

**Second Quarter 2010
Marketing Report
To The City of Branson**

Branson/Lakes Area Chamber/CVB

August 24, 2010

Presentation Overview



- **2010 Economic Overview**
- **2010 Travel Industry Overview**
- **2010 Q2 Branson Update**
- **2010 Marketing/Initiatives**





Economic Outlook

State of the Economy

- While the recession is over and GDP has grown the past three quarters, **consumer confidence remains very low and unemployment remains high** relative to historic standards.
- The recovery has been rocky and anything but universal. Luxury and upscale segments have returned to near normal, but **middle class Americans continue to struggle.**



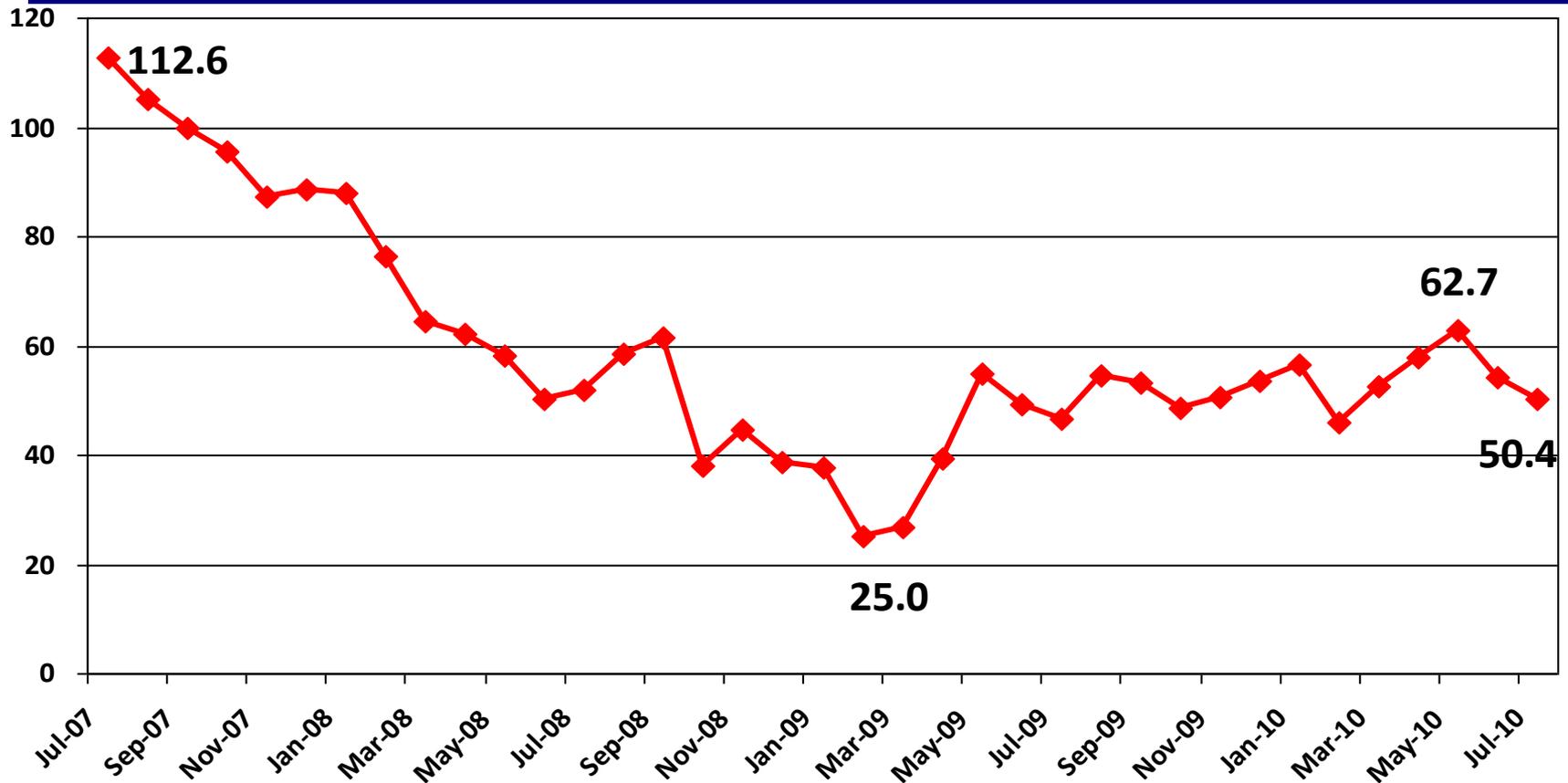
State of the Economy

- As a whole, consumer spending (which comprises 70% of the economy) remains sluggish as **Americans** **are still reluctant to pull out their pocketbooks** and resume spending.



Consumer Confidence

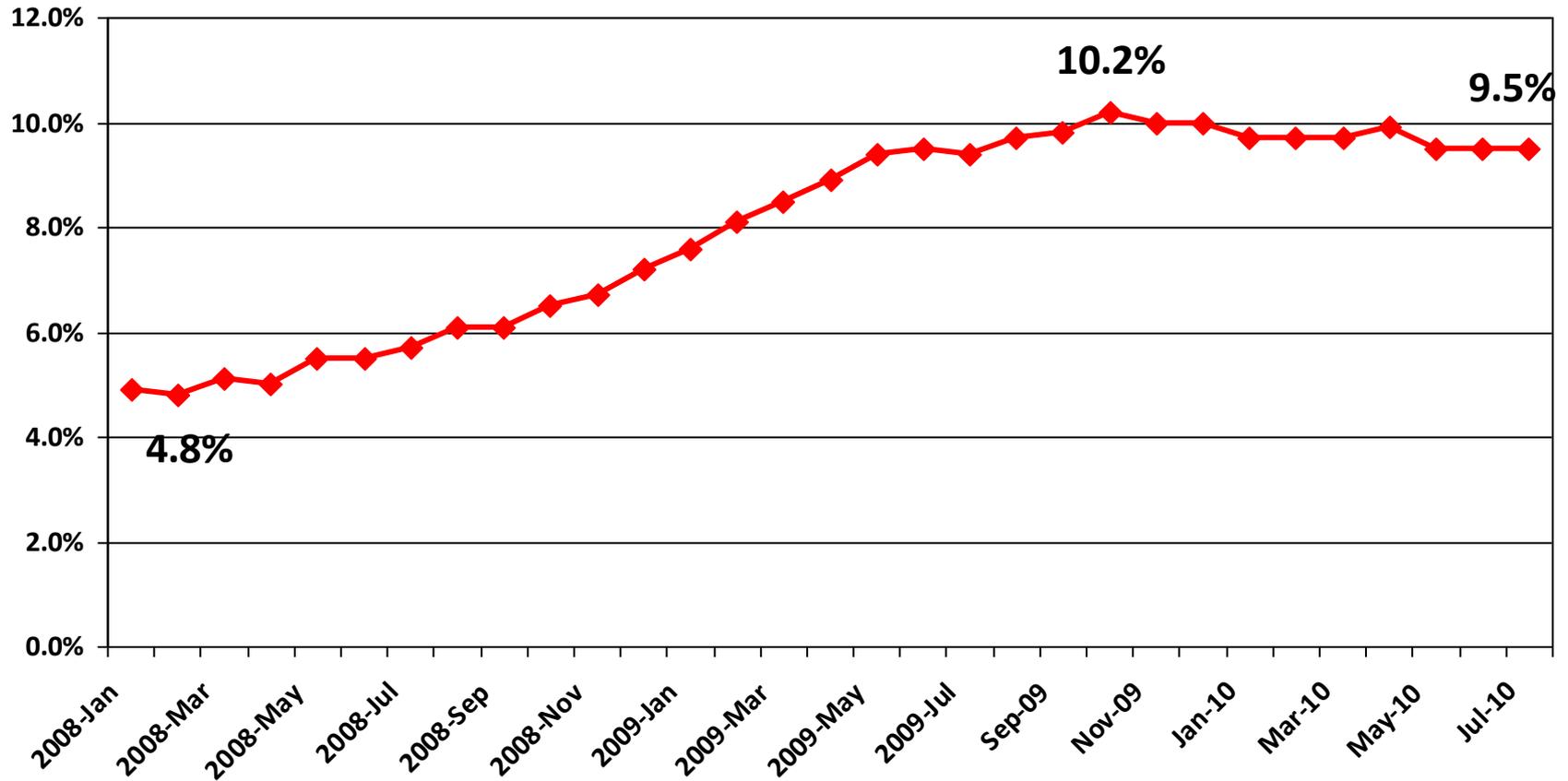
Consumer confidence remains perilously low. An index of 90 is required for sustainability and 100 is needed to represent growth.



Source: The Conference Board

U.S. Unemployment Rate

U.S. unemployment remains high by historic standards.



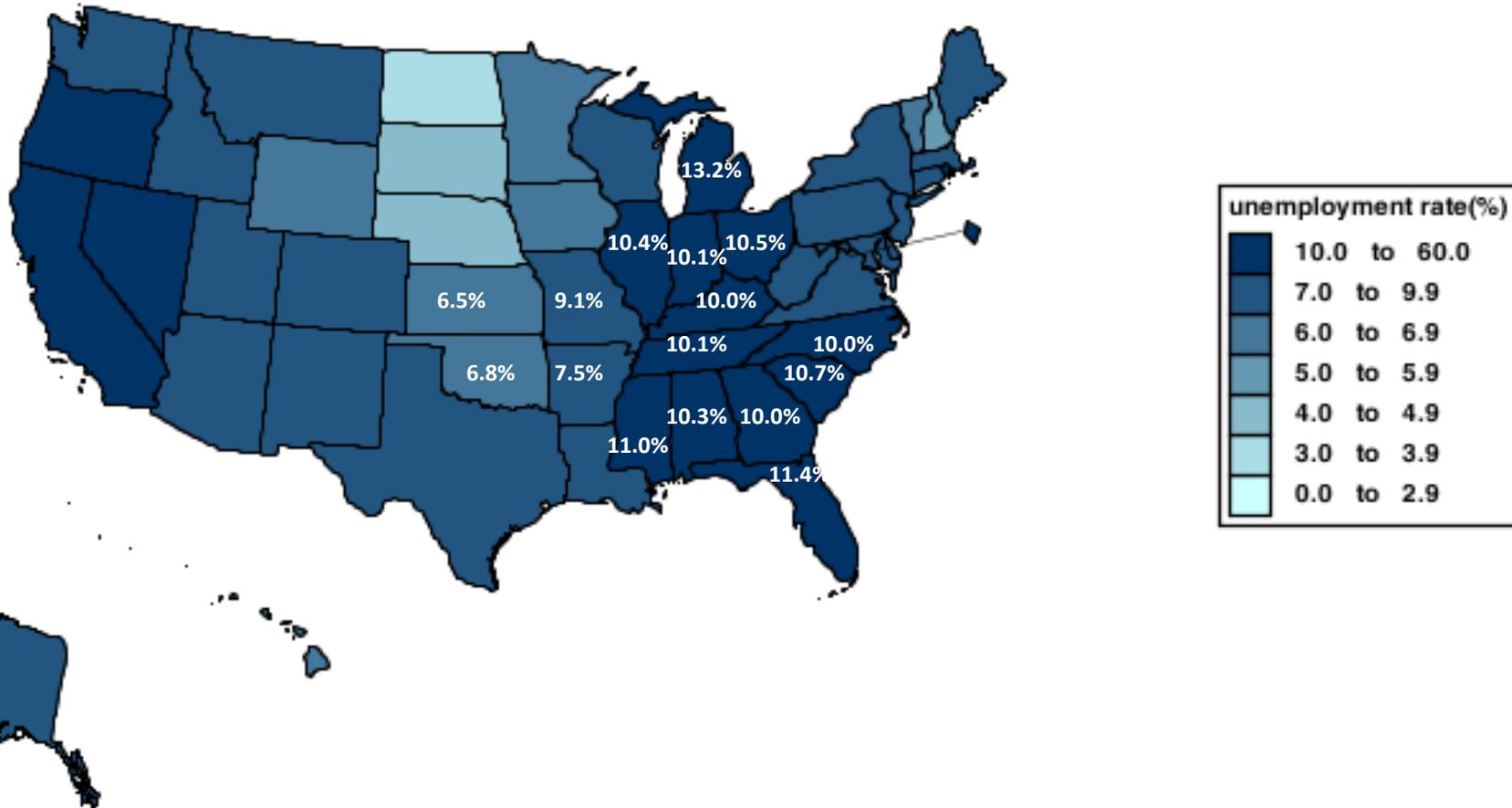
Source: Bureau of Labor Statistics

Unemployment rates vary by region of the country. But, the **West South Central**, South Atlantic and West Coast states continue to have the **highest unemployment rates** nationwide.



