



AGENDA REPORT

Meeting Date: October 5, 2010
Item Number: E-1
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Subject: APPROVAL OF AN AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY ; AND, APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$1,537,576.00.
Attachments: 1. Agreement

RECOMMENDATION

That the City Council review the Beverly Hills Conference and Visitors Bureau's (CVB) Strategic Marketing Plan and the Liaison Committee's budgetary recommendations and approve or modify as appropriate. Based on the Committee's direction, approve the Agreement by and between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City and authorize a purchase order in the amount of \$1,537,576.00. The City Council is also asked consider the request by the CVB regarding a revision to the termination clause.

INTRODUCTION

This item provides the City Council with an opportunity to review the recommendation of the Council Liaison Committee regarding the fiscal year 2010-11 budget for the Beverly Hills Conference and Visitors Bureau.

DISCUSSION

The Beverly Hills Conference and Visitors Bureau (CVB) became an independent organization over one year ago. During that time, the CVB has appointed its Board of Directors and established its governance process.

Most recently, a study conducted by the Conrad Hilton School of Hotel Management at the University of Houston was conducted to assist in developing the CVB's first strategic marketing plan. This plan will be used to identify opportunities for the CVB to target customers, define key value propositions, communicate how the CVB will market to these visitors and prospects, and develop meaningful metrics to measure success of these efforts.

The CVB presented the Strategic Plan to the Council Liaison Committee during July of 2010. This Strategic Plan, once approved by the City Council, will be used as the framework to guide the CVB's allocation of budgetary and staff resources during the current fiscal year.

The Liaison Committee recommended approval of the CVB's Strategic Marketing Plan along with a budget recommendation of \$2,050,100 for the entire 2010-11 fiscal year. (The CVB has already received a portion of its annual funding through 'interim' funding from July through September 21, 2010.)

The recommended budget for the CVB represents a 5% reduction in the CVB's previous budget during fiscal year 2009-2010.

In addition to the CVB's traditional responsibilities, new elements showcased in the CVB's Plan include the following areas of focus:

- Develop and promote street-life and signature events;
- Enhance the visitor experience to help shift perceptions;
- Focus on the local market (Beverly Hills and LA County residents).

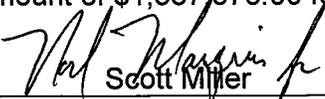
Additionally, the CVB has committed to developing measurable methods to assess the success of its initiatives, with an emphasis on metrics which demonstrate a return-on-investment. In particular, these metrics will include sales and hotel traffic and dollars.

The CVB has requested consideration of a revision to the City's standard termination clause that allows the City to terminate the contract with notice with or without cause. The CVB's proposal is a termination provision only for material breach that remains uncured, that only the City Council can terminate the contract and if the agreement should terminate the City remains responsible for CVB obligations that they have committed to in writing as of the date of termination including any normal operating costs.

FISCAL IMPACT

The City's Finance Department projects \$23,700,000 in Transient Occupancy Tax revenue for the 2010-11 fiscal year, resulting in a TOT budget of \$3,385,712.

The Council Liaison Committee is recommending that of this amount, \$2,050,100 to be allocated to the CVB for its FY 2010-11 budget request. Of this amount, \$341,683 has been appropriated for interim funding (July 1 through September 21, 2010), resulting in an amount of \$1,537,576.00 for the balance of the fiscal year.



Scott Miller
Finance Approval

Cheryl Friedling 

Approved By

Attachment 1

AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY
HILLS AND THE BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU FOR PROMOTION OF THE CITY

THIS AGREEMENT is made and entered into in the City of Beverly Hills by and between the City of Beverly Hills, a municipal corporation ("City") and the Beverly Hills Conference and Visitors Bureau ("CVB"), a non-profit corporation.

RECITALS

A. CVB is located in the City of Beverly Hills and has special knowledge and experience to conduct or participate in promotional, publicity, and advertising activities for the benefit of City.

B. City and CVB entered into an interim funding agreement for the period of July 1, 2010 through August 31, 2010;

C. City desires to continue to engage the services of the CVB for promotional activities and other services for fiscal year 2010-2011.

