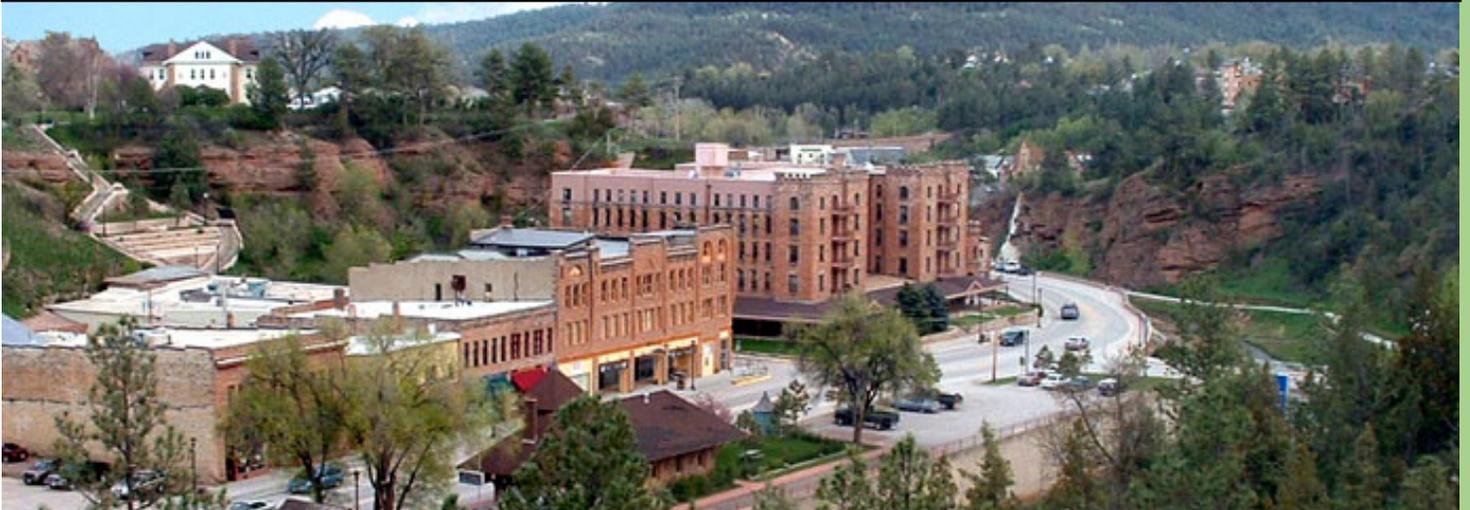


2015

Hot Springs Tourism Development Plan



Crow Peak Consulting
Black Hills State University

HOT SPRINGS TOURISM DEVELOPMENT PLAN

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Executive Summary

This report was assembled by our consulting firm in order to provide Hot Springs with a solid foundation to grow tourism in a sustainable way, while improving the quality of life for residents.

Our firm recommends concentrating on four target markets: Wellness, Outdoor Enthusiasts, History and Culture, and other special interests (e.g. weddings). Three markets are already established within Hot Springs, and all have the potential to grow and improve.

Visitors looking to rest, relax, and unwind can enjoy different spa treatments at Bluebird Mesa or Red Rock River Resort Hotel & Spa. Utilizing the natural hot springs, water can give visitors a unique and memorable experience while relaxing in the Black Hills.

The Black Hills are known for its natural beauty, and with Hot Springs' location in close proximity to some of South Dakota's major landmarks, it is a great destination for outdoor enthusiasts. The Southern Hills Golf Course, the Freedom Trail, and a variety of parks are just a few options for someone looking to spend time in the fresh air of Hot Springs.

Visitors interested in history and culture will not be disappointed by Hot Springs. From the Mammoth Site to the Pioneer museum, individuals interested in a learning experience while traveling have a variety of options in Hot Springs.

With its natural picturesque beauty, Hot Springs is the perfect destination for weddings and newlyweds. Hot Springs can offer the couple a more affordable and unique wedding than many places across the country. Whether the ceremony is near the natural hot springs or nestled in a beautiful park, the Black Hills will give couples unique and beautiful wedding photos to look back on for a lifetime.

Aside from focusing on the four target markets, our firm has developed several suggestions for Hot Springs. These suggestions vary from implementing internet based activities, such as an interactive tour guide, to improving on asset management with increasing downtown's curb appeal. Strengthening both internal and external communications can also be beneficial to Hot Springs' residents and visitors. A list of more recommendations are outlined in sections two and three as well as in multiple appendices.

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Acknowledgements

Our consulting team would like to thank and acknowledge the City of Hot Springs, South Dakota for allowing our team to research and develop a tourism and development plan to help guide the city in the tourism industry. This project has allowed us to grow in our knowledge, and has helped us prepare us as we enter the tourism industry. We would like to give a special thank you to the following:

Cindy Donnell

Mayor of Hot Springs

Nolan Schroeder

City Administrator

Scott Haden

Executive Director

Hot Springs Chamber of Commerce

Justin Gausman

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Hot Springs Chamber of Commerce

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Company Introductions



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Bottom row: Bethanie, Morgan, June*

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Expected Graduation: Spring 2016

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Introduction

We decided to pursue helping Hot Springs develop their tourism because of the encouragement from our professor and the overall respectability from the city and the Chamber of Commerce of Hot Springs. Hot Springs' willingness to accept our help in developing their tourism was the major reason why we decided to develop a five year plan to increase tourism in the Hot Springs area. We appreciate all of the help that we have received from the council members of Hot Springs and its residents. It has been instrumental in our ability to assist Hot Springs with this endeavor. Without all the different parties involved, we would not have been able to come up with what is hopefully an effective 5 year plan to increase the amount of tourism to the Hot Springs area. This has been an educational experience that has helped all of us on behalf of the Tourism Planning and Development course at Black Hills State University. We hope that you sincerely consider the proposal we have come up with to help you, the City of Hot Springs, in developing your overall tourism.

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Guiding Framework

As a guiding principle, our team utilized Ritchie and Crouch's Model of Destination Competitiveness and Sustainability (Ritchie & Crouch, 2005). The model serves as a visual representation of the interconnectedness of the tourism system. The model demonstrates that destination competitiveness and sustainability are affected by the global (macro) environment or global forces such as economy, technology, ecology, political and legal development, sociocultural issues, and the changing demographic environment. The destination competitiveness is also affected by the competitive microenvironment which includes entities such as customers, suppliers, competitors, internal environment, and publics. The model breaks down the destination competitiveness into five interrelated pillars, supporting factors and resources, core resources and attractions, destination management, destination policy, planning and development, and qualifying and amplifying determinants. The supporting factors and resources pillar provides a foundation for a successful tourism industry and includes infrastructure, accessibility, facilitating resources, hospitality, enterprise, and political will. The core resources and attractions component refers to the primary elements of destination appeal. There are many key motivators for visitation to a destination that fall into seven main categories including; physiography and climate, culture and history, market ties, mix of activities, special events, entertainment, and tourism superstructure.

Destination management represents the greatest scope for managing a destination's competitiveness including programs, structures, systems and process which are highly actionable and manageable by individuals, organizations and through collective action. Some of the key actions undertaken are; marketing, quality of service, information/research, organization, finance and venture capital, human resource development, visitor management, crisis management, and resource stewardship. Destination policy, planning and development is a guiding hand to the direction, form and structure of tourism development that encourages the destination to be competitive and sustainable without compromising the residents' quality of life. This includes system definition, community philosophy, vision, audit, competitive/collaborative analysis, positioning, development, and monitoring and evaluation. The remaining pillar of the model is qualifying and amplifying determinants which takes into account the factors that do not fit into the other pillars and have an effect on the competitiveness that defines the scale, limit, or potential of the tourism destination. The key examples are; location, interdependencies, safety/security, awareness and image, cost/value, and carrying capacity.

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Figure 1: Guiding Framework

Research Methods

- Primary data
 - Visitor Survey

A visitor survey was designed to measure visitor behaviors. The intercept survey was conducted in August – September 2015 to random visitors who were currently visiting Hot Springs. The survey was administrated at the following sites: The Mammoth Site, Evans Plunge Mineral Springs, Downtown, and The Southern Golf Course. A total of 259 surveys were distributed, out of those, 243 returned, 16 number of visitors declined to respond. This brought the response rate to 94%. Out of this number, 206 completed surveys were used in the analysis. Please see Appendix A for the Visitor survey and Appendix B for the responses.
 - Resident Survey

A resident survey was designed to measure the level of community support on tourism initiatives. The survey was conducted in September- October 2015. This was an online survey hosted by Qualtrics. A total of 196 residents responded to the survey. Out of those, 177 were complete and therefore used in the analysis. Please see Appendix C for the Resident survey and Appendix D for the responses.

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- Interviews with key informants
In addition, we also conducted interviews and met with several individuals in Hot Springs; this included, but not limited to, the Mayor, City Administrator, City Planner, Chamber of Commerce, City Council members, BID members, and businesses.
- Online activity
In addition to a traditional first hand data collection, our team also examines the online presence of Hot Springs through several online outlets, such as Google Analytics, Trip Advisor, and so forth.
- Secondary data
To support the first-hand data, our team also examines several reports pertaining to the current trends in the tourism industry and the city and /or chamber's documents to fully understand the current status of tourism in Hot Springs and the challenges facing the city. Other supporting data were gained by using the South Dakota Department of Tourism data, other destination reports available online, as well as our textbook *The Competitive Destination: A Sustainable Perspective*.

Next, we triangulated data that were gathered through multiple media to gain a better perspective on the current status of the tourism in the City of Hot Springs. The following section presents our key findings.

Results

To assist Hot Springs in developing their tourism, our report is structured by the following three key sections:

- Section 1: Where are we now?
- Section 2: Where do we want to go?
- Section 3: How are we going to get there?

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Section 1: Where is Hot Springs Now?

Hot Springs, South Dakota Industry

Hot Springs, South Dakota is located in the Black Hills, proclaiming, “The Southern Gateway to the Hills” as their brand. Currently, there are 3,514 people that reside within the city limits. Despite the small population, there are many activities available for residents and guests.

Visitors can access Hot Springs through different highways such as HWY 385, 18, 71, and is located 55 miles away from Interstate 90. Hot Springs does have a municipal airport as well as being close to the regional airport located in Rapid City.

There are two locations of the visitor center; one being located downtown and the other is at the Mueller Civic Center. Visitors have the choice to stop in and ask questions about the area or grab brochures showcasing what Hot Springs has to offer. The Hot Springs Chamber of Commerce is also located at the Mueller Civic Center where there is a full time executive director and seasonal help available to assist anyone planning to visit, in addition to planning the various events held throughout the year.

Hot Springs has many attractions for visitors and residents to enjoy. Whether you are digging out bones at the Mammoth Site, or swimming in natural spring waters at Evans Plunge Mineral Springs, there are things to do for all ages. After learning the history in Hot Springs, many can go downtown to eat at the local restaurants like JP’s Family Dinner or Woolly’s. Beyond the city limits lies a national park, Wind Cave, which draws visitors into Hot Springs. Those wanting a more adventurous experience can hike along the many trails, or camp within the 10 mile city limit. Others can enjoy the warm waters and healing properties.

The biggest visitor groups for Hot Springs includes the wellness, outdoor enthusiasts, history and culture, and special interests. Hot Springs has the ability to cater to these groups in ways other communities cannot.

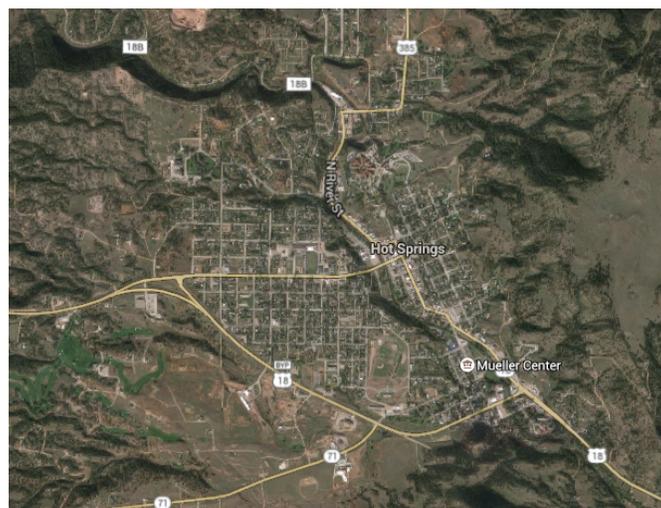


Figure 2: Areal view of Hot Springs

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Environmental Analysis

Competitive Trends

There are several attractions and sites that make Hot Springs competitive in the tourism industry. First, and foremost, is the Mammoth Site. The Mammoth Site was discovered in 1974 and has the largest collection of mammoth bones in North America. The collection consists of 61 mammoths. The Mammoth Site brings in an estimated 100,000 visitors a year to view this 41,000 square foot building that was built around the dig site. (Mammoth Site, 2015)

Also in Hot Springs, Evans Plunge Mineral Springs, is one of the Black Hills' oldest attractions. It was built in 1890 and is older than Mt. Rushmore and Crazy Horse (Hot Springs, 2015). It was built over several mineral springs and hosts an 87-degree water temperature all year long. It has 2 pools, 3 slides, a sauna, and a hot tub as well. (Evans Plunge Mineral Springs, 2015)

Historically, Hot Springs also has the Pioneer Museum. It is housed in a 19th century sandstone school house that was built in 1893. It has over 25 exhibit areas on three floors, which include replicas of an old classroom, a general store, and a doctor's office. It also has an old historical map that was designed when the world was thought to be flat and is one of only three known to still exist. (Pioneer Museum, 2015)

Hot Springs also has the Southern Hills Golf Course. The golf course features an 18 hole, par 70, 5,905 yard golf course facility. It is rated the #1 resort course in South Dakota by Golf Week. The course also received a four-and-a-half-star rating for playability and aesthetic appeal by Golf Digest. The course also offers 5 different tee of areas and a junior tee area as well. (Hot Springs, 2015)

Lastly, the scenic beauty features an abundance of natural attractions for tourists to enjoy around Hot Springs. For example, Wind Cave, which is the 3rd longest cave in the nation. It features three different cave tours in a cave that drops 600 feet deep and has 118 miles of caverns to explore. (National Park Service, 2015). Another area located a few miles out of town is Angostura Reservoir, which consists of 36 miles of shoreline and can host an abundance of activities to do including water sports, fishing, and camping. There is also Cascade Falls which was founded in the 1880's and is a free public place to swim in the natural spring water. It also contains a place to host picnics with friends and family. Hot Springs is also near the Mickelson Trail which is a hiking and biking enthusiasts' dream. The trail is made up of over 100 miles of hiking and biking trails to be found (Hot Springs, 2015). Hot Springs has so many different attractions that it can compete with any other tourist destinations in the area.

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Industry Trends

The United States remains the leading player in global tourism generating over \$2.1 trillion (U.S. Travel Association, 2015). \$141.5 billion of tax is generated by travel spending for federal, state, and local governments. Without the travel industry tax income, each U.S. household would have to pay \$1,147 more in taxes. It is stated that 3 out of 4 travelers take trips for leisure purposes which generates about \$644.9 billion. The top three travel activities for leisure travel include: (1) visiting relatives, (2) shopping, and (3) visiting friends. For business travel, this totaled \$283 billion, accounting for the 452 million business trips.

In 2014, 1 out of 9 U.S. jobs depend on travel and tourism, which is ranked 7 in the world. In total, the tourism industry supported over 15 million jobs, 8 million of which is directly related in the industry (industries directly providing goods or services to the visitor, *e.g. restaurants*), and 7 million related indirectly (industries directly providing goods and services to core tourism providers, *e.g. food distribution*). These jobs include the employment of individuals working in transportation, lodging, restaurants, entertainment, special events, and many other sectors.

South Dakota alone generated \$1.99 billion in 2014, which is a 2.64% growth over 2013 (SD Department of Tourism, 2015). On average, South Dakota produces \$3.8 million a day, which breaks down to \$159,000 per hour. It is identified that each traveler in South Dakota spends on average \$249. According to the South Dakota Department of Tourism Annual Intercept Report, it is determined that 57.6% of travelers said that South Dakota was their primary destination. 47.6% of travelers in South Dakota stated that the primary reason of their trip was for the scenery. Also in this report, it is stated that the main transportation is a private vehicle (78.5%) due to the known, “Great American Road Trip” which travels right through the state of South Dakota. Traveling by personal vehicles is easy and cheaper for families to take their vacations. The 2013 intercept survey conducted by the State Department of Tourism found that 60% of visitors said that they have not finalized their lodging before their trip. The same report also found that more than half of the respondents have not finalized their activities yet when they visit South Dakota. As such this could be a benefit for Hot Springs to capture more tourists in the Black Hills.

As a trend in 2015, many travelers want to experience a destination through the eyes of the locals, such as undergoing the culture and history of the destination (Travel Channel, 2015). Also, many travelers are inspired by the pop-culture/technology of the destination. Whether it is through social media, or pictured on TV, many want to experience what they see digitally or on social media. The Online Marketing Forecast says that 52% of visitors change their plans due to social media influences.

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Economic and Cultural Trends

According to city-data.com, Hot Springs' population currently sits at 3,514, with an estimate income of \$32,999. The city's population has decreased by 14.9% since 2000 but their income has increased by 21.8%.

Hot Springs is a small town that focuses on water and healing. The city is surrounded by many different source of water including Kidney Springs, Cascade Falls, and Fall River. It is a town complete with hotels, restaurants, auto repair, and home improvement. There is little that residents cannot get from their own community. However, many businesses have restrictive hours because the lack of demand makes it hard to keep businesses open even during the off-season.

History and culture are also a very important part of Hot Springs, especially with the Mammoth Site, Pioneer Museum, and Evans Plunge Mineral Springs. Hot Springs has many murals around the town depicting the history of their town and how they have advanced over the centuries as well as an ode to the many veterans that populate the town. Hot Springs was formed of various water resources, making Evans Plunge Mineral Springs an important historical landmark. The sandstone buildings downtown offer a historic image as well.

One of the most recognized features of Hot Springs is their Veteran Affairs. This facility holds 130 beds and provides health services for American veterans. This is a drawing factor for those looking to settle down in a smaller town with facilities that can accommodate their needs. The VA is also the largest employer in Hot Springs providing approximately 363 jobs. The significance of the VA has lead it to be called the veteran town. Nonetheless, the VA has gradually reduced their services, with the goal of closing it down and move the services to Rapid City. The potential impact of the closing of VA would significantly affect the daily life of the residents in Hot Springs in many ways. This includes but not limited to a significant decline in population number due to mass exodus for those who lost their job due to VA's closing.

Political and Legislative Trends

The most recent and important development in political and legislative trends is the increase of minimum wage. This act, starting January 1, 2015, will bump minimum wage from \$7.25 an hour to \$8.50, and will increase every year based on cost of living. This may impact small, tourist related businesses within Hot Springs (SD Dept. of Labor and Regulation, 2015).

The half-penny tourism tax has been in place since 2009 and was renewed in 2011. The bill was made to replace a loss of general funds towards tourism. The half-penny tax was actually started in 1996 when tourism funding was in danger; "100% of the \$2 million allocated to Tourism is used to fund cooperative marketing programs with entities across the state, including the Matching Dollar Challenge program, which has funded marketing for tourism events and

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attractions in dozens of communities, from small to big, throughout the entire state” (Hendry 2000).

Brand USA was established as a part of the Travel Promotion Act in attempt to become the first global marketing effort to make the United States become a prestigious destination to visit and to bring up the United States entry and exit policies for worldwide tourists. Overall, the mission for Brand USA is to create thousands of new jobs for Americans, by increasing the number of international travelers coming to the United States. One great benefit of Brand USA is that it is an organization whose activities are all funded by a combination of private-sector investments and matching funds from international travelers coming to the United States under the Visa Waiver Program; therefore, leading to no cost for United States taxpayers. So in regards to Hot Springs, there could definitely be an increase of international travelers because of Brand USA (Brand USA, 2015).

Amendment Q pertains to Deadwood, SD gambling and was on the November 4th ballot in 2014. The measure permitted the state to approve keno, roulette, craps, and limited card games and slot machines in Deadwood; these activities were illegal prior to Amendment Q. The vote passed 56% to 43%. Casino revenues in Deadwood have been between \$104.3 million and \$110.8 million, as of 2009. The approval of Amendment Q will bring more revenue into South Dakota State Tourism and indirectly help Hot Springs tourism (BallotPedia, 2014).

Technology Trends

The increase in Internet usage on mobile phones and other types of handheld devices has a huge impact on the tourism industry through the trading of goods and services which are now more readily available online. The navigating system with Global Positioning System (GPS) helps navigate visitors in the right direction, as well as, providing the detailed information, such as Google Maps. According to Trip Advisor (2015), 42 % of travelers around the world use their smartphones to plan or book their trips, find the directions, search and make reservations to restaurants, activities, and hotels, also read reviews. Indeed, 25% of smartphone users (approximately 2 billion in use smartphones) and also 50% of tablet users in U.S. will book their trips via their devices. Moreover, one third of online searches are about locations (Torres, 2015). Likewise, businesses have been focusing more on mobile friendly services to meet consumer demands that provide a design responsible website; looks professional when see it on mobile devices and user friendly. Many (60%) indicated that if the business has a poor or even no mobile site, it will be their weakness (Torres, 2015).

There are many websites that provide travel information about Hot Springs and the surrounding areas: hotsprings-sd.com, Travelsd.com, also BlackHillsVacations.com. Based on the SD intercept report, 56% of travelers have visited The Travelsd.com (SD Department of Tourism, 2013). Also, our visitor survey data verified that virtually no one used Hot Springs CVB/Chamber website, a few (5.4%) visited the city website, and some (20.5%) visited SD

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tourism website, while many (44.9%) visitors used general online sources. The possible reasons why Hot Springs' websites usages were small: low name recognition, mobile unfriendly sites, and/or other sources are more useful in providing helpful information quickly since 80% will never come back to the site if it loads slowly (Torres, 2015).

The social media engagement is another trend. Tourism Marketing Trends reported that 49% of travelers sign into their Facebook or Foursquare and 75% of vacationers update Facebook pages while on their vacation. Indeed, 60% of Facebook users are inspired by their friends travel photos and therefore start to plan a trip, as well as, 52% of travelers are more likely to change their travel plans due to the social media contents. On top of that, 85% of travelers will decide their travel destination after watching high quality videos (Torres, 2015). In fact, social media has a significant impact in terms of making decisions, and also people share their travel experiences with pictures on their social media.

Hence, depending on the usage of social media, businesses are able to reach more people in and outside of target markets. The SD Dept. of Tourism, for instance, has been encouraging people to share "Your South Dakota" photos and videos on their social media using the hashtag: #HiFromSD this year and #ThisIsMyGreatPlace for next coming year (SD Dept. of Tourism, 2015). These customer-generated content and social advertisement will give images to those who are interesting in South Dakota from the different aspects.

As many share their travel experiences online, the customer reviews also have great influence on the customer decision making. Almost all (97%) believe that the reviews are trustful, and the majority (88%) agrees that they check customer feedbacks before deciding on their trip. Reviews also have a huge impact on planning travel, such as booking. Some visitors (45%) leave activities and attractions on feedbacks, and some (48%) will write reviews at a hotel (Torres, 2015). By focusing on Trip Advisor, 3,835 people leave their reviews and/or opinions about Hot Springs, SD and overall evaluated their vacation as "very good." One, who marked "excellent" for the Mammoth Site, wrote that "we were surprised by how interesting the dig site was, how enthusiastic the tour guide was, and how much we enjoyed our visit." Another, who chose "very good" for the JP's Family Dining, reported that "Good food, good service. Very friendly staff all made our group feel right at home." Also, one, who selected "excellent" for the Baymont Inn and Suite Hot Springs, stated that "Very quiet, comfortable bed, clean, bright room, friendly, superb customer service. Most important - they go way beyond expectations to make sure that your desires/needs are met during your stay" (Trip Advisor, 2015). The Baymont Inn and Suites Hot Springs responded to most of the reviews and is trying to improve to provide a comfortable place for all customers.

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Location and Community Analysis

Population Characteristics

Hot Springs is a small town of 3,514 people, which is down 14.9% since 2000. The gender distribution is 47% to 53%, with a female lead. The median age of Hot Springs is 49.4 years. Most residents of Hot springs have an income of \$32,999 which has increased by 21.8% since 2000. As for race, Hot Springs is predominately Caucasian, making up 78.5% of the population, followed by Native Americans at 9.9%. (City-Data, 2013)

Transportation and Location

The current transportation system consists of highways 18, 79, and 385 that bring in the majority of the traffic to Hot Springs. There is also some rural roads and highways as well. This would make personal vehicles as the main source of transportation for visitors to Hot Springs. Hot Springs also has a small airport that can bring in travelers from the Rapid City airport. In town there is parking available downtown, from which people can walk from place to place because of the close quarters in the downtown area. People can also ride a bicycle as a way to get around Hot Springs.

Local Media Outlets

Hot Springs has multiple local and regional media outlets. One of the local options is their newspaper, the *Hot Springs Star*. The city also has a free paper option called the Star Extra which is found on racks around town. There are six local radio stations and a total of 24 stations that have to potential to be heard in Hot Springs. One of the major regional stations is 95.9 Eagle Country.

The city of Hot Springs has multiple websites that locals and visitors alike can utilized for general information and travel help. Some other outlets that could be used are the regional television stations such as; KEVN Fox TV, KOTA TV, and NewsCenter 1. One other outlet could be the Rapid City Journal newspaper.

Educational Facilities

Hot Springs has a public school system consisting of an elementary, middle, and high school within the community. There is also Bethesda Lutheran, which is a private elementary school. For higher education, Hot Springs has Cornerstone Bible Institute which trains men and women for ministry. The Boys & Girls Club of Hot Springs is open five days a week and offers an after-school program which gives families an incentive to stay in the area for longer periods of time.

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Competitor Analysis

Being in the Black Hills area, Hot Springs faces tough competition from the surrounding towns. The following are major competitors of Hot Springs.

Rapid City, SD is one of the largest competitors to many towns in the Black Hills including Hot Springs. Its size and location is a big factor to its success as well as having the only regional airport in western South Dakota. This city is located on I-90 and is considered the “gateway” to the Black Hills, with many attractions and museums to keep people entertained for extended periods of time. Downtown Rapid City has Main St. Square which is used for many community events and activities. Rushmore Road is a main thoroughfare which provides visitors with multiple attractions and tourist spots. Rapid City also has the Rushmore Plaza Civic Center which hosts many community and tourists events as well as home hockey team, Rapid City Rush. Hot Springs can benefit from Rapid City by increasing advertisement in the Rapid City area and providing activities and small scale events that compliments events and activities that Rapid City is utilizing, an example would be to use the Hot Springs municipal airport for small airshows. Of the 57.6% of visitors who chose South Dakota as their final destination, 25% of aggregate respondents in the South Dakota Department of Tourism Information Center Annual Intercept Report from the summer of 2013 identified Rapid City as their destination.

Hill City, SD is another competitor and has the 1880 train, which takes people on a 20 mile round trip between Hill City and Keystone, SD. They also have the Black Hills Institute Museum, which has one of the most complete Tyrannosaurus Rex skeleton in SD, WY, and MT. They also have 5 different art galleries in the city, which is why they call themselves the art community of the Black Hills. Hill City also has the Prairie Berry Winery which is a very successful winery in the Black Hills receiving over 750 medals for their 50 different types of wines. Even with all of these attractions, Hill City is considered a weak competitor because only 4.9% of travelers listed Hill City as their in-state destination, according to the 2013 annual intercept report done by the South Dakota Department of Tourism. We believe that there could be a mutual collaboration that could benefit both Hot Springs and Hill City. Hill City has 5 different art galleries and Hot Springs has the Shaman Gallery, which has a large local’s artwork collection from 30 different local artists. They could hold a local art show to help bring in visitors from around the Black Hills area.

Keystone, SD has similar to Hot Springs, such as family attractions and amusements, which creates a strong competitor. Keystone is the home of Mount Rushmore which is arguably the most visited site and planned trip for the Black Hills. Other Family-Fun activities include Reptile Gardens, the Fun Zone Mirror Maze, Rushmore Cave, Tramway Adventures and Rushmore Helicopters. Visitors of the Black Hills are more inclined to visit sites with more attractions, giving Keystone a competitive advantage against Hot Springs with more activities and adventures for young and old families alike to partake in. Moreover, there is more shopping

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and more lodging in the Keystone area as compared to Hot Springs, giving it a comparative advantage when groups or people are choosing where to plan their Black Hills vacation.

Custer, SD is a major competitor because it is located on the edge of Custer State Park, offers lodging, dining and shopping opportunities for families of all kinds. Custer is named after General Custer, positioned just 5 minutes away from Crazy Horse Memorial and about 31 miles from Hot Springs, SD. With Custer's high name recognition, it draws both families and outdoorsman from across the country. Of the 57.6% of visitors who chose South Dakota as their final destination, 8.3% of aggregate respondents in the South Dakota Department of Tourism Information Center Annual Intercept Report summer 2013 identified Custer as their destination. However, Custer's nightlife is less enticing, with most businesses closing early year-round; this could benefit Hot Springs if they utilize their close proximity to Custer and keep local shops and businesses open later.

Deadwood, SD which is also located in the Black Hills, can be a potential competitor to Hot Springs. This small well-known town has many hotels, restaurants, and casinos making it a destination city with a nightlife. Deadwood hosts many annual events throughout the year such as: Kool Deadwood Nites, Deadweird, Mardi Gras, and Wild Bill Days which brings many visitors to the town. The HBO series, "Deadwood" makes the town a popular tourist attraction as people want to experience the Wild West. Not only do they want to experience the Wild West, but they can also see where the famous Wild Bill was shot at Saloon No. 10 and visit his grave. The Days of 76 Rodeo Grounds and Museums offers camping and different events throughout the year. For the winter enthusiasts, Deadwood is a 15 minute drive from Terry Peak and Deer Mountain to snowboard or ski. Of the 57.6% who chose South Dakota as their final destination, 5.3% identified Deadwood as their destination according the 2013 South Dakota Intercept Report.

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Resource Analysis

Hot Springs has all the resources needed to provide for not only the residents, but also for area tourists. There are fifteen restaurants within a five mile radius of the city including, cafes, fast food places, and casual dining restaurants. Hot Springs has twenty-three lodging establishments and multiple attractions to keep tourist in the city. Attractions can be found in the SWOT analysis (page 20).

Situation Analysis

Currently individual organizations involve directly or indirectly with tourism in Hot Springs have vision statements for their own organizations. The city itself; however, does not have one formulated. Nonetheless, the city is indeed very supportive in developing tourism as indicated by their current missions: 1) Owning and operating Evans Plunge Mineral Springs year-round; 2) Owning and operating Southern Hills Golf Course, 3) Providing beautiful and memorable parks, greenspaces and streetscapes, and 4) Supporting Hot Springs enterprises with business friendly practices.

Our team came up with a suggested vision and mission statement to help guide the City of Hot Springs in their future endeavors within the tourism industry. The statement includes the values of the residents who live within Hot Springs as well as highlighting what the city can offer to visitors. This can be found on page 32.

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SWOT Analysis

Strengths

- Water
 - The natural hot springs are a unique feature to the Black Hills area. Hot Springs can utilize this resource to create a relaxing experience to visitors as well as locals. The water has distinctive history and provides many outdoor activities to do.
- Wellness
 - Hot Springs offers two spas; Red Rock River Resort and Blue Bird Mesa. Many visitors can come to Hot Springs to relax, unwind, and renew as they participate in spas, yoga, and the natural hot springs.
- Outdoors
 - Hot Springs offers many outdoor activities like hiking, camping, golfing, biking, swimming, fishing, and scenic drives. Many visitors vacation in the Black Hills to experience the outdoors. Those traveling to Hot Springs will not be bored with the outdoors.
- Historic/Culture
 - The City of Hot Springs has both museums and walking tours discussing the history of the town and what brought its founders to the area.
- Mammoth Site
 - According to the surveys conducted 70.4% of visitors stopped at the Mammoth Site, creating the number one attraction within Hot Springs. This attraction was also polled as the most liked destination in Hot Springs. The Mammoth Site has a rich history connected to the hot springs and provides a fun learning experience for all ages. The Mammoth Site attracts many tour buses and groups giving them an incentive to spend more time in Hot Springs.
- Evans Plunge Mineral Springs
 - Established in 1890, Evans Plunge Mineral Springs has been attracting tourists to the Black Hills. With the natural spring fed water the average pool temperature is 87 degrees. With the water slides and swing rings, Evans Plunge Mineral Springs appeals to children of all ages. The added sauna and weight room, Evans Plunge Mineral Springs is a great asset to residents.
- Southern Hills Golf Course
 - Hidden within the southern hills, is an 18-hole municipal course. After expanding, it has become a premier public golf destination for both experience and recreational golfers. While driving or putting, golfers can enjoy the beautiful scenery.

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- Pioneer Museum
 - The Pioneer Museums gives the opportunity to showcase their culture and history. The museum appeals to historical travelers as they offer 25 exhibit areas with original art, photos, and objects from the South Dakota area.
- Events
 - Hot Springs offers many events throughout the year for both visitors and resident to enjoy. Hosting events brings the community together and attracts a variety of markets. The following are a list of events held in Hot Springs throughout the year:
 - Main Street Arts and Crafts Festival
 - Miss South Dakota
 - Badger Clark Cowboy Music & Stories
 - Wine Walk & Putt
 - Spring Fling Home & Garden Show
 - 4th of July
 - Summer Screen on the Green Movie Series
 - Fall River Freedom Ride Poker Run
 - Southern Hills Triathlon
 - Christmas in the Hills
 - Hot Springs Concert Series
 - Southern Hills Community Theatre
- Marketing Co-op
 - A strength for Hot Springs to utilize is the partnership with the state. The South Dakota Department of Tourism is willing to match the dollar amount of marketing money that Hot Springs is able to spend for marketing their town. This helps the city save money without reducing their marketing budget and efforts. In addition, the chamber has a marketing partnership with the Black Hills & Badlands Tourism Association.
- Positive Attitudes
 - With the development of tourism within Hot Springs, our resident surveys stated that the majority of the community is excited for the future of their town. Many are willing to make the effort to create the opportunity to place Hot Springs on the map. The city council, chamber of commerce, the economic development board have been collaborating together to create a sustainable tourism industry as well as enrich the quality of life for residents.

