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California Tourism Advertising Effectiveness Research Phase 1

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**Strategic
Marketing &
Research, Inc.**

Objectives & Methodology

First phase of research measures awareness and initial impact of ads

- **Assess consumer awareness, acceptance & preference**
- **Determine how much ads generated actions – visiting website & gathering information**
- **Gather information during this phase to improve future efforts**

Methodology

- **On-line survey – gathered data weekly to track progress of ads**
 - **During tracking wave 2,407 surveys completed**
 - **In-depth follow-up included 3,274 surveys**
 - **National data collection for tracking, additional focus on key markets during follow-up- national sample with augment of \$75K+ income target**

Measure of travel impact will occur in December 2006

Methodology

Tracking Wave – 2407 surveys

National Population – screened for travel & decision maker

Follow-up Study – Key Markets

Focused on more up-scale households

Western Feeder Markets	\$75K & Up	\$50 - \$75K	Total
Seattle	169	91	260
Portland	176	92	268
Salt Lake City	172	103	275
Denver	161	86	247
Phoenix	174	76	250
Remaining West (magazine coverage)	149	70	219
Grand Total	1,001	518	1519
In-state	518	289	807

Opportunity Markets	\$75K & Up
Texas – Houston, Dallas, San Antonio	306
New York City	300
Chicago	303
Grand Total	909

Campaign Overview

- **National Cable TV**
 - **March – June '06**
 - **Networks: Turner, USA, Bravo, E, Comedy Central, A&E, FX, Fine Living, Travel, Soapnet**
 - **Approx. 420 million ad impressions, 1500 spots**
 - **\$4.4 million**

