

EXECUTIVE  
SUMMARY

# 5-Year Strategic Marketing Plan

2011

2012

2013

2014

2015

2016

Fiscal Years 11/12 to 15/16

visit  
California

# Acknowledgements

A committee of industry stakeholders contributed their expertise, insight and time to develop the Strategic Marketing Plan (the Brand Enrichment Plan), which will guide Visit California efforts over the next five years. The committee appointed various subcommittees to focus on strategies for four core marketing areas that will drive Visit California's efforts from FY 2011-12 through FY 2015-16: technology and partnership, research, domestic brand communications and international marketing. Visit California acknowledges the following Strategic Plan Task Force and subcommittee members for their hard work and dedication:

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## Visit California

THE CALIFORNIA TRAVEL & TOURISM COMMISSION, DOING BUSINESS AS VISIT CALIFORNIA, IS A PRIVATE NOT-FOR-PROFIT CORPORATION FORMED IN 1998 TO MARKET CALIFORNIA AS A DESIRABLE TRAVEL DESTINATION. VISIT CALIFORNIA WORKS IN CLOSE COORDINATION WITH THE STATE OF CALIFORNIA DIVISION OF TOURISM—WHILE VISIT CALIFORNIA CONDUCTS MARKETING PROGRAMS THAT DRIVE VISITATION, THE DIVISION OF TOURISM OVERSEES THE ASSESSMENT PROGRAM TO HELP FUND THESE INITIATIVES.

THE 37-MEMBER VISIT CALIFORNIA BOARD IS COMPOSED OF INDIVIDUALS FROM ALL 12 REGIONS OF CALIFORNIA. MEMBERS REPRESENT FIVE PRINCIPAL INDUSTRY SECTORS: ACCOMMODATIONS, RESTAURANTS AND RETAIL, ATTRACTIONS AND RECREATION, TRANSPORTATION AND TRAVEL SERVICES, AND THE PASSENGER CAR RENTAL INDUSTRY.

VISIT CALIFORNIA SERVES AS THE INDUSTRY LEADER FOR MORE THAN 100 STATEWIDE DESTINATION MARKETING ORGANIZATIONS AND MORE THAN 50 TOURISM BUSINESS DISTRICTS. THE COMMISSION CREATES MARKETING PROGRAMS IN PARTNERSHIP WITH THESE DMOS TO LEVERAGE RESOURCES, UNIFY MESSAGING AND INCREASE THE IMPACT OF THE CALIFORNIA BRAND IN THE MARKETPLACE.





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Visit California's Five-Year Strategic Marketing Plan—the Brand Enrichment Plan—is a roadmap for strategically marketing California in a way that is responsive, creative and forward thinking. It was developed in close partnership with industry leaders who served on Visit California's Strategic Plan Task Force and provided invaluable assistance in creating a marketing plan that will fortify the California brand and capitalize on emerging opportunities. This Executive Summary captures key highlights of the 2011–2016 Strategic Marketing Plan. The full plan is available at [industry.visitcalifornia.com](http://industry.visitcalifornia.com). We invite you to learn more and to join us as we continue the tradition of excellence and innovation that is truly the spirit of our industry and of California.

A handwritten signature in dark ink that reads "Caroline Beteta". The signature is fluid and cursive.

**CAROLINE BETETA**

President & CEO,  
Visit California

Deputy Secretary for Tourism,  
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A photograph of a woman and a young child playing in the ocean waves at sunset. The woman is in the foreground, wearing a light blue tank top and dark shorts, with her arms outstretched. The child is behind her, also playing in the water. The sun is low on the horizon, creating a bright, golden glow that silhouettes the figures. The water is dark with white foam from the waves.

# Strategically Marketing California

2013

2014

2015

2016



# Purpose of the Strategic Marketing Plan

The 2011–2016 Strategic Marketing Plan (the Brand Enrichment Plan) is a comprehensive plan developed to guide Visit California's marketing programs over the next five years, aimed at boosting California tourism brand awareness and visitation revenues. It is strategically responsive to the "new normal" post-recession travel environment and changes in demographics, technology and consumer travel trends, and is in alignment with the overall mission of the new Brand USA to promote increased international travel to the U.S.

The Strategic Marketing Plan is a key component of Visit California's overall Business Plan and serves as a roadmap for annually developed work plans that detail the specific tactics designed to advance Visit California's key marketing mission and objective:

**Marketing Mission:** Develop and maintain marketing programs—in partnership with the state's travel industry—that keep California top-of-mind as a premier travel destination.

**Marketing Objective:** Maintain and increase non-resident leisure travel to and spending in California.

## Background

California is the premier travel destination in the U.S., attracting approximately 200 million visitors each year who spend over \$100 billion, directly supporting jobs for nearly 900,000 Californians and generating over \$6 billion in state and local tax revenues. Tourism is California's fourth largest employer and fifth largest contributor to the gross state product.

Despite its popularity as a travel destination, California was hampered, for years, by a fluctuating and vulnerable travel and tourism marketing budget. Fierce global competition for travelers made it imperative that California have a stable and robust budget to keep pace with other destinations worldwide. In 2006, the passage of a mandated rental car assessment—AB 2592—gave California the secure, competitive marketing budget it needed—increasing the budget from \$10 million in 2006 to the current \$50 million level in 2007. Visit California created the 2007–2013 Foundational Marketing Plan to strategically manage these resources.

## The Foundational Plan Focused on Three Main Objectives:

**Capacity-building:** Secure global resources and develop an infrastructure to support the plan. This included building in-house expertise, vendor relationships and in-market representation to integrate new and traditional media. In addition, Visit California began to build an international resource pool and has since acquired global brand intelligence.

