

Hilton Head Island Visitor & Convention Bureau

Mission

Mutually lead our membership and travel and tourism industry by marketing and guiding the Hilton Head Island destination brand experience to generate sustainable economic vitality.

Brand Commitment

Hilton Head Island renews and enriches a visitor's body and spirit through a sophisticated, relaxing, aesthetically beautiful and lush South Carolina seaside resort environment. The community offers a fun and restorative beach culture, world-class golf, vibrant arts and culture, and refreshing outdoor recreation in an ecologically sensitive setting.

Guiding Principles

- Serve as a voice and advocate for the business community
- Maintain the highest ethical standards in all we do
- Work to preserve and enhance the prudent growth, quality of life and character of our region
- Develop collaborative partnerships only in areas where the partnership can accomplish that which our organization cannot do alone
- Develop and implement programs and services that benefit the economic well-being and common interests of our members
- Initiate programs for which there is funding and staffing resources
- Make decisions based on long-term perspective

Hilton Head Island Marketing Council & Travel Industry Situational Analysis

In the current 2011-12 Fiscal Year, the Hilton Head Island Visitor & Convention Bureau's destination marketing plan addressed the fact that major socio-political and economic forces on the macro/global level as well as changing consumer cultural and behavioral trends on the micro level have significantly impacted the travel and tourism industry, along with the entire business community – both globally, across the US and locally here on Hilton Head Island, South Carolina.

Most demographers agree that this change is generational in its impact; i.e. it defines a major shift in consumer thinking and behavior that will last well into the next decade and perhaps beyond.

Peter Yesawich, head of The MMGY Travel Group, first called this change *The New Normal*.

The Hilton Head Island Visitor & Convention Bureau has approached long range strategic planning for the destination from a New Normal perspective. Our steps:

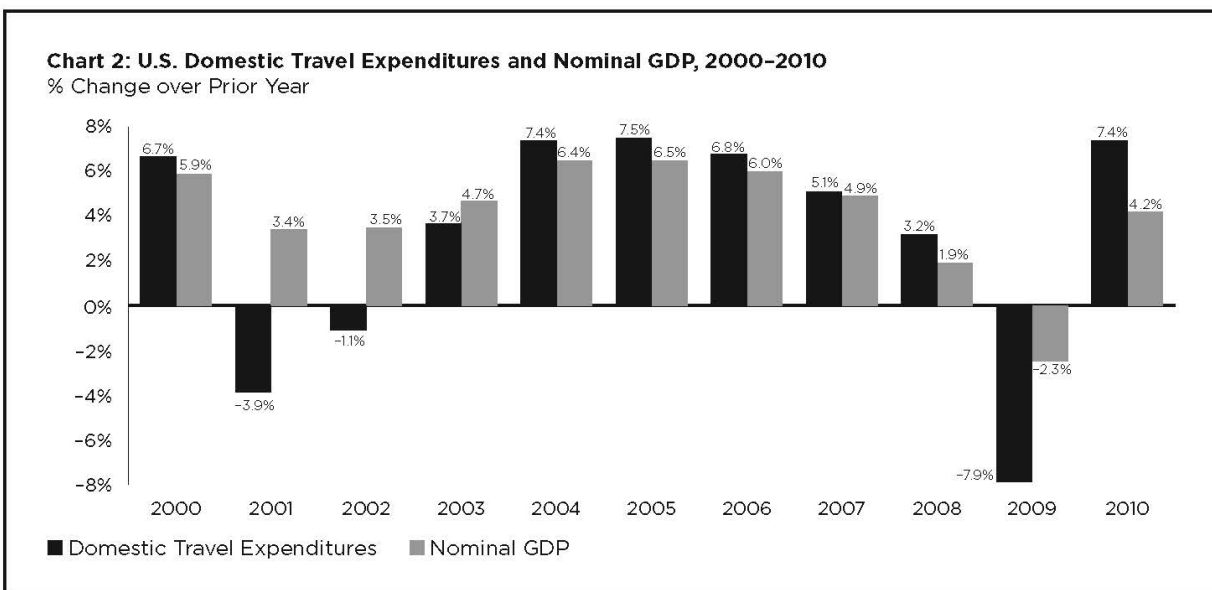
Proactive engagement with local stakeholders, influentials and industry thought leaders.

Elimination of single industry sector committees that silo our tourism community.

Creation of a new Hilton Head Island Marketing Council with cross industry representation and voice.

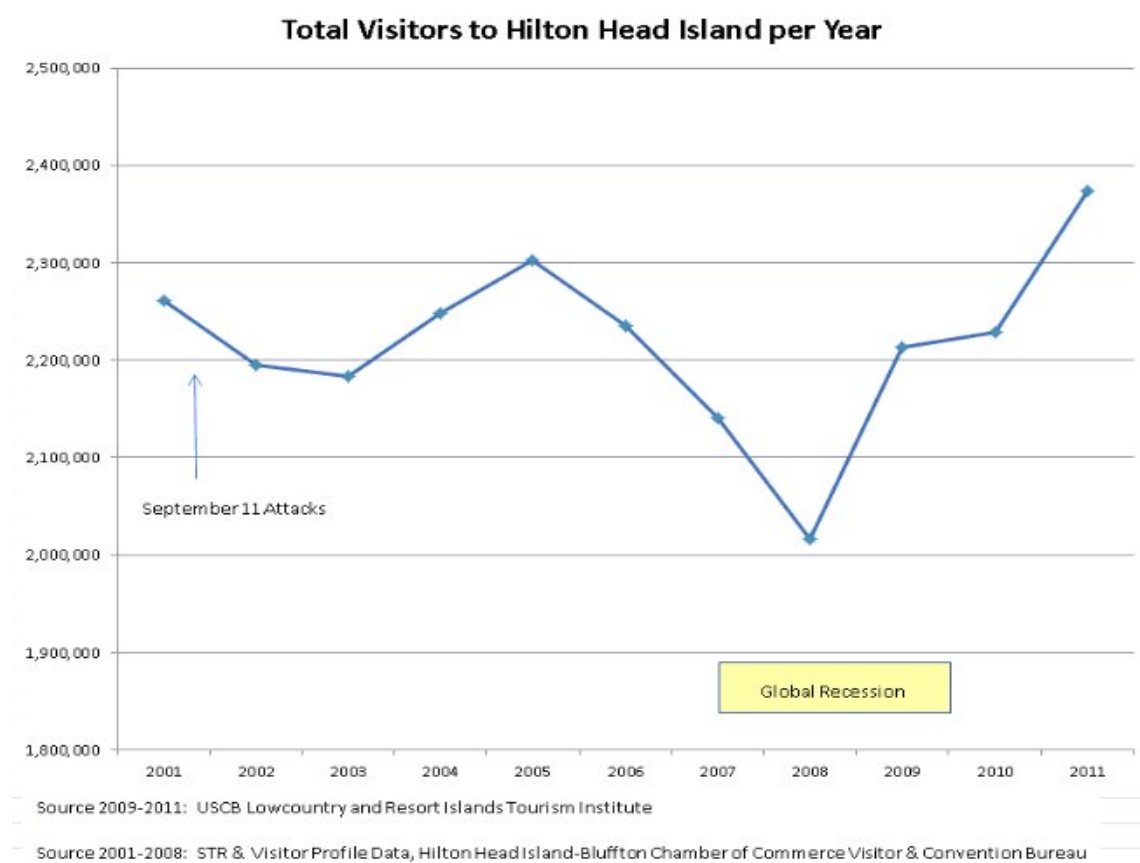
US Travel Marketplace Analysis: A detailed report from the US Travel Association titled “The Economic Review of Travel in America” and issued in November 2011 is included in Appendix 1. This study is a comprehensive look at the US Travel economy from 2000 through 2010.

Consistent “Wave” of Travel Barometers: One striking takeaway from review of the US Travel report is the same consistent “wave” relative to percentage changes year-over-year in the past decade. The wave looks like this chart from the report:



Sources: U.S. Travel Association, U.S. Department of Commerce

Similarly, this is the same “wave” that tracks on a macro level with the overall US economy during this same time period, and tracks on a micro level with the “wave” of visitation, lodging metrics, and visitor spending on Hilton Head Island during this same time period.



2011 & 2012 Upward Trending: Included in Appendix 2 is the Visitor & Convention Bureau’s current Travel Dashboard, which looks at some key local travel metrics for 2011 compared to 2010 as well as Year-to-Date comparisons of Jan-Feb 2012 vs. Jan-Feb 2011. Since calendar 2011 lodging metrics are a key measure relative to overnight accommodations tax revenues, that information tells an interesting topline story about how the Island’s overnight travel fared in the year just ended, according to our Two-source V-Trip Report that combines Vacation Rental lodging data with Hotel lodging data from Smith Travel Report:

Two-Source Occupancy:	Up + 1.9%
Two Source ADR:	Up + 7.0%
Two-Source RevPAR:	Up + 9.0%
Local Accommodations Tax Collections (1% rate):	Up + 11.74%
Beach Preservation Fees on Accommodations (2% rate):	Up + 9.31%

State Accommodations Tax Collections (2% rate): Down – 1.42%

Collections Issue for the State: The South Carolina Department of Revenue is not collecting state accommodations taxes at the same level that the Town of Hilton Head Island is collecting local accommodations tax revenue. The difference is substantial: more than 10% less collected by the state in the last reporting year, or up to \$400,000 in uncollected state accommodations taxes (75% of that amount hypothetically would have come back to the Town from the state if collected) and up to \$1 million in uncollected sales taxes. Sharing of records between the state and town, and more rigorous collection efforts by the state – particularly with vacation rentals by owners - along with a single point of contact for municipalities to work with the state D.O.R. are steps that have been discussed to remedy this situation. Chamber staff has made Governor Haley and the SCPRT directorate aware of this situation and asked for their assistance in developing a solution.

Trending Up: Over the last six months from September 2011 through February 2012, we have seen substantive percentage increases in lodging during our fall and winter off-season:

Two-Source Occupancy: Up + 9.7%

Two-Source ADR: Up + 12.7%

Two-Source RevPAR: Up + 23.7%

While this trend is highly invigorating, note that the percentage increases are higher when moving from a relatively small number upwards. During our peak season, we expect this trend to moderate to still substantive increases, but not at the shoulder and off-season percentage rates. In fact, our Vacation Rental Booking Trend Report for the next six months (March through August 2012) gives an indication of what the coming season may hold:

“On the Books” Vacation Rentals Occupancy: Up + 6.2%

“On the Books” Vacation Rental ADR: Up + 2.9%

“On the Books” Vacation Rental RevPAR: Up + 9.2%

Turn to Appendix #2 for the current VCB Dashboard Metrics Report.

The Hilton Head Island Marketing Council, under the leadership of VCB Vice Chairman Steve Birdwell, The President of Sea Pines Resort, has established consensus on these Short Term Goals and Long Term Goals:

Short Term Focus (Now through Calendar 2013)

Top 5

1. Identify our top assets (events/attractions/ activities), especially those that target affluent travelers, and build robust packaging with lodging around them.
2. Develop our Social Media Strategy & Allocate Resources (Staff and Outsourcing) to fully optimize. Develop ROI Metrics.
3. *Get Louder! Campaign* to better communicate story of destination and organization's marketing programs and successes locally.
4. Improve partners planning together and creation of high impact co-op programs (like US Airways) to market destination with partners.
5. Improve and broaden SEO and keyword search.

Long Term Focus (Up to 10 Years)

Top 5

1. Funding – Grow destination marketing funding
2. Tourism Product Development – destination engagement in planning and leveraging plan announcements, openings and new products
3. Explore licensing of The Lighthouse as iconic brand image for HHI as a destination
4. Airport/ Air Service Improvements– terminal improvements, low cost carrier needed
5. Major New Fall/Winter event (Build auxiliary event(s) in fall around the Concours to increase visitation and identify new event for off-season).

The job of embracing, understanding and leveraging *The New Normal* is not necessarily linear – it's more of a *circle* that our organization has started, one that is dynamic & collaborative in nature and continuously moving forward as we work with the business community to lead along new pathways.

Tourism Industry Stakeholder's Priorities

Engage and seek input from tourism leaders which can be utilized to enhance our destination's marketing, sales, and visitor services

Our stakeholder engagement series this past year gave us valuable input on who the local tourism community wants the destination DMO to target:

Q The HHI Visitor: Who do we want & how will we go after them?

A : Pursue affluent travelers

- : \$150,000+ household income who spend on resort leisure travel
- : If targeting lower income levels, then target those that spend a significant percentage of their discretionary income on travel to resort destinations
- : Pursue aspirational younger visitors
- : Seek and secure next generation visitors
- : Peak and Shoulder season travelers are markedly different – focus on couples, small groups of friends and multi-gen travelers to grow fall, winter and spring travel
- : Encourage businesses to explore more cross marketing/ collaborative/ packaging opportunities by various industry sectors – lodging, golf, culinary, beach activities, arts and cultural, outdoor, eco-tourism, weddings, group, etc.

The Dawn of a Brand New Day on the Island

Q If we know who our visitors are now, and who we want them to be – do we have the infrastructure, product and services to meet and exceed their expectations?

A : Core need to address our aging, tired product

We are happy to report that 2012 brings the literal dawn of a new day on the Island and in the region in terms of tourism product development and redevelopment. Recently announced initiatives include:

- Flagship change to the The Omni Hilton Head Oceanfront Resort from the former Hilton Resort in Palmetto Dunes, with an accompanying \$17 million renovation planned for Fall/Winter 2012.
- Major \$30 million renovation of The Westin Resort Hilton Head Island Resort & Spa announced for Fall of 2012.
- Completion of a \$5 million renovation of the Holiday Inn Oceanfront to The Beach House a Holiday Inn Resort, to be completed this Spring 2012.
- IJGA and Ivan Lendl Tennis Academy
- Planning underway with the Town of HHI for a re-development of the Mall at Shelter Cove and surrounding sites.
- Planning underway with the Town of HH or a redevelopment of Coligny Plaza and surrounding area.
- Development of a major new historic and cultural site called the Historic Mitchelville Freedom Park by the Mitchelville Preservation Project on land leased from the Town of Hilton Head Island. Mitchelville was the first self-governed freedman's village in the United States.
- Commitment by the Town of Hilton Head Island to a community-wide sustainability benchmark assessment, key to putting our destination on the modern path to being a true sustainable 21st century destination.
- Opportunities exist to improve other areas of our core lodging product , including hotels without announced renovations and home and villa product.

