



Buncombe County Tourism Development Authority

2004-2005
Marketing & Communications Plan



Message to the Industry

We are pleased to present the 2004/2005 Marketing & Communications Plan which we view as a collaborative effort between our tourism partners, the Buncombe County Tourism Development Authority (BCTDA), our advertising agency and the CVB staff. In addition to a review of the past year, the plan serves as a strategic blueprint for achieving increased visitation for the upcoming fiscal year.

It's important to note that this will be a year of transition in our marketing efforts. While maintaining a strong media campaign and marketing program, BCTDA and CVB will also begin implementation of a new brand strategy which will include the following:

- Finalize brand promise, strategy and blueprint for destination Asheville.
- Develop a new tagline and logo that conveys the brand promise and positioning.
- Review and overhaul communications, collateral and creative to reflect the Asheville brand.
- Utilize research to ensure the brand is accurately communicated through new creative.
- Develop a rollout plan for the brand and begin a program to effectively train and educate the hospitality industry and residents to ensure that the brand is carried through all segments of the community.

This plan also reflects what appears to be a lighter spring media schedule. This is due to an agency review that will take place in the fall. In actuality, a significant amount of media dollars remain in contingency and will be allocated for the spring once the agency review is finalized. With a brand blueprint in place, the agency will work closely with BCTDA to develop new creative messaging that should be ready for late spring insertions.

The CVB begins development of a customer relationship management program this year to allow BCTDA to better manage relationships with past and potential travelers through personalization and customization of messages. This effort should also yield a better understanding of the leisure traveler to this area.

We continue to seek ideas and input throughout the year from our tourism partners. The feedback provided in the community stakeholder survey was invaluable and provides the CVB staff with a benchmark so we can raise the bar even higher. BCTDA will conduct that survey every 18 months so the CVB can continually evaluate performance and make adjustments to better serve the community. In the meantime, we encourage you to read the plan and continue providing the CVB staff with ideas for improvement whenever possible. Have a great year!

Your CVB Team



Table of Contents

Annual Report: A Review of 2003-2004

General Tourism	Page 7
Marketing and Public Relations	Page 9
Meetings and Conventions	Page 10
Visitor Center	Page 11
Convention Services	Page 12
Group Tour (Motorcoach)	Page 12

2004-2005 Marketing and Communications Plan

Advertising	Page 15
Research	Page 20
Public Relations	Page 21
Web Development/Online Marketing	Page 23
Tourism Promotions	Page 25
Meetings and Conventions	Page 27
International	Page 29
Visitor and Convention Services	Page 30
Group Tour (Motorcoach)	Page 31

Convention & Visitors Bureau Overview

Tourism Promotion in Asheville	Page 35
Buncombe County TDA Board	Page 36
CVB Organizational Chart	Page 37
Executive/Administrative Staff	Page 38
Marketing and Public Relations Staff	Page 39
Tourism Staff	Page 41
Meetings and Conventions Staff	Page 42
Visitor and Convention Services Staff	Page 44
CVB Committees and Task Forces	Page 46

Addendum

Industry Trends	Page 49
2004-2005 Industry Calendar	Page 68
Glossary of Terms	Page 70



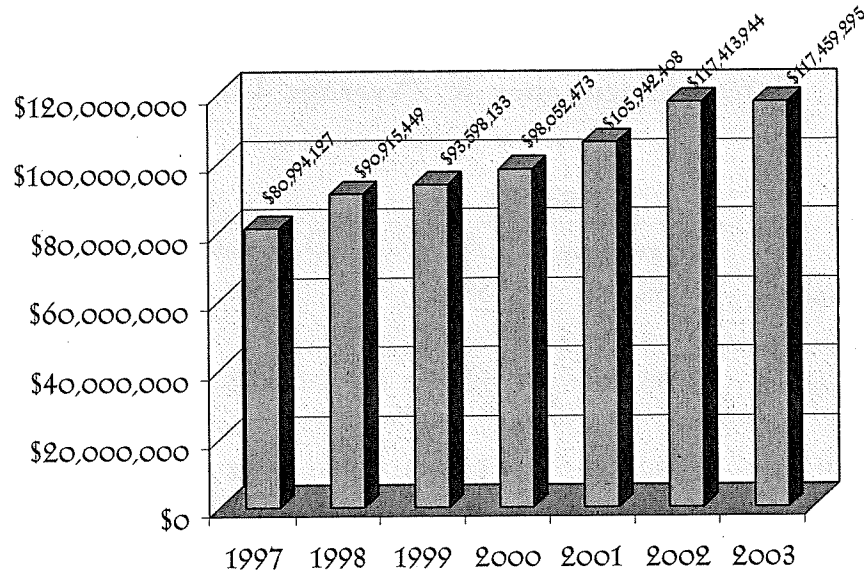
Annual Report

A Review of 2003-2004

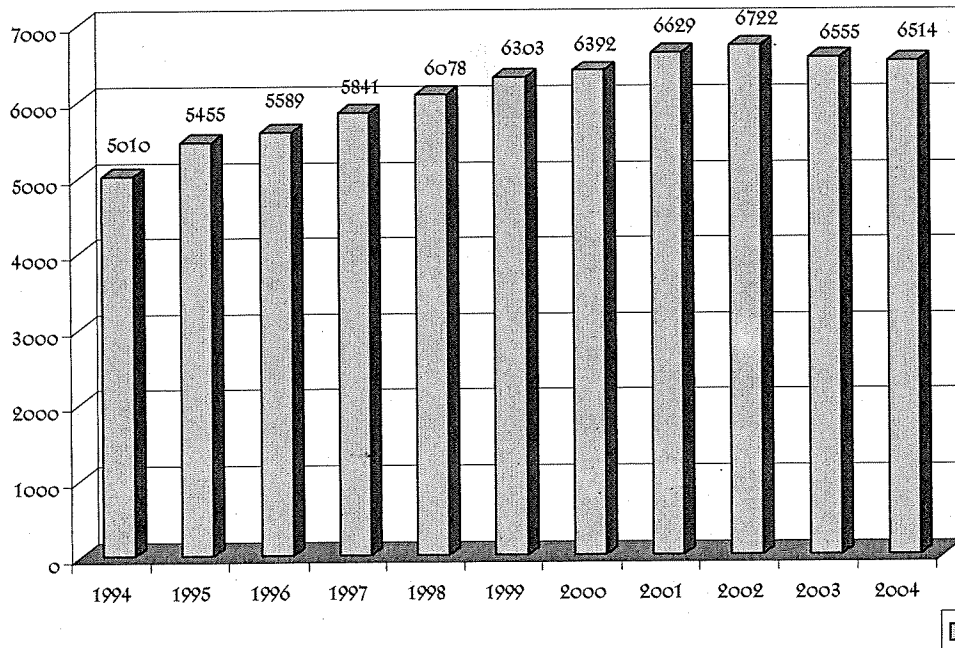


General Tourism

Hotel Sales



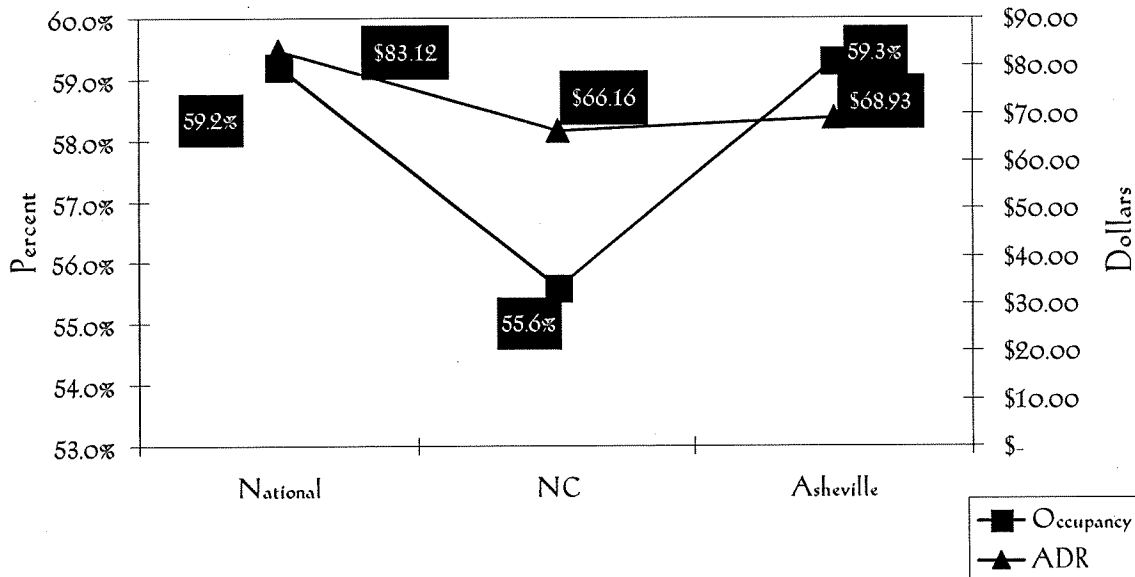
Number of Accommodation Rooms in Buncombe County





2003 Occupancy & Average Daily Rate

	2002		2003	
	Occupancy	ADR	Occupancy	ADR
National	58.9%	\$83.01	59.2%	\$83.12
North Carolina	55.0%	\$65.70	55.6%	\$66.16
Asheville	59.3%	\$66.98	59.3%	\$68.93



Research provided by:
Smith Travel Research (April 2004 Report)



Marketing & Public Relations

Public Relations Placements

2002-2003		2003-2004**		Variance
Advertising Value (through May)	\$ 3,809,150.31	Advertising Value (through May)	\$ 7,644,489.30	100.7 %
Column Inches (through May)	16,223	Column Inches (through May)	45,334	179.4 %
Circulation (through May)	223,299,248	Circulation (through May)	264,709,232	18.5 %
Significant Placements (through May)	492	Significant Placements	726	47.6 %
Journalists Assisted	283	Journalists Assisted	319	12.7 %
**projected		**projected		

** Based on projected figures for June 2004. Actual figures were unavailable at print time.

Also note that Advertising Value figures for 2003-2004 included \$1.6 million for coverage received as a result of the Cold Mountain campaign.

Visitor Inquiries

	2002-2003	2003-2004
July	12,018	16,091
August	11,066	16,397
September	14,209	13,167
October	11,372	6,880
November	4,002	5,513
December	4,131	3,698
January	3,782	6,418
February	5,324	10,358
March	9,843	15,782
April	15,070	18,875
May	10,330	12,723
June	12,842	15,539
Total	113,989	141,441**

** Based on projected figures for June 2004. Actual figures were unavailable at print time.

Online Visitor Guide Requests

	2002-2003	2003-2004
July	3,635	4,586
August	3,456	4,123
September	3,537	4,117
October	3,179	2,472
November	1,891	1,562
December	1,163	1,476
January	2,559	2,610
February	2,359	2,105
March	3,469	3,937
April	3,413	2,718
May	2,692	2,287
June	4,858	4,487
Total	36,211	36,480**

** Based on projected figures for June 2004. Actual figures were unavailable at print time.

Visitor E-mail Newsletter Subscribers

	2002-2003	2003-2004
July-September	25,322	35,070
October-December	28,847	36,038
January-March	29,907	36,382
April-June	34,743	36,910

Meetings & Conventions



	2002-2003	2003-2004**	Variance
Leads Distributed	263	227	(13.7%)
Room Nights in Leads	103,901	85,524	(17.7%)
Booked Room Nights	50,915	59,463	16.8%
Conversion	49.0%	69.5%	20.5%
Economic Impact of Booked Business	\$21,401,435	\$26,053,320	21.7%

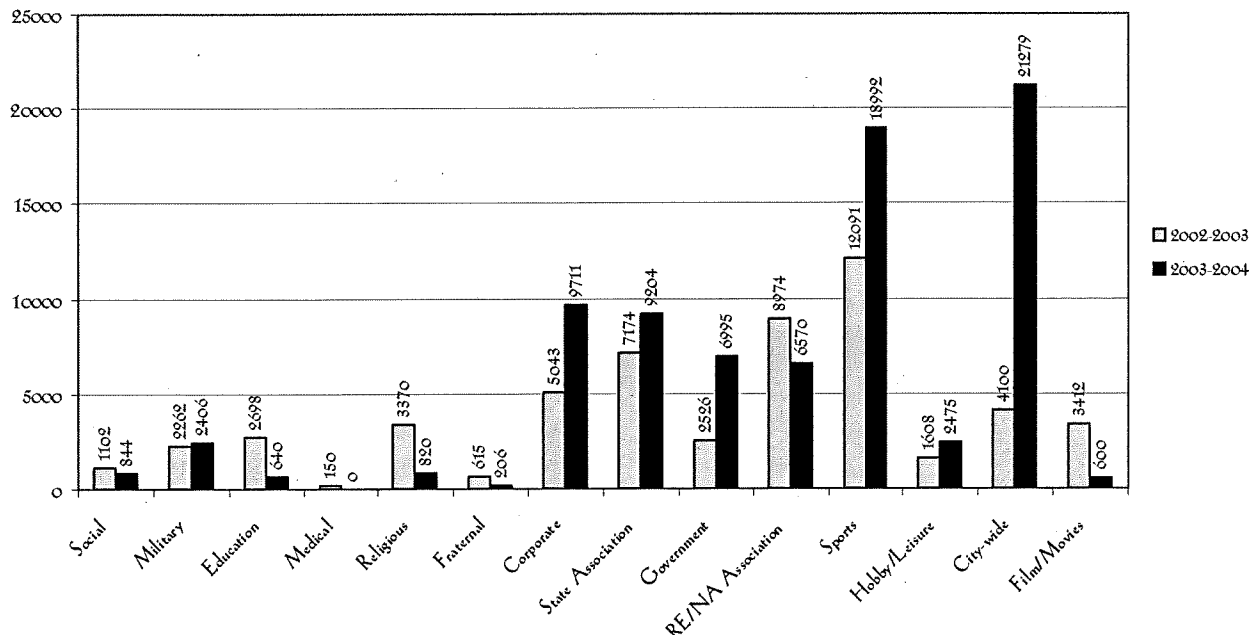
** Based on projected figures for June 2004. Actual figures were unavailable at print time.

