



**Budget Approval and Adoption
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 13
AGENDA DATE: Mon 09/13/2004
PAGE: 1 of 1**

SUBJECT: Approve the Austin Convention and Visitors Bureau (ACVB) 2004-2005 Marketing Plan, and proposed budget in the amount of \$4,915,586, and set the contract payment from the City of Austin to ACVB at \$4,294,255 for the Fiscal Year 2004-2005, and direct the City Manager to file the approved documents with the City Clerk's office as required by the Texas Tax Code.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$4,294,255 is available in the Fiscal Year 2004-2005 Proposed Operating Budget for the Tourism and Promotion Fund. The Fiscal Year 2004-2005 Tourism and Promotion Fund is attached.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Convention Center
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Robert Hodge

FOR MORE INFORMATION CONTACT: Robert Hodge, Director 404-4040; Larry Anderson, Chief Financial Manager 404-4055

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

The Marketing Plan and budget for Fiscal Year 2004-2005 were submitted by ACVB as required by their contract with the City of Austin.

This Council proposed action approves the 2004-2005 ACVB Marketing Plan and proposed budget in the amount of \$4,915,586 for Fiscal Year 2004-2005. Upon approval of this resolution, the ACVB contract will incorporate the newly approved budget and marketing plan.

ATTACHMENTS: (1) proposed Fiscal Year 2004-2005 budget for ACVB
(2) 2004-2005 Tourism and Promotion Fund
(3) 2004-2005 Marketing Plan for ACVB



**2004/2005
MARKETING PLAN**

(★)

MARKETING PLAN

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OVERVIEW

Austin Convention & Visitors Bureau is charged with marketing Austin nationally and internationally as a premier business and leisure destination, enriching our community's overall quality of life.

Austin CVB presents this overview of our 2004-05 Marketing Plan to be implemented as the approved budget allows. This plan focuses on generating business from meetings and conventions, group tours and individual leisure visitors. We target our efforts toward increasing the demand in Austin for hotel rooms, attraction visits, package tours, retail sales, restaurant receipts, local transportation and other events and activities that positively affect the economic impact of the local tourism industry and the city as a whole.

Austin attracts some 7 million visitors annually, which results in an estimated \$3 billion regional economic impact. With a local economy still struggling through the effects of the technology sector slump, tourism is recognized as one of the bright spots on Austin's economic landscape. The opening in May 2002 of the Austin Convention Center expansion, which doubled the size of the facility, and the addition of 1,000 new hotel rooms to the downtown lodging package over the past year has helped to boost Austin's visibility in the national market. Many state and national groups that were once too large for the city are now booking Austin. (Sales figures from the Hilton Austin Convention Center Hotel opening indicate that more than 70% of the pre-booked group room nights was new business to the city.)

STATE OF THE INDUSTRY

During the past year, Austin CVB has conducted extensive research to help accurately identify perceptions about Austin, travel trends and patterns with Austin visitors, and demographic information about the average Austin visitor. Nine different studies focused on the city as a meeting and convention destination and as a leisure travel destination. We have used the results of this research in crafting new and innovative marketing strategies.

Overwhelmingly, the research shows us that while there is terrific "buzz" about Austin nationally, particularly in the media, perceptions about the city remain shallow. In other words, visitors and frequent travelers considering new destinations have heard about Austin; they simply don't know what they've heard. Fortunately, most of what they've heard is very positive. Therefore, it's imperative that the Austin CVB craft a distinctive and believable message that we then deliver aggressively and effectively.

ECONOMIC FACTORS

Sluggish hotel occupancy rates and the resulting decrease in room tax revenues indicate a third consecutive year of reduced budget for Austin CVB. Across the state and nation, other cities are experiencing rebounds in occupancy rates, resulting in increased budgets for their convention and visitors bureaus. Despite a 21% increase in room night bookings in FY '03-04 over FY '02-03, the Austin CVB expects another difficult year with uncertain economy still suffering from the decline in individual business travel. Among the many other concerns associated with this uncertainty are managing attrition, dealing with shorter booking cycles and adjusting to the climate of a buyer's marketplace.

As a result, all Austin CVB programs will continue to be scrutinized paying careful attention to those that do not directly impact hotel occupancy. We will continue seeking industry partners for advertising, tradeshow and promotional programs. During this past fiscal year, we adjusted our budget for a projected increase in hotel-motel tax receipts. Year-to-date, those projections have yet to be realized. We utilize effective and accountable fiscal controls, which are carefully monitored by our Board of Directors, to ensure that we invest our resources carefully in cost-effective marketing and sales programs.

MARKETPLACE

The demands generated by an increasingly competitive marketplace continue to pressure the Bureau's already

limited budget resources. As many as two dozen convention center facilities throughout the country have been recently expanded or under new construction. Within Texas, our competing cities of San Antonio, Houston and Fort Worth all recently completed expansions. A much-heralded Gaylord project opened in April in Grapevine, and Galveston just completed a new convention center. In order to sufficiently compete in the national and state marketplace, the Bureau must seek additional financial resources.

In the leisure travel market, consumers continue to plan shorter, regional vacations rather than travel farther distances from home, which bodes well for Austin. Therefore, our biggest competition for the leisure traveler continues to be neighboring Texas cities. Budget restraints dictate that staying top-of-mind with the consumer requires using innovative ways to keep pace with the advertising and promotional programs of those cities.

MEETINGS & CONVENTION STRATEGY

With the opening of an 800-room convention center hotel this year to complement the completion of the Austin Convention Center expansion in 2002, the Convention Sales department has experienced much success in attracting new citywide business to the city. Despite a concern about the 18-month lag time between the two projects, Austin CVB booked 49 citywide conventions representing a 21% increase in room nights in 2003-04. Year-to-date, there are 33 citywides under definite contract for 2004-05 and another 12 tentatives.

The profile of the convention business booked over the past two years changed with the expansion of the Austin Convention Center and the opening of the convention center hotel. This allows Austin to compete for larger meetings and conventions in the national association and corporate markets. The additional space also allows us to book and accommodate more groups simultaneous programs and can reduce the interference caused by long move in and move out requirements.

The emphasis for the Convention Sales Department continues to be generating long-term, citywide conventions and short-term smaller meetings. Primary market segments are national and state associations, sports and recreation, religious, and multi-cultural groups.

Although the sales department has increased the number of room nights booked by 55% over the last three years, 2006 and 2007 are of significant concern for this team due to the slow rate of advanced bookings and the reduction in sales programming.

LEISURE TOURISM STRATEGY

With the increased visibility of Austin in the national media and trends showing an increase in regional travel, the leisure tourism market represents a viable area of growth for Austin and the surrounding Hill Country area. We see this as an opportunity to pique the interest of domestic and international tour operators who have not explored this market, and to increase the number of individual leisure trips, particularly with innovative travel packaging. It also allows us to leverage our partnerships with local attractions and neighboring Hill Country towns to boost our regional marketing efforts.

The launch of our new consumer resource management system and accompanying e-marketing tools allows us to more effectively reach potential visitors. Currently, we are receiving an average of 2,000 requests per week for information about Austin. In addition to responding to these inquiries by mailing a travel packet, we will follow continue to follow up through e-mail blasts offering travel packages, special hotel offers, announcements of festivals and other special events, etc.

Our Tourism Department concentrates primarily on the domestic market and relies on partnerships with the Tourism Division of Texas Economic Development for marketing efforts in Canada, Mexico, the United Kingdom and Germany.

HERITAGE MARKETING STRATEGY

Another area for potential growth is with heritage tourism, a growing segment of the \$40 billion Texas tourism industry (*Texas Historical Commission*). By continuing and enhancing the programs of our Heritage Marketing Department, we can direct more travelers toward experiencing Austin's unique heritage and culture.

COMMUNICATIONS STRATEGY

Austin continues to benefit from outstanding media coverage. For the second consecutive year, the Marketing Communications department experienced more than \$1 million of editorial coverage in the month of April. Feature stories in *The New York Times*, *Gourmet*, *Travel + Leisure*, *Conde Nast Traveler*, *Money* and *Men's Journal* all recognized Austin as a favorite U.S. city.

Continuously restrained advertising budgets prompts increased public relations efforts to maintain Austin's prominent standing in the national media. While the Marketing Communications Department will continue aggressive pursuit of national, regional and local media coverage through an ongoing schedule of press releases, and hosting media visits and familiarization tours, it may be hampered by budget limitations when planning media missions and special promotions.

Named for the second consecutive year by *Successful Meetings* magazine among the "best convention & visitors bureau websites in the nation," Austin CVB's website is undergoing a complete re-design. Our continued efforts on generating demand from decision makers in the travel industry and providing users with the most comprehensive and current information available on Austin drives us to improve, upgrade and add more marketing tools to our website.

CUSTOMER RELATIONS STRATEGY

From working with meeting planners to boost attendance at upcoming conventions to providing individual tourists with maps and directions to local attractions, ensuring that visitors enjoy Austin and want to return is a priority for Austin CVB. As a wall of awards and recognitions attests, the Convention Services Department delivers an outstanding level of personal assistance at every step, from planning the convention to on-site execution of the event. We continue to supply additional resources for the convention groups through collateral materials, housing and registration assistance and on-line materials. Our new Customer Resource Management (CRM) system increases that level of service tremendously.

This year, we took a bold step to better serve the needs of our guests by moving the Austin Visitor Center to

Sixth Street, where there is a higher concentration of visitors. In doing so, we also received recognition for our efforts in preserving and renovating the historic Grove Drug building. We expect the foot traffic at the Visitor Center to increase by 50% in the first full year of operation in this new location. With an expanded retail

component, our goal is for the Visitor Center to eventually fund itself. Retail receipts are up 50% this fiscal year. Customers' expectations and the market will continue to require top-level convention services as a point of differentiation and as a way to maintain a competitive advantage.

FILM & MUSIC STRATEGIES

MovieMaker magazine officially declared Austin as the "#1 City for Filmmaking" this year. The much anticipated release of *The Alamo*, the success of films such as *Spy Kids 3-D* and *Secondhand Lions*, and the filming of *Friday Night Lights* and *The Wendell Baker Story* have kept the local film industry busy again this year. Austin's film budgets totaled more than those for all the rest of Texas combined.

Austin CVB's Film Office continues to capitalize on the city's popularity as a leading film location. We work closely with industry professionals, city government and other community partners to enhance Austin's reputation as a film friendly city.

After producing three volumes of the "On Any Given Evening" promotional CD, which *Successful Meetings/Billboard* magazine recently recognized as one of the best in the country, our Music Marketing Office released a new CD of Austin music this year, entitled "Austin: Beyond Sixth Street." In addition, the music office continues to work closely with conventions and meetings to book live music for events, making it a truly memorable experience in the city known as the Live Music Capital of the World.



CONVENTION SALES

Mission

The mission of the Convention Sales Department is to promote Austin to both corporate and association meeting planners throughout the world. Our primary objective is to generate meeting and convention business for the hotels, convention center and other venues in the City of Austin.

