

Bob Gilbert (00:00):

Well, welcome to Tourism Heads and Their Tales. And today we have, as our guest, one of the most influential people in travel and tourism. Caroline Beteta and Caroline serves as president and CEO of the industry led Visit California, a nonprofit organization created to market California as a premier travel destination to increase the state's share of tourism related revenues. Now, in addition to Caroline's day job, she serves as a member of the United States Travel and Tourism Advisory Board, which advises the Secretary of Commerce on issues that affect the US tourism industry. She had previously served as chair of the board, as well as acting CEO for Brand USA, where she provided strategic direction for the 200 million dollar global program interfacing with national congressional leaders and the administration. During a two year term as national chair of the US Travel Association, she guided the successful merger of TIA, the Travel Industry Association with the travel business round table and the creation of Brand USA. Caroline currently serves on the executive committee of the World Travel and Tourism Council and Visit California was actually the very first destination marketing organization invited to join the WTTC. So, welcome Caroline, and please share with our audience a little about yourself, your background, and your journey so far.

Caroline Beteta (01:39):

Oh, well thanks, Bob. Wow, what a nice introduction. I actually just felt honored to be a friend of Bob's and be on this show <laugh>

Caroline Beteta (01:48):

So, so much appreciated for that. Uh, you know, I've been doing this for over 20 years. I was actually the industry's first hire CEO when Visit California was then the state office of tourism, and the industry thought we can do better. We need more resources to market globally. And looked at various funding models. Came up with really what happens in California. One of the most successful programs is the promotion of our agricultural commodity products like the dancing raisins or real California cheese. And that's how we're modeled. So, you know, through a two year process, transformed into Visit California and national search, and I was hired. So it's, it's been a long time and I've now worked for, uh, six plus governors as well as strategic advisor.

Bob Gilbert (02:41):

Wow. As we start this, this conversation, share with us how Visit California is funded and what led to the idea to implement the statewide assessment to fund Visit California?

Caroline Beteta (02:55):

Yeah, absolutely. I, it is an interesting history and it really started with a crisis. Visit California was born out of a crisis, the Loma Prieta earthquake, to be exact, where, you know, this gigantic earthquake occurred in the Bay Area and the world thought that California had slipped into the ocean and the industry was reeling, knowing they really didn't have sufficient resources to respond and correct the narrative that it was, you know, tragic but limited in scope to one area of California. And that's what really got the industry thinking maybe we should look to our agricultural commodity boards. What a great model of everybody investing to create a budget that is really reflective of the number one travel destination the United States to not only promote in a competitive environment, but protect not only with sustainability issues, but you know, in times of crisis as well. So that, that's really where it started. We actually have now more than a hundred, uh, local, what they call TBIDs tourism Improvement

districts. And I know many are being organized throughout the west and the nation. So we're basically the first non agricultural commodity board in the US probably the world.

Bob Gilbert ([04:15](#)):

So keeping on the conversation on budgets, uh, obviously every state has been impacted due to the pandemic. How has Visit California fared and how are you managing the stimulus? I think it was 95 million to boost California's tourism economy. How was that allocated and what have been some of the results? And by the way, I know people may sit back and they're sitting in a small destination and they're thinking, wow, 95 million <laugh>. Um, but, but one has to take into account that California is, I think it's just behind Germany and just below India in terms of size. Uh, so, you know, you gotta take things into context, right? So if you could share with us how that was allocated and what have been some of the early results.

Caroline Beteta ([05:07](#)):

Yeah, absolutely, Bob, and, and you're right, I, you know, we're the fifth largest economy in the world. The state of California quickly moving to become the force for passing Germany, in fact. So there, there is scale and context there. Visitors spend 140, well, prior to Covid 2019, they spent 144.9 billion dollars in this state, or 145 billion. So for those listening, that probably is helpful in terms of context. And you're right, I, you know, it's, it's an incredible story arc of tragic news. And, and now good news, we were the most shut down state depending, you know, what lens you look through. Certainly leisure at one time and even in the business group meetings market, and we lost more market share than any other state. It was really a tragic fall. The industry was pretty much cut in half in terms of overall spending. Our budget was decimated because we're, our budget is tied to the strength or health of the tourism industry.

