



**ST.PETE
CLEARWATER**

FY 2024 EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

WHO ARE WE?

Visit St. Pete/Clearwater functions as the official tourism marketing and management organization for Pinellas County and its 24 communities. Visit St. Pete/Clearwater (VSPC) is the consumer-friendly name by which the Pinellas County Convention & Visitors Bureau (CVB) does business.

Our key business pillars:

- Focus on essential programs with a high ROI/high value
 - Visitor spending, TDT generation, room nights, stakeholder value/participation
- Use data to drive business decisions and be quick to react to marketplace changes
- Apply strategic plan outcomes with key success metrics
- Drive increased value for industry/community partners
- Be the storyteller, both internal & external
- Emphasize service to increase business
- Create intentional collaboration with internal/external stakeholders and partners

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WHAT DO WE DO?

Visit St. Pete/Clearwater plays an important role for Pinellas County. Our sales and marketing efforts produce positive economic impact for our community by inspiring visitors to stay overnight in our hotels and rental homes, eat in our restaurants, drink at our local breweries, visit galleries and make purchases in our many local establishments. In FY 2022, for every dollar spent on our marketing efforts, we delivered \$36 back into our local economy.

VSPC works domestically and internationally to develop and enhance sustainable tourism for the St. Pete/Clearwater area in both the leisure and meetings markets. We target consumers, media, the travel industry, meeting and conference planners, sports promoters and film producers with research-driven marketing programs touting beaches, sports, arts and culture, and nature-based experiences.

VSPC also has a community-based team that markets the benefits of tourism to local residents and works with local businesses and chambers to ensure that our destination delivers a quality visitor experience.

HOW ARE WE FUNDED?

VSPC is funded exclusively by a portion of the Tourist Development Tax, which is commonly referred to as the “Bed Tax,” a six percent (6%) tax collected on overnight accommodations in Pinellas County rented for less than six months.

The Tourist Development Council (TDC) and staff of Visit St. Pete/Clearwater (VSPC) are responsible for making recommendations to the Board of County Commissioners (BCC) on matters relating to the Tourist Development Tax. This tax is used to strengthen the local economy and increase employment through innovative marketing and sales programs that promote tourism.

The Development Tax “Bed Tax” not only funds tourism marketing programs but also several important community functions, including beach renourishment, construction on stadiums and museums, and reserves to be used in the event of an emergency.

Year	Bed Tax
2015	\$39,017,684
2016	\$48,943,303
2017	\$54,144,508
2018	\$59,376,693
2019	\$63,083,033
2020	\$48,803,833
2021	\$73,162,768
2022	\$95,244,411

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HOW IS TOURISM VALUABLE TO PINELLAS COUNTY?

In FY 2022, visitors to Pinellas County spent more than \$6.6 million with an overall annual economic impact of more than \$10.8 billion. This spending benefited our residents and businesses with 107,135 jobs and \$3.47 billion in wages. In fact, 11% of all jobs in Pinellas County are in the tourism industry. From restaurants to flower shops, education programs to museums, tourism impacts it all.

Tourism also supports the quality of life that Pinellas County residents enjoy every day through the funding of popular events and festivals, museums, arenas, parades and attractions. And we can't forget the beach! Visitor generated funding pays for beach renourishments. In FY 2023, \$5 million will renourish Sunshine Beach, Sunset Beach, Upham Beach and Pass-a-Grille Beach.

HOW DO WE KNOW IF WE ARE SUCCESSFUL?

Our primary measure of success is how much revenue we generate. In 2022, visitation was the highest it has been since 2018 and the average daily rate (ADR) was the highest it has ever been. Combined, we delivered record-breaking revenue.

Year	Hotel Occupancy	Rental Occupancy	Hotel ADR	Rental ADR
FY 2019	72%	59%	\$148.51	\$170.16
FY 2020	56%	50%	\$134.42	\$174.11
FY 2021	66%	69%	\$158.07	\$203.30
FY 2022	71.2%	72%	\$193.89	\$218.00

One of the types of research that we use is the annual Advertising Effectiveness study executed by Destination Analysts. The most recent study (Fall/Winter 2021-2022) reported that our marketing campaign increased awareness and travel intentions higher than the prior year especially in markets where we had integrated efforts using a mix of media channels versus markets that were not integrated. The study also found that once travelers who were exposed and aware of our advertising then visited St. Pete/Clearwater, they spent \$387 more per party trip than those that were unaware. So, we made travelers aware of St. Pete/Clearwater, generated interest and then got them to spend more money once they were in market.

We field this study every year and review it in detail to continue to make improvements to our campaigns.

We also fielded a Brand Perceptions Study in 2021 that provided insights into how potential visitors see St. Pete/Clearwater as a vacation destination. This identified marketing opportunities for targeting, messaging and media tactics to strengthen and expand our appeal.

These are just two examples of the data we use. We also subscribe to many tools that provide us with critical data and insights.

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WHO ARE OUR VISITORS? WHAT DO THEY LOOK LIKE?

