

# NEWS



# NEWS

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### MAYOR REPORTS ON HEALTH OF THE PHILADELPHIA HOSPITALITY INDUSTRY FOLLOWING INDUSTRY SUPPORT INITIATIVE

*Mayor Street and Industry Officials Celebrate Best January and February Hotel Occupancy Ever;  
Announce "Philly Overnight Hotel Package" to Return in November*

**PHILADELPHIA, April 3, 2002** – Five months since the launch of a \$3.6 million campaign to bolster Philadelphia's hospitality industry, **Philadelphia Mayor John F. Street** and industry leaders today announced that Philadelphia's hotel occupancy rates have rebounded and are outpacing the national average. As a result, Philadelphia's \$3 billion-a-year travel industry remains vibrant as the city experiences its best January and February hotel occupancy levels ever.

"This initiative and the groundwork of the hospitality entities in Philadelphia have helped to bring the City's hotel occupancy to the highest levels in any January and February, improving Philadelphia's economy and helping to keep citizens working," said Mayor John F. Street. "I am proud that our efforts in the convention and leisure markets have gained national recognition for strategies that are proving to resonate with convention delegates, meeting planners and tourists. There is still a lot of work to do in this year-long campaign, and the entire hospitality community will continue to work together to position Philadelphia as a top destination."

Philadelphia's lodging industry has rebounded from the effects of September 11<sup>th</sup> faster than all of the other major markets around the country, according to **Smith Travel Research and Horwath Horizon Hospitality Advisors, LLC**. Compared to the same month of the previous year, Philadelphia hotels in Center City showed an increase in occupancy of 2.4 percentage points in December 2001, 8 points in January 2002, and 15 points in February 2002.

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**A. Bruce Crawley**, chairman of the Philadelphia Convention & Visitors Bureau (PCVB), said, “Meetings and conventions business on the books in Philadelphia cushioned the industry as travel plunged after September 11<sup>th</sup>, and the Mayor’s Hospitality Industry Support Initiative provided the bounce.” He announced that since September, Philadelphia has hosted 216 conventions and meetings booked by the Philadelphia Convention & Visitors Bureau, totaling more than 280,000 room nights and nearly \$100 million in delegate spending. He also noted that three important citywide conventions – the Produce Marketing Association, the American College of Chest Physicians and National Soccer Coaches Association – exceeded attendance expectations, while 37 percent of conventions across the country suffered declines in attendance, according to *Convene* magazine.

Crawley also pointed out that the City, through the efforts of the Philadelphia Sports Congress, a division of the PCVB, and its partners throughout the community, hosted the Army/Navy Football Game in December (15,000 room nights and \$15 million in economic impact) and the NBA All-Star Weekend in February (20,000 room nights and \$50 million in economic impact). The Army/Navy Classic alone accounted for 4 occupancy points in December, while the NBA All-Star Weekend drove 7 occupancy points in February.

### **PHILLY OVERNIGHT**

The tourism component of the Mayor’s Hospitality Industry Support Initiative, the **Philly Overnight Hotel Package**, generated 36,654 room nights (second only to the Cézanne exhibit in 1996), and \$10 million in economic impact from the leisure tourism market. The package, administered by the Greater Philadelphia Tourism Marketing Corporation (GPTMC), offered travelers a choice of a two-for-one weekend stay at 44 hotels with free hotel parking. There was also an anytime Incredible One Night rate. The Philly Overnight Hotel Package began on November 16, 2001, and ran through March 31, 2002. Due to the overwhelming response, the package will return in November 2002, through February 2003.

The Philly Overnight Hotel Package was advertised in markets within a 300-mile radius of Philadelphia, with concentration in metro New York, northern New Jersey, Harrisburg/Lancaster, Baltimore, Wilkes-Barre and Philadelphia. Record-breaking visits to the Web site, [www.gophila.com](http://www.gophila.com), increased this reach. The \$1.2 million advertising buy was leveraged to more than \$4 million in value.

The popularity of the package exceeded expectations, attracting approximately half of the visitors from the Philadelphia region. The package also drew tourists from Central Pennsylvania, New York, Baltimore and Washington, D.C.

Next month, GPTMC will launch its annual spring and summer \$1.5 million leisure tourism campaign and the new “tourist in your own town” campaign directed at Philadelphia regional residents. This fall, the popular Winter Mummerland and New Year’s Eve promotions will return as well.

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### **Mayor Reports on Health of the Hospitality Industry Following Industry Support Initiative**

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“The success of the Philly Overnight Hotel Package has demonstrated that residents living in the region are increasingly becoming tourists in their own hometown and that Philadelphia is a popular destination for the drive market tourist as well as travelers on Amtrak and US Airways,” said **Meryl Levitz**, President and CEO, GPTMC.

### **CONVENTION SALES & PROMOTION PROGRAM**

Under the Mayor’s Hospitality Industry Support Initiative, the Philadelphia Convention & Visitors Bureau was tasked with implementing a \$400,000 multi-faceted **Convention Sales and Promotion Program** through 2002.

The campaign consists of sales missions with Center City hotels to eight major markets, an outreach to the regional corporate community to keep their meetings in Philadelphia, a program to bolster delegate attendance at 12 key citywide conventions in 2002, a new Great Rates section of the PCVB's Web site ([www.pcvb.org](http://www.pcvb.org)) and e-mail newsletters to 7,000 meeting planners.

Since September, the PCVB has put another 40,000 room nights on the books for 2002, including meetings by SAP America and the IRS whose combined 12,000 room nights helped push January and February occupancy rates upward.

Under the convention promotion effort, the PCVB is working with 12 key conventions in 2002 to maximize convention attendance through an eight-page, group-specific Philadelphia supplement in pre-registration packets. While convention registration packets traditionally focus on the convention schedule, with little information about the destination, the PCVB's program highlights the attractiveness of Philadelphia. By the end of the program, Philadelphia materials will have been sent directly to more than 500,000 convention delegates across the country and around the world. The first of these 12 citywide conventions, American College of Physicians/American Society of Internal Medicine, meets in Philadelphia from April 11-14.

**Tom Muldoon**, PCVB president, provided an overview of the industry since September 11<sup>th</sup>, saying that "the best news comes from the results for January and February, with a combined increase of 11 points in hotel occupancy. You know you are going to have a great year when the first quarter gets off to such a fast start."

He pointed out that the PCVB had booked 55,849 more room nights for January and February 2002 compared with the year before. "This equates to more than \$20 million in delegate spending and 8 points of occupancy," Muldoon said. Based on the strong first quarter, attributed to the increase in meetings business and the Philly's More Fun When You Sleep Over consumer campaign, Muldoon said that the city's occupancy for the year should reach 65 percent versus original projections of 60 percent.

"To put this into perspective, the room nights generated from this campaign to date have protected the 43,000 jobs in the hospitality industry in Philadelphia," said **Bernard Guet**, president of the Greater Philadelphia Hotel Association.

The Hospitality Industry Support Initiative is a joint marketing initiative of Mayor John F. Street and the City of Philadelphia, Commonwealth of Pennsylvania, the Delaware River Port Authority, Greater Philadelphia Tourism Marketing Corporation, Philadelphia Convention & Visitors Bureau and the Greater Philadelphia Hotel Association. Additional support has been provided by US Airways, Amtrak, Comcast, the Greater Philadelphia Cultural Alliance, Philadelphia Trolley Works, Independence Visitor Center, Pennsylvania Convention Center, and various parking garage operators throughout the city.

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