



2006 GREATER PHILADELPHIA TOURISM MONITOR: BRANDING BUILDS BUSINESS

GREATER PHILADELPHIA TOURISM MARKETING CORPORATION



BUCKS • CHESTER • DELAWARE • MONTGOMERY • PHILADELPHIA COUNTIES

30 SOUTH 17TH STREET • SUITE 1710 • PHILADELPHIA, PA 19103 • (215) 599.0776 • GOPHILA.COM



LIBERTY BELL CENTER



BOATHOUSE ROW

Photos by K. Ciappa and G. Widman for GPTMC

GREATER PHILADELPHIA TOURISM MARKETING CORPORATION (GPTMC) BOARD OF DIRECTORS

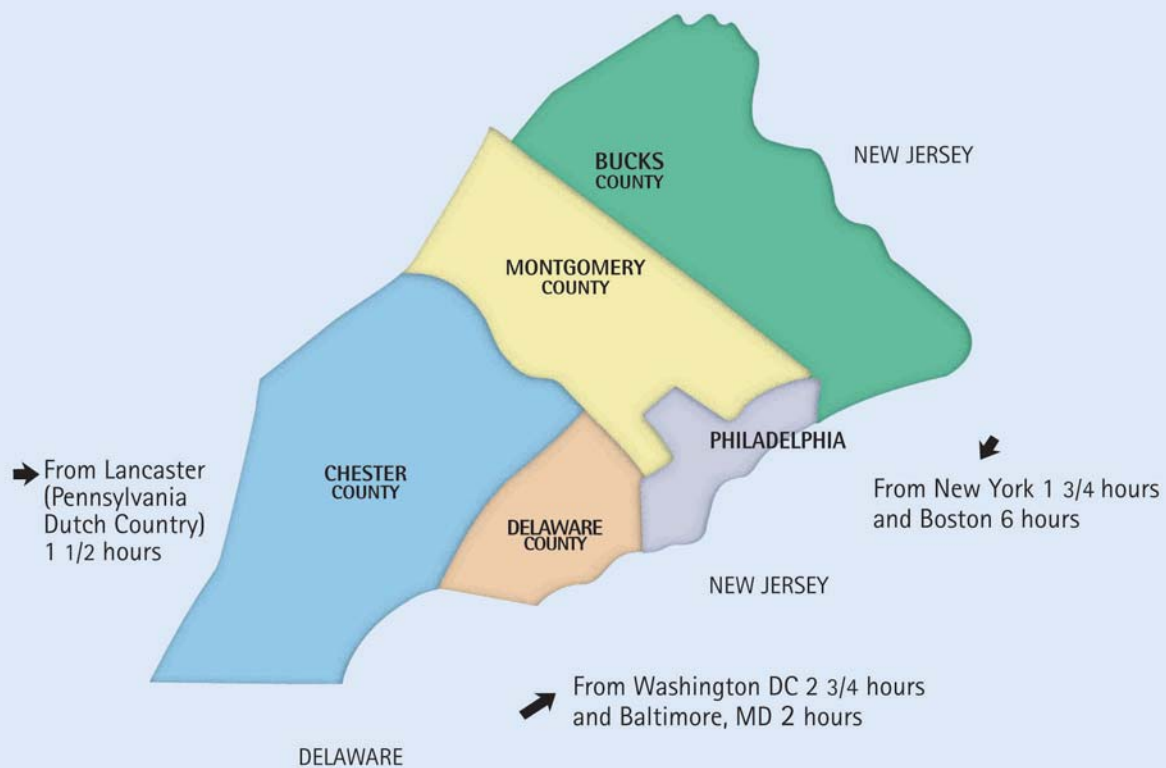
- **Manuel N. Stamatakis**, Chairman of GPTMC Board, and Founder and CEO, Capital Management Enterprises
 - **Robert Asher**, Co-chairman of the Board, Asher's Chocolates
 - **David G. Benton**, Vice President and General Manager, The Rittenhouse Hotel and Condominium Residences
 - **Robert W. Bogle**, President and CEO, *The Philadelphia Tribune*
 - **Nicholas DeBenedictis**, Chairman and CEO, Aqua America, Inc.
 - **Honorable Nelson A. Diaz**, Partner, Blank Rome, LLP
 - **Janet Haas, M.D.**, Chair, The William Penn Foundation
 - **David L. Hyman, Esquire**, Managing Partner, Kleinbard Bell & Brecker, LLP
 - **Hugh C. Long**, CEO, MidAtlantic Banking Group, Wachovia Bank
 - **Stephanie Naidoff**, Director of Commerce, City of Philadelphia
 - **David Newhart**, General Manager, The Inn at Penn
 - **Honorable Jonathan H. Newman**, Obermayer Rebmann Maxwell and Hippel
 - **Marsha R. Perelman**, President, Woodforde Energy, Inc.
 - **John F. Street, Esquire**, Mayor, City of Philadelphia
-
- **Meryl Levitz**, President and CEO, GPTMC

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.

Map of Greater Philadelphia

Bucks, Chester, Delaware, Montgomery and Philadelphia Counties



Cover photo by B. Krist for GPTMC

FOR MORE INFORMATION, CONTACT
DEBORAH DIAMOND, PH.D.
DIRECTOR OF RESEARCH AND STRATEGY
(215) 599.0231
DEBORAH@GPTMC.COM

TABLE OF CONTENTS

EXECUTIVE SUMMARY: BRANDING BUILDS BUSINESS	1
I. CONSUMER INSIGHT	
A. Our Visitors: Who They Are	4
B. Our Visitors: Why They Visit	10
C. Our Visitors: What They Do	12
D. Our Visitors: What They Love	15
E. Signature Experiences	16
II. FROM CONSUMER INSIGHT TO MARKETING STRATEGIES	
A. “Aha” Moments	20
B. Marketing Dashboard	21
III. MEASURING THE IMPACT	
A. Economic Impact	23
B. Hotel Impact	25
C. Brand Equity Measures	27
D. Regional Quality of Life	29
E. More Marketing Means More Impact	30
IV. IMPLICATIONS FOR THE FUTURE	
A. Strengthening the Philadelphia Brand and Staying Competitive	32
V. APPENDIX	
A. Research Studies Conducted in 2005–2006	34
B. Research Consultants	35
C. Research Dictionary	37

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.

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 (listed on page 20) 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.”

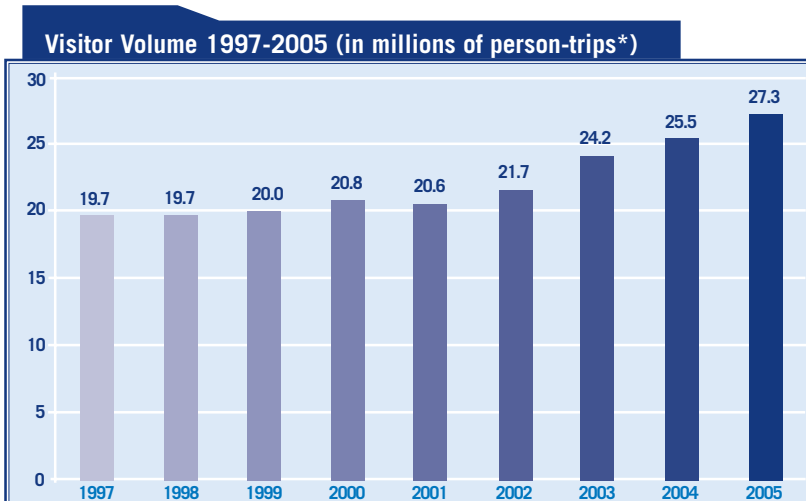
Keeping the red curtain raised and the spotlight shining on Philadelphia and The Countryside™ has been the goal of a \$10 million annual marketing effort by GPTMC over the past several years. Maintaining and adding to this funding will be necessary to make the Philadelphia brand one of the most desirable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

I. CONSUMER INSIGHT

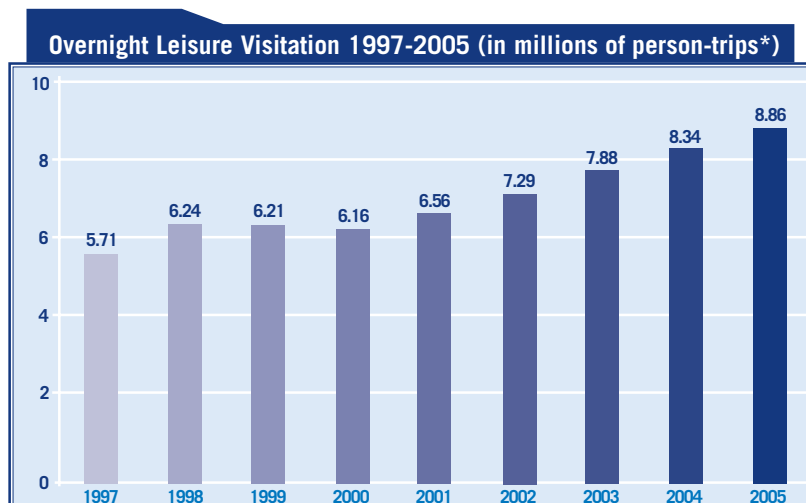
OUR VISITORS: WHO THEY ARE

In 2005, there were 27.3 million visitors to the five-county Philadelphia region with 8.86 million overnight leisure visitors. Our visitor numbers have increased steadily since 2001. Total visitation to the Philadelphia region increased 7.1% between 2004 and 2005, and overnight leisure visitation increased 6.2%. The chart below reveals that the level of growth in visitation to the Philadelphia region outpaces our competitor cities and the travel industry as a whole in recent years.

Source: D.K. Shifflet, NYC & Co., Chicago CTB, LA Inc., Greater Boston CVB, TIA



Source: D.K. Shifflet



Source: D.K. Shifflet

Travel Trends (in millions of person-trips*)

City	Measure	2005	2004	% Change
Philadelphia Region	Domestic Visitors	27.3	25.5	7.1%
New York City	Domestic Visitors	35.8	33.8	5.9%
Chicago	Domestic Visitors	32.0	31.0	3.2%
Los Angeles	Overnight Visitors	25.0	24.3	2.9%
Boston Region	Domestic Visitors	17.6	16.6	5.5%
National	Domestic Travel	1205.0	1163.9	3.5%

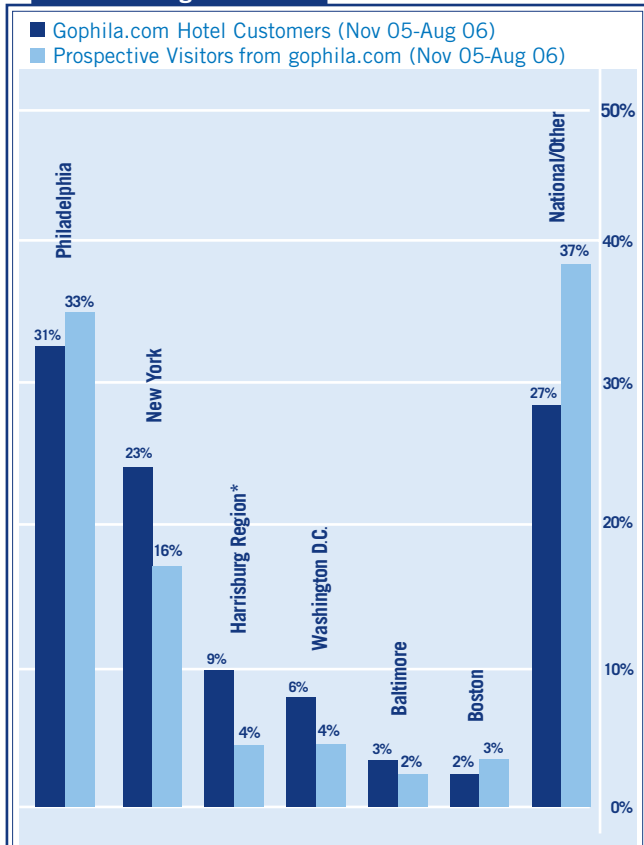
Source: D.K. Shifflet, NYC & Co., Chicago CTB, LA Inc., Greater Boston CVB, TIA

Note: These destinations contract with different research vendors to determine their visitor volume, therefore absolute counts for visitors are not necessarily comparable across destinations.

*A person-trip: One person traveling 50 or more miles away from home or any overnight stay.

What we first need to know about our visitors is where they come from and some basic facts about who they are. When we plan our advertising, we need to know what markets to select and which media vehicles to use. This means knowing the basics about our visitors' economic background, ethnicity, age and family status. GPTMC relies on multiple sources to learn about the demographic background of our visitors.

Point of Origin



Source: GPTMC - gophila.com Data *Harrisburg, Lebanon, Lancaster, York counties, Pennsylvania

- Zip code analysis from visitors and potential visitors demonstrates that 73% of those booking hotel rooms on gophila.com are from our traditional advertising markets, and 63% of those interested in learning more about a trip to Philadelphia and The Countryside™ are from those same markets.
- A closer look at our summer hotel package bookings on gophila.com over the past three summers demonstrates some shifts in our visitor point of origin. In the chart below, package sales from our own region are declining in favor of sales from beyond our traditional markets. An increase in online advertising and search engine marketing appears to be driving the change and extending the reach of our brand message.
- Visitors to Philadelphia tend to be upper income, with an average age in the early 40s and mixed between households with and without children.

Summer Package Bookings on gophila.com

DMA	2004	2005	2006
Philadelphia	30.5%	31.9%	28.2%
New York	27.7%	24.6%	25.1%
Harrisburg Region*	10.9%	10.3%	8.5%
Washington D.C.	5.0%	5.2%	4.7%
Baltimore	2.7%	4.5%	3.6%
Boston	1.5%	1.8%	2.8%
International	1.4%	2.3%	1.9%
Other Domestic	20.3%	19.3%	25.1%
Total Bookings	3,466	1,124	2,223

Source: GPTMC - gophila.com Data *Harrisburg, Lebanon, Lancaster, York counties, Pennsylvania

Demographic Background

	Overnight Leisure Visitors	Philadelphia Hotel Visitors	
		Summer 2005	Winter 2005-06
Age	40.2 years	42 years	46 years
Income	\$78,890	\$94,493	\$107,175
Children in Household	40%	n/a	n/a
Length of Stay	3.24 days	2.0 nights	1.84 nights
Race			
Caucasian		80%	88%
African-American		11%	6%
Hispanic		4%	2%
Asian-American		3%	2%

Source: D.K. Shifflet

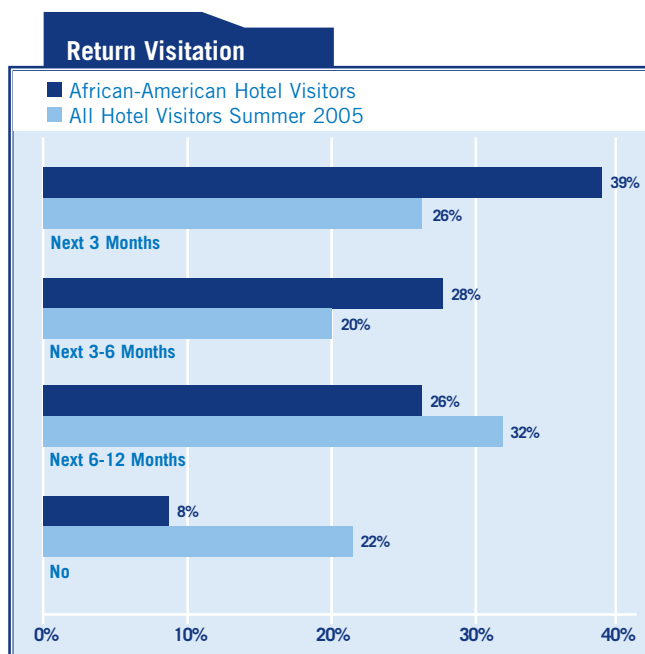
Source: GPTMC Surveys

OUR VISITORS: WHO THEY ARE (CONTINUED)

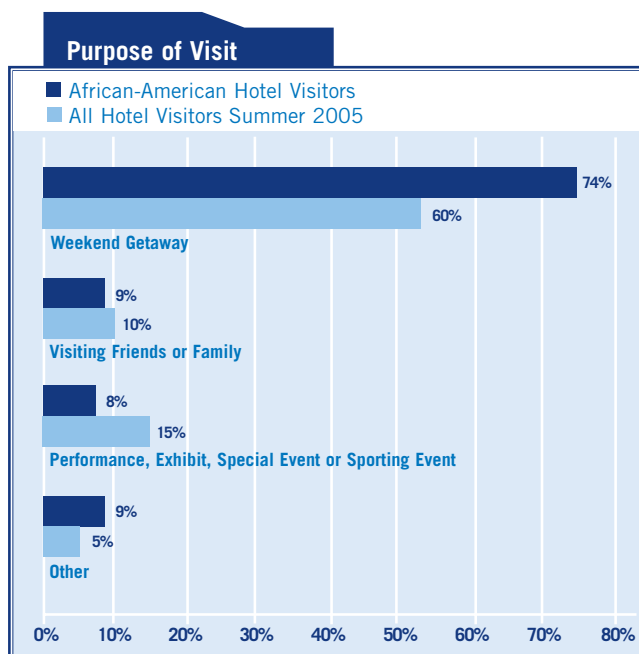
AFRICAN-AMERICAN VISITORS

GPTMC's seasonal surveys of hotel visitors include many within our niche marketing segments. A total of 232 respondents to GPTMC's seasonal surveys identify themselves as African-American. GPTMC has made a point of buying advertising on radio stations and in publications popular with African-American audiences and posting billboards in African-American neighborhoods to personalize the Philadelphia invitation. Research shows that African-American visitors tend to regard Philadelphia as a good destination for repeat getaways that provide the combination of entertainment and relaxation that they're looking for.

