
Why Tourism?

*Travel is one of the world's greatest freedoms.
Tourism is a vital force for peace, learning and understanding.*

Tourism is the single most important industry in bringing the world together via conferences, events, festivals, cultural experiences and reunions. Beyond the psychological benefits of tourism on our world, our international economy depends on the health of the tourism industry. In the United States, for the first time in decades, leaders across our nation are recognizing the value of tourism on local, regional and national economies, business, education, science and commerce, and, the positive merging of customs and cultures.

In early February 2003, despite a tightening economy, the US Congress approved funding for a \$50 million marketing and ad campaign, to be designed by the US Commerce Department, to encourage travel to the U.S. This signals our country's recognition of the critical need for the tourism industry to remain strong and the importance to encourage people to travel.

Our hope is for an atmosphere within which the citizens of the 214 nations of the world continue to feel comfortable traveling. For, tourism creates opportunities for the freedom of assembly, sharing and celebration of cultural differences, continued exchange of educational and scientific discoveries. And, it is key to a vibrant economic climate.

For all these reasons, the Greater Madison Convention & Visitors Bureau works diligently to build tourism for this dynamic destination.

2003 GMCVB BUSINESS & MARKETING PLAN

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1.0 ABOUT THE GMCVB

The Greater Madison Convention & Visitors Bureau (GMCVB) is the greater Madison/Dane County's official DMO (Destination Management Organization). Serving in this role, the GMCVB is responsible for marketing and maintaining the destination's image and resources for business and leisure travelers.

As a 501c6 organization, the GMCVB is an independent organization governed by a 23-person board of directors. The GMCVB staff is comprised of 18 full-time positions and a fluctuating number of LTEs, who serve in various capacities to our serve customers' needs.

Over 640 area businesses support the GMCVB's efforts by investing in our activities. These members are the basis for the strong public-private partnership the GMCVB has successfully cultivated. By creating opportunities for the private sector, the GMCVB is able to stretch the public dollars invested by the cities of Madison, Middleton, Fitchburg and Dane County. In addition, Monona Terrace, the Alliant Energy Center and various partner organizations also contribute to GMCVB marketing and destination management activities.

The GMCVB will operate with a \$1.9 million budget in 2003. Approximately 75% of the GMCVB's funding comes from public sources with the remaining 25% generated by private sources. The cities of Madison, Middleton and Fitchburg contribute moneys from their respective room tax receipts, while Dane County contributes from their general fund.

1.1 HISTORICAL REVIEW & LOOK AHEAD

The GMCVB has focused on building convention, tradeshow and event business for the destination since the mid-1990s. With the assistance and support of many partners, including city and county government, Monona Terrace, Alliant Energy Center, hotels, restaurants, attractions, the WI Dept of Tourism and others, we have achieved great success. GMCVB destination event bookings have totaled 1029 in number (averaging 129 bookings per year) since 1995 and have or will contribute in excess of \$173 million in direct visitor spending impact. Hotel average daily rates, occupancy levels and number of conventions and events have grown steadily or maintained over the past 7 years (with the brief exception surrounding the period of September 11, 2001).

Strategic planning and target marketing has kept the GMCVB in focus. In 2000, we identified both organizational and destination visions. These visions have provided us with the foundation upon which we build our annual work plans. And, they have been the key to our achieving success in sales, service and marketing.

Economic and world events created a new travel environment beginning in 2001. Our market has been more resilient than many other destinations. Although business remained relatively flat in 2001, the destination rebounded strongly in 2002.

The GMCVB has played a large role in growing our destination's visitor and group event numbers. Now, as we approach a more challenging time both economically and from expanded competition; and, recognizing that the novelty of new facilities has worn off, the GMCVB needs to step up to a new level of industry leadership in helping broaden our destination's image as a convention and event destination as well as becoming a larger force in the regional, leisure travel scene.

To this end, utilizing existing assets and after careful consultation with civic leaders and prospective, qualified customers, the GMCVB completed a brand development process in 2002. The brand message we have solidified will become the basis for all marketing campaigns and provide a springboard for destination promotional efforts.

In addition, resource development and product management will be key to growing market share and competing in an expanding marketplace. To achieve these goals, the GMCVB is working diligently to secure new resources via a new resource development plan. As part of this plan, we are working to solidify our political partnerships and resources provided by our public sector partners. We plan to do this by working closely with elected leaders – and other civic partners - on mutually important initiatives and programs.

Although we realize the travel industry likely has large challenges ahead, we remain ever optimistic as we promote one of the freshest, most beautiful and vibrant destinations in our nation.

1.2 GMCVB MISSION & VISIONS

MISSION

The mission of the Greater Madison Convention & Visitors Bureau, Inc. is to lead and direct the destination's tourism industry in strategic and dynamic activities. Accomplishing this mission will result in increased, optimum levels of visitor traffic and maximum generation of visitor dollars for Madison and Dane County.

DESTINATION VISIONS

- ✓ Well-established reputation as premier visitor and convention destination
- ✓ Area tourism industry contributes positively to area economy and environment
- ✓ Top-quality destination tourism product in place
- ✓ An Ample and available workforce, which is comprised of motivated, well-trained and customer-focused individuals
- ✓ Enthusiastic public and private sector support and investment in tourism industry and its activities
- ✓ Area's tourism industry is cohesive and works collaboratively on all efforts and issues

ORGANIZATION VISIONS

- ✓ Strategic and effective sales, marketing and service plans in place at all times
- ✓ Provide world-class destination information and services
- ✓ Recognized as area's destination marketing and management leader
- ✓ Generous, uncontested funding available for destination marketing and development activities
- ✓ Leadership and management are visionary, dynamic and effective
- ✓ Highly motivating and productive work environment for team
- ✓ Professional staff comprised of highly motivated and productive individuals

Note: The next set of visions to be developed, are for our industry. These may include recognizing the importance of responsible protection of our environment, protecting our workforce and becoming actively involved in our community(ies). These visions will be pursued with the Greater Madison Hospitality Council and industry partner groups.

1.3 STRATEGIC ORGANIZATIONAL GOALS

In 2000, the GMCVB embarked on an in-depth strategic planning process. Following are the long-range organizational goals established in this process.

DESTINATION MARKETING & MANAGEMENT

All organizational initiatives are designed to support increased destination visitor traffic and spending

- ✓ Goal: Recognizable destination “brand” image and message(s) are developed and expanded
- ✓ Goal: All destination sales & marketing programs are designed for maximum ROI
- ✓ Goal: Top quality destination product development plan is designed

(Note: “Product” includes: attractions, workforce needs/training, facilities, services, transportation, etc.)

FINANCIAL DEVELOPMENT

Plans established which will result in securing of required resources to achieve destination and GMCVB visions

- ✓ Goal: Long-range capital and development plans are adopted and supported by industry and stakeholders
- ✓ Goal: Capital plan implementation begins with goal of securing resources required to achieve goals and meet expectations of stakeholders and members

PUBLIC RELATIONS

Programs and initiatives are established which result in increased support and participation by public and stakeholders

- ✓ Goal: Perceptions & expectations of stakeholders and public are satisfied
- ✓ Goal: Effective communications exist between GMCVB, industry and all local publics
- ✓ Goal: Public is educated on tourism and its value to area
- ✓ Goal: Stakeholders & members are mobilized for maximum support & investment

LEADERSHIP & MANAGEMENT

Organization offers optimum infrastructure and work environment

- ✓ Goal: Organization attracts & retains dynamic, competent and motivated professionals
- ✓ Goal: Sound and effective operating systems, policies and practices are observed
- ✓ Goal: All resources are effectively deployed
- ✓ Goal: Leadership is enthusiastic, effective and committed

2.0 2003 GMCVB PRIORITIES

To ensure the future growth of this destination and effective operation of the GMCVB, several, specific priorities have been identified which will take precedence in 2003. These priorities are in line with the organization's strategic objectives (see Section 1.3).

FINANCIAL

Identify and secure new revenue sources

This goal is especially important. With increasing pressure on local and state government revenues, it's essential for the GMCVB to identify and establish ways to secure additional sources of revenue. Continuous work will be done to maximize our public revenue streams, we have identified many existing programs and new opportunities which should attract investment by the private sector.

LEADERSHIP

Establish future vision for destination

To ensure we are pursuing what our stakeholders' believe is most important, it is time for GMCVB leadership to meet with and work alongside industry and civic leaders to determine the continuing vision for this area as a travel destination.

PUBLIC RELATIONS

Strengthen GMCVB and industry images in eyes of community and stakeholders

It is critical for the GMCVB and hospitality/tourism industry to be well respected in our community. This is an essential element of the future success of this destination. The GMCVB will continue building on a community awareness plan, which was unveiled in 2002.

CUSTOMER SERVICE

Strengthen GMCVB service to customers

GMCVB customers include our public stakeholders, members, visitors, media and others. In 2003, the GMCVB will focus on reviewing our current customer service programs and partner opportunities, working to develop enhanced service, and, information delivery and vehicles.

