

# ATME ANNUAL CONFERENCE MAY 22 -24<sup>th</sup>, 2006

Las Vegas

Innovation at Work: Distinction through Revolutionary Thinking

*ATME Conference Notes Taken by Maria Lisella*

**Rossi Ralenkotter**, President of the Las Vegas Convention and Visitors Authority, welcomed the group poolside at the MGM Grand.

Referring to the constant evolution and expansion of Las Vegas, he said that plans include the addition of 40,000 rooms in the next five years.

Of interest to ATME members who would soon be addressing issues about branding, in a USA Today branding poll of its readership, LV showed up as the 5<sup>th</sup> most recognizable brand nationally.

*Newest developments: hotels move to the LV suburbs; Redrock started the exodus, catering to local residents, convention delegates and visitors who want to be off-the-strip. the model used for this concept is Palm Springs. Properties will be springing up within a 20 mile radius but will be self-contained with casinos, 700 rooms [under 1,000 as in LV] restaurants, showrooms, shuttles to the Strip...the mode: hip, trendy vibe.*

## **May 23<sup>rd</sup>, Day One**

**Clara Chong**, Executive Director, Hong Kong Tourism Bureau:  
Brand Positioning in the Rapidly Expanding Asia Market

While the world's attention is focused on China, HK's role as a gateway to China makes HK the international springboard to Asia and China; further, HK is the ideal complementary destination to sister China. Yet HK is popular in its own right counting 23.4 million visitors from around the world, 1.4 million of which arrive from the U.S., representing an additional 9 % over previous years.

Statistics already illustrate HK's increasingly critical position: in 1996, 6.9 million arrivals compared to 22.2 million in 2005; from the US market, 576,000 in 1996 compared to 1.5 million last year; expectations indicate 130 million visitors will arrive by 2020 making mainland China the world's

leading destination overtaking France and Spain, top contenders today. Conversely China outbound market added up to 5 million in 1996 and 31 million by 2005. As of March, 2006 the Chinese government lists 81 destinations Approved Destination Status [ADS] sanctioning it for group travel; however, according to authorities, 40 more have been approved and will soon be announced. The U.S. is in negotiations with the government to be added to the list; once it does show up on that list, Chong predicts it will pump up the U.S.' incoming arrivals.

A fraction of Chinese citizens have been gained Individual Visitor Status [IVS] meaning they can travel independently. The number of IVS travelers to Australia has tripled and increased by five times to Hong Kong. Cross border visits by the Chinese to HK have gone from 2.24 million in '96 to 12.5 million in 2005.

CHALLENGE: Obviously, HK is the first choice for Chinese visitors – its language and culture fit into their comfort zone, but the challenge HK faces is whether its infrastructure can support such vast numbers.

HK faces another challenge: how to cultivate the enormous potential of this enormous market: it is not only vast in terms of numbers, but also in terms of economics which varies from region to region, city to city; Chinese demographics reflect much wider gaps than those in the U.S.

*Although HK authorities spend less than 5% on R+D, it relies heavily on exit surveys to determine which activities appeal to which group most. Chong explained that exit surveys are more reliable indicators of behavior than face-to-face interviews because travelers tend to respond with what they think interviewers want to hear rather than what activities they actually participated in. Hence, 68% of the visitors to HK spend much of their time shopping...information that assists HK to forecast and plan.*

Additionally, HK has divided its focus among 30 top cities in China to better match travelers with destinations that correspond with their interests that range from cultural, to artistic to shopping. These cities are further categorized by core growth and emerging attractions. This strategy helps create sustainable business partners platform that reaches beyond geography and takes into consideration how people want to travel. For instance, 40 percent of the Chinese traveling to HK do so with families; while 37 percent of the arrivals are young people arriving from the Pearl River Delta. IVS

travelers are more frequent travelers who cross the border for shopping opportunities.

The latter activity carries more weight than most people realize...with the upsurge of celebrity culture – movie stars, sports personalities and TV show hosts – HK is also pinning many of its upcoming marketing campaigns to mega events including the 2008 Beijing Olympics, and the 2010 Shanghai Expo.

Success relies on relationships and networks based on long-term investment and research. The criteria used to grade emerging destinations include the local GDP, which reflects buying power setting a stage for tourism, trade and most important, for access to HK as transportation links grow stronger.

**Vicki Freed**, Sr. VP Sales & Marketing, **Carnival Cruise Lines**, kicked off her keynote presentation with a view of Noah's Ark – “a bit rustic with less demanding clients than those of today.”

