



Buncombe County TDA Asheville CVB

**FY 2017-18 Annual Planning
Retreat**

March 23 and 24, 2017



ASHEVILLE

Agenda

1. Strategic Plan Review
2. Trends in the DMO World
3. Current Situation
4. Assessment

1, 2, 3 and 4 are fuel for the targeted outcome

TARGETED OUTCOME:

2017-18 SUCCESS/REVENUE OBJECTIVE

A reminder.....

**In any situation the person or
entity that has the most options
has the most power**



Buncombe County TDA Asheville CVB

**Strategic Plan
2015-2019**

Review



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BCTDA Strategic Plan Review

By any measure BCTDA and the ACVB is a SUCCESS!

By most any measure Asheville is a successful destination!

Any issue is a result of that success.....with success comes a vulnerability!!!

BCTDA Strategic Plan Review

HIGHLIGHTS

1. The strategic plan has been worked consistent with established datelines
 2. **SUBSTANTIVE** change has occurred
-
1. Results include:
 - Increased resources and thus capacity
 - Relevance increased with expanded TPDF and new criteria
 - Initial positioning established with longer term priorities



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BCTDA Mission

To be a leader in the economic development of Buncombe County by attracting and servicing visitors, generating income, jobs and tax revenues which make the community a better place to live and visit.

Legislative Mandate

“Three-fourths of the funds may be used only to further the development of travel, tourism, and convention in the county through State, national, and international advertising and promotion.

The remainder of the funds, in order to further economic development, shall be credited to the Tourism Product Development Fund...major tourism projects in order to significantly increase patronage of lodging facilities in Buncombe County.”

A Realistic Vision for 2020

- 1 Leader in the Southeast for occupancy, ADR and LOS
- 2 Year-round destination; a SE convention destination
- 3 Higher weekday occupancy
- 4 Has an iconic event(s)
- 5 Develops the sports market
- 6 More family/kid friendly
- 7 Increased economic development/business travel
- 8 More direct flights; seamless transportation
- 9 Buncombe County residents value tourism
- 10 1,300 new rooms; riverfront redeveloped
- 11 Visitors go to more areas of city/county (disbursement)
- 12 Destination for music/arts/culture/food/outdoor

Operational Imperatives

1. The TDA/ACVB adheres to the highest professional standards in all its actions
2. The TDA/ACVB is accountable for achieving its mission and objectives
3. The TDA/ACVB is committed to innovation and creativity in all of its actions
4. The TDA/ACVB efforts and decisions are responsive to market conditions, analysis, brand implications and ROI considerations
5. The TDA evaluates issues and takes a leadership/advocacy role in support of its mission
6. The TDA/ACVB recognizes which constituent groups represent its customers, partners, and beneficiaries; and responds to their needs and expectations accordingly
 - Customers = visitors, travel trade, and meeting/group planners
 - Partners = hospitality/tourism industry, governments, Chamber
 - Beneficiaries = the community and tourism industry
7. The TDA/ACVB will consistently operate within the parameters defined by the legislation and in accordance with its fiduciary duties
8. The ACVB primarily maintains a long-term, strategic marketing focus; and partners with others to respond to short-term marketing opportunities.

Operational Imperatives (con't)

9. The ACVB will only assist in marketing events that are consistent with its mission, imperatives, performance measures, destination brand and capacity. It will not manage any event.
10. The ACVB's primary marketing responsibility is to pursue market segments that will produce the best overall results for the destination
11. The ACVB creates two-year fully integrated marketing plans and measures aggregate results on a three-year cycle
12. The TDA/ACVB tracks and communicates the results of its efforts annually:

Destination Indicators:

- Economic Impact
- Occupancy
- Occupancy Tax Collections
- Sales Tax Collections
- Length of Stay
- Per Person Spending
- Attraction Attendance
- Visitor Satisfaction

Performance Measures:

- Return on Investment (ROI)
- Earned Income Generated
- Website
Reach/Conversion/Effectiveness
- Group Bookings
- Media (reach, quality, volume)
- Leads Generated
- % Overhead Expenses

Key Strategic Priorities

- 1. Develop new markets**
- 2. Use the TPDF to strategically develop high ROI tourism products**
 - Protect authenticity, guard and protect brand assets
 - Proactively identify and solicit development needs
 - Use more sophisticated financial models
- 3. Improve transportation**
- 4. Manage fiduciary responsibility**
 - Establish administrative systems appropriate to the current and future size of the organization
- 5. Increase TDA and ACVB relevance**
 - Research
 - Industry training
 - Stakeholder messaging
- 6. Define TDA's board role and responsibilities**
 - Leadership and advocacy
- 7. Protect funding/source of investment**
 - Foster relationships with elected officials and strategic partners
- 8. Expand resources to increase capacity**

