

# **MCCVB**

## ***Marketing Intelligence Report***

*January, 2017*



# MARKETING INTELLIGENCE REPORT

**This report summarizes key research managed and compiled by the MCCVB.**

*Full reports are available at*  
<https://www.seemonterey.com/members/tools/reports/>

- FY2016-2017 Midyear Communications Effectiveness Study -  
*by Strategic Marketing & Research Inc.*
- 2015-2016 Visitor Profile Study, Year over Year Trends -  
*by Destination Analysts*
- Additional Research -

# FY2016-2017 Midyear Communications Effectiveness Study

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# Background & Objectives

- During FY 2016/17, the Monterey County Convention & Visitors Bureau (MCCVB) continued the “Grab Life by the Moments” brand and advertising effort begun in fall 2013.
- The campaign targets leisure travelers in drive and direct-flight (regional) markets, as well as national markets.
- MCCVB launched new fall ads in FY16/17 Q1-Q2. The following report details the findings related to this fall advertising with comparisons to previous waves. Research results are presented in two groups, with the bulk of analysis in the Regional markets and an overview provided for National.
- Specific objectives of this research are to:
  - Review the results relative to established benchmarks;
  - Assess audience reaction to the creative elements;
  - Evaluate the impact of the advertising campaign on generating Monterey travel;
  - Review visitor/trip specifics and related marketing implications;
  - Estimate ad-influenced travel and associated travel revenue;
  - Quantify additional impact from the PR efforts; and
  - Provide conclusions and recommendations to guide MCCVB’s marketing efforts.

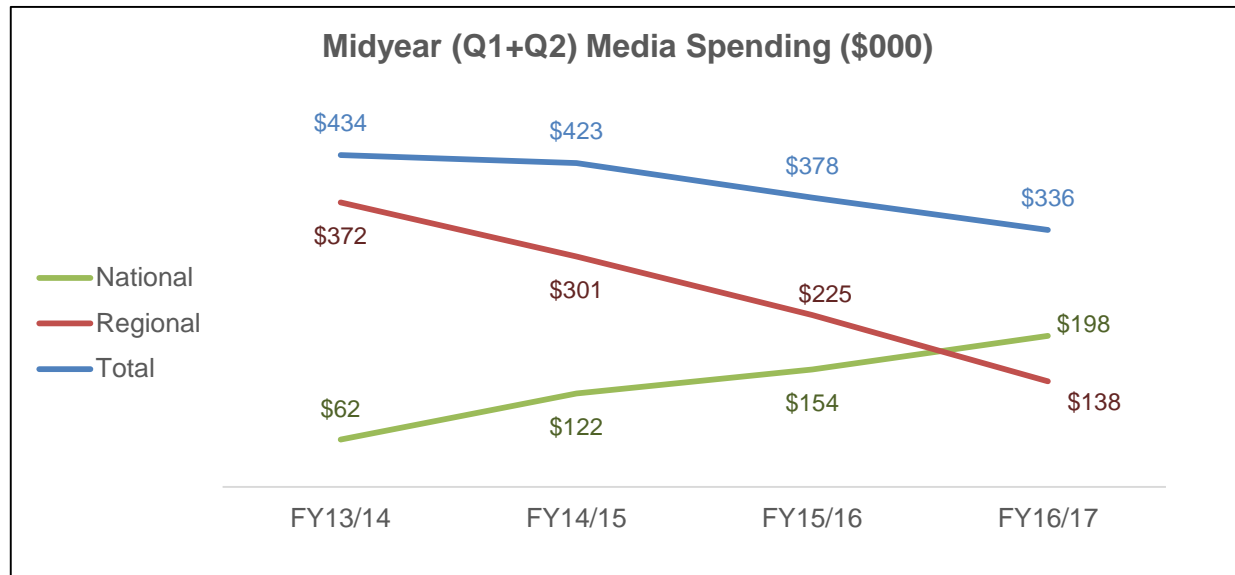
	Market	Completed Surveys
REGIONAL	San Francisco	281
	Sacramento	300
	Los Angeles	144
	San Diego	159
	Remaining CA	156
	Fly markets – Phoenix/Vegas	144
	Remaining National	367
	<b>Total</b>	<b>1,551</b>



# Marketing Approach

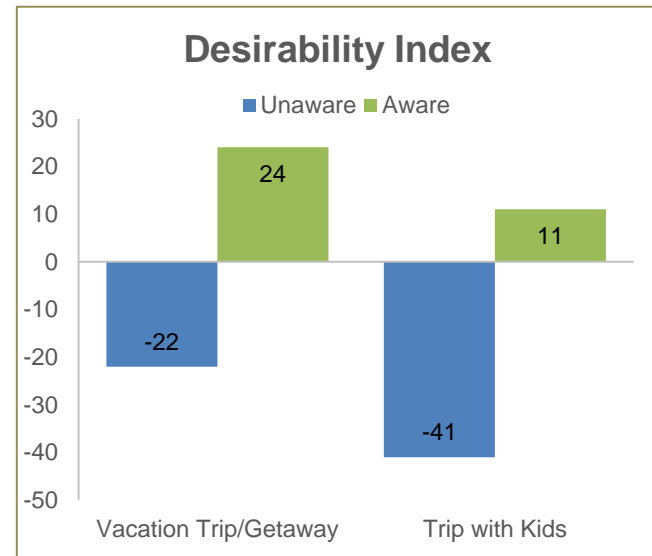
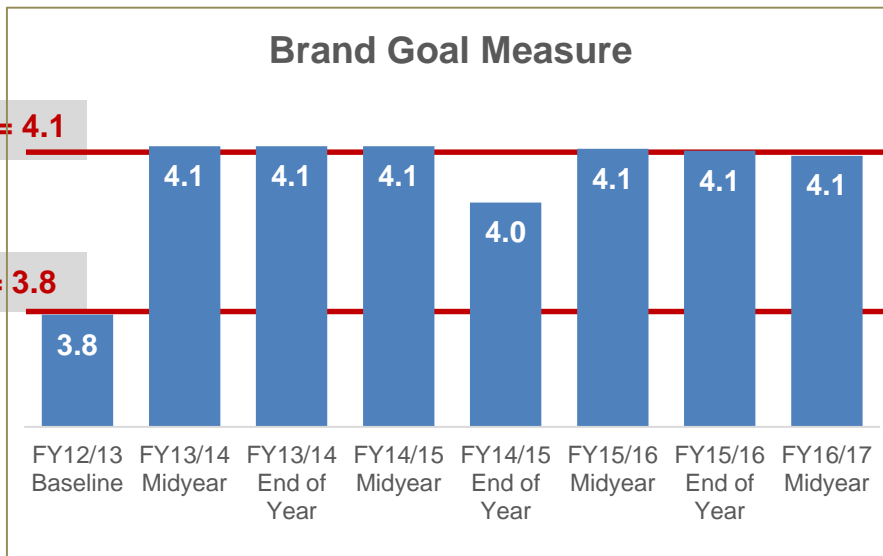
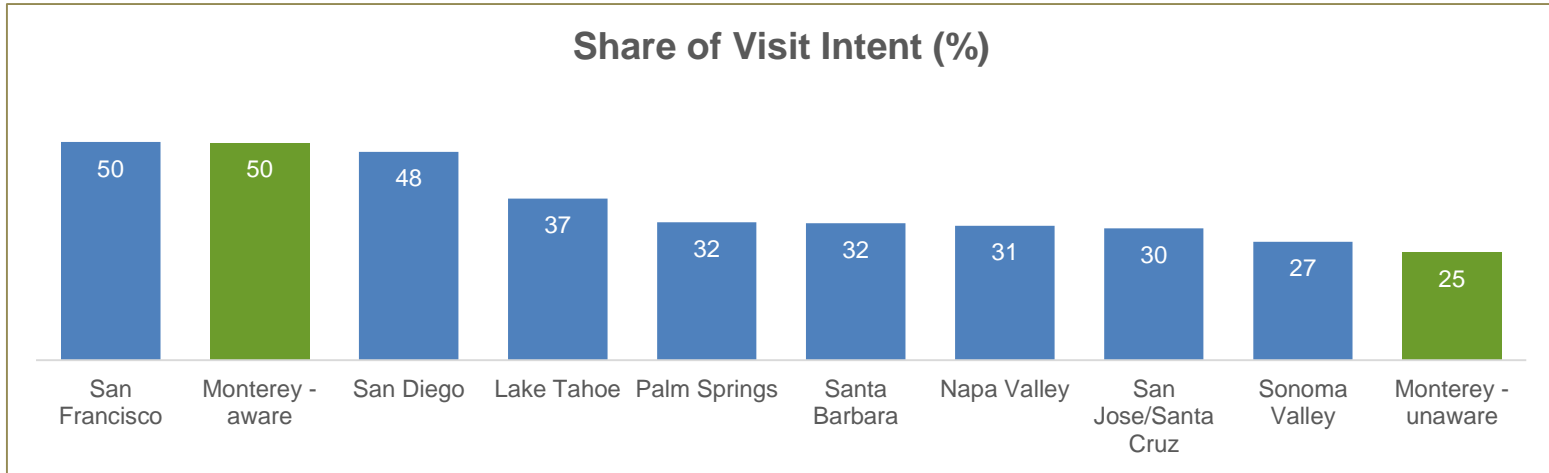
- MCCVB’s brand campaign, “Grab Life By the Moments,” has successfully leveraged beautiful images of Monterey County assets in its print, email, digital banner and social media advertisements since 2013 when the campaign launched.
- Each seasonal campaign has introduced refreshed creative, the general layout has been the same and many of the images have been used multiple times and across media. This has helped to drive up awareness.
- Familiar images have cut through the clutter with travelers, and the consistency over time has helped the messaging permeate the target markets.
- As of the spring 2016 campaign, MCCVB also moved more aggressively into non-traditional content, including native advertising – articles sponsored by the bureau and presented to consumers in a format similar to a news article.
- The fall 2016 campaign marketing effort also included “influencer” blogs – travel articles written by and posted on the blog properties of individuals identified as having readership that overlaps with MCCVB target travelers. This type of content sponsorship has augmented the public relations efforts and blurred the line between *advertising* and *public relations*.

# Media & Campaign Spending



- Regional spending was initially heavier than National but it has been declining as investment in National markets has grown.
- In addition, the overall spending year-over-year on paid advertising has been declining, while MCCVB has ramped up its PR and content management efforts.
- The ads used in the survey can be found in the Appendix of this report.

# CAMPAIGN PERFORMANCE SUMMARY



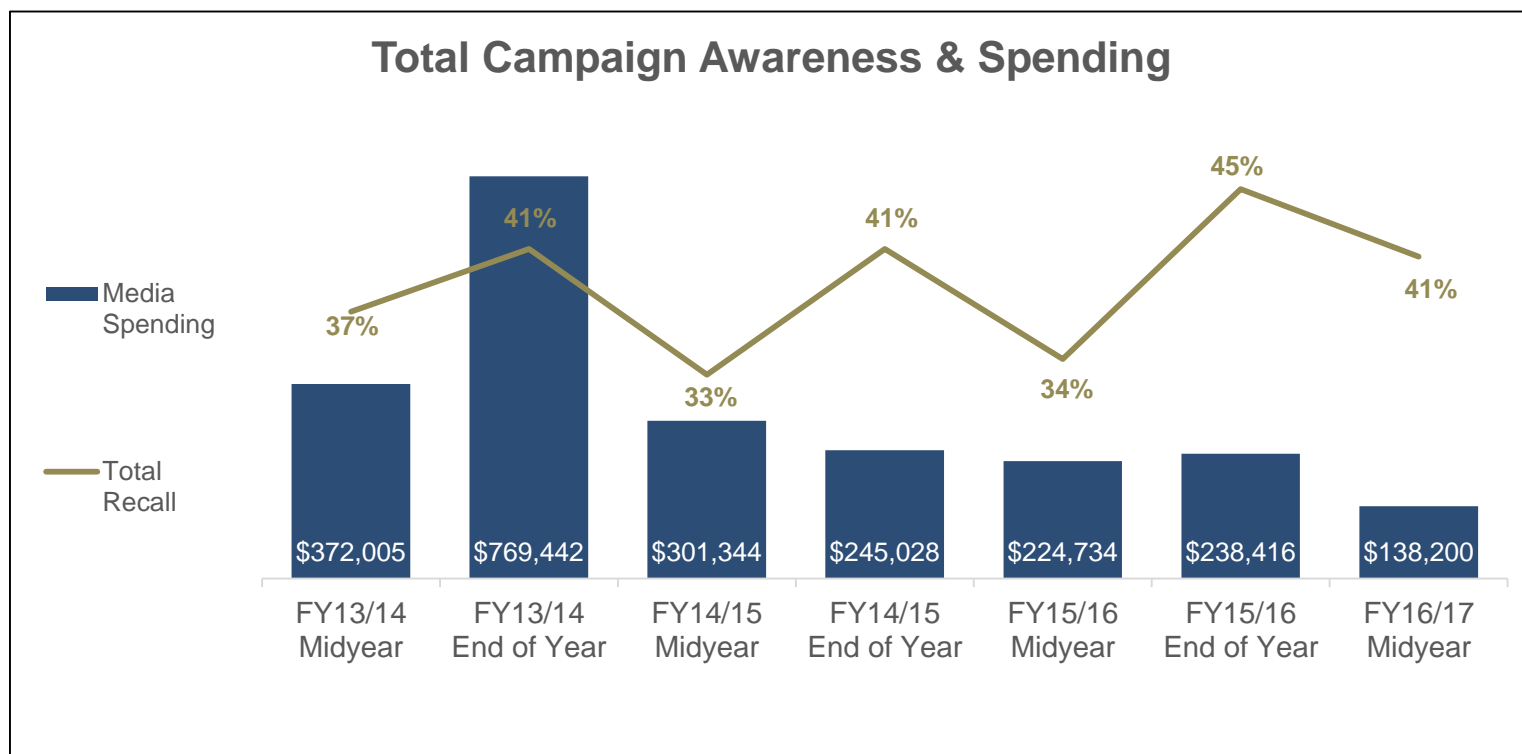
The brand goal measure is the mean Monterey rating for *amazing scenery, charming and weekend getaway destination*.





# Campaign Awareness & Spending

- Midyear recall, measured in December, is always lower. However, the current midyear awareness of MCCVB marketing is the highest to date and follows the highest year-end measure, despite lower spending than at any point in the campaign.





