



**Mariposa County Tourism Marketing
Business Improvement District
Annual Report, Fiscal Year, 2011-2012**

Managed by the

Yosemite Mariposa County Tourism Bureau

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County of Mariposa Board of Supervisors
Presentation – June 25, 2012



Mission and Goals

The Yosemite\Mariposa County Tourism Bureau is the branding, sales and marketing agency responsible for positioning the Mariposa County as the destination of choice for leisure and group business for the economic benefit of the County. Ultimately, the Bureau's goal is to market Mariposa County as a world class tourism destination, enhancing the economic impact on the County, through direct visitor spending, tax collections and job creation. Rural counties such as Mariposa, depend upon tourism to support the economic development of its local businesses. Tourism is not something that can be outsourced; so local business can thrive by providing for the needs of visitors the Bureau causes to come, which makes the marketing of the county vital to its future economic stability.

Introduction and Overview

Mariposa County and its major attraction, Yosemite National Park continues to experience moderate tourism services revenue growth. In the past year, overall hotel revenue has grown by 9.6%. This is significant, as many of the County's lodging properties are already at near maximum capacity during the busy summer season. This increase is almost \$10 million dollars into local hotelier's pockets, and many additional millions of dollars into the local economy for spending on meals, shopping and other tourism services purchases.

The international market continues to be an expanding market for the County as the Yosemite/Mariposa County Tourism Bureau's (YMCTB) continues to expand its efforts to attract additional tour operators to sell our product in Europe and Australia. The increased marketing efforts in the international arena have led to double digit growth with some tour operators that the Bureau has worked with in Germany and the United Kingdom. Many travelers to the American West take the opportunity to see some of the many natural attractions in rural California, while visiting the world class California gateway cities of San Francisco, Los Angeles, and San Diego.

The strategy for the upcoming fiscal year is to continue marketing primarily to Californians, with a focused international strategy of attracting Germans, Brits, Australians, and a mixture of other Europeans. Asians continue to frequent Yosemite Valley as group motor coach business, often coming into the Park just for the day. The Bureau will continue to pursue specific niche markets to include those travelers seeking out scenic drives, gold country heritage travel, and outdoor recreational experiences. Website marketing continues to be a major marketing strategy as both the Bureau's site and the newly renovated Yosemite.com site attract hundreds of thousands of potential visitors.

The three major marketing campaigns during fiscal year 2011-12 delivered over 41,000,000 impressions, and captured over 20,000 highly qualified leads. Web activity for the newly acquired and renovated Yosemite.com showed significant increases with page views going up 22%, pages per visit up 46%, and the average visit duration up an astounding 61% over the same period in 2011! As the Internet search for travel continues to mature as a viable marketing and implementation strategy, sites offering broad based "one stop shop", which shortens the search time for potential visitors, will flourish.

Niche, demographic, and geographic marketing will be the key to capitalizing on these and other emerging trends. The demand for rural/outdoor vacations and scenic drives continues to be strong as Californians look to escape the fast paced urban lifestyle. Unsettled political situations around the world and often favorable exchange rates continue to make the United States a popular destination with Internationals. Specifically, Northern Europeans are continuing to choose the West for an American vacation, as unpredictable weather in the eastern and

southeastern parts of the United States, and their interest in popular public lands attractions encourages them to start their vacation in California, making it their favorite U.S. destination. Finally, the direction of the YMCTB continues to prove successful as it implements a well-developed marketing plan. The YMCTB is run by a small dedicated staff; however, it is aided by the guidance and influence of long-time business professionals from the County's tourism services industry. The YMCTB Board of Directors is comprised of lodging industry and tourism services professionals who have the experience and willingness to serve the county beyond the scope of their demanding work schedules to help determine the future course of the Bureau's mission.

Marketing

The primary function of the YMCTB has always been to cooperatively market the Mariposa County attractions and its numerous lodging opportunities. Since its inception, the organization has been a vertically integrated marketing organization. YMCTB promotional efforts include travel-related publications, public relations, cooperative marketing, travel trade show participation, co-op advertising, and international marketing. These various functions combined, have allowed the organization to deliver a complete marketing program for the County and beyond.

