

MINUTES of the NEVADA COMMISSION ON TOURISM
MARKETING MEETING
November 18, 2019

The Nevada Commission on Tourism Marketing Committee held a meeting at 9:00 a.m. on November 18, 2019 at 401 N. Carson St. Carson City, NV 89701 and by phone conference.

Call to Order

Brenda Nebesky, Acting Chair, called the meeting to order at 9:00 a.m.

Members Present:

Jennifer Cunningham
Carl Ribaud
Deny Dotson
Fletch Brunelle
Kristin Windbigler

Members who are absent/excused:

Staff present:

Brenda Nebesky, Acting Director
Mary Ellen Kawchack, Chief Marketing Officer
Kyle Shulz, Research Manager
Justin Taruc, DAG

Guests:

Jarrold Lopiccolo, Noble Studios
Erin Stiehler, Noble Studios

Roll Call and Determination of Quorum

NEBESKY: All right. Okay. It is 9:00. So, I think we should kick this off.

RIBAUDO: Great.

NEBESKY: Good morning, and welcome to the Nevada Commission on Tourism Marketing Committee. We'll start with all the housekeeping. Let me do a roll call first. For the record, Brenda Nebesky, Acting Director of Travel Nevada. Let me do a roll call of the rest of the Committee. Jennifer Cunningham.

CUNNINGHAM: Here.

NEBESKY: Kristin Windbigler.

WINDBIGLER: Here.

NEBESKY: Carl Ribaud.

RIBAUDO: Here.

NEBESKY: Deny Dotson.

DOTSON: Here.

NEBESKY: You are there. We know that. Fletch Brunelle.

BRUNELLE: Here.

NEBESKY: Okay. We do have a quorum. We can also confirm that we did properly post the Agenda. I think we're here to review some of the measurement documents that – oh, public comment.

Public Comment

NEBESKY: Is there any public comment? There is no one here in Carson. I don't see anyone in Vegas to provide public comment. Is there anyone on the phone who cares to say anything?

RASUL: Henna Rasul, Deputy Attorney General.

NEBESKY: Hello, welcome. Okay. Well, I think let's move on then to approval of the minutes.

Approval of Minutes

NEBESKY: Can I have a motion to approve the minutes from the last Marketing Subcommittee?

RIBAUDO: So moved.

DOTSON: I'll second.

NEBESKY: Second that by whom?

WINDBIGLER: I believe Fletch did.

NEBESKY: Oh, Fletch did. Okay.

TARUC: Madame Chair. This is Justin Taruc, Deputy Attorney General down in Las Vegas. I believe that Fletch did not make the motion.

BRUNELLE: Say it was somebody else's voice, but I'll second it.

NEBESKY: Okay. Who was that who seconded? Oh, was it Deny? Thank you Deny.

DOTSON: Okay.

NEBESKY: All those opposed, nay? Okay, so, minutes approved.

Nomination of Fletch Brunelle as Chair of the NCOT Marketing Committee

NEBESKY: Item D, this is for possible action. We at Travel Nevada have had several conversations with Mr. Brunelle about taking on this Subcommittee as the Chair. As many of you know, he certainly has the experience and perspective to bring a lot of insight to our discussions here. So, I would like to nominate Fletch as the Chair of the NCOT Marketing Committee moving forward.

CUNNINGHAM: Second.

NEBESKY: All those in favor please say aye.

GROUP: Aye.

NEBESKY: Any opposed? So, motion carries. Congratulations, Fletch.

BRUNELLE: Thank you. That's what happens when your aren't in the meeting room up there.

Review of Northern Nevada Image Selects

NEBESKY: Yes. Okay, moving on to Item E. BVK, as all of you know, is our creative agency of record. Today we'll take a look at some of the images from their asset collection in Northern Nevada to support the commercial spot, photos and asset

collection they've done in Southern Nevada. I'm going to turn it over to Emmy, who's going to walk us through a deck of some of the image selects.

KAWCHACK: Hello, this is Emmy Kawchack for the record. I'm not sure if anyone from BVK is on the phone, so I don't want to step on your toes. But I just wanted to briefly go through some of the selects we're working with the team at BVK right now to figure in how the selects will be applied digitally, and how we can bring them into our 30-second spot. Some of the spots that we were able to capture, we will – one of the reasons why we want to do this is to cut to more assets with families, more diversity of age and groups, and attractions.

So, we were able to shoot over at the Railroad Museum in Carson City. And we had a really cute family there. We also had a family doing some stargazing out in Great Basin. So, went from Carson all the way to Great Basin in four days. It was pretty incredible. Ward Charcoal Ovens. We were able to also capture some more families also doing similar activities such as biking and hard adventure outside of Ely with the mountain biking. Great Basin and then Sand Mountain, of course. Sandboarding. Captured road trips along the way. Some more fun out at Sand Mountain.

