

**2012 -  
2013**

Attachment



**Santa Barbara  
South Coast  
Tourism Business  
Improvement  
District**



# **[ANNUAL REPORT]**

Presented to the County of Santa Barbara and cities of Carpinteria, Goleta, and Santa Barbara, by the Santa Barbara Conference and Visitors Bureau and Film Commission, pursuant to Streets and Highways Code section 36650.

# Annual Report

January 2011 – June 2012

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## Boundaries

No changes to the district boundaries or business classifications are proposed. The District includes the cities of Santa Barbara, Carpinteria, and Goleta, and portions of unincorporated southern Santa Barbara County. The district boundaries are Refugio Road on the west, the Santa Barbara / Ventura County line on the east, the Pacific Ocean on the south, and Camino Cielo / Juncal Road on the north, as shown on the map below.

Businesses continue to be classified based upon their average daily rate. Average daily rates for individual hotels were updated by the businesses in November 2011. A copy of the letter which was sent to businesses regarding the update is attached.



## Activities

The District will continue to provide marketing and sales promotions to increase tourism and to market the commercial lodging properties located in the SBSCTBID as tourist, meeting and event destinations. These services are designed to provide a specific benefit to commercial lodging businesses within the SBSCTBID boundaries, increasing room night sales.

Further information on the marketing activities and accomplishments can be found in the attached marketing plan and in Attachment 4.

## Cost of Activities

The total collected amount collected from January 2011 – June 2012 was \$2,293,477; \$424,199 from January – June 2011 and \$1,869,278 from July 2011 – June 2012. The collections were reported on a cash basis from January 2011 – June 2011 and on an accrual basis from July 2011 – June 2012. The estimated budget for 2012 – 2013 is \$2,167,076, which includes a surplus of \$495,000 from previous years. Detailed annual budgets are attached.

Service	Jan 2011 – June 2011	July 2011 – June 2012
Total Collections	\$424,199	\$1,869,278
City of SB	\$262,775	\$1,164,490
County of SB	\$124,919	\$ 536,463
Goleta	\$ 14,651	\$ 53,515
Carpinteria	\$ 21,854	\$ 114,810
Expenses	\$72,007	\$1,199,644
Fund Balance	\$352,192	\$1,021,826 (of which \$495,000 will be used in the 2012-2013 budget)

Service	Jan – Mar 2011	Apr – Jun 2011	Jul – Sep 2011	Oct – Dec 2011	Jan – Mar 2012	Apr – Jun 2012
Sales and Marketing	0	0	3,426	16,545	29,417	69,258
Advertising and Communication	0	63,892	68,204	146,185	217,277	490,356
Administration and Advocacy	0	0	0	0	13,591	24,039
Local Destination Marketing	0	0	50,000	50,000	0	0
Contingency and Renewal	0	0	0	0	0	0
Collection Administration Fees	1,887	6,228	9,761	10,068	7,654	15,426
<b>Total</b>	1,887	70,121	130,828	207,848	255,996	583,989

The estimated cost for activities by category for fiscal year 2012 - 2013 is shown in the table below. This cost includes the amount of surplus from the previous year.

Service	% of budget	\$ amount
Sales and Marketing	7.94%	\$172,000
Advertising and Communication	75.69%	\$1,640,256
Administration and Advocacy	5.48%	\$118,800
Local Destination Marketing	4.61%	\$100,000
Contingency and Renewal	4.5%	\$97,518
Collection Administration Fees	1.78%	\$38,501
<b>Total</b>	100%	\$2,167,076

## Assessment

No changes in the assessment rate are proposed. The annual assessment rate is as follows: lodging businesses with an average daily rate (ADR) of under \$100 shall be assessed \$0.50 per occupied room per night, lodging businesses with an ADR between \$100 and \$150 shall be assessed \$1.00 per occupied room per night, lodging businesses with an ADR over \$150 and up to \$200 shall be assessed \$1.50 per occupied room per night and lodging businesses with an ADR over \$200 shall be assessed \$2.00 per occupied room per night. Lodging properties with 3 or less units shall be exempt from the assessment. Based on the benefit received, assessments will not be collected on lodging stays of more than 30 consecutive days, federal government employees on government business, stays at time shares, and stays booked or contracted for and paid for prior to January 1, 2011.

Average Daily Rate	Per Night Assessment
0 - 99.99	.50
100.00 – 150.00	1.00
150.01 – 200.00	1.50
200.01 +	2.00

## Surplus/Deficit

A surplus of \$495,000 will be carried over from the previous fiscal periods. The surplus has been allocated to the various programs in the 2012-2013 budget.

## Contributions

The TBID funds are supplemented by funding from the County, City of Santa Barbara, and program income. City funds were anticipated to total \$1,349,535. County funds were expected to total \$94,363. There are no other contributions earmarked for TBID.

## Highlights of activities & accomplishments for January 1, 2011 – June 30, 2012

The Santa Barbara Conference & Visitors Bureau and Film Commission (SBCVB & FC) manages the operations and marketing efforts that benefit members of the Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID). The Bureau operates the program under the oversight of a board of TBID members, selected by the district's lodging owners. TBID funds are used specifically to: generate overnight tourism within the district, brand the South Coast as a destination, provide direct visitor services, generate group sales and develop partnerships to leverage and expand existing marketing efforts of the SBCVB & FC.

Since the start of collections of TBID funds and then a following full year of greatly increased marketing programs with those funds, the SBCVB & FC, by very conservative measures, has generated an incremental 54,000 room nights for the community. Almost triple the number of advertising impressions reached travel prospects in traditional and new markets during this period. In FY 2011/12 unique visitors to the Bureau website numbered 896,345 and page views were 4,017,892, up respectively 28% and 33% from the previous year. Below is a detailed report of the marketing activities supported by the South Coast Tourism Business Improvement District from January 2011 through June 2012.

### Direct Sales & Marketing

#### Representation services contracts in Australia and United Kingdom

**Activities:** Began targeted marketing efforts in Australia / New Zealand and the United Kingdom by contracting with Gate 7, one of Australia's best Sales, Marketing and Representation services and Black Diamond a highly recommended firm which represents many California communities in the U.K. Each company provides ongoing sales and public relations outreach to travel prospects with the goal of positioning Santa Barbara as the best place to stay along Highway One and encouraging longer overnight visits on the South Coast.

**Accomplishments:** *Gate 7:* Trained over 350 wholesale and retail travel agents on sales possibilities in Santa Barbara, increased number of Santa Barbara hotel properties listed in travel agency sales brochures by 64%, now totaling 18 hotels. Twenty six Santa Barbara hotels are now listed online via the Calypso Net System, increased sales appointments at International Pow Wow Trade Show, facilitated two-day FAM trips in Santa Barbara for Australian agents. *Black Diamond:* Trained 869 agents, distributed 691 brochures at sales events, attended 16 tradeshows and events, organized the Kurt Geiger incentive campaign which reached Kurt Geiger shoppers via online, in-store and print materials, assisted with appointments at WTM and POW WOW trade shows. Santa Barbara was featured as a destination in 35 Travel agent brochures featuring 17 hotels.

## **Familiarization Tours/Trade Shows**

**Activities:** Each of these efforts provided direct contact with travel marketers responsible for organizing or promoting individual and group travel or meetings. TBID funds allowed extension of group sales efforts and special sponsorships to generate more exposure for Santa Barbara in major travel shows including the International Pow Wow, IMEX America and Cruise World and World Travel Market.

**Accomplishments:** Increases in trade show contacts and new room night leads were generated as a result of the expanded direct sales efforts funded by the TBID. There was an 80% increase in meeting planner and other client site visits to the South Coast. Sales efforts to generate meetings at state, regional and national tradeshow resulted in a 39.2% increase in definite room nights booked with an estimated economic impact of \$3,887,896.30. Sixty-six international tour operators visited the South Coast pre-or post-International Pow Wow Tradeshow, a significant increase over previous years. Increased cruise ship marketing attracted three new cruise lines, a 100% increase in cruise ship visits.

## **Marketing, Advertising & Promotion**

### **Individual TBID Community Tourism Marketing**

**Activities:** Expanded tourism promotion for each community on organization websites in brochures & advertising for events such as the Lemon Festival, Avocado Festival and Santa Barbara's ongoing Culture 101 promotion.

**Accomplishments:** Increased exposure for attractions & hotels, increased out-of-town attendance at special events, <http://www.goletavalley.com/goleta-visitor-information-santa-barbara>  
<http://www.carpinteriachamber.org/> <http://www.santabarbaraca.com/culture-101/>

### **Sponsorships**

**Activities:** Includes funding special programs that will generate brand awareness and increase travel for the South Coast. Typical sponsorship include: the Santa Barbara International Film Festival which generates significant publicity and room nights sold in the winter season, and the Kurt Geiger promotion in the U.K., a multifaceted promotion that reached affluent retail consumers with information about Santa Barbara and offered a chance to win a California vacation on Santa Barbara's South Coast.

**Accomplishments:** Sponsorship of the International Film Festival facilitates its efforts to continue to be a rising star in the ranks of acclaimed U.S. Film Festivals. Currently attendance is estimated at 70,000 and growing. The Kurt Geiger promotion highlighted travel to Santa Barbara by reaching 2,468,000 people in the U.K. by email, via the Geiger website, with contest post cards, posters, and colorful point-of-purchase displays in 65 Kurt Geiger retail stores. There were 11,641 entries for the "Sunshine Break for Two to Santa Barbara" sweepstakes.

## Advertising - online and offline

**Activities:** Renewed the brand platform and launched a new advertising campaign titled *California's True Character*, the foundation for all marketing communication. Made significant increases in online advertising placement and in advertising with co-op partners. Advertising reached targeted interest groups, and promoted off-season events. New creative assets, images, and video were developed for a member asset library launched to support hospitality partners in their individual marketing programs that promote the destination.

**Accomplishments** A successful print campaign reached 9,376,411 readers. The integrated digital campaign through flash/rich media, email and paid search advertising delivered 61,003,375 impressions, 359,693 clicks and 386,083 inquiries. Total impressions YTD were an impressive 70,379,786, up 141% year/year. Among the top performers at cost per inquiry were online ads placed by Google, Rocketfuel, SheKnows.com, and Away.com

Among the most successful partnerships was the promotion of all South Coast TBID communities on TripAdvisor.com destination travel pages resulting in 290,853 impressions, 148,869 unique views, and 12,998 engagements. Co-op partnerships with the lodging industry generated \$154,410 in additional marketing income for TBID advertising. Three promotional campaigns, epicure.sb, Culture 101 and a family travel campaign generated significant number of visits to their individual microsites as well as considerable interaction on Facebook.

## Social Media

**Activities:** Santa Barbara social media outreach includes Facebook and Twitter, YouTube and more recently, Goggle+, Pinterest and FourSquare. Each allows easy contact with an interested and loyal audience that is highly likely to book a trip to the South Coast. Regular and interesting updates on current events and travel values as well attractive photos are key to the success of the program however advertising also assists in increasing the fan base.

**Accomplishments:** Facebook likes grew 109% year/year to 59,498. Twitter followers grew 60% year/year to 6,802.

## Mobile

**Activity:** Launched a completely redesigned mobile website, a resource for travelers who more and more use mobile devices to plan a trip or when already in the region. The site efficiently delivers timely information and categorized listings that refer to local hospitality businesses.

**Accomplishments:** There were 68,002 unique visits, up 249% year/year and 275,492 page views, up 214% year/year, to the new mobile site.

## Research

**Activities:** Ongoing analytics by MMGY Global and an ROI study by Destination Analysts, a six-month website return on investment (ROI) study which measured the economic impact of the SBCVB & FC website and its value to the local hospitality industry.

**Accomplishments:** Final results from the study provided a baseline to estimate the economic value of visitors who came to the CVB website and then to the region as a result of TBID funded marketing efforts.

**Attachment 1 – ADR Update Letter**

**Attachment 2 – Marketing Plan**

**Attachment 3 – Detailed Annual Budgets**

Dear South Coast Lodging Community,

December 31 ends the first year of operations for the South Coast Tourism Business Improvement District (TBID). As a result of the new funding from the TBID we have been able to increase the communities' tourism marketing budget by 60%. The major portion of this money has been allocated toward:

1. advertising
2. marketing representation in the United Kingdom and Australia to increase visitation from these important markets
3. a new mobile website
4. attendance at additional trade shows to develop the conference and small meetings market
5. group sales representation

For a complete list of our 2011/2012 marketing initiatives, please [click here](#) for the Strategic Marketing Plan. Results of these campaigns are regularly reported at our Marketing Committee Meetings, Director of Sales Meetings and in our monthly marketing updates, quarterly reports and annual reports. (All the meetings are open to the public, so feel free to attend at your convenience.)

As we come to the close of our first year of operation, I want to remind you of potential changes for the 2012 assessments.

### **Exemptions**

First, only contracts executed prior to **January 2010** are exempt from the assessment in 2012. These may include contracts for meetings/conferences, wholesalers and tour operators. All other contracts executed after **January 1, 2011**, are subject to the assessment. Please note that bookings generated through OTAs such as Expedia, Orbitz or Travelocity **are subject** to the assessment as well.

Standing exemptions include stays by federal government employees on government business and stays over 30 consecutive days.

### **Assessment Changes**

Your assessment rate needs to be evaluated annually and any changes are effective **January 1st** of each year. Remember that the assessment is based on the **annual average daily rate**. In 2011, your assessment rate was based on the **2009 annual average daily rate**. Beginning in January 2012, your assessment rate will be based on the **annual average daily rate in 2010**. Here are the categories.

<b>Average Daily Rate</b>	<b>Assessment Rate Per Night</b>
Less than \$100	\$0.50
\$100 - \$150	\$1.00
Over \$150 - \$200	\$1.50
Over \$200	\$2.00

As part of our agreement with government agencies, audits on lodging properties can be done at any time. We appreciate your cooperation in making accurate, timely payments to the jurisdiction that you respond to.

Many thanks for your cooperation!

Best,  
Tom Patton  
Chair, Santa Barbara South Coast TBID

# Santa Barbara Conference & Visitors Bureau and Film Commission

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Destination Strategic Marketing Plan



 Photo: Flickr user [tkksummers](#)



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## **Introduction**

Over the past ten years, the state of California has faced significant budget challenges. State politicians have increasingly turned to appropriating local monies as one method of balancing the state budget. This action has put more and more pressure on local cities and counties and as a result, many regions have seen tourism funding reduced or cut entirely.

To combat this trend and restore a source of revenue that cannot be allocated for other purposes, many communities that rely on tourism are implementing Tourism Business Improvement Districts (TBIDs). These improvement districts, designed to create their own form of self-assessment, have been formed in a number of



situations by local lodging operators to specifically fund tourism promotion efforts through self-imposed fees.

Because of the ongoing economic challenges at the state and local level, the popularity of TBIDs in the state of

California is growing. As local communities look for solutions to budget shortfalls and seek to increase tourism revenues, the development of this funding mechanism has become the solution for many tourism destinations.

### **Santa Barbara South County TBID**

The Santa Barbara area, located north of Los Angeles, has long been an established national and international destination. The area offers a variety of culture, recreation, and local events all within the

backdrop of the Pacific Ocean. Like many other destinations Santa Barbara has experienced significant competition from other destinations within the Southern California marketplace. Santa Monica, Newport Beach, San Diego, as well as many others provide consumers with a wide variety of destination choices. Many of these destinations have formed TBIDs as a source of, or a supplement to, existing tourism promotion funds.

