

Importance of Tourism to Hampton Roads

The tourism and hospitality sector in Hampton Roads is a significant economic driver for the region. Visitors spend an estimated \$5.8 billion annually in the region alone, resulting in over \$244 million in annual state tax revenue and \$191 million in local tax revenue. Additionally, tourism generates over 48,000 jobs in the region with a payroll of approximately \$1.1 billion. Ensuring that this industry not only survives in a post-pandemic world- but thrives- is a critical component to our region's future resiliency.

Four key opportunities that exist today include: more robust regional marketing; bold transportation improvements to benefit the hospitality workforce and the visitor; enhanced hospitality workforce development initiatives; and tourism product development.

Robust Regional Marketing

A robust, regional approach to destination marketing will provide stronger return on investment and elevate our region as a destination of choice.

Destination marketing generates economic vitality by connecting to new markets while strengthening transportation interconnectivity; improving destination awareness and familiarity; and attracting decision makers and improving the quality of life in a place. Studies show that regions that prioritize destination marketing and coordinate these efforts with economic development initiatives have experienced significant site relocations and new investments. The future evolution of both economic development and destination marketing organizations will require the adoption of a unified, consistent message of who we are – our unique identity as a region – together.

Idea #1: Greater regional marketing collaboration and enhanced funding with an eye towards one regional marketing organization will help drive awareness and bolster tourism revenues.

Successful destination marketing requires significant and consistent funding with the goal of developing an adequate “share of voice” to be heard in key markets and influence intent to travel. From advertising to public relations or meetings/sports/group sales, economies of scale drive down per unit advertising costs and enable higher impact. As a result, the larger scale of collaborative destination marketing can be more impactful than what individual destination marketing organizations could accomplish on their own.

While the committee did not have consensus on the idea of one regional marketing organization, the idea did receive support from some members. While this notion doesn't necessarily mean all existing DMOs merge, this concept could be developed over time. All committee members did agree that, at a minimum, greater collaboration and funding for regional advertising was absolutely necessary.

- Building upon the success of the current “Together At Last” campaign initiative, an initial step in this direction could be the merging of the two largest funded destination management organizations (DMOs), Visit Norfolk and Virginia Beach Convention and Visitors Bureau. As a result of this one campaign noted above- combined with other public health safety and advertising initiatives- the Virginia Beach/Norfolk DMA has led hotel occupancy recovery nationally within the top 25 DMAs.
- Regional DMOs have been done in other areas of the country, whether cities/counties merging (i.e. Richmond Regional Tourism Authority, Jacksonville & the Beaches, Discover the Palm Beaches, Naples/Marco Island and the Everglades CVB).
- The existing Coastal Virginia Tourism Alliance (CVTA) is currently serving as an advocacy group but could be reimagined or substantially funded with additional support.
- This committee strongly supports the notion of a unified, well-marketed regional brand; however, it would first require commitment from CVTA partners as well as broader city leadership/elected officials support. “Visit 757” was suggested as an outwardly focused tourism brand in addition to being used as a local community placemaking brand, but the committee was not unanimous in its support of this.

Idea #2: Stronger collaboration on itinerary development is a high impact content marketing initiative worth pursuing.

- DMOs should continue developing multicultural assets and/or specific multicultural campaigns to reflect the diversity and values of our region to grow visitation. Specifically, our region's African American heritage could be promoted as a multi-day visitor itinerary to expand our consumer base and drive increased length of stay.
- DMOs can collaborate on campaign initiatives to promote the region as a culinary talent destination to further drive meal tax lift as well as support the growth and development of restaurant industry. For example, a regional Dine Around promotion could supplement existing Restaurant Week initiatives.
- A regional attraction pass already exists but needs more participation from industry partners to further drive admissions tax.

