

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant City Manager
SUBJECT: Extension of Professional Service Contract - Mental Marketing
DATE: January 15, 2013

NEEDS: For the City Council to consider authorizing extension of the professional service contract with Mental Marketing on behalf of the Travel Paso Robles Alliance (TPRA).

- FACTS:
1. The BID and Travel Paso Robles Alliance (TPRA) was formed in December 2008 at the request of the Paso Robles hoteliers. The BID was formed via ordinance to allow the collection of a two percent (2%) Business Improvement Tax that would be used to implement marketing strategies identified by Paso Robles hoteliers.
 2. Mental Marketing has been under contract since 2009 to implement the Marketing Plan strategies as recommended by the TPRA Advisory Committee.
 3. TPRA's 2012/13 Marketing Plan and the contract with Mental Marketing would conclude on January 31, 2012.
 4. On November 27, 2012, the TPRA discussed and approved a 2013/14 Marketing Plan and Budget subject to Council's approval. They also recommended the extension of the professional service contract with Mental Marketing to carry out that Marketing plan.
 5. The renewal of the BID levy has been scheduled for consideration at this same meeting of January 15, 2013. A renewal will consider the annual report of marketing accomplishments in 2012 and a projected scope of work & budget for the 2012/13 Marketing Plan.
 6. The City provides administrative support to and coordinates tourism/hospitality efforts with the TPRA. However it is necessary to engage supplemental professional services to carry out the specialized focus and expanse of marketing work identified in the TPRA's 2013/14 Marketing Plan.
 7. Mental Marketing has been working with the TPRA for the last four years and is uniquely qualified to continue implementation of their adopted

marketing goals. The TPRA has indicated their continued support of Mental Marketing's professional services.

ANALYSIS &

CONCLUSION: The TPRA's marketing efforts have delivered positive results which have compelled the hotelier's renewal of the BID assessment the last four years. In turn, these funds provide the means to carry on work to market and promote the Paso Robles area. The City's renewal of the Mental Marketing contract will facilitate the hotelier's recommended direction in how those marketing dollars are directed.

POLICY

REFERENCE: Economic Strategy; Ordinance 952 NS, forming the Tourism and Lodging Business Improvement District; BID Committee Bylaws; Streets and Highways Cod Sections 36500 et seq.; City Council Resolution 12-194 establishing a notice of intent to renew levy in 2012; scheduled City Council January 15, 2013 action to renew the BID levy and approve the TPRA's 2013/14 marketing scope and budget.

FISCAL

IMPACT: The BID assessment is collected on a monthly basis and accumulates in a separately maintained fund. City staff provides administrative resources to facilitate the goals of the BID. The 2013/14 assessment levy is estimated to generate \$700,000 annually, to be spent on marketing and promotions.

The cost of Mental Marketing's professional services, and hard costs associated with purchase of advertising and related marketing expenditures, are all covered from the annual assessments levied. The BID Committee and City staff jointly oversee those expenditures to assure they are within the scope of the marketing strategy and the available funds. As such, there is no General Fund fiscal impact as a result of renewing this professional service contract.

OPTIONS: a. For the City Council to adopt Resolution No.13-XXX authorizing the City Manager to extend the professional service contract with Mental Marketing through January 31, 2014 on behalf of the Travel Paso Robles Alliance (TPRA) Committee.

b. Amend, modify or reject above option.

Attachments:

1. Resolution authorizing the City Manager to extend the professional services contract with Mental Marketing - FY 2013/14 TPRA Budget
2. TPRA Marketing Plan scope and budget for Fiscal Year 2013/14 – scope of work

RESOLUTION NO. 13-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE CITY MANAGER TO EXTEND THE PROFESSIONAL SERVICE
CONTRACT WITH "MENTAL MARKETING" FOR MARKETING SERVICES ON BEHALF OF
THE TOURISM AND LODGING PROMOTIONS BUSINESS IMPROVEMENT DISTRICT
FOR FISCAL YEAR 2013/14

WHEREAS, at the request of the lodging industry within Paso Robles, the Business Improvement District (BID) was created by Ordinance 952 NS in December 2008 and has been renewed annually by City Council action; and

WHEREAS, the City Council formed a seven (7) member BID Advisory Committee (also known as the Travel Paso Robles Alliance, or TPRA) and adopted bylaws under which that group would operate to implement tourism and promotion goals associated with the collection and spending of the two percent (2%) BID tax; and

WHEREAS, the TPRA oversees and guides the direction of BID fund spending and City staff provides fiduciary and administrative support; and

