



April 17, 2019

Mayor Paxton and Assembly Members;

Thank you for the consideration of the supplemental funding for the FY2020 Convention and Visitor Services Contract. The following is in response to the questions that were raised during the special meeting on March 19th. I encourage you to reach out to me with any additional questions you may have prior to the meeting so that I may provide that information for you in advance. I can be reached by phone at 907.747.8604 or email at director@sitkachamber.com.

Visitor Enhancement Fund

The Visitor Enhancement fund receives its revenues from the Transient Lodging Tax, a targeted industry specific tax on and collected by the Visitor Industry. The proceeds contained in the visitor activities enhancement fund may be appropriated by the assembly for any purpose related to the enhancement of tourism and visitor-related activities in the municipality, to include but not be limited to, contractual funding of a convention and visitor's bureau, funding of travel of municipal officials to travel-related conventions and trade shows, and procurement of tourism-related advertising. The Visitor Industry is the largest private sector in terms of both jobs and wages- accounting for 11% of all employment and earnings and has the strongest outlook for all Southeast Alaska industries. (Southeast Conference. Southeast by the Numbers 2017). The work that the Sika Chamber does through the Visit Sitka program directly enhances tourism and visitor -related activities and helps to grow the industry for the betterment of the Sitka economy.

Convention & Visitor Services Contract

The contract for Convention and Visitor services with between the Greater Sitka Chamber of Commerce and the City and Borough of Sitka began on January 1, 2019. As an Independent contractor, we are required to provide the services detailed in the contract and deliverables are set forth in **Exhibit A & B** (attached) detailing the scope of services provided by the Sitka Chamber. The contract states, a 3 year strategic marketing plan should be presented during an annual work session during which the Chamber presents a marketing plan, budget, and plans for the next year. On January 8th, the Chamber provided the **3 Year Strategic Marketing 2019-2021**, the **Annual Marketing Workplan FY19/20** and associated budgets required to fulfill the plans. I have attached these documents for reference as they cover many of the areas of interest expressed during our prior special meeting.

In Exhibit B, the annual budget (above \$300,000 base amount) for the next fiscal year is to be determined by the Assembly following an annual work session. "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." In the FY20 Supplemental Budget proposal, presented to the Assembly on March 19th, the Sitka Chamber detailed program and funding amounts based on the needs of the program in order to match previous years' service levels and continue to grow the visitor industry in Sitka. The funding level approved by the Assembly at the meeting on April 23rd, will determine the level to which the Sitka Chamber can invest in the specific categories laid out in the budget. Once the funds are approved, staff will work to implement and carry out the programs above the base level maintenance operations.

The tax revenues used to fund these projects are specific to the industry that these programs support, are below the level of what was paid in by the visitor industry in FY18 and there is **no request for general fund** revenues to support the programs of Visit Sitka.

Marketing to Targeted Demographics

In developing the 3 Year Strategic Marketing Plan and Annual Marketing Workplan, the Sitka Chamber | Visit Sitka utilized the research conducted by the State of Alaska in the Alaska Visitor Statistics Program (AVSP), marketing trends that we know of from our industry sources, other marketing research from Alaska cities, trusted US Brand and travel industry white papers, and other destination marketing experts to inform promotion of Sitka to the widest possible audience.

The 3 Year Strategic Marketing Plan details the Key Marketing Strategies and Target Audiences and segments within those markets. The Annual Marketing Workplan takes those strategies a step further by describing the Tactical Plans for reaching those customers. The AVSP can be viewed in its entirety here: <https://www.alaskatla.org/marketing/alaska-visitors-statistics-program-avsp-vii>. The section that provides a specific look at the Southeast market and Sitka data can be found here <https://www.alaskatla.org/marketing/alaska-visitors-statistics-program-avsp-vii> and is also attached to this packet.

Throughout the year, Visit Sitka will gather additional information during our contacts with visitors including when visitor guide requests are made from our website, or partners like Southeast Alaska Tourism Council or advertising leads. When visitor guides are requested we ask the following questions: How are you getting to Sitka, what year are you visiting, what time of year are you visiting, exact arrival date, what are you interested in (places to stay, dining, shopping, activities & attractions, fishing, outdoor adventure, sightseeing/day tours, amenities & services, trip planning, visitor info), have you been to Sitka before, Have you made reservations for your trip to Sitka, number of adults traveling, number of children traveling, how did you find Visit Sitka.

We are fortunate to have a wide-variety of attractors that hit on many demographics but as a practical matter 82% of our visitors arrive via cruise. Average age of cruisers is dropping with more families sailing with children under 12: for 2018 the average age of traveler was 47 years old, Sitka seeing an average age of traveler of 59.8 years of age with an annual income of \$119,000. Additionally, the region of origin for 50% of Sitka's visitors is the Western US with 21% from Southern US, 9% from the Midwest and 9% from Eastern US. 5% of our visitors come from Canada and 6% from other international countries. 36% of our visitors have been to Alaska before and on average had been three times before with 25% of them traveling previously via cruise ship. Additional demographic information for our Visitors can be found in the attached document and more broadly in the full report in the link provided above.

To answer the questions about the demographics of those who read Sunset Magazine specifically: Sunset consumers spent \$7.7B on vacations in the last year, most trusted resource for Western audience, lifestyle brand for modern American West/PW/Alaska, have targeted Alaska editorial content, 152% above average for taking 2+ domestic vacations & 2+ foreign vacations recently, 35% of Sunset's consumers plan to spend more on travel this year vs. last, Median income \$96,350, male/female 32%/68%, age 35-64, 88% 4MM readers, 980K social fans, 1.2MM+ unique visitors.

