January 24, 2012

To: Roger Stancil, Town Manager

Fr: Laurie Paolicelli, Executive Director
Chapel Hill/Orange County Visitors Bureau

Re: Quarterly Report, January 2012 for Town Council members

On behalf of the Visitors Bureau Board, please accept my thanks for asking this agency to submit a quarterly tourism report so that Chapel Hill Town Council Members have a better sense of how tourism is tracking locally; and how the Visitors Bureau works to influence this industry.

Below are several highlights of this past quarter. These highlights give some insight into what is taking place in Chapel Hill's hospitality industry, how we are forging ahead and what the next six-month look like in terms of output from this office.

One highlighted item is the new branding study and campaign. This initiative is being launched by, *Clean Design*, the visitor's bureau's agency of record (a contract approved at tonight's BOCC meeting).

The campaign that is being launched by Clean Design is in its early stages. I am submitting an addendum to this report so that council can see the insights they have already lent us, insofar as Chapel Hill's tourism industry is concerned.

This is a large report with much information. (Councilmember's Bell and Ward were at the presentation made by Clean Design). Because there is so much information in this report, I will make myself available at a future council meeting if you so desire.

Thank you again for the opportunity to partner with the town of Chapel Hill.

Top trends:

- New branding initiative and stakeholder study (addendum attached).
- Chapel Hill's hotels are reporting increased revenues, finally, after a significant drop in 2009 and 2010. Although the hotels are approximately 62% occupied overall; we had discounted heavily during the past two years so we are working hard to get our average daily rate back on par. This requires marketing, packaging, and, most importantly, bringing in clients, mid-week (UNC takes care of much of our weekend business).

- Based on demand via telephone calls, emails and walk-in visitors and through our "Live Help" chat room, each month it is clear that Chapel Hill is a sought-after destination. From an economic standpoint, the challenge is keeping visitors here, in our hotels, at our restaurants, and in our shops. Activating the sale is a primary focus of this agency and others. It is not enough to have visitors talk about how pretty we are. We must influence development.
- Increased marketing to potential visitors throughout the state is helping to sustain these numbers.
- Chapel Hill's Friday Center, and area hotels, relies on groups from 10-300 to sustain their revenues and generate traffic on Franklin Street and in development hubs.
- A new tourism campaign, focused on business travelers and meeting planners, is the focus of the Visitors Bureau's work, as detailed in the attached presentation.
- Approximately 100,000 visitor guides and maps are requested by visitors, business travelers, school groups and athletic travelers to Chapel Hill.
- The Visitors Bureau continues to produce these pieces, annually, with the largest amount being distributed at hotels, RDU, the state tourism centers and through our office.
- Friday Center has a new Executive Director the Visitors Bureau is working hand-in-hand with to bring in new groups. Says Rob Bruce:

"The Center's new leadership and experienced staff will create a five-year vision with bold program changes and notable technology and facility enhancements. We look forward to building new local and regional partnerships that will extend the Center's scope in a number of areas such as performance- and arts-based programs as well as other innovative, highly customized events and programs."

- The busiest days at the Visitors Center, Monday, Tuesday, Friday, Saturday.
- Average guest: Middle aged couple; extended families without children; business travelers.
- Most requested items: Maps, restaurant referrals, hotels that take dogs, book stores, guided tours,
- Nearly 50% of our hotel bookings are coming from Mobile phone and IPADS. To this end, we launched: www.visitchapelhill.mobi and are now adding an IPAD application.

Related news: Carrboro's hotel will break ground in April—new supply to Orange County will rely on new marketing strategies. Carolina Inn is seeing a huge increase in weddings. Aloft may be Starwood's "Hotel of the year." It has done above average business in Chapel Hill.
Sheraton has a new management team and director of sales and is asking for help with large group business. Hampton Inn on Fordham will become a, Quality Inn in April, giving us the advantage of a budget hotel. Courtyard by Marriott is working in tandem with Friday Center and meeting goals. Residence Inn is working with hospital contracts, longer-stay transient business and is making its budget. Overall, Chapel Hill continues to offer options, price ranges, and flexibility to visitors. Biggest complaints: parking, graffiti, safety concerns for students and visitors; and difficulty in navigating the area.

