

A Review of the Jackson Convention and Visitors Bureau

Executive Summary

Introduction

House Bill 1637, 2018 Regular Session, authorized PEER to conduct “a review of the [Jackson Convention and Visitor’s Bureau (a.k.a. Visit Jackson)], which shall include, but not be limited to, accounting practices, office operations, administration, staffing, resource utilization and other best practices of facility management.”

PEER limited its review to those items specified in House Bill 1637. Particularly, concerns were raised about the timeliness of appointments to the JCVB Board of Directors; the proportion of the JCVB budget allocated to staffing costs; whether the JCVB is best utilizing its resources to promote tourism in Jackson; and whether the JCVB Board of Directors exercises adequate oversight over JCVB operations.

Section 14(1)(b) of H.B. 1637 provides that the PEER Committee may contract with a private contractor or contractors to conduct the review of the Jackson Convention and Visitors Bureau mandated by the bill. PEER developed and advertised a request for proposal (RFP) that included a scope of work to address the areas of JCVB’s operations included in H.B. 1637. In response to the RFP, PEER received written proposals from three consultants and determined Destination Services submitted the best proposal, which was also lowest cost.

Background

The Jackson Convention and Visitors Bureau is Jackson’s official destination marketing organization, responsible for attracting, promoting, and facilitating tourism to and within the Jackson market with the goal of causing a positive economic impact. It is authorized by H.B. 1637, which also provided for its funding through the levying of a 1% sales tax on hotels/motels and restaurants.

The JCVB functions to generate major economic impact for the city through programs that identify, attract, and service conventions and meetings, trade shows, group tours, and consumer travelers, while having an impact on the quality of life of local citizens.

The JCVB is governed by a nine-member board of directors, and as of April 2018, employed 18 full-time individuals and four part-time staff. Its departmental organization consists of administration, marketing, and sales and services.

Operations of the Jackson Convention and Visitors Bureau

The Jackson Convention and Visitors Bureau operates multiple programs in Marketing, Sales and Services, Funding Support, and Signature Events. Programs and services of the JCVB range from purchasing and placing promotional advertising to providing financial support in the form of grants or sponsorships to various tourism stakeholders (Jackson restaurants, hotels, attractions, local government, etc.).

Programs and Services

Marketing

The JCVB marketing program includes efforts and services to promote Jackson as a travel destination and promote increased patronage of Jackson restaurants and attractions. Marketing efforts include print media advertising, digital media advertising, production of sales videos, and advertising packets designed toward target markets.

The JCVB also develops sales videos and marketing materials and other brochures, which are provided to the Jackson Convention Complex, Jackson hotels, and event space coordinators to utilize in sales efforts.

Sales and Services

Sales and services programs work with various meeting planners, market segments, the community, and other stakeholders to sell Jackson as a destination. Staff procure sales in the following market segments:

- religious, education, and government;
- association and corporate;
- sports, equine, and medical;
- national, fraternal, ethnic, and Jackson State University;
- reunions (military/family) and group tours.

Services offered for conventions and meetings vary based on the level of event/hotel nights brought to Jackson. These services may include research of available meeting space, promotional materials, and publicity.

The JCVB provides local tourism entities such services as JCVB-created sales leads, access to the JCVB database, training classes, sales videos/marketing materials, and brochures.

Funding Support

The JCVB provides funding support, by application or sponsorship, to stimulate tourism or enhance quality of life in Jackson through its Convention & Meeting Support Grant Program; Marketing Match Grant Program; Restaurant Advertising Match Program; and quality of life initiatives and

Mini-Grant program in partnership with the Greater Jackson Arts Council.

Signature Events

The JCVB organizes and promotes several “signature” projects and/or events annually, such as National Travel and Tourism Week, hospitality training, and other hospitality events, such as the Miss Jackson Hospitality pageant.

