



TOURISM 2005: REPORT TO THE INDUSTRY PHILADELPHIA AND ITS COUNTRYSIDE™

GPTMC

Greater PHILADELPHIA Tourism Marketing

gophila.com

BUCKS • CHESTER • DELAWARE • MONTGOMERY • PHILADELPHIA COUNTIES

WWW.GOPHILA.COM





TOURISM 2005

TABLE OF CONTENTS

EXECUTIVE MESSAGE	1
THE TOURISM MARKETING ENVIRONMENT	3
THE BIG PICTURE	5
NEW STRATEGY, NEW POSITION	6
A MARKETING PLAN FOR MOVING FORWARD	7
NICHE MARKETING PROGRAMS	8
THE HOTEL STORY	13
ADVERTISING	16
PUBLIC RELATIONS	23
WWW.GOPHILA.COM	25
RESEARCH	26

THANKS, WE COULDN'T DO IT WITHOUT YOU

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2005 EXECUTIVE MESSAGE

The idea of alliances is not new to GPTMC. We were founded on the principle that regional marketing of the five counties (Bucks, Chester, Delaware, Montgomery and Philadelphia) helps us all. Every market we address involves an alliance with one or more tourism bureaus, hotels, arts and culture organizations, retail establishments, restaurants, event organizers and media partners on a city, state and national level.

These days, alliances are particularly important because our product—Philadelphia and Its Countryside™—is now in a different league. We are no longer considered a “value” destination, but a “quality” destination that offers the gold standard of travel—that is, “so much to do.” Today’s visitors arrive believing in the breadth and quality of the region’s offerings. And research has told us that while history is a large part of our appeal, it is but one significant component of a fulfilling vacation experience here.

GPTMC creates strategic alliances that strengthen our marketing muscle. To this end, the **Philly’s More Fun Alliance** was formed at the request of Governor Rendell and Mayor Street. The Alliance is made up of 50 individual leaders from area corporations, government, arts and cultural organizations, as well as the hospitality industry itself. The goal is to provide GPTMC with a sounding board of allied regional representatives who will enable us to test and enrich emerging concepts in four areas—marketing, programming, the Web and tracking—against timely opportunities we can build on.

Examples include *Once Upon A Nation* (beginning Memorial Day weekend 2005), *Ben Franklin 300 Philadelphia* and *Benjamin Franklin: In Search of a Better World* at the **National Constitution Center** (beginning December 15, 2005) and *Andrew Wyeth: Memory and Magic*, on view at the **Philadelphia Museum of Art** in April 2006.

Our list of alliances will grow, and the world of marketing will evolve. That’s where flexibility comes in. By being agile, open to new ideas and creative in our thinking, we can adjust as markets change or grow. And, because we clearly understand how the Web has altered travel for consumers, our redesigned and rebuilt Web site, **www.gophila.com**, will continue to play a huge role in the work we do.

With the many alliances we’ve developed—we thank our Board of Directors for so many of them—GPTMC will continue to promote Philadelphia and Its Countryside™ as a uniquely vibrant and desirable destination.



MANUEL N. STAMATAKIS
Chairman

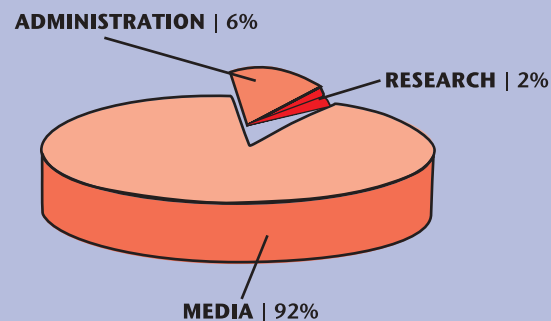


MERYL LEVITZ
President and CEO



LIBERTY BELL CENTER

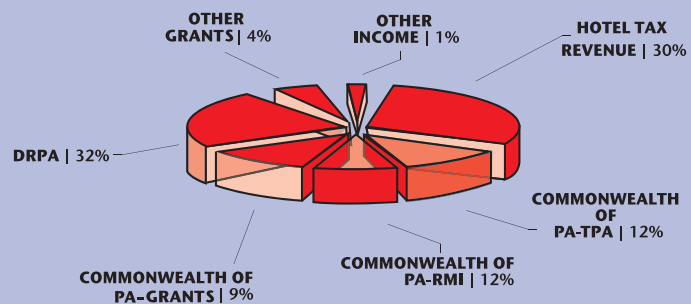
FY 2005 EXPENDITURE ALLOCATIONS



MEDIA:

Advertising	58%
Collateral, Promotions & Fulfillment	6%
Special Hotel Projects	8%
Grants/Cultural Projects	8%
Public Relations	12%

FY 2005 REVENUE SOURCES



PRIMARY FUNDERS:

- * PHILADELPHIA COUNTY HOTEL TAX
- * COMMONWEALTH OF PA
- * DELAWARE RIVER PORT AUTHORITY
- * WILLIAM PENN FOUNDATION

GPTMC'S MISSION STATEMENT

The Greater Philadelphia Tourism Marketing Corporation (GPTMC) builds the region's economy and image through destination marketing to increase the number of visitors, the number of nights they stay and the number of things they do in the five-county area.

PHILLY'S MORE FUN ALLIANCE MEMBERS

- Governor Edward G. Rendell, honorary co-chairman
- Mayor John F. Street, honorary co-chairman
- Manuel N. Stamatakis, chairman
- Meryl Levitz, director

- Hugh Allen, School District of Philadelphia
- Peggy Amsterdam, Greater Philadelphia Cultural Alliance
- Suzanne Biemiller, Chestnut Hill Business Association
- Karen Borski, Fairmount Park Commission
- Kimberly Camp, The Barnes Foundation
- John Chin, Philadelphia Chinatown Development Corp.
- Lou Coffey, Center City Residents' Association
- Danielle Cohn, Philadelphia CVB
- Karen Corbin, The Franklin Institute Science Museum
- Charles Croce, Philadelphia Museum of Art
- Joanne Davidow, Rittenhouse Row Association
- Paul Decker, Valley Forge CVB
- Frances Delmar, Independence National Historical Park
- Karen Dougherty Buchholz, Comcast Corp.
- Gary Fassak, The Philadelphia Zoo
- Jack Ferguson, Philadelphia CVB
- Bill Fitzgerald, Doubletree Hotel Philadelphia
- Hy Goldberg, Jewelers' Row Association
- Steve Grandizio, Friendly Mortgage
- Jon Herrmann, Campus Philly
- Peter Iacovoni, City of Philadelphia
- Amber Jaynes, Urban League of Philadelphia, Inc.

- Jodie Milkman, Penn's Landing Corp.
- Bill Moore, Independence Visitor Center Corp.
- Amy Needle, Historic Philadelphia, Inc.
- Dianah Neff, City of Philadelphia
- Steven Nelson, Montgomery County Commissioners
- Cicely Peterson-Mangum, Mt. Airy USA
- Sharon Pinkenson, Greater Philadelphia Film Office
- Ike Richman, Comcast-Spectacor
- James Roebuck, State Representative
- Judi Rogers, Parkway Council Foundation
- Tania Rorke, Society Hill Civic Association
- Guillermo Salas, Jr., HACE Community Development Corp.
- Dianne Semingson, DLS International, Inc.
- Michelle Shannon, Center City District
- Elizabeth Smith, Select Greater Philadelphia
- Kay Smith, Manayunk Development Corp.
- Tami Sortman, Philadelphia Gay Tourism Caucus
- Oliver St. Clair Franklin, International House Philadelphia
- Marc Stier, West Mt. Airy Neighbors
- Mitch Sussman, Starr Tours
- Kristin Tallman, Citizens Bank Park
- Norman Tissian, Consultant
- Keith Toler, Bucks County CVB
- Andrew Toy, Philadelphia Commercial Corridor Redevelopment Initiative
- Patricia Wilson-Aden, Universal Companies
- Steve Wray, PA Economy League
- Ahmeenah Young, PA Convention Center Authority
- Nancy Zambelli, PENJERDEL Council

OVERVIEW | THE TOURISM MARKETING ENVIRONMENT

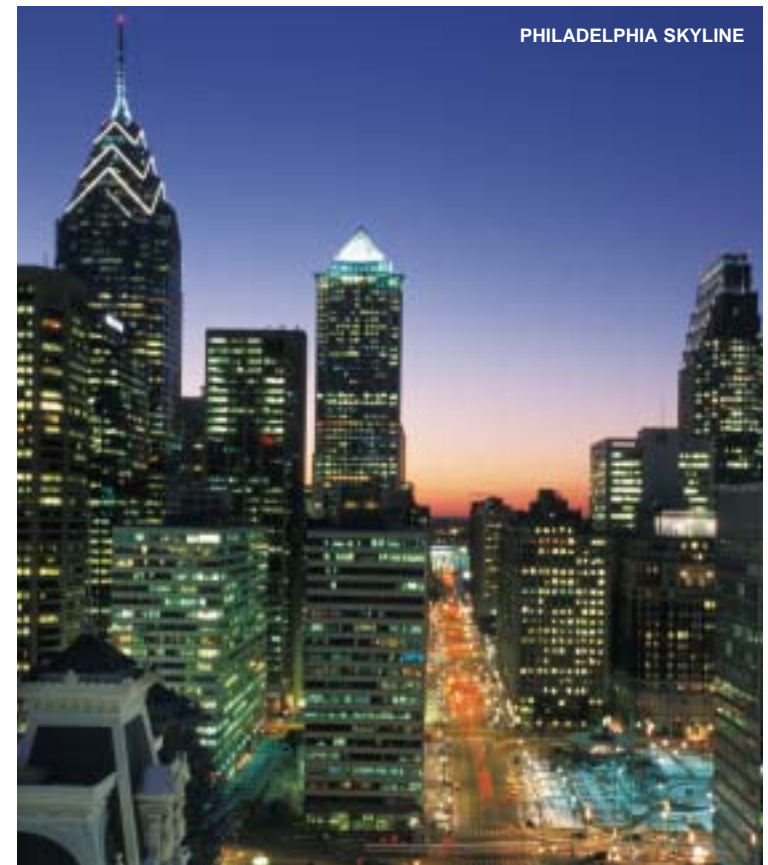
The past year was a good one for tourism. The economy grew 4.4% (gross domestic product), and people continued to travel. Overall, leisure tourism increased 1.2% across the U.S., according to the **Travel Industry Association of America (TIA)**. Overnight leisure visitorship in our region surpassed many others, up 41% between 1998 and 2003. The five-county Philadelphia region continued to demonstrate vibrancy, enhancing the visitor experience with new restaurants and shops and a high level of cultural offerings. And, consistent tourism marketing over the past eight years continued to build equity in terms of regional image and visitation.

Getting here got easier too. The arrival of **Southwest Airlines** and **Frontier Airlines** made **Philadelphia International Airport** busier than ever. In a story entitled "On the Whole, They'd Rather Fly from Philadelphia," *The New York Times* reported that after holding steady for six years, the number of travelers passing through the airport rose more than 15% last year to 28.5 million. **US Airways** did its part, as well, to keep the airport bustling with passengers. It announced increased international service, adding flights to and from Barcelona and Venice as of May 2005, and it continued to work with **GPTMC**, sending out an e-saver blast to 2.2 million subscribers promoting the *Salvador Dali* hotel package. **Amtrak** made getting to Philadelphia easier too, thanks to a new discount fare code, available through mid-December 2005, offering 50% off the best available fare for one companion.

The **Commonwealth of PA** also made many strategic changes to keep tourists pouring into our state. In addition to an internal reorganization within the Department of Community and Economic Development, the Commonwealth focused advertising on specific audience interests, stepped up the use of Internet marketing, significantly increased regional marketing grants and shifted the 800 number response from order takers to customer service representatives.

