

VISIT WINSTON-SALEM FY 2008-09 MARKETING PLAN

OVERVIEW

Visit Winston-Salem is the official destination marketing organization (DMO) of the Forsyth County Tourism Development Authority whose mission is to promote the growth and development of the visitor industry throughout Forsyth County. This is accomplished through the execution of direct sales and marketing programs geared to increase group and leisure travel to the destination and stimulate visitor spending while in the destination. A six percent occupancy tax paid by visitors on each hotel room occupied in Forsyth County funds this work; consequently, the success of the programs funded by this tax generates additional tax revenue for use in promoting visitation to the destination.

Much of the work of Visit Winston-Salem is direct marketing to meeting and event planners, person-to-person contact. Visit Winston-Salem's sales staff works with meeting and event planners for state associations, regional and national organizations, faith-based organizations and sports groups from around the country to generate visitation from these markets. When these groups have committed to hosting their events in Forsyth County, the visitor services staff assists them with planning their meetings. Their goal is to provide the support that ensures successful events and repeat bookings. This work is supported by both print and Web advertising aimed at meeting and event planners in our target markets which conveys Visit Winston-Salem's commitment to ensuring that meetings here are enjoyable and productive for attendees; sporting events provide the perfect atmosphere for competition; and each visitor, regardless of the event, has experienced the best the destination has to offer.

Leisure travel makes up 84% of all visitation to North Carolina, including Forsyth County. These travelers are more dispersed and must be reached using broader marketing strategies. Visit Winston-Salem's marketing and communications department reaches potential visitors through a combination of targeted print advertising, print and online collateral, electronic marketing, and public relations. Equally as critical as reaching these potential visitors is connecting them with the service providers in the community, accommodations and attractions, all of which can then convert these potential visitors to actual travelers to the area. This is done through direct interaction at the Winston-Salem Visitor Center, where 24,000 visitors are seen annually, and also through on-line presence at VisitWinstonSalem.com and other sites managed by Visit Winston-Salem where over 500,000 potential visitors to the destination are met and connected to service providers annually. Focus on both of these areas is critical for the future success of driving visitation to the destination. This travel market, unlike the majority of group sales activities, is virtually limitless in its potential and scope. Additionally, it represents the one area where travel can be impacted in the year for the year, with specific and strategic programming.

The staff of Visit Winston-Salem, with the input of industry partners, has developed a program of work for FY 2008-09 that is designed to increase the room nights base; thereby, growing occupancy in future years while counterbalancing the effects of a slowing economy and rising gas prices on travel in the upcoming fiscal year. The program proposed for FY 2008-09 builds on the effective strategies that have positively

impacted the County's occupancy year after year, while providing new and enhanced programming.

TRENDS AND STRATEGIES

A) GROUP TRAVEL

Meeting Professional International's *Future Watch 2008* study forecasts a steady meetings market in the coming year with meeting planners in most categories foreseeing slight changes in the number of meetings they will plan, but much greater increases (19%) in overall meeting attendance. Interaction with potential clients at tradeshows is one of the key components of the sales force's efforts to realize increased business in the group (meetings, conventions and sports events) markets. In FY 2008-09, attendance at new tradeshows that provide opportunities for interaction with meeting planners across our target markets, as well as attendance at those shows that have proven to produce results in the past, will boost the number of qualified leads and ultimately result in maintaining current levels and increasing group bookings and associated room nights in an increasingly competitive market. New tradeshows include ones that will support key areas such as the religious market and regional and national markets. The following shows have been added to the existing schedule:

- Rejuvenate Marketplace by *Rejuvenate Magazine*, Virginia Beach, VA – This show is new in the religious market featuring match appointments with meeting planners.
- Affordable Meetings National by Hotel Sales and Marketing Association International, Washington, D.C. – This show represents an opportunity to meet with qualified planners looking for second tier destinations such as Winston-Salem.
- Meeting Quest, Raleigh, NC – A national show that is being held in Raleigh for the first time, Meetings Quest, is historically attended by new meeting planners from diverse market segments and will provide an opportunity to develop relationships with and showcase the destination to planners unfamiliar with the destination. It is projected that 30% of attendees will be new meeting planners.

