

Gunnison County

Tourism Association-Organizational Performance and Structural Assessment



1.0 STUDY PURPOSE

The Gunnison County Board of Commissioners also serves as the Board of the Gunnison County Local Marketing District (LMD) and provides the public funding for the tourism promotion effort executed by the Gunnison – Crested Butte Tourism Association (GCBTA). These marketing funds are generated through a 4% occupancy tax on the sale of hotel rooms and vacation rental housing throughout the County.

The Local Marketing District (LMD) has retained the nationally recognized firm, the Radcliffe Company (TRC) to conduct a performance assessment of the GCBTA to insure that the marketing funds allocated to the GCBTA are being maximized in providing a return to the County. Inherent in this assessment is a review of all operating practices; an analysis of the GCBTA governance and management structure; a review of resource deployments in addition to the organizations adherence to best industry practices. In an effort to provide context to the analysis, TRC will demonstrated this review in a competitive context by benchmarking GCBTA against comparable destination marketing organizations in the region including Telluride, Durango and Steamboat Springs.

2.0 STUDY APPROACH

TRC took the following steps in this assignment:

- Meet with Gunnison County officials to confirm study goals and refine the scope of work.
- Interviewed more than 25 individuals to develop and ascertain a full range of perspectives on the key issues facing the GCBTA and the County tourism industry, with input and other data gathered from the GCBTA staff, its Board of Directors, Gunnison County, the City of Gunnison, and the towns of Crested Butte and Mount Crested Butte; and the competitive destinations.
- Analyzed the GCBTA organizational/governance structure and evaluated a wide range of targeted best practice elements.
- Reviewed a wide range of GCBTA research and data collection efforts,
- Analyzed the GCBTA budget and expenditure allocations,
- Contrasted resource allocation practices against national averages as well as to competitors in the Colorado region.

3.0 Key Study Findings

A variety of key findings are outlined below that are a result from this organizational assessment. While all these findings are important, TRC believes the most fundamental challenge which will prospectively limit the County from maximizing the full potential of its visitor industry is the current fragmentation among Gunnison County industry and governmental leaders. This can do little but undermine existing and potential partnerships and can be expected to have greater impacts and ramifications as competitors expand efforts to reach the same targeted customer segments. Thus while attention should be placed on the full range of issues and recommendations in the report, this critical point should remain paramount.

3.1 Organizational Structure, Governance and Operating Review



The Gunnison – Crested Butte Tourism Association is an independent 501(c) 6, Colorado non-profit corporation governed by an eleven member Board of Directors. Additional oversight is provided by an eight member ex-officio Advisory Board that meets in conjunction with the Board of Directors. The Advisory Board consists of a variety of community stakeholders including elected officials from throughout the County, Chamber of Commerce representatives and others with a stake in the Gunnison County tourism industry.

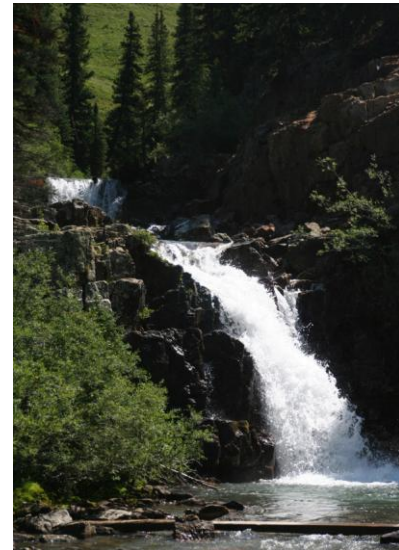
The GCBTA governance structure reflects adequate community oversight through a diverse Board of Directors and the specified Advisory Board however; some community perceptions reflect dissatisfaction with the effectiveness of the bylaws mandated Board nominating process and the role the Executive plays in the identification of potential candidates. Additionally, program and market development processes may not be as inclusive in the input process as some stakeholders would prefer. In reviewing best management practices TRC can make the following observations:

- The bylaws adequately define organizational purpose and structure including the Board nominating and election process.
- The GCBTA has demonstrated a wide range of organizational best practices including:
 - A conflict of interest policy,
 - An organizational code of conduct policy,
 - A document retention and destruction policy,

- A crisis management plan,
 - An employee compensation policy,
 - A succession plan for organizational leadership,
 - A defined accounting relationship and agreed upon procedures to ensure proper and transparent financial reporting.
- The Board of Directors meets at the minimum, 10 times per year to review and approve expenditures, address organizational policy and engage in program decision making.
 - As will be demonstrated further in this report, GCBTA is a lean organization that invests a high percentage of its available resources to the mission of marketing the County. Minimal overhead and staffing in particular, coupled with key program and functional outsourcing reflect considerable organizational efficiency when compared to similar destination marketing organizations (DMO).

Other Related Observations

- Community and stakeholder perceptions vary on the effectiveness and transparency of organizational oversight. Most of these perceptions are associated with the influence of the chief paid executive and her role relative to governance related matters.
- Tourism industry stakeholder input in program decision making processes may not be adequate.
- The GCBTA governance structure reflects adequate community oversight through a diverse Board of Directors and the Advisory Board however; some community perceptions reflect dissatisfaction with the effectiveness of the bylaws mandated Board nominating process.
- The availability of time and talent in the County may limit the pool of interested stakeholders in voluntary service to the GCBTA at the Board level. This factor may influence perceptions of the role of the chief paid executive in recruiting interested parties and potential candidates.
- Some stakeholders question the effectiveness of the Board-Advisory Board structure and the efficiency of the monthly Board meetings. Until recently, the structure and agenda of the typical Board meeting is oriented toward activity and performance reporting as opposed to long term strategy and policy discussion.



