

Carlsbad Tourism Business Improvement District
ANNUAL REPORT



Fiscal Year 2018-2019



BACKGROUND

On November 15, 2005 the City Council adopted Ordinance No. NS-778 forming the Carlsbad Tourism Business Improvement District pursuant to the Parking and Business Improvement Law of 1989. The ordinance authorized the levying of \$1 per room-night assessment of each occupied room within the city effective January 1, 2006.

The purpose of the CTBID is to administer marketing and visitor programs to promote the City of Carlsbad as a tourism visitor destination and to fund projects, programs, and activities, including appropriate administrative charges that benefit hotels within the boundaries of the District

The CTBID includes all hotel businesses located within the CTBID boundaries. The assessment is levied on all hotel businesses, existing and future, within the City of Carlsbad based upon a flat fee of \$1.00 per occupied room per night for all transient occupancies as defined in section 3.12.020(7) of the Carlsbad Municipal Code.

CTBID BOARD

The CTBID Board is comprised of seven members. The members serve at the pleasure of the City Council. Three members are appointed from the largest hotels representing the largest economic assessments within the district. Four members are from the other assesses within the District and serve a four-year term. The Board meets on an as needed basis, usually at least once per quarter.

Timothy Stripe
Grand Pacific Resorts

Board Chair term exp. 8/2020
No Term Limit

Robert Rauch
Carlsbad by the Sea

Board Vice-Chair term exp. 1/2021
Term Expires 1/2021

Geoff Gray
Park Hyatt Aviara Resort

No Term Limit

Brian Hughes
Omni La Costa Resort and Spa

No Term Limit

Bill Canepa
Hilton Garden Inn

Term Expires 11/2021

Frank Idris
Legoland California Resort

Term Expires 11/2019

Randy Chapin
Carlsbad Inn

Term expires 11/2019

VISIT CARLSBAD

Visit Carlsbad in contract with the CTBID, represents the tourism efforts and outreach as the official destination marketing organization (DMO) for the city. Funded by the CTBID assessment of \$1 per room, the main goal of the DMO is to increase awareness of the destination, promote the businesses that reside here, and find and encourage overnight stays within the city hotels. Visit Carlsbad received \$1,391,600 in funding from the CTBID in fiscal year 2018/19.

The efforts by Visit Carlsbad cover yearly marketing, public relations & group sales programs designed to accomplish the aforementioned goals, bringing in more visitors and destination revenue.



3.59 MILLION
CARLSBAD VISITORS

4,996
HOTEL ROOMS

MARKETING

Visit Carlsbad promotes the destination of Carlsbad and a multitude of offerings in various ways which include integrated ad campaigns, social media outreach, email distribution, paid search ads, search engine optimization and website information. Through these efforts which are mostly digital programs, we track and monitor performance and results. Visit Carlsbad strives to achieve high value from each of its paid outreach programs and in some cases, verifying results with independent third-party analytics review.

2018/19 INTEGRATED AD CAMPAIGN

This fiscal year Visit Carlsbad executed its first major ad campaign that targeted the need periods of January – April, 2019. After completion, Visit Carlsbad retained the research firm of H2R Market Research to analyze efficiency, effectiveness and incremental impact the 2019 campaign had upon the city’s visitation and travel spending, as well as to calculate the campaign’s ROI. These results were further confirmed with the outcome of the Smith Travel Research lodging report (STR) over the same time period.

LEISURE
OCCUPANCY ↑
 UP 14% YEAR-OVER-YEAR

LEISURE
AVERAGE
DAILY RATE ↑
 UP 6.4% YEAR-OVER-YEAR

LEISURE
REVENUE
PER ROOM ↑
 UP 21.3% YEAR-OVER-YEAR



January 2019 - April 2019

Segment	Percent Change YOY (Jan - April)		
	Occupancy (%)	ADR	RevPAR
	Trans.	Trans.	Trans.
City of Carlsbad+	14.0	6.4	21.3
San Diego County, CA	0.3	2.9	3.1
San Diego/La Jolla, CA	1.7	1.7	3.4
San Diego Sea World/Old Town/Airport, CA	-5.0	2.8	-2.3
Santa Barbara, CA+	-5.2	10.8	5.0
Newport Beach/Dana Point, CA	4.1	-1.5	2.5
Palm Springs, CA	-3.5	-2.3	-5.7
Anaheim, CA	-1.7	1.8	0.0
Santa Monica, CA+	-0.1	-1.1	-1.2

Overall the campaign reached 1.72 million households in Los Angeles, Orange County & San Diego DMA's. On a \$152,000 spend the **ROI was 58:1** resulting in a total **destination impact of \$8.8MM** on an **average spend of \$543 per trip** and a total of **16.2K incremental trips generated**. Additionally, **9.6K incremental room nights** were generated resulting in a total **room revenue of \$1.5MM** based on the ADR of \$164 average for Jan-April.

