BRAND ATLANTA
BUSINESS CASE

Ken Bernhardt
Regents Professor and Assistant Dean Corporate Relations
Georgia State University
Robinson College of Business
Economic Forecasting Conference
May 24, 2006
Seven Goals of the New Century
Economic Development Plan

- 60,000 New Jobs
- 24,000 New Airport-Related Jobs
- $26 Billion Increase in Property Value
- 1,900 New Acres of Parks and Greenspace
- 10,000 New Affordable Workforce Housing Units Through Use of City Incentives
- 50% Decrease in the Crime Rate
- 72% Completion Rate for Atlanta Public Schools
Top Four Industry Sectors in Atlanta – Hospitality is #2 with 42,000 Jobs

Number of Atlanta employees by industry (2001)

- **Transportation, logistics, and distribution**: 61,000
  - Passenger air transportation
  - Cargo air transportation
  - General freight trucking
  - Freight transportation
  - Couriers

- **Hotels, tourism, and entertainment**: 42,000
  - Hotels
  - Restaurants
  - Cultural venues
  - Sporting and entertainment attractions

- **Health services**: 36,000
  - Hospitals and nursing homes
  - Family services and day care
  - Physicians, dentists, and nurses

- **Higher education, bioscience**: 19,000
  - Colleges and universities
  - Professional schools
  - Bioscience & biotechnology
Related Industries Rely on a Healthy Hospitality Industry

• Hotels and restaurants
• City, local and state governments
• Transportation (airport, taxis)
• Area attractions, museums
• Colleges & universities
• Hospitals, medical centers
Leisure Traveler Survey Revealed That the City Suffers from a Perception Gap

Poor perception across these categories impact’s Atlanta’s ability to attract residents and businesses as well as travelers.
Atlanta Rankings Among Convention & Meeting Planners

Top 5 Convention Cities

<table>
<thead>
<tr>
<th>Major Convention Ranking¹</th>
<th>Destination Ranking</th>
<th>Market Share²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Las Vegas</td>
<td>9</td>
<td>n/a³</td>
</tr>
<tr>
<td>2. Orlando</td>
<td>5</td>
<td>8.5%</td>
</tr>
<tr>
<td>3. Chicago</td>
<td>17</td>
<td>6.6%</td>
</tr>
<tr>
<td>4. Washington DC</td>
<td>6</td>
<td>6.6%</td>
</tr>
<tr>
<td>5. Atlanta</td>
<td>31</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

For tourist destination appeal, ATL ranks 31 out of 40, behind:

- Baltimore
- Nashville
- Minneapolis
- Philadelphia

---

(1) Based on number of large conventions
(2) Smith Travel Top 25 US Markets, % share of room nights, 2004
(3) Las Vegas does not participate in Smith Travel research studies
The Convention Market has Changed

• Historically, meeting and convention planners only focused on # rooms, convention space, accessibility and infrastructure
• Over time, peer cities have equalized in terms of meeting space infrastructure (# rooms, sq ft)
• Now, **destination appeal** is now the key driver for meeting planners booking conventions

Gary Gentille, President Marriott Marquis

“*A city having a great infrastructure is now the price of entry. The city’s destination appeal is a key factor for success with meeting planners, conventioneers, and tourists. **Destination appeal is the “sizzle”, coupled with a great infrastructure, which makes the sale.**”
Successful Branding Means Jobs, Tax Revenues and Widespread Economic Benefits

1% Market Share Increase Means $3 Billion in Economic Benefits

- Residents
  - Spend $30 more (1)
  - Attract 10,500 new residents (2)
  - $45 MM
  - $150 MM

- Visitors
  - Win 1% market share (3)
  - $1,500 MM

- Businesses
  - Impact of 1% visitor share (4)
  - Attract 5,000 new jobs (5)
  - $1,400 MM
  - Economic halo

---

(1) Based on 1.5 million households in metro Atlanta
(2) 15% increase; value based on $36.5K per year, 2.5 people per household
(3) Increase of 1% share of room nights within Top 25 Smith Travel markets in US (from ~5.8% to ~6.8%); “direct impact” represents visitor spending on transportation, lodging, food, entertainment, recreation and incidentals
(4) Spending by travel industry businesses on intermediate goods & services from local suppliers & by employees
(5) ~10% increase over MSA’s growth rate experienced during past 10 years

Source: Smith Travel Research Top 25 Mkt’s (’94-’03); TIA report Fulton County ’03; BLS ’02 survey; US Census ACS ’03; MACOC; BCG analysis

$3 Billion +
Atlanta Lags Peer Cities in Marketing

Vegas: Spending up 10-15% YOY from 2003 to 2005 behind banner years for convention and tourism bookings

Orlando: Overall marketing and media spend constantly shifting from tourism to convention focus

New Orleans to receive $30 million of federal money to promote tourism

Average $15M
Average $9M excl Vegas

Note: All figures 2003. Information from the NYC Office of Tourism is not included; Brand building activities include media/advertising, agency fees, trade show participation, printed collateral, promotions/giveaways, website, international marketing and sports marketing (where spend is direct)
“The Brand Atlanta Campaign successfully united a broad range of interested groups that regularly promote Atlanta. For the first time these stakeholders have an ongoing interest in marketing the city in a unified fashion around a single brand identity.”