#1: Develop New Markets

A. Evaluate potential group markets and prioritize opportunities

- Develop sales plans and resources for highest potential markets (re: incentive travel, business development fund)

B. Create mid-week marketing strategy

- Specific plan with budget and measurements

C. Prioritize niche markets

- Implement plans against niche markets as component of each annual market plan

D. Identify strategic marketing partners to penetrate segments and expand reach

#2: Use the TPDF to Strategically Develop High ROI Tourism Product

- A. Implement recommendations from TPDF Improvement Study**
- B. Analyze destination landscape and identify gaps in product that impede mid-week and LOS growth**
 - Create plan for strategic development of targeted product
 - Work with the Sports Commission to specifically evaluate sports development opportunities
- C. Study opportunities to fund major works**
 - Develop toolkit for multiple cycle funding
 - Develop collaborative funding pathway for projects that conform to board designated strategic priorities

#3: Improve Transportation

A. Form an Air Service Development Task Force with key regional stakeholders

- (might include airport, city, county, OGPI, Biltmore, Biltmore Farms, Cherokee, Duke, New Belgium, Chamber, EDC)
- Identify shared goals
- Commission analysis
- Retain an aviation consultant for analysis and assist in developing the strategy

B. Have tourism representation on transportation related boards and initiatives, or attend

#4: Manage Fiduciary Responsibility

- A. Create a task force to evaluate current organizational structure and make recommendations**
 - Assess administrative functions and properly resource
- B. Adopt a financial management system to support the effective financial management of the TDA and CVB**
- C. Annually evaluate the performance of the CVB and of the Executive Director**
- D. Operate exclusively within the mandates of the state legislation**

#5: Increase TDA and ACVB Relevance

A. Quantify the impact of the TDA's advertising

- Advertising effectiveness study measures the return on advertising investment; identifies how much of the total economic impact of tourism is attributable to the TDA

B. Craft messages specific to each stakeholder group – tell our story

- Track outreach through stakeholder matrix

C. Develop tourism training program for front line staff of hotels, restaurants and attractions

- Enhances visitor experience
- Extends the brand
- Professionalizes the destination
- Establishes CVB as the resource for all things tourism

D. Evaluate need for in-room Visitor Guide and develop business plan

E. Pursue earned income strategy to create non-tax funds that are flexible to potentially support events through competitive grant program

- Maintains firewall around tax revenues
- Fosters events that are consistent with the brand and build need periods

#6: Board Development

- A. Define the roles and responsibilities of the board**
- B. Adopt board job descriptions**
- C. Conduct orientation for new members and assign mentors**
- D. Establish a nominating committee for identification of officers and recruitment of new members**
- E. Maintain the board representation of industry leadership**

#7: Protecting Resources

- A. Maintain a productive connection with the NC Travel & Tourism Coalition**
 - Attend meetings and report to the board
 - Host meetings in Asheville
 - Monitor statewide occupancy tax legislation
- B. Develop and maintain relationships with elected officials (board and roundtable)**
- C. Define a strategy to create stakeholders outside the hospitality industry**
 - Elected officials
 - Citizens
 - Organizations
- D. Secure the formalized support of all accommodations and tourism partners**
- E. Maintain constant vigilance regarding threats to the legislation**
 - Develop structure to communicate issues and develop responses

#8: Expanding Resources & Increase Capacity

- A. Create stakeholder messaging that frames the legislative mandate as an investment that creates broad-based community benefits.**
- B. Create task force to evaluate capacity of high ROI activities and essential functions to assess allocation of staff resources**
- C. Pursue earned income through licensing, website, etc.**
- D. Institute system, with the Buncombe County Finance Department, to collect tax from all properties**

Questions for the Strategic Plan?

- **Is it working?**
- **What are the successes?**
- **Did we just do the easy parts?**
- **How do we keep working the plan?**

Trends in the DMO world

Trends in the DMO world

Destination marketing continues to be an effective tool – Colorado, Pennsylvania, Michigan

Trends in the DMO world

In a search for relevance DMOs are becoming both destination marketers and managers

Trends in the DMO world

Occupancy tax is under increased scrutiny nationwide

Trends in the DMO world

Segmentation continues to be a smart marketing strategy

Trends in the DMO world

Integration of marketing functions
is a key ingredient for success

Trends in the DMO world

ROI is becoming increasingly more difficult to measure

Current Situation

Current Situation

1. Structure change
2. Increased inventory-opportunity and challenge
3. Increased resources = increased expectations
4. Destination marketing and destination management
5. CVB brand and relevance
6. Legislation mandate
7. Success data

