

Approved November 16, 2016

MINUTES

Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting October 19, 2016

The Chapel Hill/Orange County Visitors Bureau met at
Siena Hotel, Chapel Hill, NC

Board Members Present: George Cianciolo, Penny Rich, Shannan Campbell, Andrew Strickland, Meg McGurk, Tim Hoke, Mark Bell, Lee Storrow, Lee Pavao, Jeffrey Strickler, Rosemary Waldorf-Chair, Nitin Khanna, Karen DeHart, Aaron Bachenheimer, Mark Sherburne

Not Present: Annette Stone, Allison Nichols-Clapper, Michelle Johnson

Staff attendance: Laurie Paolicelli, Marlene Barbera, Allison Chambers, Tina Fuller, Steve Brantley

Also present: Aaron Nelson, Sarah DeGennaro, Roger Stancil, Rob Stern and Amanda Marinelli, Elizabeth Pascal, Steven Kelly, Beth Waters of Clean Design

Call to Order

Chair Rosemary Waldorf called the meeting to order at 8:10 am.

Introductions were given by all. Followed by an update by Orange County Commissioner Penny Rich in regards to the Wegmans being built in Chapel Hill. It has been approved by both the Orange County Board of County Commissioners and the Chapel Hill Town Council. This will promote tourism both as another destination for travelers visiting the county as well as Epicureans. She expressed thanks to both Steve Brantley and Dwight Bassett for their economic development efforts as well as Chapel Hill town manager Roger Stancil. George Cianciolo shared that Wegmans is among the top five grocery chains in the U.S. Roger Stancil shared that this has been a historic effort by both the Town Council and the County Commission and has included the sharing of information with Wegmans about the importance of Epicurean endeavors by the town and local agriculture by the county.

Approval of Minutes

Chair Waldorf requested a motion to approve the September 21, 2016 minutes. Lee Pavao so moved and George Cianciolo seconded. With all members in favor, the minutes were approved as submitted.

Chairs Report

Chair Waldorf shared with the board that she and the Visitors Bureau staff organized a meeting with hotel General Managers on October 12. At that meeting she learned that there was some concern about rates going down and a little bite of softening in the market. Jay Patel, Mark Sherburne and Anthony Carey will work with Visitors Bureau staff to look at some numbers and share a micro view with our local elected officials of the tourism industry in Orange County as well as a micro view of what the tourism industry means to our overall economic development efforts. Laurie Paolicelli interjected that the catalyst for this is the interest we are seeing in hotel development wanting to come into the area. Existing properties want elected officials to have more information about how this development affects existing rates and demand. Mark Sherburne added that while October is normally the busiest month for hotels in the county, this month saw some properties offering "shoulder rates", which is concerning. The Asheville, NC Visitors Bureau is currently studying this issue and their CEO will attend the January 2017 meeting of this board. When you look at what we are trying to accomplish with brand and tourism this is not a lot of dollars, since for example Garden and Gun costs \$26,000 for a one page ad.

Finance Report

Penny Rich, Finance Chair, reported that the budget is on target at this point. Some large expenditures have been made in postage due to the great response to the latest Southern Living ad. Advertising is on track and the major focus of the budget being on advertising, with a push to keep our tourism dollars from bleeding out to Durham. Laurie Paolicelli offered that our advertising budget of \$380,000 is supporting an overall increase in all goods and services while working on bringing in more midweek business travelers and LGBT travelers and spreading our food message, supporting high school athletics as well as partner with UNC. When you consider that a consumer needs to see a message three to six times this does not look like a great deal of money. Ms. Rich stated that the Arts Commission activity has picked up with the hiring of a new director. Occupancy tax collections are trending 4% ahead to date.

Guest/host speakers

Laurie Paolicelli introduced our ad agency, Clean Design. They specialize in travel marketing and work with Wilmington and the beaches as well as Boone and Kenan Flagler at UNC. They are here today to explain how they do what they do on behalf of Orange County and why. They began by explaining how the brand has evolved, this includes competition, connections, audience and brand. They start a project by researching and learning about the brand. They recently conducted a refresh of our brand strategy. Their research shows that occupancy rates are growing for weekends more quickly than weekdays. The county's hotels are showing 72% occupancy on weekdays as opposed to 86% on the weekends. In terms of audience they looked at what type of audience to target. That audience is business explorer, groups and meetings and leisure traveler. The common tread for these travelers is that they are open-minded and adventurous. How to connect with these travelers? Paid media, owned media and earned media. Paid media should focus on primary and secondary audiences, which for our brand is not LGBT, Weddings and Local as these would be after secondary audiences. Durham is becoming a very popular destination and we need to set ourselves apart. Durham has a gritty and progressive image, while Chapel Hill/Orange County's image is progressive and refined. The refined aspect includes the arts and cultural offerings. The recommendation here is to own this distinction even more strongly by differentiating ourselves. What should the brand stand for tomorrow? Our brand messaging platform is not your tag line, not your mission statement, it is a focused and prioritized message and directional for visual and verbal brand. Our brand is The New Progressive South. The Chapel Hill area is where you go to encounter experiences unique from your everyday routine. Even if you visit from down the road, the people and the culture is like you traveled 1,000 miles away. Whether it is trying new cuisines, listening to a local indie band, or gathering with open-minded people, the Chapel Hill area adds a level of edge and progressiveness. By visiting the Chapel Hill area, you will broaden your horizons and discover the new progressive South. In the area of creative we should customize some of the successful ads we have created, making them more appealing to the midweek traveler. Customization was achieved by changing the copy in the ads, these ads are included in the attached power point. The words "extend your stay and discover a new side of the South in Chapel Hill and Orange County" are included in all of these ads. Laurie Paolicelli added that what these ads show is our friendliness and hospitality, which is an ongoing theme, and also what we hear from our visitors. Bill Smith is the most popular ad in terms of responses and we won a state award for our LGBT ad. She also noted the popularity of the music scene in Orange County and that two-thirds of our visitors come for some aspect of the university so we worked with Missy Julian Fox for a forward facing ad of the University, reinforcing the campus and community connection. George Cianciolo noted the retirees who come here to visit while looking for a place to retire are a potential midweek visitor. Our demographic studies have shown our largest group of visitors is couples, average age forty-nine, whos children are grown. It was pointed out by many that we are the new progressive south because of our diversity. The social media ads that are running are more focused on the leisure traveler. Facebook has become a pay

