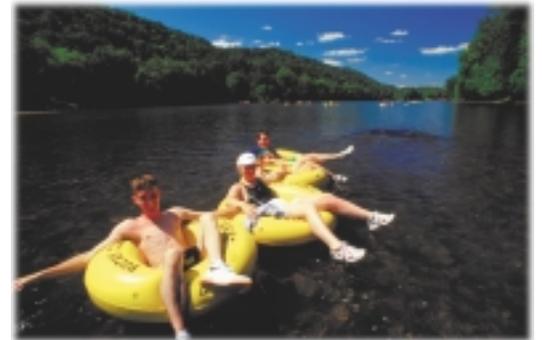
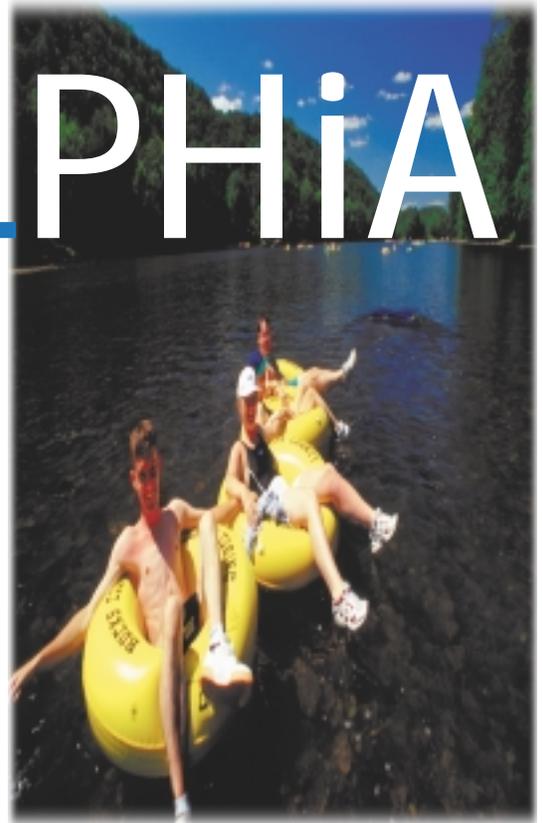


Tourism 2001

A Report to the Industry

by the Greater Philadelphia Tourism Marketing Corporation

PHILADELPHIA



GREATER PHILADELPHIA TOURISM MARKETING CORPORATION MISSION STATEMENT:

Greater Philadelphia Tourism Marketing Corporation, Philadelphia's official regional tourism marketing agency, is a private, non-profit organization dedicated to building the region's economy and positive image through tourism and destination marketing. "Philadelphia" refers to the five-county region of Bucks, Chester, Delaware, Montgomery and Philadelphia counties.

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*The work of the Greater Philadelphia Tourism
 Marketing Corporation is made possible by:*

City of Philadelphia, Mayor John F. Street

The Commonwealth of Pennsylvania, Governor Tom Ridge

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Pennsylvania Convention Center Authority

Greater Philadelphia Hotel Association

Pennsylvania Economy League

Greater Philadelphia Chamber of Commerce

Independence Visitor Center Corporation

Greater Philadelphia Cultural Alliance

Multicultural Affairs Congress

And special thanks to the hundreds of organizations who
 partner with us throughout the region

Tourism Marketing Works for Philadelphia

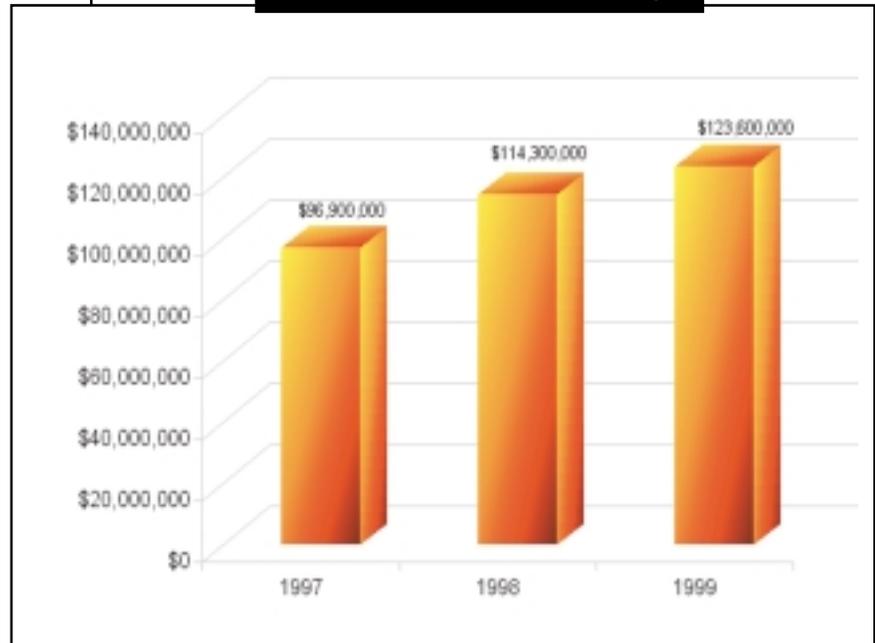
Campaign drives \$335 million in visitor spending

During the period from 1997-1999, GPTMC's television and magazine advertising drove at least \$335 million in visitor spending. The ads ran on television in New York and in northeast U.S. markets. The cost of the advertising for which results were measured totaled about \$5.2 million, and produced over 3.2 million visits to Philadelphia. GPTMC President and CEO Meryl Levitz expressed her pleasure in the results. "Everybody worked hard to get here," she said, "and this is only the beginning." Levitz pointed out that the scientifically measured portion of the GPTMC tourism promotion program represented only about 25% of what the organization does. "We are proud of what we can measure, but we also know that there is value in what we cannot," she explained.

