



**Second Quarter 2012
Marketing Report
To The City of Branson**

Branson/Lakes Area Chamber & CVB

August 28, 2012

Presentation Overview



- **2012 Economic Overview**
- **2012 Travel Industry Overview**
- **2012 Q2 Branson Update**

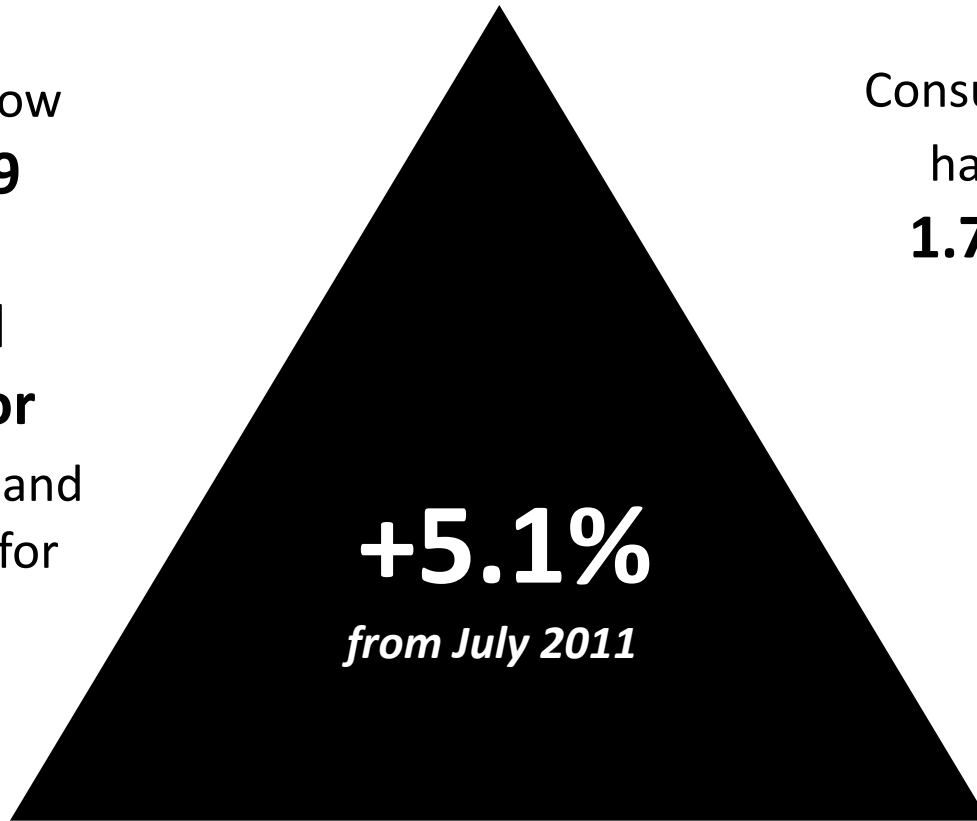


Economic Outlook



Consumer Confidence

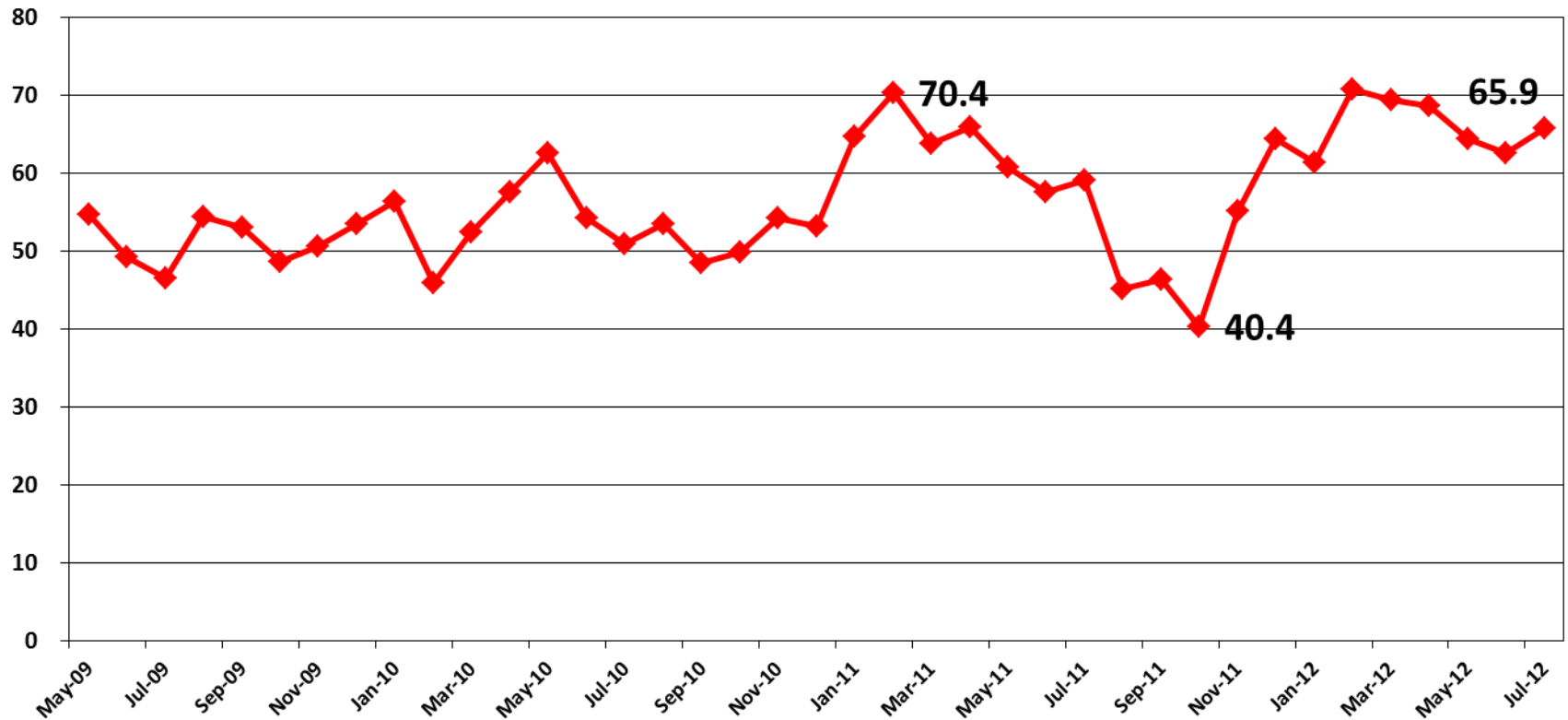
Consumer Confidence now stands at **65.9** where **90 is considered necessary for sustainability** and 100 is required for growth.



Consumer confidence has **increased 1.7% this year.**

Consumer Confidence

Consumer confidence has held fairly steady throughout 2012.



Source: The Conference Board

U.S. Unemployment Rate

Unemployment

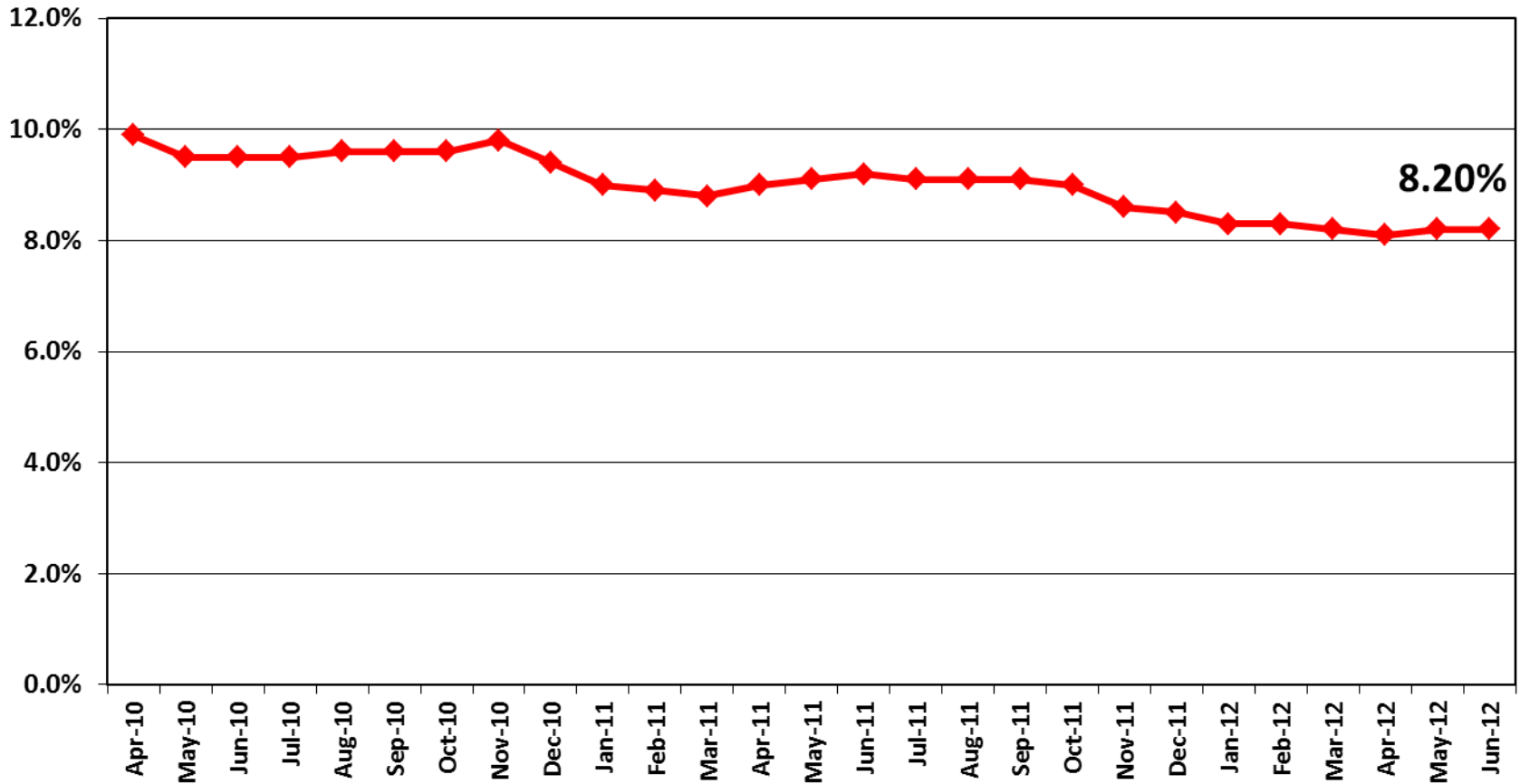
has hovered between 8.1% and 8.3% in 2012. In July, unemployment remained even with June at 8.2%.



