

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant City Manager

SUBJECT: Professional Marketing Service Contract Extension – AugustineIdeas

DATE: January 20, 2015

NEEDS: For the City Council to consider authorizing a 5-month extension of the marketing service contract with AugustineIdeas on behalf of the Travel Paso Robles Alliance (TPRA).

- FACTS:
1. Initiated by local hoteliers, the Travel Paso Robles Alliance (TPRA) marketing efforts began approximately four years ago with the commencement of a two percent (2%) Business Improvement District assessment on hotel stays.
 2. The BID assessment must be used specifically for marketing initiatives that promote the Paso Robles area and the TPRA helps guide those marketing strategies through development of a Marketing Plan.
 3. To assist in the execution of the annual Marketing Plan the City engages the services of a professional marketing firm to work directly with the TPRA Advisory Committee.
 4. The City entered into a marketing services contract with AugustineIdeas (AI) in September 2013. The current contract with AI extends through January 31, 2015.
 5. A “contract review” subcommittee of the TPRA was formed to evaluate the service performance of AugustineIdeas since September 2013, and the subcommittee has recommended extension of AI’s contract. See attached memo dated November 25, 2014.
 6. On January 6, 2014 the City Council extended the BID assessment levy through June 30, 2015 and approved the TPRA’s recommended 5-month Marketing Plan (scope) and Budget.
 7. A 5-month extension of the AugustineIdeas marketing services contract is proposed. This extension would be aligned with the short renewal of the BID assessment through June 30, 2015.

**ANALYSIS &
CONCLUSION:** The City provides administrative support and coordinates tourism / hospitality efforts with the TPRA. Further, a contracted Destination Manager serves to assist in formulating long term marketing strategy goals for the BID funds. However, to fully implement the recently adopted strategic marketing goals for Paso Robles, it is necessary to engage supplemental professional marketing agency services.

**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..

**FISCAL
IMPACT:** The contract costs for AugstineIdeas' marketing services associated with the defined 5-month work scope is \$158,131.

All costs associated with professional marketing contracts will be accommodated within the (projected) 5-month 2015 BID assessment budget. There is no General fund fiscal impact as a result of entering into a professional service contract with AugstineIdeas.

- OPTIONS:**
- a. For the City Council to adopt Resolution No.15-XXX authorizing the City Manager to enter into a professional service contract with AugstineIdeas on behalf of the Travel Paso Robles Alliance (TPRA) Committee to execute marketing strategies for Paso Robles.
 - b. Amend, modify or reject above option.

Attachments:

- 1. Memo from TPRA Contract Review Subcommittee, dated November 25, 2014
- 2. Resolution authorizing the City Manager to extend service contract with AugstineIdeas
- 3. Marketing Work Scope / Budget

Review of Augustine Ideas Contract

November 25, 2014

For contracted services February 1 – October 31, 2014

Review Committee:

Victor Popp

John Arnold

Margaret Johnson

Support:

Amanda Diefenderfer, Destination Manager

Feedback:

The Travel Paso Robles Alliance appointed contract review committee met to review the contract with Augustine Ideas covering the period of February 1 – October 31, 2014. At initiation of this contract specific Measures & Results were specified on page 27 of the “2-Year Strategic Marketing Plan.” These were created to measure the success of programs in the first fiscal year 2014/2015.

Through the review process, Augustine Ideas was assessed for their work in the following areas: social media, consumer newsletter, website traffic, public relations, measures of the Paso Robles destination overall sentiment and general response to the needs of the Travel Paso Robles Alliance. The following information is based on both comparison to the specific numerical goals outlined in the Measures & Results and in overall qualitative assessment of their service of the contract.

Social Media – Augustine Ideas is on track to exceed or has already *exceeded expectations* of all specific measures noted in the Strategic Marketing Plan. Of the goals they are measured against, daily total impressions seems to show the weakest growth; however, the growth in engagement, total fans and multi-platform participation supports the belief that the social media strategy has been effective in reaching potential visitors. This area has by far been the strongest of all services provided by AugustineIdeas. It was noted that in future strategy and efforts it be considered that perhaps emphasis in this area has exceeded the needs and consider redirecting some resources from these efforts to focus on weaker areas, particularly the website.

Consumer Newsletter – The efforts in support of the consumer newsletter have already or are on track to *meet expectations* noted in the Strategic Marketing Plan. Strengths include the recent integration of the new design and the previously discussed addition of a multi-contact new acquisition strategy. In looking forward it was noted that there could be improvement in the click through rate with the hope to support growing website traffic numbers.

Website Traffic – To date this area has reflected the largest struggle and currently *does not meet expectations* of the Strategic Marketing Plan. There is recognition that traffic specific to the Lodging page has grown; however, as the efforts are to market Paso Robles as a well-rounded destination there is a need to turn around the trends currently seen in the website traffic and reflect positive year over

year trends. It is appreciated that AugustineIdeas has taken a proactive approach to addressing this challenge as reflected in the newly proposed digital advertising strategy.

Public Relations – In the area of public relations, Augustine Ideas has or is on track to *exceed expectations* noted in the Strategic Marketing Plan. It was noted that for future FAMs they would like to see larger number of journalists for the group FAM tours than was experienced in October. However, overall traction from the results of the FAM tours has been very strong.

Destination Sentiment – Included in the Strategic Marketing Plan was an assessment of the overall sentiment about the destination specific to review sites. The committee recommends that AugustineIdeas expand this program with the goal to more specifically target and influence the visitor experience. For example, create a survey that guests can access after their stay, then use this feedback to develop targeted educational programs for frontline staff.

Overall Service – In addition to the items noted in Measurements & Results of the Strategic Marketing Plan, the contract review committee also discussed the overall service offerings of AugustineIdeas. It was noted that their responsiveness, flexibility and commitment to the varied needs of the Travel Paso Robles Alliance has *exceeded expectations*. While their location is out of the area they have proven to be highly accessible and have established regular lines of communication to ensure they receive information in a timely manner.

Reviewing the whole of the services received by AugustineIdeas, the contract review committee recommends renewing the contract to continue services. There are opportunities for improvement in the area of website traffic but overall service has been very strong and we believe that through continued evolution of the marketing strategies and developed understanding of the region will lend to year over year improvements with progress towards the overall goals of the Travel Paso Robles Alliance.

Attachment 2

RESOLUTION NO. 15-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES AUTHORIZING THE CITY MANAGER TO EXTEND THE PROFESSIONAL SERVICE CONTRACT WITH "AUGUSTINE IDEAS" FOR MARKETING SERVICES ON BEHALF OF THE TOURISM AND LODGING PROMOTIONS BUSINESS IMPROVEMENT DISTRICT THROUGH JUNE 2015

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, to assist in the execution of the annual Marketing Plan the City engages the services of a professional marketing firm to work directly with the TPRA; and

WHEREAS, in September 2013 the City entered into a marketing services contract with AugustineIdeas and that contract extends through January 31, 2015; and

WHEREAS, on January 6, 2014 the City Council extended the BID assessment levy through June 30, 2015 and approved the TPRA's recommended 5-month Marketing Plan (scope) and Budget; and

WHEREAS, a 5-month extension of the AugustineIdeas marketing services contract is proposed to align with the short renewal of the BID assessment through June 30, 2015.

WHEREAS, Augustine Ideas has the requisite experience to assist in the achievement of City and TPRA marketing goals;

WHEREAS, the BID assessment is being collected on a monthly basis and will accumulate in a separately maintained fund to cover anticipated marketing service expenditures; and

THEREFORE BE IT HEREBY RESOLVED that the City Manager is authorized to extend the professional service contract with AugustineIdeas, on behalf of the Travel Paso Robles Alliance, for services associated with tourism and marketing of Paso Robles as a destination location as described in the attached Exhibit A (Scope of Work) and B (Budget).

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 20th day of January 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk



Resolution Exhibit A



**Travel Paso Robles Alliance
Strategic Marketing Communications Plan
FY 2015 (February – June)**

Prepared by:



Augustine Ideas

Be Inspired. Be Innovative. Be Smart.



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1. TRAVEL PASO ROBLES ALLIANCE

1.1 Mission Statement

To brand, market and promote the City of Paso Robles as the authentic destination of choice on a regional, national and global level resulting in more frequent visitation, longer stays and increased revenue.

