

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager

DATE: July 28, 2023

SUBJECT: **DISCUSS THE GREATER MIAMI CONVENTION AND VISITORS BUREAU PARTNERSHIP PLANNING WITH THE CITY OF MIAMI BEACH**

HISTORY

On June 23, 2021, the Mayor and City Commission accepted the recommendation of the Finance and Economic Resiliency Committee (FERC) and approved a Destination Marketing Agreement with the Greater Miami and Miami Beach Convention and Visitors Bureau ("GMCVB"), which Agreement included (1) a five (5)-year term, provided the City may terminate the Agreement for convenience upon 120 days prior written notice; (2) a Base Fee to the GMCVB comprised of ten percent (10%) of the two percent (2%) City Resort Tax (less a collection fee of four percent (4%)); and (3) an Incentive Fee up to \$2,000,000 based on the GMCVB's ability to achieve performance metrics, as more particularly described in Resolution No. 2021-31755.

The current Agreement between the City of Miami Beach and GMCVB, enhanced the terms of the previous agreement and provides for more creativity and collaborative synergy amongst the City, GMCVB and other tourism stakeholders (e.g., Miami Beach Visitor and Convention Authority). The Agreement is divided into three (3) areas:

- 1) Promotion and Sales of the Miami Beach Convention Center Campus;
- 2) Promotion and Destination Marketing of the City; and
- 3) Leadership and membership in the GMCVB administration and operations of the promotion and marketing of the Greater Miami community as a destination and economic driver.

On January 20, 2022, the Mayor and City Commission requested a referral to the FERC to discuss the GMCVB partnership with the City, to include a presentation by the GMCVB to provide an update on the Miami Beach Convention Center (MBCC) sales, bookings and Miami Beach destination marketing goals.

The City has been contracting and partnering with the GMCVB since 1984 for the purpose of promoting the Miami Beach Convention Center (MBCC) and Miami Beach as a destination. The GMCVB is primarily responsible for marketing, pursuing, and securing MBCC sales and Miami Beach destination marketing. Together with the City, MBCC management, Oak View Group (OVG360), formerly Global Spectrum L.P. (Spectra), and Sodexo Live!, formerly Centerplate, the GMCVB is responsible for pursuing large and long lead business bookings, with OVG360 and Sodexo Live! typically focusing on shorter term business.

The GMCVB, in collaboration with the City and the Miami Beach Visitors and Convention Authority, engages in local, regional, national and international marketing and communications of Miami Beach as the overall destination and the MBCC, as a venue destination, in an effort to promote Miami Beach tourism, with the goal of securing hotel room nights in the City, and to further enhance the City's tourism economy and brand.

ANALYSIS

Nearly two (2) years into the new contract, the City and the GMCVB have mutually adjusted to the modified partnership structure, evolving tourism and economic climate, new strategies, goals, and transparency in tracking and measurement as the City continues to recover, renew, and grow as a Tier 1 destination and the MBCC continues to be a venue of choice with two (2) new event spaces open, the Rum Room and Venu, and the utilization of Pride Park and Collins Canal Park. In addition, the MBCC continues to be recognized by the travel and hospitality community including:

- *NorthStar Meetings Group*, a premier online platform for business and sports event organizers and related professionals awarded the MBCC a 2022 Silver ***Stella Award*** in the “Best Convention Center: Southeast” category;
- *Exhibitor Magazine* named the MBCC as one of the “2023 Centers of Excellence” – joining an esteemed list of the 30 highest rated convention centers hosting events and trade shows in North America;
- *Smart Meetings Magazine* named the MBCC amongst the top 16 “Best Conference Center” list also known as the “Planner’s Choice Award”;
- “Distinctive Achievement Award 2023” by Association, Conventions & Facilities Magazine;
- “Best Practice Recognition” for UFI’s (Global Association for the Events Industry) “Category: Sustainability Development”; and
- “2023 F&D Prime Site Award” by Facilities & Destinations.

Additionally, MBCC was included in the *ConventionSouth* magazine 2022 Readers Choice Awards list for Florida.

Promotion and Sales of the Miami Beach Convention Center

Commencing in January 2022, the Administration has worked with the GMCVB (in collaboration with OVG360 and Sodexo Live!) to outline strategic planning goals and reporting requirements consistent with the Agreement to spur enhanced economic impact by driving tactical booking policies, processes and procedures, partnering with the hotel community for united packages,

building robust sales teams with national and international reach, and augmenting amenities to remain best in class. Collectively, the Administration and the GMCVB agreed to the following goals for FY 2023 and met in June 2023 to review progress on the achievements of such goals.

