STAFF REPORT

Meeting Date: June 19, 2012

To: Honorable Mayor & City Council

From: Cheryl Friedling, Deputy City Manager for Public Affairs

Megan Roach, Marketing and Economic Sustainability Manager MR

Subject: Recommendation from the CVB/Marketing Liaison Regarding the Fiscal Year 2012-2013 Scope of Work and Funding Request from the Beverly Hills Conference and Visitors Bureau

Attachments: 1. CVB Fiscal Year 2012-2013 Scope of Work and Budget

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INTRODUCTION

This item provides a recommendation from the CVB/Marketing Liaison Committee for the Fiscal Year 2012-2013 scope of work and funding request from the Beverly Hills Conference and Visitors Bureau.

DISCUSSION

The Beverly Hills Conference and Visitors Bureau ("CVB") is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills. The CVB/Marketing Liaison Committee (Mayor Brien and Vice Mayor Mirisch) met with CVB representatives to review the proposed scope of work for Fiscal Year 2012-2013, which is included as Attachment No. 1. The Liaison Committee recommended approval of the scope or work and corresponding funding request of $2,665,000. The $2,665,000 reflects additional operating and programmatic costs for the new Visitor Center, as well as an 11% increase to the CVB's base budget from the prior fiscal year based on a corresponding, projected overall increase in TOT revenue.

The CVB recently conducted stakeholder focus groups with local Beverly Hills restaurants, hotels and retailers to obtain their business objectives, analyze competition, and determine how the CVB can better promote Beverly Hills as a destination. The CVB then presented a tactical program of work and corresponding budget for how to accomplish these goals to the CVB/Marketing Liaison Committee. The CVB has prioritized its scope of work and budget as follows:

1) **Domestic Hotel Campaigns** – traffic and revenue to the city as well as strengthening and clarification of the brand.
2) **International Marketing** – supporting key feeder markets with in-country initiatives and business prospecting to meeting planners (this applies to domestic feeders as well).
3) **On-Line/Website Interactive** – brand awareness and image promotion through website, search engine marketing and social interactivity on key sites.
4) **Visitor Services** – visitor guides and maps, interactive technology, walking tours, strong merchandising platform and incentives.
5) **Events** – development of annual marquis events which are impeccably executed that customers can look forward to year after year.

FISCAL IMPACT

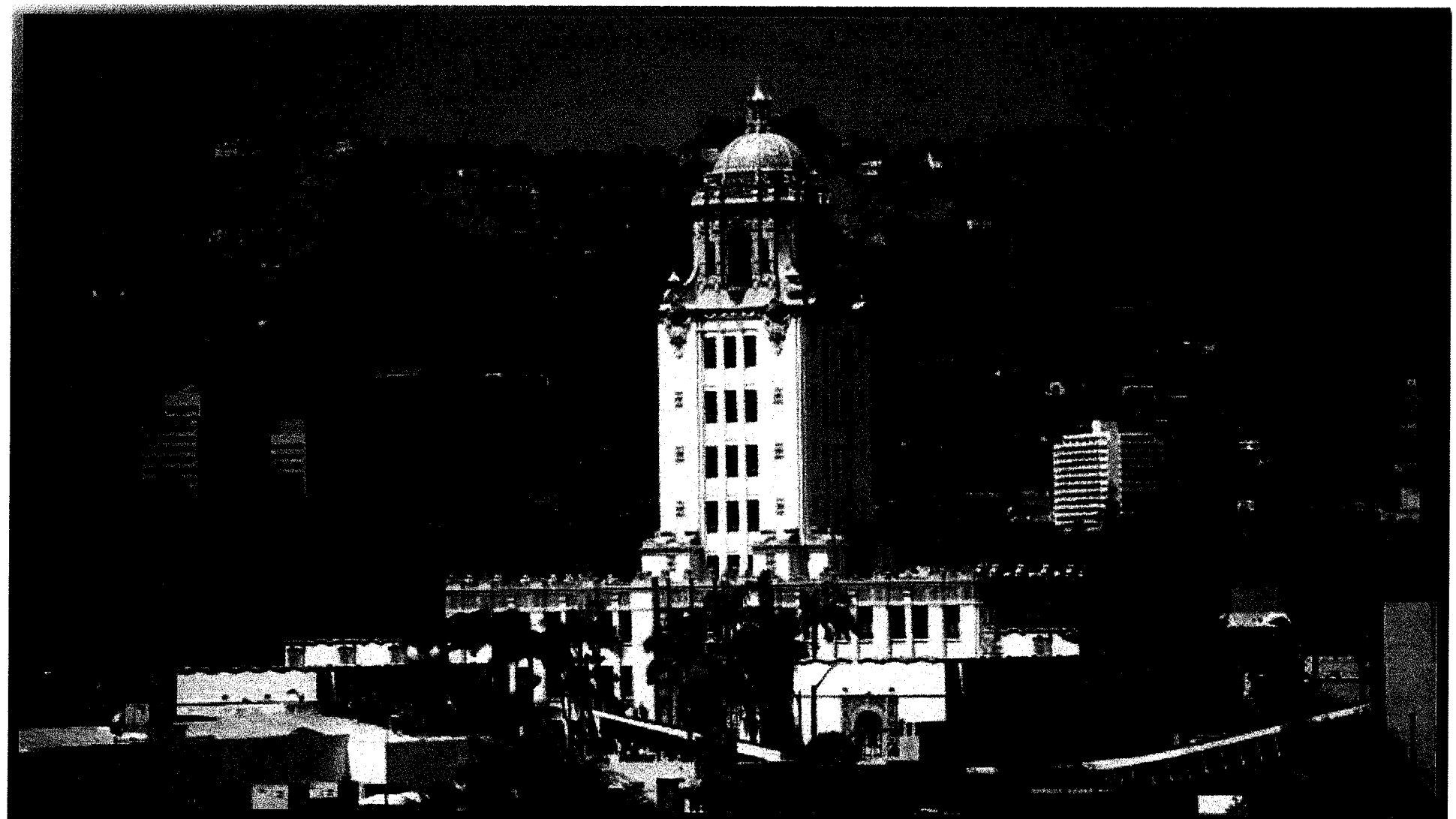
The City's Finance Department projects $28,942,900 in TOT revenue for the 2012-2013 Fiscal Year, which results in a Tourism and Marketing budget of $4,817,984. This amount includes $683,284 in budgetary carryover from Fiscal Year 2011-2012. The funding is budgeted in the Tourism and Marketing Program account 0101311. The CVB/Marketing Liaison Committee is recommending that of this amount, $2,665,000 be allocated to the CVB for its Fiscal Year 2012-2013 budget request.

RECOMMENDATION

Staff recommends that the City Council review the CVB/Marketing Liaison Committee's recommendation for the Fiscal Year 2012-2013 scope of work and funding request from the Beverly Hills Conference and Visitors Bureau. The funding agreement is on the formal agenda this evening for City Council consideration.

Cheryl Friedling
Approved By

Attachment 1



Fiscal Year 2012/13 Scope of Work Presentation

June 8, 2012

BEVERLY HILLS

Mission Statement – BHCVB is a city agency

As the primary marketing organization for Beverly Hills, BHCVB is dedicated to the city's goal of enhancing the community's economic and social vitality through the development and execution of unique initiatives designed to drive incremental business to local merchants, restaurants, hotels and attractions.

