



Visit Sun Valley

Strategic and Operational Plan Summary

2012/2013





Visit Sun Valley 2012/2013 Strategic Plan Summary

This document provides an overview of Visit Sun Valley's detailed strategic and operational plan for 2012/2013.

Background:

The past few years have been extremely challenging ones for Sun Valley. Visitation and skier visits have declined significantly at the same time that access has become even more challenging.

Sun Valley has been on a gradual decline as new resort players have entered the marketplace. The competitive environment is such that resort-goers have numerous options to choose from. Further adding to the competitive challenge is the lack of marketing presence that Sun Valley has had for decades. While other mountain resort destinations have committed to multi-million dollar marketing budgets across numerous target markets, Sun Valley has been more of a "regional player" in the marketplace with restrictive budgets allowing for minimal coverage in very few markets.

The lack of significant marketing funding is further exacerbated by an absence of other partners that are active in the tourism marketing space. The Sun Valley Resort has been more focused on operations and infrastructure with only a small portion of their budget and human resources allocated to marketing. As well, there is a lack of flagship hotels in the area that would provide an injection into the marketing presence through their own efforts.

In light of these challenges, an even bigger challenge exists, and that is the lack of a dedicated funding source for tourism marketing. Currently, the marketing organization for the area (Visit Sun Valley) has been receiving a portion of the local option tax from the cities of Sun Valley and Ketchum. However, this is not a set percentage nor is it established as an on-going funding source.

Finally, Sun Valley has become more dependent on the regional market. This leads to overall lower yields, as the regional market is less likely to spend as much money on products and services such as ski lessons, accommodation and restaurant meals.



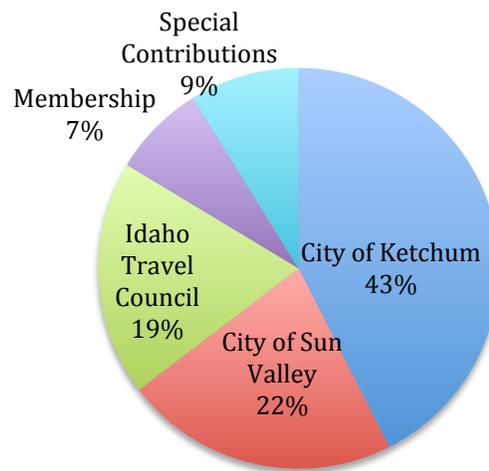


Budget and Financial Outlook:

One of the big contributors to the lack of performance of Sun Valley in recent decades is a corresponding lack of marketing. The budget of the organization responsible for external marketing has not only stagnated - it has decreased over the years. It is no surprise then that Sun Valley's competitive position has declined, as has its overall awareness amongst skiers and other vacationers.

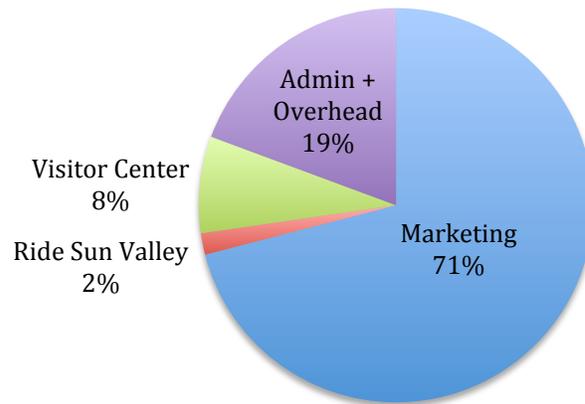
The following two charts illustrate the sources of revenue and budgeted expenses for the coming year. Marketing (including advertising, promotions, PR and social media) and visitor events/services represents just over 80% of the total budget while administration and overhead (including rent, other office expenses, membership related expenses and administrative salaries) represents just under 20%. The special contributions noted under 2012/2013 revenue refer to: (a) a one-time carry-over of \$75,000 from the Ride Sun Valley Bike Festival and (b) a one time contribution of \$25,000 from the Sun Valley Resort to help offset the \$106,000 budget cut from the City of Sun Valley.