- 92% of African-American visitors are planning a return trip to Philadelphia in the next year, with 39% planning to return within three months.
- A “weekend getaway” is the most popular reason African-American visitors (74%) offer for coming to Philadelphia, consistent with their frequent visitation plans.

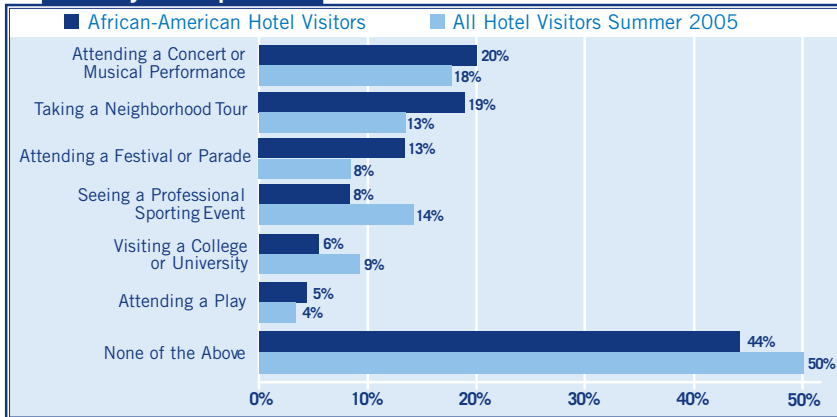


Source: GPTMC Seasonal Hotel Surveys



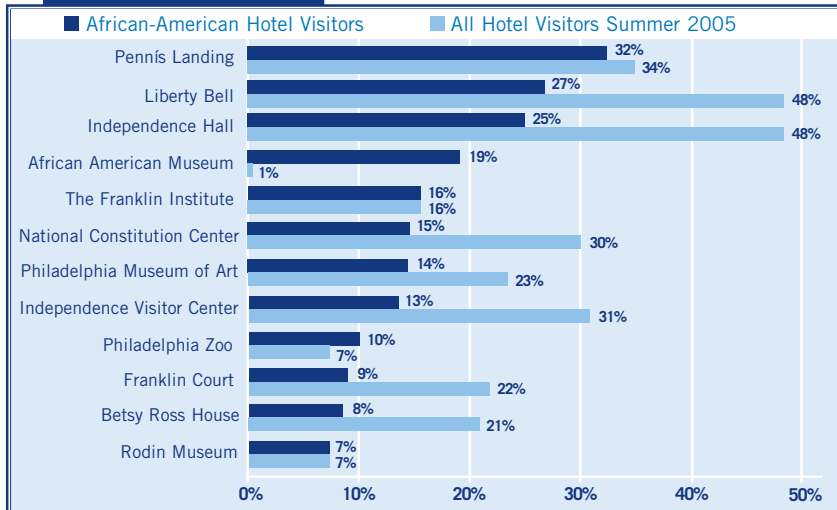
Source: GPTMC Seasonal Hotel Surveys

Activity Participation



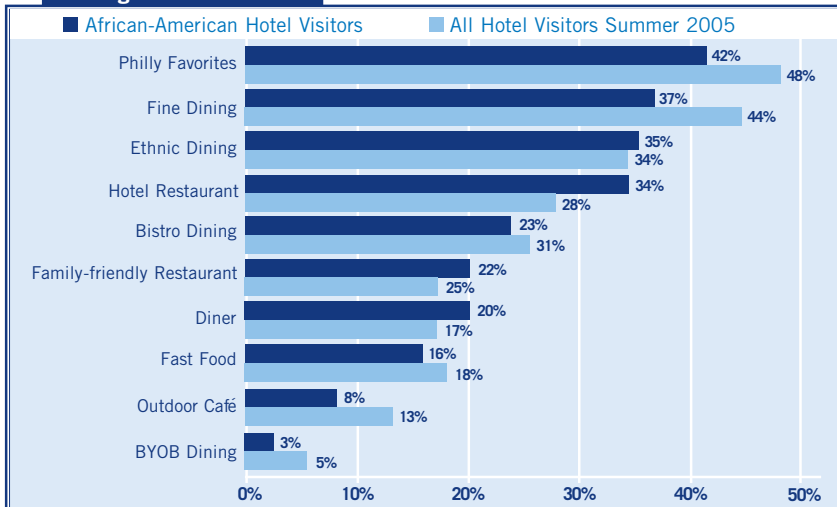
Source: GPTMC Seasonal Hotel Surveys

Attractions Visited



Source: GPTMC Seasonal Hotel Surveys

Dining Choices



Source: GPTMC Seasonal Hotel Surveys

African-American visitors tend to experience the city as our repeat visitors do (see page 12). They choose performances, neighborhoods and festivals/parades in larger numbers and are less likely to go to Philadelphia's historical sites on their visit. African-American tourists visited the Liberty Bell Center and Independence Hall less frequently than other hotel visitors. Penn's Landing rated as the top attraction for African-American visitors, and the African American Museum in Philadelphia attracted significant visitation as well. In combination with the strong return visitation, the attraction attendance suggests that African-American hotel visitors are experiencing and enjoying the full range of Philadelphia's cultural and dining options rather than simply visiting the historical sites. Finally, Philly favorites (cheesesteaks, soft pretzels, etc.) rated as the top dining choice for African-American hotel visitors, with fine dining a close second.

OUR VISITORS: WHO THEY ARE (CONTINUED)

HISPANIC VISITORS

The National Council of La Raza (NCLR) is the largest constituency-based Hispanic organization in the United States, annually serving nearly four million Hispanics of all national groups in all regions of the country through a formal network of affiliates. NCLR's annual conference took place July 16-19, 2005, at the Pennsylvania Convention Center in Philadelphia. GPTMC surveyed visitors to the conference and received 237 completed surveys. The respondents represent a relatively narrow, but nonetheless important, portion of the Hispanic travel market. In wave two of our research on the Hispanic traveler in 2007, we will concentrate on the Hispanic family and their travel patterns.

NCLR visitors have strong potential as a target market for Philadelphia tourism:

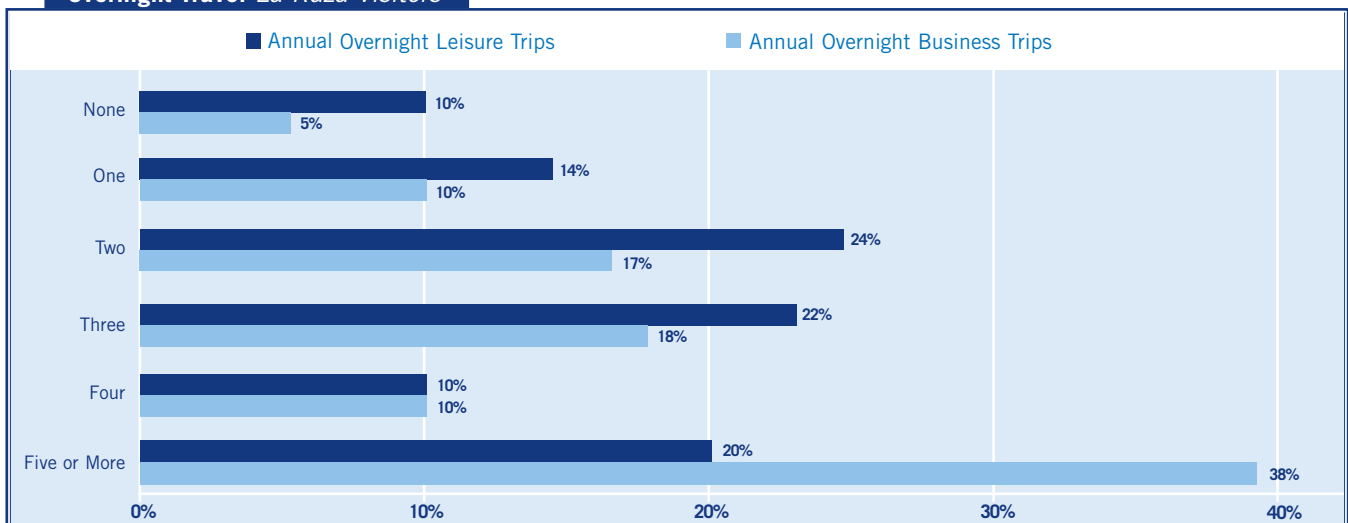
- Their demographic profile suggests that they have an interest in travel and the wherewithal to travel, both for business and for leisure.
- Most of these visitors do not have children in their household, indicating both the freedom to travel and the adult interests that a Philadelphia getaway satisfies.
- Visitor experiences in Philadelphia were positive, with 82% satisfied with their trip and 71% expressing interest in returning as tourists.

National Council of La Raza Visitor Demographics

Age	39.6 Years
Household Income	\$87,300
Marital Status	49% Married
Children in Household	34% Children Under 18
Point of Origin	38% South
	27% Northeast
	22% West
	13% North Central

Source: GPTMC Survey of National Council of La Raza Visitors

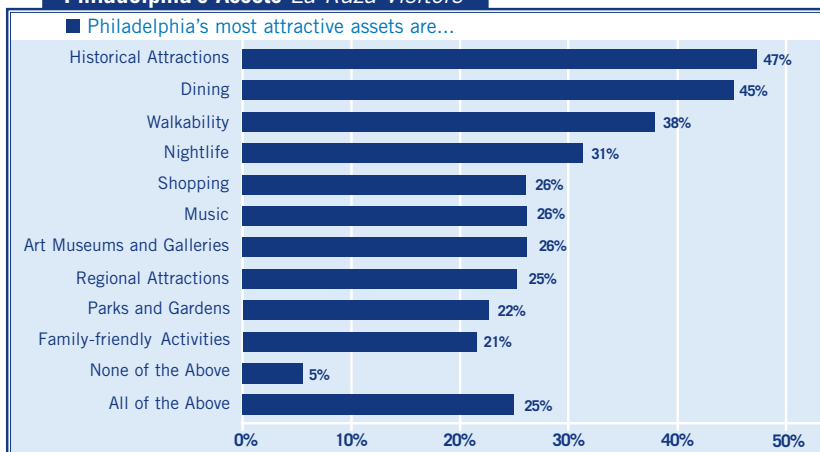
Overnight Travel *La Raza* Visitors



Source: GPTMC Survey of National Council of La Raza Visitors

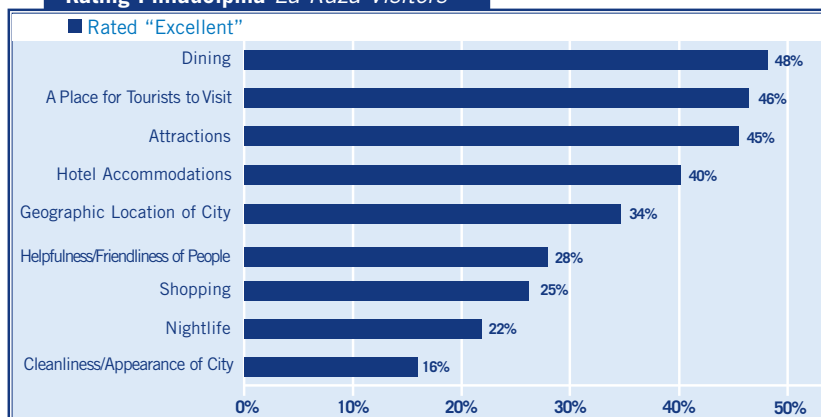
Survey respondents provided insight into what Philadelphia's invitation to the Hispanic traveler should be. NCLR visitors rated historical attractions and dining as Philadelphia's top attributes. Walkability was also rated as one of the city's assets. These same attributes are the most popular among our general visitor population and thus are already featured in GPTMC marketing. As a result, our advertising message, targeted to Hispanic visitors, can extend and reinforce our general brand message.

Philadelphia's Assets *La Raza* Visitors



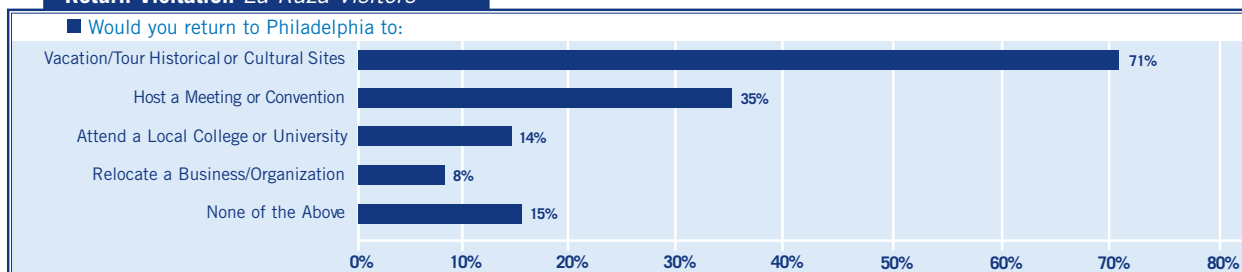
Source: GPTMC Survey of National Council of La Raza Visitors

Rating Philadelphia *La Raza* Visitors



Source: GPTMC Survey of National Council of La Raza Visitors

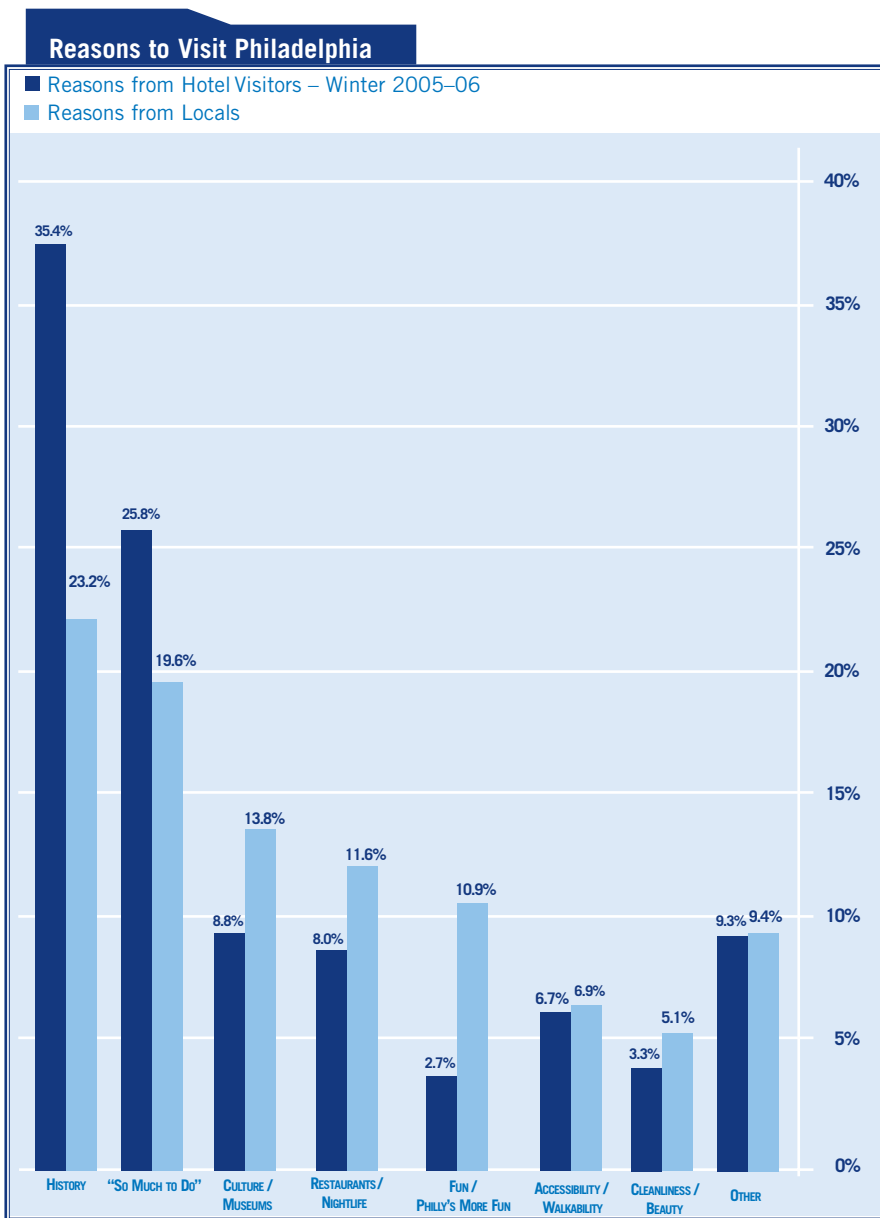
Return Visitation *La Raza* Visitors



Source: GPTMC Survey of National Council of La Raza Visitors

OUR VISITORS: WHY THEY VISIT

GPTMC uses our Evergreen survey, a brief questionnaire that is always available on gophila.com, and our seasonal hotel surveys to understand visitor motivation for coming to Philadelphia. We look at reasons for visiting from hotel visitors and from locals offering advice to out-of-towners. Hotel surveys are conducted post-visit, while many of our Evergreen respondents take the survey before arriving in Philadelphia. Results from these surveys and from what we have learned by talking to our visitors in focus groups show that there is often a difference between the reasons that people come to Philadelphia (history) and what they most enjoy when they get here (the energy and diverse activities in the city).



