

RESOLUTION NO. 13-137

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICE
CONTRACT WITH "AUGUSTINE IDEAS" FOR MARKETING SERVICES ON BEHALF OF THE
TOURISM AND LODGING PROMOTIONS BUSINESS IMPROVEMENT DISTRICT
FOR FISCAL YEAR 2014/15

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, the current marketing service contract with Mental Marketing extend through January 31, 2014, and they will continue to provide marketing services per their contract and coordinate the transition with the new firm; and

WHEREAS, Request for Proposals (RFPs) for TPRA marketing and graphic design services were circulated and responding firms were screened and evaluated by an evaluation panel that included both City staff and TPRA members; and

WHEREAS, at their regular meeting of September 9, 2013 the TPRA voted to recommend the City council engage Augustine Ideas in a professional service contract to carry out the 2014/15 TPRA annual Marketing Plan; and

WHEREAS, one of the first work efforts for Augustine Ideas will be to assist in the development of the FY 2014/15 Marketing Plan;

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

WHEREAS, the negotiated contract will segment the work scope and budget so that the expenditures can be accommodated between the current FY 2013/14 TPRA budget and the projected/anticipated FY 2014/15 TPRA budget; and

WHEREAS, contractual scope of work identified within the projected FY2014/15 TPRA marketing budget will be contingent upon the future extension/renewal of the BID assessment (to be considered by City Council in January 2014); and

THEREFORE BE IT HEREBY RESOLVED that the City Manager is authorized to enter into a professional service contract with Augustine Ideas, 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).

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: Steinbeck, Hamon, Martin, Picanco
NOES:
ABSENT: Strong
ABSTAIN:



Duane Picanco, Mayor

ATTEST:


Caryn Jackson, Deputy City Clerk

Why Augustineideas

We know destinations.

Extraordinary cities, regions or districts that become a place for last-minute getaways or once-in-a-lifetime memories. Our experience in both destination and shopper marketing provides our clients the insight and strategy to find, engage, and convert visitors during their “path to purchase” or as we call it—Path to Destinate.

Our clients include tourism improvement districts (TID), business improvement districts (PBID), chambers of commerce, destination marketing organizations (DMO) and dining districts. TripAdvisor, aRes Travel, Google, Facebook, Twitter, Foodspotting, and JackRabbitSystems are only a few of the global travel brands we collaborate with in order to deliver the best solutions and results for our clients—including the development, design, and launch of the first mobile hotel booking interface for aRes Travel.

We produce amazing creative and deliver measurable results.

Augustineideas serves as brand stewards for its clients as well as brand builders. We have brand experts that know how to ensure brands are authentic and positioned in the marketplace and, more importantly, how to change perceptions of a brand. For destinations, it is about creating a sense of place and finding the spirit and character of that destination.

In addition to amazing creative and branding, we execute. For nearly two decades of working with builders and developers, our staff of 40 plus is experienced with quick deadlines and serve as an extension of our clients’ marketing departments. We’ve managed multi-million dollar media campaigns, developed strategic marketing plans and delivered on these plans through an integrated team. Our recommendations are based on what is best for our clients’ business, providing measurable results in product sales, rooms reserved or homes sold.

We put heads in beds.

Because of our experience working with hospitality and destination industries, we know the most important deliverable of all is rooms booked and raising RevPAR. For the Napa TID, we created the Do Napa brand, a strategic marketing plan, digital assets and print collateral, promotions, events and collaborative partnerships. As a

result, they experienced a boost of nearly 18 percent in transient occupancy tax (TOT) in two consecutive years, over 250 million media impressions, growth to the second largest media audience in the Napa Valley and the opening of over a 12 new businesses in its downtown core in the last year alone.

But we knew for long-term sustainability, Napa needed to change the perception that it was a place to drive through, into a place to stay. This was accomplished through multiple tactics including the creation of an “overnight kit” to capture the day visitor and convert them into an overnight guest. Through our PR efforts, we earned media in regional publications highlighting Napa as a culinary destination to capture the foodie, who on a whole spends more than the wine tourist. In addition, we coordinated FAM Tours for group and meeting planners and grand opening events with PR efforts for the largest conference and meeting venue in the Napa Valley.

Assignment

Partner with TPRA to serve as their visual representative for its brand identity and drive the organization’s outreach efforts through public relations and marketing.