Caroline Beteta ([06:13](#)):

And the governor recognized really what powers this industry or communities, transit, occupancy, tax fuels, all these local communities. And when the time was right, the governor and the legislative leaders came through with this 95 million stimulus to rebuild the tourism economy or you know, much of the California economy post pandemic or as we were coming out of the pandemic. So as you said, 95 million plus, we just got another 15 million in a state appropriation this year. So 110. The, the good news is that we were able to put that right into domestic media, a hundred percent into domestic media, and immediately started climbing on terms of share and destination readiness. It really worked. It was the first time we had a 52 week schedule and really sound reach and frequency across all channels. And last year we generated a return on investment of ad awareness of about 17 billion more than we ever have. So it's definitely working. And this year, you know, we look to international.

Bob Gilbert ([07:27](#)):

So you mentioned the ROI. What are the KPIs that you use and who do you share those statistics with, which really leads to who are your key stakeholders and you know, clearly they differ from a local DMO cvb. So if you could talk a little bit about that.

Caroline Beteta ([07:47](#)):

Yeah, so as part of this commodity board structure, we have over 18,000 assessed businesses or what we call our investors 37 member board. Obviously with stimulus. We also wanted to provide the return on investment scenarios to the legislature and the governor as stakeholders while we're on stimulus as well. So that, that's the key stakeholder base. We can measure return on investment when we're

touching the consumer. And that's done through a series of intercepts, calculating ad awareness over a period of time or waves to really query potential visitors if they had seen the advertising, and then thus drove intent to travel or actual travel as you get into further waves. Right. Pretty consistent with what other major dmo and how they conduct their advertising awareness and return investment.

Bob Gilbert (08:49):

Right. Do you manage that in house or do you outsource that collection of data?

Caroline Beteta (08:55):

We have a director of research, but then we outsource that as well, that collection of data.

Bob Gilbert (09:00):

Okay. So this next question, it's actually a two part question. Again, it gets back to the size and diversity that is California and, you know, beaches to mountain tops, hiking national parks, iconic cities and regions that are very different from each other. So the question is, how do you wrap your arms around promoting a state with so much diversity and, and what have been some of the biggest obstacles to recovery within that diverse group of destinations?

Caroline Beteta (09:31):

Yeah, absolutely. I, I guess I'll start with your latter question first, and that is our gateway cities have really struggled through this pandemic. We look at visitation and spending through basically three filters, leisure travel, group meetings, and then international. And because the gateway cities are so reliant on group and international, they've struggled the most, particularly Los Angeles and San Francisco. So that was kind of a new set of circumstances for us in terms of navigating crisis. And so that's where we start there. In terms of diversity, you know, it's interesting, I, I just did a speech last week, last Friday, not even a week ago, three days ago, it feels like a year ago, <laugh> in Orlando, uh, with, uh, ANA, you know, the top big brands of marketing globally. Mm-hmm. <affirmative>. Uh, but the first, the, the company that spoke right before me, for example, was CarMax.

Caroline Beteta (10:32):

So they, they had invited the first destination ever into the big leagues to talk about post pandemic and pandemic marketing and diversity, you know, is, we're blessed with an embarrassment of riches, but from on a marketing lens, sometimes having too much to choose results in really not being top of mind in anything. If you look at Colorado, they're super well known about with their ski resorts. Well, we've got great ski resorts from north to south as well. Florida has beaches and theme parks. So does California, France has wineries, so does California. So really, we are really structured when it comes to segmentation to make sure that we're speaking to the consumer where they want to be and in terms of, of what type of vacation or experience they want to have. You know, whether that's a couple's getaway or family vacation for example. But then those experiences that are led by culinary and gateway city's entertainment and culture, or how about outdoor nature? So our message is very layered, very segmented.

Bob Gilbert (11:45):

You know, I grew up in the UK and what really drove me from a leisure perspective to come to the US was California. And it was in the time of the Beach Boys and like, you know, California sun surfing. And it resonated with me as it still does today, you know, to drive folks, you know, from different parts of the

world into, into California. So how do you manage international and how is the recovery looking? How many overseas offices do you have? Uh, how do you integrate that with working alongside Brand USA? And it's a bunch of questions in there, but it's all around the international marketplace and, and it's recovery from, uh, from the pandemic.

