Marketing Plan
COM5526 - Fall 2009

Mission

To promote travel and drive visitation to and within Florida

Vision

VISIT FLORIDA establishes Florida as the No. 1 travel destination in the world

Values

Integrity, Excellence, Innovation, Inclusiveness, Welcoming, Fun, Teamwork

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Table of Contents

I. Introduction

In August 2009, the VISIT FLORIDA Board of Directors approved a new 2009-2013 Strategic Plan and authorized a corporate re-organization to position the company to establish Florida as the No. 1 Travel Destination in the world.

The 2009/10 VISIT FLORIDA budget reflects a reduction in state funding from $35.5 million in FY 08/09 to $20 million in FY 09/10.

Guided by the new Strategic Plan, VISIT FLORIDA is now optimized to maintain core tourism marketing and sales functions, and to deliver cooperative marketing programs that create and add value for industry partners.

II. Purpose

As the official destination marketing organization charged with promoting Florida as a leisure travel and meeting destination, VISIT FLORIDA plans and implements a wide variety of sales and marketing initiatives. Our goal is to deliver the right message, through the right medium, to the right audience, at the right time, in order to maximize the economic impact of travel to the Sunshine State.

This strategic marketing plan is the road map that guides all VISIT FLORIDA sales and marketing efforts for the 2009/2010 year. The plan was developed by the Marketing Communication Management team (the Sunny Marketing Group) based on guidance, input, and insight from Professor Dale Brill and from the Florida tourism industry as represented by members of VISIT FLORIDA and committees including:

- Advertising and Internet
- Sales
- Public Relations
- Promotions
- Culture, Heritage, Rural and Nature
- Visitor Services
- Industry Relations

III. Situation Analysis

a. Strengths

i. ***Existing brand awareness for Florida internationally and nationally known as "The Sunshine State"***

ii. ***Inexpensive compared to other sunny destinations***
(i.e. California, Hawaii, The Bahamas, Europe)

iii. ***Overseas travel to Florida slightly improved***
For 2008, the overseas market to Florida was estimated to have increased slightly by 1.1 percent from 2007. Florida was ranked the third most frequent destination state of all overseas visitors in the U.S.

iv. ***Travel from Canada increased***
During the January-December 2008 period, estimates of Canadian travel to Florida reflected a 14.1 percent growth.

v. ***In-state travel by residents also increased***
Due to the economic recession, more Floridians are exploring in-state travel options. In-state pleasure travel among Florida residents rose 22.8 percent in 2008. An estimated 46.7 million Floridians took a pleasure trip in 2008, of which 36.6 percent report taking a pleasure trip within the state.

b. Weaknesses

i. ***The number of total visitors to Florida has decreased***
The economic recession has caused many travelers to take less vacation time and days off from work. Other negative impacts include the rise in U.S. unemployment reaching high levels.

See **Exhibit 4**

ii. ***The number of domestic visitors to Florida is also down***

iii. ***Overall, air travel to Florida has declined***

See **Exhibit 4**

c. Opportunities

i. ***Unique Destination with a variety of activities offered***

ii. ***Increase advertising spending towards growing and untapped consumer segments and overseas travelers***
These include: *In-state visitors, multicultural groups, specialty groups and international*

d. Threats

i. ***Florida's inclement weather*** *(Hurricanes, tropical storms, etc.)*

ii. ***Competition: other states and tropical destinations***

iii. ***Rising fuel prices negatively affect drivers and airline prices***

IV. Competition

a. *Primary Competitors*

Other U.S. states would be key national competitors against Florida. Especially states that heavily attract overseas visitors (i.e. New York, California) and those with major attractions (amusement parks, national monuments, landmarks, etc.)

The top U.S. states competing against Florida include:

California	Pennsylvania
Hawaii	New Jersey
Nevada	Virginia
South Carolina	Arizona
Tennessee	Missouri
Texas	Michigan
North Carolina	Colorado
New York	Wisconsin

b. *Secondary Competitors*

International popular tropical travel destinations are also competitors. Some examples include:

The Caribbean
México Beaches (i.e. Cancún, Acapulco, etc.)
The Spanish Costa del Sol
The Mediterranean

V. Customer Segmentation Strategy

Our **Tier 1 group** is based on the top activities that our target audience would enjoy pursuing in Florida. They are people who are already planning to visit or have visited in the past, and who have their minds set on doing specific activities.
Please refer to **Exhibit 1.**

78% of domestic visitors made advance reservations for their accommodations in Florida during 2008. Please refer to **Exhibit 6**

Our **Tier 2 group** is made up of growing segments that have disposable incomes and usually take yearly vacations. These groups also cross over to our Tier 1 groups.