Opportunity knocked more than once in 2004. **Southwest's** aggressive advertising in markets such as Boston and Chicago made it more feasible for us to add those feeder markets to our media buy and public relations efforts. Then, there was the **Eagles'** stellar football season, which provided a national media platform that we maximized through advertising, public relations and our Web site. MTV's *The Real World Philadelphia* put the city on the international map as a young, hip destination, and **GPTMC** capitalized on this opportunity through public relations and a new itinerary on our Web site.

So, what's the outlook for the 2005 travel year? According to **TIA**, domestic travel volume is on pace to rise 2%, and travel expenditures in the U.S. are expected to rise 5.3%. Locally, Peter Tyson of **Tyson Hospitality Consulting** predicts that total hotel demand in Center City will remain steady (at 2.7 to 2.8 million room-nights) with leisure travelers accounting for just over a quarter (up from around 17% in the 1980s and early 1990s). And, in the five-county region, regional occupancies are expected to increase moderately in the coming years. Average room rates should, at the same time, continue to increase at rates at or above inflation.



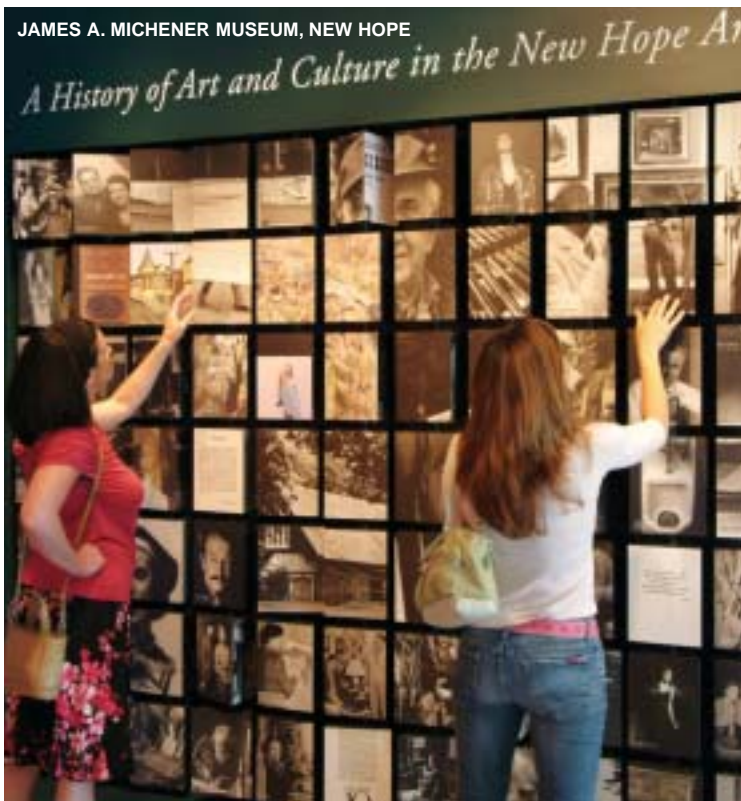
PHILADELPHIA SKYLINE



PHILADELPHIA INTERNATIONAL AIRPORT



JAMES A. MICHENER MUSEUM, NEW HOPE



MORE TO DO

We had more to promote in 2004 and 2005, with expanding historical, cultural, urban and outdoor attractions and experiences. Here's just a sampling:

- **Phlash** returned for the 2004 summer season, carrying 116,000 riders to attractions from **Penn's Landing** to the **Philadelphia Museum of Art**.
- Partners in and around **Independence Mall** collaborated on a multiple-day Fourth of July celebration, with picnicking, a **Philly Pops** performance and more—a new tradition that will continue in 2005.
- **World Café Live** opened, giving us all an impressive new University City venue to hear live music.
- For the fourth year, **GPTMC** enlivened the city's squares with festive holiday lights and globes. In a December 2004 article entitled "How Philly are you?," *Philadelphia Magazine* noted that true Philadelphians "feel a little sad after they take down the colored lights in **Rittenhouse Square** after the holidays."
- Philadelphia continued to perform well as a homeport for major cruise lines. The 2005 season looks to be the busiest yet, with **CruisePhilly** servicing more than 90,000 passengers on 32 sailings (up from 22 in 2004 and 17 in 2003) to Bermuda, New England and Canada.
- In spring 2005, the **Benstitute** began training storytellers and re-enactors for *Once Upon A Nation* and others who tell the story of the nation's founding.
- *Once Upon A Nation* is Philadelphia's new summer-long celebration—opening Memorial Day 2005—with storytelling benches and evening entertainment in and around the Historic District.
- Gunther von Hagens' *Body Worlds: The Anatomical Exhibition of Real Human Bodies* makes its East Coast debut at **The Franklin Institute Science Museum** in October 2005.
- **GPTMC** received a \$1 million grant from the Commonwealth of PA to help promote Ben Franklin's 300th birthday in 2006, officially known as *Ben Franklin 300 Philadelphia*. The centerpiece of the year-long bash is *Benjamin Franklin: In Search of a Better World*, a traveling exhibition making its world debut at the **National Constitution Center** from December 15, 2005, through April 30, 2006.
- The **R&B Foundation** officially announced its move to Philadelphia in 2005, and thanks to the leadership of music pioneer and real estate developer Kenny Gamble, it looks like Philadelphia may soon get its due as the home of rhythm and blues.
- Retail expansion in Center City continued, with antique shops, art galleries and housewares retailers each increasing more than 35%, according to **Center City District's** *State of Center City 2005* report. The number of restaurants grew from 65 in 1992 to 201 in 2004, a growth of 209%. And, shops offering coffee/tea, convenience/grocery items, take-out/fast food and snacks and gourmet foods grew by 10% or more.
- Expansion of the region's trail network continued. In fact, there are more than 150 miles of off-road trails, including the **Perkiomen Trail** and the **Schuylkill River Trail**, connecting Center City Philadelphia to Valley Forge.

THE BIG PICTURE

SMALL DECISIONS, BIG IMPLICATIONS

Picture this: a couple standing on a corner, looking at the street signs, then looking at their map. Now, imagine all the decisions those two people will make while they're in town. They need to figure out where to stay, what museums to visit, where to eat, how to get there, what to buy and how much to spend. Now imagine tens of thousands of visitors making those same sorts of decisions throughout the year. And multiply that by the number of nights they stay and the number of friends and family they bring. That's the big picture—the huge impact tourism has on our region's economy and vitality. Here's a look at the numbers (provided by **Global Insight** unless otherwise noted):

- \$6.34 billion in direct visitor spending (convention, business and leisure)
- \$17.4 million in visitor spending per day
- \$11.21 billion generated in spending a year
- 32% of hotel rooms occupied by leisure travelers for a total of 2.5 million room nights (Source: *Tyson Hospitality Consulting*)

GPTMC's BIG NUMBERS

ADVERTISING: Created **893,755,384** impressions via broadcast and cable TV, radio, print (including AAA), Internet and outdoor advertising.

COOPERATIVE ADVERTISING: Created **132,436,781** advertising impressions in print, with the participation of nearly **75** attractions and destinations throughout Philadelphia and Its Countryside™.

CULTURAL TOURISM GRANTS: **\$330,800** awarded in grants helped **30** of the region's cultural, multicultural and heritage organizations extend their reach.

LEISURE HOTEL ROOM NIGHTS: **2.5 MILLION** nights were booked in the region, including **687,000** leisure nights booked in Center City (for 2004).

PUBLIC RELATIONS: Generated **1,945** stories worth **\$35 MILLION** in advertising equivalency (if we had to buy it) for **508 MILLION** impressions.

WEB: Enjoyed **7%** increase in usage of **www.gophila.com** with **15 MILLION** page views, almost **3 MILLION** unique visits, **75,000** GoPhila! e-mail subscriptions, **61,300** *Trip Planner* and *Gay Pocket Guide* downloads and **24,700** room nights booked.

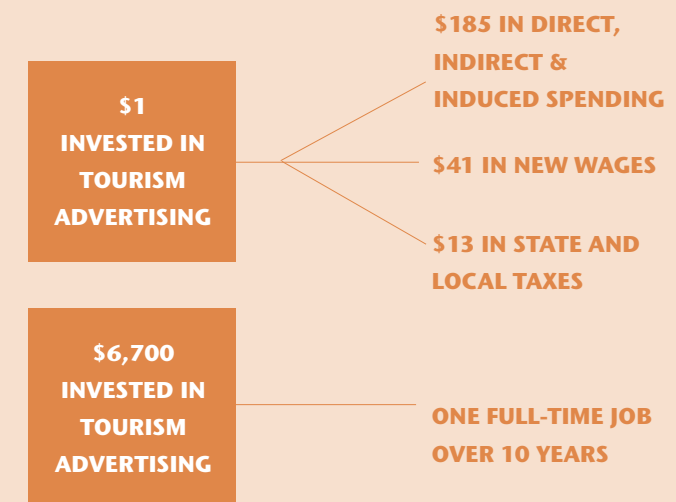
ECONOMIC IMPACT OF TOURISM MARKETING |

Longwoods International conducted return-on-investment research (ROI) based on three **GPTMC** advertising campaigns over 18 months in 2001 and 2002. **Econsult Corporation** then analyzed the findings from the ROI study to determine the economic implications of these campaigns. The results are impressive.

For every \$1 **GPTMC** spent on advertising, it:

- Created \$185 in direct, indirect and induced spending
- Generated \$41 in new wages
- Produced \$13 in state and local taxes

It's also worth noting that every \$6,700 invested in **GPTMC's** tourism advertising over a 10-year period creates the equivalent of one full-time job at an average salary of \$30,000 a year.



Source: *Econsult Corporation*



"MAKE ADS MORE RELEVANT TO THE LIVES OF VIEWERS, SO THAT THEY MIGHT JUST STICK AROUND TO WATCH. INSTEAD OF COMMERCIALS BEING AN ANNOYANCE, THEY BECOME INFORMATION A VIEWER NEEDS, PERHAPS EVEN CRAVES."

THE NEW YORK TIMES, MARCH 27, 2005

NEW STRATEGY, NEW POSITION

Successful marketing can't stay the same for long because consumers' needs (what they're looking for and how they choose to get their information) are constantly changing.

- The mass market has disappeared. Today's advertisers must choose dozens of routes to reach the volume of consumers once found by advertising on the three major networks.
- The time is right to promote the Philadelphia experience rather than the hotel packages that served us so well after September 11, 2001. The vibrancy of the Philadelphia experience—the cultural offerings, diverse neighborhoods, thriving restaurants and social scenes—have become better over time and are some of our greatest assets.
- Consumers expect their advertising to offer a personal invitation, not an impersonal "sell."

In 2004, research pointed the way in determining what our message should be, who should hear that message and how to find the right audiences.

- A new positioning for the region is consistent throughout all of our consumer communications: advertising, public relations and the Web site, www.gophila.com. The message is clear and simple: "There's so much to do, you'll have to sleep over and visit again and again."
- Research also revealed new markets: Adults (not just families) needed a message designed specifically for them, and Bostonians—a group we've never advertised to before—were a strong potential market for us.
- Our niche marketing continues to grow: We began with invitations to African Americans, families, history buffs, sports fans and the gay community, and we're now reaching out to other groups, including food lovers, culture vultures, outdoor enthusiasts, Hispanics and Asian Americans.
- Consumers' media habits require a different approach: We created new, more flexible 15-second television spots (instead of 30-second ads) to run only on cable and a stronger presence in print and radio and on the Internet.
- In public relations, the emphasis is on the Philadelphia region as a quality destination where nearly limitless experiences await. Affordability becomes a secondary message.
- A redesigned and rebuilt Web site reflects the vibrancy and depth of the visitor experience.

