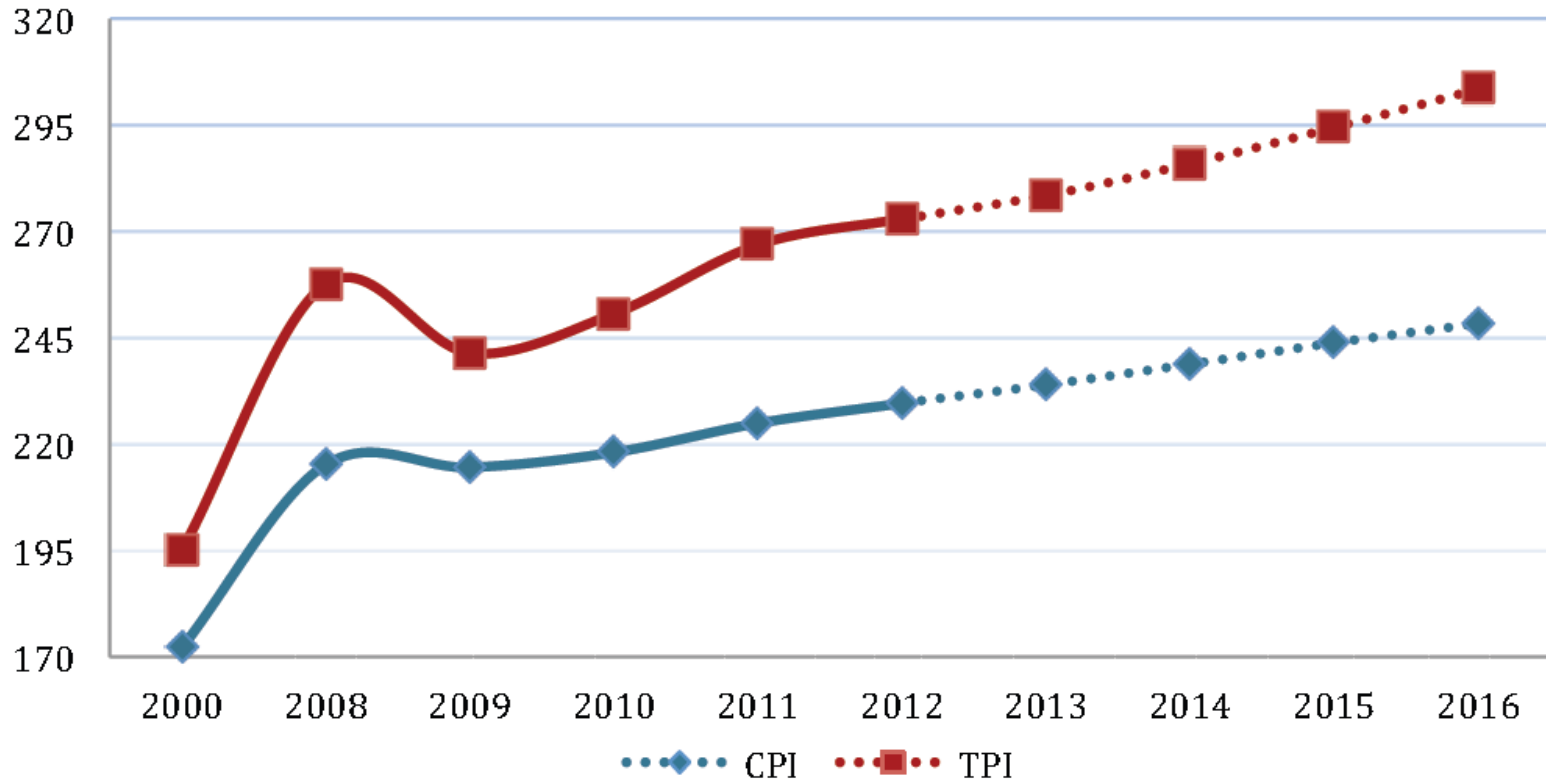
Source: U.S. Travel Association

Total Travel Expenditures in U.S. (\$ Billions)

