

Burke Area Strategic Marketing Plan

Developed for Northeastern Vermont Development Association
and Burke Area Travel and Tourism Committee



July, 2011

Table of Contents

- I. Goals and Objectives**
- II. Executive Summary**
- III. SWOT Analysis**
- IV. Competitive Analysis**
- V. Product & Visitor Experience**
- VI. Target Audience**
- VII. Distribution Channels**
- VIII. Pricing & Inventory Management**
- IX. Positioning / Identity**
- X. Marketing Mix (Spending Allocations)**
- XI. Funding**



I. Goals and Objectives

Goals and Objectives: Definitions

- **Goals:** Goals are broad, general statements of what is to be accomplished. They are difficult to measure or validate, and typically are of indefinite duration. Nevertheless, they are important to define and consistently pursue.
- **Objectives:** Objectives are often thought of as sub-goals, and are narrower, more concrete and measurable than goals. As such, objectives are quantitative measures of performance. It is important to recognize that the majority of these objectives are not solely controllable by the marketing team; the economy, competition; stakeholders' marketing and state's marketing will all affect these goals.
- **The Burke Area's Goals and Objectives:** Goals and Objectives for the Burke Area are presented on the following pages.

Goals for The Burke Area (Non-Quantitative)

- **Funding for Destination Marketing:** Tourism in the Burke Area of Northeast Vermont would benefit greatly from a higher level of awareness in its key “feeder markets” and a more differentiating and persuasive identity. To accelerate this, a broader destination marketing effort needs to be funded. Funding for the first year – likely provided by stakeholders -- needs to be finalized, and a plan developed for ongoing funding. This is one of most important goals.
- **Collaborative Marketing:** A second key goal is to increase the amount of collaborative marketing, facilitated by BATTTC. Marketing dollars need to be pooled, participation by stakeholders in destination marketing efforts increased and messaging made more consistent in order to support the desired positioning.
- **Destination Positioning:** A third key goal is to develop a compelling, creative positioning that can be applied to all destination marketing, not only by the BATTTC, but also individual stakeholders. This creative positioning should be based on the strategic positioning provided in this Plan that is, in turn, based on the Visitors Study findings.
- **Visitor Satisfaction and Loyalty:** Further increase Visitors’ satisfaction and loyalty in order to grow repeat and referral business.

Objectives for The Burke Area (Quantitative)

Economic (These need to be defined by the BATTTC)

- Lodging Tax Collections:
- Burke Mountain Skier Visits:
- Kingdom Trails Visits:
- Lodging Occupancies:

Destination Marketing

- Email Addresses Added to Database:
- Unique Web Visits:
- Downloads of NEKTTA Travel Guides:
- Facebook Fans:

The background features a complex, abstract design of overlapping, flowing lines in various shades of blue and white. A prominent horizontal blue banner with a fine grid texture spans across the middle of the page. The overall aesthetic is clean, modern, and professional.

II. Executive Summary

Executive Summary

Destination Marketing

Destination Marketing Needs: The Burke Area needs to attract significantly more first-time Visitors, yet it is challenged to do so, because the majority of its stakeholders – particularly lodging -- are relatively small and have small marketing budgets. To supplement this marketing and to promote the destination overall, the Burke Area needs an effective destination marketing effort, since 85% of vacationers select their destination before they select their lodging, this lack of destination marketing is critical to address. The Burke Area Travel and Tourism Committee was formed for this purpose.

Competing on Two Fronts

At least in the near term, the destination marketing of the Burke Area will have limited funding, initially estimated at \$10,000 for a year. It is, therefore, critical that the effectiveness of the individual stakeholders' marketing be enhanced to capture additional business, particularly for first-time guests. Toward this end, there are specific recommendations provided in this plan to support the individual stakeholders marketing and guest service efforts. These include reservations sales, staff hospitality training, search engine optimization, online reputation management, email marketing, social media pricing and the adoption of marketing technology.

Executive Summary

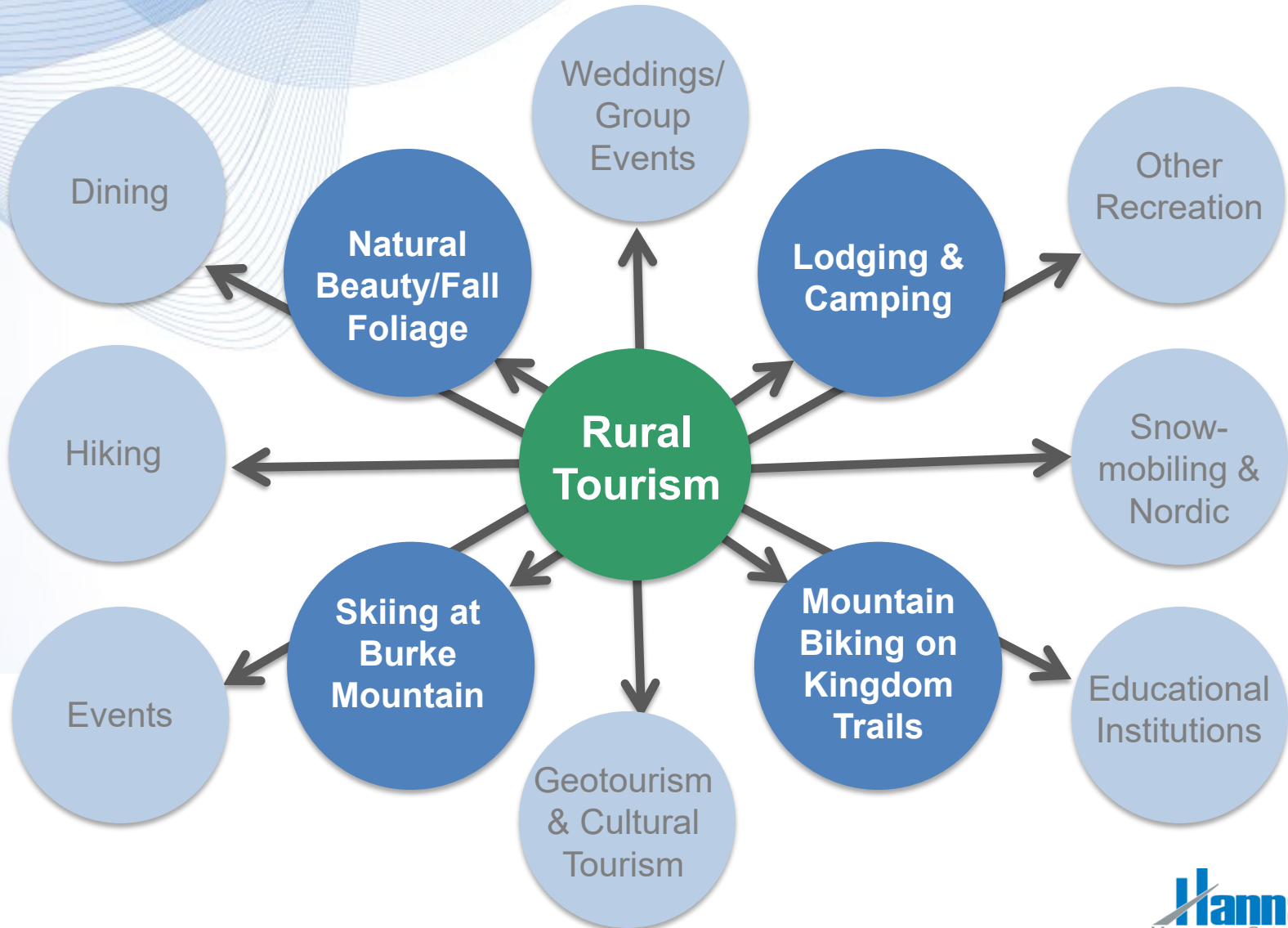
Demand Generators

The Burke Area is fortunate to have four strong demand generators. Two of these – Natural Beauty and Accommodations – attract Visitors year round. The other two – Skiing on Burke Mountain and Mountain Biking on Kingdom Trails – attract Visitors in Winter and Non-Winter, respectively. Thus, the Burke Area appeals to those seeking recreation and/or relaxation.

The Guest Experience and Its Impact on Repeat and Referral Business

While it is important that the Burke Area and its stakeholders attract first-time Visitors, it is even more important that they continue to enhance the guest experience to attract higher levels of repeat and referral business. Word of mouth and online travel reviews are becoming increasingly important sources of new business.

Burke Area Demand Generators



Executive Summary

Target Audience

The Burke Area is fortunate to have key demand generators that appeal to different audiences besides those who are recreation-driven and those who are relaxation-driven. Among other things, Kingdom Trails appeals to a very different Visitor than does Burke Mountain or the “Naturalists”; its Visitors are much younger, predominately male, are more likely to reside in Vermont or Canada, travel with friends and often stay in campgrounds. This is a great complement to Burke Mountain’s respondent profile and that of the Lodging and NEKTTA respondents.

Distribution Channels for Lodging Properties

The primary channels of distribution for lodging properties are direct-to-property and the CRS service provided by Inntopia, in cooperation with NEKTTA. The direct-to-property channel should include both voice and online bookings, as made through Inntopia’s booking engine. Increasingly, travelers – especially, younger travelers similar to those frequenting Kingdom Trails – are preferring to make reservations online. However, direct-to-property voice reservations will continue to be the most important channel, so it is important that lodging staff handling reservations upgrade their selling skills.

Executive Summary

Pricing and Inventory Management

While this area requires time, based on a review of pricing offered by selective lodging properties in the Burke Area, it represents “low hanging fruit”. Properties may wish to follow the numerous recommendations made, based on best practices by independent properties. These include guidelines for setting rates, adjusting rates based on supply and demand, selling rates at the appropriate time, rebuilding occupancy before rate, using rates to rebuild occupancy, tiering rates, creating an entry-level rate, creating a higher-priced room type.

Participation in STR

ddd

Executive Summary

Positioning/Identity

The recommended strategic positioning is: *The Burke Area is a quaint, rural vacation destination in Northeast Vermont, offering both relaxation and recreation in a spectacular uncrowded and upspoiled natural environment. With world-class mountain biking, skiing and many other recreational activities, charming inns and B&B's, the Burke Area offers Big Time Adventure and Small Town Charm.*

Potential tag lines that encapsulate this strategic position include:

- *Northeast Vermont's Great Outdoors*
- *Nature's Playground*

The next steps are to have a creative resource translate the strategic positioning into a creative positioning for application to all marketing communication by BATTTC and, as much as possible, the individual stakeholders.

Executive Summary

Marketing Mix (Spending)

The BATTTC's marketing budget is assumed to be approximately \$10,000, funded by individual stakeholders. The priority use of these funds is to pay for a part-time marketing person whose priorities will be: (1) website and search engine optimization; (2) social media, primarily Facebook and YouTube; (3) Publicity; and (4) helping create and execute a new promotion event for Kingdom Trails.

For lodging and recreational stakeholders, the recommended priorities are: (1) website and search engine optimization; (2) email marketing; and (3) the social media, primarily Facebook and YouTube.

Funding

As mentioned above, short-term funding of the Burke Area Travel and Tourism Committee's destination marketing will come from voluntary contributions of selected stakeholders and grants. Larger and sustainable funding will likely come from a hotel tax like the 1% Vermont Local Option Tax on Rooms and Restaurant Meals or a voluntary assessment.



III. SWOT Analysis

SWOT Analysis

Strengths

- Natural Beauty
- Uncrowded
- Outdoor Recreation, Especially Skiing & Mountain Biking
- Year-round Demand Generators
- Demand Generators for Different Generations
- Awareness of “Northeast Kingdom”

Weaknesses

- Distance from Boston
- Destination Marketing is Unfunded
- Difficult to Brand a Diverse Area
- Limited Marketing of Destination by Smaller Stakeholders
- Burke Area Borders Not Well Defined
- Limited Awareness of the Burke Area
- Number of Ski Resorts Closer to Boston, Quebec
- Limited Shopping

Opportunities

- Growing Recognition of Importance of Tourism to the Area’s Economy
- Kingdom Trails attracts Canadians

Threats

- Emerging Competition for Mountain Biking
- Weather (Lack of Snow in Winter, Rain in Summer/Fall)
- Gas Prices
- A Weakening Economy

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IV. Competitive Analysis

The Importance of Competitive Analysis

So it is said that if you know your enemies and know yourself, you can win a hundred battles without a single loss.

If you only know yourself, but not your opponent, you may win or may lose.

If you know neither yourself nor your enemy, you will always endanger yourself.

Sun Tzu, The Art of War

Seasonal Competition

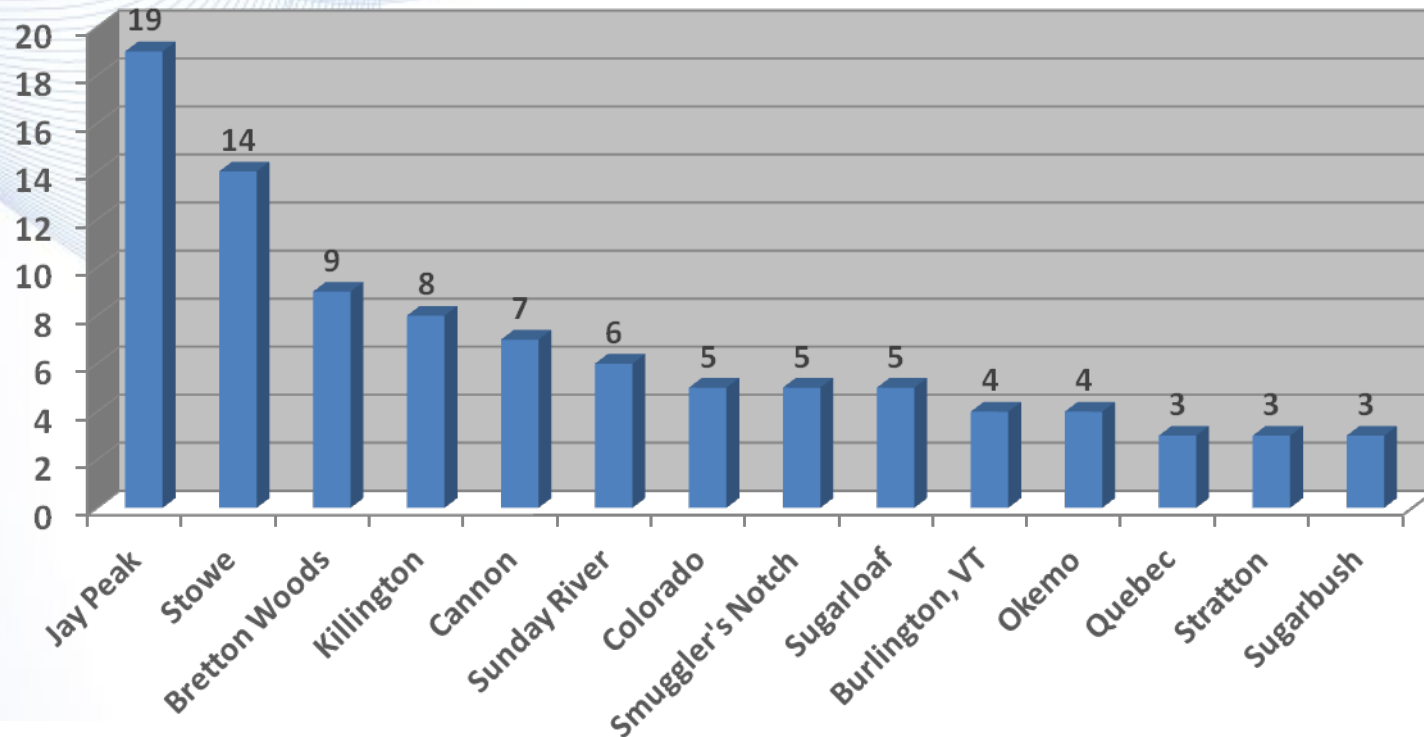
Based on the Visitors Study conducted in early 2011, the seasonal competition for the Burke Area is summarized as follows:

- **Winter:** With skiing at Burke Mountain the #2 demand generator (after Accommodations) for the Burke Area during Winter Season, key competitors for overnight Visitors include other ski areas in Vermont, New Hampshire and Maine, led by Jay Peak, Stowe, Bretton Woods and Killington. Canadian ski resorts are not significant competitors.
- **Summer:** Summer competitors for overnight Visitors include resort destinations in Maine, New Hampshire and Vermont, as well as Quebec and other mountain biking destinations (e.g., Millstone/Barre).
- **Fall:** Competition for Fall overnight Visitors includes Vermont (especially Stowe and Millstone/Barre), New Hampshire and Quebec. This mirrors Summer Season, except that Maine is less of a competitor during the Fall.