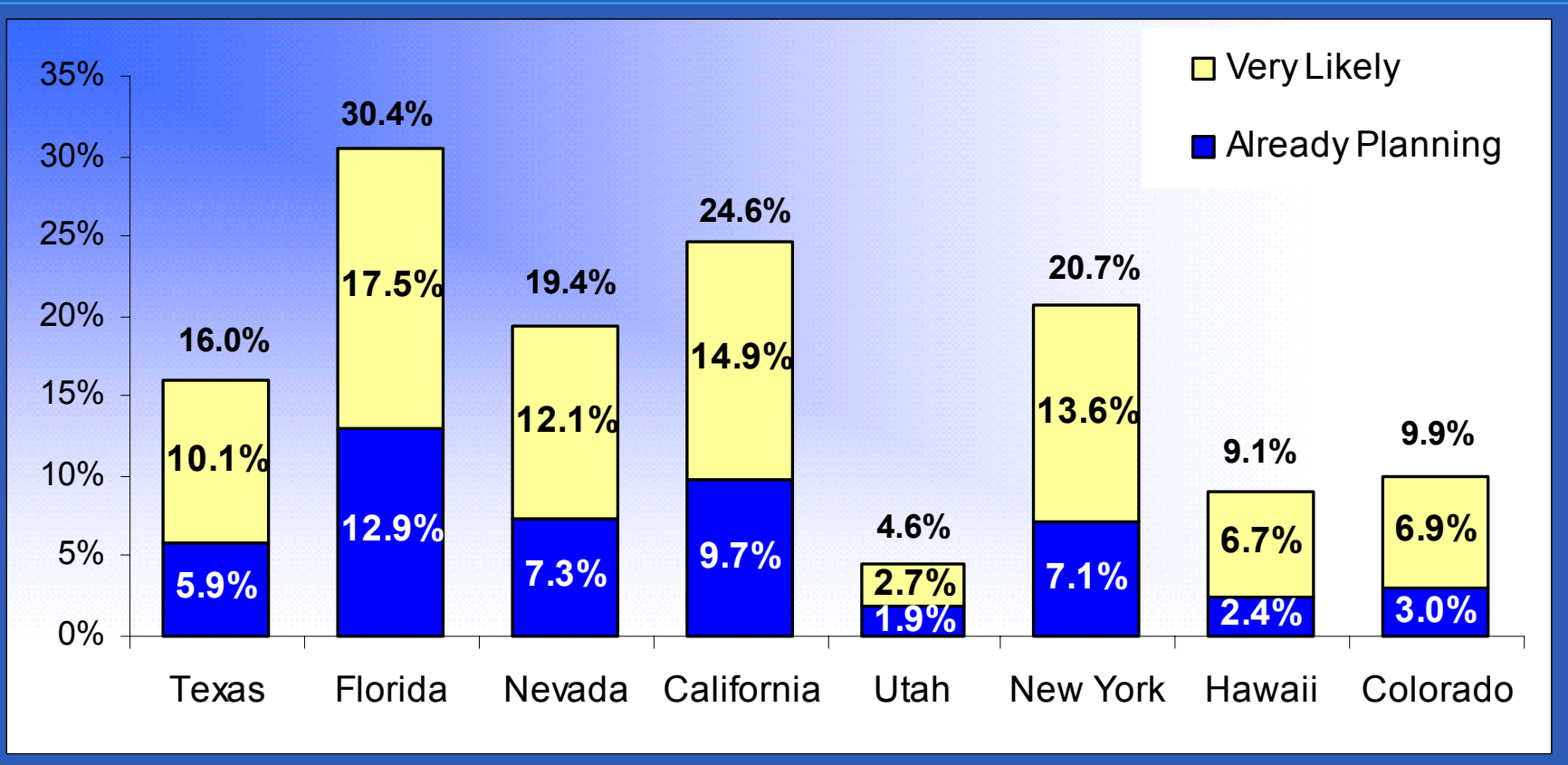


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The Competitive Landscape

Planning to Visit



Likelihood to Visit

Opportunity Markets

Most Likely	Opportunity
New York	43.8%
Florida	41.2%
California	30.1%
Texas	29.9%
Nevada	23.8%
Arizona	14.3%
Colorado	12.3%
Hawaii	9.3%

Remaining Western Markets

Destination	Remaining Western
California	46.0%
Nevada	40.5%
Arizona	30.7%
Colorado	24.7%
Hawaii	15.7%
Texas	13.2%
Florida	8.8%
New York	8.6%

Likelihood to Visit

Western Feeder Markets

Destination	Western
California	48.2%
Nevada	33.8%
Arizona	31.2%
Colorado	27.8%
Florida	14.5%
New York	14.1%
Hawaii	13.9%
Texas	12.2%

In-state Markets

Destination	In-state
California	80.8%
Nevada	47.1%
Hawaii	22.5%
New York	22.5%
Arizona	22.0%
Florida	14.0%
Colorado	10.9%
Texas	8.9%

