

Trends

No Data Available

Legend:

↑ Increase, ↓ Decrease, ↔ Steady

Key Performance Areas

No Data Available

Productivity

No Data Available

Legend:

↑ Improving, ↓ Worsening,

↔ Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov/agencylevel/index.cfm](http://www.vaperforms.virginia.gov/agencylevel/index.cfm)

Background & History

The statutory authority exists in the Code of Virginia, § 2.2-2315 through § 2.2-2327.

The Virginia Tourism Authority (VTA) is a political subdivision of the Commonwealth of Virginia, authorized to do business as the "Virginia Tourism Corporation" (VTC). It was created on July 1, 1999. Prior to July 1999, Virginia Tourism was a division within the Virginia Economic Development Partnership. The VTA has a Board of Directors comprised of 16 members, including the Lieutenant Governor, the Secretary of Commerce and Trade, the Secretary of Finance, the Secretary of Natural Resources and twelve members appointed by the Governor and confirmed by the General Assembly. The Governor designates the Chairman of the Board, and the Board elects one member as the Vice-Chairman. The Executive Director of the VTA is appointed by the Governor and reports to the Secretary of Commerce and Trade. The Board of Directors serves in an advisory capacity to the Executive Director who serves as the Board's ex-officio secretary-treasurer.

The Virginia Tourism Authority serves the broader interests of the economy of Virginia by supporting, maintaining and expanding the Commonwealth's domestic and international travel market and motion picture production, thereby generating increased visitor expenditures, tax revenues and employment. The Corporation develops and implements programs beneficial to Virginia travel-related and motion picture production-related businesses and/or consumers that no industry component or organization would be expected to carry out on its own.

Primary Product & Services

The Virginia Tourism Authority provides the following services:

- **Advertising:** The multi-million-dollar advertising program develops and promotes the Virginia brand by using print, internet, broadcast and outdoor media. The media plan subsidizes media costs for tourism industry partners and targets frequent travelers within markets that provide the highest potential number of visitors to Virginia.
- **Grants Assistance:** The Authority is a resource for the industry to seek and secure grants to supplement marketing and product development programs. It hosts three-day grant writing skill development classes to assist the industry with grant application processes. It works closely with Virginia's counties, cities, municipalities and attractions to identify grant opportunities and ways of extending limited resources to market the Commonwealth's tourism product.
- **Film Office:** Film Office efforts are aimed at increasing film and video production in the Commonwealth. The Film Office promotes the Commonwealth as a production location and provides production and location services to producers and assists filmmakers with their projects in the state. The Film Office also recruits production work from outside the Commonwealth and supports Virginia companies.
- **Public Relations:** Public relations stimulates Virginia's economy by creating promotional communications tools and editorial coverage designed to motivate travelers to visit, stay longer and see more of Virginia's travel appeals. Public relations also provides the VTA with visibility in niche publications to promote Virginia's special and unique product.
- **Sales:** VTA's direct sales efforts, including trade shows, sales missions and site inspection tours, are designed to increase visitation and economic impact from domestic and selected international markets. Key buyer segments targeted through the sales effort include tour operators, travel agents and meeting planners.
- **Research:** The research section provides a wide range of tourism-related data analysis and data gathering, including domestic and international visitor profiles, domestic and international market shares, the economic impact of tourism on the state and localities, and the VTA's advertising and marketing campaigns. The research program provides detailed and timely information for those in the Commonwealth who are interested in the area of tourism development and for the VTA to assess the return on investment of its programs.
- **Electronic Marketing:** This section manages VTA's two websites, targeting consumers and Virginia's travel industry. It manages VTA's internet communication technologies and develops web-based business initiatives and partnerships. Electronic Marketing regularly educates the industry about Internet technology and the benefits of full participation

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within VTA's consumer website.