1.2 Travel Paso Robles Alliance Staff



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1.3 Travel Paso Robles Alliance Board



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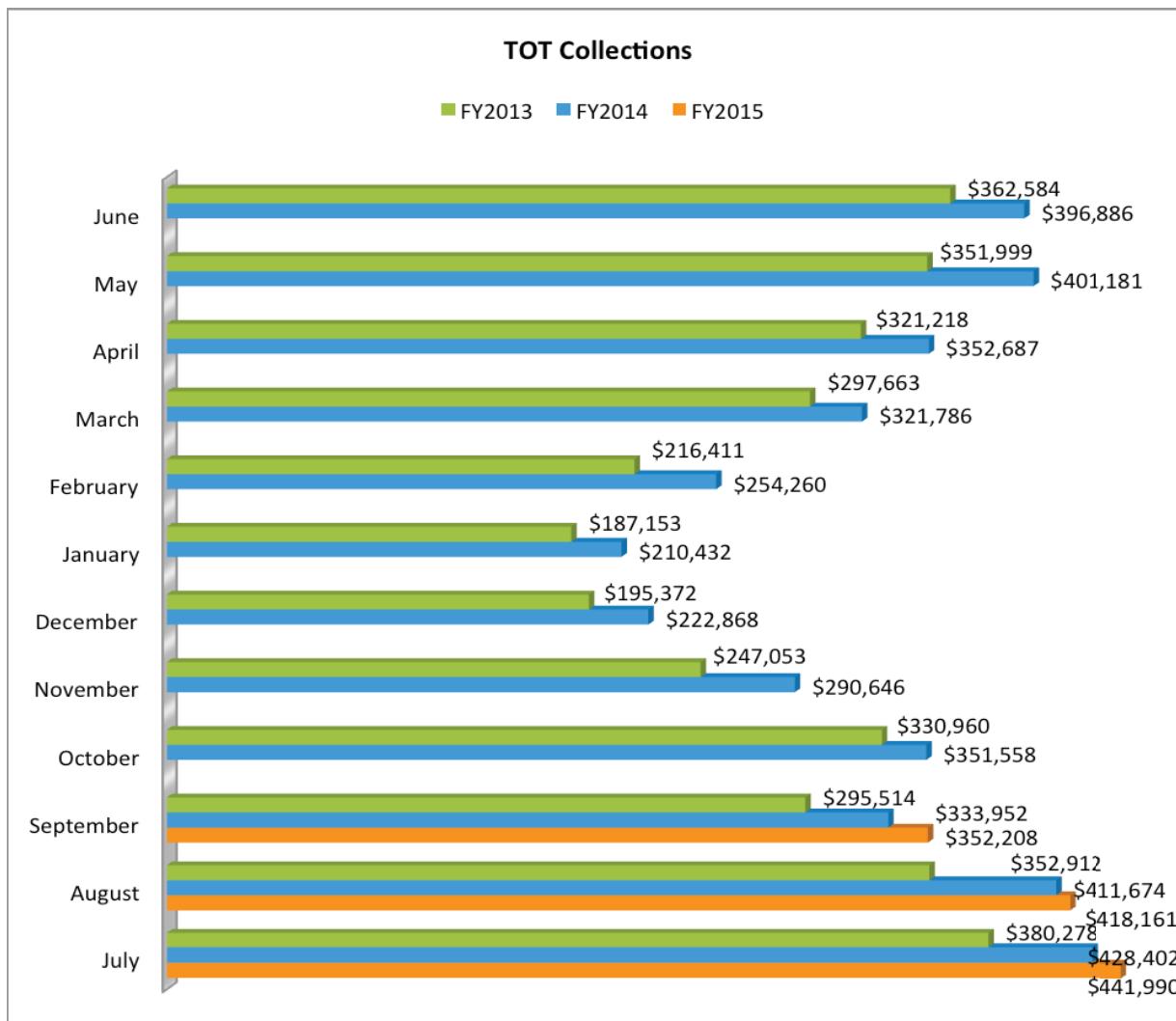
2. SITUATION ANALYSIS

The Past:

For many years, travelers tended to think of Paso Robles as a convenient mid-way stop when motoring between Los Angeles and San Francisco. But a thriving and highly respected wine industry has changed that dramatically. Once dismissed as something of a cow town, Paso is now heralded as “one of California’s most exciting wine regions” by Sunset Magazine. Fine dining has quickly evolved from dinner at the bowling alley, to world-class restaurants and bistros.

The Present:

Paso’s success as a wine-based tourist destination has had a dramatic effect on the local economy. Recent research prepared by PKF Consulting for Visit California suggests that Paso’s lodging market will increase in occupied room nights by 2.5 percent by the end of 2014—with market occupancy increasing to 68.5 percent as La Quinta Inn & Suites’ additional rooms are absorbed into the market. They also predict a 5.4 percent increase in ADR. (As of September, 2014 BID revenue for the Travel Paso Robles Alliance has increased by 10.88 percent.)





The Future:

For 2015, PKF predicts that the openings of the Allegretto Resort & Vineyards by Ayres, will increase available rooms by 19.0 percent, resulting in a market occupancy of 65.1 percent. The ADR is forecast to increase by 5.0 percent as compared to 2014 estimates, ending the year at \$136.44.

Year	Paso Robles								
	Historical Market Performance of the Competitive Supply								
Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change	
2009	394,930	N/A	245,629	N/A	62.2%	\$111.30	N/A	\$69.22	N/A
2010	404,785	2.5%	253,506	3.2%	62.6	114.28	2.7%	71.57	3.4%
2011	404,785	0.0	269,850	6.4	66.7	117.09	2.5	78.06	9.1
2012	410,260	1.4	279,191	3.5	68.1	120.16	2.6	81.77	4.8
2013	437,635	6.7	295,534	5.9	67.5	123.28	2.6	83.25	1.8
2014E	442,137	1.0	302,820	2.5	68.5	129.94	5.4	89.00	6.9
2015F	553,462	25.2	360,356	19.0	65.1	136.44	5.0	88.83	-0.2
CAAG	5.8%		6.6%			3.5%		4.2%	

Source: PKF Consulting

2.1 Leisure Competitive Landscape

Tourism is one of the largest sources of economic activity in the world and it is one of the fastest growing industries today. There are, literally, tens of thousands of new destinations (cities, counties, attractions, museums, resorts) bursting onto the market every year. More than 100 Tourism Improvement Districts (TIDs) have sprung up over the last few years in California alone. That's in addition to the 48 CVBs already in the state. All are fighting ferociously for every visitor dollar. As such, destinations like Paso Robles have more competition for visitors than ever before.

While tourist have endless options for vacations, Paso Robles major tourism competitors would include destinations that offer similar 'wine and more' experiences. Those include:



Napa Valley: "With cutting-edge wineries, farm-fresh food, and sophisticated yet laid-back retreats, it's no wonder Napa Valley has such enduring appeal." Travel + Leisure Magazine, September 2013

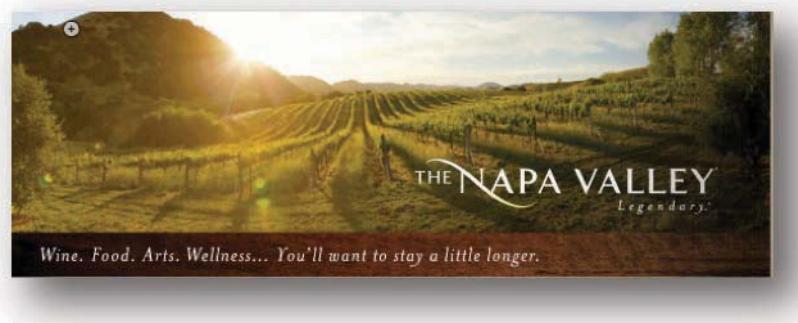
TBID Collection Amount: \$4,000,000

Napa Valley has approximately 400 wineries and 45,000 vineyard acres – and claims to have some of the most expensive agricultural land in the world. There are 150 hotels, inns, resorts and bed & breakfasts, totaling just under 5,300 rooms.

Visit Napa Valley is the official tourism marketing organization for Napa Valley. Primary funding comes from a TID two percent assessment on lodging. Additional funding is provided through partnerships with visitor-serving businesses throughout Napa County and through Napa County Special Projects Funding. Visit Napa Valley's annual budget, as of December 2012, was \$4,000,000.

Visit Napa Valley's mission is to "promote, protect and enhance Napa Valley's position as America's premier wine, food, arts and wellness destination."

Marketing activities focus on increasing overnight, mid-week visitation from November to April. San Jose is their main target market.



