

Pennsylvania Tourism Office Testimony
Senate Committee on Community, Economic and Recreational Development
June 13, 2017

Intro

Good morning.

Thank you Chairman Scavello, Chairman Farnese and other distinguished members of the Senate Committee on Community, Economic and Recreational Development, for inviting me here today to talk about the Pennsylvania tourism marketing budget, and why it's so crucial to Pennsylvania's economy. All of us sitting here know that Pennsylvania is in a revenue crisis – and lucky for you, I have the answer.

I'm Carrie Fischer Lepore, Deputy Secretary for Marketing, Tourism and Film at the Pennsylvania Department of Community and Economic Development. As you may recall, we unveiled Pennsylvania's new tourism brand campaign last March – with a new logo and tagline that issued a bold declaration to travelers far and wide, inviting them to "Pursue [Their] Happiness" in Pennsylvania. Whether that's enjoying the view from the Pine Creek Gorge, standing in our founding fathers' footsteps beside the Liberty Bell or looking out at the Pittsburgh skyline from the top of Mt. Washington, Pennsylvania has the nation's best collection of greater-than-great outdoors, urban and historical experiences that no other state can rival – and we have spent the past year touting our strengths and telling our rich and diverse story.

I am here today to not only share with you the success that our new marketing efforts have had in attracting visitors from near and far to our state, injecting direct dollars into our communities and generating notable tax revenues – but to discuss just how large of an impact an increased tourism marketing budget could have on Pennsylvania's revenue problem. Similarly, I'm here to elaborate on the letter you received from Secretary Davin, discussing the detrimental effects that the current House Republican budget proposal would have on Pennsylvania's economy.

I'd like to take just a few moments to walk you through our multi-faceted approach to marketing Pennsylvania and our successes over the past year, combining media relations, social media, event promotion and – for the first time in years – a robust digital advertising plan. For the sake of brevity, I'll give a high-level overview of our collateral and accomplishments, and I would welcome the idea of scheduling individual meetings to discuss further and share visuals.

Brand Updates/Success

Since its launch, the Pursue Your Happiness brand has been supported with custom video content, showcasing what it means to be a Happy Traveler and how every visitor can build his or her own unique adventure in Pennsylvania. 2017 marks the second year of our completely revamped and newly redesigned annual travel guide, The Happy Traveler. In addition to the 175,000 print copies we distributed last year, 1.2 million guides were digitally downloaded by travelers throughout the U.S. and the world.

We re-imagined and revamped "Happy Thoughts," our consumer e-newsletter that goes out to over 160,000 subscribers each month and that number keeps growing. The newsletter features far more lifestyle content, tips and upcoming events than ever before. We brought vistiPA.com, Pennsylvania's official tourism website, back in-house and then added a bold and fresh new look for the site, which is our online destination for all things Pennsylvania.

Coupled with all this was the launch of a robust online ad campaign that was highly targeted to potential travelers throughout Pennsylvania, New York, New Jersey, Washington, D.C., Baltimore and Ohio. The ad campaign generated nearly 76 million impressions, more than 700,000 clicks, and a 20-plus percent increase in website traffic between June and September.

Social media is one of our key communication strategies and we adopted a fresh brand voice on our nine social media channels, where we gained more than 34,000 new followers, topping 350,000 total followers at the end of 2016. We love our social media followers because we know if they like what they hear, they'll tell their friends and relatives who will in turn tell their friends and relatives – greatly expanding the reach of our social media and marketing efforts to a dedicated base of travelers. One of the really fun things we've been doing is offering partners

the opportunity to take over our Instagram site for a day or two. It's a win-win because we receive great exposure to their followers and they get to do the same with ours.

We also took full advantage of major events that shone a big bright spotlight on Pennsylvania in 2016. We employed centralized, mobile advertisements during the Democratic National Convention (DNC). An estimated 50,000 visitors came to Pennsylvania for the convention along with coverage from hundreds of national and international media outlets to Philadelphia. I would be remiss if I didn't mention our most iconic event, Groundhog Day. By broadcasting the prognostication via Facebook Live, we generated more than a half million impressions by viewers from literally throughout the world.

And for the first time in several years, we re-established our presence in the overseas market – leading a tourism trade mission to the U.K.

These are just the highlights of what has been a very busy year for us in Pennsylvania's tourism office. I hope I've given you a glimpse into the new and exciting endeavors we've undertaken to attract travelers to Pursue their Happiness in our wonderful state. I am proud of the work that we've done and as you might guess, it's one of my favorite topics so I would be more than happy to set up a time with each one of you personally to tell you in far more detail about all that we're doing and plan to do.