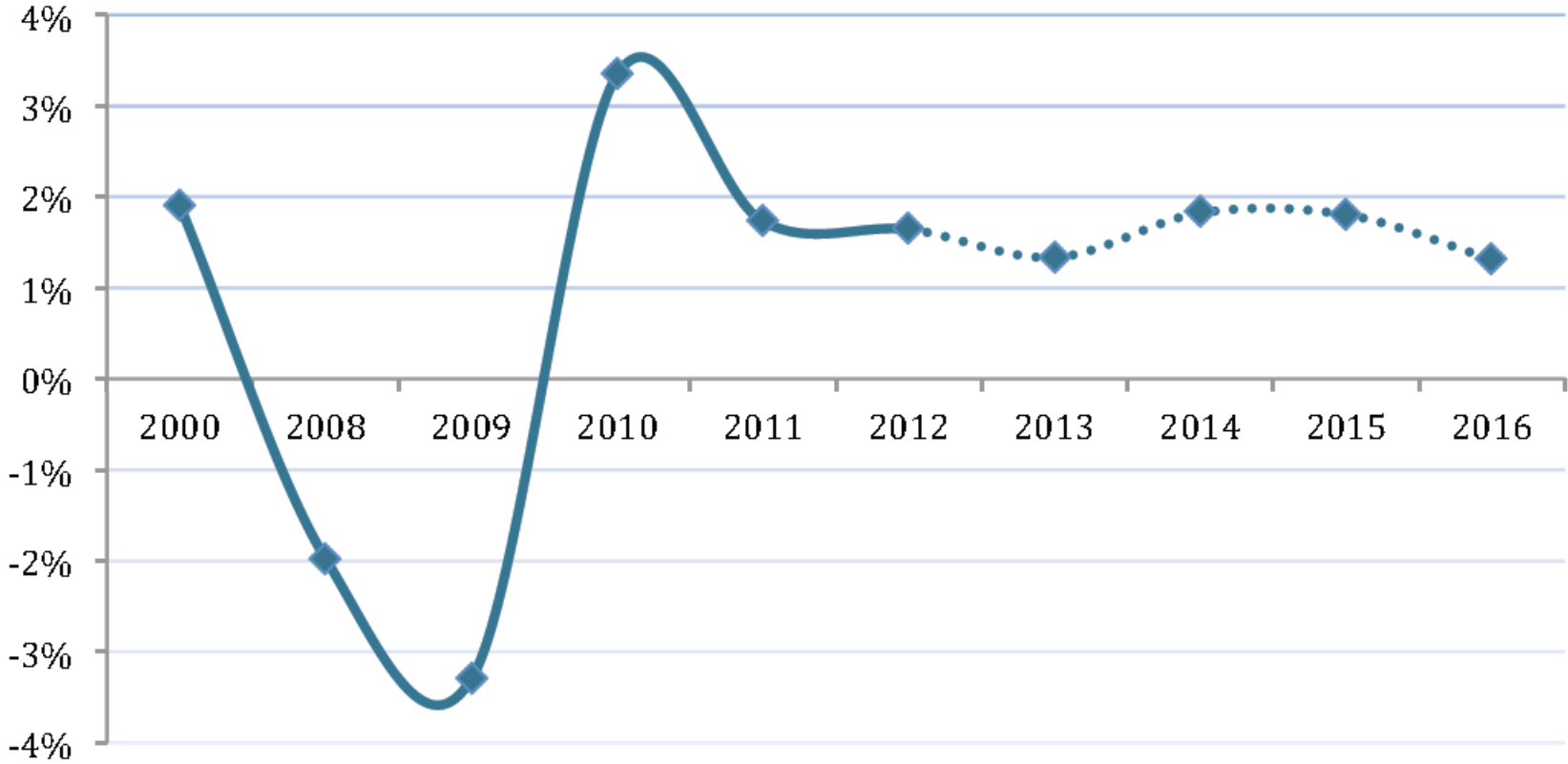


Source: U.S. Travel Association

Consumer & Travel Price Indices

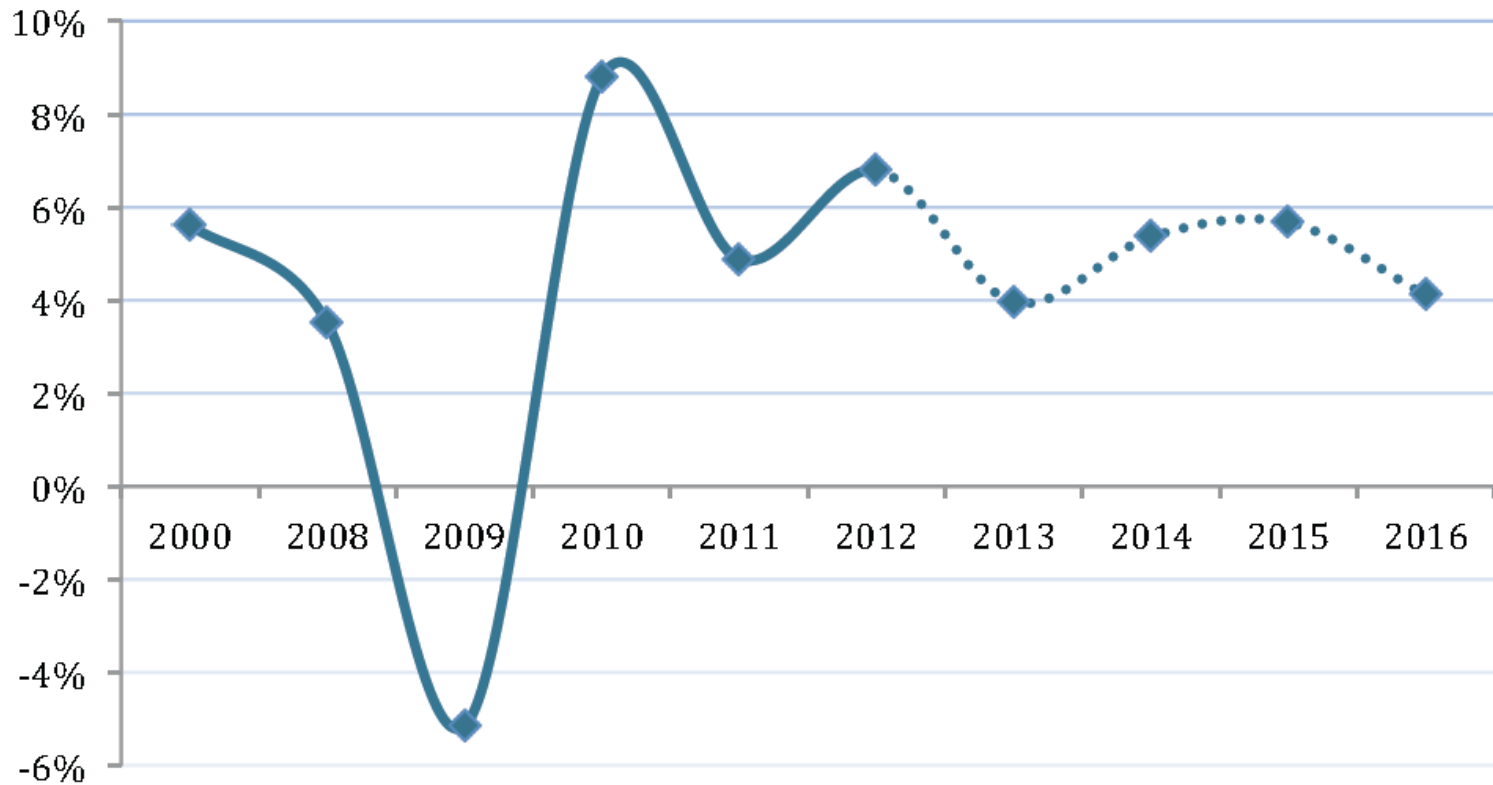


Total Domestic Person-Trips (Growth)



