

**First Quarter 2010
Marketing Report
City of Branson Board of Aldermen**

The Branson/Lakes Area Convention & Visitors Bureau

June 8, 2010

Today's Presentation



- **2010 Travel Industry Review**
- **Q1 2010 Branson Update**
- **2010 Marketing/Initiatives**



Travel Industry Overview



Travel Industry Overview

- First quarter travel data show a surprising strengthening in demand which may bode well for what lies ahead this year.
- Smith Travel Research (STR) reported hotel room night demand 5.3% above the lows of the comparable year ago quarter when demand had plunged by 8.0%. The figures show that in the first quarter two-thirds of last year's decrease was therefore recovered. If we project this recovery ratio to an annual basis, it would suggest that for the year 2010, **travel demand could rise by up to 4.0%** -- or two-thirds of last year's STR reported total decline of 5.8%.

Travel Industry Overview

- Most domestic leisure destinations saw increases from last year's first quarter lows. Domestic resort room demand, nationally, was up 4.5%. Orlando/Disney World was up 8.3%; Hawaii was up 7.3% and Las Vegas visitor counts rose 2.0%.
- Travel pricing recovery is also underway. STR data shows national ADRs in March were only 2.0% below a year ago. In the prior three months they had been down 4.3%. The cruise lines also report pricing and yield improvements through the elimination of most of the 12-15% discount incentives they used last year.

Travel Industry Overview

- **Airlines** are on their own separate path, using capacity reductions and accompanying high load factors to increase fares sharply. In March, domestic fares, excluding ancillary fees, were up 12.5% over a year ago.
- **Business travel** reports from a number of sources also show demand getting better week by week. Hotels are seeing this in rising weekday transient guest occupancies and in urban, suburban and airport properties, most often used by business travelers.

Travel Industry Overview

- **Group and meetings** business is still lagging behind the upturn in transient occupancy, as this has longer booking lead times. Companies also are reportedly still sensitive to the appearance of “executive excess”, a recession period carry-over that could stay with us for awhile.
- **Economic reports** issued from a variety of sources in the last 30 days appear to have three things in common: 1) the recovery has legs, with uncertainty diminishing, 2) upward revisions can be made in most of the key economic indicators, but that 3) high unemployment can continue to be expected until 2011.

Travel Industry Overview

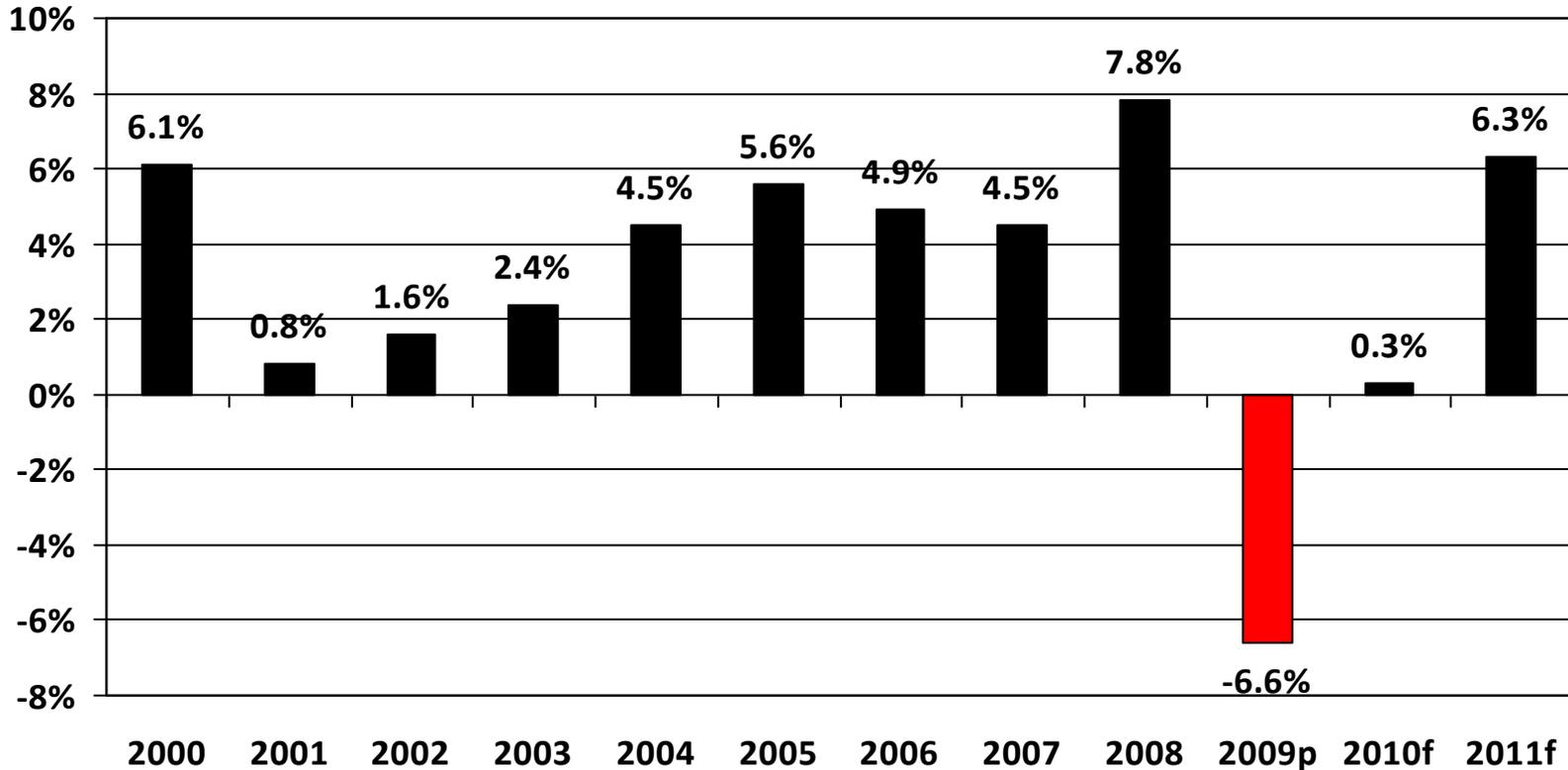
- **Summer vacation planning** is now underway in most US households - let's review last summer and compare to what is likely to unfold this year.
- **Summer 2009** was one of the worst on record. STR data on hotel room demand—what we believe to be the best and most comprehensive measure of domestic travel volume—showed a 6.1% annual decline for the months of June-August. Domestic air enplanements were down 7.0% for the same period. By all measures, last summer was a bad one—but it makes for easy comparisons this year.

Travel Industry Overview

- **Summer 2010** will begin with the situation quite different. The economy is not booming, nor households prospering, but we're well up from last year's bottom. Consumer retail spending by consumers in March was up 7.6% versus a year ago. Importantly, the data show the beginnings of an uptick in discretionary outlays and in more robust sales in high-end household spending.
- Since the top 10% of households account for 40% of consumer spending, this latter development is a positive one. **It is projected that summer travel will post a 4% increase over last year.** This would represent recouping two-thirds of the loss incurred in the summer of 2009, and parallels the recovery ratio we've seen in the first quarter of this year.

