

Status of OTRD Advertising & Marketing

Presented to TPAC
June 14, 2012



The Oklahoma City and Tulsa DMAs are flooded with television ads from Arkansas, Kansas, Missouri, Louisiana and even Wyoming. This apparently has caused concern about the fact that we did not purchase television for a Spring campaign. Oklahoma has typically had a TV presence this time of year and that's what you expect. However, doing the same thing doesn't always produce the same results.

NO SPRING CAMPAIGN



DICK DUTTON
DIRECTOR OF TRAVEL PROMOTION

Cable and satellite television, the widespread use of DVRs and a number of other factors are making television a much less effective advertising medium.

"The inconvenient truth of live TV viewing's ongoing decline should be on the minds of everyone in the ecosystem. The days of forcing viewers to tolerate almost a minute of advertising for every two minutes of TV programming they viewed are fading. With DVRs now approaching 50% of American homes, viewers are more in control than ever, and live viewing's decline will accelerate."

(Videonuze.com, ["With Live TV Viewing in Decline, 4 Reasons Why Online Video Advertising's Appeal Should Grow"](#))

***IMPACT OF TELEVISION
IS DECLINING***

Research is beginning to reveal some interesting data about viewing habits:

- In May 2012, Nielsen Research stated that last year, for the first time, the number of households with at least one television set and cable, satellite or antenna connection declined. The number of TV households dropped to 114.1 million from 115.9 million, even as the population grew."
- Television is on more hours per day, but research is showing it becoming a "white noise". A recent study by Ball University showed that TV is becoming increasingly a passive media. More than 20% of total TV viewing is regarded as a secondary activity which is on in the background, but the viewer is occupied with another focus. People are multi-tasking while in front of the television set, using Facebook, Twitter, texting and other social media while the set is on. This emphasizes the need to be able to communicate with the viewer on multiple platforms.
- Research is showing an increasing number of households are reevaluating the increased cost of cable and satellite services. Many are considering dropping their services and using the internet as a primary source of video viewing.

VIEWING HABITS ARE CHANGING

No doubt, television is still the most widely used advertising medium around the globe and it will be part of the mix for the foreseeable future. The key word in that statement is: mix. The days of macro-marketing with feel good image ads are over. An effective media plan incorporates both the utilization of multiple mediums as well as micro-marketing to targeted geographic, demographic and special interest segments of the population.

IMPORTANCE OF MACRO AND MICRO MARKETING MIX

- General targeting by age and using a laundry list of activities is not the most effective way to engage.
- Use multiple mediums, in addition to television, to target people by interest, not age.
- Nearly everyone researched online for vacations.
- The more specific and directed the appeal, the better. For example: "Just a 3 hour drive from Dallas."
- Most in Dallas had been to Oklahoma, but still had a lot to learn about what the state has to offer, including festivals.
- Need to show what is uniquely Oklahoma that visitors can only get by coming to the state.
- Television should give specific enough information that will allow people to look up destinations, by name, online or research them more.

