

Haywood County
Tourism Development
Authority

Group Sales Strategic Plan
DRAFT

August 2014

Overall Strategic Objectives

- Utilize Haywood County's numerous event and meeting venues to drive group bookings that will generate new room nights and increased visitor spending across the entire county.
- Seek out opportunities to generate county-wide economic impact through meetings and events that facilitate activity in multiple communities.

Strategies

Establish appropriate expectations for the group sales function. Destination group sales is a marathon, not a sprint. It takes time to develop the relationships necessary for success in the business and to be considered as a possible meeting and event by planners. Many planners are booking business two to four years out from the time of their event, meaning that a return on this investment may not be fully realized for some time.

Hire a highly qualified group sales manager to represent Haywood County, its accommodations, meeting and event venues, and attractions, and sell to group leaders and meeting and event planners. Given the nature of the destination, with multiple meeting and event venues in different communities, it is essential that this person be someone who will build internal relationships within the local industry as well as with meeting and event planners.

Leverage Haywood County's strongest destination attributes to generate planner interest in the county's meeting and event venues. Haywood County is not going to compete for business in the group market by trying to be like everyone else, particularly when competing against more established destinations or urban areas. It must attract the interest of planners by leveraging its competitive advantages but still addressing their needs. These assets include:

- Scenic natural mountain beauty
- Wide variety of accommodation types
- Competitive room rates
- Central location within a day's drive of many major markets, with easy access via Interstate 40
- Frequent commercial air service located less than 1 hour away
- Two of the most popular national parks in the U.S.
- Wheels Through Time
- Other major nationally-known attractions (Harrah's Cherokee Casino, Biltmore) in close proximity
- Lake Junaluska Conference and Retreat Center
- Multiple championship golf courses
- Winter sports venues
- Numerous opportunities for unique offsite activities and events, including team-building and training exercises

Prioritize the target markets for the TDA's group sales initiatives. Prioritizing the allocation of the TDA's time and money doesn't mean that the staff won't welcome all leads and service all groups with the same enthusiasm. But the group market is large, diverse, and complicated. With one sales position, the TDA does not have the resources to chase down business in every segment of the market. It also needs the support and efforts of industry partners to determine where to allocate its resources for the greatest impact.

Identify the most appropriate types of meetings and events for each venue, and target the appropriate markets for each accordingly. This includes identifying state, regional, and national events that are primarily in drive markets for attendees. It also means working with local sports promoters and coaches to drive bookings for suitable amateur sports events. The TDA and its partners should also leverage contacts within the local resident population who represent possible sources of meeting and event business for the county.

The target market segments with the greatest potential return on investment include, in no particular order:

SMERF (Social, Military, Educational, Religious, and Fraternal) Markets

The SMERF market is huge and in many cases still growing, although its precise size is nearly impossible to estimate. Many destinations are competing for business in this category due to its size and their ability to host many different types of SMERF events (particularly if their corporate meeting business is soft). However, it tends to be price-sensitive and focused upon value, and site selection is often driven by the ability to travel to a location central to where many attendees live. Many SMERF event planners are not professionally trained, or are not planning events as a full-time occupation. Social media has become a very important influencer of attendance and site selection for many SMERF segments.

Social –This segment includes the reunion market, which continues to grow as Baby Boomers retire and multigenerational travel emerges as a major force shaping travel behavior. This trend is particularly strong in ethnic markets (African-Americans and Hispanics). It is among the harder to reach group segments and is often not professionally planned or managed.

Military – There are many military retirees and active duty personnel within North and South Carolina, Georgia, and north Florida. All have large and growing military installations, and significant concentrations of veterans. There are 400,000 military veterans in South Carolina alone, representing 12% of the adult population. Large numbers of veterans also reside in North Carolina (11% of the adult population) and Georgia (10.4%). Military reunions are a significant and growing group segment--there are at least 8,500 planners in this market who plan up to 15,000 reunions annually, attracting over 300,000 attendees. This market also include large segments such as reunions of military “brats.”

