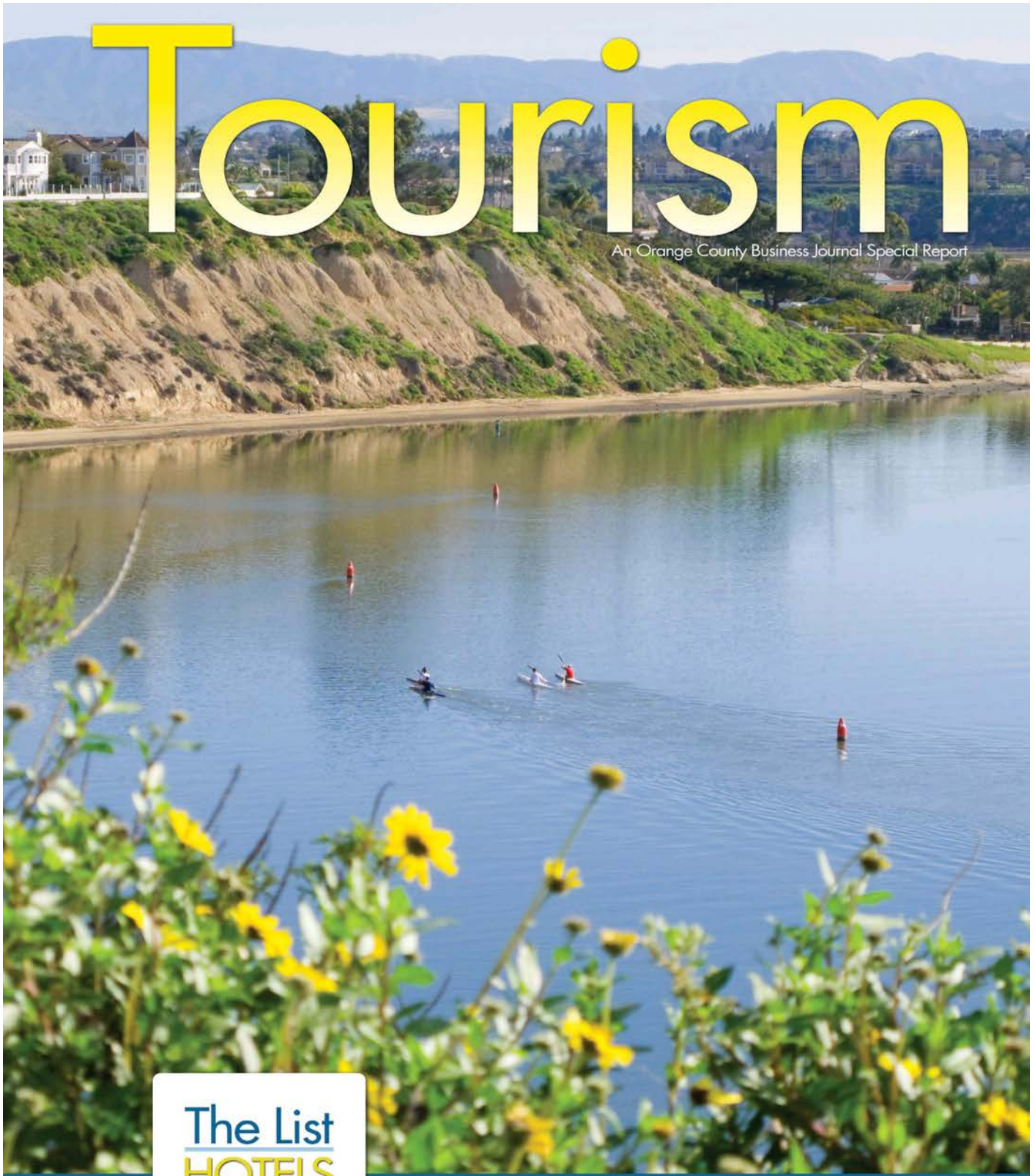


Tourism

An Orange County Business Journal Special Report



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Printed and distributed by Newsbreak

Cities, Hoteliers Dig Data When It Comes to Business

Destination Marketers, Others Hunt for Ways to Stand Out

By PAUL HUGHES

More local cities, marketing groups and hotel companies are using data to decide how to reel in new business.

OC efforts include those by **Visit Anaheim, Newport Beach & Co.**, and **Visit Laguna Beach**, and hotel owners and operators **Irvine Company** and **Twenty Four Seven Hotels**, both in Newport Beach.

