

Year-End 2010 Marketing Report To the City of Branson

**Presented by
The Branson/Lakes Area
Chamber of Commerce & CVB**

February 22, 2011

Today's Presentation



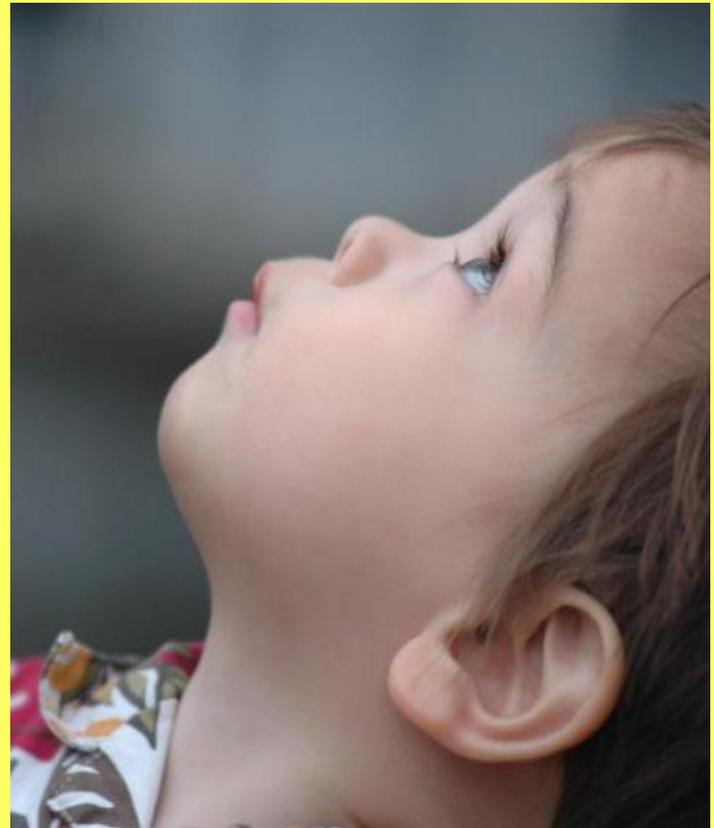
- “ 2010-2011 Economic and Travel Industry Review
- “ YE2010 Branson Update
- “ Looking Ahead



Economic Indicators

State of the Economy

- **The Great Recession is behind us**, GDP is growing again, and Christmas retail sales were as strong as they have been in a decade.
 - Although things are clearly **looking up**, it's too early to say the storm has passed.
 - **Consumer confidence remains low and unemployment remains high** relative to historic standards.
-



Consumer Prices



+1.1%

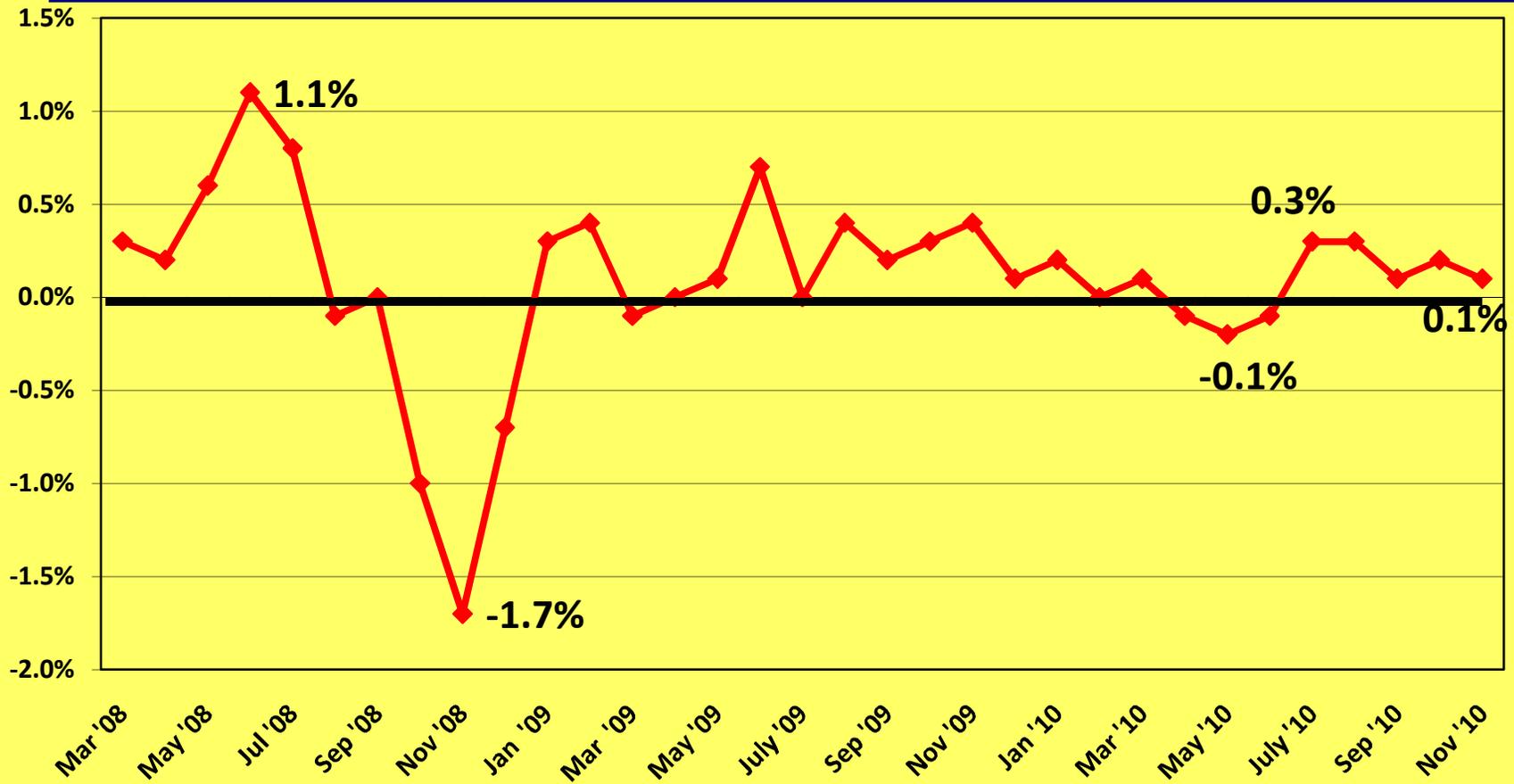
Variance over prior 12 months.

The Consumer Price Index increased by **1.1%** over the **past 12 months**.

However, **food prices** are up **1.5%** and **energy prices** are up **3.9%**.

Consumer Price Index- All Items

Consumer prices, however, have been held in check for the past 18 months.



Source: Bureau of Labor Statistics

U.S. Average Gasoline Prices

The average U.S.
Regular Convention
Retail Gasoline Price
averaged **\$2.95 per
gallon in
December 2010.**

+14.9%

in 2010.

Average U.S. Gasoline Prices

Gasoline prices have been moving upward these past few months, but still remain much lower than the \$4.00/gallon peak reached in June 2008.



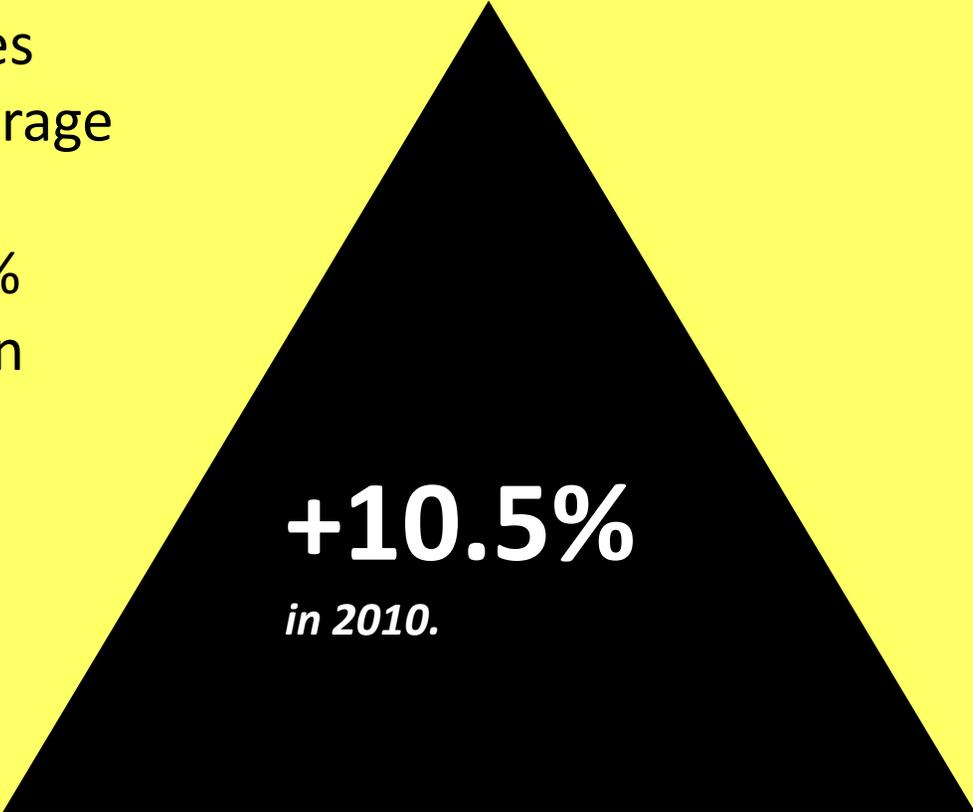
Source: http://tonto.eia.doe.gov/dnav/pet/hist/mg_rco_usw.htm

Gasoline prices have been **increasing sharply** over the past 4 months with some now **forecasting \$4** gasoline prices by summer.



Dow Jones Industrial Average

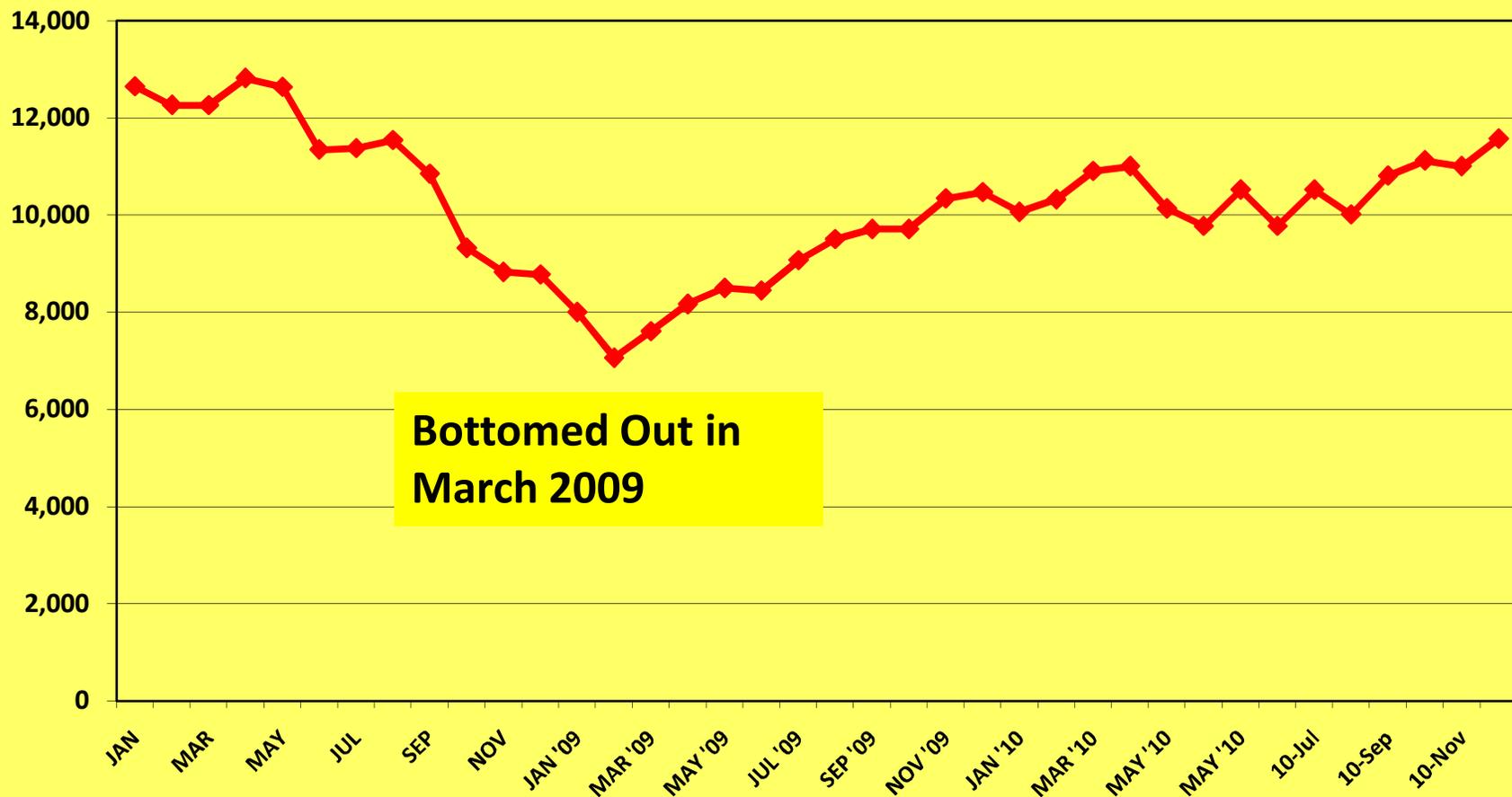
The Dow Jones Industrial Average (DJIA) has increased 52% since its low in March 2009.



+10.5%
in 2010.

Dow Jones Industrial Average

The DJIA is +52% from its low point in 2009, but still lags behind its level in May 2008.



Source: Dow Jones Industrial Average

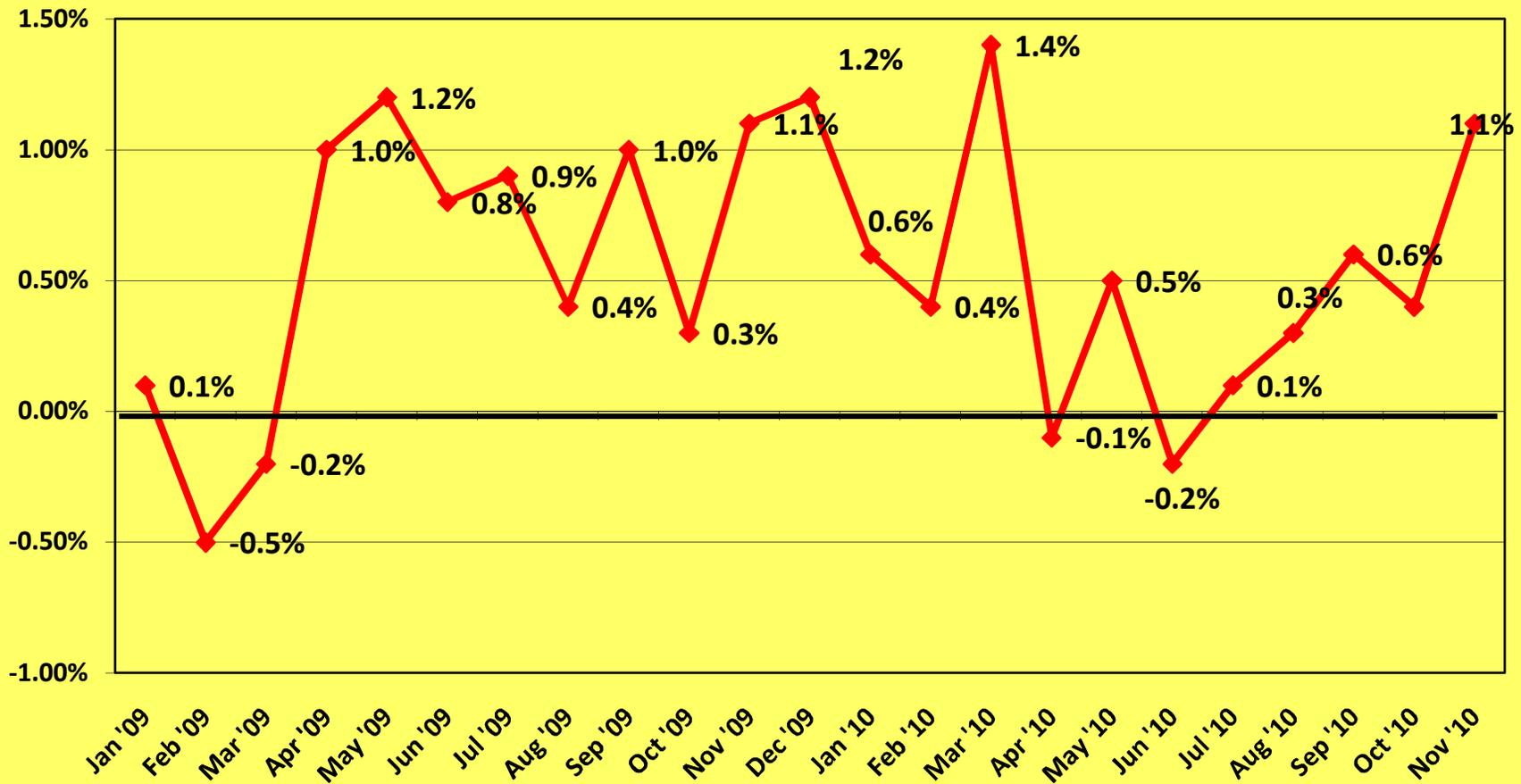
Index of Leading Economic Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. increased 1.1 percent in November to 112.4 (2004=100), following a 0.4 percent increase in October, and a 0.6 percent increase in September.

