



Thank you for the opportunity to testify today in support of the Governor's recommended budget that includes a one-time additional investment of \$500,000 for destination marketing. I'd like to start with some high-level statistics, but I think we can all agree that tourism is a crucial part of the Vermont economy.

- After manufacturing, tourism is the second largest contributor of out-of-state dollars
- Tax revenue generated from tourism equates to a savings of over \$1400 for every state resident.

The impact of the tourism economy goes beyond our most iconic attractions or resorts.

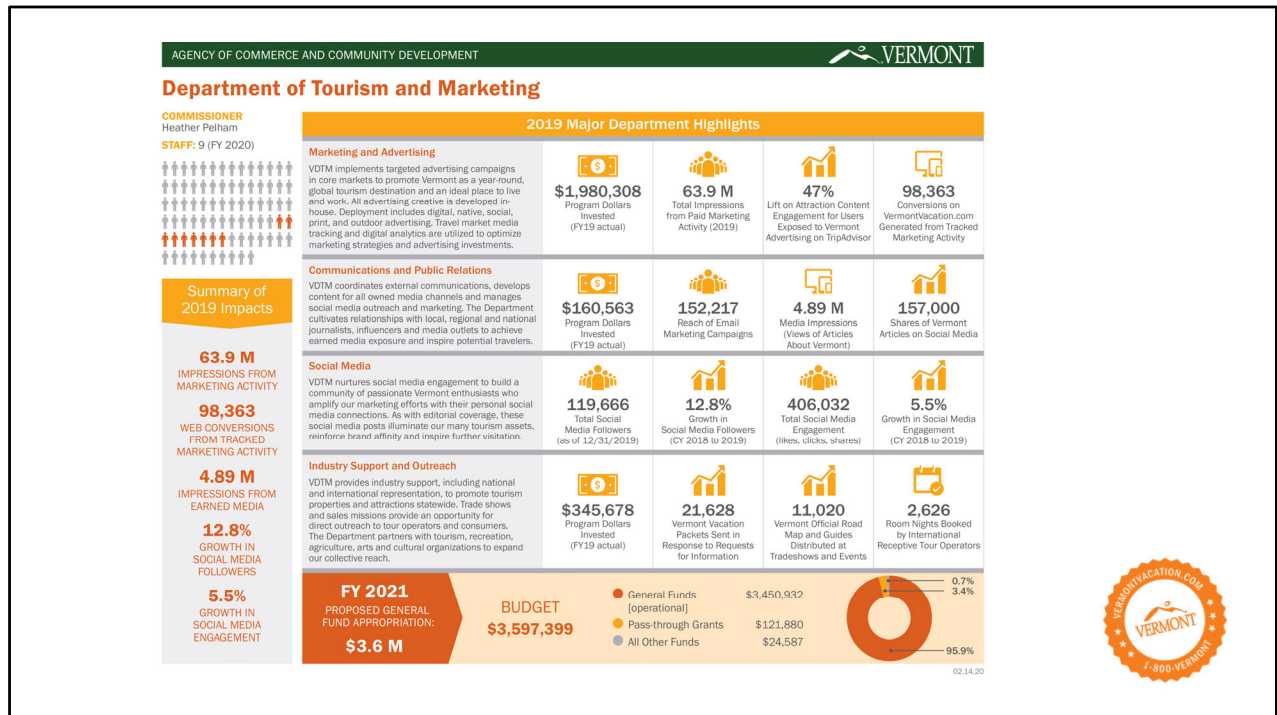
- Over 32,000 Vermonters are employed in tourism-related occupations, representing 10% of the state's workforce. And tourism reaches all corners of our state.
- Over 900 Vermont businesses are listed in the VermontVacation.com Stay and Play Directory and
- our Events calendar had listings over the past year from 236 communities around the state.

Vermont's annual appropriation has been slowly declining over the last five years through level funding (from \$3,300,694 in FY 2015 to \$3,087,705 in FY 2020, which equates to a loss of over 6% in base funding).

For comparison, the New Hampshire budget in FY21 is \$10M and for Maine, the budget was \$17.6 M in 2020. In terms of tourism funding as a percentage of total state budget:

- Vermont spends 0.015%
- NH spends 0.073%
- Maine spends 0.214%

New in the VDTM budget for FY21 is the integration of the Chief Marketing Office into the Department, as well as the salaries for two economic development marketing positions, which is where the total dollar increase comes from, although the change is budget neutral for the Agency as a whole. If we remove the effect of that agency reorganization, the Department's total budget would be just over \$3M (\$3,083,118), where it has been for the past five years.



Broadly speaking, the activities of the Department are broken down into three major categories:

- Marketing and Advertising
- Communications and Public Relations
- Industry Support and Outreach

Under Marketing and Advertising, activities include:

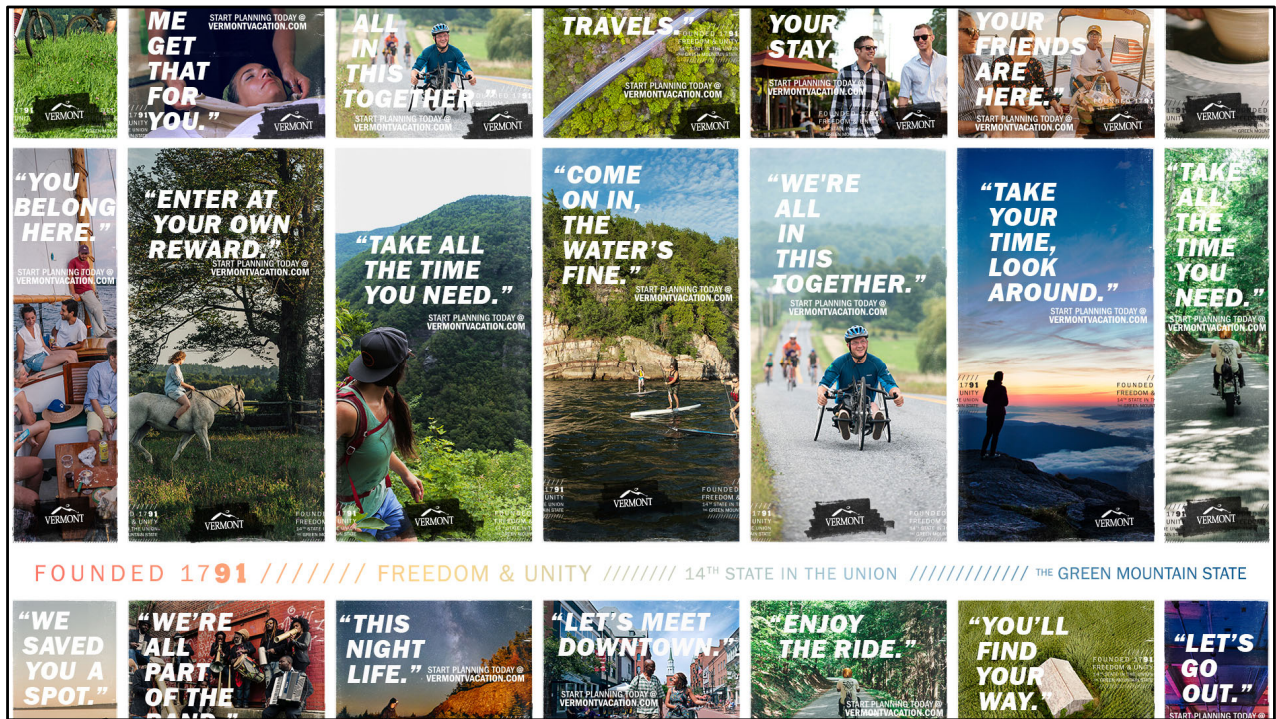
- All of our paid advertising, strategy, planning and media buying
- All Creative development to support our campaigns which is developed in house

Our Communications and Public Relations work includes developing all our owned media content and earned media activities. The distinction is between what we say about ourselves (owned media), what others say about us (earned media) and our paid advertising.

- Social Media is a component of owned media, and we are active on Facebook, Twitter, Instagram and YouTube
- Owned media includes developing the content for VermontVacation.com
- As well as the email marketing we do through our consumer, industry and international newsletters
- Our earned media activities include hosting travel journalists, pitching storylines, responding to press inquiries as well as working with social media influencers

Industry Support and Outreach includes the work we do to encourage group travel and international travel, as well as partner organizations throughout the state.

- We participate in consumer travel shows and trade shows for domestic and international tour operators
- Our direct consumer outreach includes representing Vermont for 17 days every fall at the Big E in Springfield, MA (over 1.5M visitors)
- And we collaborate with other tourism, outdoor recreation, agritourism, arts and cultural organizations on fam trips and events

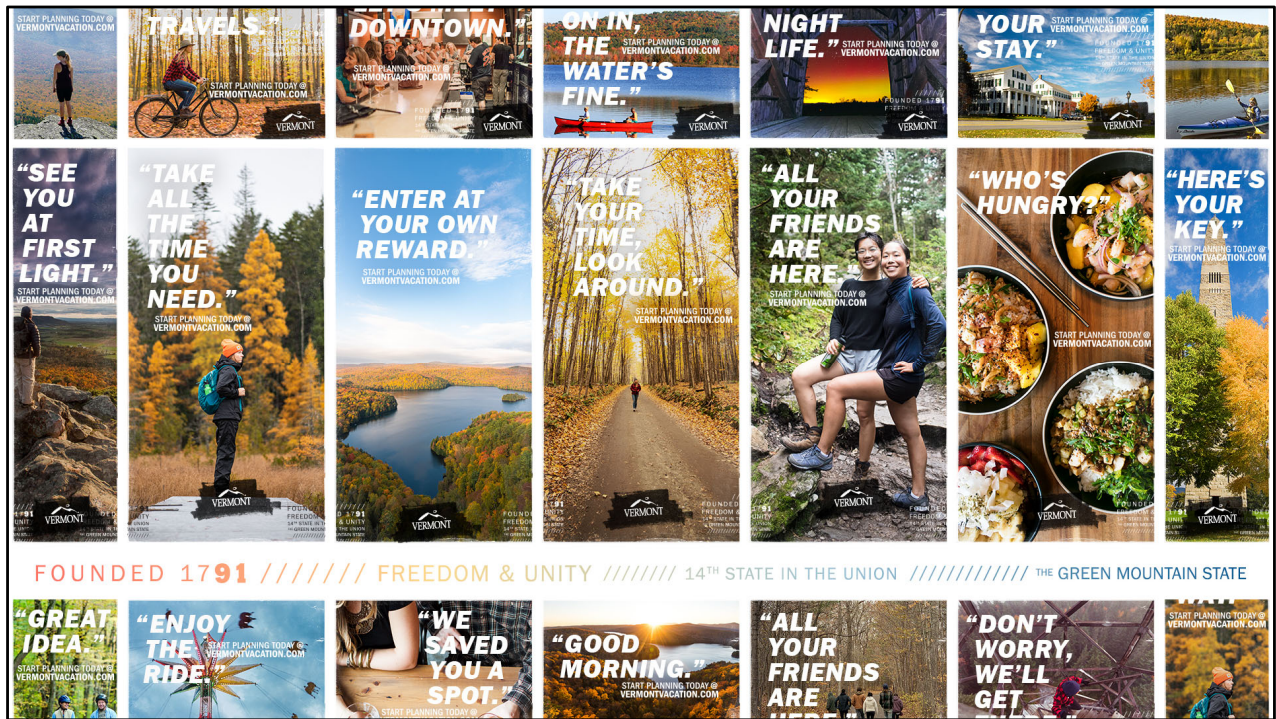


For our paid advertising this past year, we ran a campaign we called ‘Make Yourself at Home.’

Our intention was to lean on our strengths in the hospitality business, thinking about all the ways we can help someone feel at home – and to feel welcomed. We used a conversational tone in our copy, with an emphasis on encouragement, helpfulness and exploration.

We continually strive to include more diversity in our imagery and to broaden the Vermont brand to a more modern visual aesthetic.

Ultimately, we want to invite visitors to experience Vermont as our friends and family would.

