

Brand and Marketing Assessment of



Table of Contents

I. Project Objectives

II. Methodologies

III. Executive Summary

- A. Current Situation
- B. Marketing Recommendations
- C. Recommended Transfer of Functions to LMD

IV. Findings and Recommendations

- A. CVB Staffing
- B. Marketing Planning
- C. Performance Measures
- D. Estes Park's Product and Demand Generators
- E. Estes Park's Competition
- F. Estes Park's Target Audiences
- G. The Estes Park Brand
- H. Marketing Mix
 - I. Advertising
 - J. CVB's Website
 - K. Internet Marketing
 - L. Media/Public Relations and Social Media
 - M. Group Sales and Marketing
 - N. Visitors Guide
 - O. Visitors Center
 - P. Special Events
 - Q. Stakeholder Services
 - R. Research

I. Project Objectives

The primary objectives of this Brand and Marketing Assessment are to evaluate the Convention & Visitors Bureau's marketing and sales efforts designed to attract Overnight and Day visitors to the Town of Estes Park and to recommend changes and additions to these efforts.

Recommendations are also presented in the Executive Summary for those areas that should be transferred from the CVB to the LMD on January 1, 2010.

II. Methodologies

The Brand and Marketing Assessment is based on the following methodologies:

- Meetings with the Mayor of Estes Park, the Town Administrator, a representative of Rocky Mountain National Park and other Estes Park Stakeholders
- Meetings with each member of the Local Marketing District Board
- Meetings with each member of the CVB's management team
- A review of the CVB's marketing reports, media plans, advertising, collateral, budgets and research reports
- An audit of the CVB's website
- Discussions with Kim McNulty, Director of the Colorado Tourism Office
- Discussions with Terry Sullivan, President & CEO, and Amy Long, Vice President of Marketing and Membership, of Experience Colorado Springs at Pikes Peak Convention & Visitors Bureau
- Discussions with Bob Frohoff, Vice President Media, and Jill Groebl, Vice President of Digital Marketing, of MMG, CTO's agency
- Discussions with Ray Smith, Vice President of the Berkshire Visitors Bureau, and Brent DeRaad, Executive Vice President of the Scottsdale Convention & Visitors Bureau
- Discussions with Jerry Nichols of RTP, the company that designed the CVB's website

III. Executive Summary

A. The Current Situation

While a destination's economic health is a function of many factors besides its marketing, economic health is often used as a rough measure of the effectiveness of the destination's marketing. This is especially true when the destination's marketing organization (i.e., the CVB) plays a critical role in the overall marketing of the destination, as is the case with Estes Park's Convention & Visitors Bureau.

An important measure of Estes Park's economic health is its sales tax revenue. As shown below, the Town enjoyed significant increases in sales tax revenue in 2006 and 2007, before a flattening out in 2008, showing the Town is not immune to the effects of a severe recession.

Estes Park Sales Tax Revenue: 2004-2008

Year	Revenue	% Change
2008	\$7,183,790	-0.6%
2007	\$7,233,798	6.9%
2006	\$6,767,120	5.4%
2005	\$6,422,881	1.9%
2004	\$6,302,454	2.1%

Nevertheless, the Town's performance has been stronger than that of Rocky Mountain National Park, its primary "demand generator". The Park has not enjoyed the growth that the Town has, and it has suffered more from the softening economy in 2008. This illustrates the importance of other demand generators to Estes Park.

Rocky Mountain National Park Visitations: 2004-2008

Year	Visitations	% Change
2008	2,929,750	-5.2%
2007	3,090,875	+5.6%
2006	2,927,921	-0.4%
2005	2,939,099	-0.4%
2004	2,950,646	N/A

Drilling down, more specific and direct measurements of the effectiveness of the CVB's marketing are Estes Park's lodging occupancies and lodging sales taxes. As shown below, while its occupancies were affected by the worsening economy in 2008, Estes Park has outperformed other Colorado destinations (both resort destinations and cities), and was the only destination that did not suffer an occupancy decline last year.

Annual Occupancy Trends of Selected Colorado Destinations: 2006-2008

Destination	2006	2007	2008	2008: Change vs. 2007
Estes Park	51.8%	53.0%	53.2%	+0.2 pt.
Colorado Springs	58.7%	59.5%	57.1%	-2.4 pts.
Breckenridge	N/A	51.2%	47.9%	-3.3 pts.
Steamboat Springs	58.1%	60.0%	58.9%	-1.1 pts.
Total Resorts	53.2%	54.5%	50.6%	-3.9 pts.
Fort Collins	55.8%	59.1%	53.4%	-5.7 pts.
Denver	66.4%	67.0%	65.0%	-2.0 pts.
Durango	61.3%	66.1%	64.4%	-1.7 pts.
Grand Junction	70.6%	73.9%	72.7%	-1.2 pts.
Glenwood Springs	68.8%	69.7%	67.0%	-2.7 pts.

Source: Rocky Mountain Lodging Report

Note: Cities typically enjoy higher occupancies than seasonal resorts, as is shown here.

Drilling down still further, since the CVB's mission is to generate leads and convert them into visitations, a more specific and direct measurement of the CVB's marketing effectiveness is the conversion of those who requested and received Visitors Guides into visitors.

In the 2008 Visitor Study, it was reported that Estes Park's conversion rate for website requests was 77%, that is, three out of four people who requested a Visitors Guide online, actually visited Estes Park. This compares very favorably to RRC's range of web-based conversion percentages of 55% to 65%.

B. Marketing Recommendations

The measurements presented above suggest that the CVB's marketing of Estes Park is "not broken" and that wholesale changes are not only uncalled for, but unwise. Having said that, there are a number of significant changes in, and additions to, the destination's marketing that need to be made to increase its effectiveness and competitiveness. Several of these opportunities have been previously identified by the CVB staff, and several cannot be capitalized on without additional resources and expertise.

The primary changes and additions recommended are presented on the following page. It is important to recognize and factor into any prioritization of these initiatives the estimated timing of the positive impact of each initiative, and ensure that there is sufficient impact close in. Toward this end, the estimated timing of the impact is included in the following summary.

Recommended Marketing Initiatives

Initiative #	Description	Estimated Impact
1.	CVB Group Business: Grow CVB (non-Conference Center) Group business by doubling Julie Nikoiai's selling time and off-loading her Conference Center servicing duties. Reassess in mid-2010 to determine if an additional sales manager is justified.	Fall 2009
2.	Visitor Research: Initiate this summer a 12-month Visitor Study to enhance the understanding of visitors' buying behavior and the competitive set, by segment and by season, in order to support branding and positioning development and enhanced marketing communication.	Summer 2010
3.	Publicity: Increase the regional and national publicity Estes Park receives in both traditional media and social media by retaining an outside PR firm in January 2010, if not before. Most of the CVB's publicity efforts, which are limited by available time, are focused on the Front Range and on special events.	Summer 2010
4.	Media Reallocation: Reallocate some media spending from the Front Range to regional feeder markets to attract more destination visitors. The CVB is overspending against the less profitable Day visitor.	Summer 2009
5.	SEO and SEM for "Colorado": Search engine optimize the CVB's website for "Colorado", and reallocate pay-per-click key word purchases from "Estes Park" to "Colorado" in order to compete better with Colorado destinations for the out-of-state visitor.	Summer 2009
6.	Online Advertising: Selectively increase online display advertising (Colorado.com) beginning this summer and further increase this allocation in 2010.	Summer 2010
7.	Branding: Retain a company that specializes in branding to assist in the branding and positioning of Estes Park, using the summer and fall results of the recommended Visitor Study. Apply this new branding to a redesign of the website, Visitors Guide and all advertisements.	Fall 2010
8.	Website: Design and launch a new website based on the Visitor Research and branding work that supports visitor acquisition year-round.	Fall 2010
9.	Online Search Marketing Resource: Retain a new online search marketing company (or expand the duties of the current SEO vendor) to enhance Search Engine Optimization, Paid Search Marketing (pay-per-click), Online Media Management (display ads), Social Media Marketing, Online Reputation Management and email marketing programs. This resource should contribute to the design of the new website.	Fall 2010
10.	Email Marketing: Aggressively expand the email database of Colorado residents for use in promoting special events, enabling a decrease in the media spending required to advertise and promote special events.	Summer 2010
11.	Marketing Plan: Develop a more comprehensive and integrated Marketing Plan that includes specific objectives, strategies (with rationale), tactics and budgets for each of the LMD marketing functions.	Fall 2010

C. Recommended Transfer of Functions to LMD

Assuming the LMD Board defines its mission as attracting visitors to the District, it is recommended that the following marketing functions be transferred to the LMD, as follows:

1. Communications: Advertising, PR
2. Website/Internet Marketing (new, expanded; currently part of Communications)
3. CVB Group Sales and Marketing
4. Visitors Guide
5. Stakeholder Services Sales (not including Visitors Center Services)

There would likely need to be a revenue sharing of the Stakeholder sales revenues.

Responsibility for the operations and marketing of the Town's facilities (Conference Center, Event Center, Fairgrounds) and special events should remain with the Town, although the LMD should develop new events to support the off-season, in particular. Because the Visitors Center is a hybrid service and sales department, it could remain as one of the Town's facilities or its oversight could be transferred to the LMD. At this time, it is recommended that it stay with the Town's facilities and not be transferred to the LMD.

IV. Findings and Recommendations

A. CVB Staffing

The CVB's management team consists of six members. Their key responsibilities are summarized as follows:

- Tom Pickering, Executive Director: Tom oversees all operations of the CVB, including the Conference Center and Fairgrounds. Tom recently assumed responsibility for selling and marketing the Conference Center. His responsibilities are expected to change soon, as he shifts his focus to the development, operations and marketing of the Town's facilities, including the planned Event Center.
- Peter Marsh, Director of Communications & Visitors Services: Peter oversees all Travel Development and Visitor information Services, including advertising, website and internet marketing, public relations, the Visitors Center and Stakeholder Services. Peter reports to Tom Pickering.
- Julie Nikolai, Director of CVB Group Sales & Marketing: Since 2004, Julie has been responsible for both Conference Center and CVB group sales and marketing and for the servicing of groups. Her focus recently shifted from the Conference Center to the CVB lodging properties when Tom assumed responsibility for selling the Conference Center. Julie reports to Tom Pickering.
- Peggy Campbell, Stakeholder Relationship Manager: Peggy is responsible for creating and coordinating Stakeholder services and programs, including revenue-producing ones like selling advertising space on the CVB's website, Visitors Guide and shuttles. Peggy reports to Peter Marsh.
- Suzy Blackhurst, Communications Manager: Suzy is responsible for coordination and production of visitor marketing programs, including advertising, the CVB's website and internet marketing, media relations, travel writer support, community relations and Visitors Guide development. Suzy reports to Peter Marsh.
- Teri Salerno, Visitor Services Manager: Teri is responsible for the operations of the Visitors Information Center and reports to Peter Marsh.