Booked Room Nights by Market

	2002-2003	2003-2004**
Social	1,102	844
Military	2,262	2,406
Education	2,698	640
Medical	150	0
Religious	3,370	820
Fraternal	615	206
Corporate	5,043	9,711
State Association	7,174	9,204
Government	2,526	6,995
RE/NA Association	8,974	6,570
Sports	12,091	18,992
Hobby/Leisure	1,608	2,475
City-wide***	4,100	21,279***
Film/Movies	3,412	600

** Based on projected figures for June 2004. Actual figures were unavailable at print time.

***Numbers calculated in other market segments.





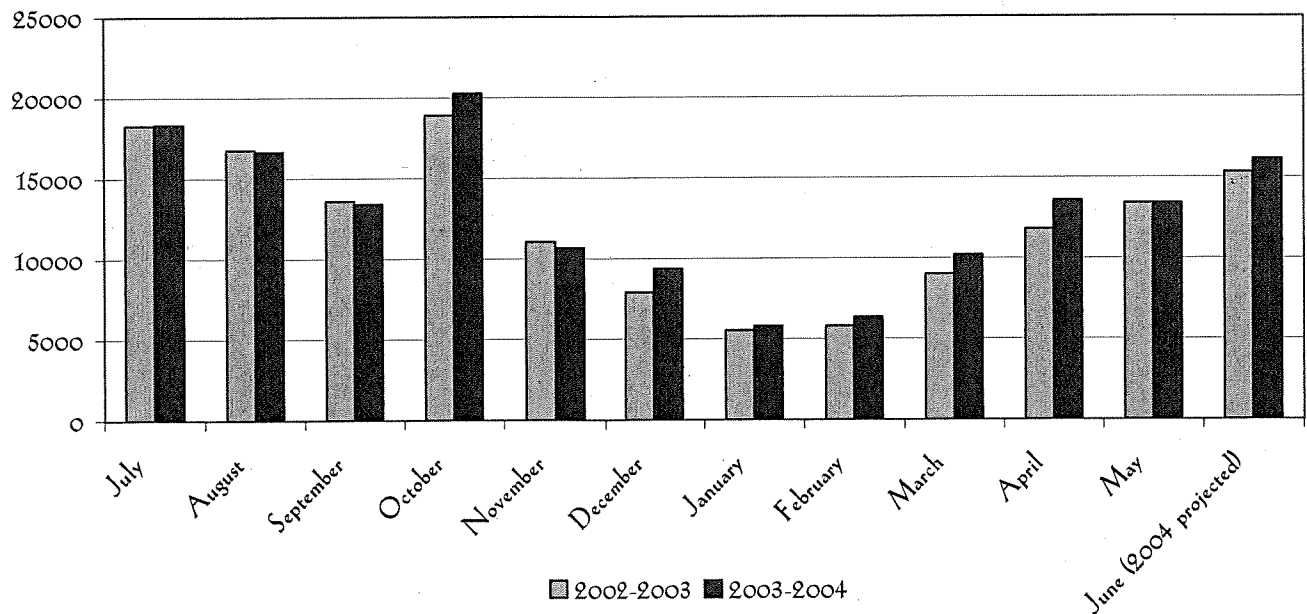
Visitor Center

Number of Travelers to the Asheville Visitor Center

	2002-2003	2003-2004
July	18,306	18,352
August	16,786	16,663
September	13,606	13,416
October	18,921	20,296
November	11,057	10,686
December	7,929	9,397
January	5,576	5,822
February	5,826	6,384
March	9,027	10,231
April	11,823	13,602
May	13,209	13,416
June	15,065	16,134**
Total	147,616	154,399**



** Based on projected figures for June 2004. Actual figures were unavailable at print time.



Convention Services



	2002-2003	2003-2004**	Variance
Groups Serviced	322	336	4.4%
Motorcoaches Serviced	72	65	(9.7%)
Economic Impact	\$24,940,723	\$32,717,939	31.2%
Hospitality Tables	37	40	8.1%
Conventions Welcomed	12	5	(58.3%)
Walk-ins/Call-ins Serviced	488	356***	(27.1%)

** Based on projected figures for June 2004. Actual figures were unavailable at print time.

*** Variance due to new allocation for walk-in category

Group Tour (Motorcoach)

	2002-2003	2003-2004**	Variance
Leads Generated	168	184	9.5%
Actual Tours	783	715	(9%)
Room Nights	20,039	21,374	6.7%
Economic Impact	\$3,056,279	\$3,259,654	6.7%

** Based on projected figures for June 2004. Actual figures were unavailable at print time.



2004-2005

Marketing &
Communications Plan



Tourism Marketing Business Objective

To increase hotel/motel sales by 5% in year 2004-2005.

Media Objective

Continue to build brand awareness for the destination in an effort to generate quality inquiries and attain business goals.

Media Strategies

Select publications based on past inquiries, conversion results, cost per conversion, cost per inquiry and MRI index numbers.

Develop an integrated marketing plan that will create more impact and awareness.

Primary target audience is adults 30-54 with an average household income of \$50,000 plus.

Geographic target markets:

Core

Atlanta, GA
Charlotte, NC
Columbia, SC
Greensboro/W-S, NC
Miami, FL
Orlando, FL
Raleigh/Durham, NC
Sarasota/Bradenton, FL
Tampa/St. Petersburg, FL
West Palm Beach, FL

Venture

Texas
Nashville, TN
New York City D.M.A.
Ohio Valley (Cincinnati, Dayton)
Washington, D.C.

Time media placements to promote seasons in the following order of priority:

1. Mid-June through mid-August
2. Mid-March, April, May and early June
3. August, September
4. October
5. November, December (Holiday Season)
6. January, February, early March

Advertising



Media Tactics

Primary magazine overview:

AAA Go

AAA Going Places

Arthur Frommer's Budget Travel

Atlanta Magazine

Cottage Living

Country Living

National Geographic Traveler

People Magazine

Southern Living

Magazine circulations have primarily been bought in the Southeast region and within an 8-hour drive time.

Design the majority of media buys to affect business in the top three seasons: spring, summer and fall.

Purchase a blend of large space impact print ads and limited small space support ads.

Continue television advertising to provide potential visitors with an expanded view of the total Asheville experience.

Focus additional attention on the closer-in drive markets using several forms of media including direct mail; also include high-inquiry markets such as New York.

Continue with sixth consecutive year of cooperative advertising (Ad Fair tentatively to be held September 2004). Publications to be determined.

Participate cooperatively with the NC Division of Tourism, Film and Sports Development in:

- NC Travel Guide
- NC Outdoor Recreation Guide
- Cooperative Advertising Program

Conversion from Internet inquiries is about 65%, so continue exploration of new Internet marketing vehicles and continue with past successful Internet advertising to increase the number of unique visitors and page views at exploreasheville.com.

Continue with cost per click advertising in an effort to obtain high sponsorship positioning with major search engines (Overture and Yahoo).



Advertising

Creative Strategies

Single-minded Proposition – Every time I visit Asheville I feel transformed.

Position the brand to appeal to visitors that place greater value on the allure of a destination than price or individual product, and demonstrate an eagerness to cater to them in a way that consistently exceeds their expectations.

Describe the brand beyond a unique historical mountain destination hub offering visitors a heritage-rich experience—to subtly include the less obvious, equally and more compelling reasons for visiting Asheville.

Continue the existing creative campaign, “One Day and the Next” that emphasizes the mountains and natural beauty appeal of the destination as well as the great variety of activities available, while encouraging overnight stays. This will continue until the new brand is executed.

These ads follow the central themes:

Mountains

Natural Beauty

Arts & Crafts

Unique Shopping

Soft Adventure

Romantic Escape

Rejuvenation

Utilize a mixture of large, impact print ads as well as smaller ads to maximize exposure.

The “One Day and the Next” campaign will continue to be carried through all mediums such as Internet and direct mail to ensure creative continuity.

Develop a variety of Internet advertising vehicles to keep the look fresh on a consistent basis throughout the year.

Media Selections



Publication	Circulation	Geographic Coverage
<u>General Tourism</u>		
AAA Go Magazine	780,000	NC, SC
AAA Going Places	2,643,000	AL, FL, GA, TN, VA
Arthur Frommer's Budget Travel	500,000	National
Atlanta Journal Constitution	660,543	Atlanta (GA)
Atlanta Magazine	83,000	Atlanta (GA)
Blue Ridge Mountain Host Guide	100,000	NC
Blue Ridge Parkway Guide	80,000	National
Cottage Living	500,000	National
Country Living	1,333,000	AL, CT, DE, D.C., FL, GA, IL, IN, KY, ME, MD, MA, MI, MS, NH, NJ, NY, NC, OH, PA, RI, SC, TN, VT, VA, WV, WI
Leisure South Family Travel Insert	1,000,000	Redbook (VA, WV, NC, SC, GA, FL, TN), AAA Home & Away (Ohio), Arthur Frommer's Budget Travel (Mid-Atl, SE, Central), NY Times, The Washington Post, The Baltimore Sun
National Geographic Traveler	450,000	AL, CT, DE, D.C., FL, GA, IL, IN, KY, ME, MD, MA, MI, MS, NH, NJ, NY, NC, OH, PA, RI, SC, TN, VT, VA, WV, WI
N.C. Outdoor Recreation Guide	125,000	Official N.C. piece
N.C. Travel Guide	800,000	Official N.C. piece
People Magazine	1,306,000	AL, AK, CT, D.C., DE, FL, GA, KY, MA, MD, MI, MN, NC, NY, PA, RI, SC, TN, VA, VT, WV
Southern Living Magazine	1,210,000	SC, GA, FL, VA, MD, NC
Travel Council of N.C. Newspaper Insert (Fall)	750,000	Charlotte (NC), Raleigh (NC), Greensboro (NC), Fayetteville (NC), Athens (GA), Augusta (GA), Tampa (FL), Winston-Salem (NC), Columbia (SC), Tallahassee (FL)
Travel Council of N.C. Newspaper Insert (Spring)	750,000	Charlotte (NC), Fayetteville (NC), Greensboro (NC), Raleigh (NC), Greenville (SC), Pittsburgh (PA), Baltimore (MD), Columbus (GA), Tallahassee (FL), Norfolk (VA), Dayton (OH)



Planned Media Placement Schedule

Publication	July	August	September	October	November	December	January	February	March	April	May	June
<i>General Tourism</i>												
AAA Go Magazine												
AAA Going Places												
Arthur Frommer's Budget Travel												
Atlanta Journal Constitution												
Atlanta Magazine												
Blue Ridge Mountain Host Visitor's Guide (Asheville)												
Blue Ridge Mountain Host Visitor's Guide (Black Mtn)												
Blue Ridge Mountain Host Co-op (Asheville)												
Blue Ridge Mountain Host Co-op (Black Mtn)												
Blue Ridge Parkway Guide (Asheville)												
Blue Ridge Parkway Guides (Black Mountain)												
Cottage Living												
Country Living												
Direct Mail												
Leisure South Family Travel Insert												
National Geographic Traveler												
N.C. Co-host												
N.C. Outdoor Recreation Guide												
N.C. Travel Guide												
People Magazine												
PITV												
Southern Living												
Travel Council of N.C. Nsp Insert												
Internet												

Research



Strategies

Use research to help guide marketing efforts and to gauge perceptions of customers and the community.

Provide a better understanding of the Asheville visitor.

Tactics

Undertake research that will assist in defining customer perceptions as it relates to travel in the Asheville area.

Implement quantitative analysis methods when launching new creative.

Maintain contract with Smith Travel Research to assist in the ongoing monitoring of the Buncombe County tourism industry and its competitive standing.

Begin exploring programs to house and sort current customer data for use in better profiling as well as for use with CRM efforts.

Maintain contract for visitor volume research on an every other year basis.

Use e-mail database as a resource for quick surveys, as needed.

Maintain relationship with county officials who assist in providing key tax data that is used in various tourism economic impact reports.



Public Relations

Objective

Generate editorial placements that exceed \$5 million in advertising value.

Strategies

Continue a proactive media outreach program with an emphasis on customization and targeting.

Complement seasonal advertising campaigns with media outreach with an added emphasis on venture markets and Web-based PR.

Continue to use media efforts to target niche markets, especially family-oriented venues.

Educate the region about the benefits of tourism in order to maintain support of marketing efforts.

Maintain measurement tools to gauge the effectiveness of existing and new projects.

Tactics

Continue to write and distribute news releases and story idea sheets.

Target key journalists and productive freelance writers by customizing specific story pitches and materials.

Identify and respond to pitch opportunities that are generated through outside sources such as SATW and TIA.

Write and distribute quarterly calendars to both newspapers and targeted magazines to ensure event placement.

Develop and design seasonal support materials and market-specific collateral as needed.

Conduct media trips:

Ohio Valley

New York City

Florida

Chicago (in conjunction with Advantage West event)

Public Relations



Tactics, continued

Attend SATW and PRSA marketplaces.

Target key journalists for individual site visits.