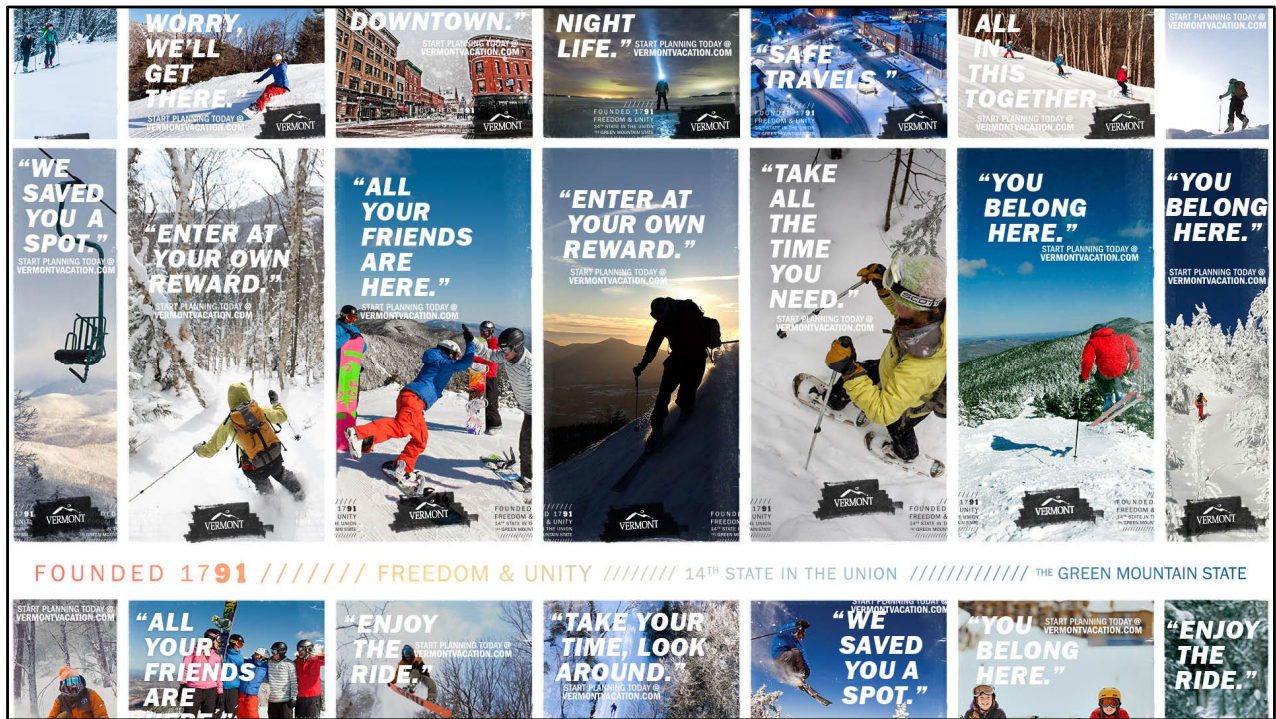


In terms of how we deploy this messaging, we look at the classic marketing funnel to try to influence decision making along a consumer’s research and purchase journey.

At the top of the funnel is brand awareness and interest. This is where the work of the Department can make the most difference to individual tourism properties throughout the state. We have the broadest message to capture attention and create interest in Vermont as a destination overall, to continually fill the ‘funnel’ with potential new visitors.

We don’t have the budget for brand awareness on a national scale, so we target our efforts to folks who may have an existing interest in Vermont or who have interests that match our strengths.

So we geotarget our messaging to our drive markets (New England, NY, NJ) and fly markets (Philadelphia, DC). And we target based on behaviors, like outdoor recreation, cold winter activities, family activities or interest in local food and culinary travel.



We run three major seasonal campaigns each year and collaborate with private sector partners when possible to extend the reach of our investments.

At the next (middle) stage in the funnel, consumers are considering and evaluating their options. In the case of the work of the Department, this is where we try to influence what we call our “travel intenders.” This maybe be someone who has some knowledge of Vermont, perhaps has been here before or has an interest in winter sports but hasn’t made definite plans.

Using data from online behavior (someone who looked at flights online, searched for Vermont lodging or read an article about Vermont), digital advertising can be served to them as they navigate around the web to reinforce the idea of travelling to Vermont and inspire further action. By partnering with different travel intender platforms (like TripAdvisor), we can track the specific actions a user may take after being exposed to an ad to see if they ultimately make a hotel or flight booking or visit to VermontVacation.com.

Because we are not selling a final product, we look at conversions differently than a lodging property or attractions might. So at the very bottom of the marketing funnel, there is not a specific purchase, but rather we track actions that represent significant interest, such as:

- Total time on page (over 1:30 minutes)
- Users visits 3+ pages on site
- User views of the Stay and Play directory, Events calendar or Lodging packages (when ads not directly linked to those pages)
- Sign-ups to the newsletter, fall foliage report or requests more information

At this lowest end of the marketing funnel we utilize paid search to activate users who are already deep into the decision-making process. We test different keywords (such as “things to do in Vermont”) to drive traffic to VermontVacation.com where we can present the full range of activities and events that Vermont has to offer.



This report from the Fall Campaign is an example of the kind of data we can access for our paid advertising efforts. We don't have the budget to run continuous campaigns, so we concentrate our efforts on marketing bursts for Summer, Fall and Winter. This campaign ran for 10 weeks from August 15 to October 31 with an investment of \$200,000.

For each stage in the marketing funnel we use different tactics and have different KPIs or optimization goals depending on the platform.

For top of the funnel brand awareness, we are looking for overall time spent with the brand. One example of that is the native content we ran in the Boston Globe and Outside magazine this summer -- native content being editorial content that we worked with (and paid) the publication to produce.

