



AGENDA

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Agenda

Wednesday, June 27, 2018

12:15pm

Visit SLO CAL Conference Room

1334 Marsh Street, San Luis Obispo, CA 93401

1. CALL TO ORDER
2. PUBLIC COMMENT (On Non-Agenda Items)

ANNOUNCEMENTS	C. Davison
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CONSENT AGENDA – <i>motion required</i>	C. Davison
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3. Approval of May 10, 2018 Executive Committee Meeting Minutes (*yellow*)
4. Approval of May Financials (*green*)
Staff will ask for Committee approval of the May 10, 2018 Executive Committee Meeting Minutes and the May Financials.

CEO REPORT	C. Davison
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5. CEO Report (20 min)
Staff will provide an update on current projects, reporting and areas of focus for the months ahead.

BUSINESS ITEMS	C. Davison
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6. Destination Management Strategy Update (25 min)
Staff will provide an update on progress to-date for VSC's Destination Management Strategy.
7. Business Attraction Effort (25 min) – *motion required*
Staff will provide an update on recent Cal Poly Local Economic Development and next steps, and will request a recommendation to the Board to support this new endeavor.
8. Open Board and Executive Committee Seats (15 min)
Staff will provide an update on available Board and Executive Committee seats and request feedback on next steps.
9. Marketing Update (10 min)
Staff will provide an update on key marketing initiatives.

ADJOURN.

Brown Act Notice: Each speaker is limited to two minutes of public comment for items not on the agenda. Public comment for each agenda item will be called for separately and is also limited to 2 minutes per speaker. State law does not allow the Executive Committee to discuss or take action on issues not on the agenda, except that members of the Committee may briefly respond to statements made or questions posed by the person giving public comment. Staff may be directed by the Committee to follow-up on such items and/or place them on the next Committee agenda. The order of agenda items is listed for reference and items may be taken in any order deemed appropriate by the Executive Committee.

ADA Notice: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Brendan Pringle at (805) 541-8000 at least 48 hours prior to the meeting.



MINUTES

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Meeting Minutes

Thursday, May 10, 2018

11:30am

Visit SLO CAL Conference Room
1334 Marsh Street, San Luis Obispo, CA 93401

1. CALL TO ORDER: Clint Pearce

PRESENT: Aaron Graves, Jay Jamison, Lori Keller, Clint Pearce

ABSENT: John Arnold

STAFF PRESENT: Chuck Davison, Brendan Pringle

Call to Order at 11:31am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

None.

CONSENT AGENDA

3. Approval of April 18, 2018 Executive Committee Meeting Minutes

4. Approval of March Financials

Public Comment – None.

Committee Discussion.

ACTION: Moved by Jamison/Graves to approve the Consent Agenda as presented.

Motion carried: 4:0.

CEO REPORT

5. CEO Report

Davison reviewed the March Travel Trends Index from U.S. Travel.

VSC's next Advisory Committee Meeting is happening on June 7, 2018, from 3:00pm-5:00pm. Davison encouraged all Committee members to attend. Please RSVP to Brendan@SLOCAL.com. The FY18/19 Marketing Plan will be reviewed at the

VSC Board Meeting, after the Marketing Committee has the opportunity to review during their scheduled May 11, 2018 meeting. Davison reported out on the AGGB Chamber's State of the City and District 4 Breakfast on April 19, 2018 and VSC's collaboration meeting with the SLO Chamber on May 2, 2018. Davison provided an update on the Destination Management Strategy (DMS), including Resonance Consultancy's presentation at the Tourism Exchange on May 8, 2018, the first Steering Committee Meeting and Stakeholder Interviews, and media outreach efforts. VSC will need the help of its lodging investors to circulate the Visitor Survey for the DMS, which is launching June 1, 2018. All communications materials about the DMS is available at SLOCAL.com/DMS. VSC is in receipt of the initial draft Tourism Economics data for SLO CAL and has provided feedback. Davison reported out on the DI CEO Summit, which he attended April 23-26, 2018. On May 9, 2018, Davison participated in an Economic Development Business Attraction Focus Group that was led by Cal Poly. The meeting is the result of ongoing discussion about the need for a group to lead business attraction. VSC has been asked to help develop the governance structure through a workgroup for the prospective organization based on the success of the VSC governance model.

Davison noted that Brooke Burnham has applied for and will be interviewing next week for the CEO role at Visit Estes Park. Burnham informed Davison of this opportunity in March, and Davison informed VSC Board Chair Clint Pearce last month. Davison met with Mike Gamble, CEO of Searchwide, at the Destination International (DI) CEO Summit to lay the groundwork for their assistance in the event that VSC needs it. VSC Operations Manager Brendan Pringle was selected as a member of DI's 30 Under 30 program, which includes special professional development opportunities and the opportunity to attend DI's Annual Conference in Anaheim (July 10-13, 2018).

Davison outlined his travel schedule.

Public Comment – None.

Committee Discussion.

BUSINESS ITEMS

6. Board Member Selection Process

Davison provided an update on appointed Board seats up for renewal. The Grover Beach City Council approved Sam Miller's reappointment for its seat on May 7, 2018. The B&B Seat is the only elected seat up for renewal, and is determined by BOD vote. The application process was announced to B&Bs on April 19, 2018 with an April 30, 2018 deadline, and VSC received two applications: 1) Aaron Graves (Owner, Rigdon House, Cambria), who currently serves on the VSC Board and Executive Committee; and 2) Nina Leschinsky (Director of Hospitality, The JUST INN, Paso Robles).

Public Comment – None.

Committee Discussion.

ACTION: Moved by Jamison/Keller to recommend for approval reappointing Aaron Graves to the B&B seat on the Board of Directors.

**Motion carried: 3:0:1
Graves abstained.**

7. FY2018/19 Budget

Davison presented the FY2018/19 annual budget. He noted that April financials have not yet been closed, but as part of the budget, VSC is recommending an estimated previous year carryover of \$100,000, and will use \$85,000 of FY2018/19 reserves to fund Destination Management Strategy payments.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Graves/Jamison to approve the FY2018-19 Budget as presented.

Motion carried: 4:0

8. Executive Committee Schedule

Davison reviewed the Executive Committee meeting schedule for FY18/19.

Public Comment – None.

Committee Discussion.

9. Tourism Exchange Recap

Davison recapped the 2018 Tourism Exchange, noting that a total of 203 attended the luncheon—a 19% increase over last year. Several government officials attended; however, city council meetings on the same day restricted the attendance of many officials. Davison played the FY2017/18 Year in Review video, and noted the positive feedback that VSC received post-event from Supervisor Adam Hill and from the survey that VSC sent out. Davison requested Committee feedback on the event.

Public Comment – None.

Committee Discussion.

10. Marketing Update

Davison provided an update on recent travel trade efforts and upcoming programs, and reported out on the SAVOR installation at Taste Washington and VSC's new product promotion program. He discussed recent and upcoming PR efforts, media results, and owned media metrics. He noted that VSC is working with its media agency, Goodway Group, to drill down on the quality of its web traffic coming from the campaign.

Public Comment – None.

Committee Discussion.

11. CEO Annual Review

Pearce reviewed the criteria set for the CEO's Year Three (3) (May 1, 2017 – April 30, 2018) bonus compensation: a 10 percent bonus is tied to VSC's operation and another 10 percent bonus is tied to Strategic Direction 2020 (VSC's Strategic Plan) imperatives.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Graves/Keller to approve the CEO Annual Bonus at 20% for presentation to the Board of Directors.

Motion carried: 4:0

ADJOURNMENT

Meeting adjourned at 1:29pm.

Visit SLO CAL

2017/2018 Financial Summary - May 2018

	This Month	Budgeted for Month	MTD Variance	MTD Actual v. MTD Budget %	MTD % of Total Income/Expenses	FISCAL YTD	YTD Budget	YTD Variance	YTD Actual v. YTD Budget %	YTD % of Total Income/Expenses
Income										
PY TMD Collected in CY	\$ -	\$ -	\$ -		0.00%	\$ 127,555	\$ 127,555	\$ -	100.00%	3.56%
Membership Dues	\$ 152	\$ -	\$ 152		0.05%	\$ 44,352	\$ 44,198	\$ 155	100.35%	1.24%
TMD Income										
SLO County Unincorporated	\$ 64,466	\$ 64,466	\$ -	100.00%	21.14%	\$ 833,126	\$ 833,126	\$ -	100.00%	23.28%
SLO City	\$ 59,843	\$ 59,843	\$ -	100.00%	19.63%	\$ 650,469	\$ 650,469	\$ -	100.00%	18.18%
Pismo Beach	\$ 75,773	\$ 75,773	\$ -	100.00%	24.85%	\$ 822,299	\$ 822,299	\$ -	100.00%	22.98%
Morro Bay	\$ 22,715	\$ 22,715	\$ -	100.00%	7.45%	\$ 274,114	\$ 274,114	\$ -	100.00%	7.66%
Paso Robles	\$ 39,890	\$ 39,890	\$ -	100.00%	13.08%	\$ 423,933	\$ 423,933	\$ -	100.00%	11.85%
Arroyo Grande	\$ 8,360	\$ 8,360	\$ -	100.00%	2.74%	\$ 84,149	\$ 84,149	\$ -	100.00%	2.35%
Atascadero *	\$ -	\$ 23,461	\$ (23,461)	0.00%	0.00%	\$ 91,026	\$ 114,487	\$ (23,461)	79.51%	2.54%
Grover	\$ 2,767	\$ 2,767	\$ -	100.00%	0.91%	\$ 39,445	\$ 39,445	\$ -	100.00%	1.10%
Adjustment for Actual TMD Collected	\$ 30,933	\$ -	\$ 30,933		10.15%	\$ 188,143	\$ 144,707	\$ 43,436		5.26%
Total Income	\$ 304,898	\$ 297,275	\$ 7,623	102.56%	100.00%	\$ 3,578,612	\$ 3,558,481	\$ 20,130	100.57%	100.00%
* District pays quarterly										
Expenses										
Restricted Reserve	\$ 15,245	\$ 14,864	\$ 381	102.56%	4.03%	\$ 178,931	\$ 177,924	\$ 1,007	100.57%	5.27%
G&A	\$ 23,337	\$ 23,348	\$ (11)	99.95%	6.17%	\$ 234,503	\$ 247,438	\$ (12,935)	94.77%	6.91%
Industry Research and Resources	\$ 100,679	\$ 99,438	\$ 1,241	101.25%	26.60%	\$ 288,581	\$ 355,443	\$ (66,862)	81.19%	8.51%
Travel Trade	\$ 53,217	\$ 56,484	\$ (3,267)	94.22%	14.06%	\$ 286,037	\$ 321,087	\$ (35,050)	89.08%	8.43%
Communications	\$ 37,324	\$ 26,765	\$ 10,559	139.45%	9.86%	\$ 255,856	\$ 265,149	\$ (9,293)	96.50%	7.54%
Advertising	\$ 93,258	\$ 158,161	\$ (64,903)	58.96%	24.64%	\$ 1,699,988	\$ 1,693,567	\$ 6,422	100.38%	50.11%
Promotions	\$ 5,961	\$ 5,812	\$ 148	102.55%	1.58%	\$ 44,142	\$ 59,452	\$ (15,310)	74.25%	1.30%
Events	\$ 2,068	\$ 39,499	\$ (37,431)	5.24%	0.55%	\$ 103,395	\$ 153,637	\$ (50,242)	67.30%	3.05%
Digital Marketing	\$ 44,778	\$ 33,074	\$ 11,704	135.39%	11.83%	\$ 258,921	\$ 315,344	\$ (56,423)	82.11%	7.63%
Film Commission	\$ 2,567	\$ 3,320	\$ (753)	77.33%	0.68%	\$ 42,395	\$ 53,187	\$ (10,792)	79.71%	1.25%
Total Expenses	\$ 378,434	\$ 460,765	\$ (82,331)	82.13%	100.00%	\$ 3,392,749	\$ 3,642,228	\$ (249,479)	93.15%	100.00%
Surplus(Deficit)	\$ (73,536)	\$ (163,490)	\$ 89,954	44.98%		\$ 185,863	\$ (83,747)	\$ 269,609	-221.93%	
Cash Flow										
Surplus (Deficit)	\$ (73,536)					\$ 185,863				
Beginning Cash Balance	\$ 1,461,825					\$ 733,261				
Change in Accounts Receivable	\$ (61,552)					\$ 149,896				
Change in Accrued Expenses	\$ (207,281)					\$ (27,467)				
Change in Reserve Contingency	\$ 15,245					\$ 178,931				
Change in Accounts Payable	\$ (4,796)					\$ (90,578)				
Visit SLO CAL Cash Balances	\$ 1,129,906					\$ 1,129,905				
Restricted Reserves - 5% of Cumulative Revenues	\$ (543,650)					\$ (543,650)				
Equity on Balance Sheet										
Net Available Cash	\$ 586,255					\$ 586,255				
Comments to the Board:										
- \$74k deficit for May (spent \$82k less than budgeted; revenue was \$8k more than budgeted); we are running at a \$186k surplus YTD (\$269k larger surplus than budgeted).										
- All TMD amounts accrued through March have been collected.										