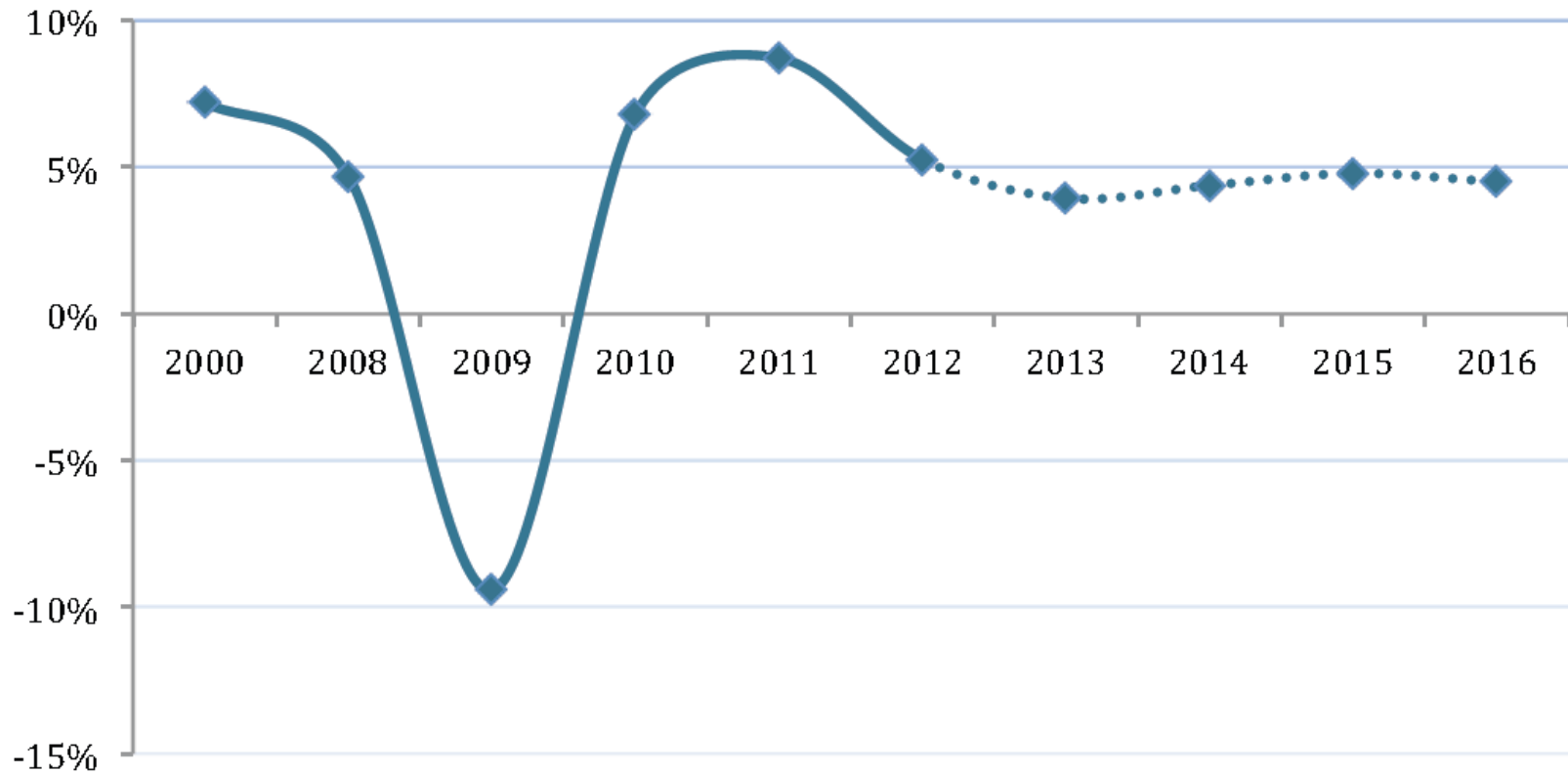
Source: U.S. Travel Association

Total International Visitors to the U.S. (Growth)ⁱ



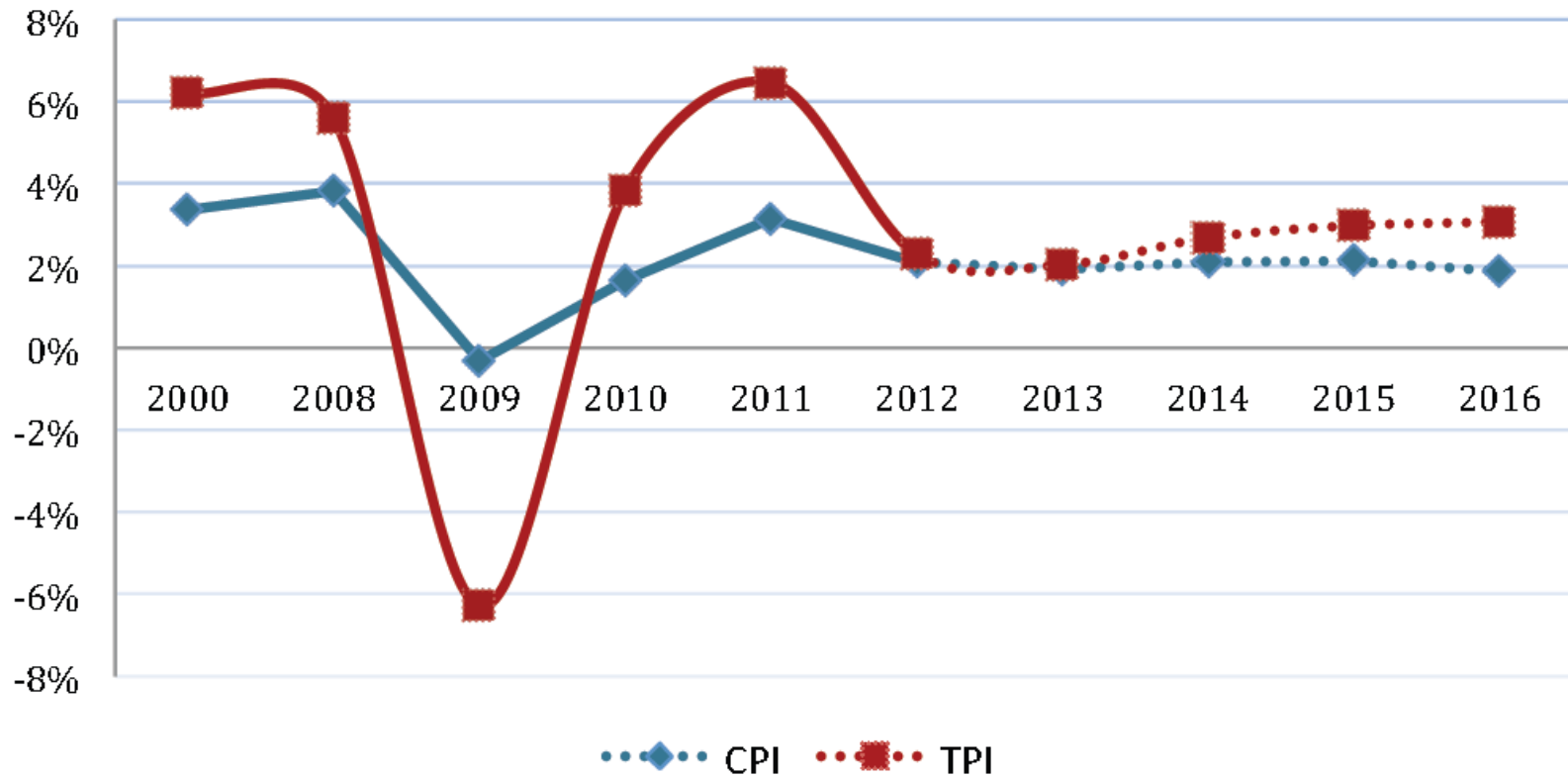
Source: U.S. Travel Association

Total Travel Expenditures in U.S. (Growth)