SALES & MARKETING

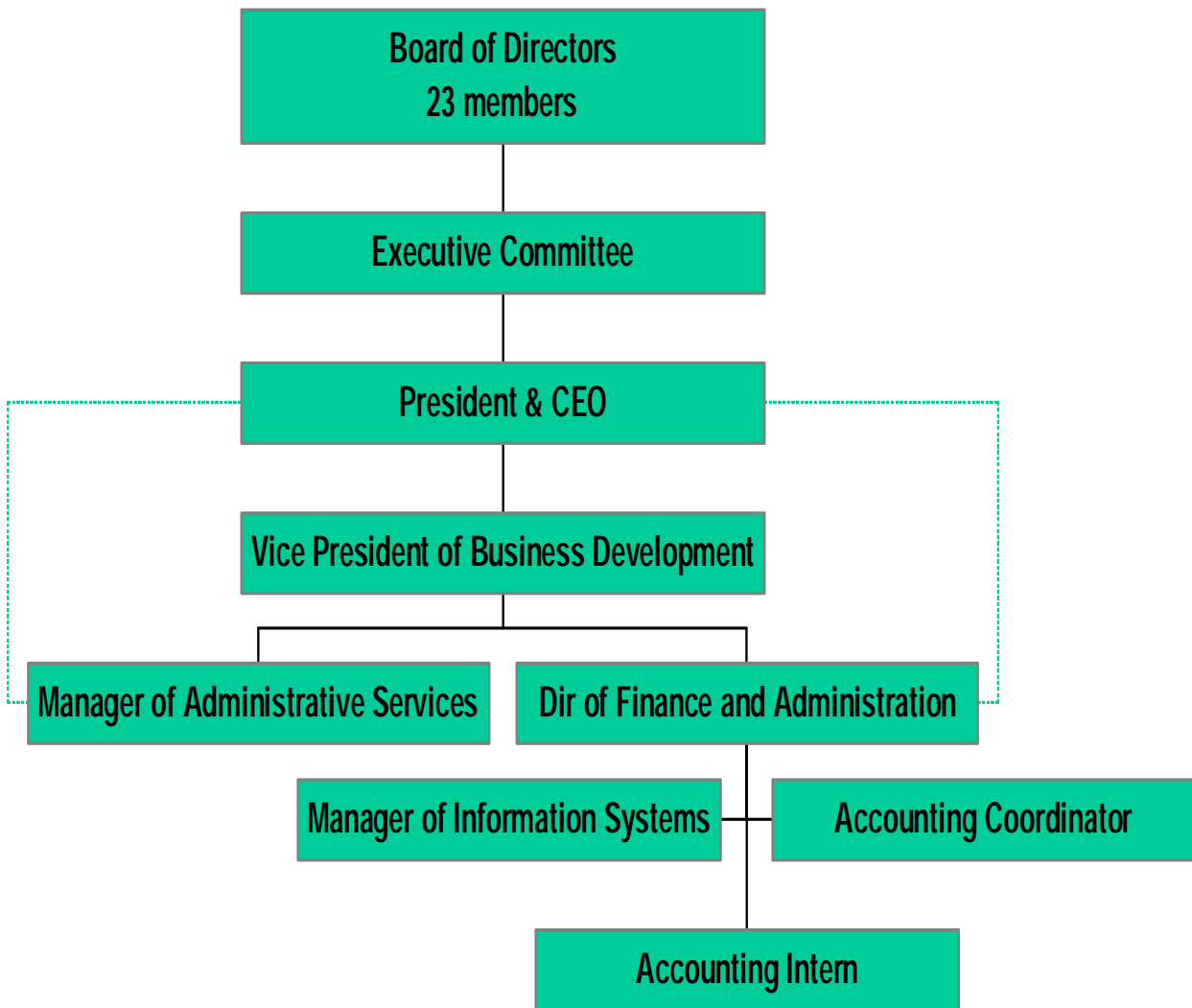
Sustain growth rate for overnight business

Develop and implement targeted sales and marketing activities, which will result in sustaining our growth rate for overnight business, and specifically targeting: securing short-term convention business, securing high-profile events and regional leisure travelers/getaway packages. Convention and event niches to be highlighted, include: high tech, biotech, environmental, gay and lesbian, sports and scientific. Leisure marketing efforts, which highlight arts and cultural activities, while targeting couples and families.

3.0 2003 GMCVB BUSINESS PLAN

The GMCVB's 2003 Business Plan consists of initiatives for the operational and leadership side of the organization. This plan will address Financial, management and leadership priorities for 2003 and 2004.

Below is the organizational chart for the Administrative Division of the GMCVB as of March 1, 2003.



3.1 FINANCIAL PRIORITIES

Fiscal vitality and credibility is key to the integrity of the GMCVB. The GMCVB's annual budget consistently ranks, in the bottom 25% of CVBs for markets our size. This reality puts the destination and its assets at a distinct, competitive disadvantage. To protect the investments made by both the public and private sectors, it is critical for the GMCVB to increase its financial resources*. At the same time, the GMCVB takes its fiscal responsibility and stewardship of our stakeholders' funds very seriously. We work continuously to a) expand our resources; and, b) ensure complete fiscal accountability.

Priority: Adopt Resource Development Plan

Goal	Base Strategy	Responsible Party
Identify potential revenue sources and funds	Conduct resource development feasibility study (study to include review of other CVBs and their revenue sources as well as identifying local and regional sources of revenues)	Contract entity Archer to oversee
Provide tax deductible vehicle for potential funding opportunities	Form 501c3 foundation or subsidiary	Archer and task force (group to be assigned)
Secure new private resources	Pursue Financial partnerships, featuring an integrated and quantified benefits package of GMCVB initiatives	New VP of Business Development, other key staff, Board members and partners
Expand service and fee-based revenues	Study and identify existing and new service and fee-based revenues	Various departments
Continue review of potential public funding sources	Continue study/exploration of viability of forming Tourism BID district (model: Sacramento and other CA cities)	Archer and Marketing Resource Task Force

*Revenue goals TBD in mid-2003.

Priority: Continue to enhance organizational financial processes and controls

Goal	Base Strategy	Responsible Party
Improve accounting tracking	Develop new chart of accounts	Cullen
Upgrade accounting software	Select and implement mid-range accounting software	Cullen
Adopt cost allocation methods	Develop cost allocation and employee time sheet processes	
Enhance fiscal controls	Implement more rigorous fiscal controls and faster Financial reporting	Cullen
Adopt comprehensive Financial procedures	Develop comprehensive user manual for finance	Cullen

Priority: Improve organization's annual budgeting process for FY 03-04

Goal	Base Strategy	Responsible Party
Implement new budget process	Refine budget process, including tools, e.g., database, forms, training	Cullen, New VP Business Development
Implement rolling budgets	Base on continuous flow of accurate performance data and forecasts.	Cullen, New VP Business Development

3.2 LEADERSHIP PRIORITIES

The leadership of the GMCVB is responsible for governance, policy and directing the Mission and Visions of the GMCVB and destination.

Priority: Develop future vision for destination and organization

Goal	Base Strategy	Responsible Party
Update GMCVB Strategic Goals	Conduct staff and BOD strategic planning sessions.	Pechan and Archer to coordinate with staff and BOD.
Identify destination vision among stakeholders	Conduct stakeholder surveys and/or focus groups Participate in study regarding potential joint operations and/or marketing of Monona Terrace and Alliant Energy Center	VP of Business Development and various staff and BOD. Key staff and BOD.
Share vision with public	Publicize findings of above when completed	Straka

Priority: Expand presence of GMCVB and Industry in area

Goal	Base Strategy	Responsible Party
Become more active in community	Enlist board, staff and GMHC to attend more public events Become engaged in discussions/committees relating to infrastructure development (rail, street use, etc.)	Archer, Shockley, Board, GMHC, New VP Business Development Staff, Board
Expand connections among elected officials	Engage in expanded and new dialogue with existing and new city and county leaders	Archer, Board, New VP Business Development

Priority: Identify and publicize positive role of GMCVB and industry in community

Goal	Base Strategy	Responsible Party
Educate public on contributions of industry and GMCVB to community	Identify/quantify charitable and other programs industry and GMCVB do for community Publish results of compilations of programs	Archer and GMHC Straka, GMHC
Educate stakeholders on programs	Meet with stakeholders Meet with editorial board	Archer, GMHC Archer, GMHC, Board, Straka

Priority: Ensure GMCVB organizational structure is best suited to meet strategic objectives

Goal	Base Strategy	Responsible Party
Complete comprehensive organizational function inventory	Meet with EMT to establish and review all job functions as they relate to strategic objectives. Identify any new functions we need to adopt and other functions which may need to be deleted or adjusted.	Archer, EMT
Adopt organizational structure which matches priorities of GMCVB	Make any organizational changes necessary to reach goal.	Archer, EMT

3.3 ADMINISTRATIVE PRIORITIES

The Administration area of the Bureau is responsible for the successful operations/atmosphere of our work environment, support and direction of human resource development and implementation of GMCVB policies.