Continue an increased emphasis on targeting specific niche area including the family market and culinary-related outlets.

Continue to seek television and radio placement through the following activities:

- Sending b-roll to pre-qualified TV news producers for seasonal promotions.
- Creating an inventory of TV production houses that provided destination-related programming.
- Working with FAM Task Force to launch a program aimed at securing specific coverage.
- Targeting viable cable outlets such as Travel Channel, HGTV, Food Network, CNN and The Weather Channel.
- Continued targeting of broadcast media as part of media tour efforts.
- Pitching radio shows particularly in conjunction with seasonal opportunities such as fall foliage and the holidays.

Utilize editorial calendars to organize a list of placement opportunities such as AP Special Features. Develop pitches that coincide with selected editions.

Maintain online press room and ensure that it meets the needs of journalists.

Assist with sales efforts by targeting trades and securing coverage in selected markets.

Continue local tourism awareness campaign which would include the following:

- The continued use of National Tourism Week as a forum for promoting the industry.
- Production of an annual BCTDA tourism report.
- Maintenance of statistics section on ashevillecvb.com site.

Continue to use measurement tools to track effectiveness of media relations efforts and examine the value of specific projects by:

- utilizing a clip service.
- tracking PR specific phone inquiries.
- measuring Internet usage, e-mail requests and online placements.



Web Development and Online Marketing

Objectives

Increase Web site usage by 20% in 2004-2005 over the previous fiscal year.

Secure at least 50 online placements or links.

Strategies

Utilize Web site content to maximize conversion potential.

Provide reasons to drive potential travelers to the Web site.

Provide methods for optimal navigation and searchable criteria that consumers indicate they want in a travel Web site.

Further develop an online outreach program that incorporates e-mail newsletters and viral marketing opportunities utilizing a more customer-focused approach.

Utilize PR placement and search engine optimization to maximize traffic generation to the Web site.

Utilize the Web to increase communication with industry partners and provide general tourism business information.

Provide opportunities to convert Web lookers to actual bookings.

Tactics

Redesign Web site to embrace the dynamic nature of the database as well as to reflect the new brand positioning.

Create Web pages to complement seasonal and marketing promotions.

Maintain a year-round effort to promote "hot deals" and packaging opportunities through the Web site.

Research, write and distribute fall color and spring bloom Web pages.

Upgrade existing portions of the Web site as needed.

Maintain ongoing, comprehensive calendar-of-events listings.

Web Development and Online Marketing



Tactics, continued

Maintain ashevillecvb.com site for enhanced partner communications.

Target e-zines and travel-oriented Web sites for editorial placement and links.

Continue to actively pursue search engine placement and positioning, utilize strategies for effective placement, and actively identify new opportunities for portal listings.

Maintain integrated media campaign, utilizing traditional advertising, online ads and media relations program to drive potential visitors to the Web site.

Create segmented newsletter subscriber database in order to segue into customer relationship management activities.

Produce online newsletter that is sent to e-mail subscriber list.

Look for viral marketing opportunities and other visitation generators to increase traffic to the Web site and increase awareness of Asheville.

ASHEVILLE
A TRIP TO THE SOUTH
ALTITUDE AFFECTS ATTITUDE

Official Travel Info

- Explore Asheville
- Where to Stay
- What to Do
- Where to Eat
- Getting Around
- Gift Shop
- Free Visitor Guide
- Deals & Packages
- Newsletter Sign-up
- Upcoming Events

ALTITUDE AFFECTS ATTITUDE

Whether you're looking for an outdoor adventure or a place to unwind, Asheville offers city sophistication mixed with Southern hospitality and small town charm.

Explore Asheville...

Special Spring Savers vacation packages are popping up all over Asheville.

Once you explore Asheville's attractions, you'll know why one visit isn't enough.

Experience the Real Cold Mountain and walk in the footsteps of Inman and Ada.

From upscale to down-home country, Asheville offers diverse dining experiences.

Press Room | Meetings & Conventions | Motorcoach Travel | Site Map | Privacy Policy
Asheville Chamber of Commerce | Relocation Information



Tourism Promotions

Objective

To increase the number of AAA booked room nights by 5% over last year.

Strategies

Continue to raise awareness and working knowledge of Asheville among AAA auto touring counselors and call center operators in core and venture markets.

Enhance communication with auto touring counselors so they are aware of current package offers, community events, product updates, etc.

Work with NCACVB for additional exposure in AAA markets.

Continue to develop marketing opportunities within the different clubs that incorporate services offered by our industry partners.

Continue to explore and develop strategic alliances with corporate entities.

Maintain measurement tools to gauge the effectiveness of existing and new projects.

Provide information and materials to consumers as well as Visitor Specialists in order to convert inquiries to visits.

Tactics

AAA Marketing

Participate in Blue Ridge Parkway Association's annual AAA FAM trip.

Issue the AAA Explore Asheville! e-mail newsletter five times per calendar year.

Investigate and inform the community of opportunities currently available in AAA driven publications promoting short-term consumer packages.

Conduct a AAA Explore Asheville! Collective Training trip in spring to include branch offices in Indiana and Ohio.

Continue to distribute Visitor Guide, leisure market video and Asheville poster to AAA auto touring agents in core and venture market areas.

Host one AAA Auto Touring Counselors FAM to Asheville September 16-19, 2004.

Tourism Promotions



Tactics (AAA Marketing), continued

Marketing Promotions

Expand Explore Asheville! collective training opportunities to include other large reservation centers/ travel agency groups.

Conduct one 1-800-VISITNC collective operator training session at NC call center.

Work closely with Journal Communications to enhance and publish the 2005 Visitor Guide.

Work in conjunction with NCACVB and Southeast Tourism Society on joint marketing efforts.

Coordinate Asheville's participation in consumer travel shows.





Meetings and Conventions

Objective

To book 61,950 room nights for 2004/2005 (5% increase over 2003/2004 objective of 59,000).

Strategies

Re-focus sales efforts on niche marketing/sales to specifically target arts/crafts, garden and incentive markets in conjunction with our core target markets.

Streamline sales approach to maximize booked room nights and continuous stream of prospects.

Utilize telemarketing for prospecting and pre-qualifying.

Update collateral to include:

- A joint meeting planners guide/group tour guide
- CD-ROM version of the guide and video
- Guide on the CVB Web site for downloading

Showcase area to planners one-on-one.

Tactics

Co-operative ad placement in the following meeting publications:

- *Georgia Society of Association Executives Directory*
- *Tennessee Society of Association Executives Directory*

Production of a Joint Meeting Planners/Group Tour Planners Guide.

Production of a CD-ROM for meetings/conventions.

Introduction of Guide on Asheville CVB Web site in PDF format.

Produce an over-sized postcard for targeting mailings and follow-up to prospects.

Create and develop targeted niche materials to focus on the (1) arts/crafts market; (2) garden market and (3) incentive market.

Use media outreach to provide editorial opportunities to enhance Asheville's reputation as a place to hold meetings and conventions.

Meetings and Conventions



Tactics, continued

Meet with corporate related industry partners on regular basis to monitor business activity.

Meet with area directors of sales on quarterly basis for industry updates.

Attend the following trade shows:

<u>Show</u>	<u>Market</u>
AENC	State Associations
CMCA	Religious
GSAE	Georgia State/Regional Association
TSAE	Tennessee State Association
IAAP (Int'l Assoc. of Admin Prof)	SMERF and Corporate
IAAP State Convention	SMERF and Corporate
Overseas Brats Gathering	Reunion

Conduct mini-sites/FAMS for all market segments as necessary.

Conduct a government blitz in the Atlanta area.

Use a telemarketer to prospect and qualify to keep sales efforts on developing and closing bookings for the area.

Make scheduled sales trips to key corporate, SMERF and association markets on an as needed basis implementing the "blanket" approach of sales (cross-selling).

Continue with expansion of quarterly e-mail newsletter and database to reach customers with timely information.

Increase the number of site inspections to the area.

Travel to groups for presentations for site selections.

Work in conjunction with NCACVB on joint marketing programs.



International

Objective

To capitalize on the increasing market share of international travel through regional gateway cities.

Strategies

Maintain our alliance partnership with MountainSouth USA.

Work closely with the NC Division of Tourism, Film and Sports Development and MountainSouth USA in their international marketing efforts.

Provide international tour operators and domestic-based receptive service operators the tools needed to sell the Asheville area.

Expand on the number of catalogues that include Asheville and Western North Carolina product.

Tactics

Participate in the following trade shows and marketplaces:

POW WOW - MountainSouth USA to be primary booth holder - New York
Delta's Global Showcase - New Orleans

Work closely with MountainSouth USA in the development of itineraries, hosting of FAM trips and inclusion in the MountainSouth USA Web site to promote international travel from the UK and Germany.

Work closely with NC Division of Tourism, Film and Sports Development in the creation of itineraries and hosting of FAM trips to promote international travel from the United Kingdom and Germany.

Explore and pursue additional regional marketing alliances that foster inclusion of Asheville in receptive operators' product offerings to their international clients.

Maintain Asheville Web presence on www.thetouropoperator.com (formerly www.visitnaj.com) with North American Journey's targeting domestic and international tour operators.

Continue with research to try and accurately gauge current market share of international visitors to North Carolina in general and to Western North Carolina specifically.

Visitor and Convention Services



Objective

To increase the assortment of services and promotional items for meeting planners, attendees and leisure visitors, effectively improving the quality of the Asheville experience.

Strategies

Continually improve the types of services offered to customers and Visitor Center guests.

Create awareness of the Asheville brand.

Improve and expand collateral material promoting Asheville.

Provide meeting planners with the marketing tools needed to bring conventions to Buncombe County.

Increase the assortment of services for convention attendees and leisure visitors.

Improve the Asheville experience for visitors.

Utilize the Asheville Area Chamber of Commerce Visitor Center services to increase the length of stay for visitors to the Asheville area.

Tactics

Continue the transition of appropriate guides to online versions.

Expand on logo items available for meeting attendees to purchase at Hospitality Asheville tables.

Continue to provide wedding and speaker's guides, trivia books, outdoor activity guides, convention service packets, and theme lists and itineraries, welcome posters, CD's and PowerPoint presentations.

Continue to offer foreign translations highlighting area attractions and expand upon the number of languages available.

Continue to utilize Diplomats to service groups.

Continue to develop the Diplomat volunteer program with training sessions, FAM trips, and appreciation receptions.

Provide enhanced Asheville logo items for gifts and door prizes for planners to use when promoting future meetings.

Become more involved in community issues that ultimately affect visitors.

Respond to requests from planners that assist in building group attendance or provide opportunities to extend visitation.



Group Tour (Motorcoach)

Objectives

To book 3,200 group tour room nights in 2004/2005.

Work to maintain sales production numbers in FY 2004/2005.

Strategies

Attend key marketplaces, trade shows and conventions to maintain current tour operator relationships and locate new sources for leads.

Provide tour operators, group leaders & travel agents with the tools needed to package and sell tours to the Asheville area.

Continue to refine effective ways to communicate with decision makers.

Update collateral to include:

- A joint group tour/meeting planners guide
- CD-ROM version of the guide
- Guide on the CVB Web site available to download.

Work, in conjunction with industry partners, to promote Asheville to the student travel market.

Provide services to tour operators after the initial sale has been made.

In coordination with accommodations partners and Biltmore Estate, continue to trend the number of motorcoach tours and travelers into the Asheville area.

Tactics

Distribute to core market educators the student travel package developed in concert with industry partners.

Issue five editions per calendar year of the group tour e-mail newsletter.

Work in conjunction with NCDTFSD and NCACVB on joint marketing programs.

Participate in the following trade shows:

- National Tour Association
- American Bus Association
- Georgia Motorcoach Association

Group Tour (Motorcoach)



Tactics, continued

Distribute the updated Guide, group tour video, poster, brochure shells and CD ROM of slides/ images to tour operators and qualified group leaders.

Introduction of updated Guide on Asheville CVB Web site in PDF format.

Provide content for updated Web pages to showcase new product and itinerary suggestions, obtain sales leads and announce new group tour opportunities for community partners.

Maintain Asheville Web presence on www.thetouoperator.com (formerly www.visitnaj.com) with North American Journey's targeting domestic and international tour operators.

Utilize telemarketing to supplement the staff sales efforts to update our client list yearly.

Continue to meet with industry partners to keep the lines of communication open.





Convention & Visitors Bureau

Overview



Tourism Promotion in Asheville

There are as many ways to organize and fund a marketing and promotional effort for tourism development as there are cities in America. Each community structures its work in a slightly different way. The earliest record we can find of Asheville's efforts to promote tourism dates back to 1898, when someone mistakenly reported in the *New York Journal* that Biltmore Estate had been a total failure and that George Vanderbilt left Asheville furious—never to return again. A group of business people joined together with the goal to correct this atrocious error and to establish Asheville as an outstanding resort area in the United States. They called themselves the Asheville Board of Trade, which was later changed to the Asheville Area Chamber of Commerce. The Chamber has continued to keep tourism promotion as a high priority for more than 100 years.

Our community's presence in the tourism arena was advanced in a big way in 1983 after an historic event took place. During the 1983 session of the NC General Assembly, Buncombe County was among the first counties in our state to be granted authorization to levy a two percent room occupancy tax on the rental of rooms furnished by hotels, motels and inns with five or more units. The Buncombe County Tourism Development Authority (BCTDA) was established to administer the proceeds of the tax with the caveat that they could expend funds only to further the development of travel, tourism and conventions in the county through state, national and international advertising and promotion. In 1985, an additional one percent tax was approved. Then, in 2001, legislators passed the Tourism Product Development Fund bill which earmarks proceeds from an additional one percent to creation of new tourism product. Qualifying projects must demonstrate the ability to generate substantial new room nights.

