



Tuesday, November 19, 2013

**Testimony to the
Senate Community, Economic & Recreational Development Committee**

John Oliver, President/CEO VisitErie

Good morning, Chairman Ward and Chairman Fontana and the members of the Community, Economic and Recreational Development Committee. Thank you for allowing me the opportunity to speak before you today. My name is John Oliver and I am the President/CEO of VisitErie. We are the Destination Marketing Organization (DMO) for Erie County.

I would like to give you a brief update on the results of a recently passed piece of Pennsylvania legislation. Last year this committee voted to move HB 1478 to the Senate floor. This bill allowed Erie County to increase its hotel occupancy tax by 2%; bringing the existing 5% tax to 7%. The entire percentage increase was designated to go to VisitErie, the County's DMO. Of the original 5%, VisitErie receives 20% and the Erie Convention Center Authority receives 80%. After passing nearly unanimously, it was signed into law by the Governor and took effect January 1, 2013.

Thanks to this committee and the Governor's office, this increase has had a powerful impact on VisitErie's ability to market and promote Erie's tourism assets. Our budget has grown from \$800,000 to slightly over \$2 million. Last year, our organization budgeted \$60,000 for advertising. This year our advertising budget is \$800,000. We have developed and are currently implementing a year-round marketing and promotional campaign that reaches our key feeder markets of Pittsburgh, Cleveland, Buffalo and southern Ontario. These campaigns utilize multi-media platforms including digital, television, radio, print and outdoor. Before the increase, television advertising was not an option. Since the increase, VisitErie has run over 6,100 television ads from June through September of this year to our key markets. We are also in the final stages of completing a destination mobile app that will improve and enhance the visitors' experience utilizing leading technology and social media connections. The Erie Sports Commission, a division of VisitErie, is now fully funded and has had great success in securing several national sporting events and increasing outside audience participation for reoccurring local and regional events. We believe that within this first year, all of these efforts will lead to a \$100 million increase in visitor spending.

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In addition to letting you know about our achievements as a result of Erie County's hotel occupancy tax increase, I'm asking that this committee look favorably on additional legislation introduced this session, which would increase the hotel occupancy tax for other destinations. It is my hope that you recognize the tremendous impact this tax can have on Pennsylvania's tourism economy when it is dedicated for destination marketing.

When it comes to tourism promotion, Pennsylvania has slipped from 4th to 7th place in market share nationally. Michigan spends \$25 million on tourism promotion and New York State is poised to invest \$60 million. With its current budget, Pennsylvania will spend less than \$3 million this year. There was a time in previous administrations, where Pennsylvania's tourism budget was \$44 million. It is apparent that the State is counting on the local DMO's to promote the state and their individual destinations. I could not disagree more with this strategy. The priority of a destination or region is to promote itself first and foremost with Pennsylvania used as a geographical reference to assist in locating their destination. Without an aggressive branding and marketing effort by the State putting all of the destinations and attractions under one umbrella, our Commonwealth will see a continuing growth of what I refer to as "silo marketing of individual destinations". This type of marketing will deprive visitors of the knowledge and desire to visit multiple destinations in Pennsylvania. Increasing funding from the state towards a comprehensive state-wide marketing effort should not be looked upon as an additional expense but as an intelligent investment; one that will show an immediate return through increased visitor spending, more jobs and additional tax revenue.

In closing, I want to again thank you for your support of Erie County's past legislation and your future support of the Public/Private Partnership presented to you in earlier testimony.