Source: U.S. Travel Association

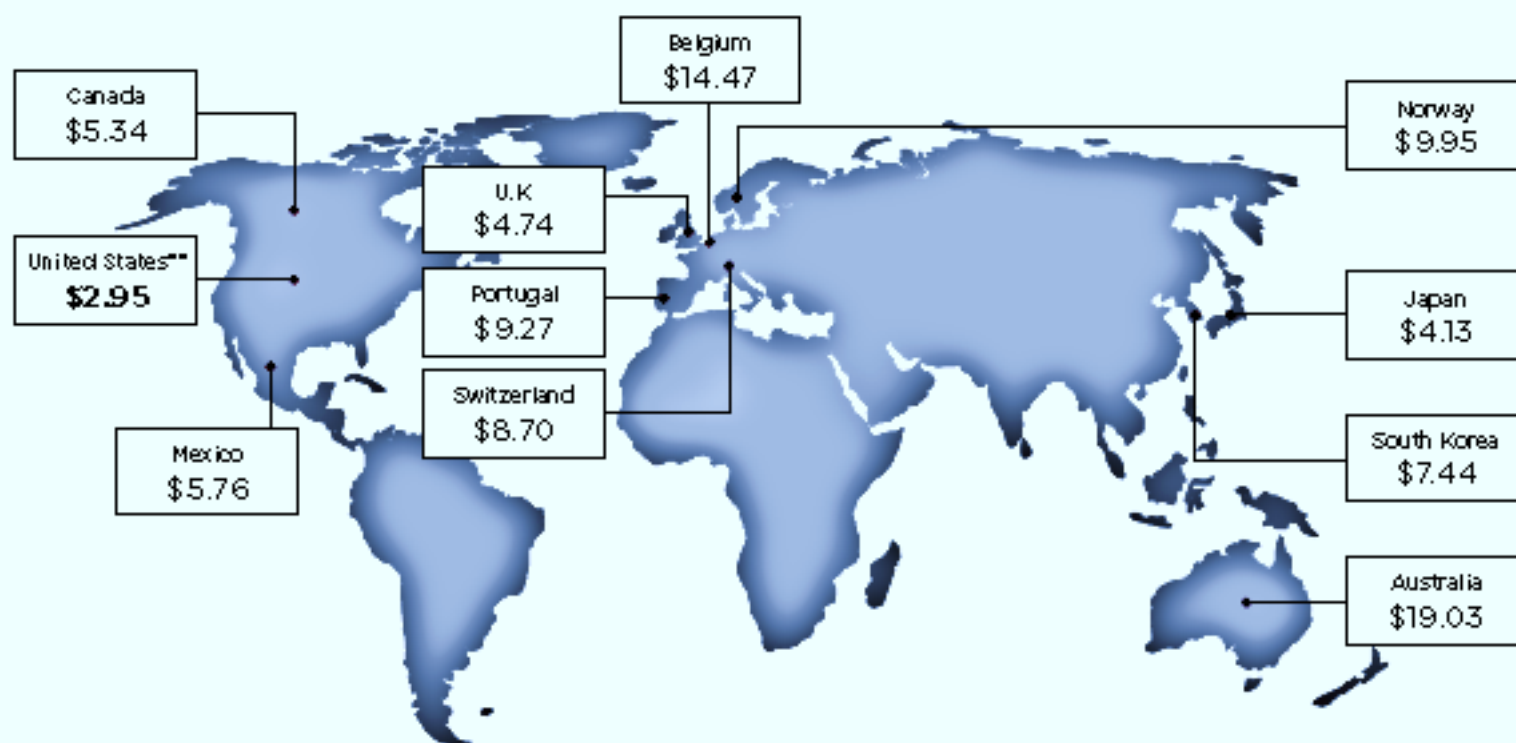
Consumer & Travel Price Indices (Growth)



U.S. Challenges

- Government shutdown
- Shorter meetings, fewer attendees
- Government meetings & Travel
- Customs process
- Transportation infrastructure
- Pandemics & Emergency Response
- Public Lands
- TSA Reform
- Travel Taxes
- No-Vacation Nation

U.S. Travel Promotion Investment Lags Behind Many Other Countries
(Spending Per Overnight Visitor*)



SOURCE: Oxford Economics and UN WTD, 2012; U.S. Travel Association, 2013
2012 is preliminary data. **Based on 2013 forecast.

Tourism Satellite Accounting

- The **Tourism Satellite Account** is the international (UN/WTO, OECD) standard for measuring the contribution of tourism to an economy
- Measuring the industry “tourism” is difficult:
 - Tourism industry is not measured in standard economic accounting systems.
 - Most industries are accounted via the *supply-side*: firms are categorized into NAICS codes and asked about jobs, revenues, costs.
 - But tourism is a *demand-side* activity: the focus is on what the traveler buys before and during a trip. As a result, tourism touches many industries
- 4Cs: Credibility, Comprehensiveness, Comparability, Consistency

Kansas Tourism in 2011: A Top Line View



- ✓ 32 million visitors generated tourism expenditures of \$8.0B in 2011
- ✓ In '11, visitation increased by 3.4% and visitor spending grew by 9.0%
- ✓ Avg. spend-per-visitor was \$236 in '11
- ✓ 1 of every 10 Kansas Citizens owes his/her job to tourism
- ✓ Avg. Annual Tourism Wages were nearly \$23,000 in '11
- ✓ Every 217 visitor/travelers creates a new job in KS

Kansas Tourism: The Impact on KS & the US



- ✓ Tourism is responsible for 4.4% of total KS Gross State Product
- ✓ Tourism is the 3rd largest industry in KS (based upon jobs)
- ✓ Tourism generated 14.4% of all state & local tax revenue in '11
- ✓ Tourism's tax contribution reached \$917 per KS Household
- ✓ In '11, KS's share of US total tourism jobs grew by 2.0% from '10
- ✓ In '11, KS's share of US direct tourism jobs grew by 5.3% from '10
- ✓ In '11, KS's share of US direct tourism output grew by 0.5% from '10

Industry Structure – 2011



Tourism Expenditures

\$8.03 billion

All Visitor Related Spending

Total Impact

\$5.83 billion

Import Leakage

\$2.20 billion

Economic Value to State

Tourism goods & services from outside of the state – e.g. clothing made in China

Core Tourism (Direct)

\$4.52 billion

Non-Core Tourism (Indirect & Investment)

\$1.31 billion

Industries directly providing goods & services to the visitor, such as restaurants

Industries directly providing goods & services to core tourism providers – e.g. food distribution



