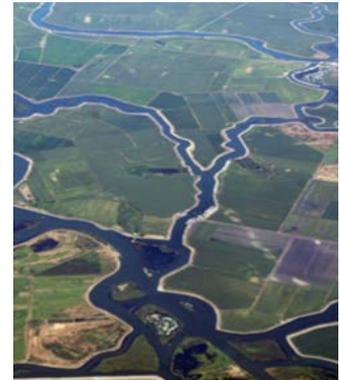




Delta Marketing Research May 2015





Part 1: 2014 Focus Group Results

What is the Delta's Personality?

Sacramento County

- “River life”
- “Peaceful”
- “Lovely, undiscovered place”

Walnut Creek

- “Partying in a boat”
- “Very laid-back”
- “Getaway from stress”

What are the Best Things about the Delta?

Sacramento County

- Water
- Summer Festivals (Lodi Zin Festival, Sandhill Crane Festival)
- Ferries
- Wineries
- Boating
- Camping
- Wildlife
- Exploring
- Orchards
- Chance to wander

Walnut Creek

- Waterways
- Fishing
- Exploring
- Bird watching
- Local
- Great place to hang out, party
- Quiet
- Inexpensive

What Would You Change About the Delta?

Sacramento County

- No road signs
- Issue with perception – “dirty”, “run-down”, “shabby”
- Needs a history center
- Needs wider bike lanes
- Poorly promoted

Walnut Creek

- More campgrounds
- More things for families to do
- More public beaches
- Website needed
- More boat rental places

People Who Go To the Delta

Sacramento County

- Appreciate nature and history
- Retired
- Teachers
- Parents with younger children
- Families
- Fishing, boating, skiing
- Single people
- Couples
- People with transportation
- Live nearby
- Bikers
- People who don't like crowds
- Campers
- Adventurous people

Walnut Creek

- Like relaxation and slower paced life
- Stay and play for days
- Fishermen, nature-oriented
- Casual
- Easy-going

People Who Don't Go To the Delta

Sacramento County

- Young People
- Sports fans
- People who are attached to their electronic devices
- High maintenance people
- People with busy lives
- People without transportation

Walnut Creek

- People who want free Wi-fi
- People who don't like camping or dirt
- City people in love with work
- People who want things fancy
- People who want a beach or a lake
- People who don't like to party

Delta Icons

Sacramento County

- Produce: pears, orchards
- Sprawling waterways
- Whales, seals, wildlife
- Boats
- Bridges
- Water

Walnut Creek

- Birds and wildlife
- Agriculture
- Boats
- Water
- Bridges

Next Time I Go to the Delta I Want To...

Sacramento County

- Eat
- Wakeboard
- See sufficient water
- Get lost
- Camp
- Take a tour
- Bike ride

Walnut Creek

- Explore more
- Go camping
- Find out more information on what the Delta has to offer
- Take my dog
- BBQ
- Fish

The Delta Really Needs...

Sacramento County

- Promotion (other than festivals)
- Website
- Better Identity
- Face
- Bike trails
- Reopened state parks
- Central focus
- Lighting
- Signage
- Safer roads
- Protection

Walnut Creek

- Protection
- Preservation
- Clean up
- Attention
- Funding
- Beaches
- Campgrounds

Summary of Findings: Focus Group Exercise

1. The Delta is perceived as relaxing and “unplugged”.
2. People in our surrounding communities are clear on the top attractions of the Delta.
3. The Delta has some work to do in the East Bay and Bay Area to be seen as more than a cheap place to party.
4. There is a need for better promotion.



Part 2: National Tourism Trends

Delta Tourist Opportunities



Overview

Boating – Powerboats and Personal Watercraft
Fishing
Cultural and Heritage Tourism
Agritourism
Ecotourism
“Touring” – Hiking, Cycling, Driving
International Tourism