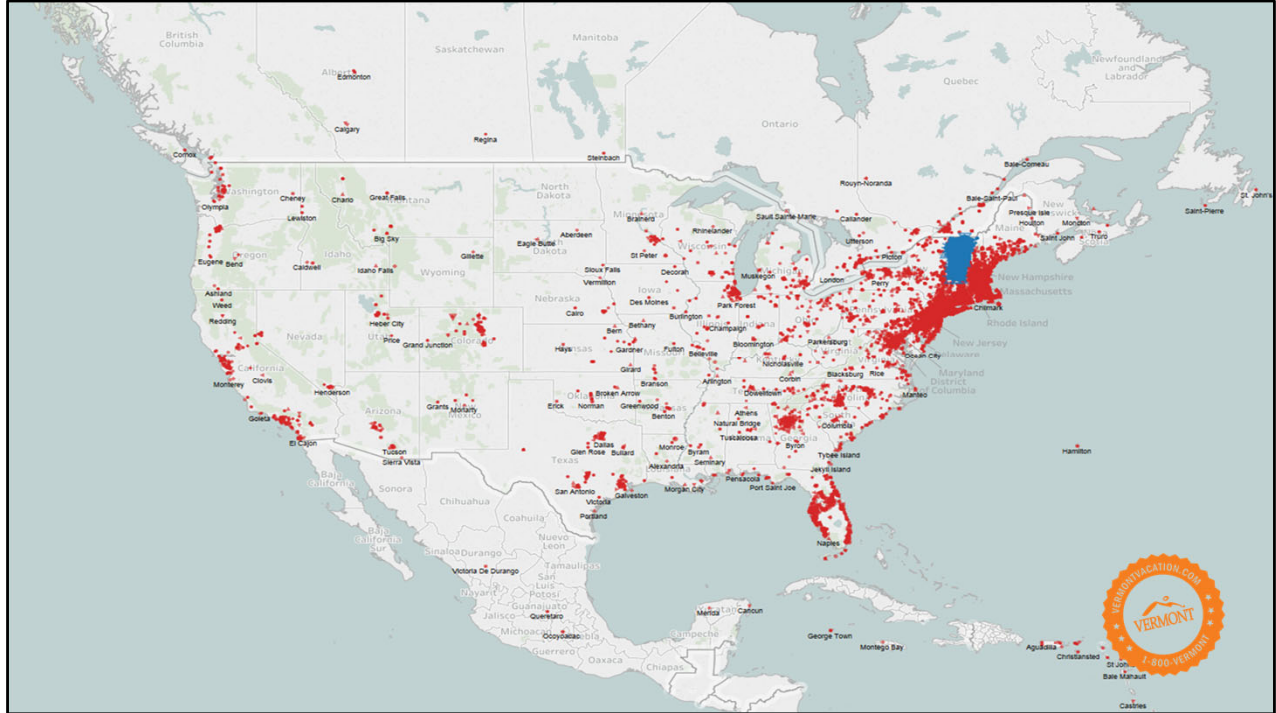
- Our metric of success is time spent on the page. Industry benchmark is 2:00 minutes which we doubled for the Boston Globe and surpassed 1.5x for Outside Magazine.

For travel intenders in the middle of the funnel, our data partners like Adara and Sojern can serve ads to people who have shown an active interest in Vermont (went to a hotel or airline site, looked at Vermont, but haven't booked).

- We can optimize for bookings to see direct revenue generated by users exposed to our ads
- Or we can optimize for conversions or actions taken on the site (like sign-ups, page views or requests for information)

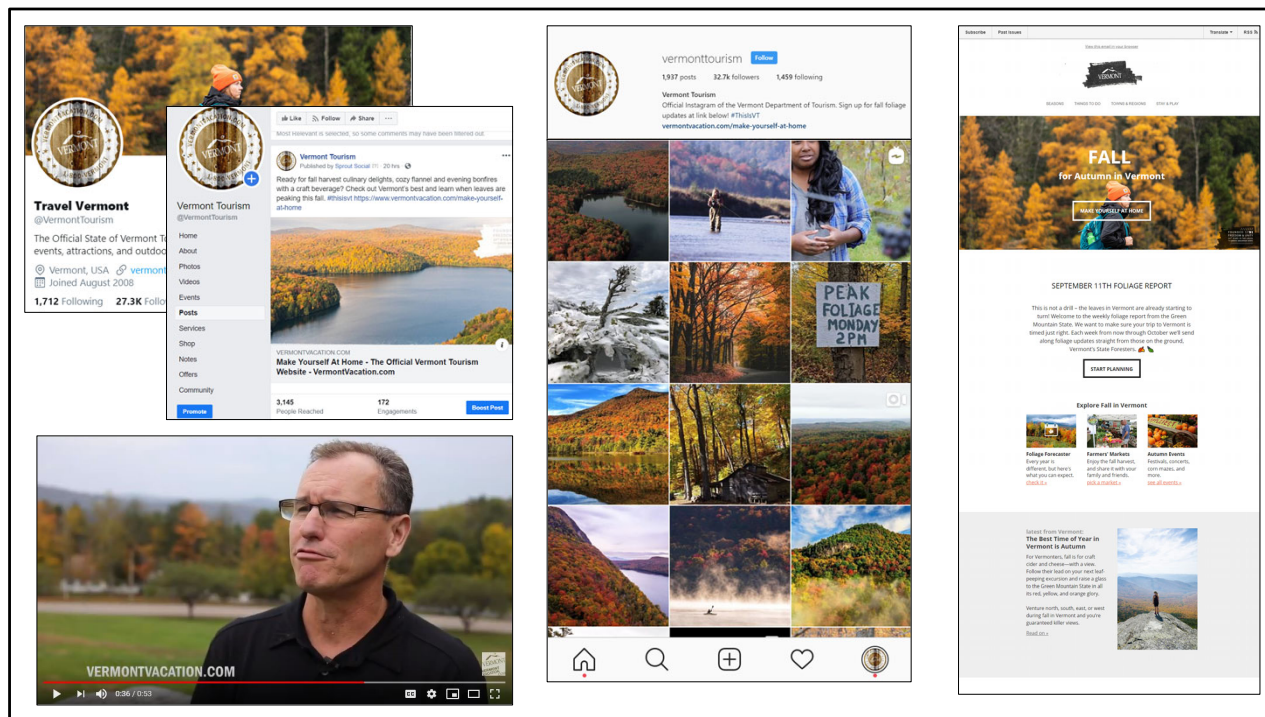
For the low end of the funnel we use search and primarily use branded keywords, so Vermont is specifically what they are searching for

- For example "skiing in Vermont" or "inns in Vermont." We do test non-brand keywords ("winter getaways") to our core markets for limited periods of time at the start of each season when the planning time is the greatest to expand brand awareness as budget allows
- We optimize for conversions (time on site, request info, view events) so we know they are taking another action



For any ad unit, like the Boston Globe article, we can tie exposure from that placement to arrival in the state. This slide shows an example of an Arrivalist data visualization showing the location of first device exposure and then the ultimate 'arrival' of that device in state.

