



NORTH CAROLINA TRAVEL & TOURISM BOARD

MEETING MINUTES

August 16, 2018

BOARD MEMBERS PRESENT: Sally Ashworth, Joe Pierce, Paula Wilbur, Mike Butts, Mike Hawkins, Richard Moore, John Beatty

BOARD MEMEBERS ABSENT: Kim Hufham, Rolf Blizzard, Kevin Corbin, Christopher Chung, Pat McElraft, Ralph Hise, Tammy O'Kelley, Tony Copeland, Robert Danos, Joel Griffin, Norman Sanderson, Kevin Baker

PROXYS: John Beatty

LIASONS, STAFF AND GUESTS PRESENT: Frank Emory, Scott Gilmore, Bryan Gupton, Brooks Luquire, Jane Duncan, Kara Weishaar, Don Cason, John White, Wit Tuttell, Heidi Walters, Guy Gaster, Andre Nabors, Amanda Baker, Adam Glaser

Mike Butts, Chairperson, called the meeting to order at 12:23pm.

WELCOME/COMMENTS FROM THE CHAIR

Butts welcomed board members and guests, and thanked Mel Kelly for the Whitewater Center's hospitality. Butts read aloud the Ethics Statement in accordance with Executive Order No. 35 and asked for a motion to approve minutes from the May meeting. Sally Ashworth made a motion to approve, seconded by John Beatty, and the minutes were unanimously approved.

EDPNC UPDATE

Frank Emory, EDPNC Board Chairman, began by giving the board an overview of the history and mission of the EDPNC. This has been the best year yet for the EDPNC in every measurable metric. Emory noted how essential tourism is to the state, and cited tourism metrics for the year – three percent increase in commercial lodging, 219,000 tourism jobs, and visitor spending reaching a record high. He thanked the board for all the work they do in promoting North Carolina. Emory asked that the board keep in mind the rural, lesser known parts of the state - being sure to highlight and bring attention to rural areas that are off the beaten path whenever possible. He applauded the co-op marketing program that Visit NC makes available to all partners within the state. The program makes prime advertising spots accessible and affordable for partners and has been a huge success thus far. Emory concluded by reiterating the importance that tourism has in the overall EDPNC goal of selling North Carolina and thanked the board for another record-breaking year. Mike Butts and John Beatty mentioned to Frank Emory that they are very appreciative of the job that Wit and his team do.

REMEMBERING JIM HOBBS

Before continuing the meeting, Butts took a moment to remember friend and colleague Jim Hobbs, who had recently passed away. Wit Tuttell noted that the NC tourism industry had never, or would ever have again, a greater advocate than Jim Hobbs. John Beatty spoke on Hobbs' close work with Raleigh and mentioned that the Raleigh CVB will posthumously present Hobbs with a Lifetime Achievement Award at their annual meeting. Hobbs was also honored in the policy segment of Visit NC's 365 Conference earlier in the year – an area of the

industry he loved and thrived in. Beatty said there would be a gathering in a few months to remember Hobbs – something Jim had requested in lieu of memorial services.

VISIT NC UPDATE

Wit Tuttell began by speaking on the 2017 county-level numbers – data that unfortunately had not been provided by the U.S. Travel Association in time for the meeting. When the data is made available to Visit NC, they then review it for errors and reach out to county's who had seen any significant decrease to discuss what caused it. Data from the lodging report through June 2018 is available however – showing a 2.2% increase this year. This increase moved North Carolina up towards the middle of its Southeast competitors – a competitive set that the state was trailing last year. The only metric down for 2018 thus far is occupancy, down a half a percent. This can be explained by the states available room supply – a metric that NC leads the country in. This can also explain the slightly lower increase in Average Daily Rate and Revenue Per Available Room. Despite this lodging revenue has never been higher thanks to a steady increase in demand, and NC managed to retain its spot as the 6th most visited state in the nation. Tuttell moved on to the state Tourism budget which has seen an overall decrease in roughly \$500,000. Luckily the production expenses incurred in rolling out the new campaign were incurred last year – so that should help to offset the decrease in overall funds. Tuttell mentioned that one challenge being faced is keeping up with increases in rent for facilities as well as computers and payroll with a budget that has largely remained stagnant the past few years.