Scope of Work

Visual Branding & Graphic Design

Phase I: Assessment of Current Brand

As a relationship-oriented, people-centric agency, Augustineideas knows that the best brands are built from the inside out, starting with the people who are likely to know and care the most about the brand—local leadership, businesses and residents.

Augustineideas will conduct extensive interviews with local business owners, lodging GMs and sales representatives, as well as analyze online sentiment from media articles or review sites. Combined with these interviews, there will be research, trend analysis and evaluation of competitors. Research will also be targeted specific to trends of branding for destination marketing organizations (DMO) and the entities that fund them.

When building the brand from the inside out, the goal is to embed the core positioning deeply within the mind and actions of each member of the region so that it comes out consciously, and even unconsciously, in their interactions

with the external brand community or visitor. To evaluate the current perception of the brand, Augustineldeas will conduct a brand discovery exercise with its key stakeholders and board. Augustineldeas will ask questions such as:

- What does TPRA represent to the region and to stakeholders?
- What are TPRA's core messages? Are they obvious to those it serves?
- What does TPRA stand for?
- Who does it serve and what is the branded experience?
- What issues are communities and cities facing? Any issues specific to the region you serve? What challenges does the region face?
- What barriers are related to the brand? What messages and images are well received?
- How do people feel about your brand?
- What opportunities do we have to cross-market TPRA in the region?

Once these interviews and brand discovery exercise are complete, Augustineldeas will present a summary of their findings and recommendations should the current brands need to be combined, updated or remain in their current form.

Deliverables:

- Executive summary Including an overview of our findings for TRPA review

Phase II: Update Brand Guidelines & Resources

After researching what we know and analyzing what we think, Augustineldeas will create a Brand Guidelines Document to enhance and provide consistency to the current brand.

A detailed guide will be provided to ensure stakeholders clearly understand the:

- Brand positioning statement
- Brand values and promise
- Brand tone and personality
- Tagline usage and color guidelines

The guide will illustrate consistent use of the branding message throughout print and digital advertising, publicity and company communications. The guide will also define what TPRA is not. This will ensure consistency of how the brand is positioned across various communication platforms, regardless of the individual or entity. Guides will be created based on internal and external stakeholders.

Augustineldeas will lead a presentation with the TPRA board to tell this story and present the brand to key internal personnel and stakeholders.

Deliverables upon completion to be included:

- Brand standards and guidelines document
- Partner and vendor guidelines document
- In-person presentation in Paso Robles to TPRA board
- Library of approved images that will be made available online through TPRA existing digital resources
- Identity package and business system design including design of business cards, letterhead and envelopes
- Design of monthly newsletter and eblast template
- Destination guide cover (additional discovery is needed at this time to understand the scope of what is required for the design of a full destination guide)

Public Relations and Marketing

Phase I: Situation Analysis

Augustineldeas believes one of the most important steps to any strategic plan is the immersion, research and discovery that takes place before the first objective is even written. Clearly understanding the current market landscape, tourism trends, identifying audiences, evaluating competitors and assessing the brand's sentiment is vital to a situation analysis.

These insights and research provide the "what we know" and "what we think" which will directly contribute to the strategy applied during the creation of both the brand marketing strategic plan and the media plan. This phase will include research and discovery on the following areas:

- Budget, purpose and objectives
- Audience and stakeholder interviews
- Market insights
- TRPA agency research partner data
- Industry trends
- Review existing destination assets and conduct a brief sentiment analysis of these tools, attractions or events
- Establish value proposition for venues, sites, services or events
- Evaluation of competing markets
- Identify and review current plans or marketing objectives
- Research opportunities for growth and success

- Audience profiles including but not limited to meeting planners, regional travelers and international visitors
- Audit of existing communication assets, marketing materials or audience engagement tools
- Identify potential as well as existing partnerships

Deliverables:

- Conduct informal interviews with staff, leadership and key stakeholders in Paso Robles
- Lead and implement (2) two forums on marketing the region with lodging representatives and membership
- Provide notes and analysis from both informal interviews and community forums
- Summary of findings including SWOT (strengths, weakness, opportunities, threats) analysis

Phase II: Develop Objectives & Strategies

After an in-depth analysis and discovery, Augustineldeas will write a strategic marketing plan with specific goals, objectives, tactics and measurements. The plan will be accompanied by a detailed timeline for 2014/15. Key audiences and core messages will be summarized to support campaigns and awareness budgets.

