Strategic
Marketing &
Research, Inc.

California Tourism

Domestic Advertising

Spring/Summer 2007

Advertising Effectiveness & ROI Research

Phase 2 Report

January 2008

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BACKGROUND & OBJECTIVES

The California Travel and Tourism Commission has worked since 1996 to increase leisure travel volume and market share of visitors to the state. In 2007, however, circumstances changed significantly. With legislation that assessed higher car rental fees which were earmarked for tourism promotion, the CTT found itself with an influx of resources. In addition to launching major international advertising efforts, a part of the additional dollars was allocated across California's five target markets groups – Primary Domestic, Other Western, Opportunity, Other National and In-state. Though the state had been advertising for several years in these same markets, the additional dollars were used to enhance the reach of the campaign.

Designed to measure not only reach but the impact of this advertising effort, this research was conducted in two Phases. Because travel decision-making is a multi-step process, advertising can influence consumers in myriad ways. The text below outlines each step of the process (on the left) and the "measure" used to evaluate the effectiveness of the state's marketing efforts.

Influence Process		**Measure**
Exposure	→	Advertising Awareness
Messaging	→	Creative Evaluation
Shift in Attitudes	→	Comparative Image Assessments
Build Interest	→	Comparative Interest in Visitation
Generate Travel	→	Incremental Travel

Phase 1 of the research was conducted in June and July of 2007, soon after conclusion of the Spring/Summer advertising campaign. The first four measurements outlined above were reviewed in the Phase 1 report. This Phase 2 report is designed to gauge the effectiveness of California's marketing by its effectiveness at generating incremental travel and, in the end, economic impact and return on investment.

The specific objectives of this research included the following:

- **Measure travel to California and determine the incremental travel** attributable to the ad campaign;
- **Determine the economic impact** of this incremental travel and **calculate the return on investment** (ROI) from the campaign and compare to past efforts;
- **Gauge the impact on each group of target markets** and measure the contribution toward economic impact from each area;
- **Assess differences between market groups** to identify the best targets and the best strategies for increasing travel from different areas;
- Based on the findings, **forward conclusions and recommendations** for refining the advertising efforts.

METHODOLOGY

The methodology that has evolved over the past several years builds on past measures, while also providing a more targeted measure developed by SMARI to link the impact of the advertising to actual travel. To provide comparable measures over the years, the research evaluates the *influenced travel* – the amount of travel among people who recall California's adverting. Additionally, a research methodology developed by SMARI measures the impact of a destination's advertising not by total travel to the state but rather the travel which can be attributed to the marketing – i.e., incremental travel. Because California would receive visitors even if CTT were to stop advertising, the rate of travel to the state by those visitors who were unaware of the campaign is considered the base – any travel by aware consumers above that base is considered incremental and a direct result of the investment made in media.

To assess both influenced and incremental travel, an on-line survey which allowed respondents to review the advertising and indicate their level of awareness was employed. California advertises in five distinct target markets, including:

- **Primary Markets -** five western markets, Seattle, Portland OR, Salt Lake City, Denver & Phoenix, where California tourism focused additional advertising;
- **Other Western Markets -** AZ, CO, ID, NM, MT, NV, OR, UT, WA & WY (**MINUS** Seattle, Portland OR, Salt Lake City, Denver & Phoenix DMA's);
- **Opportunity Markets -** California Tourism identified a group of markets with strong potential and targeted with additional advertising. These include Houston, Dallas, San Antonio, New York City, and Chicago DMAs;
- **Other National** Markets **-** AL, AR, CT, DC, DE, FL, GA, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MO, MS, NE, NH, NJ, NY, NC, ND, OH, OK, PA, RI, SC, SD, TN, TX, VT, VA, WV, WI (**MINUS** Houston, Dallas, San Antonio, New York City, Chicago DMA's); and
- **In-state -** California residents represent great opportunity and significant travel

Nearly 4,000 surveys from these target markets were completed. To qualify for participation, the respondents were screened for their status as leisure travelers with household incomes above $50,000 (above $75K in Opportunity Markets). SMARI purchased the sample from a national vendor, Survey Sample International, which in turn sent potential respondents an invitation to participate along with a link to the survey, which was housed on SMARI's Web server.

Completed Surveys

Primary Markets	1,688
Other Western Markets	435
Opportunity Markets	351
Other National Markets	1,015
In-state	454
TOTAL	**3,943**

Upon completion of the interview process, an SPSS dataset was compiled, cleaned and coded for analysis. This report summarizes the findings of Phase 2 of the research process.

CAMPAIGN EFFECTIVENESS

As outlined in the Methodology section of this report, there are numerous measures of success of a destination's marketing endeavors. Four of these measures -- awareness, creative evaluation, impact on image and impact on interest -- were determined in Phase 1 of this research. However, before examining the final measure of advertising effectiveness – influenced and incremental travel – it is helpful to review the previous four measures to provide a context for evaluating the final measures of success.

Because the first step in the influence process is reaching the target audience, the first assessment is ad awareness. The target for the California ad campaign was traveling households with incomes over $50,000. With a significant increase in its advertising budget, CTT made tremendous inroads in awareness in all the target markets. While the 2007 TV creative was updated, the concept, look and feel remained essentially the same. This supported the increase in awareness as consumers were familiar with the concept which helped to generate awareness of the 2007 advertising – and link it to California.

Awareness by Market

	2006	2007
Primary	53%	75%
Other Western	40%	54%
Opportunity	44%	58%
Other National	42%	51%
In-state	56%	73%
TOTAL	41%	61%

However, awareness alone will not stimulate travel. The message in the advertising communications must be believable and, more importantly, motivating. SMARI has measured hundreds of travel advertisements for destinations and we find that on a 5-point scale ratings above 4.0 indicate excellence. However, as this is rarely an attainable measure, the goal is 3.75 or better, though 3.5 or better is good. In comparing the communication goals of the California advertising to those of a number of competitors, it is CTT's ad which most effectively communicated the desired messages. The ad does an excellent job of communicating a key message – that California offers the best of everything in one place.

Comparative Advertising Message

Messages	CA	AZ	FL	Las Vegas	TX
After seeing this ad I am more interested in visiting this state	3.7	3.4	3.2	2.6	2.8
This ad shows experience & places I am interested in	3.9	3.5	3.5	2.7	3.0
This ad shows a place with a unique attitude toward life	3.8	3.6	3.3	3.6	2.8
This ad portrays a place that offers vacationers the best of everything there is - in one place	4.0	3.1	3.5	2.5	2.8

Besides influencing travel, awareness of advertising can enhance the image of a destination and increase consumers' likelihood to visit. Advertising can influence attitudes about a destination and for every attribute that was measured, the advertising had a positive influence on the targets' view of the state, most of which was statistically significant. At the same time, California faces the challenge of having an already strong image. As such, making further headway will be difficult. The advertising had an especially strong impact on attributes related to the "uniqueness" of the destination.

Impact of Advertising on Image

Attributes	No Ads	Ads	Diff.
Has a unique & desirable lifestyle	3.2	3.5	0.3*
Is casual & laid back	3.4	3.7	0.3*
Is scenic & beautiful	4.0	4.3	0.2*
Is unlike anyplace else	3.3	3.6	0.2*
Residents have a unique approach toward life & it is something I want to see & experience on my vacation	3.0	3.3	0.2*
Is culturally diverse	4.0	4.3	0.2*
Is fun	3.9	4.1	0.2*
Offers the best of everything in one place	3.3	3.5	0.2*
Is free spirited & individualistic	3.7	3.9	0.2*
Is a place with lots to see & do	4.2	4.4	0.2*
Is a good place for snow sporting	3.0	3.2	0.2*
Has a variety of active outdoor - hiking/climbing/biking	4.0	4.1	0.2*
Has a lot of family activities & theme parks	4.0	4.2	0.2*
Is wacky & youthful	3.4	3.6	0.2*
Has picturesque parks	3.9	4.1	0.2*
Has large cities with exciting urban experiences - nightlife, shopping & dining	4.1	4.3	0.1*
Has friendly people	3.2	3.3	0.1*
Is a place where food & wine are part of culture/lifestyle	4.1	4.2	0.1*
Has excellent beaches	3.9	4.0	0.1*
Has many quaint small towns	3.4	3.5	0.1*
Has lakes for boating & fishing	3.6	3.7	0.1*
Provides a good value for the money	2.7	2.8	0.1
Has interesting historical sites	3.5	3.6	0.0

* Indicates a statistically significant change.

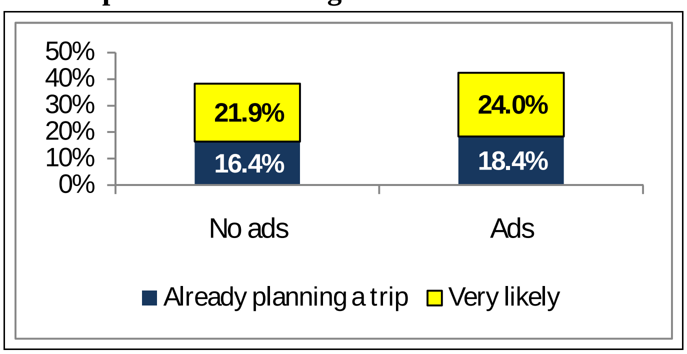
In addition to influencing attitudes, the advertising can also have an impact on behavior. Prior to making their travel decisions, consumers often gather information about destinations in their chosen consideration set. Those who *were exposed* to California's advertising were more likely to request information about the state – which makes it more likely that they will visit.

Impact of Advertising on Information Gathering

	No Ads	Ads	Diff.
Gathered info, researched destination	29.7%	32.6%	2.9%
Visited state Website	16.6%	19.1%	2.5%
Called state 800 #	0.6%	0.4%	-0.1%
Requested info via other method	7.3%	11.1%	3.7%
Gathered info	43.6%	45.8%	2.2%

However, as the ultimate goal is to heighten visitation and spending, the final initial measure of advertising impact is building interest in the state among consumers. Again the impact of the advertising is clear, and those who saw the ads indicated a greater likelihood to visit – and more had actually already planned a trip.

Impact of Advertising on Likelihood to Visit



While the measures outlined in this section were part of the Phase 1 report, they are significant because they are the basis for the final measure – incremental travel. The following outlines the performance of the target markets in generating travel and the trip specifics associated with each. The goal is to explore where the campaign is working and to assess the challenges in each market group.