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Weaknesses

- Location/ Accessibility
 - The southern Black Hills location makes Hot Springs difficult to be a primary destination and increase its visitation. In our visitor survey, majority (67.5%) of visitors responded that Hot Springs was not their primary destination. Instead, many other places are located within Black Hills area were listed: Rapid City, Custer, Mt. Rushmore, and more. Since Hot Springs doesn't promote its unique features strong enough, they do not attract and stand out from surrounding areas. Many visitors do not know the city itself. Therefore, many (50.7%) stopped by Hot Springs at the middle of their travel and before their final destinations (visitor survey). Also, many of the respondents commented on the long drive they had to take to visit Hot Springs, such as "*lack of direction*" and "*long drive*".
- Rundown downtown
 - The gradual reduction in the size of its local businesses, especially at the downtown area is one of the biggest problems. Many resident participants in our survey indicated that the authenticity of downtown area is a problem (51.5%). In addition, sanitation of commercial areas, street and/or sidewalk are in poor conditions (51%). Likewise, majority of them stated that the quality of downtown retail (78.4%), as well as, the balance of tourist targeted versus resident targeted retail shops (71.1%) are need to be addressed. Also, visitor respondents in average disagreed that Hot Springs has a good shopping (M=2.64, SD= 1.15). Many, however, did not know whether or not Hot Springs has good shopping.
- Business hours
 - Although there are some stores in the downtown, most of them do not have consistent business hours, including the visitor center. Our visitor survey indicated that more than half of visitors (55.4%) stated that they will only stay in Hot Springs about 1 to 2 hours. If the local businesses do not stay open, visitors may not stay longer and are unable to spend money. Therefore, the city has been losing visitor numbers and a chance to make more profits through visitor spending.
- Limited parking space
 - Hot Springs is not providing enough parking spaces. Majority of resident participants (78%) indicated that availability of parking for both residents and visitors in commercial area is an issue. Indeed, a lot of them (68%) marked the location of tour bus parking is also a problem. Since there is no public

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transportation service in Hot Springs, besides Prairie Hills Transit, many people drive. Thus, if the parking lots are limited, people cannot stay longer.

- Unclear signage
 - Unclear signage keeps visitors away from Hot Springs. Our survey indicated that most visitors (60.2%) were visiting for the first time to visit Hot Springs and many visitors (50.2%) used road signs and maps to get the city. In fact, more than half of the visitors did not know about Hot Springs and relied on signs to reach places. Therefore, invisible and unfriendly signage makes visitors confused and also makes it hard to bring more visitors to the destination.
- Hospitality
 - Some people stated that Hot Springs has poor customer service in our both visitor and residents survey. One visitor sarcastically stated “*The people made the trip!*”. Furthermore, one resident wrote “*better customer service for the people to understand what customer friendly means including the owners*” and another added “*customer service is also lacking in many businesses*”. People are more likely not to spend money and time for poor customer service. Thus, businesses are not able to get a number of repeating customers and make more profits.
- Lack of direction among stakeholders
 - Hot Springs seems not to have clear directions for the tourism industry among its stakeholders: The City, Chamber of Commerce, and Business Improvement District (BID), as well as other entities. Although, there is no right way to operate its business, working toward the same goals based on the strategy would encourage its tourism industry development and move things smoothly.
- Lack of budget
 - Limited budget is another major obstacle of Hot Springs in terms of making their short and long term plans feasible. Hot Springs Chamber of Commerce, for example, relies on Bed, Board, and Booze (BBB) Taxes to cover the budget deficits created by chamber areas such as, office support and social media (BID & City), tourism, community support, and etc. (K. Hagen, personal communication, September 8, 2015).

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Table 1: Budget

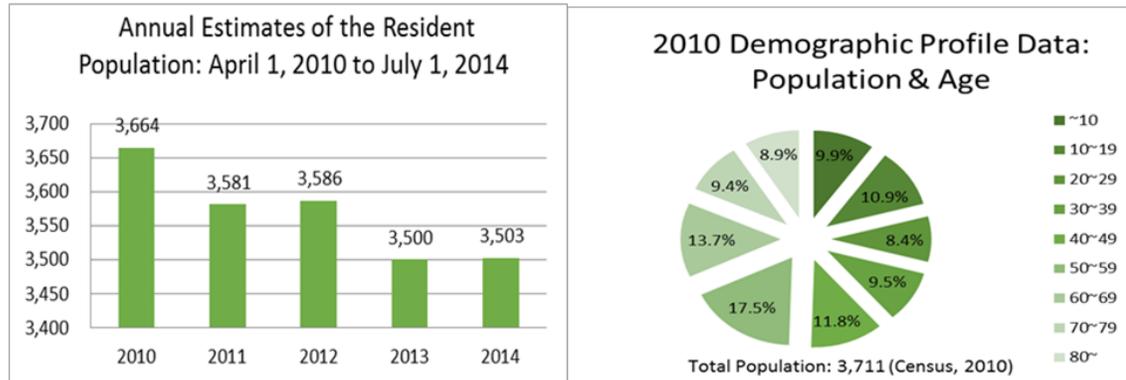
Description	Income	Expense	Net Income
Agriculture Committee	7,200	5,500	1,700
Ambassadors	0	200	-200
Annual meeting-\$2600	2,600	4,000	-1,400
BBB Taxes (80% to Chamber/20% to Mueller Center)-\$115,000 (80%)	115,000	0	115,000
Chamber Bucks	15,700	14,000	1,700
Economic Development	0	600	-600
Fourth of July Celebration	5,000	3,000	2,000
Committee Support	0	22,000	-22,000
Office Support	6,000		
Social Media (BID & City)	20,000	95,000	-69,000
Membership Dues	25,000	0	25,000
Retail & Business Promotions	13,000	14,900	-1,900
Tourism	18,000	58,000	-40,000
Visitors Center Depot (Open May 15-Sept 15)	2,700	13,000	-10,300
Total	230,200	230,200	0

- Online presence
 - Hot Springs has done well for online platforms, such as websites: hotsprings-sd.com/ (Hot Springs Chamber of Commerce website), and social media: Facebook, Twitter, and Pinterest. Sadly, people don't use these good sources for their travel. This might be because Hot Springs is a relatively unknown brand since 31.6 % of visitors know Hot Springs by friends and family and 21.1% of visitors know by general Internet searching (Visitor Survey). Another plausible reason is that the design of the Hot Springs website that a bit confusing for visitors to digest. Also, low presence, poor marketing and promotions both city itself and online, are making Hot Springs unable to compete with other destinations, and appeal the place.

- Demographic change
 - Hot Springs has been gradually decreasing its population, as well as acceleration of the aging population, and diminishment of the number of children. The baby boomer generation rate is high (age 51 to 69: 31.2%) so, aging society will become more expanded. As a result, its demographic situation will become a more serious problem and also will give negative impacts on resident's quality of life such as minimizing the size of social security service (U.S. Census Bureau, 2010).

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Table 2: Demography



- Hot Springs Veterans Affairs (VA) shutdown
 - The VA shutdown possibility gave huge shocks to many residents in The Veterans Town, Hot Springs, and the surrounding areas. There are 556 veterans in Hot Springs and those who need health care support are required to drive to the VA Black Hills in Rapid City (US Census Bureau, 2009-2013). The Hot Springs VA had served health care service as well as supported veteran’s quality of life for more than a century (1907-2015) (U.S. Dept. of VA, n.d.). Therefore, the local community organization, Save the VA, has been making some actions and reported their activities on their Facebook page against the VA shutdown and wants to reopen the VA (“Save the VA”, 2015).

Opportunities

- Wedding/Romance
 - With weddings becoming just as much about beautiful backdrops as it is about the happy couple, Hot Springs provides a great destination with a scenic backdrop provided by the Black Hills. The Mueller Civic Center is a great venue for a reception with plenty of flexible space. Kidney Springs is a wonderful place to have small ceremonies or Wedding pictures taken along with many other places in Hot Springs (e.g. Red Rock River Resort and Chatagua Park).

- Mickelson Trail
 - For those that love the outdoors, Hot Springs is a great place to be, set in the Black Hills, there are many blazed trails to explore or you can adventure on your own through different trails. Those wanting to stay closer to town can explore the rivers and falls that careen through town with paved sidewalks on its edge.

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- Surrounding Attractions
 - While Hot Springs is one of the farther points from Rapid City, the hub, it is surrounded by many other attractions which can help draw people into Hot Springs. Custer State Park, Mt. Rushmore, and the Black Hills Wild Horse Sanctuary are all large name attractions that Hot Springs can use to draw visitors that are coming to the area.
- Technology
 - Everyone uses technology today for many purposes such as finding places to eat, shop, and sleep. With the addition of the social media position, Hot Springs can take full advantage of all the latest technology to increase traffic towards their town. The use of social media such as Twitter, Instagram, Pinterest, and Facebook are all great ways to introduce Hot Springs into their mindset when looking at travel ideas. These social media sites can cost nothing as well as the use of customer based marketing, where you let the customers do the marketing for you through posting stories and pictures from their trip to the city.
- Travel Trends
 - The TripAdvisor Global Study 2015 found that in 2015, 95 percent of U.S. travelers planned to take a domestic trip in 2015, as compared to 92 percent who reported taking one in 2014. The number is expected to increase in 2016. The same report also revealed that close to 90% of U.S. travelers said that it is worth making sacrifices to make memories through travels. As such, it will open a great potential for South Dakota in general and Hot Springs specifically to lure those who plan to travel domestically in 2016.

Threats

- Weather
 - Weather can always be a threat in the Black Hills Area because of its geographical setting in the mountains. The winter time produces lot of snow and icy road conditions which deters a lot of travel to the area during the winter months.
- Nearby towns
 - The other cities in the Black Hills are major threats to tourism in Hot Springs. Rapid City is the biggest threat because it is a bigger city with lots of different attractions for visitors to go and see. According to the 2013 Intercept Study, 25% of tourists choose Rapid City as their city of destination. The major

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threats from all of these towns is that the majority of traffic flows south through the Black Hills starting in Rapid City. Tourists have all these opportunities to stop and see these towns all before ever reaching Hot Springs.

- “No Purity” in Black Hills
 - One of the biggest threat to Hot Springs is the lack of “purity” in their town. The attractions in Hot Springs can be similarly enjoyed in other nearby towns. Every town in the Black Hills has a museum as well as parks like, Watiki in Rapid City. There are also several other golf courses in other towns as well. Many of the attractions they have can be similarly enjoyed in other nearby towns in the Black Hills area.

Current Marketing Efforts

We have determined multiple marketing efforts currently in place. Hot Springs currently has advertisements in the Southern Hills Vacation Guide, Midwest Living, Yellowstone Journal, and RMI Roundup. Through the city’s co-op with the South Dakota Department of Tourism as well as partnership with Black Hills and Badlands Tourism Association. Hot Springs also has an advertisement with Lawrence & Schiller. Some of the other current efforts include; ambassadors, signs, Hot Springs Magazine, Sturgis motorcycle ad, KOTA TV ad, Miss America ad, Yellowstone Journal website ad, and social media usage. While such efforts are laudable, we could not estimate whether or not the efforts have been successful in luring visitors to Hot Springs due to the absence of measurements.

Market Potential Analysis

First Potential Market—Wellness

The Spa and Wellness industry is currently growing and has no signs of slowing down anytime soon. According to the Global Wellness Institute, the global industry was a \$3.4 trillion dollar industry in 2013. The United States is a very large player with \$167.1 billion (Global Wellness, Institute, 2014) in expenditures between national and international market. The United States will also see a large growth in the coming years with 5.8% growth rate (Global Wellness Institute, 2014). The three main segments are spa industry, wellness tourism, and thermal/mineral springs. Some of the sub-markets are; fitness and mind-body, beauty and anti-aging, workplace wellness, complementary and alternative medicine, and preventative and personalized medicine. The spa industry has grown roughly 7% annually since 2007. The growth has been seen in spa facilities, consulting, education, capital investment, and media, associations and

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events. Spa facilities have seen the largest growth accounting for \$74 billion of the \$94 billion industry in 2013. The United States ranked #1 in both the spa market and the wellness tourism market in 2013. Some of the current and future driving forces of the spa and wellness industry are; authenticity, local, results, anti-aging, coaching, prevention, mental wellness, and multiple others. There are multiple opportunities to explore as well, they include technology and education among other things.

The Global Wellness Institute says that consumers are more focused on personal health than ever. More and more people are finding the positive benefits of spas and other wellness services. There are even businesses that hire these services for their staff for the overall benefit of their company and employees.

Many people do not plan trips centered on the wellness theme but it is a part of their itinerary when going to a destination. The United States ranks #2 in in outbound tourism with around 8 million trips, seconded by Germany's 19.4 million. Meanwhile the United States rates #1 when it comes to inbound tourism with 7.1 million trips (The Spa Association, 2014).

The Spa Industry has always been seen as a luxury but with time these services have become more affordable for people of many income levels. The spa industry is expected to grow from 2 billion to almost 5 billion by 2030 in just the middle class.

Even through the slow economic and job growth experienced by the United States, the spa industry still found a way to grow. Wellness tourism grew more than overall tourism from 2012-2013. A growing middle class globally will only boost the industry's growth in the coming years. The employee base has also been steadily increasing. The whole spa industry and spa facilities have seen high yield potential in multiple areas. The number of facilities, revenues, and employees have all grown by at least 47% since 2007. In 2013, nearly 2 million people were employed at spas. It is projected that by 2018, nearly 3 million people will be employed in the spa industry segment of wellness tourism. North America accounted for roughly 307,000 spa employees in 2007, 397,000 in 2013, and is projected to employ about 487,000 people by 2018.

Second Potential Market—Outdoor Enthusiasts

With various activities and things to do in Hot Springs, the outdoor market is very lucrative not just for Hot Springs but for the whole country. According to the Outdoor Industry Association, in South Dakota alone, outdoor recreation generates \$3.7 billion in consumer spending constituting 1 billion in wages and salaries to the 44 thousand jobs created by the industry (Outdoor Industry Association, 2015). Hot Springs, being the Southern Gateway to the Black Hills, has great potential to these revenues using the resources that they have. Placed behind Financial Services and Insurance and Outpatient Health care, outdoor recreation is the third largest economic giant in the country with 646 billion dollars according to the Bureau of

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Economic Analysis. According to the Outdoor Foundation, the top three activities participated in by adults are running/jogging with an average of 80 outings per runner per year. The second largest activity is bicycling with an average of 54 outings per year, followed by bird watching with an average of 39 outings per year. By using the most of the resources in the community, Hot Springs can be a direct proportion of those numbers.

Third Potential Market—History, Heritage, and Culture

Hot Springs' third potential market are people who are interested in historical and cultural events and places. According to Mandala Research, 76% of leisure travelers are heritage travelers who are interested in history and culture. This would put the national market for heritage tourism at 129.6 million people. Passionate and well-rounded travelers are the two most likely tourists to be interested in history and cultural experiences and are more likely to spend more money at historical and cultural sites. They would account for 47 million tourists on a national scale. The actual potential market for the Black Hills area is 2.6 million visitors a year that are interested in historical and cultural experiences. This is calculated by taking the annual visitors to the Black Hills Area which is estimated at 5 million visitors every year times 71 percent (SD Department of Tourism, 2013). Then we take that number and times it by 76 percent to define our heritage tourism market (Mandala Research, 2013). It is estimated by Mandala Research that 71 percent of the U.S adult population is a leisure traveler and that 76 percent of leisure travelers are heritage tourism travelers. Black Hills Badlands estimates total visitors to the area by the number of people who stayed in hotels according to the 2013 Intercept Study which was done by SD Department of Tourism and the total amount spent in the area divided by 249 which is the average amount spent by each tourist (HIS Consulting, 2014) and then splitting the difference. So at 2.6 million this would make heritage tourism a good market for Hot Springs to pursue.

According to the 2013 intercept report done by the South Dakota Department of Tourism, 57% of people who visited South Dakota said that they visited a museum or historical place, and 19.8% said they visited an archaeological site. This would make heritage tourism a good market for Hot Springs to pursue because of their local attractions like The Mammoth Site and the Pioneer Museum. (See below)

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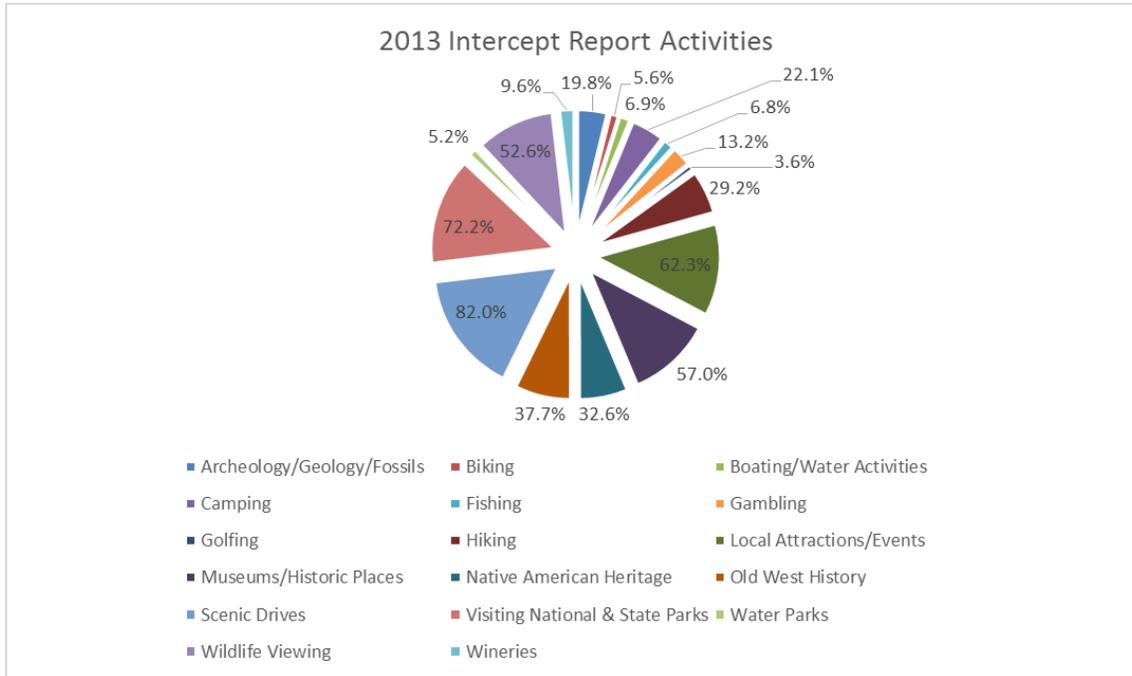


Figure 3: History, Heritage, and Culture

Fourth Potential Market— Special Interest

The fourth potential market is the special interest group. Literature in tourism consistently found that special interests groups – those who travel for a special purpose, are more likely to stay longer and to spend more in the destination. Based on our research and the suitability of the group with the characteristic of Hot Springs, we identify one potential group that Hot Springs can focus on. This by no mean is exhaustive.

Weddings

The wedding industry is becoming a more popular market and is continuing to grow throughout the years. According to the Wedding Report, the United States has held 2,170,593 weddings in 2014, which has grown 5% from the previous year (The Wedding Report, 2015). Last year alone the United States made \$2.1 billion dollars in the wedding industry. South Dakota is ranked 43 out of the 51 states and has held 5,796 weddings in 2014. South Dakota has generated over \$1.5 million dollars for establishing weddings. Also, in South Dakota, weddings are averaging \$22,171. With the amount spent, the bride and groom are looking to host a unique wedding with beautiful sights to make their wedding stand out from others. Also, from the Wedding Report, they stated that unique sighs include historic landmarks, breathtaking views, water resources, and many more to make an unforgettable moment.

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WEDDING COST UPDATE

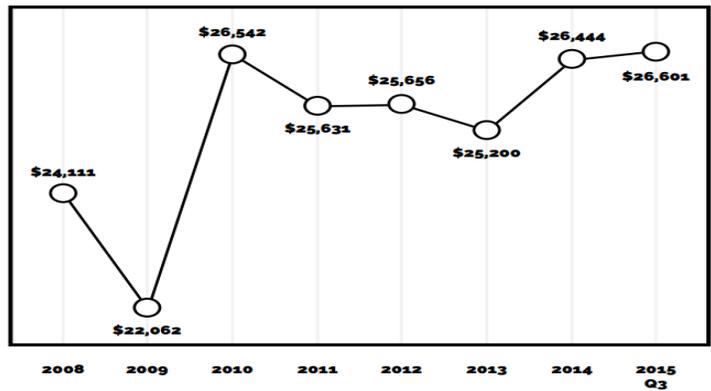


Figure 4: Wedding cost estimate (The Wedding Report, 2015)

Section 2: Where Hot Springs Needs to Go

Hot Springs Tourism Cluster Concept



Figure 5: Tourism clusters

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The unifying aspect of Hot Springs is its natural spring water. There is no other place in the Black Hills region that has natural spring water like Hot Springs. In fact, the city was built with the water in mind. As such it is would be to Hot Springs' advantage to create four marketable clusters of tourism attractions within the vicinity of downtown and the outlying areas.

1. Healing/wellness cluster comprises the following but is not limited to: Evans Plunge Mineral Springs, spas, and any potential bathhouses.
2. Historical cluster comprises the following but is not limited to: The Mammoth site, Pioneer museum, historic buildings, and the unique architecture of downtown.
3. Functional cluster comprises the following but is not limited to: Southern Hills golf course, Fall River, Freedom Trail, Centennial Park, Kidney Springs Park, falls, and other city parks/springs.
4. Aesthetic cluster comprises the following but is not limited to arts galleries, artwork, and murals.

These clusters could also pick up the out-of-town attractions such as the Black Hills Wild Horse Sanctuary, Cascade Falls, Windcross Conservancy, and so forth.

Creating focused attraction groupings would encourage visitors to move around the area with a purpose and encourage visitors to stay longer in order to see more and do more. The clusters thus would provide another tourism marketing tool with an ultimate economic benefit to the city.

Vision Statement

“Hot Springs will be recognized as a resilient community with a defined focus on sustainable tourism within its planned economy that results in: enhanced downtown, wellness, historic and culture, outdoor recreation, and other special interest tourism assets; increased economic development opportunities; and enriched quality of life for residents that is complemented, not compromised, by tourism.”

The City of Hot Springs is a community with a “small town” quality of life, an enthralling natural setting, and historic and cultural attractions. Located in the southernmost of the Black Hills region, tourism could generate economic activity for the city and can improve the quality of life throughout the community. Based on the findings of the study, awareness, perception, and changing visitor expectations are the primary challenges as Hot Springs seeks to enhance its position as a visitor destination.

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Mission Statement

“Our mission is to maximize the roles tourism play in Hot Springs economically, socio-culturally, and environmentally by providing a high quality experience tourism experience, while maintaining the charming small town atmosphere.”

Market Segmentation Analysis

First Potential Market—Wellness

According to the Department of Tourism in South Dakota, 80% of those traveling for leisure travel for relaxation. Hot Springs can become a prime place to take advantage of the booming wellness industry both globally and locally. They already have a great spa, the Bluebird Mesa, and with the right advertising and investment they can farther improve the industry to attract more people with the intention of attending spa and wellness services. Hot Springs is also well equipped to tap into the thermal/mineral springs segment of the wellness tourism industry. This market accounts for \$50 billion globally and \$500 million in North America in 2013. Hot Springs wouldn't have to make major changes to benefit from this market. Thermal/mineral springs-no spa services made \$18 billion in 2013 and \$32 billion if spa services were offered. Evans Plunge Mineral Springs is an example of a thermal/mineral water-based waterpark. There are also outdoor access points including; Chautauqua Park, Cascade Falls, and Minnekahta Springs. Hot Springs can also be involved in the segment that offers spa services. Some examples are Red Rock River Resort Hotel & Spa and Bluebird Mesa.

Second Potential Market—Outdoor Enthusiast

By using the beautiful area that Hot Springs is situated in, they are able to provide outdoor activities to anyone at a relatively low cost of operation, and potentially a large profit. Southern Hills Golf Course, once rated the best nine-hole course in the United States, gives Hot Springs a huge advantage in the Southern Hills, by drawing in such a large crowd to the area for a game of golf with a spectacular view. The inclusion of the Freedom Trail gives Hot Springs another destination for the area. This trail will appeal to outdoor enthusiasts who like to walk along beautiful bodies of water while getting a good couple of miles in on their walk.

Housed inside of Hot Springs are a variety of parks, including Upper and Lower Chautauqua parks, with rest areas and grills which is possible to draw a crowd looking to get away from their home or out of the hotel to enjoy the wonderful scenery provided to them.

Third Potential Market—History, Heritage, and Culture

Hot Springs has several historical activities that tourist can participate in when they travel to the Southern Hills. There is the Pioneer Museum which has three floors of historical exhibits where

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tourists can learn about early life in Hot Springs. The museum is a great historical exhibit which Hot Springs can continue to advertise for people who love history and learning about early life in Hot Springs. The city also has the Mammoth Site, which is historical because of the abundance of mammoth bones that have been excavated at this site. Mammoth Site is already an established tourist destination for tourists, which Hot Springs can continue to promote. These two exhibits work well for heritage tourism because the 2013 intercept study results showed that 57% of the people who took the survey said they participated in visiting a museum and 19% said they visited an archaeological site when they came to South Dakota. Hot Springs is also very historical in itself. The downtown is full of historical buildings and has a wonderful story that can be told to incoming tourists to Hot Springs. This could be done very well by having wagon rides through historic downtown with a local who knows the area very well and can explain the rich history that surrounds Hot Springs. Hot Springs could tell their history to tourists about how the town got its name and show them Battle Mountain Sanitarium. They could explain how the Battle Mountain Sanitarium came to be and how it was dedicated as the first national veterans' hospital in the country. All of these attractions could be bundled together as a package deal through a program such as a city pass that would help increase Hot Springs appeal to historical enthusiasts.

Fourth Potential Market— Special Interest

Weddings

As of right now, Fall River County hosts 60 weddings a year with an averaging cost of \$18,275 (The Wedding Report, 2015). Hot Springs can benefit from this market by appealing to wedding seekers. For a relatively low price, newlyweds can host a unique wedding in the Southern Hills with the views of the hills as well as the hot springs, can make an unforgettable moment. Hot Springs would not have to change many things to host more weddings. The city has the Mueller Civic Center to host big events like wedding receptions for many people to attend as well as having hotels for family to stay at or Red Rock River Resort. The Black Hills Wedding Magazine and Black Hills Woman Magazine would be a great way to advertise weddings in the Southern Hills for people looking for a place to host their wedding. Also in these magazines, it puts together where the newlyweds can find photographers, catering, and planners for the surrounding area, which many are in Hot Springs. For family traveling to see their love ones say their vows can also visit the many tourist sites Hot Springs has to offer. With more people coming into town and staying multiple nights for special events, can help generate more money.

HOT SPRINGS TOURISM DEVELOPMENT PLAN

Marketing Objectives

The marketing objectives for our marketing focus on two areas:

1. To improve the brand awareness of Hot Springs
2. To increase visitation and length of stay

Marketing Positioning Statements

The following are the positioning statements for each market:

To improve the brand awareness and visitation for wellness.

To improve the brand awareness and visitation for the outdoor market.

To improve the brand awareness and visitation for history and culture.

To improve the brand awareness and visitation for special interests.

By the above positioning statements, we came up with a slogan for each market to achieve the marketing statement.

“Relax, Rewind, and Renew in Hot Springs”

Marketing Mix

To achieve the objectives as outlined in the previous section, we encourage Hot Springs to take action on the following mix of marketing activities.

Billboards

Hot Springs should create more billboards along I-90 near Rapid City to increase number of impressions of the town. According to the visitor survey, many visitors were pulled in because of road signs and maps.

Regional Magazine/Newspaper Ads

Hot Springs should create ads for the Rapid City Journal to also promote town and its offerings.

Social Media

Hot Springs should use popular social media because it is an easy and free way to connect people to ideas and businesses. The user generated content can reach a larger audience at no cost to the city by implementing a hashtag for users to post and connect with their peers. We suggest using the hashtag #ThisIsMyHotSprings or #HotStuffInHotSprings

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City Pass

Hot Springs should use a City Pass as encouragement for tourists to extend their stay and to create awareness of the different attractions within the city by giving discounts to the places listed at a set price. Such sites should include the Mammoth Site, Evans Plunge Mineral Springs, Southern Hills Golf Course, the Pioneer Museum etc.

City App

A City Application should be implemented because it will give the tourist an interactive experience all while visiting all of Hot Springs' main attractions. The placement of QR codes around the city on different sites will be cost effective and will increase foot-traffic.

Photo Op

Photo ops can be placed in many strategic places in Hot Springs to encourage visitors to take picture with it and upload it to their social media with recommended hashtags. Periodically, the images can be loaded to the city app or the city's website. Competition can be held and the winning post will receive something from the city. The city can hold a competition for local artists for the design. Example of a photo op is available in Appendix K.

Matching Dollar SD Grant

The Matching Dollar Challenge (MDC) Grant is a marketing partnership to revive up to \$20,000 of additional marketing funds annually. The recipients of the grant are expected to match the funds provided by the Department of Tourism, and must provide a minimum of 50% of total project marketing costs. The funds received from the grant and partners matching funds much be used for marketing efforts such as print advertisements. More information on the MDC Grant can be found in Appendix L

USDA Grant

This program provides affordable funding to develop essential community facilities in rural areas. An essential community is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private commercial or business undertakings. This grant could be used to help finance new hangars for the municipal airport which for increase accessibility to the city, fund stop lights and more. More information on the USDA Grant can be found in Appendix M

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Section 3: How to Develop Tourism

The Vision

Hot Springs will be recognized as a resilient community with a defined focus on sustainable tourism within its planned economy that results in: enhanced downtown, wellness, historic and culture, outdoor recreation, and other special interest tourism assets; increased economic development opportunities; and enriched quality of life for residents that is complemented, not compromised, by tourism.

Core Values

The objectives of this master plan are based on a number of core values that we have identified.

- Tourism is an economic generator that will bring many benefits to the City of Hot Springs and as such it is worthy of investment by the city.
- Tourism is a “clean and green” industry that will complement the quality of life for the City of Hot Springs residents without compromising it.
- City of Hot Springs’ residents value their heritage, culture, their city’s natural setting, as well as their natural spring water. These core values are the right fit with the region’s significant tourism sectors.
- This master plan requires the commitment and support of all stakeholders, including the City Council, City Administration and staff, Chamber of Commerce, BID, private businesses, local tourism interest groups, as well as regional and state partners.
- City Council and the administrator must play an active role in obtaining funds for implementing this plan.
- The success of this master plan will be reliant on both corporate and community buy-in as to the value of an enhanced tourism sector.
- Lastly, this master plan does not identify cost estimates; this task was not included in the scope of the project, nor does the student team have the expertise to provide such information.

Hot Springs Tourism Road Map

The City of Hot Springs tourism master plan is built around the following overall goal:

To increase the economic, social, and environmental benefits of tourism in the City of Hot Springs

The foresaid goal will be achieved through the following goals and objectives. Some objectives are achievable now (as the city is currently working on them), while others may be phased in gradually within the next five years because they necessitate extensive research and planning and because they are mostly dependent on both external market and economic factors.

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Goal 1 (year 1)

To create well-developed assessment programs to assess the progress of planning process.

Objective 1: Develop and implement a tourism assessment program to ensure that the key components of the planning process are in place.

Initiative 1: Develop a work plan and timeline for the action steps.

Initiative 2: Develop a baseline of current data for tourism attractions, accommodations, and entities that include budgets, economic impacts, visitation, and programming to facilitate monitoring and evaluation of the objectives and steps.

Initiative 3: Begin to develop a resource development plan for the current and long-range implementation of the tourism plan.

Initiative 4: Develop a visitor information survey to be distributed throughout the city on a year-round basis in order to better assess visitor motivation, satisfaction, comments, geographical distribution, and economic impacts.

Initiative 5: Develop auditing process and measures (financial, compliance, and performance) to ensure that the process is on track and conduct it periodically.

Goal 2 (years 1-5)

To efficiently manage and improve Hot Springs' tourism assets.

Objective 1: Improve visitor orientation, accessibility, and facilitation

Initiative 1: Support on-going programs to boost and reinforce front-line hospitality and customer service trainings and workshops. Partner with Black Hills State University or other education providers to provide hospitality and customer service related trainings and workshops.

Action 1: Make contact with SkillPath.com about setting up a customer service workshop in Hot Springs.

Action 2: Encourage businesses to take an online customer service training offered by SD Department of Tourism which is free of charge to all SD businesses (www.SDvisit.com).

Action 3: Offer incentive to local businesses like convenience stores, restaurants, and tourist attractions to support sending employees to customer service workshop seminars.

Action 4: Reevaluate customer service workshop effectiveness by conducting surveys to see if there is improvement in tourist's reactions to friendliness of Hot Springs locals.

Initiative 2: Develop an integrated system of directional, orientation and welcoming signage throughout the community. Create logical links among various historical, architectural, natural sites, commercial, attractions and points of interests. ("How do I get to Evans Plunge from the Mammoth Sites", "Can I really see the springs?")

Initiative 3: Ease traffic flow

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Action 1: Turn intersection by Pioneer museum into a four way stop to help allow traffic coming from all directions to have a chance at continuing to their destination without having to wait for extended lengths of time.

Action 2: Install streetlight to make intersection flow more appropriately during high volumes of traffic.

Initiative 4: Increase enticing public spaces (and other community gathering spaces) and initiate a plan for the design and installation of basic visitor amenities including benches, drinking fountains, and public restrooms in the downtown area.

Initiative 5: Identify gateways that create a sense of place as visitors enter Hot Springs on major highways, and design architectural gateway elements and public art that function to welcome visitors.

Initiative 6: Ensure that city development policies and processes encourage business growth.

Initiative 7: Encourage the growth of bed-and breakfast type accommodations, as well as facilitating the expansion and upgrading of the existing RV Park and campgrounds.

Initiative 8: Seek and secure financial support from all levels of government.

Initiative 9: Work to enhance the local airport as an alternate point of entry to Hot Springs.

Action 1: Determine the maximum number of hangers to better use of the facility.

Action 2: Apply for the USDA Grant to help with costs.

Initiative 10: Develop Event/Weddings opportunities

Action 1: Contact Black Hills Bride and Black Hills Woman Magazine for advertisements for wedding seekers.

Action 2: Create packages for event center, hotels, catering, and photography.

Initiative 11: Design and conduct a community-wide collections inventory to assess the extent and availability of local and regional historical documents, photographs, and objects that can be used for exhibitions and understanding shared narratives.

Objective 2: *Enhance the downtown district to foster a more attractive, vibrant, welcoming, and hospitable destination for both residents and visitors.*

Initiative 1: Adopt a “clean up, fix up, paint up” plan for downtown to create a more inviting, attractive ambiance.

Initiative 2: Continue to implement downtown “beautification” strategies, including window displays, promote area cultural, education, and recreational opportunities, programs, and activities.

Initiative 3: Create and initiate the implementation of a community-based plan to highlight the historic downtown district with scheduled maintenance, landscaping, and signage and pedestrian amenities. Highlight urban open spaces, outdoor restaurant patios, pocket parks, and other natural gathering spaces. Include amenities such as comfortable and attractive benches and other seating areas throughout downtown, drinking fountains, restroom directions, and a visitor center.

Initiative 4: Develop context-appropriate preservation standards that will emphasize the authentic architectural integrity of existing downtown historic buildings.

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Initiative 5: Work with current retailers to standardize and extend business hours, especially during the visitor season. Encourage business owners to collaborate and cross-market with each other to ensure that there are always businesses and restaurants open for tourists and resident use.

Initiative 6: Encourage both local and ethnic themed restaurant activity.

