

Annual Workplan & Budget Request

FY23

Introduction

The Greater Sitka Chamber of Commerce is currently in contract with the City of Sitka to provide Convention & Visitor Services. The initial contract began Oct. 2015; current contract began Jan. 1, 2019, and we are in our first of five one-year renewals. The Sitka Chamber as Visit Sitka has prepared the 3-year Strategic Marketing Plan 2022-2024 and Annual Marketing Workplan FY22 for the Assembly in a work-session on March 23rd, 2022.

Exhibit B CVS Contract: "The annual contract amount shall be a minimum of \$300,000. Annual budget to be determined by the Sitka Assembly following an annual work session, with first payment in next fiscal year. If the contribution is increased by Assembly action, the annual contract amount will be adjusted accordingly. The Contractor is encouraged to request additional funding for specific projects above and beyond those included in this contract, pursuant to approval by the Assembly."

The Sitka Chamber has prepared a base budget and supplemental budget based on the needs of the marketing program in order to match previous years' service levels and continue to grow the visitor industry in Sitka. The supplemental budget is for the FY23 full fiscal year. Examples of investments have been detailed in the following narratives and will be presented at a work session of the Assembly on March 22, 2022.

Highlights

Tourism accounts for 11% of SE AK's jobs, \$800 million in tourist spending, in non-pandemic years.

Sitka is anticipating the largest number of cruise ship passengers ever, with an estimated lower berth count of all ships to be 480,000.

Sitka's market share for cruise increased to 30% from 15% in 2019 with 450,000 of the 1.5M total cruise passengers.

90% of visitors to Southeast are cruisers, 8% arrive via air, & 2% arrive via ferry.

Sitka was selected to host the 2022 AlaskaTravel Industry Association Convention- October 10-13.

Transient Lodging Tax collected had a large rebound in FY21 - \$407,024, with \$553,910.71 for FY19. With the growth in FY22 with a robust summer season and return of the convention market the fund should see a full recovery.

FY23-Q1-Q4

Base \$300,000 Supplemental \$275,000

FY20 funding level \$500,200 FY21 total request \$500,200 FY22 total request 458,600

Promotion

Tourism

- Travel and Adventure Shows x 4
- SE Conference
- ATIA Convention

It is important to continue marketing Sitka as a destination for fully independent travelers, sports fishers, international & domestic tour operators, airlines, other travel, friends, andfamily. Attendance at consumer travel shows continues to be a great way to increase consumer awareness of Sitka's uniqueness as a destination. Visit Sitka will attend at least four direct to consumer shows, focusing on locations with easy flight access to Sitka, including the Los Angeles, Denver, New York City and San Francisco Bay Area Adventure & Travel Shows. Attendance at a travel-tradeshows reaches ready-to-buy travelers for leisure and destination fishing, increasing overnight stays in Sitka. Visit Sitka's participation in the Alaska Travel Industry Association annual conference gives the team access to hundreds of travel industry professionals, advocates, and vendors for Alaska's Tourism Industry. Attending both meetings at Southeast Conference keeps Sitka top of mind as a meetings destination as well as an important part of the economic stability of southeast Alaska.

Meetings & Conventions

- ATIA Convention registration and on-site promotion
- Flash drives for tool-kit, printed guide
- Branded Collateral & website updates

Relationship building and face-to-face interactions with decisionmakers is essential to building our Meeting & Convention business in Sitka. Visit Sitka has identified incentive travel and C-suite retreats as the best fit for Sitka's strengths and location along with in-state trade, government and school travel. Projects to complement this strategy include advertising to business-to-business (B2B) meeting planners, expanding the website to encompass more information and tools, brand aligned Meeting & Convention booth design and promotional items for both hosted events and travel. Promotional items are especially important for our emphasis on enhancing visitor experience and taking advantage of word-of-mouth marketing which research still shows is the number one driver of travel. A Sitka Fellow will be engaged to specifically focus on developing the programs needed to create more meeting interest. (See Special Project section below for details.)