The Tourism Development Authority had the option of setting up its own organization and staff to carry out this mission or to contract with an existing organization to do so. The TDA decided to contract with the Asheville Area Chamber of Commerce, which had been in the tourism promotion business for approximately 85 years at that point. The result has been a win-win situation for everyone. All of the revenue collected from the occupancy tax (minus a one percent collection fee retained by the County) is dedicated to this effort.

This marketing plan and program of work represent how the Chamber of Commerce, through its Convention and Visitors Bureau, and the Buncombe County TDA will strive to bring even more economic impact from visitors into the community. There are many avenues open to industry partners to join in this effort. We look forward to working with all of you to make this an even more attractive and sought-after destination.

Buncombe County Tourism Development Authority Mission

'To Be a Leader in the Economic Development of Buncombe County By Attracting and Servicing Visitors, Generating Income, Jobs and Tax Revenues Which Make the Community a Better Place to Live and Visit.'

Asheville Area Chamber of Commerce Mission

'To Enrich the Region's Livability by Advancing Its Economic Vitality.'

Buncombe County Tourism Development Authority



Mr. Chris Cavanaugh
The Biltmore Company
One North Pack Square - Asheville, NC 28801
255-1713
255-1139 Fax
ccavanaugh@biltmore.com

Ms. Ruth Summers
Craft Industry Consultant
1200 A Hendersonville Road - Asheville, NC 28803
232-0108
277-0115 Fax
rtsummers@charter.net

Mr. Craig Lindberg
Red Rocker Inn
136 N. Dougherty Street - Black Mountain, NC 28711
669-5991
669-5560 Fax
lindbergca@aol.com

Mr. Craig Madison
The Grove Park Inn Resort & Spa
290 Macon Avenue - Asheville, NC 28804
252-2711
251-5795 Fax
cmadison@grovesparkinn.com

Mr. John Cram
Blue Spiral 1
38 Biltmore Avenue - Asheville, NC 28801
251-0202
251-0884 Fax
info@bluespiral1.com

Mr. Victor Trantham
Haywood Park Hotel
One Battery Park Avenue - Asheville, NC 28801
252-2522
253-0481 Fax
hotel@haywoodpark.com

Mr. Herman Turk
Renaissance Asheville Hotel
One Thomas Wolf Plaza - Asheville, NC 28801
252-8211
254-1374 Fax
hermanturk@aol.com

Asheville City Council Ex-Officio Member

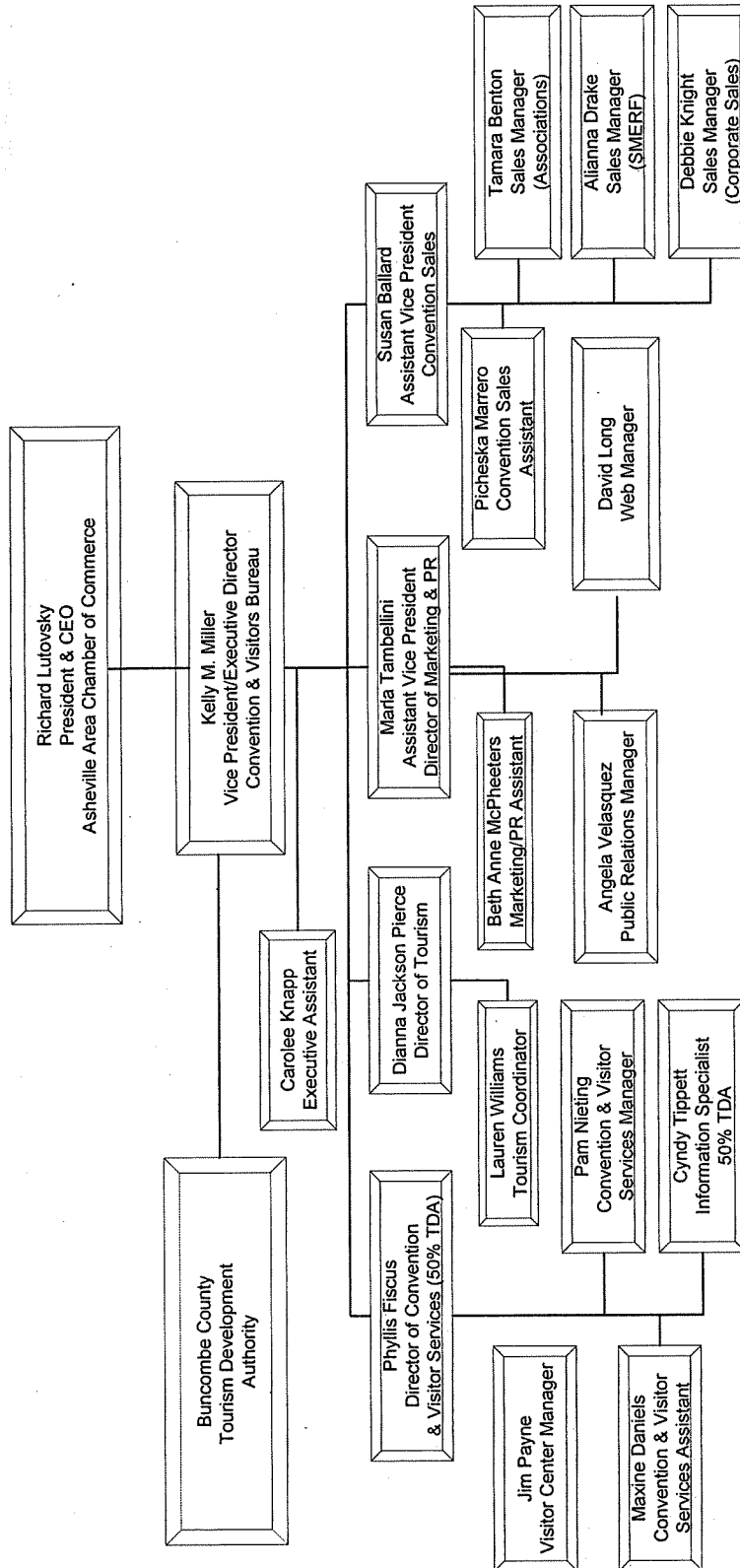
Ms. Terry Bellamy
City Council
PO Box 728 - Asheville, NC 28802
251-5330
251-0180 Fax
terryb@buncombe.main.nc.us

Buncombe County Commission Ex-Officio Member

Mr. David Young
Fugazy Travel
1550 Hendersonville Road - Asheville NC 28803
274-2555
274-4212 Fax
commissioners@co.buncombe.nc.us



Convention and Visitors Bureau Organizational Chart



Executive/Administrative



Kelly Miller

Vice President/Executive Director

(828/258-6104, kmiller@exploreasheville.com)

Key Areas of Responsibility:

Serves as liaison to the Buncombe County Tourism Development Authority Board (BCTDA)

Develops long-range strategic and operational planning

Oversees budget and financial issues

Oversees all CVB personnel and operations

Works with local, state and national elected officials

Manages product development initiatives

Carries out community relations

Serves as a board member of NC Travel & Tourism Coalition, Southeast Tourism Society, NC Division of Tourism, Film and Sports Development and President of NCACVB

Acts as liaison to the Chamber of Commerce Executive Committee and Board of Directors



Carolee Knapp

Executive Assistant

(828/258-6111, cknapp@exploreasheville.com)

Key Areas of Responsibility:

Provides administrative support to the Executive Director

Maintains information on hotel supply and demand

Staff Assistant to the Buncombe County Tourism Development Authority Board (BCTDA) and Tourism Product Development Fund (TPDF)

Coordinates BCTDA and TPDF meetings and minutes

Coordinates BCTDA strategic planning retreat

Coordinates BCTDA Marketing Plan Presentation

Processes and compiles statistical information for monthly and annual reports





Marketing and Public Relations

Marla Tambellini

Assistant Vice President/Director of Marketing & Public Relations
(828/258-6138, mtambellini@exploreasheville.com)



Key Areas of Responsibility:

- Manages marketing efforts, including advertising and public relations
- Acts as media spokesperson for tourism and CVB-related issues
- Serves as liaison to Public Relations Committee
- Serves as liaison to advertising agency
- Oversees development and promotion of exploreasheville.com and ashevillecvb.com
- Coordinates and manages tourism-related research projects
- Works with advertising agency to produce annual Ad Fair
- Holds membership with PRSA and SATW
- Serves as liaison to Blue Ridge Mountain Host

Angela Velasquez

Public Relations Manager

(828/257-4959, avelasquez@exploreasheville.com)



Key Areas of Responsibility:

- Oversees day-to-day efforts of proactive media relations efforts
- Plans and executes media tours and familiarization programs
- Works one-on-one with journalists, providing background materials, pitching story ideas and creating itineraries for individual site visits to Asheville
- Develops and writes media materials for local, regional, national and international press
- Works with the NCDTFSD on specific promotions, domestic and international FAMs, and other publicity opportunities
- Develops trade-oriented media relations aimed at the convention and motorcoach markets
- Serves as liaison to Media Tour and Media FAM task forces
- Facilitates online editorial placements

Marketing and Public Relations



David Long

Web Manager

(828/232-2243, dlong@exploreasheville.com)

Key Areas of Responsibility:

Manages exploreasheville.com and ashevillecvb.com Web sites

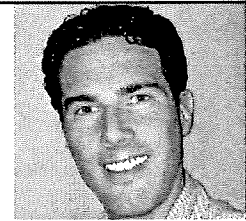
Designs, develops content and maintains Web pages

Administers Web site's database

Produces bimonthly Asheville tourism marketing e-mail newsletter, "The Asheville Traveler"

Produces special Web promotions such as fall and spring color reports for media and consumers

Oversees search engine optimization



Beth Anne McPheeters

Marketing and Public Relations Assistant

(828/258-6135, bmcpheters@exploreasheville.com)

Key Areas of Responsibility:

Provides support to the marketing department

Assists with fulfillment of media requests

Prepares committee and task force meeting minutes

Manages media and committee databases and oversees news release distribution

Prepares clip reports

Coordinates media leads

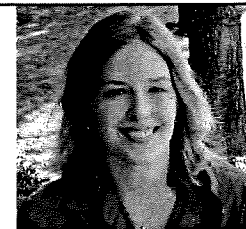
Develops copy for tourism-related newsletters.

Assists with marketing analysis

Evaluates media editorial calendars for placement opportunities and writes and submits pitches accordingly

Maintains photo files

Fulfills media photography requests



Services Provided by the Marketing & Public Relations Area Include:

Professional Media Assistance

Asheville Tourism Press Kits

Cooperative Media Tours and FAMs

Quarterly Calendar of Events

Collateral Development

Proofing Assistance for Tourism Materials

Cooperative Advertising Opportunities through Ad Fair

Media Leads

Media Materials for Editorial Use:

+ News Releases

+ Video

+ Slides and Digital Images

Media Site Visits

Tourism Research



Tourism

Dianna Jackson Pierce

Director of Tourism

(828/258-6108, djackson@exploreasheville.com)



Key Areas of Responsibility:

Manages leisure promotional programs

Manages AAA marketing

Manages motorcoach/group tour markets and related trade shows

Serves as liaison to Tour & Travel Development Committee, AAA Explore Asheville!

Collective Training Task Force, AAA Familiarization Tour Task Force and other task forces established throughout the year.

Serves as liaison to Journal Communications for production of Official Asheville Visitor Guide

Manages international market and related trade shows

Holds membership with RSA, ABA, NTA, GMA

Lauren Williams

Tourism Coordinator

(828/258-6139, lwilliams@exploreasheville.com)



Key Areas of Responsibility:

Maintains database of tourism business in Buncombe County and provides this information to NCDTFSD

Coordinates all Tourism task force meetings

Manages motorcoach/group tour sales and activities in select geographic territories

Produces AAA and Group Tour e-mail newsletters

Manages all leisure package programs

Provides administrative support to the Director of Tourism

Holds membership in NCMA

Services Provided By the Tourism Area:

Tour Itinerary Planning

Promotional Video

Site Inspections

Itinerary Shells

Sales Leads

Hospitality/VIP Pass

Group Tour Guide

Promotional Assistance

Slides

Collateral Development

Asheville Visitor Guide

Posters

Meetings and Conventions



Susan Ballard

Assistant Vice President/Convention Sales
(828/258-6105, sballard@exploreasheville.com)

Key Areas of Responsibility:

- Manages all meetings and conventions markets
- Serves as liaison to Convention Development Committee
- Manages hobby/leisure and city-wide markets
- Holds membership with ASAE, GWSAE, PCMA and HSMIAI
- NCACVB Group Promotion Committee Chair



Tamara Benton

Convention Sales Manager - Associations
(828/258-6121, tbenton@exploreasheville.com)

Key Areas of Responsibility:

- Manages national, regional and state association markets and related trade shows
- Serves as liaison to Trade Show Task Force
- Holds membership with MPI, SCSAE, GSAE, AENC, GWSAE and HSMIAI



Alianna Drake

Convention Sales Manager - SMERF & Government
(828/258-6133, adrake@exploreasheville.com)

Key Areas of Responsibility:

- Manages social, military, educational, religious, fraternal and government markets and the related trade shows
- Serves as liaison to the Overseas Brats and Government Blitz Task Forces
- Holds membership with RCMA, SGMP, HSMIAI, TRN and CMCA



Debbie Knight

Convention Sales Manager - Corporate & Sports
(828/258-6125, dknight@exploreasheville.com)