RIBAUDO: Nice panorama.

KAWCHACK: Yeah. Isn't that great?

RIBAUDO: You don't see that often.

KAWCHACK: That was a very last-minute [inaudible]. It was a great find. The BVK team did a great job. Tahoe, which it snowed that day in September.

CUNNINGHAM: Of course.

KAWCHACK: But great talent made it work. They don't look uncomfortable.

We did have some yoga on the beach as well. And we were able to capture murals. So, this is—these are really just examples right now so that you can see that – the last time we spoke, we were in progress right before—I think it was right before we shot. So, just so you can see that we're going to be working on that over the next few months. Hopefully, next year we can get back in the spring and get some more assets. Does anybody have any questions or comments?

RIBAUDO: Just a quick question on the motorcycle shots. They capture the feel. But those are not an accurate representation of what people would ride through Nevada. That is—again, they're great to use. But just so we know that that Harley would never make it much further than outside of Reno.

KAWCHACK: Emmy Kawchack for the record—

RIBAUDO: But the vibe is there. I get what you're doing.

KAWCHACK: But we definitely heard your comment last time.

RIBAUDO: Yeah.

KAWCHACK: So, when we get back on the road and we're able to capture more [inaudible] bike.

RIBADUO: And I only bring it up because Nevada has a unique competitive advantage to attract a certain segment. I think photography's part of that. So, as you guys evolve, I'm happy to chime in.

KAWCHACK: Absolutely.

RIBAUDO: But it does capture the vibe. I mean, see that guy working on that Harley? That's coming from a BMW rider, so take it with a grain of salt.

KAWCHACK: It is certainly a certain aesthetic, but we hear you.

RIBAUDO: Yes, I know. But the rest of it is great.

BRUNELLE: They are really well-done assets. Question for you. When are you looking at putting them out on social media? Is our plan to post them out? Because they're really good.

KAWCHACK: Emmy Kawchack for the record. Thank you, Fletch. These will be incorporated into our regular social media our ads through AdParlor. Once we have all of the assets, we incorporate those in with some of our UGC as well. Generally, our ads are through AdParlor ad social. So, organically, we don't generally post our consumer. But we can sure look at that.

BRUNELLE: Yeah, but they're really good.

RIBAUDO: I think they're great.

CUNNINGHAM: Jennifer Cunningham for the record. Yeah, I applaud the diversity in them, and they do portray that feeling and emotion. What great work.

KAWCHACK: Thank you.

CUNNINGHAM: Really pleased with it.

NEBESKY: I agree with you, Emmy. I think using these in [inaudible] paid though?

KAWCHACK: Yes. It—absolutely. Definitely paid.

RIBAUDO: Where are those dunes?

KAWCHACK: Sand Mountain.

RIBAUDO: Oh, okay. Right, right. I got it. It looks really good.

KAWCHACK: Okay. Thank you.

NEBESKY: Okay. So, everyone happy with that sneak peek?

CUNNINGHAM: Yes, very much.

Measurement Strategy

NEBESKY: All right. Let's move on then to Item F. Measurement Strategy. So, last meeting we touched on this, which was reaction to the prior full Commission meeting in which some of our reporting and recommendations had been questioned by the Commission. It became clear a review and reset in regard to how do we report to the Commission was needed with new Commissioners onboarding. And what is meaningful to them. As an advisory body, how do we encapsulate all the work that we do in a quarter, which is a lot.

And so, we started to talk about this. Carl was kind enough to provide us with a white paper that his company developed that's really interesting. Kyle, our Research Manager here at Travel Nevada has put together another document that lets you know some of the testing and data collection that he manages. Where should we start, Emmy? Should we have Kyle run through that document first?

KAWCHACK: Yeah, I think it would be great if we could walk through the – well, it's only one sheet here. But it's a good way to show what we collect as far as research goes. And it's a good level set. And we looked at each of these studies and the ways that we apply them, and also ways that we might be able to improve them in the future. Just so that everybody's on the same page and knows the information that we have available to us right now.

NEBESKY: I mentioned before the meeting started – I don't know if everyone is present, so I'll repeat it – that we are in a period of transition here at Travel Nevada. And until we have leadership defined, I think it's my job to just position us well going into the next biennium. Many of our legislative requests, that sort of thing, really have to be ready by the end of the first quarter of 2020.

We would then be working on a new strategy for the biennium. A strategic document. We've already worked on rewriting that. And we'd like to have a marketing strategy and, if possible, some sort of measurement document to accompany that. So, with that in mind, let's turn it over to Kyle, and he'll walk us through the document he provided.

SHULZ: Thanks, Brenda. So, yeah, I thought we would – it was useful to provide some of the research resources that we have at our disposal. What you see here is certainly not all of the things, but in the context of what may be most important to Commissioners and the public, these are some of the more important studies that we do that may be useful for reporting. So, I'll run through each of these fairly quickly. We can discuss later in more detail if you want to.

