

2007

Greater Philadelphia Tourism Monitor: What's in a Place? EXECUTIVE SUMMARY



Greater Philadelphia Tourism Marketing Corporation

BUCKS • CHESTER • DELAWARE • MONTGOMERY • PHILADELPHIA COUNTIES

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MISSION STATEMENT

The Greater Philadelphia Tourism Marketing Corporation makes Philadelphia and The Countryside® a premier destination through marketing and image building that increases business and promotes the region's vitality.

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GPTMC is a private, non-profit organization founded and funded by the City of Philadelphia, the Commonwealth of Pennsylvania and The Pew Charitable Trusts. In 1997, GPTMC launched the first consumer campaign to promote to potential tourists the diverse historical, cultural and entertainment/leisure aspects of the five-county region (Bucks, Chester, Delaware, Montgomery and Philadelphia counties).

2007 GREATER PHILADELPHIA TOURISM MONITOR: WHAT'S IN A PLACE?

This Executive Summary is an abridged version of our 48-page research report. To get the full *Tourism Monitor*, order it for FREE at gophila.com/monitor or download PDFs of the report or the summary at gophila.com/research.

CONTENTS

Executive Summary.....	4
I. Understanding the Visitor.....	10
II. Economic Impact: A \$10 Billion Industry.....	14
III. Hotels and the Leisure Traveler.....	18
IV. Marketing that Conveys a Sense of Place.....	24
V. Neighborhoods, Towns and City.....	34
VI. Attractions, Exhibitions and Sights.....	40
Conclusion: More Marketing Means More Impact.....	44
Appendix.....	45