D. Section 37110 of the California Government Code authorizes the expenditure of monies for promotion.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

Section 1. Scope of Work and Authorization of Funding. CVB shall provide the services (both personnel and deliverables) necessary to implement the marketing strategies and programs for the promotion of the City as set forth in Exhibit A including Attachment 1 ("Scope of Services"). In no case shall the CVB request that City Staff undertake any of the strategies or programs set forth in Exhibit A.

Section 2. Payments.

(a) Funding and Compensation. For the interim period of July 1, 2010 through August 31, 2010, the City provided the CVB with a portion of its 2010-2011 funding in the amount of \$341,683 for expenditures in support of the City and CVB's visitor and marketing programs ("interim funding"). For the remainder of the 2010-2011, the City shall provide the CVB with the remainder of its 2010-2011 funding in the amount of \$1,708,417 ("remaining funds"). Both interim funding and the remaining funds shall be utilized and serve as compensation for the Scope of Services. Any monies not expended in fiscal year 2010-2011 that are earmarked for specific projects taking place within 60 days of the termination date of this Agreement, shall be carried over to the CVB fiscal year 2011-2012 budget

(b) CVB shall submit its quarterly written report as set forth in Section 3 along with a request for a quarterly payment for expenditures based on the CVB's adopted budgets for the various projects as set forth in Exhibit A. The request shall be made to the Deputy City Manager of Public Affairs and shall include a written summary of which work plan items are to be fulfilled or have been fulfilled by said payment. Upon approval by the Deputy City Manager, payment shall be made to CVB within 30 to 45 days of receipt of request.

Section 3. Reports.

(a) The CVB shall submit a report quarterly to City and shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information on overall project management and achievement of action items in relation to the Scope of Services as set forth in Exhibit A, including the percentage of services and/or action items completed as well as attainment of the metrics as such metrics may be further defined and expanded upon by the Marketing Plan as described in the Scope of Services.

(b) CVB shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Fiscal year 2010-2011. Such report shall provide consolidated financial reporting for CVB as a whole, and separately detailed accounts for each program funded by City. The report shall be due within six months of the end of CVB's 2010-2011 fiscal year. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts.

(c) With reasonable notice from City, CVB shall provide to City copies of any and all work product, documents reports, property and books produced by CVB in fulfillment of this Agreement ("Documents"). This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (e.g., personnel records). CVB's obligation to maintain such Documents shall continue for three years after the termination of this Agreement.

(d) CVB shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs (i.e. provide invoices from third parties, time and materials costs, etc.), and comply with any applicable State and Federal standards.

(e) CVB shall endeavor to develop, in consultation with City, a program-based budget for all City-funded programs. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

Section 4. Ownership of Work Product.

(a) Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or

other media created or developed by CVB or any third party contracted by the CVB, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement (“Work Product”) shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be “works made for hire”, and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. CVB shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

(b) CVB hereby irrevocably assigns exclusively to City, all right, title and interest in such trademarks and/or copyrights or other intellectual property rights in the Work Products. CVB shall take all acts requested by the City in order to enforce City’s rights under this Section.

(c) CVB shall not retain ownership of or any right, title or interest in any of the Work Products, including, but not limited to, in any related trademarks, copyrights, or other proprietary rights. The City and CVB agree that the Work Product and all such rights, title and interest in or to the Work Products belong to and are being sold and assigned in their entirety to City for whatever use it desires, and that City does and shall at all times own, solely and exclusively, complete and unencumbered, all right, title and interest in and to all of the Work Product worldwide, any modifications thereto and any derivative works based thereon (including, but not limited to, all patent, copyright, trademark, service mark and trade secret rights). Nothing contained herein shall be deemed to constitute a mere license or franchise in City. The parties further agree that City will be free to use, modify, distribute, sell, license or otherwise exploit all such Work Products and any modifications to or derivative works based thereon without any restrictions or limitations or any obligations or payments to CVB and that CVB shall have no such rights.

(d) From time to time the CVB will engage photographers to take photographs or will purchase images for use in CVB’s marketing campaigns, collateral or other uses. As to those third party photographs or images whereby the CVB negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights, the provisions of this Section 6 will apply. As to those third party photographs or images whereby the CVB negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 6 will not apply.