Methods can vary—the point is what the data reveals. Research and analysis includes everything from algorithms and analysis to person-to-person paper surveys.

“This kind of thing is becoming more common,” said **Vidyanand “VC” Choudhary**, associate professor at the Paul Merage School of Business at **University of California-Irvine**.

Choudhary teaches on “data mining and how to use data to make decisions” and recently prepared a paper that crunches numbers from an online travel agency.

Tourism companies are “looking for fresh ideas ... and the business implications [of data],” he said.

City Search

Visit Anaheim, a destination marketer for Anaheim and Garden Grove, formed a unit

Data

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said Chief Executive **Gary Sherwin**.

It worked with **Destination Marketing Association International** in Washington, D.C., to produce questions about air access to the city, hotel quality, sports facilities, branding, and economic development.

Respondents included meeting planners, city officials and destination marketing groups outside the city, and Sherwin’s employees.

“The goal is to find out if your assumptions are incorrect,” he said. Results will drive a two-year marketing plan that begins July 1.

Newport Beach scored high on economic development and branding, but Sherwin said he wants more.

“We’re an established destination, but we want top-of-mind awareness,” he said. “When people think about or search for the best beach town in Southern California, we want them to think Newport Beach.”

Newport Beach & Co. also has used **Tourism Economics Inc.** in Wayne, Penn., to collect data for marketing plans and economic impact studies.

Visit Laguna Beach began a year-long research program in January on the city’s visitors.

“We have a good feel for who we attract, but we’re going to back it up,” said Chief Executive **Ashley Johnson**.

Research—web surveys, paper surveys at hotels, and direct interviews with visitors—is handled by **Destination Analysts Inc.** in San Francisco, which has also worked with Newport Beach & Co. and **Visit Huntington Beach**.

“Marketers understand it’s critical to have customer data,” said Destination An-



Rooms with a view: Inn at Laguna Beach, owned by Classic Hotels & Resorts, which mines visual data from social media to analyze demographics

last fall to make data-based business decisions.

“We needed better analysis,” said **Charles Harris**, senior vice president of marketing. “Data was coming in, but it wasn’t housed in one place.”

Harris’ two-man team—including one new hire—produces two dozen reports a month from data on visitor volume and spending, **John Wayne Airport** numbers, advertising campaigns, sales leads and

bookings, and other areas.

Raw material comes from memberships in travel organizations, local hotels, the airport, and paid research and advertising. “Data becomes actionable to make smarter decisions,” Harris said.

Two examples include ads on **TripAdvisor** and regular “TAP” reports done by **Strategic Data Resources LLC** in Overland Park, Kan.

TAP stands for “trends, analysis, projec-

tion,” and Anaheim’s reports focus on “citywide” events—ones that result in at least 1,500 hotel room nights at their peak. TripAdvisor ads produce reports on users’ interests and search habits.

Survey Says

Newport Beach & Co. recently put \$15,000 into an online survey process to “diagnose the health of the destination.”

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Harris: data results in “smarter decisions”



Grippo: Irvine Co. reports do many things with data



Rodriguez: This used to be a novelty.

“The best way to sell yourself is see what people think of you,” Grippo said.

Destination Irvine, which markets the city as part of its chamber of commerce, is in the midst of a two-month “geotargeting” campaign, or marketing and advertising delivered

based on where recipients are geographically. It’s aimed at travelers flying in or out of John Wayne Airport and staying in Irvine hotels.

“We want to see where they’re coming from and what interests them,” said **Wendy Haase**, the organization’s director of tourism marketing. “We’ll garner exposure and get information on them we can use.”

Classic Hotels & Resorts in Phoenix, which owns two hotels in Laguna Beach, gathers visual data from social media.

Laguna Beach House skews to a younger crowd that posts photos on Instagram, while the older clientele of Inn at Laguna Beach hits that hotel’s Facebook page, said **Emily Dille**, Classic’s director of marketing communications.

Dille tracks interactions on the sites, reviews demographic data, and integrates it with reports on hotel guests and visitors to the properties’ websites.

“It’s a wealth of information,” she said. “But data is just the first step—it’s what you do with it.”

New Tool

Twenty Four Seven Hotels in Newport Beach goes decidedly deep with its data

dives.