Key Areas of Responsibility:

- Manages corporate and sports markets and the related trade shows
- Holds membership with MPI and HSMIAI





Meetings and Conventions

Picheska Marrero

Convention Sales Assistant

(828/258-6110, pmarrero@exploreasheville.com)

Key Areas of Responsibility:

Provides administrative support to Director of Sales and Convention Sales Managers

Works with sales managers on blitz, FAM and trade show task forces

Coordinates the distribution of weekly convention leads

Coordinates convention task forces and Convention Development Committee minutes

Coordinates monthly sales reports

Holds membership with IAAP



Services Provided by the Meetings & Conventions Area Include:

Asheville Visitor Guide

Convention Bids

Sales Leads

Meeting Planners Guide

Site Inspections

Convention Calendar

Co-op Sales Blitzes and FAMs

Co-op Trade Show & Marketplace Efforts

Booked Business Subscriptions

Visitor and Convention Services



Phyllis Fiscus

Director of Visitor & Convention Services

(828/258-6100, pfiscus@exploreasheville.com)

Key Areas of Responsibility:

- Oversees Visitor Center operation and retail operation
- Oversees volunteer participation and manages display spaces
- Oversees convention and motorcoach services
- Manages information sales and servicing



Jim Payne

Manager, Visitor Center

(828/258-6103, jpayne@exploreasheville.com)

Key Areas of Responsibility:

- Manages Visitor Center operation and the retail operation
- Manages Chamber member brochure stock and maintenance
- Purchases and catalogs retail merchandise
- Coordinates all mailings, Internet and credit transactions
- Manages volunteer participation



Cyndy Tippett

Information Specialist

(828/258-6109, ctippett@exploreasheville.com)

Key Areas of Responsibility:

- Answers daily tourism and relocation calls
- Fulfills all relocation package requests and processes credit transactions
- Serves as liaison to Daniel's Communications for visitor inquiry fulfillment & operator training
- Markets to and trains potential clients for subscription and fulfillment inquiry lists
- Coordinates and fulfills subscription reports for tourism and relocation inquiries



Pam Nieting

Manager of Convention and Motorcoach Services

(828/258-6106, pnieting@exploreasheville.com)

Key Areas of Responsibility:

- Services booked groups in all market segments
- Services meetings and social groups without booked rooms
- Services motorcoach groups
- Serves as liaison to Hospitality Asheville Committee
- Coordinates the National Tourism Week program on behalf of the Chamber of Commerce
- Oversees hospitality tables and Hospitality Table Diplomat Volunteer Program





Visitor and Convention Services

Maxine Daniels

Visitor & Convention Services Assistant

(828/258-6102, mdaniels@exploreasheville.com)

Key Areas of Responsibility:

Provides administrative support to the Director of Visitor and Convention Services and Manager of Convention and Motorcoach Services

Serves as receptionist to the CVB

Coordinates compilation of theme lists, resource guides, itineraries, menu book, and civic and professional contacts

Maintains Wedding Guide and Wedding Guide request subscription

Coordinates all mailings for Convention and Motorcoach Services

Oversees set-up and operation of hospitality tables

Maintains follow-up for conventions

Services booked groups

Supports Visitor Center staff



Visitor Center Counselors

Tracy Turner

George Pickering

Jim Wilson

Services Provided by the Visitor and Convention and Motorcoach Services Area:
(Some available only to Chamber members)

Agenda/Brochure Shells

Brochure Display

Visitor Inquiry Fulfillment

Tourism Inquiry Subscriptions

Foyer and Mantle Display Opportunities

Retail Area

Accommodation Board

Wedding Guides

Attraction/Dining Board

Wedding Guide Request Subscriptions

Relocation Packages & Inquiry Subscriptions

Retirement Inquiry Subscriptions

Civic and Professional Organization Listings

Convention Service Packets

Hospitality Tables

Promotional Assistance

PowerPoint presentation

Promotional Video

Resource Guides

Sight-seeing Itineraries

Tour Itinerary Planning

Trivia Book

Promotional Items

Images -Color Slides and CD

Arrange Mayor Presentation

Foreign Translations for Selected Attractions

CVB Committees and Task Forces



Convention Development Committee

Offers educational networking opportunities and conducts joint promotions to recruit conventions.

Meets every other month. Committee members may elect to serve on the following task forces:

Trade Show Task Force

Government Sales Mission Task Force

Tour & Travel Development Committee

Offers educational networking opportunities and conducts joint promotions to increase Asheville's exposure to tourism marketing including motorcoach operators and AAA auto counselors nationwide.

Meets every other month. Committee members may elect to serve on the following task forces:

AAA Familiarization Trip Task Force

Explore Asheville! Destination Training Task Force

National Tourism Week Task Force

Provides input for implementation of National Tourism Week promotion. Meets as needed.

Public Relations/Marketing Committee

Offers educational networking opportunities and conducts media efforts to promote tourism in the area.

Meets every other month. Committee members may elect to serve on the following task forces:

Media Tour Task Force

Media FAM Task Force

Visitor Center Volunteers & Hospitality Table Diplomats

Volunteers and Diplomats give information and assistance to tourists and people within our community.

Hospitality Asheville Committee

Offers networking opportunities and an opportunity to use creative talents to add to the experience of meeting attendees. Meets monthly. Committee develops:

Itineraries/Theme Lists

Trivia Book

Outdoor Guide



2004-2005

Addendum



Industry Trends

Travel Growth Projections

After years of little growth in travel volume, The Travel Industry Association of America (TIA) forecasts minimal to modest growth in travel in 2004 and 2005. Overall traveler spending by domestic and international visitors is expected to increase by 4.4% in 2004. Still, it won't be until the end of 2005 that the level of spending will finally surpass the record set in 2000. The hardest hit sectors of the industry, business travel and international inbound travel, are predicted to improve somewhat. — TIA

Leisure travel will continue to strengthen in the year ahead. In 2004, TIA is forecasting leisure travel volume to grow 3.2%. — TIA

The number of U.S. travelers planning to spend more than \$5,000 on vacation in 2004 is up nearly double from 2003, a new survey from American Express shows. It's good news for the travel industry, with consumers reporting a renewed desire to venture farther from home, according to the survey of 1,356 adults. — American Express, November 11, 2003

The rebounding U.S. hotel industry is expected to raise average daily rates by 1.9% in 2004, after a 0.1% decline last year. That would be the first increase since a 5.6% gain in 2000, says PricewaterhouseCoopers' Bjorn Hanson. At the same time, he expects some hotels to restore services that they cut in the downturn — like longer room-service and business-center hours. Ted Teng, president of Wyndham International (WBR), says about 40% of his company's business has already been priced for 2004. So far, rates are "about flat." — The McGraw-Hill Companies Inc., January 2004

With a dramatic decline in business travel, weekend travelers became more important to the lodging industry, declared Mark Lomanno, president of Smith Travel Research. Many hotels do more dollar volume on Friday and Saturday than on Monday through Thursday, he said. For 2004, he predicts that demand for hotel rooms will increase by 3.5% while supply will increase by only 1.4%. Occupancy will climb to 60.6% with revenue per room growing 4%, Lomanno said. — STR at TIA Marketing Outlook Forum, October 2003

RevPAR growth in the largest 25 U.S. markets on a weighted average basis was up 2% in October versus 3% in September. In the top 25 markets, Norfolk and Miami posted RevPAR increases in excess of 10% during the month. The worst performing markets included New Orleans, down 17.9%, Detroit, down 9.9%, and Houston, down 9.4%. — STR

Group travel—or at least vacationing with extended family and friends—is hot and getting hotter, according to a survey from Yesawich, Peperdine, Brown & Russell (YPB&R). Nearly 80% of active leisure travelers took at least one vacation in the last five years with extended family, other families and assorted friends, a YPB&R poll in August of 1,655 active leisure travelers found. The firm says the numbers are trending upward. — Travel Weekly Crossroads.com, October 2003

Industry Trends



Travel Growth Projections, continued

AAA President and CEO Robert L. Darbelnet offered a variety of tenets to the 500 delegates at the Travel Industry Association's 2003 Marketing Outlook Forum. Among those:

- Ensure that travelers get value, for that will be a direct catalyst for the consumer's decision to start planning another vacation.
 - Recognize the diverse segments of the market and tailor your offerings.
 - Collaborate to effectively connect all the segments of the industry because a successful trip generally requires that multiple products and different modes of transportation interface smoothly. "We all have a vested interest in making sure that the traveler's experience is positive," Darbelnet said. "The efficiency with which we assemble the components of a consumer's vacation affects the ease with which travel is promoted, bought and experienced."
- TIA Marketing Outlook Forum, October 2003

Hotel Trends

Hendersonville, TN – February 2004 – Smith Travel Research (STR) reports room occupancy (in the U.S.) increased over 3% in December 2003 for the sixth successive month as room supply grew only 1.2% and demand rose 4.3%. The improvement in room occupancy was shown on all regions and in all segments of the industry. The sharpest increases were noted in Midscale Chain Hotels without food and beverage located in urban areas in the Pacific region. Other changes in the lodging industry in December 2003 were:

- The average room rate was \$80.61, nearly 2% higher than last year. However, that rate is still almost 3% below the room rate in December 2000.
- Room occupancy in the Top 25 Markets was 53%, up 1.6% from December 2002. The number of rooms available in the largest markets increased only 1.2% but demand rose nearly 6%.
- In all other markets occupancy increased 3.6 percent, and RevPAR increased nearly 4% compared with an increase of 6% in the Top 25 Markets.
- Hotel occupancy in those markets we consider Resort destinations such as New Orleans, L.A. and Miami-Hialeah, FL reported the largest increases in occupancy while those in cities catering to both business and leisure travelers, such as Atlanta, GA and Houston, TX, reported decreases in that measure. As a group, hotels in the major business markets experienced a slight increase in occupancy.

Economic Trends

According to the BIGresearch Consumer Intentions & Actions Survey in December, consumer confidence is ending on a high note with 48.3% very confident/confident in the future of the economy vs. 44.2% in November. Consumers are also more confident than they were one year ago, when 43.9% were confident in a strong 2003. Worry about political and national security issues continues to fall and closes the year under 20% for the first time, as only 17.7% continue to be concerned.



Industry Trends

Economic Trends, continued

Just as it is nearly impossible for the economy to keep growing at an 8.2% pace as it did in the third quarter of 2003, it is unlikely that stocks can sustain the robust gains they enjoyed last year, when they rebounded sharply from very depressed lows. "The best gains are behind us," Wells Fargo economist Sung Won Sohn said in his 2004 outlook.

That sobering forecast sums up the uninspiring 2004 outlook that 12 of Wall Street's top equity strategists recently shared with USA Today. The group's average year-end price target for the S&P 500 was 1,140 – less than a 3% gain from last year's close of 1,111.92. – USA Today, January 2, 2004

Internet Trends

Travelers' use of the Internet to plan and book their trips continues to grow, albeit at a slower pace, according to the Travel Industry Association of America's (TIA) latest Travelers' Use of the Internet study. More than 64 million online travelers—30% of the U.S. adult population—used the Internet last year to get information on destinations or to check prices or schedules. Of that group, 42.2 million actually booked travel online during 2003. – TIA

The number of Americans using the Internet for travel planning has stabilized at 64.1 million, due to the slower growth of "wired" households in the U.S. Still, the number of travelers booking airline tickets, hotel rooms and other travel services online continues to grow. According to a report from PhoCusWright Inc., Online Travel Overview: Market Size and Forecasts 2002-2005, 15% of all travel was booked online in 2002, and steady growth is predicted for the next few years, assuming improved economic conditions by early to mid 2004. With online travel on the rise (PhoCusWright predicts that between now and 2005, travel booked online is likely to double and reach more than 30%) hotels need to take a long, hard look at their electronic-distribution and channel management strategies. – Hotel Online, December 2003

The average North American hotel today is generating 13% of its bookings directly through the Internet. An additional 14% of its bookings are made off-line by consumers who research online but prefer to book direct. Approximately 53% of a hotel's online bookings are generated through the hotel's own Web site, while the remaining 47% come from third party travel sites. Hotel images are key to the consumer hotel buying decision on the Internet. People want to see where they are going to stay and one of the most frequent complaints by consumers researching and booking hotels online is the lack of images. – Hotel Online, December 2003

Industry Trends



Internet Trends, continued

Within the next two years about one in five hotel bookings will be made online, up from one in 12 just last year, according to a report by the Center for Hospitality Research at Cornell University's School of Hotel Administration. That's good news for hotels, in that online booking is fast and convenient for travelers. But it's bad for hotels in that third-party intermediaries will control half of the bookings, according to the study. — Orlando Sentinel.com/Business, October 2003

A recent summary report by eMarketer shows that sweepstakes are a primary motivating factor in getting consumers to sign up for e-mail marketing campaigns. The Quris survey of 1,691 US e-mail users from a panel of 2.4 million who have agreed to respond to occasional e-mail surveys, found that too much is not good and existing customers are prime prospects.

Factors that Motivate US Consumers to Sign Up for email Programs (% of respondents)

- Sweepstakes or chance to win 41%
- Already customer/favorably predisposed 40%
- E-mail address required to access valued content 38%
- Found site randomly (search engine) 37%
- Friend recommendation 24%

Factors that Drive US Consumers Away from E-Mail Programs (% of respondents)

- E-mails come too frequently 68%
 - Lost interest in product/service/topic 51%
 - E-mails generally boring 35%
 - E-mails offered no significant value 34%
 - Suspected company of sharing address 30%
- Quris, Sept 2003

The Pew Research Institute released data today that adds aggregated empiricism to the thousands of calls that House and Senate staffers have been receiving this year. People - ordinary people - HATE spam, sometimes more than they hate telemarketers interrupting their dinner.

