

It's a Word...It's a Plane...

ADDING MINDSHARE TO MARKETSHARE IN CALIFORNIA

Visit California's Strategic Business Plan • 2011-2016



visit
California

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I. Executive Summary

It is September 2011. California's unemployment rate has just risen to a painful 12.1 percent, with some rural areas peaking as high as 32 percent. Between May and August alone, the financial activities sector lost 4,900 jobs. The construction sector lost 6,200. Families are suffering, communities are stressed, and California's policymakers are casting desperately about for any good news or potential sources of growth and revenue.

Meanwhile, the California travel and tourism industry is busily growing revenue, vitality, and jobs. In the summer of 2011, the travel and tourism industry added 8,300 jobs. In 2010 overall, the industry injected more than \$95 billion in travel spending into the economy, directly supporting jobs for 873,000 Californians and generating \$6.1 billion in direct state and local tax revenues. As the #1 travel destination in the United States, California boasts a tourism industry that is the state's fifth largest export industry employer, employing more people than agriculture, transportation, information, or educational services.

And yet, like Clark Kent unable to draw Lois Lane's attention, the industry is too often overlooked by California's business executives, policymakers,

thought leaders, and the media. Even California residents often disdain the "invasion" of tourists, overlooking the critical role they play in economic recovery and growth. While such inattention alone would be frustrating, it is now — given the confluence of state, national, and global factors affecting California tourism — an impending serious risk. The new administration in Sacramento, the 2013 referendum on the renewal of the California Tourism Assessment, the new national attention to tourism, the global recession, and other sweeping forces make it imperative that the tourism industry play as great a role in California leaders' perception as it does in reality in the state's economy.

Visit California has a strong record of making California top-of-mind for global travelers. Now,



in partnership with industry trade associations, it must also make the value proposition of tourism top-of-mind for California’s leaders and its residents — in order to be more effective as individual travel entities and increase the economic benefit to California. This business plan is *Visit California’s* roadmap for adding mindshare to marketshare.

For sure, the industry does not fly around in a red cape rescuing the California economy. But tourism is a dynamo of California jobs — and if the industry just keeps shuffling unnoticed around Lois Lane’s desk, it deserves both itself and the state. It is time for transformation.

Transformation calls for three key business strategies in the next five years:

1. **Reinforce *Visit California’s* Value to Travel-Related Businesses**, with a goal of gaining at least 91% approval of the 2013 assessment referendum.
2. **Unify Industry Leaders to Raise the Relevance of the Travel Industry**, with the goal of elevating elected officials’ perception of the importance of the industry.
3. **Position Travel and Tourism to Elevate California’s Overall Image**, through the media and other venues, with the goal of raising perceptions of California across the globe.

If *Visit California* accomplishes these goals, it will advance not only tourists’ enjoyment of our magnificent state, but the growth and prosperity of California itself.

VISIT CALIFORNIA	INDUSTRY TRADE ASSOCIATIONS
<ul style="list-style-type: none"> • Promotes “value of travel” in terms of jobs, economic impact and business growth • Develops research and data showcasing the travel industry’s importance • Convenes industry leaders from all sectors through forums and other communications • Strengthens relationships among with key stakeholders and influencers 	<ul style="list-style-type: none"> • Advocate on behalf of travel, tourism and hospitality industries • Represent the priorities and needs of specific industry constituencies • Engage in the political process through lobbying and fundraising • Build grassroots coalitions of local travel stakeholders throughout California

II. The Importance of Tourism to California's Economy

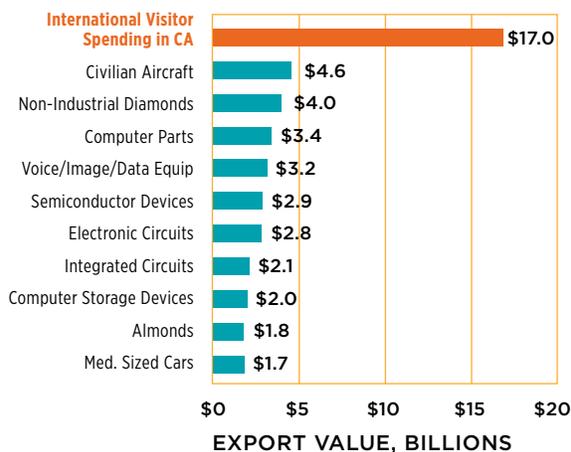
California is the number one travel destination in the United States. In 2010, over 200 million visitors to our state generated \$95.1 billion in spending on goods and services. Visitor spending directly supported jobs for 873,000 Californians, and resulted in \$6.1 billion in direct state and local tax revenues.¹

Moreover, travel means jobs. One in every nine jobs in the U.S. is affected either directly or indirectly by tourism, and 4.4 percent of all employment in California is directly supported by traveler spending.²

And travel and tourism is a leading export industry. The \$17 billion spent in California in 2010 by international travelers alone was greater than the combined value of the state's top four product exports: civilian aircraft, non-industrial diamonds, computer parts, and voice/image/data transmission equipment.

Tourism also plays a critical role in diversifying and stabilizing rural economies. The tourism industry is the top employer in two of California's eight rural regions — Deserts and High Sierra, home to iconic destinations like Yosemite and Joshua Tree National Parks, Death Valley and the majestic mountains of Lake Tahoe and Mammoth Lakes.

2010 TOP CALIFORNIA EXPORTS



SOURCES: U.S. Census Bureau; Dean Runyan Associates

“JOB GROWTH [IN CALIFORNIA] IS LARGELY BEING FUELED BY ‘THE THREE T’S — TECH, TRADE, AND TOURISM.’”

— Stephen Levy,
Director of the Center for Continuing
Study of the California Economy,
Wall Street Journal, May, 2011

Tourism also ranks among the top four employers in six of the eight regions (Deserts, High Sierra, North Coast, Shasta Cascade, Gold Country, and Central Coast). Without the visitor revenues that support these vulnerable economies, preservation of California's natural icons, cultural resources, and historical landmarks and commercial districts would be nearly impossible.

Indeed, California's local communities recognize the economic power of tourism to such a degree that currently over 40 of them — from San Francisco and Los Angeles to Napa Valley and Monterey — have developed local Travel Business Improvement Districts (TBIDs) that assess and pool funds for tourism marketing.

And last, tourism is resilient — weathering troubled economies better than most other industries. Such resilience provides much needed tax revenues both locally and statewide, and reduces unemployment around the state. Indeed, during the Great Recession, tourism fared better than most major industries: between the employment high of 2008 and the low of 2010, the average number of Californians employed dropped 8.6 percent — while in Leisure & Hospitality, employment dropped only 5.6 percent.