"This is very sophisticated research," said Bill Siegel of Longwoods International, the company that conducted the study. "We work from a large national panel (200,000 people surveyed each year for the last three years). We survey a random sample of travelers, we ascertain which ones did and which did not see the advertising being tested, and we measure their travel behavior. Only extra visits from those who saw advertising, above and beyond what other travelers did, is counted as a result of the campaign. We have used this methodology in many destinations, and it does not always produce good news," he explained. "Sometimes the research tells us that a destination is on the wrong track."

Siegel called the Philadelphia three year campaign results "strong," pointing out that visitors spent over \$65 in Philadelphia for every one dollar in advertising. He also pointed out that campaign efficiency and the resulting visitor spending have risen each year of the three year period, to almost \$80 per visitor in 1999. "Everything is going in the right direction," he said. "This is what successful tourism marketing looks like."

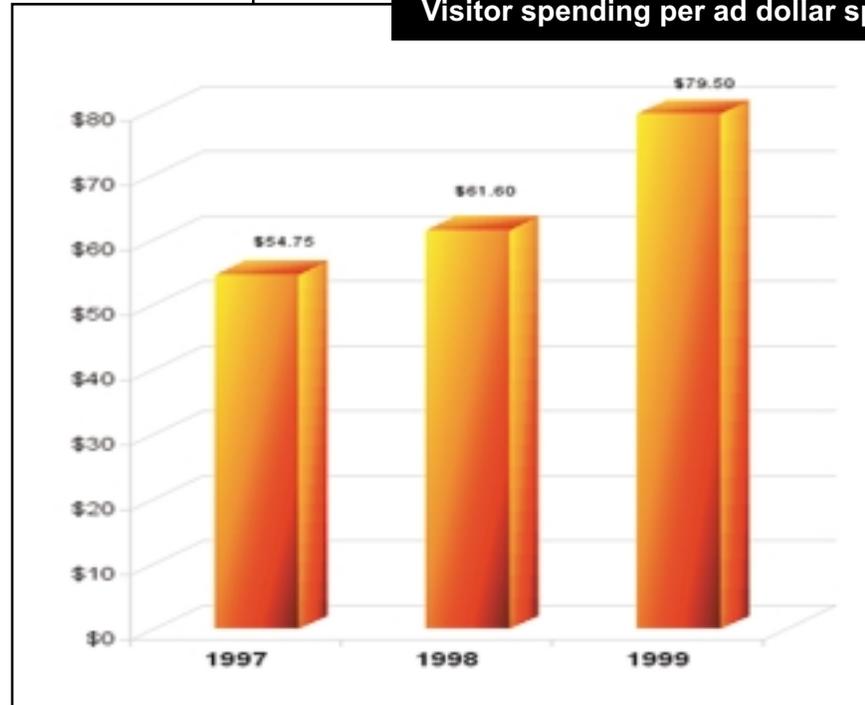
Ad-driven visitor spending



"Everything is going in the right direction. This is what successful tourism marketing looks like."

- Bill Siegel, Longwoods International

Visitor spending per ad dollar spent



To Know Philadelphia is to Love Philadelphia

Visitors have a More Favorable Image of the Region

The more visitors know about Philadelphia, the more they like the destination. Those who have been here rate the region more highly than those who have not. And that is the challenge of marketing Philadelphia: we have to get the word out.