Our Arrivalist data also shows the cumulative impact of advertising. Of the arrivals tracked this summer (8000+ in 2019), 47.5% were exposed to the summer campaign, meaning more than half of arrivals were exposed to past season campaigns, but arrived in summer. Past season campaigns cause a ripple effect of arrivals during later seasons, suggesting a longer planning timeframe.

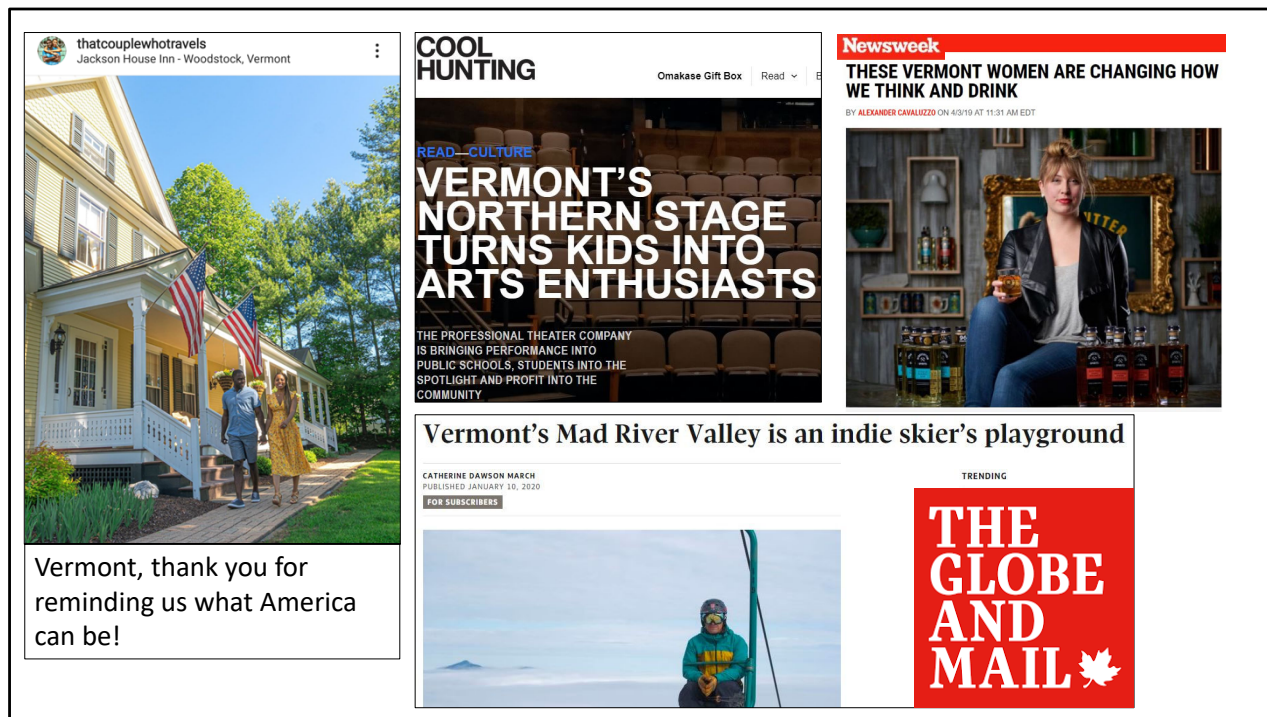


Our campaign themes are carried through our owned media: our social media, email marketing and website content.

The Department keeps a content calendar that helps plan out which photos and content we will share throughout a campaign. We also select high performing content and promote those posts to reach a wider audience. We target that advertising by geographic region, behaviors, and interests – so for example, this fall we targeted Facebook audiences that lived out of state, but showed interest in Vermont, foliage, craft beer, and culinary excursions.

In addition to traditional content development of social posts and photos, the owned media that the Department produces also includes our own video segments. We choose the content of the videos to be able show the breadth of what Vermont has to offer that is not necessarily specific to any one property or attraction.

We are currently producing two video series featuring different downtowns and different “makers” of Vermont products each month. We are working our way around the state and in 2019 featured 8 downtowns and 12 different makers.



On the earned media side of our efforts, we proactively reach out to national and international writers, as well as bloggers and social influencers, to encourage them to write about the state. The Department will invite writers and journalists to visit, help them find accommodations and cover expenses, as well as craft an itinerary for them depending on the audiences they represent and their interests in Vermont.

One example of this is in May of 2019, the Department invited five travel writers and bloggers to the state for a tour of White River Junction and Windsor. That trip included an African-American couple that goes by the name "That Couple Who Travel." In one of the posts from their trip they remarked that amongst all the negativity they see going on in the country, "Vermont restored their faith in what America can be"—and they shared that message with their almost 20,000 followers.

Earned media can also bring focus to new areas of the state not always associated with tourism, but with a lot to offer – like Windsor and White River Junction. In our pitching we also we work drive interest and arrange for interviews on topics where Vermont is a true leader nationally, such as our network of women-owned or operated beverage companies in the state that was covered by Newsweek.



As you can see, the work of the Department to promote Vermont as a global tourism destination has many different components. And for each of those tactics, we use different forms of measurement to continually refine our efforts and make the most of the budget we have.

The Department also has a unique role in promoting the Vermont brand. We are not trying to create the iconic experiences that define Vermont. But it is our job to promote those experiences and curate and unify that message -- from across the state and the many facets of the tourism sector -- into one cohesive idea that we can promote to potential visitors across the country and around the world.

The brand itself does not come from the top down, but rather is the cumulative effect of many different experiences. When visitors come to Vermont, every interaction they have becomes part of the Vermont brand to them. It is all of us -- our communities, local businesses, and attractions that create the fabric that makes up the state's brand.

And so I'd like to take just a little more time to talk about how we work with local communities and partner organizations to boost their message -- from the bottom of the funnel -- up to the top where we can amplify and promote the experiences they provide.

It is this support of work being done on the ground level -- the work that creates that Vermont brand -- where the role of the state is so important. It shows not only what would be lost if the state did not invest in destination marketing, but also the potential of what more could be done with additional resources.

