Strategic Marketing & Research, Inc.

# California UK Market Advertising Effectiveness Research

**March 2008**

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# BACKGROUND & METHODOLOGY

In part, due to recent changes in funding, the California Travel and Tourism Commission has been afforded the ability to increase its marketing and advertising efforts. This has meant that advertising and promotional campaigns could be geographically expanded beyond specific target markets to a national and even international focus. The UK promotions are an example of geographic expansion. Before entering the UK market, California wanted to assess consumers' perceptions of the State as a leisure destination, specifically looking for the perceived strengths and weaknesses of the State's imagery. As such, California teamed with Strategic Marketing & Research, Inc. to gather baseline data about the UK market. After entering the market with advertising, California then needed to assess the reach of the campaign, review the creative, and assess the impact of the ad on the State's image. Tracking research was completed and, in this report, the findings are discussed.

This research was designed to be comparable to U.S. ad effectiveness and ROI research so that California Tourism can track impact and assess expenditures across various markets. The key research objectives of the baseline research included measuring awareness, familiarity, interest, preference and image of the State among UK travelers. The follow-up tracking study was designed to assess changes in awareness, review the ratings of the creative, and analyze the impact of the ad upon familiarity, interest, preference and image. To meet these goals, the baseline measure was conducted in December 2007, and the tracking measure in February 2008. The surveys were conducted online to allow respondents to view the ad. This approach provides a more accurate measure of actual recall and also allows the respondents to evaluate the creative. Both surveys were set to include 600 UK respondents who had taken a leisure trip to the US within the past two years or were likely to travel within the next two years, and were involved in making travel decisions for their household. In total, 622 surveys were completed during the Baseline Study. A total of 600 were completed for this tracking research.

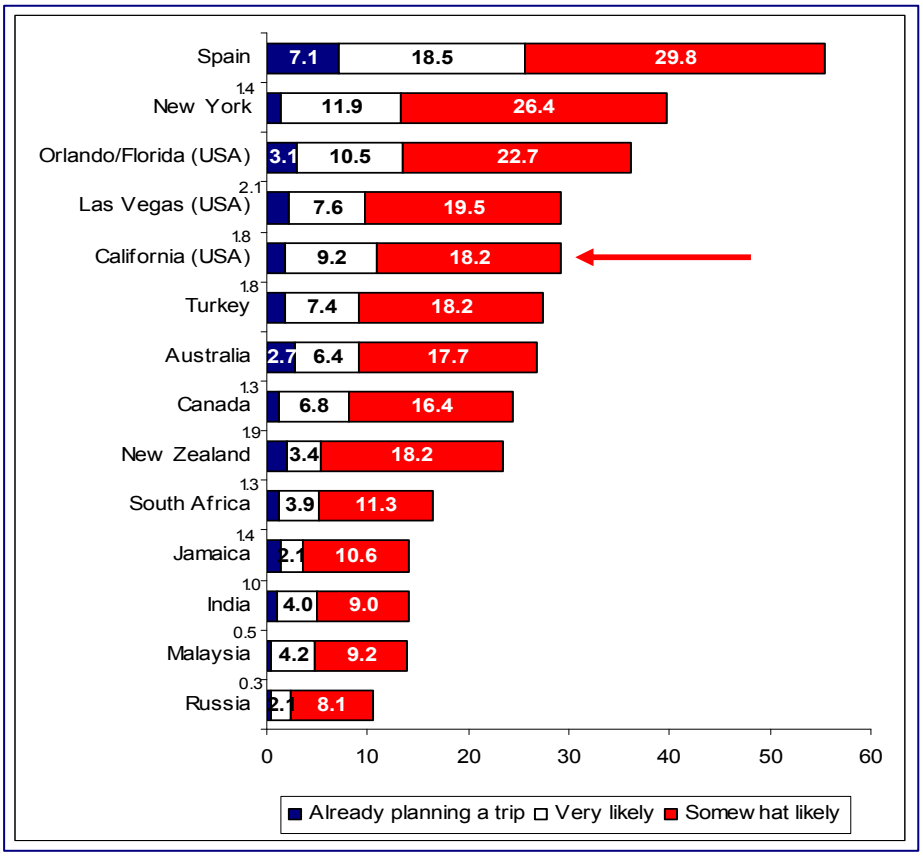
Following data collection, the data were cleaned, coded and analyzed in accordance with industry standards. The following report summarizes the key findings from the research. Conclusions and recommendations are forwarded to guide future advertising campaign endeavors. Copies of the two questionnaires appear in the Appendix.

## THE COMPETITIVE SITUATION

Any effective ad campaign must perform in the competitive landscape. When people travel, they develop images and opinions about destinations. While advertising can alter and improve consumers' attitudes, their behavior is far more difficult to change. Moreover, issues like proximity to a destination can influence consumer preference. As such, it is important to determine consumers' perceptions of certain destinations before assessing the impact of the advertising. This research uses information gathered during the Baseline Study to assess the competitive situation in the UK. While these measures were also captured in the later Tracking Study, it is unlikely that significant differences in the competitive marketplace would have occurred during the short timeframe between the two studies. Instead, the Tracking Study is used to note respondents' differences relative to awareness of California's ads in subsequent sections of this report.

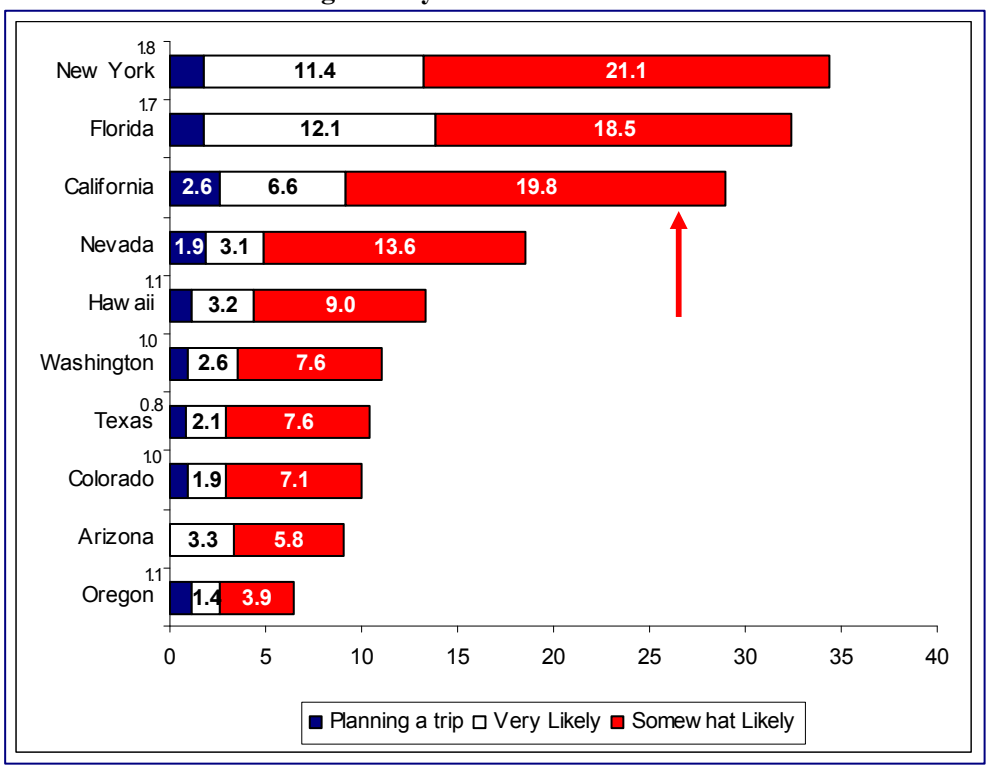
Before visitation can occur, destinations must be "top of mind" among travelers. To assess California's position, respondents were asked to rate their likelihood to visit a number of international destinations within the next two years. The highest percentage of respondents claimed to be already planning at trip, and to be very or somewhat likely to visit Spain in 2008. Prominent US destinations followed: New York, Orlando/Florida, Las Vegas and California. Specifically, 11% of respondents claimed to be planning a visit to California.

**Percentage Likely to Visit Destinations**



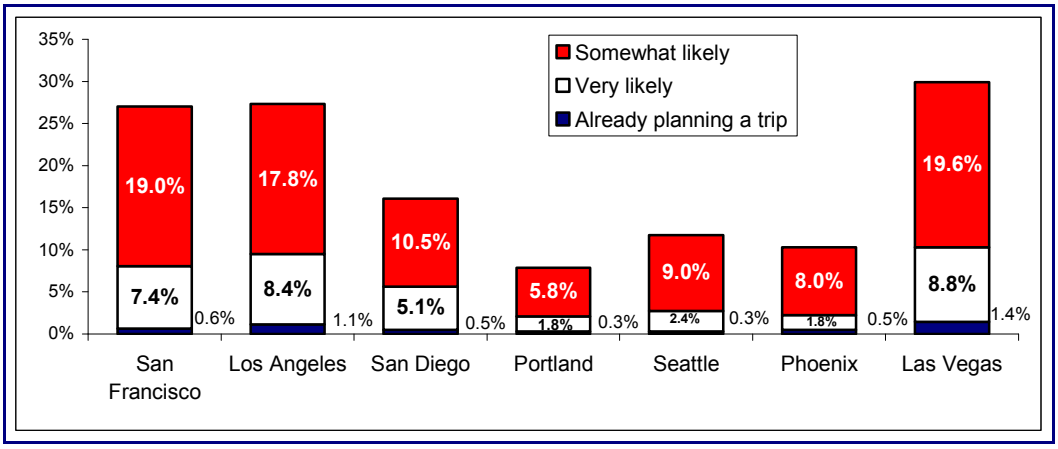
While California must compete with all international destinations, the State's position among other US destinations may be more crucial relative to travelers from the UK. Among US destinations, California is consistently third behind the more proximate states of Florida and New York. This pattern is first seen when likelihood to visit the State is considered. A higher percentage of travelers claimed to be very likely or somewhat likely to visit New York and Florida. Nonetheless, more travelers claimed to be already planning to visit California rather than either of these two, popular states.

**Percentage Likely to Visit States - US Market**



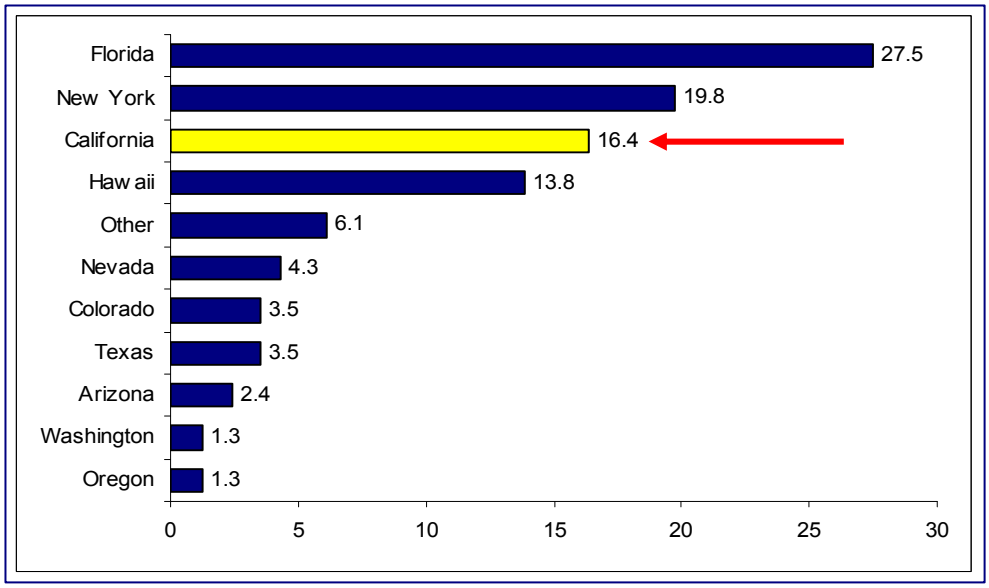
When asked to identify the US cities that they were likely to visit within the next two years, the respondents were most likely to be already planning a trip, and to be very or somewhat likely to visit Las Vegas, followed by three California cities: LA, San Francisco, and San Diego. This measure suggests a high level of interest in the State's larger cities.