8.2%

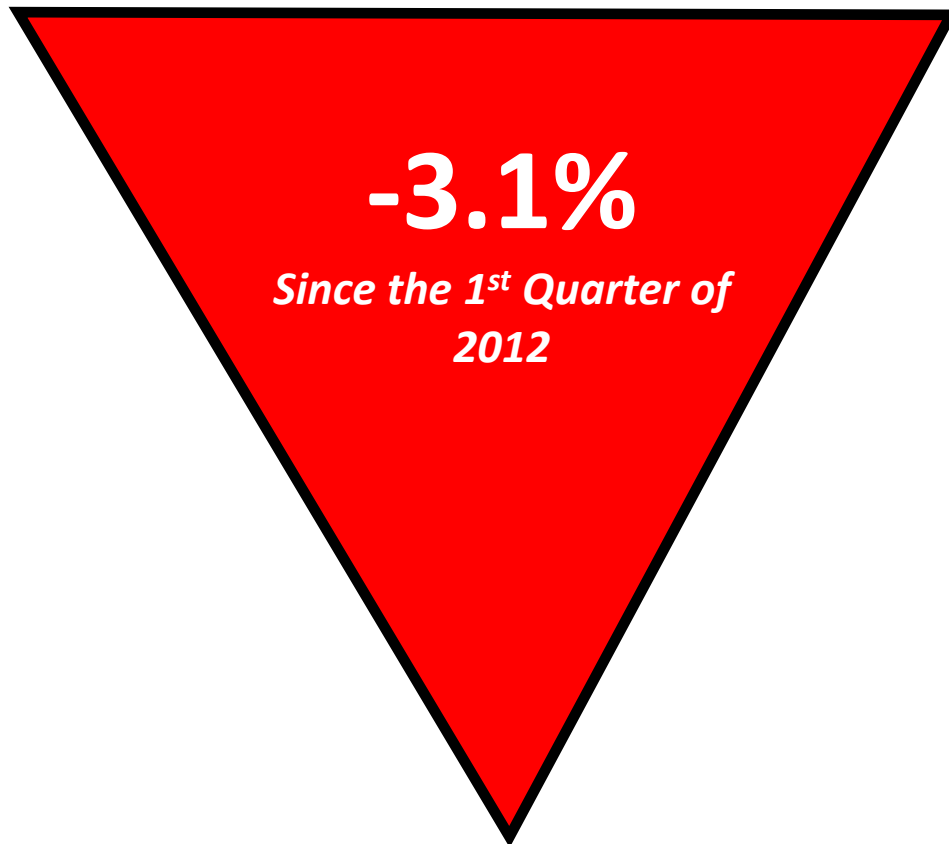
U.S. Unemployment Rate

U.S. unemployment is slowly, very slowly, headed down.



Source: Bureau of Labor Statistics

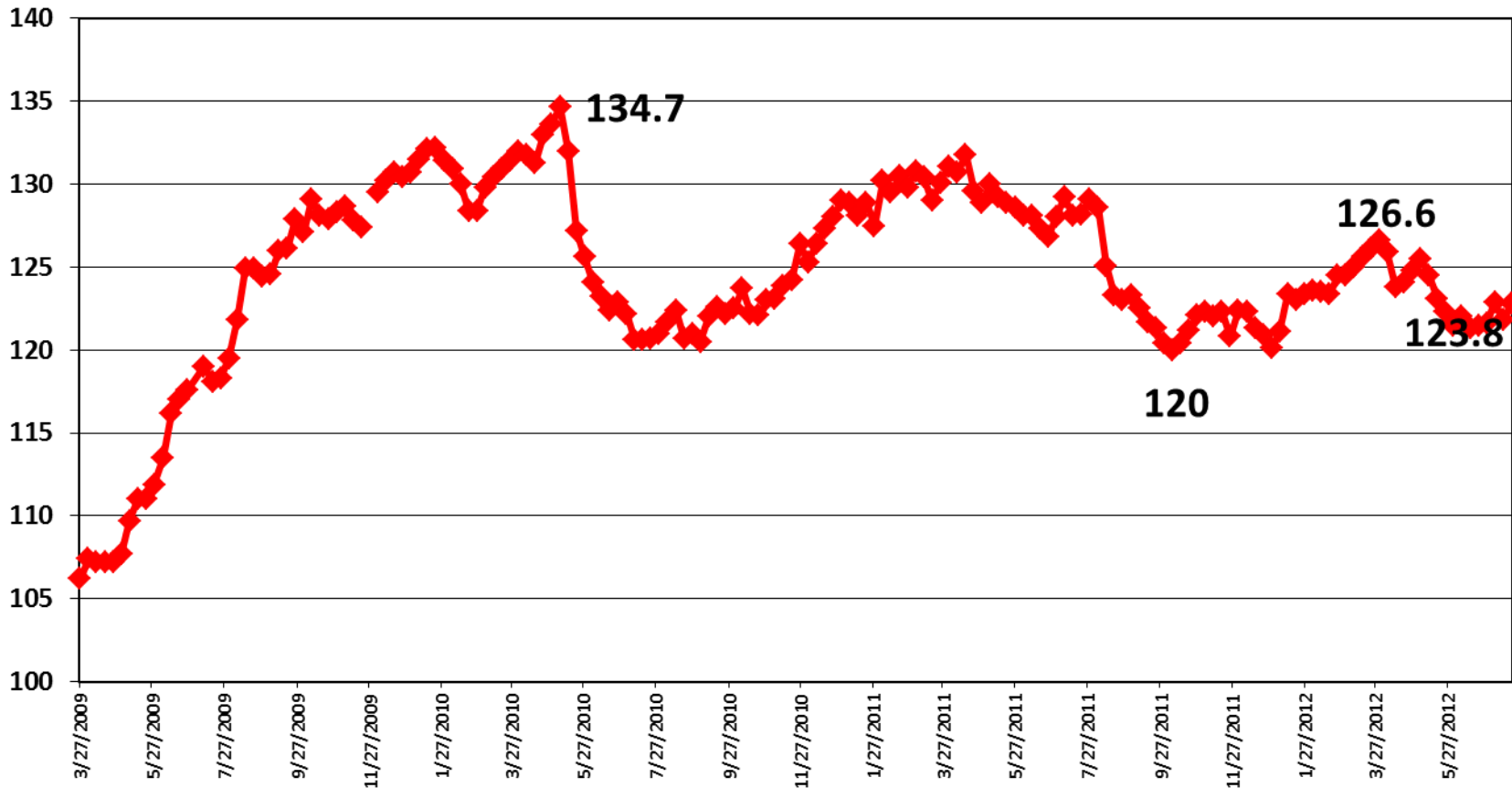
Index of Weekly Leading Indicators



The Economic Cycle Research Institute's Weekly Leading Index® (WLI) for the U.S. stands at 122.8, down 3.1% compared to the end of the first quarter but it has increased 5 of the past 7 weeks.

Weekly Leading Index (WLI)

The WLI continues its roller coaster ride, but has improved in recent weeks.



Source: Economic Cycle Research Institute

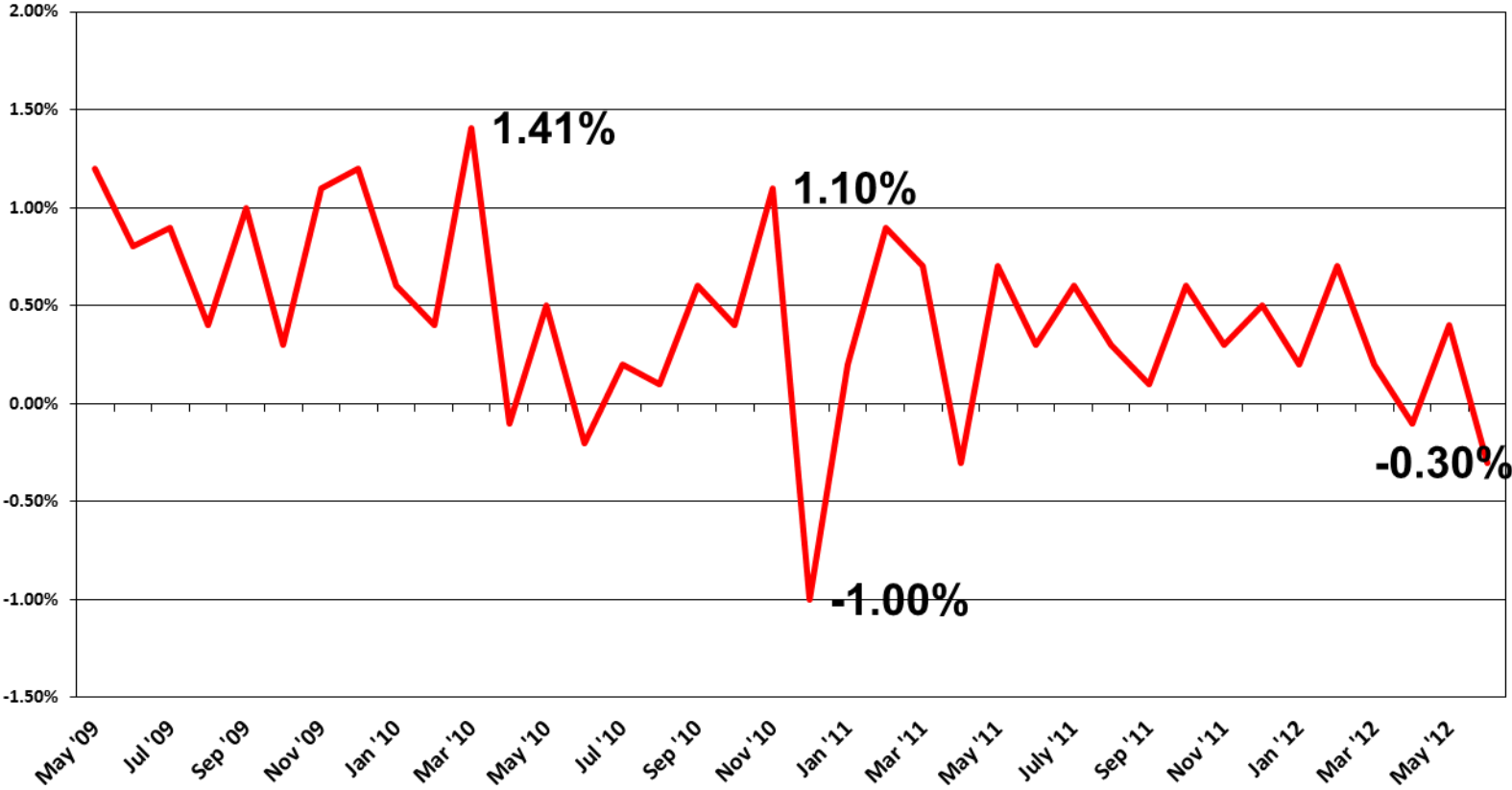
Index of Leading Economic Indicators



The Conference Board projections for Leading Economic Indicators has increased 4 of the past 6 months despite being down in June.

Index of Leading Economic Indicators

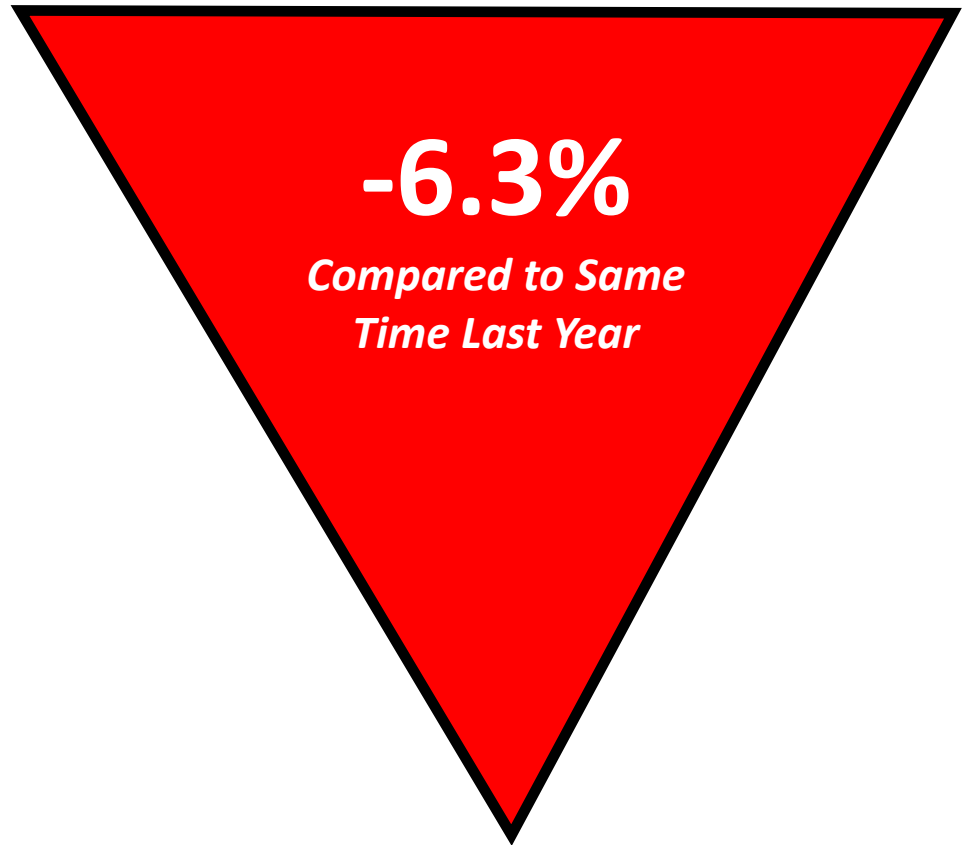
Despite a few fluctuations, recent figures from the Conference Board show that for the most part the LEI has improved steadily over the past 12 months.