State of the Industry

The hospitality community currently faces four major issues:

- Change in booking cycle
- Managing attrition
- Increased competition
- Struggling business travel

Changes in booking cycle

Changes in booking cycles continue to be an issue, with meetings and conventions pushing signed agreements until closer to actual date of the event. This, however, creates opportunities for Austin CVB to book groups that are looking 2-3 years out. We have implemented an aggressive prospecting campaign to promote Austin to organizations that have not committed to other destinations. We are targeting 2006 and 2007. *(The target markets are outlined later in this plan.)*

Managing attrition

Due to a downturn in the economy, fear of terrorism and the wars in Iraq and Afghanistan, organizations continue to experience lower attendance figures at meetings and conventions. This has resulted in monetary penalties and relationship challenges between the clients and the hospitality community. Austin CVB aggressively researches and validates an organization's history prior to its programs in Austin. In doing so, we identify potential issues and proactively seek solutions for them. We are currently checking histories of groups meeting with us in 2005, 2006 and 2007 to determine if we need to adjust room blocks or convention center space. This could free up space to book additional business in Austin. In addition, convention attendees continue to book around blocks due to availability and the proliferation of internet booking engines. We are working with group to minimize the effects of this trend.

Increased competition

Currently, the market is crowded with emerging and existing destinations vying for the same business opportunities. This makes it difficult to get the clients to concentrate on a single destination. We will continue to synchronize our advertising campaign with our prospecting and

sales program. In addition, we will deliver the message of Austin's unique attributes including music and diverse cultural scene.

Business Travel

The business travel segment continues to struggle. Austin's high tech and government dependences have slowed growth in business travel, due to cutbacks on both industries. As this segment is not expected to return to the boom levels of 1999 and 2000 in the foreseen future, we expect it will take several years to reach a level that allows the market to increase room rates.

Department Overview

The responsibilities of the Sales Team members are divided by both region and group type. We recently realigned our sales team to better address the priorities outlined above. The team is as follows:

<i>Title</i>	<i>Name</i>	<i>Assigned Markets</i>
Vice President of Sales	Keith J. Purcell	Select accounts
Director of Sales	Mary Kay Hackley	Texas Associations
Regional Director	Open Position	NE & Mid-Atlantic Assn. & Corp.
Regional Director	Toni Kosaris	Midwest Assn. and Corp.
Sales Manager	Lauric Hartz	Religious & Northeast/Mid-Atlantic (399 PRN)
Sales Manager	Donna Cottle	Government & Fraternal
Sales Manager	Christine Cramer	West Coast Assn.& Corp., UT
Sales Manager	Shannon Cannon	Southeast Assn.& Corp.
Sales Manager	Craig Jenkins	Sports & Fraternal
Express Sales Manager	Alysia Tata	Groups Under 150 Peak Rooms (except NE & Mid-Atlantic)

Sales Goals & Initiatives, 2004-05

	A Business	B Business	C Business
Room Nights	234,000	105,300	50,700
TOTAL ROOM NIGHT GOAL	390,000		

For FY 2004-05, the convention sales team will focus on five key initiatives:

- 2006 & 2007 Meetings and Conventions Business
- Multi-Cultural and Religious Markets
- State/Regional Associations
- National Association Market
- Sports Market

Initiative 1: 2006 & 2007 Meetings and Conventions Business

We have identified 2006 and 2007 as essential business years. Utilizing all of our databases and national sales contacts to generate interest and leads for these years, we have developed aggressive prospecting goals for each market to move these years in a positive direction.

Initiative 2: Multi-Cultural and Religious Markets

We continue to target the multi-cultural and religious markets as having a potentially strong economic impact for Austin. Attracting these meetings is highly competitive due to the number of cities that need business during holidays and summer months when these groups traditionally meet. We leverage Austin's reputation for diversity and unique characteristics to attract these types of groups. In addition, we continue coordinating efforts with the Hispanic, African-American and the Asian chambers of commerce to complement each other's work. Our Tourism Department is also working on several initiatives to drive leisure travel from these markets.

Initiative 3: State/Regional Association Market

As the travel industry continues to change due to airline bankruptcies and safety concerns, we continue to focus more marketing strategies on the state and regional association market for both short and long term opportunities. These markets offer some protection from cancellation due to the drive-in nature of the attendees. We continue to focus on the 1,400-2,400 peak night programs, as these offer the strongest impact on the city's success. Our state and regional sales efforts consist of tradeshow, sales blitzes, client development events and an aggressive prospecting program.

Initiative 4: National Association Market

Leveraging Austin as a new, easily accessible and affordable destination, we compete for larger meeting and conventions in the national association by focusing on the Washington D.C. and Chicago markets. Our mission is to heighten awareness of Austin in these target markets through direct sales, site visits, tradeshow, hotel national sales offices and integrated marketing programs. We are concentrating our efforts on booking business for 2006, 2007 and 2008. In addition, our aggressive prospecting campaign focuses on opportunities that produce 1,400-2,400 rooms peak night. We also continue aligning our sales efforts to target third party booking agents such as Conference Direct, International Meetings Network, Confcon and Helms-Briscoe.

Initiative 5: Sports Market

Through networking with local sports organizations and the University of Texas, Austin CVB successfully attracts large sporting events to the city. A primary focus is on youth sports events that take place in the summer months. In addition, we will attend tradeshow and work with the various sports representatives from all of our hotel partners.

Initiative 6: E-Marketing Program

As we move into a more competitive environment with cities of similar size and larger, we need to focus more on the clients' needs and challenges. The launch of a new state-of-the-art electronic marketing systems enhances our sales efforts by giving us the tools to assist our clients in meeting their objectives. This new system allows the Austin CVB team to engage in more in-depth communications with our clients. Now that we have the infrastructure—hotels, venues and convention center space—to meet their logistical needs, we can also help them drive attendance, increase exhibitor participation and deliver pertinent messages to their members. By delivering this service, Austin gains a competitive advantage over our competitors.

Sales Calls and Business Development Activities

First Quarter	
Event	Type
California Client Event	Business Development
Blacks in Government Reception	Business Development
UIL Breakfast	Business Development
UT Client Luncheon	Business Development
Washington Area CVBs Client Event	Business Development
Washington, DC Client Event	Business Development
Local Austin Client Event	Business Development
TEA/Client Event	Business Development
Chicago Client Event	Business Development
GWSAE Speakers Series	Business Development
Texas Area Sales Calls	Sales Trip
Government Sales Calls (DC)	Sales Trip
Southeast Sales Calls	Sales Trip
Multi-Cultural Sales Calls (DC)	Sales Trip
Northeast Sales Calls	Sales Trip
DFWASE	Tradeshow
US Hispanic Chamber of Commerce	Tradeshow
ITME	Tradeshow
National Society of Hispanic MBAs	Tradeshow
Natl. Coalition of Black Meeting Planners	Tradeshow
Natl. Black Caucus of State Legislators	Tradeshow
CESSE	Tradeshow

Second Quarter	
Event	Type
Austin Urban League	Business Development
UT Client Event	Business Development
Local Austin Client Event	Business Development
African-American Luncheon	Business Development
TEA/Client Event	Business Development
GWSAE Speaker Series	Business Development
Government Sales Calls (DC)	Sales Trip
Northeast Sales Calls	Sales Trip
TSAE Southwest Showcase	Tradeshow
PCMA Annual Meeting	Conference
RCMA Annual Meeting	Tradeshow
MPI-PEC	Tradeshow
NYCSAE	Tradeshow

Third Quarter	
Event	Type
Chicago Client Event	Business Development
UT Client Event	Business Development
TEA/Government Event	Business Development
GWSAE Speakers Series	Business Development
TSAE Invitational	Business Development
West Coast Sales Calls	Sales Trip
Northeast Sales Calls	Sales Trip
Southeast Sales Calls	Sales Trip
Texas Sales Calls	Sales Trip
SGMP	Tradeshow
Affordable Meetings-Chicago	Tradeshow
IAEM Mid-Year	Tradeshow
LULAC	Tradeshow
National Travel Forum	Tradeshow
Affordable Meetings-West	Tradeshow
HCEA	Tradeshow
Intl. Assn of Hispanic Meeting Planners	Tradeshow
GWSAE Springtime	Tradeshow

Fourth Quarter	
Event	Type
Local Austin Client Event	Business Development
TEA/Client Event	Business Development

UT Appreciation	Business Development
GWSAE Speakers Series	Business Development
Sales Calls Government (DC)	Sales Trip
Sales Calls Southeast	Sales Trip
Sales Calls West Coast	Sales Trip
TSAE Educational Conference	Conference
Congressional Black Caucus	Conference
ASAE Annual Meeting	Tradeshow
Destination Showcase -Chicago	Tradeshow
Affordable Meetings- DC	Tradeshow
CESSE	Tradeshow
MPI-WEC	Tradeshow

Austin Convention Center Forecast

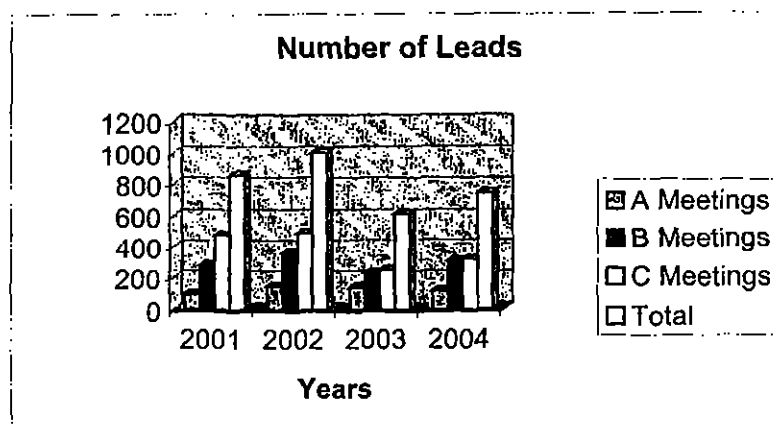
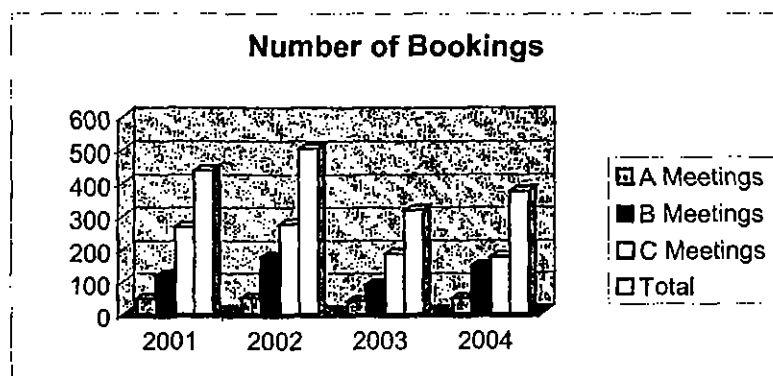
Year	Definite # Groups	Room Nights	Tentative # Groups	Room Nights
2002-03	55	160,405		
2003-04	49	194,358		
2004-05	33	103,277	12	18,008
2005-06	23	70,294	19	71,522
2006-07	12	40,976	15	45,979
2007-08	3	12,192	14	60,932

Austin Convention Center Future Major Bookings (Top 15 Conventions based on Total room Nights)