In the case of Santa Barbara the efforts to develop a TBID were undertaken by the Santa Barbara lodging industry with the support of the Santa Barbara Conference & Visitors Bureau and Film Commission. The desired result was the formation of a TBID that would include the City of Santa Barbara, the City of Carpinteria, the City of Goleta and the unincorporated areas of the South Coast. The collected TBID funds will be leveraged with the funds already in use by the Santa Barbara Conference & Visitors Bureau and Film Commission to expand marketing programs to remain as competitive as possible and to generate visitation to Santa Barbara which would in turn increase revenues, tax receipts and employment.



## **Executive Summary**

The following destination strategic marketing plan is the first ever plan developed by the Santa Barbara Conference & Visitors Bureau and Film Commission utilizing funds contributed by the Tourism Business Improvement District (TBID). These funds, combined with ongoing funding from the City of Santa Barbara, create a new public-private partnership in tourism promotion and a significant opportunity to ensure that the South County area is as competitive as possible. The partnership also offers each participant a unique financial leverage opportunity, increasing the impact of their tourism investment dollars and increasing potential for success.

The marketing plan is based on the primary goal of growing demand for overnight visitors during targeted times of the year in an effort to generate increased revenues, taxes and employment for the South County area. The plan includes twelve core marketing strategies designed to guide the bureau and the tourism community toward achieving that goal. These strategies include the following:

1. Continued Brand Development
2. Integrated Technology Platform
3. Domestic Market Development
4. Increased Primary Market Penetration
5. International Market Development
6. Develop Strategic Alliances
7. Increased Focus on Niches
8. Seasonal Event Themes
9. Broadened Marketing Mix to Include Promotions
10. Increased Awareness of Lodging Diversity
11. Destination Authenticity
12. Increase Length of Stay

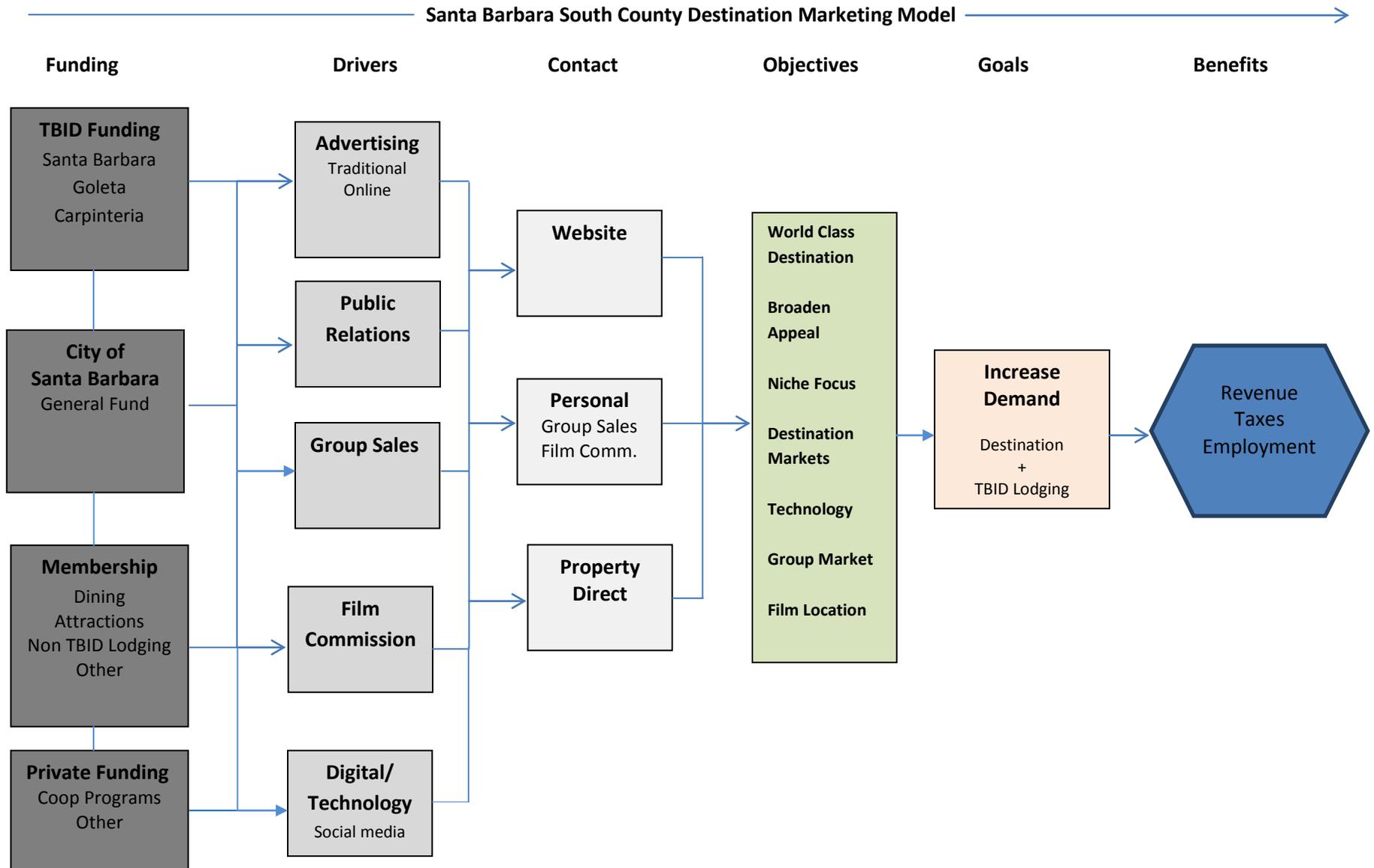
With the additional funds available, the bureau will be able to implement a variety of new programs including:

- Broadening its target segments beyond the traditional Southern California audience to include higher economic impact domestic and international destination markets.
- Increased funds for additional traditional and new media designed to increase awareness and drive consumers to the bureau website.
- Public relations efforts designed to support targeted endeavors in new markets and to communicate the variety of activities and lodging available for the target segments.
- Increased investment in online technology to more effectively create interest in the destination.
- Additional funding to support group sales programs in an effort to increase demand for mid-week business.

Additionally, the plan includes a full complement of actions designed to measure the success of the bureau's programs so as to continually improve and refine them as well as find ongoing efficiencies.

This effort represents a new direction for the Santa Barbara South County tourism industry. Given the area's tourism assets, the expertise of the bureau and the support of the public and private sector, Santa Barbara is poised to move to the forefront of tourism promotion within the state of California.

The Santa Barbara Destination Marketing Model on the following page provides a summary view of the strategy.



## **Part 1: Key Trends**

There can be no doubt that a tourism destination does not operate in a vacuum, but rather is subject to a variety of market influences, including economic, travel, social, cultural and demographic trends. As such, it is important to understand the environment in which the organization is operating.

Significant changes are occurring in the California marketplace that impact tourism destinations like Santa Barbara South County. These shifts are primarily the result of a dramatically changed economic environment, though there are also changes in demographics, travel, socio-cultural and consumer value trends that tourism decision makers should be aware of. For the purposes of background and context, the following is a summary of the key tourism, economic and demographic trends that will help to provide a comprehensive context for the development of Santa Barbara South County strategic marketing direction.

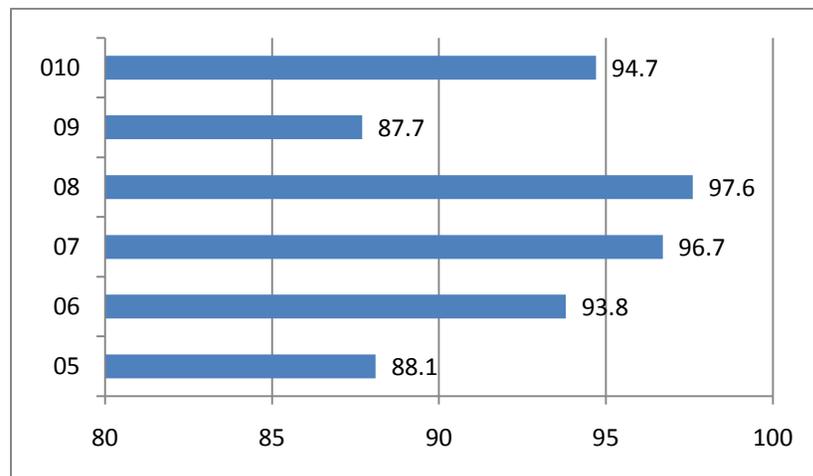
### ***Key Macro Trends Impacting Santa Barbara***

-  Travel
-  Economic
-  Technology
-  Cultural/Social
-  Demographic

### A. California Travel Trends

Each year, California residents and visitors travel within the state to experience its variety of attractions, scenic beauty and local culture. According to the state of California, \$94.7 billion was generated by direct travel spending in 2010, a 7% increase over the preceding year.

**Figure 1**  
**California Travel Spending**  
**2005-2010**  
**(\$ Billions)**



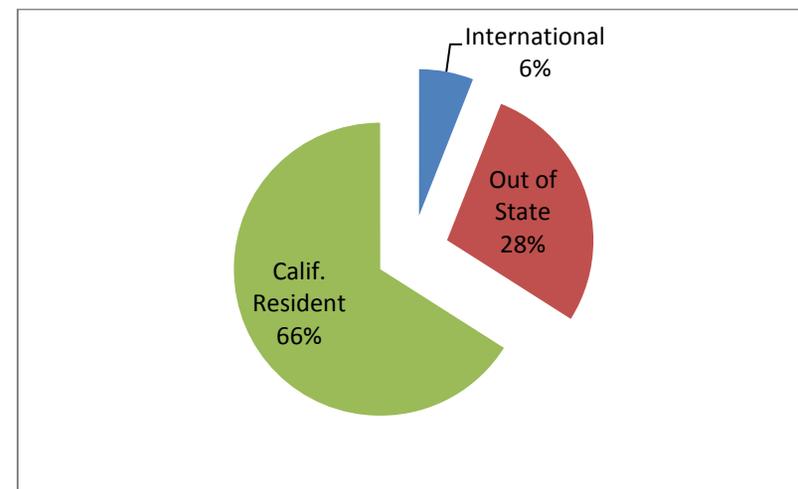
Source: Dean Runyan Associates

For perspective, Santa Barbara County generated approximately \$1.5 billion in travel spending and the City of Santa Barbara \$612 million in 2008 (This data is contained in a study the Bureau implemented: Santa Barbara Visitors Survey and Economic Impact Study, 2008). The study also pointed out that tourism generated

approximately 19,780 jobs, or 7% of total employment within Santa Barbara County.

In terms of visitor volumes, Californians represent the lion’s share of the state’s travel and tourism industry. In 2009 (the most recent year’s data available), the state received an estimated total of 195 million “person trips”. Of these “person trips”, 66% were made by California residents, 28% were made by U.S. resident out-of-state visitors, and 6% were made by international travelers.

**Figure 2**  
**2009 Total California Travel Visitor Volume (Millions)**



Source: California Travel & Tourism Commission

By comparison 77% of visitors to Santa Barbara originate from within California.<sup>1</sup>

<sup>1</sup> Santa Barbara Visitors Survey and Economic Impact Study, 2008

**B. Economic Trends**

As can be seen in Table 1 below, both the U.S. and California economic pictures have changed significantly over time. In fact, during 2009 the unemployment situation has worsened to levels above 10%. As of this writing, at the national level, the Travel Industry Association is projecting a weak, though positive recovery in 2011.

**Table 1**  
**Key California Economic Indicators**

	2009	2010	2011	2012
U.S Gross Domestic Product	(2.4)	3.0	3.0	3.2
Unemployment CA	11.4%	11.9%	10.7%	9.5%
Unemployment U.S.	9.3	9.6	9.0	8.1
Personal Income Growth CA	(2.8)	3.2	4.5	5.1
Personal income U.S.	(1.7)	3.3	4.9	5.3
Consumer Price Index CA	-0.3	2.4	2.7	3.0
Consumer Price Index US	-0.4	2.2	2.4	2.6

Source: State of California, Department of Commerce

One important economic issue that has become a concern most recently is the rising price of gasoline which can impact travel decisions of price sensitive consumers. Most recently the price of gas has risen over 20% in the past several months<sup>2</sup>. It is not known at this time if this issue will be of short term concern or if the issue poses a longer term threat to destination travel.

**C. Social and Cultural Trends**

In addition to the changing economic and demographic situation (which will be addressed in an upcoming section), several social

trends are also impacting travel and tourism throughout the country, as identified by the Travel Industry Association. Below are the primary trends having the most significant strategic impact on tourism to Santa Barbara South County.

- **Value is the new normal**

There can be no doubt about the shift in the marketplace towards value. This “new normal” is being experienced throughout all aspects of the industry and as such it is critical for members of Santa Barbara South County to work toward effectively developing and communicating the value the destination offers.

- **The Internet and travel**

Travelers tend to be quite computer savvy. Two thirds (65%) of the 98.3 million travelers who are online (63.8 million) used the Internet to make travel plans. The majority (83%) of online bookers are using the Internet to do at least half of all their travel booking. Eighty-two percent of online travel bookers say they bought airline tickets for a trip taken in the past year, 67% booked overnight lodging accommodations, and 40% made rental car reservations. Social media has become an integral part of the tourism marketing mix. With Facebook now boasting more members than some country populations, tourism promotion efforts should shift accordingly.

- **Environmental issues are a priority**

Americans are increasingly more interested in environmental issues. This issue impacts the selection of destinations as well as the selection of activities while on vacation. Those destinations that

<sup>2</sup> Energy Information Administration

place a strong emphasis on the environment will have a competitive advantage over those that do not.

- **Time poverty/hectic lives = shorter trips**

As people become increasingly pressed for time due to the hectic nature of their lives, the impact is seen on vacation and travel. As has been written many times, vacation trips have become significantly shorter in duration. Additionally, consumers are looking for hassle-free vacations, placing greater importance on methods of booking and travel to and from destinations.

- **Shorter booking windows**

Another major change that has occurred within the tourism industry is the ever decreasing booking window. In the past, travelers would plan and book their trips with a significantly longer time frame between the time they booked and the time of their vacation. Nowadays that window has decreased significantly. This trend has broad implications for the tourism industry. A shorter booking window makes it more difficult to gauge future demand and plan accordingly.<sup>3</sup>

- **Transparency**

One of the newest trends is a need for more transparency. Consumers today are concerned with additional fees and resort charges that are not clearly stated upfront.

#### D. California Demographic Trends

Since the late 1990s, population in the state of California has increased steadily. Table 2 on the next page outlines the projected

<sup>3</sup> For the last few years now, the research to booking window has expanded, but the booking to travel timeframe has significantly decreased. While travellers are often holding out until the last minute for the best deals, thanks largely in part to the poor economy, Google's tools indicate that it doesn't mean hotel internet marketing efforts are failing. /ehotelier.com

trends in 2018. During the period between 2008 and 2018, California population and personal income levels are projected to change significantly. Change will occur in several noteworthy areas including those listed below.

**Table 2**  
**California Growth Indicators**  
**2003-2018**

	2008	Projected 2018	% Change
Population (Millions)	38	43	12.7%
Households (Millions)	12	14	14%
Total Personal Income (Billions 1997\$)	\$1,192	\$1,746	4.3%
Per Capita Personal Income (1997\$)	\$33,326	\$42,700	2.8%
Avg. HH Income (2001\$)	\$100,923	\$126,000	2.5%

Source: Center for Continuing Study of the California Population

During the 2003-2012 time period, the California population is projected to grow from 34 million to 40 million, a 13% increase. Additionally, personal income levels are projected to increase by 4.3% and average household incomes by 2.5% annually.

