

SUN VALLEY MARKETING PLAN

OUTLINE

I. BACKGROUND

- A. Current Staff
- B. Advertising
 - 1) Media
 - 2) Collateral
- C. Promotions
- D. Conventions
 - 1) Season
 - 2) Annual Guest Total
- E. Demographics
 - 1) Where they are from
 - 2) First time visit
 - 3) Means of Transportation
 - 4) Family Income
- F. Current Budget

II. MARKETING GOALS

- A. Change the 40 year "Jet-Set" Image.
- B. Improve Accessability

III. MARKETING PLAN BY DEPARTMENT

- A. Advertising
- B. Promotion
- C. Publicity
- D. Group Sales
- E. Magic Kingdom Club
- F. Travel Company

IV. MARKETING PERSONNEL REQUIREMENTS

A. Short Term

B. Long Term

V. OPERATING BUDGET

VI. MARKET GROWTH POTENTIAL

A. First Year- Without Capital Improvement

B. Future years - with Capital Improvements

VII. SUMMARY AND RECOMMENDATIONS.

SUN VALLEY

If Sun Valley is to become a Disney property our immediate marketing concerns, in order of importance, are: 1) identify the potential markets, 2) establish marketing strategies to penetrate those markets and 3) develop communication vehicles including logo types, advertising, brochures, etc. to implement our strategies.

Potential Markets:

There are at least six distinct but not necessarily mutually exclusive markets to consider. Most of these can be sub-divided because of Sun Valley's year round aspects.

I Vacationing families

In the broadest perspective, our best potential lies with the classic "Disney" market: American families. It is from this large heterogeneous group that Disney products have always drawn their strength. And experience at Disneyland and especially Walt Disney World indicates the same to be true of recreation-resort properties. Naturally, this market requires further definition relative to Sun Valley's facilities and location. To be more specific, we should include middle to upper income families who vacation once or more a year at a site at least five hundred miles from their residence. Considering the summer/winter aspects of Sun Valley, it also seems reasonable to stratify the market into warm weather and cold weather vacationers. That is, people who vacation to warm or cold locations.

This latter concept will play an important role in the establishment of sales and promotional strategies since it implies breaking new ground. For, in the past at Disneyland and Walt Disney Wor-d, whether in summer or winter, we have been dealing only with warm weather vacationers.

Finally, we need to geographically identify this market. Here we should consider two parameters; those populous areas where people have shown a tendency toward mountain state travel and those areas which appear high on the Disneyland and Walt Disney World lists of markets of origin. Where these two parameters coincide we will find our highest potential.

II The "local" market

Within one day's driving time (8 hours) from Sun Valley there are approximately _____ "local" residents. These individuals constitute an important potential market for off season periods and weekends, both in summer and winter. Within this market there are several sub markets to be considered; college students, youth in general, summer sports enthusiasts, winter sports enthusiasts, and family weekenders in general.

III Skiing Enthusiasts

Since Sun Valley is already widely known as a ski resort, enthusiasts are, of course, a strong potential market. While these individuals belie normal demographic classification, coming from many walks of life, they are relatively easily identified

through ski clubs and associations such as Far West and through their attendance at similar resorts. This market is usually broken into three sub groups; beginners, intermediates and advanced. We should undoubtedly consider two additional categories; family and non-family (singles or couples).

Geographically, enthusiasts can be found in numbers throughout the United States. However experience at Sun Valley indicates a preponderance from the populous pacific, with a natural influx from the nearby mountain states.

This is followed by decreasing proportions from the northeast and Mid-Atlantic. Penetration of the Disney breadbasket in the mid-west is all but non-existent.

While there are ski areas in Michigan, Upper New York State and New England, we should keep in mind that the current situation may be influenced by downstream marketing as much as anything else. Recommended targets in order of importance: Pacific, Mountain, Mid-West, Northeast, Mid-Atlantic.

IV Previous Sun Valley Guests

Because of their previous experience with the location and facilities, Sun Valley visitors provide an obvious potential market. Although most of them are included in the enthusiasts market they are treated separately here for two reasons. First, they are a group readily identified through hotel reservations, condominium

contracts and other records. Secondly they constitute a prime core of guests who, either 1) can easily be influenced to return to Sun Valley because of positive experiences or 2) need to be informed of the New Disney involvement to correct impressions and probable negative word of mouth.