Putting out the Welcome Mat for First Time Visitors

As these initiatives come online, our stakeholders have recommended that the destination will need to particularly focus on:

: Identifying and meeting the needs of the first time visitor

: Many repeat visitors will continue to come as they tend to overlook where our infrastructure falls short because their experiences here meet their emotional needs for a relaxing, refreshing vacation

: The first time visitor is not so forgiving

: Focus on communicating the overall, aggregate destination offerings – not silo experiences

Competing to Win

Q What do we need to do as a destination to evolve and compete?

A : Create investment and resource incentives for infrastructure redevelopment

: Make the process easier, friendlier to redevelop sustainably

: Vastly improve digital phone and internet wireless services – must be consistently and dependably available across the whole Island

: Identify and pursue economic development initiatives, and incorporate tourism as a lifestyle driver in drawing targeted business sectors and entrepreneurs to the Island

: Work collaboratively to develop robust programming along with packaging promotions that highlight our area's arts & cultural, history & heritage, sports, outdoor, culinary, retail, ecological and intellectual resources, products & services to visitors

: Grow public and private investment in destination marketing

: Come together with a collective voice to impact change

: Champion a strong, collaborative plan for the future of tourism on Hilton Head Island

7 Key Marketing Strategies

Strategically, the Visitor and Convention Bureau marketing, sales and visitor services staff will execute the day-to-day tactical implementation and management of the destination marketing program driven by these key strategies:

1. Continue to change/evolve our destination travel planning, marketing promotions, sales and visitor services to meet the needs and expectations of the affluent travel marketplace and consumers in 2012-13 and beyond into the coming decade.
2. Let consumer research, benchmarking and metrics drive our marketing program.
3. Utilize the Hilton Head Island Marketing Council to actively and collaboratively engage our partners in working with us to define changes needed in the local tourism marketplace and give them the communications information and tools they need to become vocal advocates for the destination and organization.

4. Utilize the Hilton Head Island Marketing Council to foster cross industry networking, co-operation, cross-marketing, packaging and sales, and opportunities for innovation in pursuing new market segments -- by creating opportunities for the business community to work with each other more proactively in developing and promoting a wider range of quality visitor experiences and packaged travel to Hilton Head Island.

5. Move the needle

: by doing our homework (research) to understand the changing consumer and the most powerful value proposition(s) we offer to meet their needs

: by advocating for new and innovative product re-development and packaging on Hilton Head Island

: by advancing marketing promotions that target high value visitors with compelling, brand consistent messages

: by championing authenticity and truth in advertising about Hilton Head Island as a travel destination and reflecting the community's and our organization's principles and core values in all we do

: by beeline focusing our team on meeting the VCB's specific sales prospecting, lead and conversion goals

: by energizing our partners to actively support and participate in our co-op marketing efforts

: by expanding ways to measure the collective sales performance and success by the destination and our partners

: by empowering our partners to network with each other to cross market the destination on their own, particularly in ways that support the overall destination brand

: by continuing to enhance a strong working relationship with the directorate at the South Carolina Department of Parks, Recreation and Tourism, and leveraging state promotional opportunities and resources for our region

: by developing a viable, long term plan to grow public and private investment in destination marketing

:by focusing on seasonal growth: In group & leisure markets, focus destination marketing and sales programs on driving *new fall and spring shoulder season business*, and supporting winter season business growth as funding and resources allow. Service peak season visitors. Monitor summer fill needs through the V-Trip pace reports and make adjustments to marketing campaign deployment if required.

:by supporting sustainability and growth in travel and tourism jobs, economy and tax base, and quality of life benefits garnered by a strong and healthy Island tourism industry

6. Utilize the Hilton Head Island Marketing Council to serve as ambassadors for the local travel and tourism industry and Chamber's VCB, and advocate for its success. Plan for educational forums, workshops, research investment, spreading awareness of our www.thinkhiltonheadisland.com economic metrics portal, adding new online dashboard metrics and ROI reporting, enhance local communications program and advocacy that gives a cohesive voice to common concerns.
7. Champion development of a strong, collaborative plan for the future of tourism on Hilton Head Island.

Specific goal metrics are included within each of the marketing and sales program elements that follow.

Research-Based Destination Marketing & Planning

The Hilton Head Island Visitor & Convention Bureau invests staff management time and resources, as well as significant budget investment with qualified research partners **with these goals**:

- Understand current and long term trends that drive consumer behavior
- Develop strategic plans that weigh both local stakeholder input and the consumer's voice through quantitative and qualitative research
- Follow the Destination Marketing Association International's DMO Best Practices in research, planning and reporting
- Develop tools that both the VCB staff and the local tourism industry can use to improve marketing, sales and visitor services
- Provide timely results metrics and tourism industry information, particularly through our new ThinkHiltonHeadIsland.com economic and business metrics portal

- Provide transparent accountability metrics and travel industry data that local and state government and related agencies can use to make better public policy and program decisions

Budgeted programs for FY 2011-12 include:

- Updating and maintenance of www.ThinkHiltonHeadIsland.com, the Chamber's online economic metrics portal.
- A local promotion to generate more awareness of the research assets available to tourism stakeholders through "Think."
- Smith Travel Research weekly and monthly reports. Measures lodging occupancy, average room rates, room demand and RevPAR for hotels only. Includes monthly comparative report with competitive destinations.
- V-Trip monthly Home & Villa lodging reports on occupancy, average room rates, RevPAR and six month forward booking pace reports. Two-source V-Trip report crunches back end Smith Travel hotel data with V-Trip back end home and villa data to produce a monthly destination report on total destination accommodations tax paying occupancy, average room rates and RevPAR.
- Monthly and YTD Visitor Traffic and Segmentation Reports by USCB's Dr. John Salazar.
- Economic Impact of Tourism on Hilton Head Island, Bluffton and Southern Beaufort County Study. A comprehensive study of the past 10 years of tourism in our region and its economic impact. The study will include comparatives with South Carolina, Southeast and US Travel economic impact data. We will also include US Travel forecast information for the next several years, as available, and our own V-Trip booking pace data.
- Market Strategic Planning sessions with marketing partners and affiliates.
- Subscription to the US Travel Association's Travel Monitor Program and related reports.
- Coop assistance, as needed, with major Island festivals and events for on-site visitor digital surveys.

Budget: \$ 88,000

Facilitated by: VCB Marketing Staff with our local university research partners at the USCB's Lowcountry & Resort Islands Tourism Institute as well as Smith Travel Research (STR), V-Trip, US Travel Association, DMAI (Destination Marketing Association International) and SCPRT (South Carolina Department of Parks, Recreation and Tourism).

Target Audiences

Leisure Travel

Focus on growing shoulder season Fall and Spring business -- where there is greater available inventory of product and occupancy growth potential.

Target Affluent Leisure Travelers – domestically, defined as having a household income of \$150,000+ who take at least one leisure trip requiring overnight accommodations in the past 12 months

- :92% are married
- :51% are Boomers (born 1946-64)
- :29% are Gen Xers (born 1965-78)
- :11% are Matures (born before 1946)
- :9% are Echo-Boomers (born 1979 – 1997)
- : Evenly split female (51%) – male (49%)
- : Predominately white (89%) with 2% African-American, 3% Hispanic, 4% Asian
- : Average 4.6 domestic travel trips per year and 2.3 international trips

CAUTION: This group comprises approximately 8% of the US population, according to the 2008 Portrait of Affluent Travelers, Y Partnership (see Appendix XX for Executive Summary of this Study and the Hilton Head Island Sub-set Study)

Segmenting the scope of this market further reveals that the majority (5% of US pop) are in the \$150 - \$249K HH Income bracket; 2% in the \$250 - \$499K bracket and only 1% in the \$500K+ bracket. Overall, this is a narrow segment of the US and global travel market.

While the local business community, as a whole, wants to target this market, the consensus of the Hilton Head Island Marketing Council and professional DMO staff at the VCB is that the realities of our destination product set combined with the narrow size and scope of the luxury travel market in the US mean that we must be prudent and also focus on marketing and sales to a wider demographic to be successful in sustaining and driving growth in Island visitation:

Wider market segments (broadly) include:

- : Younger travelers (GenX and Echo-Boomers) that spend a higher portion of their discretionary income on travel
- : Mature travelers that spend a higher portion of their discretionary income on travel, and will only grow the multi-gen market as Boomers retire
- : NextGen visitors
- : International visitors in targeted countries

Leisure Target Specialty Interest Segments

Research points to a key to effectively marketing to these segments -- to understand that in today's New Normal, travelers want choices and options. They do not want to be "siloeed" into a uni-dimensional travel experience. This makes the travel marketers job more complex, and the need to dig deeper to find and touch the emotional drivers of travel destination choices all the more critical.

Although any one of these types of vacations may be a travel passion, the vast majority of travelers are seeking an overall trip and destination that offers a multi-dimensional travel experience that may touch on any combination of two or more of these segments.

: Couples Island Getaways	: Outdoor Sports – active and passive
: MultiGen Family Beach Vacations	: Tennis Players
: NextGen Travelers*	: Spa and Wellness Travel
: Deliberate Culinary Travelers	: Festival and Event Attendees
: Avid Golfers	: Travel with Pets
: Nature-based Travel and Eco-tourism	: Weddings
: Arts, History & Cultural Travelers	: Travel for Learning

*NextGen Travelers are a relatively new category - not defined by age, gender, income or status in life. Rather, they are defined by their attitudes toward technology as an enabler of travel experiences, facilitator of transactions and a social vehicle to share provocative insights, opinions and commentary on travel destinations, experiences and travel service suppliers.

Next Steps by the HHI Marketing Council & VCB Staff

The Hilton Head Island Visitor & Convention Bureau's Marketing Council , in concert with VCB staff, will continue to work this process of engagement, input and collaboration with our stakeholders and partners.

The Council's first steps will focus on its **Number One Short Term Goal: Developing a Robust Destination Packaging Program.**

Action Steps to Include:

1.VCB Hosted Series of Packaging Workshops for local attractions and events businesses and organizers to come together and network with lodging partners to develop packages and promotions.

Budget: Four Quarterly Workshops – Two Live and Two Webinars: \$10,000

Facilitated by: Joe Venito, The Opportunity Guy and packaged travel expert coordinated by VCB Staff and presented by the HHI Marketing Council

2. Develop Itinerary and Packaging Promotions Annual Calendar with at least Quarterly Target Package promotions. Feature in appropriate areas of HiltonHeadIsland.org, with others to be added over time. These four will be an addition to the existing, recently launched golf package promotions on our golf microsite. Packaging areas to be developed may include:

- Farm to Fork Local Culinary Tours
- Historic and Cultural Arts Tours
- Tennis
- Kayak, Outdoor Sports and Boating
- Multi-Gen Family Beach Vacations
- Marquee Events – RBC Heritage, Concours d’Elegance and Wine & Food Festival or others
TBD

Optimize SEO for each package promotion.

Budget: Covered in Monthly VERB fee and VCB Staff & Operating Budget

Facilitated by: VCB Marketing Staff (content development) and VERB (implementation)

3. Support Package Promotions with E-mail to targeted segments of our Hilton Head Insiders database.

Budget: 4 Package E-Promotions: Included in email budget

Facilitated by: VCB Marketing Staff with local freelance writers (content) and VERB (deployment)

4. Support Package Promotions with Social Media Promotions on Facebook, YouTube, Twitter and Google Plus.

Budget: Four Facebook promotions @ \$2,500 each = \$10,000

Facilitated by: Local video crew TBD and Chamber Communications Staff

5.Support Package Promotions with SEM media – twelve months of package promotions

Budget: Included in SEM Budget

*Spend each month will fluctuate based on performance needs and seasonal market changes

Facilitated by: Net Conversion/VERB and VCB Marketing Staff

6.Support Package Promotions with PR Pitches to appropriate specialty and general travel writers/editors and media outlets.

Budget: Covered in general PR fees

Facilitated by: Weber Shandwick Worldwide and Chamber Communications Staff

7.Feature Package Promotions and Results/ ROI in Local Business and Community Communications/ PR.

Budget/ Facilitated by: Chamber Communications Staff

Package Workshops/ Webinars	\$10,000
Package E-Promos	\$ Included in Email budget
Facebook Package Promotion	\$10,000
TOTAL	\$20,000

Goal Metrics:

- Execute Workshops and Webinars (4) and benchmark partner participation.
- Benchmark consumer response to each program through promotional media channels.
- Work with partners to measure booking conversion as possible.

Embracing the *NextGen* & Their Preferred Communications Channels: Social Media

The Hilton Head Island Marketing Council's #2 Short Term Goal parallels a significant trend in the travel and tourism industry – **Leveraging Social Media**. As technology changes increasingly pervade our modern lives, as our “instant gratification” world presses forward with a 24/7 news cycle and that *immediate need to know* mindset, as consumers no longer just want but expect to be in control of all their choices in travel -- savvy destinations have both the challenge and opportunity to find the sweet spot of travel communications : Stories and Storytelling.

Word of Mouth marketing has traditionally been the number one driver of consumer purchasing decisions. Today, WOM just takes on a new delivery mode: It's moved from lips to PDA's & IPADS. For the NextGen consumer:

WOM = Social Networking and Media.

And in the world of consumer marketing:

Social Media Engagement = Brand Exposure = Fan Growth

- **Emotional connection** with the visitor takes precedence over chest-beating claims by marketers in differentiating and defining the destination experience

- There is more to be gained by **pulling in relevant, interesting content** from our target audiences and using authentic voices than simply pushing out ad content as marketers have done in the past
- People love to tell their stories – especially about travel experiences
- **Word of Mouth** is one of the most powerful forms of marketing
- And do we ever have incoming WOM (along with advertising) in today's digital society – to name a few of today's top media channels....

