Tourism Powers Lancaster

May 10, 2017
The Power of Tourism

Every year, Lancaster tourism...

- ... has a total economic impact of **$2.6 billion**
- ... attracts **8.3 million** visitors
- ... generates **$2 billion** in visitor spending
- ... reduces each household tax burden by almost **$1,000**
- ... supports more than **24,000 jobs** in the county
- ... benefits businesses and jobs in a **wide range** of industries
<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health Care and Social Assistance</td>
<td>36,800</td>
</tr>
<tr>
<td>2</td>
<td>Manufacturing</td>
<td>36,000</td>
</tr>
<tr>
<td>3</td>
<td>Retail Trade</td>
<td>25,740</td>
</tr>
<tr>
<td>4</td>
<td>Professional and Business Services</td>
<td>23,400</td>
</tr>
<tr>
<td>5</td>
<td><strong>Tourism</strong></td>
<td><strong>15,967</strong></td>
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<tr>
<td>6</td>
<td>Mining, Logging, and Construction</td>
<td>13,700</td>
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<tr>
<td>7</td>
<td>Wholesale Trade</td>
<td>13,400</td>
</tr>
<tr>
<td>8</td>
<td>Food Services and Other Accommodations</td>
<td>10,251</td>
</tr>
<tr>
<td>9</td>
<td>Other Services</td>
<td>9,840</td>
</tr>
<tr>
<td>10</td>
<td>Transportation and Utilities</td>
<td>7,544</td>
</tr>
<tr>
<td>11</td>
<td>Financial Activities</td>
<td>6,100</td>
</tr>
<tr>
<td>12</td>
<td>Arts, Entertainment, and Recreation</td>
<td>3,300</td>
</tr>
<tr>
<td>13</td>
<td>Educational Services</td>
<td>1,758</td>
</tr>
<tr>
<td>14</td>
<td>Information (e.g. publishing, telecom)</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, Tourism Economics
What we do goes beyond the tourism industry

People want to visit

People want to live

Businesses want to be

Creates a thriving community
How many people have decided to move to Lancaster because of a visit?
A Broader Appeal

Today
- Amish
- Farmland

Our Future
- Amish
- Foodie
- Outdoor & adventure
- Visual and performing arts
- Farmland
- Shopping
- Towns & villages
- City
Research Highlights
In focus groups conducted in Long Island and Philadelphia with both visitors and non-visitors, participants had the following pre-conceived notions about Lancaster:

- They thought of Lancaster as sleepy and quaint.
- The only lodging available is mostly low-end motels with exterior corridors.
- Love the Amish, outlets, Dutch Wonderland, and PA Dutch Dining, but not much to do beyond that.
After seeing Discover Lancaster’s expanded branding in commercials and the Getaway Guide, participants’ perceptions changed to:

- Hip, active, and definitely worth a visit.
- Delighted that there were more lodging, dining and shopping options.
- Amish is the heart of the brand, but there is so much more to do and experience.
Discover the expected & the unexpected
Our biggest challenge:
Lack of awareness
Steady cuts in advertising funding

Discover Lancaster Media Spending by Year

Nominal dollars, millions

- 2011: 1.8
- 2012: 1.4
- 2013: 1.2
- 2014: 1.0
- 2015: 0.8
- 2016: 0.6

69% decline in 5 years

Source: Discover Lancaster
Hershey includes private ad dollars because the relevant entity markets significantly the same destination message as the DMO.

Competitive Media Spending, 2016

- Poconos: $6M
- Hershey: $6M*
- Ocean City, MD: $5.7M
- Virginia Beach: $4.7M
- Williamsburg: $2.3M
- Valley Forge: $1M
- Ocean City, NJ: $750,000
- Lancaster: $550,000
Competitive Challenges

- 28 counties in Pennsylvania have increased their lodging fee
- Valley Forge has increased their budget to $8 million
- York
## Growth in hotel room demand

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Total increase in hotel room demand, 2011-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chesapeake/Ocean City, MD 14.8%</td>
</tr>
<tr>
<td>2</td>
<td>Poconos, PA 12.6%</td>
</tr>
<tr>
<td>3</td>
<td>Harrisburg/Hershey PA 12.2%</td>
</tr>
<tr>
<td>4</td>
<td>Williamsburg, VA 9.7%</td>
</tr>
<tr>
<td>5</td>
<td>Niagara Falls, NY 9.4%</td>
</tr>
<tr>
<td>6</td>
<td><strong>Lancaster, PA</strong> 7.0%</td>
</tr>
<tr>
<td>7</td>
<td>South Shore/Vineland, NJ 7.0%</td>
</tr>
<tr>
<td>8</td>
<td>Philadelphia West Suburbs, PA 2.7%</td>
</tr>
<tr>
<td>9</td>
<td>Virginia Beach, VA -1.5%</td>
</tr>
</tbody>
</table>

**Average** 9.2%
Case Studies

• Pennsylvania cuts resulting in lost market share and visitor spending

• Colorado funding repeal sets back industry for more than a decade

• One-year cuts in San Diego & Illinois show marketing’s impact
The Future of Lancaster County Tourism

• Discover Lancaster has asked County Commissioners to increase the lodging excise tax from 1.1% to 3% to generate an additional $3-3.5 million annually to market Lancaster County.
The Optimal Solution

- Paid by overnight visitors
- Will not discourage visitors
- Average Daily Rate (ADR) has room to grow

Benefits

- Attract more visitors
- Dedicated to marketing
- Group incentives
- Stable funding
What an additional $3-3.5 million can do

- Television advertising in two major markets to *generate awareness*
- More digital advertising
- Outdoor to reinforce TV and digital
- New website and mobile app
- Production
- Sales
- Research
- POTENTIAL NEW MARKET
The Results

- 1.2 million additional visitors
- An additional $367 million in visitor spending
- An additional 438,000 lodging room nights
- $81 million more in lodging revenue
- 550 new jobs per year
How can we help YOU?

For questions or comments, please contact Kathleen Frankford at kfrankford@discoverlancaster.com
Thank You