The hotel management company has devoted a separate division to data for about eight years—and its efforts have recently expanded.

“Their whole work is looking at data and making business decisions,” said **Isaac Rodriguez**, vice president for revenue strategy. “This used to be a novelty. Now it’s a huge influence on management companies.”

One area has been a review of “unconstrained demand” at **TownPlace Suites Anaheim**. The industry term refers to “total demand regardless of capacity,” Rodriguez said, and can be used to set room prices for any given time—and for deciding whether to discount.

Rodriguez, reviewing reservations records throughout the year, found the point at which the hotel experiences its highest demand, and the company set rates to maximize revenue.

The company took over management of the hotel in mid-2013 when average daily rates were about \$99. By June 2014, data-based assessment had grown that to \$123. It now stands at about \$138—a 40% increase in three years.

“Occupancy stays the same,” despite higher pricing, Rodriguez said, because the demand is there. Revenue goes up.

The dynamic pricing is “getting more complex,” he said, “and all the major (hotel) brands are focusing on it.”

He said the company also uses its data dimension to get new business—from hotel owners seeking management.

“We do case studies, mask the hotel name (for confidentiality),” and show prospects, he said. When they get a new management deal, “the first thing we do is a rate audit, pull the big data, and make informed decisions on rates.” ■

[Q&A]

Orange County is known for drawing visitors from across California and the rest of the country—and from many points around the world. Less attention goes to day-trippers, or those who come to Orange County without staying overnight, yet make a significant contribution to the tourism industry.

The Business Journal's Paul Hughes asked some local tourism and hotel executives about the value of what turns out to be a big segment of their business, and how they work to attract day-trippers to the county.

Here are edited excerpts of their responses:

Susan Bryant Thomas
Chief Marketing Officer
Visit Huntington Beach



Day visitors have a significant impact on the annual volume of visitors to Huntington Beach. In 2014, the latest data we have, of 3.8 million visitors to Huntington Beach, three out of four—76%, or 2.91 million people—came for the day, and 24%, or 890,000, stayed overnight in Huntington Beach.

Interestingly, of those nearly 3 million day-trippers, almost a third are visitors who stay overnight somewhere in Orange County and visit several destinations on a single trip. Even if a city gets a day-tripper, that person often stays

overnight somewhere in the county. The data show about 32% are day-trippers, another 32% have overnight lodging in a hotel or motel somewhere in Orange County, and 34% stay with relatives or friends. The remaining 2% reported other accommodations.

In another interesting twist, people who check the Surf City USA website first are far more likely to stay overnight in Huntington Beach. We want to drive overnight stays as we serve all visitors through our website, social media, visitor kiosk, the Surf City USA Shuttle, and collaborating with other city and community organizations.

Ashley Johnson
President, Chief Executive
Visit Laguna Beach

About 93% of our 6 million annual visitors

are day-trippers. They spend less—\$40 a day compared with \$262 for the overnight guest in a room—but there are 13 times as many of them. Laguna Beach is a culinary mecca, and we see a high percentage of these visitors coming from neighboring communities for that and for shopping. More than \$159 million annually is spent on dining out, with retail spending at about \$145 million. Laguna Beach also has 30 coves and beaches, which allure day-trippers to discover the city.

When they're here, we want them to know all there is to do—which could drive overnight stays. Visit Laguna Beach has a visitors center and a hospitality employee training program for businesses called "Insider's Laguna" to train front-line workers in what Laguna Beach offers—attractions, landmarks, events and so on, so they can offer guests ways to create unique experiences. The city has more oceanfront lodging than any other in California; the walkable downtown; 80 public art works, and many art galleries, day spas—and sunsets every night. School groups that come to Laguna Beach get our free seven-minute DVD on the city's beach and marine offerings.

Giuseppe Lama
Managing Director
The Resort at
Pelican Hill



As we aim to be the corporate and social center of Newport Beach, Pelican Hill enthusiastically welcomes day trip visits for golf, spa,



dining and more. Day-trippers and locals enjoy complimentary valet parking when visiting our restaurants, shops, spa and Pelican Hill Golf Club. Events for visitors include weekly art and architecture tours, the monthly pop-up trunk shows, and social hour in the Great Room lounge.