Demographically

Our current visitors tend to skew older, more affluent and travel as couples. We have strong appeal among families especially during non-school timeframes and continue to promote our family-friendly beaches and attractions. Of course, we want travelers to know that St. Pete/Clearwater is a welcoming, inclusive destination. We have placed greater emphasis in media placements and messaging specifically reaching the LGBTQ+, Black and Latino audiences and are beginning to see awareness and interests from these audiences.

In 2021 the Brand Perception Study respondents stated that they felt our destination had less appeal to younger audiences. To provide the best growth opportunity (and ensure that we don't age-out as a destination), we established a goal to attract younger audiences without alienating our more mature visitors. As you can see by the chart below, we are slowly moving the needle.

Additionally, we know that more affluent travelers are less affected by economic impacts and a desirable audience to grow. We continue to make strides with this group. We are also building momentum in increasing our average daily spend over more nights to more visitors.

	HHI	Avg Age	Party Size	Nights in Mkt	Avg daily spend	Total Visitors
FY 2018	\$91,187.90	51.7	2.7	1.8	\$154.97	16,661,144
FY 2019	\$96,763.40	49.7	2.6	3	\$163.34	15,113,613
FY 2021	\$107,826.80	48.7	2.6	2.1	\$191.75	14,501,644
FY 2022	\$108,499.60	48.3	2.6	2.4	\$197.00	15,714,731

Geographically

Visitors from Florida are familiar with our destination and represent over half of all visitors to St. Pete/Clearwater. But this is a prized audience with many Florida destinations who are heavily marketing their locations in-state. We have always seen strong visitation from New York City, Chicago and Atlanta. But, during/post the pandemic, we saw an increase in visitors from cities in the mid-west. Therefore, we shifted our focus to the mid-west and have seen great success. Now, that the scare of the pandemic has subsided, we are seeing increased visitation from the northeast again and have identified it as a great opportunity market.

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FY 2023 PLAN SUMMARY

In July of 2022, we launched a new brand campaign – “Let’s Shine.” The Brand Perception Study was a key source to determine the best approach for effectively and efficiently creating an impactful brand platform and creative. “Let’s Shine” was created to work across the organization from leisure marketing to sports to meetings and conventions.

As we entered 2023, our key marketing objectives for 2023 were:

- Drive visitation
- Build awareness and intent
- Increase visitor spend
- Position St. Pete/Clearwater as a premier destination with a diverse collection of world-class arts and culture
- Highlight inclusive and diverse culture of the destination (accessibility)

We prioritized our markets with focus on growth (mainly in key mid-west markets and Atlanta) and maintenance markets (focusing on Florida). We focused on driving visitation during the fall/winter need periods while working to have as much always-on marketing as possible.

With insights from the Brand Perception Study, we expanded our messaging and media tactics to:

1. Continue our momentum with families by making them a key focal point of the Let’s Shine campaign
2. Resonate with Black, Latino and LGBTQ+ audiences with ads that strongly portray diversity
3. Develop a unique campaign highlighting our ever-growing arts offerings among arts enthusiasts

WHERE IS TRAVEL HEADED?

The good news is that excitement for travel remains at record levels. In fact, 58% of adults plan to travel in the first half of 2023*. Although there are concerns of the high cost of travel, fear of a recession and traveler’s personal financial situations inhibiting them from spending as freely as they did a year ago. Affluent audiences are less impacted by these concerns. But across-the-board, travelers are proving their dedication and confidence to travel by planning and booking their trips further in advance. In 2019 (prior to COVID), visitors to St. Pete/Clearwater typically had 71 days between when they made the decision to travel to when they arrived in market. After the COVID lock-downs, that timeframe shortened to as little as 20 days due to their lack of confidence with closures and

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WHERE IS TRAVEL HEADED? (CONTINUED)

travel rules changing state-by-state. As of February 2023, that timeframe is up to 66.9 days indicating that travelers' confidence is returning. This also means that if we want to influence their decision to travel, we have to be in front them at least 2-3 months before they travel.

Since the pandemic, we have benefited from travelers visiting our destination that could not go elsewhere. With the removal of travel restrictions on cruises and international travel, there is pent up demand for travelers to return to those types of vacations and SPC will see increased competition. 55% of active travelers expressed interest in taking a cruise in the next two years and 25% of those who plan to travel plan to do so internationally. This is up from 19% same time last year and the highest percentage in the past 3 years.*

We are also seeing stiff competition from other Florida beaches with consumer marketing and sales calls.

As for in-bound international travel, The International Trade Administration predicts that 2023 will see a 20%+ increase in international visitation to the U.S.. Canada and Mexico provide the highest number of visitors to the U.S. while U.K., Germany, France, and Brazil are top international origin markets and markets where Visit St. Pete/Clearwater is actively marketing and seeing promising growth.

**Portrait of An American Traveler*

WHAT ABOUT THE MEETINGS AND CONVENTIONS BUSINESS?

