

**MaineTAC
Committee Meeting
October 24, 2005, Portland Marriott at Sable Oaks
9:00 a.m.**

The fall MaineTAC meeting began with a welcome from Harold Daniel, Director of CentTRO. An overview of a presentation he's been giving regarding CentTRO including history, vision, goals, budget, personnel, projects and website, and future projects. Several trips to other university tourism centers were presented.

- Minnesota Tourism Center and "At Your Service" that they have and CentTRO may subscribe to.
- North Carolina and their interest in developing a National Network of tourism research centers. The benefits would include access to national data, access to methodology and data as well as influencing the data of specific projects towards addressing information needs in Maine. Harold discussed two issues; 1) the cost to join, currently unclear regarding the dollar amount and whether membership would be worth that cost, and 2) would anyone on MaineTAC be interested in visiting North Carolina in the spring to attend a formational meeting of interested organizations. Three people expressed interest, Bill Berry, Vaughn Stinson, and Dann Lewis.

Concerns expressed included

- understanding how the data would compliment Longwoods' data
- identifying any overlap with Travel Tourism Research Assn. (TTRA)
- the International Travelers' Survey administered by the Department of Commerce is currently out of date, the North Carolina State center plans to take over that study and improve it.
- Harold discussed the contacts he's already made from these center visits and that he will be visiting Florida's center in a couple of weeks.
- Charlie Colgan (Associate Director of CentTRO) and Harold discussed developing center structure and formal procedures, such as project selection procedures to enhance center performance.

Jeff Rowe was introduced as the moderator for the remainder of the MaineTAC meeting. After introductions around the room Tom Allen, Research Associate for CentTRO was introduced and presented projects he's been working on.

All presentations are attachments sent with this document.

Questions:

- Are budgets in each state constitutionally or legislatively dedicated to tourism expenditure?
- Does increased budget affect tourism activity?
- How to effectively use the money invested in tourism?

Discussion: Dann Lewis stated:

- Maine dedicated funding mechanism, which stabilized funding.
- There was a 40-60% cut in some states budgets two years ago.
- Maine consistently last or second to last but flipped to lead when other states cut budgets. Maine remained the same but moved up.
- Lee Webb - what should comparative group be for further study, New England, Mid-Atlantic, Maritime Provinces, etc.? Where should marketing be targeted, Pennsylvania to the Maritime?
- Clearly a means for financially supporting tourism is important as evidenced by Colorado's loss of \$5 billion and dropping in rank from fourth or fifth to seventh in tourist traffic in the US after the eliminated its tourism budget . The budget was reinstated and they are gaining back some of the ground lost.
- Maine is accessed mainly by ground transportation.
- The set of states that Longwoods has looked at as direct competitors
- According to recent studies of first time visitors to Maine suggest that 80% of first time visitors traveled over 500 miles.
- Check similar markets and states.
- Bill Berry mentioned informal discussions he had recently with attendees of Fall Fest. Even with other venues around the state they had approximately 500 visitors for the event. He spoke to a family from New Jersey that had a cabin in Ranglely but had never visited Maine in the winter. He wondered how you attract that person so they come during the winter season. Same scenario with another family he spoke to from Virginia.

Tom demonstrated the CenTRO website that is under construction. Some discussion revolved around having an alias or CenTRO.edu rather than needing to include umaine.edu. Another thought was making the site relative to the legislature and the fact that even though the site isn't something the general public will be visiting now, overtime they probably will and to keep that audience in mind.

Tom gave his next presentation on "Property Taxes in Hospitality Contribution by Maine Tourism." His next presentation was "Overnight Visitation". On one slide it stated that 89% of the beds went to out of state visitors.

Comments on the presentations:

- Lodging represents a small portion of the dollars spent by a visitor. It's what's added on that generates the most dollars.

Updates from Charlie Colgan

- The beach study, discussed at the May meeting, was not funded through Sea Grant. He said other funding would be sought since the towns were still very interested in the project.
- Forecasting – Maine Turnpike Authority Data – hoped to do it over the past summer but it was put on hold due to support for the Governor in the Base Realignment and Closure process, which took precedence.
- Outlook Conference
 - Possible for Spring 06,

- Time horizon,
- Who attends,
- Presenters, and
- Where should it be held?