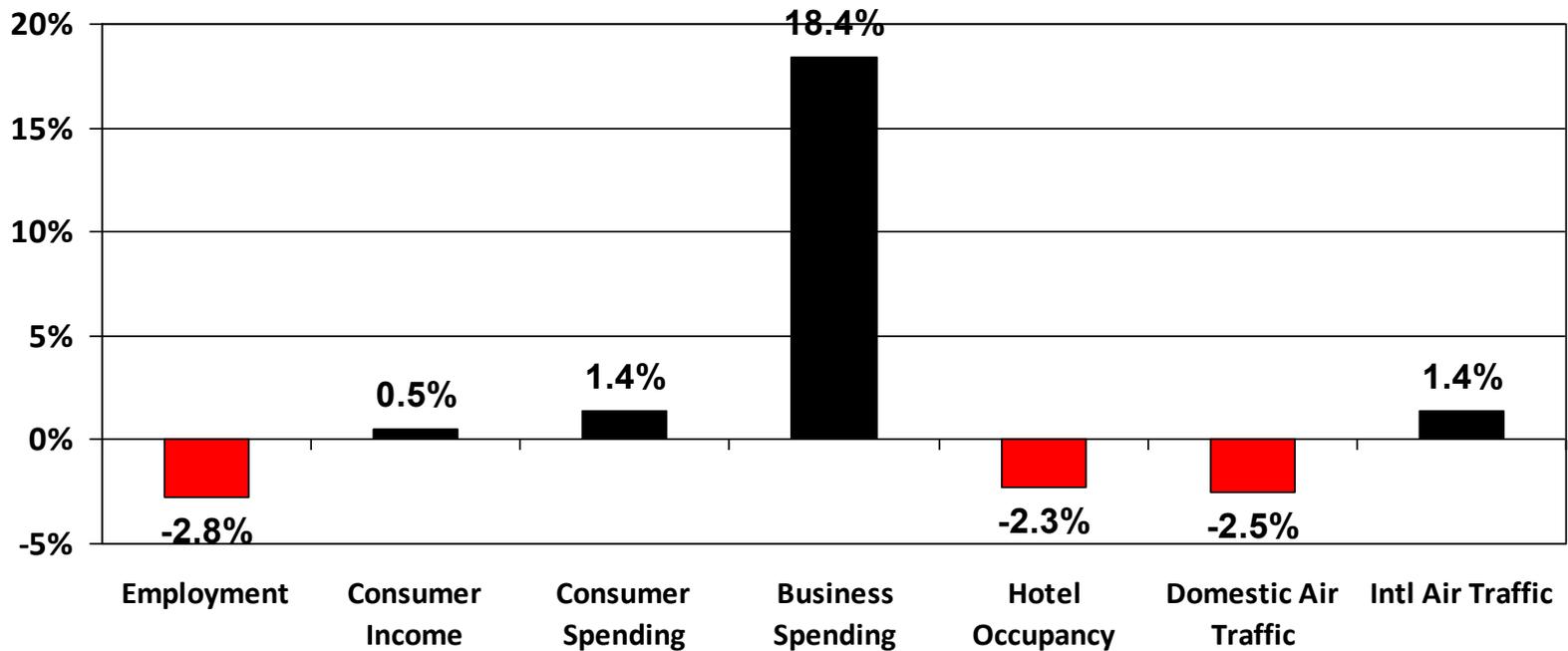
Travel Price Index

After posting a significant 6.6% decrease in 2009, travel prices are expected to hold near steady in 2010 before rebounding in 2011.