A MARKETING PLAN FOR MOVING FORWARD: 2005-2006

GPTMC's current marketing plan is based on 18 marketing strategies—integrating advertising, public relations and promotions—that build on past programs and emerging opportunities:

1. Position Philadelphia as an exciting and popular destination, with so much to do, focusing on its fun, vibrant side, its thriving neighborhoods and its diverse and vital cultural offerings.
2. Promote Philadelphia in the highest-yield consumer markets.
3. Increase visibility in emerging markets and nationally.
4. Capitalize on growing consumer segments, such as the African American, Hispanic American, Asian American, gay and lesbian, AAA, senior and student populations.
5. Close the sale through continued promotion of and links to the accommodations section of www.gophila.com.
6. Make it easy for journalists to produce news and feature stories about the Philadelphia region.
7. Build on aggressive in-region public relations campaign to promote the economic role of tourism marketing.
8. Promote established and emerging “destination-definer” attractions and events through integrated marketing programs.
9. Based on continued growth in e-commerce, build on www.gophila.com as the call to action for all GPTMC marketing efforts.
10. Increase the functionality, visibility and message consistency of www.gophila.com.
11. Expand or improve the visitor's destination experience in Philadelphia.
12. Talk directly with the region's residents to motivate in-region exploration and overnight hotel stays from visiting friends and relatives.
13. Work with hospitality partners to encourage pre- and post-overnight stays from convention and business visitors by communicating “conversion” messages.
14. Promote investment in tourism through expanded stakeholder relations programs.
15. Provide a platform for increased collaboration on a regional partnership level.
16. Evaluate economic impact and image/visitation results from GPTMC's marketing efforts.
17. Increase synergy between the Commonwealth of PA's and GPTMC's tourism marketing efforts.
18. Continue to promote the **Independence Visitor Center** as the region's consumer service center.



“Marketers recognize the need to tailor their messages to different, more finely calibrated audiences.”

■ THE NEW YORK TIMES, MARCH 27, 2005



AFRICAN AMERICAN MUSEUM IN PHILADELPHIA

NICHE MARKETING PROGRAMS

We know one size does not fit all, so **GPTMC** allocates marketing funds to extend our reach in high-yield niche markets. We're looking for visitors with the interests and wherewithal to visit over and over again. In addition to being efficient, this strategy provides consumers with what they're looking for: an invitation to the region that feels personal and relevant to them. Currently, we're developing marketing plans to attract Asian Americans and outdoor enthusiasts. Here's a look at the groups we've reached out to over the last year:

AAA MEMBERS 1

GPTMC's 2004 **AAA** marketing effort was designed to reach both the consumer and the travel club markets. Our message reached 15 million members in nine states.

- Between May and October 2004, in a partnership with **PA Tourism** and **PA Dutch CVB**, we visited **AAA National**, **American Tours International** and nine **AAA** clubs. In addition, we trained more than 145 auto and travel counselors, ran nearly 30 ads in eight different club publications promoting hotel packages available only to club members and sent out e-newsletters and direct mail to further support road trips to Philadelphia and Its Countryside™.
- We also continued with consistent, value-based cooperative advertising within targeted **AAA** club publications that brands Philadelphia and Its Countryside™ as a fun, exciting and diverse region.

AFRICAN AMERICAN VISITORS 2

GPTMC's ongoing effort to attract African American travelers reached new heights this year, with several initiatives designed to appeal specifically to this critical market.

- We developed new television, print, radio and outdoor ads for the African American market.
- We highlighted contemporary African American art and jazz during a press trip in fall 2004.
- We also leveraged partnerships with the region's African American cultural organizations, including the **African American Museum in Philadelphia** and the **Paul Robeson House**.
- In public relations, we continued to promote contemporary African American culture, retail and restaurant news, with new press contacts and ongoing media outreach. The results have been impressive with feature placements in *The Chicago Crusader*, *Suede* magazine and *Upscale* magazine, among others.
- **GPTMC** was an exhibitor at *Unity 2004*, a gathering of more than 8,000 African, Asian, Hispanic and Native American journalists in Washington, DC.
- On the Web, we expanded our content to include more specific multicultural information, such as African American history and ethnic dining. In 2004, more than 40,000 visitors clicked through to www.gophila.com/multicultural.
- In partnership with *The Philadelphia Tribune*, **GPTMC** produced an African American summer travel supplement that will be distributed in Philadelphia, New York, Washington, DC and Baltimore in May 2005.

By air, Toronto and Montreal are just an hour from Philadelphia, and each year the Canadian market spends \$22 billion on travel to the U.S. In 2004, we went after our share of this important market.

- **GPTMC** hired a Canadian public relations firm with deep media roots in Toronto and Montreal. Our awareness campaign was driven by public relations and will be followed by advertising in 2005.
- In year one, public relations generated 76 stories in Canadian media outlets, reaching 10 million Canadians and worth \$3.2 million in advertising equivalency. Stories included the **Philadelphia Museum of Art's** *Manet and the Sea* and *Salvador Dali* exhibitions, our gay-friendly message and our general statement that **Philly's More Fun When You Sleep Over®**.
- In 2005, a research partnership with the **Canadian Association of Retired Persons** will provide insight into the travel and media habits of a key Canadian segment, allowing us to reach the right target with our limited advertising dollars.
- In year two, the public relations effort will expand to reach Ottawa, Vancouver and other Western Canadian media markets.

4 COLLEGE STUDENTS

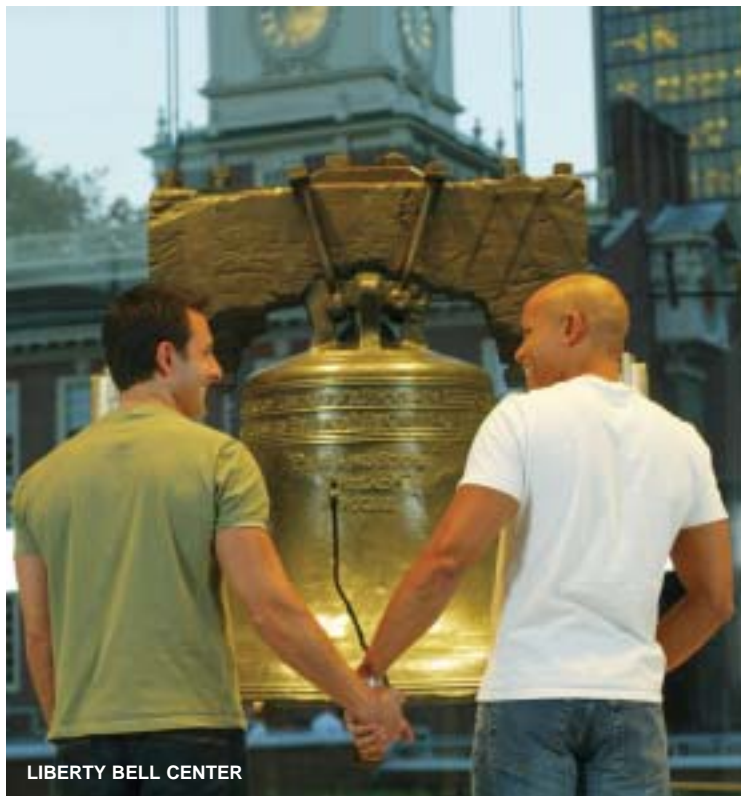
As an original founder and funder of the **Campus Visit Philadelphia** program and lead player on the "Attract" phase of the **Knowledge Industry Partnership**, **GPTMC** helps promote the region's colleges and universities that enroll nearly 300,000 students each year. **Pennsylvania Economy League** has further unified resources of **GPTMC**, the **City of Philadelphia**, **Collegia**, **Campus Philly** and **Innovation Philadelphia** to encourage the growth of knowledge workers and residents in the region. Based on this year's results, it's clear the partnership is working.

- Pennsylvania is now the #1 destination for college students choosing to study outside their own home state.
- Regional hotels benefited from \$335,000 in direct revenue from the Campus Visit Hotel Package in 2004.
- This fall, the **Study Philadelphia International Recruiting Tour** heads to Seoul, Korea and Tokyo, Japan with regional leaders and top colleges to position Philadelphia as a premier U.S. education center to prospective students and parents.



"This year, Penn Law experienced a tremendous increase in applications at a time when applications nationwide are declining. We have an exceptional cross-disciplinary program and a collegial atmosphere, both of which are great attractions to top law students. As these students are making their final decision about law school, we are able to show them the advantages of living and working in Philadelphia through the great materials and programs produced by GPTMC. We're looking forward to matriculating an exceptional class this fall, and it's been a pleasure working with GPTMC as we work toward this goal."

■ **DEREK MEEKER, ASSOCIATE DEAN FOR ADMISSIONS AND FINANCIAL AID, PENN LAW**



LIBERTY BELL CENTER

Survey Says

In February 2005, GPTMC surveyed gay visitors to determine the impact of our gay marketing campaign on their travel decisions.

- 36% of a national sample of gay travelers recognized at least one of GPTMC's gay-friendly ads, and 33% reported reading an article in a newspaper or magazine about Philadelphia as a gay-friendly destination.
- More than half of respondents (57%) reported they're *more likely* to come to Philadelphia because of the ads, and 17% said they *did come* to the city because of the gay-friendly campaign.
- Average daily spending by the overnight gay traveler is \$257, up 44% over last year's figure of \$179. This figure is much larger than average daily spending by our general overnight visitors, who typically spend \$101.

A total of 2,636 interviews were conducted with gay and lesbian travelers both online and through intercept interviews throughout February 2005.

GPTMC works in partnership with **CruisePhilly**, which continues to grow the Port of Philadelphia and Camden as a homeport for cruising to Bermuda, New England/Canada and the Caribbean. In 2005, based on the success of the 2004 cruise season, **Norwegian Cruise Line** and **Celebrity Cruises** are joined by **Royal Caribbean Cruise Line**, the second largest cruise line in the world. Together, the three lines will offer 32 sailings from the **Philadelphia Cruise Terminal at Pier 1**, giving the region another stimulus to its economy with a total of more than 90,000 passengers expected at the cruise terminal and 10 more sailings than in 2004. Many of these travelers extend their trip by spending a night or two in the region before or after their cruise.

"A record number of people who want a relaxing vacation without boarding another packed airplane will head south this year — to South Philadelphia and the city's thriving cruise terminal at the former Philadelphia Naval Shipyard."

■ *THE PHILADELPHIA INQUIRER, APRIL 24, 2005*

Last year, we worked with the **Philadelphia Gay Tourism Caucus** and the **Altus Group** to establish Philadelphia as a gay-friendly destination with our **Philadelphia – Get Your History Straight and Your Nightlife Gay™** marketing campaign. Over an eight-month period, we went from low on the "gay-dar" to high on the list of popular destinations for gay travelers. Now, as an industry leader, we find other destinations looking to us for advice on how to develop a gay tourism marketing campaign of their own.

- We took the potentially controversial step of creating the first-ever gay television spot for a destination; its newsworthiness earned us \$2 million in free airtime we could never have afforded to buy. In all, the campaign has generated more than \$10 million worth of publicity to date.
- We advertised our message in gay and lesbian publications in Philadelphia, Boston, New York, Washington, DC and the mid-Atlantic states, as well as in national publications such as *The Advocate*, *Passport*, *Instinct* and *Genre*.
- We entered into a deal with **Orbitz** that gives our television commercial increased exposure on cable television, primarily in New York.
- More than 33 regional hotels now offer the **Philadelphia Freedom Hotel Package**, up from 12 in the campaign's first year.
- Publicity for the two-year old campaign has been exceptional—with a value of \$10 million. In fact, the crossover appeal of the campaign was noted by such pop culture icons as *Saturday Night Live*, *The Daily Show with Jon Stewart* and *Hollywood Squares*.
- In January 2005, the **Hospitality Sales and Marketing Association International (HSMAI)** honored GPTMC with two Gold Adrian Awards, two prestigious Platinum Adrian Awards, plus a "Best of Show" recognition for the gay campaign. Additionally, industry publication *PRWeek* deemed GPTMC's effort the "Multicultural Marketing Campaign of the Year" for 2004.

This year, we expanded our efforts to reach Hispanic American visitors. Our achievements will pave the way for even greater outreach in the years to come.