Cruise/Yacht

- FY23 Seatrade Cruise Global
- 480K passengers (total berths)
- HAL Alaska in Seattle
- ASTA global conference

Creating and supporting relationships with cruise line partners is key to maintaining cruise market share. With the vast distance between the cruise company home offices and Alaska it is key to attend events that give face to face contact with cruise line executives, and those who sell cruises. There are three key opportunities for 2023. At Seatrade Cruise Global in Miami, Florida, Visit Sitka will be one of the 8 Premium Sponsor ports represented with a strong presence among ports in the "North to Alaska" Booth. A premium placement gets us in front of the cruise industry market and allows us to connect with the more than 70 cruise lines and 11,000 professionals who are anticipated to attend the cruise industry's premier promotion and networking event. At the Holland America Line Alaska Cruise & Travel Show in Seattle, Visit Sitka connects with the "triangle" of cruise line executives, cruise sellers and consumers. Relationship building is also very important with professionals that sell cruises and continued participation in the American Society of Travel Advisors Global Conference will keep Sitka top of mind, as 80% of cruise travel is booked through travel professionals.

Visit Sitka will continue to increase engagement with the yacht market including a membership with the US Superyacht Association. Visit Sitka will create a welcome packet to be distributed through the Yacht Services of Alaska and the Sitka Harbormasters office.

Media & Partnerships

- Alaska Media Roadshow
- Media Hosting

Media outreach & Public Relations amplifies our message beyond our own fiscal constraints. Partnerships with media help us maintain control over the message of Sitka especially specific issues including ferry services, air travel, etc. Media relationships are built over time, so it is important to keep the message of Sitka in front of as many media outlets as possible. To accomplish this Visit Sitka will represent Sitka at the Alaska Media Roadshow at Las Vegas. The Roadshow is a day of face-to-face meetings with the most influential travel media in the United States to increase editorial coverage of Sitka. Visit Sitka also hosts visiting travel writers in Sitka throughout the year. Last year Visit Sitka hosted 10 journalists, which included hotel nights, guided tours, meals in local restaurants and logistical support. Many more media members were supported via telephone and email. Visit Sitka will continue to open its doors to all media and journalists to continue the message of Sitka as a unique destination.

Advertising

Digital

Digital marketing spans content creation, social media marketing (video & image creation, paid promotion, and ads) including online advertising with search & display ads plus email marketing. Precise targeting of sponsored content on the web gives Visit Sitka the ability to quickly respond to changes in market conditions and other data. This will also give us access to the mobile phone market where a multitude of leisure travelers continue to use their mobile phones to plan their adventures. 96% of leisure travelers own or still regularly use a mobile phone and the use of mobile phones in trip planning before leaving home has tripled in the past 3 years.

Print

In general print vs. digital is a more expensive buy and we plan to focus on partners who can help reach audiences that are ready to travel and in planning stages. Print presents ROI challenges, as it is often difficult to track the audience. Though print can have a long shelf life depending on the publication. Visit Sitka will continue to search out the best publications for our potential visitors, including AAA Journey Magazine. We will continue to advertise in other publications used for trip planning include The Milepost and The Alaska Map.

Social Media

With 95 million photos and videos shared every day on just Instagram we continue to see the tremendous growth in this segment. Social media allows us to reach ever new audiences, improve customer service with real-time feedback, gain market share and increase brand awareness for relatively low cost compared to traditional outlets. It also establishes Visit Sitka as the expert for both visitors and partners. Social media marketing includes video & image creation, paid promotion and ads and platform management. For increased engagement Visit Sitka will create a more programming including producing Instagram stories, short-form video, instructional videosto enhance visitor experience, enhanced Pinterest boards, expansion on TikTok and "Insta-take overs" with partners to share messages and audiences.

Branded Content

Branded content is content that does not involve traditional advertising. It can include articles, videos, podcasts and even live elements that bring relevant value to the consumer. It is not advertising in the way most people think of advertising (commercials, banner ads, social media ads, etc....). Branded content can work better than traditional advertising because it feels organic and authentic rather than ads that are in our face. When a consumer watch branded content, their brand recall is up to 59% higher than it is with display ads.

Visit Sitka continues to need development support for branded collateral due to the recent investment in a new website and expansion into social media. Sitka needs the "message" of our community to be consistent. This includes expanding our video library and updating walking and hiking maps.

Branded Collateral/Infrastructure

Infrastructure projects help visitors and locals find the resources they need to fully experience Sitka. To continue to give excellent service Visit Sitka will add much needed resource equipment at visitor information locations, and update signage, and to encourage visitation to local eateries with menu stands in high traffic areas. With the significant increase in visitors, additional branded collateral including larger quantities of attractions maps, hiking guides and downtown pocket guides will be needed.