Water Recreation

National Statistics

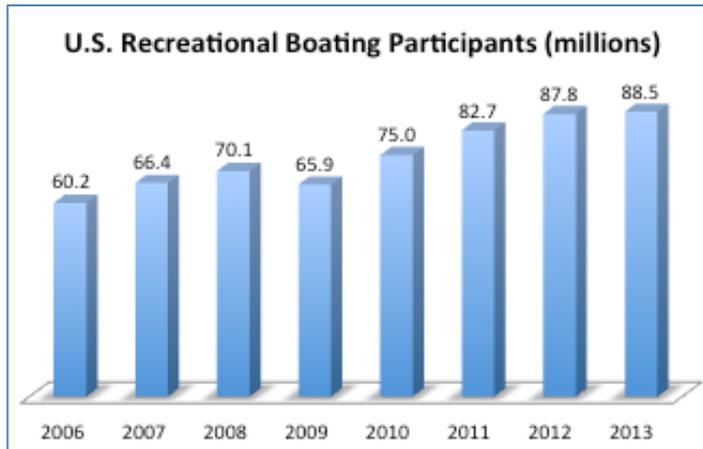


Overview

- Americans are taking to the water in record numbers:
 - 36.6% of US adults participated in recreational boating at least once during 2013 – the **second highest** percentage on record
- The number of Americans participating in fishing has increased by 14.8% since 2006
- Kayaking has increased by 4.1% since 2008.

Water Recreation

National Statistics



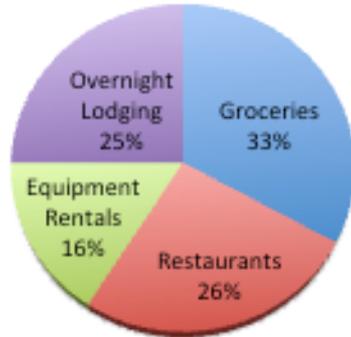
Boating

The recreational boating industry saw healthy growth in 2013, generating **\$36.7 billion** in retail sales

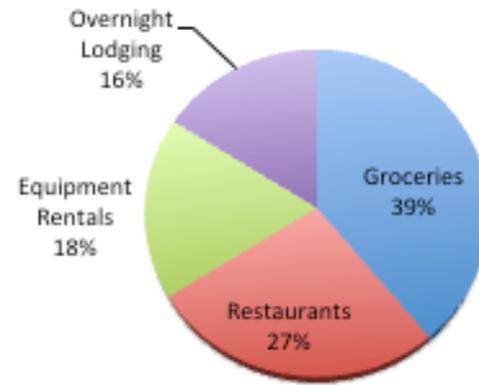
- 3.2% increase from 2012
- Sales of new powerboats and sailboats were up 2.2% in 2013 over the last year.
- 71% of boat owners have a household income less than \$100,000
- 15% of Bay Area and Central Valley residents go power boating annually

