Marketing Planning

Discovery/Assessment Phase

Pagosa Springs

Town Tourism Committee

September 9, 2008

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Agenda

I. Review of Stakeholder Interviews
II. Competitive Audit
III. Noteworthy Discoveries
IV. Value of Inquiry Database
V. Overall Summary

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I. Review of Stakeholder Interviews

Purpose

- Involve key stakeholders in the process to foster support and create a collaborative environment
- Obtain candid opinions and viewpoints about various issues and topics related to Pagosa Springs:
  - Goals
  - Perceptions
  - Strengths/Shortcomings
  - Target audience and messaging
- Gain insight into the current landscape from those familiar with Pagosa Springs

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Approach

- Conducted interviews with groups identified by Pagosa Springs Town Tourism Committee
  - Lodging Association
  - TTC Board
  - Chamber Board

Top of Mind Impressions

What is the first thing that comes to mind when I say Pagosa Springs?

- **Overall, "top of mind" comments revolve around scenery/setting**
  - Hot springs
  - Mountains
  - Proximity to nature/wilderness
  - Beauty/Vistas
  - "Small town in middle of a National Forest"
- **Few spoke of feelings or emotions associated with the area, but a couple did**
  - Slow pace
  - Escape from frenetic life/city
  - Grounding
  - Friendly
  - "People feel welcome"
  - "Come for the beauty, stay for the people"

Perceptions of Purpose

In your opinion, what should be the goal of the Pagosa Springs Tourism Committee?

- **People feel visitation needs to increase in shoulder seasons, particularly in the Spring**
  - "Need shoulder focus - April/May"
  - "Activities are in the summer, fall and winter"
  - "April and May need the most help"
  - "Also need help weekdays in winter"
- **And pointed out the events are not marketed well**
  - "Events - need help promoting""
  - "Events are attended well by locals but not by visitors"

Brand Personality

Describe Pagosa Springs as if it were a person?

- **One person offered:**
  - She is beautiful, outgoing and rough around the edges
  - With a giving and close knit personality
  - She makes you feel relaxed and has healing powers
- **Another said:**
  - Pagosa Springs is “settled, unpretentious and diverse”
- **Yet another:**
  - “Non-conforming, individualistic, free-spirited - yet accepting”

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Competition/Threats

Who are our competitors? Who are the strongest and weakest?

- **Overall, people thought any mountain town was a competitor; with seasonal differences**
  - Durango, Telluride, Aspen, Ouray, Steamboat, Estes Park, Buena Vista
  - Other "springs towns" like Glenwood Springs
  - Moab - because of adventurous activities
- **Felt competitors have stronger shopping and dining offerings**
- **Generally others are more well known and perceived easier to get to**

Pagosa Strengths

What makes Pagosa Springs different from the competition?

- People pointed to a variety of things that they feel make Pagosa Springs different
  - "Hot springs are downtown"
  - "Weather/climate"
  - "Not a cookie cutter town/cute"
  - "Accessibility"
  - "Affordability
  - "Safe"
  - "Spiritual"
  - "Real"
  - "The mountains"
  - "Wildlife viewing"

Pagosa Strengths

What can we hang our hat on?

- **People focused on a number of different things**
  - "Hot Springs"
  - "Quaint Alpine town"
  - "Welcoming"
  - "Wildlife"
  - "Peace"
  - "Gateway to Colorado"
  - "Replenishing"
  - "Most snow in Colorado"

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The Target Audience

Who do we want to talk to?

- **Overall, stakeholders view Pagosa's current visitor base as older and from out of state**
  - Texas, Arizona, New Mexico
  - "Empty nesters"
  - "Older couples"
- **However, families and young adults were mentioned as desirable markets to target**
  - "Current older, want younger"
  - "Families"

The Target Audience

What do they look like?

– “Active lives”
– “Couples”
– “Spa visitors”
– “Families”

The Target Audience

What is their current mind set?

- "Affordable"
- "Outdoor activities"
- "Friendly"
- "Small"
- "Not a lot to do"

The Target Audience

What do you want to say to them?

- “Try it you’ll like it”
- “Affordable”
- “The best of everything”
- “Most snow”/ “Trophy waters”
- “Will be welcome”
- “It’s all here”
- “Rejuvenating, relaxing, replenishing”

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The Target Audience

What relevant and meaningful benefits meet their needs?