WHEREAS, the TPRA cannot, as an entity themselves, enter into contracts or make direct purchases, but the City can act as agent for those identified needs; and

WHEREAS, at the recommendation of the TPRA, on April 21, 2009, the City Council adopted Resolution 09-052 authorizing the City Manager to enter into a professional service contract with Mental Marketing to implement marketing and promotion goals established by the TPRA; and

WHEREAS, the professional service contract with Mental Marketing has been extended annually by the City Council at the recommendation of the TPRA to implement the hotelier's annual marketing goals; and

WHEREAS, the TPRA's 2012/13 Marketing Plan and the contract with Mental Marketing would conclude on January 31, 2013; and

WHEREAS, on November 27, 2012 the TPRA approved a 2013/14 Marketing Plan and budget subject to Council's renewal of the BID levy, and also recommended extension of the professional service contract with Mental Marketing to carry out that plan; and

WHEREAS, on January 15, 2013 the City Council renewed the BID levy through January 31, 2014; and

WHEREAS, it is necessary to engage supplemental professional services to carry out the specialized focus and expanse of marketing work identified in the TPRA's 2013/14 Marketing Plan; and

WHEREAS, Mental Marketing has been working with the TPRA for the last four years and is uniquely qualified to continue implementation of their adopted marketing goals; and

WHEREAS, the BID tax is being collected on a monthly basis and will accumulate in a separately maintained fund to cover expenditures incrementally identified in the Marketing Plan scope and budget; and

WHEREAS, the BID Committee and City staff will jointly oversee those expenditures to assure they are within the scope of the marketing strategy and the fiscal means available in the BID fund.

THEREFORE BE IT HEREBY RESOLVED that the City Manager is authorized to extend the professional service contract with Mental Marketing through January 31, 2014, on behalf of the Travel Paso Robles Alliance, for services associated with activities which will promote tourism and benefit the industry in terms of advertising and marketing of Paso Robles as a destination location as described in the attached Exhibit A (FY 2013/14 Marketing Plan) and Exhibit B (Budget and Fees).

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 15th day of January 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk



Agency Marketing Plan

FY 2013 –2014



*Written by Maryann Stansfield
Marketing Director, Mental Marketing*



Branding and Awareness

Goal: Continue to grow awareness of Paso's diverse brand through all marketing and advertising programs and as a result increase occupancy, ADR and TOT.

Strategy: Key Brand Message Penetration Brand Messaging is what sets one product or destination apart from another. In 2012 – 13 Mental created a new approach to brand messaging adding a geographic element to the essential wine messaging component of Paso Robles. This approach helps adds an "and more" quality at a glance, educating the leisure and business audience that Paso Robles is not your typical wine region, but offers internationally acclaimed attractions and extended stay activities.

1. **Tactic:** This messaging will be used in all appropriate advertising, PR and social media programs throughout the 2013-14 year incorporating Mental's integrated marketing approach.
2. **Tactic:** Incorporate 101 Reasons to Get off the 101 in Paso Robles concept as another way of demonstrating the diversity of Paso Robles as more than just a wine region.

Paso Robles, CA

Wine and Hearst Castle Country

Goal: Conduct Brand Awareness Study for Paso Robles; implement results for use in benchmarking, key targeting strategies, and objective development.

Strategy: As a result of the May 2012 TPRA Board retreat discussion on metrics and reporting ROI, a countywide awareness study was determined necessary to set industry benchmarks and goals for growth. The TPRA reached out to the SLOCVCB to develop the idea and it has recently come to fruition. The countywide study will be conducted by SMG with Carl Ribaud as the lead.

1. **Tactic:** The TPRA has purchased a portion of the study specifically researching Paso Robles' brand awareness throughout CA drive markets. This information will help guide targeted efforts and outreach for the 2013-14 FY.

Website & Mobile Technology

Budget: Website \$75,000

Goals: Develop Strategic TPRA Website and Mobile plan for acquired TravelPaso.com and VisitPaso.com domain names to feed into.

1. **Strategy and Tactics:** Project strategies and logistics are TBD, but will include a mobile site, monthly maintenance program, and a new social media strategy and execution methods.

Mobile App Goal: This program brings TPRA into the mobile/social world and originally launched in December 2012 with the goal of reaching an ever growing mobile and social travel market.

Strategy: Continue using as a marketing tool to grow awareness in multi-regional markets throughout the 2013-14 year.