As explained, the key measure of economic impact is based on the incremental travel generated by the advertising – that is, only those trips which would not have occurred without the advertising. In addition, influenced travel – the level of travel among those with advertising awareness - is also considered. As such, not all visits to the state are included in the calculation. Several other factors can influence the economic impact of a campaign, including travel party composition, number of nights stayed, types of accommodations used, number of attractions visited and, ultimately, visitor spending.

Primary Domestic Markets

With the fluctuations in budget over the past several years, California Tourism has not had a consistent presence in many markets, but they have generally maintained a presence in what the state considers its Primary Domestic, (in the past called the Western Feeder markets): Seattle, Portland, Salt Lake City and Denver. While most of the summer California advertising budget was spent on cable TV in markets across the US, additional dollars were allocated to spot TV in these markets.

Visitation to Competitive States

	2006	2007
California	41%	42%
Washington	NA	27%
Nevada	28%	25%
Oregon	NA	25%
Arizona	NA	22%
Colorado	20%	19%
Utah	14%	17%
Florida	13%	14%
Texas	10%	11%
Hawaii	12%	11%
New York	10%	9%

Given that these are established markets for California, it is not surprising that the state was the leader in visitation among all its competitors. Though California saw a slight increase in overall visitation from these markets, other states did as well, indicating that a continued presence is necessary to retain market share. The state is also now focusing on how to convince people from these cities to increase the frequency of their visits to California.

Of those from the Primary Markets who visited California, San Diego was the most popular destination in 2007, compared to LA, in 2006. However, with an index, we can compare where those in the Primary Markets visited to those who visited California from all the other markets. With an index, 100 means that visitation from the Primary Markets was average; an index of 105 is 5% above average; and a 95 is 5% below average. Here, we see that Orange County, indexed at 142, was visited by those in the Primary Markets far more frequently than by those in any other market. The low indexes for these major destinations suggest that people from these markets are visiting a wider range of California destinations – which is good for the state, and indicates that they are open to expanding their California experience.

Visitation to California Destinations

Primary Markets	2006	2007	2007 Index
San Diego	31%	32%	95
Los Angeles	33%	30%	93
Anaheim/Orange County	**24%**	**30%**	**142**
San Francisco	29%	26%	87
Sacramento	10%	8%	90
Palm Springs	10%	6%	74
Lake Tahoe	5%	5%	59
Monterey	7%	3%	44

While the destinations chosen by California visitors can influence their trip spending, more often, the number of nights, the size of the travel party and the type of accommodations used have a more direct relationship to visitors' expenditures. As compared to 2006, those from the Primary Markets spent slightly less time in California. However, the trips more often included children, likely resulting in increased visitation to Anaheim and amusement parks in the area.

Trip Specifics

Primary Markets	2006	2007	Index
Nights spent on trip	4.6	4.3	89
Use paid accommodations	70%	69%	97
Stay with friends &/or relatives	37%	38%	101
People on trip	2.9	3.0	112
% With kids on trip	27%	36%	122

Those from the Primary Markets continued to visit California most often in the fall. However, as compared to the rest of the country, the market indexes highest in the spring. The month of visitation, combined with the time taken to plan a trip to the state, likely indicates that the sustained presence of CTT in the Primary Markets has a carryover effect from year to year. Because spring indexes as a strong month for the Primary Markets and it takes one to two months to plan a trip, visitors are considering California before the marketing campaign begins. This suggests that the strategy for these markets may need to vary, with advertising in the fall and perhaps even into winter, to influence the spring decisions.

Season of Visitation

Primary Markets	2006	2007	Index
Winter	10%	8%	88
Spring	21%	22%	113
Summer	32%	31%	98
Fall	37%	39%	98

Travel Planning

	2006	2007	Index
Less than 1 week	3%	2%	51
1 to 2 weeks	7%	6%	92
2 to 3 weeks	9%	9%	100
3 to 4 weeks	12%	12%	103
1 to 2 months	30%	32%	112
3 to 4 months	21%	23%	100
More than 4 months	17%	15%	93

The change in travel party size is evidenced in the types of activities in which those from the Primary Markets participated. While eating at unique restaurants and shopping were the most popular activities, with an index, we see how those in the target markets differed from their counterparts across the country. Those in the Primary Markets more often visited theme parks and enjoyed activities for small children – activities which often lead to more spending than activities such as enjoying scenery or going to the beach.

In the survey process, once visitors were asked to identify the activities in which they participated, they were asked to list those which motivated them to visit California. While restaurants and shopping earned the highest levels of participation and theme parks the highest index, going to beaches was the impetus for the trip.

Trip Activities

	Motivation	Activities	Index
Fine dining / eating at a unique restaurants	13%	59%	91
Shopping	9%	58%	95
Enjoying natural scenery	19%	52%	89
Going to beaches	**23%**	**40%**	**102**
Driving scenic byways or roads	7%	34%	80
Experiencing unique feeling & attitude of area	14%	32%	84
Visiting a theme or amusement park	**22%**	**31%**	**122**
Entertainment & nightlife	7%	28%	97
Visiting small towns & rural areas	3%	20%	79
Go sightseeing or take tours	4%	18%	84
Visit historical sites	4%	16%	79
Arts activities, e.g., museums/theater performances	4%	16%	75
Visiting a national or state park	5%	16%	76
Visiting a winery	6%	15%	79
Visiting activities that are fun for small children	**6%**	**13%**	**118**
Watching sporting events	5%	9%	97
Hiking or camping	2%	8%	72
Boating or other water activities	3%	8%	98
Visiting a spa	2%	7%	68
Golf	3%	5%	78
Gambling	1%	3%	51
Adventure activities	1%	3%	79

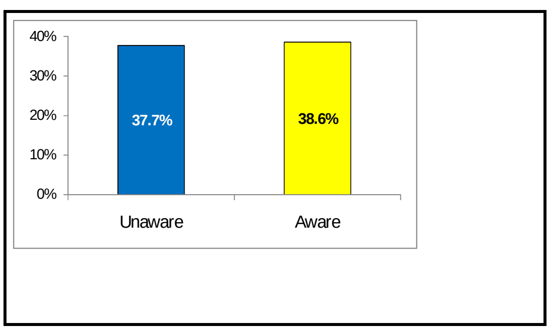
While differences in trip specifics -- travel party composition, trip duration and activities -- from year-to-year and among markets can provide insight into how consumers' travel patterns differ, trip expenditures influence the economic impact of the state's marketing, and trip specifics often influence visitor spending. For example, because visitors from the Primary Markets took slightly fewer trips and stayed in paid accommodation less often, it is not surprising that their spending declined slightly. And because those from these markets more often visited theme parks, spending on attractions in 2007 was slightly higher than average.

Primary Market Trip Spending
(By Aware Visitors)

	2006	2007	Index
Lodging/Accommodations	$449	$409	85
Meals/Food/Groceries	$296	$276	84
Entertainment/Attractions	$171	$185	102
Shopping	$193	$187	82
Entertainment	$47	$35	62
Transportation	$372	$360	82
Other	$37	$38	49
Total	**$1,564**	**$1,491**	**83**

While the overall rate of travel has been reviewed, not all visitors to California from the Primary Markets are considered when economic impact is calculated. The methodology developed by SMARI evaluates the incremental travel. Because California would receive visitors even if CTT were to stop advertising, the economic impact of the state's investment is based only on that travel which *would not have occurred* without marketing. In this methodology, the rate of visitation by unaware households in considered the base and any additional travel by those who were aware of the ads is considered *influenced*. While in 2006 more unaware consumers from the Primary Markets traveled to California, slightly more aware consumers did so in 2007, resulting in positiv399e incremental travel of just under 1%.

Primary Markets
Incremental Travel



Incremental Travel
2006 vs. 2007

	2006	2007
Unaware	32.3%	37.7%
Aware	31.6%	38.6%
Increment	**0.0%**	**0.9%**

One challenge for California is its already high levels of visitation from many of its established markets. While this scenario makes it more difficult to convince more households to visit, this is not the only way to increase economic impact from these areas. Another strategy is to convince travelers to increase the frequency with which they travel the state. Increasing frequency means more trips and more spending. Consequently, this research also compares the average number of trips among those with ad awareness to those with none. Increases in frequency are then factored in to calculate the total number of incremental trips generated. This equation indicates that the Primary Domestic markets generated over 20,000 incremental trips to California.

	Primary Domestic Markets
Targeted Households	2,716,013
Awareness	74.6%
Target Aware	2,026,146
Incremental Travel	0.9%
Incremental Households	18,134
Additional Trips by Aware HHs	0.13
Total Additional Trips	2,443
Incremental Trips	20,577

The importance of these markets is also seen by the number of influenced trips – all visits by those with ad awareness. While these markets represent 5% of the target households, they generated 9% of the influenced trips and traveled at a rate well above the overall average. It is critical that California Tourism maintain visitation from these important markets.

	Primary Markets	**Total**
Targeted Households	2,716,013	52,852,939
Awareness	74.6%	55.6%
Target Aware	2,026,146	29,396,153
Travel among Aware	39%	25.4%
Influenced HHs	781,719	7,479,710
Average # Trips by Aware	1.8	2.1
Influenced Trips	1,442,061	15,858,272

Other Western Markets

Though the Primary Domestic Markets represent many large DMA's in the western US, other areas of the west visited California at similarly high rates. Many states, including California, suffered declines in visitation from these markets in 2007. However, as with the Primary Markets, Utah made the most inroads with the target audience from these other Western Markets. Utah recently implemented a rebranding effort and invested significantly more dollars in promoting visitation, and launched a national advertising campaign, so this is probably why this occurred.

Visitation to Competitive States

	2006	2007
California	45%	41%
Nevada	26%	26%
Washington	NA	24%
Arizona	NA	24%
Oregon	NA	20%
Colorado	21%	19%
Utah	15%	18%
Texas	19%	15%
Florida	15%	14%
New York	10%	10%
Hawaii	9%	8%

At the same time, California remains the most popular destination for these markets – and is far more popular than its closest rival. The key will be to stop any further erosion and focus on maintenance, as well as increasing the frequency of visitation.

Though San Diego was the most popular California destination among those from the Other Western Markets, they traveled at a higher rate to Sacramento and Lake Tahoe than those from the other target markets. And as with the Primary Markets, LA lost visitation in 2007, while the rate of travel to San Diego from these target markets increased.