Source: GPTMC Evergreen and Seasonal Hotel Surveys

Both locals and hotel visitors in winter 2005-06 mention history as the top reason to visit Philadelphia, but the research shows that the more familiar someone is with Philadelphia, the more frequently our other attractions and assets are viewed as reasons to come. The Philadelphia brand encompasses both the new and the old. Word is getting out about the “new Philadelphia,” which includes our dining, nightlife, culture/art, music and youthful side. Yet we still work with a brand identity that links us to our beginnings and their significance.

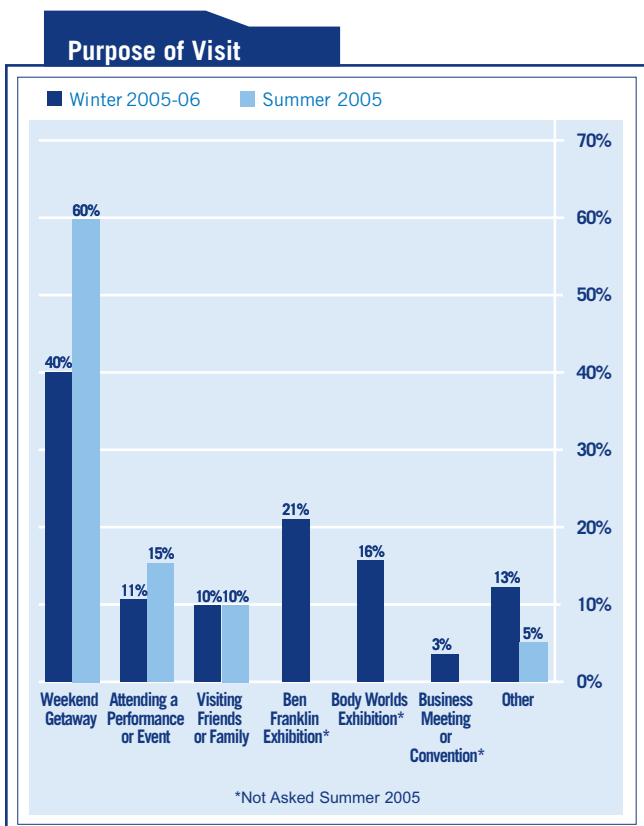
“Originally, we came to see Independence Hall, just to see it once because we had never seen it before. I didn’t realize all that was here. You could spend your whole vacation here.”
– Philadelphia visitor during focus group, summer 2006

Weekend getaways are cited as the top reason for a visit (contributing to our 81% hotel occupancy on Saturday nights). However, the winter 2005-06 hotel visitor survey saw a reduction in the dominance of weekend getaway visitors as GPTMC offered hotel packages that included tickets to the *Ben Franklin* and *Body Worlds* exhibitions. In other words, this past winter both the city itself (getaway weekend) and limited-stay exhibitions were driving visitation.

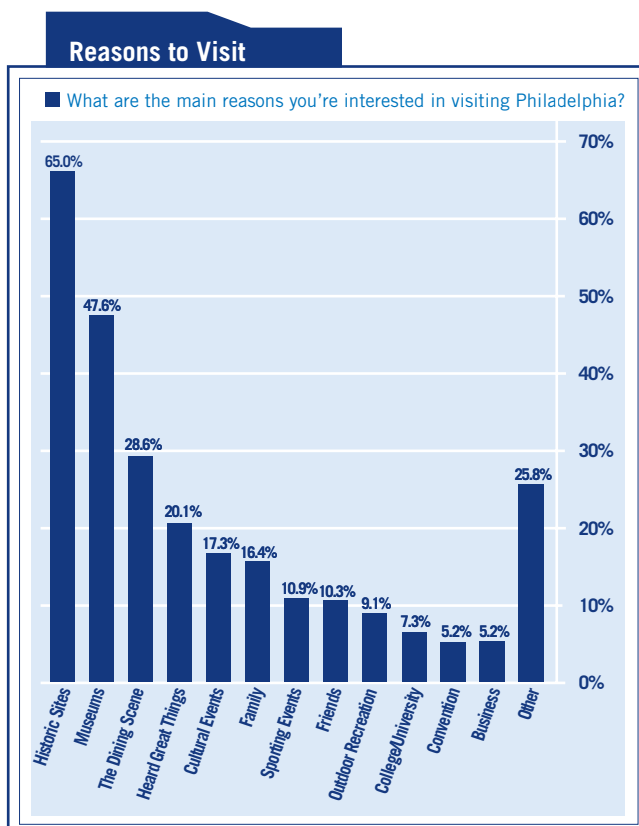
As our hotels become increasingly full on weekends, it is important to devise strategies to encourage weekday visitation. These large exhibitions (and GPTMC’s “weekend when you want it” message that allowed visitors to purchase our Philly Overnight® Hotel Package any day of the week) help spread leisure visitation throughout the week. Visitors coming for specific exhibitions team up with weekend travelers to make Philadelphia and our hotels busy all week long.

The region’s major tourist attractions dominate the list of “reasons to visit” (historic sites, museums, restaurants and cultural attractions). But the city’s reputation is also a top driver of visitation, with 20% of potential visitors offering “heard great things about it [Philadelphia]” as a reason to come. The city’s increasingly good reputation is an indication that our brand-building for Philadelphia is effective: We know our brand is growing in strength when the reputation of the destination is up there with particular attractions as a visitation motivator.

The strong presence of the region’s universities and sports teams clearly adds to the nationwide perception of the city as a place to visit. Interest in outdoor activities should continue to build with the launch of GPTMC’s Boundless Philadelphia™ campaign.



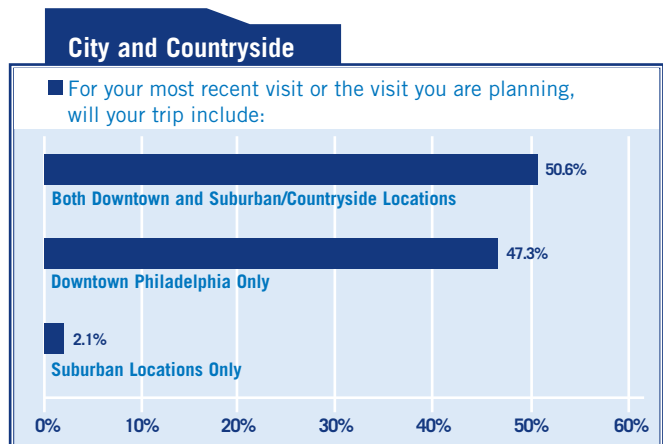
Source: GPTMC Seasonal Hotel Surveys



Source: GPTMC Evergreen Survey – Out-of-Town Respondents

OUR VISITORS: WHAT THEY DO

Philadelphia is a truly regional destination. More than 50% of 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 the county's borders.



Source: Evergreen Survey – Out-of-Town Respondents

Historical attractions are often the hook for visitors to plan a first trip to Philadelphia. The Liberty Bell and Independence Hall remain popular attractions, and the National Constitution Center has joined them as a top site. More than half of hotel visitors who had not made a trip to Philadelphia in the previous year went to the Bell and the Hall.

"First-Time-Draw" Attractions

	Visits to Philadelphia within the Past Year			
	Total	One	Two	Three or More
# of Respondents	946	515	187	244
Independence Hall	41.3%	53.4%	33.7%	21.7%
Liberty Bell	39.9%	51.3%	33.7%	20.5%
National Constitution Center	35.8%	44.5%	27.3%	24.2%

Source: GPTMC Seasonal Hotel Surveys, 2004-2006

However, we notice a slightly different pattern in the activities of return visitors. Hotel visitors on repeat stays in Philadelphia are less likely to visit the Bell and the Hall, and the more frequently they visit, the less likely these sites are to make it onto their itinerary. Instead, visitors head to cultural attractions outside of the Historic District, like the Philadelphia Museum of Art and the Academy of Natural Sciences, and outdoor attractions, like Fairmount Park, Penn's Landing and the Philadelphia Zoo.

"Discovered" Attractions

	Visits to Philadelphia within the Past Year			
	Total	One	Two	Three or More
# of Respondents	946	515	187	244
Academy of Natural Sciences	7.9%	6.6%	10.7%	8.6%
Fairmount Park	6.8%	4.7%	8.0%	10.2%
Penn's Landing	27.2%	25.4%	26.7%	31.1%
Philadelphia Museum of Art	17.8%	15.9%	22.5%	18.0%
Philadelphia Zoo	5.0%	4.1%	5.9%	6.1%
None	15.5%	13.2%	13.9%	21.7%

Source: GPTMC Seasonal Hotel Surveys, 2004-2006

Repeat visitors are 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 change as well, with repeat visitors showing a decline in sampling Philly favorites, preferring instead fine restaurants, bistros, ethnic eateries, outdoor cafés or BYOBs. Similarly, repeat visitors shop more at virtually all of the city's premier locations, with Center City leading the way.

Philadelphia is a place where people come to see 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. Increasingly, our marketing highlights the image of Philadelphia as full of dimensions and experiences visitors can discover for themselves.

Activity Participation

Visits to Philadelphia within the Past Year				
	Total	One	Two	Three or More
# of Respondents	938	506	188	244
Attending a Concert or Musical Performance	13.8%	10.7%	15.4%	18.9%
Attending a Play	5.3%	3.4%	7.4%	7.8%
Attending Festival/Parade	5.8%	3.0%	4.8%	12.3%
Seeing a Professional Sporting Event	8.6%	5.3%	8.0%	16.0%
Visiting a College or University	6.8%	4.2%	5.9%	13.1%

Source: GPTMC Seasonal Hotel Surveys, 2004-2006

Dining Experiences

Visits to Philadelphia within the Past Year				
	Total	One	Two	Three or More
# of Respondents	955	521	192	242
Bistro Dining	31.4%	29.8%	27.6%	38.0%
BYOB Dining	5.9%	5.0%	3.6%	9.5%
Ethnic Food (Indian, Chinese, Thai, Korean, Cuban, Caribbean, etc.)	29.2%	27.1%	29.7%	33.5%
Fine Dining	46.1%	42.2%	45.8%	54.5%
Outdoor Café	10.1%	8.3%	7.3%	16.1%
Philly Favorites (Cheesesteaks, Hoagies, Soft Pretzels)	42.0%	44.3%	38.4%	16.1%

Source: GPTMC Seasonal Hotel Surveys, 2004-2006

Shopping Areas Visited

Visits to Philadelphia within the Past Year				
	Total	One	Two	Three or More
# of Respondents	792	431	159	202
Center City	36.6%	27.1%	36.5%	56.9%
The Gallery at Market East	14.3%	10.9%	13.2%	22.3%
Italian Market	11.2%	8.1%	9.4%	19.3%
Liberty Place	9.5%	5.6%	10.7%	16.8%
Reading Terminal Market	33.5%	30.2%	37.1%	37.6%
Rittenhouse Square Area	19.9%	15.1%	22.0%	28.7%
South Street	24.5%	20.4%	22.6%	34.7%
None	20.6%	25.1%	18.2%	12.9%

Source: GPTMC Seasonal Hotel Surveys, 2004-2006

OUR VISITORS: WHAT THEY DO (CONTINUED)

2006 brought three significant exhibitions to Philadelphia:

- *Andrew Wyeth: Memory and Magic* at the Philadelphia Museum of Art
- *Gunther von Hagens' Body Worlds: The Exhibition of Real Human Bodies* at The Franklin Institute
- *Benjamin Franklin: In Search of a Better World* at the National Constitution Center (NCC)

This trifecta of art, science and history exhibitions over an eight-month period brands Philadelphia as the place to be for what's new. The exhibitions serve as

brand enhancers for the destination and also provide a clear boost to attendance figures at the host venues.

The nine selected attractions below show a 3.3% increase in attendance over last year through June. This increase is driven by The Franklin Institute and NCC, which showed a 64% and 35% increase respectively. The Liberty Bell Center remains the top attraction in 2006, but its market share relative to other attractions has decreased. Independence Hall was listed as the top visitor attraction among hotel visitors.

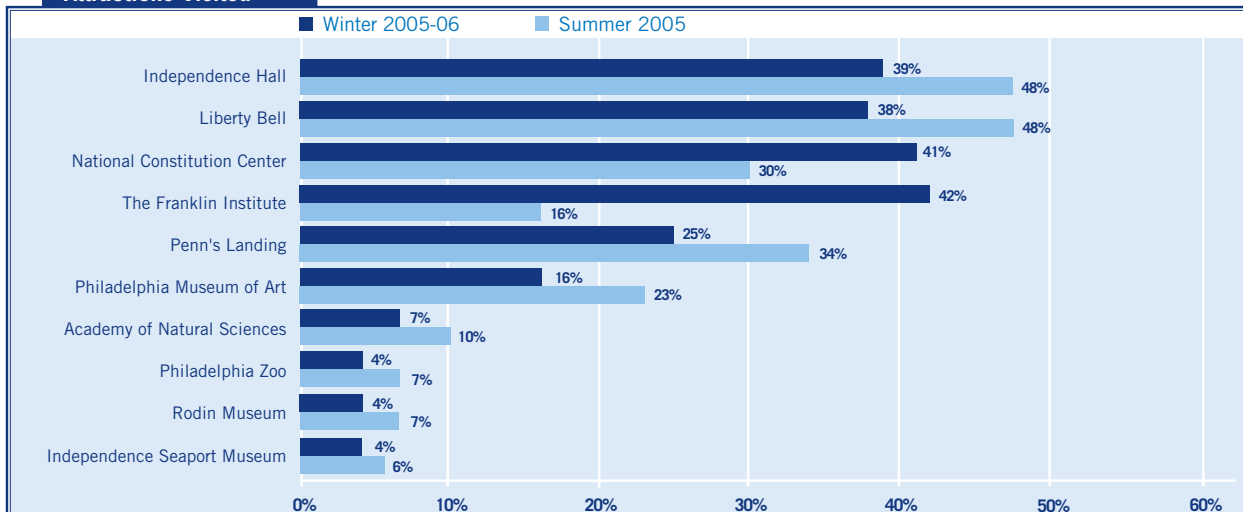
Attraction Attendance

Attraction	2005 (Jan-Dec)	2006 (Jan-Jun)	% Chg '05-'06 (Jan-Jun) *
Liberty Bell Center	2,007,023	836,829	-7.8%
Philadelphia Zoo	1,085,229	643,699	10.4%
National Constitution Center	989,903	664,221	35.0%
The Franklin Institute	962,094	741,322	63.9%
Philadelphia Museum of Art	717,654	379,233	-43.7%
Independence Hall	645,564	290,873	-6.6%
Academy of Natural Sciences	197,313	101,836	-1.6%
Please Touch Museum	178,013	87,427	-7.1%
Eastern State Penitentiary	23,776	20,077	17.1%
Attraction Total:	6,806,569	3,765,517	3.3%

Source: PKF Consulting

*These percentages represent changes from the first six months of 2005 compared to the first six months of 2006. Changes in attendance from all of 2005 to 2006 could vary considerably.