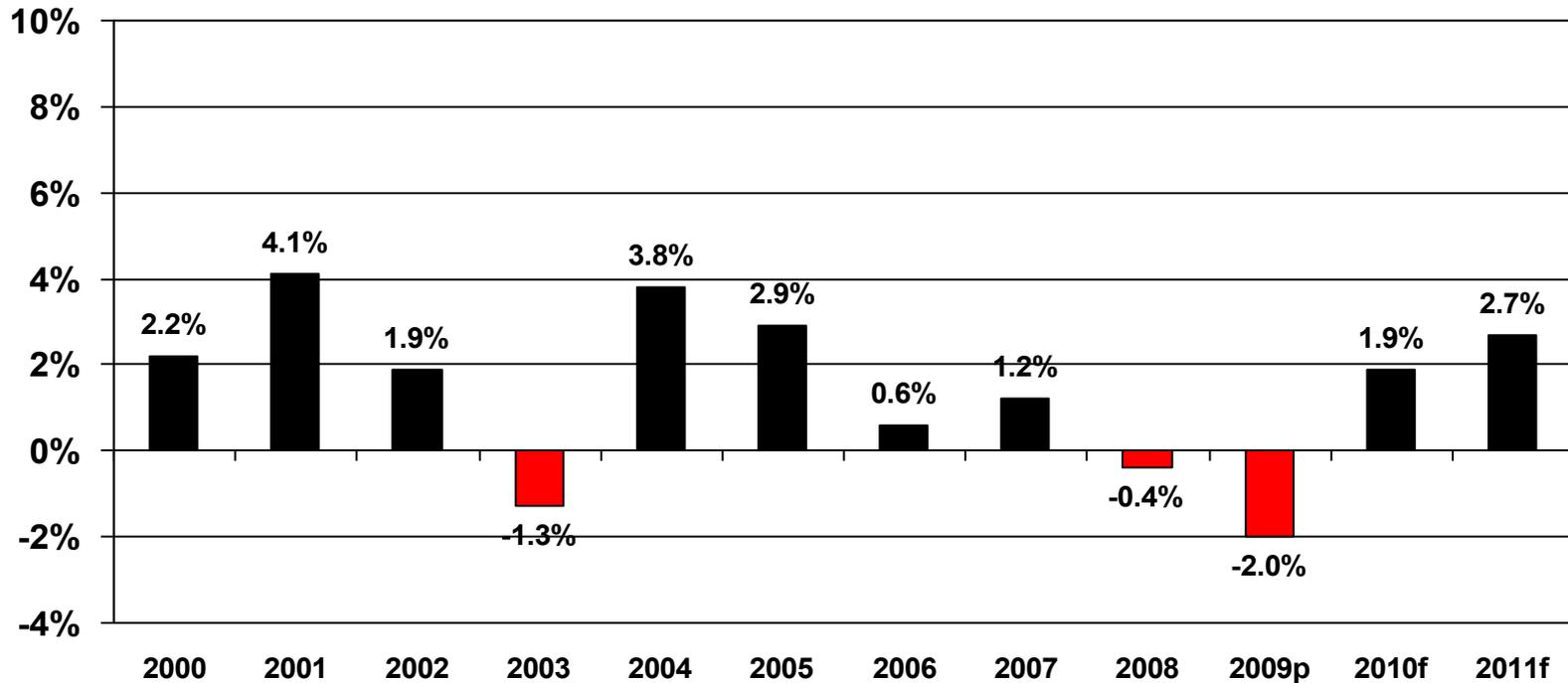
2010

U.S. Travel Performance Indicators



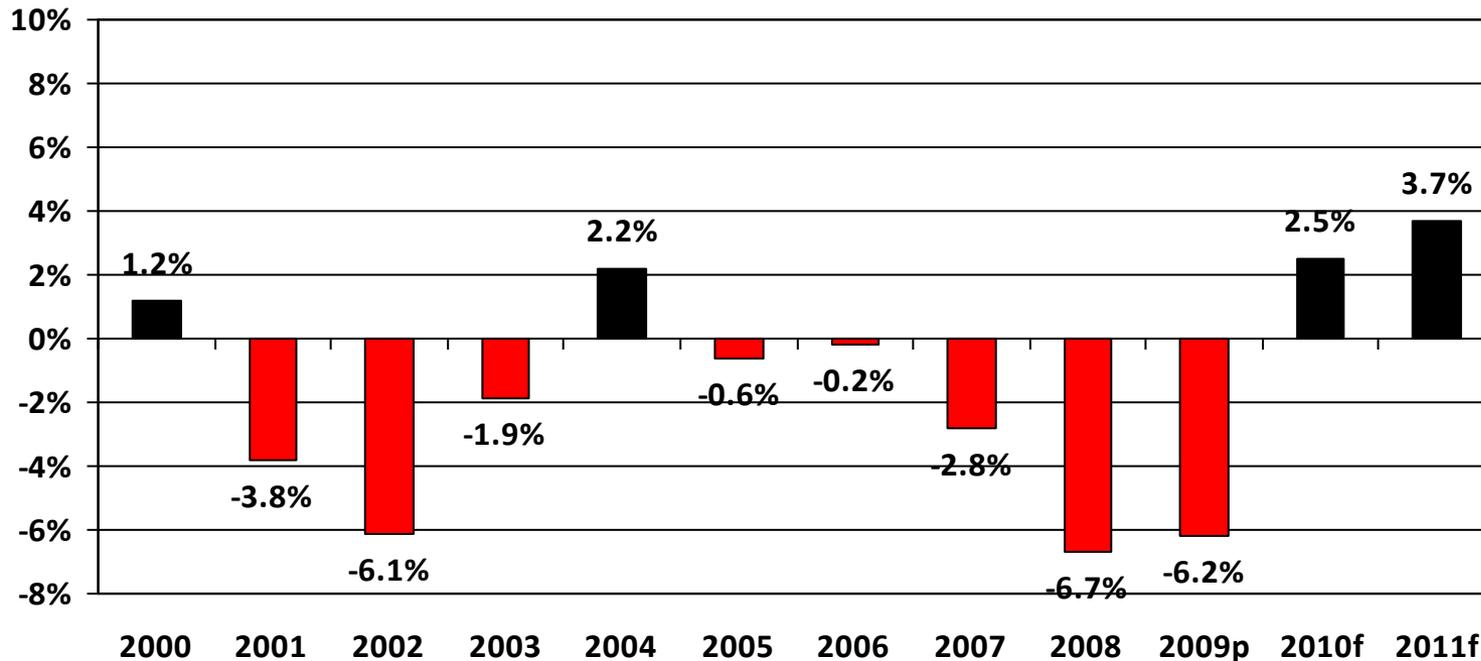
Travel Review/Forecast Summary

According to the USTA, U.S. leisure trips fell 2.0% in 2009, but are expected to recover most of that (+1.9%) this year.



Travel Review/Forecast Summary

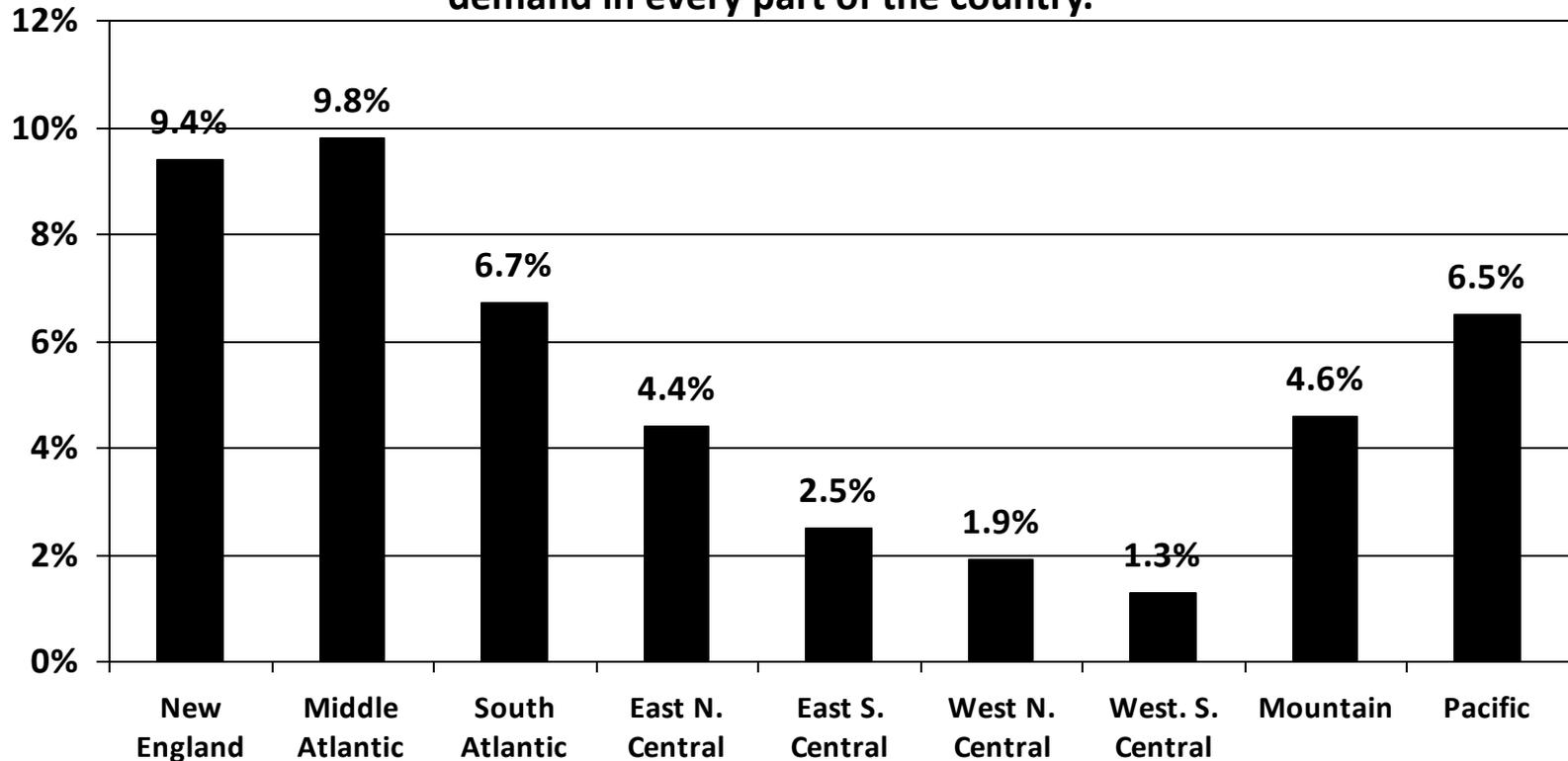
Business travel fell 6.2% in 2009, but is expected to rebound slightly in 2010 with a 2.5% increase.



Smith Travel Research Room Demand

YTD through March

In sharp contrast to the 1Q 2009, the first quarter of 2010 has seen increases in room demand in every part of the country.