(e) This section shall survive termination of this Agreement.

Section 5. Assignment. This Agreement shall not be assigned by CVB without the written consent of City.

Section 6. Independent Contractor. At all times during the term of this Agreement CVB shall be independent contractors and CVB, their officers, employees and agents shall not be employees of City.

Section 7. Term. This Agreement shall remain in full force and effect from July 1, 2010 until June 30, 2011, unless terminated earlier as provided in Section 10 of this Agreement.

Section 8. Termination of Agreement. City may terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to CVB. In the event of such termination, City shall pay CVB for all costs and obligations reasonably incurred by CVB for Visitors Bureau activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 9. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210, or to Beverly Hills Conference and Visitors Bureau, 239 South Beverly Drive, Beverly Hills, California 90212, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 10. Indemnification and Insurance.

(a) CVB agree to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all claims, liability or financial loss resulting from any suits, claims, losses or actions, and from all cost and expenses of litigation, brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the actions or omissions of CVB or their officers, employees, agents or others employed by CVB in the conduct of the projects funded by this Agreement.

(b) CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CVB.

(c) CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the services required by this Agreement.

(d) CVB agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.

(e) CVB shall require each of its sub-consultants or sub-contractors engaged by the CVB for event management or other activities that require a City special event permit to maintain insurance coverage which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager. Prior to an event, CVB shall inform the City's Risk Manager in writing of said event to determine the level of insurance coverage, if any, required.

(f) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(g) If CVB fails to keep the aforesaid insurance in full force and effect, City shall notify CVB that it is in breach of the Agreement and CVB has three (3) days to cure such breach. If such breach is not cured by CVB as required in this paragraph, City may terminate the Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at CVB's expense, the premium thereon.

(h) At all times during the term of this Agreement, CVB shall maintain on file with the City Clerk a certificate or certificates of insurance on the form required by the City, showing that the aforesaid policies are in effect in the required amounts. CVB shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(i) The insurance provided by CVB shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(j) Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under this Agreement.

Section 11. Extent of Agreement. This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by all parties to the Agreement.

Section 12. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Agreement to any party other than the CVB.

Section 13. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

Section 14. Banners. CVB may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City prior to installation. City shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the _____ day of _____ 2010, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
A municipal corporation

JIMMY DELSHAD
Mayor of the City of
Beverly Hills, California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU

KATHRYN SMITS
Executive Director

SANDY MURPHY
Secretary

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

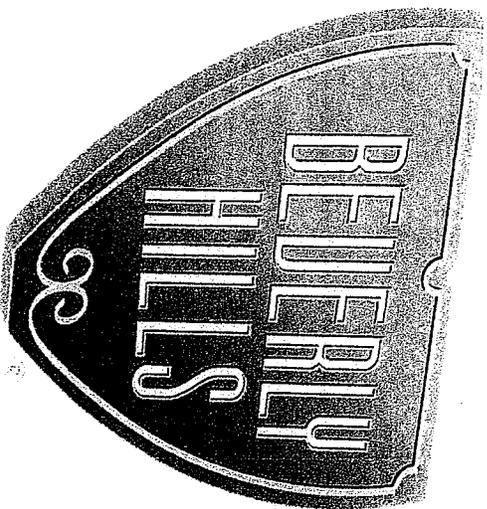
JEFFREY KOLIN
City Manager

CHERYL FRIEDLING
Deputy City Manager for Public Affairs

KARL KIRKMAN
Risk Manager

SCOPE OF SERVICES

EXHIBIT A



Beverly Hills
Conference & Visitors Bureau

**Program of Work and Budget
City Council Presentation**

August 31, 2010



Background

A study was conducted by the Conrad Hilton School of Hotel Management at the University of Houston with the following objectives:

- Understand what Beverly Hills means to different target markets
- Understand behavior of users and non-users
- Understand the geographic regions of interest for marketing:
 - Beverly Hills residents
 - Los Angeles county residents, excluding Beverly Hills
 - California residents, excluding Los Angeles County
 - US residents, excluding California
 - Outside of US
- Shape and define strategy for moving forward



Guiding Principles

1. Who is our target audience?
2. What is the value we create for each customer/visitor?
3. How do we reach the target audience with our message?
4. How do we measure or quantify the results?



