

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: December 11, 2025

PREPARED BY: Thomas Soule, Public Affairs Manager

SUBJECT: STUDY SESSION: PROVIDE AN UPDATE ON THE CITY'S MARKETING PROGRAM

RECOMMENDATION:

Receive a presentation and provide guidance on future market targeting, research topics, and destination positioning to shape the City's tourism marketing strategy for FY 2025–26 and FY 2026–27.

BACKGROUND/ANALYSIS:

Purpose of the Program

The City's marketing and communications program serves two primary functions:

1. Attract tourism that drives economic revenue through Transient Occupancy Tax (TOT) and sales tax
2. Promote civic engagement by providing clear, accessible, and timely information about City services, programs, and events.

These two functions are structurally distinct but strategically aligned, with each reinforcing Palm Desert's identity as both a destination and a vibrant community.

Tourism marketing is managed through the City's contracted agency, *Idea Peddler*, which executes regional advertising and brand campaigns in key out-of-market areas. Local and regional promotions are handled in-house by City staff, with a focus on community events and resident engagement.

This report outlines the program's structure, target audiences, marketing channels, budget allocation, performance outcomes, and planned strategic development through market research.

Economic Importance of Tourism to Palm Desert

Tourism remains one of Palm Desert's largest and most influential economic sectors. According to the attached *2024 Economic Impact of Visitors to Palm Desert* report published in June 2025 by Tourism Economics, an Oxford Economics Company, tourism in Palm Desert accounts for:

- \$1.7 billion in visitor spending (+0.9% vs. 2023)
- \$2.1 billion in total economic impact
- 11,000 jobs supported (one in four jobs in the city)
- \$188 million in state and local tax revenue
- \$7,800 in annual tax offset per household

- \$307 million in total government revenues

These findings reinforce that tourism activity directly supports the City's fiscal stability. In FY 2024-25, Palm Desert received \$23,693,069 in transient occupancy tax (TOT) and \$31,379,892 in sales tax, together supporting 53.7 percent of General Fund Operations. A competitive tourism position is therefore essential to maintaining the quality of services Palm Desert provides.

Operating Realities

The communications and tourism marketing landscape continues to evolve, necessitating that the City remains responsive and forward-looking.

Major travel trends identified in the tourism marketing industry show:

- Significant growth in AI-based travel planning, with half of leisure travelers planning to use generative AI tools next year.
- High travel intention, with 67 percent of travelers stating they do not need a specific reason to travel.
- Resurgence in road trips, driven by flexibility and spontaneity.
- Growth in experiential and immersive travel, comprising 63 percent of bookings.
- Demand for meaningful luxury, emphasizing authenticity and local experience.
- Increased interest in relaxation-focused trips (91 percent).
- Rise of slow travel, with longer stays and fewer destination switches.
- Increases in hotel budgets and strong growth in family travel.

These shifts support the need for updated research, intentional creative assets, and continual optimization—elements reflected in the City's 18-month tourism strategy.

Program Strategy: A Unified Communications System

Palm Desert uses a dual communication model that aligns work with the expertise for each function:

1. In-House Resident Communications

City staff develop and manage all resident-facing content to ensure clarity, consistency, and accessibility. Channels include BrightSide (print and digital), an events newsletter, PalmDesert.gov homepage news items, DiscoverPalmDesert.com, social media, local media relations, e-mail signature banners, and local advertising (radio, digital, print, social media) to support City-run events, and economic development.

Year-to-date performance continues to show strong resident engagement:

- BrightSide print newsletter: mailed bi-monthly to 40,000 addresses at a cost of \$9,200
- BrightSide digital newsletter: delivered monthly to 8,869 subscribers; 61.4% open rate (industry benchmark: 28.4%)
- DiscoverPalmDesert.com: 345,000 website users (+20% year over year)
- Discover Palm Desert events newsletter: 9,604 subscribers; 48.3% open rate

- Facebook: 3.96M views; 27,023 page visits; +1,961 followers
- Instagram: 795,257 views; +1,975 followers

These metrics reflect growing reliance on City channels for timely updates, event information, and emergency messaging.

2. Agency-Managed Tourism Marketing and Public Relations

Tourism marketing requires specialized technical skills—multi-market media buying, creative production at scale, attribution modeling, and PR outreach—that are not cost effective to build in-house.

Paid Media Performance (FYE25)

- 4.1:1 return on ad spend (industry norm: 2.1–3.1)
- \$2.2 million in attributable revenue
- 62 million paid media impressions
- \$75,000 in negotiated added-value media

Public Relations (FYE26)

- 29.4 million unique monthly visitors across publisher sites
- 500+ journalist outreach points
- Writers hosted from *TimeOut*, *Los Angeles Magazine*, and *TravelAge West*

Discover Palm Desert Instagram Channel (FYE26)

- 208 Instagram feed posts
- 52 Instagram story posts
- +18% increases in shares
- +31% increases in comments
- +582 followers

Creative Production (FYE 22–FYE26)

- Over 1,000 content assets delivered
- 96 Pocket Guide videos and 700+ images
- 25 videos for the Desert Song campaign
- Awards:
 - Desert Ad Fed Gold Desert Addy – Pocket Guide
 - Desert Ad Fed Silver Desert Addy – *Desert Song*
 - ESTO Advocacy & Grassroots Award – Unite Palm Desert

Marketing and Communications Program Budget

1. In-House Resident Communications Budget

- \$ 62,600 – Local advertising and community promotions
- \$105,000 – BrightSide design, printing, and postage

This budget supports BrightSide print distribution, event promotions, targeted local ads, and other community-facing outreach.