Priority: Ensure all administrative materials are effective, current and available

Goal	Base Strategy	Responsible Party
Complete update of Policy and Procedures Manual	Review current info and update with more contemporary info Ratify adoption by Board	Pechan Pechan
Update all BOD job descriptions and orientation materials	Review current info and update.	Pechan
Update all GMCVB job descriptions	Review all current job descriptions. Meet with appropriate Dept Heads to discuss positions	Pechan
Have training manuals for all departments	Update existing training manuals Work with Dept Heads on development of remaining training manuals	Pechan, Dept Heads
All appropriate administrative materials available on GMCVB Intranet	Work with IT on publishing of admin materials on intranet	Pechan, Villanueva

Priority: Ensure work environment is secure

Goal	Base Strategy	Responsible Party
Complete GMCVB Emergency Plan	Finalize plan already under development	Pechan
Ensure that all GMCVB Employees understand plan	Distribute plan to all staff Conduct staff training on plan	Pechan
Ensure stakeholders are aware of GMCVB Emergency Plan	Publicize basic contents of Emergency Plan as needed	Pechan, Straka

Priority: Enhance employee performance appraisal process

Goal	Base Strategy	Responsible Party
Employ new performance appraisal software	Research, select, test, train and implement use of new performance software	Pechan, Dept Heads, Staff
Establish performance, salary review dates	Explore option of separating performance and salary review dates. Make decision on above	Pechan, EMT EMT
Refine review process	Review, then update current process of self/peer and manager reviews.	Pechan, EMT

3.4 INFORMATION SYSTEMS PRIORITIES

Priority: Highly motivating and productive work environment through effectively implemented work tools (Information Systems)

Goal	Base Strategy	Responsible Party
Reliable IS platforms for critical services	Replace and improve fire wall security	Villanueva
	Improve Data Transfer Services	Villanueva
	Improve backup systems	Villanueva, Cullen
	Improve network hardware configurations (switches, UPS, cabling, server enclosure)	Villanueva
	Upgrade workstation operating systems to Windows 2000 and standardize images	Villanueva
IS Services	Enable web technology to centralize access to information	Villanueva
	Complete implementation of Intranet Services	Villanueva
	Research and deploy network fax services	Villanueva
	Research, develop and implement file directory structure	Villanueva, Cullen, Dept Heads
	Improve secure remote access capabilities	Villanueva
	Provide technical advice/support to Director of Communications/PR regarding GMCVB web site/services.	Villanueva
IS Security	Address IS Audit findings	Villanueva, Cullen
	Assess data security risks	Villanueva, Cullen
	Implement security recommendations	Villanueva, Cullen
International Standards (ISO)	Complete documentation in compliance with ISO	Villanueva, Cullen
	Review and enforce IS policies & procedures	Villanueva, Cullen
	Develop data design policies and document naming conventions	Villanueva, Cullen
	Update IT Plan	Villanueva, Cullen
Data centralization, exchange and utilization	Integrate applications into central database server	Villanueva
	Migrate multiple databases into a standard business class database	Villanueva
	Research software to meet departmental needs including Accounting, budgeting and convention sales & services	Villanueva, Cullen
Training	Provide computer training via self-study guides,	Villanueva

	courses, demos, and one-on-one assistance.	
Establish and maintain reliable platform for office	Replace and improve fire wall security	Villanueva
	Improve Data Transfer Services	Villanueva
	Improve backup systems	Villanueva, Cullen
	Improve network hardware configurations (switches, UPS, cabling, server enclosure)	Villanueva
	Upgrade workstation operating systems to Windows 2000 and standardize images	Villanueva
Provide high quality IS Services and Support to staff	Enable web technology to centralize access to information	Villanueva
	Complete implementation of Intranet Services	Villanueva
	Research and deploy network fax services	Villanueva
	Research, develop and implement file directory structure	Villanueva, Cullen, Dept Heads
	Improve secure remote access capabilities	Villanueva
	Provide technical advice/support to Director of Communications/PR regarding GMCVB web site/services.	Villanueva
Develop and maintain high level of IS Security	Address IS Audit findings	Villanueva, Cullen
	Assess data security risks	Villanueva, Cullen
	Implement security recommendations	Villanueva, Cullen
Reach and maintain compliance with International Standards (ISO)	Complete documentation in compliance with ISO	Villanueva, Cullen
	Review and enforce IS policies & procedures	Villanueva, Cullen
	Develop data design policies and document naming conventions	Villanueva, Cullen
	Update IT Plan	Villanueva, Cullen
Centralize all GMCVB data and manage same	Integrate applications into central database server	Villanueva
	Migrate multiple databases into a standard business class database	Villanueva
	Research software to meet departmental needs including Accounting, budgeting and convention sales & services	Villanueva, Cullen
Provide PC and system training for staff in need.	Provide computer training via self-study guides, courses, demos, and one-on-one assistance.	Villanueva

4.0 2003 GMCVB MARKETING PLAN

The GMCVB's 2003 Marketing Plan consists of key initiatives in sales, public relations and marketing. The plan is designed to address the organization's strategic marketing objectives for Destination Marketing & Management and Public Relations (see Section 1.3).

The GMCVB develops its marketing strategies based on:

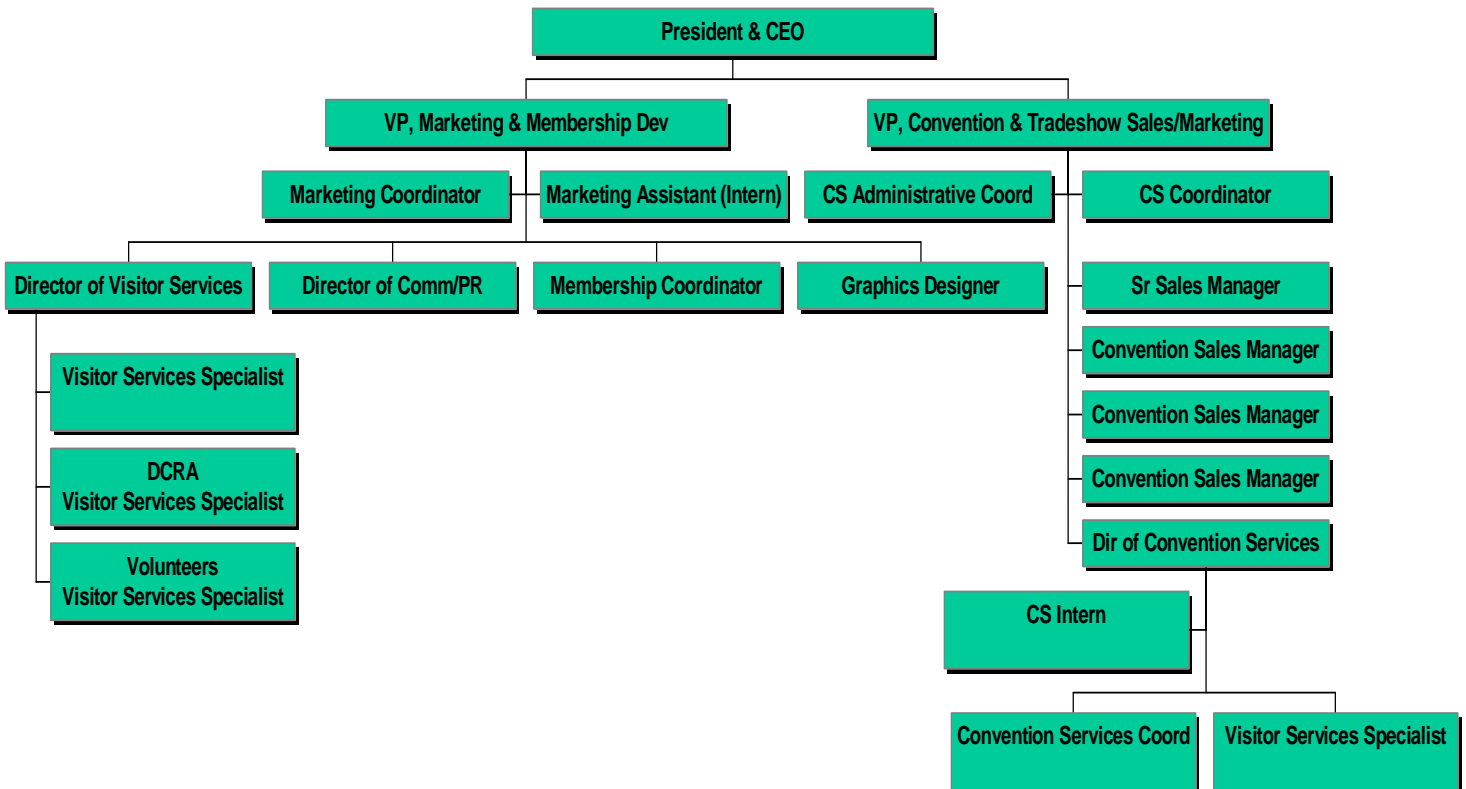
- Current economic and political climates
- Destination strengths and assets
- Past performance
- Competition
- Organizational competencies
- Stakeholder expectations and performance goals
- Resource availability

There are three primary marketing areas within the GMCVB. We work to integrate the marketing opportunities and strategies among all three, maximizing marketing message synergies and opportunities for cross-marketing and effective and efficient deploying of resources:

- Convention, Tradeshow & Event Sales and Services
- Leisure/Group Marketing and Visitor Services
- Organizational and Industry Public Relations and Communications

Some of the market analysis information contained in the various areas of this report has affect on the other areas. Please bear this in mind while perusing this document.