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of May 31, 2018

	May 31, 18	May 31, 17	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 · Bank of the Sierra - TMD	391,566.29	656,403.42	-264,837.13	-40.4%
1020 · Bank of the Sierra - Membership	207,630.69	154,892.84	52,737.85	34.1%
1030 · Morgan Stanley - TMD	430,319.57	0.00	430,319.57	100.0%
1040 · Morgan Stanley - Membership	100,389.04	0.00	100,389.04	100.0%
Total Checking/Savings	1,129,905.59	811,296.26	318,609.33	39.3%
Accounts Receivable				
1200 · Accounts Receivable	664,839.68	510,895.37	153,944.31	30.1%
Total Accounts Receivable	664,839.68	510,895.37	153,944.31	30.1%
Other Current Assets				
1320 · Prepaid Rent	4,369.95	3,326.70	1,043.25	31.4%
1340 · Workman's Comp Deposit	387.00	569.00	-182.00	-32.0%
1350 · Accrued Expenses	46,416.12	97,679.06	-51,262.94	-52.5%
Total Other Current Assets	51,173.07	101,574.76	-50,401.69	-49.6%
Total Current Assets	1,845,918.34	1,423,766.39	422,151.95	29.7%
Fixed Assets				
1400 · Fixed Assets				
1405 · Computer Hardware/Software	24,216.44	22,404.87	1,811.57	8.1%
1410 · Furniture & Fixtures	91,012.07	20,930.63	70,081.44	334.8%
1415 · Leasehold Improvements	37,301.15	32,651.59	4,649.56	14.2%
1425 · Office Equipment	14,560.10	14,560.10	0.00	0.0%
Total 1400 · Fixed Assets	167,089.76	90,547.19	76,542.57	84.5%
1500 · Accumulated Depreciation				
1505 · Comp. Hdwr/Sftwr. Acc. Depr.	-15,088.17	-12,451.17	-2,637.00	-21.2%
1510 · Furn. & Fixt. Accum. Depr.	-6,208.00	-2,465.00	-3,743.00	-151.9%
1515 · Leasehold Imp. Accum. Depr.	-1,630.00	-343.00	-1,287.00	-375.2%
1525 · Office Equip. Accum. Depr.	-4,915.00	-1,288.00	-3,627.00	-281.6%
Total 1500 · Accumulated Depreciation	-27,841.17	-16,547.17	-11,294.00	-68.3%
Total Fixed Assets	139,248.59	74,000.02	65,248.57	88.2%
Other Assets				
1600 · Intangibles				
1605 · Trademark - Slocal	15,750.00	0.00	15,750.00	100.0%
Total 1600 · Intangibles	15,750.00	0.00	15,750.00	100.0%
Total Other Assets	15,750.00	0.00	15,750.00	100.0%
TOTAL ASSETS	2,000,916.93	1,497,766.41	503,150.52	33.6%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	121,294.91	164,644.14	-43,349.23	-26.3%
Total Accounts Payable	121,294.91	164,644.14	-43,349.23	-26.3%
Credit Cards				
2060 · American Express Credit Card	24,519.76	0.00	24,519.76	100.0%
Total Credit Cards	24,519.76	0.00	24,519.76	100.0%
Other Current Liabilities				
2100 · Payroll Liabilities				
2160 · Health Insurance Withheld	172.14	0.00	172.14	100.0%
Total 2100 · Payroll Liabilities	172.14	0.00	172.14	100.0%
Total Other Current Liabilities	172.14	0.00	172.14	100.0%
Total Current Liabilities	145,986.81	164,644.14	-18,657.33	-11.3%
Total Liabilities	145,986.81	164,644.14	-18,657.33	-11.3%
Equity				
3120 · Reserved Earnings	543,650.40	342,349.12	201,301.28	58.8%
3130 · Retained Earnings	1,125,416.90	401,839.00	723,577.90	180.1%
Net Income	185,862.82	588,934.15	-403,071.33	-68.4%

4:39 PM

06/14/18

Accrual Basis

Visit SLO CAL
Balance Sheet Prev Year Comparison
As of May 31, 2018

	<u>May 31, 18</u>	<u>May 31, 17</u>	<u>\$ Change</u>	<u>% Change</u>
Total Equity	1,854,930.12	1,333,122.27	521,807.85	39.1%
TOTAL LIABILITIES & EQUITY	<u>2,000,916.93</u>	<u>1,497,766.41</u>	<u>503,150.52</u>	<u>33.6%</u>



Visit SLO CAL CEO Report June 2018

OPERATIONS:

- **Executive Committee:**
 - The monthly Executive Committee meeting was postponed and will occur Wednesday, June 27. Reportable action items will be discussed at the July 18 BOD meeting.
 - Board and Executive Committee member Lori Keller is no longer with Martin Resorts. Lori's seat was an at-large Board appointment. The seat will be reposted for applications and discussed at an upcoming Board meeting.
- **Advisory Committee:**
 - Biannual Advisory Committee was very successful, with positive feedback from all elected officials and city managers
- **Finance/HR:**
 - Working to develop and refine the job descriptions for the two open positions
 - Cubicle bullpen area re-oriented on May 18 to make way for two new cubicles
 - Held End of Year Planning meeting on June 15 to review June activations/carryover
 - Expansion of our office in progress – will move into additional space in July
- **Operational Plan:**
 - Held Quarterly Check-in Meeting with Coraggio Group on June 8 to identify challenges and map out solutions
- **Destination Management Strategy (DMS):**
 - Investor/Stakeholder/Business Leader/Non-Profit/Resident interviews and group meetings completed
 - Christine Robertson, VP of Community Engagement and Advocacy, onboarded full-time June 1
 - Completion of Destination Assessment including 14-market competitive analysis
 - Launch of Visitor Survey
 - Met with Tribune Editorial Board
 - Working towards:
 - Finalization of Visitor Survey – June 22
 - Development of Resident Survey PSA – June 22
 - Steering Committee Meeting #2 – June 25
 - 2017 Economic Impact Study and Visitor Volume reports are being finalized
 - Launch of Resident Survey in July with a PSA on KSBY
 - Pacific Coast Business Times editorial board for June
- **Air Service Development:**
 - HQ Meeting with American Airlines on June 19 to pitch air service to Dallas
- **President & CEO Meetings of Significance:**
 - May 17 – Meeting with Alan Iftiniuk, Dignity Health about Destination Management Strategy
 - May 19-23 – IPW, Denver
 - May 22 – Tom Clark, Denver Metro Economic Development



- May 23 – EVC Board Meeting
- May 24 – Cal Poly Local Economic Development Committee – Business Attraction Governance Workgroup
- May 24 – President Jeff Armstrong/Bob Lincheid, Cal Poly/VSC Strategic Partnership
- May 29-June 1 – CalTravel Board Meeting and Summit
- June 5 – President Armstrong’s Cal Poly Local Economic Development Committee
- June 5 – Caltrans Mud Creek Site Visit
- June 6 – SLO Chamber Strategic Partnership Meeting
- June 6 – Cal Poly Local Economic Development Committee – Business Attraction Meeting
- June 7 – Moonstone Hotels Meeting
- June 7 – Bob Linscheid, Cal Poly Strategic Partnerships
- June 7 – VSC Advisory Committee Meeting
- June 8 – Meeting with CBID, San Simeon Tourism Alliance and Cambria Tourism Alliance on Hwy 1 re-opening
- June 8 – Clint Pearce
- June 8 – State of the State Lunch (SLO Chamber)
- June 11 – Lori Keller, Martin Resorts
- June 11 – Roger Onishi, La Quinta SLO – Helping to engage with VSC
- June 12 – Central Coast Economic Forecast Board Meeting
- June 14 – Toni LeGras, Beachside Rentals
- June 14 – Danna Stroud, Travel Paso
- June 15 - Ermina Karim, SLO Chamber Strategic Partnerships
- June 15 – EVC Economic Planning for Diablo Closure
- June 15 – Cal Poly Local Economic Development Committee – Business Attraction Meeting
- June 19 – American Airlines Headquarters Meeting
- June 20 – Caltrans/Visit CA/VSC HWY 1 Reactivation Meeting
- June 20 – Arroyo Grande Chamber Presentation
- June 20 – Paso Robles Conference Center Press Conference

MARKETING & COMMUNICATIONS:

- **Advertising:**
 - **Creative:**
 - RV park photos and new video postcard footage for smaller destinations (that were not included in helicopter shoot) have been posted to the website and shared with partners
 - Planning for hero shoot in August to produce SLO CAL imagery
 - **Media (Goodway/Miles):**
 - Media wrapped up at the end of April for fly markets and mid-May for CA/drive markets, and finished strong. Co-op campaigns will all end by June 30.
 - May results:
 - 5.4M impressions
 - 21K clicks
 - Bounce rate down from 90.90% in Spring 2017 to 39.59% in Spring 2018



- 22% increase in activities (Listing Links, Book Now, Email Sign-Up, Visitor Magazine orders) in May vs. February
- Overall Brand Campaign Results & Insights:
 - Consistently more efficient each month as campaign was optimized for effective cost per activity (eCPA)
 - Seattle, Denver and Phoenix are considerably more expensive (by eCPA) as we grow awareness
 - CA and Las Vegas markets were most cost-efficient (by eCPA) reflecting higher awareness and conversion
 - Programmatic display (banner and video) was most cost-efficient (lowest eCPA), and similar conversion rate as Mobile display and Social ads
 - Search engine marketing (SEM) via Google AdWords was the least cost-efficient (highest eCPA), but had the highest conversion rate
- **PR**
 - Conducted both domestic and international media meetings at IPW in Denver
 - Black Diamond UK Media Mission, April 9-13
 - London, Manchester
 - 11 media visits and 14 media at events
 - Media hits from USA TODAY; Outside/com; UnExplorer; Red Tricycle; and Travel Begins at 40 (UK)
 - Hosted media from Elle Italy, Moda Capital (Mexico), Travel with Darley (PBS)
- **Website**
 - Monthly website performance report attached
 - Continue to produce and refine content for greater SEO and exposure
 - Embarked on 'Inclusion Model' with Simpleview to pull in business data for more complete business listings
 - Launched So SLOCAL ambassador program with 6 local ambassadors on June 1st and content posting starting this month

TRAVEL TRADE:

- **Sales Mission Participation:**
 - Black Diamond UK Sales Mission, June 9-13
 - London, Manchester
 - 11 appointments with product managers, 2 agency trainings and 2 events
 - Big push from UK tour operators for experiential travel
- **Trade Shows**
 - IPW, Denver, May 19-23
 - 52 meetings with tour operators from our top markets; UK and China leading the way
 - San Luis Obispo, Morro Bay, Atascadero, Holiday Inn Express- Atascadero and Hearst Castle in the SLO CAL booth



- Boutique Hotel Collection, Travel Paso and Pismo Beach were in the SLO CAL co-op area
- VSC poured beer and wine each day of the show

CHUCK'S UPCOMING TRAVEL:

- **July 3-5:** Vacation/Independence Day/Vacation
- **July 6-13:** Certified Destination Management Executive (CDME) Continuing Education/Destination International Annual Convention
- **July 27-August 10:** Annual Family Summer Vacation
- **August 11-15:** US Travel's ESTO Conference
- **August 23-24:** Cal Travel BOD Meeting