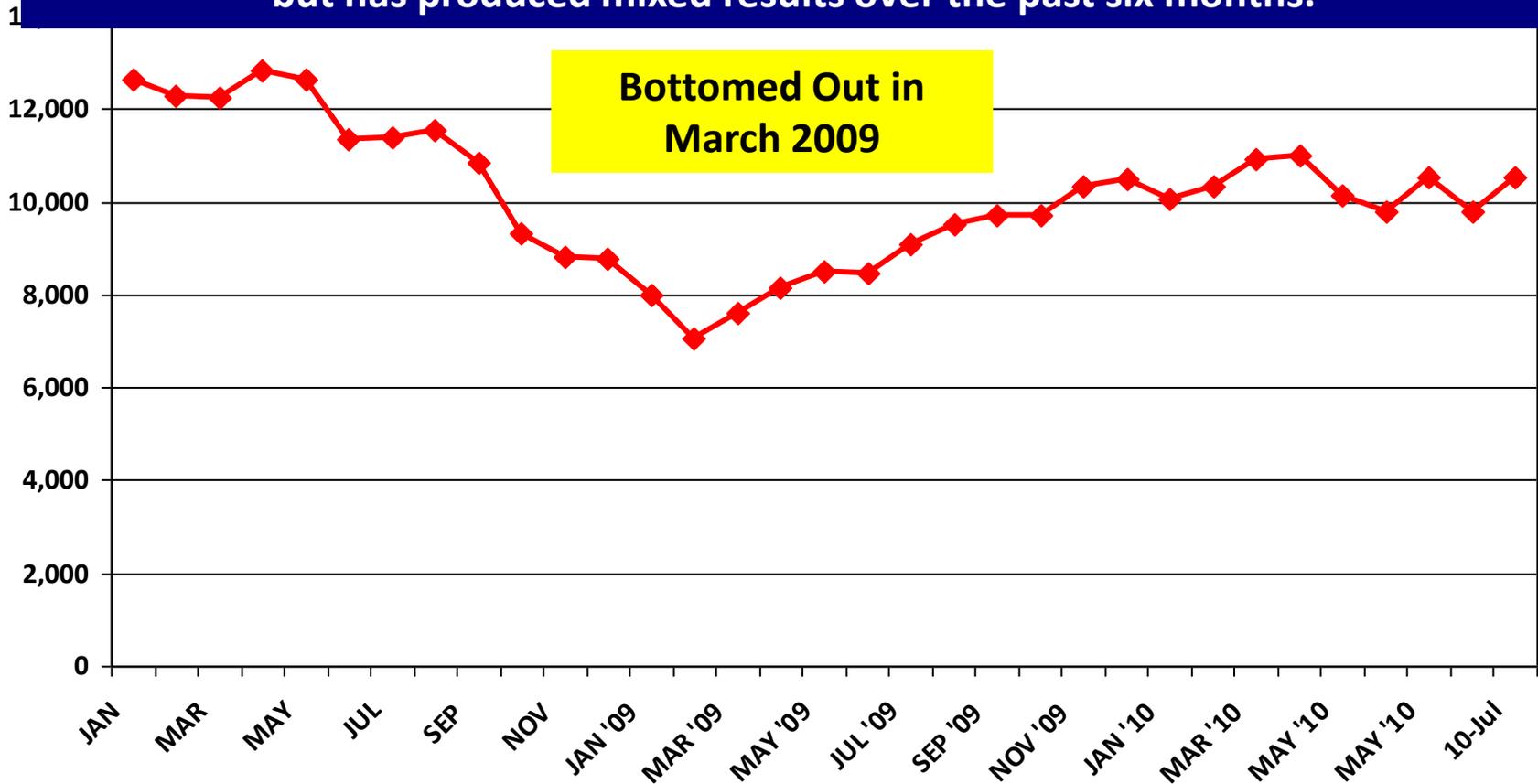
June 2010 Unemployment by State

Seasonally Adjusted



Dow Jones Industrial Average

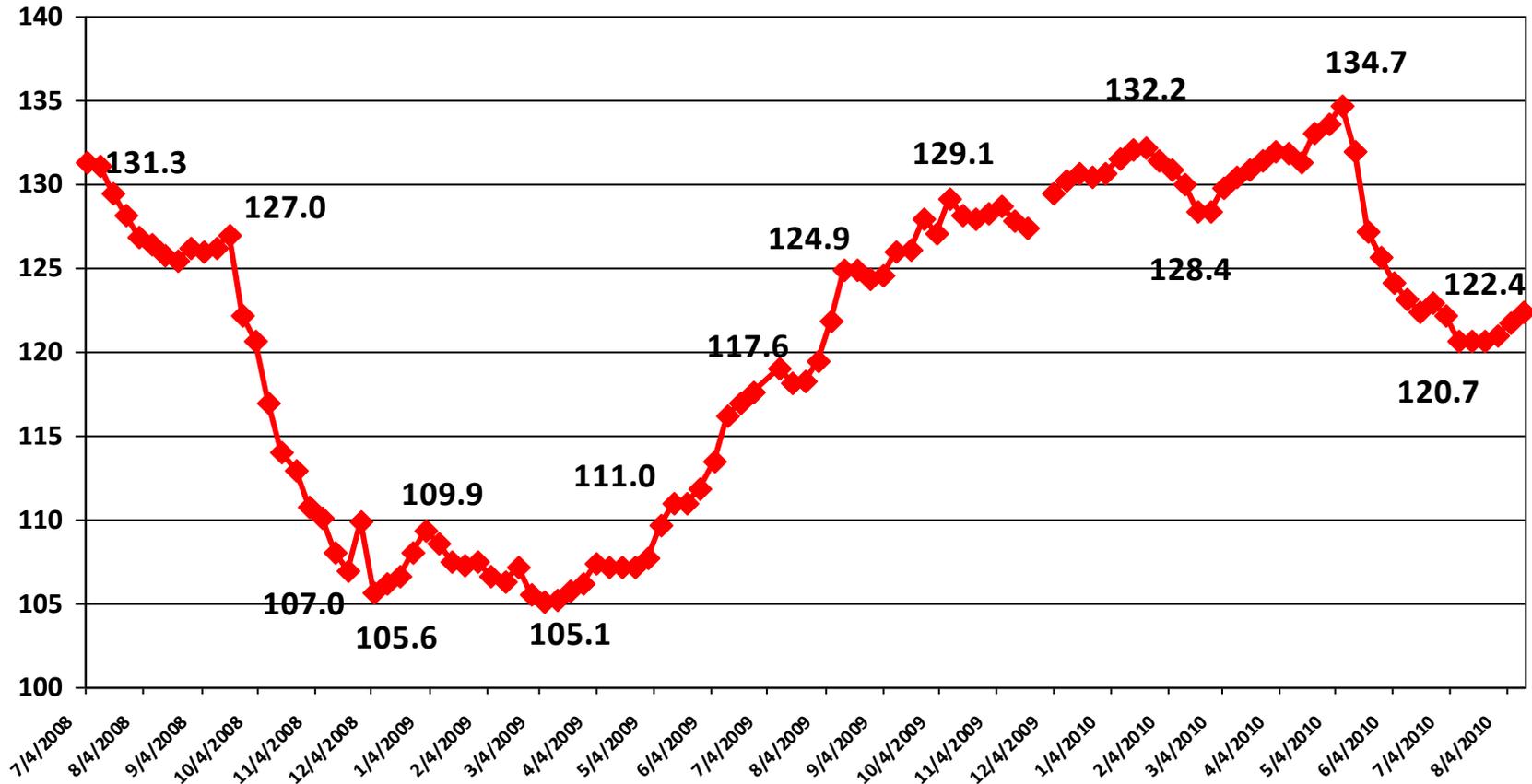
Thanks to steady increases in corporate profits the DJIA performed well in 2009, but has produced mixed results over the past six months.



Source: Dow Jones Industrial Average

Weekly Leading Index

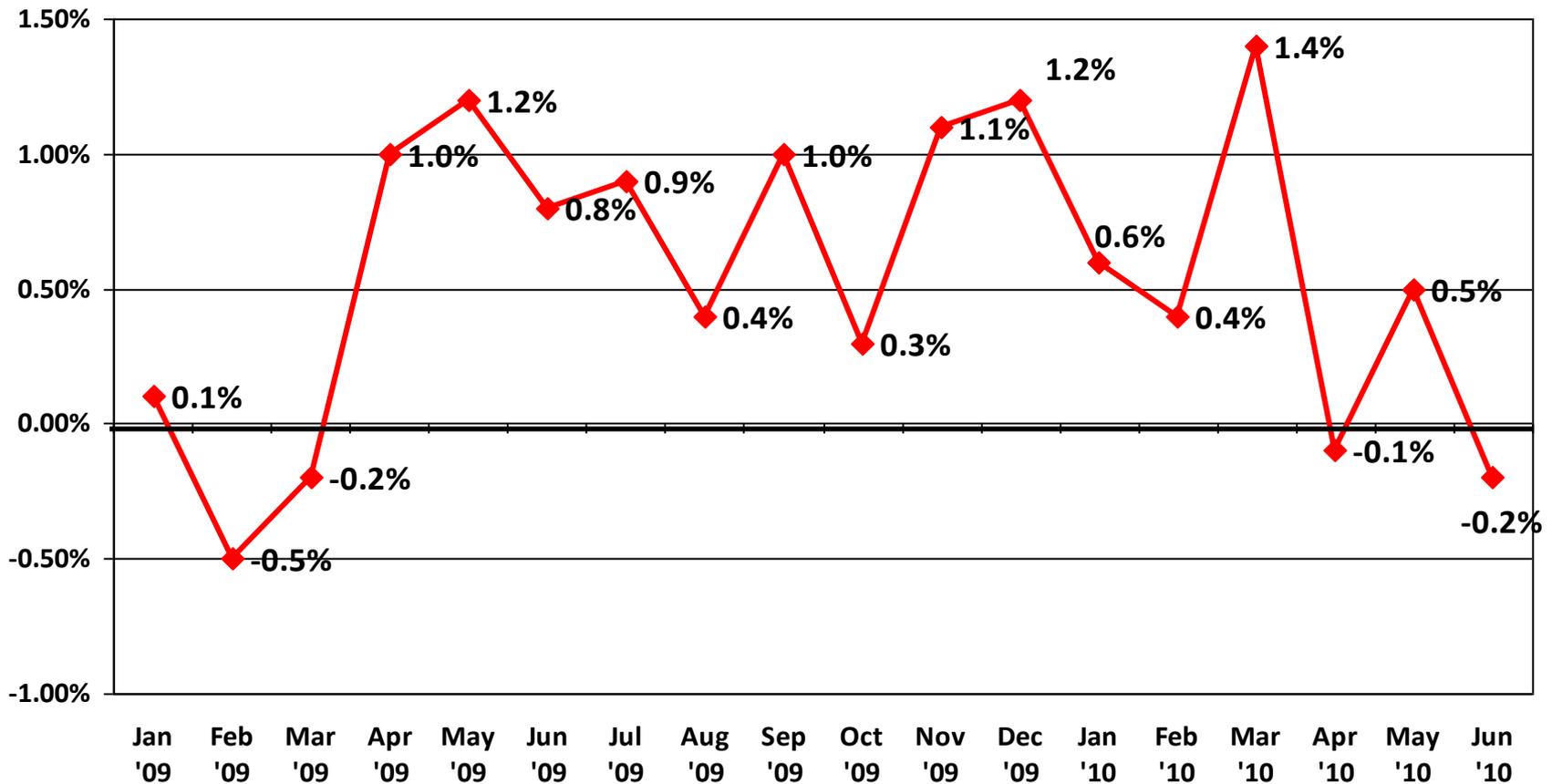
The WLI, which looked great at this time last year, has waned in recent months.



Source: Economic Cycle Research Institute

Index of Leading Economic Indicators

Recent figures from the Conference Board appear to echo the concerns raised by other measures.