Telling the past, present, and future story of Vermont's most iconic products and people.

“Without the VDTM’s work and funding, we would not have been able to produce these videos on our own. Our 2019 Maple Open House Weekend brought thousands of visitors to Vermont with a record number 140 sugarhouses participating. These videos were one important tool to our success last year.”



Maple Sugar Makers Association

- Example: Vermont Maple Sugar Maker’s Association
- Goal: Increase awareness of Maple Open House Weekend by telling the stories of the people behind the syrup to create an emotional connection.
- Result: Over 200,000 videos three sugarhouse videos

Allison Hope, Executive Director of VMSMA:

“Without the VDTM’s work and funding, we would not have been able to produce these videos on our own. Our 2019 Maple Open House Weekend brought thousands of visitors to Vermont with a record number 140 sugarhouses participating. These videos were one important tool to our success last year.”

Videos:

Gateway Maple (Bristol): <https://www.youtube.com/watch?v=mW2u-O6wTeA>

Solar Sweet Maple (Lincoln): <https://www.youtube.com/watch?v=X3xbf2q6Ed0>

Valley View Farm (Georgia): <https://www.youtube.com/watch?v=IDDXKPAE-L8>

Statewide Itinerary promotion and amplification of established statewide entities or events.

“VDTM’s video helped us build awareness and increase online engagement. Open Farm Week would not have been as successful without the reach of VDTM’s online communication channels and the support in helping us get the word out.”



- Example: Vermont Fresh Network
- Goal: Raise awareness for Open Farm Week and drive tourists to plan an itinerary of farm visits across the state. The video featured three very different farm experiences to show the breadth of opportunities.
- Result: 19,000 videos, features across social media (110,000 followers) and in email marketing (125,000 subscribers)

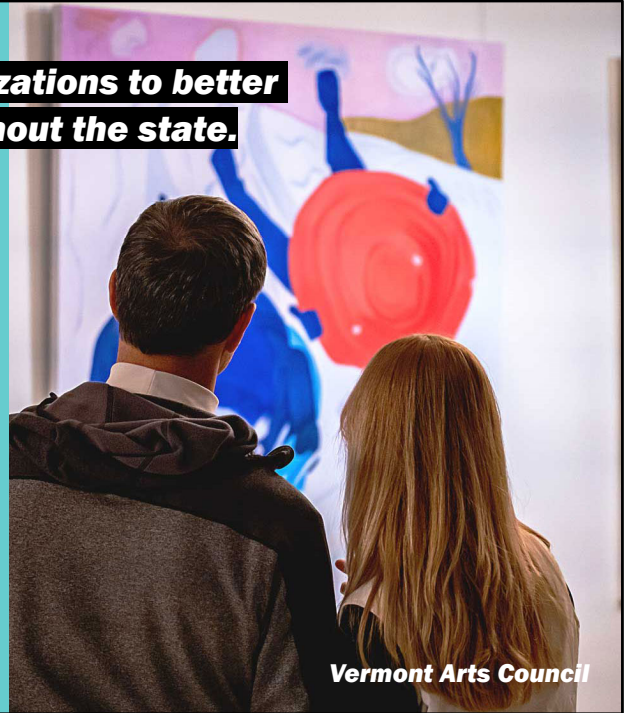
Tara Pereira, Executive Director of the Vermont Fresh Network:

“VDTM's video helped us build awareness and increase online engagement. Open Farm Week would not have been as successful without the reach of VDTM's online communication channels and the support in helping us get the word out.”

Video: <https://www.youtube.com/watch?v=zdZ1Yt073nA>

Curation of content across organizations to better share available resources throughout the state.

“VDTM has been a valuable partner in spreading the word about Vermont’s vibrant and diverse creative economy to a wider regional and national audience than we could possibly reach on our own.”



- Example: Vermont Arts Council
- Goal: Ensure proper attention is given to the creative economy in Vermont.
- Results: Content and imagery created by this sector are shared with the department and featured on homepage VDTM website, newsletters, and social channels each month.

Karen Mittelman, Executive Director of the Vermont Arts Council:

“VDTM has been a valuable partner in spreading the word about Vermont’s vibrant and diverse creative economy to a wider regional and national audience than we could possibly reach on our own.”

Creating awareness of the unknown to build buzz for the up and comers

“Although we have a strong patron base, we must continue to broaden our reach in order to survive. VDTM can reach that wider audience, inviting those from across the country and globe to choose their own adventure, whether hiking mountains, hitting the slopes, eating delicious food, or experiencing great theater.”



- Example: Northern Stage Theater
- Goal: Promote an up and coming theater company, that is helping to rejuvenate downtown White River Junction.
- Results: VDTM brought in five Journalists to visit the theater and the downtown to learn about the community and write articles. VDTM produces a behind the scenes of the theater video viewed 60,000 times and a video featuring all downtown White River Junction viewed 90,000 times.

Ruby Summers, Northern Stage Director of Sales and Marketing

“Although we have a strong patron base, we must continue to broaden our reach in order to survive. VDTM can reach that wider audience, inviting those from across the country and globe to choose their own adventure, whether hiking mountains, hitting the slopes, eating delicious food, or experiencing great theater.”

Video: <https://www.youtube.com/watch?v=k4crianJxLg>

Other Buzz Builders: Vermont Coffee Roasters, Vermont Distillers, Vermont Chocolate Makers, Vermont Theater, Vermont wine, and Vermont Woodworkers.

Provide nimble and real time support when sector specific issues arise.