Program of Work Development Process

- Determined the needs of the community through stakeholder focus groups – *some of the best marketing minds in the city!*
  - Restaurant
  - Retail
  - Hotelier
- Consider investment needed to begin development of the long-term vision: *delivering the brand promise*:
  - Highest quality
  - Impeccable service
  - Flawless execution
  - Personalized attention
  - Customizable luxury – there is something for all tastes
  - Trend-setting
  - Delivery of unique experiences
  - Easy to navigate
  - Safe

Return on Investment

- Maximize opportunities as the economy shifts back to a healthier climate.
- Drive traffic and revenue to the city by stealing market share from competitors.
- Strengthen the brand in all key target markets.
- Attract new businesses that contribute to the economic and social vitality of the city.

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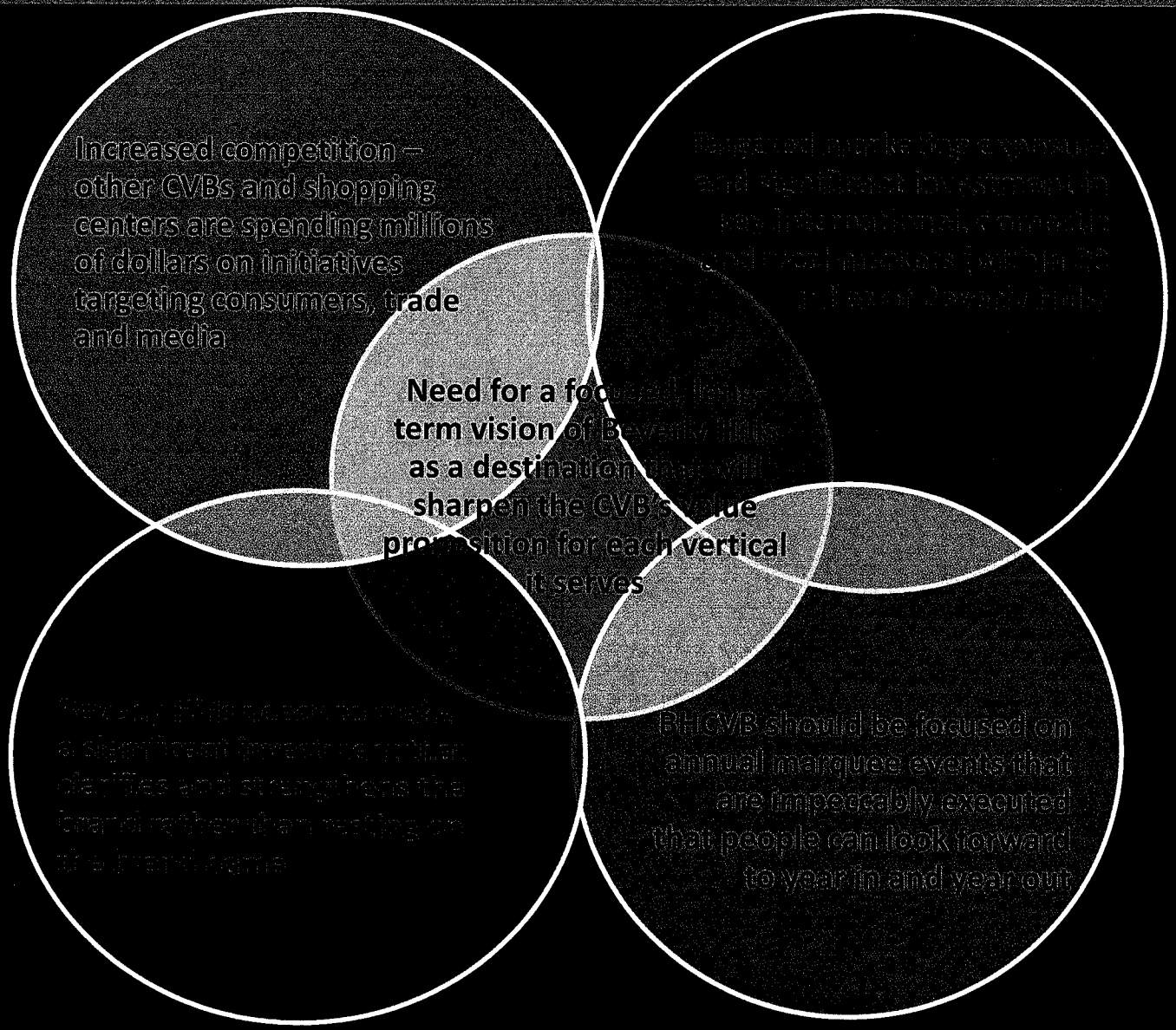
State of the Union – What Stakeholders Say



Quotes – Strengthen the brand/create long term vision.

"What keeps me up at night is how to position the destination as first in mind in terms of the place to stay." *Ben Trodd, Beverly Wilshire*

"We need the CVB because their sole focus is Beverly Hills – we have to have that level of focus." *Peter Garland, Porta Via*

"We should look more at being positioned as the Village of Beverly Hills rather than the City of Beverly Hills – everyone sees LA as this huge city – maybe we can differentiate this way – visit LA, stay in Beverly Hills." *Hermann Elger, Montage Beverly Hills*

"We need to send a clear message with our brand work that Beverly Hills OWNS shopping and that we are not a mall." *Kathy Gohari – Valentino*

"We need to get Beverly Hills back to its essence." *Wendy Krueger, Luxe Hotel Rodeo Drive*

Quotes – Events and Activities

"Whatever we do, let's only do it in a way that we know we can pull off like no one else." *Sandy Murphy, Beverly Hilton*

"Our events have to be top notch in Beverly Hills or don't do it at all." *Steve Cook, Bouchon*

"It's not about doing one a month – we can't do that well. It's about planning them out and making sure everyone is involved." *Sal Abaunza, L'Ermitage*

Quotes – Target the Right Markets

"The CVB can help a lot around building international demand. For example Australia, Mexico City, Brazil, Korea, China and the Middle East." *Hermann Elger, Montage Beverly Hills*

"We have to make sure we are spending enough money to effectively position Beverly Hills internationally." *Tom Blumenthal, Gearys*

"We need the locals to know that Beverly Hills is a good place to come for dinner." *Alex Sarkissian, Momed*

"We need to target more locals and get their business – why are they going to South Coast and The Grove?" *Peri Ellen Berne, Pomellato*

