



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE

Carmel-by-the-Sea, CA 93921

Thursday, November 12, 2020

2:30 PM

MINUTES

Board Members Present: Mark Watson, Pamela Sheppard, Mary Crowe, Chip Rerig, Rich Pepe, Jenny MacMurdo, John Lloyd, Chip Rerig, Ken Spilfogel

Board Members Absent: Berit Keeble

Also in Attendance: Amy Herzog, Visit Carmel Executive Director; Ashley Brune, Abbi Agency; Jeff Burghardt, Nicole Dore and Brian Tracey, Madden Media; Suzanne Gravelle, CARS; Carrie Theis, Hofsas House and Carmel City Council; Ashlee Wright, City of CBTS; Chris Whitman, Hideaway and Getaway Inns; Andrew Jay, L'Auberge; Dale Bryne, CRA; Karen Ferlito, Carmel City Council; Jeff Baron, Carmel City Council; Paul Martin, Teresa Savage and Rob O'Keefe, MCCVB.

Rich Pepe called the Meeting to order 2:33pm

Public Comment: Rich Pepe welcomed Karen Ferlito and congratulated her as the newest member of the Carmel City Council.

Minutes: **Ken Spilfogel made a motion to approve the minutes from October 8, 2020, Jenny MacMurdo seconded the motion.** Motion passes unanimously.

Recap of the Closed Session: Madden Media and Abbi Agency gave joint presentations. Both contracts were unanimously approved for renewal. The Board also had a mid-term review of Amy Herzog's job performance per her contract in which additional goals for 2021 were identified. The Board unanimously approved the discussion.

Election of Board Members: **Jenny MacMurdo made a motion to accept the addition of Chris Whitman and Andrew Jay to the Board, as well as renew Rich Pepe as Board Chair for another term. Chip Rerig seconded the motion.** Motion passes unanimously. The Board expressed their thanks to both Jenny MacMurdo and Berit Keeble, outgoing Board members, for their years of service.

MCCVB Update: Rob O’Keefe introduced Teresa Savage as the new VP of Business Development for the MCCVB. Teresa brings experience from our comp set and will work on all areas of business opportunities not just small group and conventions as in the past. Rob reviewed the current COVID Impacts through a Dooms Day Model developed for the MCCVB by Paul Martin which uses the City of Monterey and CBTS for their baseline comparisons. This model currently focuses on 13 to 17-month recovery period. The model shows that while we were hit harder than expected at the onset, we are recovering quicker than expected. The MCCVB estimates the Peninsula lost 22% in estimated total visitor spending due to impacts of COVID which equates to \$713 million in loss of visitor spending. MCCVB saw 46% decline in hospitality employment in May which was the lowest point. We are currently at about a 23% decline which equates to about 6,000 fewer jobs. The absence of group performance is a big reason for the slower recovery. Stats show CBTS ADR is almost back but occupancy is still off. Marketing and communications are on-going. Fall Campaign will consist of Paid Media, Social Posts, promoting the wine walk, content blogs and earned media. Media Fam trips are returning. January – March will be the Leisure Winter Campaign. Strategic planning is in the works which will result in a 3-Year Recovery Plan. This will kick off in the Spring of 2021. Co-op Ad opportunities are available. Contact Kimber@SeeMonterey.com. These co-op ads will focus on the 3rd and 4th quarter coverage.

Executive Director’s Report: Amy Herzog reported:

- HID renewal has 1 of 3 City Council meetings left. On December 8, 2020, the Council is scheduled to vote on renewal. Assuming it passes, VC will then update its bylaws and management contract with the City. The Contract will undergo legal review by both parties in order to meet the March 1 deadline to have the new HID in place.
- Culinary Month has been postponed till March or April, 2021 at the suggestion of the CRID committee due to the unpredictability of the current conditions. The Committee is looking at other ways to help the restaurants during the winter months. RID is also looking at new members to take a 1 year term. The Board would need to approve all interested parties.
- Monterey Airport has 40% of the traffic YOY which is better than the national average. There is a wait and see approach on the pending flight additions on the direct markets.
- Not anticipating spectators at the AT&T National Pro-Am but there has been no official word.
- CCTC and Visit CA have both included CBTS in their communications. Visit CA is the biggest referral driver to the VC website, not including paid and owned media and organic searches. Visit CA is currently revamping their recovery plan to be more non-linear.
- Board Member packets will be going out. Board Members are asked to review and sign the conflict of interest forms. Reminder that December 8 is the next City Council Meeting. December 10 is the next Board Meeting at which time we will have the final 2021 Budget for review and will reappoint RID Committee members.
- Mark Watson responded to Amy’s question about holiday bookings stating that forecasting bookings is difficult due to shortened booking window. Makes it very hard to plan.