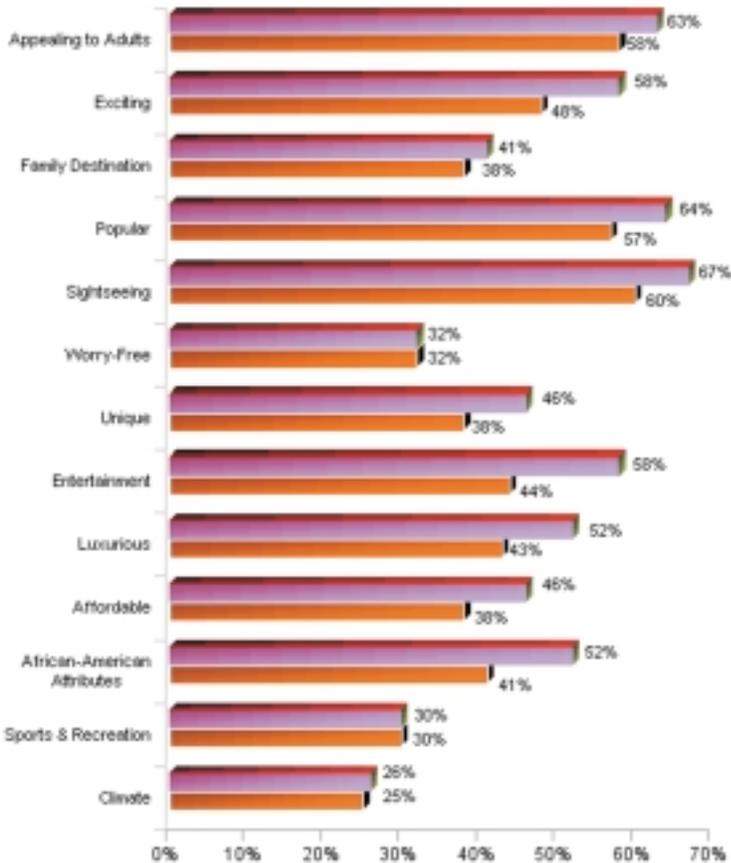
“The positive experience of visitors proves that Philadelphia has everything it needs to provide an exciting vacation,” says Longwoods research analyst Louise Jobba. “But the image out there in the marketplace does not yet match the reality.” The job Philadelphia began in 1997 was to build awareness of the five-county region as a place to visit, and to build a positive image of what visitors might experience when they come to Philadelphia.

“The positive change in Philadelphia’s image represents equity in the future.

It is a prediction of future growth and success as well as a measure of past success.”

Gary Esolen, CEO, TravelPlace.com Inc.

If they visit, they like us more



Visitors
Never Visited

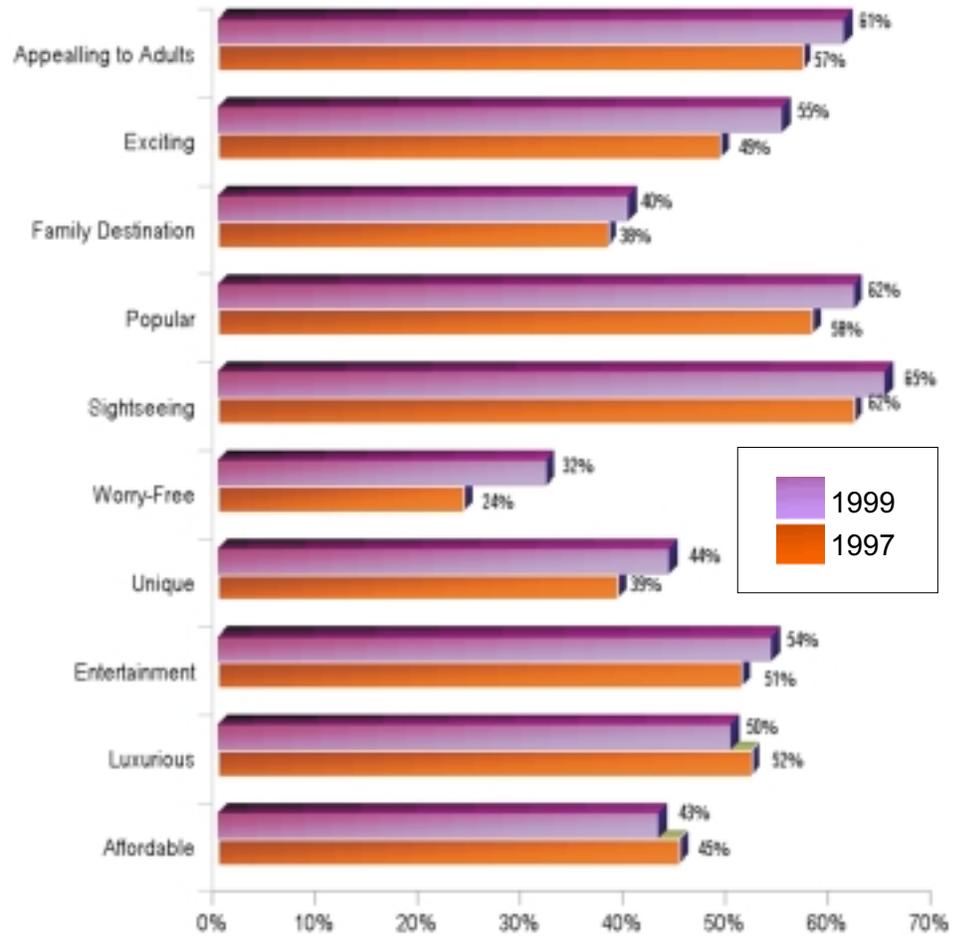
“We are out there telling Philadelphia’s story, we are listening to the response from the marketplace, and we are learning. We’re not where we want to be yet, and we’re not where we will be in another few years, but we have come a long way from where we were when The Pew Charitable Trusts, The City of Philadelphia, The Commonwealth of Pennsylvania and the Greater Philadelphia Hotel Association sounded the alarm calling for Philadelphia to begin marketing itself as a leisure destination, back in 1996.”