Just 30 years ago, few ships traversed the seas, and those that did had more of a relationship to tugboats than to today's cities on the seas that boast spas, Michelin-starred and celebrity chefs onboard [Carnival's Georges Blanc], theaters, water parks on deck. Fitness rooms, once relegated to the bowels of ships in windowless spaces, outfitted with a few machines have been transformed into full-service spas – for women and men.

The popularity of cruising has grown at a steady rate of 8% annually with the most recent forecasts calling for 12 million cruise passengers by the end of 2006. With 11.19 million guests in 2005, Freed says the stats clearly underscore the high quality travel experience cruising offers. But she stated there is enormous room for growth – compared to destinations such as Orlando and Las Vegas that boast 80 million visitors annually, cruising represents just 3.5 percent of the vacation market.

Technology has also helped to develop the cruise market – internet, web used to reach consumers. Agents used to book as much as 99% of Carnival's business, but with tech developments, a 24-hour call center, this is no longer true. Check-in can now be done online especially with Homeland Security restrictions, information must be on hand prior to departure to clear passengers for customs inspections.

*Cruise lines are concerned with the entire customer experience: prior to boarding, onboard, excursions and de-boarding; therefore, they will be investing more and more in the terminals and ports they sail from, the beachfronts they visit and the sites where they anchor.*

*Back in 1993 Carnival sailed from four homeports and now sails from 18...Investing in Howard Hughes' Spruce Goose terminal in Florida; and you will continue to see cruise lines investing in terminals in the future.*

*Other places to be developed include a new port experience in Turks and Caicos, and the Costa Maya, Mexico, which is being developed with other cruise lines.*

*WHAT TO EXPECT – the cruise industry will be investing \$14 billion in new product calling for 25 new ships to be introduced between 2007 and 2009, compared to the \$30 billion of construction currently underway in Las Vegas that will yield 40,000 new rooms in the next five years. New builds will feature ocean views and balconies on staterooms to satisfy customer demand and for higher yields.*

*Business/incentive markets are also on the horizon for the cruise industry as ships offer an ideal way to sequester participants. Expect to see more conference/meeting facilities that are multi-usage spaces.*

*The next generation of ships will include active ashore excursions, high tech on the high seas and a long list of home ports to choose from for convenience – currently 32 in North America from Baltimore and Brooklyn to Whittier and Vancouver in Canada.*

**MARKETING STRENGTH:** Using Las Vegas as its model, the cruise industry can stay ahead of the curve by introducing innovation.

Changing room former forced dining and seating arrangements to much more flexible arrangements for more relaxed experiences enhanced by new notions such as dining in a supper club with entertainment for \$30 per person.

Staterooms are no longer lit with singular circular portholes, but are now outfitted with balconies along with other innovations such as major investments in bedding...a trend kicked off by Westin when it got rid of dorm-style beds and mattresses in favor of generous beds, duvets and pillow menus. The move is such a big hit that when guests leave the ships, they want to buy the beds.

Royal Caribbean has taken further steps to introduce innovative ways to utilize vast deck space – rock climbing walls and surf-flow riders to cite two examples; and watch for a dive-in theater from Carnival [a huge screen showing live performances or movies above the pool]. Entertainment has gone from a few Las Vegas dancers and jugglers to entire Las Vegas revues, including spectacular shows like Cirque du Soleil on Celebrity Cruises. Spas have been moved from those dark corners of ships to occupy as much as 15-17,000 square feet with a full menu of treatments such as couples massages, yoga, Pilates, hot stone; and a new addition for Carnival are “Barber Shops” that sport a portfolio of men-only treatments in traditional barber shop chairs but with facials, manicures and other offers once associated only with women.

Staying in touch has been added to the wish list of today’s travelers, indicating that former ship-to-shore phone calls at the rate of \$15 a minute will no longer satisfy today’s customers – but wireless technology, cell phones and laptops are now a requisite as today’s passengers want to continue communicating with the rest of their world, work and families while away from home.

**BUILDING BRAND LOYALTY:** Kids and children’s programs on Royal Caribbean, Carnival, etc. Three-deck high slides for older kids. Teen market offers unique opportunities for cruise lines. Carnival’s Club 2002 for 15-17 year olds was branded with Coca-Cola. This age wants their own space – not sequestered but in the center of the action, their own place without parents.