- Once again, **GPTMC** collaborated with *Al Día*, the region's largest Hispanic newspaper, to create a travel supplement for distribution in the mid-Atlantic region.
- Working with **Cárdenas, Grant & Negrón Communications**, **GPTMC** developed a new strategic marketing plan to reach the Hispanic traveler through partnerships, market research and leveraging special events, such as the **National Association of Hispanic Publications** conference in March 2005 and the **National Council of La Raza** in July 2005.

Who better to boost Philadelphia's image than Philadelphians themselves? That's why we developed *Your Philadelphia*, a fun, 45-minute presentation that educates residents about the dynamic changes our region has undergone over the past 15 years and about how important locals are to keeping the growth going. Since launching the regional civic pride initiative in July 2004, **GPTMC** has delivered its presentation to more than 45 companies, including the **Greater Philadelphia Chamber of Commerce**, **Shire Pharmaceuticals Group**, **Northwest Human Services**, **LaSalle University**, **American Law Institute**, **Philadelphia International Airport**, **Turner Construction**, **Brandywine Realty** and **Ernst & Young**.

Created in 2002 as a promotional vehicle to provide introduction, context and access to Philadelphia's vibrant and culturally diverse neighborhoods, the **Philadelphia Neighborhood Tours** program reaches out to the growing number of "urban explorers." This group of travelers is attracted by the opportunity to immerse themselves for a day in a culture and a community very different from their own.

- In 2004, the **Neighborhood Tourism Network (NTN)** began its third year of tours with a schedule of seven public tours, including three new additions: *Urban Oases: The Gardens of West Philadelphia*, *Urban Oases: Winning City Gardens* and *Fishtown & Kensington: Traditions of Art & Industry*.
- More than 1,200 people have taken a neighborhood tour since the program's inception. In 2004, the program's attendance numbers—up 52%—were boosted by five successful chartered group tours for the **National Forum for Black Public Administrators**, **Teach for America**, **Sigma Pi Phi – Grand Boule**, **NAACP National Convention** and **Cheltenham School District**.
- Customers continued to express satisfaction with the tours: 93% of the 2004 tour participants gave the tour highest ratings of four or five, and 90% of tour participants anticipate returning to the neighborhoods they visited.



2005 Schedule | Neighborhood Tourism Network

April 16 and September 10	<i>Latin Soul, Latin Flavor</i>
May 7 and October 22	<i>Voices of Chinatown</i>
May 14	<i>Urban Oases: The Gardens of West Philadelphia</i>
May 21 and October 1	<i>Fishtown & Kensington: Traditions of Art & Industry</i>
June 4 and September 17	<i>Philadelphia's Civil Rights Struggle</i>
June 11 and September 24	<i>Taking a Stand for Freedom: Philadelphia's Underground Railroad Past*</i>
June 18	<i>University City: Ethnic Dining</i>
June 25	<i>The Sound of Philadelphia: Philadelphia's Musical Legacy*</i>
July 9	<i>From Farm to Table: Urban Farming & Upscale Dining</i>
October 8	<i>University City: Left of Center*</i>
October 15	<i>Philadelphia Open Studio Tours</i>
October 22	<i>Voices of Chinatown</i>
October 29	<i>Creepy Crypts & Criminals: A Halloween Treat</i>

* Denotes tours being promoted to groups through partnership with the PCVB.

Visit www.gophila.com for details on Neighborhood Tourism Network's tours.

TYLER ARBORETUM



VALLEY GREEN



10

EMERGING MARKET: OUTDOOR ENTHUSIASTS

The marketing of our outdoor offerings represents an untapped opportunity that we'll take advantage of this year. A 1999 study sponsored by the **PA Department of Conservation and Natural Resources** estimated the direct expenditure for outdoor recreation travel in 1997 at \$4.03 billion, which represents 33% of all leisure travel spending in the state. More recent industry trends confirm the growing number of visitors who seek to incorporate outdoor experiences in their travel plans.

Think Outside™, a **GPTMC** marketing initiative designed to promote Greater Philadelphia's natural attractions and outdoor experiences, is the result of an intensive 18-month market research and planning project supported by a grant from the **William Penn Foundation**. More than 3,800 people—tourists, residents, industry experts, site managers and frontline hospitality providers—informed our research.

With *Think Outside™*, **GPTMC** presents regional stakeholders with opportunities to answer consumer demand and reach an exponentially larger audience through new collaborations, expert branding, public relations and the region's visitor Web site, www.gophila.com.

"While commerce gives the region its muscle, it's the wilderness that's giving the tourism industry its future."

■ *ATTACHE MAGAZINE, APRIL 2005*

THE HOTEL STORY

WORKING WITH HOTELS

GPTMC works with the region's hotels to bring tourists in and ensure their experience is a good one. Here's how:

- GPTMC's hotel advisory group, the Hotel Initiative Committee (HIC), advises us on how to increase occupancy during slower seasons. To accomplish this task, we create hotel packages, run strategic advertising and forge partnerships with **AAA**, **Southwest Airlines**, the **Philadelphia Museum of Art** and **Philadelphia Newspapers, Inc.**, among others.
- Hundreds of front-line hotel employees have taken advantage of GPTMC-sponsored seminars and events. Recent successes include: *15 in 30: The Arts as a Sales Tool*, creative presentations to keep hotel employees in the know about upcoming regional events; *Selling Friday, Saturday and Sunday*, a briefing on consumer travel trends and selling techniques; *Hotel Philly Friends*, an orientation of our popular civic pride group; and *Concierge Focus Groups*, question-and-answer sessions to find out what tools front-line hotel staff need most.
- GPTMC has partnered with the **Greater Philadelphia Hotel Association**, the **PCVB** and **Tyson Hospitality Consulting** to develop the monthly *Philadelphia-area Hospitality Industry Snapshot*. This report is the first-ever barometer of the travel and tourism industry in our region, analyzing and documenting hotel statistics and hotel demand from the convention, group meeting, business and leisure segments.
- More than 30 hotels in the region sell from two to four different hotel packages on **www.gophila.com**. Typically, the packages are geared towards a specific audience (girlfriends, gay travelers, etc.) or around a special event (New Year's Eve, *Salvador Dali* exhibition, etc.). These special packages give visitors even more options to choose from when shopping for hotel accommodations on **www.gophila.com**.
- *Tourism Talk*, our new bi-monthly electronic newsletter created specifically for our hotel partners, includes news, trends and information hotels need to keep their staff and guests well informed.
- In development is a new program: *The Place That Loves You Back Wants You Back*, an initiative designed to build return visits from our valued hotel guests.

"As a GPTMC board member and chair of the Hospitality Initiative Committee, I see first hand the creativity, energy and intelligence that go into GPTMC's marketing programs. Their advertising, public relations, promotions and Web site have generated great impact for the region. For example, last year GPTMC embarked on an aggressive campaign to bring New Yorkers to Philadelphia. The effort included a giant billboard on Times Square with the **Philly's More Fun When You Sleep Over®** message. Today, people from New York are enjoying Philadelphia regularly and now represent 20% of our hotel's visitors."

■ BERNARD GUET, GENERAL MANAGER,
PARK HYATT PHILADELPHIA AT THE BELLEVUE

- Hotel occupancy averaged 68.5% in the region in 2004, up from 64.8% in 2003.
- Higher hotel occupancy was matched by higher ADR, up from \$100.79 in 2003 to \$103.36 in 2004.
- More hotel rooms, increasing occupancy and higher ADR mean more hotel revenue for the region. There has been a 22% increase in hotel room revenue from 1998 to 2004, from \$670 million to \$818 million.

SOURCE: SMITH TRAVEL RESEARCH

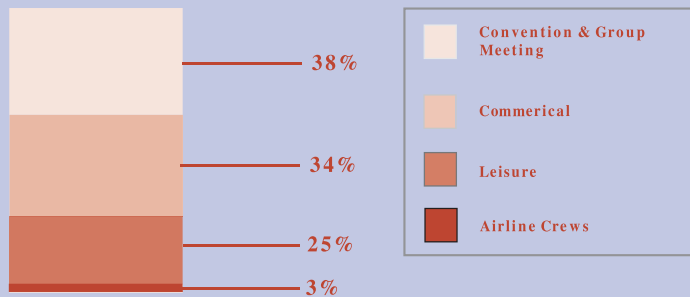


"Among the nearly 100 destinations with which TravelHero is currently partnered, GPTMC has separated themselves from the pack as our top producing partner in terms of overall reservations volume. GPTMC's expertise in executing their marketing strategies is very evident based on the success of the Philly Overnight® program that drives a tremendous amount of weekend stays to participating lodging when they need the business. We are truly honored to be working with such a professional and productive organization, and look forward to working with GPTMC to develop other successful programs that will generate both overnight stays, as well as promote area attractions and events."

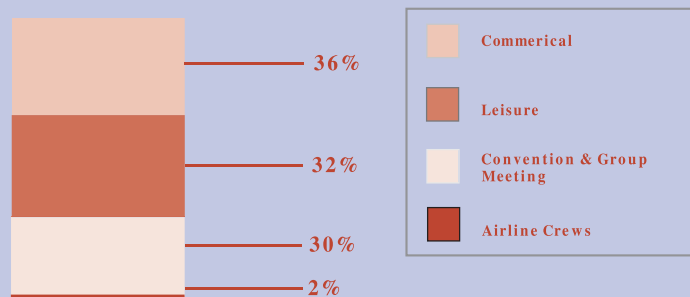
■ BARRY NAKANO, VICE PRESIDENT
BUSINESS DEVELOPMENT, TRAVELHERO



**CENTER CITY PHILADELPHIA HOTEL DEMAND
by Market Segment | 2004**



**PHILADELPHIA and ITS COUNTRYSIDE™ HOTEL DEMAND
by Market Segment | 2004**



Source: Tyson Hospitality Consulting

ONE MORE REASON TO LOVE TOURISTS

When tourists come to enjoy all there is to do in Philadelphia and Its Countryside™, we want them to stay in our wonderful hotels. Why?

- Tourists who stay in hotels spend more money (on their room and on dining), generating greater economic impact for our entire region.
- A healthy hotel industry is built on a mix of business, convention, group meeting and leisure visitors. With changes in business conditions and group and convention meeting habits, leisure visitors represent a stabilizing force for our regional hotels.

2004 REGIONAL (FIVE COUNTIES) HOTEL INDUSTRY FACTS & FIGURES

The hotel figures for 2004 were strong, with all key indicators—occupancy, average daily rate and RevPAR*—up over 2003.

Hotel Supply (every room occupied every night): 11,567,995 rooms

Hotel Demand: 7,922,722 rooms

Market Occupancy: 68.5%

Market Average Daily Room Rate (ADR): \$103.36

Market RevPAR: 70.79

*A measure that multiplies hotel occupancy by average daily room rate

Source: Smith Travel Research

LEISURE HOTEL DEMAND IN 2004

Leisure visitors are now a major part of the region's hotel story: A third of regional hotel room nights are purchased by leisure travelers and a quarter of Center City's (where business and convention travelers will always dominate) hotel room nights are occupied by tourists.

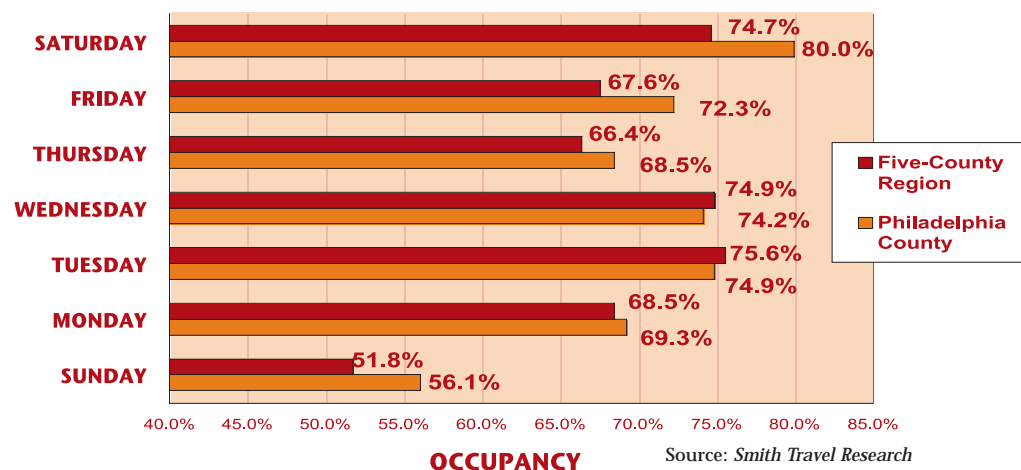
"Most of the increase in leisure demand experienced by Philadelphia can be attributed to GPTMC's Philly's More Fun When You Sleep Over® marketing campaign. This promotion has brought visitors to our city that otherwise would have not considered Philadelphia as a leisure destination. Combined with efforts from our arts and cultural institutions and the Historic District, Philadelphia has all its engines running."