2011 FOCUS GROUP FINDINGS

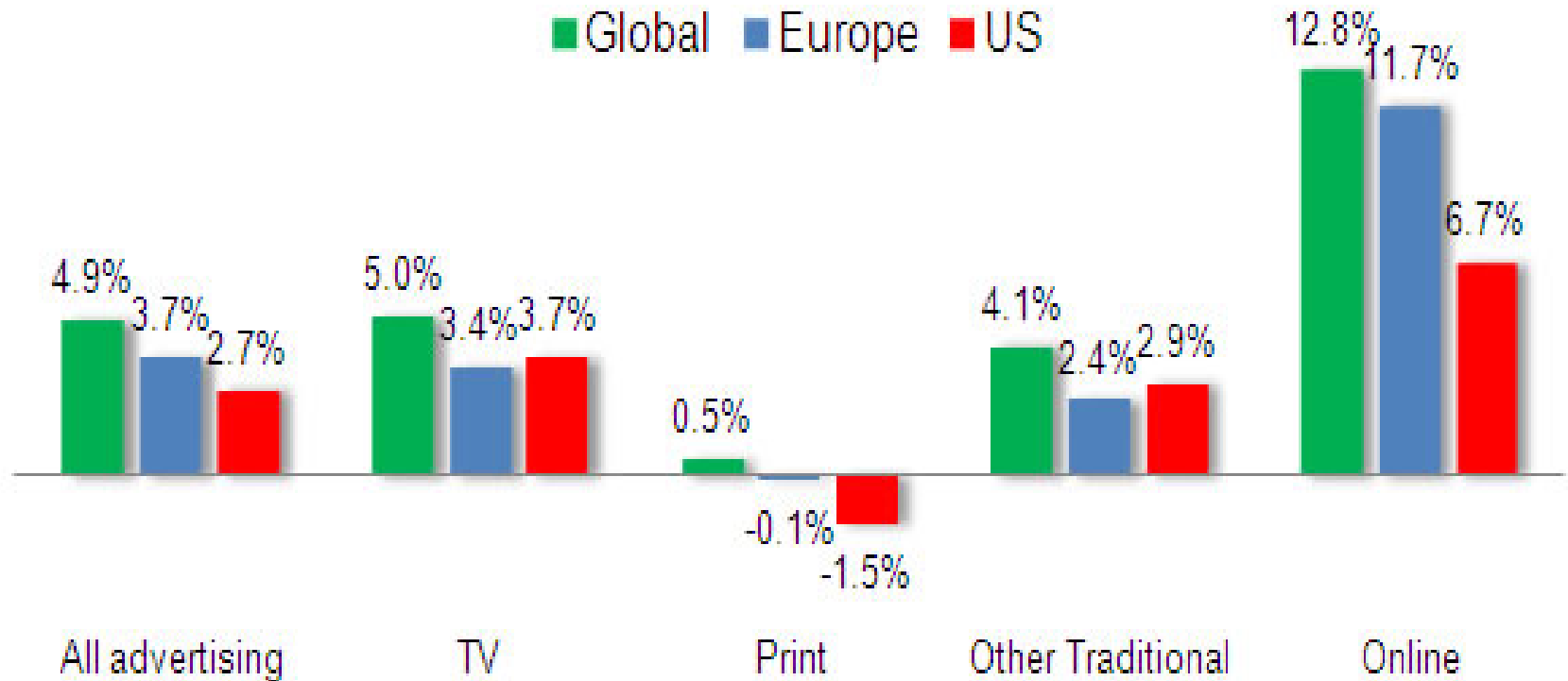


According to MediaBuyerPlanner.com, in 2012:

"Online spending will lead in terms of growth in the US: online is expected to grow by 6.7% this year to \$27.4 billion, versus 3.7% for TV and 2.9% for other traditional formats. Print is expected to decline by 1.5%."

GROWTH OF ONLINE SPENDING

Year on year advertising spending growth: 2011 - 2012



Source: Strategy Analytics Global Advertising Forecast 2012

The Internet remains the leading source for travel planning information in the US, according to the Traveler's Road to Decision 2011 by thinktravel with Google.

The report found that **85% US personal travelers (up from 79% in 2009) used the internet as travel planning sources, compared to TV at 22%**

Travel planning sources:

- **Internet: 85% among personal travellers / 78% among business travellers**
- Family, friends, or colleagues: 60% / 38%
- Information brochures: 32% / 28%
- Magazines: 24% / 25%
- **TV: 22% / 26%**
- Travel agents: 18% / 36%
- Books: 18% / 19%
- Newspapers: 12% / 19%
- 800 or toll-free number: 11% / 23%
- Travel groups: 10% / 20%
- Radio: 7% / 14%

([Thinkinsights](#), January 2012)