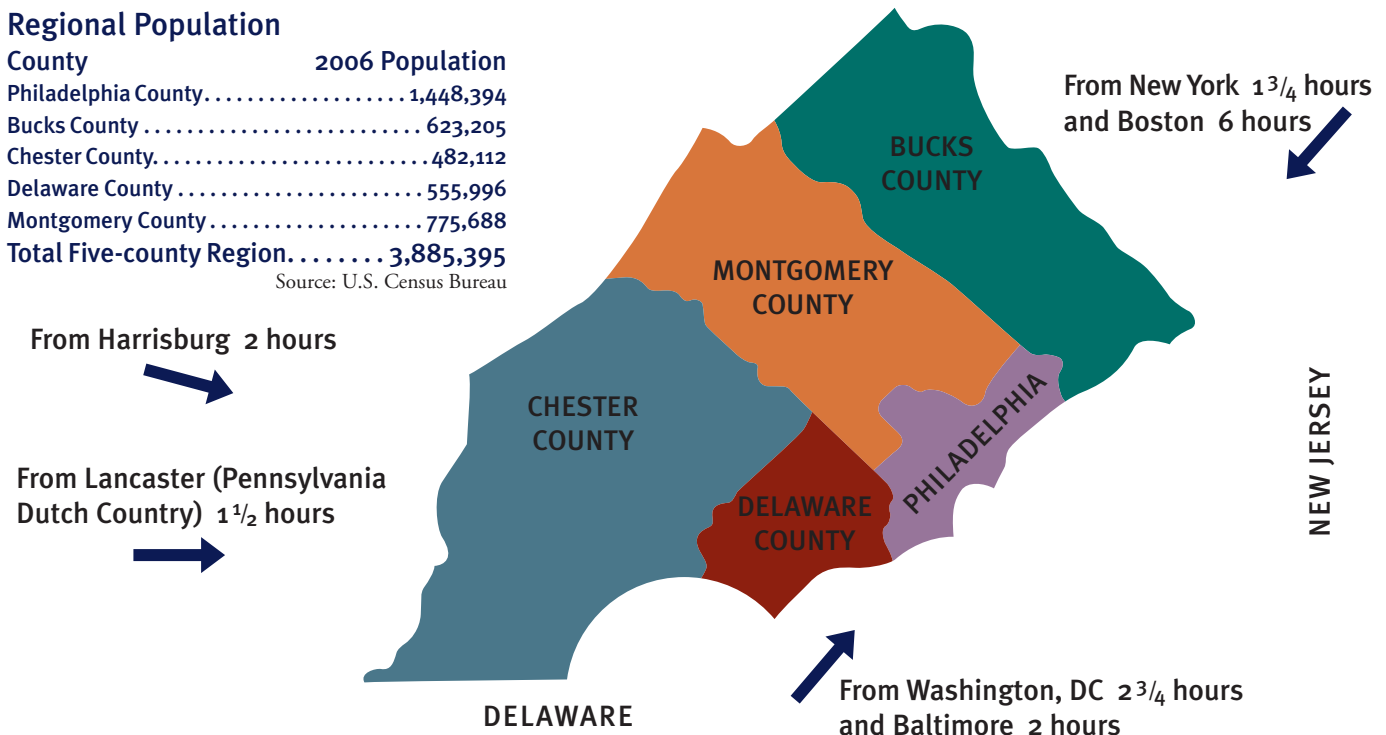
Greater Philadelphia

Bucks • Chester • Delaware • Montgomery • Philadelphia Counties

Regional Population

County	2006 Population
Philadelphia County.....	1,448,394
Bucks County.....	623,205
Chester County.....	482,112
Delaware County.....	555,996
Montgomery County.....	775,688
Total Five-county Region.....	3,885,395

Source: U.S. Census Bureau



Photos by K. Ciappa, J. Ho, M. Kennedy, R. Kennedy, B. Krist, C. Ridgeway, J. Smith and G. Widman for GPTMC

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2007 GREATER PHILADELPHIA TOURISM MONITOR: WHAT'S IN A PLACE? EXECUTIVE SUMMARY

Introduction

What's in a place? What makes a place one that visitors connect to, are motivated to visit and return to again and again? When we market Greater Philadelphia (Bucks, Chester, Delaware, Montgomery and Philadelphia counties) to tourists, should we concentrate on our many attractions, the beauty and warmth of our regional towns, our downtown's ambiance and walkability, the authenticity of our history and neighborhoods or the friendliness of our people?

Of course, our question—What's in a place?—mimics Juliet's famous question "What's in a name?" In Juliet's (and Shakespeare's) case, the context was romantic—she was in love with her Romeo; his name meant only trouble for her.

In the case of Greater Philadelphia, we are fortunate to have a place that inspires love and pride. Our place is special not simply because of its historical significance or its current amenities, but because of the diverse and energetic citizens who have spurred Greater Philadelphia's transformation from a declining industrial city to a thriving modern region. Visitors from outside of our region have taken notice:

- **Domestic overnight leisure tourism increased for the sixth consecutive year in 2006 to 9.3 million visitors.**

Since establishing a research department in 2003, GPTMC has surveyed nearly 10,000 visitors and potential visitors to understand them better. Research is integrated into every marketing program GPTMC develops: We determine the right strategy, messages and audience, and once the program is executed, we measure its effectiveness and make adjustments.

The *Tourism Monitor* demonstrates how research is integrated into GPTMC's marketing efforts by:

- Describing what research was conducted over the past year
- Demonstrating how our key research findings impact our marketing decisions and directions

GPTMC's research also demonstrates the critical role the tourism and hospitality industry plays in promoting the overall vitality of our diverse regional economy.

How Research Impacts GPTMC's Marketing Efforts

In tourism circles, the question "What's in a place?" is often the starting point for trip conversion. Conversion means turning people into visitors by creating just the right buzz, telling them about just the right activity or attraction or providing them with just the right booking opportunity.

Here are some examples of research insights that have helped us strengthen our trip conversion initiatives:

1. Research Insight: Individual leisure hotel travelers are booking rooms all week long and all year round.

- Individual leisure travel accounts for 31% of regional hotel rooms and 25% of Center City hotel rooms (with more than 20% of Center City rooms filled by individual leisure travelers every month of the year).
- 25% of hotel rooms sold on **gophila.com** were booked by visitors who arrived on a weeknight (Monday through Thursday), up from just 12% in 2004.

Marketing Outcome: GPTMC's **Philly Overnight® Hotel Package** is now available year round, and travelers are encouraged to make their weekend when they want it.

2. Research Insight: **gophila.com** is converting trips to Greater Philadelphia.

- 71% of site users from outside the region report an increased interest in visiting Philadelphia after spending time on the site.

Marketing Outcome: GPTMC has increased the focus on **gophila.com** as a marketing vehicle, and the site has seen its highest levels of traffic ever in the summer of 2007 (more than 500,000 visitors a month).