**Likelihood to Visit Cities - US Market**



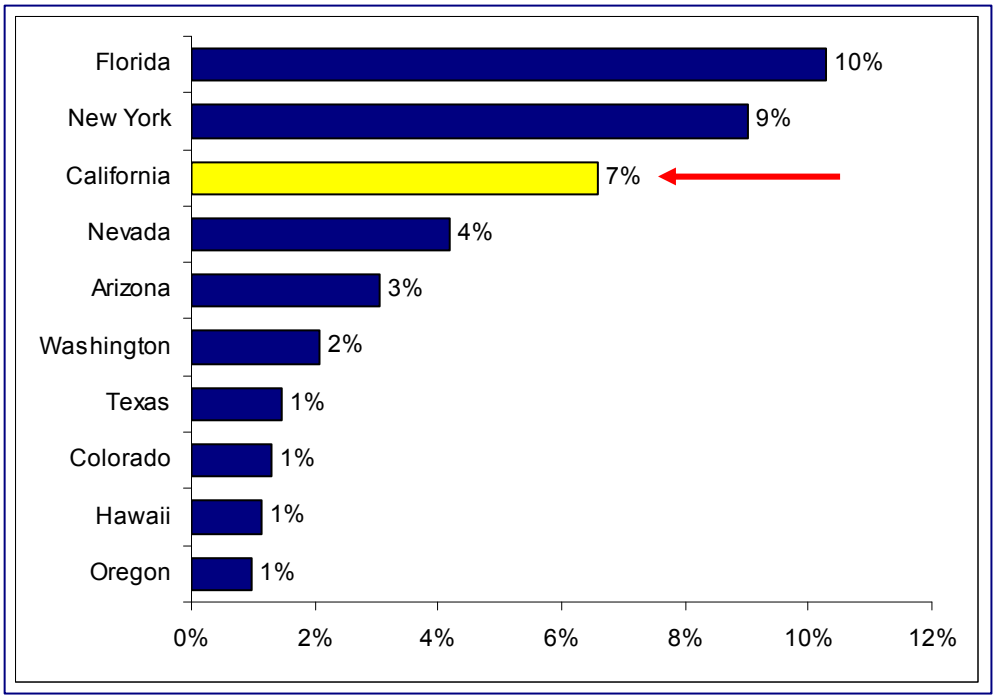

After indicating their likelihood to travel, respondents were asked to choose their preferred destinations. Again, California is ranked third, behind Florida and New York. While over 27% of travelers preferred Florida, about 16% preferred California. This difference likely reflects a lower level of familiarity with California, a weaker image of the State, and also the fact that Florida and New York are destinations more proximate to travelers in the UK.

**Percentage Preference - US Market**



Again, when considering past visitation, travel to California took third place behind Florida and New York. Still, California is competitive with these top destinations in terms of actual visitation, suggesting that effective advertising may help close these gaps in travel share.

**Visited in Last Two Years - US Market**




In sum, while California is currently a competitive destination among UK travelers, preference for US travel lies with Florida and New York. Advertising may help familiarize UK travelers with the State's offerings and build preference for California trips in this market.

## IMAGE CONSIDERATIONS

This research evaluates the effectiveness of California Tourism's UK Campaign. Before evaluating its reach and message, it is important to consider the competitive context relative to California's image and appeal as a travel destination.

California's competition was evaluated relative to a set of four competitive states that also offer strong travel products including Florida, Nevada, New York and Arizona. The respondents were asked to rate California and these competitors on twenty-four (24) attributes. The ratings are based on a 5-point scale, where higher ratings indicate stronger performance. With this scale, a rating of "4" or better is *excellent*, scores from "3.5 to 4.0" are considered *good*, and scores below "3.0" indicate *weak* performance. Along with the ratings, the table below lists an index which compares California's rating to the average rating for all the states. An index score of "100" means that the rating is average; a score of "105" indicates 5% above average; and "95" indicates 5% below average.

California was rated highest for attributes related to its weather, beaches and having lots to see and do. While none of the attributes was rated above the "excellent" threshold of 4.0, two were given negative ratings: *has interesting historical sites* and *is a good place for snowsporting*. Still, *is a good place for snowsporting* was rated above average as compared to the competitor states, and *has interesting historical sites* was rated near average, showing that none of the competitors received high scores on these attributes. As compared to the other states, the indices for California were slightly above average overall. The state was rated especially high for its beaches.

**California**

| | Rating | Attribute |
|---|---|---|
| Has great weather | 3.94 | 108 |
| Has excellent beaches | 3.76 | 115 |
| Is a place with lots to see & do | 3.75 | 102 |
| Has large cities with exciting urban experiences - nightlife, shopping & dining | 3.67 | 103 |
| Is fun | 3.67 | 103 |
| Is scenic & beautiful | 3.64 | 104 |
| Has a lot of family activities & theme parks | 3.56 | 106 |
| Is free spirited & individualistic | 3.49 | 103 |
| Is casual & laid back | 3.49 | 106 |
| Has picturesque parks | 3.45 | 102 |
| Has friendly people | 3.44 | 103 |
| Is a place where food & wine are part of culture/lifestyle | 3.44 | 104 |
| Is culturally diverse | 3.40 | 101 |
| **Continued on next page** | | |

| | Rating | Attribute |
|---|---|---|
| Has a variety of active outdoor - hiking/climbing/biking | 3.38 | 105 |
| Has a unique & desirable lifestyle | 3.35 | 103 |
| Is wacky & youthful | 3.31 | 103 |
| Has lakes for boating & fishing | 3.24 | 103 |
| Residents have unique approach to life & it is something I want to see & experience on my vacation | 3.23 | 101 |
| Is unlike anyplace else | 3.22 | 97 |
| Provides a good value for the money | 3.20 | 100 |
| Offers the best of everything in one place | 3.20 | 101 |
| Has many quaint small towns | 3.07 | 103 |
| Has interesting historical sites | 2.98 | 97 |
| Is a good place for snowsporting | 2.53 | 102 |

The table on the next page shows index scores for the competitive states and California. All scores rated above average are bolded. The four competitive states included were New York, Arizona, Nevada and Florida.

- In keeping with Florida's high top-of-mind awareness, interest and visitation, this state's ratings on most of the attributes are quite high – with a not surprising skew toward outdoor, family and beaches. The UK is a strong market for Florida as it is a reasonably close US destination with great weather and value-oriented vacation experiences.

- The image perceptions of Arizona and Nevada were all weak on these attributes which focus upon California offerings. In fact, Nevada was rated above average only for its snowsporting, while Arizona was rated higher than average for its snowsporting, variety of outdoor activities, historic sites, small towns and scenery.

- When compared to California, New York is clearly a distinctively different market and has generated strong awareness and appeal. Its strengths are reflected below and are illustrative of its uniqueness as an urban Mecca, with a high rating for having *large cities with exciting urban experiences*.

- Compared to Florida and New York, which have strong image ratings for their respective offerings, the image of California among UK residents is reflective of a limited degree of familiarity. While the top rated attributes are consistent with assessments in other tested markets (the US and Canada), they simply are not as strong as usual. When compared to a limited competitive set of states, most of California's ratings are slightly above average on attributes descriptive of the State's prevailing image. Among UK residents, the dominant strengths of the State are weather and outdoor-related.

**Competitive States - Image Ratings**

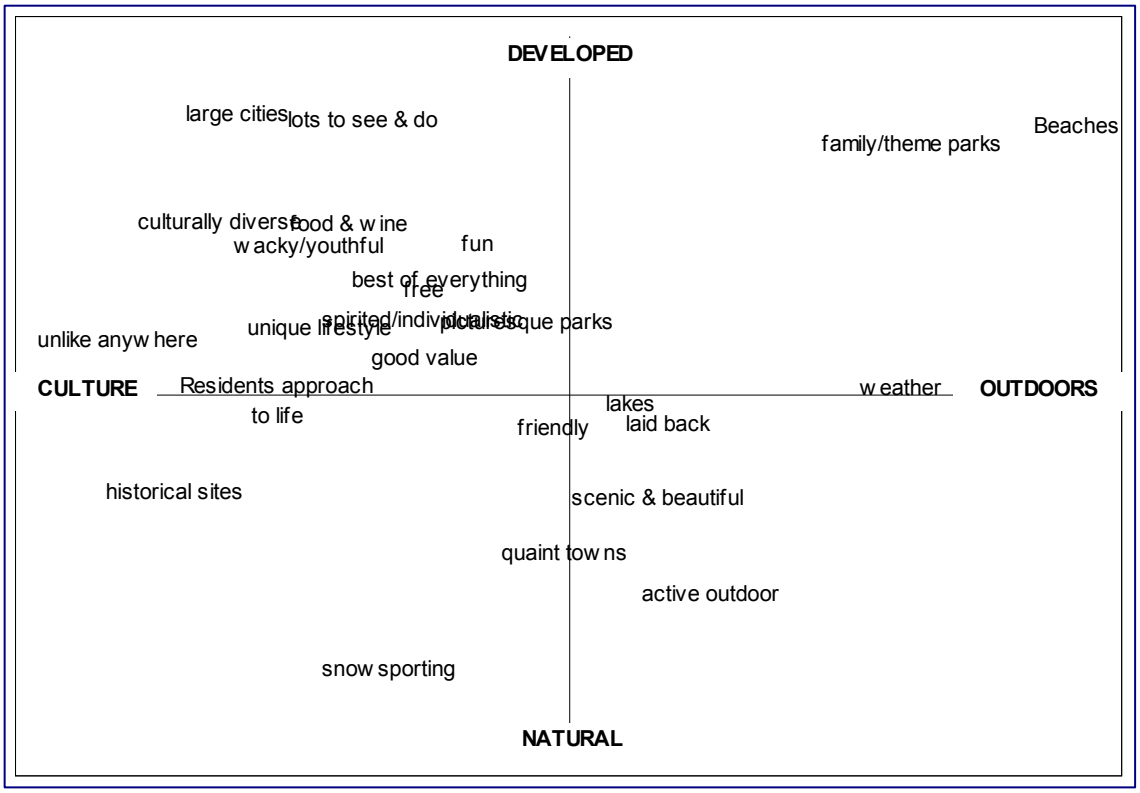
| | FL | NV | AZ | NY | CA |
|---|---|---|---|---|---|
| Is a place with lots to see & do | 107 | 86 | 86 | 109 | 102 |
| Is culturally diverse | 99 | 91 | 87 | 115 | 101 |
| Is scenic & beautiful | 103 | 92 | 101 | 87 | 104 |
| Is fun | 108 | 90 | 88 | 98 | 103 |
| Has variety of active outdoor - hiking/climbing/biking | 103 | 96 | 103 | 80 | 105 |
| Has large cities with exciting urban experiences – nightlife/shopping/dining | 100 | 89 | 82 | 114 | 103 |
| Has many quaint small towns | 104 | 98 | 101 | 87 | 103 |
| Has excellent beaches | 118 | 76 | 74 | 67 | 115 |
| Has picturesque parks | 108 | 89 | 95 | 97 | 102 |
| Is free spirited & individualistic | 100 | 91 | 91 | 104 | 103 |
| Has interesting historical sites | 97 | 100 | 102 | 112 | 97 |
| Is a place where food & wine are part of culture/lifestyle | 99 | 86 | 88 | 108 | 104 |
| Has a lot of family activities & theme parks | 124 | 84 | 82 | 82 | 106 |
| Has lakes for boating & fishing | 114 | 93 | 94 | 86 | 103 |
| Is wacky & youthful | 107 | 89 | 87 | 100 | 103 |
| Is casual & laid back | 105 | 90 | 95 | 85 | 106 |
| Offers the best of everything in one place | 109 | 92 | 89 | 102 | 101 |
| Is unlike anyplace else | 106 | 95 | 99 | 112 | 97 |
| Has a unique & desirable lifestyle | 106 | 91 | 91 | 97 | 103 |
| Has friendly people | 107 | 94 | 96 | 91 | 103 |
| Provides a good value for the money | 110 | 93 | 96 | 100 | 100 |
| Is a good place for snowsporting | 87 | 110 | 104 | 91 | 102 |
| Residents have unique approach to life & I want to see & experience it on my vacation | 104 | 93 | 94 | 104 | 101 |
| Has great weather | 110 | 90 | 92 | 77 | 108 |

