



Annual Report

Convention & Visitors Bureau

2010-2011



PINEHURST
SOUTHERN PINES
ABERDEEN
AREA



Convention & Visitors Bureau

The 2010-2011 Annual Report is published by the Convention & Visitors Bureau (CVB) for the Pinehurst, Southern Pines, Aberdeen Area of North Carolina.

The CVB is an economic development organization and a public authority of Moore County, NC, charged with the mission of promoting the area as a destination for visitors and for meetings and conventions. The CVB is primarily funded by a countywide 3 percent hotel/motel room occupancy tax paid by visitors to Moore County.

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Inspiration

Effective Destination Marketing is not for the faint of heart. Tourism development is more competitive than ever as communities across the country are relying on these economic benefits to keep their municipalities vibrant. And a resort centric destination like Moore County is even more dependent on visitor contributions to the economy.

- What's the formula then for success in the world of Destination Marketing? Blending a "roll up the sleeves", "git-r-done" mentality with a creative mindset that inspires and motivates requires multiple skill sets and guts. Doing the right thing for the destination can seem unobtainable at times when we factor in the present and future aspirations. But to be effective it has to be done - constant assessing, planning, implementing (and integrating) and evaluating. And then starting the process all over again.

- Providing the assurance and direction to accomplish this daunting task is the board of the Convention & Visitors Bureau, who serve without compensation, but with no less dedication to the mission of the Bureau. Their vision for the future serves as a guiding light to assure the CVB stays on target and conducts its work with both excellence and integrity. Providing the expertise and execution of these plans is the CVB staff, who collectively average over 14 years of experience each in destination and marketing experience.

Board of Directors

- David Byers, *(Secretary/Treasurer), General Manager, Comfort Inn*
- Larry Caddell, *County Commissioner, Moore County*
- Patrick Coughlin, *President, Moore County Chamber of Commerce*
- Ken Crow, *General Manager, National Golf Club*
- Sharon King, *Owner, Kings Gifts & Collectibles*
- George Little, *Owner, George Little & Associates*
- Bonnie McPeake, *(Chairwoman), Owner, McPeake Hotels*
- Cary McSwain*, *County Manager, Moore County*
- Kelly Miller, *COO, Pine Needles & Mid Pines Resorts*
- Caleb Miles*, *President & CEO, CVB*
- Carrie Neal*, *Finance Officer, Moore County*
- Ray Ogden*, *Executive Director, Partners in Progress*
- Tom Pashley, *(Vice Chairman), Vice President of Marketing, Pinehurst Resort*

CVB Staff

- Caleb Miles, *President & CEO*
- Beverly Stewart, *Director of Sales*
- Claire Phillips, *Director of Marketing & Public Relations*
- Karin Toomey, *Information Technology Manager*
- Lisa Long, *Marketing & Publications Manager*
- Karen Davis, *Office Manager*
- Laurel Stanell, *Visitor & Convention Services Manager*

*ex-officio





Assessment

Moving beyond the recent recession proved to be a monumental challenge for the entire U.S. travel industry. Fortunately through a combined effort of operational efficiencies and a re-engineering of an integrated marketing program for the destination Moore County realized real year-over-year gains in multiple metrics in the fiscal year 2010-2011. Some of the key measurements were:

Lodging measurable

- Total Room Night Demand – best way to analysis year-over-year performance as it factors supply and demand changes. The 19% increase for 2010 was significant.
- Occupancy – a percentage barometer of occupied rooms against total available rooms, which for 2010 was up a significant 17 % over the prior year.
- ADR (Avg Daily Rate) another key measurement - Moore County realized virtually no change here (up 0.1 % in 2010).
- RevPar – a hybrid metric of Occupancy and ADR, it's an excellent singular gauge, and for the past year it grew 17 %.
- Lodging Room Sales - growth for FY 2010-11 over prior year was a solid 9% gain, (room occupancy taxes realized this growth rate as well).

Consumer Response

- How consumers react to CVB destination marketing (all advertising and marketing)
- Visitor Inquiries – represents the total number of direct responses consumers make to CVB marketing via e-mail, web, print, and phone. For FY 2010-11 a gain of 12% was realized.