Initiative 7: Encourage a “mixed-use” pedestrian friendly strategy for downtown Hot Springs art and crafts galleries and studios, “Made in Hot Springs/South Dakota” sampler shops, an expandable farmers’ market, specialty shops, offices, residential spaces, western collectible shops, food carts to appeal to and serve both residents and visitors. Encourage “shopping and strolling.”

Initiative 8: Recruit and provide incentives to businesses to match economic development opportunities.

Objective 3: Expand and enhance the tourism products and experience

Initiative 1: Conduct a feasibility study to explore ways that the downtown visitor center can be a more visible and accessible facility with expanded visitors’ experiences in the downtown corridor. This includes possibly opening year round including weekends, and expanding to accommodate travelling exhibits and exploring important themes to enhance the Hot Springs visitors’ experience. Look into a volunteer program to staff the downtown depot year round.

Initiative 2: Create “photo op” sites throughout the city for visitors to take pictures and ensure they know which hash tag to use. Please see Appendix K.

Initiative 3: Invest in and create a digital QR code for all points of interest in Hot Springs, especially those located in downtown and surrounding areas. In this case, the use of QR is an ideal solution for delivering additional content such as photos and audio recordings to visitors who are literally in the middle of a sidewalk. Furthermore, the proper use of a QR code will help Chamber officials obtain data about how often people are taking the tour, potential hot spots and walking patterns.

Initiative 4: Invest in and create a cross platform city app that unifies all products and attractions in Hot Springs.

Action 1: Determine what categories should be established in the application.

Action 2: Decide what type of app you would like to use (purchased or created.)

Action 3: Make sure app is compatible with attractions and amenities as well as users’ phones. Example is available in Appendix G.

Initiative 5: Invest in and create a city pass to connect all the tourism clusters.

Action 1: Collaborate with the many attractions in Hot Springs to see what attractions would like to participate in generating a city pass and how many days the pass is valid.

Action 2: With the participating attractions, discuss what discount would be applied for purchasing the pass. Example is available in Appendix H.

Action 3: Create the pass and make available for sale at the Visitor Center, Chamber of Commerce, and on the new mobile app.

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Goal 3 (years 1-5)

To improve partnerships within the Hot Springs community

Objective 1: Develop and implement a communication program to educate the community and create awareness about the value of tourism, and encourage community readiness, receptivity, support, and participation.

Initiative 1: Develop a reliable program to measure the economic impact of tourism in the city on a regular basis. This can be achieved through visitor surveys and tax generation.

Initiative 2: Prepare an annual report on the economic impact and benefits of the tourism industry to inform and engage residents and encourage community involvement and investment.

Initiative 3: Create an updated community tourism assessment survey for community input and to measure and analyze the attitudes of community residents, retail, and hospitality representatives and other stakeholders regarding the tourism industry.

Goal 4 (years 1-5)

Develop a well-designed marketing plan to lure visitors to Hot Springs

Objective 1: Create a marketing plan that will address and lure current and potential markets

There are three major markets that have been identified 1) wellness, 2) historic/cultural, and 3) outdoor recreation. In addition, we also identified one potential market, which is a special interest (e.g. wedding).

Initiative 1: Assess the current Hot Springs brand and promotional strategies to target current and potential markets.

Initiative 2: Invest to create a tourism brand for Hot Springs that emphasizes the natural springs, which unique features differentiates Hot Springs from other markets in the area based on the tourism clusters.

Initiative 3: Expand the promotion of the three key target markets. Create a cooperative marketing/advertising campaign and partnership with interested parties (e.g. historic preservation, outdoor communities, etc.). Collaborate to identify mutually beneficial images and themes.

Initiative 4: Enhance regional tourism partnerships through collaboration, cooperation, and cross-promotional strategies and promote the Southern Gate of Black Hills experience, regional tourism, as well as the South Dakota Tourism Department.

Initiative 5: Enhance both internal and external communication and partnership with all stakeholders. The internal communication can be achieved by hosting regular socials, mixers, as well as opportunities for businesses to co-op with the city.

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Action 1: Have one monthly mixers hosted by different businesses as business locations to help business owners get to know one another and keep up to date on events in a relaxed environment.

Action 2: Have bi-weekly or monthly meets regarding current events in the community with business owners as well as the chamber members in a more formal environment.

Initiative 6: Establish and build strong ties to surrounding communities through events and promotions. Discuss Co-ops with surrounding communities, strengthen relationships with surrounding communities, as well as create joint event.

Action 1: Establish relationships with surrounding communities through meetings as well as brainstorming ideas for future events.

Action 2: Continue mutual support with surrounding communities. Begin working through logistics of a joint community event.

Action 3: Initiate joint community event to promote businesses in both locations as well as community bonding. Plan event with intentions of continuing the partnership for coming years.

Initiative 7: Use a marketing strategy that integrates the community's culture, character, ecology, history, and commerce into a whole place strategy. Everyone needs to be on the same page. Unify the logo and the marketing plan and encourage the use of the approved brand and logo on all publications and publicity.

Initiative 8: Market to extend the visitor season. Promote and convey historic/cultural, wellness, and outdoor recreational programs and activities beyond traditional summer seasons.

Initiative 9: Increase the number of impressions on the current marketing campaign and enhance the city's presence through billboards, regional magazine ads, and social media.

Action 1: Look at placement of current boards and analyze if they are in a good spot.

Action 2: Look at new places to add to, especially off of high traffic areas.

Action 3: Decipher high traffic magazines in area and also look at niche magazines to place ads in.

Initiative 10: Invest in generating professional photo content as well as visitor generated photo content to be used in marketing and social media. Create hashtags that relate to tourism attractions in Hot Springs and tie it in with the State tourism marketing campaign.

Action 1: Increase promotion on the major social media sites for city generated contents.

Action 2: Use a specific hashtag for the city so users can market the city for by themselves; User Generated Content.

Initiative 11: Engage potential visitors before they make the decision to go to Hot Springs by considering the development of a Hot Spring media center which could integrate traditional marketing with e-marketing technology to give Hot Springs an interactive and dynamic digital presence. Partner with entities such as local

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TVs/radio as well as local marketing professionals to explore digital marketing applications and enhance and expand digital tourism promotion.

Potential Performance Measures

Performance measures for this tourism master plan should be straightforward, logical, reasonable and quantifiable. Because we found that the City of Hot Springs is lacking measurements, the following performance measures are recommended. We believe that the following measures will provide an effective means of tracking the progress and success of the diverse actions and measuring a broader buy-in by the City of Hot Springs. Note that the following are not an exhaustive list.

Develop and implement a tourism assessment program to ensure that the key components of the planning process are in place.

- Completed time line to complete all action steps
- Number of data for tourism attractions, economic impacts, visitation, and programming
- Number of allocated resources to implement the tourism plan
- Updated visitor survey

Develop and implement a communication program to educate the community and create awareness about the value of tourism, and encourage community readiness, receptivity, support and participation.

- Tourism impact report produced which includes the number of tourists
- Frequency and means of tourism impact distribution
- Expanded community participation and support
- Expanded volunteer base
- Updated community tourism assessment survey

Create a marketing plan that will address and entice current and potential markets

- Number of new advertising, co-ops, and promotional programs
- Effectiveness of the advertising and promotional programs
- Implementation of cross marketing of all attractions, accommodation and retail.
- Number of trade shows, conferences, and convention attended
- Increased corporate, agency, and attraction partnerships and collaborations
- Number of marketing and cost sharing initiatives with other organizations
- Amount of leveraged marketing dollars
- Private sponsorship dollar committed
- Number of website hits
- A brand and theme for the City of Hot Springs' tourism sector.

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- Hashtags and number of social media followers
- Number of visitor generated images
- Creation of media center
- Increased number of positive online comments
- Expanded use of appropriate and relevant digital technology and user feedback.
- More positive visitor feedback
- Expanded media coverage

Improve visitor orientation, accessibility, and facilitation

- Number and variety of workshops and trainings
- Number of wayfinding and signage
- Number of enhanced public spaces
- Number of enhanced and added basic visitor amenities
- Number of gateway and public arts that serve to welcome visitors
- Number of total rooms available
- Number of camping/RV stalls available
- Occupancy rates of all accommodation options
- Variety of available accommodations
- Number and variety of historical documents, photographs, and objects

Enhance the downtown district to foster a more attractive, vibrant, welcoming, and hospitable destination for both residents and visitors.

- Number of commercial business and restaurants in the downtown district
- Satisfaction rate of downtown businesses
- Number of special events in the downtown district
- Number of people that attend these events
- New and expanded downtown tourism-related business and services
- Increased number of capital projects and infrastructure improvement
- Increased downtown activity
- Increase in number of restored and rehabilitated historic buildings

Expand and enhance the tourism products and experience

- Number of existing facility upgrades and expansion
- Increased usage and business hours for downtown visitor center.
- Number of new photo ops around the city
- A city app
- Enhanced city website

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- A city pass
- QR code and contents for all points of interest
- Annual increase in visitation and attendance at events
- Broader visitor demographics
- Number of new events and programs
- Increased in-kind support for project and attractions
- Number of participants at events
- Number of attractions
- Financial commitment from municipal, state, and federal (capital dollars through rather than marketing dollars) governments.
- Satisfaction rate of visitors

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Timetable and Activities Schedule for 2016-2021

Timetable and Activity schedule (Year 1)	January	February	March	April	May	June	July	August	September	October	November	December
Sales or Promotion Activities	<p>Make contact with Skill Path about customer service seminar.</p> <p>Begin making App.</p> <p>Contact local business for city pass.</p>	<p>Offer incentive to business owners for seminar.</p>	<p>Begin putting the pass together with the different discounts</p>	<p>Hold customer service seminar</p> <p>Launch App</p>	<p>City pass begins</p> <p>Create # for social media</p>			<p>Conduct survey to determine customer service seminar effectiveness.</p>				
Renovations, construction Activities	<p>Install stop sign at Pioneer Museum intersection</p>		<p>Start a process to find companies willing to open in empty storefronts</p>	<p>Find volunteer crew to help renovate any run-down areas/storefronts</p>	<p>Start discussing renovation plans with businesses owners</p> <p>Place planter boxes in downtown</p>						<p>Theme downtown for Thanksgiving & Christmas</p>	

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					own area							
					Repair t road and curbs							
Special Events/ Activities	-Conduct financial audit -Start monthly socials for businesses. -Start city/business meetings -Business meetings to determine hours of operation	-Conduct compliance audit	-Conduct performance audit									
Timetable and Activity schedule (Year 2)	January	February	March	April	May	June	July	August	September	October	November	December
Sales or Promotion Activities	-Create promotion to encourage weddings/other special activities in HS				Create new #							
Renovations, construction Activities					Place planter boxes in							

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					downt own area								
Special Events/ Activities	-conduct financial audit -Continue monthly socials for businesses. Continue city/business meetings.	-conduct compliance audit	-conduct performance audit									Develop volunteer program for depot visitor center	
Timetable and Activity schedule (Year 3)	January	February	March	April	May	June	July	August		September	October	November	December
Sales or Promotion Activities			Meet with other communities to build relationship.		Create new #								Start discussing different ways of helping each other out
Renovations, construction Activities	Apply for airport grant				Place planter boxes in downtown area								

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					Repair road and curb							
Special Events/ Activities	conduct financial audit	conduct compliance audit	conduct performance audit									
Timetable and Activity schedule (Year 4)	January	February	March	April	May	June	July	August	September	October	November	December
Sales or Promotion Activities					Create new #							
Renovations, construction Activities					Place planter boxes in downtown area							
Special Events/ Activities	conduct financial audit	conduct compliance audit	-conduct performance audit -Start planning and budgeting for future event.					Hold event with other community				

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Timetable and Activity schedule (Year 5)	January	February	March	April	May	June	July	August	September	October	November	December
Sales or Promotion Activities					Create new #							
Renovations, construction Activities	Apply for USDA grant to help build street light.				Place planter boxes in downtown area Repair road and curbs							Reevaluate if Pioneer Museum intersection needs stop light.
Special Events/ Activities	conduct financial audit	conduct compliance audit	conduct performance audit									

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Budget

The budget laid out for the next two years in Appendix J proposes that we fund more marketing efforts in order to reach a larger audience. As well as adding more signage for the benefit of the residents as well as the tourist that would visit. Making the drive through downtown more enjoyable and less hassle.

Some of the larger costs, such as signage, can be countered through the use of grants as mentioned above. The Match SD Grant as well as the Community Facilities Grant by the USDA are just some that we have found. These grants can help make improvements for Hot Springs while keeping expenses at a low.

The break downs of cost falls into two categories:

City Marketing

- Billboard
- Regional Magazine Ads
- Social Media

City Improvement

- Signage
- Customer Service Seminar

Conclusion

Overall, Hot Springs has a wide variety of attractions and amenities to offer to visitors of whom are traveling and touring. We recommend the city to market the city using the clusters we identified. The clusters yield four markets that the city can focus on. By focusing on the four markets, tourism will expand and grow all while benefiting the whole community. While using Hot Springs' most valuable asset, the water, all four markets including wellness, outdoor, history and culture and special interests will be satisfied. All four of the markets are uniquely important for the city to attract visitors to the wonderful place that Hot Springs is. In closing, by keeping track of visitors, new and old, Hot Springs will be able to see the impact of more tourism on their community.

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HOT SPRINGS TOURISM DEVELOPMENT PLAN

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HOT SPRINGS TOURISM DEVELOPMENT PLAN

Appendix A: Visitor Survey

Visitor Survey - City of Hot Springs, SD BHSU Tourism and Hospitality Management

DATE: _____ TIME: _____ AM/PM INTERVIEWER CODE: _____ SURVEY LOCATION # _____

SELECTION CRITERIA: Screening Questions

A) Are you a visitor to Hot Springs?

YES

NO (If No, terminate and say Thank You!) Count as resident

B) Did you travel more than 50 miles from home to get to Hot Springs?

YES (If Yes, continue)

NO (If No, terminate and say Thank you!) Count as resident

An overnight trip • How many nights in total have or will you stay in Hot Springs? _____ (nights)

SECTION 1: TRAVEL PATTERNS

1. Is Hot Springs your PRIMARY destination on this trip?

Yes

No If No, what is your PRIMARY Destination (city)? _____

2. Is this the BEGINNING MIDPOINT or END of your trip?

3. What was the PRIMARY PURPOSE for your visit to Hot Springs (Check one only)?

Leisure/vacation/holiday

Visiting friends & relatives

Meeting/convention

Business

Health related (e.g. VA)

Other: _____

4. Is this the first time you have visited Hot Springs?

Yes • If yes, how did you hear about Hot Springs? _____

No • If no, how many times have you visited Hot Springs in the last 12 months? _____ (times)

5. Is your visit today?

A day trip • How many hours in total have you or will you stay in Hot Springs? _____ (times)

6. What type(s) of accommodations have or will you use while staying in the area (Check all that apply)?

Hotel/motel

Friend's/relative's home

Bed and Breakfast

Campground/cabin

Other _____

7. Please indicate the source of information you used to plan your trip (Check all that apply)

Chamber of Commerce

Friends/relatives

Previous visit

Road signs/map

South Dakota tourism website

Internet (general)

SD State Welcome center

SD visitors guide

Hot Springs visitors guide

Hot Springs city website

Hot Springs Convention & Visitor bureau

Hot Springs visitor center

Hot Springs social media

Hot Springs CVB/Chamber website

Travel agent

Travel club (e.g. AAA)

Travel guide/tour books

Travel magazine

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- Rack cards
- Other _____

8. When did you make the decision to visit Hot Springs? (Check one only)

- The day of the visit
- During the week before the visit
- 2 to 4 weeks before the visit
- 5 to 12 weeks before the visit
- More than 12 weeks

9. Which of the following best describes your travel group? (Check one only)

- Alone
- With family
- With friends
- Friends & Family
- Tour group
- Other

10. How many people are in your travel group including you? _____ (number of people)

SECTION II: ATTRACTIONS, ACTIVITIES & SATISFACTION

11. Please check each activity you participated (or will participate) in during your trip to Hot Springs (Check all that apply)

- Visit medical/health services (e.g. VA)
- Visit Evans plunge
- Visit spa/beauty services (e.g. Bluebird Mesa)
- Visit the Mammoth Site
- Visit museums (e.g. the Pioneer Museum)
- Visit historical sites
- Visit art galleries
- Visit Wind Cave
- Golfing
- Attend a conference/convention
- Visit Black Hills Wild Horse Sanctuary

- Attend a personal special event (e.g. wedding)
- General sightseeing
- Visit a scenic area
- Shopping
- Fishing
- Visit Angostura Recreation area
- Other outdoor activities (e.g. camping, hiking)
- Visit a community/city park
- Attend a show/cultural/festival/special event
- Attend military/veteran related event
- Other _____

12. Which of these activities was the PRIMARY REASON for you visit:

_____ (List only one)

13. What did you like MOST about your visit to Hot Springs?

14. What did you like LEAST about your visit to Hot Springs?

15. On a scale of 1 to 10, with 10 *being perfect*, how would you rate the overall quality of your experience while visiting Hot Springs?

16. How likely is it that you will return to Hot Springs? (Check one only)

- Very likely
- Somewhat likely
- Not sure
- Somewhat unlikely
- Very unlikely

17. Using a scale of 1 to 5 where 1= *strongly disagree*, 3= *neutral*, and 5= *strongly agree*, please rate the extent to which you feel the following characteristics describe Hot Springs. (Circle one number for each item)

Destination Characteristics	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Don't know
a) Attractive natural spring water						
b) Accessible to military/veteran services						
c) Attractive health, fitness, wellness services						
c) Many places of interest to visit						

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d) Interesting cultural and historical sites						
e) Many opportunities for outdoor activities						
f) A wide variety of accommodations						
g) A wide variety of restaurant and bars						
h) Good shopping						
i) Accessible roads to attractions						
j) Interesting and friendly local people						
k) Safe and secure area						
l) Opportunities to attend festivals & events						

SECTION III: SPENDING

18. Finally, we would like your assistance in determining the economic impact of visitors to Hot Springs. Please estimate how much your travel party actually spent and/or plans to spend on this trip in each of the following categories.

Record actual amounts to the nearest dollar	Actually spent	Plan to spend
Food and Beverage		
a. Restaurants		
b. Fast food		
c. Bar/lounges		
Recreation		
e. Cover charges, movies & sports		
Shopping in retail stores		
f. Clothing (includes footwear)		
g. Personal items (e.g. toiletries)		
h. Arts and antiques		
i. Souvenirs, toy, gifts		
Lodging		
j. Motel/hotel		
k. Campground/cabin		
l. Other		
Transportation		
m. Gasoline, oil, auto repairs, etc.		

SECTION IV: DEMOGRAPHICS

This information will be kept in the strictest confidence and used for statistical purposes only.

19. Are you? Male Female

20. In what year were you born? _____

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21. Which statement best describes your 2014 annual household income (Check only one)?

- Under \$24,000 \$24,001 - \$35,000 \$35,001 - \$50,000 \$50,001 - \$75,000
 \$75,001 - \$100,000 \$100,001 - \$125,000 \$125,001 - \$150,000 above \$150,001

22. Please indicate the highest level of education you have obtained

- Less than High School Graduate
 High School graduate (or GED equivalent)
 Some college
 College degree
 Advanced degree
 Some graduate school
 Technical school

23. Which of the following best describes your race or ethnic origin?

- Caucasian/white Black/African American Asian Native Hawaiian/Pacific Islander
Hispanic/Latino American Indian/Alaskan Multi-ethnic/mixed race
 Other _____

24. What is the zip code of your permanent residence (US RESIDENTS ONLY)? _____

25. What is your country of permanent residence (INTERNATIONAL RESIDENTS ONLY)? _____

Additional comments:

This completes our survey. Thank you very much for your assistance!
IF YOU NEED MORE INFORMATION OR RESPONSE PLEASE CONTACT

Dr. Ignatius Cahyanto, Tourism & Hospitality Management Program, School of Business
Black Hills State University, 1200 University Street Unit 9007 Spearfish, SD 57799-9007
Phone: 605-642-6876, email: ignatius.cahyanto@bhsu.edu

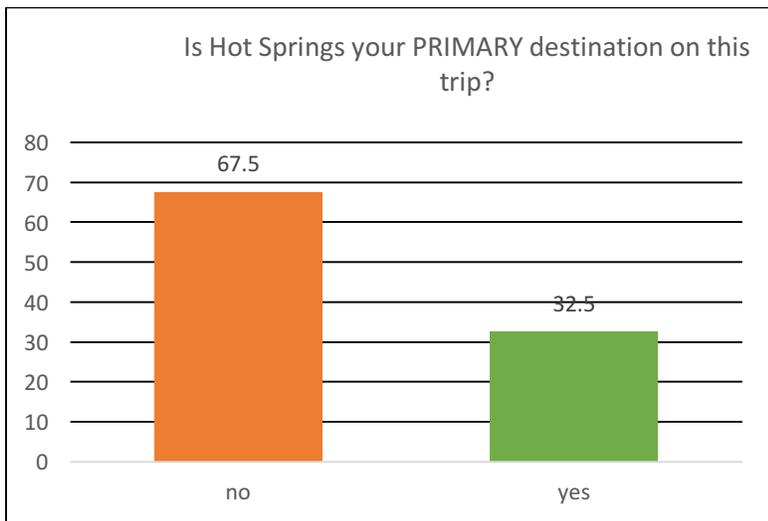
Appendix B: Visitor Survey Results

The following are the result of the visitor survey that was conducted in August – September 2015 to visitors in Hot Springs. A total of 206 completed surveys were used in the data analysis. Out of 206 surveys that were conducted, the highest number of completed surveys was received in the Mammoth Site (70.4%), followed by Downtown (12.6%), Evans Plunge Mineral Water (5.8%), Muller Civic Center (5.8%), Southern Hills Golf Course (2.9%). Around two percent of the sample was collected in other places.

SECTION 1: TRAVEL PATTERN

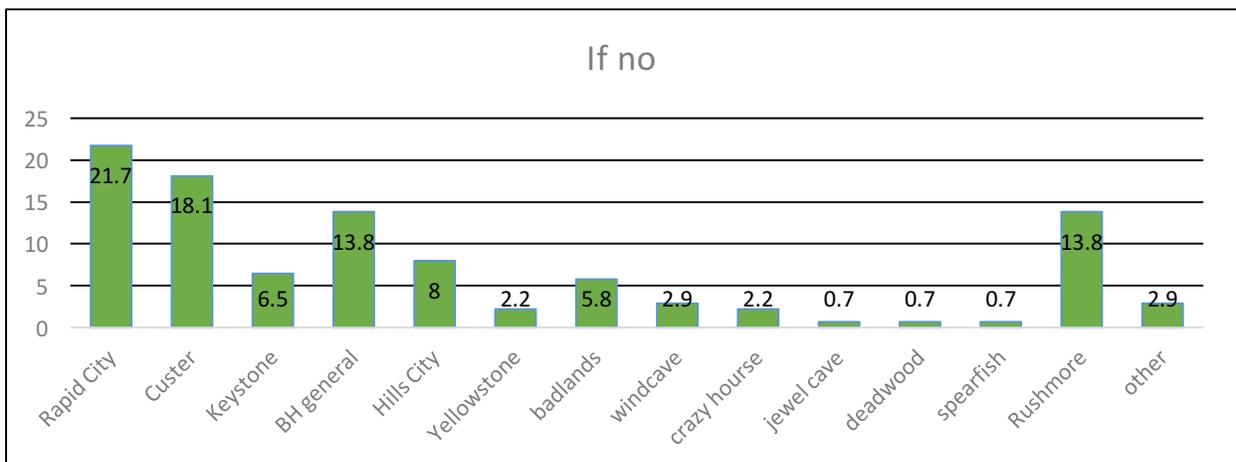
Trip, purpose, and length of stay

Table 1: Primary visit



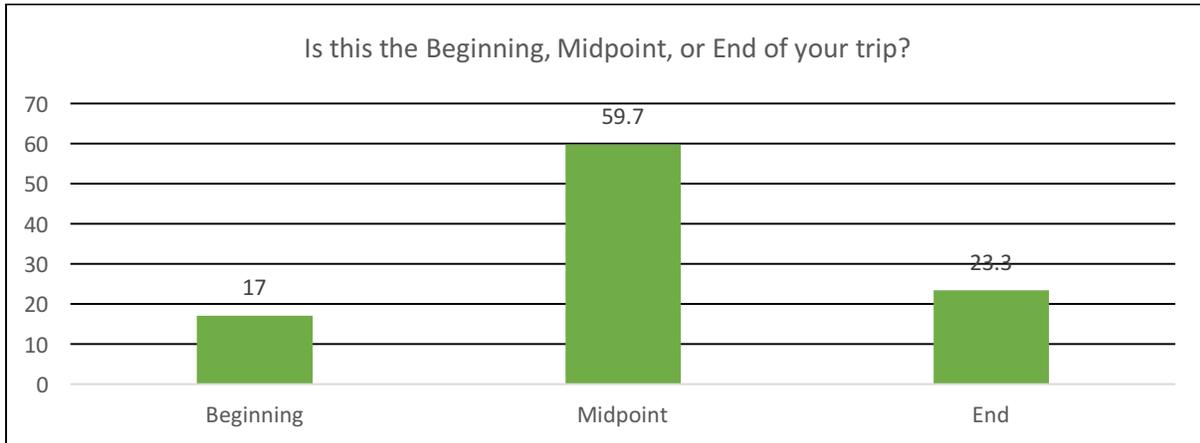
More than half of the sample indicated that Hot Spring was not their primary destination in their current trip.

Table 2: Primarily destination for visitors



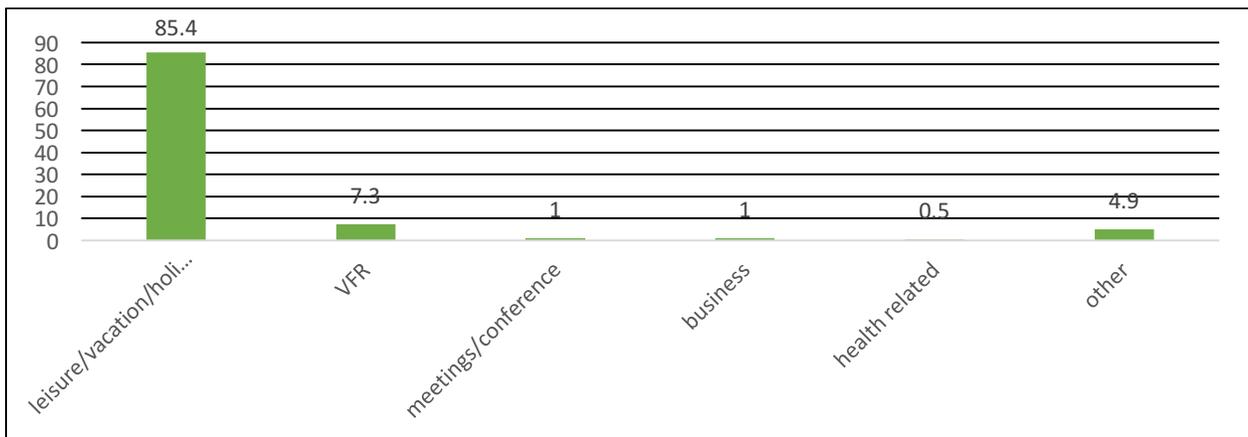
For those who indicated that their primary visit was not Hot Springs, 21.7% indicated that their primary destination was Rapid City, while 18.1% indicated that their primary destination was Custer Park. Around 14% indicated that their primary destinations included Black Hill area in general and Mount Rushmore.

Table 3: Part of the trip



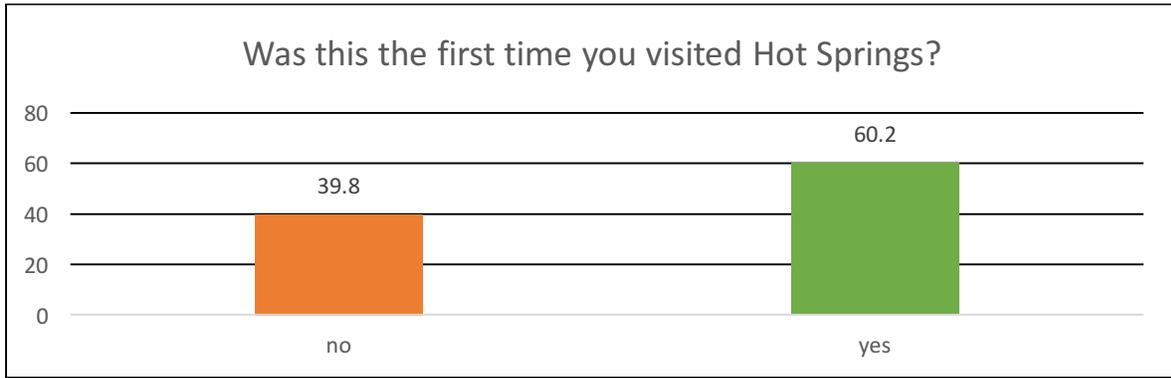
Our sample indicated that Hot Springs was primarily a midpoint stop for visitors (59.7%) as they visit through the Black Hills, while around 23% indicated that they were already in the end part of their visit in the region, and only 17% of them indicated that they were in the beginning of their trip.

Table 4: Purpose of visit



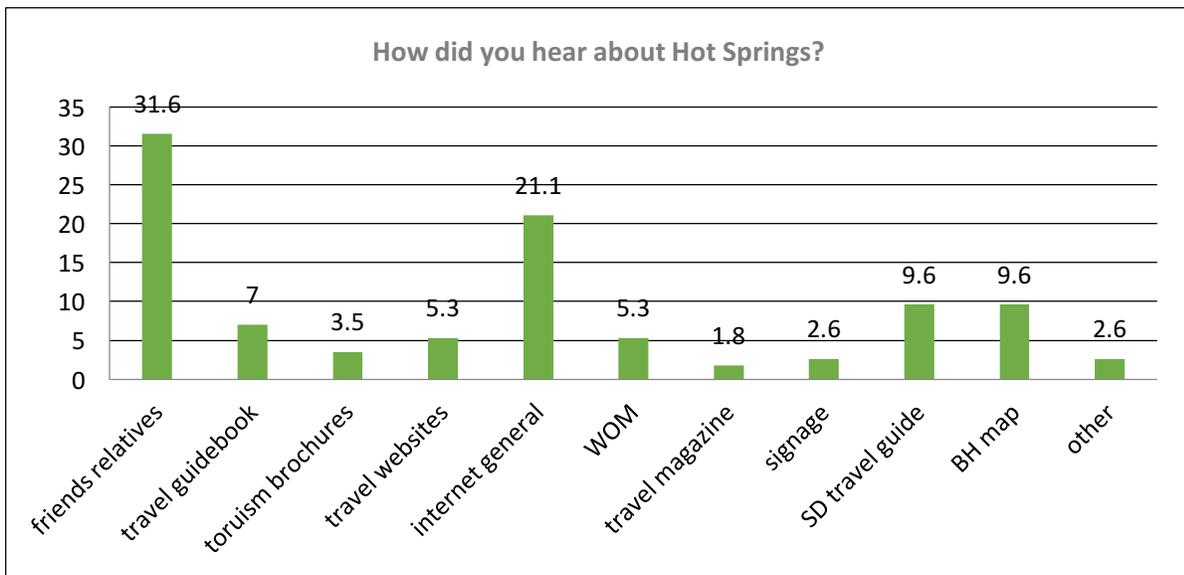
Majority of respondents indicated that their purpose of visit was leisure/vacation/holiday, followed by visiting friends and relatives (7.3%). Only less than one percent visited Hot Springs for health related.

Table 5: First Time



Our sample indicated that more than fifty percent visited Hot Springs for the first time, while close to forty percent indicated that they have been to Hot Springs before within the last 12 months.

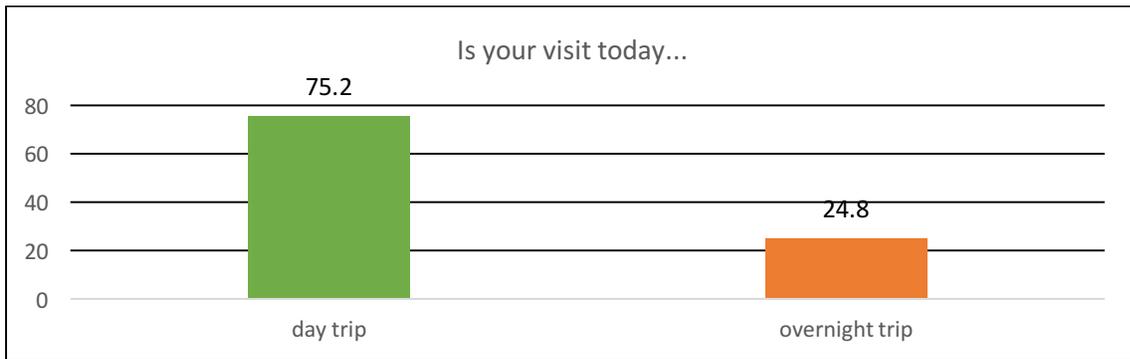
Table 6: Source of Information for first time visitors



For first timers, friends and relatives was the number one source of information (31.6%) , followed by Internet general (21.1%). Those used South Dakota guide and Black Hills maps were close to ten percent. Less than two percent used travel magazine as source of information.

For those who have been to Hot Springs within the last 12 months, in average they visited once.

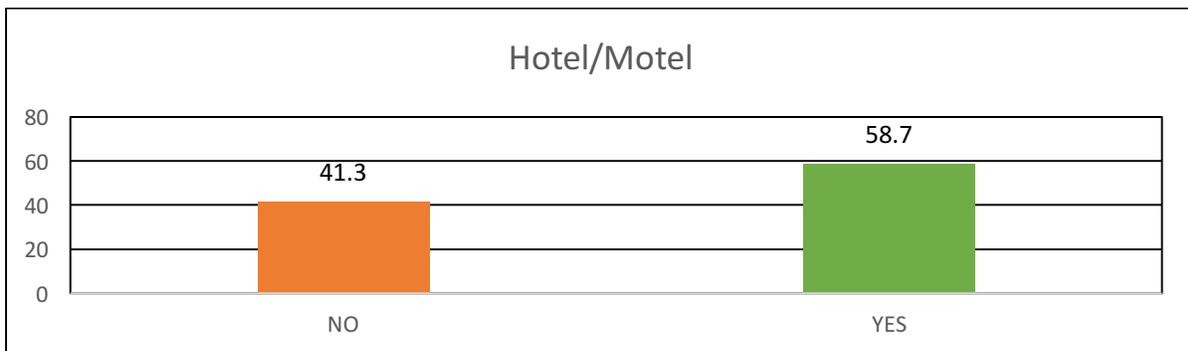
Table 7: Type of Visit



One third of respondents indicated that their current trip was a day trip, while one fourth indicated that it was an overnight trip. For those who indicated that it was a day trip, in average they spent 2.9 hours, while those who stayed overnight typically stayed for 2 nights.