Following is an organizational chart for the Marketing divisions of the GMCVB.



5.0 CONVENTIONS, TRADESHOWS & EVENTS

The greater Madison area has enjoyed an expanding popularity as a convention, tradeshow and event destination. Extensive collaboration and the assets of this dynamic destination have been the keys to this success. But, increase in competition and other variables are likely to play a significant role in the destination's ability to sustain growth.

5.1 MARKET TRENDS & ANALYSIS

The meetings and conventions industry has experienced many widespread changes within the past 24 months. Economic, technological and geo-political environments have changed the face of this industry. The majority of trends will create new challenges for destination marketing. Some of the key trends, which will affect the greater Madison/Dane County destination over the near future include:

- ✓ **Direct online hotel bookings.** The dramatic increase in direct, online hotel bookings (convention and event attendees circumventing official housing blocks), primarily for pursuit (and success) in locating lower hotel rates, is having a huge impact on destination marketing. One of the primary tools in securing events is negotiating incentives or underwriting via collection of assessments or rate add-ons based on official housing counts. This attrition of official housing figures is dramatically reducing assessment collections, as well as affecting hotel attrition clause issues, creating dramatic financial and marketing dilemmas for destinations as well as meeting customers.
- ✓ **Decline in meeting spending.** Meeting spending growth, which has occurred steadily until 2001, will continue to decline in 2003. In the U.S., planners project an average 1.7% decline in meeting spending budgets.
- ✓ **Decline in meeting attendance.** Shrinking corporate and government budgets is resulting in shrinking attendance at meetings, conventions and tradeshow. In 2002, attendance was down 24% at management, training and educational corporate meetings.
- ✓ **Decline in event length:** Meeting and convention event length has shrunk approximately 2% over the past 24 months. This trend is expected to stabilize, but remain.
- ✓ **Increase in tele and video conferencing as meeting alternative.** Although face-to-face meetings will always have a place in our society, economics and the psychological changes in travel habits have created a widespread demand for distance meetings. This trend will continue to grow exponentially over the next decade as technological advances improve these opportunities as well as a dramatic decrease in cost will be exhibited for this meeting format.

5.2 DESTINATION PRODUCT ANALYSIS

In the mid-1990s, Madison had only limited capabilities to host groups beyond occasional, large hobby groups which utilized the Dane County Coliseum or Camp Randall. The advent of the County's Exhibition Hall, Monona Terrace and the Kohl Center, created new opportunities for hosting larger conventions. The GMCVB has been instrumental in increasing the destination's convention business by more than 15% (according to annual visitor spending studies conducted by Davidson Peterson Associates). From 1997 thru 2000, the GMCVB saw steady growth in destination event leads and wins. In 2001, there was a significant slowdown in this area, while 2002 saw a slight rebound.

5.21 DESTINATION STRENGTHS/ASSETS

The greater Madison area has much in its favor when pursuing convention, tradeshow and event business. The most significant strengths are:

- ✓ Positive community reputation
- ✓ Aesthetically beautiful destination
- ✓ Superb facilities
- ✓ Hotel inventory
- ✓ Central location
- ✓ World-class university/intellectual capital
- ✓ High cost-value ratio
- ✓ Vast array of cultural arts offerings
- ✓ Government center
- ✓ Corporate base
- ✓ Social consciousness
- ✓ Recreation and sports
- ✓ Safe and family-friendly reputation
- ✓ Strong annual event business based, including: World Dairy Expo, WIAA Tournaments, UW athletic and academic events, corporate, government and association meetings.
- ✓ Collaborative industry
- ✓ Excellent CVB services and support

5.22 PRIMARY EVENT FACILITIES

Alliant Energy Center of Dane County

The Alliant Energy Center (AEC) continues to capitalize on the lucrative tradeshow/consumer show markets. Other markets well suited to this facility are hobby shows, agribusiness events and religious gatherings. The extensive campus of the AEC is comprised of many facilities including an Exhibition Hall, Arena, Coliseum, show barns and more. The 5000+ space parking lot also provides area for specific events such as car, cycle and outdoor exhibition shows and festivals. The facility is capable of hosting conventions, tradeshows, concerts, circuses, horse shows, ice events and more. The AEC is well maintained and efficiently operated by the County of Dane. This facility hosts the globe's largest dairy event annually – World Dairy Expo and is home to the state's WIAA high school hockey annual tournaments. The AEC is connected to the Clarion Suites hotel which boasts 140 rooms

Monona Terrace Community and Convention Center

This elegant, hotel-quality, municipal facility operates as a convention, tourist and community event destination. The unique character of the Monona Terrace Community & Convention Center (MTCCC) is well suited to business and professional meetings and has been the site of many prestigious events since its 1997 opening. They have included: US Conference of Mayors, Ecological Society of America, Ironman North America and American Fisheries Society. In addition, the building has hosted numerous charitable events, indoor and outdoor concerts, world-class lectures and presentations. The MTCCC was designed by legendary architect and Wisconsin native son, Frank Lloyd Wright. This facility is connected to the Hilton Madison Monona Terrace. 240 rooms).

5.23 OTHER EVENT FACILITIES

A wide array of other, large event facilities exist in the market. They range from UW-Madison's Kohl Center, Camp Randall, Fluno Center, Marriott Madison West and UW-Extension's Pyle Center to extensive sporting event venues and others. For a complete list of event venues, contact the GMCVB Convention Sales or Services Departments.

5.24 HOTELS & HOTEL FACILITIES

Market wide hotel inventory has increased more than 25% since 1997. In 2003, the market will boast over 8000 rooms. The majority of rooms are in limited service properties, but several larger, convention and conference facilities are available for stand -alone meetings or to serve as headquarter and overflow properties for citywide events. There are ample rooms in this marketplace under most conditions. While a few "sell-out" weekends do eclipse the area's inventory, overall, ample rooms exist in this marketplace to support business and maintain healthy occupancies for all properties. There are approximately 5,600 rooms available for committable room blocks.

The largest hotels in the market include:

- Madison Concourse Hotel & Governors Club (360 rooms)
- Marriott Madison West (292 rooms)
- Hilton Madison Monona Terrace (240 rooms)
- Sheraton Madison (237 rooms)
- Crowne Plaza-Madison (226 rooms)
- Best Western Inn on the Park (213 rooms)
- Howard Johnson Plaza (163 rooms)
- Best Western Inntowner & Highland Club (176 rooms)

5.3 MARKET PERFORMANCE

This information refers to the most recent performance of the industry within the greater Madison area. The GMCVB updates this information regularly.

5.31 HOTEL ADR AND OCCUPANCY

Hotel occupancy has risen slightly in 2002 over depressed 2001 levels. Overall market occupancy percentages have remained consistently in the 63-5% range for over 5 years. Business volume has increased significantly over this time, but hotel inventory has grown so dramatically it has precluded occupancy levels from rising.

On the other hand, hotel average rates have increased steadily since the mid-1990s. With the exception of a few months in 2001 and 2002, average market rates have increased approximately 20% since 1996.

5.32 ROOM TAX COLLECTIONS

City of Madison and area room tax collections grew steadily in the 1990s and thru 2000. 2001 saw a flattening of room tax, with 2002 reflecting a strong rebound with an increase of 5.5% in the City of Madison.

5.33 CONVENTION SPENDING

Convention spending in our marketplace continues to grow. GMCVB calculates convention spending based on industry accepted formulas developed by the International Association of Convention and Visitors Bureaus (IACVB). The GMCVB publishes "direct spending" figures vs. total economic impact. The GMCVB adjust this formula annually to reflect current market prices. In 2003 and 2004, IACVB and CIC (Convention Industry Council) are conducting the ExPACT study, which will provide the industry with updated formula for future spending impact projections. In 2003, the GMCVB estimates that convention attendees will spend an average of \$226 per day and tradeshow attendees will spend \$284 each day. For a complete breakdown of convention expenditures, please contact the GMCVB Sales Department.

5.4 CONVENTION & EVENT BUSINESS PROFILE

5.41 SCOPE OF BUSINESS

The GMCVB has worked diligently to broaden the destinations' scope of business to secure more regional and national business. We have been extremely successful in this area. While state business continues to be the largest portion of the event business we secure (33% in 2002), national and regional business now comprises over 50% of our annual business and we are working to increase this figure. Attracting more regional and national business will increase visitor spending and visitor stays.