Our assessment is that the CVB team is competent and committed. What it lacks is both time and more importantly the expertise in several increasingly important marketing areas where outside resources will be required to fill the gaps.

B. Marketing Planning

1. **Marketing Plan:** A destination's Marketing Plan is a written document that defines the goals and objectives to be achieved and the strategies, tactics and resources (e.g., people and dollars) needed to accomplish those goals and objectives. In addition to documenting the "who, what, when, where and how", it explains the "Why", or the rationale, for the strategies and spending priorities.

The CVB does not operate with a fully integrated Marketing Plan that addresses all marketing functions. Instead, it has prepared for the Town's approval departmental budget summaries showing where the funds will be spent. These departmental budgets are supplemented with a more detailed "360 Degree Plan" that defines the target audiences, categorizes the advertising, media/public relations and internet spending and lists the various vehicles to be used. This 360 Degree Plan, which is posted on the Town's website, replaced a weekly/monthly advertising calendar utilized through 2006.

- 2. Marketing Strategies:** Absent an explicit set of marketing strategies, our review of the departmental budgets and the 360 Degree Plan, and our meetings with the CVB's staff suggest the following strategies are being executed:
- a. A media plan that mirrors the state's spending in magazines, but spends significantly more along the Front Range (especially in newspapers and PR) and less in online media. An estimated 50% of media is spent along the Front Range and 50% outside Colorado. In contrast, the CTO spends less than 4% of its media in state, but its objectives are different.
 - b. 50% of media is spent to protect the peak summer season, with the balance spent against the rest of the year.
 - c. Participation in many of the state's co-op advertising opportunities and Colorado.com, reflecting the fact that many out-of-state visitors first decide to visit the state before selecting one or more specific destinations within the state.
 - d. A reliance on media—both traditional and online—with modest Group Sales and regional and national publicity efforts.
 - e. A continuing shift from traditional media (print and broadcast) to online marketing, with increased pay-per-click expenditures.
 - f. A geographic focus on Denver and the Interstate 70 and 80 corridors east to Ohio, the upper Midwest and Texas.
 - g. Heavy promotion of special events to attract Front Range visitors and bolster shoulder and winter season business.

Recommendations: It is recommended that the LMD strengthen the Marketing Planning process by preparing a more comprehensive and integrated, written Marketing Plan that, in addition to the budgets and the 360 Degree Plan, does the following:

1. Explicitly defines the goals, objectives, marketing strategies and tactics (Note: the goals and objectives can be integrated into managers' Activity Plans), and provides the rationale for the strategies;
2. Addresses CVB Group sales and marketing and the Visitors Guide; and
3. More fully addresses both publicity and internet marketing.

Importantly, such a Marketing Plan should increase the transparency of the LMD's marketing and enhance Stakeholders' understanding of it.

C. Performance Measures

A destination’s marketing performance measures are those metrics used to evaluate the progress it is making toward achieving its goals and objectives. These measures should be: (1) relevant to the marketing organization’s mission; (2) clearly defined; (3) easy to obtain; (4) reasonably well controlled by the marketing organization; (5) useful as a means of helping improve performance; and (6) accurate measures of how the marketing organization is doing.

In its 2007 Annual Report to Stakeholders, the CVB reports various performance measures tracked by each department. Since there are no goals or objectives in place, these measurements are not compared to any goals or objectives.

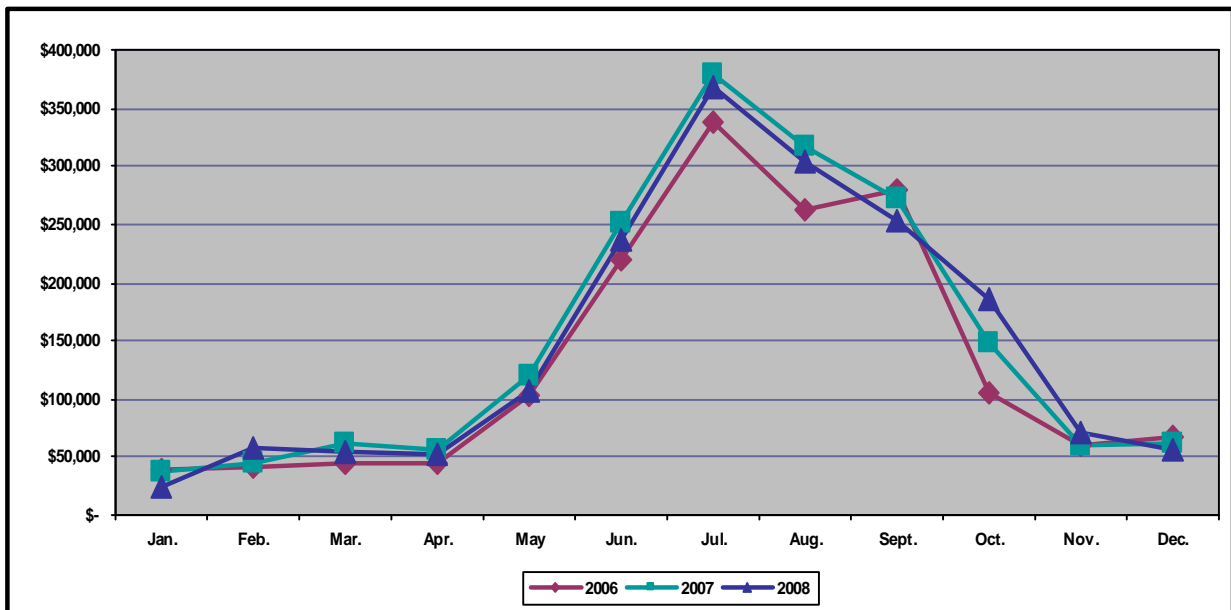
The CVB also sends out a monthly newsletter to its Stakeholders with a variety of statistics, including Visitor Center Traffic, Telephone Calls Answered, Visitors Guides distributed and downloaded, internet click-throughs and upcoming conferences. These statistics are compared to the same period of the prior year, but not to any objectives.

Recommendations: It is recommended that the LMD: (1) establish goals and quantitative performance objectives; (2) track the performance monthly; and (3) report on them quarterly, comparing them to both the goals and objectives and to prior years, where and when that can be done.

Additional performance measures might include sales tax revenue, the number of conference leads, group site inspections, the number of weddings, publicity coverage (articles, lines, media advertising equivalency), Visitors Center call volume, number of addresses added to the e-newsletter list, number of downloads of the online Visitors Guide, etc.

Estes Park Lodging tax collection trends are shown below. For calendar year 2007, Lodging sales taxes increased by 12.9% to \$1,813,978, but declined slightly in 2008 by 2.3% to \$1,771,509.

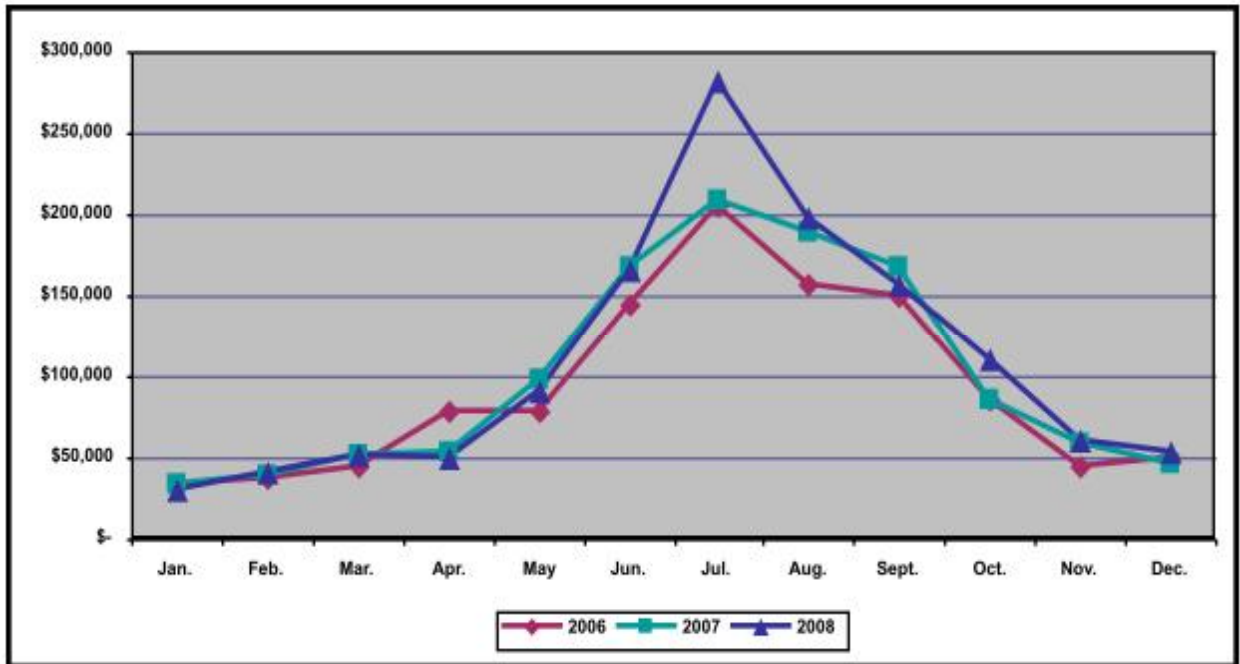
Estes Park Lodging Sales Taxes: 2006-2008



Compared to a year ago, monthly Lodging sales taxes declined during 2008 in nine of the 12 months.