Of Course, All This Success Takes Investment

It has been argued that visitors will come to a city or state regardless of marketing, and some leaders — including past Governors and legislative leaders in California — have questioned the value of investing in city or state tourism marketing programs.

Colorado provides an instructive lesson. In 1993, Colorado’s legislature eliminated its \$13 million tourism budget, making it the only state in the U.S. to have zero tourism funding. By 1997, just four years later, Colorado’s share of domestic leisure travel had dropped 30 percent; and in the summer resort category, it fell from 1st place to 17th. Colorado dropped from a national fly-in destination to a primarily regional drive market, costing Colorado residents approximately \$2.4 billion in tourism revenue and \$134 million in tax revenue per year.

The flip side of that case — that investment in marketing boosts tourism dollars — has also been proved. According to a 2011 study by Longwoods International, a marketing campaign designed to boost visits to the state of Michigan generated more than three times in new state tax revenue what it cost in advertising. Similarly, in Philadelphia, the marketing program designed to reboot tourism as an engine for job growth created over 7,000 new jobs in the midst of the 2009-10 recession, at a cost of only \$600 in tourism advertising for each job created.

SAMPLE MARKETING BUDGETS WORLDWIDE

COUNTRY	FUNDING IN \$USD
Greece	\$152.3 M
United Kingdom	\$135.7 M
Spain	\$121.3 M
Australia	\$106.7 M
Canada	\$66.5 M

U.S. STATE	FUNDING IN \$USD
Hawaii	\$71.8 M
California	\$50.0 M
Illinois	\$48.9 M
Texas	\$34.3 M
Florida	\$29.4 M

U.S. CITY	FUNDING IN \$USD
Las Vegas	\$116.2 M
Orlando	\$53.2 M
Reno-Sparks	\$36.1 M
New York City	\$34.5 M
Virginia Beach	\$31.4 M

**“TRAVEL IS FATAL TO
PREJUDICE, BIGOTRY,
AND NARROW-
MINDEDNESS...”**

— Mark Twain



III. Visit California's Leading Role

While the notion of the travel and tourism industry as Superman may feel like a stretch, the industry has indeed done bold and heroic things for the state's economy, vitality, and image. And much of it has been done with the support of *Visit California*.

Background of Visit California. A not-for-profit 501(C)(6) corporation, *Visit California* was created in 1998 to work with the State of California's Division of Tourism to implement the annual Marketing Plan, which promotes California as a premier travel destination.

From 1998 to 2003, the Marketing Plan consisted of the originally conceived private-public joint marketing venture partnership of the California Travel and Tourism Commission (CTTC) and the State of California. In 2007, Governor Arnold Schwarzenegger signed into law AB 2592, an assessment program for the passenger car rental industry. As a result of this landmark legislation, tourism marketing continued to receive assessment collections from the accommodations, restaurants, retail, transportation services, attraction and recreation segments, but also gained an increased budget allocation from the rental car category, for a total of \$50 million in each of six years, beginning FY 07/08.

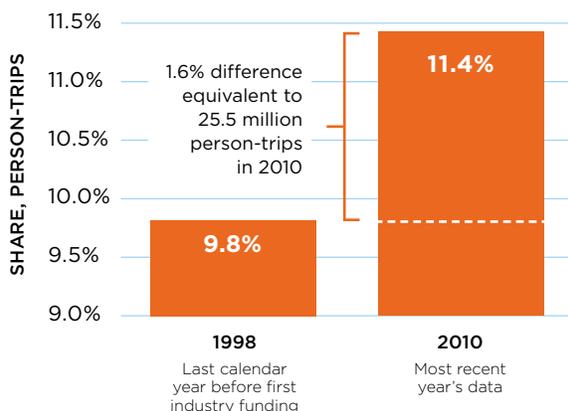


Results. This dramatic increase in resources allowed *Visit California* to greatly expand the depth and scope of its marketing programs, both domestically and internationally and in a variety of media, with a strong focus on brand advertising and industry participation. More specifically, the team worked to create a collaborative platform across the industry for driving momentum and results for state travel and tourism.

The efforts worked. California now boasts an 11.4 percent share of the US Leisure Travel market, up from just 9.8 percent in 1998. That 1.6 percentage-point difference is equivalent to 25.5 million more person-trips to California or 16.4 percent of the state's domestic leisure visitors.

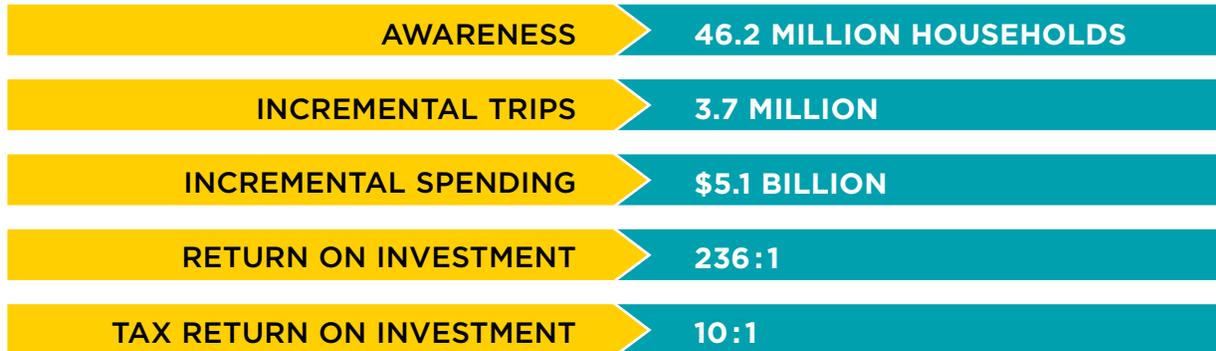
In 2010 alone, California Tourism's global brand advertising reached 46.2 million consumers in five countries: the US, Canada, UK, Japan, and Australia. It generated 3.7 million incremental trips to California, and \$5.1 billion in incremental visitor spending, neither of which would have been

CALIFORNIA'S SHARE OF U.S. LEISURE TRIPS



SOURCE: DK Shifflet and Associates

VISIT CALIFORNIA'S 2010 GLOBAL BRAND ADVERTISING RESULTS: U.S., CANADA, U.K., JAPAN AND AUSTRALIA



SOURCE: Strategic Marketing and Research, Inc.; Rakuten Research

realized without these campaigns. Total Return on Investment for the campaigns in these countries was \$236 to \$1. Tax Return on Investment was \$10 to \$1.