Responses from the group hinged around it taking place before or after the annual Governor's Conference. The spring timing of an outlook conference may be too late for the forecasts presented to have value for business planning purposes. For example, the fall TIA Marketing Outlook Forum forecasts for next spring and summer of the following year. This is a time when tourism businesses are preparing their plans for the following tourism season. The timing would require earlier collection and analysis of data than currently anticipated. The Governor's Conference is January 24, 2006 and holding the Outlook Conference the day before or after would tie it together. The consensus was to have the first conference in Spring 2006 and the start tying them in with the Governor's Conference beginning in 2007. The Maine Restaurant and Lodging Expo is in Portland in March 2006, which may be good timing for this spring.

Topics for the conference could be:

- Energy crisis, prices
- Weather forecasts – long term
- Peter Yesawich as reference point or speaker – travel consumer attitudes confidence
- Business and price of product insight
- Marketing strategies and expenditures of competitive states
- Tourism advertising and promotion in region and return (spend more or less)
- Capital expenditures and economic impact
- Access DECD list of capital construction expenditures of industry (data series issue)
- Employment and workforce and how to get people.

Charlie's Presentation of Labor Force Managers:

- Labor force – wages and labor
- What can be done with data
- Supplements of published data
- Jobs with most employment growth and number of estimated jobs

CBER Labor Force Analysis Project

- Vacancy time (how long does it take to fill the position)
- Commute time/distance of employees
- Are they looking for another job
- Demographics/characteristics of labor force – age and education

Charlie mentioned that the IRS gets tip reports and cannot, by law, give the information to the Department of Labor. Nancy mentioned that she pays \$3.50 per hour for wait staff and can compute tips using sales. Restaurant sales can be obtained from meals and lodging tax.

Tourism Indicators

Charlie cautioned about the limitations of data for some conceptualized measurements.

Concerns for carrying capacity measurements and measurements of community health, e.g. quality-of-life measurements (traffic congestion).

Concerns for leading versus coincidence versus lagging indicators.

- Other states
- Data concepts
- Data availability

Indicators

- Travel
- Activities
 - Website hits
 - Sales
 - Zip codes
- Economic activity
- Weather/climate
- Gov.
 - MI ranks tourism budget
 - Counts number of public lands for tourism

Charlie questioned the group regarding the utility of doing something like this for major tourism business groups or regions. Which would be important?

- Top four and maybe state tourism
- Frequency of producing index and timing
- Getting data developed
- Data would need to be regional and seasonal
- Ski days
- Community issues
- Number in sampling to get a good feel you'd need 100's or 1000's. For Portland with a population of approximately 100,000 or more you'd sample 650 or so.

John Daigle from the University of Maine Parks and Recreation Program spoke about the Maine Tourism Fellows, which is a means of involving faculty from other campuses in CenTRO, e.g., from UMaine Farmington, UMaine Presque Isle, UMaine Machias, UMaine Fort Kent and the University of Maine were represented at the first meeting. Due to the fact that the meeting took place during the semester not all involved could attend. There is excitement from other campus. One purpose is to avoid duplication of effort and programs. The group discussed the need for a hospitality concentration, the void in the hospitality area, and how each program could contribute to a hospitality concentration. He discussed possible faculty collaboration; research and curriculum using seed money and the possible use of seed money for grant development by faculty. He mentioned the possibility of ITV courses, which could, theoretically be taught in Fort Kent but hit all campuses.

We should plan to incorporate educational programs at the Maine Community College System's campuses and perhaps the privates on the web site. The association could promote educational programs. Perhaps certificate programs could be delivered via online methods.

The MaineTAC group discussed:

- Faculty from the Fellows group attend a MaineTAC meeting periodically so they hear the direction MaineTAC.
- Coordinating across campuses and what each has available now.
- Have website give information for students, guidance counselors, etc.
- Vaughn has a website to list information.
- Question curriculum even a few classes available and the online format.
- Graduate students doing research relating to tourism
- Farmington currently has a ski industry certificate program.