Restaurant tax collections have demonstrated more consistent growth: 2007 collections increased by 8.0% from \$1,110,327 in 2006 to \$1,199,175, and 2008 collections increased by 7.7% to \$1,291,560. This 2008 performance may reflect the strength of Day visitors relative to Overnight visitors.

Estes Park Restaurant Sales Taxes: 2006-2008

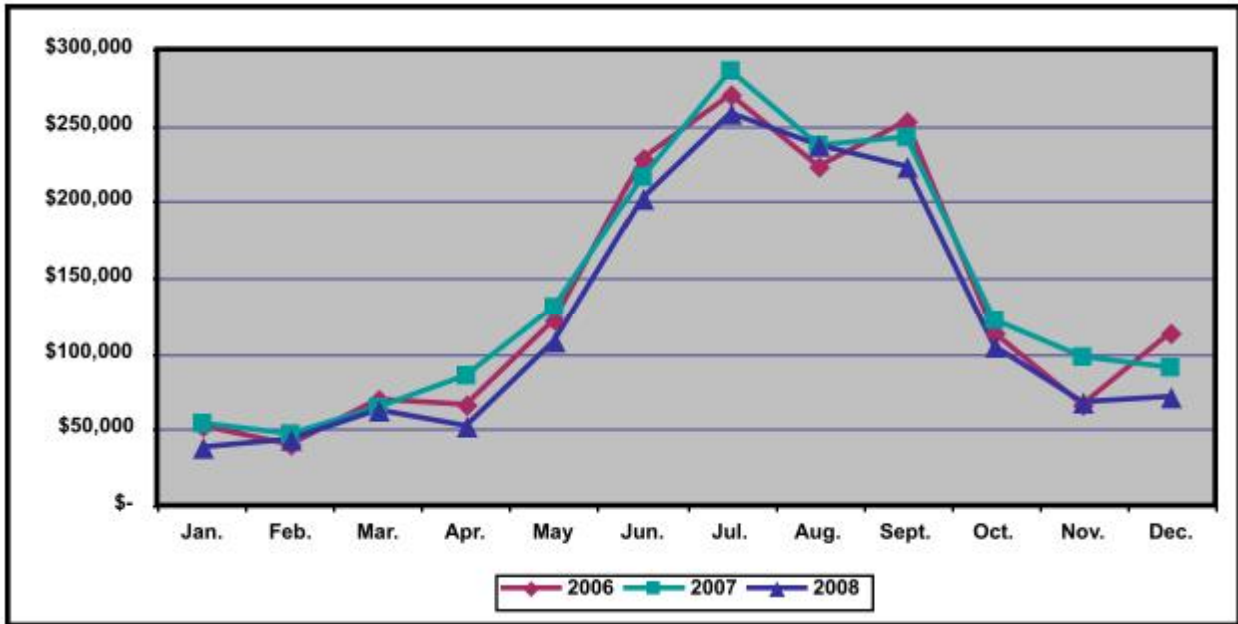


Monthly Restaurant sales tax collections increased during 2008 in six of the months, and experienced the largest growth in July.

Both the Lodging and Restaurant tax collections highlight the greater strength of the fall shoulder season, compared to the spring shoulder season.

The weakest sales tax segment affected by tourism is Retail Sales. In marked contrast to the 7.7% increase in 2008 Restaurant Sales taxes, Retail Sales taxes, after increasing by 3.6% from \$1,617,461 in 2006 to \$1,676,595 in 2007, declined by 12.2% to \$1,472,450 in 2008. Monthly taxes set 3-year lows in nine of the 12 months. An in-depth analysis needs to be undertaken to understand the reasons for this sharp decline and what can be done to reverse the trend.

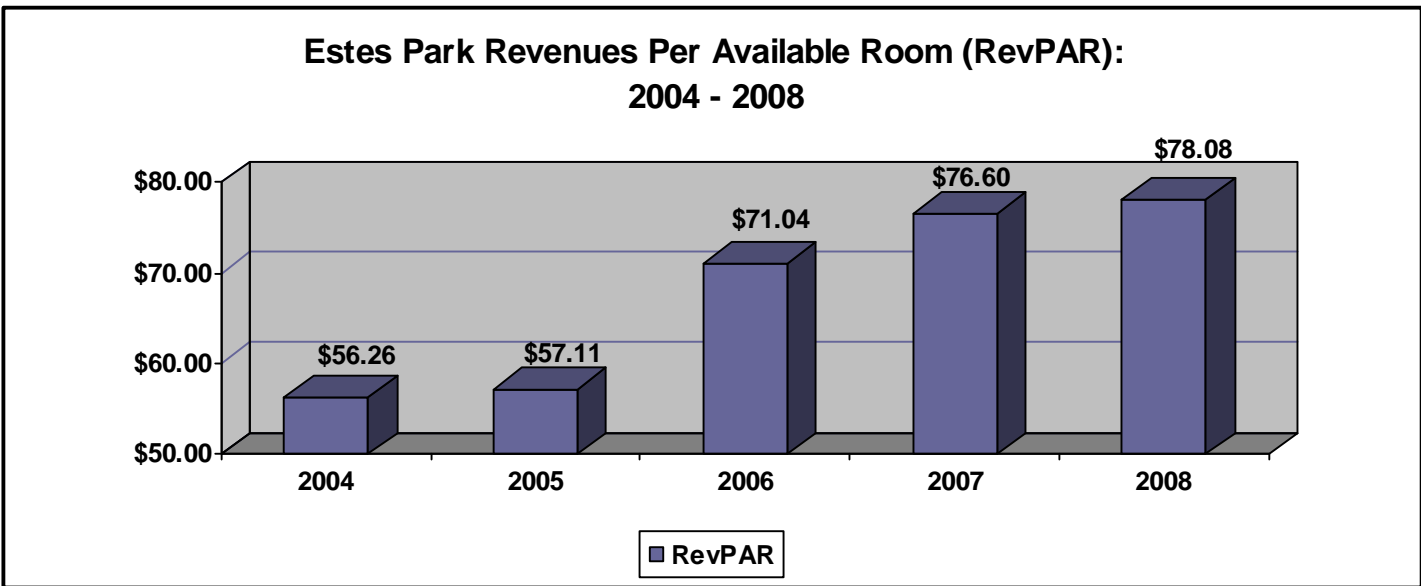
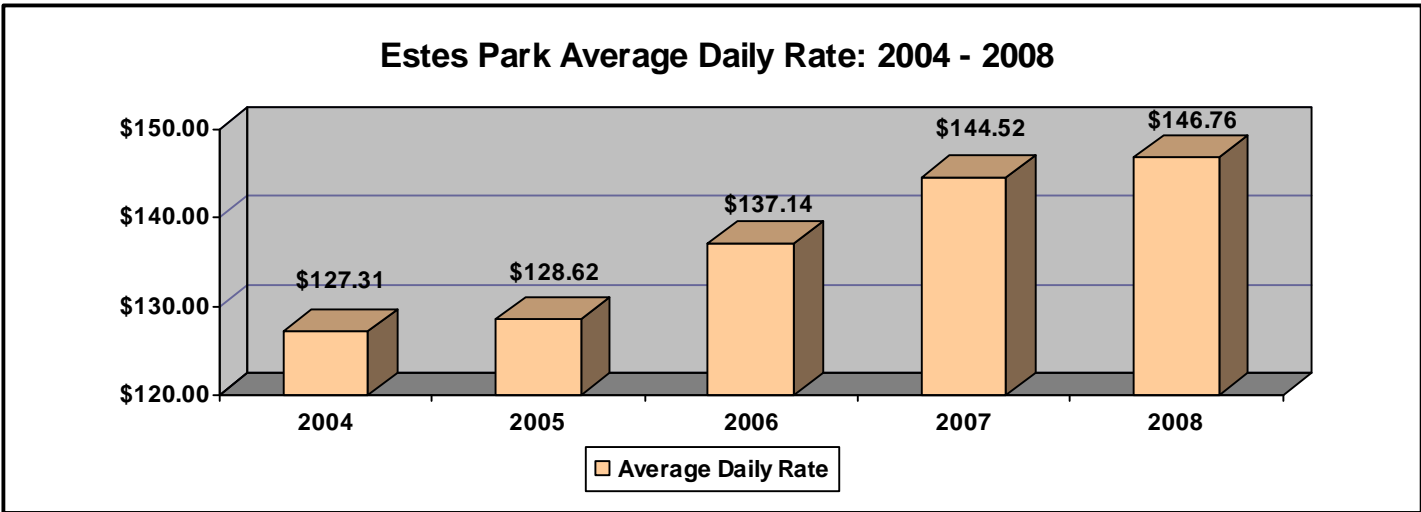
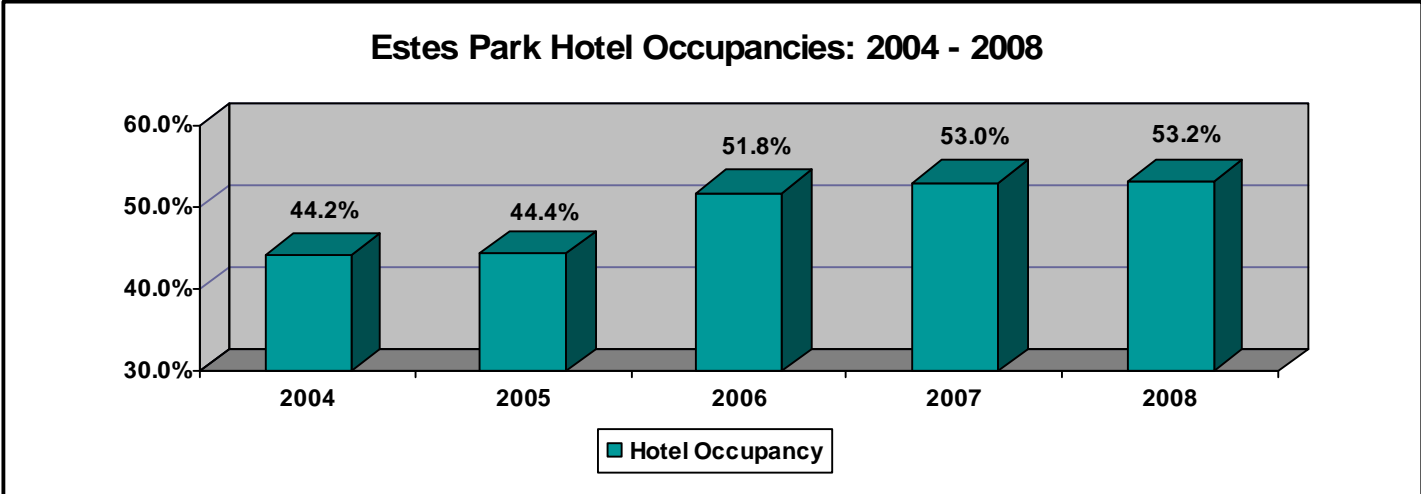
Estes Park Retail Sales Taxes: 2006-2008



Estes Park’s hotel statistics for occupancies, average daily rates (“ADR’s”) and “RevPAR” (revenue per available room) for the properties participating in the Rocky Mountain Lodging Report are presented on the following page. Most of the RevPAR increases the last two years have been generated by increases in the ADR’s, as occupancies (i.e., visitors), after jumping 7.4 points in 2006, have flattened out. These statistics, which are based on a smaller sample of lodging properties, are more positive than the Lodging sales taxes.