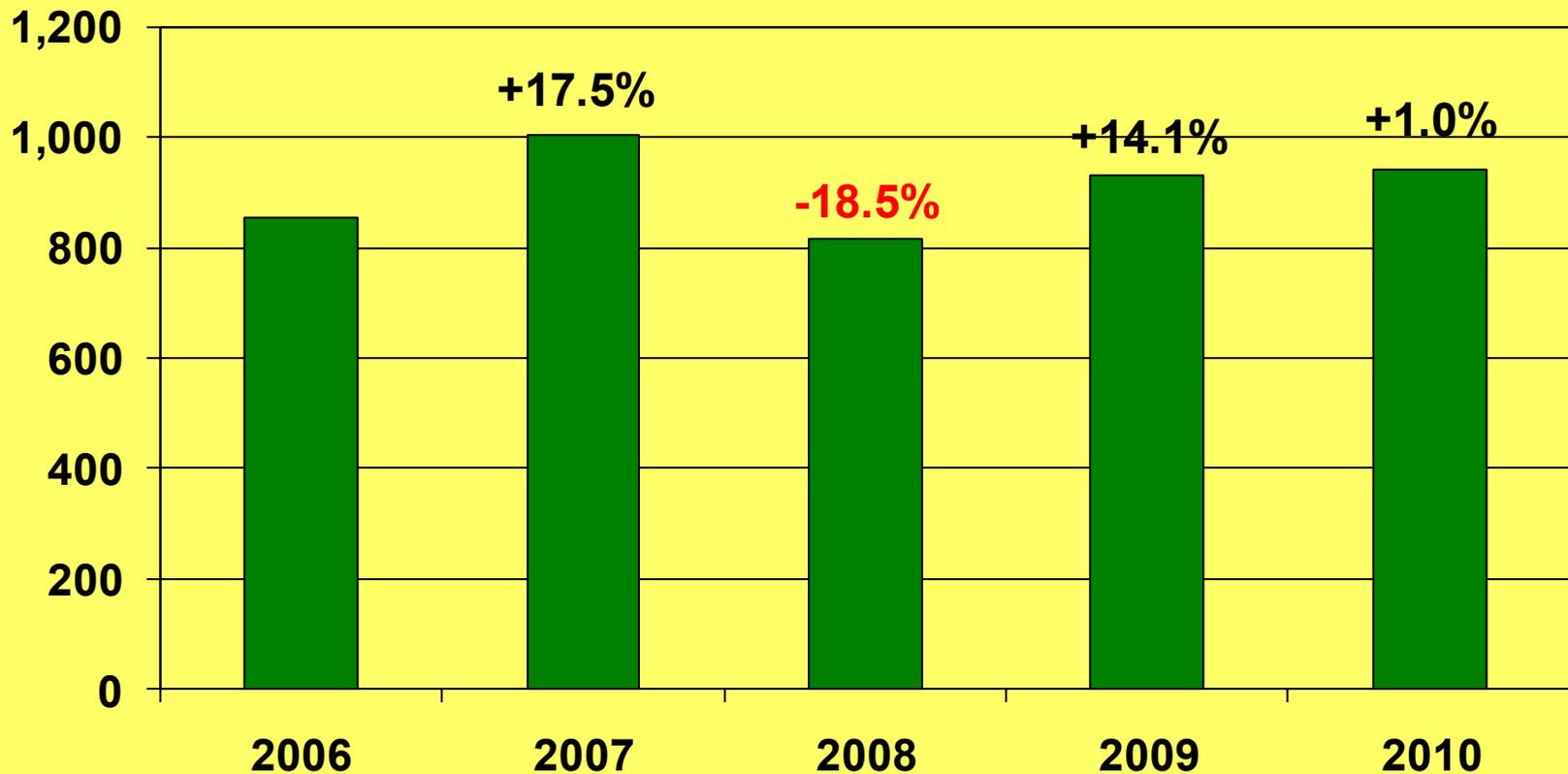


Branson Update

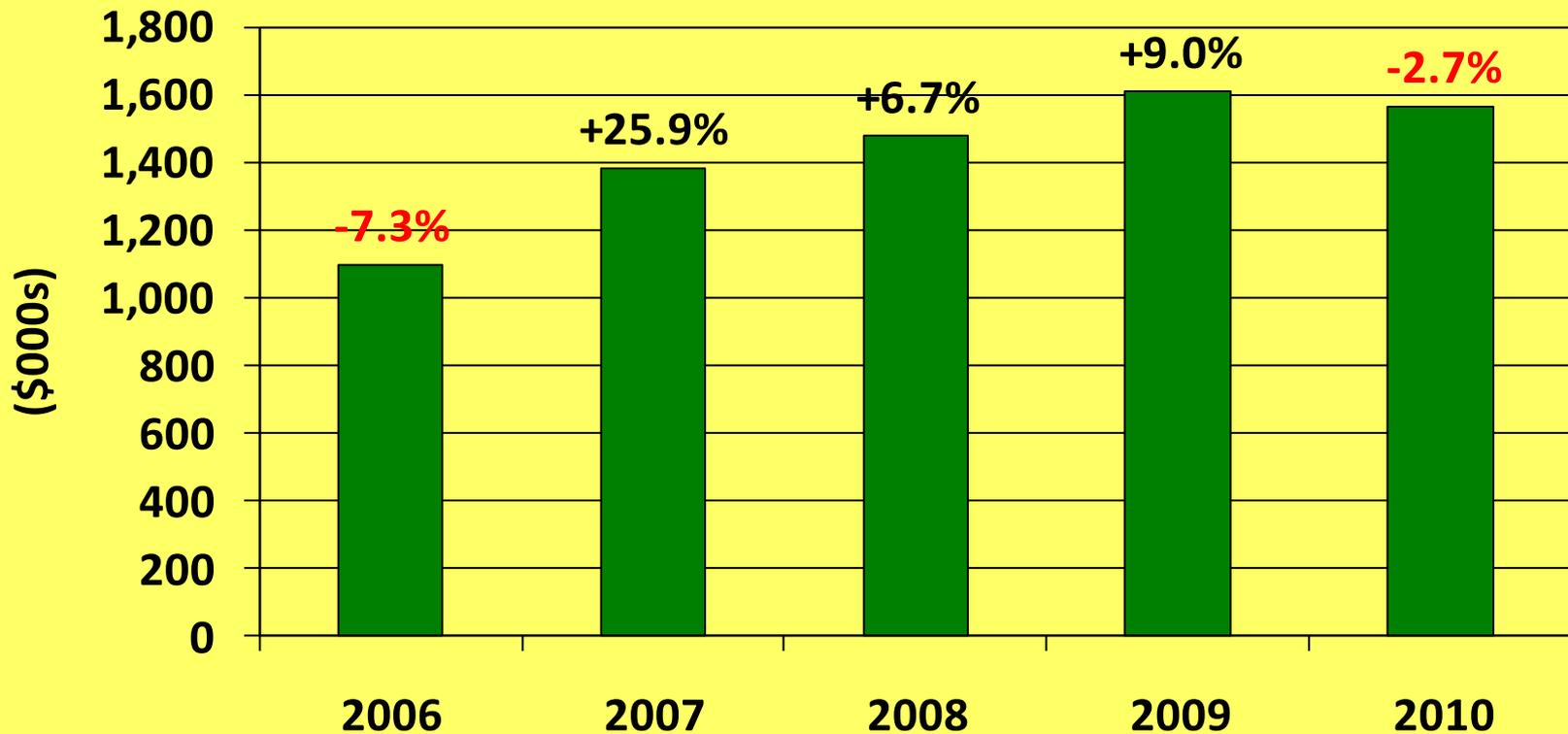


First Quarter CY2010
performance
update

Overall Visitation First Quarter 2006-2010

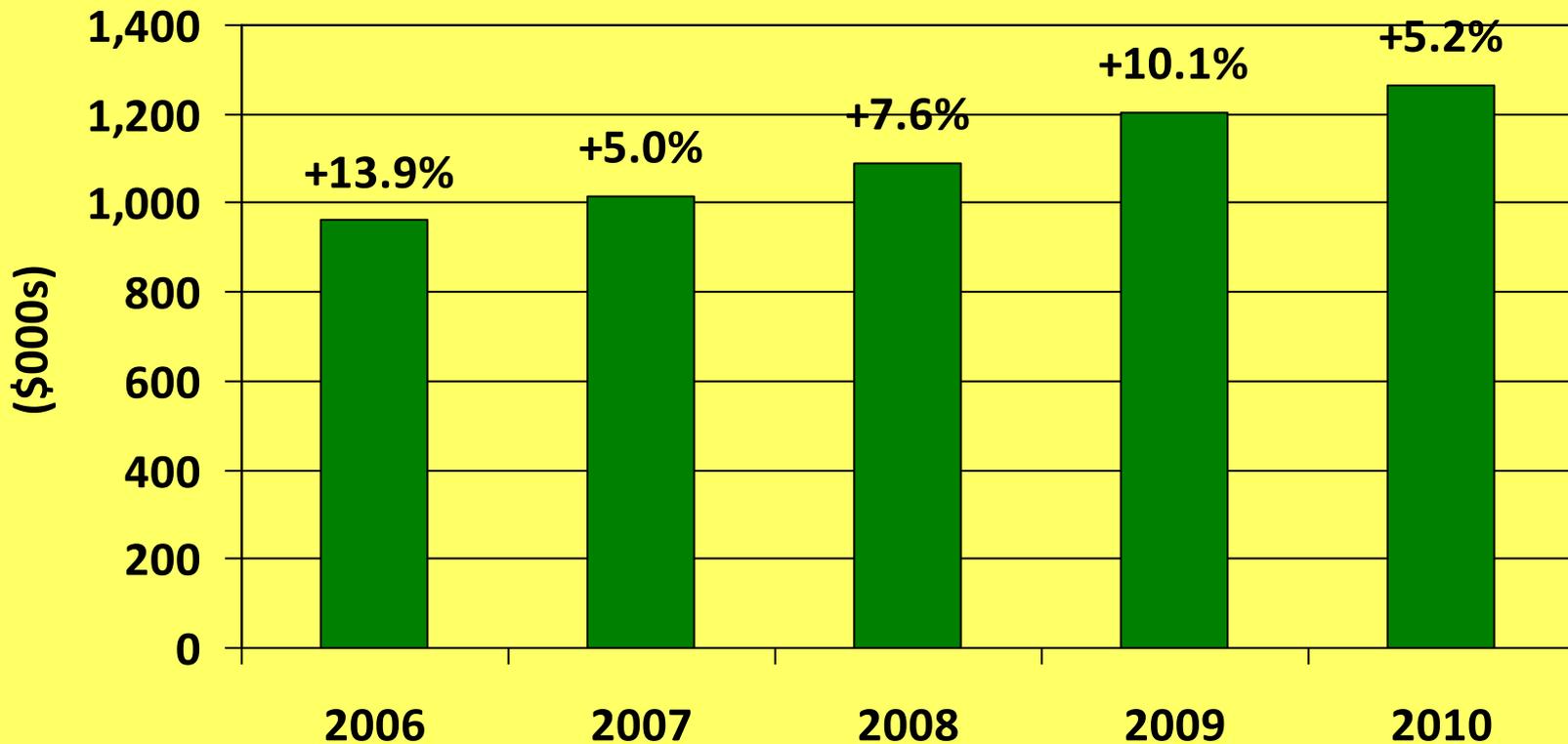