Visit Sun Valley Sources of Revenue 2012/2013





Visit Sun Valley Budgeted Expenses 2012/2013



Target Markets:

Visit Sun Valley focuses on target markets based on geography, demographics and psychographics.

Geographic Target:

The determination of geographic markets is based on two key factors: budget and access. A relatively small budget determines the number of geographic markets that can be targeted, while access (air or drive) determines those markets most likely to visit.

For 2012/2013, based on an overall budget of just over one million dollars, the following geographic markets will be targeted in both winter and summer – Seattle, Los Angeles and Boise/regional. It is essential that a strong focus be placed on Seattle and Los Angeles so that the minimum revenue guarantees that are being shouldered by the Sun Valley Resort can be minimized. The job of Visit Sun Valley is to create demand that will translate into passengers for these purchased flights and visitors for the Sun Valley area.

The Boise/regional market is also an important market, particularly during times when seasonal flights are not available from Seattle and Los Angeles. These close-in markets are able to travel easily to Sun Valley by car and can be influenced by a local event or special offer.





Demographic (age) Target:

The demographic target is primarily focused on the 35 to 55 age group; however, the passions and interests of a potential visitor supersede any age criteria, as identified in the subsequent section.

Psychographic Target:

Psychographics refer to personality, values, attitudes, interests and lifestyles. This is the area where Visit Sun Valley is truly focused. For example, anyone who defines themselves as a skier/snowboarder/Nordic skier would be part of the target market, regardless of age. The following areas reflect Visit Sun Valley's primary focus:

- Alpine skiers/snowboarders
- Mountain Bikers
- Nordic Skiers
- Summer - recreation and culture seekers

Purpose, Mission and Vision:

I. The purpose of Visit Sun Valley is:

- To undertake strategic marketing
- To run the Visitor Center
- To execute Ride Sun Valley and the US National XC Marathon Championships (2013 and 2014)*

II. The mission of Visit Sun Valley is:

- To raise awareness of Sun Valley in an effort to increase demand and visitation to the area for the benefit of all member businesses and stakeholders

III. The vision of Visit Sun Valley is:

- To execute world-class marketing programs in our key target markets through innovative, strategic initiatives that enhance our competitive advantage

**Visit Sun Valley inherited the US XC National Championships from the previous organization. While the overall mandate of the organization does not include event production, Ride Sun Valley is a current exception.*





Overall Goals:

- *To increase brand awareness and understanding*
- *To attract a younger demographic*
- *To increase visitation (sales), particularly in the winter*

Overall Objectives:

- To increase overall qualified awareness of Sun Valley from 13% to 15%
- To increase top-of-mind awareness amongst destination skiers in California from 1% to 2% and amongst Washington State skiers from 9% to 10%
- To increase awareness of Sun Valley amongst the under 55 age group by two points
- To increase occupancy by two points
- To increase local option tax collected by 2%

Operational Plan Summaries

External Marketing:

As previously iterated in the purpose, mission and vision, the primary function of Visit Sun Valley is to execute externally focused marketing programs in key target markets.

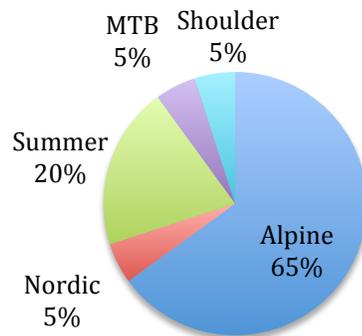
Visit Sun Valley's marketing budget must be split in several different ways. First, the budget is divided by product sector and corresponding season. It must further be divided by brand versus tactical in each of these categories. Finally, within these breakdowns of product, season, brand/tactical, the budget must also be split to address priority geographic target markets.

The approximate distribution of Visit Sun Valley's marketing budget by product sector is illustrated in the following chart.