#### 1. Population Shifts

California population growth between 2008 and 2018 is projected to be concentrated in three major groups:

- College age and young adults (20-34) will see an increase of just under 1 million.
- Baby boomers (age 55-74) will account for an increase of 2.5 million.
- Children (ages 0-14) will see an increase of just over 1 million.

Of these three segments, clearly the shift in the baby boomer and the college age and young adult segments will have the most impact. The growth of the children segment suggests that there will be an overall increase in the family segment.

**2. Changes in Ethnicity**

Another dynamic that is also changing the demographic picture is the growth of California’s various race/ethnic groups. Specifically, rapid growth is occurring within the Hispanic and Asian segments. The Hispanic segment is projected to be the single largest ethnic segment in California by 2012.

**E. Technology Trends**

Technology has had a significant impact on the travel industry both from a travel planning and reservation booking perspective. Table 3 on the next page summarizes key technology trends and their implications.

**Table 3  
Technology Trends**

**1. Internet use by bandwidth and time spent**

- While overall Internet usage has grown considerably, streaming video has become the most dominate usage type by bandwidth, and social media the most dominate by average time online.

**Implication -The use of video is increasingly important**

**2. It’s not just about the laptop/desktop computer**

- Since the launch of the iPhone mobile Internet adoption has grown more than twice the rate of desktop Internet adoption.
- The number of mobile and tablet users is projected to exceed desktop users in 2013.
- Nearly 25 million US mobile users will research travel information on mobile devices (primarily smart phones) before making a trip in 2011 and nearly 12 million will use mobile to book their trips.<sup>4</sup>

**Implication - Mobile marketing is becoming increasingly important**

**3. Internet usage beyond the PC is broadening and fragmenting**

- Over the next decade a new global generation of Internet usage - tablets, geo location apps, home entertainment, and wireless appliances - will impact how users access and experience the Internet

**Implication - New applications beyond the phone are on the way**

**4. Internet usage is now social driven vs. task driven**

- Time spent on social networking surpassed email in November 2007. The number of users on social networking sites surpassed email last year.

**Implication - It is absolutely critical to have a social strategy**

**5. Internet social driven engagement drives preferences**

- User reviews are emerging as a key influence in consumer decision making (60% of people trusting consumer reviews and 43% of travelers consulting user-generated content while planning)

**Implication – Online reputation management and social media measurement are critical**

<sup>4</sup> eMarketer, “Mobile Travel Planners Offer Marketers Growing Target”, <http://www.emarketer.com/Article.aspx?R=1008279>



### **Plan Insight**

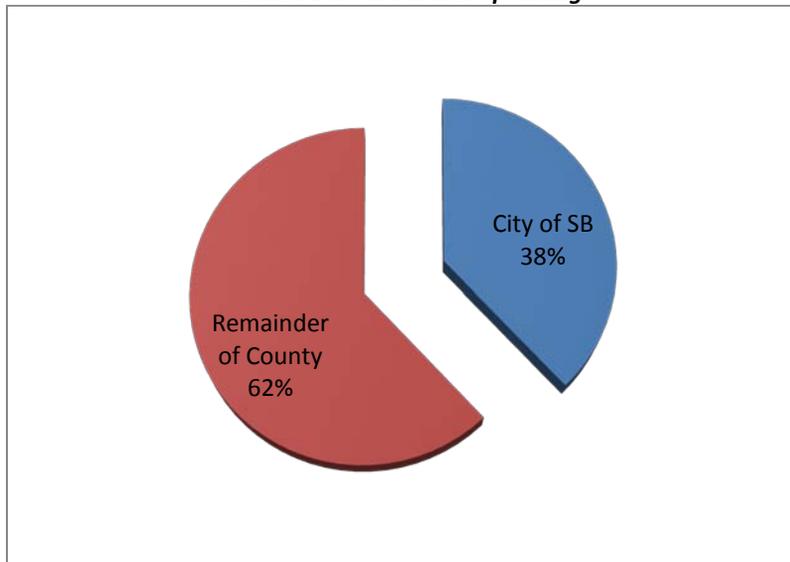
- It is anticipated that even with excellent access to consumer markets the destination may feel the impact of a sluggish California economy.
- It should be noted that the continued increase in technology is quickly changing the game for destination marketing organizations. Santa Barbara South County should continue to focus on moving to a more “technology-centric” marketing approach making technology central to all marketing programs.
- The growing concern for the environment means Santa Barbara South County needs to continue to focus on the environmental aspects of the destination. This includes featuring the natural assets of the region as well as the sustainability efforts of the tourism industry.
- Santa Barbara South County’s location with its access to Southern California as well as air access destination markets makes it very convenient to potential visitors.
- The California marketplace continues to see a changing demographic picture. As such it offers a key opportunity to target and attract a diverse market.

## Part 2: Santa Barbara Market Overview

### A. Overall Visitors Market Size

As was mentioned previously, overall tourism travel spending in Santa Barbara County is approximately \$1.5 billion; of that amount approximately 38% (\$612,100) is generated within the City of Santa Barbara while 62% (\$977,690,000) is generated within the remainder of the county.<sup>5</sup>

**Figure 3**  
**Santa Barbara Travel Spending**



Santa Barbara Visitors Survey and Economic Impact Study, 2008

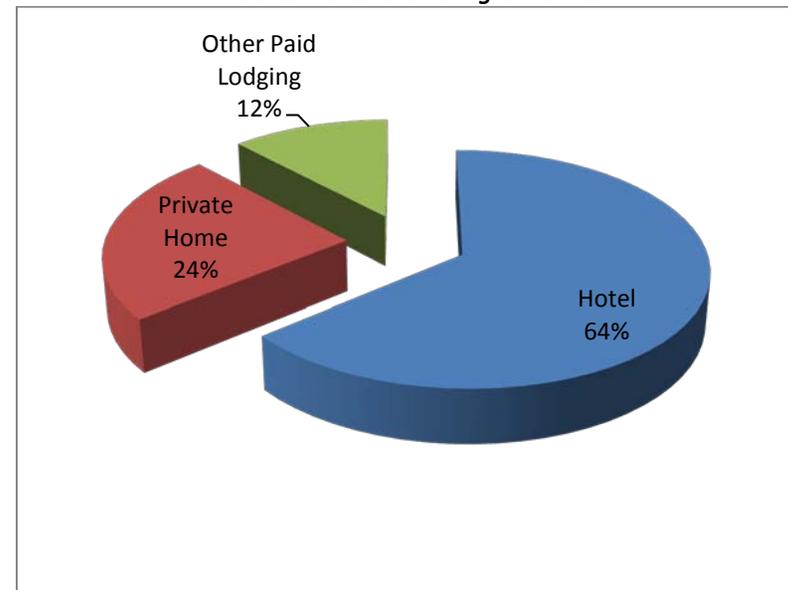
Overall, 2008 visitation accounted for approximate 8.2 million visitors, of which a significant majority, 61% (or 5,081,720), are day

IBID Santa Barbara Visitors Survey and Economic Impact Study, 2008

visitors, with 39% (3,160,790) as overnight visitors. Overnight visitors account for 39% of visitors yet generate 87% of revenues. As such, expanding this market should be a priority for the bureau.

Within the overnight visitor segment, visitors are found in three distinct segments; hotel guests, private home guests and those that stay in other paid lodging. The segment size based on visitor spending can be found below.

**Figure 4**  
**Santa Barbara Overnight Market**



Santa Barbara Visitors Survey and Economic Impact Study, 2008

Approximately 76% of the overnight visitor market is concentrated in hotel and other paid lodging segments, which is the focus of bureau marketing efforts.

**B. Market Structure**

The Santa Barbara South County visitor market structure consists of three distinct segments: international, domestic non-California and visitors from within California.

1. Domestic vs. International

Overall approximately 82% of visitors to Santa Barbara are domestic U.S. residents, with approximately 18% from overseas.

2. California vs. Other States

Within the domestic market, California, as one might expect, is the primary source of visitors accounting for approximately 77%, followed to a much lesser degree by visitors from Arizona, Texas, New York, Washington and the rest of the country.

3. California Markets

Within California, the top markets include the Los Angeles valleys at 21.4%, followed by the Central Coast at 19.1%, Central Los Angeles at 12.2%, Orange County at 5.2%, Bakersfield/Mojave at 5.8%, and San Bernardino/Riverside County at 3.5%. The remaining 32% of visitors are fragmented with no other California city accounting for over 1.4% of visitors.

**Table 4  
Geographic Origin**

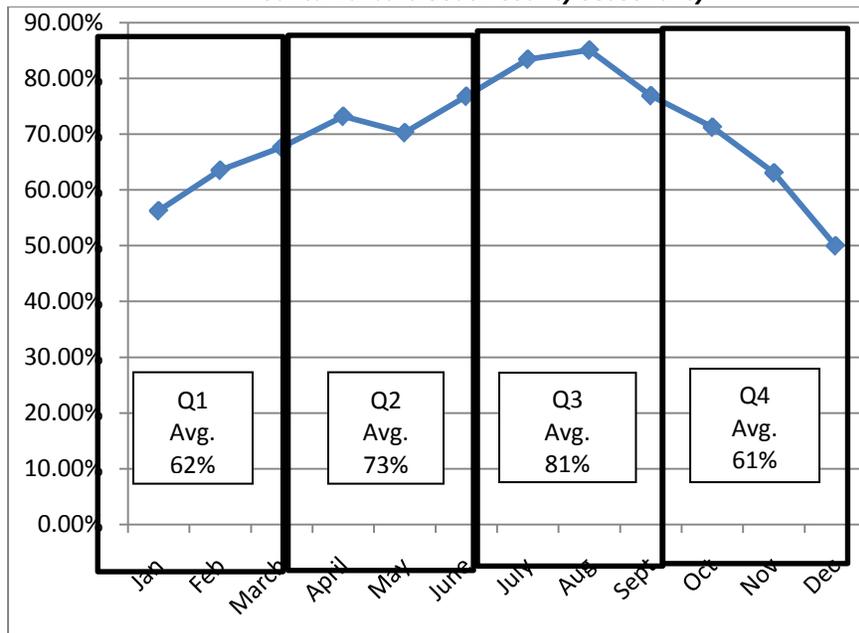
Market	% Of Total	% of U.S.	% of CA
<b>Total Market:</b>			
International	18%		
Domestic U.S.	82%		
<b>Domestic U.S. Market:</b>			
California		77.0%	
Non California		23.0%	
<b>California Market:</b>			
Southern California			59.9%
Central California			33.4%
Northern California			6.7%
L.A. Valleys			21.4%
Central Coast			19.1%
Central L.A.			12.2%
Bakersfield/Mojave			5.8%
Orange County			5.2%
San Bernardino/Riverside			3.5%
Other CA			32.8%

Santa Barbara Visitors Survey and Economic Impact Study, 2008

### C. Seasonality

Overall Santa Barbara South County experiences a familiar seasonality pattern with the summer quarter being the peak season of visitation followed by Quarter 2. Both Quarter 1 and Quarter 4 experience the lowest occupancy of the year.

**Figure 5**  
**Santa Barbara South County Seasonality**

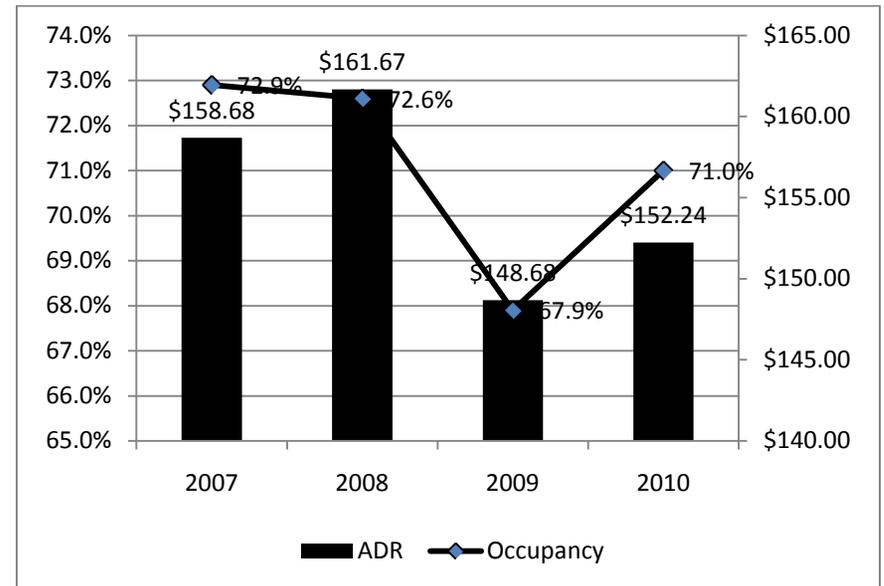


Source: PKF

### D. Lodging Performance

Like many California destinations, the Santa Barbara South County region has in recent years seen Average Daily Rate (ADR) decrease with a similar dip in occupancy in 2009, though both have improved in 2010.

**Figure 6**  
**Santa Barbara South County Lodging Performance**



Source: PKF

In comparison to the state lodging performance, Santa Barbara South County has consistently outperformed the California market in both occupancy and Average Daily Rate (ADR).

**Table 5**  
**Santa Barbara vs. California**  
**Lodging Performance**

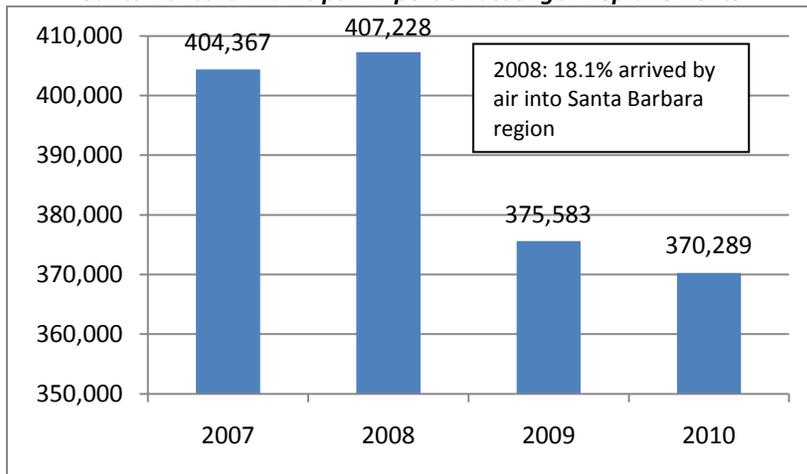
	Occupancy		ADR	
	California	Santa Barbara	California	Santa Barbara
2007	55.4%	72.0%	\$110.06	\$158.68
2008	66.0%	72.6%	\$122.62	\$161.67
2009	60.1%	67.9%	\$109.75	\$148.68
2010	63.1%	71.0%	\$109.94	\$152.24

Source: Smith Travel, PKF

**E. Air Service**

Overall air service has seen a decline since 2007 with deplanements decreasing by 8.5% during the period of 2007-2010.

**Figure 7**  
**Santa Barbara Municipal Airport's Passenger Deplanements**



Source: Santa Barbara Municipal Airport



**Plan Insight**

- Overall Santa Barbara South County visitor demand is primarily driven by three core segments: international, domestic non-California and within California. As might be expected the highest source of demand originates from Southern California.
- Visitor demand for Santa Barbara South County is highest in the second and third quarters with the first and fourth quarters both serving as areas for potential opportunity.
- The Santa Barbara area consistently outperforms the state of California in both lodging and Average Daily Rate (ADR).
- Overall deplanements via the Santa Barbara Municipal Airport have fallen 8.5% between 2007 and 2010. This was due to a reduction in flight arriving into the airport.