Text messaging *PDA's* *Mobile Websites* *Dopplr* *Pandora*
Siri *Foodspotting* *Google+* *TravellersPoint*
Voice mail *iPad4gLTE* *Triplt* *WorldWideWeb* *YouTube*
E-mail *Facebook* *Linked In* *Trip Advisor* *Sirius*
Hulu *Gogobot* *TripWolf* *Living Social* *Broadcast & Cable*

Digital versions of print and print versions of digital media

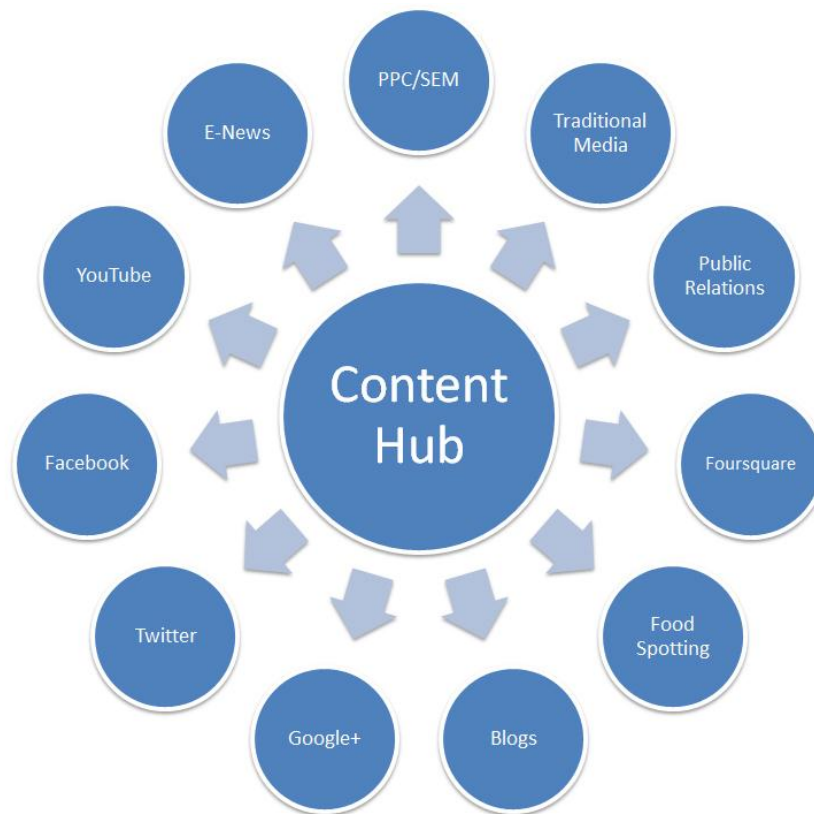
- Destinations that focus on **engaging visitors, locals and authentic voices** in telling their stories will win.
- Writers, content manager/ editors and marketers who craft relevant, timely and intriguing content will win the most important commodity that the visitor prospect offers in the destination decision making process – **their immediate attention and repeat attention to the content offered**
- Marketers who work with writers and editors to tell their stories through third party editorial and PR promotions will win
- Destinations that bring the right technological tools forward that facilitate ongoing relevant storytelling, information exchange and conversations will win – including making all the social media tools available on the digital devices our target audiences turn to for travel content

Hilton Head Island's Visitor & Convention Bureau's investment in destination digital content management, capable and qualified staff content managers/ editors and a professional, well executed public relations, digital social media and promotion program is key to operating a robust destination marketing program in today's competitive and cluttered travel communications environment – particularly with limited funding available for paid space media – this aspect of our work has become increasingly important – even over the past 12 months

-- as new communications channels emerge and evolve to give consumers more choices, more channels and more content.

Working with the Best in the Business

Importantly, we see our Social Media campaigns as an integral arm of our overall Destination Public Relations Program. We plan to engage one of the top travel PR firms in the world, Weber Shandwick Worldwide, who also happens to be the VCB's ongoing PR firm, to develop our Social Media program for FY 2012-13, in concert with our Communications and Marketing staff.



Our Social Media Program development and Content Hub will focus on:

- Best ways to engage destination customers
 - Top ways to get customers to “like” our brand, and engage in online content
 - Maintaining consistent brand “voice” to keep content authentic & relevant
 - Effective methods for measuring Brand Perceptions and Influence
 - Setting and Measuring Social Media Benchmarks and Goals
 - Social media pitfalls to avoid
 - Engaging customer content and interaction
 - Maintenance of quality with limited staff resources
 - Topline Recommendations Platform-by-Platform
-

Facebook : Fish Where the Fish Are

Audience skews female: 55% F vs 45% M

Key Age Ranges: 43% 18-34; 20% 35-49

Somewhat Affluent: 30% \$60 - \$100K; 32% \$100K and

Engagement Tactics

- User Generated Content
- Contests/Sweeps
- Interactive/ Targeted Apps
- Follow local attractions & events to re-post

1. Twitter: Use to Amplify and Extend Reach of Brand Allure, Promotions, Events.

Engagement Tactics

- Unified Approach with PR and Promotions
- Parse posts with hash tags and bumpers, e.g. #HHEvents or #HHGolf
- Leverage powerful Twitter curation tools (tweet beep, etc.) to find and address conversations relevant to ongoing, quarterly packages and promotions
- Follow local attractions & events to re-post

2. Blog Center: The VCB's Blog Center for Hilton Head Island was recognized as a national MarCom Award winning program in 2011. In 2012-13, we want to take our blog center to the next level of more robust user engagement.

Engagement Tactics

- Fine Tune 8 Special Interest Blog Storytelling Categories
 - Foodie – our most visited blog—focus on sustainable local culinary dining, chefs, markets and events
 - Family Vacations (& activities while on vacation on the Island)
 - Golf – engaging the active golfer, local pros tips & stories, events, packages
 - Outdoor – Special focus on Tennis, Biking, Boating, Insider tips
 - Arts – Performing, Visual, Cultural, Historic, Tours, local profiles, packages
 - Ecotours – Visitor experiences with nature
 - Wellness -- Spas, Yoga, Wellness activities and programs, visitor experiences
 - Weddings – Insider tips, venues, bridal party stories
- Identify key influencers, affinity groups, associated blogs and Facebook/ Google+ communities to share and syndicate blog stories to attract engagement and content consumption
- Encourage partners to re-post blog content
- Add more visual content to blogs – larger photos, more video, infographics
- New posts in each category twice per month= 16 posts per month and 192 posts per year

3. Google+: Google is launching a new social media/ integrated digital platform for its users that will need content development and resources to leverage, similar to some of the other platforms listed above.
4. FourSquare Promotion: Develop a co-op program that allows FourSquare users who check-in with one of our lodging partners to receive special deals at local restaurants, attractions, retailers and events.
5. E-News: See Insider & Fulfillment Section on Page 38.

6. Social Media Training

Much of Hilton Head Island's success in social media, especially the location-based applications, will depend on adoption by our tourism partners in the area. Weber Shandwick will provide an ongoing social media and brand voice content development training for VCB staff.

They will also come to the Island for a special social media training workshop for our partners and a separate webinar. Training will be tailored to the staff and partner's level of social networking expertise. The training will provide details, instructions and best practices on multiple social networks—Google+Facebook, Twitter, blog software, LinkedIn, and especially focus on the location-based applications like FourSquare with our partners.

Budget:

Weber Shandwick Social Media Management Plan and 5 Month Program:	\$40,000
Blog Center –Freelance Writers:	\$27,000
Series of 4 short experiential videos/ locally produced:	<u>\$12,000</u>
TOTAL:	\$79,000

Facilitated by: VCB Communications & Marketing Staff, Local Freelance Writers, Local videographers, VERB and Weber Shandwick.

Goal Metrics:

- Execute social media training for staff and partners with agency
- Increase blog traffic by 50% in FY 2012-13
- Increase Facebook "likes" by 100% in FY 2012-13
- Increase Twitter traffic by 100% in FY 2012-13
- Benchmark success of Google+, FourSquare and other social media promotions

Destination Public Relations

Earned Media is a critical way that the Hilton Head Island VCB's destination marketing program puts brand voice into our overall marketing program. Our ongoing destination public relations program is a well oiled machine that churns out national and international stories, features, broadcast vignettes and mentions, news coverage on top travel digital sites, blogs, and video, AP wire stories, and non-paid media coverage that annually averages about \$8.3 million in ad equivalency value over the past 3 years.

In short, with limited media buying resources, we heavily depend on earned media/ PR to sustainably generate brand voice for Hilton Head Island...

...to the tune of about \$8.3 million in value annually, for roughly 4% of that investment in total PR firm and communications staff investment.

Several components remain critical to our PR success:

- Media relationships our staff builds and nurtures over time with key editors, journalists and publishers
- Connections and opportunities leveraged daily by our New York based PR firm, Weber Shandwick Worldwide, one of the most influential travel PR firms on the planet
- Our seasoned professional staff and firm that partner together on a daily basis to serve up the right information at the right time to target media

We are planning new and ongoing public relations initiatives in the 2011-2012 fiscal year to support the overall destination marketing campaign:

1. Integrating Social Media and PR: As discussed in the previous social media section, we consider travel social media and PR to be twin sisters – they both are all about telling compelling, relevant and authentic stories that impact target communities of travelers. Therefore, we plan to engage our PR firm in helping us develop a strong and effective social media program.
2. Visiting Journalists Program: We will actively continue to pursue pre-qualified media travel journalists to visit Hilton Head Island and the surrounding region for story development. Traditional print and broadcast media outlets, freelance travel journalists and well-qualified travel bloggers, tweeters and the like will be pursued. We anticipate hosting at least 12-15 journalists on individual or collective customized visits in the coming year.
3. New York Media Outreach Program Senior staff will visit New York for pre-arranged desk-side media visits in concert with Weber Shandwick, our PR firm. Traditional journalists, bloggers and other social media experts will be considered. Staff will also work with SCPRT and media events they plan for 2013.

4. International Promotion: On the heels of last summer's successful Conde Nast Culinary Showcase event with local celebrity Orchid Paulmeir, we are planning a similar international celebrity chef event this June in London for top UK editors and writers. This event will be in concert with the Coastal South Carolina USA (consortium of Hilton Head Island, Charleston and Myrtle Beach that has been marketing our region of coastal South Carolina in Europe for over 20 years). A London tour operators and media sales event is planned at the House of Lords in London, as well as a special salon event for travel writers in London and a consumer event at Harrods. (See international marketing section for additional information on the Harrods promotion).
5. Broadcast Media Working with Weber Shandwick, we will actively pitch and respond to broadcast media opportunities for travel related stories on national and regional broadcast outlets.
6. Destination Travel Package PR: As covered in the package promotional section, the VCB will be developing a series of destination package promotion in concert with our partners to promote on a quarterly basis. Part of that promotion will be advanced long mead and short lead media pitches.
7. Festivals and Special Events: We will continue to work with local partners who produce area destination events to generate regional and national attention to the events and to support corresponding travel packages. Special Events that are being targeted include:
 - RBC Heritage PGA Tour Golf Tournament
 - The 2013 USTA Super Seniors Tennis event on Hilton Head Island this coming February
 - Hilton Head Island Wine & Food Festival
 - Hilton Head Island Motoring Festival & Concours d'Elegance
 - Historic Mitchelville Freedom Park and The Sesquicentennial Anniversary of the Civil War as it relates to Mitchelville & other area Civil War history
 - The International Piano Competition
 - Hilton Head Gullah Celebration
8. Daily Communications Staff Management writing regional and local media releases, monitoring news clips from Burrell's news services, monitoring and responding to HARO requests for story development, hosting and coordinating visiting journalists and itineraries who are sourced from HARO, SCPRT and other sources, developing social media content that supports other destination initiatives (such as Getting Away Together national PBS television show and other national television commercial spots) and operational support.

Budget for Destination Public Relations:

Visiting Journalists, Broadcast Outreach, NY Media & PR Firm:	\$ 144,000
UK International PR Promotion	\$ 8,000
Photo and Video Online Library and Out-of-Pocket:	\$ <u>18,000</u>
TOTAL:	\$ 170,000

Goal Metrics:

- Increase media stories and mentions of destination by 15% in FY 2012-13
- Increase media coverage value from \$8.3 million to \$9.5 million in FY 2012-13, or 15% increase

Destination Photography

It has been 6 years since the VCB invested in a major brand image photo shoot of the destination. Fashion, target demographics, preferred activities, travel experiences and local amenities all change – and the images we use to promote the destination need to change periodically, too. Additionally, use rights to some of our existing key images will expire in the year ahead.

Visuals are at the core of our work across all marketing and sales platforms. This is an investment that is needed and will serve Hilton Head Island well for years to come.

Some of the considerations in planning the photo shoot include:

- A variety of Island activities and experiences – both core and specialty
- Show off the Island's new products and amenities
- Include ethnic and age diversity
- Feature experienced, professional and natural looking models that portray our target demographics, and supplement with locals
- Shoot in a high level DPI format to create high quality images that will translate well into a variety for formats, including large format displays
- In addition to several days of shooting with models, include a day shooting scenic and helicopter, high quality aerials
- Best, clearest blue sky weather months to shoot include: September, October, April and May
- If possible, negotiate buy out rights for the Chamber/VCB

Budget

3-4 day Hilton Head Island Photo Shoot with models and aerials: \$ 50,000

(Additional day shoot in Bluffton @ \$20,000 will be paid strictly out of separate Bluffton marketing funds).

Facilitated by: Local agency for art direction, local/ regional modeling agency and RFP to qualified photographers, and Chamber Communications staff.

Goal Metrics:

- Execute a top quality, brand consistent destination photo shoot that delivers 40 to 60 new core brand images for use across our destination marketing program for the next 5-7 years.

Digital Marketing & Media Campaign

Placement Strategies:

Digital will be the primary media channel based on our budget parameters as well as its ability to offer cost-efficient message delivery to focused geography and lifestyle segments. Preference will be given to measurable SEM marketing strategies and sites that skew towards the affluent female audience, as they are the primary decision makers and vacation planners of the household, unless we are targeting a male oriented specialty market such as golf. Recent performance will also be considered in selecting sites and networks for the 2012/13 placements.