Attractions Visited



Source: GPTMC Seasonal Hotel Surveys

OUR VISITORS: WHAT THEY LOVE

From history to wandering, Philadelphia offers visitors a great experience, and often one that exceeds their expectations. The brand challenge for GPTMC is to capture in marketing what our visitors so eloquently express:

“What you get is a real sense of a live city. These are the cobblestone streets that people walked on.”

“You see things that are this old in Europe, but these are the oldest things we [in the U.S.] have. You have a sense of feeling the beginning.”

“I like that Philadelphia is so natural with no touristy commercialized areas. It's just real here.”

“I like guided wandering, where you know a few key places you want to go and then go on and off the beaten path in between.”

“It's easy to wander here because the streets are all numbered, and the walking signs are very clear.”

“The Philadelphia area offers a fantastic diversity of places to visit, activities, cultures and cuisines. There is something for everyone in this area!”

“It is a beautiful place to see and visit. The nightlife is wonderful and full of excitement. The food is fabulous and shopping is endless.”

Source: Visitor views expressed in GPTMC focus groups and open-ended survey comments

Visitor Attitudes

	Summer 2005	Winter 2005-2006
Intend to return within the next year	78%	75%
“Very satisfied” or “satisfied” with visit to Philadelphia	97%	94%

Source: GPTMC Seasonal Hotel Surveys

How strongly do you agree with each of the following statements?	Strongly Agree or Agree
I think the Philadelphia region is a great place to visit.	81.1%
I think the Philadelphia region is a great place to live.	70.8%
I tell a lot of people I meet how great it is to visit Philadelphia.	67.6%

Source: GPTMC Evergreen Survey – Locals

SIGNATURE EXPERIENCES: OUTDOOR

In 2006, GPTMC introduced the Boundless Philadelphia™ campaign. A marketing effort built on partnerships, a comprehensive Web site (gophila.com/outdoors) and advertising, the campaign extends the Philadelphia brand by promoting the city's and region's outdoor assets. Funded primarily by the William Penn Foundation and the Commonwealth of Pennsylvania, the campaign includes a new section on gophila.com, with approximately 200 pages of content on outdoor sites and activities.

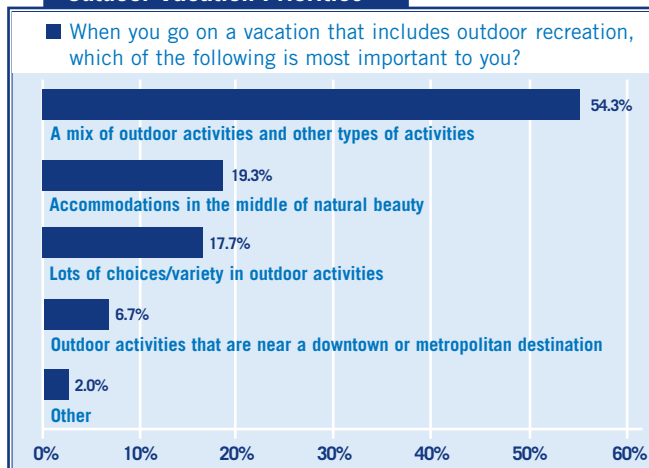
In preparation for our Boundless Philadelphia™ campaign, GPTMC enlisted TNS (a national market research firm) to conduct a survey of 300 leisure travelers in the target markets of New York, Boston, Washington D.C., Central Pennsylvania and Baltimore. The goal was to better understand the outdoor experiences that appeal to the leisure traveler and to test the perceptions about Philadelphia as an outdoor destination prior to developing the campaign.



Leisure travelers reported that when they go on an outdoor vacation, by far the top priority is to be able to mix outdoor activities with other types of activities. This finding bodes well for Philadelphia as an indoor/outdoor destination, with recreation complementing the city's cultural offerings.

Swimming was the top outdoor vacation activity cited by leisure travelers, followed closely by hiking. In general, activities that can be done individually and informally, including boating, biking and fishing, far outranked organized activities, like golf and baseball/softball. GPTMC's Boundless Philadelphia™ campaign is well positioned to take advantage of this preference through the use of gophila.com. On the outdoor section of the Web site, visitors and locals alike can explore hundreds of local outdoor sites and learn about amenities there, allowing them to participate in activities of their liking at their own pace.

Outdoor Vacation Priorities



Source: Philadelphia and The Countryside™: Outdoor Perception Survey, conducted by TNS

Outdoor Activities

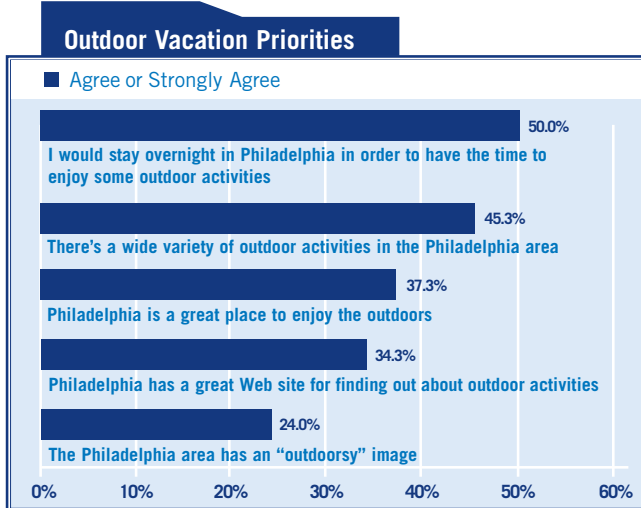


Source: Philadelphia and The Countryside™: Outdoor Perception Survey, conducted by TNS

When leisure travelers were asked to evaluate Philadelphia's outdoor image, the results were underwhelming, highlighting the need for the Boundless Philadelphia™ campaign. Half of the respondents “agreed” or “strongly agreed” that they would stay overnight in Philadelphia in order to enjoy outdoor activities, while just under half agreed that there was a wide variety of outdoor activities in the area. Similarly, respondents were mixed when asked to evaluate how much Philadelphia had to offer an outdoor visitor, with “not a lot, not a little” the most popular response. When

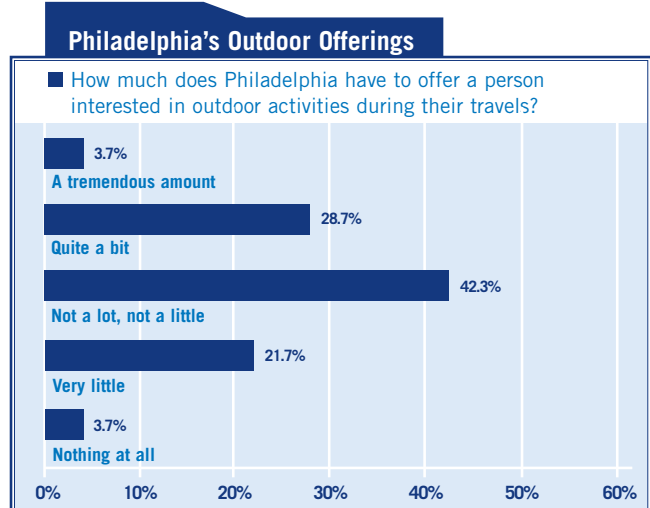
compared to its competitive set, Philadelphia lags behind as an outdoor destination. Just 3.7% of respondents cited Philadelphia as a potential destination for a vacation that included outdoor recreation, while Boston, Washington D.C. and New York were the top three responses. The competitive set indicates that if Philadelphia can improve its outdoor image, visitors may follow. The TNS survey provides a concrete baseline from which the Boundless Philadelphia™ campaign can be evaluated by measuring the change in the perception of Philadelphia as an outdoor destination.

Outdoor Vacation Priorities



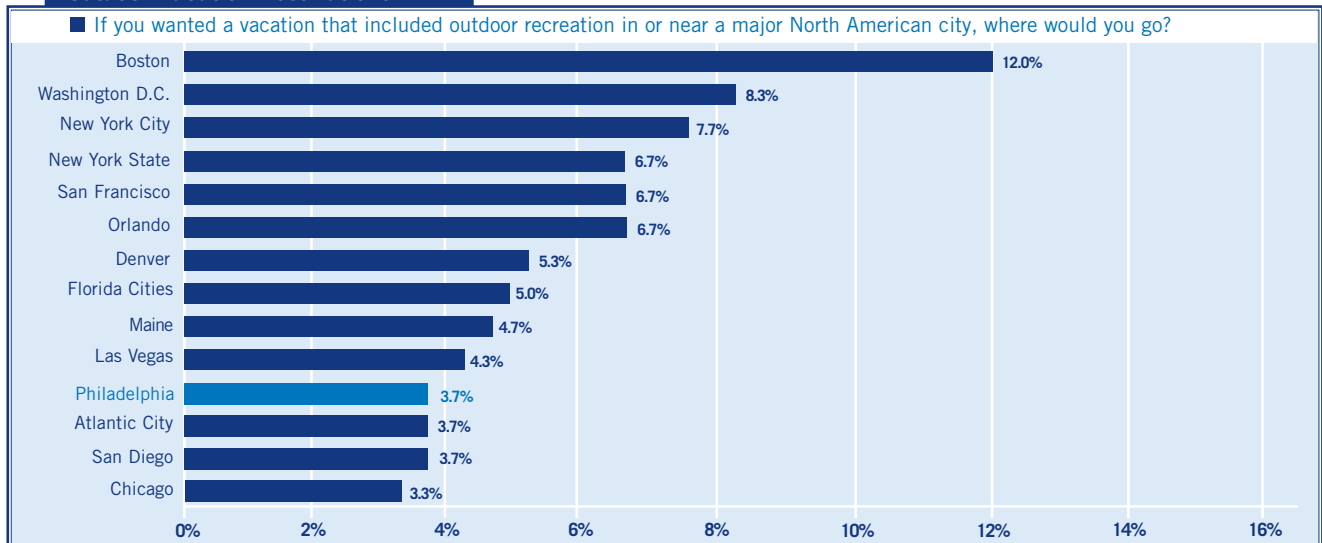
Source: Philadelphia and The Countryside™: Outdoor Perception Survey, conducted by TNS

Philadelphia's Outdoor Offerings



Source: Philadelphia and The Countryside™: Outdoor Perception Survey, conducted by TNS

Outdoor Vacation Destinations



Source: Philadelphia and The Countryside™: Outdoor Perception Survey, conducted by TNS

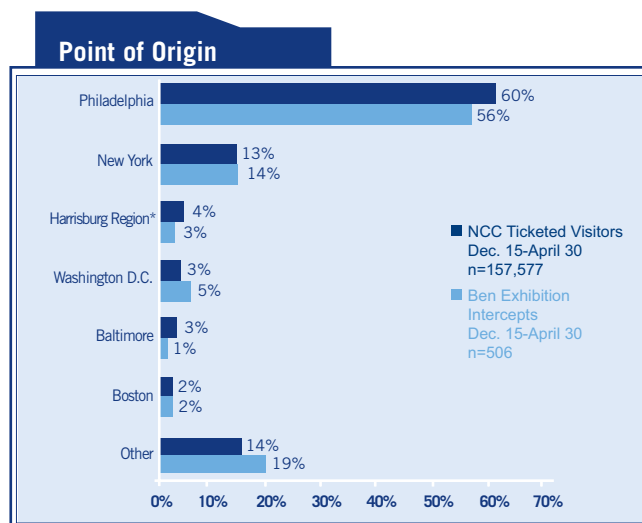
SIGNATURE EXPERIENCES: BEN FRANKLIN 300

For the past several years, a key component of the Philadelphia brand has been blockbuster events such as the *Salvador Dalí* exhibition at the Philadelphia Museum of Art (2004-05) and the *Benjamin Franklin: In Search of a Better World* exhibition at the National Constitution Center (NCC) in winter 2005-2006. In February 2007, *Tutankhamun and the Golden Age of the Pharaohs*, presented by Mellon Financial Corporation, arrives at The Franklin Institute.

Ben Franklin 300 Philadelphia was a year-long commemoration of Benjamin Franklin's 300th birthday in Philadelphia and The Countryside™. The celebration ran from fall 2005 through fall 2006 and focused on the world premiere of the international traveling exhibition, *Benjamin Franklin: In Search of a Better World* at the National Constitution Center (December 15, 2005 – April 30, 2006). In addition to this exhibition, the celebration included Franklin-inspired programming of exhibitions, concerts, lectures, symposia and special events at many of the region's historical and cultural organizations, restaurants and festivals, along with a special Ben's Birthday Hotel Package available on gophila.com and through hotels.

GPTMC supervised a multi-layered research study of the exhibition and the year-long celebration. Intercept interviews at the NCC shed light on where visitors were from, why they came and what else they did on their trip. Data from the NCC tell us more about point of origin of visitors and help us estimate the economic impact of the exhibition. Finally, Urban Partners, Inc. produced an economic impact study that includes the total impact of the exhibition, the number of hotel rooms and visits to other cultural attractions it generated.

While the exhibition drew strongly from the region, it also drew visitors from our traditional key feeder markets, such as New York, Washington D.C. and the Harrisburg region.



Source: GPTMC Survey of Exhibition Visitors at NCC

*Harrisburg, Lebanon, Lancaster, York counties, Pennsylvania

Top-line findings of the exhibition's impact include:

From the NCC:

- Total ticketed attendance: 193,500
- 5,300 new members for the National Constitution Center

From Urban Partners:

- Total economic impact of the Ben exhibition: \$24.9 million
- 320 full-time equivalent jobs, 275 of which are estimated to be located in Philadelphia, with more than \$9.5 million in salary and wages
- \$1.54 million in tax revenues for the City of Philadelphia and the Commonwealth of Pennsylvania
- 7,500 Philadelphia hotel room nights
- 2,400 non-hotel overnight stays
- 49,500 visits to other regional attractions

From GPTMC surveys:

- 73.4% of Ben exhibition visitors were at the NCC for the first time
 - 48% said they planned to return to the NCC within the next year
- 89.9% of Ben visitors were either "satisfied" or "very satisfied" with the exhibition

SIGNATURE EXPERIENCES: FOURTH OF JULY

In an effort to determine the role of a signature event like the Fourth of July weekend and the *Sunoco Welcome America!* celebration in defining the Philadelphia brand, GPTMC enlisted The Melior Group, a Philadelphia-based market research firm, to intercept 1,025 people at various spots in downtown Philadelphia over the holiday weekend. Questions focused on activities over the weekend and the experience of being in Philadelphia over the Fourth of July.

Surveys conducted throughout downtown Philadelphia identified an almost even mix of out-of-towners and locals:

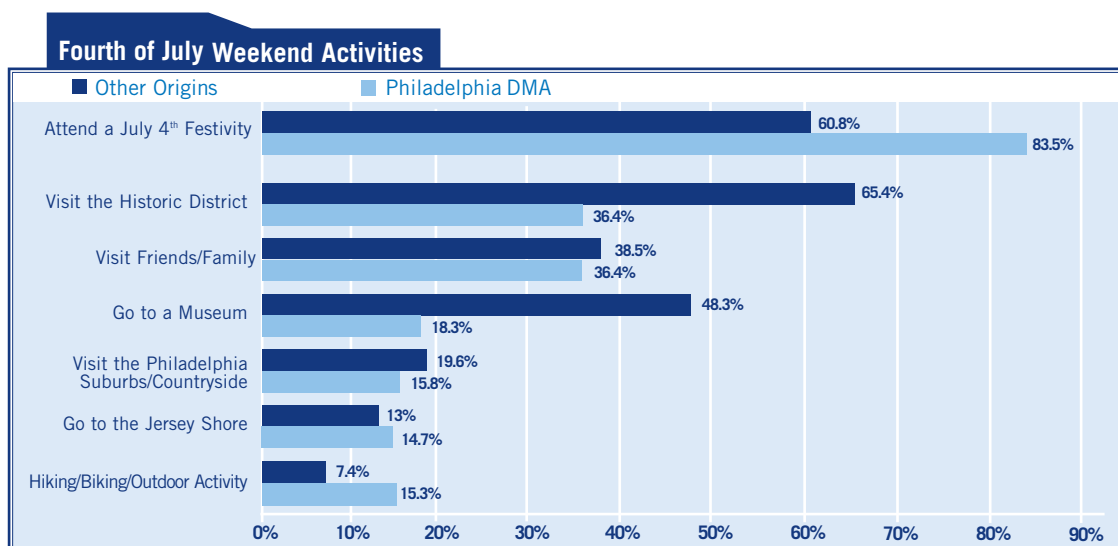
- 49% of respondents were from outside the five-county region (9% came from within the Philadelphia DMA,¹ and 40% came from outside the DMA).
- 51% were from inside the five-county Philadelphia region.