5.42 TYPE OF BUSINESS

The greater Madison area draws a wide variety of convention, meeting, tradeshow and event business. Professional association and society business comprised the largest sector of our business, followed by corporate meetings, tradeshows, sports events, service clubs, reunions and other types of group business.

5.43 TARGET MARKET SEGMENTS

The GMCVB deploys its event sales team by market category. This allows sales managers to "specialize" in specific areas, creating a deeper knowledge and contact base within each discipline. This strategy creates greater opportunity for success versus deploying them by business type or geographic origin.

Market Segment	2002 % of Business Wins (GMCVB generated)	2003 Priority Level*
Agriculture/Agribusiness	4	High
Architecture	N/A	High
Cultural Arts/Libraries	4	High
Food	N/A	Low
Distribution	2.5	Low
Education	13	High
Engineering	5	High
Environmental/Natural Resources	3	High
Financial	N/A	Moderate
Governmental	8	High
Health Care/Medical	14	High
High Tech/Computer	N/A	High
Hobby	8	High
Insurance	.3	Moderate
Heavy Manufacturing	6	Low
Media/Communications	N/A	High
Multicultural/Gay & Lesbian	1	Moderate
Multi-level Marketing	N/A	Low
Real Estate & Construction	3	Low
Scientific/Bio-Tech	5	High
Sports/Athletic	6	High
Religious	6	High
Transportation	2	Low

Priority Level Description:

High: Primary focus. Good probability of converting business leads to wins.

Moderate: Keep in regular contact. Moderate potential for securing business.

Low: Work if time allows. Low probability of securing business for destination.

*2003 priorities may be based on multiple variables including: past booking trends, economic conditions within market segment, destination assets, etc. Individual market strategies exist for each market segment. For further information on this, please contact Toni Kraft, VP of Convention & Tradeshow Sales at the GMCVB.

5.5 CONVENTION MARKET CHALLENGES

- ✓ **New/competitive Facilities/Venues:** Since 1999, the following new venues have increase competition for destination event business: LaCrosse Center, Midwest Airlines Center, Resch Arena, KI Center in Green Bay, Kalahari Resort (and other WI Dells properties), among others.
- ✓ **Destinations:** Economic conditions have created a new set of competitors for the greater Madison area. Cities such as Milwaukee and Chicago, who were not interested in much of our business in the 1990s, suddenly are bidding aggressively against us.
- ✓ **Booking Incentives:** To combat slumping occupancies and room tax collections, destinations are becoming increasingly aggressive in providing cash and in-kind incentives to attract business. This is especially true for high profile sports and event business.
- ✓ **Increased Competition in Hotel Rates/Facility Fees:** Again, economic conditions are driving hotel and facility prices down in many destinations. This creates a new “buyers’ market” scenario, not seen in the travel industry in over a decade.
- ✓ **Lengthening of sales process:** Organizations and corporations have significantly increased the length of time they review and delay contract signing. Over the past 5 years, the lead-to-win time frame has nearly doubled from slightly over 150 days to more than 250 days. This delay in contract signing can prove to be particularly significant if hotels cannot hold rooms for citywide business, in fear of losing perishable inventory.
- ✓ **Lack of marketing resources:** For the greater Madison area to compete on a level playing field, substantial additional resources are needed for destination sales and marketing programs. The GMCVB operates with a budget approximately 30-75% less than the majority of its competitors. And, economic conditions have created smaller marketing budgets for many area hotels and partners such as the WI Dept of Tourism. The lack of destination marketing resources puts the destination at a significant disadvantage.

5.6 2003 CONVENTION & TRADESHOW MARKETING PLAN

Following are the objectives and strategies designed to reach 2003 Convention and Tradeshow performance goals.

5.61 CONVENTION & TRADESHOW MARKETING OBJECTIVES & STRATEGIES

To reach the stated goals and performance achievement numbers for Madison and Dane County, the GMCVB employs a variety of strategies. These are based on the current trends and opportunities created by these trends and by applying the destinations' strengths.

Objective	Trend	Opportunity	Strategy	Responsible Party
Maximize electronic sales opportunities	Technology Based Travel Decisions	Excellent destination and facility web sites	Increase online access to effective RFPs and information	CVB and partners
		Well-linked destination elements	Creating Virtual Tours for Facilities (online and interactive CDs)	CVB and partners
		Statewide facility databases (Thinkwisconsin.com and Sportsinwisconsin.com)	Provide online registration	CVB
Maximize market share in target markets	Destination Site Selection	Looking for Fresh, New Destinations	Expand new brand use Underscore destination's reputation	CVB and partners
		Need for local involvement & participation	Expand local citizen contact base for assistance in luring business (Bring Your Meeting Home/Hometown Heroes Programs)	CVB
		Increase in regional meetings	Underscore destination's regional location	CVB and Partners
Minimize lost business or delay in contracts	Meeting Trends	Decline in Meeting Budgets	Tout destination's excellent price/value ratio	CVB and Partners
		Decline in Event Attendance	Underscore appeal of more intimate meeting facilities	CVB and Partners
			Underscore destination's location near major populations	CVB and Partners
Maximize destination geographic location and safe reputation	Travel Habits	People choosing to drive or stay closer to home	Tout destination's location in large population corridor	CVB and Partners
		Interest in safety	Incorporate destination's safe reputation into appropriate messages	CVB and Partners
Increase access to incentive funds for bookings business	Incentive Expectations	Monona Terrace Shuttle and Non-Shuttle Funds	Use effectively and efficiently	MT Shuttle Task Force
		Expand Incentive and Sponsorship Opportunities	Participate in CVB Business & Resource Development Plan	CVB and Partners
			Pursue partners for bids	CVB and Partners (traditional and non-traditional)
Maximize destination's intellectual assets	Destination Values	Diversity and social consciousness are currently compelling values	Focus on meetings which reflect destination's commitment to environmental responsibility and cultural diversity	CVB and Partners
		Social Responsibility	Include data on socially responsible programs of facilities such as recycling and food distribution	CVB and Partners
Maximize destination's creative reputation	Rise of Creative Culture	Communities with high "creativity quotient" are attractive destinations	Tout destinations' cultural and academic strengths	CVB and Partners
Exceed customer expectations	Rising Customer Expectations	Customers expect high levels of service	Enhance and market GMCVB and Partner's strong customer service attitude	CVB and Partners
Increase short term bookings	Short Term Business Needs	Hotels and Facilities Need to Augment Existing Business Base	GMCVB to continue primary focus on city-wide and larger events, but expanding sales plans to focus on short term business opportunities	CVB (with assistance from Partners)

5.62 CONVENTION & TRADESHOW PERFORMANCE GOALS

Year	Sales Leads	Sales Wins	Win Room Nights	MTC&CC Contracts	MTC&CC Revenues	AEC SF Contracts
2002 Goal	405	204	105,000	66	\$730,382	1,600,000
2002 YE	288	135	96,003	41	\$708,208	1,299,732
2003 Goals	350	175	105,000	66	\$730,382	1,300,000

5.63 MARKETING TOOLS

The following tools and tactics are utilized to implement marketing strategies.

- ✓ Personal sales calls on local and area planners
- ✓ Sales Missions to key target customer locations (Washington DC, Chicago, etc.)
- ✓ Exhibition at Trade Events
- ✓ Personal bid presentations
- ✓ Marketing and Advertising in targeted publications
- ✓ Attendance Builder assistance (on-site and support)
- ✓ Electronic communications (personal communications, newsletters, etc.)
- ✓ Web site presence and information enhancement
- ✓ Receptions, luncheons for various clients
- ✓ Site visits, FAMiliarization Tours
- ✓ Active involvement with area meeting planner organizations, such as WMPI, WSAE, etc.