SEO Keyword Search

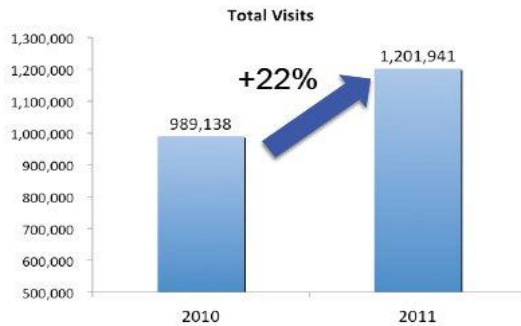
The VCB will execute an aggressive program to expand and broaden our organic keyword search engine rankings on Google, Yahoo, Youtube and Bing for a targeted list of key search terms that best correlate with the Hilton Head Island target visitor and visitor experiences.

While we have done an excellent job of driving up our website traffic in 2011 (see graph below)

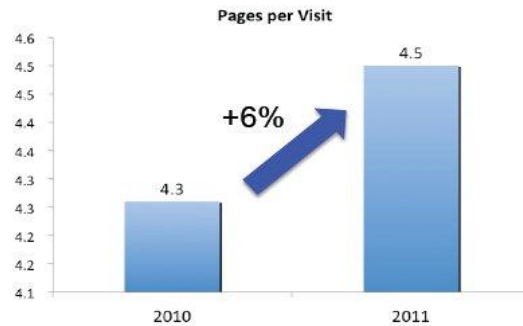
By 22% or over 1.2 million while simultaneously extended time on our site, we will work to improve our reach in both quantity and quality by broadening and expanding our organic search engine marketing efforts.

Overall Website Performance

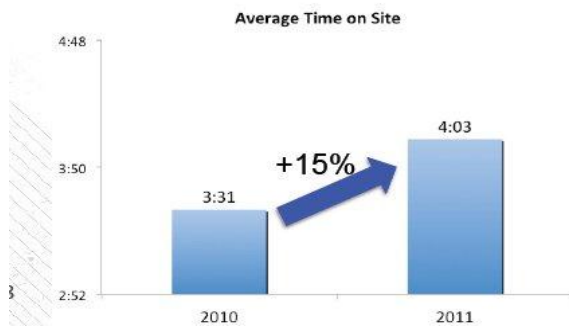
▶ Total Website Visits are up +22% vs prior year



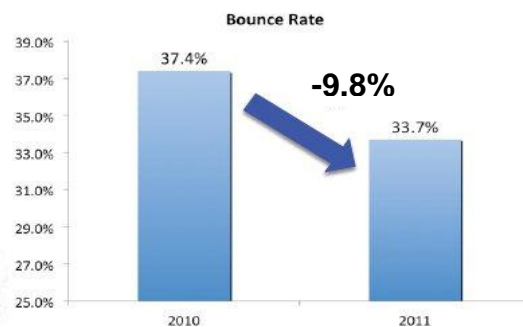
▶ Pages per Visit are up +6% vs prior year



▶ Avg Time on Site is up +15% vs prior year



▶ Overall Bounce Rate is down 4ppt vs prior year



This past year, Aristotle executed a keyword strategy for our whole site. We planned a structure for our site's content based on keyword strategy and usability. While organic search traffic increased significantly to our site in 2011, we know that there is still robust opportunities for qualified traffic growth through a consistently managed, aggressive program to optimize our site for keyword searches of a myriad of Hilton Head and Hilton Head Island travel related phrases. In 2012, VERB will work with our VCB staff to ramp up rankings on a targeted list of key search terms.

A detailed report on the VCB's digital program with Aristotle Interactive is included in the attached appendix.

Website & Monthly Web Content Audits

In addition to keyword search strategies, the VCB staff is implementing a new program to develop a steady, monthly stream of new relevant content on our website, in order to improve/broaden our search engine rankings, drive more qualified traffic, and engage both new and repeat visitors to the site with fresh content.

We are changing the role of our Marketing Manager to become both a Marketing Manager and Web Editor. This individual will work with our team to develop an annual web content editorial calendar for sectional changes to the site. Staff will work with area tourism businesses and event partners/ providers to gather and write content/ stories for the monthly web content refresh. Our Internet Services &

Database Manager will work solo, or as needed with VERB if the changes require HTML programming, to immediately implement the changes. It's a bit like painting the Golden Gate Bridge – the refresh work just keeps going year-round, based on the edit calendar.

“Why I Love HHI” Celebrity Interviews: Explore developing a monthly interview program that profiles and interviews celebrities and notables from the entertainment, fashion, sports, political, literary and cultural arts world with ties to Hilton Head Island (for example, Mark Messier, John Mellencamp, Stan Smith, Secretary of State Hillary Clinton, John Jakes, Governor Nikki Haley, Pete Dye, etc.). This feature will start on the website home page and also be perfect content for social media integration throughout the VCB's and our partners social media footprint.

Special Project/ Target Content Overhaul Areas of Site in FY 2012-13:

- Weddings
- Ecotourism & Green Initiatives
- Group Tour
- Arts & Cultural

Hosting/Enhanced Analytics

Though Google Analytics and VERB/ Net Conversion we receive enhanced reporting and tracking to understanding our visitor behavior and tracking results. With enhanced reporting and tracking, our campaigns, site navigation patterns, PPC, and SEO patterns are reviewed and reported weekly and in a comprehensive report each month.

Leisure Database

In 2011, the VCB invested in the development of a new, dynamic database for leisure marketing. This new Leisure Database feeds all of our digital platforms – our website, mobile site and mobile app – and will be used for member listings for the 2013 Vacation Planner. This primary Leisure Database pulls basic partner data from Ungerboeck (Chamber Membership database), allows for non-members listings to be added, and includes an admin tool to empower town businesses to add dynamic additional information (description, photos, videos, amenities, etc.). For example, the VCB wanted to show whether lodging partners allow pets, and we have added that attribute to the lodging listings under Features & Amenities.

The Leisure Database will push information to the VCB Website (HiltonHeadIsland.org) to feed the Partner Listings, Interactive Google Map and the Vacation Packages & Coupons Database; to the listings on the mobile site and the mobile app. In the future, this same partner data can be fed to other interactive assets that may be developed.

Our next phase of the database program is to hold periodic webinars or workshops to train local partners on how to update and manage their information assets in our database.

WEBSITE CONTENT MANAGEMENT & DATABASE BUDGET

VERB daily site work \$3,000 per month x 12	\$	36,000
Ad Serving/ SEO/ \$2,000 per month X 12:	\$	24,000
SPECIAL PROJECTS/ Target areas 4 @ \$5,000 each:	\$	<u>20,000</u>
TOTAL:	\$	80,000
Facilitated by: VCB Marketing Staff and VERB Interactive		

Goal Metrics:

- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase
- Expand the placement of HiltonHeadIsland.org in the top 5 organic URL listings under a targeted list of key search terms
- Execute 12 Web Content Audits -- one each month in FY 2012-13

Leisure Media Program

Media Objectives

- Generate interest in and brand Hilton Head Island as a preferred resort travel destination
- Drive qualified inquiries as evidenced by HiltonHeadIsland.org website traffic and behavioral metrics, mobile traffic, Insider program opt-ins, Vacation Planner requests, mail and phone inquiries, and visitor profile conversion and economic impact studies.
- Expand and improve Hilton Head Island's online presence and performance, as measured by key metrics.

Media Strategies

The following factors were weighed in selecting the high potential target markets for 2012-13:

- Percentage of market that is considered high income (\$150K+ HHI)
- Number of households meeting target criteria including HHI of \$150K+, lifestyle preferences, etc.
- Select vehicles that index well with the affluent target audience and have performed well in the past; and test new online vehicles to see which prove to be the most responsive for Hilton Head Island

- Evaluate past performance against market trends and new opportunities
- Weigh overall media costs and frequency/reach
- Penetrate highest-potential Eastern US markets with a mix of digital and traditional media
- Support secondary markets with a digital presence as budget allows
- Time flights to run during key planning times for spring and fall travel; winter travel as budget allows

12-month Comprehensive SEM Marketing Campaign

Pay-per-Click (PPC) Marketing

A key ingredient in any successful online marketing effort is keyword buys or pay-per-click search engine marketing.

We plan to launch a monthly PPC / contextual ad campaign, with more concentration during August through November to promote fall and winter travel and December through March to promote spring travel. We will be driving traffic to the existing website and will recommend what pages or landing pages we will direct the PPC ads to and determine how they will be tracked. Our PPC program will be weighted to promote:

- 50% Hilton Head Island brand promotions
- 20% Festivals and Major Events Promotions
- 10% Culinary promotions
- 10% Culture, Arts, History and Eco-tourism Promotions
- 10% Outdoor Sports Promotions – emphasis on tennis, biking and boating

Note: Golf microsite promotions are separately covered through the special golf grant program. International promotions will be covered in the international marketing section.

We plan to run PPC/ contextual ad campaigns to promote the three destination events that drive overnight stays, including the Concours d’Elegance, the Hilton Head Island Wine & Food Festival and The RBC Heritage Golf PGA Tournament. Additional Hilton Head Island events to be promoted through PPC include:

- Hilton Head International Piano Competition
- Historic Mitchelville Tours and Sesquicentennial events
- Hilton Head Gullah Celebration

- Picnic & Pops
- Hilton Head Island Art Festival at Shelter Cove
- Summertime HarbourFest & HarbourTown Outdoor Music events & Fireworks events
- BRAVO
- Arts Center of Coastal Carolina performances
- Hilton Head Island Public Art Exhibits
- International Youth Music Festival
- Heritage Library special events
- Seasonal events like the St. Patrick's Day Parade and Christmas Tree Lighting
- Various food festivals; WingFest, Seafood Festival, Oyster Festival, etc.
- Performing & Visual arts events

Included in our fee to Net Conversion/VERB are weekly and monthly reports on the measurable metrics of the SEM programs. We will measure Cost Per Click, Resulting Time/Pages Viewed on our Website, Conversion to the VCB Insider Visitor Database, Fulfillment ordered, and where appropriate, Conversion to Partner Web Sites.

Google Display Network

Google users are actively searching/ready to search content online about travel or planning their next vacation. Hilton Head Island will target consumers utilizing Google's Ad Network with contextual display ads on a CPC basis. Placements on the Google Display Network will be used as a branding campaign, increasing awareness about Hilton Head Island's Insider programs; as well as, targeting niche markets through the use of keywords and themes.

- World's #1 ad network
- Reaches 80% of global internet users
- 169M unique visitors/month
- Fully transparent to optimize exact placements of ads
- Placement Strategy for Hilton Head Island:
- Late Summer/ Fall 2012 flight pushing fall and winter travel

- Early 2013 flight to promote spring travel and travel packages
- Target leisure and other niche markets
- Geo-target Hilton Head Island's main feeder markets
- Develop a remarketing campaign
 - Display dynamically generated ads on other websites across the Google Display Network
 - Turn potentially interested viewers into HHI visitors

Facebook Display Ads

With more than 750 million users worldwide, Facebook is the leading social network. The average Facebook user spends 50 minutes on Facebook a day.

We plan to use Facebook display ads as an opportunity to increase brand awareness on a CPC basis and to also reach consumers in what has become the most popular social network to date. We plan to geo-target Facebook users east of the Mississippi, and hyper target users based on their user supplied demo. Our branded display ads will give us approximately 10,000 click-throughs during Fall 2012 and early 2013 flights.

Budget: \$ 105,000 for SEM Media for 12 months, includes media and reporting

Facilitated by: Net Conversion/ VERB and VCB Marketing Staff

Goal Metrics:

- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase
- Generate 90,000 click throughs to HiltonHeadIsland.org by qualified prospective visitors

TripAdvisor.com

With more than 50,000,000 worldwide visitors per month and 20,000,000 registered users, TripAdvisor is literally the world's largest travel website and online travel guide. It houses more than 60,000,000 reviews and opinions on travel from consumers. TripAdvisor.com has garnered a significant share of voice on the internet as a trusted source of travel advice, recommendations by both consumers and editors. It is also a place consumers use to plan and link to travel booking options.

The TripAdvisor Destination Sponsorship

This is an annual subscription to 12 months of destination marketing promotions on the Hilton Head Island section of TripAdvisor.com. Included in the buy are:

- Up to 10 Destination Photos and 2 Videos
- DMO photo is section default image
- Highlights of the Hilton Head Island Vacation Planner and link to order or view online
- Prominent links to hiltonheadisland.org and our online concierge
- Up to 5 lines of text links for coupons or promos that we can rotate periodically
- 300 X 250 and 160 X 600 Banner ads for rotating destination promotions and packages
- Our Welcome Center designated on their map with website URL
- Highlight area for upcoming destination events – we supply the information and links
- Up to 5 events at a time

The key to the success of this promotion is dedicating VCB Staff time to develop an editorial schedule for the year and research/ write and submit fresh, relevant content on a monthly basis.

Budget: \$50,000

Facilitated by: TripAdvisor, VCB Marketing and Communications Staff and local graphics firm/agency for creative and production.

Goal Metrics:

- Executive monthly destination content refresh and event promotion changes on TripAdvisor's Hilton Head Island destination page.
- Generate 50,000 click-thrus to our website from TripAdvisor
- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase

The Rise of PDA's & Mobile Marketing: The Big Tether

Fortunately, the Town of Hilton Head Island is working to improve cell phone access on the Island. Local businesses know the value of this service to their customers – both residents and our 2.3 million visitors annually. At the same time, PDA's are making a quantum leap in US and international consumer market penetration. Most technology futurists predict that upwards of 50% of our population will use PDA's by the end of 2012 – up from 20% of US mobile phones just this past year. When consumers travel, "The Big Tether" that they keep with them 24/7 is their smart phone.

PDA's and IPADS alike allow travelers to search for destination information and services at any time, from any location. We need to be readily visible and accessible to meet their needs and expectations in the mobile space.

Engagement Tactics

1. The most important tool in mobile promotion is the mobile-friendly version of our website.
2. 40% of mobile users are in the, and 60% are using mobile in another location to plan their trips. We need to think like a traveler that's planning their vacation, as well as already here in serving up content.
3. Keeping content clean, simple and straightforward, i.e. limiting messages to the top functions and most relevant information that consumers in the destination want and need.
4. VCB will need to allocate staff content development and management resources/time to serve this dynamic new media in a responsive, quality manner.
5. Social and mobile are closely tied as much of the time spent on the phone involves sharing content with friends.
6. Location-based applications like Foursquare, Gowalla and Whrrl are great places for our industry partners to promote themselves and incent people to visit their resort, golf course, spa, restaurant or attraction. (We will be holding off on delving into this too soon since cell phone access is spotty on the Island.)
7. Mobile applications like Zagat, Foodspotting, Open Table and Urban Spoon create opportunities to promote the cuisine in our area.
8. Our Web Editor will develop an editorial calendar for monthly content changes and promotions and implement with our internal team, local writers, and VERB.
9. VERB will execute an SEO program for the mobile version of our site.