+1.1%
in December 2010.

Index of Leading Economic Indicators

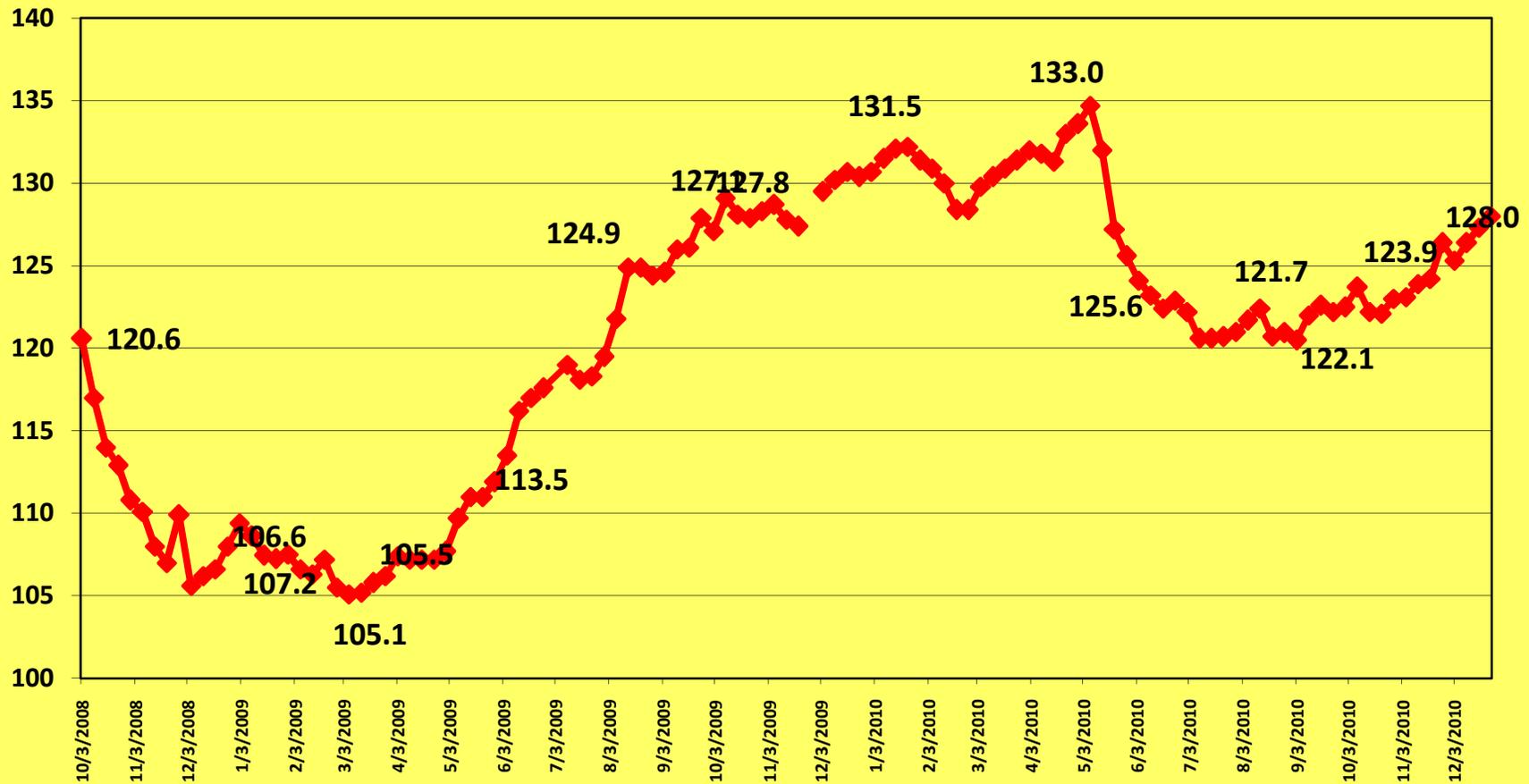
The Index of Leading Economic Indicators continues to show positive signs for '11.



Source: Conference Board

Weekly Leading Index

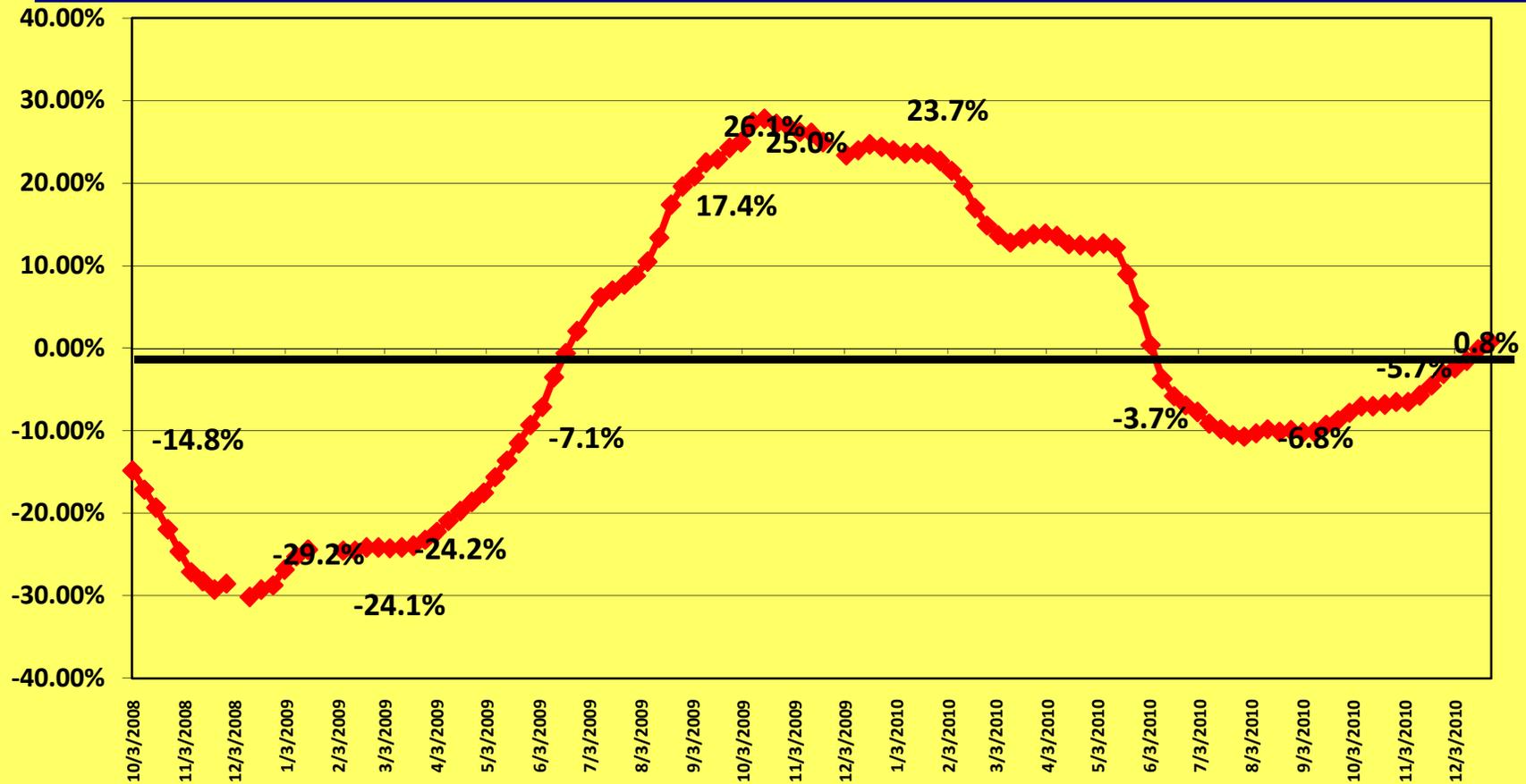
The WLI, which had dipped precariously in the summer months, bounced back this past fall.



Source: Economic Cycle Research Institute

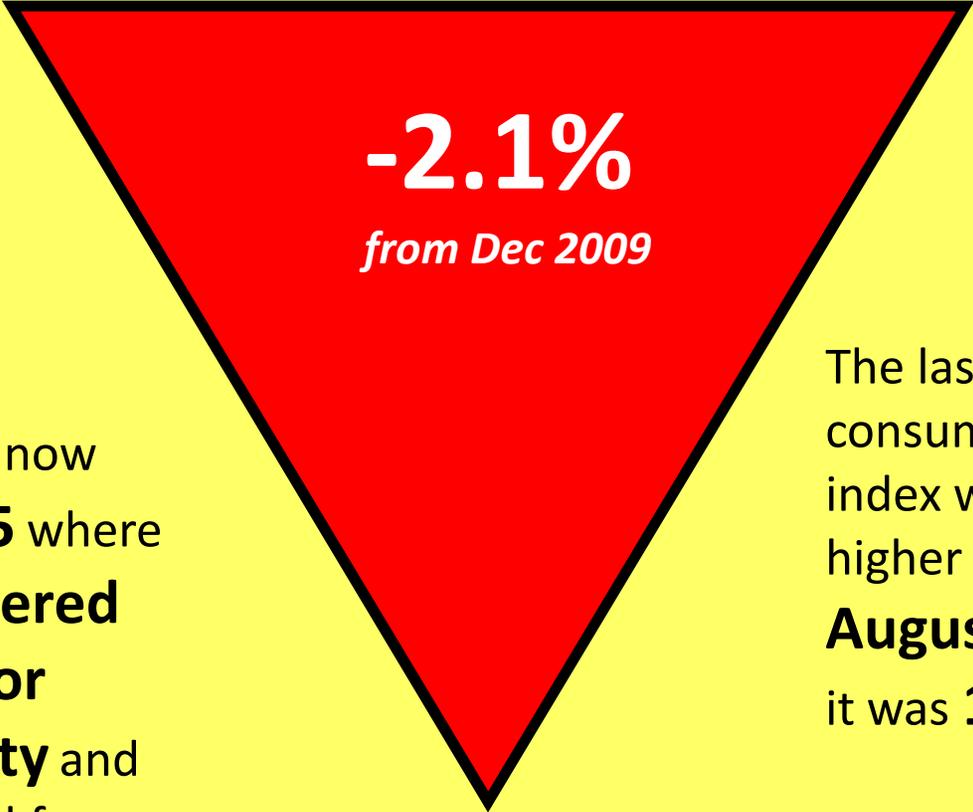
Annualized Growth

According to ECRI, annualized growth is now projected to be up by 0.8%.



Source: Economic Cycle Research Institute

Consumer Confidence



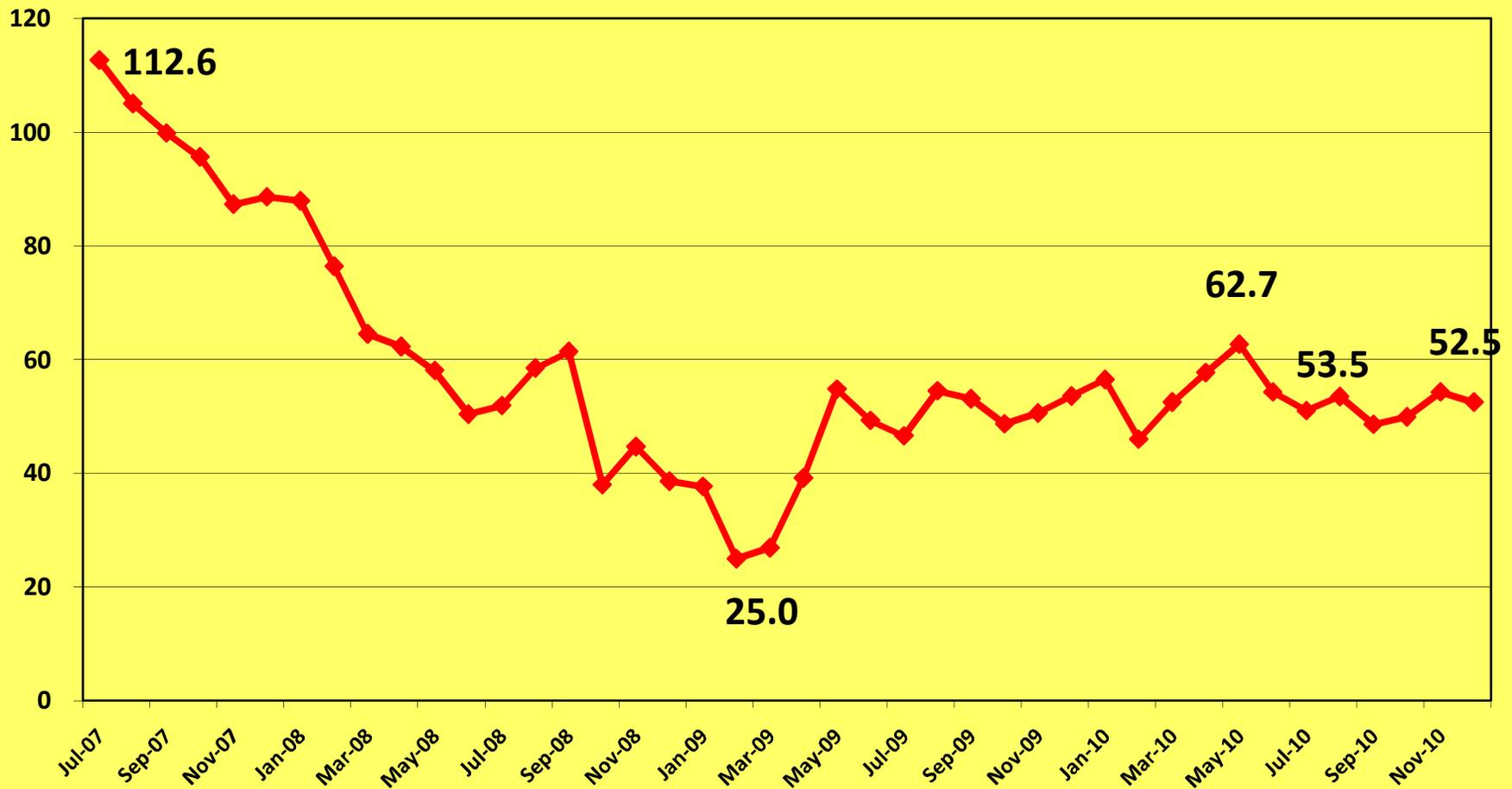
-2.1%
from Dec 2009

Consumer Confidence now stands at **52.5** where **90 is considered necessary for sustainability** and 100 is required for growth.

The last time the consumer confidence index was at 100 or higher was in **August 2007** when it was **105.0**.

Consumer Confidence

Consumer confidence remains perilously low.