■ JOHN KROLL, GENERAL MANAGER, HYATT REGENCY PHILADELPHIA AT PENN'S LANDING

SATURDAY NIGHT'S NOT THE LONELIEST NIGHT OF THE WEEK

Our region is full of tourists on weekends and this has made a difference for hotels. Hotel occupancy on Saturday nights is up to 80% in Philadelphia and 75% in the region as a whole, higher than it has ever been. The vast majority of Saturday night hotel visitors are leisure travelers.

DAY-OF-WEEK HOTEL OCCUPANCY - 2004



THE PLACE OF THE PACKAGE

The Philly Overnight® and Philly—You Just Can't Do It In A Day™ hotel packages began in 2001, when Mayor Street asked GPTMC to forge a strategy that would bolster tourism following the attacks of September 11. The packages have been an overwhelming success, offering tourists a good reason to visit and hotels a boost during their slower periods.

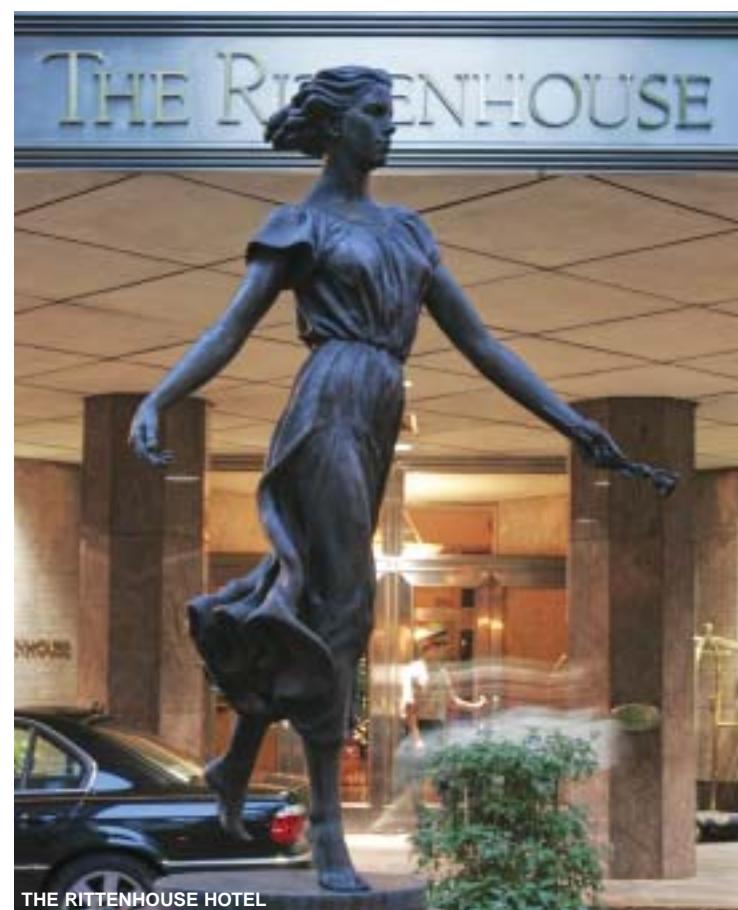
- The hotel packages generated enough interest in Philadelphia and Its Countryside™ to support higher package prices each season they were offered. In 2001, the starting price of the hotel package was \$89 for two nights, including free parking. By 2004, the starting price was \$179 for the same deal.
- 36% of hotel package consumers said it was the hotel package that enticed them to come to Philadelphia, while 64% said they were already interested in coming to the city and then found the hotel package offer.

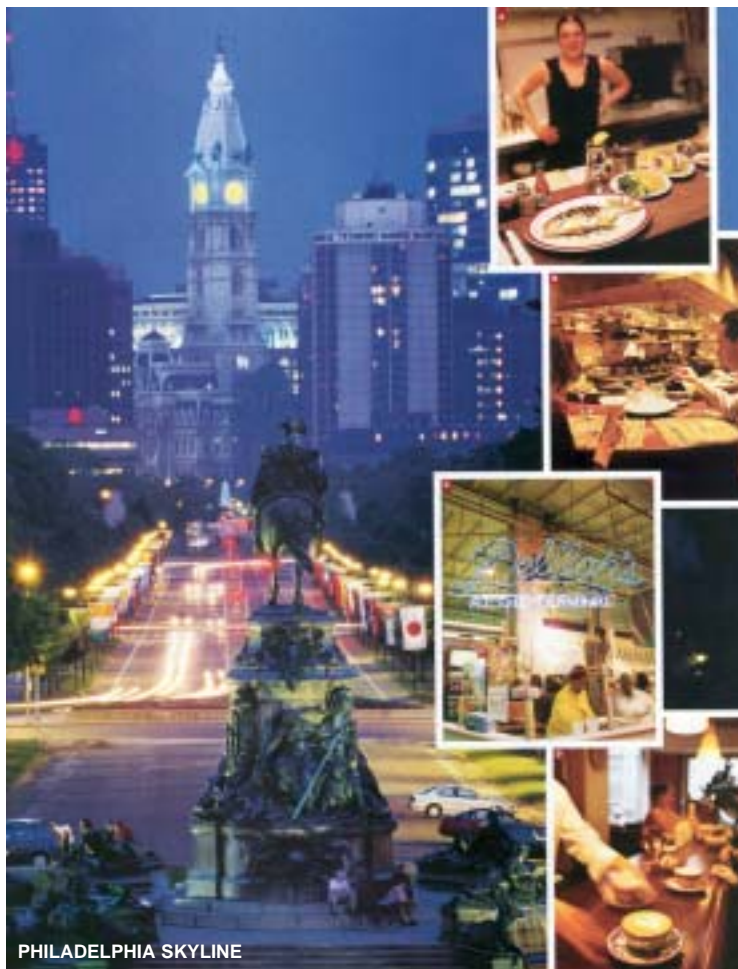
Source: GPTMC survey of hotel package consumers, 2005

- The hotel package has an economic impact that spreads well beyond hotels: Consumers spend, on average, \$710 during their two-night stay. They spend 2.7 times as much on their activities while here than they do on their hotel rooms—\$519 on dining, shopping and activities and \$191 on their hotel room.

Source: GPTMC survey of hotel package consumers, 2005

The hotel package has come full circle: Hotels in the region are now able to command higher hotel rates and are experiencing increased occupancy (especially on the weekends when most tourists travel). The place of the hotel package is therefore shifting, becoming an option available for consumers during hotels' "shoulder periods," but not the centerpiece of our marketing campaigns. GPTMC has re-focused its marketing message by using all there is to do in the region—rather than any single tourism product or retail offer, like a hotel package—to sell the region to tourists.





PHILADELPHIA SKYLINE



DOYLESTOWN

ADVERTISING

MARKETS

Positioning, media trends, research results, state of the hotel industry and the tourism marketing environment locally, regionally and nationally have impacted the direction of our advertising campaign. Here's a look at what we did and how we did it:

- We continued our presence in the traditional key geographic markets for our region: New York/Northern New Jersey and Harrisburg/Lancaster/Lebanon/York. We also spoke to locals throughout the Philadelphia listening area, encouraging them to get to know the five-county region better. The online media strategy utilized the new "so much to do" positioning to integrate placements throughout the mid-Atlantic regions, capitalizing on the following designated marketing areas (DMA): Boston, New York, New Jersey, Washington, DC, Baltimore and Philadelphia, via media portals such as www.Ticketmaster.com, www.Mapquest.com and www.Zagat.com.
- We added Boston as a new market in an effort to leverage **Southwest Airlines'** \$1 million media buy encouraging Bostonians to fly to Philadelphia.
- We advertised our message to art lovers in Washington, DC; African Americans in Baltimore; and Hispanics in New York.
- Great cost savings were realized in the new and more flexible creative executions, enabling us to expand our magazine buy into national art, travel and multicultural publications such as *ArtNews*, *Cooking Light* and *American Legacy*.
- The **GPTMC** cooperative advertising program gave regional partners national and mid-Atlantic presence in **AAA**, lifestyle, arts, food and heritage publications with more than 57 full pages of four-color advertisements.

"In the 1960s, an advertiser could reach 80% of U.S. women with a spot aired simultaneously on CBS, NBC, and ABC. Today, an ad would have to run on 100 TV channels to have a prayer of duplicating this feat."

■ *BUSINESS WEEK*, JULY 12, 2004

MEDIA

- This year, we spent the majority of our media dollars on a broad-reaching media mix to support multiple events and activities with a “so much to do” message. Our message can be found on cable television and radio, as well as in print, online and outdoor.
- Based on a recommendation from **MayoSeitz Media**, we implemented a more flexible media buy built around 15-second cable spots and 10-second radio traffic sponsorships. This plan gave us the ability to switch out messages with new event information.
- We made an all-cable television buy, which increased the reach of the campaign and expanded our collaboration with **Comcast**.
- We solidified our presence in Philadelphia’s outdoor advertising arena by purchasing a one-year lease on three billboards in high-traffic areas along I-95, I-76 and the Admiral Wilson Boulevard.
- We increased our media buy in fly-drive publications due to the entrance of **Southwest Airlines** and other low-cost carriers, and we continued our presence in **Amtrak’s Arrive** and **US Airways’ Attaché** magazines.
- We expanded our national buy in partnership with **TIA’s SeeAmerica’s Great American Vacations** series in *USA Today*.

CREATIVE EXECUTION

- **Caspari McCormick** creative agency took our new positioning of the region as a place with “so much to do” and translated it into television, print and billboard advertisements. The campaign continues our equity in the **Philly’s More Fun When You Sleep Over®** brand.
- Three 15-second spots feature the activities we know our visitors enjoy the most, including dining, shopping and museum hopping.
- By running the spots as “bookends”—that’s one before and one after a traditional 30-second spot—we’re able to convey two messages about what to do for the time and price of one.
- As always, every commercial, advertisement and billboard instructs potential visitors to log onto **www.gophila.com** to plan a trip and book a hotel stay.

To really enjoy your time in Philly,
you'll need one of...