City of Branson Sales Tax First Quarter 2006-2010



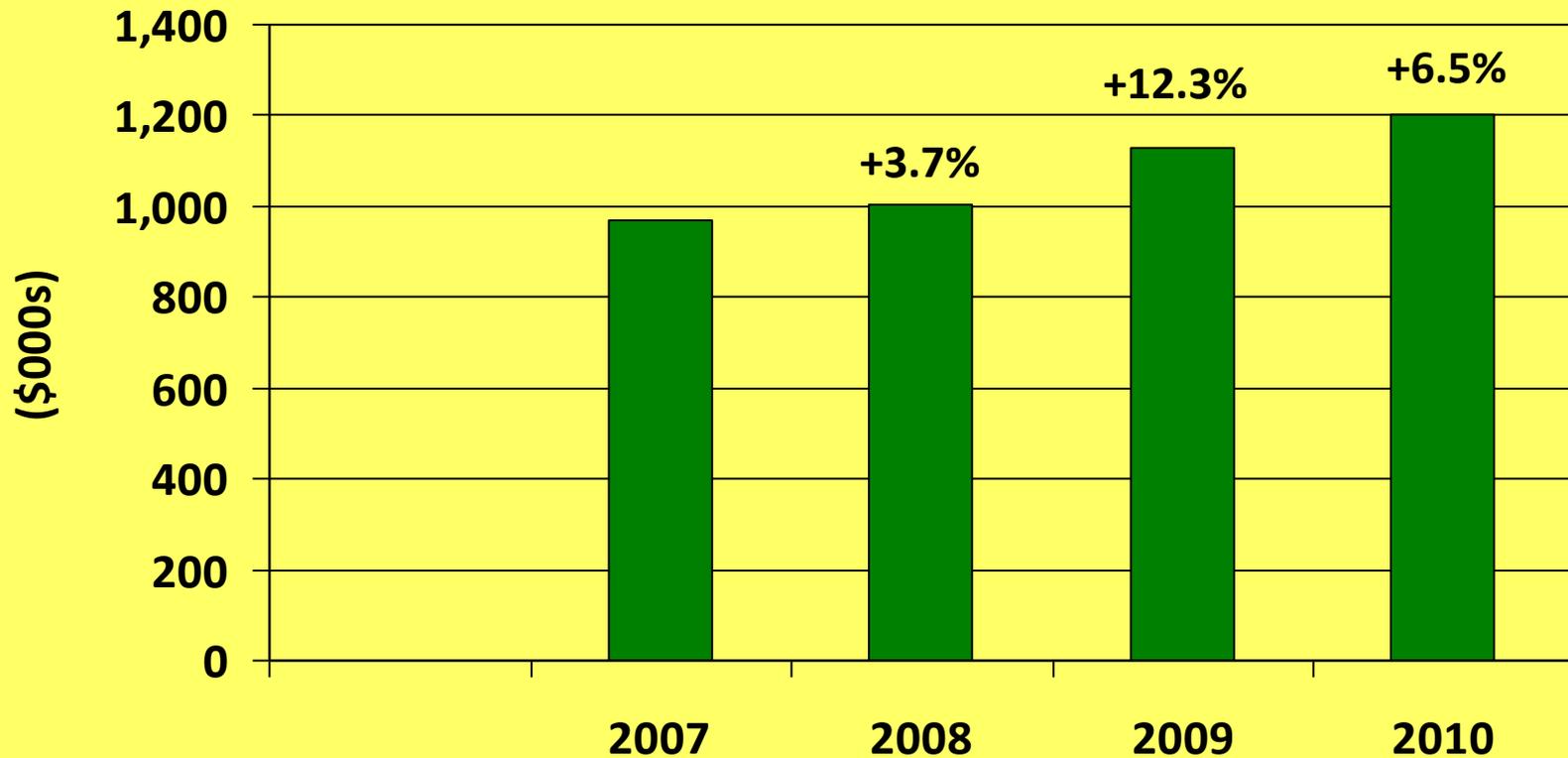
* CY thru March

City of Branson Tourism Tax First Quarter 2006-2010



* CY thru March

TCED Tourism Tax First Quarter 2007-2010