Visitation to California Destinations

Other Western Markets	2006	2007	Index
San Diego	**29%**	**33%**	**99**
Los Angeles	32%	29%	89
Anaheim/Orange County	23%	24%	115
San Francisco	22%	19%	64
Sacramento	**15%**	**12%**	**148**
Lake Tahoe	**9%**	**12%**	**132**
Palm Springs	11%	7%	79
Monterey	5%	4%	63

While visitor spending is the most important indicator of the economic impact of the market, other factors influence visitor spending. Again, as with the Primary Markets, visitors from the Other Western Markets did not stay as long in 2007, while the percentage that stayed with friends and/or family rose. And though the Primary Markets recorded the highest visitation to Anaheim and theme parks, it was the Other Western Markets that most often traveled with children.

Trip Specifics

Other Western Markets	2006	2007	Index
Nights spent on trip	4.8	4.2	86
Use paid accommodations	65%	66%	92
Stay with friends &/or relatives	38%	42%	110
# People on trip	2.9	2.7	100
% With kids on trip	24%	37%	124

Because the Other Western Markets most often traveled with kids, it is not surprising that the market recorded the highest level of summer visitation compared to all other markets. Though fall was the most popular season for travel to California, summer indexes highest for this market type than for any other. While many of these trips were planned several months in advance, given the summer focus, the current timing of the campaign is appropriate.

Season of Visitation

Other Western Markets	2006 %	2007 %	Index
Winter	6%	4%	43
Spring	19%	16%	83
Summer	32%	38%	123
Fall	43%	**41%**	104

Travel Planning

Other Western Markets	2006	2007	Index
Less than 1 week	5%	1%	29
1 to 2 weeks	8%	5%	66
2 to 3 weeks	8%	5%	56
3 to 4 weeks	12%	8%	70
1 to 2 months	28%	28%	99
3 to 4 months	21%	31%	132
More than 4 months	17%	22%	138

Again, dining and shopping are staples of any visitor experience. However, those from the Other Western Markets appear to have visited most often for the natural features of the state. They participated in hiking and camping more often than any other market outside California and were most often motivated to visit the state for the natural scenery such as mountains and oceans.

Trip Activities

Other Western Markets	Motivation	Activities	Index
Eating at unique restaurants	10%	61%	94
Enjoying natural scenery	**30%**	**60%**	**101**
Shopping	4%	59%	96
Going to beaches	17%	39%	100
Experiencing unique feeling & attitude of area	13%	36%	93
Driving scenic byways or roads	7%	35%	82
Visiting a theme or amusement park	20%	28%	110
Visiting small towns & rural areas	4%	24%	94
Entertainment and nightlife	6%	21%	73
Arts activities, e.g., museums/theater performances	7%	20%	90
Go sightseeing or take tours	5%	18%	82
Visiting a national or state park	4%	18%	86
Visiting a winery	7%	16%	83
Visit historical sites	2%	16%	78
Hiking or camping	**6%**	**14%**	**121**
Visiting activities that are fun for small children	**5%**	**14%**	**125**
Visiting a spa	2%	10%	102
Boating or other water activities	3%	8%	97
Watching sporting events	4%	8%	87
Gambling	3%	6%	92
Golf	3%	4%	73
Adventure activities	0%	3%	94

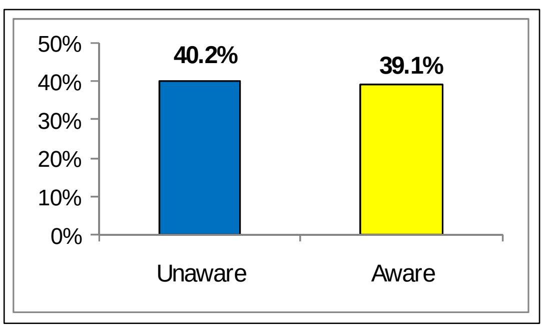
As with the Primary Markets, those from Other Western Markets spent less time in California and more often stayed with friends and/or family. In addition, they were most motivated to visit the state for activities that require little spending.

Other Western Markets Trip Spending (By Aware Visitors)

	2006	2007	Index
Lodging/Accommodations	$383	$318	66
Meals/Food/Groceries	$269	$280	86
Entertainment/Attractions	$158	$144	79
Shopping	$232	$201	88
Entertainment	$34	$39	70
Transportation	$290	$310	70
Other	$29	$63	81
Total	**$1,395**	**$1,356**	**76**

In 2006, the Other Western Markets were the highest performers for California in terms of incremental travel. However, such a higher percentage of unaware consumers visited California in 2007 that there was no incremental travel this year. In part, this is probably a result of past campaigns. As the brand advertising has been successful and positioned California as a top-of-mind destination, travel increases generally. Past success makes the challenge more difficult as time goes on.

Other Western Markets Incremental Travel



Incremental Travel 2006 vs. 2007

	2006	2007
Unaware	31.5%	40.2%
Aware	43.8%	39.1%
Increment	12.3%	0.0%

Therefore, where the level of travel is already extremely high, the goal switches from increasing the number of households that visit to generating more trips through repeat visitation. With this high level of awareness and a large market area, a small increase has strong impact. In this case, 3% of the households indicated taking an additional trip, translating into more than 53,000 incremental trips.

	Remaining West
Targeted Households	3,098,777
Awareness	54.3%
Target Aware	1,682,636
Incremental Travel	0.0%
Incremental Households	0
Additional Trips by Aware HHs	0.03
Total Additional Trips	53,394
Incremental Trips	53,394

In terms of overall travel, the level is similar to that of the Primary Domestic markets. The main difference is that this group comprises a large number of smaller markets. They represent good potential for California Tourism, but they are much more difficult to target, especially individually. Again, maintenance is important as is focusing on generating additional trips from current visitors.

	Remaining West	**Total**
Targeted Households	3,098,777	52,852,939
Awareness	54.3%	55.6%
Target Aware	1,682,636	29,396,153
Travel among Aware	39%	25.4%
Influenced HHs	658,153	7,479,710
Average # of Trips by Aware	2.1	2.1
Influenced Trips	**1,397,022**	15,858,272

Opportunity Markets

The third group of markets is called Opportunity Markets – they are several areas with large population base that are outside the traditional marketing areas for the state, including: New York City, Chicago, Dallas, Houston, and San Antonio. While California was the most popular destination among Primary and Other Western Market travelers, the Opportunity Markets more often visited Florida, and there is strong competition from New York and Texas too. However, unlike the Primary and Other Western Markets, visitation to California from the Opportunity Markets increased substantially in 2007. It is likely that as California Tourism has been more aggressive in these markets, the brand is being established – and visitation is resulting.

	2006	2007
Florida	35%	31%
California	**24%**	**29%**
New York	27%	28%
Texas	25%	22%
Nevada	19%	17%
Arizona	NA	11%
Colorado	10%	10%
Washington	NA	6%
Utah	4%	4%
Hawaii	6%	4%
Oregon	NA	3%

Visitors from the Opportunity Markets most frequently visited San Francisco and LA as compared to the other market types. The major changes this year were more visitation to San Diego and a decrease in visitation to Anaheim/Orange County. This is explored in terms of activities to determine if there was a change in motivations for traveling the state which may have influenced the choice of destination.

Opportunity Markets	2006	2007	Index
San Francisco	40%	39%	131
Los Angeles	41%	39%	120
San Diego	26%	34%	103
Anaheim/Orange County	19%	14%	66
Palm Springs	7%	5%	58
Lake Tahoe	6%	5%	55
Monterey	4%	5%	69
Sacramento	9%	3%	35

While Primary and Other Western Market visitors did not stay as long in 2007, visitors from the Opportunity Markets spent more nights in the state and their trips were the longest of all the market types. Not only was this increase in overnight stays good for increased visitor spending, the increase in the percentage that stayed in paid accommodations also had a positive impact on that number, which resulted in greater economic impact. At the same time, the Opportunity Market travel parties comprised the fewest people given that less of them traveled with kids.

Trip Specifics

Opportunity Markets	2006	2007	Index
Nights spent on trip	4.8	6.0	125
Use paid accommodations	70%	80%	112
Stay with friends &/or relatives	33%	33%	88
People on trip	2.6	2.3	87
% With kids on Trip	24%	19%	64

The largest increase in winter visitation was recorded for the Opportunity Markets. Given that the survey was conducted in November ‘07, the only winter months would have been January and February ‘07. Given that travel planning on behalf of this market often takes more than three months, spring and summer advertising is more likely to generate travel for fall and winter.

Season of Visitation

Opportunity Markets	2006	2007	Index
Winter	11%	15%	158
Spring	21%	22%	109
Summer	29%	30%	97
Fall	40%	33%	84

Travel Planning

Opportunity Markets	2006	2007	Index
Less than 1 week	5%	4%	87
1 to 2 weeks	8%	2%	29
2 to 3 weeks	9%	9%	97
3 to 4 weeks	13%	13%	107
1 to 2 months	27%	28%	97
3 to 4 months	21%	26%	109
More than 4 months	17%	20%	124

As those from the Opportunity Markets most often traveled without children, it is not surprising that adult-oriented activities – such as visiting a winery and nightlife – were popular with these visitors. However, these were not the motivators of visitation. As with the Other Western Markets, consumers from the Opportunity Markets were motivated most by California's natural scenery. Of note, the unique feeling and attitude of the area were also key motivators. This pattern of activities helps explain the destinations, especially relating to Anaheim. It is also noteworthy that in addition to scenery and beaches, there was a segment that seemed motivated by more adult activities such as enjoying unique cuisine and wine.

Trip Activities

	Motivation	Activities	Index
Eating at unique restaurants	14%	75%	117
Shopping	12%	71%	116
Enjoying natural scenery	33%	63%	106
Driving scenic byways or roads	16%	49%	116
Going to beaches	21%	43%	110
Experiencing unique feeling & attitude of area	19%	41%	108
Entertainment and nightlife	**8%**	**35%**	**122**
Go sightseeing or take tours	12%	32%	148
Visiting a winery	**13%**	**25%**	**131**
Visiting a theme or amusement park	7%	25%	101
Arts activities, e.g., museums, theater performances	6%	25%	118
Visiting small towns & rural areas	2%	25%	96
Visiting a national or state park	7%	24%	113
Visit historical sites	4%	23%	109
Visiting a spa	2%	13%	129
Boating or other water activities	4%	12%	145
Hiking or camping	1%	9%	76
Watching sporting events	6%	9%	99
Visiting activities that are fun for small children	3%	8%	70
Golf	4%	8%	128
Gambling	3%	6%	88
Adventure activities	2%	3%	82

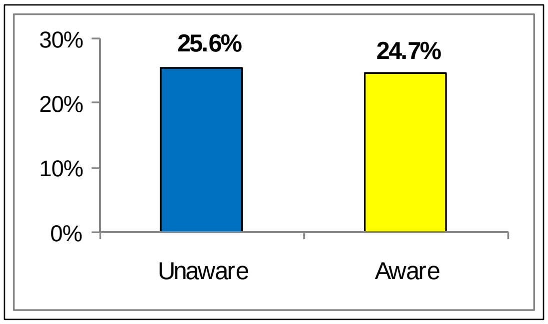
Just as the Primary and Western Markets recorded a shortening of trip duration, which correlated with a drop in visitor spending, the Opportunity Markets recorded an increase in the number of nights spent in the state and a significant increase in the use of paid accommodations. The result was an increase in trip spending - 74% - most of that recorded in the lodging category.