Website- VisitSitka.org

Provided in your packet are a snapshot of the google analytics for the VisitSitka.org website. In the documents you can see that our analytics allow us to monitor and track the traffic to our website, see trends in how users are accessing and what pages they are viewing during their time utilizing the site. It gives us a holistic feel of the effectiveness of our marketing programs. If there are additional interest in the site, please let me know.

Social Media Platforms

There were several questions on Instagram, the dates we started the program and how our current efforts translate into more followers. The translation of an influencer posting @visitsitka to followers is a complicated question but in general it has to do with Instagram's algorithms – when she posts Sitka content her followers see it and she structures her posts to take viewers to our partners and our profile as well. Not all of those who see are followers – it has to do with their interests on what Instagram will show them. The important thing is that we are actively responding in a nimble way to a medium that is changing the way travelers research and make travel decisions. Instagram has over 500 million active users sharing an average of 80 million photos a day. The other interesting angle for small destinations like Sitka is that it can amplify our reach against higher dollar spenders. Instagram is just one tool that we are utilizing to form a virtuous cycle of economic benefits for Sitka through travel promotion.

We initially started the Visit Sitka Instagram October 30, 2017 to coordinate with the VisitSitka.org website launch which has a live update with every post we make on Instagram right on its homepage providing fresh content which helps Search Engine Optimization (SEO) performance. Below are several of the Southeast communities Instagram followings as of April 16th and their start dates:

- @visitsitka 4,012 followers (started 10.30.17)
- @traveljuneau 4,374 (started 3.18.13)
- @travelketchikan 1,110 followers (started 10.24.14)
- @haines.alaska 1,477 (started 6.10.16)
- @visitskagway 755 followers (started 6.9.16)
- @wrangellchamber 333 followers (started 8.1.16)

Of the 4,012 Visit Sitka's followers on Instagram, 12% of followers are local, 22% local to Alaska, 81% USA, 19% world with notable followers in Australia, Brazil, Canada and Germany.

Extending our Reach- Media and Public Relations

When we host media, it is what we call earned media – publicity we don't pay for that's owned and created by third parties. Although lines can blur between earned and paid, we haven't traditionally paid media directly rather the costs incurred are in staff time and efforts to support the media during the time they are preparing for an article or feature on Sitka. We do not control what they print nor their output. We try to get multiple stories out of every media person we host and sometimes that is in support of our partners in Sitka who will get the direct story rather than the general destination.

Often it may be multiple years as when we had two Alaska Magazine placements of Sitka photos this spring from a photographer who we hosted in 2017. However, prior to that we used his content for collateral materials, recommended to other publications and had a story right away in a travel magazine. For example, @jeanatravels posted Instagram story which she kept in her highlights, 6 posts, an Instagram TV segment and used Sitka content on her website.

Consumers are greatly influenced by family, friends and what they read and see online. In fact, according to InPower and Nielsen, 85% of consumers regularly or occasionally seek out trusted expert content (credible, third-party articles and reviews) when considering a purchase.

Yacht Promotion

The promotion to the yacht market will continue to evolve as there are opportunities identified going forward. We continue to collaborate with Stan Eliason, Sitka Harbormaster to identify opportunities and to provide visitor information to the yacht travelers and captains upon their arrival to Sitka. The U.S. Superyacht Association (USSA) is a trade association, representing hundreds of business and thousands of individuals. Membership provides access to shows and events across the U.S. and around the world that are focused specifically on the large-yacht segment, ability to promote your company's products and services directly to those captains and crew working on superyachts. In addition to providing members with excellent exposure by name and industry category to crucial markets, this directory also includes vital information for U.S. entry procedures. The USSA maintains a strong web presence that serves a dual purpose: to promote the goods and services of our members to the worldwide superyacht community as well as to serve as a vital resource to captains and crew worldwide.

Special Project – Sitka Blog & Community Engagement

The Special Project- Sitka Blog described in the proposal is to cover the costs involved in contracting for the research and writing of a blog to be used on the VisitSitka.org website and other mediums. The Alaska Fellows program offers a great example for how Sitka Chamber could utilize our nonprofit status to access resources and support the visitor industry in Sitka. The Alaska Fellows program allows us full control in the selection of the individual as well as guiding the project as it is underway. If there was not a qualified applicant, Sitka Chamber would seek to use the funds to contract with a different entity to complete the goals of this exciting project. We believe that this project has a huge potential to tell the Sitka story and the reach of it can be used in many ways by providing content and topics that can be picked up by other media for years to come.

Visitor Services

Visitor services are provided by Visit Sitka staff and supported by collateral pieces and education to the visitor industry businesses. Visitors are looking for information that is specific to the things they are looking to do while they are in Sitka. As part of the 2019 contract, Visit Sitka will provide seasonal visitor information at the Old Sitka Dock when ships are utilizing it during the summer season. Old Sitka Dock has agreed to support these efforts by allowing the podium to be set up in the space allowing visitor information to be provided during the peak hours when visitors are disembarking their ship.

If there are any additional questions, please let us know in advance of the meeting by calling 907-747-8604 or by email at director@sitkachamber.com.

Sincerely,

Rachel Roy
Executive Director
Greater Sitka Chamber of Commerce | Visit Sitka

Attachments:

1. Exhibit A: Scope of Services - Convention & Visitor Services Contract
2. Exhibit B: Compensation and Payment - Convention & Visitor Services Contract
3. 3 Year Strategic Marketing 2019-2021
4. Annual Marketing Workplan FY19/20
5. Section 12: Summary Profiles - Southeast Region and Communities
6. Google Analytics VisitSitka.org