**FINAL WORDS:** the 4Ps +1 of marketing:

Price/value; Product/massclusivity; Promotion/ TV, magazines, internet, direct marketing, co-op ads; Place; and add to this, Passion.

The cruise industry boasts a 50-60% repeat market, industry-wide.

**Keynoter, Randy Wagner**, CMO, Consumer Travel Americas, **Cendant, Orbitz**. has brought her McDonald’s experiences to help make a great brand greater.

Orbitz is a brand with an impressive history – built by public relations and a collaboration of airlines

- Make a great brand greater
- Customer insight driven

- Investigate service myths vs. new realities.
- Change the stimulus to change the response

We [all of us] have created a service economy that does not deliver good service when it does deliver any, which results in companies “missing the market”

Companies try to keep costs down and have sacrificed service in that process and have inadvertently removed people altogether to their detriment. Wagner tried to humanize Citibank’s ATMs as the machines speak to customers in first person, but taking the human out of the equation has been tricky to say the least.

**Myth 1:** We are a service economy...Google “get human service”

**Reality:** Drawing on examples from Nordstrom to VW, Bloomingdales and Harley-Davidson, she says: A distinctive brand of service wins sales and customers

**Myth 2:** Customers need to be loyal...marketers confuse loyalty with satisfaction rather than the fact that some customers may simply be too lazy to change. Companies expect customers to be loyal and when a customer switches brands, but marketers have it backwards.

**Reality:** Best product at the best price wins... We have to earn this patronage; we live in a “What-have-you-done-for-me-lately” world. It’s not enough to just be different, you must define your service and product, and must create brand *touchpoints*.

**Example:** McDonald’s sells products they never thought would work because customers have their own definitions of value. Be loyal to your customers, re-earn their trust, business and meet their expectations.

**Myth 3:** Branding is all about the logo.

**Reality:** Branding creates a distinctive journey for the customer [I’m lovin’ it service McDonald’s]:

At Orbitz we dissected the travelers experience as if they walked through the doors into the lobby of a store/hotel to the front desk/counter, viewed the menu board and we watched their behavior. They needed time to shop, consider their choices at a distance without getting in the way of the

customers already in line...we gave them this space to the side of the lines to do just that – with this simple move, we saw sales increase.

**Myth 4:** We're just a travel company

**Reality:** We are retailers [also the largest warehouse in the industry].

Have great merchandise and great selling...cross-functional merchandising team that puts the brick and mortar world on fast forward.

**Myth 5:** Service marketing is like packaged goods marketing

e.g., Bottled water = product, created by Mother Nature, but many people spent a lot of money trying to make me believe I need to drink this...its label promises youth, for instance.

Marketing = art + science but our business has many moving parts including variables beyond our total control...the key???

“Need to string together a unique series of events, give it consistency to ultimately deliver a satisfactory experience.”

To change the response, change stimulus...Pavlov

Discover equity in your brand; take a proactive approach to customer care e.g., Orbitz's newest innovation TLC, a series of alerts, flight alerts that reflect unbiased flight pricing,

This technique has driven sales up 30 percent in the first quarter of 2006; sent out 50 million alerts in 2 years

High technology with a human touch -- a big difference: this is a great service, an opportunity even in face of a mandate to cut costs, but the delivery of service does not necessarily mean human. Click on TLC [Orbitz service] and meet real people behind the brand.

How it works: if on a flight and you are online, Orbitz will send an alert to its customers, likewise will do so on your cell phone if you have submitted that information in your profile [7 out of 10 customers do include this information, indicating trust], that may indicate inclement weather ahead or delays...be a savant, and alert your seat mates before the pilot's announcements.

***Service helps to change customer behavior.***

## **PANEL: Four Upstart Innovators**

**Moderator: Joel Chusid**, Principal, Joel Chusid & Associates & Newly elected ATME Chairman

### **Panelists:**

**Jim Anhut**, SVP Branding, InterContinental Hotels

**Shirley Tafoya**, SVP Sales & Marketing, Travelzoo

**Dean Harris**, CMO, Kayak.com

**Patrick O'Neil**, SVP Operations, NYLO Hotels

Introductory statements by panelists, followed by answers to questions

Anhut/Hotel Indigo: “inspired” brand = promise to inspire  
“One generation’s indulgence becomes the next generation’s necessity,”