Strategic Planning

The JCVB utilizes two formal documents in its strategic planning efforts: an overall strategic plan and an annual marketing plan. The strategic plan’s essential purpose is to identify broad goals and direction and overall methodology for accomplishing the goals. The marketing plan is developed at the programmatic level to achieve the strategic plan’s goals and objectives. However, PEER determined that most of the JCVB’s goals and objectives did not include specific measurable and timely performance measures by which to assess the JCVB’s performance in implementing the plans. Additionally, neither plan included a clear path to implement the defined strategies and objectives (e.g., a plan for allocation of resources).

Performance Measurement

The JCVB collects various performance data and measures, but determination could not be made through those performance metrics of how it utilizes these data to steer operations in order to meet the objectives of its strategic plan. Furthermore, outdated or inconsistent measures impede determination of whether the JCVB is utilizing its resources in the most efficient and effective manner.

Measuring Overall Economic Impact

According to the JCVB Board, it primarily utilizes two measures to track overall JCVB performance: annual change in the 1% restaurant and hotel sales tax collections and estimated economic impact of JCVB conventions, meetings, events, etc.

Although the annual change in these sales tax collections is an indicator of overall restaurant sales and hotel bookings in Jackson, such are, in part, affected by environmental factors beyond the JCVB’s control, particularly fluctuations in the economy. Given such, JCVB performance—any one or combination of implemented strategies—may not be directly related to the annual change in the 1% restaurant and hotel sales tax collections. In addition, the formula to calculate estimated economic impact has not been reevaluated in 20-plus years.

Marketing Performance Measures

The JCVB primarily relies upon measurement of the number of tourists traveling to Jackson, and their points of origin, and social media metrics to gauge marketing performance.

Sales and Services Performance Measures

For sales and services, the JCVB primarily measures the number and types of events booked, total revenue from sales compared to targets, quantity of sales leads, and hotel metrics, such as occupancy rate.

Funding Support Performance Measures

The JCVB does not have consistent performance metrics in place to determine the impact of its various funding support programs, which may require information to be provided before receipt of funding or require no actual verification of economic development.

Signature Event Performance Measures

The JCVB has no formal performance metrics in place to determine the impact of or continued need for signature projects to promote the tourism assets and resources in Jackson. It has instead relied upon limited anecdotal feedback in making decisions regarding whether to repeat an event annually.

Jackson Convention and Visitors Bureau Revenues and Expenditures

The JCVB staff develops the agency's annual budget, which is approved by the board. However, there is no formal in-house operating budget, and the JCVB President/CEO approves spending authority on an as-needed basis.

Funding

The JCVB predominantly derives its funding from tourism taxes on restaurant and hotel sales. Tourism tax revenues increased from \$3.1 million in FY 2012 to more than \$3.5 million in FY 2015 but have since plateaued at approximately \$3.5 million per year through FY 2017 (see Exhibit A, page ix).

In addition to tax revenue, the JCVB received revenue from festival income, grant funding, advertising sales, and interest on the JCVB reserve fund.

Exhibit A: JCVB Revenues, by Source, for FY 2012 through FY 2017

Revenues	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Tourism tax	\$3,148,858	\$3,266,677	\$3,381,246	\$3,583,372	\$3,587,300	\$3,539,564
Festival income*	N/A	\$132,539	\$316,958	\$234,943	\$177,856	\$227,370
State grant	\$0	\$0	\$0	\$0	\$50,000	\$0
Investment income**	\$6,912	\$4,746	\$3,177	\$1,934	\$2,108	\$1,718
Other***	\$505	\$4,114	\$16,658	\$17,031	\$412	\$363
Total	\$3,156,275	\$3,408,076	\$3,718,039	\$3,837,280	\$3,817,676	\$3,769,015

*Revenue from Jackson Rhythm and Blues Festival, which began in 2013 and ended in 2017.

**Interest income generated from JCVB's reserve fund.

***Advertising revenue, from sale of ads for JCVB Visitors Guide in FY 2014 and FY 2015. JCVB contracted for production of the visitors guide beginning in FY 2016.