These findings are detailed on the following three graphs.

Other Destinations Considered By Winter Visitors

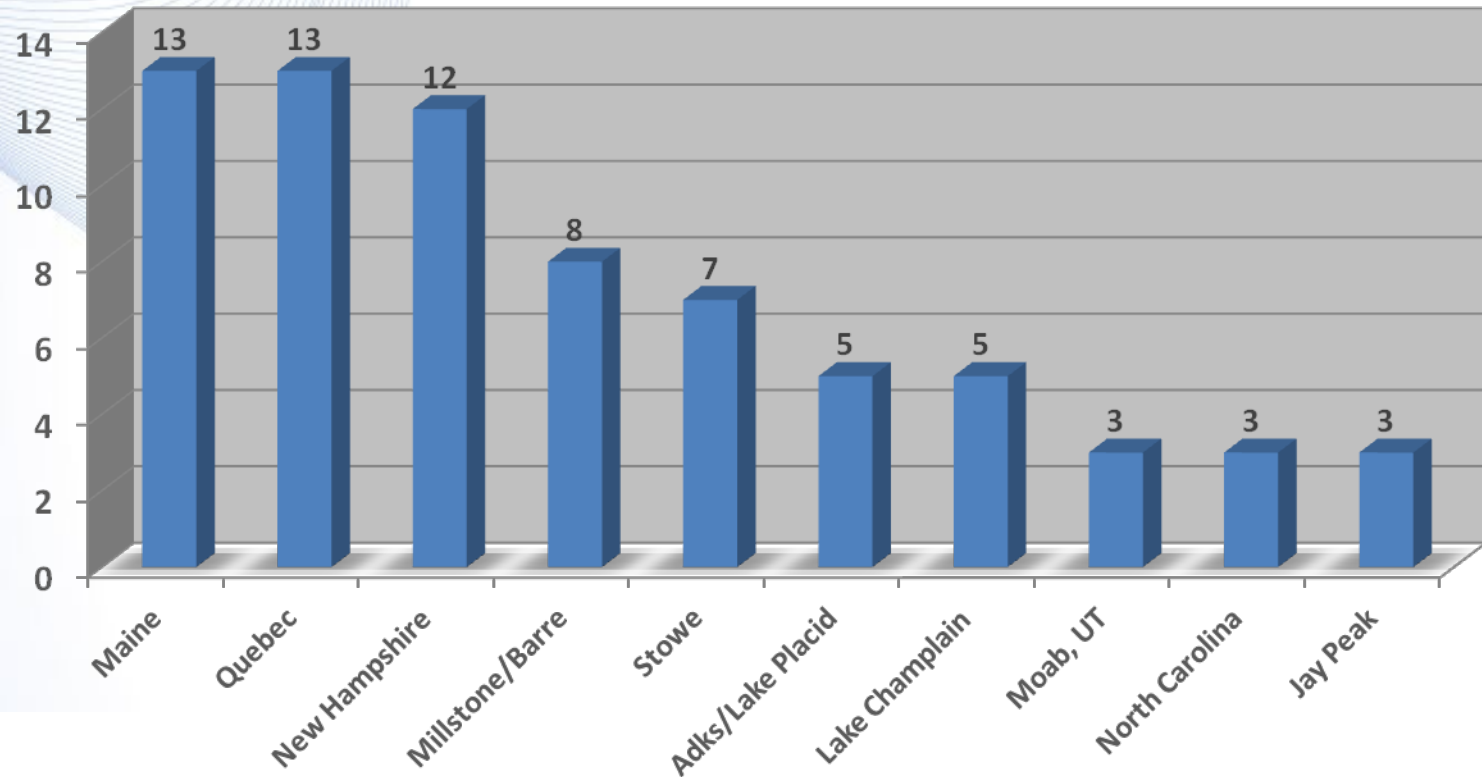
112 Total Respondents



Winter competitors identified include specific ski areas in the Northeast U.S. Price, proximity and lack of lift lines at Burke Mountain were frequently cited as reasons for choosing the Burke Area over other ski areas.

Other Destinations Considered By Summer Visitors

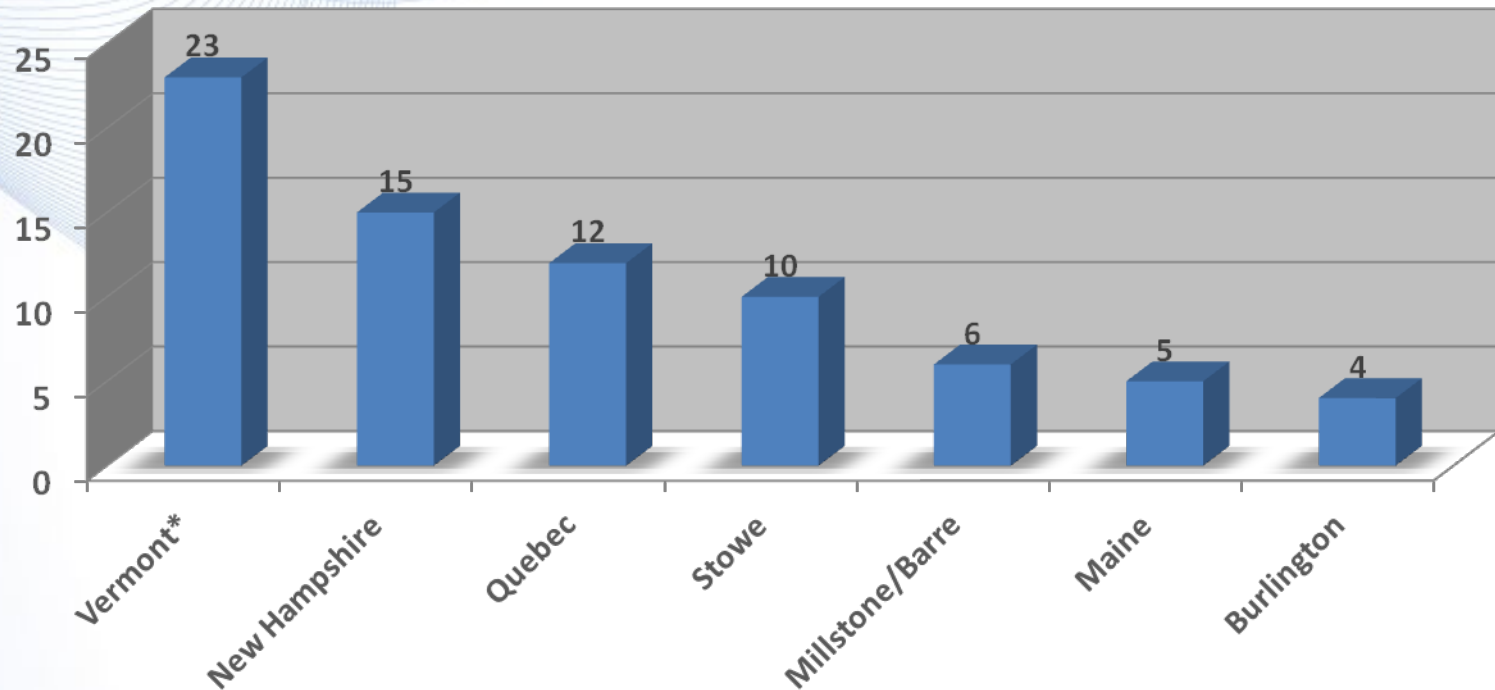
105 Total Respondents



Summer competitors identified include a variety of mountain resort destinations (including well-known mountain biking areas) in the Northeast U.S. and Canada. Mountain biking was cited by 16 of these respondents as the reason they selected the Burke Area.

Other Destinations Considered By Fall Visitors

82 Total Respondents



* Other Vermont destinations cited included Killington, Jay Peak, Mad River Valley, Manchester, Okemo and Vergennes

Specific Fall competitors identified include many of the same destinations as during Summer, with Stowe the only resort receiving frequent mentions. Travel time was slightly shorter in the Fall than during Summer. Lake Willoughby was cited by 8 of these respondents as the reason for selecting the Burke Area.

Competition for Demand Generators

Three of the primary demand generators for the Burke Area are Burke Mountain Skiing, Kingdom Trails Mountain Biking and the Natural Beauty of the Area. The competition for each of these is summarized on the following four pages. The analysis for Burke Mountain and Kingdom Trails was provided by those organizations.

Key competitive advantages of the Burke Area for these three demand generators include:

- **Burke Mountain Skiing:** The uncrowded slopes and lack of lift lines. The addition of the high speed quad will enhance its competitive position compared to its larger competitors.
- **Kingdom Trails Mountain Biking:** The 100 miles of cross country terrain, natural beauty and available campgrounds have established Kingdom Trails as the #1 trail system in the Eastern U.S. and also enables it to attract Canadians.
- **Natural Beauty:** The Burke Area is differentiated from some of its competition by its uncrowded and uncommercialized setting.

Burke Ski Area Competitive Analysis

	Burke	Stowe	Loon	Bretton Woods	Jay Peak	Cannon
Vertical	2,011	2,439	2,100	1,500	2,153	2,180
Acreage	250	485	351	464	385	264
Average Snowfall	217	333	150	200	379	160
Beg/Inter/Expert	25/45/30	16/59/25	20/53/27	29/39/32	20/40/40	14/48/35
High Speed Summit	Quad ('11/'12)	Gondola	3 Quad, Gondola	4 Quad	Tram	Quad, Tram
Terrain Parks/Half Pipes	2/0	5/1	6/1	4/1	4/0	3/0
Day Care	No	Yes	Yes	Yes	Yes	Yes
Distance-Boston	3hrs 20min	3hrs 30min	2hrs 30min	2hrs 45min	4hrs	2hrs 20 min
Adult Day Ticket	\$64	\$84	\$76	\$76	\$69	\$67

Kingdom Trails Competitive Analysis

	Kingdom Trails	Highland Mtn Bike Park	Diablo Freeride Park	Ski Bromont Bike Park	Whiteface Mtn Bike Park	Killington Mtn Bike Park
Location	East Burke, VT	Northfield, NH	Vernon, NJ	Bromont, Quebec	Wilmington, NY	Killington, VT
Distance-Boston	3 ½ hrs.	1 ½ hrs.	?	?	?	3 hrs.
Distance-NYC	?	?	1 ¼ hrs.	?	?	?
Distance-Montreal	3 hrs.	?	?	1 hr.	2 ½ hrs.	?
XC Terrain	100 miles	None	None	None	30+ kilometers	45+ miles of Downhill
Downhill Trails	14	11	40+	15	27	... and XC
Other Features	Pump Track	Dual Slalom, Dirt Jump, Skills Park Slopestyle Course, Indoor Training Center		Skills Park, 4X Course	Pump Track	Skills Park
Chairlifts	1	1	1	6	1	1
Season	May-Nov	May-Nov	Apr-Nov	May-Oct	Jun-Oct	Jul-Oct
Day Pass	\$15 XC \$15 Lift	\$38	\$40	\$37	\$10 XC \$35 Lift	\$5 XC \$35 Lift

Kingdom Trails Competitive Analysis (cont.)

	Sugarbush	Attitash Mtn Resort	Sunday River Mtn Bike Park	Stowe Mtn Bike Park	Bradbury Mtn State Park	Sports Trails of Ascutney Basin
Location	Warren, VT	Bartlett, NH	Newry, ME	Stowe, VT	Pownal, ME	Brownsville, VT
Distance-Boston	?	3 hrs.	3 ½ hrs.	?	2 ½ hrs.	2 ¾ hrs.
Distance-NYC	?	?	?	?	?	?
Distance-Montreal	3 hrs.	?	?	3 hrs.	?	?
XC Terrain	?	8 Trails	?	50+ miles	15+ miles	50+ miles
Downhill Trails	25	27	30	?	None	None
Other Features	Bike Terrain Park	?	?	?	?	Pump Track
Chairlifts	1	1	1		None	None
Season	Jun-Oct	Jun-Oct	Jun-Oct	Apr-Nov	Apr-Nov	Apr-Nov
Day Pass	\$5 Bike \$30 Lift	\$5 XC \$45 Lift	\$10 XC \$29 Lift	?	\$4.50	\$0

Natural Beauty of the Burke Area Competitive Analysis

- **Competitive Areas:** In a recent study on U.S. Vacation Trends in 2011 conducted by TNS, an independent research company, and commissioned by SpringHill Suites, it was found that “89% of Americans select the destination first and then find a vacation package.” This is particularly true of travelers seeking a destination that offers natural beauty and are not driven by a recreational activity.

The competition for vacationers seeking natural beauty comes from a wide variety of areas principally within Vermont, New Hampshire and Maine. As this Visitor segment is less recreation-oriented, other ski areas and mountain biking trails are not as important, while relaxation and family are the primary motivators.

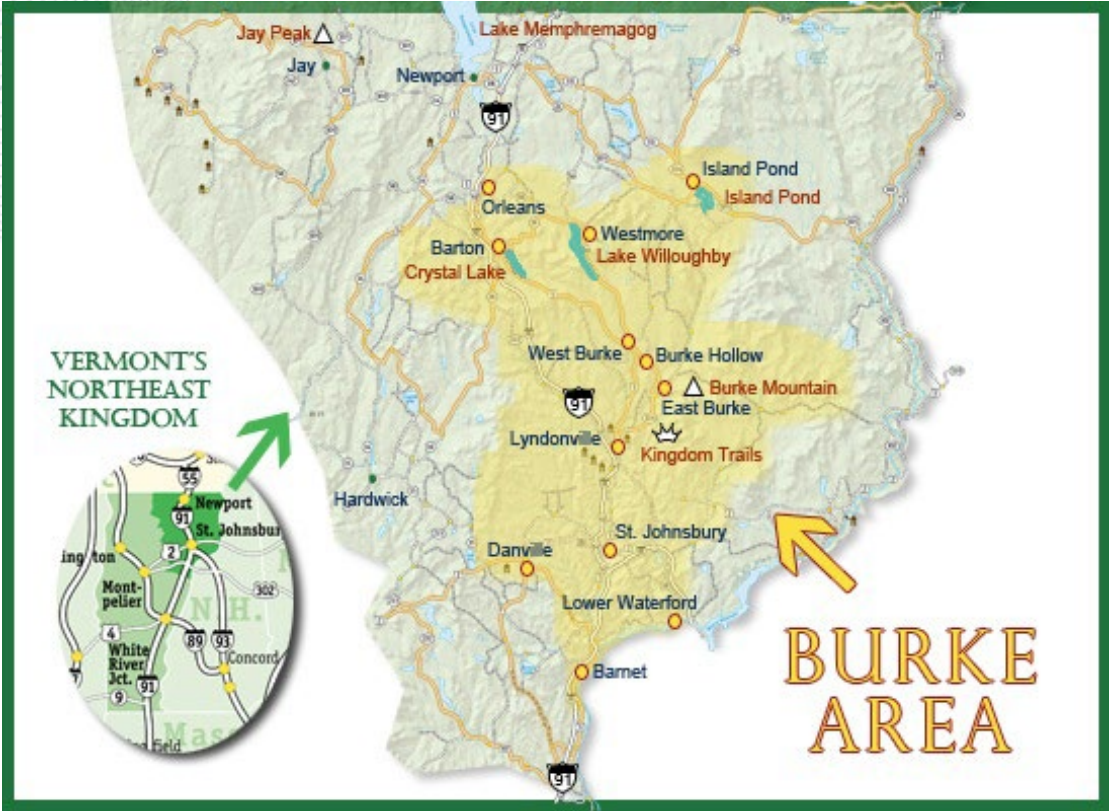
Specific competitive areas identified by both Lodging & NEKTTA respondents and those seeking Relaxation included the Lake Champlain area, Stowe, and other areas in Northern New England.