Collateral and Fulfillment

The Bureau made modest changes in the Destination Vacation Planner this past year, after its initial award winning release in early 2011. The major goal of the guide is to be a "one stop" information source for the potential visitor. The guide specifically focuses on the vast number of attractions in the County, as well as having information about virtually all the lodging opportunities. This one guide provides all the information necessary to plan a vacation in Yosemite and Mariposa County. The guide is the foundation of our delivery of printed information to the potential traveler. The primary distribution is at visitor's centers, at consumer travel shows, and as a fulfillment piece for the thousands of email and phone inquiries received annually. The Bureau also produces and distributes several multi-panel color brochures representing the County's attractions and events through the Certified Folder system of thousands of brochure racks around California.

Consumer and Travel Trade Show Development

By exhibiting at tradeshow the Bureau makes new contacts, maintains relationships with existing clients and promotes Mariposa County to a large number of people in a short amount of time. It chooses tradeshow that fit with its target markets, budget, and the Bureau's feel for those offering the best exposure for our investment. The Bureau, in cooperation with its numerous partners, uses consumer travel shows to reach a geographically targeted market by choosing shows in areas with the greatest potential for visitation to our region. These include the

Bay Area and Southern California markets as well as targeted out of state shows. Outdoor recreation and travel shows provide a focused opportunity to reach specific marketing segments.

Efforts for this past year included major exposure at a large Bay Area and Southern California adventure show, and several international travel trade shows. Participation at these various shows accounted for the distribution of tens of thousands of pieces of collateral material from Mariposa County and its partners.

Cooperative Advertising

Over the last several years, the YMCTB has taken the lead in developing cooperative regional advertisements in such prestigious publications as, the Northern and Southern California's Automobile Association's VIA and Westways publications, and the California Visitors Guide. The Association will continue to develop these cooperative opportunities in the coming year, as all of the organization's partner's benefit from this cooperative advertising. Also, the Bureau takes the lead and funds most of the seasonal marketing campaigns, with over \$400,000 spent on these campaigns which delivered over 41 million impressions this last year. Our partners saw the benefit of this cooperative marketing as they experienced more noticeable exposure at a fraction of the cost of individual marketing placement.

International Marketing

In the last four years, the Yosemite Mariposa County Tourism Bureau has made the effort of unifying the promotional effort to potential international travelers. The German and British markets were the first markets the Bureau pursued, and they continue to show increased potential for the County. Additional interest in California has come from other European countries such as France, Belgium, and the Scandinavian countries. Of course the greatest interest from Internationals and what the Bureau continues to capitalize on is a common itinerary based on visitation to National park units, with Yosemite being a "must see" as international visitors select parks around the West. The Bureau's marketing program continues to successfully partner with its lodging properties, to present a product that seems attractive to the western European market and Australian markets. It continues to have major exposure in several of the most important wholesale travel operator catalogs in Germany and the United Kingdom. In this past fiscal year, the Bureau added Australia as one of the markets it has an in-country representative, and which is now delivering to the bureau's program, several key tour operators who are using Yosemite as a part of their California itinerary. Visitation from Australia to California is up as much as 40%.

Markets currently being explored for greater emphasis in the future are the Canadian market, and of course China. For the first time ever, the Canadian dollar is on par with the U.S. Dollar; and Canadians on average have just passed Americans in personal wealth, and this of course leads to greater interest in travel to the U.S. As China continues to expand its middle class, visitation to

California will grow faster than just about any international market, with visitation growth already in the double digits annually.

Media Relations

The Bureau continues to make a major effort to cooperatively market the natural attractions of the County with Yosemite Valley being the anchor for this effort. Often, this effort is with

Yosemite Valley and its other gateways and surrounding counties. This effort to promote cooperatively is helping Mariposa County with greater interest from a wider variety of writers and media persons. Taking the regional approach is working well with the press because story ideas don't end at the county line. Some of the most important stories about our area are often based on loop itineraries, and include numerous activities and locations. Familiarization trips for outdoor and travel writers continue to be an important function of the organization. One article can deliver tens of thousands of dollars of value to the county. These articles often lead to thousands of inquiries from potential visitors, and the Bureau is confident they deliver hundreds of thousands of dollars in traveler spending. One recent article in a German publication was developed from a familiarization trip participant experiencing Yosemite Valley, and writing about it. This "earned media" article had a value of about \$6,000 if valued at paid advertising rates.