Napa Valley had fewer than three million visitors in 2013 - however two million of those were day-trippers. Hotel revenue in Napa Valley was \$312 million in 2013 - which represented a 12.2 increase over 2012. TOT collections in 2012 were \$33 million. Their average ADR was \$245 per night in 2012, with an occupancy rate of 71.5 percent. (Source: Smith Travel Research)

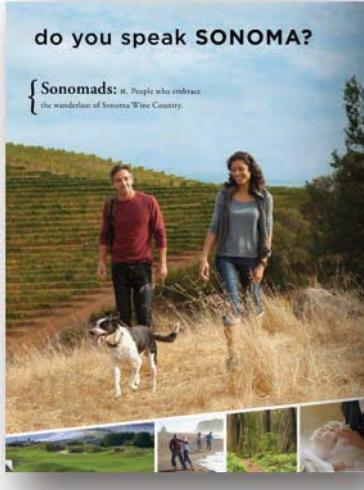


Sonoma County: It's big - the size of Rhode Island, with 12 different appellations. It's beautiful, with verdant valleys and redwood groves. It takes great pride in not being Napa. But its wine and food scene is getting better and better." Sunset Magazine

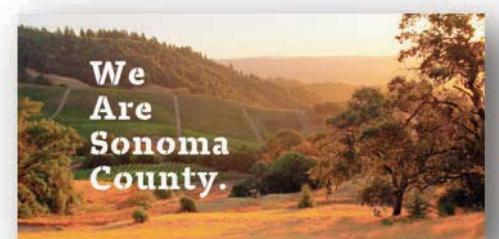
TBID Collection Amount: \$2,440,000

More than 400 wineries. Named one of the Top 10 wine destinations by *Wine Enthusiast* magazine in 2014.

Sonoma County Tourism (SCT) is the official destination marketing organization for California's Sonoma County. SCT is a private, nonprofit marketing and sales organization dedicated to increasing overnight stays in Sonoma County, California.



Their mission is to promote Sonoma County as a desirable overnight destination to three main markets: leisure, meetings and groups (including weddings) and tour and travel.



TOT collections for Sonoma County were \$2.7 million in 2013. The TOT rate is 10 percent. Total travel spending in Sonoma County was 1.5 billion

The average yearly ADR for Sonoma County was \$123.7 in 2013. The average yearly Occupancy Rate in 2013 was 73.2 percent.



Santa Barbara: "Santa Barbara wine country was poised to take off even before the movie 'Sideways' triggered a tourist frenzy." Food & Wine Magazine

Budget: \$2,167,076

Santa Barbara has approximately 175 wineries spread across a patchwork of microclimates, terrains, small villages, and rolling rural hills.

Visit Santa Barbara is a non-profit 501(c)(6) organization jointly funded by the City of Santa Barbara, the County of Santa Barbara, the South Coast Tourism Business Improvement District (TBID) and by a membership of hospitality-related businesses.

The primary mission of Visit Santa Barbara is to enhance the economies of the City of Santa Barbara, South Coast communities and Santa Barbara County areas through tourism marketing that increases business and tax revenue, and creates jobs.

The bureau operates the program under the oversight of the board of TBID members, selected by the district's lodging owners.

The TBID region includes the cities of Santa Barbara, Goleta, and Carpinteria, and the nearby-unincorporated areas of the County of Santa Barbara, with the City of Santa Barbara designated as the lead jurisdiction.

Santa Barbara welcomed 6.1 million visitors during the 2013/2014 fiscal year. Recent research shows that the Los Angeles-Riverside-Orange County (MSA) is by far the largest feeder market for tourism to the Santa Barbara South Coast followed by the San Francisco-Francisco-Oakland-Oakland-San Jose MSA and then the San Diego MSA.

TOT revenue in was 14.6 percent higher than the previous year. They also experienced a 7.40 percent increase in the Average Daily Rate (ADR) and a 3.45 percent increase in occupancy. Lodging revenue for the area was \$59 million.

Their 2012 budget is below:

Service	% of budget	\$ amount
Sales and Marketing	7.94%	\$172,000
Advertising and Communication	75.69%	\$1,640,256
Administration and Advocacy	5.48%	\$118,800
Local Destination Marketing	4.61%	\$100,000
Contingency and Renewal	4.5%	\$97,518
Collection Administration Fees	1.78%	\$38,501
Total	100%	\$2,167,076

Average Daily Rate	Per Night Assessment
0 - 99.99	.50
100.00 – 150.00	1.00
150.01 – 200.00	1.50
200.01 +	2.00



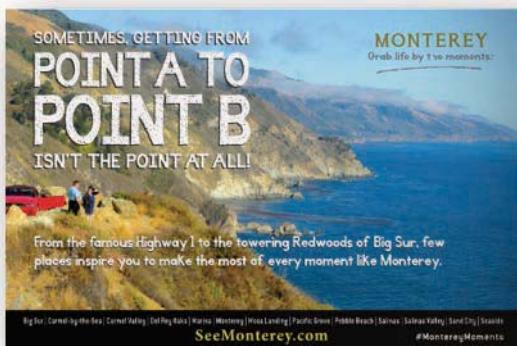
Monterey: Monterey County offers so many unique and top-class experiences in not only wine and food but in everything from outdoor adventures to art to sightseeing. It has an undiscovered, offbeat, creative flair while at the same time offering very elegant experiences.

Wine Enthusiast Magazine, 2013

TBID Budget Amount: \$3,500,000

Monterey has approximately 85 vintners and growers with more than 40,000 vineyard acres planted in 40 different grape varieties. They offer visitors over 300 lodging options - ranging from luxury resorts to quint bed & breakfasts.

The Monterey County Convention & Visitors Bureau (MCCVB) is funded through a partnership with Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Salinas, Sand City, and Seaside; the communities of Pebble Beach, Moss Landing, Carmel Valley, and Big Sur, as well as the Salinas Valley.



The MCCVB supports Monterey County's tourism and travel industry through a comprehensive range of services. For its members - including businesses in the lodging, hospitality, entertainment and recreation industry - the MCCVB provides many opportunities for co-op advertising and marketing.

Tourism spending in Monterey County was \$2.3 billion in 2013. Monterey County's core markets include the San Francisco Bay Area, Central Valley and Los Angeles. Peak season is June through September. Shoulder

season: October, November, April, and May; Off-Peak: December through March.



Lodi: "The vibe is laid-back, but the grape cred is staggering: The 600,000 tons of wine grapes grown here each year is more than Napa and Sonoma combined. Reap the benefit of major wine production without Napa-sized crowds sipping the area's signature juicy Zinfandels."

Sunset Magazine: "15 Top Wine Escapes"

Lodi has more than 75,000 acres of vineyards and approximately 60 wineries leading the state in grape production of the top five premium wine grapes: Cabernet Sauvignon, Merlot, Chardonnay, Sauvignon Blanc, and Zinfandel. Its vineyards grow over 40 percent of all the California Zinfandel.

Visit Lodi is the official destination marketing organization for Lodi, funded by the City of Lodi and Lodi area hotels.

Visit Lodi's mission is to "Stimulate local economic growth through tourism education and promotion of the Lodi area as a destination." Their marketing activities include a variety of print advertising and promotions for the region, digital and social media advertising and promotions, travel trade shows and promoting Lodi as a place to hold meetings and events.

The Lodi Winegrape Commission is funded by the Lodi Grape growers and wineries. Their goal is to promote the region as a premiere winegrape-growing region producing premium wines.

