



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

At Sunset Center and Via zoom

Carmel-by-the-Sea, CA 93921

Thursday October 13, 2022

2:30 PM

MINUTES

Board Members Present: Chip Rerig, John Lloyd, Mark Watson, Candace Fecteau, Pamela Sheppard, Rich Pepe (virtual), Carrie Theis, Mary Crowe

Board Members Absent: Michael LaPier, Greg Ahn, Chris Whitman

Also in Attendance: Amy Herzog, Visit Carmel Executive Director; Tim Twomey, CRA ; Abbi Whitaker, Dani Hannah (virtual), Liz Bowling (virtual), all from The Abbi Agency; Jeff Burghardt, Nicole Dore (virtual), and Bryan Tracey (Virtual), all from 62Above; Ken Spilfogel, Flaherty's; Suzanne Gravelle, CARS (virtual), Danny Hala, Lynne Allenspach, Carmel Chamber; Paige Viren, CSU Monterey Bay; Thomas Cushman; Ashlee Wright , City of Carmel (virtual).

Pam Sheppard called the Meeting to order at 2:30 pm.

Public Comment:

Mark Watson indicated that the Costal Commission has the Desal hearing coming up. With a brief history, he indicated that he is encouraging all business owners to send in letters in support of Desal plant.

Minutes:

Motion to pass minutes from August. Mark Watson motioned to accept, Chip Rerig seconded. Passed unanimously.

Board Nominations:

The slate of new and returning board members nominated for a new three-year term

- Mark Watson (hotel rep)
- Candace Fecteau (hotel rep)
- Carrie Theis (hotel rep)
- Mike La Pier (advisory)

Chip thanked all Board Members for their service. Amy Herzog thanked John Lloyd for his consistent involvement with the Board and the community over the past years.

Chip Rerig made the motion to approve the slate as shown above.
Seconded by Mary Crowe
Passed unanimously
New terms begin in November beginning with the next meeting

Executive Director's Report: Amy Herzog reported:

21-22 Annual Report/22-23 Marketing Plan has been completed.
Thanks were provided to Mark, Carrie, and Nicole for their assistance with completing the reports.
Links have been published and sent out on-line.

Contained in the annual report:

- The most dramatic increases in TOT collections were attributed to the 32% YoY increase in ADR.
- Comparison to 2018-19 shows a 22% increase
- The bimonthly breakdown shows (Nov – Dec) and (Mar – April) periods are above historical averages for occupancy 66% (usually 62%) and (76% usually 65%) respectively.
- Change to fiscal year reporting period
- Looking financially very healthy for 2021 – 22 report.
- Increase in funds shown is attributable to
 - Increase in the assessment from 1% to 2%
 - Pent up demand with higher occupancy and ADRs
- Last year we allocated 82% towards marketing this year we allocated 86% above our 70% required minimum
- Additional information found in the actual report. Encouraged to read through this outside of the meeting.

Stakeholder communications consisted

- A holiday grid for restaurants will be available for the holiday season.
- Working on marketing with Carmel Mission
- Had sit down meetings (with Rob O'Keefe) with City Council candidates Ashley Bennett Stoddard and Alissandra Dramov regarding what Visit Carmel marketing objectives and strategies.

Meet the Makers

- Final report out included 346 tickets sold (vs about 225 in 2019) and positive reports by participants as well as galleries.

CCTC and Visit California

- Visit California Headquarters visit – very productive
- Presentations from each rural region
- Visit Native California – indigenous tribes
- VCA social media strategy
- Feedback on Rural Program investment options
- Next Meeting November 4 in SLO for CCTC

Upcoming:

- Filed FY 21- 22 tax returns

November 10

- new board member terms start, and updated board packets will be provided
- Vote to approve revised FY 22-23 budget

December

- date changed to December 1
- Crisis Communications Plan review

January

- Appoints CRID committee
- Start CRID Renewal Planning

Financial Report : Mark Watson presented

Comp set report – discussion about where Carmel stands in comparison

- YOY rev Par Calistoga winning the YOY change
- Monterey showing good growth
- Carmel at 19 – 3rd Highest

YOY occupancy

- Most areas steady – Yountville losing 16%

YOY ADR

- Yountville highest – but showing rate resistance when looking at RevPAR
- Calistoga 79% increase (with new properties)
- Carmel at 18%

Financial report September

- 1.293 M in assets – healthy start
- Underspend on PR and Marketing
- ~23,000 under on spending
- For Revenue, we are about 12K under where we expected but July and August still to come in (which are expected to be high)

Recommendations for a revised FY 22-23 Budget:

- Allocate an additional \$600K to the marketing budget spread over three years at 200K each year.
- Current marketing spend \$987K
- Current PR/Social Media Spend \$206K
- Allot the \$200K by approx. proportional percentage \$160K to marketing and \$40K to PR/Social Media

Discussion about pulling back on marketing versus spending more

- Is there a point where we hit too much saturation – consensus is that there are always more “new” people to reach, so marketing and PR spend is not wasted during shoulder periods.
- Idea is to have a bigger voice in key markets.
- Is the international Market worth additional funds – given uncertainty about COVID as well as Dollar strength.