2010/2011 Strategies

1. Local Events and “Street-Life”
2. Visitor Experience
3. Local Marketing
4. California Marketing
5. Domestic Marketing (outside California)
6. International Marketing
7. Expanded Online Presence
8. Collateral
9. Continued evaluation, assessment and redirection as required



What's New for 2010/2011

In addition to traditional roles and responsibilities, opportunities exist for the CVB to explore new areas of focus:

- Help to create “street-life” and a sense of excitement through the development and promotion of one-of-a-kind signature events.
- Impact the visitor experience to help shift perceptions.
- Focus on the local market (Beverly Hills and LA County residents) to drive traffic and generate incremental revenue.



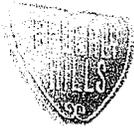
Strategies

Develop and promote events to create “street-life” in order to give visitors - especially LA County residents - a reason to visit Beverly Hills.

Rationale: LA County residents **do not believe that there is a lot of excitement** in the city. Stakeholders believe that Beverly Hills needs **activity to remain competitive.**

1. Tactics

- Master calendar for Beverly Hills and surrounding areas
- Promotion of signature events
 - 90210/Taste of Beverly Hills
 - Rodeo Drive/Canon Drive Events
 - Greystone Events
- Fill periods of inactivity with new events
 - Work with BHCVB Committees and Task Forces to identify



Develop and promote events to create “street-life” in order to give visitors - especially LA County residents - a reason to visit Beverly Hills. (cont'd)

2. Metrics

- PR/Media results
- Advertising – return on investment
- Social Media – customer activity
- eCommunications – customer activity
- Traffic/Spend
- Development of Economic Index

3. Budget \$75,000



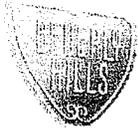
Strategies

Develop and implement plan to improve the visitor experience.

Rationale: Only **25%** of those surveyed **rated the city's friendliness as a "9" or a "10."** The only other question to **rate a lower "top two"** (either a 9 or 10 rating) was the **perception that Beverly Hills is affordable.**

1. Tactics

- Develop messaging strategy to address survey results
- Support Friendly City campaign
- Research and create competitive analysis of other city programs and best practices
- Develop strategy and implementation plan for podcasts/mobile applications
- Create Visitor Center plan/merchandising for 9400 building
- Explore opportunities to promote 100 year anniversary



Develop and implement plan to improve the visitor experience. (cont'd)

2. Metrics

- Visitor survey measuring city friendliness
- Work with partners to improve data gathering and feedback collection

3. Budget \$50,000



Geo-Targeted Metrics

Rationale: Beverly Hills derives traffic and revenue from the following domestic feeder markets: **LA County** (local); **California** (outside LA County); Other US Regions (specifically **New York/Tri-State, Texas**). All geo-targeted initiatives and tactics for these areas will be measured with the following metrics:

- Campaign specific amount of spend and number of visitors
- PR/Media results
- Advertising – return on investment
- Social Media – customer activity
- eCommunications – customer activity



Strategies

Local Marketing

Rationale: For some stakeholders **up to 50% of their business comes from the local market.** 16.8% of LA County residents surveyed had not been to Beverly Hills in the past 90 days demonstrating an opportunity to activate the local market.

1. Tactics

- Determine need periods with Task Force
- Create assortment of stand alone shelf promotions
- Improve visitor experience and friendly service perception
- Develop comprehensive media/communications plan
- Emphasize general attributes – parking, convenience, wide variety of stores, restaurants, etc.

2. Budget \$170,000



Strategies

California Marketing

Rationale: Key findings indicate **more customers are traveling closer to home** for vacations. **California** remains the **largest feeder market for day visitors** and **second largest market** for overnight visitors to Beverly Hills hotels.

