

Annual Report F

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~Seth Godin

## A MESSAGE FROM THE CEO AND CHAIRMAN

Creating a tourism brand for Oceanside has always been a priority for Visit Oceanside's Board of Directors. Since our inception in 2010, we knew that rebranding Oceanside was one of the essential factors in realizing our true potential as a destination. With the recent explosion of independent restaurants, craft breweries and entrepreneurial spirit that is occurring, it proved to be the perfect time to unite our industry and tell Oceanside's unique brand story. In Spring 2017, Visit Oceanside launched the new brand campaign "Respect the O'riginals" with immediate results. Since then, it's been exciting to see our story continue to develop and evolve in the marketplace. The brand represents the renaissance that is occurring with a new, modern and inspirational feel while honoring Oceanside's rich heritage that is 100 percent Oside.

As we continue to mature as a visitor destination, we can celebrate many successes this past year. According to research by Dean Runyan Associates, over \$294 million was generated in direct visitor spending in Oceanside for 2016. This translated into \$9.8 million in local tax receipts that went to the City's general fund. This visitor spending directly supported 3,060 local jobs.

We experienced a record high in lodging tax (TOT) that was generated for the City's general fund, exceeding \$6 million to help pay for vital city services. According to the STR Reports, Oceanside's year-over-year numbers were up across the board with occupancy up 5 percent; ADR (average daily rate) reaching \$110.44, representing a 1.8 percent increase; RevPar (revenue per available room) up 6.9 percent and lodging revenue up 6.8 percent.

As a sales and marketing organization, we continue to target group business in the off-season as well as leisure business in our drive market. The number of group leads that were booked increased by 26 percent, representing 3,148 room nights contracted outside our major citywide events such as Ironman 70.3 Oceanside, Race Across America, Bike the Coast, Camp Pendleton Race Series and more. Our consumer marketing efforts saw an increase across the board with the creation of new brand assets, increased social media engagement, sponsored content and special promotions that influenced a 13 percent increase in unique users to our website. With our limited advertising budget, we continue to invest in media relations, highlighting stories about our colorful destination and events. The number of news clippings that we were able to track was up 14.5 percent over last year. At the CWC, our frontline staff welcomed over 51,000 visitors to Oceanside with nearly one-quarter representing international visitors. What's more, close to 75,000 Oceanside Visitor Guides were distributed in 2017 through various outlets.

The top priority for the VO Board of Directors continues to be influencing product development, positive infrastructure and beautification projects in the city. We understand the importance of creating a positive image as a destination and this starts with creating a "sense of place" where people want to live, work and play. A few of the highlights include partnering with the City's economic development department and South Morro Hills for an agritourism initiative and partnering with the Oceanside Bike and Pedestrian Committee on bike tourism strategies. We are continuing to support the pier plaza area improvements and the development of quiet zones along the rail lines. In addition, we supported continued funding for sand replenishment as well as the completion of a federal study that will help determine the best strategies for beach erosion in Oceanside. These efforts are not only important to the local economy but impact quality of life issues for our residents.

We appreciate your partnership in our sales and marketing efforts.

Source hand

CEO & President

GEOFFREY PARKFORD
Chairman of the Board
Holiday Inn Oceanside Marina

## ABOUT VISIT OCEANSIDE

Visit Oceanside is the sales and marketing engine for Oceanside's tourism industry. Our program of work is designed to provide incremental business and to stimulate demand for Oceanside by implementing and managing Oceanside's brand as a preferred visitor destination for families, artisans, outdoor enthusiasts and those with an entrepreneurial spirit that dare to explore.

In today's economic climate, tourism provides one of the greatest opportunities for economic growth for the City of Oceanside. It's the largest industry in the world, generating \$2.3 trillion in economic output by domestic and international travelers in the U.S. annually (U.S. Travel Association). In San Diego, tourism is the third largest industry, employing over 194,000 people and generating \$10.8 billion in direct visitor spending. Oceanside is fortunate to be a part of this powerful regional brand.

In Oceanside, visitor spending in 2016 was \$294 million. This represents an average annual increase of 7 percent over the past five years. This visitor spending directly supported 3,060 jobs in Oceanside, representing an average increase of 4.5 percent since 2010. It generated \$19.2 million in local and state taxes. It's interesting to note that 70 percent of visitor spending goes to business other than the lodging.