## PERCEPTUAL MAPPING

Consumers' imagery of an area is not based on a list of attributes – their overall image of a destination comprises a "shorthand" approach of sorts which includes ideas, thoughts and experiences about a place. To better replicate the evaluative criteria used by consumers, SMARI considers perceptual mapping a strong tool. It uses the ratings for each state to create a picture which represents consumers' travel decision-making process and the resultant position of the states. On a perceptual map, both attributes *and* states are "pushed" and "pulled" by the other ratings and the competitive landscape.

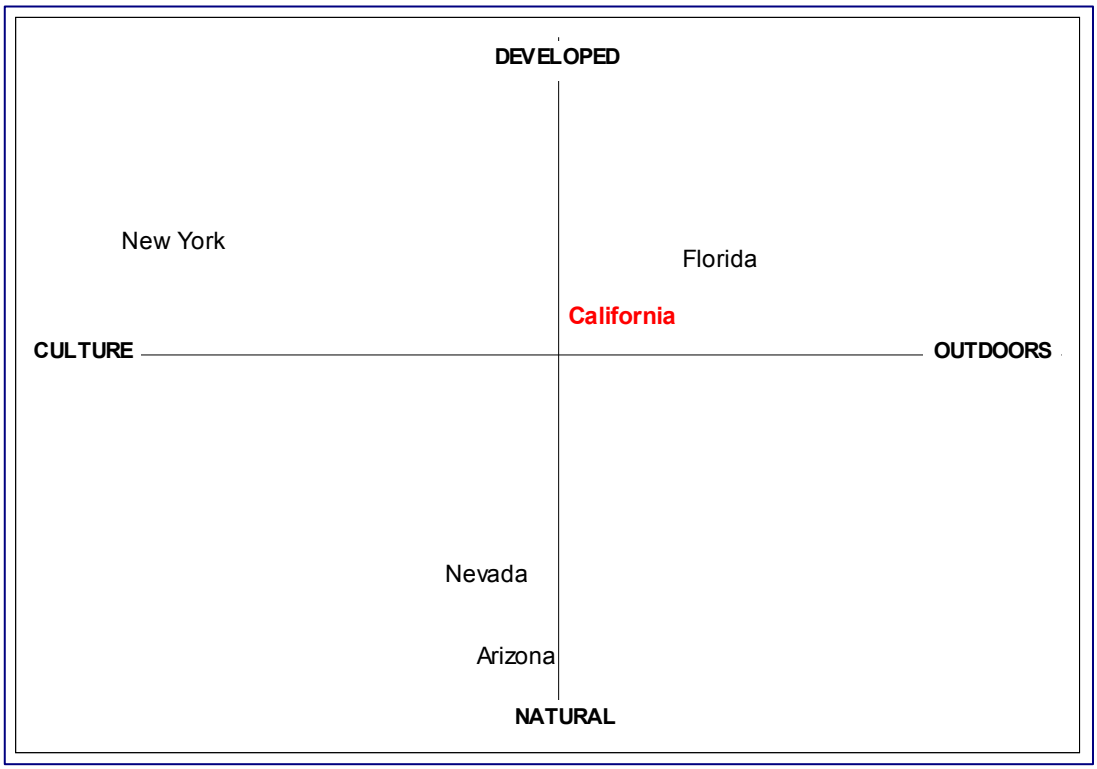
Here, the attribute ratings for all the states are considered simultaneously, and a two-dimensional map is created to illustrate that which differentiates each competitor. The map below can be differentiated by attributes on its vertical and horizontal axes: vertically, there is the difference between *developed* and *natural* activities and, horizontally, there is a difference between *culture* and *outdoors*.

**Perceptual Map**



When California and the competitive states are plotted on the perceptual map, it can be seen that New York is most strongly differentiated by its unique, urban environment and cultural offerings. Both Arizona and Nevada have weak images but skew toward perceptions of active/outdoor destinations. Finally, Florida and California share a good deal of imagery because of their good weather and beach-orientation. The fact that California is nearly centered in the map is another reflection of the UK's low level of familiarity with the State. Ultimately, California will want to "own" a certain position on the map. While this is not the case presently, the advertising should begin to change the State's image, first by familiarizing these travelers with California as a travel destination.

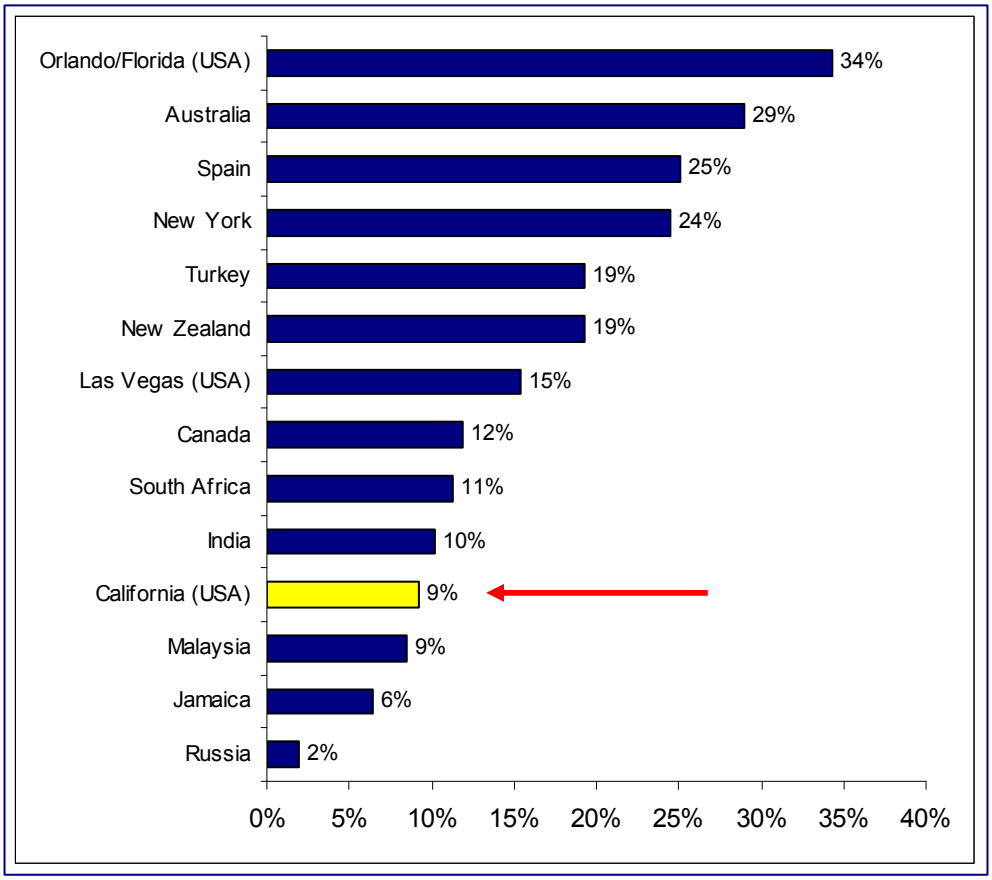
**State Image Map - Baseline Data**



## ADVERTISING AWARENESS

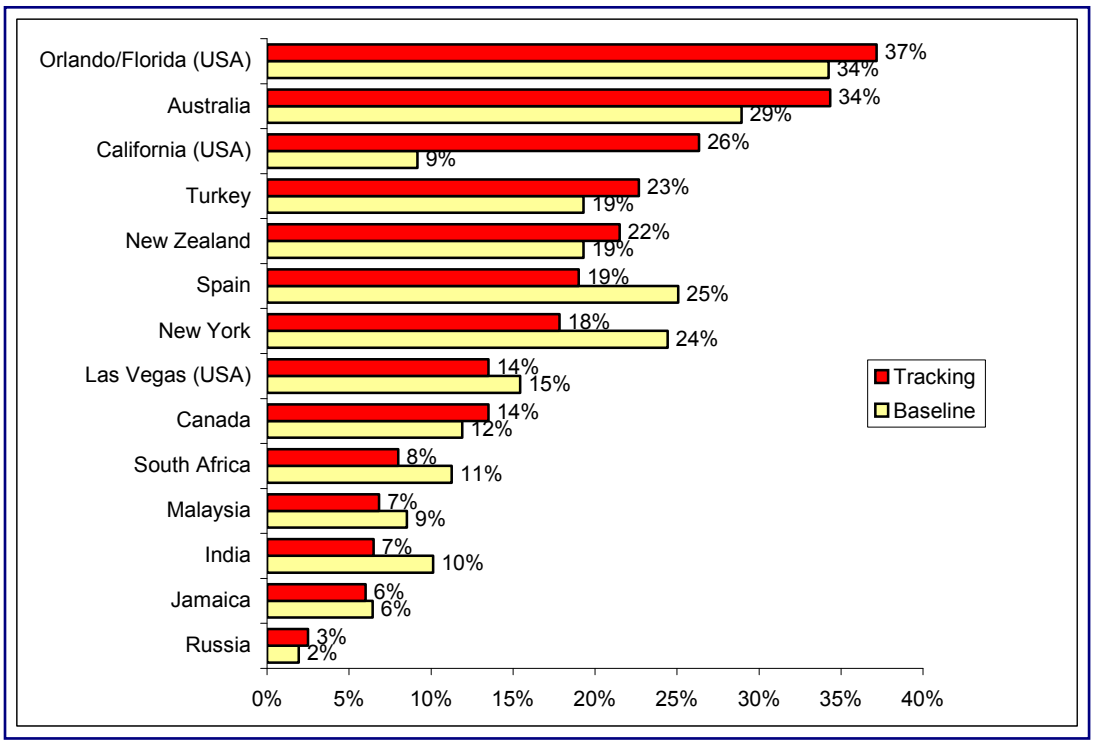
During the Baseline research, respondents were asked to identify the holiday destinations they had seen or heard advertising recently. As expected, recall of any California advertising was quite low and a baseline measure was provided for assessing gains made by the campaign. Orlando, Australia, Spain and New York reported the highest levels of recall – a finding that was also reflected in past visitation and intent to visit.

