



Attachment C to Agenda File No. 2016-0517 San Diego Unified Port District

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3165 Pacific Hwy.
San Diego, CA 92101

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DATE: September 8, 2016

SUBJECT:

PRESENTATION ON NEW MARKETING AND COMMUNICATIONS STRATEGY, ALONG WITH ONGOING RESEARCH, TO SUPPORT REBRANDING AND RELATED RETURN ON INVESTMENT TO DISTRICT AND DIRECTION TO STAFF

EXECUTIVE SUMMARY:

The Port's business strategy has evolved to emphasize revenue growth and disciplined execution in both core and new business segments to provide for greater public service. It has become increasingly evident that, just like the Port's Integrated Planning initiative, this evolution requires an update to, and investment in, the Port's branding and communications strategy. A comprehensive strategy, anchored by research to support rebranding, will build greater awareness, understanding, and appreciation of the Port overall, and directly support the Port's business goals.

The Port's rebranding project was approved and included in the FY 2015/2016 MarCom budget with the strategic goal of developing a brand that would clearly articulate all that the Port does, and demonstrate its relevance to the region.

A local consultant, *Brand Imagination, Inc.*, has been working with the Port since April 2016 to analyze the current brand experience, along with the overall marketing and communications efforts, and provide recommendations for how to deliver a new brand effectively.

RECOMMENDATION:

Accept report and give direction to staff.

FISCAL IMPACT:

Today's report will have no fiscal impact. Funding for the proposed plan will be brought to the Board at the October workshop.

COMPASS STRATEGIC GOALS:

An investment in Branding, Marketing and Communications will allow the Port to deliver on multiple Compass Strategic Plan goals as listed below by updating the Port's image in the community, building credibility with the public and stakeholders, improving the visitor experience, supporting the internal cultural transformation and ultimately contributing to revenue generation as an integral part of

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the business model.

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

Purpose - Why a new integrated brand and communications strategy is vital to the Port of San Diego

The branding and communications project was designed to be an integral component of the Port's overall mission, to support multiple lines of core and new business, and to address the public's lack of understanding of the Port's importance to the region. A cohesive brand will deliver benefits to the Port on many levels, including, but not limited to, the returns outlined below.

Reputation Management - We must define ourselves, or others will. It is imperative that the Port strategically and effectively position its brand to earn a positive reputation among key influencers, community and business leaders and the broader public. Success indicators would be: greater awareness and understanding; sense of ownership and increased engagement; advocacy and protection.

Return on Investment - A well-developed brand and communications strategy will be integrated into the Port's multiple lines of business, contributing to revenue generation in order to create "A financially sustainable Port that drives regional job creation and regional economic vitality." On the business-to-business (B2B) side, the brand will build credibility with partners, vendors, and tenants; it will also increase the desire of developers, shippers and other target organizations to do business with the Port. On the business-to-consumer (B2C) side, the integrated brand and communications strategy will yield higher participation from the community, increased time and dollars spent on the waterfront.

Activation - As the Port focuses on the user experience in all aspects of our business, the activation of the waterfront becomes another opportunity to communicate the brand message. Events and ongoing programming that not only activate the Port's parks, piers and other public spaces, but also strategically align with the brand intention, will help create "A vibrant waterfront destination where residents and visitors converge" while ensuring the Port's role in that process is well understood and appreciated.

Education - In addition to our business and public access priorities, environmental stewardship and public safety rank high in importance. An integrated branding and communications strategy enables us to better educate the public on the Port's initiatives and offerings in order to help create public awareness and motivate desired behavior. A thoughtfully conceived brand will ensure the Port's public service components are more thoroughly integrated into the overall message.

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More Effective Use of Resources - Currently, the Port invests in marketing and communications for a wide variety of business lines. However, each of these lines essentially is a stand-alone business working independent of one another. Without a master brand, we miss the opportunity to leverage the dollars spent on each of these areas connecting them back to the Port's overall identity and mission, as well as, co-promote the other lines and build the cohesive story of the Port. A carefully orchestrated brand architecture, from master to sub-brands, adds credibility to both, making our marketing and communications efforts more effective and our spend more efficient.

Process - How a new brand and communications strategy will achieve results

The framework for the long-term branding and communications strategy is designed to achieve the following goals:

- Align with our Business Transformation
- Support our three core strategic business objectives:
 - Protect our franchise
 - Fulfill our mandate
 - Provide Return on Investment
- Raise awareness, understanding, and improve sentiment towards the Port
- Articulate a memorable, singular promise to our community
- Influence constituents through a dual communications strategy:
 - Broad Awareness Strategy and Plan
 - Key Influencer Plan

The Broad Awareness Strategy will be achieved through multiple methods of integrating the brand into all areas of the Port's community interaction.