5.64 2003 CONVENTION AND TRADESHOW SALES & SERVICES EVENT CALENDAR

Month	Activity
January	Drum Corps/neighborhood planning/event support
February	Destinations Showcase-Wash DC
March	WIAA Spring Tournament Support
April	National Assoc of Sports Commissions-Chattanooga Affordable Meetings-Chicago Special Client Event/Sales Mission – Chicago RCMA or CMA (TBD)
May	Tourism Week Event Oversight
June	National Assoc of Consumer Shows Springtime in the Park-Wash DC WI FFA Support Concerts on Square Sales/Entertainment
July	CESSE-Minneapolis Gold Wing Support Concerts on Square Sales/Entertainment
August	Oasis Event Support
September	Ironman Wisconsin Support Affordable Meetings-Wash DC
October	World Dairy Expo Support Destinations Showcase-Chicago Meetings Quest-Chicago TEAMS MeetWisconsin
November	Multicultural Reception WIAA Football Tournament Support
December	Holiday Showcase-Chicago

5.65 CONVENTION SERVICES PRIORITIES

Goal	Base Strategy	Responsible Party
Achieve Annual Performance Goals for Service Leads	Encourage planners to use online services Feature leads as key CVB services Strengthen alliances with business community/vendors Continue proactive approach in working with customers	Sabatke
Establish/quantify value of various convention services	Determine dollar value for services provided by: <ul style="list-style-type: none"> ✓ Identifying costs associated with provision of services ✓ Developing method for determining value of non-fee services ✓ Developing method for tracking time spent on servicing clients 	Sabatke
Create departmental policy and procedures manual	Develop outline of contents Work with administration and VP of Conv Sales on final details	Sabatke Sabatke, Kraft, Archer
Establish high level of awareness of services offered by GMCVB	Work closely in sales process Work with local industry planners Establish comprehensive means/process for getting info to customers	Sabatke
Develop plan for appropriate departmental revenue generation	Develop plan for charging of fees for services for housing and assessment collections	Sabatke, Steussy

5.66 CONVENTION SERVICES PERFORMANCE AREAS

Year	Events Serviced	Service/Biz Leads	Housing Groups	# of Room Nights
2002 Plan	N/A	130	Ironman Wisconsin, WI FFA, DCI, Bovine Practitioners, WI Music Educators	25,600 Blocked
2002 YE	238	120	Ironman Wisconsin, WI FFA, DCI, Bovine Practitioners, WI Music Educators, Sr High Youth Convocation, Corvettes on Isthmus	17,062 Reserved
2003 Plan	N/A	130	Gold Wing, Ironman Wisconsin, WI FFA	24,000 Blocked

6.0 LEISURE MARKETING, PR, MEMBERSHIP & VISITOR SERVICES

As the GMCVB and destination mature, the need and interest for the greater Madison area to grow as a leisure destination becomes more pronounced. Based on current economic trends and our destination's current and future assets, it is believed we are in an ideal position to grow this segment of our business.

Key to our ability to maximize our future opportunities in this area, are:

- ✓ *Access to resources*
- ✓ *Community and partner support and cooperation*

6.1 LEISURE MARKET TRENDS & ANALYSIS

Economic and geopolitical conditions have changed the face of leisure travel dramatically since 2000. World issues and economic conditions will continue to create a volatile situation for individual and group leisure travel in 2003. Some initial predictions for 2003 individual travel are:

- ✓ **Business Travel Patterns.** Economic conditions have wreaked havoc for individual business travel. This business is a large part of greater Madison's accommodations' business base. All types of accommodations: hotels, motels and B&Bs have seen a decline in business travel. Economic conditions will continue to create difficulty for business travelers. Despite this, predictions to indicate a potential increase in individual business travel of 29% in 2003
- ✓ **Leisure Air Travel.** World events have changed people's attitudes about use of air for leisure travel. 2003 is likely to see a continued decline. Some experts predict as much as a 14% decline in leisure air travel for 2003.
- ✓ **Travel Distances from Home.** Economics and world events created motivations for people to travel closer to home over the past two years. It is predicted there will be a slight increase in people's willingness to venture further from home in 2003. 27.4% of Midwest travelers will continue to travel within 200 miles from home in 2003.
- ✓ **Package Travel Opportunities.** More and more destinations and individual hotels are offering package deals. Consumer love packages as they almost always mean more for less. However, last-minute package deals frustrate and confuse customers and create volatile cancellation scenarios.
- ✓ **Family Travel.** In 2003, a minimum of 30% of all travelers will make their primary vacation plans with or to visit families.
- ✓ **Cultural Travel on the Rise!** Art museum attendance increased 22% in the past 10 years.
- ✓ **Leisure Budgets Shrinking.** Consumers are averaging the same number of trips, but budgets have shrunk up to 17%.
- ✓ **Online Bookings** have increased dramatically for leisure travelers. Lower prices, 24-hour access and ability to peruse information longer are the most luring elements to the internet.
- ✓ **Gas Price Impacts.** Depending on world events, gas prices could impact all aspects of travel significantly within the next 24 months. Adjustments in business and leisure travel could be expected. Air and auto travel could see significant declines depending on gas prices.
- ✓ **Gay and Lesbian Market** continues to be one of the most thriving niches and most resilient travel sectors. 65% plan to take three or more vacations in the next 12 months. Of these, 90% will plan vacation in the US.
- ✓ **Motorcoach industry anticipates incremental growth.** The Midwest, Branson, MO, New York City and the west are estimated to be top choices for motorcoach travelers in 2003. Perception of safety and cost are most appealing assets of this mode of travel. The growing Hispanic and senior markets are estimated to be the largest growth sectors for domestic motorcoach travel.

6.2 DESTINATION PRODUCT ANALYSIS

The Madison area has grown in popularity as a leisure destination over time. It's been a long-time favorite spot for UW alumni and relatives of UW students. The destination's reputation has garnered it exceptional publicity and coverage as an attractive and appealing spot to visit – for a short time! With changing demographics and travel habits, this destination is ripe for a growth in market share of leisure travel.

6.21 DESTINATION STRENGTHS & ASSETS

- ✓ Excellent reputation
- ✓ Beautiful city
- ✓ Surrounding communities
- ✓ Ethnic origins/area heritage
- ✓ Festivals and Events
- ✓ Cultural Arts/Galleries/Museums
- ✓ Accommodations (hotels, B&Bs, hostels, etc)
- ✓ UW-Madison
- ✓ Proximity to WI Dells, Baraboo, etc.
- ✓ Attractions (Olbrich, Monona Terrace, Little Norway, House on Rock, etc.)
- ✓ Safe, clean city
- ✓ Values of community
- ✓ Central location (among metro areas)
- ✓ Recreation and Sports
- ✓ State Capitol
- ✓ Frank Lloyd Wright connection
- ✓ Interesting, intellectual environment
- ✓ Food & beverage (restaurants, brew pubs, wineries)
- ✓ Agricultural heritage

6.3 MARKET PERFORMANCE

See page 15.

6.31 VISITOR SPENDING

Dane County total visitor spending impact has grown steadily for more than a decade. Since 1997, annual spending has increased more than \$400 million annually from \$576 million to over \$1 billion in 2002. 29% of visitor spending is related to shopping, followed by 26% for food, 25% for recreation and 13% for lodging.

6.4 LEISURE BUSINESS PROFILE

6.41 VISITOR PROFILE

Category	Statistic
Origin	48% out-of-state (44% US; 2% Canada; 2% other foreign country)
	52% WI
Travel Purpose	37% Pleasure
	40% Individual Business Traveler
	23% Meeting or Convention
Party size	1.76 people
Length of Stay	2.36 days
Accommodations	54% hotels/motels/resorts/B&Bs/hostels
	40% friends and relatives
	6% campers

6.5 LEISURE MARKET CHALLENGES

- ✓ **Destination Competition:** More and more destinations are emerging and pursuing leisure travelers. In 5 years, 10 new CVBs have been formed in Wisconsin. All of these destinations are primarily interested in building leisure travel business. The steepest competition for regional leisure travelers is from the Wisconsin Dells. The waterpark phenomenon has created both opportunities and increased competition, especially for east side market hotels.
- ✓ **Limited Marketing Resources:** Our destination's limited leisure marketing resources put us at a distinct disadvantage. In addition, the WI Dept of Tourism, our state's established and effective leader in leisure travel marketing, faces extensive budget cuts. Other budgets of partners, such as hotels and attractions are being decreased.
- ✓ **Rising Gas Prices:** World events are driving gas prices up and this trend may continue. If so, it is projected that air travel will increase in price and auto travel may be impacted adversely.
- ✓ **Circulation system:** An attractive transportation system for visitors would be welcome. This would encourage visitors to get around to Madison and area attractions and provide vehicle for fly-in/business and convention visitors to explore our area.
- ✓ **Limited Access to Lakes:** The Madison area lakes are one of our most appealing attractions. There are only limited ways for people to enjoy these assets. Additional, public boat or watercraft excursions would be welcome, as would more waterside restaurants.
- ✓ **Lack of welcome centers and signage:** Visitors must currently find visitor information prior to visiting or hunt for it in various communities. Central, more visible visitor information, welcome centers and signage would be extremely helpful to visitors.
- ✓ **Limited knowledge and understanding of value of tourism and visitors.** The public and elected leaders have limited understanding or knowledge of the value of our industry. This poses challenges in terms of public support and funding.

6.6 2003 LEISURE, PR, MEMBERSHIP, VISITOR SERVICES MARKETING PLAN

This division of the GMCVB is responsible for a wide-range of initiatives. The following section outlines the strategies to reach the 2003 performance goals for this division.