- James Twitchell, consumer anthropologist.
- Make an emotional bond a la Harley Davidson
- Criteria: to bring a brand to life + franchise opportunities = sustainable trend + global distribution potential
- Planned spontaneity – Virgin, live without a plan  
Make/reinterpret the alternative trends into mainstream:
- haikus, holistic scents, visuals change from property to property  
– alter with seasons

*Leveraging with other consumer-friendly brands*

e.g., Adidas teams up with Goodyear

Convergence of several trends:

- boomers trade up
- social experience
- industry opportunity
- hotel investments climb, frothy market

DNA of Indigo properties...boutique hotels

Customer insight...35+

looking for inspired/refreshing alternative design platform

menus, duvets, rugs...all renewed to fulfill customer need for inspiration

**O'Neil/NYLO Hotels**—loft accommodations, outside of towns + located in secondary and tertiary cities...

1<sup>st</sup>, Providence, RI,

2<sup>nd</sup>, Plano, TX

Customer Base: generations y and x

Affordability – how?

weekends, rates will be lower as per business hotels

Mon-Thurs, \$100-\$185

all “new builds”

Limited to two shapes, linear and L-shaped, loft rooms/\$100-\$135

new way of building – form construction keeps costs down

based on poured concrete

Design: to look like former factories such as those

in Soho and inhabited by artists—lofts, studios

Franchise availability by Sept/Oct., 2006

70% of guestrooms share design elements such as:

exposed brick walls, window, mobile furniture such as desk, chairs, ottoman

Art=local

30% of guestrooms = twin bedded, but can be moved to form KING

no tubs/showers only

Customer Amenities:

will not pay extra for wireless or phone calls

no minibars

24-hour f+b with local restaurants

Staff: incentives for innovation

**Harris/Kayak**—

Vertical Search site for travel [s. 2004]

**Tafoya/Travelzoo**

Profile of company:

*latest: three straight quarters of profitability*

- make sure site carries “quality” content

- 8 offices – 5 in US, 1 Canada, 2, Europe [UK + Munich, Germany]
  - site publishes ads for its clients [500], links with consumers/PAID
  - ADS: Compares values, makes recommendations
  - based on consumer input
  - lots of phone volume
- 
- Prime Products: push/pull
  - site hosts deals and super search for visitors who have made commitment to travel
  - recommends best sites to suit customers' brand of travel captures demand
  - push: stimulates marketing through Top 20 email Newsflash never lists competing products
- To upsell: add \$40 for a suite or \$15 for a view  
 call to action: 70% of the time, users buy something within 2-7 days, results generate air deals [domestic] of 12,000 bookings on average

*Q: If you were taking your brand internationally, what might you do differently? [viral]*

Indigo: For us, going international is a mandate, but a different playing field Europeans are used to idiosyncrasies, i.e. other brands abroad, Holiday Inn and InterConti; keeping Indigo a value proposition is our challenge abroad. Key: keep it relevant, voice haikus, viral haikus, encourage clients to write their own.

Kayak: We are going to go international; must maintain consistent brand, but messages have to be customized. Key: maintain viable brand presence with ability to customize. Viral marketing: getting consumers to tell each other—user generated reaction. We want people to be creative and send reactions that represent their feelings.

Travelzoo: make sure we continue with newsletter flashes, by Wed. we see spike in sign-ups, friends tell friends [viral mktg].

NYLO: best thing is to have people talk about the brand

*Q. Why advertise now...*

Kayak: To raise awareness and we want to get big...via viral marketing, explosion of community sites like Myspace

Travelzoo: Ads all online, 100%

airline clients report as much as 90% bookings online

hotels, 25-75%,

cruises + packaged vacations, 80-90% bookings by phone

Indigo: Thrust against sales/ more spend on pr.

NYLO: Most important advertising? mostly in print at start; once up and running, ratio might shift to 25% print, 75% online.

**Keynote: Rosemarie Ryan, President, J.Walter Thompson, NY**

**Sincerely JetBlue**

Keeping the buzz going

Challenge: How to keep the brand relevant

How can JetBlue keep the culture and grow the brand?

JetBlue is not an airline, it is an experience everyone wants to be part of.

Viral Marketing, Press, and several books written about the carrier...no one had anything bad to say about the carrier...

JB-company built on 10,000 stories

JB- the "we" brand

JB=successful partly because aviation industry is plagued by negativism.