- ***Baby-boomers*** are those middle-aged adults who do not have children living with them and seek out to be adventurous.

- The ***wired generation*** are young adults, up and coming individuals who seek to be experiencers.

- ***Multicultural groups*** consist of African Americans, Hispanics (largest growing minority who travel with extended families), Europeans (especially those from UK which were the largest foreign visitors to Florida in 2008), and Canadians.

- ***GLBT*** is a group with high disposable income and tend to travel either as couples or a family.

- ***Eco-tourists*** are a unique group that seeks out specialized places for the kind of vacation they want to experience, and Florida's multifaceted terrain can offer just that.

Our **Tier 3 group** consists of business travelers that the state of Florida can attract with hotel/conference packages and pleasant weather. Tour operators can take these travel groups to experience, history, and gorgeous Florida destinations.

Tier 1 - Florida Favorites	Tier 2 - Growing Segments	Tier 3 - Business Groups
Beach-goers (Leisure and Activity)	Baby-Boomers	Event Meetings
Shoppers	Wired Generation (Millennials)	Corporate Retreats
Sight-seeing Tourists	Multicultural and International Groups	Tour Operators
Amusement Park Adventurers	GLBT	
Sports Fans	Eco-tourists	
Night Life Crawlers		

VI. Geographic Targets

Our target geographic areas are based on the origin states of the top domestic visitors and origin countries of the top overseas visitors. For the domestic market the interest is in those who fly and drive to Florida, putting additional emphasis on the drive market due to their proximity to the state in some cases. The fly markets are those who frequent Florida, typically returning visitors who enjoy the Sunshine State. With the international market, visitors should want to come to experience Florida and all the things it has to offer. International visitors also tend to stay longer and spend more money on shopping and dining.

The marketing budget will be allocated based on seasonality. Most of our visitors (domestic flyers and international travelers) visit during winter and spring (quarter 4 and 1 respectively), which means our media buys will begin in the fall, during the time they are making plans for vacations. Most of the driver markets visit in the winter, spring and summer (quarter 1, 2 and 3).

Please refer to **Exhibit 2**, **3, 4 and 5**

Domestics		**International**
Drivers	**Flyers**	
Georgia	New York	Canada
Alabama	New Jersey	Mexico
North Carolina	California	Germany
South Carolina	Ohio	Europe (U.K., Ireland, France, Belgium and Holland)
Tennessee	Illinois	South America (Argentina, Brazil, Chile and Columbia)
		Australia

I. Creative Positioning

a. The Challenge

Leverage the number of visitors to make Florida the No. 1 travel destination in the world.

b. The Opportunity

To attract domestic and international visitors to explore the state of Florida and having them take part in the various activities offered. These include sunbathing on the beach, diving through coral reefs, water sports, airboat rides, kayaking, fishing, camping, etc. They can also attend popular amusement parks in Orlando or other sporting events throughout the state such as the Daytona 500, The National Super Bowl, The Erikson U.S. Open, etc.

c. The Creative Proposition

Play by Your Own Rules in Florida

There are various activities offered throughout the state of Florida. You can do anything you would do anywhere else, but with a Florida twist. Instead of skiing in Colorado, you can water-ski off the Floridian coasts. Rather than camping in the Carolinas, set up your tents at one of our state parks and there are many more other unique options that are only available in Florida, The Sunshine State.

d. Key Benefits

- For domestic visitors, Florida is an easily accessible destination
- Promotes Florida’s diverse activities and popular destinations
- Sustains the “Sunshine State” brand image that Florida is known for
- Draws an appeal to international and domestic audiences

VII. Plan

a. ***Goals***

- Enhance brand awareness of Florida among national and international communities
- Engage the three tiers (Florida Favorites, Growing Segments, and Business Groups)
- Become the trusted source of travel information that informs and inspires travel to and within Florida
- Augment year-round visitation to and within Florida through integrated marketing communication programs
- Further improve relationships with industry partners
- Increase offerings provided by partners on the VISIT FLORIDA website and the number of cooperative marketing programs

VIII. Budget

a.