1. Tactics

- Develop messaging strategy (something for everyone, drive market, special occasions, weekend getaway)
- Create targeted promotions to drive traffic and generate revenue
- Partner to build and promote extensions onto existing city promotions and events
 - 90210 hotel packages
 - Rodeo Drive Concours hotel packages
 - Support marketing
- Develop comprehensive media/communications plan
- Identify opportunities to partner with other CVB's for no/low cost cross promotion

2. Budget \$150,000



Strategies

Domestic Marketing (outside California)

Rationale: Citizens of the US from outside the local market represent 17% of retail spending in Beverly Hills. Additionally US residents are a major segment for Beverly Hills hotels.

1. Tactics

- Develop messaging strategy by market, with focus on NY and TX
- Leverage events and other drivers to build awareness and drive traffic
- NY sales/media mission
- Targeted promotion to increase revenue/spend
- Partner to build and promote extensions onto existing city promotions and events
- Develop comprehensive media/communications plan
- Identify opportunities to partner with other CVB's for no/low cost cross promotion
- Leverage high-end travel agent consortia opportunities

2. Budget \$240,000



Strategies

International Marketing

Rationale: Over **40% of all visitors to Beverly Hills are international** with hotel and other spend that is much higher than domestic counterparts.

1. Tactics

- Focus initiatives on UK, Australia, China, Japan and Mexico (with Brazil requiring further research)
- Develop messaging strategy
- Sales Mission and Trade Shows
 - US Travel's Pow Wow - May
 - Leverage LA Inc. and CTTC initiatives in targeted markets
 - Australia Sales Mission - October
 - World Travel Market, UK – November
 - CITM China - November
 - Mexico Sales Mission – December/February
 - Japan/Korea Sales Mission – March
 - Familiarization Trips - ongoing
- Identify opportunities with international airlines
- Create in-language landing pages with downloadable pdf's
- Create relationships with tourism bureaus in key markets



International Marketing (cont'd)

2. Metrics
 - Familiarization activity with trackable outcomes
 - In-language page activity
 - Arrivals of visitors by country
 - Amount spent
3. Budget \$200,000



Strategies

Leverage online presence as a key vehicle for marketing the city.

Rationale: Destination **website was cited as the second most popular source of choice** behind referral from friends.

1. Tactics

- Create improved website to address current inadequacies:
 - Graphics, Interactivity, Promotional Tools, Reporting and Analytics, Prospecting, Content Management
- Build and execute consumer ecommunications strategy
- Develop and execute a comprehensive social strategy

2. Metrics

- Website activity
- Number of consumers communicated with regularly and activity
- Social site audience and activity

3. Budget \$75,000



Strategies

Improve collateral offerings.

1. Tactics

- Review existing collateral
- Identify and develop new materials where needed
- Develop podcasts/mobile applications to bring city to life

2. Metrics

- Customer survey to determine behavior, perceptions and spending

3. Budget \$75,000



Strategies

Regularly assess and evaluate all activities and identify and implement redirection as required.

1. Tactics

- Quarterly assessment of initiatives and strategies
- Determine quality of metrics
- Redirect activities where necessary
- Redefine measurement tactics as needed



2010/2011 Budget Key Categories

	AMOUNT	PERCENTAGE
1. Marketing/Visitor Services	\$1,110,000	54%
• Events	\$ 75,000	
• Visitor Experience	\$ 50,000	
• Local Marketing	\$ 170,000	
• California Marketing	\$ 150,000	
• Domestic Marketing	\$ 240,000	
• International Marketing	\$ 200,000	
• Online	\$ 75,000	
• Collateral	\$ 75,000	
• Research	\$ 40,000	
• Ambassador Services	\$ 10,000	
• Special Programs	\$ 25,000	
2. Marketing Support	\$ 14,000	1%
• Database		
• Association Dues		
• Image Library		
• Community Relations		
3. Salaries, Taxes & Benefits*	\$ 766,000	37%
4. Operations	\$ 160,000	8%

*Includes shared positions



Beverly Hills Conference & Visitors Bureau

Budget Request

Total Request	\$2,050,100
Amount Received	<u>\$ 341,683</u>
Remaining Request	\$1,708,417

EXHIBIT A
ATTACHMENT 1

The CVB has developed nine strategies to implement the primary objective to ensure that the City of Beverly Hills continues to be a premiere domestic and international tourist and leisure destination. Accordingly, the CVB shall provide the services (both personnel and deliverables) necessary to implement those strategies as set forth below and the services set forth in Attachment 1 to this Exhibit A.

