

**Utah Office of Tourism
Board Meeting
Friday, April 10, 2015 – 10:00 a.m.
Sevier County Building
250 North Main Street, Room #46
Richfield, Utah 84701**

Present

Board Members

Mike Taylor
John Holland
Hans Fuegi
Pam Hilton

Kathy Hanna-Smith
Brian Merrill
Gordon Topham
Bill Malone

Via Phone

Kym Buttschardt

Lance Syrett

Absent

Joel Racker
Jeff Robbins

Nathan Rafferty

Staff

Vicki Varela
Barbara Bloedorn
Kaitlin Eskelson

David Williams
Jay Kinghorn

Guests

Jeremy Chase
Red Oelerich
Nan Anderson
Jonathan Smithgall
Randy Rhodes
Monique Beeley
Maria Twitchell
Joan Hammer
Raelene Davis
Kylie Kullack
Kevin Taylor
Kevin Arrington
Lorraine Gregerson
Pat Holmes
Sally Fuegi
Kay McIff
Falyn Owens
Camille Johnson

Struck
Outdoor Utah
UTIA
Love Communications
Utah.com
Outdoor Utah
Cedar City/Brian Head
Box Elder County
Ski Utah
Struck
Utah State Parks (Fremont)
Sevier County Tourism
Richfield Area Chamber of Commerce
Visit Salt Lake
Park City
Utah Legislature
Garfield County
Kane County Office of Tourism

WELCOME

Bill Malone called the meeting to order and welcomed the board, staff and visitors to the meeting in Richfield. Bill then introduced Representative Kay McIff and asked him to say a few words.

Representative McIff welcomed the board to Richfield and expressed appreciation for the leadership and aggressive approach that the UOT board and staff provide on behalf of the state. He further added that the state has made tremendous strides in the last few years due to their efforts.

Kevin Arrington, Director of Sevier County Travel & Tourism welcomed the board and visitors to Richfield. He gave a brief update on events and recent growth in the area. He provided the board with a copy of the Piute Map Book which was created with co-op dollars. He thanked the board for the partnership.

Bill then had the board, staff and visitors of the meeting introduce themselves.

MINUTES

MOTION: Mike Taylor made a motion to approve the minutes of the February 13th meeting held in Draper. Gordon Topham seconded the motion. The motion passed.

DIRECTOR'S REPORT

Vicki Varela reported on some of the following items:

- TMPF – Legislature approved \$18 million and passed legislation for more comprehensive, precise & conservative measures of our performance in the TMPF bill
- St. George Welcome Center Update – secured permission to build center, legislature did not provide additional funding – stay tuned for more details
- Tourism Oriented Directional Signage (TODS) bill signage passed in the legislature
- Scenic Byways Legislation
- Destination Capitol Hill/US Travel Board Meetings in DC
- Website Update
- New Travel Guide – provided the board a copy of the newly printed travel guide
- Partner Website – presented a quick overview of this new site
- Marketing RFP – the RFP is out – will make the final selection later in June
- Governor's Economic Summit – Friday, April 17th at the Grand America

Travel Guide/Literature Distribution Update

Jay Kinghorn reported that the new travel guide really showcases the scenic byways and rural areas better than any of the previous guides. He further added that the new design will cut our costs because it can be mailed without an envelope.

Historically our office has been spending approximately \$10 to send out a visitor information packet. About \$360,000 is spent annually on printing, fulfillment and postage.

Jay asked for the board's feedback on the best way to serve our customers and partners without breaking the bank. How can we provide trip planning information to prospective visitors and provide information and inspiration to encourage travel statewide, including destinations not featured in the TV campaigns?

Jay further added that we allocated \$175,000 for postage in our operations budget for the current fiscal year and we are already over budget for the year. We send out about 76,000 packets a year which includes around 37,000 travel guides. Printed materials is the most costly way to serve our customers but in a recent customer survey of 341 people who have requested printed materials, almost 61% strongly prefer printed materials rather than digital for trip planning and want to have them while traveling. Almost 53% of those surveyed wanted a comprehensive package, the more information, the better.

Kaitlin Eskelson suggested some possible solutions to saving on costs. Some of the suggestions are:

- Continue to mail key pieces such as the travel guide, state parks, national parks and Ski Utah guide
- Work with partners to create one-sheets to highlight each area by asking them to tell us five things the area is known for and five things they want to be known for in the future

- Each of the one-sheeters could have contact information for the area Kaitlin asked for feedback from the board on its thoughts regarding these suggestions.