- “Relax”
- “Peaceful”
- “Quiet”
- “Connection”
- “Person to person; and person to nature”

Observations/Discoveries

- *Top of mind* perceptions are more feature-based descriptions of Pagosa Springs
- Tend to focus on the "things to do" (the What) rather than "reasons to visit" (the Why)
- Need to clearly establish a higher level platform that appeals to visitors on an emotional level
  - People plan with their heads, decide with their hearts

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Observations/Discoveries

- Can’t be everything to everyone. Must develop a singular focus that encompasses all there is to see and do
- Then elevate it to a higher order emotional appeal
- This appeal must also become the “mantra” for everyone in the community so visitors experience it when they visit Pagosa Springs

II. Competitive Audit

- Divided competition into Summer and Winter
- Assessed using four factors:
  - Key Features/Attributes
  - Key Messages
  - Perceived Differentiators
  - Target Audiences
- What are we looking for?
  - Do they reflect a perceptual “place”?
  - Do they make a promise of a specific experience?
  - Do they exhibit characteristics that are both important and truly differentiating?

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Summer

	Key Features/ Attributes	Key Messages	Perceived Differentiators	Target Audiences
Durango	A mountain town with less frills and fuss	Real people. Real town. Real Colorado.	Authenticity	Adventure family
Ouray	Smaller European mountain town	Switzerland of America	More exotic	More affluent family
Moab	National Parks	Where adventure begins.	Lots of different activities	Adventurous singles and family
Creede	Simple rustic mountain town beauty	Old mining town with 96% open land	Historic, wide open space	Traditional outdoors family
Estes Park	Eastern gateway community to Rocky Mountain National Park.	Real Rockies. Real good times.	Majestic scenery of Rocky Mountain National Park combined with the home town hospitality	Families
Taos	Culture and scenery	Welcome to a life at a higher level.	History and culture	Cultural traveler

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Winter

	Key Features/ Attributes	Key Messages	Perceived Differentiators	Target Audiences
Durango	A mountain town with less frills and fuss	Real people. Real town. Real Colorado.	Authenticity	Adventure family
Ouray	Smaller European mountain town	Switzerland of America	More exotic	More affluent family
Alamosa	Small town with lots to do	Home of the sand Dunes, middle of everywhere.	Lots of different activities	Family
Creede	Simple rustic mountain town beauty	Old mining town with 96% open land	Historic, wide open space	Traditional outdoors family
Telluride	Beautiful scenery beautiful town.	Venture out into all Telluride offers	High quality everywhere	Affluent families
Angel Fire	Resort town with a solid winter community	New age boom town	On the rise	Families of all ages

Winter

	Key Features/ Attributes	Key Messages	Perceived Differentiators	Target Audiences
Taos	Mexican-esque ski town	Higher altitudes, postcard looks and culture	Family owned resort with zero snowboarders - even though changing	Traditional families that want something new
Vail	Beautiful high-end, large ski/resort town	There's no comparison	The best slopes in Colorado	Very affluent families Destination skiers
Beaver Creek	Privileged mountain ski/resort town	Not exactly roughing it	More remote, more quality	Very affluent families Destination skiers
Copper	A smaller mountain ski town not as high-end	Free your Mountain	More than just skiing	Younger families and couples Front Range
Winter Park	More technical skiing mountain town	Authentic Colorado	Less of a resort more true skiing	Active adults and families Front Range
Keystone	Less expensive mountain resort town	3 mountains, 5 bowls, 1 resort	A little bit of everything, even night skiing	Younger adults and families

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II. Competitive Audit
Observations/Discoveries

- Greater differentiation in summer competitive set; a few positioning statements build on emotion
- Featured lots of things to do; not why anyone should be interested in doing them
- Competition generally focusing on features/attributes, not the higher order benefits of experiences
- Competitive field is wide open to put a stake in the ground using a strong differentiated position that also capitalizes on travel experiences

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III. Noteworthy Discoveries

- Purpose of this section is to discuss noteworthy takeaways that will influence the evolving brand platform and marketing model
- Product of the review of existing research including *Community Branding and Identity Research* (April 2007) and *Summer Visitor Survey* (Nov. 2007)
- Driven by our experience in destination marketing including Colorado, Wyoming; how seasonality affects marketing planning; our thinking related to building a viable marketing model for Pagosa Springs

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“Marketable Trips” Concept

- 43% of overnight visitors said they stayed in a “timeshare”
- Suggests visitation greatly affected by other than advertising/promotion - namely a commitment to a property
- These people have “Endless Vacation” flexibility, but are marketed to in other ways; seemingly more mature segment
- Led us to identify potential audience targets that would represent “marketable trips” - those influenced by the lure and persuasion delivered through marketing promotion