V Convention and Meeting Planners

Precidents and facilities available at Sun Valley point to convention and meeting planners as a potential market. So does our own history at the Disneyland Hotel and our Walt Disney World resorts. However, this market is likely to be made up largely of small groups with which we have less experience and many of them will have winter sport orientations. Still, these groups will be easy to identify through records of such gatherings at Sun Valley and other similar locations.

VI The Travel Industry

Travel agents, airlines, bus companies and AAA offices are necessary links in the marketing chain of any resort destination.

For two reasons, they may be vital to us at Sun Valley. First, the whole ski resort concept, because of its small size, hideaway atmosphere and transportation complications, lends itself to advance reservations and other services normally provided by the travel industry. Secondly, we will, at least initially, be in an "old but new" situation, confusing at best. The travel industry can be a key in helping communicate to our potential markets at the local level.

Marketing Strategy:

Consideration of the potential markets quickly suggests a dichotomous approach to marketing a Disney Sun Valley. In the simplest words what we have to sell here is "a superior winter-summer resort that now has the Disney touch--in quality and family orientation". To some of our markets the established Sun Valley connotations will be most important with the new Disney association acting as a supportive second. These would seem to include skiing enthusiasts, the "local" market and previous Sun Valley guests.

Conversely, with other such as vacationing families, the Disney name will be of utmost importance, while Sun Valley takes the back seat.

One thing is clear. Both should be a part of all marketing efforts.

MARKETING
SUN VALLEY

The prime Disney market is, and
will continue to be the family unit.

This proposal, incorporating
conceptual and statistical data,
addresses itself to Group business
...including:

- I INCENTIVE TRAVEL
- II CONVENTIONS
- III GROUP SALES

January 18, 1977

Marilyn Muns

MARKETING INCENTIVE TRAVEL

As a management tool, the sales incentive is employed far more than any other technique in the incentive package. The effectiveness of sales incentives is on a distinct uptrend. For 1977, buyers are expected to increase their spending for incentives 12% over last year.

Incentive travel is the second most successful area of all incentives (merchandising being number one). It is expected to make a full comeback this year after the drop-off in 1974 and the bigger plunge in 1975.

POTENTIAL MARKET

The following are the TOP TEN travel-using industries.

1. Insurance
2. Electronics, Radio, TV
3. Automobiles & Trucks
4. Farm Equipment
5. Auto Parts, Tires & Accessories
6. Heating, Air Conditioning
7. Electric Appliances
8. Office Equipment
9. Toiletries
10. Building Materials

PRIME TARGET MARKET

The number one incentive-using industry...INSURANCE...allocated its biggest incentive sales expenditures to TRAVEL. Much of that is related to educational meetings, sales seminars, and conventions. Background information on groups which have met at Disneyland Hotel and Walt Disney World would be helpful in initial solicitation.

WHO DECIDES?

Surveys tell us that those who have the greatest influence on the selection of destination breaks down as follows:

Sales Manager or Vice President	44%
President	17%
Committee	16%
Other Company Executive (Advertising Manager)	9%
Incentive Company	6%
Travel Agent	6%
Other	6%

We undoubtedly have hundreds of firms who are part of the top ten industries as members of our Magic Kingdom Club. The MKC data bank would enable us to compile a viable list of contacts to begin solicitation of this lucrative market.

ANOTHER DISNEY PLUS

Once the meeting is booked, Walt Disney Travel can take over. The ability to have our own company handle all trip arrangements, from beginning to end will gain the buyer's confidence and ease his burden of responsibility. The Disney reputation and know-how will ensure top quality planning, promotion analysis and production, travel arrangements, and on-site accommodations.

MARKETING MEETINGS AND CONVENTIONS

The Marketing review, provided by Sun Valley, indicates that conventions represented 41% of Guest nights during the summer season. A refinement of their convention lists for 1975 & 76 indicates that solicitation and bookings were confined almost totally to the Western states (82.6% of all bookings) with most being done in Idaho (45.9% of total).

Through the establishment of an expanded account file system, with data provided from Walt Disney World and possibly Disneyland Hotel, plus our own Disneyland convention files, it is logical to anticipate a broadened effort which should generate a significant increase in the meetings and convention guest penetration.

THE MARKET - ASSOCIATION & CORPORATE MEETINGS

The following data is intended to provide a clearer insight into the meetings market, enabling us to define our primary market.

Associations account for over 90,000 conventions and meetings of all sizes in a year. Of that, roughly 10,000 are major meetings. A little over 80,000 are smaller meetings, i.e. board meetings, educational seminars, committee meetings.