Budget: \$ 12,000

Facilitated by: VCB Marketing Staff, Local Freelance writer/ editor and VERB

Goal Metrics:

- Benchmark monthly mobile traffic
- Benchmark click thrus to partner promotions
- Benchmark SEO of website on top 50 key search terms
- Support mobile website traffic generation of 250,000 users in FY 2012-13

Videos

YouTube Destination Channel

YouTube ranks as one of the top search engines on the internet, along with Google and Facebook. Travelers are using YouTube to search for information about travel, to get a glimpse of their next vacation location, and to share their personal travel stories with their family and friends.

Statistics regarding YouTube: YouTube's demographic is broad, reaching a wide audience of 18-54 year olds. Over four million people are connected to YouTube and are auto-sharing to at least one social network, such as Facebook or Twitter. In addition, on mobile devices, YouTube mobile gets more than 100 million views a day.

Currently, the VCB has its own YouTube Channel, *Visit Hilton Head Island*, with the following URL address: <http://www.youtube.com/user/hiltonheadislandvcb>. On it there are 34,944 videos we have produced over the past several years and 37 page views.

Digital Video Engagement Tactics

1. Work with VERB to enhance the look of our YouTube Brand Channel and keep content updated/ fresh
2. Work with Net Conversion/VERB to optimize integration of our video assets on YouTube and across multiple travel oriented video platforms on the web, mobile and social media sites.
3. Embed more compelling video content into our website, mobile site, mobile app and social media platforms. Work with a local video company to shoot and edit from existing footage a new series of short videos each quarter.
4. Develop a video editorial calendar for creating and pushing our new short videos that compliment our consumer package promotions and brand voice year-round. VCB Marketing Manager & Web Editor will manage the video editorial calendar with VERB.

Budget

Production 4 short videos:	\$ 8,000
Brand Channel Refresh & SEO/SEM:	<u>\$ 4,000</u>
TOTAL:	\$ 12,000

Facilitated by: Local videographer, VCB staff and VERB.

Goal Metrics:

- Execute Brand Channel enhancements, SEO and quarterly new video postings
- Improve YouTube Channel Traffic by 25% in FY 2012-13
- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase

Leveraging Partnerships

The VCB will leverage the larger media buying power of the state tourism office, SCPRT, as well as the Southeast Tourism Society that covers 12 states in the Southeast, by incorporating select co-ops they offer to DMO's within our media plan.

SCPRT Co-ops

SCPRT has not yet announced their co-op marketing offering for 2013. We will budget a contingency to take advantage of this program, which typically includes a mix of broadcast, digital, print and out-of-home media in 6-8 key East coast feeder and drive markets. Their negotiated media rates due to their media buying volume and the state "buying" down the cost for co-op participants make these buys compelling.

Net Media Contingency Budget for SCPRT Co-ops: \$ 25,000

Sweet Tea Partnership

The Hilton Head Island VCB has worked with the Charleston CVB, Savannah CVB and Amelia Island CVB on a variety of Southeast regional and national cooperative marketing and sales programs over the past three years. We call our program the Sweet Tea Partnership, as we are all authentically Southern coastal destinations where a refreshing glass of sweet tea is always a welcome visitor experience.

Atlanta Culinary Promotion

Great Southern food, restaurants and a vibrant culinary scene are all part of the ties that bind our four destinations along the Eastern Seaboard. With that in mind, since early 2012 our group has been the exclusive sponsor of the Atlanta Dining App in partnership with Atlanta Magazine.

Our four destinations have been featured in Atlanta Magazine in concert with app promotions, along with a promotion every time a user opens the Dining App with rotating links to each of our destination websites.

We also just completed our first appearance at the Atlanta Food & Wine Show in concert with Atlanta Magazine. Local SERG Group/ One Hot Mama's Orchid Paulmeirer (of The Food Network's Next Star fame) went with VCB staff to Atlanta to serve up a mini version of her chocolate chip pecan pie with a bacon, graham cracker crust at the event, along with our staff serving up information about visiting Hilton Head Island in March 2012.

We have a two-year agreement for this exclusive sponsorship, which runs through January 2014.

Collaborate Meetings Co-op

The Sweet Tea Partners also cooperate in promoting meetings business to our region. We work together cooperatively to sponsor the Sweet Tea Relaxation Station at the Collaborate Trade Show, targeting corporate meeting planners across the US. Each Sweet Tea partner is guaranteed 40 appointments with pre-qualified planners at the Show. We also follow-up with a special e-news promotion from our group to the show attendees. We also present a short video at the opening lunch at the conference about our four destinations to all show attendees.

Fall New York Promotion

The Partnership is also exploring opportunities to collaborate on a Fall Promotion in the lucrative New York metro market. Media costs in this market are high, so we are looking at the opportunity to work together on a big impact promotion with four way shared costs.

Sweet Tea Partnership

Atlanta Magazine mobile and in-book promotion:	\$ 15,000
Collaborate Meetings Co-op:	\$ 5,000
Fall New York Promotion:	<u>\$ 15,000</u>
Budget Total:	\$ 35,000

(Hilton Head Island's share of total \$140,000 program)

Facilitated by: VCB Marketing Staff, Sweet Tea Partners, MMGY, Atlanta Magazine and Collinson Media.

Goals Metrics:

- Generate 10,000 to 15,000 new visitor click thrus to our mobile site via Atlanta Dining app program.
- Support VCB Sales Staff Prospect, Lead Generation goals through Collaborate
- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase.
- Support an increase in Hilton Head Insider opt-ins of 20% to 128,000 in FY and Vacation Planner requests to 50,000 in FY 2012-13

Consumer Promotions & Travel Lead Gen

In 2011, our overall volume of visitor inquiries from all sources combined was down from 2010, even though our website traffic was up considerably. The leads difference was in two areas:

- Leads we generated from the Town's \$300,000 Crisis Recovery Fund investment in the VCB's Atlanta and Charlotte regional drive market promotion.

- A significant decrease in traditional print media placements.

*The print ad prospect typically orders a Vacation Planner. They are prospects that may not be ready to book, like those who visit our website, as **they are often on the front end planning cycle of their vacation.***

Destination Marketers do well to leverage the opportunity to promote our destination on the front end of planning cycle, as well as at the end. Otherwise, we lose the opportunity to build demand.

In order to put this balance back in our media mix, we are recommending a return to at least a maintenance level of a few traditionally strong performing print lead generators:

- *Southern Living* – 1/6 page Travel Directory ads with Reader Service
- *America's Best Vacations* -- Small space ads promoting our Vacation Planner that appear in special Eastern US newspaper inserts with Reader Service
- *Oprah Magazine* – small space display ads with Reader Service

Circulation buys will be limited to East of the Mississippi wherever possible.

Oprah Magazine

700,000 circ in Eastern Region States covered: FL, GA, SC, NC, VA, WV, MD, DE, NJ, CT, PA, NY, RI, MA, VT, NH, ME

The *O* woman is an authoritative and frequent traveler.

Compared to the average U.S. woman, she is twice as likely to:

- Serve as a personal travel influencer
- Spend \$3,000+ annually on domestic travel
- Shop and visit spas on vacation
- Be employed in a professional or managerial capacity
- 46.9 Median Age
- 115 index for HHI \$100K+
- 119 index for HHI \$150K+
- 133 index for college graduate+

1/6 page color ads with reader service:

- Sept. 2012 "Autumn Road Trips"
- Oct. 2012 "Girlfriends Getaways / Personalities"
- Dec. 2012 "Beach/Spa Retreats"
- Feb. 2013 "Romantic Escapes"

As value added, we will receive:

- Hyperlink listing on VacationFun.com
- Opportunity to furnish sweepstakes prize to generate additional leads, we will tie to a couples oriented social media promotion
- Feature destination banner on homepage of VacationFun.com
- Lead generation with weekly delivery and filtering tool for sorting leads

NET MEDIA COST: 4X buy at 10% discount @ \$8,747 per 1/6 page color display ad = \$34,988

America's Best Vacations

America's Best Vacations is a consumer newspaper insert program that is offered in the spring and fall. The insert reaches a predominantly female audience, most of whom are in the 35-54 age range with a household income of \$75k to \$200K (and above) and a propensity to travel. We plan to run a 1/8 page color ad with brochure page in the Southeast and Northeast regions, reaching over 5 million circulation each in October 2012 and March 2013.

The Southeast and Northeast circulation includes:

Maryland	West Virginia
Connecticut	Alabama
Massachusetts	Georgia
New Jersey	Kentucky
New York	Mississippi
Ohio	North Carolina
Pennsylvania	South Carolina
Virginia	Tennessee
D. C.	

In addition to the newspaper insert, we will receive a second layer of exposure in each region with a direct mail component to an additional 1.3 million households. As added value, we will receive the following:

- 1 million banner impressions on Collinson ad network
- 3,000 guaranteed leads generated
- Destination listing on VacationPlanning.net
- Reader response list

NET MEDIA COST: **2X by @ \$4,995 color 1/8 page ad = \$ 9,990**

Consumer Lead Gen/Print Media Summary:

Oprah Magazine/ 4 insertions: \$ 34,988

America's Best Vacations/ 2 insertions: \$ 9,990

Creative/ Ad Production : \$ 12,000

TOTAL: \$ 56,978

Facilitated by: Local graphic designer/ agency, VCB marketing staff and publications.

Goal Metrics:

- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase.
- Support an increase in Hilton Head Insider opt-ins of 20% to 128,000 in FY and Vacation Planner mailing requests to 50,000 in FY 2012-13.

Insiders, Collateral & Fulfillment

Hilton Head Insider Program: Building on a Strong Foundation

In 2012-13, we will continue to build on the successful "Hilton Head Island Insider" campaign to drive opt-ins to our database for ongoing Customer Relationship Marketing (CRM). In its fourth year, we have over 107,000 opt-in Hilton Head Island Insiders. Our website visitors are invited to opt-in to become a *Hilton Head Insider* and a subscription to our complimentary monthly enews and special access to travel offers and VIP benefits from our partners when they travel to Hilton Head Island. Our media messaging includes this value proposition with the call to action to *Vacation like an Insider*.

Hilton Head Island Insider Email Marketing

Email Marketing Best Practices

We currently have over 107,000 Hilton Head Island Insiders in our opt-in database. It is more difficult than ever before to get quality email results. For our ongoing Hilton Head Island Insider email marketing program to be successful, we are following these industry/ destination marketing best practices:

Engagement Tactics

1. Follow a well thought out annualized editorial calendar for when messages will be sent, who will write them, how their success will be measured, managed by our Web Editor.
2. Continue to develop a quality mailing list of people who have opted in to receive Hilton Head Island Chamber/VCB messages.
3. Take a segmented marketing approach, but focus on cross marketing experiences to visitor segments in content and packaging.
4. Cultivate messaging that sustains or generates a sense kinship with the destination brand and relationship with the sender so the messages feel personalized.
5. Create well-written messages that are optimized for click-thrus to the website, eExemplify best practices in terms of unsubscribing, a link to a web version, etc., do not include spam trigger words
6. Test to assure that the emails get through Spam filters and Outlook —Junk Email settings
7. Report actions based on the email including open rates and click-through rates
8. Evaluate plans for improving performance

Keep and build subscribers

9. Request two email addresses from subscribers
10. Send an immediate response when people sign up
11. Ask subscribers to include you in their address book or safe list
12. Be careful about old lists, purchased lists and lead generation lists. They tend to dramatically underperform.

Segment lists Broadly

13. Open rates test higher on segmented lists. In one study, there was a 30.9 percent open rate for a segmented list while the non-segmented open rate was 0.48 percent. The VCB will invest in database optimization program for the existing list of Hilton Head insiders, and then maintain segmentation going forward.
14. For e-newsletters, keep segments broad (family role, planning immediate vacation, golfer vs. shopper, etc.)
15. For destination marketing organizations, over-segmentation is sometimes a problem because top things people like to do include the broad —sightseeing and women planning for their families need to know about the all the activities available to their family.

Content and other considerations

16. Use Hilton Head Island in the "from" line, which tells recipients that we sent the email. *From lines* help people evaluate which emails to open, which to delete and which to complain about. Testing shows that open rates and click-through rates increase when the "from" name, "from" address and subject line are appropriately branded. Exact target testing also shows that these practices reduce spam complaints.
17. Design a plain text email version for AOL users and other subscribers who can't view HTML emails.
18. Add text to have recipients add you to their safe sender list.
19. Add text to have recipients view your email via a web page or mobile version of a web page.
20. Include text stating the offer at the top of the email so that the offer will be visible even if images are turned off or blocked in the recipient's email client.
21. Design emails to be viewed in the preview pane
22. Place our logo in the top left quadrant of the page.
23. Grab attention with headlines
24. Make sure the main graphic reinforces the offer.
25. Make sure we have the proper footer so people can unsubscribe.

Email Marketing Plan:

Brand Strategy and Culture

Our brand promise suggests that if you —*come away with me*— your next vacation will be rejuvenating, relaxing, engaging and stand out as a distinctive experience based on a personal promise. Delivering on this brand promise must be at the center of the communication strategy.

Goals for leisure e-newsletters and e-blasts

- : Develop relationships and retain existing repeat visitors to Hilton Head
- : Build a following for our content
- : Convert email lists into active leads
- : Position the VCB as an expert
- : Educate or inform about events and activities
- : Drive traffic to our website, mobile app, mobile site, and social media outlets
- : Promote packages tied to editorial content when appropriate

Strategies and Tactics

After we have segmented our Insider database early in the new fiscal year, we have the opportunity to build a series of periodic enews around broad themes. We also will continue to send emails/epromos that cross market the whole destination to the entire Insider database.