VISIT FLORIDA Marketing Budget			
Category	**Estimated Cost per Unit**	**Estimated Subtotal**	**Percentage**
Advertising Agency			
DDB Miami	$300,000.00	$300,000.00	
Hester Group	$250,000.00	$250,000.00	
Rodriquez Group	$250,000.00	$250,000.00	
Miles Media	$200,000.00	$200,000.00	
Spark	$100,000.00	$100,000.00	
Advertising Agency Costs Total		**$1,100,000.00**	**5.50%**
Research			
Research (firm fees, web independent other)	$680,000.00	$680,000.00	
Research Costs Total		**$680,000.00**	**3.40%**
Fulfillment			
Distribution of Materials/Direct Mail	$500,000.00	$500,000.00	
Fulfillment Costs Total		**$500,000.00**	**2.50%**
Trade			
Registration/Booth Rentals for trade Shows	$1,400,000.00	$1,400,000.00	
Communications Costs Total		**$1,400,000.00**	**7%**
Promotions			
Product giveaways with logo	$120,000.00	$120,000.00	
Promotions Costs Total		**$120,000.00**	**0.60%**
Media			
Television	$4,080,000.00	$4,080,000.00	
Print	$2,720,000.00	$2,720,000.00	
Interactive (SEO, Mobile Apps, Social Media, etc.)	$4,080,000.00	$4,080,000.00	
Non- traditional (Outdoor Billboards, Events)	$952,000.00	$952,000.00	
Promotional materials	$680,000.00	$680,000.00	
Miscellaneous (Public Relations, spokespeople Compensation)	$1,088,000.00	$1,088,000.00	
Media Costs Total		**$13,600,000.00**	**68%**
Production			
Production Fees	$1,600,000.00	$1,600,000.00	
Public Relations Costs Total		**$1,600,000.00**	**8%**
Strategic Alliances/ Sponsorships			
Strategic Alliances/ Sponsorships	$1,000,000.00	$1,000,000.00	
Public Relations Costs Total		**$1,000,000.00**	**5%**
MARKETING GRAND TOTAL		**$20,000,000.00**	

b. <u>VISIT FLORIDA Marketing Budget Explanation</u>

- The current marketing tactics reduced distribution of materials and direct mail. Therefore, the total Fulfillment amount was lowered by $100,000 down to $500,000 (2.5% of the total budget). A main reason for this is because e-mail blasts are more cost-effective and immediate to reach target audiences rather than sending items via the more expensive and slower postal services.
- Promotional VISIT FLORIDA branded materials are an effective way to increase brand awareness so $20,000 more was invested to equal $120,000 (.06%).
- The same amounts were maintained as the original spreadsheet for the Registration/Booth Rental for Trade Shows and Agency Fees sections.
- Research is crucial for finding out how to best reach and maintain connections with VISIT FLORIDA target audiences. Therefore, the investment towards research was increased by $80,000, now equaling $680,000 (3.4%).
- The tactics in our marketing plan require increased spending on media (both traditional and non-traditional outlets). This is mostly because VISIT FLORIDA would need to compensate their new Floridian spokespeople (Gloria Estefan, Pitbull, T-Pain, and Flo-Rida) so $1,600,000 more was invested towards media spending for a total of $13,600,000 (68% of the total budget).
- Due to the increased amount on media spending, production was increased by $100,000.
- Strategic alliances, sponsorships, and cooperative marketing agreements are a cost-effective way to make connections with companies and leverage our budget spending. Therefore, this section was increased by 25% or $250,000 for a total of $1,000,000 (5%).

c. <u>VISIT FLORIDA Media Spending Explanation</u>

- The decision was made to spend as much on TV advertising as interactive marketing ($4,080,000 or 30%) for each out of the budget totaling $8,160,000 (60%).
- TV is becoming a less effective medium on which to advertise, but is still expensive which is why 30% of the media spending is still saved towards it.
- Interactive marketing (web banner ads, search engine optimization, creation of mobile APPS social media, etc.) is a more cost-effective way to reach out younger, wired target demographics. It is wise to invest as much on interactive media outlet as TV because you can more easily gauge the return on investment by clicks on ads, VISIT FLORIDA website traffic, number of users that download the VISIT FLORIDA mobile apps, and the number of friends, followers, and fans on popular social media networks.
- Non-traditional media spending for VISIT FLORIDA includes event marketing and outdoor advertisements. 7% or $952,000 is saved to spend towards this section.
- The miscellaneous segment includes spending on items such as Public Relations and compensation for hiring celebrity spokespeople. These include Gloria Estefan, Pitbull, T-Pain, and Flo-Rida who are Floridian musicians that achieved national recognition and could endorse people to visit the state where they reside. They may particularly resonate with the Hispanic and African-American target segments. These artists would need to be compensated at least $250,000 each for their time and rights to use their image. The remaining funds would be allotted (if needed) towards Public Relations.

