

Date: June 19, 2017
To: Prospective Proposers
From: City of Cleveland, Department of Port Control
RE: **Addendum No. 4** to Request for Proposal:
General Marketing Consultant Services

Please be advised that the City of Cleveland, through its Director of the Department of Port Control, hereby publishes Addendum No. 4 to the Request for Proposal: General Marketing Consultant Services, published May 15, 2017.

This addendum number four (4) serves to address the following:

- Responses to all questions received prior to the question deadline date of Wednesday, June 14, 2017.

DEADLINE FOR SUBMISSION OF PROPOSALS:

Thursday, June 29, 2017

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<p>1. Q Can you share last year's media plan and any reporting on performance? A The Department desires a fresh media plan perspective and will share the current plan with the winning agency.</p>
<p>2. Q Can you define your target audiences? A Our target travel consumer audience is 30-60.</p>
<p>3. Q Can you confirm priorities for the coming year as: o Consumers advertising (travelers) third o Industry advertising (airlines) second o Corporate advertising (primarily Burke) fourth o Co-op advertising (airlines) first</p>
<p>4. Q Are there specific markets that are a focus? A The Department focuses on promoting any new added service markets.</p>
<p>5. Q In the pre-proposal conference, it was discussed that Cleveland Hopkins carries Legacy, Low Cost and Ultra Low Cost airline models and that having these two low cost options is a highlight of Hopkins. Is this something you can elaborate on? A Having a great variety of air service options and price points is a definite advantage to attract new consumers and stimulate demand.</p>
<p>6. Q What are some of the biggest challenges your department faces? A The Department must attract new air service and additional air carriers, as well as inform the public about the new air service on a limited budget.</p>
<p>7. Q What does the digital marketing stack look like for all Airport System assets? This could include the CMS, CRM and any other third party systems used. A The Airport's website is built on Drupal and is hosted within the Acquia System via AWS servers; additional website integrations include OAG FlightView, National Weather Service and additional custom development.</p>
<p>8. Q Can you define how you use your current agency partnership per service needed, possible hours breakout or percentage of current retainer? Having an understanding of this will help us shape a proposed retainer with a deeper understanding of where you may rely on your agency partner more heavily or lightly per service area need. Ultimately, painting the picture for the volume of work with your partner. A The far majority of our marketing partner's work is within the retainer, with very little exception for video, hosting services, some website content and media buying.</p>
<p>9. Q How many special event programs/sponsorships do you host/collaborate with in a typical year? Or how many would be ideal in the future? A The Department currently does an annual Plane Pull to benefit Ohio Special Olympics and have in the past hosted a Corporate Aviation reception at Burke Lakefront Airport. The Department has, in the past, hosted events to encourage minority and disadvantaged businesses to participate in large airport contracts.</p>
<p>10. Q It was mentioned in the pre-proposal conference that previous years spends have been between \$500,000 and \$1.8M. Can you elaborate on what you'd anticipate for the coming year's budget? A The Department would anticipate approximately \$1 million in co-op and possibly \$300,000 in other. o What is the expected breakout for agency service fees vs. third party fees, such as media buys? The retainer covers the far majority of the fees, with third party coming into play in special areas beyond the agency (video, hosting web content,</p>

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media buying, other services).

11. Q Do you have a current strategy that is being implemented?

A The Department goal has been to increase passenger traffic, at CLE and BKL, and to continue to develop our customer relationships. The strategy that has been deployed is promoting new service, providing an optimal customer interface online and a proactive social network presence.

o Q What results have you seen?

A Passenger traffic was up 3.98% in 2016 vs. 2015. YTD 2017 passenger traffic is up 2.87% through April. The CLE Facebook is among the largest of airports in the world with over 62,000. ACI-ASQ scores as rated by our guests are largely improving. Airports Council International ASQ (Airport Service Quality) is an airport dedicated guest survey used internationally.

o Q How have the strategic tactics been analyzed?

A The Department receives reports on online effectiveness

12. Q Can you explain your target audiences identified to date?

o Q Do you have their journeys mapped? If so, can you share?

A The Department has data that identifies daily local demand from Northeast Ohio to every airport market in the world. The Department does not have specific target audience journeys mapped.

13. Q How would you currently describe the Airport's image and facility resources?

A The airport's image has changed from being a hub, for a major legacy airline, with higher fares, to offering a much greater competitive landscape among airlines and lower fares. We now have more service than ever before to where local travelers desire to travel. Our facility is easily accessible, conveniently located near downtown and near major roadways, with direct RTA rail service. The building, although it is older than other airports, received a substantial renovation in 2016 and is easy to traverse.

