



STAFF REPORT

Meeting Date: October 18, 2011
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager
Megan Roach, Marketing and Economic Sustainability Manager *MR*
Subject: Recommendation from the Holiday/Special Events Liaison Committee Regarding a Proposal from Swarovski Elements for Holiday Décor on Rodeo Drive
Attachments: 1. Swarovski Elements Presentation – “Let It Sparkle” Activities
2. Letter from BHCVB Regarding *Sparkle 90210*

INTRODUCTION

This item provides a proposal from Swarovski Elements for holiday décor on Rodeo Drive as part of the City’s 2011 holiday program.

DISCUSSION

The Holiday/Special Events Liaison Committee (Mayor Brucker and Councilmember Bosse) have met over the past several months to discuss the City’s 2011 holiday décor program. On September 8th, the City Council approved an agreement with Utopia Entertainment, Inc. for décor elements to be installed throughout the city that will complement the Swarovski décor program planned for Rodeo Drive. Utopia Entertainment is a full service design and production company that creates and develops ‘turn-key’ themed entertainment and décor programs, special events, and attractions.

On September 19th, Swarovski presented the Liaison Committee with a proposal of holiday décor elements for this year’s program on Rodeo Drive. Swarovski is partnering with the City of Beverly Hills to create an amazing holiday décor and shopping experience on Rodeo Drive with the key motto: “Let It Sparkle”. The proposal from Swarovski is included as Attachment No. 1 to this report. The City anticipates a three-year partnership with Swarovski for this program.

Swarovski is the brand name for a range of precisely-cut crystal and related luxury products produced by Swarovski of Austria. In 1895 Daniel Swarovski founded the company in Wattens, Tyrol, Austria, with the vision of bringing joy to people through

crystal. Swarovski's product range includes crystal glass sculptures, jewelry and couture, home decor, and chandeliers.

Swarovski also has a long-standing history of partnering with companies and municipalities for crystal inspired holiday décor. In 2004, Swarovski created a 9-foot-diameter, 550-pound star to top the Rockefeller Center Christmas Tree in New York City. They have also designed crystal-covered Christmas trees for the Toronto Eaton Centre, a large shopping mall in downtown Toronto, Ontario, Canada and the Zürich Hauptbahnhof, the largest railway station in Switzerland.

Swarovski Holiday Décor for Rodeo Drive Key Program Elements:

- Crystal Décor on Rodeo Drive – Swarovski has hired David Rodgers, a Los Angeles based designer, to design and construct five metal and crystal helix sculptures for the Rodeo Drive medians (one on the 200 block, two on the 300 block, and two on the 400 block) with lighting and electronic tickering for three of the sculptures. Individuals can send holiday greetings via text message and Twitter and the greetings will be displayed on the helix ticker tape. Swarovski will also install crystal strands on the palm trees in the Rodeo Drive medians to complement the crystal helix sculptures.
- Light Pole Banners – Swarovski has designed “Let It Sparkle” artwork for new light pole banners for Rodeo Drive and the City’s other commercial areas. Utopia Entertainment will bid and manage the contract for the fabrication and installation of the banners through its agreement with the City.
- Décor Launch Event – The holiday crystal décor on Rodeo Drive will be unveiled on November 21, 2011, in the presence of the Mayor and City Council, celebrities, press, and partners.
- Communication Material – Swarovski will launch tools dedicated to informing visitors and shoppers about activities on Rodeo Drive to generate traffic at partners’ stores.
- Press and Online Activities – Swarovski has hired a public relations firm that specializes in internet, social media and mobile applications to create an interactive experience on Rodeo Drive.
- In-Store Décor – Swarovski is working with the Rodeo Drive retailers to maximize exposure and the patron shopping experience by creating unique, crystal couture gowns and other décor customized for each partner’s store.

In addition to the Swarovski décor program, the Beverly Hills Conference and Visitors Bureau (BHCVB) will host a variety of fun holiday activities that will help drive traffic and revenue to the Golden Triangle throughout the month of December. The evenings, titled *Sparkle 90210*, will feature sparkle lighting effects and snow at Two Rodeo and Beverly Canon Gardens Park. The BHCVB has provided a letter with more information on *Sparkle 90210* and it is included as Attachment No. 2 to this report. The full proposal will be presented to the Holiday/Special Events Liaison Committee in November.