- Meryl Levitz, President and CEO
Greater Philadelphia Tourism Marketing Corporation

Ads Reach and Influence Eleven Million

Over eleven million residents of the northeast corridor saw Philadelphia's 1999 advertising, and those who saw the ads had a more favorable image of the five-county Philadelphia region than people who did not see the ads. That is good news: the advertising is working. Even better news is that overall the image of Philadelphia among regional residents has gone up since 1997. Of the top ten attributes travelers seek in the cities they visit, Philadelphia got a boost in eight, including the perception that the city is a good place for adults to visit, that it is exciting, that it is good for families to visit, that it is popular, that it has great sightseeing, that it is a worry-free place to visit, that it is unique, and that it has great entertainment.

The Five-County Region's Image has Improved



The Visitor Market

In the three years 1997-1999, visitors made over 30 million overnight trips to Philadelphia.

GPTMC's primary responsibility is to market to discretionary leisure travelers: people who choose Philadelphia as a place to come for the pleasure of the visit. This segment is considered to be a strong indicator of the future health of a destination, since it represents travelers who made a choice to come to a particular place not because they had business there or because they had relatives there, but because they wanted to be there. This is the segment which is addressed by travel advertising to consumers, and during the three year period 1997-1999 discretionary leisure travel to Philadelphia has risen by twenty percent, from 2.4 million visitors per year to 2.8 million.

The largest group of visitors were people visiting friends and relatives, totaling almost 14 million visits. VFR's, as they are known in the trade, are usually the largest single segment of visitors, and the size of the segment in Philadelphia is typical of the country. They spend less than other visitors, but mostly because they are less likely to stay in hotels (they stay with their friends and relatives instead). They do most of the

other things tourists do: they shop, they visit attractions, they go out for entertainment, and they eat at restaurants.

The third segment of visitors is business travelers: people who come here on day-to-day business as well as those who come for meetings and conventions. This is the second largest segment of visitors, as it is in most large cities. In Philadelphia it accounts for about nine-and-a-half million visits during the three year period 1997-1999.

"Colorado learned the hard way about the importance of cumulative image building. Just two years after Colorado voters rescinded a state tourism tax, the state lost one-third of its market share, costing over \$2 billion annually, and they dropped from first place to 14th in the summer resort category."

Bill Siegel, Longwoods International

Keeping up with Growing Hotel Inventory

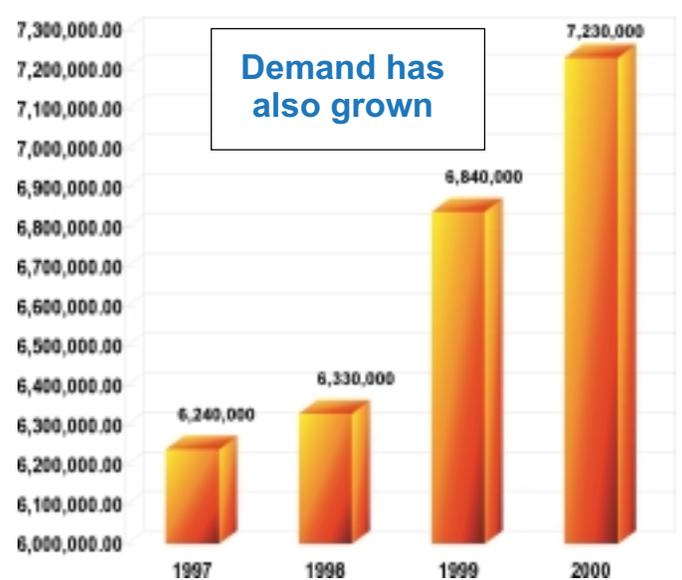
“Some 40 hotels with 6,500 rooms have opened in the five-county area since January 1998. This extraordinary increase in beds will require an extraordinary number of new heads to return occupancy to optimal levels. Fortunately, demand growth has been reasonably strong in the area in recent years and the new rooms should be fully absorbed in the next three years or so if a full recession doesn’t interfere.”

Peter Tyson, Horwath Horizon Hospitality Advisors, LLC

Millions of available room nights



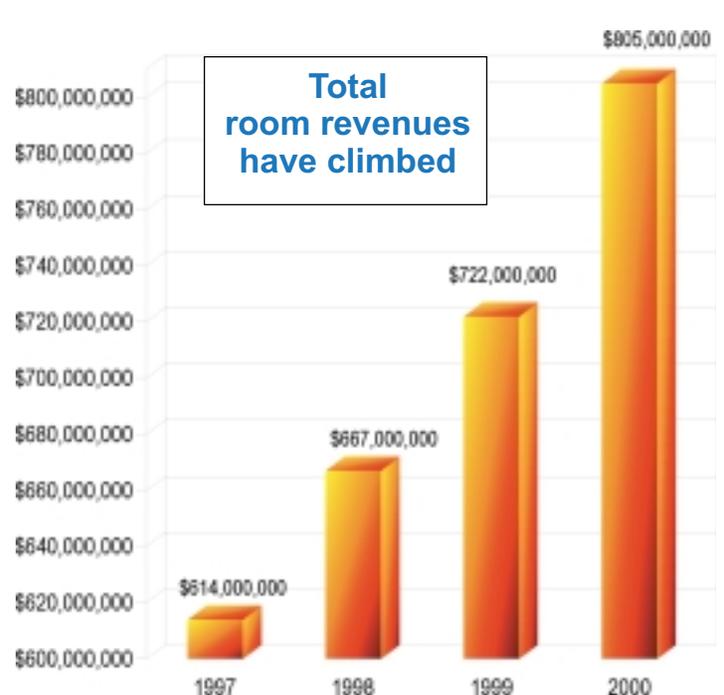
Millions of room nights sold



Average daily room rate in dollars



Room revenues in millions of dollars



All data reflects the five county region.

