

Taking Our Seat at the Table DMO PROFESSIONAL TO DMO PROFESSIONAL

by Maura Allen Gast, FCDME, Irving, Texas CVB

What if for New Year's resolutions, DMOs were to quit the habit of "Visitor Impact" and "Room Night" rhetoric?

What if, instead, we began to position every convention or corporate meeting that comes to our towns as "visitor-oriented economic development?"

In the 2005 report, "The Corporate View: Winning Strategies in Economic Development Marketing," Development Counsellors International cited a statistic that should say a lot to us as DMOs about our place in the community's economic development discussion. Sharing second place as a *leading source of information influencing perceptions of a state or region's business climate* is "business travel," tied with "articles in newspapers and magazines" and a short distance behind "dialogue with industry peers."

When the National Association of Manufacturers comes to town, literally thousands of C-level executives are exposed to our community, including executives representing company names easily recognized by our community leaders. Attendees, sponsors and exhibitors that come along with groups as diverse as the Barbershop Harmony Society and Sigma Pi Phi represent economic development opportunity and value.

The DMO is *the* community agency responsible for the travel experience, and business travel (even transient) is a critical piece of that. Destinations that succeed for any kind of travel, succeed for business-oriented travel. (Look at Las Vegas and Orlando and their appeal across all market segments, and the boom in residential development they are experiencing to support the boom in business development.) Destinations that are successful for business-oriented travel are successful for business.

Couple that with the fact that the DMO voice usually is the only one heard "outside" -- unless you're the rare destination whose Economic Development agency is blessed with an aggressive promotional budget. Perceptions and awareness of destinations exist outside of our backyard likely because the DMO has created them.

Yet, within our own backyards, few of us have a seat at the table for any discussion about "economic development." Perhaps we're too busy with our "core business" to invite ourselves, or it's not a language we speak or think we need to. But *why* we're not there doesn't matter. What we do about it does.

Cheers to Paul Catoe and Tampa Bay & Company -- who just added the slogan "Economic Development Through Tourism" to their positioning. Their community clearly understands Tampa is in the tourism business, so maybe it's not as tough a sell there. But we would all do well to learn from Catoe: "the group's role in local economic development has not been understood."

We *are* in the business of economic development, directly and indirectly, and we better start learning the language. Visitor-oriented economic development means cold, hard cash spending in our communities. With definable trickle-down dollars that are spent today and that provide our communities with the amenities they need for "traditional" economic development pursuits.

Without visitor dollars, there isn't enough residential spending volume to keep *any* community's restaurants and retailers successful, much less countless suppliers, small business owners and hotels.

Community amenities -- convention centers, stadiums, arenas, arts centers, ballparks -- often are built on the backs of visitors: hotel occupancy taxes, restaurant taxes, alcoholic beverage taxes, etc. Without visitor spending, city general funds provide those amenities, or the community doesn't get them (unless a civic-minded fairy godmother steps in).

Without the economic development dollars visitors provide, quality-of-life amenities are lessened. Without the stability visitor spending brings to restaurants and retailers, and visitor taxes that provide the arts and sports venues, the community arsenal lacks in the quest for traditional economic development.

Visitor-oriented economic development provides significant ad valorem (A/V) revenues to our

communities, not just the volatile (and often use-restricted) hotel occupancy and sales taxes. The economic roller coaster experienced since 2001 has seen most commercial and industrial property values (and thus A/V tax collections) lowered significantly; yet, hotel property values have remained relatively steady by comparison.

We have to learn to define the role we play in an Economic Development “dialect for Destination Marketing.” We have to understand why the language ED speaks resonates and the economic benefits touted are accepted. Is it because when statements are made of economic impact and new jobs, they are coming from the third-party creating them (the new company headquarters)? Is it because the community can see physical evidence of a traditional ED “win” as something new on the literal landscape, whereas the physical spaces of our hotels and restaurants are always there? What are the words that explain that “our” buildings are brand new every day -- it’s just the inside that changes as guests move in and out?

I’m not suggesting we walk away from the critical energies we’ve spent defining Performance Measures and Accreditation Standards. Those factors are important to industry stakeholders, industry partners and the industry representatives on our boards. But that math we’ve spent countless hours refining and proving and validating still isn’t working for us in the way we hoped it would. Not on the bigger community stage.

We have to understand why the ED language resonates in communities big and small, with the stakeholders that control our end game -- budgets, financing and contracts. And we have to truly understand our communities’ priorities to understand why our language doesn’t. It’s a case of better understanding community dynamics. We have to understand why when ED loses “Project X,” the whole town feels the pain.

My priority since taking the helm of the Irving CVB has been to get to the table. I actively participate in meetings about the city’s comprehensive plan, and transit-oriented development, and abatement prospects. When the city needed to put together -- literally overnight -- a relocation proposal for a mega-corporation that would require market creativity beyond the standard abatements, we put in place a rebate package for group and corporate transient rooms, a joint marketing partnership and a cross-branding promotion to the package. Although the city ultimately didn’t land the deal, our DMO’s response repositioned this organization in the city’s mindset as a key “go to” when it comes to marketing. Today, with any retention or recruitment prospect on the horizon, everyone asks for the room night volume the company represents.

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A university initiative to become the home of the George W. Bush Presidential Library cast a community light on what it is we do everyday. We were initially asked to fund bid expenses for brochures and videos and a website. We knew the funding request wasn’t sufficient for what needed to be done, and that the institutional team assembled needed what we brought to the table more than cash -- they needed to understand how to sell Irving, against other cities, and how to position and create a unique selling prospect. We delivered -- and did so in a way got us to the final round, before losing to the First Lady’s alma mater.

None of us need more meetings on our calendars, but DMOs and our boards have to take a prominent seat for any discussion of economic development. We have to know where the community wants to go, and the community has to know what that means to our industry. We have every obligation to engage in dialogues regarding public safety, school bonds, homelessness, roadways, water sewers, transit-oriented development and “green” ordinances. And when we can’t be at a meeting, our absence ought to be felt.

The work force of the future -- and our customer of the future and the CEO of the future -- will make professional growth decisions based on places they want to live. This generation “works to live” (unlike we boomers who have been living to work). This generation will go where it wants to live, and find its careers there. The assets defining those places for living uniquely coincide with the places they want to visit. To retain our own employees, and the workforce that will staff our hotels, convention centers, restaurants and museums in the future (and of course, attract future customers), we better be at the table when our communities are talking about long-range priorities.

As Bill Peeper has said, DMOs are the keeper of the brand. And what we do to keep that brand IS economic development -- visitor-oriented economic development. Build a place people want to visit, and

you'll build a place where people want to live. Build a place where people want to live, and you'll build a place where people want to work. Build a place where people want to work, and you'll build a place where business has to be.

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