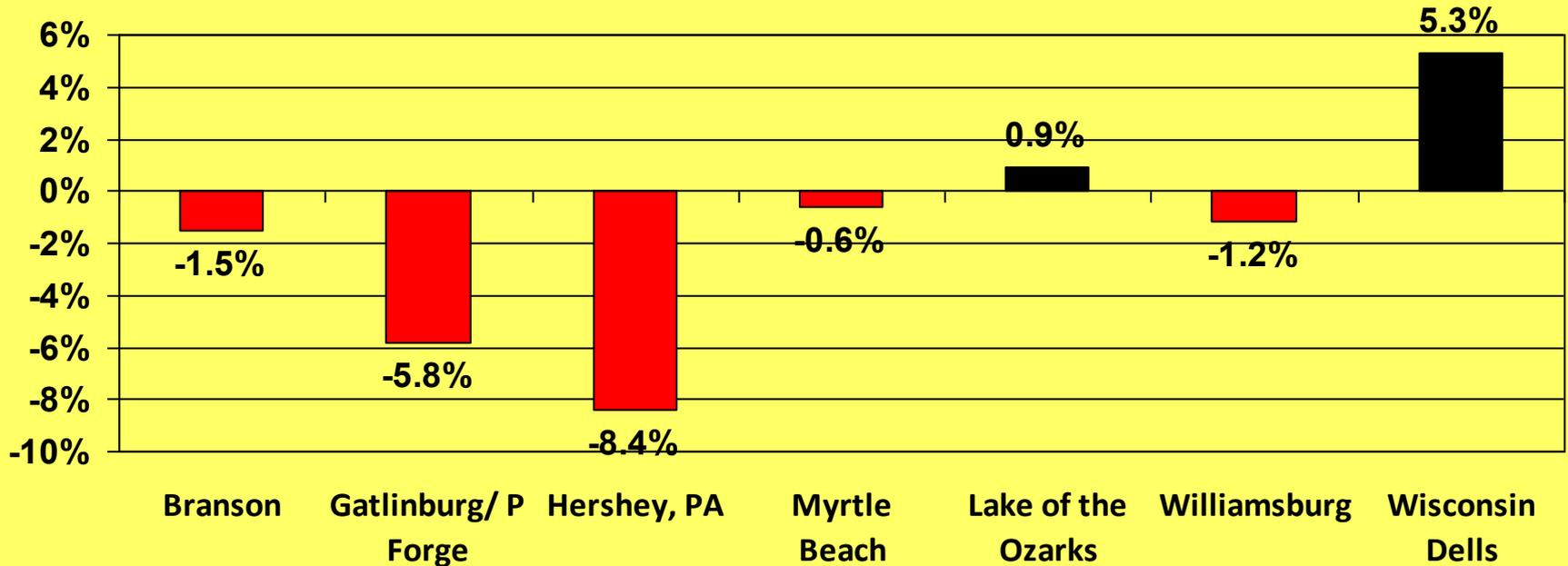


Comparative Destinations

YTD Room Demand Variance thru March



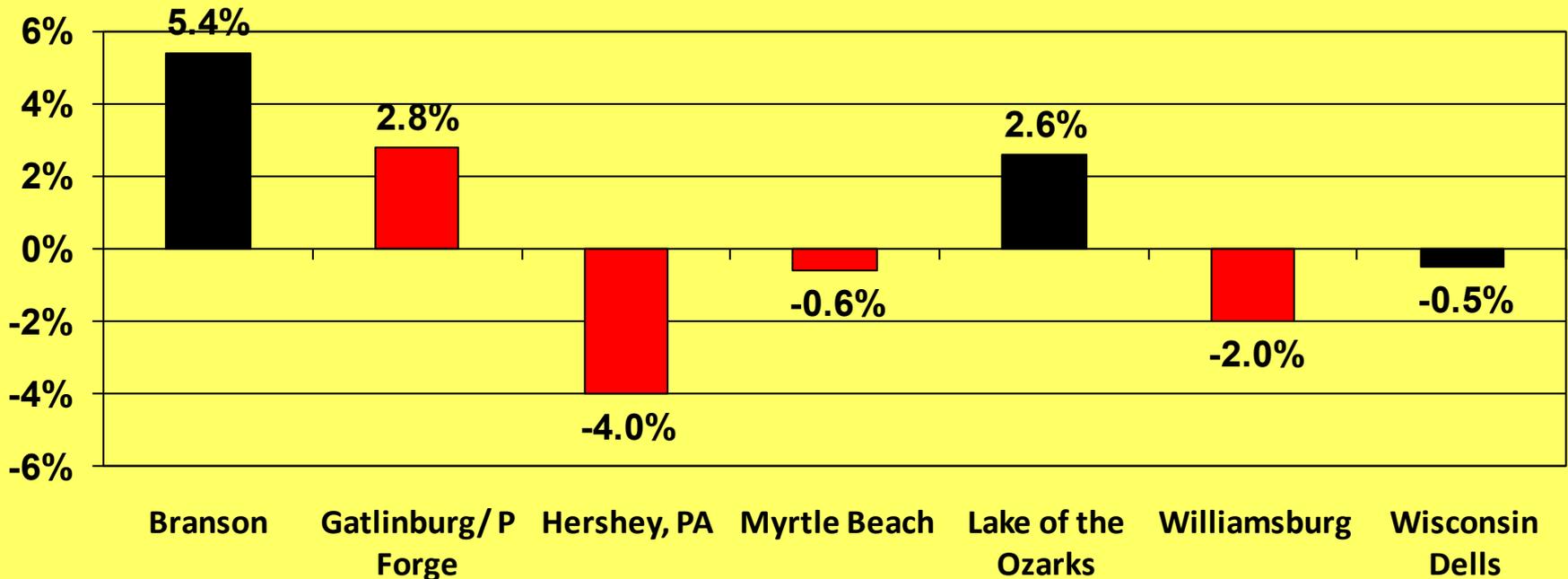
*Branson Room Demand was up 20.7% YTD through March in 2009.