Tuttell continued on to notable highlights from the recent advertising campaign, one of which was a USA Today "gravity" ad. This delivered a 69% video completion rate – 25% higher than their average completion rate. Paid social advertising was implemented as well – this produced 719,000 site sessions, a full 28% higher than initial projections. Site visits/impressions per dollar spent is twice as much as last year – a metric that shows the campaign is resonating with the public. 74 million impressions were produced from transit and movie theater advertisements. The overall campaign has drawn approximately 450 million impressions and the public spent more than 820,000 minutes watching the campaign's videos. Visit NC has partnered with Longwoods to do an ROI study on the campaign this Fall. Tuttell noted that the PR response to the campaign was smaller than initially predicted. This can largely be attributed to media outlet's viewing the campaign solely as a marketing effort instead of authentic stories.

One of the most efficient and immediate ways to measure the campaign's effectiveness is through Arrivalist. This program tracks similar demographics who have shown interest in visiting and breaks them down into two groups – those who have seen the Visit NC campaign and those who have not. Out of 1,000 potential travelers who had seen the campaign or visited the site, 24 visited the state as compared to 12.9 visitors out of 1,000 people who had not seen the campaign. Tuttell highlighted other programs being implemented such as Jebbit quizzes, in which potential travelers tell Visit NC about their travel habits and what they look for in a travel destination. This will then lead to more customized pitches that will be more efficient in targeting specific groups and markets. There has been a slight decrease in overall traffic to the website – something being seen by tourism authorities across the country. This trend is most likely influenced by Google's gradual move towards providing tourist information for most areas. Tuttell stated that this trend may eventually evolve Visit NC's role into more of an inspirational rather than transactional role.

Tuttell gave an overview of recent PR efforts – most recently attending PRSA in New Orleans and a recent UK media mission. There is an upcoming Raleigh media mission to be held at Brewery Bhavana, and as of now will

have about 30 members of the media in attendance. Another media mission is set for September 10th to be held in Washington, DC. A writer from the "Metro UK" publication recently visited Raleigh, Greenville, and Ocracoke and the subsequent piece generated quite a positive response, with the writer describing the state as "the California of the East Coast". The Blackbeard anniversary provided a great template for PR wins - one such being a Blackbeard story on USAToday.com. Architectural Digest had a story on NC drive-in theaters and Forbes had a great story encompassing all of NC after the PR team hosted the writer on a road trip across the state.

Guy Gaster provided an update on NC Film beginning with changes to the state film rebate program. Legislation passed with the most recent session outlined a drop in minimum spend requirements, as well as the addition of a new category – made-for-tv movies. Per project payouts were increased to 7 million dollars for feature-length films and \$12 million per series for television shows filmed in the state. The previous legislative session also eliminated the program's sunset date and made the funds recurring – a key element in recruiting television projects. Film overall is slightly down at the annual midpoint, with \$15.5 million dollars spent by productions in the state, however numerous productions are set to start and should help to boost that figure. Gaster spoke on the lasting effect that these productions have on areas in the state. The 9th annual One Tree Hill Convention being held in Wilmington is one such example – over 1,000 people still attend the Convention despite the show being off-air for six years. Sylva is also seeing a boost in visitation and interest following filming of "Three Billboards Outside Ebbing, Missouri".

Andre Nabors provided an update on the Retire NC program beginning with changes implemented by the recent legislative session. An annual fee of \$3,000 per year over the five years has been put in place of the one-time \$10,000 fee. Counties have also been added to the program instead of strictly towns and cities – because of this the hospital requirement has been extended to a radius of 50 miles instead of the previous 30 miles. Funding for the program is still reliant on the fee's paid by each Certified Retirement Community – but the annual fee now provides for recurring funding. There are currently 18 CRC's across the state, and Nabors predicts that the changes will make the program much more accessible.