- Creative Services: The Creative Services section provides graphic development and production services for VTA and the Virginia Economic Development Partnership. The VTA's library of photography, film, videography and electronic graphic files is managed by the Creative Services section.
- Fulfillment: The fulfillment program responds to inquiries and provides information to consumers seeking Virginia travel information. Consumer requests are received through: the state's toll-free number(s), primarily 800-VisitVa; e-mails generated by Virginia.org; LiveChat or live messaging on Virginia.org; mailed inquiries; and electronic inquiries generated through advertising and marketing initiatives. These services are administered through a contracted Consumer Services Center. A contracted fulfillment house distributes basic and general mailings. VTA's in-house mail service fulfills more customized requests and can include a plethora of information to meet consumers' needs.
- Industry assistance and training: The Authority makes customer service training available for front line staff and workshops for managers to assist with planning and developing strategies for local and regional tourism products.
- Welcome Centers: Welcome Centers provide travel brochures and advertising panels to promote a wide variety of attractions and destinations. Multimedia kiosks assist visitors in exploring Virginia's many tourism assets. Free lodging reservation services are also offered to the traveler visiting the Centers.

### Customer Base

The Authority works with state agencies, Virginia localities, the Virginia Hospitality and Travel Association, the Virginia Convention and Visitors Bureau, destination marketing organizations, chambers of commerce, local convention and visitor bureaus, attractions, and numerous other tourism entities in the Commonwealth. In a sense, these are some of the VTA's customers. The Authority works in partnership with many of these organizations to promote the Commonwealth as a travel destination. Through this "customer base" Virginia tourism products are marketed and promoted to the visiting public to encourage more travelers to stay longer and spend more money in the Commonwealth.

### Customer Listing

No Data Available

### Key Agency Statistics

The following is a summary of the Virginia Tourism Authority's key statistics:

**Domestic Earned Media in FY12:** Virginia Tourism Authority's Public Relations department coordinates with news agencies and other media outlets to have stories reported about Virginia's tourism industry. Earned media is the advertising equivalency value assigned to placements made by the Public Relations department. Total Domestic Earned Media is the value assigned to articles and broadcast news stories that occur within the United States.

**International Earned Media in FY12:** Virginia Tourism Authority's International Marketing and Public Relations departments and the Capital Region USA representatives coordinate with news agencies and other media outlets to have stories reported about Virginia's tourism industry. The earned media figures reflect rate card advertising costs for the equivalent amount of space. The results of earned media are a collective result from press FAMS (familiarization tours), desk side pitches, ongoing engagement with local media, press releases, and promotions. Total International Earned Media is the value assigned to articles and broadcast news stories that occur outside of the United States.

**Canadian Earned Media in FY12:** Virginia Tourism Authority's International Marketing and Public Relations departments and the Authority's Canadian representatives coordinate with news agencies and other media outlets to have stories reported about Virginia's tourism industry. The earned media figures reflect rate card advertising costs for the equivalent amount of space. The results of earned media are a collective result from press FAMS (familiarization tours), desk side pitches, ongoing engagement with local media, press releases, and promotions that target the Canadian market. Total Canadian Earned Media is the value assigned to articles and broadcast news stories that occur within Canada.

**Number of Journalists Hosted for Media Tours in FY12:** The Public Relations department hosts journalists who then write articles about the destinations they visited. The value provided from the articles contributes to the overall earned media.

**Total Number of Page Likes on Facebook:** The total number of people (unique users) who have liked the Virginia is for Lovers Facebook Page.

**Number of Engaged Users on Facebook in FY12:** The number of people (unique users) who engaged with the Virginia is for Lovers Page. Engagement includes any click or story created.

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Total Reach on Facebook in FY12: The number of people (unique users) who have seen any content associated with the Virginia is for Lovers Page.

Total Number of Twitter Followers: The total number of people (unique users) who follow Virginia is for Lovers on Twitter.

Total Number of YouTube Video Views: The total number of times a video from the Virginia is for Lovers YouTube channel is viewed.

Number of Sweepstakes Entries in FY12: The total number of distinct people who have completed the sweepstakes entry form to enter a sweepstakes promotion hosted on Virginia.org.