- Spurgeon Richardson
President & CEO, ACVB
Brand Atlanta launched with a $12.7m, 18 month marketing campaign. This campaign was made possible through an extraordinary public/private partnership that included:

- 76% Private catalytic funding
  - $1.5m seed capital from Woodruff Foundation
  - $1.2m ACVB funding
  - $2.4m one time philanthropic cash and in-kind
  - $2.6m in-kind media contribution
  - $4.5m pro-bono services
  - $2.3m City funding

- 4 Working committees comprising 110 volunteers
- 60 Stakeholder organizations have embraced the campaign and are integrating the brand and messaging.
Campaign Highlights
Five Months since Dec 2005

93% of target audience reached

208 million advertising impressions & 240 million PR impressions

60 Stakeholder Organizations

1.8 million human touches in ten Atlanta counties
Brand Atlanta Mission

Goals:

• Develop a **single voice** and an **integrated marketing campaign** that establishes a strong, compelling **emotional bond** between Atlanta and our target audiences.

• **Better position Atlanta**, and the Region, and its hospitality, entertainment, and tourism offerings to **Meeting Planners, Visitors, Residents and Businesses**, by distinguishing and communicating what makes Atlanta special, leading the way in establishing Atlanta as a “**preferred**” **destination** city thereby delivering Economic Growth

Objectives:

• Move from 5.8% market share of room nights to 6.8%

• Improve meeting planner “**destination ranking**” from 31/40

• Among potential tourists, improve perception that Atlanta has lots to do and is exciting
Brand Destination - Timeline

Become a preferred destination city for visitors, residents, meeting planners, and businesses

2005
- Drive Trial, & Awareness with Residents and current visitors

Brand Grand Opening

2006-2008
- Expand Strategically In the SE
  - Penetrate priority SE visitors markets while solidifying the residential base
    - Birmingham
    - Chattanooga
    - Greenville / Spartanburg
  - Build preference among Meeting Planners

2009
- Now Open Nationwide
  - Solidify SE leadership position with visitors & new residents
  - Begin to strategically expand outside SE
  - Target business relocations

Future
- Claim Leadership position as a preferred destination city
- Improve Meeting Planner “destination ranking” from 31/40 to 21/40

Atlanta … A Great Place To Live, Learn, Work, and Play
### Brand Atlanta - Measuring

![Brand Atlanta Logo](image)

**Visitor Test Market Campaign research has been placed (pre-wave):**

- On-line Internet surveys of 30-40 questions. Survey in each market where advertising is run (includes Atlanta, Birmingham, Chattanooga, and Greenville-Spartanburg) plus a control group.
- Survey demographics to be in line with campaign target demographics (Age 25-49, 60% female, income $50,000+, race to match market demographics)
- Pre-wave survey to be completed prior to advertising roll-out in visitor markets, and a follow-up Post-wave in September

### Awareness (Measure of campaign reach)

<table>
<thead>
<tr>
<th>residents</th>
<th>Unaided</th>
<th>Aided</th>
<th>Message Recall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>Unaided</td>
<td>Aided</td>
<td>Message Recall</td>
</tr>
<tr>
<td>Meeting Planners</td>
<td>Unaided</td>
<td>Aided</td>
<td>Message Recall</td>
</tr>
</tbody>
</table>

### Attitudes (Measure of influence)

- % Likely to Make a Friends or Family Recommendation
- Great Place
- Intent to Visit
- Popular Place
- Good Family Destination
- Good Sightseeing

### Behavior (Measure of direct economic benefit)

- Share of Hotel Room Nights
- Increase in #s of Convention Room Nights Booked

### Ad Awareness

<table>
<thead>
<tr>
<th>residents</th>
<th>Perceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>Perceptions</td>
</tr>
<tr>
<td>Meeting Planners</td>
<td>Perceptions</td>
</tr>
</tbody>
</table>

### Vs Top 25 Markets

<table>
<thead>
<tr>
<th>residents</th>
<th>Perceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>Perceptions</td>
</tr>
<tr>
<td>Meeting Planners</td>
<td>Perceptions</td>
</tr>
</tbody>
</table>

- Lot to Do /Nothing to Do
- Intended to Hold Meeting (over next 3 yrs)