But the first study that we see here is the IME study. So, the Integrated Marketing Effectiveness Study. What it basically measures, or attempts to measure, is effectiveness of advertising through awareness, travel intent, destination perception. Certainly, there's—it's a big service. There's more things that we can measure. Those are, again, some of the more pertinent ones. That's done by the OmniTrak Group. We work in coordination with them. The Domestic Visitor Study gave us an overall profile of what a traveler to Nevada looks like. Again, that's done through the OmniTrak Group. The Economic Impact Study measures the economic impact of tourism throughout the state. So, you know—

RIBAUDO: Is that Dean Runyan's study?

SHULZ: That's Tourism Economics.

RIBAUDO: Oh, okay. Got it.

SHULZ:

But obviously, I do visitor spending employment, that sort of thing for the state as a whole. And then each individual county as well. The Resident Sentiment Study is a new study that we just got through fielding. That's with the OmniTrak Group as well. Basically, it tries to measure resident perceptions of tourism for the state as a whole and in each individual locality. Again, we will be discussing that further.

Discover the Facts is a quarterly publication that we compile internally, but we use multiple sources for that. So, the LVCVA state, the RSCVA, the Airport Authority for the Reno Tahoe Airport Authority, McCarran International Airport. There's multiple different sources that go into that. We just kind of compile and produce that report, again, quarterly. And then we work with Destination Analysts on the Web Usability Study and the Ad Evaluation Study. Essentially, those try to gauge the perception or reception of our advertising efforts and the website. We do those once per year.

So, I figured it would be best to go through with you some high-level stuff on some of the studies that we produce. So, the one you see here is the Integrated Marketing Effectiveness Study. So, we're doing this quarterly now. In FY19 it was a monthly survey. But one of the things that we try to measure is differences between those who are aware of our advertising and those who are not aware of any advertising that we do and seeing if there's any lift or incremental impact that we have in certain metrics.

So, that first chart you see is the Impact on travel intentions. So, those who are aware of any advertising that we do, considering Nevada as the next vacation at a 30% rate, whereas those who are not aware of consider Nevada as the next vacation at a 22% rate. There's about an 8-percentage point lift there. Same thing with those who are planning to visit Nevada in the next 12 months. Those who are aware, 41%, indicate that they do plan to visit Nevada in the next 12 months. Those who are not aware are 30%. So, we get an 11-percentage point lift there in FY19. Those who are aware, they travel more to the state and they also spent more based on the data that we have.

Another thing that we measure each year is the Impact on destination attributes. So, all those attributes on the left hand side we measure each year, and again, the difference between those who are aware and not aware is kind of how we gauge effectiveness in that respect. So, for example, those who say that they would post about traveling here to Nevada on my social media gets a 9-percentage point lift for those who are aware of our advertising, whereas

those who—the statement “I can gamble there,” people who are aware of our advertising associate Nevada less with that by about 8-percentage points.

One other thing that we look at is impact on people who may not be familiar with the state. So, people who are first-time visitors to the state or people who have never visited. And in that respect, we have greater impact than the total audience as a whole, generally. Not universally. So, in each of these attributes, again, we tend to see the lift in each attribute more highly associated with Nevada for those who are aware than those who are not. So, that indicates that we can move the needle with those who are not as familiar with the state.

So, as I mentioned, we just commissioned the—or we just finished fielding the Resident Sentiment Study for the first time. Again, this tries to gauge sentiment of tourism throughout the state. This is something that we’ve heard at conferences trending the last couple of years. So, we wanted to get on the forefront of it as well. One thing that is interesting from this study is that whether you live in rural Nevada, in the Las Vegas area, or in Reno-Sparks, your perception of tourism on the state as a whole is pretty – so, that second sort of chart you see there, those who live in the Las Vegas area have a perceived impact of 8.4 of tourism on the state as a whole. Reno-Sparks, it’s 8.3. And rural Nevada is 8.4.

So, whether you live anywhere in the state, your perception of the impact of tourism on the state is pretty unchanged. What is interesting is the perception of tourism in your local area. So—and this is not surprising, but it’s interesting to gauge just how much of a difference there is between people who live in Las Vegas versus rural Nevada, for example. But as you can see, the opinion of tourism as an industry in your city, town, or area, Las Vegas, the overall opinion is an 8.2 out of 10 of tourism in the Las Vegas area. Reno-Sparks, it’s 7.8. And rural Nevada, it’s lower at 7. Again, not necessarily surprising.

Similarly, with the perceived impact of tourism on your city or town, again, Las Vegas the highest, rural Nevada the lowest. Perceived impact of tourism on you and your family, interestingly enough, the gap kind of closes in that respect. So, Las Vegas area goes to 7.1 and Reno and Sparks and rural Nevada both have a 6.7 out of 10 on those.

