

CITY OF SANTA ROSA
CITY COUNCIL

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

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by Resolution, approve a professional services agreement with Creative Thinking, Inc., DBA The Idea Cooperative, for destination marketing services through July 31, 2018, using Santa Rosa Tourism Business Improvement Area Ordinance assessment funds in the amount of \$200,000.

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 tourist 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 Council Goal One: Create a Strong, Sustainable Economic Base.

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 Chamber of Commerce, and the Santa Rosa Convention & Visitors Bureau (SRCVB). 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 Economic Development and Housing Department (EDH) 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, EDH 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.” Three 15-second videos ads were created, with the call to action directing people to www.OutThereSR.com (which also links to the Visit Santa Rosa page). Per the media strategy, the ads were placed on Pandora, in movie theaters, and on 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 over 10 million impressions with a click rate of 2.21% (good by web standards) on Pandora, and equally impressive results from the cable portion (TV and online) with an engagement rate of 2.65%. The average engagement response on cable sites is .07% to 1%, indicating a relatively high success rate for this campaign.

3. In April 2014, the campaign shifted to focus more specifically on consumer engagement. Under 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.
- c. The Out There Dispatch: an opt-in e-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. Share SR: 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 on line and in person at events, the CA 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 most recent third phase of the campaign 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. For the duration of the proposed next phase, the campaign will build on the momentum created to date by focusing on the following:

- Strategic planning
- Local engagement
- Organic outbound marketing
- Aesthetic evolution
- Campaign maintenance
- High impact media development

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, a professional services agreement with Creative Thinking, Inc., DBA The Idea Cooperative, for destination marketing services in the amount of \$190,000

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 a) Increase Tourism, and b) Build Community, have been further defined as the program has matured as follows:
 - a. Build measurable engagement and drive visitation from outside markets; and
 - 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.

3. Since embarking on the “Out There” campaign, City staff has worked with Visit Santa Rosa/the Santa Rosa Chamber of Commerce to integrate the marketing themes into the Visitors Bureau’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 mid-2014, reach as measured by page views have steadily increased. Most recently, page views in 2016 was approximately 64,000 up from approximately 58,500 in 2015, almost a 10% increase.

The campaign saw even greater gains over the course of one year to the opt-in email newsletter list, nearly doubling from approximately 3,300 emails to approximately 6,500 emails. The average open rate of 35%, compared to similar industry sector e-newsletter average open rates of 24%, is an indication of the interest in and engaging value of the site.

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 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 Chamber of Commerce, and the Santa Rosa Convention & Visitors Bureau (SRCVB). 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

CONTACT

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