Visitors' Guide

2023-24 Magazine-style Visitors' Guide circulation will be 20,000 printed guides and will feature branded editorial content to ad ratio, featuring full-page visuals and content segmented to reflect the interests of the high potential target audiences. This is the premier piece of collateral that assists with decision making for visiting Sitka and making local activity decisions. Visit Sitka is proud that our new magazine design layout has inspired other DMO's across the state, and each year we receive compliments on our layout, stories, and content. Visit Sitka sends a small percentage of magazines to visitor centers across the state, to increase awareness and interest in Sitka. These magazines will be directly shipped from the printer to save on shipping costs. There will also be aninteractive digital on-line version that will include video inserts, scrolling photo galleries and directto website links. With the majority of the magazines being shipped directly to consumers, and increased postage rates, we anticipate a significant increase in shipping costs.

VisitSitka.org Website

Website Development

Visit Sitka engages visitors to inspire their travel choices and one of our most important platforms to accomplish this is our website. Destination Marketing Organization websites are trusted and value resources for travel planning. Visitsitka.org had over 98,000 visitors during CY21. Tokeep our website "live" and relevant for visitors, locals and search engines, fresh content and updating is critical. Frequently added content such as a blog, images, updated vendor descriptions or article postings mean more engagement, better rankings, lower bounce rate.

To keep content fresh and relevant examples of projects include to building out a yacht services section, creating a travel trade section with a tool kit to better sell Sitka, creating digital niche guides for specialty travel groups and expanding the Sitka blog, and updating our tourism business images with professional or targeted photography.

Website Maintenance

For the website to maintain functionality it is necessary to invest in maintenance whichincludes software updates and bug fixes, security scans, minor modifications, and maintaining overall site health. Included in this cost are annual costs such as domain hosting, database support, and online support services.

Tourism Business Training & Events

Visit Sitka is dedicated to not only the visitor experience but enhancing the overall tourism experience in Sitka. To reach this goal Visit Sitka continues to develop training and experiential events for locals and tourism businesses. This includes the Sitka Summer Expo, where locals are encouraged to learn about Sitka's tourism industry: Alaska Host trainings, Convention & Visitor Service meetings and a monthly Visit Sitka monthly informational newsletter.

Special Project

Alaska Fellows Program

The Alaska Fellows Program, a nine-month postgraduate fellowship program, will place a dynamic recent graduate with Visit Sitka, through Sitka Chamber's non-profit status. The Sitka Winter Fellow would join the team and work on projects that encompass Meeting & Conventions planning, workshops and developing this market further. The Fellow would also work within the tourism and meetings community to coordinate development of expanded programming and training based on partner needs.

Destination Development Association (DDA)

The DDA team provides one-on-one guidance in their Destination Assessment Program to answer the question "What can we do locally to become a stronger more successful destination for investment, as a place to live, and that will attract increased visitor spending?" DDA has performed this assessment for more than 2,200 communities around the world. Starting with a week-long secret-shopping experience, this photographic look at the community is an eye-opening chance to see the community through the eyes of a first-time visitor: experiencing the community like anyone looking for a place to live, raise a family, retire, work, set up or move a business, or as a tourist. Information about the DDA and the assessment program can be found at https://www.destinationdevelopment.org/destination-assessments

Rain Coast Data FY23: \$7,000

Rain Coast Data—launched 2014—is a full service "cradle-to-grave" economic publication firm with a menu of research options. Projects begin with raw data, interviews, and information collection, and are transformed into short, full-color publications that can be widely used and read. Rain Coast Date performs the research and analysis, creating metrics, graphics, charts, economic multipliers, infographics, writing, layout, and photography. They then arrange for printing or web-posting. Once the publication is complete, they conduct a media rollout of the product.