Source: Conference Board

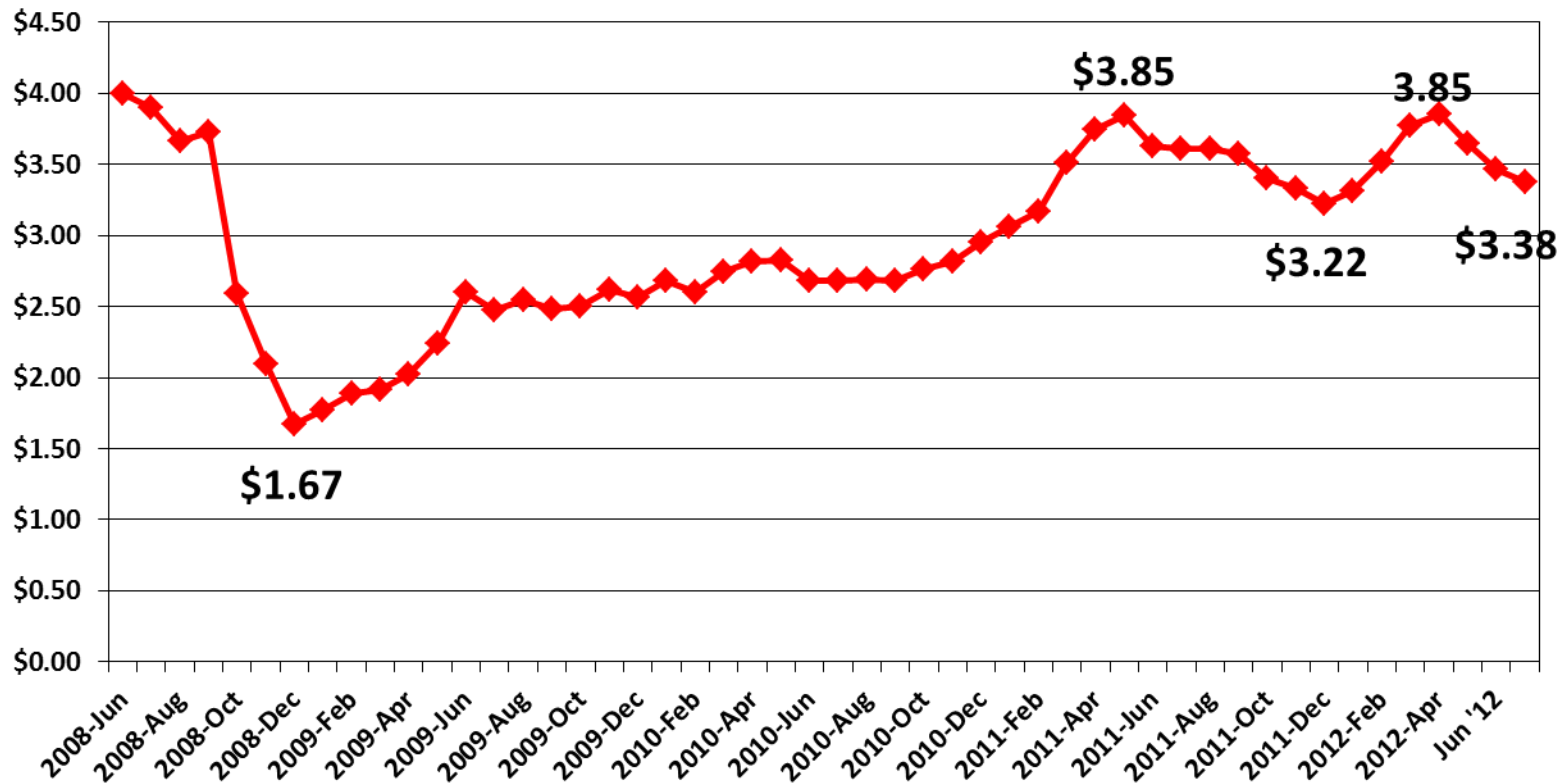
U.S. Average Gasoline Prices

The average U.S. Regular Convention Retail Gasoline Price averaged **\$3.45 per gallon the last week of July 2012**, up 1.7% from last month but down 6.3% from this same time last year when it averaged \$3.67



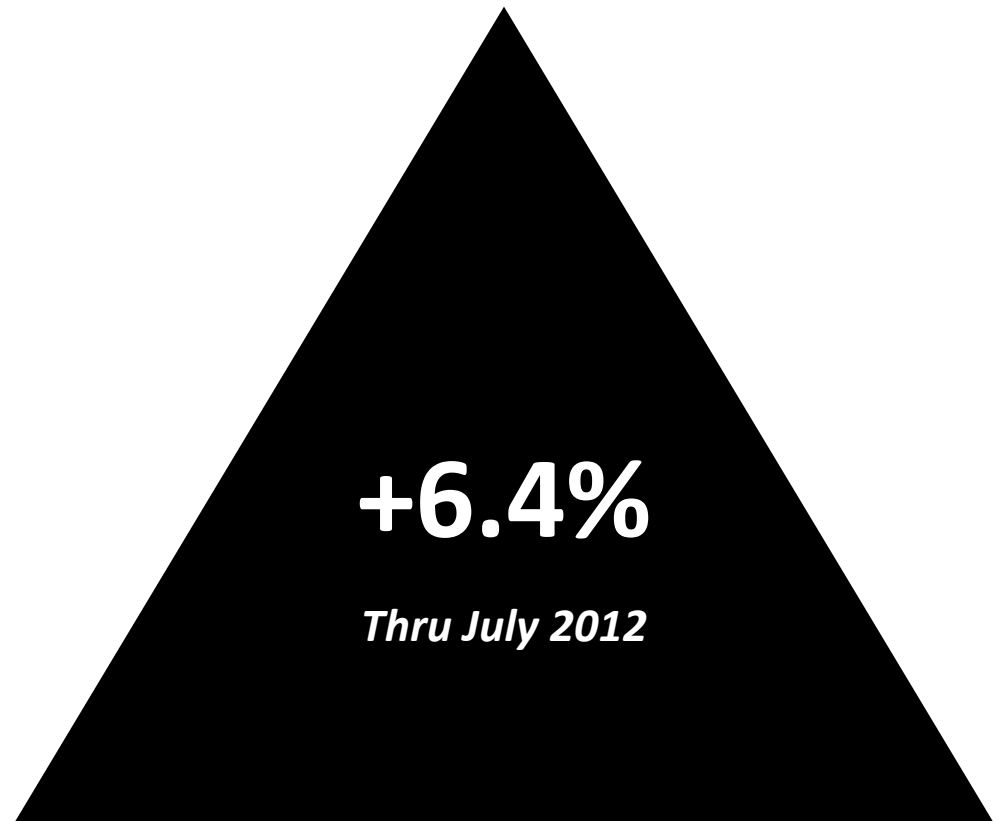
Average U.S. Gasoline Prices

Gasoline prices have fallen over the past few months and remain lower than at the same time last year.



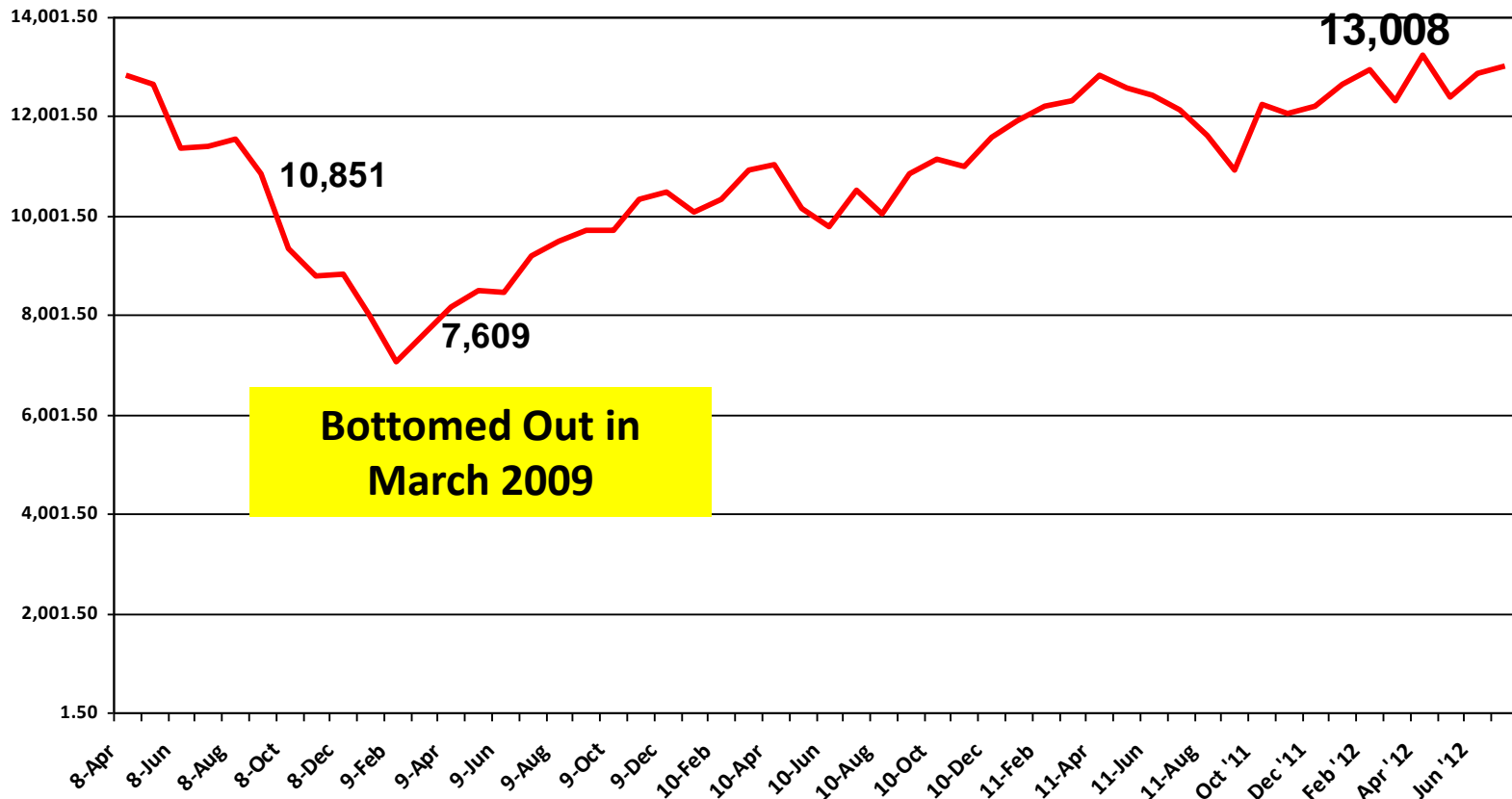
Dow Jones Industrial Average

The Dow Jones Industrial average has fared well in 2012 averaging 6.4% higher. The Dow has improved in five of the past seven months.