THESE



AND
THESE



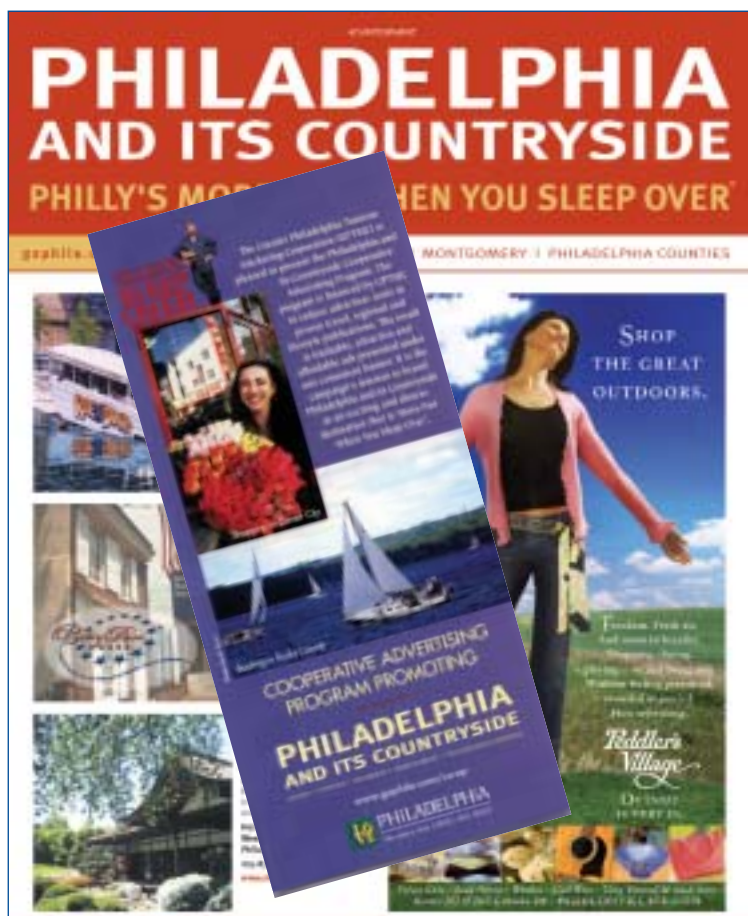
AND
THESE



AND
THESE.



Source: GPTMC Television Commercial



"The old forms of media...are rapidly losing their grip on consumers."

■ FORTUNE, JUNE 28, 2004



COOPERATIVE ADVERTISING |

GPTMC continues to focus and refine our cooperative advertising program, and each year it grows beyond our expectations. With 74 unique advertisers purchasing more than 430 individual ad spaces in 38 lifestyle magazines, such as *Good Housekeeping*, *Better Homes & Gardens*, *Preservation* and *Baltimore Magazine*, we were able to place more than 55 pages of advertising over the past year. The campaign brands a wide array of attractions, accommodations and destinations under the Philadelphia and Its Countryside™ banner with a unifying message that **Philly's More Fun When You Sleep Over®**. This year, for the first time, retail shops and shopping areas took advantage of the co-op program, as did a record number of bed and breakfasts and small inns. The gay co-op campaign was particularly popular, nearly selling out six straight insertions in *The Advocate*, *Passport* and *Visions* magazines.

ADVERTORIALS |

Our advertorials—ads that look and read like editorials—offer the reader trip-planning information about Philadelphia and Its Countryside™ based upon time- and topic-appropriate themes and events that support our new positioning and reinforce the public relations and advertising efforts. Often paired with cooperative advertising in media such as *Central PA Magazine*, the *Town & Country Living* family of publications and *USA Today*, the four-to eight-page, four-color advertorials allow more room than traditional print ads and provide support to the region and our stakeholders in ways unavailable through other media.

INTERACTIVE ADVERTISING |

Interactive advertising is as important as ever, building brand equity, “buzz,” Web site traffic and loyal e-mail subscribers. This year's online advertising program included various sized ads and contextual placements on high-traffic, geo-targeted Web sites, including www.mapquest.com, www.zagat.com, www.nytimes.com, www.washingtonpost.com, www.boston.com and www.ticketmaster.com. We also purchased a year-long sponsorship with www.philly.com that gave us run-of-site ad placements, including the homepage and e-newsletter sponsorships. In addition, we continued our commitment to search engine monitoring, marketing and optimization and purchased paid search engine listings through Overture and Google Ad Words. And, as always, we crafted carefully worded content that ranks high with the top search engines, including Google, Yahoo! and MSN. The online media mix is equivalent to 78,500,000 online advertising impressions.

UNIQUE OPPORTUNITIES

Sometimes good fortune interrupts our regularly scheduled programming. Several outstanding opportunities in the past 12 months were the *Salvador Dalí* exhibition at the **Philadelphia Museum of Art**, MTV's *The Real World*, Disney's© *National Treasure* and the Eagles' appearance in the Super Bowl. In all cases, we seized the moment.

THE DALÍ MODEL

Before the blockbuster *Salvador Dalí* exhibition opened, the components were in place to make the exhibition one of Philadelphia's premier cultural events. **GPTMC** worked with the **Philadelphia Museum of Art (PMA)** and **Advanta Corporation**, a breakthrough partnership that could also be called blockbuster, to create a marketing strategy that would immerse visitors in *Surreal Philadelphia: The Dalí Experience* and increase visitation to Philadelphia and Its Countryside™. Now, everyone wants to know how to replicate what has come to be known as "The Dalí Model."

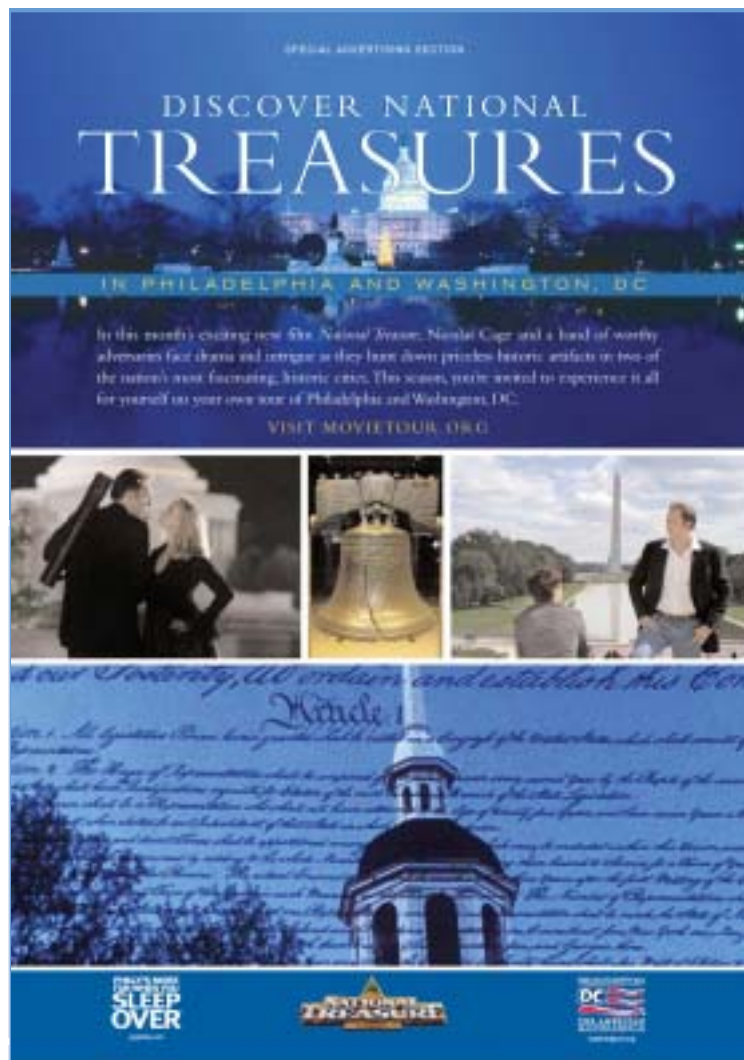
- A strong graphic of Dalí and his signature moustache was used in all marketing materials for unprecedented consistency of message and image.
- Our Web site, **www.gophila.com**, was deemed the official destination Web site for all advertising. The call to action on all out-of-market and destination advertising was **www.gophila.com/dali**.
- **MayoSeitz Media** integrated media buys from **PMA**, **GPTMC** and **Advanta** to determine the optimum media mix and geographic/demographic reach. The result was more than 700 million impressions in our key markets: Philadelphia, New York, Washington, DC and Boston.
- **Advanta** helped expand Dalí's presence in Philadelphia and made the purchase of national media on the CNN airport network and full-page, four-color ads in 22 national *Where* publications possible.
- **Advanta** also sponsored a Dalí section on **www.gophila.com**, where consumers could get exhibition information, purchase tickets, book a hotel room and find out about what there is to do in the region.
- An aggressive public relations campaign, done in conjunction with the **PMA** helped us expand editorial coverage regionally and nationally. We developed a special themed press kit focused on *Surreal Philadelphia: The Dalí Experience*; hosted visiting journalists in Spain, Venice and in Philadelphia; and created our own version of the *Dali News*. Year-to-date editorial coverage has been valued at \$2.7 million in media value.



30th STREET STATION



MADISON SQUARE GARDEN



LINCOLN FINANCIAL FIELD



NATIONAL TREASURE

- We created a joint tourism promotion with the **Washington, DC Convention & Tourism Corporation**, which centered around a self-guided tour of sites featured in the film *National Treasure* and a hotel package.
- We launched the promotion with advanced mailings of customized press materials.
- A four-page advertorial in *Condé Nast Traveler* kicked off the public effort, driving traffic to a dedicated Web site, www.movietour.org.
- We distributed a 10-panel tour brochure at sites featured in the film, at 55 **AAA** offices and to hotel guests.
- We hosted sneak preview press screenings in Washington, DC, Philadelphia and New York.
- For the home release of *National Treasure*, we partnered with the **PA Dutch CVB** and the **PA Tourism Office** to promote the tour and their newly launched *Witness Movie Experience Tour* through an eight-page spring/summer insert in *USA Today* and *Travel & Leisure*. Online marketing in targeted travel Web sites also supported the promotion.

EAGLES

- With T.O. bringing a new level of excitement to **Eagles** football and playoff fever in the air, **GPTMC** created a special commercial to run on the Eagles Radio Network. As the post-season developed, our message was part of pre-game, in-game and post-game coverage, including live broadcasts from Jacksonville. On television, a 15-second "Philly's More Fun" spot reached almost 1.5 million households during the NFC Championship game.
- Preceding the Super Bowl, **GPTMC** worked with the **Mayor's Office**, the **Eagles** organization and the **PCVB** to unify the materials and message delivered to the press.
- The most popular press story was our Donovan McNabb itinerary for visitors, which was also posted on www.gophila.com.
- Our Web site provided **Eagles** fans with special content, including schedules for pep rallies and information on where to catch the game.

THE REAL WORLD

- For MTV's *The Real World Philadelphia*, we charged our youngest PR staffers to develop a *Real Fun, Real Young, Real Philly* itinerary. A press trip and media materials, including the *Real Philly* itinerary, showed off our city's hipper side and garnered placements in *Newsweek*, *The Boston Herald* and industry publication *PR Week*, to name just a few.
- The Real Philly itinerary, posted on www.gophila.com, was the most popular itinerary on the site for weeks and delivered nearly 20,000 visits in the first two months.

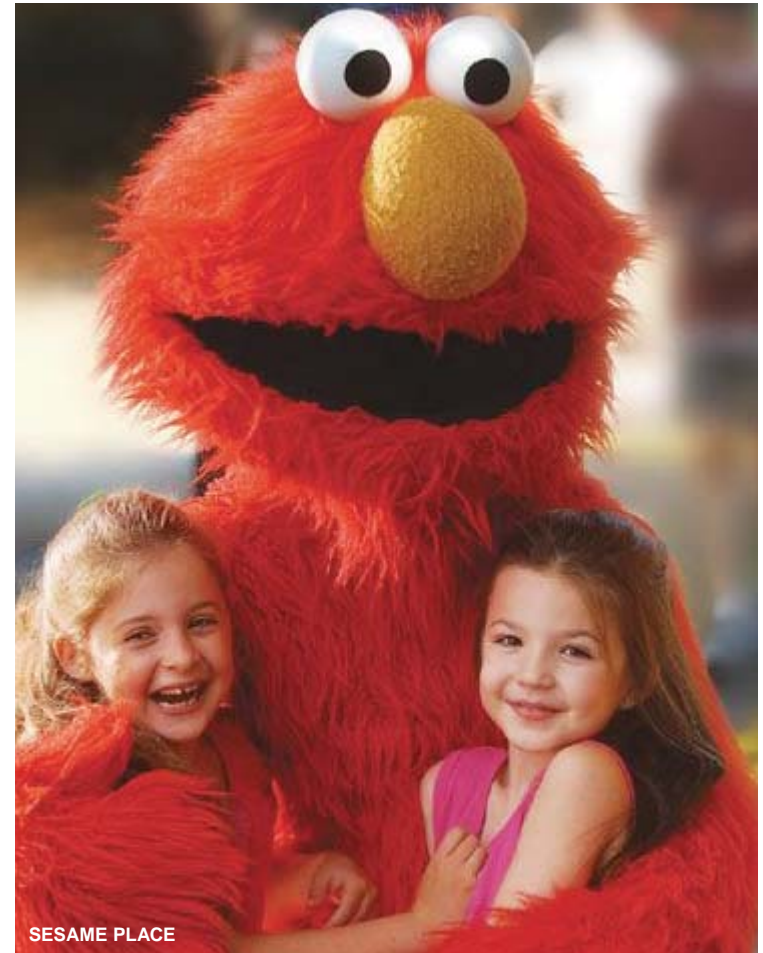
Philadelphia was featured in 24 half-hour episodes of *The Real World*. That means a potential of 68 million viewers in 43 countries saw the city's beautiful streets, thriving restaurants and hip nightlife. This \$64 million worth of exposure to the coveted 12-34-year-olds demographic enabled us to jumpstart our effort to reach an incredibly influential market and to show the world Philly's young and trendy side.