**Media expansion and innovation:** Integrate traditional media programs with new media, based on consumer consumption habits. Although Visit California kept some traditional offline media programs (e.g., engaging print and broadcast brand advertising), the plan integrated new online media strategies into these campaigns that were cost-effective and engaged consumers on a deeper level with layered messaging tactics. This innovation through integrated online and offline programs increased brand impact and secured brand success, particularly in the domestic market.

**Targeting the high-value global market:** Expand our international brand profile to reach new consumers who spend the most and stay the longest. Visit California decentralized to optimize global reach by opening numerous offices in key global markets, with market representation in 12 countries; UK, Japan, Germany, Australia, Mexico, South Korea, China, India, Italy, France, Brazil and Scandinavia, with additional dedicated efforts in Canada. Visit California also has 14 international Web sites, and produces a suite of 11 international visitor's guides. By building this international resource pool, Visit California acquired critical global brand intelligence to better design targeted international programs to attract consumers.

Visit California has accomplished all three of these ambitious objectives with unprecedented success, positioning California as a global leader in the travel and tourism industry in terms of approach, reach and impact. In 2010, Visit California's global advertising reached 46.2 million consumers in five countries (U.S., Canada, UK, Japan, Australia). Brand advertising generated 3.7 million incremental trips and \$5.1 billion in incremental spending in 2010 from campaigns in the U.S., Canada, the UK and Japan, a remarkable \$238 to \$1 ROI. Additionally, the tax ROI for these campaigns was \$10 to \$1.



# Guiding Principles

**With this new Five-Year Strategic Marketing Plan (Brand Enrichment), Visit California has slightly adjusted its guiding principles below to include consistent and potent brand mentions, especially when focusing on out-of-state resources, as well as accelerating our Web leadership. It also incorporates core international program strategies from the U.S. Travel Association and the new Brand USA.**

1

**Do what the industry cannot do for itself.** Visit California will provide a statewide marketing platform to promote the California brand.

2

**Leverage existing assets and alliances; focus on international and emerging market development.** Visit California will introduce the California brand to far-reaching audiences and establish strategic alliances with trusted in-market brands.

3

**Evaluate program measures and return on investment (ROI) for major programs.** Visit California will track and evaluate market penetration and program impact on attracting leisure travelers.

4

**Focus on out-of-state and international audiences to build and refine the California brand.** Visit California marketing programs will serve to attract new consumers to California through the power of the California brand, while providing industry partners with opportunities to reach new markets that are otherwise cost-prohibitive.

5

**Support assessed businesses.** Visit California will be a resource to assessed tourism businesses by providing marketing opportunities, Web leadership and tourism research material vital to the success of their operations.

6

**Accelerate Web leadership.** Visit California will increase its status as a leader in the Web and interactive world by creating innovative programs to reach consumers with targeted, timely and cost-effective brand messages.

7

**Align with CVBs, DMOs and U.S. Travel leadership.** Visit California will coordinate resources with local destination marketing organizations (DMOs), while aligning with efforts on the national level.



# The 2011–2016 Strategic Marketing Plan

## Building on the Momentum

The Brand Enrichment Plan builds on the momentum of the 2007–2013 Foundational Plan, taking what Visit California has learned and leveraging it into objectives and strategies that optimize marketing spend domestically and internationally, while providing the necessary research and context to maximize efficiency and integration within the constraints of a fixed budget.

Visit California's 2011–2016 Strategic Marketing Plan was developed by Visit California, in close partnership with industry leaders, who served on the Strategic Plan Task Force. Utilizing a strategic planning framework that included Visit California's guiding principles, research, key learning, industry feedback and objectives, the Task Force spent nearly a year to develop a plan that is strongly grounded in research, data and experience.

The overarching goal of the 2011–2016 plan is to enrich the California brand by both broadening the reach to new markets and customers, but also deepening the connection with travelers to foster return visits and to inspire them to be brand ambassadors to friends and family.

The Five-Year Strategic Marketing Plan will guide Visit California staff and committees as they develop tactical annual work plans for specific marketing programs and international efforts with precise budgets and metrics. With a static budget, Visit California will establish annual spending priorities and make course adjustments, based on the overall ROI of each of these programs and in the context of the current environment.

Additionally, Visit California sees the Brand Enrichment Plan as an important resource for partners at home and abroad. The full plan includes an extensive amount of valuable information on economic, demographic and trend data specific to the travel and tourism industry. Each of the objective and strategy sections conveys the priorities for Visit California's work in the coming five years, much of which will engage and involve California's tourism industry partners.

## Strategic Framework

The strategic framework used to create the 2011–2016 Strategic Marketing Plan, a five-year road map for tactical annual work plans, is based on Visit California's overall mission and objective.

FIGURE 1  
Marketing FY 11–16 Strategic Planning Process









## Trends & Implications

When creating the strategic framework for the Brand Enrichment Plan, Visit California factored in what has been termed the “new normal,” a term used to describe new consumer travel patterns that remain after one of the longest recessions in history. The trends associated with the new normal include the following:

- **Economy:** Declining unemployment, increases in personal disposable income, and relatively stable consumer prices are projected as we move into 2012—all important factors in travel demand. Despite gradual improvements

in the economy, consumers are still very cost-conscious when making decisions, so value is an important part of messaging.

- **Repeat Visitation:** Surprisingly, recent research shows that frequent travelers are primarily motivated by visiting friends and relatives (VFR), using their own experiences with family to plan travel. It’s important to engage these travelers, resident friends and family members (who act as reliable and trusted sources for other travelers) to become brand advocates.