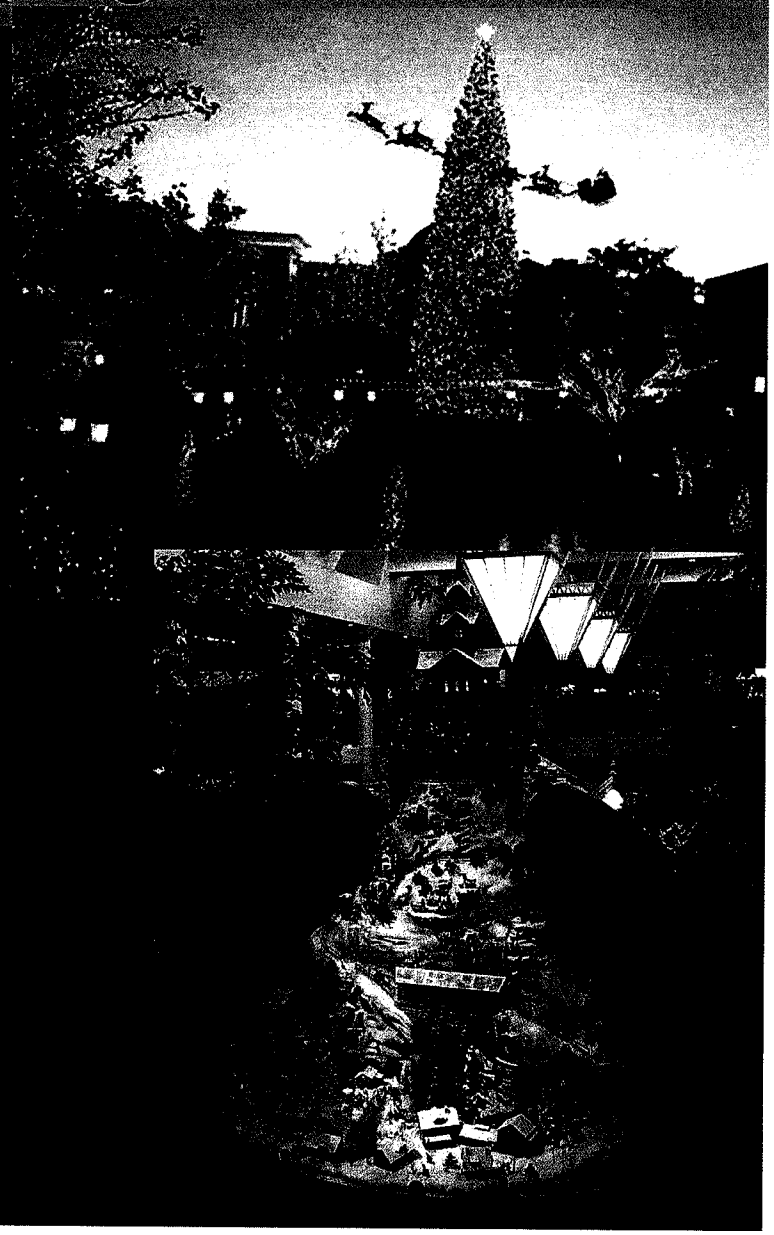
Competitive Outlook – Shopping

Destination	Budget	Advertising
South Coast Plaza	$8,000,000	$1,400,000+
The Grove	$2,000,000*	$400,000+

*Does not include the Holidays.

+Primarily in Southern California including *Los Angeles Magazine, Los Angeles Times, Orange Coast Magazine, San Diego Tribune, Orange County Register.*

Information was gathered from industry contacts and Nielson statistics provided from Round 2 Media. Information was not available for Westfield Century City, Santa Monica Place or the Beverly Center.



Competitive Outlook – Destinations

Organization	Budget	4 & 5 Star Rooms
COMPETING GROUP AND INCENTIVE MARKETS		
New York	$60,000,000	N/A
San Diego CVB	$29,000,000	22,000
Los Angeles CVB	$29,000,000	6,934+
San Francisco CVB	$24,000,000	25,000
COMPETING ALL TRAVELERS		
Scottsdale	$4,500,000	7,400
Newport Beach	$4,300,000	2,488
Santa Barbara	$4,200,000	974
Santa Monica	$2,500,000	2,341
Napa	$2,500,000	2,270
Beverly Hills	**$2,120,000***	**2,053**
West Hollywood	$2,000,000	2,766

+Represents downtown and West LA and includes budget with new TBID.

*Does not include Visitor Center funding. Additional $70,000 given for Sparkle 90210.

Information was provided from Western Association CVB CEO Budget Survey and Smith Travel Research.

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High Level Strategy

- BHCVB is entering its fourth year of operation and final year of a three-year strategic plan focusing on key areas of opportunity as identified in the 2009/10 Strategic Study.
- We have created momentum and recognition with new events and activities
  - Chinese New Year and Sparkle 90210
  - Brand new website with customizable content and opportunities for revenue generation.
- Expanded community outreach by
  - Engaging stakeholders to participate in events such as Chinese New Year, Pow Wow delegate tours and Chinese reception at Coach and Xi'an.
  - Provide feedback about business generated from events.
  - Hosted focus groups to zero-in on perceptions of how BHCVB can be most effective.

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High Level Strategy – Next Steps

- Need to take that momentum and build a long-term plan which takes into account the shifting economy and positions Beverly Hills as a first choice destination taking into account the following core programs and trends:
  - New Visitor Center Opening
  - Beverly Hills Centennial Celebration
  - Branding to reinforce Beverly Hills primary messaging points and brand promise

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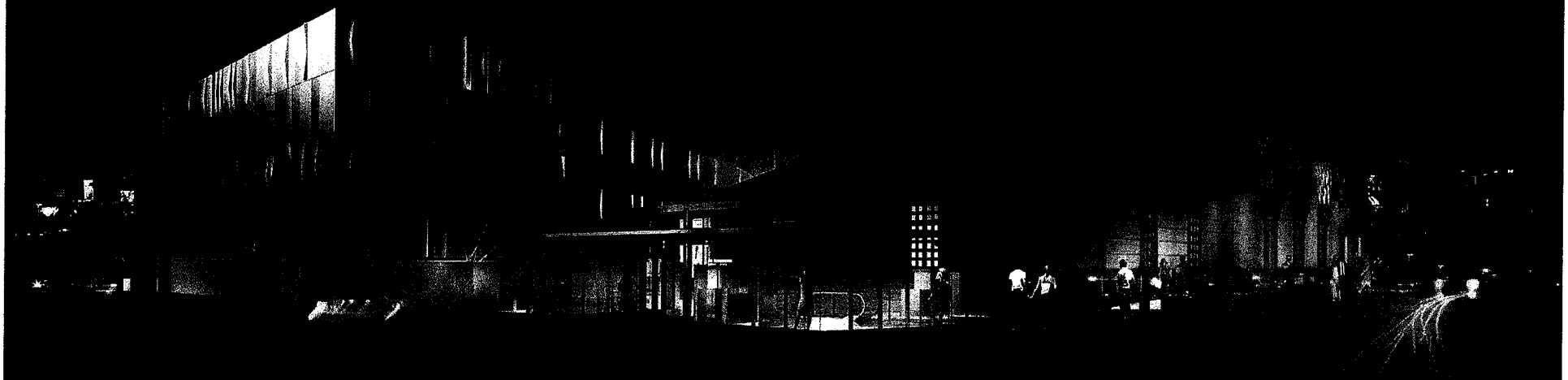

Fiscal Year 2012/13

PROGRAM OF WORK

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Strategic Categories of Focus

1. Local events and "street-life"
2. Visitor Experience
3. Local Marketing
4. California Marketing
5. Domestic Marketing (outside California)
6. International Marketing
7. Expand Online Presence
8. Collateral
9. Continued evaluation, assessment and redirection as required
10. Visitor Services

