

The background of the entire page is a high-angle photograph of a forest trail. The trail is a narrow dirt path that winds through a dense forest. The trees are in various stages of autumn, with some showing bright yellow and orange leaves, while others are still green. In the distance, two cyclists are riding their bikes down the trail. The sky is a mix of blue and light orange, suggesting a sunset or sunrise. The overall mood is peaceful and scenic.

VIRGINIA
IS FOR
LO[♥]ERS[®]

DRIVE 2.0

2020-2025 STRATEGIC TOURISM PLAN

STATEWIDE PLAN

**VIRGINIA
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EXECUTIVE SUMMARY

INTRODUCTION

Since introducing Virginia is for Lovers to the world more than 50 years ago, the slogan has become a clarion call for everyone, everywhere to fall in love with Virginia – to learn, experience, and tell the world about our remarkable Commonwealth.

Today, the power of Virginia is for Lovers helps to drive a \$26 billion industry, supports the livelihood of 235,000 Virginians, and contributes more than \$1.8 billion in tax revenue. And our story keeps getting better.

In fact, tourism spending in Virginia has climbed 3 - 4% every year since the 2008 Great Recession, representing a substantial growth in incremental revenue, jobs, and taxes. But as industry leaders, we're driven to ask: What will it take to grow our travel and tourism industry even faster?

WHAT SHOULD WE BUILD? WHAT SHOULD WE PROMOTE?

To answer these questions, the Virginia Tourism Corporation (VTC) embarked on a journey across the state to learn what our industry's leaders on the ground think, how they feel, and what they need. All the while, building on what was uncovered in the 2013 DRIVE Statewide Plan.

The results of that journey – The Drive 2.0 2020-25 Strategic Tourism Plan – are now in your hands.

**All DRIVE 2.0 research was conducted in 2019 and compiled pre COVID-19 Crisis.
Please see vatc.org/coronavirus for COVID-19: Industry Response Toolkit.**

BY THE INDUSTRY, FOR THE INDUSTRY

The answers to be found in this strategic plan are not VTC’s alone. Rather, they’re born from a commitment to listen to what the industry has to say.

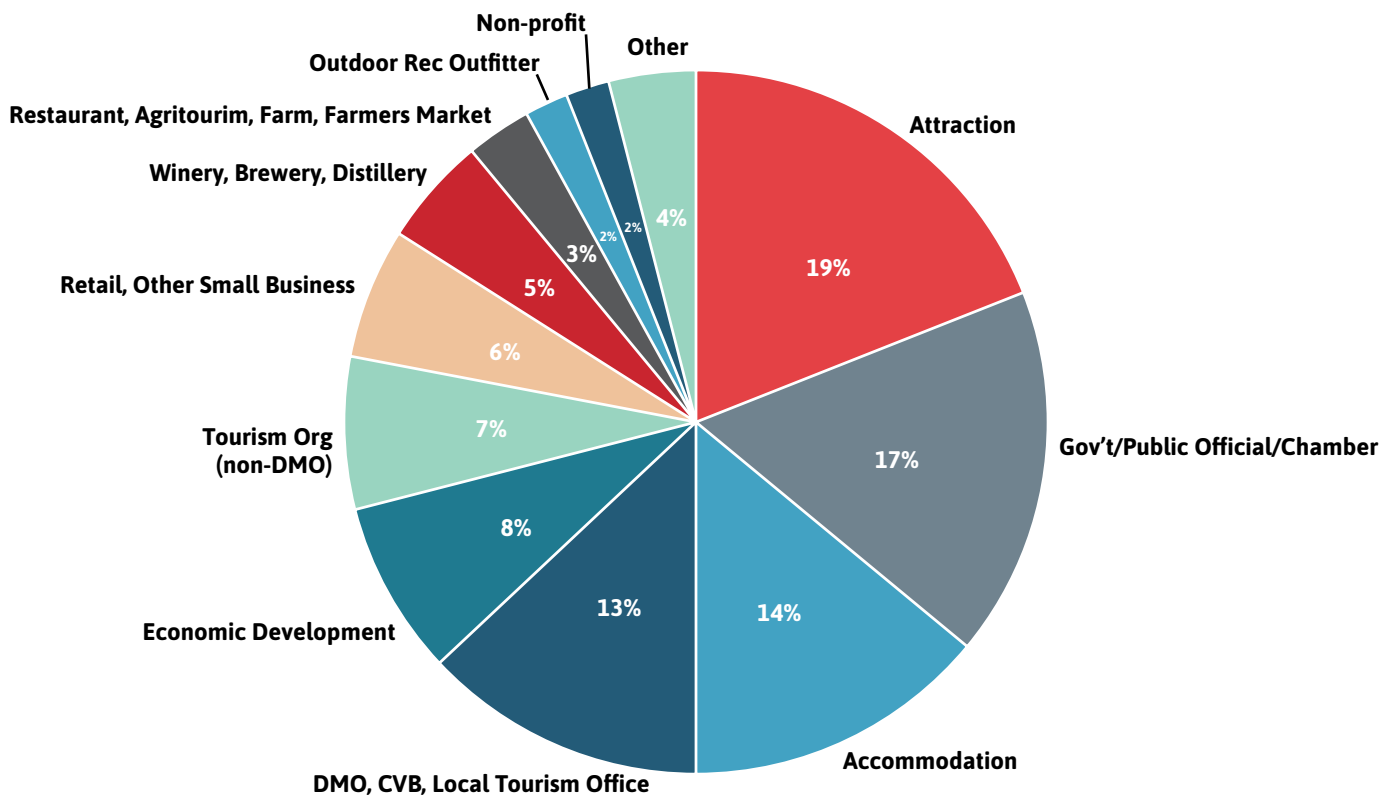
As such, VTC’s well-regarded consultant, SIR (formally the Southeastern Institute of Research), conducted one-on-one interviews, group listening sessions, and two surveys, engaging more than 750 travel and tourism leaders in the process.

In addition, the project team conducted a comprehensive assessment of the competitive landscape and identified the major trends shaping the future of travel and tourism in general, and Virginia’s travel and tourism industry in particular.

And this stakeholder-driven focus will not end here. In fact, the final strategic imperatives include roles for not only VTC, but the entire industry, because we are all in this together.

We all have a vital role to play in growing Virginia’s economy through tourism.

RESPONDENT INDUSTRY ROLE



Respondents were split roughly 50/50 in participation between public and private industry stakeholders.



VISION AND PURPOSE

We stand on the cusp of great things, with a chance to build the momentum of Virginia's tourism industry over the next five years. To realize our highest potential, the industry – and this plan in particular – need to operate from a shared perspective.

DRIVE 2.0 STRATEGIC VISION

The Drive 2.0 Strategic Plan will help Virginia and our communities sustainably strengthen their tourism potential through the transformative power of industry development and impactful promotion.

OUR APPROACH

Travel and tourism industry input from stakeholders throughout Virginia formed the backbone of this strategic plan. As such, in 2019, SIR conducted one-on-one interviews, online focus groups, and two surveys, inviting over 3,800 industry stakeholders from all 10 tourism regions to participate in the process. As mentioned previously, more than 750 stakeholders participated, and this plan is built from their guidance.

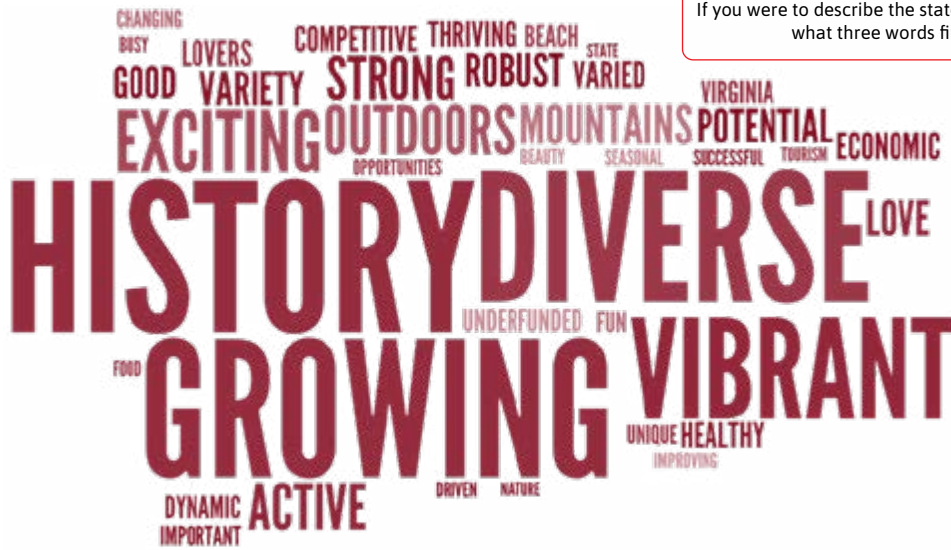
In addition to stakeholder input sessions, the project team reviewed recent tourism plans developed by localities in Virginia, as well as other state tourism plans, as part of the eight phased comprehensive planning approach outlined below.