- **Selection Factors:** The primary reasons the Burke Area was selected over other destinations considered by those Visitors attracted by the Area’s natural beauty included: (1) the beauty of the mountains and lakes (Lake Willoughby); (2) the lodging; and (3) the limited commercialization and the absence of large crowds.



V. Product & Visitor Experience

Map of The Burke Area (Used in Visitors Study)



Product & Visitor Experience

- **Finding a Fit Between What You Offer and Who Values That:** Effective marketing of a destination like the Burke Area, a lodging property or a recreational activity requires finding a fit between what is offered (the “Product”) and who values that offering (the “Target Audience”). If either of these is misidentified, it will dramatically weaken all marketing efforts, with the possible exception of word-of-mouth advertising, which is driven by the Visitor experience.

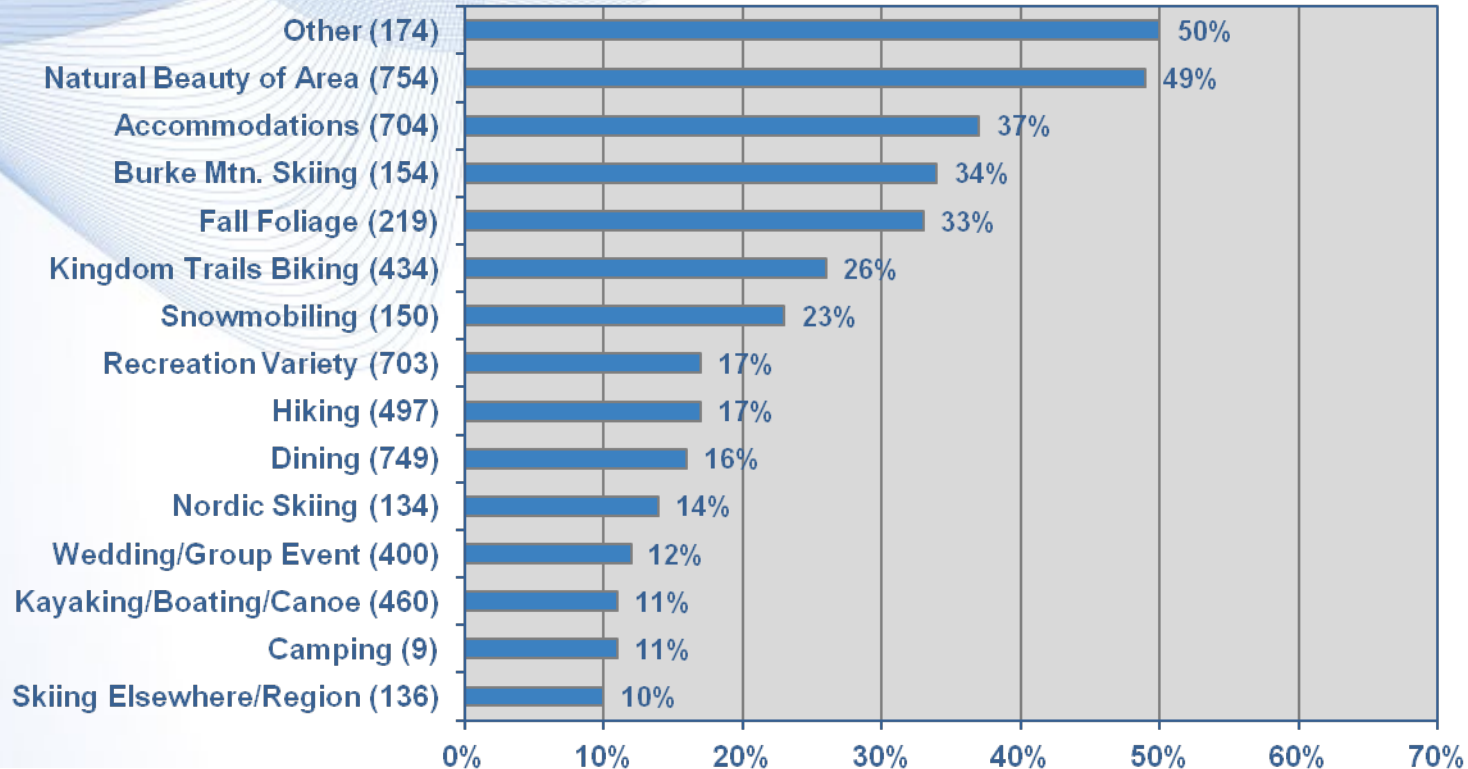
- **Primary “Demand Generators”:** Both the Burke Area’s Product and its Target Audiences were identified and quantified in the Visitors Study and summarized on the following pages. The primary Product “Demand Generators” for the Lodging and NEKTTA Visitors, who are considered most representative of the total Visitors, were:
 1. The Natural Beauty of the Burke Area
 2. The Lodging Accommodations
 3. Skiing at Burke Mountain
 4. Mountain biking on Kingdom Trails

The importance of these demand generators to Overnight Lodging Visitors is detailed in the following seven graphs, both annually and by season for Winter, Summer and Fall.

Importance of Selection Factors

Season of Last Visit – % “Extremely Important”

Lodging & NEKTTA Respondents

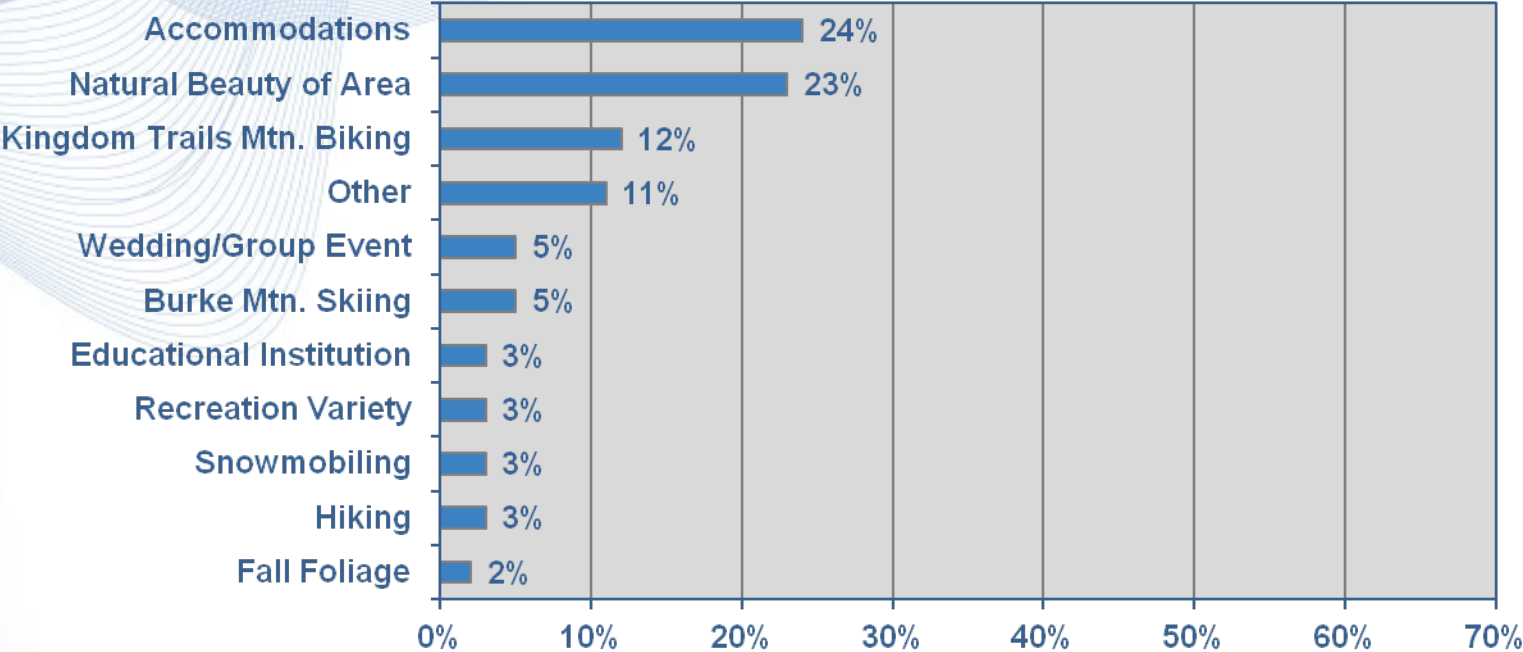


Selection factors with less than 10% included Educational Institution, Shopping, Ice Climbing, Ice Fishing, Fishing, Horseback Riding, Golf and Hunting.

For all seasons, the primary demand generators (based on importance in selection and the number of Visitors experiencing) are the Natural Beauty of the Burke Area (including Fall Foliage), the Accommodations, Skiing on Burke Mountain and Mountain Biking on Kingdom Trails.

One Factor Most Important in Selection of Burke Area

789 Lodging & NEKTTA Respondents

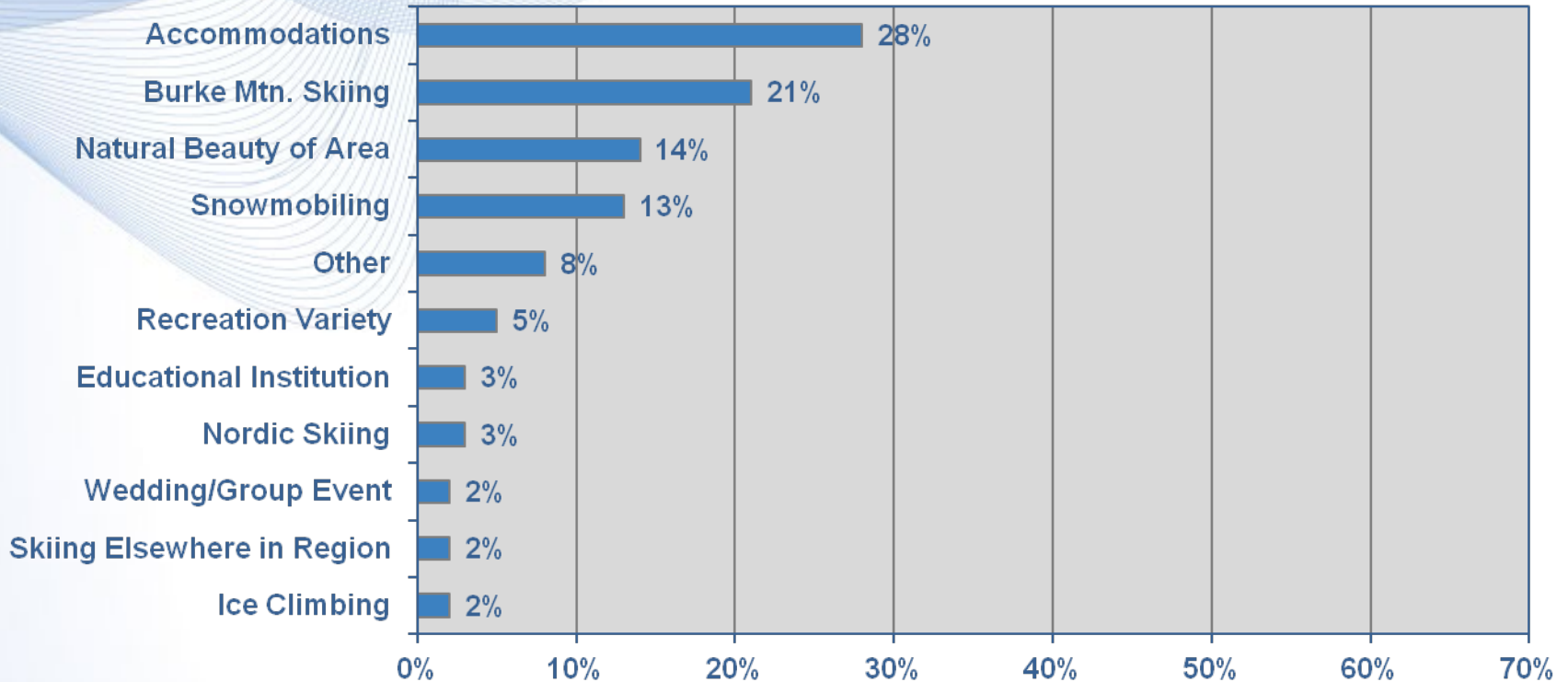


Selection factors with less than 1% included Camping, Dining, Shopping, Skiing Elsewhere in Region, Nordic Skiing, Ice Climbing, Ice Fishing, Fishing, Kayaking/Boating/Canoeing, Horseback Riding, Golf and Hunting.

When asked what ONE factor was most important in their selection of the Burke Area, Accommodations, the Natural Beauty of the Area and Kingdom Trails were most often identified. This profile is significantly different than those for the Kingdom Trails and Burke Mountain respondents.

One Factor Most Important in Selection of Burke Area – Winter

199 Lodging & NEKTTA Respondents

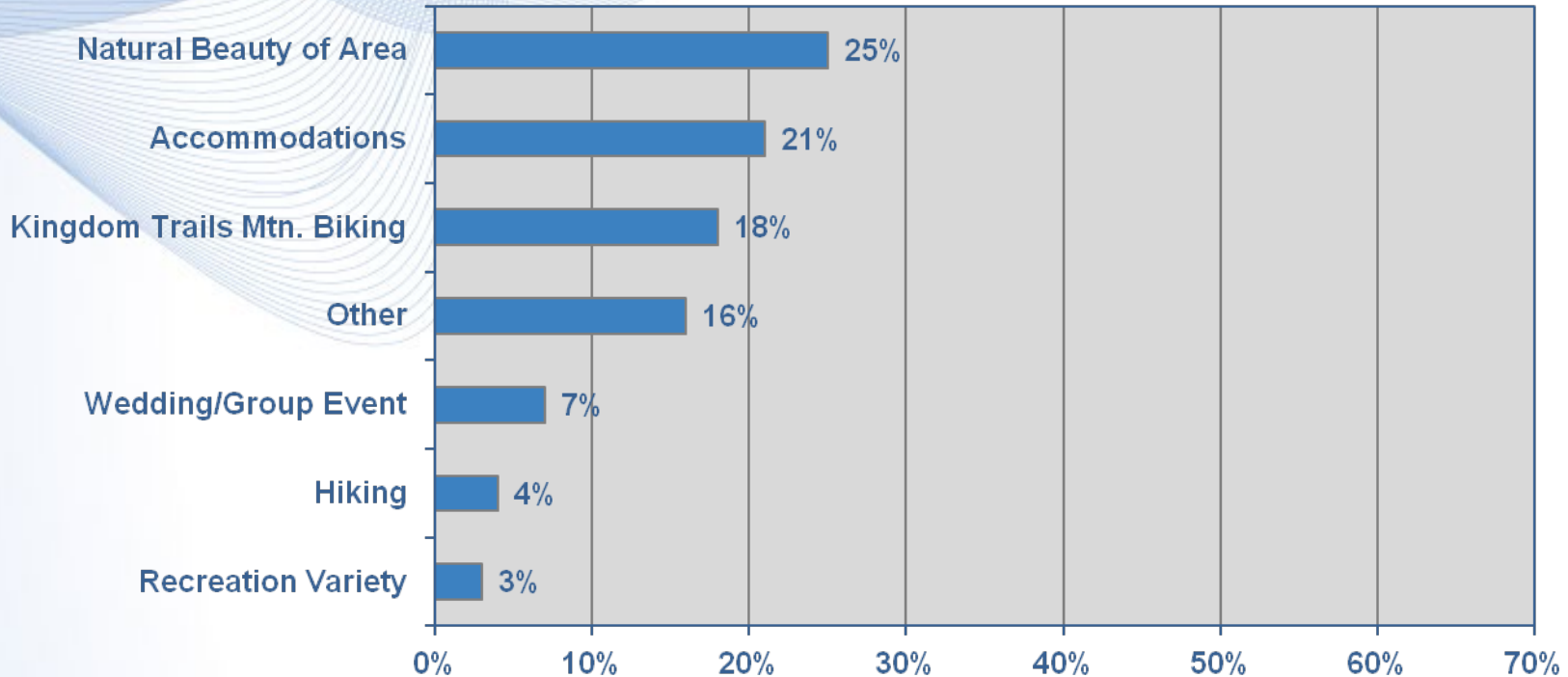


Selection factors with less than 1% included Camping, Dining, Shopping, Ice Fishing, Kingdom Trails Mtn. Biking, Hiking, Fishing, Kayaking/Boating/Canoeing, Horseback Riding, Golf, Fall Foliage and Hunting.

