

INTERIM STATUS REPORT

**SPECIAL LEGISLATIVE COMMISSION TO STUDY METHODS FOR GROWING
TOURISM IN THE STATE OF RHODE ISLAND THROUGH COORDINATED BRANDING
AND MARKETING EFFORTS**
APRIL 2016

Chairwoman Lauren H. Carson

Since October 2015, I have been chairing the RI House commission to study the potential for growing tourism through a coordinated tourism marketing effort. This commission was created by legislation that I sponsored in 2015. The commission last met on March 10, 2016.

The Commission was asked to perform a comprehensive analysis of best-practice methods used to expand tourism on both a regional and national level. We were to gather information on the current collaborative practices of the state's multiple tourism councils, to analyze reports provided semi-annually by the Rhode Island Commerce Corporation, and to make recommendations to the Rhode Island Commerce Corporation that would enable it to develop more informed and coordinated decision-making efforts regarding the development of branding and marketing of tourism in Rhode Island.

In the FY 2016 budget, the RI Legislature appropriated \$5m to the Department of Commerce dedicated to this effort to design State logo and an entire campaign, including marketing strategies, a website, increased tourism staff and an advertising budget for the year.

In February 2016, the RI House voted to extend the commission until December 2016, so we could continue to provide input, oversight and coordination to the RI branding and marketing program. This is our interim report.

All of this occurred before Rhode Island was jarred by the roll out of the marketing effort to promote the RI state marketing campaign.

Our Commission, from the start, (attached letter to Commerce RI) has been concerned about the branding and design process. We were unsure about the selection of out of state consultants chosen to design the plan, but we were assured that the best of the best was chosen; we were assured that an inclusive process would involve RI stakeholders from the tourism and hospitality community; we were assured that the branding and marketing plan would be exciting and launched in January 2016, in time to market the state for the critical summer season.

We are disappointed that these goals were not achieved as successfully as possible.

The House Study Commission will continue to meet in 2016. We will be calling upon Commerce to expedite the messaging to promote Rhode Island, so that we may all see the purpose and function of the logo; we will be encouraging and reviewing the responses of the Regional Tourism Boards so that their voices are heard very clearly as this plan unfolds; we will be measuring the impact of the branding and marketing programs; we will make a full inquiry as to how such a traditional marketing exercise and product became such a fiasco.

In addition, we will present 2 interim reports to the House before our final report in 2017, outlining our efforts to better coordinate and communicate the implementation of the state branding program.

December 1, 2015

Stefan Pryor, Secretary
U.S. Dept. of Commerce-RI
Room 110, State House
Providence, RI 02903

Re: Rebranding Efforts

Dear Secretary Pryor:

I am writing to you today as the Chair of the House Study Commission whose charge it is to study Rhode Island's tourism industry and make recommendations for cultivating it through our new coordinated branding and marketing efforts. You may remember that we met during the summer to discuss the Commission and the ways we can work together with Commerce to support the new statewide branding programs.

The Study Commission has met twice. In our November 12th meeting, we were glad that Wade Gibson could update us on the work of your department and your consultants to design our new state branding program. Wade let us know that the branding strategy will be ready on January 1, 2016.

At that same meeting, two regional tourism councils reported that they have had little contact, if any, with the new branding efforts. They reported that they had not been contacted by either your department or the consultants to participate in the design process to date, following the appointment of the consultants. Several members of the Commission became very concerned about that. That is why I am writing to you.

As you know, in the past ten years, much of the state tourism marketing efforts have been initiated and managed by the regional tourism councils. They have invested hours of efforts and millions of tax dollars in their regional programs, which have resulted in strategic relationships and very successful efforts. Including and assimilating those efforts into the new state effort is critical to the members of the Commission.

I am asking that the regional councils be brought into the rebranding efforts as soon as possible. The January 1 launch date is just four short weeks away. Getting their voices into the process is priority, particularly to me and my fellow House members who represent regions of Rhode Island which are dependent upon tourism revenue.

Please let the Commission know your plan for engaging the tourism councils in the new branding process.

House Study Commission on Tourism
Secretary Stefan Pryor

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We also look forward to your Department updating the Study Commission at our January 14th meeting, as required by the House resolution that created the Commission. Please note that Commerce is also required to update the Commission twice a year, which is also required by the House resolution. We would also welcome your participation at any of our future meetings.

Thank you for your attention to our request and we look forward to hearing from you.

Sincerely,

Representative Lauren Carson, Chair
RI House Study Commission on Tourism
House District 75 - Newport

cc: RI House Study Commission of Tourism
Wade Gibson, Chief of Staff/RI Dept. of Commerce
Speaker Nicholas A. Mattiello

It is important to preface this report by noting that Rhode Island was already successfully promoting itself with the various individual Tourism Councils and Departments throughout the State. Many of the Tourism councils, as noted from the months of testimony, were doing yeoman's work on fixed budgets. Best practices had already been developed and fine-tuned to fit each individual district's needs.