The biggest difference that we see in terms of the perception of tourism on your local area is in terms of jobs. So, Las Vegas and Reno-Sparks, when it comes to the sentiments of creating many jobs for residents, providing more paying jobs, and creating jobs that have advancement opportunities, that’s the biggest difference between those two metro areas and rural Nevada.

There's also a lift—or a difference I could say in the perception that tourism provides shopping, restaurants, and entertainment for residents. And it's also much higher in the urban areas compared to the rural. And the perception that tourism enhances the residents' quality of life. Again, much higher in urban than rural.

One other thing that we thought was interesting that we might want to bring up is that bottom statement there. So, the level of agreement for the statement, "I feel like I have a voice in the area's tourism development decisions," Las Vegas, the level of agreement is 4.0 out of 10. Reno-Sparks is 3.8. Rural Nevada is 3.7. So, Las Vegas and Reno, obviously big metro areas. I would expect that people would feel less likely to feel like they have a voice in that tourism development decision than rural Nevada where the communities are smaller and it's more easily able to congregate residents. But rural Nevada actually ranks lowest on there. So, that's an area where I think the needle can be moved more easily and there can be more buy-in.

But again, those are things that we thought was kind of interesting from the Resident Sentiment Study. Again, we're just starting now to get the results in. These are high-level. We'll have more in-depth results later on. But we wanted to share with you some of the results.

We also wanted to share some market anecdotes with everybody. So, generally, we've advertised in more western short-haul markets. What we did notice was going through engagement on our website. Longer-haul markets are more engaged when it comes to the equivalent levels of sessions that's generated to the website than short-haul markets.

Again, this may not necessarily be surprising because, I mean, if you're further way, you're probably less than familiar with the state and you are probably more engaged on the website going [inaudible] page, that sort of thing. But it is still interesting to see just how much markets like Minneapolis, Chicago, and say, New York are more engaged than say, markets like Salt Lake City, Phoenix, or San Diego. Again, that generate equivalent levels of sessions to the website.

I should also point out that this is – we didn't include any of like, our advertising efforts in this. Just because that might be--those tend to be lower engaged than people who go to the website organically. So, this tries to be more of an apples to apples comparison.

STIEHLER:

So, it's just organic data then?

SHULZ: Yeah. So, it's organic search, paid search and then direct traffic and overall traffic.

STIEHLER: Okay.

SHULZ: And then that bottom graph that you see there is the average time spent in Nevada. So again, this is not anything that's surprising. The further you are from the state, the more time you generally spend within the state. I think it's interesting to point out though that markets that might – you know, larger long-haul markets that might generate more travel, markets like, Chicago or New York, [inaudible] like it's to Minneapolis possibly.

If we can find markets that have a large number of arrivals that also spend a lot of time in the state, there's an opportunity there to have a lot of impact. And as we learned from the IME study, markets that—or people that have less familiarity with the state we can have some more impact on. So, Emmy, I don't know if you have any thoughts.

KAWCHACK: Yeah. I think the last two signs that we went through show places where we can really change perceptions and make a difference. So, part of the conversation that we want to have, not just based on reporting but, you know, changing up those markets there might be time to have that discussion. I know that it's something that has come up a few times. And we really need to look at – especially as it works for—in our favor as far as perception. Because we can make an impact in those places.

We'll also have to look at what that means for the markets in which we already have been in for a few years and what we have—we might have what we got out of. For example, in L.A., because, you know, I know that a couple meetings ago, that the last two – this Resident Sentiment Study is good for in-state information, and then for [inaudible] and website data. It's kind of showing how we might have an opening there for some of those longer-haul markets.

NEBESKY: It's interesting to me – for the record, Brenda Nebesky. The relatively low impact perceived by residents in terms of tourism's effect on their family. Because it is our mission really to improve quality of life. I think that that is something we need to improve. Well, okay, Carl.

RIBAUDO: Me? [laughter]

NEBESKY: I know you brought notes.

RIBAUDO:

I did bring a lot of notes. So, it might take a few minutes. I apologize. This was great. Thank you guys very much for putting this together. I went through everything. I just do have some thoughts for you. The first is I sort of go to what is the measurement strategy? I think at the last meeting we identified that we really didn't have a clear one. And that's not unusual. Trust me. It's not unusual at all. And just as a general sort of framework, I look at it and say, "Okay, staff tends to look at what mediums are working. Is this ad working or is that media working or whatever at that level?"

This Marketing Committee needs data on how to shape strategy. Okay? Are we collecting the right data to shape strategy? And then I would think the Commission needs information. They don't want data, they want information to make a decision. Okay? And what they want to be sure is are we as a Commission making the right decisions? And so, you struggle to provide that. Okay? And what they want is are we reaching the overall goals for the organization? Okay?