Gordon Topham recommended that a QR code be included on the one-sheeters. Kaitlin said that is a good suggestion and we will refer people to on-line URL's. She also reported that along with these regional one-sheeters, we would still have the themed one-sheeters that we currently have such as festivals, biking, fishing, heritage tourism, state parks, etc.

Bill Malone liked the idea of the one-sheeters and including a URL.

Kathy Hanna-Smith recommended that the visitor be referred to the page number in the travel guide if they see something they like on the one-sheeter.

The board all had positive feedback on the one-sheeters. Kaitlin indicated that they would be reprinted yearly and they will also be printable in PDF format.

Kaitlin stated that our office will not move forward on this concept without running it through the board and our partners.

CO-OP COMMITTEE REPORT

Hans Fuegi gave a summary on the proposal for the Fiscal Year 2015/2016 Cooperative Marketing Program. The items covered in the proposal included:

In-State Co-op:

Who Is Eligible:

Counties of the 4th, 5th, or 6th Class: Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Juab, Kane, Millard, Morgan, Piute, Rich, San Juan, Sanpete, Sevier, Wasatch, Wayne

Note: Any county touched by a Mighty 5 national park would have to run ads to target visitors that would visit in the months of November-February.

In-state options would be part of the cafeteria plan with \$10,000 available per qualifying county. In-state will only be available for the eligible counties.

Options will be created to promote:

- Hiking/biking
- Festivals
- Scenic Byways
- ATV/OHH/off-roading

Cafeteria Plan

\$700,000 total

\$60,000 per eligible non-profit entity. Non-profits can apply for the cafeteria plan (domestic & international), but only eligible counties can participate in the in-state marketing. The money spent by a county on in-state will go toward the \$60,000 cap. This program is in addition to the traditional Co-op program.

Two opt-in periods:

- Week after August board meeting
- Mid-January – with any cafeteria funds not claimed in August opt-in

Traditional Co-op Plan

\$2.9 million available with cap at \$325,000

Applications due: June 25

Oral Interviews: July 20 & 21, 2015

Registration & booth space rentals are now eligible expenses for listed tradeshow only (Consumer shows are not eligible)

After explaining the proposed additions and/or changes to the overall co-op plan, Hans opened the floor up to questions from the board.

Bill Malone asked if the in-state marketing would be a one-to-one match for the \$10,000. Hans confirmed that to be correct.

Bill further asked regarding the cafeteria plan if there is a percentage that goes towards international. Kaitlin Eskelson replied that it is based on the partners that opt in and what options they choose.

Bill also asked about the tradeshow that will be eligible in the traditional co-op plan. Kaitlin reported that only domestic trade shows will be eligible such as IPW, NTA, Go West, MPI and others. A list of eligible shows will be provided to the partners.

Vicki Varela commented that the in-state co-op will be important to help our small rural partners start to develop their tourism economies by having some resources that will help them figure out marketing strategies.

Hans Fuegi reported that the in-state co-op will be a pilot program this year. If the TMPF funding is cut in the future, the board will have the option to revert back to the traditional plan for out-of- state advertising only.

With no further discussion, Hans requested that the board entertain a motion to approve the overall co-op marketing plan proposal as presented.

MOTION: Mike Taylor made a motion to approve the Co-op plan as presented. Gordon Topham seconded the motion. The motion passed.

MARKETING COMMITTEE REPORT

Dave Williams reported on some of the following items:

- a. **Red Bull Partnership Program** - Dave briefly explained the proposal received from Red Bull in the amount of \$30,000 – three elements to the partnership are:
 - Building awareness through Red Bull Magazine - would receive feature editorial in Red Bull Magazine which has a distribution of 298,436
 - Reality TV show that is seen in Germany, would pick a Red Bull athlete, mountain biker would be filmed in Utah on a reality TV show
 - Activation component on Expedia with a discount promo code to travel to Utah and feature partner on responsive landing page linking to hotel hot group page for destination partner

Dave explained that the total gross cost of the partnership is \$68,250 – UOT would pay \$30,000, there would be five other partners at \$6,000 each through the cafeteria plan and Brand USA would cover the remaining \$8,250

Kaitlin added that another component of the partnership is that the UOT would be the official sponsor of a Red Bull event in Germany, mountain biking event in September.