Water Recreation Boating & The Delta

Angler Average Spending in the Delta

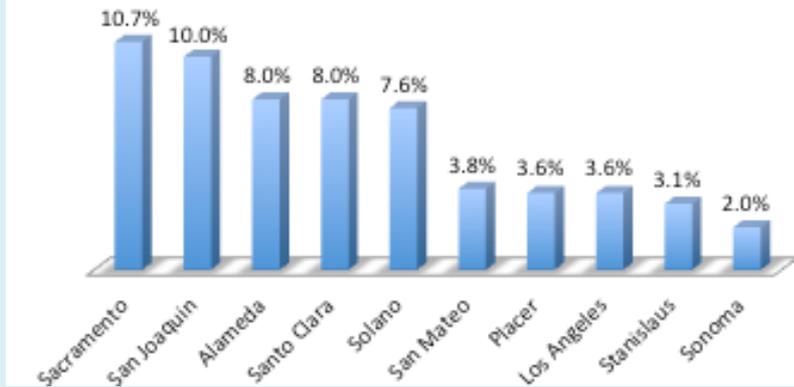


Boater Average Spending in the Delta

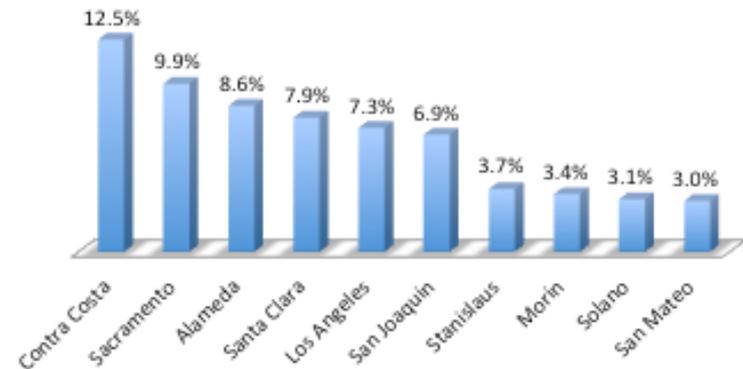


Water Recreation Boating & The Delta

Origin Markets: Anglers



Origin Markets: Boaters



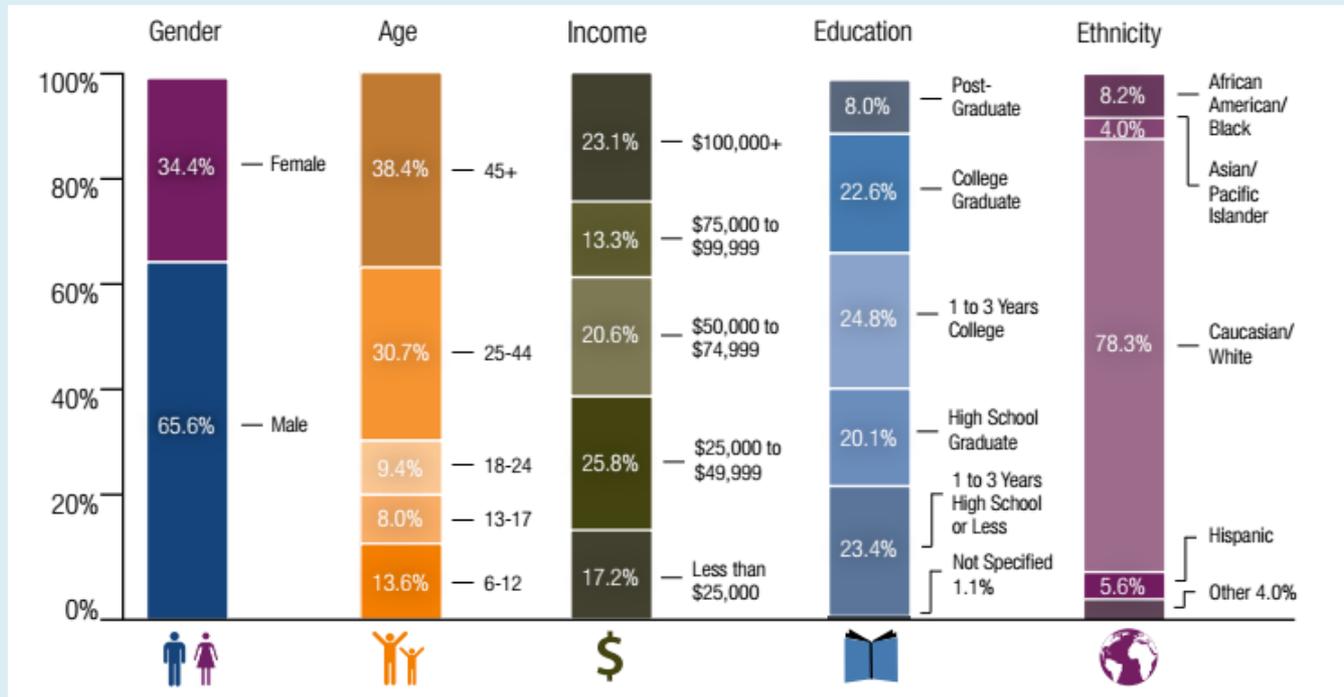
Fishing

National Statistics



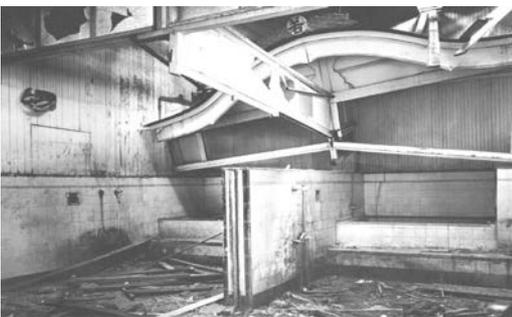
- 78% of anglers participate in multiple outdoor activities.
- A total of 3.1 million Americans actively participate in fishing – contributing to **\$47.7 billion** in retail sales
- The number of new fishing participants grew by more than 800,000 Americans in 2012.

California Fishing



Cultural & Heritage Tourism

National Statistics



Overview

There are approximately 118.3 million adult leisure travelers in the U.S.