Public Relations and Co-op Ads Pay Off

Public Relations Drives \$25 million in favorable articles about Philadelphia

Between July of 1999 and the end of December 2000, GPTMC's PR department generated 2,208 editorial placements in print and electronic media, reaching a total of 436 million readers or viewers, with a total advertising value of \$25 million.

"To make that happen," Public Relations Director Paula Butler explains, "we invested significantly in creating content — both words and pictures — to sell the scenic beauty, attractions and events in the region." GPTMC created broadcast quality video b-roll footage and a library of ten thousand photographs and then packaged the visuals with focused editorial content that would appeal to magazine and newspaper editors, as well as television producers. "Our greatest success came with aggressive personal outreach to the press, a very strong visiting journalist program, and outstanding still and moving images," Butler said. "They couldn't resist covering us." All the materials developed by GPTMC's public relations department were also used in preparing advertising and collateral pieces.

GPTMC's PR department has also provided photos to 185 non-media companies to enable them to promote Philadelphia and its attractions and events.

GPTMC, in conjunction with Philadelphia and its Countryside, a program of the five area tourism promotion agencies, joined with a host of area attractions to advertise the region in *AAA World*. The program reached 2.3 million households and generated one of the highest reader responses of any advertisement in the history of the magazine! As a bonus, GPTMC placed a Philadelphia and its Countryside ad in custom trip-planning *Trip Tiks* which are sent to 234,000 AAA members annually who ask for the special maps.

GPTMC worked closely with the Republican National Committee and others to provide services to the Republican National Convention in the summer of 2000. The convention was a spectacular success, and it gave Philadelphia the chance to be front-and-center in the attention of thousands of journalists and producers for print and electronic media. It was an opportunity for the city to gain exposure to millions of potential leisure visitors as well as to meeting planners. GPTMC developed 20 self-guided walking and trolley tours of Philadelphia for convention delegates and media, and carried out an ongoing feedback program measuring the "Loves You Back" index of delegate satisfaction. Bottom line: they loved Philadelphia.



GPTMC Target Marketing Programs

Web Site draws over a million visits

People visited the www.gophila.com web site almost one million times between October 1999 and October 2000, and usage is still rising.

Hotel bookings for Philadelphia hotels on Travelocity, where GPTMC advertises, have risen from 2,136 in 1999 to 11,386 in 2000, lifting Philadelphia's ranking from 20th to 14th among all Travelocity destinations in 2000.

In 2001, www.gophila.com will offer direct hotel bookings through a partnership with WorldRes, one of the leading providers of internet hotel booking services.

The www.gophila.com web site also generates an email newsletter which goes to site visitors who have signed up to get regular updates about Philadelphia. Almost ten thousand people a month get this personalized newsletter, which highlights current events and special offers.

“Tourism marketing gives potential visitors a reason and an inclination to visit; once they're here, it's up to the destination (its hotels, restaurants and attractions) to deliver the experience that will make them want to return.”

Mickey Rowley, Executive Director,
Greater Philadelphia Hotel Association

Increasing Campus Visits

In 2000, GPTMC launched Campus Visit Philadelphia, a three-year effort to attract students and faculty to area colleges and encourage them to remain. The program is cooperative with efforts by the City of Philadelphia, the Commonwealth of Pennsylvania, and area colleges and universities. The initiative includes use of a web site, www.onebigcampus.com, a toll-free number for hotel bookings and information, and a magazine, Campus Visit Philadelphia.

Reaching the African-American Market

The Philadelphia destination ranks higher than the US norm for visits by African-Americans, and GPTMC has an ongoing program to reach out to those visitors. In addition to general market advertising, GPTMC advertises in African-American focused magazines such as Sojourner, Pathfinders, American Visions, Black Entertainment, and Essence. Advertising funds have been provided, through GPTMC's grant program, to the Freedom Theatre, African-American Women on Tour, African-American Cultural Expo, the African-American Museum in Philadelphia, and the Multicultural Affairs Congress/Philadelphia Convention and Visitors Bureau.



Highlights of Grant Projects Funded in 2001

GPTMC Joins Hands with Cultural Attractions

GPTMC sponsors a number of grants and initiatives carried out cooperatively with others in the market to build infrastructure, enhance the image of the region as a cultural destination, and to serve as the basis for the special events newspaper ad program. In Fiscal Year 2001 the following Cultural Cooperative Program grants have been made.