1. **Tactics: Interactive Database Outreach:** One of the highlights of this app program enables the TPRA to have an ongoing relationship with their app user through daily notifications.
2. **Tactic: Help grow Social Media platforms:** This app also allows for mobile/social interaction using frictionless sharing technology, helping to grow the TPRA's followers on various social media platforms. An additional goal is to also create an Android app for launch in 2013-14.

Public Relations and Social Media

PR Programs MGMT and Execution Budget: \$138,000

PR Hard Costs: \$27,000

PR Goal: Mental to reach established targeted media audiences to acquire third party endorsements through top tier food, wine and travel feature stories, and publicity. Public relations is a cost effective way of creating buzz to educate the media about what Paso Robles has to offer, and grow top of mind brand awareness with their readers in multiple key



geographic and demographic markets. Specific markets are decided with the intention of growing shoulder and mid-week high season business.

Strategy: Execute effective PR programs that cover a wide range of outreach techniques to educate and build long term relationships with key media

1. **Tactic: Creative Mailers:** Continue this hugely successful program series reaching specialty markets that are a great fit for Paso Robles. Past programs have targeted wedding, family and tour and travel editors at industry publications landing feature articles in CA Wedding Day, Destination I Do. These programs will continue to combine the QR codes linking editors to the bounty of Paso Robles videos showcasing the diverse attractions found here. This year these are the targeted markets:
 - a. **Golf & Spa:** Spring: focused publications, editors, bloggers and freelance journalists.
 - b. **Girl's Getaway:** Fall: Paso Robles is the perfect girls getaway for fun, for bachelorettes, or reunions
 - c. **Dog-friendly Travel:** Winter: this audience is an emerging domestic travel market
2. **Tactic: Pitching:** Year round leisure outreach continues to be a huge factor in the success of this program. This year again we expect to make between 400 – 500 pro-active and reactive personal media pitches, working with our strategic tourism partners Visit CA, SLOCVCB and the PRWCA, vetting and inviting media to come to Paso Robles.
3. **Media Fams:** Goal is to host between 25 – 30 journalists during FY 2013-14.
4. **Tactic: Trade Shows:** Media Trade Shows coordinated by Visit CA will again be a domestic and international outreach arm of this program. Recommend attending 4-5 shows this year: NYC, LA, Vancouver, SAVOR and POWWOW.
5. **Tactic: Press Releases and Themed Programs Support:** The TPRA media outreach efforts also include support on monthly themed events, countywide branding events and shoulder season promotions. The following are a sample of events and programs that get press releases, pitching follow up, hotel package offering when applicable, giveaways and sweepstakes offers:

- i. *Launch the Video Series Spring 2013*
- ii. *Prepare for the PR Plan: 125th Anniversary Paso Robles*
- iii. *Themed: Paso Robles Wine Month Hotel Packages, Restaurant Month, Paso Robles Hotel Month, Summer Hotel Packages*
- iv. *Events: SAVOR the Central Coast, Seasonal Paso Robles Events Press Releases, PR Support for TPRA Sponsored Events*
- v. *Marketing Programs: Paso Robles App launch to various markets TBD*
- vi. *Quarterly What's New press releases*

Social Media Goal: Extend TPRA's traditional media and advertising reach through social media programs that offer measureable results. Continue to build social media awareness, grow followers, SEO and interest in the TravelPaso.com Facebook, twitter, YouTube and blog programs.

Strategy: Execute effective blog, Facebook, twitter, YouTube and advertising programs that cross promote outreach and advertising programs to all platforms audiences. Collect data on applicable platforms to help grow the TravelPaso.com database.

1. **Tactic: Launch new Paso Robles App:** This app will be launched into new markets during shoulder season and offers frictionless sharing opportunities to grow both Facebook and twitter followers
2. **Tactic: Blog Program:** Execute continued successful blog programs the Guest Blogger series, the Pairing in Paso series and promotional, event and what's New editorial calendars.
3. **Tactic: Facebook/Twitter:** Marketing program sweepstakes support to help grow database. Programs include SAVOR, Hotel Month, and App launches to different markets. Continue to execute Friday giveaways, and daily themed posts to initiate interaction with growing audience and engage the consumer in ideas about coming to Paso.
4. **Tactic: Launch Series of YouTube Videos:** Public Relations outreach in spring launching the new Paso Robles Video series. Continue to grow the number of views "Picture Yourself in Paso".

5. **Tactic: Grow TravelPaso Social Media Platforms:** open new platforms that will help spread the word about Paso Robles including but not limited to Pinterest, Stumble Upon, Linked In

Marketing & Advertising Programs

Programs MGMT and Execution Budget: \$79,200

Media Budget: \$105,000

Creative Budget: \$22,000

Marketing Programs Goal: To build on past program successes with measurable increases in TOT, ADR and occupancy.

