

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 21, 2014

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: RASHAD M. YOUNG, CITY MANAGER *for Rashad Young*

FROM: NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET *NLS*

SUBJECT: BUDGET MEMO #11: REQUEST FOR AN OVERVIEW OF ACVA MARKETING EFFORTS IN FY 15

This is in response to a request from Mayor Euille regarding ACVA marketing efforts that are funded in FY 2015 and where ACVA is advertising.

Of the \$3.2 million in ACVA's FY 2015 proposed budget, \$1.62 million, or around 51%, is devoted to advertising. The composition of advertising is shown in the table below:

Advertising Type	Description	Share
Destination Advertising	To attract overnight visitors from outside the DC Metro area	43%
Regional Advertising	To attract locals from the Washington, DC Metro area	18%
Tourist-in-Market	To attract tourists after they have already arrived in the DC Metro area	10%
Design/Content	Production of ads, words, and pictures	13%
International	To attract visitors from Canada and Europe	3%
Partnership	VTC funded project-Alexandra/Mt. Vernon and Charlottesville/Monticello*	3%
Meetings/Groups	Advertising to meeting planners	5%
Advertising Fees	Agency management fees	5%

*ACVA received a matching grant from the Virginia Tourism Corporation (VTC) for a program called the "President's Passport," a five way collaboration between ACVA, the Charlottesville-Albermarle Convention and Visitors Bureau, Mount Vernon, Monticello, and Montpelier.

Recognizing that the way consumers get their information has changed radically, ACVA has shifted the emphasis in their media buy in FY 2014 away from print and towards digital advertising. In FY 2013, ACVA advertising was 20% digital and 80% print. In FY 2014, ACVA shifted to 60% digital and 40% print. Digital advertising is a combination of both paid search, including tourism oriented key words, retargeting, and display/search engine optimization. Tourism oriented keywords is a form of paid search, where ACVA purchases the opportunity to have Alexandria advertising appear as a paid listing when a consumer utilizes a search engine to search a phrase that aligns with the Alexandria visitor experience. Retargeting is a process where ACVA pays to have Alexandria digital ads appear on the screen of consumers who have visited

ACVA's web site recently, even if their current web activity is not directly related to their potential visit. Display is traditional web advertising using banners which often allows consumers to click on the ad to learn more. Search engine optimization allows ACVA to increase the number of returned results from organic web searches and is a critical building block of any digital advertising campaign. In print, ACVA has invested in lifestyle publications ("Travel and Leisure," "Food and Wine," and "Town and Country") and local newspapers to reach the local market ("Washington Post," "Alexandria Times," and "Alexandria Gazette Packet"). ACVA anticipates a continuing digital emphasis in FY 2015.

ACVA also has other areas of emphasis in their advertising plan. From a demographic standpoint, it includes targeting the following groups: "Cosmopolitan and discerning" includes 45-64 year olds who are experience-oriented and more affluent; "Young Urban Professionals" includes 25-40 year olds enjoying new earning power and seeking authentic destinations; and "Families" includes families seeking a family-friendly destination close to Washington, DC. From a geographic standpoint, ACVA targets a 5-hour radius from Alexandria. In FY 2015, there will be an added emphasis on southern cities within that radius with high education and a propensity to travel. ACVA believes these smaller southern cities will yield a more efficient buy and represent a strategic locational competitive advantage for consumers traveling to DC.

ACVA also plans to continue partnerships with Capital Region USA and the Northern Virginia Visitors Council to leverage funding to effectively reach Canadian and European markets.

Beyond advertising, ACVA is budgeting another \$500,000 in national and regional public relations, social media, web site, and direct meeting sales. In FY 2015, ACVA plans to update its website to be more user friendly for consumers using smart phones and tablets. In FY 2015, ACVA also intends to update its Return-on-Investment (ROI) analysis to gauge the effectiveness of their new advertising campaign and multiple marketing channels.