Opportunity Markets Trip Spending
(By Aware Consumers)

	2006	2007	Index
Lodging/Accommodations	$391	$699	146
Meals/Food/Groceries	$283	$428	131
Entertainment/Attractions	$163	$216	119
Shopping	$252	$337	147
Entertainment	$39	$69	122
Transportation	$315	$679	154
Other	$28	$137	175
Total	$1,470	$2,564	143

As with the Other Western Markets, such a high percentage of unaware consumers from the Opportunity Markets visited California (as compared to 2006), that no incremental travel was recorded. However, unlike the Other Western Markets, travel by even aware consumers was up from 2006, but not at a rate as high as that for unaware visitors.

Opportunity Markets Incremental Travel



Incremental Travel
2006 vs. 2007

	2006	2007
Unaware	15.1%	25.6%
Aware	23.8%	24.7%
Increment	8.7%	0.0%

Again, with these markets, the impact comes from additional trips by those who are already traveling. This is a large population base; as such, a small increment has strong impact. In this case, 18% of respondents reported taking an additional trip, which resulted in 573,000 additional trips to California. Supporting this trend with new initiatives, such as the Food & Wine campaign, should help boost visitation from these markets.

	Opportunity Markets
Targeted Households	5,515,368
Awareness	58.1%
Target Aware	3,204,429
Incremental Travel	0.0%
Incremental Households	0
Additional Trips by Aware HHs	0.18
Total Additional Trips	573,424
Incremental Trips	573,424

In fact, there is a strong link between the importance of these markets and the level of additional travel that can be generated. Overall, these markets represent about 8% of the population and 10% of the influenced trips. Since 40% of these were additional trips, it is clear that the advertising has strong impact on these markets. This is largely due to the strong competitive situation and the wealth of choices available for residents in these markets. Hence, California advertising is critical to maintaining and generating supplementary travel from these markets.

	Opportunity Markets	**Total**
Targeted Households	5,515,368	52,852,939
Awareness	58.1%	55.6%
Target Aware	3,204,429	29,396,153
Travel among Aware	25%	25.4%
Influenced HHs	790,703	7,479,710
Average # of Trips by Aware	1.6	2.1
Influenced Trips	**1,248,479**	15,858,272

Other National Markets

Visitation to Competitive States

	2006	2007
Florida	31%	36%
New York	19%	22%
California	**12%**	**15%**
Texas	11%	10%
Nevada	11%	10%
Arizona	NA	6%
Colorado	8%	6%
Hawaii	3%	5%
Washington	NA	5%
Oregon	NA	3%
Utah	2%	2%

As the state's ad budget has grown, campaign reach has expanded to include a national audience outside the Primary, Western and Opportunity Markets. As with the Opportunity Markets, travel to California from the rest of the US, outside the traditional base of the west, increased in 2007. Yet, it is important to note that the competitive situation in these markets is challenging. Florida is the leader, with over twice the visitation that California garners, and New York also surpasses the state. In this market, the key is growing travel and developing a more competitive position.

As with the Opportunity Markets, while San Francisco and LA were the most visited markets, San Diego recorded the largest gains from the National Markets. However, the market's visitation to the state fell considerably behind that of the other markets. The rate of travel to California appears to be tied somewhat to the cities that are visited. Those markets that record high rates of travel to the state most often visited San Diego while those who visited less and were therefore likely less familiar with the state, visited attractions in San Francisco and LA. While recommendations of this report address the best ways to communicate with particular segments, the message can also be tailored to the market. Markets that are less familiar with the state would be especially receptive to messages linked to Northern California while Southern California should be promoted to markets that are familiar with the state (those who have likely visited Bay area attractions).

Visitation to California Destinations

Other National Markets	2006	2007	Index
San Francisco	36%	34%	115
Los Angeles	35%	33%	102
San Diego	21%	29%	86
Anaheim/Orange County	9%	16%	76
Sacramento	8%	7%	84
Monterey	8%	7%	99
Palm Springs	7%	7%	83
Lake Tahoe	8%	7%	79

While it is encouraging that those from non-targeted markets across the US visited more often and spent more nights in the state this year, they also stayed with friends and/or relatives more often than travelers from any other market. Of course, when free accommodations are used, visitors tend to spend less.

Trip Specifics

Other National Markets	2006	2007	Index
Nights spent on trip	5.1	5.9	123
Use paid accommodations	66%	69%	96
Stay with friends &/or relatives	40%	47%	124
People on trip	2.8	2.4	91
# With kids on Trip	20%	23%	76

As with the Opportunity Markets, those from the Midwest and Eastern US visited more often in the summer and fall but were more inclined than others to visit in the winter. This could be because the Primary and Other Western Markets have many winter-sports-based attractions and California is more top-of-mind than some other states for its mountains. It may also be an effort for some regions to visit California and get warm. Of course, this group requires the most travel planning time and though there was increased visitation in just one year of measurement, it could take continued investment in these national markets to see a marked shift in travel.

Season of Visitation

Other National Markets	2006	2007	Index
Winter	13%	16%	170
Spring	22%	21%	107
Summer	35%	32%	101
Fall	30%	32%	80

Travel Planning

Other National Markets	2006	2007	Index
Less than 1 week	5%	1%	29
1 to 2 weeks	8%	5%	66
2 to 3 weeks	8%	5%	56
3 to 4 weeks	12%	8%	70
1 to 2 months	28%	28%	99
3 to 4 months	21%	31%	132
More than 4 months	17%	22%	138

Much of the California ad campaign is based on promoting the California culture -- culture being not arts/cultural activities but the *feel* of the destination. And while a number of visitors from other markets indicated experiencing the uniqueness of the area, those from Other National Markets claimed most frequently to be inspired by this uniqueness. In addition, more than any other market Other National Markets visited California's state and national parks – an activity which does not require much expense. It seems likely that the unique attitude of the area is especially appealing to new visitors, and that is why this impacts these markets so strongly. It may be that as people are more familiar with the state a more targeted appeal is necessary to motivate repeat visits.

Trip Activities

Other National Markets	Motivation	Activities	Index
Eating at local restaurants	16%	73%	112
Enjoying natural scenery	**30%**	**67%**	**113**
Shopping	12%	67%	110
Driving scenic byways or roads	15%	54%	127
Experiencing unique attitude of area	**24%**	**45%**	**118**
Going to beaches	13%	42%	107
Entertainment & nightlife	10%	34%	119
Visiting small towns & rural areas	3%	29%	115
Visiting a national or state park	**8%**	**27%**	**128**
Arts activities	4%	24%	112
Sightseeing or taking tours	6%	24%	111
Visit historical sites	6%	24%	117
Visiting a winery	13%	24%	121
Visiting a theme or amusement park	10%	21%	83
Hiking or camping	3%	11%	99
Watching sporting events	4%	10%	107
Visiting a spa	3%	8%	78
Visiting activities that are fun for small children	3%	7%	62
Gambling	1%	7%	105
Golf	3%	6%	104
Boating or other water activities	3%	6%	71
Adventure activities	0%	2%	53
None	22%	1%	84

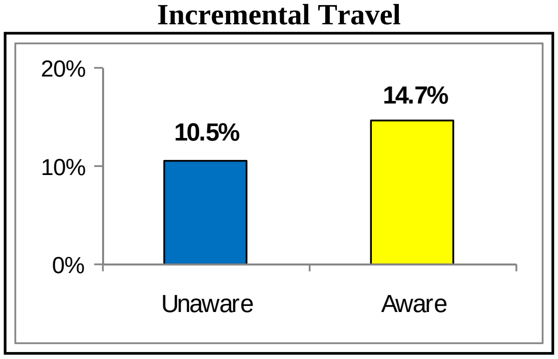
While some of the activities in which they participated did not require a great deal of spending, no other market spent more money in California than the Other National Markets. One of the most significant increases was for transportation. Since the Opportunity Markets include major metro areas, including Chicago and New York City, from which there are likely many economical flights, those in the Other National Markets were from secondary markets which likely demand higher air travel costs. This also may indicate that California is drawing people from further away, within this group of markets.

Other National Markets Trip Spending
(By Aware Visitors)

Other National Markets	2006	2007	Index
Lodging/Accommodations	$628	$667	139
Meals/Food/Groceries	$374	$439	134
Entertainment/Attractions	$219	$250	137
Shopping	$316	$294	129
Entertainment	$74	$98	174
Transportation	$588	$699	159
Other	$65	$126	161
Total	**$2,264**	**$2,573**	**144**

Unlike the previous two markets examined, where there was no incremental travel, a significant difference in travel between unaware and aware consumers is noted in the Other National Markets. While travel by unaware consumers rose over 2006, the rate of travel by aware consumers more than doubled. And because the target population of the Other National Markets is so large, even a small rate of incremental travel has great impact on the number of households and the economic impact, as is reviewed in subsequent sections. These findings suggest that the campaign has reached critical mass in these markets and the result is incremental travel.

Other National Markets
Incremental Travel



Incremental Travel
2006 vs. 2007

	2006	2007
Unaware	8.8%	10.5%
Aware	6.6%	14.7%
Increment	0.0%	4.2%

Additionally, among those who traveled, those who were ad aware traveled to the state more often, as 17% reported taking an additional trip. The combined result was over 850,000 additional trips to the state. The size of this population helps to produce such great impact. Yet, with the national TV advertising, California is able to reach this large population effectively.

	Other National
Targeted Households	34,703,245
Awareness	50.5%
Target Aware	17,525,139
Incremental Travel	4.2%
Incremental Households	729,852
Additional Trips by Aware HHs	0.17
Total Additional Trips	120,501
Incremental Trips	850,353

When influenced travel is considered, the dynamics of this market are evident. Overall, the level of travel was much lower – 15% by these markets as compared to 25%-39% in the other market groups. While these areas are not exceptionally efficient, their size creates impact. These markets represent 66% of the target population, yet they generated only 22% of the influenced trips. As long as the national buy efficiently reaches these markets, they work but do not produce travel at the level of the targeted markets. It will also be important to track progress is these markets to measure the on-going impact. As with the more established markets, it is likely that over time the branding campaign will become established, and then more targeted messages will be necessary to impact travel behavior.