CAMPAIGN RESULTS

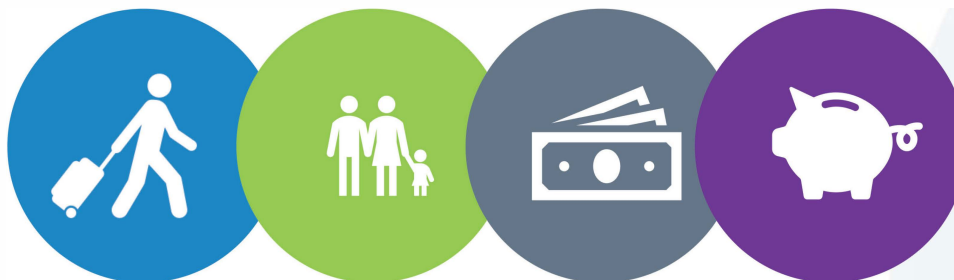


41%
of travelers have seen/heard a Carlsbad advertisement

1.72M
households were reached by Carlsbad's advertising

\$152k
was spent on advertising in the target market

\$0.09
was spent to reach each aware household in the target market



16.2k
incremental trips were generated by the Carlsbad campaign

\$543
was spent by each incremental travel party in the area

\$8.8M
in incremental revenue was generated by the Carlsbad campaign

\$58
was returned to the local economy for each dollar invested in the campaign

Incremental Visitation	2019 Increment	2019 Visitation
Los Angeles (w/o OC)	+0.5%	+5.9k
Orange County	+2.9%	+6.8k
San Diego	+1.4%	+3.6k
Total Increment	+0.9%	+16.2k
<i>H2R Norm</i>	<i>+1.6%</i>	<i>n/a</i>

Incremental Revenue	2019 Party Spending	2019 Incremental Revenue
Los Angeles (w/o OC)	\$695	\$4.1M
Orange County	\$553	\$3.7M
San Diego	\$271	\$0.97M
Total Revenue	\$543	\$8.81M
<i>H2R Norm</i>	<i>\$480</i>	<i>\$12.9M</i>

EXPEDIA CO-OP

During the 3rd Quarter (Jan-March 2019) Visit Carlsbad partnered with Expedia's San Diego Co-op program to promote the city hotels. This campaign cost \$15,000 and generated the following results:

\$269,209
ROOM REVENUE

\$304
AVERAGE DAILY RATE

884
ROOM NIGHTS

18:1
ROI

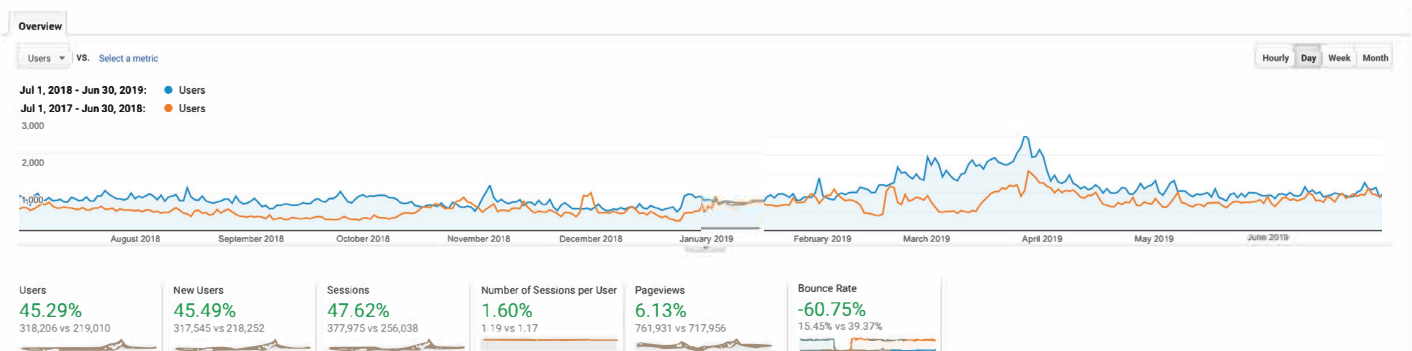
VISITCARLSBAD.COM

Visit Carlsbad maintains the destination site VisitCarlsbad.com and saw significant growth year-over-year. More and more users are visiting from mobile devices making up 60% of all visits.

Visitors: 377,975 (up 48% YOY)

Unique Visitors: 318,206 (up 45% YOY) Pageviews:
761,931 (up 6% YOY)

Bounce Rate: 15% (60% improvement YOY)



WEB VISITOR LOCATION

Region	Acquisition			Behavior		
	Users	New Users	Sessions	Bounce Rate	Pages / Session	Avg. Session Duration
	299,398 % of Total: 94.09% (318,206)	298,281 % of Total: 93.93% (317,545)	355,251 % of Total: 93.99% (377,975)	15.27% Avg for View: 15.45% (-1.18%)	2.00 Avg for View: 2.02 (-0.98%)	00:01:32 Avg for View: 00:01:34 (-1.68%)
1. California	191,176 (62.96%)	187,543 (62.87%)	227,686 (64.09%)	15.16%	1.88	00:01:26
2. Arizona	13,909 (4.58%)	13,762 (4.61%)	16,541 (4.66%)	13.08%	2.61	00:02:19
3. Illinois	11,518 (3.79%)	11,368 (3.81%)	12,245 (3.45%)	10.18%	1.59	00:00:54
4. Texas	9,112 (3.00%)	8,983 (3.01%)	10,400 (2.93%)	16.62%	2.12	00:01:37
5. Nevada	6,511 (2.14%)	6,245 (2.09%)	7,419 (2.09%)	15.47%	2.17	00:01:43
6. New York	5,743 (1.89%)	5,668 (1.90%)	6,469 (1.82%)	14.96%	2.01	00:01:25
7. Colorado	4,784 (1.58%)	4,687 (1.57%)	5,677 (1.60%)	12.14%	2.23	00:01:51
8. Florida	4,522 (1.49%)	4,466 (1.50%)	5,319 (1.50%)	15.98%	2.00	00:01:33
9. Washington	4,354 (1.43%)	4,275 (1.43%)	4,966 (1.40%)	13.51%	2.34	00:02:00
10. Utah	3,440 (1.13%)	3,413 (1.14%)	3,920 (1.10%)	11.45%	2.21	00:01:52

DEVICE BREAKOUT

MOBILE

60%

DESKTOP

31%

TABLET

9%

SOCIAL MEDIA

Visit Carlsbad uses the official Carlsbad social channels to help promote the destination while increasing followers.