- 25% of e-mail users claim that spam makes them less willing to use the medium entirely.
 - 30% of users surveyed claimed that as much as 80% of all the e-mail they receive in their personal e-mail accounts is unwanted spam.
- Pew Research Institute, October 2003



Industry Trends

Internet Trends, continued

When it comes to Internet usage, an estimated 73% of active leisure travelers now have access to the Internet from home. Almost six out of ten (57%) use the Internet to obtain information and/or prices when planning a vacation, and fully 38% actually booked a reservation online last year. Not surprisingly, the highest incidence of Internet usage was among Gen Xers (born between 1965 and 1978), followed by Baby Boomers (born between 1946 and 1964). Fully 42% of mature consumers (over 58 years of age) now actively use the Internet to obtain information and prices on travel services. As for search engine utilization, Yahoo and Google are the preferred channels. — Yesawich, Pepperdine & Brown, February 2004

Expedia launched the so-called “dynamic packaging” concept online two years ago, and competitors Travelocity and Orbitz have joined the fray within the past several months. But despite the growing buzz, relatively few online travelers have taken the book-your-own-package bait: only 21% of 1,500 Internet users surveyed late last year by research firms PhoCusWright and Vividence had purchased a package online. And the time savings notwithstanding, it isn't always cheaper to bundle different elements of a trip rather than purchase them independently. “There's something to be said for ‘one-click’ shopping, but the jury is still out” on dynamic packaging, says PhoCusWright's Lorraine Sileo. “Consumers expect to be able to comparison-shop, and that's much more difficult and complex to do with a package since you don't see the components priced separately.” — USA Today, January 16, 2004

Media Trends

The recently released Digital Marketing Dialog Survey, sponsored by BtoB, the CMO Council and USA Today, finds that new-customer lead generation is the top purpose of companies engaged in digital marketing. This motive, cited by 83% of respondents, outpaced both brand awareness and recognition (68%) and improved customer relationships (67%). 63% of marketing and advertising executives in the survey see digital marketing as having a high or very high level of strategic importance within the organization. Moreover, more than three-quarters of respondents said they planned to increase their budget for digital marketing next year. — Center for Media Resesearch, January 2004

The Simultaneous Media Usage Survey (SIMM), recently released by BIGresearch, showed that, of those who say they go online while watching television, 94% regularly or occasionally tune out mentally when a commercial comes on. Similarly, 95% of those who read the newspaper while watching television mentally tune out commercials. The solution for those trying to reach consumers, says BIG, is to plan for that disruption. — BIGresearch, October 2003

When it comes to how often women watch specific types of programming, the study shows that local news, comedy shows and hour-long dramas top the list, with 88%, 65% and 62%, respectively, of women saying they watch these genres every day, almost every day or once or twice a week. On the other hand, only 30% of women report watching reality TV shows and only 24% report watching soap operas in the course of an average week. — Horowitz Associates, Inc., January 2004

Industry Trends



Media Trends, continued

According to the latest report from ZenithOptimedia, advertising spending in North America should surpass \$154 billion this year, and grow to over \$176 billion by 2006. In 2004, the report expects TV worldwide to add 0.6% share of display advertising compared to its long-run annual average 0.4% addition. And, the study predicts that newspapers will as usual lose most share in 2004: -0.4% against a long-run annual average of -0.6%. This is almost bound to be permanent, since 1989 was the last year newspapers added share. Total ad spending in the U.S. advertising marketplace across 11 measured media for the first half of 2003 is 7% higher than the same period a year ago. The nation's largest advertisers are driving this growth, with a combined spending increase of 16%. The current financial picture for most of these companies is generally good, which speaks to a strong 2004.
— Center for Media Research, January 2004

As reflected below, offline media still dominate the “diet” of active leisure travelers: they spend an average of 4.3 hours per day watching television during the week, and 4.6 hours daily on weekends; they spend an average of 2.9 hours per day listening to the radio during the week, and 2.4 hours daily on weekends; 81% subscribe to cable television; 80% subscribe to magazines; 43% read a newspaper daily; 30% regularly refer to the Sunday Travel Section of their local newspaper when making vacation plans.

Television viewing habits have become increasingly fractionalized, with the majority of active leisure travelers now turning to cable networks during prime time. The top five include:

INCIDENCE OF CABLE NETWORK VIEWING AMONG ACTIVE LEISURE TRAVELERS

NETWORK	INCIDENCE
Discovery	56%
Weather	49%
A&E	47%
History	47%
Lifetime	43%

These trends reaffirm the contention that the most effective media strategy to market travel services is one that incorporates a mix of both offline and online components. — Yesawich, Pepperdine & Brown, February 2004

Mediamark Research Inc. and Interactive Market Systems Inc. recently released a report prepared by NAA Business Analysis & Research Department that reveals 99.9 million adults (18+) in the U.S. read an average issue of a daily newspaper. And, on Sunday, 116 million readers nationwide read an average issue. Income has always played an important role in segmenting newspaper audiences. Readership increases steadily with higher earnings. Among adults with household incomes of \$75,000+, readership stands at 57% on weekdays and 66% on Sundays vs. the national average of 48% and 56% respectively. — Mediamark Research Inc. February 2004



Industry Trends

Lifestyle Trends

According to the Travel Industry Association of America, boomers traveled more often than any other age group last year, taking more than 241 million trips or 44% of the total. They also spent more than any other group, averaging \$491 per trip, excluding transportation. Increasingly, those between 39 and 57 want an educational experience like a Civil War cruise when they vacation. No longer content to return home with postcards of historic landmarks and suitcases of souvenirs, boomers want to come back transformed into better cooks, more proficient photographers or more learned people. – TIA, November 17, 2003

Pets are quickly becoming America's newest growing travel group. Sources at the Travel Industry Association estimate that 14% of Americans who vacation this year will do so with the family pet. The American Automobile Association reports that 78% of those travel with dogs, 15% take their cats and 2% take their birds while the other 5% take such other pets as rabbits, fish, turtles, and ferrets. – TIA, January 05, 2004

Childless Married Couples

- Now the largest category of American families.
- Now the fastest growing household type in U.S.
- By 2010, will be 38.6% of families and 26.3% of households, 28 million units total.
- Journal of Consumer Behaviour, March 2003

Key Shapers for 2004

- Soft and Sensitive
- To Regain a Sense of Balance (continues)
- The Mid-Length Getaway
- For the First Time ("Come Prima")
- The Battle for Attention
- A Postcard from Panache
- Barry Pitegoff, Research Director Visit FLUSA

More employees are foregoing the traditional summer getaway and scaling back vacation plans because of job pressure. – USA Today

The spa experience becomes even more affordable and inclusive – 2003 was a boom for spa/beauty products, as millions of Americans who couldn't comfortably afford to go to spas sought to recreate the spa experience at home. With the continued explosion of affordable spas geared toward middle-income earners, however, more and more Americans will now be able to forego the aromatherapy candles and bubble bath and head to a nearby spa to enjoy professional treatments and wellness programs. In short, 2004 will be the year the spas truly go mainstream – with record participation across the economic spectrum. – Spa Finder, January 2004

Industry Trends



Lifestyle Trends, continued

Twenty-five percent of travelers say they change their travel plans when the government increases threat levels, according to a new study by D.K. Shifflet & Associates, a Washington-based travel research firm. "The negative impact is greater on leisure travel than on business travel, with twice as many leisure travelers saying they drop their travel plans, while business travelers are more likely to simply delay their travel," said Douglas Shifflet, president and CEO of the research firm. The study found that for both groups, the most common change is to move to a perceived "safe location." – D.K. Shifflet & Associates

Travel Agent Trends

To the often asked question "Do they have a future?"...the answer is "YES, BUT." Yes, they have a future, but it will not resemble their past. The days of simply being an order taker are obviously gone. The odds of knowing more than the customer are considerably diminished. Anyone who stands between the consumer and the product will need to adapt to the new rules of the business. Even all powerful cyber agents are in for some turbulence. Take hotels for example. You can bet that the hoteliers are going to regain control of their distribution. Don't get me wrong – the online retailers will still play a significant role – but the days of 28% margins are short lived..." – Robert L. Darbelnet, President/CEO AAA, TIA Marketing Outlook Forum Keynote Address, October 21, 2003

Total sales in 2003 for travel agents fell by 4% over 2002, according to the Airlines Reporting Corp, to a total of \$61.6 billion. The average weekly sales per location, however, saw a healthy gain of 12% to \$42,735. The number of authorized retail travel agency locations fell for the year by 9.9%, and ended 2003 at a total of 22,244. – Travel Agent Central.com, 1/15/04

Motorcoach Trends

Domestic leisure travel has slowly but steadily increased over the years, despite the aftermath of September 11, the lagging economy and the war in Iraq. The Travel Industry Association of America (TIA) is forecasting leisure travel volume to grow 3.2% in 2004, up from a predicted 2.8% annual increase this year. It will increase once again in 2005 by nearly 2%. "Leisure travel has been the bright star in a relatively dim travel constellation. However, Americans have remained reluctant to commit, so last minute planning and booking will continue to be the norm," remarked Dr. Suzanne Cook, TIA's senior vice president of research. "We expect that the increased preferences for domestic travel, close-to-home destinations, and highway travel will continue, although I think as time goes on Americans will begin to go back to their more traditional travel patterns." – 10/22/03 Press Release: Travel Industry Cautiously Optimistic for 2004 Outlook



Industry Trends

Motorcoach Trends, continued

The motorcoach industry has the potential to significantly increase ridership with favorable demographics, as this decade will make the biggest influx of 21-year-olds into the population, as baby boomers' children turn 21...Finally, the nation's aging population means more seniors with the time for discretionary travel will be looking to the industry, providing an opportunity for the industry to do the driving. — *State of the Motorcoach Industry 2003 by American Bus Association*

The Travel Industry Association of America (TIA) shows Baby Boomers (ages 35-54) generate more travel domestically than any other age group. TIA's Domestic Travel Market Report 2003 Edition indicates that Boomers account for 241 million, or 43%, of all household trips in comparison to Mature travelers (ages 55+), who account for 31%, and Generation X and Y (ages 18-34), who account for 26%. Baby Boomers are also the most affluent of the two traveling groups, with 44% having an annual income of \$75,000 or more, and spending an average of \$491 per trip.. — *As reported by Blue Ridge Parkway Association News & Views November/December 2003*

While the direct impact of packaged travel in the U.S. decreased 6% in 2001 (\$105 billion in 2000 versus \$99 billion in 2002), the biggest decrease appears to be in the business packaged travel rather than pleasure. During 2001, the direct economic impact of business packaged travelers decreased 33% from \$33.5 billion in 2000 to \$22.5 billion during 2001. Conversely, direct impact for pleasure packaged travel in the United States increased 6% from \$71.9 billion during 2000 to \$76.2 billion during 2001. — "2004 Outlook for the Packaged Travel Industry." A White Paper by Hank Phillips, CTP, President, National Tour Association

John Kloster, editor in chief of Premier Tourism Marketing, said, "Groups seem to be waiting longer and longer before firming up their plans, reflecting generally shorter booking windows that are prevailing throughout the industry. In fact, of those trips that are definitely intended, only 63% are set up, with 37% definite but not planned. If we add into the mix those trips that are being considered, 44% are planned, 26% are definite but not planned, and 30% are being seriously considered." — August 20, 2003, Volume 2 Number 18 Travel America

Motorcoach Trends - Niche Markets

One of the biggest trends to emerge in 2003 and into 2004 is the increase of special interest travel...Learning or educational packages are on the rise, with 34% of NTA tour operators offering such a package in 2003, compared with only 19% in 2001. More than one-third of NTA tour operators now offer reunion packages — an increase of 14% over 2001... — "2004 Outlook for the Packaged Travel Industry." A White Paper by Hank Phillips, CTP, President, National Tour Association

Industry Trends



Motorcoach Trends - Niche Market

The median duration of a student tour is between three and four days, and the median trip or tour cost is between \$300 and \$499 per student. The Student and Youth Travel Association expect both passengers and revenue to grow by as much as 24 percent in 2004 over this year's figures. – December 5, 2003 Volume 3 Number 1 Travel America

Bank Travel Market Experiencing Early Withdrawals - We are receiving at least one notice a week to remove a bank travel club from our subscriber list, not because of lack of interest, but because the bank has cancelled the travel program. Bank travel clubs have been a mainstay of the group travel business for the past two decades, primarily in small and medium-sized communities. However, as banks continue to consolidate into ever-larger conglomerates, there seems to be less concern for community outreach and loyalty and more concern for bottom line profitability. – Premier Tourism Marketing December 2003/January 2004 E-newsletter

The mood at this November's NTA conference was quite upbeat, with many operators reporting robust advanced booking activity going into 2004 – the best they have seen since 2000. In private meetings with two of the U.S.'s largest tour companies, they report perhaps their best advance booking ever. – Premier Tourism Marketing December 2003/January 2004 E-newsletter

Motorcoach Trends - Lifestyle Issues

Perhaps the most challenging endeavor for NTA will be to bring its operators into the 21st century with technology. While nearly 40% of the Tour & Travel Exchange's educational sessions were designed to expose NTA members to technology and Internet solutions, most NTA operators seem too small and too much a part of a generation that is generally phobic about embracing new booking technology, particularly since their senior clients don't feel comfortable booking online. (A 2001 survey by the Pew Internet Project reported that 56% of Americans over 65 said they would never go online.) The most viable opportunities were using the Internet as a research tool that helped them find product and better rates for their groups. – November 25, 2003 Volume 2 Number 24 Travel America

From the April Member Needs Survey, 81% of NTA tour operators surveyed have a Web site with 31% stating some level of online booking capability. Additionally, nine percent of NTA tour operators currently have some partnership with an Internet travel company...NTA's 2003 April Member Needs Survey indicated that 77% of tour operators are still finding that many travelers are staying close to home. However, while that number is high, it is a 13% decrease from 2001. In addition, two-thirds (65%) of the tour operators surveyed stated that travelers are also taking shorter trips – a 6% decrease from 2001. – "2004 Outlook for the Packaged Travel Industry." A White Paper by Hank Phillips, CTP, President, National Tour Association.