Jeff Sosnaud talked about the Creative Economy Task Force he co-chairs with John Rohman. People are excited about the economic initiative. He cited the importance of human ingenuity as a form of human capital. Maine has a competitive advantage in quality-of-life that could attract this kind of mobile human capital.

The Creative Economy is in contrast with Traditional Economy. The Traditional Economy is location based. It extracts value from resources such as fish, wood, oil and the value added to turn those things in to goods by service industry that supports it. The Traditional Economy is confined to locations where the resources are.

The Creative Economy is based on human ingenuity, capital, and features geographic mobility. Portland was leading in attracting this form of economic activity but now that is spreading to other areas of the state such as the Camden/Rockland area. The Governor believes that Maine has a competitive advantage because of the quality of life here (outdoors, lack of congestion, cultural amenities). The arts (writers and artists), technology (biotech, software, Jackson Labs) all contribute to the Creative Economy. People want to live in Maine and the question is how to help the Creative Economy to take root in other areas outside Portland. The Creative Economy isn't suitable for every area of Maine, building blocks need to be in place and these usually come near educational institutions.

- 10% of the state salary can be called creative economy
- 25 member Creative Economy Council with a variety of sectors such as:
 - k-12 education
 - higher education
- A sample of the Creative Economy Steering Committee; DECD, Arts, FAME

Three considerations important to the development of the creative economy

1. revitalization of downtowns/village centers
2. entrepreneurship – start up businesses need infrastructure to support them
3. availability of affordable housing/office space

Housing and space becoming unavailable or not affordable limits the development of the creative economy.

Tourism is an important means of attracting the creative economy to an area. Amenities that drive tourism and contribute to quality of life are the same that drive the development of a creative economy. Tourism is an enabler of the creative economy. Amenities tourists are interested in are the same that an entrepreneur may also be interested in. There is a lot of interest in the Creative Economy around the state.

Following up on the request in the previous MaineTAC meeting for CentRO assistance in strategic planning, Lee Webb described how he and Harold will conduct a set of consultation meetings to identify and probe tourism issues, opportunities and problems. They will meet with key industry and government leaders, reporting the outcomes of those meetings in the next meeting of the advisory committee in May.

Harold Presentation:

In the absence of a student presenter, Harold presented the results of a student research project designed to demonstrate a novel method for segmenting the market for Maine tourism. While the research featured numerous short cuts to facilitate completion within a single 15 week semester, the demonstrated method sought to identify groups of actual and potential tourists in Maine's geographic market that represent good target markets for commercial communication and product tourism development. Market segments or groups were identified by their common interests in specific tourism activities to which they were exposed.

While two potential target markets were identified, he identified a segment of tourists who may not represent a good target for the state's tourism industry. This market segment was exclusively interested in activities that are unavailable in the state, i.e., visiting theme parks and other types of amusement parks, water parks or aquariums. Some in the meeting regarded that tourist market segment, identified as Amusement Park People, as desiring activities which did not fit with the Maine brand image. Members of that market segment tended to reside in the New York metropolitan area, an area rich in very attractive amusement parks that would represent strong competitors for any such attraction constructed in Maine. He said that, attracting a substantial portion of this market segment would likely require costly investments in product development and communication, which could risk conflict with perceptions of the state among members of other more valuable target markets who would be exposed to commercial communications for such an attraction.

He said that this type of research would be important to strategic planning because it helps clarify the options for enhancing Maine tourism by identifying important target markets and understanding their motivations for traveling. This understanding could also help community policy makers and business decision makers understand the investments required and risks involved in attracting members of each target market to Maine. He also said that this research could stimulate further research to refine the profiles of the attractive market segments, yielding a deeper understanding of the market for Maine Tourism.

Questions:

- The research method builds on/complements findings from Longwoods data.

- By identifying appropriate target market, the findings from this type of research could be valuable for regional/community tourism product and communications development.
- Meeting with contractors for Tourism Dept. and Dann Lewis was recommended to avoid potential duplication of effort.

The MaineTAC meeting was wrapped up at 2:00 p.m. The next meeting will be in early May, preferably after finals week at the university. Greg Dufour has offered to hold the meeting in Rockport.