

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 24, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #120: COST TO PRODUCE AND AIR TELEVISION ADVERTISEMENTS AIMED AT THE GREATER WASHINGTON REGION (DC/MD/VA) AND PENNSYLVANIA AND WEST VIRGINIA

Councilman Gaines asked the following question:

Williamsburg, Virginia airs what I understand to be a very successful regional promotional video emphasizing its historic roots and other family attractions and aimed at regional tourism. In fact, I have seen the video every day over the past week. With gas prices what they are, regional tourism seems a ripe niche to attract even more. What would be the cost for the City of Alexandria, VA to produce and air a similar video aimed at regional (DC/MD/VA/) markets, as well as markets in PA, WV, etc.?

According to Stephanie Brown, President and CEO of ACVA, using television to advertise Alexandria may be the best medium for showcasing a destination, but it will not be effective without enough frequency. Even if every dollar of the ACVA's leisure media budget and the new regional marketing money were spent on television advertising, City and ACVA staff does not believe we would be at the threshold of spending an amount that would make this a good investment. A few years ago ACVA did advertise on television in the Philadelphia market but stopped as the marketing frequency was small and, as such, the advertising was deemed ineffective.

Even if the entire \$300,000 were devoted to television advertising, it would not be enough to effectively run a regional television ad campaign in the wider region including Pennsylvania and West Virginia. For example a Mount Vernon television campaign cost \$225,000 for six weeks of cable in Northern VA (a very small media buy). The Williamsburg Tourism Alliance is spending some \$3.3 million on television in five markets (D.C., New York, Philadelphia, Baltimore, and Raleigh/Durham) paid for by part of their room tax revenues. In addition, Colonial Williamsburg and Busch Gardens spends some \$10 million to \$12 million in those same televised markets. As you can see, the funding media professionals indicate is needed for effective market penetration in these areas is significantly above the funds proposed for regional marketing in the City Manager's Proposed Budget and Alternative Budget.

The Proposed City Manager's budget and the Alternative Budget have funds for a regional marketing campaign. \$100,000 is in the proposed base budget for a regional marketing initiative. The budget proposes redirecting the \$100,000 now in the holiday marketing program to ACVA for a total of \$200,000 for this effort. In addition, the Alternative Budget provides an additional \$100,000, for a total of \$300,000 for a regional marketing initiative. (See page 16-33 of the budget document). Decisions of how and where to advertise with this proposed expanded, but still limited advertising budget in the D.C. Metropolitan area will be made as the result of comprehensive, professional media analysis.