The LMD is encouraging additional properties to provide data to the Rocky Mountain Lodging Report and to provide Bob Benton, who prepares the Lodging Reports, with “pacing” information to help the LMD identify future (120 day) booking trends that might precipitate modifications to the planned marketing spending. This is a valuable metric that can help individual properties that are pacing behind other properties and help the CVB and LMD determine if it should adjust its programming.

Recommendation: Even though these Sales tax measurements are not controllable by the CVB or LMD, all three should be included in the regular reporting of performance measures, along with the Rocky Mountain Lodging Report statistics.



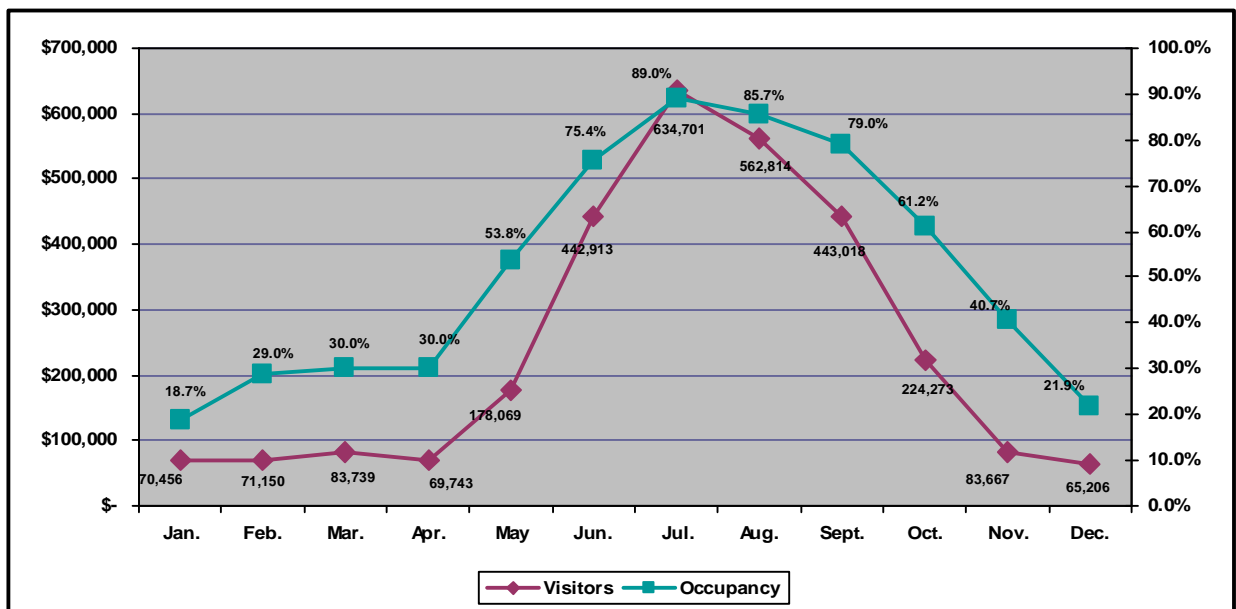
D. Estes Park’s “Product” and Demand Generators

1. Primary “Demand Generator”: Estes Park’s primary and dominant “demand generator” is Rocky Mountain National Park, with its 3,000,000 visitors annually (two-thirds from the Estes Park side). According to the 2006 Summer Visitor Study, 85% of the visitors to Estes Park indicated that RMNP was Extremely Important to their visit. Similarly, according to the 2008 Summer Conversion Study, 89% indicated they had visited RMNP.

With 40,000 season passes sold a year (more than all other national parks in the region combined), RMNP is an important contributor to Day visits, as well as Overnight visits.

As suggested by the following graph, hotel occupancies in Estes Park appear highly correlated with Park visitations, particularly from June through September.

Park Visitors and Estes Park Hotel Occupancies



2. Secondary Demand Generators: Secondary demand generators appear to be the Town’s mountain community, its “Watchable Wildlife” and its special events, the latter being more important to Front Range visitors than Destination visitors from out of state. Events that will be held at the planned Events Center should strengthen winter demand, in particular; one challenge will be to entice these attendees to spend money in the downtown area.

3. Satisfaction Levels: Since approximately 60%-65% of a destination’s visitors are typically repeat guests, it is important that visitors are extremely satisfied with their experience and have a high likelihood of recommending the destination to others. While the CVB has minimal impact on the visitor’s experience, the Town can impact the experience through product enhancements like the addition of an Events Center, improvements in parking, special events, etc.

Importantly, in the Summer 2008 Conversion Study, the destination was rated overall 4.7 on a 5-point scale. This compares favorably to the 4.4 to 4.6 range for other destinations RRC has measured. Respondents were not asked their likelihood to recommend Estes Park to others.

Recommendations: To better understand the demand generators and satisfaction levels, the following recommendations are made:

1. Research should be conducted throughout a 12-month period to quantify the importance of the demand generators by season and by customer segment (e.g., Day and Overnight visitors, Colorado and Out-of-state). This research should also be used to help determine if the watchable wildlife is a significant point of differentiation and should be a part of the Town's branding.
2. This research should also measure satisfaction levels throughout the year, by customer segment.
3. A new metric called the "Net Promoter Score" should be tracked in this and all future (satisfaction) research; this metric is calculated by subtracting the percentage of respondents with a neutral or negative likelihood from the percentage of those "Definitely" recommending.

E. Estes Park's Competition

Knowing whom a destination's competitors are enables it to better differentiate and position itself against those competitors and to determine which competitors' marketing plans should be studied. The interviews conducted with the CVB staff and Stakeholders indicated no consensus as to which destinations are directly competitive to Estes Park; among the various competitors identified were Colorado Springs, the Front Range in general, Breckenridge and other mountain communities, and the Western Slope. Colorado Springs is considered a competitor because of its Garden of the Gods Park (2 million visitors) and the Air Force Academy (630,000) and proximity to Denver, while Breckenridge may be a competitor because it is another mountain town and because of its proximity to Denver, although it is first and foremost a ski town.

Recommendation: The research recommended above in Section D should also identify Estes Park's competitors by customer segment and by season. This can be done by asking: "What other destinations did you consider before deciding to visit Estes Park?" Follow up questions should then ask: "What attracted you to (the other destination)?" and "What was the primary reason you selected Estes Park?" It will be very important to learn from the cross-tabulations the differences by season and by segment (e.g., Colorado and Out-of-state, Overnight and Day visitors).

F. Estes Park’s Target Audiences

1. Demographic Targets: Based on the 2006 Summer Visitor Study, the CVB defines its primary and secondary target audiences as follows:

- a. Primary Market: 45-54; married with no children at home or left children at home; \$50,000-\$100,000 income; college graduate; and Colorado, Texas and Midwest (Illinois, Missouri, Nebraska and Kansas).
- b. Secondary Market: 35-44 or 54-64; travel with children; \$75,000+ income; college graduate; and Iowa, California, Minnesota, Florida, Wisconsin and Arizona.

A third target audience – the Colorado Market – has been defined using Scarborough 2005 data as follows: 25-44; married, no children; \$77,800 income; and college graduate.

As shown below, Estes Park’s feeder states (defined in the 2006 Visitor Study) are nearly identical to those of Colorado Springs (defined in Experience Colorado Springs’ 2008 Annual Report) and are very similar to Denver’s:

Top Feeder States: Estes Park and Pikes Peak Region

Estes Park	Pikes Peak Region	Denver
Colorado	Colorado	Colorado
Texas	Texas	Texas
Illinois	California	California
Missouri	Florida	Arizona
Nebraska	Missouri	Florida
Kansas	Iowa	Illinois
Iowa	Oklahoma	Wyoming
California	Minnesota	Michigan
Minnesota	Kansas	Minnesota
Florida	Arizona	Georgia
Wisconsin		
Arizona		

Note: Denver statistics are for 2006.

The only state that is among Colorado Springs’/Pikes Peak Region’s top feeder states that is not among Estes Park’s top 12 states is Oklahoma. Similarly, seven of Denver’s top 10 feeder states are among Estes Park’s top 12 states, the exceptions being Wyoming, Michigan and Georgia.

2. Day vs. Overnight Visitors: The percentages of visitors that are Day and Overnight visitors were not measured in the 2006 Visitor Study. It was, however, measured in the 1996 Study, and while the findings are now 12 years old, they are worth considering, since many of the 2006 Study findings are very similar to those in the 1996 Study, including the finding that Colorado visitors (Day and Overnight combined) represented one-third of the total visitors.

As shown in the following table, just over two-thirds of Colorado residents' visitors were Overnight visitors, similar to the out-of-state visitors.