Number of Sweepstakes Opt-Ins in FY12: The total number of distinct people who entered a sweepstakes hosted on Virginia.org and opted-in to receive continued email communications from the Virginia Tourism Authority.

Percentage of Sweepstakes Entrants that opted into the eNewsletter in FY12: The number of sweepstakes entrants on Virginia.org who opted-in to receive continued email communications divided by the total number of sweepstakes entrants.

Number of Industry Referrals from Virginia.org in FY12: Links clicked on by a visitor to Virginia.org that connects them to an external website.

### Finances

The Virginia Tourism Authority is currently operating with a general fund budget of \$19.6 million. These funds provide resources to support the base marketing, advertising and promotions programs; film office operations; partnership marketing; customer services; and minimal administrative support functions.

While the budget is currently at levels comparable to 2001 funding levels, the Authority has challenged itself with opportunities to expand upon its core mission and marketing plan to include outdoor and rural product development and promoting product enhancements and development. Therefore, VTA has had to aggressively leverage funding and form new partnerships with industry and government entities to extend the reach of a limited budget.

The Authority also receives funds (\$1.6 million annually) from the Virginia Department of Transportation to support the operations of eleven state Welcome Centers that provide travel information and assistance to visitors. These funds are not reflected in the general fund appropriation. The funds, however, are not sufficient to fully fund the Welcome Centers' operations, which is \$2 million annually.

### Fund Sources

No Data Available

### Revenue Summary Statement

No Data Available

### Key Risk Factors

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A non-dedicated stream of funding continues to challenge the health of the Virginia Tourism Authority. An unpredictable budget presents great challenges in long-term planning and marketing and greatly inhibits the Authority's ability to create a greater tax base by attracting more tourists. Continued advocacy and educating public officials at all levels as to the value of public investment in tourism, the nature of the industry and the best way to achieve marketing goals adds to the burden on already stretched human resources. In recent years, some competitor states received millions of dollars of additional appropriations to promote their respective tourism industry and film production, which has contributed to a very competitive arena for Virginia. In 2011, Virginia ranked eighth in domestic tourism expenditures. In that same year (the most current year of available data), the seven states ranked ahead of Virginia had an average budget of almost \$29 million (note: figure excludes New York because they did not report a budget). Given that Virginia's top competitors' tourism budgets are on average \$10 million more than Virginia, it is clear that greater investment in tourism marketing could enhance the Commonwealth's ability to compete for domestic travelers' dollars.

An increased tourism budget has already paid dividends for Virginia. Beginning in the FY 2010-12 biennium, an additional \$3.6 million appropriation has enabled the Virginia Tourism Authority to run out-of-state broadcast advertising for the first time in four years. The

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advertisements, which run in target markets such as New York, Washington D.C., Philadelphia, Ohio and North Carolina, aim to attract visitors who bring new dollars to the Commonwealth. The additional funding was also critical for the Authority's overhaul of its consumer website, Virginia.org. The number one tourism website in the nation, Virginia.org attracted a record 6.8 million unique users in FY 2012. Virginia.org provides more than 100,000 referrals to tourism businesses per month with more than 580,000 views of tourism businesses' listings. The site is now more user-friendly with a recommendation engine that helps up-sell Virginia destinations. The site also has greatly improved trip planning tools. Such initiatives have helped the tourism industry post record economic impact figures. In 2011, Virginia's tourism industry as a whole generated \$20.4 billion in economic impact, supported 207,000 jobs, and provided \$1.3 billion in state and local taxes (Source: US Travel Association).

In the same biennium, an increase in the Governor's Motion Picture Opportunity Fund and the enactment of the Virginia Motion Picture Production Tax Credit program made it possible for the Commonwealth to attract the production of Steven Spielberg's "Lincoln" film. The project, filmed entirely in Virginia, produced direct expenditures of \$32 million and a total economic impact of \$64 million. In the last two fiscal years combined, film incentives totaling \$3,964,500 and tax credits totaling \$2,500,000 produced the following results: direct expenditures of \$46,593,019; economic impact of \$89,194,660; direct employment of 5,130 Virginians; and state and local taxes of \$4,559,754. Clearly, the investment in film incentives has proven to have an immediate and significant return. In 2011, Virginia's film industry as a whole generated \$394 million in economic impact and supported 3,800 jobs (Source: Mangum and Associates).