to play platform. Our organic ads are complimented with paid advertising. For the first time this year our advertising has become more digital than traditional. This is in line with the increase in time people spend on digital platforms. The online mix includes email, search, social, display, native and video. Media partners include Garden & Gun, Southern Living, Our State, Carolina Alumni Review, Cary Magazine, Wral Out and About, tripadvisor, facebook and Instagram. We will have a page on Tripadvisor that potential visitors will use like they would our website. Investment has been made in Cvent to reach groups and meetings. Test initiatives include 2-3 minute videos created by wral for their out and about segments. They have an agreement to cut a 15 second segment out of those videos to use on other media. This will launch in the spring. Trends have shifted in sources of influence with the internet having the same percentage influence as family and friends. Media trends show that time spent on digital video has grown to almost two hours a day by adults in the U.S., advertisers continue to increase their annual spend on social media platforms and native ads have gained in importance. Future trends include Virtual Reality, Snapchat and Blogger/Influencers. The Clean Design presentation is attached. Ms. Paolicelli spoke with the group about the differences in the three municipalities in the county, as that relates to branding. A sixth of the Visitors Bureau budget goes toward marketing Hillsborough even though we are branded as Chapel Hill. The same is true of our marketing efforts for Carrboro. Aaron Bachenheimer reminded the board that it is important that everyone on the board be able to express their views comfortably. Shannan Campbell stated that while they want to work with the rest of the county they do have their own brand strategy and website. Ms. Paolicelli said that we respect Hillsborough's need for their own identity but that the Visitors Bureau will continue to promote their destination whenever possible. Aaron Nelson reminded the board that while we may be sensitive to the differences between different parts of the County that the customer is not.

Website Report

Tina Fuller shared with the board information regarding how the ads produced by Clean Design are configured to go to VisitChapelHill.org when a viewer clicks on an ad. The link takes visitors to the page containing information associated with that ad. Our website pages highlight our brand. The brand is carried through the website with bloggers who are both Visitors Bureau staff and outside bloggers. Chair Waldorf expressed the view that the website displays very interesting content.

Sales Report

Marlene shared that she has recently returned from a small meeting market trade show in Huntsville, AL which was a good opportunity for relationship building. A new NATJA video has been produced which is a great reflection of all three towns. Marlene introduced the Bureau's Sales Consultant, Rob Stern, who was with Destination Marketing in D.C. and will be working on recruiting midweek business from that region.

New Business/Roundtable

Vice-Chair Pavao acknowledged all for updates in their respective fields:

Tim Hoke shared that the Orange County Arts Council is ready to begin their fall arts grant season. He provided posters announcing and explaining the process and asked the board to share the information as they are holding two information sessions next week.

Meg McGurk reported that Terra VITA was hugely successful, Festifall has really come into its own, Homegrown Halloween is upcoming and Rosemary Street is being freshly paved.

Aaron Bachenheimer shared that the University is preparing for both Halloween and Homecoming.

Jeffrey Stickler shared that 60 Minutes recently did a spot on the development of artificial intelligence at UNC. He was wondering if, also thinking about our noble laureates, should we emphasize this more to draw the attention of the scientific meeting market. This makes our area very unique. Ms. Paolicelli committed to writing a story about this and putting it out on the wire.

Shannan Campbell reported that Hillsborough has launched a new website, the handmade parade was a great success and Ladies Night Out continues.

Chair Waldorf asked the board for volunteers to help Ms. Paolicelli draft a RFP to either continue with Clean Design or choose a new ad agency for the next three years. Meg McGurk and George Cianciolo agreed to join in that effort. This is a requirement of the Orange County Government.

Meeting Adjourned at 9:42 am.

Minutes reviewed by:
Laurie Paolicelli, Executive Director

Date

Minutes accepted by:
Rosemary Waldorf, Chairman

Date