JB brought back humanity and positive image and feeling

A+ culture. what to do with it?

add to it, not take anything away

investing in what matters

everything for a reason

It's about profits and people -- not mutually exclusive goals

It's about getting more, paying less

shared values

fairness and fares

substance + style

*Decision: give people a microphone to tell the world how they feel about JB  
HOW? Build a story booth at Rockefeller Center...and then take it on the road [NY, Washington, wherever JB operates service]*

You talk; we'll listen.

Collect stories; animate over, but keep it in their words

Postcards to announce new service [New York to San Jose]

Radio spots

Free snack booths in lobbies

Billboards: Dear David, [the CEO who flies his own planes], we're happy to be here

Call Center – another key to strength = crew and reservations

Reservationists are home-based, happier crew members

as in other places, there's lots of turnover, but plenty of training

Salt Lake City, 700-1,000 employees

The airline receives new aircraft every six weeks

HOW to keep it solid and profitable?—now 25% business; 75% leisure

Getting into more business markets such as Pittsburgh, Richmond, etc.

May 23<sup>rd</sup>, **Luncheon speaker**

Luncheon event introduced/sponsored by **Michael Boodro**, editor in chief of new consumer magazine, ***Culture and Travel***. Launch of magazine is scheduled for September, 2006

**Sean Menke**, EVP & Chief Commercial Officer, **Air Canada**

Facts:

Air Canada now 14<sup>th</sup> largest carrier in the world

32,000 employees

29 million passengers

Star Alliance member

Challenged by Low Cost Carriers...

Mission: to transform complex fare scheme that reduced competitiveness.

Make AC more transparent with eye toward yield management.

The Picture:

Complex fare schemes

Legacy carriers must morph or die

LCC business models taking significant marketshare

Unhappy customers

Solutions + Strategies/AC

Created Retail Fare differentiation

Branded, Fare Strategy

outlines attributes and prices,

Transparency needed...improved site.

Each cost assigned to feature that distinguishes one seat from another.

Branded fare types: tango, tango-plus, latitude

Expanded product line to a la carte [add lounge for \$x],

Baggage handling [add \$x], etc.

Expanded Pass Programs, adds freedom, control, ease of use + certainty

Website: lower cost point of sale

*News:*

*Spending \$\$\$ to refurbished site offers self-managed enrollment, shows up to last seat availability.*

*Expanding fleet, refurbishing interiors.*

## **Panel – Non Travel Industry Marketing – Harvard Business Review**

**Paul Hemp**, Senior Editor, **Harvard Business Review**- moderator

Panelists: **Randy Wagner**, CMO Orbitz, past CMO McDonald's; **Dean Harris**, CMO, Kayak.com (past CMO Vonage); **Scott Preacher**, VP, Avenue A/Razorfish representing Mercedes.

Importance of Differentiating Your Product

Las Vegas, e.g.; go back to your center...away from family travel

Back to sin city...keep human insight [campaign: "What Happens in Vegas, stays in Vegas"]

*Q. Can you change the headline and know who it is for?*

Harris/Kayak: Very little integrated marketing, i.e., consistency in touchpoints

Consumers understand your brand through a variety of channels so you might as well have a consistent message be it online or offline to increase results overall...

Most efficacious method? Vonage + TV ads, Dec. 2004—It was like someone pushed a button and all got better, raised awareness of the brand and image and consumers responded.

Scott Preacher/VP, AvenueA/Razorfish:

Interactive experiences that mimic car retailing

*Q. Where do you make emotional connections in virtual life...attempts to attract people's vacations plans...the experiential aspect?*

Kayak: user-initiated contact, share photos on line, through blogs, e.g.,

U2 [20<sup>th</sup> most popular site] consumers are willing to go online to share experiences.

His epiphany—finding hotjobs in 1999

Randy Wagner, CMO, Cendant Travel Distribution Services:

What's the brand about? Don't lose sight of fun.

Experiences are more generic than unique...Who owns fun????

hence, Orbitzgames.com = mini epiphany

Flicker, share photos, social based; blogs are on a tear

Fear: Turning over the keys to people you do not know but it is a Pandora's Box that has been opened. How to control it, use it, gain info and share with consumers

Preacher: Tapping into the Blogosphere, Google counts 9 million travel blogs; 160 new entertainment blogs come online daily

Huge move into natural and paid search as blogs emerge and networks become more viral naturally, cream will rise to the top.

Who is doing it right?

Automotive...coolest marketing idea...

Mercedes AMG, high performance – and luxury...