In order to provide a secure funding source for tourism marketing, The Oceanside Tourism Marketing District (OTMD) was created on March 17, 2010 in partnership with the City of Oceanside and the Oceanside lodging industry. In February 2014, the OTMD was renewed; providing secure funding for tourism promotion through 2025.

For fiscal year 2017 The OTMD generated \$1,146,528, making up 91 percent of the revenues generated for Visit Oceanside.



State's official California Welcome Centers. With just one stop, visitors

and residents can find local, regional

and state maps, purchase discount

tickets to major Southern California

attractions, make hotel reservations or shop for the perfect locally crafted

keepsake. The Welcome Center is

open daily from 9:00 a.m.-5:00 p.m.

#### MISSION STATEMENT

The Mission of Visit Oceanside is to unite our community's tourism businesses to generate visitor spending that will positively impact jobs, tax revenues, the coastal environment and the quality of life for the City of Oceanside.

#### **VISION STATEMENT**

Oceanside is Southern California's most desired beach destination.

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# WHY TOURISM MATTERS

TOURISM IS ONE OF THE BIGGEST OPPORTUNITIES FOR ECONOMIC GROWTH IN OCEANSIDE. LAST YEAR, DIRECT VISITOR SPENDING WAS \$294 MILLION WITH 70 PERCENT GOING TO BUSINESSES OTHER THAN LODGING.

This translated to \$9.8 million in tax receipts for the City's general fund, which helps pay for vital services, parks, recreation, infrastructure improvements and beautification that impact our quality of life.

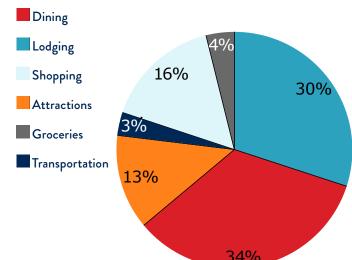
According to a 2016 study conducted by Dean Runyan & Associates, it was determined that visitors to Oceanside spend their money on the following items outlined in the chart.

It's important to note that visitors spend about 30 percent of their vacation budget on lodging, leaving a significant percentage available for creating unique experiences, attractions and restaurants. Restaurants represent the largest spend, representing 34 percent of their budget.

Total direct visitor spending to Oceanside was \$294 million in 2016.

#### **ECONOMIC IMPACT SURVEY**

Visitor Spending by Category According to Dean Runyan:





## TRANSIENT OCCUPANCY TAX (TOT) 2006-2016

In the City of Oceanside, the Transient Occupancy Tax is 10 percent, paid by each tourist (transient) to the operator of the lodging establishment. The revenues from the TOT go to the City of Oceanside's general fund to support vital services such as fire and police.

TOT collection has grown significantly over the past 10 years. In 2016, \$6,593,172 was generated for the City of Oceanside.



#### OCEANSIDE LODGING PERFORMANCE FOR FY2017

	JULY 2016-JUNE 2017	PERCENTAGE CHANGE YOY
Average Occupancy	71.6	+5
Average Daily Rate	\$110.44	+1.8
Average RevPar	\$79.05	+6.9
Supply	726,537	-0.1
Demand	502,246	+5
Revenue	\$57,432,015	+6.8

Source: 2017 STR, Inc.

## FY2017 FINANCIAL REPORT

As with most destination marketing organizations throughout the country, tourism promotion for Oceanside was funded primarily by the City of Oceanside. However, due to local government funding going away and increased competition for scarce dollars, out of necessity, the tourism industry had to find a new mechanism to provide stable funding. In 2010, Visit Oceanside leveraged this new opportunity and the Oceanside Tourism Marketing District (OTMD) was formed. The district provides secure marketing dollars in order for Oceanside to compete in a very robust marketplace; Southern California. The OTMD is based on the State of California's legislation for Business Improvement Districts (BID); benefiting the lodging partners that pay into the district.

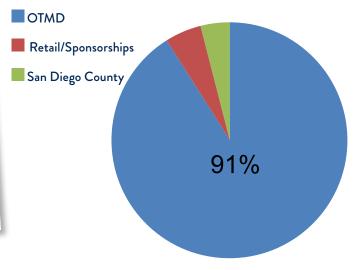
In February 2014, the OTMD was renewed for ten years. As of April 1, 2015, the 1.5 percent assessment is applied to all hotels and vacation rentals within the city limits of Oceanside.