Heidi Walters provided an update on Partner and Industry Relations – on the International front Walters and Tuttell recently went on the Travel South European mission along with 5 other state tourism offices as well as the Raleigh CVB. Walters also recently returned from a very successful UK mission – Cabarrus, Charlotte, and Raleigh all joined as well. In addition to tour operator and media appointments, Visit NC also sponsored the Cambridge Folk Festival. The festival was enormously successful and attended by a demographic identical to Visit NC's international market.

On the Group Travel and Sports front Visit NC is continuing to sponsor the Connect and TEAMS conferences, as well as partnering with Cycle NC to hold excursions during the Mountains to Coast ride in late September. Walters reiterated Emory's comment in targeting rural areas, as the excursions provide an opportunity to highlight smaller areas of the state that are often overlooked by tourists. These excursions are hosted by Amanda Baker, who is also attending the Student Youth Travel Association conference. Visit NC is working with one of the best tour operators in the UK to amplify the World Equestrian Games message, utilizing the tour operator's enormous equestrian database. Tuttell noted that an official sponsorship of WEG was not possible, as Mark Bellissimo, an EDPNC board member, owns the Equestrian Center. In place of this Visit NC will have a booth in the vendor area to promote visitation to the state.

WELCOME CENTERS UPDATE

Bryan Gupton provided an update on NC Welcome Centers, who are currently celebrating their 50th anniversary. A new logo was developed to mark the occasion and has been a hit with visitors and staff alike. Mugs, glasses, pens, and shirts have all been made with the logo, which Gupton stated has served as a "rally cry" for the anniversary. Gupton reiterated that there are nine Welcome Centers across the state with the goal of getting more people to the state to spend more money – a goal shared by Visit NC. Welcome Center visitation last year was relatively flat, and this year is down significantly. The I-85 North Welcome Center was closed all of July due to the region's sewage system being down. I-95 North and I-40 West will be closed up to a year due to road construction and will have to have staff relocated.

91.5% of the Welcome Center budget is spent on staff, with the next biggest expense being telephones and computers. On average it takes \$240,000 to run each Welcome Center over the course of a year. Mike Butts inquired as to the overall difference in Welcome Center visitation. Gupton stated that the figure varies because of external circumstances such as road construction and renovations, but overall they've seen about an eight percent decrease – primarily because of construction. Gupton continued, highlighting events that Welcome Center staff had held including a map-reading day, beer month display, and butterfly sanctuary at I-26 W that is a constant draw for visitors. Gupton concluded by showing the board a video of I-40 staff on Tourism Day. Visit NC is partnering with the Welcome Centers on a 50th Anniversary Sweepstakes which will help promote visitation to the Welcome Centers.

LEGISLATIVE AND INDUSTRY REPORTS

Butts provided the NCTIA update, noting that their annual NC Tourism Leadership Conference will be held October 29th and 30th in Winston-Salem, NC.

Paula Wilbur provided the board with the NCRLA update. The NCRLA was able to secure \$200,000 in funding for the NCHEF in addition to defeating proposed meals and occupancy taxes. A 2018 legislative summary has been produced and is on the NCRLA website. The NC Lodging and Restaurant Expo is August 27th and 28th to be held in Charlotte, NC. On the grassroots level receptions were held honoring Congresswoman Virginia Foxx and Senator Thom Tillis. A hospitality round table with Congressman Mark Meadows was held on August 13th.

John Beatty provided the NC T&T Coalition update, noting that much of the NCRLA update consisted of items that the Coalition helped with. The Coalition worked towards Visit NC getting an additional million in the marketing budget. Misappropriation of occupancy tax funds and the school calendar law remain the focus of the Coalition.

John White gave an update on behalf of Commerce, stating that there would be something coming from the Department of Commerce regarding the passing of Jim Hobbs.

Don Cason spoke to the board about Rutherford County's county-wide tourism master plan that is focused on tourism asset development for the county. What began as a county overview soon became a tourism plan after five cities in the county expressed interest in having their own tourism plan. Through partnering with these five cities as well as Destination By Design, a county-wide tourism plan was assembled. Rutherford County is wrapping up the planning of said plan and preparing to implement it.