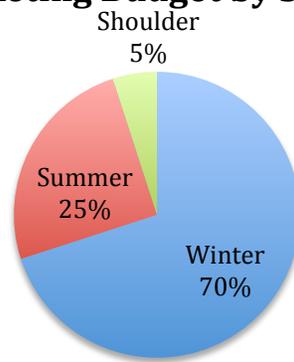
Marketing Budget by Product Sector



These determinations are based on a number of key factors. For example, the cost of accessing niche markets such as Nordic skiing and mountain biking are much lower than the cost of accessing more mass markets such as alpine skiers and recreation/culture enthusiasts due to the more targeted nature of these niche communities.

The corresponding seasonal breakdown is 70% winter, 25% summer and 5% shoulder season (new this year). The seasonal breakdown reflects the period of greatest need (Winter) and potentially the greatest return on investment. Visitors in the winter spend money on the mountain as well as in town and typically have a higher yield than summer visitors. Further the Sun Valley Resort has a strong focus on summer group business, which provides an additional injection into the overall summer marketing and sales budget for the area.

Marketing Budget by Season



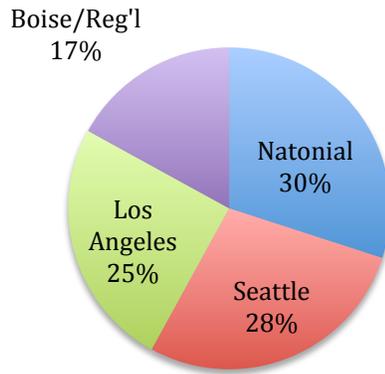
The geographic breakdown of Visit Sun Valley’s budget is a mix of location specific and niche specific markets. For example, when advertising in a Nordic publication, a ski/snowboard publication or website, or mountain biking specific media, those properties typically have a national reach. The following chart therefore includes “national” to reflect





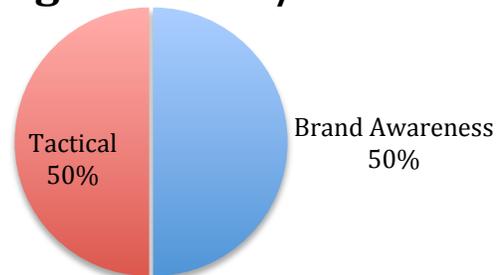
the vertical publications and websites, as well as pay per click advertising (PPC) and retargeting.

Marketing Budget by Geographic Market



As identified in the overarching goals, Visit Sun Valley must serve the dual purpose of inspiring and informing potential visitors of everything Sun Valley has to offer while at the same time trying to encourage immediate travel to the area. Given that Visit Sun Valley does not control a product or pricing, the transactional success depends in large part on the offerings of members. Further, Visit Sun Valley can only promote an offer that is relevant to more than one member. Typically, the role of a destination marketing organization is new business development, or furthering the brand recognition of the destination. As such, the goal for the future should be to increase the percentage of the budget that is being spent on brand awareness advertising relative to tactical advertising. This is particularly important in a destination such as Sun Valley where there is very little brand awareness advertising in the marketplace. For the current year, the maximum threshold of 50% tactical advertising will once again be utilized.

Marketing Budget - Brand/Tactical Split



Visit SunValley

While the bulk of Visit Sun Valley's advertising will be focused on digital media (to maximize both the budget and measurement of results), the goal is to utilize a mix of traditional and non-traditional media to best achieve the stated marketing goals within the allocated budget. In some cases, purchased media may be secondary to earned media, if there is a hook that will create interest (such as was the case with last year's "Skip Town" promotion). Visit Sun Valley will look for these types of opportunities, as the potential win can outweigh the risk. With a small budget, the only way to stand out is to take chances on doing something innovative and unique. Visit Sun Valley will also look to partnerships with industry partners and like-minded companies to extend the external reach of marketing programs (for example, the Idaho Travel Council, The Sun Valley Resort, local businesses, etc.).