Dow Jones Industrial Average

Thanks to steady increases in corporate profits the DJIA has performed well since October of 2011.

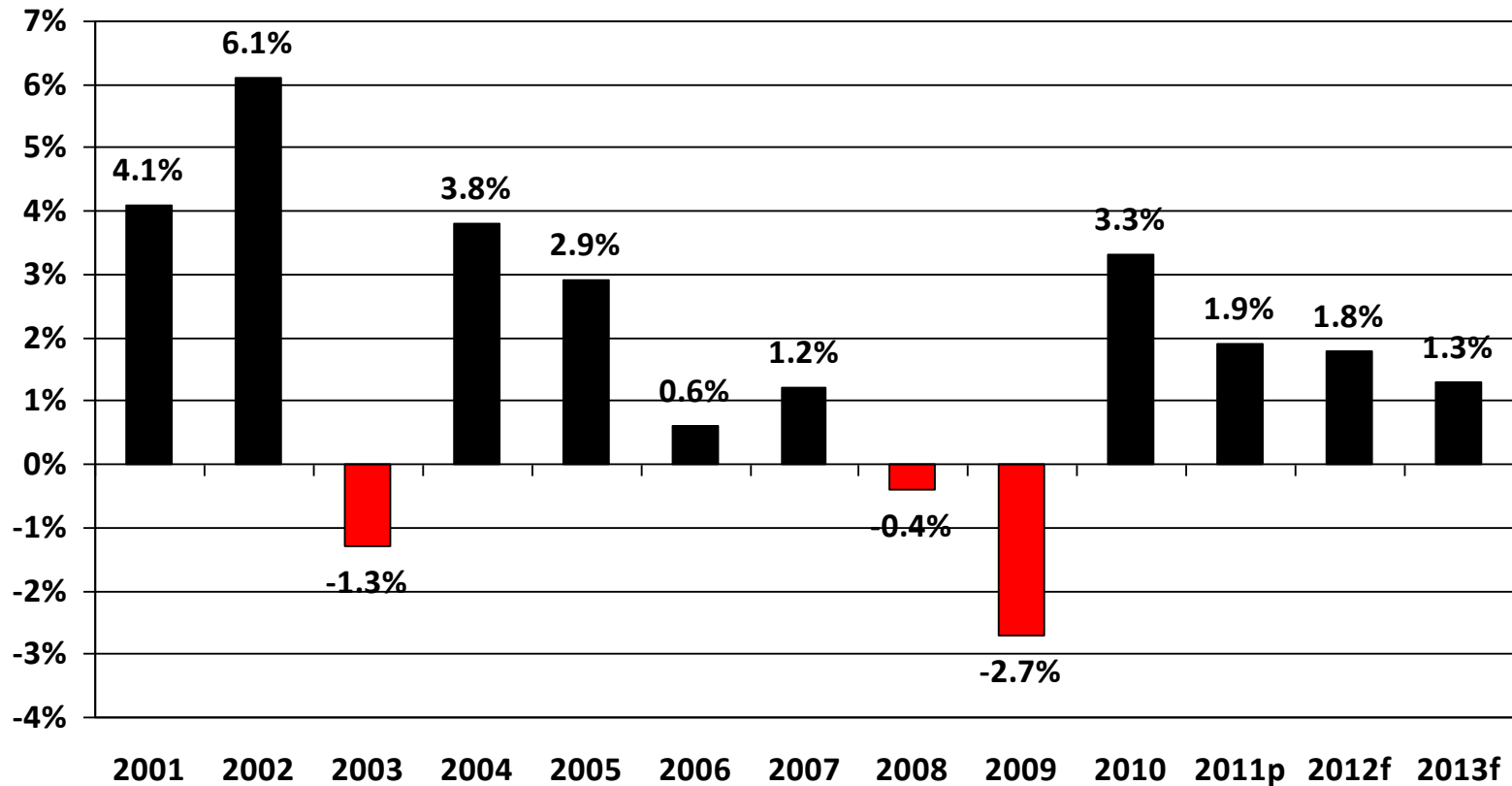


U.S. Travel Performance



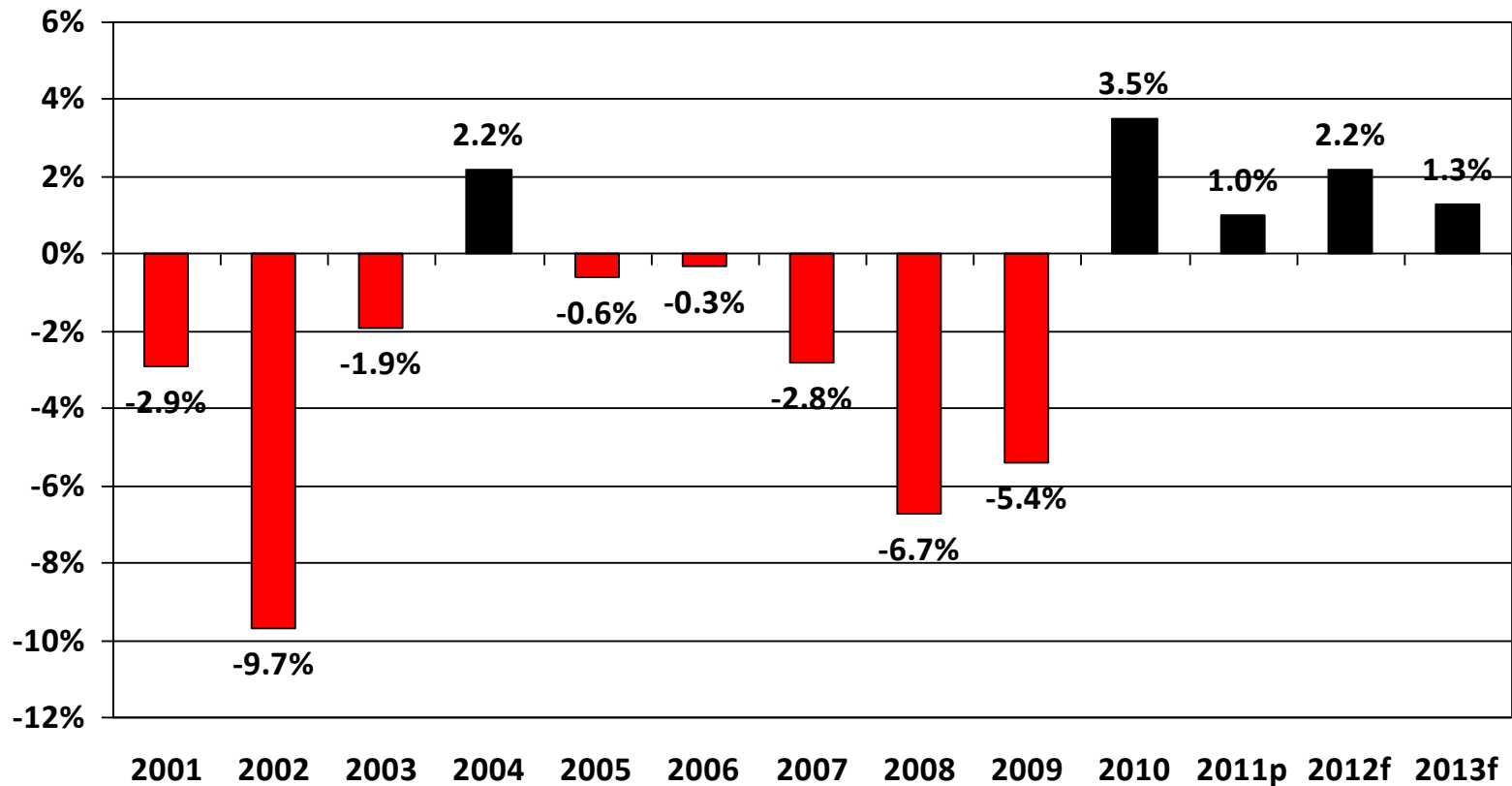
Leisure Trip Forecast

This year industry experts expect leisure trips to increase by 1.8% and slow to +1.3% next year.



Business Trip Forecast

Business travel is expected to end up outpacing leisure travel again this year.



Smith Travel Room Demand

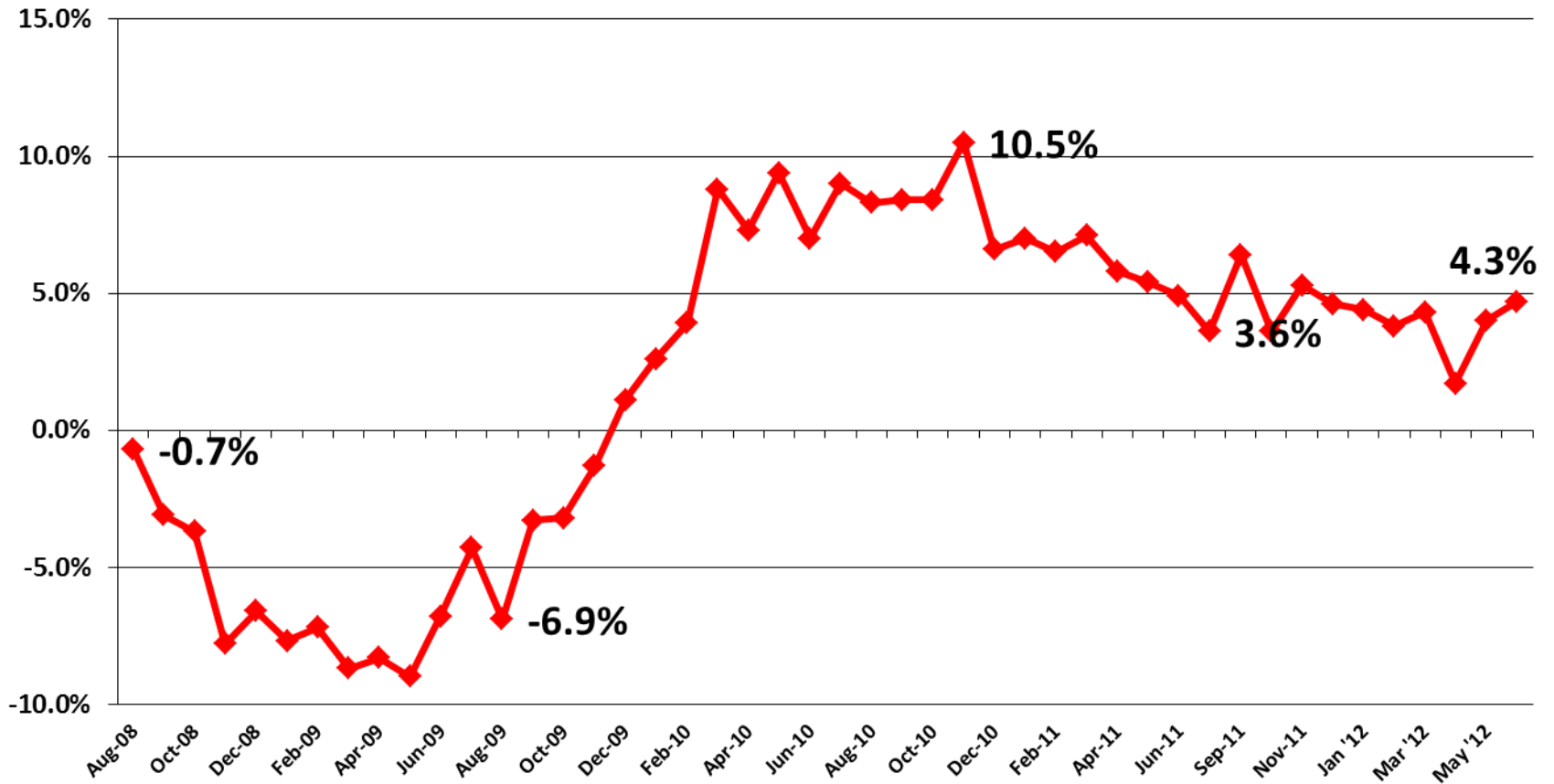
U.S. room demand
has increased for 31
consecutive months--
after posting 16
consecutive months
of decline.