Educational – For Haywood County, this segment probably has the weakest potential of the SMERF markets in terms of generating broad impact for the destination. Overnight student travel is not a significant factor for western North Carolina, and most of the county’s venues aren’t well-suited for meetings in this market. However, Lake Junaluska Conference and Retreat Center may be of great interest to the segment, given attractive room rates; meeting and event venues built around classroom training; and the lack of adult beverages.

Religious – This segment includes both church-related conferences (for which Lake Junaluska is already competing) as well as smaller groups such as overnight youth travel for retreats and sporting activities (skiing, snowboarding, whitewater rafting) and retiree travel. The youth group market for winter sports may be particularly appealing if Wolf Ridge does not reopen for business following the fire that damaged their facility.

Fraternal – Demand in this segment remains steady, and includes both traditional collegiate fraternities and sororities (especially their alumni groups) as well as fraternal organizations.

Destination Weddings – Although it shares some similarities with the social component of SMERF (difficult to target, very weekend-oriented, often not professionally planned), this segment is distinct in that it has its own needs and demands. The service provided to this segment is usually intensive and hands-on, and there is typically an associated demand for numerous related services other than just overnight accommodations. These include unique venues, florists, catering, stylists, equipment rental, and musicians. The market will require its own inventory of unique venues and assets in order to be competitive with many nearby destinations.

Talent and Dance Organizations – While this is a fast-growing market that is typically price-sensitive and weekend-oriented, it also has sizeable state and regional networks to facilitate event planning and event attendance.

Motorsports – This is a large market that is already attracted to the county because of the many destination attributes which appeal to motorsports enthusiasts: Wheels Through Time; the Blue Ridge Parkway; Great Smoky Mountains National Park; other scenic drives in the area; a variety of accommodation types; and attractive room rates. The region has already developed a strong reputation and awareness in this category. The market is segmented into numerous groups and associations representing different niches, car and motorcycle types, and geographies. Some groups are likely too large for the destination, but many others will be attracted to the area because of that combination of unique assets.

Youth and Adult Sporting Events – These are perhaps the most competitive group market segments for destinations, as they are highly coveted due to their size and the level of visitor spending generated. It covers an extremely broad range of activities, from youth baseball tournaments to bicycle road races to ski and snowboard events. Competition is especially fierce in the traditional youth and adult sports categories, with communities investing millions of dollars in new facilities to attract large regional and national events and offering various incentives (financial and otherwise) to associations and event planners.

For Haywood County to compete in this category, it must carefully detail its available assets (including venues such as ball fields and gymnasiums as well as “non-stadium” venues such as road and mountain biking routes); determine which assets will realistically enable it to attract events; and work with local promoters, planners, and coaches who can provide connections to the typically well-developed networks associated with many sports. Haywood County will not be ideally suited to every type of competition – some events are too large, some require significant incentives, and some won’t be attracted to the county if accommodations are spread out too far from

venues. It will take time – many events are booked two to four years out – but a carefully considered action plan for selected sports and events will yield success.

Corporate – Haywood County does not possess many of the typical assets needed to compete for corporate meeting business or traditional large association conferences. But there is an opportunity for the county to attract very specific types of corporate functions, such as smaller retreats, team-building activities, and training events. There may also be interest in the county’s non-traditional meeting and event venues as primary meeting locations or for off-site activities. Even within this segment of the market, Haywood County won’t appeal to everyone, especially groups that usually frequent large high-end resorts or which demand easy airport access. This market will require time to cultivate and identify potential sales targets.

Motorcoach – While it has certainly diminished from its peak during the 1970s and 1980s, motorcoach is still a viable segment of the group business. The market has evolved into various sub-segments and niches, including bank travel, sporting events, alumni groups, gaming, and ecotourism. Pricing has also evolved as a differentiator, with high-end providers like Tauck Tours and value-priced operators segmenting the market and offering substantial differences in tour experiences. The greatest challenge for Haywood County in this market will be competing against nearby Gatlinburg and Pigeon Forge, destinations which offer a wide range of hotel price points and an array of nighttime entertainment.