The Authority receives \$1.6 million annually from the Virginia Department of Transportation (VDOT) to support the operations of Virginia's welcome centers. This funding level is not sufficient to cover the total operating costs of these centers. Further, to provide the public with greater customer service, the Authority provides reservation assistance to travelers seeking accommodations. While, in the recent past, the General Assembly appropriated \$20 million for welcome center and rest area improvements, most of these facilities are generally inadequate to serve the millions of visitors who visit Virginia annually. More funds need to be dedicated to improve these facilities.

In the Film Office, the prevalence of incentives in other states and countries greatly challenges Virginia's ability to attract large film projects. Nationwide, 36 states have significant financial incentive packages. Of these, eight are direct Virginia competitors. These states are: Florida, Georgia, Louisiana, Maryland, Mississippi, New York, Pennsylvania and South Carolina.

Illinois: Direct film revenue increased 300% from \$25 million to \$75 million with \$5.5 million in tax credits issued.  
Louisiana: \$20 million in incentives resulted in \$300 million in spending in two years.  
Pennsylvania: More production in one year than in the previous two combined.  
Utah: \$1 million in incentives increased production by 74%

The impact of Virginia's film incentive program has been substantial. An aggressive, funded incentive program and a formal infrastructure to educate, train and develop a labor force is essential to preventing the Commonwealth from losing ground to those states and countries whose programs offer greater incentives.

## Performance Highlights

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The Virginia Tourism Authority (VTA) added two, new key performance measures for the FY12-14 biennium. The new measures track the economic impact and tax revenue generated as a result of the Authority's marketing efforts.

The measure data is derived from a 2010 study by Longwoods International that measures the economic benefit gained from the Virginia Tourism Authority's advertising campaign investment. The Longwoods study found that the Virginia Tourism Authority's "LOVE" campaign generates an economic impact of \$67 for every \$1 invested. Likewise, the study found that the "LOVE" campaign generates state and local tax revenues of \$5 for every \$1 invested. The economic impact measure data is calculated by multiplying the Virginia Tourism Authority's "LOVE" campaign advertising investment by the \$67 economic impact figure. The state and local tax measure data is calculated by multiplying the Virginia Tourism Authority's "LOVE" campaign advertising investment by the \$5 tax figure. The advertising investment is comprised of placements in broadcast, print and internet media.

The Authority's third key performance measure is the number of consumer inquiries for Virginia travel information. The measure data is calculated by adding all of the consumer inquiries for travel information through the Virginia Tourism Authority's primary delivery methods occurring in a fiscal year. The primary delivery methods for inquiries are toll-free telephone numbers, bulk mail requests, unique visits to the consumer websites, visitor inquiries at the Welcome Centers, e-travel guides and media requests. This measure is important because the public's interest in visiting Virginia gauges the effectiveness of the Authority's marketing efforts. Consumer inquiries have been trending upwards and have met agency targets in recent fiscal years.

## Performance Measures

## Management Discussion & Analysis

### General Information about the Ongoing Status of the Agency

With advice from the Board of Directors and in cooperation with the private-sector tourism industry, the Authority will execute an overall tourism plan based on the recently completed State Tourism Plan and research, focused on product development, creative and innovative partnership marketing and workforce training. The Authority will continue to identify growth potential and inspire investment from both the public and private sectors in tourism development. It will reinforce its commitment to excellence in marketing, will continue advocacy on all levels for public and private tourism investment and will prioritize growth areas to ensure continued visitor spending growth.