The strategic marketing plan may include budget recommendations towards advertising, public relations, communications, collateral, digital and promotions. It will prioritize which platforms provide the greatest return on investment (ROI) or impressions.

Deliverables:

- Strategic marketing plan for next fiscal year and identify longer-term goals and priorities
- Confirm primary audiences and key messages
- Budget recommendations for advertising, public relations, communications, collateral, digital and promotions
- Timeline and roles for implementation
- Measurement and evaluation resources
- Presentation of marketing plan to council and staff for final approval

Phase III: Develop Media & Communications Plan

Paid Media Approach

Quality is better than quantity. This is the Augustineldeas approach to planning and buying paid media including but not limited to print, broadcast, digital and outdoor. Qualifying audiences and positioning the right message

for engagement provides more measurable and revenue-producing results. This is especially applicable when working with limited budgets in competitive marketplaces and industries.

Understanding the target audience, how they consume media, where they consume and when they consume are core for identifying the right media buys. Our understanding of shopper marketing and path-to-purchase qualifies Augustineldeas as experts; we're aware that consumers have different mindsets based on when and where brands engage them. We've applied these strategies to similar campaigns resulting in sales lifts of over 600 percent.

For destination marketing and tourism, the digital landscape may provide the most important place of all to engage audiences. On average, travelers will view over 11 websites before booking a trip and the use of tablets and mobile devices have changed the ability to connect with travelers while they are at a destination. At Augustineldeas, we monitor and optimize digital campaigns daily to ensure the lowest ad rates for our clients. More importantly, we seek the highest conversion rates, especially in competitive industries, because bidding on keywords is more about knowing search patterns of the user and less about the keyword itself.

Earned Media Approach

Earned media supports a brand's credibility and reach. These third party endorsements and storytelling opportunities influence audiences and ultimately result in peaked interest and trips planned. Augustineldeas believes earned media provides brands a considerable return on their investment for the impressions and reach it provides. PR includes not just pitching the destination, but news surrounding it—from the launch of a new brand, to the opening of a new property. Through the integration of social media, a writer's influence goes beyond their column or article to a dedicated and receptive audience that trusts and acts upon their recommendations.

Today's media landscape has changed. Because of the economic downturn, regional, national and even international media outlets have had to reduce their editorial staff. Many now rely on freelancers for the purpose of story development and placement. PR professionals can no longer turn to a media directory to identify key editors and writers. The game has new rules—it's the freelancers who are the key contacts when generating ink with targeted

print, broadcast and online audiences. A good freelancer has the ear of the on-staff editor and a track record for generating exceptional stories. This includes not only print media but broadcast too. Many of these freelancers also serve as their own photographers or videographers. Images are powerful, especially for destinations. Providing these freelancers with resources including b-roll or photos not only makes it easier for them, but also provides control to TPRA of what images and video are shared with audiences. At Augustineldeas, we know and work with the right freelancers—those that produce. And we quickly weed out those that are unqualified and are, frankly, just looking for a vacation.

We also know that travel's biggest influencers are not always the travel media or publications. Coordinating FAM Tours for bloggers, connecting with social media influencers and targeting non-travel media including business and tech publications provide opportunities to position a brand in front of its target audience through different voices and views.

International and Regional Audiences

Paso Robles's strategic location in California provides two tremendous opportunities—capture a regional audience and engage an international audience.

As important as it is to bring the visitor from Chicago or Beijing, regional travelers are the "low hanging fruit" that drive the region's tourism economy. There are two reasons why this audience is so vital to Northern California tourism—they are only a drive away and they may make the trip multiple times during the year. Because regional travelers spend less on transportation, they invest more in lodging, dining and events. The Bay Area economy is also bouncing back faster than other regions through a rise in home prices and the thriving digital workforce. San Francisco ranks as one of the top destinations for millennials and young professionals; a benefit to Paso Robles. Millennials are expected to be the core customer for hotels, airlines and travel companies because of their average travel spend and frequency in travel, especially as they grow in their careers and wealth. This demo enjoys unique experiences, more eco-friendly trips and traveling with friends as we have discovered not only through independent research but with regional campaigns and events we've executed including Metro EDGE, a young professionals program. Paso Robles' iconic landscape, outdoor activities, variety of lodging, food and events position it as a top travel destination for this travel segment.

