

More Momentum



2007 Annual Report



A Letter from the Chairman and President:

As we enter 2008, the CVB has emerged a more unified, more cohesive, and more strategically focused organization, and our year-end results reflect this growth. After undergoing numerous transformations in recent years, we have established a foundation of stability, strength and depth. We've seen change within our own organization, the community, and in the industry that has laid the groundwork for today.

For us, 2007 was a year of strategic action set against the ***Plan for More*** sales and marketing campaign. Looking back, it's been more than a year since the CVB established its new leadership team; rolled out a new name and brand identity; and moved into new office space. With a new funding source from hotel tax revenues from Hamilton County and the City of Cincinnati, we were able to dramatically increase our city's national market visibility, launching an aggressive direct selling effort in priority market segments nationwide.

Armed with this expanded budget in 2007, the CVB more effectively began to market and sell Cincinnati USA to meeting planners, and gave the ***Plan for More*** campaign the volume and visibility it needed as we targeted high-volume, high-visibility, high-impact meetings that bring in new visitors. We are seeing encouraging results, and our year-end sales figures tell us that our message is being well received.

Our CVB now has a three-year strategic plan in place that provides an organizational roadmap that tells us how we're going to get from today to tomorrow and beyond, but with enough flexibility to allow for changes as we go. The outlook for 2008 is promising and with the momentum we've gained over the last year, the future for the CVB and Cincinnati USA hospitality community is bright. We are pleased to share our 2007 results with you.



Nicholas J. Vehr
Chairman



Dan Lincoln
President & CEO

Nicholas J. Vehr
Chairman of the Board of Directors

Dan Lincoln
President & Chief Executive Officer



SALES

GOAL:

Bring in more high-volume, high-value groups that translate into increased hotel room nights and incremental spending for the region.

160 groups booked for future years in Cincinnati USA, resulting in:

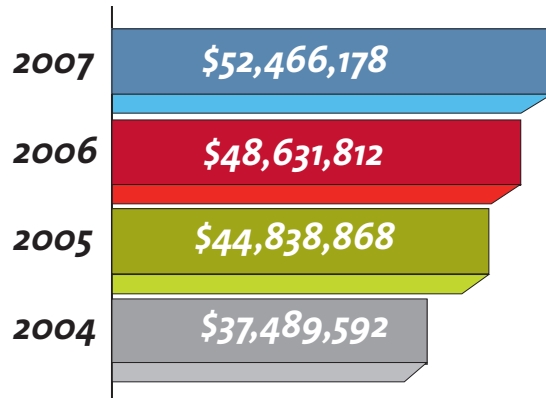
176,061 hotel room nights (101% of hotel room night goal)
\$52.6 million in estimated visitor spending region-wide

135 meetings and conventions hosted in 2007, resulting in:

90,314 hotel room nights
\$26.9 million in estimated visitor spending

72% of room nights booked for future years will use the Duke Energy Center

Economic Impact of Total Room Nights Booked by Cincinnati USA CVB



There has been an 8% increase in economic impact from 2006 and a 40% increase in the last four years

2007 Highlights

- Achieved 101% of the 2007 hotel room night goal, equating to 176,061 total room nights representing 160 future meetings and conventions in Cincinnati USA through 2015. This marks an eight percent increase in total room nights over 2006, representing the progress achieved through strategic and focused selling to meeting planners under the *Plan for More* sales and marketing initiatives. In just four years, the Cincinnati USA CVB has increased its annual hotel room night production by more than 50,000 rooms.



Total Room Night (TRN) Production

Year	TRN Goal	TRN Actual	Meetings Booked
2007	174,185	176,061	160
2006	160,000	163,194	135
2005	150,000	150,466	207
2004	110,000	125,804	160

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Sales Highlights, Continued...