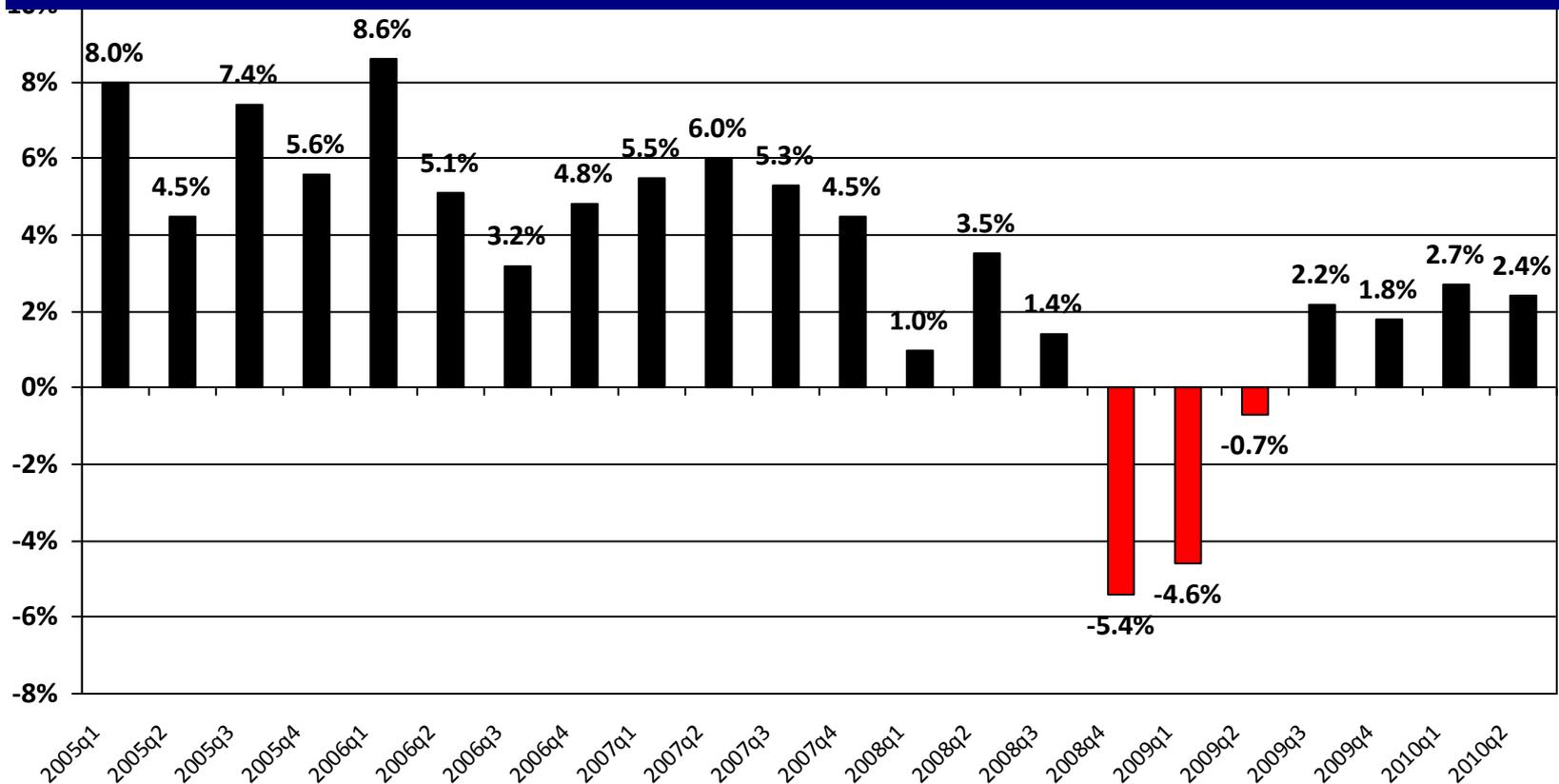


Source: Conference Board

Real Gross Domestic Product

Percent Change, Seasonally Adjusted

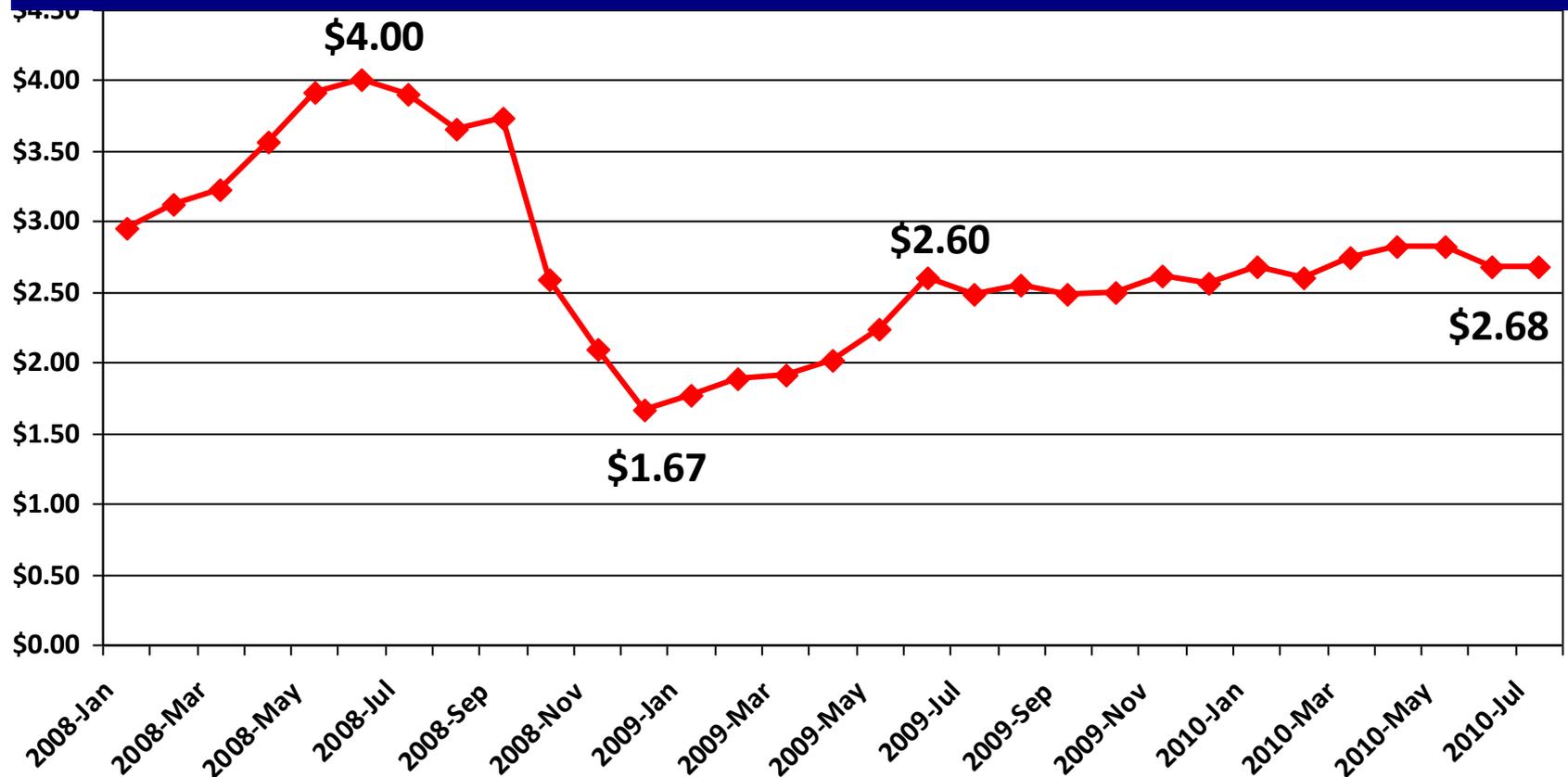
The GDP, which decreased three consecutive quarters in 2008-2009, has since posted three consecutive increases.



Source: U.S. Bureau of Economic Analysis

Average U.S. Gasoline Prices

And, while gasoline prices remain by historic standards, they are still much lower than the \$4.00/gallon peak reached in July 2008.



Source: http://tonto.eia.doe.gov/dnav/pet/hist/mg_rco_usw.htm

Gasoline prices have remained **fairly constant** over the past 12 months and most of our feeder markets enjoy **comparatively inexpensive** gasoline prices.



USA National Gas Price Heat Map

Now you can see what gas prices are around the country at a glance. Areas are color coded according to their price for the average price for regular unleaded gasoline. Click here for the [Canada National Gas Price Heat Map](#).

Search by City, State OR Zip:

Go

Help Using the Map

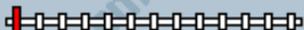
[Link To Map](#) | [Email To Friend](#)

Mouse

Keyboard

Map

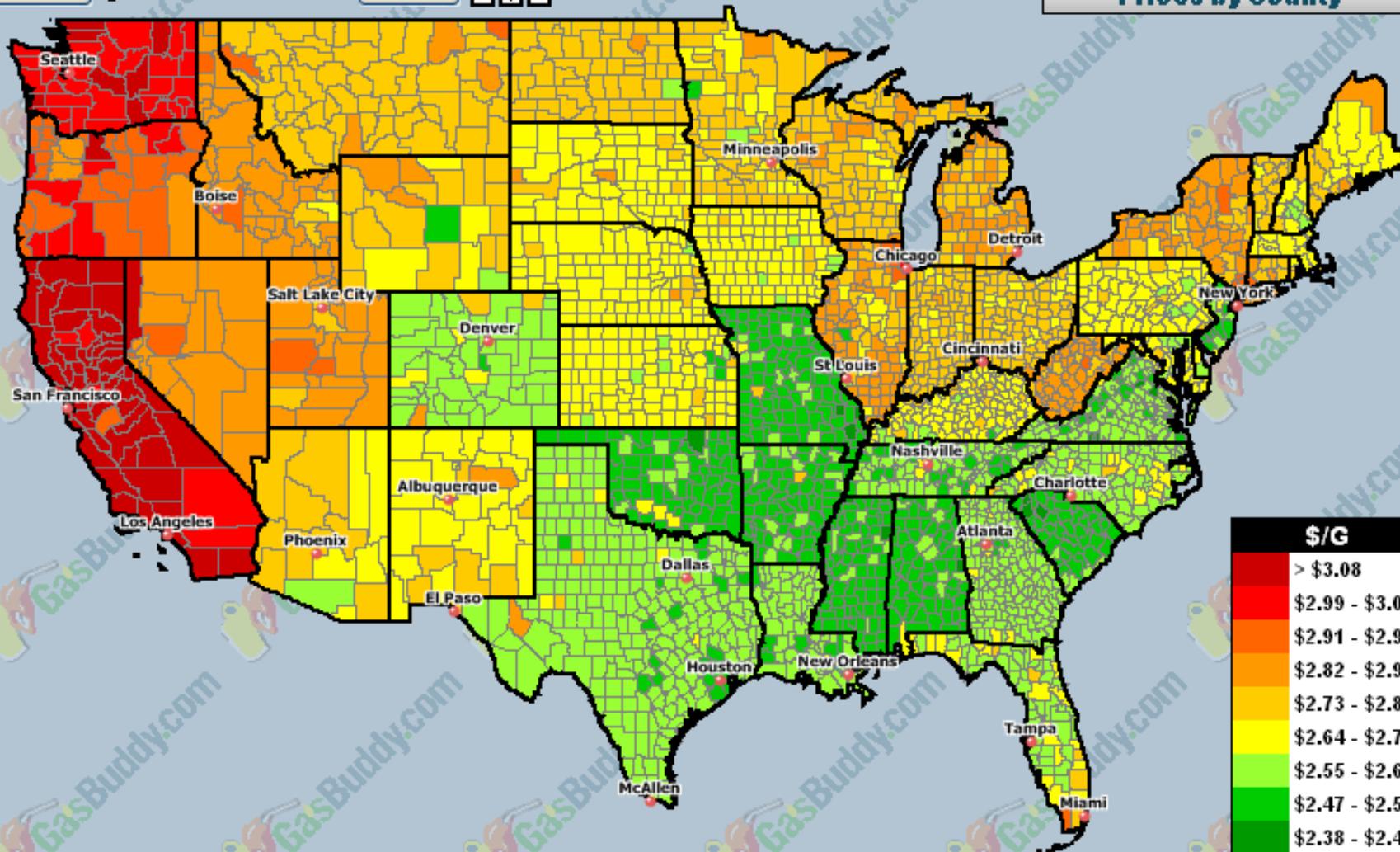
Zoom Out



Zoom In



Prices by County



\$/G
> \$3.08
\$2.99 - \$3.08
\$2.91 - \$2.99
\$2.82 - \$2.91
\$2.73 - \$2.82
\$2.64 - \$2.73
\$2.55 - \$2.64
\$2.47 - \$2.55
\$2.38 - \$2.47
< \$2.38



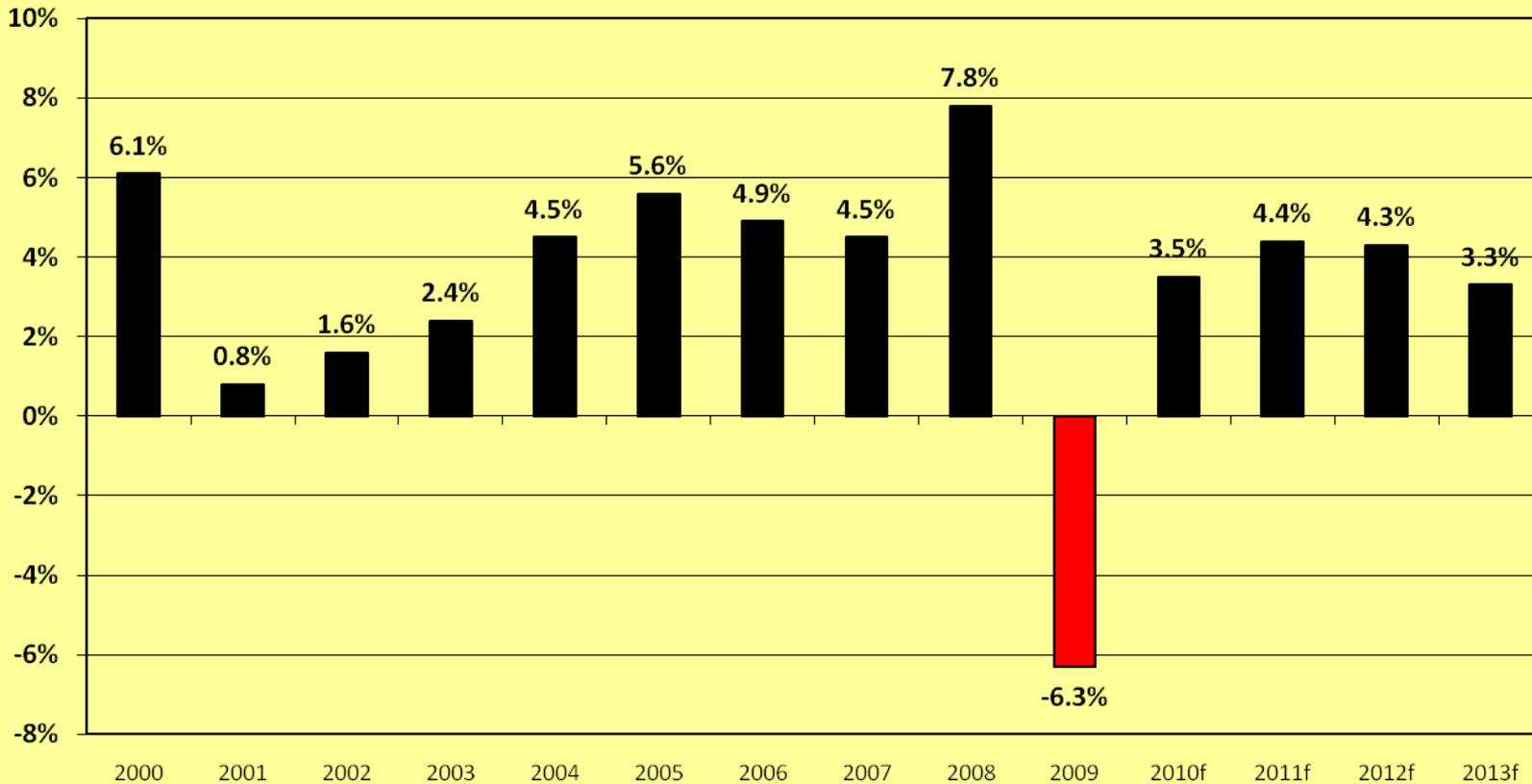
Travel Industry Overview

According to the U.S. Travel Association, national **travel prices are up 3.5%** this year and **leisure trips are expected to rebound 2.3%** while business trips will likely be up 4.4%.

Travel Price Index



After travel prices plummeted (-6.3%) in 2009 we're seeing a small rebound in 2010 (+3.5%).