3. Research Insight: Feedback in focus groups revealed that GPTMC's general advertising campaign needed to focus more on the destination itself, using engaging images and emphasizing non-stop action rather than sleeping over.

- Visitors to the region cited "so much to do" as the top reason they would give others to come to Philadelphia in both summer 2006 and winter 2007.

Marketing Outcome: GPTMC's new **Philly's More** campaign debuted in summer 2007, showing potential visitors the variety of ways that Philly is more fun.¹

4. Research Insight: A number of markets are underexposed to the **Philly's More** message, given their propensity to travel and their fit with our offerings.

Marketing Outcome: GPTMC introduced Washington, DC as a media market for the winter 2006-2007 campaign and added Hartford/New Haven for summer 2007.

Section by Section

The report is organized into six sections, each allowing us to investigate and report on a significant aspect of the place we call home and the place so many millions call a great destination.

I. Understanding the Visitor: Our focus group research has demonstrated that people are looking for "a place to fall in love with." Falling in love with a place is like falling in love with a person: You want to feel as if you have discovered something, you want to feel comfortable and at home ("loved back") and you want your heart to beat a little faster while you are there. What we learn about our visitors through focus groups and surveys helps us guide visitors to and through a destination they can fall in love with.

- **Focus Groups:** GPTMC conducted 13 focus groups in five urban markets² in the fall of 2006. These groups (described in detail in the Understanding the Visitor section of this report) allowed us to probe visitors on why they travel and what they think about our destination. The insight we gained helps us craft the messages we use to entice visitors to the region. In addition, we continue to conduct focus groups with visitors to the region each season to hear about why they came and how their visits went.
- **Surveys:** GPTMC is constantly checking in with our visitors to learn what they enjoy about their visits to the region and what could be done to bring more people here. Over the past year, we have surveyed hotel visitors, visitors to **gophila.com**, visitors to **Historic Philadelphia** and many others, with an eye toward gaining specific insights that will help us craft our newest marketing efforts.

II. Economic Impact: Tourism is an economic engine that has made Greater Philadelphia a better place to visit and to live. Tourists are here every day of the week and go to our restaurants, shop in our stores and take in our sights. They keep our downtown open later, fill our museums during the week when many of us are at work and invigorate our hotel and restaurant industry all year long. The result has been an economic sea-change for Greater Philadelphia that translates into both a quality-of-life change for residents and an improved visitor experience.

- In 2006, travelers to our region generated **\$10.44 billion** in spending impact. That means **\$28.5 million per day** circulated throughout our region because of tourism.

¹ To see the **Philly's More** TV commercial, visit gophila.com/phillysmore.

² New York, NY; Bethesda, MD; Boston, MA; Chicago, IL; Atlanta, GA.



- The tourism industry supported **128,524 jobs** in the five-county region in 2006.
- Tourists and locals benefit from one another: Restaurants and attractions that are local favorites have grown to meet tourist demand. And tourists benefit from the energy and enthusiasm that residents imbue in the region.

III. Hotels and the Leisure Traveler: Because of the centrality of the hotel industry in serving tourists and in generating economic returns, GPTMC devotes a significant portion of its research program to understanding and tracking the hotel industry in the region.

- In late 2004, GPTMC, the Philadelphia Convention and Visitors Bureau (PCVB) and the Greater Philadelphia Hotel Association (GPHA) got together to jointly sponsor a monthly *Philadelphia-area Hospitality Industry Snapshot*, produced by PKF Consulting. This partnership among different segments of the hospitality industry enables PKF to draw on and analyze robust data to produce a monthly hospitality barometer that goes well beyond what is available for many other metropolitan regions.
- Over the past several years, GPTMC has surveyed thousands of hotel visitors. Since 2004, more than 3,800 visitors who have booked a hotel room on **gophila.com** have been surveyed, and each new group gives us a fuller picture of what visitors love, how their trips differ depending on the time of year and their familiarity with the city and how we are reaching them with our marketing efforts. In addition, thanks to the generosity of our hotel partners, GPTMC was able for the first time to interview visitors directly in the lobby of hotels in the summer of 2007. This research provides a valuable window on the activities and perceptions of both leisure and business travelers in Philadelphia.