Meetings & Convention Development

- Group travel building starts with lead development and culminates into either booked (realized) business and visitations or lost (unrealized) business.
- The CVB's role is to generate group leads by working closely with the meeting planner to meet their various needs based on RFP, and maximize the conversion. Ultimately hotel and meeting space operators sign the contract with the planners to finalize the transaction, so working as a destination team is critical to long term success. For fiscal year 2010-11:
 - 116 group leads were generated and presented to group/meeting planners, representing a potential of 31,353 group room nights (up 26% over last fiscal year)
 - Of these leads, and leads from prior fiscal years, 97 groups booked or converted creating 29,393 group room nights, generating a \$ 10.2 million direct economic impact value for Moore County.

Group travel to Moore County is extremely important to the overall tourism mix, which starts with lead development and culminates into either booked (realized) business and visitations or lost (unrealized) business.

"Visitors to North Carolina spent a record \$ 17 billion in 2010, marking a 9% increase over the prior year, and meanwhile the state maintained its position as the 6th most visited in the U.S." "Moore County ranked 11th out of 100 counties in the state for visitor spending in 2010."





Innovation

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Creating new ways to improve destination marketing efforts come in many shapes and forms. Here are some of the most important innovations for the last 12 months.

Technology

- A complete office technology upgrade, utilizing Microsoft Cloud Computing, thereby eliminating in-house servers for most of the CVB computing functions.
- Understanding the growing emphasis on social media's impact on all forms of travel planning necessitated – the complete redesign of the CVB Facebook page(s) including new promotional options and linkage back to the CVB website. Also included destination design for Twitter and YouTube.
- Upgrade of CVB volunteer service capabilities by adding PC functionality for volunteers and Visitor Information Center (include training for this staff).
- CVB employs latest Public Relations technology through the extensive digital database service of VOCUS®, allowing creation and distribution of targeted media releases (using PRWeb), and digital clipping service for tracking.
- The effectiveness of the CVB website is paramount to the overall success of the destination marketing process. Selection on an innovative vendor specializing in website design for CVBs was complete in FY 10/11, with the launch of the new open-source designed site expected in the winter of 2011-12.
- Future plans call for the selection and implementation of a new CRM (Customer Relations Management) software system that will integrate sales, partner management, forecasting, inventory control, reporting, and business development processes.
- New cloud based software for CVB Sales & Marketing allows partners to give immediate responses to the CVB and meeting/group planners.

Services

- Rejuvenation of the area's official Destination & Golf Guide for a more impactful sales/information publication (2011 DMANC Platinum Award Winner)
 - reformatted – lifestyle magazine look and read
 - more dynamic photography and 15 % larger size
 - new maps and lodging/golf package grids
- Understanding that tourism and relocation/real estate marketing often go hand-in-hand, the CVB worked closely with the successful team at Southern Living and local real estate developers at McLendon Hills in 2010 in promoting the opening of another Southern Living designer home to hundreds of visitors to enjoy during their visit to the destination.
- Find new ways to engage visitors in the history of the area is key to driving new visitations and extending length of stay. By partnering with Tufts Archives the CVB published the first edition, hard bound cover book titled "Village of Pinehurst Walking Tour" featuring 5 unique tours in the village highlighting the history and architecture of over 70 homes and structures.
- During a publication launch event in 2010, the CVB invited an innovative guest speaker to inspire those in attendance. Eric Henry founder of TS design and Cotton of the Carolinas enlightened the large crowd with a fresh perspective of how apparel is manufactured and marketed. By adding transparency to the apparel process and only using NC products and production, his shirts use only a 750 mile footprint (while a typical manufacturer uses a 17,000 mile footprint).
- Companies and meeting planners are looking for ways to create a more meaningful event for attendees, and are incorporating a community service aspect. Voluntourism projects core activities that combine charitable work with an opportunity to see another side of the destination. The CVB has identified various charities, clubs, and activities such as Habitat for Humanity, the Food Bank, and others as potential projects for groups visiting this area.





Participation

Securing and servicing large groups and events require an extensive amount of planning time and special project management skill set. 2010-11 was particularly challenging as the following events all took place within a 6 month window. Each event rated extremely well with participants, volunteers, and local officials and collectively left a positive economic imprint on the county.