### F. South County Visitor Experience

The Santa Barbara South County visitor experience centers on several core activities including area beaches, wine & food, arts and culture, and outdoor recreation.



The area is characterized by diverse vacation offerings in Santa Barbara, Carpinteria, Goleta and the unincorporated areas of the South Coast; provide visitors with a wide variety of activities with which to sample the area and local culture.

The region offers travelers ample reasons to visit; the beach location boasts great weather and spectacular coastal scenery, and also provides access to one of California’s finest wine regions along with a diverse local culture that appeals to a wide variety of interests and tastes. The South County has excellent proximity to Southern California and selected destination markets via the Santa Barbara Municipal Airport.

The South County area consists of several communities each with an interesting and different personality. Together they comprise a unique Santa Barbara experience. The following is an overview.



**Carpinteria** - Located just south of Santa Barbara, the city is best known for its beautiful beaches and legendary surfing area Rincon Point. Carpinteria offers a small town vibe with dozens of antique stores, small shops and restaurants clustered along the main street. It boasts a variety of special events and is known for the annual California Avocado Festival.

**Goleta** -The city of Goleta is located just north of Santa Barbara, adjacent to the Santa Ynez Mountains, and is home to the University of California at Santa Barbara. It also has beaches, farmers markets and hosts both the annual Blue Grass Festival and the Lemon Festival. The area complements the region by providing a variety of price point lodging options for the weekend traveler.



**Santa Barbara** - Situated between the ocean and the mountains, Santa Barbara represents classic California, and offers the arts & culture of a bigger city with the feel and experience of a small coastal town. Highlights include great shopping on State Street and restaurants known for exemplary farm to table cuisine.



**Santa Barbara South County** - The South County area offers visitors a wide variety of lodging ranging from budget options to some of Santa Barbara’s most historic and iconic lodging in Montecito, all in close proximity to Santa Barbara.



The South County product/experience is built around a variety of different experiences in each of the communities, ranging from the sophistication of Santa Barbara to the outdoor beach culture of Carpinteria to the university town vibe of Goleta. Each community offers a unique experience which motivates people to visit. The product mix is just an overview of both the depth and breadth of the experiences offered to visitors to the area.

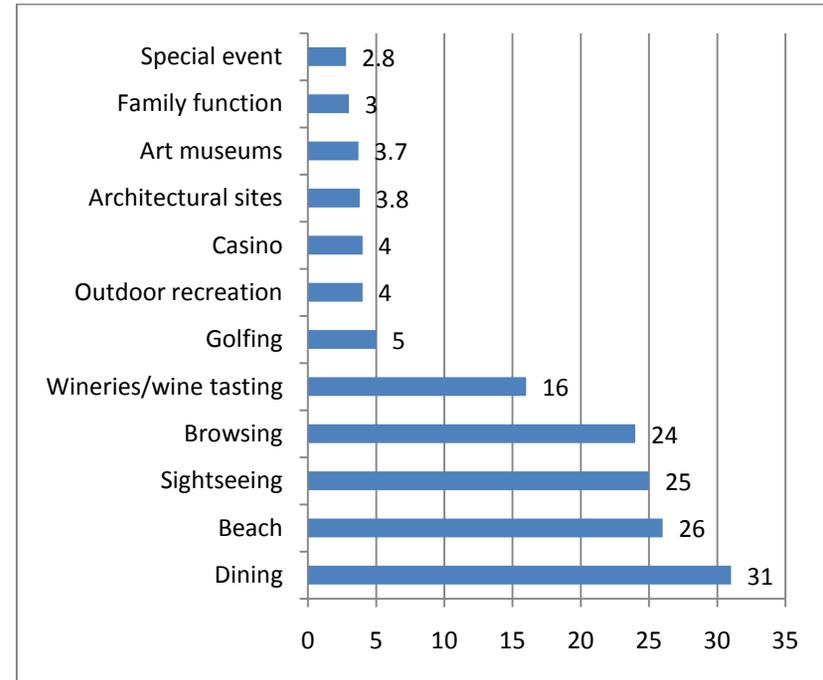
**Table 6**  
**Sample Product/Experience Matrix**

Attractions	Culture & History	Outdoor/ Recreation	Community Experience	Special Events
Santa Barbara Mission	Museums	Surfing	Farmers market	Food
University of California Wharf	Galleries	Beachplay	Downtowns	Wine
Beaches & Parks	Entertainment	Road bike	Locally-made	Culture
Botanical Gardens	Dining	Spa/Wellness	Sustainable	Sports
Zoo		Boating	Programs	
Channel Islands		Kayaking		

Source: Santa Barbara Conference & Visitors Bureau and Film Commission

In terms of activity participation, the last Visitor Profile Study (2008) indicates that the primary activities of visitors to the area include dining, going to the beach, sightseeing and browsing, as illustrated on the next page.

**Figure 8**  
**Visitor Activity Participation %**



Santa Barbara Visitors Survey and Economic Impact Study, 2008

As can be seen in the above chart, the area offers a variety of tourism activities and experiences for visitors to enjoy.

From another perspective it is important to understand the overall regional demand drivers, namely those assets which actually drive consumer demand and visitation to the area. These demand generators include natural assets like the area’s beaches and favorable climate; the wine and dining experience; special events that attract visitors and appeal to their interests; and specific ‘niche’ activities that visitors engage in, ranging from golf to hiking and

biking. It should also be noted that demand for the destination (specifically in the case of Goleta) is also generated by the University along with corporate travel to the area’s local governments and businesses.

**Figure 9**  
**Regional Demand Drivers**



**Plan Insight**

- While Santa Barbara South County has many of the activities that other areas have, it possesses a unique sense of place that identifies the area as different. Its beach location plus incredible climate combined with a distinctive sense of style has helped define the area for decades.
- The area offers a well-balanced mix of activities with which consumers can participate including recreation, shopping, dining, cultural and special events.
- The easy access and national and international profile work to attract visitors while the area provides a wide variety of experiences and activities in a unique coastal California environment.

### Part 3: Competition

Overall, the bureau’s competitive set can be defined by those destinations that are leisure travel destinations and those that would be considered group destinations.

#### A. Leisure Travel Competitor Destinations

Those destinations that the bureau has determined are leisure travel competitor destinations can be categorized as follows:

1. San Diego Area Competitors - Includes San Diego, Dana Point, Carlsbad and La Jolla.
2. Los Angeles/South County Competitors - Includes Laguna Beach, Huntington Beach and Newport Beach.
3. Destination Competitors - Includes San Luis Obispo County, Monterey County, Sonoma County and Napa.

As Santa Barbara increases its efforts to attract destination visitors who stay longer, spend more and have a greater economic impact, its competitive set will shift to include destinations like Monterey, Sonoma, San Diego and Napa.

**Table 7**  
**Leisure Travel Competitive Destinations**

Destination	Positioning	Attractions	Comments
<b>San Diego Region</b>			
San Diego	“Happy Happens”	Sea World, beaches, shopping, golf, major league sports	Major promotions for San Diego region
La Jolla	N/A	Area beaches	Area niche destination
Dana Point	N/A	Area beaches	Area niche destination
<b>Los Angeles/South Coast Region</b>			
Laguna Beach	“A Resort for all Seasons”	Marine center, beaches, area shopping	Area niche destination
Huntington Beach	“Surf City USA”	Beaches, eco reserves, major area attractions	Area niche destination
Newport Beach	“Visit Newport Beach”	Beaches, shopping, area attractions	Area niche destination
<b>Destination Competitors</b>			
San Luis Obispo County	N/A	Hearst Castle, wine, state beaches, downtown	Area also has significant promotion by areas within the county
Monterey County	“See Monterey”	Aquarium, Cannery Row, wharf, 17 Mile Drive, wine, special events	Major coastal destination
Sonoma County	“Do You Speak Sonoma?”	Wine, rugged coast, downtown areas	Strong wine destination
Napa County		Wine, wine events and food and culture	Top market for California wine

With regard to competitive performance, Table 8 below summarizes the area’s performance when compared to its competitive set.

**Table 8**  
**Santa Barbara South County vs. Competitive Set**  
**Lodging Performance**

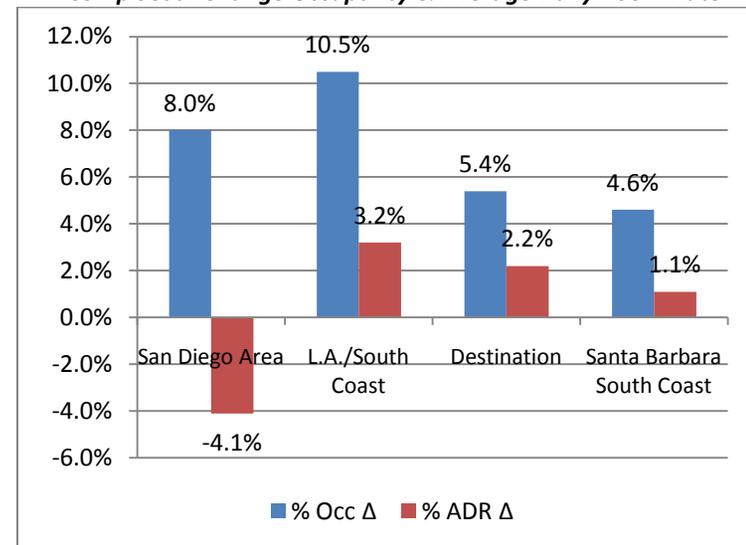
Competitor	2010 Occ	2010 ADR
<b>San Diego Area</b>		
Carlsbad/Oceanside	61.8	\$ 114.8
San Diego/La Jolla	67.0	\$ 147.5
City of Dana Point, CA	56.0	\$ 219.0
City of San Diego, CA	69.3	\$ 126.1
Average	<b>63.5</b>	<b>\$ 151.9</b>
<b>L.A. /South Coast Area</b>		
City of Laguna Beach, CA	64.8	\$ 229.4
City of Huntington Beach, CA	67.5	\$ 141.0
City of Newport Beach, CA	67.2	\$ 165.1
Average	<b>70.8</b>	<b>\$ 225.0</b>
<b>Destination Areas</b>		
San Luis Obispo County,	59.0	\$ 111.0
Monterey County, CA	58.2	\$ 157.1
Sonoma County, CA	60.0	\$ 110.5
Average	<b>62.0</b>	<b>\$ 150.9</b>
<b>Santa Barbara Area</b>		
Carpinteria and Santa Barbara	70.0	\$ 165.5
Goleta	76.3	\$ 135.5
Average	<b>73.2</b>	<b>\$ 150.5</b>

Source: Smith Travel

In terms of occupancy, the Santa Barbara area viewed against other regions had the highest occupancy figures. With regard to Average Daily Rate, the Los Angeles/South Coast Area had the highest with all other areas very similarly priced below it. In terms of growth rates the picture takes on a different view overall with several trends apparent, as described below.

1. Santa Barbara South County has the slowest growth in both occupancy and Average Daily Rate. This may be due in part to the minimal declines the area recently experienced compared to other competitor destinations.
2. It is clear that while the San Diego area has seen significant growth, it has come at the expense of reduced room rates compared with other destinations that have seen both occupancy and ADR increases.

**Figure 10**  
**Comp Set % Change Occupancy & Average Daily Room Rate**



Source: Smith Travel

## B. Group Destination Competitors

A number of the destinations that Santa Barbara competes with for leisure travel are also competitors for group destinations. The South County of Santa Barbara competes for Southern California groups with other Southern California destinations. It also competes nationally for groups looking to meet in the Western United States with a number of those same California destinations as well as selected national destinations. The group destination comp set includes the following:

### National Destination Competitors:

- San Diego - Major national destination with private and public facilities and excellent air access via San Diego Airport.
- Scottsdale AZ - Major national destination with private and public facilities and excellent air access via Phoenix/Scottsdale Airport.
- Palm Springs - Major desert (counter season) destination with both private and public sector facilities and air access via Palm Springs Airport. Offers similar off season desirability.
- Monterey - Major coastal destination with both private and public sector facilities and air access via local airport plus San Jose.

### Regional Competitors:

- Laguna Beach - Regional competitor, primarily private sector facilities with air access via John Wayne/Orange County airport.
- Newport Beach - Regional competitor, primarily private sector facilities with air access via John Wayne/Orange County airport.
- Santa Monica - Regional competitor, primarily private sector facilities with air access via Los Angeles International Airport.



### **Plan Insight**

- As might be expected the primary competition for Santa Barbara South County is from other competitive destinations within the Southern California marketplace and it appears that against that competition the area has fared well.
- The Santa Barbara South County area occupancy and Average Daily Rate compares well with other areas. When comparing 2010 vs. 2009 though, growth rates are slower than other competitive areas for reasons that were previously cited.
- With regard to the group market, competition exists not only with traditional Southern California competitors but also Scottsdale and other western destinations, which not only offer competition for groups but also leisure travel. In addition, their counter seasons (their strong seasons are Quarters 4 and 1) have historically been Santa Barbara's weaker demand seasons.

## **Part 4: Goals and Guiding Principles**

### **Goal:**

Increase overall demand for overnight visitation (group and leisure) during key times of the year (specifically during the fourth and first quarter) in an effort to increase revenues, employment and taxes in Santa Barbara, Carpinteria, Goleta and the unincorporated South County area.

### **Guiding Principles:**

1. Continue to effectively position Santa Barbara as a world class destination to its key target segments.
2. Educate consumers on the availability of a wide range of lodging and activity price points.
3. Increase marketing focus to key niche segments including sports and recreation, wellness, ecotourism, arts and culture, food and wine and literary tours in an effort to increase visitation to the area.
4. Increase room nights and grow occupancy by attracting longer stay, higher economic impact destination visitors.
5. Increase the role of technology in the bureau's marketing efforts in an effort to broaden the reach.
6. Increase emphasis on promoting Santa Barbara as a destination for groups.
7. Increase emphasis on promoting Santa Barbara as a film location.

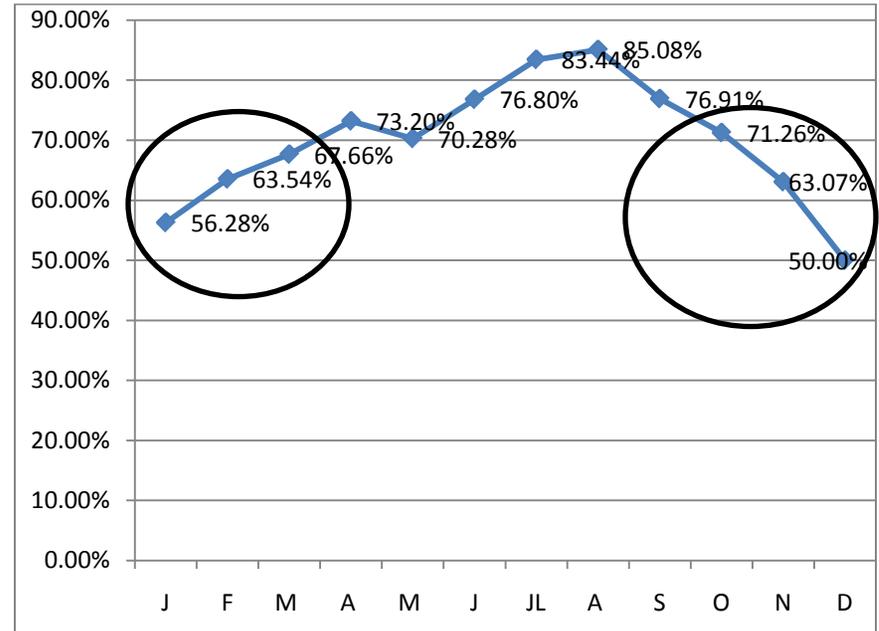
## Part 5: The Destination Opportunity

### A. Identifying the Lodging Potential

With the addition of TBID funds, Santa Barbara South County has a unique opportunity to strengthen its tourism economy with increased marketing and promotional efforts.