I started thinking about that. What are the overall goals? And I went to your last strategic plan. And there are no goals. In fact, there's not even a section on strategy in this document. So, I'm glad you're rethinking the new one. Because what happens in these strategic planning documents is we tend to get hung up on initiatives and imperatives. And those are nothing more than priorities. They are not strategy. There's no explanation of how will we compete? And the ad agency can't give you that. They will give you a brand strategy. But how will we compete as a state really has to come back to you guys and us. Okay?

Once you understand what are the goals, then you develop a strategy, and then you have the measurement system that ties back into that. And so, you're missing a few of those pieces. But I think it's very fixable as you move forward. For example, when you talk about strategy, in my view, strategy is always about a defensible position in the marketplace. And are you reaching that defensible position? And you do a great job of measuring attributes.

But you know what? I could give you ten states with that same list of attributes. They are not differentiating at all. What really you should be looking at in terms of measurement is how are people feeling about this state? Do we have a unique vibe, a unique place in the market? A unique space in their mind? Okay? Then you could begin to say at the Board level or the Commission level, "We are moving people towards this defensible positioning that we've identified. And look at the economic impact of what we're doing." If I'm at a Commission level, that's what I want to know. Okay?

But, in the absence of that, we tend to throw everything up there. And then we bog it down into details and minutiae, and we're in the weeds and everything. But it really focuses back on what are the goals, okay, what is the defensible position, how we're going to do that, and then how we're going to measure that. I think you could look at this and say, "Look, you've measured a lot of good stuff. All this is good stuff. But you're not really getting the essence of what your task is, which is to create that defensible position in the marketplace."

The second thing is, I would look ahead. I'm glad to hear you're looking at other markets. And I would recommend you consider a ten-market national study. How do people perceive the State of Nevada as a place to take a vacation? L.A., New York, Miami, Chicago – everywhere that's got air service. A national study – and now, you're really beginning to see what the playing field is like. You know, do they perceive us as this unique space in the marketplace or are we seen as just part of the West?

You know, you really got to sort these things out. Then you can develop measurement strategy to answer these questions. And at different levels, it's different things. Again, the staff needs certain data. I would submit that this Committee should be deeply involved in shaping policy and shaping the strategy and having the right data that allows us to do that with you. And then the Commission has you frame it up for them. Here's our new measurement strategy. Here's what you're going to see. If you want to see the gory details, we got them. Okay? But here's the big picture stuff that you guys are going to see. Are we moving to position a defensible position for this state? And two, what's the economic impact of what we're doing? Not the state in general, but what we're doing.

That's sort of my in a quick overview nutshell. I could talk about this for hours. But you don't want to hear that. But that's my thought on how to reshape this. And you're at this great point because you can redo it moving forward.

NEBESKY: Yes. That's great.

CUNNINGHAM: Jennifer Cunningham for the record. That's what we do at the RSCVA, and it's so helpful on a staff level because we can defend our decisions with the data. And we go into markets – prior to going into a market, we do a pre-research to see propensity to visit our destination, as well as what is their opinion of our destination.

We pick those that have a higher propensity and a higher impression. That yes, Reno-Tahoe is a place I would like to visit in the next two years. And with that data, then we can talk to our Board and say, “We’re going into this market and this market, and this is why.” It’s data driven. Then you have armor around you to protect your decisions and support them.

KAWCHACK:

Right. Emmy Kawchack for the record. When you do those studies, and certainly, I’m sure Tahoe does that, Las Vegas, can we look at that data and maybe then compound on that? Because we would almost be – you know, and we were doing some of the research for Minneapolis in some other markets. Are we kind of doing the same thing? And asking the same markets the same questions. I mean, somebody going to Reno might have – you know, at least we know they’re coming here, right? Air service-wise. But then moving throughout the state – no, you don’t agree, Carl?

RIBAUDO:

No. And here’s why. You have a separate mission compared to the RSCVA. And so, I’m thinking you need to be showing some of these photographs of Nevada. And are people registering with those photographs? How are they perceiving the position of Nevada as a whole?

And so, I think you need a separate set of data. And again, maybe it’s not ten markets, maybe it’s seven. But I think you need a national picture to help shape future strategy. Otherwise, you always go back to what you know. And that’s not sort of forging ahead and creating new opportunities. That’s another thing that’s not in here, is what are the opportunities?

You know, we can talk another time about that. There’s a lot of good stuff in there, but I think it could be used and shaped a little better. But to your point, I think you need your own set of data, you know, getting your own information that drives your own strategy. And then it’s up to RSCVA and Las Vegas and the rurals to sort of meld into that in terms of how it all happens.

But if you’re not clear on where you’re going, okay, then everybody else is like, [pause] you know. And I say this from my experience in California. I sit on the Research Committee for Visit California, so I’ve seen what we do over there. And I’m just sort of trying to stimulate the discussion here, in that way – and again, it probably needs more discussion. But this is just my general take on it.