TRENDS & IMPLICATIONS		
	TREND	IMPLICATION
ECONOMICS/DEMOGRAPHICS	<b>1</b> THE U.S. ECONOMY IS RECOVERING AT A GRADUAL PACE, AND CONSUMERS WILL CONTINUE TO TRAVEL BUT WITH HEIGHTENED ATTENTION TO COSTS.	 VISIT CALIFORNIA WILL INCORPORATE VALUE IN MESSAGING. VISIT CALIFORNIA WILL ALSO TARGET PRIMARY WESTERN MARKETS IN PROGRAMS AS THEY TEND TO TAKE SHORT-HAUL TRIPS THAT COST LESS.
	<b>2</b> CONSUMERS CONTINUE TO SEEK LUXURY, BUT EXPERIENCE AND VALUE ARE NOW REQUIRED COMPONENTS AS WELL.	 VISIT CALIFORNIA WILL COMMUNICATE TO CONSUMERS WITH MESSAGING THAT RESONATES WITH CORE VALUES. WE WILL SHOW THEM THAT CALIFORNIA OFFERS THE MOST AND BEST OF EVERYTHING, PRESENTING GREAT VALUE.
	<b>3</b> ALL GENERATIONS WILL CONTRIBUTE TO THE RECOVERY IN TRAVEL OVER THE NEXT 5 YEARS.	 VISIT CALIFORNIA WILL CONTINUE PUSHING BRAND EFFORTS THAT HAVE WORKED WELL TO DATE. WE WILL DELIVER OUR MESSAGE TO AN EXPANDED AUDIENCE, USING NEW MEDIA TO SPEAK TO A TECH-SAVVY GENERATION Y AUDIENCE.
TECHNOLOGY	<b>4</b> GLOBAL INTERNET PROLIFERATION IS ON THE RISE—AS IS ACCESS TO DIVERSE CONTENT TYPES.	 VISIT CALIFORNIA WILL ENGAGE CONSUMERS IN THE CALIFORNIA BRAND BY DEVELOPING AND EXPANDING DEEP, DIVERSE ONLINE CONTENT.
	<b>5</b> INTERNET CONSUMPTION IS GOING PORTABLE—AND WILL CONTINUE TO FRAGMENT.	 VISIT CALIFORNIA WILL MAKE VISITCALIFORNIA.COM'S RICH CONTENT ACCESSIBLE ACROSS A RANGE OF DEVICES, AND LIVE IN A RANGE OF PLACES, SO IT CAN BE RELEVANT TO USERS WHEN AND WHERE THEY NEED IT.
	<b>6</b> SOCIAL MEDIA IS DRIVING INTERNET GROWTH, ENGAGEMENT AND PREFERENCE—VIA ITS PUSH AND PULL OF CONTENT GENERATION AND CONSUMPTION.	 VISIT CALIFORNIA WILL IDENTIFY WAYS TO ENGAGE SOCIAL MEDIA USERS IN THE CALIFORNIA BRAND, ENCOURAGING USER FEEDBACK AND CONTENT-GENERATION TO GROW THE BRAND.



- **Demographics:** In the next five years, the baby boomers will move out of the luxury age and will not be replaced in the same numbers by the next generations. With these shifts, all generations will contribute to economic recovery over the next five years. Therefore, Visit California will need to focus programming on each distinct generation.
- **Technology:** Rapidly evolving technologies are changing the way consumers access information and make their decisions. Global Internet penetration is reaching critical mass in many markets. At the same time, how

consumers are accessing the Internet is changing, with mobile Internet users projected to surpass desktop users by 2012. Given these trends, it's critical to continue developing accessible and diverse content that can engage consumers in multiple ways.

**Understanding the “new normal” post recessionary travel environment was vital to mapping out the strategies that help guide the development of tactical annual work plans. Through research, Visit California identified the latest trends and implications to drive the strategies for the Brand Enrichment Plan.**

		TREND	IMPLICATION
REPEAT VISITATION	7	44% OF NON-RESIDENT U.S. TRAVEL TO CALIFORNIA—AND 31% FROM PRIMARY WESTERN MARKETS—IS BY FIRST-TIME OR INFREQUENT TRAVELERS.	VISIT CALIFORNIA WILL DEVELOP PROGRAMS TO INCREASE TRAVEL FREQUENCY IN EXISTING CUSTOMERS FROM LONG-HAUL U.S. AND WESTERN MARKETS.
	8	FREQUENT TRAVELERS ARE PREDOMINANTLY MOTIVATED BY VISITING FRIENDS & RELATIVES, AND USE THEIR OWN EXPERIENCES MOST OFTEN FOR TRAVEL PLANNING.	VISIT CALIFORNIA WILL ENGAGE FREQUENT “FRIENDS AND RELATIVES” TRAVELERS IN A VARIETY OF WAYS TO BECOME BRAND ADVOCATES—UTILIZING THEIR KNOWLEDGE NOT ONLY FOR THEIR OWN TRAVEL BUT ALSO AS A RELIABLE SOURCE FOR OTHERS PLANNING TRAVEL.
	9	VISITING BEACHES/COASTLINE AND SHOPPING ARE TOP ACTIVITIES ACROSS GEOGRAPHIES AND FREQUENCY SPECTRUM.	VISIT CALIFORNIA WILL CONTINUE TO EMPHASIZE COASTAL IMAGERY AND SHOPPING-RELATED MESSAGING IN BRAND COMMUNICATIONS.
	10	THEME PARK VISITS ARE MOST POPULAR AMONG FIRST-TIME AND INFREQUENT VISITORS FROM WESTERN MARKETS; URBAN SIGHTSEEING IS MORE POPULAR AMONG FIRST AND INFREQUENT LONG-HAUL VISITORS.	VISIT CALIFORNIA WILL TAILOR MARKETING MESSAGING AND CONTENT TO TRAVELER ORIGIN.



# Visit California's 5-Year Marketing Approach

2011      2012      2013      2014      2015      2016



## Marketing Program History & Success

Visit California's marketing approach for the next five years builds upon the tremendous success of Visit California's current marketing program. With the Foundational Plan, Visit California laid a powerful strategic foundation, applying hard data and industry insights to craft a roadmap that would drive California farthest.