A clear pattern of differing holiday experiences emerges when we look at out-of-town visitors and regional residents.

- Out-of-towners view the Fourth of July weekend as they would any weekend getaway in Philadelphia, with an emphasis on the historical attractions. Locals, meanwhile, take the weekend as an opportunity to revel in the holiday festivities. When asked to name the “best thing about being in Philadelphia on July 4th,” locals chose fireworks while out-of-towners overwhelmingly picked historical sites. Meanwhile, 84% of locals planned to attend a July 4th event, compared to 61% of out-of-towners, a figure lower than the number that planned general visits to the historic district. Nearly half of out-of-towners also intended to go to a museum.

The Fourth of July enhances the Philadelphia brand in a couple of ways.

- For locals, it’s an opportunity to “party” and celebrate the city they’ve chosen as their own. Fireworks, concerts and food all grab locals’ attention and focus them on the “authentic” Philadelphia experience.
- For out-of-towners, the weekend is more about history than partying. They visit the historic attractions in even greater numbers than our typical weekend out-of-towner, and they identify the historic sites as the best thing about being in Philadelphia over this important weekend.



Source: The Melior Group

¹The Philadelphia DMA (designated marketing area) includes 13 counties surrounding Philadelphia county, including some in Delaware and New Jersey.

II. FROM CONSUMER INSIGHT TO MARKETING STRATEGIES

The consumer research we conduct all year-round informs our marketing strategies in several ways:

- The markets we choose (niche and geographic segments)
- Our messaging
- Our integration of public relations, advertising and Web

“AHA” MOMENTS

Ten insights derived from the past year’s research have been especially powerful in guiding marketing strategies at GPTMC. **These “aha” moments** signal new trends and marketing successes that help us determine what to change in the future and what is working now.

1. Our brand promise that we are a fun, “so-much-to-do” destination is getting through to the consumer. Although “history” had the lead as the main reason to visit in the winter of 2005-2006 (see page 10), our most recent survey (summer 2006) shows that “so much to do” has surpassed “history” (45% and 25% respectively) as visitors’ primary reason for wanting to visit Philadelphia and The Countryside™. (GPTMC Hotel Visitor Survey, summer 2006)
2. GPTMC’s advertising message – Philly’s More Fun When You Sleep Over™ – is partly responsible for this new trend of visitors coming for all there is to do. In a recent survey, 81% of visitors were aware of the Philly’s More Fun When You Sleep Over™ advertising theme (aided awareness). (GPTMC Hotel Visitor Survey, summer 2006)
3. More marketing will yield more economic impact. An analysis conducted by Longwoods International determined that an additional \$2 million per year spent on advertising would yield:
 - An additional \$291 million in tourism spending
 - An additional \$20 million in state and local taxes
 - An increase in ROI from \$5.70 to \$6.90 in state and local taxes for every dollar spent on advertising
4. The total economic impact of visitor spending in the five-county region in 2005 was \$10.1 billion, a 4.3% increase from 2004. Leisure tourism was responsible for a greater portion of overall travel impact in 2005, with 60% (or \$6 billion) of travel impact coming from leisure tourists (up from 59% in 2004 and 56% in 2004). (Global Insight)
5. The portion of hotel rooms in Center City and the region occupied by leisure travelers has increased. In the 1980s, about 14% of Center City hotel rooms were occupied by leisure travelers, and in 2005 24% of Center City hotel rooms and 32% of regional hotel rooms were occupied by leisure travelers. (PKF Consulting)
6. Repeat visitors experience a trip to Philadelphia very differently than first-time visitors. Second, third and fourth visits to Philadelphia are filled more with dining, shopping and simply “wandering,” while first-time visits tend to be filled with historical sites and museum-going. (GPTMC Hotel Surveys, summer 2006, winter 2005-06)
7. Tailoring the “so-much-to-do” message to niche audiences produces strong results. Our gay campaign, for example, Philadelphia – Get Your History Straight and Your Nightlife Gay® generated \$153 in direct visitor spending for every marketing dollar GPTMC spent. (GPTMC Study: The Gay Traveler, 2005)
8. In addition to acting as an image builder for the region, gophila.com is a strong visitor conversion and sales tool: about 10% of visitors to the site shop for a hotel room on the booking engine of the site. (TravelHero)
9. Hotel package sales on gophila.com reflect a shift away from local markets towards national markets. There was a significant increase in the sale of hotel packages to those outside of our traditional East Coast markets between summer 2005 and summer 2006, from 19% of gophila.com room night sales to 25% of gophila.com room night sales. (TravelHero)
10. Our destination is truly regional, with 51% of visitors reporting that their trip will include both downtown and suburban locations. (GPTMC Evergreen Survey)

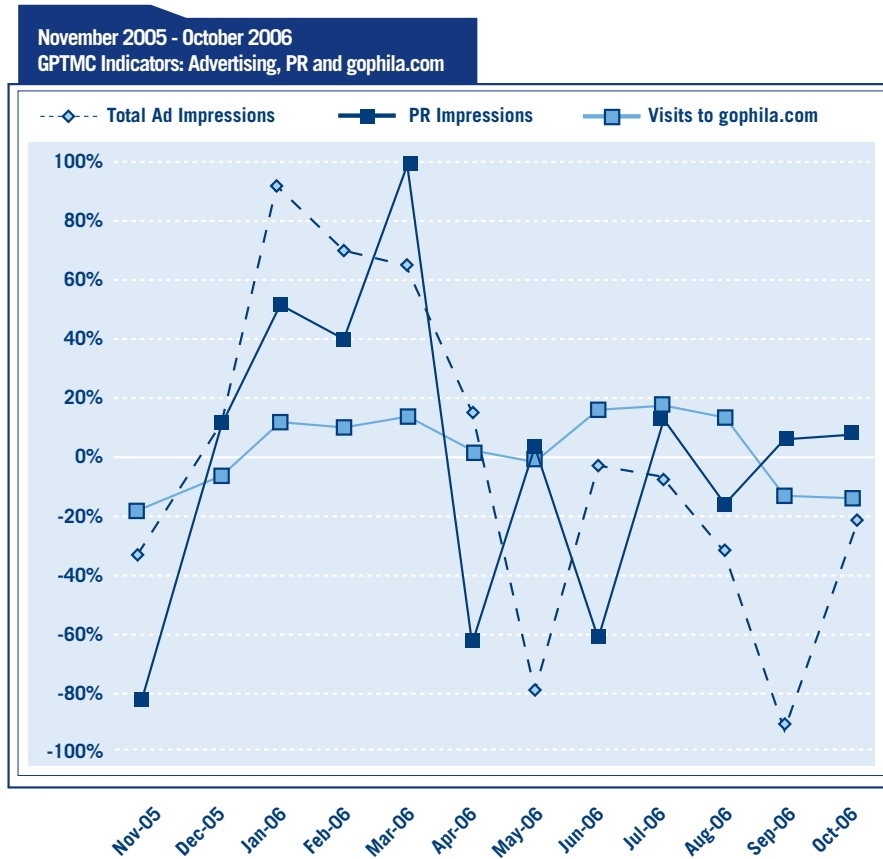
MARKETING DASHBOARD

Just as research guides strategy at GPTMC by gathering consumer data and developing consumer insights, research is also used to track marketing outcomes. GPTMC's marketing departments – Web, tourism, public relations and advertising – meet quarterly to review our [marketing dashboard](#). Dashboards are being used more frequently by marketers to let them know if they are going in the right direction, at the right speed and on a full (or empty) tank of gas.

At GPTMC, some select measures from our marketing dashboard include watching how public relations impressions, advertising impressions and gophila.com measures all interact to create an effective marketing program.

Because measures from various departments and sources vary in their order of magnitude (some are measured in the thousands, some in the millions and some in the tens of millions), GPTMC looks at metrics from advertising, public relations and the Web site by watching percent change over time. In other words, if we presented the number of Web visits, ad impressions or PR impressions as absolute numbers we could not show them on the same graph because some are in the millions and some in the tens of millions. Therefore, we calculate each measure against its own yearly average and show percent change from that yearly average for each measure individually. In this way, we show rises and falls in impressions, visits and hotel bookings rather than the absolute number of each on the following graphs.

The graph below shows spikes in both advertising and PR in the winter months when both the winter hotel package and the Ben Franklin celebration began generating a rise in traffic to gophila.com. A second spike appears in early summer 2006 when the Philly: The Musical campaign was introduced, and gophila.com saw an increase in traffic.



Source: MayoSeitz Media, PR Trak and GPTMC

MARKETING DASHBOARD (CONTINUED)

Visits to gophila.com are a good indicator of visitor interest in Philadelphia. Bookings on the site are also a valuable indicator, especially when all of GPTMC's advertising now carries the "book your hotel and plan your visit at gophila.com" call-to-action.

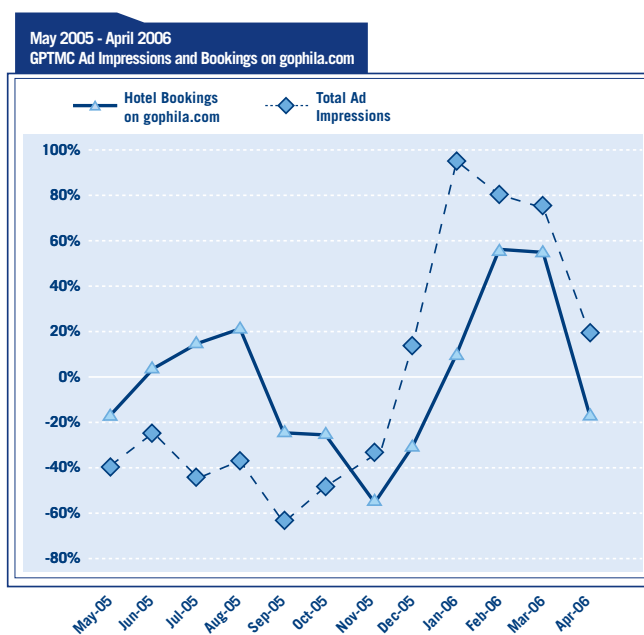
- The graph to the right demonstrates the relationship between GPTMC's advertising campaigns (summer and winter) and bookings on gophila.com.
- As the graph shows, advertising pays off, with bookings on gophila.com rising as advertising impressions rise.

GPTMC uses indicators from gophila.com to understand visitor patterns in booking hotel rooms. Below are the monthly trends for:

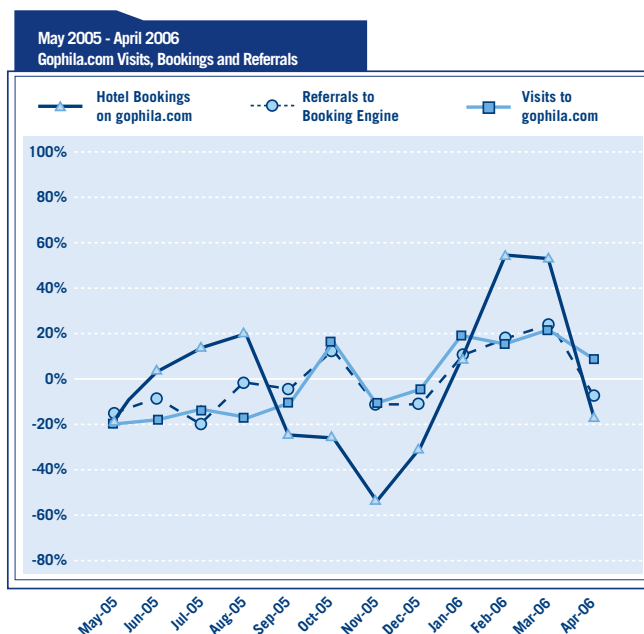
- Total visits to gophila.com
- Hotel bookings on gophila.com
- The number of visitors to the site who shop for hotel rooms, whether or not they purchase

Our figures show that about one in 10 gophila.com visitors enters the booking section of the site. These visitors don't necessarily book on our site, but their interest is in sleeping over, and that 10% conversion rate of a Web site visitor to a hotel shopper is extremely strong.

Bookings vary widely by season and correlate strongly with when our Philly Overnight® Hotel Package is available (re-introduced in February 2006). The popularity of the package with consumers also helps strengthen the brand.



Source: GPTMC and MayoSeitz Media



Source: GPTMC and TravelHero

Note: Each measure is calculated against its own yearly average and expressed as percent change against this average in order to resolve issues of scale and allow measures of different scale to be viewed together.

III. MEASURING THE IMPACT

Measuring the impact of the brand is a challenge all destinations and products face. To understand the value of a brand, think about some that are familiar to all of us:

- YouTube™ recently sold for \$1.6 billion to Google™, based essentially on its brand recognition alone. YouTube generates no profit and accepts no advertising.
- Coca Cola® has a market cap of \$97.9 billion, but their equipment, bricks and mortar value is only \$25 billion. The brand drives the addition of \$73 billion in value.

Increasingly, corporations are arriving at a value for their brand and listing it as an asset on their balance sheets.

Brand value is equally important to destinations. When a destination's brand is strong, it can leverage more value on top of what is produced by visitation and hotel room nights. Strongly branded destinations attract even more visitor amenities and attractions, which further strengthens the brand and the visitor experience.

In a single year, Philadelphia was home to blockbuster exhibitions in three distinct areas:

- Art: *Andrew Wyeth: Memory and Magic* at the Philadelphia Museum of Art
- Science: *Gunther von Hagens' Body Worlds: The Exhibition of Real Human Bodies* at The Franklin Institute
- History: *Benjamin Franklin: In Search of a Better World* at the National Constitution Center

At the same time, entertainment blockbusters like *The Lion King* and Barbra Streisand's tour-opening concert were in town.

The Philadelphia brand is a large part of why these exhibitors and artists chose Philadelphia. Philadelphia is now "the kind of place" where blockbusters want to be. Tourism products make for great trips: nice restaurants, blockbuster events, outdoor assets and historical sites.

Tourism marketing makes great trips possible: If visitors didn't know about it or weren't interested in it, they wouldn't come. Thus, building the brand is directly related to generating tourism revenue. The brand image of the destination generates interest and visits, and that, in turn, generates more tourism products. Together, they increase tourism-generated revenue.

ECONOMIC IMPACT

Data collected on behalf of GPTMC by Global Insight demonstrates just how powerful the tourism business is for the region. For the first time, GPTMC presents an economic impact figure that combines what visitors spend and how many of their dollars stay in our regional economy. This total economic impact figure is a true representation of tourism's contribution to the region's citizens, businesses and government institutions.

- The total spending impact of visitors to the Philadelphia region for 2005 was **\$10.1 billion, a 4.3% increase from 2004**. Direct sales were \$5.79 billion, and those sales generated an additional \$4.29 billion in indirect and induced spending to reach the \$10.1 billion figure.
- **Visitors directly spent \$5.79 billion in the Philadelphia region, primarily on accommodations, food, entertainment, shopping and transportation (once they are here).**
 - **Of the \$5.79 billion spent by visitors in Philadelphia, 52%, or \$3.0 billion, is directly retained by the region's businesses.** That is, once the purchases of materials, supplies and services by local tourism providers from outside the five-county region are subtracted, the net added value to the Philadelphia regional economy is \$3.0 billion. For instance, our hotels buy products and services from within the five-county region (like produce and linen services for their restaurants, cleaning supplies and service staff for their hotel rooms). **This retention percentage is much higher than average and can be attributed to the enviable diversity of the regional economy.**

ECONOMIC IMPACT (CONTINUED)

- Tourism spending also supports regional jobs. In 2005, **126,986 jobs** were attributable to the industry, resulting in \$3.82 billion in total wages.
- Federal, state and local government combined to collect **\$1.38 billion in taxes** from visitor spending in Philadelphia.

