

# Tourism Powers Lancaster

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May 10, 2017



# The Power of Tourism

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Every year, Lancaster tourism...



... has a total economic impact of **\$2.6 billion**



... reduces each household tax burden by almost **\$1,000**



... attracts **8.3 million** visitors



... supports more than **24,000 jobs** in the county



... generates **\$2 billion** in visitor spending



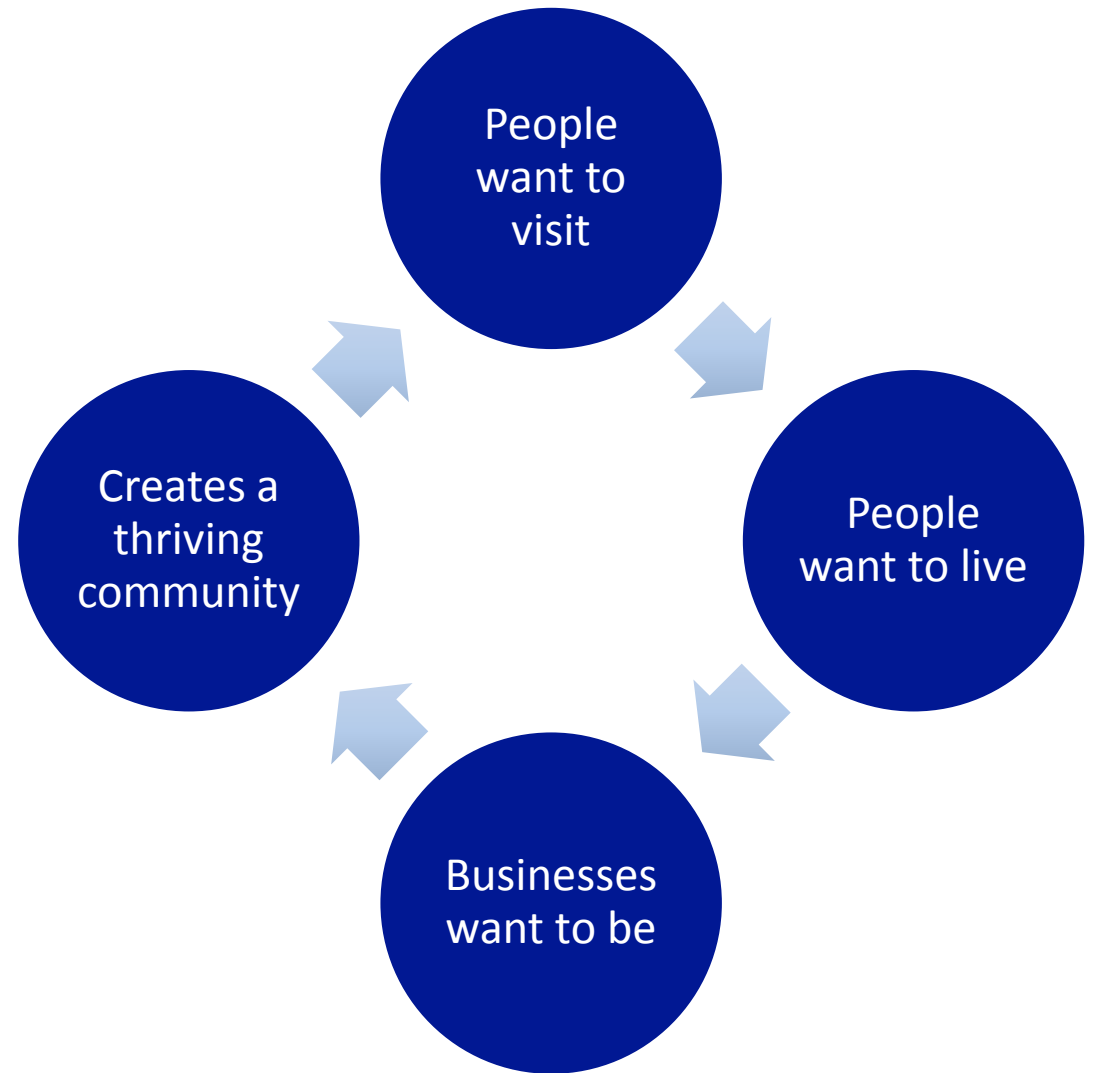
... benefits businesses and jobs in a **wide range** of industries