BLOCKBUSTER PROJECTS

- **The Regional Performing Arts Center, Philadelphia:** \$50,000 to promote the grand opening of the Kimmel Center for the Performing Arts in December 2001 and to market related hotel/performance packages.
- **Atlantic 10 Conference, Philadelphia:** \$24,000 to market hotel packages in conjunction with the Men's and Women's Atlantic 10 basketball Championships, which were held in Philadelphia in March 2001.

ITINERARY-BASED PROJECTS

- **Theatre Alliance of Philadelphia, Philadelphia:** \$26,500 to develop and market hotel packages for Spring 2001 productions at the Arden, Prince, Wilma and other regional theater companies. The project seeks to showcase the vitality of Philadelphia's burgeoning theater scene.
- **Bucks County Conference and Visitors Bureau, Bucks County:** \$25,000 to market Bucks County attractions through 'More to See, More to Do,' a promotional program that offers visitors discounts at numerous Bucks County destinations.
- **Delaware County's Brandywine Conference and Visitors Bureau, Delaware County:** \$25,000 to market Delaware County attractions through 'Charge through the Countryside,' a promotional program that offers visitors discounts at numerous Delaware County attractions.
- **Gardens Collaborative, Philadelphia:** \$25,000 to market 'The World's Largest Garden Party,' a month-long festival of events at 25 member gardens and arboretums to be held May 2001.
- **Mural Arts Program, Philadelphia:** \$10,000 to develop and market a self-guided walking tour of Philadelphia's murals to meet the growing demand for information about the murals and how to access them.

NICHE PROJECTS

- **Freedom Theater, Philadelphia:** \$25,000 to market a cultural weekend package in conjunction with Freedom Theater's world premier of "Sparkle," the film-to-stage adaptation of the classic Warner Brothers film which opened in April 2001.
- **African American Museum in Philadelphia, Philadelphia:** \$25,000 to market an art and history package commemorating the African American Museum's 25th anniversary and the exhibits Contemporary Romanticism and Once We Were Americans: Max Belcher.
- **Multicultural Affairs Congress/Philadelphia Convention and Visitors Bureau, Philadelphia:** \$25,000 toward new marketing initiatives stemming from their strategic plan.
- **Prince Music Theatre, Philadelphia:** \$24,500 to promote a hotel package featuring '3hree,' a program of three one-act musicals, one of which was directed by the renowned director, Harold Prince.

- **The Philadelphia Orchestra, Philadelphia:** \$24,500 to market "A Cultural Weekend with the Philadelphia Orchestra" an overnight package that includes tickets to the Orchestra, Philadelphia Museum of Art and other cultural venues.
- **Philadelphia Fight, Philadelphia:** \$15,000 to market hotel packages promoting the Blue Ball Weekend, an annual benefit event supporting HIV/AIDS research and outreach.
- **Philadelphia Furnishings and Furniture Show, Philadelphia:** \$15,000 to promote the Philadelphia Furnishings and Furniture Show hotel package which provides tickets to the show along with shopping excursions to Old City, Manayunk, and Peddler's Village.
- **Brandywine Conservancy, Chaddsford:** \$6,000 to expand marketing of the N.C. Wyeth House, a National Historic Landmark, located near the Brandywine River Museum.
- **Philadelphia Hospitality, Philadelphia:** \$5,000 to market a hotel package featuring the Philadelphia Antique Show that includes behind-the-scenes gallery tours, personal welcomes in local residences and visits to historical homes.

CULTURAL DISTRICT MARKETING

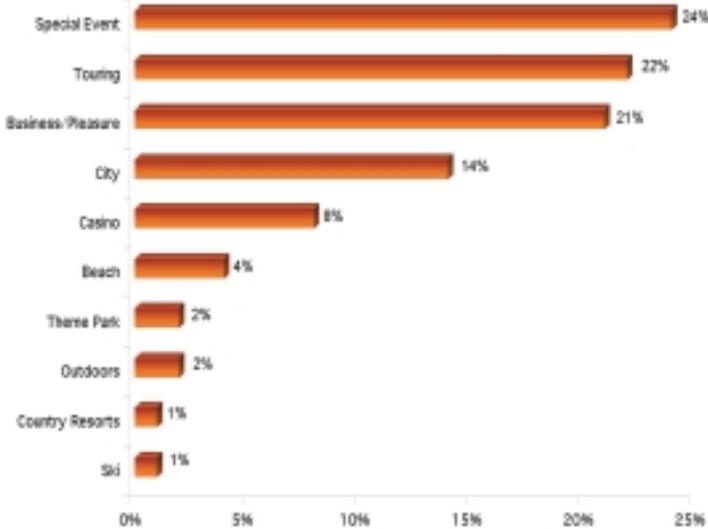
- **Historic Philadelphia, Inc., Philadelphia:** \$20,000 to expand production and distribution of the Historic Philadelphia Gazette, and Stars, Stripes & Savings, two publications that inform visitors of the variety of attractions in the historic district and provide incentives for visitors to venture beyond the Liberty Bell and Independence Hall.
- **South Street Headhouse District, Philadelphia:** \$20,000 to expand efforts to market South Street as a cultural district.
- **Old City Arts Association, Philadelphia:** \$15,000 to market Old City as a vibrant cultural district through expanded publication and distribution of its annual brochure promoting arts and cultural organizations, restaurants and hotels within the district.
- **Foundation for Architecture, Philadelphia:** \$12,000 to market Going Uptown: The Treasures and Visions of North Philadelphia, a series of walking tours highlighting the architectural marvels of North Philadelphia.
- **Free Library of Philadelphia/Parkway First Marketing Council, Philadelphia:** \$5,000 to produce and distribute a brochure highlighting six cultural institutions located on the Benjamin Franklin Parkway.