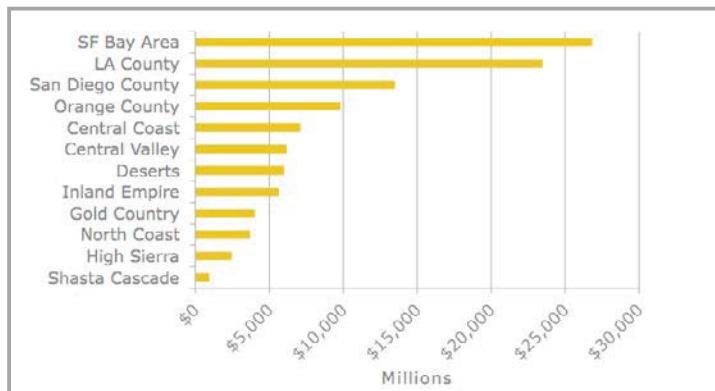
3. Leisure Traveler Insights

3.1.1 San Luis Obispo Visitor Survey Key Insights:

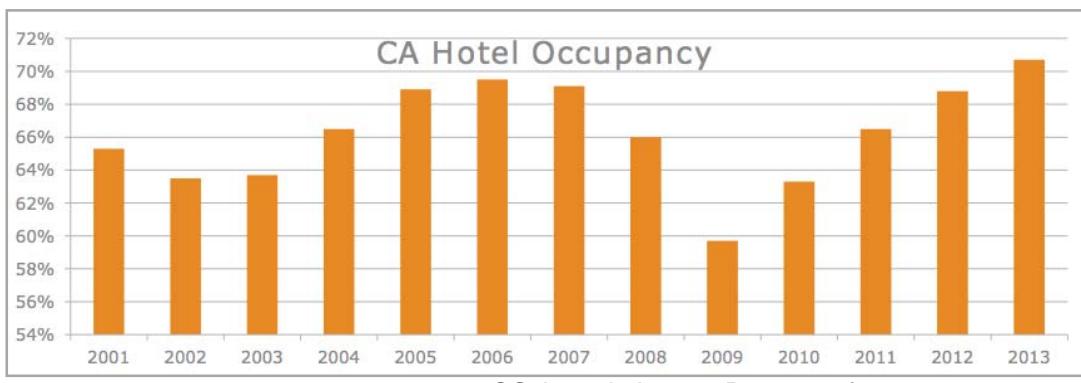
- Visitors with children were not only less likely to participate in wine tasting during their visit to San Luis Obispo County, but they also placed less value on wine growing/tasting.
- Visitors with children at home were much less likely to express interest in dining and wine tasting.
- Visitor respondents from the San Francisco Bay Area were much more likely to select Hearst Castle, while those from the Central Valley were more likely to select beaches. Los Angeles/Orange County respondents were most likely to cite wine growing/tasting.
- The most frequently-selected activities included:
 - Sightseeing (57%)
 - Shopping (47%)
 - Fine dining (44%)
 - Wine tasting (31%)
 - Visiting Hearst Castle (23%)
 - Hiking (21%)ⁱ

3.1.2. Leisure Travel in California:

- Two-thirds of all California travel revenue centered in four of the states largest regions:ⁱⁱ

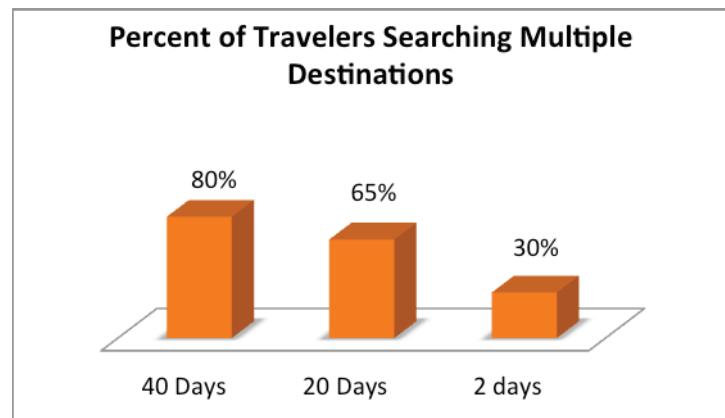


- California room demand is at an all-time high

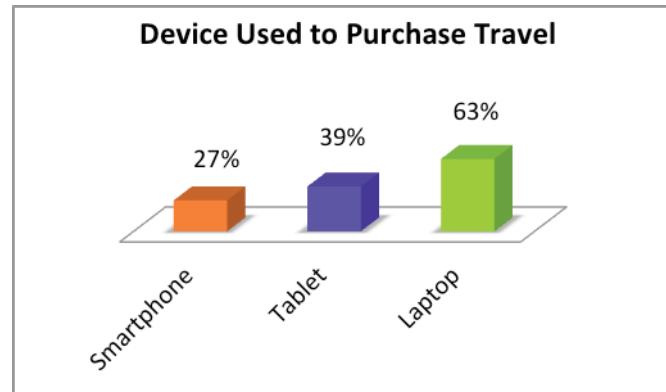
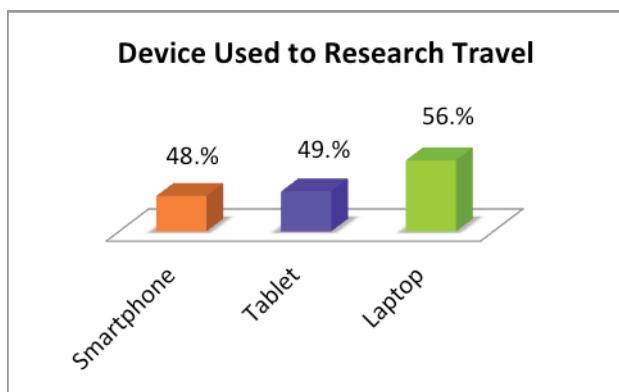


3.1.3 Target Audience Insights:

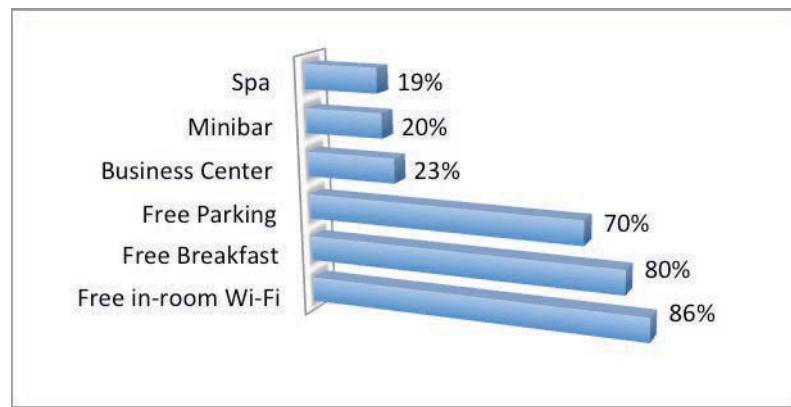
- Most travelers do not have a specific destination in mind when they begin the process. They are very focused on exploring options - frequently comparing local hotels, reading reviews and checking Online Travel Agents (OTAs) for inspiration and pricing.
- The path to purchase is not linear - travelers make and change destination decisions almost up to the day they book. The chart below illustrates the percent of travelers exploring multiple destination options by the number of days prior to booking.ⁱⁱⁱ



- On average, travelers visit 38 sites during the planning process.^{iv} Top websites visited include:
 - OTA sites 47.2 percent
 - Planning and review sites 6.8 percent
 - Hotel supplier sites 4.1 percent
 - DMO sites 6.4 percent
 (It should be noted that visitation to DMO sites has increased by 30 percent since 2010.)
- Travelers use multiple devices throughout the planning/booking process.^v While laptops are currently the preferred device for travel-related planning and purchases, travelers are rapidly adapting to mobile devices.



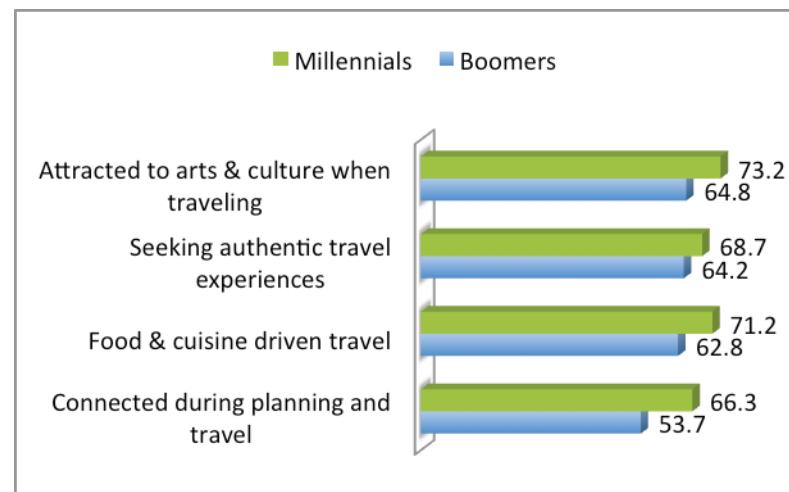
- A new breed of celebrity chefs and food TV shows have resulted in an increased number of vacationers building their travel around culinary events and festivals.
 - According to the Travel Industry Association of America, 60 percent of American leisure travelers indicate that they are interested in taking a trip to engage in culinary activities within the next 12 months.
 - The good news is that travel enthusiasts are willing to pay for insider tips, immersive cooking classes, wine and agricultural experiences, as well as authentic cultural exchanges.
- Amenities play an important role in hotel selection. Favorite new amenities include happy hours, wine tastings or any other time with free food and drinks. Free in-room bottled water is another favored amenity.^{vi}