Strategy: Mental Marketing will execute annual advertising programs, including program timelines and strategies, in an effort to grow seasonal tourism to Paso Robles throughout the year. These advertising programs include support from the Public Relations programs as well advertising and themed campaign opportunities.

1. **Tactic: February 2013 Hotel Month:** Hotel Month was developed to create a themed hotel month during the shoulder season with an incentive that would focus on staying in Paso Robles
 - a. **Strong Call to Action:** Promote Stay 2 nights, get third night free. Advertising programs in So Cal to build in our primary market, and grow brand awareness.
 - b. **Strong ROI component:** Bringing on a wine sponsor enables us to include a bottle of wine per room booked in the offer, leveraging our regional wine brand, and using this as one ROI component of the program.
 - c. **Grow Database:** Facebook giveaway during month of December to cut through the advertising clutter and keep Paso Robles top of mind for when the holiday season ends and bookings begin
2. **Tactic: March /April 2013 Shoulder Season App Launch to So Cal:** This program focuses on building the TPRA database and growing awareness of Paso Robles as a destination in primary and emerging markets. This is a continued strategy building on the San Jose App launch in Dec/Jan 2011-12.
3. **Tactic: Nov – Jan 2013-14 Sweepstakes Offer:** TPRA will offer \$100 gift card, wine tour and hot springs soak to weekly winners during late winter, early spring shoulder season.

4. **Tactic: Promote Video Series:** Using TPRA website, social media channel YouTube, and QR codes, this program is easily incorporated in any online or print programs including the Public Relations Creative Mailer programs.
5. **Tactic: Smart Meetings Co-op TBD**
6. **Tactic: Brochure Distribution:** This marketing program gets the TPRA into the hands of travelers within the Paso Robles CA drive markets including at CA Welcome Centers and Airports throughout the state including San Jose Airport, Burbank Airport and Santa Barbara. The brochure was updated to be an interactive piece using QR code technology for easy linkage back to the TPRA site to view videos showcasing all the reasons to stay and play in Paso Robles Wine and Hearst Castle Country. **(Brochure printing and mailing budget: \$19,000)**
7. **Tactic: Ongoing Brand Advertising:** Year round branding ads on PasoWine.com, Facebook.com, Trip Advisor.
8. **Tactic: E-newsletter:** Monthly program that goes out to 8000 opt-in users

Strategic Partnerships

(Programs MGMT and Execution Budget)


Goal: Mental Marketing will remain a highly visible strategic tourism partner on behalf of the TPRA well after the Destination Manager is hired. This includes participation a SLOCVCB board meetings and workshops, remaining an active member of the Central Coast Tourism Council, and continue to develop long term relationships with the City of Paso Robles, the Paso Robles Chamber, Main Street and Event Center as well as the PRWCA.

Partner and Member Education

(Programs MGMT and Execution Budget)

Goal: Mental to Participate in these programs offering marketing presentation support

1. Tourism Partner Seminar
2. Sales and Marketing Seminar

			
TPRA 2013-14 BUDGET		BUDGET TOTAL	
INCOME PROJECTIONS		\$698,000	
2% BID Revenue (rolling 12 mo. Sept 2011 - Aug 2012)		\$612,000	
5% projected increase		\$31,000	
Projected Rollover \$55,000 (7.5% of current budget)		\$55,000	
actual rollover		tbd	
TPRA Expenses			
Destination Manager		\$60,000	9%
Tour and Travel Outreach/Trade Shows		\$28,425	4%
Sponsorships/Memberships		\$105,000	15%
Contingency		\$35,600	5%
TPRA Event Costs		\$1,500	0%
Marketing Agency Expenses			
Marketing & Advertising Programs Mgmt/Execution		\$79,200	11%
Total Advertising Placements (print and online)		\$105,000	15%
Public Relations & Social Media Programs Mgmt/Execution		\$138,000	20%
PR Hard Costs		\$27,000	4%
2012-13 Marketing Plan		\$3,000	0%
Creative Services		\$22,000	3%
Brochure Printing and Mailing Costs		\$19,000	3%
Website		\$75,000	11%
TOTAL EXPENSES		\$698,725	
terms			
hard costs: travel, trade show and fam tour expenses	cost		
media costs	net plus 10%		
other hard costs: ie printing, photos, media lists, shipping and handling, etc.	net plus 15%		
billing terms	monthly		