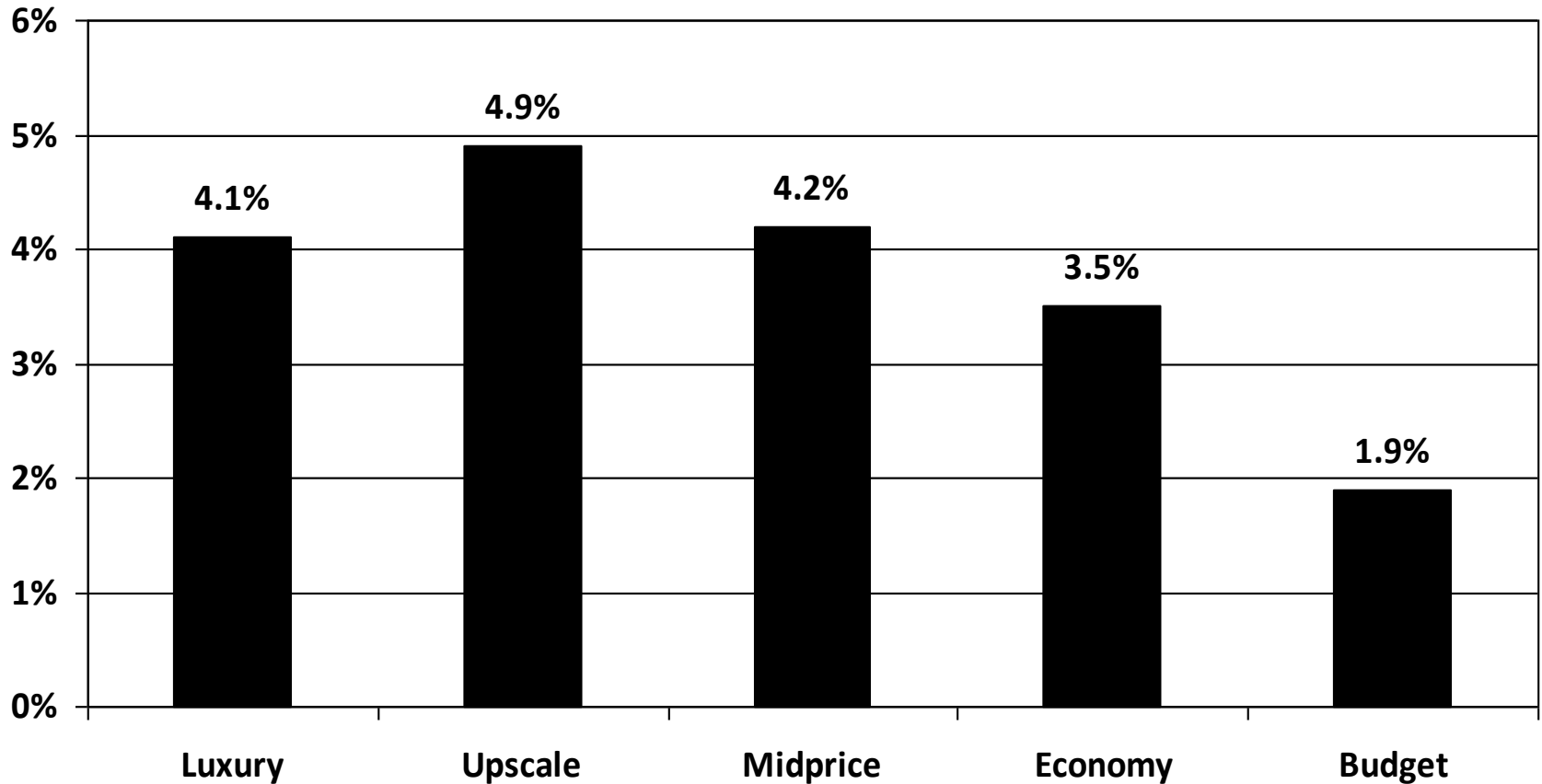
+3.7%
Thru June 2012

Smith Travel Research

U.S. Room Demand Variance

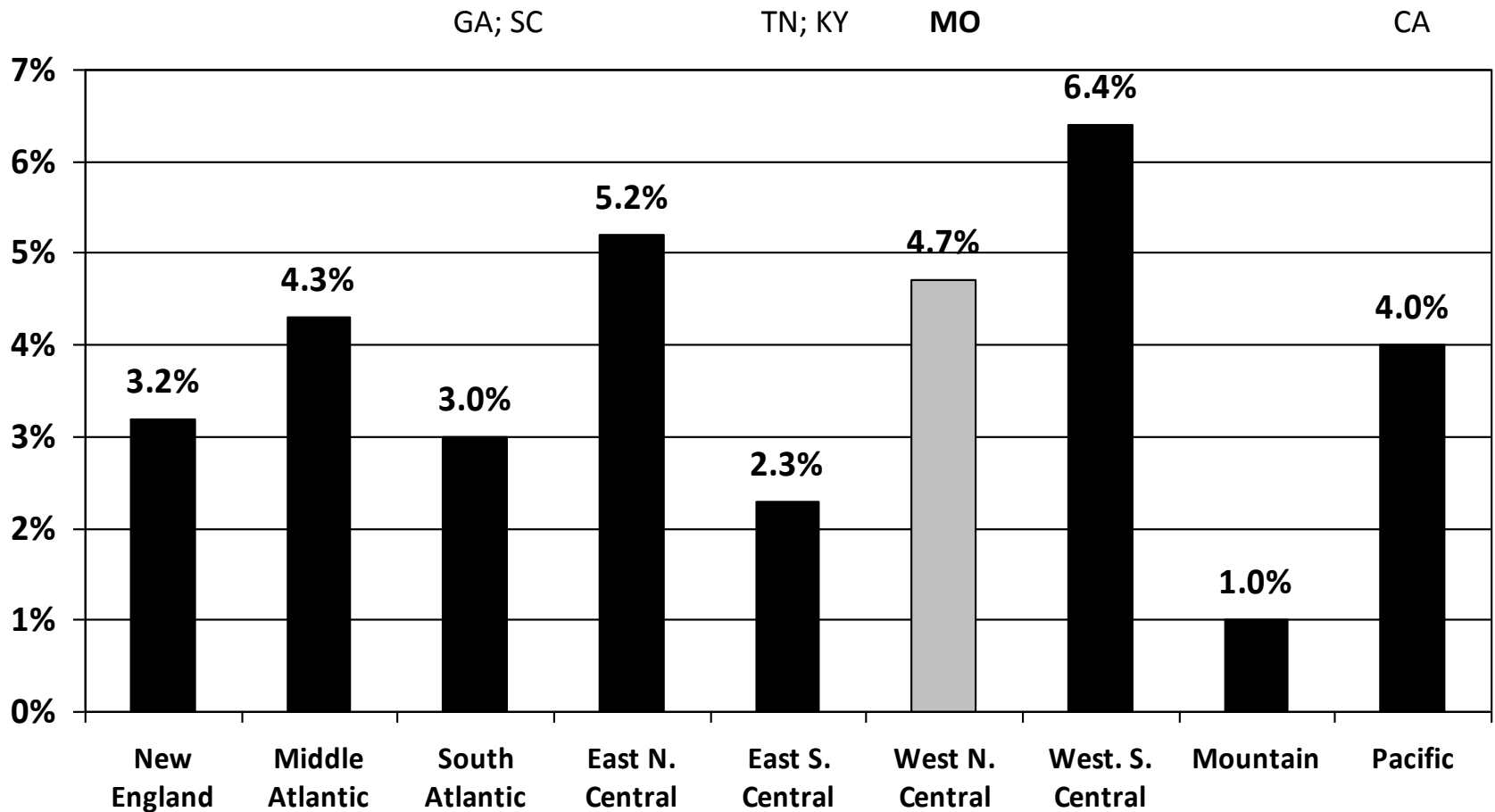


Smith Travel Research Room Demand by Price



Smith Travel Research

Room Demand by Region



Travel Industry 2012 Outlook



Travel Industry Overview

- **Year-to-date data** indicate that 2012 is unfolding as a year of modest growth in travel demand, a year in which tepid economic news did not inhibit growth for travel. Most sectors (specifically lodging) realize that future gains will depend on supporting GDP growth. Quarter one GDP grew 1.9%, a deceleration from the 3% of 2011. Full-year GDP will come in at 1% above last year. In line with lower GDP projections, room demand has been lowered to 2% above 2011 levels.
- **Domestic trip volume** through June has shown overall increases of 3.7 percent vs. the prior year, using Smith Travel Research (STR) figures on hotel room night demand as a measurement barometer. The data show the upscale segment with the most strength (+4.9%) and the luxury segment second (+4.1%).

Travel Industry Overview

- **Early year data from Florida show arrivals up 2.4%** and Hawaii up 10%. The latter destination is coming off of a lower base, having been saddled by natural disasters in a key feeder market. Hawaii's summer season is anticipated to be even more prosperous than in previous years, with new direct air service scheduled from New York, Washington, D.C., Las Vegas and Fresno.
- **Not all destinations will benefit equally** from additional airlift. Delta is cutting 25 flights from Memphis – affecting Little Rock, Oklahoma City, Philadelphia, Columbus, Ohio, Tampa, Denver and Springfield, MO. Vision Airlines is pulling completely out of Ohio's Toledo Express Airport less than one month after it began flying there.
- **Summer season travel** was off to a pretty good start, and we shouldn't let current conditions of wild fires in the west and tropical storm flooding in the southeast deter us from some positive statistics. Memorial Day holiday travel reports were strong, mainly for destinations targeting travelers with HHI of \$100K+ (share up six percent).

