



# EXECUTIVE SUMMARY

## 2006 GREATER PHILADELPHIA TOURISM MONITOR: BRANDING BUILDS BUSINESS

GREATER PHILADELPHIA TOURISM MARKETING CORPORATION



BUCKS • CHESTER • DELAWARE • MONTGOMERY • PHILADELPHIA COUNTIES

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The full 2006 Greater Philadelphia Tourism Monitor can be downloaded at [www.gophila.com/research](http://www.gophila.com/research) and covers the following topics:

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GPTMC would like to thank the Travel Industry Association of America (TIA) for its acknowledgment of the *2005 Greater Philadelphia Tourism Monitor: The Changing Landscape of Tourism Marketing*, which won TIA's Odyssey Award for raising awareness of the economic impact of tourism.

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# EXECUTIVE SUMMARY

## BRANDING BUILDS BUSINESS

Greater Philadelphia Tourism Marketing Corporation's (GPTMC) marketing approach is always evolving, and the themes of our *Tourism Monitor* reflect this change. Last year, the *Tourism Monitor* focused on "The Changing Landscape of Tourism Marketing." We looked at the increasing importance of niche markets, the fragmented media that force all of us to listen and advertise differently and the more empowered consumer who seeks, expects and only attends to that which is relevant.

This year, we focus on the power of the brand. Philadelphia is lucky to have a 300-year-old brand that is associated with our nation's founding, with freedom and with a citizenry full of spirit and creativity. Our mission is to tie that in with the new Philadelphia.

Until GPTMC's founding 10 years ago, the tourist experience had not been part of Philadelphia's brand identity. Philadelphia's image was based on our historic past and our industrial era. Our present – the arts and culture scene, tax-free shopping and, of course, the dining scene that is fueled by bring-your-own-bottle (BYOB) restaurants, five-star chefs and a diverse ethnic population – had not fully been incorporated into consumers' perception of the Philadelphia brand.

Why is branding important, and how is it more than (just) marketing? Branding does three things for a destination:

1. *It strengthens consumers' emotional tie to the destination.*
2. *It helps the destination stay true to its special qualities, distinct experiences and promise to satisfy visitors.*
3. *It strengthens a destination's desirability as a live, work, play destination.*

Back in the day, branding was the process of burning your ranch's name onto your steers so that nobody else could claim them as his/her own. Later, it meant burning your name onto the packing crates you shipped your products in – and increasingly the products themselves – so that retailers could be assured of what they were getting and you could be assured of getting payment. In time, consumers learned to look for their favorite "brands" and ask for them by name – Lipton®, Levi's® and Ritz® Crackers are early examples.

Today, brands are an important way consumers make decisions about the products and services they use and the destinations they visit. Those who are moved to act based on brand identities and brand promises have a stronger emotional connection to your product, are more likely to become your "buzz marketers" or evangelists and stay loyal even if it's raining the weekend they happen to be here.

GPTMC's mission is to make the Philadelphia brand so strong, so positive and so motivating that people just can't stay away. They will visit over and over and even think of Philadelphia as a place they might want to call home.

This brand approach to marketing Philadelphia has a number of implications:

- It means that a tourism message has an impact beyond tourism, improving the overall power of the Philadelphia brand. A strong destination brand works for tourism and all the other things we'd like people to do in the region: live, work, play and stay.
- It means that we can create niche marketing that speaks to consumers on a personal level, but also reinforces our entire brand. Our gay campaign, Philadelphia – Get Your History Straight and Your Nightlife Gay®, highlighted the themes of history and big-city fun, but did so by extending a personal invitation to the gay traveler.

## BRANDING BUILDS BUSINESS (CONTINUED)

- And, finally, it means that an advertising message from one season or campaign builds equity and awareness over time and fixes the destination in the mind of the consumer. Our audiences hear our message multiple times, and this repetition generates a strong sense of the Philadelphia experience that they will seek out immediately, in the future, and again and again.

This year's *Tourism Monitor* is divided into four sections. Branding begins with knowledge about the consumer, and so the first section contains visitor profiles and data that help us shape our brand approach. Next, we synthesize our research findings into "aha moments" that shape our marketing strategies and look at GPTMC's marketing dashboard. True to our *Monitor's* title, we show how branding builds business by presenting data on the economic impact of tourism and the improved quality of life our region has experienced. Finally, we point to some directions for the future. The report is organized according to the following categories and themes:

1. Consumer Insight: *Our Visitors: Who They Are, Why They Visit, What They Do and What They Love.*
2. From Consumer Insight to Marketing Strategies: *"Aha" Moments and Marketing Dashboard*
3. Measuring the Impact: *How the Region, Hotel Industry and Residents Benefit from Tourism Marketing*
4. Implications for the Future: *Strengthening the Brand and Staying Competitive*

### CONSUMER INSIGHT

Twenty-seven million visitors came to Philadelphia and The Countryside™ in 2005. The *Monitor* reports on research conducted in more than 10 individual GPTMC studies over this past year, and the research tells us who our visitors are, why they visit, what they do and what they love about Philadelphia:

- 20 million visitors came for a leisure trip and 7 million came for business or a convention. (D.K. Shifflet)
- 8.86 million of our leisure visitors in 2005 stayed overnight, an increase of 6.2% over 2004. (D.K. Shifflet)
- Research tells us that the region's historical sites are the biggest draw for visitors and that the Philadelphia brand is identified strongly with history; however, we also see that repeat visitation is driven more by our entertainment options – performances, dining and neighborhoods – and

that these experiences often define visitors' perceptions of the region after they have visited.