Lodging workshops revealed several key opportunities including an increased focus on generating demand during (calendar year) Quarter 4 and Quarter 1, which are typically the lowest occupancy times of the year. The figure on the next page illustrates the current demand levels. Average occupancy for calendar year Q1 is 62% and for Q4 61.5%.

**Figure 11**  
**Occupancy Areas of Opportunity**



Source: PKF

In terms of available room nights sold within the destination, the table on the next page identifies that there are approximately 137,313 room nights available during Quarter 1 and 142,211 available during Quarter 4.

**Table 9**  
**Potential Room Nights Available**

	Q1	Q4
Average Occupancy	62%	61.50%
# of Rooms	4,015	4,015
# of Nights	90	92
Rooms Sold	224,037	227,169
Max Room Available	361,350	369,380
Room Potential	137,313	142,211

Overall the opportunity exists to increase room nights sold by 50-60,000 through 2015. Specific opportunity exists to increase both the number of rooms sold and the overall room revenue during the first and fourth quarters. In achieving this number the destination will grow its annualized occupancy to 80%. While this goal may be challenging in light of the tough economic times, the additional resources available to the bureau provide the necessary investment.

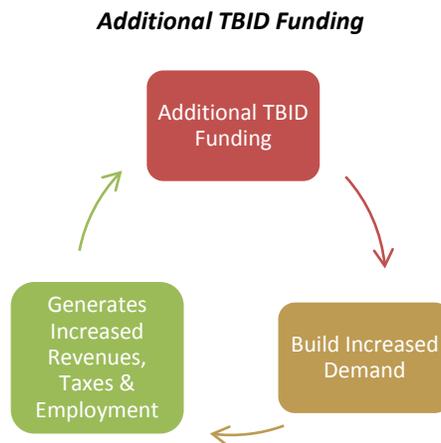
The following page outlines a return on investment based on continually increasing occupancy with minimal annual Average Daily Rate increases of approximately 2.5% annually. This is based on the need to increase demand for lodging first then work on improving Average Daily Rate as demand increases.

**Table 10**  
**Santa Barbara South County**  
**Projected Return on Investment Scenario**

Annual	2011 Base Year	2012 Year 1	2013 Year 2	2014 Year 3	2015 Year 4	Incremental Total
<b>Scenario 1:</b>						
Rooms Available	4,015	4,015	4,015	4,015	4,015	20,075
Occupancy	72.0%	73.0%	75.0%	77.0%	80.0%	75.4%
Rooms Sold	520,344	527,571	542,025	556,551	578,160	2,724,651
Incremental Rooms	0	7,227	14,454	14,526	21,609	57,816
ADR	\$135	\$138.38	\$141.83	\$145.38	\$149.01	\$144
Incremental Revenue	0	\$1,000,036.13	\$2,050,074.06	\$2,111,832.54	\$3,220,019.29	\$8,381,962
Incremental Cost	0	\$1,200,000	\$1,400,000	\$1,600,000	\$1,800,000	\$6,000,000
ROI	0	\$0.83	\$1.46	\$1.32	\$1.79	\$1.40

Notes:

1. Base year is based on the number of rooms available for total county x 365 nights.
2. Occupancy is estimated to be 72% for the region.
3. Incremental rooms are defined as the difference in room nights sold from one year to the next.
4. ADR=Average Daily Rate is conservatively based on PKF.
5. Incremental Revenue is defined as the difference in revenue from one year to the next.
6. Incremental cost is defined as incremental marketing cost from the BID funding.
7. ROI is defined as incremental revenue / incremental cost.



The bureau will use the additional TBID funding to increase overall demand for the destination, which will in turn increase revenues, taxes and employment for the Santa Barbara South County area.

**B. Opportunity Model**

The opportunity model is designed to illustrate the flow of activity needed to maximize demand and increase room nights by 50,000 during the first and fourth quarter. It is based on the following assumptions.

**Leisure Travel:**

1. There is a need to increase room sold by approximately 50,000 over the next 5 years.
2. The average length of stay is 2.5 nights.
3. It is estimated that approximately 20,000 bookings need to be generated.  $50,000/2.5=20,000$
4. Assuming that there is 10% conversion rate of individual website users who visit the bureau website that actually end up booking a trip, it will be necessary to increase individual website users by approximately 190,000 over the next 5 years.

**Group Sales:**

1. Increase confirmed group rooms by 5,000 over the next five years with additional TBID resources.

**Miscellaneous:**

1. Increase extended stay by 2,800 rooms.

<b>Part 1: Projected Leisure Rooms</b>	
Rooms sold target:	50,000
Avg. length of stay:	2.5
Booked reservations:	20,000
Percent conversion:	10%
New website users needed:	190,000
<b>Part 2: Projected Group Rooms</b>	
Increase group rooms sold:	5,000
<b>Part 3: Projected Miscellaneous</b>	
Extended stay + new events:	2,800
<b>Total Rooms</b>	<b>58,000</b>

**Note:** It will be important for the bureau to measure the effectiveness of its efforts using the 2011 Website Return on Investment (ROI) Study they are now conducting.

## **Part 6: Marketing Strategy**

In order to achieve its stated goals and to develop a sustainable tourism marketing program, the bureau must continue to successfully position and differentiate the destination, optimize technology and focus on both market penetration and new market growth.

### **A. Marketing Strategies**

Those marketing strategies required to achieve the previously mentioned goals consist of four Core Clusters, illustrated below.



### **Branding and Technology**

#### **1. Continued Brand Development**

Given the competitive destination marketing environment it is critical for the bureau to continue to build brand awareness and

interest in visiting Santa Barbara South County. The additional funding and the retention of a new advertising agency, MMG Worldwide, will fully support those efforts. Brand development efforts will benefit the region in all its segments, including leisure, group and film.

Additionally the bureau must continue to communicate the lifestyle that can be associated with this region, making a visit more than just wine and beaches, but something to truly aspire to. The bureau needs to drive consumer desire to experience the Santa Barbara lifestyle no matter the price point.

#### **2. Integrated Technology Platform**

With the retention of the new advertising agency the bureau has a unique opportunity to further its efforts in communicating its brand message across a variety of technology platforms. Moving forward, the bureau should continue to support an integrated approach using the following available tools.

- SEO & web content
- Online branding and display ads
- Paid search
- Multimedia
- Social media
- Email marketing
- Mobile marketing

In addition, the bureau should ensure this integrated approach is used across functional departments, including group sales, film commission and public relations.

## **Market Development**

### **3. Domestic Market Development**

A third strategy component is an increased focus on destination markets beyond Southern California as well as softer demand seasons (Winter and Fall). Destination market segments typically stay longer, spend more and have an overall greater economic impact. Additionally, they tend to have some part of their stay over the mid-week thus improving occupancy. This is not to suggest the bureau should eliminate its focus on Southern California, but find ways to expand its reach in destination markets as well.

### **4. Increased Core Market Penetration**

While Southern California has traditionally been the primary market for the area, opportunity exists within the market to attract segments that may perceive the destination as too expensive. The South County area boasts not only a wide variety of lodging price points, but also a variety of activities/experiences that appeal to different segments. Driving summer mid-week visitation from those segments could help increase overall occupancy rates.

### **5. International Market Development**

In addition to domestic market development, the area is uniquely positioned to also take advantage of international visitation. The bureau should partner with the California Travel and Tourism Commission for representation, sales missions and familiarization

tours in the UK, Canada and Australia. Additionally representation in those markets should be leveraged to develop targeted promotions and draw new business.

### **6. Develop Strategic Alliances**

In focusing efforts on domestic and international markets, which can be cost prohibitive, the bureau should consider strategic alliances with other similar quality destinations/travel partners with similar interests and objectives. These alliances can include everything from just simple information gathering to cooperative marketing efforts that include advertising, promotions and more.

## **Increased Marketing Focus**

### **7. Increased Focus on Niches**

The area has a long established broad appeal to its core primary market. Opportunity exists to go deeper into core markets as well as destination markets by increasing focus on niches. Current primary niche segments include food & wine, arts & culture, and shopping. Additional potential exists by tapping into other recreational segments and tailoring messages and photography to those niches. Potential niches could include activities like kayaking, road biking, surfing, golf, eco-tourism and wellness. Reaching these niches is cost effective using targeted online and public relations platforms, along with retail/consumer goods promotional partners.

## **8. Seasonal Event Themes**

The Santa Barbara South County area boasts a wide variety of year round special events and opportunity exists to develop strategic seasonal themes which the bureau can then promote. This bundling can help to create awareness for shoulder seasons by emphasizing the variety of activities and events occurring in Santa Barbara. Additionally, it works by also creating a bigger perception of the destination than just a single event. For example, the bureau can create a theme for each of the different seasons and promote individual seasons, and bundle individual events within the season. This bundling should help drive demand and ultimately help with the objective of increasing room night occupancy.

## **9. Broaden the Marketing Mix to Include Promotions**

Another tactic that can support other marketing efforts is the implementation of promotional ideas that complement other targeting efforts. Unique high quality promotions (pop up store fronts, etc.) have the potential to not only create awareness and target and communicate to key target segments, but they can also align the destination with other complementary products, destinations and services. Promotions along with advertising, public relations and special events can create a collaboration that effectively increases awareness as well as interest in visiting the destination. It should be noted that the bureau's most successful promotions have focused on customer value and improving room nights sold.

## **10. Increase Awareness of Lodging Diversity**

In an effort to be a catalyst for increased demand for all types of lodging properties, there is an opportunity to broaden and clarify the presentation of available lodging choices. Improved categorization should be considered so consumers can clearly see the full range of choices. Improved delineation of choices could include B&Bs, branded hotels, independent hotels, classic motels etc. In this way unbranded lodging properties have an improved chance of being considered, and most importantly consumers are given information on a wider range of choices to fit their budget needs.

### **The Experience**

## **11. Continued Emphasis on Destination Authenticity**

One of the unique opportunities that the destination should not only continue to promote but also emphasize more is Santa Barbara's authenticity. Visitors should be able to learn about the various activities, culture and interests of the local community which ultimately gives Santa Barbara its sense of place. By providing consumers with information on these activities, it gives them a chance to experience Santa Barbara South County's authentic flavor, and ideally develop a special bond with the destination by creating memories that encourage them to return.

## 12. Increase Length of Stay

A key incremental strategy to increase room nights is to continually remarket to visitors the opportunity to participate in and experience all that Santa Barbara has to offer, in an effort to extend visitor stay. This opportunity occurs in two key areas of destination decision making. First when consumers are considering the area and have sample itineraries and additional information that suggests to them they should plan on staying longer. Secondly, upon arrival, consumers should be provided with information and suggestions that allow them to consider extending their stay. Every opportunity must be used to increase incremental room nights.

### B. Making the strategy work

Given the prominent role that the Internet plays in travel planning, Santa Barbara's marketing efforts should continue to drive potential visitors to its website. The addition of TBID funds should help Santa Barbara South County increase these efforts. At the core of the strategy are two basic principles:

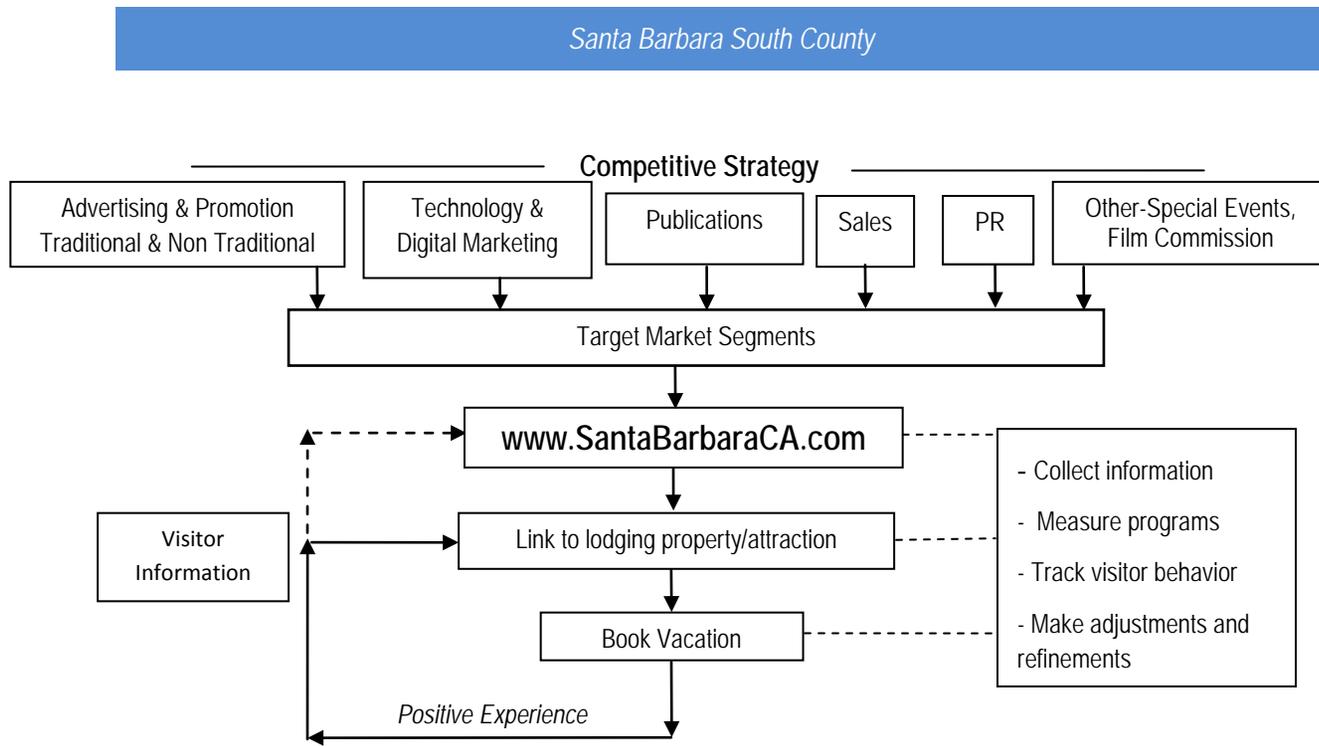
- The best organization to create awareness and brand positioning is the bureau.
- The best organization to book a room or make a sale is a lodging property.

#### a. How the strategy works (see model on following page)

1. Marketing efforts (online advertising, public relations, special events, etc.) are used to attract target market segments and to increase the existing database for future

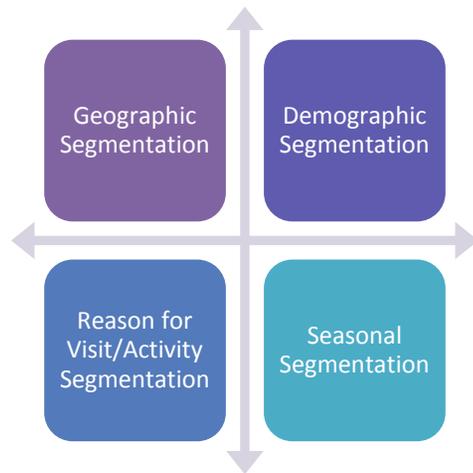
tourism marketing efforts. Once the target segment is attracted, they either show interest (go to the website) or not.