Tourism Marketing Districts (TMD) have ushered in a new era of stability in funding destination marketing organizations. As a result, there's a renaissance of stable, well-funded destination marketing organizations like Visit Oceanside. Currently, there are 167 TMDs across 14 states as well as various countries including England, Ireland and Scotland.



# BUDGET ALLOCATION Marketing/Sales Personnel Operations Reserves 4% 44%

#### **BUDGET REVENUES FY2017**



#### VISIT OCEANSIDE STATEMENT OF ACTIVITIES—REVENUES

REVENUE	FY2017
PUBLIC SOURCES	
Oceanside Tourism Marketing District	\$1,146,528
County of San Diego Grants	40,000
PRIVATE SOURCES	
Advertising Sales/Sponsorships	25,876
Agritourism	34,942
Merchandise Sales	38,641
Attraction Ticket Sales	118,613
In-kind Rental	29,136
Interest Income	82
TOTAL REVENUE	\$1,433,818



#### VISIT OCEANSIDE STATEMENT OF ACTIVITIES—EXPENSES

\$42,725

Payroll and Benefits	<b>#</b> 400 F04
	\$430,506
Cost Goods (merchandise and tickets)	126,004
Advertising, Website and Promotions	525,496
Tradeshows, Meetings and Conferences	32,956
Administrative and General Expenses	164,882
Professional Fees	58,034
Dues and Subscriptions	29,850
Research	2,500
TOTAL COSTS and EXPENSES	\$1,370,228
Increase in net assets	63,590
Net assets, beginning of the year	(20,865)

Net assets, end of the year



# GROUP SALES AND BUSINESS DEVELOPMENT



**Dana Higgins,**Director of
Busines Development



Michelle Martini-Brown, Business Development Manager

THE BUSINESS DEVELOPMENT TEAM FOR VISIT OCEANSIDE IDENTIFIES OPPORTUNITIES TO BRING TRAVEL GROUPS TO OCEANSIDE; RANGING FROM SMALL SOCIAL GATHERINGS, BUSINESS MEETINGS AND RETREATS TO LARGE CONFERENCES AND CITYWIDE EVENTS.

While prospecting for sales leads, the team builds relationships with industry contacts, potential clients and existing accounts. A client services program is in place to provide detailed, professional recommendations to the visitor and support our stakeholders and tourism council partners.

These strategies and best practices, along with referrals, customer retention and successful group travel marketing campaigns, have resulted in the largest number of inquiries, groups leads and tracked bookings to date for the group travel sales department.

#### **ACCOMPLISHMENTS**

Scheduled 86 sales calls and business development meetings; conducted 11 site tours to prospective clients; traveled to 3 conferences and trade shows to promote visitation to Oceanside; attended 35 networking events on behalf of Visit Oceanside.

Provided destination information (including group travel and event planning resources) for 406 group inquiries representing approximately 28,000 visitors.

Revamped direct email marketing and communications tracking procedures through our CRM database to improve sales funnel and lead management; generated 189 inquiries via website submission – a record to date.

Grew the military reunion tourism market by partnering with the Military Reunion Friendly Network to attend the West Coast Meetings Tradeshow and promote Oceanside reunion offerings in their publications; increased RFP generation and inquiries for planning resources and travel information.

Increased awareness of the Pick-a-Perk Client Rewards Program for meeting planners and corporate travel clients; leveraged the incentive to track group bookings and support stakeholders in closing tentative business.

Sponsored, partnered and supported 30 citywide events impacting tourism and visitor spending.