FY23: \$20,000

FY23: \$25,000

FY23 Visit Sitka Comprehensive Budget			
	Total Budget Required for program	Base Contract	Supplemental Budget
Revenue			
Contract Revenue (FY22 458,600, FY21 500,200)	\$575,000	\$300,000	\$275,000
Revenue Total	\$575,000	\$0	\$0
Operating Expenses			
Personnel Expenses	\$206,800	\$206,800	-
Promotion	\$43,550	\$10,000	\$33,550
Occupancy	\$40,960	\$40,960	-
Advertising	\$51,600	\$2,000	\$24,600
Website Development	\$5,000	-	\$5,000
Website Maintenance	\$13,690	\$7,000	\$6,690
Promotion	\$29,750	\$1,000	\$28,750
Contracted Services	\$73,400	\$3,400	\$70,000
Supplies, Printing & Postage	\$57,750	\$27,840	\$29,910
Professional Development	\$2,500	-	\$2,500
Media & Public Relations	\$50,000	\$1,000	\$49,000
Roger Brooks Special Project	\$25,000	-	\$25,000
Revenue	\$575,000	\$300,000	\$275,000
Expense	\$ 0	\$300,000	\$275,000
Profit (Loss)	\$575,000	\$0	\$0

Total Profit (Loss) \$0

Visit Sitka Unrestricted Revenue \$102,500



March 22, 2022 VISIT SITKA 104 Lake Street, Sitka, Ak 99835

Background

The Greater Sitka Chamber of Commerce links businesses with other leading Sitka area business members, officers, leaders, managers, and elected officials to enhance economic growth and development. The two top Long-Term Priorities for the Sitka Chamber Board 2018-2023: INCREASE SITKA VISITATION THROUGH INCREASED PROMOTION AND MARKETING and the successful execution of the Convention & Visitors Services Contract and SUPPORT ECONOMIC DEVELOPMENT AND JOB CREATION through activities that attract new business and growth of existing businesses in Sitka.

The Greater Sitka Chamber of Commerce has been contracted by the City and Borough of Sitka to promote Sitka as a travel destination supporting an important local economic driver since 2015. Visit Sitka currently represents 200 businesses within the community and across southeast Alaska. The Visitor Industry is SE largest private sector in terms of both jobs and wages - accounting for 11% of all employment earnings and has the strongest outlook of all Southeast Alaska industries. (Southeast Conference. Southeast Alaska by the Numbers 2020).

With its role as a Destination Marketing Organization (DMO), Sitka Chamber launched Visit Sitka utilizing industry trends and best practices. DMOs look at the whole tourism industry in a place, facilitate private/public sector and stakeholder collaboration, care for the tourism value chain. They develop programs for telling a unique destination story while becoming warm hosts for visitors no matter the purpose of their journey. Visit Sitka has a growing audience, which will continue to increase with a strong approach to telling the Sitka story. We are the best source of inspiration for travelers and planners looking to discover the magic of a Sitka getaway.

This three-year strategic marketing document will guide Visit Sitka's work scope and investments. It builds on the previous 3-Year Strategic Marketing Plan 2019-2021 and serves as a blueprint for staff and committees developing specific annual work plans. This strategic marketing plan aims to boost Sitka tourism brand awareness and visitation revenues while maintaining and increasing non-resident travel to and spending in Sitka. It is responsive to the travel environment specific to Sitka including demographics and modes of transportation as well as changes in technology, consumer travel trends, demographics and unique place challenges.

Guiding Principles

Do what the community cannot do for itself: Visit Sitka will provide a marketing platform to promote the Sitka brand. Tourism businesses have limited funds and Visit Sitka provides an efficient way to extend the reach of marketing efforts.

1. Grow the platform for promoting Sitka as a visitor destination.

Increase visitor numbers and individual spend per visitor as well as support members and the community promoting Sitka as a destination by building an integrated multi-channel marketing platform.

2. Increase brand impact.

Increase the visibility and appeal of Sitka as a visitor destination, as well as promote a clear understanding of its offer with specific target audiences, by developing and promoting an effective, high-impact brand presence.

3. Expand engagement.

Convert visitors into ambassadors and leverage the enormous potential of usergenerated content and word-of-mouth recommendations by engaging with visitors and potential visitors at all stages of the customer journey.

4. Target effectively.

Using a cost/benefit approach Visit Sitka programs work towards enhancing economic vitality and quality of life for residents of Sitka. Marketing efforts prioritize effective targeting over broad reach, utilizing content designed to connect with specific high-potential niches rather than for general appeal. Maximize the return on investment (ROI) of Visit Sitka's marketing activities and reach potential visitors by focusing efforts on specific high-growth potential visitor audiences.