Of those, 78% (88.7 million) participated in Cultural & Heritage tourism activities within the past 3 years

The economic impact of Cultural & Heritage tourism nationwide is **\$192.3 billion**

Cultural & Heritage Tourism

National Statistics



This is a highly attractive audience:

- They **spend more** than the average leisure traveler
Average: \$994/trip
- They tend to have **higher household incomes**
Average: \$100,000+
- They will **pay more** for experiences that do not harm the environment
- **37% will pay more** for lodging that reflects the culture and history of the destination they are visiting
- They **travel more** frequently, averaging 5.1 leisure trips per year
- **They stay longer**, averaging 5.85 nights per trip

Cultural & Heritage Tourism

National Statistics



These travelers are attracted to destinations that provide:

- A chance to learn about history and different cultures
- A variety of activities
- Buildings and surroundings that have retained their historical character

Cultural & Heritage Tourism

National Statistics



The top activities for Cultural & Heritage travelers include:

- Festivals and fairs
- Historical and heritage buildings
- Historic and Native American sites
- Historical re-enactments
- Museums and living history museums
- Cultural & historic tours
- Natural history museums, art museums and galleries

Cultural & Heritage Tourism

National Statistics



Top Four Types of Cultural Tourist

“Passionate” 13% Cultural and Heritage activities drive destination choice. HHI \$100,000+. Tend to travel more often, taking long weekends, 3 – 4 days.

“Well-Rounded/Active” 14% Open to experiencing all types of activities including cultural /heritage activities. HHI \$100,000+. Will pay more for lodging that reflects the culture and history of the destination. (Gen X)

“Aspirational” 27% Desire to experience and participate in cultural/heritage activities, but drawn to destinations that are relaxing and relieve stress. HHI \$50,000 - \$75,000. Prefer extended weekend travel. (Boomers)

“Self-Guided/Accidental” 11% Travelers who take advantage of cultural/heritage activities while on a leisure trip. HHI \$75,000+. Tend to take fewer though longer (1 week +) trips.

Cultural & Heritage Tourism

National Statistics

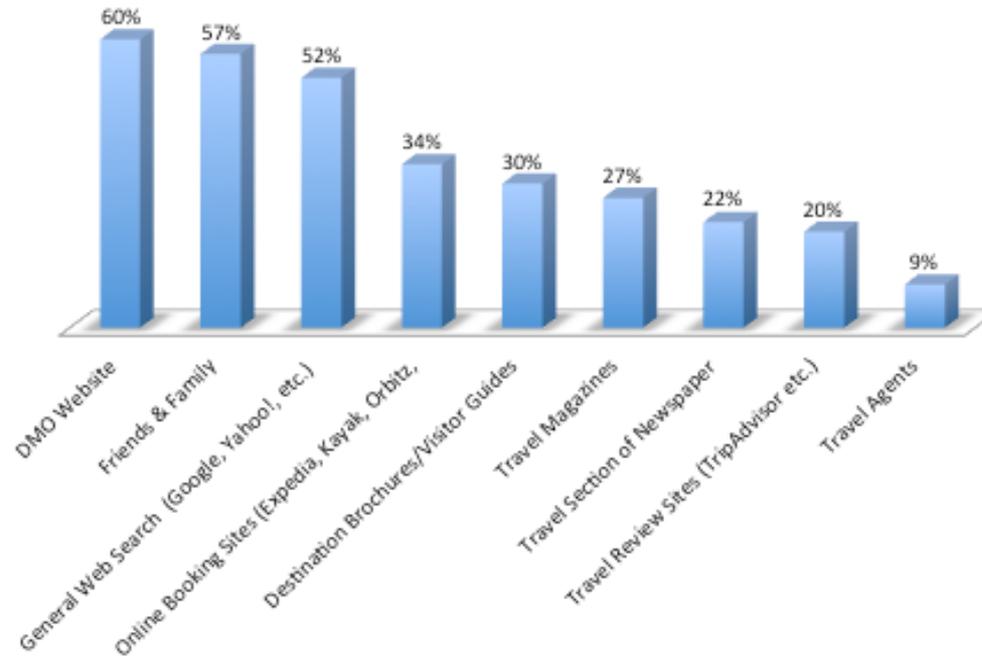
Travel Spending Trends



Cultural & Heritage Tourism

National Statistics

Information Sources for Cultural & Heritage Travelers

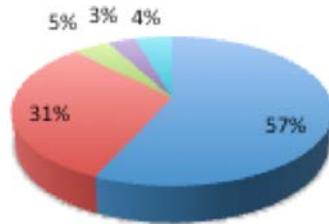


Cultural & Heritage Tourism

National Statistics

**Cultural & Heritage Travelers Accommodations
on Most Recent Trip**

■ Hotel, Motel, Resort ■ Friends, Family ■ Time Share
■ Vacation Rental ■ Bed & Breakfast