Thank you.

cleandesign

AGENDA

Research

Target audience

Competition

Positioning

Next steps

assignment

- REVIEW EXISTING MARKETING PLAN
- KEY STAKEHOLDER INTERVIEWS
- DESIGN & MESSAGING AUDIT OF EXISTING MATERIALS
- SOCIAL MEDIA AUDIT
- TARGET AUDIENCE ANALYSIS
- COMPETITIVE / COMPARATOR ANALYSIS
- TOURS OF DESTINATION

Where are we now?

Chapel Hill/Orange County Visitors Bureau
Mission Statement

Position Chapel Hill and all of Orange County as a desirable place to **visit** and host a **meeting** or **conference** with careful consideration to the needs and assets of the Orange County communities.

Engage in a variety of activities that will result in increased **hotel bookings**, rental of area meeting facilities, visitations, increased **occupancy** tax receipts and visitor expenditures.

current scorecard

OCCUPANCY RATE	61.4%	+4.4%
ADR	$101.19	–3.3%

source: 2010-2011 Annual Report and Strategic Plan Overview

What have we been up to?

Interviews

- 18 INTERVIEWS
- ON-ON-ONE IN-PERSON OR ON THE PHONE
- KEY STAKEHOLDERS
- BETWEEN NOVEMBER – DECEMBER 2011

Interviewees

JIM NORTON
CEO of Downtown Chapel Hill Partnership

CATHERINE LAZORKO
Public Information Officer, Chapel Hill

GREG OVERBECK
Partner Chapel Hill Restaurant Group/Spanky's

ERNEST DOLLAR
Chapel Hill Preservation Society Director

DAVID GEPHART
Chair, Visitors Bureau

LINDA CONVISSOR
UNC Community Relations

STEVE BRANTLEY
Orange County Economic Development

KAREN MOOSE DEHART
NC High School Athletic Association

MISSY JULIAN FOX
UNC Visitors Center Director

MARK SHERBURNE
General Manager of Aloft

ANTHONY CAREY
General Manager of Siena Hotel

ROSEMARY WALDORF
Town of Chapel Hill co-chair for 2020 Vision Plan

LYDIA LAVALLE
Carrboro

JACK SCHMIDT
Sales Director, Carolina Inn

JAY PATEL
General Manager Franklin Hotel

AARON NELSON
CEO of the Chapel Hill Carrboro Chamber of Commerce

LEE PAVIO
Emeritus Member of the Board

JIM WARD
Chapel Hill Carrboro Town Council and Visitors Bureau Board

What challenges do we need to overcome?

"I think we might be a one trick pony – UNC and nothing else."

"You have a little of everything here. Pinehurst is golf, Wilmington is beach, Asheville is Biltmore, Orlando is Disney. UNC is our Disneyworld."

"We are perceived to be a sleepy little southern village, we are a dynamic growing community."

"Our message has been diluted in the past. We have been doing three towns for the price of one and it dilutes the message."

"Because we have so much, we can lose focus."

source: stakeholder interviews

What do we have going for us?

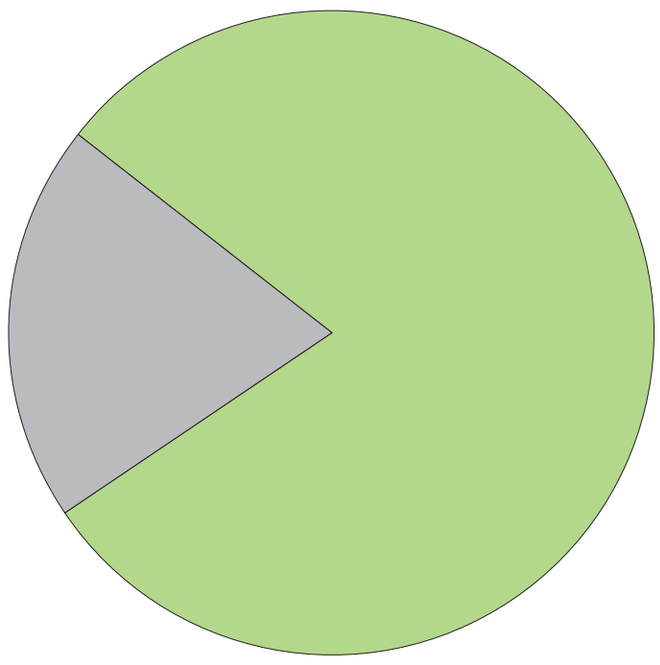
“Great name recognition. For a town of 60,000 people it’s amazing that no matter where I go, people have heard of Chapel Hill.”