Marketing is through social media with an emphasis on the visual—Instagram and Pinterest, as well as Facebook—which help us illustrate the resort's seaside setting, Italian-inspired design, and luxurious ambiance. Social media also enable our guests to share their experiences. Our guests often tell the Pelican Hill story best, so we encourage snapping, posting, tagging, pinning and checking-in here. The Pelican Hill website includes a real-time collection of guests' experiences.

No matter the length of the visit, our priority is to deliver five-star service to every guest, every day. Gracious, thoughtful, personalized service makes a positive impression that brings guests back for more in the future.

Scott McCoy
General Manager
Irvine Marriott



Day-trippers provide immense value to our hotel. Though we're not capturing a room night, other forms of revenue are generated. Our food and beverage outlets will be used—from morning coffee and pastries to lunch meetings, to cocktails and networking—the checks do add up.

Locals and business people often need a place more private than the lobby or another public space to conduct meetings. So they'll book a

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Q&A

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meeting room, and catering typically accompanies those events.

We market to day-trippers, offering specials that change daily and incentivize them to keep coming back. A happy hour special in the bar, for example, or an ever-changing food and beverage program we call "YNK"—You Never Know.

Hospitality in a comfortable, upscale environment means day-trippers will keep us in mind for future stays and bigger-ticket business opportunities.

Gary Sherwin

President, Chief Executive
Newport Beach & Company

SoCal visitors who live, breathe or aspire to experience the Newport Beach/Southern California lifestyle—but don't stay overnight—tend to be married women, 35 years old or older with annual household income of about \$130,000. Nearly 60%

are generation X or baby boomers—aged from the mid-40s to the mid-60s—and these women come from Orange County, the Inland Empire, and Los Angeles and San Diego counties. They become 'ambassadors' of Newport Beach—influencing friends and family to visit with them.



Day-trippers are interested in parenting, healthy living, nature, entertainment, dining, and of course travel.

About half of our day-trippers annually are from within Orange County. They come for unique culinary experiences and Newport Beach Restaurant Week, the Newport Beach Christmas Boat Parade, Crystal Cove, Fashion Island and Corona del Mar—named one of "America's Happiest Seaside Towns" by Coastal Living magazine.

They consume information from multiple sources—TV, radio, print, online, mobile and social media—so integrated marketing messages that cross these platforms resonate with the day-tripper.

Dave Stevenson

Vice President of Sales and Marketing
Santa Catalina Island Company

Daily ferries from Dana Point and Newport Beach make Catalina Island an easy trip for Orange County residents. Amenities and offerings for travelers, business meetings, and other groups include the Zip Line Eco Tour and the new Falconry Experience.

About 25% of our business comes from day-trippers, and we find most of these groups are from the Orange County and Los Angeles markets. We typically see this group spending as much as our overnight guests per day, so they are definitely a valued segment of our business.

In terms of marketing, we advertise all our activities at the boat and helicopter terminals upon departure and arrival, and cross-promote all of our activities on the island. Promotions are a great way to get people on the island for a day.

Groups also come for Island Spa Catalina or one of the dining outlets on the island. The re-



cently updated Descanso Beach Club offers a private beach, cabanas and a beachside restaurant and bar, while its Catherine's Terrace hosts corporate and social events, as well as weddings.

Chris White

Area Director of Sales and Marketing
St. Regis Monarch Beach Resort

We don't directly track this in all cases, but about 17% to 24% of our revenue comes from people not staying at the resort—this could be at the restaurants, spa or golf course—and that was before the renovation. We're hoping to grow that number with the new branded spa, Miraval, or on the restaurant side, having a chef like **Michael Mena** on board. We think those ancillary areas are going to appeal especially to the local market.

For locals, we're going to begin offering social and other events as the renovated resort facilities get more notice: live music in the lobby lounge, a happy hour at Aveo Table & Bar. The resort—which is changing its name June 1 to Monarch Beach Resort—will offer locals a free social membership called C Club, which gets some benefits, including special events at holidays, such as July Fourth, New Year's and so on. The "C" in the name stands for "connoisseur, connected, culinary and cocktails" and sounds like the word "sea"—which is what we want locals to remember and think of about the resort. We also offer a paid membership for more discounts, more access, and so on.

The demographics for day-trippers match our guests: ages 35 to 55, families and couples, guys who golf, ladies who lunch—our guests reflect the Orange County professional community, and day-trippers do, as well. We market with both paid and earned outlets, on radio, and



through the digital and social media channels.

