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The Mayor's Symposium

A Report on the Future of Annapolis Tourism Promotion

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The Future of Annapolis Tourism Promotion
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Overview

On June 2nd, 2009 the City and the Anne Arundel Conference and Visitors Bureau held a symposium focusing on the future of tourism in Annapolis. Members of government, the business community and representatives from the local resident organizations were present. The symposium was kicked off by the CEO of the US Travel Association with trends in tourism and followed by other expert panels of national and local representatives.

The purpose of the meeting was to discuss the promotional infrastructure of Annapolis and explore improvement opportunities for the future. An expert panel was followed by a facilitated session of participants.

Topics for discussion amongst the attendees in the facilitated sessions were as follows:

- What are the current trends affecting tourism in Annapolis?
- How to increase the competitiveness of tourism in Annapolis?
- What shape should cooperative marketing take for Annapolis?

While the session was interesting, it only scratched the surface of what there was to discuss and there was apparent interest in continuing discussion. Below is a recap of the discussion with a summary of implications and recommendations.

Tourism Trends

What are the current trends affecting tourism in Annapolis?

The overall trends of travel and tourism are shifting on a backdrop of social change on a global scale. The United States has been losing global market share in tourism from 10% to 6% over the past decade. The meetings and incentive travel market is shrinking due the recent financial crisis in the banking industry thereby producing the negative rhetoric that has been generated about incentive travel. The international inbound market has benefited from discounted pricing

due to the dollars' low exchange rate over the past 5 years; however this sale may be ending.

As the dollar gains strength international inbound travel will be challenged. International inbound tourism is an export industry for the U.S. and is a very profitable market for destination marketers. International travelers stay longer and spend more money shopping and dining.

Given this backdrop it is important to note that Annapolis has the unique advantage of having global recognition as a name and destination. More clearly defining its market position for tourism can only result in an increase in tourism market share.

On a regional basis the transformation of the destination with the recent development of the Parole Town Center and the promise of the establishment of the National Sailing Hall of Fame as future attraction on City Dock are challenging the city to re-define the destination. Annapolis has served as a regional shopping base for many who live on the eastern shore and southern Delaware, and as such, as the destination offers more shopping it will continue enjoy day trips from the region. Many competitive locations have been struggling to fund marketing efforts this year as budgets have been shrinking following decreases in bed taxes and other sources of public funding. This will provide an opportunity to gain destination share from long standing destination marketers in competitive locations in outlying regional and national markets. Due to the large government base around the Annapolis area, the region has been somewhat insulated from much of the financial market crisis in larger business based communities.

Another trend affecting the future of tourism marketing is the behavioral differences of consumers amongst the generational segments of baby boomers, generation X and the millennia generation. While over 80 percent of travelers research travel information online, social and mobile media is growing fastest among the generation x and millennia generations as sources of information, referrals and transactions. This has significant implications for marketing destinations in the future. In the last 5 years the internet moved to the number one channel for destination airline, hotel and car reservations.

These shifting demographics will create new opportunities in destination marketing as boomers continue to look for new experiences and the following generation x and millennia generations are increasingly using the internet to plan and book travel. With the emergence of social and mobile media, destinations

will be challenged to continue to be present where the conversations are taking place. While the boomers have been the main source of visitation for historic and cultural visitation, next generations require a new marketing approach to re-discovery. Traditional and online advertising should be embraced once again to "awaken" the historic and cultural interests of the next generation. These upcoming generations have different habits in their use of technology for entertainment and information as source. User generated content has become much greater and influential than published media for these generations. A focused effort on these new channels will be required to reach the next generation.

Competition

One fundamental issue for tourism marketing is defining the (product) destination boundaries and value. What is it? What constitutes "Annapolis"?

According to the World Tourism Organization (WTO), "competitiveness is the capacity of a destination to compete successfully against its main rivals in the world, to generate above average levels of wealth, and to sustain this over time at the lowest social and environmental cost.

In a related WTO study of 60 destinations on public-private destination marketing, the study concludes that:

- Tourism competitiveness is created in a **local cluster** and not at a 'National" (or State) level.
- The tourism clusters must devise a **competitive positioning** or advantageous way of competing against the competition.