International

After every major international market to the U.S. finishes bottoming out this year, all are expected to recover in 2004, according to the latest projections released by the U.S. Office of Travel and Tourism Industries (OTTI)...the United Kingdom is expected to increase +8% to 4,255,000; Germany expected to increase +7% to 1,231,000.
- Inbound, October 26, 2003 Volume 7, Number 24

Europe is the most important regional market for U.S. inbound tourism, says the Tourism Industry Association of America (TIA). In 2002, Europe generated 45% of all overseas arrivals to the U.S. and even though spending by European visitors was down last year, they remain the biggest source of visitor spending for the U.S. – Travel Advance, 1/6/2004

United Kingdom visitor numbers to the U.S. are on target to rise by 4% this year to 3,958,000, as opposed to the original 7% decrease prediction. – December 12, 2003 – Inbound, Volume 8, Number 2, North American Journeys

Meetings/Conventions Trends

Religious Market

Retreat settings continue to climb in popularity as sites for religious meetings. – Religious Conference Manager, June 2003

Top meeting sites for the religious market (based on RCMA member survey)

- Downtown hotels continue to be the top choice for meeting planners. They have led the category for the last eight years (17.3%)
- Conference centers ranked second and continue to grow in popularity (16.5%)
- Suburban hotels ranked third and hold steady (13.5%)
- Camps/Retreats (11.8%)
- Convention/Civic Centers (11.3%)
- Airport hotel (11.1%)
- Resort hotel (10.8%)
- College/University (7.6%)

6.2% of religious meetings are held in the Southeast. The majority of RCMA organizations will plan their meetings for the same region each year, giving religious planners the opportunity to build strong relationships with people they know at CVBs and in the hospitality industry. – Religious Conference Management

Industry Trends



Meetings/Conventions Trends, continued

Reunions Market (Family and Military)

64% of families surveyed said they plan to use hotel, resort or similar accommodations for their next reunion. — Reunions Magazine

73% of family reunions have 50 or more attendees and 35% have over 100. Six percent have over 200 attendees. — Reunions Magazine

Desert Storm veterans are more than making up for the fall off of WWII reunions. 15,000 reunions are held each year and the number is holding steady. 11,735 planners are in the TRN database, up 900 from last year. — Reunions Magazine

The average military reunion is 72 rooms per night. The average room rate is \$80.98, up \$5.01 in a very short time. — Reunions Magazine

Incentive Group Market

Incentive programs will remain in place despite worries about the economy and some lingering fears of travel. — ConventionSouth, June 2003

While most incentive programs are being kept in place, many are being scaled back in order to cut costs while still rewarding top performers. "Extravagance is out." — ConventionSouth, June 2003

Corporate

By the end of 2004, four in ten companies will be using an online booking tool for meetings/group travel. This is expected to increase 11% by 2005. — Corporate Meetings & Incentives, November 2003

The number of meetings planned for 2003 remained steady or increased over 2002 and corporate meetings are expected to increase in number during 2004. — ConventionSouth, November 2003

On the corporate side, the corporate meeting segment lags behind improvements in business overall, but it is still getting a lift. — Successful Meetings, December 2003

Because 2004 budgets are relatively healthy, many companies are planning to go ahead with meetings that have been postponed since 2003 or even 2002. — Successful Meetings, December 2003

...seeing a strong movement in incentive, pharmaceutical, financial bio-tech and insurance meetings. — Successful Meetings, December 2003



Meetings/Conventions Trends (Corporate), continued

Many planners report increases in new product launches and sales meetings for 2004 and 2005. Companies are trying to bounce back, and they realize that without their sales teams being informed, they can't achieve their goals. — *Successful Meetings*, December 2003

In regards to pharmaceutical meetings: site selection is under more intense scrutiny because of the perception that certain destinations are venues for junkets, not education. PhRMA and AdvaMed codes say that educational events should occur in sites conducive to education. In response, many pharma companies are taking their meetings business out of any hotel with the word "spa" or "resort" in its name to avoid even the hint of excess. — *Medical Meetings*, December 2003

Pharma-hosted social functions at specialty association meetings seem to be headed for oblivion. — *Medical Meetings*, December 2003

Instead of having one large training session, many regional meetings will be the rule. People prefer to be closer to home. It saves money and it's also a productivity issue: Managers don't want employees stuck at meetings, either. — *Successful Meetings*, December 2003

Corporations are cutting back on anything that could be seen as extravagant. They're holding simpler events with less food and beverage and entertainment. — *Successful Meetings*, December 2003

Responsibilities for corporate meetings and incentives increasingly will fall under marketing and communications departments. — *MeetingNews*, November 2003

Emerging improvements in corporate activity that began in the second quarter of 2003 will gain momentum and lead to increased lodging demand for 2004. — *MeetingNews*, November 2003

In 2004, expect to see an improvement in the industry's business climate, driven largely by small corporate meetings. Many of these meetings will be booked through intermediaries, since downsized meeting departments lack the capacity to handle the volume. — *MeetingNews*, November 2003

Corporate public companies that experience an up-tick in their earnings per share will have more and larger meetings. Companies that don't improve will hold back on discretionary meetings. — *MeetingNews*, November 2003

Corporate travel (group and individual) has been taken over by purchasing or procurement departments in many companies across all industries. By consolidating or centralizing management of company spending, a company gets its arms around total expenditures in one area through use of formal RFPs, standardized contracts, preferred suppliers and volume buying. — *Insurance Conference Planner*, December 2003

Industry Trends



Meetings/Conventions Trends (Corporate), continued

26% of insurance planners must involve their in-house procurement departments in site selection, negotiations, and/or contract reviews for incentives and meetings. (Finding reported at the 2003 Insurance Conference Planners Association held in November in Kissimmee, FL). – Meetings & Conventions, January 2003

Key findings among the Insurance market: (1) Lead times for incentive programs decreased last year for 47% of planners (2) Two-thirds of the survey respondents said a hotel's recommendation helped them in selecting a destination management company for a program (3) 26% said price has overtaken service. – Meetings & Conventions, January 2003

Pharmaceutical company employee meetings planned days in advance. ...generally for 30-50 attendees, 2-3 days, general session with breakouts and require a sizable amount of A/V, as well as wireless Internet. – Meetings & Conventions, January 2003

Medical meetings are becoming smaller and shorter in length, but more are being held. Many of the meetings/events are being held regionally since doctors can't afford to be out of the office for more than a day or two. – Meetings & Conventions, January 2003

Association

60% of association planners responded that the number of meetings they planned from 2002 to 2003 stayed the same, while 44% of corporate planners responded that their number of meetings for this time period increased. – ConventionSouth, November 2003

Association meetings, while still facing challenges in attendance, are likely to have a better year in 2004. – Successful Meetings, December 2003

ASAE's latest research on revenue generated by association events conducted in 2002 showed that 42% of associations saw a decrease in meeting and convention revenues since 9/11; 22% reported an increase; and 36 percent showed no change.

Other/General

For 2004, planners are being asked to cut costs for off-site parties and events, while 41% are being asked to cut food and beverage costs. – ConventionSouth, November 2003

Because of the economy, many groups can now afford first-tier cities since hotels and meeting facilities in those cities have lowered their rates to compete for business. – ConventionSouth, November 2003



Meetings/Conventions Trends (Other/General), continued

Lead times for selecting meeting sites are continuing to shrink, with the average lead time for meetings in 2003 being 19 months in advance. Corporate planners are choosing a meeting site only 10 months or less in advance. Independent planners reported a 10-month lead time, while association planners reported an average 22-month lead time. — *ConventionSouth*, November 2003

A survey by MPI indicates that meeting and event budgets primarily are influenced by senior level executives, not planners. Further, senior executives are virtually as likely as planners to decide where meetings will be held. — *MeetingNews*, October 2003

If there is a catch phrase that sums up the meetings industry's opinion on recovery in 2004, it's "cautious optimism." Planners are seeing signs of increasing demands for meetings, and increasing budgets for them. The year 2005 may see the return to real growth, but 2004 is a transition year, a transition in the right direction. — *Successful Meetings*, December 2003

Attrition will continue to be a problem. Suppliers and planners must work together to make the guest rooms less of a commodity and more of an integral part of the meeting experience. — *PCMA Convene*, November 2003

Return on investment (ROI) on meetings will increase in importance. Meeting professionals must provide increased value to attendees. The ROI may be personal, educational or financial, but it is critical to the success of a meeting to have its value established and clearly communicated. — *PCMA Convene*, November 2003

Responsibilities for meetings will increasingly fall under marketing and communications departments for corporate programs and incentive events. As such, they must enhance the goals and objectives of the organization. — *PCMA Convene*, November 2003

Hotels are still in control now, but 2004 will mark the start of a shift, that will plan out over several years, toward higher demand, occupancies, rates and hotel revenues. — *MeetingNews*, November 2003

Results of a MPI survey taken in late summer 2003 supports the recovery forecast: 50% of buyer respondents envisioned their meeting budgets rising in either late 2003 or early 2004, while the same proportion of suppliers expected to gain revenue boosts from group business in that time. — *MeetingNews*, November 2003

Forecasts for meetings volume in 2004, and the accordant result for the hotel industry, suggest a strong recovery. — *MeetingNews*, November 2003

Industry Trends



Meetings/Conventions Trends (Other/General), continued

Must be noted that no one is expecting a fast return to the business levels of the late 1990s and early 2000. Overall trends in 2004 will be in hotels' favor, but the change will not be dramatic. – MeetingNews, November 2003

Organizations' costs for health benefits and insurance will continue to rise, furthering the growth of outsourcing and the rise of third-party meeting organizers. – MeetingNews, November 2003

Meeting planners will make greater use of RFPs to find hotels that are agreeable to more user-friendly attrition and cancellation terms. – MeetingNews, November 2003

Contracts increasingly will emphasize reducing the risk of attendees going around the block, with hotels required to adjust the group rate if necessary to be competitive with nearby hotels. – MeetingNews, November 2003

Bad economic times and increased costs are creating a senior management-driven priority for a more strategic, less tactical, more ROI-conscious environment for those working in the meetings/events arena. – MeetingNews, November 2003

In 2004, successful CVBs will put a premium emphasis on flexibility and client service. – MeetingNews, November 2003

Survey results from M&C:

What are top three factors of importance to your meetings or attendees in 2004:

- High-speed Internet access in guest rooms: 70%
- High-speed Internet access in meeting space/public areas: 58%
- On-site Tech person: 47%

Convention & Motorcoach Servicing Trends

The successful Destination Management Company (DMC) will need to grow their product line. Maybe it is doing entertainment or entertainment production on online registration or meeting planning. To survive, we must truly be a one-stop shop for everything the hotel cannot provide, and then some services that they can – perhaps just not as well. – Special Events Magazine September 2003

Many properties are going above and beyond to work with planners to fold the spa experience into their meetings in various ways. Group business is getting more creative as people become increasingly aware of the benefits of "spa-ing," according to Sally Haims, public relations manager at San Francisco's Nob Hill Spa at the Huntington Hotel. – Meetings South, June 2003



Industry Trends

Convention & Motorcoach Servicing Trends

Popular planned activities for summer travelers, in order, are: visiting cities/urban areas, visiting small towns/rural areas, visiting national parks or forests, visiting historic sites, traveling close to home, camping, hiking or climbing, visiting museums, fishing and visiting theme parks. - *The Group Travel Leader*, June 2003

Meeting attendees now have a new luxurious yet low-cost option for travel. Meeting attendees could be on the same plane and not see each other, but on our vehicles (motorcoach), they can travel together in a personal way. There's a real decline in facilities for business travel, and the airlines have experienced cutbacks in staff and flights, leading to more crowded planes and declining service. - *Meeting News*, December 8, 2003

Hyatt Hotels Corp. is offering Passkey's Web-based housing management application to meeting planners for free as a way to fight room-block attrition. Shea said he expects that groups holding small-to mid-size meetings are most likely to use their service, with groups blocking around 300 rooms benefiting most. - *Meeting News* December 8, 2003

New reservation systems do not eliminate the effect of heavily discounted hotel rooms sold online, and many planners say they must take further action to prevent room-block erosion. We need to address the two major, related challenges ailing industry-attrition and book-arounds-so we chose one solution that many planners are familiar with, says Ty Helms, senior VP of sales for Hyatt, regarding passkey. - *Successful Meetings/* December 2003

Conventions and conferences are now looked at not as a perk for a job well done, but as an investment. In voluntary-attendance meetings, there's also a trend toward content and educational value. Planners won't be booking as many of the big name, big money speakers they once relied upon to draw crowds. Clients are much more focused on take-home value and content, because that's what their participants want. - *Successful Meetings/* December 2003

