



Legislation Details (With Text)

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Title:	AUTHORIZATION TO RATIFY THE EXPENDITURE OF FUNDS FOR ADVERTISING AND MEDIA SERVICES IN FISCAL YEAR 2016-17 Staff Contact: Erik Strunk, Director, Public Facilities, Recreation and Special Events				

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6/13/2017	1	City Council	approved	Pass

AUTHORIZATION TO RATIFY THE EXPENDITURE OF FUNDS FOR ADVERTISING AND MEDIA SERVICES IN FISCAL YEAR 2016-17

Staff Contact: Erik Strunk, Director, Public Facilities, Recreation and Special Events

Purpose and Recommended Action

This is a request for City Council to ratify the expenditure of funds in the amount of \$87,262.57 for advertising placements using Madden Media to promote tourism in the City of Glendale in fiscal year (FY) 2016-17.

Background

To more effectively market and promote the City of Glendale as a major destination for tourism, conventions, and visitors, the department is responsible for a variety of marketing and advertising initiatives on an international, national and regional scale. These initiatives are primarily utilized by the City to promote patronage at Glendale's hotels, major sports facilities and venues, city retail destinations including locations such as Arrowhead Towne Center, Westgate Entertainment District, the Tanger Outlet stores, the Westgate Entertainment District, Historic Downtown Glendale, and community amenities such as Historic Sahuaro Ranch, Manistee Ranch, and the Thunderbird Conservation Park. Examples of these promotional and marketing initiatives would include ad placements in a wide variety of travel publications including the *Arizona Highways Magazine*, *Arizona State Visitor Guide*, *Valley Guide*, *Tucson Guide*, *Sports Destination Management*, *Arizona Business Magazine*, *El Imparcial* (Sonora, Mexico) and the *Travel Professional* magazine. In addition, Madden Media provided targeted digital advertising that included search engine marketing, prospecting and retargeting placements.

On April 13, 2017, the City Council approved a one-year contract to hire On Advertising, Inc., to consolidate

and coordinate marketing and advertising efforts previously administered by city staff. In preparing this item, it was noted that previous advertising and media purchases from Madden Media in FY 16-17 in the amount of \$87,262.57 were budgeted, however, exceeded the City's procurement threshold for the purchase of services without a formal contract. It is necessary to request City Council ratification of these expenses.

Analysis

The increased exposure Glendale has received from the additional FY 16-17 advertising placements has continued to brand and market Glendale as a premier leisure and business travel destination. For example, a Google Marketing Campaign resulted in 454,582 impressions and 23,757 unique visitors to the VisitGlendale.com website from July 2016 to April 2017. Additionally, other digital advertising campaigns have generated 2,843,214 impressions from July 2016-April 2017. It is important to note that the average industry click-thru rates for digital campaigns is less than 2 percent. Over the past eleven months, the partnership with Madden Media has garnered nearly a 12 percent click-thru rate for the Visit Glendale campaign.

The placements of Glendale advertising and marketing materials by Madden Media over the past year have resulted in a tremendous number of impressions and viewership via the *Arizona Official Visitors Guide* which has a distribution of 450,000; the *Phoenix Official Visitors Guide*, which reaches more than 2 million unique visitors annually; the *Valley Guide* which has a quarterly distribution of 60,000; the *Tucson Guide* which reaches 350,000 readers and the *Phoenix Destination Planner* which has a combined print and digital circulation of 10,000. In total, advertising purchased through Madden Media doubled the number of existing digital marketing ads, search engine marketing and site retargeting and prospecting.

Community Benefit/Public Involvement

Tourism is the largest export-industry in Arizona. According to the Arizona Office of Tourism, 42.1 million people visited Arizona in 2015 and collectively spent \$21 billion. Through the CVB's efforts, Glendale's hoteliers generated approximately \$47.26 million in gross hotel sales in calendar year 2016, which in turn generated additional revenue to the city in the form of the bed tax of approximately \$1,004,903. Of this amount, approximately \$690,479 is used to operate the Glendale Convention and Visitors Bureau, of which \$205,000 is budgeted for national and international advertising, promotion and media exposure.

Budget and Financial Impacts

The funding for these expenses is budgeted in the FY 16-17 Bed Tax and Tourism Professional Contractual budget 1000-14130-518200 and the Arizona Office of Tourism Revenue account (Proposition 302) 1840-32108-418600.

Cost	Fund-Department-Account
\$87,262.57	\$81,038.79 - 1840-32108-518200, Proposition 302 Professional Contractual; \$6,223.78 - 1000-14130-518200 City Bed Tax Professional Contractual

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No