# FY2017 SALES BY THE NUMBERS

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406

Group travel inquires

108

Qualified leads / RFPs for stakeholders

30

Citywide events impacting tourism and visitor spending 93

Groups booked into Oceanside accommodations\*

3,148

Room nights contracted\*

114%

Percent of sales goals achieved

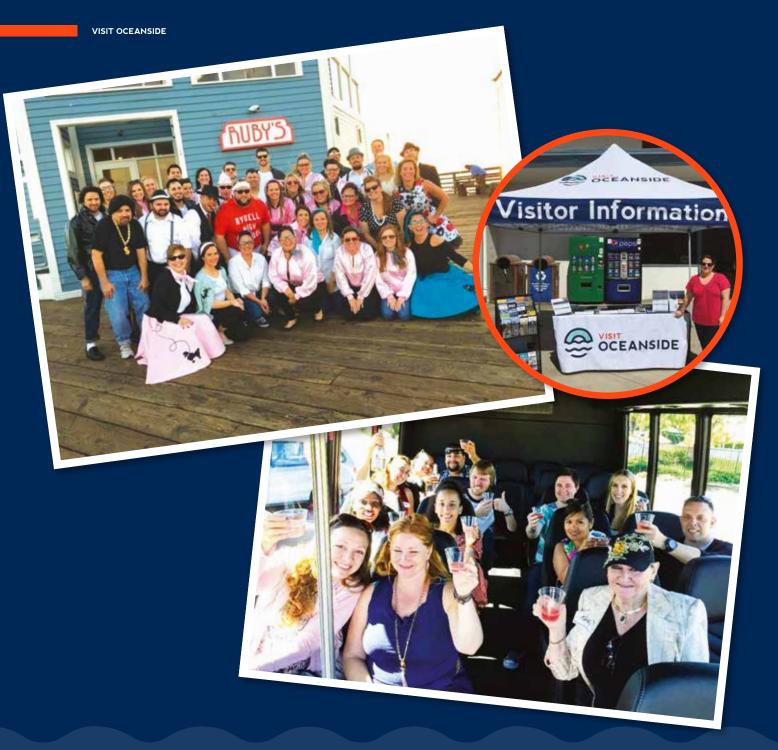
#### **SERVICES**

Our team's focus is to offer exceptional customer service to our clients and visitors, while being the destination experts and resource for effective event and travel planning. This investment of time, efforts and individual attention to each group increases retention and revenue generation; it helps to ensure a positive experience and an association with Oceanside as a visitor-friendly destination.

### In FY2017, we influenced and supported 406 groups (potential and booked) plus 30 citywide events in a variety of ways including:

- Distribution of destination resource guide for group travel and event planning
- Creation of customized itineraries for group tours and teambuilding activities
- Consultation for group travel and event planning; recommending private event venues, caterers, local businesses and transportation
- Assembly of welcome materials and local information specific to the groups' needs

- Promotion through social media and webpage development
- Representation of Oceanside tourism through managing concierge booth and attending events
- Facilitated group rates and room blocks while assisting with booking and confirmation process



"It should be known that our meeting planners organize hundreds of small and large events throughout the year – but this event was one of the simplest to arrange. Dana at Visit Oceanside CVB was essentially in the trenches for us. She provided a list of restaurants, team building experiences, and even transportation companies for us. Since her rapport with the community is valued and trusted, she was able to aid in getting many elements of our program booked for us. Simplified things for us for sure!"

– **J. Taylor, Texas Roadhouse** (corporate retreat)

#### **CITYWIDE EVENTS**

#### **JULY**

Supergirl Pro Surf Championships
Surf Cup Soccer Tournament

#### **AUGUST**

Guy Takayama Pro Noseriding Contest
Longboard Annual Contest
Outrigger Canoe Races
Semper Tri & Devil Dog Duathlon

#### **SEPTEMBER**

Surf for the Sea

Tiki Swim

Water Warrior Amphibious Assault

World Bodysurfing Championships

#### **OCTOBER**

Pride by the Beach

Tour De Camp Pendleton

United Church of God

#### **NOVEMBER**

Bike the Coast / Taste the Coast
O'side Turkey Trot
Pickleball Turkey Shoot

Surf Cup Soccer Tournament

#### **DECEMBER**

New Year's Skydiving Boogie

#### **FEBRUARY**

Marine West Expo

Oceanside Valentine's Week

#### **MARCH**

Hell Fire Fat Tire

#### **APRIL**

ECNL Soccer Tournament
Heartbreak Ridge Run
Ironman 70.3 Triathlon

#### MAY

Beach Soccer Championships

Manchester City Soccer Tournament

Oceanside Color Festival

#### JUNE

Camp Pendleton Mud Run
ECNL Soccer Playoffs
Race Across America



### MARKETING AND COMMUNICATIONS



Cerina De Souza, Director of Marketing & Communications



Tanner Yates, Marketing Coordinator

THE PRIMARY FOCUS OF THE VISIT OCEANSIDE (VO) MARKETING DEPARTMENT IS TO TARGET THE LEISURE VISITOR TRAVELING WITH FRIENDS AND FAMILY FROM THE WESTERN/ US DRIVE MARKET INTO OCEANSIDE.