Current Situation

1. Structure change

Current Situation

2. Increased inventory is both an opportunity and a challenge

Current Situation

3. Increased resources = increased expectations

Current Situation

4. The TDA is committed to destination marketing and destination management

Current Situation

5. The structural transition presents an opportunity to brand the CVB in perhaps a different way

Current Situation

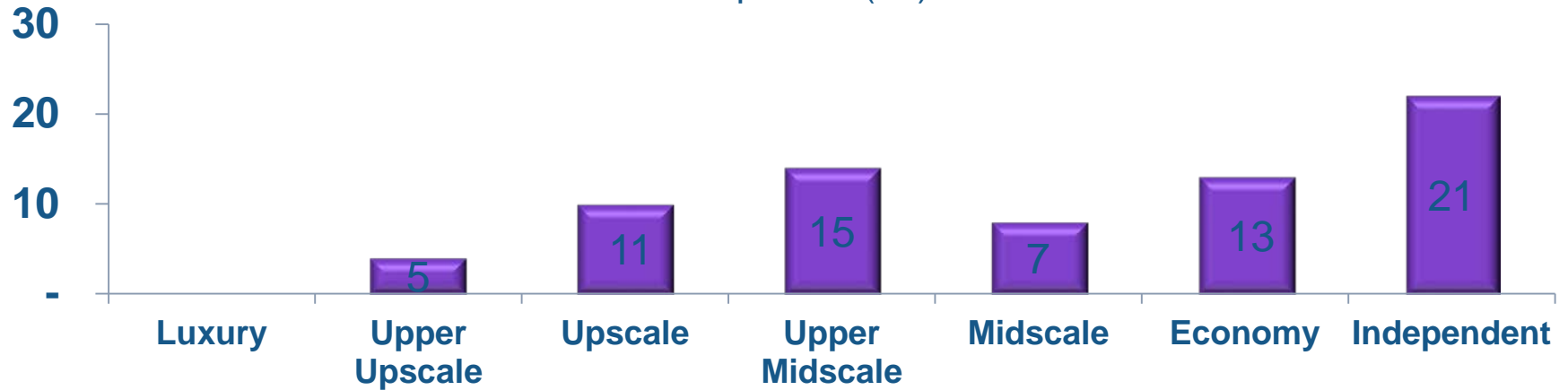
6. The legislative mandate for the TDA is clear

7. Success Data

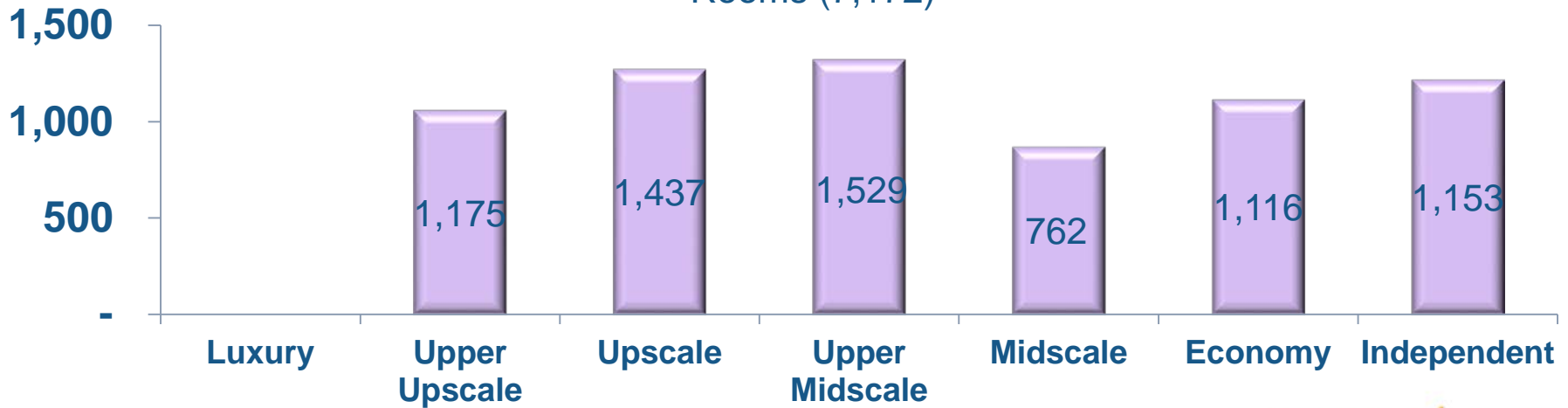
Buncombe Co. Hotel Census

As of December 2016

Properties (72)



Rooms (7,172)



