

## **T.M.D. Sub-Region Report**

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The following is a summary of my communication with Sub-Region Hoteliers, San Diego Tourism Marketing District Board Members and San Diego Tourism Authority leadership which have led to my recommendations concerning the Sub-Region Budget and Scope of work as presented to the TMD Marketing Committee on April 23.

I met personally with Hotel representatives, including General Managers, Owners Representatives and Sales and Marketing Executives representing the largest 44 Hotels in the Sub-Regions of Mission Valley, (includes Mission Valley, Old Town and Kearny Mesa), Mission Bay, ( includes Mission Bay and Pacific Beach), and La Jolla, (includes, La Jolla Village, La Jolla Shores and the Torrey Pines corridor). The total number of rooms represented surpasses 10,500. These Sub-Regions and the specific Hotel properties are outlined in the SDTA Sub-Region Marketing Plan and the same properties are included in the Smith Travel Research data and reporting of San Diego's Regions.

The meeting with each of the property's representatives lasted between 45 minutes and 2 hours and encompassed a brief recap of the history and purpose of the TMD, the overall SDTA budget, sources of funding and scope of work, and an in depth review of the \$3,000,000 A-2 Sub Region allocation and sales and marketing deployment for Fiscal Year 2015. After a review of these topics I asked each property representative for feedback on business priorities for their property as well as for their region. I also solicited input for general marketing ideas and iconic imagery of their region.

I met with the largest properties and largest management groups of hotels in the Sub-Regions multiple times to ensure their views were included and agreed with the general recommendations that I was carrying forward. I took notes at each meeting.

I initiated meetings with the Mission Valley Tourism Council, Mike McDowell will act as liason for the Mission Valley Lodging Group. I met with the Hotel Group in Mission Bay and encouraged their formation as a Lodging Group and Kevin Konopasek of the Dana Hotel agreed to be the liason for Mission Bay. I encouraged the formation of the La Jolla Lodging Group and Terry Underwood of the Grande Colonial Hotel will be the liason for the La Jolla Group. All Sub-Region lodging groups are up and running and actively engaged and supportive of all activities supporting the efforts to increase business opportunities for Sub-Region Hotel properties.

The list of Hotel properties I met with in Mission Valley is as follow:

Property:	Number of Rooms:
Town and Country Hotel	949
Crowne Plaza	416 (Hotel Managers Group)
Marriott Mission Valley	350
Hilton Mission Valley	349 (Evolution Hospitality)
Courtyard Marriott	317
Best Western 7 Seas	307
Doubletree Mission Valley	300
Days Inn Hotel Circle	280 (Bartell Hotels)
Sheraton Mission Valley	260
Courtyard Marriott Central SD	245
Sheraton 4 Points Kearny Mesa	223 (Hotel Managers Group)
Doubletree Hotel	219
Handlery Hotel	217
Comfort Inn San Diego	206
Motel 6	204
Mission Valley Resort	202 (Hotel Managers Group)
Best Western Hacienda Old Town	200
Residence Inn	192
Hampton Inn	184 (Evolution Hospitality)
Courtyard Marriott Old Town	176 (Evolution Hospitality)
Holiday Inn Stadium	175 (Evolution Hospitality)
Ramada Kearny Mesa	151
Hampton Inn Kearny Mesa	147
Kings Inn	137

These are the synthesized comments from the Mission Valley Hotel Executives:

- More groups of all sizes. More focus on need periods. More accountability and sales people vs group advertising. Want higher end group and corporate groups for the chain properties. Tie the sales incentive to revenue and ADR vs room nights. What is the ROI for the Sub-Region plan? Need metrics, reporting and communication. Target more GDS ads and less print ads.
- Desperate need of more tour groups. Focus on South East Asia, bus groups, tour and travel, and F.I.T.
- Need more corporate and association groups of all sizes. Update calendar and communicate more effectively with GM's so that we know what's going on and can co-op also.