PHILADELPHIA PHILLIES

We partnered with the **Philadelphia Phillies** during the inaugural season of **Citizens Bank Park** to promote Philadelphia and tickets to a **Phillies** game in visiting teams' cities through radio, print and online advertising. Thousands of baseball fans in New York, Chicago, Miami and Houston entered a "first pitch" giveaway contest for the chance to win a trip to Philadelphia.

SESAME PLACE

GPTMC and **Sesame Place** worked together to reach the New York market with a 30-second television spot entitled "Meet Me On The Street." The ad highlighted the "Philly's More Fun" message and www.gophila.com as the call to action. In summer 2005, the Philadelphia hotel and attraction partnership will be enhanced greatly, with a new television commercial, direct mail and a unique Web address (www.sesamevacations.com) to make it easier for consumers to book Philadelphia/Sesame vacation packages.





JAPANESE HOUSE AND GARDEN



PENN'S LANDING

CULTURAL TOURISM MARKETING GRANTS

In 2004, **GPTMC** delivered good news to 30 regional arts and culture organizations that will receive a total of \$330,800 in marketing grants for events and projects with substantial potential to draw tourists to the region in 2005. We spent another \$270,000 on multicultural tourism projects, including the development of **Neighborhood Tourism Network** tours and Asian American and Hispanic content for www.gophila.com. Since 1997, **GPTMC** has awarded 208 grants totaling \$3,734,560. The projects have generated more than \$3 million in room-night revenue and leveraged an additional \$6.5 million in marketing spending. This year's grant recipients are:

- The Academy of Natural Sciences
- African American Museum in Philadelphia
- Chester County CVB
- Friends of the Japanese House and Garden
- Greater Philadelphia Cultural Alliance
- National Constitution Center
- ODUNDE, Inc.
- Opera Company of Philadelphia
- Penn's Landing Corp.
- PA Academy of Fine Arts
- Philadelphia Art Alliance
- Philadelphia Hospitality
- Philadelphia Live Arts Festival & Philly Fringe
- Philadelphia Mural Arts Advocates
- Philadelphia Society for the Preservation of Landmarks
- The Rosenbach Museum & Library
- Taller Puertorriqueño, Inc.
- Universal Companies, Inc.
- University City District
- Valley Forge CVB
- West Philadelphia Cultural Alliance
- WHYY, Inc.
- The Women's Board of the PA Academy of Fine Arts
- Wood Turning Center

Neighborhood Tourism Network Mini-Grants:

- Asociacion de Musicos Latino Americanos (AMLA)
- Art Sanctuary
- Johnson House Historical Site
- New Kensington Community Development Corporation
- Philadelphia Chinatown Development Corporation
- Spiral Q Puppet Theater

Read more about these projects at www.gophila.com.

PUBLIC RELATIONS

PHILADELPHIA IN THE NEWS

The public relations department is charged with earning media exposure that communicates the breadth and depth of the visitor experience in Philadelphia and Its Countryside™. To that end, we reach out to media in our key markets and beyond to broaden advertising's reach geographically and in special-interest media. We continue building coverage in national media, as well as in New York, New Jersey, Washington, DC, Baltimore and Philadelphia. And, we are more more aggressively targeting media in Canada, Boston and Chicago.

In 2004, **GPTMC's** public relations department placed 1,945 travel and related lifestyle/entertainment stories with an advertising value of \$35 million and more than 508 million impressions. Our coverage was found in every media category, from major market daily newspapers such as *The New York Times* to glossy magazines such as *Travel + Leisure*, special interest magazines like *Passport*, national newspapers such as *The Wall Street Journal* and broadcast and cable television shows like ABC's *Good Morning America*, the *Tonight Show* and *The Daily Show with Jon Stewart*.



LOVING PHILADELPHIA BACK |

As a result of our media outreach (and the great region we live in), the media was loving Philadelphia in 2004-2005. Here's a look at what they had to say:

- "On the Whole, They'd Rather Fly From Philadelphia...New Yorkers Go a Long Way for Cheaper Airfares....Like a growing number of New York area residents, [travelers have] discovered that airfares often are significantly lower in Philadelphia, the latest Northeastern city to be shaken up by the arrival of Southwest Airlines."
– *THE NEW YORK TIMES*, MARCH 13, 2005
- "Fine restaurants are so ubiquitous you'll wish there were four meals in the day."
– *THE WASHINGTON POST*, JANUARY 5, 2005
- "Philadelphia abounds with colleges and universities and spectacular beauty. The revitalized downtown has become an alluring arts, entertainment and cultural center."
– *THE NEW YORK TIMES*, DECEMBER 22, 2004
- "Jazz lovers in Philadelphia don't have to go far to hear great Jazz in various venues, because Jazz music is as much a part of Philly as is [Kenny] Gamble and [Leon] Huff."
– *THE CHICAGO CRUSADER*, DECEMBER 11, 2004
- "'The Real World' may have upped Philadelphia's cool quotient, but it's the hip restaurant scene and neighborhood revivals that are driving the city's high ratings."
– *NEWSWEEK*, OCTOBER 18, 2004
- "Philly is America's underdog: a little city with a ton of history and even more heart...People love Philly because it is both endearingly provincial and culturally vibrant...these days, Philly is bumping with hip nightlife, an exploding art scene, and a restaurant boom that shows no sign of abating."
– *TRAVEL SAVVY*, SEPTEMBER/OCTOBER 2004
- "Ben Franklin would hardly recognize his old stomping ground, which is going through a revolution almost as dramatic as the one in 1776. In short, it's getting hip."
– *USA TODAY*, JUNE 4, 2004
- "I went for the cheese steaks...By the end of my recent weekend [in Philadelphia], however, I was thinking that I'd either forgotten a lot, or Philadelphia had come into its own during my long absence."
– *THE WASHINGTON POST*, APRIL 2004



NATIONAL CONSTITUTION CENTER

AWARD-WINNING TEAM |

For members of GPTMC's public relations department, the past year has been especially gratifying.

- Hospitality Sales and Marketing Association International 2004 Adrian Awards: "Best of Show" and Platinum award for gay-friendly public relations campaign; Gold Award for *Philadelphia Tourism News* newsletter; Gold Award for the Liberty Bell move; Gold Award for press placement on *The Daily Show with Jon Stewart*; and Silver Award for our Pet-friendly Philadelphia press kit.
- *PRWeek* Awards 2005: "Multicultural Marketing Campaign of the Year" for the— Get Your History Straight and Your Nightlife Gay™ campaign.

TAKING PHILLY ON THE ROAD

This year, we took the Philadelphia story on the road to major feeder markets, and we attended important media marketplaces to sell our top regional stories.

- GPTMC-hosted media briefings in New York, Chicago, Boston, Washington, DC and Toronto, Canada
- The **Society of American Travel Writers' (SATW)** annual convention of 300 writers and editors in St. Moritz, Switzerland
- **Public Relations Society of America/SATW Travel and Tourism Conference** in Oakland, California
- **The Mid-Atlantic Tourism Public Relations Alliance's Media Marketplace** in Washington, DC
- *Unity 2004*, a conference held every four years, attended by 8,000 members of Asian American, African American, Hispanic American and Native American journalist associations

JOURNALISTS MEET PHILADELPHIA FACE-TO-FACE

Many of the most important, multiple-page feature stories about Philadelphia's dining, art, culture or neighborhood scenes result from our ongoing Visiting Journalist Program, which invites journalists to experience Philadelphia first-hand. Our assistance ranges from suggesting story angles and sources to putting together complete itineraries for individual journalists and/or groups of journalists. During these visits, we also learn a lot about what the media is looking for, which helps us with planning. Last year, we hosted more than 100 visiting media and designed trips around:

- | | |
|---|----------------------------------|
| ■ Salvador Dalí exhibition at the Philadelphia Museum of Art and <i>Surreal Philadelphia: The Dalí Experience</i> | ■ Gay-friendly Philadelphia |
| ■ Real Fun, Real Young, Real Philly, to coincide with MTV's <i>The Real World Philadelphia</i> | ■ Pet-friendly Philadelphia |
| ■ Art/Jazz weekend | ■ CruisePhilly |
| ■ Family-friendly Philadelphia | ■ Philly's dynamic dining scene |
| | ■ Arts & culture in Philadelphia |

COMING SOON! A BRAND NEW LOOK FOR WWW.GOPHILA.COM

As the call to action for GPTMC's advertising campaigns and public relations' messages, our Web site, **www.gophila.com**, is the primary resource consumers have to explore the region before visiting. The ubiquity of the Internet as a preferred travel planning tool and its ability to deliver information on demand underline the importance of destination Web sites. For many travelers worldwide, the Internet has to introduce the destination entirely. In 2004 alone, **www.gophila.com** welcomed nearly three million visitors from 181 different countries.

To capitalize on this trend, **www.gophila.com** will change in a big and exciting way this summer. The new, content-rich Web site will feature beautiful, vibrant photography, a contemporary design, intuitive navigation and fresh multimedia enhancements. The improvements will be especially evident on the new homepage, where vivid imagery, captivating content and superior usability will engage and affect potential visitors. And, a new dynamic database will allow visitors to easily search and sort information based on desired experiences, specific interests and locations.

The launch of the new **www.gophila.com** will also include:

- An itinerary builder, which will allow visitors to create, print, save and forward personal itineraries, complete with area attractions, restaurants, hotels and more
- Newly designed interactive maps (one of our most requested site features)
- Greatly expanded dining and nightlife sections (another visitor favorite)

As always, the Web site will provide an extensive selection of itineraries and online hotel booking capabilities, along with links to hundreds of regional sites. And, our strong online partnerships with **www.phila.gov**, **www.PhillyFunGuide.com**, **www.OneBigCampus.com** and regional convention and visitors bureaus will continue to strengthen **www.gophila.com** and keep visitors well connected.



ENHANCING CULTUREFILES® |

Funded by the William Penn Foundation, the CultureFiles® section of **www.gophila.com**, featuring a virtual snapshot of more than 300 cultural attractions, is a unique part of our Web site and a go-to feature for many visitors, journalists and Philadelphians. In 2004, there were more than 630,000 visits.

- In connection with WRTI's *Creatively Speaking*, we were able to expand our audio files, which now highlight more than 45 specific cultural attractions that were promoted on the programs.
- In 2004, we developed two new sections (architecture and public art) and several new files, including Adventure Aquarium, Fairmount Water Works Interpretive Center, Federal Reserve Bank of Philadelphia's *Money in Motion* exhibit, the new Liberty Bell Center, Paul Green School of Rock and World Café Live.

HOW ARE WE DOING?

In 2003, leisure travel to Philadelphia and Its Countryside™ grew to 17.9 million person-trips, an increase of 16% from 15.4 million person-trips in 2002. U.S. domestic leisure travel increased only 1.2% over the same time period from 912.3 million to 923.5 million person-trips according to TIA. Overnight leisure visitation was up 8% from 7.3 million person-trips in 2002 to 7.9 million person-trips in 2003.

