

OVERVIEW

As a base industry that brings new spending into the county, strategic deployment of funds is critical to ensure maximum benefit for the largest number of stakeholders. These investment priorities reflect research, collaboration and data-driven economic development opportunities for DuPage County.

INDUSTRY INVESTMENT

The DCVB is at less than 1/3rd of the funding levels of the typical destination marketing organization with a similar industry base.

Our competitors have invested significant capital — in staffing, marketing and infrastructure — garnering greater attention and subsequently increased visitation. The necessity of having resources to effectively compete is becoming increasingly important.

- Industry Average Total Budget: \$6.5 - \$8.2M
- Industry Average for Programmatic Budget (48% of budget): \$3.1 - \$3.9M
- DCVB Current **Total** Budget: approximately \$2M

The DCVB believes with additional industry investment and strategic deployment of resources, it can elevate DuPage's status in the market and help keep the tourism industry a valuable contributor to the DuPage economy — with stakeholders from all sectors of the industry benefitting from maximum exposure, more visitors and increased revenue.

INVESTMENT PRIORITIES

In determining priorities to keep DuPage's tourism industry healthy and growing, key factors were considered, including:

- DuPage State of the Industry analysis
- Loss of market share data
- DCVB sales history and lost business reports
- Industry benchmarks on organizational and financial practices
- Initiatives of local and peer competitors
- Immediate opportunities

The following outlines areas with critical shortages of resources. Based on industry standards, a conservative estimate for ROI is a 5:1 ratio. The State of Illinois currently uses a 9:1 ratio.

MEETINGS & INCENTIVES:

\$2M - \$5M in additional resources to bring to parity level

DuPage hotels need help. There are two major factors at play: DuPage has one of the largest suburban hotel markets in the country; while Chicago is experiencing a monumental increase in its hotel inventory — 4,300 new rooms by 2021. To put that in perspective, that is 1/4 of DuPage’s total lodging inventory, added in just a few years. The result: oversaturation of hotel product and a decline in average daily rates in order to increase occupancy.

Chicago’s changing market is a direct threat to DuPage County. DuPage hotels can no longer rely on lower rates as a competitive advantage. *Efforts must intensify to keep rooms filled.*

Immediate Opportunity: Game-Changing Incentives Fund

Meetings and events mean business for DuPage — and securing a strong piece of business requires serving the needs of planners. Targetable and trackable, a large incentives fund can have an immediate impact on overnight stays.

- The DCVB’s current incentives program – while proven successful – can’t compete with Chicago’s and Rosemont’s sizeable incentives fund fed through the Airport Departure Tax
- An infusion of dollars would allow the DCVB to target larger-sized or higher-quality meetings and events; examples include:
 - \$200,000 in transportation incentives for the American Society of Clinical Oncology to host their conference in DuPage instead of Chicago’s McCormick Place
 - 2020 Women Officers Conference for Salvation Army, 500 room nights
 - \$5,000 for International Association of Yoga Therapists SYTAR2020, 839 room nights
 - \$2,500 for Naturopathic Medicine Institute, 320 rooms

Long-term Opportunity: Reimagined Business Plan

The DCVB will continue to prioritize the economic development efforts of the County and Choose DuPage, aligning its efforts accordingly. As Western Access becomes a reality, this will be a key area with cyclical impact. Unprecedented access to O’Hare supporting greater visitation; and in return, a thriving tourism industry feeding the growth of new business districts.

- Greater funding would allow attendance at major tradeshows before unreachable, examples include American Express and IMEX
- Sponsorship dollars to keep DuPage in the forefront

SPORTS

\$200,000 - \$2M in additional resources to bring to parity level

Sports tourism is one of the fastest growing sectors of the travel industry. Market analysis by two leading consultant groups concluded there is opportunity for DuPage County to capitalize on the economic benefits of sports tourism if it can match its competitors' level of investment. DuPage could attract, host and retain events that are large enough to spread economic impact across the County. It should not be underestimated the benefit for DuPage residents, as they would be positively impacted by upgraded facilities and opportunities to keep competitive youth sports events within their own community.