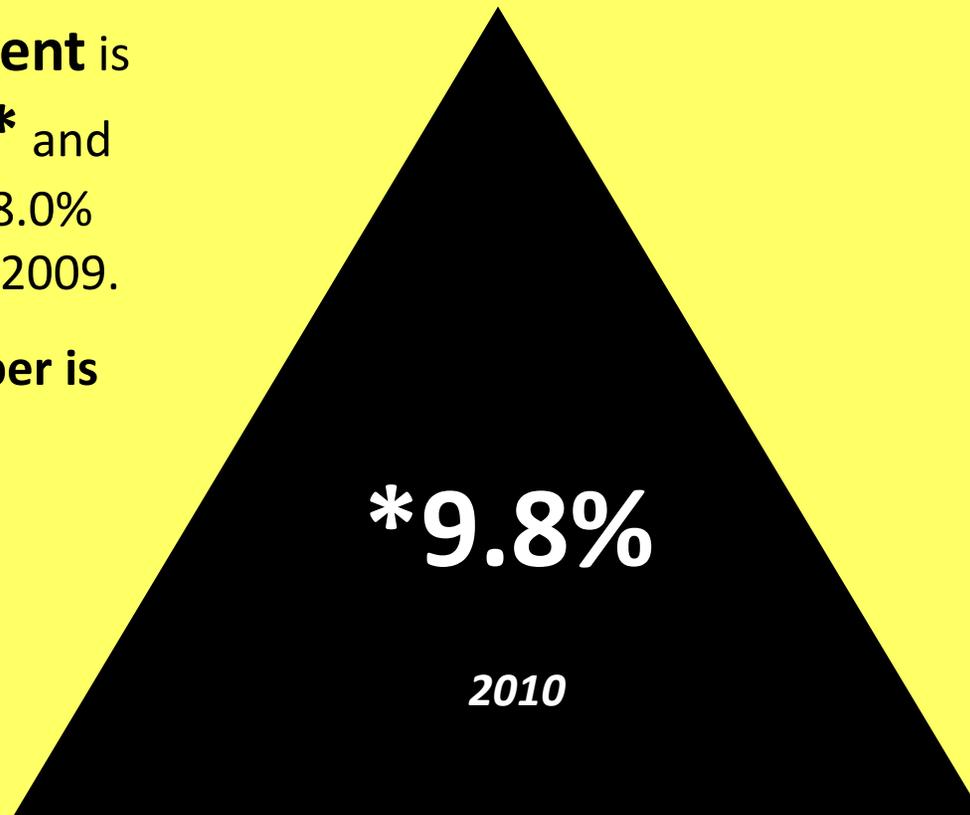


Source: The Conference Board

U.S. Unemployment Rate

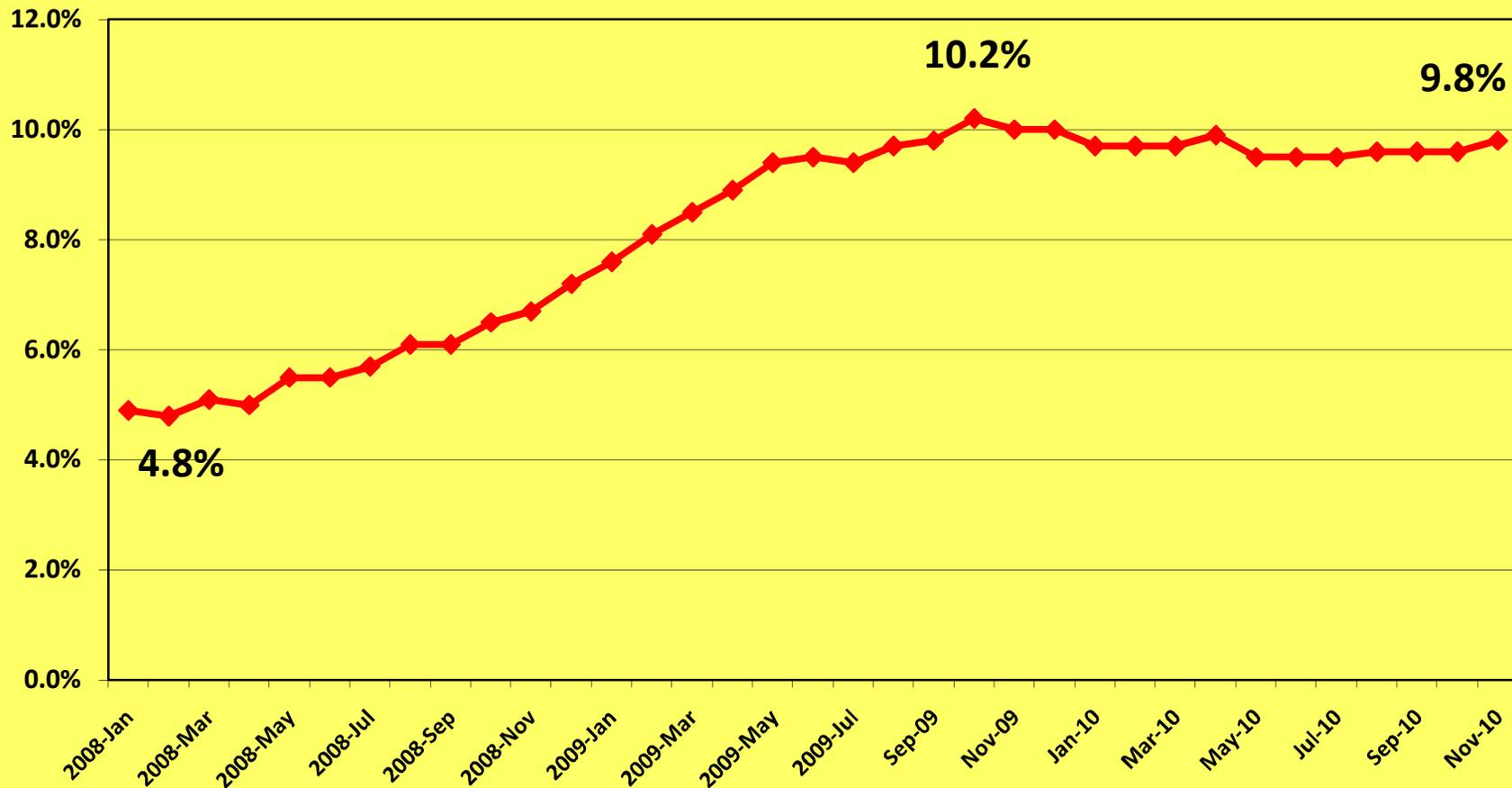
Unemployment is now at **9.8%*** and has been over 8.0% since February 2009.

***Current number is 9.0%.**



U.S. Unemployment Rate

U.S. unemployment remains high by historic standards.



Source: Bureau of Labor Statistics

Light at the end of the tunnel:

Unemployment is down to 9% and *the number of people applying for unemployment benefits the last week of 2010 fell to its lowest level since July 2008.*



New Healthcare Initiative

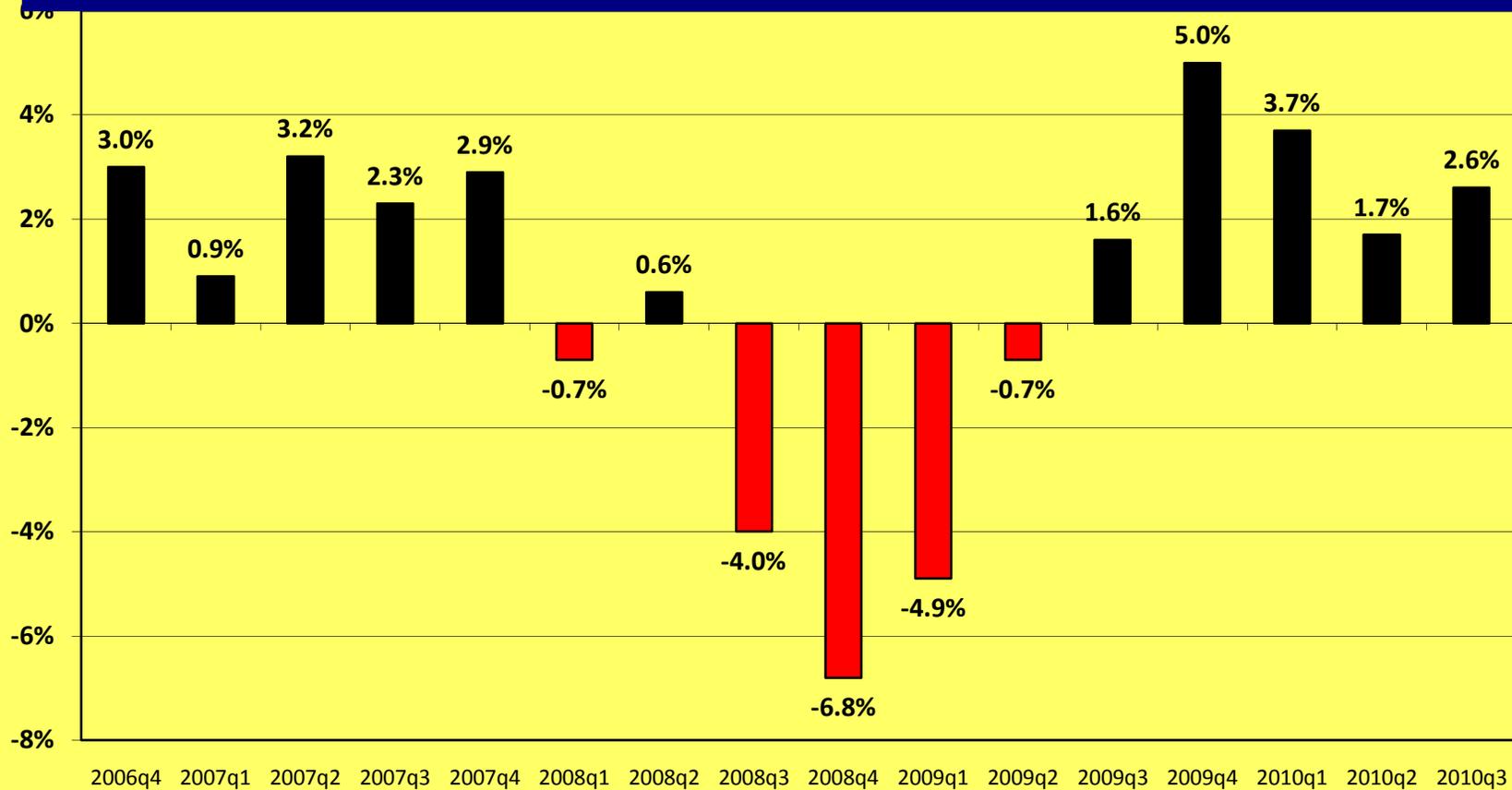
According to a recent study by Manta, 44% of small businesses said the additional cost of health care reform is their most significant concern. Likewise, 45% said they planned to reduce their number of employees in order to absorb the additional cost of doing business associated with the plan.

Some experts believe that unemployment may remain high for the foreseeable future until small business people have a better idea how the new health care reform act is going to affect them.

Real Gross Domestic Product

Percent Change, Seasonally Adjusted

The GDP, which decreased four consecutive quarters in 2009-2009 has since posted three consecutive increases. Some experts, however, worry this trend may be difficult to sustain.