A key part of that road map was finding out, through qualitative research, how California differentiated itself from its competitive set. Roughly 10 years ago, Visit California discovered that the California lifestyle is what truly made the Golden State unique among global destinations. The "California Attitude"—Californians' unique approach to life (putting pleasure first and living life to the fullest)—is what drove the mystique of, and desire for, a California vacation. This message resonated strongly with consumers, particularly when the embodiment of the lifestyle included Hollywood celebrities. The quantitative tracking results were powerful and consistently positive.

By capitalizing on these brand assets in Visit California's advertising program strategy, and integrating them into tourism sales and public relations efforts, Visit California was quickly able to demonstrate positive results. As an example, most recently, during the "great recession" of 2009, Visit California maintained its domestic marketing investment. As a result, the California tourism industry realized 3.4 million incremental trips and \$4.2 billion in spending. The \$305 to \$1 return on investment far exceeded advertising ROI seen for competing destinations, even during better economic times. California's share of the U.S. market is nearly double that of its closest competitor (11.27% vs. 6.5%).

### Brand Platform

When Visit California's budget grew to \$50 million in 2007, the team invested in updated and more comprehensive qualitative research programs to study and explore the relevance and impact of California's brand platform domestically.

This research showed that the "California Attitude" was as relevant as ever. In fact, Visit California discovered an aspirational quality where consumers wanted to experience the California lifestyle—or at least see it for themselves. Visit California also discovered that the idea of "Abundance," the best of everything in one place, solidified California's value proposition. When combining the "California Attitude" with "Abundance," California becomes a "Superlative" destination—a place where consumers can live like a Californian, essentially becoming a Californian themselves during their visit.

Visit California used this important research and additional funding in 2007 to broaden its message platform. In addition to the core umbrella campaign (California Attitude), Visit California introduced three additional, distinct efforts:

- California Wine & Food (wine and food appeals to more affluent travelers)
- California Insider (re-inspiring "brand familiars" with rural regions beyond the gateways)
- California Snow (supports the winter/snow experience, a younger/edgier side)

With additional, consistent funding and the strategic deployment of the above programs, Visit California's advertising ROI has soared. Since 2006, the measured economic impact generated by the domestic program has grown from \$1.96 billion to \$4.66 billion. This is a historic high, unmatched by our domestic competitive set.

**SINCE 2006, THE MEASURED ECONOMIC IMPACT GENERATED BY THE DOMESTIC PROGRAM HAS GROWN FROM \$1.96 BILLION TO \$6.55 BILLION.**

## Growing the Brand

The central focus of the 2011–2016 Strategic Marketing Plan is brand enrichment—building on the success of California’s brand platform, fortifying the brand (brand vitality) and deepening the relationship with consumers throughout the travel lifecycle. These core consumers will continue to be out-of-state visitors—the travelers who stay the longest and spend the most. More specifically, Visit California identifies its core strategic target as the digitally savvy consumers who see travel as an experience that enriches their life—with value tied to perceived worth, rather than price. In the coming years, Visit California will seek to elevate the California brand to a position in the minds of consumers that transcends travel and becomes relevant to their daily lives—a California state of mind.

### Brand Vitality & Engagement

Visit California’s focus in the next five years will be to enhance the brand by connecting with consumers to broaden the context of the brand to visitors beyond their actual vacation, to the discovery and planning phases before a trip, and to the times during and after when the California experience is shared with their friends and family.

A key component of keeping the brand vital is to preserve core brand programs that drive economic impact and ROI. Five years ago, preserving the core programs would have included TV advertising, magazines, cooperative print advertising and Visit California publications. Today, Visit California’s core programs also include the Web site ([visitcalifornia.com](http://visitcalifornia.com)), social media, branded content integration, public relations and added value. It’s now critical to achieve greater integration and synergy across the entire program of work—not only to

enhance overall impact, but to achieve efficiencies (helping to fund innovation in a meaningful way). With the coveted rank as the number one U.S. destination, Visit California must work harder than ever to protect and maintain this enormous national travel base. While online and other non-traditional mediums are in the Visit California media mix, research has consistently indicated that efficiently reaching this audience requires using mass media. Therefore, Visit California will continue to maintain mass media reach, using frequency metrics as important planning benchmarks.

### Innovation

The other key aspect to increasing brand vitality and stimulating ROI is to innovate through new, unique programs that embrace the shifting consumer and media landscape. Through the process of new program deployment and key learnings, Visit California will build the framework that will ensure a prosperous future for California’s travel industry. To do this, Visit California will deploy a segmentation strategy fulfilled across direct/digital channels to enhance communication relevance and impact. In addition, Visit California will utilize the growing network of California Welcome Centers (CWCs) as a physical consumer touch point, driving brand consumption by providing visitors with relevant information to motivate them to explore more of the state.

As Visit California moves into programs that are designed to drive brand vitality and brand consumption, connecting with consumers on a more frequent basis, and within and outside of the actual vacation experience, it will continue to be important to add diligent measurement and tracking mechanisms into the research program of work.

FIGURE 2

### Extending the Brand



#### QUICK LOOK

VISIT CALIFORNIA’S PROGRAM OF WORK TO DATE HAS PRIMARILY AND SUCCESSFULLY FOCUSED ON CREATING INSPIRATION AND DESIRE FOR CALIFORNIA. MOVING FORWARD, VISIT CALIFORNIA WILL WORK TO PRESERVE THESE SUCCESSFUL EFFORTS WHILE ALSO ALLOCATING FUNDING FOR INNOVATION.



