

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: RAISSA DE LA ROSA  
ECONOMIC DEVELOPMENT MANAGER  
PLANNING AND ECONOMIC DEVELOPMENT  
SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICES  
AGREEMENT WITH CREATIVE THINKING, INC., DBA THE IDEA  
COOPERATIVE, FOR DESTINATION MARKETING SERVICES

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution, approve the First Amendment to Professional Services Agreement number F001338 with Creative Thinking, Inc., DBA The Idea Cooperative, to extend destination marketing services through June 30, 2021.

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EXECUTIVE SUMMARY

Tourism is one of the key industry sectors in Santa Rosa, and a major focus of the Economic Sustainability Strategy as it produces a revenue stream through Transient Occupancy Tax (TOT), sales tax, and the Santa Rosa Tourism Business Improvement Area (SRTBIA) assessment. The purpose of having an innovative destination marketing campaign is to promote Santa Rosa as a desirable tourism destination, while also appealing to businesses and entrepreneurial individuals as an ideal place to live, work, and play. Additionally, the campaign provides a compelling foundation and opportunity to boost local pride and build community, which in turn further enhances local investment and visitor experiences.

For these reasons, continuing to engage a firm with proven success to provide destination marketing services in coordination with Economic Development staff is consistent with and furthers the City Council goals to foster neighborhood partnerships and strengthen cultural assets, as well as to foster a strong downtown and overall economic development of the community.

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## BACKGROUND

1. The primary funding source for the Economic Development Division, and the sole funding source for the “Out There” campaign, comes from the City’s portion of the SRTBIA assessment. The SRTBIA was established through Ordinance No. 3946 on August 3, 2010, to create a public/private partnership between the City of Santa Rosa, the Santa Rosa Metro Chamber, and Visit Santa Rosa. This ordinance provides funding for efficient and complementary destination marketing, and tourism and convention sales that benefit lodging operators within the Santa Rosa City limits.
2. In June 2013, the Planning and Economic Development Department first entered into an agreement with Creative Thinking, Inc., DBA The Idea Cooperative, using SRTBIA funds, to develop an advertising campaign to drive tourism to Santa Rosa. After honing in on a creative brief and media strategy, the Planning and Economic Development Department launched a marketing campaign that positions Santa Rosa as a destination that provides access, and a culturally progressive alternative to wine country.

The campaign’s creative concept is built around the theme line “Santa Rosa. Out there. In the middle of everything.” A multi-media creative campaign was developed and deployed following a media strategy that included previously unused platforms such as Pandora, movie theaters, and specific cable networks and their affiliated websites in the target markets of Los Angeles, Portland, Seattle, and the greater Bay Area (locations with direct access into the Sonoma County Airport, or from where we have a strong draw for overnight stays). Results from the first phase of the campaign generated an impressively high number of impressions, leading to equally impressive click rates and engagement rates.

3. In April 2014, the campaign shifted to focus more specifically on consumer engagement. Using the idea that nobody tells the Santa Rosa story better than the people who live, work and play here, the decision was made to engage the local community in ways that encourage the creation of unique, very personal and individually compelling content. The goal was to create marketing content that didn’t seem like marketing, which could then be pushed out to prospective visitors, offering an insider’s perspective on Santa Rosa. Several touch points were created to gather and curate those stories:
  - a. OutThereSR.com Website: created as a destination for locals and tourists alike, the site features local host bloggers in relevant categories such as art, wine, beer, food, cycling, music, and miscellaneous.
  - b. The Welcome Wagon: a former bread delivery truck converted into a rolling photo/video booth, bandstand, soundstage, billboard, and local merchandise pop-up store.

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- c. The Out There Dispatch: an opt-in email newsletter program that pushes content out to locals and prospective visitors. The effort currently reaches approximately 6,300 people per mailing with an average open rate of 35% (a sampling of average open rates by industry: travel 20.5%, arts 27%, entertainment 21%, government 26%).
- d. #OutThereSR Hashtag: this individual engagement platform page was added to the OutThereSR.com site for people to post and share their Santa Rosa stories and insights.
- e. Out There Merchandise: a range of Santa Rosa branded products have been created to help raise awareness of the campaign, provide souvenirs, and build local pride. Many of the items feature original artwork from local artists and are available for sale online and in person at events, the California Welcome Center, and periodically at small local stores.
- f. Original Artist Series: staff has reached out to local artists to create original artwork featuring some reference to Santa Rosa and/or the tag line "Out There. In the middle of everything." Commissioned artists include Tony Speirs, Bud Snow, Todd Barricklow, Will Smith, and Catherine Sieck.

Taken collectively, the Phase Two components of the Santa Rosa Out There campaign continue to be effective at building local awareness of the unique marketing effort and growing enthusiasm for celebrating and sharing what people love about the city. It also has provided a solid foundation of compelling, authentic and diverse content that has been used to extend the campaign more aggressively to prospective visitors.