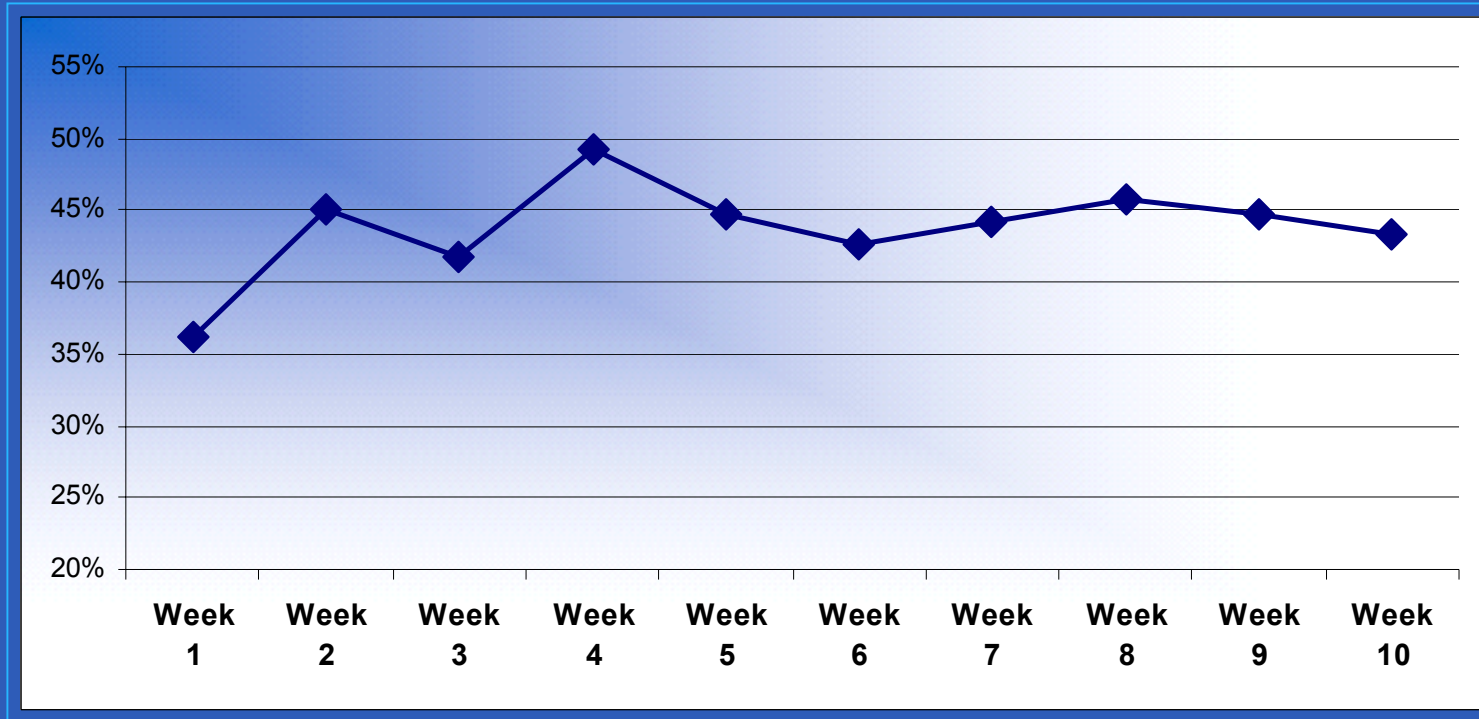


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Advertising Awareness & Creative

Weekly Measures of Advertising Recall

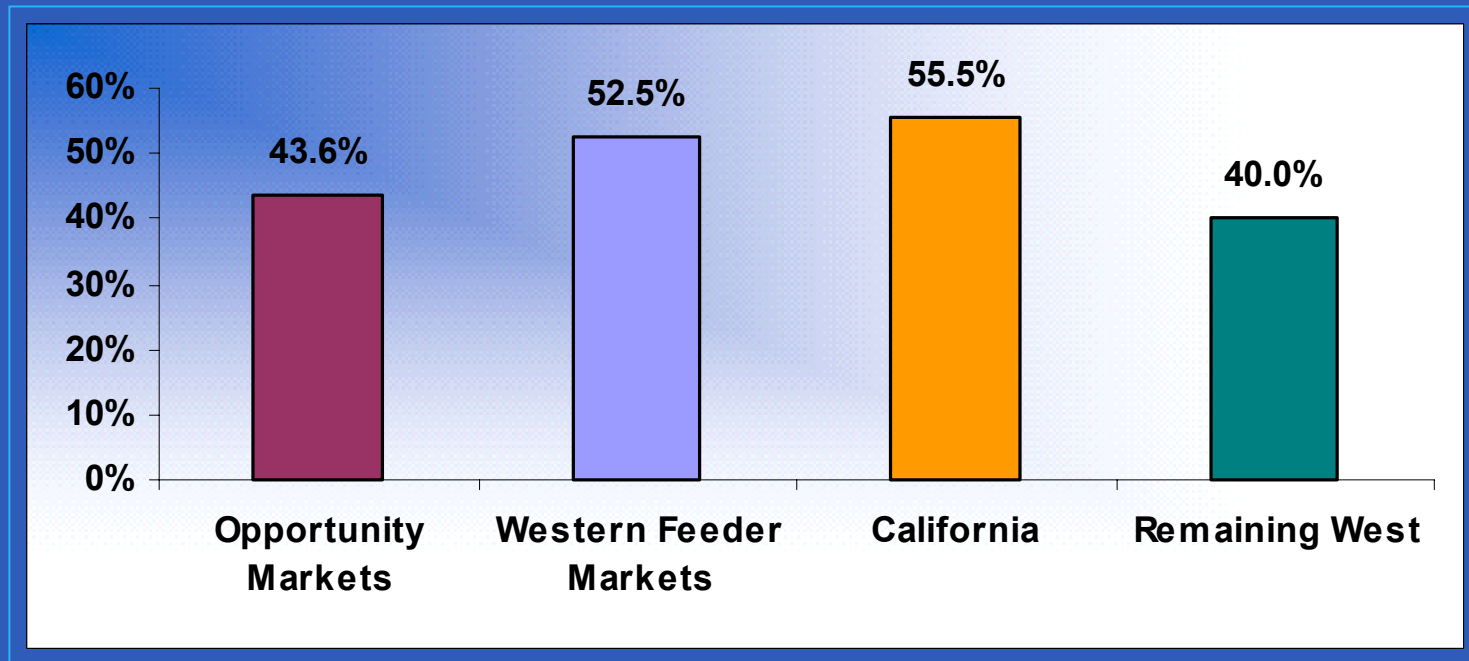


National cable launched March 13th. Surveying started March 20th
Week 1 represents results from week 1 of research