VISIT



SAN LUIS OBISPO COUNTY
CALIFORNIA®

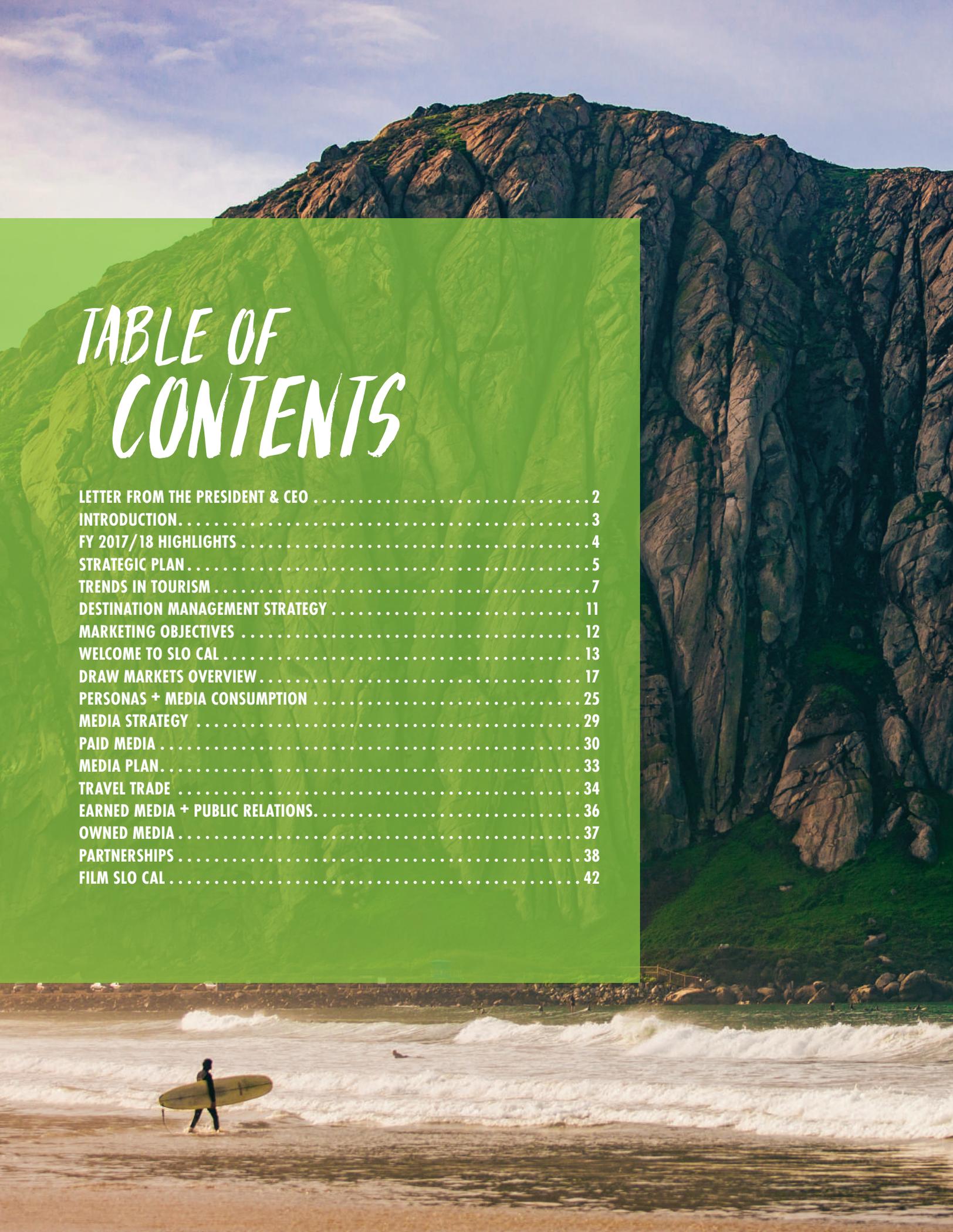


FY 2018/19

MARKETING PLAN

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DEAR INVESTORS AND STAKEHOLDERS,

It is hard to believe we are more than halfway through the five-year District Management Plan and the Tourism Marketing District is about to be three years old. Together, in a very short time, we as an industry have accomplished much. With our Visit SLO CAL Board providing strategic direction, our team, committees and partners have continued to work hard for the success of our industry and our community.

In year three, we executed a number of key marketing initiatives, including 'round two' of a million-dollar-plus international marketing and advertising campaign. We launched the new, advanced SLOCAL.com; increased industry access and collaboration with the new SLO CAL Connection; and, as we close out the fiscal year, we are about to launch the #SoSLOCAL local brand ambassador program.

We also signed our first national public relations firm, Turner PR, and broadened our international sales efforts. We continue our initiative to advocate for the development of critical tourism infrastructure, including the expedited rebuilding of Highway 1 and championing new air service and recent air capacity expansions. Finally, and arguably our greatest undertaking since launching the new brand, we have embarked on building the Destination Management Strategy, a countywide, collaborative process that will take us well into the future, identifying ways to protect, improve and enhance the region's long-term quality of life and economic prosperity.

Our Strategic Direction 2020 remains the road map from which we set our priorities and focus on achieving our core mission to create greater awareness of our county and its assets and to increase demand for overnight stays. It is this strategic plan and our commitment to data-driven research and insights that have enabled our recent accomplishments and set the roadmap for the FY 2018/19 Marketing Plan.

In this plan you will see how the coming year's marketing program will support SLO CAL's tourism industry with an eye for sustainable and strategic economic growth. We will accomplish this through highly optimized and targeted earned, owned and paid media, travel trade sales, strategic partnerships and industry relations. Rather than a goal of more visitation simply through greater numbers of people, we seek to expand visitation during specific need times, and to target a higher impact guest who will stay longer and spend more, creating a greater per person investment in our economy.

As we embark on yet another exciting year, I want to again thank you for your ongoing support of Visit SLO CAL and the Tourism Marketing District. The 2018/19 fiscal year promises to be one of advancement, new endeavors, seasoned campaigns and intriguing opportunities for SLO CAL. In the pages that follow we invite you to explore our strategy for success in the coming year!



CHUCK DAVISON
President & CEO, Visit SLO CAL

INTRODUCTION

Visit SLO CAL (VSC) is a small but mighty team of destination marketing professionals who work with, and on behalf of, our community, our local partners and our investors to promote SLO CAL (San Luis Obispo County, California) to travelers from around the world. As the sole countywide non-profit destination marketing and management organization (DMO) for SLO CAL, VSC's goal is to work with partners to build the SLO CAL brand through a data-driven, efficient and dynamic marketing program. Built on research with a strategy of continuous improvement, this program aims to establish SLO CAL as a favorite West Coast destination known for its signature slower pace of life and unique mix of incredible, immersive guest experiences.

VISION

A vibrant and prosperous San Luis Obispo County, fueled by a collaborative and flourishing tourism industry.

MISSION

Inspire travel and foster our unique experiences to create life-long ambassadors and economic growth for San Luis Obispo County.

VALUES

FUTURE FOCUSED: Delivering today with an eye on tomorrow.

COLLABORATION: Our partnerships inform and support economic success.

DRIVE: We bring enthusiasm to our initiatives and focus on results.

STEWARDSHIP: We are mindful of our resources and the San Luis Obispo County brand.

BRAND INTENTION

STRATEGIC: "They plan and execute."

CONNECTOR: "They bring people together."

CREATIVE: "They innovate and think differently."

INSPIRING: "They show us what's possible."

ESSENTIAL: "We need them in order to succeed."



FY 2017/18 HIGHLIGHTS



In January 2018, VSC's Board selected Resonance Consultancy to facilitate the Destination Management Strategy. This countywide undertaking is a collaborative process with a goal of outlining the evolution, marketing and management of our destination 20-30 years into the future. VSC will seek consensus among investors, stakeholders, government, strategic partners and community residents to identify ways to protect, improve and enhance the region's long-term quality of life and economic prosperity.



As part of a holistic effort to create awareness for SLO CAL and solidify the brand, VSC launched the new SLOCAL.com, a website developed by Simpleview Inc, the leader in web solutions for destination marketing organizations. Along with the new website, VSC rolled out a new CRM and the SLO CAL Connection as tools to help achieve organizational objectives.



In February, VSC won its first Visit California Poppy Award. The honor of Best Digital Marketing Campaign was given in recognition of the Life's Too Beautiful to Rush® campaign that introduced the first ever countywide destination brand, SLO CAL.



Starting in November 2017, VSC partnered with TURNER PR, a national full-service public relations agency with a focus on travel and lifestyle. With TURNER, VSC further expands its commitment to establishing a compelling travel brand in both digital and traditional media outlets.



VSC is conducting a three-wave brand lift study (BLS) to measure consumer awareness of SLO CAL, the impact of VSC marketing and the likelihood of consumers to visit SLO CAL for leisure travel. Wave 2 of the study concluded in August 2017 and Wave 3 will be conducted this summer.



VSC serves as a strategic partner to the San Luis Obispo County Regional Airport by working to attract new air service to the market and expand flight capacity. In the past fiscal year, VSC supported the addition of 225+ daily seats, including a second daily flight from Denver, with a compelling, geo-focused marketing campaign in San Francisco, Los Angeles, Seattle, Denver and Phoenix.



VSC is working with Tourism Economics to conduct a countywide economic impact (EI) study and a separate domestic and international visitor volume study as part of its Destination Management Strategy. The EI study will establish a benchmark to measure future economic growth trends while the visitor volume study will allow VSC to track results quarterly and better understand the visitor impact to the market. VSC negotiated a co-op to allow the local DMOs to produce the same studies at the local community level for a discounted rate.

STRATEGIC PLAN

CLARITY

Vision

A vibrant and prosperous San Luis Obispo County, fueled by a collaborative and flourishing tourism industry

Mission

Inspire travel and foster our unique experiences to create life-long ambassadors and economic growth for San Luis Obispo County

Values

Future Focused

Delivering today with an eye on tomorrow

Collaboration

Our partnerships inform and support economic success

Drive

We bring enthusiasm to our initiatives and a focus on results

Stewardship

We are mindful of our resources and the SLO CAL brand

FOCUS

Imperatives

Optimize our organizational capacity

Objectives

- Increased employee engagement and satisfaction scores
- Ratio of administrative cost to economic impact

Establish brand clarity and increased awareness through unified efforts

- Bi-annual growth of awareness in targeted visitor categories
- Bi-annual growth of awareness in targeted markets
- Bi-annual growth of awareness in targeted segments

Build and expand strategic partnerships

- Balanced inventory of partnerships
- Inbound partnership opportunities
- Earned Partnership Value (EPV)

Advocate for the development of critical tourism infrastructure

- Increased visitor volume
- Increased international visitor volume
- Draft of Tourism Infrastructure Master Plan completed
- Increased total air service

Demonstrate value to our stakeholders, partners and communities

- Year-over-year growth in total stakeholder participation at Visit SLO CAL events/m
- Increased stakeholder satisfaction scores
- Year-over-year growth in local media coverage
- Deliver on objectives as stated in annual marketing plan
- Community engagement with countywide tourism

Brand Intention **Position**

- Strategic
- Connector
- Creative
- Inspiring
- Essential

In order to best support the tourism economy in San Luis Obispo County, Visit SLO CAL provides:

High-quality and high-impact marketing initiatives scaled to reach key regional, national and global targets

A long-term, collaborative, and holistic approach that enables success for each tourism district and the County

Strategic research and sharing of vital tourism knowledge to all of its stakeholders, partners and communities

Initiatives

- Align our organizational structure with our strategic plan
- Establish a continuous learning program for the Visit SLO CAL Team
- Evaluate and develop the tools, systems and technologies we need to succeed

- Establish a unifying and emotionally resonant San Luis Obispo County brand
- Produce and share data-driven strategic insights
- Inspire and activate tourism ambassadors

- Develop a system for annual partnership planning
- Align resources to manage partnerships
- Identify, develop, and activate relationships
- Work with our partners to identify and reduce duplication of efforts

- Develop long-term Tourism Infrastructure Master Plan
- Enable access to San Luis Obispo County via increased transportation options
- Initiate feasibility plan for conference center
- Advocate and educate to support international tourism readiness

- Develop an engaged and high-functioning tourism culture for San Luis Obispo County
- Create an impactful annual marketing plan and timeline
- Develop and execute a local communication strategy
- Develop a plan for advocacy on behalf of stakeholders