Interactive Internet Marketing and Social Media

This last year was a big year for the Bureau's interactive marketing and its social media efforts. The Bureau, in cooperation with the Merced County Association of Governments, created a partnership to both enhance and market the website Yosemite.com. With the new updated look and feel, it brings into line the website as a portal for the various gateways and businesses in and around Yosemite. This partnership was developed at the beginning of 2012, and the redesigned site has significantly improved site performance in the following categories. Page views are up 22%, pages per visit are up 46%, and the average visit duration is up 61%. Ad sales for the newly revised site, between its launch date of February 17, 2012 and June 30, 2012 are now totaling over \$55,000. Social media has also been a significant area of marketing, with the Yosemite Nation Facebook page being the anchor for this effort. In this last year, Facebook "likes" climbed 45% to over 63,000 in just one year.

Upcoming activities for both websites include the addition of video and photo tours as well as enabling partner portal updates, for their own listings. Also, Search Engine Optimization (SEO) and efforts to facilitate the Bureau's Pay per Click search campaigns (PPC) will be a major component of changes for the upcoming year.

Billboards

Billboards are a strategic tool to help lure drive through traffic to consider Mariposa as a future destination. The two billboards the Bureau rents are primarily used to market upcoming County events. It is hoped this marketing of these future events will attract the viewer back for a future stay.

Networking and Industry Relations

Networking has proven a successful way to integrate the Yosemite/Mariposa product into the marketing of both the various regional programs and the Visit California program. Considering the Bureau virtually started over four years ago, building relationships has been a major goal. Much of Business Improvement District's Annual Report focuses on marketing efforts, because the Bureau is fiscally responsible for every dollar spent, but it also sees the value in supporting

the tourism services community through relationships and helping to support County events as well. Staff has been scheduling time to meet, converse and brainstorm with local businesses about how it can work cooperatively with them to positively affected visitor spending. Local business owners care about the health and welfare of tourism and the Bureau is making a concerted effort to partner with them to unfold and act upon every opportunity possible.

No greater success is the recognized success of being seen by one's peers as being the best at what you do. The YMCTB has already commonly been in this position of being the best, and this last year, it was awarded several significant marketing awards. The U.S. Travel Association awarded the Bureau the top annual prize for Interactive Marketing. Visit California also recognized the Bureau in this same arena, by giving it its top award for Social Media Marketing. The Bureau was also the first runner up with Visit California for its International Marketing program. The new Yosemite/Mariposa trade show booth was also honored this last year at the Los Angeles Adventure Travel Show with their "Best of Show" designation.

Memberships

Networking and education are invaluable to any visitors bureau, therefore just as the YMCTB is constantly evaluating which publications to advertise in and which functions and tradeshow to attend, it is continually evaluating which organizations to which it should belong. The Bureau's membership program includes:

- Association of Film Commissioners International (AFCI)
- California Travel Association (CalTravel)
- California Society of Association Executive (CalSAE)
- Student Youth Travel Association (SYTA)
- Destination Marketing Associations International (DMAI)
- Meeting Professional International (MPI)
- National Tourism Association (NTA)
- Religious Conference Management Association (RCMA)
- US Travel Association
- Western Association of Convention and Visitors Bureaus (WACVB)

Operations and Management Strategy

An important gauge of the success of destination marketing organizations is the ratio of the cost of personnel and operations, versus the actual advertising and marketing dollar commitment. Bureaus in the size range of the YMCTB, with annual budgets in the \$1.5-2 million range, commonly will spend 30-50% of their budget on personnel and operations. In the case of the Yosemite Mariposa County Tourism Bureau, the Board of Directors has purposely developed a strategy of keeping the operations and personnel function on the lower end of this ratio, assuring more money actually is going to marketing. With the Bureau, this percentage is 22.3% for personnel and operations, meaning more than 77% are used for marketing!

The greatest challenge with this strategy occurs when there is a transition in the management of the organization, as there is no backup staffing to fill-in. The executive Director for almost the

entire life of the Business Improvement District was Jeffrey Hentz, a highly qualified travel and tourism marketer. Jeffrey came to the organization with extremely strong sales experience, so he was very comfortable filling the role of both sales manager and Executive Director. In April of 2012, an extremely attractive position became available in Florida, which was closer to his friends and family, so he left the Bureau.