- Developed Team Cincinnati USA, comprised of the general managers of major convention hotels downtown, Duke Energy Center, and CVB leadership to showcase Cincinnati USA to meeting planners at **Sales Mission** events in Washington, D.C., New York City, Indianapolis, Philadelphia and Chicago.
- Hosted **site visits** to showcase the convention package to meeting planners representing more than 100,000 hotel room nights.
- Hosted four **More in 24** express FAM tours in March, May, July and September 2007. A \$43,000 expenditure on FAMs has resulted in \$846,446 in definite economic impact. An additional \$4.79 million in economic impact is tentatively booked.
- **Launched an aggressive sales effort** to increase the hotel room nights booked for 2009, **earning an additional 45,723 hotel room nights** equaling 20 new conventions for the year — 88% of which will be held at the Duke Energy Center.
- **Increased visibility and presence in Washington, D.C.** — one of the most influential markets for association headquarters. Appointed a seasoned industry professional with more than 30 years of experience to direct the D.C. office.
- **Generated 34,092 total room nights in priority markets**, equating to 19.3% of total bookings generated in 2007 for future years.



Top National Conventions Booked in 2007 (by Total Room Nights):

Group	Date	Room Nights
Educational Testing Services	June 2009	13,970
Gospel Music Workshop of America	July 2009	10,904
Confidential	July 2010	10,839
American Society of Agronomy	October 2012	6,391
U.S. Institute of Theatre Technology	March 2009	4,288
U.S. Institute of Theatre Technology	March 2015	4,288
Optimist International	July 2013	3,812
American Oil Chemists' Society	May 2011	3,782

Top 10 2008 Conventions (by Total Room Nights):

Convention	Dates	Room Nights
National Baptist Convention, USA, Inc.	9/9-9/12	15,088
NAACP	7/12-7/17	10,427
Assemblies of God	12/30-1/1/09	6,815
National Career Pathways Network	10/21-10/25	6,627
North American Christian Convention	5/30-6/3	5,760
NeighborWorks America	5/5-5/9	4,315
Black American Softball Association	9/8-9/15	4,105
United Supreme Council AASR/Free Masonry	5/22-5/27	3,109
US Trampoline & Tumbling Association	6/18-6/22	2,834
American Academy of Criminal Justice	3/11-3/15	2,760

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MARKETING

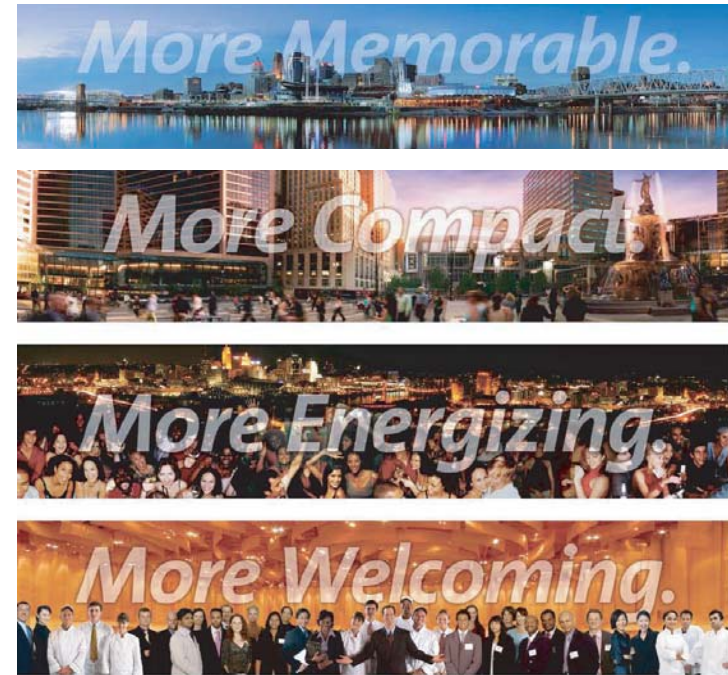
Our Brand:

Plan for More™ reflects what meeting planners tell us they want from a convention destination, and each of the four elements – **More Welcoming**; **More Compact**; **More Energizing**; and **More Memorable** – speak to the needs planners identified as most impactful when choosing a meeting site. The **Plan for More** messaging is built on the concept that when you meet in Cincinnati, you'll be knocked out by the experience. Meeting planners will find Cincinnati USA more welcoming; more compact; more energizing; and more memorable than any other competitive city. **Plan for More** draws on the powerful images of our region, responding to the needs of meeting planners and attracting them to our region.