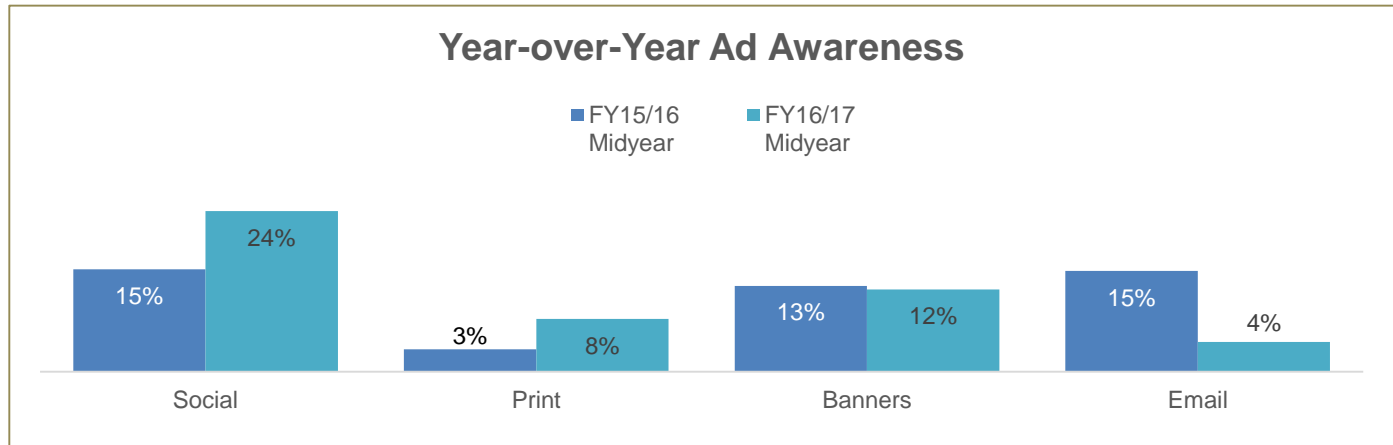
# Cost per Aware Household

- The GLBM campaign cost just 2 cents to reach each aware household, and out of 14.4 million households in the Regional markets, 5.9 million are aware. This is a new peak efficiency for MCCVB, and is well below the SMARInsights benchmark of \$0.35 that CVB spot market campaigns without TV typically pay per aware household.
- The average across the entire campaign from fall 2013 to present is \$0.06 per aware household.

	FY13/14 Midyear	FY13/14 End of Year	FY14/15 Midyear	FY14/15 End of Year	FY15/16 Midyear	FY15/16 End of Year	FY16/17 Midyear
Marketing Awareness	37%	41%	33%	41%	34%	45%	41%
Aware HH	5,116,717	5,669,875	4,746,189	5,896,781	4,911,773	6,475,969	5,854,054
Media Investment	\$372,005	\$769,442	\$301,344	\$245,028	\$224,734	\$238,416	\$138,200
Cost per Aware HH	\$0.07	\$0.14	\$0.06	\$0.04	\$0.05	\$0.04	\$0.02

Recall figures are for total marketing effort, paid advertising and PR.

# Midyear Awareness by Medium

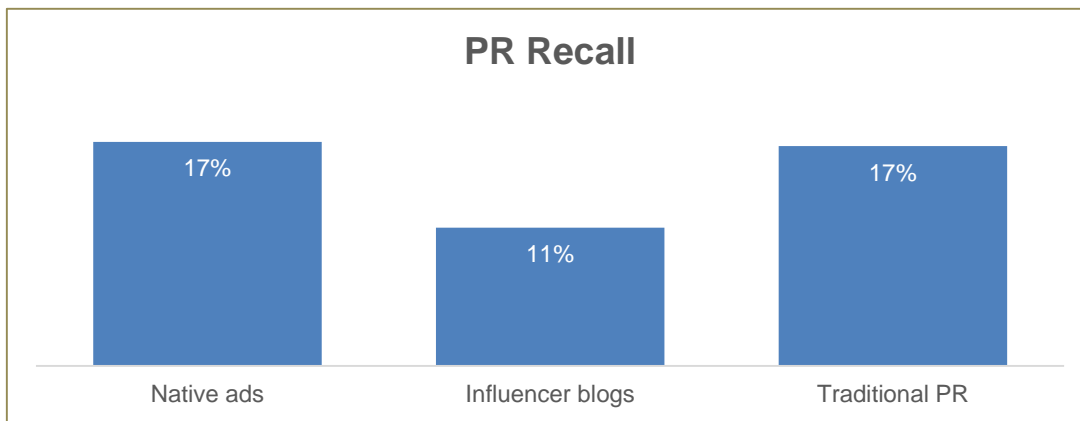


- Social content leads awareness and has risen above other media since last fall. Print made a rebound, while email awareness decreased.
- Many of these shifts relate to spending adjustments within the media plan.
- Some of the recall measures by medium could be inflated somewhat, as the same images are used across media – this positively affects campaign recall and is a beneficial tactic for MCCVB. From the consumer standpoint, contents tend to be more memorable than whether one saw the ad in print, in an email, online, or in one’s social media feed.



# Midyear Awareness by Medium

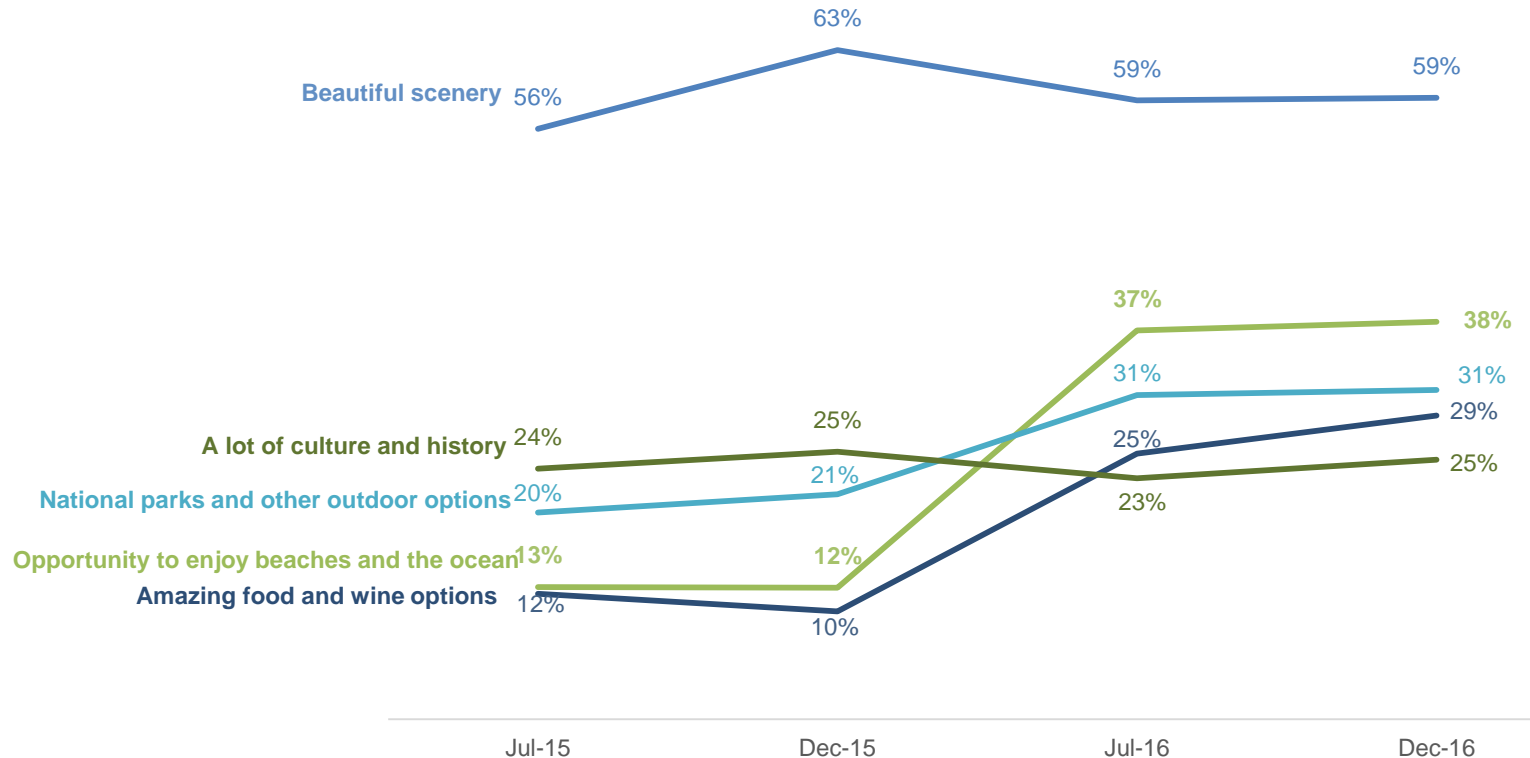
- Native ads reached the same volume of regional travelers as traditional PR (news stories, articles, feature stories). Both channels deliver messaging that consumers experience as non-sponsored or organic content. Therefore it tends to be more influential because it is not viewed as advertising; rather it is more akin to news content.
- Recall of influencer blogs is lower, which makes sense. While influencers have relatively large followings, they are not necessarily able to reach the wide audience that standard paid ads can. And that is not their purpose. Rather, influencers are strong at presenting messaging via a trusted mouthpiece, and can provide additional detail – such as what stops to include on a family trip to Monterey County – that ads cannot, and that appeal to various niche audiences.



# Top 5 Regional Travel Motivators

- Scenery continues to lead, with beaches rising to second place above culture and history, which remains steady at about a quarter of regional travelers.
- Food, wine and outdoor options are growing in importance as motivators.

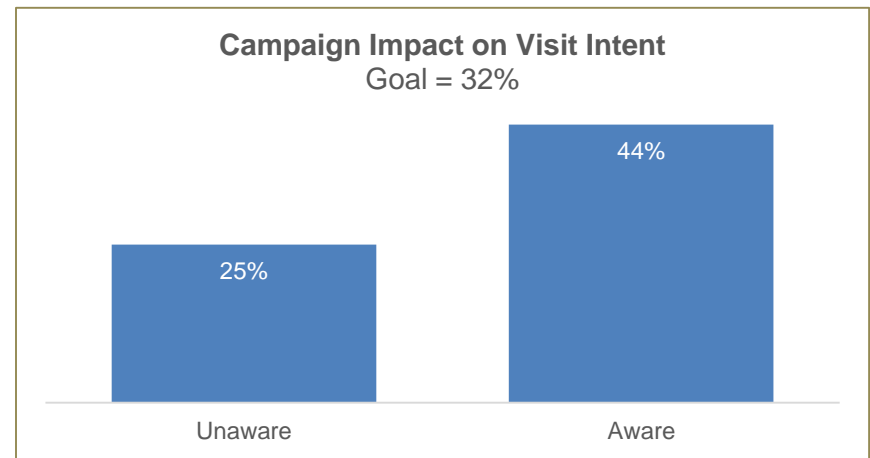
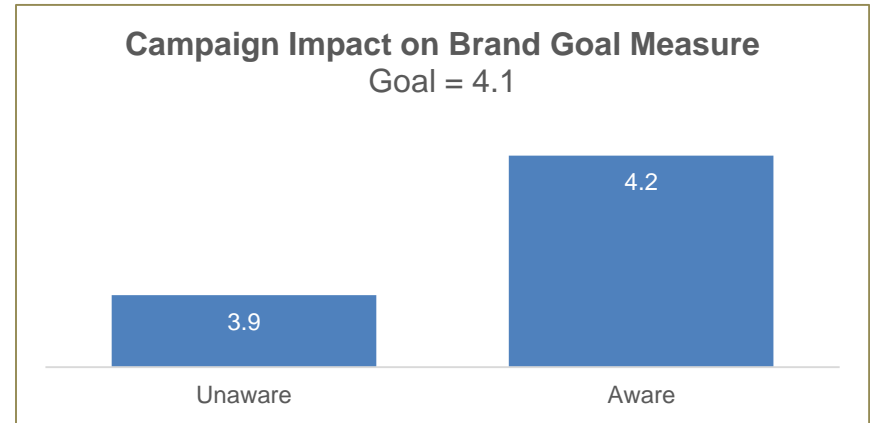
Attributes most likely to motivate travelers to visit a destination for a leisure trip





# Impacts on Brand Goal & Visit Intent

- The campaign positively impacts both the brand goal measure and likelihood to visit.
- These campaign impacts can be seen in the difference between aware and unaware measures.
- Campaign awareness nearly doubles the likelihood to visit and increases the brand goal measure



# Incremental Overnights & Trip Spending

Midyear Metrics	FY16/17
Aware HHs	4,160,944
Incremental Travel %	4.8%
Incremental Traveling HHs	201,500
Overnight %	77%
Incremental Overnights	156,000

Midyear Trip Spending	
Lodging/accommodations	\$378
Meals/food/groceries	\$226
Attractions	\$127
Shopping	\$119
Entertainment	\$42
Transportation	\$92
Other	\$42
<b>Total</b>	<b>\$1,028</b>

- The GLBM campaign influenced more than 150,000 fall 2016 visits to Monterey County.
- Average visit spending is on par with prior measures, down somewhat from the spring 2016 average of \$1,060.