Immediate Opportunity: Sports Tourism Program

- A minimum of \$200,000 is needed in FY20 to activate the short-term recommendations from the sports plan.
- Certain types of events deliver higher volumes of visitors and marketing exposure. Noteworthy events with appeal and draw include a bid fee. Pieces of business DuPage could have secured with resources:
 - USA Swimming TYR Pro Swim Series: \$20,000 bid fee
3.5-day event with 4,000 visitors, including upwards of 600 of the nation's top swimmers
Televised on NBC Sports Network
 - USA Boxing: \$20,000 bid fee
Direct spend: \$1 million
2600 room nights
1500 competitors, plus 1,500 coaches and spectators
 - USA Track & Field - U.S. Olympic Team Trials: \$100,000 rights fee
250,000 visitors + NBC broadcasting - \$20 million economic impact

Long-term Opportunity: New Sports Facility

- A fully-realized sports presence with long-term sustainability would require annual funding of at least \$2 million that would include in-kind sponsorships and corporate partnerships.
- Most of DuPage's regional and national competition have solid venues. A facility enhancement fund to fully equip existing facilities as competition ready would be essential for success (\$500,000 - \$1,250,000).
- Additionally, local tourism grant funds would be accessible to all municipal assets.
- New anchor facilities with adequate number of fields/courts and tournament amenities were identified as a need to meet the demand of residents and local users, and also provide greater tourism impact opportunities. There is strong interest, supported by several different jurisdictions and sports groups, for the development of new venues. A county-wide master plan for new facility development would need to be prioritized and completed in partnership with major stakeholder groups.

PROMOTION

\$2M - \$3M in additional resources to bring to parity level

Destination promotion is an economic development strategy and needs to be supported as such. The industry average for promotional efforts is \$3 - \$4M annually. The DCVB's approximately \$1.2M promotional budget falls considerably short of this average and cannot accommodate the efforts needed to comprehensively market and sell a county the size of DuPage.

Out of sight, out of mind. This is especially true in the tourism industry. As consumers, we are bombarded with an increasing amount of options. And those consumer brands are vying hard for our attention. The travel space is no different. Collectively, our communities must define DuPage and our distinctive offerings in an increasingly competitive space.

DuPage has an immense hotel selection...the best shopping and dining options outside of Chicago...superior transportation options including convenience and proximity to two major airports...not to mention the perfect blend of urban sophistication and small-town charm. As our new brand brags, you can DuMore in DuPage.

With momentum from the new brand, launch of new initiatives, and upcoming major events, we can deliver the DuPage experience to new audiences within Chicagoland, the Midwest and even nationwide.

Immediate Opportunity: Reach More People than Ever Before

1. Frida Kahlo exhibit

- This event will garner media attention and potentially national draw.
- Local launch with mixed media – digital, out-of-home, high-end lifestyle publications (such as Michigan Avenue Magazine), followed by a purely digital “nationwide search” campaign allowing for maximum demographic and interest targeting
- PR efforts to reach the drive markets

2. Product Development: “Natural Wanders”

- Created to connect DuPage's major recreational assets under one marketable umbrella that is easy for the consumer to understand and act upon; the connection of assets is more powerful than individual representation
- Elevates our sustainable competitive advantage as one of the healthiest destinations in Illinois, and addresses the misperception that “there is nothing to do in DuPage”
- Launch and initial promotion focused on Chicagoland market, with a further review of Midwest market for target demographics and “cost of reach” (see map below)

3. Campaign to reach meeting planners in target markets (non-Midwestern)

- Half of meetings not put together by meeting planners, making this a difficult segment to reach; list purchase from major vendors (Meeting Planners International and North Star) essential

- Since you cannot target by title, must be in places they search; strategy includes a “belly band” into a major industry publication, physical direct mail, sponsorship marketing (digital) and promotional website landing pages to drive lead generation
 - (1) single-emphasis promotion with a 4-6 week duration = \$50,000
 - More than one promotion would be run annually, based on industry cycles
- 4. **Delivering the new brand**
 - Requires costly overhaul of major promotional tools: photography, website, video, apps
 - PLUS media buys to advance brand awareness

Long-term Opportunities: Tapping the Power of Promotion

A strong brand isn't only essential for visitation. Destinations that are harnessing the power of promotion as an essential part of their economic development strategy are seeing monumental gains. Destination awareness and positive perception can correlate to a vibrant economic development cycle.