Tourism Economic Impact in the Five-County Region (\$ in billions; jobs in units)

Category	2005	2004	2003
Economic Impact	\$10.08	\$9.66	\$8.99
Direct Visitor Spending	\$5.79	\$5.58	\$5.20
Indirect Spending	\$1.91	\$1.81	\$1.68
Induced Spending	\$2.38	\$2.28	\$2.12
Jobs Supported	126,986	123,742	117,562
Wages Generated	\$3.82	\$3.65	\$3.39
Federal, State and Local Taxes	\$1.38	\$1.35	\$1.29

Source: Global Insight

- This spending is for the entire tourism industry in the region, but leisure is responsible for 60% of all tourism spending impacts. That translates into:
 - \$6.05 billion in direct, indirect and induced spending
 - 76,192 jobs accounting for \$2.29 billion in wages
 - \$828 million in federal, state and local taxes
- Leisure's share of tourism's economic impact has gone up each of the last three years: from 56% in 2003, to 59% in 2004, and 60% in 2005.

Leisure Tourism Impact in the Five-County Region (\$ in billions; jobs in units)

Category	2005	2004	2003
Economic Impact	\$6.05	\$5.70	\$5.03
Jobs Supported	76,192	73,008	65,835
Wages Generated	\$2.29	\$2.15	\$1.90
Federal, State and Local Taxes	\$0.83	\$0.80	\$0.72

Source: Global Insight

HOTEL IMPACT

Doing our part to ensure the health of the hotel industry is central to our mission at GPTMC. 2005 was a successful year for hotels in the Philadelphia region, with occupancy at 70.7% and the average daily rate increasing 8.5% to \$112.17, a figure that has climbed even higher in 2006.

Regional Hotel Supply (Every room occupied every night):	11,415,606 rooms
Regional Hotel Demand (Occupied rooms):	8,071,863 rooms
Regional Market Occupancy:	70.7%
Regional Market Average Daily Rate (ADR):	\$112.17
Regional Market Revenue Per Available Room (RevPAR)*:	\$79.32

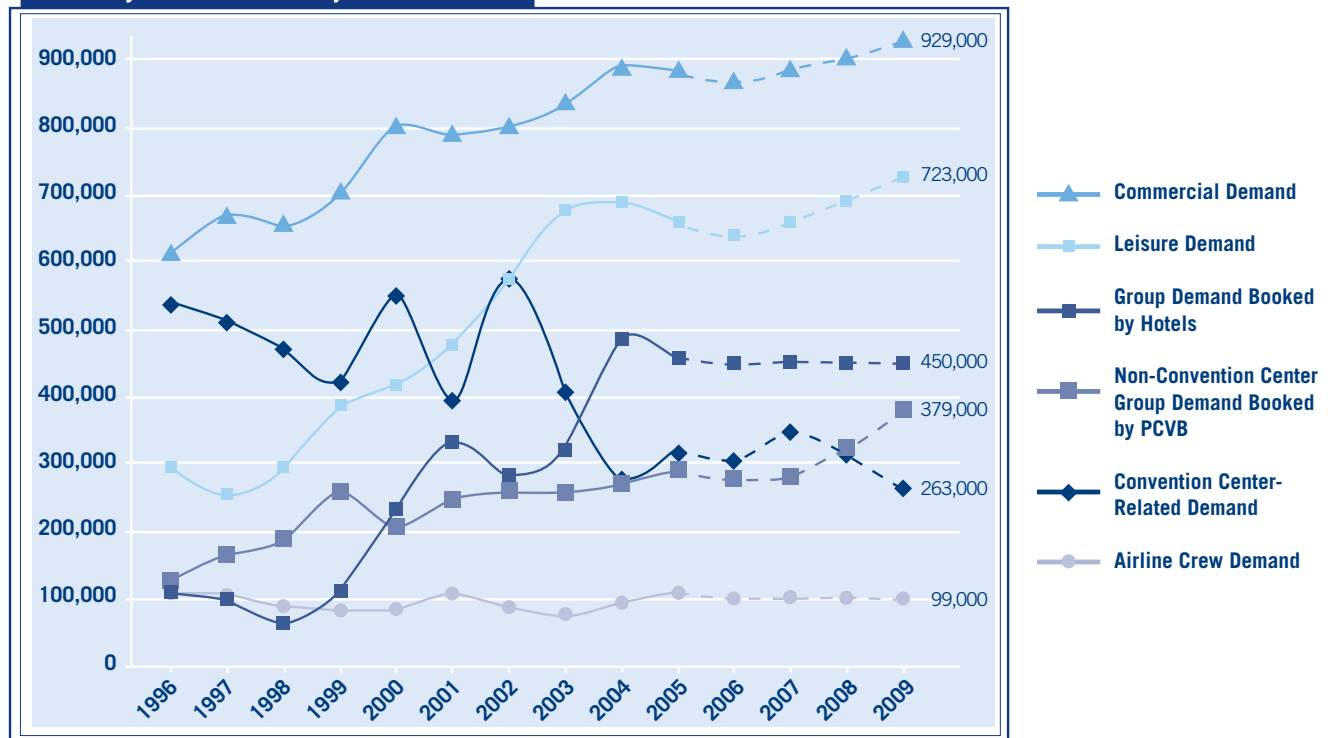
* A measure that multiplies hotel occupancy by average daily rate
Source: Smith Travel Research

It takes all segments of the tourism industry – business, convention, group business, group leisure and individual leisure – to make a healthy hotel industry. To keep hotels busy seven days a week all year long, the region needs to attract business travelers (who tend to come mid-week), leisure travelers (who tend to come on weekends and during the summer) and conventioners (who come periodically in large groups).

As the graph below demonstrates, some segments of the hotel industry are more volatile than others.

- The leisure segment has been growing steadily, thus evening out the volatility associated with convention and group demand.
- Unlike business travel, which is subject to the presence of corporate headquarters and the national economy, leisure travel is more easily influenced by marketing: Business travelers don't decide to stay overnight because the city's more fun when they sleep over, but because their business meetings are here and their budget allows for overnight visits.

Center City Hotel Demand and Projections: 1996-2009



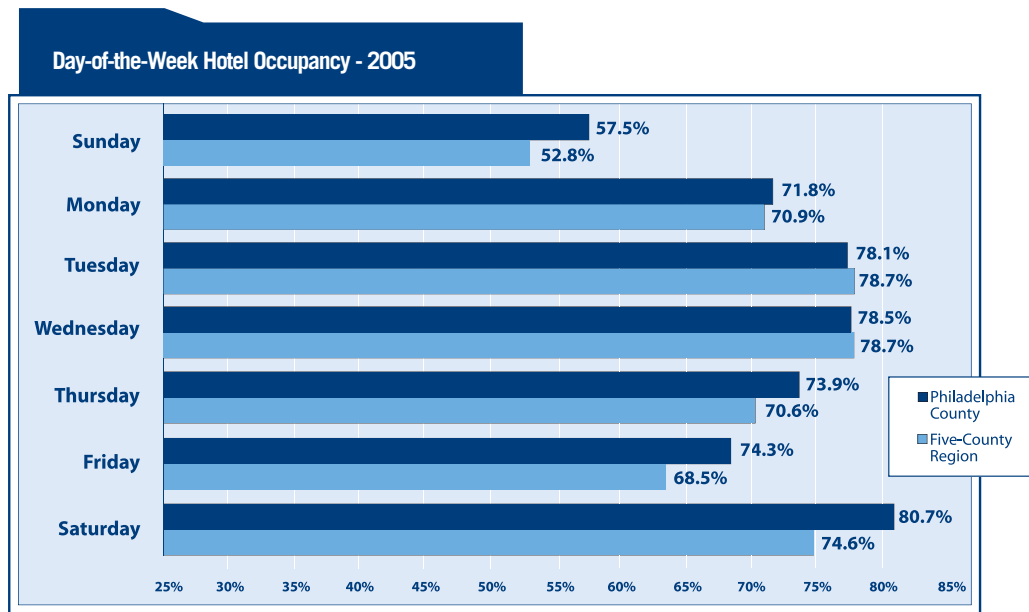
Source: PKF Consulting

HOTEL IMPACT (CONTINUED)

Our weekends were busy in 2005, with Friday hotel occupancy in Philadelphia at 74% and Saturday hotel occupancy in Philadelphia at 81%. The leisure segment continues to grow, with 24% of Center City hotel rooms occupied by leisure travelers in 2005 and 32% of regional hotel rooms occupied by leisure travelers in 2005.

It wasn't always this way:

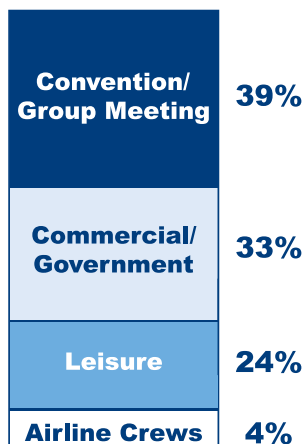
- Tuesdays and Wednesdays used to be the biggest nights for hotels, and now the busiest night of the week in Philadelphia is Saturday night.
- In the 1980s, only 14% of hotel room nights in Center City were occupied by leisure tourists. Now that figure is 24%.



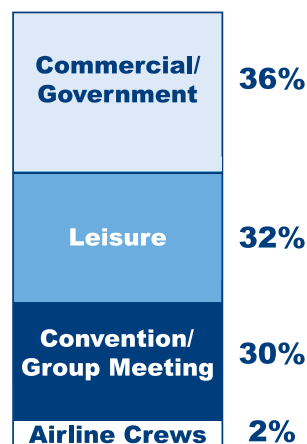
Source: Smith Travel Research

2005 HOTEL MARKET MIXES

**CENTER CITY PHILADELPHIA
HOTEL DEMAND BY
MARKET SEGMENT: 2005**



**FIVE-COUNTY REGION
(BUCKS, CHESTER, DELAWARE,
MONTGOMERY, PHILADELPHIA COUNTIES)
HOTEL DEMAND BY MARKET SEGMENT: 2005**



Source: PKF Consulting

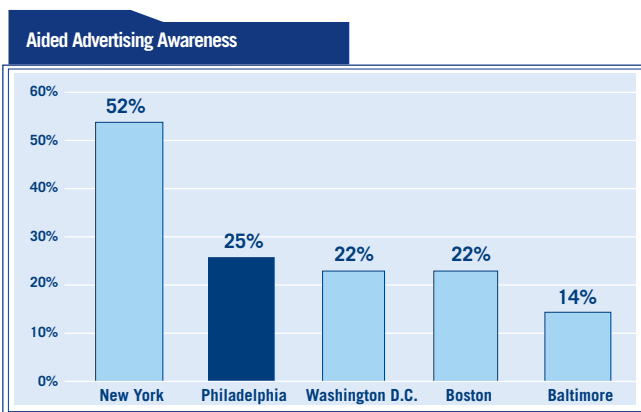
BRAND EQUITY MEASURES

Measuring the value of the brand is difficult in the best of circumstances, but when the brand is a 300-year-old destination that has been a historical icon, an industrial powerhouse, an urban cautionary tale and a reinvigorated destination that *National Geographic Traveler* called the “Next Great City” it is even more difficult to understand brand value.

In 2007, GPTMC will engage in comprehensive brand equity research. Even before this research begins, we have several indicators that we use to judge the strength and appeal of the Philadelphia brand.

In May 2005, TNS research conducted an Internet survey of 616 leisure travelers from the New York, Boston, Washington D.C. and Baltimore DMAs for GPTMC. Questions focused on the travelers’ impressions of Philadelphia compared to other cities. The study placed Philadelphia on firm footing with what we have long considered our competitive set, but also illuminated some challenges in shaping the Philadelphia brand.

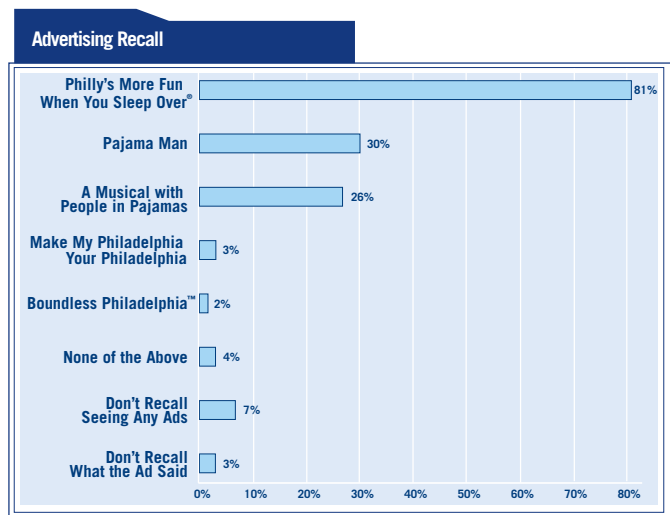
Aided advertising awareness for Philadelphia stacks up well with that for its competitive set, but leaves room for improvement. When asked if they had seen or heard any advertising that mentioned Philadelphia in the past three months, one-quarter of travelers responded affirmatively. Philadelphia ranked higher than Washington, D.C., Boston and Baltimore and trailed only the long-running and successful *I Love NY*® campaign adopted by New York State.



Source: TNS

In the summer of 2006, GPTMC launched the Philly: The Musical ad campaign that reintroduced our pajama man character in a playful musical set throughout the region. In an attempt to build upon our awareness in our target markets, Philly: The Musical launched during the Tony Awards in June 2006, with simultaneous spots in New York, Boston, Philadelphia and Baltimore. The commercial was also uploaded to gophila.com and on video-sharing Web sites such as YouTube™ to increase exposure.

Recognition of the ad, its theme and the tagline “Philly’s More Fun” were all extremely strong following the summer campaign.



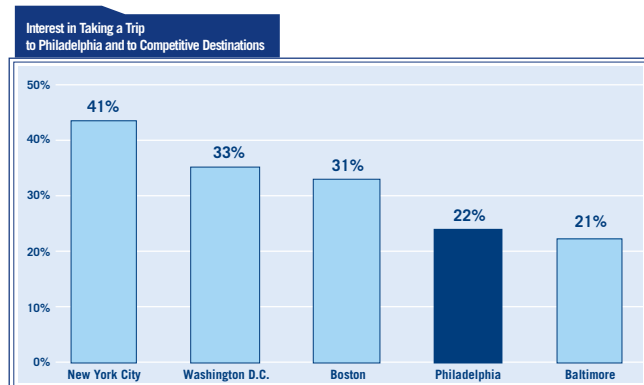
Source: GPTMC Seasonal Hotel Survey, Summer 2006

Advertising measures are relatively strong for Philadelphia as a tourist destination, especially given that the 300-year-old city has only been advertising itself as a tourist destination for the past 10 years. Translating that awareness of the destination from advertising into action – the determination to visit – is another measure of brand strength and one we know we need to improve.

BRAND EQUITY MEASURES (CONTINUED)

Interest in taking a trip to Philadelphia among travelers surveyed in the TNS study lags behind interest in New York, Boston and Washington D.C. In the survey, travelers were asked to rate their interest in visiting a number of city destinations on a scale of 1 to 10, where 1 equates to “have no interest” and 10 equates to “extremely interested.”

- About a fifth of travelers (22%) rated their interest in visiting Philadelphia as high (giving it an 8, 9 or 10). The average overall interest rating for Philadelphia was 4.9, trailing other cities.
- In addition, when asked to name the main visitor activities for each of these cities, travelers identified our historical sites, not the contemporary aspects of our destination (restaurants, art, culture, etc.).