Caroline Beteta ([12:35](#)):

Yeah. So just to start, we had actually 13 international offices prior to the pandemic. All of those were shuttered or put on suspense for example. And this year we're very excited because we're bringing those all back online and actually launching with, again, a segmentation, a three tiered strategy depending on what international offices are ready for example, and are open China, you know, is still working on being open and having significant outbound or for our case, inbound visitation. So that, that's one example where China is in our second tier where we're starting to build, but still awaiting the time where the Chinese government will allow more freer outbound travel. Japan another example just in the last few weeks, raised their daily entries from 25 to 50,000. And so that allows Japanese to travel and feel rather assured that they can get back into their country. And we saw immediate boom in Japanese travel the day that policy changed.

Caroline Beteta ([13:55](#)):

Our three top tier markets, the UK, Canada, and Mexico, are pretty much back to normal. We're doing direct to consumer brand, those second tier markets. Um, plus a couple others, uh, France and Germany are very strong for us right now. By the way, the second tier markets, as I mentioned, um, we're doing distributed co-op content, so not really pure brand. And then the third tier markets, we know they're coming back and we wanna invest in them. So it's more of redeveloping and reestablishing our relationships with the travel trade for example, and maybe some earned media. So Brand USA has been very helpful and a super valued partner through it all. Our first big launch, for example, was in the UK at the very beginning of the year because the British had so many billions of travel credits that they could not use. We wanted to make sure we got our fair share of those. So worked on a cooperative campaign featuring our gateway cities that had direct service and Brand USA as a partner. But they've been a, a great partner historically and really appreciate, even with us having international offices funding international, they're still a really valued partner for us. Cause some people may think, Oh, well, Brando says for smaller destinations that don't have the penetration that we have, but the values there for us as well.

Bob Gilbert ([15:27](#)):

Yeah, I'd imagine the last couple of years have been very painful, um, thinking that Brand USA is, you know, really our national tourist office and, you know, people weren't traveling, so they've had to, to do their very best through, through all of this, more so than perhaps others that they couldn't turn internally. They had to, um, wait it out, I guess. So you've seen a lot over the years in terms of crises. You know, we, we've just come through the pandemic. California has seen its fair share of crises in the past years, wildfires, drought, et cetera. Have you become experts at managing crises and how does one separate fact from fiction?

Caroline Beteta ([16:07](#)):

Well, yeah, I, I I'm not sure we're ever experts, but we definitely have various crises playbook, and, and that kind of answers your question on facts from fiction, certainly depends on really what type of crises we're countering. Just to put a finer point on that, this pandemic, you know, the last major epic crises

that we, the industry were dealing with, I personally dealt with was 9/11. Epic, where there was, as I said to ANA on Friday, a total product recall on California. Basically the industry shut down. This pandemic was 10 times the size of 9/11. The unemployment rate was twice that of the great depression in travel and hospitality. Uh, I mean, it was just absolutely epic. So, you know, every crisis is different. We obviously get our fair share of fire related crises, intermittent earthquakes, you know, the south gets their fair share of hurricanes, for example.

Caroline Beteta ([17:14](#)):

And we really address our messaging or separating fact from fiction depending on what's happening on the ground. And I think that's the biggest part of what we do in the playbook, is to set the record straight because the media cycle likes to, you know, report in a different fashion that causes people to go, Oh my gosh. And while sometimes it's conflating, sometimes it's factual, sometimes emissions of facts lead to certain beliefs that, that just aren't there. And, and when I talk about fires, the whole state does not burn down when we have a fire, for example. And most of the time it does not even affect population centers or tourism corridors. People probably would be surprised to know that fires is a natural phenomenon and we would not have forests without them, right? The trees, the conifers need that heat source to release the seeds and the cones. So we try to educate about that and where these fires are occurring in terms of corridors and what's impacted is an example of separating fact from fiction.

Bob Gilbert ([18:31](#)):

So moving into the dynamics between major cities and smaller regional destinations during the pandemic, folks that lived in big cities, as an example, the Bay Area were flocking to, you know, one of my destinations, um, Eureka, that dynamic occurred in many parts of the US and many parts of California where people wanted to quote unquote escape from the mading crowd. But that then had an impact upon local residents, and I'll use the word resentment against tourism just in general terms because they didn't like folks to come and enjoy this new found more rural destination. And many of those travelers had not heard the words leave no trace, and didn't quite know what that actually meant. So it, it built up this kind of wall between us and them, local residents. Right. And, and those that were coming to enjoy and obviously have a, a financial impact, you know, upon that community, which obviously tourism does have. Have you faced that in general terms with the different destinations within California?