“Our reputation precedes us. Internationally people come here because of our reputation.”

source: stakeholder interviews

What is the primary reason people visit?

DESTINATION



UNC
SPORTS EVENT
HOSPITAL
VISIT FRIENDS & FAMILY

Where are our opportunities for growth?

"We need more mid-week business."

"Summer off-season"

"We need mid-sized group travel."

"Conferences are key.
That should be our focus."

source: stakeholder interviews

Strategy

- INCREASE GROUP SALES & MEETINGS
- INCREASE MIDWEEK BUSINESS TRAVEL
- INCREASE OFF-SEASON LEISURE TRAVEL

2012
Marketing Focus

mid-week
group sales/meeting

mid-week
business traveler

summer leisure

Who can we target for summer getaways?

Trendsetters

Young, progressive

Sophisticated Squires

Cultured, artistic

Who can we target for business?

Who is today's business traveler?

- 59% MALE, 41% FEMALE
- AVERAGE AGE IS 38 YEARS
- 71% ARE COLLEGE EDUCATED

source: Industry News July 2011, HospitalityNet.org

New Recruits

Young, adventurous

Passionate High-Tech

Young, enthusiastic travelers

Wide-Eyed & Eager

Young, open-minded

source: Industry News July 2011, HospitalityNet.org

Target Audience

LEISURE

01. Trendsetters
02. Sophisticated Squires

BUSINESS

01. The New Recruits
02. Passionate High-Tech
03. Wide-eyed and Eager

COMPETITION

Competitive audit

- MESSAGING AUDIT
- DESIGN AUDIT
- SOCIAL MEDIA AUDIT
- MEDIA SPEND AUDIT
- CREATIVE AUDIT
- COMPARATOR AUDIT

Key competitors

LEISURE

- Raleigh
- Durham
- Greensboro
- Pinehurst
- Savannah
- Williamsburg
- Outer Banks
- Asheville
- Charleston
- Charlotte