## Private-Sector Employment Ranking Lancaster County

Rank	Industry	2015
1	Health Care and Social Assistance	36,800
2	Manufacturing	36,000
3	Retail Trade	25,740
4	Professional and Business Services	23,400
<b>5</b>	<b>Tourism</b>	<b>15,967</b>
6	Mining, Logging, and Construction	13,700
7	Wholesale Trade	13,400
8	Food Services and Other Accommodations	10,251
9	Other Services	9,840
10	Transportation and Utilities	7,544
11	Financial Activities	6,100
12	Arts, Entertainment, and Recreation	3,300
13	Educational Services	1,758
14	Information (e.g. publishing, telecom)	1,200

Source: Bureau of Labor Statistics, Tourism Economics

# What we do goes beyond the tourism industry



**How many people have decided to move to Lancaster  
because of a visit?**

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# A Broader Appeal

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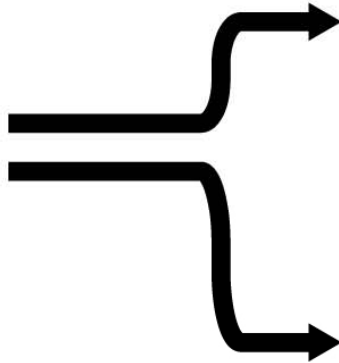
## Today



Amish



Farmland



## Our Future



Amish



Foodie



Outdoor &  
adventure



Visual and  
performing  
arts



Farmland



Shopping



Towns &  
villages



City

# Research Highlights

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# Market Research

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.



# Market Research

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

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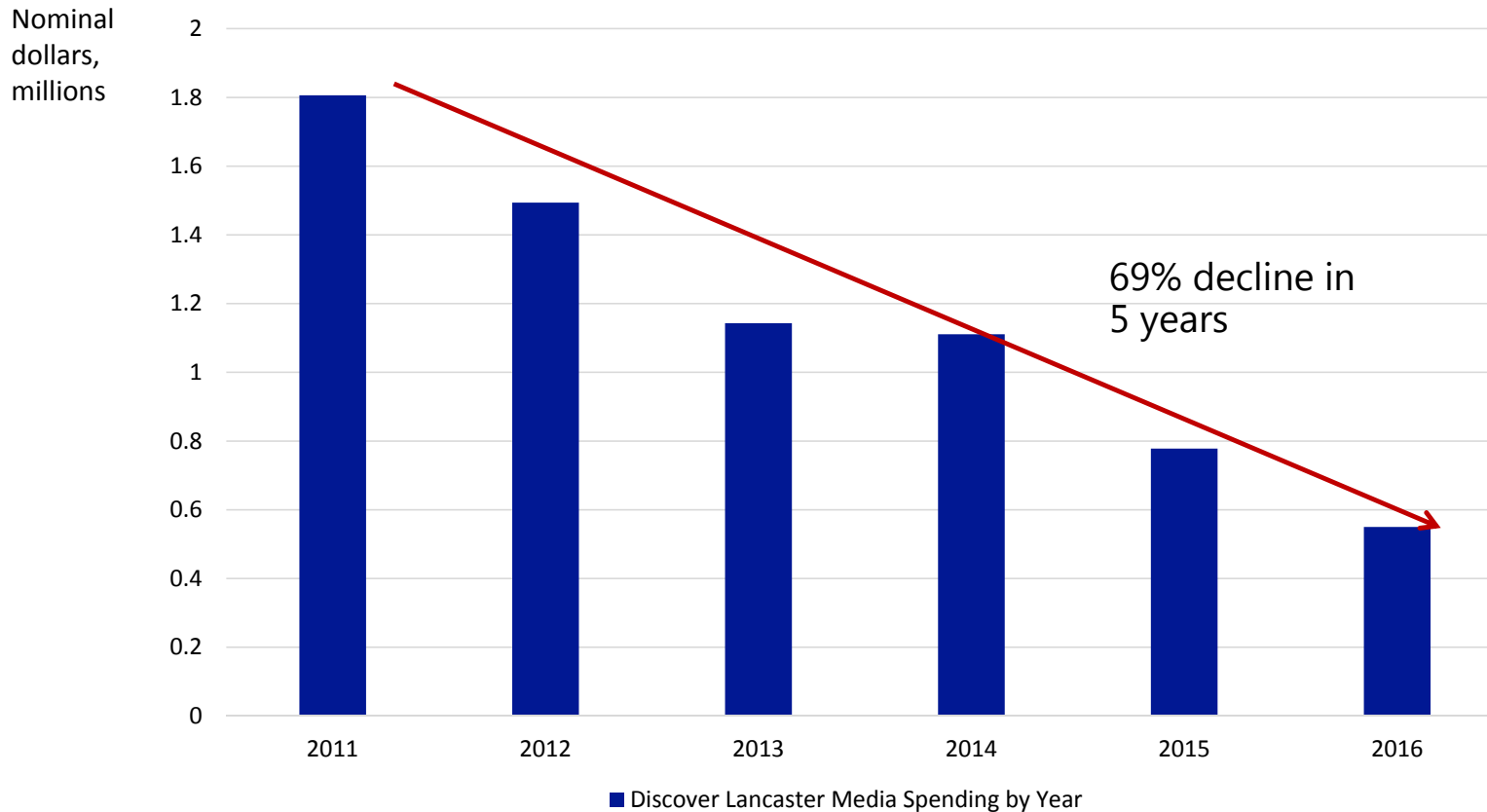
**Our biggest challenge:**