2007 was a year of building momentum, of strategic action set against the **Plan for More** sales and marketing campaign. 2008 will be a year of building on that momentum, of capitalizing on the progress that's been made and launching aggressive new business initiatives.

2007 Highlights

- Leveraged sales collateral materials to convey the **Plan for More** brand.
- Launched a major advertising initiative to support the **Plan for More** sales and marketing campaign and drive Cincinnati's reintroduction to the hospitality industry. Ads were prominently placed in strategic publications that support each sales market segment.
- Leveraged \$300,000 in value-added media stories. Ad dollars were matched dollar-for-dollar with earned media placements.



Plan for More brand images



Plan for More sales collateral

More Momentum



Above: More in 24 FAM tour at Cincinnati Music Hall

Below: Meeting Planners eating dinner under the rotunda of the Cincinnati Museum Center during a FAM experience



Below: "Come Play in My Jungle" FAM experience at Paul Brown Stadium

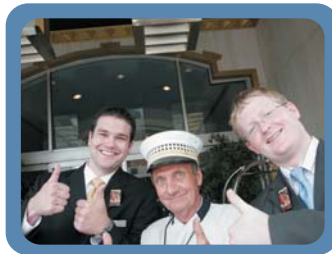


Marketing Highlights Continued...

- Created **More in 24** in-market FAM experiences that attracted meeting planners representing 21 different events. Professionally orchestrated in partnership with a local event-planning firm, each 24-hour event featured one-of-a-kind experiences, such as dinner on the field at Paul Brown Stadium or on the stage at Music Hall with special performances by renowned artists.

Upon arrival, planners are met with a promise that when they meet in Cincinnati USA, they can **Plan for More...** a more compact, energizing, memorable, and welcoming meeting destination. Then, they are brought back for a second, closer look in a one on one visit.

- Secured a three-year corporate sponsorship of the **American Society of Association Executives (ASAE)** — the leading national meeting planner association — to increase presence and awareness of Cincinnati USA among national association planners. Engaged Duke Energy Center/Global Spectrum for a one-year sponsorship and negotiated additional value-added sponsorships for increased exposure and awareness of Cincinnati USA at the 2007 ASAE Annual Meeting in Chicago.



Bellhops at the Hilton Cincinnati Netherland Plaza



Cadillac Ranch



Above: National Underground Railroad Freedom Center

Below: Music Fusion weekend



COMMUNICATIONS & INDUSTRY MEDIA RELATIONS

Served as the primary information resource for freelance and journalists on assignment for a variety of national, regional and local media outlets, resulting in 100 destination and convention-related Cincinnati USA stories, and a 91% story placement rate.

Key media placements included:

- **Northeastern Group Tour** magazine, “Two-Tone Cincy” Jan. 2007
- **Meetings & Conventions** magazine, “The New Guard” February 2007
- **Corporate & Incentive Travel** magazine, “Second Tier City Destination Report” March 2006
- **Budget Travel** magazine, “2007 Cool List” April 2007
- **Meetings East** magazine, “Better by Design” April/May 2007
- **Successful Meetings** magazine, “Putting the ‘OH’ in Ohio!” May 2007
- **The Meeting Professional** magazine, “Outrageous Outings” June 2007
- **Chicago Sun-Times**, “Simply Cincinnati” July 2007
- **EXPO** magazine, “Marketing to Multicultural Audiences” September 2007
- **Telegraph (UK)**, “On Ohio’s Freedom Trail” October 28, 2007
- **Meetings & Conventions** magazine, “Second Chance Cities” October 2007
- **Meetings South** magazine, “Better by Design” November 2007
- **West Suburban Living** magazine, “Foodie Finds” Nov./Dec. 2007
- **Associations Now**, “Midwest Destination Profile” December 2007