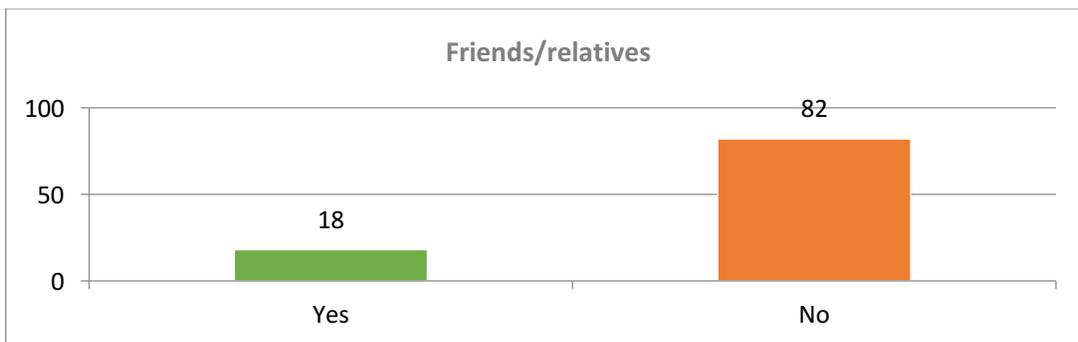
Accommodation

Table 8: Hotel/Motel



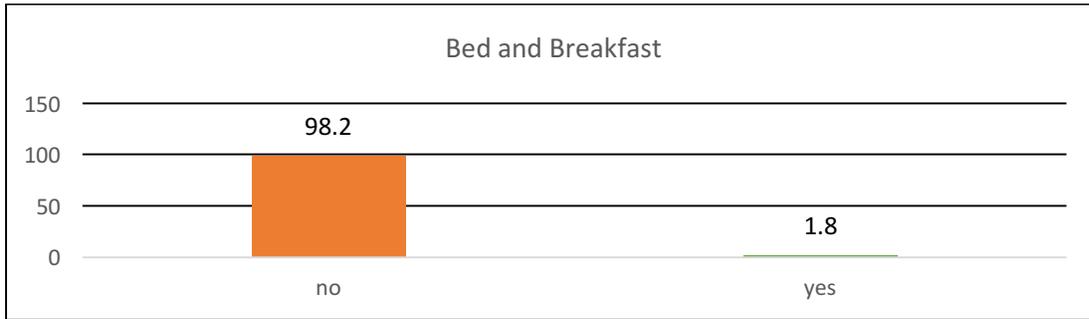
More than half of our sample stayed in a hotel/motel during their visit.

Table 9: Friends/relatives



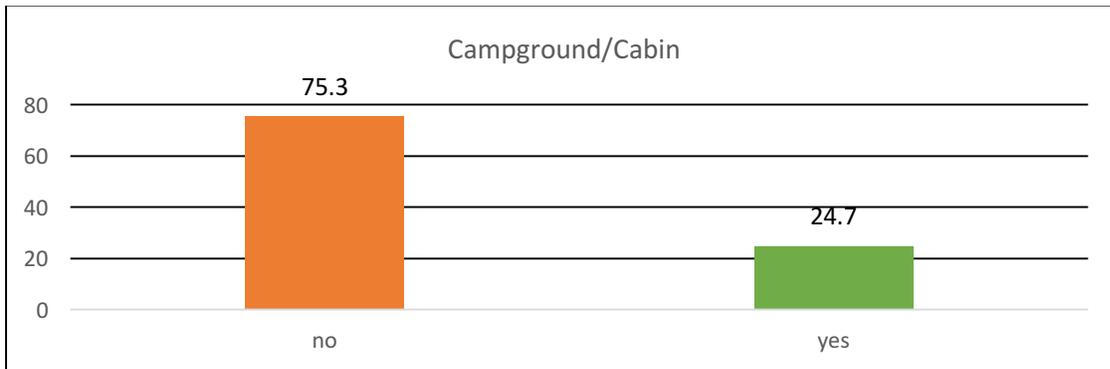
Only 18% of the sample indicated that they stayed at their friends or relative's home.

Table 10: Bed and Breakfast



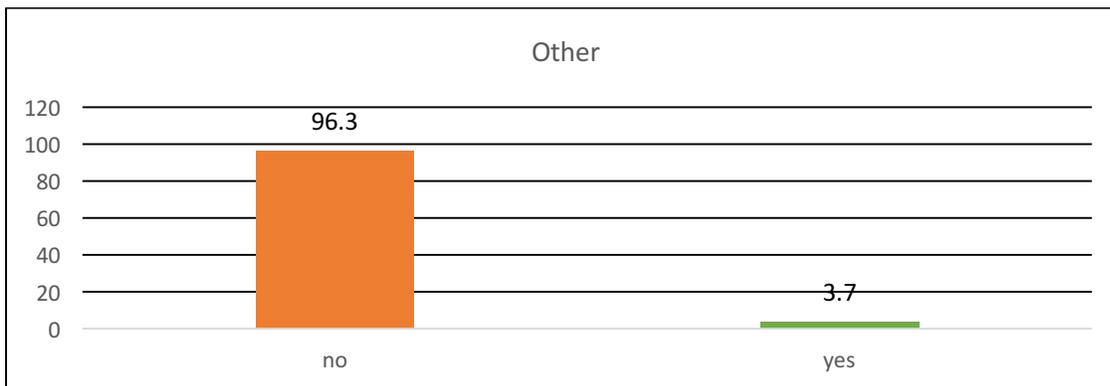
Less than two percent of our sample indicated that they stayed at a bed and breakfast.

Table 11: Campground/Cabin



Those who stayed in a campground or cabin comprised of 24.7% of the sample.

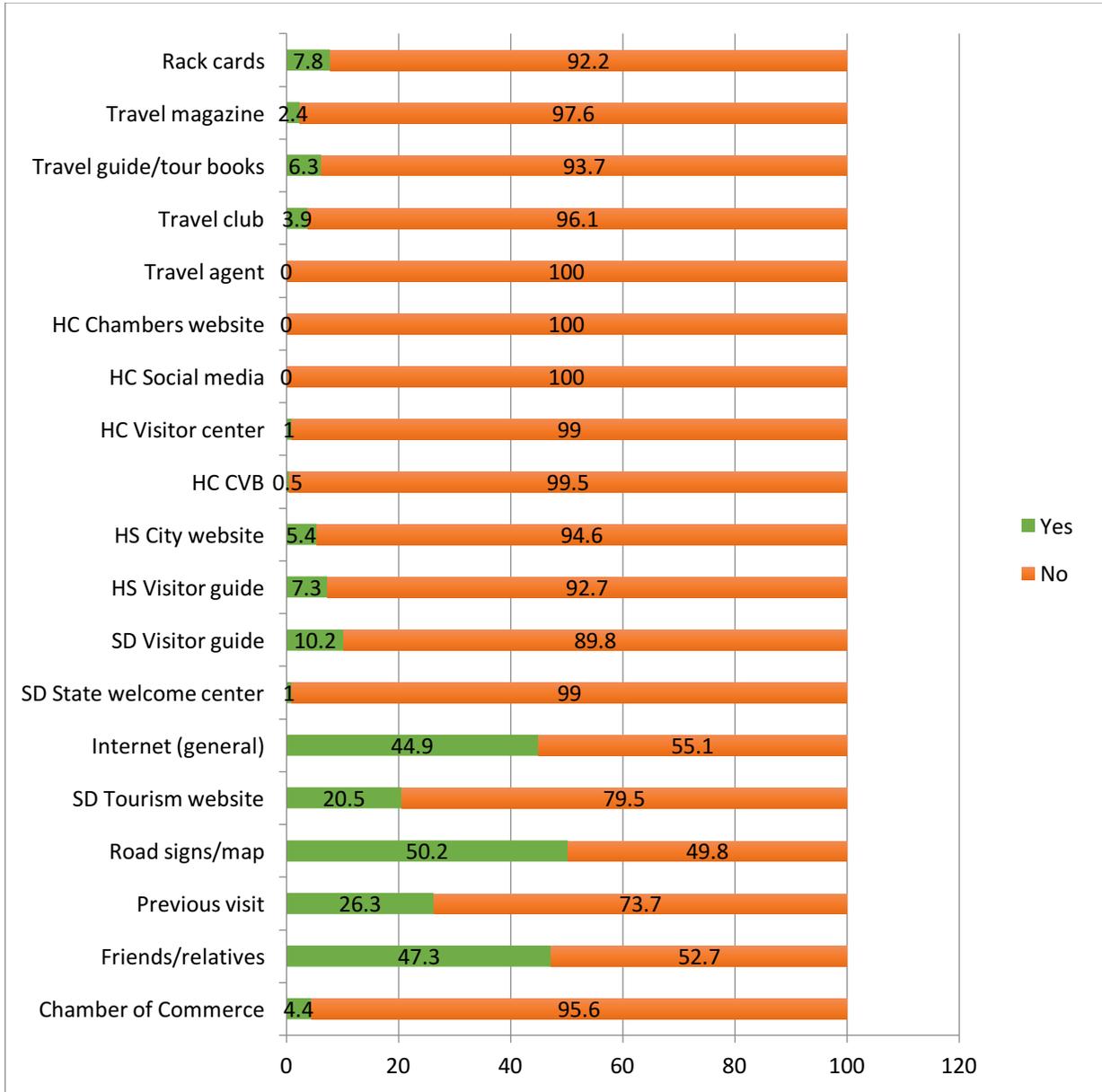
Table 12: Other



Close to 4% of our sample stayed in another types of accommodations.

Source of Information

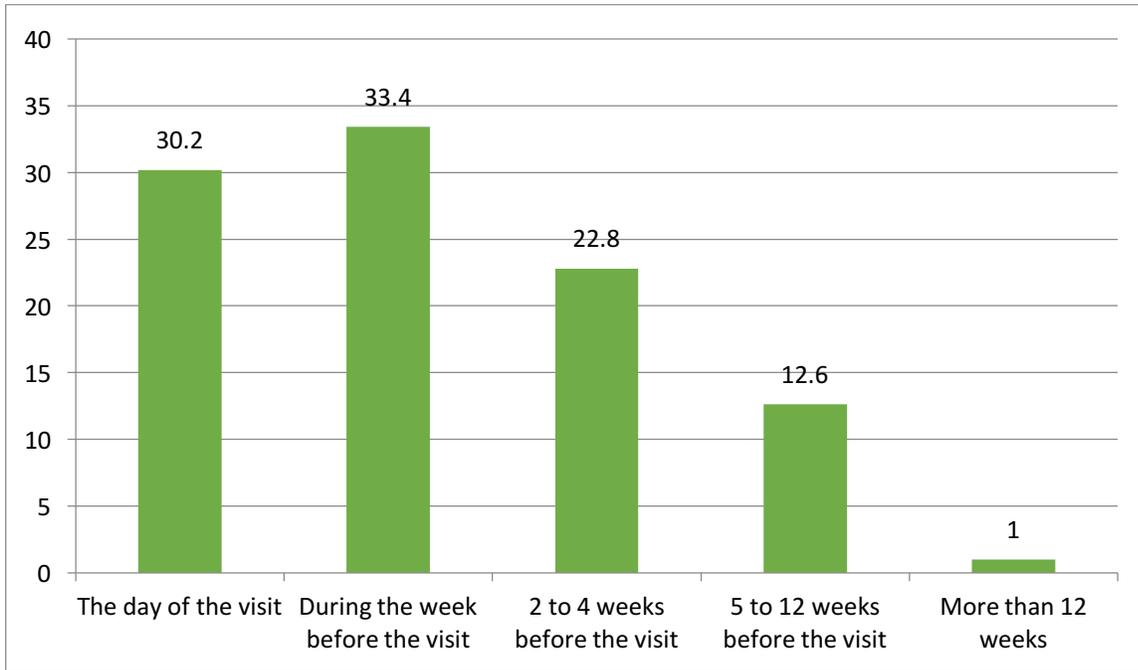
Table 13: Information source



The most common source of information that the respondents used to plan their trip to Hot Spring were Road signs/map (52.2%), friends and relatives (47.3%), and the Internet in general (44.9%). It is interesting to note that no one in our sample used Hot Springs Chamber of commerce website, Hot Springs’ social media, or a travel agent to plan their visit to Hot Springs. Furthermore, only 1% of the sample utilized Hot Springs visitors’ center as part of their planning process.

Travel Decision Making

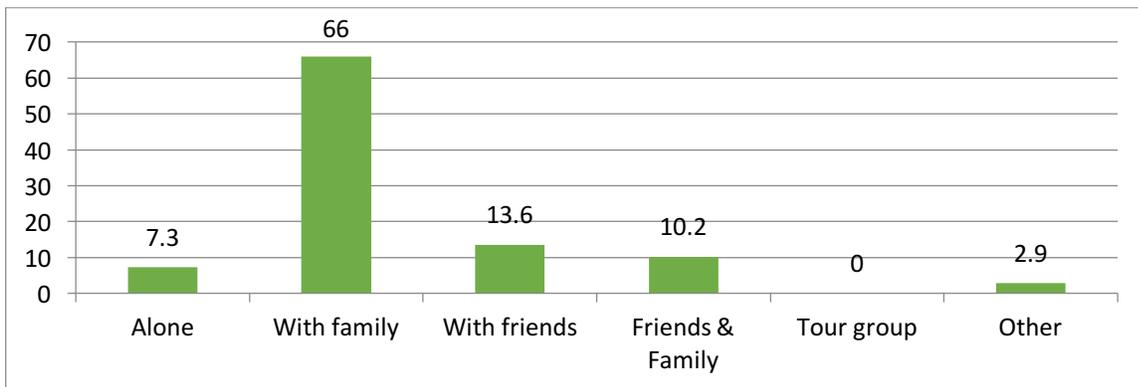
Table 14: Decision-making



Our sample indicated that 30.2 % of them made their decision to visit Hot Springs in the same day of the visit, while 33.4% indicated that they made their decision during the week before the visit. Around 23% said that they made their decision within 2-4 weeks prior to their visit. Only 1% indicated that they made their decision more than 12 weeks.

Travel Party Composition

Table 15: Travel party composition



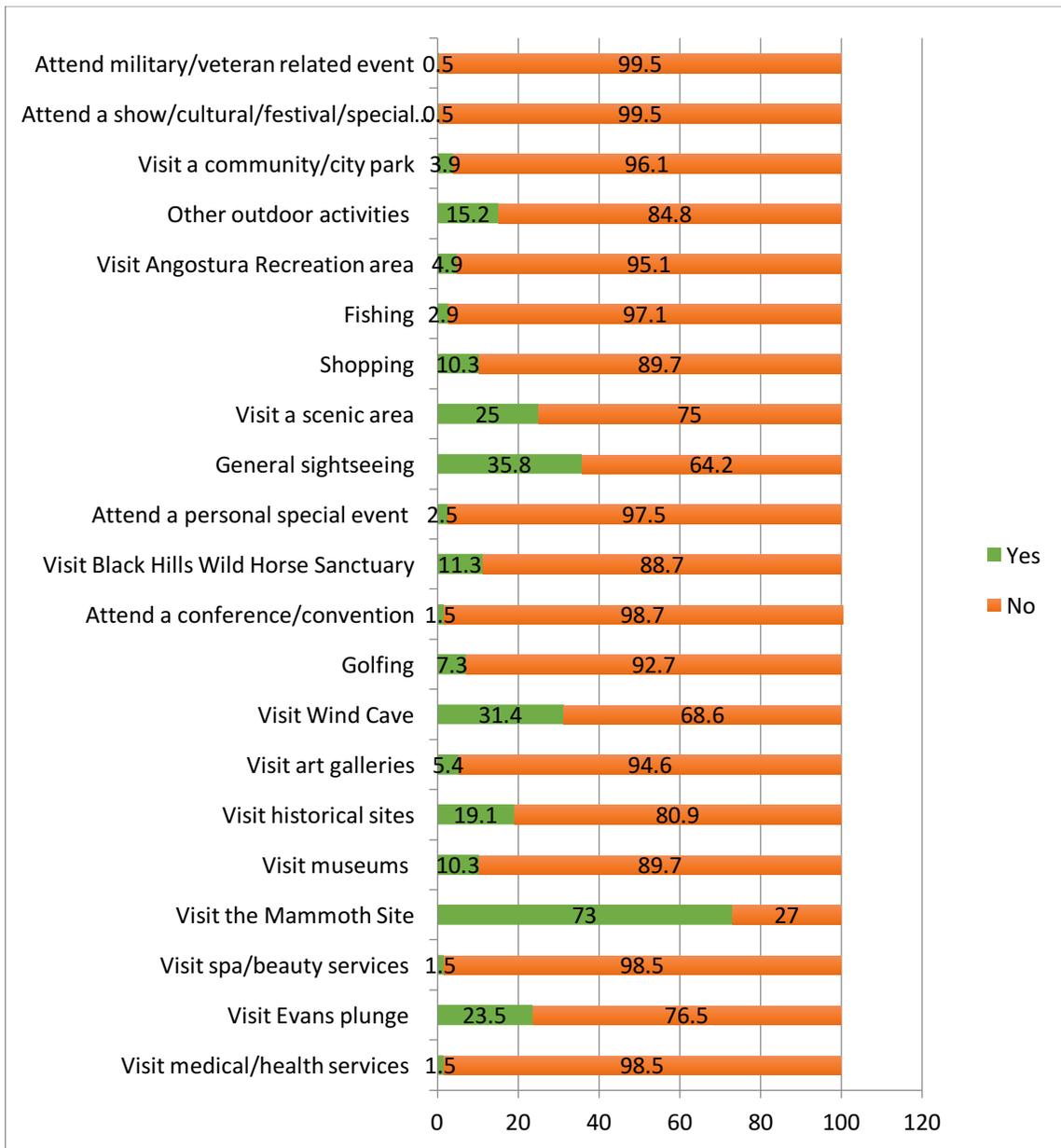
Majority of the sample traveled with their family. Those who traveled with their friends comprised 13.6 % of the sample, while those who traveled alone comprised of 7.3% of the sample. None of our sample traveled with a tour group. In average around 4 people were in a travel party.

SECTION II: ATTRACTIONS, ACTIVITIES & SATISFACTION

The most popular activity that our sample participated or plan to participate was visiting the Mammoth Site (73%), followed by general sightseeing (35.8%), and visited a scenic area (25%). It was also noteworthy that 31.4% of our sample visited Wind Cave and that 23.5% of them visited Evans Plunge Mineral Springs.

While also participated in other activities or visiting other sites, around 40 percent of our sample indicated that their primary reason of visiting Hot Spring was Mammoth Sites, followed by general sightseeing (13.7%), and Evans Plunge Mineral Springs (12.1%).

Table 16: Activities participated in



Like and dislike

Respondents were asked what they like the most and the least regarding their current trip to Hot Springs. Many of them were unable to respond as they just arrived in town. Some of them mentioned attractions that were not in Hot Springs (e.g. Wind Cave). As such we delineate the themes to things that respondents like the most and like the least in the city.

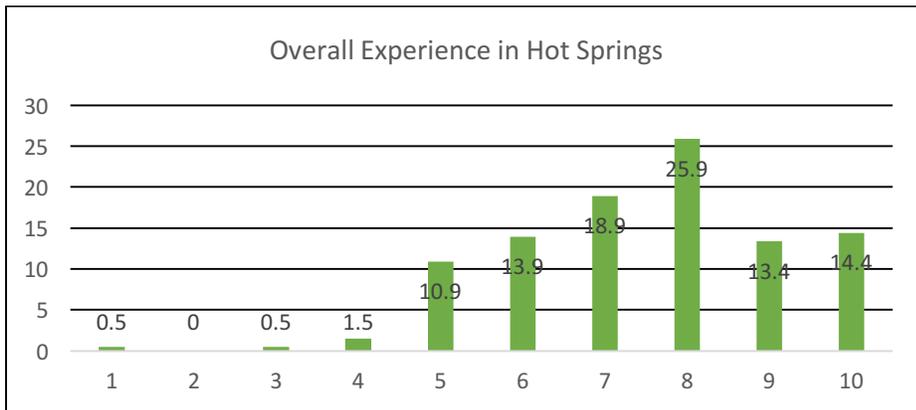
There were recurrent themes of what respondents like the most about their visit to Hot Springs. These themes were:

- Mammoth Sites (n=57): Respondents loved the activities at the site for instance digging and the exhibition.
- Friendliness (n=10): Respondents used the following words to describe Hot Springs e.g. *“friendly people”, “hospitality of local”, “everyone is super helpful”*
- Evans Plunge (n=10): Respondents loved Evans Plunges Mineral Springs especially those with children.
- Atmosphere of Hot Springs (n=15): Respondents loved the beauty of the town e.g. *“beautiful town”, “older-historical building”, “historic”, “relaxing”, “view”*.
- Outdoor activities (n=9): Another recurrent theme was about outdoor activities in outdoor activities. For instance, respondents commented on *“golfing”, “nature”, “scenery”*
- Water/Water fall (n=8): Respondents also loved the water falls such as *“Cascade fall”, “Kidney water”, “water falls”*

The following were recurrent themes that respondents like the least about their visit to Hot Springs.

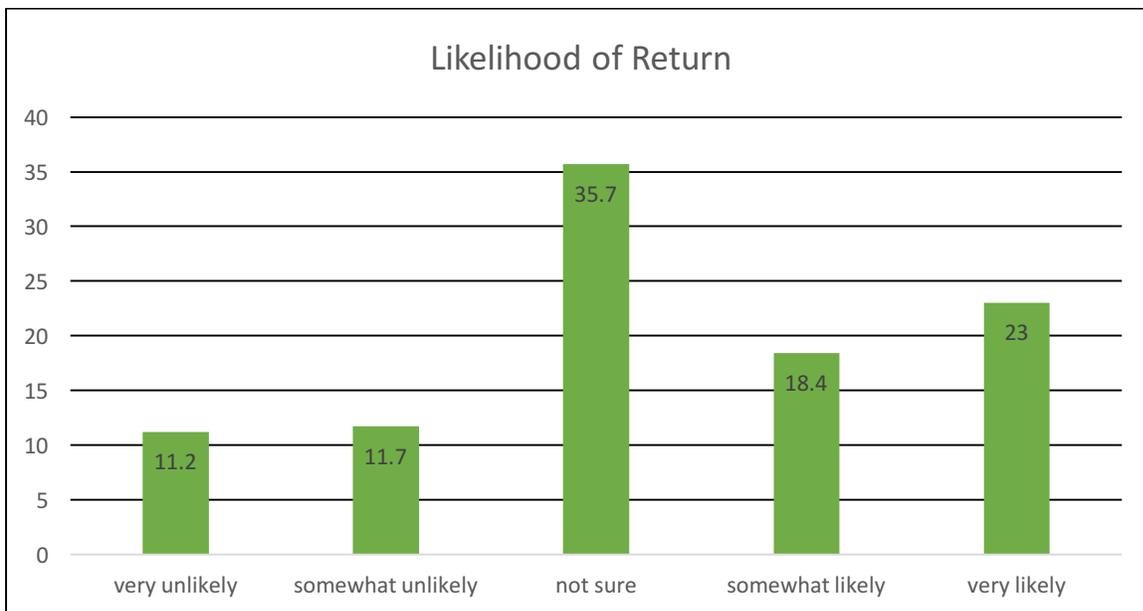
- Aminities (n=35) A lot of respondents commented on the lack of amenities that Hot Springs has. For instance, the most common thing was the lack of restaurants that open e.g. *“hard to find place to eat”, “not enough restaurants”, “nothing open”, “everything close early” or “no shopping”, “downtown dead”, “hotel was bad”*
- Distance (n=15) Many of the respondents also commented the long drive they had to take to visit Hot Springs such as *“lack of direction”, “long drive”*
- Hospitality (n=9) It is also interesting to note that many respondents also pointed out that there was a lack of hospitality among residents. E.g. *“people at gas station rude”, “rude customer service”, “rude locals”*

Table 17: Overall trip satisfaction



In average, respondents tend to have a good time in Hot Springs ($M= 7.51$, $SD: 1.68$). This was to indicate that respondents were somewhat satisfied with their trip to Hot Springs.

Table 18: Likelihood to return to Hot Springs

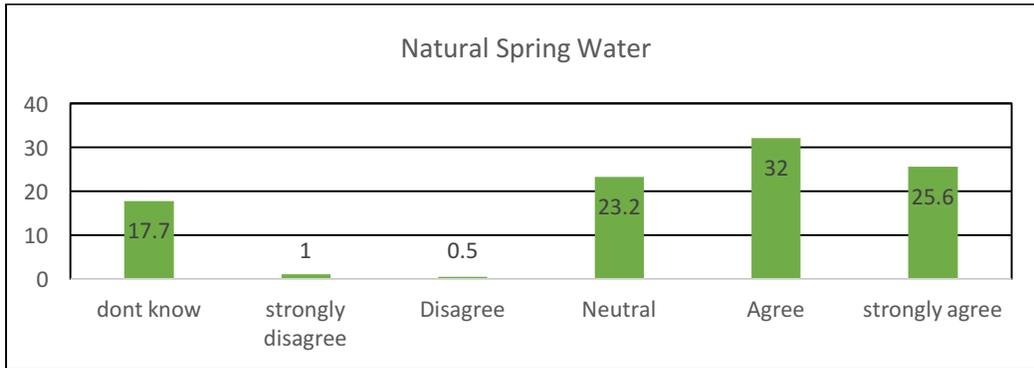


While respondents indicated somewhat satisfied with their visit to Hot Spring, they were relatively unsure if they would return to Hot Springs in the future ($M=3.30$, $SD= 1.26$).

Destination Perception

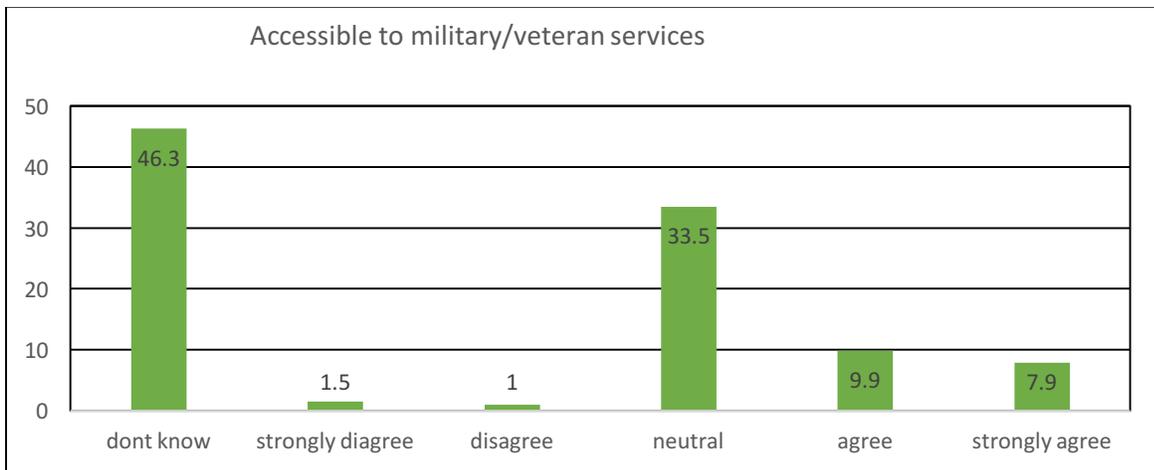
Respondents were asked about their disagreement and their agreements related to several attributes of Hot Springs using a 5 Likert scale. Due to the high number of respondents who responded “do not know”, in calculating the mean score for each attribute, the “don’t know” answer was held constant to provide a better picture of the perception.

Table 19: Natural Spring water



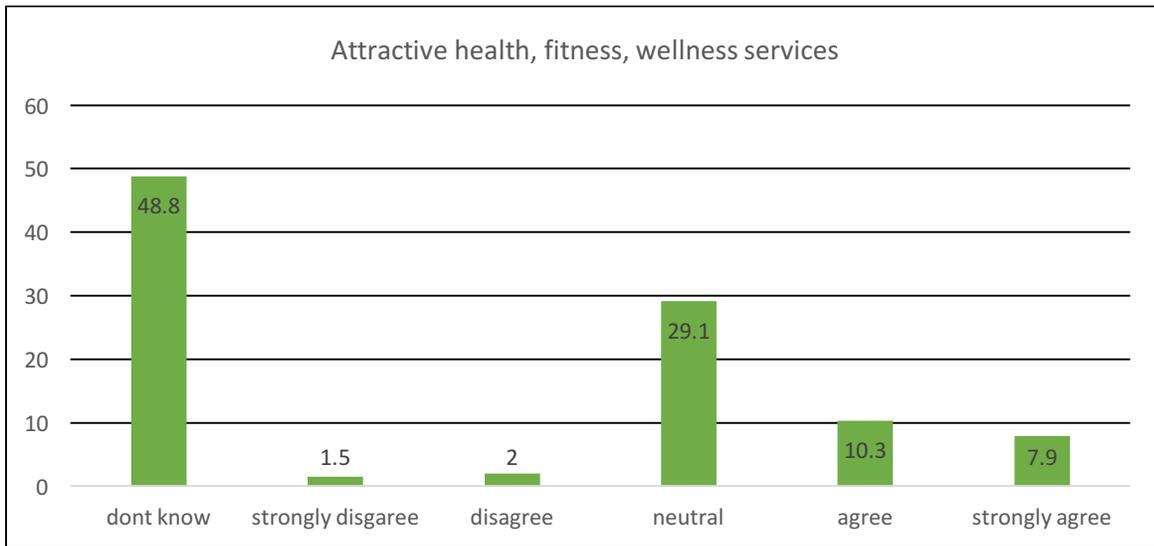
A lot of respondents did not know about the attractiveness of the natural spring water of Hot Springs. Out of those who knew, in average they agreed that Hot Springs had attractive natural spring water ($M=3.98$, $SD=.85$).

Table 20: Accessibility to military/veteran services



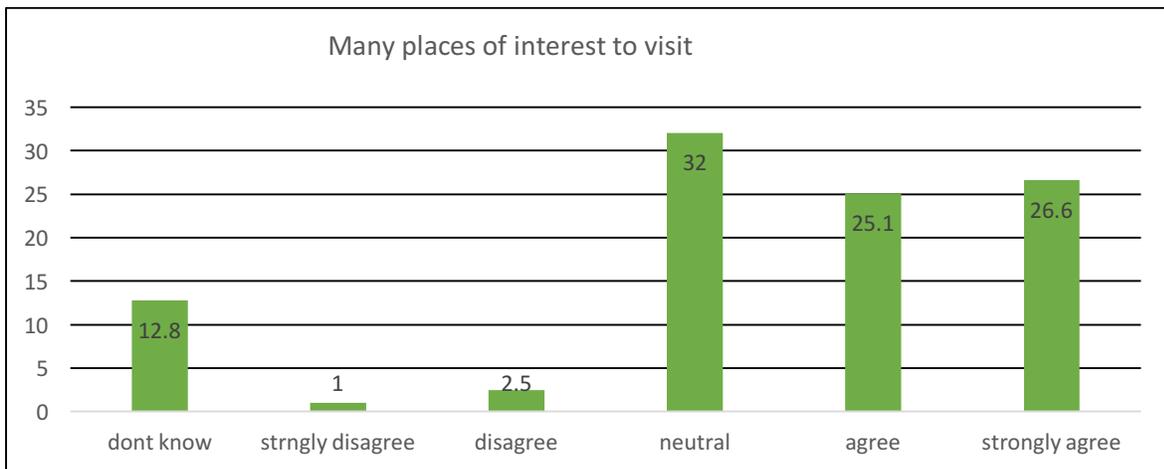
A lot of respondents did not know about the accessibility to military/veteran. Out of those who knew, in average they were neutral ($M=3.40$, $SD=.86$). This is quite alarming as Hot Spring is the Veteran Town in South Dakota. This is to suggest that being a veteran town does not resonate well with visitors.

Table 21: Attractive health, fitness, wellness services



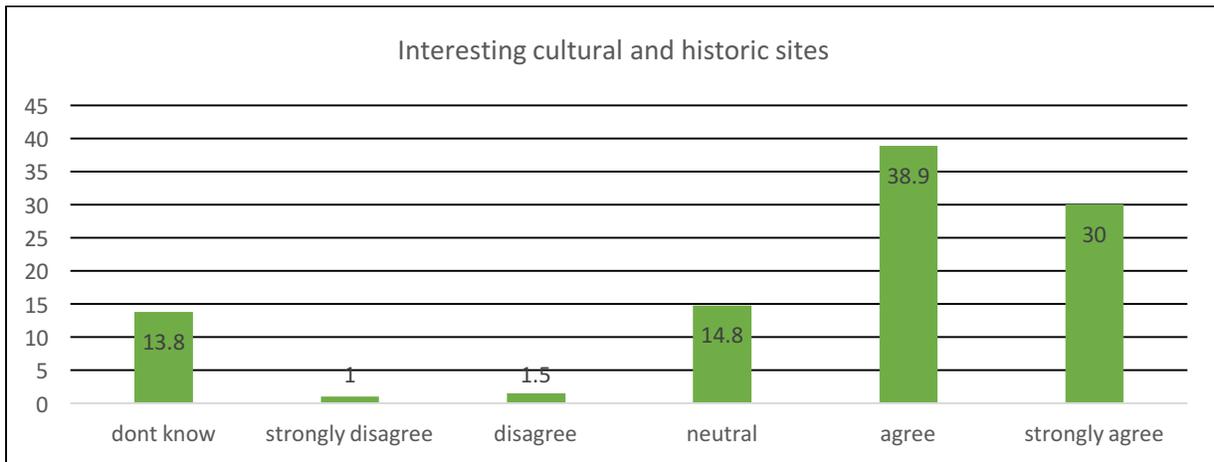
A lot of respondents did not know about health, fitness, and wellness service quality in Hot Springs. Out of those who knew, in average they were neutral ($M=3.68$, $SD=2.94$).

Table 22: Places of interest to visit



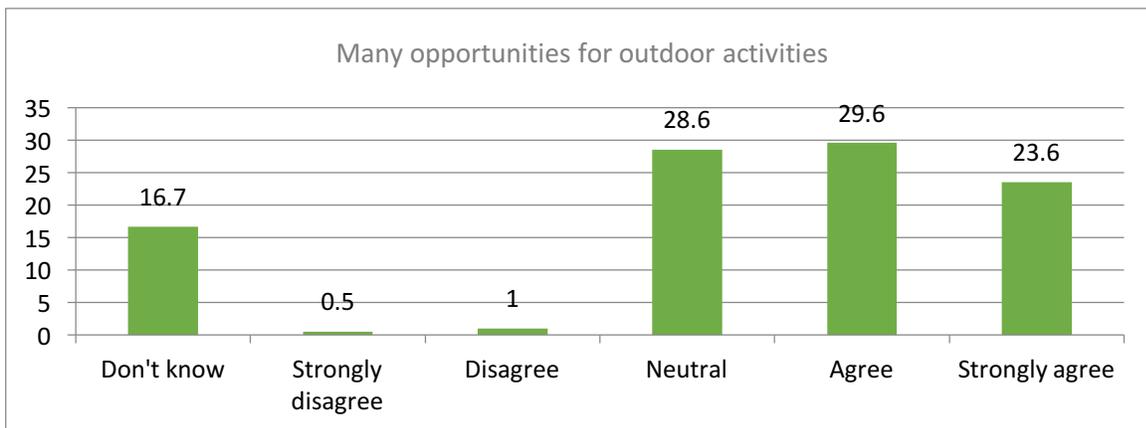
With those who do know know being held constant, in average respondents were somewhat agree that Hot Springs has many places of interest to visit ($M=3.85$, $SD=.93$).