Heritage Tourism is gaining momentum, as more and more Americans are interested in where they come from. According to a recent study by the Travel Industry Association and Smithsonian Magazine, tourists who seek out history and culture spend more, do more and stay longer than other travelers. Interest in African-American culture, the Civil and Revolutionary Wars and the bicentennial of the Lewis and Clark expeditions are all helping to fuel domestic travel. - *New York Times*, Sect. 5 Page 4/ 10/6/2003

The Travel Industry Association newly released Domestic Travel Market Report 2003 says Baby Boomers (age 35 - 54) generate more travel than any other age group in the U.S., registering more than 241 million household trips last year. A number of Baby Boomer households spend a substantial amount on their trips, with 14% paying \$1,000 or more for a vacation, not including transportation. This group is also more likely to stay in a hotel or motel, travel for business and fly to their destination, says TIA. - *Travel Advance* 10/14/2003

Industry Trends



Convention & Motorcoach Servicing Trends

An overwhelming majority of American travelers include historical or cultural activities in their travels, according to a new study from TIA and Smithsonian Magazine. 81% of U.S. adults who traveled in the past year, or 118 million, are considered "historic/cultural travelers," up 13% from in 1996. Historic and cultural travelers spend more on trips compared with travelers on other types of U.S. trips – and average of \$623 versus \$457, excluding the cost of transportation. Historical and cultural travelers are also more likely to extend their stays to experience history and culture at their destinations. - *The Group Travel Leader*, August 2003

While the last few years have been hard times for hotels, from plush palaces to mundane motels, bed-and-breakfasts have been doing comparatively well, according to hotel analysts. Fear of flying in the age of terrorism coupled with an economic downturn has left hotels with a shortage of business travelers. But the uneasy climate has spurred a desire for a brief getaway, and that has been good for B&Bs and their slightly larger cousins, the country inns. - (Sect. 5, Page 3, *New York Times*) *Travel Advance E-zine*, Monday, October 27, 2003

Rue the day technology replaces touch... Today, the trend continues toward the impersonal. It's what the technologists advocate; it's what Wall Street demands. But it's not what the customer wants; not all of the time. I realize that the coming Gen Xers are as at ease with the impersonal keystroke as they are comfortable with the sound bite. But there will always be a sizable demand for authentic customer listening and client bonding. - *Atlanta Business Chronicle*, Alf Nucifora, December 12-18, 2003

Industry Calendar - 2004



JULY	MEETING/EVENT	LOCATION
14-17	IACVB Annual Convention	Boston, MA
17-20	Georgia Motorcoach Association	Jekyll Island, GA
21	TDA Board Meeting	Asheville, NC
AUGUST	MEETING/EVENT	LOCATION
1-4	IAAP Convention	Washington, D.C.
5-6	NCACVB Meeting	Huntsville, NC
6	PR Committee Meeting	Asheville, NC**
12	Hospitality Asheville Committee	Asheville, NC**
18	TDA Board Meeting	Asheville, NC
26	Convention Development Committee	Asheville, NC**
SEPTEMBER	MEETING/EVENT	LOCATION
5-10	SATW Annual Convention/Marketplace	Switzerland
9	Tour & Travel Development Committee	Asheville, NC**
9	Hospitality Asheville Committee	Asheville, NC**
14	NCDTFSD Mid-Year Update	Raleigh, NC
16-19	AAA Auto Touring Counselors FAM	Asheville, NC
22	TDA Board Meeting	Asheville, NC
TBD	Fall Media Tour	Ohio Valley
OCTOBER	MEETING/EVENT	LOCATION
1	Public Relations Committee	Asheville, NC**
7-8	NCACVB Meeting	Durham, NC
14-16	Overseas Brats	Daytona Beach, FL
14	Hospitality Asheville Committee	Asheville, NC**
20	TDA Board Meeting	Asheville, NC
27-29	TIA Marketing Outlook Forum	Phoenix/Scottsdale, AZ
28	Convention Development Committee	Asheville, NC
TBD	CMCA Meeting	TBD
NOVEMBER	MEETING/EVENT	LOCATION
5-7	Advantage West Media Event	Chicago, IL
11	Hospitality Asheville Committee	Asheville, NC**
12-17	National Tour Association	Toronto, Canada
17	TDA Board Meeting	Asheville, NC
18	Tour & Travel Development Committee	Asheville, NC**
19-21	AAA Carolinas Superbowl of Knowledge IX	Pinehurst, NC**
TBD	TSAE Trade Show	TBD**
TBD	Government Sales Biltz	Atlanta, GA**
DECEMBER	MEETING/EVENT	LOCATION
2-3	NCACVB Meeting	Raleigh, NC
2-5	Delta Rhythms of the South Marketplace	New Orleans, LA**
3	Public Relations Committee	Asheville, NC**
9	AENC Trade Show	Raleigh, NC**
9	Hospitality Asheville Committee	Asheville, NC**
16	Convention Development Committee	Asheville, NC
22	TDA Board Meeting	Asheville, NC

**Opportunities for community involvement.

Dates are subject to change. Please call 828/258-6102 to confirm.



Industry Calendar - 2005

JANUARY	MEETING/EVENT	LOCATION
13	Hospitality Asheville Committee	Asheville, NC**
14-16	NC Motorcoach Association	Winston-Salem, NC
19	TDA Board Meeting	Asheville, NC
20	Tour & Travel Development Committee	Asheville, NC**
FEBRUARY	MEETING/EVENT	LOCATION
3-4	NCACVB Meeting	Wilmington, NC
4	Public Relations Committee	Asheville, NC**
4-8	American Bus Association	Chicago, IL
10	Hospitality Asheville Committee	Asheville, NC**
23	TDA Board Meeting	Asheville, NC
24	Convention Development Committee	Asheville, NC
TBD	New York Media Event	New York City**
MARCH	MEETING/EVENT	LOCATION
10	Hospitality Asheville Committee	Asheville, NC**
17	Tour & Travel Development Committee	Asheville, NC**
17-18	TDA 2005-2006 Strategic Planning Retreat	Asheville, NC
18	TDA Board Meeting	Asheville, NC
31-4/1	NCACVB	Winston-Salem, NC
TBD	VisitNC Presentation	Raleigh, NC**
TBD	Spring Media Tour	TBD
TBD	AAA Explore Asheville! Training	Indiana & Ohio**
APRIL	MEETING/EVENT	LOCATION
1	Public Relations Committee	Asheville, NC**
5-7	Governor's Conference	Asheville, NC**
14	Hospitality Asheville Committee	Asheville, NC**
20	TDA Board Meeting	Asheville, NC
24-25	NCACVB Meeting	Fayetteville, NC
28	Convention Development Committee	Asheville, NC
TBD	PRSA Travel & Tourism Conference	Denver, CO
MAY	MEETING/EVENT	LOCATION
3-7	TIA - Pow Wow	New York City**
7-15	National Tourism Week	Asheville, NC**
12	Hospitality Asheville Committee	Asheville, NC**
18	TDA Board Meeting	Asheville, NC
19	Tour & Travel Development Committee	Maggie Valley, NC**
TBD	Blue Ridge Parkway's AAA FAM	Asheville, NC**
JUNE	MEETING/EVENT	LOCATION
3	Public Relations Committee	Asheville, NC**
15-17	NCACVB Annual Meeting	Asheville, NC
22	TDA Board Meeting/ Budget Public Hearing	Asheville, NC
23	Convention Development Committee	Asheville, NC
TBD	GSAE	TBD**

**Opportunities for community involvement.

Dates are subject to change. Please call 828/258-6102 to confirm.

Glossary of Terms



AAA – American Automobile Association – A not-for-profit organization of some 90 motor clubs serving more than 42 million members in the United States and Canada.

ABA – American Bus Association – A national association of private intercity bus companies, travel industry organizations, motorcoach tour organizers and associates. The ABA offers a marketplace where buyers and sellers meet in one-on-one pre-scheduled appointments.

Association organizations – Organizations of association executives who meet regularly and host annual meetings, conventions and trade shows.

ASAE – American Society of Association Executives

AENC – Association Executives of North Carolina

GSAE – Georgia Society of Association Executives

GWSAE – Greater Washington Society of Association Executives

SCSAE – South Carolina Society of Association Executives

TSAE – Tennessee Society of Association Executives

BCTDA – Buncombe County Tourism Development Authority – A ten-member board responsible for overseeing the expenditure of the county's four-percent room occupancy tax revenues. The board is comprised of seven members with voting status (three appointed by Buncombe County, three by the City of Asheville, and one by the Asheville Area Chamber of Commerce) as well as three ex-officio, nonvoting, members.

B-roll – A broadcast term that refers to video with natural sound on tape.

Brand – A genuine brand is the internalized sum of all impressions received by customers and consumers resulting in a distinctive position in their mind's eye based in perceived emotional and functional benefits.

CMA – Christian Management Association

CMCA – Christian Meetings and Conventions Association

Conversion study – A study conducted to determine the number of visitors requesting visitor information who actually visit the area.

E-zine – A magazine published electronically for Internet consumption.

FAM – A shortened term for familiarization tour, a common marketing tool used in the travel industry. A FAM is an invitation-only complimentary trip hosted by a destination for the purpose of "familiarizing" a specific group (media, motorcoach operator, meeting planner, etc.) with the attributes of the area.

GAMPI – Georgia Meeting Professionals International

Group leaders – Nonprofessional travel planners associated with religious, social and/or senior clubs. Group leaders are working with "preformed groups" drawn from the organization's membership, rather than individuals brought together by a professional tour operator.

Gateway city – A city with an airport servicing direct international flights.

HSMAI – Hospitality Sales & Marketing Association International – An organization of hospitality industry professionals including representatives from hotels, restaurants, attractions and service companies.

IAAP – International Association of Administrative Professionals

IACVB – International Association of Convention and Visitors Bureau – A professional organization for the convention and visitor industry across the world. Educational opportunities are provided at seminars and at the annual convention.

Media tour – A tour of a city or cities in a core market in which appointments are scheduled with media for interviews and to distribute information about visiting the Asheville area in hopes of obtaining editorial and broadcast coverage.

MPI – Meeting Professionals International – The leading professional society of meeting planners and suppliers, the organization hosts an annual meeting along with a trade show which the Asheville CVB attends. In addition, state chapters also host their own annual meetings and trade show opportunities.



Glossary of Terms

NCACVB – North Carolina Association of Convention and Visitor Bureaus – A private, not-for-profit corporation dedicated to the promotion of North Carolina as a convention and visitor destination. Comprised of more than 30 destination marketing organizations, the group works on cooperative marketing projects in partnership with the North Carolina Division of Tourism, Film and Sports Development.

NCDTFSD – North Carolina Division of Tourism, Film and Sports Development – A division of the Department of Commerce which oversees tourism affairs and marketing for North Carolina.

North Carolina Golf Marketing Alliance – A not-for-profit corporation formed to promote North Carolina as a primary golf destination for international visitors, the alliance conducts joint marketing ventures in conjunction with the North Carolina Travel & Tourism Division.

NTA – National Tour Association – NTA is a nonprofit trade organization of and for individuals who package both retail and wholesale tours. The NTA member company is the “middle man” who sells and/or arranges interstate pleasure tours and motorcoach tours for compensation. The marketplace is designed for buyers and sellers to meet on a one-on-one basis in pre-scheduled appointments.

PITV – Per Inquiry Television – Advertising program through which the advertiser pays a pre-negotiated, cost-controlled rate for leads generated from television commercials

POW WOW – Organized by TIA, this is the major marketplace in the U.S. for domestic suppliers and international buyers and is a marketplace structured like ABA and NTA with pre-scheduled appointments, journalists and public relations executives. The organization was created to promote unbiased, accurate and interesting reporting on travel destinations, facilities, and services. The group holds an annual convention as well as regional meetings and educational forums.

PCMA – Professional Conference Managers Association – Organization comprised of meeting planners who meet on national and state levels to become better educated on planning conferences.

PRSA – Public Relations Society of America – The national professional organization of public relations practitioners and communicators. Each year the Travel and Tourism Section of the organization plans a conference that brings media and travel communicators together in an educational setting.

RCMA – Religious Conference Managers Association – A professional, nonprofit, interfaith organization of planners responsible for planning and/or managing meetings, seminars, conferences, conventions and assemblies for religious organizations.

RSA – Receptive Services Association – A professional organization designed to help receptive operators serve international tour companies through partnerships with North American suppliers.

SATW – Society of American Travel Writers – A not-for-profit professional association of writers, photographers, editors, electronic media

SGMP – Society of Government Meeting Planners

SMERF – An acronym for the meeting market segments that comprise social, military, educational, religious and fraternal groups.

State Motorcoach Associations – State associations of member motorcoach operators who work together to promote safe travel by motorcoach through networking with other operators and suppliers and by positively influencing state legislation. Each state association typically holds an annual meeting and trade show to offer supplier members an opportunity to meet with tour planners and/or group leaders.

GMCA – Georgia Motorcoach Association

NCMA – North Carolina Motorcoach Association

STS – Southeast Tourism Society – STS is the private sector voice in the travel industry in 10 Southeastern states, including North Carolina. Membership in STS affords an opportunity for educational seminars, joint trade show ventures and networking.

TIA – Travel Industry Association of America – The Washington, D.C. based national, nonprofit association that serves as a unifying organization for all of the U.S. travel industry, which is the second largest employer and third largest retail industry in the nation.

Travel South – Travel South is an organization composed of 11 southeastern states including North Carolina. Travel South Showcase is a marketplace structured like NTA and ABA, but limited to Southern suppliers.

Viral marketing – Marketing concept in which an unusual, interesting or funny message promoting the area is distributed to consumers in hopes that they will forward the message to other people. This method is most often used in e-mail marketing.

Notes





Notes