THE INTERNET REMAINS THE LEADING SOURCE FOR TRAVEL PLANNING

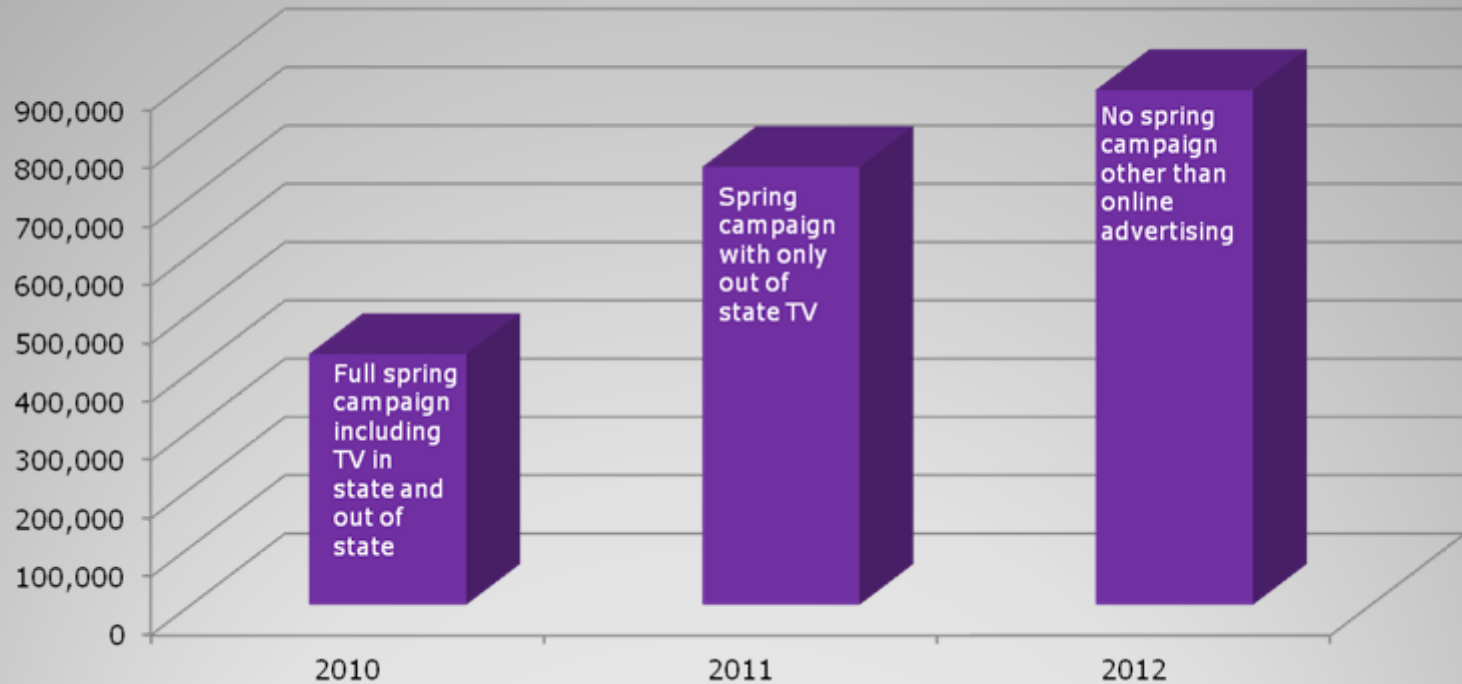


JENNIFER KALKMAN
DIRECTOR OF MARKETING

- Our primary marketing and inquiry response tool is the TravelOK.com website.
- All advertising efforts are intended to drive traffic to the website where they can convert by linking to industry websites and booking sites, finding contact information, mapping destinations and ordering brochures. Therefore, TravelOK.com metrics are the best source of empirical data on advertising effectiveness short of fielding a conversion study.
- Our website metrics support the fact that we have, indeed, become more effective at driving traffic to the website over the past three years. In 2010, we ran a full-blown spring campaign complete with TV ads in all of our traditional in state and out of state DMAs. In 2011, the political climate and budget cuts forced us to eliminate the in state portion of our TV buy until June. Yet, we were able to achieve a growth rate of 75% in website visitation over 2010 by utilizing paid search. And in 2012, we have no TV running in any market and yet we have again increased website traffic with an 18% growth rate over 2011 and 105% growth rate over 2010. This is due in large part to improved efficiency in our paid search efforts, our new online display advertising campaign and improved organic search engine rankings.