## Continued Efficiency & Integration

The 2011–2016 Brand Enrichment Plan calls for efficiency and integration to move the California brand to the next level on a global scale. Visit California's approach will be to tell the California story by layering bought, owned, earned and shared media channels. This approach will help Visit California maximize its marketing investments and reach travelers with a more meaningful brand experience across the travel lifecycle. Efficiency is crucial in a time when traditional media strategies, such as mass media, need to be coupled with innovative technology and new media approaches to connect with core consumers.

By layering the bought, owned, earned and shared media channels, the complete California story can be told, synergistically and efficiently, across all channels and throughout the program of work:

- From a brand perspective
- Through the lens of abundance and value
- Throughout the travel lifecycle

As Figure 3 illustrates, layering bought, owned, earned and shared media and integrating content across these channels help tell the complete California story. This is essential, since a large segment of Visit California's core audience desires diverse and abundant experiences. Telling the California story through layered messaging and diverse channels, however, requires significant investment, which makes efficiency through integration critical. The chart also shows how these programs reach and engage audiences and impact the travel life cycle at all stages.

FIGURE 3

### Continued Integration

**Create greater integration and content synergy across channels and throughout program of work.**  
**Efficiency is critical as innovation efforts will need funding.**



FIGURE 4

## Strategic Marketing Framework Objectives

Four key objectives will guide Visit California's program of work over the next five years.



### QUICK LOOK

VISIT CALIFORNIA WILL GROW NON-RESIDENT TRAVEL AND SPENDING VIA FOUR MAIN OBJECTIVES AND THEIR CORRESPONDING STRATEGIES: CREATING AN INDUSTRY MARKETING PLATFORM, INNOVATING THE BRAND, DEEPENING CONSUMER ENGAGEMENT AND MAINTAINING AN EXTENSIVE INTERNATIONAL PROGRAM.

# Strategic Marketing Objectives & Strategies

## Growing the California Brand

Visit California will grow non-resident travel and spending, over the next five years, via four main objectives and their corresponding strategies: expanding the statewide marketing platform, innovating the brand, deepening consumer engagement and maintaining an extensive international program to grow visitation and spend. The framework and strategies in the 2011-2016 Plan take advantage of rapidly emerging new media technologies and aim to help maintain or amplify Visit California's marketing effectiveness without additional dollars. This involves continuing to measure ROI and using it to streamline efforts, keeping high-return programs and replacing underperforming ones.

### Objective 1: Platform

In order to build a global brand platform that supports local industry partners above and beyond what they can achieve individually, Visit California will continue to deploy an advertising strategy that showcases the regional abundance of the state including California gateways and icons and rural destinations that tend not to have the resources to support their marketing needs. Visit California will reevaluate the structure of its rural program through research to gather input from California's rural marketing associations and to determine how consumers think about and consider the rural areas in order to help optimize and position the rural platform.

By combining Visit California's current messaging platforms (California's abundance, California insider, wine and food and California snow), enhancing the rural platform, and providing a consistent media presence, Visit California will promote California as a year-round destination.

### Objective 2: Brand

Historically, the centerpiece of Visit California's bought media program has been a national broadcast/cable television buy, which has been supported with a layer of national print and online advertising. Considering its flat budget, Visit California's bought media must continue to work hard to protect the foundation and drive significant economic impact and ROI, while also expanding to create more meaningful and ongoing ways to connect with and engage consumers in the California brand across the new media landscape.

More than a state or destination, California is an icon of inspired thinking and innovation. California is a fashion brand, a technology partner, a trendsetter, a leader. Visit California has built considerable brand equity and will

continue to support and grow the brand by focusing on proven programs and utilizing layered messaging and media; creating global alliances with non-travel brands; and utilizing online and offline press to carry a credible brand message to a broader audience.

### Objective 3: Engagement

In an ever-evolving media landscape, Visit California will generate engagement by bringing the California brand to life online with compelling content and video assets, distributing content through multiple channels and developing programs that inspire visitors to share their California experiences through social media. Over the next five years, Visit California will continue growing its content pool and will capitalize on new content distribution technologies as they become available. The ultimate goal is to engage travelers with meaningful content that is accessible across a range of devices at every stage of the travel cycle to inspire new and repeat visitation to California.

In addition to this focus on digital content distribution, Visit California will work to influence traveler behavior during the travel phase of the travel cycle by encouraging visitation to a California Welcome Center for expert advice and destination information. With the launch of two new CWCs in 2011, and more on the horizon, the CWC network has expanded to 20 centers. With a strong presence across the state, the Welcome Centers provide an excellent outlet to provide content in the form of personal travel advice and printed materials to drive increased length of stay and spend.

### Objective 4: International

Approximately 13.3 million international travelers visited California in 2010, spending \$17 billion. This brought in more revenue to the state than the top four product exports combined. The vital importance and value of the international market is reflected in the strong emphasis on Visit California's international program in the Brand Enrichment Plan. Visit California's approach will be to maintain a stable presence internationally through its 12 global offices and to align with the national organization for tourism, Brand USA, to attract more international visitors to California and the U.S. Modeled after Visit California's successful public-private partnership, Brand USA will create a platform for marketing the USA brand globally and provide new national leadership in addressing barriers to travel. Visit California works in close partnership with Brand USA to leverage resources and maximize opportunities, with Visit California President & CEO Caroline Beteta serving as Brand USA Vice Chair.