Regional marketing initiatives can be funded through:

- Hotel Bed Tax, Restaurant Tax from all cities collected and allocated to 501c(6)
- % of overall DMO budget to regional marketing effort annually
- Go Virginia

Regional marketing initiatives can be measured through:

- Increased brand awareness, consideration of region and intent to travel as a destination of choice (fund study every two years)
- Increased visitor length of stay
- Marketing and public relations metrics for campaign efforts
- Economic impact indicators (jobs, etc.)

Hospitality Workforce Development

Before COVID-19, recruiting qualified workforce talent and reducing turnover rate was challenging for hospitality industry partners. Hospitality employment recruiters also cited lack of experience by recent hospitality program graduates that was a critical component to filling management positions. During the pandemic, the shortfall of employees actually returning to the workplace presented new issues in order for businesses to maintain quality levels of service and operations while meeting new Executive Order requirements.

Looking forward, new hospitality career opportunities will also emerge as consumer expectations evolve for travel-related experiences. In order to thrive in the post-pandemic world, workforce development improvements must be made at the high school level, certificate/certification level and four-year accredited hospitality management degree level.

Idea #1: Leverage existing student recruitment programs to promote hospitality careers as a viable career option.

- Campus 757 is an example of a program that is working to develop and maintain a robust talent pipeline for local employers. A program manager was hired September 2020 and there is \$200K in funding to start the pilot program, which is currently launching in Norfolk. Opportunities exist for expansion into multiple industries. The program will be measured through:
 - Baseline of students who stay in the region after graduation (retention)
 - Number of students attending Campus757 events
 - Number of internships filled by Campus757 program students / number of internship opportunities secured for the program (internship take rate)
- We must do a better job of introducing the hospitality industry as a viable career option at the high school level. One example of a potential program is the "High School to TCC to NSU in the Hospitality Tourism Management Program" initiative. We encourage finding ways for all of the public high school systems within the 757 to actively participate and benefit from these types of offerings.
- Mentorship, internships and job shadowing with programs like ProStart are also available but need support by local industry professionals.

Idea #2: Improve existing hospitality degree programs and augment with a higher-level management degree offering through leading local higher educational institutes.

Existing hospitality programs offered in the region suffer from national recognition as most do not even appear on online rankings for top college hospitality programs. Academic institutions nationally are competing to recruit more marketable professors that have the experience, expertise and credibility to help drive program enrollment and ensure high-performing graduates. Some local hospitality recruitment managers cite lack of preparedness by current program graduates as a barrier to hiring local talent. New hospitality management programs backed by major local lodging partners was proposed and developed previously, but ultimately did not actualize.

Suggested ideas:

- We have current offerings through Norfolk State, TCC and Thomas Nelson Community College that could be bolstered to meet the graduate talent expectations of local hospitality recruiters.
- There is an opportunity to also create a world-class, upper management hospitality degree program housed in one of the existing leading educational institutions in the 757. The importance of being able to provide students with a “living classroom” where students receive hands-on experience concurrently with theoretical education should be stressed. Students also develop critical management experience throughout their educational experience. Bringing in diversified corporate partners/sponsors for financial partnership, i.e. Marriott, Hilton, or a major lodging partner to support this initiative helps from a capital standpoint and a branding standpoint while serving as a conduit for jobs.
- A satellite campus partner, like Virginia Tech, could draw another specialist into the region.

Workforce development efforts can be measured by:

- Enrollment lift
- Decrease in job vacancies (or are companies able to fill vacancies faster?)
- Long-term salary tracking/location of graduates from program (Did students stay in area? Are they securing higher paying jobs?)
- Number jobs supported by industry in region (this annual report is provided by Virginia Tourism Corporation)
- Program ranking growth lift on reputable “top program” lists

Idea #3: Wage and employee benefit improvements overall are needed in order to compete with other private sector opportunities.

- The industry must offer wages that can provide for a comfortable living and ensure that hospitality remains a viable and desired career path for job seekers.
- Hospitality companies overall should consider offering stronger benefits package (tuition reimbursement, commuter benefits, etc.)
- Short-term certification offerings through local colleges are critical to align with future/forecasted job opportunities while also serving as a growth incentive to employee.