***INCREASED ONLINE GROWTH
WITH NO TV CAMPAIGN***

Website Visits



Source: direct measurement of TravelOK.com on Adobe Omniture SiteCatalyst for January 1st through May 19th of each year.

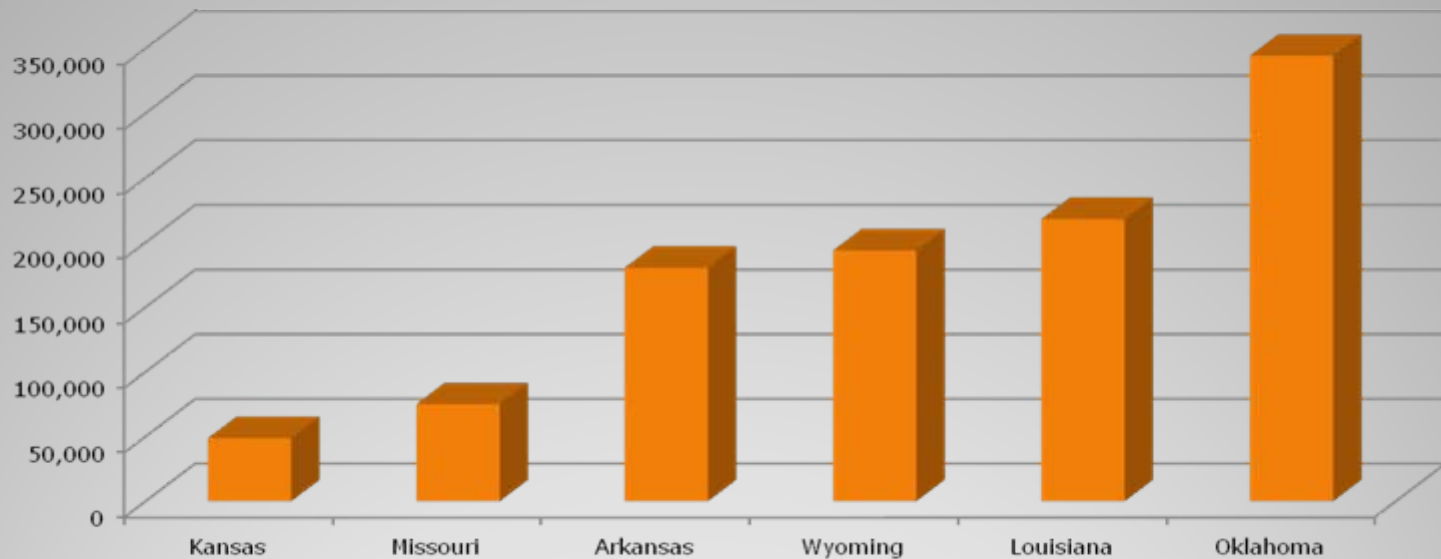
***WEBSITE TRAFFIC
HAS INCREASED IN 2012***



Our traffic is stronger than competing states (Arkansas, Louisiana, Missouri, Kansas and Wyoming) whose TV commercials are bombarding Oklahoma citizens. Although we are not running any TV commercials in Oklahoma or our typical marketing areas of surrounding states, our website traffic is outpacing each of the states listed above who are airing commercials in our state. This data comes from a third-party source, Quantcast.com, and represents the most recently reported data. In fact, TravelOK.com is consistently ranked among the Top 10 state tourism websites in the nation with rankings as high as #6 according to Quantcast.com.

TRAVELOK WEBSITE TRAFFIC IS STRONGER THAN COMPETING STATES

Website Traffic for States Currently Advertising in Oklahoma



Source: Quantcast.com, January-March 2012

***TravelOK HAS SIGNIFICANTLY HIGHER
WEB TRAFFIC THAN STATES
CURRENTLY ADVERTISING IN OK***

- After determining that paid search advertising was the most effective tool in our arsenal as far as cost per referral and quality of lead, we have stepped up our paid search buy.
- We have a sophisticated paid search structure with 405 different ads and over 3,296 keywords relating to Oklahoma travel.
- So far in 2012, our paid search ads have received almost 13 million impressions and 432,918 click-throughs at an average cost of just \$0.68.
- Users that click on our paid search ads view an average of seven pages on TravelOK.com, demonstrating that they are interested in our content and are strong leads for us.