Fiscal Year 2022-2023 YTD

MBCC Goals	Goal	Contracted*	Committed**	Total Achieved	% of Goal
Bookings	11	5	3	8	73%
P1	55,000	29,017	26,193	55,210	100%
P2	30,000	4,295	0	4,295	14%
Total Room Nights	85,000	33,312	26,193	59,505	70%

* Contracted = MBCC Licensing Agreement or HQ Hotel Contract Received

** Committed = Destination Booking Agreement (DBA) Received

In-Hotel Goals - Bookings	Goal	Achieved	% of Goal
Bookings (Wins)	527	443	84%
Total Room Nights	265,000	186,361	70%

* As of June 30, 2023

Additionally, the team implemented a more transparent and trackable reporting structure to better measure success and to identify challenges including, but not limited to:

Monthly Priority 1 (P1) / Priority 2 (P2) Reporting:

- # of New Prospects added by GMCVB/Total Prospects at Month End
- # of Prospects Converted to Tentatives by GMCVB that Month by Year and Total Year to Date Prospects Converted to Tentatives
- # of P1 Tentatives Converted to P1 Definites by GMCVB that Month by Year and Total Year to Date Tentatives Converted to P1 Definites
- # of P2 Tentatives Converted to P2 Definites by GMCVB that Month/Total Year to Date Tentatives Converted to P2 Definites
- P1/P2 Definites Room Nights by Year and Total
- Conversion Dynamics
- Monthly Revenue Reporting – Booked
- Projected Facility Rental Revenues Booked from P1/P2 Events – by Month for Fiscal Year and Year to Date – Compared to Prior Years and Goal

With respect to generating revenue for Miami Beach hotels, Miami Beach continues to lead the country in average daily rate (ADR), revenue per available room (RevPAR), and rooms sold.

May-23					
	Occupancy	ADR	RevPAR	Rooms Sold	Gross Revenue
Miami Beach	68.6%	\$297.05	\$203.67	458,546	\$136,212,150
Downtown Miami	65.8%	\$245.67	\$161.74	227,781	\$55,959,756
Miami-Dade County	69.2%	\$224.36	\$155.18	1,430,413	\$320,925,453
Miami-Dade County w/o Miami Beach	69.5%	\$190.06	\$132.01	971,867	\$184,713,303

Year To Date					
	Occupancy	ADR	RevPAR	Rooms Sold	Gross Revenue
Miami Beach	76.0%	\$347.05	\$263.75	2,474,301	\$858,707,828
Downtown Miami	71.0%	\$280.24	\$199.01	1,188,744	\$333,137,358
Miami-Dade County	76.4%	\$261.67	\$200.02	7,690,667	\$2,012,390,796
Miami-Dade County w/o Miami Beach	76.7%	\$221.17	\$169.53	5,216,366	\$1,153,682,968

Source: STR; Terms: ADR = Average Daily Rate; RevPAR = Revenue Per Available Room; Rooms Sold = Demand

Promotion and Destination Marketing of the City

Over the course of the last year, the Office of Marketing and Communications has worked in partnership with the GMCVB and their agency of record, VMLY&R, on several marketing and communications initiatives including the Davey award winning “Take Care of our City” campaign, Miami Beach Live 2023 and Find Your Wave - the city’s first and largest destination marketing campaign. Each campaign has required a completely unique approach with a strategic vision, custom creative and paid / organic media plan.

Find Your Wave

In January 2022, the Administration and the GMCVB began three months of market research on the Miami Beach brand with VMLY&R. The in-depth market research was used to craft the City of Miami Beach’s first annual destination marketing campaign, known as “Find Your Wave.” Launched in February 2023, the campaign focused on promoting Miami Beach across various verticals including tourism, business attraction, health and wellness, arts and culture and residents / community. The creative was executed across multiple paid media channels including digital, social, responsive search ads, search engine optimization, print, and out of home and ran until May 2023. The campaign also launched the first Miami Beach focused promo video which featured some of Miami Beach’s most iconic sites and venues. Due to the overwhelming success of the Find Your Wave campaign and video, the media budget was extended to cover paid media until October 2023. All costs associated with the Find Your Wave campaign are being funded by the GMCVB through the portion of their funds that has been designated for Miami Beach-specific marketing.

