Advertising Co-op Committee Meeting
Omni Hotel, Los Angeles, CA
May 19.2008

Commissioner Bilby called the meeting to order. Roll call was taken and sign in sheet was passed around.

Caroline Beteta made opening remarks: Explained new meeting protocol and that all meetings will need to be compliant with the Bagley Keene Act. Because of how large we are, it is important to make sure that we are open to the public. Roll call will be taken, time for public comment given as well as being more formal due to the regulations. It was advised to let Commissioner Bilby know if you are not getting your meeting notices in time. Going forward, to participate on a call you will have to be in person at the meeting location. Fundamental change gives the advantage of being able to look at the committee face to face with input/feedback.. This act requires us to hold to specific restrictions.

Exciting proposal coming in from BBC and will be discussed later in the meeting.

FY 07/08 Updates:

Tammy Haughey from Mering reviewed the California Snow initiative and went thru the different phrases as well as the changes that were made. Also advised the shoot with the governor went very well.

Lynn Carpenter gave highlights on the wine and food committee aspects. She advised that there will be a project with Bravo involving the television show “Top Chef”. There will be more work on the web but at this time not sure if “Top Chef” will be included in the web portion.

Lynn explained that the plan is to do more on the international expansion and support which will enhance the stay of visitation.

FY 08/09 Domestic Work plan and Budget Review:

Tammy Haughey gave feedback that they are seeing momentum with the overall plan and that it is doing exactly what it is suppose to do which is to give the “California attitude”. California insider was launched which gives an insight to the state as well as other things to do. As far as the economy, research shows that consumers feel that we are already in a recession yet projections are not all that bad. Tia reports that the numbers are not decreasing significantly. People are downsizing their vacations but we are looking at the opportunities of people traveling closer to home because projected sales indicate that

travelers will be sticking closer to home and not traveling that far. California is a very strong travel brand.
The goal is to stimulate travel. There is a desire to incorporate and stimulate economic environments. Mentioned they would like to utilize SAMARI research to see the numbers.
Reviewed the three idea options for the website and what it has to offer.
As far as the print piece, looking at including the events and specific reasons to act now and in the television piece, looking at ways to put a ten second spot on a robust drive to the website and will open it up for dialogue on how to expand.

Greg Carson from Mering reviewed the different ideas and explained each. The first idea was the work spot which is a generic idea of all of the ideas put together and uses big events with a timeframe that gives specific activities of what can be done.

The second idea viewed the web spot which is a huge drive to go to the web as a great planning tool to plan your trip to CA.

The third idea takes the icons and customize to specific areas and places.

Commissioner Bilby clarified the only time we really co-op is with an opportunity such as Southwest. The initial question around participating with co-ops was “should we do it or should we do specific places”. She also explained that we could co-op on the media dollars (discounts) or with actual money.

Lynn Carpenter advised we have $700k for co op projects set aside and would like to know if we want to extend that into something bigger.

Tammy Haughey from Mering advised that the spots are running in the 7 larger markets

Mark Mears commented that the first idea one seem kind of 90’s compared to the others that give more of what people are looking for and felt that it would be great if there was a way to merge them together opportunity

Howard Pickett commented that it seems as though version two is more workable and says that there is always something new going on with the web and more convenient to people working with it around their convenience.

Commissioner John Wagnon mentioned that people are always looking for something new and exciting to do.

Denise Miller from SMARI stated that there have been many tests of states and California is good with the branding but there is a need to find something that gives people reasons to keep coming to California. She stated that she believes that the second idea is the weakest because if you have to tell someone to go to the website then there is probably nothing there and that idea #1 is the best because it gives more information and also feel that idea # 3 is good.

Woody Peek stated that we will have the ability to leverage more dollars from events by doing a campaign that has a value driven message.

Commissioner Bilby stated that it is real easy to top these things but on fairness to staff there have to be good reasons to do things and choose carefully because many of the projects can be very time consuming.