PLANNING GRANTS

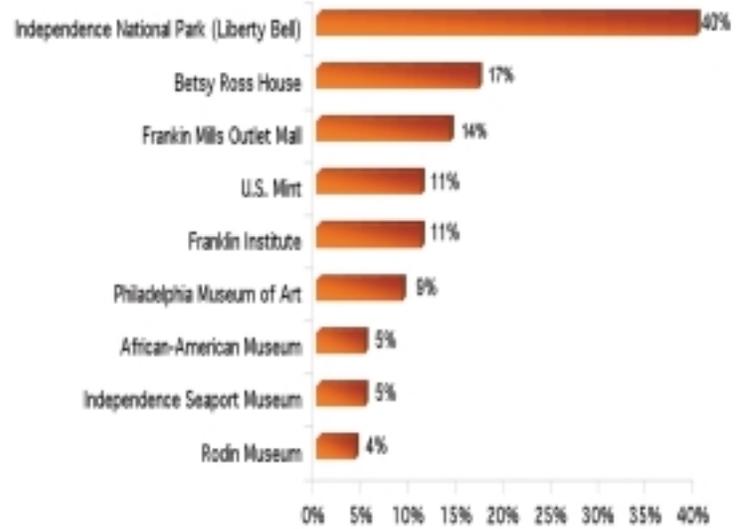
- **Pennsbury Society/Tri-State Coalition of Historic Places:** \$18,000 toward the Heritage Website Development Project designed to market more than 80 historic sites representing four centuries of history to regional and national audiences.
- **Philadelphia Chinatown Development Corporation, Philadelphia:** \$15,000 to develop and market a pilot heritage tour of Chinatown.
- **Asociacion de Musicos Latino Americanos, Philadelphia:** \$12,000 toward the development of a plan to create a Latino cultural district along Fifth Street in conjunction with cultural facilities projects planned for that area.

Overnight Visitors: Why They Came and What They Did

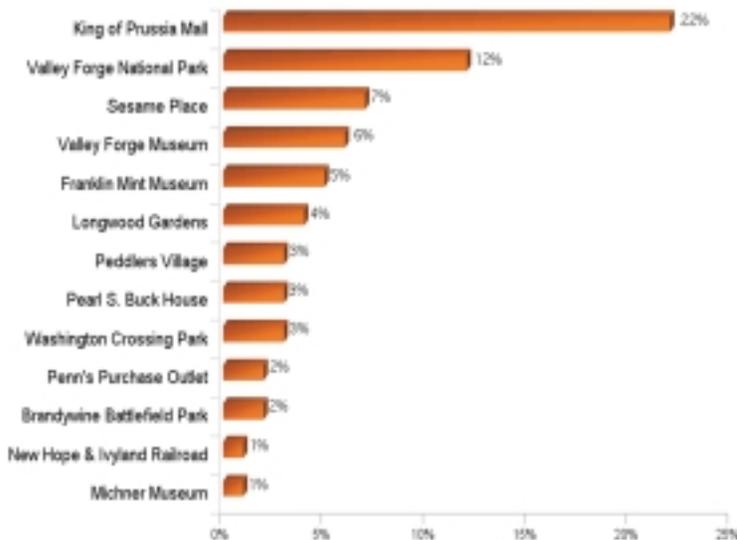
Main Purpose of Discretionary Leisure Trips (1999)



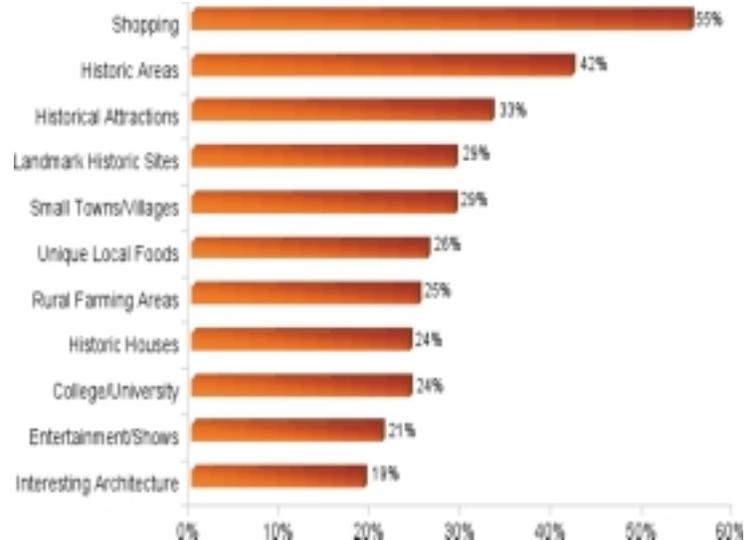
City of Philadelphia Attractions Seen or Visited (1999)