GPTMC's seasonal hotel surveys show that:

- Repeat visitors were more than twice as likely as first-timers to partake of one of Philadelphia's many cultural offerings: attending a concert, musical performance or play; going to a festival, parade or professional sporting event; or visiting a college or university.
- Dining tastes changed as well, with repeat visitors showing a decline in sampling Philly favorites (such as cheesesteaks and soft pretzels), preferring instead fine restaurants, bistros, ethnic eateries, outdoor cafés or BYOBs.
- Repeat visitors shopped more at virtually all of the city's premier locations, with Center City leading the way.
- Philadelphia is truly a regional destination. More than 50% of GPTMC survey respondents said they planned to visit both downtown and suburban destinations on their next trip to Philadelphia. Between the attractions and outdoor experiences available in the countryside and GPTMC's branding of the region as Philadelphia and The Countryside™, it is no surprise that visitors do not think "Philadelphia" stops at county borders.

The increasing importance of personalized marketing means that our research has to tell us more about niche audiences than we knew before. These audiences break out into different demographic groups (gay travelers, families, African-Americans, Hispanic visitors, etc.) and also into different trip types (event-goers, history buffs, outdoor enthusiasts, etc.).

### FROM CONSUMER INSIGHT TO MARKETING STRATEGIES

Bringing together a year's worth of research conducted by and on behalf of GPTMC, the *Tourism Monitor* identifies 10 research-driven insights that help shape our marketing approach. We then measure the value of these insights through our marketing dashboard, a collection of some of our best diagnostic and predictive metrics.

### MEASURING THE IMPACT

GPTMC tracks the impact of tourism on our region and also links our marketing to tourism activity.

- In 2005, \$10.1 billion of economic impact was generated by tourists in our region, with \$6 billion (60%) of that spent by leisure tourists specifically. (Global Insight)

- Growth in the economic impact of tourism outpaces the growth of most other business sectors in our regional economy. True to GPTMC's founding mission to have tourism replace some of the declining economic engines like manufacturing, the tourism industry is now one of the region's strongest economic generators.
- Leisure tourists occupy 32% of regional hotel rooms and 24% of Center City hotel rooms. In the 1980s, leisure tourists occupied only 14% of hotel room nights in Center City. Now, Saturday night is the most popular night of the week for hotels in Philadelphia, with 81% occupancy.  
(PKF Consulting and Smith Travel Research)
- GPTMC surveys have demonstrated increased hotel visitor spending over the past few years, driven primarily by the higher hotel rates and more spending on dining:

#### Average Trip Spending (per party, two nights)

Summer 2004	\$651
Winter 2004-05	\$710
Summer 2005	\$722
Winter 2005-06	\$863
Summer 2006	\$899

GPTMC asked Longwoods International to analyze what additional economic impact increased marketing could generate. Their findings show that an increase of \$2 million a year in advertising investment would yield:

- **An additional \$291 million in tourism spending** (from \$482 million to \$773 million).
- **An additional \$20 million in state and local taxes** (from \$33.9 million to \$54.3 million).
- **An increase in return on investment (ROI) from \$5.70** in state and local taxes for every dollar spent on advertising **to \$6.90**.

Longwoods sums up the strategy of using tourism marketing as a tax-revenue generator:

*"Unlike most other programs, tourism promotion is clearly a net revenue generator, not a cost to the taxpayer. Providing adequate funding to entice more visitors to your destination represents a major opportunity both to stimulate the economy and to take market share from competitors who fail to recognize the wisdom of investing in their tourism asset."*