Reasons. Some of the reasons for *Visit California's* success are three core elements that make up the organization's infrastructure:

- **Efficiency** — *Visit California* operates with a small headquarters staff and an operating budget of less than 10 percent of its overall budget. It strategically engages consultants, enabling greater investment in programming. And it is an open, transparent, organization which prides itself on integrity and efficiency.

- **Industry collaboration** — *Visit California* is directed and overseen by 37 Commissioners, representing all industry sectors and steering programs through voluntary advisory committees made up of industry leaders.
- **High impact marketing programs** — *Visit California* executes highly successful marketing programs, like the 2010 global advertising campaign described above, which are carefully designed with the help of expert consultants and industry stakeholders. A more detailed description of *Visit California's* major initiatives in the last five years is in the chart on the next page.

WHY TRAVEL MATTERS?

It impacts businesses and benefits the lifestyle of the individual





Major Initiatives 2006-2011

1	COMMUNICATIONS	Earned Media and Stakeholder Outreach	
2	CAMPAIGNS AND PROMOTIONS	<p>Sponsorship of Statewide Event — Amgen Tour of California</p> <p>Promotion of Strategic California Messaging Pillars through National and International Advertising</p> <ul style="list-style-type: none"> California Lifestyle & Abundance California Snow California Wine & Food California Insider <p>Content Integration Programs</p> <ul style="list-style-type: none"> WB/Ellen DeGeneres Show CBS/Entertainment Tonight The Documentary Group - Dreamland Cutting Edge California TV Series Hot Hits Radio Show (AU) <p>Consumer Engagement Programs</p> <ul style="list-style-type: none"> California — The Game Live Like A Californian Sweepstakes California Calling and California Classics Campaigns (UK) California Dreaming Sweepstakes (Japan) 	<p>Statewide Marketing Platforms</p> <ul style="list-style-type: none"> Restaurant Month Royal Visit — 3 Days Isn't Enough <p>Strategic Partnership Development</p> <ul style="list-style-type: none"> Southwest Airlines British Airways Online Travel Agencies <p>Consumer Co-Ops</p> <ul style="list-style-type: none"> TW Steel Watch Brand Roxy, K-Swiss, Paddy Palin & Cotswold Clothing Brand Toom & Auchan supermarket chains Fitness First Gym Membership
3	INTERNATIONAL OFFICES	<p>FROM 6 OFFICES: Australia, Brazil, Germany, Japan, Scandinavia, UK</p> <p>TO 12 OFFICES: New Offices: China, France, India, Italy, Korea, Mexico</p>	
4	INTERNATIONAL TRADE MISSIONS	<ul style="list-style-type: none"> Governor's trade missions to Japan, South Korea, China, Canada, Mexico and Germany Visit California's sales and media missions to key international markets 	<ul style="list-style-type: none"> Coordinated attendance of California suppliers at key domestic and international trade shows
5	LEADERSHIP SUMMITS	<ul style="list-style-type: none"> Destination Day International Summit Outlook Forum Savor the Flavor of California 	<ul style="list-style-type: none"> Tourism Summit Travel and Meetings Mean Jobs Visitation
6	LEGISLATIVE EVENTS	<ul style="list-style-type: none"> Legislative Hearings Legislative Reception Partners in Hospitality and Tourism 	<ul style="list-style-type: none"> Testimony Travel Leadership Summit to DC
7	WEB/INTERACTIVE	<ul style="list-style-type: none"> Design and optimization of an interactive/engaging consumer website Branded social media channels — FaceBook, Twitter, YouTube 	<ul style="list-style-type: none"> Consumer email newsletter program Mobile platform — mobile website and iPad application
8	WELCOME CENTERS	<ul style="list-style-type: none"> From 10 centers to 20 Website developed 	<ul style="list-style-type: none"> Increased marketing integration



IV. Why We Need to Add Mindshare to Marketshare: The Changing Environment of California Tourism

Over the next three to five years, there will be a host of forces at the global, national, and state level that will affect California's tourism industry. Together, they make it imperative that *Visit California* do two things going forward: 1) help make California top-of-mind for tourists, and 2) help make tourism top-of-mind for California's business and political leaders, opinion-shapers, media, and residents.

Global Forces: Protracted Recession, Emerging Communication Channels

PROTRACTED RECESSION

The struggling economy continues to challenge worldwide travel spending. The U.S. economy is recovering, but at a gradual, bumpy pace. Unemployment continues to remain high. While many non-U.S. residents have increased their U.S. travel because of the weakness of the dollar, U.S. residents remain cautious in their travel spending.

The pervasive economic troubles present an opportunity for *Visit California* to remind policymakers that bringing travelers to the state, via increased travel promotion, can help address unemployment head-on. As discussed above, tourism spending has a more direct impact on jobs in the state than spending by almost any other industry. For every \$109,000 in spending by tourists, one Californian is employed. Moreover, of the state's 11 major nonfarm industry sectors, Leisure & Hospitality is one of only five to show positive growth in employment over the last 10 quarters (March 2009–August 2011), growing by 17,500 jobs.

And it has been proven over and over that this works, at the city, state, and national level. As previously cited, the city of Philadelphia boosted tourism as a means of replacing the manufacturing jobs lost in the last few decades. On the other side of the world, Dubai is implementing the same strategy to boost its economy, after the downturn halted its path of growth.³



EMERGING COMMUNICATION CHANNELS

New ways to communicate continue to change how people get and share information. The proliferation of mobile devices, smart phones, apps and social networking has redefined not only the way people plan for and experience travel, but the way they live. Since users are actively involved in social network content creation and consumption, *Visit California* must make users "brand ambassadors," promoting California tourism through them, as they share ideas with friends, family and online readers.

All of *Visit California's* stakeholders from consumers to California residents to businesses to politicians and the media are part of this new ecosystem, and capturing greater mindshare will require new and creative levels of engagement.

National Forces: The Corporation for Travel Promotion, Competition from Other States and Destinations

THE CORPORATION FOR TRAVEL PROMOTION

In 2010, the U.S. Congress established the Corporation for Travel Promotion (CTP) as a partnership between the travel industry and the federal government in order to do exactly what *Visit California* has been doing for years: combine private and public resources to create marketing and promotion programs that will draw more visitors to support virtually every sector of the economy. Indeed, *Visit California*'s President and CEO, Caroline Beteta, has been appointed to CTP's Board of Directors and has been elected Vice Chair by her peers.