14. Q How would you like to portray the Airport and its facility resources?

A The Department desires to always have a positive relationship with travel consumers for safety, a positive travel experiences and a variety of air service offerings.

15. Web Support

o Q Who manages/maintains the website(s) internally today and in the future?

A The Department's marketing consultant (this contract).

o Q Which website(s) are needing to be supported?

A <http://www.clevelandairport.com>. <http://www.burkeairport.com/>

o Q Any others?

A No

o Q Where is it hosted currently and who manages the hosting?

A Acquia and Amazon

16. Q Can we review your 2017 plan & 2016?

A The successful bidder can review the plan as we encourage each bidder to create their own recommendations.

17. Q Do you boil all media down to specific measures like CPM (cost per thousand), CPA (cost per acquisition) or another metric of success?

A Those metrics apply, along with the value related to reach a specific target audience, which is not based on volume.

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18. Q How trackable is the current media plan? How often do you receive reporting? A As needed
19. Q How much digital media have you been doing and does that include PPC, retargeting, social media, video pre-roll, display, etc.? A The Department has done digital in the past and it included those elements.
20. Q For media billing, do you prefer that be done directly or through the agency partner? A Must be done through the agency partner.
21. Q For the campaign theme, what's the balance between encouraging local travel (locals traveling out of CLE) and encouraging others out of the area (Detroit, Toledo, etc.) to travel out of CLE? A The Department's catchment area runs from Erie, PA to Port Clinton to Mansfield. The majority of our advertising is in larger populations of the catchment.
22. Q What markets/DMOs are you focused on? A Any new markets being introduced or increased by an airline. (Recently: San Diego, Houston and Charlotte by Frontier; Austin, Destin/Ft. Walton Beach, Jacksonville, New Orleans and Savannah by Allegiant; New Orleans by Spirit; Atlanta by Southwest)
23. Q What assets do you have internally that can be used as part of the campaign? Video screens? Hallway signage? Outdoor boards? A One outdoor board, airport column posters, taxi toppers, website, Facebook, Twitter, Instagram, LinkedIn.
24. Q What key business objectives is the airport working towards? A Growing passenger traffic, non-airline revenues, air service offerings and passenger satisfaction.
25. Q In terms of marketing, what are your greatest needs in order to reach these objectives? A Communicating to the consumer the various offerings, whether it is air service, parking, concessions and cultivating a positive relationship with our guests
26. Q Are there specific KPIs you are measuring in your pursuit of key marketing objectives? A Increased passenger traffic numbers, increases in airline seats and flights, increases in non-airline revenue generation and airport service quality scoring.
27. Q What specific challenges have you defined that must be overcome? A There are many outside influences on the airport and airline businesses, including fluctuation in demand and economic stability.
28. Q Although United's decision to de-hub in 2014 decreased enplanements by 16.8%, demand in 2015 appears to have increased noticeably – up by 7.7%. <ul style="list-style-type: none">o Q Do you attribute this growth to any specific factor? A Demand has increased due to increases in seats and flights by the other 8 CLE airlines, as well as the arrival of ultra-low cost carriers: Frontier, Spirit and Allegiant, as well as low cost carrier JetBlue. The lower fares have stimulated more local traffic.o Q Akron's demand also fell in 2014 (-9.5%) and continued to fall slightly in 2015. Do you see Akron as a reasonable competitive threat?