Pipeline

Current Supply / New Supply



2017 - 2018

- 15 properties in the active pipeline in Asheville area

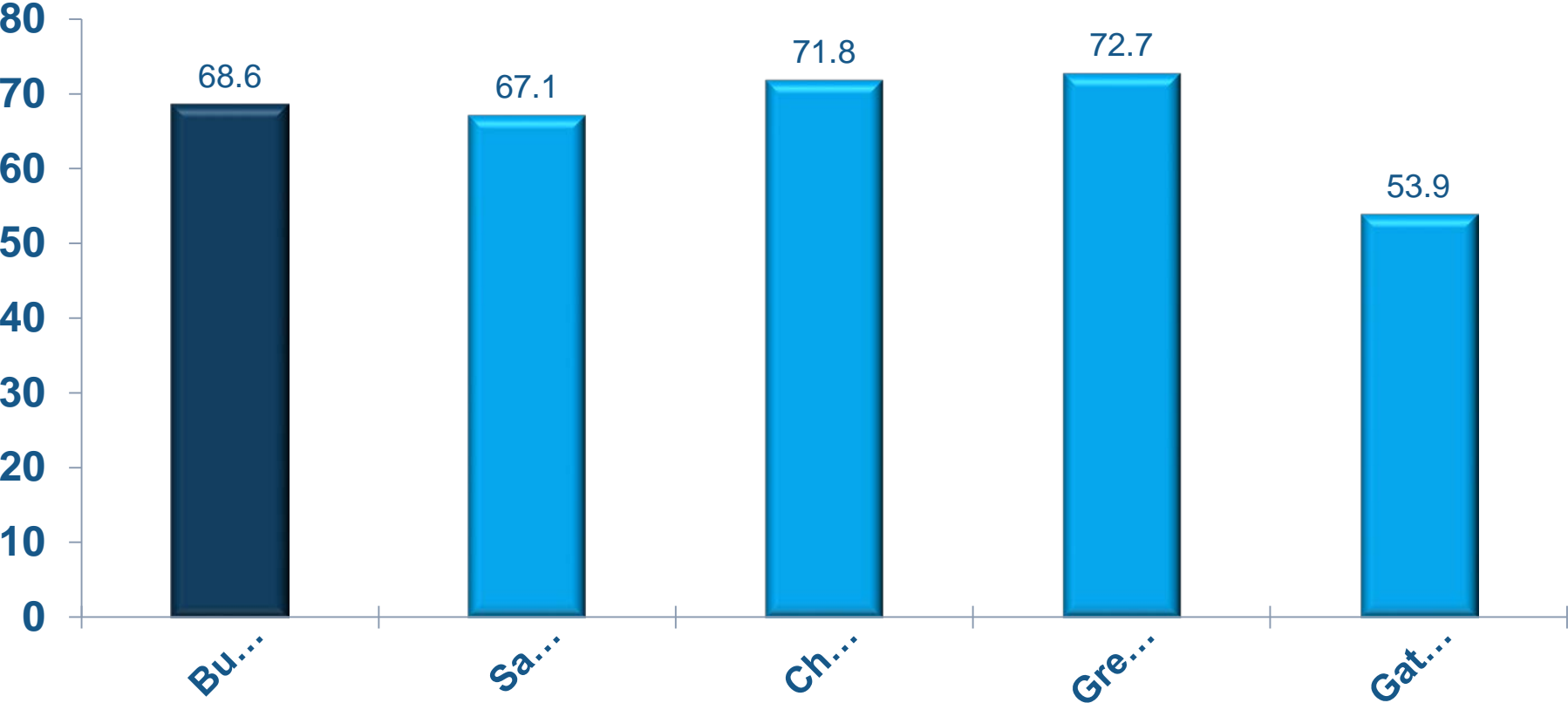
Market	2014	% Growth	2016	% Growth	2018
Charleston, SC	18,443	5.3%	19,428	18.0%	22,926
Savannah, GA	15,025	2.5%	15,394	15.8%	17,822
Buncombe County, NC	6,667	7.6%	7,172	24.3%	8,912
Cary/South Raleigh, NC	4,967	0.9%	5,010	18.6%	5,940
Brentwood/Franklin, TN	4,641	8.1%	5,019	21.5%	6,098
Mount Pleasant/Isle Of Palms, SC	2,774	13.3%	3,142	18.6%	3,726