Virginia has shown a steady growth in the economic impact of production since the Film Office was founded in 1980. For the period of 1991 – 2002, the industry grew more than 600 percent. In 2003, this upward pattern changed and production revenue decreased 9.7%. There were several economic and social factors that contributed to this: one of the most significant was the creation of incentive funds in competitor states. Business went to Virginia's competition as a result. The Virginia Film Office estimates that the Commonwealth lost more than \$1 billion in film production benefit because it did not offer incentives. Despite these losses, Virginia's film industry grew from \$510 million in 2004 to \$597 million in 2006.

With the passage of two major film initiatives by the Virginia General Assembly, film is now being recognized as economic development. The Virginia Motion Picture Production Tax Credit program provides up to \$5 million in tax credits per biennium. In addition, another \$6 million was approved for the Governor's Motion Picture Opportunity Fund for FY 2012-14. Incentive programs have become an important factor in attracting film production to the Commonwealth. Thirty-nine states currently have significant financial incentives to attract film production. For example, North Carolina, in 2009, increased its film production tax incentive from 15% to 25%, up to \$7.5 million. The tax credit covers all expenditures for a production made in the state: it is not limited to credits for below-the-line spending, as is the case for many other filming incentives in other states. This incentive could attract small to mid-level films needing a local crew to support them.

### Information Technology

The Virginia Tourism Authority relies heavily on technology to market and promote the Commonwealth as a travel destination. The internet has become the primary tool to reach people and deliver the tourism message nationally and internationally. With the technology of this product changing rapidly, the Authority needs to assure that it stays on the cutting edge to meet the needs of a technology savvy user. In 2012, the Authority won United States Travel Association's prestigious Mercury Award for Best State Travel Website. In order to maintain the superior quality of the website, the Authority must continually upgrade the application software and hardware to meet the internet and user requirements.

### Workforce Development

The Authority has been able to retain employees long-term, which results in a relatively stable and competent workforce. Over the recent few years, Authority payroll costs have been rising, which reflects the need to be competitive with the private sector to attract the best candidates and to retain well qualified individuals. A competitive compensation package is a key element to attract and retain the best possible employees for positions within Virginia Tourism. As a result, the Authority has attracted quality professional staff. VTA has been recognized as one of the best tourism offices in the United States and has won awards for its efforts.

Having a large number of long-tenured employees will impact the future of the Authority. The average length of service of full-time employees employed by the Authority is about twelve years. There are 22 employees who have 15 or more years of service with the Commonwealth; 13 of whom have more than 20 years.

To assure that the staff remains current and competitive with the private world, a program of continuing professional development is encouraged, and funds are provided to support these efforts. It is essential that such programs are current and meaningful to assure the competency of the staff.

The Authority relies heavily on part-time staff to man the state Welcome Centers. The funds for this effort come largely from the Virginia Department of Transportation and the sale of brochure display space and advertising panels. The funding has not kept pace with the cost of operations which puts financial pressure on the Authority to fully man these Centers for the scheduled hours of operation. In 2009, two centers were closed due to budget reductions.

### Physical Plant

The Virginia Tourism Authority's main office is located at 901 East Byrd Street, Richmond, VA 23219. The facility is leased and managed by Virginia Economic Development Partnership per a Memorandum of Understanding dated July 1, 1999 and amended June 16, 2011. In addition, the VTA operates 11 state Welcome Centers located strategically around the state and the Bell Tower in Capitol Square in Richmond to provide information to people traveling in Virginia. Two welcome centers were acquired by the Authority -- Potomac Gateway Visitor Center in King George County and the Danville Welcome Center. The Danville Welcome Center continues to be operated by the City of Danville through a Memorandum of Agreement. The Potomac Gateway Center was closed in November 2008 due to budget reductions. In April 2012, the VTA entered into a Concession Agreement with Dahlgren Heritage Foundation Inc. for the operation of the Potomac Gateway property. The agreement allows the Foundation to operate the property as the Dahlgren Heritage Museum. In turn, the Dahlgren Heritage Museum will not only serve to tell the story of military history at Dahlgren, but also to promote tourism within the Commonwealth through brochure displays, advertising panels and the Authority's "ByTheWay" touch screen tourism information system.

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