



Senate Community, Economic & Recreational Development Committee

Remarks by

Lynn Burkholder, Project Director, Pennsylvania Tourism Partnership

and

**Brandon Igdalsky, President/CEO of Pocono Raceway and
Member of the Pennsylvania Tourism Partnership Steering Committee**

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Good morning Chairwoman Ward, Chairman Wiley and members of the Senate Community, Economic & Recreational Development Committee. Thank you for the opportunity to speak to you this morning about tourism and the Pennsylvania Tourism Partnership, which we refer to as the PTP.

The mission of the PTP is to identify a consistent, world class and inspirational brand for Pennsylvania tourism and to facilitate the direction, funding and execution of a research and data based marketing communications plan for the Pennsylvania tourism industry.

The PTP signals a renewed interest between the public and private sectors toward an integrated approach to branding, strategic marketing and tourism promotion. Increased involvement of the private sector to grow tourism signifies a new direction for an industry that contributed over \$39 billion to the state's economy in 2013 and supported 479,000 jobs. Under this partnership, Pennsylvania's tourism brand and marketing initiatives can achieve greater continuity and brand awareness.

This initiative has been in the works for many years, and officially came to fruition in the fall of 2013, a direct result of a two-year process and increasing momentum toward a structure that enables the public and private sectors to collectively drive the future of Pennsylvania tourism. The road leading to the PTP's creation included industry surveys, national research and ongoing meetings between the public and private sectors. Its evolution over the last 21 months has included similar collaboration with Pennsylvania's tourism industry and business leaders.

The PTP is taking critical measures to realize its potential for positive change. Forming a Steering Committee in May of last year was an important step. The 17-member Steering Committee is comprised of business and industry leaders from throughout the commonwealth, many of whom were nominated by the tourism industry, in addition to representatives from the Departments of Community & Economic Development, Conservation and Natural Resources and Agriculture. The list of Steering Committee members is in the PTP Overview that was submitted with our remarks.

I am pleased to have a Steering Committee member with me this morning, Brandon Igdalsky, President of Pocono Raceway. He has committed financial resources and a substantial amount of time to the PTP's efforts including serving on the brand and marketing subcommittee.

Brandon Igdalsky's Remarks:

As President of Pocono Raceway, I am actively involved in the company's branding and marketing efforts so I have experienced firsthand the challenges Pennsylvania has faced to brand and market its rich tourism product. That is why I am excited to be a part of such a promising initiative for the commonwealth.

Pocono Raceway in Long Pond, Pennsylvania is one of the most unique tracks in the world, spanning 2.5 miles in the shape of a triangle. Founded by my grandfather, Dr. Joseph Mattioli and a group of area businessmen, we are a family owned and operated motorsports facility and one of only three independent tracks left in NASCAR's top level. For over 45 years, Pocono Raceway has hosted the NASCAR Sprint Cup Series, NASCAR Camping World Truck Series, ARCA Racing Series, Verizon INDYCAR Series and close to 100 other motorsport schools, car clubs, OEM programs. Pocono is one of only two tracks in the world to host two NASCAR Sprint Cup races and one Verizon Indycar race. We host more than 325 track/event days between mid-April and mid-October, running multiple events at the same time due to our five courses and 40 configurations.

Unlike most professional sports leagues that draw from a local fan base, racing is national with all the players on the field at the same time and fans coming from all over the world. Over 250,000 fans will participate in Pennsylvania's greatest racing experience over three exciting race weekends. In 2014, Pocono Raceway had ticket buyers in attendance from all 50 states, 20 countries and all but two Pennsylvania Counties (Fulton and Cameron). These guests, whether here for a NASCAR race or a Porsche Club event, are staying in our hotels and resorts, dining in our restaurants, buying lots of fuel and extra tires, shopping in our retail outlets, and now enjoying the gaming options at our local casinos; Mt Airy, Mohegan Sun Pocono and Sands Bethlehem.

According to a 2013 East Stroudsburg University Economic Impact Study, Pocono Raceway generated \$257.5 million dollars in state and local revenue. This is similar to a Super Bowl being hosted in our Commonwealth every year. NASCAR events are on a year by year sanction with the league. We have invested over \$30 Million into the facility since 2010 including a \$16 million solar installation that powers 100% of the property with no state financial assistance. Currently, we are installing double-sided video boards; the first of their kind at a motorsports facility.

NASCAR is the number one sport in sponsorship participation by Fortune 500 companies. Over 117 Fortune 500 companies have invested in NASCAR and its tracks. We have partnered with several great Pennsylvania companies like Sunoco, Axalta (formerly Dupont Automotive, now PA based), and family owned PA businesses like fifth generation led Yuengling and sixth generation led Unique Pretzels.

As you can see, I am passionate about Pocono Raceway and Pennsylvania's tourism industry. Our impact on the growth of business and employment is vital to the commonwealth. In fact, tourism is said to be the largest economic sector in the world.