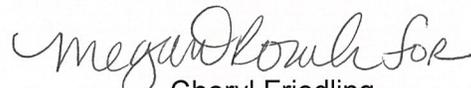
FISCAL IMPACT

For Fiscal Year 2011/12, the City Council designated \$450,000 of the tourism and marketing budget for holiday décor and special events. Staff is preparing an agreement with Swarovski Elements in the amount of \$225,000 for the November 3rd City Council meeting. Of the \$225,000, the City's base contribution is \$180,000. The Rodeo Drive Committee requested that \$45,000 of City funding that they were allocated at the beginning of the fiscal year (but have not yet spent) be redirected to the Swarovski program thereby increasing the City's contribution to \$225,000. This combined with Swarovski's contribution of \$400,452 in funding and services, brings the total budget for the Rodeo Drive holiday program to \$625,452. It should be noted that several of the décor-related costs are one-time, upfront costs, since the City anticipates a three-year partnership with Swarovski for this program.

In addition to the agreement with Swarovski Elements, the City Council approved an agreement with Utopia Entertainment, Inc. for \$270,000 and Amendment No. 1 is included on this evening's formal agenda for \$63,276, for a total of \$333,276 in décor for the City's other commercial areas to complement the Swarovski program on Rodeo Drive. The additional funding required for Amendment No. 1 will be charged to remaining fund balance from Fiscal Year 2010/11. Thus, the City's total contribution for this year's holiday décor program is \$558,276.

RECOMMENDATION

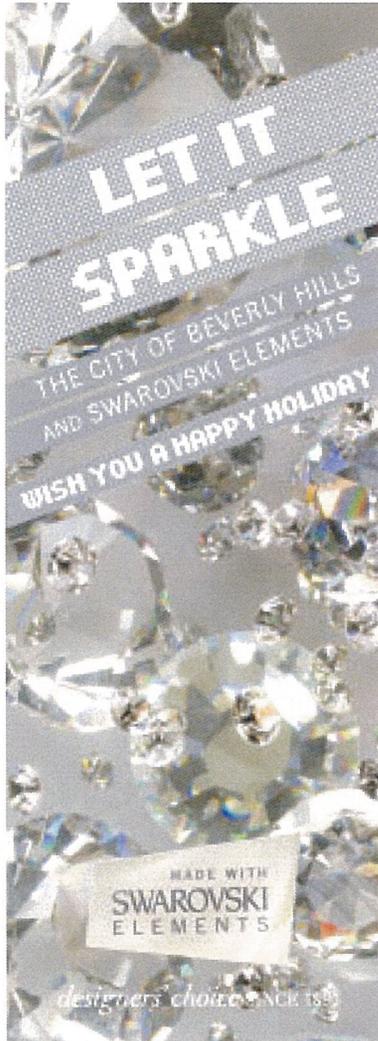
It is recommended that the City Council approve Swarovski's holiday décor proposal for Rodeo Drive as outlined in this staff report.


Cheryl Friedling

Approved By

Attachment 1

RODEO DRIVE – PROJECT OVERVIEW



designers' choice SINCE 1895

SWAROVSKI ELEMENTS partners with the City of Beverly Hills to create an amazing Holiday shopping experience on Rodeo Drive with one key motto: “LET IT SPARKLE”

The program include the following elements:

- **Crystal Décor on Rodeo Drive:** 5 helix structures displaying ticker tapes to allow visitors to send Holiday greetings on Rodeo Drive
- **Launch Event:** Unveil ceremony of the décor and cocktail reception with selected guests
- **Press Activities:** Promotion of the project and participating brands through all media channels
- **Communication Material:** Tools dedicated to inform visitors and shoppers about activities on Rodeo Drive and generate traffic at partners’ stores
- **Online Activities:** Use internet, social media and mobile apps to create an interactive experience
- **In-store décor:** Maximize exposure and shopping experience with unique crystal décor customized for each partner’s store