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A All airports, in the region, are competitors, some bigger than others, largely based upon the service they attract or maintain.
<p>29. Q We understand that the intent is to identify a full agency of record partner. To help us gauge our potential effectiveness for CLE could you share a general budget range that you foresee investing with the chosen partner?</p> <p>A Addressed in previous answers.</p>
<p>30. Q Does the registration process with the state of Ohio need to be approved prior to proposal submission? Our company has submitted all the required documentation, but we have not received final approval.</p> <p>A The registration process needs to be complete before the contract can be executed.</p>
<p>31. Q What is your current breakdown of business travelers to leisure travelers? Do you see this mix shifting and how?</p> <p>A It has been 52% leisure, which is now growing as a result of our increasing low cost service and stimulation.</p>
<p>32. Q Do you have specific goals for the program (i.e. increase NE Ohio travelers by x%; increase business travels by x%)</p> <p>A An overall increase in passenger traffic is desired; this year our goal is 4%.</p>
<p>33. Q What are the specifics on the demographic groups you are trying to reach with the program?</p> <p>A The demographics often depend on what market is being promoted.</p>
<p>34. Q What is the geographic area you market to? (Driving distance from CLE? Further?)</p> <p>A Our primary catchment area runs East to Erie, South to Mansfield and West to Port Clinton.</p>
<p>35. Q What are you looking for from a new agency that you're not receiving from your current agency?</p> <p>A The contract is expiring; this does not signal a lack of satisfaction with our current agency.</p>
<p>36. Q Under "media planning and buying" what tactics fall under that? Traditional (TV, radio), digital?</p> <p>A It largely depends on our budget. TV, radio, digital, outdoor and other mediums are always in consideration.</p>
<p>37. Q Does your current agency handle PPC (pay per click)?</p> <p>A The Department has not used PPC recently.</p>
<p>38. Q Does your current agency handle SEO for your website?</p> <p>A The Department has done SEO, but not recently.</p>
<p>39. Q Would the relationship begin in January 2018 or sooner?</p> <p>A The current contract expires at the end of January, so the beginning of February is most likely.</p>
<p>40. Q Do you expect to see speculative creative ideas - or full executions - in the RFP response?</p> <p>A Whatever you desire to represent of your work and capabilities.</p>
<p>41. Q Is the Annual Report (referenced on Page 6) an internal or external document?</p> <p>A The report, if requested, would be external.</p>
<p>42. Q Can you provide some detail on the Annual Report (number of pages, number of photos, special charts, etc.)</p> <p>A It is a project that would be managed by this contract, but it is based upon the Director's desire to order. We have not produced an annual report in 5 years. The last version was a community report which was approximately 15 pages.</p>
<p>43. Q At what time of year does the Annual Report need to be complete?</p>

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<p>A That would be dependent on the Director's request. It was previously done in the Q3 or Q4.</p>
<p>44. Q Is there only one Annual Report or are there multiple Annual Reports to produce? A The Department has never produced more than one a year.</p>
<p>45. Q Can you confirm you are asking for the Annual Report work schedule as part of the RFP response? A The Department is not asking for a schedule, just the ability to produce a report, if you choose to demonstrate your capability that is your choice.</p>
<p><u>Budget Questions</u></p>
<p>46. Q On average, how many hours per month does your current agency spend servicing the account under the retainer? A That is the agency's internal information, although the Department has rarely exceeded the retainer coverage.</p>
<p>47. Q How much additional did the airport spend with the current firm over the retainer in the last year? A Nothing for agency work.</p>
<p>48. Q Can you give an indication of the volume (number) of different ads created under the retainer (print, TV, radio, etc.)? A The Department has never exceeded the retainer for designing messages and support for the department. The Department would estimate upwards of 3 campaigns previously, which is unlikely going forward, as we focus away from airport focused consumer advertising.</p>
<p>49. Q In addition to the retainer, it sounds like there are ad hoc projects - but also a contract limit? What is that limit? A The ad hoc work is for support of sponsorships, hiring activity and community affairs. It is limited by the retainer and is not significant.</p>
<p>50. Q In the past, how has the budget broken out (rough percentages) for requirements A through K (page 5-6) A It matters largely as to what is on our plate at a given time. D, F, K and I drive the lion share of the budget.</p>
<p>51. Q Are all of the requirements A through K (pages 5-6) to be handled under the retainer or are some ad hoc in addition? A The Department encourages as much as possible to be offered through the retainer, but each agency has their skill sets and capabilities.</p>
<p>52. Q Is there additional budget available for potential sponsorships or partnerships (i.e. Travelocity, Expedia, Orbitz, etc.) A Not currently, although we have worked in this environment previously.</p>
<p>53. Q Can you estimate how the ad budget currently breaks out between business and leisure travelers? Is this expected to change? A It is largely driven by the new markets introduced by our airlines. Lately there has been more growth in leisure markets.</p>
<p>54. Q Approximately how many special event programs would you expect the agency to help plan and implement? A One to two annually.</p>
<p><u>Coop Advertising Questions</u></p>
<p>55. Q In the 6/1 meeting, you mentioned budget might be split 2/3 to airline partners and 1/3 to airport itself - is that correct? A Although it can change, that is a reasonable estimate going forward.</p>
<p>56. Q When working on assignments for airline partners, would the agency work directly with</p>

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each of those companies?