2. Once they go to the website, at some point they may click on a lodging property or attraction. At that time, it becomes the responsibility of the lodging property or the attraction to make the sale.
3. Based upon their experience, new visitors either become repeat visitors going back to the lodging property/attraction directly, or back to the bureau's website to choose another lodging property or attraction, or they fall out of the entire system.
4. The bureau can measure its effectiveness and accountability at several points. First, it will be able to measure how many visits are generated overall by its marketing efforts. Second, it can develop online surveys to determine how people got to the website. Third, it can measure how many visitors (leads) it provides to its members. Fourth, it can tag visitors on its home page and track what actions they take at the lodging property or attraction (i.e. make a booking, request more information, etc.).
5. At each visitor contact, information is collected. This information is then used to continue to keep visitors educated as well as to refine the approach in each subsequent visitor attraction cycle. It also helps to grow the database for future marketing efforts.



## **Part 7: Target Markets**

In identifying the target markets for Santa Barbara South County, SMG developed the following segmentation matrix, which includes geographic markets, along with seasonal, demographic and activity participation segmentation. The following segmentation is based on visitor profile data (found in the Appendix) and input from the lodging industry through the lodging workshops.



**Geographic Segmentation- Primary target markets include:**

### **Regional/Drive Markets**

- **Southern California**

- Greater Los Angeles
- San Diego
- Orange County
- Riverside County

- **Northern California**

- Central Valley
- Bay Area

### **Non-Stop Fly Markets**

- Denver
- Phoenix
- San Francisco
- Seattle

### **Destination Fly Markets**

- Portland
- Dallas
- Chicago
- New York

### **International**

- United Kingdom
- Australia
- Canada

### Demographic Segmentation

In terms of target demographic segment, interviews identified the following core segments.

- Age: 35-65 but can skew younger (25-35)
- HHI: \$70,000
- Families

### Seasonality Segmentation

Interviews clearly identified the priority seasons to focus marketing efforts on as the following, in order of priority:

- Quarter 4 - Shoulder Season
- Quarter 1 - Winter Season

The general thinking was that the summer season was the area's strongest season and that incremental dollars should be focused on the shoulder seasons.

It was also suggested that shoulder season marketing programs should focus on the higher income 50+ age demographic. Additionally, efforts should emphasize visits that would include weekend and mid-week nights.

### Reason for Visit/Activity Segmentation

- Business/meetings
- Leisure
  - Escape
  - Shopping
  - Dining
  - Recreation
  - Romance
  - Food & wine
  - Special events
  - Arts & culture
  - Wellness
  - Eco-tourism

## **Part 8: Action Steps**

### **I. Branding/Advertising**

#### **Primary Goal**

- Effectively position Santa Barbara South County Area as a major California destination and creating interest and desire to visit the destination in an effort to increase demand.

#### **Objectives:**

1. Effectively implement refreshed brand platform and architecture (brand essence, values, promise, experience and voice) by demonstrating authenticity, the Santa Barbara lifestyle and passion activity groups to increase top of mind awareness.
2. Generate off-season focus on target markets (regional and non-stop/direct/destination fly markets) with targeted efforts that are measurable.
3. Focus media (Traditional and Online/Digital) on key target markets.
4. Implement advertising programs designed to drive consumers to the bureau website.

#### **Programs:**

##### **1. Creative**

- Develop new creative ad campaigns with a sophisticated design strategy, powerful photography, and direct response language to drive overnight stays.
- Expand creative strategy to target passion groups and better promotion of co-op and TBID partners.
- Develop new brand messaging that reflects the refreshed brand platform, differentiates the destination, demonstrates value and emphasizes organic product and cultural offerings inherent to the city. Integrate new messaging across all marketing programs, where relevant.
- Update NEW Print and Online/Digital campaign to accommodate a variety of ad sizes and new co-op/TBID partners based on participation.
- Develop new content assets (ex: video, imagery, copy) designed as brand drivers of Santa Barbara. Leverage new asset platform with distribution across marketing channels such as advertising, online, website, social media, sales/trade shows, publications and public relations.
- Develop strategic partnerships with consumer brands or travel industry products to generate brand awareness and affinity for Santa Barbara.

##### **2. Media Buy**

- Expand media channels and programs to include print, online/digital, mobile, social and broadcast, where possible.
- Target geographic regional/direct, non-stop, direct and destination fly markets; demographic age 35-65 (secondary skew of 25-35) with HHI greater than \$70k; behavioral

marketing such as passion groups such as food/wine, outdoor recreation, arts and culture, families and green travel.

- Secure co-op/TBID partnerships for media placements.
- Launch year round media campaign with primary focus during offseason (October – May) as well as key promotional periods specifically targeted throughout the year.
- Explore media partnerships with CTTC as well as Associations and CVB's for Domestic and International programs.

#### **Print:**

- Secure insertions in relevant Travel and Lifestyle publications and newspaper tiles that meet targeting requirements.
- Support local city (Central Coast and Solvang/ Santa Ynez) and state guides (CTTC/CA).

#### **Online/Digital:**

- Implement a year round integrated campaign with pay per click, display/rich media, and email; targeted based on geographic origin, demographics and behavioral marketing.
- Implement mobile programs via SMS to drive to newly re-launched mobile website.
- Implement social media advertising programs via established channels (Facebook/Twitter) and new platforms (Foursquare/Gowalla) to support promotional programs and advertising campaigns.

- Based on performance, continue with Trip Advisor Destination Sponsorship confirmed in 10/11 fiscal year.

### **3. Cooperative Advertising**

- Continue to design and execute the Bureau's integrated co-op/TBID advertising platforms through print, online, website and direct communications.
- Integrate new media co-op partnership opportunities such as mobile website, Trip Advisor Sponsorship Program and the Auto Responder.
- Continue to explore new opportunities for co-op advertising.
- Disseminate reporting to all co-op/TBID advertising partners.

### **4. Direct Communications**

- Develop marketing program to build incremental customer acquisition to build consumer database.
- Revisit creative strategy for direct communications.
- Distribution of 6 issues of Lifestyle. Santa Barbara (general interest newsletter).
- Distribution of 13 issues of supporting niche newsletters: Sip & Savor, Go Play, Go Outdoors and Arts & Culture.
- Distribution of special standalone emails to support overall marketing and promotional programs.
- Improve performance metrics with dynamic and refreshed content from the Bureau and co-op/TBID advertising partners.

## 5. Promotional Programs

- Develop 3-5 revenue generating leisure promotions in support of incremental room nights during off season.
- Expand and execute niche promotions such as epicure.sb, Film Feast and specific to arts and cultural offerings in Santa Barbara.
- Continue to establish metrics, track promotions, and solicit input from participating partners in order to gauge overall performance.

## 6. Measurement

- Implement a multi-channel measurement platform to track defined metrics and goals as defined in the Strategic Marketing Plan.
- Monitor metrics/goals and deliver specific reports to relevant Board and Committees.

### Success Measures:

- Website statistics and analytics to review overall site performance:
- Generate approximately 650,000 unique visits (Google analytics) to SantaBarbaraCA.com (6% increase).
- Maintain a bounce rate of 45% or less.
- Continued brand affinity, awareness and positive positioning of the destination in both paid and unpaid media.
- Tracking of print campaign through unique URL's and phone numbers.
- Execute at least 26 direct emails to our database and improve CTR levels by 1-2%.
- Execute earned cooperative revenue of \$150,000 or less and maintain increase cooperative partner participation.
- Respond to 8,000 consumer emails and 4,500 consumer calls.

## II. Publications

### Primary Goal

- To continually provide user friendly information in a variety of different formats in an effort to inform consumers about the Santa Barbara South County area (Visitors Magazine and In-Market Magazine covers the entire county) with appropriate trip planning/decision making information.

### Objectives:

1. Produce collateral information with intelligent design that is consistent with the brand platform and communicates key destination drivers.
2. Coordinate publications and collateral materials with the website and maximize digital opportunities to minimize costs.
3. Develop and distribute collateral that is accurate, timely and serves as a valuable resource for visitors and local industry partners across a variety of platforms.
4. Assess the potential for information dissemination using additional electronic platforms to enhance current tradition pieces (see online and technology section.)

### Programs:

#### 1. Visitor Publications

- Produce two visitor publications: *The Santa Barbara Visitors Magazine* (90,000 copies) and a new in-market magazine, *NEXT. Go. See. Do.* (40,000 copies).
- Integrate clean, simple, and sophisticated design with graphic treatments that are unique and engaging. Develop new covers for visitor publications.
- Develop inspiring and fresh editorial with local writers and travel specialists.
- Feature real life experiences in the destination to create a strong emotional appeal for the reader. *Note: Editorial, special features and imagery will be refreshed every year.*
- Acquire new photography to be featured in publications.
- Develop new distribution channels (both offline and online) that bridge the gap from offline marketing to online consumer planning /purchase cycle. These channels would include corporate offices in Los Angeles, new California Welcome Centers and promotional opportunities. Revise in-market magazine distribution strategy based on launch of *NEXT. Go. See. Do.*
- Provide accompanying mobile application for in-market magazine, *NEXT: Go. See. Do.* (see Technology section).

**2. The Source**

- Continue to evolve the messaging and design strategy for *The Source* in order to perform as the leading tool for corporate meeting and event planners, tour operators and event specialists.

- Monthly Marketing Report
- Annual Report: recap of the business year with results
- Marketing Plan
- Cooperative Brochure – digital only

*Note: As a cost savings, many, if not all reports, will be published online only.*

**3. Virtual Publications**

- Develop and post digital versions of publications and make available the below tools on SantaBarbaraCA.com and through mobile channels such as smart phones, tablets, etc:
  - *The Santa Barbara Visitors Magazine*
  - *NEXT. Go. See. Do.*
  - *The Source*

**4. Brochures:**

- Continue to promote and supply niche marketing brochures and guides, while supplies last. Additionally, make available on SantaBarbaraCA.com:
  - *Sideways, The Map*
  - *101 Free Things To Do On The American Riviera®*
  - *Red Tile Walking Tour*

**Corporate and Industry Collateral:**

- Disseminate news and information to the local hospitality community and membership through electronic publications.
  - Cultural Concierge (weekly): highlighting cultural events for the current week
  - Signals (quarterly): informative travel and tourism trends on both a local and global level
  - Actions (quarterly): recent business activities and results from the Bureau

**Success Measures:**

- Distribution of *Visitors Magazine* to 90,000 consumers.
- Distribution of *NEXT.Go.See.Do* to 40,000 consumers.
- Distribution of 7,500 copies of *The Source*.
- Expand number of advertisers in all publications.
- Generate greater online viewership of visitor publications.

### III. Public Relations

#### Primary Goal

- Produce timely, relevant and inspiring content that can be distributed across all bureau platforms in an effort to create awareness and desire for the Santa Barbara South County area.

#### Objectives:

1. Generate increased press/awareness for Santa Barbara in targeted national (fly markets) and regional markets.
2. Leverage California Travel & Tourism Commission media opportunities both domestically and internationally.
3. Increase the number of individualized pitches and development of new story ideas. Pitch a minimum of 10 contacts a month and distribute media newsletter monthly.
4. Increase face time with targeted media. Secure a minimum of 25 one-on-one media meetings and produce at least one major media event.
5. Expand and enhance bureau video assets to take advantage of broadcast and online opportunities. Produce new HD b-roll.
6. Maintain a frequently updated blog for SantaBarbaraCA.com and take advantage of independent blogging opportunities to communicate unique aspects of the destination.

7. Drive traffic to SantaBarbaraCA.com through earned media coverage and create demand for the destination.

8. Increase focus on destination markets with relevant topics as part of an integrated marketing approach.

#### Programs:

##### 1. Marketing Outreach:

#### Communication

- **Media Pitches:** Regularly pitch key media with customized story ideas to all target segments and markets. Including “passions of Santa Barbara” (activities) and the variety of lodging available at different price points.
- **Media Newsletter:** Produce and distribute Santa Barbara Short Cuts media newsletter monthly.
- **Press Releases:** Write and distribute press releases on major Bureau promotions and timely/seasonal story ideas, including epicure.sb, winter holidays and Film Feast.
- **Blog:** Maintain a blog on SantaBarbaraCA.com with a minimum of one entry per week and contribute as a blogger on sites such as Jet Set Extra.
- **Video:** Distribute original video content created by advertising agency to communicate news and story ideas.

#### Media Familiarization Visits

- **Individual Press Trips:** Host a minimum of 40 domestic media and 25 international media on individual familiarization visits. Design customized itineraries for visiting media with support of hosting partners. (TBID funds can help us sponsor airfare for some A-list media, something we were not able to do in the past and needed to attract top tier media).

- **Group Press Trips:** Partner with California Travel & Tourism Commission and other California destinations to host group press trips. Produce two group press trips in partnership with local organizations and partners to showcase niche themes such as sustainable, culinary and family.
- **Social Media Press Trips:** Host bloggers on promotional visits to generate content (written, photo and video) for bureau website and social media channels.

#### Relationship Building

- **Media Receptions:** Participate in California Travel & Tourism Commission media receptions in Los Angeles, San Francisco and New York. Participate in select international Discover America Media Marketplaces.
- **Media Calls/Sales Trips:** Conduct one-on-one meetings with media in key Western markets and New York. Participate in California Travel & Tourism Commission's Canadian Media Mission and key international media networking events.
- **Media Events:** Produce and host an interactive media event in New York and other key media markets TBD.
- **Professional Associations:** Actively participate in programs of the Society of American Travel Writers (SATW) and Bay Area Travel Writers associations to increase face time with travel media and build new relationships. Attend the annual SATW conference (October). Maintain membership and active participation with the Public Relations Society of America's Travel & Tourism Section to strengthen relationships with public relations colleagues create partnership opportunities and keep abreast of industry trends.
- Attend Media Bistro and Los Angeles Consortium for Online Travel networking events.

## 2. Local Media & Partner Communications

- **Monthly Media Update:** Produce monthly media update reporting real time activities and recent media coverage.
- **Clipping Distribution:** Provide members and community partners with press clippings from hosted familiarization visits, including data on audience reached and the value of the coverage.
- **Press Releases:** Produce and distribute news releases and media advisories for local media promoting Bureau programs, tourism industry trends and news and messages about the positive impacts of tourism and film production.

## 3. Infrastructure

- **Online Press Room:** Update and maintain online Press Room including downloadable photography and up-to-date news releases and newsletters.
- **PR Software:** Monitor and utilize the Bureau's subscription to Vocus, a web-based public relations software platform that tracks press clippings and media communications; generates activity and news reports; distributes news releases directly to media contacts; and provides a comprehensive international media database with contacts and editorial calendars. Subscribe to TVEyes video monitoring clip service to supplement Vocus broadcast tracking and capture video content for social media distribution. Utilize PR Newswire and TravMedia to extend the reach and pick-up of major announcements.
- **B-Roll:** Produce/obtain fresh HD B-roll footage to meet the needs of broadcast and web media and support the bureau's messaging and the destination's key selling points.

**Success Measures:**

- Track the volume of media coverage, audience reached and paid advertising equivalent value.
- Achieve a minimum of 650 placements, 375 million impressions and \$10 million PAE.
- Track the pick-up of specific story idea themes, with a minimum of 25% of total coverage reflecting specific bureau pitches, top angles and promotional campaigns.
- Generate a minimum of 100 print and online placements including the SantaBarbaraCA.com URL.
- Generate a minimum of 20 local news stories reporting on the tourism industry.