Group	Dates	Attendees	PRN	TRN
American Institute of Chemical Engineers	11/03-13/2004	4000	1900	9795
Texas Computer Education Association	2/5-11/2005	9800	1700	5500
Commodity Classic	2/20-27/2005	2800	1775	8038
Texas Library Association	4/3-9/2005	8000	2100	7034
Texas Association of Secondary School Principals	6/5-11/2005	1000	900	3978
American Psychopathological Society	7/28-8/4/2005	2000	1100	5180
Department of Veteran Affairs	8/4-13/2005	3000	2000	10125
Solid Waste Assn of North America	9/21-30/2005	1500	1200	4869
IEEE	11/5-14/2005	4000	1000	4404

NAMM	7/08-19/2006	22000	2700	12000
Department of Veteran Affairs	8/3-12/2006	3000	2000	10125
Texas Municipal League	10/24-28/2006	4500	2000	5080
North American Spine Society	10/20-30/2007	2750	1675	7352
National Association for Bilingual Education	2/10-18/2007	4000	2025	8320
National Association for College Admission Counseling	9/23- 10/1/2007	4000	1800	8543
IEEE	11/05-14/2005	4000	1000	4835

Review of Last Four Years Statistics



	2002/2003	2003/2004 Forecast
Room Nights Booked		
A Meetings	204,884	238,000
B Meetings	110,590	105,000
C Meetings	<u>30,255</u>	<u>47,000</u>
Total	345,729	380,000

2003-2004 Regional Production
(October 1, 2003-May 1, 2004)

	Leads			Bookings			Room Nights		
	A	B	C	A	B	C	A	B	C
East	37	72	83	42	55	66	39,290	15,656	5,401
*Midwest	63	168	293	62	215	215	110,082	77,933	17,500
West	17	24	22	14	39	38	3,413	10,176	2,166
Totals	117	264	398	118	309	319	184,285	103,765	25,067

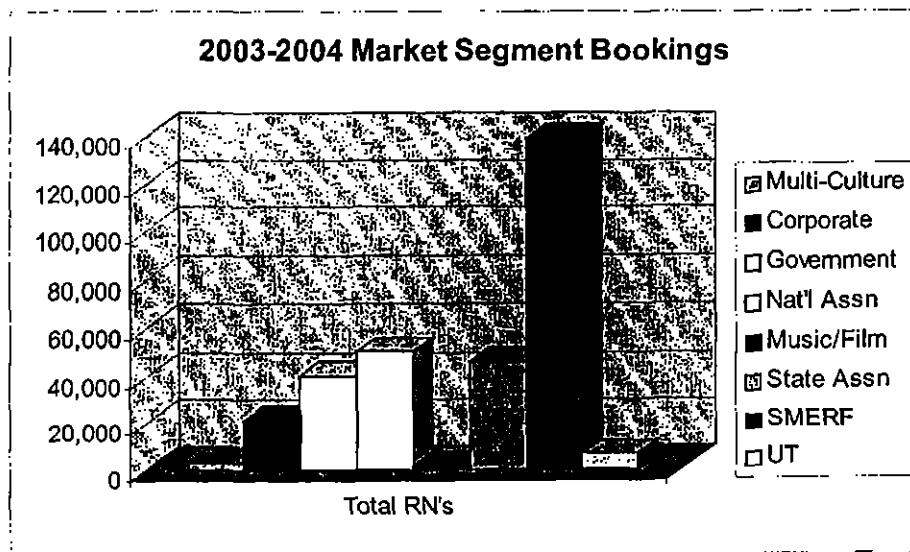
* Includes Texas

2002-2003 Major Bookings
(October 1, 2003-April 30, 2004)

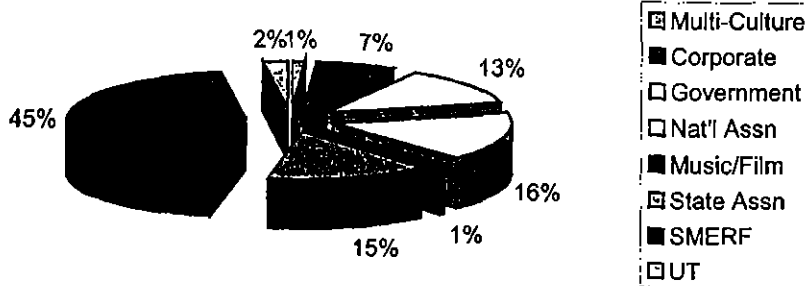
Group Name	Dates	PRN	TRN	Attendees
Society of Environmental Toxicology & Chemistry	11/5-15/2003	1600	8157	2000
Austin Junior Volleyball	1/9-10/2004	700	1788	6000
Government Technology Conference *	1/22-30/2004	500	1795	12000
Texas Association of School Administrators *	1/24-29/2004	1300	4178	5000
Texas Computer Education Association *	1/31-2/06/2004	1700	6377	9800
Texas Middle School Association*	2/25-29/2004	1150	3441	5000
Austin Junior Volleyball	4/16-18/2004	2000	6000	10000
Republic of Texas Biker Rally *	6/3-7/2004	4000	11453	35000
Texas Association of Secondary School Principals *	6/6-11/2004	900	4206	1000
NCAA Men's & Women's Track & field	6/7-13/2004	750	4500	90000
USA Volleyball	6/23-7/07/2004	2250	27291	40000

South Texas Youth Soccer Association	6/23-7/01/2004	3000	19000	4000
National Technical Investigators Association	7/8-18/2004	1000	5244	750
Assemblies of God Fine Arts Festival	7/31-8/8/2004	3000	22658	15000
Department of Veteran Affairs *	8/5-14/2004	1800	10580	3000
Technology Forum *	8/06-13/2004	950	4372	250
Federation of Genealogical Societies	9/04-12/2004	500	3575	2500
US Hispanic Chamber of Comm.	9/12-20/2004	1000	3169	6000
* Denotes Annuals				

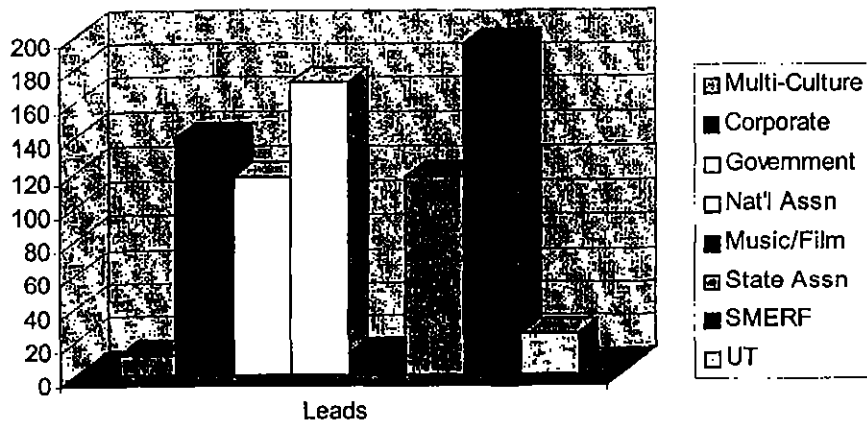
2003-2004 Market Segments Production
(October 1, 2003-May 2004)