Marketing Goals:

- *To stand out amongst the competition with all of our campaigns*
- *To develop innovative marketing campaigns that connect the Sun Valley brand with consumers in a meaningful way*
- *To connect with potential customers at all stages of the purchase cycle*
- *To leverage marketing investment by maximizing partner relationships (industry; tourism; local) to extend reach of marketing programs.*

Marketing Objectives:

- To create five campaigns (based on product categories) that contain at least one unique element as compared to prior and competitor campaigns
- To execute at least one bi-annual research study to understand external perceptions of the Sun Valley brand
- To develop an optimal mix of inspirational and transactional (tactical) messaging, with a maximum ratio of 50% for transactional advertising
- To utilize a minimum of four partner relationships to extend marketing reach by a minimum of two times the Visit Sun Valley investment.

Public Relations

PR is a critical component of the marketing outreach for Visit Sun Valley. In order to leverage a relatively small budget, Visit Sun Valley needs to garner earned media to gain significant exposure. This can be done in a number of ways, including the following:

- A unique PR "stunt" that draws attention to the destination in an unusual and compelling way. For example, the "Skip Town" promotion that was launched last summer focused on something that was both topical (connection of the virtual





environment to the actual physical environment) and unique (nothing like this had been done before). This promotion resulted in an unprecedented 2.7 million dollars of PR coverage for Sun Valley along with exposure to a new and relevant audience (the tech crowd). To put this in perspective, the ad equivalency of this 5-day promotion nearly doubled the annual coverage for the area.

- Hosting editors and writers so that they experience the destination first hand. Again, a significant hook is required to compel both the visit and any resulting coverage.
- Ongoing outreach, including the development of personal relationships, dissemination of press releases, etc.

With limited resources available for PR, Visit Sun Valley must be extremely targeted with outreach and must engage community partners to ensure success for the area.

Public Relations Goals:

- *To increase the visibility of Sun Valley in the media*
- *To increase earned media coverage of Sun Valley*

Public Relations Objectives:

- To secure two major pieces of coverage in winter-oriented outlets
- To secure two major pieces of coverage in bike/outdoor outlets
- To increase arts and culture media contacts by 10%
- To achieve \$3.3M of advertising equivalency
- To increase visitation to media and press page of Visit Sun Valley website by 20%
- To add 100 contacts to media database

Social Media:

Visit Sun Valley's social media program consists of Facebook, Twitter, Pinterest, Instagram and a newly implemented on-going blog.

Over the past year, significant improvements were achieved with Facebook. These improvements occurred as a result of combining Visit Sun Valley's Facebook efforts with those of the Sun Valley Resort. This has proven to be a very effective strategy for both visitors and the community. Facebook fans tripled over that time period to over 40,000.

The other properties remain Visit Sun Valley properties. Over the past year, the focus on Twitter has not been quite as strong as the focus on Facebook; however, moving forward, the focus on Twitter as well as the newer properties of Pinterest, Instagram and the blog will all increase.





Social media provides an excellent platform for visitors to share their experiences and pass along positive word of mouth to potential visitors. Sun Valley's followers tend to be highly engaged and are great ambassadors for the area. The challenge will be to continue to populate these properties with engaging, interesting content to keep the momentum going.

Social Media Goals:

- *To increase the quality, regularity and volume of fresh and engaging content for social media platforms*
- *To utilize social media to increase visitation to www.visitsunvalley.com*

Social Media Objectives:

- To grow Facebook Fans by 18% in 2013 = approx. 46.5K
- To grow Twitter followers by 40% in 2013 = approx. 3,570
- To grow Instagram followers to 1000 in 2013 = approx. 300%
- To grow Pinterest followers to 1000 in 2013 = approx. 1000%
- To increase web traffic to the blog (currently "Updates") page of Visit Sun Valley's website by 20%

Events:

Events provide exposure for first-time visitors who may not have experienced Sun Valley otherwise. This is particularly true for established events that come with their own following – such as the US National XC Mountain Biking Championships.