Visit Sitka's Role

Visit Sitka has a presence and function at all stages of the travel customer journey, including enhancing the quality of visitor experiences and managing perceptions of Sitka as a destination across multiple channels. Visit Sitka can influence decisions of customers as they move along this journey by:

Showcase Sitka

- Visit Sitka will provide potential visitors with visual content for their inspiration moments. Content will evoke emotion by showing unique & authentic experiences Sitka offers visitors.
- Visit Sitka will know where people are looking for inspiration for their trips and be present

and engage with their audience across a variety of platforms.

- Visit Sitka will monitor, respond to, and leverage user-generated content such as online reviews and hashtag adoption as part of their marketing efforts.
- Visit Sitka will consistently strive to identify and create new experiences to market to targets that fit within the unified vision of the Visit Sitka brand.

Support outstanding experiences for visitors

- Visit Sitka will support excellence in all aspects of the visitor experience, in order to nurture and improve word of mouth.
- Visit Sitka will capitalize on the enthusiasm of visitors by encouraging and harnessing the potential of user generated content.
- Visit Sitka will actively pursue engagement with visitors throughout the customer journey.
- Visit Sitka will educate members to understand the new approach to marketing and assist them indeveloping the tools they need to support this effort, e.g. social media skills, cross promotion, hashtag promotion, soliciting online reviews.

Cultivate on-going connections with previous visitors

- Visit Sitka will steward an ongoing relationship with visitors to remain front of mind and amplify word of mouth recommendations.
- Visit Sitka will use social media as a way to connect and engage with Sitka's fans, deepening connections, fostering conversation, and benefiting from an active body of online ambassadors.
- Visit Sitka will encourage economic development by investing in travel marketing and promotion, creating demand, generating visitor spending, spurring new jobs & tax revenues.

Strategies

1) Marketing resources should be focused on digital, and in particular, social media.

Online channels increasingly dominate the travel customer journey, with 90% of American travelers finding inspiration in some kind of online media (a significant increase since the last Visit Sitka 3-year plan) and only 11% finding it through traditional offline media (print and TV combined), a number which continues to fall.

Beyond the inspiration stage, 95% of travelers stated that they have used user-generated content while planning trips in the past year (particularly reviews) and 57% of travelers used social media to plan their trips. This stands in opposition to only 12% of travelers who used a

travel specialist for information.

Combined with the opportunity to target audiences these numbers show that the advantages of dedicating resources to digital marketing opportunities vastly outweigh the potential benefits of offline marketing channels.

2) Prioritize effective targeting by creating content designed to connect with specific high-potential niches rather than for general appeal.

Tailoring your voice, content, and promotion strategy to the interests and aspirations of niche audiences is the only effective way to make an impact with a hyper-informed customer.

Content must be produced with both a purpose and target. Focusing on well-defined niche audiences will enable you to speak directly to their motivations, desires, and values. Not only is this approach more powerful than traditional messaging, but it enables you to reach better qualified travelers.

3) Reveal authentic experiences to potential visitors through compelling storytelling.

When it comes to travel and leisure, emotions drive demand. Visit Sitka's marketing effort will focus on sharing marketing experiences rather than attractions. To do this effectively, Sitka will deliver content specifically designed to harness the power of storytelling. High-impact visual storytelling will inspire the emotions which drive interest and subsequently visitor demand. To identify which experiences to promote, Visit Sitka will consider the aspirations and dreams of targeted niche audiences and identify where this intersects with Sitka's scenic beauty, wildlife, Native heritage, and adventure.

4) Promote word-of-mouth recommendations and engage with former, current, and potential visitors as part of Visit Sitka's core marketing activities.

Research tells us that when seeking inspiration, word-of-mouth recommendations are the preferred source of information. While what you tell people about Sitka is less valuable than what they tell each other, by orchestrating excellent experiences, fostering ongoing engagement with visitors, and encouraging them to share recommendations about their trip, Visit Sitka can sow the seeds for long-term visitor growth. Working with influencers also gives Visit Sitka credible word-of-mouth promotion to a large audience direct from a respected and aspirational source. This is particularly useful when trying to target new audiences who may not have personal connections to people who have previously visited.