Source: TNS

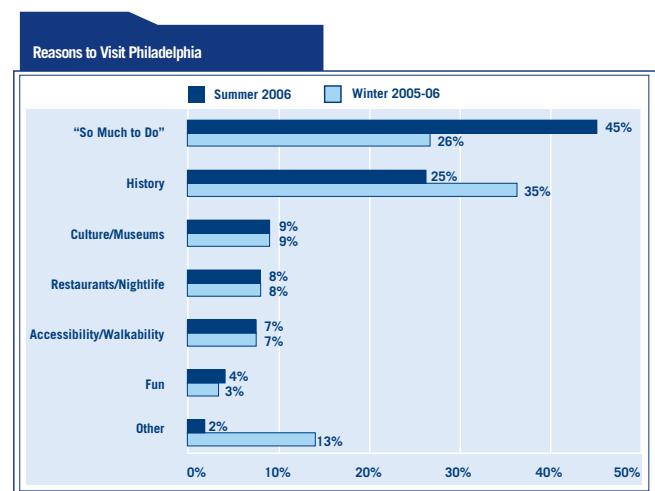
Strengthening the image of the Philadelphia brand means two things:

1. Ensuring that what our destination provides (our brand promise) is perceived and understood by potential visitors
2. Ensuring that the brand promise is exciting and desirable to a large number of travelers

Over the past few years, GPTMC has been aggressively promoting the region as a fun place with “so much to do.” This positioning builds the brand and promotes the message that:

- Visitors can get here easily and can get around easily once they are here.
- Philadelphia welcomes visitors and provides a diverse number of neighborhoods and activities to suit their interests.
- Philadelphia has day and evening activities, historical sites and contemporary attractions.
- There’s so much to do, a visitor will need to sleep over. Research with visitors and potential visitors demonstrated to us that this brand promise was both appealing and perceived to be true of Philadelphia (i.e., something we can live up to).

As we concentrate our marketing messages and marketing vehicles on this 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 this same perception of Philadelphia as those who have visited here already.



Source: GPTMC Seasonal Hotel Surveys

REGIONAL QUALITY OF LIFE

It's impossible to separate metropolitan destinations that are good to visit from those that are good to live in. When a metropolitan destination is attracting lots of tourists, it means:

- Its streets are clean and safe.
- It has good shopping and dining, two of travelers' favorite things to do.
- It has attractions and amenities for everyone to enjoy.

In Philadelphia's case, the relationship between a good tourism environment and a high quality of life for residents is extremely strong.

- Philadelphia can now be considered home to the blockbuster exhibition.
 - As we've mentioned earlier in this report, 2005-2006 brought a trifecta of blockbuster exhibitions to the city, one in history (*Benjamin Franklin: In Search of a Better World*), one in art (*Andrew Wyeth: Memory and Magic*) and one in science (*Body Worlds*).
 - 2007 brings even more with *Tutankhamun and the Golden Age of the Pharaohs*, presented by Mellon Financial Corporation, at The Franklin Institute, and *Renoir Landscapes* at the Philadelphia Museum of Art. In the case of Tut and Renoir, Philadelphia will be visitors' last or only opportunity to see these exhibitions in the United States.
 - Exhibitors need both residents and tourists to make blockbusters viable, and the exhibitions themselves enhance the lives of residents while drawing in more tourists.
- Center City District tracks our downtown dining scene, which is fast becoming one of the nation's best. As its recent report on outdoor cafés notes: "One of the best barometers of Center City's safety and vitality is the willingness of residents, workers and visitors to sit out on the sidewalks of the downtown at outdoor cafes and restaurants enjoying the public life of the city." The report¹ notes that since 2001, there has been an increase of 171% in the number of outdoor dining establishments in Philadelphia's downtown, from 69 to 187.

- Condominium development in our downtown and real estate prices and development in our region are strong and serve as good indicators of our region's vitality. Even the recent national slow-down in building starts and real estate prices has not affected Philadelphia to the same degree as other major cities. A recent article in *The Philadelphia Inquirer* detailing the city's real estate market concluded the following:
 - "In the first six months of 2006, there were 13,167 homes for sale citywide, compared with 8,291 in the same period of 2005. That's an increase of 59 percent. Other cities – Miami, San Diego and Boston – have seen inventories increase by 50 percent and more (Boston's by about 100 percent), with declines in sales of 11 percent to 25 percent, according to data from the National Association of Realtors, while Philadelphia has only seen a slow-down of 4 percent home sales in the first six months of 2005."
 - An *Inquirer* analysis of 23,805 recorded sales above \$10,000 last year put the city's median sale price for all of 2005 at \$120,000. That represented a 32% increase over 2004's median price of \$91,000.²

¹For more information see: Center City District, *State of Center City 2006*, available at www.centercityphila.org

²*The Philadelphia Inquirer*, August 20, 2006

MORE MARKETING MEANS MORE IMPACT

There are both tangible and intangible tourism measures for our region.

- Visitor spending, jobs and tax revenue have all increased dramatically because of our region's tourism industry.
- The image of our destination is enhanced when visitors are coming and having a good time, and this has ripple effects in people choosing to live, work and play in our region, further enriching the environment for everyone.
- Finally, the regional quality of life is improved because tourists support the same amenities that our residents enjoy – restaurants, entertainment venues – and this leads to more of them.

It is not enough, however, to pinpoint the impact that tourism is making on our region. We go further to demonstrate that GPTMC's tourism marketing is helping to drive this impact. By marketing the destination and generating new trips that would not have occurred otherwise, GPTMC's marketing is responsible for substantial economic impact.

An analysis of the impact of GPTMC's tourism marketing for generating economic impact was conducted for GPTMC by Longwoods International, which examined different advertising spending scenarios, and concludes the following:

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 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

Longwoods' analysis involved considering four scenarios for GPTMC:

- A reduced advertising budget (to \$2.4 million)
- A flat advertising budget (\$5.9 million)
- An increased advertising budget (to \$7.9 million)
- An increased advertising budget (to \$9.9 million)

The steps involved in Longwoods' analysis include the following:

1. Longwoods determined how many **incremental trips** are generated as a result of GPTMC's advertising. These are trips that would not otherwise have been taken if GPTMC were not inviting people with relevant and well-placed messages. The norm Longwoods uses for incremental trips generated is based on survey research they do nationally and for GPTMC that connects visitors' trip habits with their exposure to advertising for various destinations. For their analysis for GPTMC, Longwoods determined that **the number of incremental trips generated per media dollar spent on advertising is .81 trips.**
2. Longwoods considers the impact of advertising media expenditures only. Web and public relations are much more difficult to measure in terms of the tourist visits and tourism spending they generate. Thus, this return-on-investment analysis only takes into account GPTMC's media spending, not what it invests in gophila.com or public relations for the region.

- Using data provided by GPTMC regarding average-trip expenditures for visitors (based on D.K. Shifflet survey data of visitors to our region), Longwoods then determined the **visitor spending and attendant taxes generated by the incremental trips GPTMC's advertising caused.**

The projections that appear below outline three impacts from GPTMC's media spending:

- The **incremental visitor spending** generated – that is, the amount of spending generated by visitors who came just because they saw and were influenced by GPTMC advertising.
- The **incremental taxes** generated – that is, the taxes produced for the region and state based on the visitor spending that occurred because GPTMC advertised.
- ROI:** The ratio of taxes generated by advertising to visitors for **every dollar spent on GPTMC advertising.**

The ROI figures below show that impacts increase as advertising investment increases. As we have seen throughout this report, advertising over time builds equity in the brand. Brand equity is worth real dollars and cents. It means that additional advertising dollars work harder and yield more return once a strong brand has already been established.

- This is also why cutting back on advertising spending ends up being incredibly expensive to make up for. For instance, Colorado's visitor spending dropped by \$2 billion in one year after the state's tourism budget was cut. Building back up to that level of visitor spending could not be done by simply replacing Colorado's old tourism budget. Making up the lost ground required a substantially larger budget.

Analysis of Four Advertising Spending Scenarios and Their Related Return on Investment (ROI)

Projected Advertising Budget	Incremental Visitor Spending	Incremental Taxes	ROI
\$2.4 million	\$94 million	\$6.6 million	2.7:1
\$5.9 million	\$482 million	\$33.9 million	5.7:1
\$7.9 million	\$773 million	\$54.3 million	6.9:1
\$9.9 million	\$1.07 billion	\$75.2 million	7.6:1

Source: Longwoods International

IV. IMPLICATIONS FOR THE FUTURE

STRENGTHENING THE PHILADELPHIA BRAND AND STAYING COMPETITIVE

We began this report by discussing the value of a brand identity. Telling people the new Philadelphia story has raised the profile and perception of the city and region, has increased visitation and spending in the region and has elevated Philadelphia to the status of a destination brand. Not all destinations or regions can make this claim, and being able to do so has its privileges:

- A strong brand can withstand fluctuations in price: Our tourism numbers continue to rise even with recent increases in our region's hotel prices and in gas prices.
- We have a loyal visitor base, people who return over and over again and act as “evangelists” for our region.
- Our brand status helps to attract the blockbuster exhibitions that further drive tourism and enhance the brand.
- Buzz is building and has extended beyond media that our public relations department influences. In the *New York Times* alone, for instance, Philadelphia has been featured in live, work and play contexts in three prominent, recent articles:
 - “Philadelphia Story: The Next Borough,” *The New York Times*, Sunday Styles, August 14, 2005
 - “Liberal Arts: How an Emerging Creative Class Is Transforming Philadelphia into a Major Art Destination,” *The New York Times Style Magazine*, Winter 2006
 - “36 Hours: Philadelphia,” *The New York Times*, November 26, 2006

Maintaining a strong brand requires consistent marketing with new messages that reinforce the desirability of the destination.

As other destinations pour more into their promotion and marketing campaigns¹, Greater Philadelphia needs to do even more to stay competitive. Staying competitive means increasing the investment in tourism marketing and establishing sustained funding mechanisms so that campaigns can build equity over time.

GPTMC has generated a brand image for Greater Philadelphia in the minds of consumers, and they have responded by visiting again and again. Ensuring that the tourism industry in the region flourishes – and our regional economy along with it – means bringing in new “customers.” Attracting visitors from new markets is the only way for the economic impact of tourism to continue its steady growth. These new markets may be:

- Geographic: GPTMC began advertising in Boston with the *Salvador Dalí* campaign in 2005, and we have seen hotel reservations from Boston-area residents double since then.
- Demographic: The region has a lot to suit a wide range of demographic groups, including younger people, seniors, African-American travelers, Hispanic visitors and gay travelers. Our research shows that tailored messages work, and we could put out more of them.
- Psychographic: Values, interests and passions cross generational lines, geographic boundaries and ethnic backgrounds. We can target messages to travelers who crave very specific urban and countryside experiences.

¹For instance: New York City: Mayor Bloomberg is providing an increase of \$15 million per year for three years to NYC & Company, New York City's tourism marketing agency; Las Vegas: Reports an annual marketing budget of \$225 million in 2005 (Source: DMAI, 2005 CVB Organizational & Financial Profile); Los Angeles: Reports an annual marketing budget of \$19.7 million in 2005 (Source: DMAI, 2005 CVB Organizational & Financial profile); Miami: Reports an annual marketing budget of \$21 million in 2005 (Source: DMAI, 2005 CVB Organizational & Financial Profile); Montreal: Unveils a new, \$23 million branding campaign in 2006 (Source: www.travel.canoe.ca)

Bringing in these new customers who are crucial to the life of our industry means extending the reach, volume and frequency of our advertising and marketing. Our goals for the future include:

- Capitalizing on the digital explosion, especially the features of social networking and consumer-generated media, which take “word-of-mouth” marketing to a whole new level, and increasing our search engine marketing and paid Internet advertising.
- Reaching geographic markets that we have not been able to talk to at all or to a sufficient degree. Additional airline carriers have been operating successfully in Philadelphia for a few years now, and additional funding for GPTMC advertising would mean the opportunity to invite their particular fly markets to the region.
- Expanding the use of niche marketing. GPTMC’s niche campaigns have demonstrated success: The gay tourism campaign generated \$153 in direct spending for every marketing dollar, higher even than our rate of return for our general campaign, which was \$92 in 2001. Inviting a specific segment (defined by demographics or by trip interest, such as outdoor enthusiasts in our Boundless Philadelphia™ campaign) requires funding for multiple campaigns, but the results – as with the gay campaign – can be even more significant than general messaging.

Current levels of funding permit a strong presence in our now-traditional markets. But growth in tourism requires “recruiting” new visitors who we know frequently become repeat visitors. The region is perfectly poised to realize increased visitation with upcoming exhibitions, the completion of Independence Mall and the planned development of three new downtown hotels. We really are the “Next Great City.” GPTMC’s commitment is to continue to build the Philadelphia brand and the image of the region as a premier destination to draw visitors to experience all there is to see and do.

V. APPENDIX

RESEARCH STUDIES CONDUCTED IN 2005-2006

REPORT TITLE	REPORT SOURCE
1. Visitor Volume and Visitor Profiles for Greater Philadelphia	D.K. Shifflet
2. Economic Impact of Tourism in Greater Philadelphia	Global Insight
3. Hotel Occupancy and Average Daily Rates in Greater Philadelphia's Five Counties	Smith Travel Research
4. Monthly Hospitality Snapshots	PKF Consulting
5. Perceptions of Greater Philadelphia as a Destination	TNS Travel & Transport
6. Greater Philadelphia as an Outdoor Destination	TNS Travel & Transport
7. Impact Study of Benjamin Franklin: In Search of a Better World	Urban Partners/GPTMC
8. Fourth of July in Philadelphia	The Melior Group
9. Tourism Funding Analysis	Longwoods International
10. Seasonal Hotel Visitor Surveys	GPTMC
11. The Hispanic Traveler	GPTMC
12. The Gay Traveler	GPTMC/Community Marketing
13. Focus Group with Summer Hotel Visitors	GPTMC
14. Evergreen Survey on gophila.com	GPTMC
15. GPTMC Marketing Dashboard	GPTMC
16. Facts at Your Fingertips	GPTMC

MANY OF THESE REPORTS AND THE *2006 GREATER PHILADELPHIA TOURISM MONITOR* ARE AVAILABLE AT WWW.GOPHILA.COM/RESEARCH

RESEARCH CONSULTANTS

COMMUNITY MARKETING, INC.

Community Marketing, Inc. has been helping tourism industry leaders master the subtleties of the gay and lesbian market since 1992. They have helped grow gay market recognition through research, media relations and education and have brought marketing opportunities to the world's leading gay-welcoming destinations, suppliers and travel agents.

D.K. SHIFFLET & ASSOCIATES LTD.

D.K. Shifflet & Associates Ltd. (DKS&A) is a privately held corporation specializing in conducting marketing research and providing consulting services to the travel and tourism industry. Established in 1982, the company is located in Falls Church, Virginia, a suburb of Washington D.C. DKS&A has over 30 full-time employees and a professional ratio approaching 1:2. During the past two decades, DKS&A has accumulated extensive travel and tourism research and consulting experience. DKS&A has a large client base, is recognized as the leading travel and tourism research company and has extensive destinations-related research and consulting experience.

ECONSULT CORPORATION

Founded in 1979 in Philadelphia, Pennsylvania, for the purpose of providing high-quality economic research and statistical analysis in support of litigation, Econsult has grown to offer a wide range of management consulting services and products. Econsult combines economic and financial analysis with expertise in litigation and regulatory support, business planning and strategy, state and local public policy analysis and market and demand forecasting. The firm is a recognized leader in the application of economic tools and concepts to complex litigation, public policy and business strategy issues. Over the years, Econsult has distinguished itself in numerous engagements by its dedication to providing clients with leading-edge insights and responsive, top-quality economic and analytic consulting support.

GLOBAL INSIGHT

For nearly 30 years, Global Insight has worked with companies, governments and destinations around the world to size markets, project sales, assess the feasibility

of large investments and quantify the potential impact of regulatory and policy changes. Global Insight is D.K. Shifflet's (see above) partner in producing economic impact reports for destinations. Global Insight provides GPTMC with economic impact data that include visitor spending; leisure visitor spending; job creation from travel and tourism; tax generation from travel and tourism; and direct, indirect and induced impact from travel and tourism and from leisure travel.

LONGWOODS INTERNATIONAL

Longwoods International specializes in advertising research, from strategy development to measuring the incremental bottom-line impacts or return on investment of marketing campaigns. Their experience encompasses many product categories, including automotive, telecommunications, computers, packaged goods, retail, beer and wine, financial services, government services and travel. Unlike most research firms they are a consulting-based organization, and pride themselves on being innovators.

MAYOSEITZ MEDIA

GPTMC relies on its media-buying agency, MayoSeitz Media, to gather the latest in demographic and psychographic data from our key feeder markets. Founded in 1997, MayoSeitz Media has quickly become one of the largest and fastest-growing media agencies in the Mid-Atlantic region. Their mission is to provide the highest level strategically focused media programs to their clients to help them achieve their sales goals.

THE MELIOR GROUP

The Melior Group is a full-service marketing research and consulting firm based in Philadelphia, whose expertise is used by local, regional and state tourism organizations, museums and attractions, hotels and entertainment venues across the country. The depth and breadth of their experience allows them to design research with a clear and deep understanding of both their clients' management needs and the necessary actions based on their results. Founded in 1982, Melior has a staff of 13 full-time consultants who also specialize in working with governments, non-profits, financial services, insurance, healthcare, utilities and technology organizations.