We do this by creating fun and interesting content that highlights destination specific events and unique experiences. Once the content is created, we distribute through a variety of print and digital platforms. Below is a highlight of the work that we produced this fiscal year.

#### **BRANDING**

Establishing a true brand platform has been a priority for the VO Board of Directors since the organization was established in 2010. Over the last two years this dream has come to fruition, beginning with the development of a refreshed logo and color scheme; followed by the launch of a new brand campaign.

Infusing the local personality and key community identifiers into the voice of the brand campaign was critical. It was important for us to represent the authentic personality of Oceanside and to set our community apart from neighboring Southern California cities. This multifaceted approach included a print and digital advertising campaign entitled "Love, O'side" centered on fun letters written from Oceanside to visitors that had awesomely-unique experiences during their stay. The ad campaign was complemented by the "O'riginal O'siders" video series highlighting four local personalities who are able to live their dream and be successful because of the "O'riginal" Oceanside spirit.

#### It was important for VO to share this exciting launch with our partners, resulting in the following action items:

- Third Thursday Destination Luncheon.
- Launched the brand campaign at the 2017 Oceanside Tourism Summit
- Presented to the Visit California marketing team during a
   Created a local billboard campaign on NCTD buses to engage local residents.
  - · Facilitated an advertising buy to launch the campaign within key target markets.

#### **EARNED MEDIA**

#### **Public Relations:**

Visit Oceanside continues to drive destination awareness and brand credibility through stories that appeal to travelers in print, broadcast and online outlets. During FY2017, VO hosted 19 travel writers with 118 stories published, a 14.5% increase YOY. Most notable is that the circulation from those publications generated an increased reach of 9.3% YOY.

In March 2017, VO hosted six culinary travel writers from the IFWTWA (International Food Wine Travel Writers Association) on a food-focused media visit. Over their two-day stay, the group experienced different elements of the local dining and agricultural scene. The program resulted in 19 media stories as well as substantial exposure for Oceanside through the writers' social media channels.

VO has worked alongside the production crew of the television series Animal Kingdom since its inception. It was important for VO to leverage the local economic impact that a television series can bring to a community, while also managing the destination's reputation during the production.

#### PAID MEDIA

#### Sunset Magazine:

While developing the brand campaign and new assets, it was important to create a marketing strategy to share this campaign with new and potential visitors. VO leveraged the power of Time Inc. to share our brand campaign via digital platforms, Visit California collateral and Sunset Magazine. In addition to advertising via these channels, we also coordinated a destination giveaway, which included a full-page feature in the April 2017 issue of Sunset. This prime placement not only featured Oceanside, but also allowed for VO to collect names to send potential visitors an Oceanside Visitor Guide (resulting in a 31% increase in requests over PY Q4) and to directly market to this audience with future e-newsletters.

#### Niche Audiences:

With a limited advertising budget, we leverage our local assets and marketing power by messaging to interest-driven niche markets. Two of the niche markets that we focused on were Bike Tourism and Travel by Train, developing strategic partnerships and supporting collateral to influence visitation.

#### Collaborations:

VO played an active role in facilitating the development and marketing of Tier 1 action items for the agritourism initiative, including the planning and day-of coordination at O'side Feast; along with Oceanside Valentine's Week and 'Tis the Season to Shop Local campaigns.



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#### **OWNED MEDIA**

#### Photography Assets:

Through the launch of the new brand campaign, a variety of photography assets were created to feature our leisure marketing pillars highlighting family, outdoor adventure, girlfriend getaway and multigenerational travel.

#### Video Collateral:

Nothing says "Oceanside" quite like our locals. The passion and enthusiasm that our residents have for their community is unlike any other destination. We decided to leverage this "local love" and invite visitors on an insider's tour with four local personalities through the "O'riginal O'siders" video series.

#### Blogs:

VO wrote and updated 76 blogs, sharing a variety of information about events and local happenings. Adding to the local perspective, we invited local blog contributors to share their knowledge on niche interests including: arts & culture, birding, chef-perspective and dining.

#### E-Newsletters:

VO sent out themed content on a monthly basis to encourage travel to the destination. The distribution list increased 10.5% to 22,700+ contacts. Contact information is generated through Oceanside Visitor Guide requests and advertising outreach.

#### Social Media:

Facebook, Twitter, Instagram and YouTube are the primary social media channels used to communicate to the leisure audience. Posts are made daily to engage the audience through imagery and activity content. We also use these mediums for targeted digital advertising opportunities.