FACEBOOK



62K Followers

10,607,992 Reach

4,279 New Followers

488,965 New Post Engagements

TWITTER



13.2K Followers

176,533 Tweet Impressions

9,679 Profile Visits

3,640 Mentions

INSTAGRAM



6,975 Followers (up 180% YOY)

EMAIL MARKETING

Email Subscribers: 23,694 (up 2.1% YOY) 261,076 emails sent
 Open Rate: 12-24%
 Clickthrough Rate: 3-24%



SEARCH ENGINE OPTIMIZATION

Organic search traffic is the #1 source for visits to VisitCarlsbad.com. Through continual refinement, Visit Carlsbad in partnership with Elevated Digital Agency work to build search rankings to maximize the benefits of organic traffic. For 2018/19 the total value of organic search generated was worth **\$1,142,600 equivalency** if we had to pay for those keywords through traditional paid placements.



The Value of Organic

Q1 FY2019
Jul '18

Keywords:
6.0K

Traffic:
63.8K

Traffic Cost:
\$87.8K

Aug '18

Keywords:
7.1K

Traffic:
68.7K

Traffic Cost:
\$98.4K

Sept '18

Keywords:
7.5K

Traffic:
57.9K

Traffic Cost:
\$79.5K

Q3 FY2019
Jan '19

Keywords:
8.9K

Traffic:
67.7K

Traffic Cost:
\$93.9K

Feb '19

Keywords:
9.1K

Traffic:
66.4K

Traffic Cost:
\$90K

Mar '19

Keywords:
9.1K

Traffic:
65.8K

Traffic Cost:
\$88K

Q2 FY2019

Oct '18

Keywords:
8.0K

Traffic:
71.7K

Traffic Cost:
\$98.3K

Nov '18

Keywords:
8.6K

Traffic:
71.8K

Traffic Cost:
\$100K

Dec '18

Keywords:
9.0K

Traffic:
72.9K

Traffic Cost:
\$104K

Q4 FY2019

Apr '19

Keywords:
9.2K

Traffic:
65.5K

Traffic Cost:
\$87.4K

May '19

Keywords:
8.7K

Traffic:
65.6K

Traffic Cost:
\$88.2K

Jun '19

Keywords:
8.8K

Traffic:
69.2K

Traffic Cost:
\$127.1K

It can be difficult to place a dollar value on Organic Traffic, which is why we turn to Paid Search to try to quantify what the Organic Traffic's value would be for Visit Carlsbad if it was paid traffic.

Source: SEM Rush Organic Research

PUBLIC RELATIONS

Visit Carlsbad in partnership with Wagstaff Worldwide, promotes the destination of Carlsbad through targeted PR campaigns, media visits and news articles among several different verticals of interest. The main goal is to increase awareness of all city offerings, while driving consideration and bookings from key markets.

2018/19 Media Impressions: 1,000,138,515 (166% of KPI Goal) **2018/19 Placements: 353 (141% of KPI Goal)**
2018/19 Estimated Media Value: \$9,005,065.90

PETAL TO PLATE CAMPAIGN

Visit Carlsbad invited visitors to enjoy the power of flowers in all five senses during the Third Annual Edition of Petal to Plate by Visit Carlsbad. The 10-day celebration of fine flowers, food & drink, took place April 4 – 14, 2019. Guests were invited to tour the flower fields and savor the delights of spring in Carlsbad with participating partners.

CAMPAIGN HIGHLIGHTS:

- 12 partners
- 23 floral cocktail, culinary, and wellness offerings
- Media preview event; 22 media attended
- One event landing page
- Three-day FAM Trip with four media
- Social and traditional media coverage
- Ranunculus media mailer
- Petal to Plate offerings photoshoot

Impressions: 84,127,897 Media
Placements: 53 Media Visits: 28



COLORS OF CARLSBAD CAMPAIGN

Visit Carlsbad partnered with Pantone and Fohr Agency to pioneer the 2019 Colors of Travel study and build the Colors of Carlsbad palette. Visit Carlsbad invited guests to celebrate the launch of the palette with a variety of multicolored experiences and offerings including hotel packages, culinary offerings, outdoor adventure offerings, and wellness offerings.

CAMPAIGN HIGHLIGHTS: Gained national exposure for Carlsbad

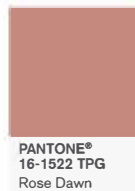
colors of
carlsbad

137M media impressions to date

Stories in 32 publications including Travel + Leisure, Forbes, Lonely Planet, etc.

Launched Carlsbad as a destination on a global scale

Secured coverage in Telegraph (UK), Evening Standard (UK), Traveller (Australia), and AWOL (Australia)



ACTIVITIES:

Secured partnerships with Fohr and Pantone
19+ Colorful experiences throughout Carlsbad
Created photography, videography, and web assets
Activated Deskside tours in New York

GROUP SALES

Visit Carlsbad's Group Sales mission is tasked with creating new opportunities for group business to the destination. From conference shows around the year, to site visits, group incentives, Visit Carlsbad looks to help supplement additional business to area hotels.