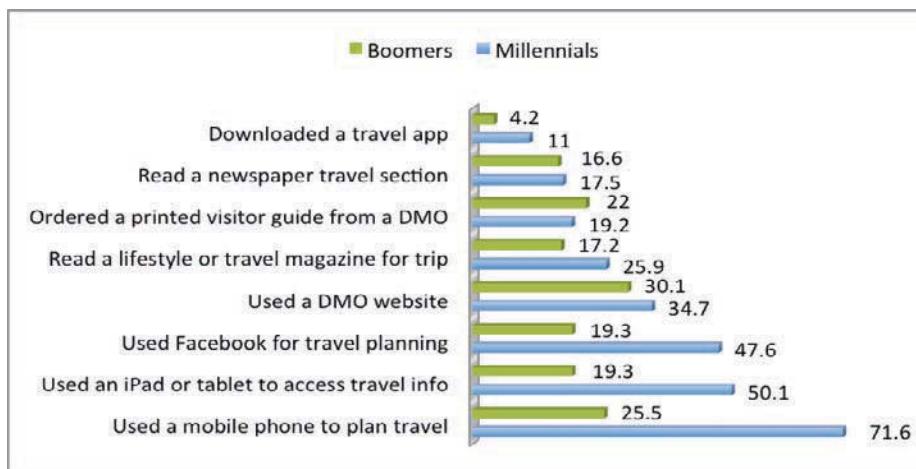
- Millennials (typically ages 18-34) present a significant growth potential for destinations. Millennial spending will likely only increase as they step into their prime earning and spending years in the next decade. They also have distinct media and travel characteristics:
 - They're wired and web savvy.
 - They prefer user-generated content and, when searching for hotel options, they prefer social hubs with quality food and beverage.
 - Brand loyalty is not nearly as important as word-of-mouth feedback from their network.
 - They're more likely to travel in pursuit of favorite experiences, interests or activities.
 - They're more likely to travel with friends in organized groups.^{vii}
- Baby Boomers continue to be a key audience segment:
 - By 2015, Boomers in the U.S. alone are expected to control 60 percent of the nation's wealth, accounting for 40 percent of spending.
 - Statistically, they are more affluent than other age groups, have more free time, and enjoy using that free time to travel.
 - They are highly educated, financially healthy, ambitious, curious, creative and socially connected (Boomers represent one-third of all online and social users).^{viii}
 - Here are a few highlights about Baby Boomers and insights from the technology, travel and entertainment industries:
 - Contrary to a common misperception, Boomers grew up with technology - they were the adopters of stereos, large cell phones, garage door openers, microwaves, home security systems, digital cameras, computers, cassettes, CDs, VCRs, DVRs, videos and DVDs - and

they eagerly embrace Kindle, smartphones, iPads, iPhones, home automation, GPS, Facebook and websites focused on their interests and passions.

- Baby Boomers also grew up with travel.
 - o Boomers watched as the highways were being built across the United States and airplane travel improved to become faster, better and cheaper.
 - o Car trips were a part of a culture of freedom.
 - o They believe travel is an entitlement (Boomers purchase 80 percent of luxury travel and believe they've earned it).^{ix}
- Boomers are looking for vacations that allow for learning (cooking classes, wine tasting tours, etc.) and "off the beaten path" adventures.^x
- While Millennials are highly connected travelers with a preference for authentic destinations offering arts and culture and culinary experiences, Boomers are more interested in less active experiences with a sense of exploration.^{xi}



The use of technology for travel planning differs by age, but use of offline media is similar among all generations.^{xii}

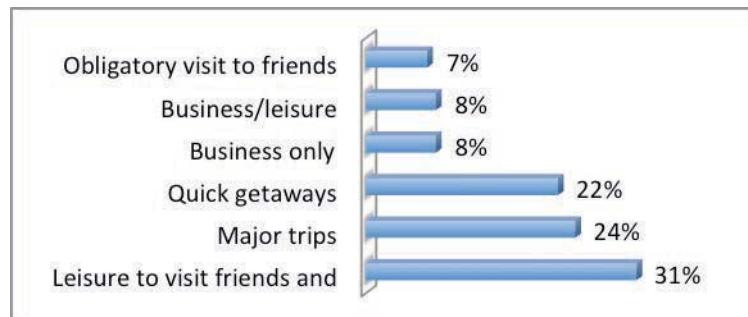


3.1.4 Travel Trends

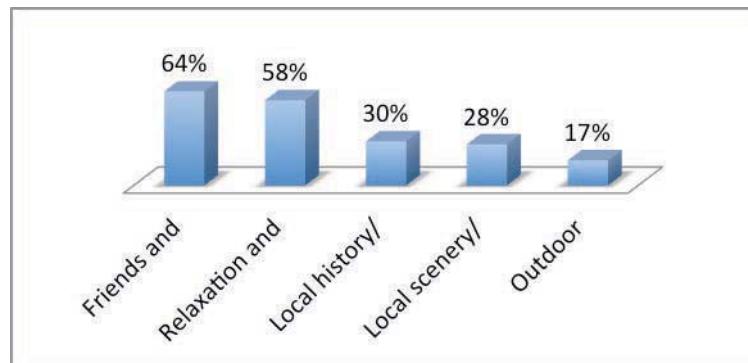
Influencing Media and Messaging:

- Nine in ten trips booked in the U.S. in the last six months had a leisure component.^{xiii}

Type of trip booked:



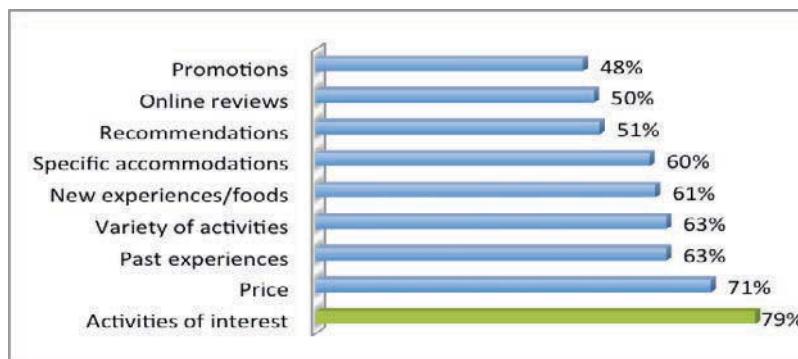
- Reason for booking a trip with a leisure component:



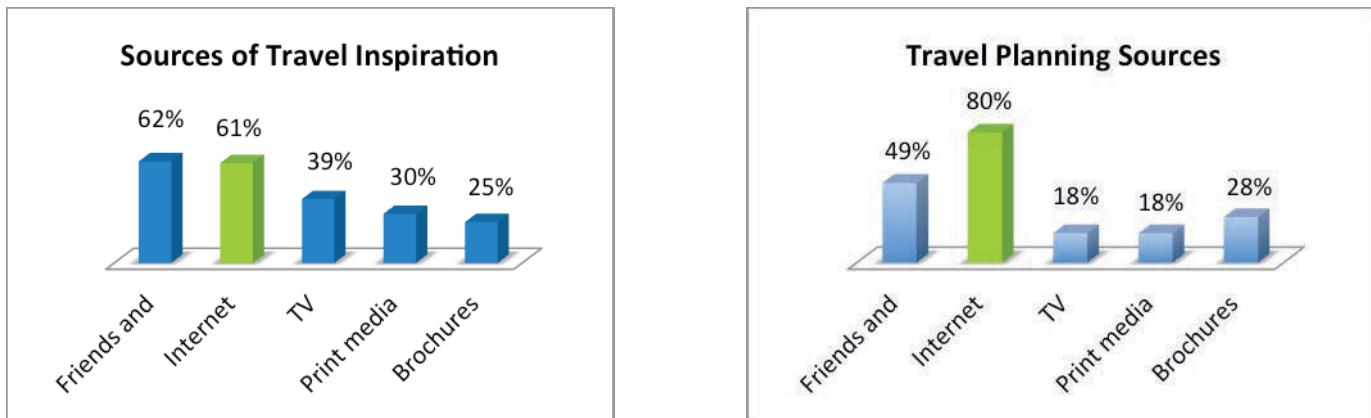
- Beyond price, activities that match a traveler's interest are of major importance when selecting a destination. *"We are hearing from travelers that it is not always about the destination, but also about what their passion points are, what motivates them, what they love to do in their life."*