SOURCE: PEER compilation of JCVB annual audits for FY 2012 through FY 2017.

Expenditures

As shown in Exhibit B, Personnel, Programs, and Other constitute the JCVB's primary spending areas. Over the period FY 2012 through FY 2017, JCVB expenditures increased \$1.3 million, from \$2.8 million to \$4.1 million.

Exhibit B: JCVB Total Expenditures by Major Category, for FY 2012 through FY 2017

Major Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personnel (\$)	\$1,329,452	\$1,327,813	\$1,399,386	\$1,467,000	\$1,449,250	\$1,544,503
Personnel (%)	48%	39%	35%	39%	36%	37%
Programs (\$)	\$1,038,276	\$1,629,272	\$2,132,861	\$1,806,185	\$2,034,893	\$2,117,090
Programs* (%)	38%	48%	53%	48%	51%	51%
Other** (\$)	\$398,845	\$436,217	\$472,006	\$509,760	\$515,098	\$492,165
Other (%)	14%	13%	12%	13%	13%	12%
Total Expenditures	\$2,766,573	\$3,393,302	\$4,004,253	\$3,782,945	\$3,999,241	\$4,153,758

*JCVB funding support, signature events, quality of life initiatives, and advertising and marketing efforts.

**Miscellaneous charges, e.g., supplies, capital outlay, maintenance, rent, professional services, etc.

SOURCE: PEER compilation of JCVB annual audits for FY 2012 through FY 2017.

Current Financial Status

Since FY 2013, the JCVB fund balance (reserve fund) has decreased by \$783,413. The decrease is due in part to increased expenditures for personnel, sponsorships, and a now-defunct music festival. As of fiscal year-end September 30, 2017, the JCVB had a fund balance of approximately \$1.8 million.

Stakeholder Assessment of Tourism in Jackson and JCVB Operations

To obtain stakeholders' impressions of the Jackson tourism environment and their interaction with the Jackson Convention and Visitors Bureau, PEER conducted in-person interviews with 29 stakeholders and the JCVB Board of Directors.

Stakeholders' Impressions of the Jackson Tourism Environment

Stakeholders identified Jackson's history and culture, growing food scene, and plethora of museums and attractions as its strengths. However, stakeholders observed that Jackson does not have an entertainment district, is not walkable, has infrastructure challenges, and locally is hindered by a heightened perception of crime.

Stakeholders' Impressions of the JCVB

Stakeholders contend that the Jackson Convention and Visitors Bureau should be more proactive in developing a comprehensive tourism plan for the city, improving its communication with stakeholders, and providing training and technical assistance for them.

Opportunities for Improvement Provided by Stakeholders

Stakeholders also believe there are opportunities for the JCVB to improve its operations to be a more effective tourism entity for Jackson, specifically as follows:

- *The JCVB, as the destination marketing and tourism entity for the city, should take the lead in developing a comprehensive tourism plan for Jackson.*
- *The JCVB should partner with stakeholders to develop collaborative marketing campaigns to promote Jackson as a destination and to promote particular aspects of the Jackson tourism industry.*
- *The JCVB should reassess how it tracks its performance and develop programmatic performance measures that will aid the JCVB in assessing its own performance and communicating such to stakeholders.*
- *The JCVB should collaborate with and develop relationships with stakeholders, including establishing avenues for constructive communication.*
- *The JCVB should develop strategies to support and enhance existing events. In contrast, the JCVB should not devote significant resources to developing its own events in-house.*
- *The JCVB should consider revising its funding support process to require all funding support recipients to initially submit an application to the JCVB, or, if applicable, the Greater Jackson Arts Council, and submit documentation*

demonstrating the funding support was utilized to generate an economic impact for Jackson. In addition, the JCVB should consider reviewing its policies for funding support in regard to when to allocate funding (i.e., either through reimbursement or prior to event).