Table 23: Interesting cultural and historic sites



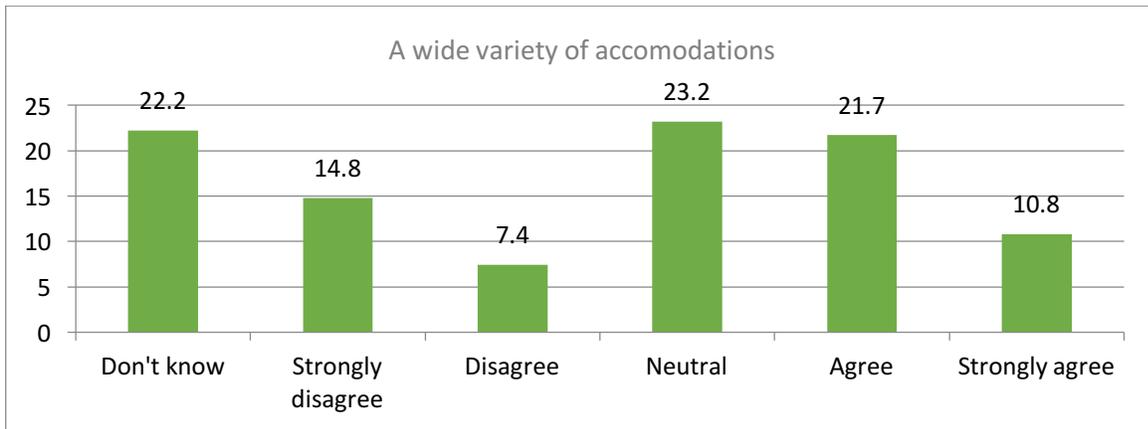
In average, respondents agreed that Hot Springs has interesting cultural and historic sites ($M=4.11$, $SD=.82$).

Table 24: Outdoor activities



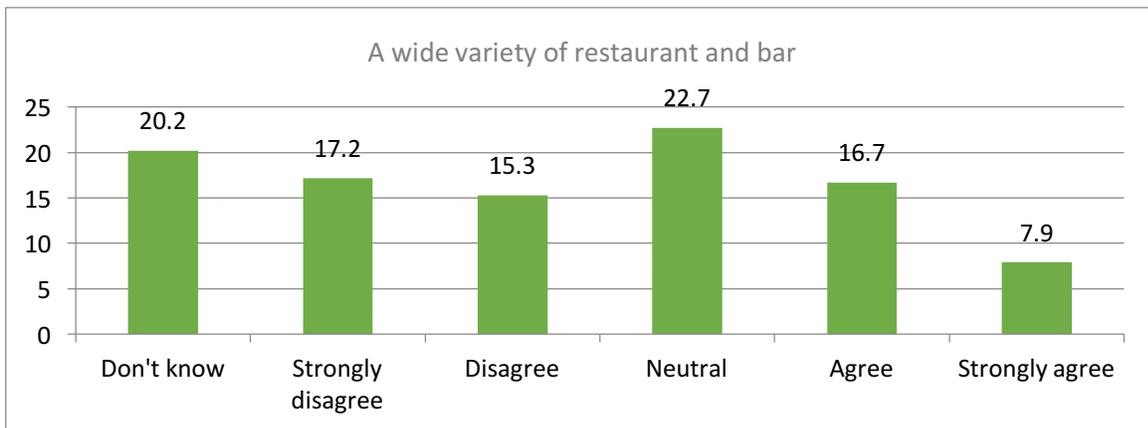
Many respondents did not know the opportunities for outdoor activities in Hot Springs. Among those who know, they agreed that Hot Springs has many opportunities for outdoor activities ($M=3.90$, $SD=.85$).

Table 25: Accomodations



Many respondents did not know the accomodations in Hot Springs. Among those who know, they tend to be neutral that Hot Springs has a wide variety of accomodations ($M=3.08$, $SD=1.30$).

Table 26: Variety of restaurant and bar



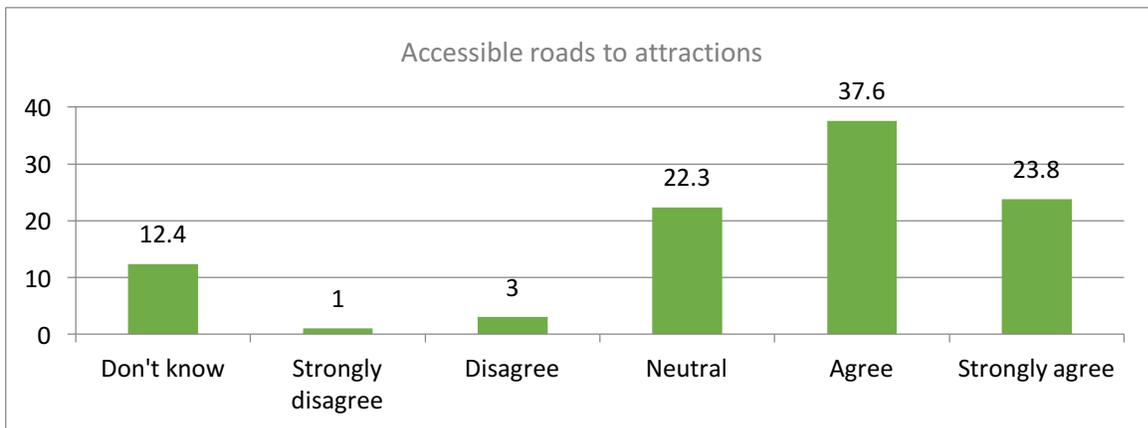
Respondents in average disagree that Hot Springs has a wide variety of restaurant and bar ($M=2.78$, $SD=1.27$). Many however, did not know about the variety of restaurant and bar in Hot Springs.

Table 27: Shopping



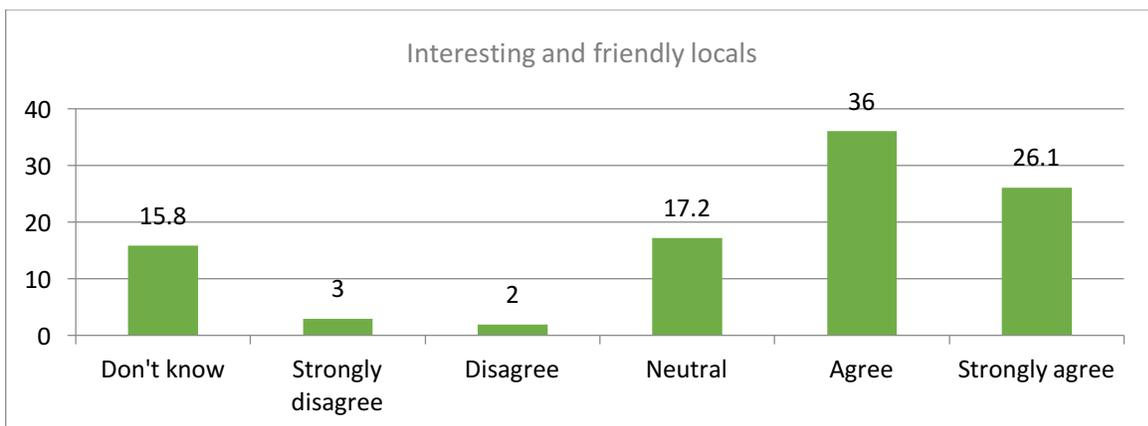
Respondents in average disagree that Hot Springs has a good shopping ($M=2.64$, $SD= 1.15$). Many however, did not know whether or not Hot Springs has good shopping.

Table 28: Road access to attractions



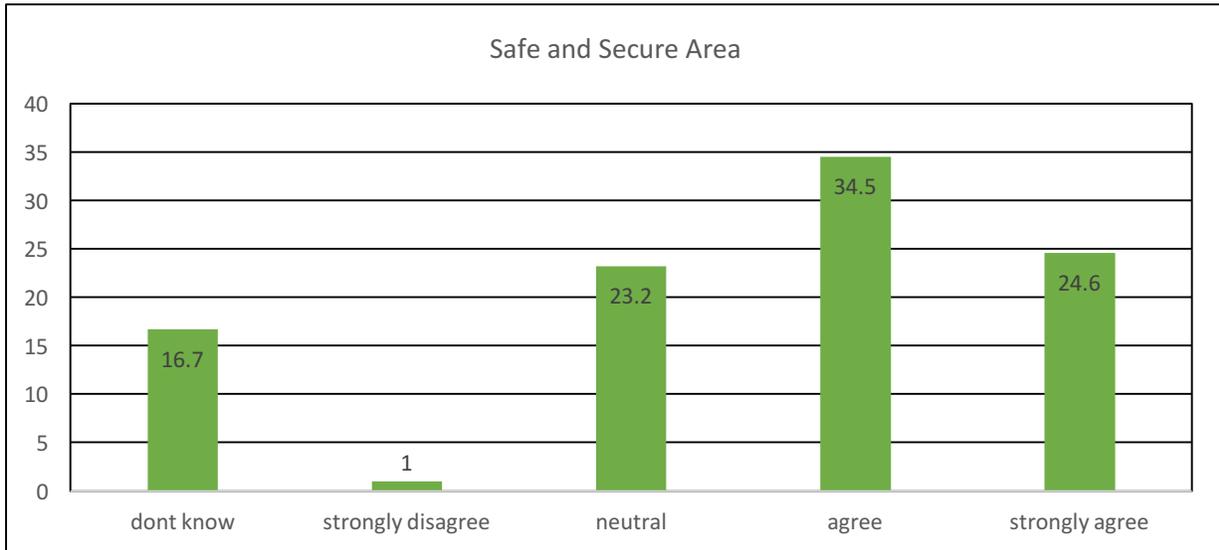
Respondents in average agreed that Hot Springs has accessible roads to attractions ($M=3.94$, $SD= .87$).

Table 29: Locals



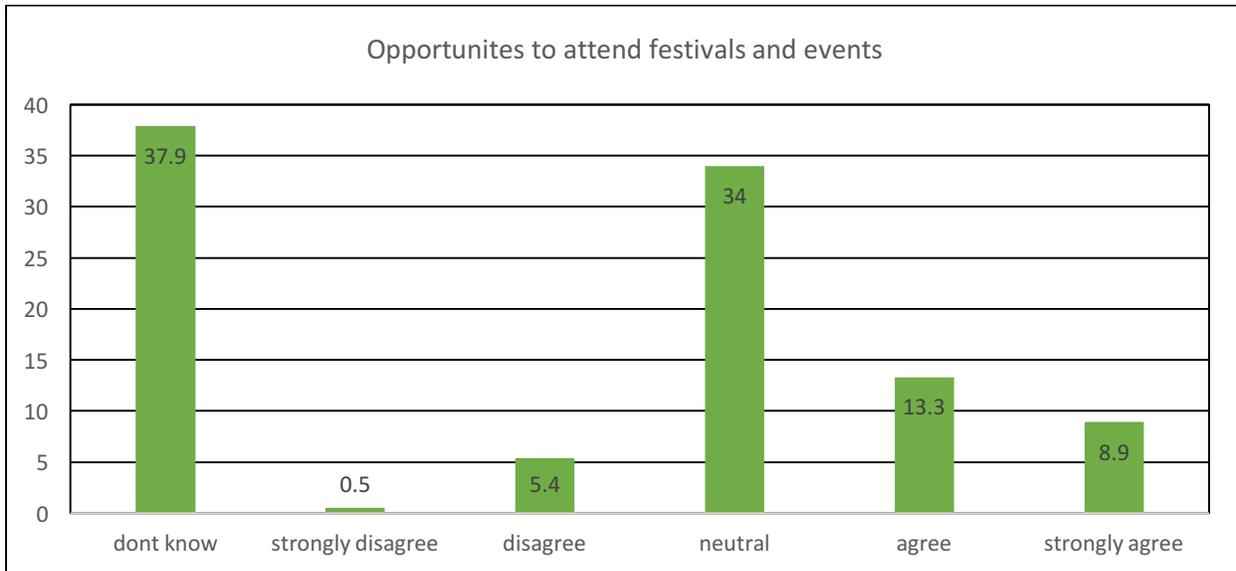
Respondents agreed that the residents of Hot Springs were interesting and friendly ($M=3.95$, $SD=.96$).

Table 30: Safe and secure area



Respondents agreed that Hot Springs was safe and secure ($M=3.98$, $SD=.82$). However, many did not know whether or not Hot Springs was safe and secure.

Table 31: Opportunities to attend festivals and events

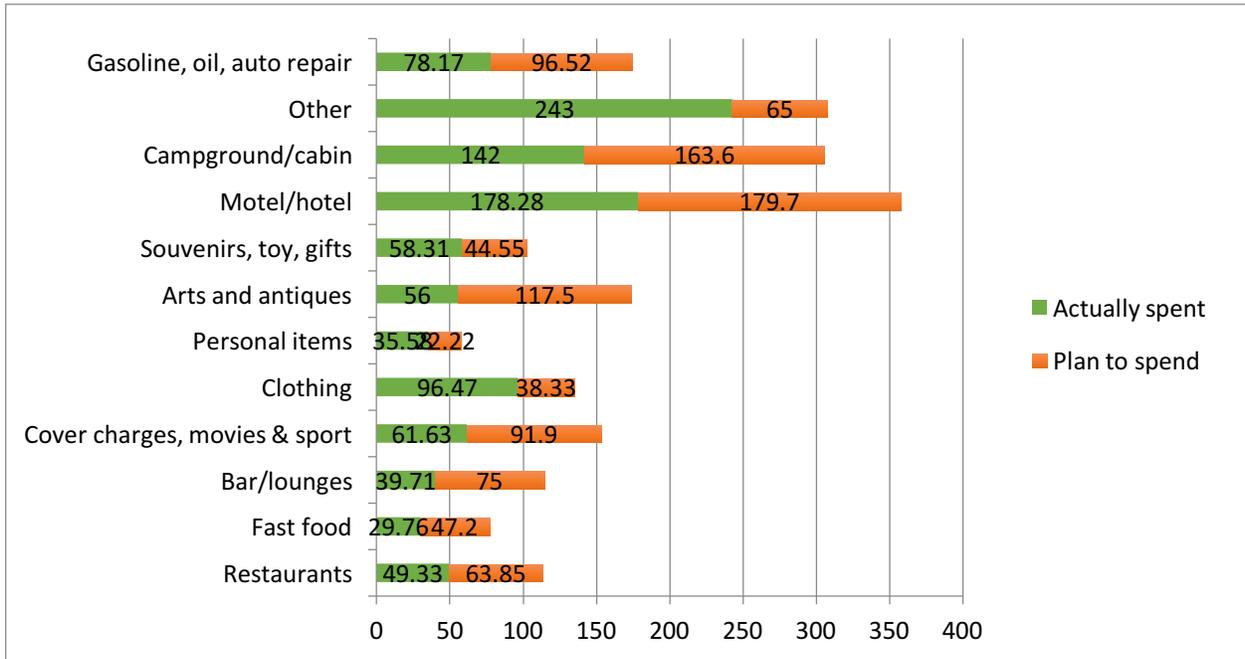


Respondents remained neutral when it came to the opportunities to attend festivals and events in Hot Springs ($M=3.40$, $SD=.86$). It is critical to note that there were many respondents who did not know when it came to the opportunities to attend festivals and events.

SECTION III: SPENDING

The spending was calculated per travel party, with an average of 4 person per travel party. The data indicated that respondents did not spend much in Hot Springs. They spent much on accomodations but not for other categories. This can be attributed to two things 1) low length of stay, that in average respondents stayed for less than 3 hours for day trippers and 2 nights for overnight visitors. 2) Lack of open amenities; as indicated, many of respondents pointed out that there were no restaurants open or that everything closed early in Hot Springs. As such, it can be argued that the economic impact of tourism in Hot Springs is minimal. The amount of money that the residents plan to spend could be the amount that might lose because of the aforesaid reasons.

Table 32: Spending

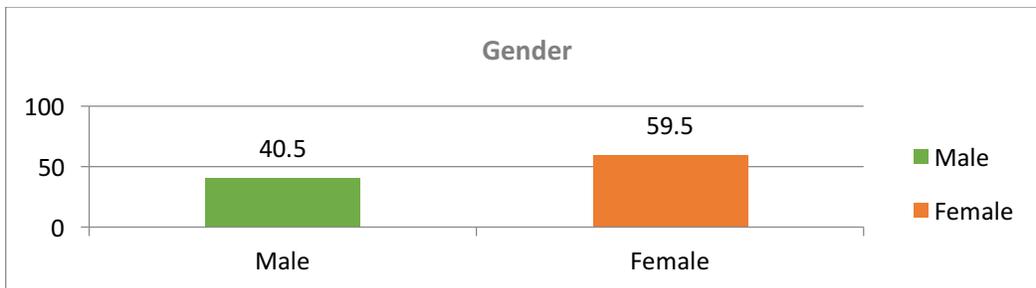


SECTION IV: DEMOGRAPHICS

The following are the socio-demographic profiles of the sample.

Gender

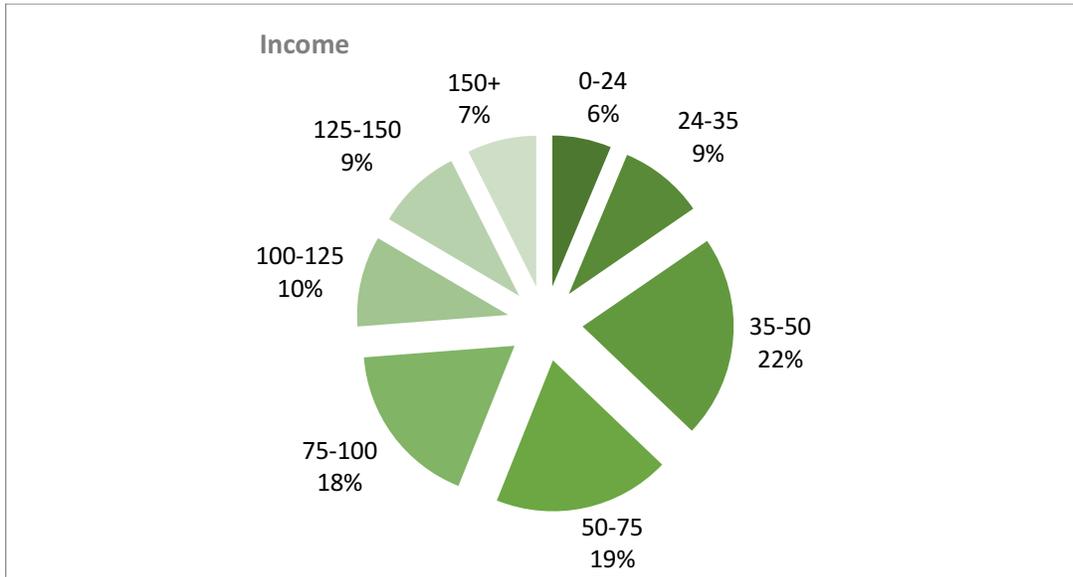
Table 33: Respondents by gender



Males were accounted for 40.5% of the sample, while females were accounted for 59.5% of the sample.

Annual income

Table 34: Respondents by 2014 annual income

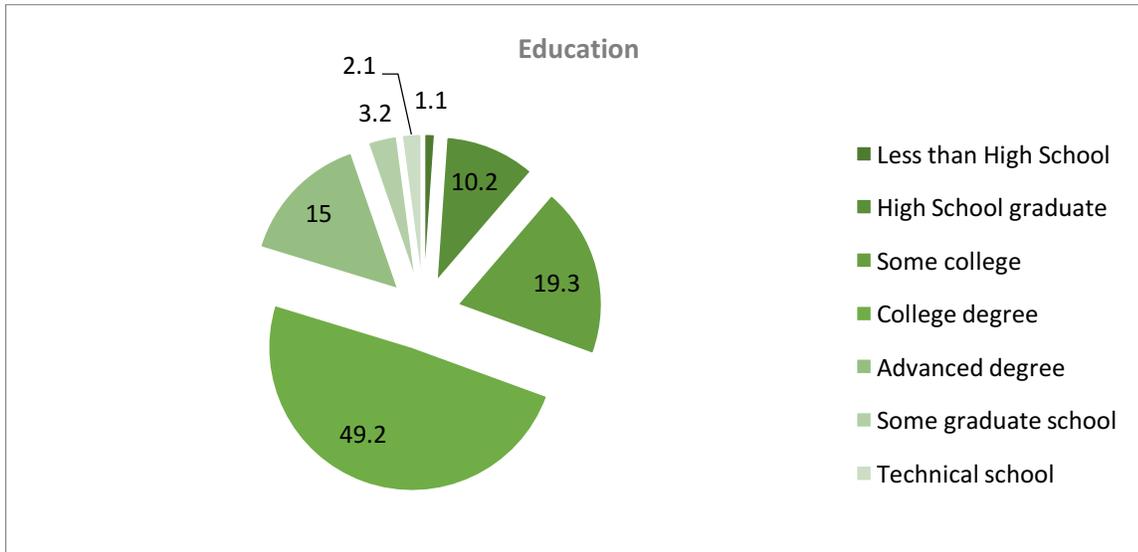


Around 74% of the respondents made \$100,000 or less annually. The percentage of the respondents who made more than \$100,000 annually was relatively small at 26% of the participants.

The youngest of our sample was 20 years old with the oldest was 81 years old, with a median age of 45 years old.

Education

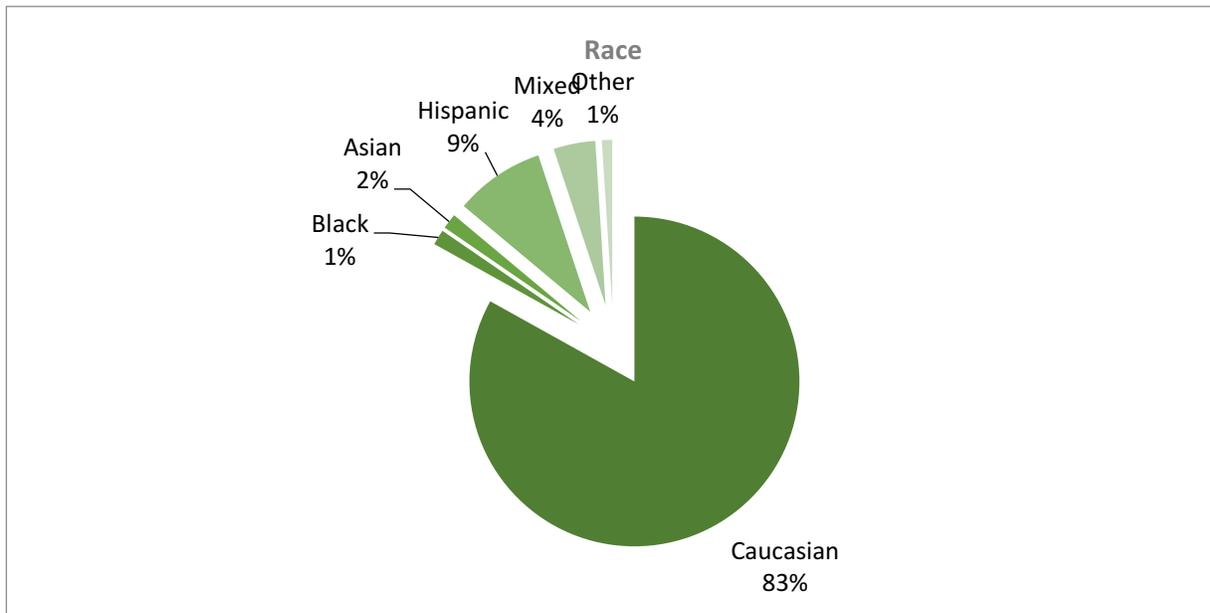
Table 35: Respondents by education



Almost half of our respondents had college degree, while 19.3% had some college degree. Those with advanced degree were accounted for 15% of the sample.

Race & Ethnic Origin

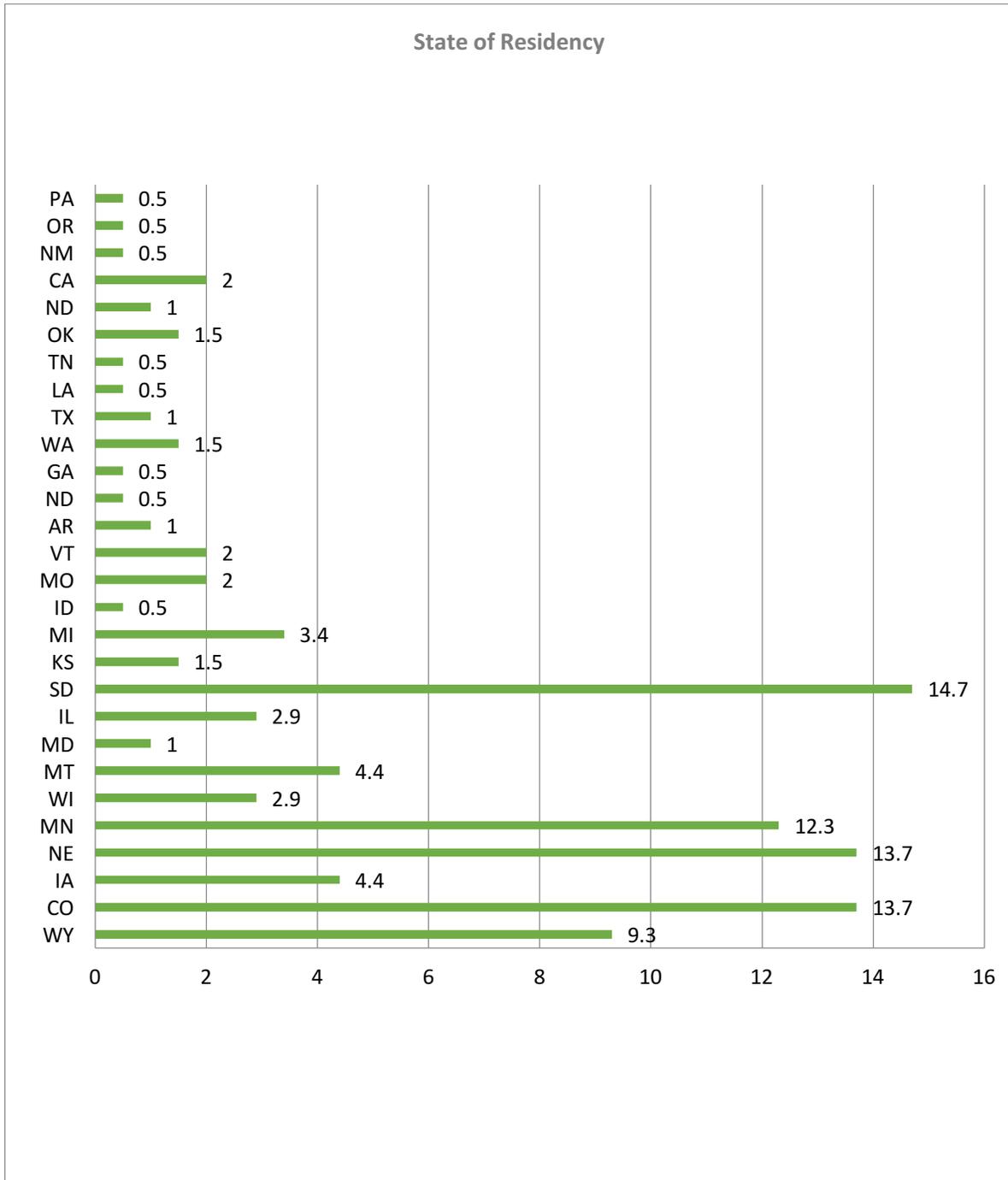
Table 36: Respondents by race



Our respondents were overwhelmingly Caucasians. Hispanic was only accounted for 9% of the sample.

State of Residency

Table 37: Respondents by state of residency



More than half of the respondents came from South Dakota and the surrounding area (Colorado, Nebraska, Minnesota, and Wyoming). These five states accounted for 63.7% of the survey participants.

There were only three International visitors in the sample. They were from Australia, India, and Turkey with each had 1 visitor.

Appendix C: Resident Survey

Part 1: General Attitude Toward the Tourism Industry in Hot Springs

Please answer the questions as completely as possible

1. Please list three examples, if any, of how the tourism industry has a positive impact on your life and your community in Hot Springs.

- a. _____
- b. _____
- c. _____

2. Please list three examples, if any, of how the tourism industry has a negative impact on your life and your community in Hot Springs.

- a. _____
- b. _____
- c. _____

3. Please indicate your agreement with the following statements as it regards tourism in Hot Springs. Please check (v) your agreement with each statement on a scale where: 1=*strongly disagree*, 2=*disagree*, 3=*neutral*, 4=*agree*, and 5=*strongly agree*.

Items	1	2	3	4	5
1. There are better shopping, dining, and recreational, or cultural opportunities in Hot Springs because of tourism.					
2. Tourism provided the opportunity to put Hot Springs area on the map.					
3. Tourism generates substantial tax revenues for our local government that benefit residents.					
4. Tourism is a strong economic contributor to our economy.					
5. Tourism benefits other non-tourism sectors in our local economy.					
6. The economic benefits of tourism affect only a minority of the residents of this community					
7. This community should do more to promote tourism					
8. More tourism development will lead to conflict between visitors and community residents.					
9. More tourism development will help raise the standard of living in this community					
10. There are too many tourists in this community					

11. Tourism has generated much employment in this community					
12. Tourism in my community disrupts my quality of life.					
13. In general, the positive benefits of tourism outweigh negative impacts.					
14. The city's current tourism related regulations adequately manage tourism impacts in our community.					
15. I am proud to live in a place that provides as many tourism/visitor opportunities as Hot Springs does.					
16. The City's Visitor Center provides visitors a positive first impression of Hot Springs					
17. The City's Visitor Center is helpful to visitors in orienting them in Hot Springs.					

4. As you probably know, a number of visitors come to your community on vacation. We are interested in what kinds of effect you think visitors have on the community. For each of the following items, please indicate whether you think visitors have a "good" effect, a "bad" effect, or "no" effect.

Items	Bad	Good	No
1. Job opportunities			
2. Cost of land and housing			
3. Traffic condition			
4. Recreational activities			
5. Cultural opportunities			
6. Crime			
7. Agriculture and farming			
8. Cost of living			
9. Shopping opportunities			
10. Environmental quality			
11. The values, customs, and traditions of the community			
12. The overall quality of life			

5. The following statements are some possible descriptions of visitors to your community. Using a scale of 1 to 5 where 1=*strongly disagree*, 3= *neutral*, and 5= *strongly agree*, please rate your disagreement or agreement of these statements.

Items	1	2	3	4	5
1. Visitors are pleasant to deal with.					
2. Visitors blend in well with local people.					
3. Visitors are law-abiding.					
4. Visitors act differently than local people.					
5. Visitors are considerate toward the environment.					
6. Visitors are considerate toward community residents.					

6. Carefully consider each issue below and indicate whether you view the issue as a problem by placing a check (v) in the appropriate column. Please provide a brief explanation where needed. Add issues to the list, if desired.

0= *not a problem*; 1=*slight problem*; 2=*a problem*; and 3= *a very serious problem*

ID/Items	0	1	2	3
1. Availability of PARKING for residents/visitors in commercial areas.				
2. Location of TOUR BUS PARKING.				
3. Public RESTROOM availability.				
4. Availability of PUBLIC BENCHES, SEATING in commercial areas.				
5. Congestion due to AUTOMOBILES driven by visitors				
6. Congestion due to MOTORCYCLES driven by visitors				
7. Congestion due to TOUR BUSES.				
8. Congestion due to SPECIAL EVENTS.				
9. Noise due to MOTORCYCLES driven by visitors.				
10. Street/sidewalk SANITATION of commercial areas.				
11. AUTHENTIC character of the downtown areas				
12. Quality of DOWNTOWN RETAIL				
13. BALANCE of tourist targeted retail shops versus resident-targeted retail shops.				
14. Availability of PUBLIC OPEN SPACES for residents' use.				
15. Other (please explain)				
16. Other (please explain)				

7. Do you have any suggestion on how to solve any of the issues listed above (please list Item ID number with suggestion)

8. Would you say you come into contact with visitors in this community “very often”, “sometimes”, “rarely”, or “never?”

Never Rarely Sometimes Very often

9. Is your profession directly related to any aspect of the tourism industry (e.g. restaurants, lodging, attraction)?

yes no

Part II Demographic Information

10. Your gender Male Female

11. In which year were you born? _____

12. How many years in total have you lived in the city of Hot Springs? If you moved away and then moved back, please add all time periods together: _____ years.

13. Is Hot Springs your primary residence? yes no

14. Which of the following best describes your current employment status (Check only one)

- Full time homemaker Student (part-time) Student (full-time)
- Unemployed Retired Employed (full time)
- Employed (part-time) Self –employed
- Other (please specify): _____

15. Do you have any comments pertaining to tourism in Hot Springs? If so please write it below.

This completes our survey. Thank you very much for your assistance!

Appendix D: Resident Survey Results

The survey was conducted to measure the general attitude of the residents on tourism in the City of Hot Springs. The online survey was conducted in September 2015 hosted by Qualtrics online survey program. A total of 196 returned survey were received. Out of 196 surveys, 177 were used in this report due to the completeness of the responses.

Part 1: General Attitude Toward the Tourism Industry in Hot Springs

When asked about how tourism has a positive impact on the residents of Hot Springs a majority of them recognize the positive impact through the economy, jobs or other variations of revenue (n=149).

- e.g. *“Contribute to the local economy (helps keep attractions & shops open)”*
“Tourist dollars are helpful to the economy”
“Tax dollars from sales of fuel, lodging, meals, groceries go to city to offer”
“Tourism brings in money to the community which keeps jobs available.”

There were also an outstanding number that enjoy having new people in town (n=93)

- e.g. *“Shows people what a great life we have, encourages some to move here.”*
“Meeting people from other places makes the community rich (exposure to others way of life and thinking is crucial for a small town in a conservative part of the country!)
“cultural and political exchange (we all learn from interaction with outsiders).”
“Brings life to the town”
“It changes the pace meet people from all over the world”
“meeting different cultures”

When asked about the negative impacts of tourism in Hot Springs, 83 people responded with 150 comments. There was no overwhelming theme like the positive impacts but there were many who commented about the traffic conditions when there are many tourism as well as how it disrupts their daily routine having tourists.