Events also animate the destination and project a fun and vibrant image to visitors. While the event may not have been the reason for a visitor's trip, the contribution of the event to the overall experience can be a reason to return and/or may lead to positive word of mouth.

Sun Valley is home to many events of all sizes and genres. Most are on a local or regional scale and occur primarily during the summer. With the exception of Ride Sun Valley and MASSV, the majority of the larger events are focused on the arts and culture or sporting events which attract a somewhat older visitor. These excellent events, while vital to the local economy, fail to attract a younger visitor.

So, while Sun Valley has a plethora of events in the summer and early fall, there is an opportunity to attract events in the winter and early/late shoulder seasons to help build visitation in those softer periods and to expose new visitors to Sun Valley. Strategically, these events should speak to a younger demographic and highlight the outdoor recreation of the area.





Event Tourism Goals:

- *To increase visitation to Sun Valley by securing a new winter or shoulder season event*
- *To work with partners to build SolFest into a spring anchor event which draws junior high, high school and college age kids and families to Sun Valley*
- *To build Ride Sun Valley into a regionally renowned, can't miss week*
- *To promote existing events externally to grow visitation*

Event Tourism Objectives:

- To secure one winter event which features skiing/snowboarding for 2014 or beyond and/or one shoulder season event
- To increase SolFest out of area attendees by 100, using sales of Sun Valley Resort's 3 for \$99 lift tickets as a gauge of success (pending confirmation by Sun Valley Resort)
- To increase Ride Sun Valley event participants by 10%
- To increase 2012 Marathon National Championships (compared to previous host, Bend, OR) entrants by 10%
- To assist a minimum of 11 event organizers and promote 40+ event days

Visitor Services:

The Sun Valley Visitor Center has moved four times over the course of eight years, finally getting a designed-for space that opened in the fall of 2011. However, the space is now shared with another business— currently Starbucks. While the architects and designers worked together to create a beautiful and functional coexistence, the opening was met with more than its fair share of critics from the community. The negative politics of the Visitor Center sharing a space with a for-profit business overshadowed the improved modernization and aesthetic of an aging building. However, visitors have been nothing but pleased both with the location and the appearance; visitor numbers are up dramatically.

In addition to the physical Visitor Center, there are other mechanisms in place to serve potential visitors. These include a "Contact Us" form on the website, the 1-800 number and a "Live Chat" function that allows visitors to ask questions real-time with a Visitor Center Agent.

Visitor Center Goals:

- *To increase the physical presence of the Visitor Center within and outside the building*
- *To increase membership presence in the Visitor Center*





- *To increase website ease-of-use and content for visitors*
- *To provide exceptional customer service to all visitors and potential visitors*

Visitor Center Objectives:

- To fully utilize 50% of the designed space as a clearly recognizable Visitor Center
- To increase membership presence from 50% to 75%
- To develop a mobile phone optimized site by the end of December 2012
- To provide event information for at least 6 months in advance
- To operate the Visitor Center year-round; 365 days per year
- To respond to "Contact Us" visitor emails within 24 hours of receipt on weekdays and 48 hours of receipt on weekends
- To operate the "Live Chat" for a minimum of 6 hours per day on weekdays

Member Services:

Membership has been a challenging area for Visit Sun Valley. The dissolution of the Chamber of Commerce and subsequent formation of Visit Sun Valley (known also as the Sun Valley Marketing Alliance - SVMA) caused a lot of confusion amongst past Chamber members who were now becoming Visit Sun Valley members.

There is clearly a need to continue to provide excellent member benefits through our marketing programs and to continue to enhance communication of those activities to the membership. This year will be a year of continued focus on member engagement and communication.

Member Services Goals:

- *To retain our existing members and attract new members*
- *To increase member engagement*

Member Services Objectives:

- To increase the number of members by 14% by the end of September 2013 (from 242 to 275)
- To retain 90% of the existing 242 members
- To increase member open rate of weekly newsletter from 27% to 35%

