



NORTH CAROLINA TRAVEL & TOURISM BOARD

MEETING MINUTES

December 5, 2017

BOARD MEMBERS PRESENT: John Beatty, Rolf Blizzard, Mike Butts, Chris Chung, Kevin Corbin, Mike Hawkins, Ralph Hise, Rick Moore, Tammy O’Kelley

BOARD MEMEBERS ABSENT: Sally Ashworth, Kevin Baker, Secretary Anthony Copeland, Robert Danos, Rich Geiger, Joel Griffin, Pat McElraft, Joe Pierce, Norman Sanderson, Paula Wilber

LIASONS, STAFF AND GUESTS PRESENT: Jim Hobbs, Scott Gilmore, Bryan Gupton, Neel Lattimore, Michele Walker, Kara Weishaar, John White, Mark Shore, Eleanor Talley, Marlise Taylor, Wit Tuttell, Dana Grimstead, Andre Nabors, Peggy Brookhouse

Tammy O’Kelley, Chairperson, called the meeting to order at 10:06am.

Welcome

O’Kelley welcomed Board members and guests. Secretary Copeland dropped in briefly prior to another obligation to greet the board. O’Kelley read aloud the Ethics Statement in accordance with Executive Order No. 35.

COMMENTS FROM THE CHAIR

O’Kelley stated there were not enough members present today for a quorum to approve the August meeting minutes. A ratified approval with a subsequent e-vote or at the next board meeting with a quorum was recommended depending on board statute. John Beatty made a motion to approve the August minutes and it was seconded by Rolf Blizzard. The minutes were unanimously approved. O’Kelley stated that the minutes would be ratified by e-vote or at the next board meeting with a quorum depending on board statute.

O’Kelley announced the end of her tenure as Board chairperson. A nominating committee was selected to nominate a new chair including herself, Rolf Blizzard, Kevin Corbin, Senator Hise and Rick Moore. The Secretary will serve in an advisory roll for nominating the candidate. A recommendation will be presented at the next meeting. With the Board’s approval the new chair will take over the meeting.

EDPNC UPDATE

Chris Chung thanked Chairperson Tammy O’Kelley for her tenure as Board Chair.

VISIT NC UPDATE

Marlise Taylor reviewed lodging data year to date and noted that while growth is starting to slow, it still at record levels. North Carolina showed 1% growth YTD through October. YTD supply growth is at 2.4% which is the largest YTD growth in supply since 2009.

Revenue is up more the 3% and room rates are holding steady. Jim Hobbs asked how many rooms are being built in the state. Taylor stated those numbers are not available publicly due to the research contract, but she could share the figures with interested board members.

Smith Travel Research remains a good indicator for commercial lodging statewide as it represents about 76% of all lodging sales. Partners across the state are sharing that commercial lodging demand is flat, but rental revenue is up. The state has used commercial lodging to gauge demand but will continue to pursue better data on rental properties. Smith Travel Research continues to be a strong indicator prior to the year-end spending numbers from US Travel Association, which follows closely to Smith Travel revenue growth. When there is a difference, there tends to be an outlying indicator like gas prices.

Taylor stated that ideally the state would get taxable sales revenue by county or region, so data includes rentals. Unfortunately, the data is not available at the local level. There is no way to know who is not paying taxes, as occupancy tax is legislated and enforced at the local level. Beatty asks if the Department of Revenue might help with the numbers by county. Taylor said that would be nice, but Hobbs makes a good point that when the numbers are very small no release of individual county numbers in terms of lodging sales is available. Enforcement varies from county to county and individual destinations compliance is dependent on county governments and finance offices.

Rep. Corbin shared that in Macon County the county contracted a finance officer to handle collections, because many homes and businesses being rented were not collecting taxes. The contacted financial officer called vacation rental properties; if they did not show up as paying occupancy tax, a letter and a phone call followed as next steps. Dozens of properties were found not paying the taxes. Rep. Corbin said he would be happy to share this information with any interested board members.

Taylor shared Smith Travel revenues for the last ten years showing 60% growth in North Carolina. The number is reflective only of the properties that submit numbers, and there is no data on who submits with STR. Counties with less than 5 commercial properties that report cannot provide the data to protect those individual businesses revenue information. O'Kelley asked if other states were grappling with rentals. It was confirmed that other states are. North Carolina is a leader in getting an agreement with Airbnb to pay taxes. Visit NC is trying to talk to companies such as AirDNA and Host Compliance to try to get research that is not cost prohibitive.

Film

Tuttell shares Guy Gaster, NC Film Director, is in the UK at the FOCUS Trade show. Gaster is there promoting "Three Billboards Outside Ebbing, Missouri" which has a widespread release in January. A PR campaign for North Carolina sites featured in the film is planned. The film shot mainly in Western North Carolina is anticipated to be a strong contender this awards season. "Love It or List It" as well as "Good Behavior" have wrapped filming this year in the state.

The film grant is \$30 million a year, but there is not a lot of filming being done in the state. Visit NC has used target market money to promote NC Film in New York and California to highlight available funds for filming. The campaign resulted in a 50% increase in site traffic. Social media marketing produced about 750,000 impressions.