Fortunately, a well-qualified individual from outside the County was available during the national search process for the new executive director. Bob Warren managed a rural California tourism bureau with similar markets and financial resources to the YMCTB, as well as having recently completed a term as a Governor Schwarzenegger appointee to the California Travel and Tourism Commission, and in a leadership role on several national and regional travel and tourism industry executive boards.

During this several month time frame, the Board of Directors conducted a national search for a new Executive Director. The candidates were from various corners of the nation, including the final three being from Virginia, Arizona, and California. The Board selected an extremely talented candidate, Terry Selk, who has broad-based experience in international travel marketing, domestic tourism marketing and group marketing. Terry also has both a Bachelor's and a Master's degree from California State University, Sacramento in Recreation. Terry, most recently, served as a Director of Tourism Marketing for the Sacramento Convention and Visitors Bureau. Terry also had a significant amount of international marketing experience having worked the International Manager for the California Office of Tourism and the California Travel and Tourism Commission.

The YMCTB will continue to make "being lean" a priority, but sees with continuing steady revenue growth, the need to have more staffing. Last fall, a very competent Office Administrator, Julie Hadzega, was hired to insure a steady flow of necessary paperwork through the office as well as handling the various administrative duties which have become a necessary part of the Bureau as it has grown. Terry will make hiring a new Sales manager a top priority, which will give the Bureau a full complement of professionals as it expands its commitment to serve the tourism service providers in Mariposa County.

Conclusion

The Bureau, in just four years, has reached a level of marketing maturity in its delivery of a comprehensive marketing program that have taken other competing rural California tourism marketing organizations decades to achieve. The Bureau has met the "Catching up" challenge by delivering a comprehensive marketing program that highlights the wide variety of County attractions, while building on the name recognition of Yosemite. The competition for the in-state traveler has certainly become keener and requires the Bureau to be more resourceful. Developing better partnerships, sharing more of the costs with the businesses that benefit from these efforts, and developing new partners will be important future goals for the Yosemite Mariposa County Tourism Bureau. As it performs these marketing functions more productively in the future, it's hoped both its partners, including the County of Mariposa will see the benefit of increased tourism related spending and the tax dollars that go along with this spending. Smarter marketing

will be the key to capitalizing on the ever changing trends in tourism marketing, and the Bureau will need to continue to work cooperatively together with its partners to accomplish their shared goals.

Business Improvement District Specifics Reporting Requirements

The business of operating the Mariposa County Tourism Business Improvement District will remain substantially the same as in previous years. The District includes all lodging businesses located within the boundaries of the County of Mariposa. The annual assessment will remain the same, and is based upon 1% of the gross short-term stays, for room rental revenue per night, on lodging businesses subject to transient occupancy tax. The marketing and promotional efforts for the Bureau will be very similar to those efforts in the previous year, and outlined in this report. There are no significant changes seen in the overall marketing effort for the Business Improvement District. The total Mariposa County Tourism Business Improvement District Budget will be approximately \$1.8 million for fiscal year 2012-13. The Summary of the 2011-12 Finances, which ended on June 30, 2012, is shown below.

Summary of 2011-2012 Finances

Financial Resources

Business Improvement District Collections	1 ,130,362
County Partnership Contract	500,000
Co-op Partnership Reimbursement	76,897
Yosemite.com Partnership Income	8,722
Balance Carried Forward	<u>668,683</u>
Total Available Funds	\$2,384,664

Expenditures

Advertising, Social Media, and Public Relations	\$ 762,848
Collateral Publications and Distribution	105,100
Billboards	24,594
Yosemite.com Acquisition and Development	78,269
Additional Marketing activities	84,886
Consumer and Travel Tradeshow and Travel	218,261
International Marketing	70,773
Staffing Expenses	311,855
Operational Expenses	<u>80,342</u>
Total Expenses	\$1,736,928
Balance carried forward to 2012-2013	647,755
Interest Income	<u>806</u>
Total available funds, beginning 2012-13	\$ 648,561