

Coronado Tourism Improvement District (CTID)



Minutes from Advisory Board/Board of Directors Special Meeting May 7, 2014, Hotel del Coronado, Coronado, Ca.

1. Call to Order. The meeting of the CTID was called to order at 11:20 a.m. The following CTID Advisory Board/Board of Directors were present: Claudia Ludlow, Andre Zotoff, Mary Ann Berta, Denise Schwab, Nusrat Mirza, Brian Johnson, Eddie Warner, David Spatafore and Phil Monroe.

Also in attendance: Executive Director (ED) Todd Little, Assistant Coronado City Manager Tom Ritter, Karen Finch of Coronado Chamber of Commerce, Sara Mettee from MeringCarson plus Robert Arends, Kerri Kapich, Kathleen Kubota and Margie Sitton from San Diego Tourism Authority (SDTA.)

2. Approval of Minutes from March 20, 2014. *Motion for approval: Mirza. Second: Berta. Unanimously approved 7-0 (Mirza and Johnson were absent from March meeting.)*
3. Staff Discussion and Updates. Claudia Ludlow welcomed Brian Johnson to CTID Advisory Board and thanked him for arriving early to be sworn in by City Clerk Mary Clifford.

The ED provided a revenue summary that included the newly collected March assessment. During that month, \$49,145 was collected, 8% more than projected. To date, \$430,312 has been collected which is pacing at 5% over FY13 totals.

The board packets included a draft of the CTID's Q3 report that is due to the City on the 15th. The financial statements that accompany these reports are being prepared and will be approved by the Chair and Treasurer.

The ED has been working on a number of projects that the Board will review in the future, including the website project with the Visitor Center, the economic impact study and the Local Marketing Study. In March, local businesses grew an average of 6% while the CTID campaigns were in the field.

Phil Monroe briefed the Board on a sales tax summary that he had prepared. His report charts the quarterly patterns of tax collection in Coronado and outlines which business categories are consistently the strongest (restaurants/hotels and consumer goods) and weakest (construction and auto/transportation/fuel.) Andre Zotoff felt there was a general rebound occurring and individual business failures can sometimes disrupt data for their entire category. David Spatafore feels retail locations in Coronado are improving because they are no longer operated as hobbies.

4. Oral Communications. Phil Monroe briefed the Board on a Chinese delegation that was scheduled to visit Coronado. Because of the CTID's wish to improve its international outreach, Phil asked the CTID to consider hosting a lunch with them. Unfortunately, the delegation needed to return to China and the lunch wasn't necessary. Phil would like to establish a policy for such endeavors and hopes to add this topic to a future agenda

5. Review FY14 Nat'l Marketing, Possibly Approve FY15 Effort. The Chair commented that the National Marketing Subcommittee met with SDTA on Monday to preview their report, discuss FY15 and prepare for the Board meeting. She hoped the four-year relationship with SDTA could continue. Kerri Kapich summarized their scope of work over that period: research, digital/print marketing, keyword search, strategy, and project management. She reviewed a 2010 perceptual study of previous hotel guests that identified key elements to Coronado's brand: "other worldly, charming, mystique, historic, remote, magical and romantic." The marketing plan delivered 12M gross impressions, including \$151,379 in no-cost (added) media value. The SDTA PR team generated \$976,000 in coverage through March and the landing page received 272,000 visitors. The entire FY14 effort (paid and unpaid) produced 61M impressions. The marketing direction since 2010 has been leisure guests and SDTA has used full-page ads in luxury-based publications (Elle Décor, Travel + Leisure, etc.) to further the message. The FY14 effort also included a banner ad strategy on high-profile travel websites (such as TripAdvisor and Lonely Planet.) The digital campaigns generated 12M impressions with 12,800 clicks. It resulted in 7,471 visits to SanDiego.org/Coronado. The PR team distributed 15 news releases and personally visited writers in six US cities. Their outreach included Code Nast Traveler, Parents Magazine, Travel + Leisure, Sunset and Westways. Dozens of publications responded with coverage including: Orange County Metro, Southland Golf, Ranch & Coast, Westways and Bay Area Parent for example. Margie Sitton summarized the number of group meeting leads the CTID hotels have received from SDTA. In calendar year 2014, the quantity (14,000) was less because of significant layoffs at SDTA. Typically the volume averages 30,000.

Andre enjoyed the presentation and felt it was up to the CTID to identify new stories that could generate more press coverage in FY15. He spoke of recent renovation projects at the Del and Loews and felt the dining category could be a consideration. He felt that Beer Week in Coronado is a rich opportunity as is the new beach service program at the Del. Kerri felt compelling events resonate with travel writers and lately festivals are en vogue. Outdoor activity (biking, kayaking, paddle boarding) is also a worthy topic. Nusrat felt the word "wellness" was an ideal description.

Andre asked whether SDTA buys keywords that effectively compete against the keyword campaigns of the CTID hotels. He was told SDTA does purchase competitive (hotel name) keywords but mostly invests in phrases such as "family beach vacation."

Phil Monroe voiced concerns with SanDiego.org/Coronado, a problem he thought was resolved years ago. When clicking on the webpage Phil often landed on a San Diego page and could not easily return to the Coronado section. Kathleen Kubota could understand the confusion and offered to better profile the buttons for navigating within the Coronado webpage. Andre added that the SanDiego.org website is the number one lead generator for the Hotel del Coronado.