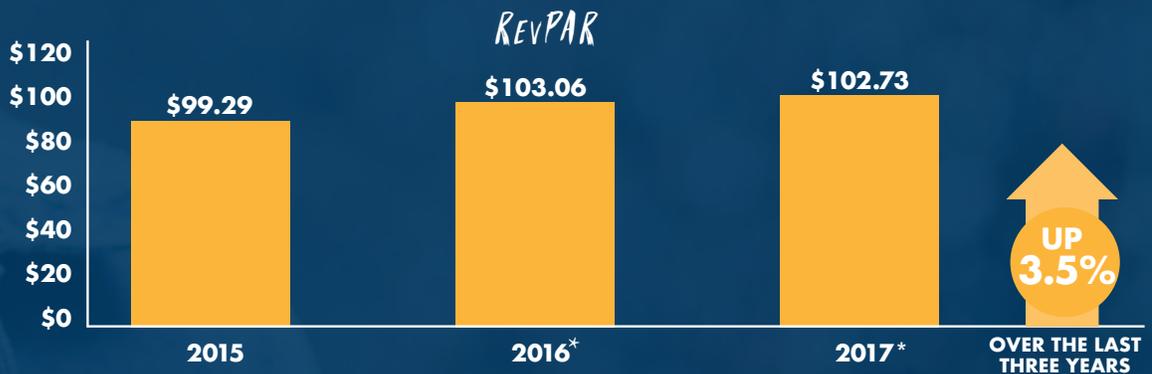
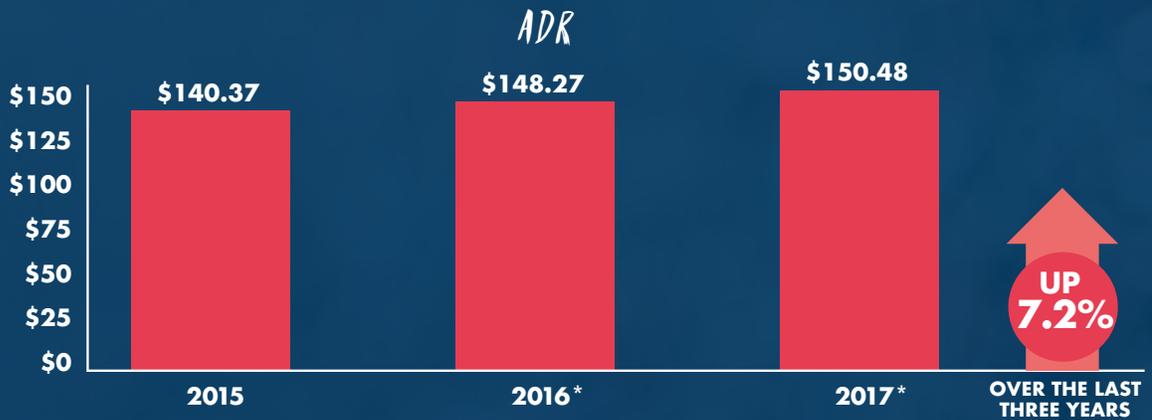
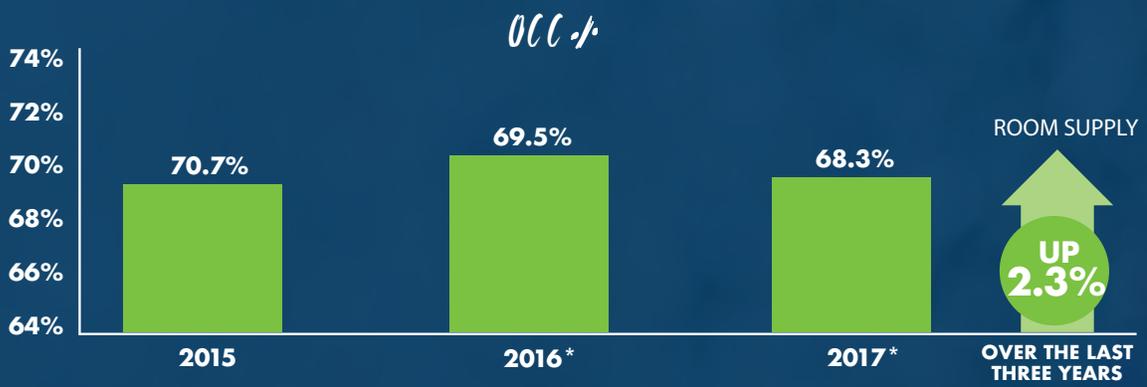
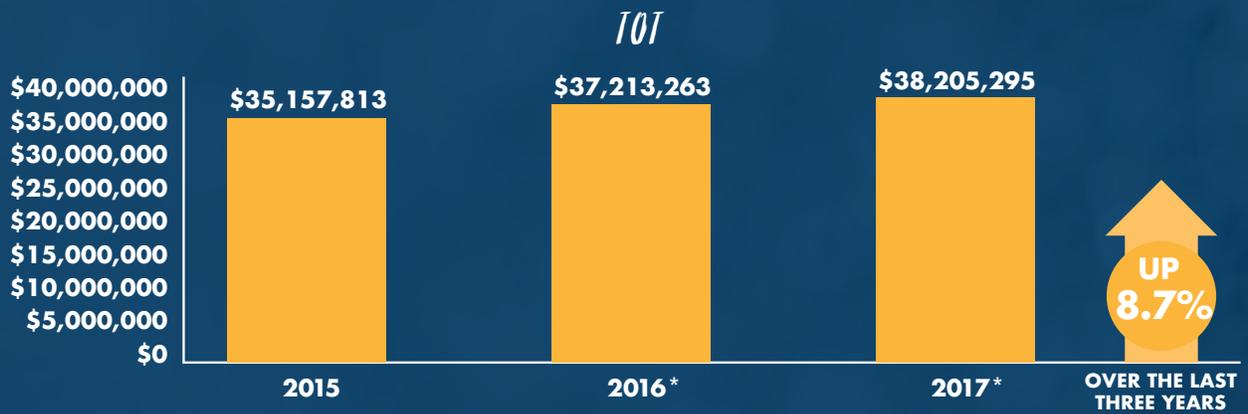
ACTION

meetings



TRENDS IN TOURISM

SLO CAL continues to see consistent increases in tourism's contribution to the local economy, and VSC expects that trend to continue for FY 2018/19. With consumer affinities such as health-conscious travel, skip-generation vacations, culinary tourism and sustainable travel on the rise, SLO CAL is uniquely positioned to take advantage of changing and dynamic travel patterns.



*NOTE: Figures reflect a decrease in visitation due to the closure of Highway 1.

2017 TOURISM IMPACT



7.1% increase in tourism-supported jobs:

20,250



2.7% increase in TOT revenue:

\$38,205,295



Travel spending:

\$1.75B



Travel & tourism earnings:

\$645M

Travel spending created **\$75.2M** in local tax revenue. Equal to:



751

police officers' salaries



1,018

firefighters' salaries



120

miles of 2-lane resurfaced roads



104

parks

TRAVEL TRENDS

Travelers are using their mobile devices more than ever to make travel plans, but they are also increasingly looking to unplug from the digital world once they begin their journey. The rise of culinary tourism, a surge in luxury and family vacations, along with a more conscious traveler, put SLO CAL in a unique position to take advantage of evolving leisure travel patterns.

A GROWTH INDUSTRY

Given a strong domestic economy and a growing desire to explore the 'new,' all signs point to continued growth in travel and tourism. According to the U.S. Commerce Department, the United States would see a 3.3% compounded average annual increase in visitor volume during the 2016-2021 timeframe. By 2021, this growth would produce 94.1M visitors, a 21% increase, and more than 16M additional visitors compared to 2015.

EVOLUTIONS IN TRAVEL PLANNING

As attention spans continue to shorten and research goes more mobile, the landscape of travel planning is evolving daily, bringing new opportunities and challenges to marketers. Travelers are increasingly taking planning on the road with travel-related searches for "tonight" and "today" growing over 150% on mobile over the past two years¹. In fact, last year 79% of mobile travelers completed a booking after doing research on their smartphone, a 70% increase from 2016¹. Personal service, however, appears to be increasingly important as well, with 45% of mobile travelers calling to book or to get more information after doing travel research on their smartphone. This is significantly higher than in 2016 (37%)¹.

- 36% of travelers would be likely to pay more for their services if the travel brand tailored its information and overall trip experience based on personal preferences or past behavior.
- Searches for family vacation, luxury travel and couples travel and honeymoons grew at least 3 times faster YOY than searches in the adventure travel and ecotourism categories.
- 1 in 3 travelers are interested in using digital assistants to research or book travel.

FOODIE FORWARD TRAVEL

Once merely considered an amenity, food culture and culinary experiences are becoming destination drivers themselves, as evidenced by the 22 million Americans expected to

take culinary vacations in 2018². Even for those not driven primarily by food, 75% of travelers say that food and dining are an important part of their travel experience. Overall restaurant-related searches have grown by double digits in the past two years.² Travelers, however, do not want the ordinary. Lucky for SLO CAL and its diverse culinary scene, 95% of travelers say they seek to engage in "unique and memorable" food or beverage experiences while traveling² such as touring wineries, dining with locals and taking cooking classes.

RESPONSIBLE TOURISM

Last year - 2017 - was officially designated as the United Nations International Year of Sustainable Travel and this designation clearly charted a course for the trend to take off in 2018. Whether social, environmental or economic, travel impacts are becoming more relevant in travel decisions, according to the Travel Market Report. Going "local" is a predominant consumer value, especially for millennials, and younger audiences are looking for responsible tourism as they seek to avoid the effects of over-tourism. Tourism entities are responding to this with advocacy campaigns that have evolved from focusing solely on the benefits of tourism to the community to campaigns that demonstrate how tourism can better the community.

GETTING OUT OF RANGE

The 24/7/365 plugged-in lifestyle appears to be wearing on consumers who are now actively looking to disconnect with the digital world and to reconnect with the real world. Travel focused on disconnecting is growing, according to Digital Detox®, an organization specializing in raising awareness about the implications of being always connected to electronic devices. New features, services and packages are emerging on the travel landscape to meet this desire. Phone-free properties, WiFi-free facilities, cell-blocking hotel rooms and other environments for IRL (In Real Life) connection are on the rise. Additionally, new analog wilderness camps for adults and concierge services promising off-the-grid campsites have emerged.

¹ Think With Google data, 2018
² 2016 Food Travel Monitor

DESTINATION MANAGEMENT STRATEGY

In January, VSC's Board selected Resonance Consultancy to facilitate the development of a Destination Management Strategy. This countywide undertaking is a collaborative process with the goal of outlining the evolution, marketing and management of SLO CAL as a travel destination 20-30 years into the future. VSC will engage investors, tourism stakeholders, public officials, businesses, nonprofits and residents countywide, creating a strategy that promotes a vibrant and prosperous San Luis Obispo County.

Over the coming decades, SLO CAL is facing a number of economic changes and challenges, including the forthcoming closure of Diablo Canyon. With tourism serving as the largest local economic driver outside of agriculture, there is significant interest in the reasons why a stronger and smarter tourism industry might help mitigate these impacts and promote a vibrant future for our community.

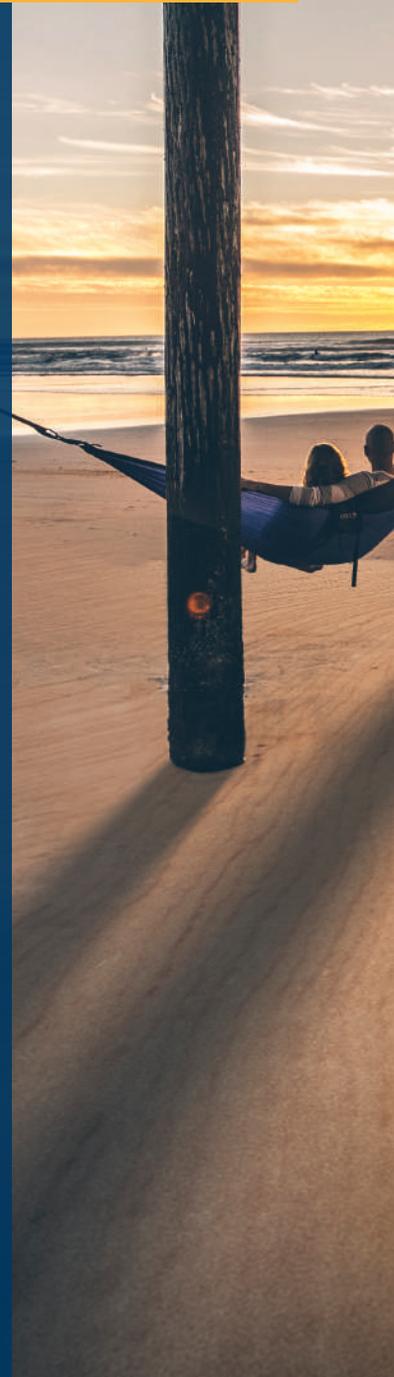
VSC is also mindful that as tourism increases, destinations that fail to plan for sustainable growth have encountered adverse effects on community and natural resources. As SLO CAL's brand and marketing reach more people, it is important that VSC and SLO CAL take appropriate steps to mitigate potential negative impacts and identify opportunities for investments in sustainable tourism.

Correctly identifying and understanding these aspirations and needs to develop a corresponding Destination Management Strategy will help SLO CAL reach its goal of realizing travel and tourism's full economic potential while preserving the quality of life and unique character of the destination.

METHODOLOGY

1. Kick-off and Stakeholder Analysis
2. Economic Impact Analysis
3. Consumer Research and Market Analysis
4. Destination Assessment
5. Stakeholder Engagement
6. Community Survey
7. Situational Analysis
8. Visioning Workshops
9. Draft Recommendations
10. Open House/Online Forum
11. Final Report and Delivery

As part of the Destination Management Strategy process, Tourism Economics is conducting an economic impact study, along with a visitor volume study for SLO CAL. Six SLO CAL destinations are participating at the local level as a co-op for access to similar information about their individual communities.



MARKETING OBJECTIVES

VSC's marketing program maintains three key objectives that were developed for the long term and which are refined to address the current context.

1 BUILD AWARENESS OF SLO CAL BRAND AND DESTINATION

Leverage the strength of the new brand and the relationships with partners to magnify the reach of SLO CAL.

Plan to Achieve: Paid, earned and owned media, co-op marketing, sponsorships, travel trade, promotions and partnerships, Film SLO CAL

Plan to Measure: Brand lift study, paid media performance, owned media engagement, co-op participation, sponsorship results and earned media coverage

2 DEVELOP STRONGER AND DEEPER ENGAGEMENT WITH VISITORS

Work in support of the mission to reach audiences with the highest potential, creating life-long ambassadors and economic growth for the county.