The idea of putting in place a coordinated branding effort between all stakeholders offered the state a unique and exciting opportunity to capitalize on the many benefits often associated with such a merger. Economies of scale and scope, if done properly, present the State and its local Tourism districts far greater opportunity to grow and succeed than ever before.

However like any new endeavor, especially one of this apparent magnitude, the importance of a connected conversation among all parties was seen as paramount to its success. So last year the Rhode Island House of Representatives created a Special Legislative Commission to study methods of growing tourism for Rhode Island through coordinated branding and marketing efforts. Over the course of many months the commission heard presentations from Tourism councils and departments throughout the state, including multiple presentations by the Rhode Island Commerce Corporation and the consultants currently working on the statewide re-branding program for the Commerce RI.

The intent of this Commission was a continual open dialogue for all stakeholders which would help act as a catalyst to build upon best practices and strategic relationships that the regional tourism councils were currently employing.

Early on in this process the Commission realized two very important fundamental issues regarding the collaborative branding effort; structural decision making for implementation of the new branding strategies and the measurement of marketing efforts going forward.

1. Decision Making: We heard repeated testimony from several tourism councils. Their marketing efforts were very strategic and they have built very successful messaging and market segmentation approaches designed upon their regional strengths. Under the leadership of our regional tourism staffs and boards of directors, the RI tourism industry has outpaced other sectors of the RI economy since the recession of 2008. The Commission asked how will the authority of the regional boards of directors be impacted by a more centralized state tourism and branding strategy? What will be the vehicles for communication from the local boards to Commerce RI around any local or joint decision making? And finally how will any conflicts be resolved between local boards and Commerce RI?
2. Measurement of Marketing Performance: Is the branding strategy generating new tourists who otherwise would not have chosen to visit RI without the implementation of the program? Is tourism growing? Are the branding programs causing changes in visitors' behaviors? Are tourists spending more money? Staying more nights? What regions are benefiting most? What is the financial return of the investments in the new advertising and marketing programs? More significantly, we heard testimony that each region has been using similar and different performance measurement systems for years. How will any new performance measures compare and report on future performance? How will new performance measurements systems compare to past regional reporting systems?

The individual Tourism Councils were also asked to weigh in on various matters that they felt were important to the branding effort. Below is a summary of those responses.

WHAT IS YOUR REGION HOPING FOR IN THIS NEW BRANDING PROGRAM?

- Umbrella brand that reflects all of Rhode Island's great assets
- A fully functional and flexible web site and CRM system
- An integrated statewide marketing and sales program to support the brand
- An integration of the State's many educational institutions; on all levels

WHAT DOES YOUR REGION NEED FROM THE STATE TO SUPPORT YOUR LOCAL EFFORTS?

- Graphic materials that are easily incorporated/adapted into existing brands
- Clear, consistent communication to maximize collaboration and avoid duplication of efforts

WHAT WOULD YOUR REGION LIKE TO AVOID IN THE STATE BRANDING PROGRAM?

- A holistic approach to marketing the state that relies on only one or two key assets

HOW WOULD YOUR REGION LIKE TO RELATE TO THE STATE AND TO THE OTHER REGIONS?

- Commerce RI should leverage our familiarity and intimate relationships with businesses and attractions within our respective regions to develop and promote authentic visitor experiences
- Take advantage of our existing national connections to gain insight into industry best practices

It was with the above information that the Commission continually pressed Commerce RI on. It was also abundantly clear that these issues needed to be part of the equation to help foster a successful collaborative effort on behalf of any Rhode Island tourism program.

On January 21, 2016 knowing that many of these matters deserved more attention, the Commission at the request of Chairwoman Carson; was extended through the end of 2016. This was, as the legislation reads, to allow for a further comprehensive analysis of best-practice methods used to expand tourism both on a regional and national level. Information on the current collaborative practices of the state's multiple tourism councils could continue.

The Commission looks forward to analyzing and discussing the legislated mandated reports (provided semi-annually) by the RI Commerce Corporation. This continued effort, with the Regional Tourism Councils, will help ensure that recommendations to the RI Commerce Corporation enabling it to develop more informed and coordinated decision-making efforts regarding the development of branding and marketing of tourism in Rhode Island are followed and incorporated.

Rhode Island deserves this marketing campaign, it is extremely important for the State. This effort will not be accomplished overnight; and will require all parties working together. The Commission welcomes this continued endeavor on behalf of the State of Rhode Island.