The most important and immediate work for Annapolis to become more competitive on a tourism level is to first clearly define the "cluster" that constitutes Annapolis as a destination. What might constitute the Annapolis cluster may have become somewhat different than previous held definitions upon the completion of the new Parole Town Center and Park Place.

Contemplating this at a local business to business level, certainly retail shops and restaurants compete between Westfield Mall, Parole Town Center, West Street, Main Street and West Annapolis. However, on a destination level these very same locales may be in fact be what constitute the "Annapolis cluster" in

order to compete for what Annapolis has to offer to national, regional and even in some cases local visitors.

The challenge with the current state is that the collective cluster has no immediate focus or compelling branding. Annapolis destination marketing by this definition pales by comparison to the level of focused destination marketing efforts applied to destinations defined as competition by the participants in the symposium's sessions.

In the breakout sessions, participants defined the Annapolis competition as the following destinations: Newport, R.I., Alexandria, Va., Charleston, S.C., Savannah, Ga., Carmel, Ca., Baltimore City, Md., Frederick, Md., Asheville, N.C.

The group also reported that there is a need for one voice to lead the marketing effort of Annapolis. Currently there are several organizations that have a piece of this objective. The AACVB has Annapolis as part of its county wide focus; the Annapolis Business Association also has some focus on cooperative initiatives for downtown Annapolis. The Mayor's economic development program and federally funded "Main Street" program also have a piece of the responsibility and finally the newly create D.A.P., Downtown Annapolis Partnership is also set up to enable cooperative marketing. While all of these efforts have had various levels of success, the notes from the symposium suggest there is a gap. The gap is the development of "one voice" for the Annapolis destination.

While the current economic crisis has hit many businesses hard, it has also had a sobering effect on efficiency. The recent developments with getting the Market House back on track and the development of the D.A.P. represent a renewed focus on the "product" of Annapolis.

Another gap cited was the lack of a consumer website for Annapolis exclusively.

Cooperative Marketing

All of this provides a backdrop for the need for more effectively cooperative marketing. Annapolis seems ready to step up the cooperation to reach the next level of tasks that can improve the overall destination experience as well as help to increase visitation and ultimately the subsequent revenues to the businesses that are here. The areas cited in the reports from the participants to improve cooperative marketing efforts are listed below.

- One Voice for Annapolis

- One Brand Position
- A Proper Tag Line
- A public-private effort to leverage resources
- Efforts to Break Down Institutional Silos
- Outreach to Understand Community Components
- Coordinated Tourism Information Opportunities
- One website with Hotel linkage
- Internet – Facebook, Twitter etc.
- Gateway Advertising
- Parking Awareness Program
- Pooling of Marketing Dollars for Cost Efficiency
- Advertising and Media Co-ops
- Ambassadorship – Leadership Involvement
- Community Calendar
- Strategic Partnerships

Conclusions

In summary, it seems clear from the sessions that there is a growing positive force taking shape amongst business leaders and the community of Annapolis. The interest to bring a more formal process to the establishment of an Annapolis based tourism effort is evident. This report was developed as way to document these interests and provide a framework for forward looking steps.

The current fragmented state of ideas and energy requires leadership. Sponsorship to shepherd the various efforts in one voice for Annapolis is essential. The City must recognize this can only be done effectively through a well thought out public-private effort. The D.A.P. may very well be the seed that can grow into this vision. Initially funded by the city and directed with private sector experts and agents.

As a sponsor of the symposium and an international destination marketing and strategy agency, provided below are some of the foundational steps in our qualified opinion that should be considered to gain traction and take this to the next level.

Year One Recommendations:

1) Acquire initial executive sponsorship from city leaders for an initial period of 6 months (meetings, funding, etc.)
2) Develop a process to determine a proper governance approach for a public-private effort based on the new cluster definition of “Annapolis”
3) Define target membership based on destination economic impact
4) Develop a brand strategy and develop, brand positioning, tag line, and online strategy
5) Fund a destination strategy project to lay out a blueprint for success
6) Execute a formal process to define the Annapolis “cluster” and the corresponding competitive set through an expert third party facilitator
7) Establish a logical cooperative marketing matching formula and initial base to initiate the effort
8) Retain an agency to facilitate an annual cooperative marketing budget

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