A That could be the case, along with coordination through our team, but not always. Sometimes you may work with the airline's agency. The billing would, however, be managed as a reimbursable through the Department agency partner.

Indirect Cost Questions

57. Q Do you have an existing photo library and, if so, do many photos come from this or are most photos brand new?

A The Department has a photo collection which we add to annually. Most of the photos are from the photo collection.

58. Q Please confirm you expect all indirect costs the agency would submit for reimbursement to be part of the RFP response?

A That would be up to each agency submitting a response.

59. Q Does the airport expect estimates on production-related direct expenses, such as product, video, printing, etc. as part of the response?

A No, although you are welcome to offer any information in your proposal.

60. Q Please confirm any subcontractor we plan to use should be included in this response? What information on them do you need?

A You will need to include a Cleveland Small Business and the role they will perform on the contract.

Services Questions

61. Q Could you be more specific on the level or type of "consulting" you seek regarding the website (2.2 B)?

A Hosting service and guidance - how it can provide a greater function for our travelers.

62. Q Could you be more specific on the level or type of "consulting" you seek regarding social networks (2.2 B)?

A Be a partner to our efforts to best promote the airport and our service online.

63. Q Of the "minimum service requirement" outline on pages 5-6 (A through K), please prioritize the top 3.

A 1D 2F 3K

64. Q Can you confirm that after an agency wins, it will present proposals (scope, hours, and cost) for each new project on an ongoing basis?

A Yes, we will be in constant coordination.

65. Q On page 11 you mention "clerks" involved in presentations and spreadsheets. Please expand on expectations here.

A The Department will need the functions described, under this section, completed.

66. Q On Page 10 2.8, section B you state no other personnel classifications can be used; we do not have a research director or clerks - can we substitute with roles we do have that are expected to work on the account?

A Yes

67. Q When you say "assist in the development of marketing programs" (F), can you provide details on what that means? What internal resources do you have that the agency would partner with?

A The airport's marketing and business development staff.

68. Q Requirement (G) could, in theory, cover all types of creative services. Could you provide detail on what exact work has been conducted in past agency relationships? Do you have a breakdown of the volume of creative work that can be expected?

A The agency covers all types of creative services deemed necessary and

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reasonable.

69. Q How much was spent in 2016 for the contracted services (not including the purchase of advertising) that are called for/described in the RFP? Does the current RFP seek the same level of services and, if not could you please briefly detail in what areas are you asking for increased or decreased services?

A The Department anticipates greater services toward airline co-op, which has been a decrease in agency time vs. an airport focused campaign. The Department cannot share the non-reimbursable budget, as that is primarily the current retainer.

General Overview

70. Q How is Hopkins positioned in the market currently?

A We are the airport market leader in the State of Ohio.

71. Q What key audiences do you want to reach? Travelers from Northeast Ohio, North Central Ohio, Western PA etc. Our target demographics have widened as our air service product has widened.

- a. Male or female? **Both**
- b. Single, married, families? **All**
- c. Education level? **Generally college level and above, but low fare stimulation has increased our consumers.**
- d. Business or leisure? **Both**
- e. Salary and household income? **You can recommend, as it has changed.**
- f. Geography? **Our catchment referred to previously**
- g. Who/what influences the buying decision? **In the case of family travel, it is most often the Mother.**

72. Q How have changes to dining, retail, and beautifying the airports' environments affected travel?

A The Department doesn't believe the airport's physical upgrades are a primary driver for additional traffic, although it helps with customer perceptions and customer experiences, which are important.

73. Q How does airline brand or customer loyalty factor into using Hopkins?

A The airlines each have their own customer appeal and value to offer, the greater the variety, as an airport, the better for our consumers to choose.

74. Q Is there any seasonality to flying patterns besides holidays? Purchasing airline ticket patterns?

A There are many seasonal aspects, mostly for leisure travel, although it varies by airline.

Competitive Landscape

75. Q How do you see your competitive airport landscape changing in the next five years?

A Cleveland continues to grow air service adding transatlantic nonstop service and exceeds flights operated during the former hub year round. Lower cost airlines will continue to make in-roads, gaining national and local market share. Higher fare legacy carriers will continue to roll-out no frill economy fares to compete.

76. Q How do competitors (airports) sell against your airport?

A Airport's generally position themselves to the geographic audience for convenience, tout their nonstop service and their low fares.