# CALIFORNIA WELCOME CENTER



**Lydia Petroff,**California Welcome
Center Manager



Tanya Chahal, Visitor Services Coordinator



Veronica Voorhees, Volunteer Coordinator

Assisted 51,156 walk-in visitors to the CWC Oceanside.

Welcomed 12,777 first-time visitors to Oceanside.

Responded to 20,611 requests for Oceanside Visitor Guides.

Sold a total of \$118,613 in attraction ticket sales.

Total retail sales were \$38,641 for the year.

402 Oceanside Lodging and Hotel Referral Nights

Visitor Breakdown: 39% California, 39% out of state, and 22% foreign.



#### **COMMUNITY INVOLVEMENT**

CWC staff and volunteers supported over 20 Oceanside events.

CWC maintained a satellite visitor booth at the Pier during summer 2016, staffing events such as Ironman 70.3 and Race Across America (RAAM) with volunteers. We handed out 700 visitor guides during Ironman registration and over 100 during RAAM.

CWC was a community drop off destination for the Toys for Tots campaign from the US Marine Corp during the holidays.

#### **RETAIL MERCHANDISE**

The top three attraction tickets based on sales at CWC are the San Diego Go Card, San Diego Zoo and SeaWorld.

The center introduced new merchandise and continued to curate local hand-crafted products that included 'Oceanside' branded ball caps for men and women, magnets, keychains, Oceanside postcards, 3D postcards, coastalinspired gift items, beach-inspired jewelry, hand-made cards, kitchen gift items, locally-made honey, Oceanside books, 'Raku' handmade pottery from Jamul, Ty stuffed toys, screen-printed T-shirts and bike jerseys.

#### **VOLUNTEERS**

There are 60 active volunteers that worked approximately 5,520 hours. This translates to over \$131,000 in salary.

Our student volunteer Andrea Kreigler won the CWC-MiraCosta College Hospitality Scholarship and Sue Ellisor won our Volunteer of the Year award.

Staff hosted the annual Volunteer Holiday Luncheon in December at El Camino Country Club to show our appreciation for volunteering.

#### **CWC MARKETING**

Lydia Petroff attended the California Welcome Center Managers Meetings - two in Sacramento and one in Santa Barbara

Oceanside is now volunteering to improve the experience provided to California travel seekers who call the Visit California office with questions. We have been identified as a California expert for our area and will field calls sent to us about our area.

The Center partnered with Trip Advisor two years ago; receiving a five-star rating. We are currently the 4th most important stop in Oceanside.



## VISIT OCEANSIDE TEAM



#### **VISIT OCEANSIDE**

Leslee Gaul, President & CEO

Dana Higgins, Director of Business Development

Michelle Martini-Brown, Business Development Manager

Cerina De Souza, Director of Marketing & Communications

Tanner Yates, Marketing Coordinator

#### CALIFORNIA WELCOME CENTER CONTRACTED PARTNERS

Lydia Petroff, CWC Manager

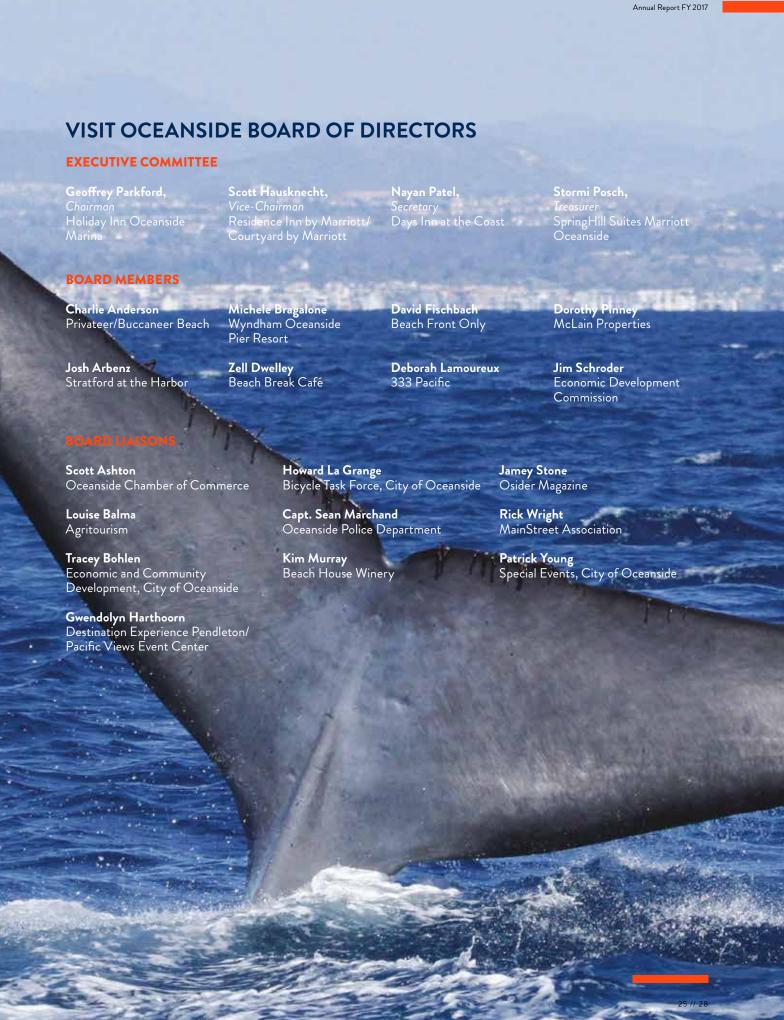
Tanya Chahal, Visitor Services Coordinator