They [Mercedes] had been very concerned about online venture, but went back to their center of origin [like LV] – the autobahn – watch it perform at 192 mph at 2 am...and this was conveyed on the website...+ heritage of the car, back to its place of birth, Stuttgart...Mercedes online campaign won webby award.

Advice: Just ask what the customer wants, but until we followed people watched what they did we didn't understand what they were looking for. We listened and watched.

### **Innovative Customer Acquisition**

Moderator: **Gary Sain**, CMO, YPB&R

**Susan Black**/CMO, COMM Group/CheapCaribbean.com:

Small budgets—most effective strategies through deals; represents 24/7 customer service; 350,000 signed up for deals, 7% conversion rate

Strategy: keep **investing in proprietary lists**; offer more incentives.

**Madigan Pratt**/Madigan Pratt & Associates:

Advises clients to keep experience alive before, during and after their vacations.

HOW: Lead them to the property, treat them well at the property + use CRM and direct marketing techniques.

Most effective is word of mouth, romancing customers = important personal thank you and gift certificates that are transferable to other guests. Ask new guests how they found out about the property and if it was a friend, property should give them a credit for their next visit.

60% of vacationers want to plan next trip in advance...let them be able to book spa treatments and restaurants, photo contests of vacations... with more information, send notices for upcoming events – birthdays, anniversaries.

**Bob Adams/Axciom:**

Most important the you understand who your customers are and transactional behavior – make sure you send them what is relevant... spirit out your clients' habits.

**Chuck Bowling/EVP, MGM:**

75,000 people walk through this property's lobby daily. We have tremendous opportunities to talk to people about new shows, restaurants or events. Segmenting marketing preferences allows clients to come into database with their preferences.

**Al Merschen/President/CEO of Myriad Marketing.**

To pinpoint, uses combination of education and contests as well as info culled from wholesalers with clients' known preferences to better create products that match desires.

*Q. Email blasts? Are consumers reaching a saturation point?*

Pratt: Must be personally relevant; have value...personalize the pitch, respect the customer, deliver destination information not just a sales pitch.

Adams: Watch the "opt out rate" among clients and try to keep them in your database, follow up to append, update data. Watch shifts in market spend.

Merschen: Biggest trend – nontravel partnerships..demographics to psychographics with whom can I partner?

Bowling: moving from print and traditional media to Events –  
Live from MGM...riding coattails of big events...Country Music, NBA  
ALL Star, Madonna, etc.

Black: Launching Cause Marketing with non profits.

Partnerships with retail shops, Eagle Creek luggage store, taps regional  
manager, clerks, clients to help promote destination.

## **May 24<sup>th</sup> Day Two**

### **Panel: Blogs, Pods & RSS Feeds**

**Susan Black**/CMO, COMM Group/CheapCaribbean.com,

Search on Google reveals there are 9 million travel blogs online

**Vince Chirico**/Head of Travel Sales, Google:

Blogs, yes Google has one, widely read; clients read it and seems to be very  
impactful way to get the word on new features, enhancements, tips,  
products.

**James “Fletch” Fletcher**/Pit Boss/AOL Las Vegas:

Entertainment destination uses blogs and uses video blogs to see what’s  
happening...once they arrive, we hit them with the hard sales pitch.

**Ken Leeder**, CEO, Real Travel:

People share travel blogs on average with 15 friends and family members,  
adds up to 150 people, to provide subtle, relevant market holding up a  
sign... can this wonderful experience be facilitated through such and such...  
they see an immediate uptick in referrals.

People tend to trust word of friends and relatives when it comes to  
travel...more than marketing messages.

We have an editorial team that ranks every piece of material that comes  
through our system.

Editorial community screens so you have to take steps to control what  
arrives online.

We have access on Google access to 1000 pages of content divided by  
destination. Motivation, to share address, book built in new potential of viral  
marketing...

Blog rate growth: 3 years ago, only 50,000...now doubling every year.

Discussions around blogs—fear of unscreened content but basic uncontested concept: People trust each other/peers over marketers/third parties.

See it as another asset in your portfolio to insure that when consumers seek you out, you can be found. Consumers own the media bubble

**Fletcher:**

Blogs can go wrong. We have an editorial staff to screen user comments; switches off to protect yourself.

**Leeder:**

Control... you must have the ability to control what comes in...content management; limit inappropriate messages/experiences.

**Chirico:**

There has to be real value in the content...it is not enough to have a blog and expect they will come.