PHILADELPHIA AND ITS COUNTRYSIDE™: DAY AND OVERNIGHT PERSON-TRIPS
(in millions of person-trips)

	2002	2003	%CHANGE
TOTAL VISITORS	21.7	24.2	12%
OVERNIGHT VS. DAYTRIPS			
TOTAL OVERNIGHT	10.2	11.0	8%
TOTAL DAY	11.4	13.1	15%
LEISURE VISITORS			
TOTAL LEISURE	15.4	17.9	16%
TOTAL OVERNIGHT	7.3	7.9	8%
TOTAL DAY	8.0	9.9	24%
BUSINESS/CONVENTION VISITORS			
TOTAL BUSINESS/CONVENTION	6.3	6.3	0%
TOTAL OVERNIGHT	2.9	3.2	8%
TOTAL DAY	3.4	3.1	-6%

Source: D.K. Shifflet & Associates

PHILADELPHIA AND ITS COUNTRYSIDE™:
OVERNIGHT LEISURE VISITOR VOLUME 1997-2003



In 2004, GPTMC began the Regional Research Partnership, a consortium of civic, cultural, economic development and tourism organizations that conducts and uses research. The Partnership will soon have its own electronic bulletin board, allowing members to ask research-related questions and share information.

ECONOMIC IMPACT

D.K. Shifflet partnered with **Global Insight** to produce new reports on the economic impact of travel to Philadelphia's five-county region. In 2003, travelers spent \$6.34 billion in the region, up 19.6% from the \$5.3 billion they spent in 2001. More than half (56%) of total visitor spending is attributable to the leisure travel segment.

2001 & 2003: ECONOMIC IMPACT OF TRAVEL FOR PHILADELPHIA AND ITS COUNTRYSIDE™

	2001	2003	% CHANGE
TRAVELER SPENDING	\$5.3 billion	\$6.34 billion	19.6%
SALES — Direct, indirect, induced	\$9 billion	\$11.21 billion	25%
JOBS — Direct, indirect, induced	114,137	150,474	32%
FEDERAL, STATE AND LOCAL TAXES	\$1.3 billion	\$1.53 billion	18%

Source: Global Insight

Visitor spending creates ripple effects throughout our economy, supporting new jobs and generating tax benefits. Travel-related jobs were up 32% from 2001 to 2003, from 114,137 to 150,474. And, taxes generated by travelers were up too, from \$1.3 billion to \$1.53 billion, an increase of 18%. Direct, indirect and induced sales from visitors totaled \$11.21 billion, up 25% from 2001.

2003 BY TRAVEL SEGMENT:

ECONOMIC IMPACT OF TRAVEL FOR PHILADELPHIA AND ITS COUNTRYSIDE™

	LEISURE IMPACT	BUSINESS/ CONVENTION IMPACT	TOTAL IMPACT
DIRECT SPENDING	\$3.58 billion	\$2.76 billion	\$6.34 billion
JOBS	84,265	66,208	150,474
TAXES (FEDERAL, STATE AND LOCAL)	\$857 million	\$673 million	\$1.53 billion

Source: Global Insight

WHO'S COMING?

GPTMC tracks demographic characteristics of our visitors through survey research, analysis of our www.gophila.com users and qualitative research like focus groups and interviews.

VISITOR VOLUME OF OVERNIGHT LEISURE TRAVEL: 7.9 MILLION PERSON-TRIPS

Travel Profile	Dominant Segments
Median Age	40
Median Annual Household Income	\$70,400
Main Type of Traveling Party	Couples
Primary Purpose of Stay	Visiting Friends and Relatives (VFR)
Average Length of Stay	3.3 Days
Accommodation Preference	Hotel/Motel
Top Activities	Sightseeing, Dining, Entertainment, Shopping
Secondary Activities	Museum/Art Exhibits, Historic Sites, Theme Parks
Average Expenditures: Per Person, Per Day	\$101.30
Average Expenditures: Per Travel Party, Per Trip	\$675
Average Satisfaction and Value Ratings	Satisfaction: 7.2, Value: 7.1

Source: D.K. Shifflet & Associates

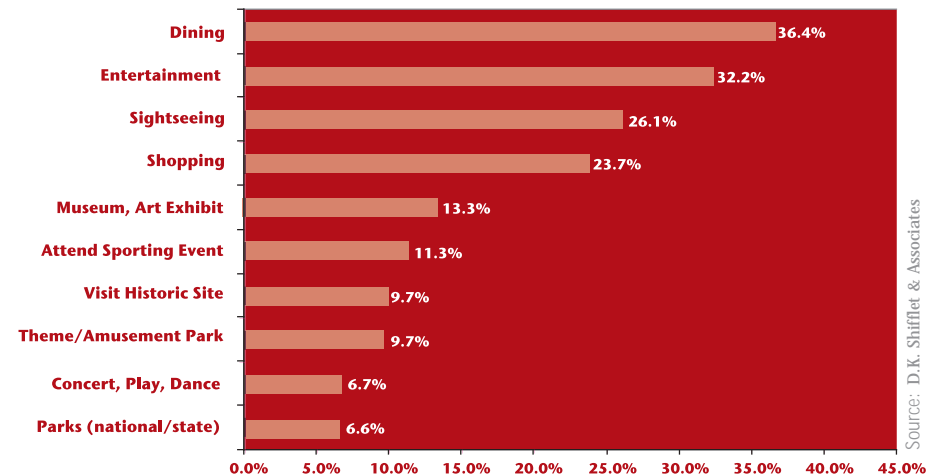
WHERE DO OUR VISITORS COME FROM?

Our hotel visitors come primarily from drive markets along the Northeast corridor.

- With new advertising in Boston (which began in December 2004), we're also beginning to see an increase in visitorship from that region.
- For the first time, we've made inroads into the Baltimore/Washington, DC market with our *Salvador Dali* and African American advertising. Now, close to 10% of hotel package buyers are from the Baltimore/DC region.

WHAT DO OUR VISITORS ENJOY THE MOST?

Learning what our visitors enjoy the most while they're here helps **GPTMC** position the region in our marketing materials. And, research shows that dining, nightlife, cultural attractions and historical sites are our big draws.

PHILADELPHIA AND ITS COUNTRYSIDE™
TOP TEN ACTIVITIES FOR LEISURE VISITORS - 2003

* MULTIPLE ANSWERS ACCEPTED

Source: D.K. Shifflet & Associates

Our regional partners in Chester County and Bucks County each conducted major pieces of consumer research this year, telling us more about their visitors and what they enjoy: Bucks County Conference & Visitors Bureau's *2004 Conversion Study Report* and Chester County Conference & Visitors Bureau's *Chester County Visitors Profile Study*.

HIGH-INCOME VISITORS EAT RICHLY

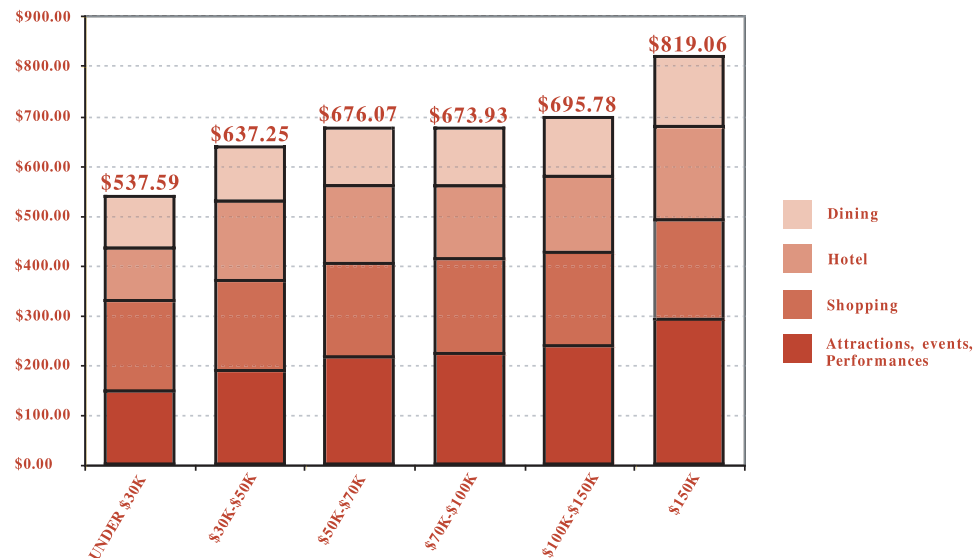
Confirming our intuition that wealthy visitors spend more money when they travel, we found consumers who reported household incomes above \$150,000 spent 18% more during their overnight trip to Philadelphia than consumers who reported their household income was between \$100,000 and \$150,000. Higher spending on dining is the main source of this overall spending difference between high-income visitors and others.

These results are from a GPTMC survey of 1,047 winter tourists staying in hotels. Those with household incomes over \$150,000 spent 22% more on dining during their visit than the demographic group immediately below them and 98% more than those whose household income was below \$30,000. Mean income for the entire survey sample was \$96,000.

HOUSEHOLD INCOME	SPENDING OVERALL	SPENDING ON DINING
<\$30K	\$537.99	\$146
\$30K-\$50K	\$637.59	\$189
\$50K-\$70K	\$676.07	\$214
\$70K-\$100K	\$673.93	\$222
\$100K-\$150K	\$695.78	\$237
\$150K+	\$819.06	\$291

Source: Smith Travel Research

TRIP SPENDING BY HOUSEHOLD INCOME



For more facts and figures regarding tourism in the Philadelphia region, visit www.gophila.com/research. Here you will find the *Greater Philadelphia Tourism Monitor*, seasonal research briefs, results from GPTMC surveys and focus groups and our regional tourism fact book and dictionary.

BRANDYWINE | CONFERENCE & VISITORS BUREAU

"I have been executive director of Delaware County's Brandywine Conference and Visitors Bureau for a little over a year. With the assistance, guidance and interest shown by GPTMC, we have far exceeded our goals and expectations. This was a transitional year for the Bureau as we moved from traditional ways to promote tourism to more creative, contemporary and pro-active vehicles. With the help of GPTMC, we accomplished our goals and more. GPTMC can be well assured that they have a friend in Delaware County."

■ TORE FIORE, EXECUTIVE DIRECTOR | WWW.BRANDYWINECVB.ORG



CABIN RUN COVERED BRIDGE, BUCKS COUNTY

BUCKS COUNTY | CONFERENCE & VISITORS BUREAU

"GPTMC continues to offer us unique and affordable opportunities to advertise our region cooperatively. As a bureau, Bucks County invests its marketing dollars into specific geographic regions as we partner with GPTMC to carry the Philadelphia and Its Countryside™ message to prospective travelers nationwide. Their leadership in regional promotion is a benefit to us all."

■ KEITH TOLER, EXECUTIVE DIRECTOR | WWW.EXPERIENCEBUCKSCOUNTY.COM



BRANDYWINE RIVER MUSEUM

CHESTER COUNTY | CONVENTION & VISITORS BUREAU

"GPTMC has developed an effective consumer advertising message that brings leisure travelers to our city and region, and this increased tourism benefits suburban destinations like Chester County."

■ JESSE WALTERS, PRESIDENT | WWW.BRANDYWINEVALLEY.COM



VALLEY FORGE NATIONAL HISTORICAL PARK

VALLEY FORGE | CONVENTION & VISITORS BUREAU

"GPTMC's cooperative consumer marketing initiatives and aggressive public relations programs have been key to establishing Philadelphia and Its Countryside's™ new-found strength as one of the Northeast's must-see places. America's finally "getting it" about our destination as a result of the partnerships GPTMC has forged among all sectors of the regional hospitality industry."

■ PAUL DECKER, PRESIDENT | WWW.VALLEYFORGE.ORG



TYLER ARBORETUM

LAKE NOCKAMIXON



GPTMC

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