You never know who might come. People become members, they decide to have an event, or corporate meeting; the person who attends a wedding here decides to have their own wedding at the resort. It happens all the time.

Alex Wilcox

Chief Executive
JetSuite Inc.

Up to a third of our company's overall business—including markets beyond **John Wayne Airport**—is day-trippers.

People frequently come to Orange County for the day—they come from the Bay Area, Phoenix, Las Vegas, Sun Valley—for board meetings, social events, and to look at investment properties, among other reasons. We think private jets are in many cases the most effective way to fly here—especially on short notice. We love day-trippers.

About 90% of our day-trip flights are corporate—company owners or senior executives, board members, lawyers, accountants. We have several clients that fly people in for regular board meetings at Orange County-based firms.

We work with convention and visitors bureaus, chambers of commerce, and in some cases other companies to get this customer here and then to where they need to go. A company in Newport Beach called Go Rentals can drive a rental vehicle right up to one of our planes to meet the client when they land.

Having these kinds of options for day-trippers makes the airport an asset to more people. It's highly beneficial to many companies to know that if someone is coming in just for the day, there are ways to do it. The asset of the airport itself becomes an asset to them directly. ■



New Hotel, a Few Room Tweaks, Shuffle Ranks

HOSPITALITY: Great Wolf raises top 50 to 21,508 rooms

By PAUL HUGHES

There have been a few changes on a list that rarely sees them.

The Business Journal's ranking of hotels by room count doesn't see a lot of jockeying for position year-over-year, because absent renovations, hotels don't often alter inventories.

This year's list, though, has a tweak at the very top: Perennial No. 1, **Hilton Anaheim**, found a way to add a room.

"We took a suite and divided it into two rooms," said Public Relations and Marketing Manager **Claudia Schou**. "Many times during the year we're completely sold out, so it helps to have it available."

She said, "All rooms have doors, and we can combine them at any time," plus there are several larger "presidential suites."

Hilton Anaheim now has 1,574 rooms—the largest in OC by 50%, or 544 rooms, over No. 2, **Anaheim Marriott**.

Both are a stone's throw from the Anaheim Convention Center and a short trek down Harbor Boulevard from **Disneyland Resort**—two landmark drivers of business and leisure travel in the county.

There are 21,508 rooms all told at the top 50 hotels with a minimum of 250 rooms—an average of 430 rooms per property and up 608 from last year. The ranking covers the 12

months ended in mid-May.

Big Changes

An addition to the list accounts for 603 of those 608 new rooms.

Great Wolf Lodge in Garden Grove opened in March, cracking the top 10 at No. 6.

A spokesperson for Madison, Wis.-based parent company **Great Wolf Lodge Inc.** said the company counts all 603 rooms as suites based on a separate common area in each, although some rooms used largely by corporate travelers have just one bed.

Most suites include multiple bedroom areas in line with the resort's main business: the family leisure traveler.

Meanwhile, **Howard Johnson Hotel & Conference Center** in Fullerton—No. 38 last year—dropped off the ranking as it took 88 of its 289 rooms out of service for renovation into a dual-branded offering now under way.

The 201 rooms that are still open will stay under the legacy budget "HoJo" brand, while "100 rooms are going to be a new Holiday Inn Express," said General Manager **Juan Navarro-Sigala**.

The new hotel is "a mid-tier brand" targeting business travelers and increased occupancy, he said.

Occupancy rates in Fullerton are "in the 70s" Navarro-Sigala said, and the property hopes "to crack the 80s" once it pairs the brands.

It will have a net gain of a dozen rooms



Schou: Hilton Anaheim can combine rooms when needed



Great Wolf: one of the suites that appeal to hotel's main customer—the family leisure traveler

after the second one opens this fall.

Suite Life

The final four rooms in the year-over-year climb came at another Hilton—and in the same way as Hilton Anaheim.

No. 32, **Hilton Irvine/Orange County Airport** turned four "suites" into regular rooms; Director of Sales and Marketing **Kelli Littrell** said they weren't quite suites.

"We had parlors between two rooms with Murphy beds," she said. "Unless they were used as a suite, they were kind of a last sell."

Making the spaces available as single rooms meant an additional \$916 a day was available based on the hotel's \$229 average daily rate. That opens up a possible \$10,000 a month when taking into account the hotel's strong showing with a corporate clientele midweek. "If we're going to sell out, it is

Tuesday, Wednesday, Thursday," Littrell said.