	Remaining National	**Total**
Targeted Households	34,703,245	52,852,939
Awareness	50.5%	55.6%
Target Aware	17,525,139	29,396,153
Travel among Aware	15%	25.4%
Influenced HHs	2,572,238	7,479,710
Average Number of Trips by Aware	1.4	2.1
Influenced Trips	**3,561,560**	15,858,272

In-state

Californians continue to travel within their home state, with well over half reporting a trip. At the same time, the level of travel actually dropped somewhat. Yet travel to other key competitors was also weaker, which may mean some cut back in travel. Several key competitors were not measured in the past (Arizona, Washington and Oregon) so travel may have shifted, or economic conditions may be having a negative impact. SMARI has seen some indication that this could be occurring in other travel data.

In attempting to determine what destinations and attractions to feature in in-state promotions, it is important to review the indices of specific cities. While San Diego was the most visited destination by in-state residents, they are most likely to be receptive to marketing that is associated with Monterey, Palm Springs and Lake Tahoe. This reinforces the need to promote additional destinations that spur interest in making additional trips throughout the state.

Visitation to Competitive States

	2006	2007
California	62%	58%
Nevada	45%	42%
Arizona	NA	20%
New York	15%	14%
Florida	15%	12%
Hawaii	13%	14%
Washington	NA	11%
None	13%	11%
Oregon	NA	10%
Texas	9%	8%
Colorado	8%	8%
Utah	7%	7%

Visitation to California Destinations

In-state Markets	2006	2007	Index
San Diego	33%	40%	118
Los Angeles	29%	31%	96
San Francisco	37%	31%	103
Sacramento	13%	12%	142
Anaheim/Orange County	23%	21%	100
Monterey	15%	16%	225
Palm Springs	17%	17%	207
Lake Tahoe	17%	16%	175

Predictably, in-state residents took the shortest trips, even shorter than in 2006. However, more important is the increase in the percentage that used paid accommodation, which boosted economic impact. In-staters traveled far more often with children in 2007 than in 2006.

Trip Specifics

In-state Markets	2006	2007	Index
Nights spent on trip	4.0	3.7	77
Use paid accommodations	69%	74%	103
Stay with friends &/or relatives	39%	29%	77
People on trip	2.6	3.0	111
% With kids on trip	20%	34%	114

Of course, in-state travelers need less time to plan their trips *and* they traveled the state most often in the fall – important to planning media buys. The in-state campaign likely does not need to begin early in the spring as it does for the other markets. Rather, marketing aimed at the in-state market should be scheduled in the summer and early fall.

Season of Visitation

	2006	2007	Index
Winter	6%	4%	42
Spring	17%	17%	88
Summer	30%	26%	82
Fall	47%	53%	134

Travel Planning

	2006	2007	Index
Less than 1 week	11%	9%	208
1 to 2 weeks	9%	12%	175
2 to 3 weeks	11%	12%	136
3 to 4 weeks	16%	15%	127
1 to 2 months	26%	**27%**	96
3 to 4 months	17%	15%	65
More than 4 months	8%	9%	54

California residents participated in vastly different trip activities than visitors from other parts of the country. While the mandatory activities of eating, shopping and enjoying scenery remain the most popular, in-state residents were far more likely to pursue outdoor adventures such as rafting, rock climbing and skiing. Given that Lake Tahoe was a more popular destination with in-state residents, it is not surprising that this group also recorded the highest number of gamblers.

In-state Residents Trip Specifics
(By Aware Travelers)

	Motivation	Activities	Index
Eating at local restaurants	19%	56%	86
Enjoying natural scenery	27%	53%	90
Shopping	11%	51%	83
Driving on scenic byways or roads	12%	40%	95
Experiencing unique feeling & attitude of area	17%	37%	96
Going to beaches	12%	32%	81
Visiting small towns & rural areas	3%	29%	115
Entertainment & nightlife	6%	26%	89
Visit historical sites	5%	24%	116
Arts activities	11%	23%	105
Visiting a theme or amusement park	13%	21%	84
Visiting a national or state park	8%	20%	97
Visiting a winery	7%	17%	86
Go sightseeing or take tours	5%	16%	75
Hiking or camping	**6%**	**15%**	**131**
Visiting activities that are fun for small children	10%	14%	125
Visiting a spa	5%	12%	123
Gambling	**4%**	**11%**	**165**
Watching sporting events	6%	10%	110
Boating or other water activities	4%	7%	89
Golf	4%	7%	118
Adventure activities	**2%**	**7%**	**191**

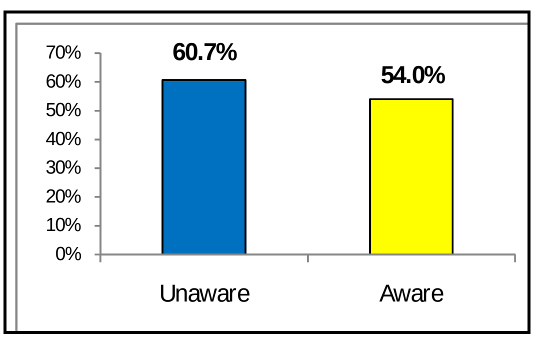
In-state residents used paid accommodation far less often; their trips were far shorter; and their trip spending was significantly less than that recorded for the other markets. However, the decline in spending by aware travelers as compared to that recorded in 2006 is concerning. Though fewer nights were spent during their 2007 trips, more used paid accommodations, though less was spent on lodging. However, the biggest losses are seen in the shopping and transportation categories. The decline in shopping was seen in other markets; however, it was a smaller portion of the total. With in-state travelers, it comprises such a significant percentage of the overall spending that a slight decline can have a big impact. These findings support a hypothesis that economic factors may have had a negative influence on travel in the state. This should certainly be monitored, as it could have a major influence on California Tourism's strategy for attracting travel.

In-state Travelers Trip Spending (By Aware Travelers)

In-state Market	2006	2007	Index
Lodging/Accommodations	$323	$299	63
Meals/Food/Groceries	$210	$213	65
Entertainment/Attractions	$123	$116	63
Shopping	$170	$125	55
Entertainment	$47	$41	72
Transportation	$221	$150	34
Other	$30	$27	35
Total	**$1,124**	**$971**	**54**

In 2006, in-state residents accounted for the second highest rate of incremental travel. However, with far more unaware Californians traveling within the state in 2007, no incremental travel was generated in 2007. Again, this suggests that the branding campaign has worked and that California is positioned as a preferred top-of-mind destination, and that the advertising strategy should evolve to address this new reality.

In-state Market Incremental Travel



Incremental Travel 2006 vs. 2007

	2006	2007
Unaware	47.7%	60.7%
Aware	58.7%	54.0%
Increment	11.0%	0.0%

California residents traveled within their home state in high numbers. Consequently, it will be difficult to convince more people to do the same. Still, the advertising convinced 22% to make an additional trip. Considering the size of this population, this means that over 1 million additional trips were generated. Creating interest among residents is an important tactic for California Tourism, and the national TV campaign is a benefit in this regard.

	In-state
Targeted Households	6,819,536
Awareness	72.7%
Target Aware	4,957,803
Incremental Travel	0.0%
Incremental Households	0
Additional Trips by Aware HHs	0.22
Total Additional Trips	1,097,799
Incremental Trips	**1,097,799**

The importance of in-state residents is clear when influenced travel is considered. While residents represent 13% of the target population, they produced 52% of the influenced trips. It is truly critical to maintain this market. While there is a lot of travel within the state – there is also a lot of competition for travel. Many states target California with major tourism campaigns to lure residents away. Keeping Californians in the state is crucial to the state's tourism trade.

	In-state	**Total**
Targeted Households	6,819,536	52,852,939
Awareness	72.7%	55.6%
Target Aware	4,957,803	29,396,153
Travel among Aware	54%	25.4%
Influenced HHs	2,676,897	7,479,710
Average # of Trips by Aware	3.1	2.1
Influenced Trips	**8,209,150**	15,858,272

INFLUENCED & INCREMENTAL TRAVEL

As reviewed, incremental travel and not overall travel is used to evaluate the economic impact of the campaign. However, the calculation for incremental travel considers only travel by aware consumers *above* the rate of travel by unaware consumers. And while certainly some of those who were aware of the campaign would have traveled anyway, it is useful to determine how many *total* trips were influenced by the advertising.

With a large target audience, tremendously high awareness and multiple trips, the advertising most often influenced the trips of in-state residents. Moreover, while the target population of the Opportunity Markets is more than double that of the Primary Markets, the Primaries recorded a higher number of influenced trips due to stronger awareness and a higher rate of visitation.

Influenced Trips by Market

	Primary Markets	Remaining West	Opportunity Markets	Remaining National	In-state
Targeted Households	2,716,013	3,098,777	5,515,368	34,703,245	6,819,536
Awareness	74.6%	54.3%	58.1%	50.5%	72.7%
Target Aware	2,026,146	1,682,636	3,204,429	17,525,139	4,957,803
Travel among Aware	39%	39%	25%	15%	54%
Influenced HHs	781,719	658,153	790,703	2,572,238	2,676,897
Average # of Trips by Aware	1.8	2.1	1.6	1.4	3.1
Influenced Trips	**1,442,061**	**1,397,022**	**1,248,479**	**3,561,560**	**8,209,150**

While awareness of the 2007 campaign increased over last year, the rate of travel by aware households decreased. However, the result was an increase in the number of influenced households and the number of influenced trips – up from 15.6 million to 15.9 million.

Influenced Trips
2006 vs. 2007

	2006	2007
Targeted Aware Households	20,634,876	29,396,152
Travel among Aware	32.0%	25.4%
Influenced Households	6,611,595	7,479,709
Average # of Trips by Aware	2.4	2.1
Influenced Trips	15.6 million	15.9 million

The incremental travel and incremental trips generated in each market group have been reviewed. Overall, in-state markets generated the most incremental trips, followed by the Other National and then the Opportunity markets. The patterns explored this year highlight that fact that California' branding campaign has been successful. The campaign has established the state as a preferred destination and has created strong top-of-mind awareness. As a result travel increased among many people who did not recall this year's campaign. As a result of increased awareness, the number of incremental trips increased from 1.5 million, in 2006, to almost 2.6 million, in 2007 – a 68% increase.

