

U.S. Senate Committee On Commerce, Science, and Transportation
Subcommittee on Consumer Affairs, Foreign Commerce and Tourism
September 25, 2001 Hearing On The State Of The Tourism Industry
Senator Dorgan, North Dakota, Presiding

SUMMARY

Branson, Missouri

Located in the Southwest corner of Missouri, Branson's population is less than 5,000 yet it attracts nearly seven million leisure visitors annually. Travelers of all ages come to experience the natural beauty of the Ozark hills and lakes as well as an immense and diverse selection of music shows, theme parks and other wholesome, family-friendly attractions.

Branson/Lakes Area Chamber of Commerce and Convention & Visitors Bureau

Over 900 business members strong, the Branson/Lakes Area Chamber of Commerce fulfills its mission to enhance the economic health of the Branson/Lakes Area. Our vision is to lead the Branson/Lakes Area in becoming one of the most recognized in America for quality of life, business and vacations. The activities of this organization are implemented by four separate councils addressing membership/funding, marketing, small business and tourism development.

Marketing Advisory Council

The Marketing Advisory Council of the Branson/Lakes Area Chamber of Commerce is responsible for all marketing efforts designed to attract visitors to the area. The dollars expended for these efforts, \$4 – 5 million annually, are generated from memberships, donations, fund raising efforts and a citywide tourism tax on area lodging, theaters and attractions.

Ann McDowell, Witness

McDowell is an elected member of the Board of Directors for the Branson/Lakes Area Chamber of Commerce and currently serves as the Chairman of the Marketing Advisory Council. She has 18 years of experience in travel and tourism marketing. For the past eight years Ann has worked with her husband Bob in their own Branson-based business, Ride The Ducks International, LLC. The company remanufactures amphibious vehicles and carries in excess of 300,00 passengers annually on land and water sightseeing tours in Branson, MO and in Baltimore, MD (as Discovery Channel Ducks.) Their vehicles are also in use in Boston, MA and Seattle, WA with plans to expand to additional markets in the near future.

The Impact Of September 11 Attacks On Branson, Missouri

While no single event can be blamed with a tourism destination's results, Branson visitation showed a year-end decline of 2.9% in 2001, for the first time in 20 years. Our area has been more fortunate than most in terms of a 2002 rebound. Our year-to-date room demand is up 3.9% through July 2002 and many other economic signs are positive for our community that is significantly dependent on tourism. Our belief is that our Midwestern, small town location, as well as the predominance of visitors who drive to our destination, as opposed to flying, have been positive attributes under these particular

circumstances. In addition, our history of overt patriotism, genuine hospitality, and family values seem to be in perfect alignment with the current mood of our nation and disposition of the traveling public.

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TESTIMONY

The tragedies of Sept. 11, 2001 created an immediate impact in our vital tourism community of Branson, Missouri, in the same way it did other tourism destinations and other small towns throughout the United States. While we are no longer reeling from the impact, we feel a lingering uncertainty about our economic future. As you might suspect in a community of less than 5,000 residents, that hosts 7 million visitors annually, the people of Branson are significantly dependent on tourism for our economic well-being.

Branson History

To understand the impact of this incident on Branson, you should know a little about how Branson became a tourism phenomenon. Located in the Ozark Mountains in an area too rugged for farming and too remote for other industrial development, Branson began to develop a tourism industry in the early 1900s. Lakes, mountain scenery and the simple lifestyle of the Ozarks as described in a popular novel, "The Shepherd of the Hills," drew early visitors. Float trips, fishing and water activities sustained the tourism industry until the late 1950s and early 1960s, when several major developments including the theme park Silver Dollar City, made Branson a regional tourism destination. In the mid-1980s, celebrity entertainers who had been occasional guests in family owned music theaters began to move into the community. By the early 1990s, Branson was a household name across America, famous as a live music show and entertainment destination. Andy Williams, the Osmond Family, Mickey Gilley, Moe Bandy, Jim Stafford, Bobby Vinton, Mel Tillis, Yakov Smirnoff, Sons of the Pioneers and many others currently call Branson their performing "home."