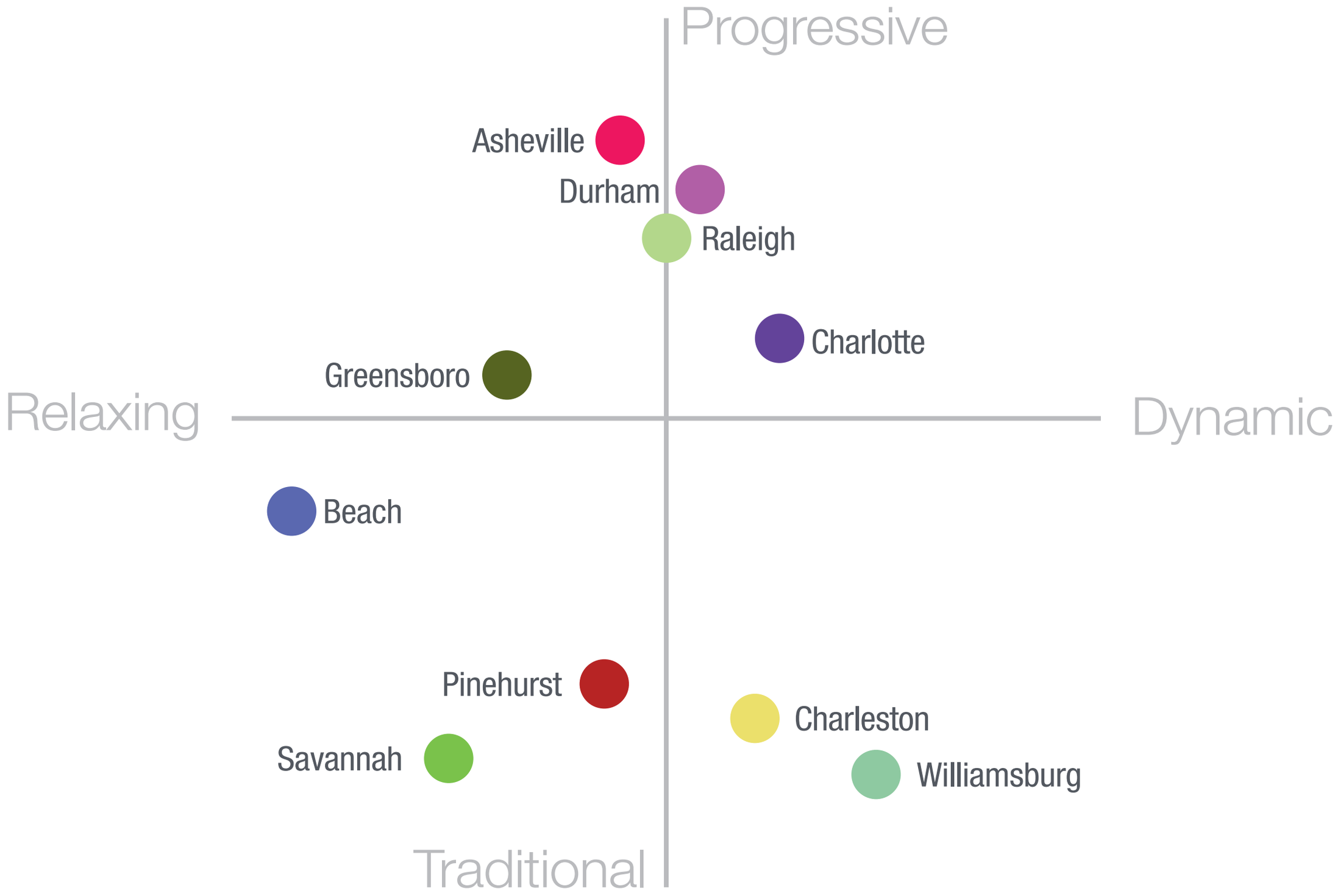
GROUPS

- RTP
- Durham
- Raleigh
- Pinehurst
- Greensboro
- Asheville
- Wilmington

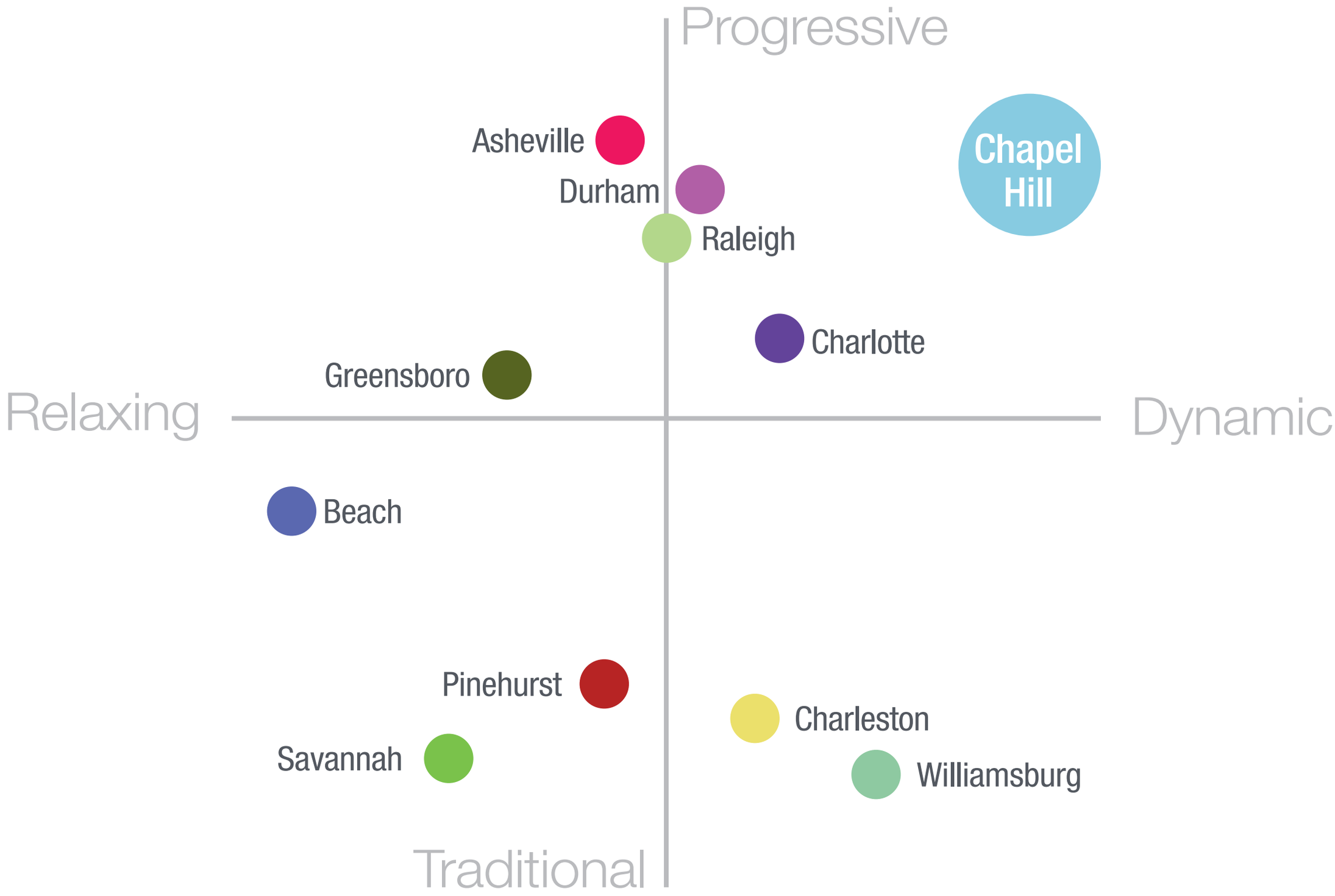
BUSINESS

- RTP
- Durham
- Raleigh

positioning matrix



positioning matrix



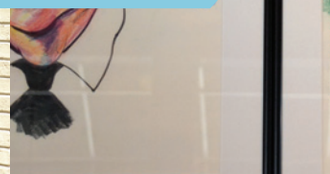
POSITIONING

A process by which an
image or identity
is created in the
mind of the target market
for a product or company relative to
the competition.

sophisticated trendy welcoming
youthful progressive
stimulating energetic
accepting independent
vibrant green creative educated

where an open mind takes you

The University of North Carolina at Chapel Hill and the town of Chapel Hill came to be on the same day, and have spent the past 200 years evolving and progressing together. The open-minded, enlightened thinking associated with the oldest state university in the country permeates all of Orange County. There's a tradition here of placing value on the exchange of new ideas because open minds and open hearts allow you to become the best you can be. That's why Chapel Hill, Carrboro, and Hillsborough offer world-class restaurants and accommodations, a vibrant music and art scene, great thinkers and lecturers, and so much more. All of which makes for a stimulating Carolina experience.



the alt-southern scene