Transportation Improvements for Tourism Success

Regional transportation improvements benefit both the hospitality workforce and the visitor. Hospitality workers utilizing public transportation to get to and from work cite lengthy commuting times as a barrier. Visitor studies point to frustration over traffic delays in and out of our region. While recently funded roadway improvements will help alleviate some of these concerns, continued focus on transportation enhancements are necessary for sustainable ease of access to our region.

Idea #1: Offer Zero Fare 757 Transportation partnership with an expansion of routes with HRT.

Even at reduced fares, the cost of public transportation is a barrier for workers that need to commute from one part of the 7575 to other locations therefore, offering zero fare transportation would help address the substantial need for a larger hospitality workforce. Benefits of this initiative provide for greater connectivity between employee and employer. Another possible benefit long-term would be the increased use of public transportation by visitors to explore other parts of the region during their stay.

- This can be a two-year pilot program tracked by ridership gains, process improvements (boarding, ticket process) and reductions in operational costs
- Case Study: Kansas City implemented a zero-fare transportation program in 2019.

This initiative can be funded through the TOT tax 1% increase May 2021 or via an investment up front certain amount for HRT revenue average.

Idea #2: A third crossing, combined with ongoing I-64 improvements and improved rail service will lift out-of-market visitation and improve the visitor journey experience.

Idea #3: Expand unique, experiential transportation options like the Capital Trail bike path.

- A plan to expand the Capital Trail from Jamestown to Virginia Beach and Hampton has been developed but is currently not funded.

Economic Development & Place Making through Tourism Development

Thoughtful tourism development enhances a community by differentiating it from other destinations using its cultural, natural, historical, human, educational and technology resources. For our region to succeed in the future, economic developers, city planners and tourism leaders/stakeholders must join forces and work together for the region to be attractive to residents, investors and visitors. Product development initiatives that lift occupancy tax revenues and provide improved quality of life across region (i.e. music venues - indoor/outdoor, sports venues, etc.) must be considered together. New venues must be substantial enough to occupy hotel rooms across the region.

Idea #1: Destination management planning collaboration can and should exist on a regional scale.

- Improve streets as places. Create more entertainment/walking districts and multi-use parks for improved consumer safety and comfort.

Idea #2: Support and drive the arena authority to a successful conclusion.

A multi-use arena venue will bring the greatest flexibility, functionality and benefit to the 757 area while further driving year-round entertainment-related visitor tax revenues. This venue also has the potential to affect the social impact of the region by improving our area's reputation, driving business development and enticing new employee relocation.

- Legislation was passed to create Hampton Roads Arena Authority.
- Sell this product benefit to major sports teams to bring instant recognition to the Hampton Roads area and corporate sponsorship revenues.

Idea #3: Plan for additional sports venues to bolster our reputation as a regional sports tourism destination.

- This product development effort will further diversify our visitor base and drive tax revenues during shoulder season need periods.

References:

- [Virginia Tourism Corporation Economic Impact of Domestic Travel on Virginia Counties 2018](#)
- [Destinations International 2014 Report: Destination Promotion: An Engine of Economic Development](#)
- [Campus 757](#)
- [Kansas City Zero Fare Program](#)

Images that represent our region/industry:

- Virginia Beach – King Neptune and Ocean
- Norfolk- harbor/waterfront

- Chesapeake- great dismal swamp
- Portsmouth- Old Towne
- Hampton – Coliseum
- Newport News – Mariners Museum and Newport News-Williamsburg International Airport
- Norfolk International Airport
- Smithfield – harbor area/Smithfield Station
- Suffolk- downtown
- Colonial Williamsburg
- Yorktown – Battlefields
- Chesapeake Bay Bridge Tunnel
- Franklin Southampton Main Street
- Etc.