- “more traffic”*
“They drive way too slow!!”
“traffic congestion”

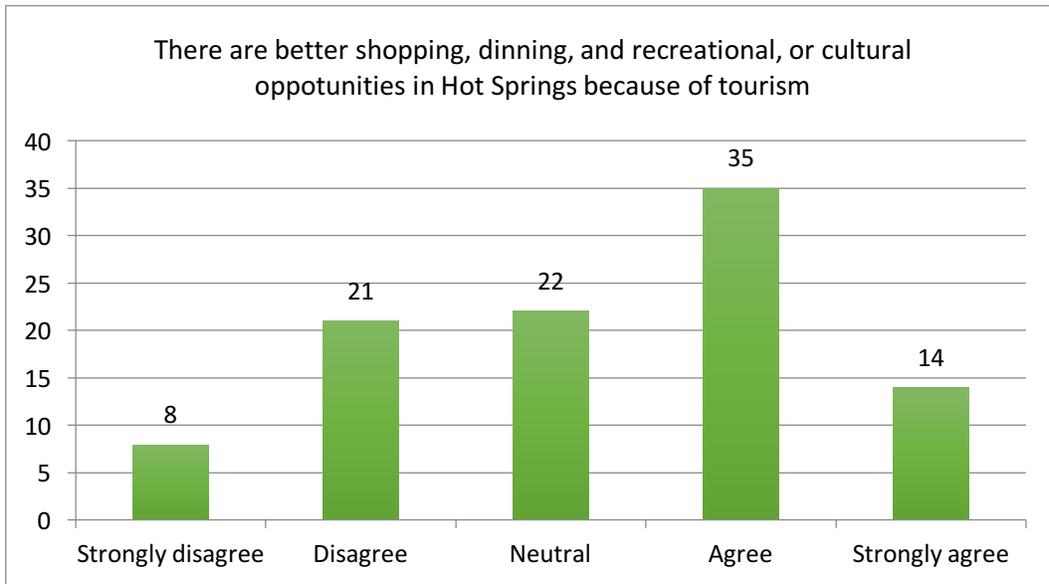
Some of the other negatives mentioned were the seasonality of tourism, disturbances on their daily life, such as trash, noise, as well a small group that said there is no down side to having tourism in Hot Springs.

- e.g. *“downtown parking spaces”*
“Harley bikers roaring into town and all the damned noise”
“tourists trash the parks and campgrounds.”
“Stores close after tourist season”
“destruction of special places -- too many people using spots once used infrequently”
“longer wait in businesses”

Respondents were asked about their level of disagreement or agreement on several statements regarding tourism in Hot Springs using a 5 point- scale with 1= *strongly disagree* to 5= *strongly agree*.

1. Shopping, dinning, recreational, and cultural opportunities

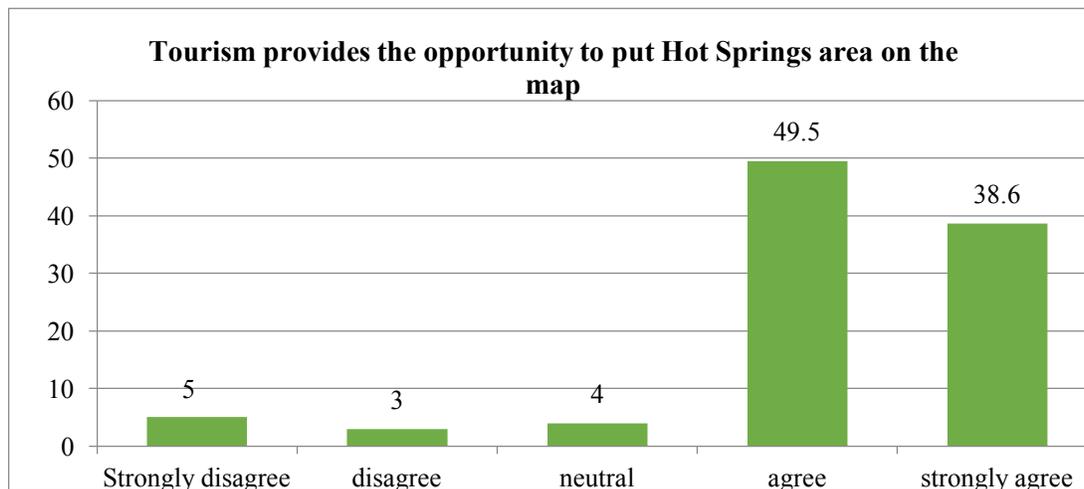
Table 1: Shopping and dinning



Out of 100 respondents, in average they areed to the statement. (M: 3.26, SD: 1.17). They believe that tourism did lead to some better shopping, dinning, recreational or cultural opportunities in Hot Springs.

2. Tourism provided the opportunity to put Hot Springs area on the map.

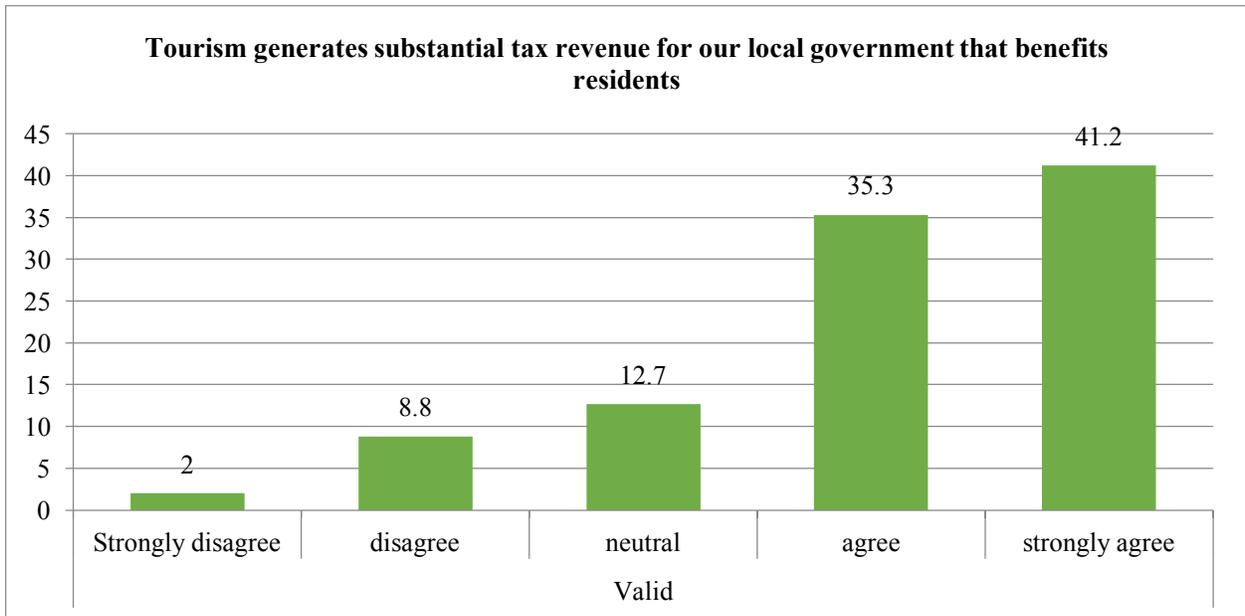
Table 2: Opportunity to put Hot Springs on the map.



Out of 101 Most people believed that tourism could put Hot Springs on the map (M=4.14, SD=.99).

3. Tourism generates substantial tax revenue for our local government that benefits residents.

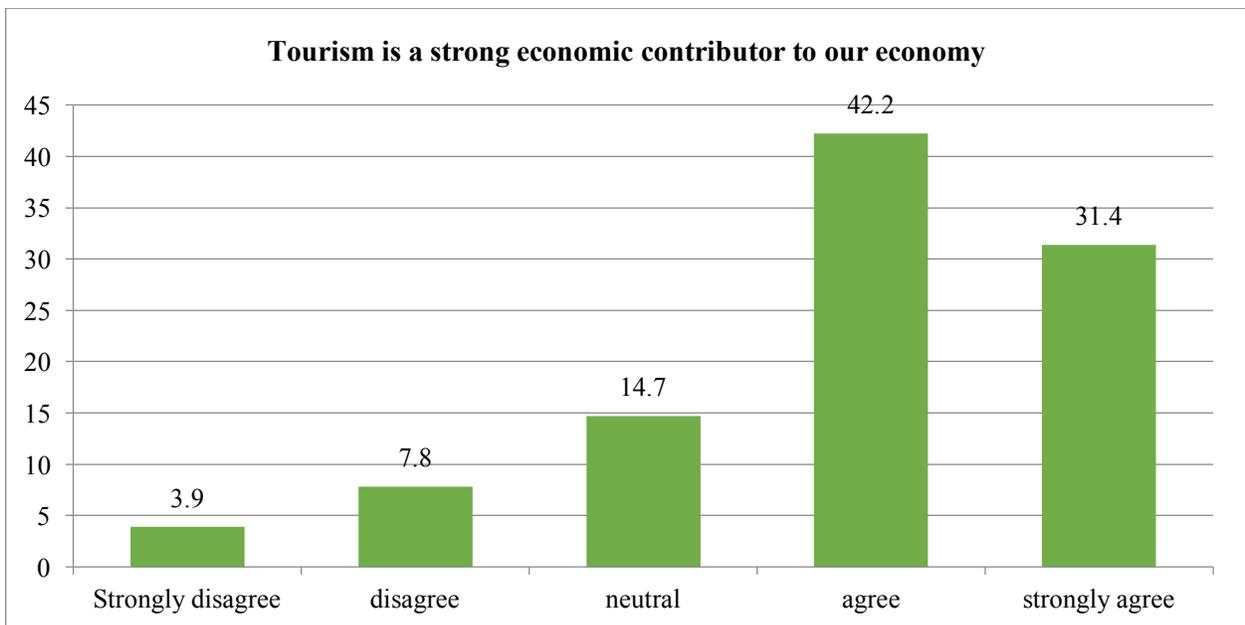
Table 3: Tax revenue



76% out of the 102 participants agreed that tourism generates substantial tax revenues for local government that benefits residents ($M=4.05$, $SD= 1.03$).

4. Tourism is a strong economic contributor to our economy.

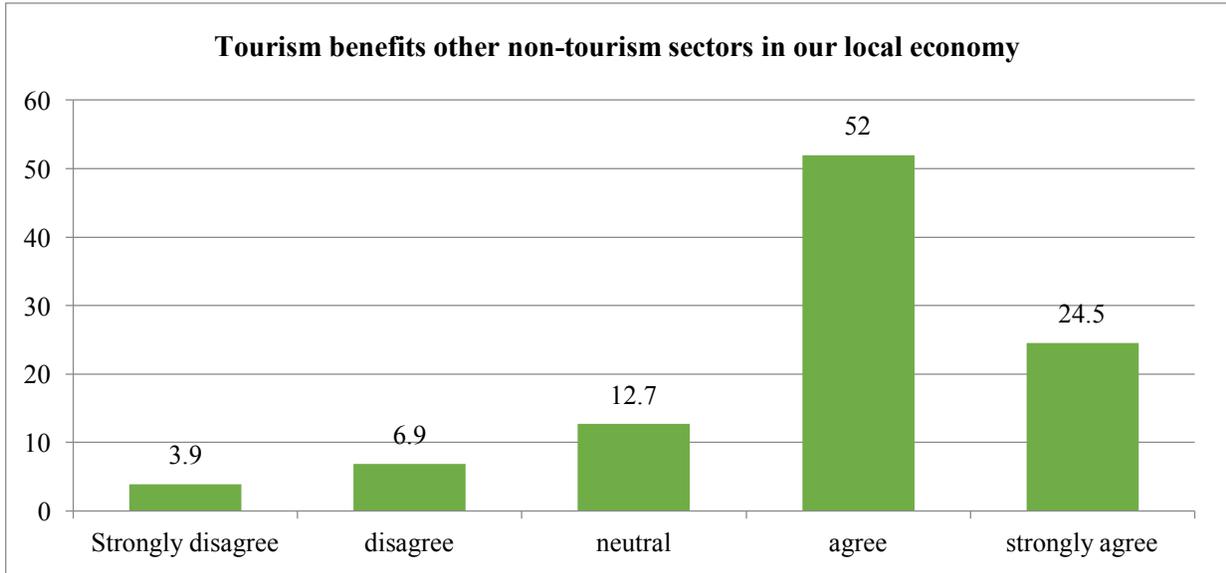
Table 4: Economic contributor



Out of the 102 people surveyed, most respondents agree that tourism is a strong economic contributor to Hot Springs economy (M= 3.89, SD=1.06).

5. Tourism benefits other non-tourism sectors in our local economy.

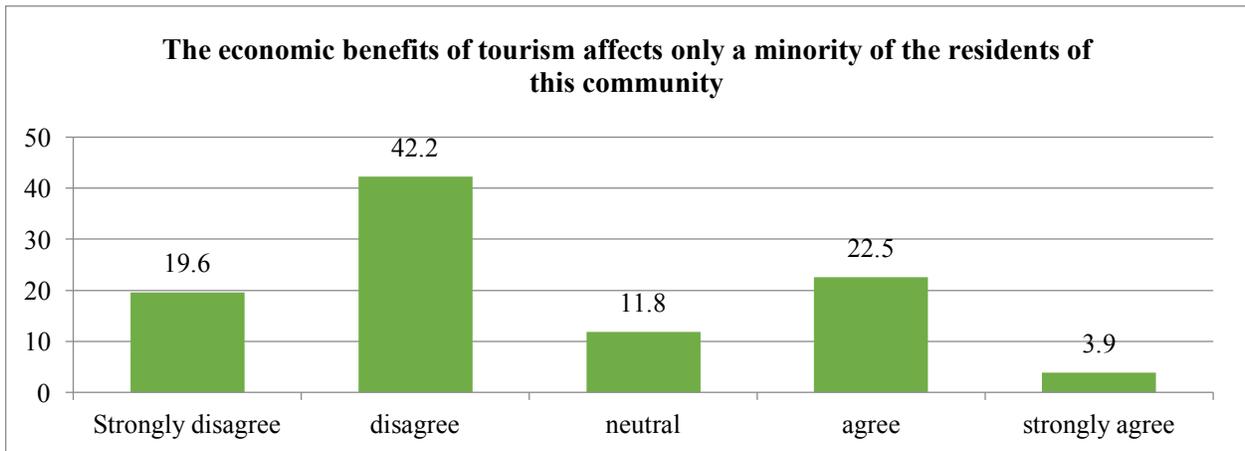
Table 5: Tourism benefits other non-tourism sectors



Out of the 102 people surveyed, 76% of participating residents agree or strongly agree that tourism also benefits other non-tourism sectors in Hot Springs' economy (M=3.86, SD=.99).

6. The economic benefits of tourism affects only a minority of the residents of this community.

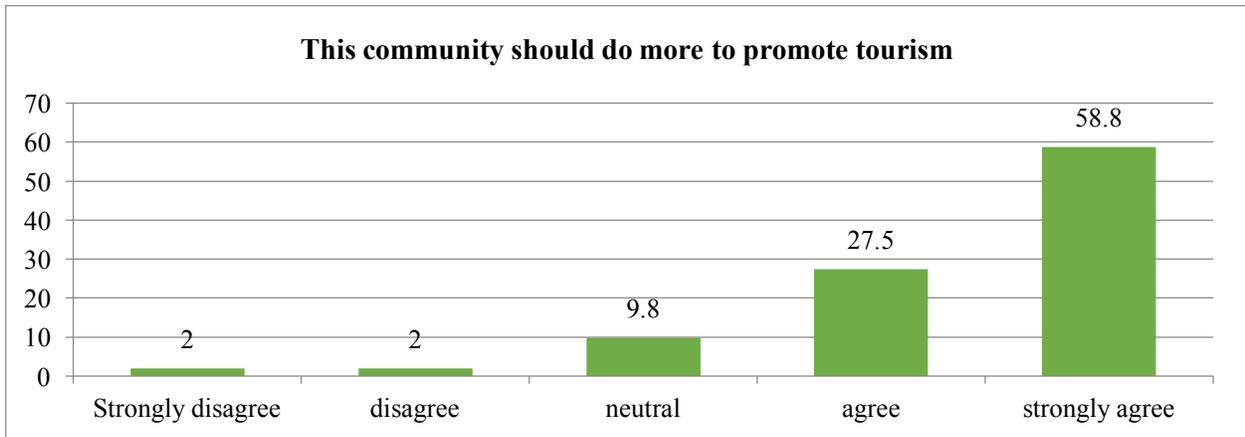
Table 6: Economic benefits of tourism



Out of the 102 people, 62% of participating residents disagree or strongly disagree that tourism benefits only affect the minority of the residents of Hot Springs (M=2.49, SD=1.15).

7. This community should do more to promote tourism.

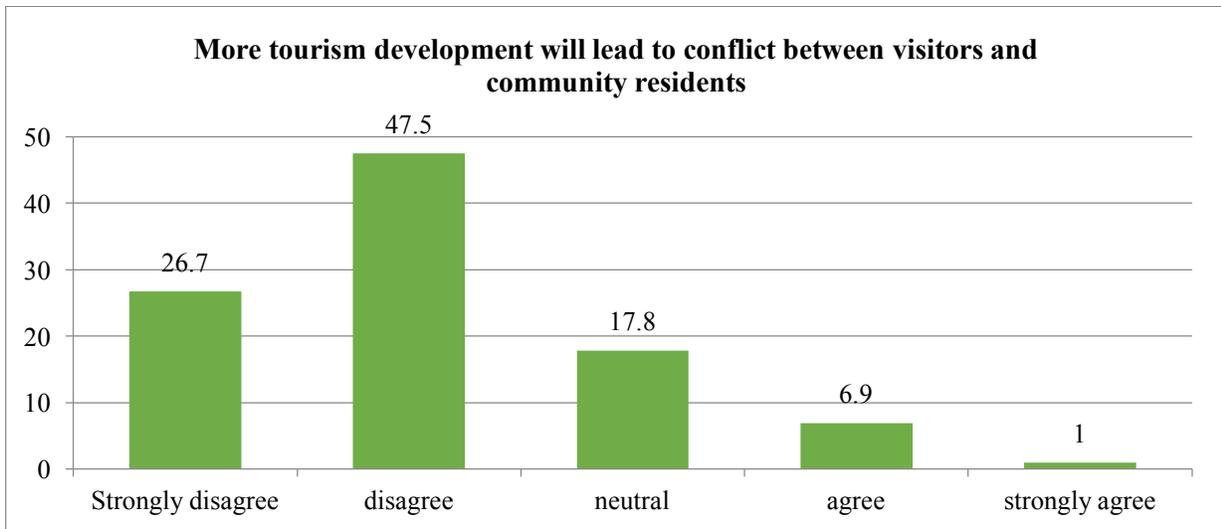
Table 7: This community should do more to promote tourism



Out of the 102 people, they strongly agreed that that Hot Springs should do more to promote tourism ($M=4.39$, $SD= .89$).

8. More tourism development will lead to conflict between visitors and community residents.

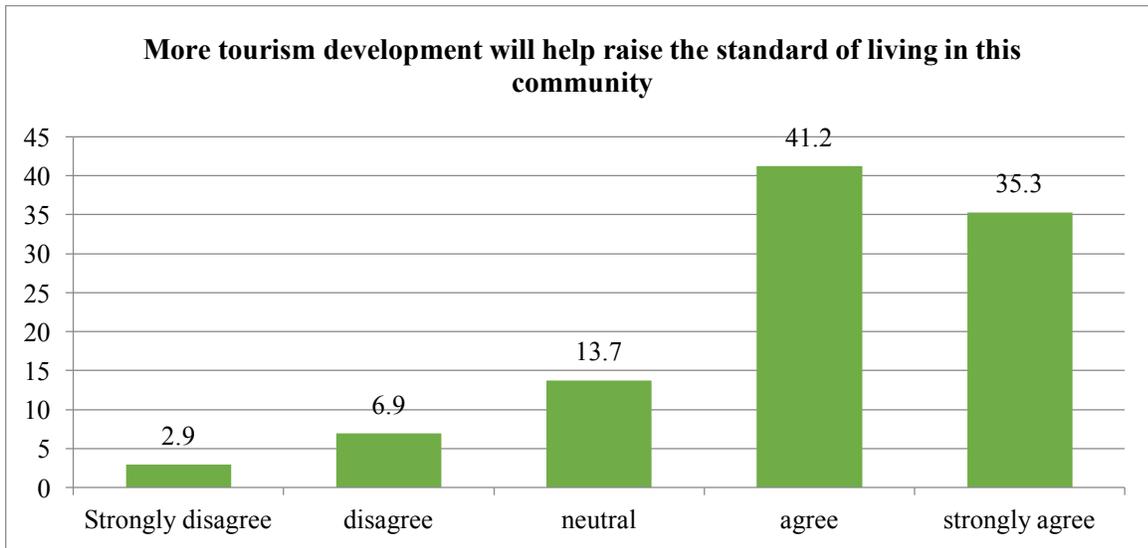
Table 8: Potential conflict



Out of the 101 people, 47% disagree and 27% strongly disagree that more tourism development would lead to conflict between visitors and community residents ($M= 2.08$, $SD=.90$).

9. More tourism development will help raise the standard of living in this community.

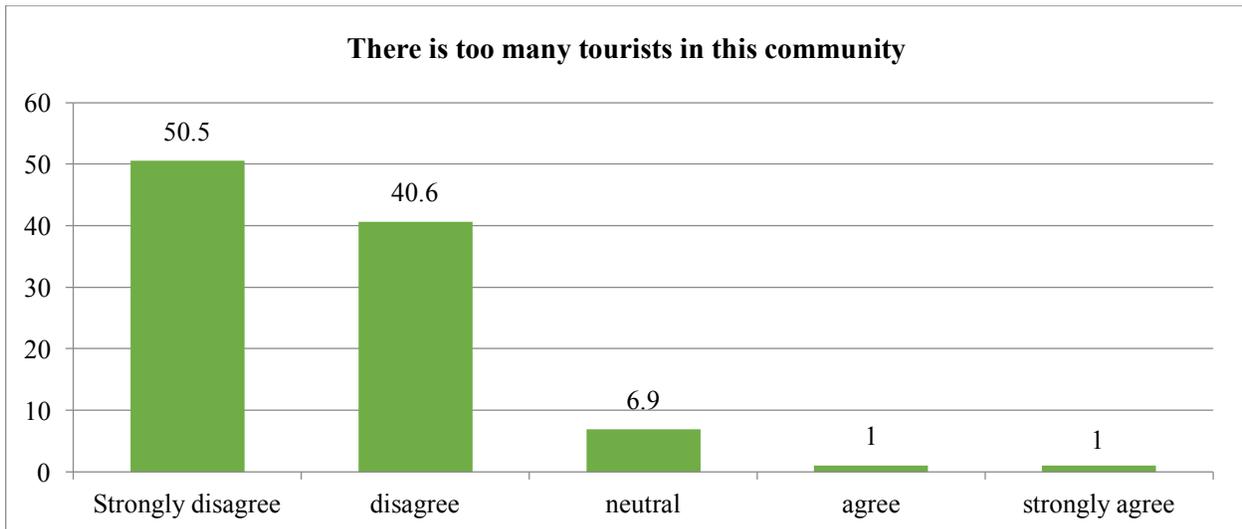
Table 9: Tourism development will help raise the standard of living



Out of the 102 people, 76% of participating residents agree or strongly agree that tourism development will help raise the standard of living in the Hot Springs community ($M= 3.99$, $SD=1.02$).

10. There is too many tourists in this community.

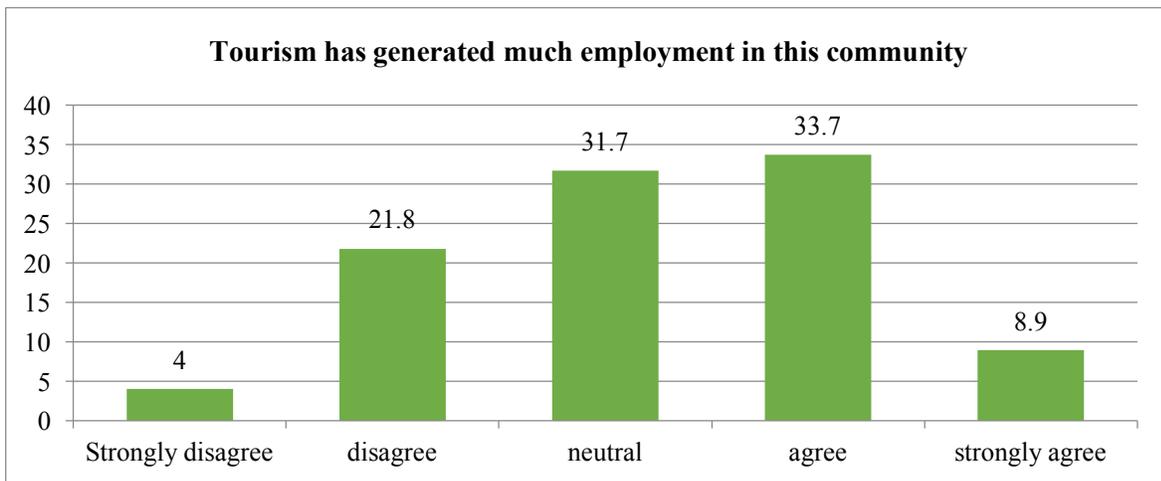
Table 10: There is too many tourists in this community



Out of the 101 people, majority of participating residents disagree or strongly disagree that there was too many tourists in the Hot Springs community ($M=1.61$, $SD=.74$).

11. Tourism has generated much employment in this community.

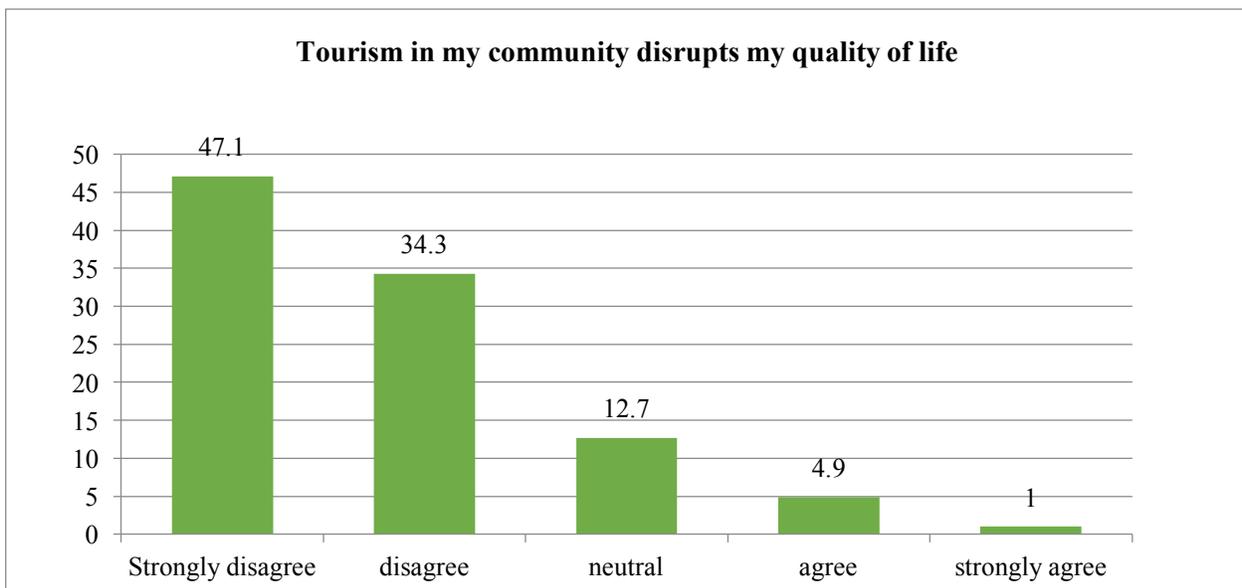
Table 11: Tourism has generated much employment in this community



Out of the 101 people, 42% of participating residents agree or strongly agree that tourism has generated much employment in Hot Springs; 32% are neutral and 26% disagree or strongly disagree ($M=3.22$, $SD=1.01$). The mean score, however, indicated that in average respondents were largely neutral.

12. Tourism in my community disrupts my quality of life.

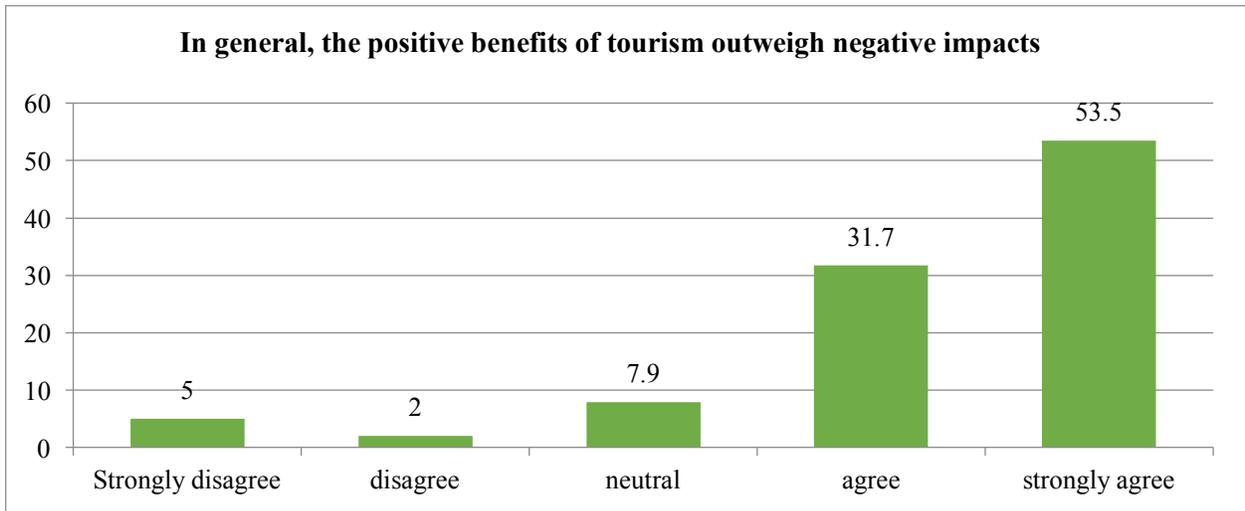
Table 12: Tourism in my community disrupts my quality of life



Out of the 102 people, 81% of participating residents disagree or strongly disagree that tourism in Hot Springs disrupts the quality of life for residents ($M=1.78$, $SD=.91$).

13. In general, the positive benefits of tourism outweigh negative impacts.

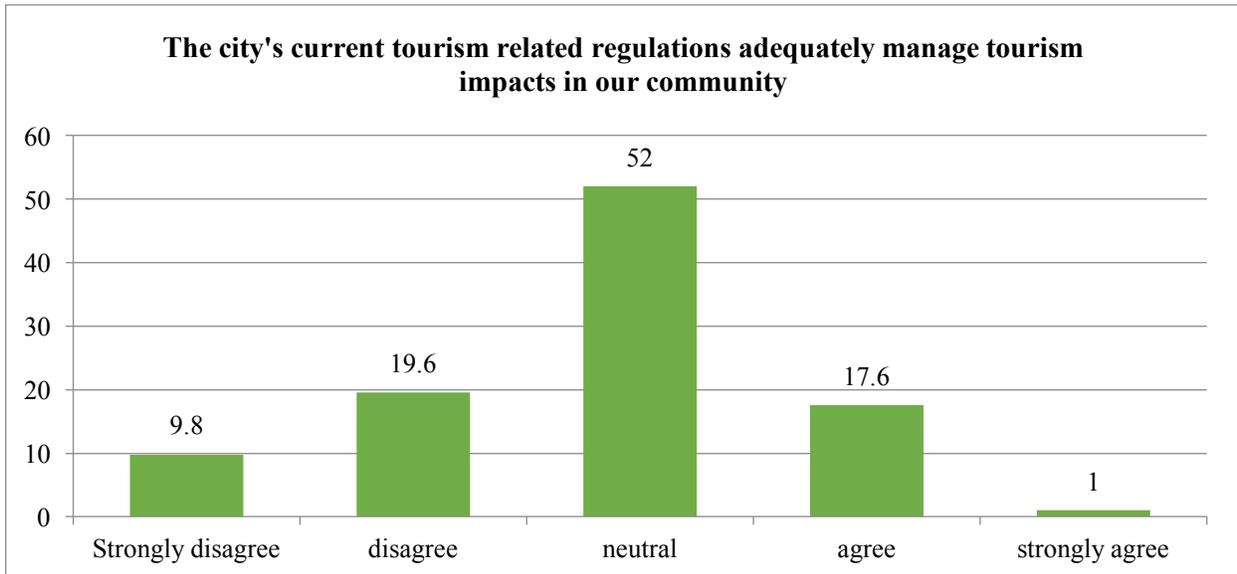
Table 13: The positive benefits of tourism outweigh negative impacts



Out of the 101 people, most people agreed that the positive benefits of tourism outweigh the negative impacts ($M=4.27$, $SD=1.03$).

14. The city's current tourism related regulations adequately manage tourism impacts in our community.

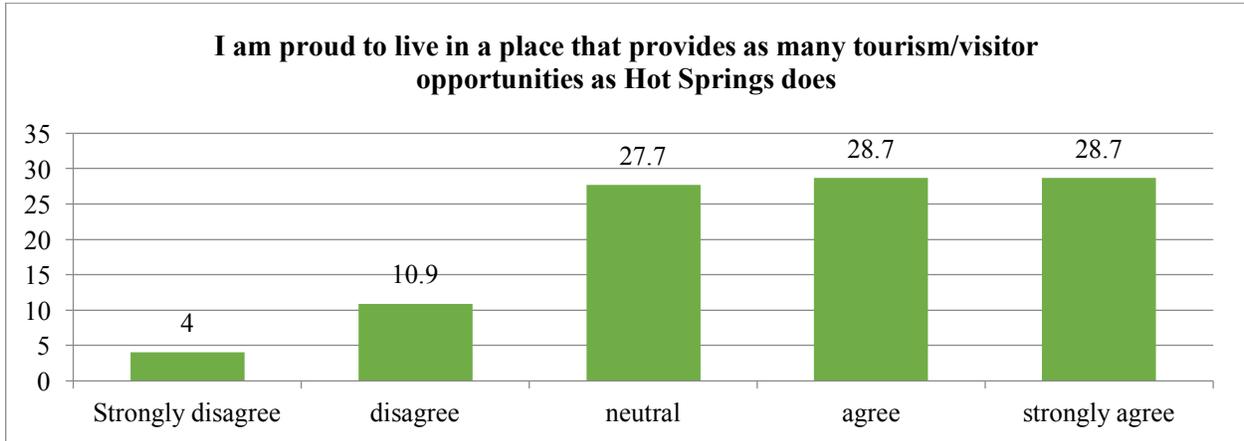
Table 14: The city's current tourism related regulations adequately manage tourism impacts in our community



In average, our sample indicated that the current tourism related regulations did not adequately manage tourism impact the community ($M=2.80$, $SD=.879$)

15. I am proud to live in a place that provides as many tourism/visitor opportunities as Hot Springs does.

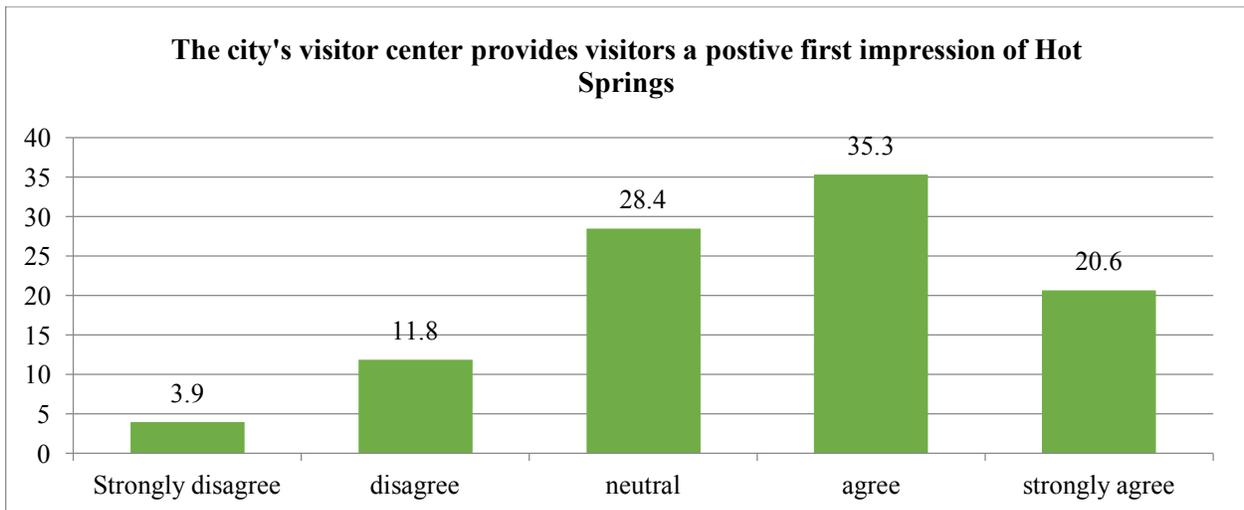
Table 15: I am proud to live in a place that provides as many tourism/visitor opportunities as Hot Springs does



Out of the 102 respondents, in average respondents tended to be positive regarding this question ($M=3.67$, $SD=1.12$).