Caroline Beteta ([19:43](#)):

Absolutely. You know, it's been a very checkered pathway and even recovery, probably the biggest destination that was impacted was Lake Tahoe because so many Bay Area residents had second homes there, and it's easily accessible by metropolitan areas, you know, Sacramento and Bay Area, whether you have a home there or not. So it was interesting Bob, we, we had just finished a statewide sustainability initiative. It was in draft form, late draft form pandemic hits. We throw that up on the shelf thinking we've gotta deal with this crisis. And when this phenomenon started occurring, we actually pulled the sustainability plan off the shelf and quickly deployed it, started working with our impacted areas and simply as you said, started to really reach out and educate visitors on sustainable or responsible travel. So, you know, there was a silver lining that it jump started, uh, our leaning into sustainability and responsible travel even as we're recovering now from the pandemic. But it, it was felt, um, throughout California, uh, but most of all Lake Tahoe during this a short period of time. So,

Bob Gilbert ([21:08](#)):

Mm, I was at a recent Destinations International event and the topic of conversation, um, was kind of moving away from community shared values, although clearly that is still top of mind and into more brand or destination stewards, which I think is, um, more like a, a global trend. How does one manage that, that trend to be able to promote sustainable tourism? And how does that implemented or how does one implement, um, that, that train of thought or that trend?

Caroline Beteta ([21:50](#)):

Yeah, absolutely. And I think how I've articulated that is this pivot from destination marketing to destination management, which accelerated during the pandemic. And I think we will forever be in this place of destination management. I actually welcome and embrace it. I don't see it as a competitive issue. I think we need to work with our destinations throughout the US and the world because I think inherent within destination management is the education of people from around the world that ultimately will come to California or other destinations in the most effective way of practicing responsible tourism is to be educated on being a responsible tourist before you ever leave your front door or jump on an airplane. So I don't see it as competitive, and that's really where Minor Star is on this, is to make sure that as we come out of this pandemic that tourism or travel spending dollars, tourists really care about these places and leave them better than when they came. And that may be just coming down to some simple practices and, you know, infusing dollars into the community that can help build infrastructure that is good for the community, as well as making sure the workforce has value in their work and their lives in these communities.

Bob Gilbert ([23:28](#)):

So the community support that you manage in terms of from your co-op programs, I mean, you have a number of excellent co-op programs that support the California's tourism industry and the programs have been around for many years. What are the key components of a successful co-op program?

Caroline Beteta ([23:47](#)):

Well, there has to be a shared return on investment, not to put it into, you know, a business vernacular, but the it there, it has to be shared and equitable. A lot of our co-op programs, most of them, for example, I'm getting very tactical, but I think it's important is that when we go into that sort of environment, the call to action actually moves to our, in most cases, the local destination partner or our attractions or hospitality, for example. We consider it a win to have a unified voice, singular messaging, growing the brand and awareness of California through consistency of co-branding. And we win if there's a transaction. So we're fine with that happening with the local destination partner, for example. That I think is the biggest element to our secret sauce, the shared investment.

Bob Gilbert ([24:51](#)):

Well, we don't want you to share too much of the secret sauce ingredients, so <laugh>, um, what are, what are some of the tourism trends that you are seeing is you have a seat at the WTTC table and obviously with your involvement with US Travel Association and you know, the different boards that you sit on, what are some of the key trends that you are seeing?

Caroline Beteta ([25:14](#)):

Well, certainly everyone is talking about destination stewardship or destination management sustainability in travel. Interestingly, I was looking, you know, not an inch deep, but a knee deep into some of our own research data on this, on microtargeting and really getting into beyond the nuance of

our key brand messaging, particularly in the area of sustainability. And what we're finding still, and I think this is an age demo issue, is everyone declares that they care about choosing sustainable destinations and that that's important, but perhaps their dollars don't actually follow, and it, it's a matter of economics. We will see that trend really come to life. So people are talking about it, we know that, but that doesn't mean they're actually choosing it. Uh, our younger generations, you know, Z generation, for example, has much less discretionary dollars to spend on a trip than a millennial, for example. So millennials and boomers may actually be able to follow through with that proposition, whereas our younger generations that have a high propensity to choose California may not be able to choose based on sustainability, but they care about it. So that, I think we'll see that realize in the next 10 years. But I found that interesting because we're all talking about it, for example.