Targeting First-time Visitation

- 47% of first-timers are 35-54 years old; versus only 34% of those who have visited previously
  - Overall, visitors to Pagosa Springs are likely to be over 55 years old (51%)
- 34% are households with children living at home; versus only 26% of previous visitation
- Make up of first-time visitors could warrant a change in target audience; away from older visitors (“timeshare”)
- Toward a younger adult target and more families

Reasons for Visiting

- No one thing drives the decision to visit Pagosa Springs
  - Not that unusual in and of itself
  - However, the leading drivers are a combination of "weather/climate" "recreation" and "small town atmosphere"
  - None of which is truly ownable or uniquely differentiating
- Curious that "hot springs/spa" and "Chimney Rock" rank well below 50% as "important perceived attractors"

Reasons for Visiting

(continued)

- Overall, the highest ranking reasons to visit (top 2 box - “Extremely Important” and “Important”) total in the mid 60%s - modest at best
- Implies there is no clear positioning - no stake in the ground
- Could also be affected by the high incidence of “timeshare”
- In addition, “word of mouth” is low at only 46%

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Reasons for Visiting
(continued)

- However, 58% of people (top 2 box) cited “wanting to try a new place/never been before”
  - In our experience, this is high and a good sign
  - Truly supports a “first-timer” strategy

Inquiry Database is a Gold Mine

- Defining most valuable geographic markets
- Profiling and segmenting audiences
- Creating positioning and brand strategies
- Providing direction for tailored messaging
- Measuring conversion and ROI

Inquirers are Highly Valuable Prospects

- Exposed to marketing campaigns
- Expressed an interest in learning more
- Willing to provide personal information
- Predisposed to some degree
- Probably more likely than others to visit
- Our conversion study experience is that more than 60% of people who *inquire actually visit*

Pagosa Springs Database

Raw Inquiry Counts by State

TX	Texas	1,519	22.13%
CO	Colorado	1,017	14.82%
AZ	Arizona	434	6.32%
OK	Oklahoma	372	5.42%
CA	California	350	5.10%
NM	New Mexico	344	5.01%
		4,036	58.80%

- **Goal is to focus and optimize marketing efforts**
- **Nearly 60% of inquiry comes from 6 states**
- **Texas and Colorado generate most inquiry**
- **But are these the best markets?**

Don’t Rely on Raw Inquiry Alone

- Can be misleading by itself
- Must be put into a marketing context
- Relies on absolute rather than per capita measures

Brand Development Index (BDI)

- Measures the extent to which inquiry from a specific market has captured the total potential of that market
  - Per capita measure
  - Relative to all households

Pagosa Springs Database

BDI by State

ST	State Name	Inquiry	% of Total Inquiry	TV Households	% TV Households	BDI
CO	Colorado	1,017	14.82%	1,737,310	1.59%	935
NM	New Mexico	344	5.01%	703,490	0.64%	781
OK	Oklahoma	372	5.42%	1,372,070	1.25%	433
AZ	Arizona	434	6.32%	2,085,820	1.90%	332
KS	Kansas	216	3.15%	1,049,950	0.96%	328
TX	Texas	1,519	22.13%	7,906,070	7.21%	307
AR	Arkansas	149	2.17%	1,072,600	0.98%	222
MO	Missouri	233	3.39%	2,255,660	2.06%	165
NE	Nebraska	64	0.93%	684,560	0.62%	149
AK	Alaska	18	0.26%	196,670	0.18%	146
UT	Utah	66	0.96%	745,550	0.68%	141
IA	Iowa	90	1.31%	1,164,870	1.06%	123
WY	Wyoming	15	0.22%	199,550	0.18%	120
LA	Louisiana	117	1.70%	1,698,280	1.55%	110

- **Only in 14 states does the index surpass 100**
- **These markets over perform in terms of inquiry/households index**
- **Top states are CO, NM, OK, AZ, KS, TX, AR & MO**
- **Goal is to determine which of the 14 has most potential and convert from them**

Pagosa Springs Database

Raw Inquiry Counts by DMA

DMA NUM	DMA NAME	Inquiry	% Total Inquiry
751	DENVER	748	10.90%
623	DALLAS-FT. WORTH	521	7.59%
753	PHOENIX (PRESCOTT)	369	5.38%
790	ALBUQUERQUE-SANTA FE	347	5.06%
618	HOUSTON	272	3.96%
650	OKLAHOMA CITY	226	3.29%
752	COLORADO SPRINGS-PUEBLO	226	3.29%
803	LOS ANGELES	170	2.48%
635	AUSTIN	155	2.26%
641	SAN ANTONIO	134	1.95%
678	WICHITA-HUTCHINSON PLUS	122	1.78%
616	KANSAS CITY	117	1.70%
		3407	**49.64%**