**Lack of awareness**

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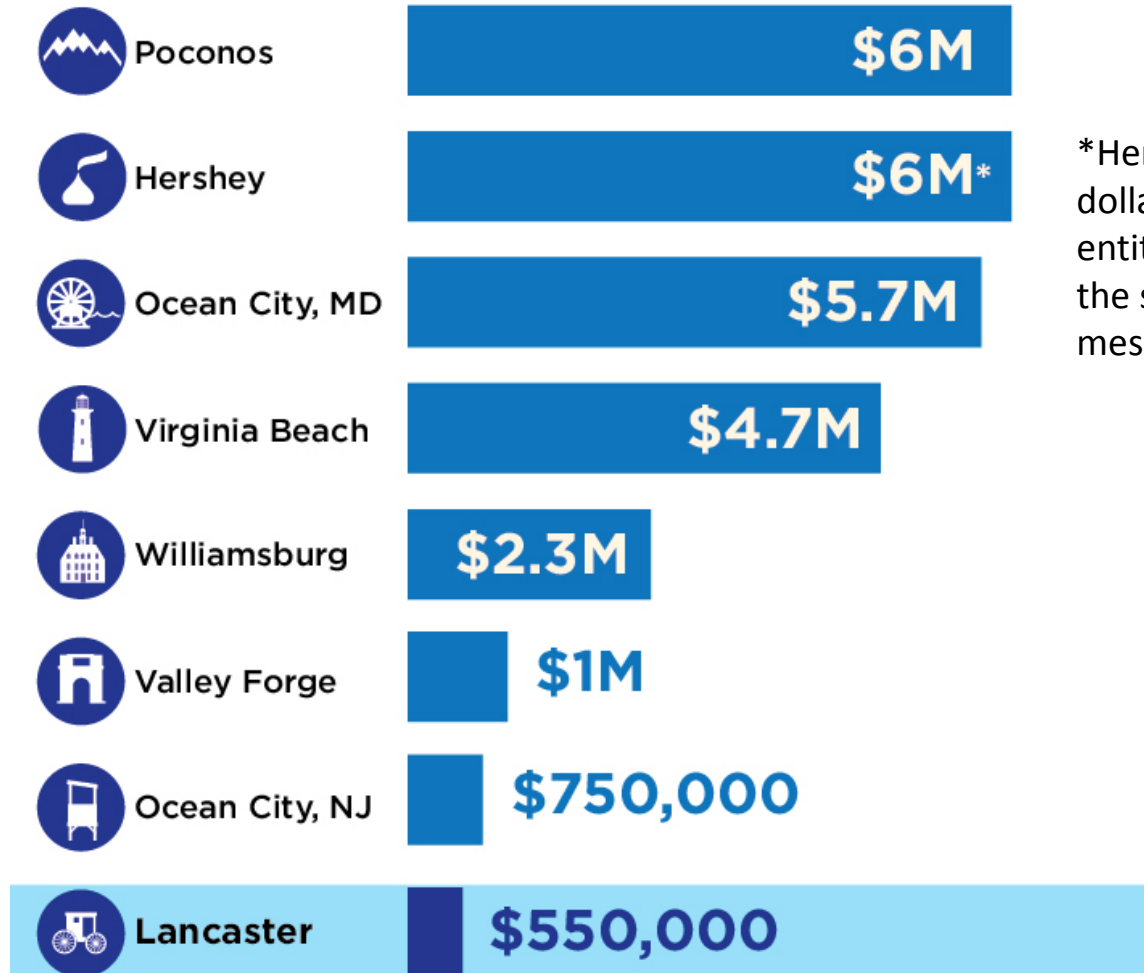
# Steady cuts in advertising funding