ELEVEN KEY RESEARCH TAKEAWAYS

While this comprehensive research effort led to countless insights, eleven overarching takeaways emerged.

1. Not surprisingly, the **industry identifies history as a core component** when asked to describe the state of tourism in the Commonwealth today. They also describe tourism as diverse, vibrant, and growing throughout the Commonwealth! These positive and active words indicate a sense of optimism and excitement among industry leaders.



If you were to describe the state of tourism in Virginia today, what three words first come to mind?

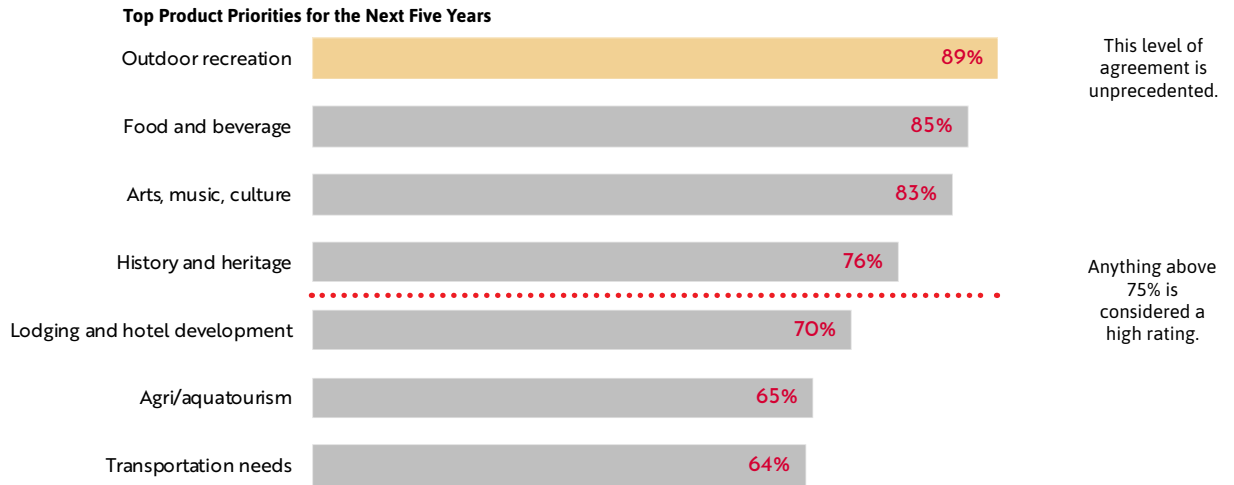
2. The industry identifies **outdoor recreation and history as primary lures**, as well as food, libations, water (rivers, lakes, the ocean), and landscapes as secondary lures. Paired together, these are the elements that make up vibrant communities that attract today's visitor.



What is the primary lure of your locality today?

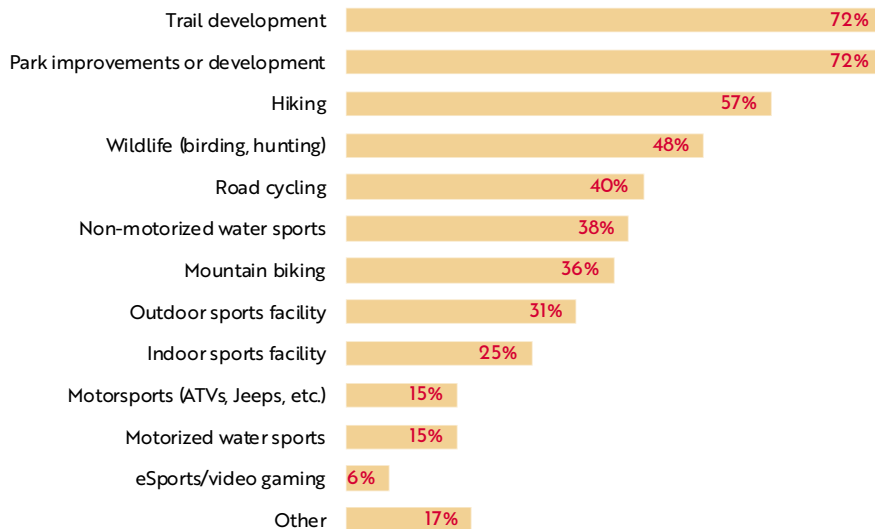
ELEVEN KEY RESEARCH TAKEAWAYS (cont'd)

3. Across the Commonwealth, **outdoor recreation tops the list as a priority area for product development**. With 89% of the industry identifying this as a priority, it demonstrates the universality and intensity of this focus.



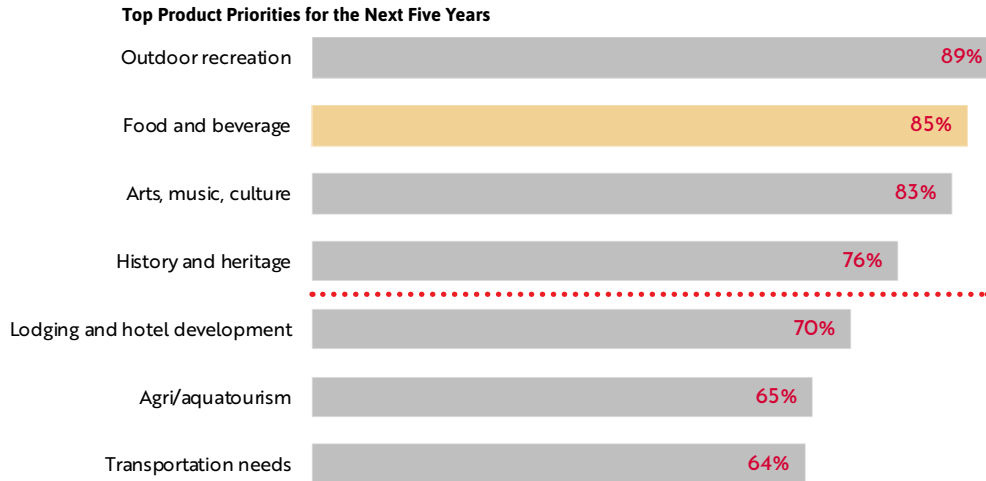
Fun Fact: The outdoor recreation industry contributes nearly \$22 billion annually to the Virginia economy and supports the livelihood of more than 197,000 Virginians.

4. It's all about trails! When trying to understand more specifically what about outdoor is a priority, **trail development earned the most mentions** whether physical hiking, biking, ATV trails, or trails that connect similar attractions across localities. Park improvements or development also came in as a top area of focus when it comes to outdoor recreation. These ratings hold true across the Commonwealth, region to region.



ELEVEN KEY RESEARCH TAKEAWAYS (cont'd)

- Industry leaders also identify **food and beverage as a top tier priority**. In today's tourism landscape, having a variety of restaurant options along with a brewery, winery, cidery or distillery is a base level visitor expectation. Localities must make sure they have the right amount and type of food and beverage product for their locality. Then, for localities to differentiate themselves, it's about packaging these assets with experiences. Whether it's a brewery tour or a farm-to-table experience tying in local agritourism efforts, the opportunities abound.