59% drive their own car
28% fly
6% use a rental car

Delta Regional Layout



Something to bear in mind while reviewing the tourism potential of the Delta:

Anecdotal data places most of the boating activity in the southern half of the Delta – boaters report that the northern portion on the Sacramento River is time-consuming and less “picturesque”.

However, the cultural/historical treasures of the Delta are located in the towns, from Isleton and Rio Vista to Clarksburg.

A creative solution = an opportunity.

Agritourism



Overview

- In the 2012 US Census of Agriculture, 33,161 families indicated they provided agritourism and recreation services valued at \$704 million
 - This is a 42% increase from 2007 totals
 - Of the total farms, 13% reported gross farm receipts of \$25,000 or more, up from 10% in 2007
- According to the University of California, more than 2.4 million visitors participated in agritourism at California farms and ranches in 2008

Agritourism

Major Activities



ACTIVITY	% CALIFORNIA FARMERS WHO OFFER
Direct sales farm stands, pick your own fruits & vegetables, pumpkin patches, on-farm markets	81%
Group tours, school tours, day camps, winery tours and tastings, hands-on farm and ranch chores	75%
Facility rentals: weddings, birthday parties, picnicking, overnight stays, harvest dinners	44%
Outdoor adventures: horseback riding, hunting, fishing, hiking, bird-watching	28%

Agritourism

Reasons for visiting a farm in California



Reasons	% Visitors Who Participate
Enjoy rural scenery	75%
Visiting family & friends who live on or near a farm	53%
Want to learn more about where the food they eat comes from	46%
Want to watch and participate in farm activities	43%
Want to purchase agricultural products / pick own produce	34%
Want to spend the night on a farm	33%
Want to hunt and fish	14%

Ecotourism

National Statistics



Ecotourism is a nature and culture based form of specialty travel defined by The Ecotourism Society (TES) as “responsible travel to natural areas which conserves the environment and sustains the well-being of local people.”

General Ecotourism Profile:

- 35-54 years old
- 57% female and 43% male
- 82% were college graduates

A majority (60%) of experienced ecotourism respondents prefer to travel as a couple

- 15% prefer to travel with their families
- 13% prefer to travel alone

50% prefer trips lasting 8-14 days

Trends in Ecotourism

National Statistics

According to a 2012 survey of TripAdvisor members, the 'green' travel trend is gaining momentum.

- 71% said they plan to make more eco-friendly travel choices in the next 12 months.

These trends suggest that the demand for responsible tourism is likely to remain strong into the future:

Needing to connect to nature: By 2010, half of the world population was living in cities, for the first time in human history.