Percentage of Colorado Visitors/Percentage of Out-of-State Residents

Colorado Residents			Out-of-State Residents		
	%	n =		%	n =
Day Trip Visitors	31.62%	37	Day Trip Visitors	29.39%	82
Overnight Visitors	68.37%	80	Overnight Visitors	70.61%	197

Note: "n" = sample size, or the number of respondents.

Source: 1996 Visitors Study

Importantly, as the table below shows, while Colorado residents represented nearly half of the total Day Trip visitors, they account for less than 16% of the more profitable Overnight visitors, despite the fact that the state contributed 30% of the overall visitors.

Visitation by Overnight Visitors/Day Trip Visitors

Overnight Visitors			Day Trip Visitors		
	%	n =		%	n =
Colorado Residents	15.81%	37	Colorado Residents	49.38%	80
Out-of-State Residents	84.19%	197	Out-of-State Residents	50.62%	82

Source: 1996 Visitors Study

The 2006 Visitors Study reports a per capita daily expenditure for Day visitors of \$33.83, compared to \$113.52 for Overnight visitors; for every \$1.00 the Day visitor spends, the Overnight visitor spends \$3.35. In addition, the Overnight visitor stays on average 3.9 nights in Estes Park (2006 Conversion Study). Factoring this in, the Day visitors spends \$33.83, compared to \$442.73 for the Overnight visitor. Colorado visitors contribute only an estimated 18% of total revenues for Estes Park.

3. **Individual Leisure vs. Group:** The percentage of Group and Individual visitors has not been researched. Stakeholders interviewed estimate the Group percentage to be approximately 10%. This is extremely low for most destinations.
4. **First-time vs. Repeat:** Based on the 2006 Visitor Study, nearly one-third of the visitors are First-time and two-thirds are Repeat visitors. The average length of stay for Repeat visitors is nearly twice that of First-time visitors – 7.3 nights vs. 3.9 nights. As such, the revenue value of the Repeat visitor is much greater than for the First-time visitor.
5. **Weddings:** The Estes Park Wedding Association estimates that its members host 1,200 weddings per year. The Colorado Department of Public Health and Environment reports that approximately 2,400 wedding licenses are issued by Larimer County each year. Weddings are likely the largest Group segment after Conference Center groups.
6. **International Markets:** Limited information has been obtained to quantify the importance of international markets.

Recommendation: Future research needs to quantify the expenditures (average and total) of Colorado residents, and Day and Overnight visitors. This is important in assessing the importance of these audiences and in allocating marketing funds. In addition, the importance of various international markets such as Canada and Great Britain needs to be further researched.

G. The Estes Park Brand

1. **Brand:** A destination or “place” brand is the sum total of all of the customer’s perceptions and encounters with it. Estes Park’s brand is defined by how people feel about Estes Park and how they identify with it. These feelings, in turn, are based on experiences, advertising, word of mouth, the website, editorial, etc.

Importantly, a brand is not necessarily what the marketer says it is or wants it to be, but what its target audiences believe it to be. Increasingly this is shaped by what is said about the brand on the social media.

2. **Strategic Positioning:** A destination’s *positioning* refers to how its target audiences perceive it relative to competing destinations on those attributes most important to them. An effective positioning, therefore, not only differentiates the destination from its competitors on the important attributes, but also serves to persuade the target audiences to frequent the destination rather than frequent its competitors.

- a. **Positioning Elements:** Primary research conducted for other destinations suggests that there are generally three attributes that are important in the selection of a destination. These attributes are: (1) Primary activities, (2) location and (3) quality. The primary activities are often referred to as “demand generators”. For Estes Park the primary activity is, as discussed above, visiting Rocky Mountain National Park, while the location factors are Colorado, the mountains and proximity to Denver.

- b. **Positioning Statements:** The CVB has developed separate positioning statements for its national and regional markets. These are as follows:

- National Market: Position Estes Park/Rocky Mountain National Park as a premiere mountain vacation destination.
- Regional Market: Position Estes Park/Rocky Mountain National Park as the regional hub for events, entertainment and mountain recreation.

The national positioning, in particular, covers the primary activities/demand generators, location and quality (premiere).

- c. **Positioning Cues:** Every communication from the Estes Park and the CVB to its target audiences serves as a “positioning cue” or “prompt” that may affect its positioning. These positioning cues come from product delivery, staff, advertising, direct sales, publicity, logo design, newsletters, the Visitors Guide, events, the destination’s web site and third-party sites, and all other communication vehicles. It is important that all communication reinforce the positioning objectives.

- d. **“Positioning Slogan” or Tag Line:** One often-used positioning cue is a marketing slogan or “tag line” that succinctly captures the key elements of the positioning. Estes Park has utilized “Real Rocky. Real Good Times” as its slogan in advertising, collateral and website. It is unclear what this slogan means to Estes Park’s target audiences and whether it persuades prospective visitors to actually visit. Would “Real Rockies” be more relevant? Is the intent to differentiate Estes Park from the more pretentious mountain communities, assuming they are the principal competitors?
3. **Meetings:** Estes Park is not well known as a conference or meeting destination, so the Estes Park brand has little meaning in this marketplace.
4. **Branding on Website:** The CVB’s website does not present the Estes Park brand in an appealing manner. It appears old, contains some pictures that are not sharp and is not interactive.

Recommendations:

1. The Estes Park brand needs to be clarified and strengthened, and all communication should then reflect this branding. Determining how RMNP is integrated into this branding is critical. The recommended Visitor Research and competitive analysis should precede this branding work and serve as a foundation for it.
2. A critical component of a brand is its personality. Based on the TV commercials, in particular, Estes Park’s personality appears to be natural, real and down-to-earth. This needs to be confirmed or otherwise defined and integrated throughout the marketing communication. This personality definition is dependent, in part, on whom Estes Park is to be positioned against.
3. Given the prominent use of “Real Rocky” in the CVB’s communications, it is important to use Visitor Research to determine how prospects – particularly those outside of Colorado—interpret the slogan and whether it is persuasive.
4. Estes Park must have a stronger identity as a conference and meetings destination, particularly along the Front Range and secondarily within the region. This will need to be done through increased direct sales, publicity, email and direct mail.
5. Given the importance of weddings, Estes Park’s identity as a wedding destination needs to be further strengthened.

H. Marketing Mix

1. **Spending:** As shown below, two thirds of the CVB’s budget is for Operations and Maintenance, one-third for Personnel expense. After Communications, the second largest O&M expenditures are for Special Events, which also has a large Personnel cost.

CVB Budgets: 2007 – 2009

	2007	2008	2009
Operations & Maintenance			
Communications: Advertising/PR	\$831,711	\$833,454	\$829,892
Group Sales & Marketing	39,158	40,947	40,142
Visitors Guide	--	178,142	180,318
Visitors Center	178,257	174,579	196,679
Conference Center	118,447	114,804	113,474
Special Events	585,696	602,180	608,304
Total Operations & Maintenance	\$1,731,674	\$1,944,106	\$1,968,809
Personnel			
CVB	508,693	607,352	632,674
Special Events	370,149	382,388	405,960
Total Personnel	\$878,842	\$989,740	\$1,038,634
Total Current Expenses	\$2,610,516	\$2,933,846	\$3,007,443
Capital	\$126,432	\$16,637	\$5,000
Total Expenditures	\$2,736,948	\$2,950, 483	\$3,012,443

- 2. Personnel Costs as Percent of Total Expenditures:** Compared to both Colorado Springs and the average for Destination Marketing Association International member CVBs, Estes Park spends less for Personnel, as shown below:

Personnel Costs: Estes Park vs. Colorado Springs & DMAI Average

	Estes Park 2008	Colorado Springs 2008	DMAI Average 2005
Personnel as % Total Expenditures	33.5%	36%	39%

Note: Destination Marketing Association International's Average is based on 122 CVB participating in its 2005 Study. Average lodging units represented = 13,600 compared to Estes Park's 3,600.

What the LMD's Personnel expense percentage will be or should be will depend on: (a) the functions transferred from the CVB; and (2) the extent to which staffing is internal or through outside resources.

I. Advertising

"Communications" is the largest expense area of the CVB's budget totaling \$829,892 in 2009, essentially even with the previous two years. The stated mission of the Communication Program is "to position Estes Park as a year-around vacation destination through effective and efficient use of media communication strategies". Absent from this mission statement is any reference to Estes Park being "a premier mountain community".

1. **Budgets:** As shown below, nearly three quarters of the 2009 Communications budget that includes media, online marketing and PR is for “Traditional” or “offline” media.

Estes Park’s Communications Spending: 2007-2009

	2007	2008	2009	Change: 09 vs. 07
Traditional Media				
Print				
Denver Newspapers	19.0%	14.73%	13.0%	-6.0%
National Magazines	34.8%	31.8%	31.4%	-3.4%
Colorado Vacation Guide	3.0%	3.0%	2.5%	-0.5%
Newspaper Inserts	6.0%	6.0%	5.1%	-0.9%
Print Calendars	0.2%	0.2%	0.4%	+0.2%
Total Print	63.0%	55.73%	52.4%	-10.6%
Broadcast				
TV-Denver	13.0%	16.57%	13.1%	+0.1%
Radio-Front Range	4.0%	4.0%	3.7%	-0.3%
Total Broadcast	17.0%	20.57%	16.8%	-0.2%
PR	2.0%	2.0%	2.9%	+0.9%
Total Traditional Media	82.0%	78.30%	72.1%	-9.9%
Non-Traditional (Online) Media				
SEO/PPC/Banner Ads	9.48%	8.65%	12.8%	+3.32%
Colorado.com	0.3%	1.6%	1.8%	+1.5%
CVB Website	3.1%	3.5%	3.5%	+0.4%
Denver Newspapers	4.8%	5.0%	7.7%	+2.9%
Travel Spike/Online Newsletters	0.0%	2.5%	2.0%	+2.0%
Total Non-Traditional Media	17.68%	21.31%	27.8%	+10.2%

Note: This table includes SEO, website enhancements and PPC expenditures.

Over the past three years, Print Advertising and overall Traditional Media allocations have been reduced, while spending for Non-Traditional or online media has been increased significantly.