San Francisco is the number one travel destination in the country and leads in RevPAR. Over 16.5 million people visited San Francisco in 2012. SFO serves as the "gateway to the Pacific" with over 29 international carriers that transport over 3,576,700 travelers from the UK, Hong Kong, South Korea, Germany and Japan alone. Positioning TPRA in front of these audiences through media, tour groups, airline partnerships, meeting publications, travel guides, innovative promotions and partnerships with Visit California and Brand USA drives these audiences to the region with efficiencies in resources and budget, that would not be achieved through advertising in their home countries. This is especially true when Chinese tourists spend more than any other tourist and are increasing their travel spending by 41 percent. Strong consideration should also be given to the German tourist, the Latino tourist and also the French tourist as Air France continues to add flights to SFO. At Augustineldeas, we've worked with international clients as well as positioned clients' products in international markets including Canada, Saudi Arabia, Japan and Chile. We have also created strategic campaigns targeting international audiences in domestic markets, for example Mission Foods and the Latino consumer.

Develop Strategies and Write Plan

After an in-depth analysis and discovery, Augustineldeas will write a communications and media plan that aligns with the brand marketing strategic plan. The media plan will be accompanied by a detailed timeline for the next two fiscal years. Key audiences and core messages will be summarized to support campaigns and awareness budgets.

The communications and media plan will include budget recommendations towards advertising, communications, collateral, digital and promotions. It will prioritize what platforms provide the greatest return on investment (ROI) or impressions.

Deliverables:

- Communications and media plan for two fiscal years
- Confirm primary audiences and key messages
- Budget recommendations for integrated advertising, communications, collateral, digital and promotions
- Timeline and roles for implementation
- Measurement and evaluation resources and reporting
- Presentation of plan to staff and board for final approval

Monthly Strategy & Management Services

Public Relations Monthly Strategy and Management

The PR monthly management and strategy services includes the following components:

Message Development, Pitching and Press Releases:

AugustineIdeas will develop key messages and story profiles to generate news about TPRA. Once these messages are established, AugustineIdeas will utilize its established relationships with editors, writers and news curators across the market and industry to pitch storylines and provide content. To enhance these messages, press releases ranging from events to award recognition, will be distributed via wire service and our customized database to media lists specifically related to audience profiles, market and industry. Engagement and coverage will include print, broadcast and especially online media to best drive traffic to TPRA digital assets and social media—offering a clear call to action for planning trips and booking lodging.

Blogger and Industry Outreach: Bloggers are one of the leading influencers for consumer decisions. Through our path-to-destination expertise, AugustineIdeas understands the influence of bloggers, including industry experts, and how they convey consumer behavior and decision-making. We would identify the most relevant content and distribute it to these influencers—including case studies, images and the documentary video referenced in this proposal—in order to educate them on why Paso Robles is a destination of choice.

Awards, Lists and Media Shows: Rankings, awards and lists not only bring awareness to TPRA, but provide credibility and shareable content. These lists include the “Top 10 Wine Destinations” to the “Best Road Trips.” Placement on these lists includes an inventory of what awards or rankings are most relevant, qualifications, deadlines and submissions. AugustineIdeas would lead and implement this strategy in coordination with TPRA administration, including generating awareness for internal and external stakeholders once these awards are achieved. Included in this strategy would also be identifying and coordinating the trade or media shows that would provide the best return on investment for TPRA, both in positioning it in front of the right media and news content created as a result.

FAM Tours: AugustineIdeas would coordinate two FAM tours and host with regional or national media as well as influencers such as concierges, provided a significant impact in both

building relationships and media coverage. We will identify a list of media to invite, the invitation and RSVP process, coordinate lodging and itineraries and lead the tour (with the help of TPRA members and local experts). This will provide for excellent access to some of the premier travel, wine or food writers.

Reporting: AugustineIdeas will provide a monthly activity summary to document pitches, media placements and similar work product. This may include reporter inquiries and interviews, media clips, impressions and advertising value.