**Leeder:**

Response to audience –

impressed that there is a full time editorial staff at Real Travel...questions: how do they qualify, The first generation of review sites contributors were anonymous, but now they have developed user profiles to assure they can be held accountable for their opinions.

Blogs: 3 yrs ago = 0, now 40 million

Rate of Blog Growth: new blog created every second; there are 50,000 posts every hour; 60% of business is generated through referrals and each blogger is capable of reaching 150 friends and family members who will be influenced by their opinion of a destination, hotel, vacation package, etc.

**INNOVATIVE WAYS TO USE PR IN YOUR MARKETING MIX**  
**Presented by Denise Randazzo, VP PR & Advertising, Wynn Resorts**

First related to setting the stage for boutique properties she has helped launch, W, Ian Schrager projects...then on to Wynn

What is Buzz?

Gift bag placement at the Oscars, for after parties

Take events that happen in this city and make sure we are part of those events...no matter what market they may address

Country Music Awards + MTV

VOGUE, fashion shoots + position hotel shoots

Create Alliances: with Miramax, SONY Music for e.g.

Wynn Las Vegas: led with PR, support with ads, broadcast, print, glossies, dailies and online: 102 editorials; 350 newspapers; 270 TV mentions regional and national broadcasts

Measuring Success?

5 years ago had a 50% recognition factor—poll on national basis, Wynn had 35% recognition; after we opened in June, 2005, he had 95% recognition locally and 75% on a national basis.

PR so effective—not everyone has a \$2.7 billion property to talk about so it is newsworthy all on its own.

Identifying your Needs:

e.g., Hampton Hotels, hidden landmarks with 150 properties, but how to distinguish from the competition?

Story online with media – developed 870 million impressions; generated \$700,000 first year revenue; online presence on 100 web sites.

Find out what is captivating about your product; get people to talk about it.

Suggested reading from Randazzo: Buzz Marketing by Mark Hughes; Anatomy of Buzz by E. Rosen, Secrets of Word of Mouth Marketing, G. Silverman.

Niche marketing...lifestyle, trades, bridal, horticultural.

How to Keep the Buzz?

Perpetuate it – cannot go back to the same publications over and over again, but you can return with new stories...restaurants launch of new tour for Encore...another buzz surge

online stage, sites are more functional now. So we will be using them more in the future...

## **INNOVATION = ALLIANCES**

**Presented by Ric Hensler**, President, YPBRPro:

The best are partner-driven, fueled by OPM (Other People's Money).

Destinations: can do some marketing, budgets can be extended through OPM...Getting access to this money is all about solving the other guy's problem...advises against bartering.

Must understand the other person's business to help solve his/her problem. e.g., Irving Feld, Ringling Bros Circus. Lord of the Rings and Duracell, Campbell soup + [mysoup.com + vacation], \$5 consumer rebate..."What if he used Duracell batteries?"...\$23 million, implies filmmakers endorsement for DVD Sales...

Another example: Orlando OPM+ Tourism...Tom Elrod's target, market strategy powered by the good name of Disney and a "----load of seats" from Delta. for the first 5 months of campaign he used only OPM

Promotion = a \$400 billion industry

Tests and Sweepstakes...\$50 billion worth of tie-ins serve as consumer cues for vacations, most popular prize placement

### **Panel**

#### **CMOs ON BRANDING**

**Gary Sain**, CMO/Partner, YPB&R Moderator... Innovation in Marketing.

**Jeff Senior**, CMO, Fairmont Hotels & Resorts:

If CEO and leadership of the enterprise do not understand your knowledge then it could dampen innovation...Accountability, innovation create an environment where innovation permeates and is rewarded.

**Roberta Rinker-Ludloff**, VP Sales & Marketing, NA, Conrad Hotels:

Add Operations to the marketing because sometimes our ideas cannot be implemented as easily as we think...Get Operations involved at the beginning of the process.

re launching new brand [Waldorf Astoria]: what they have done with WA/Conrad was around for 15 years internationally but decided to grow luxury hotel side in North America

**Terry Jicinsky**, SVP Marketing, LVCVA:

Who leads the charge on innovation? Community is the best organization. By listening to the people who deliver on the experience... how do you get them to invest in that... e.g., NBA in 2007...convincing the top brass it was a risk worth taking...Buy-in from a lot of other stakeholders; grassroots efforts have to start early enough.