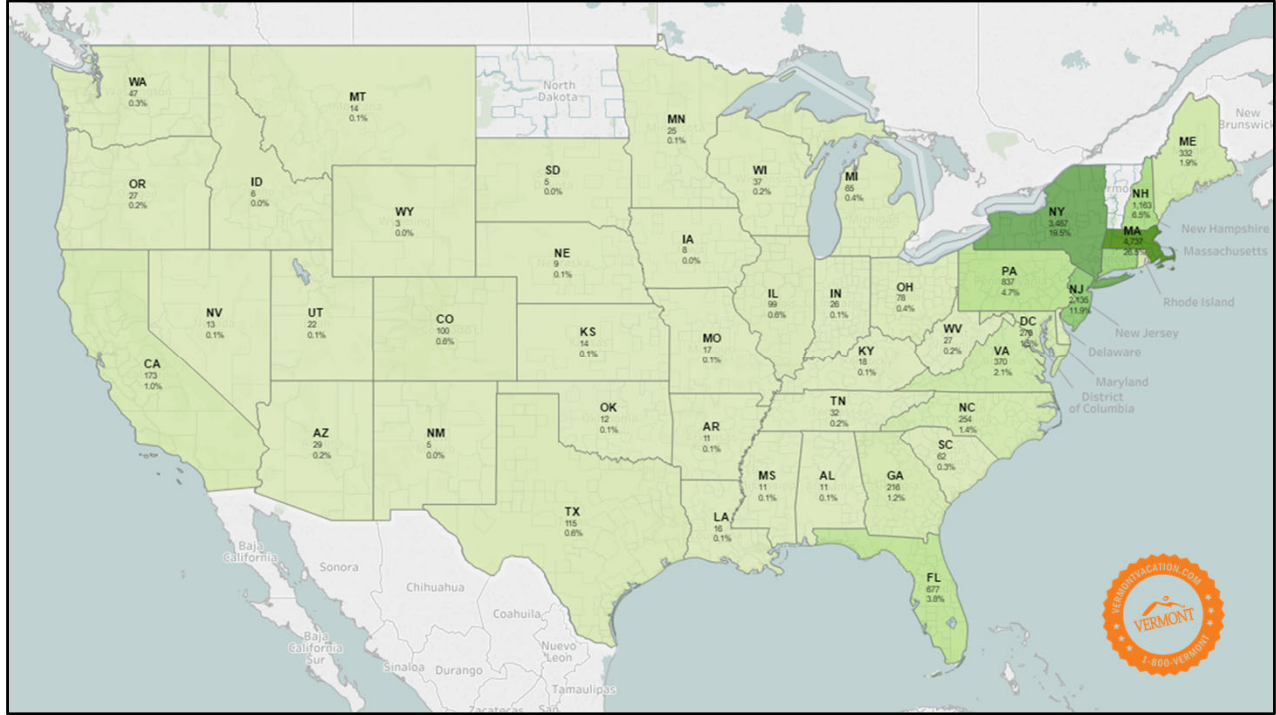
“The Vermont Brewfest is our annual fundraiser and 65% of ticket sales come from out of state. VDTM has helped us market the festival and create unique content to reach audiences beyond the borders of Vermont that we otherwise couldn't reach. We appreciate being able to turn to VDTM when we need support for our festival.”



- Example: Vermont Brewers Association.
- Issue: Ticket sales were down in the lead up to The Vermont Brewers Festival. The Vermont Brewers Association contacted VDTM looking for help.
- Strategy/Result: VDTM added additional promotion about the event in the form of a newsletter mention to 125K subscribers, social posts to 110,000 followers, and giving the brewers association a social media takeover to an audience of 20,000 people (ThisIsVT)

Melissa Corban, Executive Director, Vermont Brewers Association:

“The Vermont Brewfest is our annual fundraiser and 65% of ticket sales come from out of state. VDTM has helped us market the festival and create unique content to reach audiences beyond the borders of Vermont that we otherwise couldn't reach. We appreciate being able to turn to VDTM when we need support for our festival.”



As these examples show, the Department’s work not only increases the reach and effectiveness of local campaigns looking to make that bottom of the funnel conversion, but our partnership with these organizations helps the Department create content to ensure the most compelling stories of Vermont are being told to potential visitors.

So with the opportunity to add an additional \$500,000 to the Department’s budget, one question is certainly what would we do with the money.

First and foremost the additional investment will allow the Department to extend our reach to more potential visitors.

- We currently limit our campaigns to our geographic drive markets and closest fly markets. Additional resources would help us extend those targets to additional direct flight markets and to put more resources into our outreach to Quebec and north of the border.
- Additional resources would also help us to extend the length of our seasonal campaigns. We currently are only advertising about two-thirds of the year (36 weeks) leaving room for other brands to get the attention that might come to us if we were able to stay top of mind more consistently.



With that greater reach, the Department would be better able to serve, promote, and engage sector organizations and local communities.

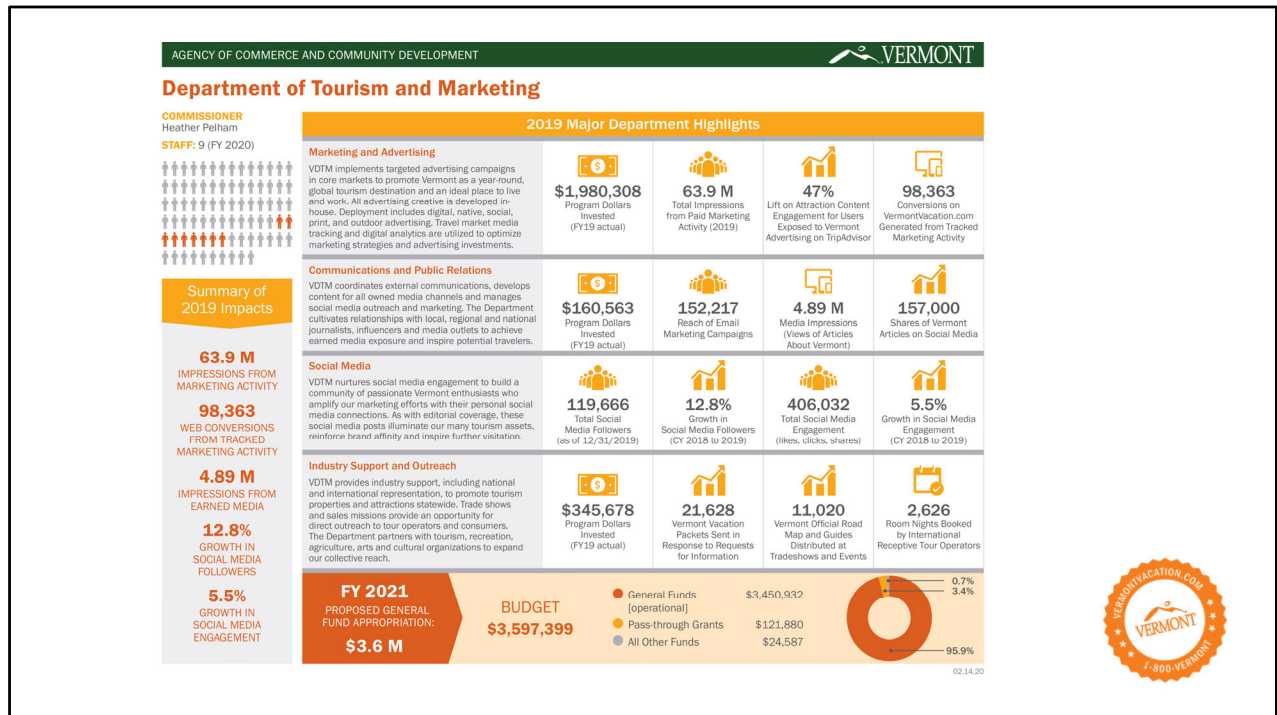
Our very broad “Visit Vermont” message will be strengthened by local messaging in our “top of the funnel” marketing efforts to attract new people into the funnel and drive them to more specific resources as they plan their Vermont vacation.

