



The Town of Hilton Head Island Accommodations Tax Advisory Committee Special Meeting

**Wednesday, June 24, 2015
9:00 a.m. – Conference Room 3**

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- 1. Call to Order**
- 2. Freedom of Information Act Compliance**
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Approval of Minutes**
 - a. Accommodations Tax Advisory Committee Meeting of March 25, 2015
- 4. Chairman's Report**
- 5. Unfinished Business**
None
- 6. New Business**
 - a. Discuss improvements to the Accommodations Tax grant process
- 7. Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: March 25, 2015 **Time:** 9:00 a.m.

Members Present: Mike Alsko, *Chairman*; Rob Bender, *Vice-Chairman*; Trish Heichel, Stewart Brown, Charles Miner, Brad Marra

Members Absent: Bob Spear

Staff Present: Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Rene Phillips, *Website Administrator*; Erica Madhere, *Finance Assistant*

Council Present: John McCann, Bill Harkins, and Kim Likins

Others Present: Susan Thomas, Lindsay Fruchtl, Ray Deal, Bill Miles, Jack Reed, Brenda Ciapanna, and more representatives from the Hilton Head Island-Bluffton Chamber of Commerce/VCB, Eleanor O'Key, Lowcountry Inside Track; and members of the public

Media: Zach Murdock

1. Call to Order:

The meeting was called to order at 9:00 a.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Minutes:

Mr. Brown moved to approve the Minutes of November 13, 2014. Ms. Heichel seconded the motion. The Motion passed unanimously. (6-0)

4. Chairman's Report:

Chairman Alsko thanked the Committee Members for their hard work over the past year, and also thanked Bob Spear for his years of service to the Committee as Mr. Spear recently announced his resignation due to a career opportunity on the west coast. Mr. Alsko went on to explain the purpose of this meeting is to evaluate the Designated Marketing Organization's Budget and Marketing Plan to ensure the 30% fund is being used wisely and effectively.

6. Unfinished Business:

None

7. New Business:

a. Hearing regarding the Chamber of Commerce and Visitor & Convention Bureau's proposed 2015-2016 budget of expenditures for the 30% allocation of State Accommodations Tax Funds for the advertising of tourism.

Mr. Brad Marra recused himself for the duration of the presentation due to a potential conflict of interest. The required disclosure form is attached.

Susan Thomas, outgoing Senior Vice-President of the Hilton Head Island-Bluffton Chamber of Commerce and Visitor and Convention Bureau, and Lindsay Fruchtl, Marketing Manager for the Chamber and VCB, kicked off the presentation by pointing out some highlights and year over year comparisons. The total visitation of the VCB's website, which is used as a key metric, has steadily increased each year from 2011-2014, and was up to over 2 million visits in 2014 compared to just over 1.2 million in 2011. The lodging occupancy has increased from 2013 to 2014 in home/villa, hotel, and timeshare occupancy, and has returned to the peak levels of the past. The Hilton Head Island occupancy levels are also higher compared to other destinations in the competitive set. The average daily rate of the home, villa, and hotel sector has increased 7.2% from 2013 to 2014, and the Revenue per Available Room on the Island increased 10% from 2013 to 2014. Total visitors to Hilton Head Island have also increased to over 2.5 million in 2014, and statistics show Hilton Head Island has an increased share of the total available visitors. Ms. Thomas spoke about a visitor profile study on the Affluent Traveler, which showed the competitive set of those interested in Hilton Head are also interested in Hawaii, Florida Keys, Caribbean, Orlando, and Charleston, and lists the varied interests of the Affluent Traveler include beach, relaxation, learning opportunities, exploration, immersion and quality nightlife. The interest in these features is much stronger than 5 years ago, and an understanding of these features is important as they drive the Affluent Traveler's decision making process.