Greater Philadelphia hotels are investing \$220 million in hotel upgrades this coming year, according to a survey conducted by GPHA. This increased investment is fueled by strong occupancy, rising hotel rates and a healthy market mix of travelers in the region:

Key Hospitality Measures, 2006

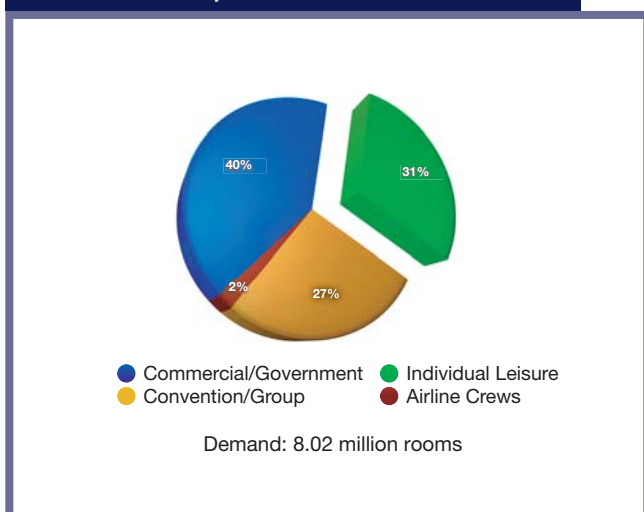
	Greater Philadelphia	Philadelphia County	Center City
Hotel Occupancy	70.5%	73.5%	73.6%
Average Daily Rate	\$121.05	\$143.68	\$156.34
Hotel Demand	8,024,398	3,798,412	2,715,329

Source: Smith Travel Research

This healthy hotel environment is being sustained, in large part, by leisure travelers to the region:

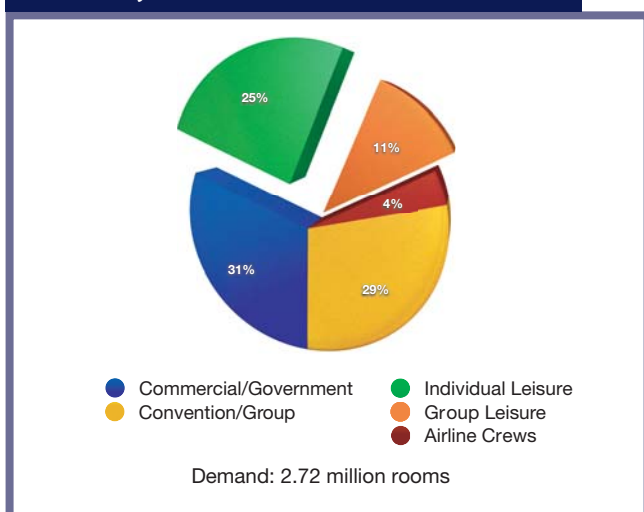
- Individual leisure travelers fill 31% of regional hotel rooms. (Source: PKF Consulting)
- Individual leisure travelers occupy 25% of Center City hotel rooms. (Source: PKF Consulting)
- Group travelers here for a leisure purpose, such as a wedding or family reunion, occupy an additional 11% of Center City rooms. Together, these two leisure segments make up 36% of all Center City room nights. (Source: PKF Consulting)
- Rates on the weekends—when most leisure travelers visit—have gone up substantially more than weekday rates. (Source: Smith Travel Research)
- Leisure visitors are now a critical part of seven-days-a-week, 365-days-a-year occupancy.

Greater Philadelphia Hotel Market Mix, 2006



Source: PKF Consulting

Center City Hotel Market Mix, 2006



Source: PKF Consulting

IV. Marketing that Conveys a Sense of Place:

GPTMC’s marketing aims to convey an experience of place that motivates travelers to visit. Research conducted over the past year helps us to connect the dots between the destination’s assets, its image and our visitors. The result is a finer understanding of how to use the marketing tools we have to engage visitors, motivate them to visit and provide them with the resources they need to plan and book their trip. In this section, we report on how research has been used to refine the objectives and increase the impact of each of these marketing tools.

