



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

August 4, 2015

BOARD MEMBERS PRESENT:

Kevin Baker, Sabrina Bengel, Rolf Blizzard, Denny Edwards, Senator Ralph Hise, Chris Humphrey, Representative Pat McElraft, Lynn Minges, Robert O'Halloran, Tammy O'Kelley, Vinay Patel, Jessica Roberts, Senator Norman Sanderson, Art Schools, Kathy Sparrow, Wit Tuttell, Chris Valauri, Lynn Wingate

BOARD MEMBERS ABSENT: Sally Ashworth, Donna Carpenter, Randy Cobb, Randy Danos, Lew Ebert, Joel Griffin, Katherine Hopkins, Representative Charles Jeter, Caleb Miles, Secretary John Skvarla, Paula Wilber

LIAISONS, STAFF AND GUESTS PRESENT: Kevin Brafford, Karin Cochran, Robert Cox, Guy Gaster, Scott Gilmore, Bryan Gupton, Jim Hobbs, Cecilia Holden, Ashlee Kirk, Catherine Locke, Brooks Luquire, Andre Nabors, Nick Parker, Scott Peacock, Marlise Taylor, Cyndi Tomblin, Jillian Totman, Heidi Walters, Kara Weishaar, T. Jerry Williams

CALL TO ORDER

Tammy O'Kelley, chairperson, called the meeting to order at 11:00am. O'Kelley welcomed attendees and thanked them for their attendance. O'Kelley then read aloud the Ethics Statement in accordance with Executive Order No. 35.

MINUTES APPROVED

Senator Norman Sanderson made a motion to approve the May 11, 2015 meeting minutes. Seconded by Rolf Blizzard. Unanimously approved.

COMMENTS FROM THE CHAIR

O'Kelley reported on the film industry, reviewing the 2013 numbers from the North Carolina Film Office and recognizing the film resolution passed by the Board in December of that year to extend the film tax credit. In 2014, the Executive Committee recommended a resolution of legislative priorities which included the support of a competitive film program, which was passed by the Board. O'Kelley cited the latest media coverage of the sunset of the film tax incentive as well as the initial impact being realized by the industry.

LEGISLATIVE AND INDUSTRY REPORTS

Senator Ralph Hise and Senator Norman Sanderson provided updates on the status of the state budget and noted the likelihood of another continuing resolution being passed to complete the process.

Board member Jessica Roberts of the Destination Marketing Association of North Carolina (DMANC) reported that the annual Tourism Leadership Conference would be held in the fall in Charlotte and a joint task force between DMANC and NCTIA has been created to discuss the redundancy of the two organizations and will provide a report at the next meeting.

Board member Lynn Wingate of the NC Travel Industry Association (NCTIA) echoed the report from DMANC and T. Jerry Williams provided comments about the importance of increasing the awareness of the impact of tourism in the state and concerns about the various occupancy tax bills introduced this session.

Board member Vinay Patel of the NC Restaurant and Lodging Association (NCRLA) announced that September 21-22 is the Restaurant and Lodging Expo at the Raleigh Convention Center. Board member Lynn Minges also gave more information about the event and extended an invitation to all attendees. Patel continued with reporting that the NCRLA PAC has started fundraising and will be hosting two events: September 29, a barbecue cook-off in Charlotte and October 26, Manteo to Murphy Dinner at the Angus Barn. In regards to airbnb, NCRLA continues to focus on tax and regulatory issues to ensure a level playing field. They have been successful with the occupancy and sales tax issues, but will closely monitor to make certain that there is continued cooperation.

Discussion followed amongst the Board members related to the general legislative process. Some suggestions included the need to meet with legislators in a one-on-one setting rather than at networking events, putting in requests for funding to legislators earlier in the process, the importance of educating legislators on the key issues concerning tourism, since many are new to their positions, maintaining a singular message across the industry and presenting research figures to educate government officials as well as other decision-makers to increase awareness of the return on investment realized throughout the state.

Kara Weishaar, Executive Director of the NC Travel and Tourism Coalition, discussed their concerns which include the tourism funding line items in the current budget proposals, occupancy tax guidelines and possible restructuring of the Travel and Tourism Board.

Bryan Gupton of NC Visitor Services reported that total traffic through July (year-to-date) is up nearly 4%. The managers recently completed familiarization tours in High Point and Alamance County and will be holding a planning meeting in Cabarrus County soon.