Travel Industry Overview

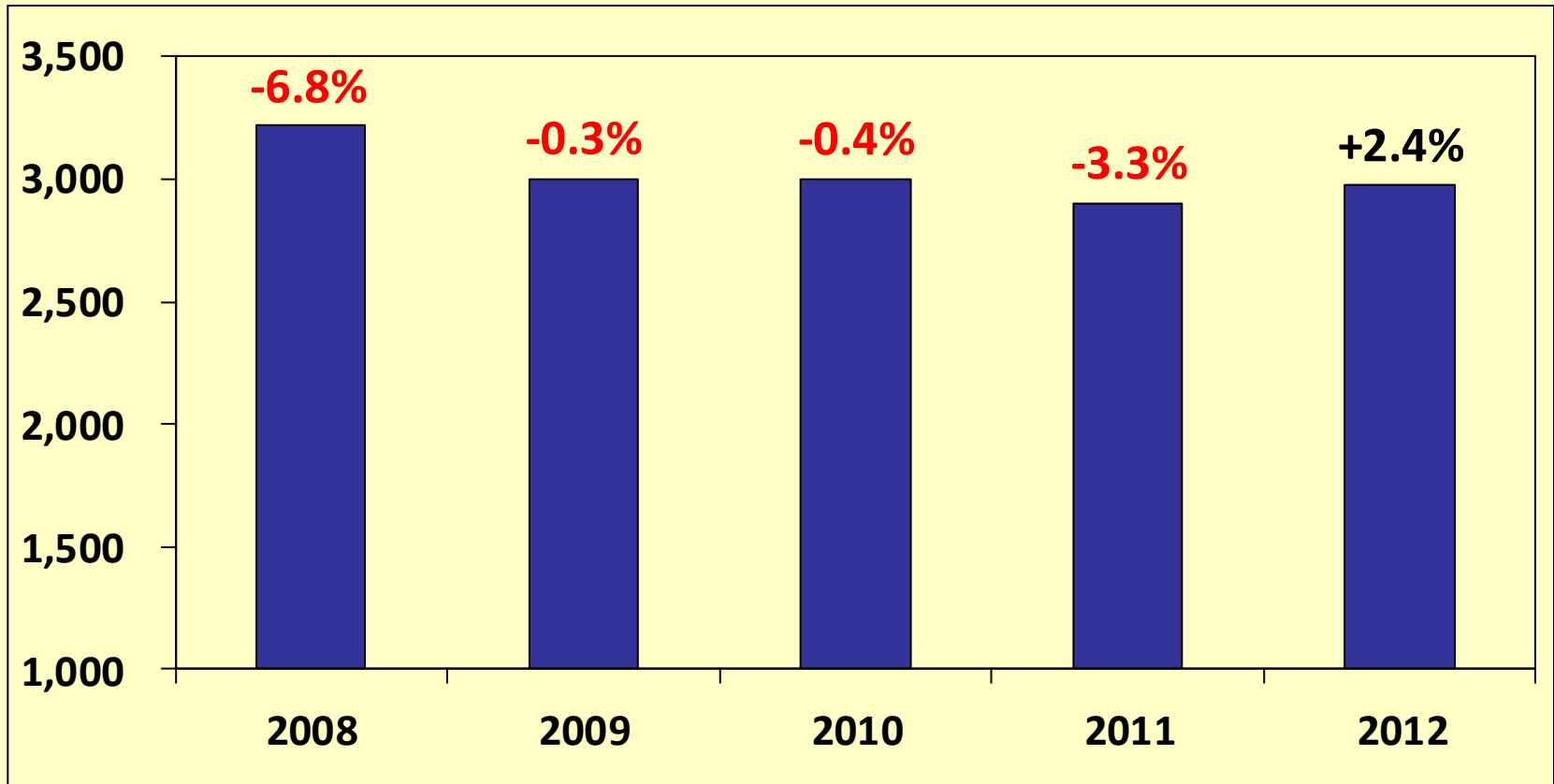
- **Now is the time for business travel** to enter a period of softer demand, with a pick-up not expected until post-Labor Day. When that time comes, we don't see corporate travel proving itself to be as robust as in prior years at that time. As pointed out previously, the next evolution in business travel will be a focus on efficiencies. Managed travel can lower costs by 10-15%, which firms will re-invest into additional trips.
- **Personal spending** is stalling due to slower job growth and subdued wage gains. We're keeping the forecast at 2% y/y percentage gain – and will be watching the inflation gauge closely.
- **The pinch of restrained household incomes** is tied to a jobless rate that's exceeded 8 percent for 40 straight months. While gasoline prices are less of a burden on Americans, the absence of bigger employment gains will make it tough for spending and the expansion to accelerate.