Some of the broader segmented themes may include:

- : Multi-Gen Family Beach Vacations
- : Golf, Tennis & Sports Trips and Events
- : Culinary Travel and Events
- : Cultural Travel
- : Marquee Events & Festivals
- : Girlfriend's Getaways
- : Weddings

Package E-Promos

We also plan to send four seasonal e-promos with partner travel package offers to both our Hilton Head Insiders and to geo-targeted databases of affluent travelers.

Promote Sharing

Many of our Insiders are already enthusiastic about Hilton Head Island. With a little prodding we hope to turn these enthusiasts into sharers. Sharers are people who pass content onto others, trust what you write and respond to your advice, offers, recommendations and promotions. In addition to the email marketing, similar information should be provided through Facebook and Twitter.

Specific Conversion and Open Goals

Our Web Editor on staff will develop the editorial plan and write/manage the content for the newsletters in concert with our Internet Services Manager, while production is included in the monthly web design fee with VERB as part of our monthly fee. Last year, we were able to cut our email deployment costs by half by moving to a new provider, Mail Chimp.

E-Mail Budget

Content Development	\$ 7,500
Database Segmentation:	\$ 6,000
Mail Chimp Email Annual COST:	<u>\$10,500</u>
TOTAL:	\$24,000

Facilitated by: Local freelance writers, VCB Marketing Staff, VERB and Mail Chimp

Goal Metrics:

- Deploy 15 E-New/E-Promotions in FY 2012-13.
- Segment Insiders database for specialty market e-news/e-promos.
- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase.
- Integrate social media and mobile site promotions to drive additional traffic to VCB's various media platforms.

- Support an increase in Hilton Head Insider opt-ins of 20% to 128,000 in FY and Vacation Planner requests to 50,000 in FY 2012-13

Event Promotion

Marquee Events

In 2012-13, we will continue our Special Contract Agreements with (3) event holders, including:

- RBC Heritage PGA TOUR Golf Tournament
- Concours d'Elegance
- Hilton Head Island Wine & Food Festival

These are events that have a research-based, proven track record of generating significant overnight visitation to Hilton Head Island by consumers who came to the Island specifically to attend the event. Our promotion of these events will include:

- Rotational Website Features in current Festival and Events main page and on home page.
- Special feature in our Vacation Planner
- Social media promotion via Face book, Twitter, Blogs
- Promotion via *Visit Hilton Head Island* Mobile App and mobile website
- Embedded content in website and blog feature stories
- The Hilton Head Island Wine & Food Festival will be promoted within the *Bon Appetit* promotion
- Marquee and Major Events featured on new www.TripAdvisor.com year-round destination section for Hilton Head Island
- Event holders can supply video content for use on VCB website

Other Island Festivals & Special Events

There are dozens of other wonderful events and festivals on Hilton Head Island, some of which are noted below:

- Hilton Head Island International Piano Competition
- Arts Center Major Performances
- Picnic & Pops Concerts and Hilton Head Symphony Orchestra Performance Series
- Choral Society Series
- BRAVO, Art Around Town or other programs of new Arts Council, TBD
- Hilton Head Island Seafood Festival
- Hilton Head Island Oyster Festival

- HarbourFest
- Chamber Restaurant Week
- Taste of the Season
- Farmer's Markets
- HarbourFest and HarbourTown Summer Series Events & Fireworks
- Beach Bum Triathlon and other Tri-athlete events
- Marsh Tacky Race
- Coastal Discovery Museum special programs
- Historic Mitchelville Forums and Events
- Hilton Head Island Gullah Celebration
- Heritage Library events
- International Youth Music Festival at Arts Center
- Public Art Events, TBD
- Other opportunities that may develop in the year ahead

These events will be promoted a variety of ways:

- Vacation Planner
- Online Calendar of Events
- Facebook, Twitter, Google+ and Blogs
- Rotating features on hiltonheadisland.org
- E-newsletters to Insiders
- Mobile site & app

Facilitated by: VCB marketing and communications staff with partner festival and event organizations.

Goals Metrics:

- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic increase.
- Provide 25% or higher click thru rate to featured festivals and events websites from VCB's event landing pages for each event.

Collateral/Fulfillment: Print and Online

We strive to have all of our print collateral printed on FSC recyclable and recycled paper stock and non-toxic inks, only using printing companies that adhere to sustainable industry best practices. In 2012-13 we will continue to minimize our printing by going digital with niche brochures and promotions. We will offer printer-friendly versions of our brochures on our website and feature them on an online brochure order page on our website.

2013 Vacation Planner Print and Online

Our primary print fulfillment piece offers a comprehensive look at planning a vacation to the Hilton Head Island area. 81% of VCB visitor inquiries said the Hilton Head Island information they received was somewhat or very useful in planning their trip. 56% of VCB visitor inquiries tell us that the Vacation Planner and related fulfillment was effective or very effective in persuading them to visit Hilton Head Island.

Many online, as well as media and home inquiries, still order our planner, as well as on-site use at state and local welcome centers, at trade shows and promotional events and with media. We also post our planner online in an easy to navigate, page-turnable format that allows visitor to choose content they wish to download.

We use Pace Communications to design, produce and print the planner. They utilize local freelance writers for the articles. Our in-house marketing staff provides the business directory, local photography and editorial content management, editorial review and proofing.

- Qty: 110,000 Vacation Planners

Tablet Version of Vacation Planner

IPADS, Nooks, Kindle and other tablet digital devices are opening a new way to reach affluent travelers both before and during their destination trip. Many destinations are starting to offer special travel guides for Tablet users. The VCB plans to research the cost, affluent visitor reach/use and benefits of providing a tablet Visitors Guide. We plan to focus on an expense/revenue model that will off-set costs for the project with private sector promotional revenues, bundled with our other fulfillment advertising.

Promotions/ Brochure Distribution at Airports

Included in our budget for fulfillment costs is a \$500/month fee to support brochure distribution for all area travel businesses at their Welcome Center at the bottom of the escalators at Savannah Hilton Head International Airport and \$295/month fee for a four sided display board and fulfillment distribution point in the lobby of Hilton Head Island Airport.

Vacation Planner & Mail Fulfillment Budget

Creative, Content Development, Production & Printing:	\$	140,000
50,000 Fulfillment Envelopes:	\$	6,000
Online version of planner:	\$	5,000
Mail Operations & Postage (all fulfillment except golf*):	\$	55,000
Toll-free phone number (annual cost)	\$	<u>3,600</u>
TOTAL:	\$	209,600

*Golf fulfillment is covered in the golf specialty market grant

Facilitated by: Pace Communications, Local freelance writers, Kennickell, VCB marketing staff.

Goal Metrics:

- Serve over 100,000 leisure transient and group leisure travel prospective visitors by providing a high quality, comprehensive, engaging Vacation Planner, both in print and online, as a primary resource in planning and making experience choices about vacations to Hilton Head Island and the Lowcountry region.
- Provide local travel and tourism related businesses and organizations a quality marketing vehicle with which to partner with the Chamber's VCB to reach qualified, targeted customers for their products and services.
- Provide free listings to Hilton Head Island travel and tourism related businesses and organizations.
- Continue to serve as a consistent, reliable and trustworthy source of official visitor information for consumers when planning their travel to Hilton Head Island and the Lowcountry, as measured by visitor satisfaction surveys and related data.
- Support conversion rate of 70% of Chamber/VCB leisure visitor inquiries converting to visitors and 29% of group leads converting to visitors.

Meetings/Group Sales & Marketing

Of all the segments within the tourism business, meetings and groups was the hardest hit by the recession. It's also a segment that is influenced by changing demographics and emerging technology. The leading edge of the economic decline saw AIG, an international insurance and financial services company, caught spending federal TARP money to entertain their top producers in an exclusive resort environment. The resulting "AIG Effect" virtually paralyzed corporate meeting planners and dramatically affected high end meetings destinations and particularly resorts.

Association meetings and especially annual meetings, most of which are required by law, have been less impacted, but beach, resort, spa and golf destinations continue to be affected by this lingering push to reduce travel, especially corporate and government business travel. Planners sensing policy from above are aware of the need to be frugal, to seek out value, prove return on investment and to be cautious about going fancy in sober economic times. Clearly the group market is also impacted by the New Normal.

Some Strength in Sector Returning

The signs of recovery continue to strengthen. Many national meetings publications that survey planner opinions describe a more positive outlook overall.

The tech side of meetings has also changed. Most meeting planners are asking for innovative technology.

: Free wireless, like coffee in your room, is expected. Hilton Head's spotty cellphone service is a challenge for our destination, as planners demand complete coverage.

Will the meetings industry as a whole improve or stay the same?

Based on The Magazine for the Professional Convention Management Association, March 2012 Meetings Market Survey

- "Improve. Companies are bored with being in the doldrums and want to take control of their destinies. They are spending more to generate business, using face-to-face and online marketing opportunities."
- "It appears as though it is improving already. I see a shift in the way hotels are negotiating now. The ball is no longer in the planner's court."
- "I would like to be optimistic and say it will improve. However, with budgets remaining flat or being reduced, meetings will be challenged to develop creative registrations to continue attracting new – as well as retain current – attendees."
- "Meetings will come back, but there are fewer people doing the jobs of many, burning out professionals. Hotels are increasing rates, but I don't feel that things are getting better or worse. Relationships that were maintained during the downturn will be essential when the market does come back."
- "Probably improve. I see it with hotels and the lack of interest in offering incentives as they were two years ago when the economy tanked. "

Meetings holding steady

- A large majority of respondents – 87% -- did not cut back on the number of days of any multi-day meeting in 2011.
- Less than one in five (19%) canceled one or more meetings in 2011, compared to 28 percent who did so in 2010.

The importance of site visits

- Using a scale of 1-6 with "1" as most important and "6" as least important, 87% of respondents rate site visits either "1" or "2" when it comes to deciding where to book their meetings. Sixty-three percent rated one-on-one sales interactions next in importance; fam trips (20 percent) and marketing collateral from venues (14 percent).

Attendance

- More than one-third of respondents said they had more attendees at their largest 2011 meeting than at their largest 2010 event.

Technology

- Using a scale of “1” for most important and “4” for least important, 57 percent of respondents rate Facebook either “1” or “2” when it comes to marketing their meetings and engaging attendees, compared to 51 percent for Twitter and 36 percent for LinkedIn.
- Many planners are changing their program and agenda to include more activities that engage attendees either face to face or through social media.
- Many planners have made extra efforts to negotiate better deals with technology at the event – if people can’t be assured of being connected to the office, they are less likely to attend in person.

Virtual meetings

- More than one-quarter of respondents (28 percent compared to 34 percent in last year’s survey) report that their use of virtual meetings and events increased in the past year, while 62 percent said it remained the same, and 10 percent (up from 6 percent in last year’s survey) reported it decreased.

What’s the # 1 challenge facing the meetings industry?

- “Securing properties that can support the massive amounts of bandwidth required to hold our meetings.”
- “Healthcare meetings have big challenges. I think the Pharma regulations are hurting show floor traffic and the Sunshine Act is even more of a pain.”
- “The lack of an industry standard for ROI computations across events. Meeting planners are not accountants and accountants don’t understand the intangible benefits of face-to-face meetings, whether it be for learning, disseminating information or team-building/productive networking.”

Golf

- A majority (68 percent) of respondents indicated that none of their meetings included a golf event. In last year’s survey, a majority (59 percent) said their meetings involved golf events. (that’s a 27 point swing!)

Types and locations of small meetings

- In 2011, respondents held an average of approximately 12 seminars, nine training meetings, eight committee meetings, four board meetings, and eight other types of meetings. Respondents held an average of 13 meetings at downtown hotels, five at suburban hotels, four at airport hotels, three at conference centers, **two at resorts**, and three at other types of facilities.

International

- More than 40% of respondents report that their attendees participate in pre- and/or post-trips when they travel internationally.

According to *the Professional Convention Management Association, March 2012 Meetings Market Survey*

- 58% of planners say the number of meetings will increase
- 18% expect a significant increase in budget.
- 25% say demonstrating ROI from meetings, events and incentives in detail – and in a way that management fully understands – is either their most or their second most important priority
- 42% say they are fully committed to Corporate Social Responsibility
- 22% of meeting professionals say they are scheduling smaller meetings and events as part of an overall strategy

One of the many strengths of the Hilton Head Island Visitors and Convention Bureau Meetings and Group Sales team has been its good, honest and loyal business relationships with clients and partners. Those relationships have been built on trust over years and they have kept the Bureau as a key and critical component in the business of business matchmaking. Those relationships are especially important in an era when it's predicted that planners and suppliers will rely on existing relationships to work through challenges.

Relationships are key

- 26% of meeting professionals say that improved planner/supplier relationships are more important than ever before in order for both parties to achieve budget and performance goals, which will undoubtedly test the limits and opportunities of cooperation in the years to come.

Planners have also said that they “focus on destinations that are easy to work with and then we negotiate flexible attrition clauses and F & B costs.” It all starts with service. And although technology is important, some planners indicate that service and a personal touch will still trump technology. One planner surveyed in Future Watch said “suppliers who want to get ahead need to focus on personal relationships instead of technology.”

The VCB connects Hilton Head Island resources to site planners' facilities needs for retreats, educational seminars, state, regional and national meetings and conferences of all kinds.

Sales Team Goals

The VCB Sales Team's purpose is to generate leads for group business from throughout the spectrum of market segments, with these overarching goals:

1. To meet the varied needs of our diverse partner base, which includes hotels, home & villa rentals, event venues, and event service providers.
2. To generate qualified leads that book more room nights with improved RevPAR
3. To assist our destination partners in their efforts to generate more meetings
4. To refer more food and beverage sales – at the host property as well as at area restaurants
5. To refer more golf bookings
6. To refer more spa and amenity bookings

7. To promote and refer more memorable recreational and entertainment experiences for group attendees and their guests.

The Bureau's position is to represent the entire destination, identify lead possibilities in all meetings and group market segments, predispose our contacts to strongly consider Hilton Head Island for their meeting or group event and prepare our lodging partners, first and foremost, to make the sale. Referrals to other local businesses that service groups are also a focus of the VCB sales staff.

In order to produce valuable, qualified leads for our lodging and facilities partners, the Bureau will "touch" planners through traditional and non-traditional techniques.