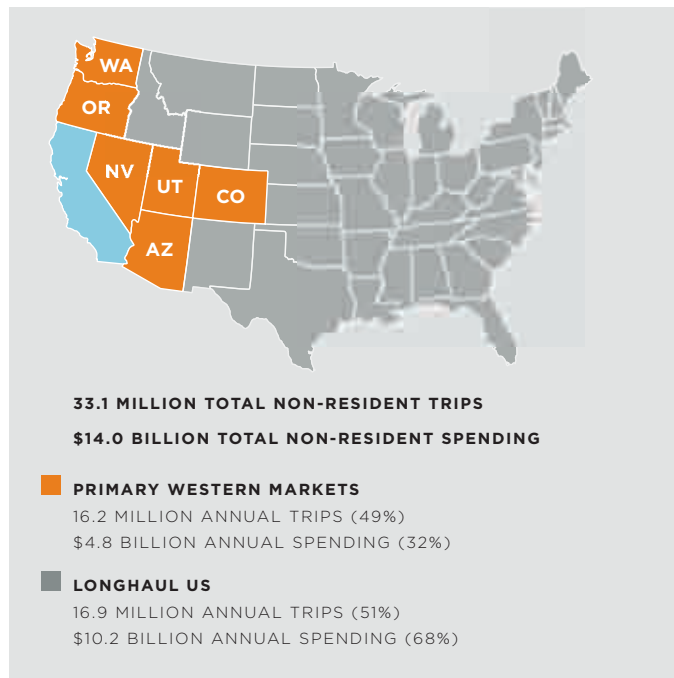
## Domestic Market

Visit California targets two geographic regions when marketing to non-resident U.S. travelers. The first is “Primary Western Markets,” representing California’s border and other nearby states. The second is “Long-Haul Markets” (see Figure 5). The Primary Western Markets consist of Arizona, Oregon, Washington, Nevada, Colorado and Utah, with the other 43 states comprising the Long-Haul Markets. Visit California addresses these markets with different strategies as they supply fundamentally different types of visitors.

Primary Western Market visitors see California as a quick and easy-to-drive-to getaway, less expensive than a longer-haul vacation. In the “new normal” environment, although travel is still seen by many as an inalienable right, discretionary income is tighter, so taking shorter auto trips is appealing to cost-conscious consumers. Primary Western

FIGURE 5

### California Non-Resident Domestic Leisure Visitor Origins, 2010



#### QUICK LOOK

**BECAUSE DRIVE-MARKETS ACCOUNT FOR 49% OF CALIFORNIA'S NON-RESIDENT LEISURE TRAVELERS, VISIT CALIFORNIA WILL EXPAND OUTREACH TO ENGAGE THESE VISITORS, EMPHASIZING VALUE AND EASE OF QUICK GETAWAYS.**

FIGURE 6

### Overnight Leisure Visitors, 2010

FIRST TIME	AVG. LENGTH OF STAY	AVG. PER PERSON SPEND
IN-STATE VISITOR	2.2 NIGHTS	\$171
NON-RESIDENTIAL US VISITOR	6.1 NIGHTS	\$555
PRIMARY WESTERN MARKETS	4.4 NIGHTS	\$400
LONG HAUL MARKETS	7.5 NIGHTS	\$734
OVERSEAS VISITOR	11.3 NIGHTS	\$1,209

SOURCE: TNS TRAVELSAMERICA; U.S. DEPT. OF COMMERCE

Markets feed California nearly half of its domestic non-resident travelers (13.3 million annual trips) and about a third of non-resident spending (32% or \$4.5 billion).

Long-haul visitors come almost exclusively by air, staying longer and spending more. These visitors make up more than half of California's non-resident travelers (51%), taking 13.8 million trips in 2009 and resulting in two-thirds (68%) of spending (\$9.5 billion). Their motivations for traveling to California vary according to how frequently they've been here. One of the surprising discoveries in the “new normal” is that frequent long-haul travelers are primarily motivated by visiting friends and relatives, although they tend to stay in hotels and do other activities.

### Domestic Strategies

Visit California will take advantage of its position at the state level to promote all of California and create a platform that supports DMO and industry marketing investments. To achieve this objective, Visit California will continue to deploy an advertising strategy that builds a global brand platform, going beyond California gateways and icons and incorporating rural travel product to showcase the regional abundance of the state.

Visit California combines messaging platforms and a consistent media presence to support California as a year-round destination. These messaging platforms speak not only to brand, but communicate on more levels about

California's travel product than ever before: California's abundance, California insider, wine and food, and California snow. These platforms are inherently diverse, and provide an effective framework to promote the state on a year-round basis.

This consistent and diverse advertising program provides a solid foundation for industry (both gateway and rural) to build upon. In addition, because Visit California recognizes the importance of California's rural travel product as a critical component of its abundance messaging, and understands the funding challenges faced by many rural destinations, a matching funds program has been developed to support their promotional efforts.

As a continued push toward integration and brand enrichment, Visit California is reevaluating the structure of the rural program, by conducting research as an opportunity to better understand and position California's rural product. The research is divided into two parts: the first pertaining to input from representatives of California's rural marketing associations, and the second pertaining to consumer perceptions. The research delves into how consumers think about, or consider, these areas within the state (by geography or type of activity offering).

In addition, it will provide insight into the naming and positioning of "rural California," and help determine if creating a more emotive platform is needed.

Over the next five years, Visit California will continue to optimize this program to ensure it is supporting rural partners in a meaningful way, and that all Visit California programming effectively utilizes and markets the state's abundance, which includes the gateways and California's rural regions.

### Domestic Market Segmentation Strategy

In the coming years, Visit California plans to expand the impact of the domestic marketing programs by tailoring messaging to specific subgroups. By providing relevant messages to smaller, niche audiences, Visit California aims to better engage consumers and increase brand satisfaction and response rates. To do this, Visit California will use segmentation methodologies to organize consumers into various types that behave in fairly predictable ways, making it easier to design programming and messaging. The principles behind the structure of the segmentation model are illustrated in Figure 7. Detailed programming will be developed in each year's annual work plans.