Branson 2012

2nd Quarter YTD Performance

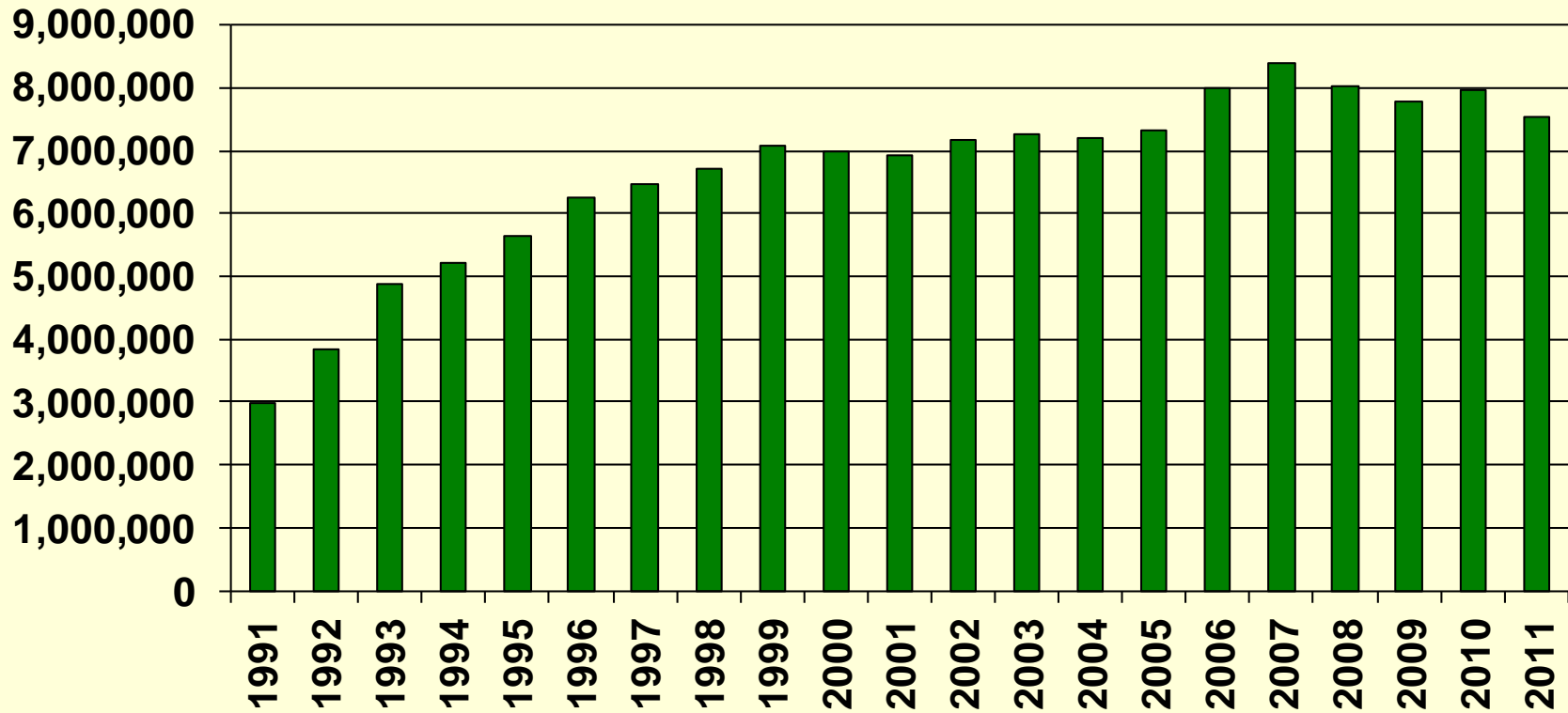


Branson Visitation YTD thru Second Quarter 2012

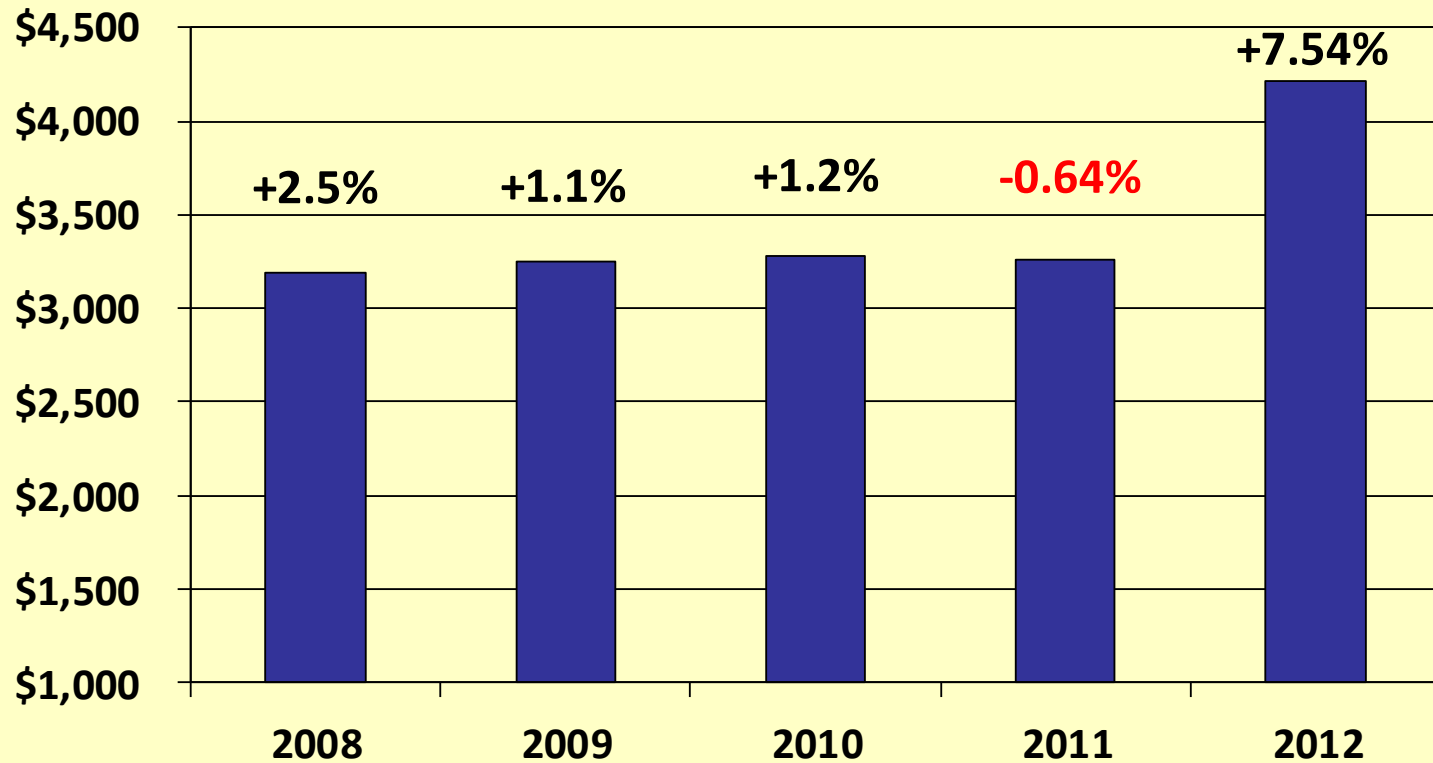


Source: City of Branson

History of Branson Visitation 1991 - 2011

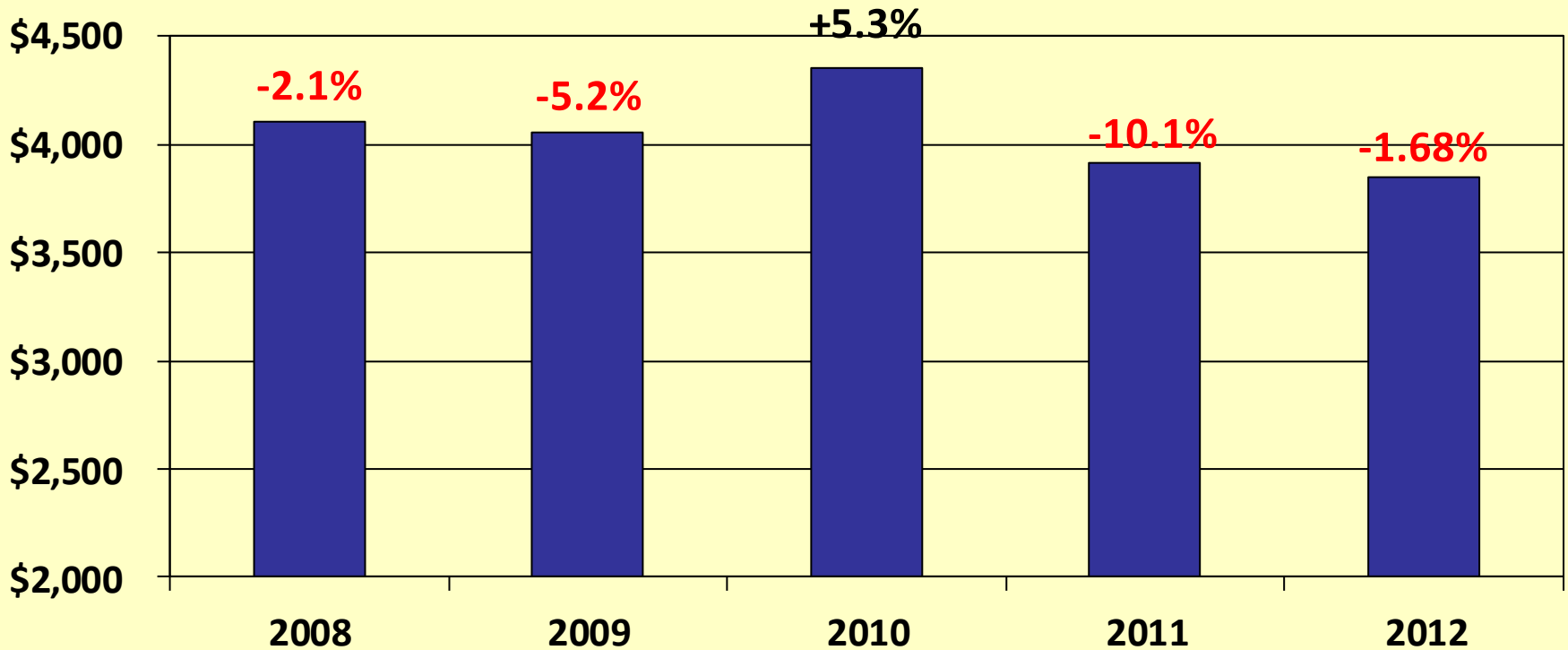


City of Branson Sales Tax YTD thru Second Quarter 2012



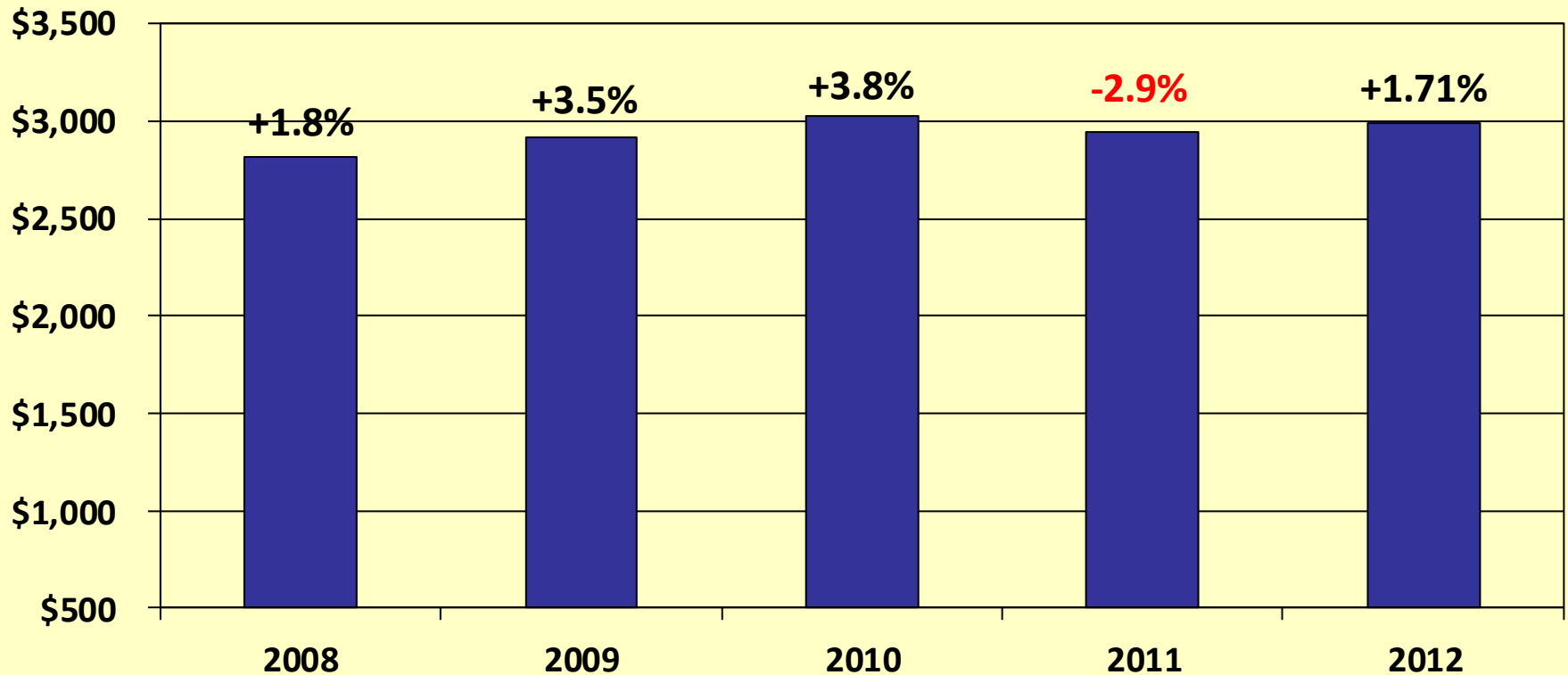
Source: City of Branson

City of Branson Tourism Tax YTD thru Second Quarter 2012



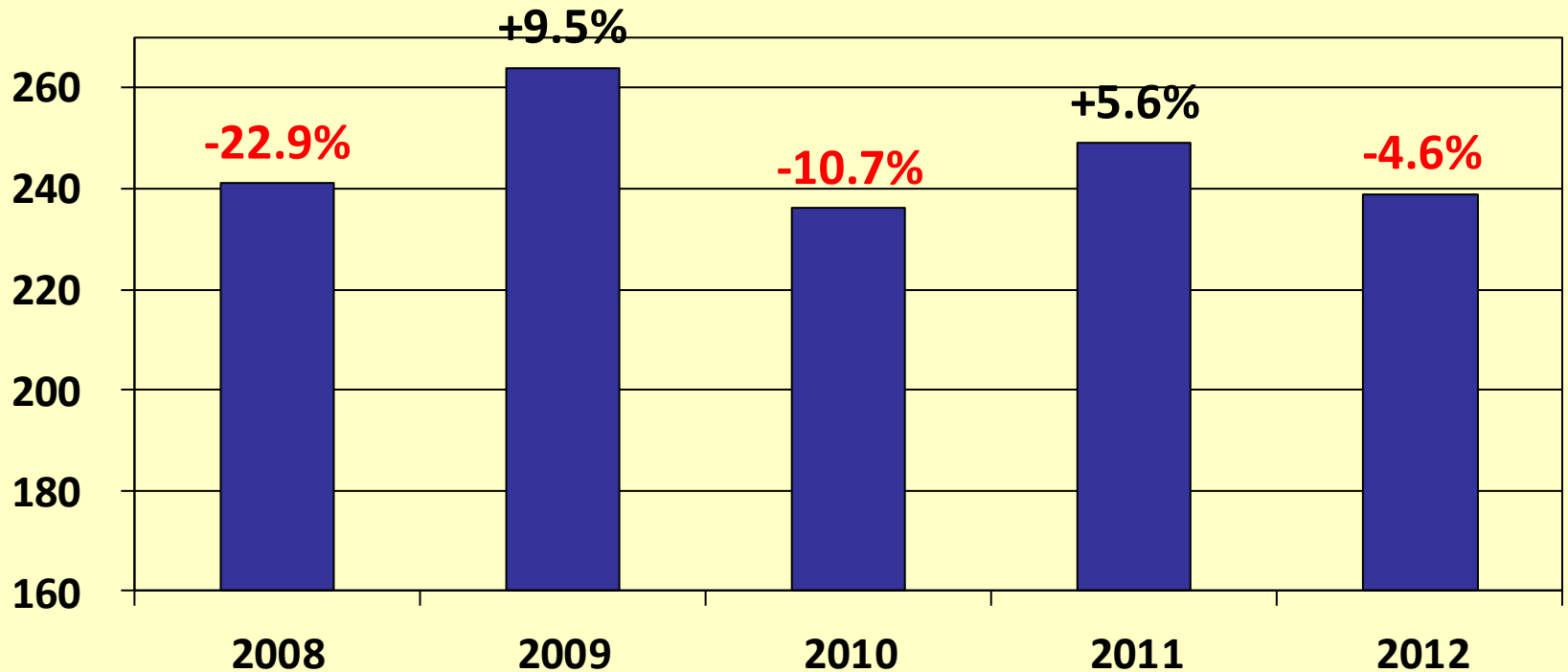
Source: City of Branson

TCED Tourism Tax YTD thru Second Quarter 2012



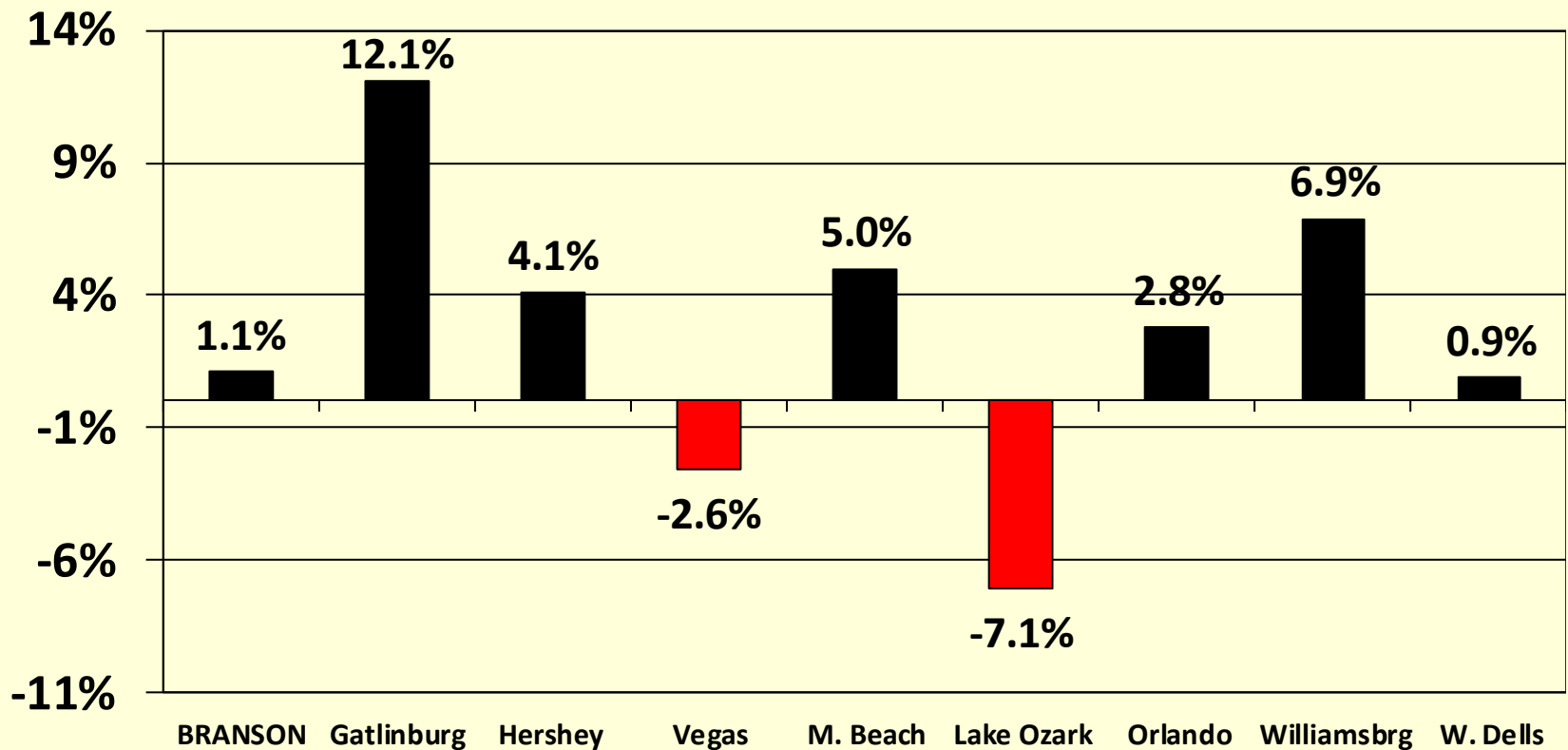
Source: TCED

Branson Room Demand YTD Second Quarter 2012



Source: Smith Travel Research

Direct Competitors 2nd Quarter YTD Room Demand



Source: Smith Travel Research

Branson 2nd Quarter 2012



What else do we

know about

2nd Quarter 2012?

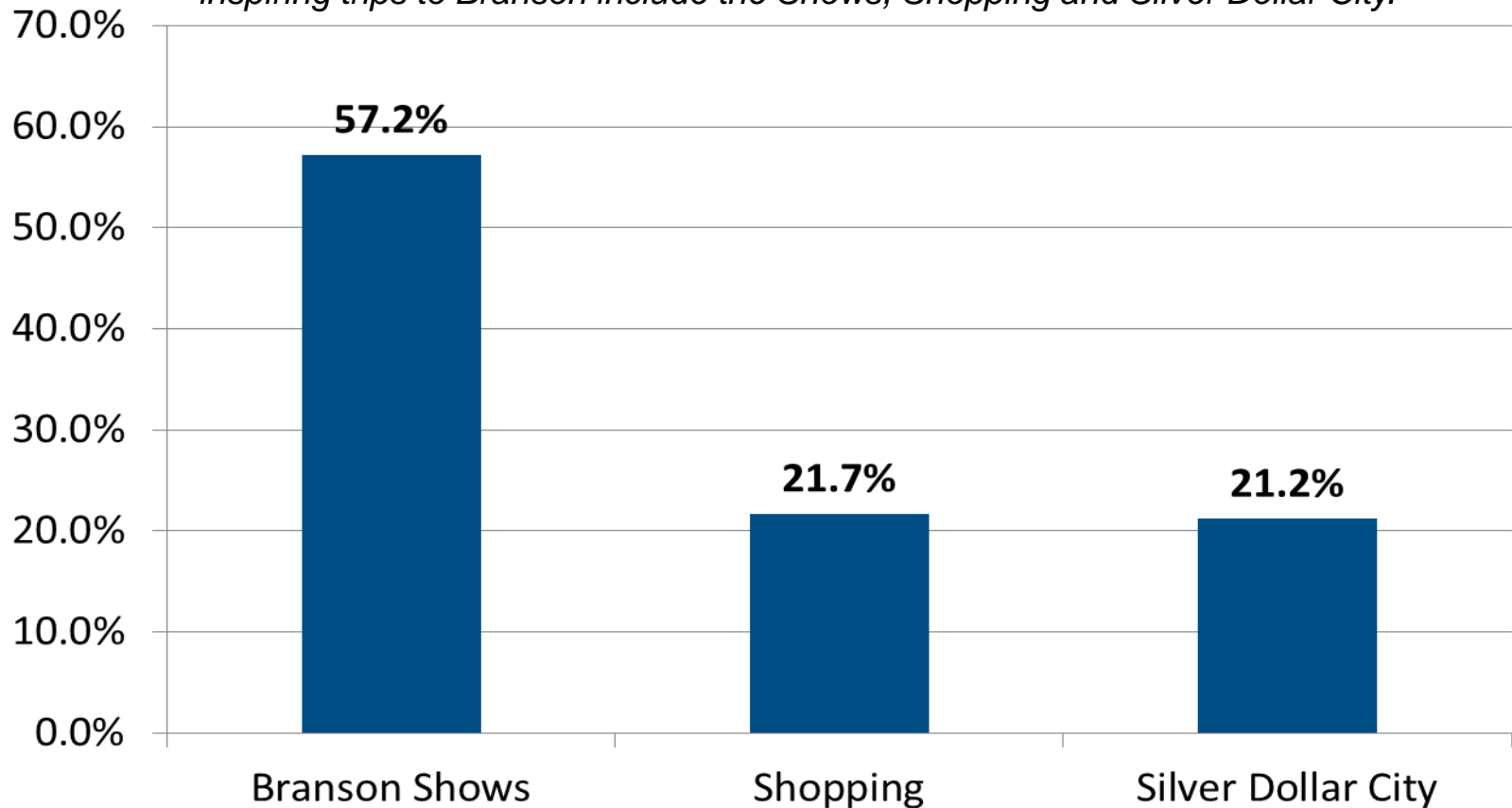
YTD June 2012 vs. YTD June 2011



	<u>2012</u>	<u>2011</u>
• Spending per Party	\$958	\$862
• First-Time Visitors	25.9%	22.0%
• Families	38.6%	38.7%
• Average Adult Age	56.2 years	55.7 years
• Length of Stay	3.66 nights	3.86 nights
• Saw Shows	73.5%	77.6%
• Number of Shows Seen	2.98	2.92

Branson Primary Activity Drivers YTD through July 2010-2012

In a new question added this year, visitors have indicated that their top 3 functional drivers inspiring trips to Branson include the Shows, Shopping and Silver Dollar City.



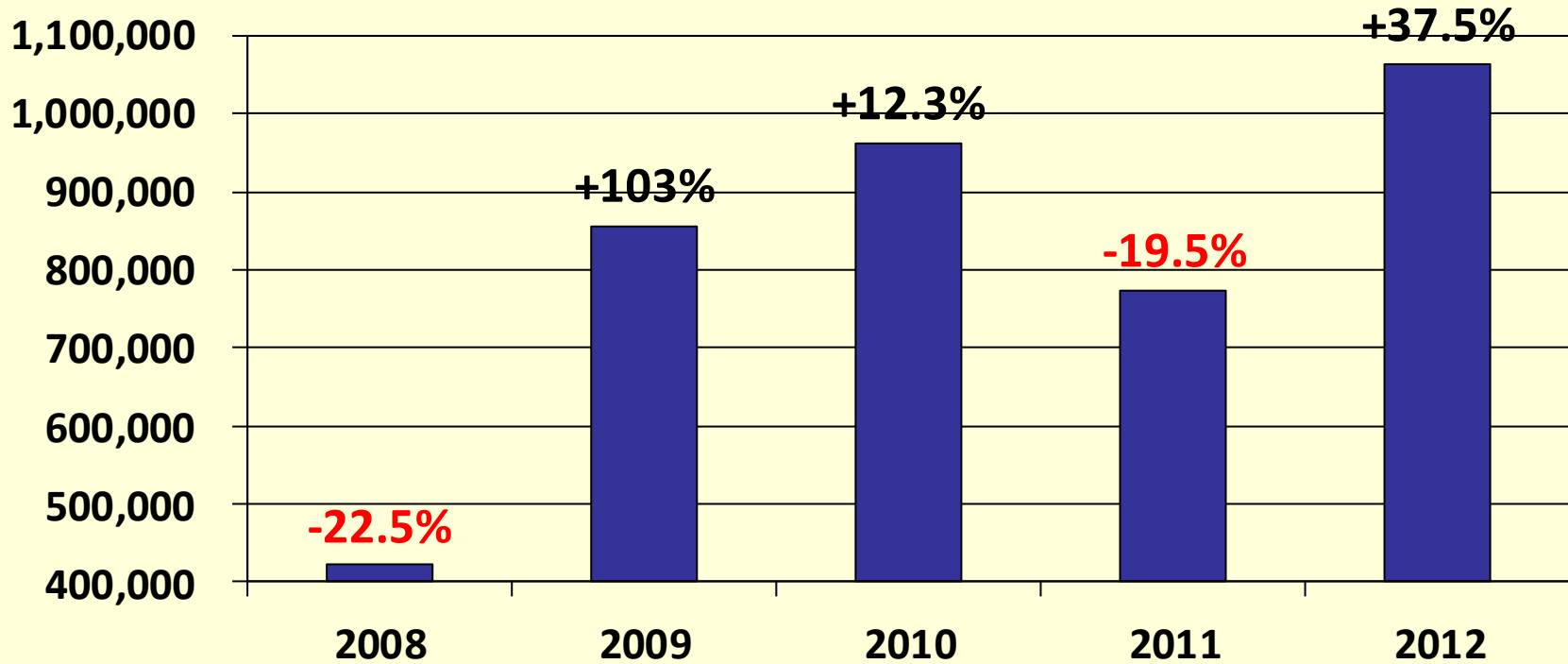
YTD June 2012 Visitation by Market



<u>% of Visitors</u>	<u>Market</u>	<u>vs. 2011</u>
15.2%	Core Markets (0-100 mi.)	-20%
29.8%	Primary Markets (101-300 mi.)	-6.0%