V. Neighborhoods, Towns and City:

Greater Philadelphia is not just one place, it is many places. A trip to our region can focus on a single neighborhood, a number of neighborhoods or even the theme of “neighborhoods.” Our regional towns, ranging from quaint and historic New Hope in Bucks County to revitalized and artsy Media in Delaware County, have distinctive Main Streets and beautiful landscapes. The city and many of the towns that surround it can be centers of culture, history, shopping, or wandering and exploration.

Linking the experiences of our regional place is all the more important because GPTMC surveys on **gophila.com** have shown that half of our visitors plan to incorporate both city and suburban experiences into their trip plans.

GPTMC has developed three new campaigns that create a sense of place by linking neighborhood experiences:

- **uwishunu™ (You Wish You Knew):** An insider approach to the city
- **Historic Philadelphia:** Connecting the dots of our most historic neighborhoods and sights to create a total experience for visitors
- **Boundless Philadelphia™:** Promoting the region’s outdoor assets and experiences to position Greater Philadelphia as a place to enjoy the outdoors

VI. Attractions, Exhibitions and Sights: Exhibitions and attractions define a place for many tourists who wouldn’t come here otherwise.

- In a recent GPTMC survey, 60% of people who bought a **King Tut Hotel Package** on **gophila.com** reported that they would not have visited Philadelphia if it were not for the special exhibition.
- Visitors who come to Greater Philadelphia only once in a year are twice as likely to go to the Liberty Bell Center as those who visit more frequently.



- Each year millions of people visit our premier cultural attractions such as the Philadelphia Museum of Art, The Franklin Institute and the Philadelphia Zoo.

While major attractions bring visitors in, it is our place that keeps them coming back. During the Philadelphia Museum of Art's blockbuster *Salvador Dali* exhibition, visitors who came just for the show also made 52,000 visits to other cultural and historic attractions. They discovered Greater Philadelphia as a place because they were here for an exhibition.

For the *Tutankhamun and the Golden Age of the Pharaohs* exhibition on view at The Franklin Institute through most of 2007, GPTMC developed the "Go Golden" program in order to extend visitors' experiences to the entire region. The results will be forthcoming in a report issued by The Franklin Institute and GPTMC in late 2007.

Strategic Plan

2006 marked GPTMC's 10th anniversary and the end date of our last five-year strategic plan. Over the past year, we worked on a new strategic plan to bring us into our second decade. The plan reviews how GPTMC works to meet its goals and envisions a future for marketing Greater Philadelphia that builds on our recent landmarks:

- A 63% increase in overnight leisure tourism from 1997 to 2006
- Growing buzz about Greater Philadelphia as a destination
- Expanded tourist attractions and amenities available throughout the Philadelphia region

The strategic plan includes four primary elements, each with implications for research:

1. The plan **reaffirms our mission**: GPTMC makes the Philadelphia region a premier destination through marketing and image building that increases business and promotes the region's vitality.
2. The plan **articulates GPTMC's organizational values**, our "way of doing business": GPTMC is an entrepreneurial, professional, collaborative and customer-focused organization with a can-do attitude.
3. The plan **identifies the components of the Philadelphia brand**:
 - Accessibility
 - Authenticity
 - Discovery
 - Fun
 - History
4. The plan **identifies the top 10 strategic issues** that GPTMC should address in the coming years and divides those issues into three categories:
 - Marketing new attractions and the new Philadelphia as it grows
 - Staying ahead of the curve in using technology and communication vehicles to reach consumers effectively
 - Sustaining investment in marketing Philadelphia and The Countryside® in order to continue to generate strong economic returns from tourism

In addition, the plan sets forth an overarching commitment to identify the Philadelphia brand with the concept of independence. This vision applies both to tourism, where we offer visitors an authentic and compelling experience, and within the region, where it reflects both our dynamic and entrepreneurial business community and the authentic style and attitude of our residents. This focus on independence is further cemented by GPTMC's status as a founding partner of **Forever Independent**, a common mark now used by 16 tourism, hospitality, business and cultural organizations to represent the region and serve as a unifying theme for communications.



So, What's in our Place?

The question “What’s in a place?” is a natural one to follow our previous *Tourism Monitors*:

- 2004: *Making the Case for Investing in Tourism Marketing*
- 2005: *The Changing Landscape of Tourism Marketing*
- 2006: *Branding Builds Business*

All of these issues continue to shape our marketing approach, and all three reports are available at gophila.com/research.