- Some stakeholders and current Board members question the depth of engagement and the degree to which members execute their responsibilities on the Board of Directors.
- The GCBTA governance and Board structure is similar to the competitive set and national DMOs of similar mission, size and scope. Most DMO non-profit Boards of Directors are composed similarly with an industry and business orientation. Some include representatives of the primary funding jurisdictions as voting members and in others, the funding sources serve in an advisory capacity similar to GCBTA.
- The GCBTA Bylaws place organizational and financial oversight in the hands of a community and industry based Board of Directors. Additional oversight and policy direction is provided by an Advisory Board of other stakeholders including representatives of the primary funding source and other regional elected officials.
- The bylaws do not specify additional program oversight; however, the Executive Director regularly consults with a limited number of specific stakeholders regarding market plan development.



The current operating environment of the GCBTA is reflective of the times and the geography of the County. The Executive Director splits her time between a home office in the northern part of the County and the official GCBTA business office located in Gunnison at the southern end of the Gunnison Valley. The part time, independently contracted public relations professional also conducts her business from a home office, while the marketing coordinator/webmaster offices at the main

business office in Gunnison. Although this operating environment is unique, there are certain efficiencies and economies of scale realized as a result of this office structure. In spite of these efficiencies and budgetary savings, this office structure influences some stakeholder perceptions about the effectiveness of the organization and the visibility of key staff members. The distribution of Gunnison County's population and visitor related assets makes the current virtual office structure practical, particularly in light of the staff size and the need to attend to stakeholder needs throughout the County. TRC supports the current operating environment as a practical, efficient approach for the reasons stated above.

4.0 Competitive Organizational Review

The GCBTA is a small organization when compared to the primary competitive set and employs fewer destination marketing professionals than organizations of comparable size nationally. TRC has

reviewed national organizational profile data from the 2009 Destination Marketing Organizational International (DMAI) organizational and financial profile study as well as secured regional competitive data from the defined competitive set. As the following chart demonstrates, GCBTA's staff deployment falls below while the budget ranks in the mid range of other comparably sized DMOs.

Other differences in terms of the sources of operating funds are also noted: Steamboat Springs marketing functions are supported by general sales taxes; Durango and Telluride both secure funds from occupancy and sales taxes in both the Cities and County, while Gunnison Crested Butte source is solely derived from the county imposed occupancy tax. Until recently, the municipality of Mount Crested Butte had been an additional public sector contributor to the GCBTA.

	Staffing	Budget \$	Structure
Gunnison-Crested Butte	2	1,000,000	Independent Non-Profit
Steamboat Springs	5	600,000	Chamber/Resort Assn.
Durango	4+	1,200,000	Independent Non-Profit
Telluride	4+	1,300,000	Independent Non-Profit
DMAI Budget Set Averages (5)	7	1,000,000	Various

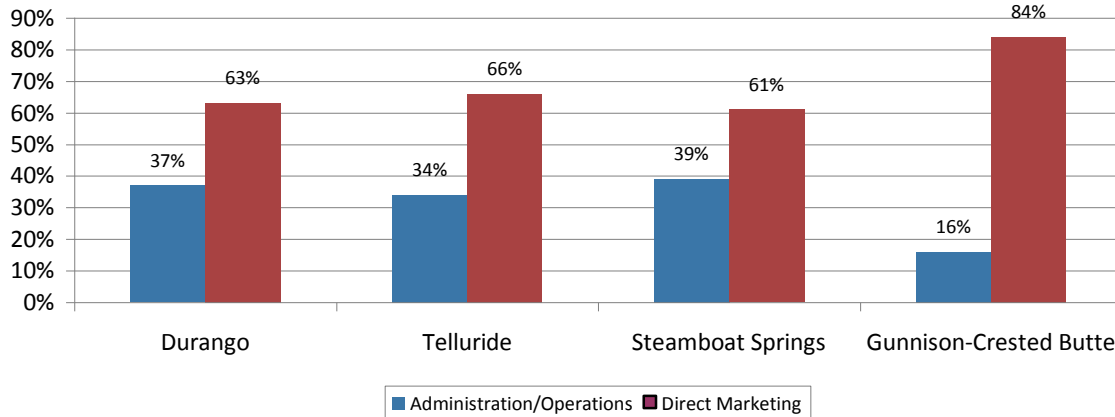
The variance in staff resources reflects differences in operating philosophy and deployment priorities. In the case of the GCBTA deployment, decisions appear to have evolved that place a high priority on maximizing direct marketing and advertising versus direct sales initiatives. The DMO's in the Colorado set all outsource some programming functions including public relations, bookkeeping, creative advertising services, media placement, and at least some market research. GCBTA manages several of these functions within the existing staffing structure including public relations and media placement representing a significant budget savings.

One key difference in the GCBTA deployment is associated with the visitor services function. The Colorado DMOs in the competitive set all provide and employ visitor information services to reach and communicate with the visitor while in the destination. GCBTA, in effect, sub-contracts this service to the Gunnison and Crested Butte Mount Crested Butte Chambers of Commerce, who in turn act as the primary interface with some potential and many onsite visitors. (In fact, the visitor service function and onsite information delivery to visitors in the County was handled by the Chambers prior to the inception of the GCBTA).