Comparable Markets



Weekday Occupancy

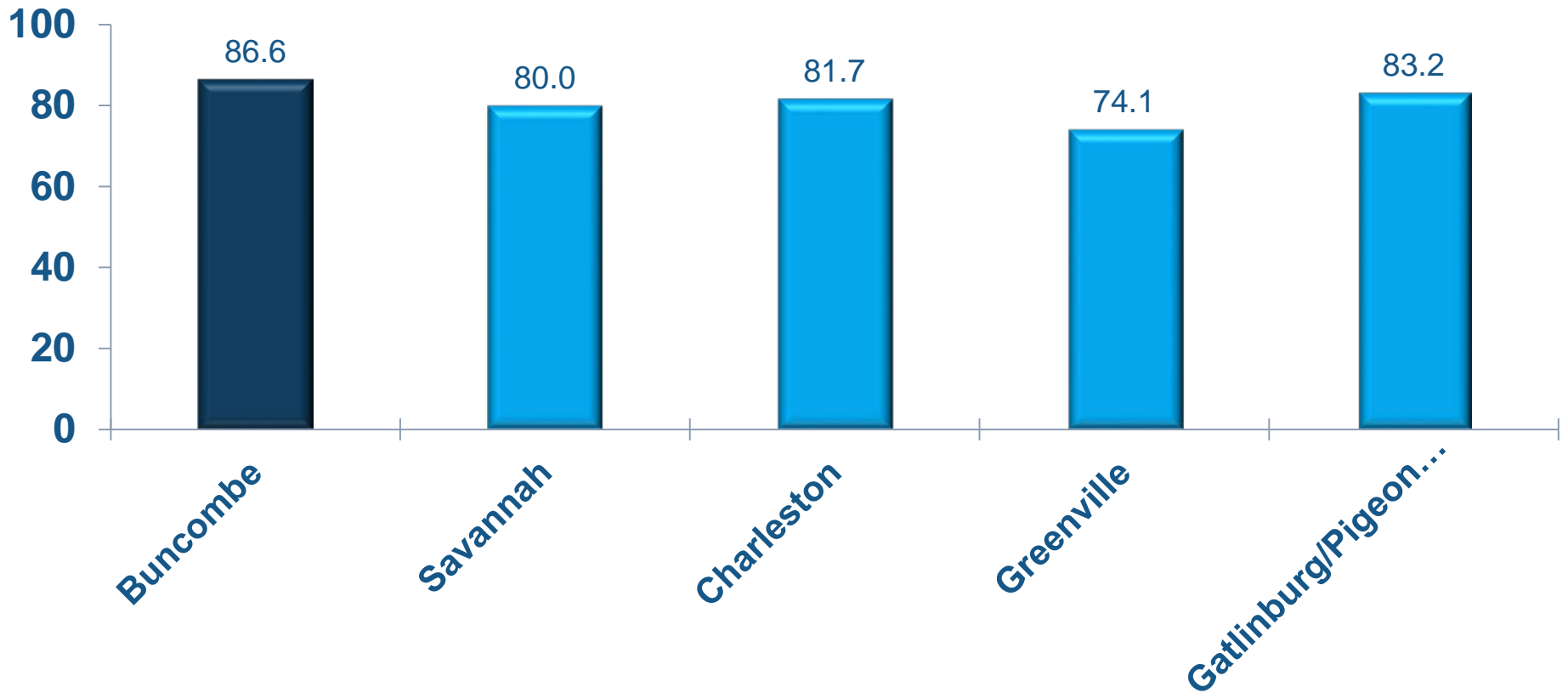
Total Year 2016



Comparable Markets

Weekend Occupancy