**Vernice Walkine**, Director General, Bahamas Ministry of Tourism:  
Opportunity to reinvent in tourism for a long time, as a mature series of products. Started with the Atlantic, signaled change with the way we do business; very aggressive investment policy which inspired more significant developments to come along. I work with the government and people of the Bahamas; have a minister equivalent to a CEO and executive committee. We have frequent committee meeting to decide what breakthrough moves we should make to propel the image of the Bahamas' #1 industry...so we have to make sure that the activities that we generate on a daily basis are a source of pride because it affects Bahamians.

**Steve Short**, VP, Enterprise Rent A Car:

Employee are our strength = 60,000 of them, and we use their feedback; we tap into them for ideas about new partnerships; they will know a program is going to work.

**Travis Christ**, VP Sales & Marketing, US Airways:

Asked to address this question—Who leads innovation and who is doing the best job among airlines?

His response—AmericaWest, which merged with USAirways to keep entrepreneurial spirit and rely as little as possible on bureaucracy...so far has maintained this corporate culture...

The airline industry = high profile between employees and customers  
“everyone can tell you how to run an airline and they tell you everyday.”

Here's an idea: let everyone have an idea.

Merger—so far is proceeding very nicely. Better than expected by WSJ and others.. pleased with it, “as long as we keep minding our knitting.”

Question: How do you stand out from the crowd in traditional media..  
telling a story your competition cannot touch or know??

**Senior:** All begins with authenticity and degree to which you understand your customer and brand and make sure it is true to the brand and relevant to the customer.

New campaign later this summer, based on private equity groups, four brands, Fairmont Resorts Hotels, Delta, Swissotel and Raffles...

**Walkine:** How to make it sing? Pushing the envelope; identify logo, we have so many destinations within the Bahamas so it has been a challenge to promote them equally...Photos, non traditional music. Winter Wonderland and pebbles, animated...Winter Wonderland in Feb... Escape your Everyday Life...

**Rinker-Ludloff:**

Brand without a lot of money. new brand campaign to emerge in fall, 4<sup>th</sup> Quarter

Traditional media plus creative ways using OPM, partnerships we are involving them in the upcoming campaign...

Enterprise: Coverage revolves particularly around our pick up service... we will do TB spots, some focusing on the pickup of the customer; still working from the same platform that has proven to work well for Enterprise..based on research.

**Terry Jicinsky, SVP Marketing, LVCVA:**

Anything different?

Add integration – We are also focused on that in the decision making cycle. Branding message = fluid, broad-based TV, cable; will be more esoteric, new angles...”What happens in Vegas stays in Vegas...” e.g., using food channels for your LV alibi... at the same time, the audience is learning about cuisine offers in LV.

**Christ/USAirways:**

Spending more or less the same on advertising, with some co-op ads with Vegas and the Caribbean.....some online/key words GDS

In summary...partnership, event marketing, strategic marketing onboard.. hard reality, low fares, full service = message

**Rinker-Ludloff/Conrad Hotels:**

Partnership with Coca Cola.

Hiltons in Hawaii and Caribbean with Coca Cola with info on destinations, click through for more information, goodies, hard dollars, sweepstakes, rooms.

**Walkine/Bahamas:**

Alliances with Disney, parts 2 and 3 of Johnny Depp “Pirates of the Caribbean” flick...

Working on elevating brand, aligning with other high quality brands such as Disney... Costs: trip giveaways, public and private sector collaboration make these trips valuable so we can engage in strategic alliances..

Among best cooperative campaigns she has seen: Eli Lilly, Milk Board, Bloomingdales

Question: Are you demanding more of PR agencies?

**Senior/Fairmont:** We invest more in PR... hired freelancers to write interesting stories against niche markets and provide a canned story at the end of the day...task is to make their/editors’ jobs easier..

**Walkine/Bahamas:** Have had to rely on structured investments, general programs and more fun working to our advantage...PR is very important for us.. we cannot ever have enough \$\$ to advertise all of our products. We keep separate agencies for pr and advertising and they also collaborate occasionally.

**Rinker-Ludloff/Conrad:** We have a PR firm on retainer for brand., and each of four North American properties have their own local PR agencies.

**Christ/USAirways:**

Use ad agency, in-house PR

**Short/Enterprise:** Getting ads and PR on same budget as call center.

**Jicinsky, LVCVA:** PR team within same agency... online team and ad team, but there is more and more integration among the various divisions of service.