

**Testimony J. Mickey Rowley
Deputy Secretary, Tourism**

**Department of Community and Economic
Development**

**Pennsylvania House of Representatives
Tourism & Recreational Development
Committee**

September 14, 2010

Mr. Chairman, members of the Committee, thank you for the opportunity to be here today. As you know, I am Mickey Rowley, deputy secretary for tourism, film, and economic development marketing in the Department of Community and Economic Development. (DCED)

I am here today to talk about the change in state funding for the tourism office and how it has changed how we market the state brand, *Pennsylvania* – a brand that represents well over 400,00 jobs for the Commonwealth's economy.

When I took over the reins of the tourism office in 2003, I had a \$33 million budget to manage – roughly half of which went out in the form of grants to the local tourism promotion agencies. The other half, some \$16 or so million is invested directly by my office to advertise, promote and in other ways sell Pennsylvania's vast offerings in both domestic and international markets.

At the time, back in '03/'04 ...we had the 3rd largest tourism budget in total among the states, and the 5th largest budget for state marketing and promotion with the local grants removed – a figure that represented .18% of the state general fund budget.

The bulk of the appropriation was allocated to an aggressive domestic marketing program with print, radio, TV, web, and an outdoor advertising campaign. We also had an expansive international marketing program that covered much of Western Europe, specifically the UK, Germany, Italy, and France – adding Spain a couple of years later. And it should be noted the appropriation known as “marketing to attract tourists” also covers all office costs such as salaries, travel, postage and so forth which is not the case with many departments.

Fast forward to our current budget, which is also allocated 50/50 with the local TPAs grant program our total budget is some \$11 million? Pennsylvania now ranks 22nd among the states, and has dropped to 30th when just the amount available for marketing and promotion is considered. The marketing to attract tourists line item has gone from .08% of the state’s General Fund budget to .02%. I ask you to consider this. South Dakota, Wyoming, Oklahoma and Arkansas, which together don’t even have two-thirds of the population of Pennsylvania, have larger tourism office budgets than does Pennsylvania this year. I bet you all seen the TV spots for Michigan’s \$30 million dollar promotion of Pure Michigan.

What does this mean? Without any other funding source to draw upon our marketing is now confined to the internet. We have no print presence; virtually no radio; definitely no TV; and I could go on.

Nevertheless, we are taking advantage of every no-and low-cost marketing tool that's available. We continue to get the Pennsylvania brand in front of the public through numerous social media channels, including Facebook, Twitter, YouTube, and so forth. We're sending out tweets several times a day; and growing our Facebook fan base under the new marketing paradigm that focuses the resources of an avid and dedicated fan base to market and promote the brand outward and upward.

We're also utilizing our public relations channels – pitching our great Pennsylvania stories to travel writers – both new writers and ones we've cultivated a relationship with over the past several years. We're doing the same on the international front.

And by the way ... Advertising and PR promotions work! It has been stated here earlier and we re-affirm this core principal of Pennsylvania tourism marketing.

According to Longwood's International a leading tourism research firm, (and Pennsylvania's research firm) 8% of overnight leisure travelers surveyed reported they chose to visit Pennsylvania based on an advertisement they had seen or heard or from an article or news story they had read. This is new and current data which we are releasing next week.

We'll continue to seize every opportunity to get the Pennsylvania brand in front of the traveling public. We do this – not for Hershey Park or Dorney Park or the Liberty Bell or our other landmark attractions and sites. They do a great job on their own marketing their brands and products and we're grateful we have such wonderful tourism assets.

I see the state tourism office's role – and I think many of my predecessors would agree – as marketing the Commonwealth on behalf of the tens of thousands of small businesses of Pennsylvania such as the restaurants and attractions that don't have a large marketing budget; who can't afford to market much past their local boundaries.

I'd like to end my remarks by acknowledging what a difficult task you have before you, but also with the thought that jobs and businesses supported by the travel industry are permanent Pennsylvania jobs.

Tourism jobs can't be out-sourced or off-shored and the more travelers we can bring into Pennsylvania – the stronger our industry and Commonwealth will be. I should also mention that we are not the first state to face funding challenges in tourism promotion. We have spent quite a bit of time studying how some of these other states survived their own fiscal challenges. Rob mentioned a few, but I think it worthy of note ... that those states with the most stable promotional funding are states with engaged involvement from the private sector.

I firmly believe any resolution to the funding situation must come from private industry, and by that I mean the businesses that feed, house, and entertain our tourists. So I call upon the state hotel association, PTLA, the state's restaurant association, PRA, and the various attraction and entertainment trade groups ... PAPA, the amusement parks association, ski areas association, golf owners association, the snowmobile association ... to see the peril their members ... all small businesses ... will face in losing the promotional support of both the PA Tourism Office and

their various local destination marketing organizations. The days of reliance on the general fund are over and it is time to forge a new alliance in tourism promotions for Pennsylvania.

Thank you.