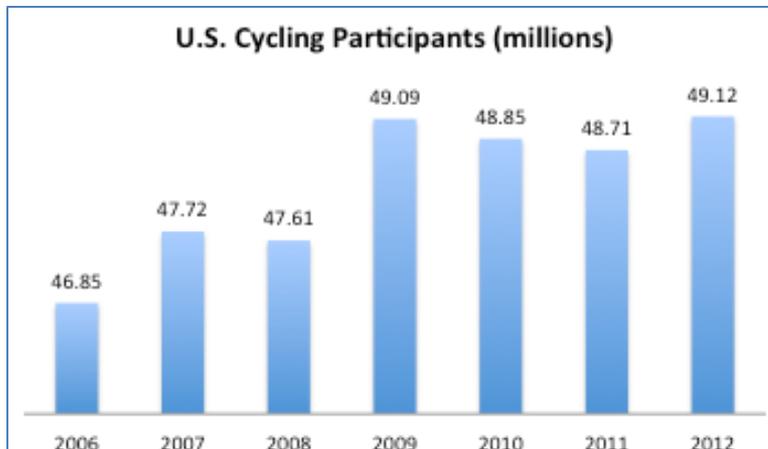
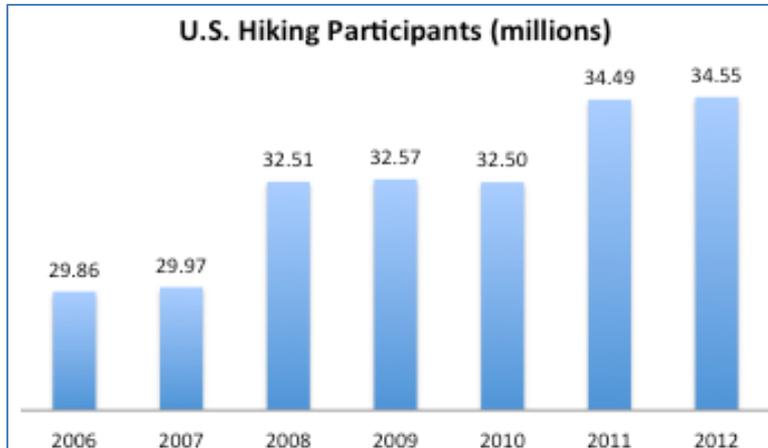
Demand for authenticity: Travelers today want authentic experiences – vacations that are engaging, personable and memorable

Hiking, camping, wildlife viewing, snorkeling and scuba holidays are all trending upward.

The “Baby Boomers” are driving this trend, as they have driven so many others.

Bike and Trail

National and California



Overview

A 2014 survey conducted by California State Parks found the following:

- 35% of Californians spend more time in physical activity than they did five years ago
- 28% of Californians participate in cycling
- 34.7% of Californians participate in hiking/trails

Northern California RV



Overview

While RV shipments dropped over 30% in 2008, and again in 2009, a recent study conducted by the University of Michigan for the RV Industry Association (RVIA) revealed that the number of RV-owning households rebounded in 2011 to a new peak of 8.9 million – up 12% from 2005.

Northern California RV



Demographics

- The typical RV owner is **48 years old** (slightly younger than the average in both 2005 and 2001).
- Boomers make up the largest portion of RV owners
- Median income of \$62,000
- 39% have children under 18 living at home

International Travelers



Pacific Rim: China

- Increase in travel:
 - In 2012, 83 million Chinese traveled internationally, up 18% from 2011
- Expectations:
 - The number of Chinese traveling abroad is expected to reach 100 million by 2015 and 200 million within another 10 years
- 66% of prospective Chinese travelers view the U.S. as their top destination

International Travelers

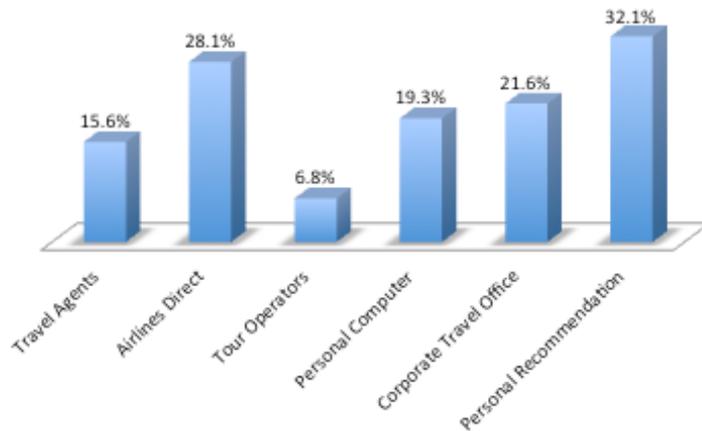
Chinese Travelers to California

Key Stats on Chinese Visitors to California	2013	Year-Over-Year Change
Chinese visitors to California	783,000	16.7%
Chinese visitor spending	\$2.2 Billion	30.5%
Average length of stay	13.8 Days	30.2%
Weekly non-stop flights to California from China	72	7.3%