2007 Highlights

- Hosted and/or assisted **215 journalists** in 2007—a 9% increase from 2006.
- Participated in the Ohio Division of Travel & Tourism’s New York Media Mission and pitched Cincinnati USA to top leisure publications such as **Budget Travel**, **Food and Wine**, **Country Living** and **Travel + Leisure Family** magazines.
- **National/international relations:** Hosted Japanese writer of *Globe Trotter*

guide book for four days researching Cincinnati USA for the 2008 edition.

- The Cincinnati USA CVB worked in partnership with the producers of NBC’s “Clash of the Choirs” to showcase Cincinnati USA – setting up the beauty shots seen on TV screens around the nation; securing the buses for Nick Lachey to announce the choir, and much more.
- Pitched Cincinnati USA to the German-American Journal, through the State of Ohio. Hosted SoulofAmerica.com Publisher Thomas Dorsey during Music Fusion weekend and pitched Cincinnati USA as a one-of-a-kind multicultural destination for the African-American-focused travel Web site.
- Launched **digital Media Library** in partnership with the Cincinnati USA Regional Tourism Network.
- Captured the busy Music Fusion weekend, as well as activity on the streets and in restaurants and hotels with visitors and residents. Photos depict energizing, memorable, welcoming moments that conventioners can experience when visiting Cincinnati USA. These new images have increased the Cincinnati USA CVB’s photo library to include **Plan for More branded photography**.



Photos Courtesy of Dan Ledbetter

- Launched **More Momentum**, a stakeholder communications e-newsletter developed to keep CVB partners and key stakeholders apprised of key issues and initiatives, and encourage involvement. **More Momentum** debuted in February 2007 and has achieved a consistent open rate of 36 percent among its subscribers. **More Momentum** was named a finalist for the Cincinnati Chapter of the Public Relations Society of America’s Blacksmith Awards.
- Provided **public relations support to convention groups** throughout 2007, including: Lessiter Publications/Easyriders, Inc; American Massage Therapy Association; Church of Christ; and the AFL-CIO.

CONVENTION SERVICES

In 2007, the Cincinnati USA CVB's award-winning Convention Services department worked with more than 143 organizations to coordinate flawlessly executed meetings and events held in Cincinnati USA.

With a reputation for outstanding service, the convention services team played a major role in the booking and re-booking of convention groups, including:

- Optimists International (2013)
- House-Hasson Hardware (2009)
- Ohio Catholic Education Association (2009)
- Deere & Company (2010)
- American Oil Chemists Society (2011)
- American Society for Agronomy (2012)