Ellen Bettridge, Vice President, American Express Retail Travel Network

The features considered most important when choosing a destination include:^{xiv}



- The Web is a primary source of information and inspiration, with 70 percent researching possible destinations online before deciding to where or how they want to travel.
 - 70 percent begin researching online before deciding where or how they want to travel.
 - 68 percent are inspired to book by some type of online ad.
 - 38 percent rely on destination-specific sites for planning.
 - 61 percent rely on travel review sites.^{xv}



- A cross-platform digital approach deepens customer engagement, with 49 percent of travelers stating that they have a more favorable impression of digitally-savvy travel brands.^{xvi}
- Booking windows for hotels reservations, car rentals and activities that take place within a destination are shrinking according to a recent report by JiWire: More than 55 percent of consumers book travel-related reservations for both current and future travel plans while traveling.^{xvii}



4. FY 2015 (FEB-JUNE) STRATEGY

4.1 Marketing Objectives

1. Increase awareness of Paso Robles as a - 'maverick, wine and more' - vacation destination.
2. Increase overnight stays in Alliance hotels with an emphasis on the shoulder season (fall and winter).
3. Drive traffic to the TravelPaso.com website.

4.2 Core Marketing Strategies

4.2.1 Paid Media

Media Objectives:

1. Leverage digital platform and utilize appropriate targeting channels to maximize message exposure among key audience segments.
2. Effectively engage consumers and position Paso Robles as an attractive travel and tourism destination.
3. Drive click-through traffic to designated partner landing pages to increase reservations.

Plan Period

February 1, 2015 to June 30, 2015

Target Audiences:

Leisure travelers, such as Millennials and Boomers, who are looking for an alternative to the traditional California wine country getaway, but still want great wine and fine dining experiences.

Demographically, the decision-makers will skew female. Specific niches should include foodies and wine enthusiasts.

Target Markets:

We'll know much more about specific target markets once we have a couple months of results from Quantcast, but we can assume that we're currently pulling from within a three to five (3 -5) hour drive radius. As such, initial target markets include:

Primary:

- Los Angeles
- Silicon Valley

Secondary:

- Central Valley

Niche:

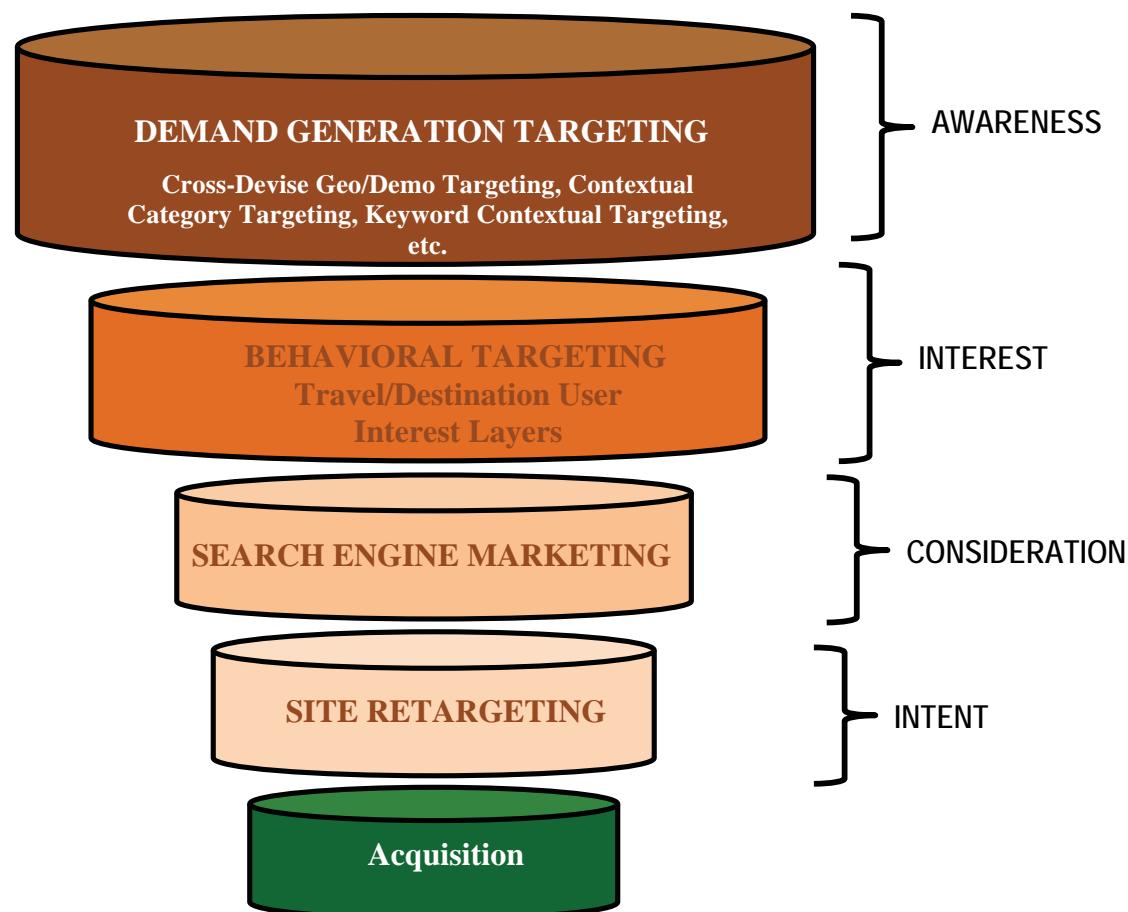
Additional marketing programs will focus on reaching the following niche audiences:

- Meetings/Groups Planners
- Business Travelers
- Cycling Enthusiasts
- Equine Enthusiasts
- Water Recreation Enthusiasts (specifically lake recreation)
- Amateur Sports
- Military Travelers

Media Strategy Overview:

- Establish attainable media objectives, designed to measure campaign performance.
- Implement and execute effective and efficient media buying strategies, designed to target identified audiences.
- Employ consumer funnel acquisition strategy by partnering with Ad Network, designed to sustain engagement and secure lodging reservations.

Acquisition Funnel:





Media Tactics:

- 1 **Drive demand** utilizing sophisticated upper-funnel and mid-funnel targeting tactics - generating qualified Web traffic.
- 2 Based on existing visitors, **create a custom audience look-a-like model** using real-time online search and behavior data to build consumer profile.
 - Leverage Quantcast's fresh profile data to reach new and repeat customers and influence their entire journey to conversion.
- 3 **Drive acquisition** through intelligent optimization.
 - Tailor delivery to the unique conversion path for new and repeat customers and campaign to deliver more conversions.
- 4 Use Quantcast's **Smarter Retargeting** to more accurately predict and reach only those website visitors who are there to take action. Maximizes media efficiency and return on media spending.
- 5 **Fully integrate mobile** into the digital media mix to reach potential visitors at all stages of their travel planning and purchase cycle.
- 6 Use Quantcast targeting to effectively reach optimum audience while they're on Facebook.
- 7 Use Search Engine Marketing (SEM) to drive consideration and conversion.

Media Flowchart	Ad Units	February	March	April	May	June
Online/Mobile Ad Networks	300x250, 728x90, 160x600					
PRINT						
Chamber of Commerce	Print TBD					
Visit SLO County	Print TBD					
Digital						
Sunset Magazine Digital	728x90, 160x600					
Visit SLO County Digital	728x90, 160x600					
Quantcast Media (paid social) Cross-Device	728x90, 160x600					
Google AdWords SEM	Text					



4.2.2 E-Marketing

Since e-marketing has the highest ROI and click-through-rate (CTR) compared to all other digital marketing avenues, we feel adding it to Paso's marketing initiatives will result in dramatic increases in awareness, preference and bookings.

E-Marketing Tactics:

1. **Enhance the email sign up form.** It's important to optimize how fans can sign up for e-newsletters or emails. (Don't make people dig around your site to stumble across subscription options.)