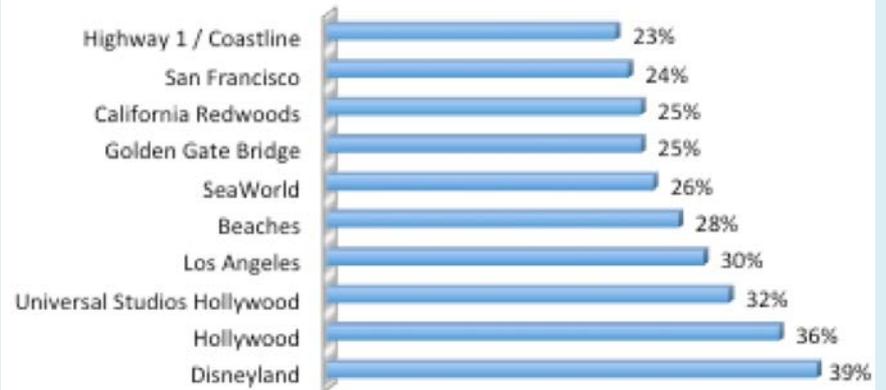
International Travelers

China

Information Source for Chinese Travelers



Top CA Attractions for Chinese Travelers



International Travelers



Pacific Rim: Japan

- Travel to the United States spiked 14% in 2012.
- With direct nonstop flights to four California gateway cities, Japan enjoys massive airlift directly into California.
- In late 2012, San Diego and San Jose became new gateway cities for Japanese travelers.

International Travelers

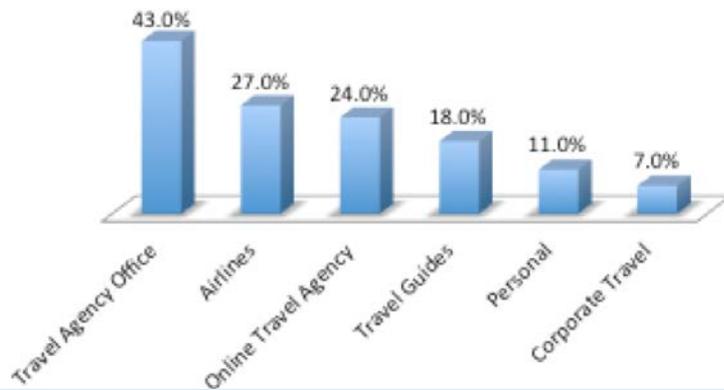
Japanese Travelers to California

Key Stats on Japanese Visitors to California	2013	Year-Over-Year Change
Japanese visitors to California	582,000	4.3%
Japanese visitor spending	\$1.16 Billion	7.8%
Average length of stay	8.2 Days	7.9%
Weekly non-stop flights to California from Japan	109	-1.4%

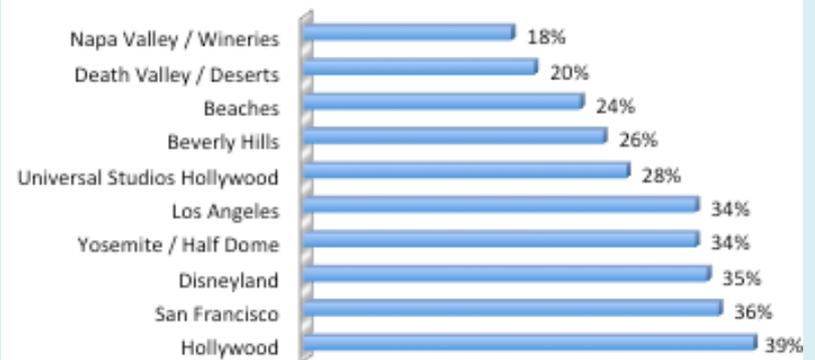
International Travelers

Japan

Information Sources for Japanese Travelers



Top CA Attractions for Japanese Travelers





Part 3: Tourist Demographics

The California Traveler

Defined as having visited California in the last 2 years and likely to visit again within the next 2 years.



Profile: The California Traveler is

- Optimistic – took 5 trips in 2014, 35% more than the American average.
- 41% expect to travel MORE this year.
- 42% expect to spend more this year.
- 184% more likely to travel by air.
- One-third plan to not bother with discounts when they travel in 2015.
- SF is in the top 10 desired destinations.

- 36% of ALL US travelers are likely to visit California in the next 3 years.

The California Traveler



Profile: The California Traveler is

- Younger – More Generation X and Generation Y travelers.
- More Ethnically Diverse – 25% identify as non-Caucasian.
- Better Educated – 62% have college degrees.
- More Urban – 85% live in a big city.
- More Affluent – Household income 11% higher than the average US leisure traveler.