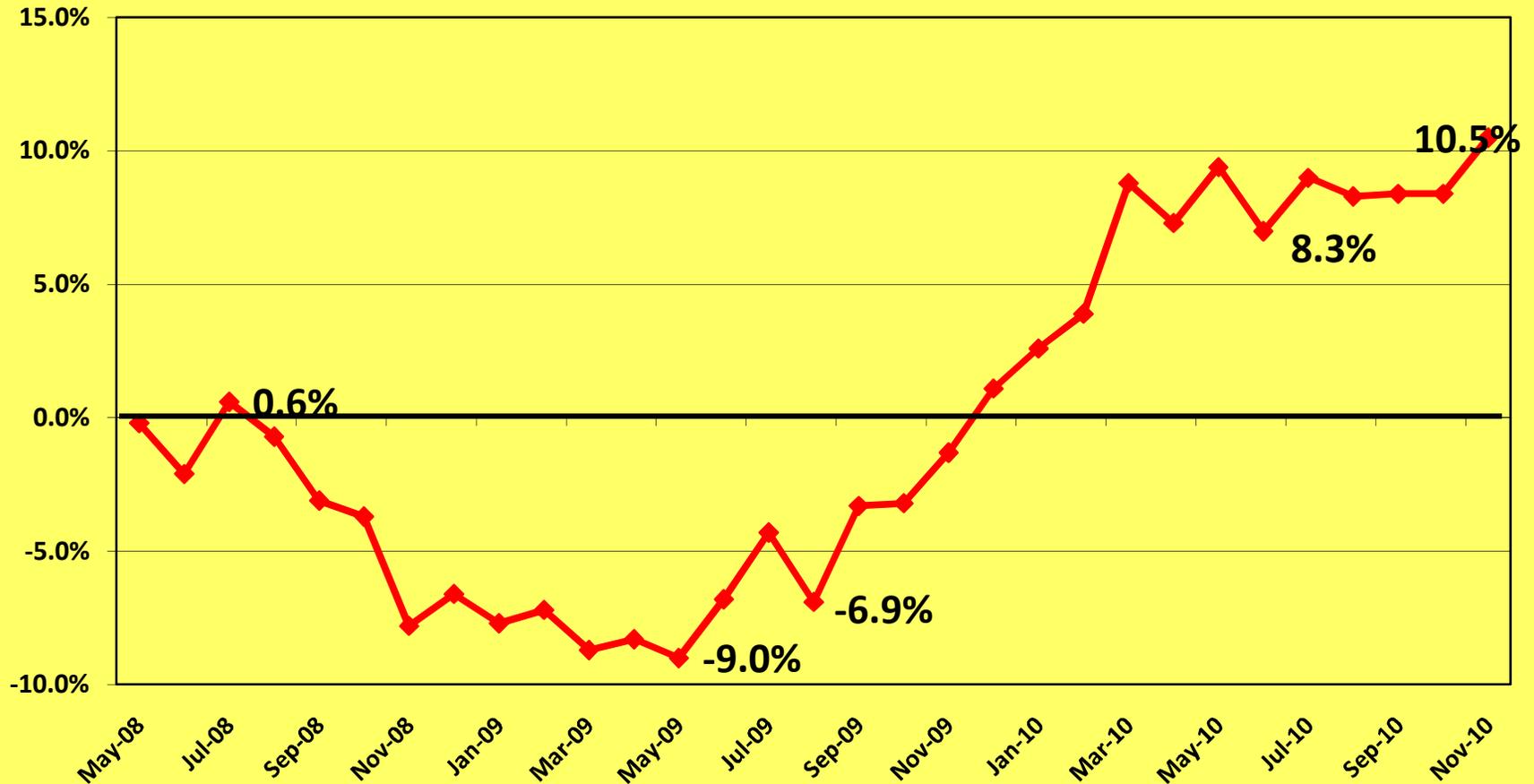


Source: U.S. Bureau of Economic Analysis



Travel Industry Performance

Smith Travel Research U.S. Room Demand Variance



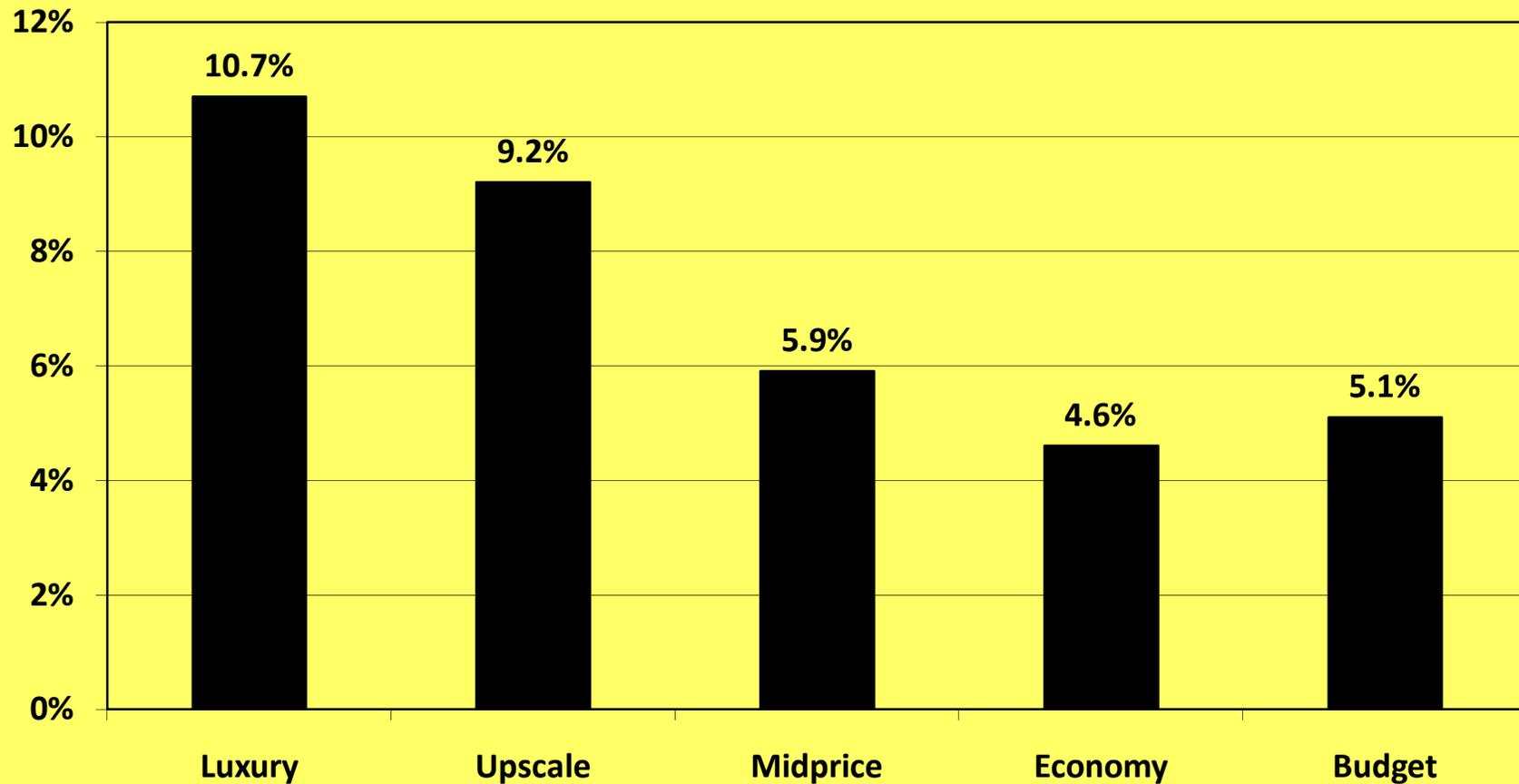
Source: Smith Travel Research

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

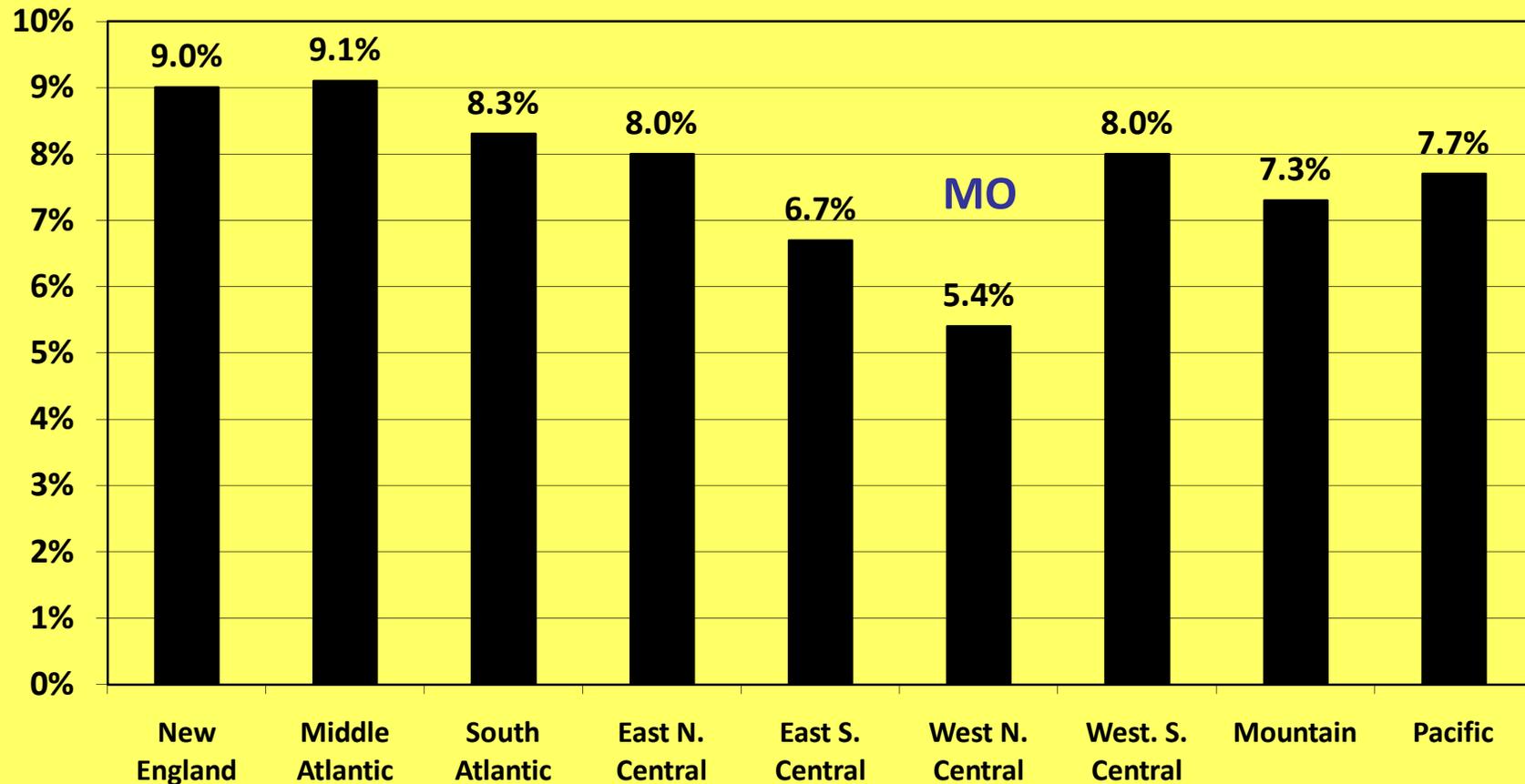
YTD through November



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

Smith Travel Research Room Demand by Region

YTD through November

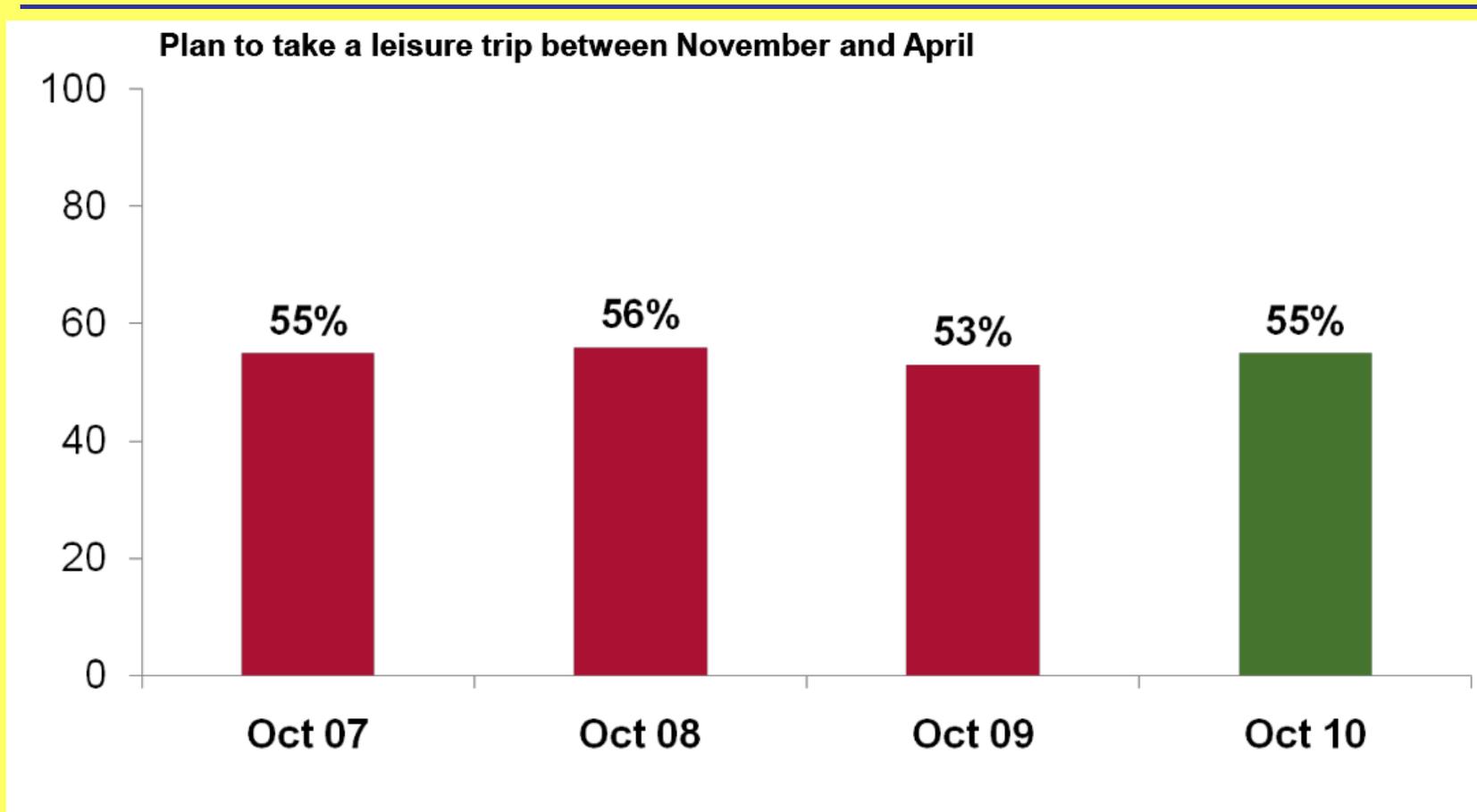


SOURCE: Smith Travel Research data for the USA as a whole

Travel Industry 2011 Outlook

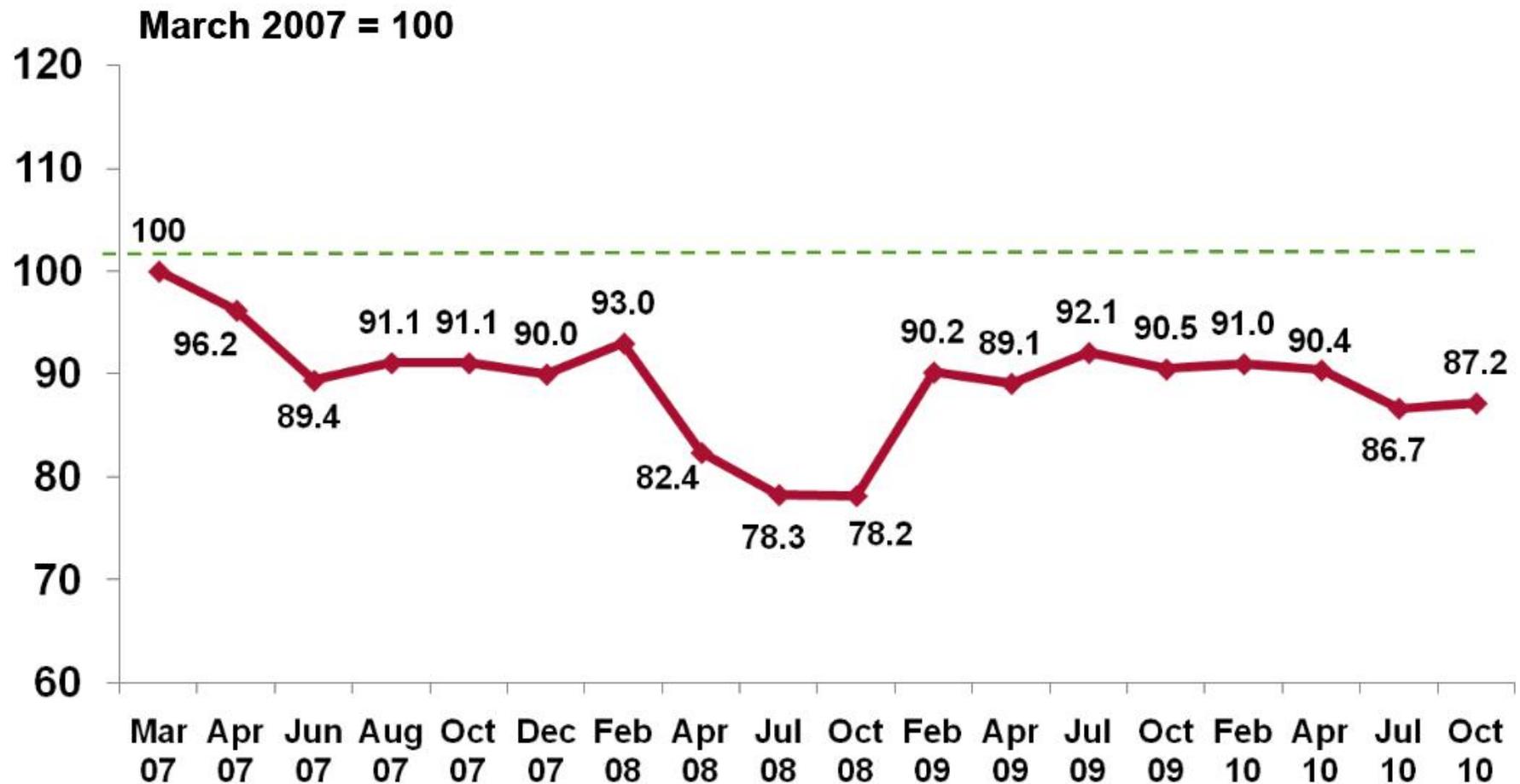


Leisure Travel Intentions for Next Six Months Up Modestly



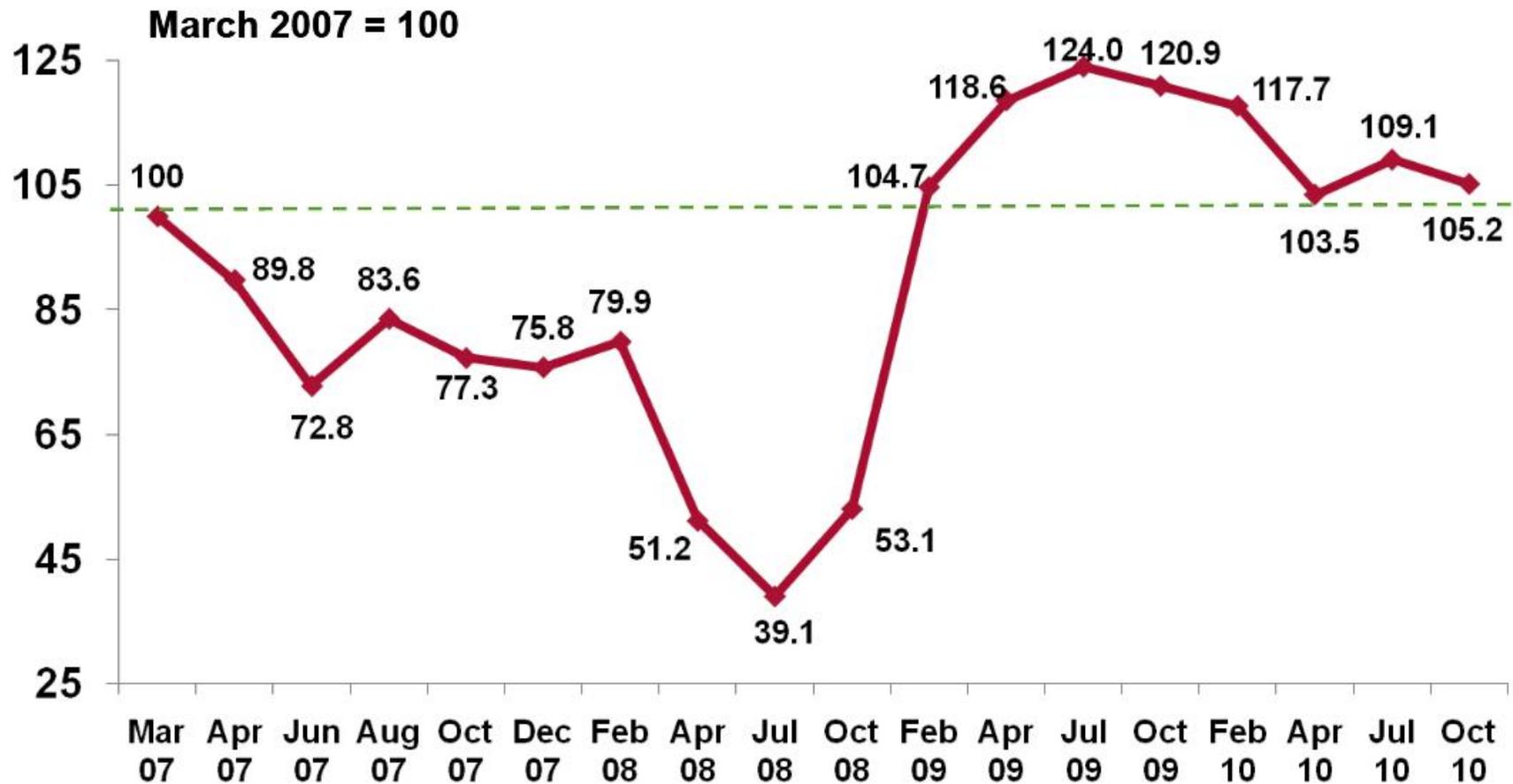
Source: U.S. Travel Association/Ypartnership, *travelhorizons*™

Traveler Sentiment Index

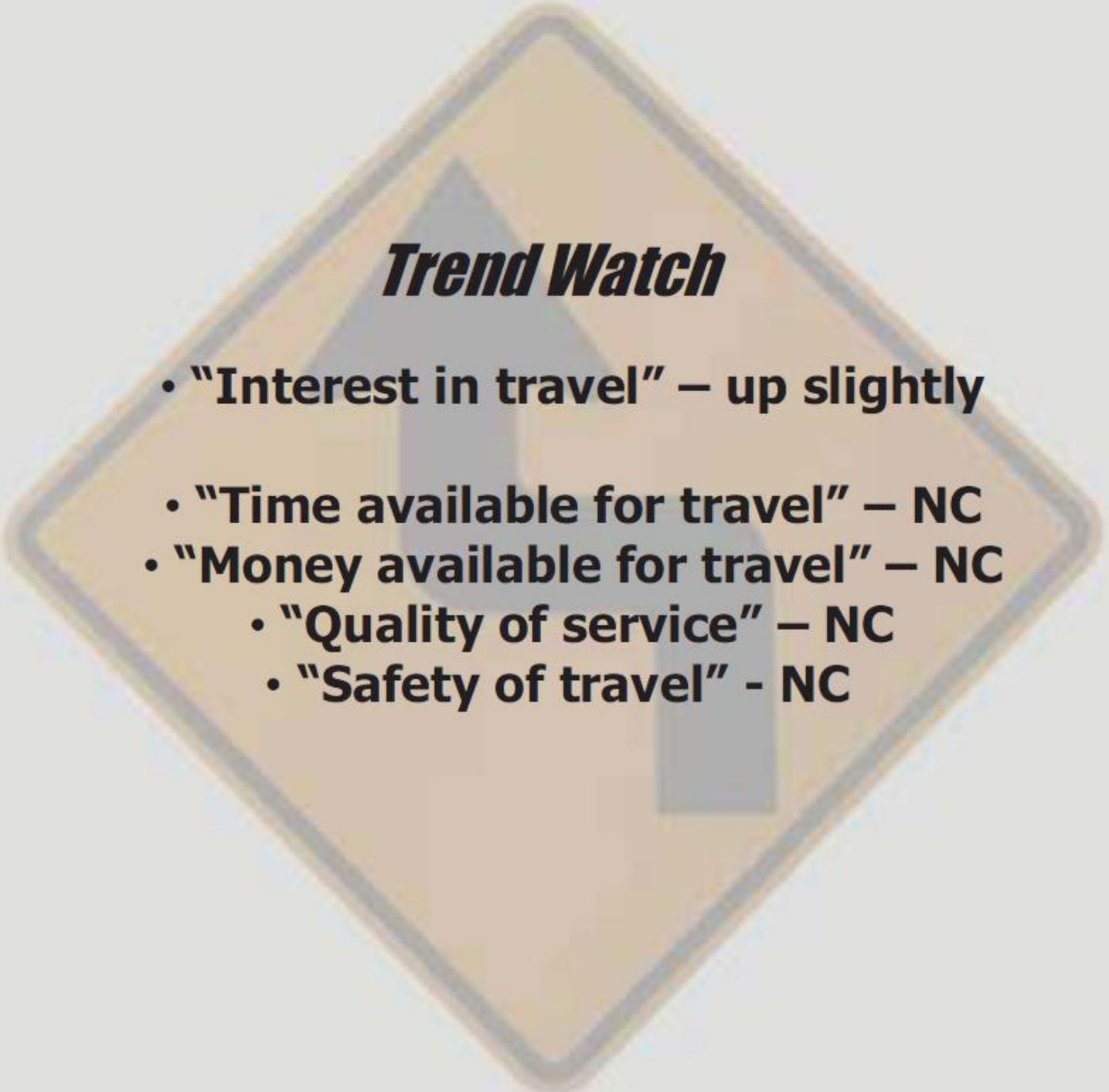


Source: U.S. Travel Association/Ypartnership, *travelhorizons*™

“Affordability of Travel” Still Positive, But... *It's Down 16 Points from Last Year*