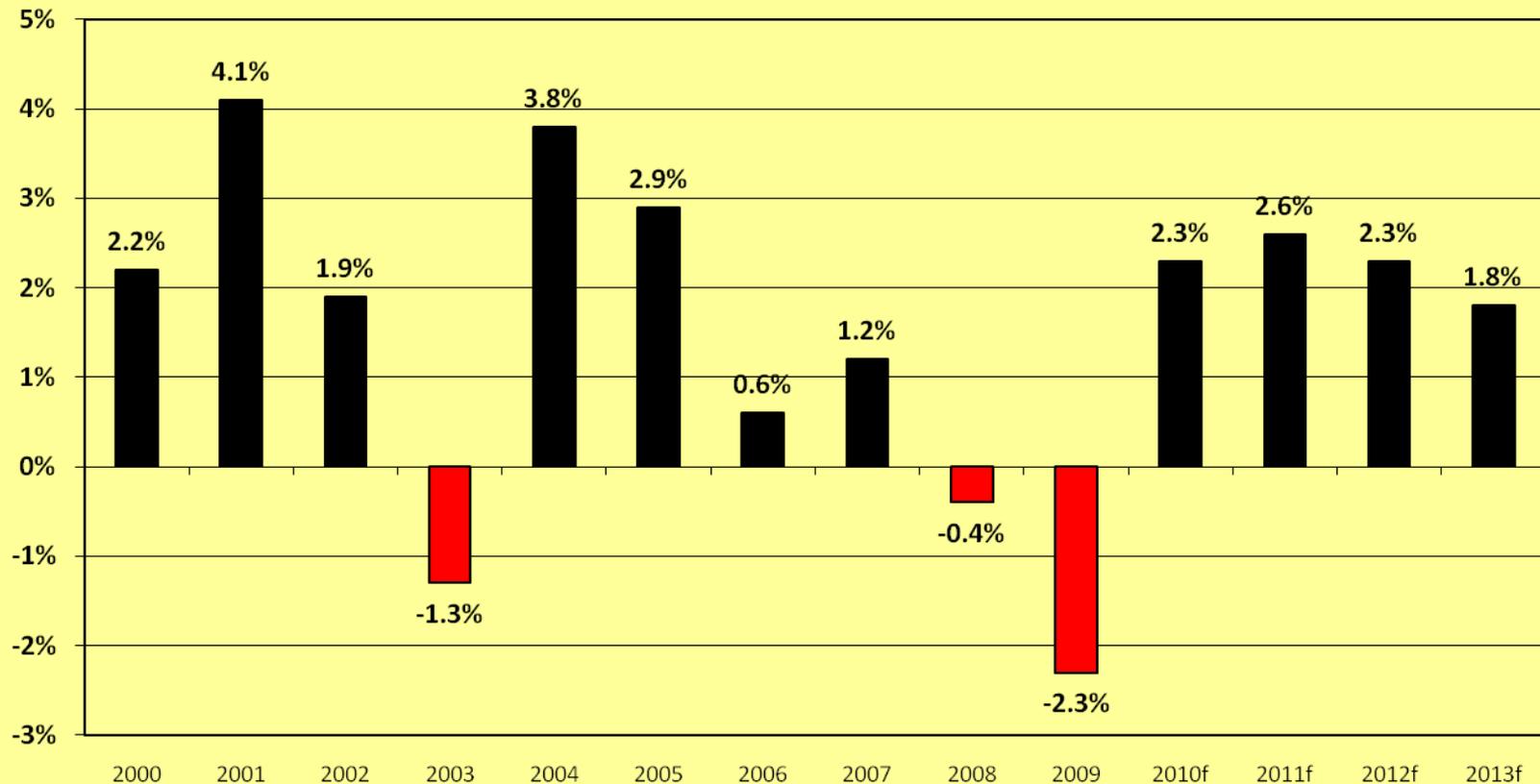


Source: U.S. Travel Association

Leisure Trip Forecast



In 2010, expect leisure trips to rebound (+2.3%) back to 2008 levels after falling 2.3% last year.

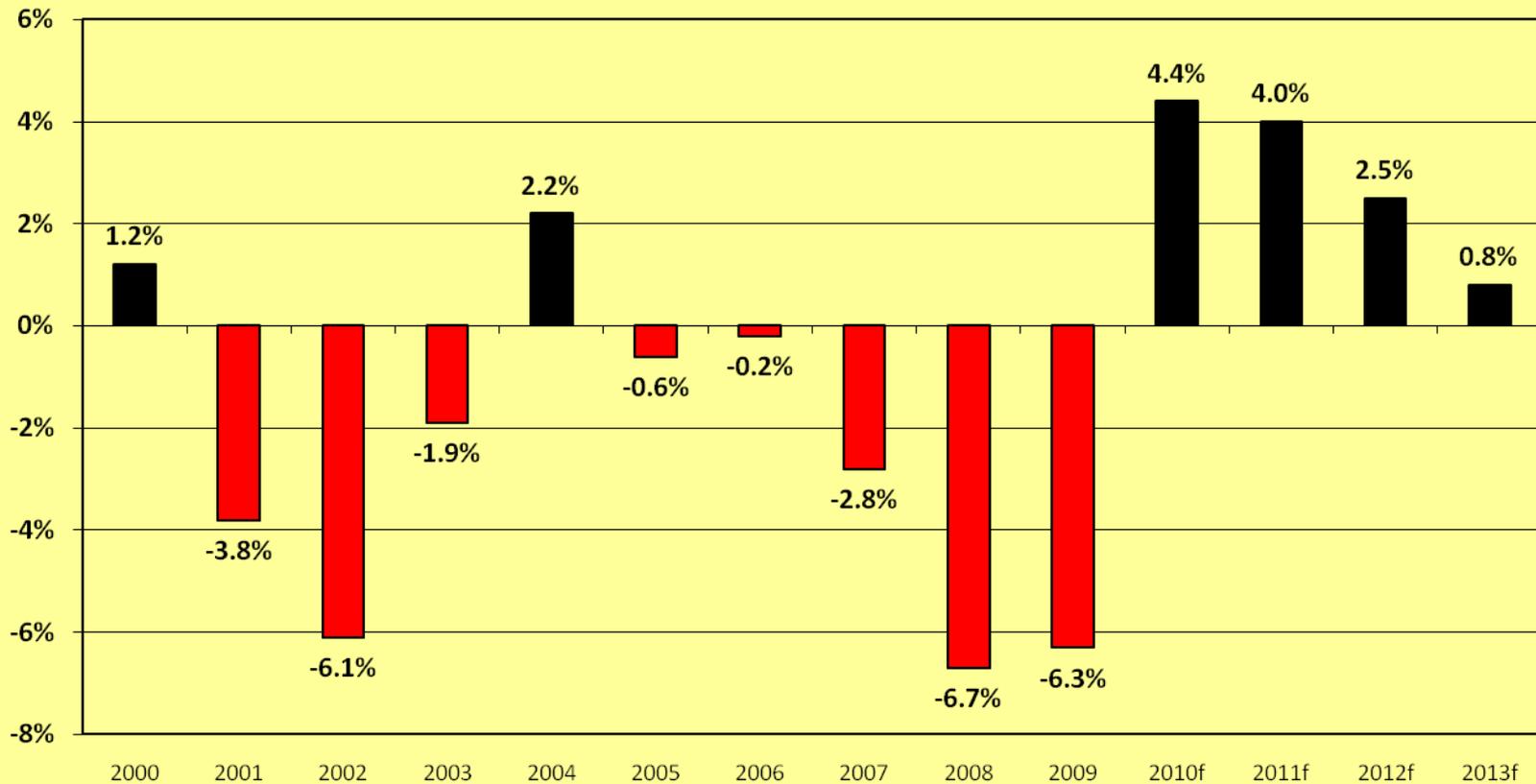


SOURCE: U.S. Travel Association; TIA.org as of 7.27.10

Business Trip Forecast

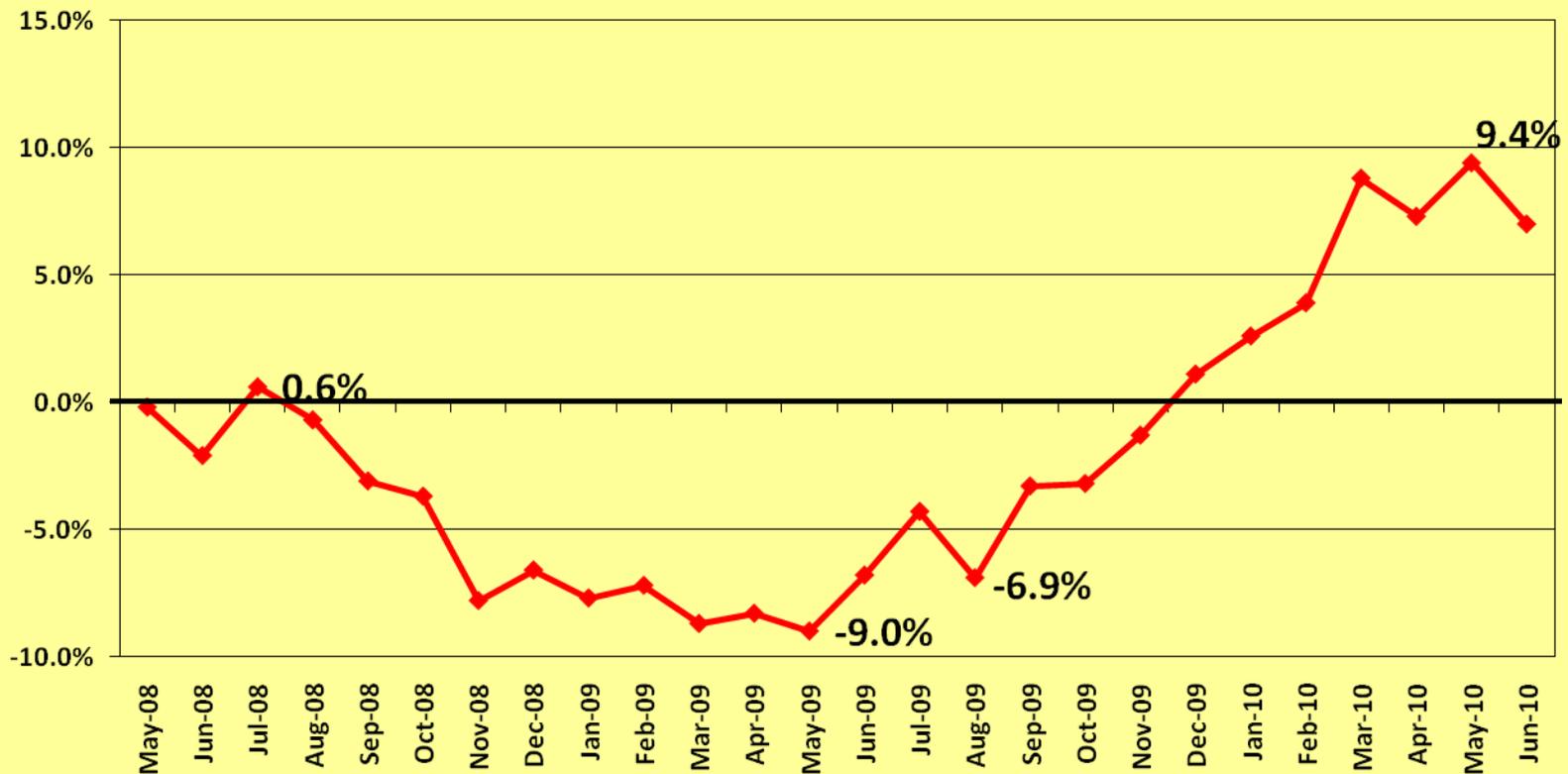


Business travel fell much further last year (-6.3%) but is likewise rebounding stronger (+4.4%) this year.



SOURCE: U.S. Travel Association; TIA.org as of 7.27.10

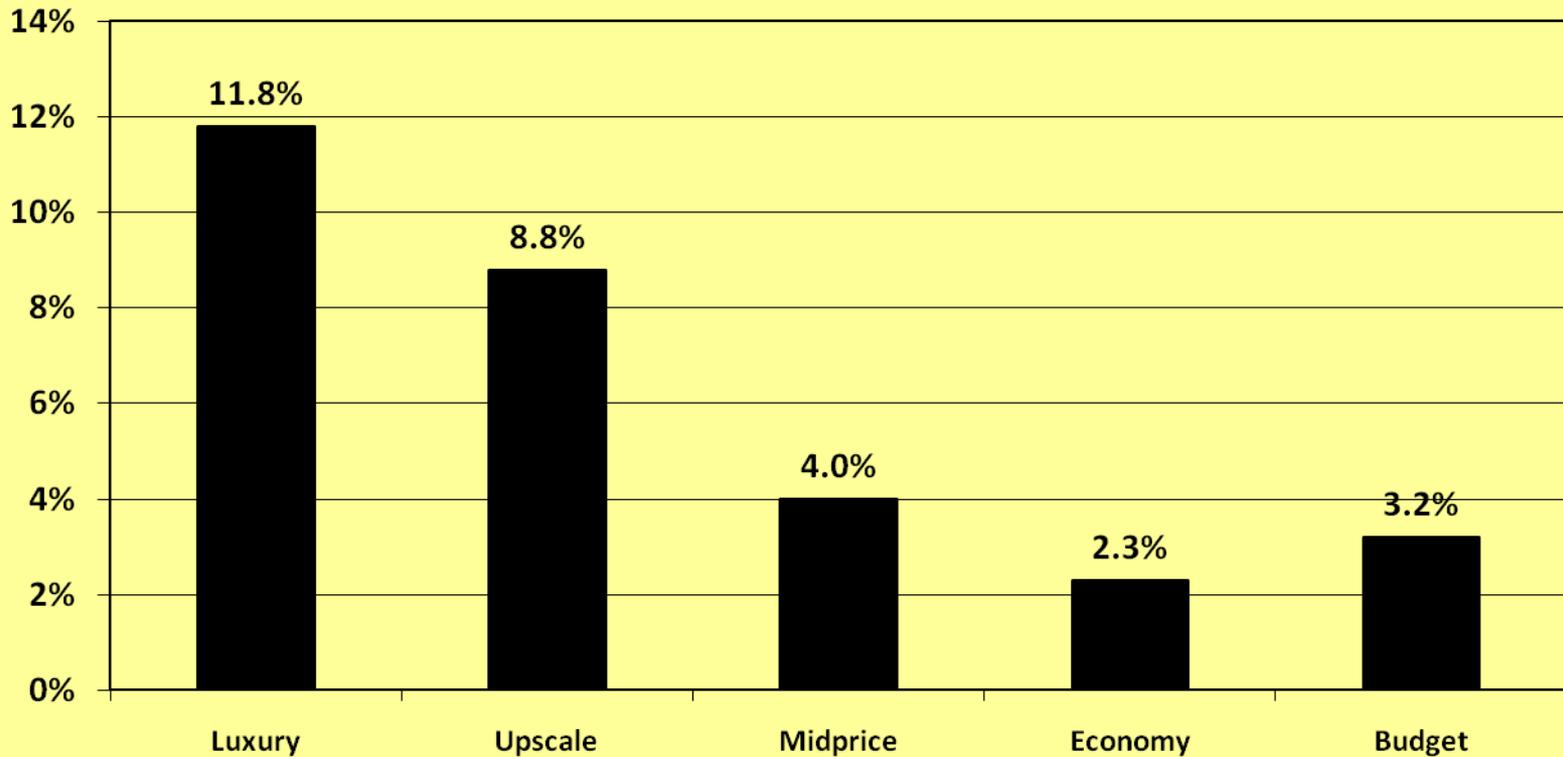
Smith Travel Research U.S. Room Demand Variance