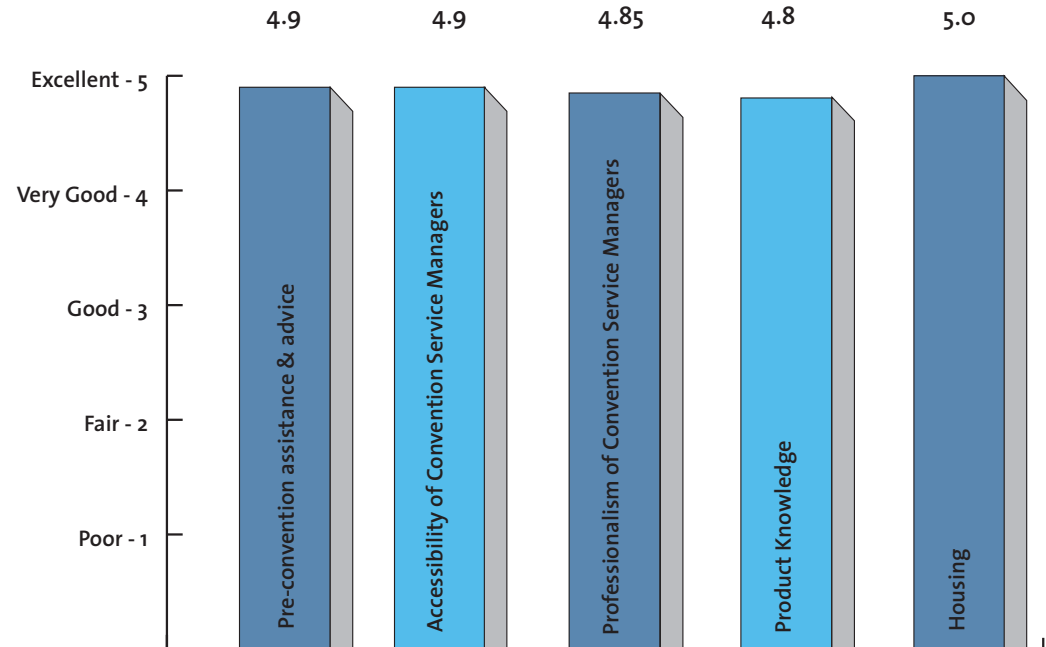
2007 Highlights

- Assisted with individual requests of more than 7,700 convention attendees
- Processed 5,837 new reservations and 2,248 modified reservations
- Distributed 35,000 Official Visitors Guides
- Welcomed repeat business from 35 convention groups totaling 35,010 hotel room nights
- Earned a coveted position in the *Meetings & Conventions* magazine Hall of Fame following 13 consecutive years of Gold Service Award recognition by meeting planners for outstanding service.



“The CVB’s knowledge and enthusiasm about the city, as well as their willingness to help, drew us to this town.”
 – Gwen Mathis
 Conference Coordinator,
 Society of Plastic Engineers

Feedback Survey Results



MEMBERSHIP

- Secured 92 new members and partners in 2007, as well as 343 business renewals from businesses wanting to stay involved in the initiatives launched by the CVB on behalf of the local hospitality industry
- Generated 92% of annual **new member goal** of \$40,000 in membership dues.

- Established a **Multicultural Marketing Partnership** with U.S. Bank and the Hispanic Chamber Cincinnati USA to underwrite three memberships of Hispanic-owned business: VocaLink Language Services, MiFlor USA, and CincyLatino.
- Welcomed the addition of nine new members, under the reciprocal membership program with the Hispanic Chamber Cincinnati USA and Greater Cincinnati African American Chamber of Commerce:

- Valerie Willis Consulting
- Murrelle's Florist
- Cincinnati Specialty Tours
- D'Zire Ultra Lounge
- Voluptous Magazine
- Executive Car
- Ollie's Trolley
- Cincinnati African American Firefighter Association
- Diana Tours

- **Hosted six Member Mixers**, designed to foster networking amongst members. Special thanks to sponsors: Romano's Macaroni Grill; Flamingo Air; The Art of Entertaining; Hofbrauhaus Newport; Daveed's at 934; and Turfway Park.

New 2007 Members

4th Street Boutique
 A Motortoy's Limousine Service
 Amor de Brazil
 Apsara
 AVSC Audio Visual Service Center
 Babysit Ease
 Banacom Signs
 Bang Nightclub
 Batsakes Hat Shop
 Below Zero Lounge
 Belterra Casino Resort & Spa
 Blue Sky Creative
 Buca di Beppo
 Busken Bakery
 Cadillac Ranch
 Café Istanbul
 Carnegie Event Center
 Chocolate Passion
 Cincinnati African American Firefighter Assoc.
 Cincinnati Specialty Tours
 Coco Key Resort
 Contemporary Services Corporation
 Costco
 CrossRoads Talent Agency, Inc.
 Diana's Tours
 Digital Minds Inc.
 D'Zire Ultra Lounge
 Econo Lodge
 Executive Car
 Focus Staffing Solutions, LLC
 Freedman, Gibson & White
 Fresh
 G. L. Lewis Photography
 GES Exposition Services
 Graeter's