16. The city's visitor center provides visitors a positive first impression of Hot Springs.

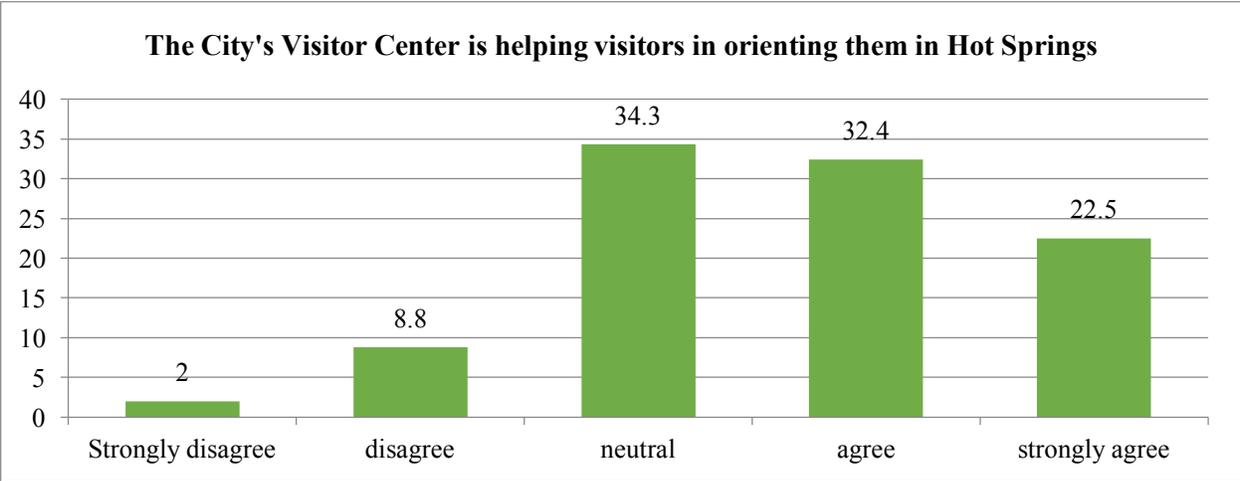
Table 16: Visitor center and impression of Hot Springs



In average, our respondents remain neutral on whether or not the visitor center provides a positive first impression of Hot Springs ($M=3.57$, $SD=1.06$).

17. The City's Visitor Center is helping visitors in orienting them in Hot Springs.

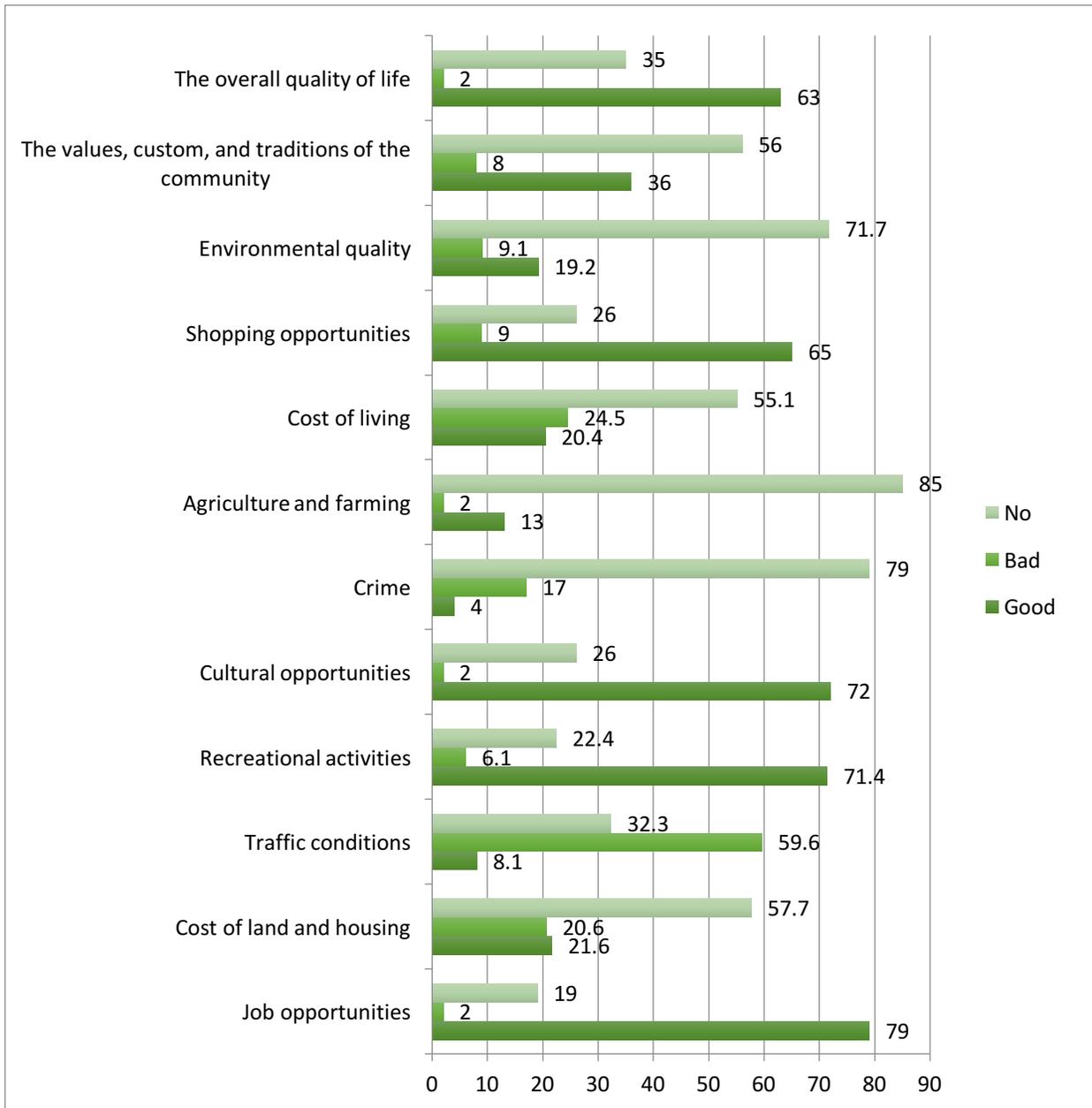
Table 17: The City's Visitor Center is helping visitors in orienting them in Hot Springs



Out of the 102 samples, residents seemed to be neutral in the role of the city’s visitor center in orienting visitors in Hot Springs (M=3.65, SD=.99).

Impact of Tourism on Select Variables

Table 18: Visitor Effects on Hot Springs



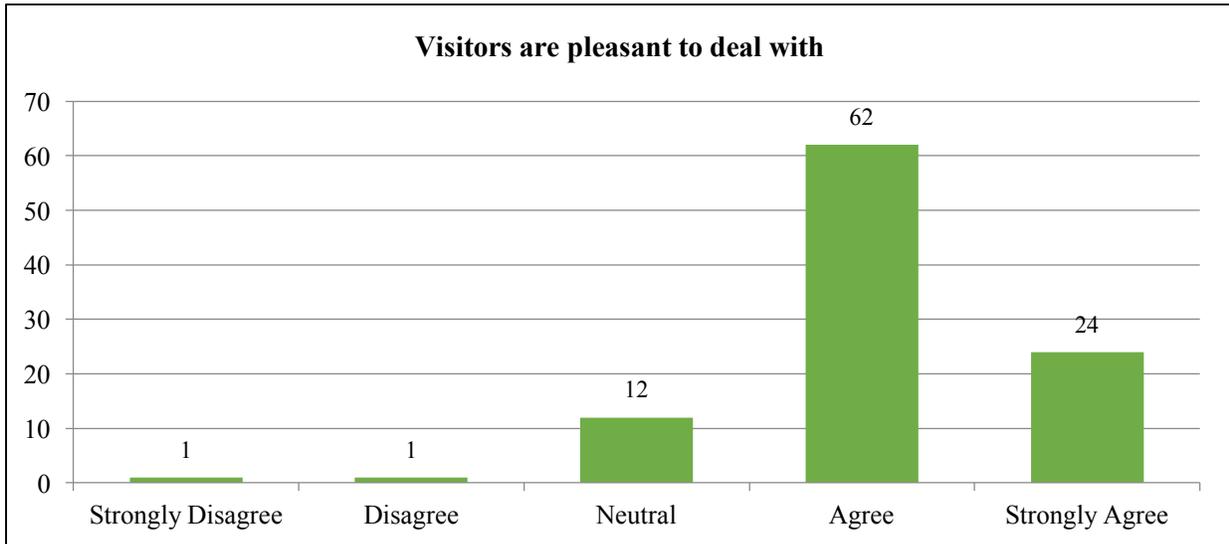
In general, the respondents (n=100) indicated that tourism had good effects on job opportunities, recreational activities, cultural activities, shopping opportunities, and overall quality of life. Respondents however also noted that tourism brought bad effect in the community, increasing traffic condition. Respondents also noted that tourism did not have any effect on other variables such as the values, custom, and traditions, environmental quality, agriculture and framing, crimes, as well as the cost of land and housing.

Residents Perceptions on Visitors

These questions were used to measure the perception of residents toward visitors in Hot Springs.

1. Visitors are pleasant to deal with

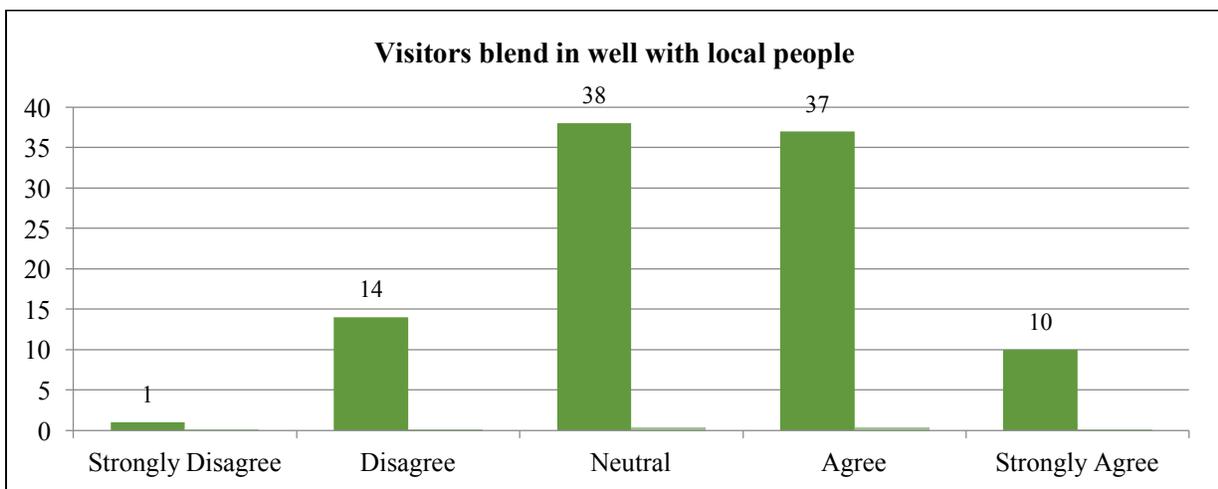
Table 19: Visitors are pleasant to deal with



Out of 100 people, the majority agreed that visitors to Hot Springs were pleasant to deal with ($M=4.07$, $SD=.70$).

2. Visitors blend in well with local people.

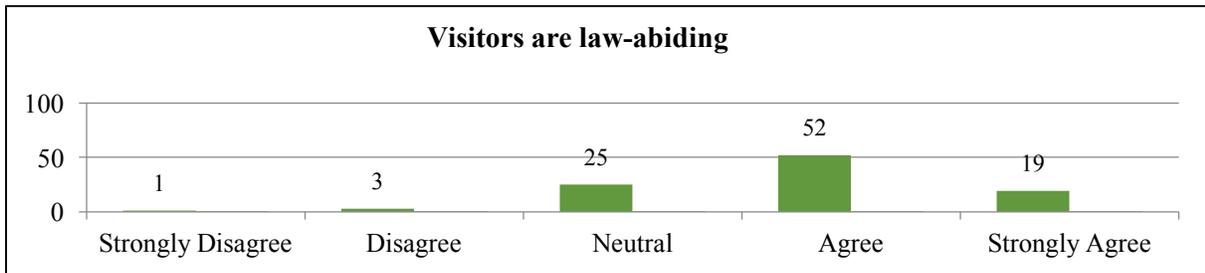
Table 20: Visitors blend in well with local people



The respondents tend to be neutral regarding whether or not visitors blend well with residents ($M=3.41$, $SD=.88$).

3. Visitors are law-abiding.

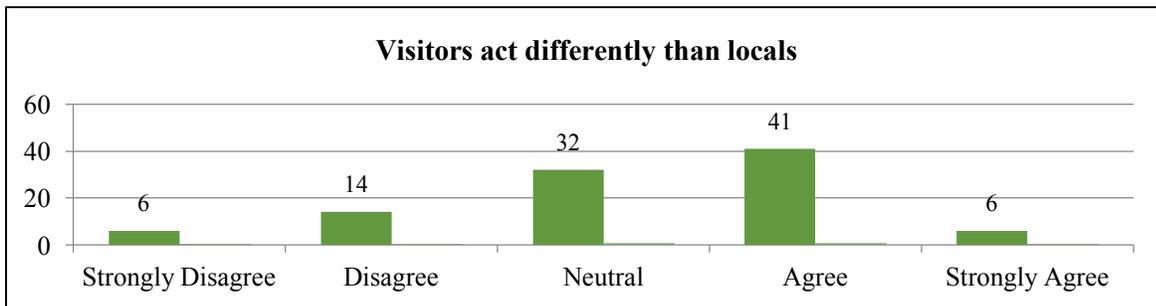
Table 21: Visitors are law-abiding



Out of 100 people, in average respondent tend to agree that visitors are law abiding ($M=3.85$, $SD=.79$).

4. Visitors act differently than locals

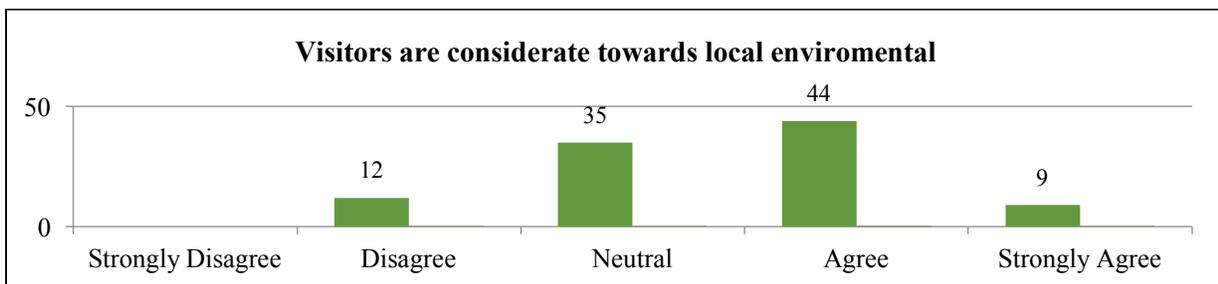
Table 22: Visitors act differently than locals



Out of 99 people, in average residents remained neutral that visitors act differently than locals ($M=3.27$, $SD=.98$).

5. Visitors are considerate towards local environmental.

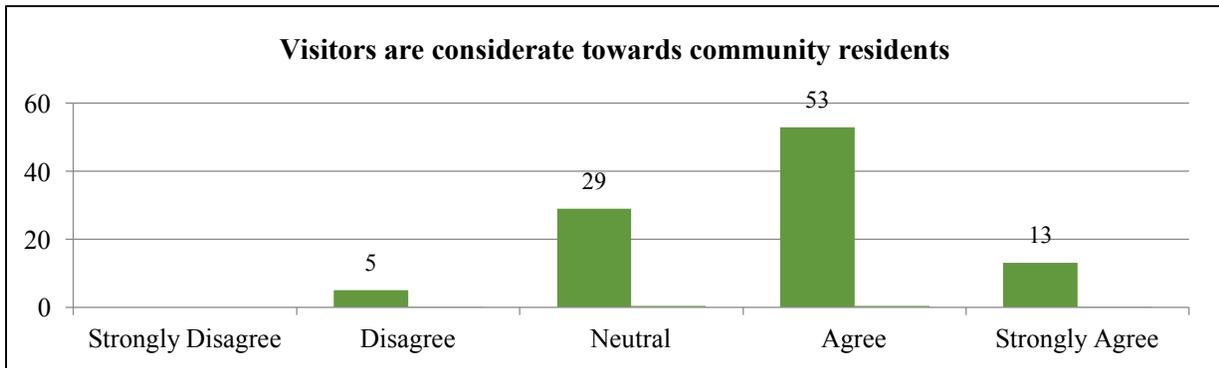
Table 23: Visitors are considerate towards local environmental



Out of 100 people, respondents remained neutral that visitors were considerate to the environment ($M=3.50$, $SD=.82$).

6. Visitors are considerate towards community residents.

Table 24: Visitors are considerate towards community residents



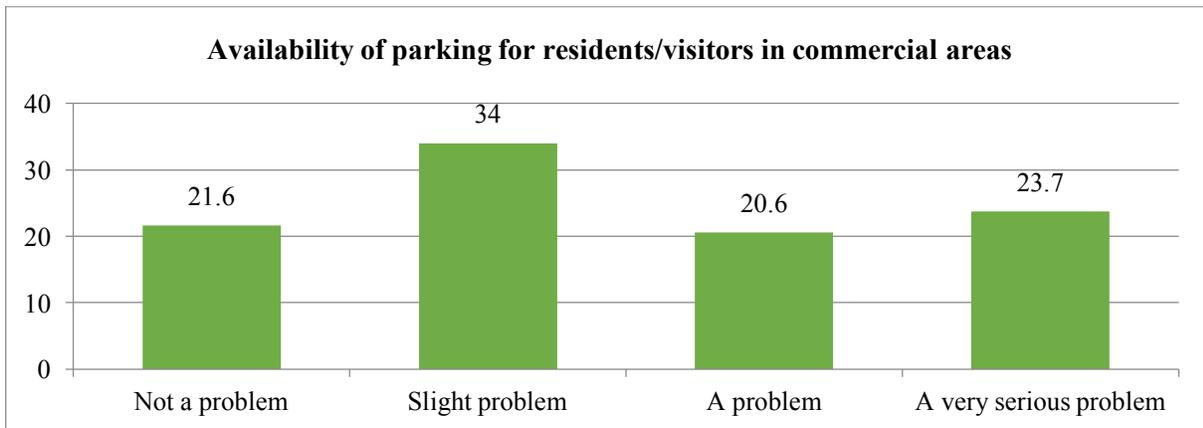
Out of 100 people, the majority 53% agreed that visitors were considerate towards community residents ($M=3.74$, $SD=.74$).

Residents' perceptions of select tourism issues

Respondents were asked about their views on several items, whether they viewed the item as a problem or not, with scale of 1-4, with 1= *not a problem*, 2=*slight problem*, 3=*a problem*, and 4= *a very serious problem*.

1. Availability of parking for residents/visitors in commercial areas

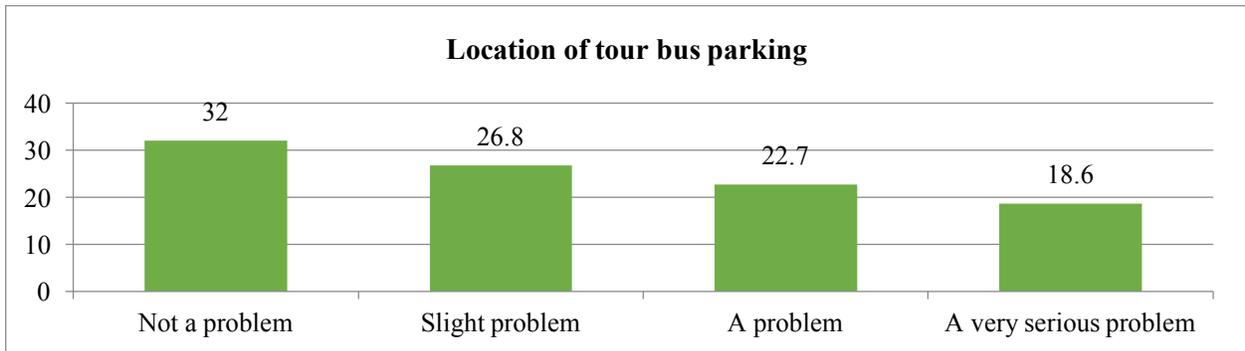
Table 25: Availability of parking for residents/visitors in commercial areas



Out of the 97 people surveyed, 34% of participating residents agree availability of parking for residents/visitors in commercial areas is a slight problem. 24% agree parking is a very serious problem ($M=2.46$, $SD=1.08$).

2. Location of tour bus parking

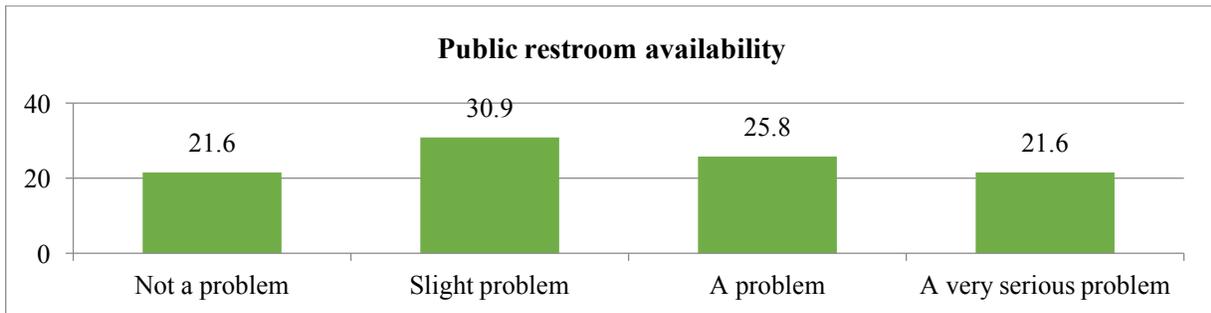
Table 26: Location of tour bus parking



Out of the 97 respondents, the majority of participating residents agree that the location of tour bus parking is not necessary a problem ($M=2.28$, $SD=1.10$).

3. Public restroom availability

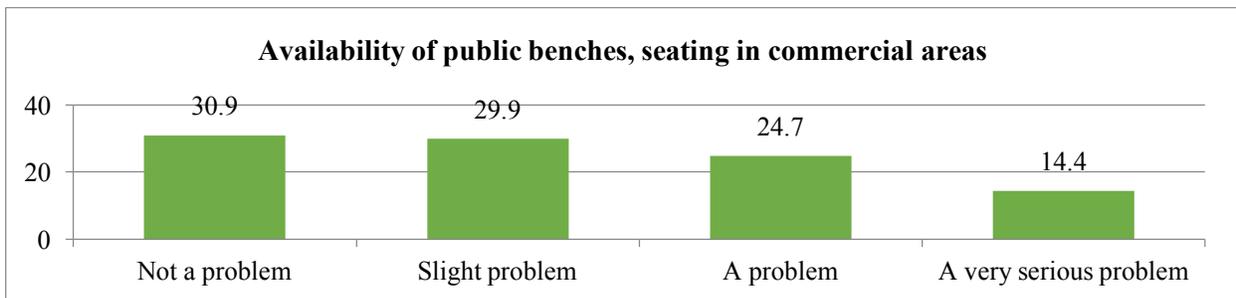
Table 27: Public restroom availability



Our sample indicated that public restroom availability was a slight problem ($M=2.47$, $SD= 1.06$).

4. Availability of public benches, seating in commercial areas

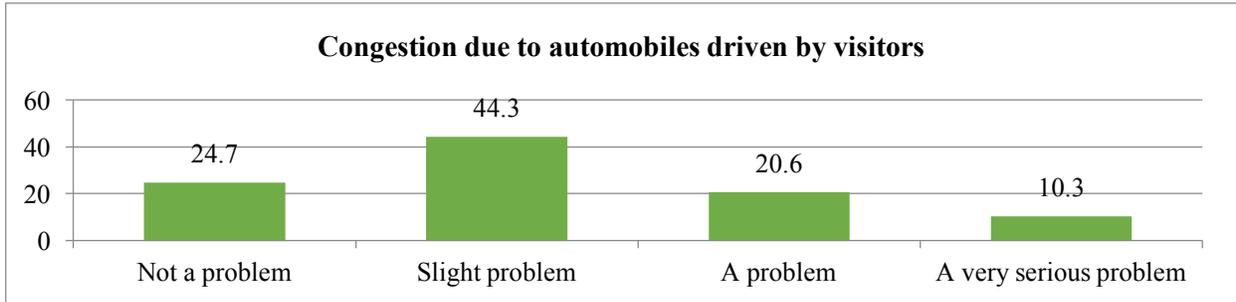
Table 28: Availability of public benches, seating in commercial areas



Respondents indicated that the availability of public benches, seating in commercial areas were a slight problem (M= 2.23, SD=1.04).

5. Congestion due to automobiles driven by visitors

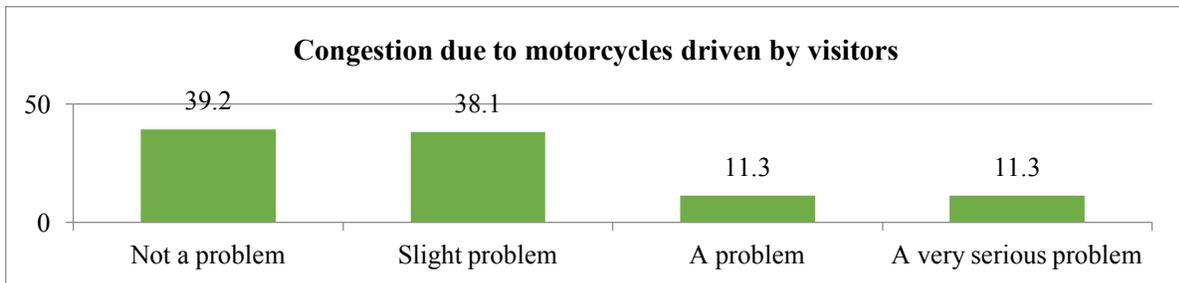
Table 29: Congestion due to automobiles driven by visitors



Out of the 97 respondents, respondents agreed that the congestion due to automobiles driven by visitors was a slight problem (M=2.15, SD=.92).

6. Congestion due to motorcycles driven by visitors

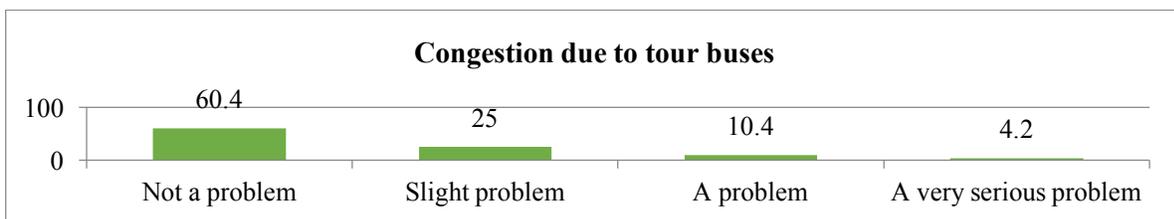
Table 30: Congestion due to motorcycles driven by visitors



Out of the 97 people, respondents agree that congestion due to motorcycles driven by visitors was not a problem (M=1.95, SD=.98).

7. Congestion due to tour buses

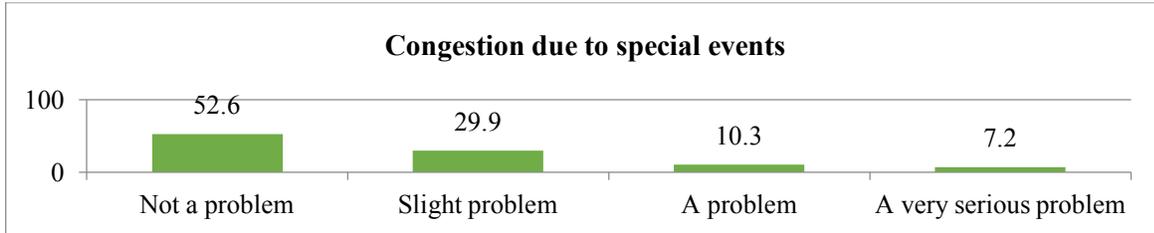
Table 31: Congestion due to tour buses



Out of the 96 people surveyed, the majority of participating residents agree that congestion due to tour busses is not a problem (M=1.58, SD=.84).

8. Congestion due to special events

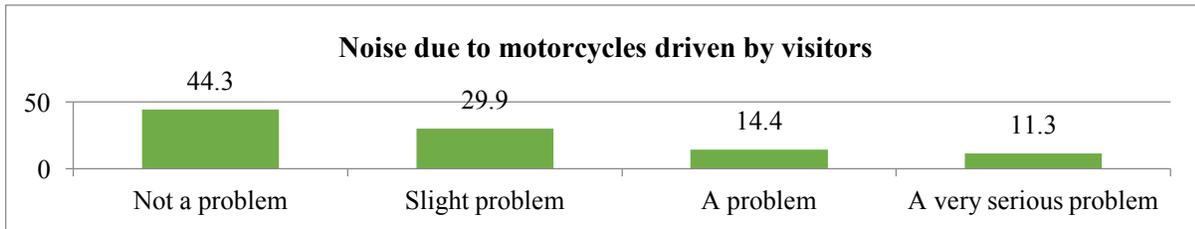
Table 32: Congestion due to special events



Out of the 97 people surveyed, majority of our respondents indicated that congestion due to special events was not a problem (M=1.72, SD=.92).

9. Noise due to motorcycles driven by visitors

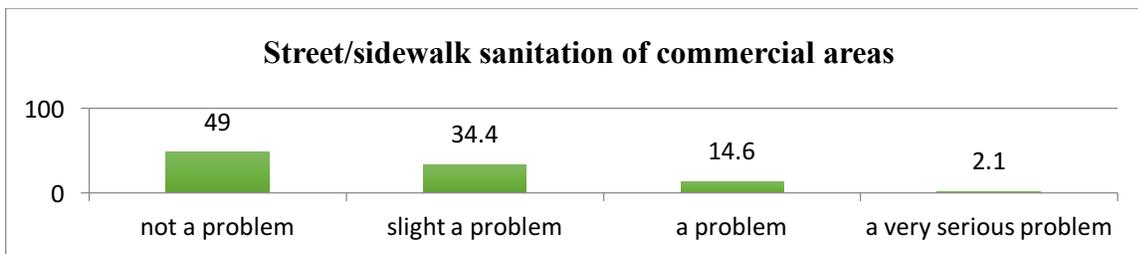
Table 33: Noise due to motorcycles driven by visitors



Majority of respondents indicated that noise due to motorcycles driven by visitors was not a problem (M=1.93, SD=1.02).

10. Street/sidewalk sanitation of commercial areas

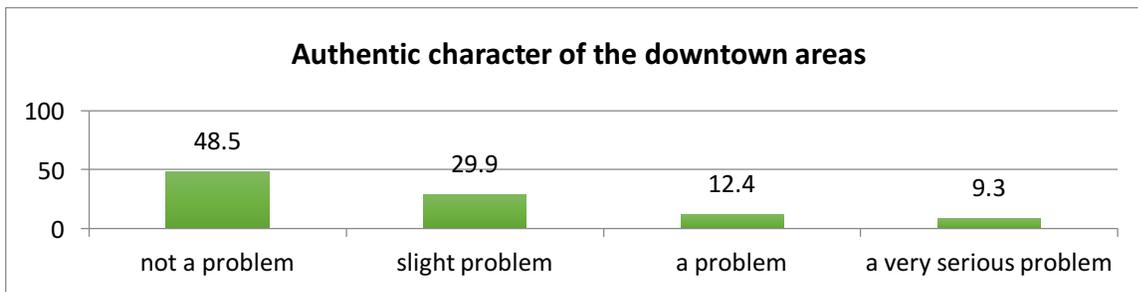
Table 34: Street/sidewalk Sanitation of commercial areas



Generally our respondents did not see street/sidewalk sanitation of commercial areas as a problem (M=1.70, SD=.79).

11. Authentic character of the downtown areas

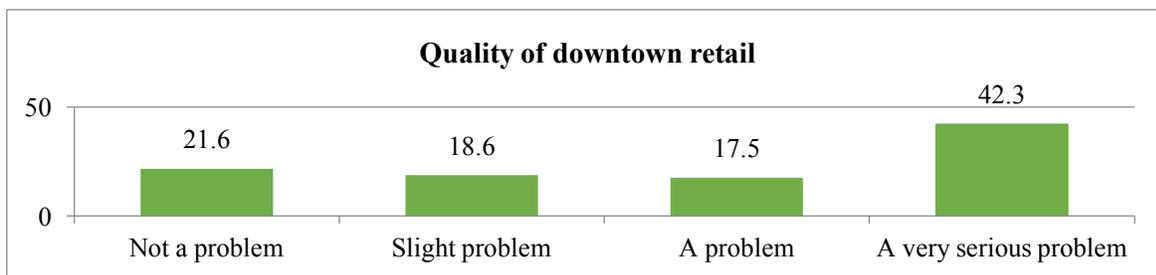
Table 35: Authentic character of the downtown areas



Authentic character of the downtown areas was also not viewed as a problem by our respondents ($M=1.82$, $SD=.97$).