Ms. Thomas gave a recap of the VCB's Public Relations efforts over the past few years and explained that the number of hits and impressions of print-online-broadcast has increased from an ad value in 2010-2011 of \$5,554,952, to \$12,417,424.55 in 2013-2014. The increase was due to many reasons, one of which was the Island Renaissance that has resonated with many bloggers, journalists, and media including the Today Show, and Peter Greenberg Worldwide Radio Show. The increased air service to the area via JetBlue Airlines, articles in USA Today Travel and The Daily Meal about the culinary scene, and articles in key publications such as Conde Nast and Fodors have all played a part in the print-online-broadcast increase.

Ms. Fruchtl spoke about some of the Marketing highlights of the 2015-2016 plan, as well as metrics from previous year's efforts. The Hilton Head Island Marketing Council has recently adjusted the long term goals (up to 10 years), which include driving shoulder and off-season business growth, sustaining focus on the Affluent Traveler, and building public-private funding for the DMO. The short term goals (through Calendar Year 2016) include expanding meetings and group business, aligning brand messaging with experiential travel with a focus on culinary, culture and heritage, and discovery experiences travel; supporting retention and growth of air service and packages travel; and sustaining and growing the Island's digital footprint.

The VCB has partnered with a company called Opportunities Unlimited to enhance the Island's meetings experience. This is a three phase program which will be implemented and promoted by the spring of 2016 and will focus on Gullah, culinary, and outdoor experiences.

The Northstar Lead Generation Program will be used to generate qualified leads for group sales and will be focused on the appropriate / preferred groups for the Island, such as smaller corporations and associations with a total of 50-350 room nights per group. The VCB plans to

create a microsite to help capture meeting planner profile information and promotional opportunities to drive participation.

Another key part of the Marketing Plan is to create custom advertorials for Conde Nast Traveler, which will include print and digital marketing pieces. Conde Nast is a preferred publication due to its audience, which would be considered an Affluent Traveler with a high household income who takes an average of 9 trips per year.

The Committee thanked Ms. Thomas, Ms. Fruchtl, and the VCB for providing the upcoming budget and marketing plan and Mr. Alsko opened up the meeting to questions from the Committee. The Committee inquired about the increase in bounce rate from the VCB's website and the decrease in the time spent on the site; the different strategies used in search engine marketing for paid search vs organic search; the conversion rate of leads for meetings and group business; the value of converted business vs the cost; the training and cost that goes into the portion of sales lead generation that is outsourced; the development and marketing budget of the Wayfinder App; and the VCB's plans for minority marketing.

The Committee would like to make sure the VCB is following up on lost business, tracking the reasons for the lost opportunity, and sharing the results with marketing partners. Several questions were asked about how the VCB measures the efficiency and effectiveness of their efforts and plans, and the Committee would like to see data in the future to be able to analyze effectiveness. Moving forward, they would also like to see a summary per sector of the outcomes from the previous year to show what was successful and what wasn't. They are specifically looking for information on the effectiveness of previous year's goals to be able to understand why some goals are the same year after year. Overall, they would like to see a concise, executive summary to show a snap shot of efficiency and effectiveness.

The Committee believes the VCB is representing the Island well, and has presented the material in a way the Committee has asked in the past. The Committee is changing the expectations for the future, in the hopes to improve communication between the VCB, the Committee, Town Council, and the public, for the purpose of a better process in the future.

The Committee thanked Ms. Thomas, Ms. Fruchtl, and the VCB once more, and wished Ms. Thomas well on her new career opportunity. Mr. Bender made a motion to approve the marketing plan and budget as submitted. Ms. Heichel seconded the motion. The Motion was approved by a vote of 5-0, with Mr. Marra abstaining due to his recusal.

8. Adjournment:

Mr. Bender moved to adjourn the meeting. Ms. Heichel seconded the Motion. The Motion was approved by a vote of 6-0 and the meeting was adjourned at 11:03 a.m.

Approved:

Respectfully submitted:

Mike Alsko, Chairman

Erica Madhere, Secretary