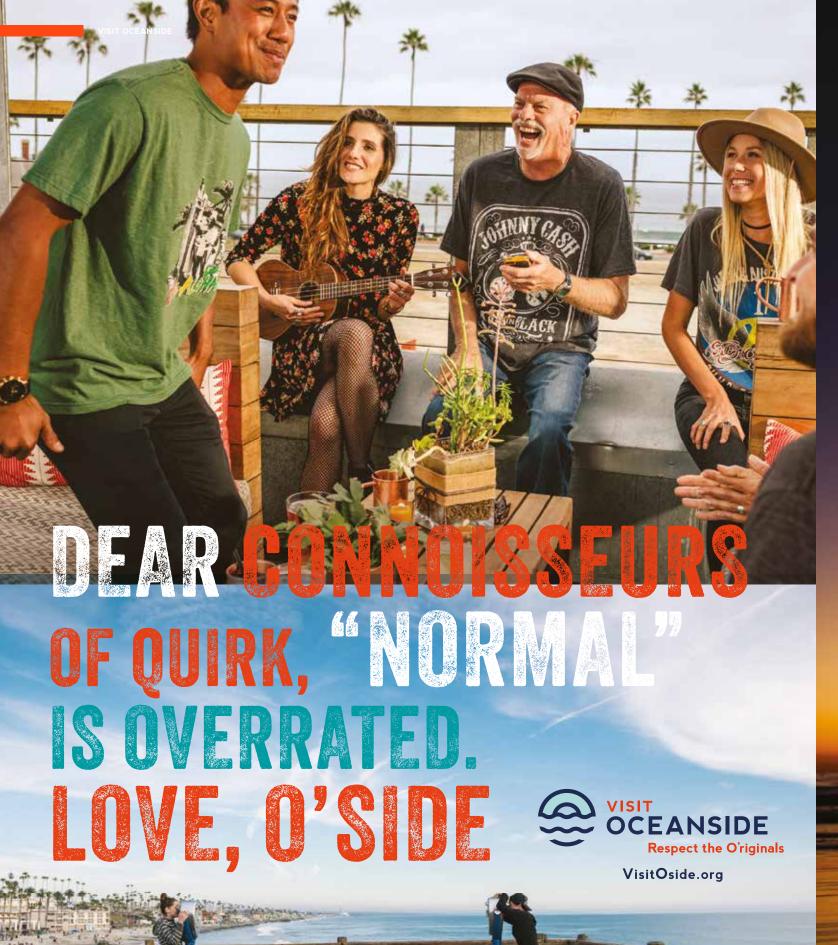
Veronica Voorhees, Volunteer Coordinator

Bridget Ayers, Website & Social Media, Get Smart Web Marketing

Shae Geary, Public Relations, (W)right On Communications

Susan Noble, Bookkeeper





"I just wanted to write and thank you for all your help with our wedding and vacation planning.

Everything was perfect and I couldn't have done it without your help! Our wedding was perfect thanks to you. I know you give out a lot of advice and suggestions, so I wanted to make sure I gave you some feedback to let you know it was used and appreciated."

– **E. Roberts, Bride** (wedding group)





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