**Unprompted Advertising Recall - Baseline Measure**



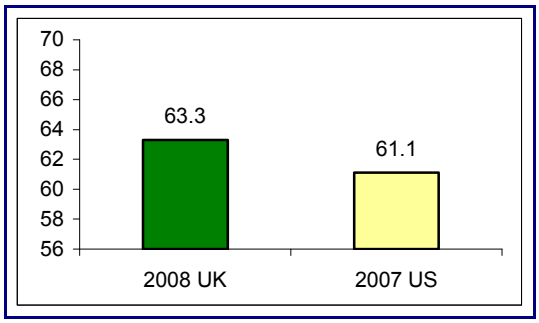
Respondents were again asked to recall awareness of holiday destination campaigns during the Tracking Study. Of note, unprompted advertising recall of California advertising increased dramatically from the baseline measure – from 9% to 26% - thus putting the State among the top tier of UK destinations recalled. Only Orlando/Florida and Australia remained ahead of California.

**Unprompted Awareness - Baseline & Tracking Waves**




A main goal of the Tracking Study was to assess any change in awareness of California's advertising. During this wave, respondents were shown the actual California advertisement and then they were asked if they recalled see it. Positively, recall of the ad was even stronger than suggested by the level of unprompted recall. Over 63% of respondents reported viewing the TV spot – a number that is similar to that recorded in the US market in 2007.

**Recall of California Advertising**



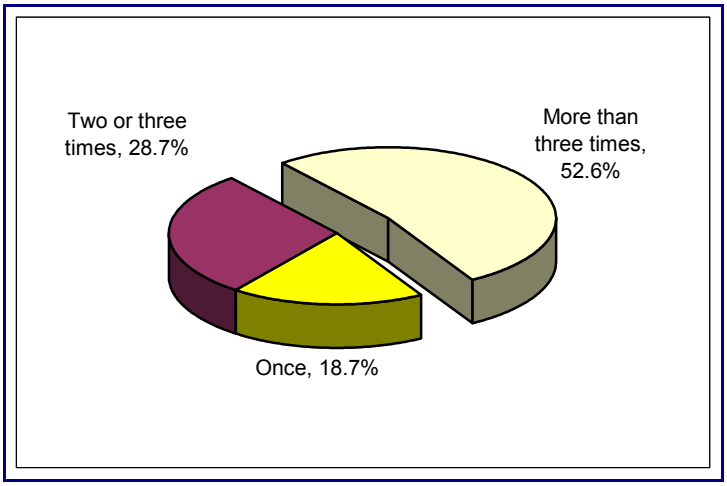
Awareness can also be considered relative to the actual number of households reached. To do this we start with the number of qualified traveling households in the UK—this is figured by calculating the percentage of international travelers interested in U.S. travel in the sample. We then multiply the number of qualified traveling households by the percentage of awareness, and find that 10.1 million households viewed the ads. Although this figure is much lower than that recorded in the U.S. market, 50.3 million, this is to be expected as the U.S. population is much larger. To compare the two markets, we can compute the cost to reach aware households. This number is determined by dividing the campaign costs by the number of households reached. For the 2008 UK campaign, California Tourism spent £962,557 (or approximately $1,925,114) on advertising, making the cost to reach an aware household £0.10 (or $0.19). Therefore, as compared to the 2007 U.S campaign, the 2008 UK campaign was quite cost efficient.

**Number of Aware Households in the Target Markets**

| | 2008 UK | 2007 US |
|---|---|---|
| Qualified Traveling HHs | 15,951,821 | 82,274,479 |
| Awareness % | 63.3% | 61.1% |
| Aware HHs | 10,097,503 | 50,269,707 |
| TV Costs | £962,557 ($1,925,114) | $9,034,000 |
| Cost per HH | £0.10 ($0.19) | $0.18 |

Of those who saw the ad, the majority saw it multiple times. In fact, over half saw the ad more than three times. Being exposed to an ad multiple times often increases the impact of the advertising; still this generally this must be weighed against broad reach. Positively, this campaign was able to achieve both.

**Multiple Viewings**



## CREATIVE RATINGS

An effective campaign must ensure that a sufficient number of people are exposed to the message. The advertising must deliver a meaningful and compelling message, and its has to differentiate the State and communicate its benefits as a destination. Of benefit, the respondents were asked to view the actual California ad. Regardless of whether they had been exposed to the campaign, they were asked to evaluate its message.

The respondents viewed the ad and rated their effectiveness at communicating the intended messages. A 5-point scale was used and, by testing hundreds of destination ad, we find that on this scale a rating of 4.0 or higher indicates excellence. The goal is 3.75 or better, though 3.5 or better is good. A score below 3 indicates notable weakness.

On a positive note, the California ad received good ratings (3.5 or higher) for three of the four rated attributes. The ad was successful at *showing experiences and places respondents were interested in*, *showing a place with a unique attitude toward life*, and also *portraying a place that offers vacationers the best of everything there is— in one place*. The ad was less successful, however, at generating interest in visiting the State. While these ratings are generally positive, what is really interesting is the fact that the UK market consistently rated the ad lower than similar ratings from the US market. It could be that this campaign resonates less with a UK audience, or a mere lack of familiarity with California as a travel destination is causing this gap. The difference in interest created by the ad in the US and UK markets may able to due to the larger distance and cost associated with travel to the US for UK travelers.

| Advertising Message | UK 2008 | US 2007 |
|---|---|---|
| After seeing this ad you are more interested in visiting California. | 3.4 | 3.7 |
| This ad shows experiences & places that you are interested in. | 3.5 | 3.9 |
| This ad shows a place with a unique attitude toward life. | 3.6 | 3.8 |
| This ad portrays a place that offers vacationers the best of everything there is - in one place. | 3.7 | 4.0 |

All the respondents were asked to identify their favorite part of the ad in an open-ended response. These open-ended comments were then coded for ease of discussion. As seen below, the ad was well received. Respondents were fond of the beaches, scenery, Arnold Schwarzenegger's ending, and the ad's depiction of the State as a good vacation spot.

| Favorite Part of Ad | Percent |
|---|---|
| Beaches/scenery | 21% |
| Arnold/the ending | 20% |
| Everything/good vacation spot | 13% |
| Relaxation (wine tasting, spa treatment) | 12% |
| Work related humor/variety of different things to do | 10% |
| Adventure and activities (Snowboarding, biking, camping, fishing, golfing) | 8% |
| Disneyland/ Mickey & Minnie mouse | 7% |
| Celebrities (excluding Arnold) | 7% |
| Weather/ sun | 5% |
| None/NA/negative feedback/no favorite part | 3% |
| Music/overall message/attitude of people | 2% |

In order to determine if there was anything about the ad that needed to be addressed, respondents were also asked to report what they disliked. Positively, a majority of respondents (72%) could not name an element of the ad that they disliked, suggesting that there is not a major negative feature of the ad. A small percentage, however, felt negatively about the celebrities, or felt that the ad was too *cheesy*. While these travelers' comments should definitely be considered when reviewing the advertising for future campaigns, it is quite positive to note that only 28% of respondents found fault with the ad. The low ad ratings this year may be more reflective of limited familiarity with the State rather than a dislike of the advertising. Over time, as the ad reaches and familiarizes more travelers with California as a leisure destination, it is likely that the ratings will rise and become more like the ratings seen in more established markets, like the US.

| Disliked about Ad | Percent |
|---|---|
| Nothing | 72% |
| Celebrities (including Mickey) | 5% |
| Too cheesy/corny/too American-ish/got wrong impression | 5% |
| Everything | 4% |
| Boring/didn't enjoy the activities | 4% |
| Misc. | 3% |
| NA | 3% |
| Too fast/too short/needed something more | 2% |
| Needed to use regular people | 1% |

## IMPACT OF THE ADVERTISING

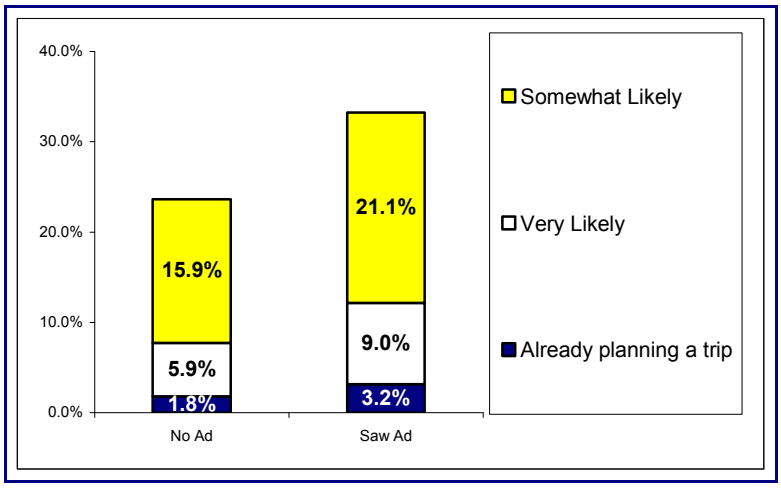
In the process of generating travel, the next step is generating interest in visitation. Interest can be measured both in terms of expressed intention to visit and actions taken to learn more about the State. This study considered the level of interest between those who were exposed to the advertising and those who were not. However, in addition, another surrogate for interest is gathering information about the State, which is especially important given lower levels of familiarity with California. In fact, gathering information may be the first step of familiarization and lead to future travel.

Consumers were asked whether they got information about California by gathering information/ researching the destination, visiting the State Website, speaking with a travel agent, or requesting information via another method. Those who saw the advertising were more likely to visit the State Website and to gather information than those who did not see the advertising. The ad, however, did not impact the percentage of respondents that spoke with a travel agent or requested information by another method.

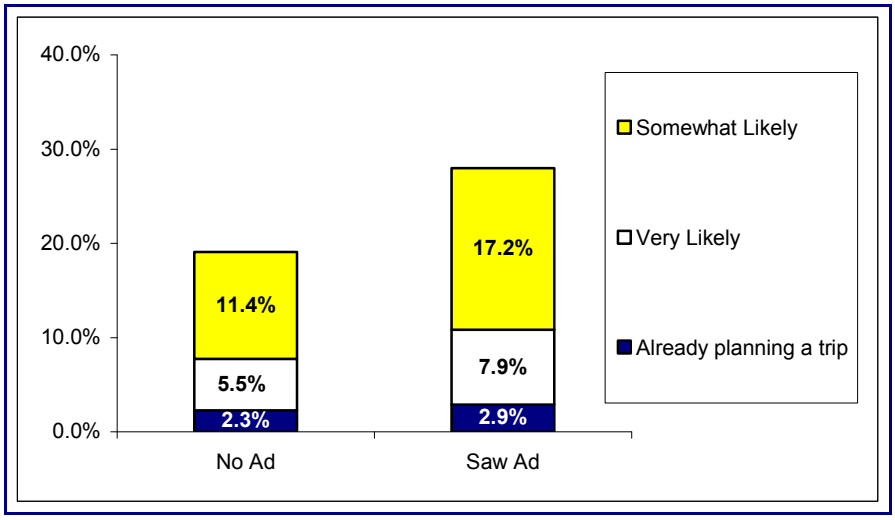
| | No Ad | Saw Ad | Diff. |
|---|---|---|---|
| Gathered info, researched destination | 8% | 14% | 7% |
| Visited State Website | 6% | 12% | 6% |
| Spoke with a travel agent | 4% | 2% | -2% |
| Requested info using other method | 5% | 5% | 0% |

Ultimately, the most important measure of advertising is whether it generates travel. While incremental travel will be measured in a later wave of this research, we can consider if respondents were more likely to be interested in visiting California by ad awareness. The results show that advertising boosted interest in visitation, as those who saw the ad were more likely to already be planning a trip, and to be very or somewhat likely to visit the State within the next two years and during 2008.