The CTP will reinforce *Visit California*'s efforts, because as the number-one travel destination in the U.S., California can reasonably expect to benefit from increased U.S. travel overall. But at the same time, California must keep up its momentum in this area.

COMPETITION FROM OTHER STATES AND DESTINATIONS

Indeed, California has a structural advantage going forward which it must not squander. Whereas most other states pay for tourism marketing out of their general funds — which have been hit hard in recent years — California's tourism marketing is primarily supported by the industry (see further discussion at New Referendum, below). As a result, California has the opportunity now to become the frontrunner in the interstate competition for tourists.

And that opportunity comes none too soon. Already, in the competition for tourists, California suffers from two fairly disturbing indicators: negative consumer perceptions, and a high level of negative out-of-state coverage.

In *Visit California* research conducted in the fall of 2010, survey respondents were asked what first comes to mind when thinking about California. While positive descriptors abound — including “beautiful,” “beach,” “good weather,” “Hollywood,” and “Disneyland” — there were also frequent negative descriptors, such as “bankrupt,” “budget crisis,” “debt,” “deficit,” “taxes,” and “smog.”⁴

Such negative perceptions are driven by articles in the national and international press. For example:



California, which if measured on its own would be the world's eighth-largest economy, has struggled to recover from the housing slump and recession.... Its government has grown so indebted that financial markets fear it could damage the U.S. economy should its finances worsen.

“California Economy On Mend, Governor Wants Tax Hikes” by Jim Christie, *Reuters*, May 2011

High unemployment, record home foreclosures and declines in industries such as construction and technology have put the brakes on the [California] economy.... That makes the state far less attractive to residents of other states who in previous decades may have longed to join the California dream.

“California's Slow Growth Tied to Economic Woes” by William M. Welch, *USA Today*, March 2011

Shackled with a huge budget deficit..., double digit unemployment and widespread housing foreclosures, the “Golden State” has little choice but to make deep spending cuts and extend temporary tax increases. Local mayors have complained that statewide cuts will cost jobs, while health and welfare advocates claim the changes could cost lives.

“California's Economy Ravaged by Recession” by Nick Allen, *The Telegraph*, UK, February 2011



Such coverage influences consumer perception of our state and has an impact on where people decide to travel. *Visit California* must help California's leaders shift the story — both by bringing new tax revenues and jobs into the state to help reverse the economic downturn; and by combatting those negative impressions with the positive ones tourists get while traveling and vacationing in the state.



State Forces: New Governor, New Referendum

NEW GOVERNOR

The inauguration of Governor Brown brings, of course, new thinking, new potential allies, and new leadership to trumpet the economic value of tourism. In particular, the new Secretary of the Business, Transportation and Housing Agency, who will serve as the new Chair of *Visit California*, has the potential to elevate tourism's reputation quite substantially. *Visit California* has already taken significant steps to engage the new administration. Going forward, the industry must build on these relationships and become an increasingly, and appropriately, trusted resource in Sacramento.

THE 2013 REFERENDUM

Every six years, *Visit California* holds a referendum as required by the California Tourism Marketing Act, which was enacted through Senate Bill 257 in 1996. Assessed businesses (numbering approximately 5400) vote at this time whether or not to continue paying into the California Tourism Assessment Program, which is intended to create a marketing

“pot” from which all assessed businesses benefit. Over 99 percent of *Visit California*'s funding comes from this Assessment program, providing a stable funding structure.

The last referendum held in 2007 resulted in a 91 percent approval rate allowing \$50 million per year to be allocated to marketing. The previous referendum in 2001 received an 84 percent approval rating with \$12 million in annual funding. Prior to that time, funding was sporadic and market share was volatile.

In the spring of 2013, *Visit California* will issue the required referendum, and assessed businesses will once again cast their ballots regarding continuing to support the California Tourism Assessment Program. Overwhelming approval, of course, is critical. The 2007 decision allowed *Visit California* to grow jobs in the state in a way that few other sectors have achieved. In order to secure approval, *Visit California* must ensure that travel business leaders properly understand its role in the growth of California tourism.

A man with a beard and a blue shirt is smiling as he pours wine from a dark bottle into several glasses on a table. The table is set with white plates, silverware, and a small green plant. The background is blurred with warm, bokeh lights, suggesting an outdoor dining setting.

**“LAST YEAR [2010],
VISITORS SPENT
NEARLY \$90 BILLION
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ON EMPLOYMENT
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CATALYST TO GROW
OUR ECONOMY.**

**— GOVERNOR
EDMUND G. BROWN, JR.**

V. Our Strategic Intent

Given the importance of tourism, the success of *Visit California*, and the fast-moving forces that will push and pull at California tourism in the coming years, *Visit California* aims to pursue its mission of **creating desire for the California experience** not only by implementing strong, well-planned, and coordinated marketing programs (see Brand Enrichment Strategic Marketing Plan at industry.visitcalifornia.com), but also by building on its collaborative program to **ensure that travel is recognized as a catalyst for improving the well-being of all Californians**.

Well-being is defined as living in a state that is financially sound, with plentiful opportunities for growth and happiness and an abundance of recreational activities. This strategic intent expands the focus of stakeholders beyond those in the travel industry to those **affected** by the travel industry, including private industry leaders as well as state and local leaders and California residents.

For decades, the travel and tourism industry has brought great value to California's economy. Now it must make that success, and its even greater potential for growth, more central to the thinking of state leaders in industry, government, and thought leadership.

The evolution of this strategy and expansion of stakeholder groups is depicted below:

MISSION:

Create desire for the California experience



VI. Our Business Strategy

VISION

We will ensure that travel is recognized as a catalyst for improving the well-being of all Californians

MISSION

Create desire for the California experience

STRATEGIC PATHWAY

1

Reinforce *Visit California's* Value to Travel-Related Businesses

Commission Level

STRATEGIC PATHWAY

2

Unify Industry Leaders to Raise the Relevance of the Travel Industry

Industry Level

STRATEGIC PATHWAY

3

Position Travel and Tourism to Elevate California's Overall Image

State Level

COMMISSION/BUSINESSES

Reinforce *Visit California's* Value to Travel-Related Businesses

2011-2016 GOAL: Garner 91% or better approval of 2013 Referendum

METRIC: The Referendum

Critical Actions 2011/2012

1A. Re-brand the organization

- With a primary focus on marketing and a secondary focus on advocacy, re-brand the organization to *Visit California*. Moving forward, the name will be used as both a consumer and corporate brand for the organization to more accurately reflect the modern DNA of the organization.