Discover Lancaster Media Spending by Year



Source: Discover Lancaster

# Competitive Media Spending, 2016

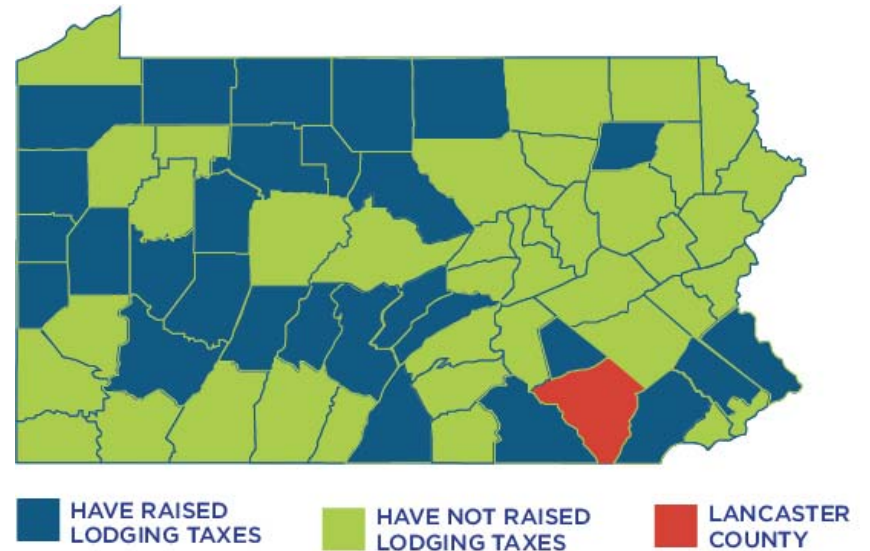


\*Hershey includes private ad dollars because the relevant entity markets significantly the same destination message as the DMO.

# Competitive Challenges

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- 28 counties in Pennsylvania have increased their lodging fee
- Valley Forge has increased their budget to \$8 million
- York



# Growth in hotel room demand

Ranking	Total increase in hotel room demand, 2011-2015		
1	Chesapeake/Ocean City, MD	14.8%	
2	Poconos, PA	12.6%	
3	Harrisburg/Hershey PA	12.2%	
4	Williamsburg, VA	9.7%	
5	Niagara Falls, NY	9.4%	
6	<b>Lancaster, PA</b>	<b>7.0%</b>	
7	South Shore/Mineland, NJ	7.0%	
8	Philadelphia West Suburbs, PA	2.7%	
9	Virginia Beach, VA	-1.5%	
	<b>Average</b>	<b>9.2%</b>	

# Case Studies

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- 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

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- 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

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

## Benefits

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- Attract more visitors
- Dedicated to marketing
- Group incentives
- Stable funding

# What an additional \$3-3.5 million can do

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- 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

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- 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?

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For questions or comments, please contact  
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# Thank You

DISCOVER  
*Lancaster*