Much of the increase in the Non-Traditional Media has been in pay-per-click (“PPC”) programs. Backing out these expenses, along with those for website enhancements and Search Engine Optimization, reduces “pure” Media expenditures to only 11% of the Media, much less than what the Colorado Tourism Office allocates. This is summarized on the following page:

2009 Media Spending: Estes Park vs. CTO

	Estes Park \$	Estes Park %	CTO %	Difference
Traditional Media				
Magazines	\$240,213	44%	44%	Even
Newspapers	\$140,390	25%	3%	+22%
Radio	\$19,200	3%	10%	-7%
TV	\$94,154	17%	12%	+5%
Total Traditional	\$493,957	89%	69%	+20%
Online Media	\$58,032	11%	31%	-20%
Total Media	\$551,989	100%	100%	N/A

Note: This table includes Media only and excludes PR, PPC, website enhancements and SEO.

The other significant differences with the CTO's budget are the heavy use by Estes Park of newspaper advertising and the limited use of online media (banner ads). Estes Park's newspaper advertising is used primarily to promote the schedule of special events in Front Range papers.

- 2. Front Range Focus:** Approximately 50% of Estes Park's Communications budget is spent along the Front Range. This spending is used to help drive the 30% of visitors who are Colorado residents, mostly from the Front Range. Since less than 20% of visitor revenues are generated from Colorado residents, notwithstanding the importance of this market during the shoulder and winter seasons, this allocation is considered excessive.
- 3. Creative Strategy and Creative Executions:** A "Creative Strategy" is typically developed based on Visitor Research and used to guide creative development and ensure consistency across individual advertisements, be they in Traditional or online media or the Visitors Guide. There is no such creative strategy in place although the frequent use of "Real Rocky. Real Good Times" suggests that this slogan is, in effect that strategy.

As discussed previously, the concern is how the prospective visitor interprets the slogan and whether it is persuasive. The meaning of "Real Rocky" to the average person may not be clear (and is not clear, based on our informal testing), and "Real Good Times" is generic, rather than differentiating.

The layout of the print ads (and the Visitors Guide) is dated and lacks a themed or family look. This reduces their effectiveness.

- 4. Measurement of Advertising Effectiveness:** Whenever possible and practical, advertisements should be tested before they are implemented, and their effectiveness measured in some fashion after their implementation. No testing is conducted and no effectiveness measurements are made, in part due to the costs.

Recommendations: To enhance the effectiveness of the advertising, the following recommendations are made:

1. Any incremental funds that may be allocated by the LMD to advertising in 2010 should be spent outside of Colorado to attract Overnight visitors and/or allocated to online media.
2. A creative strategy statement should be developed based on the available research and modified, if appropriate, when the recommended Visitors Study is completed.
3. The “Real Rocky. Real Good Times” slogan needs to be communications-tested and judged in light of the agreed upon advertising strategy.
4. Alternative creative layouts need to be developed to freshen the advertisements, create more of a family look and create a more distinctive look. These would be based on the branding work recommended.

J. CVB’s Website

The CVB’s website was developed by Avon-based RTP and launched in September 2004. As such, it is now 4 1/2 years old, which is about the average life of travel industry websites.

As a part of this Assessment, a detailed evaluation of the CVB’s website was conducted by Website Internet Marketing, based in Scottsdale, AZ. The objectives were to identify opportunities to enhance the website in the short-term and determine how urgent the need to replace it. Given the likely cost of a new site, this is an important issue.

1. **Competitive Website Effectiveness Evaluation:** To help gauge the effectiveness of the CVB’s website, it was compared to those of two Colorado CVBs considered by some to be competitors – Colorado Springs and Breckenridge. Areas evaluated included Clear Communication, Brand Consistency & Aesthetic Appeal; User-Friendliness & Easy Navigation; Search Engine Optimization & Structure; Content, Forms and Contact Information; and Transaction Capabilities & Analytics. These scores, based on a 5-point scale with a “5” being the maximum score, are summarized in the table below:

Competitive Website Effectiveness Evaluation

Website Effectiveness Criteria	Estes Park CVB	Colorado Springs CVB	Breckenridge CVB
Clear Communication	3.3	4.3	2.4
Brand Consistency	2.3	4.7	2.0
Easy Navigation	3.3	3.8	2.8
Search Engine Optimization	3.4	3.0	2.6
Conversion Forms	3.9	3.9	2.9
Analytics	3.0	4.3	2.8
Website Effectiveness Score (30)	19.2	23.9	15.5

Note: Maximum Criteria score = 5.0; maximum Website Effectiveness Score = 30.0.

The complete Website Internet Marketing report shows how each rating was derived based on more specific questions. As shown on the previous page, Colorado Springs’ website scored significantly higher than Estes Park’s site, while Estes Park’s site scored significantly higher than the Breckenridge CVB site.

The weakest of Estes Park’s six Website Effectiveness scores are for: (1) Brand Consistency and (2) Analytics. The largest negative differences between the Estes Park and Colorado Springs scores are in: (1) Brand Consistency (-2.4 points), (2) Analytics (-1.3 points) and (3) Clear Communication (-1.0 point).

- 2. SEO Best Practices Evaluation:** The Website Internet Marketing report also rates the Estes Park site on SEO Best Practices, based on the website audit and reports provided by the CVB. The summary ratings (also based on a 5-point scale) are as follows:

Search Engine Optimization Best Practices Scores

SEO Success Drivers	Scores
Strategy Buy-in & Skills	3.83
Process Definition, Automation & Systems	3.50
Keyword Management	3.00
SEO Results Reporting & Metrics	3.00
Overall Average Score	3.33

The areas warranting greatest attention are Keyword Management and SEO Results Reporting & Metrics. Keyword management is discussed further below.

- 3. Keyword Rankings:** A third component of the website audit conducted by Website Internet Marketing is a Keyword Ranking Report. This report shows how high the CVB’s website is ranked on different key word searches using the three leading search engines – Google, Yahoo and MSN. These rankings are a function of both the organic optimization and the Pay-per-click programs. The PPC purchases are important when the organic optimization does not produce the desired ranking.

In searches using “Estes Park” and one or more other words (e.g., “Estes Park bed and breakfast”), the CVB site generally appeared on the first or second page; with few exceptions it should appear on the first page based on organic optimization only.

In searches not including “Estes Park”, the CVB typically did not appear on the first or second page, and in some searches, did not appear at all. The site does not rank well for most searches that include the word “Colorado”.

Recommendations:

- The CVB’s website should be replaced once the summer and fall Visitors Research and branding work has been completed. Toward this end, an RFP should be prepared this coming fall detailing the specifications, including new functionality.
- Assuming the new website can be budgeted for in 2010, limited cosmetic changes should be made in 2009. This might include photo-shopping or otherwise replacing some of the photos and adding buttons.

3. The URL for the new website should be changed to VisitEstesPark.com. This is more appropriate, given the establishment of the Local Marketing District. The SEO work (meta tags, links, etc.) should be copied over and retained, and the current site redirected to the new site.

K. Internet Marketing

In addition to website design, internet marketing consists of Search Engine Optimization, Paid Search Marketing (pay-per-click), Online Media Management (display advertising), Social Media Marketing, Online Reputation Management and Email Marketing.

1. **Resources:** Search Engine Optimization is outsourced to RightNow Communications which is paid a modest fee of \$500 per month. Paid Search, Online Media Management, Online Reputation Management and Email Marketing are managed in-house by Peter and Suzy. Limited Social Media Marketing is being conducted in a test program by Travel Spike (see next section).
2. **Current Spending Plan:** The CVB's 2009 budget includes \$72,000 for Pay-per-click advertising, up from \$56,000 in 2008. It includes \$60,000 for Display advertising, but most of this is allocated to promoting special events on the radio and newspaper websites.
3. **Database:** The CVB has a limited database of 5,000 households that it uses for e-newsletters. This database was begun two years ago with those who had requested online lodging availability. The plan is to go back to others who have requested availability since that time and ask them if they would like to be added to the e-newsletter list. Most of the database consists of Colorado residents. The list can be sorted by state and interest for more targeted marketing.

Only a small percentage of callers to the Visitors Center actually provide email addresses when asked if they would like to receive information from lodging properties, but these names are not now being added to the database.

Recommendations:

1. The Search Engine Optimization of the website needs to be strengthened so that the site's rankings are enhanced for searches including "Estes Park", "Colorado" and "Rocky Mountain National Park". Doing the latter two will strengthen the site relative to competing Colorado destinations and also help capture business from international markets.
2. Pay-per-click dollars should be shifted from "Estes Park" key phrases to those including "Colorado". This also will enable Estes Park to compete better against other Colorado destinations for travelers who have not selected their destination.
3. Increasing the size of the email database should be a priority to support expanded Email Marketing. Names and email addresses collected in the Visitors Center should be added, and the collection process there (both in the call center and at the counters) should be modified in order to collect more names. Toward this end, ideas should be solicited from its website/SEO vendors, with an annual objective established and the results tracked and reported.

4. Because of the growing importance of internet marketing, including Search Engine Optimization, Paid Search and Online Media Management, and the continued transition from traditional to online media, an outside internet marketing company should be retained (or the duties of its current SEO vendor expanded). Internet marketing is too complex, too important and too fast changing to expect the CVB staff to obtain and retain the necessary proficiency. Ideally, this resource would provide input to the design of the new website.
5. Increase the display advertising – beginning with Colorado.com – to attract Overnight visitors, reducing the spending in Denver media’s online sites that are utilized to support special events.

L. Media/Public Relations and Social Media

1. **Scope:** Favorable publicity can be extremely effective and efficient in attracting visitors to Estes Park. With the growth of social media sites and the demise of many newspapers, however, the PR landscape is undergoing a tremendous amount of change. Increasingly, as with advertising, travelers are finding their information online, rather than in print.

The CVB’s PR effort has been limited, due to both the time available to dedicate to this function and the focus on promoting special events along the Front Range. Because of her other responsibilities, Suzy Blackhurst, who is primarily responsible for this area, is only able to spend an estimated 30% of her time on PR. She writes releases and reacts to requests from the CTO for travel writers interested in visiting the area, but she does not have time to pursue writers or pitch stories, the most important PR functions. As such, the CVB’s efforts are mostly reactive, not proactive, and PR remains a major marketing opportunity, particularly in regional and national markets. With the assistance of Travel Spike, Estes Park is now in Facebook and Twitter.