Incremental Travel & Incremental Trips by Market

	Primary Markets	Remaining West	Opportunity Markets	Other National	In-state
Targeted Households	2,716,013	3,098,777	5,515,368	34,703,245	6,819,536
Awareness	74.6%	54.3%	58.1%	50.5%	72.7%
Target Aware	2,026,146	1,682,636	3,204,429	17,525,139	4,957,803
Incremental Travel	0.9%	0.0%	0.0%	4.2%	0.0%
Incremental Households	18,134	0	0	729,852	0
Additional Trips by Aware HHs	0.13	0.03	0.18	0.17	0.22
Total Additional Trips	2,443	53,394	573,424	120,501	1,097,799
Incremental Trips	20,577	53,394	573,424	850,353	1,097,799

Incremental Trips Generated

	2006	2007
Trips	1,543,325	2,595,547

The next step is to consider how this increase in incremental trips translates into increased direct spending and the return on investment that the campaign achieved.

ECONOMIC IMPACT & ROI

Assessing the effectiveness of destination advertising is a multi-step process. In addition to determining exposure to the media, the quality of the creative, its ability to improve consumers' image and interest in the destination and the resultant visitation is assessed. The final measure is the economic impact of the campaign and the ultimate return on investment.

To review economic impact, the number of incremental trips is multiplied by the average trip spending among ad aware households. Each market group generated direct spending, with the biggest impact from the Opportunity Markets, followed by in-state. The Opportunity Markets are so valuable because the average trip expenditures are so high. This is also true for the remaining national markets – thus as more travel is generated from these markets the impact is quite large. In-state residents spend much less, but they are a large population base and they travel a lot within the state.

Economic Impact by Market

	Primary Domestic	Remaining West	Opportunity Markets	Remaining National	In-state
Targeted Households	2,716,013	3,098,777	5,515,368	34,703,245	6,819,536
Awareness	74.6%	54.3%	58.1%	50.50%	72.7%
Targeted Aware HHs	2,026,146	1,682,636	3,204,429	17,525,139	4,957,803
Incremental Travel	0.9%	0.0%	0.0%	4.2%	0.0%
Incremental Households	18,133.86	0	0	729,852	0
Additional Trips by Aware HHs	0.13	0.03	0.18	0.17	0.22
Total Additional Trips	2,443	53,394	573,424	120,501	1,097,799
Incremental Trips	**20,577**	**53,394**	**573,424**	**850,353**	**1,097,799**
Spending by Aware HHs	$1,491	$1,356	$2,564	$2,573	$971
Economic Impact	**$3,642,425**	**$72,375,712**	**$1,470,458,085**	**$310,049,450**	**$1,065,844,710**

The final calculation is return on investment – which compares the economic impact to the media costs necessary to generate this impact. The advertising budget for California Tourism more than doubled in 2007 with the additional allocation of car rental fees. And while the economic impact of the 2007 effort increased by nearly $1 billion, the return on investment actually fell slightly. For every $1 the state invested in the spring/summer advertising campaign, $323 was spent in California, with $21 of that going back into the state's general fund. Of course, while the ROI has decreased, it is still very high and generally higher than SMARI has measured for other destinations.

ROI 2006 vs. 2007

	2006	**2007**
Trips	1,543,325	2,595,547
Average Expenditures	$1,268	$1,126
Economic Impact	$1.96 billion	$2.92 billion
Tax Revenue	$126,659,176	$189,077,364
Campaign Expenditures	$4.4 million	$9.03 million
ROI	$445	$323
General Fund ROI	$29	$21

The challenge for California Tourism is evident in the performance of the various market groups. The brand campaign has been successful – and California is obviously a preferred destination with good top-of-mind awareness. As a result, travel is high among those without recall of the recent campaign. In the markets where California has been the longest, this trend is most evident. As the campaign is successful, it will be necessary to support the branding effort with additional advertising that is more targeted and focused. This will help address niche audiences that may not have traveled, as well as give people reasons for repeat visitation. The key will be identifying the best messages for targeting and the best markets and groups to receive the niche market appeals.

TRIP SEGMENTS

The initial marketing efforts for California Tourism reflected a major branding effort which was designed to position the state as one of the most desirable destinations for leisure travel. This highly successful brand campaign was designed to communicate California's unique ambiance and lifestyle. Given that the state has managed to establish itself as a highly desirable leisure travel destination, it has become more difficult to attract additional visitors. A new approach toward more targeted niche promotions layered over the brand campaign could lead to the desired results, and is being implemented by California Tourism.

To assist in this effort, this research explores potential trip segments. The goal was to determine patterns of visitation and consumers' travel motivations for use in developing niche promotional programs. Rather than focusing on trips on the national level, this exploration examines the most popular types of trips and those which result in the highest visitor expenditures.

The research identified seven distinct trip types:

Outdoor Adventures – 25.3%

These trips focus on natural scenery and many outdoor activities, including golf, boating, hiking, visits to national parks and sightseeing. Key destinations for these types of trips are Arizona, Colorado and Utah.

Sightseeing Trips – 17.5%

Consumers who take these sorts of trips are quite active and participate in many different activities. Key motivations are enjoying scenery, the unique feeling of an area and scenic byways. Myriad destinations are chosen for such trips – those that are especially favored include Hawaii, Utah, Oregon, Washington and Colorado.

Adult Entertainment – 14.8%

Among these trip types, this one is focused less on activity – and perhaps more motivated by getting away and relaxing. The key activities include watching sports, visiting museums and theaters, entertainment, shopping and dining. People visit a variety of states for these trips, with California, Nevada and Washington being among the most popular.

Adult Indulgence – 13.3%

Adult Indulgence trips differ significantly from Adult Entertainment trips. Some of the activities are similar, but their importance varies. Dining in unique restaurants and enjoying the special ambiance of an area is quite important. California, New York and Nevada are often chosen for their entertainment offerings, shopping opportunities, wineries and spas.

Beach Trips – 12.4%

In addition to loving the beach, key motivators are scenery, dining and enjoying an area's unique ambiance. Other popular activities include shopping, boating and amusement parks – but these are not key motivators. Key destinations are California, Florida and Hawaii.

Family-focused Trips – 12.1%

The key motivator for this type of trip is visiting amusement parks, although activities for small children and visiting beaches are also important motivators. These trips are much more likely to include children. California and Florida are the most popular destinations for these trips.

Vegas/Gambling Trips – 4.6%

Gambling is the overwhelming motivator for these trips, and dining and entertainment are also important. These trips tend to include fewer activities and to be more singularly focused. Nevada is the foremost destination.

A review of the distribution of trips to California is enlightening. While the largest percentage of California trips are Outdoor Adventures, the state actually garners a below average percentage of this trip type. On the other hand, California attracts more Family-focused trips, Beach and Adult Indulgence trips.

	CA	Index
Family-focused	16.8%	138
Adult Entertainment	14.8%	100
Outdoor Adventures	22.3%	88
Beach Trips	14.5%	117
Adult Indulgence	14.6%	110
Vegas Trips	1.4%	30
Sightseeing Trips	15.6%	89

The following is a more detailed review of each trip type. However, it is also important for California to determine what "products" and appeals it wants to promote. For example, the current California winter campaign focuses on skiing, which was not identified as a specific trip type, generally because it is a small segment. However, depending upon considerations such as seasonality, expenditures by potential visitors in each niche, partners and other issues, specific segments and groups may make the most sense for California Tourism. Therefore, these trip segments should be considered in that light. Then, after review of these segments, and based on a review of potential segments forwarded from California Tourism, SMARI will finalize a trip segmentation system for the state.

Outdoor Adventures – 25.3%

People who take these types of trips tend to be married, a bit older, and quite well educated. These trips are a bit shorter than average, at 4.4 nights, and per-trip expenditures are the second lowest, at $1,227. These trips are important because they are taken so frequently and California offers the key motivating activities. Natural scenery is the biggest motivator, with parks, golf and activities for children being other important factors.

Outdoor Adventures	Participate	Motivate
Viewing & enjoying natural scenery, e.g., mountains, oceans	66%	28%
Visiting a national or state park	25%	10%
Golf	14%	10%
Visiting activities that are fun for small children	17%	10%
Experiencing unique feeling & attitude of area	30%	9%
Visit historical sites	20%	8%
Go sightseeing or take tours	23%	8%
Boating or other water activities	11%	8%
Fine dining or eating at unique local restaurants	48%	8%

As noted, these types of trips are less likely to occur in California – with the state garnering only 22% of these trips compared to the average of 25%. When they do, the state's major cities are the most popular destinations, but relative to Outdoor Adventures, some areas of the state are more popular than others, including Sacramento, Lake Tahoe and Monterey. National parks and other naturally scenic areas are popular as well.

Outdoor Adventures	%	Index
San Diego	32%	95
Los Angeles	26%	84
San Francisco	28%	101
Sacramento	14%	160
Anaheim/Orange County	15%	61
Monterey	7%	108
Palm Springs	8%	98
Lake Tahoe	11%	133
Other	19%	116

Sightseeing Trips – 17.5%

Sightseeing trips are the second most prevalent type of trip. These trips are packed with activities and things to see and do. These travelers tend to be older, quite well educated and financially upscale. The trips are longer than average, at 4.5 nights, and expenditures are above average, at $1,500. Travel parties are larger than average but include fewer children. Viewing scenery is the most popular activity and a key motivator. Sightseeing trips are made to experience the unique feel of an area and to leave the beaten path. On average, eight activities are included in these trips; variety and authenticity are important to these travelers.

Sightseeing Trips	Participate	Motivate
Viewing & enjoying natural scenery, e.g., mountains, oceans	95%	70%
Experiencing unique feeling & attitude of area	71%	39%
Driving scenic byways or roads	86%	31%
Visiting a national or state park	60%	22%
Hiking or camping	39%	18%
Going to beaches	35%	16%
Visit historical sites	50%	11%
Fine dining or eating at unique local restaurants	72%	10%
Visiting small towns & rural areas	68%	10%
Go sightseeing or take tours	36%	7%
Visiting activities that are fun for small children	16%	6%
Shopping	68%	6%
Visiting a winery	15%	3%
Visiting a theme or amusement park	10%	3%
Arts activities, e.g., museums, theater performances	29%	3%

People are less likely to take Sightseeing Trips to California. They are more likely to choose Arizona, Colorado or Hawaii. Because such trips tend to take people off the beaten path, California's major destinations are not normally considered. People are more likely to consider San Francisco or Monterey.