The profile is significantly different for Winter season, with Skiing on Burke Mountain the second most important factor for the Lodging/NEKTTA respondents and Snowmobiling the fourth most important factor.

One Factor Most Important in Selection of Burke Area – Summer

286 Lodging & NEKTTA Respondents

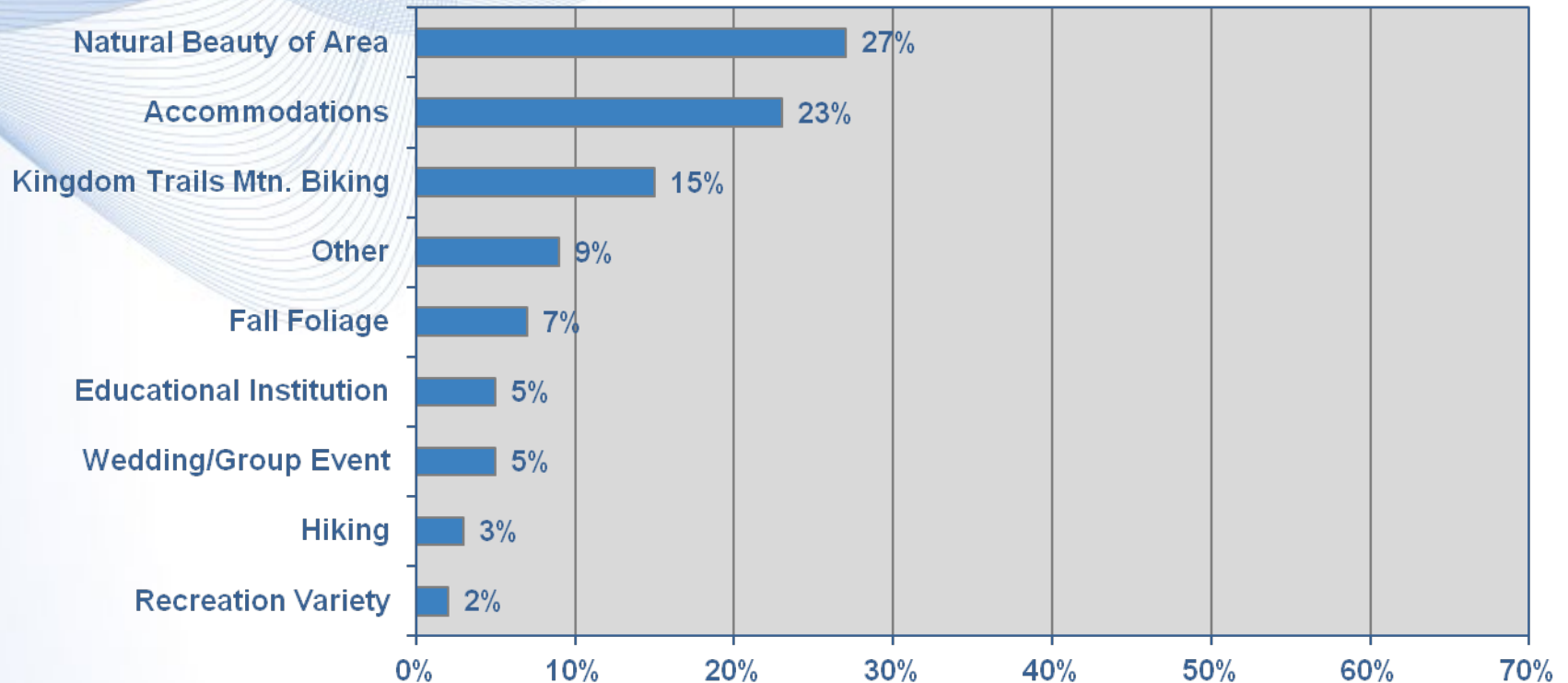


Selection factors with less than 1% included Camping, Educational Institution, Dining, Shopping, Burke Mtn. Skiing, Skiing Elsewhere in Region, Nordic Skiing, Snowmobiling, Ice Climbing, Ice Fishing, Fishing, Kayaking/Boating/Canoeing, Horseback Riding, Golf, Fall Foliage and Hunting.

For Summer season, the Lodging/NEKTTA respondents identified the Natural Beauty of the Area, Accommodations and Mountain Biking on Kingdom Trails as the most important selection factors.

One Factor Most Important in Selection of Burke Area – Fall

234 Lodging & NEKTTA Respondents

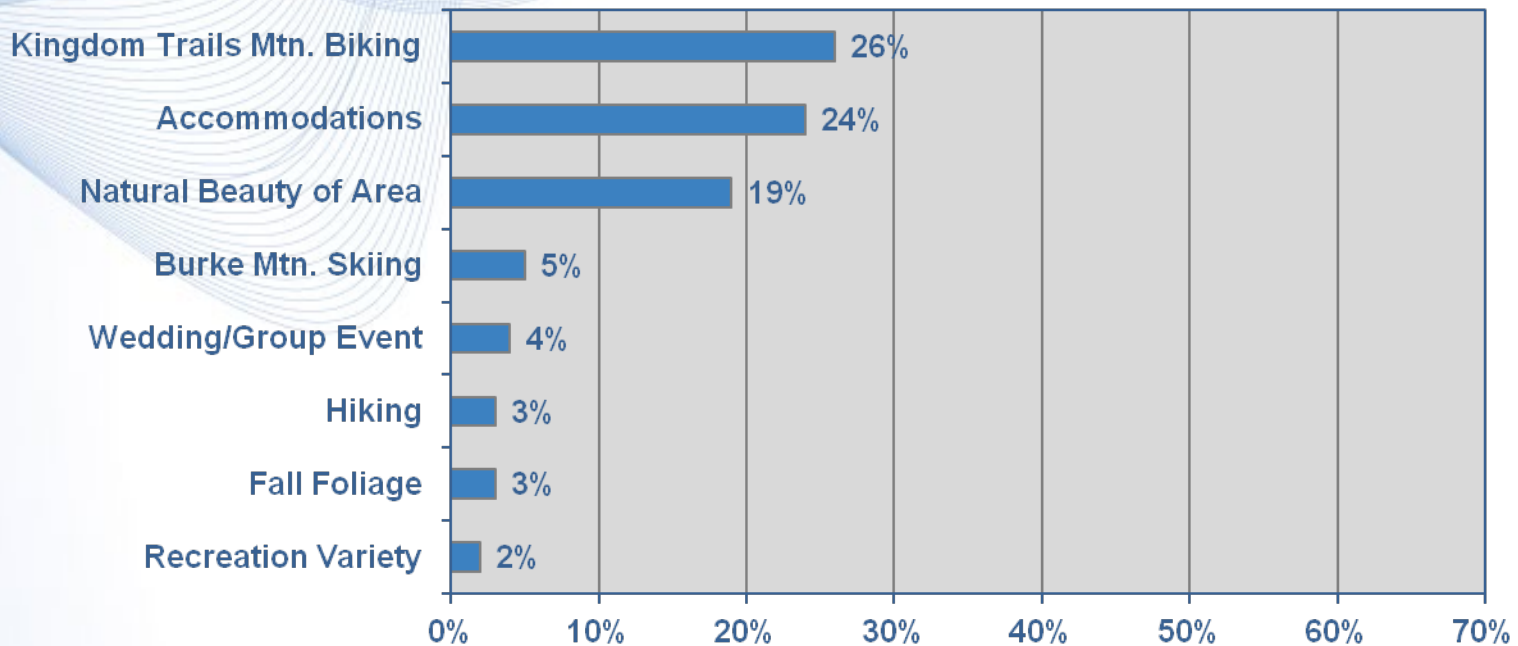


Selection factors with less than 1% included Camping, Dining, Shopping, Burke Mtn. Skiing, Skiing Elsewhere in Region, Nordic Skiing, Snowmobiling, Ice Climbing, Ice Fishing, Fishing, Kayaking/Boating/Canoeing, Horseback Riding, Golf and Hunting.

Mirroring Summer, Lodging/NEKTTA respondents' primary selection factors for Fall season were the Natural Beauty of the Area, Accommodations, Kingdom Trails Mountain Biking and Fall Foliage.

One Factor Most Important in Selection of Burke Area – One-Time Visitors

335 Total Respondents



Selection factors with less than 1% included Camping, Educational Institution, Dining, Shopping, Skiing Elsewhere in Region, Nordic Skiing, Snowmobiling, Ice Climbing, Ice Fishing, Fishing, Kayaking/Boating/Canoeing, Horseback Riding, Golf and Hunting.

Respondents who had visited the Burke Area only one time in the last three years (many of these were first-time Visitors) most often identified their ONE most important selection factor as Kingdom Trails, Accommodations or the Natural Beauty of the Area. Burke Mountain was less often identified because few of its respondents had visited only once in the last three years.

Summary of Selection Factors by Visitor Segment

While the Lodging/NEKTTA Visitors are considered most representative of the total Overnight Visitors to the Burke Area, it is important to also recognize the demand generators for the Kingdom Trails and Burke Mountain respondents, which are summarized below, along with those for the Lodging & NEKTTA respondents:

	Kingdom Trails	Burke Mountain	Lodging & NEKTTA
Most Important Factors	Mountain Biking Natural Beauty	Skiing Natural Beauty	Accommodations Natural Beauty
One Most Important Factor (Year-Round)	Mountain Biking	Skiing Mountain Biking	Accommodations Mountain Biking Natural Beauty

These are the primary demand generators based on the volume of Visitors each attracts. It is important, however, to recognize that there are many other secondary demand generators, including snowmobiling, Nordic skiing, hiking, weddings and other events, geo-tourism and educational institutions.

The Burke Area's Lodging Accommodations

For the less recreation-driven Overnight Visitors, the Burke Area's Accommodations are a critical demand generator. These accommodations are summarized below:

- **Guest Rooms and Campsites:** The Burke Area offers Visitors 31 lodging properties with an estimated 560 guest rooms, and 9 campgrounds with 761 campsites. The campsites are heavily used by mountain bikers, as 34% of Kingdom Trails overnight Visitors indicated they had stayed in a campground.
- **Size Per Property:** The average size of the 31 lodging properties is only 18 rooms, while the campgrounds averaged 84 campsites each.

Only two of the lodging companies offer more than 50 units, namely, the Comfort Inn St. Johnsbury (107) and Burke Vacation Rentals (70).

14 of the properties have 10 or fewer rooms. Among other things, this means that most of the properties have small marketing budgets to market themselves and the destination, thereby increasing the importance of destination marketing.

The Burke Area's Lodging Accommodations (cont.)

- **Guest Rooms by Town:** The towns with with largest number of rooms include: St. Johnsbury (185), East Burke (103) and Lyndonville (101). The campsites are located in Island Pond (280), Orleans (176), Irasburg (131), Barnet (53), Barton (50) St. Johnsbury (45) and East Burke (26).
- **Supply and Demand:** Both Burke Mountain's and Kingdom Trails' management teams believe that current lodging demand would support the addition of guest rooms in the area. Currently, however, supply and demand are not measured in either the Burke Area or the Northeast Kingdom, so no occupancy and average room rate data are available.

In a parallel study conducted by EPR, a Vermont economic consulting firm, it is recommended that NVDA undertake or encourage a feasibility study to determine if there is sufficient demand for a new lodging property. These studies are heavily dependent on supply and demand data, which is only one of several reasons it is recommended later in this Plan that all Burke Area lodging properties participate in a STR's Hotel Survey Program. The primary reason for participating in this program is to provide the individual lodging properties with information they need to better sell and market themselves.

The Importance of the Visitor Experience

Effective Marketing Begins With High Visitor Satisfaction

- **The Importance of High Visitor Satisfaction and Loyalty:** Visitors to the Burke Area have a high level of satisfaction and a high likelihood to recommend the Burke Area to friends and colleagues; 80% of Visitors surveyed in the Visitors Study indicated they will “Definitely” recommend the Burke Area to others. This is critical, because the majority (on average 90%) of a destination’s Visitors are either repeat Visitors or Visitors referred by others, and both segments are driven primarily by Visitor satisfaction.

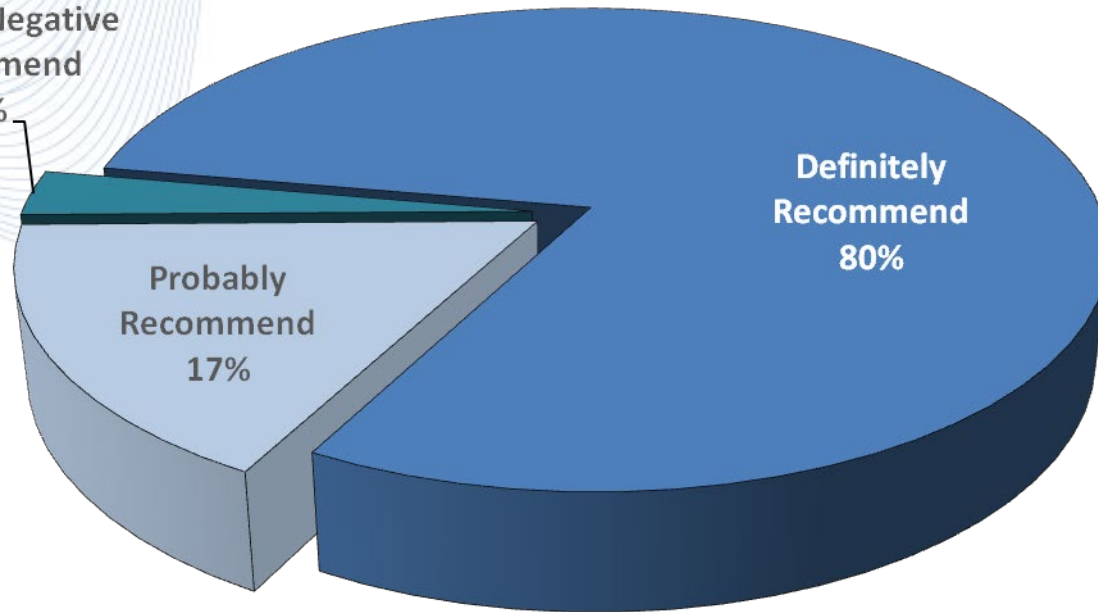
Loyal Visitors to the Burke Area will not only return and return more frequently, but also recommend the Area to others, spend more during their visits and are more likely to write online travel reviews, thereby attracting more Visitors.