2. Agency-Managed Tourism Marketing and Public Relations Budget:

MARKETING EFFORT	DESCRIPTION	AMOUNT ALLOCATED
MEDIA BUY	Digital display, video, social, streaming, search, sponsored content, and market-specific planning. This is a pass-through cost.	\$525,455
PUBLIC RELATIONS	Press outreach, media hosting, journalist engagement, story development	\$44,000
TOURISM SOCIAL MEDIA	Content planning, posting, follower engagement, and analytics	\$29,000
STRATEGY & ACCOUNT MANAGEMENT	Ongoing campaign oversight, performance monitoring, reporting, optimization	\$105,545
CREATIVE SERVICES	Qualitative research, photography, video production, editing, graphic design, social media content development, and Palm Desert annual calendar.	\$186,000
Total Annual Budget		\$890,000

This structure allows Palm Desert to remain competitive with regional destinations while maintaining flexibility and cost efficiency.

Results: Strengthening Resident Trust and Delivering Measurable Economic Return

Resident Communications: A Trusted Source of Local Information

Engagement with City channels continues to rise, indicating that residents rely on BrightSide, the City website, and social platforms for timely updates, event information, and emergency messaging. This trust helps reduce misinformation, promotes civic participation, and ensures that residents can quickly access accurate information when they need it most.

Tourism Marketing: Verified Impact That Protects the General Fund

Independent data confirms that Palm Desert’s tourism marketing program continues to contribute meaningfully to the City’s economic vitality. The City’s advertising is influencing real traveler behavior, driving measurable visitor spending, and supporting the broader \$1.7 billion visitor economy documented in the regional economic impact study.

The reported attributable revenue reflects only the portion of traveler bookings that can be directly verified through participating travel platforms, meaning it reflects a minimum return generated by the City’s advertising. This conservative measure ensures the City reports only verifiable outcomes.

Staff and vendors remain mindful that these are public funds. Rising advertising costs require constant optimization and negotiation to protect the City’s purchasing power; added-value placements are used to extend the reach of the existing budget. Ongoing oversight, performance review, and real-time adjustments ensure the program remains accountable and efficient.

Looking Ahead: 18-Month Tourism Marketing Strategy

The following plan outlines the major steps in developing Palm Desert’s next-generation tourism campaign. This plan pertains only to the tourism marketing program; all in-house resident communications will continue their established track.

1. Qualitative Research (December 2025 – March 2026)

- *Stakeholder Interviews (Palm Desert, 2-day session)*
- Hotel partners, attractions, retailers, restaurateurs, event producers, and others will provide insights into evolving visitor expectations, local opportunities, and market challenges.
- *Market Focus Groups (Four outbound markets)*
- Focus groups in Seattle, Los Angeles, Orange County, and the San Francisco Bay Area—the City’s highest-value visitor markets—will provide qualitative insights into traveler motivations, decision-making, and perceptions of Palm Desert.
- This will be the City’s first major research effort since 2018, aligning with significant changes in travel behavior and planning tools.
- The research initiative will help reconnect Palm Desert’s destination identity with both traveler motivations and local sentiment. As outlined in the attached *Tourism Qualitative Research Framework (2025)*, the work is designed to uncover the emotional and behavioral drivers behind visitation, clarify differentiators among competing destinations, and ensure that future campaign development aligns with both community values and visitor expectations.

2. New Brand Campaign Strategy (July – September 2026)

Following research, the City and its agency will develop:

- Creative Strategy
- Campaign Architecture (messaging framework, visual direction, concept hierarchy)

This will define Palm Desert’s next multi-year tourism brand platform.

3. Campaign Production (November 2026)

- Video and photo shoot
- Hero video
- Social cuts
- Still photography for print, digital, and PR

4. New Campaign Launch (January 2027)

Launching at the beginning of the calendar year aligns with peak trip-planning season and maximizes the City’s visibility during high-yield tourism months.

5. PR Momentum (Summer 2026)

Public relations activity will increase during Summer 2026 to support Desert Surf and to begin building interest and earned media momentum ahead of the fall/winter travel season. This includes:

- Press previews
- Influencer visits

- Early storytelling aligned with campaign themes

City Council Guidance Requested

To ensure the next phases of the City's tourism marketing work continue to reflect Council's long-range priorities, staff requests input on the following areas:

- **Market Priorities:**

Would Council like staff to use the upcoming research to also determine whether additional geographic markets may be appropriate to consider in future years, based on data-driven indicators such as visitor propensity, travel behavior, and media cost efficiency?

- **Research Considerations:**

Are their specific topics, emerging visitor trends, or community priorities that Council would like staff to ensure are incorporated into the upcoming research initiative?

- **Strategic Emphasis:**

Are there regional, economic, or destination-industry factors on the horizon that Council believes should inform long-term messaging and positioning?

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

There is no financial impact associated with this item. All program activities are supported by the approved FY 2025-26 Annual Budget; any future funding needs will be evaluated through the City's normal budget process.

ATTACHMENTS:

1. 2024 Economic Impact of Visitors to Palm Desert
2. Tourism Qualitative Research Framework (2025)