Source: Smith Travel Research

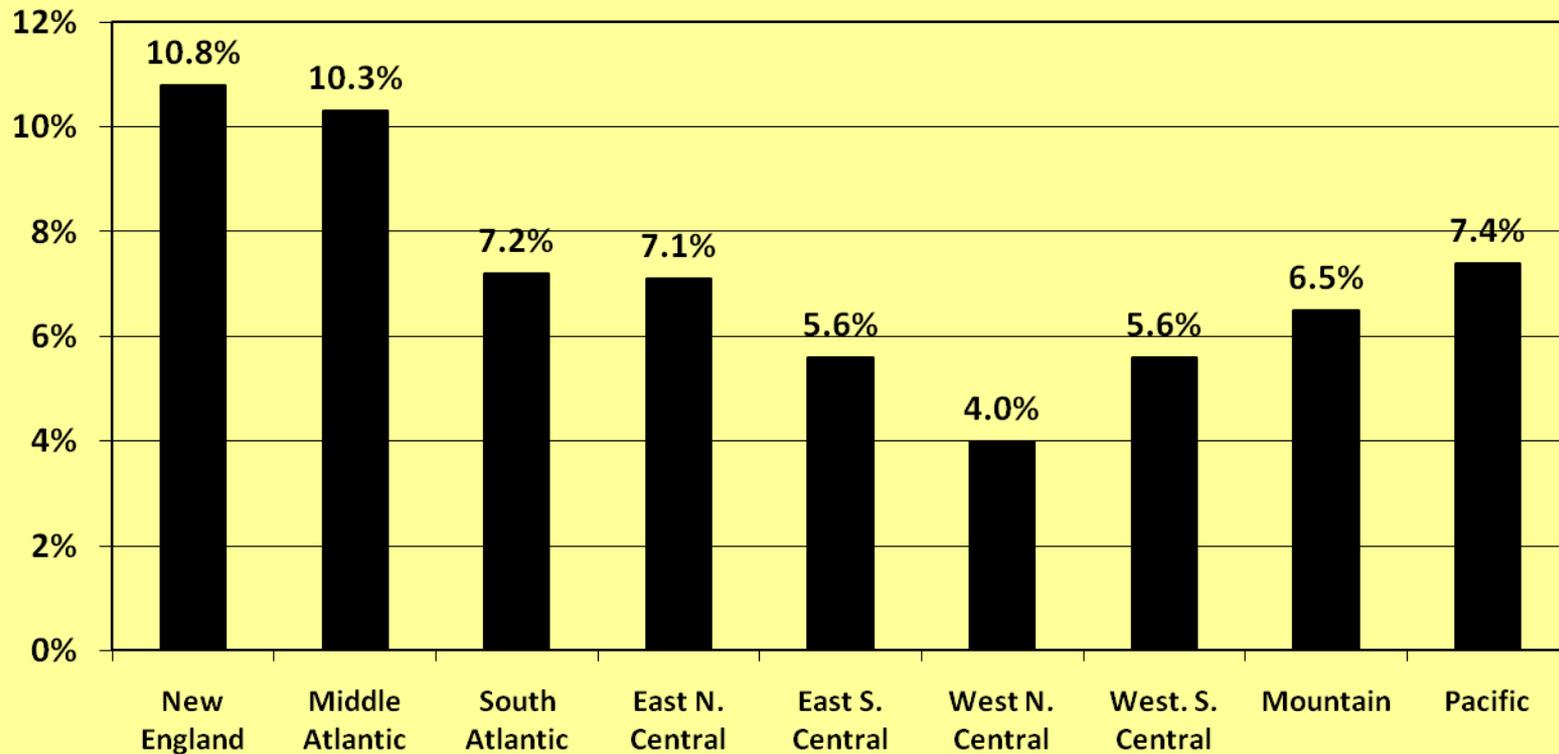
However, the **rebound is not universal. Luxury and upscale** hospitality **price points** are **performing much better** than mid-price, economy and budget price points.

Smith Travel Research Room Demand by Price *YTD through June*



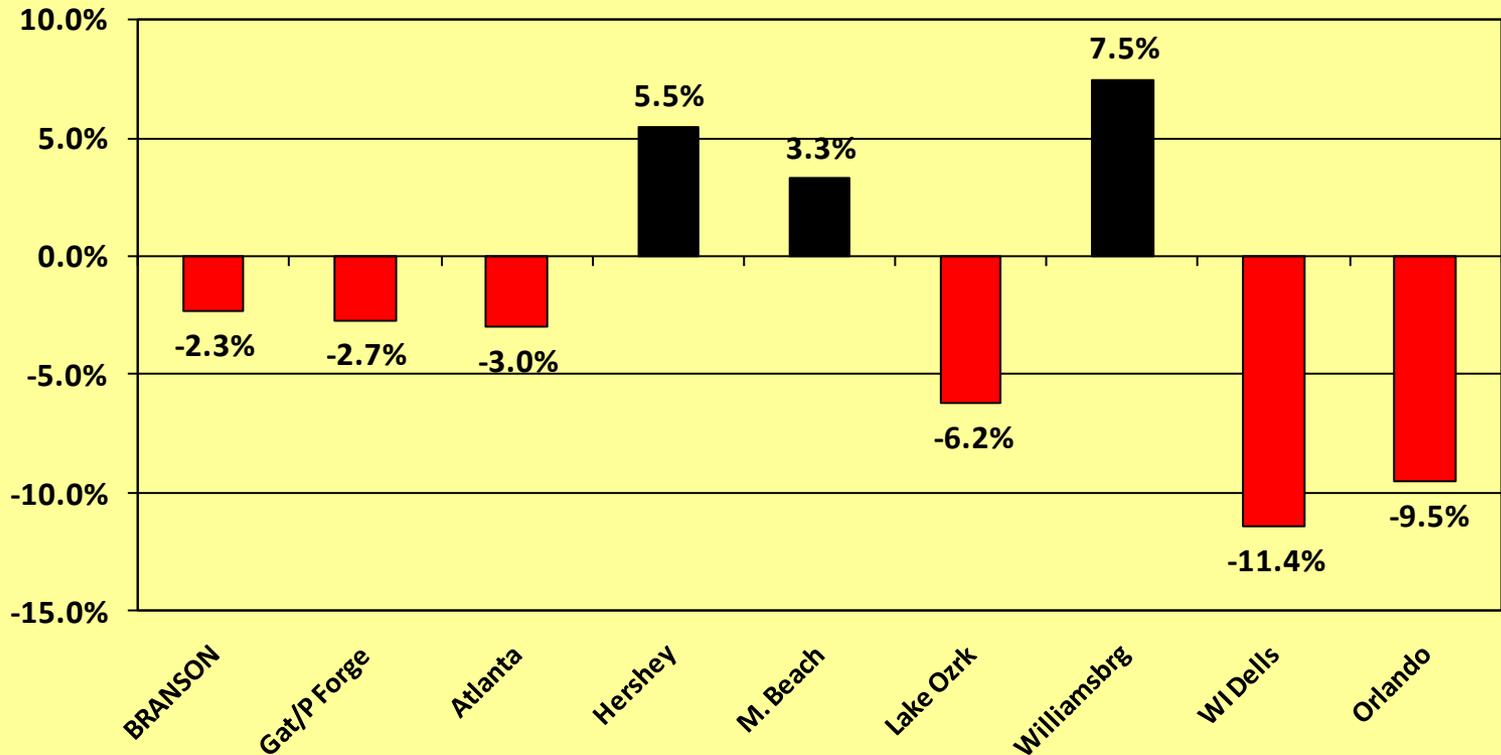
SOURCE: Smith Travel Research data for the USA as a whole

Smith Travel Research Demand by Region *YTD through June*



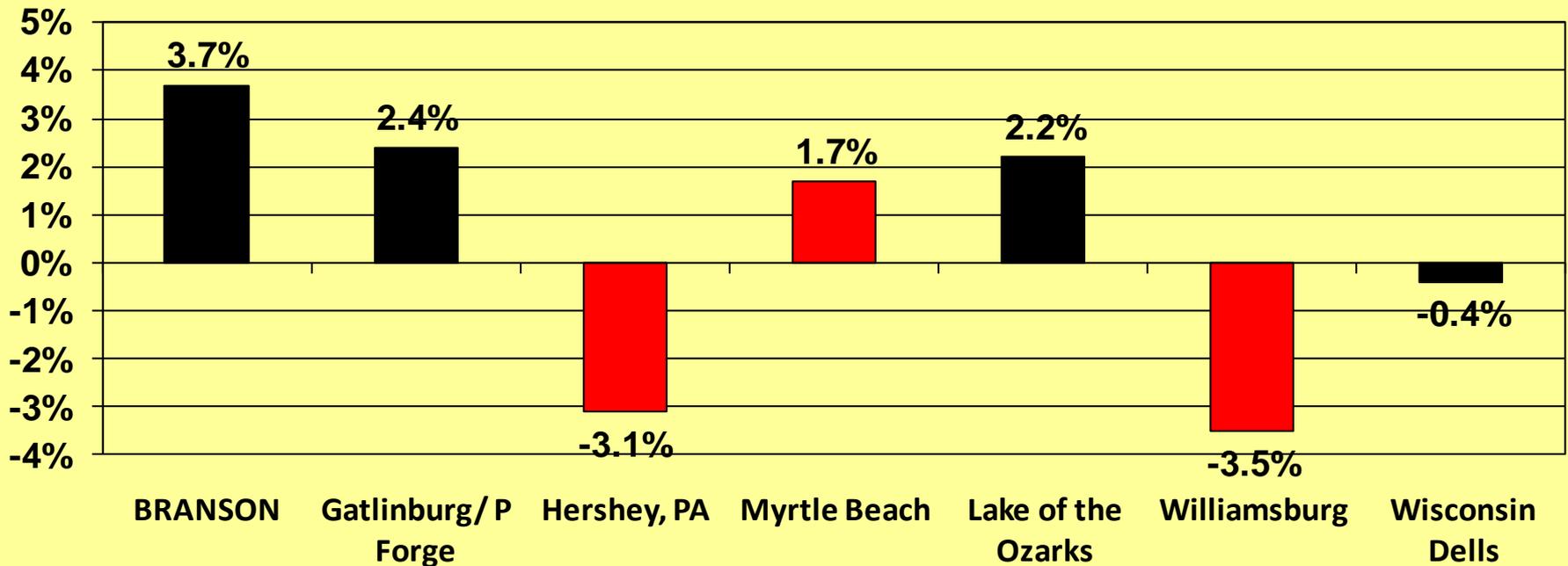
SOURCE: Smith Travel Research data for the USA as a whole

Comparative Destinations YTD Room Demand Variance thru June



Source: Smith Travel Research YTD through June

Comparative Destinations YTD Average Daily Rate thru June



Other Relevant Travel Industry Performance Indicators



- **Consumer Income** Up 1.0%
- **Consumer Spending** Up 1.9%
- **Business Spending** Up 28.2%
- **Domestic Air Traffic** **Down 1.5%**
- **Domestic Airfare** Up 9.0%
- **Travel Prices** Up 8.5%
- **International Air Traffic** Up 1.1%
- **U.S. Dollar Foreign Exchange** **Down 7.2%**

Consumer Trends



Pricewaterhouse Coopers



At least in the short-term, there will not be a wholesale return to previous shopping patterns and behaviors. When it comes to retirement and savings, Boomers have lost the most, which means they now have very different spending habits; the affluent segment of Generation X and the young Generation Y may lead spending in the recovery.