The importance of guest experience to repeat business, referral business and online reviews is illustrated on the following six pages:

Likelihood to Recommend Burke Area to Friends and Colleagues

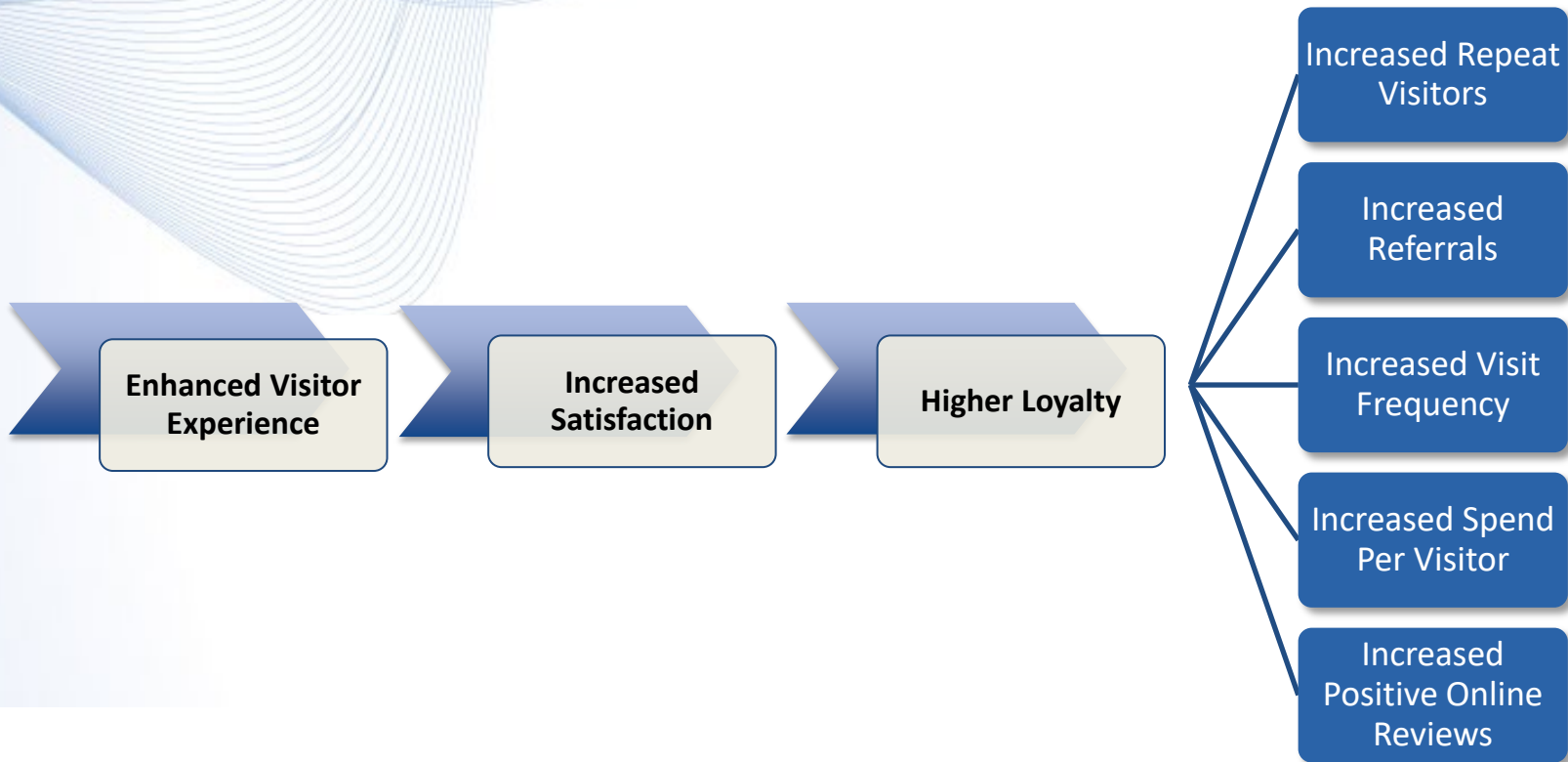
Total 1,484 Respondents

Neutral/Negative Recommend
3%



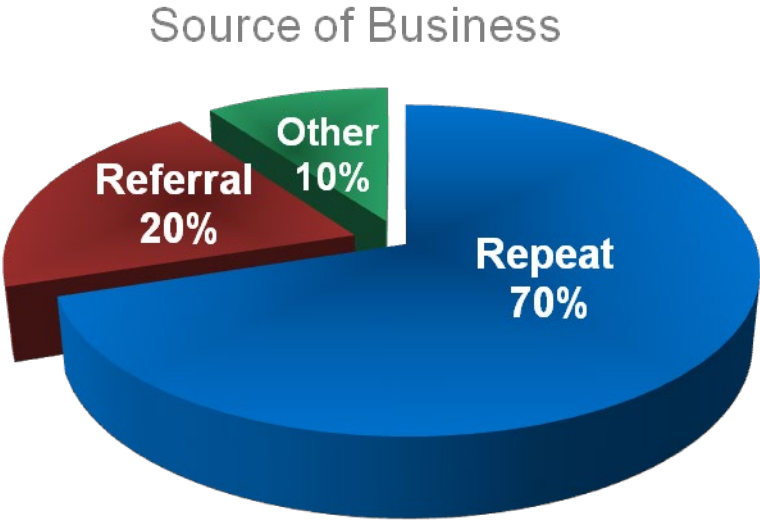
A strong 97% of Visitors to the Burke Area have a positive likelihood to recommend the destination to others.

The Importance of High Visitor Satisfaction



The Importance of Repeat & Referral Business

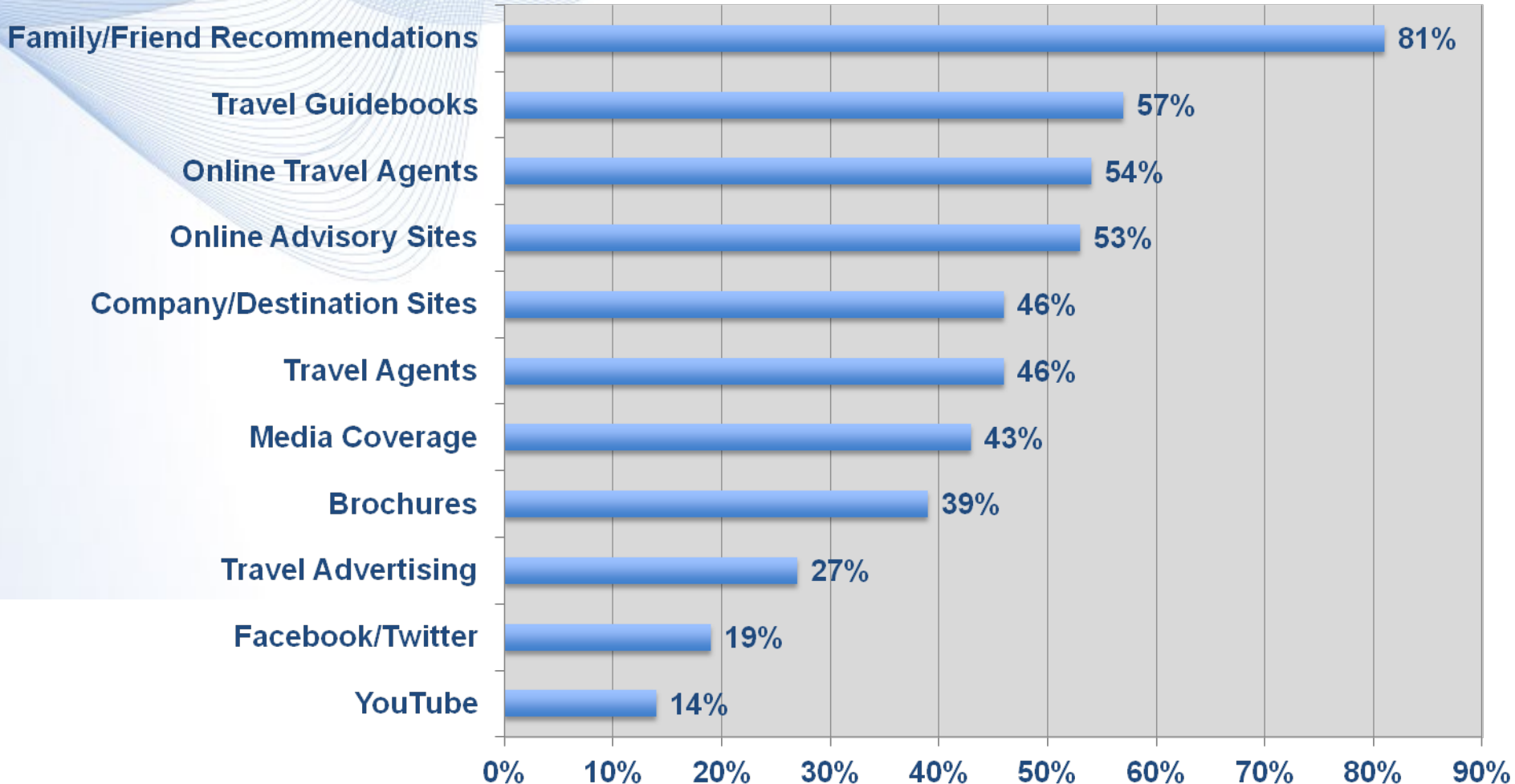
- Repeat and Referral business contribute on average 90% of a regional destination's Visitors.
- It costs 5 times as much to acquire a new Visitor as it does to retain an existing one.
- Loyal customers are 15 times more likely to increase spending than intermittent customers.



Source: *Quantifying the Value of Guest Loyalty*; www.reviewpro.com

% of Active Travelers Having Confidence in Information Sources

% “Very Confident” / “Extremely Confident”



The Importance of Personal and Online Referrals

Experience-driven word-of-mouth advertising is the single most effective marketing medium.

Forrester Research: 94% Trust Word-of-Mouth
vs.
14% Trust Online Advertising

Nielsen Company: 90% Trust Word-of-Mouth
vs.
33% Trust Online Advertising



Online Travel Review Sites

- Positive and negative online reviews may impact 100's, if not 1,000's, of prospective Visitors to the Burke Area. Among the growing number of online travel review sites are the following:



- Management of one's online reputation is becoming increasingly important, including responding to negative reviews. These reviews also affect search engine placement.

Product & Visitor Experience Recommendations

Recommendations to enhance the Visitor experience are as follows:

- Establish an Area-wide goal of increasing repeat and referral business. Encourage all stakeholders to monitor on an ongoing basis Visitor satisfaction, and encourage them to use the Likelihood to Recommend as the key metric for this purpose in any surveying they may conduct.
- Arrange for hospitality training for stakeholders, ideally twice a year, to further strengthen Visitors satisfaction with the friendliness/helpfulness of those in the hospitality industry.
- Provide stakeholders with training in online reputation management, in particular, how to respond to negative online reviews.
- Create a new event based on Kingdom Trails that serves to both attract first-time Visitors to the Area and an additional visit. (Competing venues make significant use of such events). Highland Mountain Bike Park, for example, offering this year the first Annual Battle of Hellion Race (June 26) and the 4th Annual Claymore Challenge (June 22-26). Diablo Freeride Park offers the U.S. Open of Mountain Biking (May 26-29), the Diablo Gravity Series (four days in June, July, August and October), the 2011 World Police and Fire Games (September 1-3) and the Diabloween Festival (October 30).

Enhance the Visitor Experience With Hospitality Training

Staff Friendliness/Helpfulness (“Top 10 of Hospitality”)

One of the easiest and most effective ways to increase Visitor satisfaction and loyalty to increase repeat and referral business is to enhance the friendliness/helpfulness of all of those in the community involved in serving Visitors. Friendliness/helpfulness is typically a key driver of overall satisfaction. Basic training might be designed to gain the following commitments.

1. I will present a well-groomed appearance
2. I will smile
3. I will make eye contact
4. I will use attentive posture
5. I will offer a warm and sincere greeting
6. I will be knowledgeable of the Burke Area and all that it has to offer
7. I will take care of Visitors’ needs and make suggestions
8. I will be patient
9. I will take ownership for Visitors’ inquiries and problems
10. I will thank our Visitors and invite them back

Manage Your Online Reputations To Attract More Referral Visitors

- **Sites Allowing Responses to Reviews:** Given the increasing importance of online travel reviews (75%+ of travelers allow online user reviews to influence their travel choices. Source: Spring-Hill Suites 2011) in travelers' selection of vacation destinations, it is important to manage one's online reputation. This requires monitoring the various review sites and responding to as many reviews as possible, both negative and positive. Among the websites that allow reviews are:
 - Expedia.com
 - Hotels.com
 - TravelPost.com
 - TripAdvisor.com
 - Yelp.com

- **Must-Do's for Online Reviews:** In a webinar conducted by HSMAI University, Holly Zoba, Senior VP Sales, Hospitality for Signature Worldwide provided the following recommendations for online reviews:
 1. **Look at your reviews:** Know what people are saying about you (and your key competitors).

Manage Your Online Reputations To Attract More Referral Visitors (cont.)

2. **Respond to your reviews, especially the negative reviews:** Consumers base their opinions on not only the number of negative reviews and positive reviews, but also how the property or destination responds to the negative reviews.
3. **Share your reviews with your staff**
4. **Register as the owner or manager of the property or attraction:** For TripAdvisor, this enables you to receive notification when reviews are generated.
5. **Focus on the details:** Update your details on the review sites, adding photos and videos.
6. **It pays to be popular:** A high ranking within the destination will increase your rankings in both search engines' key word searches and third-party distribution websites ("OTAs" or online travel agencies) and increase your bookings.
7. **Put your guests to work:** Encourage your guests to submit positive reviews.
8. **Forums:** Treat the forums in the review sites as you do the reviews.

Manage Your Online Reputations To Attract More Referral Visitors (cont.)

- **Optimizing Your TripAdvisor Listing:** The following recommendations to optimize TripAdvisor listings are provided by Daniel Edward Craig of HospitalityNet.com:
 1. **Property Details:** “Your description should be consistent with other marketing materials but tailored to fit the informal, conversational tone of TripAdvisor. That means no marketing babble, questionable claims or meaningless clichés, like ‘indulge your senses at our premier boutique hotel nestled in the heart of the city, where your business is our pleasure...’ Rather than try to cram every conceivable feature and benefit into your description, select a few key value propositions and weave them into a story...Travel reviews are most compelling when they have a gripping lead, a strong point of view and practical information. Borrow these elements, and make your story grammatically immaculate and brief, ideally fewer than 100 words.”
 2. **Photos and Videos:** “You can’t write your own reviews, but you can submit your own imagery... Travelers want to know what to expect, so showcase the rooms, exterior, lobby, facilities and local area, and add descriptive captions.” Kevin Carter, TripAdvisor’s Manager of Business Trade and Public Relations, adds in the same article: “Travelers are 150% more engaged with listings that have 20 photos than with those that only have a few photos.”

Manage Your Online Reputations To Attract More Referral Visitors (cont.)

- **Ways to Solicit Reviews:** There are a variety of ways to increase your reviews by asking your guests for them. These include:
 1. During the check-out process
 2. In follow up emails
 3. When receiving unsolicited feedback
 4. In response to comment cards

For additional suggestions, refer to “How Hotels Can Increase the Volume of Their Reviews, written by Josiah MacKenzie in HotelMarketingStrategies.com.