## IV. Group Sales

### Primary Goal

- Increase overnight room demand for Santa Barbara South County as a group meeting destination.

### Objectives:

1. Increase the Santa Barbara South County's visibility as a destination for meetings, weddings, events and group/leisure tour and travel.
2. Generate business mid-week and shoulder and off season.
3. Be a catalyst in creating cooperative opportunities for hospitality partners to interact with clients and promote Santa Barbara as a destination for groups.
4. Leverage relationship with the California Travel and Tourism Commission and the Central Coast Tourism Council to reach domestic and international clients.
5. Implement a platform for destination promotions to targeted group segments
6. Utilize social media in an effort to promote Santa Barbara South County for group business
7. Attend, or provide support, to those attending events that attract our passion groups in an effort to showcase the South County as the destination of choice.
8. Expand cruise ship presence and develop tactics for return visits.

### Programs:

#### 1. Sales Missions/Client Events

- Client Events to be held in California (Orange County, Los Angeles and San Francisco Bay area), New York City and Washington DC.
- Washington DC Client Event will be in partnership with Annapolis Maryland CVB with the purpose of promoting an East Coast/West Coast meeting rotation.
- Sales Calls to be conducted in San Diego, Orange County, Los Angeles County, San Francisco/Bay Area and Kern County.

#### 2. Familiarization (FAM) Trips and site visits

- Coordinate-individual site visits and FAMs targeting key planners and operators.
- Host an industry event such as SITE or MPI. Use the opportunity to showcase the destination; thus providing a FAM for the destination.
- Participate in FAM tours arranged by California Travel and Tourism Commission and Central Coast Tourism Council to showcase Santa Barbara as the destination of choice on the Central Coast.
- Promote Pre-post International Pow Wow FAMs trips.

### 3. Industry Tradeshows, Meetings & Sponsorships

#### Meetings Tradeshows

- American Society of Association Executives (ASAE) Annual Meeting
- California Society of Associations Executives (CalSAE) Seasonal Spectacular and Annual Conference
- Incentiveworks
- IMEX America
- Conference Direct Partner Meeting
- Society of Incentive & Travel Executives (SITE) Fundraiser
- California Society of Associations Executives (CalSAE) Seasonal Spectacular
- Destination Showcase Washington, DC
- Northern California MPI Expo
- Southern California MPI Expo

#### Tour, Travel and Leisure Tradeshows

- International Pow Wow in 2012. Partner with Universal Studio's and the Central Coast Tourism Council (CCTC) on a central coast wine sponsorship.
- Participate in The California Cup, a tour and travel industry event attracting key operators from around the world. Host event in 2014.
- Australian Sales Mission
- World Travel Market (WTM)
- European Sales Mission (Germany, UK and Ireland)
- Sunset Savor the Central Coast

#### Cruise Ship Tradeshows/Meetings:

- Sea trade Cruise Ship Convention
- Annual North West and Canada Cruise Association (NWCCA) meeting

#### Industry Meetings

- Develop Customer Advisory Committee, composed of meeting planners, to act as a sounding board for group promotions, incentive programs and overall messaging.
- Quarterly participation in association meetings to ensure Santa Barbara is top of mind with target audiences. Attend Meeting Professionals International (MPI) Southern California and Northern California meetings and the Society of Incentive & Travel Executives (SITE) Southern California meetings.
- Attend monthly meetings of the Central Coast Tourism Council (CCTC). Maintain position on Board of Directors and involvement in sub-committees.

### 4. Advertising/Promotions

- Contract for travel trade and media representation with Black Diamond in the UK to keep Santa Barbara top of mind as a travel destination.
- Contract for travel trade and media representation with Gate 7 in Australia to create brand awareness and demand for destination.
- Distribute quarterly e-newsletters to 5,000 meeting planners, Special Interest Groups, and tour and travel professionals, to keep Santa Barbara top of mind, highlight group specials and promote tours and attractions.

**Social Media:**

- Integrate into group sales marketing strategy in FY 11/12 for group business, i.e. LinkedIn capability to stimulate on-line networking and to mine for potential business, Twitter for communication of group promotions, posting video itineraries for Tour and Travel.

**Community Support:**

- Facilitate monthly South County Director of Sales (DOS) meetings.
- Increase partnership opportunities with individual hotels by making destination sales presentations at their respective client events and FAMs.
- Continue to work with local businesses and hospitality members to identify and target affiliate associations for group business.

**Media Outreach:**

- Provide meetings and events media meetings and events media with updates in an effort to create interest in Santa Barbara as a meetings and weddings destination. Emails are sent to targeted meetings, corporate and weddings publications.
- **Publishing:** Produce annual meeting and event planners guide, The Source: Inspiring Meetings and Events in Santa Barbara. The Source is the primary fulfillment piece for the group sales department during trade shows, sales events, familiarization trips and other client interactions.
- **Prospecting and Solicitation:** Complete 30 sales calls per week. Approximately 25% of the calls are made to clients who have been qualified as having business for Santa Barbara and 75% are to new accounts to identify and develop new business.

**Technology/Staffing**

- Employ third party services to assist with prospecting and lead generation.
- Develop promotional video for pre-conference promotion.
- Develop, in conjunction with marketing department, video library for consumer and group promotions.

**Success Measures:**

- Generate 150 room night leads.
- Generate 11,000 definite room nights.
- Host 10 FAM trips targeting planners and tour operators.
- Conduct 35 individual site visits for planners and tour operators.
- Increase traffic by 5-7% to the meetings side of the SBCVB website.
- Increase click thru rate by 1-2% for sales e-newsletters.

## V. Technology/Online Marketing

### Primary Goal

- Position the bureau as a Web/Technology Centric marketing organization in an effort to drive consumers to Santa BarbaraCA.com.

### Objectives:

1. Continue to review the performance of the bureau website in an effort to make ongoing improvements and optimizations.
2. Grow social media platforms in an effort to expand exposure.
3. Identify new technology opportunities in an effort to more effectively present the destination.
4. Develop improved interface to lodging industry in an effort to more prominently showcase the range of lodging opportunities.
5. Develop improved user interface in an effort to connect with niche activities within the destination.
6. Implement improved photography that captures visitors “in the moment” enjoying the areas activities, i.e., surfing, shopping, dining, bike riding etc.
7. Continue SEO and website optimization in an effort to increase rankings on consumer search.

### Programs:

#### 1. Overall

- Monitor analytics and performance of website in order to implement improvements and updates.
- Evaluate the integration of new tools and make functional and strategic adjustments.
- Continue partnership with JackRabbit/Book Direct re: booking engine platform and explore/implement ecommerce for attractions on Book Direct Booking Engine.
- Adopt a content marketing strategy, with initial distribution through SantaBarbaraCA.com and social channels. Identify additional content channels in partnership with Communications/PR.
- Continue to develop new content and update messaging on quarterly basis. Leverage owned assets (ex: Blog) to expand reach and awareness. Refresh Auto-Responder program quarterly and incorporate as a cooperative advertising opportunity.
- Integrate new in the moment photography to support activities available in Santa Barbara.
- Provide itineraries on SantaBarbaraCA.com and distribute to lodging properties to encourage extended stays.
- Develop improved niche activity interface allowing users to more quickly reach areas of the website that have their interest.
- Develop additional lodging categorization to allow users to more easily see the variety of lodging available including branded and no branded properties.
- Continue to conduct website ROI study and user satisfaction survey for website. Present findings and implement changes as directed by study.

## 2. Mobile

- Re-design and expand mobile website to include additional content, functionality, social commerce and more. Implement reporting metrics and goals. Monitor monthly.
- Develop mobile SMS/text campaign based on new mobile database and new mobile website.
- Expand mobile marketing channels through media buys (see Advertising).

## 3. Applications

- Implement a Santa Barbara application to compliment Bureau visitor publication channels (ex: *NEXT: Go.See.Do*).

## 4. Social Media

- Continue to build audience on Social Media platforms in order to increase awareness and drive engagement to ultimately deliver incremental reservations to Santa Barbara.
- Drive engagement and interaction with Santa Barbara brand through creative programming and interesting content. Execute 1 contest on Facebook.com. Update 3-5 custom applications/API's. Establish hashtags for Santa Barbara and promotions throughout fiscal year to drive active audience engagement.
- Monitor social media platforms daily to proactively respond to inquiries.
- Integrate social media into offline channels, where relevant.
- Integrate social networking optimization into all communications.
- Generate brand advocates through crowd sourcing on social platforms.

- Expand presence on photo (ex: Flickr) and video sharing (ex: Hulu, Vimeo) social networks.
- Serve as a community expert regarding Location Based Social platforms (ex: FourSquare, GoWalla) as well as Flash Sale platforms (ex: Groupon, Living Social) for bureau members.
- Engage with prospective visitors through forums such as Trip Advisor, Yelp! And Yahoo Answers.
- Consider developing a community/private sale loyalty program.
- Develop and implement a social media center on SantaBarbaraCA.com
- Research, explore and establish performance metrics.
- Adopt a listening strategy through a social media monitoring service.

## 5. Website Analytics and SEO

- Develop a formal SEO site plan with SimpleView to enhance search rankings across all primary search platforms to ensure site success.
- Track and receive monthly, quarterly and yearly analytical reports detailing the performance of the website and online communications.
- Partner with SimpleView to continue maintenance and development of organic SEO focusing on the keyword program and evolution of the link-building initiative.
- Collaborate with SimpleView on strategies for future successes.

**Success Measures:**

- Generate approximately 650,000 unique visits (Google analytics) to SantaBarbaraCA.com (6% increase).
- Maintain a bounce rate of 45% or less.
- Generate a 3% site conversion rate for website engagement (defined as digital and print requests, enews sign ups, online brochure clicks)
- Generate approximately 51,000 hotel searches via JackRabbit/Book Direct booking engine on SantaBarbaraCA.com
- Expand database by 5% (or 1,785) with qualified contacts through promotional programs (example: sweepstakes participation).
- Fulfill approximately 14,700 online guide or brochure requests.
- Generate approximately 7,700 new newsletter registrants.
- Increase Facebook fans by 10% (approximately 2,500 based on 25,000 fans).
- Increase Twitter following by 10% (approximately 350 based on 3,500 followers).

## VI. Film Commission

### Primary Goal:

- Effectively position Santa Barbara County as a preferred location for film and commercial activities in an effort to generate increased room nights, TOT revenue, and positive PR for the destination.

### Objectives:

1. Continue to leverage California State Tax credits for feature film production and television in an effort to influence increased film and television production to Santa Barbara County.
2. To identify and cultivate commercial production companies, reality TV and catalog based still production companies which would consider bringing their business to Santa Barbara County.
3. To aggressively utilize all bureau marketing elements in an effort to communicate the variety of locations and “looks” which are available to prospective productions uniquely in Santa Barbara County.
4. To emphasize the ease in permitting for commercial and feature production throughout the City and County of Santa Barbara.

### Programs:

#### 1. Overall

- Promote Santa Barbara County’s rich variety of filming locations to Film, Television, Commercial and Still

Photography producers, scouts, and advertising agency personnel.

- Provide scouting tools for potential clients.
- Provide guides to local resources necessary for production, such as crew base listings, post-production facilities, equipment rentals, and more.
- Generate PR related to Santa Barbara based production.

#### 2. Tradeshows

- The “California Only Locations Tradeshow”. This show, more heavily attended than ever before due to the new California State Tax Production Credit, is dedicated to the promotion of in state production.
- The new “Produced By” conference. The AFCI Locations Tradeshow has joined with the Producers Guild in order to create an elevated event with higher quality of attendees. The SBCVB&FC is partnering with the CFC in a cost cutting measure to jointly occupy a booth, thereby delivering the same level of distribution for our marketing materials at a reduced price.

#### 2. Familiarization Tours

- Host two FAMS during the year targeted at production companies, location scouts, and agencies. FAM Tours take industry personnel throughout Santa Barbara City and County, showing them in person the variety of locations which are available for media production, and also acquainting them with film friendly lodging options for crew and above the line personnel.

### 3. Sales Calls

- The Film Commission will increase sales calls on Feature Production companies in Los Angeles in order to discuss filming opportunities in Santa Barbara County and distribute FC promotional materials, as well as to offer tailored presentations of locations options for specific projects.

### 4. Direct Marketing:

- The Film Commission is now and will continue to target production companies which have projects that have been approved for the California State Production Tax Credit, with direct marketing materials which will put Santa Barbara County at the top of the locations list for these pre-approved projects.

### 5. Film Newsletter:

- The Film Commission will continue to publish and will expand the subscriber base of the “Film Monthly Newsletter”. The Newsletter now goes out to over 2,000 industry personnel and every month provides a production update on local activity and also introduces a desirable new filming location to our subscribers. The “Location Spotlight” often results in an immediate increase in both inquiries and location rentals of local properties, both public and private.

#### Success Measures:

- Generate 50-200 leads from Production Companies attending Locations Tradeshows.
- Lead two FAMs for qualified production personnel in 2011.
- Increase E-Newsletter subscriber base by 5%.
- Increase physical scouting trips to Santa Barbara County by 5%.
- Direct mail marketing materials to all new productions approved by CFC for the California Tax Credit.
- Increase page views of FC website by 5%.
- Increase direct production spending in County (and City) by 5%.

## VII. Measurement

### Primary Goal:

- To provide the bureau and the broader tourism community with timely effective measurement of marketing programs and performance indicators for the industry.

### Objectives:

1. Timely measurement and reporting so as to facilitate needed changes in program implementation.
2. Inform and educate the tourism industry so they might also gain insight and make adjustments to their programs.
3. Utilize measurements for benchmarks in an effort to improve future programs.

### Programs

**1. Program Level Measurements-** These measurements would include measuring specific bureau programs in all areas including website, public relations, group sales, film etc. Many of these measurements have been in place and are already part of the bureau’s best practices. Samples include the following:

- a. Web site measurement to measure Web site performance by tracking the following:
  - Visits
  - Page views, time on site

- Top exit and entry pages, paths through the site and bounce rates in order to continually improve the site’s usefulness and efficiency for target market segments.

b. Group sales leads generated and converted

c. Film and commercials filmed in the area and their economic impact

d. Public relations advertising equivalents, etc.

Again the bureau already provides extensive program level measurement and would continue to do so with additional programs generated by TBID funds.

**2. Santa Barbara South County Lodging Measurements-** These would include traditional measurements such as Occupancy Rates, Average Daily Rate (ADR) and Revenue per Available Room (RevPAR). These measurements are typically year over comparisons and are generated on a monthly basis.

**3. Comparative Measurements with Santa Barbara’s Competitive Set-** This would include a comparison of Santa Barbara’s competitive destination set and would include a comparison of traditional measurements including Occupancy Rates, Average Daily Rate (ADR) and Revenue per Available Room (RevPAR) discussed above.

**4. Room Night Sold Measurements-** In an effort to measure the return on investment it will be necessary for the bureau to track its effectiveness in terms of the number of room nights sold. There are several categories of tracking to consider.

Group- Currently the bureau tracks all of its efforts related to group business. These efforts should continue and be a part of the room night sold measurement.

Leisure-The second element of room night sold measurement is based on the current baseline being developed in the 2011 Website Return on Investment (ROI) Study. A key measurement of that study is a conversion percentage of those who visited the area after visiting the bureau website. That conversion rate and the data generated from that study should be used to calculate the number of room nights generated by bureau marketing efforts.