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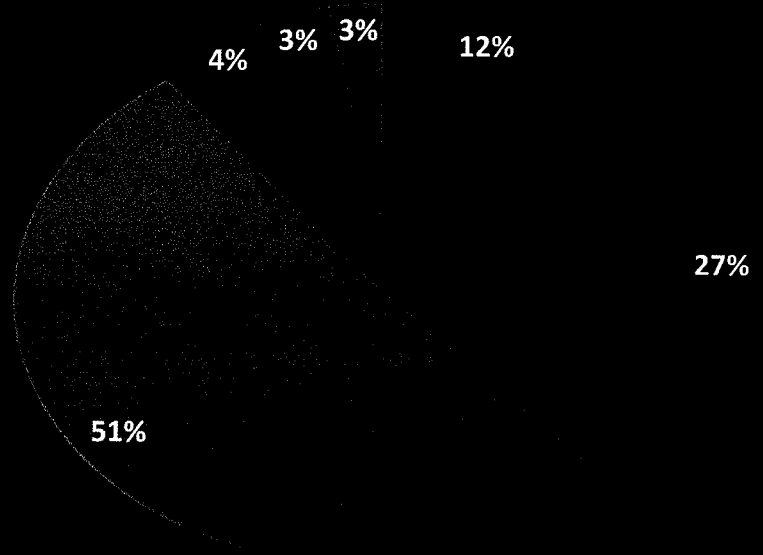
Budget – FY 2012/13 Overview

$2,665,000



- Operations (incl. rent) 12%
  $305,000*
- Salaries, Taxes & Benefits 27%
  $705,000 (same headcount as FY 2011/12)
- Marketing 51%
  $1,365,000
- Visitor Center Opening 4%
  $115,000
- Visitor Center Staff 3%
  $90,000
- Reimbursed TI 3%
  $75,000

*Assume rent begins 11/2012.

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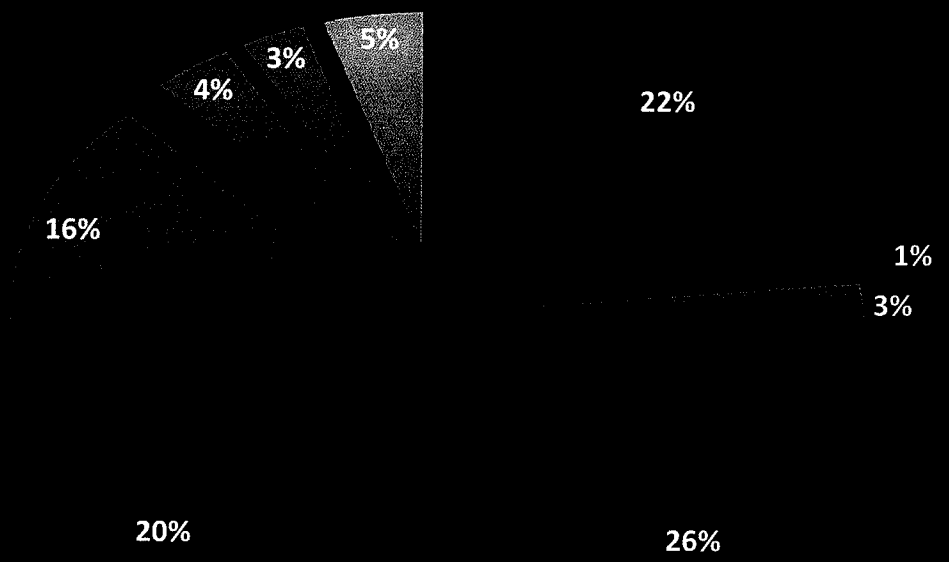
Budget – Marketing Programs Overview

$1,365,000



Events $305,000	22%
Experience $15,000	1%
Local $35,000	3%
Domestic $350,000	26%
International $275,000	20%
Interactive $215,000	16%
Collateral $55,000	4%
Metrics $45,000	3%
Special Programs* $70,000	5%

*Special programs include contingency, marketing support,and partnership.

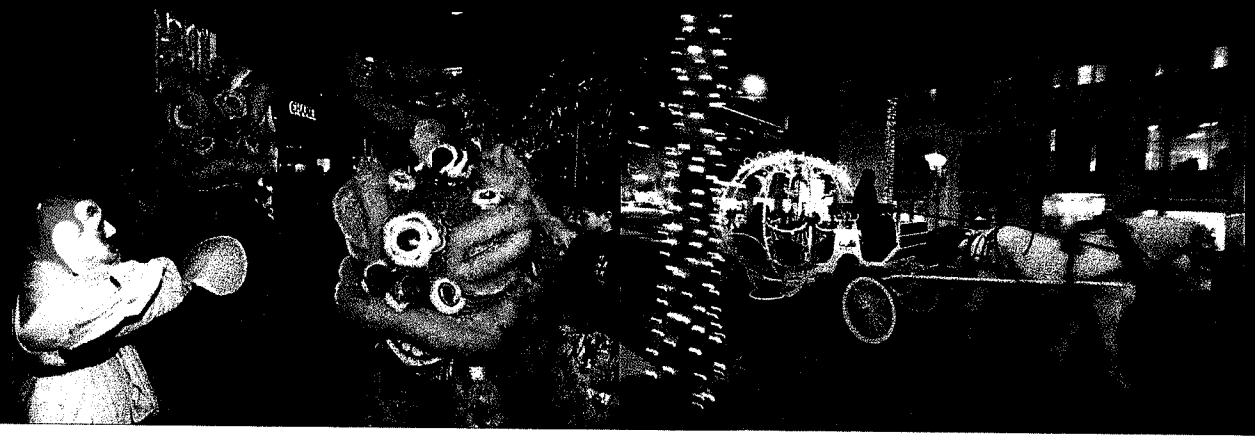
Events

Goal:

- Stakeholders feel that Beverly Hills needs to focus on a limited number of annual marquee events which are impeccably executed that customers can look forward to year after year.

Achievements:

- In FY 2011/12 BHCVB introduced several new events and activities to target key feeder markets.
  - Both Sparkle 90210 and Chinese New Year were well-received by the business community and consumers alike.
  - Results included increased sales, additional foot traffic, media impressions and acquisition of new customers.



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Events

Next Steps:

- Holidays continue to be a key area of focus for retailers and hotels alike:
  - Funds will be used to enhance programming with an Ice Skating Rink at City Hall. A proposal from Bietak Productions will be presented upon completion.
- International audiences (specifically China) continue to represent a large percentage of Beverly Hills retail business. Additionally, hotels have expressed an interest in capturing more of the market.
  - Chinese New Year event targeting Los Angeles Chinese residents, local Beverly Hills community members and China residents (to include hotel packages).