Task 1. Implement Strategies

Strategy 1. Develop and Promote Events to Create "Street-Life" in Order to Provide Visitors a Reason to Visit Beverly Hills.

The focus of this strategy is to create street-life, bustling activity and “buzz” to stay competitive in the local marketplace of greater Los Angeles County. The CVB will conduct the following action items in conjunction with this strategy:

Action Items for Strategy 1

1. Create a master calendar for events in City both as a planning guide for CVB and stakeholders but also for visitors.
2. Support "signature events" with a fresh new approach to complement, enhance and maximize existing marketing efforts. Meet with stakeholders to identify periods of inactivity in overall event calendar for City in order to "fill" that period.
3. With each “signature event”, develop marketing strategy and deliverables.

Metrics for Action Items for Strategy 1

The metrics for measuring the success of Strategy 1 shall be as follows:

1. Measure and analyze action items by analyzing year over year visitor traffic and dollars spent
2. Target a specific number of media articles for placement in both traditional publications and websites in feeder markets and in trade magazines (targeted media/pr)
3. Release a specific number of press releases
4. Respond to a specific number of media inquiries
5. Receive and analyze partner feedback

6. Measure and analyze marketing efforts and deliverables

Strategy 2. Develop and Implement Plan to Improve the Visitor Experience

The focus of this strategy is to implement a plan to improve the visitor experience as survey results show that main factors that dissuade shopping in Beverly Hills is the perception of difficult parking, lack of friendliness and high prices.

Action Items for Strategy 2

1. Develop and implement a strategy to address the survey results regarding the visitor experience. Capitalize on the City's "Friendly City" campaign by (i) providing additional support to campaign; (ii) researching and creating analysis of other programs and best practices for service and friendliness to enhance the visitor shopping experience.
2. Develop strategy and implementation plan for podcasts and mobile applications to communicate messages to enhance the visitor shopping experience.
3. Meet with retailers and restaurants to improve their data gathering and feedback process regarding customer origination, customer experience, and sales/TOT metrics
4. Conduct visitor survey by spring 2011 to measure success of actions items 1,2 and 3 and general visitor experience in light of "Friendly City" campaign.
5. Develop a Visitor Center plan for the proposed visitor center at 9400 Little Santa Monica Boulevard, or an alternate location as appropriate by March 2011.
6. Explore opportunities in collaboration with the City to promote the City's 100th Year anniversary.

Metrics for Action Items for Strategy 2

The metrics for measuring the success of Strategy 2 shall be as follows:

1. Measure and analyze action items by analyzing visitor traffic and dollars spent Analyze results of visitor survey to determine effectiveness of action items and/or need for different strategies.
2. Analyze data from retailers and restaurants and provide follow-up to ensure that data gathering is in line with gathering methods of hoteliers regarding customer origination and customer experience.

Strategy 3. Develop and Implement Plan for Local Marketing Both in Beverly Hills and Los Angeles County

The focus of this strategy is to develop and implement a plan to market the City both to City residents and greater Los Angeles County in terms of shopping, entertainment, dining and hotel stays.

Action Items for Strategy 3

1. Meet with and/or poll merchants, merchant associations, hotels and other interested stakeholders to determine needs in order to develop message strategy to improve City as a local destination for shopping, entertainment, dining and hotel stays.
2. Develop and implement "shelf promotions" that are customized for seasonal relevance to appeal to target audience (Beverly Hills residents; Los Angeles County residents). 3. Develop comprehensive media and communications plan to market City as a destination to Beverly Hills residents and greater Los Angeles County residents.
4. Develop tie-in offers with actual events open to the public.
5. Continue to collaborate with the Annenberg Center for the Performing Arts as the grand opening approaches.
6. Coordinate with City staff in the Community Services Department (and elsewhere as appropriate) to actively support signature City-sponsored events and activities, specifically the Concours d'Elegance at Greystone, Affaire in the Garden and Taste of Beverly Hills and other similar events conducted on City facilities.