SWAROVSKI ELEMENTS

RODEO DRIVE – LAUNCH EVENT

The Holiday crystal décor on Rodeo Drive will be unveiled on November 21st



- Unveil ceremony in presence of Beverly Hills mayor, celebrities, press & partners: **November 21st around 7pm**
- Plans to close the 200 block for ceremony
- Cocktail Reception for selected guests with music performance: **November 21st**
- Save the Date for unveil ceremony & cocktail reception (time & location will be disclosed in Save the Date): **Email on October 17th**
- Invitations will be mailed on **November 7th**

designers' choice SINCE 1926

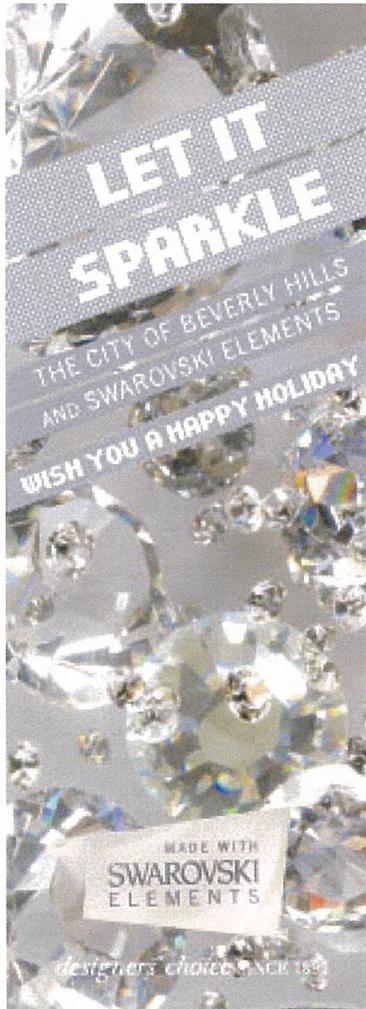
SWAROVSKI ELEMENTS

RODEO DRIVE – PRESS ACTIVITIES

The press strategy to support the SWAROVSKI ELEMENTS décor program and promote partners participating to the project includes several elements:

- Teaser presenting the crystallized designs from SWAROVSKI ELEMENTS partners and the crystal décor on Rodeo Drive: **Starting August 2011**
 - Promoting crystallized designs from participating brands on Rodeo Drive with leading fashion magazines: **August – December 2011**
 - Filming TV Segments for KTLA Morning News show with special focus on crystallized designs from partners: **1st segment (5 minutes) November 15/16th**
 - Press dinner with key fashion editors: **November 16th**
 - Unveil of crystal installation on Rodeo Drive, presentation of crystallized designs & in-store décor and cocktail reception: **November 21st**
- Partners having provided crystallized designs can participate to press activities. Additional items can be shipped to Swarovski NYC office (address p11)**

RODEO DRIVE – COMMUNICATION MATERIAL



SWAROVSKI ELEMENTS has developed different communication tools to promote the project and its partners:

→ Holiday Guide distributed to end-consumers, press and surrounding hotels guests including a map featuring all participating brands

→ Partnership with Beverly Hills Conference & Visitors Bureau to advertize the project and its content with travel agents and inform LA visitors & shoppers

→ Banners installed throughout Rodeo Drive and key neighboring streets (see artwork on the left)

SWAROVSKI ELEMENTS

designers' choice SINCE 1895

RODEO DRIVE – ONLINE ACTIVITIES

**Online activities support two key objectives:
advertize the project & create an interactive experience for shoppers and visitors**

Advertizing & Bloggers Reach:

→ Online banner campaign targeting regional media and key social media sites (e.g. Facebook ads): **Starting November 14th**

→ Collaborate with influential bloggers in Fashion, Design, Lifestyle to spread the news about the project and crystallized designs from partners : **November – December 2011**

→ Host local blogger launch event tour & tweet-up with top LA fashionistas (bloggers will be taken to some of the partners' stores to discover designs): **November 22nd**

Interacting with Shoppers & Visitors:

→ Holiday greetings sent via Twitter will be streamed on the ticker tapes built on the crystal helix structures on Rodeo Drive: **Starting November 21st**

