

**Minutes of the Executive Committee of the Humboldt Lodging Alliance, meeting Wednesday, November 9, 2016 at the Red Lion Hotel, Eureka, California.**

Present: Shailesh Patel, Cari Shafer, Chris Ambrosini, Gary Stone, Lowell Daniels, John Porter, Tony Smithers.

Guest: Matt Kolbert

The meeting was called to order at 12:10 pm by board chair Chris Ambrosni.

The first order of business was examination and approval of the minutes for the October, 2016 meeting of the Executive Committee (Shafer/Stone/unanimous).

Next, the November meeting agenda was approved as presented (Stone/Shafer/unanimous).

Matt Kolbert of the Misfit Agency then swung into a follow-up presentation of the 2017 Marketing Campaign, in which he addressed questions and concerns raised after the previous month's presentation to the HLA board of directors. The discussion covered:

1. An overview of the 2017 plan summary
2. Consideration of campaign metrics, including a comparison of Humboldt County RevPAR versus that of Northern California
3. Social Media—"We have not done a good job explaining what a social media campaign can do," said Kolbert, as he said he was taking the Instagram campaign off of the table for now. "We need to spend more time to understand it." He further noted "our competitors are investing significant resources into social media." There were committee questions about the proposed budget and their recommendation of \$1,000 per month on this activity. Kolbert said that to run social media as a campaign requires a bigger investment. Gary Stone asked for samples of destinations using Instagram. Lowell Daniels suggested a "social media for dummies" presentation for the committee. Cari Shafer asked Kolbert to deliver a social media presentation in December (online is ok).
4. Adding other markets to the 2017 Campaign.
5. Print advertising—placements in Sunset Magazine but on in VIA. Kolbert presented an insertion plan for Sunset including value-added placements. Gary Stone asked whether these ads would continue to be generic "branding" messages or whether they would start incorporating an offer or call to action. Kolbert replied that they would be mostly "on brand" but that they were looking for more opportunities to include the "ask."
6. Creative Costs—"Our preference is for what works best for the HLA," said Kolbert. In 2017 we will be close to a 80/20 split between advertising and creative costs (actually at 23% creative). Kolbert said that the creative costs include all hard costs, not just agency compensation. "In the past we have not asked for additional budget when creative costs have exceeded the budget, but if costs have been less than budgeted we have always credited those back."
7. Account management—Kolbert explained that the requested \$10,000 increase in account management fees is purely to offset their actual costs. "Our rates are discounted 40% for the

HLA,” Kolbert said. “We do not bill separately for travel costs and we do not charge for management time.”

8. Overall Budget Detail—a new handout of creative and media costs for the 2017 Campaign was provided to the committee.

In discussion of the 2017 Campaign Proposal:

Gary Stone asked for an evaluation of the effectiveness of the “Filmstrip” digital ad format compared to banner ads and video ads. Kolbert said they need to be assessed market-by-market, with performance compared to cost. Stone questioned the value of digital ads versus other advertising media—Kolbert said their primary virtue is they are highly targeted.

Shailesh Patel asked about statistics for consumer travel behavior and patterns, particularly for West Coast travel ie “Portland to Disneyland.” Kolbert did not have any data and said it is hard to come by. A discussion about targeting the Portland market ensued. Gary Stone said, “The travel and tourism market is dynamic and we need to take advantage of opportunities as they arise.”

Patel also asked Kolbert’s opinion on the potential of cannabis tourism. Kolbert said that this is an additional market for us. John Porter mentioned the strategy of lodging properties adding cannabis smoking areas.

Kolbert said that overall, Humboldt experienced growth of two percent over the past year. Shailesh Patel said that he did a comparison of similar destinations in Northern California and found that they are all doing similarly well.

“Let’s go back to the basics,” said John Porter. We went looking for an outside agency to develop our brand, and Misfit was our choice. We then chose the Follow the Magic campaign from the various options they presented to us. This campaign is still a baby. Other brands are not cutting back their marketing and neither should we.”

“We are charged with spending over \$1 million a year, and discussions and even arguments are healthy,” said Chris Ambrosini. “ These conversations are good and demonstrate that we are not a rubber stamp board.”

Shailesh Patel said, “We still have a terrible image problem—this is the number one concern in Eureka. Our visitor comments are bad.” Lowell Daniels replied, “Humboldt County has a ‘beauty problem,’ not an image problem. Take your community tourism funds and fix the problem.”

Matt Kolbert brought it back to the campaign, saying “We want everyone to feel good about what is going on with Misfit. We are your partners. Integrity is important to us—that’s why I started Misfit in the first place. We recommend that we evaluate what is working for you, and invest funds into what is working. Please don’t look at the 2017 Campaign Proposal as a menu from which you pick and choose. It is much better to set a budget and let us recommend allocations within that budget.”

Lowell Daniels said that he would like to see competitive data for Northern California destinations for the period the campaign has been running. Chris Ambrosini then said he would like more data on website performance. Kolbert immediately responded with: Year-to-date traffic of 100,000 unique visitors with average time on site of 2 ½ minutes. He said that bounce rates were going down, and that he would provide more detailed reports on traffic sources and click throughs.

Gary Stone inquired how well the BART advertising performed. “We really liked it,” Kolbert replied. “There were over 1,000 text responses to the campaign, and we were able to secure a lot of value-added exposure on BART trains.” Chris Ambrosini then suggested that this same budget could be used for “bus wraps” in the San Francisco market, and he shared a photo of such an advertising placement.

Cari Shafer made the motion to wait until the December meeting to vote on the 2017 Campaign. Gary Stone seconded the motion, saying “have Misfit available by phone, and make sure the information is in front of me at the next meeting. The motion passed.

In other business:

- The committee agreed to place the “2016 Campaign Recap Meeting” on the agenda for January.
- The committee received the HCTBID Management District Plan for their review
- The October financial statement was received and approved (Stone/Patel/unanimous)
- John Porter raised the need for more “in-house marketing” such as clothing and other branded items. Shailesh Patel suggested a trinket such as a pin which could be used as a premium that would help us track visitors and various marketing channels.

With no further time, the meeting was adjourned at 2:10 pm.

Respectfully submitted by Tony Smithers