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CHICAGO'S LEISURE TOURISM CAMPAIGN DELIVERS TRIPLE-DIGIT RETURN ON INVESTMENT

Summer Campaign Produced 233,000 Incremental Visits, \$207 Million in Spending and New Tax Revenues

Mayor Rahm Emanuel and Choose Chicago today announced that Chicago's regional advertising campaign promoting leisure travel to the Chicago area during the summer season delivered a positive impact in terms of hotel occupancy, incremental revenue gains and ROI. Visitors from the six targeted drive markets, including Cincinnati, Detroit, Grand Rapids, Indianapolis, Milwaukee and St. Louis generated 233,000 incremental visits. The 12-week television and digital campaign, at a cost of \$1.3 million, delivered 378,000 incremental hotel room nights and \$207 million in total spending between May and September 2012 according to analysis conducted by Strategic Marketing & Research, Inc (SMARI). The campaign delivered \$161 in spending for every \$1 invested in the campaign.

First unveiled in early 2012 as part of Chicago's new brand and marketing strategy, the cooperative effort was possible due to the support and investment of five of the city's core institutions and attractions, including Broadway in Chicago, The Field Museum, Museum of Science and Industry, Navy Pier and Shedd Aquarium.

"Increasing tourism and raising the profile of Chicago is a top priority and I am committed

to increasing tourism and using every available method to drive visitors to the city," said Mayor Emanuel. "These visitors create crucial jobs and economic opportunity in the city. I am pleased that this effort has resulted in such a huge and immediate impact, and I continue to look for innovative ways to grow the number of tourists visiting Chicago."

Smith Travel Research (STR) data further supports the tremendous success of the campaign. Compared to the same four months (June - September) in 2011, the 2012 summer campaign positively influenced travel to Chicago. For example, leisure hotel stays throughout the Central Business District resulted in \$2.2 million in new hotel tax revenues, which is a return of \$1.69 for every \$1 invested in the campaign. These same hotels realized significant growth in occupancy, average daily rate (ADR) and revenue per available room (RevPAR). Occupancy increased to 86.72% and ADR to \$199.32, a 3.17 and 5.94 percent change respectively. RevPAR increased to \$173.36, a 9.51 percent change from the same period in 2011.

"Increased leisure visitation to Chicago delivers immediate value for the city's overall economic development efforts as well as our hotels, restaurants, theaters, retail and cultural attractions. The overwhelming positive response to this effort is evidence that a well-developed and flawlessly executed campaign drives increased visitor spending and new tax revenues," said Don Welsh, Choose Chicago President and CEO.

"The campaign included a unified, cohesive image and voice to emphasize Chicago's vibrancy and marquee assets," said Warren Wilkinson, Choose Chicago Chief Marketing Officer. "The compelling creative highlighting Chicago's dynamic assets was deployed over multiple mediums including broadcast television and digital advertising that was behaviorally and geographically targeted. Proactive media relations and a targeted distribution of Chicago's Official Visitors Guide further supported Chicago's first summer leisure tourism campaign."

SMARI conducted interviews throughout the six key markets exploring actual visitation to Chicago, as well as the motivators and specific details of those trips. Based on more than 1,800 interviews, research revealed the campaign was most effective in Detroit, delivering 69,571 incremental trips, followed by Indianapolis with 55,848. The average trip length was 2.4 nights and average trip expenditure resulted in \$889. Key motivators for trips were the variety of activities the city offered during the summer season – a message that was reinforced by the advertising.

At the current rate of 43.6 million visitors annually, Chicago's visitor industry is an economic engine directly responsible for 128,000 jobs, \$725 million in tax revenue and \$12 billion in direct spending**. Projected at a rate of 50 million visitors annually, a key goal

for the team at Choose Chicago, the direct impact could increase to 155,000-165,000 jobs, \$1.2 - \$1.3 billion per year in tax revenue and \$14.7 billion in direct spending.

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** Based on 2011 visitor volume

Sources: Strategic Marketing and Research, Inc, Smith Travel Research