**Likelihood to Visit California in Next Two Years**

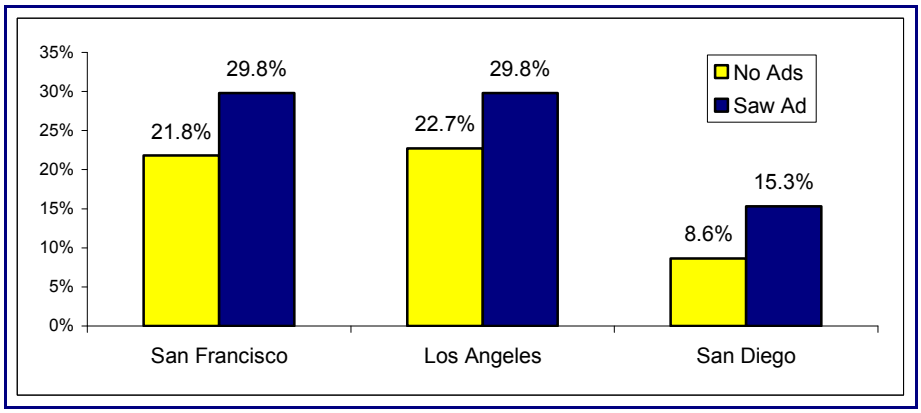


**Likelihood to Visit California during 2008**



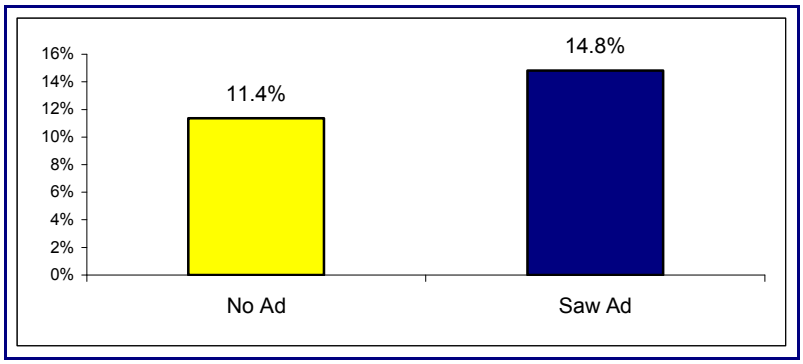

Awareness of the ad also boosted likelihood to visit all tested California cities - San Francisco, Los Angeles, and San Diego. This was especially the case for San Diego, where awareness of the ad nearly doubled likelihood to visit.

**Likelihood to Visit California Cities - by Ad Awareness**



In addition to building interest in the State, the ad successfully built preference. Nearly 15% of those who saw the ad preferred to visit California over other US states as compared to 11% of those who did not see the ad. Interestingly, overall preference actually dropped during the tracking wave from 16.4% of travelers preferring California in the baseline measure to 13.5% preferring the state in the tracking measure. This decline in overall preference and an increase in preference for Nevada (4.3% to 7.5%) and Washington (1.3% to 3.2%) shows the importance of advertising in the UK market. It is likely that these destinations also advertised in the UK, and in order to remain competitive, California will need to do the same.

**Preference for California**




Once the campaign reaches the audience with a positive message, a key measure of effectiveness is whether the advertising changes consumers' perceptions. If the advertising creates a more positive image, it is likely to increase interest in visitation and, ultimately, generate incremental trips. Respondents rated the State before they viewed the ad in the survey. Consequently, their attitudes were based on experience, including whether they had seen the California ad during the ad campaign. A comparison of the ratings between those who had seen the California ad and those who had not reveals that the ad boosted the State's image. The ad most successfully boosted image ratings for attributes related to California's urban offerings, food & wine, parks, beaches, and scenery. Only the ratings for four attributes did not improve with this advertising effort: *is casual and laid back, provides a good value for the money, is wacky and youthful and is a good place for snowsporting.*

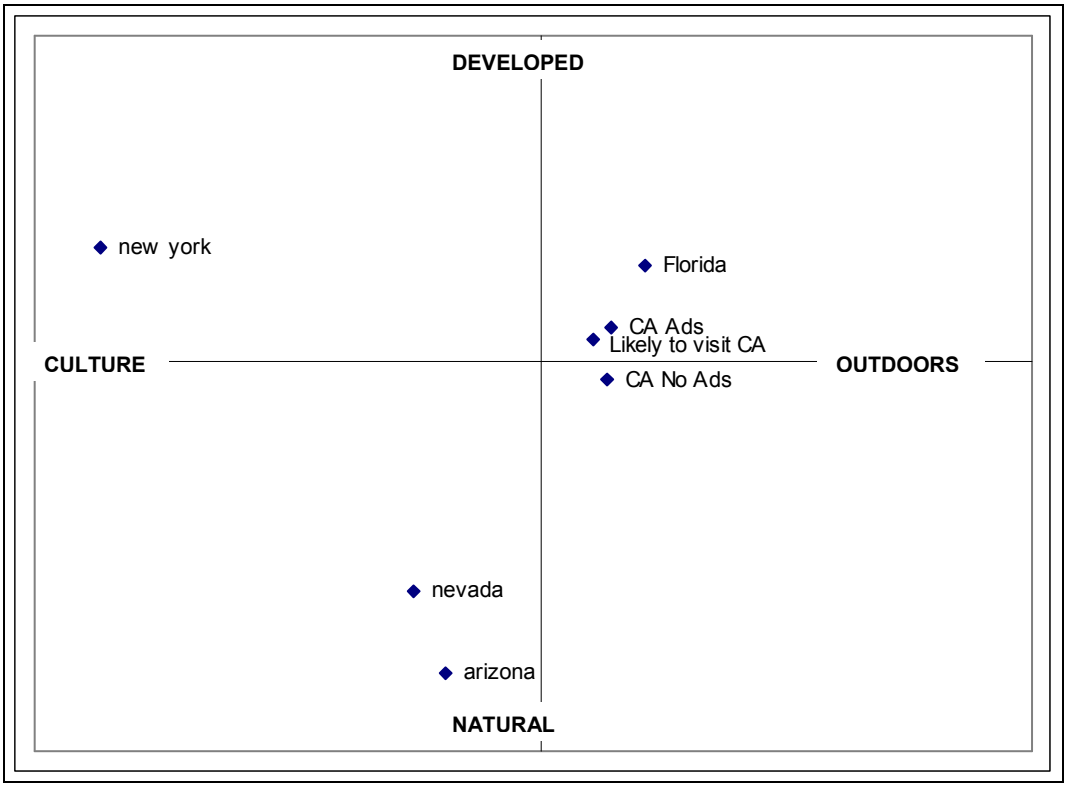
**Image Ratings**

| | No Ad | Saw Ad | Diff. |
|---|---|---|---|
| Has large cities with exciting urban experiences - nightlife, shopping & dining | 3.56 | 3.80 | 0.24 |
| Is a place where food & wine are part of culture/lifestyle | 3.43 | 3.64 | 0.21 |
| Has picturesque parks | 3.39 | 3.58 | 0.19 |
| Has excellent beaches | 3.78 | 3.95 | 0.17 |
| Is scenic & beautiful | 3.62 | 3.78 | 0.16 |
| Has a unique & desirable lifestyle | 3.27 | 3.42 | 0.15 |
| **Continued on next page** | | | |

| | No Ad | Saw Ad | Diff. |
|---|---|---|---|
| Is a place with lots to see and do | 3.72 | 3.86 | 0.13 |
| Residents have unique approach to life & I want to see & experience it on my vacation | 3.17 | 3.29 | 0.12 |
| Has a lot of family activities & theme parks | 3.54 | 3.65 | 0.12 |
| Has a variety of active outdoor - hiking/climbing/biking | 3.39 | 3.50 | 0.11 |
| Offers best of everything in one place | 3.21 | 3.31 | 0.10 |
| Is culturally diverse | 3.42 | 3.51 | 0.09 |
| Is fun | 3.66 | 3.74 | 0.08 |
| Has great weather | 3.99 | 4.06 | 0.07 |
| Has interesting historical sites | 2.97 | 3.03 | 0.06 |
| Has friendly people | 3.47 | 3.52 | 0.05 |
| Has lakes for boating & fishing | 3.25 | 3.30 | 0.05 |
| Is unlike anyplace else | 3.21 | 3.24 | 0.03 |
| Has many quaint small towns | 3.08 | 3.10 | 0.03 |
| Is free spirited and individualistic | 3.52 | 3.54 | 0.02 |
| Is casual and laid back | 3.54 | 3.53 | 0.00 |
| Provides a good value for the money | 3.22 | 3.20 | -0.02 |
| Is wacky and youthful | 3.45 | 3.41 | -0.04 |
| Is a good place for snowsporting | 2.59 | 2.51 | -0.08 |

Finally, we consider the impact of the ad on positioning. As seen in the table below, those who viewed the ad placed California in the developed/outdoors quadrant, while those who were not aware of the ad placed the State in the natural/outdoors quadrant. Since the State generally markets itself as a place of natural beauty that also has a lot to see and do, this move can be seen as positive. In order to determine if this developed/outdoors positioning is ideal, respondents who were likely to visit California were also plotted on the map. As shown below, those who are likely to visit the state also position California in the developed/outdoors quadrant, suggesting that this image is the best way to promote the state.

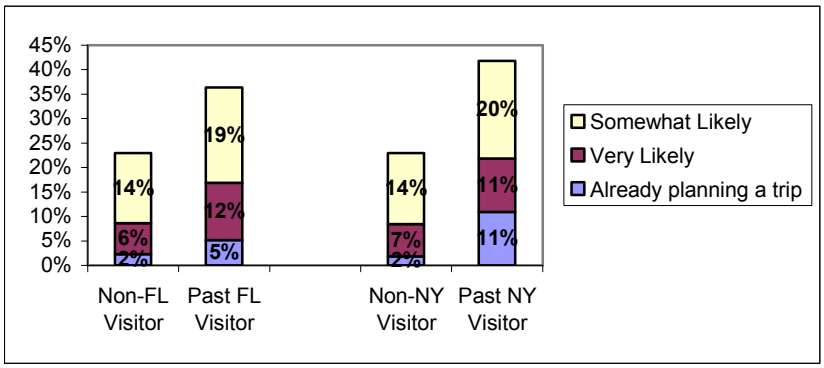
**Impact of the Ad on Position**



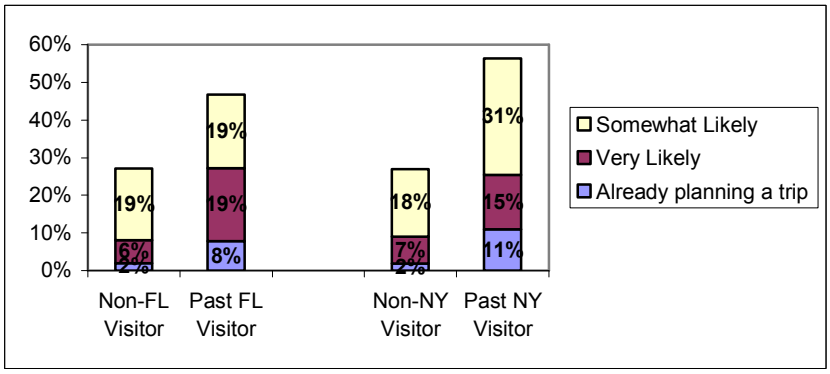
## TACTICAL ISSUES

As California Tourism continues to advertise in the UK market, further understanding of the state's relationship to its primary competitors, Florida and New York, is needed. Specifically, respondents report higher likelihood to visit, preference for, and past visitation to Florida and New York. It may be the case that targeting UK travelers who also have an affinity for Florida and New York may be a good strategy, since these travelers already have an interest in U.S. travel. In order to investigate this relationship, likelihood to visit California during 2008 and also during the next two years was analyzed according to past travel to Florida and New York. Interestingly, both Past Florida and New York visitors were more likely to be already planning a trip to California, or to say that they were likely to visit the state during the next year and two years.

