

Will the real "Prescott" stand up?

9/23/2009 Mayor's remarks for Prescott Tourism & Economic Development Summit

Audience grabber:

Lights dim and YouTube video starts to play:

Travel 2.0 by Xotels YouTube video comes on (duration 90 seconds)

http://www.youtube.com/watch?v=ZOFFx_78CaA

YouTube Video Fades out and lights come up

I hope that short video grabbed your attention. We are in the midst of a real crisis in tourism and my intention is to galvanize us all into action. Change never comes easy as the human condition is to rely on what is comfortable and what we have used successfully in the past. Real change almost always comes as a result of a crisis and I believe that is what we are facing today.

I hope the YouTube video gave most of you a hint about the change I am about to discuss. It really is a paradigm shift, a new way of doing business and that scares many people.

On May 27, 2009 at the City of Prescott's Gold Plate Luncheon, we learned from Retha Hill that:

- Print media is losing audience and revenue rapidly. Younger people (under 35) are getting their information from Internet sources, not the print media. Retha cited numerous examples of major layoffs, cutback and closings in the print media arena.
- Electronic media, especially Social Networking, is evolving on an exponential curve.

Here in our slice or paradise we have depended on tourism as a significant driver of our local economy. In a typical year it represents \$50 to \$200 million of taxable activity (depending on what you include).

However, recently we have seen a significant and continuing decline in our tourism business. What do I mean by significant? Declines in sales tax and bed tax do not provide a clear picture of the severity of this decline. The hotel industry uses reports from Smith Travel Reports to measure the combination of rooms booked and revenue produced, a number called RevPAR.

Basically, August has been the worst month so far this year. Down 43% RevPar as measured from 7 major hotels in the market, including the Prescott Resort. Another indicator of the severity of the decline are reports from PriceLine showing rooms being sold at rates that are probably below the break even.

Margo Christensen and others formed the Prescott Area Tourism Committee to proactively address that decline. The mission of that volunteer committee is to increase group tourism business defined as bookings of 9 rooms or more.

It has focus groups organized around:

- Sales and Marketing
- e-Commerce and Social Media
- Funding
- Communications

One of the cross-cutting issues that has surfaced is the lack of a consistent Prescott brand. We currently have a plethora of brands:

- Everybody's Hometown
- Arizona's Christmas City
- Where History Lives On
- PRESCOTT, ARIZONA COWBOY CAPITAL of the AMERICAN WEST™

And I suspect I have missed a few.

Many cities understand why branding is important and they have gone through branding exercises to select their brand. Some examples are:

- Flagstaff: The destination for all seasons
- Glendale: Glendale's Got Game
- Las Vegas: What happens in Vegas stays in Vegas

The work of the Prescott Tourism Committee identified the lack of a consistent Prescott brand as an impediment to marketing efforts that are underway. Tourism attraction will be focused on marketing campaigns and these campaigns should tie to a consistent Prescott brand. Research on current visitor demographics show that instate visitors come primarily from the Phoenix area and Tucson. However, we also get visitors from out of state and from overseas. Many of the visitors to the Grand Canyon are from overseas; however, we see few of them.

How we increase group travel business (9+ room bookings from a group) will require a concerted effort using a variety of techniques, one of which is e-Commerce and Social Media. The glue holding these different approaches together is a consistent Prescott brand. It is not a question of needing a consistent brand but rather the process to get that consistent brand.

Today we have stakeholders from every sector of the tourism business in attendance. As I stated when I started these opening remarks, we are in the midst of a real crisis in tourism and my intention is to galvanize us all into action. We cannot wait for anyone to solve our problems; it is up to us to do that. With the talent represented by the attendees in this room, I am confident we can solve our tourism problems. I thank you for your attention to these opening remarks, now it is time to get busy.

JDW/jdw