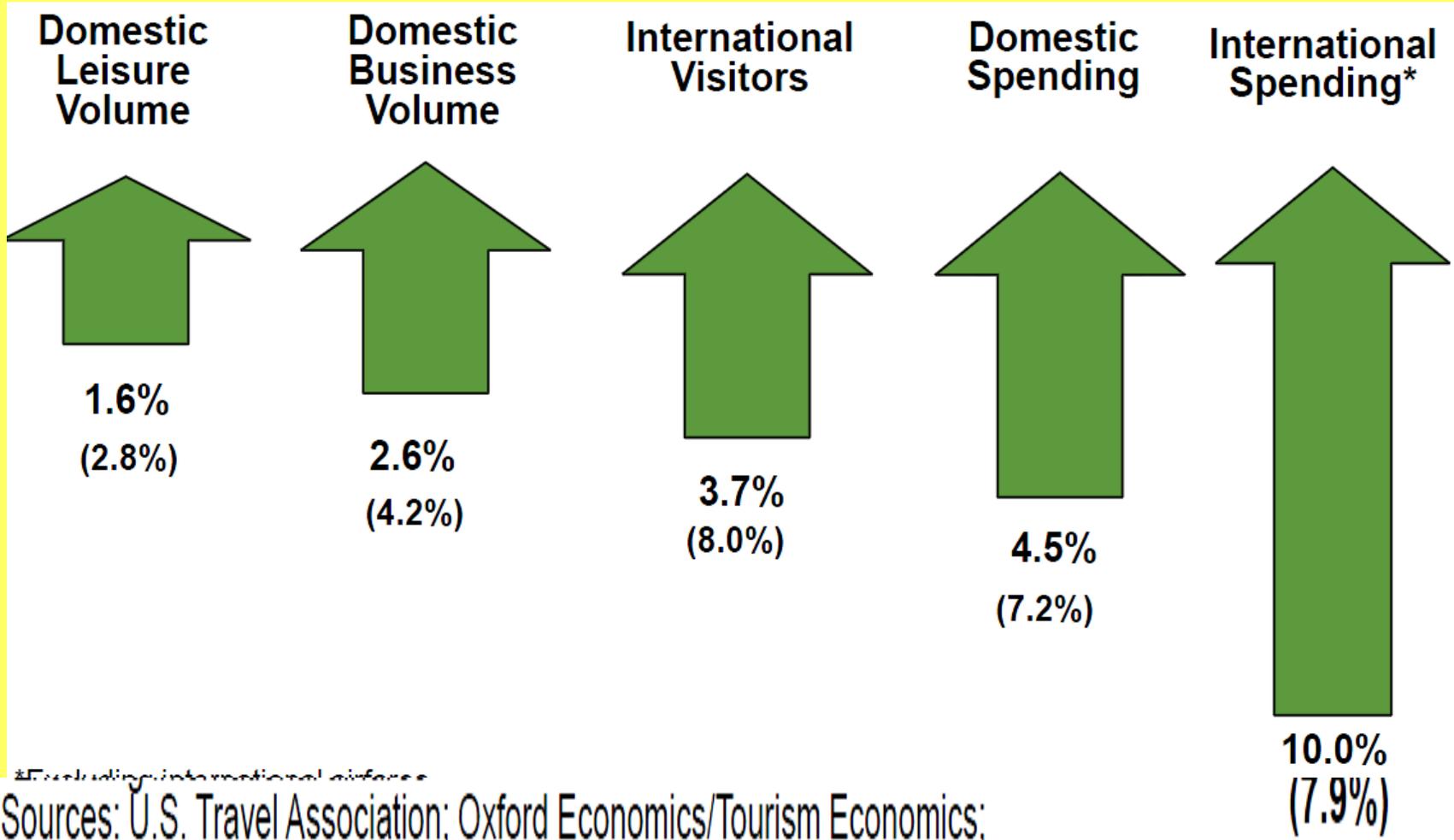
Source: U.S. Travel Association/Ypartnership, *travelhorizons*™



Trend Watch

- **“Interest in travel” – up slightly**
- **“Time available for travel” – NC**
- **“Money available for travel” – NC**
 - **“Quality of service” – NC**
 - **“Safety of travel” - NC**

Sustained, But Slow Growth Expected in 2011



*Excluding international airfares

Sources: U.S. Travel Association; Oxford Economics/Tourism Economics;
U.S. Department of Commerce-Office of Travel and Tourism Industries

Opportunities Exist to Entice Over 49 Million “Not Sures” to Travel for Leisure



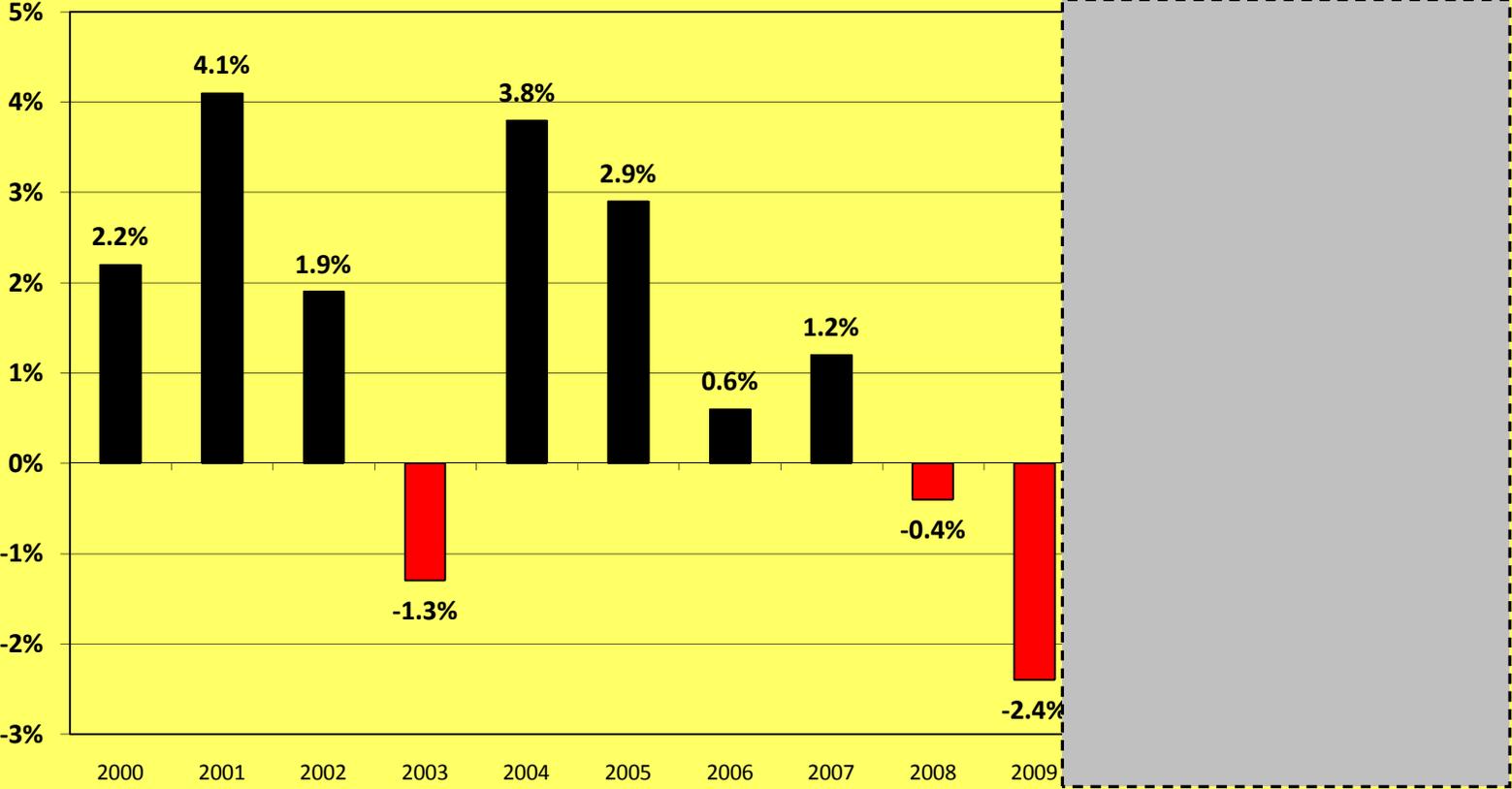
Source: U.S. Travel Association/Ypartnership, *travelhorizons*™, October 2010

According to the U.S. Travel Association, **travel prices increased 4.2%** in 2010 and **leisure trips increased 2.8%** while business travel improved by **4.2%**.



Leisure Trip Forecast

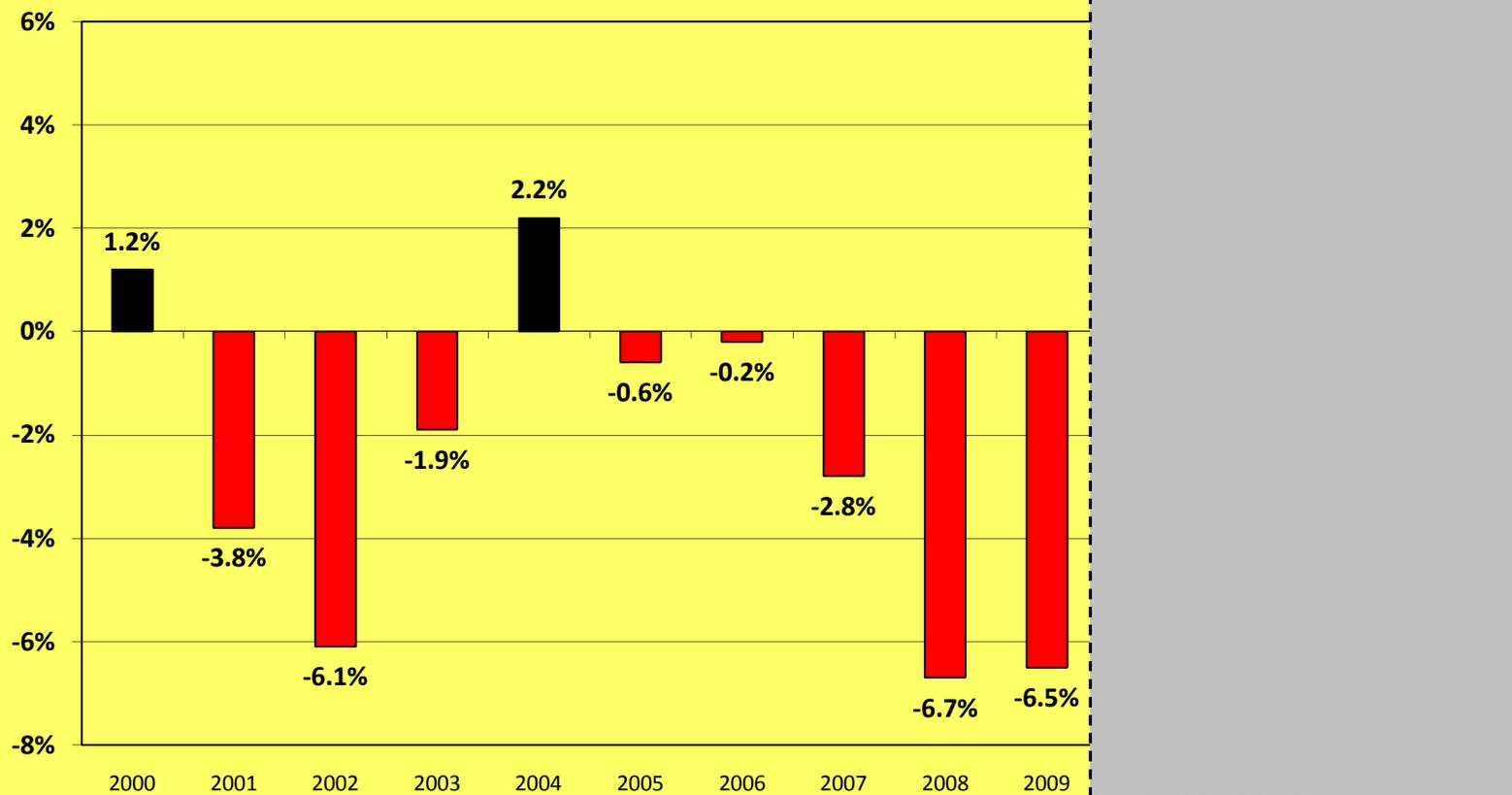
Industry experts expected leisure trips to rebound (+2.8%) in 2010, but experience somewhat slower growth in 2011 (+1.6%).



SOURCE: U.S. Travel Association; USTA.org

Business Trip Forecast

Business travel posted its first increase in six years in 2010 (+4.2%) and is expected to continue moderate growth for the foreseeable future.



SOURCE: U.S. Travel Association; USTA.org

2011—Above Water?



What to Expect in 2011?

- 2010 was better than 2009, but growth rate may slow in 2011.
- Corporate/consumer anxiety and conservatism may prevail, resulting in reluctance to add jobs and spend money.
- Domestic travel will increase modestly, but **business travel is expected to continue to out-perform leisure travel.**
- High unemployment keeps a bit of a lid on consumer spending and constrains near-term leisure growth.
- **Top-down recovery for lodging industry; rates will strengthen in 2011.**
- Welcomed improvement, but do not confuse this with a return to “normal.”

Branson's 2011 Projection



+2.0%

Branson Update



CY 2010
Branson
performance
update

2010 Overview



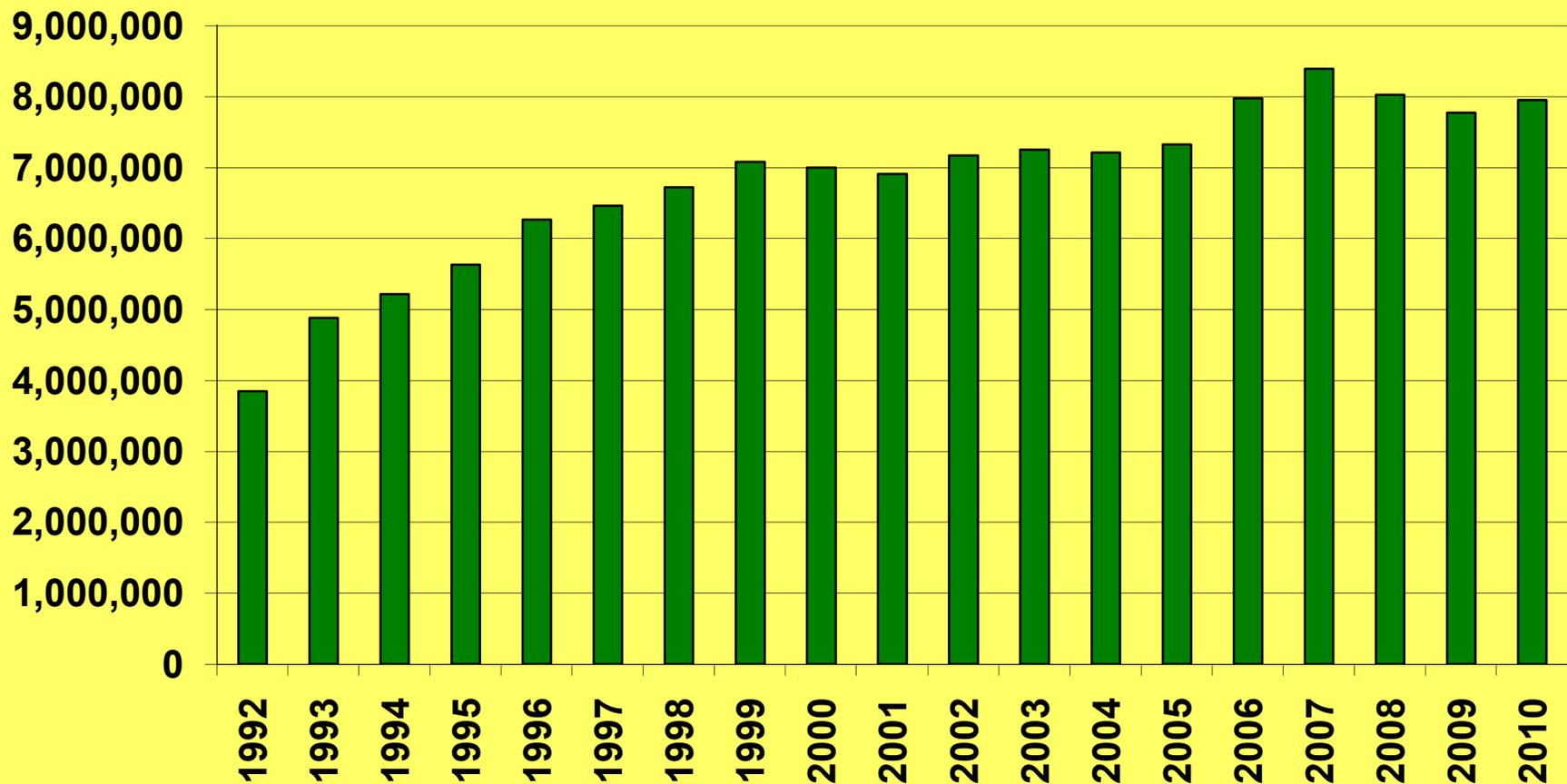
After two years of mild decline in 2008-2009, tourism visitation was up 2.0% in 2010 – *certainly not ideal*, but better than many destinations in the recent economic climate.