**Likelihood to Visit California in 2008**

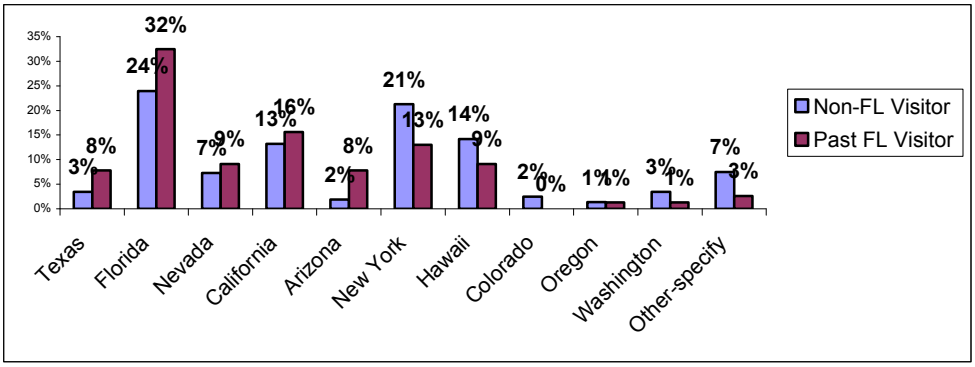


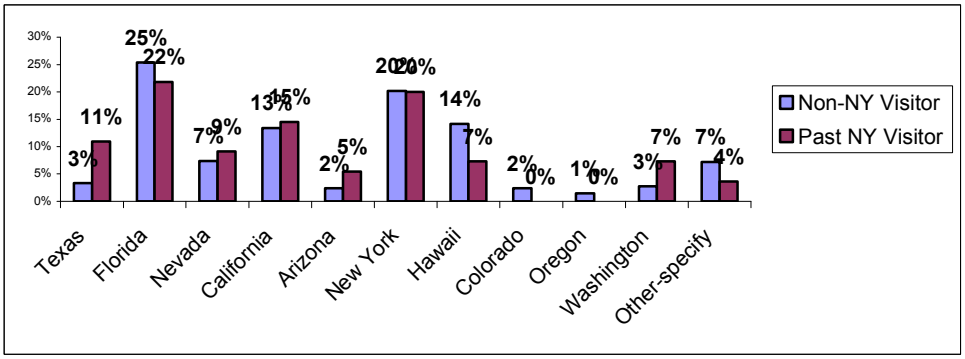

**Likelihood to Visit California within Two Years**



Further, preference for the tested U.S. states by past travel to Florida and New York was explored. Past Florida visitors were more likely to prefer a number of other warm weather U.S. destinations including Texas, Florida, Nevada, California and Arizona. Past New York visitors were more likely to prefer Texas, Nevada, California, Arizona, and Washington than non-NY visitors.

**Preferred Destination**



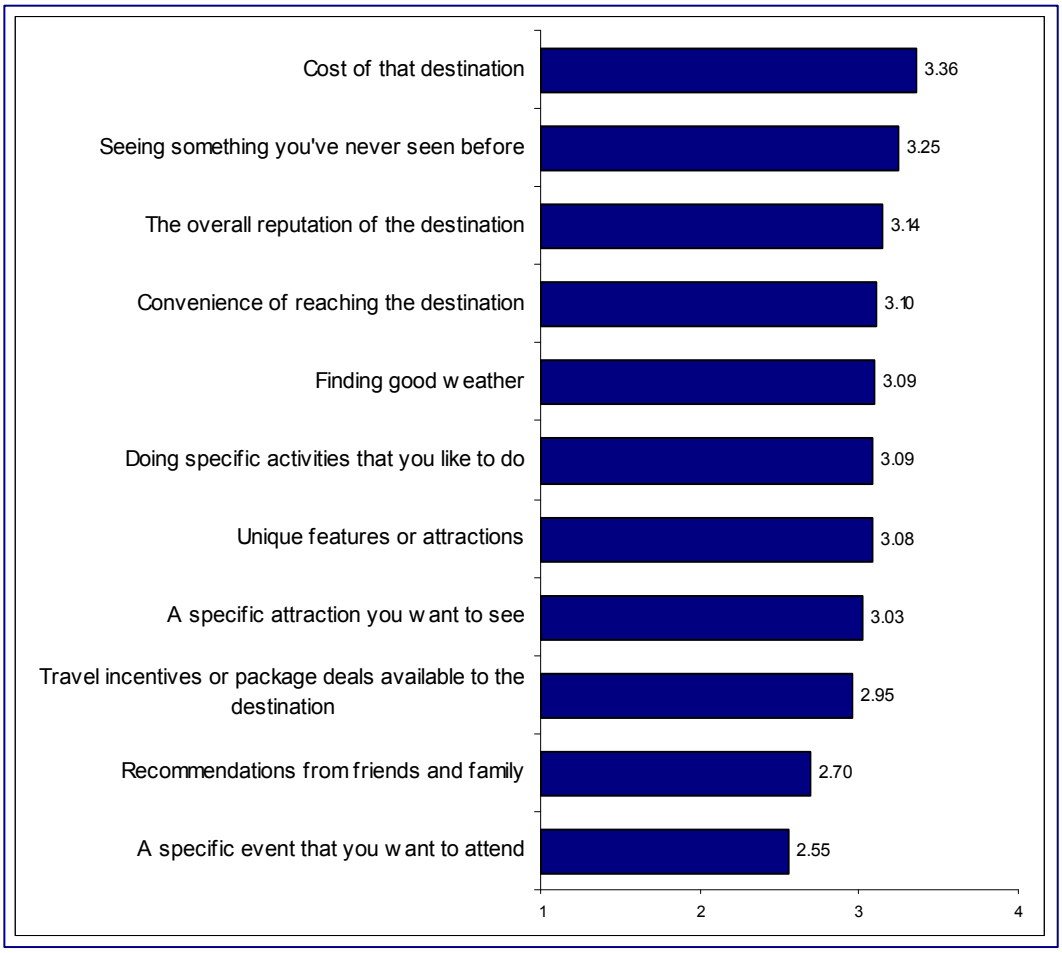

These findings suggest that targeting past Florida and New York visitors may be a reasonable strategy for California Tourism in the UK market. However, it is important to note that there is interest and preference for California among those who did not visit these competitive states.

# CALIFORNIA TRIP SPECIFICS

In addition to developing a baseline image profile of California in the UK, this research also provided the opportunity to explore the travel experiences of those who have visited the State. Reviewing their visits allows for the analysis of travel trends and may help guide future marketing efforts.

Before reviewing actual trips, however, it is important to understand how travelers choose international travel destinations. Respondents were asked to rate eleven criteria on a scale from 1 to 4, where the higher the number, the more important the criteria. The results show that the most important criteria when selecting an international travel destination are cost, followed by seeing something new. Reputation, convenience, good weather, features and attractions were also considered important, while travel incentives, recommendations from friends and family, and specific events were less important.

**International Destination Selection Criteria**

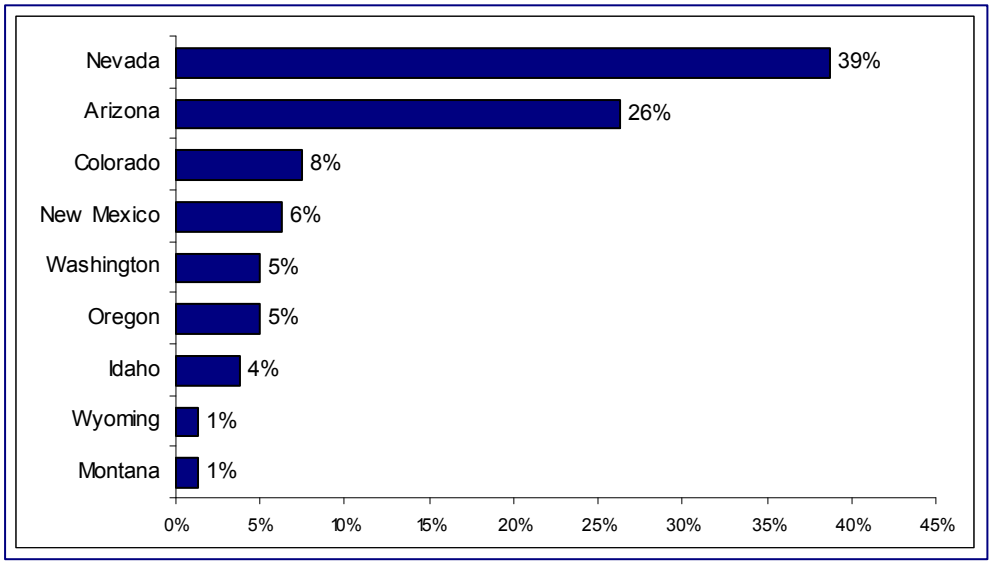


All respondents who had taken a trip to California within the last five years were asked details about their trips. Overall, about 13% of respondents had visited the State within the past five years. When we review the characteristics of trips made to California by these UK residents, we find that many were predictable:

- 81% Arrived by plane (15% drove from another state, 6% took a bus from another state, 1% arrived on a cruise ship, and 1% used other forms of transportation)
- Most of the trips were 7 days or longer
- 85% Used paid accommodations
- Less than a third stayed with friends or family on their trip

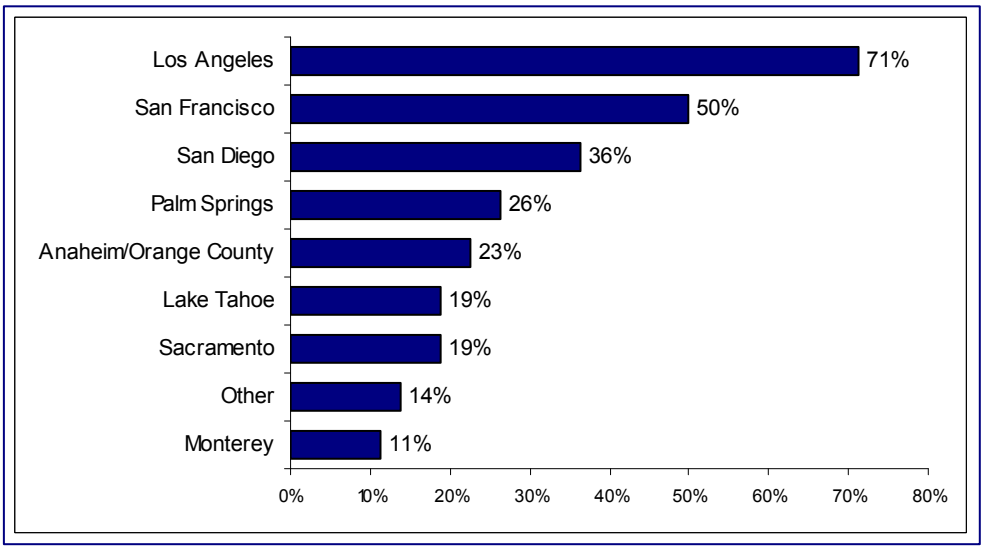
Given a lengthy visit, these trips often included a multiplicity of destinations. Well over half of those visiting California reported also visiting another state – most often Nevada and Arizona.