That's why I am excited to be a member of the PTP Steering Committee. The Steering Committee shares a common vision for tourism that Pennsylvania has not seen for decades, and has made meaningful progress to advance that vision over the past year. The Steering Committee has met nine times. Some of those meetings included Pennsylvania's destination marketing organizations, also known as tourism promotion agencies and convention and visitors bureaus. Shortly after its formation, the Steering Committee went right to work on four key initiatives: organization and governing principles, a brand and marketing communications plan for tourism, fundraising and stakeholder communication.

The Steering Committee was divided into four subcommittees so we could accomplish more in less time. The PTP Steering Committee is committed, motivated and resourceful in its efforts to grow Pennsylvania's tourism industry and benefit the commonwealth. To date, the committee has adopted governing principles and identified public and private sector co-chairs. The committee also completed an RFP and selection process for a contractor to assist with a brand and marketing communications plan for Pennsylvania tourism.

The discovery phase of the project has been completed and included:

- Initial interviews with the PTP Steering Committee.
- An online survey, answered by 510 total respondents from the tourism industry across all regions of Pennsylvania. The survey measured perceptions of current PA tourism assets and utilization of the PA tourism product.
- 10 regional meetings held across Pennsylvania, where stakeholders within the tourism industry were able to voice their views on PA tourism—both present and future.
- An online survey of 900 consumers in key tourism markets, including in-state and out-of-state respondents from OH, WV, VA, DC, MD, DE, NJ, NY, and New England. This consumer survey measured both perceptions of PA as a tourist destination as well as actual behavior.
- Secondary research and tourism trends analysis, and a comprehensive communications audit of all 49 states' tourism branding and marketing efforts.

The synthesized data collected over several months was presented to the tourism industry on May 5th during the annual Tourism Summit, hosted by the Pennsylvania Association of Travel & Tourism. Lynn is now going to share the highlights of the research.

Lynn Burkholder's Closing Remarks:

In the brief time we have today, I would like to share with you just a few of the insights from the comprehensive study.

First, the current PA brand positioning, or *slogan*, is virtually unknown by even the most informed members of the tourism industry. Only 16% of stakeholders in all corners of the state said that they knew the current Pennsylvania brand. And of those, only six in 10 answered correctly. That means just one in 10 tourism advocates can communicate to others a compelling and consistent message about why visitors should come to Pennsylvania. And if they don't have a clear understanding of what the

tourism brand of Pennsylvania is all about, we can be sure that consumers inside and outside the state are equally unaware.

Second, stakeholders and consumers inside and outside the state agree that Pennsylvania is a “getaway” state. Travelers come from up to a 300-miles away. This is good news—because it is very consistent with the national trends in travel across all age groups. People are taking more getaways and fewer longer vacations. Pennsylvania is also a popular getaway destination for the surrounding states: 86% have visited PA in the last 5 years. Typically they stayed two nights. And more commonly than in other states, they were married and brought their kids! 98% of these visitors report that they were satisfied with their trip—indicating that we are offering a valuable travel experience. But here is the challenge: while more than 80% of them say they are likely to visit again in the next five years, we don’t want visitors waiting five years to come back. In fact, we want them back again and again!

Third, our stakeholders and consumers strongly agree on the key tourism benefits and attributes of Pennsylvania. There are three very significant and in some ways related assets: the outdoors, our history and cities. Travelers coming to Pennsylvania to experience the outdoors are across all generations. People throughout each of the life stages come here to engage in the outdoors. While our oldest visitors experience the outdoors in a more leisurely and sightseeing type of way, our millennial visitors are all about the action and adventure! We also learned that there are very significant connections between our outdoor visitors and our history visitors. Outdoor enthusiasts participate in history-related activities at nearly the same rate as history travelers. This would seem to indicate that bringing in outdoor travelers would also provide significant benefits to our historical assets.

Finally, Pittsburgh and Philadelphia dominate the top of mind awareness among potential visitors in the target states when they think of Pennsylvania. But what they had to say about our cities was significant: Not only did the New York Times, Forbes, Huffington Post and the Travel Channel all promote our cities in 2014/2015, the improved perception of our cities is being driven by young people. In fact, the Millennials in our study were more likely than other age groups to consider Pennsylvania to have “cool and hip” activities for young people. This is driven by our city assets. In fact, Pennsylvania is one of only four states in the nation with two top 25 metropolitan areas.

While there are reams of data behind this brief overview, these key findings are significant and have provided the PTP with a comprehensive understanding of today’s traveler to Pennsylvania. It is serving as the foundation for our brand strategy, which defines how the commonwealth can be uniquely and effectively positioned, as well as our plan to communicate these messages to potential visitors.

The commonwealth is making history when it comes to tourism marketing. However, there is still much work to do as we advance the vision for the future of tourism. A compelling brand and marketing communications plan will make a huge difference in the industry’s ability to attract more business and leisure visitors, drive revenue and grow jobs. However, it doesn’t stop there. The long term success of this vital industry depends on a strong public private partnership so Pennsylvania’s overarching brand and marketing will transcend any particular administration to achieve consistency, continuity and, over time, brand equity.

Thank you for your time and attention this morning, and I look forward to continued dialogue with regard to Pennsylvania tourism and the Pennsylvania Tourism Partnership.