1B. Proactively seek strategic speaking opportunities

- Geolocate speaking engagements to reach top 500 assessed businesses. Objectives of speaking opportunities:
 - Communicate *Visit California's* marketing efforts and opportunities for partner participation.
 - Maintain strong relationships with industry partners and communicate value to assessed business community.
 - Position *Visit California* and CEO Caroline Beteta as industry thought leaders for California travel and tourism.
 - Strategically promote *Visit California* as an industry innovator on a national level by leveraging existing platforms (i.e.: conferences).

1C. Create and lead regional education research meetings

- Conduct regular in-person workshops in new TBIDs in the state, sharing qualitative research, ROI methodology of *Visit California* programs, Find Research Web page content and tourism impact.

1D. Deploy a shared B2B social media strategy

- Use social media (i.e.: Facebook or a freestanding community software) to operate an online community of California travel professionals to create kinship and a common platform for communication within the travel and tourism community.

1E. Create awareness of marketing programs among stakeholders

- Demonstrate value and importance of marketing activities by communicating to assessed and local businesses and the media the programs that benefit their markets. Types of programs include: broadcast shoots; travel trade and media FAMs; annual visitor guide feature stories; and AMGEN Tour of California.

1F. Recruit industry leaders to serve on the Board

- Produce Commissioner recruitment brochure for prospective Commissioners, detailing the organization make up and mission.

1G. Align strategies with the Corporation for Travel Promotion and the U.S. Travel Association

- Support CTP on national issues i.e.: Homeland Security, visa barriers, U.S. image.
- Seek opportunities to maximize efficiencies of *Visit California's* marketing programs and form partnerships that benefit California.

INDUSTRY

Unify industry leaders to raise the relevance of the travel industry

2011–2016 GOAL: Elevate legislators' perceptions of the importance of the Industry

METRIC: 1:1 Interviews

Critical Actions 2011/2012

2A. Provide consistent, simple messages for industry leaders to speak to why travel matters

- Recommended messages that can be listed on one hand:
 1. Visitation to California directly supports 873,000 jobs and \$6.1B in direct state and local tax revenues.
 2. Tourism-related spending grew 7.4 percent from 2009 to 2010 performing better than most other industries during the economic downturn.
 3. In 2010 tourism was the state's top export generating more than \$17B in revenue beating out aircraft, electronic circuits, computer parts and car sale exports combined.
 4. Travel related jobs cannot be outsourced to other states or countries.
 5. Together, *Visit California* and the travel industry bring tourism dollars to the state's economy with a minimal impact on the general fund.

in May 2011 targeting the media and elected officials with the key message Jobs! Jobs! Jobs! highlighting the industry's impact on economic recovery.

- At NTTW in 2012, a grassroots component will be added by putting a face on the travel industry in California and utilizing human interest stories. As part of this a State Tourism Employee of the Year award engaging the industry to nominate and select finalists and serve as PR opportunity to promote and raise visibility of the industry is being considered.

2C. Sponsor Informational Legislative Events

- In coordination with the California Travel Association, work with a legislative champion to hold a special committee hearing and legislative summits on the economic value of tourism to the state tentatively targeted for October/November timeframe to ensure focus on educating policymakers and staff.
- Encourage state and local representation at California Welcome Center Events.

2B. Create a bottom up strategy that galvanizes the masses using messages that resonate — personalizing the message of why travel matters



- Launched year-long campaign regarding why travel matters to California during National Travel and Tourism Week (NTTW)

2D. Host Travel Industry Partnership Events

- Host an annual travel association leadership forum with policymakers to discuss legislative and regulatory issues that impact the industry.
- Collaborate with travel associations to jointly sponsor the Partners-in-Hospitality legislative reception.

STRATEGIC PATHWAY
3

STATE

Position travel and tourism to elevate California’s overall image

2011-2016 GOALS: Raise consumer perceptions of California; increase media chatter with positive press articles that mention California and the economic benefits travel

METRICS: Tracking surveys, media tracking

Critical Actions 2011/2012

3A. Create awareness of impact of travel and tourism on California economy

- Per Public Affairs Plan, educate Elected Officials and the Media.

Elected State Officials

- Deliver consumer materials at least 2-3 times each month with a note from CEO highlighting results to showcase the value of travel and tourism to the state.
- Share positive travel and tourism media coverage about the industry with a cover note defining the role that *Visit California* plays as an the industry leader.
- Provide legislators in targeted regions with *Travel and Tourism in Your District* fact sheet.
- Meet with each legislative target or staff; included in these meetings will be key industry partners and local constituents/ businesses (district or Capitol office).

Media

- Integrate economic value messaging into all media pitching, including pitches with a consumer focus.
- Identify and train credible third party spokespeople to speak on behalf of the industry to media (i.e.: Economists, Ph.D.s, Assessed businesses, Industry leaders, Celebrities).

3B. Create aspirational content that celebrates the good things about California

- The 5-Year Strategic Marketing Plan is focused on Brand Enrichment, the brand being California. In addition to the brand advertising campaign *Live Like a Californian*, two major programs are underway which focus on the Brand Equation:



[continues next page]

- The spring program, *Live Like a Californian* Sweepstakes further activates online the offline brand advertising campaign that features California pioneers, innovators and icons who reflect the state's unique attitude and spirit — from celebrities to chefs and from winemakers to other acclaimed individuals — across a broad spectrum of industries. Each “True Californian” demonstrates that Californians live life to the fullest, pursuing their passions and in the process creating a place that makes for an unparalleled vacation experience. Sweepstake grand prize winners receive California experiences that can't be bought — from a behind-the-scenes tour with Kevin Rafferty Sr., a Disney Imagineer, to hitting the slopes with Glen Plake at Mammoth Mountain.
- Later in the year and into 2012, *Dreamland* on PBS will provide an engaging, visual platform to promote California through the lives of personalities that embody the California attitude and lifestyle showcasing places and activities consumers most desire. The documentary spends a day in the life of these California visionaries — athletes, entrepreneurs, chefs, artists, entertainers and others — revealing inspiring stories of courage, passion and risk-taking. A plan is underway for the program to air globally.
- Leverage consumer strategy to use “True Californians” to support the “Why Travel Matters” cause. *Visit California* is also a premier sponsor of the **California Hall of Fame Awards** event in December 2011. The Voice of California, actor Rob Lowe, will be part of the programming.