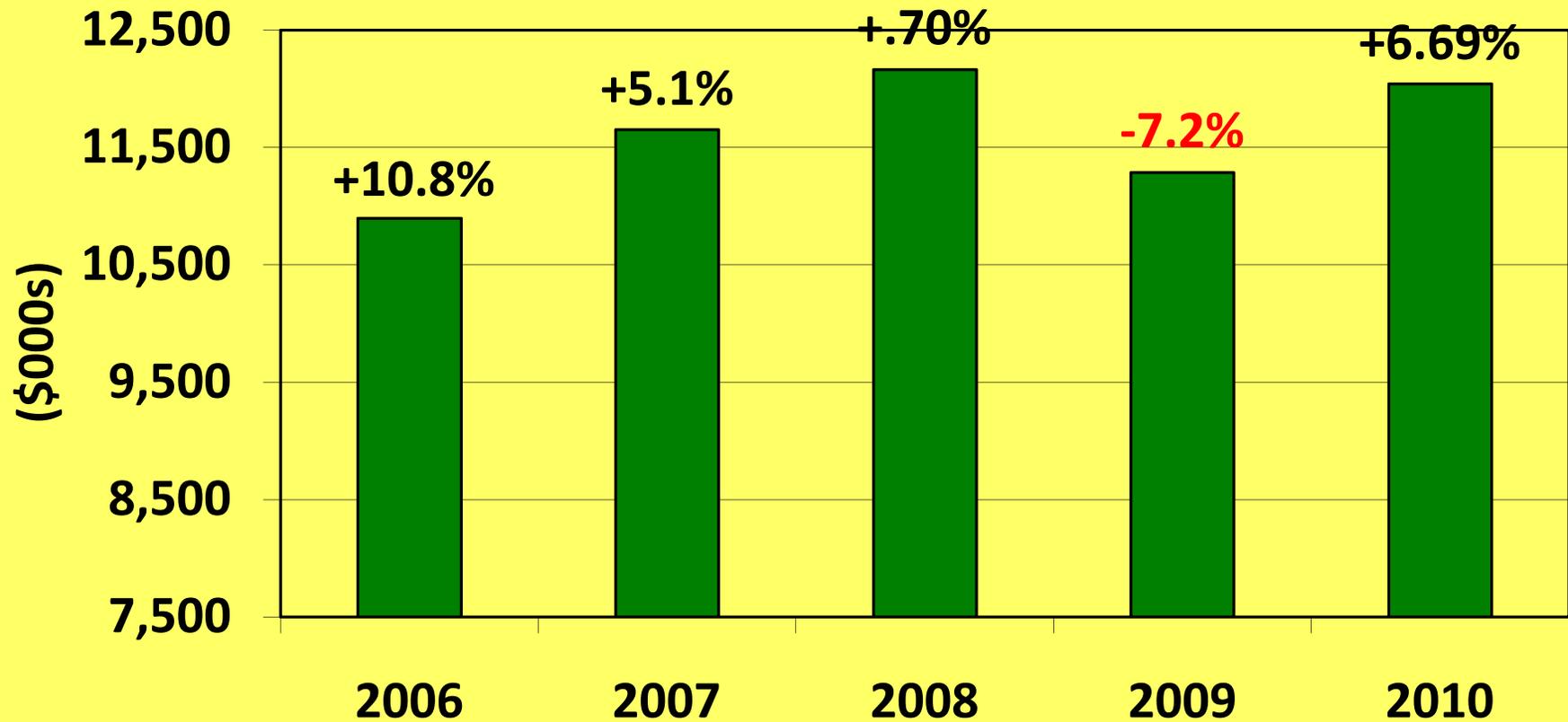
Overall Visitation Year-End 2006-2010



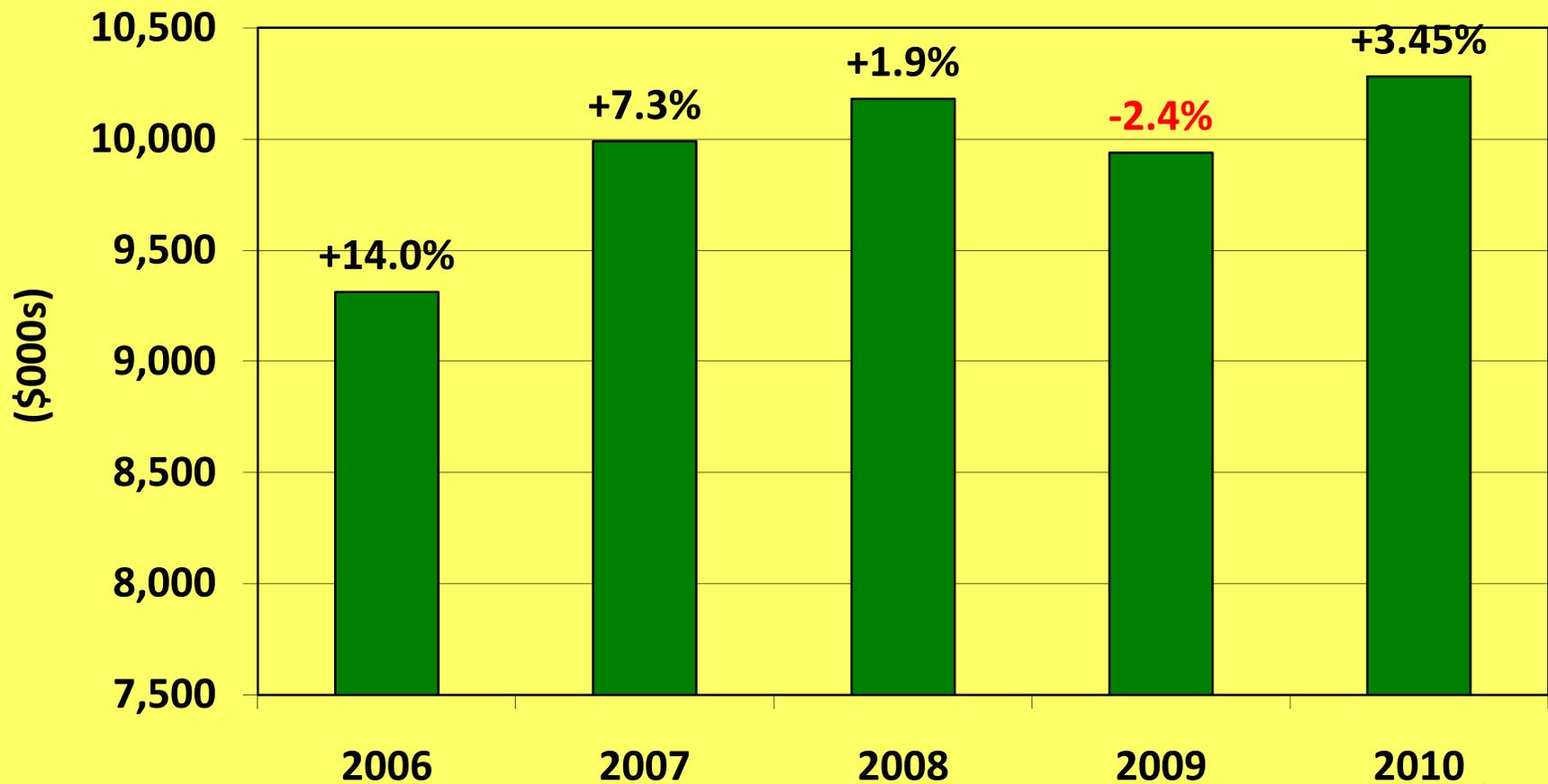
History of Branson Visitation 1991 - 2010