Give visitors a reason to sign up for the eNewsletter:

- Instead of 'Newsletter,' we suggest you entice visitors to subscribe by promising access to 'Insider Tips'
 - *"Subscribe to Insider Tips and you'll get exclusive access to special offers on places to stay and things to do - everything you need to discover all the best of Paso Robles."*

Improve sign-up location:

- We recommend using a larger, more prominent widget on your site.
- Once this widget is created, it should be added to multiple locations on your site for easy access. We suggest that you add it to your homepage, blog, 'About Paso' page and your 'Contact Us' page at minimum.

2. **Create a Facebook email sign-up form.** The sign-up form would be set up as a tab on the Paso Facebook page, encouraging fans to subscribe to *Insider Tips*.





3. Develop A Welcome Series. Establish a positive connection with visitors.

- Welcome emails will see a much higher open and click rate than other email campaigns. Another great thing about a welcome series is that you are creating one to three emails that once set up, will run on their own and continue to engage your subscribers without any extra budget.
- We suggest a series of three that are automatically delivered on a set schedule:
 - i. First (within 10 minutes of signup) “Welcome: *Discover the Pasobilities!*”
This would be personalized, thanking them for subscribing. It would serve as a quick introduction to Paso Robles and would include a link to download the digital travel guide. We also recommend including a special offer exclusive to subscribers.
 - ii. Second (one to two weeks after first email) “*Enhance Your Paso Experience!*”
Here we will ask for a little information about their interests (Wine, Dining, Weddings, Golf, Biking, etc.) This will allow us to segment the list – and better target communications.
 - iii. Third (two to three weeks after second email) “*Set expectations on future communications*”
In this email, we will let the subscriber know about the number of emails they can expect, when they will receive them, and what they can expect in terms of insider information and special deals

4. Targeted email campaigns to external niche audiences. Augustinelideas will design and develop a series of emails (set number to be determined later based on budget and goals) and send them through a list broker.

- Targeted niche audiences will be determined based on visitor data we receive from Quantcast.

5. Monthly Giveaway. Augustinelideas will create a modified email signup and list segment to be placed on the website, Facebook, Pinterest, blogs and other display networks with a monthly giveaway.

- Our recommendation is that the approximate value of this offering be \$50 - \$100 in the form of a gift card redeemable at a local Paso Robles business.
- The giveaway creative will be used across all of your social media and digital presence.

4.2.3 Social Media

Social Media Objectives:

1. Drive more bookings via <http://travelpaso.com/experiences/lodging>
2. Increase exposure to local restaurants, wine tastings partners, and shops.
3. Promote local events.
4. Increase engagement with fans.
5. Cross-promote on Facebook and Twitter to grow followings on Pinterest and Instagram.
6. Develop brandscaping plan with local business partners.

Social Media Tactics:



Facebook:

- Post seven days per week, 52 weeks per year.
 - Post at different times during the day
 - Respond to fan comments three to four times per day
- Market focus: Targeting within California
 - Focus: Los Angeles, San Jose and San Francisco
- Target audiences: Millennials and Boomers
 - Food lovers
 - Wine lovers
- Use Facebook ads to guarantee 175,000 hyper-targeted impressions monthly
 - Hyper-target audiences and refresh ads as new Facebook features become available.
 - Use Sponsored Posts (minimum of five per week) to boost exposure.
 - Conduct frequent contests and coupon promotions.



Twitter:

- Post seven days per week, 52 weeks per year.
 - Post at different times during the day.
 - Respond to follower comments three to four times per day.
- Market focus: Targeting within California.
 - Focus: Los Angeles, San Jose and San Francisco.
- Target Audiences: Millennials and Boomers.
 - Food lovers
 - Wine lovers
- Integration of videos, audio, articles, reviews, etc. via tweets.



- Post unique status updates and retweets daily to get immediate feedback / real-time focus groups on issues and events.
- Content Creation #TravelPaso #PasoRobles #PasoTravel.
 - Keyword targeting (hash tags)
 - Stay current within travel/tourism industry by finding targeted keywords/hash tags that contains significant conversations.
 - Contribute content with hash tags that are relevant to Paso's target audience.
- Utilize Twitter Promoted Posts & Twitter Followers Ads.



Pinterest

- Post seven days per week, 52 weeks per year.
 - Post at different times during the day.
 - Post pin status updates (approximately 40 - 50 per week).
- Market focus: Targeting within California
 - Focus: Los Angeles, San Jose and San Francisco.
- Target audiences: Millennials and Boomers
 - Food lovers
 - Wine lovers
- Integrate videos and photos driving free search engine traffic.
- Scour Pinterest to find visitors who fit Paso's profile.
 - Engage them by liking, commenting on and re-pinning.



Instagram

- Post seven days per week, 52 weeks per year.
 - Post at different times during the day.
 - Monitor weekly to keep up with follower comments.
- Market focus: Targeting within California
 - Focus: Los Angeles, San Jose and San Francisco
- Target audiences: Millennials and Boomers
 - Food lovers
 - Wine lovers



4.2.4 Public Relations

Objective: Through various public relations tactics, the Augustinideas Public Relations team will position Paso Robles as a premiere destination to increase brand awareness and tourism.

Media Relations

Our team will work with a variety of industry partners and consumer publications to earn media coverage for Paso Robles. We will monitor editorial calendars and work closely with journalists to earn coverage featuring the destination. The partners and outlets our team will work with include, but are not limited to, the following:

- Visit California
- Sunset Magazine
- VIA Magazine
- Condé Nast Traveler
- Travel + Leisure Magazine
- Wine Enthusiast Magazine
- Fodor's Travel Guide
- Forbes Travel Guide

Pitching

Year-round proactive and reactive outreach with media and tourism partners to continue brand/destination recognition is an essential component for the Public Relations plan. Through consistent pitching and maintaining relationships with numerous writers, our team will take advantage of any and all stories ideas that support our objectives.

Press Releases

Maintaining a steady drumbeat of news is essential to staying top-of-mind with journalists and to continuing constant coverage for the brand. Our team recommends distributing news on a monthly basis; focusing on designated themes and notable positive changes within Paso Robles throughout the year.

Various topics the team will cover include, but are not limited to, the following:

- Vintage Paso
- 33rd Annual Wine Festival
- California Mid-State Fair
- Sunset Savor the Central Coast
- Harvest Wine Weekend
- Grand openings
- Renovations
- California Wine Month
- "What's New" releases (1 per quarter)



- Holiday events (Easter, Halloween, Thanksgiving, Christmas, New Years)
- Visit Paso Robles During Harvest
- Experience Paso
- Family Friendly Travel to Paso
- Honeymoon in Paso
- National, State and Regional themes (i.e. Restaurant Month)

Most releases will be distributed and pitched organically, however, for the quarterly “What’s New” releases and others as appropriate, our team will support pitching by releasing on the news wire. Wire hard costs will be covered under the “Hard Cost” budget and billed separately.

Paid Media Support

Paso Robles will invest in media outlets with paid advertising dollars: Our team plans to leverage these dollars to help increase editorial coverage for the brand. While the outlets our agency targets for advertising are not “pay-to-play” so to speak, our PR team will focus pitching around the paid media schedule to take advantage of any and all additional opportunities.

Blogging

Blogging is a great way to communicate with our target demographic. We recommend utilizing the blog on the Travel Paso website at least two to four times a month by writing and uploading new, fresh content. From top five lists to upcoming events, blog posts help audiences build confidence and trust. Posts are also a great way to integrate public relations and social media efforts. Examples of blog post topics are as follows:

- Around town happenings
- Grand openings
- Fun in the sun – beach
- Top 10 musts at the fair
- Top 5 Instagram posts this week

E-Blasts

Creating an email campaign allows Paso Robles to build and maintain relationships by staying top-of-mind with a group of individuals who have chosen to opt-in and receive information about the area. Emails are measurable and allow us to segment the list based on demographics and interest, which enables us to provide the most relevant information to our audience. Topics to be included in the e-blasts may include the following:

- Event invitations
- Holiday travel packages
- Spa retreat
- Family friendly activities

*Costs of email template design not included



Media Familiarization (FAM) Tours

Hosting travel, tourism, and food and wine writers for at least two days to experience the best of Paso Robles is an excellent opportunity to receive coverage from media outlets that ultimately drive tourism. Over the duration of the tour, writers will enjoy a VIP experience at variety of Paso Robles lodging, dining, and recreational activities and events. Our goal is to host between eight and ten writers per FAM tour. The number of FAM tours throughout the year is dependent on budget limitations.