Plan to Achieve: Website optimization; online and social media engagement; content development and distribution; ambassador and influencer programs; email marketing

Plan to Measure: Website engagement (time on site; pages per session, number of high-value web activities); paid media performance (cost per activity; cost per non-bounced user; cost per minute of engagement); social media consumption and engagement (video views, comments, likes and shares)

3 DRIVE DEMAND FOR VISITATION TO THE COUNTY

Deliver an integrated marketing campaign built to reach targets with the highest potential for visitation and that supports activity in other sales channels (Travel Trade, Film, etc.).

Plan to Achieve: paid, earned and owned media; co-op marketing; sponsorships; travel trade; public relations; promotions and partnerships; Film SLO CAL

Plan to Measure: referrals to partners, arrivals in market, revenue per available room (RevPAR), TMD Assessment and Transient Occupancy Tax (TOT)

WELCOME TO SLO CAL

The SLO CAL brand represents and unites the entire county through a trademarked logo, brand promise, iconic photography and engaging video. These elements are incorporated throughout VSC's marketing efforts, including advertising, PR, social media, the new SLOCAL.com website, promotional videos and email marketing.

SLO CAL establishes a geographic location for the county while representing its unique pace of life and personality. The brand evokes feelings of relaxation and the freedom to experience life at your own pace – the SLO CAL way of life.



HOW WE ARRIVED AT SLO CAL

THE PROCESS

In 2016, VSC conducted multiple research studies to inform the branding process, including a feeder market awareness study (FMS), a share of wallet study (SOWS) and demographic study, surveying over 2,200 consumers to gauge awareness and perception of San Luis Obispo County as a tourism destination. Through these studies, VSC found that the majority of consumers surveyed were not familiar with San Luis Obispo County or what it offers to travelers. When compared to competitors with similar attributes, San Luis Obispo County was perceived as not having an advantage over them and lacking in other desired attributes.

COLLABORATION AND ASSESSMENT

To overcome this lack of awareness and to capitalize on positive attributes, VSC presented the consumer research to its creative agency, BCF, and asked that it craft a brand that would emotionally resonate with consumers. VSC invited over 900 county stakeholders to interviews and meetings and used the feedback, in combination with that of the Marketing Committee, Board of Directors, staff and agency, to develop brand concepts. These concepts were then shared and tested, both locally and in our key markets, to ensure authentic representation and effective consumer engagement.

BRAND DELIVERY

In January 2017, the new SLO CAL brand and corresponding “Life’s Too Beautiful to Rush®” campaign were launched with digital banners, social media, native and video communications in key target markets of Los Angeles, San Francisco, Phoenix, Las Vegas and San Diego. Since then, San Diego has been replaced with Seattle and Denver in order to support new flight markets. In February 2018, VSC launched the new SLOCAL.com experience, which embodies the SLO CAL brand through a streamlined user interface, improved storytelling, photography, aerial videos of the county and other customizations that highlight each of SLO CAL’s communities in a unique, inspiring way.

MEASUREMENT

VSC is conducting a three-wave brand lift study to measure the long-term impact of the SLO CAL brand marketing. In partnership with Research Now, the study measures familiarity with the destination, the effectiveness of different advertising concepts and the likelihood that people will visit. So far, VSC has observed the following results when comparing Wave 2 (Jan 23 - Feb 6, 2017) to Wave 1 (July 7 - August 10, 2017) results:

- More people reported to have seen, read or heard any advertising about SLO CAL in the past six months in Wave 2 compared to Wave 1 (29% vs. 25%; +4 points).
- More people were “very likely to visit” SLO CAL both prior to seeing advertising (+2 points) and after seeing the advertising (+4 points).
- Among those who recall past advertising, 40% visited SLO CAL as a result (+1 point vs. Wave 1).

MOVING FORWARD

VSC’s marketing strategy will continue to focus on expanding the brand presence for SLO CAL, growing awareness of the destination, developing a stronger and deeper engagement with visitors and driving demand for visitation to the county. Expanding translated marketing, investing more in content development, creating sub-campaigns and inviting the local community into the SLO CAL brand are all ways that VSC will seek to achieve these goals in the coming year.

LIFE'S TOO

BEAUTIFUL

TO RUSH®

VISIT



SAN LUIS OBISPO COUNTY
CALIFORNIA®



DRAW MARKETS

OVERVIEW





Using the Feeder Market Study, Share of Wallet Study and Brand Lift Study data, VSC analyzed the draw markets based on the following criteria:

MODERATE LOW AWARENESS

The greatest opportunity for growth is to focus on age cohorts who have a lower awareness of the county. Marketing and advertising best practices indicate that there is greater opportunity at the brand development stage to move the needle from moderate awareness to high, more so than from high to even higher. This practice also exposes the destination to a new set of prospects for message testing.

PROSPECT VERY LIKELY TO VISIT

While the county scores high when combining “very likely to visit” with “somewhat likely to visit,” BCF recommends narrowing the focus to those audiences that are “very likely to visit.”

TRAVEL SPENDING

Because economic growth and tax revenue are critical for San Luis Obispo County, the recommendation is to focus on those travelers who have a higher propensity to spend more on trips in general or have spent more while visiting the county. BCF analyzed various cross tabs from the SOWS as well as the FMS to develop this position.

FAMILIARITY WITH THE DESTINATION

Prioritizing of geographic markets considered both familiarity with the destination (cited as the reason for travel) and lack of familiarity with the region (cited as the reason for lack of visitation).

AVERAGE ADVERTISING COST

By assessing the size of a potential geographic market, along with average “costs to advertise” for effective penetration, BCF was able to determine the budget allocations required per market to prioritize the media budget allocations to maximum effect.

Note: Because of these qualifiers, VSC will not be placing media in the Central Valley, leaving opportunities for city-specific marketing.

#1 LOS ANGELES

VENTURA + LOS ANGELES COUNTIES

In general, Los Angeles ranks highest of all the geographic markets in awareness and past visitation. In addition, it is a close-in market with a critical mass population from which to draw. Within this geographic market, the target populations are A25–34 and A45–54. The data below illustrates the rationale for selecting these two demographics:

- **AWARENESS:** Los Angeles has the highest initial awareness of all markets; however, A25–34 and A45–54 have the lowest awareness of all cohorts within the Los Angeles market, and rank 10th and 8th respectively among all cohorts measured.
- **LIKELIHOOD OF VISITATION:** Comparatively, Los Angeles scored low on likelihood to visit, with A45–54 ranking 7th and A25–34 falling out of the top 10. However, this lower ranking was mitigated when looking at the other factors contributing to attractiveness for A25–34 (e.g., spending in market, awareness, critical mass of population, proximity).
- **TRAVEL SPENDING:** A45–54 and A25–34 ranked 10th and 3rd, respectively, on the travel spending for the cohort.
- **FAMILIARITY WITH THE DESTINATION:** The A45–54 ranked 4th, and A25–34 ranked 7th in citing familiarity as a reason to visit the destination.
- **AVERAGE ADVERTISING COST:** While high, the cost of advertising in this market is not prohibitive. Given the size of the market, ability to hyper-target within it and relative ease of travel from Los Angeles to San Luis Obispo County, the cost of advertising did not lower the prioritization.
- **OTHER:** Based on past visitor data, VSC also knows that the interests shared by these two groups overlap and perform strongly as points of differentiation for the county:
 - Weather, beaches, dining
 - A25–34 also cited family and quality
 - A45–54 also cited familiarity and wine





SAN FRANCISCO #2

*CITY OF SAN FRANCISCO, CONTRA COSTA,
ALAMEDA + SANTA CLARA COUNTIES*

San Francisco is another close-in market with a critical mass of population. It ranks 2nd on this list because intent to travel to SLO CAL is the highest compared to the other target markets. There is opportunity to expand brand reach in San Francisco, especially within the selected cohorts of A25–34 and A35–44.

- **AWARENESS:** These two groups ranked lowest (A25–34) and 2nd lowest (A35–44) on prospect awareness among the San Francisco market, while ranking 4th and 10th respectively among all cohorts.
- **LIKELIHOOD OF VISITATION:** As compared to other markets on the whole, the likelihood of visitation is low for the San Francisco cohorts, but within the cohort set, A25–34 ranks 1st and A35–44 ranks 2nd.
- **TRAVEL SPENDING:** For travel spending, A25–34 ranked 4th while A35–44 fell out of the top 10.
- **FAMILIARITY WITH THE DESTINATION:** San Francisco as a whole did not perform well on citing familiarity as the reason for visitation with all cohorts falling out of the top 10 on this metric.
- **AVERAGE ADVERTISING COST:** The cost to advertise to the target in San Francisco is in the high range compared to all the other markets.
- **OTHER:** Interestingly, based on past visitor data, unlike the previous cohorts, these two groups in San Francisco did not have the same kind of overlap in interests in the types of experiences they choose in the county:
 - A25–34 also cited weather, beach, exciting, family, quality
 - A35–44 also cited familiarity, accessibility

#3 SEATTLE

KING + SNOHOMISH COUNTIES

Seattle ranks high on the prioritization list and provides an opportunity for expansion should VSC sufficiently manage to drive demand for an additional flight(s) into the county. The cohorts selected for Seattle are A25–34 and A35–44. Seattle ranks 2nd in lack of prospect awareness on the whole, and within the cohort group VSC saw that the A25–34 and A35–44 were least aware.

- **AWARENESS:** A35–44 had the lowest awareness of all cohorts, while A25–34 ranked 3rd lowest.
- **LIKELIHOOD OF VISITATION:** A25–34 and A35–44 ranked 1st and 5th, respectively.
- **TRAVEL SPENDING:** A25–34 and A35–44 ranked 1st and 2nd, respectively.
- **FAMILIARITY WITH THE DESTINATION:** The A45–54 ranked 4th and A25–34 ranked 7th in citing familiarity as a reason to visit the destination.
- **AVERAGE ADVERTISING COST:** The cost to advertise is significantly lower than in other target markets given Seattle’s relatively small size.
- **OTHER:** VSC placed Seattle higher on the prioritization list due to the information gathered from past visitor responses about spending in the county. For past visitors, these two cohorts ranked 1st (A25–34) and 2nd (A35–44) in spending. The other factor that played into Seattle’s ranking was the new direct flight route with Alaska Airlines, which is expected to encourage other flights on that route.

- o Events, weather, family, excitement
- o A25–34 also cited beach and dining
- o A35–54 also cited value and quality



DENVER #4

DENVER, ARAPAHOE, JEFFERSON, ADAMS, DOUGLAS,
BOULDER, LARIMER + EL PASO COUNTIES

Denver is another new fly market that provides an opportunity for expansion should VSC sufficiently manage to drive demand for an additional flight(s) into the county. The cohort selected for Denver is A25–54.

- **AWARENESS:** Denver had the lowest awareness among the six draw markets.
- **LIKELIHOOD OF VISITATION:** As compared to other markets on the whole, the likelihood of visitation is the lowest for Denver.
- **TRAVEL SPENDING:** For travel spending, Denver ranked the 2nd lowest.
- **FAMILIARITY WITH THE DESTINATION:** Denver scored the lowest in familiarity with the destination.
- **AVERAGE ADVERTISING COST:** The cost to advertise in Denver is in mid-to-high range.
- **OTHER:** The obvious factor that played into Denver's higher ranking was the new direct flight route with United Airlines. Denver area residents look for the following in leisure destinations:
 - o Outdoor recreation, relaxation, exploring new things

#5 PHOENIX

MARICOPA COUNTY

Another fly market, Phoenix, ranks 5th on the prioritization list. Industry data indicates that VSC can expect travelers coming from fly markets to stay longer. That fact, coupled with data showing that Phoenix ranks 3rd lowest in prospect awareness, justifies Phoenix's position as a target market.

The cohorts selected for Phoenix are A35–44 and A45–54.

- **AWARENESS:** These two groups deliver the lowest awareness (A35–44) and 3rd lowest (A45–54) among all cohorts in Phoenix, with A45–54 in a virtual tie with A25–34 in the market.
- **LIKELIHOOD OF VISITATION:** A35–44 tied for 3rd on likelihood to visit the county. The A45–54 group fell out of the top 10.
- **TRAVEL SPENDING:** Phoenix performed particularly well on this factor, as A35–44 ranked 9th in travel spending, and A45–54 ranked 7th.
- **FAMILIARITY WITH THE DESTINATION:** Phoenix performed poorly on this metric, with each cohort falling out of the top 10.
- **AVERAGE ADVERTISING COST:** The cost to advertise in Phoenix is in the mid-to-high range of the target market list.
- **OTHER:** Referencing past visitor data, VSC knows that the two groups share some similar interests:
 - Weather, family
 - A35–44 also cited value, exciting, dining
 - A45–54 also cited beach



LAS VEGAS #6

CLARK COUNTY

Las Vegas is a fly market, and even though there is more than one flight per day (unlike Seattle) into the region, the general population density/critical mass of the target and the almost 50/50 level of propensity to visit for most of the cohorts resulted in this market's 6th place ranking.