For 2018/19 fiscal year Visit Carlsbad Group Sales brought in the following:

LEADS GENERATED

187

DEFINITE BOOKINGS

18

TOTAL ROOM NIGHTS

13,330



Q1 REVENUE

\$728,376

Q3 REVENUE

\$676,113

Q2 REVENUE

\$806,221

Q4 REVENUE

\$877,973

TOTAL ROOM REVENUE: \$3,088,683

VISITOR CENTER

In partnership with the City of Carlsbad, Visit Carlsbad operates the Carlsbad Information Center located at 400 Carlsbad Village Drive. This facility offers destination and area information to guests looking for more information on Carlsbad and the surrounding areas. Visitation for 2018/19 are as follows:

VIC Stats - Q1 & Q2		VIC Stats - Q3 & Q4 to Date		FY2018 Total VIC Stat	
US Visitors	3,065	US Visitors	3,479	US Visitors	6,544
Foreign	502	Foreign	534	Foreign	1,036
Total Visitors	3,567	Total Visitors	4,013	Total Visitors	7,580
Email Received	1,020	Email Received	1,233	Email Received	2,253
Phone In	441	Phone In	566	Phone In	1,007
Lodging Referrals	78	Lodging Referrals	88	Lodging Referrals	166
LEGOLAND Referrals	80	LEGOLAND Referrals	96	LEGOLAND Referrals	176
# of Volunteers	319	# of Volunteers	281	# of Volunteers	600
Volunteer Hours	770	Volunteer Hours	737	Volunteer Hours	1,507
Top 5 States Represented Arizona, Colorado, Nevada, Washington, Illinois		Top 5 States Represented Arizona, Colorado, Minnesota, Texas, Illinois		Top States Represented Arizona, Colorado, Minnesota, Texas, Illinois	
Top 5 Foreign Countries Canada, Germany, UK, Australia, NL/SU (tie)		Top 5 Foreign Countries Canada, UK, Germany, Australia, Brazil		Top 5 Foreign Countries Canada, UK, Germany, Australia, Sweden	
California accounted for Local	2,029 1,115				



EVENT GRANTS

In 2008 the CTBID board established a formal grant program. The objectives of the grant program are to:

- Fund projects or events that are going to increase the overnight stays in hotels;
- Encourage the development of innovative tourism products;
- Promote collaboration within and across sectors of the tourism industry;
- Reach important travel segments such as multicultural, family and senior markets;
- Strengthen the marketing capacity of our partnering organizations; and
- Combine the resources of the CTBID and its tourism partners to leverage their collective marketing efforts.

The CTBID Board appropriated \$200,000 in its 2018-19 budget to fund these grants. Below is a summary of the events funded and the results of the events.

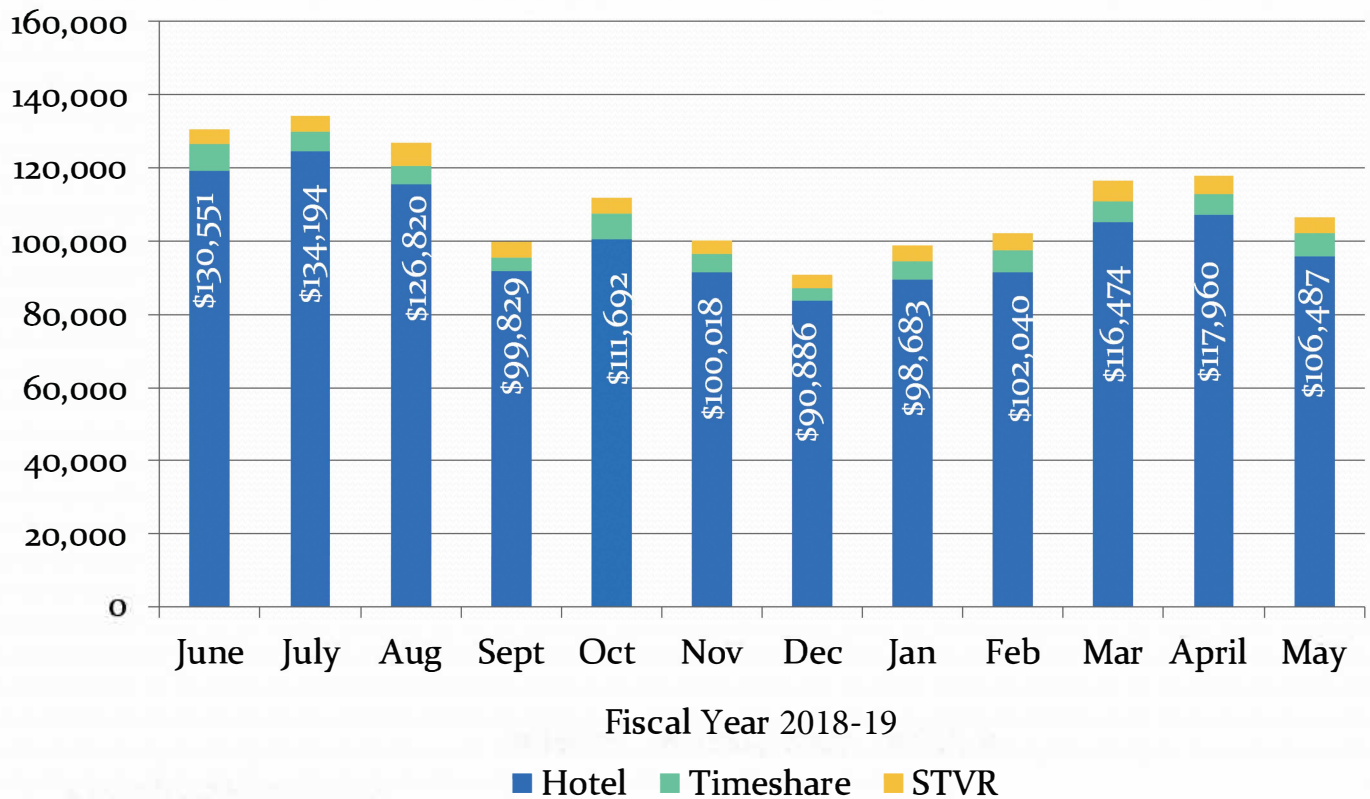
	Date of Event	# Attendees	# Room Nights	Grant Amount
Bike MS	October 20-21, 2018	2,500	503	\$20,000
Carlsbad Marathon	January 20, 2019	9,558 participants	187	\$25,000
Carlsbad 5000	April 6-7, 2019	5,586 participants	1289	\$25,000
LPGA Kia Classic	March 25-31, 2019	45,084	30% of on-line ticket purchases	\$60,000
Carlsbad Brewfest	September 8, 2018	1,525	10	\$15,000