Outdoor-Related Enthusiast Groups – What has at least somewhat offset the decline in the overall motorcoach market over the last two decades is the growth of enthusiast and affinity segments of the group market. With its two national parks and scenic mountain beauty, Haywood County is well-positioned to compete for business from outdoor-related affinity groups such as birders and nature photographers. Interest groups such as these have grown substantially in the U.S., particularly as Baby Boomers have become empty nest travelers, and they often spend at a high level.

Create a Group Sales Task Force composed of the sales manager and representatives of the county's hotels, meeting and event venues, and attractions. This will be a committee to advise the TDA on the private sector's own sales initiatives, develop new strategies and tactics, and support the sales manager position by participating in sales blitzes, trade shows, and fam tours. Representatives should be part of a "coalition of the willing," able to help do the heavy lifting and teamwork required of a destination sales effort.

Develop appropriate sales tools for both the sales manager and representatives of the destination to use when selling Haywood County to group leaders and decision makers. Many planners are moving away from using the large binders and notebooks with details about hotels and event venues that destinations have published in the past, and are relying a great deal more upon destination websites. The TDA must offer a robust, detailed group meeting and event section on its website that can be used as a planning resource, with extensive information about hotels, venues, activities, and attractions. This includes PDF fact sheets addressing several or all of the audience opportunities outlined above.

But given the likelihood that the county also has low awareness as a group destination, Haywood County needs a printed image piece that can be used to stimulate interest and be used as a mailer. This is not a directory; rather, it's a collateral piece that presents the destination assets of Haywood County to the planner audience in an attractive manner, intended for the planner who knows nothing or very little about the destination. It can be supplemented as a fulfillment piece with other materials addressing specific needs or questions of interested planners, or in response to an RFP.

Establish appropriate performance measures for the group sales function. Given the time required to develop relationships and to book future business, these metrics may change as the position evolves and business is realized. These measures include:

- Sales activities performed, including sales calls, trade shows attended, and site inspections conducted
- Performance measures, including leads generated, bookings at venues, and room nights realized
- Productivity measures, including repeat business in both venues and accommodations
- Cost productivity, such as cost per lead, booking, and room night
- Inbound leads and bookings serviced
- Lead conversion and closing ratios
- Event booking to room supply ratio
- Return on investment metrics as determined by the TDA
- Mystery shopper measures

Identify and catalog all of the meeting and event assets in the county and create a single database maintained by the TDA. In addition to the typical data necessary for a database of assets (size of the venue, floor plans, number of sleeping rooms, availability of audio/visual equipment, etc.), the TDA will want to address a number of other issues because of the unique variety of venues in the county. These include:

- Food and beverage availability (in-house or catered)
- Ability to handle inclement weather
- Turnkey staffing and programming
- Planner testimonies
- Preferred list of caterers and other service providers, with available references
- Suitable loading and off-loading sites for motorcoaches and trucks
- After-hours access
- Set-up and tear-down capability
- Team-building activities
- Wedding amenities
- Wireless Internet availability
- Shuttle service or other transportation capability

- Baggage handling
- Special menus for groups

A robust database is critical for addressing the needs of the planner, particularly in a non-traditional meeting destination like Haywood County. Even something as seemingly random as the ability to serve breakfast may be a capability desired by some groups, especially in the motorcoach segment.

Provide group sales education and hospitality training for local industry partners. The care and servicing of planners and groups is a critical part of the market. While there are Haywood County partners who have many years of experience in this field, others may lack the requisite expertise for managing the group business. As it prepares to enter the category with its own sales initiatives, the TDA must ensure that its partners understand the expectations of the market; the terms and conditions of group bookings; and the hospitality required to drive guest satisfaction and repeat business.

Disclaimer

Magellan Strategy Group, LLC has prepared this report for the sole use of the Client. This report may not be relied upon by any other party without express written agreement. Magellan Strategy Group, LLC has exercised due and customary care in conducting this analysis, but has not independently verified information provided by others. No other warranty, express or implied is made in relation to the conduct of the Client or the contents of the analysis. Magellan Strategy Group, LLC assumed no liability for any loss resulting from errors, omissions, or misrepresentations made by others. Any findings stated in this report are based on circumstances and facts as they existed at the time the work was performed. Any changes in circumstances and facts upon which this report is based may adversely affect the finding contained in this report.