Note: Does not include hard costs for wire fees (approximately \$360 per wire), time or hard costs to attend these media shows on behalf of TPRA) and hard costs associated with the FAM tours.

Social Media Monthly Strategy and Management

Listening, responding to and engaging TPRA audiences remains a critical piece of driving traffic to digital assets as well as awareness and ultimately “heads in beds.” Monthly management includes the research, posting, responding, strategy and content distribution on Twitter, Facebook, Pinterest, Instagram and YouTube. Also this management includes the integration of other useful tools and sites including but not limited to Storify, Paper.li and additional social media bookmarking sites. Monthly management includes the creation on a quarterly basis of new social media skins/timelines, contests and integration of basis tabs (those that require less than 4 hours of coding or design). Monthly content calendars, analysis and reporting are also included.

Digital Marketing Monthly Strategy and Management

The digital management of TPRA assets would consist primarily of: creating and updating blog content and e-newsletter. A content calendar would be developed to map out the theme and publication of each blog post which would contain images and links. Best search engine optimization practices for the blog would be applied, including incorporation of keywords and backlinks. The blog would be published on a weekly basis and are approximately 400 words in length.

A monthly e-newsletter would incorporate current promotions, events as well as compelling content to drive users to the website or social media platforms. Content from the blog may be used as “teasers” to tell a story and ultimately drive people to the site to read further.

Note: Does not include hard costs associated with distribution, hosting or similar of e-newsletter nor set up of template design.

Branding Strategy and Management

TPRA will be in need of a variety of creative or graphic design elements that may include but not limited to print and digital advertising, tradeshow resources and media kits. Augustineldeas will provide up to 20 hours of design and production work per month to assist in these efforts. In addition, Augustineldeas will serve as the “brand stewards” for TPRA by ensuring third parties implement the proper use of the TPRA brands by reviewing and approving placement of these assets in conjunction with the TPRA staff.

Media Buying

Augustineldeas would lead in the research, strategy and placement of TPRA media buys. Media buys would be consistent with the goals as set forth within the marketing plan including targeted audiences and markets. It would include print, online, paid social media and broadcast. Collaboration with entities such as Brand USA and Visit California would be evaluated to leverage coop advertising and their corresponding destination publications.

In addition, Augustineldeas provides full digital capabilities for online advertising including strategy, ad placement, monitoring, optimization and reporting. Search engine placement, retargeting, double-click, banner ads and mobile click-to-call are a few of the platforms or tactics that may be deployed for TPRA. Our campaigns are directly correlated to a goal and tracked accordingly by measuring leads, conversions, clicks and impressions. We monitor campaigns daily to best optimize rates, ensuring our clients pay the lowest ad rates possible. Reports and analysis are provided each month and include examples of campaigns with the highest and lowest success rate.

Budget

Visual Branding and Graphic Design

Phase I: Assessment of Current Brand

Investment \$ 24,000

Phase II: Update Brand Guidelines & Resources

Investment \$ 26,000

Public Relations & Marketing

Phase I: Situation Analysis

Investment \$ 8,500

Phase II: Develop Objectives & Strategies

Investment \$ 7,500

Phase III: Develop Media & Communications Plan

Investment \$ 4,200

Monthly Strategy & Management

Public Relations Monthly Strategy & Management

Monthly Investment \$ 4,000

Social Media Monthly Strategy & Management

Monthly Investment \$ 3,000

Digital Marketing Monthly Strategy & Management

Monthly Investment \$ 1,560

Branding Strategy & Management

Monthly Investment \$ 3,500

Media Buying

Yearly commission based
on \$120,000 budget \$ 18,000

Hard Costs

Wire Fees (12) \$ 4,320

FAM Tour (lodging and select
activities to be comped) \$ 8,500 each

Miscellaneous Print Costs \$ 20,000

** Phased investment and cost ranges are estimates only. Final costs will be adjusted as needed to reflect any changes in scope upon further discussion between Augustineldeas and TPRA. Upon approval of proposed components, estimates for each job will be generated for formal client approval. Final costs may vary based on quantities, materials and final scope of work. Estimates do not include photography, mock ups of future developments. Shipping is not included unless otherwise specified. All costs provided are estimates only and we ask a contingency fee of +/- 15% of the total. The estimates included will expire 90 days after the date generated, and costs may change if work is not complete by that date. Does not include tax if applicable.*