Strategy to Contact or Maintain Connections with Meeting Planners

Strategy to contact or maintain connections with meeting planners

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Goal	2013 Goal
Phone	3,117	3,472	3,091	3,127	3,200	3,300
Email	5,349	5,466	6,141	5,977	6,040	6,150
Letter/Fax	271	253	246	225	275	295
SDR	4,874*	644**	2,724*	1,818***	2,700	2,800
DayBreak Promos	n/a	n/a	n/a	n/a	4,000,000	4,000,000
Total	13,611	9,835	12,202	11,147	4,012,215	4,012,545
DayBreak responses					400	400
Social Media Posts					12 times	24 times

*Includes calls for FAMS & Blitzes

**Partial year due to funding reductions

***Partial year due to funding reductions

Group Sales Goals

Goal: #1

Increase the number of qualified leads by 34% in 2011

SALES	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Goal	2013 Goal
# of Leads	193	129	121	111	150	190
Potential Room	44,519	28,216	36,181	27,113	37,200	45,000
# of Definites	61	34	23	32	44	55
(signed contracts)						
Definites	9,524	6,993	3,467	3,285	6,732	8,415
(room nights)						
Conversion	32%	26%	19%	29%	29%	29%

Tactics

1. Telemarketing/ lead generation/market and prospect research: Work with telemarketing vendor (SDR) for continued data-cleansing and target acquisition, prospect qualification and lead generation.
2. Increase customer “touches” – calls, visits, fams, e-newsletters, invitations, contests, social media, interactive encouragement to keep Hilton Head Island top of mind with our planner clients.
3. The Hilton Head Island Sales Team is committed to respond to all group inquiries the same day they are received. The goal is to be the first responder to the client and deliver a clear service message that Hilton Head Island values their business and appreciates their consideration.
4. Commitment to continue to follow DMAI “best practices” for sales and marketing services. Continue to attend AENC , GSAE and SCSAE state and regional events, when budgets allow, to bolster marketing and direct sales efforts.
5. Work tradeshow that have the greatest amount of potential for generating leads and new contacts with particular emphasis on appointment-driven shows, including, “Collaborate” for corporate and “Rejuvenate” for faith-based planners.
6. Plan and conduct a fam of tour operators who have potential tours for Hilton Head Island
7. Explore online marketing presence opportunities: Create enhanced destination profiles and actionable marketing offers in key planner search and source sites enabling destination searches of potential properties and direct RFP opportunities for new and existing customers.

Goal # 2:

Build on Hilton Head Island's identity as a meetings destination and develop spheres of influence within networks of decision makers

Tactics

1. Feature promotions to planners of investments by our local partners in hotel, resort and attraction redevelopment and upgrades.
2. Develop a local business leader strategy and encourage locals to provide connections to national and regional committees and boards to influence selection of Hilton Head Island for their future meetings or event.
3. Network on a local, state and regional basis to keep the Hilton Head Island message in front of our target markets. Groups include MPI- Carolinas and SCSAE.
4. Produce electronic Meeting Planner Newsletters to update and engage our database of planners on new developments on Hilton Head Island in order to provide reasons to reconsider Hilton Head Island.
5. Work with VERB to develop the use of social media, specifically, Facebook and LinkedIn, as a portal to extend the Hilton Head Island message to targeted prospects.
6. Use past and upcoming booked business to identify affinity groups that would be inclined to consider Hilton Head Island based on testimonials from planner peers (i.e. TIES booking to build out the sustainable market for future eco-tourism meetings, follow up to Meeting Masters attendees).
7. Work with local healthcare industry contacts to develop appointments targeting pharmaceutical, healthcare and medical meetings in the Washington and Chicago markets.
8. Develop a sales action plan to recruit healthcare-related meetings and conventions to Hilton Head Island. Through contacts in Washington, DC and Chicago, we will identify potential targets in various healthcare companies, associations, and medical societies and connect the HHI VCB with the relevant decision maker in each organization.
9. Renew membership with SGMP and actively participate in targeting of Southeast chapter members.
10. Develop strategic partnership with New Carolina Economic Cluster initiative to allow alignment and marketing to South Carolina corporate base, and marketing opportunities
11. Promote the consistent message "Doing Business Gracefully" in all marketing and communications -- a call to action that is uniquely Hilton Head Island.
12. Measure visitation to the hiltonheadmeetings.org site
13. Evaluate meeting planner usage of our site through a monthly review of microsite analytics.

Goal #3:

Leverage communications for planners and partners

Tactics

1. Continue to meet with our meetings lodging partners each month to review sales leads and discuss issues they are facing in an effort to uncover ways to leverage our sales program with their marketing and sales efforts
2. Provide partnership opportunities to our members for fams, tradeshow and other industry events
 - Upcoming co-op FAMS & joint promotions: (funded through public-private co-op)
 - a. **August 2012** – HHI to attend the **SE Successful Meetings University** in Raleigh, NC. Program specifically designed to connect suppliers with meeting & incentive planners looking to book business in the southeast. Appointment driven show, last year 60 qualified planners attended.
 - b. **December 2012** – HHI to host the **Connect Leadership Summit** (Collinson Media & Events) will include 75 – 100 meeting planners along with 75 – 100 suppliers. This is an appointment driven show as well.
 - c. **November 2013** – HHI is bidding to host the **Successful Meetings Diamond Invitational Golf Event**. This is a long tradition with SM and is highly regarded, they will bring 70-75 pre-qualified meeting planners/incentive buyers and 25 – 35 suppliers.
 - d. **November/December 2014 or 2015** – HHI will bid once again on the Meeting Masters Golf Tournament which has 50-60 qualified meeting planners in attendance along with 40-50 suppliers.
3. Develop plan with VERB to enhance search engine marketing, blogs, optimized press releases, video, social media integration and RSS feeds on our meetings microsite.
4. Work with our membership (distribute internal meetings/group e-newsletter on a regular basis) to ensure that we provide them with the tools they need to stay in touch with us and learn about what is new and upcoming on Hilton Head Island.
5. Update meetings microsite content regularly to ensure information is always current and accurate.
6. Morph the Hilton Head Island Difference message into a group website integrated approach including corporate responsibility and sustainability philosophies and programs.

Conference & Select Service Sales Initiatives

1. **DayBreak Data Mining:**

DayBreak's core-competency is based on leveraging their "decision-maker" database of over 15 Million B2B contacts to create and deliver customized marketing support programs. Our 2012 campaign has increased interest and demand resulting in qualified leads and immediate new business opportunities – every campaign they have conducted for their multi-industry client base has been successful. Their efforts significantly shorten protracted sales cycles and allow our sales teams to focus on closing business vs. searching for it.

The success of the current DayBreak campaign is based on the total number of responses is about .01% of the 2,396,676 emails that have been sent in the last 60 days. We have sent out 12 leads that are directly linked to DayBreak and one has turned definite and another one will go definite in the next 10 days. These leads have become viable business opportunities in our pipeline that have resulted in new business. We are satisfied with the results so far, and the opportunities that have been generated that we would not have had otherwise, there's the proof the campaign has been a success and validation to continue. In FY 2012-2013, our sales team will work prospects generated and plan for another DayBreak campaign in fall 2013.

2. **Lead Prospecting/ SDR:** SDR (Strategic Database Research) has been our telemarketer off and on for the last 6 years. Due to funding gaps, we've had to start & stop the process during the last years. The services they provide to the HHI VCB are:

- Lead Generation
- Database Cleansing
- Trade Show and Seminar Follow Up
- Appointment Setting / Sales Blitz / Sales Mission

SDR generated on our behalf 2,109 outgoing phone calls in 2009, 9,106 in 2010, 5,413 in 2011 & year to date in 2012, 933. The number of leads that they have provided to the HHI VCB: 2009 – 52 leads, 2010 – 204 leads, 2011- 91 leads & year to date for 2012 – 43 leads. The ongoing results of these leads are:

<u>Total room nights tied to leads</u>	<u>Lost room nights</u>	<u>Booked room nights</u>
2009 – 3430 total rooms nights	2492 lost room nights	938 booked room nights
2010 – 1425 total rooms nights	910 lost room nights	515 booked room nights
2011 – 3407 total room nights	3347 lost room nights	60 booked room nights

Cost of this ongoing lead generation/database cleansing/tradeshows follow up, etc. is \$3500 per month x 12= \$42,000 per year.

3. **South Carolina Business Cluster Group Business Targeting:** to build relationships with affinity sectors representing innovation, entrepreneurship and core industries poised for growth in South Carolina. Reaching out to mine databases and build referral relationships within these clusters is a group sales strategy that has significant new economic development potential for the Lowcountry region. Clusters of special interest to government, economic development and private sector leaders in our four county region have been identified as:
 - Healthcare and Insurance
 - Sustainability and emerging technology focused businesses
 - Aviation & Aerospace (due to proximity to Gulfstream in Savannah)

South Carolina's New Carolina Business Cluster Development Program for the whole state is working with these 15 business segments, and VCB staff will target programs within as many of these sectors as is feasible:

Advanced security	Distribution Services
Agribusiness	Engineering
Automotive	Hydrogen & Fuel Cells
Aviation & Aerospace	Insurance Technology
Life Sciences	Nuclear
Composites	Recycling
Creative	Tourism
Textiles	

4. **Monthly Sales Meetings:** VCB sales staff meet monthly with conference hotels and partners to review group leads and discuss market issues.
5. **Backyard Marketing & Sales:** Assertively pursue "backyard" connections to corporate and association influencers and meetings site decision makers. Hilton Head Island has a wealth of current and past high profile organization committee and board members whose relationships can help sway consideration of our destination for meetings, conferences and events.
6. **Appointment Format Trade Shows:** Attend appointment-driven trade shows, which provide one-on-one connections with buyers specifically interested in Hilton Head Island as a meetings destination.
7. **Trade Sponsorships:** Judiciously utilize sponsorship and bid fees to secure business opportunities (recognizing budget limitations) to score special groups with high potential impact for the whole destination. Two specific programs for the coming year include:

- 2013 & 2014 Super Seniors USTA Tennis Event Host Sponsorship
 - 2013 Southeast Corporate & Association Meeting Planner Event drawing 75 planners to Hilton Head Island in winter 2013 through Collinson Events.
8. **Leverage Healthcare Events:** Collaborating with local and regional healthcare providers – and as an extension of “backyard marketing” -- recruit healthcare -related meetings and conferences to Hilton Head Island. Includes support for CareCore top clients incentive trip during the RBC Heritage PGA Tour Golf Tournament.
 9. **Southeast focus** on vertical markets within the overall corporate sector, including incentive, pharmaceutical and healthcare and technology. Association focus geo-targets include South Carolina, Georgia and North Carolina along with the national association market.
 10. **Select Service Co-op:** hotels partner with the VCB to work on various initiatives throughout the year in targeting Mega Churches, Military, Government, small corporate and transient business markets. This year, the Co-op will target group tour operators by hosting a FAM April 1- 4th, 2012 when they will host 10 qualified, group tour operators for a 2-day/3-night visit of Hilton Head Island. In early summer, the partners plan on organizing a sales mission to Atlanta where they will conduct various appointments within the government and mega church markets. Charlotte is also a city that we wish to penetrate further, and plans are in the works for a Fall sales blitz in that region.

Sales Support Budget:

Lead Prospecting	\$ 42,000
Trade Sponsorships	
USTA:	\$ 18,000
Contingency	\$ 15,000
Healthcare Events:	\$ 10,000
Backyard Marketing:	\$ 5,000
Select Service Sales Blitz:	\$ 10,000
Select Service FAM:	\$ 5,000
Site Inspections/ Out-of-Pocket:	\$ 3,000
Sales Industry Dues and Subscriptions	<u>\$ 2,600</u>
Budget Total:	\$110,600

Group Sales Marketing

1. **Website:** Refresh content on the Meetings & Conferences section of our website as part of Web Content Audit Calendar.
2. **Mobile:** Build a template for groups to use to promote their Hilton Head Island meeting via a mobile enabled microsite, including the ability to add live texting and social media feeds during the conference.
3. **Weddings:** Create a special new section on our website for wedding planners. Capture database for future re-targeting for anniversaries, etc. (see digital marketing section)

4. Social Media: Develop an editorial plan and allocate resources to train and manage a more robust strategy for LinkedIn and Facebook with our sales staff toward relationship building.
5. Sales Promotions Co-op: The VCB is developing a multiple platform proposal with Smart Meetings for a co-op public-private sector co-op program using the SCPRT destination specific marketing match program to fund. Budget TBD.
6. Promotional Giveaways: Hilton Head Island logo items for giveaways during site inspections, fairs, trade shows and sales events.

Budget

Website Refresh:	\$15,000
Mobile Microsite Template:	\$ 5,000
Group Social Media Content Management Program:	\$ 5,000
Sales Promotion Media Coop:	TBD
Promotional Giveaways:	<u>\$6,000</u>
Budget Total:	\$31,000

Group Tour

The motorcoach market generates more than \$55 billion annually in economic transactions. One motorcoach spending one night at a destination generates as much as \$11,660 for that local economy in meals, lodging, and other spending. The American Bus Association estimates that motorcoaches account for 751 million passenger trips annually, moving more people in some years than commercial airlines do. Students and seniors use motorcoaches for educational trips, sports outings, and cultural and historical destinations.

Motorcoach consumers are becoming more knowledgeable. They seek more visceral, emotional experiences, including more hands-on and soft-adventure activities like culinary arts, water-based trips, themed dining and group participation in theater/cultural events, all of which are becoming more popular.

We intend to draw group tour visitors by:

- Build relationships with operators by attending various industry meetings (ABA, OMCA, Travel South, SC Motorcoach Association)
- Leverage your networks.
- Educate our partners on what it means to be a group friendly community
- Offer tiered pricing/packaging attractions with accommodations

Trade shows continue to be a productive avenue for generating qualified group tour prospects and leads. We plan to target potential leads by attending American Bus Association (ABA), Travel South, Ontario Motorcoach Association (OMCA), and SC Motorcoach Association .

[Travel South USA](#) began the first regional, domestic, computerized marketplace in 1983 to bring more group travel business to the Southern states. Twenty-two marketplaces later, the goal has not changed - provide the easiest, most efficient way for tour operators to book business in the Southern states.