Bucks, Chester, Delaware and Montgomery Counties Attractions Seen or Visited (1999)



Leading Five-County Philadelphia Area Trip Experiences and Activities (1999)



A Letter from GPTMC's President and CEO

Meryl Levitz Describes the Challenges that Lie Ahead

Our job here at the Greater Philadelphia Tourism Marketing Corporation is to help develop the area economy—jobs, sales, and taxes—by bringing more overnight visitors to Philadelphia. It turns out, of course, that doing that job involves bigger and deeper questions about the urban region and its character, its attractiveness to residents and to industry as well as to visitors. It turns out that we are in the business of understanding, developing, and promoting Philadelphia.

What is an urban destination, and how do you bring people to it? We began by doing market research, and we found that Philadelphia's chief appeal, to travelers, is history. But the history to be found in Philadelphia, with the possible exception of the Liberty Bell and Independence Hall, did not stand out in the minds of travelers from all the other experiences of history to be found up and down the East Coast. As a historical destination, we were playing second fiddle.

Missing from travelers' image was the vitality and excitement that we residents know and love, and the rich culture of our city and region, which we know is a major virtue in our product. Where in the travelers' minds were the amazing architecture and the great restaurants? Where were Rittenhouse Square and Jewelers' Row? Where was the assertive ethnic pride that we admire when the Polish String Band marches in the Mummer's Parade, or when we visit the Italian Market? Where was the grand eccentricity of Mercer Museum and Fonthill, or the great Brandywine River Museum or African American Museum of Philadelphia? Where were the arts, the galleries of Old City, the Barnes Foundation, the Philadelphia Museum of Art, the Philadelphia Orchestra and the area's theatres and dance companies? We knew where they were not: they were not in the minds of potential travelers. We did not stand out from the competition.

Our first marketing campaigns were designed to break through the competitive clutter and draw attention to Philadelphia. To do that, we used the classic marketing technique of "borrowed interest." We used some of the wonderful celebrities who love Philadelphia: Bill Cosby, Dr. J, Oprah Winfrey, Nicole Miller, Ken Burns, Kevin Bacon. They donated their services and told their stories of this region, and we wove them into television spots with beautiful images of the destination. The message was simple: these sophisticated, smart celebrities have fallen in love with the Philadelphia region; you might love it too.

In this year's campaign, we have shifted to a more direct appeal to the attractiveness of the destination—no longer leaning on celebrities to attract attention. The region's im-

age has improved enough that we are ready to tell a deeper story now.

Here at GPTMC, we sometimes find ourselves talking about the Soul of Philadelphia. We want visitors to know about the real character of this unique urban region. We found out quickly that in one sense the Philadelphia destination sells itself to people who come here and find what there is to experience. They come, they see, we conquer. We do not have a product problem, we have a problem with perception. The Philadelphia region is every bit as wonderful as those of us who love the city have always thought. We just have to get people to come here and find out for themselves. And that has been the focus of all of our marketing efforts: build up experience, get good word-of-mouth going, influence opinion-makers, and build equity. And, as our three years of research and the increasing number of hotel room nights sold show, it is working.

The next step will be to explore more deeply the rich character of our region: its images, its stories, its soul. We will work, over the next couple of years, to enrich our already strong library of photographs and video, and to collect some of the stories that reveal the soul of this unique place.

We will explore the way this place has been shaped by its geography, its history, its arts and culture. We will try to integrate our understanding of the real identity of Philadelphia with the process of telling others the story of our region, of why they should come here and what they will experience when they do.

We are committed to providing better information and marketing materials for all the hundreds of arts and cultural attractions throughout the region. One step at a time, we are going to get even better at telling people in the northeast United States, around the country, and around the world why they should come to Philadelphia and see for themselves that this region is one of the world's great urban destinations.

The future of tourism for this region is strong. The approach of working together as a five-county region gives us a destination which is accessible, affordable, and incredible.

As we reach deeper into the powerful imagery that defines Philadelphia, we will also be ever more specific and event oriented: we will continue to invite visitors to come for particular experiences. We will do so, as we always have, in partnerships with the attractions in the region. We know our visitors will love us, and we will love them back.



As the official research arm for area tourism agencies, GPTMC maintains a library of research, including:

Travel USA Monitor (a survey of two hundred thousand US travelers to determine their travel behavior and attitudes, available for 1997, 1998, and 1999) and Philadelphia Overnight Visitor Study (a detailed follow-up of Philadelphia visitors, available for 1997, 1998, and 1999)

Image and Accountability Study (measures return on investment for selected advertising campaigns, and the image of Philadelphia among consumers in nearby markets, available for 1997, 1998, and 1999)

Special Reports on African American Travel, Northeast Touring Vacations, and Hotel Packages (done in 1998)

Advertising Focus Groups testing possible ad messages (done in 2000)

The “Loves You Back” index of attitudes toward Philadelphia among attendees to the Republican National Convention (done during the convention in 2000)

Copies of research and explanations of methodology can be found on the internet at www.gophila.com/research