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Market Position / Market Strategy

77. Q What is Hopkins' market share by airline traffic (not just flights)?
A **The airport attracts 93% of its customers locally without any flight connection.**

78. Q What are your immediate and longer-term growth goals?
A **Grow passenger traffic, additional flights and seats, grow non-airline revenues and customer survey scores. The Department looks to attain the lower hanging smaller fruit close in and the watermelon and pumpkins over a longer period.**

79. Q Where are the opportunities for future growth?
A **The Department is poised to attract additional nonstop flying, to unserved and underserved domestic and Canadian markets, as well as adding transatlantic nonstop service.**

80. Q What are the barriers to future success for Hopkins?
A **Fluctuation to consumer demand, outside economic forces, limited financial resources**

Marketing

81. Q What is Hopkins' current communications message/brand positioning?
A **Going Places, Less Fare, More There, the best variety of air service values and breadth of nonstop service, with more flights to where travelers desire.**

82. Q What is Hopkins' current communications mix with investment? **The current information is:**

- a. Advertising: print, outdoor, TV, radio **65%**
 - i. Airport Brand **1/3**
 - ii. Airline Incentive Marketing Program **2/3**
- b. Public Relations: **10%**
- c. Direct marketing **0%**
- d. Social media/digital **20%**
- e. Video **5%**

83. Q In what ways is your communications strategy performing well? What is not working well?
A **Based upon airport metrics and airline input, all of our strategies seem to be performing admirably. The Department needs to be continually innovative, and efficient, going forward, as platforms and mediums change.**

84. Q How many new air service announcements has CLE made per year for the last 3 years?
A **As there have been, (thankfully), so many new airline routes launched at CLE, this response will address the last 3 years cumulatively. The current count is seven, of our airlines, have launched 59 new routes since 2014.**

85. Q What major events coming to the region (sports, conventions, concerts, exhibits, etc.) may draw passenger traffic into Cleveland region?
A **All events that attract attendees outside of 200 miles.**

86. Q Do you have current/recent research that reflects why air travelers are choosing Cleveland as a destination? Including business, tourism, conferences/events, etc.?
A **Our region's business attraction is critical (including healthcare related), as well as the many leisure components Cleveland offers and also travelers visiting with family/relatives. The websites for Destination Cleveland and Greater Cleveland Partnership may provide additional information.**

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<p>87. Q What are the most popular destinations from CLE? Where has the increase in local Cleveland passenger traffic of 1.8 million gone? A The top destination airport markets are Orlando, Las Vegas and Los Angeles. If you combine multiple airports in a city area, Chicago and New York are also large markets.</p>
<p>88. Q From what cities do we see the highest volume of travelers TO Cleveland? Does the Airport have any partnerships with entities in those markets – media, venue, travel & tourism, other? A Generally business markets provide the greatest inbound traffic. The Department partners with destination CVBs and attractions from time to time on promotions.</p>
<p>89. Q Are there existing commitments to airlines or other CLE partners for advertising/marketing dollars that would impact this contract? If so, what are they? A At this time, there are no commitments made for 2018 service.</p>
<p>90. Q Do you have current/recent market research on the perception of/awareness of/effectiveness of “Going Places” tag line? A No, it is a legacy component of the brand, but has been combined recently with other messaging, including Less Fare, More There.</p>
<p>91. Q Is marketing support to announce/introduce new service added to a different city required to be consistent among all CLE carriers, or can it be appropriately scaled to the significance/size of the airline and the number of customers it draws? A The FAA requires consistency in this area; everything we do is offered to every airline.</p>
<p>92. Q What is the budget (or range)? Is it one comprehensive budget, or will it have specific allocations (i.e. advertising, media buying, etc.)? A See prior answers</p>
<p>93. Q The scope of services mentions “anticipated and unanticipated tasks”... if a crisis situation were to arise at the airport, would additional budget be allocated for this type of situation? A Yes, if it went beyond the support provided by the retainer.</p>
<p>94. Q How will the CAS measure the success of the campaign? A See prior responses.</p>
<p>95. Q Do you have current/existing research that demonstrates brand awareness for CLE/BKL? Do you have a system in place to measure it? A Not currently</p>
<p>96. Q What monitoring tools/software, etc. does CLE/BKL have in place to measure PR metrics like share of voice, impressions, prominence, blogger engagement, web traffic? A Meltwater, TV Eyes</p>
<p>97. Q If systems need to be created or purchased to monitor and measure, should the budget include these measurement systems; or are these outside the scope of the budget? A Those would be reimbursable to the agency.</p>