In reviewing the summary below, it is apparent that the GCBTA invests a greater percentage of its available resources to marketing the destination. This differential may be at least partially attributable to the lack of a direct/group sales responsibility and the visitor service functionality.

2010 Budget Allocation



General Observations

- GCBTA deploys a higher percentage of its available operating funds on direct advertising and marketing initiatives than the Colorado competitive set and DMOs of similar size nationally. The GCBTA market focus is exclusively to the leisure market and equally across seasons.
- Within the competitive set, Colorado DMOs have historically invested marketing resources primarily to support all seasons **except** winter, relying largely on the partner ski resort(s) to promote the winter product. GCBTA invests approximately 20-25% of its marketing resources to winter marketing with the balance targeting visitation in the late spring, summer and fall.
- GCBTA staffing structure is considerably smaller than the competitive set, yet competitive functionality is attained by additional outsourcing to third party vendors.
- All Colorado DMOs in the set, except GCBTA invest organizational resources in serving the visitor onsite through an official visitor center or centers. Although GCBTA does not perform this function, it should have influence on customer service performance.
- Gunnison County is without significant meeting facilities and therefore GCBTA does not deploy against the meetings market unlike several DMOs in the set, notably the Telluride Tourism Board and The Durango Area Tourism Organization.

4.1 Functional Deployment in the Competitive Set

The chart below graphically demonstrates some of the few differences in deployment and notes where specific functions are outsourced (OS) to 3rd party vendors:

Organizational Function	Steamboat	Telluride	Durango	Gunnison/CB
Group Sales	N/A	X	X	N/A
Destination Advertising	X	X	X	X
Web-based Marketing	X	X	X	X
Public Relations	X	OS	OS	OS
Visitor Center	X	X	X	OS
Call/Res Center	OS	OS	OS	OS
Accounting	X	OS	OS	OS
Media Placement	OS	OS	OS	X
Seasonal Event Marketing	X	X	X	X
Total Staff	5	4	4	2

The significance of this comparative data is the recognition that with the exception of group sales, the GCBTA deploys against all functional areas and responsibilities as does the competitive set, but does so with minimal full time staffing resources. This deployment philosophy maximizes the percentages of available marketing resources and dedicates them to advertising and promoting the destination and should be considered a competitive “best practice”.

4.2 Competitive Performance and Reporting

TRC has made efforts to build meaningful performance benchmarks with the competitive set; however, apples to apples comparisons are difficult because each DMO reports performance on different sets of activity measures based on the individual resource allocation processes and the differences in destination product.

Telluride and Durango both deploy considerable financial and human resources to the group meetings market. Steamboat Springs and GCBTA do not invest in this market due to the absence of facilities to accommodate this business segment. All DMOs in the competitive set measure tax revenue receipts within the primary funding jurisdiction; web traffic and unique web visits, and inquiry fulfillment both through the website and by the number of hard copies of the travel planner distributed.

5.0 Destination Marketing Profile

In keeping with current destination marketing best practices, GCBTA has strategically positioned its web presence as the primary distribution channel for information about the Gunnison-Crested Butte tourism product. Most, if not all, of the current GCBTA direct marketing initiatives including destination advertising both print and online, electronic direct mail marketing, referring websites and value added marketing from target print publications, among others point the prospect to www.gunnisoncrestedbutte.com and/or over 70 toll free numbers as the primary sources of information fulfillment. The GCBTA also prints and distributes approximately 75,000 printed Travel Planners to consumers seeking a hard copy of the website content. GCBTA also produces over 3000 promotional CD's and offers technology for visitors to view and print the hard copy Vacation Planner "online".



GCBTA's comprehensive destination advertising effort to consumers and the retail travel trade reflects a good balance between both online and print placements aligned with key feeder markets. Efforts to develop destination awareness and specific product oriented promotions in the winter season in the markets directly serving the Gunnison-Crested Butte Regional airport is also noted. Unlike many individual destination competitors in the region and across the state, GCBTA advertises the winter season and Crested Butte ski product specifically to insure seasonal balance in its promotional schedule.

Since the GCBTA website is its primary fulfillment and its advertising efforts seek to direct prospects to the website, the functionality and freshness of the site is paramount. TRC has reviewed the site critically and suggests several enhancements to content, presentation and visitor engagement.

- The site requires modifications in several key areas including improved navigation to aid the visitor understanding of the destination assets that differentiate the county from its primary competition.
- Increased linkages and product integration between attractions and visitor assets and services would also enhance the site.
- The site prominently displays the booking engine and promotes transportation accessibility to the County.
- GCBTA should develop and integrate its social media initiatives to include ways for visitors to share their Gunnison-Crested Butte experience on the site. Incenting this content through contests and product promotions has proven successful in other destinations, i.e. (www.experiencewa.com).