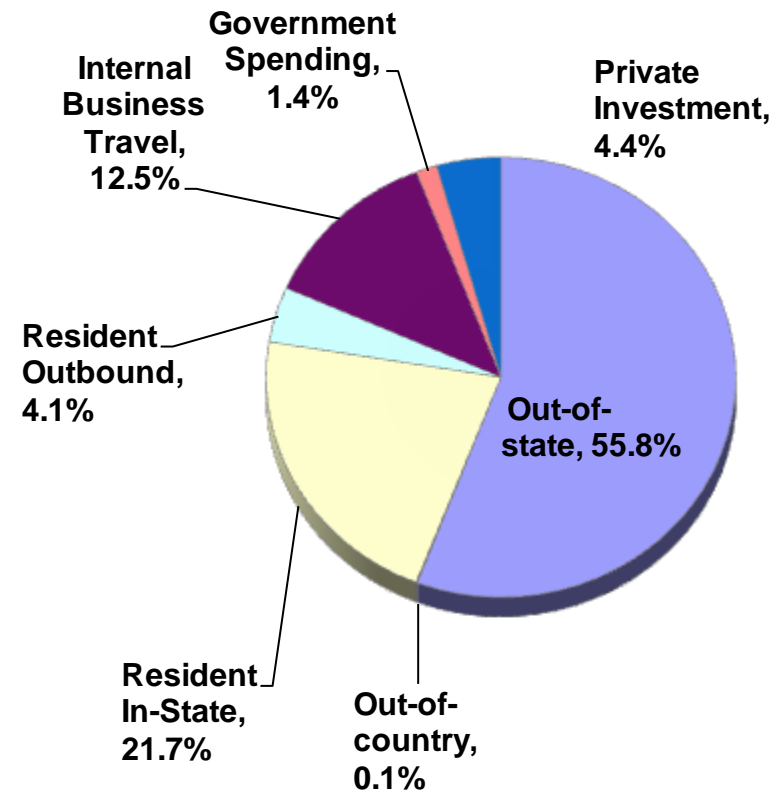


Breaking Down Tourism Expenditures – 2011

Visitors from other states represent the largest portion of tourism expenditures in KS

By Origin	Millions \$\$	Share
In State	3,543	44%
Other U.S.	4,482	56%
International	8	0%
Total	8,034	100%

By Source	Millions \$\$	Share
Visitor Spending	7,235	90%
Resident Outbound	327	4%
Government Spending	116	1%
Construction & Investment	355	4%
Total	8,034	100%

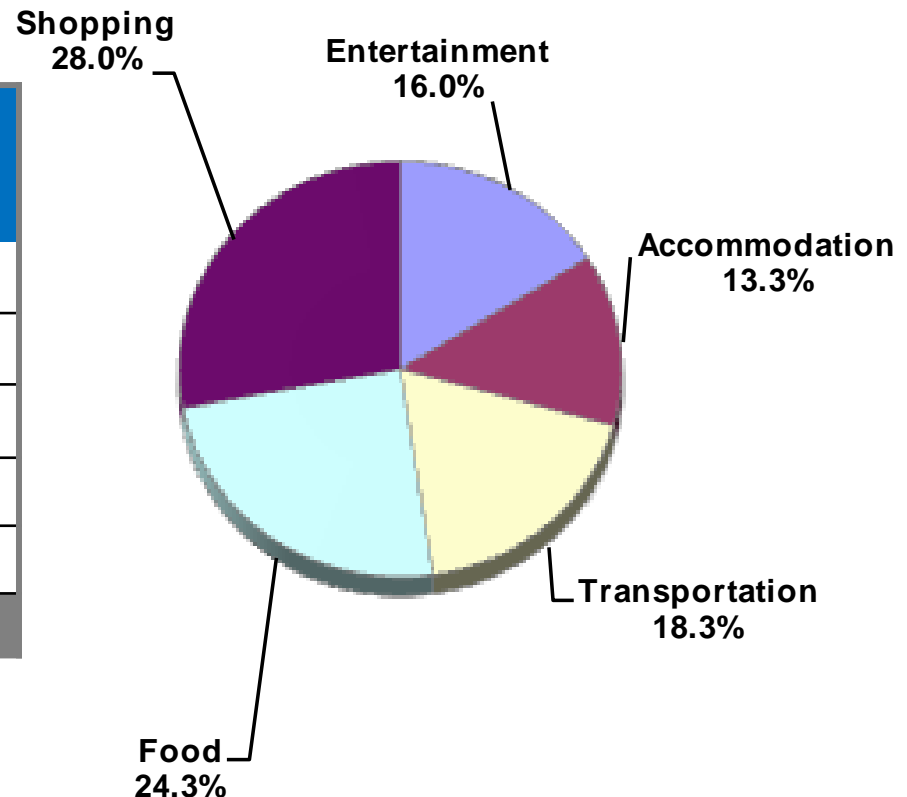




Category Distribution of Expenditures - 2011

Shopping accounts for the largest share of tourism expenditure.

	2011 (\$M)	'10-'11 Growth	Share
Entertainment	1,213	12.9%	16.0%
Accommodation	1,009	5.6%	13.3%
Transportation	1,381	6.3%	18.3%
Food	1,841	9.4%	24.3%
Shopping	2,120	9.9%	28.0%
Total *	7,564	9.0%	100%



* Total Visitor Expenditures (w/o construction, investment, & government spending)

Source: IHS Global Insight



Core Tourism – Gross State Product

Core Tourism contributed \$4.52 billion in economic value in 2011. Tourism ranked as the 11th largest private industry in the state.

Rank	Industry (NAICS Definitions)	Millions \$	% of State
1	Real Estate and Rental and Leasing	12,421	10.7%
2	Durables Manufacturing	11,006	9.5%
3	Health Care and Social Assistance	9,997	8.6%
4	Wholesale Trade	8,414	7.3%
5	Retail Trade	8,271	7.2%
6	Finance and Insurance	8,012	6.9%
7	Non-Durables Manufacturing	7,806	6.8%
8	Professional, Scientific, and Technical Services	6,836	5.9%
9	Information	5,886	5.1%
10	Transportation & Warehousing	4,554	3.9%
11	Construction	4,018	3.5%
12	Admin., Support and Waste Management	3,892	3.4%
13	Other Services	3,212	2.8%
14	Accommodation and Food Services	3,145	2.7%
15	Utilities	2,815	2.4%
	Other Industries	15,289	13.2%
	Total Private GSP	115,573	100.0%

Core Tourism provides 3.9% of KS GSP



Core Tourism	\$4,522	3.9%
Total Travel & Tourism	\$5,830	5.0%



Regional Summary: Visitor Spending By Category

Region Expenditure

Region	Entertainment (Millions)	Accommodation (Millions)	Transportation (Millions)	Food (Millions)	Shopping (Millions)	Total (Millions)	Growth (‘10-‘11)
North Central Kansas	55.7	116.5	173.1	226.0	262.1	833.4	8.5%
North East Kansas	831.4	390.3	533.3	723.9	841.7	3,320.7	9.2%
North West Kansas	22.9	67.6	84.7	114.1	130.1	419.4	8.7%
South Central Kansas	234.1	305.4	405.8	524.6	591.6	2,061.5	8.7%
South East Kansas	19.2	60.5	81.8	111.1	133.6	406.3	8.6%
South West Kansas	50.1	69.0	102.8	140.7	160.5	523.1	9.6%
Kansas Total	1,213.4	1,009.4	1,381.4	1,840.6	2,119.6	7,564.4	9.0%