12. Quality of downtown retail

Table 36: Quality of downtown retail



The majority of our sample indicated that the quality of downtown retail was a very serious problem (42.3%), with 17.5% indicated that it was a problem ($M=2.80$, $SD=1.20$).

13. Balance of tourist targeted retail shops versus resident targeted retail shops

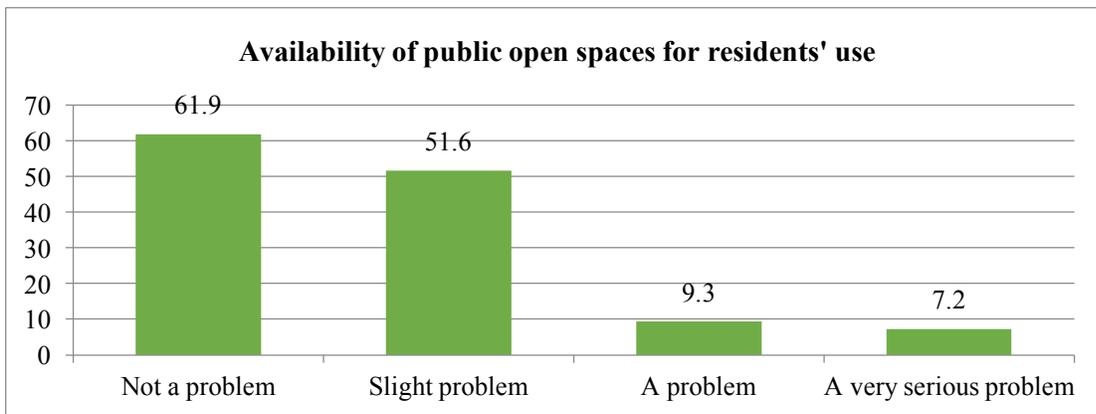
Table 37: Balance of tourist targeted retail shops versus resident targeted retail shops



Out of the 94 samples, close to 29 percent indicated that it was a very serious problem, while 24.5% indicated that it was a problem ($M= 2.55$, $SD=1.1$).

14. Availability of public open spaces for residents' use

Table 38: Availability of public open spaces for residents' use



Respondents did not consider the availability of public spaces for residents' use was a problem ($M=1.62$, $SD=.92$).

In addition to the above items, respondents were asked if there were other issues not discussed. An overwhelming majority of residents commented on the lack of aesthetics of downtown. Between unkempt and empty buildings as well as short hours, downtown does not look like a place people would like to spend much time and there was also a small but passionate group who believe that traffic is a large issue.

"Aesthetic appeal of Hot Springs"

"Difficulty of finding good reliable employees to give better customer service which ties into stores being open later hours for tourists & residents in the evening."

"City RV overnight parking by one or more parks is needed if we want people traveling in RV's to feel welcome."

"Downtown area needs to be more attractive and cleaned up. Vacant buildings can still be attractive. Owners should be responsible for upkeep."

"Empty stores."

"Empty stores. Business that do not stay open. Short hours or closed. Not enough eating places"

"Few excellent non fast food restaurants to keep visitors here."

"Get maps in people's hands and show them how to help people get around. Give us something other than a bowling alley to tell people about when they want to go do something."

"The dining and shopping options are woefully inadequate as well as the entertainment options."

"More things at street level to encourage visitors to walk through Hot Spring""Our downtown is in dire need of more retail business and eateries. Customer service is also lacking in many businesses"

"The many empty commercial buildings is a serious problem. Huge gaps with unsightly fronts exist between operating businesses which discourages visitors from taking a longer stroll through town. The

city and Chamber could focus on using those empty building fronts to make the city VERY vibrant and attractive with regular rotating exhibits!"

"I think it is very confusing to our tourists when the Visitors Center is closed 9/16-5/15. The sign says Visitor Center and information, people park and walk to the door (year 'round) and then read the sign that directs them to the Mueller Center (which is hard to find/has no signage and not in a very visible area)."

"People that want information are already frustrated and they leave town with a bad impression. I think the Visitor Center/Union Depot should most definitely be open year 'round. We lose a VALUABLE marketing opportunity for our local businesses by having this building closed!!!"

Respondents were also asked if they had suggestion on how to solve any of the raised issues. The following are a few suggestions.

"Better signage to direct visitors to parking lots (esp for RV & large vehicles) and where public restrooms are."

"Better signage to where City Parks are."

"Geographically we just have a problem with parking. It would be great to find a way to make Centennial Park one of the destinations of the community (be it events or activities, etc.) and then draw people on foot across the bridges to downtown, because there is a lot of parking at Centennial Park but it is only filled when there's an event going on or on Sundays for church."

"Develop the river running through town into an attraction that would allow people to get in it for floating wading etc. this could attract additional people, open empty store fronts along the river - Offer incentives for people opening new businesses"

"Enforce code violations around those things which threaten fire damage to the immediate building and those along the business district... such as neglected electrical wiring, leaky roofs, rodents and leaky pipes."

"Build a second public restroom and keep it open year round"

"Keep Visitors Center/Union Depot open year 'round. Move at least one person from the Chamber to the Visitor Center and get volunteers for weekends."

"Provide incentive for new business"

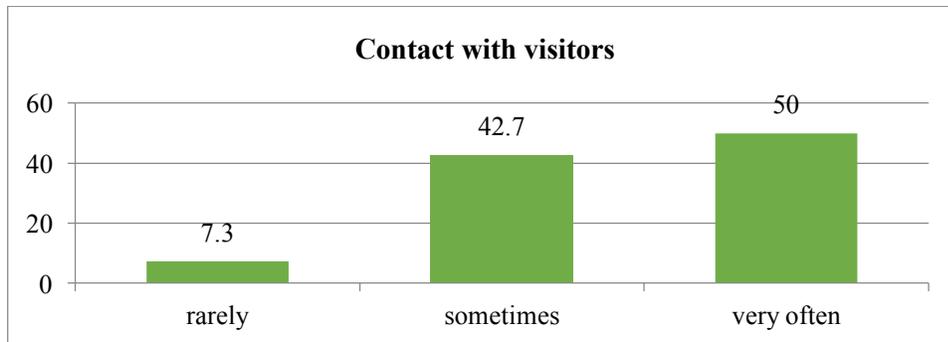
"Sponsor a themed contest for the design of park benches. LOCAL artists can create an original design that is an actual bench and these benches can be stationed along the main street and in public areas like the museum and the park/ springs area. Design winners will have photos of the bench they designed featured in the Chamber of Commerce newsletter and tour magazines along with a brief biography of the local artist including a little known fact, "Off the Beaten Path" - a suggestion of lesser known natural features to visit such as a short day hike trail. / Artists get notoriety and their functioning works of art become a valuable asset to the town and its residents that everyone can enjoy and take pictures with. The theme could be the magic of warm waters or similar and artists may create benches that look like mermaids or fairies, koi fish, waterfalls, healing hands."

"The city should put parking limits downtown"

Contact with visitor

Respondents were asked about the frequency of their interaction with visitors.

Table 39: Contact with visitor

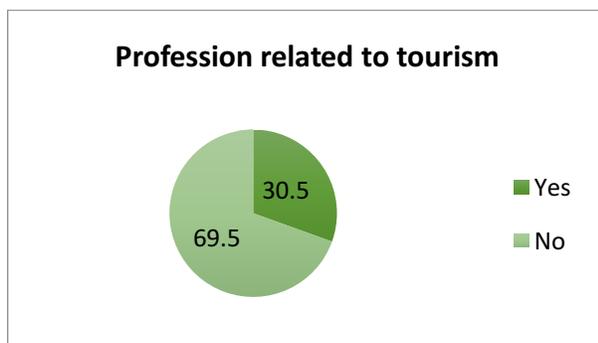


Out of the 81 respondents 50% indicated that they had contact with visitors very often, while around 43% said sometimes, and 7% person rarely have contact with visitors.

Profession of respondents

Respondents were asked about whether or not their profession directly related to any aspect of the tourism industry

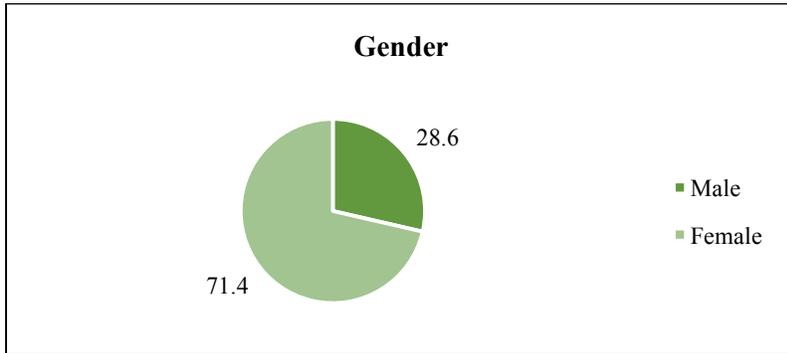
Table 40: Profession



Out of 95 people who took this survey, 30% said they worked in a profession that was supported by the tourism industry, while around 70% said their professions were not directly related to tourism.

Gender

Table 41: Gender



Out of the 91 respondents, 71.4% of participating residents were female, while males were represented by 28.6%.

Age

The youngest respondent was 26 years old, while the oldest respondent was 83 years old. The median age was 56 years old.

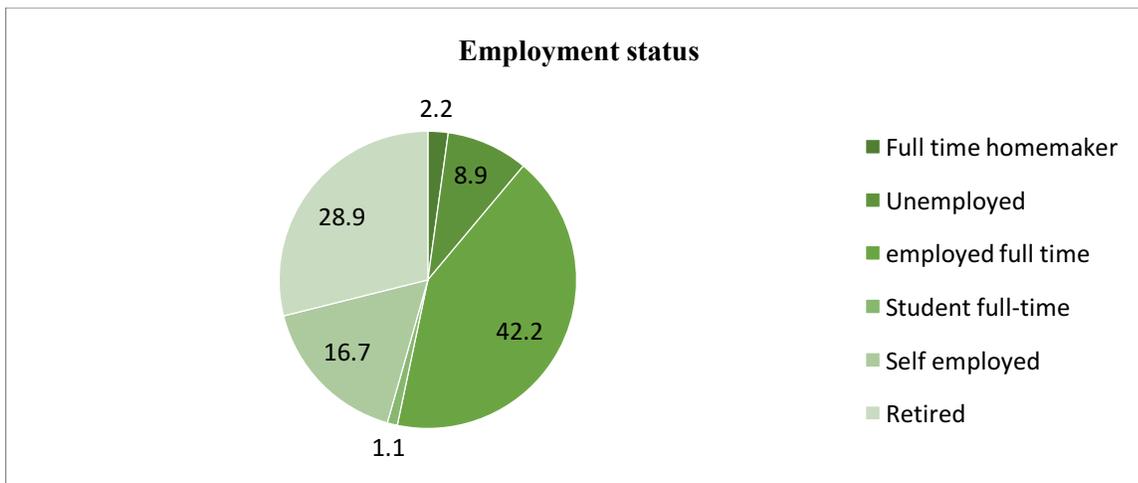
Residency

In average our respondents have lived in Hot Springs for 19 years, with one person has lived in Hot Springs for 60 years old. The median was 15 years.

Primary residence

Those who indicated that Hot Springs was their primary residence was 93.4% of the sample, while 6.6% indicated that Hot Springs was not their primary residence.

Table 42: Employment status



Out of 90 respondents who answered this question, 42.2% said that they were employed full-time, while retired was accounted for around 29% of the sample.

At the end of the survey when asked if there were any other comments that residents would like to ask, the following were brought up. Many call for a need of more year round events as well as more involvement from the chamber to promote visitors and businesses. There were also comments promoting more attractions to the younger generation to keep them in town and increase the amount of young families that stay in town.

“Chamber should be located more centrally located in the downtown area”

“Fresh marketing and advertising focusing on our Mineral Spring water. More digital and less print. “

“Marketing that is being used is the same look and read over and over again (chamber, this excludes Evans plunge mineral springs websites, Facebook and advertising)”

“Hot Springs is in a beautiful location, but the town itself has negative eye appeal. Instead of focusing on the lost cause of tourism it makes sense to focus on the overall health of the community, with tourism being a subset of that.”

“I think we should focus on the things that make us different from other Black Hills areas, Make our river and warm water springs more accessible to the public. Pick a focus or theme and build around that. Ideas such as our history of health & healing (including alternative healing) and promote ourselves as a spa resort town like Manitou Springs CO.”

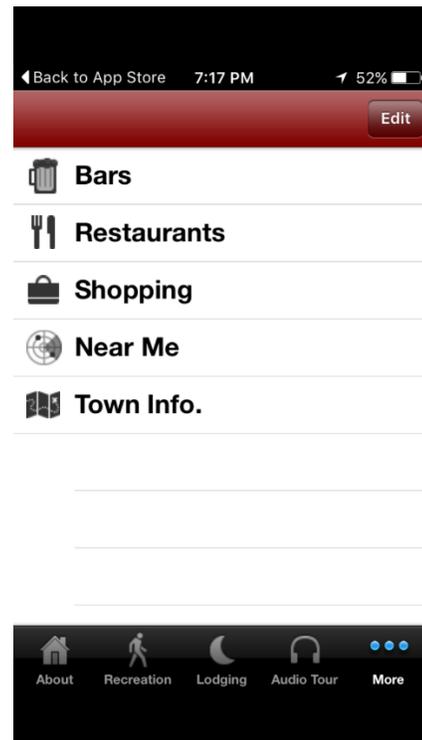
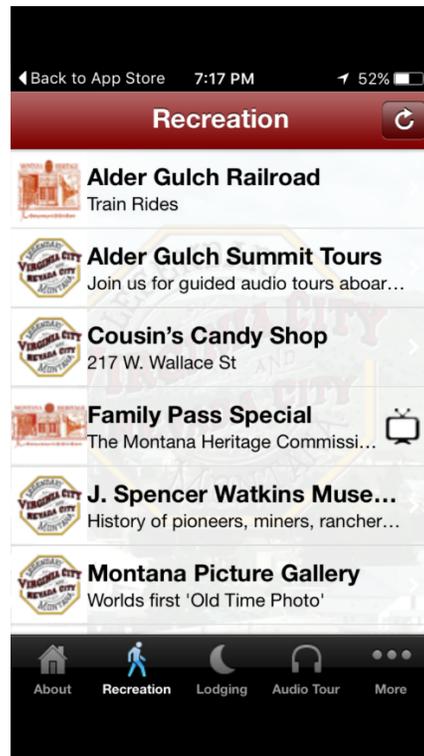
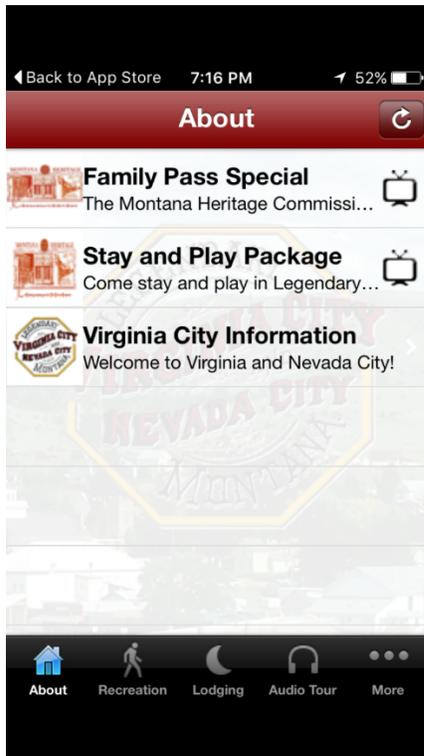
“Need more to attract younger generation”

Appendix E: Map of Hot Springs

Hot Springs
South Dakota



Appendix G: City App Design



Appendix H: City Pass Design

Front



Back



Appendix I: Online Marketing Forecast

10 TOURISM MARKETING TRENDS FOR 2015

INFOGRAPHIC BY DOJODESIGNSTUDIO.COM

BECOME MOBILE RESPONSIVE... NOW!

For too many tour operator sites still do not have a mobile responsive website. WAKE UP PEOPLE!

- 25% of all smartphone owners will book using their smartphone in 2015.
- 50% of all tablet owners will book using their device in 2015.

8 out of 10 users would book again through these devices.

- 2 billion The estimated number of smartphones in use in 2015.
- 60% Of users won't recommend companies with poor or no mobile sites.

START PRODUCING VIDEO CONTENT

Video is growing massively. It helps customer retention, Google rankings and the all important booking!

- 85% of users will book a tour after watching a good quality video.
- 50x more likely to appear on Google's first page using YouTube Video on your site.

YouTube is the second largest search engine in the world.

- 45% Of online traffic related to travel comes from mobile devices.
- 80% Of Pinterest users are female. Target your marketing towards this fact.

- 65% Of travellers look at the variety of activities as the main driver for a destination.
- 60% Of leisure travellers use online sources to evaluate local activities once at a destination.

INVEST IN GOOD PHOTOGRAPHY

Image is everything. Using good photography will help sell your tours more easily, and quicker.

- 95% of users will be attracted to content that uses compelling images than content without.

Can't afford photography? Beat a competitor and have your customers send them in. Select the best to use on your website.

It's people that best convey the heart, soul and cultural essence of a country. Without people in your photography you're missing the location's humanity.

- 60% Of users say friends photos on Facebook inspire their travel plans.
- 65% Increase in user engagement when using good photos and video on your site.

WEBSITE SPEED WILL KILL YOUR SEO AND YOUR SALES

Google will rank your site lower if it's slow to load. You must invest in a new website and faster hosting or your sales will also suffer... badly.

- 55% Conversion rate if a page takes more than 3 seconds to load.

75% of consumers will visit a competitor site due to slow loading pages.

- 7% Reduction in conversion rate due to a 1 second delay in page response.
- 80% Of online consumers will never return to a site that is slow to load.

EFFECTIVE EMAIL MARKETING IS VITALLY IMPORTANT

Done correctly, email campaigns are still very much an effective way to engage with your customers and cut through the spam.

- 60% of respondents trust consumer-oriented email messages.

90% of users prefer to be kept up-to-date through email marketing.

SOCIAL MEDIA ENGAGEMENT

Social media is no longer a 'maybe' in the tourism industry. The key is to make it personal.

- 75% of travellers update their Facebook page while on vacation. Engage with them.
- 55% of travel brands generated direct bookings from social media.

By 2016, social media will be the primary way to generate travel bookings and revenue for half of the travel industry.

- 52% Of travellers changed their travel plans due to influence on social media.
- 49% Of travellers 'check-in' to Facebook or Picasquare whilst on vacation.

REVIEWS MEAN MORE BOOKINGS

Like it or not, today's internet users require user generated content such as reviews, ratings, photos and videos to help them make their decision to buy.

- 88% of travellers consult reviews before making a booking and half say that reviews are the greatest influence on their booking choices.

97% of consumers think reviews are accurate.

- 45% Of travellers post activity and attraction reviews.
- 48% Of travellers will post reviews on hotels.

BLOGGING FOR SEO GROWTH

Good travel related blogs are a great way to build brand awareness, rankings in Google and generate bookings.

- 30% of travellers will read travel related blogs before making a buying decision.
- 60% of businesses agree regular blogs improve sales growth.

Blogs are the third most valued source of influence in buying decisions.

- 4,300% Average ROI with an effective email marketing strategy.
- 44% Of travellers made at least one purchase based on a promotional email.

GENERATE LOCAL KNOWLEDGE

Build your content by offering local knowledge of each destination. This builds brand trust and traffic to your site.

- 48% of travellers use their smartphone to search for local activities like nearby restaurants.
- 39% of travellers visit destinations mainly for arts and culture.

25% of travellers main driver is culinary travel.

- 1/3rd Of matches online are location based searches.
- 6x Higher website conversion rate for content marketing adopters.

IGNORE GOOGLE PPC AT YOUR PERIL

Ranking well organically is no longer enough in its own right. PPC is a quick way to drive traffic to your site.

- 68% of users click on Google Ads when they are looking to make a purchase.
- 86% of users will click on a Google Ad placed within the top 3 positions.

Travel will account for nearly 50% of all PPC advertising.

- 75% The market share of the search engine market owned by Google.
- 78% Of users never click past the first page of search results in Google.

Remember... Your competitors are investing in Digital Marketing.

Appendix J: Chamber Budget with Proposed Additions

Chamber Budget	Amount	Notes
Agriculture Committee	\$ 7,200	
Ambassadors	\$ -	
BBB Taxes	\$ 115,000	
Annual Mtgs	\$ 2,600	
Chamber Bucks	\$ 15,700	
Economic Dev	\$ -	
4th of July	\$ 5,000	
Office	\$ 6,000	
Social Media	\$ 20,000	
Membership Dues	\$ 25,000	
Retail Business	\$ 13,000	
Tourism	\$ 18,000	
Depot	\$ 2,700	
Sum	\$ 230,200	
City Marketing	Amount	Notes
City Smartphone App	\$ -	Free/up to \$10 per month
City Pass	\$ -	Just the cost of printing
Billboard (Lamar Advertising)	\$ 995	154k impressions near RC
Regional Magazine Ads	\$ 1,800	Rapid City Journal
Social Media	\$ -	Up to \$50 for promotion on Facebook
Cost	\$ 2,795	
City Improvement	Amount	Notes
Stop Sign	\$ 500	Per Sign
Customer Service Seminar	\$ 4,200	With possible partner
Cost	\$ 4,700	

Appendix K: Example of Photo Op



Picture 1: I Amsterdam, Amsterdam Netherland



Picture 2 & 3: Fort Lauderdale, FL

Appendix L: Matching Dollar Grant

South Dakota Department of Tourism

Matching Dollar Challenge Grant (MDC)

Designed to:	1	Enable South Dakota visitor industry businesses/organizations to expand their marketing reach.
	2	Increase visitation to South Dakota and increase visitor spending.
	3	Accommodate projects with innovative potential.

MDC Grant Program Basics

WHAT IS THE MDC GRANT PROGRAM?

The Matching Dollar Challenge (MDC) Grant Program is a cooperative marketing partnership that is used for new and/or enhanced marketing initiatives. Grant applicants may apply for up to \$20,000 annually, and recipients are expected to match, at minimum, the funds provided by the Department of Tourism.

- * The program is designed to:
 - > Enable South Dakota visitor industry businesses/ organizations to expand their marketing reach.
 - > Increase visitation to South Dakota and increase visitor spending.
 - > Accommodate projects with innovative potential.

Businesses and organizations applying for MDC funds must provide a minimum of 50 percent of the total project marketing costs. Once approved, the Department of Tourism then matches up to 50 percent of those costs. Both grant funds/partner's matching funds must be used for hard marketing (i.e. print, radio, TV, or digital efforts).

CRITERIA

Applications are reviewed by the Department of Tourism and the Governor's Tourism Advisory Board with consideration given to:

- * Complete description of the project.
- * How the project will increase visitation, visitor spending and overnight stays in South Dakota.
- * Project goals and objectives.
- * Complete marketing plan, including target markets, specific advertisement placements and respective costs.
- * A budget showing cash support from other public and private sources.
- * Ability to deliver a compelling message to potential visitors while using advertising creative that meets the Department of Tourism's standards.
- * Organizational and fiscal management (indication of the applicant's ability to manage and complete the proposed activity).

BONUS POINTS

Bonus points may be given to applications that reveal:

- * At least 85% of MDC funds are dedicated to media buys, rather than production, web development, etc.
- * Especially innovative or creative projects.
- * Ability to grow number of visitors.
- * Longevity potential.

GRANT MONEY

No more than 50% of the total marketing costs for a MDC project may be requested from the Department of Tourism. Both grant funds and partner's matching funds must be used for hard marketing (i.e. print, radio, TV, or digital efforts). Grants must be matched at least dollar for dollar. In-kind donations will not be considered as matching funds. Grant applicants may apply for up to \$20,000 each funding round.

CREATIVE

Credits and logo usage:

- * All projects using grant money must recognize the Department of Tourism's partnership through inclusion of the "Great Faces. Great Places." logo and/or the text, "Funding for (insert project name) is provided in part by the South Dakota Department of Tourism" unless otherwise specified in the written communication from the Department of Tourism.
- * The South Dakota logo must be sized equal to the partner's logo on the same page and the text detailing the effort may not be smaller than an 8-point font size. If the partner's logo does not appear on the promotional material, the inclusion of the text referring to the Department of Tourism's partnership, rather than the full "Great Faces. Great Places." logo is sufficient. This requirement may be revised for each specific publication, advertisement or project, depending on the size and nature of the final piece.

Matching Dollar Challenge Grant (MDC)

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COOPERATIVE MARKETING

- * Funds associated with the MDC project may be used to participate in some existing Department of Tourism cooperative marketing programs. MDC Grant Program funds are meant to generate new marketing investments in the South Dakota visitor industry, so expenditures outside of the Department of Tourism's programs are encouraged.
- * Examples that **DO NOT** qualify:
 - > Giant Step
 - > Great Getaways
- * Examples that **DO** qualify:
 - > South Dakota Vacation Guide advertising
 - > Regional tourism association travel guide advertising
 - > Association membership fees
- * Similarly, funds from the MDC Grant Program **CAN** be used to participate in other currently existing cooperative marketing efforts associated with a regional tourism association, chamber, CVB, etc.
- * Program guidelines provide direction for applicants; they do not limit the Department of Tourism from using discretion from project to project.

FUNDING & PAYMENT

- * Partners are required to pay approved marketing/advertising costs in full on their own. Partners are to send an invoice for reimbursement to the Department of Tourism for one half of those expenses.
- * Partners may also elect to be reimbursed throughout the course of the campaign or via one combined invoice when the campaign is finished.
- * The following expenses **DO NOT** qualify for matching fund payments from the MDC:
 - > Marketing/advertisements that are placed before being approved by the Department of Tourism or before the letter of agreement is signed by both parties
 - > Salaries, wages, and fringe benefits
 - > Capital asset or equipment purchase and/or rental thereof
 - > Administrative costs (i.e. office supplies)

- > Travel
- > Accounting and legal services
- > Tax and license fees
- > Food and beverages
- > Prizes

- * The Department of Tourism reserves the right to decline any proposed expenses for other purposes not expressly listed in this section.

COMMUNICATION

Each partner must:

- * Keep the Department of Tourism informed about the status of their project.
- * Provide a copy of each advertisement before placement, for approval by the Department of Tourism (please refer to the Creative section).
- * Notify the Department of Tourism about any proposed/last minute changes in marketing/advertising. The cost of any marketing/advertising that is not approved by the Department of Tourism before placement will not be reimbursed by the Department.
- * Provide invitations and notice of all project meetings to the Department of Tourism at least 10 business days in advance of the meeting.
- * Provide a copy of the minutes to the Department of Tourism after each meeting.
- * Provide a copy of any reports/publications distributed.
- * Relay any project changes to the Department of Tourism as they may occur.

LETTER OF AGREEMENT

After the project application is reviewed and approved by the Governor's Tourism Advisory Board, the project's primary contact will receive an award letter containing award amount information. A Letter of Agreement will also be sent, which is to be signed and returned by the deadline indicated in the letter. Upon receiving the letter, successful applicants must contact the Department of Tourism to finalize the marketing plan and to discuss next steps in the process.

Matching Dollar Challenge Grant (MDC)

Designed to:	1	Enable South Dakota visitor industry businesses/organizations to expand their marketing reach.
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BOARD PRESENTATION

Partners are required to give a presentation at a Governor's Tourism Advisory Board meeting when their project is complete. Up to 20% of grant money may be withheld until a presentation is completed. Partners must present at a Governor's Tourism Advisory Board meeting no more than 60 days after the last day of the event or by another time agreed upon by the partner and the Department of Tourism.

Preparing & Submitting Program Application

Applicants are to use the official application form found at SDvisit.com. Applications are only accepted once per year. The application deadline for 2014 projects is Nov. 15, 2013. Applicants should first visit with your regional tourism association for advice and guidance regarding your project and application. Applications that have not been reviewed by a regional tourism association will not be accepted by the Department of Tourism.

- * Nort Johnson
Black Hills, Badlands Tourism Association
1851 Discovery Circle, Rapid City, SD 57701
605-355-3600 | nort@blackhillshadlands.com
- * Jacquie Fuks
Southeast South Dakota Tourism Association
1101 Broadway, Suite 113, Yankton, SD 57078
605-665-2435 | jacquie.sesd@iv.net
- * Rosie Smith
Glacial Lakes & Prairies Tourism Association
Box 244, Watertown, SD 57201
605-886-7305 | rosie@sdglaciallakes.com
- * Karen Kern
South Dakota Missouri River Tourism Association
Box 786, Pierre, SD 57501
605-224-4617 | karen.kern@sdmissouririver.com

PRIMARY CONTACT INFORMATION

- * Applying organization must designate one primary point of contact to regularly communicate with the Department of Tourism staff and a member of the Governor's Tourism Advisory Board throughout the marketing campaign.

PROJECT DESCRIPTION & OBJECTIVES

- * Provide a description of the project for which you are requesting funds. The description should help the Department of Tourism visualize what will occur during the project period. Assume that the Department knows NOTHING about you, your organization or your proposed project. Be as specific as possible!
- * Following the project description, explain how the proposed project will increase tourism in your community/region and in South Dakota by restating and answering each of the following questions:
 - > What are the goals of the project and the expected outcomes?
 - > What specific tactics will be used to reach those goals/outcomes?

MARKETING STRATEGY & TACTICS

- * Explain overall strategy and tactics:
 - > Who are your primary and secondary target demographics? Why?
 - > What is/are your geographic target market(s)? (i.e. Minneapolis, Minnesota; Omaha Nebraska; Denver, Colorado) Why?
 - > How do you plan to effectively reach your targets?
- * Provide a budget breakdown of the funds that will be used for marketing/advertising.

Matching Dollar Challenge Grant (MDC)

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PROJECT EVALUATION

- * Evaluation: List and describe how you will use at least five of the following tracking mechanisms to evaluate the success of your project/event:
 - > Attendee counts
 - > Hotel occupancy
 - > Lodging tax (city)
 - > Tourism tax (city)
 - > 4% Sales tax (city)
 - > BBB (gross receipts) tax
 - > Visitor guide requests
 - > Coupon redemptions

- > Newsletter subscribers
- > Website traffic
- > Phone inquiries
- > Number of hotel rooms booked
- > Leads (sweepstakes/contest entries)

PARTICIPATING PARTNERS & PAST FUNDING

- * List all other participating partners: include names of individuals and organizations and their primary contact information.
- * If your event/organization has received grant money from the Department of Tourism in the past, please list the award amount(s) with the year(s) received.

Example: Project Marketing Budget

Please be as specific as possible on media placement and cost. Numbers may be estimates in some instances.

PRINT	PUBLICATION	DATE	QUANTITY	TYPE	COST
	Cityville Press	2 nd Sunday in May	7,875	Newspaper Insertion	4,000
	Cityville Press	3 rd Sunday in May	6x	Newspaper Ad	4,000
	Cityville Press	May, June, July		Online	500
	Stoneville Tribune	2 nd Sunday in May	TBD	Newspaper Ad	1,500
	TOTAL:				\$10,000
RADIO	STATION(S)	DATE	QUANTITY	TYPE	COST
	Minnesota Radio KXXX	June	21/week	30 seconds	500
	TOTAL:				\$500
TV	STATION(S)	DATE	QUANTITY	TYPE	COST
	ExampleTV	June	10/week	30 seconds	8,000
	TOTAL:				\$8,000
	Total Project Marketing Budget:				\$18,500

(Partner Contributions \$8,250, plus MDC Grants \$8,250, equals TPMB \$16,500)

Questions about the Matching Dollar Challenge Grant Program should be directed to:

BRAD LEMMEL, Grant Facilitator
 South Dakota Department of Tourism
 711 E. Wells Avenue, Pierre, SD 57501
 605-773-3301 | brad.lemmel@travelsd.com

Matching Dollar Challenge Grant (MDC) Program Application

Please review the project requirements of the Matching Dollar Challenge Grant Program at SDvisit.com in advance of completing this document. Send applications and proposals to Brad Lemmel, Grant Facilitator, South Dakota Department of Tourism, 711 E. Wells Avenue, Pierre, SD 57501.

APPLICANT INFORMATION

Name of Primary Contact _____

Address _____

City _____ State _____ Zip Code _____

Primary Phone _____ Secondary Phone _____

Email Address _____

Organization Name _____

Name of Marketing Project _____

Location of Project _____

Website (if applicable) _____

PROJECT PROPOSAL

Please provide detailed answers to the following criteria on a separate, typewritten document (please refer to the Preparing & Submitting Program Application section):

1. Project description (please be as detailed as possible).
2. Describe how the project will increase tourism in your community/region (goals and expected outcomes).
3. Outline current marketing strategies and/or tactics.
4. Provide a budget breakdown (include any matching funding).
5. Description of how the project will be measured to determine success (see project evaluation section).
6. List all participating partners—names of individuals, organizations, and their primary contact information.
7. If applicable, list the past three years of marketing efforts relating to this project.
8. List past grant money received from the Department of Tourism (list award amounts with years received).

MATCHING FUNDS INFORMATION

Partner contributions (or source of matching funds): \$ _____

Amount requested (up to \$20,000): \$ _____

Total marketing budget: \$ _____

Estimated total project marketing budget: \$ _____

Appendix M: UDSA Grant



United States Department of Agriculture

Re: Community Facility Assistance Pre-Application

Dear Applicant:

Enclosed please find the application forms listed below needed for the requested Community Facility assistance previously discussed with you:

1. SF 424.2, Application for Federal Assistance with DUNS Number.
2. Form 442-3, Balance Sheet.
3. SD-DO-CF-104, Applicant Certification About Other Credit.
4. Survey on Ensuring Equal Opportunity for Applicants.
5. Civil Rights Statistical Information on your employees; volunteers; board of directors.
6. AD-3030, Felony Conviction and Tax Delinquent status representation.

In addition to the above forms, we will also need the following information from you to process your pre-application:

1. Evidence of Legal Authority and Organization Documents for the entity making application, including the articles and bylaws and an IRS tax ID #.
2. Applicant's most recent Financial Statements and/or Audit (this may replace Form 442-3 above.)
3. Project Narrative & Cost Estimate which fully describe the project.
4. Evidence of Public Support, including letters from widespread community members.
5. Registration in the SAM system (system for award management) Here is the link for this, and also the DUNS number, which you need to have before the SAM process can be completed. www.sam.gov and <http://www.dnb.com/get-a-duns-number.html>

If you need any assistance with any of the above items, please give our office a call at 224-8870, ext 122.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Ring", written over a light blue circular stamp.

Brian L. Ring
Rural Development Loan Specialist

Rural Development • Pierre Area Office
1717 N. Lincoln Avenue • Suite 102 • Pierre, SD 57501
Voice (605) 224-8870, Ext 122 • Fax (605) 262-1942 • TDD (605) 352-1147

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.asec.usda.gov/complaint_filing_out.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1420 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Relax, Rewind & Renew

Historic



Relax, Rewind & Renew

Wellness



Relax, Rewind & Renew

Outdoors



Relax, Rewind & Renew

Weddings