Budget Implications

Our momentum in 2016 has only set us up for more success and opportunities in 2017. We look forward to rolling out a "Happy Thoughts" microsite, which will serve as a content home for our social media channels with stories and videos from the monthly e-newsletter, along with fresh content generated throughout the month. We will continue to host a monthly series of Facebook chats with industry experts, and conduct several media missions to major markets such as New York and Toronto, to secure face time with travel writers to keep Pennsylvania on the front page. With strategic investments and partner support, we will advance our international outreach.

But, *what's next* is only possible with your support.

We're thrilled that Governor Wolf has proposed \$10 million for the Marketing to Attract Tourists line item in his Fiscal Year 2017-2018 budget. After experiencing budget cuts since 2009, this would be a much-needed first step in restoring Pennsylvania's marketing budget to attract more visitors to the state. However, the House budget proposes to *cut* our current \$3.9 million budget to just \$2.5 million in the upcoming fiscal year.

There is no question this is a difficult budget year, but tourism marketing is not like most other line items. An investment in tourism marketing actually generates more tax dollars than it costs and the return is almost immediate. No other state program, investment or priority offers such a significant, near instantaneous impact on Pennsylvania's economy and the state's coffers. As we attract more visitors to the state, they fill our hotels, restaurants, main streets, landmarks, amusement parks, museums and more, injecting money directly into our communities and tax revenues for the state and our local governments.

Through the "miracle" of modern technology and data mining, we can tell if and when consumers who have seen and interacted with one of our online advertisements visit Pennsylvania. It's pretty remarkable, but data and analytics specific to Pennsylvania show that almost 50 percent of visitors arrive within one week of interacting with a Pennsylvania tourism brand advertisement, and 73 percent of visitors arrive within 14 days. Let those numbers sink in – we're proving that advertising the Pennsylvania tourism brand in neighboring states leads *directly* and almost *immediately* to increased travel to Pennsylvania.

Marketing works, but effective marketing takes dollars to design and implement. Failing to re-install Pennsylvania's tourism marketing budget – let alone to cut it yet again – would continue the damaging domino effect we have experienced for years.

I hope you have all read the report commissioned by the Pennsylvania Restaurant and Lodging Association on the cost and negative repercussions the cuts to the tourism budget have had on the state's economy. If not, I encourage you to look at it, or at least the summarizing Infographic companion piece. Both are available on the Association's website. Bottom line: cuts to the tourism marketing budget made between 2009-2014 resulted in the loss of more

than 37 million visitors, \$7.7 billion in visitor spending, \$3.2 billion in labor income and almost \$450 million in state taxes. Every dollar “saved” on marketing actually cost the state \$3.60 in state tax revenue. The bottom line is that the attempt to save \$125 million by defunding tourism marketing effectively resulted in a net loss of \$324 million.

As a commonwealth, we need to rethink what it means to fund a robust tourism marketing budget. It’s not an expense. It’s an investment in a vital industry that generates revenue to the General Fund – which then provides funds for transportation infrastructure, education, public safety programs, and the many other responsibilities of state government.

Governor Wolf’s \$10 million will help us begin to recapture those visitors, bring back their spending, help support jobs that pay, generate critical revenue and support vital programs that support all Pennsylvanians. It will also help extend the reach and momentum of the Pursue Your Happiness brand campaign.

We need your help to help promote and tell the story of Pennsylvania – which requires a consistent stream of marketing dollars, especially in light of the fact that we’re being outspent by many of our neighboring states and main competitors – by 5 to 1 by New York, 3 to 1 by Virginia and 2.5 to 1 by Washington D.C. Because of this, we are losing visitors to these neighboring states.

Close

The Pennsylvania Tourism Office believes there’s a Happy Traveler in all of us. We all share memories from our childhood, experiences raising our children or enjoying time with our grandchildren. It may be soaring down the tracks on the Phoenix at Knoebels, tackling the Tussey Mountain Trail or triumphantly running up the “Rocky steps” with our arms held high. We have so much to share in Pennsylvania, and I’m honored to lead our efforts to share that with the world.

As we look ahead to another year, the Tourism Office and our partners are excited and empowered by the vision we have for the future. It is our shared goal to continue to showcase our abundant outdoor spaces, richly historic landmarks and profound urban centers. And as we

do so, we will empower the Happy Traveler in all of us to Pursue Their Happiness during every step of their journey, and we will renew Pennsylvania community spirit by giving people a reason to be proud of where they call home. In turn, we can immediately help to resolve Pennsylvania's revenue shortfalls. Increasing our tourism marketing budget is truly a win-win situation.

Thank you.