* Visitor spending only, which excludes investment



Tourism Expenditure by County: South West Kansas

County Expenditure					
Counties	Tourism Expenditure * (Millions)	Tourism Share of Total County Expenditure	County Share of Total State Tourism	Growth (’10 –’11)	
Barber	16.9	2.7%	0.2%	9.0%	
Barton	38.6	1.5%	0.5%	8.0%	
Clark	0.7	0.4%	0.0%	21.0%	
Comanche	1.9	1.3%	0.0%	5.5%	
Edwards	3.7	1.2%	0.0%	11.8%	
Finney	124.8	2.3%	1.6%	8.9%	
Ford	104.7	2.0%	1.4%	12.2%	
Grant	2.2	0.2%	0.0%	16.5%	
Gray	0.6	0.1%	0.0%	18.5%	
Greeley	4.7	2.9%	0.1%	6.6%	
Hamilton	6.5	2.4%	0.1%	5.4%	
Haskell	3.4	0.8%	0.0%	13.7%	
Hodgeman	1.0	0.6%	0.0%	12.4%	
Kearny	4.0	1.0%	0.1%	5.9%	

* Visitor spending only, which excludes investment



Tourism Expenditure by County: South West Kansas cont..

County Expenditure					
Counties	Tourism Expenditure * (Millions)	Tourism Share of Total County Expenditure	County Share of Total State Tourism	Growth (’10 –’11)	
Kiowa	31.8	9.5%	0.4%	6.3%	
Lane	2.7	1.3%	0.0%	8.2%	
Meade	4.3	1.0%	0.1%	14.3%	
Morton	9.5	2.2%	0.1%	13.1%	
Ness	16.6	4.2%	0.2%	6.2%	
Pawnee	13.8	1.6%	0.2%	17.2%	
Pratt	21.7	2.2%	0.3%	6.6%	
Rush	7.4	2.1%	0.1%	6.6%	
Scott	9.5	1.9%	0.1%	10.2%	
Seward	67.6	2.2%	0.9%	9.7%	
Stafford	9.7	2.8%	0.1%	10.3%	
Stanton	6.6	3.2%	0.1%	14.3%	
Stevens	5.3	1.1%	0.1%	9.4%	
Wichita	2.5	0.8%	0.0%	10.4%	

* Visitor spending only, which excludes investment



Tourism Expenditure Categories by County: South West Kansas

County Expenditure						
Counties	Entertainment (Millions)	Accommodation (Millions)	Transportation (Millions)	Food (Millions)	Shopping (Millions)	Total (Millions)
Barber	0.67	2.53	3.48	4.94	5.27	16.90
Barton	5.57	5.48	7.35	9.41	10.81	38.62
Clark	0.41	0.05	0.07	0.10	0.12	0.75
Comanche	0.32	0.23	0.35	0.44	0.57	1.91
Edwards	2.43	0.19	0.27	0.38	0.48	3.74
Finney	7.14	15.10	24.36	37.62	40.60	124.81
Ford	19.33	11.10	16.43	27.27	30.56	104.69
Grant	0.54	0.23	0.43	0.47	0.57	2.25
Gray	0.36	0.04	0.05	0.08	0.10	0.63
Greeley	0.39	0.63	0.93	1.36	1.43	4.73
Hamilton	0.27	1.17	1.57	1.62	1.93	6.55
Haskell	0.72	0.59	0.71	0.70	0.70	3.42
Hodgeman	0.32	0.11	0.15	0.21	0.25	1.04
Kearny	0.00	0.58	0.79	1.18	1.50	4.05
Kansas Total	1,213.39	1,009.39	1,381.41	1,840.58	2,119.64	7,564.42

* Visitor spending only, which excludes investment



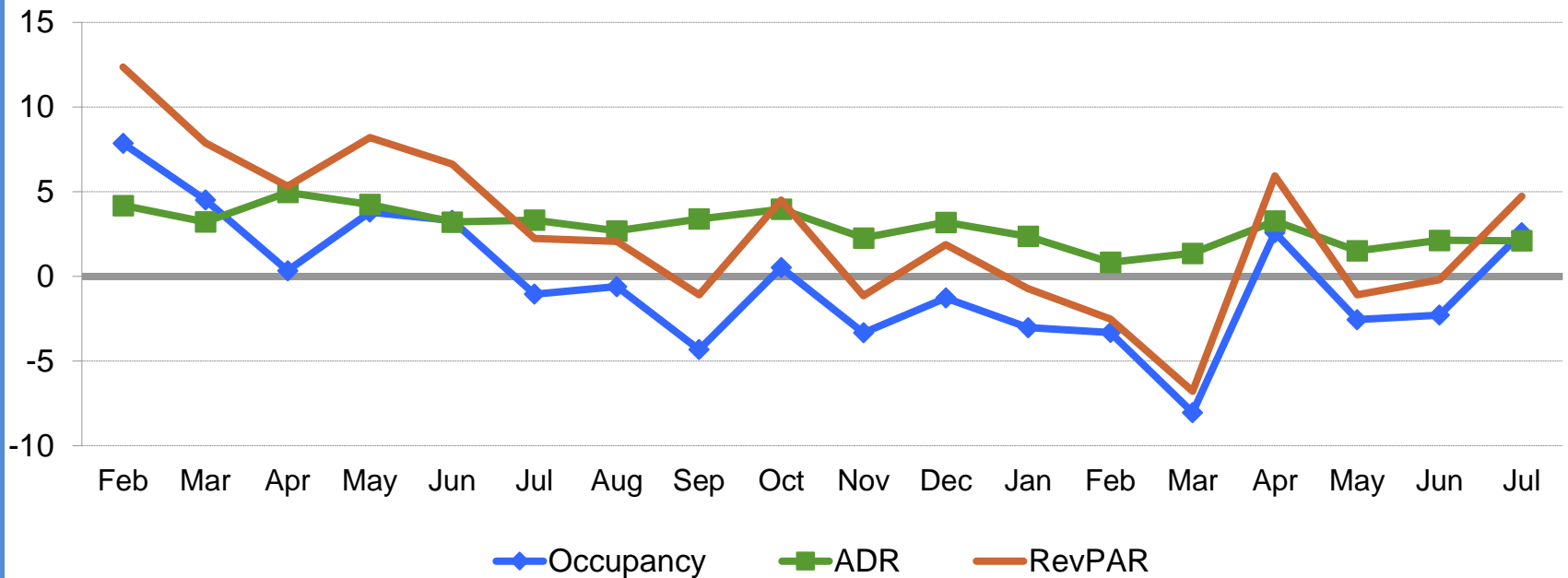
Tourism Expenditure Categories by County: South West Kansas continued...