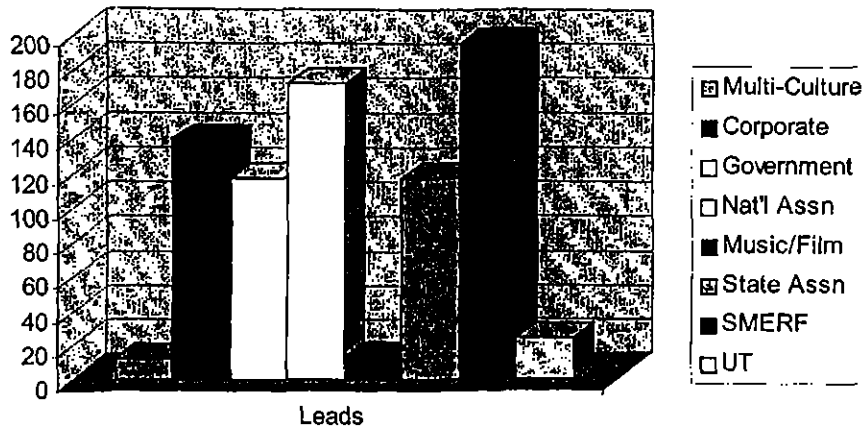
2003-2004 % of Bookings



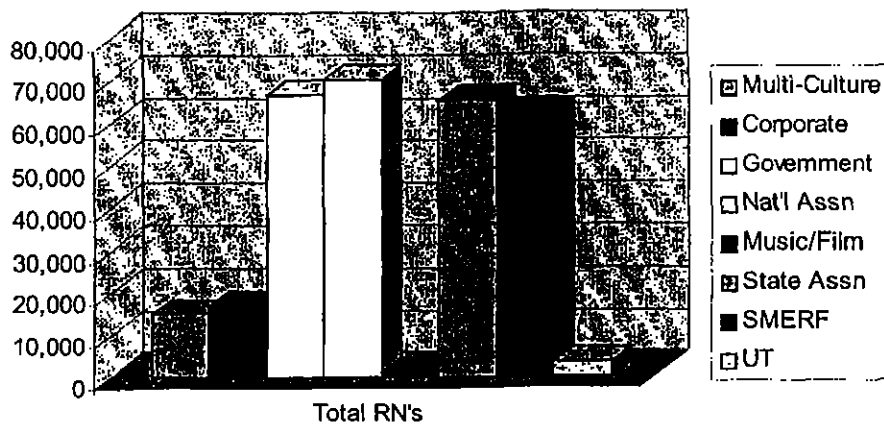
2003-2004 Market Segment Leads



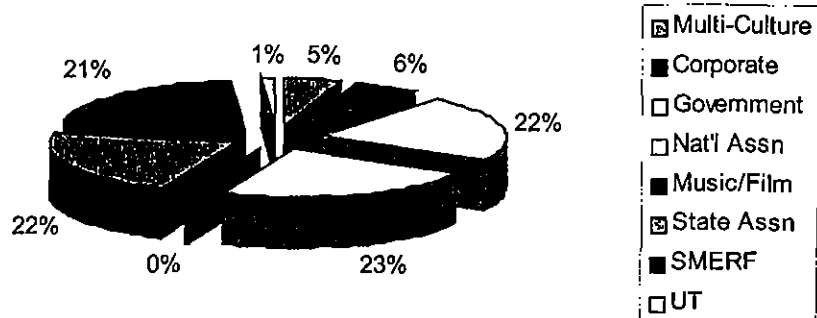
2003-2004 Market Segment Leads



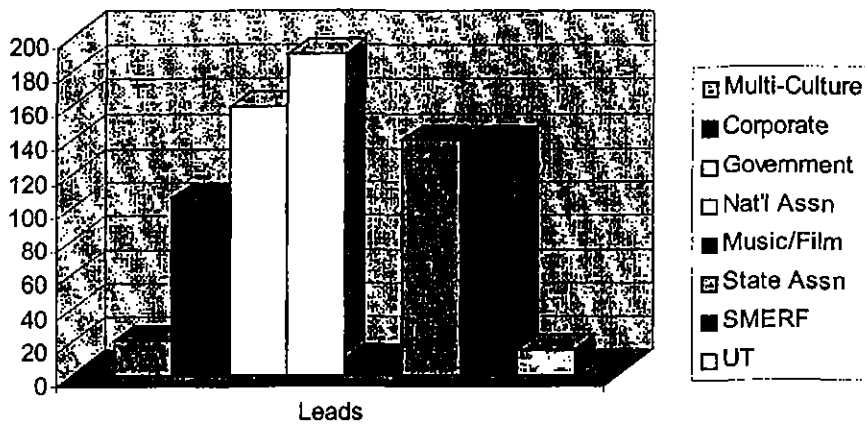
2002-2003 Market Segment Bookings



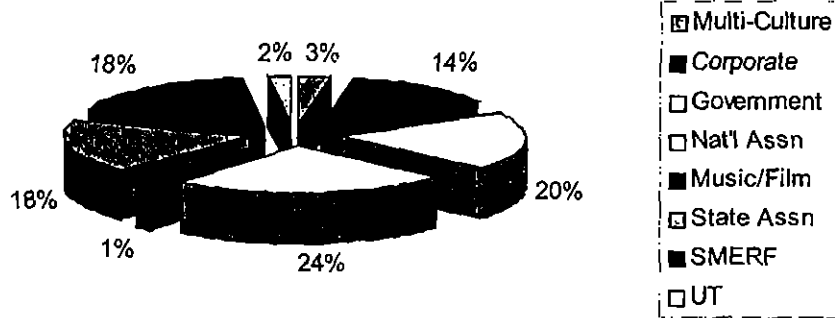
2002-2003 % of Bookings



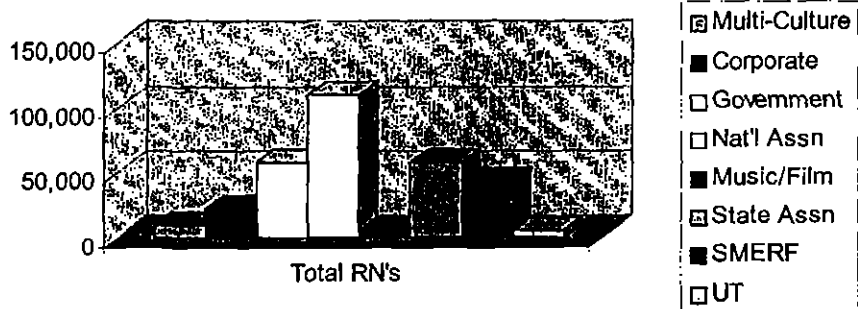
2002-2003 Market Segment Leads



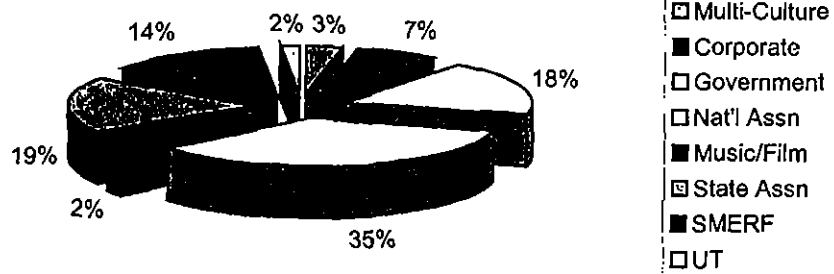
2002-2003 % of Leads



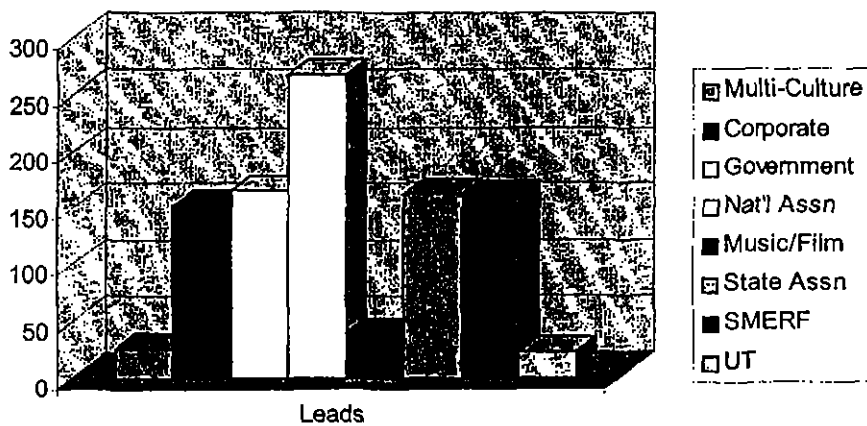
2001-2002 Market Segment Bookings



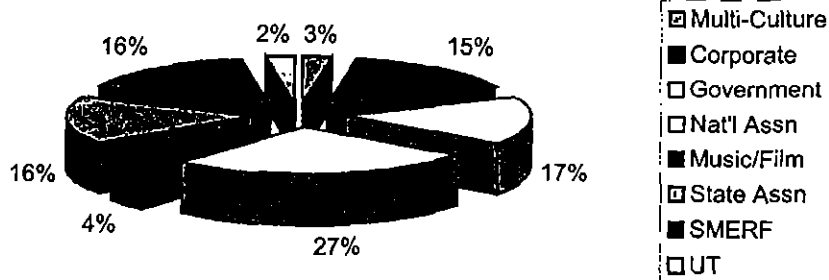
2001-2002 % of Market Segment Bookings



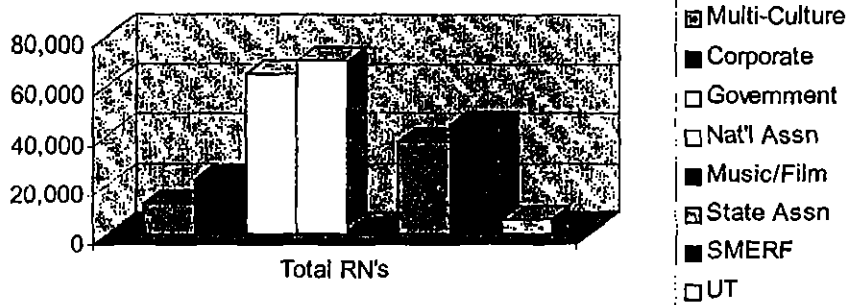
2001-2002 Market Segment Leads



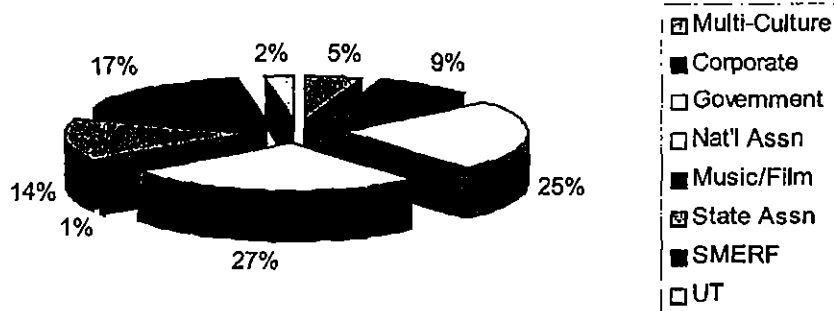
2001-2002 % of Market Segment Leads



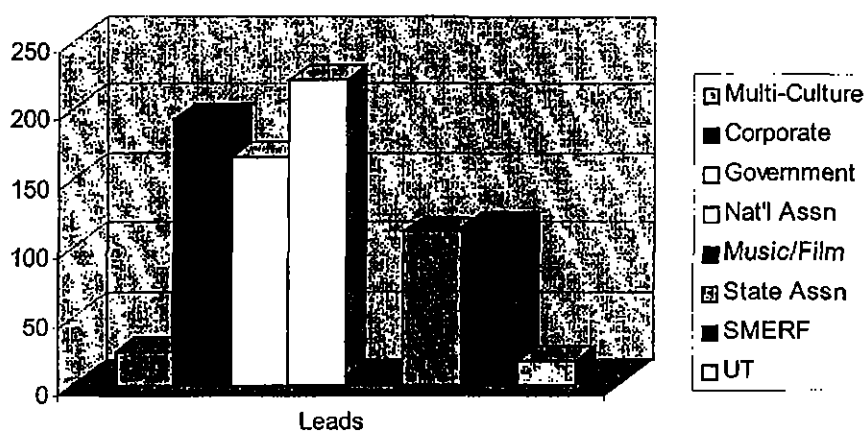
2000-2001 Market Segment Bookings



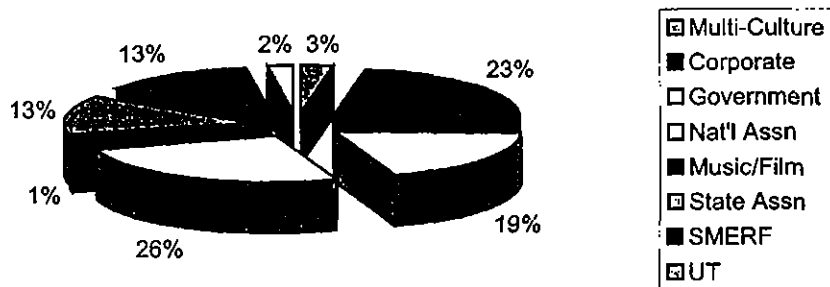
2000-2001 % of Market Segment Bookings



2000-2001 Market Segment Leads



2000-2001 % of Market Segment Leads



Austin Lodging Figures, Historical Review*

Year	Occupancy	ADR	RevPar (% vs. Prior Year)
1999	70.4	85.95	13.8
2000	74.9	90.89	23.2
2001	63.9	89.37	-14.6
2002	78.22	78.22	-12.5
2003	76.66	76.66	-3.0

Lodging Figures: Austin / National Average*

Austin				United States		
	2004 (YTD)	2003	Change	2004	2003	Change
Occp	55.2	58.8	-6.1	60.6	59.4	-4
ADR	76.54	79.42	-3.6	85.38	83.71	2.0
RevPar	42.23	46.69	-9.6	44.23	44.55	4.0
Supply	+5.0	+4.7		+1.4	+104	
Demand	-1.5	+7.0		+3.5	+2.0	

Non-Convention Center Major Bookings 2003-2004

Group	Meeting Dates	TRN
Texas Parks & Wildlife Department	10/02-07/2003	50000
BMW Car Club of America	10/04-11/2003	2470
Office of the Secretary of State	12/02-06/2003	1416
American Water Works Association	1/09-15/2004	2210
Landmark Graphics	1/16-23/2004	4539
Tara Miller Productions	1/28-31/2004	1810
YMCA Texas Youth & Government	2/04-08/2004	1235
Gap, Inc	2/16-20/2004	1436
UIL-University Interscholastic League	3/03-07/2004	100,000
US Geological Survey	3/28-4/02/2004	1500
Austin Junior Volleyball	4/16-18/2004	5727
Austin Junior Volleyball	4/22-24/2004	4482
Utility Supply Management Alliance	5/01-07/2004	1255
Conferon-Denver	5/14-20/2004	1789
Cox Target Media/Val-Pak	5/18-23/2004	1850
10 th Mountain Division	6/14-21/2004	1275
Development Exchange	7/5-11/2004	1810
Office of the Secretary of State	7/20-24/2004	1325
Texas Commission on Alcohol & Drug Abuse (TCADA)	7/31-8/8/2004	2125
Internet2	9/24-10/1/2004	2430



CONVENTION SERVICES

Mission

The Convention Services Department provides support to definite meetings and conventions bookings by offering customers assistance and services that benefit and enhance their meetings. The department participates in the sales process, from pre-selection site visits to registration for the actual meetings and conventions. Convention Services strives to assist planners in making Austin meetings and conventions as successful as possible, often resulting in a commitment to return with future business. The department consists of a director of convention services, convention services manager, housing manager, services coordinator and approximately 25 part-time registration assistants.