VI. Target Audience

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Target Audience

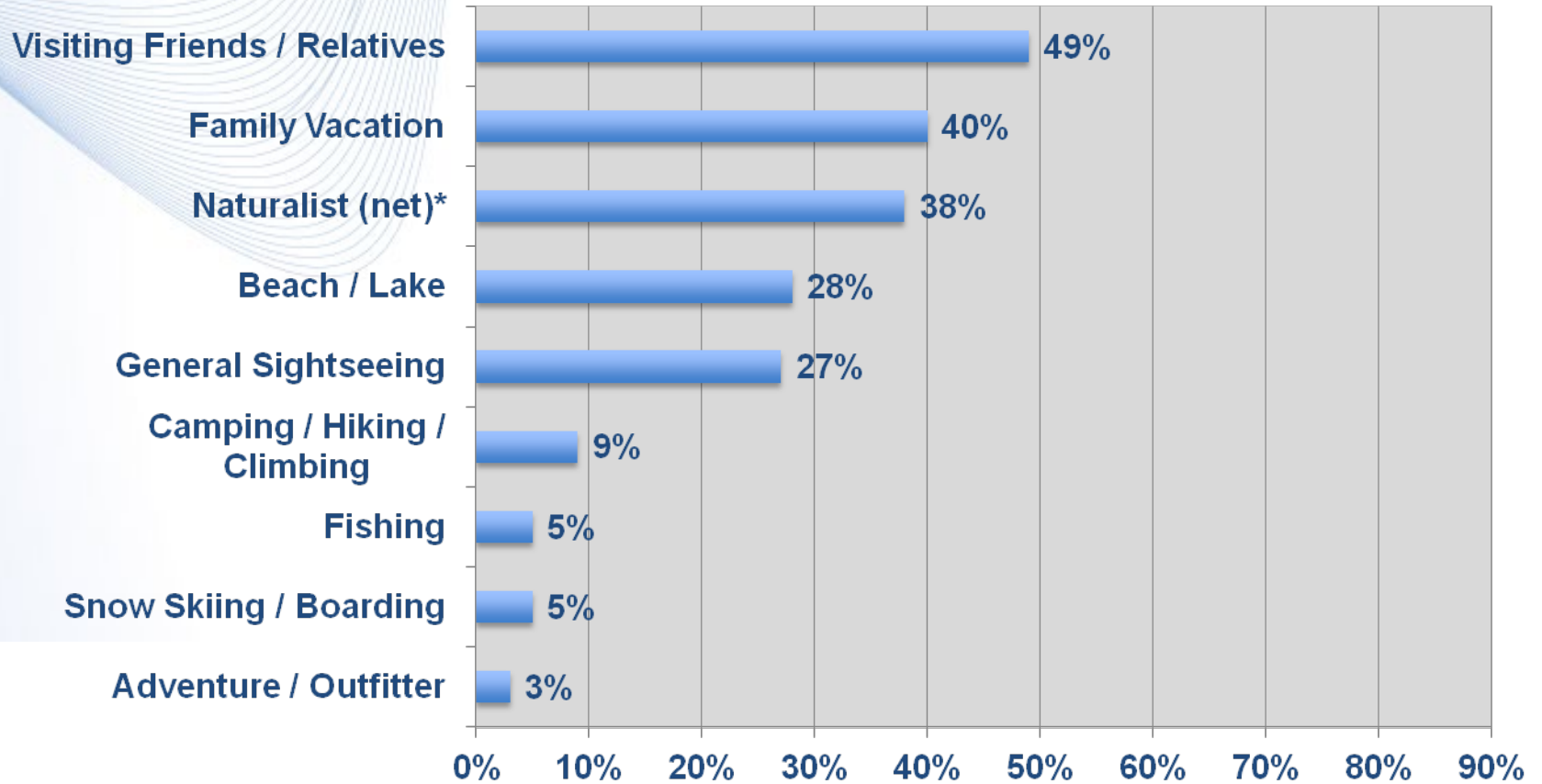
The essence of effective destination marketing is finding the fit between what the destination offers and who values that offering (“Target Audience”). This section defines the Burke Area’s Target Audience based primarily on the Visitors Study. Profiles are for the Lodging/NEKTTA respondents, Kingdom Trails respondents and Burke Mountain’s respondents.

▪**U.S. Leisure Trips:** For travelers interested in experiencing nature and/or participating in recreational activities during their vacations, the Burke Area is particularly well suited. 38% of U.S. vacationers are interested in a “naturalistic” vacation, that includes such recreation as Beach/Lake, Camping/Hiking/Climbing, Fishing, Snow Skiing/Boarding and Adventure/Outfitter – all of which the Burke Area offers. This is detailed on the following graph.

▪**U.S. Population Generations:** Unlike most leisure destinations, the Burke Area is well-suited to appeal to not only the Baby Boomer and Mature generations, but also to the more recreation-oriented Gen Xers and Gen Yers/Millennials. The size and interests of these generations is detailed below:

Types of Leisure Trips Taken By U.S. Travelers Past 12 Months - 2010

Primary Purpose of One or More Trips



*Naturalist = Net of Beach/Lake, Camping/Hiking/Climbing, Fishing, Snow Skiing/Boarding and Adventure/Outfitter

Adult Generations

	Birth Years	Age in 2009	Size in Millions (U.S. Census, 2009)
Gen Y (Millennials)	1979 to 1990	18 to 30	55.8
Gen Xers	1965 to 1978	31 to 44	57.6
Boomers	1946 to 1964	45 to 63	77.9
Matures	1945 or Before	64+	44.3

Source: 2010 Portrait of American Travelers, YPartnership & Harrison Group, LLC

Desirability of Physical Activities by Generation

	Gen Yers (Millennials)	Gen Xers	Boomers	Matures
Hiking & Outdoor Adventure	51%	46%	38%	18%
White Water Rafting/ Kayaking	45%	25%	20%	9%
Bicycling Trips Through the Countryside	37%	30%	23%	9%
Golfing	30%	22%	18%	16%
Fishing	22%	23%	22%	16%
Snow Skiing / Riding	43%	29%	10%	4%
Mountain Biking	28%	21%	10%	3%
Shooting / Hunting	18%	14%	8%	5%

Source: 2010 Portrait of American Travelers, YPartnership & Harrison Group, LLC

Burke Area Visitor Profile

Overnight Visitors (including NEKTTA respondents)

- **Visit Frequency:** Over two-thirds of these Visitors have visited two or more times in the past three years, including one-third who have visited four or more times.
- **Primary Purpose:** 45% have as their primary visit purpose “Recreation”, compared to 33% who visit for “Relaxation” and 21% “Visiting Friends/Family”.
- **Gender:** 57% of the Overnight Visitors (respondents) are Female.
- **Age:** 34% are 45-54, 35% 55 or older and 31% are younger than 45.
- **Marital/Family Status:** 68% have as their Marital/Family Status Households with Children at Home or No Longer At Home.
- **Travel Party:** 57% of Overnight Visitors travel with their Spouse/Significant Other and 33% with Other Family.

Burke Area Visitor Profile

Overnight Visitors (cont.)

- **Income:** Nearly two-thirds (63%) of the Overnight Visitors report an annual household income of \$50,000-\$150,000, while another 27% report incomes of \$150,000 or more.
- **Length of Stay:** 18% stayed one night, 40% 2 nights, 28% 3-4 nights and 14% 5 or more nights.
- **Travel Time:** Only 2% live within one hour, 16% 1-2 hours, 41% 3-4 hours and 40% 5 hours or more. This segment (Lodging & NEKTTA) travels the furthest to the Burke Area.
- **Country of Residence:** 93% of Overnight Visitors reside in the United States.
- **State/Province of Residence:** The key feeder states for Overnight U.S. Visitors are Massachusetts (29%) and Vermont (18%). Overnight Visitors are drawn from a broader geographic than are the other two segments.

Burke Area Visitor Profile

Kingdom Trails

- **Visit Frequency:** 82% of these Visitors had visited two or more times in the past three years, including 28% who had visited more than 10 times.
- **Primary Purpose:** 92% indicated the primary purpose of their visits was “Recreation”, while 4% indicated “Visiting Friends/Family”.
- **Gender:** 80% of the Overnight respondents were Male.
- **Age:** A strong 58% were younger than 45, 31% 45-54 and only 9% 55 or older.
- **Marital/Family Status:** 43% indicated their Marital/Family Status was a Couple or Single with No Children.
- **Travel Party:** An extremely high 59% of Kingdom Trails Visitors travel with Friends, while only 32% travel with a Spouse/Significant Other and 19% with Other Family.

Burke Area Visitor Profile

Kingdom Trails (cont.)

- **Income:** Nearly two-thirds (62%) report annual household incomes of \$50,000-\$150,000, the same as for the Overnight Visitors. However, only another 20% report incomes of \$150,000 or more and 18% report incomes of less than \$50,000, likely reflecting the younger profile of mountain bikers than Overnight Visitors.
- **Length of Stay:** 17% of those who stayed overnight stay one night, 51% 2 nights, 26% 3-4 nights and 7% 5 or more nights.
- **Travel Time:** 10% live within one hour, 23% 1-2 hours, 43% 3-4 hours and 24% 5 hours or more.
- **Country of Residence:** 73% of Kingdom Trails Visitors live in the United States, while 26% reside in Canada, illustrating the ability of the mountain biking trail system to attract Canadians.
- **State/Province of Residence:** The key feeder states are Vermont (29%) and Massachusetts (23%). The leading feeder state for the other two segments is Massachusetts.

Burke Area Visitor Profile

Burke Ski Mountain

- **Visit Frequency:** 96% of these Visitors had visited two or more times in the past three years.
- **Primary Purpose:** 73% indicated the primary purpose of their visits was “Recreation”, while 15% indicated “Visiting Friends/Family”.
- **Gender:** 57% of the Overnight respondents were Male.
- **Age:** 38% were 45-54, 32% were 55 or older and only 28% were younger than 45.
- **Marital/Family Status:** 76% indicated their Marital/Family Status was Households with Children at Home or No Longer At Home. Only 9% were Single, No Children.
- **Travel Party:** 43% of Burke Mountain Visitors travel with a Spouse/Significant Other and 41% with Other Family. 25% travel with Friends.

Burke Area Visitor Profile

Burke Ski Mountain

- **Income:** 62% report annual household incomes of \$50,000-\$150,000, the same as the other two segments. However, 30% report incomes of \$150,000 or more, making this the most affluent segment.
- **Length of Stay:** Only 9% stay one night, 38% 2 nights, 33% 3-4 nights and 19% 5 or more nights, making the length of stay for this segment the longest.
- **Travel Time:** 19% live within one hour, 11% 1-2 hours, 49% 3-4 hours and 20% 5 hours or more.
- **Country of Residence:** 96% of Burke Mountain Visitors are from the United States, confirming the difficulty of attracting Canadians.
- **State/Province of Residence:** The leading feeder states for Burke Mountain are Massachusetts (38%) and Vermont (22%), followed by Connecticut (14%) and New Hampshire (9%).

Burke Area Visitor Profile by Target Audience

	Kingdom Trails	Burke Mountain	Lodging & NEKTTA
Visit Frequency	82% > 1 Visit	96% > 1 Visit	68% > 1 Visit
Purpose	All Recreation	Mostly Recreation	Recreation & Relaxation
Gender	80% Male	57% Male	43% Male
Age	Youngest segment 58% < 45 Years Old	70% > 45 Years Old	69% > 45 Years Old
Marital Status	Couples with & without Children	Couples with Children	Couples; most with Children
Travel Party	Friends	Spouse & Other Family	Spouse & Other Family

Burke Area Visitor Profile by Target Audience (cont.)

	Kingdom Trails	Burke Mountain	Lodging & NEKTTA
Income	20% \$150,000+	30% \$150,000+	27% \$150,000+
Length of Stay	68% 1-2 Nights	47% 1-2 Nights	58% 1-2 Nights
Accommodations Type	34% Campground	41% Friend's/Family's	78% "Traditional" (Not Campground, Friend's/Family's)
Travel Time	33% < 3 Hours	30% < 3 Hours	18% < 3 Hours
Residence	73% US 26% Canada	96% US 3% Canada	93% US 7% Canada
U.S. States	VT, MA, NH	MA, VT, CT	MA, VT, CT

“For Whom Is the Burke Area Best Suited?”

Selected Comments from Visitors Study

“Outdoor enthusiasts, especially skiers and mountain bikers”

“Nature lovers”

“Those seeking a de-stressing getaway from urban areas”

“Families”

“The laid back, unpretentious”

“Those wanting to see and do, not be seen”

“Those who do not need the glitz of the newer areas and appreciate a more local flavor”

VII. Distribution Channels

The background features a complex, abstract design of overlapping, wavy lines in various shades of blue and white. A prominent horizontal blue banner with a slight gradient is positioned across the middle of the image, serving as a backdrop for the title text. The overall aesthetic is clean, modern, and professional.

Distribution Channels for Lodging Inventories

Channels

After first selecting the destination, a potential Visitor to that destination may search for lodging in any number of locations. This is particularly true of prospective first-time Visitors who likely have little information regarding the various lodging options. If a lodging property does not have any of its rooms “distributed” or “in inventory” where the shopper searches, it cannot be sold to that shopper. It is no different from going to your favorite grocery store where you can only purchase what is available on the shelves.

For this reason, lodging properties typically distribute their their inventory of rooms (or a part of it) in multiple places or channels. These distribution channels include:

- **Direct to Lodging Property (voice and/or electronic)**
- **Central Reservations (voice and/or electronic)**
- **Online Travel Agents (“OTAs”)**
- **Global Distribution Systems (“GDS”) for Travel Agents**

Distribution Channels for Lodging Inventories (cont.)

Bookings by Channel

- **Non-Chain Properties:** Most of the Burke Area's 31 lodging properties are independent, non-chain properties. In contrast to chain properties, which receive the majority of their individual (non-group) bookings through electronic sources, independents typically receive the majority of their bookings direct to the property, and the majority of these are made by telephone ("voice"). Larger independents that attract commercial (vs. leisure) business, generally receive more of their business electronically via travel agency systems ("GDS") and other electronic distribution channels.

For cost and profit margin reasons, lodging properties prefer to rely on direct-to-property bookings – especially voice bookings -- for which there is no fee and/or commission paid to a third-party reservations company. Nevertheless, other electronic channels can be extremely important to boosting occupancies and revenues, except when sell-outs are assured.

Lodging Reservation Sales

Enhance Your Reservations Selling Effectiveness

While electronic reservations have become increasingly important, the top priority for a lodging property is to effectively sell at the property level -- to make reservations, not just take them. Here are specific, proven steps that can be taken to capture more lodging (voice) reservations:

- 1. Be Friendly/Helpful:** In both service and sales, this is the most important attribute. People buy from people they like.
- 2. Determine the Caller's Needs and What Information Is Needed by Each Caller:** Discovery or probing questions to identify needs might include the following:
 - Repeat or first-time?
 - Familiar with area?
 - Dates of stay?
 - # in party?
 - Ages of any children?
 - What is bringing them to the area?
 - What are they planning to do during their stay?
 - What type of accommodations do they prefer (if appropriate)?

Lodging Reservation Sales (cont.)

Enhance Your Reservations Sales Effectiveness (cont.)

- 2. Determine the Caller's Needs and What Information Is Needed by Each Caller (cont.):** 80% of selling success depends on how well you meet your Caller's needs and whether you do that better than your competition. First identify those needs through listening and questioning, and then present the appropriate information to meet those needs.
- 3. Sell the Destination:** If the Caller is not familiar with the Burke Area, it is important to sell the area before your property.
- 4. "Paint the Picture" of Your Property:** Present to the Caller what makes your property different and better than your competitors, especially those features and benefits that address the Caller's needs.
- 5. Sell the Experience:** Resist the temptation to sell the price first, even when the Caller specifically asks for rates at the beginning of the call.
- 6. Ask for the Sale:** Get a commitment. Assuming they like what you present, some buyers will make the reservation, even when they aren't planning to.

Lodging Properties' Electronic Booking Channels

Lodging Properties' (Electronic) Booking Engines

After direct-to-property voice reservations, the next most important source of bookings is usually the property's own booking engine that is accessed through the property's website. This source of bookings has been growing significantly more rapidly than voice bookings that, for the major hotel chains, have been declining for years.

The booking engine is nearly always provided by a third-party organization that charges a small fee and/or commission for the service. For the independent properties in the Northeast Kingdom, this service is offered by Stowe-based Inntopia, with whom NEKTTA has a relationship, and other services.