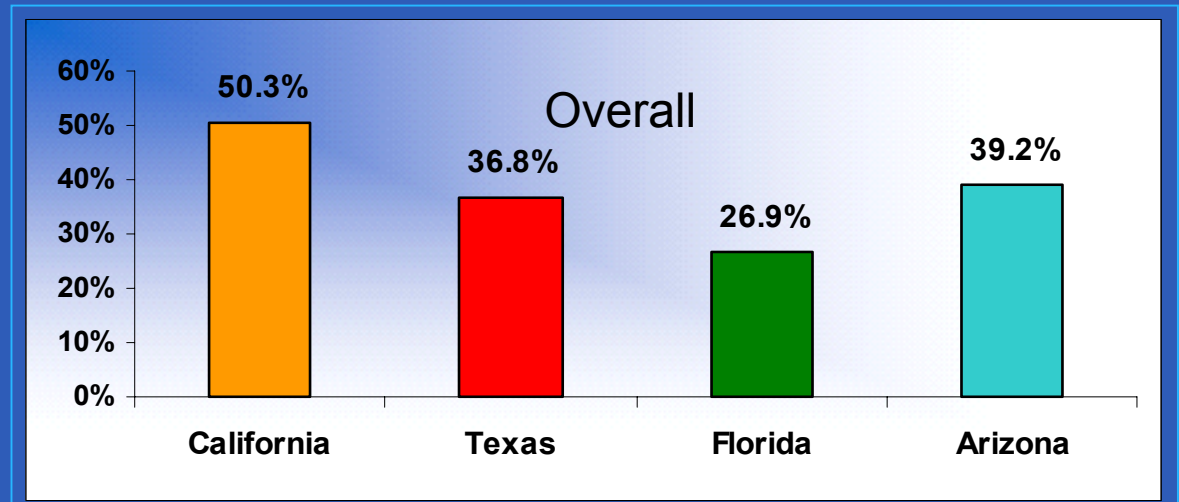
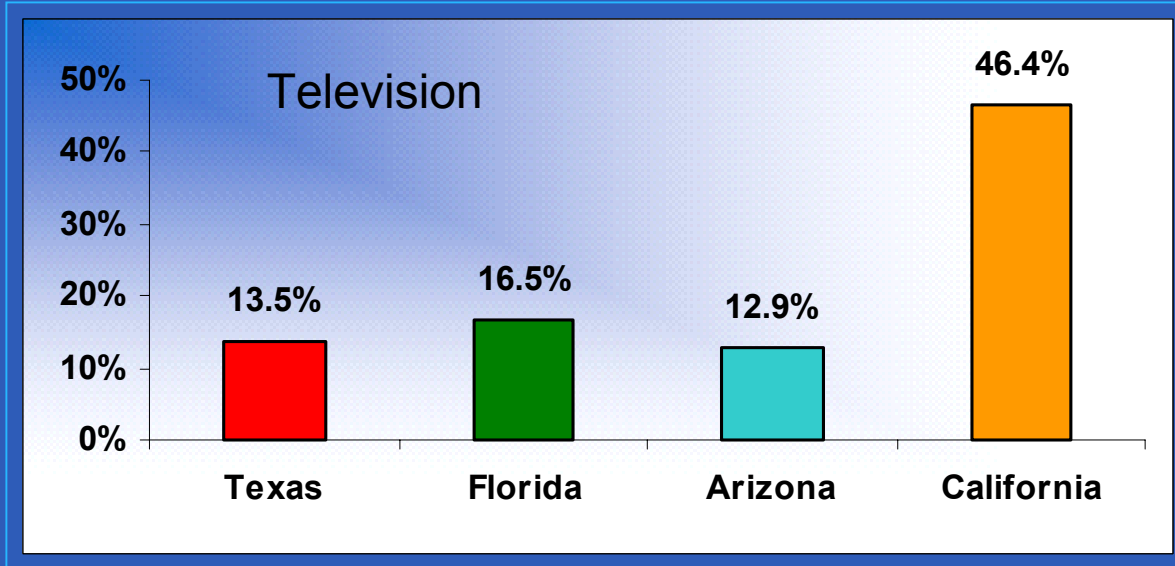
Cost to Reach an Aware Household