- Although GCBTA utilizes some video on the site, efforts to develop additional multi-media formats to further entice prospects and communicate Gunnison County's differentiating experiences would be advantageous.
- Consideration should be given to delivering some web content in a regional context supporting the all-season attractions and experiences. Linking different experiences and activities that communicate the uniqueness of the different regions of the County (Crested Butte, Mount Crested Butte and Gunnison) may be advantageous.
- Search Engine Optimization and Marketing (SEO and SEM) are key to position the destination on all engines feeding traffic to www.gunnisoncrestedbutte.com . GCBTA does engage with a 3rd party provider to enhance its position in the search process. Consideration to increasing resources in this area may further enhance the productivity of the GCBTA site.
- TRC notes that without intent, elements of the GCBTA efforts and those of the Gunnison and Crested Butte/Mount Crested Butte Chambers of Commerce may be confusing the potential customer. Both Chamber sites have an understandable tourism orientation, but neither position GCBTA effectively as the County's official tourism agency. Moreover, in independent online searches conducted by TRC (we used Google and Bing search engines); GCBTA's position in the search results is inconsistent. Additional SEO and SEM should be considered by GCBTA to enhance search results and ensure the most desirable position. More importantly, the success of the GCBTA's website in fulfilling its advertising call to action may be limited by the consumer confusion between the Chambers and the GCBTA as mentioned above. Respecting independent organizational missions, community (County) efforts to maximize the efficiency of available resources by seeking cooperative and collaborative efforts between these organizations should be pursued.

These direct marketing efforts are supplemented with an aggressive public relations outreach to journalists and publications that align with the GCBTAs targeted customer profile and key feeder markets. GCBTA tracks, through a partnership with CBMR, the impacts of these public relations initiatives and how effectively the efforts translate into feature stories, both online and print, are exposing the Gunnison – Crested Butte destination product to millions of potential prospects. These public relations initiatives are measured to generate the ad equivalency and comparative value of the news generated.

GCBTA has also engaged in the promotion of special events that seek to generate traffic during the summer and shoulder seasons. Moreover GCBTA has pursued partnerships with federal and state agencies and private entities representing the full range of seasonal recreational product experiences in Gunnison County. These experiences offer a balanced set of seasonal opportunities that may be superior and more diverse than the regional competition. GCBTA is the only entity in the County that is actively marketing these seasonal experiences and the growth and significance of the tax receipts realized during these seasons reflects and supports the importance of this approach.

Based on a six year average (2005-2010), the non winter seasons have produced 68% of the County tourism revenue with the summer quarter alone averaging almost 38% of the average annual total.



Unlike the regional competition, GCBTA's advertising and public relations initiatives are currently divided nearly evenly to support and target seasonal products in the winter, summer and shoulder seasons. Generally, most Colorado resort DMO marketing efforts do not invest resources against the winter ski season, relying on the private sector (like CBMR), Colorado Ski Country and the Colorado State Tourism Office to drive awareness and traffic. Because of the diversity of Gunnison County's seasonal products and the fact that the

preponderance of the County's room inventory is located in the North Valley, this balanced approach in seasonal marketing by GCBTA makes logical sense and represents an appropriate strategy to support the full scope of attractions in the County by season.

6.0 GCBTA Performance Indicators

In looking at future performance indicators for GCBTA, TRC suggests a series of data sources that may be utilized to build a "picture" of the return on the efforts of the organization. We offer this perspective for multiple reasons that should be recognized by Gunnison County and the LMD. Further, all stakeholders should acknowledge the reality that like all DMOs in the country and certainly the Colorado region, it is nearly impossible to arrive at an absolute dollar for dollar calculation of return on investment relative to the GCBTA marketing effort. As a marketing organization, GCBTA does not control the sales process, it can only be accountable for growing the "visitor pie" and its success can be indicative of how industry partners and local vendors of various products and services succeed relative to the sales of those products and services. GCBTA does not control "rates, space or dates" on any visitor product or service, so its mission is rightfully focused on destination marketing initiatives designed to increase visitation from interested consumers looking to purchase a travel or leisure experience.

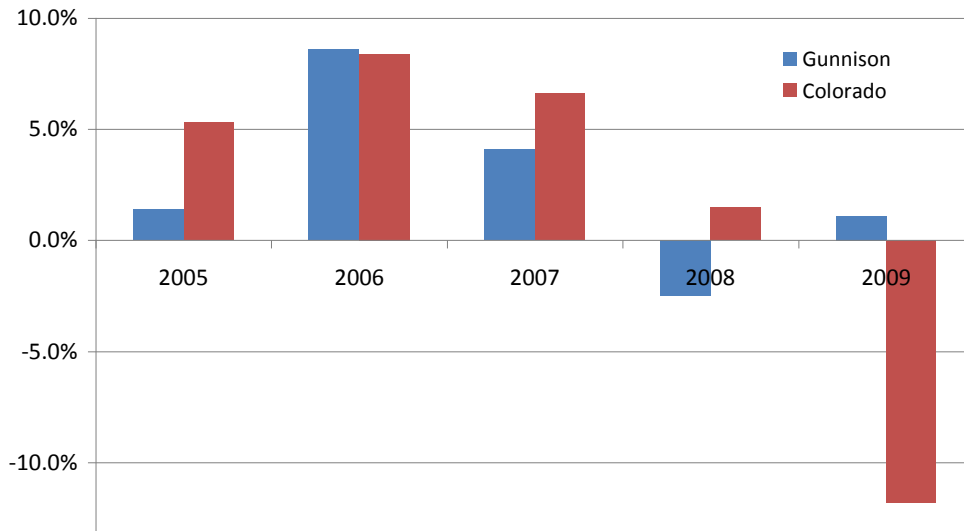
With this in mind, TRC has evaluated recent destination data on market share capture in the state of Colorado and more specifically the competitive region. The most recent data available (2009) derived from the annual State research conducted by Dean Runyan and Associates and Longwoods International suggest that the state outperformed other states and regions of the country when considering leisure markets and were close to national norms in relation to the business sector. Consider the following:

- **Domestic Overnight Visitation in Colorado was up 1.1% versus a decline of -7% nationally**

- **Day Trip visitation was up 4%**
- **Pleasure travel or leisure visitors grew by +3.0% versus a decline of -5% nationally**
- **Business related travel was down -20% versus a decline of -19% nationally**
- **The combination of business and leisure trends resulted in a decline of total overnight and day trip spending was of -11%**

While Gunnison County’s visitor spending grew near or below national norms for most of the last 5 years, in 2009 it significantly outperformed the state as indicated by the comparison in Figure 1 below:

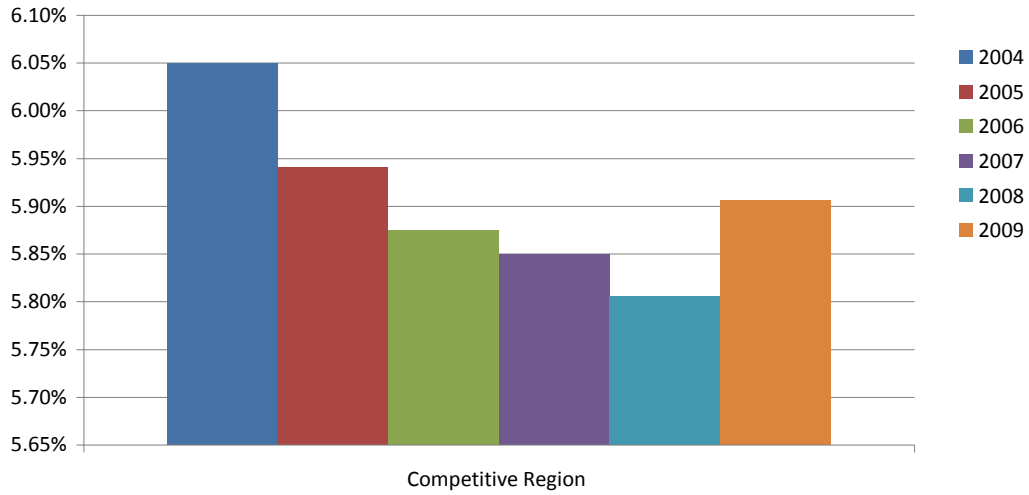
Figure 1. Annual % Change in Direct Visitor Spending



Further, as indicated by the decline in visitor spending, Colorado tourism was hit hard by the recession in 2009; Gunnison County fared better than most both inside and outside the competitive region.

The following figures tell a very positive story both for the competitive region and Gunnison County in particular. In 2009, the competitive region gained market share as a % within the state reversing the trends reflecting a decline since 2004, below in figure 2. This growth was largely due to a more stable leisure market versus the significant decline in business related travel to the state that impacted the metropolitan regions on the eastern slope to a far greater extent.

Figure 2. Competitive Region Market



As noted above, further analysis beyond the recessionary impact on business related travel, should be conducted to determine within reason, why the region lost share between 2004 and 2008 (figure 2 above) to other parts of the state. Moreover, clarity as to the reasons for the regional success in 2009 as reflected above should be pursued.

Figure 3. Regional Market Share Trends

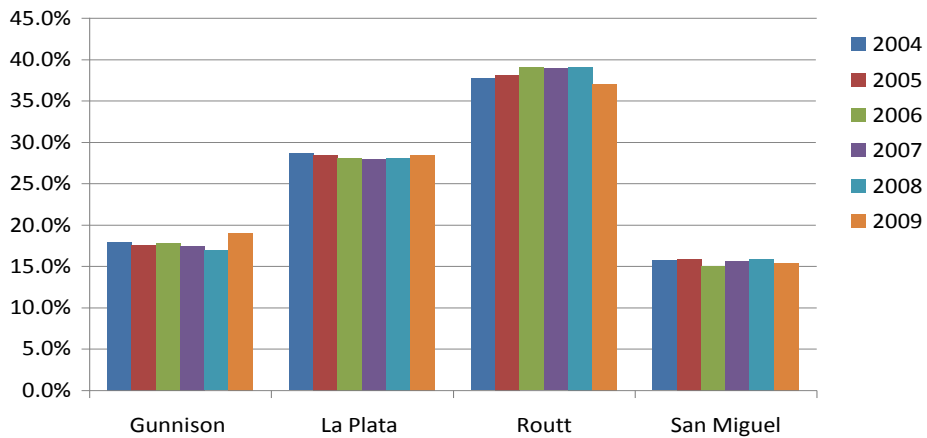
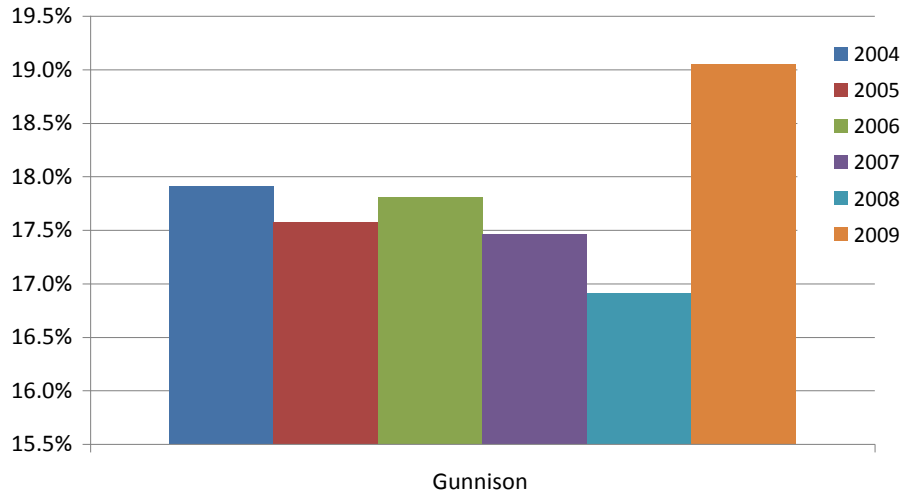