NEBESKY:

Brenda Nebesky for the record. I know our internal decision-making is driven by, obviously, internal discussion and what we know. We know markets are demonstrating interest beyond the six that we’ve been in. And the six that

we've been in for a very long time. So, it is time. It is time to formally do this and set forward a path and reporting, and it's – yeah. We need to do it.

RIBAUDO: I think it's go big or go home. Is sort of my mindset. It always gets you in trouble once in a while.

NEBESKY: Well, and I think the number of markets would be based on – okay, and Kyle could probably tell us. You know just on web traffic.

RIBAUDO: Yeah, whatever you're seeing.

NEBESKY: And the markets that have very high interest. Or maybe some that don't. Like I said, their level of awareness is so low, they don't even know to look.

RIBAUDO: Yeah. I think that you craft a strategy around air service, and you have global air service in the state. Global. So, there's really not much to take off the table. It's just what is your national and international strategy? And the national strategy, I would imagine, is over the next five years, you want to be attracting people from a variety of destination markets. That we begin to reshape the state in a way that is a revenue-driving episet. Because we know from data you have, people that come from longer away spend more money.

NEBESKY: Right.

CUNNINGHAM: Mm-hm.

RIBAUDO: Okay? And they will price out people that are driving here. And that will, in fact, drive overall revenues up to the state. That gets back to are we doing our job for the taxpayer? And there's a simple calculation. What's the total taxes generated divided by the number of households? And people would have to pay that money in taxes to the state. Here's what you're saving them. So, there is a way to help define that.

But I think the more you look at national markets – I mean, Las Vegas and Reno are great models to follow. But I think you can do it with the state with a very unique feel, a very unique defendable position in the marketplace. And it's not just the attributes. It is the vibe. It is that freedom. It is all those things that I've heard you talk about.

CUNNINGHAM: "Don't Fence Me In."

RIBAUDO: Right. But they don't get measured. And that's the pieces – is our advertising communicating to you, don't get—don't get fenced in? Or "Don't Fence Me In." Those are the kinds of measurements I think would be more helpful to the Board and to you guys as you move forward. It's the soft stuff. It's a tricky business this stuff. We tend to gravitate to what we can feel or what we can make tangible. The game of strategy is played in the intangibles.

NEBESKY: Mm-hm.

RIBAUDO: So—intangibles.

NEBESKY: Right. And that's a strong brand. One that can communicate or articulate what's different in those soft areas.

RIBAUDO: So, that's just my take. I don't want to upset the applecart but do want to upset the applecart.

NEBESKY: No, I'm in total agreement. I think it's time, I'm prepared assess our international investments. I think we should probably invest more in certain markets and less in others. It's clear already. And then, you know, we're internally very, very determined to have Nevadans be an audience. And we need a lot of inroads to get some programmatic stuff in place to do that. So, we have to measure that too.

CUNNINGHAM: Do you have money for additional research in the year? In the fiscal year? Because what Carl's talking about can be packaged. There's somebody out there that can make those recommendations on the right questions to ask. Or I'm sure Fletch and – Vegas and Reno certainly could provide you with our Visitor Profile Study or our Ad Effectiveness Study. But if you have the funds, that makes it a little bit easier to turn that over to someone.

NEBESKY: Right.

SHULZ: That'd be a question for Angie in finance. I don't know.

KAWCHACK: Emmy Kawchack for the record. We have a very small amount left for the rest of the year. I think we said that there might be enough for one study. But I think that we put that preferably towards the Resident Sentiment, which I think was a really good move. Because it did show that we can make an impact within the state. But we can look at it for starting July 1. But unfortunately, it'll be after the fact. And that's kind of how we always end up fiscal-wise.

RIBAUDO: Yeah. I think if you were to do a national look, it will change dramatically what you're doing. You know, we did this – I—and I recommend it to everybody. We did it in the ski industry, and we studied a dozen different cities. How Lake Tahoe and Reno stood up in the ski industry. And it was fascinating to see how in a number of places, we were ahead of Utah. Our perceptions were better. You know, Colorado was still the market leader. But it really began to shape our strategy. That's why we invested in the ski industry in New York. Because we saw the potential there and drove resource allocation decisions.

And that's what you want research to do is drive resource allocation decisions. And so, I think if you guys can find it, and – and again, what you may want to do is start with a zero budget for '19-'20 and say, "If we were to – just here's our total budget. We're not committing to anything. What do we want to now commit to with this in mind?"

CUNNINGHAM: You mean '20-'21?

RIBAUDO: Or '20-'21.

NEBESKY: Okay.

RIBAUDO: Whatever. Yeah, it's come '20-'21. Geez. What happened to Y2K, huh? So, I think there's what we want to do and then there's the process to get there. And that's something you guys are going to have to thread the needle on I'm sure and whatnot. But I think a year from now, you should be in a much better place information, measurements, and philosophy-wise of how you're doing things.