However, there is opportunity in the A25-34 and A35-44 set because both rank relatively well in the likelihood to visit and travel spending categories.

- **AWARENESS:** The A25-34 ranked 2nd in awareness, while A35-44 fell out of the top 10 among all cohorts.
- **LIKELIHOOD OF VISITATION:** The A35-44 group ranked highest in likelihood to visit, ranking 6th among all cohorts. A25-34 fell out of the top 10.
- **TRAVEL SPENDING:** The A25-34 was the highest in the cohort set in travel spending, ranking 6th while all other Las Vegas cohorts fell out of the top 10 in this metric.
- **FAMILIARITY WITH THE DESTINATION:** Las Vegas scored particularly low on this metric, and this was the key metric that pushed Las Vegas down in priority.
- **AVERAGE ADVERTISING COST:** The cost to advertise to targets in Las Vegas is on the lower end.
- **OTHER:** VSC accounted for the fact that, as previously noted in other fly markets, the propensity to stay longer (and therefore spend more in market) was a factor for Las Vegas's ranking. However, the limitation of three flights a week into the region also factored into the ranking. Past visitor data showed some overlap in desired experiences for these two groups:
 - o Weather, family, beach, dining
 - o A25-34 also cited quality, exciting, wine
 - o A35-44 also cited familiarity



PERSONAS + MEDIA CONSUMPTION

Traditional demographics alone are not enough to build a strategic picture of the target audience for VSC. Psychographic segmentation takes the nuance of the targets' lives into account. It goes beyond the household income, age, education level, etc., to uncover the beliefs, motivations, aspirations and lifestyles that will enable VSC to engage the person, not just the target. Understanding the way the people in the target geographies interact with information about travel and what informs their decisions is a start. The crux of the media strategy is digital, which falls in the top two sources for most prospective respondents across all target markets.

ACTIVE ADVENTURER #1

**ACTIVE, MID-HIGH AFFLUENT, EDUCATED,
DEEPLY PASSIONATE EXPERIENCE-SEEKERS**

"I keep on the go, but like to plan my travels for outdoor communing. I stay connected to share my travel, experiences and memories, but my real motivation is seeing the world. Breathing salty sea air and eating fresh local foods bring me back to myself and that's why I travel."

WHAT MATTERS TO THE ACTIVE ADVENTURER?

The Active Adventurer is motivated by a dynamic and participatory lifestyle with a tendency to forge deep and abiding connections with brands and places. Forty-three percent of outdoor consumers have kids at home and are committed to grooming the next generation of outdoor enthusiasts. (Source: Mintel, *Outdoor Enthusiasts-US*, March, 2017)

WHY THE ACTIVE ADVENTURER MATTERS FOR VSC

With green hills, countless miles of hiking and biking trails, great bouldering and an average of 300+ days of sunshine, SLO CAL is paradise for the Active Adventurer. This group fits squarely in VSC's target market, with interests closely aligned to the SLO CAL lifestyle, attributes and products. Prospective visitors to the county are not aware of the outdoor activities and/or do not think them compelling enough to make a trip.

With their interest in outdoor pursuits such as paddle boarding, VSC expects that 30% will spend \$2,500 or more per trip, while the other 70% spends \$1,000 or more per trip. (Source: FMS and SOWS) The highest numbers come from Seattle (61.5% of adults 25-34 spend at least \$2,500 per trip) and Los Angeles (31% of adults 25-34 spend at least \$2,500 per trip).

THE ACTIVE ADVENTURER AND MEDIA

Social media, the digital space and friends and family are dominant sources of information for this group. For a subset of the persona (GenX and millennial males), TV is also influential, but on-demand and streaming usage limits the effectiveness of broadcast with this group. They're heavy users of mobile and internet; they like to discover the undiscovered and are regularly searching online for events, trips and opportunities to jump into new experiences.

The Active Adventurer persona shares many attributes with the state's Avid Adventurer and Natural Nurturer, implying shared contact with this persona within the sales funnel.

#2 MOM TO THE MAX

**SCHEDULED, CONNECTED, AFFLUENT,
TRANSPARENT (THE GOOD AND THE UGLY)**

"I want to be in the know, connected and learning from other mothers and their experiences. I want to make my money work harder and last longer. I try to stay on top of cultural trends, especially when it comes to the well-being of my family."

WHAT MATTERS TO THE MOM TO THE MAX?

Family and friends motivate Mom. She's highly digital and rarely misses an Instagram post or an opportunity to share her inspirations. Creativity and new trends in home care, family life, decor and travel experiences are top of mind for Mom.

Mom and her partner express an indestructible commitment to their family. She wants it all for herself and her family, but she wants value for her dollar, too.

WHY THE MOM TO THE MAX MATTERS FOR VSC

Mintel's research shows that heritage and culture are Mom's primary travel motivation, thus she demands educational value and authenticity in her family's travel experiences. She and her family are thrilled to take a day trip to the Mission, search for shells on the beach and will take full advantage of local sitters so she and her partner may enjoy the more mature experiences offered in SLO CAL.

Mom to the Max will be traveling with family, which makes it more likely that she'll spend at least \$2,500 in-market. Factors such as family dining, kids' excursions and child care fees contribute to the spend, which she is likely to reach, easily, over a two-to-three-day stay in market.

THE MOM TO THE MAX AND MEDIA

In priority order, the Mom to the Max interacts on: internet, mobile devices, television, radio, print, direct mail, out-of-home product placements and sponsorships. She watches TV, but is more apt to stream that content via Hulu or other platforms where commercials can be blocked; or, when she is watching traditional broadcasts, she uses commercial breaks as time to check work emails or tend to something around the house.



CULTURED CLASS #3

EDUCATED, RISK TAKERS, GRACIOUS,
CONFIDENT, PROFESSIONALS

"I'm never unplugged—a new age renaissance person. I'm always engaged and on the cusp of new trends. Education, music, family, the arts and fine culinary experiences drive me to connect, continue to learn and be the first-to-know in my friend group. I want out-of-the-box experiences. I want to return from a trip renewed, revived and ready to take on the next thing. I demand value when I invest in leisure and relaxation."

WHAT MATTERS TO THE CULTURED CLASS?

The Cultured Class seeks the unexpected and new. They look for experiences that can elevate their lives and connect them to the world in unexpected ways. These are the people who not only want to have the experience for themselves, but who, as trusted advisors to their friends, family and follower groups, are invested in sharing new things and encouraging others to join in.

WHY THE CULTURED CLASS MATTERS FOR VSC

The Cultured Class (with annual household income greater than \$100K) is more likely to take vacations (92%). (Source: Nielsen PRIZM data and Mintel Research) The affluent Cultured Classers tend to be older. Four out of five have children, so when targeting the affluent Cultured Class, families (i.e., with young children) need appropriate consideration.

The Cultured Class picks their destinations by researching more than three sources. (Source: Nielsen PRIZM Segmentation) While the majority of the Cultured Class prefers to start planning trips three to four months in advance, this spontaneous generation of travelers is also two to three times more likely than older travelers to start planning within weeks of departure. SLO CAL is the perfect last minute (booking) getaway for the Cultured Class.

Experience, education, culinary expertise and local culture are drivers for this group, and SLO CAL offers a diverse menu of options certain to satisfy their needs. Wine tasting, trips to the Mission and a couple nights stay at a boutique hotel meshes perfectly with our Cultured Class. For these travelers, food and drink is not just an interesting part of their experience, but a major factor that actually drives travel decisions. Indulging in fresh, local culinary culture on a quick getaway or "girls weekend" is highly appealing to the Cultured Class when considering travel to SLO CAL. (Source: 2016 Food Travel Monitor Study)

THE CULTURED CLASS AND MEDIA

They are selective when it comes to media interactions and are the only one of the set where radio (digital and XM) makes the list. The top performers for this group are the internet and mobile.



MEDIA STRATEGY

VSC's persona-based media strategy focuses primarily on digital executions. Consumers are increasingly more influenced by their online interactions, using multiple devices when making travel decisions. By exploiting these preferred digital mediums to build brand awareness and affinity, while supporting lower funnel channels like paid search and social, VSC's strategy aims to be in front of the right audience at the right place and at the right time. In the micro-moments era, where people turn to their devices to help them make decisions, being present at different steps of the user's travel journey is key to create that top-of-mind awareness and intention to visit SLO CAL.

VSC'S APPROACH TO MEDIA RELIES ON THREE FOUNDATIONAL PILLARS:

- 1. RESEARCH:** Media flight dates, persona targeting and budget allocation are decisions based on research, insights and a close study of the tourism industry.
- 2. MULTI-CHANNEL:** Awareness is not established through frequency alone, but instead by staying top-of-mind, reaching an audience on multiple, complementary channels and with a variety of messages.
- 3. EVOLVING:** Testing assumptions and quickly incorporating learnings are critical to staying relevant and effective while also maintaining efficiency.

VSC relies on experienced media agencies for crafting strategies that support the organization's objectives, while providing guidance and communicating objectives clearly.

PAID MEDIA

PAID SOCIAL MEDIA

Working in unison with SEM (Search Engine Marketing), social platforms enhance awareness and brand reach by engaging consumers in a space in which they are naturally relaxed, open to messaging and often already seeking inspiration. A combination of multi-media and video ads on Facebook and Instagram will support brand engagement while also promoting website traffic. Custom and lookalike audiences allow for remarketing, while refined interest and behavior targeting ensure coverage of all key personas. A multi-layer targeting approach allows VSC to reach target audiences at different points of their travel planning journey.

- Social media is uniquely positioned to deliver both brand awareness and consideration/engagement metrics, more so than any other channel.
- Facebook ads and promoted posts will be used for content messages for lower-funnel activations like promotions, special events and deals.
- Carousel, video, image, slideshow, canvas and post engagement ads on Facebook and carousel and video ads on Instagram are the main formats that constitute the social ads portfolio.

PAID MEDIA

PROGRAMMATIC DISPLAY

Whether through banners, native or video advertising, the key to a successful programmatic campaign is effective targeting and personalized messaging. Programmatic provides the ability to target at scale and optimize to formats consumers are most engaging with. Display banner campaigns, while not shiny and new, have their place in driving efficiency and scale. Native advertising has an organic appeal as it follows the natural form and function of the user experience in which it is placed, producing quality traffic and driving brand lift. In 2018, it is expected that over \$5.7 billion will be spent on native advertising, making it the largest format of digital advertising. Finally, pre-roll video gives VSC another means to provide inspiration to new audiences and has proven to engage target audiences at higher levels than other programmatic tactics.

- **BANNER** ad campaigns allow for targeting the most relevant audiences, delivering creative with the highest engagement and testing the effectiveness of messages, creative elements and placements. These units will be purchased through biddable, exchange-based DSP platforms to control costs, while providing detailed pockets of optimization. This will enable the campaign to be continually optimized.
- **VIDEO** video advertising is one of the most effective formats available in creating immediate awareness in consumers' minds, according to Miles Partnership, showing the highest level of recall and impact among all formats measured. Leveraging video units to increase awareness in key markets with lower awareness, such as Seattle and Denver, will be critical to establishing a foothold within these markets.
- **NATIVE** advertising has evolved into one of the most effective forms of paid media. Sold on a cost-per-click basis, native units mimic their environment, making them more apt to engage the user.

SEM

SEM activities support the VSC's brand initiatives by focusing on upper-funnel search queries specific to regional and local travel (such as Central California beach vacations, California winery tours and things to do in Central California). This approach aims to ensure the SLO CAL brand and destination reaches consumers when they are actively searching for travel in this area. These campaigns allow VSC to take advantage of specific topics and user areas of interest when conducting online research. SEM allows VSC very strict control over where and when to drive traffic to the website, enabling nimble management of website traffic according to the seasonality, weather or current events.

A photograph of a motorcycle rider on a scenic coastal road. The rider is wearing a black leather jacket and a white helmet, riding a motorcycle with a red taillight. The background shows a blue ocean, a white sandy beach, and green hills under a clear blue sky. The image is partially obscured by a dark blue semi-transparent box containing text.

COOPERATIVE ADVERTISING

The co-op advertising plan is designed to extend opportunities to VSC's partners that would not be possible on an individual basis and that will provide measurable and tangible results.

VSC aims to offer attractive co-op opportunities and get partners' input to select the most promising strategies. Co-op options may include:

- **DIGITAL SOCIAL AND NATIVE ADS:** Leveraging VSC's digital campaign to provide access to more sophisticated advertising technologies like advanced programmatic and enhanced targeting.
- **IN-FLIGHT MAGAZINES:** A multi-page print spread with one of SLO CAL's carrier airline in-flight magazines, designed to deliver significant reach and large impact with travelers within the key feeder markets for the county. This type of program is a cost-effective shared piece that allows participating partners to speak in a singular voice while promoting key attributes of their region.
- **SAVOR SLO CAL:** Designated destination space and promotional package at VSC's SAVOR event activation at food and wine festivals in Denver, San Diego and Seattle.
- **LOOKING AHEAD:** Additional initiatives in consideration include a Google Trekker co-op to map select off-road areas of the county, a programmatic direct mail campaign to retarget website visitors through postcards and an asset and content development program for photo and video creation.