Find Your Wave Creative Examples

FIND YOUR WAVE

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FIND YOUR WAVE

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Miami Beach Live 2023

For Miami Beach Live 2023, the bilingual campaign was comprised of paid social, search engine optimization, targeted geo-fenced events, radio, bus shelters, digital ‘out of home’ (billboards), and magazines to bring awareness to the various entertainment, health and wellness and sports initiatives taking place in Miami Beach during March 2023. The campaign launched in February 2022 and ran until the end of March 2023.

The campaign focused on the local tri-county area (Miami-Dade, Broward and West Palm), with additional media placements taking place in Orlando and Tampa. With the hyper-targeted aspects of the campaign, we partnered with some of the industry’s largest media outlets (StackAdapt, Edge Media Network, The Root, Men’s/Women’s Health, Family newsletters) to execute programmatic demand side platform (DSP), finite targeting, and geofenced programs. The estimated impressions were set at 43,262,339 unique impressions, as per the proposed media plan below.

Miami Beach Live! 2023 Media Plan

Miami Beach Live Proposed Schedule	January 2023 (Begins 1/23)	February	March 2023 (Ends 3/31)	Spend	Impressions
StackAdapt	Native & Display 1/23 - 3/24, Retargeting 2/15 - 3/26			\$50,000	15,523,808
The Edge Network	1/23 - 3/24 Display, Mobile Notification, Organic Social, 4x Dedicated Email blast - 2/15, 3/15, Daily Newsletters, 2x featured edits			\$25,000	14,050,000
The Root	Standard Display on The Root and G/O Media, 2x Newsletter 2/13, 3/13			\$25,000	1,186,295
Hearst (Mens & Womens Health)	1/23 - 3/31 High-Impact/Standard Display			\$49,000	2,388,348
Miami New times	standard Display 1/23-3/24, 4 emails (2/14, 3/21, 2/28 and 3/7) plus two print issues: 2/2 and 3/2			\$22,750	2,743,000
Macaroni Kid/HulaFrog	MK dedicated Email 2/14, HulaFrog takeover newsletter 2/24, digital display 1/23 - 3/31			\$11,958	1,852,000
Time Out	Custom article w/support 1/23 - 3/24,			\$25,000	1,388,888
Miami Trolley/Pole Banners	20 local banners, one trolley wrap			\$6,850	TBD
Paid Social - Meta	Facebook/Instagram Static Image Ads and Collection Ads			\$20,000	4,000,000
Paid Search	Responsive Search Ads			\$13,417	130,000
GRAND TOTAL:	*Includes Ad Serving at \$1,025			\$250,000*	43,262,339

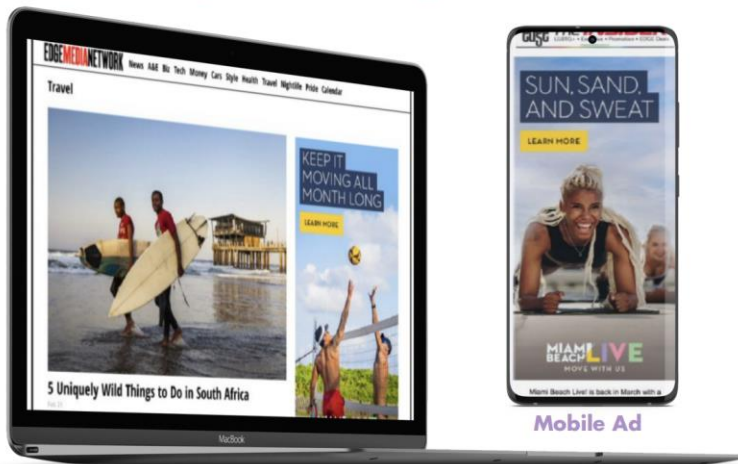
In total, the Miami Beach Live! 2023 media campaign returned 443,527,994 impressions - achieving a 101% return on investment, with the following results:

- 43,527,994 total impressions (+01% of goal)
- 197,889 web page views
- 117,441 clicks from digital and social media collateral

Miami Beach Live! 2023 Creative

THE CREATIVE

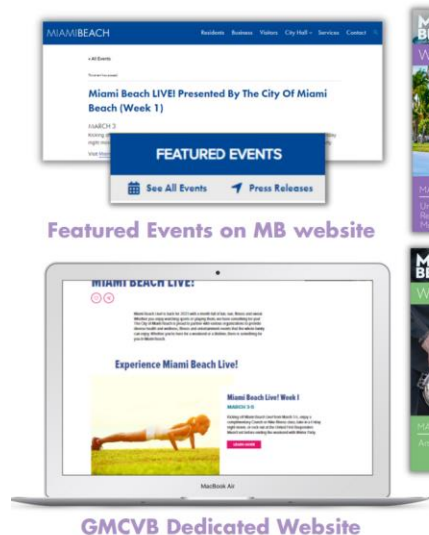
"Keep it Moving All Month Long"