Comparative Destinations YTD Average Daily Rate thru March

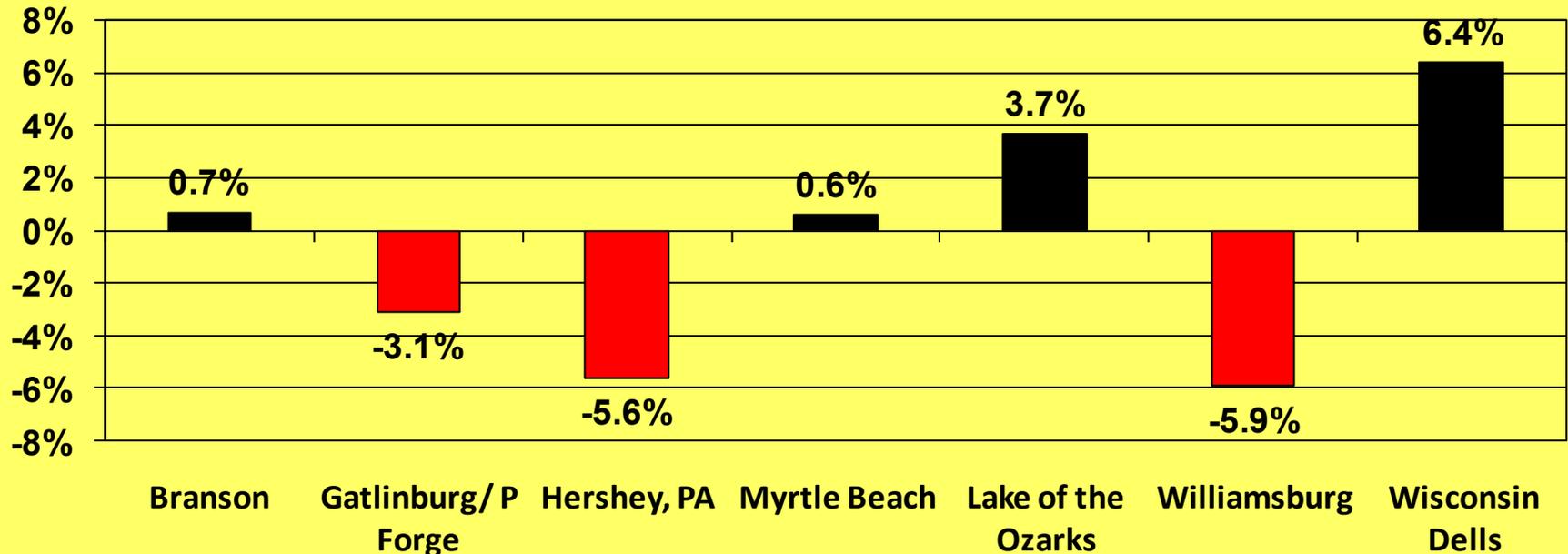


***Branson ADR was up 18.8% YTD through March in 2009.**

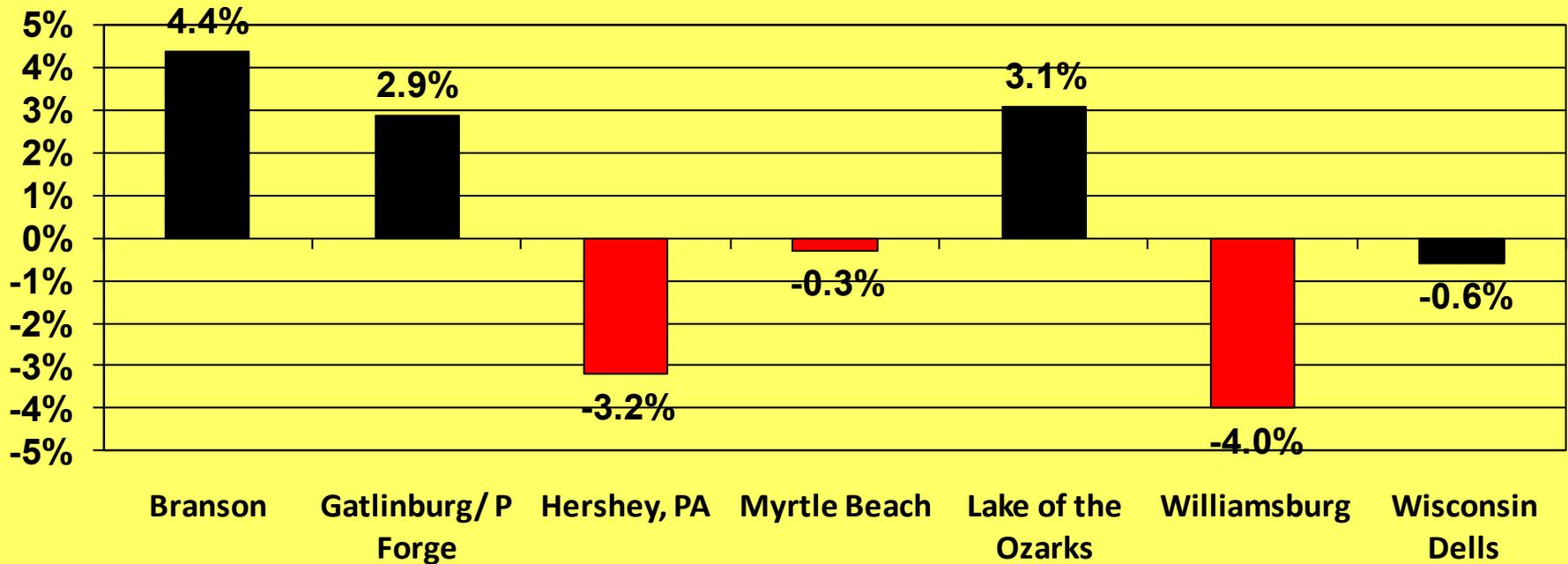


Comparative Destinations

YTD Room Demand Variance thru April



Comparative Destinations YTD Average Daily Rate thru April



Branson 1st Quarter 2010



What else do we

know about

2010?

YTD March 2010 vs. March 2009



	<u>2010</u>	<u>2009</u>
• Spending per Party	\$732.30	\$579.90
• First-Time Visitors	20.8%	17.8%
• Families	37.8%	33.5%
• Average Adult Age	56.3	58.5
• Used Internet to Plan	69.9%	50.7%

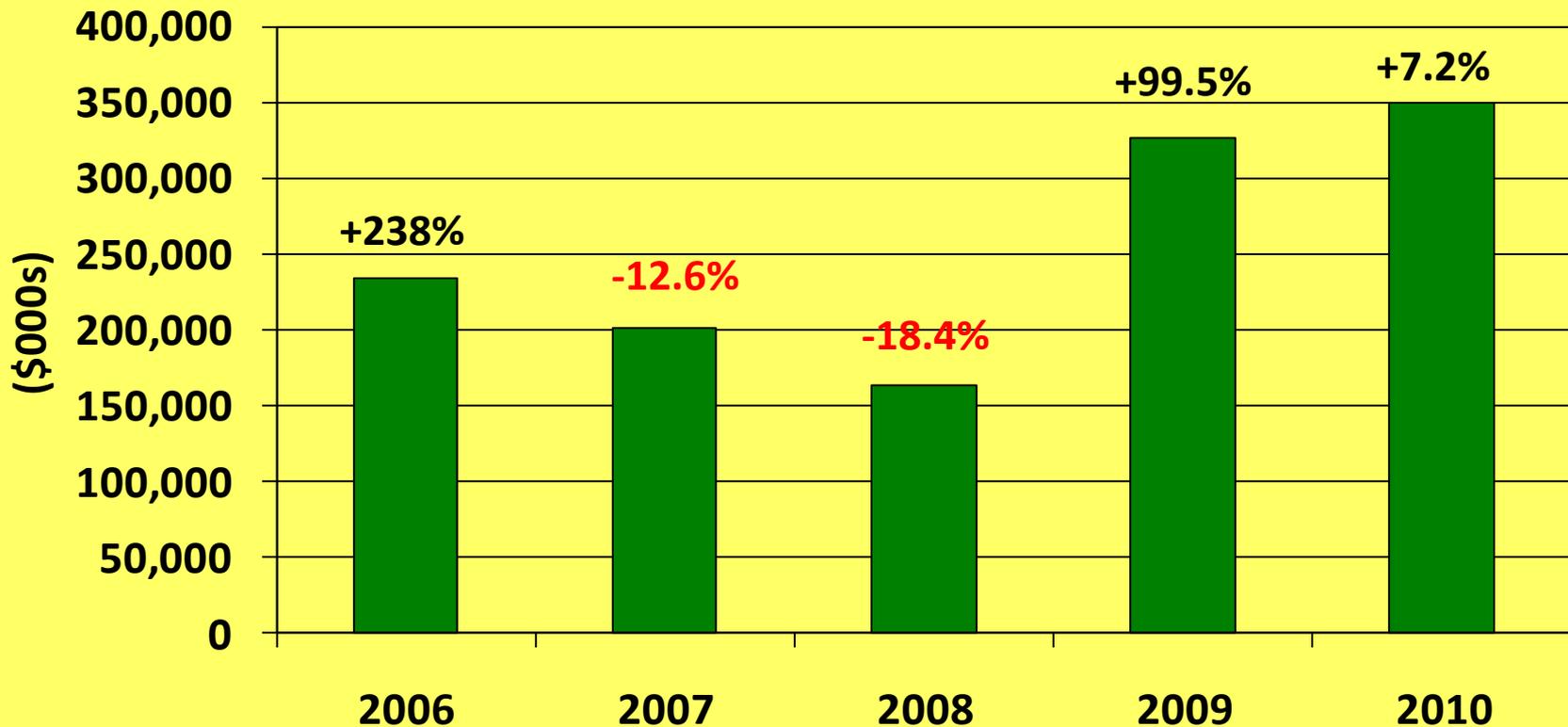
2010 Visitation by Market thru March



<u>% of Visitors</u>	<u>Market</u>	<u>vs. 2009</u>
30.0%	Core Markets (0-100 mi.)	+17.0%
22.3%	Primary Markets (101-300 mi.)	-25.0%
25.9%	Outer Markets (301-650 mi.)	+22.0%
21.8%	National Markets (650+ mi.)	-2.0%
<i>TOTAL VISITATION</i>		<i>+1.0%</i>



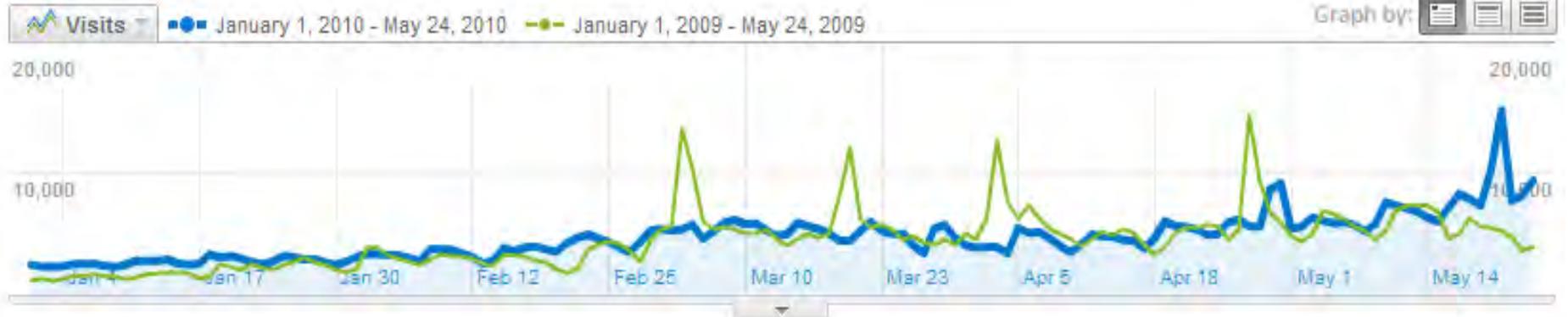
Web Inquiries First Quarter 2007-2010



Dashboard

Jan 1, 2010 - May 24, 2010

Comparing to: Jan 1, 2009 - May 24, 2009



Site Usage



675,033 Visits

Previous: 639,911 (+5.49%)