→ Tab on SWAROVSKI ELEMENTS Facebook account will provide regular updates and information about partners and activities to create excitement throughout the Holiday season: **November – December 2011**

RODEO DRIVE – ONLINE ACTIVITIES

Incorporating new technologies with a unique mobile app to drive traffic on Rodeo Drive

Create a virtual platform to discover and try on designs made with SWAROVSKI ELEMENTS and drive traffic to partners' stores

- It is a promotional tool targeting a **specific location** (the app only works on Rodeo Drive) that places **virtual items in a real-world shopping area**
- **Free app** for smart phones to feature **all crystallized designs available at partners' stores** on Rodeo Drive.
- The crystallized designs will appear “floating” next to each partners' stores, inviting shoppers to try them on virtually on their smart phones
- To generate in-store traffic, **SWAROVSKI ELEMENTS provides a crystal gift with purchase** to brands participating to the project. Shoppers can redeem their gift in-store by showing the app when completing their purchase of crystallized items
- Free app to be available for download on Apple store beginning of November
- **Each partner to confirm participation to Gift with Purchase activity by October 17th**

RODEO DRIVE – ONLINE ACTIVITIES

Example:



Flip through crystallized designs sold at partners' stores

Select and try-on the items of interest

Crystal Gift with Purchase to redeem at partners' stores

designers' choice SINCE 1895

SWAROVSKI ELEMENTS

RODEO DRIVE – IN-STORE DECOR

Maximize participation to project & increase visibility with crystal décor

→ Each brand partner has been contacted to create in-store crystal décor with different items (crystal strands, vinyls, crystal dust, POS material, etc)



Example Crystal Strands

→ To ensure timely delivery, last orders for POS material to be placed by October 10th

designers' choice SINCE 1824

SWAROVSKI ELEMENTS

RODEO DRIVE – KEY DATES

Key Dates – Activities:

- Start Online Ad Campaign: **November 14th**
- Filming 1st TV segment: **November 15/16th**
- Press Dinner: **November 16th**
- Unveil & Cocktail Reception: **November 21st**
- Bloggers Event: **November 22nd**

Key Dates – Requirements from Partners:

- Confirm & Send selected designs to Swarovski NYC office: **October 10th**
- Confirm orders for POS material: **October 10th**
- Confirm Gift with Purchase: **October 17th**
- Confirm Attendance to Unveil & Cocktail Reception: **Email Save the date October 17th**

Attachment 2



CONFERENCE &
VISITORS BUREAU

Love Beverly Hills

October 10, 2011

Mayor Barry Brucker and
The Beverly Hills City Council
435 N. Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Brucker and Members of the City Council:

Beverly Hills Conference and Visitors Bureau (BHCVB) would like to take this opportunity to make you aware of exciting plans underway for the 2011 Holiday Season.

This year BHCVB will be planning to host a variety of fun Holiday activities that will help drive traffic and revenue to the Golden Triangle Thursday and Friday nights from 5-8 pm throughout the month of December. The evenings, titled **Sparkle 90210**, will feature sparkle lighting effects and snow at Two Rodeo and Beverly Canon Gardens, horse and carriage rides throughout the Triangle with proof of purchase from the corresponding evening, and performances strategically located in the city by the Beverly Hills High School Madrigals, professional "Glowstringers," and street performers. Stores throughout the city will be invited to stay open until 8pm on **Sparkle 90210** evenings, and the first 100 stores to sign up will be provided with a "Sparkle Survival Kit" featuring special lights that can be placed in the windows and throughout the store to tie-in with the effects. BHCVB will also be working with Beverly Hills restaurants to create tie-in promotions that fit the theme.

The budget to execute **Sparkle 90210** is estimated to cost BHCVB approximately \$140,000 including operations and materials as well as a robust local marketing campaign to build awareness. It is the hope of BHCVB that additional resources could be made available from TOT to help underwrite 50% of these costs. We are in the process of working with City Staff to set up a time with City Liaisons in November where we can present a formal work plan and budget. We look forward to sharing more detailed information with you shortly.

Best regards,

Julie Wagner
Executive Director
Beverly Hills Conference and Visitors Bureau

cc: BHCVB Executive Committee