26.2%	Outer Markets (301-650 mi.)	+7.0%
28.9%	National Markets (650+ mi.)	+27.8%
<i>TOTAL VISITATION</i>		+2.4%



Web Inquiries YTD Second Quarter 2012



Source: Smith Travel Research

YTD 2012 Public Relations: Ad Equivalency Values



PR Ad Equivalency tracked up 66% through the 2nd quarter of 2012 (\$11.3M vs. \$6.8M in 2011), reflecting to some degree post-tornado coverage [Keep in mind, however, that *gross, unedited coverage* for 1st quarter was \$249.6M; we only value stories that are predominantly *positive* – e.g., *Branson is Open for Business* is counted, and *Branson Hit by Tornado* is not].



YTD 2012 Public Relations: Ad Equivalency Values



- Without *any* “tornado coverage” at all, we are still +36% YTD vs. 2011.
- VOCUS ad equivalency for JUNE alone was \$ 2,576,467 (gross, unedited VOCUS total was \$5,879,660) and includes on-air interviews with Branson reps and entertainers on Houston radio and television (155 minutes total airtime) in conjunction with AirTran service and \$580,000 for each broadcast of *Hotel Impossible* aired in June on the Travel Channel.



A golden marquee sign with the word "BRANSON" in red, hanging from a red curtain. The sign is rectangular with a gold border and is surrounded by a ring of small, glowing white lights. The background is a deep red, vertically pleated curtain.

BRANSON

It's Your Show

2012 Upcoming Research



- August 2012 Ad Test of New Creative
- October 2012 Ad Effectiveness/ROI Study



2012 Strategic Plan



Execute strong brand strategy with Sterling Group (brand image), Camelot Communications (media), and Latitude (new creative) to drive new visitation to the Branson/Lakes area.





Thank you.