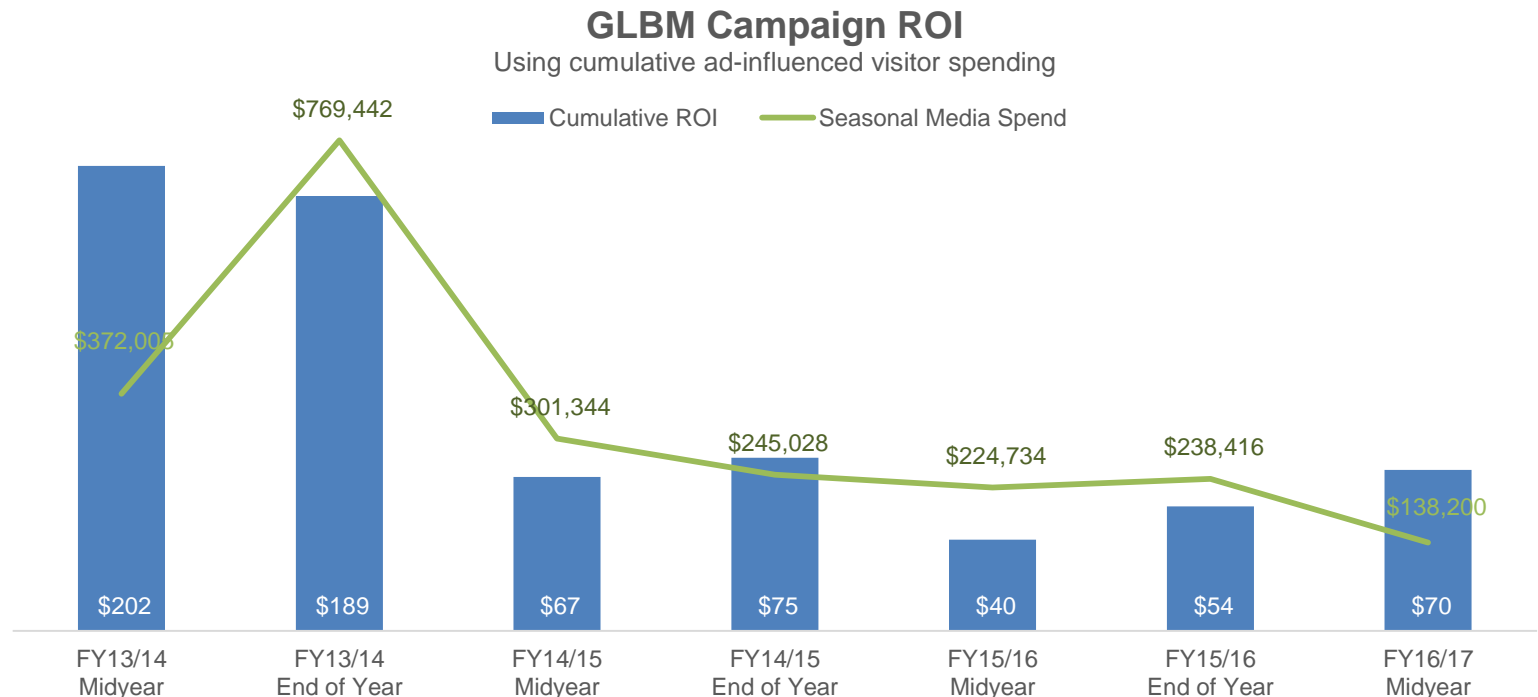
# ECONOMIC IMPACT

- Applying the average spending to the 156,000 overnight fall trips to Monterey influenced by the campaign, the economic impact is \$160 million. This is higher than any measure of economic impact since the year-end FY13/14 measure, when incremental travel was at its highest.
- Typically, we would use this economic impact measure to calculate the ROI, dividing it by the seasonal media spend to arrive at the return per dollar of marketing investment. However, this attributes the full \$160 million impact to the singular fall 2016 campaign, which is not reflective of the complete marketing effort.

Total Regional	FY13/14		FY14/15		FY15/16		FY16/17
	Midyear	End of Year	Midyear	End of Year	Midyear	End of Year	Midyear
Incremental Overnight Traveling HHs	67,315	187,160	93,263	120,195	73,257	109,908	156,000
Average Trip Spending	\$1,119	\$1,111	\$1,038	\$1,059	\$1,036	\$1,060	\$1,028
Economic Impact	\$75,325,738	\$216,258,111	\$96,786,586	\$127,290,675	\$75,868,365	\$116,502,719	\$160,334,159
Traditional ROI Calculation	\$202	\$281	\$321	\$519	\$338	\$489	\$1,160

# ROI

- Rather than attributing the full \$160 million economic impact solely to the fall campaign, it makes better sense to treat the fall campaign as an extension of the GLBM campaign, which has now run since FY13/14. Doing so yields an ROI for the fall 2016 campaign of \$70.
- To permit comparison to prior measures, the graph below shows a recalculation of the seasonal campaign ROIs – each measure’s economic impact (shown on the prior page) is divided by the cumulative media spend.



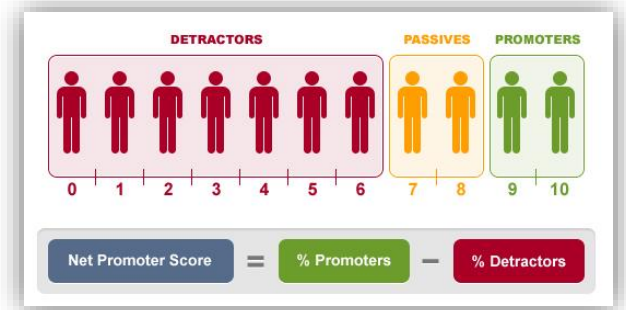


# Ad-Influenced Room Nights

- Fall 2016 outperformed the prior two falls for overnight visits, and is on par with fall 2014 for length of stay.
- Last fall had low measures for shares of stays in paid accommodations and length of stay, so this fall represents a recovery.
- The result is more than 330,000 room nights attributable to the GLBM campaign.

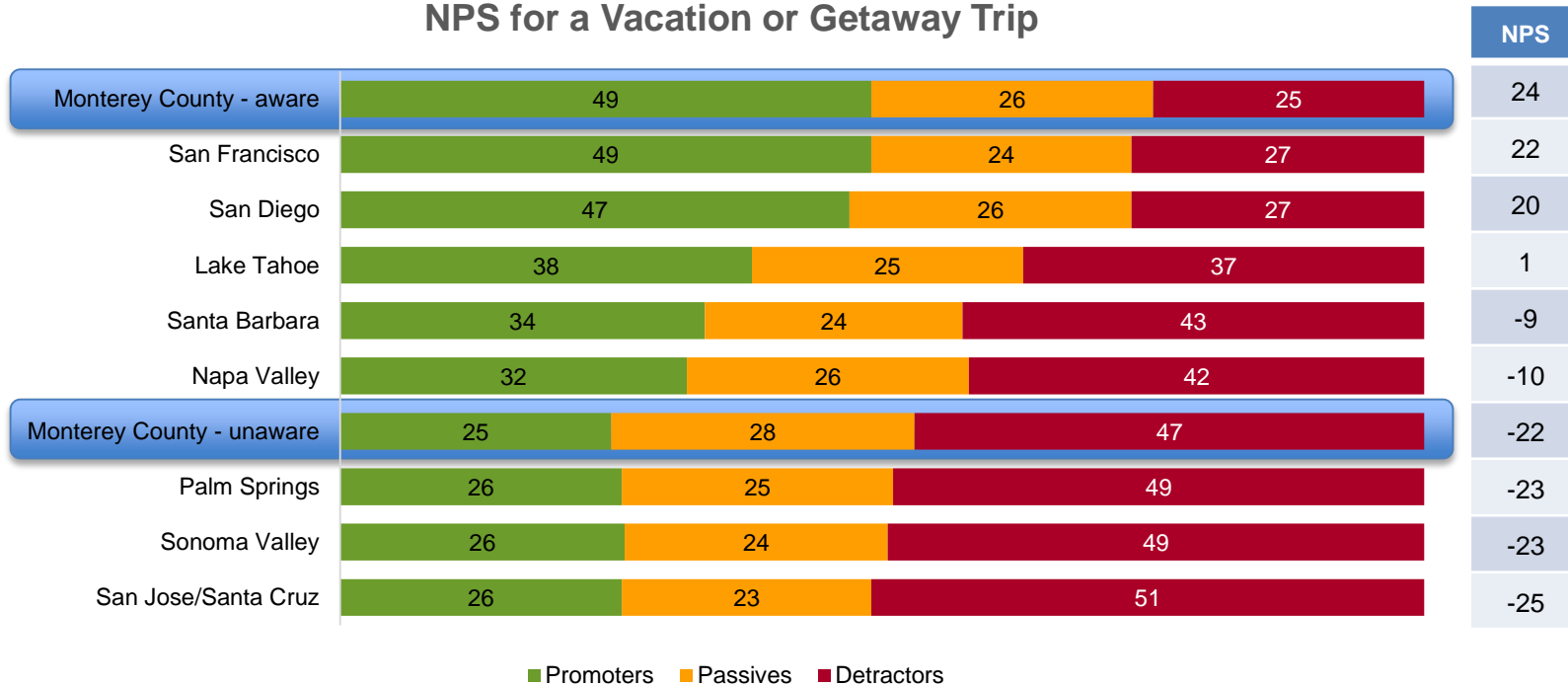
Midyear Measures	FY14/15	FY15/16	FY16/17
Incremental overnight traveling HHs	93,263	73,257	156,000
% staying in paid accommodations	88%	68%	79%
Incremental trips staying in paid accommodations	82,264	50,155	123,000
Avg. # nights on trip	2.8	2.0	2.7
Ad-influenced room nights	230,345	100,310	332,234

# Desirability Index



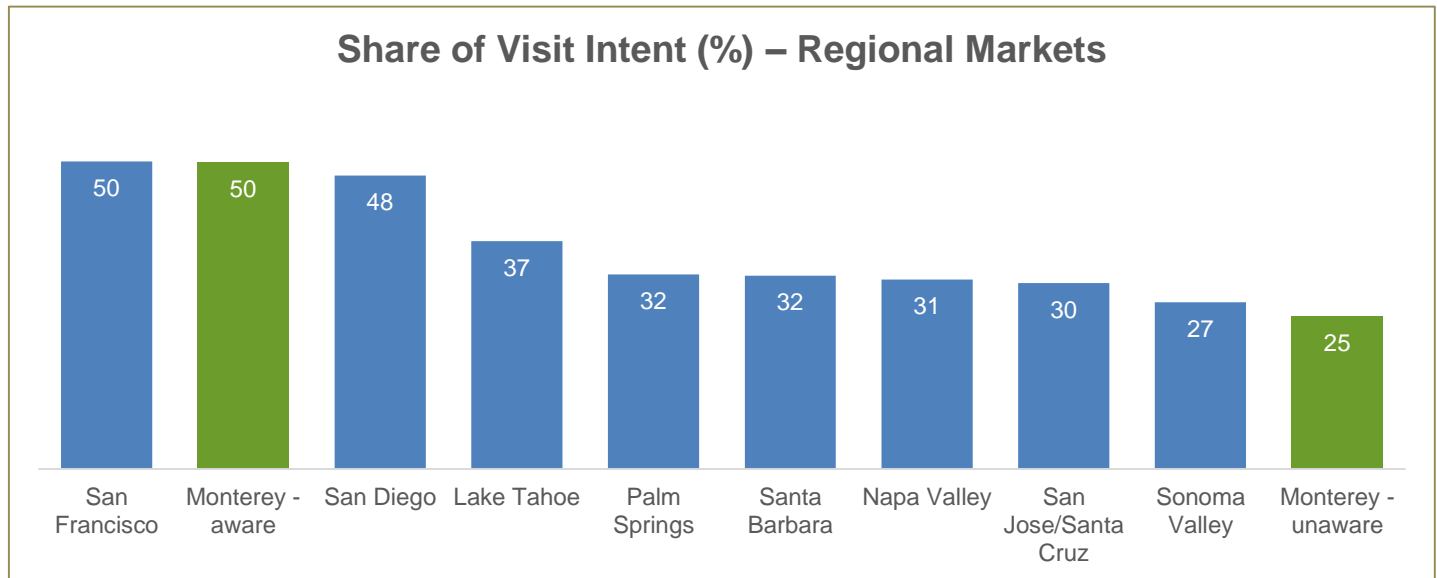
- The desirability index is a way to compare traveler perceptions of Monterey County as a leisure destination to other destinations in the competitive set. This is the first such measure completed for MCCVB so it serves as a baseline for future comparison.
- As the graph illustrates, the GLBM campaign moves Monterey County from the bottom half to the top of the competitive set for regional travelers for a getaway trip destination.

**NPS for a Vacation or Getaway Trip**

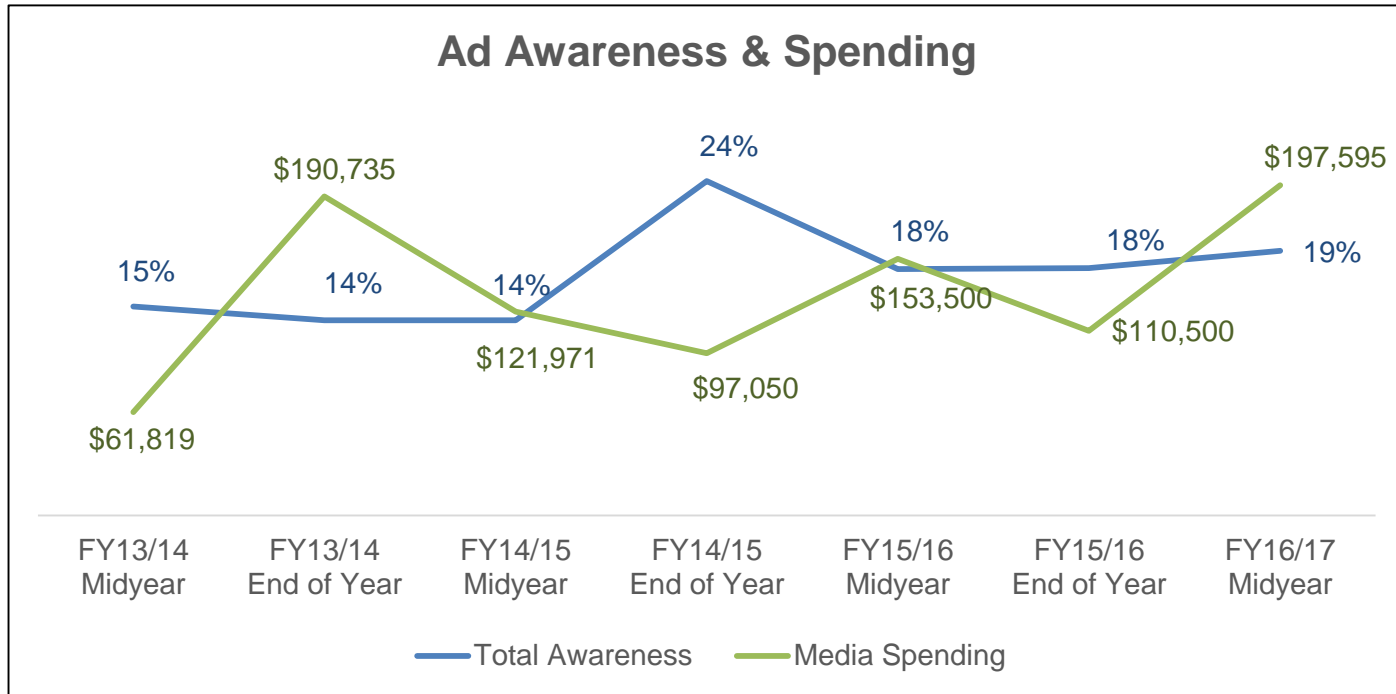


# Intent to Visit

- This is a new metric designed to show how Monterey compares to other destinations in terms of the share of future visits. As with the desirability index, the campaign positively impacts Monterey's competitive position.
- In fact, in terms of intention to visit these regional destinations in the coming two years, the campaign brings Monterey in line with San Francisco and above San Diego.