Sightseeing	%	Index
San Diego	25%	73
Los Angeles	17%	54
San Francisco	36%	129
Sacramento	11%	125
Anaheim/Orange County	15%	61
Monterey	12%	192
Palm Springs	12%	139
Lake Tahoe	14%	173
Other	32%	191

Adult Entertainment – 14.8%

The next two trip types, Adult Entertainment and Adult Indulgence, share some characteristics, though their differences are noteworthy.

Adult Entertainment travelers tend to be single and divorced. They claim average levels of education and higher than average incomes. African American, Asian American and Hispanics are more likely to take this type of trip. Their households are small as are their travel parties. These trips are the shortest trips (average nights, 3.5; trip expenditures are the lowest, at $1,145).

Adult Entertainment trips are usually taken for relaxation. Some low key activities include dining and shopping – with occasional entertainment thrown in. The number of activities is actually the lowest (3.1) and the focus is on relaxing. As a result, 40% of these trips were not motivated by any one activity. Many of these trips may be driven by specific events such as a sports event or a theater performance. This might explain why they are shorter in duration.

Adult Entertainment	Participate	Motivate
Watching sports events	23%	20%
Arts activities, e.g., museums, theater performances	27%	16%
Entertainment & nightlife	33%	12%
Shopping	59%	11%
Fine dining or eating at unique local restaurants	61%	9%
Visiting a winery	12%	7%
Visiting a spa	10%	3%
Viewing & enjoying natural scenery, e.g., mountains, oceans	21%	2%
Experiencing unique feeling & attitude of area	8%	2%
Visit historical sites	5%	2%

The prevalence of these trips in California is average. Within the state, the destinations for these trips were most likely Los Angeles, San Francisco or San Diego.

Adult Entertainment	%	Index
San Diego	26%	79
Los Angeles	36%	116
San Francisco	32%	113
Sacramento	7%	80
Anaheim/Orange County	17%	70
Monterey	2%	31
Palm Springs	10%	123
Lake Tahoe	4%	49
Other	19%	113

Adult Indulgence – 14.6%

Adult Indulgence trips are based on many more activities (average 6.5) and many strong motivators. These trips seem to correspond most closely to the Food & Wine segment targeted by the state. Fine dining is a key motivator for this group, along with entertainment and experiencing the unique feel of an area. This group of travelers was the most likely to visit a winery.

Adult Indulgence	Participate	Motivate
Fine dining or eating at unique local restaurants	**90%**	**49%**
Entertainment & nightlife	64%	28%
Experiencing unique feeling & attitude of area	58%	28%
Shopping	88%	26%
Arts activities, e.g., museums, theater performances	36%	17%
Visiting a winery	**29%**	**17%**
Viewing & enjoying natural scenery, e.g., mountains, oceans	48%	14%
Go sightseeing or take tours	30%	9%
Visiting a spa	21%	8%
Going to the beach	25%	7%
Gambling	14%	5%
Visit historical sites	29%	5%

People who enjoy this type of trip tend to be single, or couples traveling without children. Given that they are younger, their incomes tend to be a bit lower than average. Still, these trips are an indulgence, with trip expenditures being above average, at $1870. These trips skew to females, while Adult Entertainment trips skew to males. Destinations throughout the state appeal to these travelers, with San Francisco being the most popular followed by Los Angeles.

Adult Indulgence	%	Index
San Diego	31%	93
Los Angeles	37%	118
San Francisco	49%	175
Sacramento	9%	104
Anaheim/Orange County	19%	77
Monterey	11%	173
Palm Springs	10%	119
Lake Tahoe	9%	111
Other	14%	81

Beach Trips – 12.4%

The demographic profile of these visitors is fairly average, though they tend to be a bit younger and somewhat more likely to be single or divorced. These trips were longer than average (4.9 nights) and expenditures were relatively high at $1,665.

While Beach Trips can include several activities – the overwhelming motivator is enjoying beaches. Other popular activities include enjoying scenery, fine dining and shopping.

Beach Trips	Participate	Motivate
Going to beaches	99%	76%
Viewing & enjoying natural scenery, e.g., mountains, oceans	73%	38%
Fine dining or eating at unique local restaurants	73%	16%
Experiencing the unique feeling & attitude of the area	39%	13%
Driving on scenic byways or roads	46%	9%
Shopping	62%	8%
Entertainment & nightlife	32%	8%
Boating or other water activities	18%	7%

Beach Trips to California are concentrated in the southern part of the state – specifically San Diego and LA. Other parts of the state may be included, but these are generally add-ons for people looking to enjoy the state's coastal areas.

Beach Trips	%	Index
San Diego	49%	147
Los Angeles	41%	132
San Francisco	19%	67
Sacramento	4%	41
Anaheim/Orange County	26%	104
Monterey	5%	71
Palm Springs	5%	60
Lake Tahoe	4%	44
Other	9%	54

Family-focused Trips – 12.1%

The name says it all – as most of the activities center on the family and children. These trips are the longest (average 5.0 nights) and the largest (average 3.6 people in the travel party). These travelers tend to be middle-aged couples with children and average incomes and education levels.

In addition to visiting theme parks, beaches and activities for children are important. Of note, however, these trips tend to include fewer activities (average 4.3). Other activities such as shopping, dining and scenery are popular, but they are not key motivators.

Family-focused	Participate	Motivate
Visiting a theme or amusement park	99%	86%
Going to beaches	42%	21%
Visiting activities that are fun for small children	30%	17%
Shopping	59%	9%
Fine dining or eating at unique local restaurants	40%	5%
Viewing & enjoying natural scenery, e.g., mountains, oceans	30%	4%
Experiencing unique feeling & attitude of area	12%	4%

The import of theme parks is evidenced by the fact that well over half of these trips included a visit to Anaheim. San Diego and Los Angeles were popular destinations as well.

Family-focused Trips	%	Index
San Diego	40%	120
Los Angeles	35%	111
San Francisco	8%	30
Sacramento	6%	66
Anaheim/Orange County	59%	237
Monterey	2%	34
Palm Springs	4%	47
Lake Tahoe	4%	43
Other	6%	34

Vegas/Gambling Trips – 4.6%

These trips are less common and quite singularly focused – on gambling. While travelers enjoy other activities during these trips, most list gambling as the key motivator. Entertainment and nightlife are also important, as is fine dining.

Vegas/Gambling Trips	Participate	Motivate
Gambling	99%	84%
Entertainment and nightlife	59%	32%
Fine dining or eating at unique local restaurants	56%	22%
Shopping	57%	11%
Experiencing the unique feeling & attitude of the area	27%	11%
Viewing & enjoying natural scenery, e.g., mountains, oceans	17%	4%
Golf	8%	4%
Arts activities, e.g., museums, theater performances	18%	4%
Visiting a spa	8%	4%

These travelers tend to be older, less well educated, often widowed, and earners of lower than average incomes. These trips are shorter than average (3.6 nights) and expenditures are average, at $1,514. Predictably, these trips are the least likely to include children.

Generally, travelers tend to choose Nevada for Gambling Trips. As such, the percentage of these trips to California is quite small.

TARGETING VIA TRIP SEGMENTS

In considering how to implement marketing using trip segments, it is important to understand that trip types vary by market – both relative to trips taken overall and the types of trips that people enjoy while in California. For example, while people in the Primary Domestic markets are generally more likely to take Family-focused, Outdoor Adventure and Beach Trips, they do not take Outdoor Adventure Trips to California. They are more likely to take Adult Indulgence trips to the state. As such, there is an opportunity to convince people that California is a good place to come for Outdoor Adventure, and thereby garner a trip that might have gone to another state.

Primary Domestic	CA trips	Other trips	Index
Family-focused	20.7%	4.7%	439
Adult Entertainment	14.7%	14.0%	105
Outdoor Adventures	21.3%	31.9%	67
Beach Trips	17.1%	9.6%	179
Adult Indulgence	14.1%	10.3%	137
Vegas Trips	1.0%	6.4%	16
Sightseeing Trips	11.0%	23.2%	47

Even more specifically, within the Primary Domestic markets, the prevalence of Outdoor Adventure trips varies significantly by market. For example, Seattle residents have been visiting California for this type of trip more than any other type. People in Phoenix, however, are much less likely to take this type of trip to California.

California Trips	Denver	Phoenix	Portland	SLC	Seattle
Family-focused	15.7	21.9	19.8	32.1	11.5
Adult Entertainment	17.6	13.4	14.0	11.2	18.9
Outdoor Adventures	19.6	16.9	24.8	17.9	30.3
Beach Trips	21.6	21.9	8.3	17.9	13.1
Adult Indulgence	13.7	13.9	19.0	10.4	13.9
Vegas Trips	0.0	2.5	0.8	0.0	0.8
Sightseeing Trips	11.8	9.5	13.2	10.4	11.5

Once a finalized trip segmentation system is developed, California Tourism can use it to develop campaigns, co-op efforts and specialized marketing to address different trip motivations. Of course, this information provides insight into past behavior only. California Tourism has to explore the reason for gaps in specific types of travel. For example, the competitive situation might be making it more difficult for California to attract certain types of trips in a specific market-- people from Chicago are more likely to take Family-focused Trips to Florida and it may be a challenge for California to change this pattern. Nonetheless, this fact can be used to identify specific trip types for targeting particular audiences/markets and allow California Tourism to augment its successful brand development campaign.

CONCLUSIONS & RECOMMENDATIONS

The 2007 California Tourism campaign was successful in several key areas:

- The increase in the media budget resulted in a major increase in advertising recall – from 41%, in 2006, to 61%, in 2007.
- The number of incremental trips generated by the campaign increased from 1.5 million to 2.6 million trips.
- The direct spending from these incremental trips increased from $1.96 billion to $2.92 billion.

The return on investment from this campaign was $323 in direct spending for every $1 in media expenditures and $21 in taxes for every $1 spent. While these results are not as strong as those recorded in 2006, this is due to the major increase in campaign expenditures and was expected.

The budget for the domestic 2007 campaign was more than twice the budget for 2006 and, generally, as a campaign is extended to a larger audience, the impact is weaker. In 2006, California had already achieved high levels of recall and impact with the campaign. Therefore, the challenge is to build on established success. The increase in budget generated significant results, but it is not reasonable to expect the same level of ROI as seen in the initial efforts.

As the campaign continues, the goal should be to drive increased direct spending and maintain an excellent ROI. In terms of evaluating the appropriate ROI, California's ROI is still among the highest measured by SMARI, and it is above the national average.