"The (former) suites were a nice upgrade if someone wanted one. But we are realizing more revenue."

The changeover took two to three months and included new bathrooms in the 10th floor units.

Littrell said the hotel has seen a slight dip in the number of leisure guests at the **John Wayne Airport**-area hotel due to the addition of Great Wolf Lodge.

Hotels that just missed the 250-room cutoff for inclusion on the list range from the 249-room **Holiday Inn Buena Park Hotel & Conference Center** to the 248-room **Montage Laguna Beach**.

Next year's list should have another new entry. The **Paséa Hotel & Spa** in Huntington Beach (see related story, page 4) opens this week with 250 rooms. ■



OC Data Drill

TOURISM 2015

Countywide

\$11.3B

SPENDING

47.4M

VISITORS

158,700

JOBS

43.1M

DOMESTIC

4.3M

INTERNATIONAL

78.7%

HOTEL OCCUPANCY

\$143.95

ROOM ADR

Anaheim

\$7.5B

SPENDING*

22.5M

VISITORS

47,000

JOBS**

19.8M

DOMESTIC

2.7M

INTERNATIONAL

81.6%

HOTEL OCCUPANCY

\$167.25

ROOM ADR

The graphic above shows 2015 tourism numbers for Orange County and its largest city. About half of visitors to the county—47.4%—spend at least part of their time in Anaheim, most likely at the Anaheim Convention Center or Disneyland Resort. County hotels (see list, page 18) help house an annual traveler tally nearly 16 times greater than OC's population.

Local travel industry executives expect the county visitor total to soon top 50 million and each category above reflects year-over-year growth in the low- to mid-single digits. Other takeaways: Some 90% of travelers to Orange County come from the United States, the lion's share of those from Southern California—in some cases for a single day (see Q&A, page 19).

* Anaheim visitor spending in Orange County
 ** Business Journal estimate

Sources: OCVA, Visit Anaheim, CIC Research Inc., CBRE Hotels, Inside Prospects Inc.
 Compiled by Paul Hughes; Graphic by Brettle Miller

OC Data Drill TRAVEL AGENCIES

Compiled by Lisa de los Reyes

370

total

1,862

workers

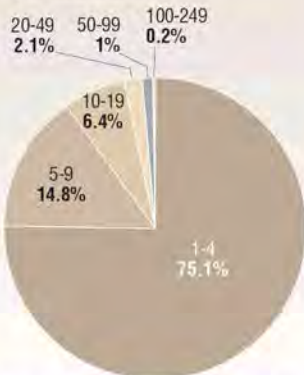
406

key executives

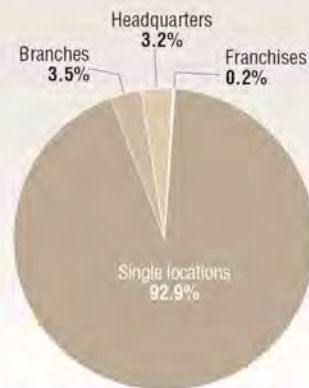
There are 370 travel agencies in Orange County, a 3% drop from last year's 382. The industry employs 1,862 locally, a 6% decline from 1,980 a year ago. Anaheim has more agencies than any other OC city, with 49. Irvine and Santa Ana tie for No. 2, with 34 agencies each.

Businesses

By Number of Workers



Location Type



Percentages may not add up to 100% due to rounding.

49

→ agencies in Anaheim

Cities	Businesses	Cities	Businesses
Anaheim	49	Yorba Linda	6
Irvine	34	Aliso Viejo	5
Santa Ana	34	Buena Park	5
Huntington Beach	27	Dana Point	5
Westminster	22	Laguna Niguel	5
Newport Beach	20	Seal Beach	5
Garden Grove	16	San Clemente	4
Brea	13	Corona del Mar	4
Orange	11	Rancho Santa Margarita	4
Mission Viejo	10	Los Alamitos	3
Lake Forest	10	Placentia	3
Fountain Valley	10	Ladera Ranch	2
Fullerton	9	La Habra	2
Costa Mesa	8	Stanton	2
Cypress	8	Sunset Beach	2
Tustin	8	Trabuco Canyon	2
Laguna Hills	7	Capistrano Beach	1
Laguna Beach	6	Laguna Woods	1
San Juan Capistrano	6	La Palma	1