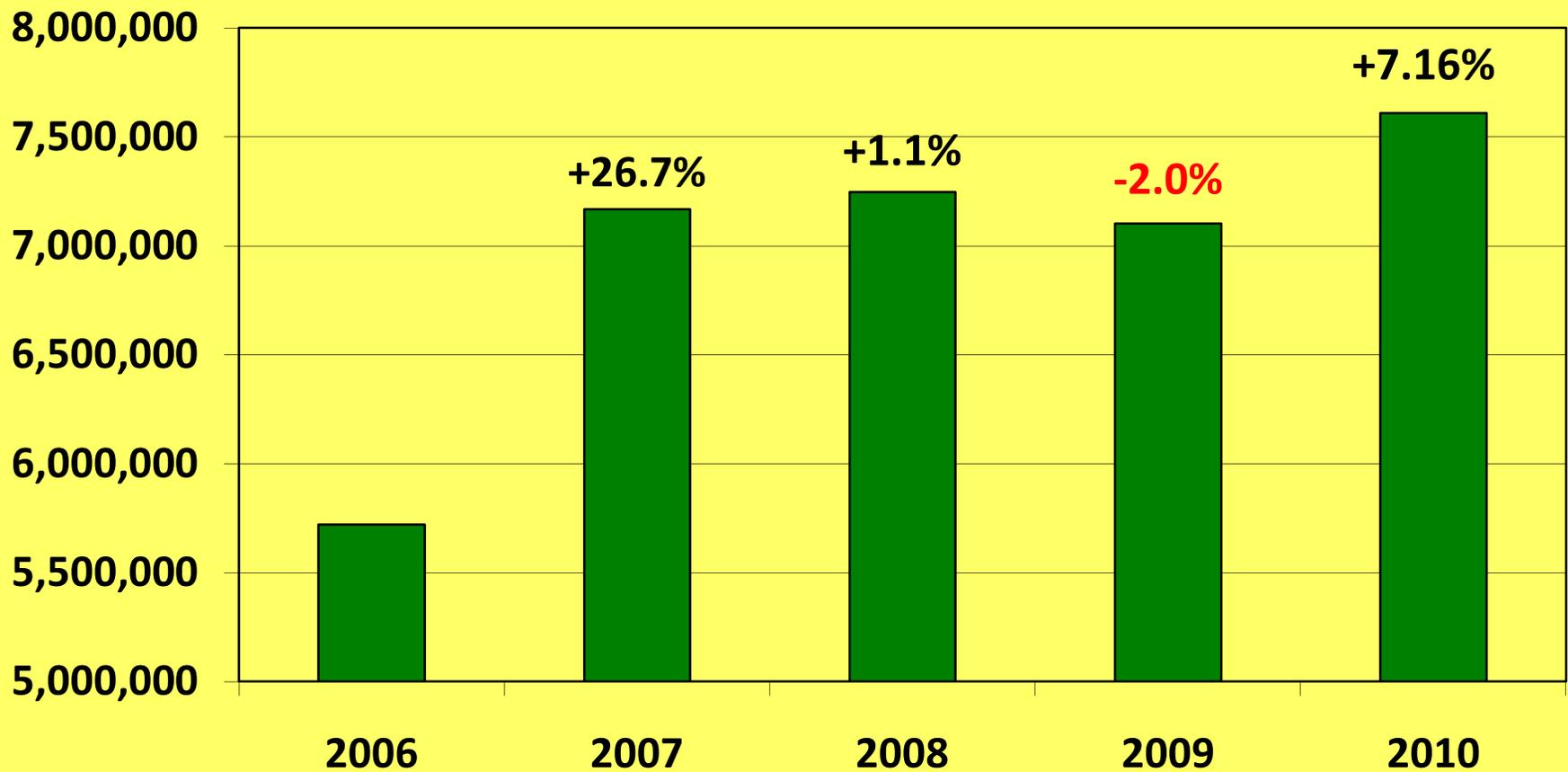
City of Branson Tourism Tax 2006-2010



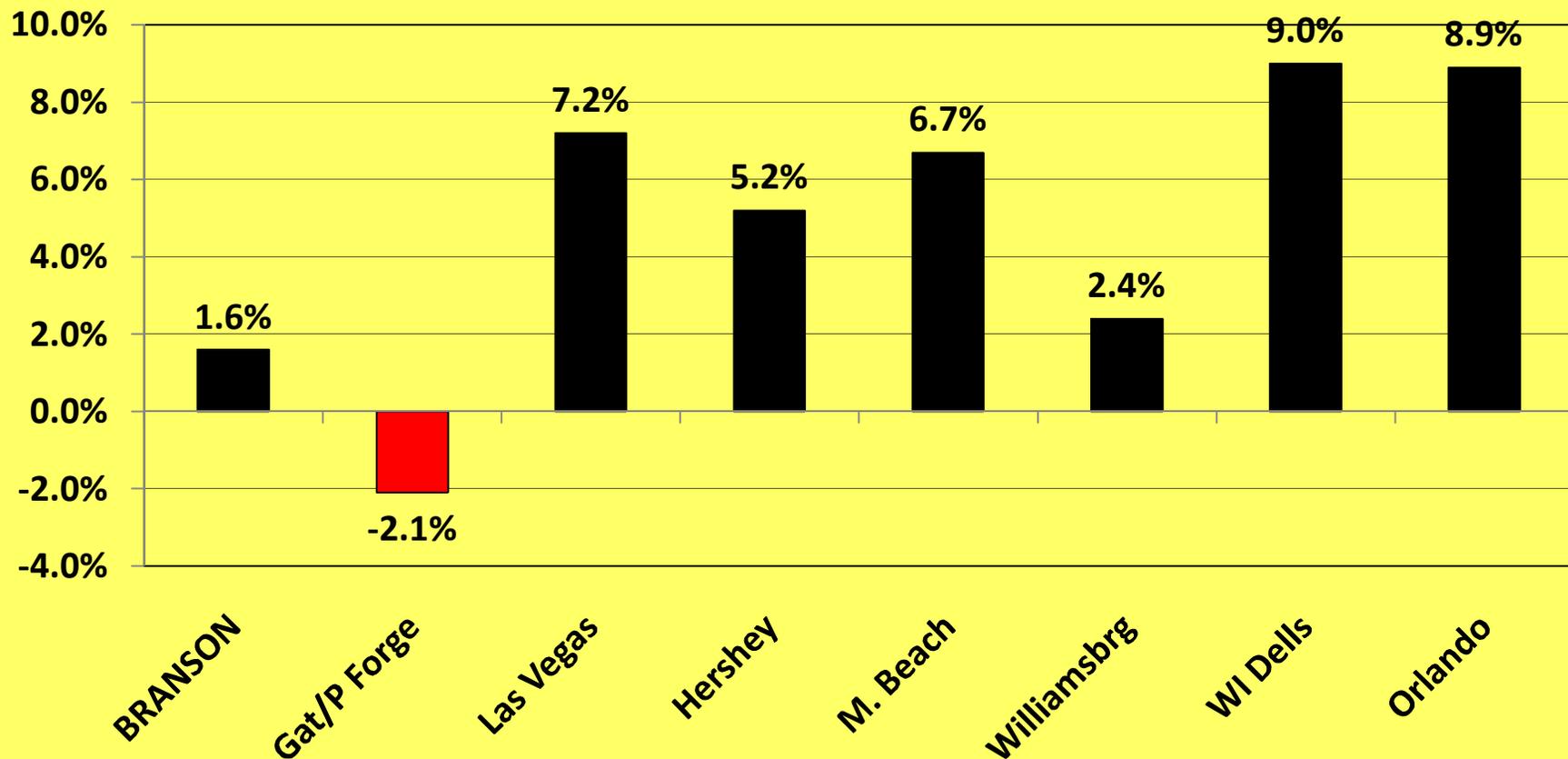
City of Branson Sales Tax 2006-2010



TCED Tourism Tax 2006-2010

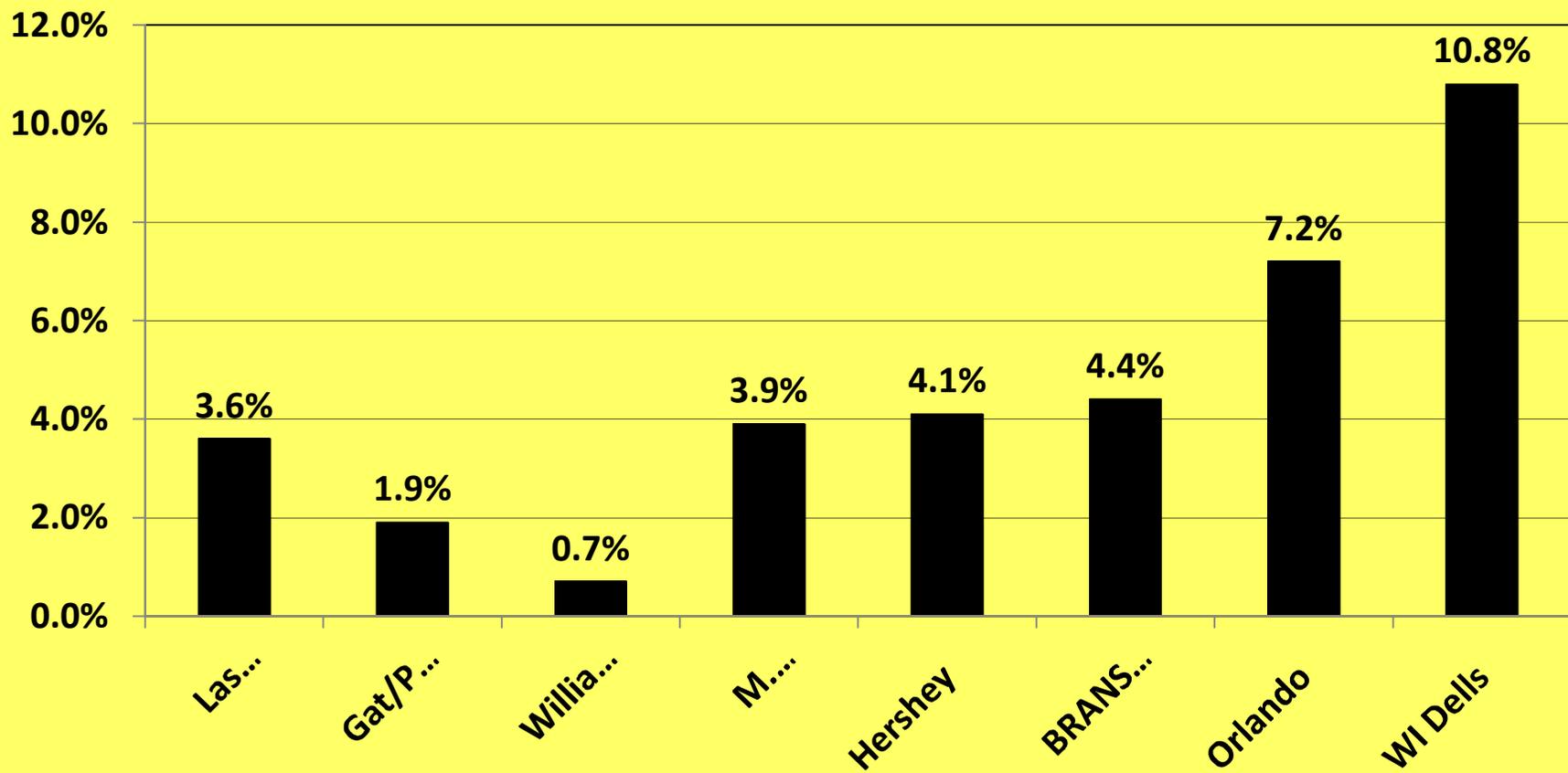


Comparative Destinations 2010 Room Demand Variance



Source: Smith Travel Research

Comparative Destinations 2010 Room Revenue



Source: Smith Travel Research

Branson 2010

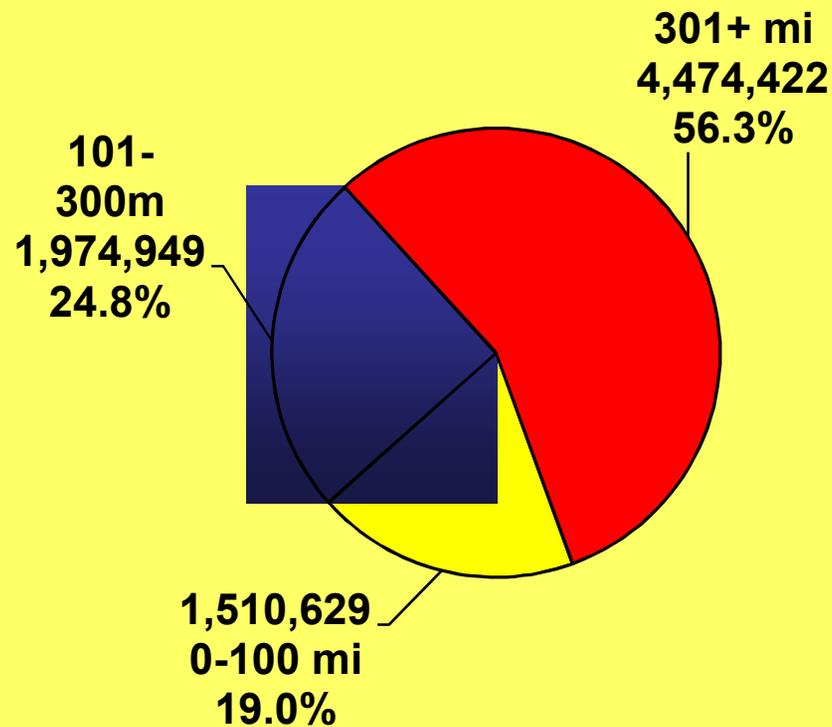


What else do we

know about

2010?

YE 2010 Visitation by Distance



Source: BLACC/CVB Research Committee;
Marketsource Research Center

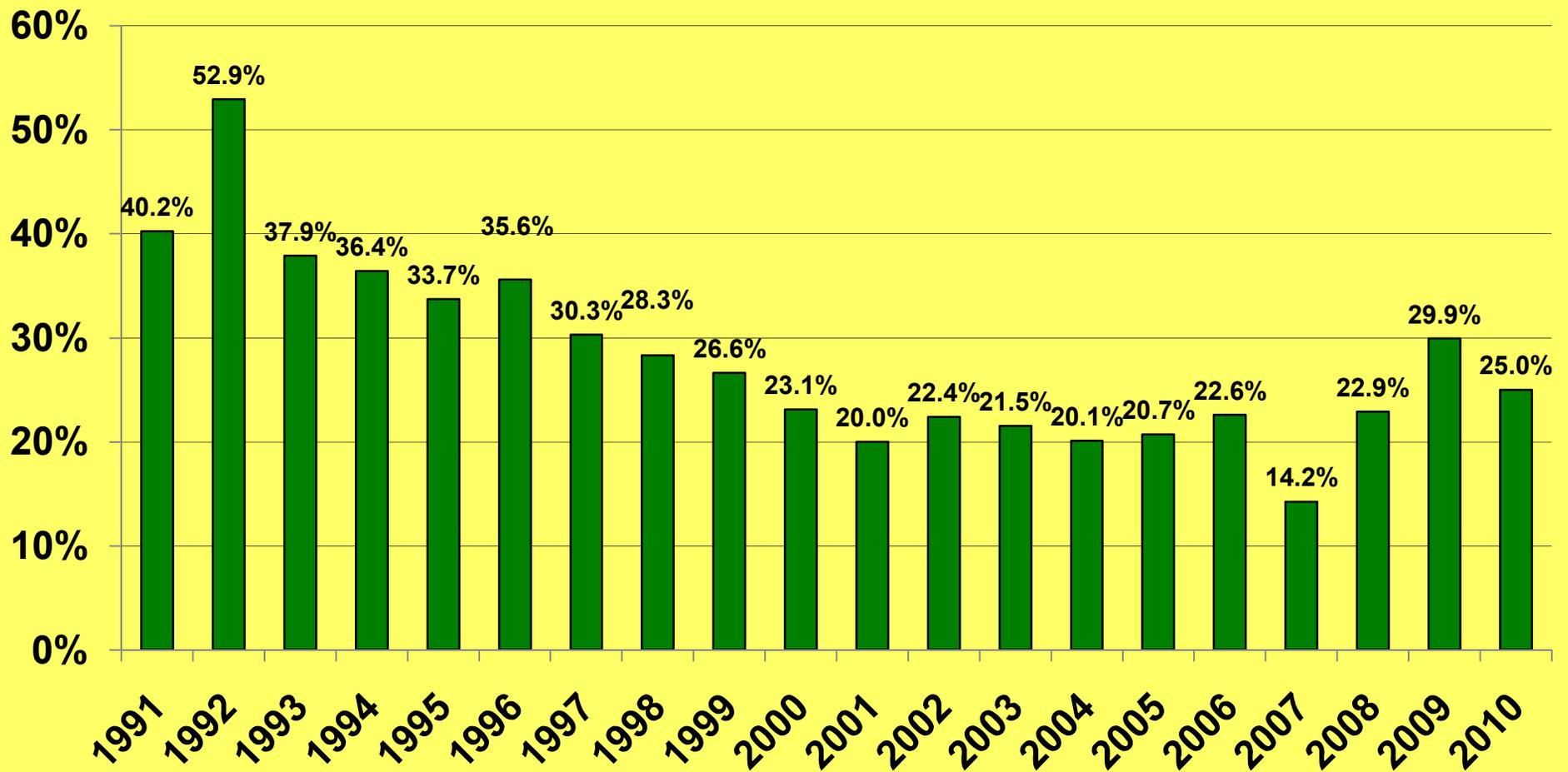
2010 By Market



Core Markets (0-100 mi.)	+37%
Primary Markets (101-300 mi.)	-1%
Outer Markets (301-650 mi.)	-4%
National Markets (650+ mi.)	-4%
OVERALL VISITATION	+2%



First-Time Visitation 1991 - 2010

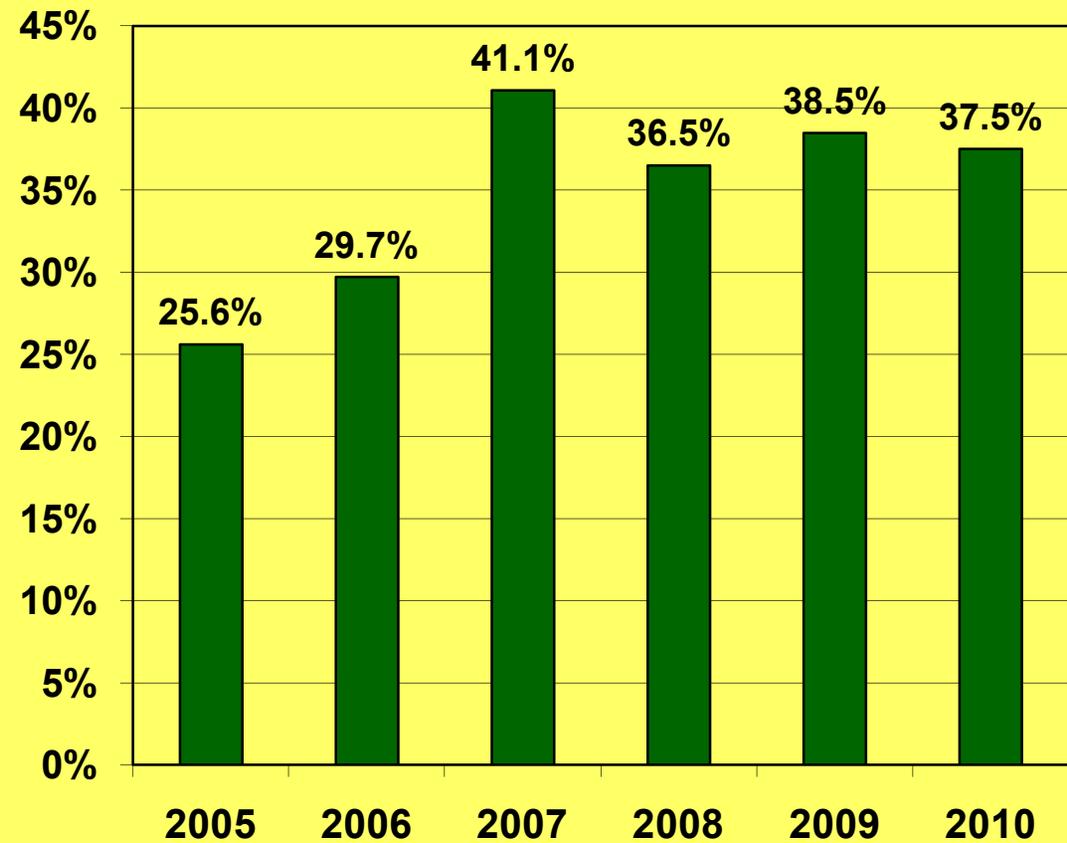
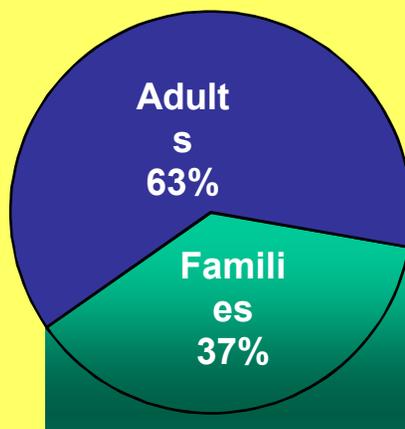


Visitor Composition



Family visitation remains at one of the highest percentages in recent history.

Branson

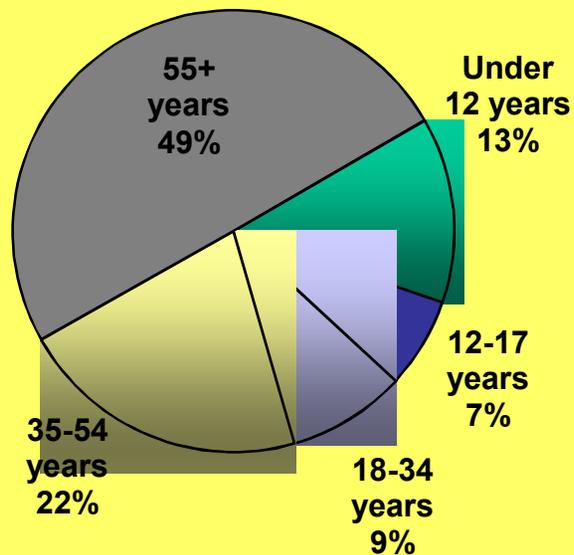


Average Age of *Adult* Visitors: 56.7 yrs. vs. 57 yrs. in 2009

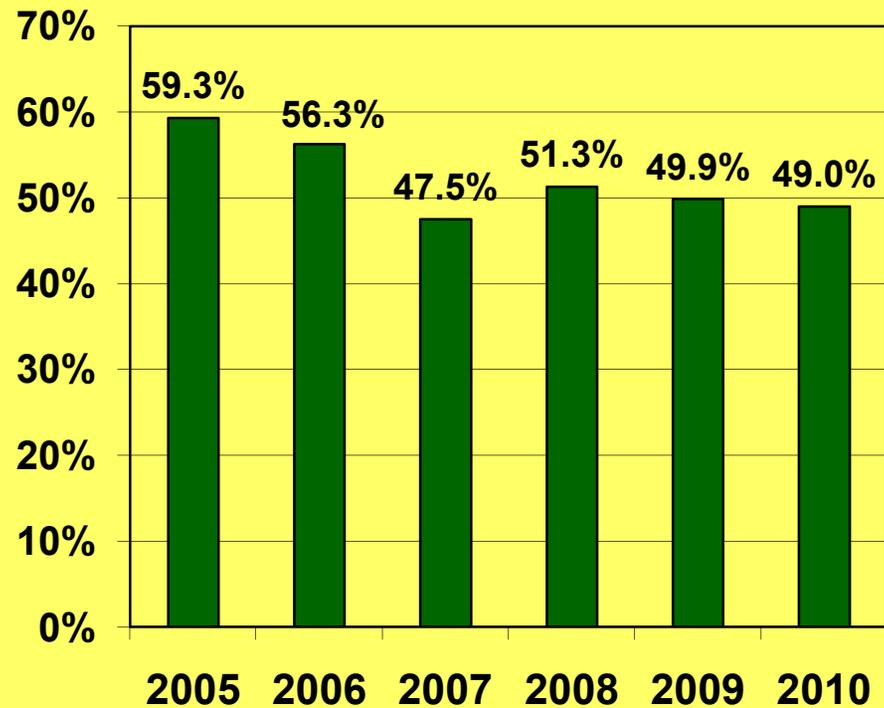


Fewer than half of Branson's visitors are over 55 years of age, a slight decrease compared to 2009.

Branson



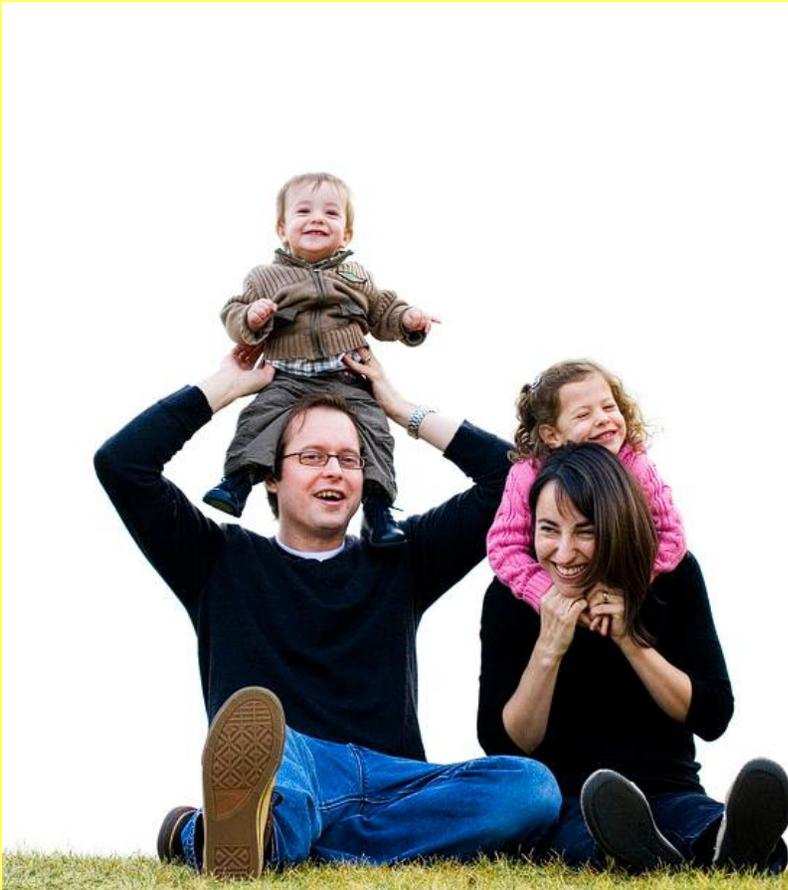
History of % Over 55 Years



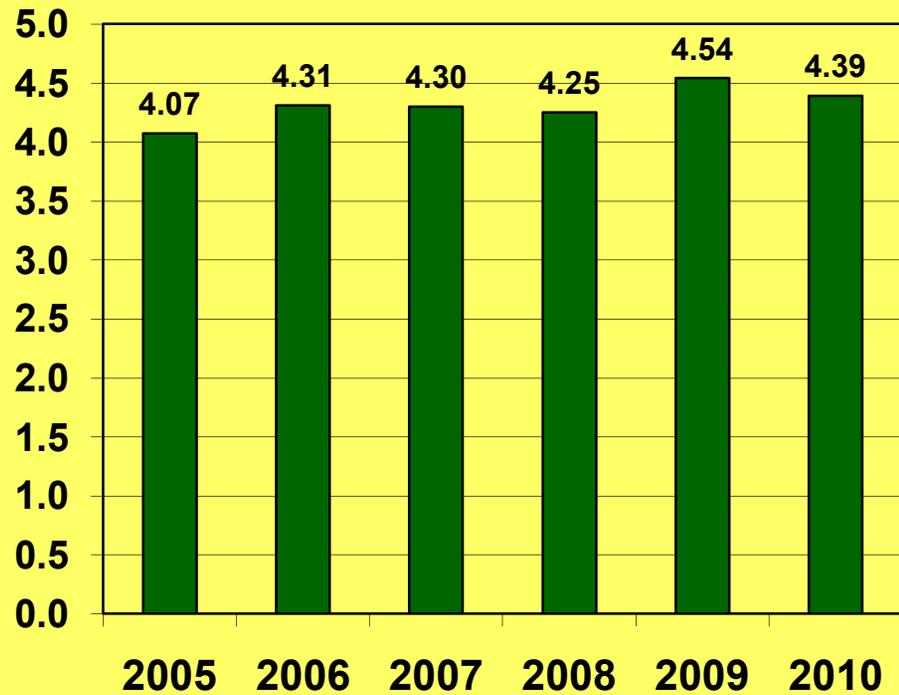
Length of Stay



Visitors stayed an average of 4.39 nights in Branson this year, slightly down from 2009.