2. **Press Releases:** As an indication of the events-orientation of the CVB’s publicity efforts, most of the 17 releases distributed in 2008 were for events; there were none for group business.

Jan. 22	President’s Day Weekend
Feb. 3	Escape from the Daily Grind
Mar. 31	Seasonal Free Shuttle Service for 2008
Apr. 18	Estes Park Jazz Festival
Apr. 23	Memorial Day Weekend
May 6	EP Names “Best of” on Four Lists
May 29	Lake Estes Fish Derby
May 30	Wool Market
June 1	Largest Midsummer Festival in Colorado
June 17	Fourth of July
June 18	Rooftop Rodeo
June 24	Shopper Shuttle begins June 28
Aug. 26	Aspen Gold Marks Changing Season
Sept.	Elk Fest
Sept. 23	Ghosts, Goblins & Spooks
Oct. 23	Catch the Glow Evening Parade/Holiday Season
Dec. 4	Rooftop Rodeo Names National 2008 Small Rodeo of the Year

3. **Spending:** As a further indication of the CVB's limited use of publicity, the CVB spends only \$10,000-\$12,000, or 2% of its annual Communications budget, on PR, exclusive of Personnel costs. Typically, CVBs allocate significantly larger resources to PR, because of its cost effectiveness.
4. **Measurements:** As online information sources have been replacing traditional print sources, the measurement of publicity has continued to evolve, but with no agreed upon best practices. Some Destination Marketing Organizations like the Colorado Springs' CVB continue to use "Advertising Equivalency Value" for that purpose, reporting \$7.5 million in Advertising Equivalency for 2008.

Others, including Estes Park, have discontinued use of Advertising Value Equivalency in light of the decreased importance of print editorial coverage and its relatively high cost.

The CVB does, however, measure the print publicity gained in Colorado newspapers (those that are members of the Colorado Newspaper Association) on the basis of placements and inches, as shown below:

2007: 912, representing 7,474 inches
 2008: 1,559, representing 7244 inches

These measurements, however, do not accurately capture the value of the publicity gained, since a 3-inch story in a small newspaper is not equivalent to a 3-inch story in a larger newspaper, and monitoring is limited to Colorado newspapers. This is less revealing than Advertising Equivalency, but less expensive.

To supplement this measurement of print clips, electronic 'clips' supplied by Google Alerts and Cision (formerly Bacon's) are collected, but their value is not quantified.

A test program was recently undertaken using a company called Travel Spike to electronically distribute the CVB's press releases for a six-month period. The service includes a monthly report to track the number of the new media outlets that pick up the releases. Travel Spike is also tracking and reporting on the total number of blog-related online media hits that result from its efforts.

Recommendations:

1. Publicity remains a largely untapped marketing function vis-à-vis the regional and national markets. To capitalize on the opportunities to publicize Estes Park in regional and national markets, an outside PR agency should be retained. This is preferable to hiring an additional staff member, as an outside PR agency can greatly accelerate the process, leverage its contacts with writers throughout the country and handle the digital release distribution requirements (eliminating the fee now paid to Travel Spike).

An RFP should be written and distributed to primarily Colorado-based firms with broad tourism marketing experience, including strong capabilities with Social Media.

2. The focus of this PR agency should be on developing mostly non-special event stories that attract Overnight guests, primarily from outside Colorado.

3. Unless suggested otherwise by the branding work, all press releases should reinforce the proximity of Estes Park to Rocky Mountain National Park, even if only in the boilerplate paragraph at the end of the release. Currently, few releases utilize the description “the gateway city (“town”?) to Rocky Mountain National Park” or otherwise connect the Town to the Park. While the Park’s staff is responsible for publicizing the Park, the CVB now, and the LMD next year, should more consistently promote RMNP in it publicity efforts.
4. Publicity should also be used to help attract group business, including conferences/meetings, weddings and reunions.
5. Participation in the Social Media needs to be expanded. Both the PR agency and internet marketing company recommended above should have roles (including the Online Reputation Management) in this.
6. Better measures of the effectiveness of publicity than the number of placements and inches need to be utilized. This will be particularly important when the publicity efforts are expanded to the regional and national markets to attract Overnight visitors. Three options for this are: (a) to resume the use of the Advertising Value Equivalency; (b) ask those who request a Visitors Guide either online or via telephone to the Visitors Center what prompted the request; or (c) both. This should be discussed with the agencies interviewed.

M. Group Sales and Marketing

The amount of group business in Estes Park is not measured, but most estimates are that it represents approximately 10% of the total lodging business. Because many of the properties have too few guest rooms to host groups, don’t wish to take groups in summer due to revenue dilution or have inadequate meeting space to host small meetings, interest within the lodging community for expanding group business – other than weddings and reunions, is limited. Only five of the properties have group sales people.

Conference Center groups contribute \$5 million to the Estes Park community, as summarized below:

Conference Center Business

Year	2004	2005	2006	2007	2008
# Conferences	78	84	77	54	61
# Conferees	8,297	10,043	9,028	10,983	9,825
# Civic Users	10,552	8,863	6,326	4,743	5,495
Conferee Spending	\$4,065,550	\$4,041,505	\$4,041,623	\$5,072,608	\$5,286,145

Of the CVB groups sold into all other hotels other than the Holiday Inn, the primary group segment is “SMERF”, particularly Social and Religious groups. Social groups consist of weddings and reunions. The Estes Park Wedding Association tracked 1,200 weddings among its members during 2008. At an estimated 25 room nights per wedding, this equates to 30,000 room nights.

Until March 2009, Group sales for both the Conference Center and CVB lodging properties were the sole responsibility of Julie Nikolai. At that time, Tom Pickering assumed responsibility for selling the Conference Center, while Julie continued responsibility for servicing the Conference Center groups, as well as selling CVB groups into the other lodging properties.

- 1. Selling Time:** Prior to this change, Julie indicated that she had spent 30% of her time selling the Conference Center, 20% servicing Conference Center groups, 20% attending meetings and participating in miscellaneous activities and only 30% selling and servicing CVB groups. In essence, Julie spent as little as 40% of her time in actual sales and as much in servicing groups. Typically, CVB sales personnel spend 70% of their time selling.
- 2. Performance Measures:** The 2007 Annual CVB Stakeholder Report presented performance measures based on "Referrals to Stakeholders". In fact, the measures were a mix of "Referrals" and "Leads", and Julie had a goal for "Leads" only, namely those qualified prospects turned over to the lodging properties. How many of these leads were converted has not been tracked, due largely to the time required to do so.

Julie's goal for 2009 is 325 leads, up slightly from the 319 in 2008. Most of these leads are call-in or via the internet, rather than as a result of direct sales.

- 3. Prospecting Strategies:** Typically, a CVB sales manager will have specific prospecting priorities based on geography, group segment and, for the corporate segment, industry. Reflecting the fact that Julie has done minimal prospecting, no such prospecting priorities are being pursued for the CVB lodging properties; this is in contrast to the Holiday Inn's sales managers who do have specific prospecting targets for the Conference Center.
- 4. Marketing Support:** Most of the marketing support for group business has been for the Conference Center. The only advertisement promoting CVB groups has been a \$500 advertisement in *Reunions* magazine.
- 5. Office Automation:** Having its database of clients and prospects in a Contact Management software program is important to the CVB's prospecting efforts. While the CVB does have an older version of ACT software, it is not used by Julie, who instead uses only paper files.

Recommendations:

In all likelihood, the amount of CVB groups can at least be doubled. Toward this end, the following steps should be taken:

1. The performance of the CVB group sales function should be measured on the basis of the dollar value of leads, not just the number of leads or referrals as is done now. This will better communicate the importance of group business to the Estes Park economy.
2. CVB group leads should be tracked by group segment, and the source of leads (call-in, trade shown, internet inquiry, etc.) should be tracked to help measure the effectiveness of various marketing programs.

3. Over time, efforts should be made to track the dollar value of consumed meetings, if the cooperation of the lodging properties can be gained. Having lodging properties report this information for compilation, possibly to Bob Benton, should be explored.
4. The responsibility Julie now has for the servicing (booking off-site banquets, handling overflows, bus transportation, etc.) of the Conference Center groups should be transferred, allowing her to spend at least 70% of her time selling and marketing to CVB groups. Since she receives a portion of her compensation for this servicing, her compensation formula will need to be reconfigured.
5. While the geographic focus of CVB group sales is understood to be the Front Range, the segment priorities need to be confirmed. This can be done, in part, by (a) studying the Conference Center's segment mix of business and that of the Stanley Hotel; and (b) making direct sales calls on the various segments.

At this time, it is believed that the largest CVB group segment opportunity will continue to be SMERF business, specifically weddings, reunions and religious groups. Government groups have a definite upside, too, given the increase in the government per diem. Small corporate and educational meetings (e.g., CSU, CU), will have greater potential, but only after the economy recovers. While bus tours may not be of interest to many lodging properties, the Day buses can be important to the downtown business community; most of the 400 buses that visit Estes Park each year reportedly are for Day visits only.

6. Responsibility for the Association segment (particularly the large associations) can reside with Conference Center marketing staff, who can refer smaller Association meetings (e.g., Board meetings/retreats) to Julie.
7. An upgrade to ACT needs to be purchased by the CVB as soon as possible, and Julie needs to convert her paper files to electronic. She should have administrative support to accelerate this process, which will allow her to spend most of her time selling. As a first step in this conversion, the fields that will be utilized in ACT need to be carefully defined.
8. As a part of automation of the database, each client and prospect should be classified on the basis of actual and potential business volume.
9. A semi-monthly Activities Report should be instituted to track sales activities, including prospecting calls, sales calls, sites, etc.
10. It is likely that, as the potential for CVB group business is demonstrated over the next 1-2 years, an additional sales manager will be justified. Colorado Springs, albeit with larger conference-oriented properties, has a sales staff of eight sales managers.