With no further discussion, Dave requested the board entertain a motion to approve appropriating \$30,000 from unused postage from the three-season budget from prior years.

MOTION: Hans Fuegi made a motion to approve providing \$30,000 for the Red Bull Partnership as presented. Pam Hilton seconded the motion. The motion passed.

- b. **Condition One Initiative - \$100,000** – Dave reported that the management team recently met with Danfung Dennis, CEO and founder of Condition One, a video software company that combines advanced 3D graphics with high-resolution video. Mr. Dennis brought in some virtual reality goggles and headset for the team to experience a virtual reality visit to Antelope Island. Dave reported that the management team and the marketing team feel like this could be a high impact piece that the travel trade team could take to trade shows to have tour operators try and could really create some buzz and could be used for desk side visits. The goggles are \$1,000 each and the Samsung Galaxy phones are \$750 each. Would like to propose that we buy four pairs of goggles, the license from Condition One for the Antelope Island footage (\$5,000) and get three other locations. Each location would be about \$25,000. If the board were to approve this expenditure, Dave and the Marketing Committee propose taking \$30,000 from unused b-roll from prior years, \$33,000 from unused social media from prior years and the remaining \$27,000 from our operations budget. Dave then asked if the board would entertain a motion to approve this expenditure.

MOTION: With no further discussion, Gordon Topham made a motion to approve funding for the Condition One Initiative. Mike Taylor seconded the motion. The motion passed.

- c. **Ski Utah Poly-bagging Proposal - \$80,000**: Raelene Davis of Ski Utah asked for the boards' consideration to allocate \$80,000 to poly-bag 90,000 copies of Ski Utah Magazine with the October issue of Ski Magazine, 20,000 copies with the winter issue of Mountain Magazine and 50,000 copies with the December issue of Outside Magazine. Total distribution through this initiative would be 160,000 with a readership of 480,000 ski, snowboard and outdoor enthusiasts. Ski Utah would also match the \$80,000.

Dave reported that if the board were to approve, the funds would come out of the winter portion of the FY2016 budget. He asked for the boards' consideration to approve this expenditure and he added that the marketing committee is in full support of this request.

MOTION: Kathy Hanna-Smith made a motion to approve funding poly-bagging Ski Utah Magazine with Mountain Magazine, Ski Magazine and Outside Magazine as presented. Brian Merrill seconded the motion. The motion passed. Kym Buttschardt recused herself.

- d. **Winter 2014-2015 Digital Media Report**: - Struck and Love Communications presented updates on the winter campaign. Some of the items covered in the update were:
- Flight dates 10/29/2014 – 3/16/2015
 - The campaign has delivered over 80 million impressions & generated 205,066 clicks for an overall click through rate of .25%
 - The campaign's CTR of .25% is 150% above the travel industry average CTR of .1%
 - With a CTR of .32% and a post impression rate of 0.28%, New York was one of the top performing DMA's. This CTR is 219% above the industry average of .1%
- e. **Three-Season 2015 Digital Media Report**: Struck and Love Communications presented updates on the Three Season campaign. Some of the items covered in the update were:
- Flight dates: 2/23/2015 – 4/26/2015
 - The campaign has delivered over 28 million impressions and generated 79,001 clicks for an overall click through rate of .27%
 - With a CTR of .30% and a post impression rate of 0.58%, Los Angeles is the top performing DMA in terms of website traffic. This CTR is 274% above the combined industry average of .08%

Dave announced that Struck received notice from the Webby Awards that they have recognized Findyourgreatest.com as one of ten honorees in the category of interactive advertising and media tourism and leisure. He pointed out that Struck received lots of direction from Jay and the UOT staff in their development of the microsite, and it was a team effort.

UTIA UPDATE

Nan Anderson reported on some of the following items

- Destination Capitol Hill – DC
- Legislative Tour scheduled in Emery, Carbon and Grand Counties in September
- Tourism Conference scheduled in Bryce Canyon October 6th – 8th
- Partnership with the Utah Hotel and Lodging Association
- The next UTIA membership meeting will be held in Provo on June 11th

PUBLIC COMMENT

Red Oelerich provided the board and audience with a copy of the new Outdoor Utah Adventure Guide.

Gordon Topham thanked the board for holding it's meeting in Richfield and invited them to come back to the area and visit the Fremont State Park.

Meeting adjourned. The next board meeting/retreat will be held in Brian Head, May 7th and 8th