VII. This is Achievable

Visit California has the staff, structure, commission leadership, and industry participation to add state-leaders' mindshare to its success with tourism market-share. Indeed, *Visit California* is honored to note the participation and leadership of some of the most successful, highest-level representatives anywhere in the state. Below is an organization overview, including Commissioners, Additional Industry Participation, Staff, and Funding.

COMMISSIONERS

- *Visit California* is composed of 37 commissioners from all twelve regions of California. Commissioners serve a four-year term and can be re-elected for a second term for a total of eight years. These leaders boast some of the deepest and most wide-ranging experience in the industry.

COMMISSIONERS REPRESENT FIVE PRINCIPAL INDUSTRY SECTORS

- Accommodations; Attractions and Recreation; Restaurants and Retail; Passenger Car Rental; and, Transportation and Travel Services

COMMISSIONER PROFILE

- Commissioners are CEOs, Presidents, COOs, Managing Partners, Owners, Vice Presidents and top executives of companies who do business in travel and tourism and have a vested interest in bringing tourism and economic development to California. Commissioners have experience in board governance, operations, finance and marketing principles, and in most cases have served the travel and tourism industry professionally. *Visit California* is honored to have such accomplished leaders volunteering on the board.

COMMISSIONER NOMINATING AND SELECTION PROCESS

- Out of the 37 commissioners, 24 are elected by approximately 5400 assessed California businesses and 12 are appointed by the governor.

The governor appoints one commissioner to represent each of the twelve regions. The chair of the commission is the Secretary for the Business, Transportation and Housing Agency.

- Nominations of individuals to represent the five industry sectors are encouraged from the tourism industry as well as from the public sector via publicly noticed Nominating Committee meetings chaired by a commissioner. Names are accepted at those meetings and then put forward to the Executive Committee and then to the full Commission. Once approved, individual names are put out in a referendum process and a vote is held by industry sector. Ballots are tabulated by an outside balloting company and the Secretary of Business Transportation and Housing Agency certifies the election results.

ADDITIONAL INDUSTRY PARTICIPATION

- Voluntary Advisory Committees made up of industry representatives provide direction on all activities and programs. This includes the Advertising Co-op Committee, the Assessment Regulations Committee, the Audit Committee, the Government Affairs Committee, the Marketing Advisory Committee and the Rural Symposium.
- All Board meetings are publicly noted in accordance with the Bagley-Keene Open Meeting Act set forth in California Code Sections 11120-11132.

VISIT CALIFORNIA ECOSYSTEM

Visit California also has the teamwork and partnership of more than a dozen travel and tourism-related organizations across the state, with whom it collaboratively advances tourism, job growth, and prosperity throughout California.



VIII. Conclusion

No one ever said Clark Kent was a bad guy. But for as long as he wore his lackluster persona, neither Lois Lane nor the world could benefit from his true value. *Visit California* owes it to the state not only to build tourism and strengthen the economy — but to help state decision-makers and opinion-shapers realize its true economic role, and together make the industry even stronger for the future.

Indeed, even in its Superman persona, *Visit California* will hardly be a lone superpower. Frankly, given the strengths and collective talents of all its partner organizations, the California tourism industry is a veritable Justice League — a powerful alliance of forces representing a formidable platform for economic recovery and growth. While the state is rebuilding its economic strength, tourism

can help. And once the economy is strong again, tourism can be the wings — or, the cape — on which it soars.

Visiting California is one of the great experiences on earth. California's tourists know what it does for their lives; let's make sure California's leaders know what it also does for the economy.



Endnotes

¹ Dean Runyan Associates

² U.S. Travel Association; Dean Runyan Associates

³ See, e.g., Simeon Kerr, "Destination Dubai," *Financial Times* September 19, 2011, accessed at <http://www.ft.com/intl/cms/s/0/a88aca12-e2b2-11e0-897a-00144feabdc0.html#axzz1ZCITT3Xh>.

⁴ Strategic Marketing & Research, Inc.



APPENDIX

Visit California Staff Roster

VISIT CALIFORNIA EXECUTIVE TEAM

Caroline Beteta
President & CEO/Deputy Secretary

Lynn Carpenter
Vice President of Marketing

Karin Fish
Vice President of Operations &
Industry Relations

Kathryn Burnside
Director of Communications

MARKETING & COMMUNICATIONS TEAM

Leona Reed
Senior Director of
International Marketing

Daniel Mishell
Director of Research

Antonette Eckert
Director of Asia Marketing

Jennifer Jasper Montero
Director of Americas/
Pacific Marketing

Traci Ward
Director of Domestic Marketing

Amanda Font
Rural/Co-op Marketing Manager

Brian Carey
Marketing Manager, Asia

Lilly Kimmelshue
Marketing Manager, Europe & India

Gwynne Spann
Content Manager

Jennifer Sweeney
Public Relations Manager

Shannon Brooks
International Public Relations
Manager

Rachel Veu
Media Relations Coordinator

OPERATIONS & INDUSTRY OUTREACH

Matthew Sabbatini
Senior Director, Finance,
and Human Resources & IT

Jonelle Tannahill
Director Of Industry Relations

Cris McLucas
Tourism Assessment Manager

Amber Luiz
Executive Manager and
Commission Liaison

Commissioner Roster

COMMISSIONER VICE-CHAIRS

Mike Gallagher
Co-Founder & CEO
CityPASS

Rusty Gregory
Chairman & Chief Executive Officer
Mammoth Mountain Ski Area, LLC

COMMISSIONER CHIEF FISCAL OFFICER

Kathy Turner
Vice President — Legislative and
Government Affairs
Enterprise Holdings

COMMISSIONERS

Rick Anderson
Owner
Casa Tropicana, A Boutique
Beachfront Inn

Jim Burba
President
Burba Hotel Network

Ian Carter
President, Global Operations and
Development
Hilton Worldwide

Jot Condie
President
California Restaurant Association

Charles Coniglio
Vice President of Marketing &
ECommerce
Dollar Thrifty Automotive Group

Joe D'Alessandro
President & Chief Executive Officer
San Francisco Travel Association

Lina Fat
Director of Food, Owner
Frank Fat Inc.

Edwin Fuller
President & Managing Director
Marriott International Lodging

Jon Handlery
President and General Manager
The Handlery Union Square Hotel

Jay Jamison
Chief Executive Officer and General
Manager
Pismo Coast Village Inc.