Figure 3 above, graphically demonstrates market share trends and suggests that Gunnison County gain in 2009 was largely at Routt County's expense. La Plata and San Miguel travel spending

remained essentially flat during this period with minor fluctuations from year to year during the period beginning in 2004. The positive aspect of these recent data and the regional gains in 2009, is attributable to Gunnison County's gains within the region (La Plata, San Miguel and Routt) as noted below in figure 4:

Figure 4. Gunnison Regains Market Share



This growth in market share between a low of 16.8% in 2008 and a high in 2009 of in excess of 19% reflects favorably on the efforts of the industry throughout the County as led by the GCBTA. It also suggests that Gunnison County's share of visitor spending experienced a sizable jump in 2006 yet declined in 2007 and 2008 coinciding at least in part with the national recession.

Note: Market share data is not an absolute indicator of GCBTA performance, but it does reflect important trends relative to the overall performance of the Gunnison County tourism industry and should be considered as part of a broader picture relative to performance.

In addition to market share data, other key indicators that reflect performance and should be tracked and viewed as an indication of GCBTA's success include the County LMD tax collections and the municipal sales tax collections throughout the county. Tracking these data and using them to understand certain market trends and changes to the overall performance of the visitor industry by season will not only assist in the market planning decision making process but will help indicate market growth or decline by season and by year.

6.1 Recommended Performance Indicators

- Annual assessment of changes to market share based on the independent research conducted by Dean Runyan and Associates and Longwoods International on behalf of the State of Colorado. Although actual changes from year to year may vary and can be attributable to many factors including marketing budget changes in the region, market share is a fair indicator of the overall performance of the County's tourism industry and GCBTA.
- Tracking travel spending, earnings, employment generation, and other local and state taxes within a competitive context to include San Miguel, La Plata, and Routt Counties is also available from the annual Runyan and Longwoods studies and does provide important comparative data and GCBTA performance indicators.
- Annual and seasonal LMD occupancy tax collection summaries and local municipal sales tax receipts are important measurements aligned with GCBTA performance. It should be noted that the LMD tax reflects receipts by month collected not the period earned while sales tax receipts reflect when revenues were earned, not necessarily collected.

These indicators should be kept within the proper framework recognizing that from time to time market issues and trends may influence overall destination performance beyond GCBTA's marketing control.

6.2 Recommended Performance Measures

In 2005, Destination Marketing Association International (DMAI) published a Performance Reporting Handbook and sought adoption by its members of a set of standard definitions supporting recommended performance measures. The depth and scope of these recommended measures was intended to account for the great diversity of destinations, destination product, and destination marketing initiatives represented by its membership. Although these standards were largely adopted and had become important industry benchmarks, market trends, the internet and consumer shopping and purchasing habits have evolved dramatically in the past 6 years. DMAI is currently engaged in the development of a new set of measures and metrics that align with current market realities and the obvious power of the internet. (Note: *GCBTA currently reports on many of the TRC recommended measures below*).

6.3 Online Measures

In response to these changes in global consumer buying habits, DMOs have adapted and shifted their resources from traditional print advertising to a more exclusive use of the internet and other digital marketing tools and distribution vehicles to maximize return on investment. In response, DMAI is now preparing to publish a new set of standards reflecting these market changes relative to

the online environment. TRC is an active member of the standards committee preparing these new performance measures and standards, and as such, we propose the following annual measures constitute GCBTA performance measures in the future as key indicators of success.

- **Website Visits**
- **Absolute Unique Website Visits**
- **Average Time on the Website Per Visitor**
- **Average Number of Page Views Per Visitor**
- **Percentage of New Visitors to the Site**
- **Online Vacation Planner Requests**
- **Online Vacation Planner Views**

Translating annual improvement in these measurements to actual economic impact will be of value to GCBTA and Gunnison County. TRC recommends a commitment to periodic independent research by a qualified online research entity at the minimum of every two years to establish both an initial baseline and to maintain a performance metric that demonstrates future performance from the GCBTA website.

6.4 Public Relations Measures

Activity Measures

GCBTA regularly entertains visiting journalists as a primary activity in an effort to generate feature stories about Gunnison-Crested Butte and its seasonal attractions and visitor assets. Cooperative efforts with the Colorado Office of Tourism and other state DMOs to attract and educate journalist's from targeted publications is one of two primary activities designed to result in editorial exposure for the County. Maintaining an ongoing aggressive news release schedule promoting story ideas and seasonal activities and events to entice editors and writers is often what drives formal familiarization visits from these journalists. TRC recommends that these 4 activity measures be adopted as tools to ensure future growth in credible editorial exposure for Gunnison County.

