

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: April 8, 2011 **Time:** 9:00 a.m.

Members Present: Willis O. Shay; *Chairman*, John Diamond; *Vice-Chairman*, Michael A. Keskin, John Munro, Bret Martin

Members Absent: Frank Soule

Staff Present: Debra Cyrilla; *Accounting Specialist*

Council Present: Bill Harkins, Kim Likins

Others Present: Jessica Gardo, Allison Chagnon, Brenda Ciapanna, Robert Stenhammer, Tom Ridgeway, Susan Thomas, Charlie Clark, Kathy Winings, Kim Nelson, David Tigges, Dave Zunker, Leta Salazar, Bill Miles, Ray Deal, Steve Birdwell, Ray Warco; Representatives from the Bluffton Chamber of Commerce/VCB, Kathy Bateson; Arts Center of Coastal Carolina, member of the public

Media: None

1. Call to Order:

The meeting was called to order at 9:00 a.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Approval of Minutes:

Mr. Diamond moved to approve the Minutes of February 14, 2011. Mr. Keskin seconded the motion. The Motion passed unanimously. (5-0)

4. Chairman's Report:

Mr. Shay reviewed the agenda.

5. Unfinished Business: None

6. New Business:

a. Hearing regarding the Chamber of Commerce and Visitor & Convention Bureau's proposed budget of expenditures for 2011-2012 of the 30% allocation of State Accommodations Tax Funds for advertising of tourism.

Bill Miles, President of the Chamber, began the presentation by sharing the news that Trip Advisor had announced that Hilton Head Island has been voted as one of the Top 20 Beaches in the country. The Trip Advisor website has about 40 million individual users and about 22

million members. The Hilton Head Island app is up and running as well as the new economic portal. In January of 2011 the Chamber's team undertook "Operation Engagement", which is a series of listening and conversation sessions with over 150 individuals, in various group sizes, from the business, tourism, restaurant, real estate and arts community, to get their views on how the island should be marketed.

Tom Ridgeway, Board Member for the Chamber and VCB Vice Chairman, spoke about how the Chamber is listening to its members and moving forward in this challenging economy with cross segment promotions. He spoke of the importance of marketing the island as a whole package including lodging, golf, restaurants, bike trails, beach, arts, etc.

Ray Warco, Board of Directors for the Chambers updated the Committee on the Chamber's yearly audit. The audit reports have been very positive and no problems have been reported. There was some discussion as to why the Chamber and VCB continue to be combined, sharing staff, etc., when throughout the country the majority of Chambers of Commerce and VCBs are run separately. Mr. Warco, Susan Thomas, Vice President of the VCB and David Tigges, Chairman of the Board explained that it was much more cost effective for this Chamber and VCB to remain combined. Mr. Tigges told the Committee that the Chamber/VCB function at a high level of efficiency and have accreditations by the American Chamber of Commerce and Destination Marketing Association International with a high level of return on investment. Ray Deal, Controller of the Chamber explained the salary and time allocations.

Steve Birdwell, Chamber Board Member and President of Sea Pines Resort, spoke in support of the Chamber's marketing and sales effort. He acknowledged that the Island is "tired" and a lot of improvement is needed. Sea Pines Resort has spent nearly \$30 million dollars on improvements at the resort over the past five years and they are developing plans to spend over \$50 million within the next five years. Realizing that a successful marketing strategy is critical, their plan will work in conjunction with the Chamber's marketing plan. He feels that the marketing plan that the Chamber is presenting represents a positive change.

Robert Stenhammer, Chamber Board Member and President of International Lifestyle Marketing, presented return on investment numbers from 2010 and goals for 2011 and expressed his support of "Operation Engagement". Membership metrics were distributed to the Committee and are attached. Susan Thomas joined Mr. Stenhammer and answered questions from the Committee. The Committee took a short break at 10:30 a.m. and resumed at 10:45 a.m. Ms. Thomas continued to review the membership metrics and answered questions from the Committee.

Mr. Shay invited Ms. Thomas to present a summary of the goals and objectives of the Chamber's new marketing plan. More emphasis is being made to accommodate consumer changes. They are investing more in mobile application, push mobile messaging, creating a blogs center, programs like reputation management and social media and much more. They are changing their marketing strategy to meet the consumer's needs and expectations. Promotions for special events can be emailed to consumers as packages and meta tagged, which will electronically record whether or not they actually booked with the lodging partner or bought tickets for the event. This service is available for any event that chooses to participate. Spring and fall shoulder seasons will be promoted more aggressively. They will continue to the build group sector for economic development and focus on lead generation. The Chamber is working with public and private leaders on a research and development plan. Mr. Diamond requested

that in the future, the Chamber do some objective competitive analysis from destinations that Hilton Head Island competes with and Ms. Thomas agreed. Ms. Thomas reviewed other programs the Chamber has planned utilizing the 2011-2012 budget.

Mr. Martin thanked the Chamber/VCB for their work and presentation. He was glad to see a lot of incorporated goals for the upcoming season. Mr. Shay agreed and added that a renewed effort on the part of the Chamber to focus on recent problems is very encouraging.

Mr. Martin made a motion to recommend that Town Council approve the budget as presented by the Hilton Head-Bluffton Chamber of Commerce and Visitors & Convention Bureau. Mr. Munro seconded the motion. The Motion passed unanimously. (5-0)

7. Adjournment:

Mr. Martin moved to adjourn the meeting. Mr. Munro seconded the Motion. The meeting was adjourned at 11:50 a.m.

Approved:

Respectfully submitted:

Willis O. Shay, Chairman

Debra Cyrilla, Secretary