Greater Cincinnati Police Historical Society Museum
 Hampshire House Hotel
 Head First Sports Café
 Hugo Restaurant - Southern Sophisticated Cuisine
 indigenous, a handcrafted gallery
 Informed Meeting and Exchange Network
 Inner Peace Holistic Center
 IPR Group, Inc.
 Iron Horse Inn
 J. Alexander's Restaurant
 Lodge Bar
 Madison Theatre
 Marjolein V. Ancona DMD
 Marketing Support Services, Inc.
 McHale's Hospitality Group
 Murrelle's Florist
 Mythos By The Levee
 Nada
 NKY METS Center
 Ollie's Trolley
 Paula's Café
 People Places & Things
 PF Chang's China Bistro
 Platinum Video Systems
 PROforma GRAFIX
 Queen City Wine, Beer and Tobacco
 Red Dog Pet Resort & Spa
 Reserve Restaurant & Piano Lounge
 Sacksteder's Interiors
 Seny Tapas Bar
 Shanghai Mama's

Sports Plus
 Springwater Sweets and Flowers
 Stanard Design Partners
 Sully's Cincinnati
 Susanna's Guest House
 TecSource Printing
 Teller's of Hyde Park
 The Art of Entertaining
 The Creation Museum
 The Hamilton Hotel
 The Savannah Center at Chappell Crossing
 The Sherman House Restaurant
 Travelhost of Greater Cincinnati
 TriHealth Pavilion Spa
 Tri-State Visual Products, Inc.
 Valarie Willis Consulting
 Verdin Bell and Clock Museum
 Via Vite
 Vinoklet Winery
 Voluptous Magazine
 Washington Platform
 WE-BE MUSIC PRODUCTION CENTER
 Whiskey Dick's
 Wilma's Orchard
 Woodhouse Day Spa - Cincinnati



- Hosted two member orientations that attracted more than 65 attendees held in March at Great Wolf Lodge and in October at the Hilton Cincinnati Netherland Plaza.



PARTNERSHIPS

Momentum cannot be attained without the support of key partners — partners that foster growth and have an eye for progress. In 2007, the following partners collaborated with the CVB and contributed to the success of the local hospitality industry:

- In 2007, for the first time, the **City of Cincinnati and Hamilton County** set aside nearly \$900,000 in excess hotel and motel tax revenues, which were generated by the expansion of the Duke Energy Center. These dollars were specifically earmarked for reinvestment in the CVB's sales and marketing efforts.

The funds enabled the CVB to increase visibility and frequency on the national meeting planner radar screen by attending more industry trade shows, engaging in sponsorships and establishing a physical presence in Washington, D.C., where so many customers and prospects are headquartered. The funds also contributed to the execution of the **Plan for More** campaign, media relations, market research, and a complete overhaul of the CincyUSA.com Web site.

The marketing efforts funded by these hotel tax revenues have directly resulted in bringing in new meetings and conventions representing \$4 million in economic impact.

- The **Cincinnati USA Regional Tourism Network (RTN)** further established itself within the local and regional hospitality industry, bringing in strong new leadership to deliver on its mission to bring visitors to Cincinnati USA and drive economic impact through overnight stays by leisure tourists. The Cincinnati USA CVB continues its investment in the RTN in partnership with the **Northern Kentucky Convention and Visitors Bureau** and **Procter & Gamble**.

- The **Duke Energy Center** and **Global Spectrum**, whose efforts make coming to Cincinnati USA an elite experience.

