

Advertising and Co-op Marketing Subcommittee Meeting Minutes 4/14/2008

Commissioner Bilby called the meeting to order at 3:00 p.m. Roll was taken and the following Commissioners were present: Commissioner Bilby and Zucker. Others present were: Executive Director Beteta, Lynn Carpenter, Susan Wilcox, Antonette Eckert, Matthew Sabbatini, Amanda Font, Joanne Sullivan, Shawn Fischer, Dave Mering, John Mergen, and Tammy Haughey.

Executive Director Report

Caroline Beteta explained that all Commission meetings must abide by the Bagley-Keene Open Meeting Act, which states "It is the public policy of this state that public agencies exist to aid in the conduct of the people's business and the proceedings of public agencies be conducted openly so that the public may remain informed." According to the Meeting Act, Commissioners must be physically present at a publically noticed location. Notice must be made available on the Internet at least 10 days in advance of the meeting, and shall include a specific agenda for the meeting, containing a brief description of the items of business to be transacted or discussed in either open or closed session.

Co-op and Marketing Partnership Update

Antonette Eckert discussed the nature of Co-op's and explained that the program is in line with the California brand and effectively aligns with CTTC's brand strategies. For the past couple of months, a survey was distributed and phone calls were made regarding our Marketing Partnership programs. Findings showed that constituents expect more out of the program because CTTC has a larger budget.

Definition of Co-op: A cooperative relationship entered into for mutual benefit between the CTTC and another organization(s) and which directly supports CTTC's missions.

Strategic Alliance programs are measured for their incremental ability to drive travel to California through the following metrics: SMARI Advertising Effectiveness and ROI studies.

4 criteria for brand pillars: 1) financial commitment, 2) brand development to extend the California brand and attitude, 3) research driven by research findings for designated area of need, 4) branding must be statewide and/or industry wide.

Commissioner Zucker suggested that we should consider increasing the contribution for the strategic alliances. Currently, the program outlines a minimum buy-in (either cash or in-kind) of \$750,000 over 3 years. If you have a 3 year contract, it would only amount to \$250,000 a year. Executive Director Beteta's fear is that it will be difficult to build other strategic alliances if we bump up this amount. Footnote that we continue the agreements that are preexisting and any exceptions can be made by the Commission.

Southwest Synopsis: Since February 2008 of the year, the March flown result has gone up 11.1 percent into Oakland and San Jose. This helped Southwest launch SF as well as Denver into

California markets. Trend shows that future booking in San Diego is projected to increase by 15.9 percent.

Guidelines of a Marketing Partnership

1) Program contribution– 3:1 industry to CTTC contribution, 2) Brand Alignment – program must align with goals and brand pillars (listed above), 3) Integrated Communications – multimedia messaging must reflect the overall branding (print, online, travel trade, PR direct mail, etc), 4) Scope – must be statewide and touch a broad demographic rank so that it is viable for all levels of participation (i.e. - DMOs, assessed and non-assessed businesses).

Culture Heritage and Ethnic Diversity was an insert in Travel and Leisure. The stakeholders were all from urban areas, except the Sacramento area. If the commission wants to fund this program, it should be in the line item.

CMG Inside Scoop: The CMG Inside Scoop was written from an insider's perspective. Currently, the program contribution is 3:1. Integrated communication includes print, online, direct mail, mix of DMO's, etc. Last year to this year, partners increased from 23 to 40. The overall take away from the online study is that that print is moving online. It was suggested that CTTC support an element of this program on the web.

2008-09 Preliminary Plan

Tammy Haughey from Mering provided an update on the new Wine and Food Initiative. In the last fiscal year, the program has evolved to put new messaging platforms in place. The new Wine and Food initiative drills in a deeper message beyond the brand, which people are already familiar with.

In both the wine and food and brand arena, Mering worked with publishing intities to develop on-line content for website and put in place some relationship that helps secure celebrity talent for TV spots. They are planning to expand the shoulder season to drum up business for the year. Goals are to dredge deeper into the trip types to help layer messaging in certain markets. This comes to play mostly on-line.

Update on Economy: Across all segments, people are being conservative, but the forecast is still in the positive numbers. However, occupancy is projected to go down by 1%. People are still traveling, but are looking at trips based on value and affordability. Travelers are sticking closer to home. Affluent travelers are not traveling overseas so much.

Media Objectives: Consumer driven approach to drive interest, investigation. 1) Think like consumer-to understand who they are, 2) break out of the pack, 3) drive brand and business success, 4) provide year around support with emphasis on the shoulder season

Generation "C"(C = Content): Generation Content refers to those who are not only providing content, but are also looking for content. Confident and curious, Generation "C" are the leaders to share and gain information, are avid researchers, brand centric, and tech savvy.

This year's media idea is "Living Large": Travelers want experiences that match their lifestyles and consider California as a "luxury heaven." We are letting them know that CA has everything they want to "live large."

"Living Large Comes to Life in TV"—ex: Golf with CA style, Nightlife, the Fuel Network (for adventure sports). Also, would like to bring this concept to the food channel, travel channel, E-news, Style Network, and 2009 Dream Home (which will help showcase ourselves at the national level and help cross-promote).

FLOW CHART

National Cable gives us the most positive reach—mid to end of September time frame. Between September to November we are only running Snow Spots and Wine & Food.

It was suggested to have a 0:20 second campaign spot and then a 0:10 spot at the end. The "Call to Action" would create an immediacy to come visit California. Further discussion needs to be made to determine the terms around this idea and how different areas could potentially participate.

MAGAZINES

Two-page insertions will run in magazines such as Travel and Leisure, Food and Wine, Wine Spectator, GQ, Gourmet, and Vanity Fair. Bridge the insertions to not duplicate efforts.

CANADA STRATEGY SHIFT

Mirror strategy on domestic level to be ready in mid-September because there is a commanding level during this timeframe.

INTERNATIONAL

To be discussed at a later date.

PUBLIC COMMENT

None.

ADJOURNMENT

Meeting adjourned at 5:15 p.m.