RESEARCH CONSULTANTS (CONTINUED)

OSIRIS GROUP

Osiris Group is a full-service business strategy and communications firm that helps corporations, organizations and causes get noticed. The biggest value they provide their customers is the ability to bring clarity to complexity. Founded in early 2000 by Jeremiah J. White and Heseung Ann Song, Osiris is built around a talented and diverse team of professionals with a wealth of experience in multiple fields, including marketing, resource development, public relations, market research, graphic design, Web site and digital media production, strategic planning and management consulting. Osiris is certified by the City of Philadelphia as a minority- and woman-owned business.

PKF CONSULTING, PETER R. TYSON

Peter R. Tyson, vice president, PKF Consulting, has previously conducted research for GPTMC through his own consultancy, Tyson Hospitality Consulting, LLC. A hotel consultant based in the Philadelphia area for some 30 years, Tyson worked on most of the major hotel projects in the area over that period, consulted for the Greater Philadelphia Hotel Association and the Philadelphia Convention & Visitors Bureau and continues to assist GPTMC. PKF Hospitality Research (PKF-HR) manages an extensive database of hotel property income statements and sale prices. These data provide the foundation for e-business product and custom research relationships with all who have an interest in hotel property financial performance. As the research affiliate of PKF Consulting, PKF Hospitality Research possesses the expertise to analyze data in a variety of ways to best serve customers.

SCARBOROUGH RESEARCH

Scarborough Research was founded in 1975 as a newspaper measurement tool. The company, a joint venture between Arbitron Inc. and VNU Media Measurement & Information, expanded in the early 1990s to include broader media and lifestyle research. Today, Scarborough's core services include 75 local market studies and a national database covering 1,700 categories and brands, including comprehensive retail shopping behaviors, lifestyle characteristics, in-depth consumer demographics and media usage patterns.

SMITH TRAVEL RESEARCH

Smith Travel Research (STR) is the preeminent source of

performance information for the lodging industry. Over the past 20 years, STR has evolved to the point where it collects data from more than 23,000 hotels on a weekly basis while maintaining the total confidentiality of each hotel's information. STR data are universally used and relied upon by hotel owners, operators, lenders, appraisers and publications.

THE STAR GROUP

GPTMC relies on its interactive agency, The Star Group, to stay up-to-date on the latest in online and new media trends. Founded in 1985, The Star Group is dedicated to creating business for clients operating in today's hyper-competitive marketplaces. This inventive agency reaches beyond advertising, employing deep thinking and entrepreneurial spirit to uncover and unleash new business-building ideas.

TNS TRAVEL & TRANSPORT

TNS, traded on the London Stock Exchange, is one of the world's leading market information groups, providing market measurement, analysis and insight through its operating companies in 70 countries. TNS Travel & Transport has longtime experience and expertise in travel research, over 25 years. Being a sector within a larger firm allows for the inclusion of resources not unique to the travel industry while still offering the flexibility and responsiveness of a smaller firm. The Travel research team is recognized as industry experts, and members are frequent speakers at conferences and forums.

URBAN PARTNERS

Urban Partners is a professional consulting firm that advances the economic revitalization of communities. The firm has extensive experience in creating cultural and tourism development strategies for educational and cultural institutions, cultural and historic districts and regional heritage areas and in identifying the financing necessary to implement key elements of these strategies. Urban Partners' work in this area has included overall planning approaches, as well as analysis of the feasibility of specific program components such as recreational facilities, museums, interpretive centers, cultural facilities, artist-oriented amenities, related public infrastructure and supportive retail, residential and hotel development. The firm has also assisted its cultural clients to quantify the impact that their activities have on the regional economy.

RESEARCH DICTIONARY

TRAVEL & HOTEL TERMS:

ADR – Hotel industry term that refers to the “average daily rate” a property charges for a hotel room.

Average Daily Rate – See ADR listing above.

Business Travel – An individual or small group visiting a destination to conduct business, whether it is a sales call, a training session, an interview, a consulting assignment, an audit, etc. This segment includes small groups (fewer than 10 rooms) gathering/traveling for a common business purpose.

Convention Travel – Any group, whether it is a corporation, association, fraternity, etc., requiring 10 hotel rooms or more.

Hotel Demand – The number of hotel rooms occupied during any given period of time (e.g., in 2003, hotel demand was 7.5 million room nights during that particular 365-day period).

Hotel Occupancy – Also referred to as “occupancy,” this refers to the number of hotel rooms occupied out of some total number available – either within a given hotel, group of hotels or a region. Occupancy is always given as a percentage because it represents what portion of hotel rooms are occupied out of the established total number.

Hotel Package – A special hotel offering, including a room-night and at least one other amenity that is usually themed around an event or designed to appeal to a specific market.

Occupancy – See Hotel Occupancy listing above.

Person-trip – One person traveling 50 miles or more away from home or any overnight stay (paid or unpaid).

Revenue Per Available Room – See RevPAR listing below.

RevPAR – A performance metric in the hotel industry, which stands for “revenue per available room.” This figure is typically calculated by multiplying a hotel’s average daily rate (ADR) by its occupancy rate. It may also be calculated by dividing a hotel’s total guestroom revenue by the room count and the number of days in the period being measured.

Room-night – One night occupied in a hotel room (regardless of how many people stay in the room).

Special Rate – A discounted price for a hotel room. A special rate does not include any special amenities.

Spending:

- **Direct Spending** – What visitors buy/spend during their stay.

- **Indirect Spending** – What businesses spend to operate to accommodate visitors.
- **Induced Spending** – What tourism/hospitality employees spend in their daily lives.

Tourism – The practice of traveling for pleasure; the business of providing tours and services for tourists. This word should only be used to refer to the leisure segment.

Tourist – A person traveling for pleasure/leisure. This word never refers to a business traveler.

Transient – A hotel guest who is not part of a large group (more than 10 rooms) and may be traveling for business or pleasure. Usually used in contrast to convention visitors when describing hotel occupants. (GPTMC prefers not to use this term in our materials.)

Travel – To go from one place to another. When presenting research, this word must be qualified (e.g., leisure travel, convention/business travel). The word “travel” is interchangeable with the word “visit.”

Traveler – Someone here (either overnight or for the day) for business or pleasure. When presenting research, this word must be qualified (e.g., leisure traveler, convention/business traveler). The word “traveler” is interchangeable with the word “visitor.”

Visit – To go to see or spend time in a specific place for leisure or business purposes. When presenting research, this word must be qualified (e.g., leisure visits, convention/business visits). The word “visit” is interchangeable with the word “travel.”

Visitor – Someone here (either overnight or for the day) for leisure or business purposes. When presenting research, this word must be qualified (e.g., leisure visitor, convention/business visitor). The word “visitor” is interchangeable with the word “traveler.”

STATISTICS/RESEARCH TERMS:

Average – The value obtained by adding all the measurements together and dividing the total by the number of measurements. It is also referred to as the “mean.”

Benchmark – Used as a verb (“to benchmark”) or an adjective (“a benchmark study”), this term refers to research that sets a standard that can be measured again in the future. Benchmark studies are typically repeated in subsequent years to see change over time. The term should be reserved for the first time a study is conducted.

Confidence Interval – The confidence interval describes how certain it is that a statistic is true for a total population.

Confidence intervals for survey findings are typically 90%

RESEARCH DICTIONARY (CONTINUED)

or 95%, which means that you can be 90% or 95% certain that the given statistic (plus or minus the given error rate, a term described in detail below) accurately describes the entire population.

Error Rate – The error rate (also called “standard error”) indicates a range of accuracy of a given statistic. It explains how much has to be added to or subtracted from a given statistic in order for that statistic to be true of a given population. For instance, if 40% of 500 people are “very satisfied” with a product and there’s an error rate of +/- 4% associated with a sample size of 500 individuals, it means that somewhere between 44% and 36% of the entire population are “very satisfied.”

Error rates are determined by the size of a random sample in relation to the size of the population. Error rates decline as random sample sizes grow in relation to the population being studied.

Mean – See Average listing above.

Median – The median is the middle measurement in a set of measurements. When offering the median, half of what is being measured will fall below the median and half of what is being measured will be above the median. The median is not the same as the average or mean.

Primary Research – This is research commissioned by a client to answer specific questions and contains information that is not otherwise publicly available. GPTMC’s surveys are an example of primary research.

Qualitative Research – Research that is conducted with a small number of people (under 100) and allows for in-depth conversations and probing follow-up to respondents’ answers. In-depth interviews and focus groups are examples of qualitative research.

Quantitative Research – Research that is conducted with a larger sample of respondents (more than 100), in a standardized format (like a survey or questionnaire) that does not allow for probing follow-up to respondents’ answers.

Sample – A sample is a limited number of individuals from a population, chosen to represent an entire population in a research study.

Secondary Research – This is research that is not client-specific and is publicly available. Examples include U.S. Census Bureau data and Scarborough Research data (used by media-buying agencies to learn about specific markets).

Standard Error – See Error Rate listing above.

Statistically Significant Difference – This is a difference between two measures that cannot be explained by chance alone, but have to be explained by some other factor or hypothesis.

For instance, if 40% of men but 45% of women are “very satisfied” with a product, this difference could be accounted for by chance or because there are real differences between men and women that lead to this difference in opinion. “Significance testing” allows the researcher to determine when a percentage difference between men and women is due to chance and when a percentage difference is due to some other reason. If the difference is larger than chance would predict, it is a statistically significant difference.

MARKETING TERMS:

Designated Market Area – See DMA listing below.

DMA – Nielsen Media Research’s “designated market area” codes. This information is used by media companies and others interested in defining market areas for every continental U.S. city. The Philadelphia DMA consists of:

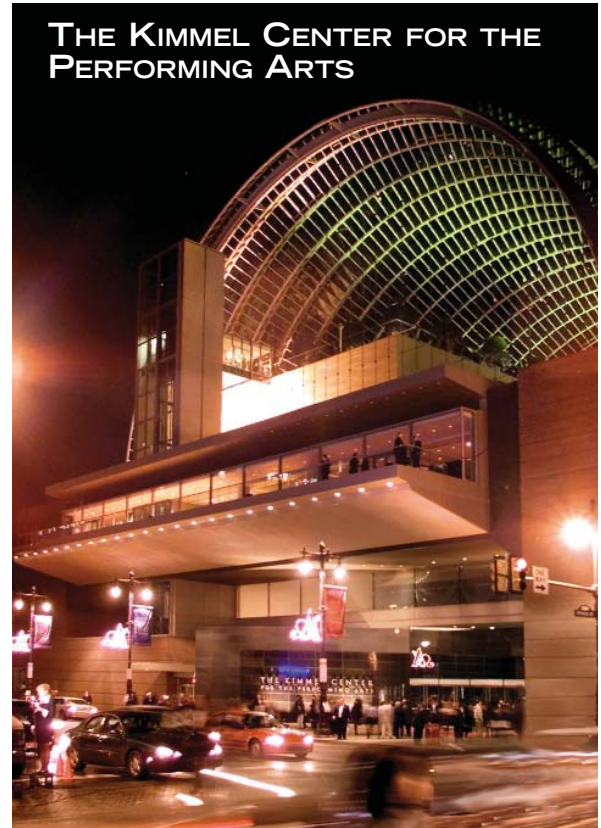
- Pennsylvania – Philadelphia, Delaware, Chester, Montgomery, Bucks, Northampton, Lehigh and Berks counties
- New Jersey – Burlington, Camden, Gloucester, Salem, Cumberland, Atlantic, Cape May and Mercer counties
- Delaware – New Castle and Kent counties

Metropolitan Statistical Area – See MSA listing below.

MSA – Used by the U.S. Census Bureau, the term “metropolitan statistical area,” commonly referred to as MSA, refers to a core, high-population area that is economically and socially connected to the smaller surrounding communities. The Philadelphia-Wilmington-Atlantic City, Pennsylvania-Delaware-New Jersey-Maryland MSA includes Bucks, Chester, Delaware, Montgomery and Philadelphia counties in Pennsylvania; Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland. (The MSA is sometimes called the Consolidated Metropolitan Statistical Area or CMSA.)

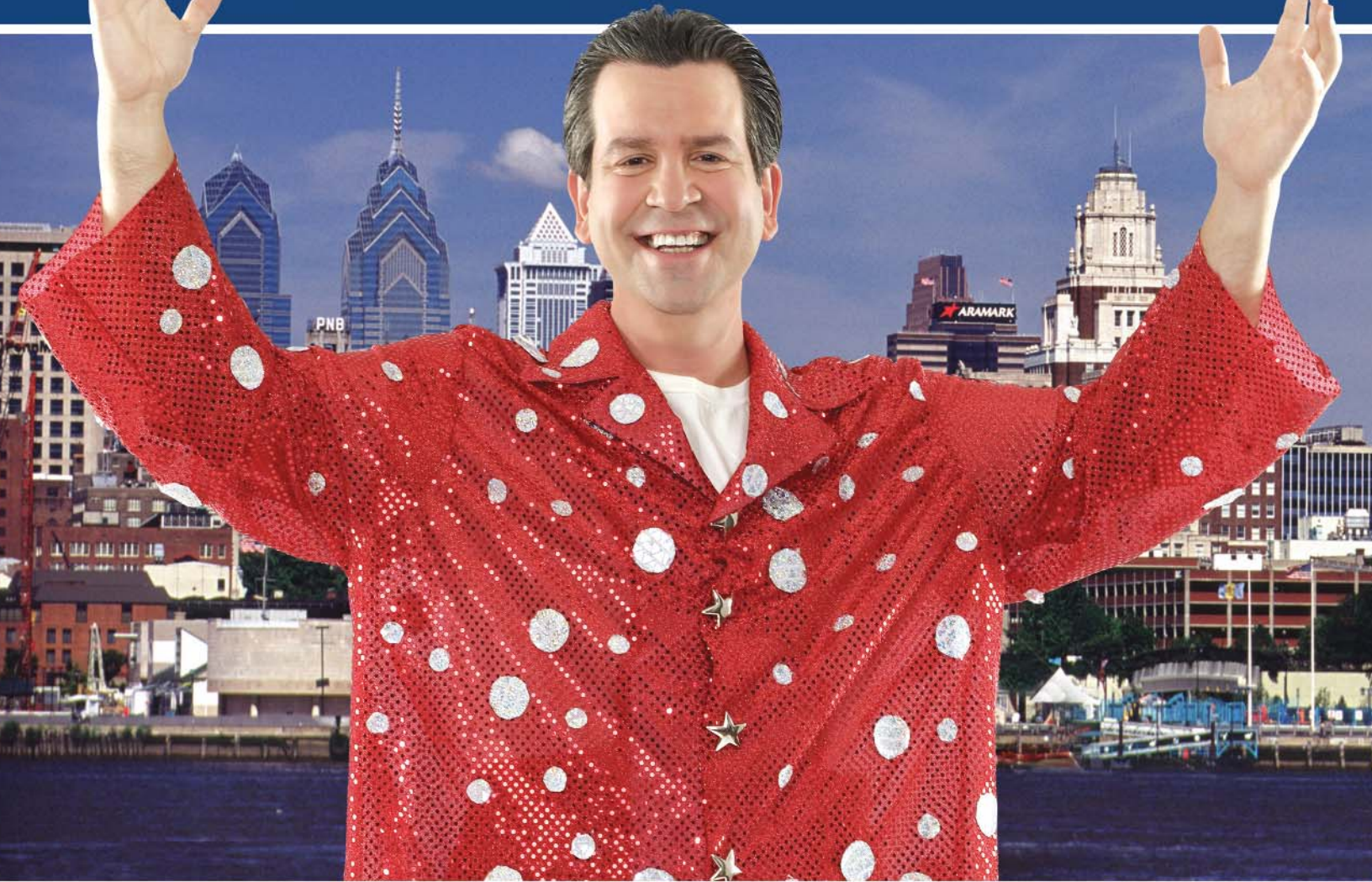
Philadelphia Region – A five-county area consisting of Philadelphia, Bucks, Chester, Delaware and Montgomery counties.

GPTMC IS A PRIVATE,
NON-PROFIT ORGANIZATION
FOUNDED AND FUNDED IN 1996
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).



Photos by B. Krist and G. Widman for GPTMC

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)

gophila.com