- The **Northern Kentucky Convention and Visitors Bureau, Northern Cincinnati Convention and Visitors Bureau**, along with the CVB continued to fund the Greater Cincinnati Sports Corp. 2008 is the third year of a three-year partnership that has reaped considerable success. The Greater Cincinnati Sports Corp. brings large amateur sporting events to Cincinnati USA such as the annual Mobile Skatepark Series.

- **Hamilton County hotels** worked diligently with the CVB throughout the year to deliver exceptional accommodations and competitive packages to convention groups.

- The **Cincinnati Police Department, the City of Cincinnati and Hamilton County**, as well as community leaders and **CVB members**, collaborate with us to produce memorable client experiences and work with us to sell the region to convention groups and their boards.

- **Delta Air Lines** entered into a three-year agreement with the Cincinnati USA CVB to provide airline tickets for clients in exchange for promotional consideration in CVB collateral, advertising and sales materials.



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FUNDING

Market Performance Measures:

	2006	2007
Occupancy	55.3%	54.2%
Average Room Rate	\$79.22	\$83.37

Source: Smith Travel Research

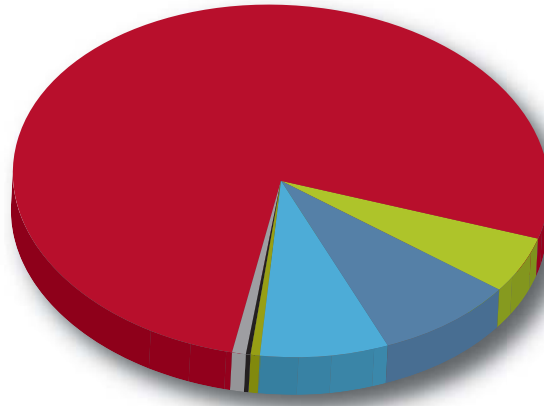
Market Projections:

- \$22,348,940 in FUTURE hotel revenue produced by the CVB.*
- FUTURE region-wide average room rates projects to \$126.94, an increase over 2006.*
- FUTURE downtown average room rates projects to \$129.48.*

* Based on the hotel room night production in 2007 by the CVB



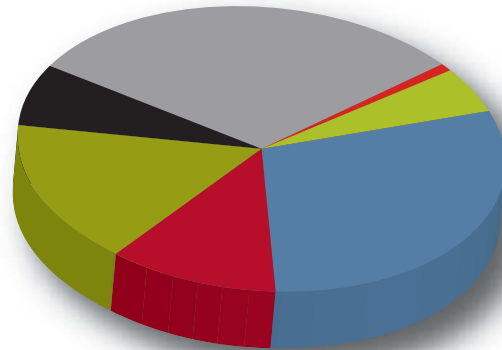
2007 Revenue



Hamilton County Lodging Tax* – 79.2%	\$4,959,028
Excess City Residual Funds – 5.4%	\$339,800
Excess County Residual Funds – 8.7%	\$546,133
Membership Dues & Partnership Fees – 5.2%	\$324,900
Passkey Service Fees – .5%	\$30,682
Registration Service Fees – .4%	\$25,939
Other – .6%	\$37,848
Total	\$6,264,330

* County Tax Revenues received prior to redirection to:
 Regional Tourism Network \$1,653,009
 Northern Cincinnati CVB \$250,000

2007 CVB Budget Breakdown



Investment in RTN - 1 %
Investment in Sports Corp - 1 %
Investment in NCCVB - 5 %
Sales & Services - 30 %
Marketing & Communication - 11 %
General & Administration - 16 %
Occupancy Costs - 7 %