	Cost to Generate TV-aware Households		
	CA 2003	CA Overall	CA 75K+
# HHs	3,904,640	82,274,479	18,511,758
Awareness %	64.1%	44.0%	40.7%
Aware HHs	2,502,874	36,200,771	7,534,286
TV costs	\$2,580,748	\$4,400,000	\$4,400,000
Cost per HH	\$1.03	\$0.12	\$0.58

Television Awareness by Market



Advertising Recall



Evaluations of Creative

- After reviewing each campaign, respondents rated the advertising in three categories on a 5-point scale - the *higher* the rating, the *stronger* their agreement with the statement:
 - Makes you more interested in visiting this state
 - Shows experiences & places that you are interested in
 - Shows a unique place with a diverse & desirable lifestyle

Ratings of Campaigns

2006 – Campaigns Rates as a Whole

Ratings for...	CA	TX	FL	AZ
These ads make you more interested in visiting this state	3.4	3.0	3.2	3.4
These ads show experiences & places that you are interested in	3.5	3.1	3.3	3.4
These ads show a unique place with a diverse & desirable lifestyle	3.6	3.1	3.3	3.3
Average	3.5	3.1	3.3	3.4

Ratings of Ads – 2003 vs. 2006

Ratings for...	2003 TV	2003 Print	2006
These ads makes you more interested in visiting this state	4.1	2.7	3.4
These ads show experiences and places that you are interested in	4.1	2.6	3.5
These ads show a unique place with a diverse & desirable lifestyle	4.1	2.6	3.6
Average	4.1	2.6	3.5



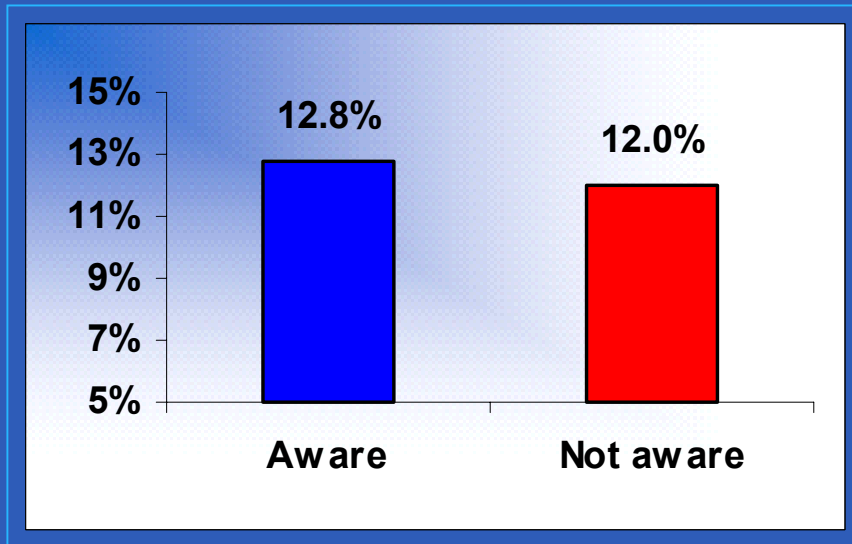
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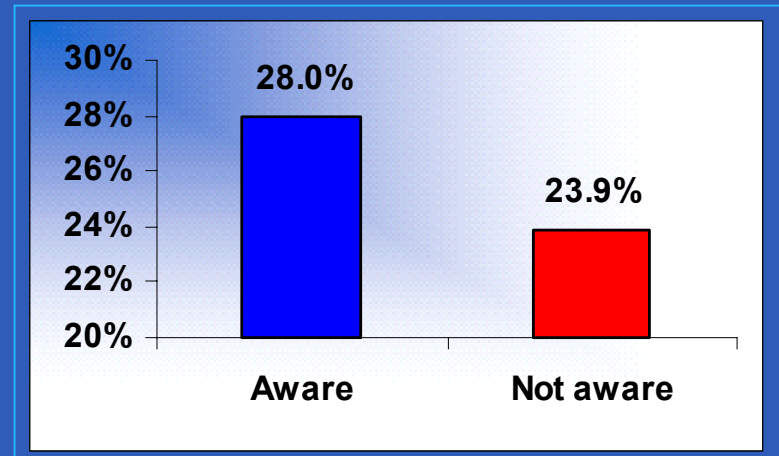
Build Interest & Preference