# National Advertising Awareness



- Aided recall of MCCVB’s advertising remained more or less consistent with the past two measures, despite higher spending.
- Compared to regional travelers who are closer to and more familiar with the destination, national audiences may take longer to respond to the spending increase.



# Visitor Profile Study



**2016 Annual Report**  
*Compares 2016 - 2015*



**MONTEREY**  
Grab life by the moments:



# RESEARCH OBJECTIVES

The overarching goal of this survey-based research is to create an in-depth profile of the Monterey County visitor, including developing the following marketing intelligence:

- Reason for visiting Monterey County
- Trip characteristics
- Travel party profiles
- In-market spending metrics
- Travel planning resources used
- Activities in Monterey County
- Things liked and disliked about Monterey County
- Demographic and geographic profiles



# VISITOR INTERCEPT OVERVIEW

An intercept survey was conducted of visitors to Monterey County. Destination Analysts' surveyors worked at locations around Monterey County and randomly intercepted visitors. In this effort, only visitors to the county were interviewed—those who reside in the county or were in the area for routine business purposes were not interviewed.

**During the first three quarters of 2016, surveys were collected at the following locations:**

- Cannery Row
- Fisherman's Wharf
- Lover's Point
- Carmel Plaza
- Carmel Valley Village
- Pacific Grove
- Monterey Marriott
- Portola Hotel
- Intercontinental the Clement Monterey
- Monterey Plaza Hotel



*Destination Analysts' staff surveying visitors at Carmel Plaza*

# SNAPSHOT OF FINDINGS

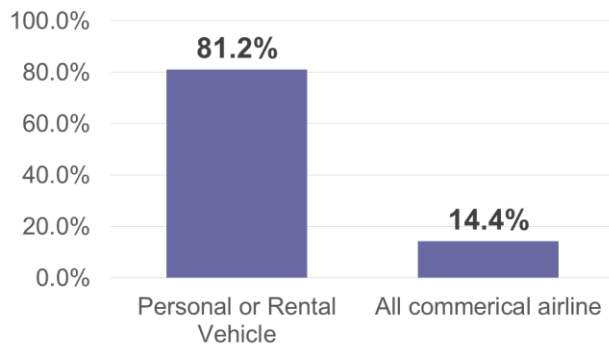
## Primary Reasons for Visiting Monterey County (% of respondents)



## Visitor Trip Details (% of respondents)

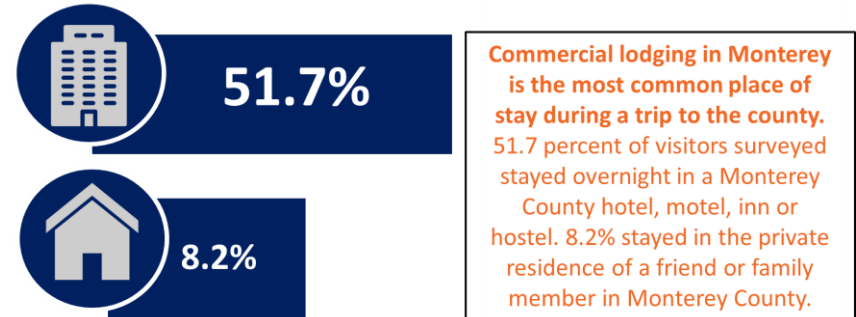


## Method of Arrival into Monterey County (% of respondents)



**Arrival by personal or rental vehicle was the dominant method of arrival among Monterey County visitors.** This was followed by arrival via commercial airline. 7.4% of visitors flew into MRY.

## Place of Stay in Monterey County (% of respondents)

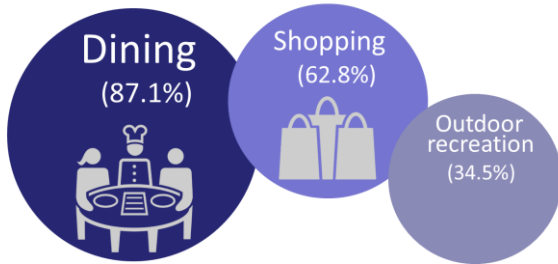


**Commercial lodging in Monterey is the most common place of stay during a trip to the county.** 51.7 percent of visitors surveyed stayed overnight in a Monterey County hotel, motel, inn or hostel. 8.2% stayed in the private residence of a friend or family member in Monterey County.

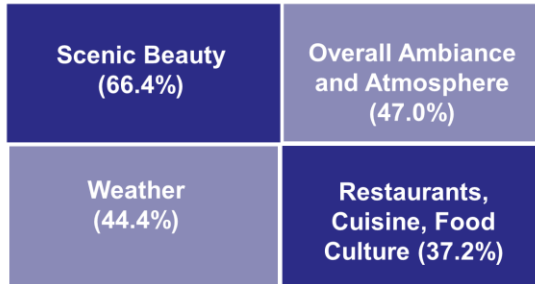


# SNAPSHOT OF FINDINGS

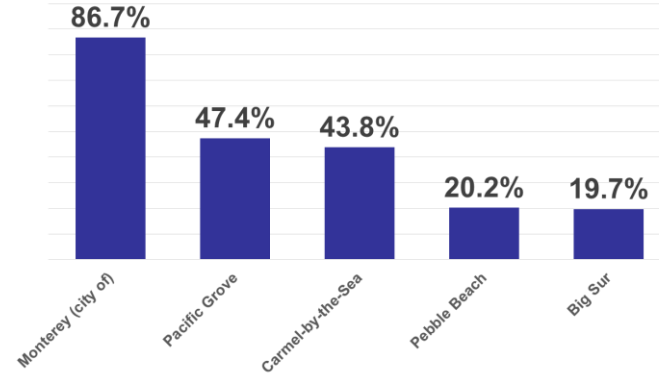
**Top Monterey County Activities** (% of respondents who reported participating in each activity)



**Top Motivations for Visiting** (% of respondents)



**Monterey County Areas Visited** (% of respondents)

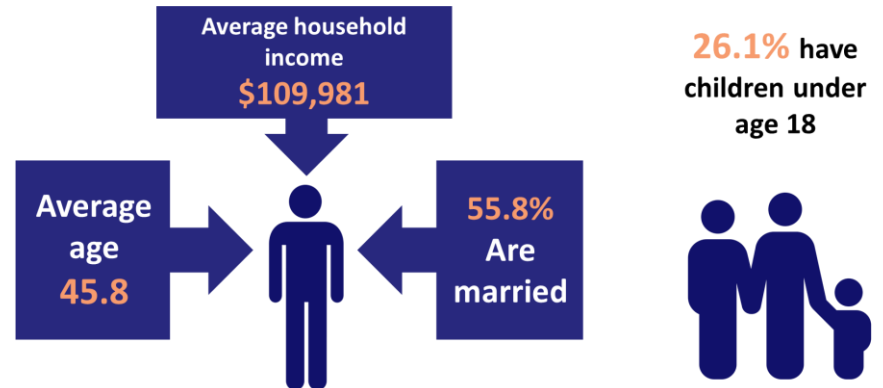


**Top Travel Planning Resources Used Before Trip** (% of respondents)



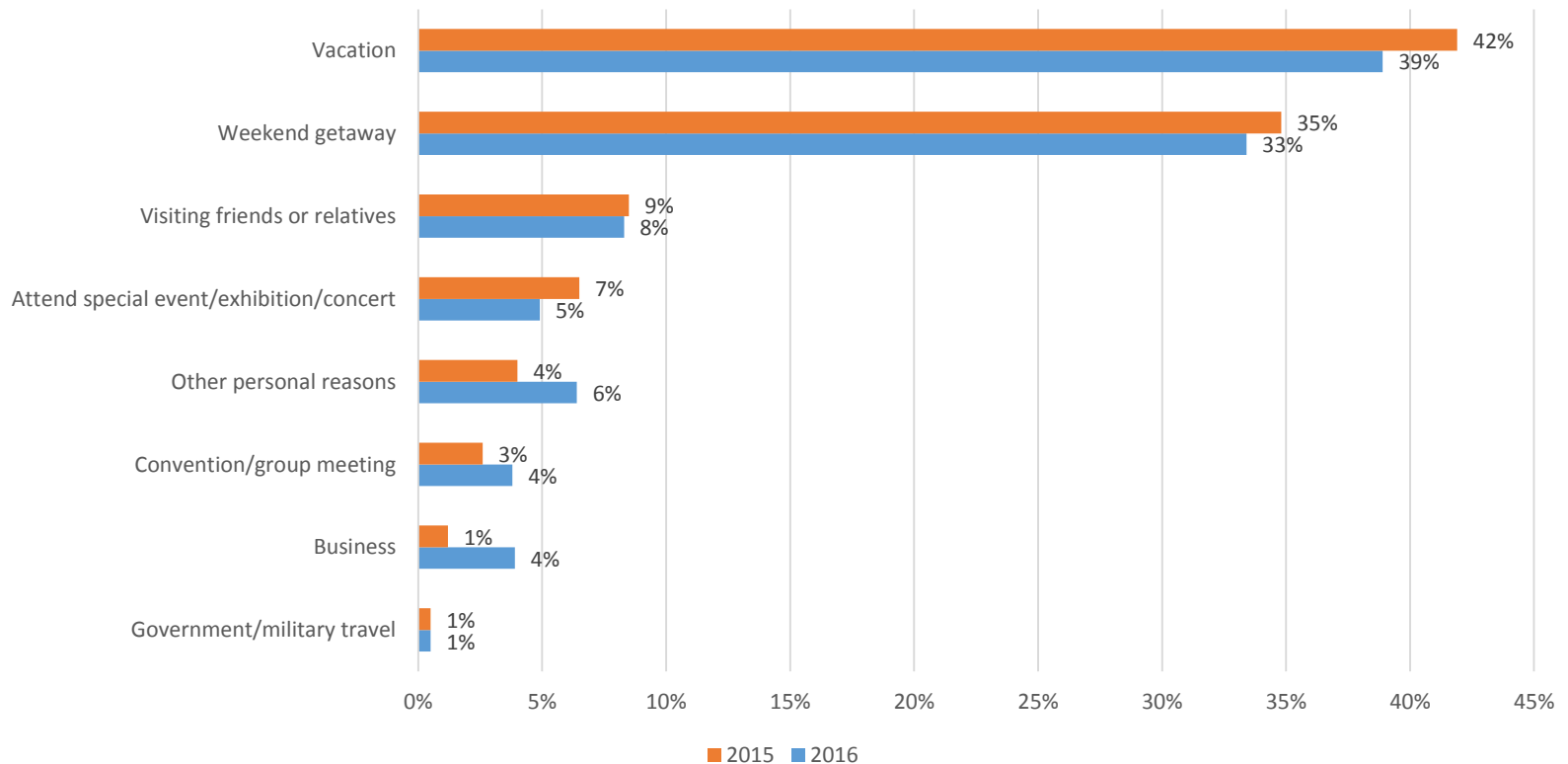
- Online travel agencies (29.5%)
- Information gathered on mobile phone (19.5%)
- Opinions of friends or relatives (14.0%)

**Traveler Demographics** (% of respondents)



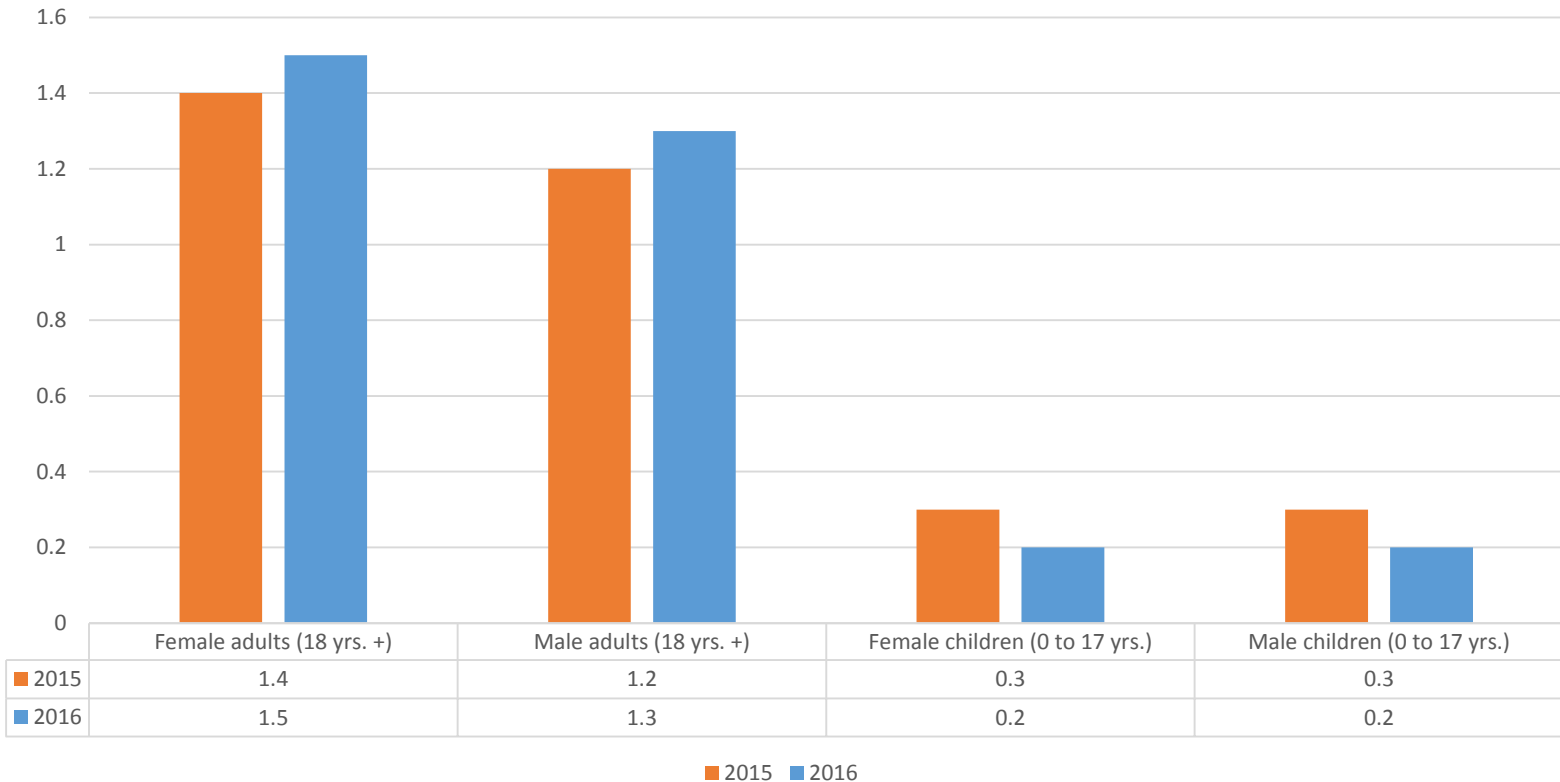
# PRIMARY REASON FOR VISITING MONTEREY

A majority of Monterey County visitors surveyed came to the destination for leisure purposes (72.3%). Four-in-ten were in the area for a vacation (38.9%), while a third were visiting for a weekend getaway (33.4%). In addition, 8.3% were visiting local friends or relatives and 6.4% came for other personal reasons.