Comments

1) It was stated that to go down the "event" path would be a long road and wouldn't suggest going down the path of raising money.
2) The notion is that the first twenty seconds is usually to get hooked emotionally and then after there is a need for rationale, "why should I choose to go here for vacation?".
3) There will be a specific retail call to action available.
4) Southwest has an exclusive and the commission is not able to work with any other airlines.
5) Coupons are being utilized for attractions
6) Campaign is more a call to action to get people to move

Commissioner Bilby gathered from conversation that idea number two is agreed upon with changing the option to show what the website can bring because it added value with reasons to go to the website and that the co-op side of it will not be pursued.

John Bergman stated that the objective was to create a breakthrough media plan. Six main strategies were developed and were reviewed as a slide show.

1) Understanding the target audience
2) Media passion points
3) Building a connection plan

   "Living Large", California comes to life.
4) Food channel
5) Fine living
6) Golf show

Reviewed the plans for television, magazine and national Canadian television and gave a delivery cost of about $15 million. (There will be internet dollars utilized but was not shown on due to RFP's). Phoenix, Denver, Seattle, Chicago, Dallas and Houston are the markets that are set to premier.
The national market is losing television audience but is gaining stock market option.

Comments:

1) There is a need to give more weight and trade off with more substance and feels that brand and reach is doing great job but need to look at what can continue to generate travel.
2) There are fourteen weeks of television

3) The change from analog to digital will make some of the best time for sweeps to be moved from February to March
4) They are thinking that the beginning of 09 to make a retail action and push.
5) Every quarter can be demanding on ratings but it just really depends on the market.
6) There is less that is available because the budget is not increasing to keep up with inflation but it was suggested that notes and comments should be reviewed during the Commission meeting on 5/20.

International

Lynn Carpenter introduced Guy Chambers from the UK office and Michael Atwell. Walked thru the program and what UK will be offering on a global level.

60 30-min features
There will be a 6 part series
Will get the BBC distribution both online and media
Will give opportunity for advertising
Pick up distribution, media and web cost (online commercial)

Reviewed the BBC spot.

Michael Atwell stated that he has a home in California and really enjoy it. The idea of the project is to show the world that California is the place that they always thought it was but so much more. The project would like to show the world different aspects of California.

1) Environment
2) Arts
3) Food and drinks
4) Natural world
5) Industry/business /engineering

Stated that he feels that there are more people that would like to hear the issues such as cars that are powered on water that is only a few years away from production but it is difficult to see this type of research.

Comments:

1) The distribution that will be received would be great.
2) Do not know the media value but feel that it will be in the tens of thousands.
3) BBC is going to utilize all for their BBC.com that have over millions of viewers around the world.
4) It is important to know the direct impact and don’t miss the opportunity of marketing.
5) The end of each program will capture the website and will solicit comments and ideas and this will help to do background and data capture.

Commissioner Bilby stated that this is going to truly be a big project not only for BBC but for California. The website is desperate for additional content and this will be a way to fill that.

Lynn Carpenter gave an update on the international market. Reviewed the thirty second spot and the Governor's blooper footage and stated that an agency was hired to refresh the brand in the Japan market because it was outdated.

Matthew Boone with CTTC stated that advertising will run in two phrases in the Japan market. There will be something developed for print and online marketing. MSN and Yahoo took a refreshed approach to stimulate the market and reasons to come back to the market

Leona Reed, with CTTC stated that the work spot was recreated and the UK and found that they understand our humor and responded to our messaging. The work spot was launched on December 26th. Partnered with Hines Media Group and did a study that gave positive results. 63% remembered seeing the spot at least 3 times, 14% wanted to go to our website and get more information. Also found that bookings increased from 50-80%.

UK, Canada-domestic- and Japan are the focus on the plans.

Co-op Restructure
Lynn; reviewed PowerPoint presentation that was previously sent out to everyone. Extending out marketing dollars is what we call marketing strategies. Buy into gourmet and allow people to buy in to those.

1) Financial commitment
2) Brand development
3) Research driven
4) scope

Commissioner Bilby recommended that the commission review plans with the Advertising co-op committee for approval rather than wait for the commission meetings to approve in order to avoid delay.

Public Comment:
None

Meeting adjourned