Average Length of Stay



Spending Per Party



Spending decreased more than \$70 per party, however, since size of party also decreased, spending per person and spending per person per day both increased.

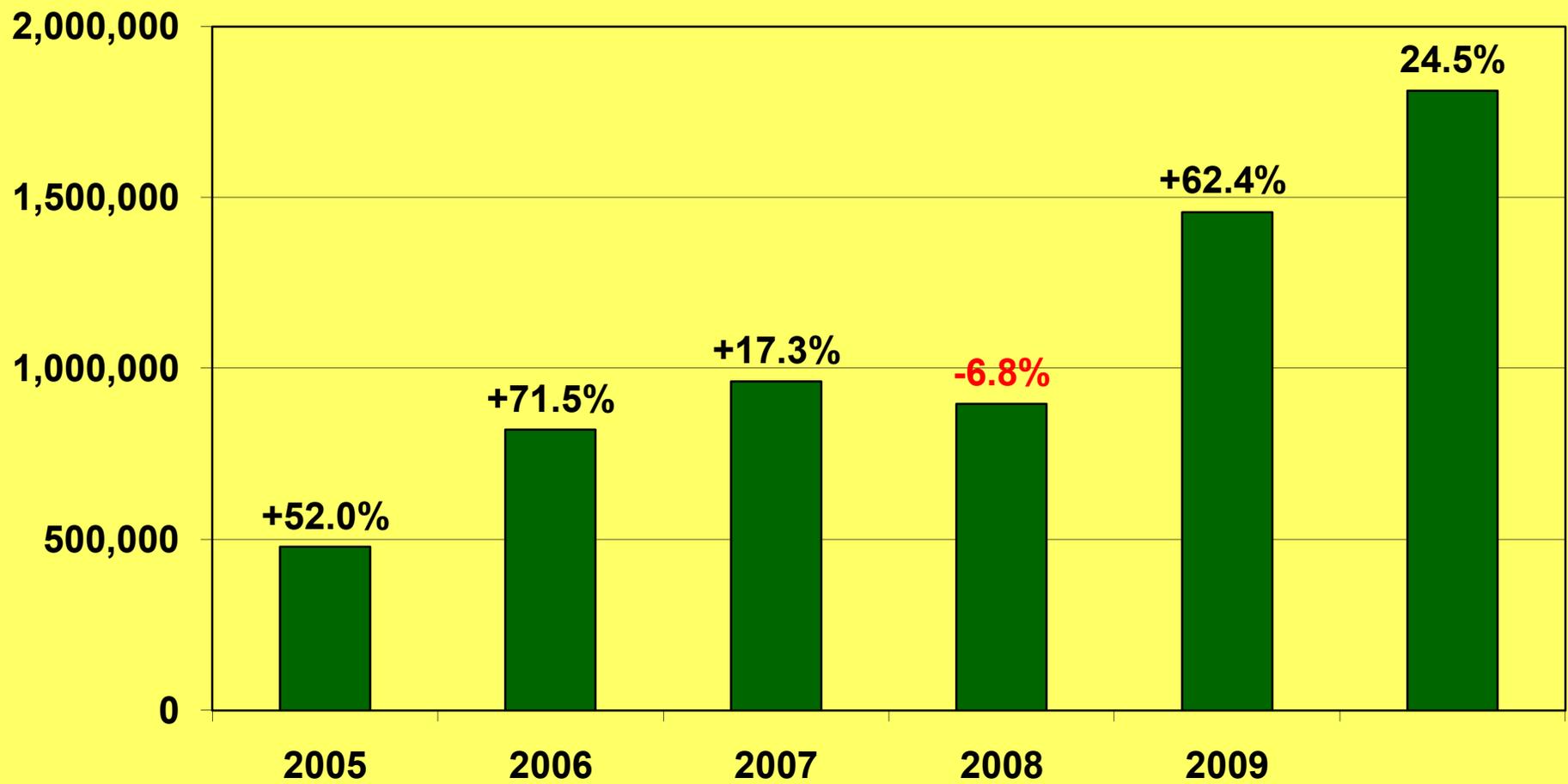


2010 Ad Effectiveness Study: J. Henry Associates



” **Net incremental spending/ROI:** The net dollars generated from Branson's television campaign (would not have occurred without the ads) was estimated at \$186 million, **an ROI of \$54 in incremental visitor revenue for every \$1 invested in media.** Cost per aware household was \$.16; \$1.00 is considered good.

2010 Web Inquiries



Web Highlights YE 2010



- “ 1.8M total visits (+24.5%)
- “ 10.5M total pages viewed
- “ 5:18 minutes average time on site
- “ 71% new visitors
- “ **1.65M outbound clicks to Branson businesses**



2010 Ad Effectiveness Study: J. Henry Associates



Top-of-mind awareness: Branson has very high top-of-mind awareness nationwide -- of those familiar with destination travel ads and PR efforts, **Branson ranked at *fourth* overall...** behind only Las Vegas, Florida and Disney World (and before any mention of Branson).



2010

Public Relations Highlights



- “ **KSTP-TV Minneapolis-St. Paul** with “On the Road” show
- “ **Society of American Travel Writers (SATW)** Central States Chapter conference (80 journalists) in Kansas City
- “ **JIM BOHANNON**’s 3-hour live radio show from Dick Clark’s American Bandstand Theatre featured Peter Herschend, celebrating 50 years of Silver Dollar City, and Branson stars.
- “ **2010 AFCI LOCATION SHOW** in **Santa Monica, CA**, to promote film and video locations in the Branson area.
- “ **Silver Dollar City’s 50th Birthday!**
- “ **Assoc. of Great Lakes Outdoor Writers (AGLOW) *Cast and Blast*** mega-media event May 4-7; twenty writers enjoyed fishing, turkey hunting and our Ozark Mountain hospitality. **We secured the AGLOW annual convention for 2013.**
- “ **Tri-States (AR, TN, MS) Press Association** in Tunica.

2010

Public Relations Highlights



- “ Tryouts for **David Letterman’s Late Show Stupid Human/Pet Tricks** were held for the third year at Branson Landing.
- “ **FOX & Friends** featured two live cut-ins from **%Americas\$ Hometown+** on July 4, Missouri.
- “ Launched a solid **social media plan** with MMG Worldwide in August on Facebook, Twitter and a new site for our blog.
- “ **Geiger and Associates** brought a fam tour in September 22-26; there were three **%acks+available**: 1.) Authentic Ozarks: Arts and Crafts; 2.) Shows, Shows, Shows; and 3.) Outdoor Adventures in the Ozarks.
- “ **Buffalo Communications** from Washington, DC brought us a golf-lifestyle fam tour of 8 journalists Oct. 6-10.
- “ **Veterans’ Homecoming** week had FOX and Friends cut-ins from Silver Dollar City featuring Larry Gatlin and visiting veterans from across the nation.

2010

Public Relations Highlights



- “ Branson hosted the **North American Mature Publishers Assoc.** for their annual convention in November.
- “ Travel Channel rebroadcast “**Most Christmassy Places in America**” several more times throughout December (third year).
- “ **Many Branson entertainers appeared on morning TV shows spring, summer and fall** in our primary/airport markets
- “ Branson has been mentioned in numerous news publications with regard to ***Winter’s Bone*** nationwide release and nominations for Academy Awards
- “ First-ever **National 4-H Film Festival** will be held in Branson, AUG 1-3, 2011, with 16 states signed up to participate. They are committed to Branson for three years and anticipate 50 states being a part of 2012.
- “ Hosting a 30-min. monthly call-in radio show, ***Boomer News and Views***, on **KWTO-AM**, talking about what’s going on in Branson.

Public Relations: Fam Tours and Ad Equivalency Values



	2006	2007	2008	2009	2010
Media Fams	--	252	243	482	241
Press Requests	--	363	451	485	418
Ad Equivalency	\$7.1M	\$7.9M	\$13.2M	\$19.8M	\$10.1M

Public Relations: Ad Equivalency Values



Although still strong, PR Ad Equivalency tracked considerably lower than in 2009 (\$10.1 M vs. \$19.8M) primarily due to:

- “ Less TV coverage (election year, Gulf oil spill, *no* Al Roker)
- “ Nationwide changes in **print media** staffing, readership
- “ Lack of meaningful monetization of online media exposure



2010 Meetings & Conventions



- “ Hosted 3 FAM tours with 22 meeting planners in attendance; conducted 90 individual site tours of the Branson area for future convention business.
- “ Sponsored entertainment at DMAI’s Foundation Dinner in Washington DC and sponsored the tradeshow luncheon the next day- provided live entertainment, destination video and Mayor Presley spoke on our behalf.
- “ Exhibited at 25 meeting planner tradeshows nationwide
- “ Completed 4 direct mail campaigns and 3 E-mail Blasts
- “ Placed 45 print ads in trade publications and maintained 6 on-line marketplace listings

2010 Leisure Groups



- “ **2nd Annual Travel Agent FAM** . 55 Travel Agents -- 50% first-timers
- “ **4th Annual Music Director FAM** . 45 Music Directors -- 60% first-timers
- “ **4th Annual Reunion Friendly Network ConFAM** . Branson only city to host this event annually
- “ **3rd Annual Branson Bound For Your Town Sales Conference** in Tulsa . Co-op with 50 Branson businesses --120 Group Travel Planners -- Trade Show and Branson Entertainment
- “ **6th Annual Military Reunion Planners Conference/FAM** . 120 Reunion Planners
- “ **Travel Alliance Partners Sales conference/FAM in Branson** . 120 VIP Tour Operators -- 62% first-timers
- “ **American Bus Association Spring Board Meeting in Branson** . 60 VIP Tour Operators from US and Canada . 65% first-timers
- “ **7th Annual American Bus Association/Branson Show & Luncheon** in Philadelphia -- 50 Branson Sponsors hosted the event for 2,500 VIP tour operators and industry group professionals

2010 Leisure Groups



- “ **Participated in 25 Trade Shows, Sales Conferences and Marketplaces** throughout the US and Canada
- “ **Sent bimonthly e-newsletter “The Branson Buzz+”** to 9,000 Leisure Group Travel Planners in Group Sales Database selling Branson shows, attractions, lodging, lakes, shopping, events, travel packagers and more
- “ **Sent monthly e-mail blasts through MailPound & eMarketing** to 80,000 tour operators, travel agents and group leaders promoting Branson and its many offerings to groups
- “ **Placed 47 Print Ads in national publications targeted to** Affinity/Motorcoach Groups, Student & Youth Groups, Travel Agents, Family Reunions, Military Reunions and Wedding Groups.

2011 Branson Media Strategy



- “ **NATIONAL (Cable TV, Web, PR): Create/maintain broad demand for Branson brand as *national* destination – covers all DMA’s in the U.S.**
- “ **PRIMARY MARKETS (TV, Radio, Web, Print, PR): Maintain/create demand in *regional* drive markets – Kansas City, St. Louis, Little Rock, Tulsa, Ft. Smith, Oklahoma City**
- “ **CORE MARKETS (TV, Radio, Web, Print, PR): Encourage *local* visitation during Ozark Mountain Christmas/Winter – Springfield and Joplin**
- “ **OPPORTUNITY MARKETS: Respond specifically to current economic and industry trends**

2011 Media Budget



	<u>2011</u>
TOTAL MEDIA EXPENDITURES	\$6,249,482
. Television (65%)	\$4,069,972
. Web (12%)	\$ 750,000
. Print/Outdoor (3.2%)	\$ 200,000
. Radio/Other (0.4%)	\$ 22,500
. Table Rock Project (5%)	\$ 307,010
. Special Project TBD (9.6%)	\$ 600,000
SUBTOTAL MEDIA (95.2%)	\$5,949,482
. Creative/Licensing(4.8%)	\$ 300,000
TOTAL	\$6,249,482

2006-2010 Opportunity Markets



- “ 2006-2007: Dallas and Chicago
 - . Applied additional resources to new W35+ PRIZM T\$ + S\$

- “ 2008: Cedar Rapids, Des Moines, Lincoln, Omaha, Shreveport and Champaign
 - . High gas prices/closer-to-home vacationers/weather issues

- “ 2009-2010: Co-op television in strong drive markets with new low-cost airfares
 - . Minneapolis, Dallas, and Milwaukee

- “ 2010: (1) Support Fall with National/Spot Campaign (2) Co-op television in strong drive markets with new low-cost airfares -- Shreveport, Des Moines

2011 Branson Media Strategy



2011 OPPORTUNITY MARKETS:

- (1) Specifically, target additional spot television in 4-5 markets between 300-650 miles identified by 2010 Branson Potential Market Study by J. Henry & Associates**
- (2) Participate in co-op television project with community businesses to promote both drive and air visitation from the Chicago DMA (1.2M households interested in visiting Branson) and possibly Houston in conjunction with announcement of non-stop AirTran service directly into Branson**

	Interest in Visiting	% Have Visited	Opinion of Branson	% NV Would Consider	MARKET SCORE
Paducah	48.0%	24.8%	57.6%	87.2%	151.4
Wichita	64.1%	32.9%	73.5%	83.7%	133.9
Peoria	52.1%	22.1%	51.0%	72.6%	131.6
Wichita Falls	56.2%	17.5%	54.4%	68.2%	107.7
Lincoln	47.6%	20.5%	60.7%	87.6%	91.8
Oklahoma City	50.7%	30.1%	53.6%	80.4%	77.1
Shreveport	52.4%	20.9%	60.5%	80.0%	69.1
Omaha	38.8%	25.3%	50.6%	70.3%	64.2
Dallas	42.6%	17.5%	52.3%	73.2%	63.4
Tyler TX	43.4%	18.1%	52.4%	81.4%	52.1
Test 27 Markets	37.9%	12.8%	42.1%	66.6%	25.9
<i>AVERAGE Core 7 Markets</i>	63.5%	55.1%	74.2%	83.8%	454.5

2011 Media Plan



- “\$2.5 M National Cable TV flights on focused networks
- “\$1.02M Spot TV in Core/Primary Markets (0-300 miles)
- “\$400,000 Spot TV in Opportunity Markets (300-650 miles)
- “\$250,000 (+\$250K from other source) Spot TV in Chicago
- “\$307,000 in co-op television/web campaign in primary markets with Table Rock Lake Chamber of Commerce
- “\$750,000 in SEO and Geo-targeted Interactive Marketing
- “\$200,000 in targeted print/billboard
- “\$75,000 in Primary Market Radio/Promos (*PR Budget*)
- “**TOTAL PAID MEDIA in 2011: \$5.5M**

Branding Update



Sterling Brands has completed re-visiting of 2004 Brand Study, rethinking and updating brand strategy to more clearly position Branson as a wholesome, intimate and authentic *adult* alternative to Las Vegas, Orlando and other tourism destinations in order to appeal to Boomers, younger adults and families (by season). More clarified definition of a *Branson show* is recommended. Revised advertising approach includes more regional media focus while maintaining national presence.

2011 Strategic Plan



Execute strong brand strategy with Sterling Group (brand image), Camelot Communications (media), MMG Worldwide (web), and new creative agency (RFP) to drive new visitation to the Branson/Lakes area.



Looking ahead...



While most economic indicators are positive, it remains to be seen how strongly national markets will rebound in 2011. Folks may continue to stay closer to home, but our value and high top-of-mind awareness should help us in the freshly-targeted primary and closer outer markets. If the economy continues its rebound, we should see more visitors in 2011, particularly from within 650 miles.



A scenic view of a large blue lake with forested hills in the background and a rocky shoreline in the foreground. The text "Here's to a great 2011!" is overlaid in white.

**Here's to a great
2011!**