Department Overview

Introduction to Services

Meeting planners are introduced to Convention Services either in the booking stage during site visits or through a service packet containing information about the overall available services, samples of informational brochures and promotional items.

Referrals

Meeting planners or conference committee members often want products, services or suggestions for their conventions. The department provides meeting planners with lists of local resources and the *Meeting Planner & Destination Guide* or directs them to the Austin CVB website. With the launch of a new web database, Convention Services has implemented an on-line supplier lead referral service to assist planners in securing local suppliers for their meetings.

Attendance Builders

For some larger conventions, the Services Department exhibits at the group's convention the year prior to coming to Austin to inform conference attendees about the city and encourage attendance the following year.

Site Inspections

Convention Services assists planners with scheduling appointments and accompanies the client on tours of local facilities and to meetings with local conference suppliers.

Planning Meetings

Department staff members meet with the client to assist in pre-planning and to determine the scope of conference needs.

Convention Housing

The Convention Services department also includes the Bureau's convention housing service. For multi-hotel conventions, the Bureau handles reservation assignments to the contracted properties. Real-time, internet-based housing is offered and allows the attendees to book, change and cancel

reservations on-line. The Bureau builds the web site, manages the inventory, submits reports to hotels and handles any mailed or faxed reservation requests.

Registration Assistance

The Bureau currently employs 25 part-time, on-call staff members to assist conventions with registration, cashiering, room monitoring, packet stuffing, information booths and general conference assistance.

Brochure Fulfillment

For groups of all sizes, Convention Services provides brochures and maps highlighting attractions and activities in Austin. Photographic images, videos and promotional items are also made available.

Local Supplier Meetings

The department is responsible for being familiar with area businesses and resources that could possibly be used by a convention. We routinely meet with companies and vendors who are interested in working with conventions to better understand the scope of their businesses and to encourage them to provide listings in the *Meeting Planner and Destination Guide* and on the Bureau website.

Pre- and Post-Convention Meetings / Post-Convention Surveys

Pre-convention meetings are scheduled with larger conventions utilizing multiple services to review all conference details and process any last minute changes. A post-convention meeting is also held to highlight processes that worked well and to recommend areas of improvement. We send post-convention surveys via e-mail to the group organizer to gauge responses about the event and to obtain final figures for possible future bookings. Survey results, reported quarterly and annually, are shared with industry partners.

Convention Services Goals/Strategies, FY 2004-05

GOALS	Monthly Goals 03-04	Monthly Goals 04-05	Annual Goals 03-04	Annual Goals 04-05
Groups Serviced	67	67	800	800
Registration Assistant Hours Provided	266	266	3200	3200
Reservations Assigned	833	666*	10,000	*8,000

*Annual reservation assigned goal is lower due to opening of Hilton and ability of several groups to utilize fewer properties for their hotel packages

Quantifiable Services

In addition to the goals listed above, Convention Services also tracks the following:

- Supplier Referrals: 200 (FY 04-05 est.)
- Site Visits: 50 (FY 04-05 est.)
- Planning Meetings: 40 (FY 04-05 est.)
- Pre/Post Convention Meetings: 20 (FY 04-05 est.)

Goal 1: Provide Internet housing bureau services to multi-hotel groups

Strategies:

- Implement hotel training for new Passkey housing system
- Pre-plan housing set up for each group and create housing site
- Assign 8,000 reservations annually
- Complete housing for 6 city-wide conventions
- Reconcile housing actuals picked-up for billing purposes

Goal 2: Promote housing bureau, registration assistant and convention services to new bookings for revenue development

Strategies:

- Review sales traces of booked groups and offer services to 800 Bureau booked and non-bureau booked conventions
- Hire and train 5 new registration assistants to handle goal of 3200 registration staffing hours annually
- Evaluate registration staff pay and fee structure to produce profit of \$5,000 in registration assistance program
- Attend promotional trips for select groups one year prior to Austin convention to encourage increased attendance and interest in Austin

Goal 3: Analyze and communicate customer needs to encourage partnerships and the use of local resources

Strategies:

- Provide new e-marketing service to customers for promotion of their Austin convention
- Through upgrades in the database and greater usage of the Bureau website, implement on-line service lead system to better track supplier referrals
- Continue to improve the Austin product by sharing results of e-mail surveys on a monthly basis to entities involved
- Continue involvement in industry organizations by serving on boards and committees and by attending industry meetings and conventions

- Participate in trade shows, FAM trips, sales missions, site visits and special events to educate customers on services available through the Bureau
 - Attend pre- and post-convention meetings for feedback on the convention's Austin experience
- Send e-mail blast of new Austin services and calendar of events two months prior to convention to encourage increased length of stay

Goal 4: Work with Austin businesses and hospitality industry partners to develop awareness of conventions and share client needs and expectations

Strategies:

- Send list of large conventions to restaurants and facilities one month prior to major conventions and events
- Update downtown area restaurant brochure highlighting restaurants prepare to serve convention delegates
- Continue production and distribution of cab visor convention calendar to Austin cab drivers
- Streamline services pick-up requests to hotels by using upgraded database software to automatically send pick-up requests following a convention
- Calculate direct dollar impact reports to share with industry partners
- Hold quarterly industry strategy sessions to evaluate the Austin product and areas in need of improvement

Goal 5: Develop products and materials promoting Austin as a convention and travel destination

Strategies:

- Review product line, make suggestions on new promotional products and order for staff-wide usage
- Coordinate production of 20,000 University Interscholastic League Housing brochures to assist participants and spectators in securing reservations during annual state competitions and tournaments
- Promote sale of products to convention clients and hotels for promotional efforts

MARKETING COMMUNICATIONS

Mission

The Communications Department aims to increase awareness in the media of Austin as a convention and leisure destination through effective public relations and advertising/ marketing campaigns. The department coordinates advertising, promotions, publications, website, and public and media relations programs for all departments. As the agency's official voice, the department delivers the message of the Austin CVB.

The department consists of three full-time employees. The staff includes a director of marketing communications, media relations manager and communications manager. Through integrated advertising/marketing campaigns, media placements, and pro-active public relations efforts, the department communicates the organization's message to the media, public officials, hospitality industry, meeting planners, and general public.

Department Overview

Due to substantial budget cuts in advertising and promotions, the Marketing Communications Department concentrates primarily on strong media relations efforts to maintain Austin's high profile in the state, national and international media, and on local public relations to increase awareness of ACVB within the local community. As a result, the media value of coverage attained by the Bureau this fiscal year will exceed \$7 million. In comparison, the Bureau's total advertising expenditure for FY 2003-04 was \$371,016. For every \$1 spent on advertising, ACVB gained \$18.86 of free editorial coverage.

Department responsibilities fall into five primary categories:

- Media Relations
- Publications/Collateral
- Advertising
- Website Management
- Research

The department director oversees external and internal communications for the Bureau and serves as media spokesperson for ACVB. She reports directly to the President & CEO. The communications manager is responsible for the monthly electronic newsletter, managing the website, the annual *Meeting Planner & Destination Guide* and the bi-annual *Austin Official Visitor Guide*. She assists the VP of Sales as project manager for the customer resource management system. The media relations manager writes press releases, solicits editorial coverage, responds to media inquiries, schedules media visits and arranges itineraries, and manages the photo and video library. Both managers report to the director of communications.

Marketing Goals and Objectives, 2003-04

	Monthly Goals, 03-04	Monthly Goals, 04-05	YTD Goal 03-04	YTD Goal 04-05
Releases/ # Contacts	7/300	8/330	84/3,600	96/3,960
Media Inquiries	120	126	1,440	1,512
Media/Site Visits	6	6	72	72
Dollar impact of media	\$492,250	\$541,475	\$5.91 million	\$6.5 million
Images Issued	132	145	1,584	1740
Website Visits	16,500	18,150	198,000	217,800

Goal 1: Increase Media Relations Efforts and Editorial Placement

Aggressive, pro-active media relations efforts will continue throughout 2004-05, primarily through press releases to local, regional and national media; and personal contact via email, telephone and one-on-one press visits. Continue international efforts by working with and utilizing the public relations agencies employed by the State of Texas in the United Kingdom, Germany, Canada and Germany.

Strategies:

- Write and distribute eight press releases per month to 330 local, regional & national media contacts
- Respond to an average 126 media inquiries per month for editorial coverage
- Schedule itineraries and host 6 journalists per month for visits to Austin
- Utilize database management resources of new CRM to more efficiently track media contacts and coverage
- Schedule regular meetings with local media representatives; schedule annual meeting with *Austin American Statesman* editorial board
- Attend Public Relations Society of America Media Marketplace
- Attend Society of American Travel Writers annual conference
- Attend Texas Travel Industry Association annual conference
- Partner with Texas Hill Country Wine & Food Festival, KLRU/ *Austin City Limits* and Texas Department of Agriculture on New York media promotion
- Host media dinner in Washington DC
- Host media during ACVB annual Venetian Night event in Chicago
- Partner with Texas Book Festival to host Austin-based writers (contributing and freelancing for national publications) on hometown media tour during festival
- Partner with other Fredericksburg and San Antonio on "Spring Into Texas" media familiarization tours
- Partner with Capital Sports & Entertainment on *Austin City Limits* Music Festival and other local events to enhance media coverage
- Participate in select press tours arranged by the State of Texas tourism department
- Utilize Communications staff to replace photographic image gallery with new photography; coordinate a photography project/ contest with photography departments at University of Texas, Austin Community College, and St. Edward's University; expand image gallery with photography from local partners

**Goal 2: Introduce New Marketing Message and Advertising Creative;
Expand Advertising Campaigns through Co-op Partnerships**

Following a yearlong research campaign to more accurately define the Austin visitor and the perception of Austin beyond our own city limits, the Bureau plans to roll out a new creative campaign in the fall. This campaign was developed at the direction of our Board of Directors and in conjunction with various community partners, including the Downtown Austin Alliance.

In launching this new campaign, particularly in the print media, we will continue to leverage a limited advertising budget through a cooperative advertising campaign with hotel partners and the Austin Convention Center in the meetings and conventions trade publications and consumer/business publications. Last year, the Bureau contributed \$177,000 to a \$305,000 campaign by partnering with Austin Convention Center, Hilton, Radisson, Hyatt and Marriott hotels. ACVB's contribution to the campaign remains at the same level.

Based on the success of the trade co-op program, a similar advertising campaign was also designed last fiscal year for the leisure market. The campaign revolved around an 8-page newspaper insert distributed through Sunday supplement placements in the *Dallas Morning News* and *Houston Chronicle* in late April and late September. ACVB seeded the project, which was supported by a more than a dozen tourism partners in Austin and surrounding Hill Country towns. The newspaper insert focusing on "Austin and the Hill Country" will be conducted again in the Spring and Fall of 2005. The leisure-advertising budget will be increased to promote a new creative print campaign and will include outdoor advertising in target feeder markets.