- **Benefits to the Lodging Properties:** While most consumers will call a property with which they wish to book if an online booking option is not available, some will not, particularly those who are more digitally included; this is particularly true with the younger generations that are attracted to Kingdom Trails and other recreational venues.
- **Recommendations:** Increasingly, consumers expect to be able to book online. While the increased revenue is difficult to estimate, adopting a booking engine is recommended as a definite convenience to travelers as well as a source of incremental bookings.

Lodging Properties' Electronic Booking Channels (cont.)

NEKTTA's Central Reservations Service ("CRS")

NEKTTA offers its marketing partners a central reservations service, provided by Inntopia, accessible only through NEKTTA's website and funded by a grant. While a CRS of this type is a secondary source of business, it is, nevertheless, an important function for the community and a source of incremental bookings for participating properties.

- **Benefits to the Lodging Properties:** The CRS represents a supplemental distribution channel for lodging properties, used more often by first-time Visitors to a destination. Prospective Visitors typically expect a CRS to represent most of the area's lodging properties. While consumers may not book through the CRS, it is, at a minimum, an important referral source. As suggested above, if a property does not participate in the CRS, it cannot be sold and it cannot gain referrals from it.
- **Benefits to the Destination:** Since the CRS is often searched for on the internet by prospective Visitors to the Burke Area, it is important to attracting the critical first-time Visitors who may not be aware of any of the lodging properties in the Area.

Lodging Properties' Electronic Booking Channels (cont.)

NEKTTA's Central Reservations Service (cont.)

- **Challenges:** Participation among the Burke Area's lodging properties in the CRS has been far from universal for a variety of reasons. These include: (1) the time required; (2) difficulties in employing the technology; (3) a lack of high-speed internet connections; (4) resistance to paying a commission; and (5) limited understanding of inventory and rate management. Participating in the CRS is particularly challenging for property management companies due to the difficulties in managing a diverse inventory and the commission cost, given the sharing of rental income with the property owners.
- **Recommendations:** The decisions as to whether to participate in the CRS and how to do so are each individual property's. It is recommended that:
 - Properties provide inventories to the CRS, except on dates when they are certain of a sell-out or the resulting gross profit after commission payments would result in a loss.
 - Properties provide the same rates to the CRS that they are selling through its own reservations function.

Lodging Properties' Electronic Booking Channels

Online Travel Agencies (“OTAs”)

- **Description:** The Online Travel Agencies include such well-know reservations sites as Expedia.com, Travelocity.com, Orbitz.com, Hotels.com and Priceline.com. Originally developed to help sell excess inventories during recessions, these sites have grown in volume and have attracted a loyal customer base that is primarily rate-driven. Most offer both retail and merchant/wholesale models, with most volume driven through the discounted merchant models.
- **Benefits:** Properties participate with these online agencies because of their ability to sell rooms that would otherwise go unsold and increase their revenues. These OTAs can introduce travelers who frequent them to the properties.
- **Challenges:** The yield or gross revenue after commission is significantly lower and the time required to provide inventories to the OTA’s makes this channel a much lower priority for most properties.
- **Recommendations:** Most properties should focus on first increasing revenue through the direct-to-property and CRS channels of distribution.

Lodging Properties' Electronic Booking Channels

Travel Agencies' Global Distribution Systems ("GDS")

- **Description:** Unlike the previous channels, this channel is used by travel agents who use one of the GDS systems, namely, Sabre, Galileo, Amadeus and Worldspan, for their client bookings.
- **Benefits:** Pricing is typically consistent with what the properties sell through their own sales staff, and the channel provides access to travelers who utilize a travel agent. The commission paid to travel agents is significantly lower than the discount on business sold through the OTAs, but the yield is less than what is sold by the properties' reservations staffs.
- **Challenges:** The primary challenge to this channel is the time required to provide and manage the room inventories given to the GDS.
- **Recommendations:** The appropriateness of this channel is greater for those properties that have more rooms available, have lower occupancies and sell more commercial business.



VIII. Pricing & Inventory Management

Pricing Recommendations for Lodging Properties

Based on industry best practices and a review of selecting Burke Area lodging prices online, the following pricing recommendations are made:

- **Importance of Pricing:** Spend more time on setting and modifying your rates. This typically is an area of “low hanging fruit”.
- **Understanding Competitors’ Pricing Practices:** Understand how your competitors are setting and modifying their rates. Do they have midweek vs. weekend differentials that reflect demand differences? Do they frequently adjust rates based on supply and demand? Do they use Online Travel Agencies? The internet can be used to determine most of this.
- **Setting and Modifying Rates:** Set and modify rates based on several factors, including the prior year’s rates, competitors’ rates, demand, price resistance and value for price paid ratings (if measured).
- **Sell the Experience First:** Resist the temptation to quote a rate when the Caller asks for it. Get the Caller interested in what your property offers before quoting rates.
- **Boost Occupancy First:** In recessionary periods, rebuild your occupancy first and then rebuild rate

Pricing Recommendations for Lodging Properties (cont.)

- **Tier Your Rates:** It is common practice to increase room rates when market demand is strong or when demand exceeds supply. Typically, this means:
 - Weekends rates are higher than weekdays
 - Peak season are higher than shoulder season and off-season rates
- **Entry Rate:** Offer and promote an entry rate (e.g., a room type) to attract rate-sensitive shoppers.
- **Value of First-time Guests:** Recognize the importance of attracting first-time guests who can turn into repeat business and increase referrals. This may require offering a discounted rate.
- **Test Discounting:** Selective discounting is a best industry practice, but one that requires testing. A reduction in rates will often increase occupancy to more than offset lower margin.
- **Price Smartly, Avoiding Leaving Dollars on the Table:** Room rates should end with: 9, 7, 5, 3 (e.g., \$109, \$107), not 8, 6, 4, 2.

Pricing Recommendations for Lodging Properties (cont.)

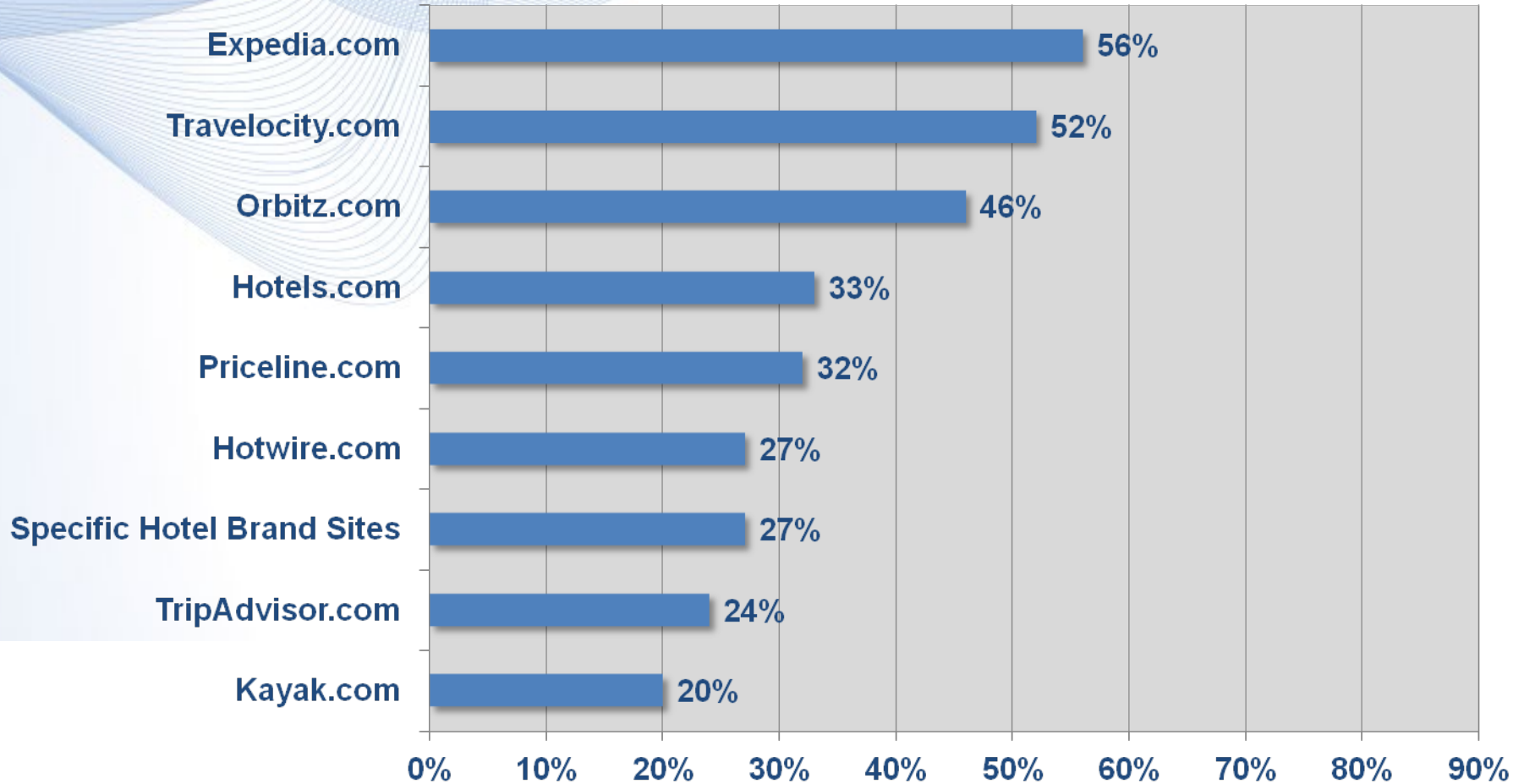
- **New Room Type:** Consider adding a room type at a higher rate, if demand warrants.
- **Packages:** Keep them simple. The more inclusions, the more complicated they are to communicate and administer, and typically the higher the price.
- **Successful Promotions:** The success of promotional offers is typically determined by: (1) whom you extend the offer to; (2) the strength of the offer; and (3) the creative execution of the offer. The first two are far more important than the creative execution. The more you limit the applicability of the offer, the less the impact.
- **Occupancy and Rate:** You don't take either rate or occupancy to the bank, but the product of the two, less expenses. Recognize that rate and occupancy are merely tools to build your revenue.

Inventory Management Recommendations for Lodging Properties

Based on industry best practices, the following inventory management recommendations are made for Burke Area lodging properties:

- **Minimum Lengths of Stay:** When appropriate, require minimum lengths-of-stay on peak demand days when sell-outs are expected (e.g., require a Friday or Sunday night along with a Saturday night); this reduces the likelihood that rooms will remain unsold in high demand periods
- **Distribution Channels:** Distribute your room inventory in multiple channels, consistent with the time required to manage them; if you don't have rooms available where a traveler shops, they cannot be sold. The websites most often used to gather pricing information and book reservations are shown on the following page:

Websites Used to Obtain Information and Prices



STR (Formerly Smith Travel Research)

- Founded in 1985, STR is the recognized leader in Hotel Performance Measurement.
- STR measures 3.5 million rooms in the U.S., representing 70% of all U.S. hotel rooms; all chain properties are required to participate.
- STR provides a variety of occupancy, Average Daily Rate (“ADR”) and “RevPAR” (revenue per available room) reports, all of which are confidential.
- Their reports are used by lodging properties, chains and management companies to guide their pricing and marketing decisions; their information is critical to consulting companies’ feasibility studies used to evaluate new construction.
- The Comfort Inn, St. Johnsbury, is the only Burke Area property currently participating.
- There are two standard reports that are relevant to the Burke Area, one for individual lodging properties and the other for BATTTC. These are summarized on the following page.

STR Reports

Hotel Survey Report

- Analyzes the lodging property's occupancy, Average Daily Rate, Revenue per Available Room (RevPAR) and % change, year-over-year
- Provides comparisons to Vermont and Vermont North
- Tracks performance over time (18 months)
- Data is entered online by lodging property for compilation by STR; confidential reports are delivered via email in Excel
- This report is free to each property providing its data to STR

Uses of Hotel Survey Report

This report is used by a lodging property to evaluate its occupancy, rate and competitive performance by:

- Comparing its performance to market averages (Is it keeping up with the market?)
- Comparing its performance to itself the prior year (Is it improving over a year ago?)

STR Reports (cont.)

Burke Area Custom Report

CVB's and other destination marketing organizations like BATTTC and NEKTTA subscribe to a custom report for \$2,800 (possibly negotiable). Information can be provided either monthly or weekly at this same price and there would be the ability to look at the data by geographic area within the Kingdom. STR Global recommends starting out with monthly data only.

STR is willing to provide this report to Hannah Marketing Group for one year at no cost. Hannah Marketing would provide the reports to BATTTC.

Uses of Burke Area Custom Report

- Drill down into the Burke Area to determine regional patterns of occupancy and rates, providing more relevant benchmarking for properties.
- Determine if there is demand to support any additional hotel rooms.

STR Reports (cont.)

STR Report Recommendations

The Hotel Survey Report provides important data to support the Burke Area's individual lodging properties, BATTTC and other stakeholders, including Burke Mountain and Kingdom Trails. The Custom (Burke Area) Report can be a valuable tool for BATTTC, NEKTTA and NVDA.

All lodging properties should be strongly encouraged to participate in the complimentary Hotel Survey. Assuming sufficient participation, the Burke Area Custom Report should be obtained from STR via Hannah Marketing for the first year. Based on the value to BATTTC, NEKTTA and NVDA, the report could be purchased thereafter, especially if the balance of the Northeast Kingdom also participates.

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IX. Positioning / Identity

Positioning

Brand and Positioning

- **Brand:** A destination or “place” *brand* is the sum total of all of the customer’s perceptions and experiences with it. The Burke Area’s brand is defined by how people feel about the destination and how they identify with it. These feelings, in turn, are based on experiences, advertising, word of mouth, the website, online travel reviews, editorial, etc.

Importantly, a brand is not necessarily what the marketer says it is or wants it to be, but what its target audiences believe it to be. Increasingly this is shaped by what is said about the brand within social media, particularly when the destination has a limited marketing budget.

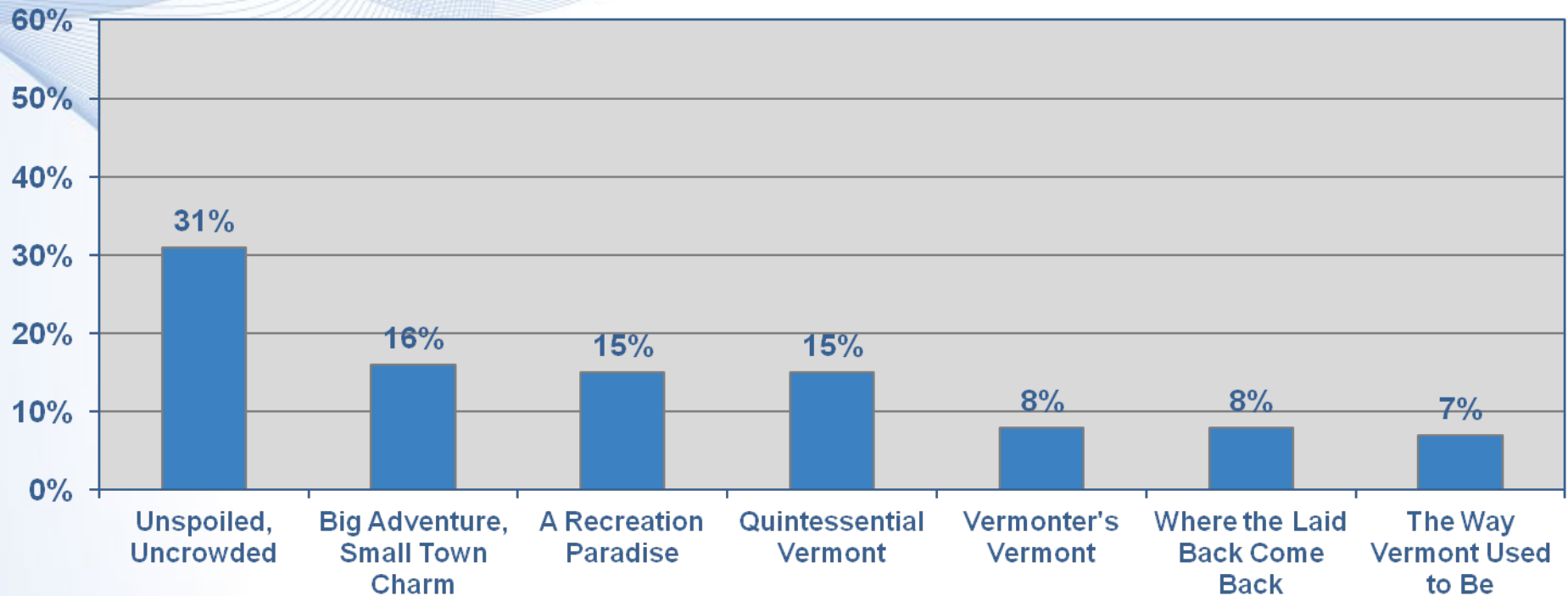
- **Strategic Positioning:** A destination’s *positioning* refers to how its target audiences perceive it relative to competing destinations on those attributes most important to them. An effective positioning, therefore, not only differentiates the destination from its competitors on the important attributes, but also serves to persuade the target audiences to frequent the destination rather than frequent its competitors. Most vacationers select their destination prior to selecting their accommodations.