6.61 MARKETING OBJECTIVES AND STRATEGIES

Objective	Market(s)	Strategies	Message(s)	Tools	Measure	Responsible Party
Strengthen Brand Awareness of greater Madison area as premier destination	<ul style="list-style-type: none"> Convention & Meeting Planners & Delegates Individual Leisure Visitors Group tour planners Group tour visitors Local residents Media (trade, consumer) 	<ul style="list-style-type: none"> ✓ Create sophisticated and high quality marketing materials ✓ Integrate LAKE.CITY.LAKE brand into all marketing messages ✓ Develop co-op marketing programs ✓ Capitalize on key events (Gold Wing, Harley, etc.) ✓ Develop e-newsletter for visitors ✓ Identify and secure marketing partnerships with other entities ✓ Conduct desk-side visits with key media – local, regional and national ✓ Development of effective merchandise program featuring brand 	<ul style="list-style-type: none"> LAKE.CITY.LAKE brand Fresh, sophisticated destination (include appropriate destination assets) Urban sophistication with small town charm MTC&CC and AEC: extraordinary event facilities Affordable, clean, safe Ideal weekend getaway Family-friendly Hub and spoke 	<ul style="list-style-type: none"> ✓ Internet ✓ Direct Mail ✓ Email, fax ✓ Print advertising ✓ Publications ✓ Tradeshows ✓ Sales Trips ✓ Bid proposal materials ✓ Promotions ✓ Special Events ✓ Personal sales ✓ FAMiliarizati on Tours ✓ Word-of-mouth 	<ul style="list-style-type: none"> Increases in length of stay Media value Increase in visitor inquiries Conversion ratio Performance Goals Merchandise Sales Strategic Partner Investments 	<ul style="list-style-type: none"> Flanagan Straka Ballerig
Maximize marketing and revenue capabilities of web site	All audiences and stakeholders	<ul style="list-style-type: none"> ✓ Establish strategic marketing committee for web site. ✓ Develop strategic marketing plan for www.visitmadison.com to include: ✓ Email marketing program that optimizes ROI and data mining capabilities ✓ Improve search capabilities of site ✓ Expand capabilities of Travelhero ✓ Develop on-line merchandise program ✓ Educate membership and increase usage on Members Only section ✓ Focus on revenue generating opportunities for members and partners ✓ Conduct online membership survey ✓ Conduct conversion survey 		Web site	<ul style="list-style-type: none"> Increase in external links Unique visits/mo Unique visitors/mo Database totals Response to conversion and membership surveys 	<ul style="list-style-type: none"> Straka VanKauwenbergh

Objective	Market(s)	Strategies	Message(s)	Tools	Measure	Responsible Party
Maintain High Customer Service Standards	All audiences	<ul style="list-style-type: none"> ✓ Further develop frontline training program; expand to all sectors and constituencies ✓ Develop volunteer recruitment and placement program ✓ Develop customer service certification and standards program for staff ✓ Survey online customers on service ✓ Improve quality of customer profile data ✓ Complete relocation plans for DCRA visitor info center 			<p>Increase frontline training participants</p> <p>Secure positive ratings for satisfied, improved customer service on survey</p> <p>Completion of customer services standards program for staff</p>	Pauser
Increase individual leisure and group room nights	Leisure travelers Tour/bus groups	<ul style="list-style-type: none"> ✓ Continue development of weekend package promotions program ✓ Increase involvement in package participation ✓ Create permission marketing program ✓ Continue Spring getaway campaign ✓ Continue Winter Getaway Program ✓ Develop event packaging program ✓ Develop reunion/wedding planner program ✓ Establish hotel package promotion program ✓ Continue cultivating relationships with key decision makers for group tour, travel writing/media ✓ Work with Conv Sales Dept on special events, including: Harley, Gold Wing and Ironman ✓ Participate in Circle WI programs ✓ Continue development of regional promotional programs 	Extend your stay	<ul style="list-style-type: none"> ✓ Members ✓ Visitor E-Newsletter ✓ JEM Grants ✓ Strategic Partners ✓ Event Partners ✓ FAM Tours ✓ Desk side visits ✓ Direct Mail ✓ One-to-one communications ✓ Dept of Tourism ✓ Circle WI ✓ Other CVBs ✓ Fax ✓ Emails ✓ Telephone 	<p>Room Night Goal</p> <p>Increase Travelhero revenues</p> <p>Increase # of qualified group tour leads</p> <p>Successfully receive JEM grant for 2004 Spring Getaway</p> <p>Successfully receive Destination Marketing JEM Grant</p>	Flanagan Pauser

Objective	Market(s)	Strategies	Message(s)	Tools	Measure	Responsible Party
Maintain high standards for GMCVB PR & Communications		<ul style="list-style-type: none"> ✓ Respond to/counsel designated GMCVB staff and BOD regarding media issues ✓ Integrate all organizational messages ✓ Develop GMCVB Brand Style Book ✓ Develop/maintain a contact management database for media contacts/use ✓ Develop process to improve dissemination of information about Madison ✓ Generate positive press for GMCVB, Madison and facilities. ✓ Secure additional images for GMCVB image library. 				Straka
Increase Membership and Membership Revenues		<ul style="list-style-type: none"> ✓ Educate membership on benefits ✓ Enhance benefits to members ✓ Solicit targeted businesses and business sectors for membership 	<ul style="list-style-type: none"> ✓ Members Benefits/resources include: <ul style="list-style-type: none"> ✓ Publications ✓ Web site ✓ Promotional programs ✓ Leads 		<ul style="list-style-type: none"> # of members # of cancellations/non-renewals # of new members Revenue totals 	Caple
Establish stronger relationships/higher level of dedication with members		<ul style="list-style-type: none"> ✓ Establish plan for ongoing, effective dialogue ✓ Increase and enhance communication between GMCVB staff and members ✓ Educate membership about For Members Only section of web site ✓ Conduct survey to determine interests, level of satisfaction, etc. ✓ Involve BOD in membership relations 		<ul style="list-style-type: none"> Phone and personal calls. Regular meetings. 		Caple Flanagan
Further mission of GMCVB via strategic alliances		<ul style="list-style-type: none"> ✓ Work with staff to develop alliances/partnerships ✓ Determine which partners will enhance membership and help further initiatives ✓ Complete Development Feasibility Study 			<ul style="list-style-type: none"> Formation of alliances Completion of feasibility study Creation of development plan 	Caple Flanagan Archer New VP of Business Development

6.62 2003 LEISURE MARKET, PR/COMMUNICATIONS, MEMBERSHIP PERFORMANCE GOALS

Goal Area	2002 Goal	2002 YE Actual	2003 Goal
Web site external links	N/A	N/A	Increase by 25%
Unique visits/mo	35,000	34,197	37,500
Unique visitors/mo	25,000	22,143	25,000
Email database	N/A	N/A	500 new addresses
Web Revenue	N/A	\$36,212	10% increase
Conversion Survey	N/A	N/A	40% response
Membership Survey Response	N/A	N/A	75%
Total Visitor Inquires	N/A	137,051	Increase 5% (143,000 +)
Matching Marketing Moneys	\$50,000	\$98,389	Exceed goal of \$70,783
Strategic Alliances	N/A	N/A	Increase by 50%
Frontline Training Participants	N/A	200 +	Increase by 15%
Leisure/Group Room Nights	N/A	3,568	4,461
Travelhero Commissions	N/A	\$875	\$1,200
Qualified Group Tour Leads	550	790	1,078 (10% increase)
Members	650	643	YE Total of 675
New Members	110	100	110
Membership Revenues	\$221,240	\$237,996	\$242,052
Staff/Member Contact/Call Program	N/A	N/A	Establish and Initiate program
Brand Awareness	N/A	N/A	Develop benchmark
Media Value	N/A	N/A	Develop method to quantify
Merchandise Sales	N/A	N/A	Goals TBD
Member Satisfaction rating	N/A	N/A	Goal TBD
Increased use of Members Only section of website	N/A	N/A	Goal TBD

6.63 LEISURE, PR, MEMBERSHIP, PR CALENDAR

Month	Marketing Activity	Membership Activity
January	Spring Getaway Development	Annual Membership Renewal Follow-up Membership Orientation
February	Jack Rabbit Group Tour Tradeshow	Membership Seminar Frontline Training Seminar
March	Destination Planning Guide Development WI Film Festival: Weekend Package Circle WI Showcase	Summer Press Plan launch
April	Farmers Market: Visitor Cart Volunteer Recruitment Begin planning for expansion of DCRA info center	Membership Orientation & Networking Event Membership Survey
May	National Tourism Week Releases & Events Kids Guide Development Visitor Guide Sales Support	Frontline Training Seminar
June	Circle WI FAM	Fall/Winter Press Launch
July	Art Fair on Square: Weekend Package	Joint Chamber/CVB Membership Event
August	Winter Getaway Planning WIAA Program Ad Solicitation	
September	Fall/Winter Visitors Guide out	Frontline Training Seminar Membership Orientation
October		MeetWisconsin Marketplace
November	Visitors Guide Sales Support	Annual Membership Renewal Drive Member Seminar
December		Frontline Training Seminar

7.0 PERFORMANCE INDICATORS & MEASURES

To measure both market and organizational performance, as well as to provide us with accurate data for developing marketing strategies, the GMCVB tracks the following market indicators and achievement areas:

Overall Market Performance & Comparisons	Leisure Marketing & Visitor Services	Convention & Tradeshow Sales & Services	Public Relations & Membership
Room Tax Collections for City of Madison and surrounding communities	Annual Leisure Spending	Geographic scope of business	Membership Retention
Competitive Markets' room tax collections	Visitor Inquiry Totals	# of Event Leads	Membership Revenues
Market and state wide Hotel Occupancies	Visitor Inquiries by Source	# of Event Wins	Publicity items (articles, etc.)
Market and state wide Hotel Average Daily Rates	Visitor Inquiries by geographic origin	# of Event Contracts	Value of publicity
Dane County Visitor Spending Impact	Motorcoach Leads	Booking and sales pace	Membership satisfaction
State wide Visitor Spending	Getaway/Leisure Room Nights	# of Service Alerts & Leads	Cooperative Marketing Resources Secured
Dane County Sales Tax Collections	Getaway Direct Spending Impact	Room Night #'s (Leads, Wins, Contracts)	Public Funding Investment Totals
Average Length of Stay	Online Reservation Totals	Booking timelines (lead-to-win, lead-to-contract, etc.)	
Per Person Expenditures	Visitor Info Materials	Contract Revenues for Monona Terrace	
ROI GMCVB vs. Overall Spending by Visitors	Group Room Nights	Direct Spending Impact of Business	
Hotel Room Inventory	Group Economic Impact	Event Attendance	
CVB Budgets & Staffing Totals		Sales Conversion Rate	
Destination Tax Totals		Business by industry type/category	
Exhibit Hall Rankings, Expansions and Constructions			
Destination Hotel Room Totals			
Competitive Set (by business type)			

For details on the majority of these indicators, please visit our web site, www.visitmadison.com and click on About GMCVB, News and Enews, Statistics. For information not available online, please contact our offices at 608.255.2537.

8.0 SOURCE MATERIALS

FutureWatch 2003 study. Meeting Professionals International and American Express, January 2003.

State of the Industry Report. *Successful Meetings* magazine, January 2003.

2003 Meetings Industry Almanac, *Convene* Magazine, Professional Convention Management Association. November 2002.

2003 Travel Forecast Poll. *Travelocity.com*

2003 Air Travel Study. Bureau of Transportation Studies. Travel Industry Association of America.

“Word on the Street” conference calls. National Tour Association’s Research and Development Council.

State of the Motorcoach Industry. American Bus Association, 2003.

The Economic Impact of Expenditures by Travelers on Dane County, 2001. Davidson Peterson Associates, Kennebunk, ME.

The Economic Impact of Expenditures by Travelers on Wisconsin, 2002. Davidson Peterson Associates, Kennebunk, ME.

COMPETITIVE ANALYSIS

The Greater Madison Convention & Visitors Bureau competes with dozens of other destinations for tourism business. Depending on the particular market segment – convention, group motorcoach or leisure travel – the competitive mix varies. The following table reflects competitive data from some of our key competitors, with the exception of Chicago, which was not included in this analysis due to its size and the scope of its tourism resources. Madison’s position in relation to these other destinations is noted. Additional competitive data is available from the GMCVB.

<i>Room Tax Percentage</i>		<i>Total Tax at Checkout</i>	
Austin	15.0%	Columbus OH	15.8%
Ft Worth	15.0%	Seattle	15.6%
Reno	12.0%	Omaha	15.5%
Sacramento	12.0%	Austin	15.0%
Portland OR	11.5%	Ft Worth	15.0%
Birmingham	11.0%	St Louis	14.8%
Indianapolis	11.0%	Milwaukee	14.6%
Columbus OH	10.0%	Madison	13.5%
Milwaukee	9.0%	Kansas City	13.1%
Green Bay	8.0%	Green Bay	13.0%
Madison	8.0%	Des Moines	13.0%
St Louis	7.3%	St Paul	13.0%
Des Moines	7.0%	Buffalo	13.0%
La Crosse	7.0%	La Crosse	12.5%
Seattle	6.8%	Charlotte	12.5%
Kansas City	6.5%	Lexington	12.4%
Charlotte	6.0%	Reno	12.0%
Lexington	6.0%	Sacramento	12.0%
Louisville	6.0%	Louisville	12.0%
St Paul	6.0%	Providence	12.0%
Stevens Point	6.0%	Minneapolis	12.0%
Wichita	6.0%	Wichita	11.9%
Buffalo	5.0%	Portland OR	11.5%
Lansing	5.0%	Birmingham	11.0%
Providence	5.0%	Indianapolis	11.0%
Minneapolis	2.0%	Stevens Point	11.0%
Omaha	0.0%	Lansing	11.0%
Springfield IL	0.0%	Springfield IL	10.0%

Sources:

2002 IACVB Organizational & Financial Profile Report

Chicago Convention & Tourism Bureau 12th Annual Competitive Analysis Report, Jan 2003

COMPETITIVE ANALYSIS

Number of Rooms in Market

St Louis	31,760
Minneapolis	30,000
Kansas City	26,874
Reno	25,000
Charlotte	22,651
Indianapolis	21,060
Seattle	21,000
Austin	20,645
Columbus OH	20,288
Portland OR	18,520
Birmingham	14,000
Milwaukee	13,000
Sacramento	12,000
Ft Worth	11,507
Omaha	10,824
Des Moines	8,700
Buffalo	8,000
Madison	7,586
Wichita	7,300
Lexington	7,106
St Paul	6,500
Lansing	4,500
Springfield IL	3,900
Green Bay	3,572
Louisville	3,338
Providence	3,200
La Crosse	2,200
Stevens Point	1,250

Number of Rooms in Central Business District

Reno	20,000
Louisville	17,000
Seattle	10,200
Portland OR	6,512
St Louis	6,296
Minneapolis	6,000
Indianapolis	5,209
Austin	4,143
Charlotte	4,118
Kansas City	3,555
Milwaukee	2,953
Columbus OH	2,737
Birmingham	2,500
Des Moines	1,730
Omaha	1,718
Providence	1,597
Buffalo	1,550
Madison	1,481
Wichita	850
Lexington	776
Sacramento	NA
Ft Worth	NA
St Paul	NA
Lansing	NA
Springfield IL	NA
Green Bay	NA
La Crosse	NA
Stevens Point	NA

Sources:

2002 IACVB Organizational & Financial Profile Report

Chicago Convention & Tourism Bureau 12th Annual Competitive Analysis Report, Jan 2003

COMPETITIVE ANALYSIS

% of Room Tax CVB Receives

Green Bay	100.0%
Lansing	85.6%
Birmingham	75.0%
Reno	69.4%
Buffalo	54.4%
St Paul	52.0%
Louisville	50.4%
Omaha	50.0%
Milwaukee	45.9%
Ft Worth	42.8%
St Louis	40.6%
Kansas City	40.0%
Indianapolis	29.5%
Wichita	25.1%
Charlotte	18.7%
Columbus OH	18.4%
Portland OR	18.4%
Austin	16.0%
Madison	13.6%
Providence	12.7%
Seattle	10.7%
Sacramento	10.6%
Des Moines	NA
La Crosse	NA
Lexington	NA
Minneapolis	NA
Stevens Point	NA
Springfield IL	NA

Annual Budget

Reno	\$ 25,000,000
St Louis	\$ 13,199,400
Indianapolis	\$ 8,698,656
Seattle	\$ 8,150,000
Minneapolis	\$ 7,700,000
Austin	\$ 6,702,000
Kansas City	\$ 6,534,260
Portland OR	\$ 6,392,459
Milwaukee	\$ 6,018,426
Columbus OH	\$ 5,886,313
Louisville	\$ 5,750,178
Charlotte	\$ 5,100,000
Sacramento	\$ 5,048,472
Ft Worth	\$ 4,699,430
Birmingham	\$ 4,000,000
Lexington	\$ 3,900,000
Buffalo	\$ 3,100,000
Lansing	\$ 2,782,471
Providence	\$ 2,354,000
Wichita	\$ 2,300,000
Omaha	\$ 2,273,928
Des Moines	\$ 2,168,848
Springfield IL	\$ 1,900,000
St Paul	\$ 1,786,420
Madison	\$ 1,758,592
Green Bay	\$ 835,281
La Crosse	\$ 593,000
Stevens Point	NA

Sources:

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COMPETITIVE ANALYSIS

Full Time Staff (FTE)

Reno	140
St Louis	73
Indianapolis	60
Minneapolis	52
Portland OR	49
Kansas City	46
Columbus OH	45
Louisville	45
Austin	44
Charlotte	43
Milwaukee	41
Sacramento	36
Birmingham	33
Seattle	27
Ft Worth	27
Buffalo	23
Providence	19
Des Moines	19
Lexington	18
Lansing	18
Madison	18
Springfield IL	17
St Paul	17
Omaha	15
Wichita	13
Green Bay	8
La Crosse	NA
Stevens Point	NA

Sources:

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