Metrics for Action Items for Strategy 3

The metrics for measuring the success of Strategy 3 shall be as follows:

1. Measure and analyze action items by analyzing visitor traffic and dollars spent.
2. Measure and analyze marketing efforts and deliverables.

Strategy 4. Develop and Implement Plan for Marketing in California

The focus of this strategy is to develop and implement a plan to market the City to California residents in key market areas such as San Francisco Bay area, Santa Barbara, Orange County, Ventura County, San Diego, and other markets in terms of shopping, entertainment, dining and hotel stays.

Action Items for Strategy 4

1. Develop and implement message strategy to showcase City as destination for shopping, entertainment, dining and hotel stays. Develop and implement targeted promotions in key market areas to generate traffic and generate revenue in terms of shopping excursions, dining experience and hotel destination.
2. Partner with City and other stakeholders to build and add "extensions" on existing promotions and events to extend reach and increase value proposition.
3. Develop and implement comprehensive media and communications plan targeting feeder markets.
4. Identify and explore opportunities to partner with other markets or events to achieve cross promotion, including those events by City or City businesses or community organizations.

Metrics for Action Items for Strategy 4

The metrics for measuring the success of Strategy 4 shall be as follows:

1. Measure and analyze action items by analyzing year-over-year visitor traffic and dollars spent.
2. Measure and analyze marketing efforts and deliverables.

Strategy 5. Develop and Implement Plan for Marketing for Outside of California

The focus of this strategy is to develop and implement a plan to market the City outside of California and focus on other markets such as New York and Texas in terms of shopping, entertainment, dining and hotel stays.

Action Items for Strategy 5

1. Develop and implement message strategy to showcase City as destination to markets in New York and Texas.
2. Work with local retail, hotel and restaurant partners and conduct targeted promotions to increase overnight stays and visits and increase per person daily expenditures.
3. Participate in New York Sales/Media initiative and launch new and innovative ways to keep Beverly Hills in the top of mind of travel professionals and writers.
4. Meet with journalists and new social media journalists (such as "it" bloggers, etc.) and provide customized pitches to engage new media audiences.
5. Partner with City and other stakeholders to build and add "extensions" on existing promotions and events to extend reach and increase value proposition.

6. Develop and implement comprehensive media and communications plan targeting feeder markets.
7. Identify and explore opportunities to partner with others for cross promotion.
8. Evaluate efforts and conduct annual review to confirm that New York and Texas are the most appropriate target markets (outside of California) in the U.S.

Metrics for Action Items for Strategy 5

The metrics for measuring the success of Strategy 5 shall be as follows:

1. Measure and analyze action items by analyzing year over year visitor traffic and dollars spent
2. Measure and analyze marketing efforts and deliverables.
3. Analyze return on investment of New York Sales/Media initiative.
4. Meet with a specific number of travel and leisure journalists in New York to expand audience reach.
5. Achieve a specific number of articles (traditional or new media) from New York initiative.
6. Achieve a specific number of articles in Texas travel and leisure media market.

Strategy 6. Develop and Implement Plan for Marketing City Internationally

The focus of this strategy is to develop and implement a plan to market the City internationally and focus initiatives on UK, Australia, China, Japan, Mexico and exploration of Brazil upon further research.

Action Items for Strategy 6

1. Develop and implement message strategy to showcase City as destination to targeted international markets.
2. Develop comprehensive marketing plan to target messages for specific international markets to communicate City as destination in terms of value.
3. Develop strategy to address specific needs of international marketplace Attend International Pow-Wow in 2011 to be held in San Francisco to build awareness, solidify relationships and develop expanded product to generate traffic and new tour bookings as well as increase international media coverage.

4. Pursue contacts attending International Pow-Wow to encourage travel professional visits to Beverly Hills.
5. Identify relationship with international airlines for potential partnership opportunities to extend reach and receive halo effect from well-known international brands.
6. Leverage on LA Inc. and California Travel and Tourism Commission (CTTC) initiatives in target markets such as (i) sales missions; (ii) representation; (iii) promotion; and (iv) Fams (familiarization tours).
7. Create in-language landing pages and provide downloadable translated collateral pdf on website.
8. Explore strategic relations with tourism bureaus in target markets.