County Expenditure						
Counties	Entertainment (Millions)	Accommodation (Millions)	Transportation (Millions)	Food (Millions)	Shopping (Millions)	Total (Millions)
Kiowa	0.68	3.37	8.84	8.71	10.25	31.85
Lane	1.23	0.21	0.31	0.41	0.52	2.68
Meade	0.37	0.59	0.84	1.14	1.35	4.29
Morton	0.37	1.11	1.71	3.00	3.29	9.48
Ness	0.28	2.35	3.48	4.52	5.94	16.56
Pawnee	1.33	2.22	2.86	3.36	3.98	13.75
Pratt	0.48	3.37	4.61	5.95	7.33	21.75
Rush	0.40	1.16	1.72	1.84	2.29	7.42
Scott	2.61	1.24	1.47	1.84	2.36	9.52
Seward	1.90	11.82	15.34	17.98	20.55	67.59
Stafford	0.86	1.57	1.94	2.51	2.83	9.71
Stanton	0.00	0.94	1.36	1.86	2.43	6.59
Stevens	0.72	0.76	0.93	1.27	1.64	5.31
Wichita	0.40	0.30	0.45	0.55	0.84	2.55
Kansas Total	1,213.39	1,009.39	1,381.41	1,840.58	2,119.64	7,564.42

* Visitor spending only, which excludes investment

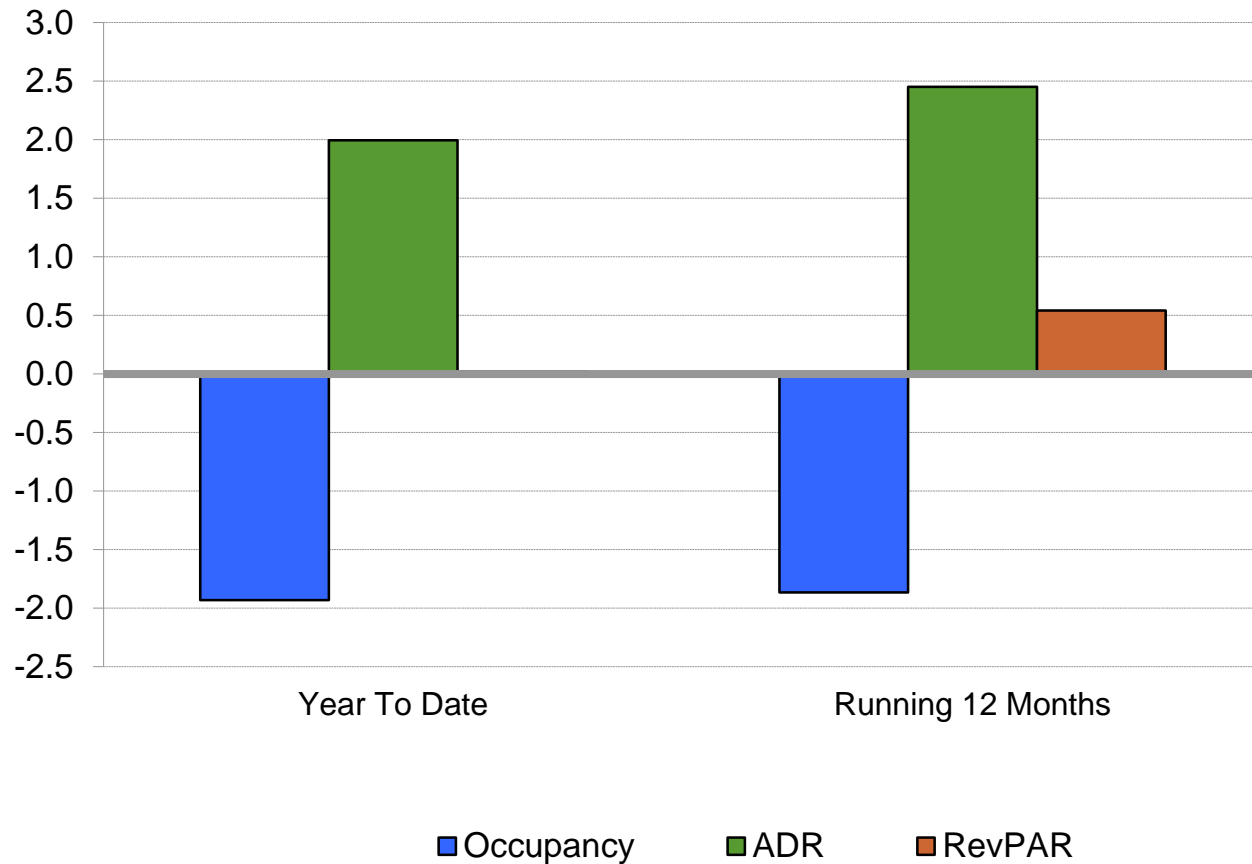
Kansas Lodging Trends

Monthly Percent Change



Kansas Lodging Trends

Overall Percent Change



Kansas Lodging Trends

Occupancy (%)	
This Year	
Last Year	
Percent Change	

Year To Date		
2011	2012	2013
55.0	56.9	55.8
53.8	55.0	56.9
2.3	3.3	-1.9

ADR	
This Year	
Last Year	
Percent Change	

Year To Date		
2011	2012	2013
71.33	74.12	75.60
69.78	71.33	74.12
2.2	3.9	2.0

RevPAR	
This Year	
Last Year	
Percent Change	

Year To Date		
2011	2012	2013
39.24	42.14	42.15
37.52	39.24	42.14
4.6	7.4	0.0

Kansas Lodging Trends

Supply	
This Year	
Last Year	
Percent Change	

Year To Date		
2011	2012	2013
8,862,222	9,045,355	9,192,325
8,763,137	8,862,222	9,045,355
1.1	2.1	1.6

Demand	
This Year	
Last Year	
Percent Change	

Year To Date		
2011	2012	2013
4,876,091	5,142,409	5,124,997
4,712,095	4,876,091	5,142,409
3.5	5.5	-0.3

