

Senate Policy Committee Hearing

Testimony of Jeff Guaracino,
President and CEO of VISIT PHILADELPHIA

Tuesday, April 13, 2021

Hearing begins at 10am; Jeff to speak after 11am

Allotted Time: 3-5 minutes

Full List of Speakers/Agenda: <https://policy.pasenategop.com/041321/>

Introduction/COVID-19 Losses

- Chairman Scavello and members of the committee, thank you for having me today.
- I am the president and CEO of VISIT PHILADELPHIA, the official attractions marketing agency of the Philadelphia five-county region as designated by the Commonwealth of Pennsylvania.
- It's no secret that the hospitality and tourism industry has been especially impacted by the COVID-19 mitigation efforts such as restrictions on travel, large gatherings and dining. But *this loss affects more than just the industry* – it means an economic loss for small businesses, the city, the region and the state.
- Tourism Economics estimates that in 2020 the Greater Philadelphia region *already* lost \$5.8 billion in economic impact, with Philadelphia county losing \$3.2 billion, as a result of COVID-19 on the industry. The industry isn't expected to make a full recovery until 2023-2024.
- This significant loss in tourism has resulted in the loss of jobs for 158,200 Pennsylvanians (or 30% of) workers once employed in tourism and hospitality. This is the largest loss of any industry. Through February 2021, Greater Philadelphia is still down 63,000 tourism and hospitality jobs.
- According to EConsult, **each \$1 million invested** in tourism promotion in the Greater Philadelphia region is anticipated to support more than 800 jobs within the region and generate nearly \$8 million in state and local taxes.

1. From the onset of the pandemic, VISIT PHILADELPHIA has promoted the tourism and hospitality sector, responsibly driven economic impact for the region and provided marketing support to the region's small and Black &-Brown-owned businesses.

- **Supporting Small Businesses:**
 - Our marketing programs generated **over a million referrals from visitphilly.com** to restaurants, businesses, hotels and attractions *just since March*.
 - This summer, in collaboration with the Dept. of Commerce, VISIT PHILADELPHIA launched a web piece spotlighting business in commercial corridors across the city and region and sending thousands (3,178) of visitors to their online stores.
 - We also launched the #OurTurnToTourist initiative to encourage locals, regional residents and visitors to enjoy Greater Philadelphia safely by supporting attractions,

restaurants, shops and hotels. Right now, we are utilizing the initiative to encourage consumers to #ShopPhilly this holiday season.

- ***We're supporting hospitality workers, too.***
 - Unlike other major industries, most hospitality jobs do not require a college degree making these family-sustaining jobs more accessible.
 - In July 2020, we launched a comprehensive hospitality job resources page to make it easier for hospitality workers laid off during the pandemic to find new jobs.

2. VISIT PHILADELPHIA is continuing our recovery marketing strategy and preparing for a new phase of initiatives to support local businesses thus ensuring a more inclusive recovery in 2021 and beyond.

- Since March 2020, we've already seen more than **a million referrals** from our website directly to regional attractions, retail, hotels and restaurants – many of them being small and locally owned businesses. We'll continue to promote these and other small businesses on social media, web and in advertising through 2021.
- We have a highly targeted advertising approach to feature tourism-ready businesses across districts. We'll generate further economic impact for the city and state by purchasing ads from local media and community newspapers and provide co-branding opportunities.
- In partnership with Miles Media, we plan to offer *Google My Business* virtual training for business owners to improve their online presence and increase their visibility in searches.

3. As our competitors know well, these marketing strategies require funding to reach their targeted audiences and successfully attract visitors to spend their money in Pennsylvania.

- Philadelphia is well-positioned to rebound quickly relative to other markets. A diverse mix of demand segments and a high share of domestic visitors make Philadelphia a resilient market during the current crisis (TE). But this recovery is going to be incredibly competitive. There's built up travel demand, destinations experiencing large economic losses and a global market of destinations jockeying for tourists.
- We're already seeing Baltimore, Florida, New York and other destinations vying for our markets to visit, and in effect, spend their money outside of the state.

4. Closing Ask

- We urge the Legislature to direct federal funding for emergency use by destination marketing organizations to promote and encourage safe travel and to attract out of state visitors to our regions and the Commonwealth.
- Investing in the tourism and hospitality industry means getting tens of thousands of Pennsylvania back to work. If we want Pennsylvania to experience a robust economic recovery that results in a stronger region, we need to market our locally owned small businesses.
- Tourism marketing at Visit Philadelphia has a proven track record of creating a significant return on investment:

- **According to Econsult, each \$1 million invested in tourism promotion is anticipated to support more than 800 jobs within the region and generate nearly \$8 million in state and local taxes.**
- Thank you for your time and consideration.