81% of associations hold 1 major meeting annually. Another 13% hold more than 1 major meeting per year.

The MAJOR meetings average slightly more than 1100 total attendance (including registrants, spouses, staff and exhibitors).

Meeting size breaks down thusly:

Under 200	17%
200-299	14%
300-399	13%
400-499	9%
500-999	20%
1000-1999	14%
2000 & over	13%

This represents the major portion of our association meetings market, on the basis of present facilities.

96% of associations hold an average of 6 Board meetings per year.

83% hold an average of 27 Committee meetings per year.

66% hold an average of 14 Educational seminars per year.

Board meetings average 25 people per meeting.

Committee meetings average 11 people per meeting.

Educational seminars average 41 people per meeting.

55% of Committee meetings use hotel rooms

66% of Educational seminars use hotel rooms.

66% of Board meetings use hotel rooms.

Because of the constraints of logistics, our market for committee, board, and educational meetings should be only those who use hotel rooms.

WHEN DO THEY MEET?

	<u>ASSOCIATIONS</u>	<u>CORPORATIONS</u>
JANUARY	6%	13%
FEBRUARY	5%	9%
MARCH	7%	9%
APRIL	8%	9%

		<u>ASSOCIATIONS</u>	<u>CORPORATIONS</u>
Sun Valley Convention Season	MAY	9%	10%
	JUNE	14%	7%
	JULY	7%	5%
	AUGUST	6%	5%
	SEPTEMBER	10%	8%
	OCTOBER	15%	11%
	NOVEMBER	9%	6%
	DECEMBER	4%	8%

Lead time for booking:

ASSOCIATIONS

Under 1 year	11%
1-2 years	24%
2-5 years	56%
6-10 years	9%

CORPORATE

3 months	32%
6 months	29%
9 months	11%
1 year	20%
more than 1 year	8%

Corporation lead time would probably compare favorably with board meetings, educational seminars, and committee meetings in lead time.

MARKETING GROUP SALES

Contributing solidly to both Gates, Group Business has always represented a substantial percentage of Disneyland's and Walt Disney World's attendance. Because we alone have the know-how, the same will hold true of Sun Valley (year-round) ... even though the lack of local population will give us a different kind of challenge.

THE YOUTH MARKET

ALL YOUTH ORGANIZATIONS i.e. Boy Scouts, Girl Scouts, Camp Fire Girls, etc. represent an excellent potential base for group development. Contact Councils in the Pacific Northwest and mountain states to offer special 1-week (or any increment thereof) packages...incorporating special training classes, with emphasis on skills that lend themselves to merit badge acquisition.

YOUTH CAMPS represent another possibility. The camps, usually 7 to 14 days in duration, center around a variety of programs i.e.

The Wilderness Experience

Tennis Camps

Weight Reduction

Ice Skating Clinic

Equestrian Instruction

These markets are accessible through youth-oriented publications.

SCHOOL GROUPS offer considerable potential. Newly-designed GRAD NITE (perhaps a GRAD WEEK-END) programs can be packaged. School leadership conferences are generally state-wide sponsored activities...a perfect market for Sun Valley. Most high schools sponsor ski clubs. Weekend and holiday ski packages could be developed to appeal to this special age-group.

THE ADULT MARKET

SENIOR CITIZEN TOURS can be designed as a total recreation/vacation destination. Special marketing emphasis could be focused upon warm weather residential locales to encourage a "retreat to cool and crystal clear Sun Valley."

CHURCH GROUPS sponsoring annual retreats make Sun Valley a logical destination.

ATHLETIC COMPETITIONS. The golf, tennis, ice skating, and ski facilities could lend themselves to state, regional, or even national tournaments, which results in considerable valuable media exposure.

SOCIAL AND SERVICE CLUBS plan annual get-togethers. A Disney destination would have immediate appeal. There are literally thousands of such clubs...providing a fertile field for development.

TOUR & TRAVEL MARKET

TRAVEL AGENTS & TOUR OPERATORS become, in essence, our partners in sales progress. Currently, there are approximately 13,500 travel agents in the United States, Canada, and Mexico. Of these, there are a dozen top tour operators who direct considerable group business to us on a year-round basis.

These agents, both retail and wholesale, will be very responsive to a new Disney destination. Many will buy our Walt Disney Travel Company packages...others will put together their own.

AIRLINES can be another "partner." Through airline-sponsored familiarization tours, we can show hundreds, if not thousands, of agents on a first-hand basis, the merits of selling our new destination resort. Hopefully, this will result in a proliferation of increased flight schedules to Sun Valley.