Metrics for Action Items for Strategy 6

1. Measure and analyze action items by analyzing year over year visitor traffic and dollars spent Achieve specific number of familiarization tours by summer 2011.
 2. Achieve specific number of downloads for international collateral material.
 3. Achieve specific number of website visits from international clientele.
 4. Achieve specific number of meetings with travel professionals and new and existing partners at PowWow.
 5. Achieve specific number of inclusions of Beverly Hills in tour programs by international operators.
6. Measure and analyze origins of international visitors in order to focus marketing strategy.

Strategy 7. Upgrade Online Presence as Key Vehicle for Marketing City.

The focus of this strategy is to launch a new CVB website and to implement a comprehensive electronic media strategy to promote the City as a destination for shopping, entertainment, dining and hotels.

Action Items for Strategy 7

1. Develop a new website to enhance visitor destination marketing to Beverly Hills. Development of website is to focus on ease of use as well as expanded functionality and shall include (but not limited to) the following:
 - new graphics to create a new look and feel for site that reflects the Beverly Hills brand;
 - design optimal navigation to ensure customized experience for user;

- develop homepage real estate to support local partners and generate revenue for ad placement;
 - maximize search engine optimization (SEO) by ensuring that website and its content is relevant for both search engines and searchers through utilization of proper coding and usage of well known key phrases;
 - expand functionality of website;
 - implement cutting edge content management system, which will allow immediate updates to digital properties and text; and
 - create efficient online image library to eliminate manual fulfillment and better utilize staff resources.
2. Develop marketing campaign for promotion of new website and to increase traffic.
 3. Build and implement a complementary consumer ecommunication strategy to expand database.
 4. Build and implement a comprehensive electronic strategy utilizing social media to drive traffic utilizing a low or no cost communication infrastructure.

Metrics for Action Items for Strategy 7

1. Measure impact of new website in terms of number of visitors who visit the website to book hotel rooms, visit Beverly Hills and dine and shop in the City.
2. Collect consumer email addresses to continue to update database.
3. Measure impact of social media strategy through blog mentions and influencer fans, followers and views.

Strategy 8. Improve Collateral Offerings.

The focus of this strategy is to improve the CVB's collateral offerings to ensure that the message that Beverly Hills offers a visitor many more choices than just dining, entertainment, shopping and hotels.

Action Items for Strategy 8

1. Review existing collateral and determine whether existing material meets the objectives of CVB's marketing plan.

2. From such review, identify and develop new materials to achieve the objectives of the CVB's marketing plan.
3. Develop brochures, , maps, walking tours and other innovative new collateral to keep Beverly Hills current and fresh in order to drive traffic to City and achieve new visitors to Beverly Hills as the destination for shopping, entertainment, dining and hotel stays.

Metrics for Strategy 8

1. Creation of new collateral as identified above and analysis of the newly created collateral.

Strategy 9. Assessment and Evaluations of All Activities

The focus of this strategy is to provide a method whereby the CVB will regularly assess and evaluate its activities under the various strategies and the marketing plan.

Action Items for Strategy 9

1. The CVB will review and assess its strategies every quarter and provide a comprehensive report to the City's Deputy City Manager of Public Affairs.
2. The CVB will expand and provide more specificity for the metrics as set forth herein so the programs can be evaluated based on available data.

Task 2. Develop Comprehensive Marketing Plan

Within six months of the execution of this Agreement, the CVB shall provide City with a comprehensive Marketing Plan that incorporates (at a minimum) the strategies and action items set forth above and also expands upon those strategies and action items, provide metrics to quantify return on investment, provide time-frames for accomplishing the action items and tasks, list deliverables for each strategy.

Task 3. Quarterly Meetings

Within three months of execution of this Agreement, the CVB shall designate a committee or group of Board members who, along with the CVB Executive Director, will meet quarterly with the City Council Liaison Committee to review the CVB Marketing Plan and progress to date, as well as provide an overview of new developments and initiatives.