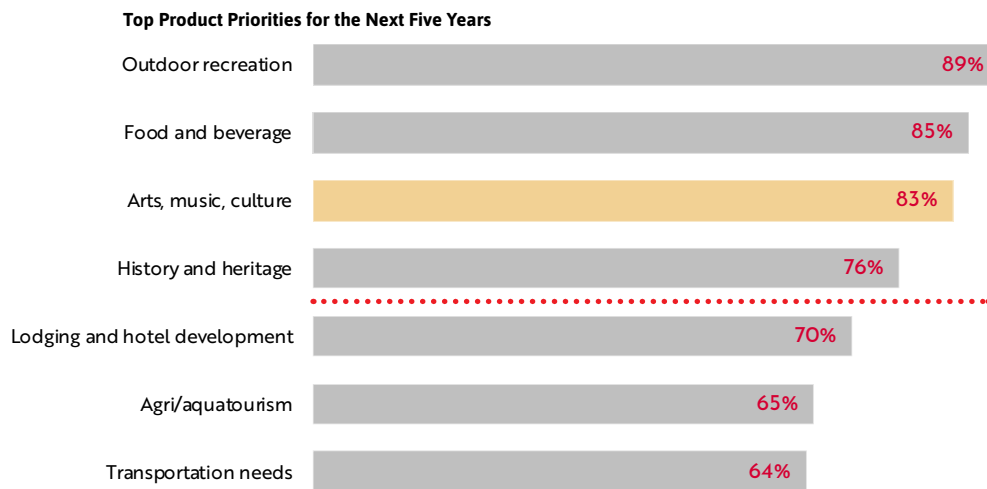
For entrepreneurs, innovators, and small businesses across any community, the food and beverage industry is an engine for community wealth building. Food and beverage enhances communities as a place to live for residents and provides attractive reasons to visit for travelers.





ELEVEN KEY RESEARCH TAKEAWAYS (cont'd)

- 6. **Arts, music, and culture is another top tier category** for industry leaders. In many ways, these assets are the heartbeat of any community. For some places this may mean creating an art gallery crawl or renovating an old theater on a historic main street or celebrating the dynamic musical heritage of the region. It could be physically building product or simply tying experiences and attractions together to create a unique experience and develop an exciting story for the community to rally behind.

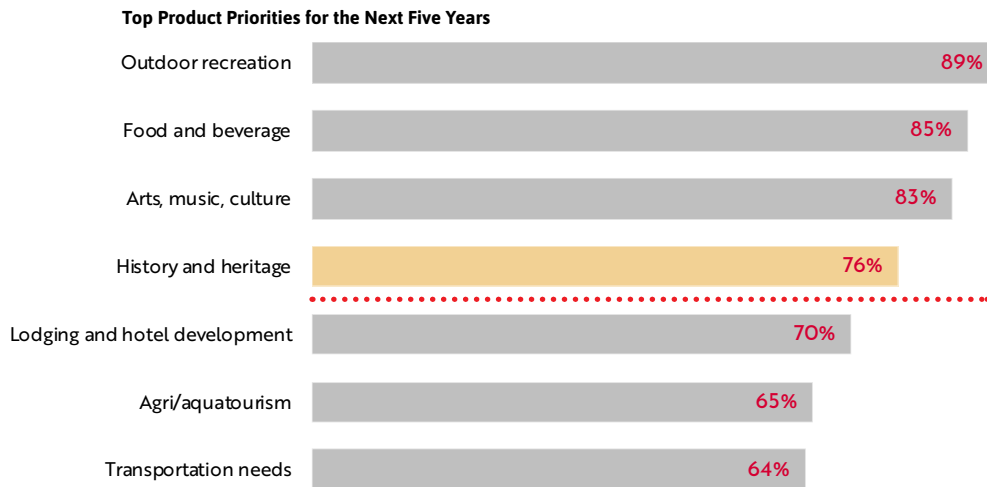


This category most often represents the heart and soul of a community. It’s what can make a place come alive, be unique, and engage visitors and residents alike. It leads to the vitality of a community, helping create and retain an innovative workforce. It can transform communities by bringing them together through engaging experiences.



ELEVEN KEY RESEARCH TAKEAWAYS (cont'd)

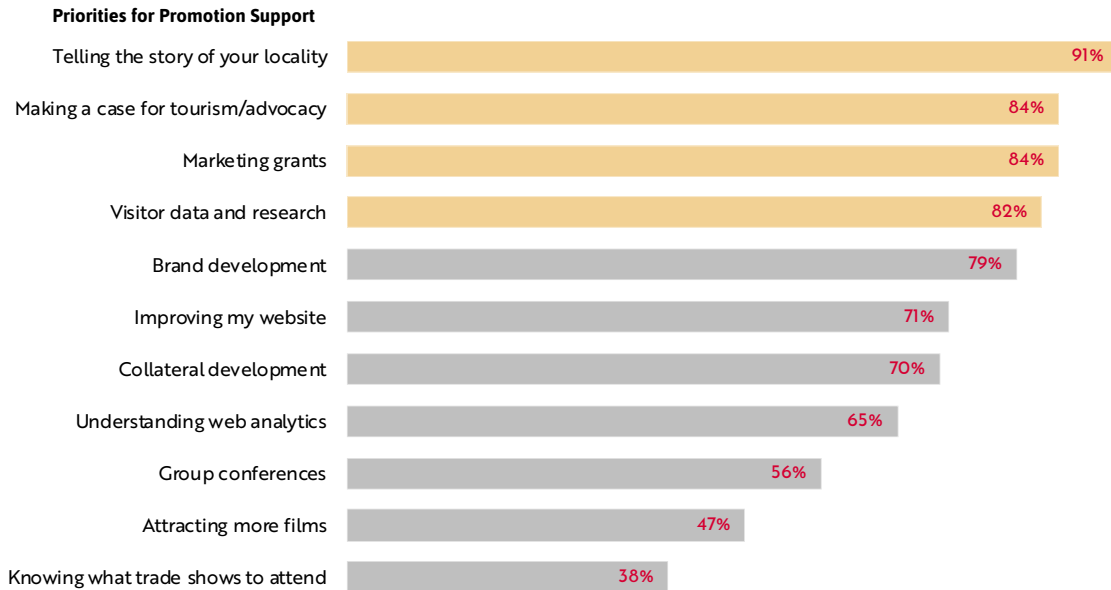
- 7. **History and heritage is Virginia's biggest differentiator** and cultural heritage helps tell the unique story of the Commonwealth and its localities. At the same time, research shows younger generations are less interested in historic attractions as compared to older generations. So as destinations and attractions continue to focus on history and heritage, it's about creating experiences that tell the authentic story in a new and relevant way to appeal to our growingly diverse population and culture. It's history plus.



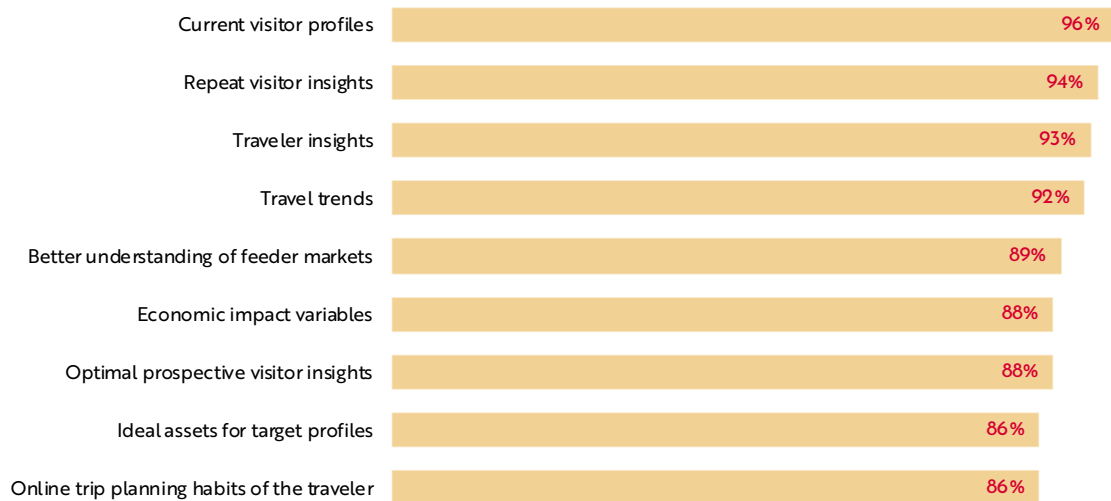
History and heritage contributes to the authentic identity of any community. And, it is big business for Virginia. In 2017, heritage tourism attributed to \$6.5 billion in additional economic activity.

ELEVEN KEY RESEARCH TAKEAWAYS (cont'd)

- For promotion, the industry expresses a desire for support from VTC with how to tell their story, make a case for tourism (advocacy), marketing grants, and visitor data and research. These ratings are very strong, demonstrating the universality and intensity of these priorities.