North Carolina Tennis Association

- Moore County hosted the NC Tennis Association’s State Championship for the 20th year in 2011. The CVB, along with representatives from the area, formed a local Host Committee to raise funds to support and manage the event.

US Kids Golf

- US Teens and US Kids Golf brings over 7,000 athletes and their families from around the world to Moore County in July and August. The CVB, working closely with event organizers, provide (1) rates from hotels, motels, resorts (2), attraction information (3), registration assistance (4), custom maps of sites and events (5), destination brochures and (6) discounts from retailers and restaurants. Total impact - over \$6 million.

Dixie Youth World Series

- The World Series of Dixie Youth Baseball was held in North Carolina and Moore County for the first time in 25 years on August 12-18, 2011. Boys ages 9 to 12 from 11 southeastern states competed for the World Series championship at Hillcrest Park in Carthage. The tournament brought over 1,000 people to Moore County including the DYBB National Directors Annual Meeting. The estimated economic impact for the event was \$1.6 million dollars which covered lodging, meals, and shopping. The residual benefits include the opportunity to host other Dixie Youth events.

Palustris Festival

- In its second year, the four-day Palustris Festival has gained more notoriety and added more performances. Support from the located community has been the key to sustaining its growth and attendance increase. The CVB and the Arts Council of Moore County present the Palustris Festival and market it throughout key NC markets. An estimated 8,000 attendees in 2011 enjoyed events throughout the towns and villages of southern Moore County.

Accolades

Recognition by a variety of media and professional organization sources helps strengthen the destination's brand. Here are some of the accolades received over the past fiscal year for both the destination, individuals, and tourism related businesses in Moore County.

Destination Marketing Association of North Carolina -
Platinum Award (Top Award),
2010 & 2011 Destination and Golf
Guide (CVB)

Carolinas Golf Hall of Fame -
Local golf writer extraordinary
Howard Ward, inducted 2011

Golf Week Classic Golf Courses -
Pinehurst No. 2, ranked 4th in the
United States

**Golf Digest Greatest Public Golf
Courses in the U.S. -**
Pinehurst No. 2 (#8)
Pine Needles (#48)
Pinehurst No. 4 (#63)
Pinehurst No. 8 (#68)
Tobacco Road (#78)

In addition to the above, the following courses also were ranked in the Top 25 Courses in North Carolina: Forest Creek (North & South), CCNC (Dogwood & Cardinal) and Mid South Club.

Best Western International Board of Directors
Bonnie McPeake, CVB Chairwoman
completed term (served as Chairwoman for two years)

Destination Marketing Association International, 2010
Caleb Miles, CVB President & CEO
completed a three year term on the Board of Directors

Meeting Planners International (MPI) Beverly Stewart, CVB Director of Sales
recognized for 20 years of service

America's Promise -
named Moore County as one of the 100 best communities for young people

North Carolina Department of Agriculture & Consumer Services
Ashten's Restaurant -
Winner - North Carolina's best casual dining dish (must use NC products)





Partnerships

At the core of successful destination marketing program is the notion that every tourism business that wants to market their products and services should be able to do so in partnership with the CVB. Developing a program to effectively and fairly deliver strong results by leveraging private marketing dollars against public CVB resources is the solution that works in our county.

Co-Op Marketing Program

- The CVB partners with local tourism-based businesses to maximize their marketing budgets for advertising, promotion & public relations, through annual marketing co-operative program (Co-Op). It all begins with an innovative media buy.
- Next: determine which media (digital, print and electronic) provides the best return relative to inquiries about the destination and partners as well as additional media exposure. Outlets include cable television, digital guides, mobile applications, pure-play digital magazines, etc. While these may be cost prohibitive for small businesses, the aggregate buying power of the CVB Co-Op program allows businesses to participate and try new media platforms with a minimal investment.
- Most publications today have a digital component and the CVB is shifting more of its marketing dollars to digital marketing. The ads can be tracked more effectively than print through click-thru reporting and email registrations. It also allows Co-Op partners to receive inquiries and respond to them without using expensive mailings to follow-up with their marketing efforts.
- A sampling of some of the publications the CVB utilizes for marketing include *GolfWeek*, *Southern Living*, *Charlotte Magazine*, *Golf Digest*, *Golf Tips*, *Carolinas Golf*, *Washingtonian* and *Business NC*. On the digital side, *TripAdvisor.com*, *VisitNC.com*, *CharlotteObserver.com*, *News14/Roadrunner*, *GolfVisitNC.com*, *RaleighN&O.com* and *Facebook* as well as custom SEO campaigns are utilized. Over the course of the year, millions of impressions are served and a quarter million unique visits to the CVB are logged on www.homeofgolf.com.