Proposal for Increased Marketing and Advertising: Jeff Burghardt proposed

Recommendations for using additional funds ~\$140K

Core marketing objectives

#1 Idea - Invest in the Future for \$80K

- Brand Strategy and campaign development
- Re-evaluating the brand
- Deep dive into tourism changes and perception of the brand

Stage 1 – Brand Strategy and Platform Development

Account Planning and Research

We will start by building a strong strategic foundation and framework

Research and Brand Strategy

Deliverables

- **Primary research** – consumer online survey
 - 7 -10 stakeholder interviews
 - 5-6 in-market consumer intercepts and
 - One FAM tour
- **Secondary research** – review a variety of sources
 - client materials MCCVB research VC and Brand USA
 - Culture, Company and customer analysis
 - uncover cultural impacts, brand strengths and opportunities
 - Competitor analysis
 - exhaustive comparison on similar DMO organizations
 - Comp Set – strategic position opportunity – where is Carmel
 - Social Listening Audit
 - Analysis of social channels, share of voice and sentiment
 - Strategic workshop and Brand architecture
 - present the research and conduct a collaborative brand strategy workshop with stakeholders. Ending in Distinct Clear positioning of Brand

Stage 2 – Brand Campaign Development

#2 Idea - Increasing winter visitation - \$80K

- Expand to the Greater SF Bay area
- Sacramento media to reach a larger audience with a higher frequency
- Looking to add approx. 40 to 50K to digital connected TV

Discussion of possible and probable outcomes and discoveries during the process. Overall support for the campaign was expressed.

Proposal for Increased Public Relations and Social Media:

New direction of prioritizing TikTok.

- Fastest grown SM app among all demographics
- The average user spends more than 52 minutes per day on app
- New form of search engine with 40% of Gen Z preferring TikTok and Instagram over Google
- Each user has a for you page
- TikTok creators are influential individuals who have built large followings, followers are more likely to engage with creators
- TikTok search tool can search for specific videos, experiences, or location-based updates
- Offers an immersive, authentic and first-person experience
- Carmel has a TikTok presence and now is the opportunity to build
- The platform serves as a medium for a more authentic representation

How this will be done- Key opportunities

- Create and share owned content
- Leverage and interact with user-generated content
- Collaborate and partner with Tik Tok creators
- Opportunities
 - Show experiences
 - Align TikTok themes with content series best kept Carmel
 - Leverage user-generated content to showcase authentic first-person experiences.

Social media opportunities

- Social Care – providing regular responses and audience engagements
- Responding to CA travel stories
- assessment of the current strategy
- TIK TOK advertising
- What we use on TikTok can be used across all Social

Earned Media Opportunities

- Add 3 additional FAMs

\$40 K to Abbi Agency for

- 3 FAMs – \$12K
- Remainder \$28K going to TikTok and other social media

Question of additional funds going to Destination Stewardship – determined current amounts adequate.

Mark Watson will come back with a revised budget for approval next month. Agencies will also come back with more detailed spend reports.

Marketing recap from 62Above

- Campaign performance
 - ROI \$122,000 on Expedia
 - Showing slow decline in referrals going to hotels but still seeing big numbers
 - Conversion rate shows 27% increase in YoY ROI
- MCCVB Fly Market Co-op campaign
 - AVG CTR .89%
 - Impressions 444,559
 - Engagements 2,418
- Fall Holiday Campaign is the current focus
- Shift to connected TV strategy
- Meet the Makers
 - Great success – congratulations to Nicole
 - Change to Devendorf very successful
 - Impressions 80K
 - Clicks 2317 (2.87 CTR)
 - Engagements 1150
- Destination **Stewardship**
 - New Logo – coming off of Love Carmel Like a Local
 - In-market
 - Website

- Collateral
 - advertising
- **Destination Intelligence**
 - Questions being asked- Data Driven insights possible co-op with Airport and MCCVB
 - How many travelers
 - Where are they coming from
 - Where are they going
 - Did they drive, fly
 - How long are they staying
 - Remarket to previous visitors
 - Can we remarket to visitors to our comp set
 - Can we prospect off-season longer stays
 - do we compare to our comp set performance
 - Can we view real-time benchmarks and KPIs

Social Media recap from Abbi Agency

Best Kept Carmel Series

Team spent the week shooting all the needed content for series

Overview Public Relations – Key messages and themes

- Escape the heat
- Honeymoon that competes with Europe
- Fall FAMs
- Halloween
- National Dog Day
- Meet the Makers
- Holidays in the Village
- Restaurant Openings

12 media placements - 9 national placements, 2 international placements

- An article in SF Chronicle highlighting Chez Noir also mentioned additional Restaurant openings.

Deliverables

- National Dog Day post
- Meet the Makers' static and story posts
- Owned Video content
 - Behind the brush
 - Secret Passageways
 - Day in the life of a Carmel Dog
- CA wine month social activations
- August and September Inns and Restaurants highlights

Mention of the professional nature of the camera crew in Carmel, and the job they did.

Additions to the Agenda:

None

Meeting Adjourned 4:30