The California Traveler

The FIVE MOST IMPORTANT features that California travelers use to choose destinations:

- “Where will I sleep?” Hotels and Lodging
- “What will I eat?” Restaurants and Food
- “Is there some history?” Historical Attractions rated third, BEFORE safety.
- “Will I be safe?” Safety Information
- “What else is going on?” Events, Shows, and Entertainment.

Interestingly enough, “family friendly” didn’t even make the top 10.

The California Traveler

California Travelers, as a demographic, are different from the average American Leisure Traveler in several important ways:

- They care more about arts and historic/cultural assets – 71% vs. 62%
- They are **less cost-sensitive** – 71% vs. 68%
- They are food and cuisine-driven – 67% vs. 63%.
- They desire authenticity, not a commercial tourism product – 67% vs. 63%
- **They want connectivity DURING travel – 60% vs. 54%**
- They want an active vacation – 54% to 50%.
- ONE IN FIVE uses peer-to-peer resources like AirBNB.
- **52% use social media sites like Yelp and TripAdvisor to validate their selections (vs. 31% of the American average)**
- 49% use social media in trip planning AND execution (vs. 31%)
- 57% use Visitor Guides, brochures and magazines (vs. 41%)
- **53% use their smartphone to access travel information (vs. 29%)**

The Baby Boomers



77 million children were born in the US between 1945 and 1964.

- They control 80% of America's financial assets.
- They account for 50% of consumer spending and 80% of leisure spending.
- They are the most educated generation in American history.
- They are the wealthiest generation in American history.
- They are now becoming GRANDPARENTS.

Millennials



Spending

Millennials (who range in age from 18 to 35) are vacationing more than any previous group did at their age.

- Approximately one in four Millennials are planning leisure trips in 2014.
- They are expected to spend incrementally more on travel services than any other age segment during the next 12 months.

Millennials



Millennials are more interested in life experiences than material possessions – seeking to travel as much as possible before they're tied down

- They are a much more ethnically diverse group than other generations
- They're wired and web savvy. They use technology to research, plan and book travel. They also **stay plugged in throughout their trip** so they can share their experiences with friends and family in real-time.

Millennials



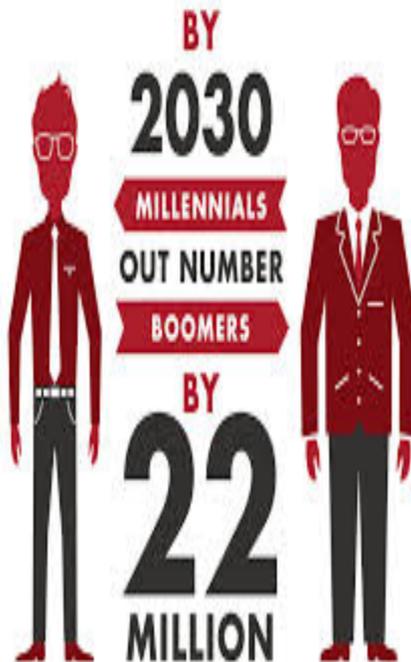
- 33% of Millennials are more likely to buy a product if it has a Facebook page compared to 17% of non-Millennials

- 43% of 18-24 year olds say texting is just as meaningful as an actual conversation with someone over the phone. (Receptionists??)

- 47% of Millennials (versus 28% of other generations) say that their lives feel richer when they are connected through social media



Millennials



- They prefer user-generated content and when searching for hotel options, prefer social hubs with quality food and beverage
- Brand loyalty is not nearly as important as word of mouth feedback from their network
- They're more likely to travel with friends in organized groups

Delta Takeaways from the Research

- The Delta Has What People Want: The current trends in tourism are all well represented here in the Delta. Position yourself to be found by these seekers!
- The Delta is Close: located directly between two of the top 5 destinations for international tourists (SF and Yosemite), and between the Napa Valley and the Farm to Fork Capital.
- First and foremost, tourists are wondering where to sleep and eat. Make sure you and your staff are ready with Delta answers.
- More so than in any other part of the country, our tourists want to be connected. Does your business offer wi-fi? Does your website reformat when viewed on a tablet or phone?



Thank You!