**Other States Visited**



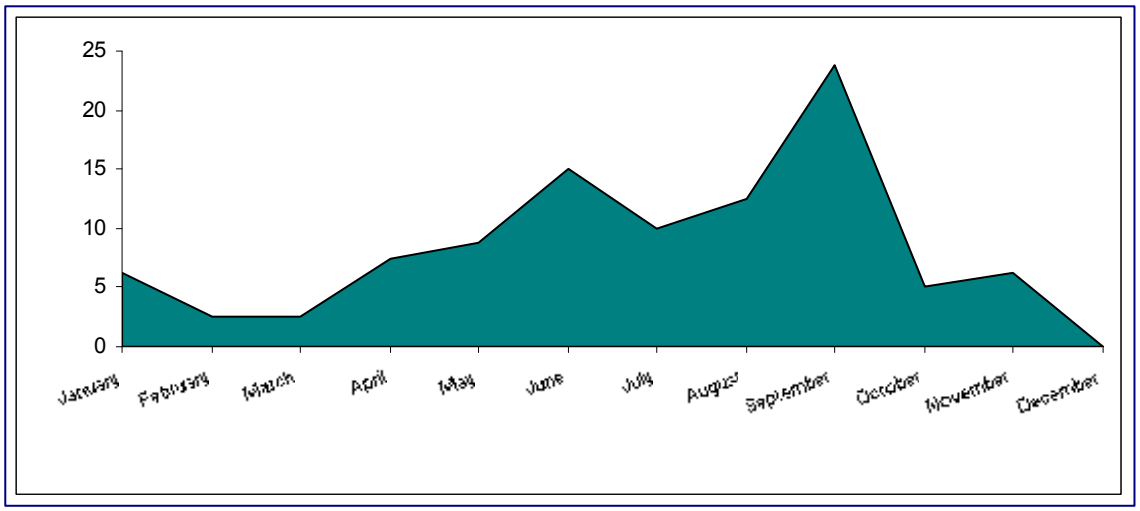
Additionally, while in the US, over two-thirds of travelers visited more that one destination in California; the most popular being Los Angeles and San Francisco, which were included on at least half of all trips.

**Places Visited in California**




June and September were peak months for visiting California. April, May and July also recorded a reasonable percentage of trips.

**Month of Trip**



The survey queried travelers about a variety of activities to determine what they did when in California. The survey also explored which of these activities motivated them to choose California as their destination. This motivation information can help identify the most effective messages for attracting visitors.

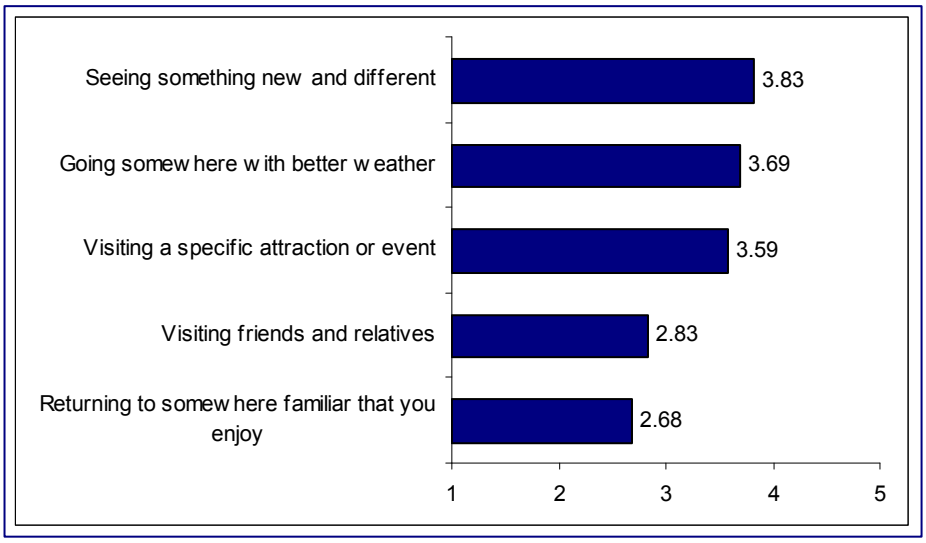
Among UK travelers, the highest percentage of visitor reported shopping, viewing natural scenery, driving scenic byways, visiting Hollywood and eating at fine restaurants. While these activities were included in the highest percentage of trips, those that motivated the most trips included viewing and enjoying natural scenery, visiting Hollywood, visiting a theme or amusement park, and visiting a state or national park.

**Trip Activities**

| | Participated | Motivated |
|---|---|---|
| Viewing & enjoying natural scenery | 64% | 31% |
| Visited Hollywood | 54% | 26% |
| Visiting a theme or amusement park | 41% | 23% |
| Visiting a national or state park | 48% | 21% |
| Shopping | 65% | 18% |
| Experiencing unique culture of area | 48% | 18% |
| Driving on scenic byways or road | 56% | 11% |
| Going to the beach | 45% | 10% |
| Go sightseeing or take tours | 53% | 10% |
| Visit historical sites | 40% | 9% |
| Hiking or camping | 15% | 8% |
| Fine dining/eating at unique restaurant | 54% | 8% |
| Visiting a winery | 25% | 4% |
| Watching sporting events | 13% | 4% |
| Gambling | 23% | 4% |
| Visiting small towns & rural areas | 40% | 4% |
| Visiting a spa | 10% | 3% |
| Entertainment & nightlife | 34% | 3% |
| Adventure activities | 9% | 1% |
| Arts activities | 36% | 1% |
| Golf | 6% | 1% |
| Visiting fun activities for small kids | 10% | 1% |
| Boating or other water activities | 6% | 0% |

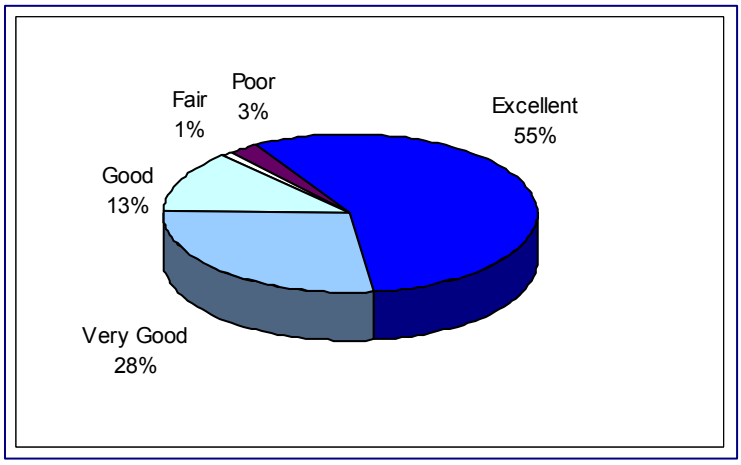
Travelers weigh many factors when deciding to travel. To understand how UK travelers chose California as a destination, all visitors were asked to rate, on a 5-point scale, the importance of each travel motivator in their decision. The higher the rating given, the more important the motivator. Among UK travelers, seeing something new and different was the primary motivator, followed by seeking better weather and visiting specific attractions and events. Less important were VFR and returning to a familiar destination.

**Decision Motivators**




Ensuring that visitors enjoy their stay in the State is one way to generate repeat visitation, as those who enjoy their trips are more likely to return. Positively, a majority of visitors rated their trips *excellent* or *very good*, and about 4% rated their trips *poor* or *fair*.

**California Experience**



Finally, we explore the demographic differences between visitors and non-visitors. This information can be helpful in targeting marketing to potential UK visitors. As seen below, visitors were slightly more likely to be married or in a domestic partnership and also divorced or separated. Visitors reported higher levels of education, higher incomes, and were slightly older than non-visitors.

**Demographic Profile of Visitors**

| **Marital Status** | **Non-Visitors** | **Visitors** |
|---|---|---|
| Married/Domestic partnership | 63.5% | 67.5% |
| Divorced/Separated | 9.4% | 11.3% |
| Widowed | 2.6% | 2.5% |
| Single/Never married | 24.5% | 18.8% |
| People living in household | 2.8 | 2.6 |
| Children under 18 | 0.6 | 0.7 |
| **Education** | | |
| Completed some 2ndary school | 5.9% | 2.5% |
| GCSE's or comparable | 24.4% | 11.4% |
| A levels or comparable | 16.5% | 13.9% |
| Some college or comparable | 19.6% | 26.6% |
| Bachelors degree or comparable | 24.3% | 29.1% |
| Masters degree or comparable | 5.4% | 10.1% |
| Doctorate or professional degree | 3.9% | 6.3% |
| **Income** | | |
| Less than 14,999 | 19.1% | 7.6% |
| 15,000 to 19,999 | 13.4% | 9.1% |
| 20,000 to 24,999 | 14.0% | 13.6% |
| 25,000 to 29,999 | 11.3% | 16.7% |
| 30,000 to 34,999 | 9.6% | 6.1% |
| 35,000 to 39,999 | 10.2% | 13.6% |
| 40,000 to 49,999 | 10.9% | 9.1% |
| 50,000 or more | 11.5% | 24.2% |
| **Average Income** | £29,814 | £36,932 |
| **Age** | **43.6** | **45.7** |

## CONCLUSIONS & RECOMMENDATIONS

- Before California entered the UK market with advertising, only about 9% of UK respondents recalled advertising for the State. Moreover, the State was consistently ranked third to Florida and New York, more proximate US destinations, in likelihood to visit, preference to visit and past visitation.
- Image ratings indicate a low level of familiarity with California as a leisure destination among UK travelers. The State's current image centers on its beaches and weather, and the State is positioned in the developed/outdoors quadrant near the center of the perceptual map. The state shares a number of image strengths with Florida, although Florida generally received higher ratings. The challenge is how to differentiate California and motivate travel given this situation.
- Positively, after launching the campaign in the UK, unprompted awareness of the ad nearly tripled. Further, after being prompted for awareness with the actual advertising, over 63% of respondents reported recall. This figure is competitive with awareness in the US. In total 10.1 million travelers viewed the ad, and the cost to reach an aware household was quite low at £0.10 ($0.19).
- Although the creative did not receive the high ratings seen in the US, most respondents were still quite positive about the ad.
- Perhaps most importantly, those who recalled viewing the ad showed more interest in visiting the State. Ad aware respondents were more likely to visit the State Website, gather information in general and reported being more likely to travel the State. Interest in visiting California's larger cities also rose with awareness, as did preference for California.
- The ad improved California's image ratings, especially those related to the State's urban offerings, food / wine, parks, beaches and scenery. These improvements pushed the State further into the developed/outdoor quadrant, whereas those who were unaware of the ad positioned the State in the natural/outdoors quadrant. Since travelers who were likely to visit California also positioned the state in the developed/ outdoor quadrant, this may be the best strategy for attracting visitation.
- Visitors were most motivated to travel internationally by cost considerations and also to see something new. Visitors' trips were long - lasting seven nights on average - and often included stops in multiple California destinations, and to other western states. Most visitors enjoyed their stay in the State and were motivated to visit by viewing and enjoying natural scenery, visiting Hollywood, visiting a theme or amusement park, and visiting a state or national park.
- Past Florida and New York visitors reported higher likely to visit California and also more preference for the state.
- The main issues for California in the UK market will first be building awareness of the State as a leisure travel destination, and then creating the desired image. Indeed, these results suggest that advertising is the first step toward improving travelers' interest in visiting the State. Further, California will need to work toward owning a position on the perceptual map to differentiate its offerings from those of Florida.