Recommendations

1. In view of the fact that H.B. 1637 (2018 Regular Session) changed representation and qualification requirements for two of the JCVB Board member positions—i.e., an individual representing the Capital City Convention Center Commission and an individual representing the attractions industry nominated by the Metro Jackson Attractions Association—the Mayor of the City of Jackson should immediately comply with the provisions of this act by making appointments to these positions, which should have occurred within 90 days of the effective date of the bill. In addition, the JCVB CEO should advise the JCVB Board Chair that the member whose position was eliminated by H.B. 1637 should no longer actively participate as a board member by attending meetings and casting votes.

Regarding all future board appointments, including those for which past appointees are lawfully holding over, the JCVB CEO should advise the Mayor and applicable nominating associations regarding pending board vacancies to ensure that board positions are filled in a timely manner. In instances in which the Mayor chooses to retain a member of the board after the member's term has expired, the JCVB CEO should request that the Mayor make the reappointment in writing rather than allowing the board member to hold over by operation of law. If the member to be reappointed is required to be nominated by an association, the JCVB CEO should coordinate with the relevant association regarding the reappointment.

2. With regard to the JCVB's governance, the board of directors should
 - a. conduct a self-assessment to compare its practices to benchmarks and then prioritize its own development. A self-assessment can help identify issues needing clarification, gaps in skills that board members need for the board to be successful, and topics for future board education;
 - b. comply with its bylaws by annually electing its officers each October and annually conducting a performance review of the JCVB President/CEO;
 - c. reevaluate the current utilization and need of its standing committees and, where applicable, update its bylaws accordingly;
 - d. activate the JCVB Board's Community Relations Committee to actively seek measurable feedback from stakeholders on the operations and impact of the JCVB, as well as input on the current and future direction of the JCVB; and

- e. reevaluate its sponsorship process to include establishing a maximum amount in its annual operating budget for such sponsorship that will not be exceeded during the board's fiscal year. In addition, the board should require recipients of sponsorship funds to meet established performance requirements for the receipt of such funds.
3. The Jackson Convention and Visitors Bureau should reevaluate its organizational structure and its allocation of resources. The reevaluation should include adjustments in work activities to lower the time expended on administrative tasks, reallocating staff functions, assessing current JCVB programs, and determining if such programs should continue or whether funding could be better reallocated toward other alternatives.
4. To enhance the JCVB's communication with stakeholders and its own performance monitoring, the Jackson Convention and Visitors Bureau should develop goals and action plans, with defined performance measures and a plan for allocation of resources, to include in its strategic plan and marketing plan. The JCVB should also consider conducting research that will support and enhance the tourism market, such as visitor profile studies and economic impact studies (including reassessing and updating how the JCVB calculates economic impact).
5. The Jackson Convention and Visitors Bureau should reassess its sales strategy, including seeking stronger partnerships with the Jackson Convention Complex, the Mississippi State Fairgrounds, the Mississippi Hotel and Lodging Association, and the Mississippi Hospitality and Restaurant Association. JCVB managers should conduct regular sales meetings and coordinated sales strategies/partnerships with tourism-related stakeholders in the Jackson area.
6. As the Jackson Convention and Visitors Bureau moves forward to promote tourism and seek to enhance the tourism market in Jackson, it is incumbent that the bureau formally reach out to and seek feedback from its stakeholders, at both the board level and staff level.
7. The Jackson Convention and Visitors Bureau should take the lead in working with stakeholders to develop a comprehensive tourism plan for the Jackson area. The plan should address transportation gateways into the city, coordinated signage, city ordinances to promote tourism, infrastructure improvements, coordinated marketing and sales efforts, a tourism branding campaign, and other strategies to enhance the tourism sector.