While attendance at tradeshows is an important strategy for the generation of leads, another tried and true method of lead generation that will be employed, particularly for business in shoulder periods, is the use of Destination Management Association International's MINT database. This tool allows the sales staff to identify groups with specific meeting and event requirements that are candidates for hosting meetings in this destination during specific time periods.

The sales department will increase penetration in one of the destination's most enduring group markets – state associations. In partnership with the industry, Visit Winston-Salem will host an invitation only luncheon for new qualified state association meeting planners in Raleigh. Area accommodations representatives will have the opportunity to meet one-on-one with planners to showcase our capabilities to host successful meetings in this important market.

Growing the numbers of meeting and event attendees, as well as their spending, is a critical area to impact in the upcoming year. Traditionally, this effort is supported by the visitor services department through attendance building activities at the groups' conferences and events the year prior to their arrival in Winston-Salem. This fiscal year, a two-prong strategy will be employed that consists of participation in attendance building activities at conferences and events and the introduction of animated outbound Web outreach to potential attendees that drives them to VisitWinstonSalem.com for further information about experiences available in the destination. We employed this strategy to generate attendance at the Governor's Conference on Tourism, which was held here in March 2008 with record attendance reported by the Division of Tourism. Enhancements to the events calendar, mapping, couponing, and refined searchable databases will provide additional Web tools that direct attendees to more information about events that are taking place before, during and after their meetings and events. This will encourage attendees to stay longer and take advantage of the area's activities.

ELECTRONIC MARKETING – GROUP AND LEISURE

Industry research shows that 78% of meeting planners view the Internet as the most important source of information for planning. Additionally over 31% of travelers select destinations based on research done on the Internet, with 32% of these travelers using sites managed by DMOs for planning. So, it is imperative that traffic is driven to destinations' Web sites and that these sites offer information and opportunities to interact and conduct business with prospective travelers. Increased traffic to the Web sites managed by Visit Winston-Salem (VisitWinstonSalem.com, WeekendsinWinston.com, and CulturalCorridors.com) will be created through key word optimization and pay-per-click advertising on the Google search engine.

On-line advertising that includes placements on sites frequented by meeting planners such as BlackMeetingsandTourism.com, MPI-CC.org, and SmallMarketMeetings.com; as well as placements on leisure sites such as VisitNC.com will drive potential visitors to VisitWinstonSalem.com. Additionally, cost effective advertising will be purchased on Web sites such as facebook.com that target specific demographic groups and on Web sites such as CivilWarTraveler.com that reach people with travel interests in specific interest areas. These ads, along with the expanded reach provided by the Google network, will bring additional qualified travelers to all Visit Winston-Salem Web sites.

New meeting and event planners and leisure travelers that are enticed to the sites by this activity will be encouraged to opt-in to our e-mail marketing databases. This offers opportunities to establish relationships with customers and additional sales opportunities via outbound e-mail offers from Visit Winston-Salem. Additionally, this effort will ultimately generate increased numbers of visitor guides and meeting planner guides mailed to prospective customers. Getting information into the hands of qualified potential customers is the basic building block for facilitating the sales process.

Along with advertising, enhancing the Web sites (VisitWinstonSalem.com, WeekendsinWinston.com and CulturalCorridors.com) with new features that further drive traffic to these sites will be important in generating increased visitation. These enhancements will optimize these sites, increasing the ability of search engines to find and connect the site with interested group and leisure customers. With the majority of Internet users utilizing search engines such as Google and Yahoo, it is critical in the world of electronic marketing to gain top search engine results for each of the Visit

Winston-Salem sites. Proper optimization increases the sites' ability to achieve high rankings on search engines. To accomplish this, the home pages of each Web site will be redesigned with more relevant copy and "metatags".

The addition of new features will also help to further optimize the sites. A hotel booking engine will be added to each site. With 47% of all hotel bookings made on-line, the ability to offer this service will increase traffic to our site. Additionally the booking engine will result in the consumption of more rooms in Forsyth County by serving as a resource for county wide accommodations options in lieu of the current redirection of reservations out of the county by "brand" reservation systems. The booking engine will also create revenues for Visit Winston-Salem through commissions. Ultimately, this booking engine will be used to help track the success of sales efforts as the booking engine offers a referral site for event planners that use CVB services directly.