MEDIA PLAN



MEDIA FLIGHTS

MEDIA	JUL	AUG	SEPT	OCT	NOV-DEC	JAN	FEB	MAR	APR	MAY	JUN
SEM											
SOCIAL											
PROGRAMMATIC/ NATIVE											
CO-OP ADVERTISING											

MEDIA SPENDING BY CHANNEL

CHANNEL	SHARE OF BUDGET
SEM & SOCIAL	\$399,000 / 42%
DISPLAY, PRE-ROLL VIDEO, NATIVE	\$380,000 / 40%
CO-OP	\$171,000 / 18%
TOTAL	\$950,000



TRAVEL TRADE

In FY 2017/18, VSC's Travel Trade program expanded to include new trade shows, expanded partnerships in sales, new translated email marketing and more. For the coming year, targets for Travel Trade include:

- Promoting international and domestic tour travel.
- Generating meeting and conference leads.
- Engaging individual travel agents and agencies.
- Solidifying key industry association memberships.
- Facilitating associations and government synergies.

TOUR AND TRAVEL

With the SLO CAL brand gaining traction in international and domestic travel markets, VSC will continue to target and build market share in top international markets: China, UK, Europe, Canada and Mexico. To accomplish this, VSC's trade show strategy will include WTM in the UK for a second year, GoWest Summit, NTA and IPW. VSC will contract with Black Diamond for the third year to promote SLO CAL in the UK market, and will participate in Visit California's sales missions in China and Mexico. Additionally, independent sales missions will be conducted by VSC, including domestic missions targeting the top inbound tour operators in California and one in the UK, supported by Black Diamond.

Familiarization (FAM) trips will be used to showcase the county's destinations and diverse offerings firsthand. VSC works closely with Visit California and utilizes Black Diamond's strategic approach to host FAM trips that include top international markets.

To assist our stakeholders in capturing travel trade business, VSC will be offering educational resources throughout the year. These will include in-market educational sessions, as well as online tools posted on the new SLO CAL Connection. Once again, VSC will offer co-op participation in the SLO CAL booth at IPW, the largest international travel trade show in the U.S.

MEETING AND CONFERENCE

To assist with mid-week and shoulder season bookings, VSC targets meeting planners who cover corporate and government segments. VSC will focus on the key feeder markets of Los Angeles, San Francisco/Bay Area and Sacramento. Staying top-of-mind is critical in the meetings industry, so VSC will continue to have a strong presence in key meeting planner associations, including MPI, CalSAE and GBTA. Co-op opportunities will be presented to stakeholders to participate with VSC at trade shows, including MPI Expo, CalSAE and MPI Sacramento/Sierra Nevada trade show.

VSC will conduct bi-annual sales missions into the key feeder markets of San Francisco/Bay Area and Sacramento. VSC sales missions give stakeholders the opportunity to engage meeting planners and build relationships for future booking opportunities.

With the introduction of SLO CAL Connection, FY 2018/19 presents the first time all leads and business opportunities will be distributed via one streamlined, easy-to-use platform that gives stakeholders the opportunity to respond to leads more efficiently and to stay up-to-date with all of VSC's Travel Trade programs.

FY 2017/18 TRAVEL TRADE CALENDAR

July	August	September	October	November	December
		T&T Mission Southern CA	RVIA Pomona VRMA National, Las Vegas	WTM London NTA Wisconsin	CalSAE Sacramento M&C Sales Mission Sacramento
January	February	March	April	May	June
T&T Mission Southern CA	Go West Summit Idaho MPI Northern CA EXPO	M&C Mission Bay Area	VCA China Mission MPI Sacramento Sierra Nevada Trade Show	Black Diamond Sales Mission UK	IPW Anaheim

EARNED MEDIA + PUBLIC RELATIONS

Earned media presents the opportunity for VSC to gain exposure for SLO CAL that would be cost prohibitive in advertising, as well as to gain brand strength through third-party endorsements from journalists and influencers. VSC has partnered with TURNER Public Relations domestically and with Black Diamond in the UK and Ireland on earned media strategy. These firms will assist the in-house communications team with media relations, ultimately supporting VSC's larger marketing goals and initiatives through consistent exposure in key target publications.

PROACTIVE PITCHING Leveraging lifestyle and travel trends, new products and compelling experiences, VSC will craft and showcase SLO CAL's unique destination stories and news through targeted proactive pitching. VSC will develop a pitch calendar to enable regular, strategically driven outreach to key media publications, ensuring year-round, consistent coverage reaching target audiences.

MEDIA FAMILIARIZATION TRIPS VSC will conduct targeted, highly qualified media/influencer visits to the destination throughout the year. The itineraries will include a range of activities, accommodations and attractions relevant to their readership, and will visit multiple SLO CAL destinations to tell a holistic county story. Some visits will be on an individual basis, while others may be in the form of a group press trip.

IN-MARKET DESKSIDE APPOINTMENTS Meeting with members of the media to showcase the destination and pitch story ideas in person has been highly effective in growing awareness of SLO CAL with media in major markets. Such meetings are conducted around other media events and in FY 2018/19 are planned for the UK, New York City, Denver, Seattle, Los Angeles (at IPW), San Diego and San Francisco with support from TURNER and Black Diamond.

VISIT CALIFORNIA MEDIA RECEPTIONS The VSC public relations team will participate in select Visit California Media receptions in San Francisco, New York, Canada and other markets (TBD) where dozens of writers congregate to learn about California travel and hear SLO CAL pitches.

REPORTING/TRACKING TURNER and Black Diamond provide monthly tracking of public relations efforts and earned media mentions of SLO CAL. VSC utilizes the new SLO CAL Connection to efficiently communicate mentions and media opportunities to partners and the new CRM to track the quality and value of the articles.

LOCAL MEDIA While driving demand for SLO CAL travel experiences is at the top of the list for the VSC earned media team, the value in sharing VSC news, developments and programs with the local community cannot be overlooked. VSC will conduct regular outreach to local and regional media to inform the local public on the organization and to keep the importance of tourism top-of-mind for both residents and community leaders.

CRISIS COMMUNICATIONS While never pleasant, crisis communications are an essential piece of the VSC earned media toolkit. VSC will maintain and update its crisis communication plan, while continuing communications for the Highway 1/Pfeiffer Canyon Bridge closure and preparing for the road reopening. VSC will continue to update and share critical information and communication tools for partners throughout the rebuilding process.

PRESS MATERIALS VSC will keep the existing press kit relevant by updating the documents based on changing industry trends, news from partner DMOs and new story ideas, while also reviewing background information and facts on SLO CAL to ensure accuracy. In addition, VSC will distribute regular press releases to be used as support in proactive pitching and sharing of news from the destination. All of this, along with materials from key partners, will be maintained in the online media room on SLOCAL.com.

PARTNERSHIPS To further elevate the SLO CAL brand on a national scale and build the content library, VSC and TURNER continue to pursue marketing partnerships with like-minded brands. Such partnerships enable VSC to reach key consumer audiences and generate awareness of the destination through a partner's trusted brand and established audiences.

OWNED MEDIA

THE NEW SLOCAL.COM

VSC's new digital destination experience, SLOCAL.com, is aimed to enhance customer and partner relationships by facilitating the user's journey through strategically curated brand stories. Aerial videography of the county's scenic treasures and breathtaking photography come together in a sleek design that reinforces the brand's motto, "Life's Too Beautiful To Rush®."

SLOCAL.com comes to life thanks to Simpleview Inc., the leader in destination marketing technology. Along with a new domain name and web design, SLOCAL.com features a user interface that enables local tourism partners to edit and update their business profiles in a more efficient way. SLO CAL Connection is the hub where partners can find VSC updates, interact with the community, engage with VSC's marketing opportunities and curate their brand for the world to see.

DESTINATION TRAVEL NETWORK (DTN)

With the new online platform, VSC's non-lodging tourism partners are able to take advantage of sponsored placements on SLOCAL.com. DTN, VSC's website marketing partner and a division of Simpleview Inc., helps partners increase their online exposure by showcasing their website listing through upgraded web placements and targeted advertising on SLOCAL.com.

UGC PLATFORM

Chute, a user-generated content (UGC) platform, allows VSC to engage with consumers and grow social media awareness. Through Chute, VSC can source and acquire use rights to photos and video and visitors to SLOCAL.com are able to interact with the SLO CAL social world as part of a seamless navigation experience. VSC's DMO partners can also utilize Chute at a reduced cost through a 58% negotiated discount co-op.

SLO CAL AMBASSADOR PROGRAM

Influencer marketing continues to be a powerful tactic and brands take advantage of these agents to reach consumers they otherwise wouldn't be able to. In 2018, VSC selected six SLO CAL Storytellers from five local destinations to become brand ambassadors, each representing at least one of SLO CAL's three personas. Using the slogan "Are you #SoSLOCAL?", 62 people from across the county submitted their photos, videos and blogs to demonstrate why they should "rep their region." The first iteration of the program is an institutional effort to build synergies in the community and connect local audiences with the SLO CAL brand. Storytellers will be venturing out on pre-planned excursions to experience a variety of activities ranging from food and wine to family and adventure. VSC will use the six Storytellers to generate content, celebrate the SLO CAL lifestyle and grow awareness through an expanded audience and six authentic voices.

INDUSTRY PROMOTIONS

VSC continues to look for creative ways to engage audiences through social media programs designed to bring awareness to key stakeholders and travelers alike. Restaurant Month in January and California Wine Month in September are two promotions that seek to bolster local food and wine businesses while engaging audiences through unified social media messages.

STRATEGY-DRIVEN CONTENT

The annual strategic content plan includes calendar-driven topics, signature SLO CAL events, partner promotions and monthly blog posts centered around our research-driven target personas: Perfect Pairings, SLO CAL Crafted, Cultured Class, Active Adventurer and Mom to the Max. This content is designed to be evergreen and to tell authentic stories, provide useful facts and inspire travel. In FY 2018/19, VSC will be regularly procuring visual and video assets to proactively support the planned content and expand the ever-growing asset library.



PARTNERSHIPS

VSC seeks to engage with strong regional and national brand partners to elevate the SLO CAL brand through mutually beneficial marketing and/or promotions activities. Ultimately, the goal is for the county, the partner and the consumer to find value such that:

- Consumer loyalty to one brand is extended to another.
- Both partners are able to expand reach and enter into new markets.
- Marketing spend efficiency is increased.
- Visitors and consumers find value in the partnership.

PARTNERSHIP OPPORTUNITIES

VSC is working with its partners at TURNER PR to seek co-branding partnership opportunities with local and national brands. Such strategic marketing partnerships will enable VSC to amplify the SLO CAL brand through content creation, influencers and promotions by leveraging strong online engagement. These co-marketing agreements build awareness through increased reach and add brand authority through key target personas.

PROMOTIONAL PARTNERSHIPS

SAVOR — A SAN LUIS OBISPO COUNTY EXPERIENCE

Partnering with area businesses, VSC has developed a branded, traveling destination experience, SAVOR—A San Luis Obispo County Experience, to promote the county at food, wine and lifestyle events in key markets. This event-within-an-event experience features SLO CAL destinations, chefs and restaurants, local foods and craft industries, such as wineries, breweries, farms and more. In addition to the event exposure, VSC's sponsorships include targeted marketing campaigns to past and current event attendees -highly qualified audiences- with above-average household incomes and affinities for exceptional food and wine travel. For FY 2018/19, VSC will take SAVOR to Denver in September (tentative), the San Diego Bay Wine + Food Festival in November and Taste Washington in March.

BRAND PARTNERSHIPS

Brand partnerships are a great way to drive awareness to the SLO CAL brand in niche markets that align with VSC's marketing personas. In 2017, VSC hosted The Clymb in SLO CAL to generate content including everything from surfing and kiteboarding to coffee shops and farmers markets. The Clymb and its parent company, San Luis Obispo-based Leftlane Sports, are curators of outdoor adventure experiences, gear and travel stories. The partnership aimed to connect SLO CAL with a large, highly engaged audience in key markets and a following that matches the Active Adventurer persona. From this content collection trip, The Clymb produced blog posts which were included in email newsletters, email banners, social posts, web tile ads and an Instagram takeover from September to November 2017. The total estimated impressions topped 1 million and the estimated clicks and engagements exceeded 19K. VSC continues to search for brand partnerships that provide similar value, both on the content creation front and the ability to get the brand in front of targeted, loyal audiences.