IX. Appendices

Exhibit 1

2008 Primary Activities of Domestic Visitors to Florida			
	Total	**Air**	**Auto**
Beach/Waterfront	27%	23%	31%
Shopping	26%	28%	25%
Touring, Sightseeing	23%	20%	26%
Theme/ Amusement Park	17%	16%	20%
Night Life	8%	10%	6%
Watch Sports Events	6%	4%	7%
Look at real estate	5%	5%	5%
Boat/Sail	4%	4%	3%
Group Tour	4%	2%	4%
Parks: State/National	4%	3%	5%
Play Golf	4%	4%	4%
Concert. Play, Dance	3%	3%	4%
Festival, Craft Fair	3%	3%	4%
Gamble	3%	3%	2%
Museum, Art Exhibit	3%	2%	3%
Nature/Culture-Eco-Travel	3%	2%	3%
Visit Historic Site	3%	2%	3%
Hike, Bike, etc	2%	2%	2%
Hunt, Fish	2%	1%	3%
Other Adventure Sports	2%	2%	2%
Camping	1%	0%	2%
Shows: Boat, Auto, Antique	1%	1%	1%

Exhibit 2

2008 Top Domestic Origin States for Visitors			
State	**Total**	**Air**	**Auto**
Georgia	11.5%	2.4%	20.2%
New York	9.2%	14.9%	4.3%
New Jersey	6.0%	8.8%	3.4%
North Carolina	4.7%	2.5%	6.8%
Texas	4.7%	5.4%	3.6%
Ohio	4.7%	6.5%	3.8%
Illinois	4.5%	6.1%	2.9%
Alabama	4.0%	0.7%	6.3%
California	3.8%	7.3%	0.6%
Tennessee	3.7%	1.3%	5.6%
South Carolina	3.7%	1.1%	5.9%
Michigan	3.5%	4.2%	2.7%

Exhibit 3

Overseas Visitors to Florida 2004 to 2008 (in Thousands of Person-Trips)							
Country	**2004**	**2005**	**2006**	**2007**	**2008**	**Chg '08/'07**	**Chg'08/'04**
United Kingdom	1,480	1,490	1,341	1,394	1,383	-0.8%	-6.6%
South America	668	720	883	872	1,116	28.0%	67.1%
Germany	265	282	206	248	294	18.5%	10.9%
Japan	82	66	70	64	55	-14.1%	-32.9%
Australia	39	54	51	60	69	15.0%	76.9%
Other Overseas	1,896	1,767	1,566	2,045	2,329	13.9%	22.8%
Total Overseas	**4,430**	**4,379**	**4,117**	**4,683**	**5,246**	**12.0%**	**18.4%**

Exhibit 4

Quarterly Estimates of Domestic Visitors to Florida			
		2007	2008
Q1	Air	11,039	11,416
	Non-Air	10,028	10,751
	Total	21,068	22,166
Q2	Air	10,076	9,743
	Non Air	9,877	10,346
	Total	19,953	20,089
Q3	Air	8,173.00	7,611.00
	Non-Air	10,659	10,728
	Total	18,832	18,339
Q4	Air	8,667	7,539
	Non Air	8,807	7,942
	Total	17,474	15,481
Total	Air	37,956	36,309
	Non - Air	39,370	39,766
	Total	77,326	76,075

Exhibit 5

Seasonality 2008			
	Total	Air	Auto
Winter (Dec, Jan, Feb)	29%	29%	28%
Spring (Mar, Apr, May)	28%	30%	27%
Summer (Jun, Jul, Avg)	25%	22%	28%
Fall (Sept,Oct, Nov)	18%	18%	17%

Exhibit 6

Reservation Type for Accommodations			
	2008		
	Total	**Air**	**Auto**
Made Reservations	**78%**	**85%**	**74%**
Online	23%	23%	25%
Hotel Website	11%	12%	10%
Other Website	12%	11%	15%
Direct to Location	14%	15%	13%
800 Phone Number	10%	9%	11%
Travel Agent	9%	12%	4%
Corporate Travel Dept.	6%	10%	3%
Other Website	16%	15%	18%
No Reservation	22%	15%	26%