APPENDIX

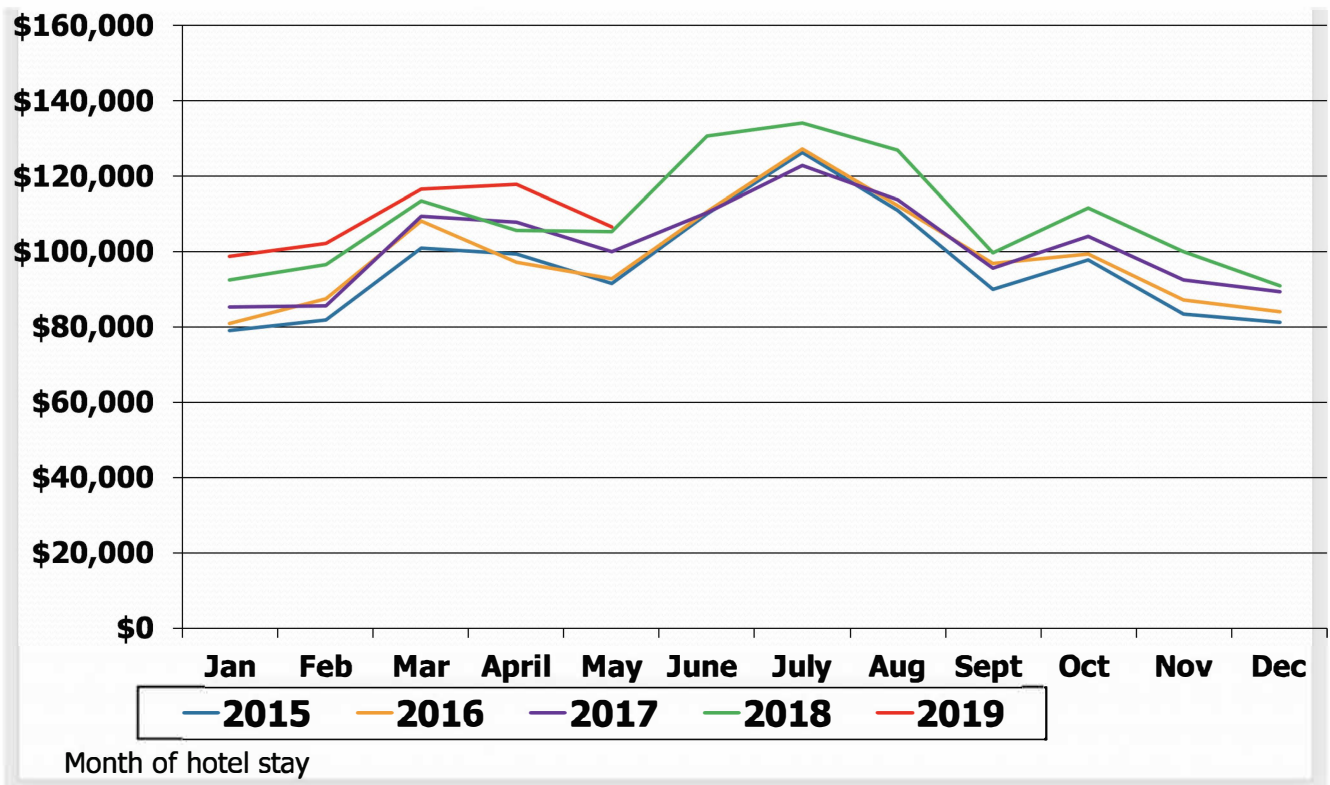
The following charts and data show our budget information, historical data and other pertinent information for Visit Carlsbad and the TBID.

