



VISIT FLORIDA Improving Performance Measures and Expanded Rural Partnership Activities

at a glance

As we recommended in our 2003 report, VISIT FLORIDA has taken steps to refine the methodologies used for its return-on-investment performance measures. As recommended, it has also worked to strengthen partnerships with rural counties. VISIT FLORIDA has now entered into partnership agreements with 31 of 33 rural county tourism promotion organizations and has implemented a pilot program to provide technical and financial assistance to rural areas' tourism marketing efforts. To help Florida tourism recover from the effects of the four hurricanes that struck the state this fall, VISIT FLORIDA has launched a national post-hurricane marketing campaign. It is too early to determine the effectiveness of these actions and those of local tourism offices.

Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Florida Commission on Tourism and its direct service organization, VISIT FLORIDA, in response to a 2003 OPPAGA report.^{1,2} This report presents our assessment of the extent to which the organization has addressed the findings and recommendations included in our report.

¹ Section 11.51(6), F.S.

² *VISIT FLORIDA Performs Well and Its Funding Should be Continued; Outcome Measures Should Be Improved*, [OPPAGA Report No. 03-07](#), January 2003.

Background

The Florida Commission on Tourism oversees the state's efforts to increase the positive effects of tourism. The Governor's Office of Tourism, Trade and Economic Development (OTTED) contracts with the commission to perform tourism-related activities.

The commission contracts with the Florida Tourism Industry Marketing Corporation, which operates under the name VISIT FLORIDA, to carry out tourism promotions, programs, and activities identified in the commission's four-year marketing plan. VISIT FLORIDA operates as the umbrella organization under which the state's tourism marketing campaigns are coordinated.

Prior Findings

VISIT FLORIDA performed well, despite economic decline and events of September 11

Our 2003 report concluded that VISIT FLORIDA generally performed well despite the impacts of the 2000 recession and the terrorist attacks of September 11, 2001. Florida's tourism industry recovered at a faster pace than the rest of the nation. The rebound in Florida tourism was assisted by the Legislature's providing emergency funding for tourism promotion and to VISIT FLORIDA's increased marketing efforts.

Performance measures could be improved

Our 2003 report concluded that VISIT FLORIDA had taken action to address a 1999 OPPAGA report’s recommendation that it develop measures to assess its return-on-investment achieved from the state’s funding of tourism promotion.³ In response to this recommendation, VISIT FLORIDA developed several measures that showed a positive return on investment from its activities. However, the methodologies VISIT FLORIDA used for its measures produced imprecise results. For example, some of the methodologies projected results from a very small sample to the entire tourist population. We recommended that VISIT FLORIDA improve the quality of its performance measures by continuing to refine the methodologies used for its return-on-investment calculations.

VISIT FLORIDA provided services to rural communities and small businesses that were not provided by other entities

Our 2003 report concluded that VISIT FLORIDA provided beneficial services to rural communities and small businesses that were not provided by other entities. These services included marketing nature, cultural, and heritage activities. Furthermore, through its partner development department, VISIT FLORIDA provided a means for small lodgings, attractions, and local organizations to advertise their businesses and counties in a wide range of regional and national publications; many of these entities would be unable to afford advertising in such publications without VISIT FLORIDA’s involvement. VISIT FLORIDA also administered a nature and heritage tourism grant program that provided funding for the promotion of multi-county and regional marketing projects. We recommended that VISIT FLORIDA continue and enhance its efforts to market rural counties and attractions.

Current Status _____

VISIT FLORIDA refining return-on-investment performance measures

VISIT FLORIDA is taking steps to address our recommendation by refining the methodologies used for its return-on-investment performance measures. The organization is working to develop measures that can be used to better assess the cost-effectiveness of its overall marketing efforts and advertising strategies. As part of this effort, VISIT FLORIDA reviewed macro-level return-on-investment measurement models used by other government entities, such as the Florida Department of Citrus, that attempt to establish a direct link between marketing activities and desired outcomes. It also commissioned a study to determine how its program data could be incorporated into such models. It expects this study to be completed by the end of Fiscal Year 2004-05.

VISIT FLORIDA continuing efforts to strengthen rural partnerships

As we recommended, VISIT FLORIDA has continued to engage in activities to market rural counties and attractions. It has been successful in partnering with 31 of 33 rural county tourism promotion organizations. Through these partnerships, the local tourism organizations can receive such services as media exposure, discounted advertising rates in VISIT FLORIDA publications, and access to tourism research. VISIT FLORIDA has worked to implement a Rural Tourism Pilot Program that provides technical and financial assistance to support rural areas’ tourism marketing efforts. This program enables rural communities to participate in advertising programs, develop brochures, web-sites, and gain exposure to various media outlets. To date, 23 of the state’s 33 rural counties have been assisted through this program. VISIT FLORIDA expects to provide pilot program services to 27 of the 33 rural counties by the end of Fiscal Year 2004-05 and continues to

³ *Review of the Commission on Tourism and VISIT FLORIDA, Report No. 99-16, December 1999.*

provide assistance to counties involved in previous pilot programs.

Recent hurricanes have had a negative impact on Florida tourism; VISIT FLORIDA is taking steps to minimize their effects

VISIT FLORIDA reported that the number of visitors to Florida and the state’s travel-related employment and tourism related tax revenues were higher in 2003 than in 2002 (see Exhibit 1). It further reported that these tourism-related indicators increased during the first six months of calendar year 2004 compared to the same period in 2003. However, the four hurricanes that struck the state in August and September had a negative impact on tourism. The state experienced a decline in the total number of visitors during the third quarter of 2004 compared to the same period in the previous year. VISIT FLORIDA officials believe that this decline is due in part to extensive media coverage of the hurricanes and their effect on the state.

VISIT FLORIDA is also concerned that these hurricanes may deter potential tourists from visiting the state in the future. Research conducted by an independent marketing

research firm in October 2004 estimated that one in five potential tourists would be less likely to visit Florida in 2005 as a result of the hurricane activity in 2004. Officials are planning research to determine if this attitude will persist beyond the next summer.

To help restore the image of Florida as a tourist destination, VISIT FLORIDA has launched a post-hurricane marketing campaign that includes placing advertisements in national publications, conducting public relation activities, and updating its website to provide information on local tourist attraction status and lodging availability. VISIT FLORIDA’s board of directors and the Florida Commission on Tourism approved the use of \$2 million from the Economic Risk Recovery Fund to support these activities.

It is too early to determine what effect these actions and those of local tourism offices will have. However, it should be noted that our 2003 report concluded the rebound in Florida tourism following the terrorist attacks of September 11, 2001, was likely associated with the Legislature providing emergency funding and to the increased marketing efforts of VISIT FLORIDA.

**Exhibit 1
Florida Tourism Has Continued to Improve Since Our Last Report**

Indicator	2002	2003	Percent Change
Estimated Number of Visitors (Domestic and International)	73.9 Million	74.6 Million	1%
Tourism/Recreation Taxable Sales	\$48.7 Billion	\$51.5 Billion	5.8%
Total Tourism Recreation Tax Collections (State Sales Tax)	2.9 Billion	3.1 Billion	6.9%
Total Taxable Sales in Hotels and Lodging	10.9 Billion	12.0 Billion	10.1%
Total Taxable Sales in Admissions (includes Attractions)	\$5.8 Billion	\$6.1 Billion	5.2%
Total Direct Travel-Related Employment	863,000	871,000	0.9%

Source: VISIT FLORIDA’s Florida Tourism Industry Fast Facts.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



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