- Having a clear sense of who your audience is, what messages resonate most, and the right product mix for each audience is not easy, but it is essential. When trying to understand more specifically what visitor data and research areas are a priority, it boils down to **better understanding who is coming** (and keeps coming back) to their destination as well as how to stay relevant by keeping up on trends and insights. It is important to note, that stakeholders say they are interested in all the research elements. More is more!



Recall, anything above 75% is considered a high rating.

ELEVEN KEY RESEARCH TAKEAWAYS (cont'd)

10. Stakeholders want to **improve relationships and forge stronger partnerships** with other organizations, especially economic development organizations, which can then lead to more successful product development efforts, better access to additional funding sources, and more widespread support for tourism efforts. And, it may not be as hard as you think. For example, Virginia Chamber of Commerce's Blueprint 2025 identifies tourism and film as a targeted industry sector and an opportunity for Virginia.
11. Stakeholders also want **VTC to be a stronger resource** for them, particularly in the areas of product development and promotion, both in terms of helping them identify their needs and providing them with implementation strategies.





STRATEGIC IMPERATIVES

The research and overall environmental assessment pointed to three strategic imperatives that will fuel the momentum of Virginia’s travel and tourism industry:

1. Reach new audiences through enhanced promotional efforts and the packaging and sharing of more **unique, relevant, and meaningful stories**.
2. Create more **great experiences** across Virginia through enhanced product development efforts.
3. Spur **unparalleled local support** to help Virginia’s DMOs address their immediate needs.



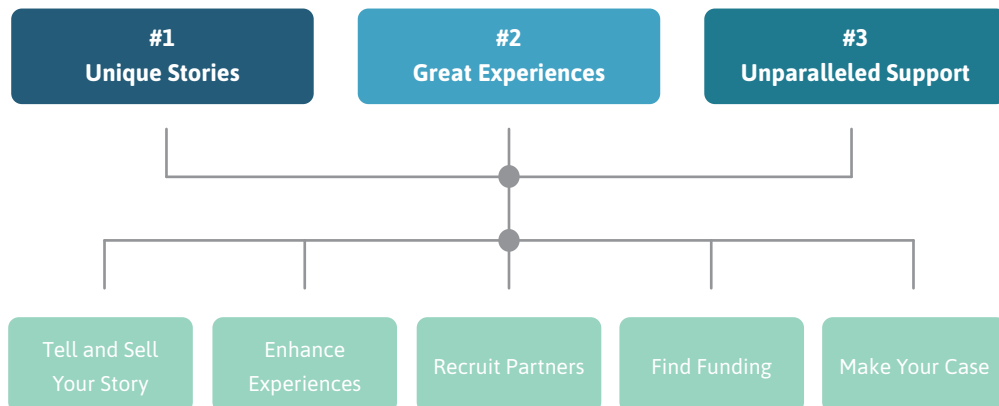


HOW TO GUIDES

These three strategic imperatives – enhancing promotional efforts with unique stories, building great experiences with product development, and encouraging community buy-in and partnerships through unparalleled support – are all interconnected and, frankly, can’t be met through a one-size-fits-all approach.

However, there are tried and true tools industry leaders and stakeholders can use to help them address the unique needs and challenges of their area or attraction – tools the Drive 2.0 Strategic Plan delivers through its five “How to Guides.”

1. **Tell and Sell Your Story:**
This section will help you fine-tune your position, or story, so potential visitors better know your offerings and benefits, and will provide strategies to effectively promote your story to the right audience.
2. **Enhance Experiences:**
Outdoor recreation, music and arts, cultural events, food trends – developing and delivering more and better visitor experiences is how Virginia will gain more tourism revenue. Here, you’ll learn about best practices and strategies from elsewhere and how to apply them.
3. **Recruit Partners:**
None of us do it all. Identifying your MVPs – Most Valuable Partners – is an important yet often overlooked step. You’ll learn how to determine your MVPs, and how to recruit new ones from sources not previously considered.
4. **Find Funding:**
Your revenue and your banking relationships are not the only sources of funds when it comes to supporting your travel-related operation. In this section you’ll learn ways to source new funding that can amplify your efforts.
5. **Make the Case:**
This final chapter helps you identify the story that will resonate with your stakeholders, the metrics that matter, and the best way to tell that story to stakeholders who can influence your success.



CONCLUSION

From the outset, this project has always been about leveraging tourism to boost Virginia's economy and provide answers to two key questions:

1. **What should we build?**
2. **What should we promote?**

However, a quest for answers turned this project into so much more.

The industry made its voice clear, and so this overall plan and accompanying ten regional plans are a direct reflection of the wants, needs, and hopes expressed by industry leaders and stakeholders across the state.

Indeed, even in the face of budgetary challenges, lack of community support, aging infrastructure, and intense competition, there is an optimism that we should all take a moment to celebrate. That said, as the project team traveled the state and heard from these stakeholders, it became clear that there were tools that could be provided to support localities. And the Drive 2.0 Strategic Plan is step one in delivering those tools.





***IMPACT AND
VISION***

TOURISM IMPACT

The statewide and local tourism industry continues to make a profound impact on Virginia's overall economy. When Virginia is for Lovers launched in 1969, the economic impact of travel in the Commonwealth hit \$1.3 billion, which equates to \$8.6 billion in today's dollars. We celebrated the slogan's 50th anniversary in 2019, and as we move forward that impact has grown to \$26 billion in 2018, with a compound annual growth rate of 6.4%.

In 2018, Virginia's tourism industry generated \$26 billion in visitor spending across all communities, a 4.4% increase over 2017. Similarly, tourism in Virginia supported the livelihood of 235,000 Virginians in 2018 – a 1% increase from the previous year – and the tourism industry also provided \$1.8 billion in state and local revenue, an increase of 2.9% compared to 2017. In addition, the travel industry is the sixth largest employer in Virginia.

Virginia's tourism industry continues to transform communities across the Commonwealth by stimulating our local economies, generating positive growth, and creating jobs and opportunities for our citizens. From coast to cliff, Virginia's rich history, charming small towns, booming culinary scene, beautiful mountain vistas and warm, sunny beaches have positioned the Commonwealth to be a premier travel destination in the United States. As we look ahead to the next 50 years, we invite visitors from across the country and around the world to discover for themselves why

Virginia is for Lovers.

- Governor Ralph Northam

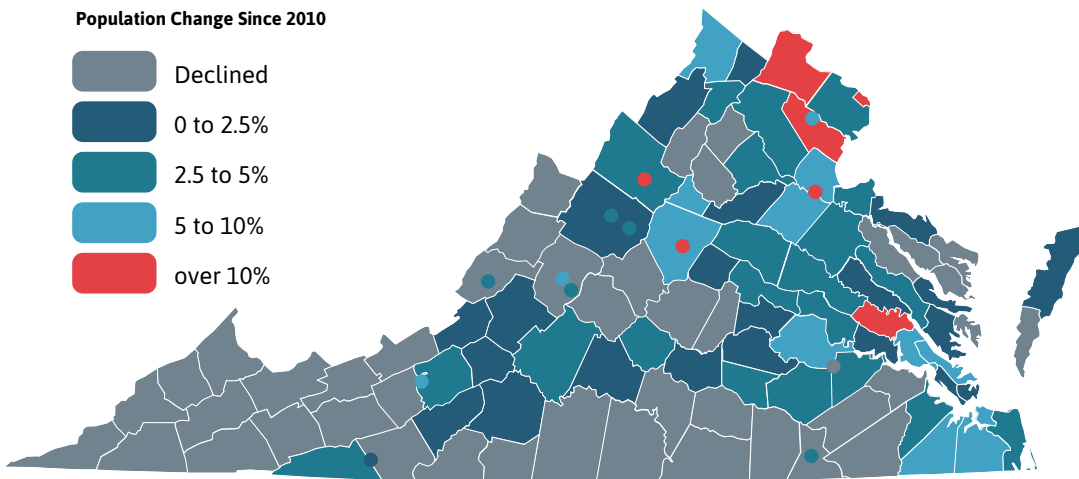
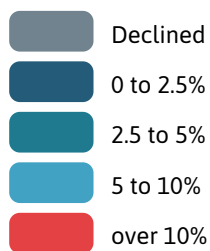


IMPORTANCE OF TOURISM

Tourism’s role in placemaking and economic development is more critical than ever.