Each year, the Chamber joins more than 300 supplier companies from Alabama; Arkansas; Florida; Georgia; Kentucky; Louisiana; Mississippi; North Carolina; South Carolina; Tennessee; Virginia and West Virginia to meet with tour operators and journalists from across the United States, Canada and other countries. In a two-day, fast-paced marketplace, tour operators and suppliers meet in one-on-one pre-scheduled appointments to discuss destinations, new itineraries and the best possible rates at hotels and attractions throughout the region they represent.

[The American Bus Association \(ABA\)](#), the trade association of the inter-city bus industry, represents the motor coach industry's interests in Washington, DC. It also facilitates relationships between North American motorcoach and tour companies and all related segments of the travel and supplier industries and promotes travel by motor coach to consumers.

ABA represents approximately 950 motorcoach and tour companies in the United States and Canada. Its members operate charter, tour, regular route, airport express, special operations and contract services (commuter, school, transit). Another 2,300 member organizations represent the travel and tourism industry and suppliers of bus products and services who work in partnership with the North American motorcoach industry.

[Motorcoach Association of South Carolina \(MCASC\)](#) currently has 42 Operators located across South Carolina, 194 Associates and 5 Tour Operators located across the nation. MCASC is an affiliate member of the American Bus Association and the United Motorcoach Association to stay abreast of issues and concerns at the national level. There is an annual meeting and marketplace when all the members come together for information sharing and selling. The Annual Meeting and Marketplace is held every August. In 2012 the meeting will be a joint meeting with Florida's Motorcoach Association and will be held in Orlando, Florida – July 2012. Hilton Head Island is also on the radar to be the official host of this meeting in August 2013. Exposure from this convention will position our island for future group tour trips by offering pre and post FAMS for attendees over the duration of the conference.

Trade Shows

Divergent trends surround the meetings trade show business these days. Planners' expressed preferences for face-to-face meetings seem at odds with recent deep declines in trade show attendance by the planners themselves. A relatively new approach – appointment-driven trade shows with transparent agendas and measurable touches has emerged. These are “hosted shows”, with the shows' producers vetting planners to assure they qualify to attend and then paying their way. The Group Sales team will attend both traditional and appointment-driven shows in 2012 – the schedule has been determined through research into shows' reputations for productivity and by reaching out to determine our partners' preferences.

Hilton Head Island Visitor & Convention Bureau's 2012-2013 Tradeshows

Tradeshow	Market	Dates	Location	\$
SC/FL Motorcoach Association	Group Tour	July /2012	Orlando, FL	1,200
MeetingQuest	Corporate/Assn	Oct/ 2012	Atlanta, GA	5,000
MeetingQuest	Corporate/Assn	Sept/ 2012	Raleigh, NC	5,000
Ontario Motorcoach – OMCA	Group Tour	Oct/ 2012	Buffalo, NY	***
GSAE	Association	Nov/2012	Savannah, GA	2,500
Rejuvenate Marketplace	Religious	Nov/2012	Columbus, OH	3,750
AENC	Association	Dec/2012	Raleigh, NC	2,700
American Bus Association	Group Tour	Jan/ 2013	Charlotte, NC	*
SCSAE	Association	Jan /2013	Columbia, SC	1,200
Travel South	Group Tour	March /2013	Little Rock, AR	2,500
ASAE-Springtime	Association	April /2013	Washington, DC	<u>8,000</u>
Collaborate Marketplace	Corporate	May/ 2013	TBD	**
TOTAL:				\$29,350

* Included in Beaufort County/ Bluffton Budget

** Included in the Sweet Tea Budget

*** Included in International Budget

International Marketing

International Tourism

The US Travel Promotion Act, finally passed by the US Congress and signed by President Obama in early 2010, has truly opened the door for a new world of opportunity for the US in promotion of our country to international markets. At World Travel Market in London this past November, the former Corporation for Travel Promotion launched its new Brand USA name and mission:

Brand USA was created for the purpose of encouraging travelers from all over the world to visit the United States of America. In doing so, we aim to bring millions of new international

visitors who spend billions of dollars to the United States, creating tens of thousands of new American jobs.

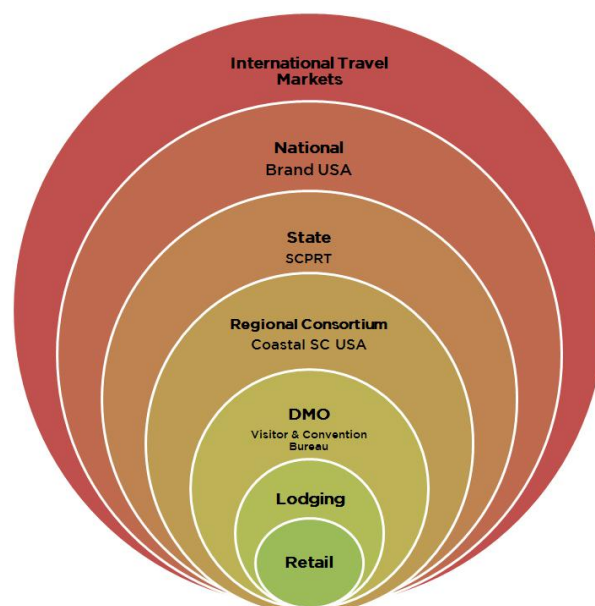
The public-private marketing entity was created in 2010 to work in close partnership with the travel industry maximizing the social and economic benefit of travel in communities around the country. Brand USA, through its call-to-action "Discover America," will encourage and inspire travelers to explore America's boundless possibilities. Focus markets for the first year of Brand USA programs include:

- UK
- Japan
- Canada
- Brazil
- China

President Obama has also just announced the creation of a US national travel and tourism strategy aimed at growing the U.S. economy through increased international travel to the United States. The plan includes:

- Expanding and making permanent the Global Entry program.
- Increasing efforts to expand the Visa Waiver Program and travel by nationals eligible to participate in the Visa Waiver Program, including through nomination of Taiwan to the program.
- Increasing non-immigrant Visa processing capacity in Brazil and China by 40% in 2012.
- Creating an interagency government task force to work with Brand USA to promote travel and tourism opportunities in the U.S. to create jobs.

Coastal South Carolina USA & Brand USA: The Hilton Head Island Visitor & Convention Bureau, in concert with the state of South Carolina and our Coastal South Carolina USA partners (Charleston Area CVB and Myrtle Beach Chamber of Commerce), is starting to work cooperatively with Brand USA. The graph below shows the relationship between Brand USA as the US's NGO for international tourism and state, regional, DMO and local partners:



This spring and early summer, while Brand USA is launching a major promotional in London, Coastal South Carolina has undertaken a major promotion with Harrods in London – targeting their elite/VIP customers who spend \$10,000 or more annually in their store. The promotion includes:

- Four page advertorial in the spring issue of *Harrods* Magazine about our region.
- Four large display windows at Harrods, including one exclusively for Hilton Head Island.
- Digital displays of our destinations at main entrances and escalators.
- Three Harrods buses, with one themed for Hilton Head Island
- Sales Mission in June, including hosted events targeting top travel tour operators and media
- Queen’s Jubilee hosted events during same week hosting key food and travel media, including hosting by one of our Island celebrity chefs and VCB staff and a consumer event inside Harrods’ famous Food Hall.
- Promotion of high end travel packages to the Island with Abercrombie and Kent, Harrods’ preferred travel partner.

Coastal South Carolina, USA program of work for the year ahead:

1. Tour operator FAMS throughout year
2. Visiting international journalists throughout year
3. Co-op promotions with Brand USA and consortium partners
4. Coastal SC USA promotional campaign in tour operator and major consumer digital and print media
5. Trade Shows:
 - IAGTO (International Association of Golf Tour Operators)
 - World Travel Market
 - ITB (International Travel Berlin)
6. Annual Sales Mission and training programs for reservation agents
7. Specialty website for consortium
8. Receptive operator services for smaller tour operators

In addition to these programs through the consortium, the VCB also plans to support international marketing through:

9. Hilton Head Island booth and one-on-one operator and media marketplace appointments at Pow Wow International, the largest US Travel international trade show
10. Participation in ITB Trade Show with SCPRT, Coastal and Brand USA
11. Participation in the Ontario Motorcoach Trade Show in Toronto with SCPRT
12. Participation with the Toronto Golf & Travel Consumer Show with SCPRT
13. Development of landing sections on VCB’s website (with targeted in-country URL’s & SEO) in these languages this year:
 - German for German, Austria and Switzerland markets
 - French for France and Switzerland
 - Updating of Canadian landing section
14. Providing a “working with international tour operators” training opportunity for local hotels, vacation rental operators and attractions.

Budget:

Coastal South Carolina USA	\$ 48,000
Brand USA Coops	\$ 25,000
ITB Trade Show	\$ 6,000
Ontario Motorcoach Show	\$ 2,500
Pow Wow International	\$ 8,000
Website Translations & Landing Pages	\$ 6,000
Budget Total	\$ 95,000

Goal Metrics:

- Benchmarking of website traffic to new international target market sections on HiltonHeadIsland.org
- Support an increase on HiltonHeadIsland.org of website traffic from 1.2 million to 1.5 million users in FY 2012-13, or a 25% traffic, and increases in both international and domestic site visitors.
- Support an increase in Hilton Head Insider opt-ins of 20% to 128,000 in FY and Vacation Planner requests to 50,000 in FY 2012-13 among international and domestic travelers.
- Support US expansion of the Visa Waiver Program.
- Hold a training workshop for local lodging and attractions on how to work with international tour operators.
- Expand the number of Hilton Head Island properties and attractions providing international tour operators with 12 to 18 month advance package rates, especially in the top target countries.
- Support increases in inbound international travel via our gateway airports in the US (primarily Atlanta, Charlotte, Washington DC and New York) and international arrivals at Hilton Head Island, Savannah/Hilton Head International Airport, Charleston International and Jacksonville International Airports with intent to spend some or part of their trip on Hilton Head Island. Measurement of this traffic is potentially improving through the inbound travel survey of US arrivals through the US Travel and Tourism, although the travel industry is still working with the current federal administration to bring information about all destinations international travelers visit and not just gateway destinations uniformly to the survey.
- Improve reporting of international traveler economic impacts over the past decade via the VCB's planned Economic Impact of Travel Study in FY 2012-13.

Staff Support and Operations

- The Chamber of Commerce allocates the annual wages and benefits cost, as well as supporting operational costs for 14.6 FTE's (Full Time Equivalents) on its professional staff to the Visitor & Convention Bureau for FY 2012-13. This includes a percentage of each affected staff member's time toward day-to-day management and operation of the Visitor & Convention Bureau's destination marketing, web and social media editors/content

management, direct sales and sales management, IT and database, research management, visitor information services staff including our online concierge, phone and walk-in visitor information specialists, Welcome Center staff for seven days a week operations, communications and PR programs and management, HR and Finance, local tourism partner marketing and communications, and administration.

- The calculation does not include an allocation toward compensation of Chamber CEO Bill Miles, any Chamber staff that works in membership, or strictly manages Chamber of Commerce programs.
- The Chamber allocates 50 % of its operating costs to the Visitor & Convention Bureau in FY 2012-13. These costs are related to the operation of the physical headquarters building, professional fees, liability insurance, communications, software, hardware, training, office supplies and other miscellaneous expenses.

Town of Hilton Head Island DMO:	\$ 442,300
Town of Hilton Head Island Supplemental Grant:	\$ 0
VCB Private Revenue:	\$ 148,620
Destination Specific Brand Grant:	<u>\$ 311,080</u>
Hilton Head Island Budget Allocation:	\$ 902,000*

*Other Funding from the Town of Bluffton DMO funds, Beaufort County DMO funds and SCPRT Co-op Match Programs contribute an additional \$323,000 to these costs of staffing and operating the Visitor & Convention Bureau. (See budget summary report).

Public Private Sector Match Dollar Co-ops

Based on a strong track record of proven performance, the Visitor & Convention Bureau works with the South Carolina Department of Parks, Recreation and Tourism as a partner in the state's destination specific grant program. This program provides much needed funding for a wide variety of destination promotions and includes a fund targeted at private sector match dollar promotions.

While programs for the 2013 grant have not yet been finalized, preliminary plans call for match grants in these focus areas:

- RBC Heritage PGA Tour Golf Tournament Promotions
- Come Back Rewards Travel Package Promotions
- Affluent Lead Generation Co-ops
- Social Media Promotions
- Specialty Market Promotions, such as golf, arts & cultural, outdoor, tennis
- Group and Meetings Promotions

These programs do not include Town of Hilton Head Island funding.

Hilton Head Island Welcome Center

The planning process began for a new welcome center in 2008. The welcome center once housed both the chamber's official welcome center and the Coastal Discovery Museum, which vacated the building in October of 2011. The board's final decision on an overall information strategy, including the welcome center, will be based on thorough research and evaluation. Currently, there is a visitor-centric study being deployed to our database of over 100,000 "Hilton Head Insiders" to ensure we are implementing the correct information strategy for our visitors. At this point, the chamber board has made no final decision on the size, scope and presence of a Welcome Center at its current site.

This program for planning a reinvention of the Island's Welcome Center does not currently include Town of Hilton Head Island funding.

Funding for staff and operations of the current Welcome Center is a part of the Town's budget allocation toward VCB sales, marketing, visitor services and administrative personnel, benefits and operations.

Golf, Culinary and Cultural Heritage Promotions

Through our specialty markets grant, we will place a variety of online, outdoor and print media for the Golf, Culinary and Cultural Heritage markets. Media promotions include:

- Goingforgolf.com
- Travelinggolfer.com
- Golf Channel
- SEM and PPC for Golf, Culinary and Cultural
- I-95 Intercept billboard campaign for golf
- *Bon Appetit* – Fresh on the Menu Sustainable Chefs ad series
- BATastings.com
- Facebook
- *Preservation* Magazine
- Civil War Times
- HistoryChannel.com
- Historynet.com
- Social Media Support for Golf, Culinary and Cultural

Specialty Market Grant Allocations:

Golf:	\$150,000
Culinary:	\$ 65,000
Cultural Heritage:	<u>\$ 25,000</u>
TOTAL:	\$240,000