DESTINATION SERVICES

Synopsis of PEER Report
Destination Services, LLC
December 3, 2018

Overall Conclusion:

The Jackson Convention and Visitors Bureau, otherwise known as JCVB or Visit Jackson, has the resources and ability to move Jackson, Mississippi, forward as a destination, but this will require excellent leadership, a reallocation of resources, some degree of reorganization, destination research, training, and more precise data collection. The bureau must target markets that have a higher spend and thus a greater economic impact. The bureau should improve its image and credibility through more extensive stakeholder communication. Finally, the JCVB must focus its sales effort on the Jackson Convention Complex in order to achieve a higher return on investment and increase higher occupancy levels for the center and hotels.

Specific Findings:

Strategic Plan

The bureau's strategic plan does not contain performance measures, action steps, or benchmarks and thus lacks mechanisms by which to assess actual progress. Because of this, the consulting team has concluded that it is not realistic to expect the bureau's strategic plan to be implemented in a way that actually "moves the needle" on visitor traffic, overnight lodging and ROI. The strategic plan should evolve from a destination study that determines trends, amenity needs, satisfaction levels, infrastructure requirements, price points, visitor profile, economic impacts, and market segments. All segments of the Jackson tourism industry should have input into the strategic plan.

Budget

The Jackson Convention and Visitors Bureau (JCVB) should operate within its available financial resources. The FY 2018 budget allocated \$405,000 from the reserve to cover operating expenses. The JCVB should not incur a deficit in order to fund other organizations via grants and sponsorships. Nearly 19% of the FY2018 budget was allocated to outside entities, which represents more than the incurred FY 2018 budget deficit.

Organizational Structure

The JCVB is expending slightly more on personnel expenses than the average amount expended by Bureau's with a similar budget. Organizational restructuring that could

address inefficiencies and overlaps should be pursued. Recommendation: Refocus individual responsibilities, outsource specific tasks, and freeze some vacant positions until the performance levels warrant replacement.

Marketing Plan

The JCVB should revise its marketing plan for 2019 to include specific performance measures with definitive timelines.

The JCVB should expand its marketing plan to address the Jackson Convention Center's issues and infrastructure needs.

Adherence to Trends

The JCVB is on target with current culinary and music trends related to the Southern persona. The JCVB's efforts to accent southern hospitality are exceptional. However, the Bureau will need to accelerate the experiential component of the brand through new visitor products. The trend toward a more holistic approach to the destination from a community sustainability and development perspective will require more attention from the JCVB.

Sales

The JCVB should establish clear written instructions for classifying criteria fields within its database and require that all fields be populated consistently by team members. The Bureau should conduct training with all staff responsible for populating the data and running reports, including ongoing training for both existing and new staff members.

The Sales Department of the JCVB should develop a sales and marketing plan that includes:

- annual goals based on leads, room nights, sales calls, etc.
- clear identification of what tactics are to be used in soliciting each market segment;
- the total number of familiarization trips, sales missions, and sales blitzes to be hosted each year, with goals for leads generated from each;
- plans for joint sales calls between the JCVB, local hoteliers, and the Jackson Convention Complex to competitive markets;
- expectations for industry networking by all sales team members;
- expectations for all sales team members in building relationships with local and state meeting planners through frequent visits, light and participation at events.
- The JCVB should conduct quarterly reviews of each sales team member with regard to progress toward clearly stated goals.

The JCVB should place greater emphasis on soliciting higher-rated association and corporate business, rather than the SMERF market, to increase both the return on investment, as well as the quality of bookings and associated room nights.

JCVB should increase the peak threshold to 100 rooms on peak to be identified as a convention. This revision could help the sales team to focus on higher-rated business, yielding a greater number of total room nights.