George Kalogridis
President, Disney Anaheim
Walt Disney Parks & Resorts

Jeff King
Chairman
King's Seafood Company

Tom Klein
Owner
Rodney Strong Wine Estates

Larry Kurzweil
President & Chief Operating Officer
Universal Studios

Mark Liberman
President
LA INC. The Los Angeles Convention
and Visitors Bureau

Julie Maurer
Vice President of Sales & Marketing
Squaw Valley USA

Lynn Mohrfeld
President & CEO
California Hotel & Lodging
Association

Bob Muhs
Vice President, Government Affairs &
Counsel
Avis/Budget Group, Inc.

Sima Patel
Owner
Balaji Hotels

Cody Plott
President & COO
Pebble Beach Company

Roy Ritenour
Division Vice President, Western
Region
The Hertz Corporation

Jonna Sabroff
President
Integrated Transportation Svc

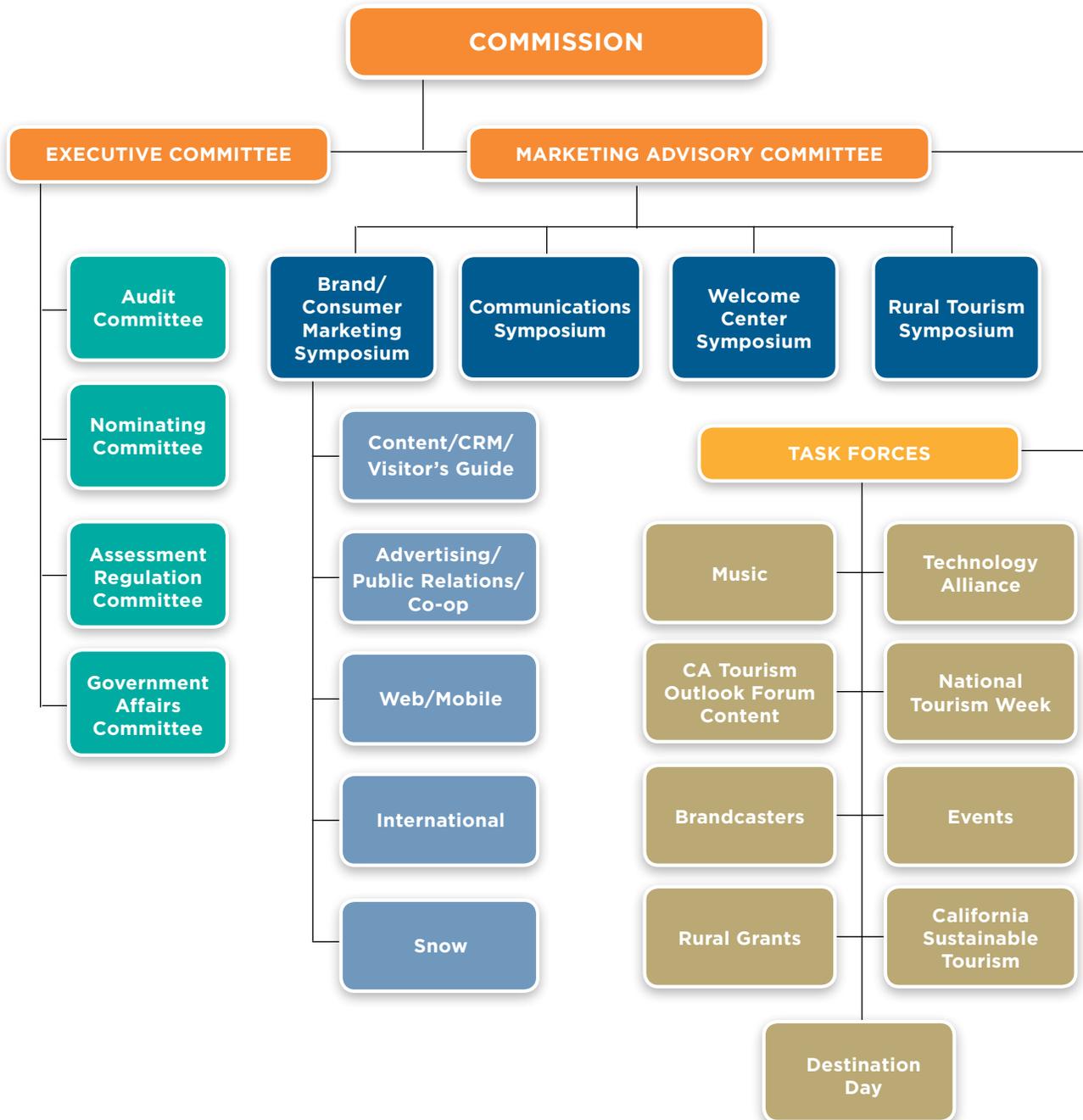
Jeff Senior
Executive Vice President, Marketing
& Sales
Fairmont Hotels & Resorts