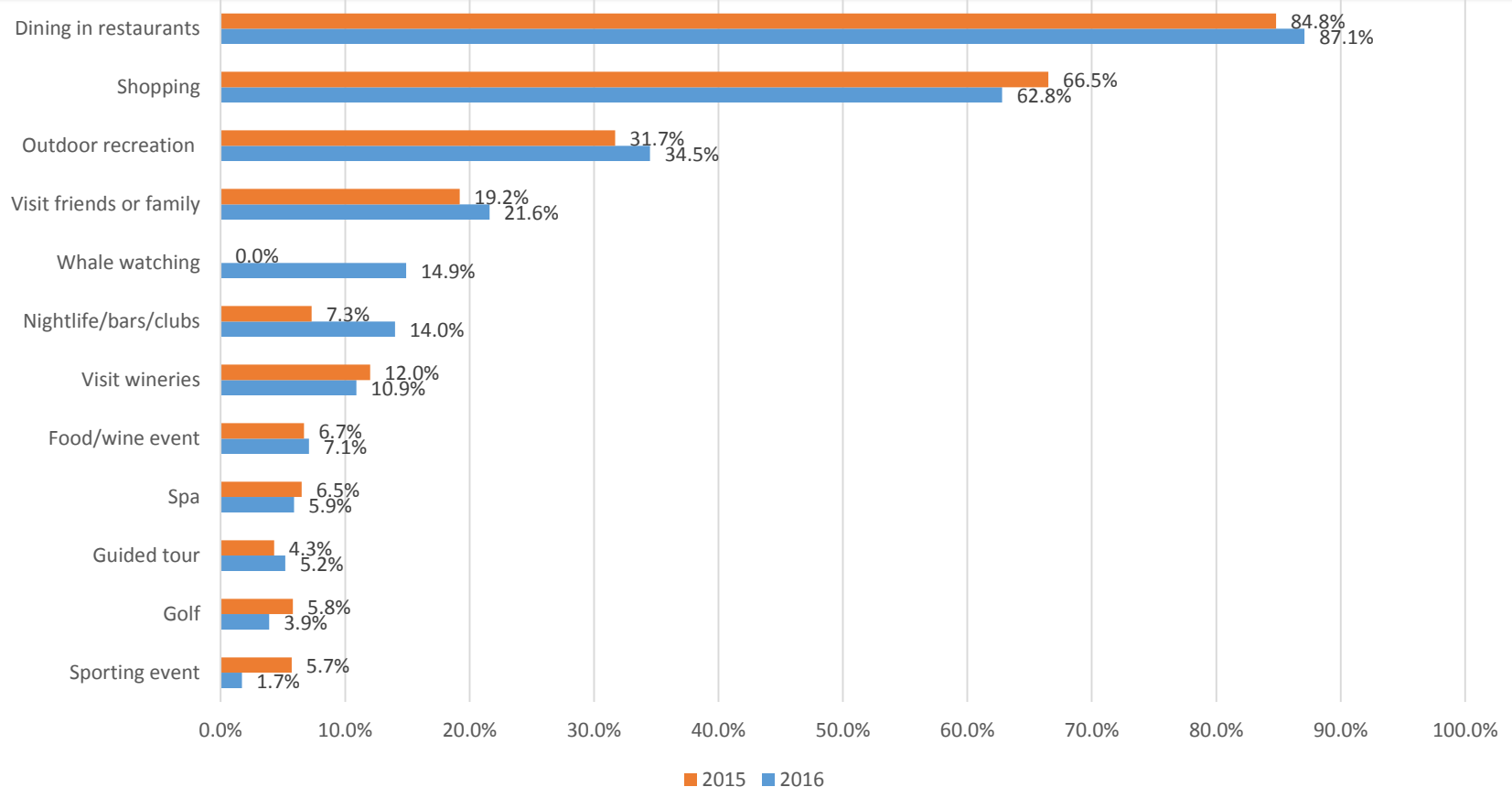
# TRAVEL PARTY COMPOSITION

The typical travel party to Monterey County was comprised of 3.1 persons in 2016 compared to 1.4 persons in 2015. There is an increase in adult visitors and a decrease in children from 2015 to 2016



# ACTIVITIES IN MONTEREY COUNTY

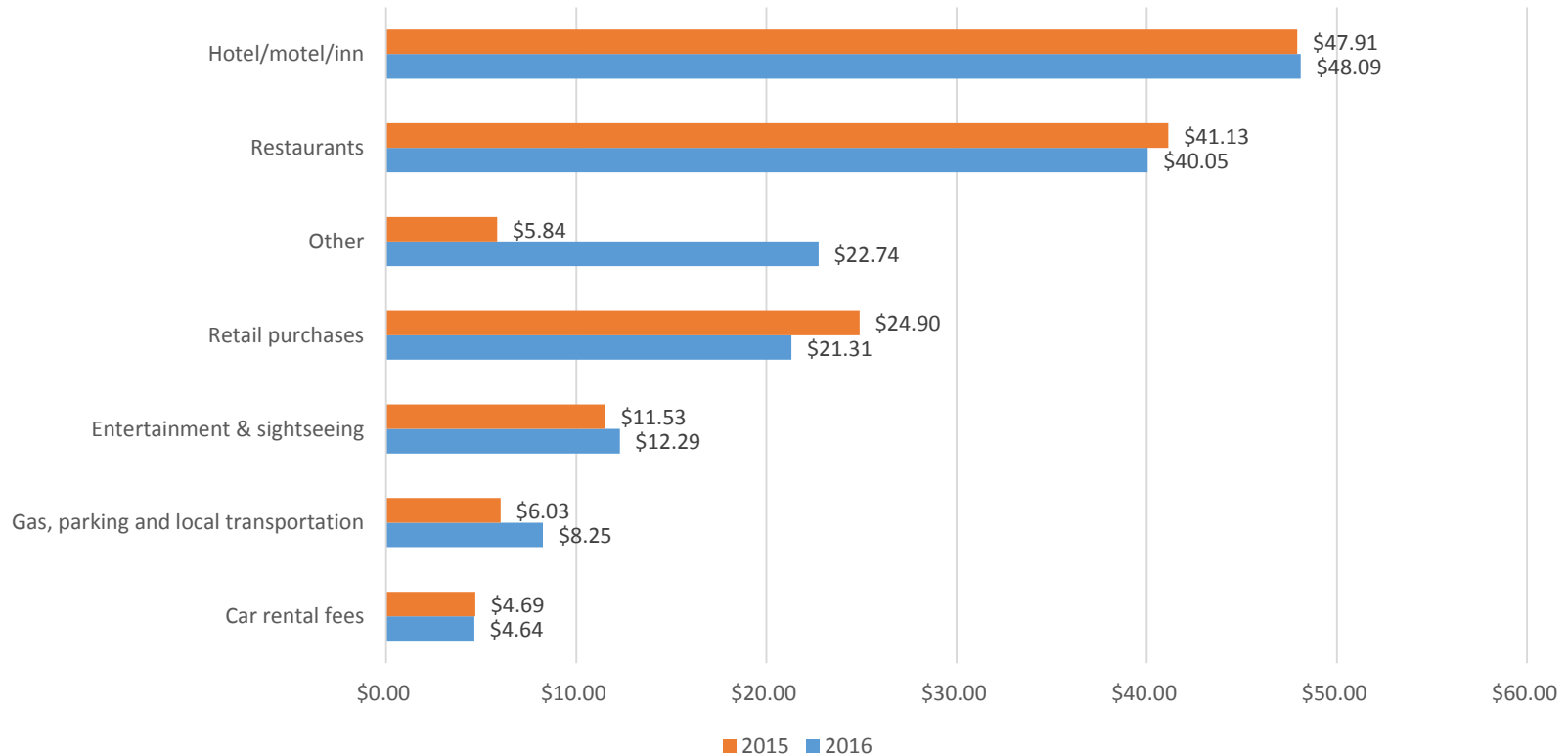
While Monterey County's visitors participate in a variety of activities during their trip, dining in restaurants and shopping remain the most ubiquitous. Dining and outdoor recreation had notable year over year increases. Nightlife/bars/clubs doubled from 2015 to 2016.





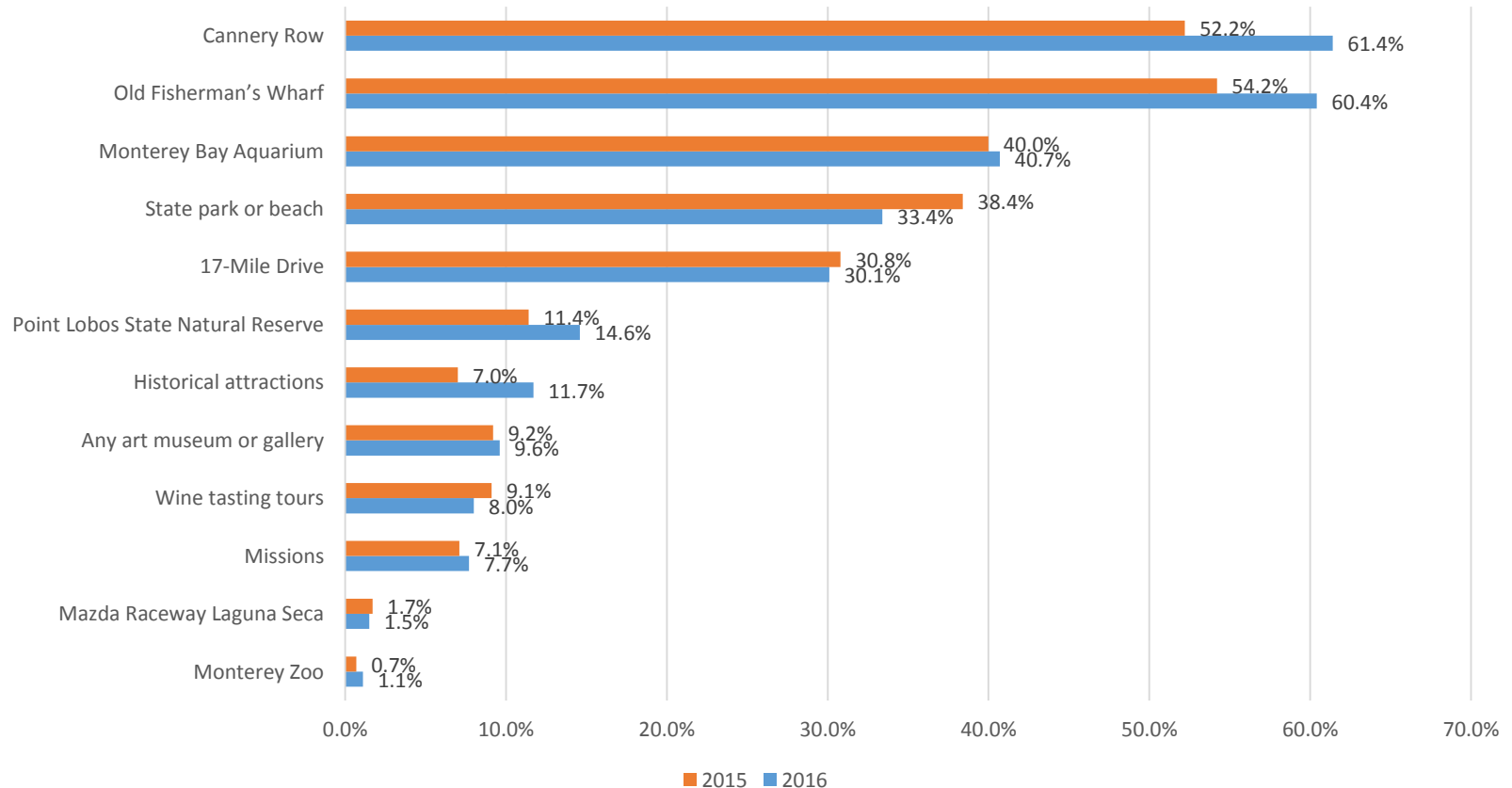
# SPENDING PER DAY, PER PERSON

It is estimated that the average Monterey County visitor represented \$157.37 in daily spending in the county. This is based on the reported daily spending of \$432.54 covering an average of 2.8 travelers. Monterey County visitor spending increased 10% from 2015 to 2016