Across the Commonwealth, **rural population is declining**. The chart below visualizes just how significant this decline is, especially in southern and western portions of the state. Counties colored gray identify those that have already experienced decline in the past decade.

Population Change Since 2010

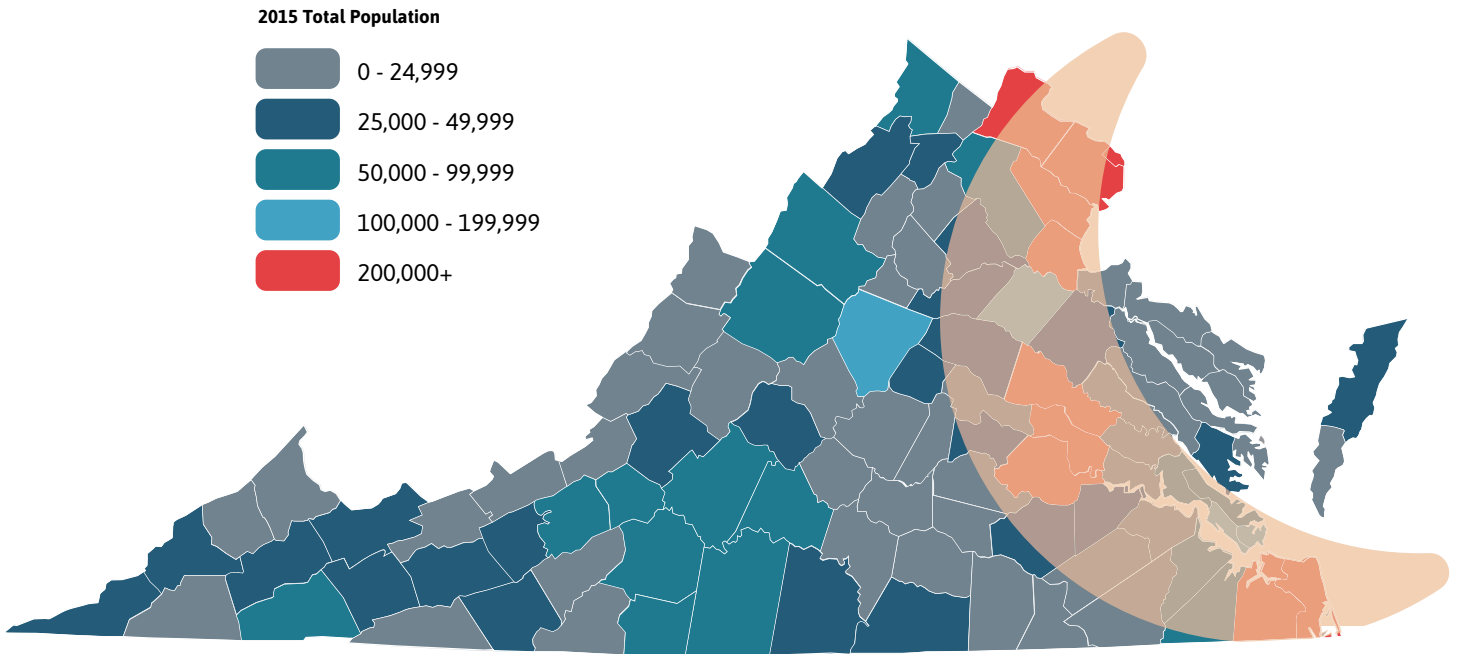


Source: U.S. Census projections, updated May 2016 by the Weldon Cooper Center for Public Service, Demographics & Workforce Group, www.coopercenter.org/demographics, University of Virginia.

IMPORTANCE OF TOURISM (cont'd)

In the next 10 years, the population in Virginia is expected to grow by about 8% (compared to 9% nationwide), with **80% of future population growth occurring in what's called the "Golden Crescent,"** which includes localities from Northern Virginia down through Hampton Roads along the I-95 and I-64 corridors.

Tourism's work in helping create vibrant communities, cultivate entrepreneurs, provide jobs, and promote destinations is essential in helping communities thrive in this shifting landscape. Through focused and coordinated efforts industrywide, tourism can be an influential leader in helping slow down the decline, especially in the more rural areas of the state.



Source: U.S. Census projections, updated May 2016 by the Weldon Cooper Center for Public Service, Demographics & Workforce Group, www.coopercenter.org/demographics, University of Virginia.

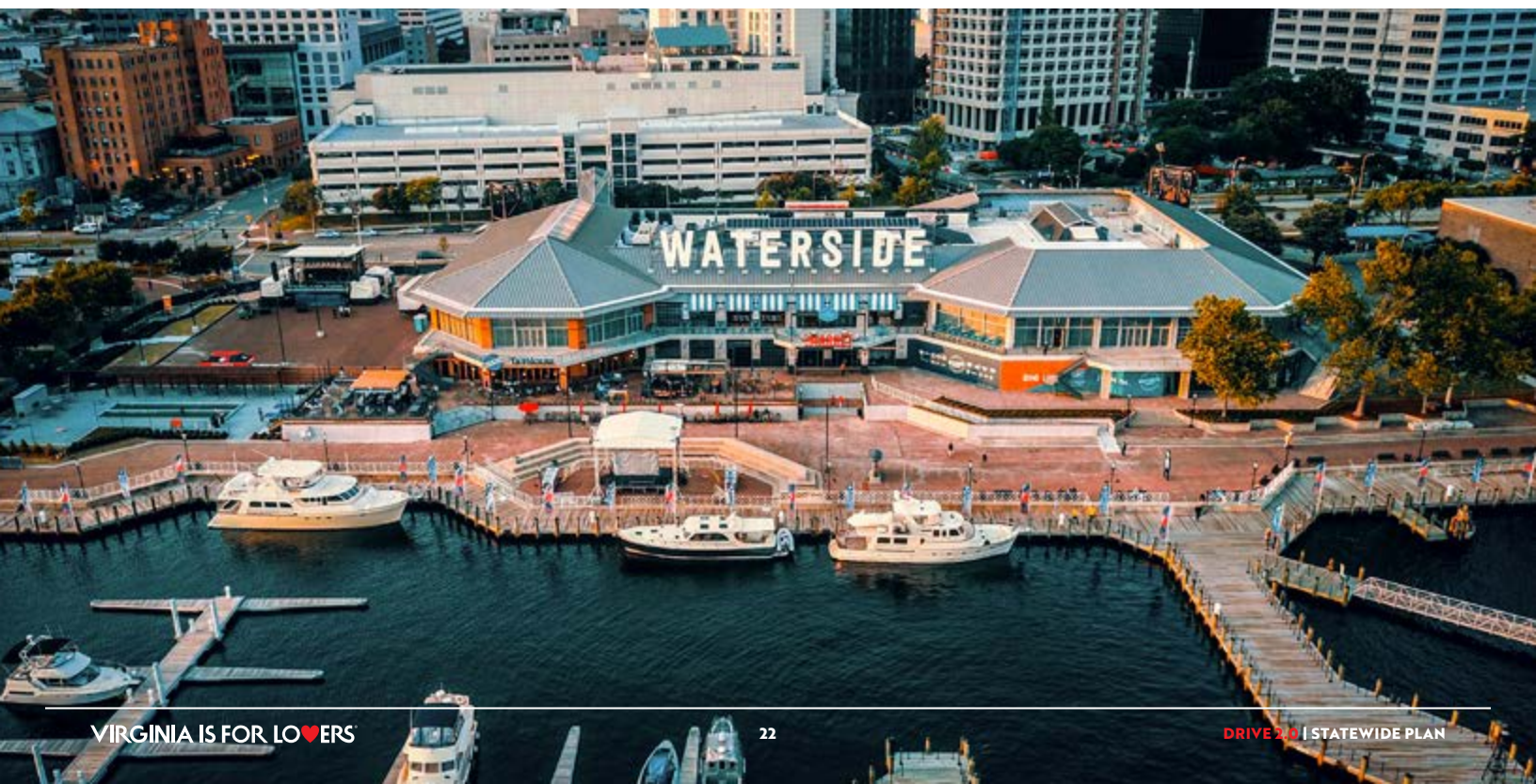
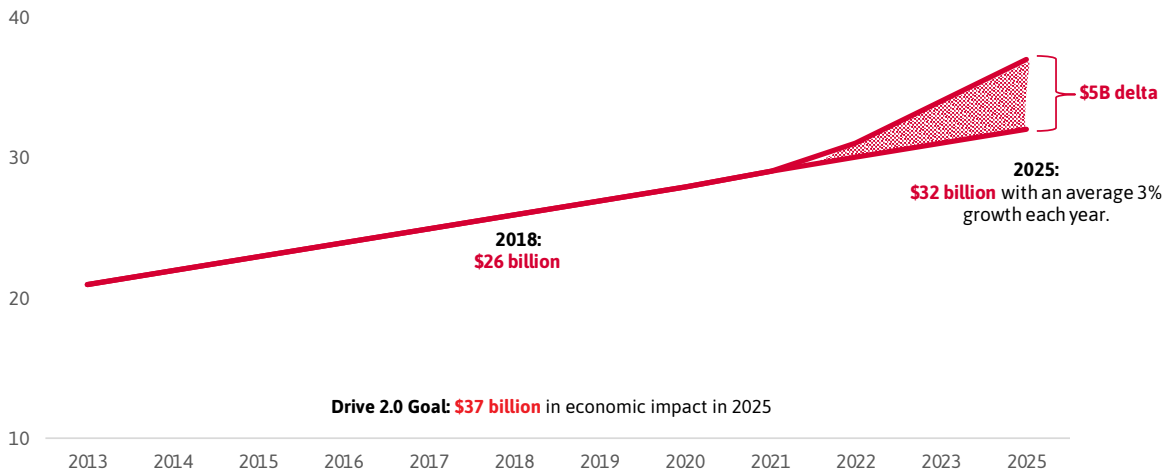
POTENTIAL ECONOMIC IMPACT