4,062,670 Pageviews

Previous: 3,532,305 (+15.01%)



6.02 Pages/Visit

Previous: 5.52 (+9.03%)



27.89% Bounce Rate

Previous: 37.69% (-26.00%)



00:06:58 Avg. Time on Site

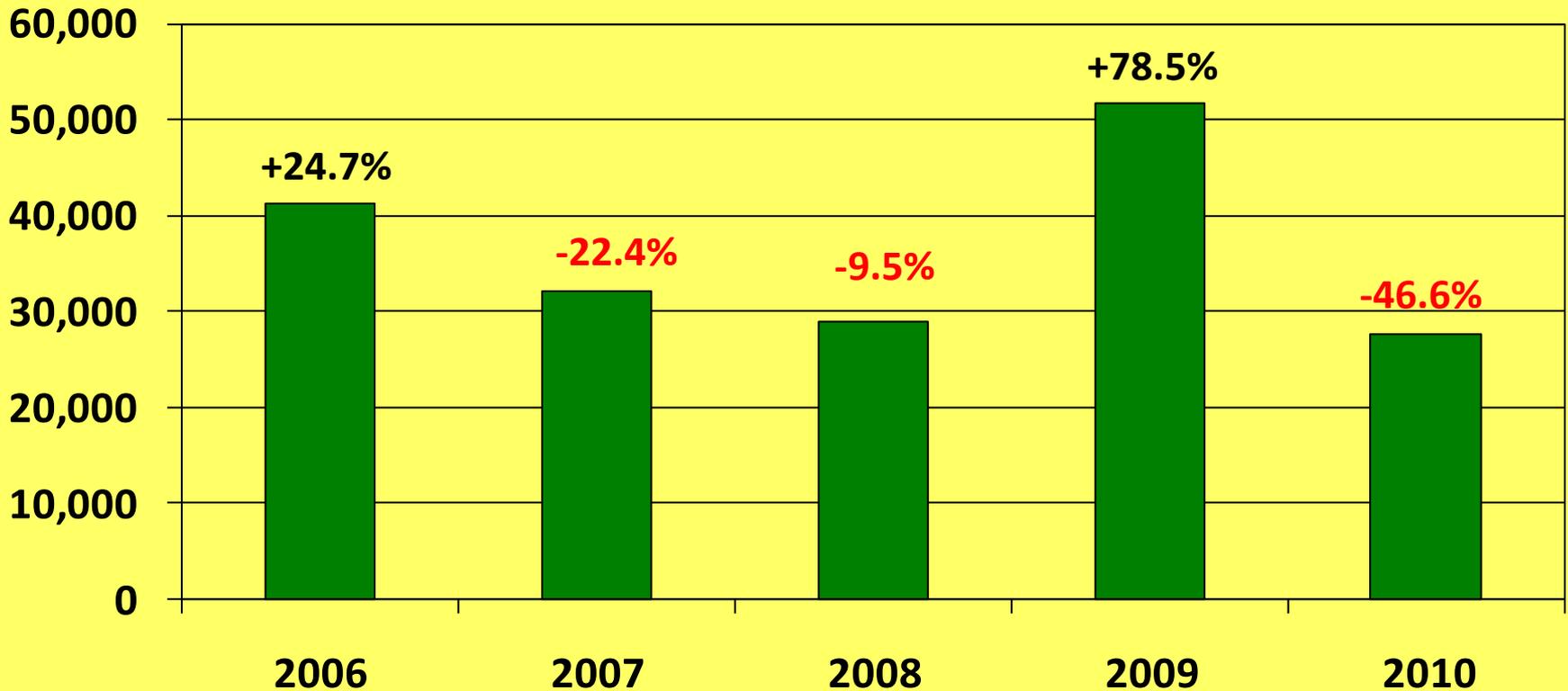
Previous: 00:04:27 (+56.38%)



70.03% % New Visits

Previous: 70.62% (-0.84%)

Phone Inquiries First Quarter 2007-2010



2010 Branson Media Strategy



- **NATIONAL** (Cable TV, Web, PR): Create/maintain broad demand for Branson brand as *national* vacation destination
- **PRIMARY MARKETS** (TV, Radio, Web, Print, PR): Maintain/create demand in *regional* drive markets
- **CORE MARKETS** (TV, Radio, Web, Print, PR): Encourage *local* visitation during Ozark Mountain Christmas/Winter seasons
- **OPPORTUNITY MARKETS:** Respond specifically to current economic and industry trends

2006-2010 Opportunity Markets



- 2006 and 2007: Dallas and Chicago
 - Applied additional resources to new W35+ PRIZM T's + S's
- 2008: Cedar Rapids, Des Moines, Lincoln, Omaha, Shreveport and Champaign
 - High gas prices/closer-to-home vacationers/weather issues
- 2009: Minneapolis, Dallas, and Milwaukee
 - Strong drive markets/support new low-cost airfares
- **2010: Des Moines, Shreveport and others**
 - ***Television*** in strong drive markets w/new low-cost air service
 - **Additional *Web* campaign in Gulf Shores feeder markets: Knoxville, Birmingham, Huntsville, Nashville and Cincinnati**

2010 Creative Concepts



- Entertainment, Nature, Hospitality
- VALUE message/Special Offers
- Consistency of Music, VO, 877# and URL
- Seasonal Appeals create urgency
- New Opportunities due to low cost air service: AirTran, Frontier, Allegiant, Branson Air Express and more...



Low Cost Airfares Now Available!

2010 Television Spots



Spring National Cable

STWIB Primary Market

Summer National Cable



Current Initiatives



**Beginning work with Sterling Brands to
re-visit 2004 Branding Study...**



Branson



refresh

sterling brands may 21 2010

a proposal to rethink
and update the
Branson brand
strategy

Current Initiatives



—In 2004, we worked with Branson to understand your core target and how to position the brand to increase travel and tourism revenues. Since that time, through your hard work and best efforts, business has grown and remains relatively strong despite the recent downturn...

Branson has changed since 2004 but the world has changed more: The struggling economy has spurred a culture of thrift and frugality
Consumer values and behavior have changed.

Through technology, the process of booking travel continues to change
Social media, a Gen Y niche in 2004, is now completely mainstream –
Facebook's greatest growth is with adults over 40.

The question is, how have these changes impacted the Branson target's view of the world and their travel options – and how should the Branson brand evolve to respond?"

Current Initiatives



- Working with Veterans, Historic Downtown, and RV/Campground organizations to develop/maximize funding and coordinate marketing efforts.



Current Initiatives



- **Working to unite the community in an area-wide Strategic Destination vision.** Currently in process: finalization and implementation planning for short and long term strategic initiatives for development and promotion of the Branson tourism industry.



A scenic view of a large, calm blue lake. In the foreground, a rocky and pebbly shoreline is visible on the right side, with some green vegetation. The water extends to the horizon, where forested hills and mountains are visible under a clear sky. The text "Thank you." is overlaid in white on the left side of the image.

Thank you.