- Need more SMERF, sports and weekend groups across all markets. More bus tour, tour and travel and F.I.T.
- Need to know what SDTA is doing to market to Mexico, Canada and the U.K. We need more sports, military, SMERF, and entertainment groups. Need more tracking of programs. Sell the Tourist shots of San Diego and play up Mission Valley's location. Need better videos of areas and the SDTA website. (c- Costa Mesa's Model). Need better I-lead system. (c- Austin Texas for ideas on a better more sophisticated system).
- Kearny Mesa needs to be aligned with Mission Valley, not the I-15 corridor. Weekdays are good business days, so we need more weekend, sports, SMERF and other groups on weekends. Update the I-lead program and give us opportunity to inform SDTA and website of our renovation program. How do I get this information to the SDTA?
- More Sports and SMERF groups. Need more information on metrics and accountability of Sub-Region money. Need to promote more medical tourism and graduation promotions.
- Too much downtown promotion. Need more bus tours, re-unions: military, family and weddings. Promote trolley, golf and 14 free museums in Old Town. Use colorful dancers, Presidio Mission and partner more collaboratively with the Old Town BID.
- Need higher quality guests. Need to swap out lower rated business for higher rated business. Compression is critical to Mission Valley so selling all of San Diego is important. Want more F.I.T. and bus tours. OTA spend is a waste of money. Print ads are not worth it. Online is the only way to advertise. Want more government business opportunity, both individual and group. Anaheim CVB website is better than SDTA's.
- Mission Valley needs a better class of business. Need to improve Hotel Circle image of "Bargain Basement". Need to push REVPAR with more education. Need more groups, college teams vs soccer parents, more retreat groups, marriage encounters and government groups. Beef up PPC marketing vs OTA. Improve Mission Valley web presence, both on SDTA and MVTC.
- Need more higher end groups to push out lower sports groups. Add more sales people and less advertising. Go after more regional and national association, and regional corporate groups. Mission Valley is a value proposition. Promote location and target more millennials with social media and SEO. Perhaps create an identifying caricature map of the area and need more and better video.
- Wants more off season business. More bus tour and sports groups that don't need space for the limited service hotel properties.
- Kearny Mesa gets very little attention. Need more group business in all SMERF markets. Wants to keep affiliation with Mission Valley. Wants more weekend business. More accountability, communications and representation.
- Need more higher end Group and Mission Valley Wide groups. Group print advertising is a waste of money. Want more sales people in association and mid-level corporate. Need more accountability and communication.

The list of Hotels I met with in Mission Bay is as follows:

Property	Number of Rooms
Paradise Point	462
Hyatt Regency	429
Hilton Mission Bay	357
The Bahia	313 ( Evans Hotels)
The Catamarran	311 (Evans Hotels)
The Dana	271 (Bartell Hotels)
Blue Sea Beach Hotel	126
Pacific Terrace Hotel	73 (Bartell Hotels)
Ocean Park Inn	73

These are the synthesized comments from Mission Bay Hotel Executives:

- More group sales , mid-week and November thru February. Go after higher end corporate and other higher value market segments, 50-250 rooms peak. Less OTA and general ads. Less group print ads and more sales people, specifically for Mission Bay. Want a Site Inspection Specialist exclusively for Mission Bay.
- More targeted and specific campaigns for needs periods and off and shoulder seasons.
- Want more sales people.
- More group sales people and less concentration on group advertising. Goals should be based on revenue and quality groups not necessarily always on total room nights. Goals should also be based on fair share per Sub-Region. Want more coordination and co-op opportunities for group, PR and social media.
- Dig deeper into competing with other beach cities such as the Laguna Coastline. Define and go after more need periods. Higher end SMERF is OK to complement increased group sales effort in higher end markets.
- More direct focus on groups of 50-250 peak. Focus on mid-week. Go after more Corporate and other segments that meet rate parameters. Reallocate funds away from leisure and into targeted group. Building a better base of group business will allow a better payoff in the future when/if there is a market correction in our economy. Redirect a large portion of print media budget to on line opportunities as well as SEO for group business. Increase PR for Sub-Markets and keep selling San Diego as the master brand.
- Long term development of a state of the art outdoor corporate team building park somewhere in Mission Bay. Would be an asset for all of San Diego properties to sell and one more reason to come to San Diego and Mission Bay. (Check out McKinney Roughs nature park outside Austin Texas).

- Drive leisure business to direct booking, not OTA's. Promote active beach lifestyle/hybrid city. Need more coordinated PR to piggy back opportunities and communication to co-op and cross promote.
- Want to know results, ROI in concise and timely reporting.
- Pacific Beach is not getting adequate representation. Need to promote "Longest White Sand Beach" in San Diego vs Coronado and North County beaches. Promote Mission Bay/Pacific Beach as the "Quintessential Beach Town". Need more accountability and coordination for maximum effectiveness.
- Need to promote family fun in Pacific Beach vs 'Party Perception'. Do more promotion for the new Belmont Park area and the longest stretch of sandy beach in San Diego. Need to update web and PR information to highlight major hotel renovations and improvements to attractions like Belmont Park.
- Want specific sales people for Mission Bay, including site inspection specialists trained for Mission Bay properties. Want more coordination and co-op opportunities with hotels concerning PR and social media programs.

The list of Hotels I met with in La Jolla is as follows:

Property	Number of Rooms
Hilton La Jolla	394
The Estancia Hotel	210
The Lodge at Torrey Pines	170 (Evans Hotels)
Best Western Inn by the Sea	129
La Jolla Shores Hotel	128
La Valencia Hotel	112
Kimpton Hotel La Jolla	110
La Jolla Cove Suites	110
Grande Colonial	93
La Jolla Beach and Tennis Club	90
The Empress Hotel	73

These are the synthesized comments from La Jolla Hotel Executives:

- Compression is very important to La Jolla. Sometimes La Jolla feels like it is being treated like a stepchild and not getting the support it deserves. La Jolla has a very international client base and is like an upscale walkable European Village. SDTA should be serving us more. Drive more business to our booking engines vs OTA's.
- Want more attention and communication from the SDTA. Want more small corporate groups, specifically Sun-Thurs. Great opportunity to promote La Jolla as a high end Destination Wedding Location. Need more imagery of venues besides iconic images of cove and golf course.
- La Jolla is our own entity, "our own Jewel". Promote to small groups, leisure based groups and high end leisure. Enormous potential for "Destination Wedding" spot with over 10 churches in area. More PR for this and all of La Jolla. Change old school view, 'this is not your grandparents La Jolla'. The village is now hip with great new restaurants, upscale shopping and a new vibe.
- La Jolla is whatever the consumer perceives it to be. Keep La Jolla above the normal. It has a certain high end panache. Make sure we keep people coming to San Diego and La Jolla will continue to do well. Keep promoting 'Brand La Jolla' with PR. The cove, kayaks and golf are the iconic images.
- La Jolla is like Beverly Hills, use La Jolla to sell all of San Diego. Need more PR and coordination of existing events with La Jolla properties. Make a bigger deal of these current events. Need more videography, perhaps via drone, sweeping HD views of coast. Need more affluent incentive, highlighting the Spas of La Jolla. More and better communication with CVB.
- Need more high end group. Desire more and better communication with CVB as don't feel we have gotten good support from CVB.
- La Jolla village is a destination unto itself. People like it because they can come, walk around, enjoy all the village has to offer and not leave for several days. Want more high end leisure, small group (10-50 rooms peak) and wedding groups. Less print ads and more social media. Use more promotion via Instagram and Facebook. Promote beach, cove, New Restaurants and that La Jolla is very animal friendly.
- La Jolla is a separate entity from San Diego, thus an opportunity to promote it differently. Business is good now but we need better business, by having more opportunities and being more selective. Go more aggressively after weaker periods with more AAA promotion and chasing large travel conglomerates and consortiums. Ensure SDTA web site is translated into languages of current and potential guests.
- More High end and Hollywood/Celebrity style PR and social media. Hype and buzz created by celebrity visits cause more positive attention and demand for La Jolla. Expand Sub-Region PR capability or engage contractor with ties to Celebrity PR.

I have met with the SDTA senior leadership team on a frequent basis since February 1 2015.

The following is a summary of our many meetings.

- The emphasis for the SDTA is the primary budget of over \$29 million and the scope of work attached to it. The Sub-Region budget is layered on top of the primary budget and complimentary to the primary scope of work.
- The stated goal of the Sub-Region Plan is to increase market share and REVPAR growth.
- There is an inherent challenge in trying to sell or market a region within the city of San Diego as ultimately the customer will dictate where they want to go.
- Providing dedicated sales people for a region has not proved to work effectively in the past (North San Diego CVB as an example), thus the approach to generating more room nights for a Sub-Region in the group market can be augmented by adding resources to vertical markets but not all results will go to the Sub-Regions.
- Metrics and ROI is very difficult, expensive and time consuming to calculate for individual initiatives, thus we need to think about expectations and how to measure results going forward.
- Adding sales people does not always generate the desired result of additional room nights, thus there is general agreement that a Master Sales Agreement with Sub-Region Input is necessary for 2016 with creative solutions in addition to more 'boots on the ground' to achieve the desired results of more incremental group room nights for the Sub-Regions.
- There is now general agreement on the Sub-Region recommendations presented to the TMD Marketing Committee on 4/23. A comprehensive plan is being developed in conjunction with the Sub-Regions and TMD Board input and will be ready for discussion at the TMD Board meeting on May 15, 2015.

I have met personally or over the phone with all of the TMD Board members at least once since February 1, 2015. I have solicited their direction, feedback and ideas as to expectations and effectiveness of the \$3,000,000 A-2 Sub Region Marketing Plan for Fiscal Year 2015 and beyond.

The synthesized comments from the board are as follows:

- Wants hotels to know that TMD works for all.
- Wants Sub-Regions Hotels to know what TMD does.
- Wants Sub-Regions Hotels to have better representation and communication.
- Wants a clear definition of what a Sub-Region is.
- Wants each Sub-Region to be organized. Mission Valley, Mission Bay and La Jolla first, the UTC area, Airport/Point Loma, I-15 Corridor next.
- Keep Sub-Region Definition the same as the Smith Travel Research definition of San Diego's regions.
- There is a recognition that 2015 is year 1 of the Sub-Region Plan but ROI expectations range from unknown to 10:1. (10:1 return equates to \$30,000,000 or 216,000 incremental room nights at an ADR of \$139). 2016 and beyond need more closely defined ROI.
- Wants dedicated sales effort for Sub-Regions.
- Wants a Master Sales and Marketing Plan for 2016 encompassing direction from the TMD Marketing Committee and the collective input from the Sub-Regions with ROI expectations.
- Wants concise and timely reporting, monthly executive summaries and quarterly in depth metrics and ROI analyses of scope of work and budget allocations.
- Wants enhanced communication and training opportunities between the TMD, SDTA and the Sub-Regions for the betterment of the overall lodging and tourism industry in the City of San Diego.