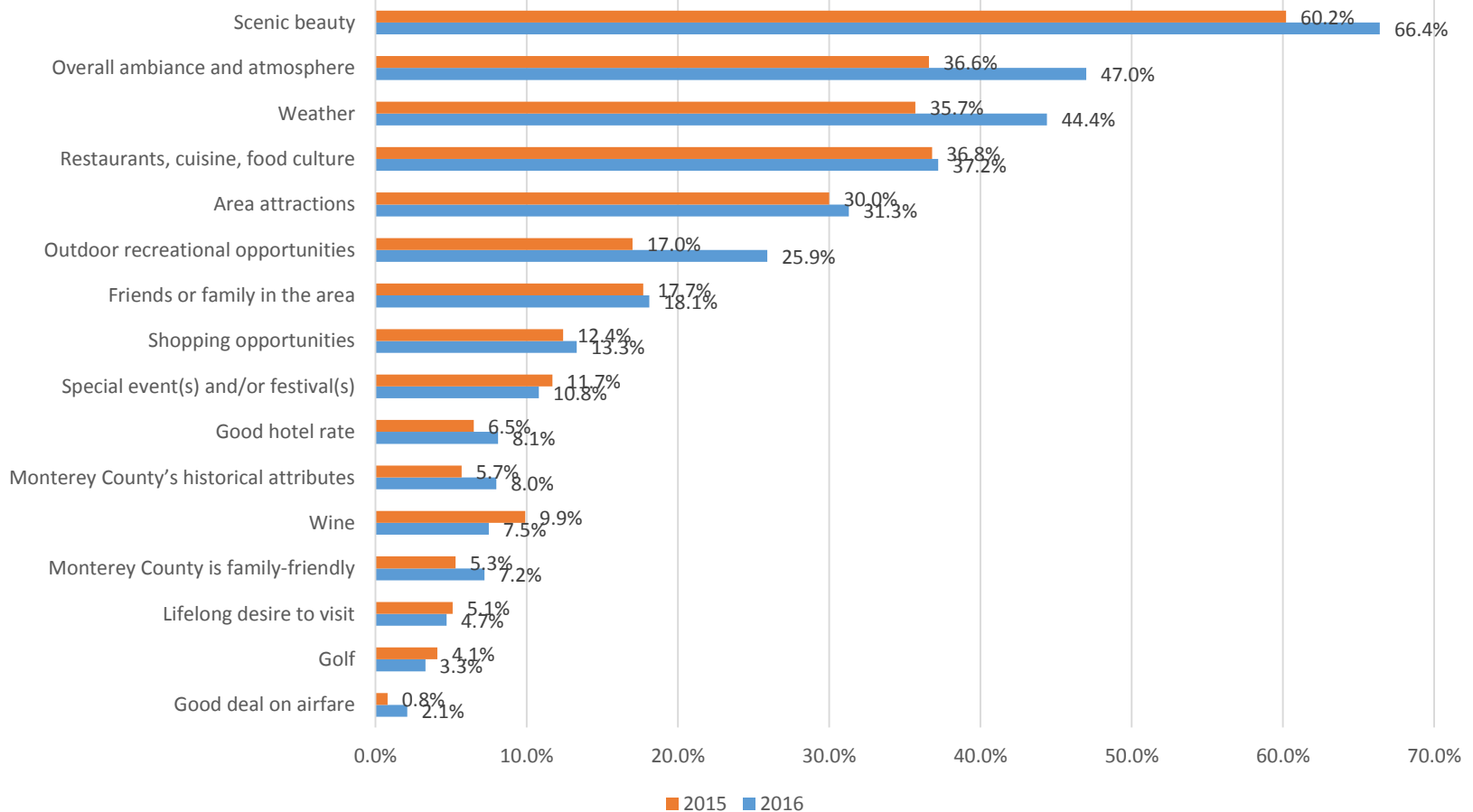
# ATTRACTIONS VISITED

Cannery Row (61.4%) and Old Fisherman’s Wharf (60.4%) were the most frequented of the attractions. In addition to Cannery Row and Old Fisherman’s Wharf, other top attractions reported amongst visitors were the Monterey Bay Aquarium (40.7%), state parks/beaches (33.4%) and the 17-Mile drive (30.1%). The top three attractions had notable increases from 2015 to 2016



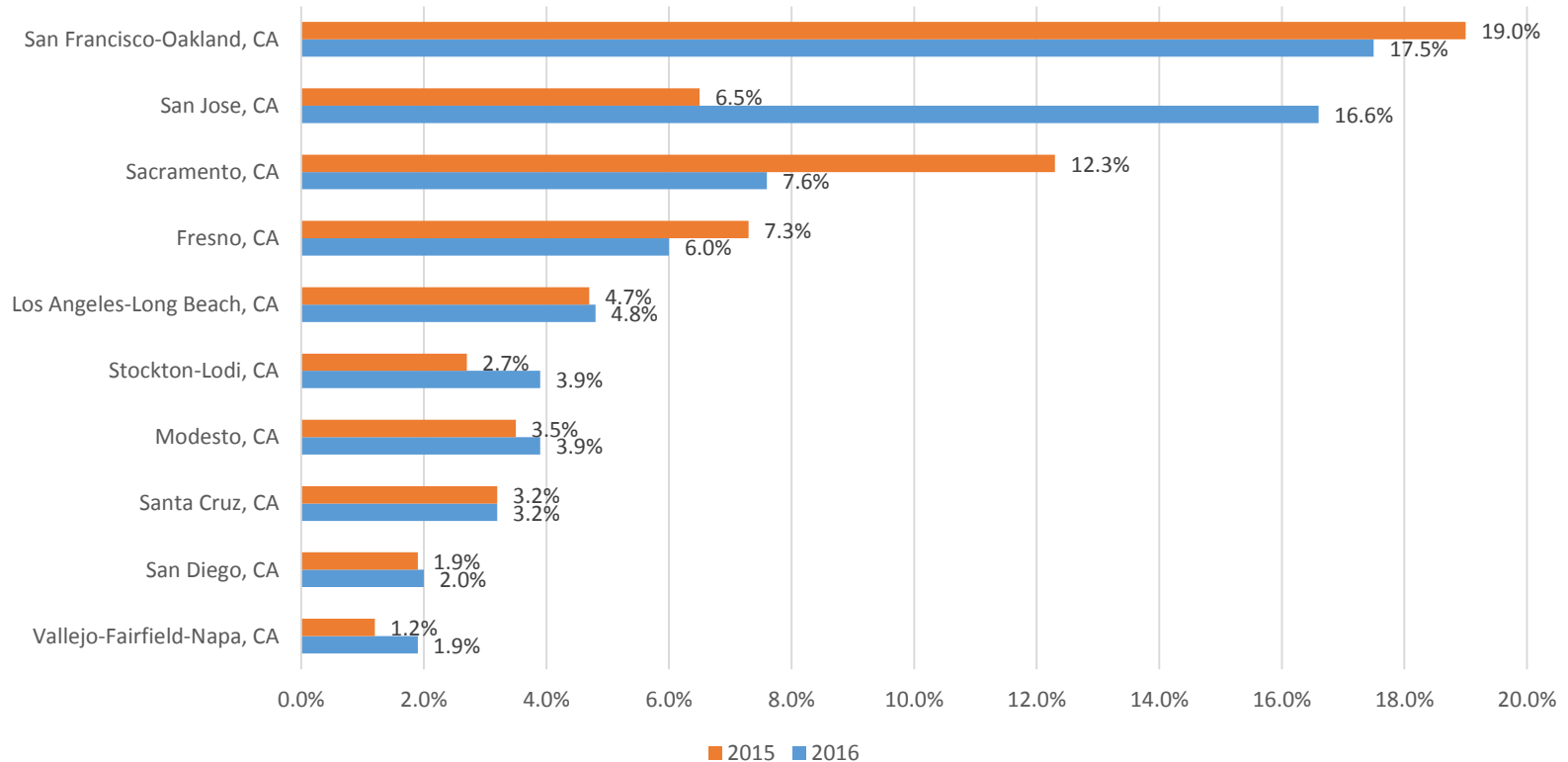
# IMPORTANT FACTORS TO DESTINATION DECISION

In total, two-thirds of visitors reported that scenic beauty was important to their decision to travel to Monterey County (66.4%). The top three factors had significant increases from 2015 to 2016 with overall ambiance (47%) and weather (44.4%) having nearly 10% increases.



# MSA

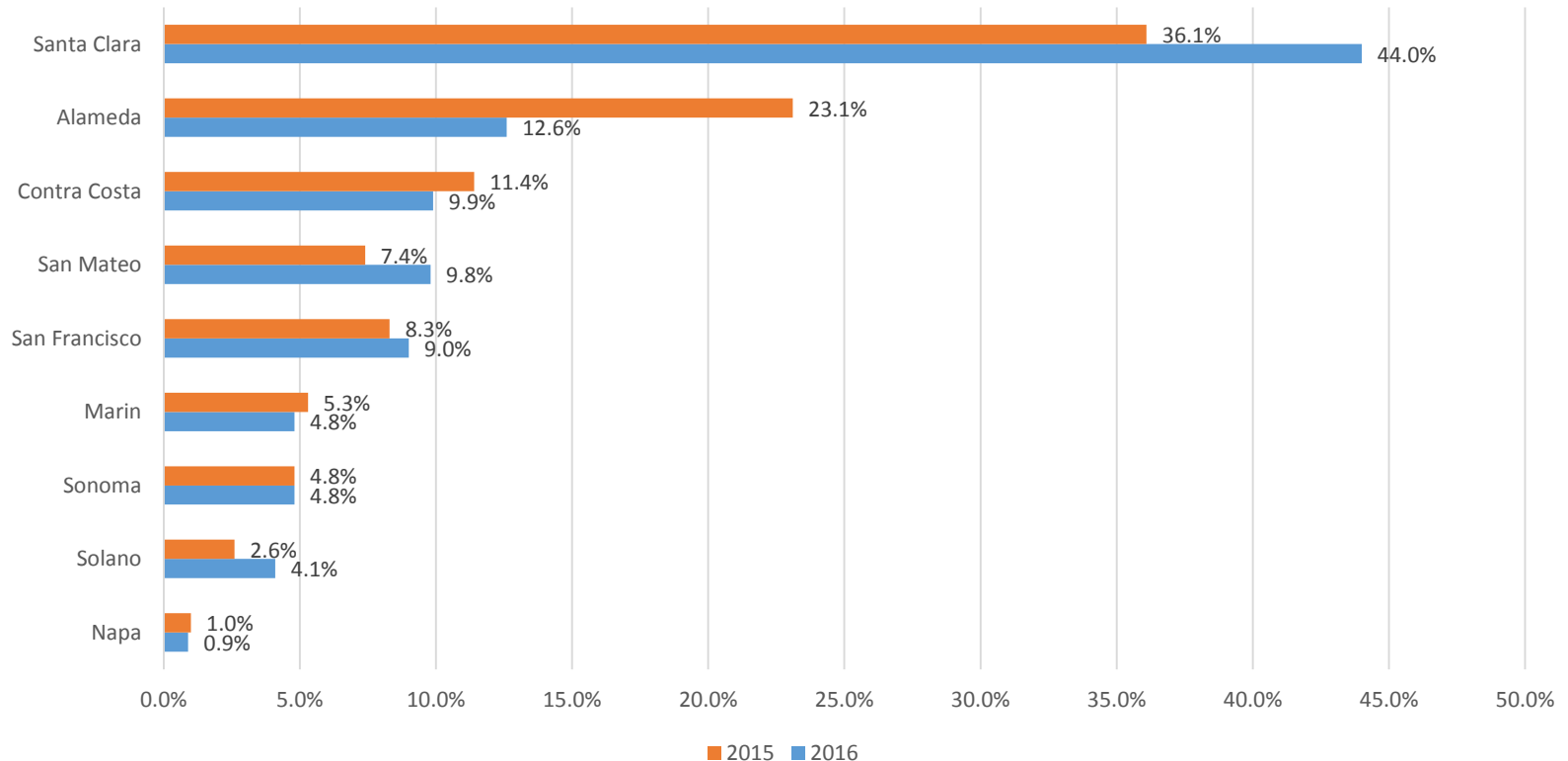
The County's top domestic feeder market is the San Francisco-Oakland, CA MSA (17.5%), followed by the San Jose, CA MSA which contributed 16.6 percent of the County's domestic visitors surveyed. San Jose visitation increased 10% from 2015 to 2016





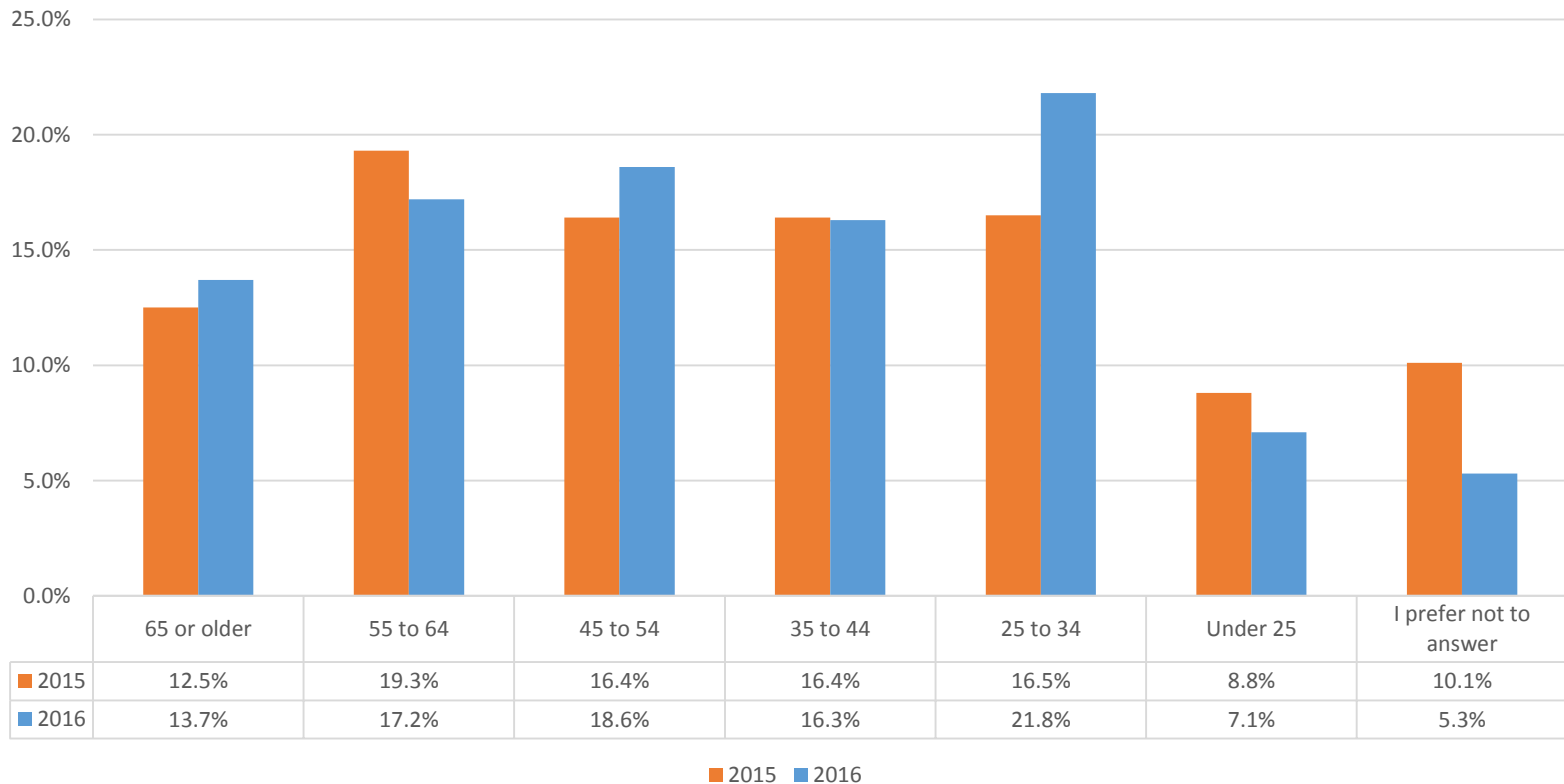
# COUNTY (BAY AREA)