Combined, these strategies will be employed to achieve the following results in the group markets, representing a 5% increase in room nights and associated direct spending over last fiscal year.

Market Segment	Bookings	Room Nights	Revenue
Sports	70	38,000	\$21,126,176
State	58	15,500	\$5,147,500
Religious	28	37,000	\$21,103,000
National/Regional	52	25,000	\$7,950,000
Social/Fraternal/Family Functions	67	19,350	\$9,720,000
Totals	275	134,850	\$65,047,216

B) LEISURE TRAVEL

As the Cultural Corridors program moves into its third year, CulturalCorridors.com will be enhanced and revitalized with easier to download pod casts of the trails. This will build a larger number of visitors who utilize the program while reducing the number of CDs that have to be produced by Visit Winston-Salem to meet the demand. *The Wine Trails of the Yadkin Valley* will be restructured to a more trail-like format to make it more user friendly for visitors. The program will be marketed on-line through VisitNC.com and AAA Carolinas e-mail blasts. The program will be promoted in a regional public relations effort focused on summer travel.

To capitalize on the over eight million visitors coming to the North Carolina Welcome Centers, Visit Winston-Salem will partner with the Association of Visitor Attractions of Forsyth County to host an educational site inspection (ESI) for the managers and information specialists from the welcome centers. This tour would also include a panel discussion for all industry partners to learn how to gain greater exposure at the welcome centers.

A multi-faceted program of training and certification of industry partners, targeted public relations to motorcoach publications and a new web booking tool will combine to create a new comprehensive program for the motorcoach market. This will increase bookings from this market at area attractions and accommodations. The training and certification will be offered to all interested accommodations and attractions partners, and once

certified, these partners will be given motorcoach operators referrals generated through VisitWinstonSalem.com.

In January 2009, the American Bus Association Marketplace will be held in Charlotte. Having this national motorcoach show in our state offers the sales staff opportunities to improve our share in the motorcoach market through access to motorcoach operators by attending and exhibiting at the tradeshow as well as hosting an ESI in Winston-Salem for select motorcoach operators.

Increased public relations activities through a partnership with the Randolph County Tourism Authority will allow Visit Winston-Salem to cooperatively purchase Vocus, an electronic public relations tool. The Vocus Web site will offer greater exposure for press releases distributed by Visit Winston-Salem and our industry partners to media outlets that we would be able to target by geographic region as well as area of interest. Participation in this program will increase media exposure in meetings and sports publications by giving us ready access to editorial calendars of major publications and an effective way to pitch stories to those editors. We will also be able to expand the opt-in media contacts list. A sporting event resume will be developed for distribution with all sports related media alerts. Visit Winston-Salem staff will also participate in the NC Division of Tourism's outreach mission to Atlanta media outlets, for the purpose of pitching stories about North Carolina destinations including Winston-Salem.

The impact of the current economic environment and rising gas prices is expected to affect leisure travel, particularly to drive destinations. Peter Yesawich, president of the leading travel marketing, advertising and public relations firm serving the travel industry, indicates that historical data shows that in a recessionary environment, consumers alter their travel plans by becoming more value conscious in the trips they take. Rather than canceling their travel plans, they tend to seek less expensive forms of transportation, accommodations and entertainment. The recession, combined with rising gas prices, affects the behavior of travelers by increasing the likelihood that they will travel to closer-to-home, drive destinations.

Given current gas prices, we can be sure that leisure travelers will be looking for bargain opportunities at destinations closer to home. Visit Winston-Salem will work with area accommodations and attraction partners to market affordable summer travel deals, both on-line and through direct sales efforts. These efforts will include polling accommodations and attractions for summer deals and marketing these opportunities through the creation of a "great summer deals" Web page. The page will be cross referenced throughout all of our Web sites. Potential visitors will also be made aware of deals through electronic outreach to AAA members as well as Welcome Center and AAA office outreach missions throughout the summer. A directed public relations campaign will also be used to disseminate information about summer travel deals. The focus of the campaign will include a radius up to 250 miles. Despite high gas prices research shows that, on average, the majority of weekend travelers would be willing to drive up to 250 miles for a weekend trip. The results of these efforts are expected to curb the losses that could occur due to the slowing the economy and rising gas prices.