Pricewaterhouse Coopers



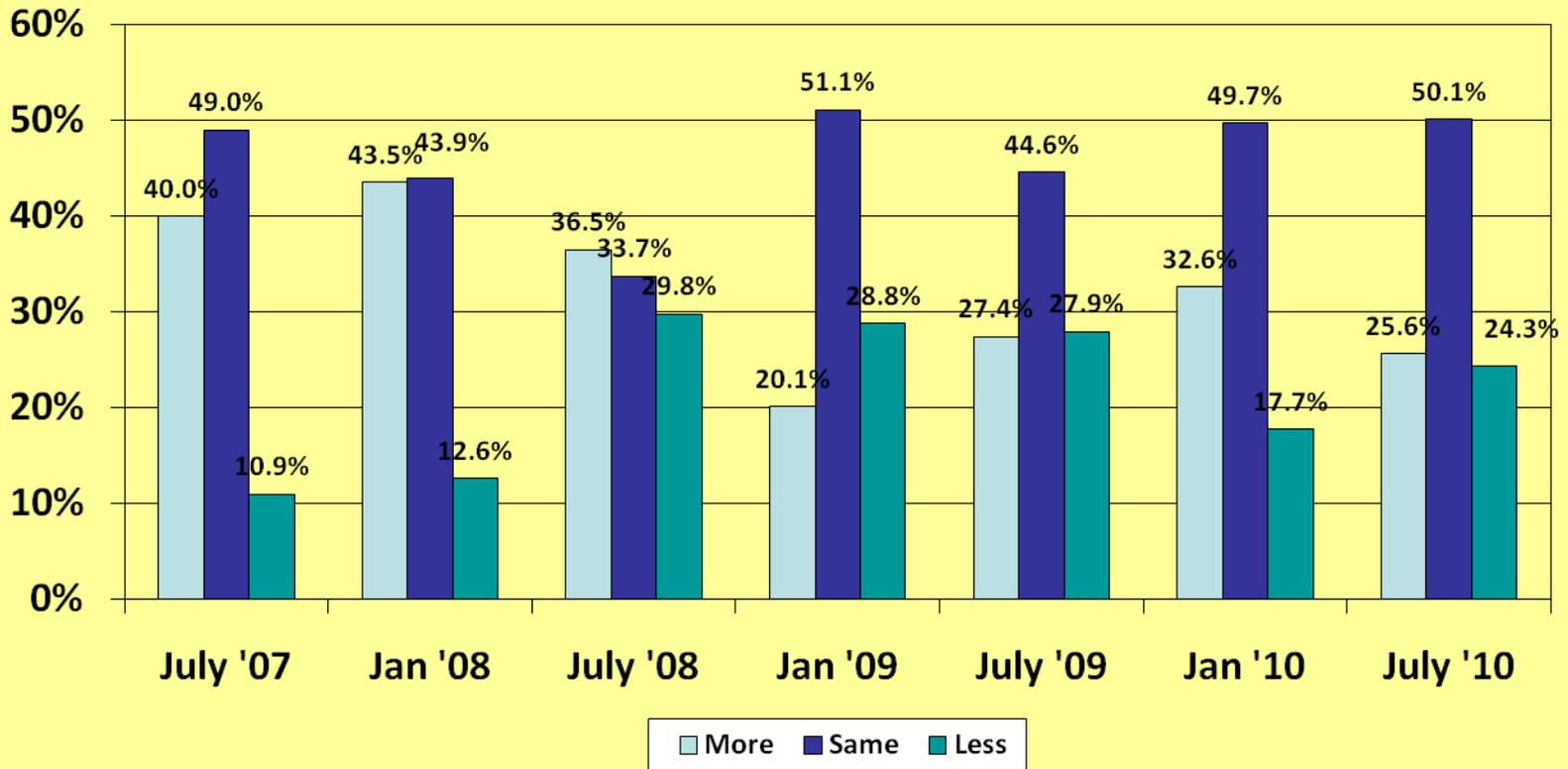
To succeed during the recovery, marketers will need to recognize that some shopper segments will still be in a 'recession' shopping mode... shoppers will be more deliberate in their spending, as conspicuous consumption will give way to more practical consumerism. Rampant deal-seeking will be replaced by more purchase selectivity and the use of shopping techniques and tools discovered during the recession.

Pricewaterhouse Coopers



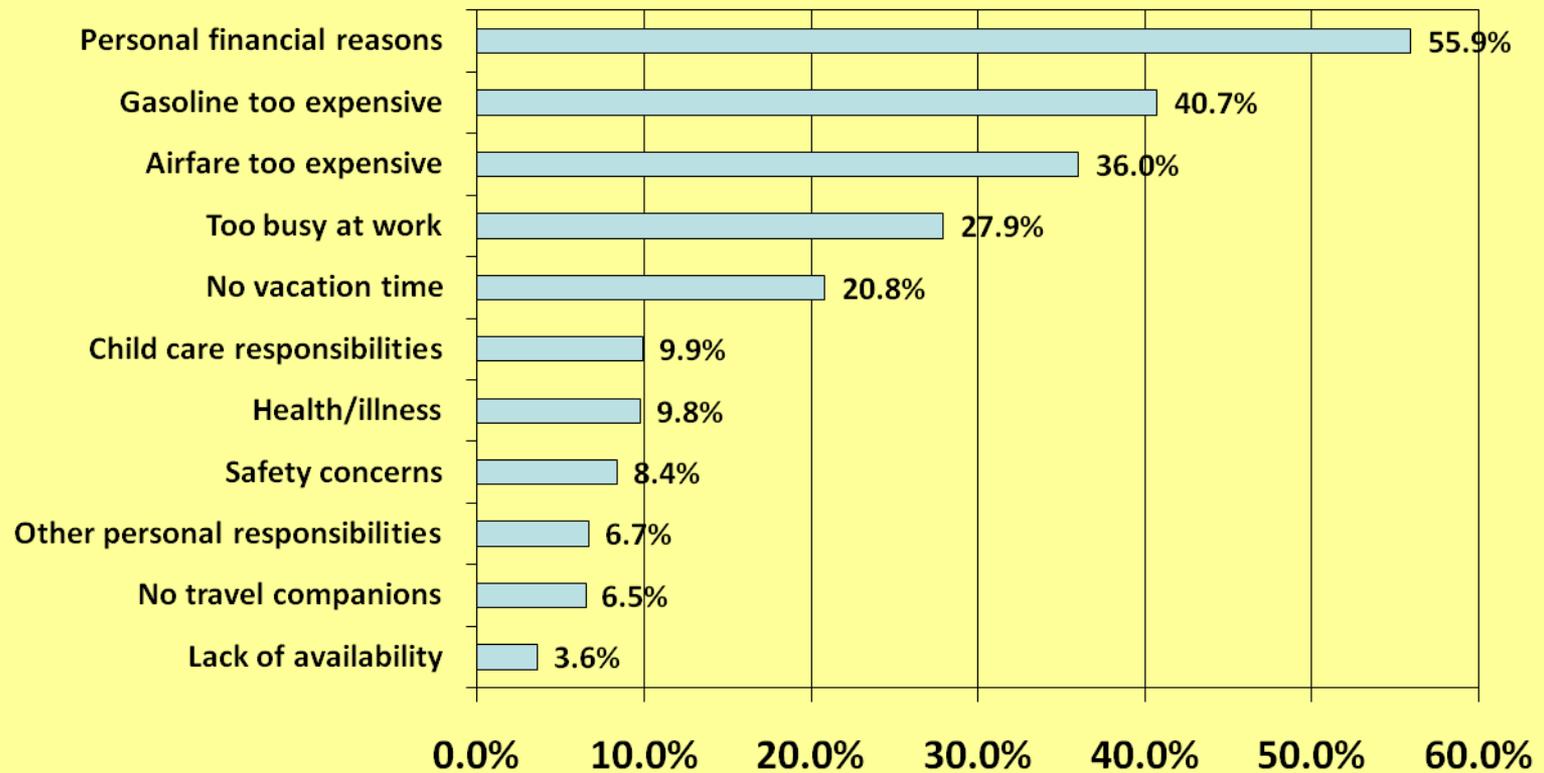
As shoppers' "wants" are steadily re-introduced into the equation, trading-down behavior related to the choice of retailer, product, or brand will lose some traction in the recovery.

In the next 12 months, do you expect to spend more or less for leisure than you did in the most recent 12 month period?

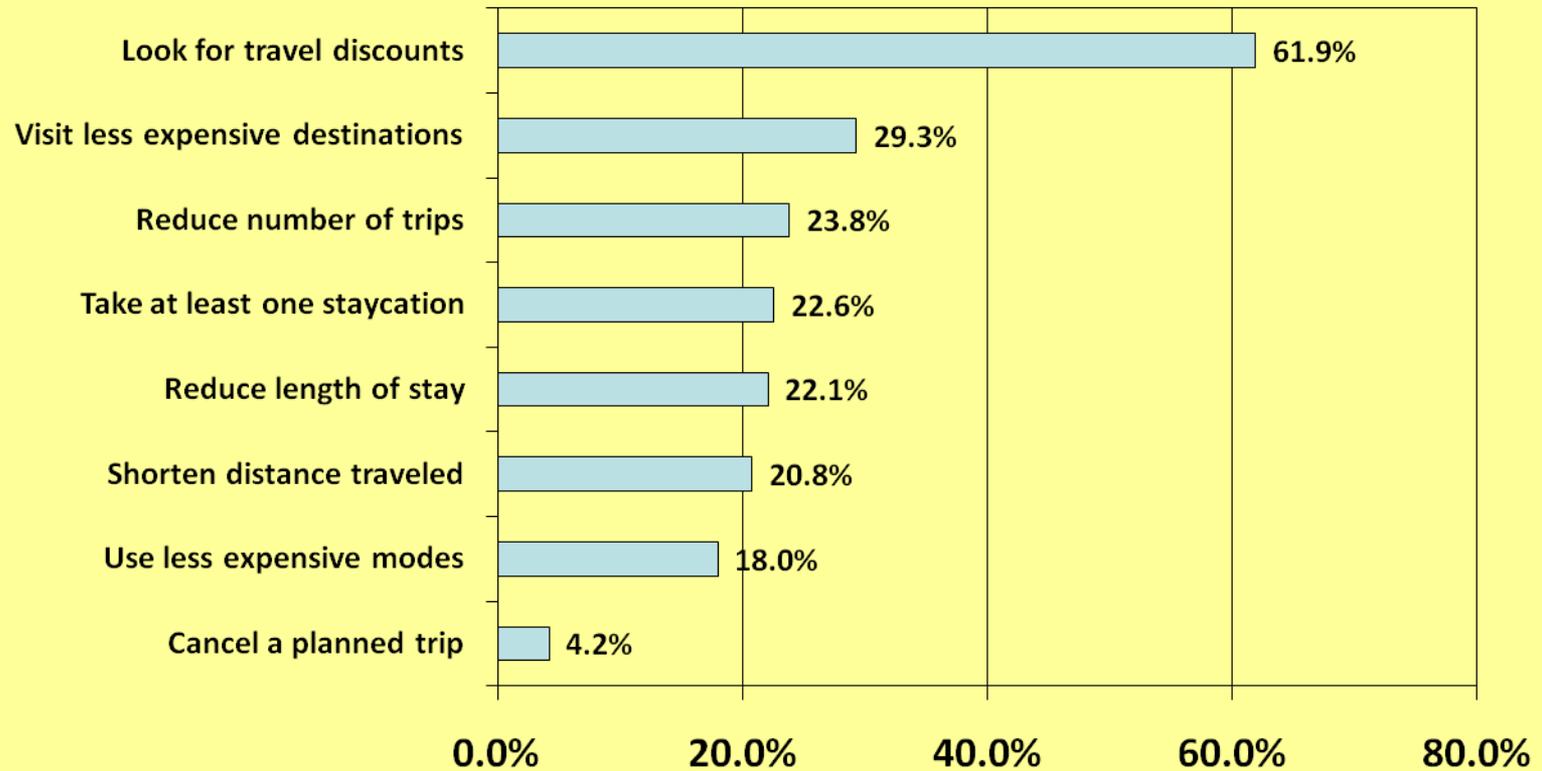


Sources: State of the American Traveler, Destination Analysts.

Reasons Keeping You from Traveling More This Year



Actions Likely to Take To Save Money on Travel



Fun That is Worth It



Travelers seem to need to give themselves permission to spend money. One place where consumers are giving themselves that permission is anything involving family, relationships or getting in touch with oneself. Consumers are absolutely willing to spend money as long as they feel they are spending it responsibly. It's how people feel about the purchase that is probably the most impactful thing.

Fun That is Worth It

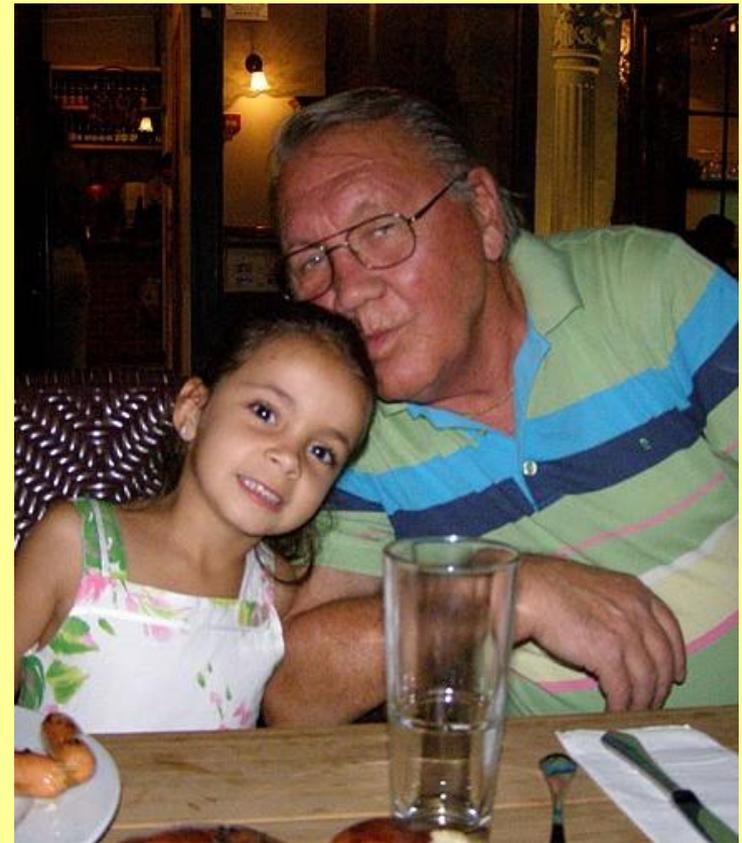


All the discounting, rebating and value-added offers that dominate travel create cognitive dissonance in consumers. It makes you wonder if a purchase was worth the price. And, as soon as people start doubting, they close their wallets.