Desktop Web Banner Ads on Edge Media Network



THE CREATIVE

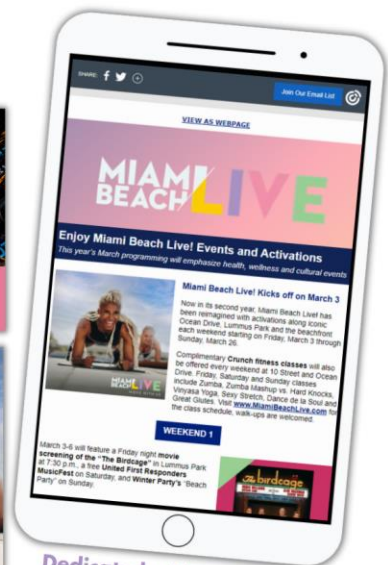


Featured Events on MB website

GMCVB Dedicated Website



Social Media Schedule Graphics



Dedicated e-Newsletter
 MIAMI BEACH

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Newsletter Ad



Print Ads in the Miami New Times



Family Newsletter

Search Engine Ads

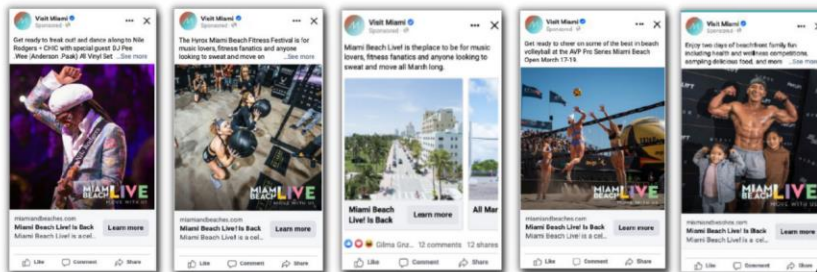


Trolley Wrap



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"Visit Miami & Miami Beach" Facebook Ads



Edge Media Network Facebook Ads



CMB Social Post

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The 2023/2024 Marketing and PR Goals:

The Office of Marketing and Communications worked with the GMCVB to redefine goals as pertains to marketing and communications, to ensure that efforts and funds are working towards a mutually agreeable goal. For the upcoming fiscal year, the following goals have been set:

- Number of Media Placements: 605
- Advertising Value Equivalent: \$150,000,000.00
- Impressions: 7 billion
- Miami Beach Dedicated Journalist Meetings: 50
- Press Trips & Number of Journalists: 8 Trips / 150 Journalists
- 1 interactive media event
- Social Media Campaigns: 12 campaigns (as mutually agreed upon)
- Share of Voice for Miami Beach: 25% of GMCVB efforts
- Increase followers and engagements: 8%
- News stories on state of tourism industry: 50 stories
-

Leadership membership in the GMCVB - The Administration is now well represented on the following committees:

- Board of Directors
- Executive Committee
- Multicultural Tourism Dev. Committee
- Marketing Committee
- Finance Committee

Year To Date – PR Goals Update

Communication / PR Goals - Update

	<u>YTD</u>	<u>Goal</u>	<u>% to Goal</u>
Number of Earned Media Placements:	916	605	151.4%
Overall Total Circulation:	4,632,135,265	2,800,000,000	165.4%
Overall Total Media Impressions:	11,580,338,163	7,000,000,000	165.4%
Overall Total Ad Equivalency:	\$73,821,238	\$150,000,000	49.2%
Number of Press Trips:	10	8	125%
Number of Visiting Journalists:	133	150	88.7%
Number of Media Events:	2	2	100%
Number of Deskside Media Appts.	378	250	151.2%

Note: The Key Performance Indicators (KPI) section provides you with a snapshot view of the results garnered by the efforts of the communications department through the month of May 2023 for Miami Beach

CONCLUSION

The Administration is hopeful that through the GMCVB partnership, progress is being made to improve the quality of activations in and around the MBCC campus and the reimagining of the City of Miami Beach brand reputation, image and messaging. With enhanced collaborative tracking through diligent contract administration, oversight and monitoring - together with the progress of the Grand Hyatt Miami Beach convention center hotel, destination marketing, sales, bookings, and occupancy goals can be accomplished in Fiscal Year 2023.