- 4. The third phase of the campaign through 2015 and 2016 introduced a range of initiatives to push the Out There content to a broader audience, driving awareness of Santa Rosa throughout the greater Bay Area and beyond. While maintaining the above tactics, the campaign layered additional advertising and marketing efforts using micro-targeted online channels with a strong call to action to the OutThereSR.com site to increase efficiency, effectiveness and measurability. Additionally, the consultant and staff worked on the OutThereSR.com site to increase search engine and tracking optimization. Local engagement was continued through a strong presence at events, and through participating in, sponsoring, and curating local culture such as arts, music, food, etc.
- 5. The fourth phase, initiated in 2017, elevated the Out There campaign's online experience significantly with a revamped website with higher-value content, aesthetic evolution, and increased engagement. A range of unique and compelling articles were created and promoted through social media. The phase culminated in the Out There Exposition, an event that brought together a wide range of the

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campaign's featured artists, musicians, makers, and more to bring the Out There experience to life in a compelling, immersive experience.

6. For the duration of the proposed next phase, through 2021, the campaign will build on the momentum created to date by focusing on the following:
  - a. Increasing measurable engagement through high-impact social media, including conducting a thorough social media audit, developing a detailed social strategy, and increasing measurable online brand engagement.
  - b. Developing a promotional campaign to incentivize and increase visits to Santa Rosa.
  - c. Establishing the Out There Exposition as an essential Santa Rosa destination event that aggregates all the people and cultural treasures curated by the Out There campaign.
7. Funds for the amendment will come from Santa Rosa Tourism Business Improvement Area Ordinance assessment funds in the amount of \$180,000 per year for a total additional amount to the Agreement of \$540,000.

PRIOR CITY COUNCIL REVIEW

On February 11, 2014, the City Council, by Resolution No. 28425, approved a professional services agreement with Creative Thinking, Inc., for destination marketing services in the amount of \$150,000.

On December 2, 2014, a staff briefing was provided to the City Council on the status and success of the campaign. As the report was informational, no action was taken.

On August 11, 2015, the City Council, by Resolution No. 28677, approved a professional services agreement with Creative Thinking, Inc., DBA The Idea Cooperative, for destination marketing services in the amount of \$190,000.

On January 24, 2017, the City Council, by Resolution No. RES-2017-006, approved a professional services agreement with Creative Thinking, Inc., DBA The Idea Cooperative, for destination marketing services in the amount of \$200,000.

ANALYSIS

1. While the Out There campaign is first and foremost a destination marketing effort, it has found success beyond the tourism marketing initiative for which it was initially designed. Simplistically, the original campaign objectives of increase tourism, and build community, have been further defined as the program has matured as follows:
  - a. Build measurable engagement and drive visitation from outside markets; and

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- b. Maintain and enhance:
  - i. Awareness of Santa Rosa in key target markets
  - ii. Authentic and user-generated marketing content
  - iii. Community presence, engagement and participation
- 2. The target demographic and psychographic the campaign is seeking to engage is adults 25-44 who are independent thinkers who enjoy finding new or undiscovered experiences and venues. Sonoma County has a strong brand character commonly identified as genuine, independent, and adventurous, with a core audience that is described as “experience seekers” (researched and identified in the Sonoma County Identity Guide).

Within this county brand, Santa Rosa is identified as the urban center of the region, a wine-loving beer city within the more agriculturally and/or small town oriented county. By working to highlight and enhance Santa Rosa’s urban subculture while retaining its established link to the region’s artisanal lifestyle, a broadened campaign will further define Santa Rosa’s points of differentiation from other local destinations, celebrating its distinctive variances and benefitting from the proximity of more standard wine country experiences, while also complimenting the more regional tourism efforts.

- 3. With the success of the “Out There” campaign, City staff has worked with Visit Santa Rosa and the Santa Rosa Metro Chamber to integrate the marketing themes into the Visit Santa Rosa’s outreach and advertising efforts. Subsequently, Visit Santa Rosa recalibrated their own marketing brand to one that is more compatible with the Out There concepts so that the return on investment can be further impacted and jointly tracked.
- 4. Since launching the OutThereSR.com site in October 2014, reach as measured by page views has steadily increased. Most recently, page views in 2017 for the City’s visitor sites was approximately 70,000, up from 58,000 from 2015.
- 5. The campaign also saw gains to the opt-in email newsletter subscription list from approximately 3,300 subscribers in 2015 to 7,150 subscribers in 2018. The open rate of 26% and click rate of 12% are greater than the similar industry sector email newsletter average rates of 17.81% and 1.92%, respectively, an indication of the interest in and engaging value of the website.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. The primary funding source for the Economic Development Division, and the sole funding source for

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the “Out There” campaign, comes from the City’s portion of the Santa Rosa Tourism Business Improvement Area (SRTBIA) assessment, fund 1285-P42118. The SRTBIA was established through Ordinance No. 3946 on August 3, 2010, to create a public/private partnership between the City of Santa Rosa, the Santa Rosa Metro Chamber, and Visit Santa Rosa. This ordinance provides funding for efficient and complementary destination marketing, and tourism and convention sales that benefit lodging operators within the Santa Rosa City limits.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A

CONTACT

Raissa de la Rosa  
[rde la rosa@srcity.org](mailto:rde la rosa@srcity.org)  
(707) 543-3059