Celebration Travel



In the past, a milestone birthday might have meant buying a new car or jewelry. Today, it is often marked with a once-in-a-lifetime experience with close friends and family. People are spending more time alone on the computer, and studies show the number of friends diminish every year. People are looking for ways to connect when they celebrate a life event.



Celebration Travel



According to the Y-Partnership, two-thirds of leisure travelers based a trip on a life event such as a wedding, birthday or anniversary celebration in the past year.

Lakeside spots

Many of the region's top vacation areas fall in this category. You'll sacrifice some accessibility and convenience, but families will love the range of activities and lodgings.

TOP PICK BRANSON, MISSOURI

Appeal *****
Location *****
Lodging choices *****
Planning help *****

Behind the score: The location, one hour from Springfield's regional airport and four hours plus from St. Louis and Kansas City's major airports, was one point. Lakeside scenic destination in Branson is the biggest question here for planners. Music shows, Silver Dollar City theme park and Table Rock Lake bring travelers to this southeast Missouri vacation area. The central location appealed to Shirley King, who lives in upscale New York, and 20 family members driving from all over. Plus, the reunion planners make it easy, Shirley says.

Branson's tourism office helps more than 450 family groups a year. After collecting a family's information, staffers send it to some of the more than 200 properties catering to reunions. Thousand Hills Resort, a sprawling complex with 26 championship golf holes, turned out to be the best fit for Shirley's family, giving the golf-loving group a chance to hold a tournament.

To plan your trip: 800.256.0463; www.bransonchamber.com.

Unraveling the
All of these destinations what matters most to you but one star means 25-30 percent of the year. **Appeal** Will your group and drive on 40-plus year and drive on 40-plus year. **Location** Convenience from all over. **Proximity** Lodgings Many reunions. **Planning help** Top-rated reunions a year, provide schedule preliminary.

50 BEST FAMILY REUNION SPOTS

More than a third of us will travel for family reunions in 2008, and the total climbs every year. Everyone wants to reconnect, but as any organizer finds out fast, it's not easy. Staging one of these get-togethers takes all the savvy and effort of arranging any family trip multiplied by whatever number attends. Here's the help you need. We researched and ranked 60 destinations, then rated the results. Now, all you have to do is gather your clan and have some fun!

PHOTOGRAPHS BY ROBERT JACOBS & DOUG SMITH
Melissa Long, April 2008 129

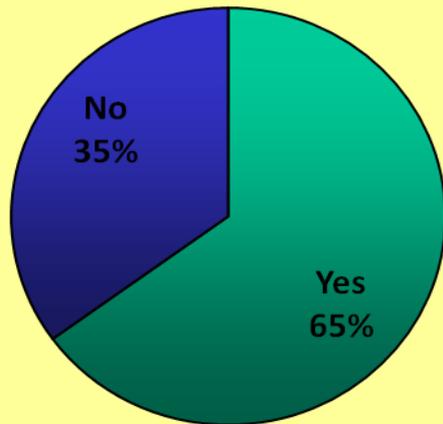
More picks	Appeal	Location	Lodging
Lake of the Ozarks, Missouri 800.986.2422; www.lakeoz.com	*****	****	****
Ballwin & Lake Area, Missouri 616.450.7247; www.bransonlakes.com	*****	****	****
Door County, Wisconsin 800.523.2522; www.doorcounty.com	*****	****	****
Traverse Bay area, Michigan 800.205.3618; www.lakecounty.org	*****	****	****
... area, Michigan	*****	****	****

Celebration Vacations

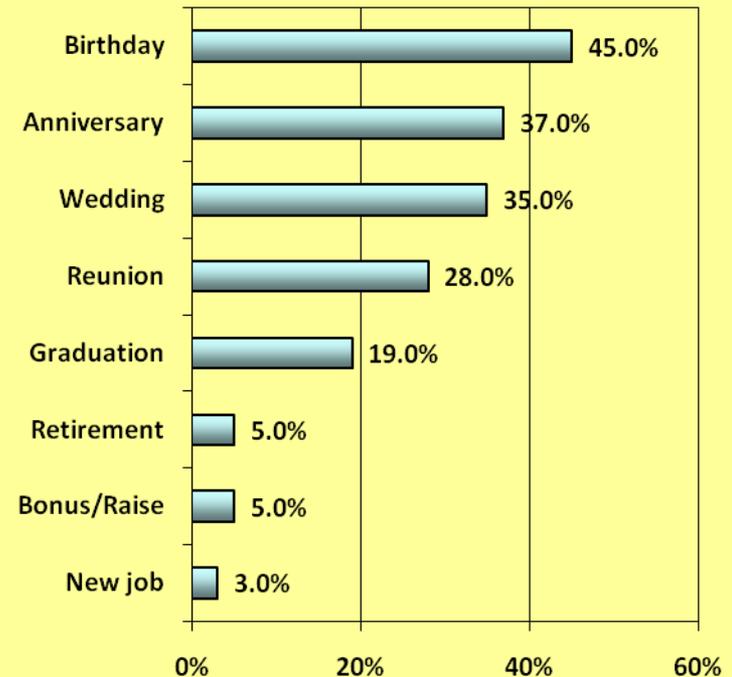


Two-thirds of American travelers have taken a celebration trip over the past 12 months—nearly half of those were for the celebration of birthdays.

Taken Celebration Trip Past 12 Mo?