CUNNINGHAM: Do you have the flexibility in '20-'21 budget?

NEBESKY: We do.

CUNNINGHAM: Okay.

NEBESKY: We'll make some big-budget adjustments mid-year. So, if you could, yeah, have any money available to contract for a market study, maybe one that aligned with some of the air service studies you've been doing, Carl that would make a great deal of sense.

RIBAUDO: The other thing too is let's spend some time between now and then clearly defining what the strategy is. With this group. I would urge you to lean on this group. Not just pass it through this group. But lean on this group.

NEBESKY: That is our intention.

RIBAUDO: You know, to really – let’s clearly define what the strategy is and what the goals are that go into your new plan, and then we can set the measurement up coming in July to reflect that.

NEBESKY: Right.

RIBAUDO: So, it’s part of an entire holistic process, not just measurement strategy execution. It’s—think of it as an eco-system.

NEBESKY: For the record, Brenda Nebesky. We do want the strategic plan to truly reflect how we do business. We don’t want it to just sit on a shelf and not be reflective of us and our decision-making. That’s what that reflects is something that’s—

RIBAUDO: I agree.

NEBESKY: - outmoded and not anything we’d ever say to one another or make a decision considering.

RIBAUDO: Right. So, think of process, how you guys want to script it out, how you want to use this Committee, how you want to begin to frame the issues to the Commission. Use those meetings to begin to educate them and frame the issue up so that as it becomes implemented, you’ve already set the groundwork and the atmosphere, and they’re expecting it a certain way. So, it all becomes a strategy in terms of measurement strategy.

NEBESKY: Right. Do you have any thoughts about this, Fletch?

BRUNELLE: Sorry. Got a whole list of questions that will take a whole day. I won’t do that this morning. A comment about looking at the research that’s been done by the LVCVA and the RSCVA could be a good starting point. But just in general terms, understanding Carl’s point when we look at goals and strategies, I have not seen this crazy plan, so I can’t address what some of those things are that he was going through.

But looking at what our top markets are in Nevada, or getting people to Nevada, are we using Las Vegas and Reno to help drive visitation throughout the state? I think that would be an important part when you think about internationally when you look at the amount of traffic that’s coming to Las Vegas. And we know for a fact that those international visitors like to go and see the great

outdoors in the State of Nevada. I think we need to piggyback on what those different components are as well.

Without having seen a strategic plan, we'll be able to see what that is and also kind of get into more details of Carl's point on research. For us, we literally spend about \$3 million a year on research for the LVCVA through R & R Partners. And then I spend another \$700,000 directly at the LVCVA with Kevin Bagger and his team. So, to have that information so that it drives your decision is critical. Because without having that research foundation, your decisions are just gut feel.

Having a foundation of what people think about what we're trying to do and driving the decision of what the ad campaign should be, what their thoughts are as to what might be driving the behavior that we think is right. I think it's right on the mark. I would love to be able to dive into some more research and add some questions in terms of when I take a look at the studies that you've done quarterly, annually, monthly, those types of things, that you've got that foundation of research to be able to drive your decisions.

I'm guessing that BVK has some for you when they run the digital campaigns, whether or not it's after the fact, does it look like as I read through the documents that BVK will put together the campaign, we don't have the funding to test it until after we've launched the campaign. So, we've got to kind of get that straightened out for '20-'21 so that you're researching in advance. Make sure the message resonates. And then you execute on that. Again, I've got a whole bunch of questions, but I'll probably come back to you and Emmy and go through it after this call.

NEBESKY: Yeah. We've had some bad timing related to the creative development. Because normally, we do ad testing prior based on concepts. It's been a bit of a struggle in the past year to get that accomplished. But usually, that's the way that unfolds.

RIBAUDO: You know, the other thing too is there's a lot of ways to do some of this in a quick and dirty way too. It don't need to be \$20,000-a-pop studies to do things. We can talk offline about how to do some of that stuff. You know, it all goes back to the value of information. How much do you value the information of a certain study? And some studies, you can do a quick A/B test on different concepts without going the \$20,000 route. You can go a little cheaper. And we can talk about how to do that. Then there are some studies that you got to really get. We can talk a lot about that. But I think the opportunity to take a step back, look at the entire timeline, strategy, creative process, measurement,

and redo the timeline so you guys are ahead of where you want to be. And we can work accordingly. So, use the opportunity to restructure the process.

NEBESKY: Yes. I think we're all ready for that. We don't want to be reactive.

RIBAUDO: You're chasing it.

NEBESKY: Right. Yes, we are.

RIBAUDO: You're chasing it. I can see it and you're doing a great job chasing it. But I think what you're hearing today is let's stop, get the big wall map out, and you know, let's restructure this to your advantage, to the agency's advantage. Not to the calendar's advantage.