Building on the success of 2007-08 programs designed to address seasonal shifts in occupancy, holiday marketing strategies will be employed to impact travel in this traditionally lower occupancy period. In 2008-09, focus will be placed on an integrated approach to holiday marketing that includes National Public Radio underwriting in key

feeder markets; the development of a special holiday section on VisitWinstonSalem.com that offers events calendars by area of interest and opportunities to create travel packages; on-line marketing to databases of travelers that have indicated an interest in holiday travel to Winston-Salem; and advertising that drives potential travelers to the special holiday section of VisitWinstonSalem.com and to holiday weekend offerings on WeekendsInWinston.com. Similar strategies were utilized in 2007-08 contributing to a 3.2% growth in occupancy in December 2007.

Visit Winston-Salem will continue to work with area event planners to create greater exposure for festivals, arts-based events and attractions. This will include generating greater exposure for these types of partnerships through traditional marketing and public relations activities and on-line communication. To date our partnerships with organizations such as Riverrun International Film Festival and *Salute! The North Carolina Wine Celebration* have generated significantly greater on-line traffic to their respective Web sites, while also gaining greater exposure for them on VisitNC.com. Additionally, strategic planning has afforded each of these groups paid advertising promotions that have generated greater traffic from feeder markets.

Visit Winston-Salem will also leverage our own on-line assets to further grow the number of visitors that attend arts-based events and festivals by featuring these events on WeekendsInWinston.com, VisitWinstonSalem.com, and in electronic outreach to our opt-in databases. Arts-based events and festivals will benefit from additional exposure to meetings and event attendees through electronic attendance builders. These e-mails will connect the audience traveling to our destination with information about specific events taking place during their stays.

C) BUSINESS DEVELOPMENT FUND

In FY 2006-07 and FY 2007-08, the Business Development Fund was augmented by appropriations from the Fund Balance to increase the budgeted amount beyond the \$150,000 program limit. For FY 2008-09 the Business Development Funds budgeted for eligible program expenses that generate travel to the destination will be increased. Enhancements to the program criteria will allow for visitor attractions, event planners, and arts-based organizations to increase their exposure to external markets with the potential for increased visitation through viable marketing campaigns.

ACTION CALENDAR

2008

JULY

17-18	MPI Carolinas Chapter Meeting (CC, PT, SC)	TBD
22	AENC Charlotte Chapter Meeting (CC, SC)	Charlotte, NC

AUGUST

21	NC Golf Marketing Alliance (CH)	Carthage, NC
21-22	NCACVB Marketing Meeting (BM, CDC)	Carthage, NC

SEPTEMBER

10-11	Affordable Meetings (LB)	Washington, DC
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12	AENC Raleigh Chapter Meeting (CC, SC)	Raleigh, NC
16	AENC Charlotte Chapter Meeting (CC, SC)	Charlotte, NC
17	Meetings Quest Tradeshow (LB)	Raleigh, NC
17-19	Educational site inspection for Welcome Ctr. Mgrs (JP, SD)	Winston-Salem, NC
18-19	MPI Carolinas Chapter Meeting (CC, PT, SC)	TBD
TBD	NCDTFSD Mid-Year Marketing Meeting (BM, CDC, SD)	Raleigh, NC
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC
TBD	Regional AAA Outreach (SD)	TBD

OCTOBER

1-2	Professional Meetings/e-Tourism Summit (CH)	San Francisco, CA
21-25	TEAMS Meetings Sports (TJ)	Pittsburg, PA
27-31	AAU National Convention (TJ)	Cancun, Mexico
TBD	Nat'l. Coalition of Black Meeting Planners (CC)	Washington, DC
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC

NOVEMBER

6	NC Golf Marketing Alliance (CH)	Raleigh, NC
6-7	NCACVB Marketing Meeting (BM, CDC)	Raleigh, NC
10-13	Rejuvenate Tradeshow (CC)	Virginia Beach, VA
14	AENC Raleigh Chapter Meeting (CC, SC)	Raleigh, NC
18	AENC Charlotte Chapter Meeting (CC, SC)	Charlotte, NC
20-21	MPI Carolinas Chapter Meeting (CC, PT, SC)	TBD
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC
TBD	Hospitality Sales and Marketing International (LB)	Charlotte, NC
TBD	NC Welcome Center Sales Outreach (SD)	TBD

DECEMBER

11	AENC Client Dinner (CC, SC)	Raleigh, NC
11	AENC Tradeshow (CC, SC)	Raleigh, NC
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC
TBD	Hospitality Sales and Marketing International (LB)	Charlotte, NC

2009

JANUARY

7-12	American Bus Association Marketplace (LB)	Charlotte, NC
9-11	ACOM Assn. for Convention Operations (KC)	New Orleans, LA
16-17	MPI Carolinas Chapter Meeting (CC, PT, SC)	TBD
20	AENC Charlotte Chapter Meeting (CC, SC)	Charlotte, NC
28-30	RCMA Tradeshow (CC)	Grand Rapids, MI
29	NC Golf Marketing Alliance (CH)	New Bern, NC
29-30	NCACVB Marketing Meeting (BM, CDC)	New Bern, NC
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC
TBD	Christian Meeting Planners Convention (CC, LB)	TBD

FEBRUARY

13	AENC Raleigh Chapter Meeting (CC, SC)	Raleigh, NC
TBD	Destinations Showcase (LB)	Washington, DC
TBD	MPI Potomac Chapter Meeting (LB)	Washington, DC
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC

MARCH

20-21	MPI Carolinas Chapter Meeting (CC, PT, SC)	TBD
24	AENC Charlotte Chapter Meeting (CC, SC)	Charlotte, NC
TBD	Christian Meeting and Conventions Assn. (LB)	TBD
TBD	Hospitality Sales and Marketing International (LB)	Charlotte, NC
TBD	Society of Government Meeting Planners (LB)	TBD

APRIL

2	NC Golf Marketing Alliance (CH)	Hickory, NC
2-3	NCACVB Marketing Meeting (BM, CDC)	Hickory, NC
10	AENC Raleigh Chapter Meeting (CC, SC)	Raleigh, NC
21-23	National Association of Sports Commissions (TJ)	Denver, CO
TBD	Affordable Meetings (LB)	Chicago, IL
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC

MAY

9-17	National Tourism Week (SD, JP)	NC Welcome Centers
19	AENC Charlotte Chapter Meeting (CC, SC)	Charlotte, NC
21-22	MPI Carolinas Chapter Meeting (CC, PT, SC)	TBD
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC
TBD	Hospitality Sales and Marketing International (LB)	Charlotte, NC

JUNE

7	NC Golf Marketing Alliance (CH)	Concord, NC
7-9	NCACVB Annual Meeting (BM, CDC)	Concord, NC
TBD	AENC Annual Meeting (CC, SC)	TBD
TBD	MPI Potomac Chapter Meeting (LB)	Washington, DC
TBD	Society of Government Meeting Planners (LB)	Raleigh, NC

KEY

BM:	Bob McCoy	KC:	Kay Calzolari
CC:	Candy Cline	LB:	Lynn Browning
CDC:	Carmen Caruth	PT:	Phoebe Thomas
CH:	Casey Hough	SC:	Scott Crotty
JE:	Jennifer Evans	SD:	Stephan Dragisic
JP:	Jackie Pittman	TJ:	Tim Johnson

OPERATING BUDGET

FY 2008-09

REVENUES:

Occupancy Tax (net proceeds)	\$ 2,577,400
Interest	15,000
Other Revenue	116,890
Fund Balance Appropriation	<u>30,000</u>
Total	\$ 2,739,290

EXPENSES:

Personal Services	\$ 1,267,925
Professional and Technical Services	23,150
Property Services	315,715
Other Purchased Services	529,515
Travel	91,165
Materials and Supplies	173,010
Other Operating Costs	38,810
Business Development Fund	<u>300,000</u>
Total	\$ 2,739,290