Type of Celebration Trip Taken

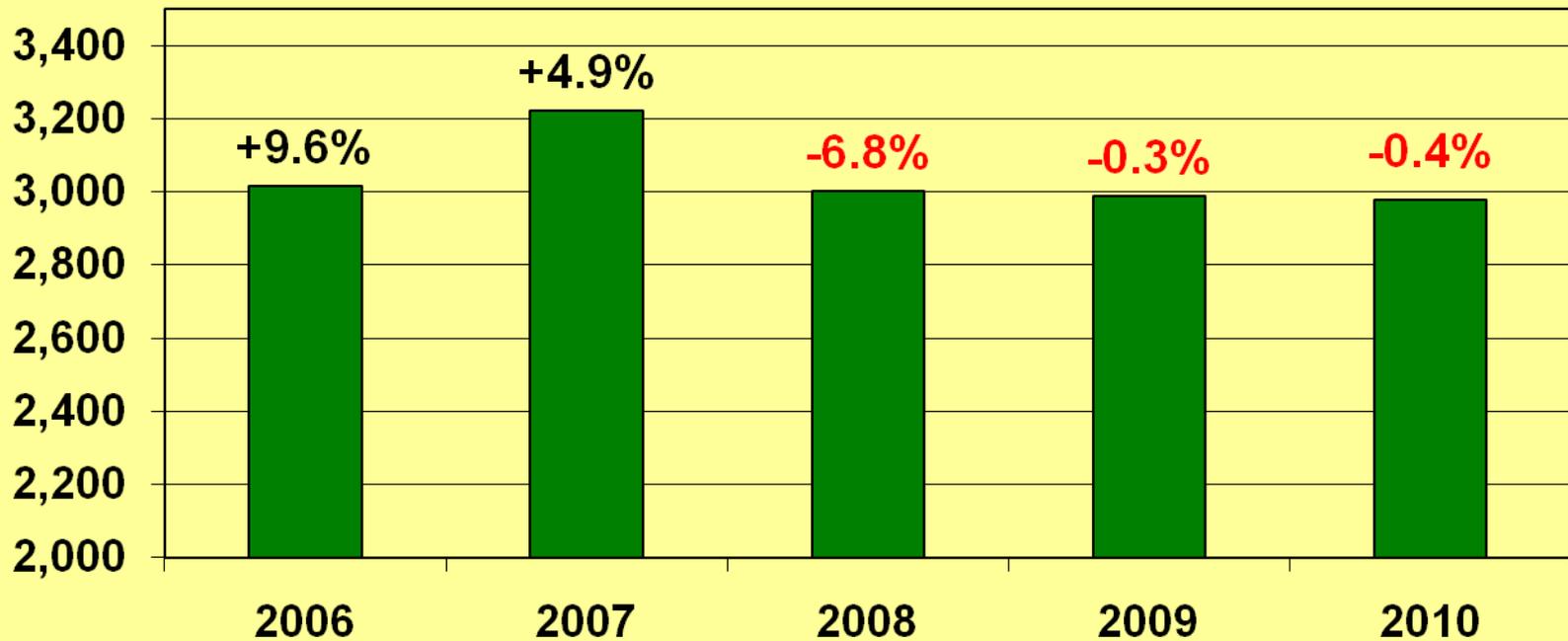


Branson Update

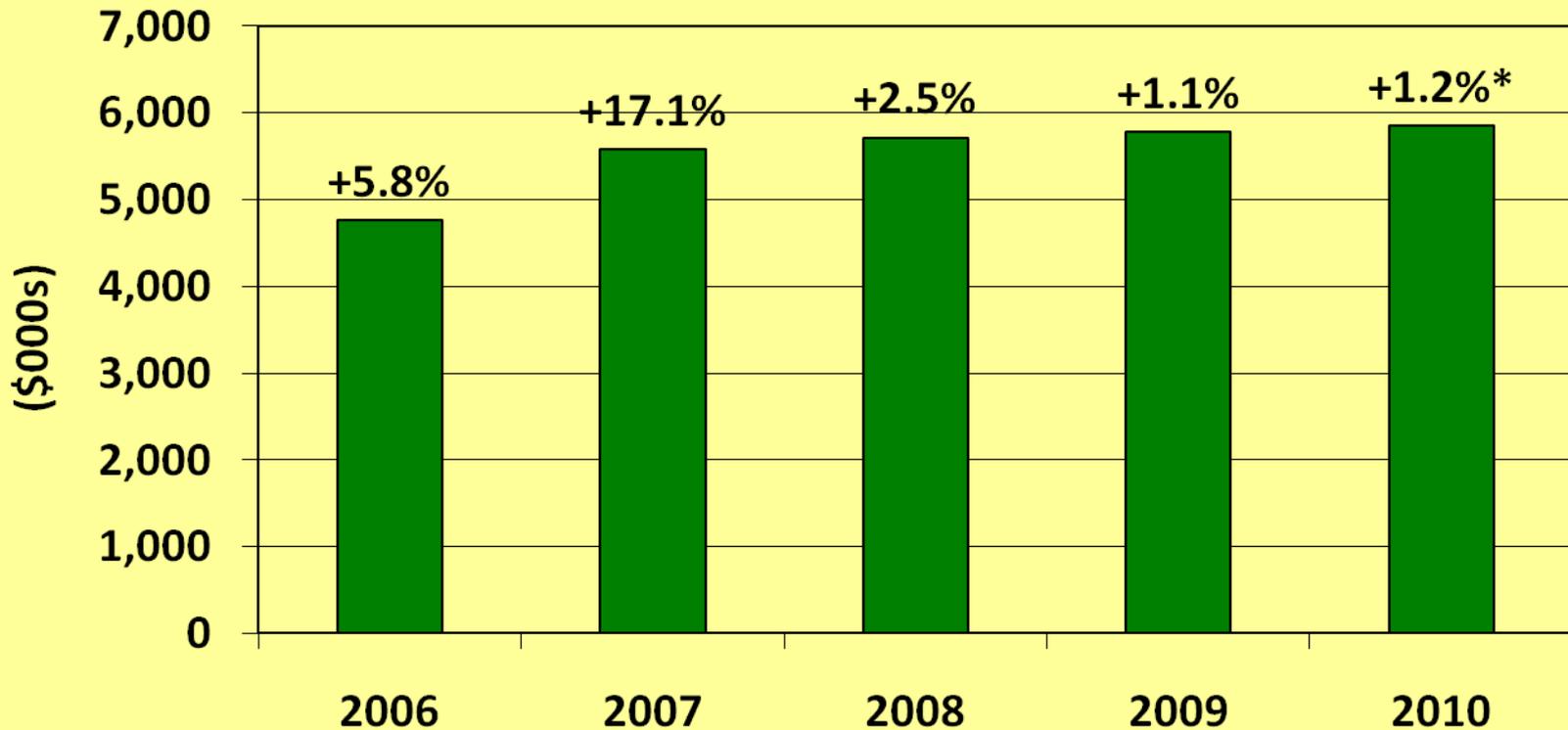


Second Quarter 2010
performance
update

Overall Visitation YTD thru June 2006-2010

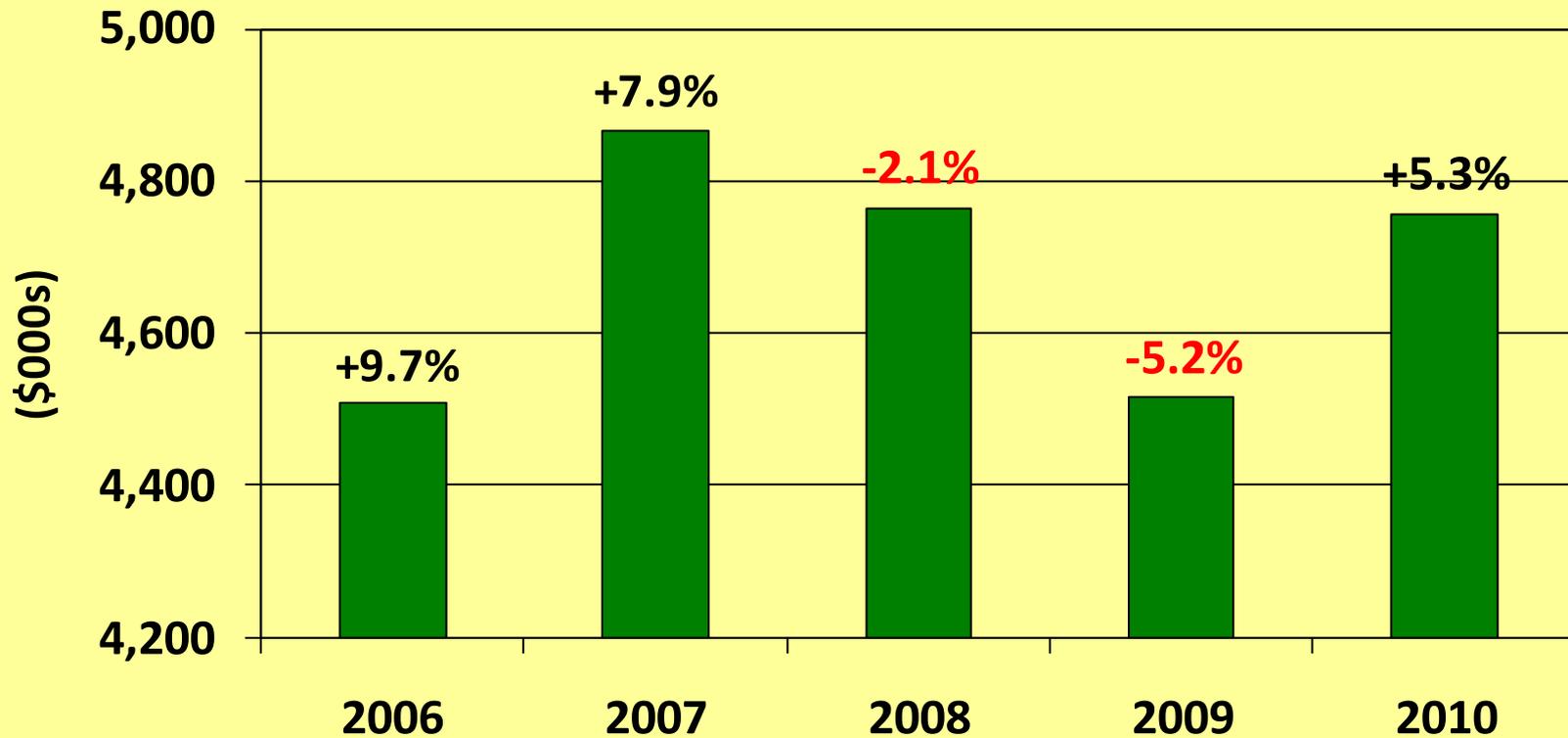


City of Branson Sales Tax YTD Thru June 2010



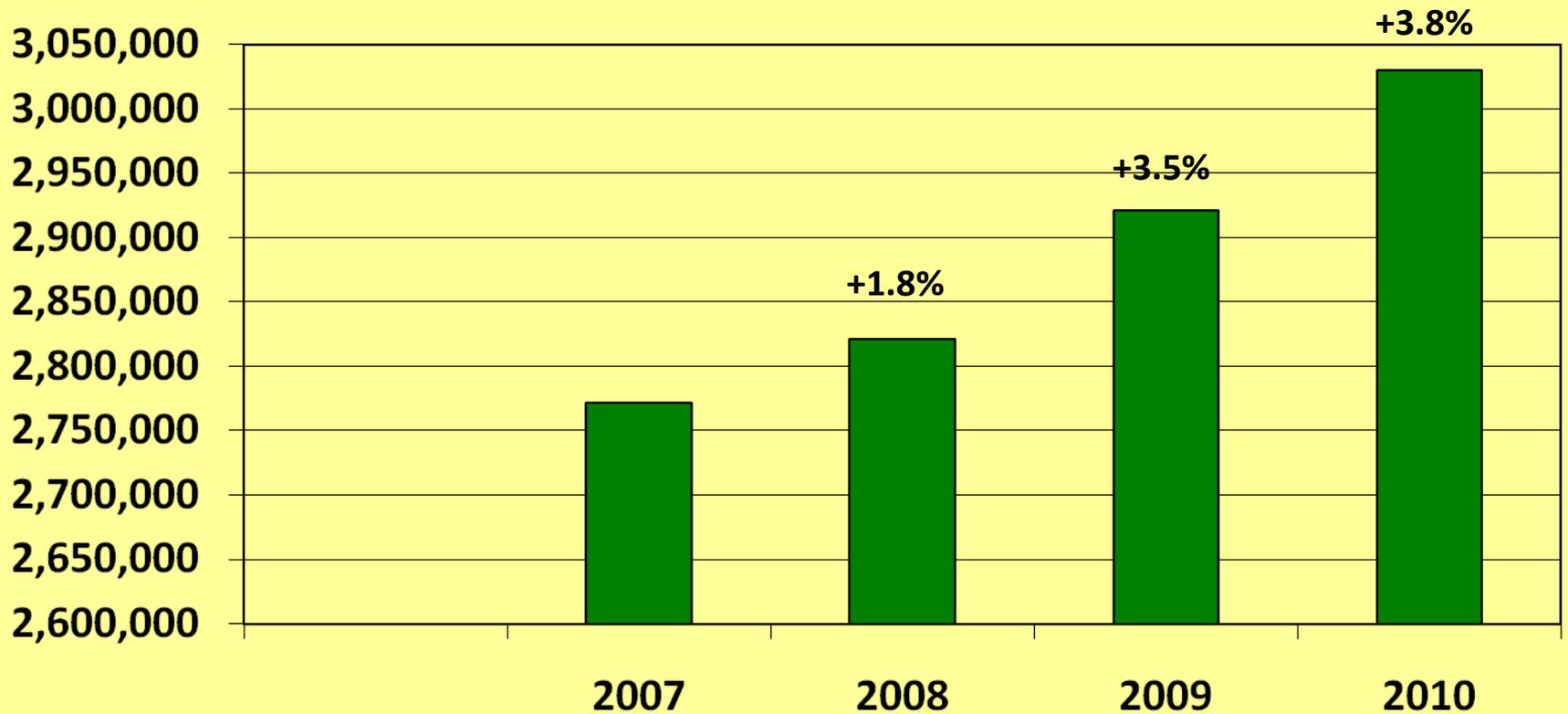
* CY thru June – adjusted to reflect tax generated/business activity

City of Branson Tourism Tax YTD Thru June 2010



CY thru June

TCED Tourism Tax YTD Thru June 2010

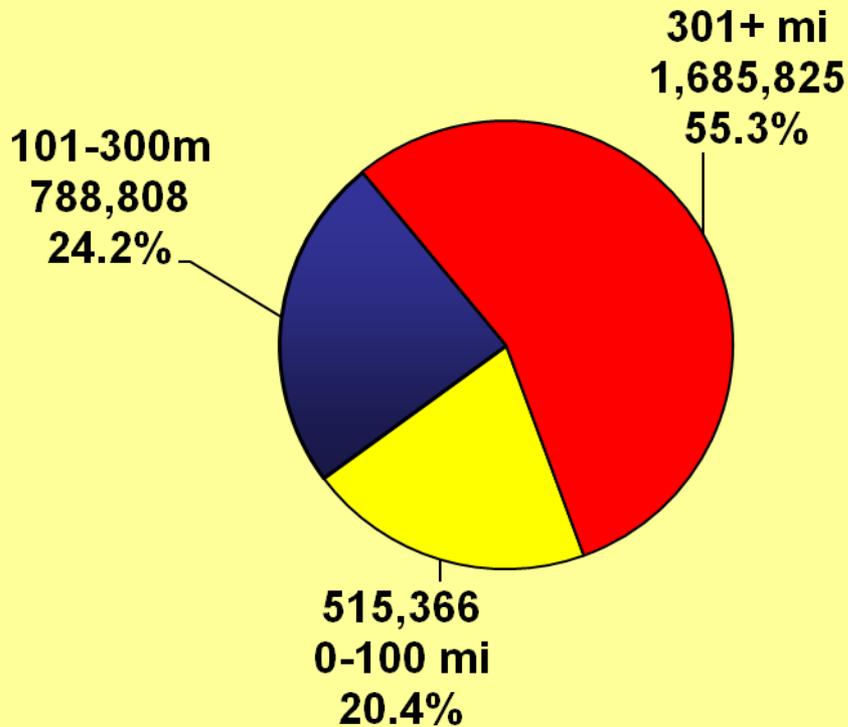


Branson Visitor Profile



What else do we **know**
about Branson visitors in **2010?**

June 2010 Visitation by Distance



Source: BLACC/CVB Research Committee;
Marketsource Research Center

2010 Market Growth Thru June 2010



Core Markets (0-100 mi.)	+21%
Primary Markets (101-300 mi.)	-9.0%
Outer Markets (301-650 mi.)	-1.0%
National Markets (650+ mi.)	-5.0%
OVERALL VISITATION	-0.4%



YTD June 2010 vs. YTD June 2009



	<u>2010</u>	<u>2009</u>
• Spending per Party	\$856.86	919.34
• First-Time Visitors	26.8%	32.1%
• Length of Stay	4.32	4.50
• Satisfaction	4.45	4.56
• Families	41.3%	41.3%
• Average Adult Age	56.6	56.9
• Travelled by Air	8.2%	6.0%

Air Travelers to Branson Thru June 2010

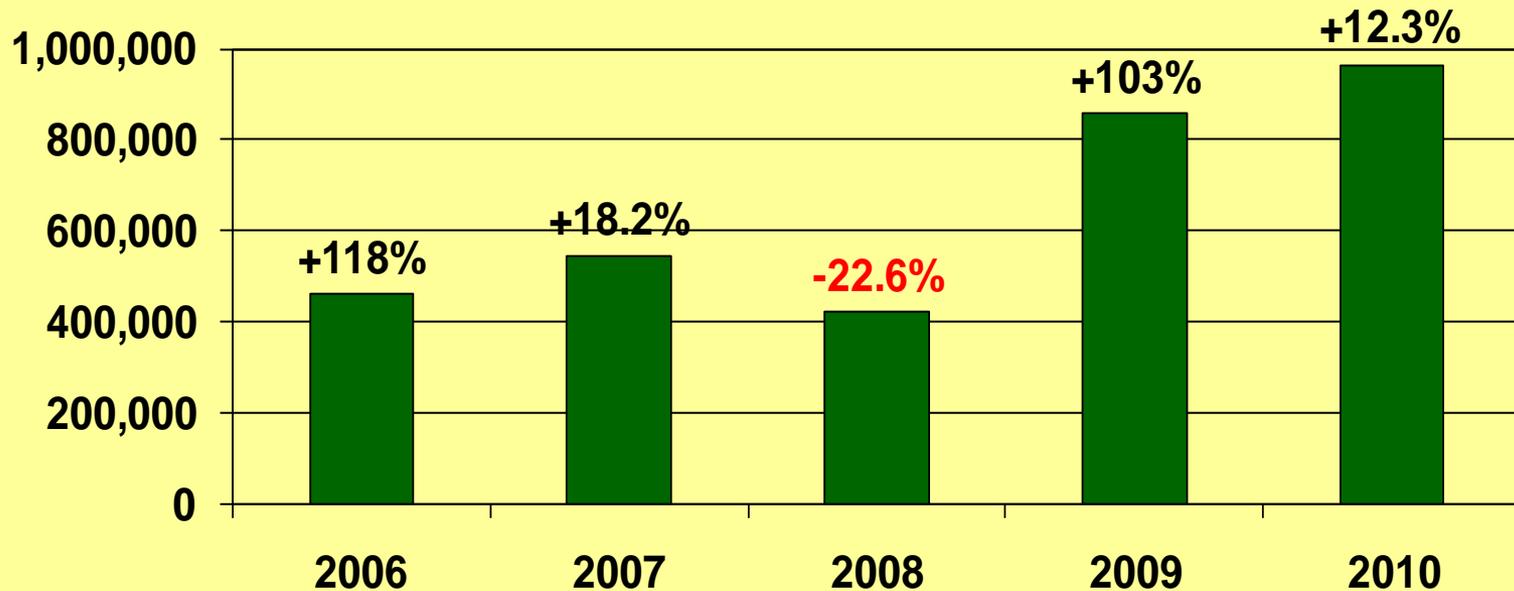


	<u>2010</u>	<u>2009</u>
• Branson Airport	42.9%	31.9%
• Springfield/Branson	26.3%	38.2%
• Kansas City	6.0%	6.6%
• St. Louis	12.1%	6.1%
• Tulsa	3.3%	4.9%
• Other	9.0%	3.2%

"We have a national association with members scattered from coast to coast. Had the Branson Airport not been a part of the picture, there is no way our group could have selected Branson to host our annual convention."

Jim Gaunt, CAE, Executive Director for the National Railway Tie Assn.

Web Inquiries YTD Thru June 2010



Web Highlights YTD thru July 2010



- 1.14 million total visits
- 6.8 million total pages viewed
- 6:57 average time on site
- 69% new visitors
- **1.1 million outbound clicks to Branson businesses**

2010 - 2012 Strategies and Tactics



- **Monitor changing media, economic, and tourism trends during development of 2011 marketing plan**
- **Continue to market in selected markets closer to Branson to leverage the trend of travelers staying closer to home, *without abandoning national cable outreach.***
- **Stress new product in our advertising messages to increase appeal to a repeat audience.**

2010 - 2012 Strategies and Tactics



- Stress the *value* that Branson affords its travelers in all of our messages.
- Increase allocations for Web Marketing/SEO, Public Relations and Research.
- Organize marketing co-ops to coordinate and leverage local marketing resources.
- Leverage PR wherever possible.

2010 Fall Television Spots



Fall National Cable
(August 23-Sept. 19)

Fall Primary Markets
(Sept. 6-October 17)



2010 Creative Concepts



- Entertainment, Nature, Hospitality
- VALUE message/Hot Deals online
- 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!

Current Initiatives



- Working with Sterling Brands to re-visit 2004 Branding Study – rethink and update Branson brand strategy.

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.



Pre-Registration

SNOWIES™





September 19, 2010

September 18, 2011

September 16, 2012

A scenic view of a large, calm blue lake. The water is a deep, clear blue, reflecting the sky. In the background, there are rolling hills covered in dense green forest. The sky is a pale, hazy blue. In the foreground, on the right side, there is a rocky shoreline with some green vegetation and trees. The overall atmosphere is peaceful and natural.

Thank you.