- **Marketing** - The brand will include a master brand and multiple sub-brands, closely aligned with each other to create a consistent message across all marketing materials, signage and promotional efforts.
- **Communications** - The brand will be integrated into the voice of all media relations, press releases, speaking points, website and social media language and other written and verbal communication opportunities to ensure the message is aligned with the visual materials.
- **Community Relations** - The brand will also enhance community relations by providing a consistent, overarching platform, rather than individual project outreach efforts. Combined with branded materials and voice, these efforts will build on each other, making each effort more successful. The Port's participation in various community initiatives will have purpose and align with the brand strategy.
- **User Experience** - The public's interaction with the Port is not limited to the methods described above. The sum total of each person's experience with the Port, from signage, to customer service, to contract negotiation, and picnicking in a park, all form the Port's identity. Proactively integrating a brand message into those interactions will not only improve the experience; they will also reinforce our brand efforts on a regular basis, turning waterfront visitors into waterfront ambassadors.

The parallel Key Influencer Plan includes a targeted effort to change behavior within a more motivated stakeholder audience. The plan is designed to:

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- **Earn Awareness and Understanding** - Increase the likelihood that key influencers will value the Port's contributions to prosperity and quality of life, becoming Port and waterfront ambassadors.
- **Earn Ownership and Engagement** - Increase the likelihood that key influencers will take personal pride in, and ownership of, the Port's mission and assets.
- **Earn Advocacy and Protection** - Increase the likelihood that key influencers will provide positive word-of-mouth **and** rally to our support on critical local issues and development opportunities.

Performance - What is needed to be successful

In order to deliver the brand in a meaningful and effective way, staff will be coming forward in October with a recommendation for an investment of \$800k to be added to the Marketing & Communications budget for fiscal year 2017. This would allow us to invest in master and sub-brand development and implementation. Line item increases will include:

- \$150k to Professional Services for research, data, brand tracking and validation.
- \$150k to Events for brand launch and related waterfront activation and programming.
- \$200k for Marketing Services and Promotional Items/Materials for production including design, printing, and signage.
- \$300k to Corporate and Community Outreach for implementation, including media buys, promotions, sponsorships, and other creative marketing opportunities.

Conclusion

The Port is doing remarkably well, and we have an unprecedented, great story to tell: historical YE unrestricted resources; an effective leader in our CEO; the introduction of new business lines (Aquaculture; Parking; Attractions) alongside our more mature, core lines (Cargo; Cruise; Real Estate); among other achievements. We have indeed expanded the breadth and depth of our competencies and offerings, for greater public service.

To capture the attention and hearts of influencers, stakeholders and the public at large, we need to tell our story with strategies that garner approval, loyalty and enthusiasm. This requires a well thought out and defined branding and communications strategy, supported by the appropriate investment, enabling us to build systems for data-driven decision making for outreach, spend, and success tracking.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda as to form and legality.

Environmental Review:

The item would provide direction to staff on the new marketing and communications strategy to

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support rebranding and related return on investment. This presentation to the Board does not constitute an “approval” or a “project” under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of its projects. Further, while the Board may request certain project components be included or alternatives studied such direction to staff will not bind the District to a definite course of action prior to CEQA review. Full CEQA analysis will be completed prior to the approval of any projects that may be contemplated as part of the new marketing and communications strategy. Moreover, the Board/District reserves its discretion to adopt any and all feasible mitigation measures, alternatives to the project, including a no project alternative, a statement of overriding consideration, if applicable, and approve or disapprove the project and any permits or entitlements necessary for the same. Those decisions may be exercised in the sole and absolute discretion of the Board. Based on the totality of the circumstances and the entire record, the Board’s direction does not commit the District to a definite course of action prior to CEQA review being conducted. Therefore, no further CEQA review is required.

In addition, this presentation allows for the District to implement its obligations under the Port Act and/or other laws. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, this presentation is consistent with the Public Trust Doctrine.

Finally, this presentation to the Board does not allow for “development,” as defined in Section 30106 of the California Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit (CDP) Regulations because it will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a CDP or exclusion is not required. However, the District’s projects require processing under the District’s CDP Regulations. If a project formulated a result of the new marketing and communications strategy, the Board will consider approval of the project and any improvements associated after the appropriate documentation under District’s CDP Regulations has been completed and authorized by the Board, if necessary. The Board’s direction in no way limits the exercise of the District’s discretion under the District’s CDP Regulations.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

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