In our direct mail programs to these 13,500 agents, plus our one-on-one meetings with the airlines, major tour operators i.e. Greyhound Hiway Tours, Continental Trailways, American Express, Cartan Travel and other top producers, we should be able to generate considerable volume, on both a group and individual basis.

However unlikely it may seem to readers of this proposal...it is a fact that our sales personnel, both at Disneyland and Walt Disney World, already know and have developed cordial relations with most of the key people who might book group business into Sun Valley. And since Sun Valley represents a totally new type of destination (from that which we usually offer them) we feel there will be an intrinsic interest in space availability...based upon the established reputation of the Disney product.

To say it differently, a JANSS Sun Valley could be just another place one has vaguely heard about...but DISNEY'S Sun Valley would immediately rate high on the decision-maker's list of site selection.

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SUN VALLEY
KEY AIRLINES
PASSENGERS 44 SUMMER
FLIGHTS PER DAY 3
3 DURING WKS.

UNITED 55%
JAL 35%
RIDGE 10%
PORTION OF SUMMER TRAVEL TO THIS AREA

12. How MANY MEETING ROOMS. IN THE LODGE AT THE INN?

17 ROOMS.

1 DR IMM. SHORT

LONG TERM

3. GROUP SALES Like Here.

5

1 PUBLISHING

1 ADVERTISING

1 WATER

1. MHC REP

3 SEC

8.

IDAHO DOES NOT ENCOURAGE OR OPPOSE SOLICIT TOURIST INDUSTRY

277 \$225,000 MEDIA ADJ.

13. How LARGE A MARKETING STAFF DO YOU HAVE AND CURRENT RESPONSIBILITIES.

EMBASSADOR PROGRAM
PRESS RELATIONS

CONVENTIONS ARTIST SALES PEOPLE
RESERVATIONS

MARKETING + SALES ADMIN.
COMMUNICATIONS

14. What % OF YOUR BUSINESS IS REPEAT?

WINTER 50% SUMMER 50%

15. Sun Valley GUESTS

1) who (Male vs. Female)

2) INCOME

3) AVERAGE Family SIZE

4) AGE YOUNG

5) NUMBER OF Days AT Sun Valley

TRIPS
SUMMER
FACILITY
GOVT
TRIPS
REPT.

10%	2			
2600	4.7			
WINTER	7.5	SUMMER	74	3%
	17.5		7-10	3%
EARLY PERSON	12.2		10-15	7%
OFF	33.6		15-20	12%
	24.1		20-25	15%
SUN Valley	1.9		25-50	37%
			6	50,000 23
	2		7+	

WINTER 3 BOYS
SUMMER 1
SINGLES & COUPLES
TYPICAL GUESTS

Village
Prop. Mgmt.

ROGER
JOHN

1. WHAT IS THE CONDITION OF THE TRAIN TRACK? AIR TRAK
LEAFER
FORWARD
SIX ONE
SAY LIKE
1 DAY
NEW
2. WHERE DOES IT RUN FROM? UNION PACIFIC
3. CAN IT BE USED? WINTER 44 WAYS
SAT
SEV. MILLION
TO REPAIR
AIR TRAK
4. IS ROOM OCCUPANCY DOWN ON WEEKENDS?
5. OCCUPANCY RATES FOR
- | | SAT | SUN | Mon | T | W | TH | F |
|---------|--------|-----|-----|---|--------|----|---|
| LODGE | SUMMER | | | | WINTER | | |
| INN | " | | | | " | | |
| CONDOOS | " | | | | " | | |
6. Hours Do People Arrive
- | | SUMMER | WINTER |
|----------|--------|--------|
| By CAR | | |
| By BUS | " | " |
| By PLANE | 27% | 54% |
7. WHAT IS THE PROBLEM WITH 7-DAY PACKAGING FROM SUNDAY THRU SUNDAY?
8. WHERE IS THE CONVENTION CENTER CAPABLE OF SEATING 1,100-1,500 GUESTS?
9. WHAT IS THE PERIOD FOR CONVENTION MONTH TO MONTH IS IT YEAR AROUND? MAY - OCT
CONF. DOOS
10. HOW MANY ROOMS AVAILABLE OF THAT HOW MANY WERE YOU COMMIT TO CONVENTIONS? JULY DOOS
FEST 42
20% CONF.
SEP - OCT
DOOS
11. DO YOU KEEP PERFORMANCE SHEETS FOR EACH CONVENTION?