Since the 2008 Recession, tourism spending in Virginia has grown 3% - 4% every year, which is well worth celebrating – after all, 3% growth on 2018’s \$26 billion spending level represents substantial incremental dollars.

But what would it mean to Virginia if we change this trajectory? What would happen if we experienced 4% or 5% annual growth rates? The estimated \$32 billion economic impact in 2025 could increase to \$37 billion.

COVID-19 has entirely impacted this projection. Even though this is not what our future will look like anymore, significant shifts can still be made as we move forward. Think about the next 10 years even with COVID-19, what could the impact be on tourism spending if we put strategies in place today that would lead us there?

Drive 2.0’s Potential Economic Impact

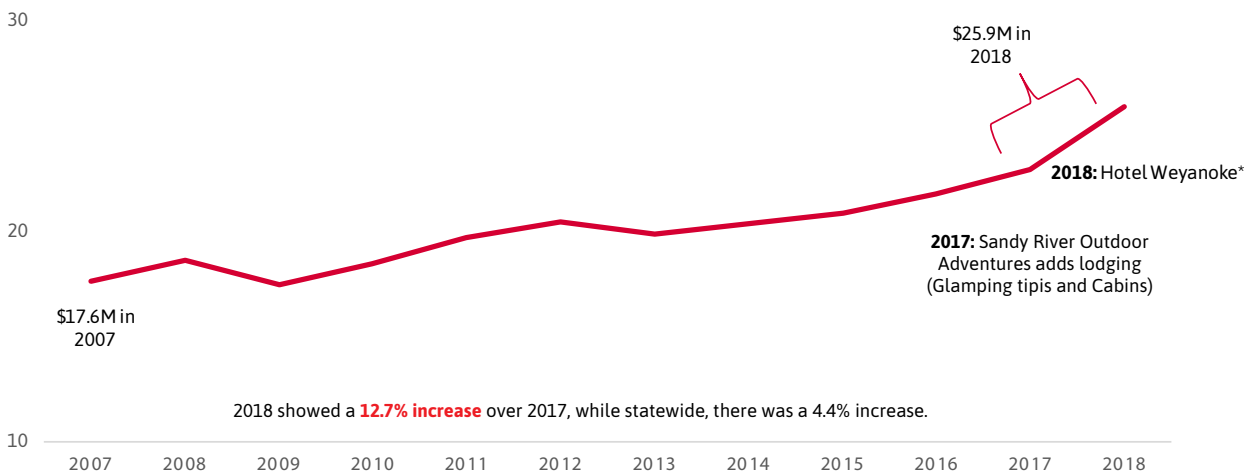


CASE STUDY ON IMPACT

Intentional product development is one way to impact this trajectory. For example, over the past decade, the town of Farmville, in Prince Edward County, has made intentional changes to its product offerings, especially those focused on outdoor recreation and Black heritage, including efforts by Longwood University and Hampden- Sydney College and the creation of the High Bridge Trail State Park. With so many efforts underway, and as more people started to visit, it became clear the community needed more lodging options. To meet this demand, community leaders tapped into a VTC TDFP gap financing program to help build Hotel Weyanoke, and from 2017 to 2018, Prince Edward County experienced a 12.7% increase in tourism-related expenditures – three times the state average.



Prince Edward County Expenditures



*It is important to note that Hotel Weyanoke was funded in part by VTC’s gap financing program (TDFP).

**SITUATION ANALYSIS
AND OPPORTUNITIES**



INTRODUCTION

Our world will change more in the next 10 years than it has in the past 30. To ensure any planning process is relevant and meaningful for today's environment – and that it remains relevant over the next five years – we must take stock of the current landscape and identify, as best as possible, where we may be headed in the future. With a stronger understanding of the current landscape, we can set the stage for DRIVE 2.0's final game plan recommendations.

To this end, this section assesses the current and future tourism situation facing Virginia through five different lenses:

- **Trends and potential impacts** for Virginia and its localities:
Cultural, societal, demographic, industry-specific, and geographic trends
- Virginia's **brand assessment**
- **Competitor review** – Washington, D.C., Maryland, North Carolina, and Pennsylvania
- Virginia **traveler profile** review
- **SWOT analysis**: How to use our strengths to leverage opportunities, shore up weaknesses, and minimize threats.

TRENDS AND OPPORTUNITIES

DEMOGRAPHIC	OVERVIEW	IMMEDIATE IMPLICATIONS
SHIFTING FOOTPRINT	<p>The country’s population growth over the past century has been concentrated in urban and suburban areas. According to the U.S. Census, 80% of Virginia’s population growth is projected to occur in the “Golden Crescent” corridor that runs from D.C. through Northern Virginia, Richmond, and Coastal Hampton Roads. This growth in urban areas is being accelerated by Millennials, who prefer downtowns, activity centers, and 15-minute “livable” communities close to everything, meaning many western counties in the Commonwealth may continue to lose population and industry.</p>	<p>To face the rising economic challenges of declining rural populations and accompanying tax revenue, invest resources in tourism assets as an economic engine.</p> <p>Position your destination’s travel and tourism assets and identity as a way to expose potential new residents to the area.</p>
AGING POPULATION	<p>The age wave is washing over Virginia. Over the next 14 years, America’s 65+ population will increase by roughly 60%, growing from 10 to 20% of the total population. Nationally, we will have 74 million people over the age of 65, compared to only 46 million today. Some counties of Virginia will experience a dramatic increase in seniors, where up to 40% of the population will be 65 or older.</p>	<p>Recognize Baby Boomers (today’s new seniors) as an increasingly important tourism segment; however, understand that they won’t be looking for the types of experiences their parents sought.</p> <p>Work to make attractions and destinations more appealing to Boomers and their desire to stay active and enhance their vitality.</p>
INCREASING DIVERSITY	<p>By 2044, the U.S. Census predicts that the combined minority populations will become the majority population. Already, minority births are greater than majority births. Latino and Asian populations are expected to nearly triple. Today in the U.S., 25% of children under age 5 are Hispanic. By 2050, that will increase to almost 40%.</p>	<p>Make diversity and inclusion core values of your destination or region. Making everyone feel welcomed will become a differentiating attribute and strategic advantage.</p> <p>Enhance or develop programs and experiences which showcase diversity and appeal to a broader demographic base of potential visitors. Include diversity in ads and promotion.</p>

TRENDS AND OPPORTUNITIES (cont'd)