EVENT PROMOTIONS

VSC partners with multiple organizations each year to support high-impact events that market to and draw guests from outside of the area to multiple destinations in SLO CAL through in-kind marketing promotion. In FY 2017/18, VSC helped to promote Cal Poly's Poly Parent Adventures and the 78th Annual Poly Royal Rodeo; the inaugural Wine Speak Paso Robles conference; the Central Coast Pro Tennis Open in Templeton and the SLO International Film Fest via Film SLO CAL. VSC will continue to seek unique, innovative and exciting visitor-focused events to support in the coming year, including hopes to bring AMGEN Tour of California back to the destination. VSC will expand its partnership with the Mid-State Fair for the 2018 season helping to promote the breadth of events, activities, concerts, concessions and things to do to increase attendance by fairgoers from out of the market and to lengthen their stays.





INDUSTRY PARTNERSHIPS

LOCAL AND CENTRAL COAST PARTNERS

VSC continues to collaborate closely with the seven DMOs within San Luis Obispo County including representatives of different communities on its Marketing Committee roster, along with the area wine associations and other key tourism groups. Regionally, VSC partners with the Central Coast Tourism Council on several media visits each year and Brooke Burnham, VSC's VP of Marketing, is on the CCTC board, ensuring SLO CAL representation.

CALIFORNIA TOURISM PARTNERS

Visit California is the state-level DMO that develops and executes marketing programs that, in partnership with the state's travel industry, keep California top-of-mind as a premier travel destination. Chuck Davison, VSC's President & CEO is a member of Visit California's Brand and Content Committee and Michael Wambolt, VSC's Director of Travel Trade, is part of the International Marketing Committee. VSC participates in many Visit California industry events and programs, which bring visibility to SLO CAL. CalTravel is California's travel and tourism industry association, protecting and enhancing its interests through advocacy, collaboration and education. VSC supports CalTravel's proactive Tourism Improvement District (TID) advocacy plan to defend industry funding and continue to move the needle for tourism in California. Chuck Davison, is on the Board of Directors for CalTravel and will serve as Treasurer for Executive Committee for the FY 2018/19.

REGIONAL AND NATIONAL PARTNERS

VSC is an active member of the U.S. Travel Association, Destinations International and Destination Marketing Association of the West; the organization also partners closely with the national DMO, Brand USA. These partnerships bring unique research and education programs, offer advocacy and resources and present exceptional marketing opportunities that allow VSC to efficiently reach international audiences.

STRATEGIC PARTNERSHIPS



SAN LUIS OBISPO COUNTY REGIONAL AIRPORT

VSC continues to serve as a strategic partner to the San Luis Obispo County Regional Airport supporting new markets with targeted media spend and versatile campaigns. A new and improved airport terminal opened its doors on November 2, 2017. The new 56,000-square-foot terminal supports new airport capacity and offers superior service to travelers, enhancing the SLO CAL experience from the moment visitors arrive. In April 2018, United Airlines added a second daily flight to Denver in addition to larger planes, amounting to 104 additional seats. United Airlines also increased the amount of seats to both Los Angeles and San Francisco, resulting in a total of 225+ additional seats for the fiscal year. VSC continues to work closely with the airport and airlines to expand air service development and target new flight markets.



CALIFORNIA POLYTECHNIC STATE UNIVERSITY (CAL POLY), SAN LUIS OBISPO

VSC partners with Cal Poly for Poly Parent Adventures and, in 2018, with the Annual Poly Royal Rodeo for the first time by promoting the family-friendly rodeo event on SLOCAL.com and social channels. Additionally, VSC held a position on the Ambassador Program roster for a Cal Poly student to complete the lineup of local brand ambassadors. VSC's President and CEO, Chuck Davison, sits on the Economic Development Committee and the new business attraction task force. He is also a guest lecturer throughout the year.



ECONOMIC VITALITY CORPORATION (EVC)

The EVC is a regional nonprofit, economic development organization committed to developing a vibrant and sustainable economy throughout SLO CAL. Chuck Davison, VSC's President & CEO, chairs the "Uniquely SLO County" Cluster group, advocating for additional air service and working with the business community to promote the lifestyle that tourism creates in SLO CAL.

FILM SLO CAL



Film SLO CAL aims to grow the overall awareness of SLO CAL as a filming location and to increase the overall economic impact in the region. By generating, supporting and managing production leads for motion pictures, TV and commercials, Film SLO CAL is positioned to act as the primary point of contact for all filming projects in the destination. By working in cooperation with county, city and state liaisons to continue to streamline the permit process, Film SLO CAL fosters new opportunities in cooperation with the community and reports on the overall economic impact filming projects bring to SLO CAL.

Goals

- Increase leads for filming in SLO CAL by 10% YOY
- Build media contacts specific to Film SLO CAL for pitching story ideas
- Proactively pitch and secure productions in SLO CAL
- Expand database of local crew and talent
- Increase total production direct spent YOY

Strategies

- Generate earned media to create awareness about the variety of opportunities to film in SLO CAL.
- Further develop communication channels to foster one-on-one relationships with target audiences.
- Strengthen relationships with the California Film Commission, Film Liaisons in California Statewide (FLICS) and other strategic partners to stay informed of industry happenings, new film incentives and overall trends in the film business.
- Leverage partnership with the San Luis Obispo International Film Festival to attract target audiences to the SLO CAL destination.
- Educate local tourism partners on the filming industry, the opportunity to attract film scouts and the filming industry's contribution to SLO CAL.
- Collaborate with county, city and state liaisons to turn leads into tangible opportunities, and to ensure reporting and tracking is up-to-date and accurate.
- Educate the local film industry on the role of Film SLO CAL and opportunities to partner.
- Seek and facilitate all inquiries regarding filming and permitting laws and policies within the county.



[SLOCAL.COM](https://www.slocal.com)

TRAVEL TRENDS INDEX

The Travel Trends Index measures the direction and pace of travel volume to and within the U.S. on a monthly basis. The index includes a Current Travel Index (CTI) and a Leading Travel Index (LTI). Both the CTI and the LTI include subcomponents (domestic, international, leisure and business).

CTI reading of 51.8 in April 2018 shows that travel to or within the U.S. grew 3.6% in April 2018 compared to April 2017. LTI predicts moderating travel growth through October 2018, as both domestic and international travel demand support gains.

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew at a slightly faster year-over-year rate in April 2018 than in March 2018. International inbound travel declined, while domestic business travel outpaced domestic leisure.

HIGHLIGHTS:

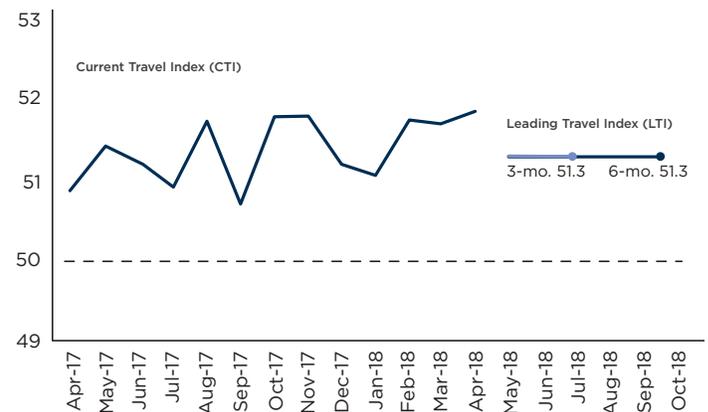
* For CTI and LTI definitions, please see below.

- The Current Travel Index (CTI) has registered at or above the 50 mark for 100 straight months, as the industry moves through its ninth consecutive year of expansion.
- The CTI was positive in April, registering 51.8. This is slightly higher than the 6-month moving average of 51.6.
- International inbound travel receded in April, registering 49.8. The Leading Travel Index (LTI) continues to project an upbeat outlook in inbound travel, which has the potential to surpass growth in the domestic market over the next six months.
- Domestic leisure and business travel both grew in April, with the business segment leading the charge.
- The 6-month LTI reading of 51.3 indicates that total U.S. travel volume is expected to grow at a rate of around 2.6% through October 2018. Domestic travel is expected to increase at about 2.4%, while international travel is expected to grow at about 3%.

April Travel Trends Index

Current Travel Index and Leading Travel Index

Index (>50=expansion, <50=decline)



Source: Oxford Economics, U.S. Travel Association

“This month’s Travel Trends Index shows that for the first time in three years, domestic business travel grew for a fourth consecutive month in April, and the outlook is for business travel to outpace leisure travel in the near term. This is consistent with other measures of business sentiment that are signaling increased optimism by American companies that is leading to stronger investment in the American economy.

- David Huether
Senior Vice President, Research

	CTI	3-month LTI*	6-month LTI**
March Index	51.7	51.1	51.1
April Index	51.8	51.3	51.3
Direction and Speed	Travel demand increased; at a slightly faster rate than the previous month	Travel is expected to grow over the coming 3 months; at a slower rate	Travel is expected to grow over the coming 6 months; at a slower rate

* Average outlook reading for May 2018 to Jul 2018

** Average outlook reading for May 2018 to Oct 2018

The Oxford/U.S. Travel **Current Travel Index (CTI)** measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

TRAVEL TRENDS INDEX (Continued)

The Travel Trends Index measures the direction and pace of travel volume to and within the U.S. on a monthly basis. The index includes a Current Travel Index (CTI) and a Leading Travel Index (LTI). Both the CTI and the LTI include subcomponents (domestic, international, leisure and business).

► DETAILED RESULTS

Business travel led the domestic market in April, though leisure travel also contributed to gains. On the business front, the boost should be interpreted with caution: the calendar shift of the Easter holiday is attributed with shifting some conventions and meetings that were held in March of last year to April this year. That said, forward-looking bookings and searches related to business travel appear to be on an upswing, which bodes well for the domestic travel market through October.

International inbound travel declined slightly in April. As with the domestic market, this is likely a result of the calendar shift of Easter and should not be interpreted as a significant shift in trend. While Easter fell solidly in the middle of April in 2017, Easter occurred earlier this year (April 1), helping shift some international visitations (which are calculated based on date of arrival) into March.

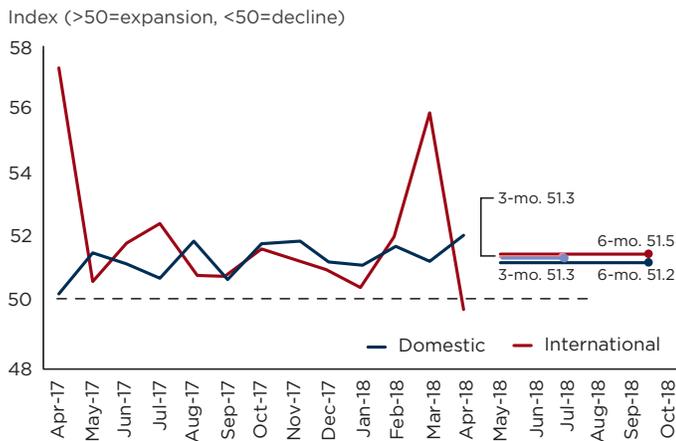
Travel Trends Index Summary

	Current Travel Index (CTI)				Leading Travel Index (LTI)		6-mo LTI vs. CTI 6-mo avg.	
	6-month avg	February	March	April	3-month*	6-month**	Direction	Speed
Total Market	51.6	51.8	51.7	51.8	51.3	51.3	Increasing ▲	Slower
International	51.7	52.1	55.9	49.8	51.3	51.5	Increasing ▲	Slower
Domestic	51.6	51.7	51.3	52.1	51.3	51.2	Increasing ▲	Slower
Business	50.9	51.1	50.1	52.9	51.6	51.6	Increasing ▲	Faster
Leisure	51.8	52.0	51.8	51.8	51.3	51.1	Increasing ▲	Slower

* Average outlook reading for May 2018 to Jul 2018

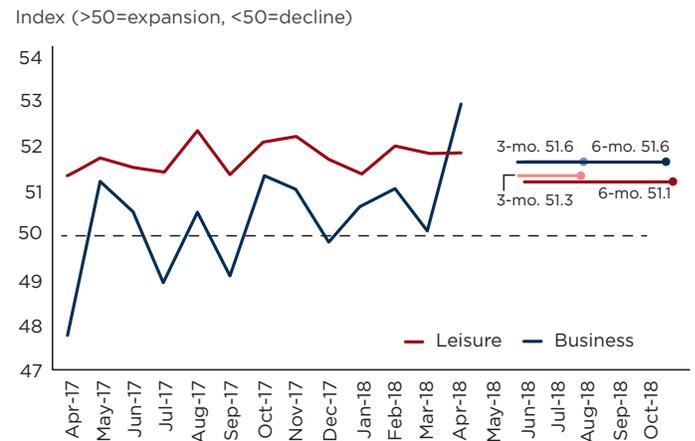
** Average outlook reading for May 2018 to Oct 2018

April Domestic and International Travel Index



Source: Oxford Economics, U.S. Travel Association

April Domestic Business and Leisure Travel Index



Source: Oxford Economics, U.S. Travel Association

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