CTBID ASSESSMENT REVENUE

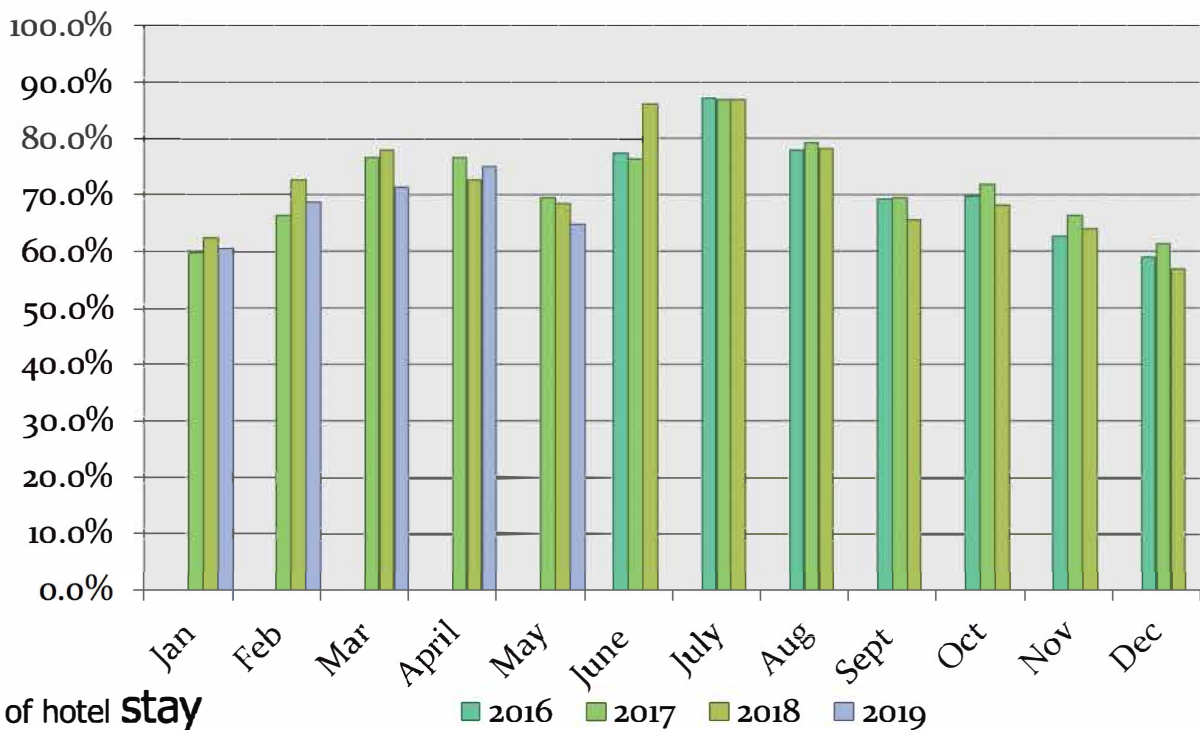


Month of hotel stay

CTBID ASSESSMENT REVENUE



MONTHLY OCCUPANCY RATE

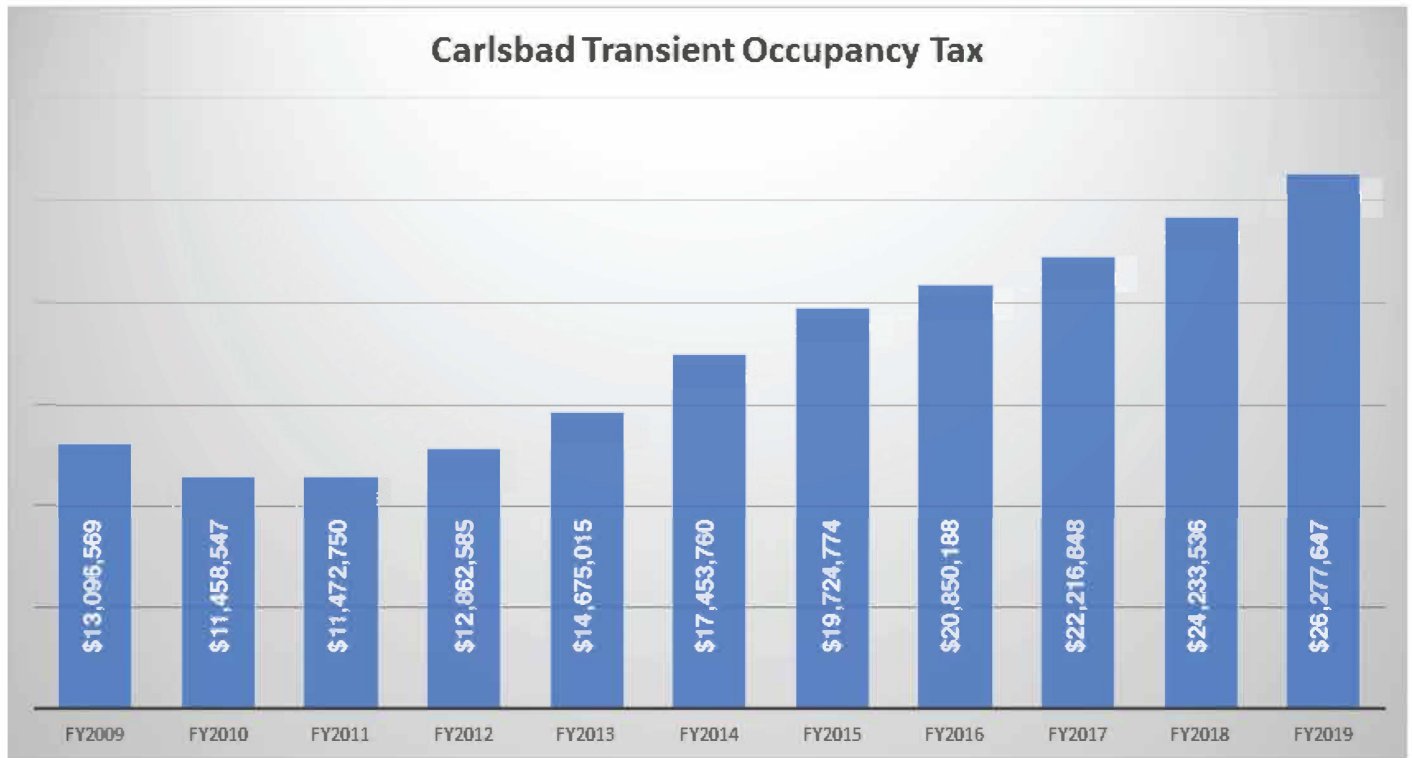


Month of hotel stay

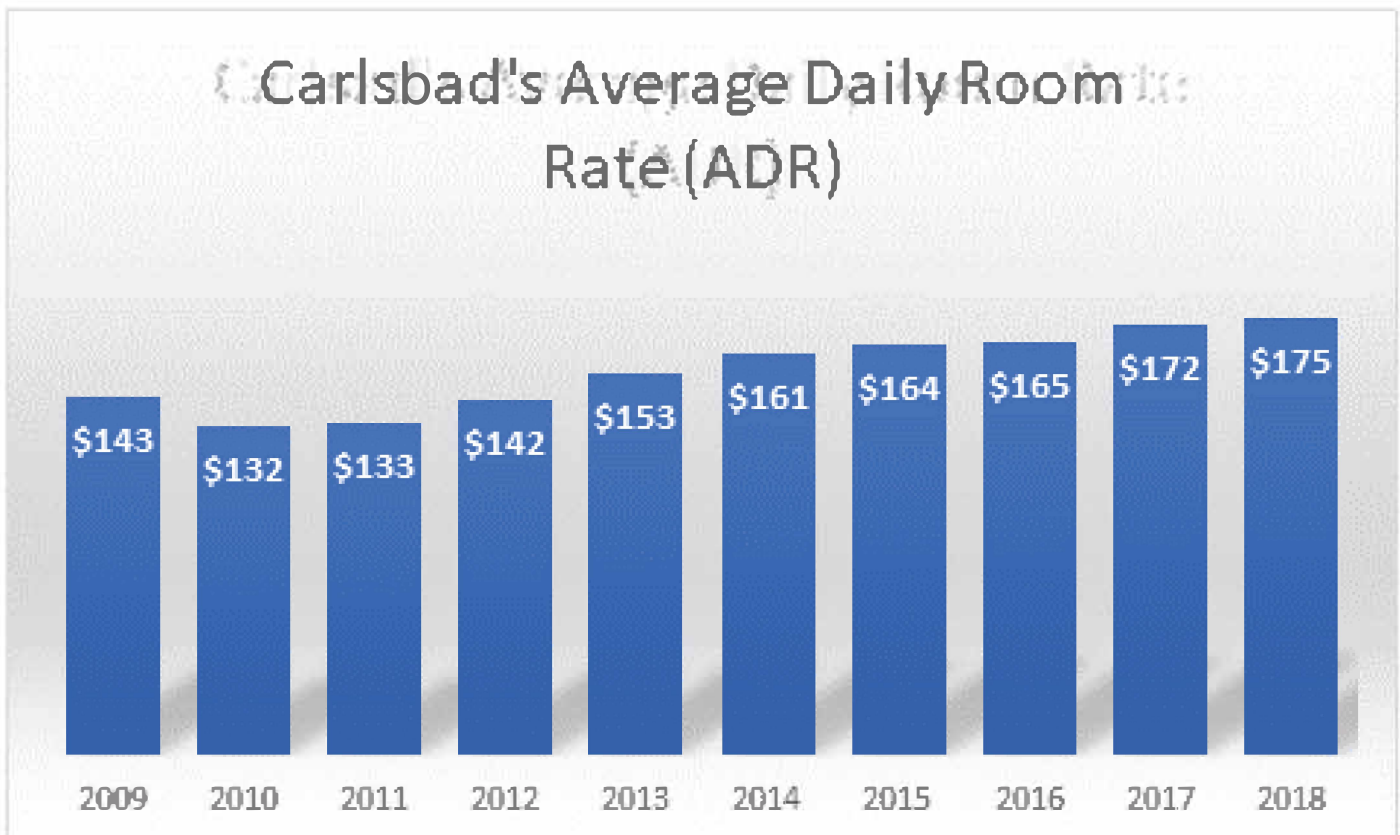
*Does not include comp rooms

FY 2018-19 Ave occupancy rate 70%

CARLSBAD TRANSIENT OCCUPANCY TAX PER YEAR



CARLSBAD ADR PER YEAR



2018/19 CTBID BUDGET

	Budget	Actual	Difference
	2018/19	6/30/2019	
<u>Revenues:</u>			
CTBID Assessment	\$1,320,000	\$ 1,333,000	\$ 13,000
Interest Earnings	\$ -	\$ 24,198	\$ 24,198
Total Estimated Revenues	\$1,320,000	\$ 1,357,198	\$ 37,198
<u>Expenditures:</u>			
2% Administrative Fee CCVB	\$ 26,400	\$ 26,643	\$ 243
Contract	\$1,391,600	\$ 1,244,575	\$ (147,025)
Staff support	\$ 26,400	\$ 15,657	\$ (10,743)
CTBID Grants	\$ 200,000	\$ 129,451	\$ (70,549)
Total Expenses	\$1,644,400	\$ 1,416,326	\$ (228,074)