Travel Guides

The 2018 Travel Guides are out with 500,000 copies of the 172-page guide. Partners contribute about \$729,000 to produce it with 48% of that investment coming from Tier 1 & 2 counties.

Fall Results

Marketing for the fall season produced tremendous results with 36 million impressions and video views up 89% from last year. The Department of Natural and Cultural Resources contributed an amazing 150 leaf reports from rangers at state parks. There were 20,000 downstream clicks to partner sites relating to the fall campaign.

International Market

The Visit NC team attended the US-China Leadership Summit, as well as the Travel South International Showcase in Charleston, SC. A Chinese FAM showed great success with six new Chinese tour operators featuring products from NC. In the UK, Visit NC is working with Travel South to leverage their dollars with a shared booth at the World Travel Market in the UK. The partnership helps to give NC more exposure in the International market, which has tremendous growth potential while leveraging resources. Chris Chung asked about similar regional collaborations across the country. Tuttell replied that while there are a few, none have managed to be as effective and successful as the Travel South partnership.

Partner Relations

Tuttell discussed the Retire NC contract with Focus 3. The program allows Visit NC to scan and track attendees of shows that Retire NC participates in. There are about 16,000 people in the database who will be surveyed to find out how many came to or retired to NC, why they did, and what influenced their decision.

Sports NC

Sports NC attended TEAMS, taking along 16 partners and participating in 52 appointments. Visit NC is a sponsor of Cycle NC and recently held their 2nd Cycle NC excursion. Cycle NC excursion had 70 participants and went to 16 partner attractions in 12 different counties.

Public Relations

The PR team hosted the Atlanta Media Mission taking along 22 partners to pitch to 26 local Atlanta media. PR wins included feature stories in UK publications The Guardian and The Sun; Food & Wine magazine with 48 hours in Raleigh; and a USA Today.com piece on Thistle Dhu at Pinehurst.

Welcome Centers

Bryan Gupton shared that traffic is up over one percent with increases in Polk, North Hampton and Robeson counties. Staff at Welcome and Call Centers were involved with Hurricane Harvey & Irma relief particularly with temporary relocation. Welcome Center staff continue to attend regional familiarization tours and are planning to celebrate the Welcome Centers' 50th anniversary next year. 2017 marked the 30th anniversary of the operation at the Women's Prison, a partnership that formed due to The Division of Tourism having trouble keeping up with demand for travel guides.

Marketing

Mark Shore shared an overview of the new Visit NC campaign debuting next year. The campaign will utilize research to determine the best and most efficient ways to reach target audiences. Visit NC partnered with Bellamy Research to find out more about our current visitor and how to grow the market. The study focused on finding new incremental growth, people who have not visited the state before that might become loyal. One of the approaches being implemented from the research is to move away from demographic marketing to mindset marketing.

In the past, targeting the demographic market of women 35-54 with a household of \$150,000+ produced a high return on investment. Mindset marketing looks at how travelers think and what they wish to gain from their travel experience in the state. The research from Bellamy found the greatest opportunity is with people who think highly of the state but have yet to visit. The goal is to identify that audience, define what they look like and evolve a marketing strategy to raise the likelihood of a visit.

The research found that 80% of people that visit NC say they will come again. Therefore, Visit NC chose to focus on medium affinity non-visitors, visitors that generally like North Carolina, but have never visited. The new marketing campaign will evolve to richer experiences which allows the state to target what to sell and reach demographics previously not targeted.

Big upcoming events include consumer shows in the Northeast, American Bus Association in Charlotte and the Visit NC 365 conference in Winston-Salem.

Legislative and Industry Reports

Mike Butts shared results from the NCTIA legislative conference where Rep. Jason Saine was honored. The group is focusing on school calendar as a legislative priority this year.

John Beatty shared the T&T Coalition legislative priorities for 2018, which remain the same as 2017. School calendar law remains at the forefront for the Coalition as well.

Rolf Blizzard shared his experience at the VRMA Conference. The vacation rental industry remains strong - about 1,400 attended the international conference with North Carolina having the 3rd largest delegation there. Mike Herrington of Topsail Beach is the incoming national president. Blizzard stated that Currituck county collects about \$10 million in occupancy taxes annually – with the majority coming from vacation rentals.

Mike Butts distributed a report and wanted to point out items from a study by Destinations International, an umbrella organization for cities, CVBs, and TD's in conjunction with Professional Conference Management Association. The study highlights the weaponization of travel with social issues causing people to boycott states. It looks at impact, trigger points and what the industry can do. The study surveyed 1,001 people who were likely to travel.

The results from the survey over a year after the HB2 bill showed the NC boycott was still the most mentioned. It highlighted the longevity of these issues and how people are getting their information. Progressive activist organizations led first for information with second place being the actual State Tourism Boards. State Tourism Board prove to be a trusted voice for travelers and one of the board's duties is to make sure the right story gets out there.

Meeting adjourned by O'Kelley.