Revenue	
This Year	
Last Year	
Percent Change	

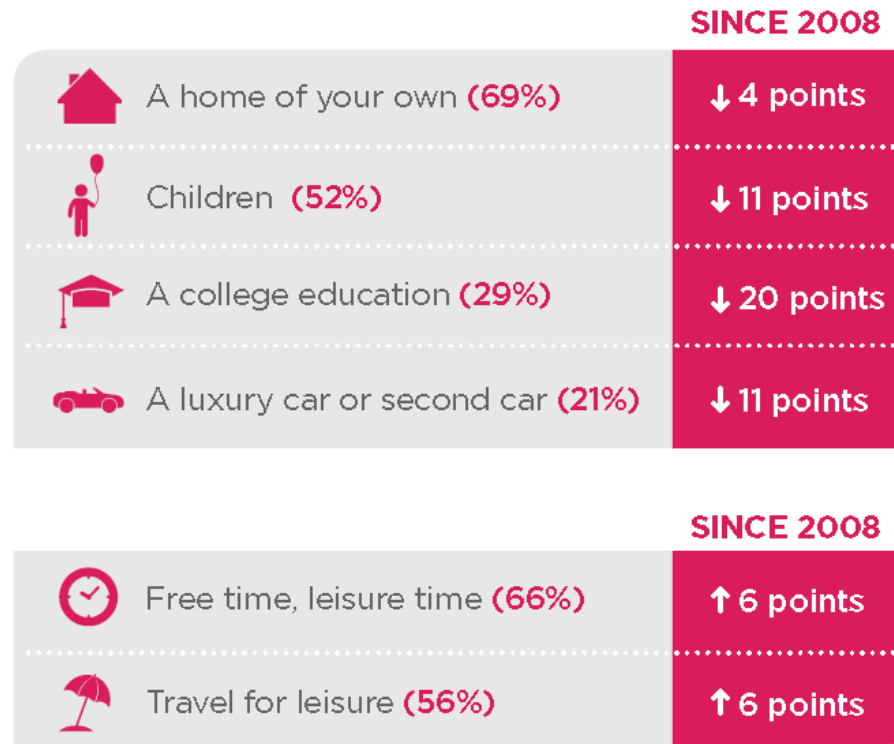
Year To Date		
2011	2012	2013
347,791,717	381,175,084	387,458,742
328,787,808	347,791,717	381,175,084
5.8	9.6	1.6

TRAVEL PROMOTION'S VIRTUOUS CYCLE



TRAVEL = “THE GOOD LIFE”

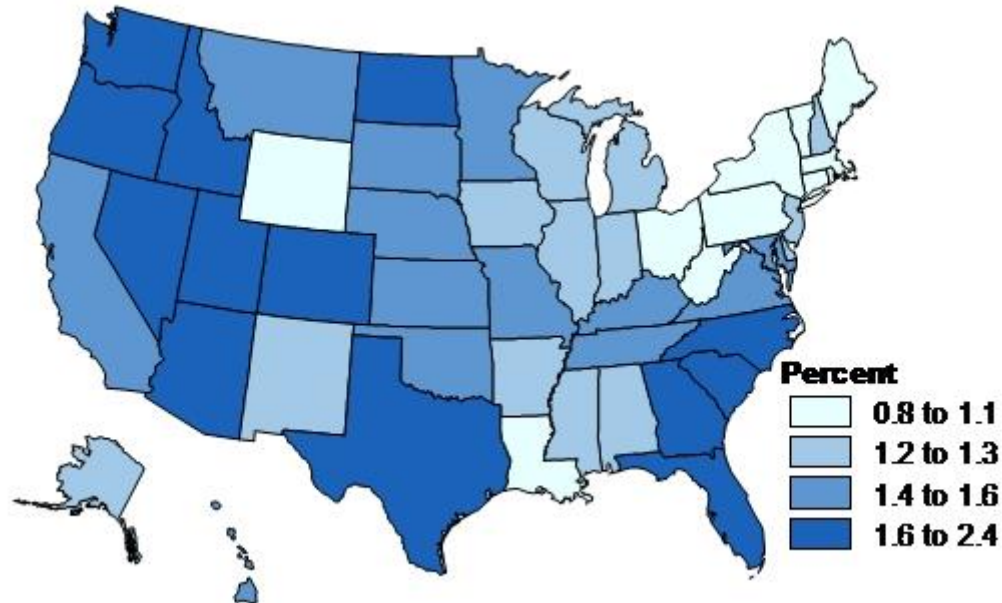
Since the recession, Americans view of “The Good Life” has changed...



Looking Forward, Employment Growth in the Region Is Expected to Be Strong



Employment Growth 2012-2018 Annual Rate



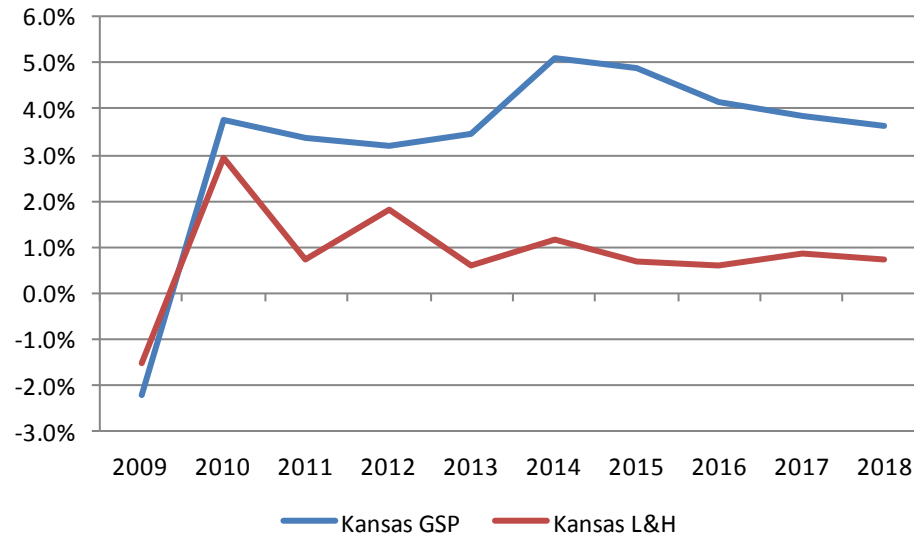
Source: IHS Global Insight

- Employment in Kansas and the surrounding states are expected to show above average annual growth over the next five years.
- Employment in Leisure and Hospitality in Kansas had been trending down over a three-year period, but grew in 2012 and is forecasted to continue growing in 2013.

Looking Forward, the Leisure and Hospitality Industry is an **Actionable Opportunity** for Increased GSP Growth in Kansas



Annual Economic Growth in Kansas



Source: IHS Global Insight; based on nominal dollars

- Left alone, the Leisure and Hospitality industry within Kansas should see slow but steady growth going forward.
- However, strong economic growth within Kansas could potentially underpin a renewed focus on in-state tourism while continuing to draw visitor from outside the borders.

Opportunities

- Lodging
- Shorter / closer trips
- Authenticity
- Convention/meeting facilities
- Sporting venues/support
- Explore / Experience
- QOL connection
- Technology
- Power of Travel



Tourism Division
Kansas
TravelKS.com