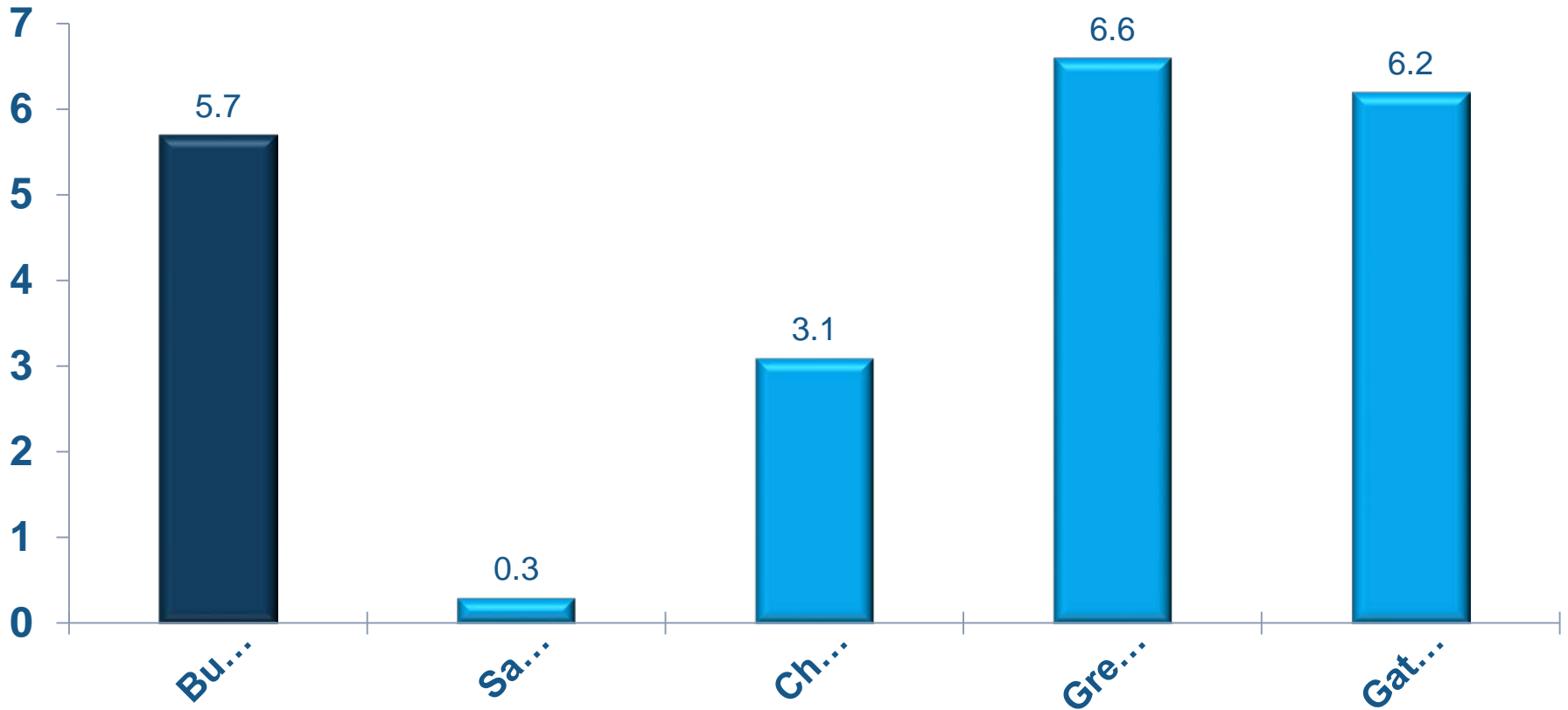
Total Year 2016



Comparable Markets

Demand % Change

Total Year 2016

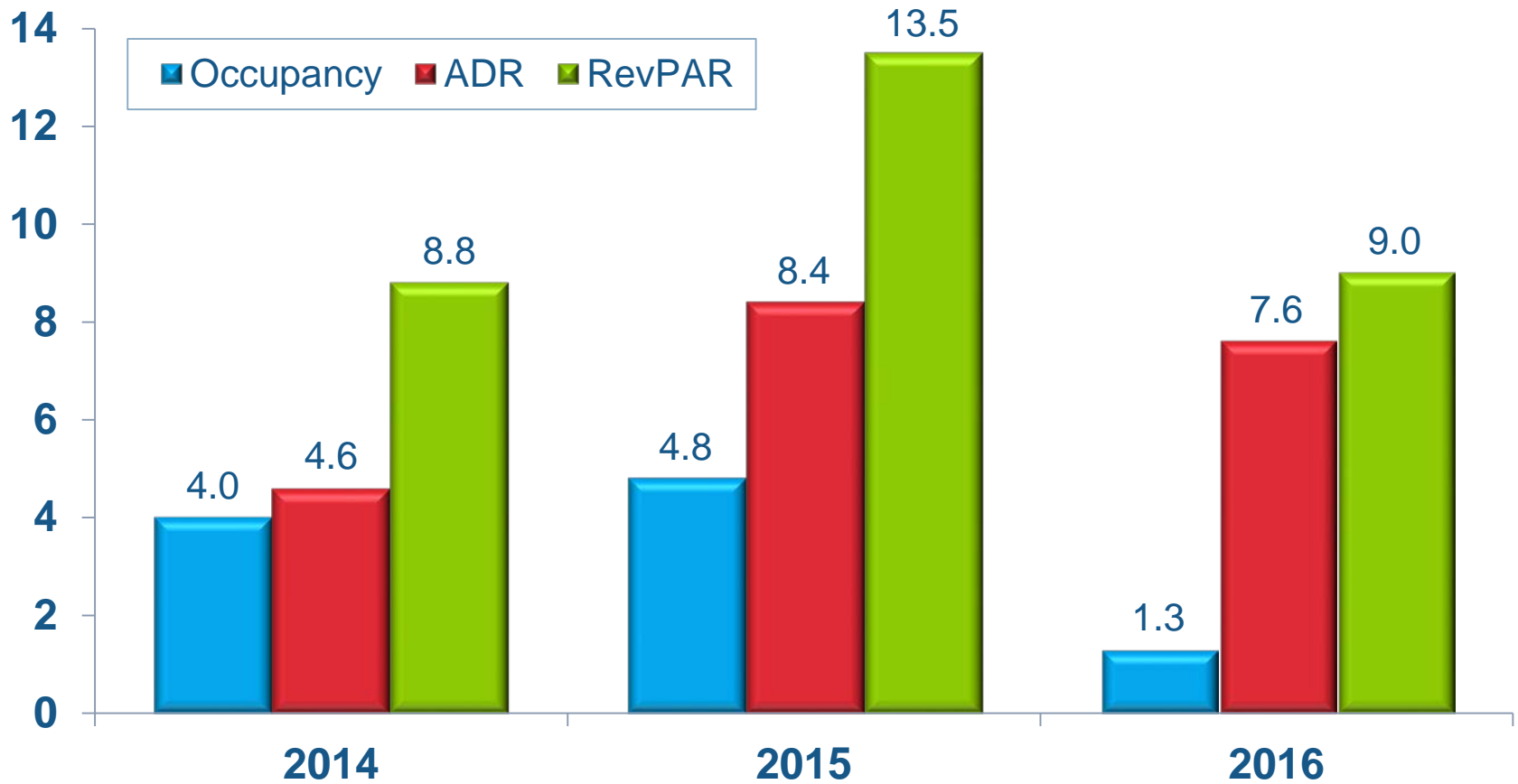