FIGURE 7

### Four Segmentation Strategies

1. Target Type	2. Goal	3. Method	4. Message
Geography	Attract first time visitor	E-mail	What's New
Preferred trip activities	Increase frequency of visits	SEM	Deals
Travel consideration phase	Increase length of stay	Banner Ads	Regional interests
Frequency of CA travel	Increase number of activities	Social Media	Request User-Generated Content
Socio-Economic	Increase certain type of activity	Print	Sweepstakes

#### QUICK LOOK

**VISIT CALIFORNIA WILL USE SEGMENTATION STRATEGIES TO TAILOR MESSAGES FOR MAXIMUM IMPACT. USING SEGMENTATION STRATEGIES, VISIT CALIFORNIA CAN BETTER UNDERSTAND DIFFERENT CONSUMER TYPES AND DESIGN TAILORED PROGRAMS THAT ENHANCE BRAND SATISFACTION AND CONSUMER RESPONSE.**

## International Market

In order to attract Visit California's highest-value customer—international travelers who stay the longest and spend the most—Visit California increased its international marketing resources nearly 250 percent as guided by the Foundational Plan. Visit California used these resources to develop the international marketing infrastructure, providing the needed global diversification to weather domestic economic market fluctuations.

Visit California allocated \$20 million to international marketing, which provided for new market development and brand advertising in three of California's primary international markets (UK, Japan and Canada). This investment reflects Visit California's guiding principle of doing what the industry cannot do for itself, which in this case means leading industry spend to draw more global visitors to the state.

Since the Foundational Plan, Visit California has focused on building a strong international infrastructure, creating partnerships and obtaining critical market intelligence. Now that Visit California has built the necessary resources, it has shifted toward refinement and creating efficiencies through a robust brand advertising campaign in lead markets, integrated marketing programs that extend the reach of TV using innovative Web site marketing and cooperative programs, and concentrating on relationships with indirect channels (travel trade and public relations) for the emerging markets of China and India.

To maintain California's position in the global market, Visit California will focus its international marketing in the coming years on four primary strategies:

### Strategy 1

Align Visit California's international strategies with those of the national marketing organization for tourism, Brand USA, to maximize the efficiency of the California international program.

### Strategy 2

Conduct brand advertising in the high-volume/high-yield (lead markets) to protect California's visitation.

### Strategy 3

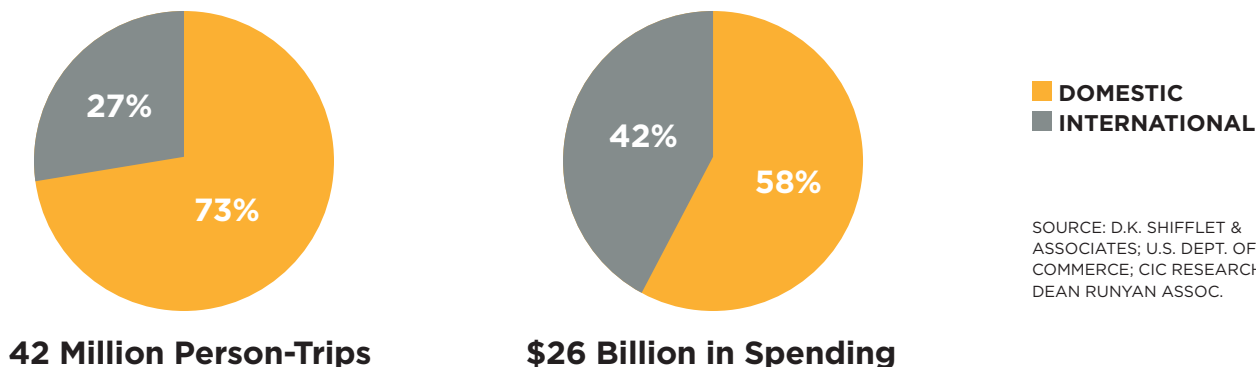
Maintain California presence through B2B relationships (travel trade, airlines and PR) across all target markets with particular emphasis on emerging markets.

### Strategy 4

Create inspiration and desire with a consumer strategy in international mature markets, characterized by high outbound travel volume and low to moderate market share, to increase demand for California travel products.

FIGURE 8

### Person-Trips and Visitor Spending in California by Non-Resident Leisure Travelers, 2010



#### QUICK LOOK

**ALTHOUGH DOMESTIC VISITATION IS HIGHER THAN INTERNATIONAL, SPENDING IS CLOSER TO EQUAL BECAUSE INTERNATIONAL VISITORS STAY LONGER AND SPEND MORE.**



## International Market Segmentation Strategy

To better prioritize investment, Visit California has broken down key international markets where California has had the most penetration and/or stands to gain market share with increased spending, or where Visit California is building infrastructure to be able to capitalize on later growth. This segmentation of the markets is based on a variety of factors, including overall visitor volume, leisure travel proportion, California visitation, visitor spending/contribution to the economy, propensity to travel,

economic climate, airlift, cost of media, ability to influence mindshare and industry partner interest, among others. These markets, designated as Leading, Mature, Emerging or Limited Representation, are approached with very specific strategies appropriate for that designation.

With dollars that only stretch so far globally, Visit California will continue to develop programs creatively and strategically, urging its international agencies to think of new ways to reach consumers directly through cooperative promotions, online channels and new media technologies.