The current report covers the research from the past year through a new lens:

What is it about our place—Greater Philadelphia—that drives a visit? What do people know, expect and want when they make their choice to come, and—the marketer’s question—how can we get more of them to make the trip, stay longer and come back?

Greater Philadelphia’s identity as a place is dynamic, not static, and the past decade has seen a redefinition of how regional residents and visitors alike see our region. Our *Tourism Timeline*, found at gophila.com/research, outlines the growth of Greater Philadelphia as a destination and the revitalization of the region generally.

Philadelphia has undergone what Basil J. Whiting, author of *Philadelphia 2007: Prospects and Challenges*,³ sponsored by The Pew Charitable Trusts, identifies as a “transformation of the civic leadership climate” in the past decade. The hospitality industry is at the forefront of this transition, which has put an end to Philadelphia’s “post-industrial” decline and transformed it into a modern, diverse and exciting region.

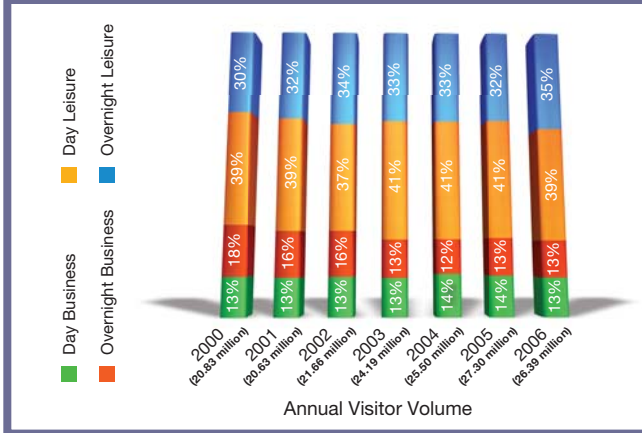
However, much work is still to be done. When GPTMC traveled to Chicago and Atlanta in the fall of 2006 and talked to visitors outside the reach of our advertising, we found that Philadelphia’s industrial image, an identity informed by the *Rocky* film franchise, our justifiably famous cheesesteaks and our passionate sports fans still prevails for many potential visitors. Continuing to tell the story of the new Philadelphia through all of GPTMC’s marketing vehicles is an essential part of building upon the success of the tourism industry, reaffirming the importance of continued investment in tourism marketing because of its effectiveness in increasing the quality of life in Greater Philadelphia.

³*Philadelphia 2007: Prospects and Challenges*. Basil J. Whiting with Tony Proscio. The Pew Charitable Trusts, 2007.



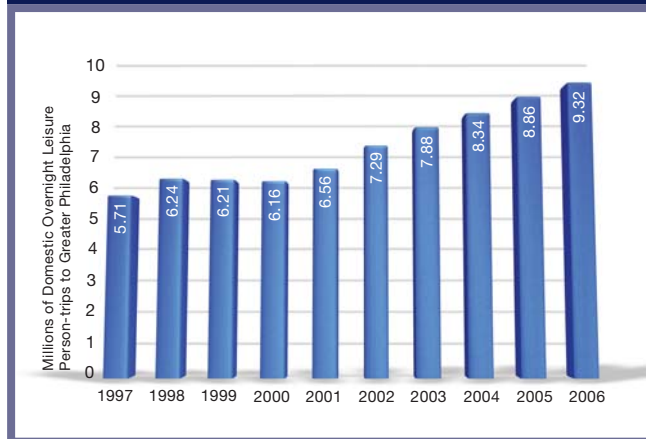
FAST FACTS

Domestic Visitor Volume to Greater Philadelphia by Market Share, 2000-2006



Source: DKS&A

Domestic Overnight Leisure Visitation to Greater Philadelphia, 1997-2006



Source: DKS&A

What does it take to create a place like Philadelphia? Hundreds of years of hard work, innovation, originality, persistence and so much more. Our *Tourism Timeline* tracks some of the region's biggest tourism milestones over the last 20-plus years.

Visit gophila.com/research to see for yourself how the region has developed over the years.

