



How Our Tourism Drives Our Quality of Life

The Hershey Harrisburg Regional Visitors Bureau has fueled this economic engine for a decade.

BY RICK DUNLAP

Tourism is like oxygen to this community. It surrounds us. It supports us. It's critical to our survival. Yet it's so prevalent we often forget it exists. The impact of this industry is ingrained in every aspect of our community. We all know someone who relies on a job supported by tourism and we all enjoy the resources, entertainment and amenities afforded to us because of it.

For those living in the Hershey and Harrisburg Region, your quality of life is tethered to tourism.

For those who champion the importance of tourism, the challenge is extracting the impact of the industry from the ether of our daily lives. The true nature of how tourism enhances our world is so cleverly disguised it easily goes unnoticed. Yet tourism is running behind the scenes like an operating system at the core of our economy.



Hersheypark®

So imagine taking away tourism for even a day. What does life look like?

No Farm Show Complex or Giant Center. City Island & Second Street sit empty. No Riverboat, rollercoasters or restaurants. No theatres or theme park. No markets or museums. No concerts or casino. No fairs or festivals. No galleries or gardens. No wineries, breweries or bars. No hotels, motels or B&Bs. No fun.

Our quality of life breaks down immediately, followed by our economy.

Overnight 30,000 residents lose their jobs and \$1 billion in wages evaporate from the local income base. The state and local governments cut \$252 million in human services to balance budgets from lost tax revenues. Businesses shut down and storefronts shutter. Property values plummet while prices for local products and services skyrocket. The mass exodus of young talent and entrepreneurs lead the local developers, investors, restaurateurs and business owners out of town like Pied Pipers.

This is life without tourism.

Thankfully, that isn't life in the Hershey Harrisburg Region. But much of what makes this region a great place to live, work and play is only sustainable because 10 million people, roughly twenty-times the local population, decide to visit our hometown every year for business and pleasure and leave behind \$2.33 billion. Only three other regions in Pennsylvania claim to capture more money from tourism - Philadelphia, Pittsburgh, and the Poconos.

The reality of how interdependent a healthy economy is to a vibrant tourism industry is why the Hershey Harrisburg Regional Visitors Bureau was created a decade ago to ensure this economic engine continues to be fueled and fine-tuned.

Since April 2006, the HHRVB has functioned primarily as the collective sales leader and destination brand marketer for the region's tourism industry. Today the official Destination Marketing Organization represents 500 lodging partners, meeting and convention service providers, and attractions in Dauphin and Perry counties.

"Our meetings, convention, and event sales efforts have the largest direct impact on the local economy of everything we do," said Mary Smith, President & CEO of the HHRVB. "Yet sales is likely the least recognized service we provide, unless you're a partner of the bureau who participates in our Sales Leads Program."



Hollywood Casino at Penn National Race Course

According to Smith the bureau's sales force attended 40 industry trade shows last year, generating 600 qualified leads for local businesses who cater to meeting & event planners, group tour operators, military reunion groups, student youth or religious organizations, and sports & events planners.

The bureau also recruits and retains large events each year such as the Great American Outdoor Show, Mecum Auctions, LEGO® KidsFest, The Color Run, Reflections Synchro Skating Invitational, and 11 PIAA tournaments.

In 2015 the bureau reported sales efforts resulted in 85,000 hotel room-nights and their Top 25 client events alone attracted 1 million visitors and generated \$275 million for the local economy.

Smith emphasizes those numbers are just the result of sales and that the bureau also invests approximately \$1.2 million annually in Brand Marketing, Advertising & Communications to attract leisure travelers from surrounding markets that include New York, Philadelphia, New Jersey, Pittsburgh, Washington, D.C. and Baltimore.



HHRVB leads economic growth for this region through destination marketing and tourism development.

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SPONSORED CONTENT



How investing in Sports & Events scores big for our region's economy



LEGO® KidsFest

By Rick Dunlap

Local tourism stakeholders gathered in March to hear how the Hershey Harrisburg Regional Visitors Bureau (HHRVB) envisions growing the region's sports and events business.

After a decade of successfully selling the Hershey Harrisburg Region as a premier destination for event producers, the HHRVB commissioned Huddle Up Group LLC and DMOProZ to examine how the destination can remain competitive and grow within the sports and events markets.