2001 Year End Results

No tourism destination can provide a definitive answer to why people come. And certainly no single event or incident can be blamed or credited with a tourism destination's year-end results. It is always a combination of factors that result in success or disappointment in the tourism industry. However for the first time in over twenty years, Branson experienced a decline in visitation during 2001. Year-end numbers indicated a decrease of approximately 2.9%.

Impact On Branson Less Severe

While Branson has certainly felt an impact since September 11, it has suffered less than other national tourism destinations. We believe this is because of *where* it is, and *what* it is.

Branson Missouri is located in the Southwest corner of our state, within a day's drive of about half the

nation's population. About seven million people visit Branson each year, and 96% of them drive to Branson in their automobiles.

Across the nation, urban destinations were impacted more severely than drive-to destinations. Losses immediately following the attacks were greatest among the northwest and south regions, to businesses catering primarily to international visitors and airlines, tour operators and travel agencies, according to the Travel Industry Association of America (TIA). Losses were least among rural areas, the western region, and businesses serving primarily the domestic market. As vacationers shifted from air travel to auto travel following the attacks, stable gas prices, a shift to closer-to-home travel and growing interest in family travel helped to support the drive-to destinations, like Branson.

Understanding *where* Branson is located relative to our nation's population, and the heavy propensity for drive-in traffic explains some of our resilience to this tourism crisis. But an equally important element is the significance of *what* Branson is.

Branson's core values of celebrating the American spirit and patriotism, its longtime reputation of appreciation for military veterans, and its faith-based environment have given it a broad appeal. The TIA shows a shift in core consumer values to focus on the following related qualities: family, community, integrity, balance, authenticity and security.

The community's commitment to those values was established a half-century or more ago and supported continuously through its development. Visitors know these values are not just a marketing ploy but rather an intrinsic part of the culture and lifestyle of Branson.

American Demographics published a major study in its Sept. 2002 magazine that examined consumer behaviors, including travel habits, in light of the 9-11 attacks. In October 2001, 12 percent of Americans with young children (up to age 11) said they planned to take a family vacation in response to the attacks on Sept. 11. By June 2002, almost twice as many (20%) said they had taken such a vacation with their loved ones. There is also a change in the way people are spending their dollars. Overall 12 percent of those surveyed said they are spending more for vacations than they did prior to Sept. 11. The increased number of travelers has helped to buoy Branson. Because our area is perceived as a value destination, decreased spending on vacations coupled with a softening national economy may well make Branson an even more appealing travel destination.

2002 Results So Far

During the first quarter of 2002, tourism taxes collected indicate Branson travel was up more than 10% over the first quarter of 2001. Although these results are promising, it is important to understand that the first quarter is Branson's "off-season" representing a very small portion of the total economic market, where small changes can generate significant percentage growth numbers. A more realistic look is probably our 2002 year-to-date room demand through July that shows a 2.9% increase over the prior year. Still we feel very fortunate to show even minor increases in these lean and turbulent times for tourism.

Branson rebounded quickly after the immediate effects of September 11, but not without considerable and ongoing effort. Everyone in Branson is working harder than ever and reaching further than ever before, for new ideas to maintain economic stability.

Summary

In summary, in the aftermath of September 11, Branson has been more fortunate than most tourism destinations because of where we are and what we represent. While we have not suffered great losses, we also haven't seen our traditional and expected growth. To stay level with last year's numbers, we are working much harder.

- Where we are. Branson's location in the heart of America is accessible for many by car, who may be reluctant to drive. For the growing numbers of people in search of a great vacation value and a destination closer to home, Branson is an appealing alternative.
- What we are. Branson represents the wholesome family values, patriotism and faith-based respect that comfort Americans in times of crisis. It's a comfortable, safe haven of traditional family values in a world that is suddenly more uncertain than ever before.

Coincidentally our advertising message for 2002, was a remake of a marketing effort for our community originally created in 1994, so it was by no means a new branding or positioning of our destination, but it was a message clearly more meaningful than ever before. It said...

“This year visit a place in the *heart* of America. A place where you can sit outside and look at the stars, or come inside and do the same thing. A place where getting “high” means a roller coaster ride or a walk on an Ozark mountain top. A place of spectacular sights, and smiles on faces you love. Where family values and the American spirit endure. It's call Branson, Missouri. And it's for everyone who wants to rediscover America.”