One project we would look at is investing in additional photography assets that we could share with our partners, our downtowns, etc. to be able to showcase a modern Vermont, one that is aspirational in our depiction of our communities, while still being authentic to the iconic vistas and attractions that have thus far defined our brand. By engaging Vermont photographers in an initiative like this we would be further circulating this investment into the Vermont economy.

We will continue to use a mix of marketing tactics to deploy our messaging, each with specific benchmarks to define success, including:

- Content development (in-house and paid native content)
- Digital advertising
- Earned media (recruiting journalists)
- Social media and email marketing

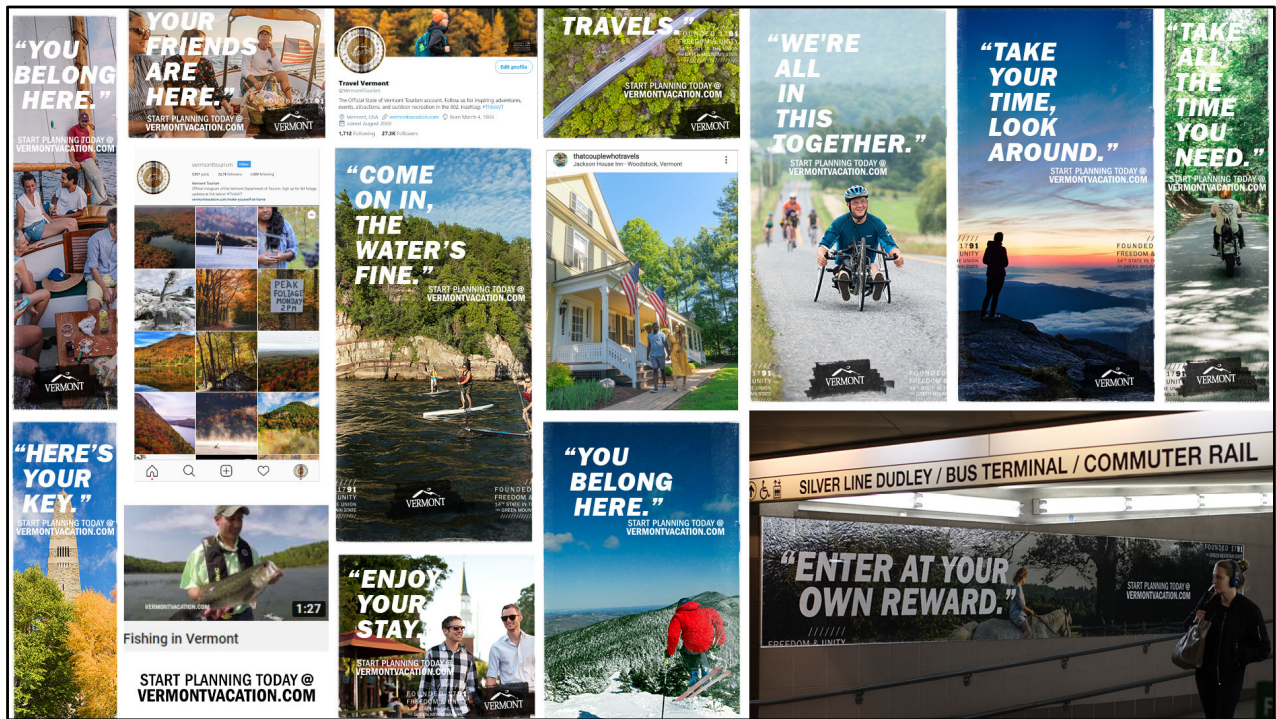
And we will search out additional opportunities for large impact brand awareness opportunities like transit station dominations that will help us reinforce the dream of Vermont to those who may now live away but keep the brand alive in their hearts.



In addition to the different KPIs or optimization goals we have for each individual tactic, depending on the platform, we will be looking to measure the effectiveness of this new investment in specific performance indicators, including:

- Media Impressions
 - In the past year we brought 20 journalists to the state and contracted for three native articles in national publications. Our goal would be to double both of those metrics.
- Email marketing and social media engagement
 - In the past year we increased our followers by 12.8% and our engagement by 5.5%, so our goal would be an 15% increase in followers and an additional 10% growth in engagement
- Vermont Vacation Website traffic and site conversions
 - In the past year we had an average of about 1,800 users on average day. Our goal would be an increase of 20%, results in over 2,100 users per day.
 - For conversions we would aim to increase our current daily average of about 600 conversions to 650.

We know that marketing is most successful with repetition of message, so reaching potential visitors at multiple touchpoints and adjusting where we need to, we can keep Vermont top of mind and continue to fill that funnel.



I hope we can all agree that tourism is a crucial part of the Vermont economy and the impacts of tourism are felt across the state. Any investment we make in tourism will benefit all Vermonters by bringing in more revenue – and even perhaps new taxpayers -- to make Vermont more affordable for all.

Tourism unlocks so much of the economic activity we see in our communities. Our arts organizations, restaurants, and independent retailers all benefit from tourist activity and spending to stay in business and their activities help to further reinforce Vermont’s brand.

I believe an investment in tourism is an investment in rural economic development.

Thank you.