The largest proportion of visitors from the San Francisco Bay Area reside in the nearby county of Santa Clara (44.0%). Residents of Alameda County account for 12.6 percent of this regional traffic. Santa Clara visitation increased nearly 8% from 2015 to 2016 while Alameda visitation fell 10.5%



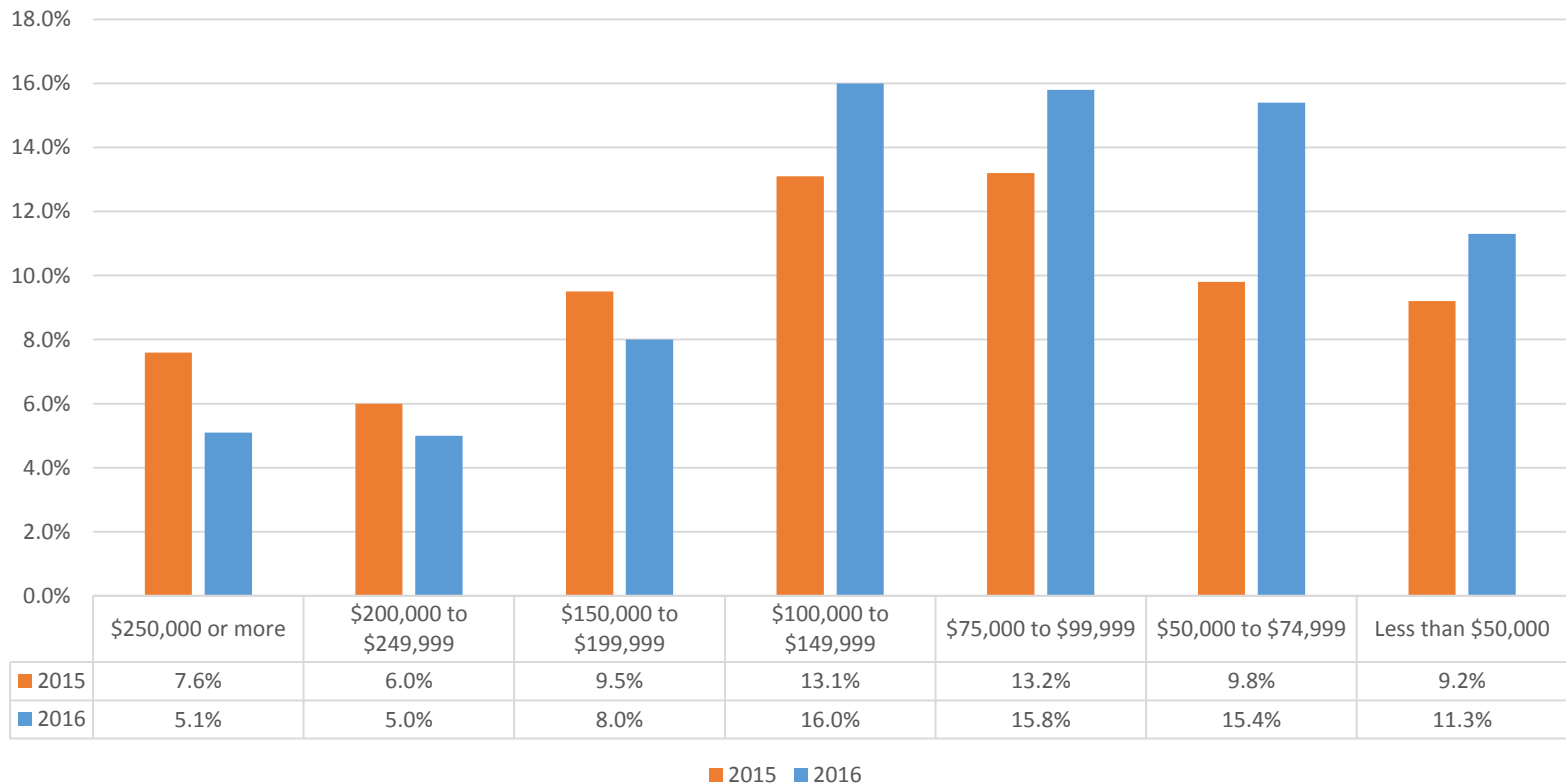
# AGE

The average age of Monterey County visitors surveyed is 45.1 years. Approximately one-third of respondents are over the age of 55 (30.9%). A similar proportion are Millennials (28.9%). The average age of Monterey county visitors decreased from 45.5 in 2015 to 45.1 2016.



# ANNUAL HOUSEHOLD INCOME

Monterey County’s visitors are an affluent group. 34.2 percent have an annual household income of \$100,000 or more, with the average annual household income across all visitors at \$109,981. Lodging guests have the highest average household income (\$117,992) compared to other visitors types.



# Additional Research





# DESTINATION PERFORMANCE - OCCUPANCY

City of Monterey and Monterey County exceeded the competitive set for year over year quarterly growth in occupancy at 2.5% and 3.5%.

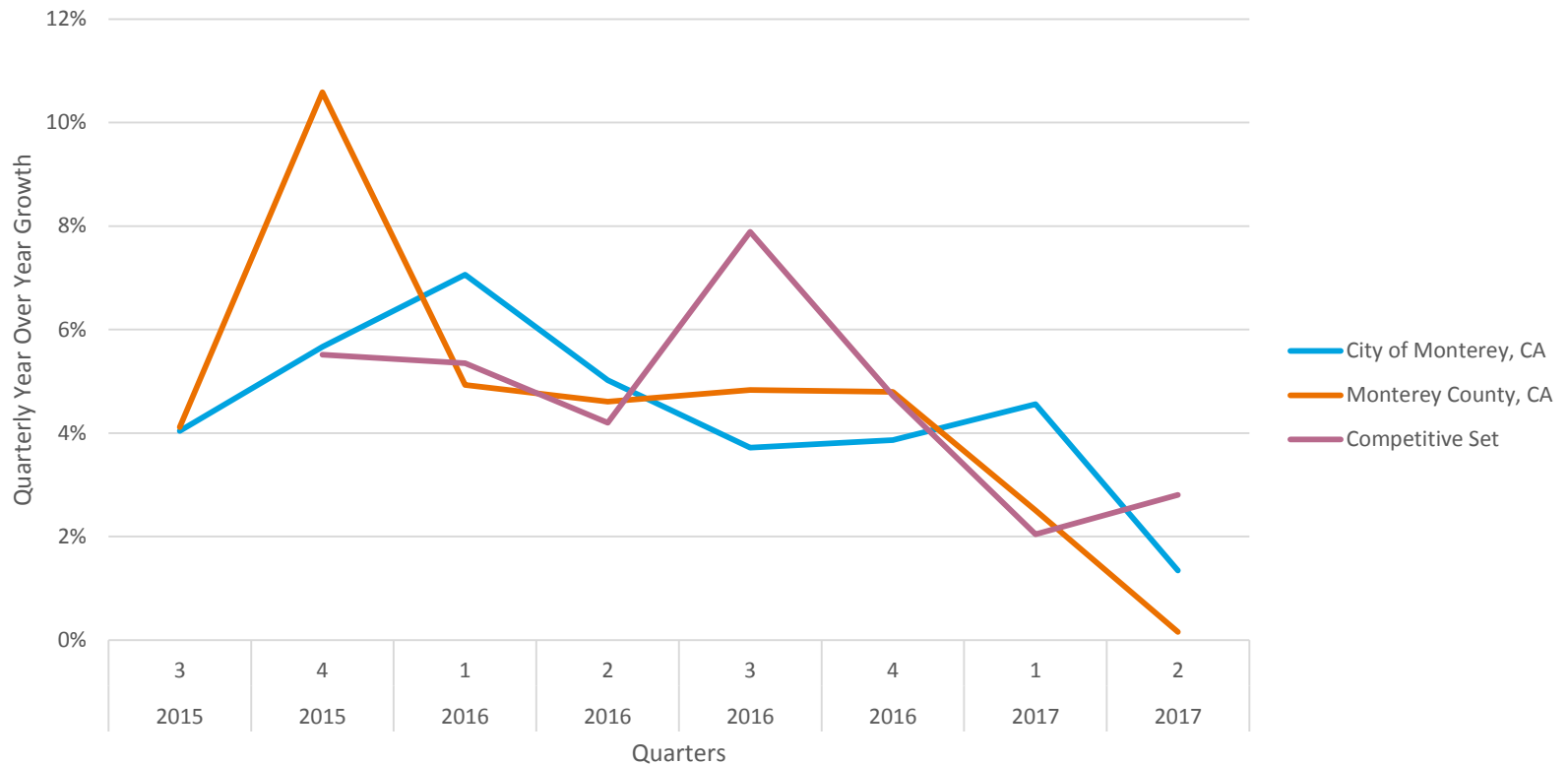
*Source: Smith Travel Research*



# DESTINATION PERFORMANCE - ADR

Average Daily Rate growth has been slowing over the past year. Growth still remained slightly positive in the second quarter of the FY16-17