Trade Shows

Media trade shows are an excellent way to develop strong relationships with industry influencers and consumers interested in leisure, travel, food and wine. Leveraging these opportunities to position Paso Robles as a premiere destination for travel is a key aspect to setting Paso apart from other destinations. Our team will provide support for these events to ensure the media in attendance receive all necessary materials and story ideas. Should the client request Augutsineldeas staff attend these events, specific costs for each will be estimated and billed separately.

We recommend Paso Robles participate in the following trade shows:

- Visit California in New York – March 10, 2015
- Visit California in San Francisco – April 21, 2015

Event Support

Our team will partner with event planning organizations to maximize public relations efforts and coordinate visits for interested media, highlighting the following events:

- Sunset Savor the Central Coast
- Sunset Celebration Weekend
- Wine Festival
- Restaurant Month
- California Mid-State Fair
- Hotel Month
- Vintage Paso
- Harvest Wine Weekend



5. Tour and Travel Outreach

The Destination Manager will be attending the following tourism industry shows to develop relationships with key travel influencers. These shows are specifically targeted to draw large group, out-of-state and international travelers through developing relationships with tour operators currently in the process of updating itineraries:

- National Tourism Association Convention in New Orleans (January 18-22, 2015)
- Visit California Outlook Forum in Palm Springs (February 23-24, 2015)
- International Powwow in Orlando (May 30 – June 3, 2015)

6. Year Over Year Measures and Results

- Increase overnight stays by 10% by providing an incentive and leveraging strategic partnerships (as of October 2014, FY 2014/15 TOT was trending at a 10.5% increase).
- Increase effectiveness of Facebook, Twitter, Pinterest, Instagram and YouTube. To be measured by the following metrics:
 - Increase lifetime total fans by 55% (2013 to 2014 experienced a 91% growth in fans)
 - Increase average daily engagement by 70% (2013 to 2014 experienced a 192% increase)
 - Increase average daily total impressions by 100% (2013 to 2014 experienced a 60% increase)
 - Increase average daily people talking about this by 35% (2013 to 2014 saw a 45% increase)
 - Increase average monthly views on YouTube to 375 (2013 to 2014 saw an average of 665 monthly views)
 - Increase lifetime total followers on Pinterest and Instagram by 25%.
- Increase engagement of monthly newsletter:
 - Increase distribution by 25% (2013 to 2014 saw a 13% increase)
 - Increase average open rate to 26% (2013 to 2014 saw a 23% average)
 - Increase average click rate to 7% (2013 to 2014 saw a 3% average)
- Increase overall site sessions to exceed results seen in 2013
 - Increase website traffic and visits to lodging pages by 11% through paid digital advertising and earned media
 - Decrease bounce rate to 40%
 - Increase average site duration to 2 minutes 50 seconds
- Delivery of 250 million media impressions with public relations
- Feature Paso Robles in at least a dozen national or travel news stories related to activities beyond a wine experience.



7. Budget

**Travel Paso Robles Alliance
Proposed 2015 Marketing Budget (February-June)**

Budget Category	Recommended 2015
Paid Media (net)	
Chamber of Commerce (Print)	\$1,500.00
Visit SLO County ad (Print)	\$2,500.00
Billboard	\$5,000.00
Tripadvisor	\$2,764.00
Sunset Magazine (Digital)	\$6,264.00
Visit SLO County (Digital)	\$3,393.00
Quantcast Media (Digital + Paid Social)	\$20,000.00
Google Adwords SEM	\$5,250.00
TOTAL	\$46,671.00

GL #	TPRA 2014-15 BUDGETED P&L			Notes
	INCOME PROJECTIONS		2015 Feb - June Income	
1100	Projected 2% BID Revenue (Feb 2013 - Jan 2014)	\$277,303.00		2015 Projected BID was derived from 2014 BID Income or 7% growth over previous year
1101	7% projected increase	\$19,411.21		To date growth has averaged 11.2%
1200	Cash Rollover	\$60,000.00		See attached projected rollover for reference - this is a conservative estimate, prorated for 41% for short term budget
1300	Cash Reserves	\$10,000.00		
	Total	\$ 366,714.21		
	Expenses		% total budget	
2100	Admin	900.00	0.25%	Storage, misc. administrative costs
2200	Destination Manager	27,600.00	7.53%	Retainer for destination manager contract, mileage costs
2400	Sponsorships/Community Support/Partnerships	70,600.00	19.25%	Shows an annual 17% growth over previous year. Includes partnerships with Visit SLO County, Savor the Central Coast, Chamber of Commerce, Main Street Association, CCTC, PRWCA, PCCHA, WiVi, Garagist Festival and funds for unplanned requests
2500	Brand Identity (Visual)	95,000.00	25.91%	Includes photography, Discovery Guide printing, Billboard lease and maintenance costs, firm fees and retainer, trademarking fees
2600	Digital Marketing	30,000.00	8.18%	Accounts for website maintenance and updating for new logo, blog and eblast fees, and social media and digital marketing support from the contracted firm
2700	Advertising and Media Buys	60,000.00	16.36%	11.9% increase in ad spend, focus will be on targeted digital advertising that will also allow tracking of target audience's online behavior. Also includes budget for billboard and print advertising as well as reactive opportunities and the firm's commission fees
2800	Public Relations and Media Relations	56,500.00	15.41%	Includes travel, accommodations and dining costs for media. Allows for two group FAM visits to the area, press release distribution, travel costs for the Destination Manager to attend two Visit CA media shows and the firm fees for the contracted firm's retainer
2900	Trade and Sales Outreach	9,200.00	2.51%	Include travel, lodging and registration costs for NTA, International Powwow, Visit CA Outlook Forums. As well as budget to host Visit CA and CCTC FAM trips.
3000	Consumer Shows	5,000.00	1.36%	Allows budget for booth décor, travel and lodging costs at Sunset Celebration Weekend and Savor the Central Coast
3100	TPRA Event Costs	1,000.00	0.27%	Incorporates opportunity for professional development and communication of the new marketing plan to all 20 contributing hotels
	TOTAL EXPENSES	355,800.00		
	Cash Reserves			
4001	Cash Reserves	\$10,000.00		
	Contingency			
5001	Contingency Fund (unallocated)	\$914.21		Contingency fund reflects unallocated funds less \$10,000 reserves - other contingency funds noted in GL categories total:
	TOTAL Budget	\$366,714.21		Total expenses, contingency and \$10,000 reserves



8. END NOTES

- ⁱ San Luis Obispo CVB. Out of Market Study. Strategic Marketing Group, 2012
- ⁱⁱ Travel Trends Outlook for Southern California. Dan Mishell, Visit California. October 2014
- ⁱⁱⁱ The 2013 Travelers Path To Decisions. Google Think
- ^{iv} The Traveler's Path to Purchase. Millward Brown for Expedia Media Solutions, 2014
- ^v The 2013 Travelers Path To Decisions. Google Think
- ^{vi} Hotels.com. February 20, 2013
- ^{vii} MMGY Global. Portrait of the American Traveler, 2014
- ^{viii} Baby Boomer Media Experts, September 11, 2013
- ^{ix} Baby Boomer Media Experts, September 11, 2013
- ^x Deloitte Global. Hospitality 2015. Game Changers or Spectators
- ^{xi} The State of the American Traveler Study 2014, Destination Analysts
- ^{xii} The State of the American Traveler Study 2014, Destination Analysts
- ^{xiii} Hotwire American Travel Behavior Survey, 2014.
- ^{xiv} The 2013 Travelers Path To Decisions. Google Think
- ^{xv} The 2013 Travelers Path To Decisions. Google Think
- ^{xvi} Google 2014 Traveler's Road to Decision
- ^{xvii} JiWire. Mobile Audience Insights Report, May 22, 2013

Augustine Ideas 2015 Contract Fees
Proposed 2015 Marketing Budget (February-June)

Budget Category	Recommended 2015
2015 Media/Communications Plan	\$2,500.00
Monthly Strategy & Management	
Brand Management: \$4,500 per month	\$22,500.00
Public Relations Monthly: \$5,000 per month	\$25,000.00
Social Media Management:\$3,000 per month	\$36,000.00
Digital Marketing Management: \$1,500 per month	\$7,500.00
Paid Media (net)	
Media Commission	\$8,191.00
Creative Production	
Creative time for all specified design projects	\$50,000.00
Other Costs	
Wire Fees (4)	\$1,440.00
Spring FAM Tour Time	\$5,000.00
TOTAL	\$158,131.00

Revised 11/26/14