Cecilia Holden of the Department of Commerce offered the opportunity to meet with their analytical group to discuss the film program.

Karin Cochran of the Department of Cultural Resources encouraged attendees to visit the film exhibit at the Museum of History.

WORKING LUNCH

Representative Pat McElraft reported that they had not started negotiations in the subcommittees, but this should be started in the near future to discuss appropriations in the two budgets. Representative McElraft also expressed concern over the cuts to tourism funding, but she is committed to making the case for the additional funding needed for marketing. Also noted was the suggestion to not take a stance on offshore drilling just yet, since it will first begin with exploration and could be a good thing for tourism since it may involve revenue sharing.

EDPNC/VisitNC UPDATE

Wit Tuttell, executive director of Visit North Carolina, provided the update from the organization. The mid-year lodging numbers were very positive, with statewide increases in all categories.

Public Relations – Shark bites: Visit NC was proactive during this time, with daily updates and conversations with coastal partners, placement of a beach safety guide on the website and ensuring that the accurate message was being spread through various media channels.

Visit North Carolina's Moonshine & Motorsports familiarization tour has generated nearly \$40,000 in media value from articles by two Canadian journalists who were hosted by the Cabarrus County CVB, Charlotte Regional Visitors Authority and the Wilkes County TDA.

The Travel Channel's Trip Flip offers "60 Seconds: North Carolina," where host Bert Kreischer attempts to recap his trip to N.C. in 60 seconds. The popular host, along with one adventurous spirit and one recovering couch potato, experienced rappelling near Saluda, a Civil War re-enactment at Bentonville Battlefield in Four Oaks, fishing on Frying Pan Tower just off Brunswick County and some great barbecue.

In July, ABC's "Good Morning America" aired a travel feature called "Visit the North Carolina Locations Where 'The Hunger Games' was filmed" and posted a companion piece online headlined. The coverage was earned with the assistance of and input from partners in Buncombe and Transylvania counties. With an audience of more than 4.5 million viewers daily and 26 million unique monthly visitors online, the coverage highlighted Asheville, DuPont State

Recreational Forest and Hildebran. It's the latest wave of travel and tourism related coverage from the film sites showcased in the movie, which was filmed in North Carolina in 2011 and released in 2012.

International: Funway Holidays, a tour operator in the UK is seeing remarkable results in the first few years of working together. In 2013 the state started discussions on partnering with Funway Holidays (part of the Mark Travel Corporation) on a dedicated Deep South program. Year one resulted in 110 room nights, while this year's mid-year results show 574 room nights.

Travel South International Showcase will be held in Charlotte November 30-December 3, along with post-familiarization tours to take tour operators around the state. The international program also participated in IPW and a Pan-European sales mission in partnership with Travel South.

RetireNC: There are now 12 communities, with the recent additions of New Bern and Lenoir. Retiree Attraction Summit was held in Pittsboro to discuss the program and brought in industry leaders to discuss best practices and how to work in this market.

TRAC: Recently in Warrenton and headed to Blowing Rock and Ocracoke next. Partner feedback reinforces the need for this program, which takes the tourism staff to communities across the state to educate them on how to work with Visit North Carolina.

Domestic Marketing: Group travel e-newsletter is being sent to tour operators with great open rates. The sales mission is coming up to Milwaukee and Chicago in September. Travel South Domestic Showcase will be held in March in Winston-Salem along with familiarization tours through all three regions of the state.

SportsNC: In partnership with the NC Sports Association, Visit North Carolina is splitting our efforts by attending two major tradeshows - Connect Sports Marketplace in August and TEAMS in November.

Film: Under the Dome is currently filming, Late in the Season will start filming later this year and Love it or List it is continuing throughout the triangle area. Recently the North Carolina-filmed movie Max has been released. Itineraries are being created to encourage film tourism, most recently with the Longest Ride and now Under the Dome.

Social Media: Periscope - VisitNC has streamed 29 in-app broadcasts for more than 4,000 live viewers. Periscope has been a useful tool for showcasing stories best told through video. Most recently, VisitNC partnered with the Blue Ridge National Heritage Area & N.C. Arts Council to highlight mountain street dance traditions in Waynesville and the African American Music Trails of Eastern North Carolina in Goldsboro. Instagram has been a big piece of the social media effort and the hashtag #VisitNC has generated more than 30 million impressions.