– Longwoods International, 2005

## IMPLICATIONS FOR THE FUTURE

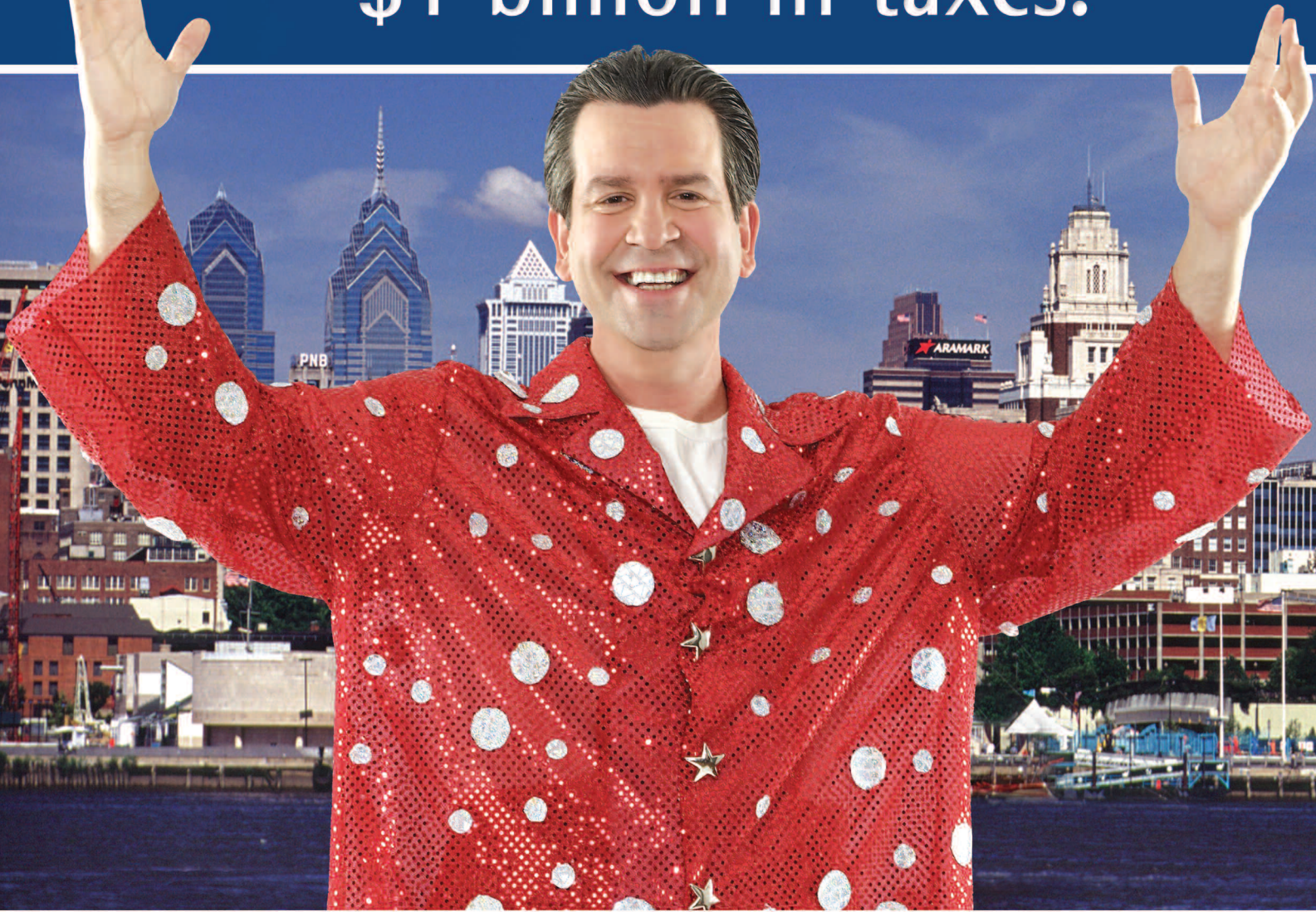
Philadelphia is a place where people come for the historical attractions, but continue to discover new and exciting things to do each time they return. GPTMC's mission to brand Philadelphia as a premier destination dovetails with the experiences our repeat visitors are having in the area. Future marketing will highlight the city as full of dimensions and experiences visitors can discover for themselves. As we concentrate our marketing on the message of "so much to do," we see how the brand promise is sinking in with consumers. Findings from our summer 2006 hotel visitor survey show that "so much to do" has surpassed "history" as the main reason visitors offer for coming to Philadelphia. Our next step is to ensure that those who are considering traveling have the same perception of Philadelphia as those who have visited here already.

Tracking the progress we've made makes GPTMC even more ambitious for the region's future. *National Geographic Traveler (NGT)* named Philadelphia the "Next Great City" in October 2005, and our opportunity now is to make sure consumers in our existing markets and new markets share the perspective of *NGT*. Here is an excerpt from the article:

*"For years, I've been hearing great things about this city of 1.4 million on the Delaware and Schuylkill Rivers. Newspaper articles speak of innovative development projects. Friends return from visits amazed that the nightlife is actually lively....Philadelphia is like a stage, no matter whether the performance of the moment is a waltz, rock, or salsa. Keep the red curtain raised...this city is ready for its second act."*

Keeping the red curtain raised and the spotlight shining on Philadelphia and The Countryside™ has been the goal of a \$10 million annual marketing effort by GPTMC over the past several years. Maintaining and adding to this funding will be necessary to make the Philadelphia brand one of the most desirable in travel and tourism. It's our challenge, our opportunity and our commitment.

# This guy saves you more than \$1 billion in taxes.



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.

And, in 2005, visitors generated \$1.38 billion in local, state and federal taxes. (Global Insight)

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