Convention Center

The Jackson Convention Center is by far the one component that can greatly increase the economic impact of tourism. The Center is an excellent facility, although significantly underperforming in comparison to its full potential and operating at less than peak performance. In fact, very little first priority business is being booked. The detail report speaks to the culture and philosophy surrounding the convention center. There are many changes recommended. A few of the highlights are below:

- Reorganization of both the JCVB and JCC boards in a manner that fosters cooperation with a focus on the convention center from a facility operations and destination perspective.
- clearly identify who is responsible for the solicitation of the various market segments and a joint marketing plan targeted at increasing the number of leads with potential for using the convention center).
- The sales teams of the JCC and the JCVB should hold joint weekly meetings. These meetings should be aimed at discussing pipeline, pending, and recent booked business, with a focus on booking the business and jointly overcoming any obstacles to booking.
- JCVB should consider creating a buy down fund that is budgeted by the JCVB with an intended use to buy down the rate at the JCC when necessary to book a quality first tier event. This is an extremely effective sales tool, but it should only be used for business that meets certain parameters (e. g., large room blocks/citywide, significant economic impact, high media value, substantial expenditure at the center).
- The Jackson Convention Complex should complete a price index survey of the JCC competitive market sets on rental rates, food and beverage pricing, equipment, labor, and all other ancillary expenses

Special Events

The JCVB should consider initiating a special event for Jackson similar to the former Jubilee Jam. The JCVB should plan and design the event to achieve the objectives stated in the strategic plan, as well as to focus on hotel room nights. Every special event should have:

- a business plan;
- a budget that is strictly followed;
- corporate and private financial support;

- performance measures; and,
- collection of research data from attendees.

Branding/Advertising

The JCVB has an excellent branding and advertising campaign. The campaign is highly creative, on trend, and resonates with major demographic group profiles. Benchmark research conducted by Destination's International indicates that the JCVB is spending 43% less on advertising when compared to the median expenditure on advertising by destination marketing organizations in the \$3 million to \$5 million budget category.

Return on Investment

The JCVB does not calculate the Bureau's return on investment in a manner that conforms to the industry's best practices. The expenditure data is based on calculations developed more than thirty years ago and is not documented by current research. The JCVB does not segment the economic impact by various markets or even offer segmentation by broad categories, such as day trip visitors versus overnight visitors. The current return on investment methodology is totally inaccurate, inappropriate, and should not be used by the Bureau.

Sponsorship/Grants

Sponsorship and grant awards should be based on very specific criteria or metric evaluation that assesses the number of room nights to be generated as a result of the award or the degree to which the award will fulfill JCVB's marketing and/or strategic goals. The awarding process should take into consideration the profile visibility and economic impact that would be generated and should define the funding period, making clear that JCVB's financial support will not be a continued source of funding.

Satisfaction Survey

Stakeholders and community leaders were surveyed to determine how satisfied they are with the Jackson CVB. For the most part, the stakeholders scored the Bureau's performance as average. The survey indicates a need to further study the expectations and concerns of stakeholders.

Destination Management

The JCVB should be involved in all economic development activities within the city that impact the tourism product, marketing, and brand positioning. This holistic approach to destination management has become the new normal as Bureau's realize that tourism impacts and is impacted by economic development decisions.

The Jackson Convention Center is a key component for tourism growth in Jackson. Consequently, the JCVB should consider relocating its offices to the Jackson Convention Complex. This would foster better working relationships and a combined sales network for the bureau and convention center. The physical location of the

bureau within the convention center would place a focus on the facility from both operational and selling perspectives.

Product Development

For the most part, Jackson has plenty of attractions and amenities. The Mississippi Civil Rights Museum is a tremendous domestic and international tourism asset. Jackson's musical heritage and 300 culinary choices are exceptional. The service and southern hospitality are excellent. Farish Street is a cultural diamond that simply needs to be polished. Further redevelopment of this most important component of Jackson's heritage will enhance Jackson's competitive edge. The District at Eastover and the Fondren District are both outstanding tourism products that give Jackson a "millennial" focal point and a "historic" brand positioning. These types of lifestyle areas can keep Jackson competitive.

The areas around the Jackson Convention Complex need to be addressed with landscaping and visual improvements. The vacant land across from the convention center should be developed into a retail lifestyle center with a focus on serving conventioners and residents. Finally, the City of Jackson should improve wayfinding signage directing visitors to attractions and points of interest.

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