In 2015 the bureau reported 17 of their top 25 clients were related to organized sports and consumer events that attracted nearly 1 million attendees and produced an estimated \$230 million for the region's economy.

"Youth sports tournaments and large public events have proven to be our most lucrative sales markets," said Mary Smith, President & CEO for HHRVB. "These types of events have a major positive impact on our regional economy because they attract large audiences and draw a mass of spectators and participants. So we wanted to study how our organization is positioned for future growth in these increasingly competitive market segments."

Top recommendations in the report include nearly doubling the annual investment HHRVB makes in sports and events marketing, and expanding staff to focus on sales and services. The report also recommends pursuing



Mecum Car Auction, PA Farm Show Complex

opportunities with existing events locally to create spin-offs and new annual festivals that would drive lodging during seasons when hotel occupancy is traditionally lowest.

A major recommendation in the study was to establish a uniquely branded sports & events authority housed within the HHRVB.



In 2010 the Destination Marketing Organization (DMO) for Erie, Pennsylvania, created the Erie Sports Commission using a similar model with great success, according to John Oliver, President of VisitErie. Since 2012 the number of events held in Erie has quadrupled and nearly 40 events have been secured or created.

"The growth in organized youth sports and travel teams is why destination marketers, like VisitErie, are recognizing the full economic potential for sports tourism," said Gregg Cook, Sports Marketing Manager for HHRVB. "It has become big business."

Sporting events in particular have been important to the Hershey Harrisburg Region because they have proven to be recession-proof, according to Smith. Following the 2008 recession the tourism industry saw dramatic dips in business and leisure travel, but sports remained relatively untouched.

A report by the National Association of Sports Commissions Parents shows that on average, three family members will travel to a youth sports event and parents will spend an estimated

\$7 billion annually on travel related to sports.

The central location of the Hershey Harrisburg Region and its well-established brand identity within the Mid-Atlantic Region were among the region's strongest assets for remaining competitive in the sports and events markets, according to Jon Schmieder of Huddle Up Group LLC who co-authored the HHRVB Report.



"This destination is easily accessible for those living within the major population centers along the East Coast and the region is a well-known family-friendly destination," said Schmieder. "Those two factors consistently rank very high with sports and event planners when selecting a location."

Tourism officials say some recommendations from the report could be enacted later this year while other findings will be developed into more long-term goals.



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CRUNCH THE NUMBERS FOR TOURISM



Leading economic growth for the region through destination marketing and tourism development

VISITOR SPENDING (Billions)

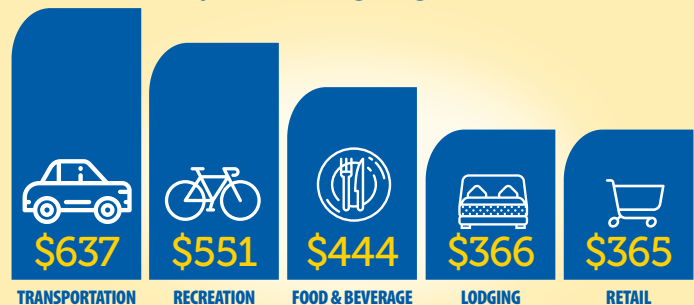
Ranked 4th among 49 Destination Marketing Areas in PA



PHILADELPHIA	\$5.69
PITTSBURGH	\$5.67
POCONO MOUNTAINS	\$2.98
HERSHEY HARRISBURG	\$2.36
LANCASTER	\$1.92

SPENDING by CATEGORY

in the Hershey Harrisburg Region (Millions)



EMPLOYMENT

in the Hershey Harrisburg Region



26,930
JOBS

\$1.05 Billion
INCOME

TAX REVENUE from TOURISM

in the Hershey Harrisburg Region



STATE & LOCAL \$254 MILLION
FEDERAL \$262 MILLION

VISITOR SPENDING - 5-YEAR TREND

for the Hershey Harrisburg Region (Billions)



DOMESTIC SPENDING TRENDS BY TRIP TYPE

Estimated spending per person per day



SOURCE: 2014 Economic Impact of Tourism in Pennsylvania Report issued May 2016 by Tourism Economics (An Oxford Economics Company)