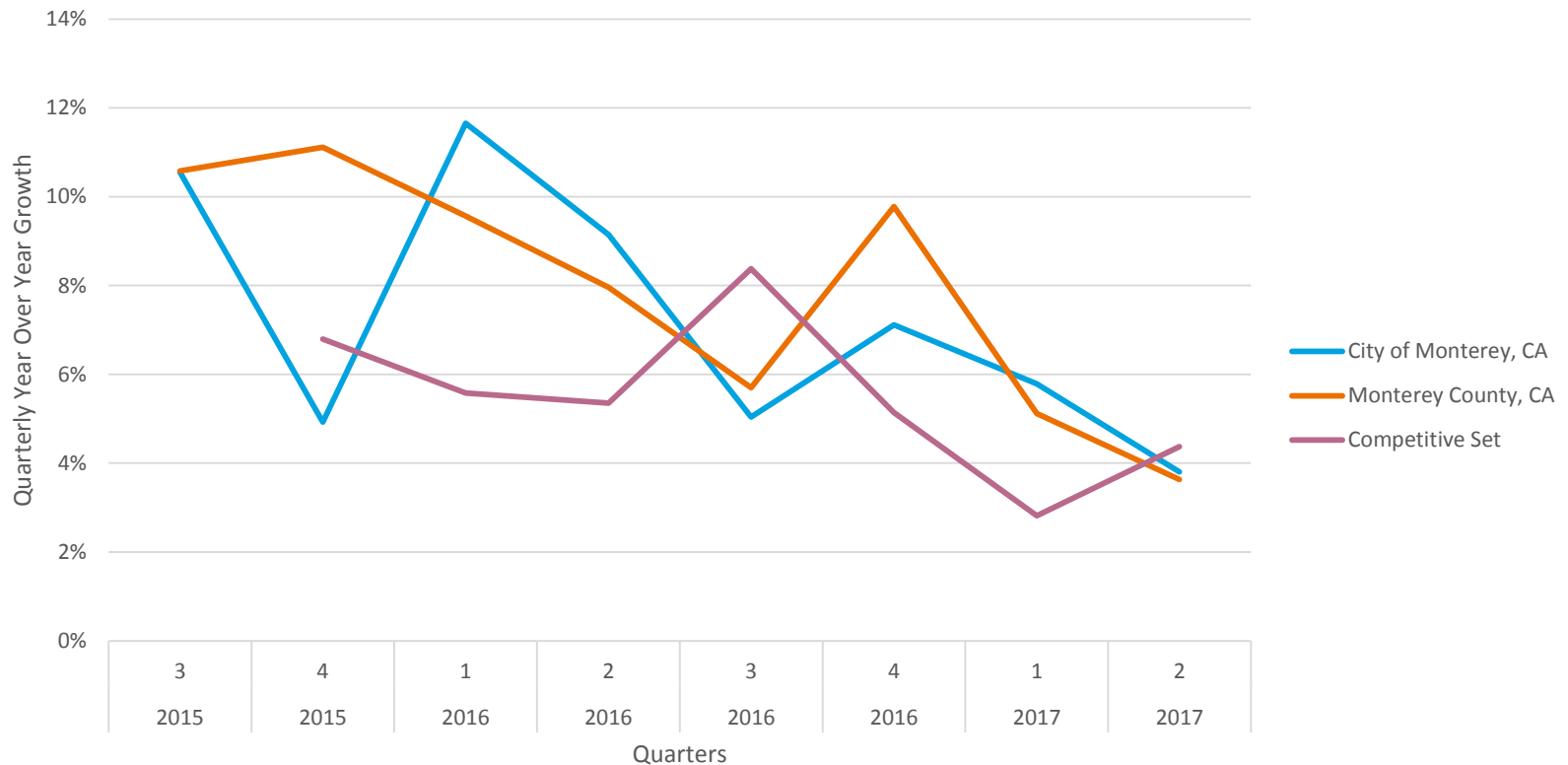
*Source: Smith Travel Research*



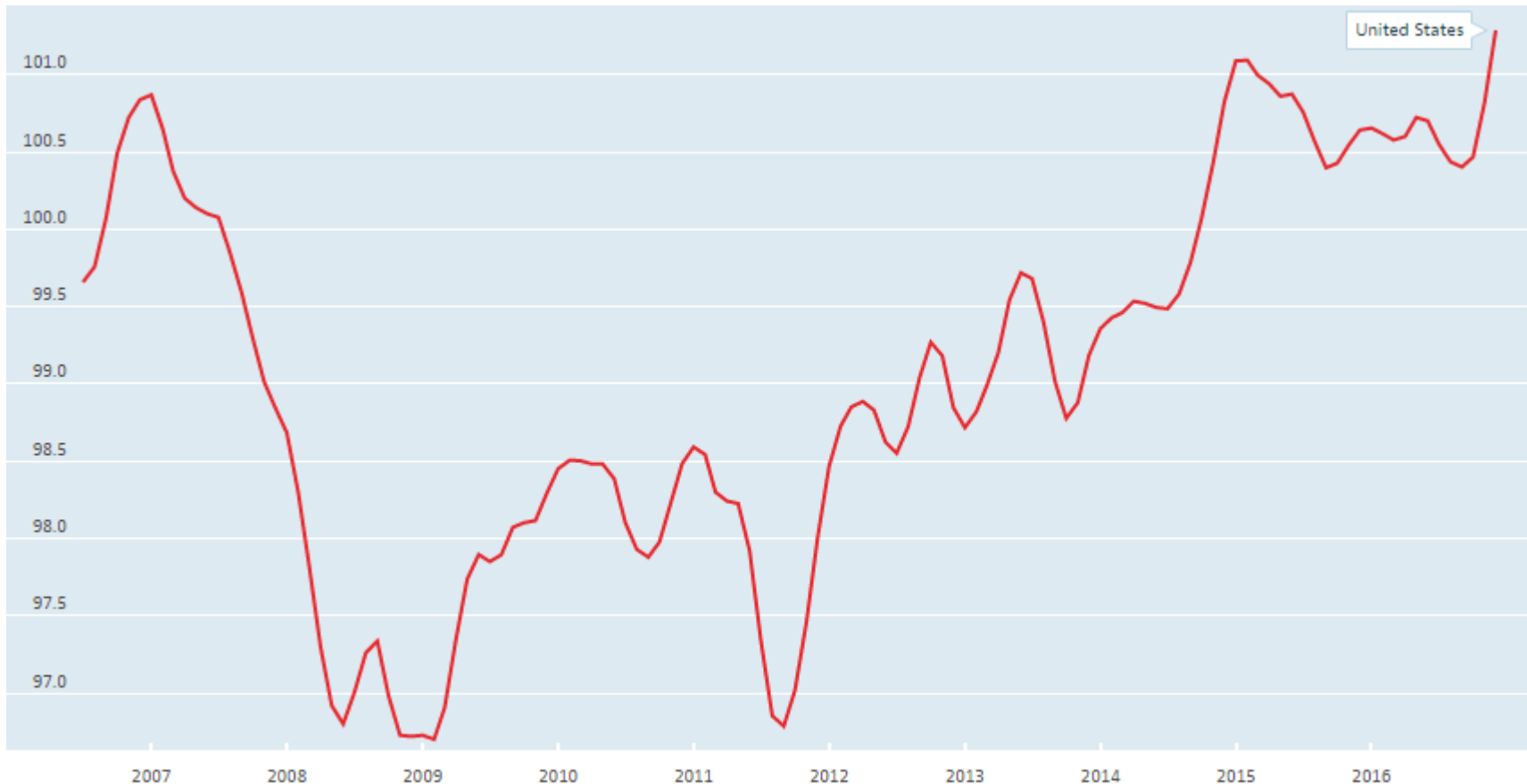
# DESTINATION PERFORMANCE - REVPAR

RevPAR for the competitive set as well as the City of Monterey and Monterey County experienced 4% growth in the second quarter of the FY16-17.

*Source: Smith Travel Research*



# US ECONOMY – CONSUMER CONFIDENCE

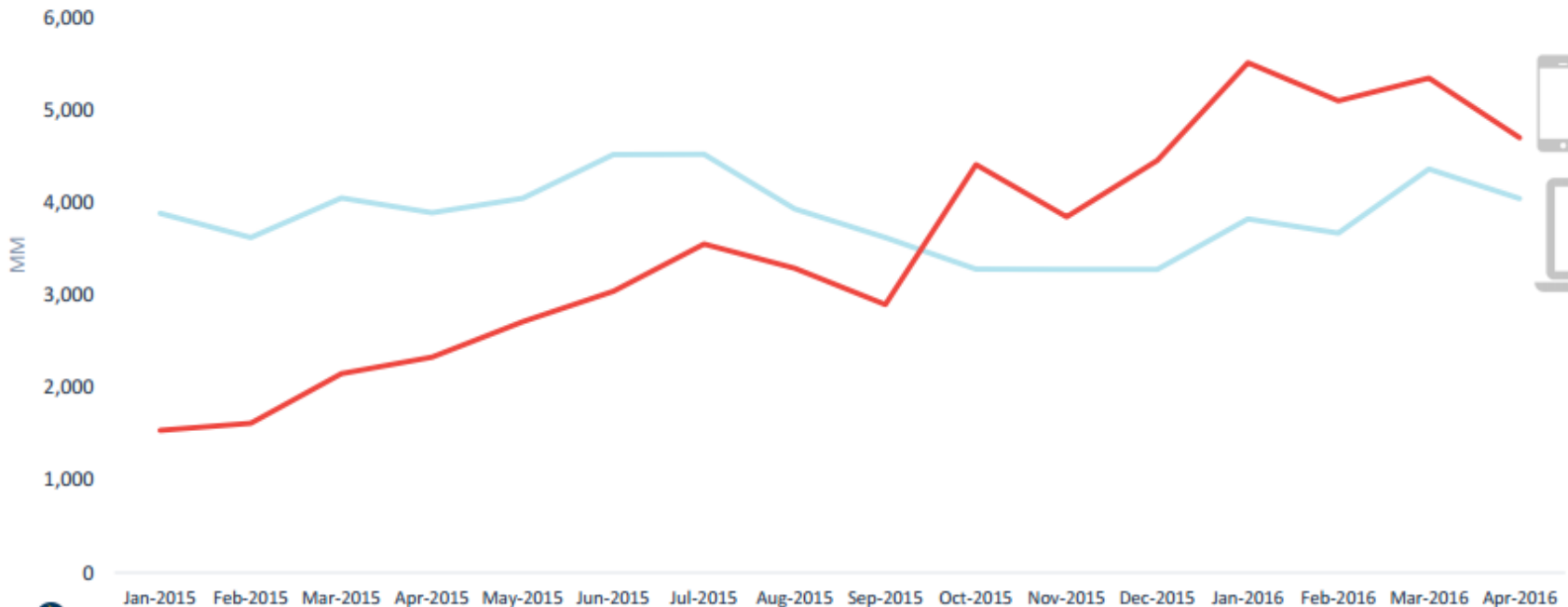


Consumer confidence is at its highest level in more than a decade. In a statement, Lynn Franco, director of economic indicators at The Conference Board, noted that- “the post-election surge in optimism for the economy, jobs and income prospects, as well as for stock prices which reached a 13-year high, was most pronounced among older consumers. Consumers’ assessment of current conditions, which declined, still suggests that economic growth continued through the final months of 2016...”



# EXPEDIA PATH TO PURCHASE

## MORE MINUTES ARE SPENT ENGAGING WITH TRAVEL CONTENT ON MOBILE DEVICES THAN ON DESKTOP



# EXPEDIA PATH TO PURCHASE

## ONLINE BOOKERS INCREASINGLY ENGAGE WITH TRAVEL CONTENT IN THE WEEKS LEADING UP TO PURCHASE

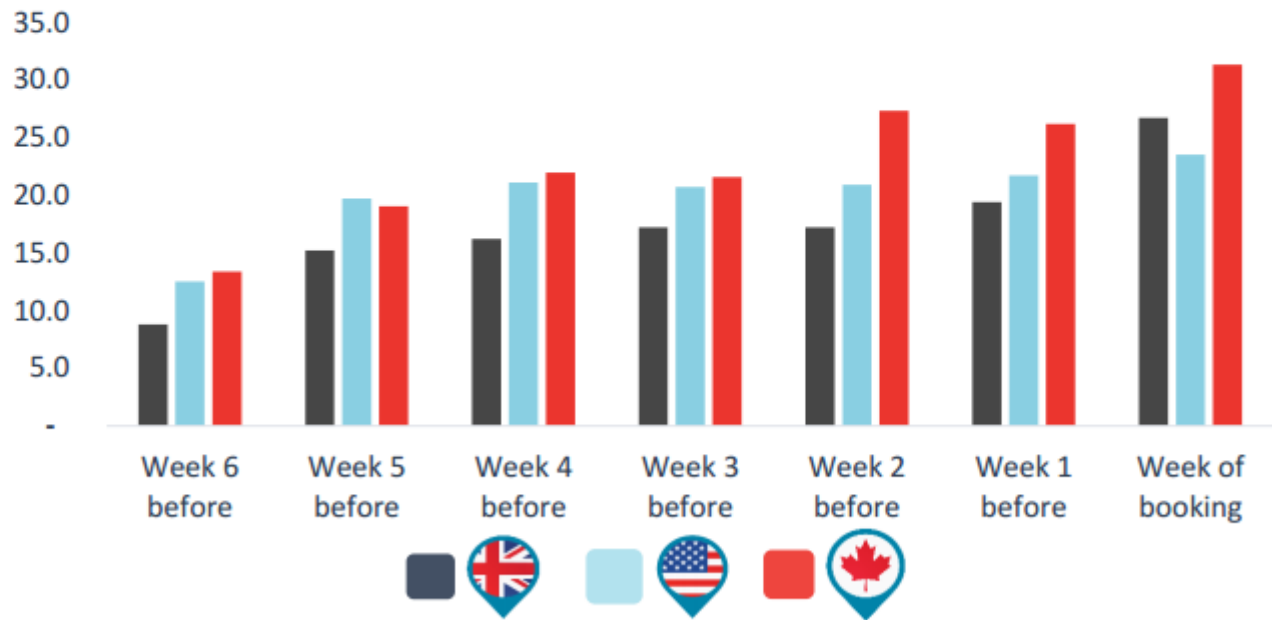
Number of visits to travel sites made by bookers 45 days before booking:

 **121**

 **140**

 **161**

Average Travel Site Visits per Week  
(Number of travel sites visited per week, Dec'15-Feb'16 aggregate)

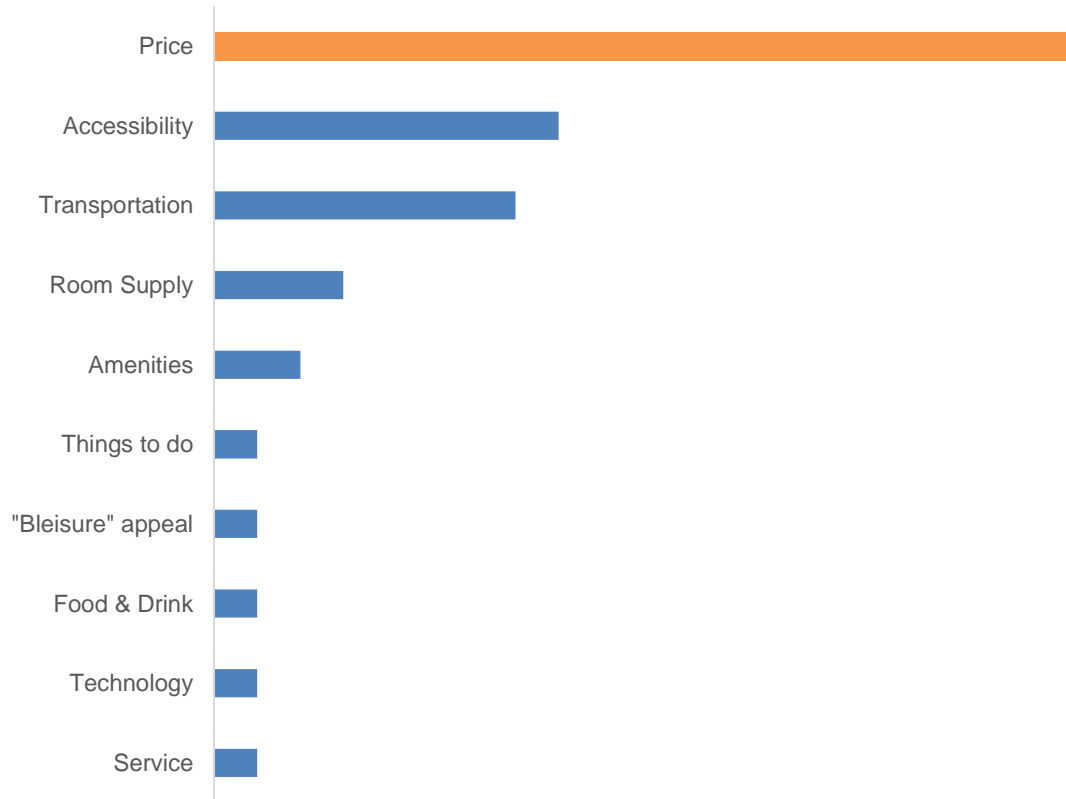


Data Source: comScore UK, US and CA Desktop Panel, Custom Path to Booking Visitation Analysis, Weekly Visits per User, Dec '15 – Feb '16. Average Travel Site Visits per Week (Number of travel sites visited per week by the average segment member, Oct'15-Feb'16 aggregate)

# Sales Committee Survey



# TOP REASONS CLIENTS GIVE FOR NOT BOOKING



Other reasons mentioned:

**"Function Space" x4**

"Meeting breakout rooms"

"More lift into MRY"

"Conference room rental"

"Distance to major airports"

# INDUSTRIES THAT HOLD THE HIGHEST POTENTIAL FOR GROUP SALES

Tied for 2<sup>nd</sup> place



Tied for 3<sup>rd</sup> place



1. Technology/Software
2. Financial
3. Agriculture
4. Medical
5. Insurance
6. Education
7. Manufacturing
8. Telecommunications
9. Pharmaceutical
10. Advertising/Marketing
11. Retail



# TOP TERRITORIES/CITIES THAT HOLD THE HIGHEST POTENTIAL

---

1. San Francisco
2. Silicon Valley
3. Sacramento
4. San Jose
5. Northern CA
6. Texas
7. East Bay
8. Washington, DC

# UPCOMING RESEARCH: MEETING PLANNER SURVEY

Destination Analysts and the MCCVB are creating a survey to reach meeting planners for research on their perceptions and attitudes towards Monterey as a meeting destination

Destination  Analysts

# MONTEREY

Monterey County Convention  
& Visitors Bureau

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