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Events

- Event development
  - Retailers and Restaurateurs agreed that with the departure of Taste of Beverly Hills, the city needs a Food and Beverage event that would include a bounce-back promotion to continue driving activity after the event. BHCVB will work to develop a tented event that the city can own which will drive traffic back to the restaurants after the event.
    - ✓ *BHCVB will make a request for additional dollars to support this initiative once a detailed program budget is developed.*
- Marketing support of other signature community events
  - Rodeo Drive Concours d'Elegance
  - Beverly Hills Art Show
  - Concerts on Canon

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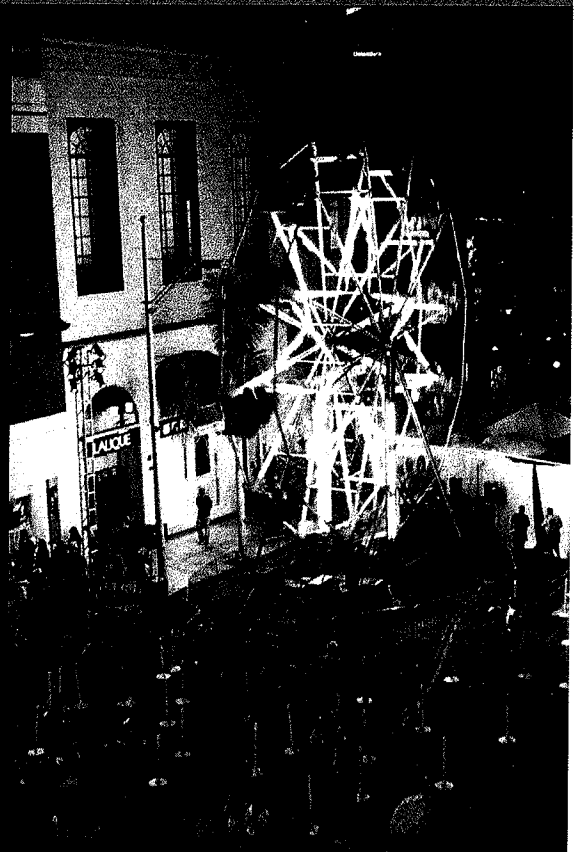
Events

- *Metrics*
  - Measure event impact with questionnaires to local retailers, and hotels after specific events (Marketing Index):
    - Traffic
    - Revenue
    - Conversion rate
  - Interactive – achieve specific amount of customer activity including number of website and page visits, social interactivity, increase in followers/likes and sharing of information. (See Online Strategy).
  - Media – measure click-through rates and ROI (when possible) for digital media.
  - eCommunications – achieve goals for customer activity – open rate and click-through rates. Measure size and growth of consumer database. (See Online Strategy)
  - Data to be provided by the city *if available* to provide holistic view (ex: parking lot revenues, pedestrian counts from city cameras, license plate total counts, etc.).



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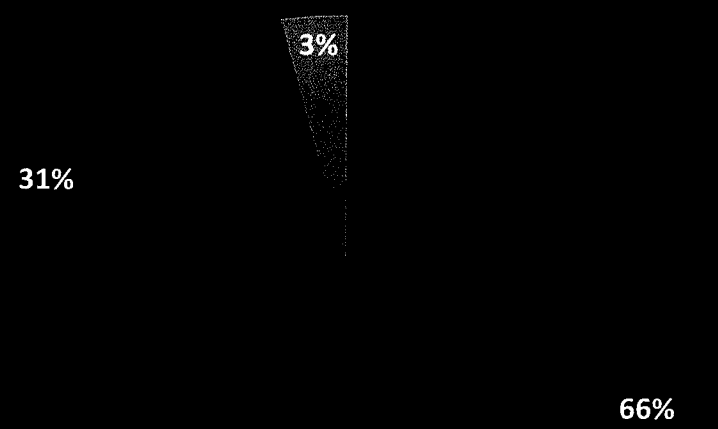
Budget – Events

$305,000



- Ice Rink $200,000 — 66%
- CNY $95,000 — 31%
- Concours $10,000 — 3%

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Experience

Goal:

- Stakeholders agree that Beverly Hills needs to get back to its essence – luxury, one-of-a-kind experience.

Achievements:

- BHCVB has introduced several new concepts during FY 2011/12 to test initiatives in anticipation of the new Visitor Center opening including enhanced iPad technology at the current visitor center and standardized customer service practices.

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Experience

Next Steps:

- Ambassador program
  - With stakeholder support BHCVB proposes creating a customer facing training program that would make all local business front-line employees Beverly Hills subject matter experts equipped to provide customers with bespoke service and interaction.
- *Metrics*
  - *Number of participants who provide input into the program.*
  - *Number of completions of the course.*
  - *Customer feedback through online surveys and Visitor Center Questionnaires.*
  - *Participant feedback.*

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Budget – Experience

$15,000

- Ambassador Program 100% $15,000

100%

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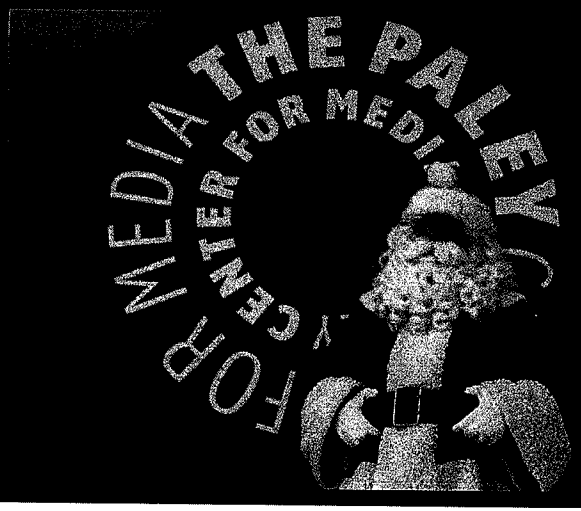
Local Marketing

Goal:

- Restaurant/retail stakeholders agree that BHCVB needs to put focus on the local market within 20 miles of Beverly Hills.

Achievements:

- In addition to introducing new events and supporting traditional activities, worked with local businesses to extend offerings during holidays and Italian Week.



Local Marketing

Next Steps:

- For 2012/13 BHCVB will be focused on
  - Holiday activities and collateral – Santa, Posters, Collateral
  - Local tie-in to Fall hotel promotion (shopping and restaurant tie-in to And To All A Free Night Promotion – ex: holiday libations and offerings at restaurants, gift with purchase, etc.). *BHCVB will utilize funds from Domestic Marketing to support.*
  - Local tie-in to Spring hotel promotion (create a local focus for Breakfast in Beverly Hills – ex: charity component focused on hunger that gives a portion of breakfast restaurant receipts from Beverly Hills restaurants to local charity). *BHCVB will utilize funds from Domestic Marketing to support.*

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Local Marketing

- *Metrics*
  - Achieve campaign specific amount of revenue and number of visitors for local marketing tie-in offers (See Events Strategy).
  - PR/Media results including identifiable number of stories and leads.
  - Measure response with specific goals for website metrics including page views, unique visits, click through rates, etc.). (See Online Strategy)
  - Advertising – achieve specific goals for return on investment (ROI) and click through rates for local campaigns. (Digital Media Campaigns)
  - Social Media – achieve specific amount of customer activity including number of posts, increase in followers/likes, retweets and sharing of information. (See Online Strategy).
  - eCommunications – achieve goals for customer activity – open rate and click through rates. Measure size and growth of consumer database. (See Online Strategy)
  - # of partners that participate in campaigns and activities.

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Budget – Local Marketing

$35,000

- Holiday Activities 100%
  $35,000

100%

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Domestic Marketing

Goal:

- Stakeholders agree that New York and Northern California continue to be key markets for Beverly Hills and that these areas should be targeted for brand awareness and messaging.

Achievements:

- BHCVB traditionally creates programs that focus on key feeder markets including Northern California and New York Tri-State area. 2011 hotel initiatives drove more than $3.5mm in revenue to the city.