Buncombe County Performance Snapshot



Key Performance Indicators

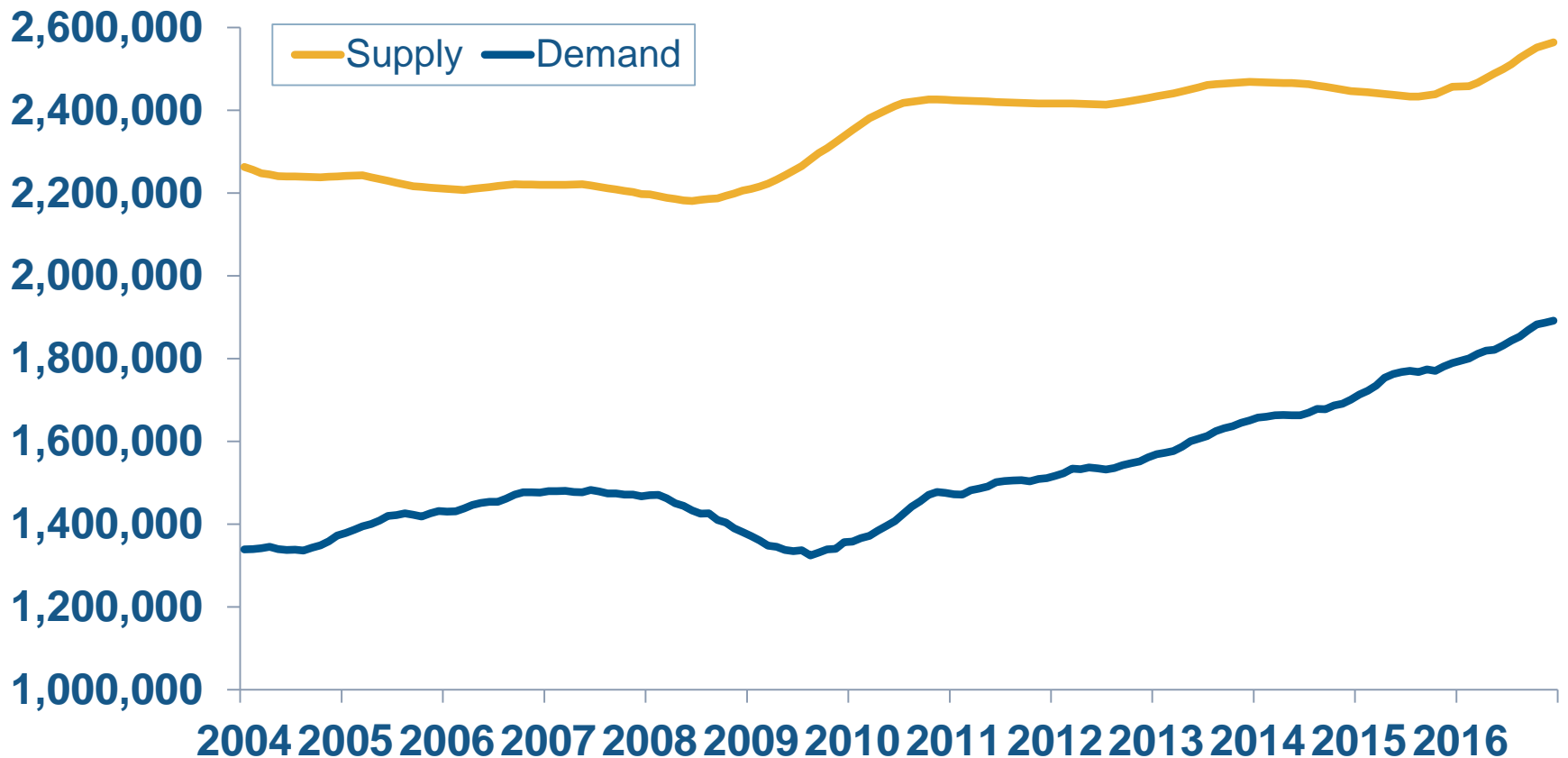
Twelve Month Moving Average percentage change December 2014 -2016