N. Visitors Guide

The Estes Park Visitors Guide – in both the print and online versions – remains a very important marketing tool to help convince undecided prospects to visit Estes Park, help Overnight visitors select the lodging that is best suited for them and, in general, help them to better enjoy all that Estes Park has to offer. As reported in the 2006 Summer Visitor Study, 42% of those surveyed who requested a Visitors Guide had not at that point definitely decided to visit Estes Park.

1. **Effectiveness:** One way to evaluate the effectiveness of the Visitors Guide is to compare Estes Park’s conversion rate of those who request a Visitors Guide and actually visit to the conversion percentages of other destinations measured by RRC, the research company that conducts the Conversion Studies for the Town. In the 2008 Visitor Study, it was reported that a very strong 77% of those who requested the Visitors Guide via the Estes Park website actually visited Estes Park. This compares very favorably to the range of web-based conversion percentages of 55% to 65%. While there are, of course, other factors that contribute to Estes Park’s high conversion rate, this high a rate suggests there is no major problem with the Visitors Guide.
2. **Distribution:** Each year the CVB produces 165,000 Visitors Guides. All but a few thousand are distributed, with the majority going to Advertising Fulfillment and the Visitors Center. Distributions for Advertising Fulfillment increased by 2.3% in 2008, despite a recessionary economy.

Distribution of Official Visitors Guides: 2006-2008

	2006	2007	2008
Total Distributed	141,435	163,379	159,913
Advertising Fulfillment	58,688	58,925	60,293
To Visitors Center	37,550	48,888	49,760
Colorado Welcome Centers	19,525	24,140	23,840
Regional Fulfillment	9,700	14,550	11,120
Travel Agents	6,658	7,828	5,120
Chambers/CVBs/Hotels/Corporate	6,127	5,990	7,960
Other	3,187	3,688	2,620

3. **Creative Execution:** Notwithstanding the high conversion rate, the Visitors Guide can be strengthened. The basic design of the Visitors Guide is seven years old, is dated, has a cluttered appearance and is difficult to read. The eye does not know where to go first on many of the pages. The Guide’s design is more like that of a neighborhood magazine than a coffee table magazine.
4. **Costs:** The 2009 Visitors Guide cost \$155,095, plus \$40,000 in postage and \$40,000 in fulfillment charges (paid by the Town), for a total of \$235,000. This excludes staff time involved with selling and producing the Guide.

The plan is to produce the 2010 Guide in-house, which would eliminate the \$30,000 paid to Brochures Plus for production and sales (Brochures Plus sold one-third of the advertising revenue). In addition, Peter and Suzy believe that they can reduce photography costs by another \$10,000, due to an expanded photography library, which would allow the Visitors Guide to be at break-even, if the staff time is not factored in.

Recommendations:

1. The Visitors Guide needs to be redesigned. This redesign should be based on the recommended research and branding work, and the CVB should not expend funds to attempt this redesign with the 2010 Visitors Guide.
2. This redesign cannot be executed by the CVB staff, even for the 2011 Visitors Guide. A professional designer or design team needs to be retained that also assists with the redesign of the website and advertising. This redesign needs to be based on the more in-depth and year-round research of Estes Park's visitors and the branding work.

O. Visitors Center

Opened in April 2006, the Visitors Center is a combination sales and service center. Managed by Teri Salerno, Visitor Services Manager, the Visitors Center's primary purpose is to provide information to Estes Park's callers and visitors and secondarily to sell callers on visiting Estes Park.

1. **Visitors:** After increasing in 2007, the number of visitors declined by 4.5% in 2008, as shown below:

Annual Visitor Trends: 2006-2008

Year	Visitors
2008	263,520
2007	276,040
2006	232,520

This is attributed by the CVB's staff to both the softening of the economy in 2008 and the initial interest among repeat guests in visiting the Center during the first 12-18 months of operation.

2. **Call Center:** The call center is a hybrid sales and service function. Teri Salerno's staff estimates that 20%-25% of the callers requesting a Visitors Guide are undecided about visiting. Despite this sales role, the Visitor Services staff, while receiving in-depth product training, has not received any sales training. As Teri states: "Our calls are always driven by the questions we are asked... Their training is driven by the types of questions we receive in the call center."
3. **Lodging Referrals:** The CVB does not have a booking engine on its website; instead the Visitor Service staff will recommend three different properties that fit the callers criteria. In addition, the staff asks if the caller would like to receive lodging information emailed to them from individual properties. When the caller does request this information, they receive an excessive number of emails.

Recommendations:

1. Since as many as one quarter of the callers to the Visitors Center are undecided, it is important that the staff be trained as sales people. The Visitor Services staff's sales skills should be periodically monitored, and sales skills training should be provided, as warranted. Teri should be trained to train her staff.
2. Since only a small percentage of callers provide their email address to receive lodging information from individual properties, the process of distributing the email addresses to lodging properties should be discontinued unless the process can be revised to qualify the callers' needs so that they receive a limited number of emails.
3. While not a priority for 2010, the LMD Board should again explore interest among the lodging properties in adding a booking engine to the website. The growth of online lodging reservations and availability of enhanced online booking services makes this more attractive, notwithstanding the challenges of smaller properties providing required inventory and resistance from properties that believe they have to talk with the callers. One company that should be investigated is Advanced Reservation Systems, Inc. (ARES) that has proven it can work with communities having similar property profiles.

P. Special Events

Special events play an important role in Estes Park's tourism, creating special reasons for people to visit. These events are particularly beneficial to the community in off-peak months when demand is lower.

The primary audience for special events is Colorado residents and those in nearby states, with Day visitors far outnumbering Overnight visitors. As such, they do not spend nearly as much as the Overnight visitors, but they are important to the Town's merchants.

In the past two years, these events have attracted an estimated one-quarter of a million visitors, the majority of which are assumed to be Day visitors, although this is not tracked.

Special Events: 2007 and 2008

Venue	# Events: 2007	# Events: 2008	Attendance: 2007	Attendance: 2008
Fairgrounds at Stanley Park	16	24	104,084	105,016
Bond Park	32	45	82,500	81,875
Other Events (parades, runs, etc)	15	15	42,700	49,149
Performance Park	37	42	9,330	8,920
Riverside Plaza	34	27	3,890	4,270
Totals All Venues	134	153	242,504	249,230

Note: Attendance numbers are estimates and exclude Fire Department Craft Fair events.

The CVB is in the process of performing ROI analysis on these events for presentation to the Town.

Recommendations:

1. The customer profile of those who attend special events needs to be identified. Are most from the Front Range? What percent stay overnight? For Overnight visitors, did the event affect their decision to visit Estes Park, and how many nights did they stay in the area?
2. With this profile information and the marketing costs factored in, the ROI analysis of special events can be further refined.
3. New special events should be developed for the off-peak months in the Event Center and elsewhere.

Q. Stakeholder Services

As Stakeholder Services Manager, Peggy Campbell's responsibilities include selling memberships; selling advertising in the Visitors Guide, shuttle space, etc; selling distribution in brochure racks; and selling space on the CVB's website. As shown below, sales of services to Stakeholders have increased by 176% since 2005. Meanwhile, advertising sold in the Visitors Guide (by both Peggy and Brochures Plus) has increased by 29% during that time. The number of Stakeholders has grown, and the renewal percentages for both memberships and services have remained extremely high.

Stakeholder Services Performance Measures: 2006-2008

	2005	2006	2007	2008
Sales of Services to Stakeholders				
Town	\$88,500	\$114,245	\$156,760	\$172,930
Out of Town	N/A	\$42,072	\$69,612	\$71,154
Total Sales of Services	\$88,500	\$156,317	\$226,372	\$244,084
% Change	N/A	76.6%	44.8%	7.8%
Visitors Guide				
# of Advertisers	120	112	106	98
Advertising \$ Sold *	\$151,220	\$171,410	\$177,470	\$195,095
% Change in Advertising Sold	N/A	13.3%	3.5%	9.9%
# of Stakeholders Supported	N/A	919	943	964
Membership Renewal	N/A	97%	98%	98%
Services Renewal	N/A	95%	99%	98%

Note: * 70% of the Visitors Guide advertising was sold by Peggy Campbell, 30% by Brochures Plus.

Despite the rapid growth in revenues, Peggy is concerned that the revenues from the existing Stakeholder Services are nearly maxed out and is, therefore, interested in developing additional services that promote Estes Park, increase service to visitors and expand Stakeholder revenues.

Recommendation: Peggy has developed a list of new services that should be carefully screened and the best ones implemented.

R. Research

The CVB regularly conducts both Summer Visitors Studies and Conversion Studies. Since the CVB's Communications programs are designed to generate requests for the Visitors Guide and convert these inquirers into visitors, measuring the conversion percentages in research is very important. However, the limitations of this research are that it profiles only summer visitors, and it only measures the conversion rates associated with limited media – in 2008, the internet and four publications.

The Summer Visitors Studies that the CVB has commissioned also provide useful information on visitor profiles, satisfaction levels, vacation patterns, reasons for visiting Estes Park, etc. Like the Conversion Studies, these Visitor Studies are limited to summer visitors, and do not address many of the important issues Estes Park needs answered in order to rebrand itself and allocate media and other marketing effort, etc.

Recommendations:

To better understand Visitors' buying behavior and do so throughout the year by season, it is recommended that a more comprehensive, year-round research study be undertaken to accomplish the following:

1. Quantify the size of the various customer segments, including:
 - a. Overnight visitors – Colorado residents
 - b. Overnight visitors – out-of-state residents
 - c. Day visitors—Colorado residents
 - d. Day visitors – out-of-state residents
 - e. Visitors for whom Estes Park was the primary destination
 - f. Event attendees
2. Determine the reasons for selecting Estes Park for each segment, by season.
3. Measure the satisfaction levels of each of the segments, by season.
4. Determine the competitive set for each of these segments, by season, why they selected Estes Park and why they had considered the other destination/s.
5. Test alternative tag lines and positionings, including the “Real Rocky. Real Good Times” slogan.
6. Provide other input that can help in the rebranding of Estes Park and the redesign of the website, Visitors Guide and advertising.

To provide adequate sample sizes for these segments, a significantly larger total sample should be surveyed. This research should be designed and commenced as soon as possible.