ECONOMIC DEVELOPMENT	OVERVIEW	IMMEDIATE IMPLICATIONS
SHIFTING LABOR DYNAMICS	<p>Available workers between the ages of 16 and 54 have been in decline for the past decade – a decline projected to continue – while the supply of workers 55 and older is projected to increase 18%. With overall population growth far outpacing working age population growth, competition for younger workers will intensify, and Baby Boomers as workers will become more important to ALL industries, including travel and tourism.</p>	<p>Assess your destination or attraction’s current workforce, as well as your future workforce needs.</p> <p>Determine how your workplace culture aligns with the values and priorities of a shifting workforce population. Future players could be entrepreneurs for their next stage in life.</p>
THE RISE OF PLACEMAKING	<p>With the unemployment rate at 3.7%, a 49-year low, companies and organizations are all challenged with finding qualified talent. Understanding that younger people are going to be even harder to find in the future, enlightened companies are moving or concentrating their footprint in Millennial hotspots – entire markets, as well as areas within a market, such as downtown urban centers. As such, city planners, destination managers, and other organizations are embracing intentional strategies to improve their locations (placemaking) and to promote their locations (place marketing).</p>	<p>Develop strategies to make your location a more desirable place to live, work, play, learn, and visit as competition for workforce is going to become increasingly fierce.</p> <p>Engage community members, leaders, and past and prospective visitors in determining the attributes that make your location unique and appealing.</p> <p>Craft a differentiating and compelling narrative and strategic marketing platform which all community stakeholders can use to spur word-of-mouth buzz and successfully tout your location.</p>
CULTURAL AND SOCIETAL	OVERVIEW	IMMEDIATE IMPLICATIONS
RISE OF PURPOSE	<p>Bigger than who you are, what you do, and how you do it – purpose is your “why.” Fueled by Millennials’ emphasis on community and the need to be hyper-transparent, more and more organizations are articulating their sense of purpose. For example, while Tom’s is selling shoes, its purpose – “We’re in the business to help change lives” – serves as a rallying cry and focal point of attraction for its product.</p>	<p>Develop a compelling and well-crafted vision statement to embrace and draw those with shared goals and missions.</p> <p>Bring your vision to life throughout all your promotional materials, particularly on social media, in ways which showcase personal stories and positive impact.</p> <p>Moreover, consider ways to build and promote voluntourism and ecotourism experiences that will meet the need for purpose in whatever they are doing.</p>

TRENDS AND OPPORTUNITIES (cont'd)

MARKETING	OVERVIEW	IMMEDIATE IMPLICATIONS
NEW MARKETING PARADIGM	<p>Artificial Intelligence assistance is experiencing dramatic growth in household penetration, and more and more of our routine consumer decisions are going to be handled by our AI assistants like Siri and Alexa. When it comes time to plan a trip, we're going to tell our AI assistant the type of experience we want (e.g.; outdoor, whitewater rafting) and ask for suggestions. Then, we'll be provided options that have been "shopped" for us. This shopping will be done by our AI assistants mining all information and offers that are on the web.</p>	<p>Encourage reviews and consider including a Q&A page with common travel questions regarding your destination on your website so that AI like Alexa can easily find those answers.</p> <p>Build and maintain a robust website and provide rotating special offers – "more is more."</p>
TRAVEL & TOURISM	OVERVIEW	IMMEDIATE IMPLICATIONS
DESTINATION STEWARDSHIP	<p>There is a growing economy and movement toward stewardship of our earth, natural assets, and cultures. Destinations and attractions are participating in this movement by promoting low impact and green experiences and practices as well as efforts to preserve the authentic culture and way of life in communities. It's about being good stewards of our destinations.</p>	<p>In a state rich with natural resources, wildlife, small towns, and unique cultures, low-impact experiences are important. Think about ways to highlight the low impact visitors will have on nature, the wildlife, small towns, and cultural experiences. In visiting, they can contribute to the vibrancy of the local economy in a sustainable way so generations can continue to enjoy Virginia's beauty and rich culture.</p>
OVERTOURISM	<p>Many destinations worldwide are experiencing an overwhelming influx of travelers. A growing trend is visiting places less traveled and off the beaten path to avoid the crowds and gain unique experiences.</p>	<p>This is great news for Virginia communities. Highlight the off-the-beaten path and small-town experiences. Promote the not-yet-known to the world – hidden views, trails, food destinations, etc. Even in the larger cities, developing trails to experience the unordinary aspects of that community could increase appeal. Identify capacity levels to avoid overtourism in the future.</p>
MINI-CATIONS	<p>According to Allianz, over half of Americans last year did not take a vacation longer than four nights Millennials are leading this movement.</p>	<p>Campaigns like the recent Crush Friday are a great example of efforts to take advantage of this trend. Consider other marketing campaigns and packages that encourage younger generations to take their vacation for a long weekend trip.</p> <p>Since Virginia's average length of stay is already just under three nights, there is opportunity to build on the 72-hour trip experience.</p>

TRENDS AND OPPORTUNITIES (cont'd)

TRAVEL & TOURISM	OVERVIEW	IMMEDIATE IMPLICATIONS
CAMPING	Camping and glamping is increasingly popular, especially among Millennials. Moreover, they prefer these trips to be within 100 miles from where they live.	This is another trend that will fall in line with the growing outdoor recreation focus. Consider ways to highlight camping trips of all kinds – the off-the-beaten-path to a unique view, or the best of both worlds trip with a hike, a craft brew and a campsite under the stars.
UNPLUGGING	People are constantly connected these days, whether it's with work or maintaining their social presence online. As a result, people are increasingly wanting to fully disconnect when on vacation. The travel industry is taking notice. Many travel firms are offering trips that require clients to leave phones at home (or in the hotel). Some hotels no longer tout "free WiFi" and instead offer programs that promote "tech detoxes."	Find ways to partner with hotels or attractions to see if there are ways to embrace this trend. With Virginia's strength in outdoor recreation there are great opportunities to promote experiences outside where phones are not allowed.
SPACE	While not everyone can afford a trip to space, interest in space is growing. Dark Sky locations, observatories, and even space stations are growing in popularity. Moreover, nationwide focus on STEM learning and educational programs, also contributes to the growing popularity of space-related experiences and programs.	From the Shenandoah Valley, to the Highlands, to the Eastern Shore, Virginia has an opportunity to authentically take advantage of this growing trend. For those localities in very rural areas, strongly consider going after the Dark Sky designation. For locations closer to the shore, considers ways to package trips that highlight rocket launches. All localities should consider combining ecotourism with space through full moon kayak programs, outdoor astronomy, and night hikes.
SPORTS	Sports tourism is one of the fastest growing travel industries. Worldwide it equates to \$7.68 billion. The Travel Industry of America reports that nearly 40% of American adults each year travel 50 miles or more to a sporting event. But it's not just attending sporting events, it's also hosting youth tournaments and providing venues that attract year-round events drawing hundreds, often thousands of visitors.	While the Commonwealth does not support any major league sports teams, the state is beginning to hone its focus on sports tourism. Localities in Northern Virginia, Hampton Roads, Richmond, and Roanoke area are all finding ways to use sports to bring in new visitors and fill up hotel rooms year-round. With new venues in the works, localities should work together to find ways to elevate the entire state through this growing market.

TRENDS AND OPPORTUNITIES (cont'd)

TRAVEL & TOURISM		OVERVIEW	IMMEDIATE IMPLICATIONS
INCLUSIVITY: CREATING A WELCOMING WORKPLACE	WOMEN	August 2020 was the 100th anniversary of the 19th Amendment which gave women the right to vote. The suffragette movement will become more front and center when it comes to history and heritage travel. At the same time, women-focused travel experiences are still on the rise. In today's climate, women are looking for safe and easy adventures that allow them to be independent.	There is a great opportunity to create and enhance experiences that celebrate the impact of women on our society and culture. In the Summer of 2020, Fairfax opened the Turning Point Suffragist Memorial at Occoquan Regional Park. The Commonwealth has an authentic story as Virginia welcomed the first European women to the new world. Continue to promote this welcoming spirit and the invitation to women to come explore the many adventures throughout the state.
	LGBTQ	In 2017, 4.5% of the US population identified as LGBTQ. Data suggests this segment travels more and spends more. As a result, more and more destinations are creating unique experiences for this audience.	The intersectional nature of the LGBTQ population is a huge asset in crafting new, and unheard stories. DMOs are engaging their local LGBTQ population to identify and share welcoming, authentic experiences. Virginia's new status as the first Southern state to have non-discrimination protections for LGBTQ people is a new, important message of safety for LGBTQ visitors. VTC's #visitgayva efforts directly and explicitly reaches the LGBTQ community
	BLACK HERITAGE	The Commonwealth's primary lure is history. Across the state visitors can experience historic and cultural attractions. These places contain complex stories grappling with topics of race and injustice and can often feel unwelcoming. These stories contain both joy and sadness; the pain and pride; the oppression and strength of the Black experience. There are many untold and under-told stories of interest to Black visitors.	Virginia needs to make travel experiences more relevant to Black travelers, especially its unique historical sites and we need to talk more about what Virginia has to offer Black travelers. Black travelers do not seek one type of experience in their vacation. They are looking for a combination of experiences; they want to have fun and enjoy a range of activities. The BLK RVA campaign is a great example of a promotional effort that links history with the awesome cultural and innovative impacts of Black locals.