- **Number and Frequency of GCBTA Generated News Releases Promoting Seasonal Stories and Events**
- **Number of Releases Distributed including those downloaded of the Website**
- **Annual Number of Journalists Hosted on Site Visits or Familiarization Tours**
- **Number of Media Calls and/or offsite visits**

Performance Measures

GCBTA's efforts to generate credible editorial coverage of the attractions in Gunnison County on a year round basis are an important and valuable supplement to its other direct marketing initiatives. More importantly, consumers generally respond more favorably to information and the evaluation of the destination or event by an independent editorial review or news story than to a paid advertising message. With this in mind, Gunnison County should require GCBTA to track through an independent 3rd party the value of its efforts to generate this exposure. DMAI recommends that the primary measure of success is a calculation of the ad equivalency of these stories directly attributable to the specific efforts of the reporting DMO. The County should also consider tracking the distribution of these news stories to ensure alignment with the top feeder markets delivering visitation to Gunnison County.

- **Ad Equivalency of Editorial Exposure Generated by GCBTA's Public Relations Initiatives**

7.0 Critical Destination Issues, Barriers to Success and Stakeholder Input

TRC conducted a considerable number of stakeholder interviews to assess the degree to which the GCBTA efforts, program and performance were compatible with the interests and desires of local industry stakeholders. As might be expected from a process such as this, opinions varied widely, yet were generally supportive and complimentary of GCBTA. During the course of these interviews several critical issues were identified that should be noted and TRC presents them as follows:



- There appears to be some skepticism from stakeholders on both ends of the Gunnison Valley that somehow the efforts of the GCBTA are oriented for the betterment of the other and vice versa. For the long range competitive success in Gunnison County, industry stakeholders must recognize that the real competition is not “down” or “up” the valley, rather it is the other mountain resort areas of Colorado and Utah. All industry stakeholders should collaborate and cooperate within the jurisdiction”**Cooperate Internally...Compete Externally”**.
- Transportation Infrastructure and the County's somewhat remote location are success inhibitors. Continued efforts to enhance year round air service to improve access should be pursued.

- Broad based stakeholder involvement from throughout the county on the GCBTA Board of Directors should be continually pursued. Although some stakeholders question the governance structure and the effectiveness and influence the advisory board may have without voting rights, the structure is similar to most independent DMO's in Colorado and across the U.S.
- Some stakeholders identified several county "silos" including GCBTA, the Transportation Authority and the local Chambers of Commerce. Concerns about the functional overlapping and potential dilution of resources were noted by some stakeholders. Organizational cooperation and collaboration should be encouraged by Gunnison County to maximize the efficiencies of existing resources and ensure that duplicative efforts are minimized.
- Some stakeholders cite a need for better communication about tourism issues and destination marketing initiatives managed by the GCBTA. Specific efforts by GCBTA to enhance stakeholder communications should be encouraged by Gunnison County. Some evidence suggests that the direct communication to (tourism) industry marketing partners is primarily under the purview and direction of the Chambers of Commerce. Gunnison County should encourage GCBTA to invest in communication strategies that inform all destination marketing partners about marketing programs and business opportunities on an ongoing basis independent of the local Chambers of Commerce.
- Some stakeholders maintain an opinion that since the majority of available accommodations are located in the north valley, GCBTA should orient its marketing initiatives accordingly. TRC suggests that as a county – wide organization, GCBTA should maintain a marketing focus on the broader region (promote all seasons and market all assets and experiences) and as its success translates into more overnight visitation, the north valley will benefit in proportion to the inventory and experiences it offers.
- GCBTA is not a sales organization; its mission is to attract more visitations leaving the marketing partners (accommodations, attractions and facilities) in the county to sell their product directly to the consumer. Moreover, GCBTA , like its sister organizations across the country, does not engage in the promotion of one partner over another, rather, its efforts are to ensure that the destination assets are served up in a way and with adequate information so that the customer can make a decision independently.
- Some stakeholders see a broader vision for GCBTA to include the concepts associated with product or destination development. This broader vision for others suggests that tourism is or may be the backbone of the County's economic development strategy. Although this perspective has validity supported by destination management trends nationally, the current structure and budget are not adequate to support this additional new function. Strategically, GCBTA should be at the broader community "table" when economic development strategy is discussed and debated.

8.0 Organizational Assessment – “Are we doing the right things and are we doing things right”

The GCBTA has embraced “best practices” in a highly efficient manner, minimizing resource allocations to administrative functions and investing a very high percentage of its available resources to the mission of marketing the destination. Moreover, its marketing initiatives and philosophy align well with the seasonal needs of the destination and the variety of recreational products available by season. Unlike most of its competitor organizations, GCBTA actively markets and advertises the winter season and its efforts to promote the balance of the year have borne fruit as evidenced by the increased sales and occupancy taxes collections in the “shoulder” seasons of the spring and fall. These data also support the fact that summer business is actually as high as or higher than the winter ski season, at least in the recent past. (Many of the recreational assets and activities are available at both the southern and northern end of the Gunnison Valley).