Strategies, Meetings & Convention Advertising:

- Re-evaluate publication circulation analyses for FY '04-05 media plan; refine media plan for FY '05 to increase frequency and visibility for ACVB and co-op partners
- Maintain media plan to reach meeting planners in the primary market segments: 1) state and national association meetings; 2) religious meetings; 3) ethnic meetings; 4) small meetings market; 5) sports markets
- Extend media budget by taking advantage of value-added incentives for additional editorial, email/web marketing and other programs
- Shift media plan from trade publications to more business/consumer publications

Strategies, Heritage/ Leisure Tourism Advertising:

- Evaluate publication inquiries/leads from FY '03-04 media plan; refine media plan for FY '04-05
- Continue cooperative advertising program with tourism partners through newspaper insert
- Identify target markets for distribution of newspaper insert in Spring & Fall 2005
- Place media buys with Texas and regional publications that generate maximum number of visitor leads
- Extend media budget by taking advantage of value-added opportunities for additional editorial, email/web marketing, sweepstakes and other programs

- Explore niche publications for the golf/outdoor recreation, heritage/historic, and music/cultural markets
- Work with advertising agency to reinstate "Rediscover Austin" program during holiday season through radio promotion giveaways reminding Austinites the importance of inviting friends and family to visit Austin
- Develop outdoor campaign

Strategies, Travel Trade Advertising:

- Increase marketing programs within Texas for leisure groups
- Sell Austin as the top choice for a one or two-night leisure getaways with creation of Austin-area partner packages for broadcast and print coop opportunities
- Create marketing programs to attract more group business from markets in contiguous states of Louisiana, Oklahoma, Arkansas and New Mexico
- Create travel packages to promote Austin's music, golf/recreation, nightlife, student and adventure activities
- Focus on leisure travelers, ages 25-49 and 50-64, with incomes of \$75,000+
- Refine lead generation, tracking and response systems
- Cross-promote *Austin City Limits* Music Festival, Texas Hill Country Wine & Food Festival, and other special events with organizers and partners
- Place media buys with major travel-trade publications

Strategies, Music & Film Advertising:

- Identify film industry publications to promote Austin's film product with ad placements
- Identify best venues for promoting specific music events to regional market with ad placements and promotions
- Continue ad schedule with *Texas Music Magazine*

Goal 3: Publication of Meeting Planner & Visitor Guides

The Communications Department will continue working closely with the editorial and sales staffs of Weaver Publication to produce the annual *Meeting Planner & Destination Guide* and the semi-annual *Austin Official Visitors Guide*. Despite challenges with low advertising percentages the first year, the second year of publication proved quite successful in terms of advertising revenues. ACVB will continue to support the advertising sales efforts by providing leads and including Weaver in community events involving the Bureau and promoting the products to industry partners.

Strategies

- Provide listings and coordinate editorial direction of guides
- Approve design and photography for guides
- Assist graphic design department by securing new and fresh photography
- Coordinate distribution of Visitor Guides with Convention Services, Visitor Center and Weaver Publications

- Set up distribution plans for both guides

Goal 4: Integrate Website with all Bureau Programs

Having been tapped by *Successful Meetings* magazine for two consecutive years as having one of the best CVB websites in the country, ACVB will not rest on its laurels. Utilizing the new tools and design developed exclusively for the Bureau by New Media Gateway, we will continuously update and improve the functionality, organization and information on our website.

Strategies:

- Work with all Bureau departments to provide user-friendly and easy-to-navigate information
- Keep graphics and images fresh and updated
- Utilize improved tracking mechanisms to provide more accurate assessment of website use
- Create online Image Library for film locations

Goal 5: Collateral Development

The launch of a new creative marketing message necessitates the development of new collateral materials to provide a cohesive look for Austin CVB. Work with the advertising agency, videographers, sales project coordinator, graphic designers and Convention Services department to develop these materials (as budgets permit).

Strategies:

- Work with advertising agency to produce new promotional CD/DVD and raw footage b-roll for broadcast purposes
- Work with advertising agency to develop new rack brochure
- Coordinate with operations manager to incorporate new creative image into letterhead, business cards, signage, banners and all other logo materials
- Work with advertising agency and Sales Department in designing new tradeshow booth/materials
- Work with Sports Marketing Manager to develop promotional sports/recreation sales CD/DVD

Goal 5: Conduct Visitor Conversion Study

The final step in the multi-faceted research project is to conduct a visitor conversion study that provides a quantified estimate of the number of actual annual visitors to Austin and includes specific demographic information. This information will then be used to determine an accurate economic impact of tourism.

Strategies:

- Contract with research firm to conduct Visitor Study
- Release information to local/state media and incorporate information into all public relations materials

TOURISM SALES & MARKETING

Mission

The Tourism Sales & Marketing Department's mission is to promote and sell Austin as a leisure travel destination to the domestic and international travel markets by developing and implementing programs designed to generate room nights; increase visitation to attractions, heritage sites and cultural institutions; and to impact retail establishments, restaurants, and transportation companies. The department also assists other Austin CVB departments with tourism product and infrastructure development initiatives.

Department Overview

Tourism efforts focus on generating group and individual leisure travel business by increasing the amount of Austin packages and tours available for purchase by consumers both domestically and internationally. Tourism utilizes traditional sales strategies including tradeshow, sales calls and missions, and familiarization tours to maintain this focus and further its marketing and sales efforts. In addition, Tourism develops both general and event specific travel packages to Austin that are available directly to the consumer via the ACVB website.

Tourism is committed to providing the best possible destination sales and marketing services to three key industry segments: domestic travel trade, international travel trade and online packaging. The priority is to sell packaged travel through domestic and international tour operators, wholesalers, incentive travel planners, group travel leaders, travel agents, auto club offices and other travel planners. However, the initial success of online travel packages featuring Austin indicates a high rate of potential growth. The services provided are designed to showcase Austin and the Texas Hill Country as a unique leisure travel destination in the U.S. and in Texas.

Our department provides local travel industry partners—hotels, attractions, restaurants, step-on guides, transportation companies, minority chambers, ABIA, city of Austin—with the best possible leisure travel business lead and business generation through cooperative marketing and packaging opportunities, familiarization trips, tradeshow and sales missions. Tourism assists ABIA in attracting and supporting air service to Austin and works with Austin's minority chambers to further develop minority constituency travel to Austin.

The Tourism Department consists of a Director of Tourism, who oversees the department's activities and handles the international travel trade, including Canada, Mexico, United Kingdom and Germany. The Tourism Sales Manager handles the domestic travel trade including tour operators, group leaders and AAA travel agencies.

Market Update

Austin remains the fourth most visited city in Texas, behind Dallas, Houston and San Antonio, all major destinations with strong consumer awareness. In order to be competitive and continue gaining market share on these competitive cities, Tourism must maintain consistent sales and marketing efforts in the group and individual leisure travel markets, both domestic and international.

Domestic

Over the past few years, Austin has experienced an upward trend in leisure travel visitation and destination spending. In light of the events over the past three years, Americans are more likely to travel within the U.S., and Texans are more apt to travel within Texas. Likewise, travel is more apt to be done via automobile. This bodes well for Austin since 68 percent of our total visitation is by Texans and 55 percent of travel to Austin is by car. Proof of this trend is seen with the success of our online packaging for the 2002 & 2003 *Austin City Limits* Music Festival (1,000 room nights in '03) and the addition of general vacation package offerings via the ACVB website.

International

For the most part, many international tour operators wrote off FY '02-03 as a recovery year. There seems to be a consensus that, barring additional catastrophic events or economic collapses, the travel industry will experience a recovery in 2004. Tour operators are showing more interest in second-tier destinations that are perceived safer and less expensive than gateway destinations. Respected international tour operators are looking more towards domestic travel packaging as an income generator. Participation in the Travel Industry America's Powwow Tradeshaw yielded strong appointments and travel leads for Austin. This marked one of the first years that individuals were also seeking new destinations.

Canada

In 2002, the number of Canadian travelers to Texas dropped by 6.3 percent from 2001. This compares to an overall 3.5 percent drop in overnight travel from Canada to the U.S. The exchange rate of the Canadian dollar continues to be a factor in attracting Canadian visitors to the U.S. However, with more than 31 million residents, an average household income of approximately \$50,000 and a shared border of almost 4,000 miles with the continental U.S., Canada is a prime market for travel to the United States and Texas.

Mexico

Mexico remains the largest source of international visitors to Texas, and the potential for future growth remains high with 3.3 million Mexican nationals traveling to Texas in 2002. Even without direct flights, Austin is the fourth most preferred destination from Mexico. Most importantly, Mexican travelers are looking for new destinations. A key to this market for Austin is the San Marcos Outlet Mall. Drive packages will be targeted for this market.

United Kingdom

Total outbound travel from the UK declined 2.6 percent in 2002 over 2001. Yet, outbound travel was still strong with 58.9 million departures to worldwide destinations. Long-haul travel from the UK declined 6.1 percent over the same period. The UK was the leading generator of

overseas visitors to Texas in 2002. Texas received 172,000 UK visitors, a decline of 6.8 percent from 2001. Texas attracts 4.5 percent of UK visitors that come to the US. In 2002 UK visitors visited Florida (33.9%), New York (22.9%) and California (17.3%).

Germany

German travel to the United States declined 9.4 percent in 2002 to the lowest level this decade. Despite that fact, the U.S. was once again the top long-haul country destination for German travelers with 15 percent of the total market. Germany was the third largest market for overseas visitors to the United States (the UK and Japan ranked first and second respectively). Of the German visitors to Texas, 49 percent visited only the state of Texas during their trip to the US. During 2002, Texas received 73,000 German visitors, though this number represented a 7.6 percent decline over the previous year. Germany is one of the top generators of tourism revenues for Texas. Texas's market share from all Germany visitors to the U.S. is 7.2 percent.

Marketing Goals/Strategies 2004-05

	Monthly Goals 03-04	Monthly Goals 04-05	Annual Goals 03-04	Annual Goals 04-05
Missions/Tradeshows	1.3	1.3	16	16
Site Visits/FAM Tours	1.2	1.2	15	15
Inquiries Fulfilled	183	200	2200	2400
Hotel Leads	13.3	14.8	160	170
Tours Booked	18	20	220	230
Room Nights	500	584	6000	7008

Austin CVB Tourism Department plans to integrate a domestic travel-trade marketing strategy that combines the packaging opportunity of national tour operators, as well as the selling potential of drive-markets intermediaries through the implementation of a proactive and innovative initiative.

Likewise, consumer shows should be evaluated to determine their ability to contribute to a new focus in the drive-market initiative. Consumer shows will be targeted to sell drive market product offered through new American Automobile Association (AAA) and the American Tours International (ATI) initiatives outlined below. Eliminated from this plan are the traditional consumer shows that counted consumers as "leads" and lacked the emphasis to sell existing packages to Austin.

The domestic and international travel trade efforts incorporate the messages of ACVB's advertising and public relations campaigns to reposition Austin as a premier domestic and international leisure travel destination.

