



Date: May 13, 2021
To: Los Gatos Town Mayor and Council
From: Los Gatos Chamber of Commerce
Subject: **Emergency Destination Marketing Plan**

As you know, the Los Gatos TOT revenue was drastically affected because of the COVID pandemic. Business travel is not expected to return to pre-pandemic levels for many years. A shift in focus to the leisure traveler is our best chance to make up the difference. A destination marketing effort, something we have never done before, will attract people to Los Gatos and infuse our local economy with outside money. Not only is this effort essential to Los Gatos right now, but we believe a sustained destination marketing campaign will assure that tourism will continue to bring visitors to Los Gatos to dine in our restaurants, shop in our stores, and stay overnight in our hotels for years to come. This effort is so important, that Governor Newsom announced just this morning that his revisions for the state's proposed 2021-22 budget will include \$95 million in one-time stimulus funding for Visit California's tourism marketing programs for the coming year.

The Chamber is uniquely positioned to complete these short-term efforts because of our existing relationships with our hotels, restaurants and local shops.

The Chamber's short-term emergency efforts include:

- **Visit Los Gatos website** – this website will be a one-stop shop for everything Los Gatos. It will include a section on restaurants, merchants, wineries, breweries, outdoor activities and lodging. It will include all Los Gatos businesses that fall into each category. In addition, we will feature itineraries that tie multiple activities together – such as a wine tasting excursion, a family outdoor funday, shopping & dining weekend, spa pampering day, Date Night, etc. The website will be updated regularly to highlight special events around Town and to announce the openings of new businesses.
- **Social Media Effort** – Research by Visit California has found that under normal circumstances, more than 70% of all tourism visits in California are by Californian residents, making Californians our most powerful economic resource. Because of the pandemic, this number is likely higher, as people are not venturing as far and visiting more accessible destinations. We will boost our posts to a broader range of California, from San Diego to Sacramento. In addition, we will utilize Facebook ads. Facebook ads have the highest return on ad spending (ROAS) of any social media platform. Micro-targeting allows for higher click-through rates, thus better returns.
- **Video Production** – Tourism video that highlights the various aspects of our Town: dining, shopping, outdoor activities, our natural beauty, our history, etc. This video will be used on the website, as well as in promotions with Visit California, on our social media sites and YouTube.
- **Visit California** – We will take advantage of no-cost content submissions with Visit California. Chamber staff will compile and submit content information on Los Gatos regularly, promoting our assets - trip ideas (a perfect day in LG, Los Gatos for wine lovers, scenic hikes, etc). Although

there is no cost to submit content, the development of editorial content requires staff or contractor time.

- **Media Relations** – provide press kits and content to media outlets in California to expand our reach.
- **Fam Trips** - A familiarization trip, or FAM for short, is a trip designed for travel advisors to learn about a destination. We would conduct two of these trips for hotel staff in Los Gatos in the next few months. These trips improve the chances of hotel staff referring their guests to Los Gatos to eat, shop, hike, etc.
- **Visitor Center** – per our agreement, we will continue to provide services as outlined in our scope of services, through our physical location.

Success of the destination marketing plan can be measured by the following metrics:

- Visit Los Gatos website – site analytics
- Social Media – Facebook & Instagram analytics on our posts and boosts, click-throughs on ads
- TOT – Increase in hotel stays, thus providing an increase in the TOT revenue. However, this metric may not be evident for 5-6 months.
- Media Reach – measurable by media coverage

Below is the budget for Emergency Destination Marketing for the next 6 months:

Immediate Destination Marketing			
Visit California content development			\$ 3,500.00
Website Development (includes hosting & labor)			\$ 6,500.00
domain name	18.99/ yr	\$ 18.99	
hosting & website	\$7/ month	\$ 84.00	
website security	\$100/month	\$ 1,200.00	
contractor/staff to make website	200 hrs @\$25/hr.	\$ 5,000.00	
		\$ 6,302.99	
Video production – includes drone photography, editing, story-boarding, voice over, any licensing fees	10,000		\$10,000.00
Social media – Facebook, Instagram			
staff/ contractor, includes original content creation and editing	\$3000/month for 6 months		\$18,000.00
advertising & boosts	\$1000/month		\$12,000.00
Public & Media Relations – press kits & content			\$ 3,000.00
Fam Trips for Los Gatos hotels	2 @\$1000 ea		\$ 2,000.00
TOTAL			\$55,000.00

Long term strategy:

- Branding Los Gatos
- Advertising & Marketing:
 - Out of area ads
 - Airport marketing
 - Other Visitor Centers
 - Ads in regional airline carriers such as Southwest or Alaska
 - Paid advertising with Visit California in their travel magazines, on their website, or in their e-newsletter.
- Fam Trips – Expand Fam Trips (outlined above) to surrounding areas, such as Campbell, Saratoga, San Jose and the greater Santa Clara Valley. These trips improve the chances of hotel staff referring their guests to Los Gatos to eat, shop, hike, etc.
- Travel & Tourism Trade shows – Trade shows and conferences in the tourism industry are a great way to interact with hoteliers, travel agents, airlines, technology providers, etc. to promote Los Gatos.
- Reimagined Visitor Center
- Join travel industry organizations
- Promotion through TripAdvisor, Expedia and other travel sites

Possible funding sources for long-term destination marketing:

- Destination marketing tax on hotel stays (this would require a ballot measure)
- TBID – Tourism Business Improvement District – Tourism-related businesses (usually hotels) agree to an assessment on their guests.
- Percentage of our TOT – we could allocate 5% of our current TOT revenues to pay for Destination Marketing
- A line item in the Town budget