Other Partnerships

- Membership in the NC Defense Business Association has provided the CVB a direct link to military and government contractors. Benefitting Moore County was the successful hosting of the 1st Annual Symposium and Expo at the Pinehurst Resort in April. The Symposium attracted over 1,000 attendees including military, civilian and industry leaders.

- Group Sales Roundtable meetings conducted quarterly with hotels, motels and resorts in Moore County shares information, and strategize for the best use of resources and time to increase group business. Opportunities include group sales blitzes to select areas, cooperative tradeshows and familiarization tours for group planners to Moore County.

- Partnering with the local newspaper The Pilot has allowed the CVB to extend its messaging beyond incoming visitors to local residents, business operator and local elected officials. Some of the innovative initiatives include:

- Room at the Inn – a seasonal promotion designed to drive new lodging room nights by encouraging residents to use local hotels as an extension of their homes when inviting family and friends to visit during the holidays (Nov. to Jan).

- Special Event Newspaper Tabloid Inserts – for larger events such as US Kids Golf and Dixie Youth World Series, telling the full story of the size, scope and impact of the event is important and it serves a valuable resource for attendees at these events.



Connections

An efficient and effective destination marketing program requires collaboration of hundreds of different businesses all focused on providing great hospitality and value for our visitors. Here are some of the ways the CVB works to coordinate these efforts.

- With the closing of the Sandhills Hospitality Association in 2010, a void existed that would allow hotels, golf course, restaurant, and attraction owner/operators a venue to network and develop marketing strategies. After careful evaluation the CVB launched *CVB Connect* – a quarterly meeting/event that provides valuable interaction, education, and marketing expertise to all those interested. Each event is held at a different venue in the county with a unique theme/topic.

- *Our State Magazine* gets it! The ultra-successful North Carolina lifestyle magazine highlights the people and places that make this state great. Since 1933 the magazine features travel, history, folklore, and beautiful photography each month. Moore County was featured in 2011, as was Southern Pines which was authored by local writer, Jim Dodson. Connecting readers to the true essence of our unique towns/villages is critical to the overall success of the destination brand.

- An unbiased understanding of what visitors impressions and expectations are is extremely important. Armed with this information we can begin to address stereo-types and steer visitor's experiences toward reality. Most often this falls to the front-line staffs of area hotels, resorts, golf courses and restaurants, which unfortunately often lack the local tourism product knowledge to satisfy visitors. Solution – More about Moore. The CVB spends an entire day partnering with local transportation expert Kirk Tours showing hospitality staffs first-hand what makes Moore County so special. The tour includes in-depth narration and a tasty lunch at a unique eatery. In the end our key destination diplomats have what it takes to help make the destination experience shine.

- Another essential media partner in the state is *Business North Carolina*, as it reaches 100,000 key business leaders through both its print publication and website. Roughly five times a year a community/county is highlighted in a featured article. In 2010, the CVB partnered with BNC and Partners in Progress