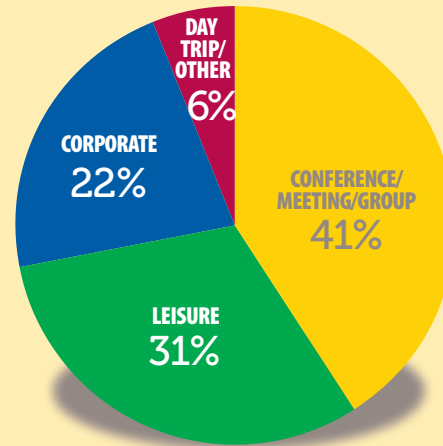
IN THE HERSHEY HARRISBURG REGION

TOP LEISURE FEEDER MARKETS



SOURCE: Young Strategies 2009 Lodging Survey

MARKET SEGMENTS



SOURCE: Young Strategies 2009 Lodging Survey

TOURISM by the NUMBERS



Hotels in Region

81



Hotel Rooms in Region

8,276



Room-Nights Sold Annually

1.88 Million



Overnight Guests Annually

5.66 Million



Visitors Annually (Overnight & Daily)

10 Million

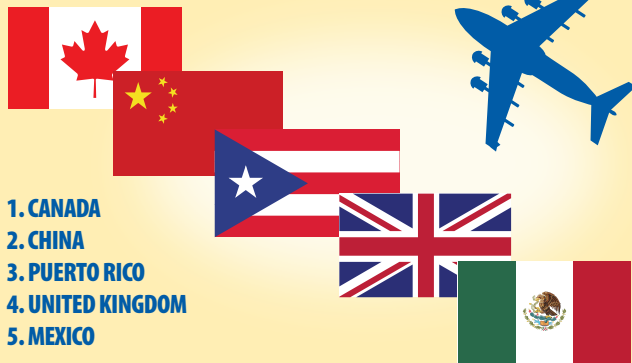


Ratio of Visitors to Residents

20:1

SOURCE: STR® Dec 2015

INTERNATIONAL VISITOR SPENDING TOP 5 FOR 2015



SOURCE: Visa Vue®

TOP 20 CLIENT EVENTS for 2016 FOR HERSHEY HARRISBURG REGIONAL VISITORS BUREAU



**375,000
VISITORS**



**\$142 MILLION
ECONOMIC IMPACT**

SOURCE: The Hershey Harrisburg Regional Visitors Bureau

ABOUT the HERSHEY HARRISBURG REGIONAL VISITORS BUREAU



HHRVB is the accredited non-profit partnership-based Destination Marketing Organization serving Dauphin & Perry Counties in Pennsylvania. HHRVB is responsible for developing and executing comprehensive sales, marketing and communications programs to attract visitors within the leisure, business, group, sports, and events market segments. For more information, go to VisitHersheyHarrisburg.org or call 877-727-8573.



Philadelphia Meeting Planner Reception

The Wins in our Sales



PA Bus Association Trade Show

Regional Visitors Bureau reports annual results with emphasis on sales.

By Rick Dunlap

The tourism industry in the Hershey Harrisburg Region recorded another positive year according to the Annual Report delivered by Mary Smith, President & CEO of the Hershey Harrisburg Regional Visitors Bureau during their Partnership Breakfast in October. One segment which stood out in the report was Sales.

“It’s important we highlight our Sales efforts when reporting results,” said Smith. “Cultivating new clients and retaining our most lucrative relationships is one of the most essential functions in the bureau’s core mission of leading economic growth for the region through tourism development. Yet the public is often unaware of our role in recruiting the meetings, special events, group tours, and sports tournaments that have an enormous impact on annual visitor numbers, room nights sold, and overall economic impact for the region.”

In August, the bureau released a TOP20 Clients list which revealed their top-tier events in 2016 will attract 400,000 people and generate \$142 million for the local economy.

Smith reported sales efforts for FY15-16 were directly responsible for 103,550 room nights booked in regional hotels; representing a 22 percent increase over the previous year and marking a total increase in room nights sold over the last five years of 112 percent.

“The bureau commits a great deal of time and resources to sales,” said Smith, citing each member of the bureau’s four-person sales team spends an average of 20-30 percent of their time on the road generating leads and recruiting new business.

This past year the team attended 42 industry trade shows, 32 client events & sales missions, and hosted 60 site tours which produced 542 qualified leads worth 190,000 potential room nights for HHRVB Partners who participate in the Sales Leads Program.