Chapel Hill isn't a typical southern town and it certainly isn't mainstream. Instead, it's filled with people and places that are part of an emerging culture. It's a trend-setting playground full of sights, sounds, and tastes that make it the kind of place that authors, musicians, and artists call home. It thrives on being edgy or even experimental. Long before they became the norm, local bookstores, eco-friendly markets, gourmet coffee houses, and a live music scene could be found here. Visitors with a taste for the kind of culture that sets the tone for the rest of the country will be pleased with themselves for discovering Chapel Hill.

find your independence

When some people travel they want what's familiar and they're not fans of surprises or the unexpected. They seek the comfort of what they know.

For the rest of us who enjoy a little independence, Chapel Hill is the perfect place to stay. Get off the beaten path and discover that there's plenty of independent and locally owned hotels, restaurants, shops, art galleries and concert venues that you can't find anywhere else in the world. The independent and progressive mindset of Chapel Hill emanates through the people you meet and the places you visit, fostering a diverse culture set in a beautiful location. If you like to branch out when you're traveling and experience new things, Chapel Hill is the place to do it. Take hold of your independence at Chapel Hill.

NEXT STEPS

Next Steps

- February: Present high-level media direction and initial campaign creative options, approval on creative campaign direction.
- March: Present detailed, tactical media plans and creative campaign with extended touchpoints.
- April: Possible in market dates depending on agreed upon plan.