Greater Philadelphia Tourism Economic Impact
(\$ in billions, jobs in units)

Category	2006	2005	2004
Spending Impact	\$10.44	\$10.08	\$9.66
Direct Visitor Spending	\$6.00	\$5.79	\$5.58
Indirect Spending	\$1.97	\$1.91	\$1.81
Induced Spending	\$2.47	\$2.38	\$2.28
Jobs Supported	128,524	126,986	123,742
Wages Generated	\$3.97	\$3.82	\$3.65
Taxes Generated*	\$1.49	\$1.47	\$1.44

*Federal, State and Local

Source: Global Insight

Greater Philadelphia Leisure Tourism Economic Impact

Category	2006	2005	2004
Spending Impact	\$6.26	\$6.05	\$5.70
Jobs Supported	77,114	76,192	73,008
Wages Generated	\$2.38	\$2.29	\$2.15
Taxes Generated*	\$0.89	\$0.88	\$0.85

*Federal, State and Local

Source: Global Insight

Regional Hotel Industry Facts and Figures 2006

Hotel Supply:* 11,380,591 rooms
Hotel Demand (occupied rooms): 8,024,398 rooms
Hotel Occupancy: 70.5%
Average Daily Rate (ADR): \$121.05
Revenue per Available Room (RevPAR): \$85.35
Number of Hotel Rooms in the Region: 31,180

*Every room occupied every night

Source: Smith Travel Research

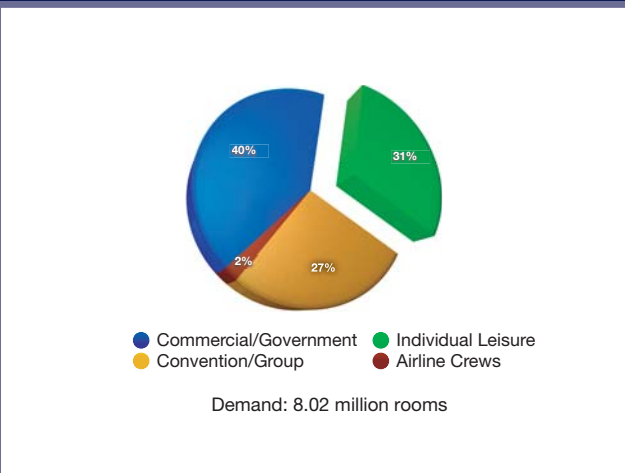
Center City Hotel Industry Facts and Figures

Hotel Supply:* 3,689,654 rooms
Hotel Demand (occupied rooms): 2,715,329 rooms
Hotel Occupancy: 73.6%
Average Daily Rate (ADR): \$156.34
Revenue per Available Room (RevPAR): \$115.05
Number of Hotel Rooms in Center City: 10,108

*Every room occupied every night

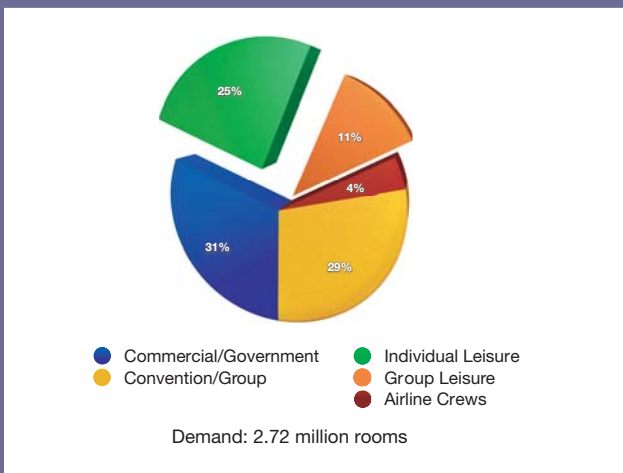
Source: Smith Travel Research

Greater Philadelphia Hotel Market Mix, 2006



Source: PKF Consulting

Center City Hotel Market Mix, 2006



Source: PKF Consulting

**PHILLY'S
MORE
FUN**

vibrant

What's in a place? Philadelphia and The Countryside's® energy, historic past and free spirit shape its vibrant atmosphere and unmistakable personality. To find out how our region's character translates into numbers in up-to-date research findings, visit gophila.com/research.

AND TO FULLY UNDERSTAND WHAT'S
IN OUR PLACE, LOG ONTO

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