Using this type of study on an annual or every other year basis will provide the bureau with the number of room nights and the Return on Investment the bureau generates. Additionally it will also provide the bureau with the number of room nights and Return on Investments generated by each type of advertising.

The bureau has also always provided supplementary marketing research such as visitor profile study’s and other research and information as part of its comprehensive measurement approach.

Overall these types of measurement would serve to provide as complete a picture as possible with regard to performance of the bureau and the destination.

**Measurement Matrix**

Measurement	Frequency
<b>Website:</b>	
Visits	Monthly/ quarterly, annually
Top exit/entry pages	Monthly/ quarterly, annually
Time on site	Monthly/ quarterly, annually
<b>Group Sales:</b>	
Leads generated	Quarterly, annually
Leads converted	Quarterly, annually
<b>Public Relations:</b>	
Advertising equivalency	Quarterly, annually
<b>Film Commission:</b>	
# of Films and Commercials	Annually
Economic Impact	Annually
<b>Lodging Industry</b>	
Occupancy	Monthly/ quarterly, annually
Average Daily Rate	Monthly/ quarterly, annually
Revenue Per Available Room	Monthly/ quarterly, annually
<b>Competitive set Comparisons</b>	
Occupancy	Monthly/ quarterly, annually
Average Daily Rate	Monthly/ quarterly, annually
Revenue Per Available Room	Monthly/ quarterly, annually
<b>Room Nights Sold/ROI</b>	Annually

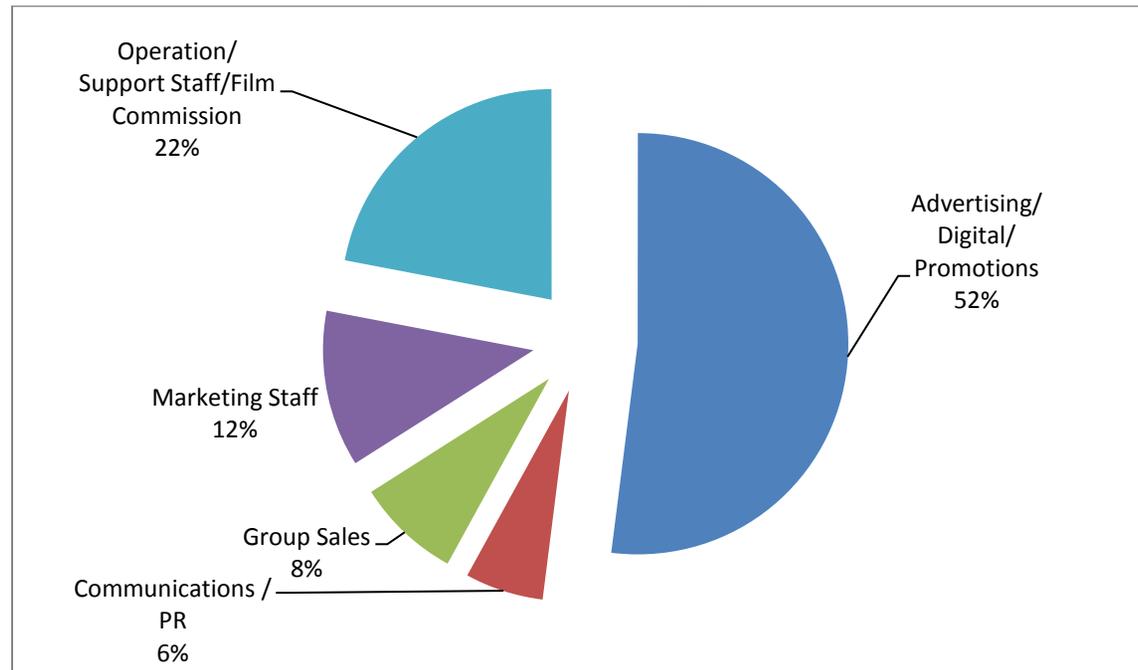
- Note it is recommended that lodging properties have their own website software to accurately track leads generated by the bureau to their website.

## **Part 9: Implementation**

### **A. Budget**

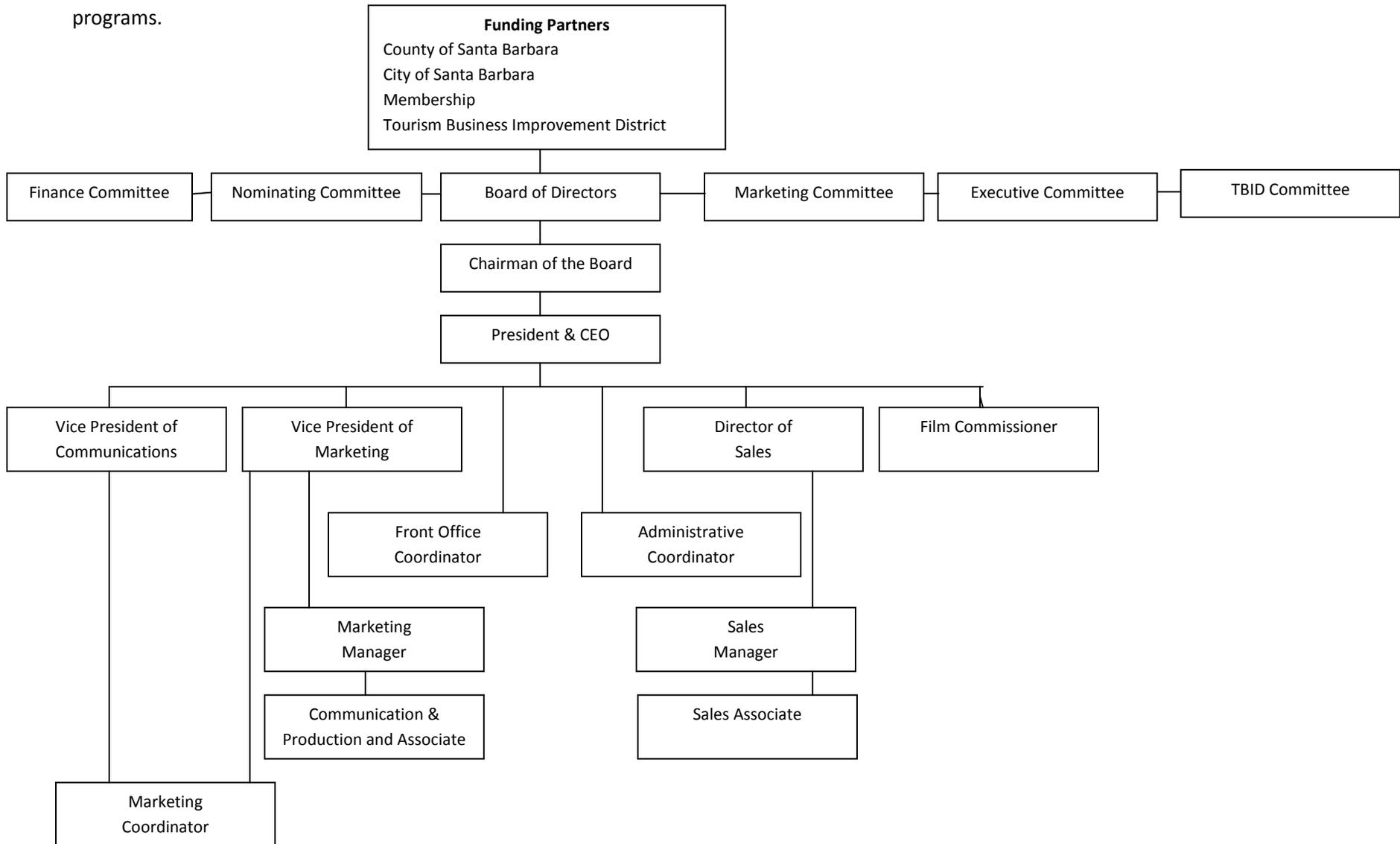
The bureau has proposed a \$2.9m budget for 2011/12. (See Below)

**Figure 12**  
**2011/12 Bureau Budget**



It is important to note that over 65% of bureau funds are allocated to advertising/digital/promotions, communications and group sales.

**B. Organizational Chart** - The following is an organizational chart that identifies those bureau positions that will implement identified marketing programs.



# Appendix

## Appendix 1-Strengths, Weaknesses, Opportunities and Threats

### Strengths

- ✓ Santa Barbara South County has a number of key strengths on which to build its tourism promotion and visitor experience.
  - Location and climate - The area has a prime beach area location with a year round temperate climate.
  - Brand Awareness - Santa Barbara has strong brand awareness, not just within the state, but nationally and internationally as well.
  - Natural assets - The area boasts spectacular natural assets including beach and rural wine regions
  - Wine/wine culture - The area offers visitors not only access to wineries wine tasting, but a more comprehensive wine culture that includes dining.
  - Access/ proximity to markets - The South County area is just a short drive from the entire Los Angeles market. Additionally the area has very good access for domestic destination visitors via the Santa Barbara Airport and international visitors via Los Angeles International Airport.
  - Strong tourism industry - The area has a strong commitment to tourism from both the public and private sector.

### Weaknesses

- ✓ Weekend orientation - Because of its location to its core market the South County area tends to have a significant weekend orientation and crowding which at times can diminish the experience. Though this is not the case in

Goleta where demand is highest during the mid-week and lowest during the weekend.

- ✓ High-end only brand perception – The “Santa Barbara” brand can at times be perceived by some segments as high end which may dissuade visitors from considering the area when making overnight vacation plans. It should be noted that the area does have a wide variety of lodging and activity price points.
- ✓ Seasonality - There is currently significant seasonality within the lodging industry. Demand is significant during the summer months and trails off on shoulder seasons and the winter quarter.

### Opportunities

- ✓ Increased funding - One of the key opportunities to emerge is the development of the Tourism Business Improvement District (TBID) as an augmented funding source to the bureau. This funding will enable the bureau to significantly increase its reach and marketing capabilities thus increasing the areas competitiveness.
- ✓ Destination marketing - The increased funding mentioned above will allow the bureau to take advantage of reaching visitors from destination markets. These visitors tend to have a much greater economic impact than those from the areas core markets. Additionally they also tend to stay more midweek days which fulfills an important lodging industry need.

- ✓ Lodging variety - One important opportunity available is the ability for the bureau to promote demand for a range of lodging price points. The South County area offers a variety of price points as well as branded and independent lodging supply for different segment visitors.

### **Threats**

- ✓ Competition – The Santa Barbara South County area faces stiff competition from other areas throughout the California coast. With regard to corporate and group travel the area faces competition from additional national destinations.
- ✓ The economic environment - The national and state economy look to present a significant challenge for tourism in general and could be a continued lag on occupancy and average daily rate experienced in the lodging segment. In the short and medium term economic issues will continue to be a concern.
- ✓ Tourism backlash – There can be no question that one of the constant threats to the tourism industry is the potential backlash from local residents as day trippers and traffic congestion on 101 could impact the overall experience. As such it is important for the destination to consider strategic planning efforts with the need for market share vs. higher yield per visitor. The implementation of sustainable tourism practices will seek to balance the needs of the industry with the environment and the local community.

**Appendix 2- Summary Visitor Profile Data**

**Summary  
Visitor Profile Data**

Married	52.5%	3 Years	30%
Single	40.8%		
		<b>Length of Stay:</b>	
<b>Visitor Age:</b>		Avg.	4.38
18-29	17.9%		
30-39	22.0%	<b>Arrival:</b>	
40-49	29.2%	Air	18.10%
50-59	15.5%		
60+	15.4%		
Median	42 Years		
<b>Visitor Income:</b>			
<\$50,000	22.6%		
\$50-\$99,999	31.6%		
\$100,000-\$199,999	24.5%		
\$200,000+	9.2%		
N/A	12.2%		
Median	\$85,200		

# TBID Budget 2011-2012

	July '11 - Jun '12	% of Total
<b>Income</b>		
<b>TBID Income</b>		
City of Santa Barbara & Carpinteria	785,000.00	
County of Santa Barbara & Goleta	385,000.00	
<b>Total TBID 2011-2012 Income</b>	<b>1,170,000.00</b>	
<b>Total TBID Funds</b>	<b>\$ 1,170,000.00</b>	
<b>Expense</b>		
<b>Total Administrative and Advocacy</b>	<b>\$ 56,000.00</b>	4.8%
<b>Sales and Marketing</b>		
Sales Representation	80,000.00	
FAM Tours	20,000.00	
Sales Trips/Sales Missions	23,000.00	
Travel	15,000.00	
<b>Total Sales and Marketing</b>	<b>\$ 138,000.00</b>	12%
<b>Advertising and Communication</b>		
Agency Retainer	120,000.00	
Internet Development	85,000.00	
Media Placement	368,000.00	
Media Production/Creative	145,000.00	
Promotional	45,000.00	
Research	15,000.00	
Social Media	10,000.00	
Sponsorships	45,000.00	
Trade Shows	43,000.00	
<b>Total Advertising and Communication</b>	<b>\$ 876,000.00</b>	74.9%
<b>Local Destination Contracts</b>	<b>\$ 100,000.00</b>	8.5%
<b>Total TBID Expenses 2011-2012</b>	<b>\$ 1,170,000.00</b>	

# TBID Budget 2012-2013

	Jul '12 - Jun '13	% of Total
<b>Income</b>		
<b>TBID Income</b>		
City of Santa Barbara & Carpinteria	1,089,029.30	
City of Goleta	241,023.37	
County of Santa Barbara	342,023.37	
<b>Total TBID 2012-2013 Income</b>	<b>1,672,076.04</b>	
<b>Carryover Funds</b>	<b>495,000.00</b>	
<b>Total TBID Funds</b>	<b>\$ 2,167,076.04</b>	
<b>Expense</b>		
<b>Total Administrative and Advocacy</b>	<b>\$ 118,800.00</b>	5.5%
<b>Sales and Marketing</b>		
Business Meetings/Meals	4,000.00	
Sales Representation	90,350.00	
FAM Tours	25,000.00	
Sales Trips/Sales Missions	60,000.00	
Telephone and Communications	3,200.00	
Travel	60,000.00	
<b>Total Sales and Marketing</b>	<b>\$ 242,550.00</b>	11%
<b>Advertising and Communication</b>		
AGM Expenses	7,500.00	
Clipping Service	10,000.00	
Collateral Materials/Printing	13,000.00	
Agency Retainer	70,000.00	
Contracts	29,000.00	
Distribution Cost	13,500.00	
Dues/Fees/Subscriptions	15,000.00	
Internet Maintenance & Upgrade	34,000.00	
Internet Development	111,000.00	
Internet Consulting	40,000.00	
Mobile Website	8,000.00	
Media Placement	732,200.00	
Media Production/Creative	128,000.00	
Membership, Board & DOS Meeting	15,000.00	
Visual Assets	45,000.00	
Postage & Shipping	25,000.00	
Promotional	6,600.00	
Research	84,906.27	
Social Media	62,000.00	
Sponsorships	57,000.00	
Trade Shows	50,000.00	
Agency Travel	13,000.00	
<b>Total Advertising and Communication</b>	<b>\$ 1,569,706.27</b>	72.4%
<b>Collection Costs</b>	<b>\$ 38,501.35</b>	1.8%
<b>Contingency 4.5%</b>	<b>\$ 97,518.42</b>	4.5%
<b>Local Destination Contracts</b>	<b>\$ 100,000.00</b>	4.6%
<b>Total TBID Expenses 2012-2013</b>	<b>\$ 2,167,076.04</b>	