2018/19 VISIT CARLSBAD BUDGET

2019 Budget vs Actuals		2018-2019	2018-2019
		Budget	Actual
CTBID Income		\$ 1,266,600	\$ 1,169,575
Adv. Sales/Commissions			
Supplemental CTBID Funding		125,000	75,000
Total Public/Private Income		\$ 1,391,600	\$ 1,242,303
Expenses			
Labor Expenses			
Total	Labor Expenses	\$ 422,051	\$ 419,980
Promotional Programs			
Advertising & Production			
	Spring Ad Campaign	156,000	152,772
	Research	9,000	9,785
OutsideServices			
	Interactive Marketing	250,000	239,366
	Website Hosting		2,388
	Public Relations Services	110,000	111,045
	PR Special Projects	75,000	70,567
Total	OutsideServices	\$ 435,000	\$ 423,366
	Travel & Entertainment	6,300	4,410
	Dues & Subscriptions	9,000	8,979
	Collateral Prod. & Fulfillment	2,500	1,535
	Public Relations Events	15,000	15,133
Total	Promotional Programs	\$ 632,800	\$ 615,980
Group Direct Services			
	Technology	7,000	6,107
	Membership/Dues	1,000	934
	Group Incentive	100,000	32,000
	Sponsorship/Partnership	35,000	34,000
	Marketing/Advertising	26,100	12,531
	FAMs	50,000	5,850
	Site Inspections		5,019
	Travel & Entertainment	10,000	3,822
	Tradeshows	72,000	72,093
Total	Group Direct Services	\$ 301,100	\$ 172,356

General Administration Exp.			
	Bank Service Charges	989	81
	Equipment Rental & Replmnt	3,200	3,423
	Facility Repairs & Maint.	200	92
	General Liability Insurance	1,100	878
	Office Supplies	2,700	1,524
	Postage	150	59
	Taxes - General	110	84
	Telephone	10,000	9,361
	Professional Services	7,000	6,800
	Volunteer Program	1,800	1,552
	Miscellaneous Expenses	2,000	2,339
	Utilities	2,400	2,943
	Computer Expense	4,000	4,601
	Office/General Admin Exp		250
Total	GA Expenses	\$ 35,649	\$ 33,987
Unapplied Cash Bill Payment Ex			
Total Expenses		\$ 1,391,600	\$ 1,242,303

A LOOK AHEAD

The CTBID is continually looking for new ways to expand the reach and message of the destination through leveraged distribution channels, while maximizing efforts to get the highest results.

DESTINATION RESEARCH

EXPAND ON THE 2015
TOURISM STUDY TO FIND
CURRENT AND FUTURE
NEEDS FOR MARKETING
CARLSBAD

2020 SPRING CAMPAIGN

INTEGRATED ADS: VIDEO,
DISPLAY, DIGITAL RADIO,
CONNECTED DEVICES

INNOVATIVE PUBLIC RELATIONS CAMPAIGNS

LOOK TO EXPAND ON
CURRENT AND NEW IDEAS
TO PROMOTE CARLSBAD

GROUP SALES

CREATE STRONGER
RELATIONSHIPS
WITH HOTEL
PARTNERS AND
INCREASE ROOM
NIGHT STAYS

FISCAL YEAR 2020 CTBID BUDGET

Program Areas	Description	Adopted 2019-20 Budget
	Carryover Fund Balance from 2018-19	640,307
Revenues:		
CTBID Assessment	\$1 per room night	1,360,000
Interest Earnings		
Total Estimated Revenues		1,360,000
Expenditures:		
2% Admin. Fee - City	2% of CTBID assessment revenue, for collection of CTBID assessment and accounting for CTBID	27,200
CCVB Payment	To operate visitor center, market and promote Carlsbad	1,213,000
Staff support	Staff support to the CTBID - 2% of revenues	27,200
CTBID Grants	Grant program established by CTBID Board	75,000
Total Expenses		1,342,400
Ending Fund Balance	Contingency for Revenue shortfall	657,907

FISCAL YEAR 2020 VISIT CARLSBAD BUDGET

	Visit Carlsbad FY20 Budget
Public Sources	
CTBID Revenues	\$1,213,000
Advertising Revenue	
TOTAL INCOME	\$1,213,000
LABOR	
Total Labor	\$434,324
PROMOTIONAL PROGRAMS	
Advertising & Production	
Winter/Spring Ad Campaign	156,000
Total Advertising Campaigns	\$156,000
Research	10,000
Outside Svcs-Digital Mktg	250,000
Outside Svcs-Public Relations	115,000
Total Outside Services	\$365,000
Travel & Entertainment	10,000
Dues & Subscription	9,000
Collateral Prod. & Fulfillment	2,000
Public Relations Events	15,000
Total Promotional Programs	\$567,000

GROUP DIRECT SERVICES	
Technology	9,000
Memberships/Dues	1,000
Group Incentive	50,000
Sponsorship/Partnership	19,000
Marketing/Advertising	10,000
Meeting Planner FAMs	27,000
Site Inspections	5,000
Total FAM/Site Visits	
Travel & Entertainment	10,000
Tradeshows	50,000
Group Direct Services - Total	\$181,000

GENERAL ADMINISTRATIVE	
Bank Charges	500
Equipt. Rental & Maint.	3,200
Facility Repair & Maint.	300
General Liability Ins.	1,000
Office Supplies	2,000
Postage	100
Taxes	150
Telephone	10,000
Professional Services	7,000
Volunteer Program	1,000
Miscellaneous	1,026
Utilities	2,400
Computer Expense	2,000
Total G&A	\$30,676
TOTAL EXPENSE	\$1,213,000