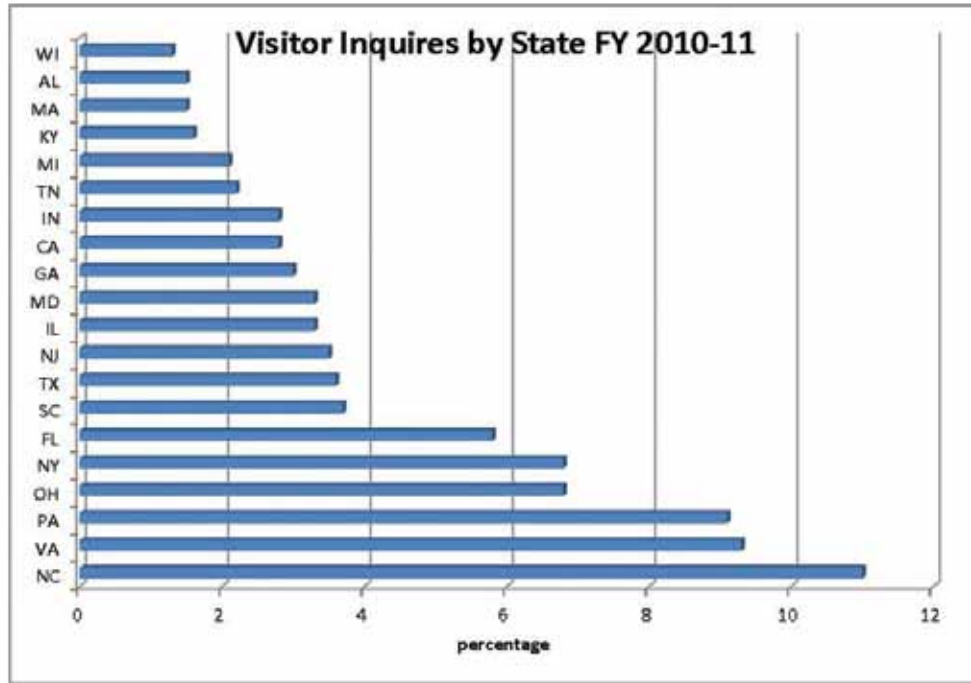


to engineer an advertising-supported, 12-page County profile in the magazine focused on tourism, healthcare and their impact on the economy.

- One of the fastest ways to raise the profile of a destination is through a growing, thriving local dining scene. Promoting it requires both local and outward push, and with the CVB working with restaurants to deliver for the second year the "Moore on the Menu" program. Anchored by an appealing \$35 prix fixe four course dinner – it was gobbled up by hundreds and helped spread the word about the great food scene in Moore County.

- Tourism has many niches where opportunities exist for each destination. The newest niche for Moore County is film development. Translation – all economic activities derived from the process of filming feature movies, TV, commercial and documentaries benefit our county for both employment and in-county spending. Securing these deals requires a focused and funded effort, for which our county connected with the Triangle Regional Film Commission in 2011 to do just this.

Visitor Inquiries:





Imagination

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All the messaging associated with the tourism marketing requires thoughtful preparation and must be compelling if it is to be effective. Synchronizing the creative process involves many people and organizations, and in the end it must blend these many talents (graphic design, copywriting, photography) to stir the imagination of the end user.

INTEGRATED MARKETING

- Fiscal year 2010-2011 marked the expansion of the highly successful marketing campaign that inspires golfers and non-golfers alike to experience the natural beauty and multitude of activities in the Pinehurst, Southern Pines, Aberdeen Area. The campaign appears in the pages as such magazines as *Golf Digest*, *Southern Living*, *Our State magazine*, *Washingtonian* and many others. With striking new photography and creative, the campaign showcases our historic towns, diverse restaurants, lush pine forests, crystal-clear lakes and streams and, of course, the world-class golf courses that have made us America's premier golf destination.

TARGET MARKETS

- The CVB's creative is designed around four primary target markets which directs the media buy each fiscal year.
 - Core Golfer who is male, 25+ rounds of golf per year, college educated, and average household income over \$85k. *Ad Tagline:* Golf, Sleep, Golf, Sleep. Repeat as necessary.
 - Leisure Traveler who is female (travel decision maker), over 40, college educated, and average household income over \$78K. *Ad Tagline:* Take Time To Perfect Your Grip.
 - Meeting Planners and Groups of 50+ for the southeast (DC, VA, NC, TN, SC, GA, FL), associations, SMERF, Corporate and Government. *Ad Tagline:* Perfect for Foursomes, Twelvesomes or Moresomes.
 - Geographically, the CVB primarily advertises and promotes the destination to areas within a 500 mile radius, throughout the southeast and Eastern Canada. *Ad Tagline:* A World-Renowned Destination, Just Up The Road.