FIGURE 9

### Segmentation Strategy by Country

	PRIMARY LEADING MARKETS	PRIMARY MATURE MARKETS	SECONDARY EMERGING MARKETS	SECONDARY LIMITED REPRESENTATION MARKETS
MARKETS	Countries characterized by high outbound travel volume, strong visitation to California and potential for moderate growth.	Countries characterized by medium outbound travel volume, moderate visitation to California, and potential for moderate to strong growth.	Countries characterized by low (particularly leisure travel), but rapidly growing volume with significant forecast growth over the next 5-10 years.	Countries characterized by lower volume and with potential of modest to significant growth.
COUNTRIES	Canada UK Japan	Australia Mexico Germany South Korea	China India	France Italy Brazil Scandinavia
STRATEGIES	<b>Strategy:</b> Defend CA Position—Invest in mass reach consumer campaigns and B2B marketing channels that ensure CA brand presence and enable continued visitation growth.	<b>Strategy:</b> Invest for Growth—Establish significant consumer and B2B marketing channel presence in order to increase CA brand awareness and perceptions and drive gains in CA market share.	<b>Strategy:</b> Establish Presence—Monitor markets and make selective investments in B2B and B2C marketing, including messaging of travel policies when travel barriers are eliminated and potential for visitation and revenue reach material levels.	<b>Strategy:</b> Extend the California Brand—Monitor markets and leverage global media buys and/or use technology for global reach. Visit California will monitor other markets with growth potential, like Russia, United Arab Emirates and Vietnam.

#### QUICK LOOK

**TO MAXIMIZE EFFICIENCIES, VISIT CALIFORNIA USES BOTH QUALITATIVE AND QUANTITATIVE CRITERIA TO DEVELOP APPROPRIATE SEGMENTATION STRATEGIES FOR EACH COUNTRY. VISIT CALIFORNIA'S KEY MARKETS COVER 80% OF VISITATION TO CALIFORNIA.**

## Measuring Impact

### Strategic Plan Metrics

Visit California has made a strong commitment to measuring the impact of its investments through both traditional benchmarks and new research models as needed to keep pace with the media landscape.

In the 2007–2013 Foundational Plan, the goal was to measure the effectiveness of Visit California programming through large industry indicators—total and leisure travel volume and market share, and visitor spending. Now that new infrastructure is in place, Visit California is shifting to metrics in the 2011–2016 Brand Enrichment Plan that directly relate to Visit California programming, such as brand awareness, incremental travel, and spend and ROI from advertising campaigns. Visit California will also continue to monitor leisure travel and market share, the industry metrics that directly relate to Visit California’s main objective to maintain and increase non-resident leisure travel to and spending in California.

Visit California will continue to utilize annual advertising benchmarks to establish targets for subsequent years. For example, in 2010 Visit California advertising reached 46.2 consumers in five countries (U.S., Canada, UK, Japan and Australia). Brand advertising generated 3.7 million incremental trips and \$5.1 billion in incremental visitor spending from campaigns in the U.S., Canada, UK and Japan. Total ROI for campaigns in these countries was \$238 to \$1, and tax ROI for these campaigns was \$10 to \$1, setting the bar high for Visit California to match or exceed past performance in the coming years. Having such fixed and verifiable figures is key to understanding program success.

New for the Brand Enrichment Plan is tracking of California’s brand value. One of the objectives of the 2011–2016 plan is to deploy efforts that enable the California brand to transcend the travel category. As this objective is not easily measured using traditional advertising research, Visit California will employ a model used by Young & Rubicam (Figure 10) to track the evolution of the brand on four basic levels: relevance, differentiation, esteem and knowledge.

FIGURE 11

### 2009 Leisure Travel Volume and Share Benchmarks

	NON-RESIDENT VOLUME	CALIFORNIA MARKET SHARE*
LEISURE NR DOMESTIC TRIPS	33.1 MM	11.4%
LEISURE NR DOMESTIC STAYS	35.1 MM	11.2%
OVERSEAS	3.7 MM	N/A
* DOMESTIC MARKET SHARE INCLUDES CALIFORNIA RESIDENT TRAVEL		

SOURCES: D.K. SHIFFLET & ASSOC.; US DEPT. OF COMMERCE; CIC RESEARCH

FIGURE 10

### Brand Vitality



#### QUICK LOOK

**BRAND VITALITY IS A NEW COMPONENT OF VISIT CALIFORNIA’S MARKETING OBJECTIVES. THE MODEL FOR EVALUATION, BASED ON THE CONCEPT UTILIZED BY YOUNG & RUBICAM OUTLINED ABOVE, WILL BE USED TO MONITOR THE EVOLUTION OF THE CALIFORNIA TRAVEL BRAND OVER THE NEXT FIVE YEARS.**



## **PUTTING THE PLAN INTO ACTION**

**THE FIVE-YEAR STRATEGIC MARKETING PLAN WILL BE USED TO GUIDE VISIT CALIFORNIA'S WORK AND INVESTMENTS IN THE COMING YEARS. IT WILL SERVE AS THE ROADMAP FOR STAFF AND COMMITTEES AS THEY DEVELOP TACTICAL ANNUAL WORK PLANS FOR SPECIFIC MARKETING PROGRAMS AND INTERNATIONAL EFFORTS WITH PRECISE BUDGETS AND METRICS.**

**THE BRAND ENRICHMENT PLAN IS INFUSED WITH OPPORTUNITIES TO REACH GREATER, YET VERY TARGETED AUDIENCES. VISIT CALIFORNIA IS CONFIDENT THAT BY ENHANCING EFFECTIVENESS, BUILDING PARTNERSHIPS AND KEEPING PACE WITH THE DYNAMIC GLOBAL MEDIA LANDSCAPE, WE CAN MAINTAIN CALIFORNIA'S STATUS AS A PREMIER TRAVEL DESTINATION—GENERATING REVENUES THAT CONTRIBUTE TO THE VITALITY OF CALIFORNIA.**

**THE 5-YEAR STRATEGIC MARKETING PLAN IS REFLECTIVE OF THE LEADERSHIP AND COMMITMENT OF THE COMMISSION AND THE INDUSTRY LEADERS WHO INVESTED TREMENDOUS TIME AND ENERGY IN DEVELOPING THE PLAN. WE LOOK FORWARD TO CONTINUING TO PARTNER AS WE PUT THE PLAN INTO ACTION IN THE COMING YEARS.**





2011

2012

2013

2014

2015

2016

Fiscal Years 11/12 to 15/16

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