“Compare the cost to join our Sales Leads Program to the enormous investment required to conduct outside sales independently, and this program easily becomes the greatest value of all our Partnership services,” said Smith.

The bureau has also reported investing more money into Sales initiatives each year as the bureau’s overall budget has increased.

In 2014 the bureau began an international sales program under the direction of their new Director of Sales Audrey Bialas, including buying into the Brand USA international marketing program and joining the Pennsylvania Tourism Office Cooperative International Sales Initiative.

This year, HHRVB contracted a sales and marketing firm to represent the region in the United Kingdom and Ireland;

and initiated cooperative marketing programs with international receptive operators.

Smith also detailed the bureau’s significant financial commitment to launching their Sports & Events division earlier this year to further focus on the competitive sales and enhanced services required to capture a portion of this \$8 billion industry in the U.S.

The new division -



- launched in July 2016

“The expansion required adding staff and nearly doubling the sales budget for our Sports & Events efforts,” said Smith. “But it was a strategic investment, considering that segment represents 80 percent of our Top20 Clients and generated 61 percent of total room nights booked annually by our Sales Department.”

Smith emphasized the overall impact of the bureau’s sales efforts, saying it is a major contributor to the region consistently ranking #4 among 49 Destination Marketing Areas in Pennsylvania for visitor spending, which reached \$2.36 billion in the Hershey Harrisburg Region according to the latest report from the PA Tourism Office.



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The Art of Conducting Tourism Development

Destination Marketing Organization functions to facilitate collaboration among competitors.

By Rick Dunlap

Through a series of editorials in *TheBurg* this year, the Hershey Harrisburg Regional Visitors Bureau (HHRVB) hoped to enlighten readers on a variety of important topics related to our region's tourism industry.

Topics have explored how tourism supports our quality of life; how investing in the sports & events segment is good business, what the many direct economic impacts are from local tourism, and how the bureau's sales efforts benefit our tourism partners and local stakeholders.

In our final installment for 2016 we want to explore how the HHRVB delivers on its mission as the Destination Marketing Organization (DMO) to lead economic growth for the region through tourism development. The role of a regional DMO can be tricky in a competitive environment.

"To have a significant impact on the local economy, a DMO must promote the growth of tourism throughout the region while also remaining impartial to the vast community of competitive businesses it serves," said Mary Smith, President & CEO for HHRVB. "That means we must actively procure and aggressively pursue a wide variety of sales and marketing opportunities that will grow our economy through tourism, while being careful not to impede or negatively influence local competition."

The challenge for a visitors bureau is often how to produce the greatest potential for overall ROI to the



local economy, while not providing redundant services or undermining the efforts of its partners competing for similar business.

HHRVB has been effective at growing tourism, says Smith, because the bureau essentially functions for its Partners like a conductor serves an orchestra. Smith explains it as imagining an orchestra pit as the region and each musician with their instruments represents the diversity of stakeholders and businesses related to our tourism industry. While each member of the ensemble possesses a mastery of their own instrument, the role of the conductor is essential to pulling all the pieces together as a symphony.

Similarly, tourism officials believe their greatest influence on tourism development comes from the bureau's collaborative initiatives among its Partners.

"We are most effective in our mission when our cooperative programs reach beyond the scope of what any individual business could accomplish alone and our results far exceed what any partner could manage singly," says Smith.

Tourism is a competitive industry like any other, explains Smith. Therefore, most of the regional hotels, restaurants, and attractions are unable to pursue large pieces of business beyond their own

capacity. The nature of competition in business simply prohibits collaboration among those vying for the same business.

"We have shown the greatest economic impact for a region comes from hosting large-scale meetings and events requiring multiple hotels and venues," said Smith. "An established destination without a designated DMO to orchestrate such bids, regardless of capacity, is immediately at a disadvantage for growth."

With HHRVB in place, local tourism partners remain free to compete for individual opportunities while the regional economy benefits exponentially from the additional revenue that is generated from cooperative sales and promotional efforts conducted by HHRVB on behalf of the region.

Smith emphasized the bureau functions as a regional collaborator well beyond sales, with a menu of cooperative programs in marketing assistance, public relations and earned media, destination marketing and promotions, cooperative advertising, professional development, and most recently new international inbound marketing.

To learn more about how HHRVB functions to serve our community, or if you'd like to become a Partner of the bureau, please contact us at Info@HersheyHarrisburg.org or call (717)231.7788.



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