John Wagon
Vice President of Marketing
Heavenly Valley Limited Partnership

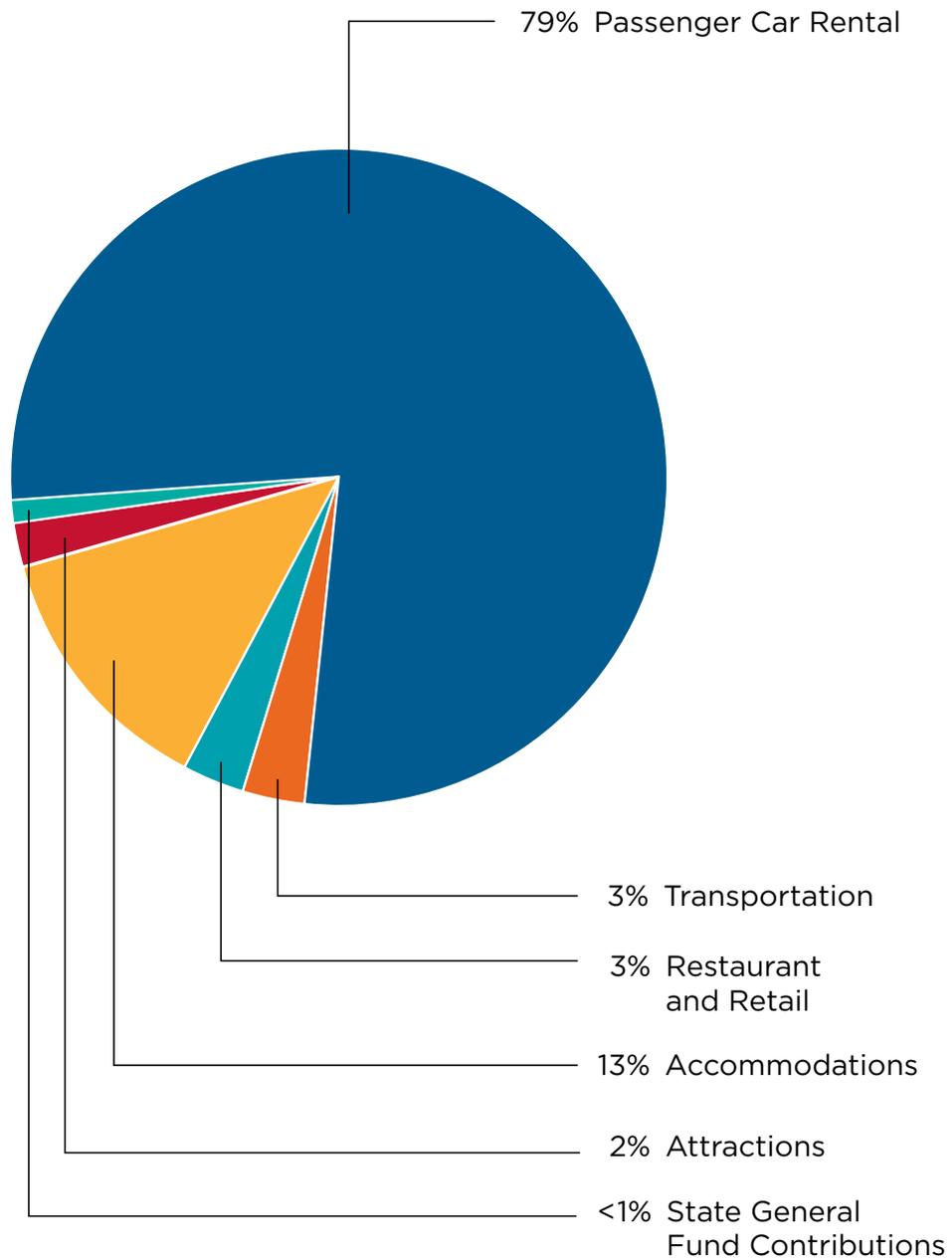
Terry L. Westrope
Vice President
Ocean Park Hotels, Inc.

Gillian Zucker
President
Auto Club Speedway

Advisory Committees



Funding





Travel Industry Quick Facts

- Visitors to California and in-state travel related commerce generated \$95.1 billion in revenue for California businesses in 2010.
- This revenue resulted in \$2.1 billion in aggregated local taxes, \$4.0 billion in state taxes, and \$4.9 billion in federal taxes.
- Travel related spending directly supported 873,000 jobs in California last year, over 4% of total employment in the state.
- Tourism is the top employer among export related industries in two of California's eight rural regions — Deserts and High Sierra — and ranks among the top four such employers in six of the eight regions.
- The impact of travel is felt by a large cross-section of industry sectors including accommodations, transportation, attractions, restaurants and retail.
- The \$17 billion spent in California in 2010 by international travelers alone was more than the combined value of the state's top four product exports (\$15.2 billion).
- CA EDDs August, 2011 labor report showed that the Leisure & Hospitality sector added 35,800 jobs between August of 2010 and 2011, a 2.4% increase. This growth outpaced job growth for non-farm employment as a whole, up 1.2% for the same period.

*"Travel is fatal to prejudice, bigotry, and narrow-mindedness...
Broad, wholesome, charitable views of men and things cannot be acquired by vegetating in one little corner
of the earth all one's lifetime." ~ Mark Twain*

- At least four out of ten travelers feel more romantic on vacation (42%).
- Over half of employed Americans say they come back feeling reconnected with their family after vacation (53%).
- A clear majority of students who traveled on an international exchange program felt they had become more trusting, open-minded, flexible, confident and tolerant as a result of their travel experiences.
- Life satisfaction also increases during vacation, and these effects continue after returning home, according to a study of employees at the University of Tennessee.

Sources: U.S. Census Bureau; Dean Runyan Associates; Visit California



"Voyage, travel and change of place impart vigor." ~ Seneca, first century philosopher

- Taking vacations can improve health in several measurable ways. For example:
 - An annual vacation can cut a person's risk of heart attack by 50 percent.
 - Blood pressure, heart rate and levels of epinephrine — a stress hormone — decline on holidays of only one or two days.
 - Travelers rate their overall health one full point higher (on a scale of 1 to 5) while on vacation. They also get three times more deep sleep after their vacation and sleep almost 20 minutes longer after their vacation.

"The world is a book, and those who do not travel read only a page." ~ St. Augustine

- In the first Global Summit on Peace through Tourism, more than 450 world leaders of the travel and tourism community ratified the "Amman Declaration," which recognized travel and tourism as a global peace industry.
- The right to annual vacations of a minimum duration is prescribed by law in 78 countries; some are so convinced of the necessity that there are penalties for deferring the vacation.
- One in four American leisure travelers would be willing to trade an increase in pay for an increase in vacation time (24%). But even so, Americans get the least amount of vacation time among countries in the industrialized world — an average of 8.1 days after a year on the job and 10.2 days after three years, according to the U.S. Bureau of Labor Statistics. In addition, the average American works one month more per year today than in 1976.

"And that's the wonderful thing about family travel: it provides you with experiences that will remain locked forever in the scar tissue of your mind." ~ Dave Barry

Sources available at www.ustravel.org/marketing/benefits-of-travel



Links

PUBLICATIONS

Check out CTTC's current publications, including:

California Travel News	http://industry.visitcalifornia.com/Industry/Publications/CTTCNews/September292011/
Insights Online	http://industry.visitcalifornia.com/Insights/
Year in Review 2009-2010	http://industry.visitcalifornia.com/B2B/YIR
Strategic Marketing Plan	http://industry.visitcalifornia.com/Industry/Publications/StrategicMarketingPlans/
White Paper on California Tourism	http://industry.visitcalifornia.com/media/uploads/files/editor/Industry%20White%20Paper_June%20Update(1).pdf

STRATEGIC MARKETING PLANS/WORK PLANS

2011-2016 Strategic Marketing Plan: Brand Enrichment	http://industry.visitcalifornia.com/media/uploads/files/editor/CTTC%205-Year%20Strategic%20Plan%20FINAL.pdf
2011-2012 Work Plans	http://industry.visitcalifornia.com/Publications/1112Workplans/





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