Branding and Positioning (cont.)

- **Positioning Elements:** Primary research conducted for other destinations suggests that there are generally three attributes that are important in the selection of a destination. These attributes are: (1) Primary activities, (2) location and (3) quality. The primary activities are often referred to as “demand generators”. For the Burke Area, the primary demand generators are, as discussed above, relaxation and recreation, with the primary recreational activities being skiing and mountain biking.
- **Positioning Cues:** Each communication from the Burke Area to its target audiences serves as a “positioning cue” or “prompt” that may affect its positioning. These positioning cues come from product delivery, staff, advertising, direct sales, publicity, logo design, newsletters, events, the destination’s website, third-party websites and all other communication vehicles. It is important that all of the Burke Area’s communication – be it from BATTTC or the individual stakeholders -- reinforce the positioning objectives.
- **“Positioning Slogan” or Tag Line:** One often-used positioning cue is a marketing slogan or “tag line” that succinctly captures the key elements of the positioning. These slogans that have been used by to describe the Northeast Kingdom or the Burke Area include: “New England’s Last Frontier”, “The Real Vermonter’s Vermont”, “What Vermont Used to Be”, “Big Adventure, Small Time Charm” and “Make Your Trails”.

One Best Description of Burke Area

783 Lodging & NEKTTA Respondents



The Lodging and NEKTTA respondents' top three selections among seven alternative tag lines presented to them highlight the importance of the uncrowded, non-commercial environment, the small town charm and the adventure and recreational offerings. The Unspoiled, Uncrowded slogan resonates best with Burke Mountain respondents.

Positioning Recommendations

- **Strategic Positioning:** *The Burke Area is a quaint, rural vacation destination in Northeast Vermont, offering both relaxation and recreation in a spectacular uncrowded and upspoiled natural environment. With world-class mountain biking, skiing and many other recreational activities, charming inns and B&B's, the Burke Area offers Big Time Adventure and Small Town Charm.*
- **Taglines:** While the Burke Area can utilize different positioning slogans for different target audiences, it needs an umbrella positioning slogan that is effective for all seasons and all target audiences. The common demand generator for both the relaxation and recreation segments is the Burke Area's natural beauty. Examples of positioning slogans that encapsulate this are the following:
 - *Northeast Vermont's Great Outdoors*
 - *Nature's Playground*

One slogan that features the variety of recreational trails is:

- *Happy Trails to You*

Positioning

Positioning Recommendations (cont.):

- **Creative Positioning:** Once the recommended Strategic Positioning is finalized by the BATTTC, it should be turned over to a creative resource to apply to its marketing communication and adopt a tag line.
- **Application to Stakeholders' Marketing Communication:** Stakeholders should be encouraged to incorporate the final strategic positioning and/or tag into their marketing communication. This is critical to more quickly developing the desired identity.

X. Marketing Mix

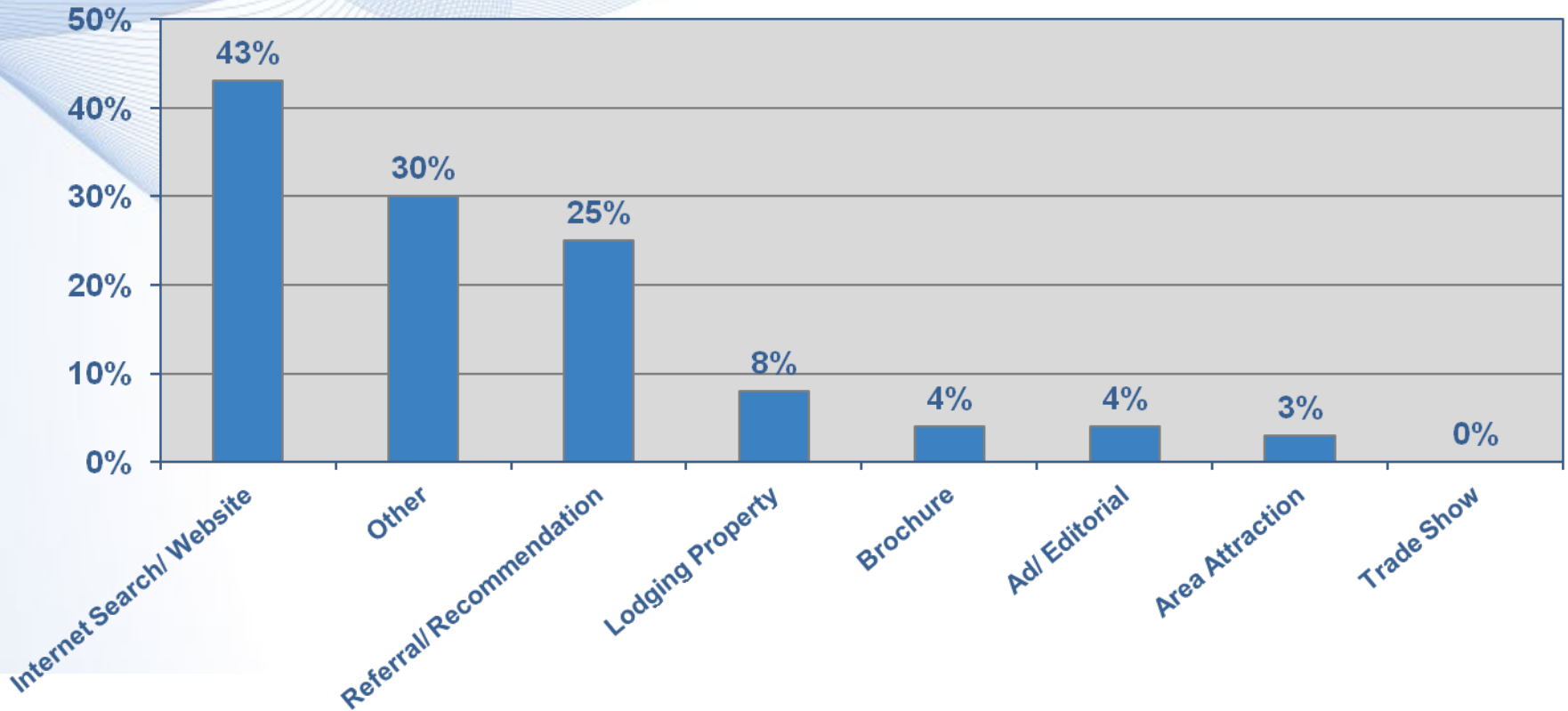
Marketing Mix Priorities for Destination Marketing

The Burke Area Travel and Tourism Committee is expected to raise approximately \$10,000 for the initial destination marketing of the Burke Area. These funds will be used to fund a part-time marketing position. The cost-effective priorities for this individual will be as follows:

- **Website and Search Engine Optimization (SEO):** As shown on the following page, the primary source of information for 1-time Visitors to the Burke Area is Internet Search/Website. Accordingly, this individual's first priority will be to enhance the Burke Area Chamber's website and further optimize the site organically for keyword searches.
- **Social Media:** Social media represents an important opportunity to engage current and potential customers. Specific opportunities include the following:
 - Facebook is the number one site for online word-of-mouth and the principal social medium used by hospitality marketers. The part-time marketing person should assist in managing the Burke Area Chamber's Facebook presence.

How One-Time Visitors (in 3 Years) Heard About Burke Area

256 Lodging & NEKTTA Respondents



For the Lodging and NEKTTA respondents who visited only one time in three years, Internet Search/Website was the leading source of information, followed by Referral/Recommendation. This confirms the importance of websites, search engine optimization and guest and Visitor satisfaction that drives repeat business and referrals.

Marketing Mix Priorities for Destination Marketing (cont.)

- YouTube represents another important social medium. Additional videos should be produced and/or solicited and posted on YouTube, with links to both the Burke Chamber's website and NEKTTA's website.
- Another important social media opportunity is to identify those who are blogging or otherwise writing about the Burke Area and communicate with them by telephone, email, Twitter, etc. These efforts can further strengthen viral communication promoting the Burke Area.
- **Publicity:** Even when a larger marketing budget is available in future years, paid advertising, other than in isolated, targeted media, will play only a minor role in promoting the destination. Publicity, on the other hand, can play an important role in destination marketing in light of its cost effectiveness and the PR-rich opportunities in the Burke Area. Therefore, the part-time marketer should work with the Chamber and NEKTTA on additional opportunities to publicize the Burke Area. This would include developing and distributing PR releases, helping to host writers, working with bloggers, developing new story angles, etc.

Marketing Mix Priorities for Destination Marketing (cont.)

- **A New Promotional Event:** As discussed above in the Product/Visitor Experience section, a new event should be created for Kingdom Trails. The individual should assist Kingdom Trails in creating and promoting this event.
- **Email Marketing:** Email marketing is a cost-effective way of promoting the Burke Area to Visitors and prospective Visitors. While it is typically more effective for individual stakeholders who can better engage travelers who have interests in common, email and e-newsletters can be used to inform recipients of the goings-on in the Area.

As the budget grows in future years, the first use of any incremental funds should be to convert the part-time BATTC marketer to full-time.

Marketing Mix Priorities for Lodging & Recreation Stakeholders

The marketing mix priorities for most Lodging and Recreation stakeholders should be the following:

- **Website and Search Engine Optimization (SEO):** This should be the primary communication vehicle.
- **Email Marketing:** For Lodging properties and recreational venues, email marketing is the most cost-effective marketing tool to reach past guests, in particular, as well as inquirers. A priority should be on developing, expanding and maintaining one's database, segmenting it based on interests, if possible, cleaning the list to keep it current and using it to communicate with, and promote to, past guests and inquirers. The destination should be promoted in these emails.
- **Social Media:** Social media is continuing to grow in importance as marketing vehicles for lodging properties, recreational venues, etc. The initial priorities here should be: (1) maintaining an up-to-date page on Facebook; and (2) posting videos on YouTube, with links to them from your website.
- **Pay-Per-Click Advertising:** Pay-per-click advertising, particularly on Google, would have a good ROI for Burke Mountain and Kingdom Trails, but would likely not be affordable for most lodging properties.

Website

Search Engine Optimization (SEO)

- **What It Is:** Search Engine Optimization (SEO) is the art and science of improving web pages so they will rank better in the Search Engines results pages.
- **How do you get pages to rank well?** The key to good rankings is relevance. The Search Engines are committed to returning the most relevant results they can find for any given search. It is important to make a website and its pages as relevant as possible for the terms for which they'd like them to be found. They also work to make certain that these very relevant pages can easily be found and indexed by the Search Engines because, if pages are not in the index, they will not rank.

Specific recommendations by Dr. Ralph Wilson, an E-Commerce consultant with Wilson Internet Services, include the following:

- Write a keyword-rich page title, removing as many “filler” words (e.g., “the”, “and”, etc.).
- Write a description META tag using keywords that appear on the webpage.
- Include your keywords in headers.
- Position your keywords in the first paragraph of your body text.

Website Search Engine Optimization (cont.)

Specific recommendations by Dr. Ralph Wilson (cont.):

- Create a site map.
- Develop webpages focused on each of your target keywords.
- Promote your contact information on every website page.
- Promote your video, images and audio content.
- Submit your site to key directories.
- Request reciprocal links.

Note: Additional recommendations can be found on the internet.

Guidelines for Email Marketing

Suggestions to increase the effectiveness of email marketing by the destination marketing organizations and stakeholders include the following:

- Comply with CAN-SPAM Act, including a verified sender name in the “from” line, a clear “subject” line, a visible unsubscribe button and a physical address. Refer to <http://business.ftc.gov/documents/bus61-can-spam-act-compliance-guide-business>.
- Immediately remove Unsubscribes from your database and from all future emailings.
- Aggressively build your permission-based list (do not buy it). Include guests and inquirers.
- Consider an email marketing company like Constant Contact or Create Send. These services provide good tracking data for opens and click-throughs. Time permitting, consider using Google Analytics.
- Include links to YouTube videos.
- Include link to your website.
- Personalize with the guest’s/inquirer’s name.

Guidelines for Email Marketing (cont.)

- Segment your list and emailings based on season and/or interests to increase their relevance; avoid email blasts, when possible.
- Use an attention-getting subject line. Test different subject lines to learn which lines and approaches are most effective.
- Avoid headlines that look like SPAM. Do not use caps and exclamation points. Words like “free”, “click here” and “guarantee” may prompt browser companies to block receipt of the emails.
- Most marketers are comfortable with at least one emailing per month, but monitor Unsubscribes to determine if frequency is too great.
- Do not provide your list to other marketers, and reassure your recipients that you will not share their information with anyone.
- Include interesting content, even when presenting an offer. This increases engagement.
- Include your social media links.

XI. Funding

The background features a complex, abstract design of overlapping, flowing lines in various shades of blue and white. A prominent horizontal blue banner with a fine grid texture spans the width of the slide, serving as a backdrop for the title text. The overall aesthetic is clean, modern, and professional.

Funding of The Burke Area Travel & Tourism Committee

- The initial funding of the Burke Area Travel & Tourism Committee, serving as the Area's Destination Marketing Organization, will need to be based on voluntary contributions from individual stakeholders, as well as any grants that may be secured. Sustainable funding will need to be secured, likely from a hotel tax or voluntary assessment.
- Hotel taxes are the primary ongoing funding source. According to the Destination Marketing Association International's 2009 Report, "91% of Destination Marketing Organizations receive hotel tax funding, averaging 77% of all revenue".
- Hotel taxes that are not used to directly fund DMO's, are also allocated to General Funds and to other specific purposes. The recession has reduced the allocations made from General Funds to many DMO's.
- Other sources of private funding include membership fees, co-op advertising and promotional programs.

Sustainable Funding Options

Among the sustainable funding sources for BATTTC are the following:

- **State & Local Governments:** These allocations have often been reduced or eliminated due to the recession.
- **Grants:** Grants are ideal for projects, but not are generally not sustainable.
- **Vermont Local Option Tax on Rooms and Restaurant Meals:** 1% tax now assessed by Brattleboro, Dover, Killington, Manchester, Middlebury, Rutland Town, South Burlington, Stratton, Stowe, Williston and Winhall.
- **Tourism Improvement Districts (“TID’s):** A sustainable funding source, typically from a lodging assessment. Initially developed in California, Montana and Washington, these TID’s shift the funding of tourism marketing from local governments.
- **Voluntary Tourism Assessment Fees:** These are typically 1% assessments on lodging, restaurant meals and rental cars. Based on 560 rooms X 365 nights per year X 40% occupancy X 60% capture X \$1.00 per sold room, this assessment would generate \$49,000, from lodging accommodations (excluding campgrounds).

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