Statement of Financial Position - December 31, 2007

	2007 (unaudited)	2006 (audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 684,340	\$ 425,095
County Lodging Tax Receivables	1,067,100	1,176,070
Program Receivables	13,837	23,385
Subscription Receivables	210,260	32,573
Other Receivables	3,492	2,328
Prepaid Expenses	88,755	32,639
Total Current Assets	<u>2,067,784</u>	<u>1,692,090</u>
Non-Current Assets:		
Property, Plant and Equipment	480,962	459,735
Less Accumulated Depreciation	(333,991)	(257,891)
Total Non-Current Assets	<u>146,971</u>	<u>201,844</u>
Total Assets	<u>\$ 2,214,755</u>	<u>\$ 1,893,934</u>
LIABILITIES AND NET ASSETS		
Accounts and Grants Payable	\$ 541,964	\$ 666,864
Other Accrued Liabilities	293,754	489,063
Deferred Subscription Income	322,898	46,578
Capital Lease Obligation	9,114	19,154
Total Liabilities	<u>1,167,730</u>	<u>1,221,659</u>
Unrestricted Net Assets	1,047,025	672,275
Total Liabilities and Net Assets	<u>\$ 2,214,755</u>	<u>\$ 1,893,934</u>



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Board of Directors

Nicholas J. Vehr – Chairman
President,
Vehr Communications

Louise S. Hughes – Vice Chairman
Ohio Gov't Relations & Corp. Affairs,
The Procter & Gamble Company

Alan Welch – Secretary/Treasurer
Retired Cincinnati USA CVB

Executive Committee Members

Richard Goehler
Member,
Frost, Brown & Todd

Robert Kisabeth
President,
Cincinnati Hotel Association

Melody Sawyer Richardson
Sales Vice President,
Comey & Shepherd Commercial Division

Eric Stuckey
Assistant County Administrator,
Hamilton County

Carla Walker
Chief of Staff,
City of Cincinnati, Mayor Mark Mallory

Board Members

Ric Booth
General Manager, Duke Energy Center

Tom Caradonio
President, Northern Kentucky CVB

Jean-Robert de Cavel
Chef de Cuisine & Owner, Jean-Robert French Restaurant Group

Milton Dohoney, Jr.
City Manager, City of Cincinnati

Shari Einsel
Executive Director, Greater Cincinnati Restaurant Association

David Ginsburg
President & CEO, Downtown Cincinnati, Inc.

Will Greiner
Manager, Sharonville Convention Center

Delores Hargrove-Young
Cincinnati USA Regional Chamber – c/o XLC Personal Services

Robert Holscher
Director of Aviation, Cincinnati/Northern Kentucky International Airport

Erik Kamfjord
Chairman & CEO, Winegardner & Hammons, Inc.

Douglas McDonald
President & CEO, Cincinnati Museum Center at Union Terminal

James J. McGraw, Jr.
President & CEO, KMK Consulting Company, LLC

Donald Murphy
CEO, National Underground Railroad Freedom Center

Susan Noonan
Chairman, Greater Cincinnati Sports Corporation

Eric Rose
Executive Director, Newport Aquarium

Sean Rugless
Executive Director, Gtr. Cincinnati African American Chamber of Commerce

Mark Schutte
Executive Director, Northern Cincinnati CVB

Douglas Sizemore
Executive Secretary-Treasurer, Cincinnati AFL-CIO Labor Council

Edgar L. Smith, Jr.
CEO, World Pac Paper, LLC

Mike Smith
VP & Executive Director, Music and Event Management, Inc.





About the Cincinnati USA Convention & Visitors Bureau:

The Cincinnati USA Convention & Visitors Bureau is an aggressive sales, marketing and service organization whose primary responsibility is to positively impact Hamilton County's and the City of Cincinnati's economy through convention, tradeshow and visitor expenditures. The travel and tourism industry traditionally has been a \$3.4 billion industry in Cincinnati USA, employing 81,000 people in a variety of fields and, historically, bringing five million visitors to the region annually.

Our Goals:

- Increase the number of hotel room nights booked in Hamilton County and the overall convention, tradeshow and visitor expenditures in the region.
- Positively influence the perception of Cincinnati USA as premier meeting destination
- Increase community investment in the hospitality industry and deliver value to CVB members and partners
- Support the development of programs and resources that positively effect the visitor experience



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