Target Audiences

Cruise ship visitors

Cruise ships are currently the primary source of visitor traffic. Capacity and traffic are determined by the cruise lines who set the itineraries and select the ports of call for their vessels, and secondarily by travel agents who make the majority of bookings in this segment. Marketing to this audience should therefore be divided into distinct segments and primarily regarded as a business-to-business activity, with an appropriate emphasis on relationship building and face-to-face interactions.

For cruise ship traffic, there are three distinct audience segments to target separately:

- 1. Cruise lines (B2B): Executives, planners and deployment personnel at cruise lines who are the decision-makers and influencers that determine the schedule and ports of calls for cruise vessels
- 2. Travel consultant community (B2B): Travel consultants book 80% of all cruise travelers in the world
- 3. Passengers/cruisers: Encourage cruise travelers to choose itineraries that include Sitka.

Meeting, conference, and convention visitors

Sitka has growth-potential as a meeting, conference, and convention destination: an outstanding natural setting; low-distraction, 'retreat' style environment; great facilities and service, as well as ample accommodation options; and is easily accessible from Seattle and Anchorage. Meetings and conferences offer Visit Sitka an opportunity to increase visitors in a segment that generates income, employment, and investment opportunities, in addition to producing higher spending levels than other visitor groups and offsetting seasonal reductions in visitor numbers. Sitka's offering is particularly suited to small-group executive, incentive travel and C-level events, a segment for which Sitka's higher access costs are less relevant.

As with cruise line visitors, end-users, or event attendees, are not the drivers of demand for this segment. Decision-makers and -influencers are found among meeting and events planners, as well as at the executive level within customer organizations. Marketing efforts and information resources should therefore be designed to respond directly to the needs and interests of these individuals.

Marketing to Established Audiences

Cruise ship visitors

As described in the Target Audience section, this audience is divided into three separate segments:

1. Cruise line executives and planners

Executives and planners at the cruise lines are the key decision-makers influencing cruise visitor volume. As with other business-to-business marketing targets, ongoing investment in relationship building, and face-to-face interactions with individuals are critical.

Marketing activities directed at this audience will therefore:

- Maximize opportunities to meet with representatives from the cruise lines, attendance at key cruise line industry conferences and trade shows (for example Seatrade)
- Make regular presentations to cruise line executives and planners demonstrating ongoing improvements to the ship guest experience in Sitka and touching on all factors influencing the selection of ports of call.
- Continue to market Sitka as a distinct destination brand, focusing on its unique historical, geographical and cultural features to distinguish it from other potential ports of call.
- Assist the cruise lines by marketing directly to travel agents by providing high quality visual and information resources to support planning and marketing.
- Gain exposure through industry media stories, partnerships with CLIA, CLAA and other relevant organizations.

2. Travel consultant community

The vast majority of cruise ship bookings still take place through a travel agent. Therefore high-levels of customer satisfaction and strong brand differentiation, translating to recommendations from this audience are highly valuable.

Marketing activities directed at the travel consultant community should therefore:

- Continue to position Sitka as a distinct destination focusing on its unique selling points to establish a strong sense of place recognition/differentiation.
- Maximize attendance at industry trade shows.

• Develop with ATIA, CLIA, CLAA, etc, and opportunities to feature in industry media stories to increase exposure with this audience.

3. Cruise ship passengers

Marketing activities directed at cruise ship passengers will:

- Focus on converting these visitors to ambassadors for word-of-mouth recommendation and positive user-generated content and reviews.
- Deliver experiences which encourage cruisers to report high-levels of satisfaction to the cruise lines, a significant factor used to determine vessel itineraries.
- Increase spend while in Sitka using in port marketing to highlight the unique experiences, products, and artwork for sale that are unavailable elsewhere (consider geotargeting).

Meetings, conference and event visitors

Marketing activities focused on developing this meetings, conference and event visitors will:

- Target meeting planners and event organizers, particularly within Alaska, Western US and government entities. Focusing on Alaska-based customers lowers the hurdles (both imaginary and financial) for hosting an event located in Sitka.
- Sell Sitka as a unique venue for exclusive/executive level gatherings, emphasizing the quality of the services available as well as its beautiful, low-distraction setting.
- Make beautiful, well-presented information, collateral and resources on Sitka's offer easily accessible.