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Domestic Marketing

Next Steps:

- New York Sales Mission
  - This year BHCVB is proposing that we co-op with BHCC to create a joint luncheon which will include travel agency CEOs and VIPs.
  - BHCVB will also have an intimate cocktail party (in the spirit of 2011) that will give hoteliers the opportunity to network with travel buyers and decision makers.
- Fall Hotel Campaign
  - *And to All a Free Night* generated more than$1.3mm in revenue for the hotels and local businesses. Promotion will run again to drive traffic and revenue to the hotels.

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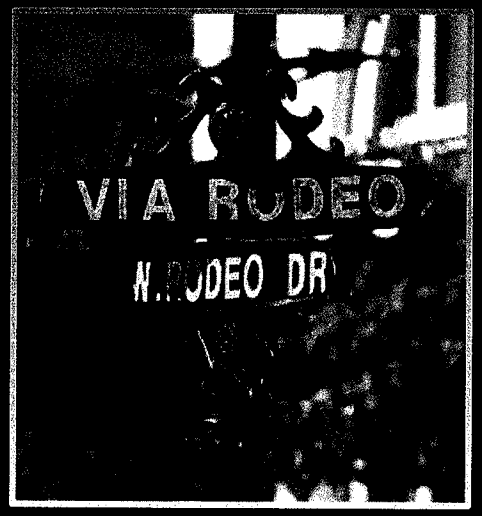
Domestic Marketing

- Spring Hotel Campaign
  - *Breakfast in Beverly Hills* drove over $2.2 mm in revenue to hotels and local businesses in 2011 (2012 still tbd). Promotion will be run again (hotels have opted not to do the free night moving forward) with a suite upgrade and free breakfast offer.
- Trade/Meetings Incentive Conventions and Exhibition (MICE) Programs (see Int'l).
- Domestic PR
  - BHCVB saw coverage with 38 stories for Q1 and Q2. Familiarization trips (FAMs) and media missions will be conducted to continue to build relationships and garner coverage in key publications.



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Domestic Marketing

- *Metrics*
  - Achieve campaign specific amount of revenue and number of visitors for local marketing tie-in offers (See Events Strategy).
  - Number of MICE leads, groups booked and revenue generated.
  - PR/Media results including identifiable number of stories and leads.
  - Measure response with specific goals for website metrics including page views, unique visits, click-through rates, etc.). (See Online Strategy)
  - Advertising – achieve specific goals for return on investment (ROI) and click through rates for local campaigns. (Digital Media Campaigns)
  - Social Media – achieve specific amount of customer activity including number of posts, increase in followers/likes, retweets and sharing of information. (See Online Strategy).
  - eCommunications – achieve goals for customer activity – open rate and click-through rates. Measure size and growth of consumer database. (See Online Strategy)
  - # of partners that participate in campaigns and activities.

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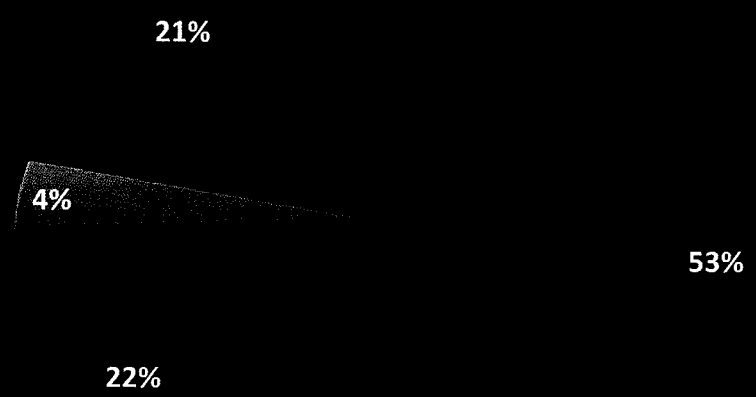
Budget – Domestic Marketing

$350,000



Spring Overnight $185,000	53%
Fall Overnight $75,000	22%
Domestic PR $15,000	4%
New York Sales Mission $75,000	21%

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International Marketing

Goal:

- Stakeholders across all verticals agree that one of BHCVB's primary roles is to generate and market tourism in key international markets.

Achievements:

- Beverly Hills saw on average between 10 and 60% growth in 2011 in key International feeder markets including UK/Europe, Middle East, Japan, Australia, Mexico, Brazil and China (as reported by hotels).

Next Steps

- International Representation
  - BHCVB will continue relationships with key marketing agencies in China, Australia and the UK who can help expand reach to travel trade and media.
- International Sales Missions
  - Work in conjunction with International Representatives, Los Angeles Tourism and Visit California to build relationships with international travel trade to insure inclusion on itineraries and make sure Beverly Hills is top of mind when referring business.

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International Marketing

- Tradeshows
  - BHCVB will participate in 2013 US Travel Association's International Pow Wow in Las Vegas which focuses on travel buyers/planners and media.
  - BHCVB will also participate in IMEX, a worldwide Meetings and Incentives show targeting MICE planners.
  - Also possible is International Luxury Travel Market (ILTM) which takes place in December 2013 in Cannes and focuses on luxury suppliers.
- Media Missions and FAMs
  - BHCVB will work in conjunction with International Representatives, Visit California and Los Angeles Tourism to bring journalists interested in writing about Beverly Hills to the city for city tours and experiences.

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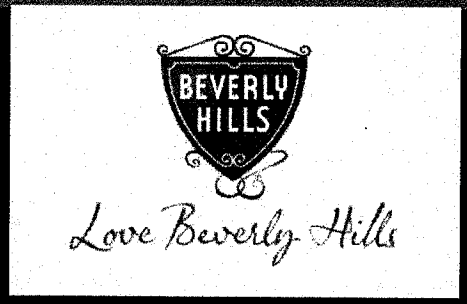
International Marketing



- Trade/Meetings Incentive Conventions and Exhibition (MICE) Programs
  - Beverly Hills hotels frequently compete with other larger cites to obtain meeting and incentive business like the Milken Conference which brings more than 5,000 people to Beverly Hills annually. Both AEG and San Diego have offered cash incentives to Milken of up to $1,000,000 in co-op sponsorship dollars.
  - Programs would include booking incentives, sponsorship (ex: city banners for Milken) airport transportation and concierge services, etc.

15TH ANNUAL
MILKEN INSTITUTE

APRIL 29–MAY 2

International Marketing

- *Metrics*
  - Target identifiable # of sales leads from the website and from Trade Shows and Sales Missions.
  - Number of MICE leads, groups booked and revenue generated.
  - PR/Media results including identifiable number of stories and leads.
  - Identify growth in # of visitors by county.
  - Achieve measurable revenue generated from groups.
  - Measure in-language online page activity for both BHCVB and third party websites by country. (See Online Strategy for BHCVB website)
  - Measure website activity by country.
  - Specific amount of in-kind dollar contributions from partners.
  - Partner feedback to groups and fams.
  - Identify # of fams producing business.
  - Achieve measurable revenue and subsequent activity generated from fams.