Goal 1: Generate increased room nights, visitation, and business by group leisure travelers from domestic markets

Austin will participate at established national travel trade shows such as National Tour Association (NTA) Annual Convention and the American Bus Association (ABA) Marketplace (on a bi-annual basis), seeking opportunities at both shows to maximize exposure for

participating partners. In addition, Austin CVB will develop new national travel opportunities by attending the Student & Youth Travel Association (SYTA) annual convention. SYTA members generate more than \$1 billion in annual revenues by moving more than 1.5 million student and youth travelers.

Strategies:

- Attend 2004 NTA National Convention, Toronto, Nov. 12-18
- Attend Student & Youth Travel Association (SYTA) Marketplace, Kissimmee-St. Cloud September 18-21, 2004
- Participate in domestic sales missions
- Host site visits for individual domestic travel trade operators
- Work with tourism partners to host tour operator FAMs with NTA & ABA operators, and ATI travel agents
- Follow-up on Group Leaders America (Glamcr) contacts from previous year
- Develop itineraries for incentive travel, student groups and family reunions
- Develop online newsletter for travel trade clients
- Tour group online survey
- Conduct e-marketing campaign to all NTA and ABA tour operators, and ATI travel agents to educate them on packaging Austin

Goal 2: Generate increased room nights, visitation and business by individual leisure travelers from domestic and international markets

Strategies:

- Expansion and maintenance of general online travel packages
- Pre-fab and customized itinerary planning via ACVB website
- Event specific online packaging (i.e. ACL Music Fest)
- Sales mission targeting drive market AAA offices
- Participate in domestic AAA shows within the drive market
- Host site visits and FAMs for domestic/international travel trade
- Develop e-marketing campaign for consumer database

Goal 3: Maximize the drive market to increase leisure tourism

Work with the American Automobile Association (AAA) to capture and maximize this market. AAA has remained a leader of the domestic leisure travel market in recent years. Receptive operator, American Tours International (ATI), has been tapping into this important and growing market through participation as a Preferred Tour Operator of AAA, a developer of AAA Motor coach Tours and Fly/Drive America City Packages and as the supplier of AAA Negotiated Hotel Rates. ATI is the hotel-booking engine on several AAA websites.

Strategies:

- Target the following AAA clubs for e-marketing campaign and consumer show participation:
 1. AAA New Mexico
 2. AAA Oklahoma

3. AAA Colorado
 4. AAA Kansas
 5. AAA Missouri
 6. AAA Arizona
 7. AAA Nebraska
 8. AAA Louisiana
 9. AAA Carolinas
 10. AAA Arkansas
 11. AAA Mid-Atlantic
- Partner with ATI to expand Austin packages
 - Promote Austin packages to AAA travel agents, travel counselors and members through educational seminars
 - Direct e-marketing campaign to AAA agents and counselors that educates them on selling and packaging Austin
 - Partner with ATI to create Austin packages that are marketed directly to AAA consumers through e-mail blasts
 - Work with ATI to host two-day Mega-FAM for top-producing AAA agents and counselors
 - Work with Communications Department to promote travel packages through media relations, including hosting travel-trade media FAM

Goal 5: Develop and generate local support and education for and about the Austin tourism industry

Strategies:

- Continued development and utilization of the Austin Tourism Council
- National Tourism Week activities
- Participate in tourism related educational conferences and activities
- TTIA Unity Dinner, Travel Summit
- Legislative activities
- TACVB Education Seminars
- Texas Hospitality Training with local partners
- Continued growth and development of relationships with ABIA and airlines
- Generate opportunities for tourism partner cooperative programs

Goal 6: Generate travel and tourism related conference and meeting business leads

Strategies:

- Leads from travel trade related organizations (TIA, NTA, ABA, RSA and SYTA, etc.), using these memberships to access databases and create leads to prospect
- Leads from other contacts

Goal 7: Develop new consumer promotions to increase awareness of and travel to Austin. Innovative promotions should be used in collaboration with advertising, public relations and packaging development to increase Austin's market share of the leisure visitor. Promotions often involve some level of discount or incentive to travel. The following promotional concepts utilize this proven tactic, while others leverage Austin's celebrity and even proximity to larger, more popular, destinations. Many of these speculative promotional ideas include built-in consumer-media potential and trade news value.

Strategies:

- ***Austin Celebrities Talk Austin***—Partner with Austin celebrities to talk about the places and things they love about Austin. Companion advertising or advertorial would run in appropriate niche publications. Consumers are invited to email in to receive an Austin travel guide and win a trip that highlights each celebrity's choices.
- ***Spa West***—Build a package targeting women that offers healthy, beautiful and relaxing places to stay, things to do and treatments to enjoy. Coordinate public relations push to women's beauty books with stories on the real scoop behind Austin's beauty.
- ***Business Weekender***—Create a promotion that entices business travelers to stay until Sunday, including reduced air travel from key cities so companions can fly in for the weekend. Leverage travel partners, including Hill Country destinations. Promote these opportunities to conventions through Convention Sales/ Services departments.
- ***Online Coupon Offer***—Develop a measurable on-line coupon program with tourism partners.
- ***American Express Package Program***—Work with AmEx to develop incentive packages and increase participation in program by local partners.



HERITAGE MARKETING

Mission

The Heritage Marketing Department's goals enable visitors to experience and appreciate the city's distinctive cultural heritage and history. Heritage Marketing provides several programs with the Bureau, and the successes of these programs have been outstanding. The future will provide additional opportunities to increase awareness of Austin as a tourist destination.

Department Overview

Heritage Marketing currently oversees a number of tourism-related programs. The grants program, administered by the bureau with the consideration of recommendations by the Historic Landmark Commission, currently has two annual cycles. The program involves the notification of owners of historic properties, which are either owned or occupied by non-profit entities or by governmental agencies. Several meetings are required before finalization of these applications. Upon completion of the projects, final verification of the work and proof of payment are required before funds are disbursed.

Since Congress Avenue and East Sixth Street are both within National Register Districts, the Landmark Commission must approve all banners installed on these streets. The bureau also administers this program. The most notable banners for this program are those installed during Black History Month.

Free, guided walking tours are provided for the following areas: East Sixth Street/Congress Avenue, the Bremond Block, and the Capitol and grounds on Thursdays through Sundays. Custom tours for other areas and on different schedules are provided contingent on the availability of staff.

Various collateral pieces are prepared and distributed by Heritage Marketing. Brochures are currently available for the Congress Avenue/Sixth Street National Register District, Bremond National Register District, Hyde Park Neighborhood, Walking/Drive Tour of West Austin, Texas State Cemetery, O. Henry Trail, Presidential Corridor, African-American Visitors Guide, Elisabet Ney Museum, Pioneer Farm, Oakwood Cemetery, and Historic Walking Tours.

Heritage Marketing recognizes the importance of advertising and participates in media placement, which provides more opportunities to market Austin as a distinctive tourism destination for travelers.

Marketing Goals/Strategies 2004-05

	Monthly Goals 03-04	Monthly Goals 04-05	Annual Goals 03-04	Annual Goals 04-05
Walking Tour Participants	400	410	4,800	4,920
Advertising Responses	1,250	1,500	15,000	18,000
Speakers Bureau	20	20	240	240

Goal 1: Promote and expand Austin's tourism service with heritage as a major component to residents and visitors in order to increase and extend visitors' stay and increase bed tax revenues.

Strategies:

- Continue guided and self-guided walking/driving tours. Provide custom tours when requested
- Distribute walking-tour flyers, brochures and other printed matter to special groups, historical entities and tour guide operators, as well as other destinations in the city and specifically for the State's Information Centers

Goal 2: Provide seed funding through the grants program for restoration/rehabilitation of historic sites/structures that draw tourists.

Strategies:

- Implementation of grant cycles
- Marketing of grants program
- Administration of grants projects

Goal 3: Create an ambiance on Austin's downtown streets (Congress Avenue and East 6th Street) to identify and create an awareness of the historic and cultural significance of the city for visitors.

Strategies:

- Banner programs
- Observance of Black History Month
- Installation of Austin Landmark Medallions on city-zoned historic structures

Goal 4: Increase the awareness of Austin as a premiere Texas destination for heritage tourism.

Strategies:

- Concentrate advertising efforts for increased and more identifiable results

- Provide various civic, governmental and non-profit groups with heritage-related presentations
- Maintain, index and up-date photographs

Goal 5: Improve and assist in the expansion and marketing of the Austin Visitor Center.

Strategies:

- Provide advice and suggestions as to retail items available for tourists and visitors
- Respond to inquiries relating to historic facts about the city
- Assist in securing necessary approvals for signs, permits, etc.

Goal 6: Update brochures that encourage tourists to visit Austin's historical attractions.

Strategies:

- Maintain the high standard and quality of brochures
- Establish partnerships with tourist destinations and accommodations that support ACVB.

Goal 7: Expand and provide on-going training for staff.

Strategies:

- Attend the National Trust Annual Conference
- Attend the annual Texas Historic Preservation Conference
- Attend Travis County Historical Commission meetings
- Attend Austin Historic Landmark Commission meetings
- Attend Presidential Corridor Association meetings
- Attend meetings of the Heritage Society of Austin

Goal 8: Assist in generating new business for the expanded Austin Convention Center.

Strategies:

- Generate prospecting leads for referral to Convention Sales
- Provide information to current partners to promote inquiries for Convention Sales

Goal 9: Expand existing and create new partnerships, particularly with ethnic markets.

Strategies:

- Provide information and collateral pieces for ethnic groups
- Coordinate with the Heritage Society for tourism programs at Pioneer Farms

FILM MARKETING

Mission

The mission of the Film Office is to promote Austin and the surrounding area as a premiere locations for film projects for theater and television as well as commercial print media; to expedite requests and assist film projects by serving as a liaison between the production companies, residents, business interests and governmental entities.

Department Overview

As currently structured, the film department has one and a half full-time employees. The Director coordinates location scouts, reviews scripts and meets regularly with industry professionals. Staff members market Austin as a film location at tradeshow and other events. Both work to enhance the photo library. The manager also works with production managers on location scouts and site visits. There is regular interaction with the Marketing Communications, Convention Services, Convention Sales and Visitors Center Staff.

Marketing Goals/Strategies

	Monthly Goals 03-04	Monthly Goals 04-05	Annual Goals 03-04	Annual Goals 04-05
Housing Leads	.5	.5	6	6
Production Packets	6	6	72	72
Production Starts	1	1	12	12
Production Days	15	15	180	180
Number of Commercials	2	2	24	24

Goal 1: Enhance services to filmmakers filming in Austin or considering Austin as a location for filming.

Strategies:

- Provide the highest quality of service to filmmakers with the intention of establishing repeat business.
- Work with city departments to improve services for filmmakers.

- Educate productions on cost and timesaving, using sales department and their contacts for housing.
- Host film FAM trip to Austin for industry decision-makers from several of the major production studios.
- Host a Texas Association of Film Commissions event in the spring to showcase the filming possibilities in Austin.
- Attend Locations Expo tradeshow.
- Plan event to coincide with Showbiz Expo in Los Angeles.
- Co-host Austin Film Festival opening night reception.
- Produce Austin Production Guide for 2005.

Goal 2: Improve relations with local and national film industry partners.

Strategies:

- Forge relationships with local vendors, production companies and ancillary businesses.
- Co-host cast and crew screenings of local film projects.
- Host a local Austin Film Industry appreciation event.

Goal 3: Educate local community of economic benefits of film.