***WE'VE INCREASED OUR MOST
EFFICIENT MEDIA BUY – PAID SEARCH***

- For the first time, this year we've added banner ads to our online marketing efforts. This campaign enables us to display banner ads of various sizes including squares, rectangles, vertical skyscrapers and horizontal leaderboards on sites across the Internet.
- We are currently running ads on 12 diverse topics such as family attractions, state parks, wineries and Oklahoma zoos. We are also working on additional ads for cities and more niche topics.
- The ads are targeted contextually, geographically and behaviorally to most efficiently reach the audience with the highest propensity to travel to Oklahoma.
- So far our ads have been displayed over 242 million times on 18,111 websites and have generated 123,579 click-throughs to TravelOK.com at an average cost of \$1.18.

***WE'VE ADDED ONLINE DISPLAY ADS
THROUGH THE GOOGLE NETWORK***

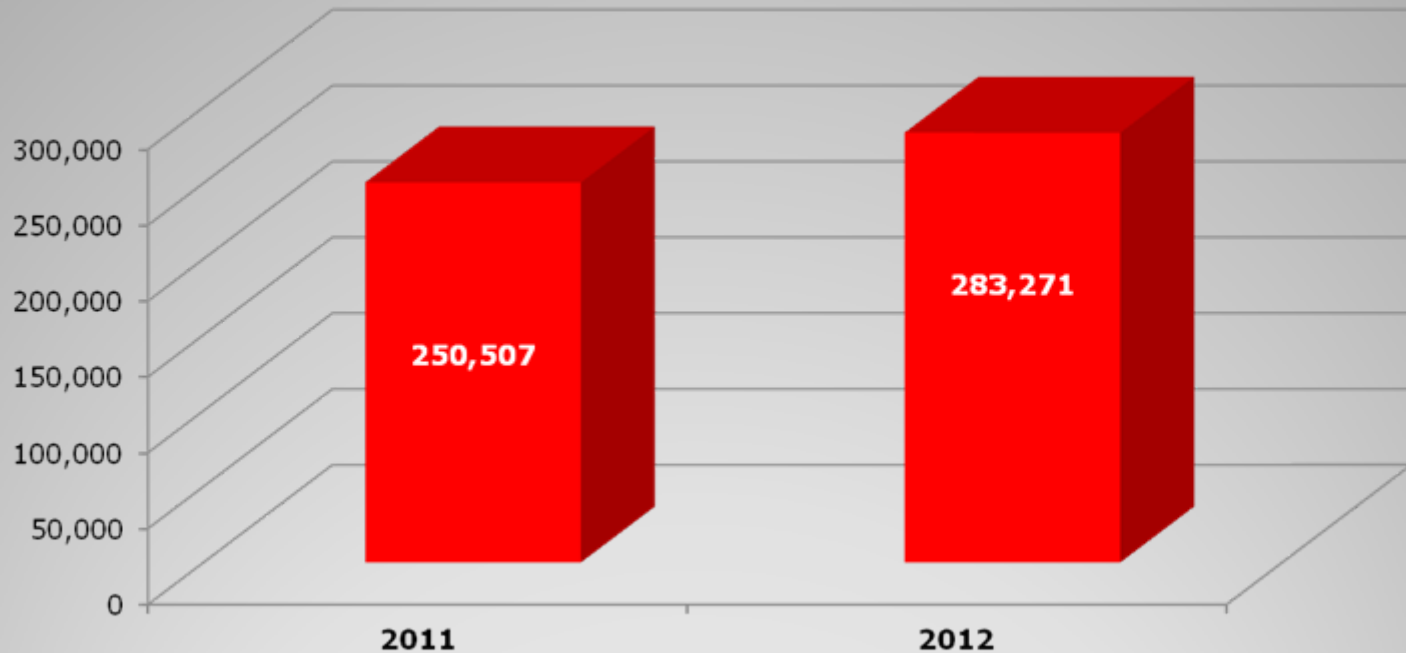
- By studying and implementing best practices for search engine optimization our digital content team has been busy building our library of site content and constantly improving the search engine friendliness of our 17,000+ listings.
- Organic traffic is the most highly prized since it is free of cost to us and results when we earn high search engine rankings through quality content.
- So far in 2012, we have seen a 68% growth rate in organic search engine referrals over the same time frame last year and a 375% growth rate over 2010.