As post-pandemic fears wain and people get tired of virtual meetings, in-person meetings continue to rebound. "In-person meetings and events came back in 2022 faster and at a higher level than predicted...and will continue to outpace expectations in 2023." It is predicted that 90% of meetings in 2023 will have an in-person component as compared to 88% in 2022 with hybrid as a fallback rather than a first option format.*

Internal meetings continue to have the highest priority as organizations see face-to-face interactions as key to improving productivity, connecting teams, reducing turnover, and attracting top talent. Only 32% of internal meetings are expected to be held on corporations' properties, with 40% being held in a different city from the office and 45% including overnight accommodation for attendees.

The meeting types with the largest anticipated increase in attendees are:

1. Internal meeting/training
2. Product launch
3. Small/simple meetings

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WHAT ABOUT THE MEETINGS AND CONVENTIONS BUSINESS? (CONTINUED)

Meeting planners expect an increase in spending (65%), but they also feel that costs will increase in group rates, food and other fixed costs along with inflation. But they expect a decrease in hotel room and meeting space availability.

Sustainability remains a priority (80%) as well as wellness and inclusivity.

Sources: *American Express 2023 Global Meetings and Events Forecast, Northstar Pulse Report

WHERE DO WE GO FROM HERE? WHAT IS OUR VISION?

In December 2021, Visit St. Pete/Clearwater started a year-long research and community engagement process, the Destination 2027: Strategic Plan, to create a roadmap to define strategic objectives to pursue over the next five years that will enhance the area as a place to visit and/or live.

This work utilized a broad base of qualitative and quantitative research methods to paint a holistic picture of the state of tourism across Pinellas County. Seven phases, ranging from individual interviews with local leaders, surveys of residents and local businesses, and workshops to discuss crucial issues, were employed throughout this process.

Four pillars/principles were defined to provide overall guidance with key objectives:

1. Increasing the economic impact of each visitor

Recognizing that Pinellas County already receives a tremendous amount of visitors every year, emphasis is placed on obtaining visitors that stay for multiple nights, utilize multiple attractions and amenities of the region, and generally increase the economic activity of the region.

2. Developing the assets of the region

Understanding that tastes change and expectations constantly increase, this strategic plan emphasizes the importance of adding new capital investments that promote the tourism sector as well as improving existing assets – from hotel inventory to parks and preserves.

3. Increasing the economic benefits of tourism to the local community

Ensuring that tourism is an industry in which locals can earn gainful employment and that all Pinellas County residents both receive and are aware of the economic benefits that out-of-town visitors bring to the area.

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WHERE DO WE GO FROM HERE? WHAT IS OUR VISION?

4. Deepening partnerships across Pinellas County

Working towards including more of Pinellas County in the tourist landscape and also including tourism as a key consideration in planning, transportation, economic development, and other aspects of how Pinellas County is built up and improved.

This plan also identified thirty strategic outcomes for Visit St. Pete/Clearwater's next five years. The objectives are segmented into the three fundamental roles of ownership, partnership, and advocacy. While objectives owned by VSPC will be the primary focus of the organization's staff over the next five years, the importance of partner organizations cannot be understated. Expanding VSPC's roll through local and regional partnerships will help transform Pinellas County's as a tourist destination for years to come.

Each department's goals, programs and KPI's support one of these four priorities noted above.

WHAT WILL IT TAKE FOR US TO STAY RELEVANT AND MOVE THE NEEDLE IN FY 2024?

St. Pete/Clearwater has something that many of our competitors simply don't – a truly unique experience not available anywhere else. The more travelers that we can convince of that, the more visitors we will have.

“The days of nothing but rest and relaxation are changing. Almost all travelers want to spend at least part of their trip experiencing new or unique activities, according to a survey by GetYourGuide. In fact, 90% of respondents want to experience a destination “like a local” and two-thirds of millennial respondents specifically worry about whether it's an authentic experience.”** They want less commercial travel experiences with travelers being more proactive in reducing the impact of their travel on the environment.***

In FY 2023, Visit St. Pete/Clearwater had great success in promoting our authentic experiences in our social campaigns, YouTube Travel Vlogger series, video partnerships and through our sales and marketing efforts.

FY 2024 is going to be an interesting year. Competition will be stiff. Our audience is broadening in age, interests (arts) and diversity. Travelers are planning months in advance of their vacation. In order to fill our hotels year-round, it will be critical to have a broader reach in highly competitive markets and to have a stronger presence throughout the year.

Whether we are communicating with a domestic traveler, international traveler, meeting planner or sports organizer, we must tell the story of how St. Pete/Clearwater shines as a vibrant destination with a distinctive vibe and things to do that can only be experienced here.

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WHAT WILL IT TAKE FOR US TO STAY RELEVANT AND MOVE THE NEEDLE IN FY 2024?

With the every-evolving role of the traditional DMO (Destination Marketing Organization) expanding to be more of a Destination Management Organization, it will be important for Visit St. Pete/Clearwater to continue to coordinate with our attractions and municipalities to broaden our tourist experience, develop amenities, add features and to preserve/maintain our beaches/environment.

***Forbes, December 8, 2022*

****Destination Analysts Visitor Profiles, 2020, 2021 and 2022*

**** January 2023. Destination Analysts State of the American Traveler report.*



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