Strategies:

- Increase presentations to community groups.
- Work with Marketing Communications to develop press releases and free editorial.

MUSIC MARKETING

Mission

The Austin Music Office promotes Austin as the Live Music Capital of the World. The diversity of Austin music—blues, rock and Latino or jazz, classical and country—helps bring millions of visitors to Austin each year. Leisure and business travelers alike are encouraged to visit the more than 120 live music venues throughout the city, and when hosting a meeting or event to book music utilizing the 1,500 musical acts living in the city.

Department Overview

Austin's success as both a business center and travel destination is greatly enhanced by its culture, which for decades has revolved around a vibrant live music scene. Capitalizing on this musically charged environment, the Music Office works with one full-time employee. The department promotes the availability and accessibility of live music to convention and meeting event planners and markets Austin as a great destination for music related conventions.

Marketing Goals/Strategies

	Monthly Goals 03-04	Monthly Goals 04-05	Annual Goals 03-04	Annual Goals 04-05
Industry Contacts	35	50	420	600
Booking Assists	7	10	84	120
Sales Leads	.5	.5	6	6

Goal 1: Promote Austin as the Live Music Capital of the World to visitors.

Strategies:

- Conduct a concentrated marketing effort promoting Austin's diverse live music scene to travel consumers through the promotion of music events and special cultural offerings in conjunction with the City's Economic Growth and Redevelopment Services Department
- Augment the Marketing Communications Department efforts by hosting journalists to increase the number of articles about Austin music in publications
- Assist Tourism Department in creating packages involving music-related activities like the Austin City Limits Music Festival, Austin Salsa Festival and The Austin Fine Arts Festival

- Participate in the National Folk Alliance Conference, the most important conference for musicians and booking agents worldwide. The Music Office will represent Austin and showcase what our city has to offer the 2006 conference attendees.
- Produce a compilation CD of Austin music for 2005
- Enhance website for leisure visitors who want to experience music

Goal 2: Promote the availability and accessibility of Austin music.

Strategies:

- Work with Convention Sales and Services departments to use music as an additional selling tool when competing with other destinations by assisting with site visits, materials for pitches and bookings for local events
- Manage the "Have You Hired a Musician Today?" program by assisting conventions, tradeshow and local businesses with booking recommendations for live music at their events
- Book music for familiarization, sales, tourism and PR events

Goal 3: Work with the City of Austin on music related issues, including staffing the Austin Music Commission and booking City Council music.

Strategies:

Staff the Austin Music Commission, arrange monthly meetings and help execute goals for the music community

- Book all live music for weekly City Council meetings

Goal 4: Work with community partners to ensure the strength of the music community

Strategies:

- Work with local cultural organizations, such as the Austin Latino Music Alliance and Black Music Alliance to help promote events that will bring visitors to Austin and raise the level of awareness of minority and culturally diverse music
- Continue to partner with community and hospitality organizations such as the Downtown Austin Alliance, Austin Music Foundation, Austin Hotel/Motel Association and Austin Hospitality Association to promote the importance of the music industry to tourism
- Conduct the Lonely Instruments for Needy Kids (LINKS) Donation drive with sponsors. This not only provides a vital community service, but also exposes local residents to the Visitor Center and what it offers
- Continue to partner with and promote the variety of arts and music organizations working to make Austin the Live Music Capital of the World including and not limited to Austin Lyric Opera, Austin Symphony and the Austin Chamber Music Center



VISITOR INFORMATION CENTER

Mission

The mission of the Austin Visitor Information Center is to provide thorough and efficient customer service and collateral materials to visitors in order to facilitate longer overnight stays and encourage return visits.

Department Overview

The department has four full-time staff members and utilizes the services of about a dozen volunteers. The department works closely with the staff and volunteers at the airport information desk by providing collateral material and other information.

The Visitor Center staff is comprised of the Director of Visitor Services, Visitor Center Associate Manager and two Visitor Information Specialists. It is the responsibility of all staff members to assist walk-in patrons and people seeking assistance by phone by answering questions and providing appropriate materials and information. Additionally, all staff members assist with retail purchases and ticket sales.

The Director of Visitor Services oversees all aspects of the Visitor Information Center, prepares annual budget and marketing plan, produces monthly reports, accounts for all monies collected from retail sales, orders items for retail sale, represents the Bureau on appropriate committees within the Downtown Austin Alliance and other related organizations and performs other duties as required.

The Visitor Information Specialists oversee inventory of retail items, update and maintain cash register PLUs, represent the Bureau at community and corporate events by providing collateral material and information, solicit new business for the brochure wall, maintain brochure inventory, maintain close communication with Texas Travel Information Centers' personnel and perform other duties as required.

The Visitor Center Associate Manager helps train and supervise volunteers, represents the Bureau at DOVIA (Directors of Volunteers in Austin) monthly meetings and performs other duties as required.

Marketing Goals/ Strategies 2004-05

	Monthly Goals 03-04	Monthly Goals 04-05	Annual Goals 03-04	Annual Goals 04-05
Walk-in Inquiries	8,300	9,130	99,600	109,560
Call-in Inquiries	1,500	1,500	18,000	18,000
Mail/Internet Inquiries	975	975	11,700	11,700
Total Visitor Inquiries	10,775	11,605	129,300	139,260
Visitor Packets Sent	7,135	7,135	85,620	85,620
Retail Revenue	\$3,750	\$5,000	\$45,000	\$60,000

Goal 1: Continue education programs and site visits for staff and volunteers to enhance first-hand knowledge of Austin's attractions and amenities, resulting in achieving customer service of the highest level.

Strategies:

- Identify new venues and attractions
- Schedule visits

Goal 2: Increase volunteer program.

Strategies:

- Participate in area volunteer fairs
- Talk to civic groups and service organizations

Goal 3: Continue to offer 'Meet the Visitor Center' program.

Strategies:

- Contact hotel Guest Services managers
- Contact attractions Customer Services managers
- Schedule training

Goal 4: Continue to increase community awareness of the Visitor Center.

Strategies:

- Attend events likely to attract area residents and provide collateral material
- Participate in UT student orientation fairs
- Speak to community and corporate groups
- Hold events of public interest in the Visitor Center

Goal 5: Increase retail revenue to offset cost of new location.

Strategies:

- Bring in new and unique retail merchandise
- Work with tour companies to increase sales
- Actively solicit new participants for brochure display program

STAFF CONTACTS

Area codes are 512 unless otherwise noted

Administration

Robert Lander, President & CEO	583-7201
Diantha Harris, Executive Assistant to President	583-7254
Cathy Winkelman, Director of Finance	583-7205
Gina Palmertree, Finance Coordinator	583-7204
Melissa Bryan, Director of Information Technology	583-7208
Cindy Nale, Human Resources Manager	583-7207
Karen Case, Director of Administration	583-7202
Allison Cooksley, Receptionist	583-7203
Brandon Kingsbury, Runner/Operations Coordinator	947-4783

Convention Sales

Keith J. Purcell, Vice President of Sales	583-7211
Craig Jenkins, Sales Manager	583-7212
Shannon Cannon, Sales Manager	583-7214
Mary Kay Hackley, Director of Sales	583-7215
Laurie Hartz, Sales Manager	583-7216
Donna Cottle, Sales Manager	583-7217
Christine Cramer, Sales Manager	583-7218
Alysa Tata, Express Sales Manager	583-7219
Meredith Powell, Sales Coordinator	583-7220
Suzanne Burkard, Sales Administration Manager	583-7221
Abbey Wooldridge, Sales Coordinator	583-7241
Sarah Sedenquist, Project Coordinator	583-7206

Marketing Communications

Cynthia Maddox, Director of Marketing Comm.	583-7209
Eileen Reid Beusing, Media Relations Manager	583-7210
Katie Cook, Communications Manager	583-7245

Tourism Sales & Marketing

Adriana McWilliams, Director of Tourism	583-7228
Jessica Brown, Tourism Sales Manager	583-7232

Convention Services

Linda Atkins, Director of Convention Services	583-7222
Holly Blum, Convention Services Coordinator	583-7223
Janice Foster, Convention Services Manager	583-7224
Rose Curran, Assoc. Housing Manager	583-7225

Heritage Marketing

Betty Baker, Director of Heritage Marketing	583-7226
Marian Augustine, Heritage Marketing Coordinator	583-7227
Ed Van De Vort, Tour Guide	583-7233

Music and Film Marketing

Gary Bond, Director of Film Marketing	583-7229
Brenda Johnson, Music & Film Manager	583-7230

Visitor Information Center

Ty Pearson, Director of Visitor Services	583-7235
Joana Callahan-Amaya, Visitor Center Assistant	583-7234
Saundra Turner, Visitor Center Assistant	583-7240
Harrison Eppright, Visitor Center Assoc. Manager	583-7237

AUSTIN CONVENTION & VISITORS BUREAU

Proposed Budget 2004-2005

REVENUE	Proposed FY 2005
City Contract - Fiscal Year 2004/05 Bed Tax & General Fund Allocation	4,294,255
City Contract - Less Working Capital Reserve Reimbursement	-
City Contract - Total Fiscal Year Bed Tax & General Fund Allocation	4,294,255
Bureau Reserve Ending Balance	-
Retail Revenue	96,000
Publication Sales	22,000
Rack Rental	22,000
Advertising Coop	-
Assessment Fees	12,000
Promotional Participation	62,450
Services Billed	66,860
Donated Services	237,621
Interest Income	2,400
Other Income	100,000
TOTAL REVENUE	4,915,586
 EXPENSES	
Convention Sales & Services	2,517,848
Marketing	866,575
Finance & Administration	1,033,272
Music & Film	206,302
Visitor Center	291,589
TOTAL EXPENSES	4,915,586
 CHANGE IN NET ASSETS	 -

AUSTIN CONVENTION & VISITORS BUREAU

Proposed Budget 2004-2005

REVENUE	Proposed FY 2005	CYE FY2004	Approved FY2004
City Contract - Fiscal Year 2004/05 Bed Tax & General Fund Allocation	4,294,255	4,031,007	4,676,819
City Contract - Less Working Capital Reserve Reimbursement	-	137,460	(137,460)
City Contract - Total Fiscal Year Bed Tax & General Fund Allocation	4,294,255	4,168,467	4,539,359
Bureau Reserve Ending Balance	-	513,636	400,000
Retail Revenue	96,000	67,218	50,000
Publication Sales	22,000	22,632	22,500
Rack Rental	22,000	20,911	22,000
Advertising Coop	-	222,477	225,000
Assessment Fees	12,000	9,316	10,000
Promotional Participation	62,450	121,337	62,750
Services Billed	66,860	81,581	68,900
Donated Services	237,621	208,351	294,821
Interest Income	2,400	3,872	5,000
Other Income	100,000	2,730	-
TOTAL REVENUE	4,915,586	5,442,528	5,700,330
EXPENSES			
Convention Sales & Services	2,517,848	2,659,315	2,694,437
Marketing	866,575	1,354,903	1,513,787
Finance & Administration	1,033,272	932,365	993,133
Music & Film	206,302	226,078	226,979
Visitor Center	291,589	310,787	271,994
TOTAL EXPENSES	4,915,586	5,483,448	5,700,330
CHANGE IN NET ASSETS	-	(40,920)	-