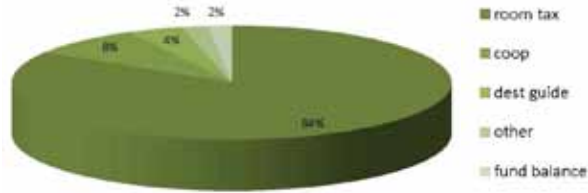
Administration

FINANCIAL OVERVIEW

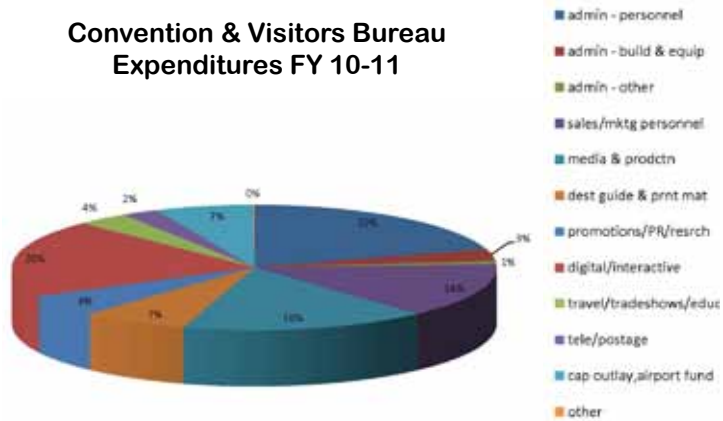
The CVB continued to maintain its fiscal responsibility throughout 2010-11 by utilizing conservative budgeting practices and a tight control on expenses. This was extremely important in the light of the recessionary period impact realized at the both the national, state and local levels.

- Fortunately as the fiscal year progressed business levels improved allowing the CVB to realize an improved balance sheet and fund balance position. Direct marketing activity continues to account for more than 75% of the CVB total budget during the fiscal period.
- Indicators for the second half of 2011 and early 2012 show a continued increase in revenue growth, albeit at a slower rate, as concerns about employment and consumer confidence have dampered expectations.
- The adjacent charts show a breakdown of budget revenues and expenses for FY 2010-11.

Convention & Visitors Bureau
Revenue Sources FY 10-11



Convention & Visitors Bureau
Expenditures FY 10-11





Anticipation

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How does a world-renowned destination known mostly for its golf, sandy hills topography and quaint towns/villages crystalize a vision for the future? And do so without sacrificing the values and tradition that both residents and visitors cherish? The answer – with an ample dose of respect for the past, blended with courage and conviction to make it a better place for us and future generations. No we don't have a blueprint here today, but we do have some food for thought.

As much as we'd like this to be an exact science, its not. But there are key events and initiatives that lie ahead that are ripe with opportunity to move our destination forward.

- **Tourism investment** – visitors are motivated by both what a community has to offer and what they plan to add to the tourism inventory in terms of things to see and do. The CVB embarked on a challenging strategic planning process to determine what some of the needs will be for the future and what is the best way to encourage and fund new ideas so they help improve the overall destination experience for visitors.

- **Commitment to Downtowns** – In Moore County the whole is more than the sum of the parts, and in this case, the parts are the towns and villages and the whole is the entire destination. But for the equation to work each town/village must have its own unique flavor that enhances the visitor experience. Towns/villages are constantly evolving and need to re-assess their respective value to both residents and visitors. During 2010-11 the CVB worked closely with many of the municipalities as they determined their respective visions for the future.

- **2014 US Open Championships** - much has already been written about the hosting of two USGA to premier events at Pinehurst Resort back-to-back in June 2014. Past experience of hosting singular versions of these championships tells us the impact is significant (expected to be in excess of \$150 million direct spent in the region), and there are numerous logistic challenges that lie ahead to assure the community is shown in the very best light. Planning has already begun for the all-important lodging block procurement process as well as the advanced highway beautification process (NCDOT), with the CVB playing a major role. Much more is to be done by leaders at both the state and local level working hand-in-hand to maximize the short and long term benefits.