# APPENDIX

**Advertising Effectiveness Survey - UK**
Questionnaire
February 7, 2008

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.

S1. First, who in your household is primarily responsible for making decisions concerning travel destinations?

1.....SELF
2.....SELF & OTHER
3.....SPOUSE/OTHER→ TERMINATE

S2. Have you ever taken a leisure trip where you traveled outside the United Kingdom?
Yes
TERMINATE→ No

S3. Have you taken a leisure trip to the USA in the past 2 years?
Yes
No

S4. How likely are you to take a leisure trip to the USA in the next 2 years?
1..... Very likely
2..... Somewhat likely
3..... Not very likely
4..... Not at all likely

TERMINATE IF S3=NO & S4 IS 4

INSERT AD SCREENER

1. Which holiday destinations have you seen or heard any advertising for lately? (LEAVE SPACE FOR MULTIPLE ANSWERS)

1a. Which of these holiday destinations have you seen/ heard any advertising for lately?
ROTATE

| | |
|---|---|
| New Zealand | ☐ |
| Malaysia | ☐ |
| Jamaica | ☐ |
| New York | ☐ |
| Turkey | ☐ |
| Australia | ☐ |
| Canada | ☐ |
| Russia | ☐ |
| Spain | ☐ |
| California (USA) | ☐ |
| Orlando/Florida (USA) | ☐ |
| Las Vegas (USA) | ☐ |
| India | ☐ |
| South Africa | ☐ |
| None of these | ☐ |

IF S3=YES, ASK Q2, IF S3=NO, SKIP TO Q2a

2. Which of the following US states have you visited for a leisure trip within the past 2 years?

| | Please check the States that you have visited for a leisure trip in the past two years. |
|---|---|
| Texas | ☐ |
| Florida | ☐ |
| Nevada | ☐ |
| California | ☐ |
| Arizona | ☐ |
| New York | ☐ |
| Hawaii | ☐ |
| Colorado | ☐ |
| Oregon | ☐ |
| Washington | ☐ |
| Other: (Specify) | |

2a. Thinking about leisure trips you are considering for 2008, what STATES come to mind as places you are thinking about visiting? (USE DROP DOWN LISTS)

STATE #1 _____
STATE #2_____
STATE #3_____
STATE #4_____

3. In the course of planning for any upcoming trips to the United States, have you gathered information, gone to the website, or contacted any of the following states, or spoken with a travel agent regarding information for planning a trip? Please mark all that apply.

| | **Gathered information, researched destination** | **Visited State Website** | **Spoken with a travel agent** | **Requested information using other method** | **None** |
|---|---|---|---|---|---|
| Texas | ☐ | ☐ | ☐ | ☐ | ☐ |
| Florida | ☐ | ☐ | ☐ | ☐ | ☐ |
| Nevada | ☐ | ☐ | ☐ | ☐ | ☐ |
| California | ☐ | ☐ | ☐ | ☐ | ☐ |
| Arizona | ☐ | ☐ | ☐ | ☐ | ☐ |
| New York | ☐ | ☐ | ☐ | ☐ | ☐ |
| Hawaii | ☐ | ☐ | ☐ | ☐ | ☐ |
| Colorado | ☐ | ☐ | ☐ | ☐ | ☐ |
| Oregon | ☐ | ☐ | ☐ | ☐ | ☐ |
| Washington | ☐ | ☐ | ☐ | ☐ | ☐ |

4. How likely are you to visit each of the following US states during 2008?

| | **Not at all Likely** | **Not Very Likely** | **Somewhat Likely** | **Very Likely** | **Already planning a trip** |
|---|---|---|---|---|---|
| Texas | 1 | 2 | 3 | 4 | 5 |
| Florida | 1 | 2 | 3 | 4 | 5 |
| Nevada | 1 | 2 | 3 | 4 | 5 |
| California | 1 | 2 | 3 | 4 | 5 |
| Arizona | 1 | 2 | 3 | 4 | 5 |
| New York | 1 | 2 | 3 | 4 | 5 |
| Hawaii | 1 | 2 | 3 | 4 | 5 |
| Colorado | 1 | 2 | 3 | 4 | 5 |
| Oregon | 1 | 2 | 3 | 4 | 5 |
| Washington | 1 | 2 | 3 | 4 | 5 |

5. Which one of the following states would you ***prefer*** to visit next? (Please select only one.)

| | **Prefer** |
|---|---|
| Texas | 1 |
| Florida | 1 |
| Nevada | 1 |
| California | 1 |
| Arizona | 1 |
| New York | 1 |
| Hawaii | 1 |
| Colorado | 1 |
| Oregon | 1 |
| Washington | 1 |
| Other specify _____ | 1 |

6. How likely are you to visit each of the following US cities in the next two years?

| | Not at all Likely | Not Very Likely | Somewhat Likely | Very Likely | Already planning a trip |
|---|---|---|---|---|---|
| San Francisco | 1 | 2 | 3 | 4 | 5 |
| Los Angeles | 1 | 2 | 3 | 4 | 5 |
| San Diego | 1 | 2 | 3 | 4 | 5 |
| Portland | 1 | 2 | 3 | 4 | 5 |
| Seattle | 1 | 2 | 3 | 4 | 5 |
| Phoenix | 1 | 2 | 3 | 4 | 5 |
| Las Vegas | 1 | 2 | 3 | 4 | 5 |

6B. How likely are you to consider visiting each of the following countries or areas in the next two years?

| | Not at all likely | Not Very likely | Somewhat likely | Very likely | Already planning a trip |
|---|---|---|---|---|---|
| New Zealand | 1 | 2 | 3 | 4 | 5 |
| Malaysia | 1 | 2 | 3 | 4 | 5 |
| Jamaica | 1 | 2 | 3 | 4 | 5 |
| New York | 1 | 2 | 3 | 4 | 5 |
| Turkey | 1 | 2 | 3 | 4 | 5 |
| Australia | 1 | 2 | 3 | 4 | 5 |
| Canada | 1 | 2 | 3 | 4 | 5 |
| Russia | 1 | 2 | 3 | 4 | 5 |
| Spain | 1 | 2 | 3 | 4 | 5 |
| California (USA) | 1 | 2 | 3 | 4 | 5 |
| Orlando/Florida (USA) | 1 | 2 | 3 | 4 | 5 |
| Las Vegas (USA) | 1 | 2 | 3 | 4 | 5 |
| India | 1 | 2 | 3 | 4 | 5 |
| South Africa | 1 | 2 | 3 | 4 | 5 |

7. Please answer some questions regarding your image of the State of California as a place to visit. For each statement, rate how much you agree or disagree that the Statement describes [INSERT STATE]. How strongly do you agree or disagree that [INSERT STATE]:

| | Strongly Disagree | | | | Strongly Agree |
|---|---|---|---|---|---|
| Is a place with lots to see and do | 1 | 2 | 3 | 4 | 5 |
| Is culturally diverse | 1 | 2 | 3 | 4 | 5 |
| Is scenic and beautiful | 1 | 2 | 3 | 4 | 5 |
| Is fun | 1 | 2 | 3 | 4 | 5 |
| Has a variety of active outdoor – hiking/climbing/biking | 1 | 2 | 3 | 4 | 5 |
| Has large cities with exciting urban experiences – nightlife, shopping & dining | 1 | 2 | 3 | 4 | 5 |
| Has many quaint small towns | 1 | 2 | 3 | 4 | 5 |
| Has excellent beaches | 1 | 2 | 3 | 4 | 5 |
| Has picturesque parks | 1 | 2 | 3 | 4 | 5 |
| Is free spirited and individualistic | 1 | 2 | 3 | 4 | 5 |
| Has interesting historical sites | 1 | 2 | 3 | 4 | 5 |

| | | | | | |
|---|---|---|---|---|---|
| Is a place where food & wine are part of the culture/lifestyle | 1 | 2 | 3 | 4 | 5 |
| Has a lot of family activities & theme parks | 1 | 2 | 3 | 4 | 5 |
| Has lakes for boating & fishing | 1 | 2 | 3 | 4 | 5 |
| Is wacky and youthful | 1 | 2 | 3 | 4 | 5 |
| Is casual and laid back | 1 | 2 | 3 | 4 | 5 |
| Offers the best of everything in one place | 1 | 2 | 3 | 4 | 5 |
| Is unlike anyplace else | 1 | 2 | 3 | 4 | 5 |
| Has a unique and desirable lifestyle | 1 | 2 | 3 | 4 | 5 |
| Has friendly people | 1 | 2 | 3 | 4 | 5 |
| Provides a good value for the money | 1 | 2 | 3 | 4 | 5 |
| Is a good place for snowsporting | 1 | 2 | 3 | 4 | 5 |
| Residents have a unique approach toward life & it is something I want to see & experience on my vacation | 1 | 2 | 3 | 4 | 5 |
| Has great weather | 1 | 2 | 3 | 4 | 5 |

INSERT CALIFORNIA WORK AD & ask Q8 – Q10

8. Do you recall seeing the following television ad?
    1. Yes
    2. No (THANK AND SKIP TO Q8)
    3. Could not view the ad (THANK AND SKIP TO Q8)

9. How many times have you seen it?
    1. Once
    2. Two or three times
    3. More than three times

10. Now please indicate how much you agree that…

| | **Strongly Disagree** | | | | **Strongly Agree** |
|---|---|---|---|---|---|
| After seeing this ad you are more interested in visiting California. | 1 | 2 | 3 | 4 | 5 |
| This ad shows experiences & places you are interested in. | 1 | 2 | 3 | 4 | 5 |
| This ad shows a place with a unique attitude toward life. | 1 | 2 | 3 | 4 | 5 |
| This ad portrays a place that offers vacationers the best of everything there is – in one place. | 1 | 2 | 3 | 4 | 5 |

10a. What was your favorite part of the ad? (this is the English spelling, please use)

10b. Was there anything you disliked in the ad?
1……No
2.....Yes, specify _____

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

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

12. Including yourself, how many people are currently living in your household? _____

13. How many living in your household are children under the age of 18? _____

14. Which of the following categories represents the last grade of school you completed?

| | |
|---|---|
| Completed some secondary school | 1 |
| GCSE's..... | 1 |
| A Levels..... | 2 |
| Some College..... | 3 |
| Bachelors Degree..... | 4 |
| Masters Degree..... | 5 |
| Doctorate or Professional Degree... | 6 |

Q14a. What is your occupation?

Executive/upper management……1
IT/MIS Professional ……2
Education……..3
Homemaker……...4
Student……..5
Small Business Owners……6
Other (Specify)……7
Skilled trade/service……..8
Retired……...9
Not currently employed……...10

15. Which of the following categories best represents the total annual income for your household before taxes? (ASK FOR THE ANNUAL INCOME FROM <u>ALL</u> SOURCES)

Less than £14,999.....1
£15,000 to £19,999 .....2
£20,000 to £24,999 .....3
£25,000 to £29,999 .....4
£30,000 to £34,999 .....5
£35,000 to £39,999 .....6
£40,000 to £49,999 .....7
£50,000 or more .....8
REFUSED/NO ANSWER.....9

16. What is your age? _____

17. Are you...
    - ☐ Male
    - ☐ Female

18. What is your postal code? _____

THANK YOU FOR PARTICIPATING IN THIS SURVEY.