CONTENT MARKETING EFFORTS HAVE IMPROVED ORGANIC TRAFFIC ON TRAVELOK.COM

- In addition to on-site content, some travelers prefer to use hard copy brochures when planning their travel.
- TravelOK.com partners with the Oklahoma tourism industry members to provide approximately 100 brochures in a one-stop shop on our site.
- The more brochures ordered, the more marketing materials are put in the hands of consumers who are planning vacations, and we've seen significant increases in the number of brochures being ordered through our fulfillment program.
- So far during 2012, we've fulfilled orders for 283,271 brochures, which represents an increase of 13% over the same time frame in 2011.

***BROCHURE ORDERS HAVE
INCREASED SIGNIFICANTLY***

Brochures Ordered



Source: OTRD fulfillment program statistics via Siebel for January-April 2011 and 2012

***BROCHURE ORDERS INCREASED
WITHOUT A SPRING TV CAMPAIGN***

- After a year-and-a-half-long concerted effort to raise the awareness of and increase the subscriber base of the TravelOK.com monthly eNewsletter, we are seeing strong results and reaching more consumers than ever before.
- We began 2011 with 33,904 subscribers and grew to 43,560 subscribers by the end of the year, which represents a 28% growth rate.
- So far in 2012, we have already increased the subscriber base by another 14% with the April eNewsletter reaching 49,650 subscribers.
- Topics covered in our monthly eNewsletters run the gamut from the Top Things to Do in Oklahoma City and Tulsa to statewide roundups of festivals to family destinations.
- Each month we highlight a target theme, offer a trip giveaway contest, feature festivals and events for the upcoming month, and spotlight deals and coupons.

***OUR E-MAIL PROGRAM HAS A GROWING
SUBSCRIBER BASE AND IS DRIVING
INCREASED TRAFFIC***

eNewsletter Subscriber Base



Source: Miles Media monthly e-mail report via SilverPop e-mail and online marketing platform

E-NEWSLETTER SUBSCRIPTIONS INCREASING



DEBY SNODGRASS
EXECUTIVE DIRECTOR

- Impact of TV is declining and will likely decline even more rapidly when devices like Apple TV come out this year
- An effective media plan incorporates the utilization of multiple mediums as well as micro-marketing to targeted geographic, demographic and special interest segments of the population
- 85% of personal travel planning in the U.S. is done on the Internet (compared to TV at 22%)
- Our target markets are the surrounding states; Texas is an underserved market for Oklahoma. Ads targeted specifically to Texas would be well received according to the focus group findings.