NEBESKY: We have talked about that. Let's just take a pause, reset, maybe stop, you know, creating new content while we – you know, Jared and his team are doing incredible work to get our website in a place we wanted it to be for years. We're ready I think to work smarter not harder all the time. Okay. Well, anything else to say regarding Item F?

RIBAUDO: I'm glad to see you guys attacking this.

CUNNINGHAM: I am too.

NEBESKY: Thank you.

CUNNINGHAM: Thank you.

RIBAUDO: It's bold. A lot of agencies wouldn't do it. So, I applaud you guys for putting it out there and taking a leadership role and be willing to take a hard look at – the hardest thing to do is always attack yourself. And nobody likes to do it. But it is the thing that produces the best results. And you guys are doing that, and I applaud you for doing that.

Reporting Considerations

NEBESKY: Thank you, Carl. Well, let's move on to Item G then. Reporting Considerations. I think we've sort of talked about that in the discussion we just had. So, maybe at our next quarterly meeting, we'll have some one-on-one discussions in between. We'll kind of set up that meeting to begin to talk about a rewrite of the strategic plan. New markets. We'll just move all of these conversations

forward. Really, our goal should be to be ready by next fiscal with drafted, if not completed documents, would be my goal.

RIBAUDO: Yeah. How big is your database?

SHULZ: Of?

RIBAUDO: People in your email database.

KAWCHACK: Emmy Kawchack for the record. We just changed over to HubSpot. We lost a lot of people on our database in the last year.

SHULZ: It's around – in terms of those who are like—

RIBAUDO: Ballpark.

SHULZ: --subscribatory emails, about 80,000.

RIBAUDO: You have an incredible test market right there.

SHULZ: Yep.

RIBAUDO: Incredible resource to test ideas, concepts, strategies at dirt cheap expense. So, we have a laboratory to test ideas.

NEBESKY: Mm-hm.

SHULZ: That's a good point, yeah.

NEBESKY: Yeah. I mean, all we've done so far was A/B testing in regard to content response. We haven't really done any—

KAWCHACK: Emmy Kawchack for the record. Website, we've done a lot of CRO through those efforts. And then Fortuna Digital, we're always looking at what's performing. And it's a matter of extracting that. Kind of being all together. You know, we're asking all these questions, and I think that that's guiding how we're going to redo the website. But that's one part of a much bigger picture.

NEBESKY: Yeah.

KAWCHACK: It's putting all of those pieces together, including the results of the ad marketing effectiveness.

Committee Comments

NEBESKY: Okay. So, let's move on then to Item H. Committee Comments. Is there anything anyone would like to say about any subject?

RIBAUDO: What's your contingency plan for a recession? What is the contingency planning for an economic slowdown?

CUNNINGHAM: That's a good point. We're [inaudible] working on ours. And I can share it with you if you'd like to see what we've planned out.

NEBESKY: Okay. Perfect.

RIBAUDO: You know, how would your message shift? What would be the changes? You should be thinking about that. You know.

NEBESKY: Correct. For the record, Brenda Nebesky. We have to start, you know, formalizing our budget for the next fiscal soon too, so that would be part of it.

KAWCHACK: Emmy Kawchack for the record. I think Discover Nevada will bring that into Nevada. It could be a great part of that. I mean, nobody wants it. You know, economic. But I think that [inaudible].

RIBAUDO: I think you have to look at a recession or a slowdown as a strategic opportunity. And what will be your strategic opportunities to take advantage of a slowdown? How would you rearrange what elements? What budget shifts—

NEBESKY: More marketing locally.

CUNNINGHAM: And internationally.

RIBAUDO: —would you make? I'm really big into scenario planning now. So, that's my new thing. But you got to begin to think about these scenarios and how they become not painful, but opportunistic. That's my comment.

NEBESKY: Yes, we are aware of that. But, we haven't put anything on paper yet. Let's move on to Item I. Public Comment.

Public Comment

NEBESKY: Is there anyone in Vegas, Carson, or on the phone who would like to say anything? No.

Adjournment

NEBESKY: So, let's move on to Item J. Adjournment. Can I get a motion to adjourn?

CUNNINGHAM: So moved.

NEBESKY: Any seconds? Anybody? [laughter]

BRUNELLE: Second. Fletch. [laughter]

NEBESKY: Thank you, Fletch. All those in favor say aye.

GROUP: Aye.

RIBAUDO: Congratulations, Fletch.

NEBESKY: Yes. Congratulations, Fletch. We'll be in touch.

BRUNELLE: Yes, I've sent you an email.

NEBESKY: Thank you.

CUNNINGHAM: Well, thank you. And thank you, everyone, from the AG's Office. We appreciate your participation.

The meeting adjourned at 9:53 a.m.

Respectfully submitted,
Dee Chekowitz-Dykes, Executive Assistant
Department of Tourism and Cultural Affairs
Nevada Commission on Tourism