INTEREST & PREFERENCE

Top of Mind Awareness

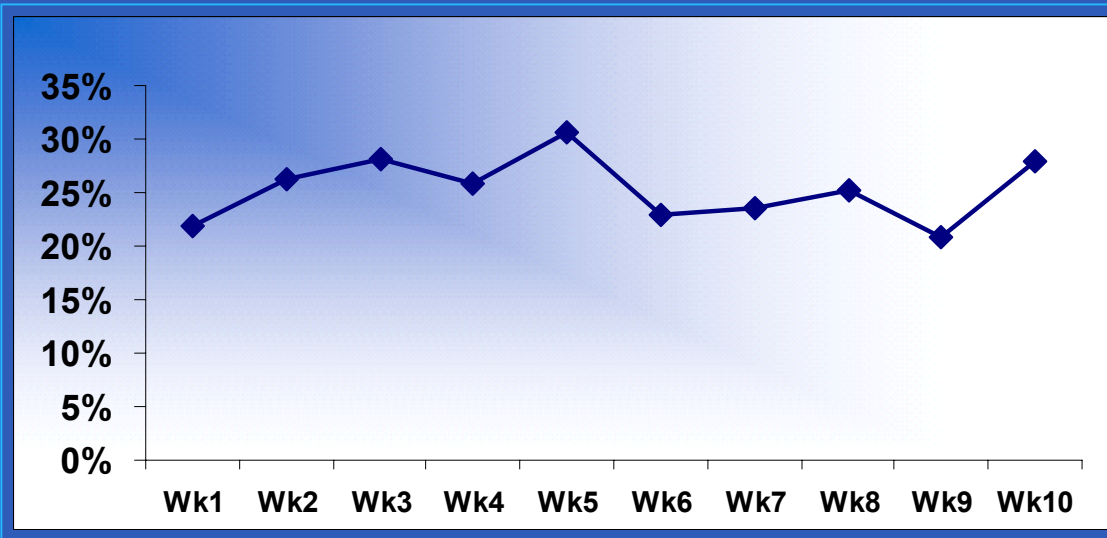


Likelihood to Visit California by Awareness of California Campaign

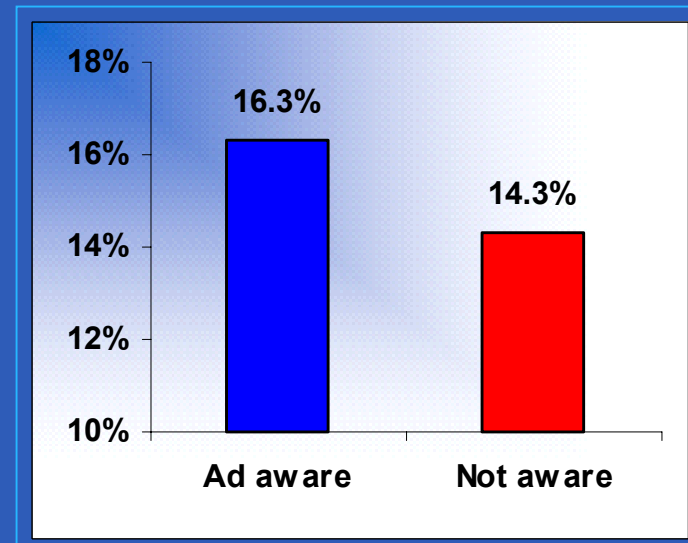


California as Preferred Destination

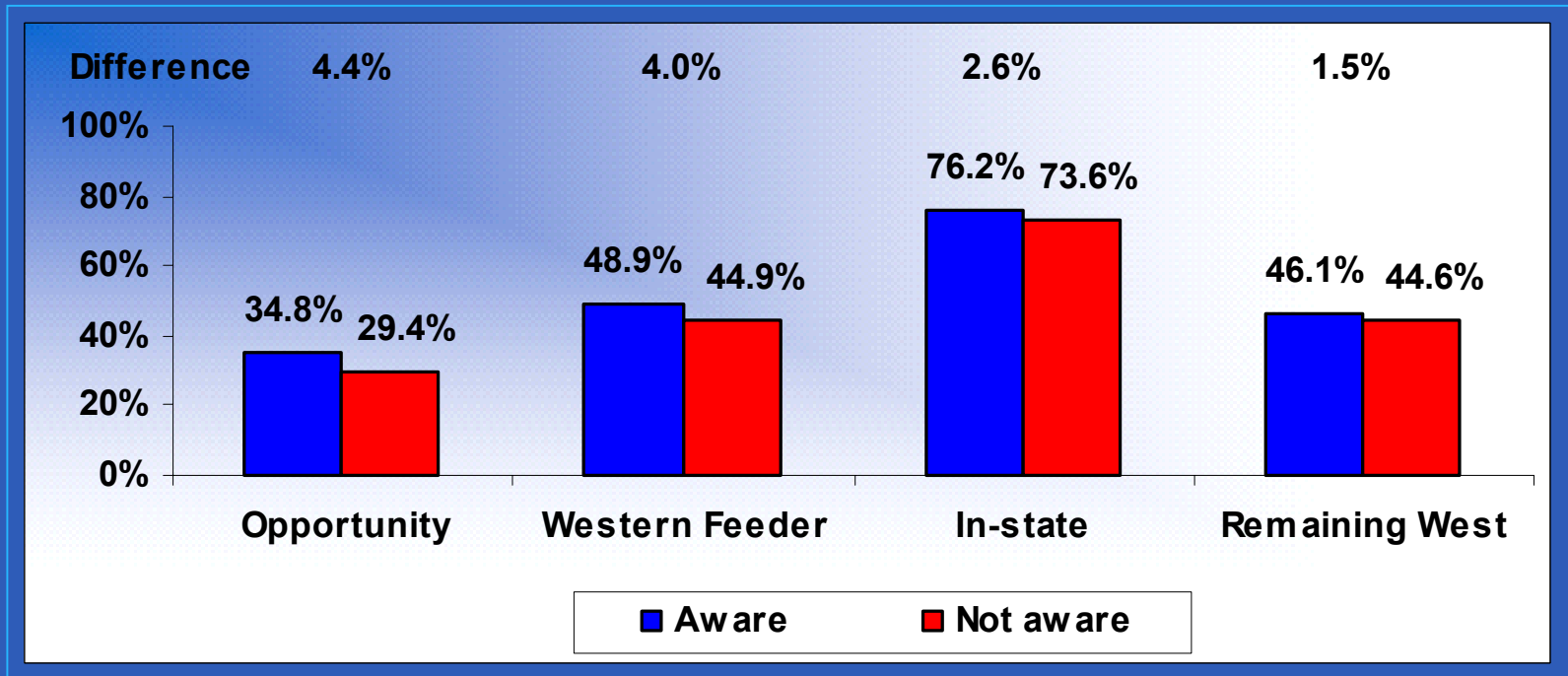
Preference Ratings



California as Preferred Travel Destination



Impact on Interest in Visitation



Impact of Advertising

Gathered information	Visited State Website	Index Compared to Non-aware
Gathered Information about a trip	14.7%	120
Visited Website	11.0%	140
Called state 800#	1.4%	194
Gathered info in some other way	6.1%	132

Number of Ad-aware People that took Specific Action 

Gathered Info	Visited State Website	Called 800#
36,924,229	36,924,229	36,924,229
14.7%	11.2%	1.5%
5,427,862	4,135,514	553,863

36 million represents base of qualified households



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Conclusions & Recommendations

Conclusions

- **California has a strong image as a travel destination, and is the second most preferred destination after Florida.**
- **Total recall is 44%, or 36.2 million households. Recall among \$75K+ is 40% or 7.5 million households. Cable television worked well and should be continued.**
- **Creative remains strong and competitive.**
- **Advertising created stronger top of mind awareness and stronger interest in visiting the state.**

Conclusions

- **The campaign also spurred many people to learn more about the state, specifically among those with advertising recall:**
 - 5.4 Million gathered information about a trip to California
 - 4.1 Million visited a California Website (including the state site as well as specific destination sites)
 - 550,000 Called an 800 number for more information (again this might include specific CVB or attraction sites)
- **Impact seemed to peak after 6 weeks of the campaign**

Recommendations

- **Consider options for targeting the hard-to-reach, high income households. Continue to feed advertising to the Opportunity and Western Feeder markets. A combination of print & TV was successful in the 2003 campaign. It might make sense to consider a print component within these target markets.**
- **The final measure of campaign effectiveness will be the level of incremental travel generated and resultant expenditures. The wide reach of the campaign and the positive reaction to the creative suggest that the results will be quite positive.**