CONCLUSIONS

GOING FORWARD



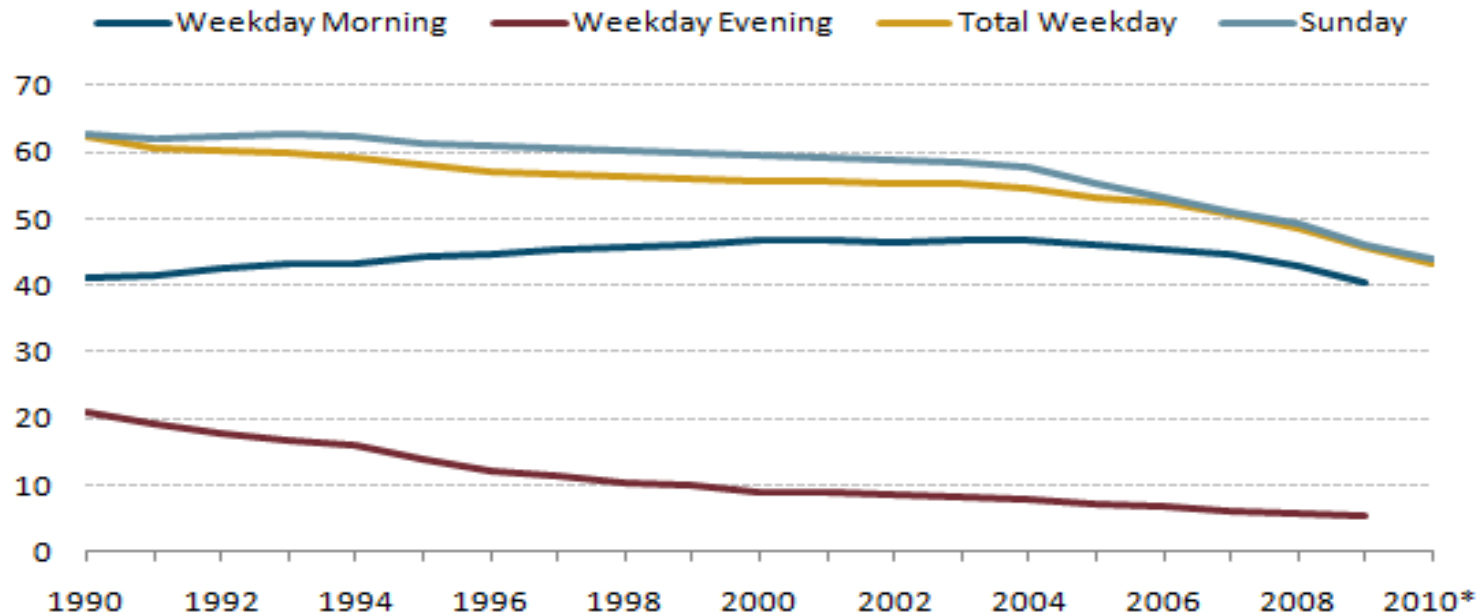
- The image ad campaign presented at the last TPAC meeting is still in development. The focus groups conducted last year indicated:
 - Having a celebrity associated with a travel ad – just for the sake of it – is viewed somewhat cynically
 - If that person were engaged in or doing something unique to the state...that could work.
 - Having a famous voice-over or even multiple ones on the same ad could work.
 - People want to know what is uniquely Oklahoma and these celebrities are home grown.
- When we originally talked to the first celebrity, we indicated we would need them for more than TV. However, at the moment, this is a negotiation point.
- We will reach out to additional celebs and use them in a variety of mediums.

TELEVISION

- Continue to grow the website's presence, reach and content
- Develop a mobile-optimized site and apps
- Increase 360 degree tours of tourism sites
- Invest additional capital to improve the quality of graphics, photography and video content
- Utilize the website for micromarketing to specific interest groups through email
- Utilize the website to survey users and deliver personalized content based on interests
- Continue to increase organic traffic
- Continue to refine digital advertising and paid search

TRAVELOK.COM

A 20-Year Slide in Paid Circulation *In Millions*



Source: Editor and Publisher Yearbook

Note: 2010 figures are estimates by Rick Edmonds based on the period ending Sept. 30, 2010.

PEW RESEARCH CENTER'S PROJECT FOR EXCELLENCE IN JOURNALISM

2011 STATE OF THE NEWS MEDIA

NEWSPAPER CIRCULATION IS DECLINING

- Despite declines in newspaper circulation, weekly papers and community newspapers in Oklahoma can be used effectively to reach target audiences
- Brochures will remain part of the mix
- Direct mail will be utilized to reach special interest targets
- QR Codes and coupon offers will be used to provide print metrics. If it isn't effective, there is no reason to repeat it.

PRINT

- OTRD will continue to have a presence at targeted trade shows
- This year, the agency initiated Corporate Road Shows at large employment venues: Blue Cross Blue Shield, Devon and Farmers were all very successful.

TRADE SHOWS

OTRD's goal is to effectively manage the state's tourism advertising programs to optimize economic impact. This requires a shift in both strategy and tactics.

While the agency's mission is to advance and support the tourism industry, we are also accountable to the taxpayers. Therefore, all of our advertising must produce measureable results to be sustained.

The TravelOK.com results presented today indicate that we are on the right track.

BOTTOM LINE