VisitNC.com/New Content: Over the summer, approximately 20 new stories have been placed on the site thanks to partner collaboration, with the average time spent ranging from four and a half to seven minutes.

Digital Media: Nativo is a digital advertiser which delivers a unique native experiences, in which branded content is served within publisher editorial streams (vs. an immediate click-out experience). Bidtellect is also a new partner added to the summer campaign mix. They leverage an open platform to gain efficient access to multiple native supply sources which provide immediate click-out experiences to VisitNC.com (vs. staying within the publisher content like with Nativo). The current digital campaign launched just after July 4th, and with exceptional performance and ROI including a 60% decrease in the cost per activity of those exposed to the advertising.

As a result of a Travel South partnership and Garden & Gun, Visit NC was able to partner with a social influencer who runs a blog and social media accounts focused on style and travel based out of Atlanta. She and her family visited and documented their travels around the Chapel Hill, Durham and Raleigh areas over the course of a long weekend – which

received good reach via her accounts (total social reach of 46,173) and will also be featured in-book in Garden & Gun and on their website. Another print and digital campaign is coming up with the Local Palate in early 2016.

API: Visit North Carolina introduced the new API in July for partners to begin utilizing to hook up their database systems to Visit NC's database. This is a free tool being offered to partners to help minimize the listing upload/update time and create more efficiencies for all parties. Visit Charlotte and the Department of Cultural Resources are currently integrating with their databases. The Simpleview-specific API will be ready shortly with the help of the Visit Raleigh team as the test tool for this database format.

Vacation Big and VisitNC.com: Website traffic from target markets was 83% higher than same time period in 2014, vs. sitewide growth of 23%. In Atlanta, visits were up nearly 92% and in DC, visits topped 72%. PR efforts related to the campaign resulted in more than 5.5 million impressions and \$120,657 in ad value. The results are being tracked through Longwoods and those results will be shared as soon as they are ready.

Competitive budgets: With the 32nd ranked budget among the 50 states (smaller than nearly every other state in the south), the Visit North Carolina team works efficiently, effectively and collaboratively with our partners to achieve and maintain a competitive position as the sixth most visited state.

Budget implications:

\$1 million increase: Look to extend the target market campaign, including expanded seasonal efforts in ATL and DC and also additional priority markets of origin.

\$1 million decrease: Lose the flexibility to continue the TV effort and possibly other programs.

Status quo: Since the TV production is already done, there would be an opportunity expand the media exposure next year, either with broader seasonal efforts in ATL and DC and/or consideration of adding a few, smaller markets.

The Longwoods International's Advertising Awareness and ROI Study model, combined with Travel Economic Impact Model (TEIM) data, provides an assessment of the significant negative impact of a \$1 million decrease in tourism marketing investment. Assuming a conservative ROI of 15 to 1: Loss of \$184 million in visitor spending, Loss of nearly \$9.6 million in state tax revenues, Loss of nearly \$5.8 million in local tax revenues. Based on 2014-2015 rate of partner participation: Partner investment and opportunities would drop \$250,000, Added value exposure for Visit North Carolina and its partners would drop \$520,000; Net effect would include advertising exposure declining by more than \$1.75 million.

Budget cuts not only eliminate newer efforts like the target market TV, but also impact Visit NC's ongoing efforts and programming.

The 2015-2016 strategic plan is being improved to increase communication. Another change is eliminating the mid-year marketing updates. They are being replaced with listening tours throughout the state to go in conjunction with the annual partner surveys.

Upcoming Industry Events: ESTO, includes the annual conference of National Council of State Tourism Directors in Portland – August 23-25, Cycle NC – Sept 26 – Oct 3, Travel and Tourism Research Association's Annual Marketing Outlook Forum in Philadelphia – October 26-28, Travel South International Showcase in Charlotte – Nov 30-Dec 3.

Brand: Video of new brand showed to attendees. Commerce manages this brand, and will be a unified brand for all cabinet agencies. A rollout schedule is as follows: August – Commerce master brands standards complete, September-December – Integrate brand identity into consumer-facing materials, January 2016 - New brand identity reflected in consumer-facing media including 2016 Travel Guide, March 2016 - Breakout session for partners at annual conference.

Next meeting is tentatively planned for December 8th, location to be decided at a later time. Meeting adjourned at 1:30pm.