It is clear that the branding campaign is working well and has, in many ways, achieved its goals. The advertising has positioned California as a preferred destination and has obviously created top-of-mind awareness. As a result, travel is increasing – even among those with no recent ad recall. Therefore, the next challenge is to identify ways to continue to generate travel, direct spending and return on investment.

In addition to providing a report card for the campaign, the results from the 2007 measurement also offers strategic and tactical direction.

While the campaign was quite successful in generating incremental trips, the performance of the various market groups is quite interesting. In California's more established markets, it is quite difficult to increase the percentage of visiting households, although the state can convince people to take additional trips to the state. In the newer markets, the campaign increased travel, as California maintains a presence in a market group. This suggests that over time, as the California branding campaign is successful, the next step will be to support the brand effort with more specific appeals and offers. California Tourism is already working toward more targeted and granular efforts, but this information can help highlight key opportunities.

Primary Domestic Markets/Other Western Markets/In-state – these are the most established markets for California Tourism. As such, the brand campaign has reached this audience. Their level of travel was high, and it will be difficult to increase the percentage of travelers. The advertising did manage to generate repeat visitation among the ad aware.

The best option with these markets is to provide additional information and reasons to visit the state more often. Specifically, areas off the beaten path and less well-known attractions would appeal to this group. Currently, people from these markets are less likely to take Outdoor Adventure trips to California, which may provide an opportunity. Additionally, the new food and wine campaign should appeal to people in these markets. Finally, it would make sense to consider the timing for marketing efforts in these areas. Given the timing of travel and the planning cycle, it would make sense to advertise multiple times throughout the year to generate repeat travel.

Opportunity Markets – as California Tourism began the process of extending its marketing, it identified these markets as having great potential. As a result, these markets have also been the focus of advertising over the past few years. While it took time for the campaign to be effective, in 2007, incremental trips tripled. The biggest positive impact was that the advertising generated repeat travel from these markets. Since the campaign is maturing in these markets, generating additional trips will become more difficult. Since these markets are now performing like primary markets, segmentation and niche marketing will be key to giving people more reasons to visit.

Other National Markets – during 2007, the brand campaign achieved critical mass in the remainder of the country and generated significant impact. Yet, travel is still significantly weaker in these markets, and this represents strong potential for California. Sustained presence will help solidify gains nationally and counter the efforts made by other states. The brand campaign should still build in these markets and provide additional travel and incremental trips.

Trip Segments – this effort was used to review potential trip segments based on travel patterns and motivations. These segments make sense based on what consumers do when they travel. This information can provide guidance in developing niche campaigns and themes which will be meaningful and generate travel. At the same time, California needs to identify niche markets that make the most sense in terms of product, partners, and other strategic factors. After California Tourism has reviewed the segments created here and suggested changes, SMARI will finalize the segmentation system and utilize it to measure impact and progress.

APPENDIX

California Tourism
November 2007

SAMPLE: 1 – FOLLOW-UP (From first survey, had seen ads on air)
2 – AUGMENT (to fill quotas and find consumers who haven't seen ads)

Thank you for visiting our travel survey. Your opinions are valuable to us!! This survey is about travel and vacation choices. This is for research purposes only and is an opportunity for you to give feedback to travel destinations so that they can improve. No sales effort will ever result from your participation.

Before you begin, there are a few things to note about the survey:

- For most questions, simply click on the button of your response and then click on the Next button to go on to the next question.
- If you need to go back to the preceding question to change your response, click on the Previous button.
- For some questions, you will need to scroll down to respond to all the questions on a screen.
- To stop at any point, close the browser window The survey will terminate and you will not be able to re-enter.

LINK TYPE:
1…………Primary Domestic Markets
2…………Remaining West
3…………Opportunity Markets
4…………Remaining National

S1. First, who in your household is primarily responsible for making decisions concerning travel destinations?
1... SELF
2... SELF & OTHER
3... SPOUSE/OTHER→ TERMINATE

FOR SAMPLE 1, SKIP TO Q1

S2. Do you normally take at least one vacation or leisure trip a year? A leisure trip would be any non-business trip involving at least one night stay at a location at least 50 miles from your home?
1....................... Yes
2....................... No → TERMINATE

S3. What is your zip code? ___________

S4. Of the following states, where do you live? (ONLY ASK OF LINK 2)
[PROGRAMMER: INSERT 51 STATE DROP DOWN LIST AND FORCE ANSWER]

S5. Of the following cities, which are closest? (ONLY ASK OF LINK 1)
1. Seattle
2. Portland
3. Salt Lake City
4. Denver
5. Phoenix
6. Houston
7. Dallas
8. San Antonio
9. New York City
10. Chicago

S6. Which of the following categories best represents the total annual income for your household before taxes?

- □ Less than $35,000 → IF LINK 1, 2, 3 & 4 TERM
- □ $35,000 but less than $50,000 → IF LINK 1, 2, 3 & 4 TERM
- □ $50,000 but less than $75,000→ IF LINK 1 & S5 = 6-10 TERM OR LINK 3 TERM
- □ $75,000 but less than $100,000
- □ $100,000 but less than $125,000
- □ $125,000 but less than $150,000
- □ More than $150,000

1.

	Please check the states that you have visited for a leisure trip since the beginning of 2007?	How many trips have you taken to the state during 2007?
Texas	□	□
Florida	□	□
Nevada	□	□
California	□	□
Utah	□	□
New York	□	□
Hawaii	□	□
Colorado	□	□
Arizona	□	□
Oregon	□	□
Washington	□	□
None of these state	□	

[IF NONE – SKIP TO INTERNET INTRO BEFORE Q11]

(IF Q1=CALIFORNIA, ASK ABOUT TRIP TO CALIFORNIA OTHERWISE SELECT ANOTHER STATE RANDOMLY AND ASK ABOUT THAT **ONE** STATE. ASK Q2 ONLY FOR CALIFORNIA TRIPS)

Now, please give us some information about your most recent trip you took this year to [INSERT NAME OF STATE].

2. Where within California, did you go on this trip?
   1…SAN DIEGO
   2…LOS ANGELES
   3…SAN FRANCISCO
   4…SACRAMENTO
   5…ANAHEIM/ORANGE COUNTY
   6…MONTEREY
   7…PALM SPRINGS
   8…LAKE TAHOE
   9…OTHER…specify ____________________

3. What month did you take your most recent trip to [INSERT STATE]?
   1................ JANUARY
   2…………… FEBRUARY
   3............... MARCH
   4............... APRIL
   5................ MAY
   6................ JUNE
   7................ JULY
   8................ AUGUST
   9……………. SEPTEMBER
   10………….. OCTOBER
   11………….. NOVEMBER

4. How many nights did you spend in [INSERT STATE] during this trip?
   RECORD NUMBER______

5. As part of your trip to [INSERT STATE], did you use paid accommodations?
   1…YES
   2…NO

6. As part of your trip to [INSERT STATE] did you stay with friends and/or relatives?
   1…YES
   2…NO

7. Which of the following did you do as a part of your trip?

Viewing and enjoying natural scenery such as mountains, oceans, etc.	□
Hiking or camping	□
Adventure activities, e.g., whitewater rafting, rock climbing, or skiing	□
Visiting a theme or amusement park	□
Visiting a winery	□
Arts activities, e.g., museums, theater performances	□
Visiting a national or state park	□
Golf	□
Visiting a spa	□
Fine dining or eating at unique local restaurants	□
Shopping	□
Entertainment and nightlife	□
Watching sporting events	□
Experiencing the unique feeling & attitude of the area	□

Gambling	☐
Visiting small towns and rural areas	☐
Driving on scenic byways or roads	☐
Boating or other water activities	☐
Going to the beach	☐
Visiting activities that are fun for small children	☐
Go sightseeing or take tours	☐
Visit historical sites	
None	☐

ONLY SHOW THE ACTIVITIES THEY CHOSE ABOVE PLUS NONE AND ASK:
7a. Of these activities, please indicate if there were any that were a major influence when you selected the destination for this trip. You may choose up to 3.

8. To better understand your travel habits, we are interested in finding out the approximate amount of money you and other members of your travel party spent while in [INSERT STATE]. Please estimate how much your travel party spent in total on...?

Please complete all fields – best estimate is fine. If no expenditures in a category enter a "0"

Lodging/Accommodations ________
Meals/Food/Groceries ________
Entertainment/Attractions ________
Shopping ________
Entertainment such as shows, theater or concerts ________
Transportation such as gasoline, auto rental or flight costs ________
Other ________

9. Including yourself, how many people were on this trip?
RECORD NUMBER ________ (IF 1, SKIP TO Q10)

9a. How many were under the age of 18? RECORD NUMBER________

10. Thinking about this trip, how far in advance did you begin to plan?
1…Less than one week
2…One to two weeks
3…Two to three weeks
4…Three to four weeks,
5…1 – 2 months
6…3-4 months or
7…More than four months in advance
8…Don't know

IF SAMPLE 1, THANK AND END, IF SAMPLE 2, CONTINUE

SHOW CALIFORNIA TELEVISION AD
mms://sms7.omniproductions.net/CA07_CATV1-1.wmv
mms://sms7.omniproductions.net/CA07_CATV1-1a.wmv

11. How many times have you seen this ad?
    - ☐ Never
    - ☐ Once
    - ☐ Two or three times
    - ☐ Three or more times
    - ☐ Could not view ad

The following questions are for classification purposes only, and will help us understand different groups of people.

12. What is your marital status? Are you...?
    - ☐ Married
    - ☐ Divorced/Separated
    - ☐ Widowed
    - ☐ Single/Never married

13. Including yourself, how many people are currently living in your household? ______

14. How many living in your household are children under the age of 18? ______

15. Which of the following categories best represents the last grade of school you completed?
    - ☐ High school or less
    - ☐ Some College/Technical school
    - ☐ College graduate
    - ☐ Post graduate degree

16. Which of the following best describes your ethnic heritage? Are you...
    - ☐ African American
    - ☐ Asian-American
    - ☐ Caucasian
    - ☐ Hispanic/Latin American
    - ☐ Mixed ethnicity
    - ☐ Native American
    - ☐ Other

17. What is your age?
    - ☐ 18-24
    - ☐ 25-35
    - ☐ 36-45
    - ☐ 46-54
    - ☐ 55 or older

18. Are you...
    - ☐ MALE
    - ☐ FEMALE

THANK YOU FOR PARTICIPATING IN THIS SURVEY