Due to a lack of understanding and unity in the County, GCBTA is “pushed and pulled” by different stakeholder perceptions about the relative success of the organization’s priorities and marketing initiatives. More to the point, the organization is often in the position of defending the county-wide approach it has committed itself to in deference to a stakeholder perspective that suggests GCBTA does more to promote one region in the county

to the detriment of the other. The fact of the matter is that the entire county is the destination and GCBTA’s marketing initiatives are rightly focused on all seasons and all products. Stakeholders must adopt a clearer view of who the real competition is and acknowledge that with limited competitive resources all in the county will benefit to a greater extent by banding together and competing as a collective destination. The competitive focus should be on other mountain resorts in Colorado and Utah and not the northern or southern end of the Gunnison Valley. The Gunnison County tourism industry will do well to embrace the principle - **Cooperate Internally and Compete Externally.**

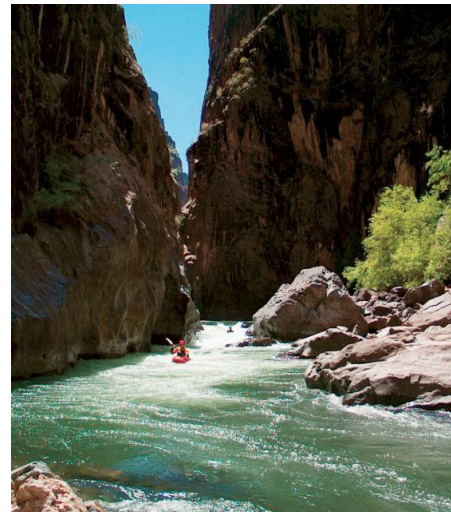
9.0 Recommendations –Organizational Structure, Governance and Operations

- GCBTA should continue to pursue initiatives that enhance the involvement and engagement of both the Board and Advisory Board. Board meeting should include a consent agenda that contains routine items like staff and program reports previously mailed to the Board and Advisory Board and orient the majority of Board meeting time to broader strategic issues and discussions.
- The GCBTA Board nominating process should be prioritized by members of the Board to minimize staff related involvement.

- The GCBTA should pursue an aggressive, independent stakeholder communications plan that informs the community and industry of critical strategic destination and organizational issues.
- The GCBTA should pursue and formalize broader tourism industry stakeholder input in the market planning process.

9.1 Recommendations - Destination Marketing Programs

- The County should pursue collaborative discussions with the area Chambers of Commerce, GCBTA and the Transportation Authority to minimize organizational duplication and focus. One current risk beyond efficiency and potential economies of scale is the apparent visitor/tourism orientation of all entities that may result in market/customer confusion.
- GCBTA should pursue additional enhancements to its primary distribution vehicle, www.gunnisoncrestedbutte.com as detailed in 5.0 of this report. Maximizing the website’s search position and results through additional SEO and SEM should also be considered.
- The County should reinforce and support GCBTA’s current “all seasons, all products” orientation in their marketing and promotional schedule. This represents the best chance for competitive position and broad-based county-wide benefits. In the case of Gunnison County or the municipal interests therein, pressuring GCBTA to orient its marketing initiatives solely based on the location of the room inventory will enhance divisiveness. At the end of the day, the customer chooses their accommodations after they have decided on a destination of choice, so the marketing effort should be directed at convincing consumers to select Gunnison County over other competing destinations.



9.2 Recommended Performance Indicators, Measurements and Metrics

- Annual Performance Indicators should include; (1) annual calculations of changes in regional market share based on State of Colorado research conducted by Dean Runyan and Associates and Longwoods International; (2) annual reports tracking travel spending, earnings, employment generation, and other local and state taxes within a competitive

context to include San Miguel, La Plata, and Routt Counties also available from the annual Runyan and Longwoods studies; (3) annual and seasonal tracking of both the LMD and municipal tax receipts.

These indicators (above) point to overall destination success and can provide a gauge on the relative success of the destination marketing effort managed by GCBTA however, these indicators are not absolute measurements of organizational performance due to the relative influence other factors outside of GCBTA's control.

- Annual Performance Measures for the GCBTA's online efforts should be oriented to the following measures: Website Visits, Absolute Unique Website Visits, and Average Time on the Website per Visitor, Average Number of Page Views per Visitor, and Percentage of New Visitors to the Site, Online Vacation Planner Requests, and Online Vacation Planner Views.
- GCBGTA should also report and measure the number of printed Travel Guides distributed and to what feeder market or locations these Guides were distributed.
- Public relations activity measures should include the number of news and event related press releases distributed and calls to the travel, trade and consumer press.
- Public relations performance measurements should include and be substantiated annually by a third party, to determine the annual ad equivalency of editorial exposure generated as a result of GCBTA press releases and journalists site inspection visits.

TRC recommends key metrics to measure economic impact and return on investment of the efforts of the GCBTA to include the following periodic, 3rd party research. It should be noted that economic research of this variety can be expensive if committed to on an annual basis, and many DMOs, depending on budget, typically invest in this type of research on an every other or every third year basis.

- Third party economic analysis of the return on investment of the GCBTA's primary distribution vehicle, www.gunnisoncrestedbutte.com . Credible third party research methodology to measure the impact of the website separately from any other program or initiative is available and relatively affordable.
- Measuring advertising success is an important metric, but industry researchers suggest that the cumulative value may only be approximated by measuring a succession of specific campaigns. Individual campaign analysis is more expensive than the suggested web research, but can be an important investment from time to time to judge the impact of specific ad campaigns.