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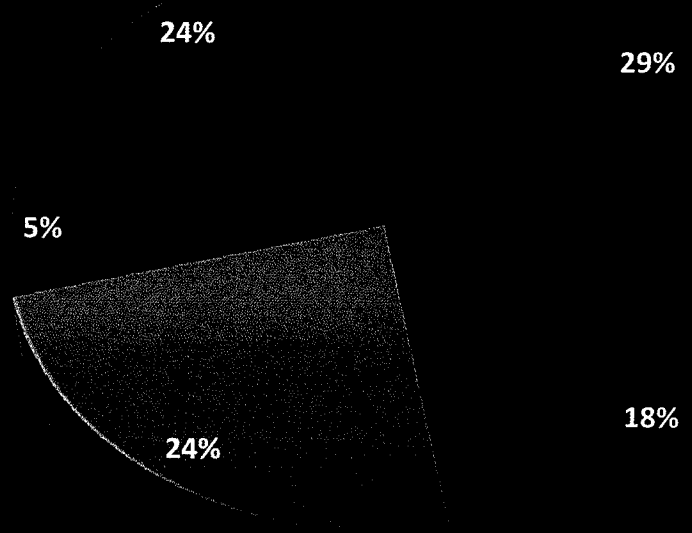
Budget – International Marketing

$275,000



- In-Country Representation $80,000 — 29%
- Sales Missions $50,000 — 18%
- Trade Shows $65,000 — 24%
- Media Missions $15,000 — 5%
- Incentive Programs $65,000 — 24%

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Interactive

Goal:

- Strengthen and clarify the brand as well as reach key target audiences.

Achievements:

- In 2011 BHCVB launched a robust interactive strategy that included a new website, search engine marketing and social interactivity on key sites. To date BHCVB has received a 75% growth in website traffic, and more than 100% in social activity.

Next Steps:

- Content strategy – in order to keep people interacting with electronic channels, content must be refreshed frequently.
  - BHCVB will create new video content that is reflective of the love filters on the BHCVB website that can be shared on the site as well as social sites, blogs and advertising.
  - Develop mobile content to enhance the smart phone LoveBeverlyHills.com experience and complement city mobile applications.

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Interactive

- Content Strategy – cont'd
  - New sections will be created on the website to target key markets not previously represented (ex: weddings and incentive planners).
  - eCommerce section will be integrated with the site so BHCVB can sell Visitor Center merchandise online.
- Search Engine Marketing
  - Maintain Search Engine Optimization on website to continue to drive organic traffic to the site.
  - Work with a Search Engine Marketing specialist to develop and refine pay-per-click strategy to bring additional visitors to the BHCVB website.
- Site maintenance and eCommunications
  - Ongoing hosting and site maintenance.
  - Development and distribution of monthly eNewsletters to Consumers, Trade, Media and Partners.

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Interactive

- International Development
  - Create fully functioning in-language pages in Chinese, and if funds are available, in Japanese and Spanish.
  - Develop robust in-country Search Engine Marketing and Optimization campaigns to drive traffic to the in-language pages to build awareness and ultimately traffic from key international markets.
- *Metrics*
  - Website activity (specific # of site visits, page views, etc).
  - Search Engine Marketing performance.
  - # of organic searches and website traffic generated.
  - Number of consumers communicated with regularly and growth of the database.
  - Specific percentage of email response rates and open rates.
  - Social site audience, likeability and activity (followers, retweets, posts, response to campaigns).
  - Booking engine revenue generated (see Domestic and International).

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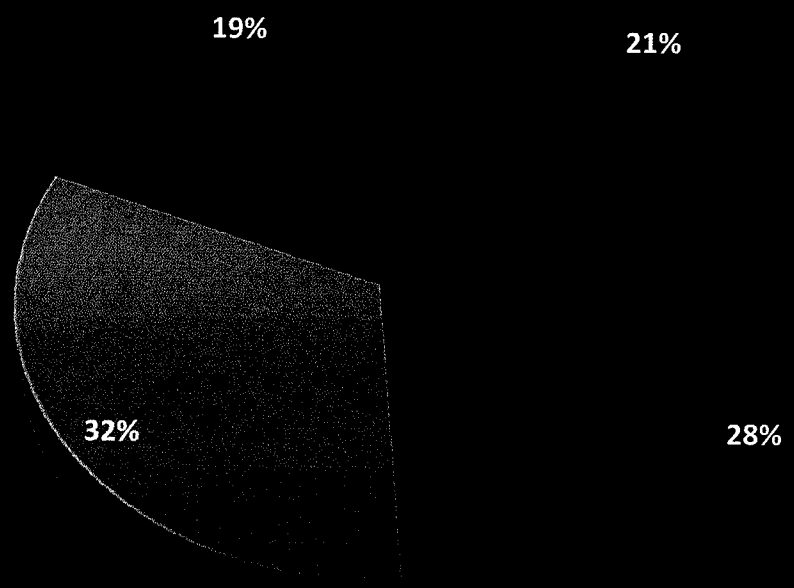
Budget – Interactive

$215,000



- Content $45,000 — 21%
- International $60,000 — 28%
- SEO/SEM $70,000 — 32%
- Maintenance/ eComm $40,000 — 19%

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Collateral

Goal:

- Strengthen and clarify the brand.

Achievements:

- In FY 2011/12 BHCVB developed a new Visitor Guide that reflects the new graphics and identity consistent with the website. A new approach was taken to create an offering that could be customized by audience: consumers, media and trade.

Next Steps:

- Visitor Guide Booklet – refresh/update
  - Reprint and refresh booklets as needed for Visitor Center, Trade and Media.
  - Develop in-language materials as needed.

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Collateral

- Premiums
  - Develop branded giveaways to be used for media and trade and consumer gift bags and trade shows.
- *Metrics*
  - Improve cost per unit for materials and develop new ideas for presentation.
  - Distribute customer online survey (including trade and media) to determine effectiveness of materials.

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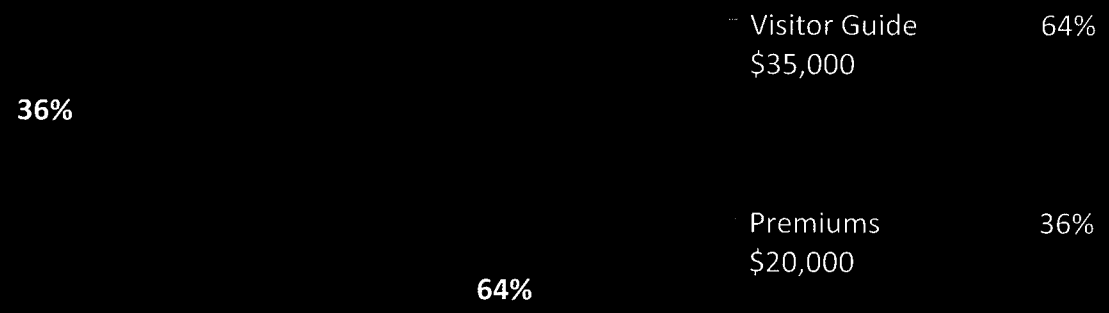
Budget – Collateral

$55,000



Visitor Guide 64%
$35,000

Premiums 36%
$20,000

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Metrics

Goal:

- Develop a long-term vision that sharpens the CVB value proposition for each vertical it serves.

Achievements:

- As a result of BHCVB developing relationships with two leading hospitality data providers, Smith Travel Research and American Express, we are now able to track hotel activity at competitive DMOs as well as spend by vertical in Beverly Hills from domestic and international feeder markets.