Margie discussed how the CTID could benefit from partnering with the SDTA in pursuit of more group bookings. She is rebuilding the incentive-based sales team after the layoffs. With 11 salespersons the team is fortifying its site inspection programs that have historically provided an 86% success ratio. Brian Johnson felt the SDTA sales team has delivered significant room nights. He felt it was important to factor in the ancillary revenue that comes to communities like Coronado from group bookings (approximately \$15-\$20M for San Diego.) He felt there was room for more growth and joined Andre in asking SDTA for strategies. Margie felt it was important to sell the emotional attachment to the destination. Nusrat agreed and voiced a concern with the lack of evening life in Coronado (a potential red flag for site inspectors.) Margie felt, with patience, the CTID hotels could have research, outreach and site inspection systems in place to fairly compete against destinations such as Los Angeles, Orlando, Dallas, Chicago and Anaheim. Andre felt group business was the only direction for the CTID because it does not add to the summer volume and it fills a revenue need during the shoulder season. Having the freedom to consider additional leads would allow the hotels to be choosy and enforce room rates. Phil Monroe asked how many days a year would be considered for group business. He was told by Margie that about 265 days of the year are open. Nusrat added that every day is open for groups searching beachfront communities for meetings. Claudia Ludlow felt small hotels such as hers would benefit from more off-season groups in Coronado because they often the best option for the staff of the event planners. Attendees often bring family members during business trips and small hotels are their preference.

SDTA has a unique agreement with the City of San Diego that limits their ability to work with and promote hotels that do not pay the 2% hotel tax in San Diego. The CTID's agreement with the SDTA allows them to work with Coronado hotels on specific projects. The SDTA will return to the CTID with a suggested scope of work for FY15 that does not jeopardize their agreement in San Diego, but allows them to fairly represent and promote Coronado as a group meeting option.

6. Review and Possibly Approve Community Event Marketing Plan. For the newer members of the Board, the ED summarized why the Community Grant Program has evolved into the Community Event Marketing plan (benefits more organizations, more intelligent usage of funds, it will attract guest for days instead of hours and it better positions Coronado as a lively destination.) The ED felt the draft campaign touched on the many reasons guests visit Coronado (romance, escape, small town charm and discovery.) He said the National Marketing Subcommittee reviewed digital, print and radio options for both Phoenix and Los Angeles (the top markets for Coronado hotels.) The Committee preferred Los Angeles and reviewed a digital campaign from LATimes.com and a print campaign from Los Angeles Magazine. Both were valuable, but the ED recommended LA Magazine because it will be important to show the list of events a potential guest may wish to plan around. The package from LA Magazine also delivered more impressions to high-income readers. The ad would likely run in August, October, February and April, about six weeks prior to the first events listed in the ad.


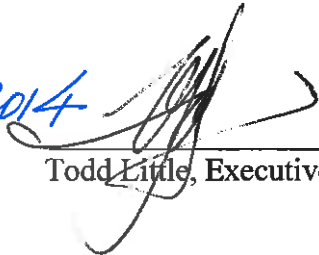
To track the response of the ad, the ED recommended the development of a webpage that would measure the volume of readers and record their clicking behavior. The page would likely replicate the art seen in the magazine with photos of the CTID hotels. Those photos would be carefully coded and hyperlinked to the reservations pages of the hotels. The page would also have additional data on each of the featured events. They too would be hyperlinked to the organizers webpage.

The estimated cost of the page (\$2,500) could be taken from the Event line in the budget or pulled from the planned Design budget. For the greatest marketing impact the ED recommended investing the entire \$25,000 event budget with LA Magazine and using funds from the Design budget to produce the webpage.

David Spatafore questioned the timing of the ads, feeling the August issue was not ideal for promoting September events because it actually arrives on newsstands in July 20th. The ED explained the August issue is the best-selling issue of LA magazine, about 15,000 more copies than others. Mary Ann Berta likes this event marketing plan because it could generate far more room nights than the grant program. David Spatafore felt the plan was fair, benefiting more than those who “only want the check.” Eddie Warner felt listing three Hotel del-based events in the list could be considered favoritism by Council Members. Andre Zotoff envisioned using the list in the future to announce the opening of key restaurants or other events that “sell” the destination. Brian Johnson could understand why the shift from grants to event marketing could upset someone, but he felt the new plan benefits everyone from the event organizers to the City. Phil Monroe questioned the statement that the grant program only attracted guests for a few hours (instead of a few days.) He reminded everyone that forty-one vendors who attend Coronado Art Walk have provided a good number of room nights at the Marriott. A survey taken at Coronado Art Walk last year showed 35% of guests came from outside San Diego County. He has gotten a good amount of push-back from CHA Board Members on the shift from the grants. David said the vendors and Coronado Art Walk are going to benefit from ad space in LA Magazine they could not afford. He added the change was needed to demonstrate how the Board was not “doing the same thing over and over.”

Motion to approve \$25,000 investment with LA Magazine and \$2,500 webpage development cost from Design budget line: Spatafore. Second: Schwab. Unanimously approved 9-0.

7. Adjournment: The meeting ended at 1:10pm

	
9-4-2014	9-4-2014
Denise Schwab, Secretary, Date	Todd Little, Executive Director, Date