Bob Gilbert ([26:46](#)):

Yeah, it's interesting you mentioned the Gen Zers, and I was fortunate enough, uh, I was at Visit California in San Francisco earlier this year and sat at the table with the head of JUV who his company is, you know, one, one of the leaders in Gen Z, and some of the conversations were around, yeah, they may not have the amount of money that the millennials have, but their values are aligned with sustainability.

Caroline Beteta ([27:16](#)):

Absolutely.

Bob Gilbert ([27:18](#)):

Have the passion.

Caroline Beteta ([27:18](#)):

And that's what I mean by we'll see that trend actually come to realize actual choice follow through in the next 10 years when they have more discretionary income.

Bob Gilbert ([27:28](#)):

Yep, yep.

Caroline Beteta ([27:29](#)):

So it is important, I just to double back on that, uh, authentic experiences are critical. You know, as we're working with, you know, millennials, Gen Zers, for example, uh, Gen Xers, we've just launched a campaign on tribal tourism or visit Native California because people are looking for authentic cultural enrichment experiences. They don't wanna just come on vacation, they wanna come away learning something as well.

Bob Gilbert ([27:58](#)):

And giving back. So it it, are you seeing any regenerative travel programs that are kind of beyond sustainable and beyond leave no trace, but actually working, I won't say a working holiday, more like agritourism as they would call it, within Europe, where the, the, the visitor is actually giving back and leaving the place more enriched than when they arrived? Is, and I,

Caroline Beteta ([28:21](#)):

Yeah, I, it, it's because we're so big as a travel destination that is more of a niche that I know is occurring, but I don't have specific examples other than, you know, when the industry is working with Tourism Cares, for example, of, you know, going into a destination and helping with cleanup efforts or infrastructure, for example, I've been personally witness to those programs, frankly, I, I did a diplomatic tour in El Salvador helping with best practices and actually was on site. So it, it is a very trending vacation experience globally, and it, it is in California, it's just niche compared to the 145 billion spend.

Bob Gilbert ([29:08](#)):

<laugh>. Right. I I just wonder if, you know, you could include picking grapes or other, you know, agricultural support efforts, but built under a travel or tourism umbrella, if that is something that may, may expand down the road, we shall see. But

Caroline Beteta ([29:24](#)):

Uh, right. It's funny when you said that I actually, what triggered me was there are a, a lot of, you know, dude ranch vacation experiences and having had a ranch myself in the past for 20 years, I always chuckled because these dude ranches bring these people in, you know, they spend a lot of dollars and they're actually exercising their horses and taking care of them. <laugh> doing all the stuff that when you have a ranch, the last thing you wanna do is saddle your horse, right? So you have all these people doing it for you. So

Bob Gilbert ([29:53](#)):

That's funny. What are you most excited for in 2023 and beyond for California?

Caroline Beteta ([30:02](#)):

You know, I am excited about the fact that we have a chance to work with our destinations in California. You know, it's, it's created great new depth of relationships with our local DMO, but nationally and internationally on how to rebuild tourism in what we all envision. It gave us that chance to take a step back, and that is about destination stewardship. That for me is a passion point of educating generations to come, that it's more than posting on Instagram. If you're going into a destination, please stop and buy a cup of coffee or buy some gas before you land at a remote gas or charging station. Like give back to the community where you're taking that iconic photo. I, I know that sounds highly tactical, but it comes down to educating visitors of giving back to these communities that they're visiting and sharing with the world, because that's what it became in terms of over tourism is caring for these communities where you're creating these memories.

Bob Gilbert ([31:12](#)):

And caring is a key word. And, and clearly you care for not just California, but for our industry. You've been a fabulous guest on Tourism Heads and Their Tales, and I just want to thank you very sincerely for taking part out of your super busy schedule to come along and, um, have a conversation.

Caroline Beteta ([31:33](#)):

Oh, thanks Bob. It's been so much fun having coffee with Bob <laugh>.

Bob Gilbert ([31:38](#)):

Thank you very much, Caroline.