AMERICAN EXPRESS

STR GLOBAL

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Metrics

Next Steps:

- Smith Travel Research Lodging Industry Competitive Metrics reports Beverly Hills continues to lead against competing DMOs in REVPAR (revenue per available room) – one of the key indicators of success in the hospitality industry.
- American Express Domestic and International Destination Insights (representing about 40% of Beverly Hills Market Share) shows top ten markets and spend per consumer by feeder market.
- Domestic and international PR Tracking with Cision software will provide recaps of all media coverage in all markets.

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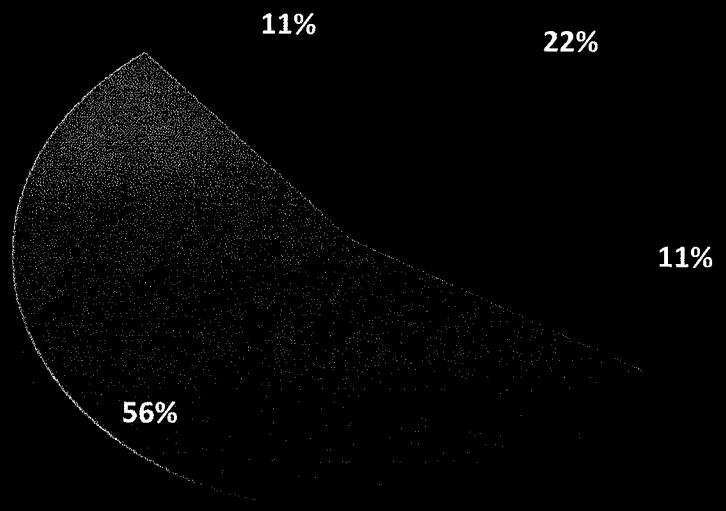
Budget – Metrics

$45,000



- Destination Insights
  $10,000 22%
- Smith Travel 11%
  $5,000
- Strategic Plan 56%
  $25,000
- Competitive PR
  Tracking 11%
  $5,000

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Visitor Services

Note – all Visitor Services for 2011/12 were reflected in TI budget. The following represents for FY 2012/13.

Next Steps

- Reimbursement of TI – BHCVB was funded "up to $148,000" for TI improvements of 9400 Little Santa Monica. 50% will be allocated against the FY2012/13 budget.
- Merchandising– BHCVB will create a phased merchandise plan that allows BHCVB to begin with items received on consignment from the city. As the center gains traction, other items will be introduced along with a profit sharing formula.
- Display – Display budget will be used to create areas of interest in the Visitor Center including: a historic photo wall, select art from local artists, celebrity chef cook books, creative that will feature ongoing events and promotions in the city.
- Opening celebrations – BHCVB will plan several opening parties that will be targeted to key audiences, include press sneak peeks, trade mixers and VIP opening parties.

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Visitor Services

- Visitor Center Collateral
  - Maps – develop one-sheets that can be provided to consumers who need directions and information.
  - Walking Tours – create brochures and podcasts that feature unique things to do in Beverly Hills (ex; chocolatiers, gourmet food tours, art and architecture, etc.).
  - Offer certificates – develop booklets that feature special VIP offers from local businesses that stimulate activation (gift with purchase, generative offers, etc).
- One full time (fte) weekly and one part time (pte) weekend employee to staff the visitor center. -- $90,000 [includes taxes (fte and pte) and benefits (fte)].

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Visitor Services – Next Steps cont'd

- In total, approximately $205,000 in new services and staff and $75,000 in reimbursed TI is estimated to set up, market and maintain the Visitor Center.
- *Metrics*
  - Revenue generated from merchandise
  - Customer traffic into the visitor center
  - Uptake on incentive offers to come into the center
  - Feedback on services and amenities

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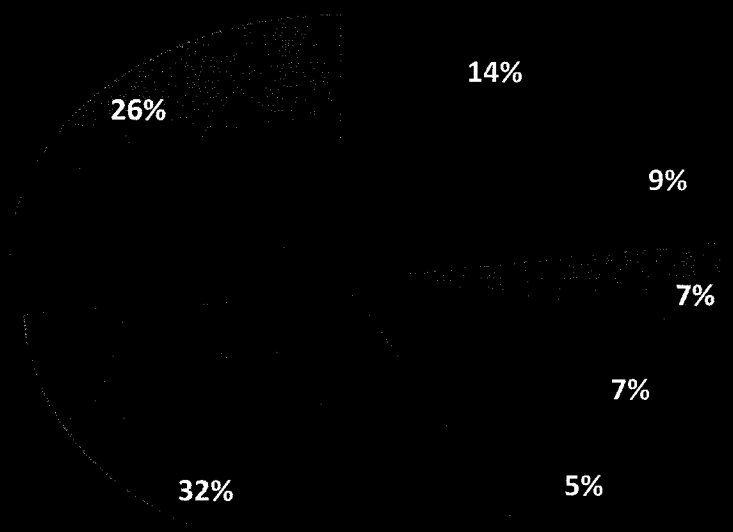
Budget – Visitor Services

$205,000



- Merchandising 14%
  $40,000
- Display 9%
  $25,000
- Opening Parties 7%
  $20,000
- Collateral 7%
  $20,000
- Advertising/Comms 5%
  $15,000
- VC Staff 31%
  $90,000
- TI Reimbursement
  $75,000 26%

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Operations

Achievements:

- BHCVB reduced salary costs by $55K in FY 2011/12 by realigning staff and responsibilities.

Next Steps:

- Seven employees (no change from prior year) will continue to execute all marketing responsibilities. There will be a slight increase in the salaries, taxes and benefits category to reflect higher insurance and tax rates.
- In addition to the $205,000 in Visitor Services and $75,000 in TI, BHCVB will experience an increase of an additional $136,900 in operations expenses as a result of moving to 9400 Little Santa Monica including:
  - Rent -- $52,000 (assumes rent begins 11/12)
  - Utilities/Maintenance -- $11,400
  - Insurance -- $1,500
  - Leasehold Improvements Depreciation -- $72,000

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Budget – FY 2012/13 Summary

BHCVB maintains percentage allocated to marketing while reducing percentage of budget allocated to salaries. Operations increases slightly and staff stays focused on key objectives.

		2012/13 AMOUNT	2012/13 %*	2011/12 %	2011/12 and 12/13 STAFF TIME
1.	Marketing	**$ 1,365,000**	**57%**	**57%**	
	• *Events*	*$ 305,000*			*15%*
	• *Experience*	*$ 15,000*			*5%*
	• *Local Marketing*	*$ 35,000*			*5%*
	• *Domestic Marketing*	*$ 350,000*			*15%*
	• *International Marketing*	*$ 275,000*			*15%*
	• *Interactive*	*$ 215,000*			*20%*
	• *Collateral*	*$ 55,000*			*5%*
	• *Special Programs/ Contingency*	*$ 70,000*			*TBD*
	• *Metrics/Research*	*$ 45,000*			*10%*
2.	Salaries, Taxes & Benefits	$ 705,000	30%	*34%*	
3.	Operations	$ 305,000	13%	9%	*10%*
5.	*Visitor Center+*	*$ 290,000*			
TOTAL		***$2,665,000***	*(*$2,335,000 w/o Visitor Center)*		

+Visitor Center includes $75,000 reimbursed TI.