- **Only 12 DMAs account for 50% of inquiry**
- **Denver is the top inquiry market**
- **Texas well-represented in top DMAs**

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Pagosa Springs Database

BDI by DMA

DMA NUM	DMA NAME	Inquiry	% Total Inquiry	TV HHs	% Total HHs	BDI
752	**COLORADO SPRINGS-PUEBLO**	226	3.29%	313,170	0.29%	1148
790	**ALBUQUERQUE-SANTA FE**	347	5.06%	649,680	0.60%	850
751	**DENVER**	748	10.90%	1,401,760	1.28%	849
634	**AMARILLO**	78	1.14%	190,120	0.17%	653
651	**LUBBOCK**	55	0.80%	152,620	0.14%	573
650	**OKLAHOMA CITY**	226	3.29%	655,250	0.60%	549
627	**WICHITA FALLS & LAWTON**	48	0.70%	156,300	0.14%	489
773	**GRAND JUNCTION-MONTROSE**	19	0.28%	63,650	0.06%	475
626	VICTORIA TX	9	0.13%	30,180	0.03%	474
657	SHERMAN-ADA	34	0.50%	123,540	0.11%	438
678	WICHITA-HUTCHINSON PLUS	122	1.78%	445,690	0.41%	435
635	AUSTIN	155	2.26%	567,870	0.52%	434
662	ABILENE-SWEETWATER	29	0.42%	112,950	0.10%	408
633	ODESSA-MIDLAND	33	0.48%	135,450	0.12%	388
753	PHOENIX (PRESCOTT)	369	5.38%	1,596,950	1.46%	368
623	DALLAS-FT. WORTH	521	7.59%	2,292,760	2.10%	361
670	FT. SMITH-FAY-SPRNGDL-RGRS	52	0.76%	267,030	0.24%	310
709	TYLER-LONGVIEW(LFKN&NCGD)	49	0.71%	254,170	0.23%	307
603	JOPLIN-PITTSBURG	29	0.42%	152,310	0.14%	303
605	TOPEKA	32	0.47%	171,470	0.16%	297
619	SPRINGFIELD, MO	71	1.03%	388,530	0.36%	291
641	SAN ANTONIO	134	1.95%	748,950	0.69%	285
			49.33%			

- **Only 22 DMAs that index well generate 50% of inquiry**
- **These markets are the geo targets with most potential**
- **Conversion study will provide further insight**

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Initial Media Considerations

- **Various state-sponsored efforts, such as the Official Colorado State Vacation Guide, make sense**
  - People might be interested in Colorado, but not sure where to go, this gives you a chance to influence this decision, or convince someone to add Pagosa Springs to their itinerary
  - Madden Media piece and Colorado Vacation Planner from Ski Country are also recommended
- **Ever-growing feeling that annual directories are not as effective since most people will jump online for information vs. consulting a directory such as the AAA Tourbook**
- **With the need to focus on targeted areas, national media for paid advertising will probably not be in a plan**
  - In-state and regional media should continue to be used and even increased (print and online)
  - BDI shows inquiry comes from in state and surrounding states

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Initial Media Considerations

- **Locally based media can probably be removed from the plan**
  - If people are already in Pagosa Springs, the advertising/promotion efforts have done their job
- **Out of-Home should continue as it is great for awareness as well as high reach and frequency**
  - Expand markets beyond Colorado Springs

Overall Summary

- **Increasing first-time visitation should be a key marketing goal**
  - A high percentage of first-timers are younger than the current age 55+ visitor
  - Targeting active adults (ages 35 - 54) is warranted
  - Including families in the audience mix makes sense
- **Recognizing the importance of a “marketable trip” is important**
  - Effects of timeshare is a key consideration
  - Using the inquiry database to target DMAs that index highest in terms of inquiry sets the stage for geo-targeting

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Overall Summary

- **Creating and implementing a marketing model will drive success**
  - *Awareness* - those who are ad aware are twice as likely to visit
  - *Inquiry* - those who inquire show the most interest
  - *Conversion* - those who request information are more likely to visit
- **Creating a differentiating brand platform will set the stage for positioning Pagosa Springs as a unique place to visit during all seasons**
- **Are exploring experiential/emotional turf in brand strategy development**
  - Juxataposition of relaxation/exhileration - *What's Your Rush?*
  - Other options