Marketing and Advertising: Jeff Burghardt began with an overview of stats with the increased budget approved by the Board at the last meeting. Web traffic saw double digit increase over the prior weeks including an increase in YOY Book Direct traffic. There has also been a 65% YOY increase in restaurant traffic to the website.

2021 Marketing Trends:

- Road Trips, Staycations, Wide Open Spaces, Work/Learn Remotely, Luxury / Rural Escapes, Vacation Rental surpassing hotels
- Younger/ Wealthy demographic is the key to recovery.

Marketing Trends include:

- Increasing demand for video content.
- By 2022, 80% of marketing content will be video.
- The top 3 networks: Google, Facebook and Instagram.
- Connective TV (Netflix, Amazon Prime, etc) will surpass linear TV (NBC, ABC, CBS) within the next 5 years.

Marketing Strategy objectives:

- Target \$150K+ affluent drive market (SF, LA, SD, & Sacramento) using AI approach to reach high-intent consumers, highlight natural beauty and accolades, promote multiple night stays, Live Like a Local theme.
- Discover “Pure Inspiration”- push brand awareness, accolades using animated ads, carousel ads, video distribution and TV advertising. Recommend curated landing page that highlights relevant content which continues to evolve as needed. TV advertising-create timely segments that display current travel experience.
- Stay Longer Packages – highlight exclusive offers, create additional itineraries utilizing more images, less verbal content.
- Focus on in-market with “Live Like a Local” theme. Considering creation of a “giveaway sticker” / “window cling” with the message: Visit Carmel-by-the-Sea #LoveCarmelLikeALocal.

Media Plan will primarily focus on Digital but will also include TV. Digitally, Madden is looking at:

- ads on 3rd party sites like Expedia Group-Media Solutions. Madden will use these ads to conquest from our Comp set. The data and analytics supplied from the Expedia site will allow us to track ROI in detail.
- Banner and Display Ads on Visit CA site (Level 1), Sponsored Newsletters or dedicated newsletter using Visit CA email list. Fixed positions on the Visit CA site are optimum.
- Need to invest in new lifestyle photography. Looking to update hotel photography to keep a fresh look.
- Planning to activate marketing with ads to our direct fly market in January 2021.
- Winter Campaign will include both digital and TV media.

Public Relations and Social Media: Ashely Brune sent the PR report out in advance of today's meeting for Board Review. Highlights include:

- Social Media increased in engagement.
- *Punch Magazine* used CBTS for a cover photo this month. 80K circulation. This is great coverage for the destination.
- Abbi Agency intends to pitch Visit Carmel for a Visit California's podcast.

- Content Campaign will highlight a new concept. The Campaign will showcase a pillar by creating a monthly blog specific to the subject, create snippets for social media using imagery, video and links that drive traffic back to the website. The plan is to create quarterly segments.
- Holiday Storybook Campaign will include “Choose Your Own Adventure” offering up content that is similar but different inviting the user to choose their preference in the comments. The winning activity will then be added to the Carmel Holiday Storybook. This Storybook will be a compilation of the winning activities.

Financial Report: Mark Watson gave the following recap:

- VC has \$513K in the bank which includes \$150K EIDL funds that will have to be repaid but the payments are only \$800 per month and the money will help fund VC efforts during the slow months.
- October 2020 saw revenue on target with the COVID budget. Spending was \$2600 lower than budgeted YTD. Administrative expenses are way below the budget thanks to Amy Herzog taking on the bulk of the HID Renewal eliminating the need to hire an outside service. To date the savings is approximately \$22K.
- Mark has plans to expand VC competitor set in 2021. New Markets TBD. The key to finding new comp set is that their HID must report their figures. Stats show Monterey was 80% down in July and August due to loss of group business. The cancellation of Concours can be attributed to CBTS 3% loss compared to Santa Barbara and Calistoga. The change in market share for CBTS YOY is flat. Overall 2020 Market Share YTD in comparison to our comp set shows CBTS at 125%. According to Mark, anything over 100% means a destination is getting more than their fair share of the market. This same chart shows Monterey at 71%, Calistoga 140% and Santa Barbara 105%.

Additions to the Agenda: Suzanne Gravelle would like to discuss creative ways to address the loss of events that attract visitors. She is worried that events will be forgotten. Mark says it’s too soon to invest in promoting events due to the conditions changing too quickly. Ashlee Wright assured the Board that the City is staying on top of changing conditions and looking for opportunities to help promote CBTS to visitors. They are keeping a “Ready to Roll” mentality. CBTS Community Activities Commission is working on the holiday decorations. Plans are in the works to “up” the lighting on Ocean Ave to include all the medium down to Monte Verde. The theme this year is “Winter Wonderland.” The Tree will be lit at the entrance to Ocean Ave. The exact day will be kept a secret to deter crowds. Carmel Cares is volunteering their time to help implement the decorations.

Meeting Adjourned at 4:09pm