Buncombe County

Room Nights Available & Demand

Twelve Month Moving Average 2004-2016

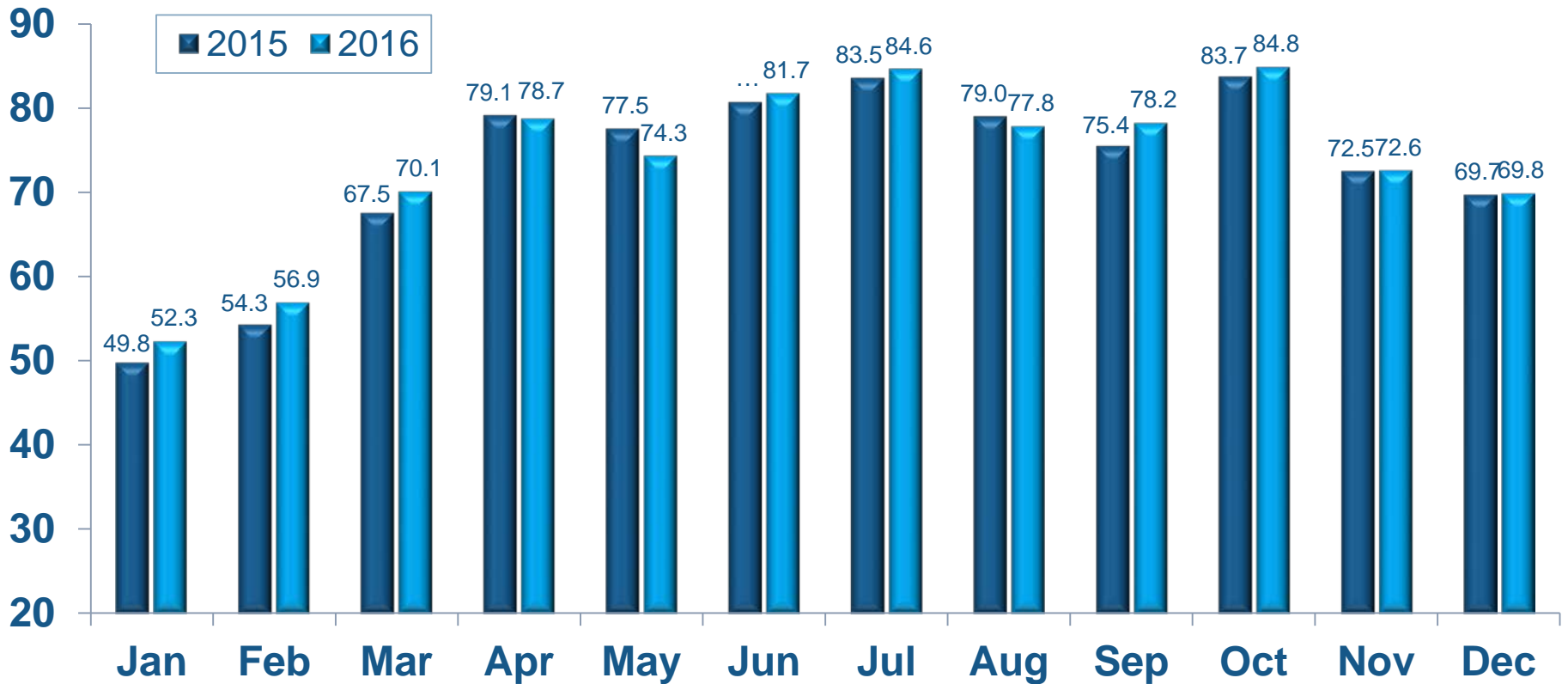


Buncombe County

Occupancy Rate by Month



2015 vs. 2016



Success Data Implications....

Assessment Process

Strengths for.....Destination

Challenges for.....Destination

Challenges for.....TDA

Strengths for.....Destination

1. Authentic, unique, attractive and diverse activities
2. Diverse accommodations
3. Location as a drive market
4. Natural beauty.... mountains, waterfalls
5. Downtown
6. “Eclectic”
7. Friendly people who apparently hate visitors

Strengths for TDA?CVB

1. Make-up, talent and commitment of Board
2. Staff skills, passion, professionalism and efficiency
3. Data driven decisions
4. Level of resources
5. Leadership capabilities

Challenges for.....TDA

1. Public perception of tourism and the TDA
2. Ongoing threat to occupancy tax legislation
3. Growth of accommodation supply
4. Creating adequate demand
5. Air lift

TDA Board Priorities 2017-18

1. Success Objective 2017-18

2. Proposed Budget 2017-18

Key Strategic Questions

- **What will the success metric be in the future? For Buncombe County? For the TDA? For the CVB?**
- **What will occupancy tax collections be next year?**
- **What will success be in 2017-18?**

2017-18 Success Objective

?

2017-18 Projected budget

?



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