INTERNATIONAL		OVERVIEW	IMMEDIATE IMPLICATIONS
CASINOS AND GAMING		Worldwide gaming is big business. The global gambling market is expected to reach revenues over \$525 billion by 2023. The U.S. is no exception. With the repeal of the Professional and Amateur Sports Protection Act in 2018, the industry is seeing exponential growth across the country. Moreover, research shows the gaming sector's reinvestment in communities, building partnerships with small business and nonprofits and providing employment opportunities.	Stakeholders across the Commonwealth are talking about gaming. New Kent County's Colonial Downs and Rosie's Gaming has brought back horse betting to the state. From Hampton Roads, to Richmond, to Danville, to Northern Virginia, to Bristol localities are expressing interest in investing in gaming opportunities. While any potential recession or shift in gaming legislation can impact this industry, there does appear to be an opportunity for localities to take advantage of this growing industry.

TRENDS AND OPPORTUNITIES (cont'd)

VIRGINIA	OVERVIEW	IMMEDIATE IMPLICATIONS
RISE OF MUSIC TOURISM	According to Billboard, 32 million people attended music festivals in 2018. Virginia has a strong and unique music heritage (country, bluegrass, beach music, alternative, hip hop, pop rock, heavy metal), and a growing number of music festivals like Bristol Rhythm n’ Roots, Lockn’, Something in the Water, and FloydFest, just to name a few.	Music and music heritage is a core identity of Virginia. It’s both authentic and it’s experiential – two essential traits travelers seek. There are old and new festivals and potential for several new large venues to be built within the next 5 years. Leverage these events and music experiences as a way to tell the story of Virginia and keep people coming back to their favorite music destinations and experiences.
OUTDOOR RECREATION	The outdoor recreation industry contributes nearly \$22 billion annually to the Virginia economy and supports the livelihoods of more than 197,000 Virginians. Outdoor recreation is cited by 1 in 4 Virginia visitors as one of their top trip purposes. And, in 2019, Virginia established the Office of Outdoor Recreation, placing even more importance on this industry.	Virginia is experiencing a rising tide when it comes to outdoor recreation. It is overwhelmingly the biggest focus for industry leaders across the state. And with the new state office in place, we should strike while the iron is hot. Pour resources into these experiences and think about ways to connect experiences across localities, regions, and even the entire Commonwealth.
CULTURAL HERITAGE	History is one of Virginia’s biggest assets. But it is not just about names and dates, it’s about the cultural impact these historic events have on the community. Whether it is music, agriculture, crafts, or politics, Virginia is full of rich cultural heritage experiences.	Packaging historic assets as experiences that highlight the cultural impact on our lives today is key to keeping history relevant and authentic to today’s diverse tourism audience. The recent national recognition of Virginia Indian Tribes, provides a special opportunity to better share their unique and untold stories and how they are shaping culture today. Threading themes across regions can create an even more compelling and impactful story.
VALUE TOURISM	Virginia is increasingly being known for affordable travel experiences. In fact, Williamsburg was named as a top 10 most affordable vacation in the US in 2019.	Find ways to promote free and affordable experiences. These messages will tie-in well with promoting outdoor recreation. Vacations can be equally exciting and affordable no matter where they travel in the Commonwealth.
TRANSPORTATION SYSTEM	Ability to grow and prosper is due in no small part to having one of the best transportation systems in the country. Over the next five years, significant transportation improvements will be realized on the I-95 and I-64 corridors, including a new tunnel at the Hampton Roads Bridge-Tunnel. In December 2019, Governor Northam announced a \$3.7 billion agreement for the state to buy 225 miles of track and build new passenger rail improvements.	The vast majority of visitors use an automobile to get around Virginia during their trip. Having connected and easy access with minimal congestion is an important part of the overall experience. The industry must leverage its voice and work with partners to advocate for better and new roads, rail, and highways.



VIRGINIA BRAND ASSESSMENT

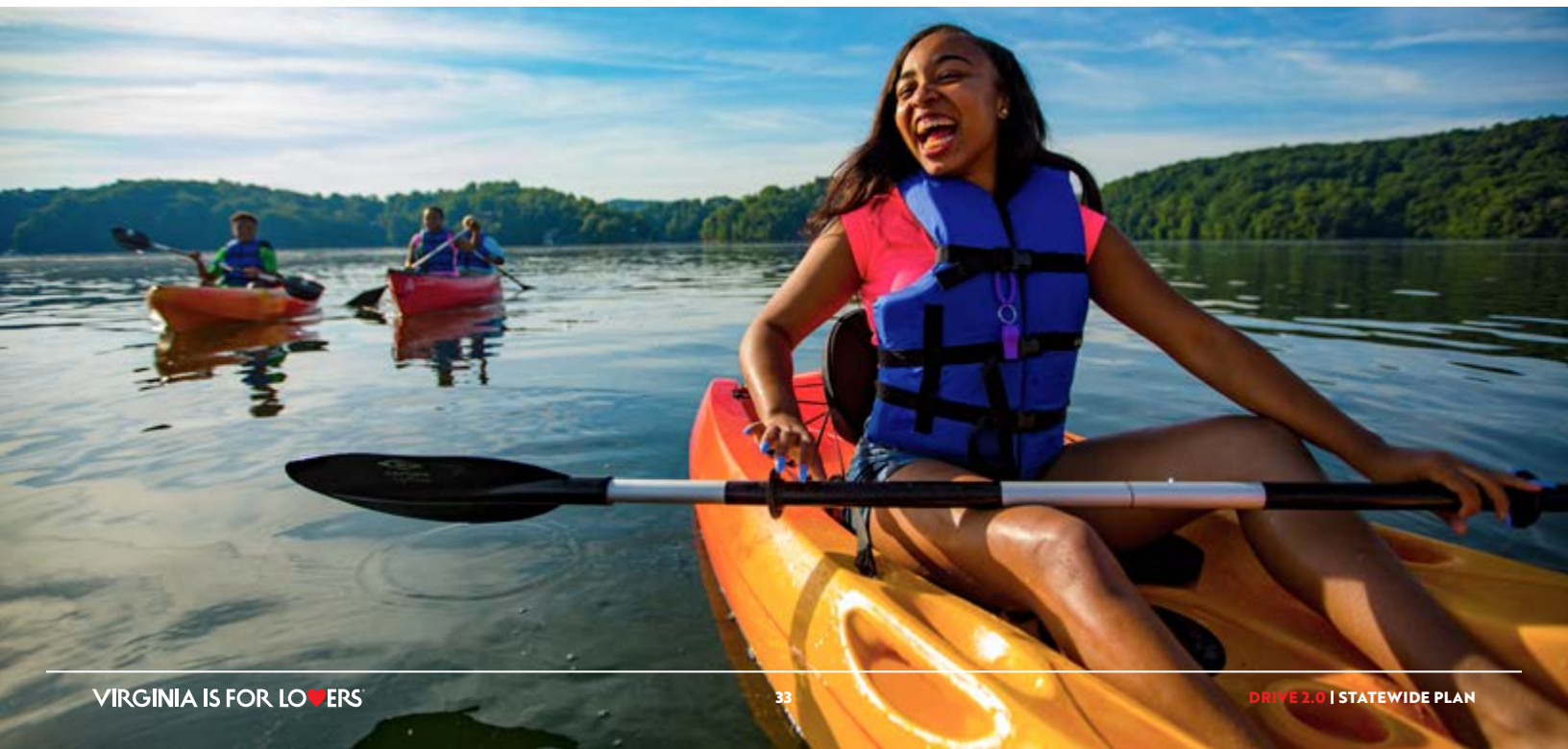
Overall, Virginia performs well compared to its key competitor states of New York, Maryland, North Carolina, South Carolina, Pennsylvania, Florida, and DC. Virginia is a preferred destination for travel experiences that include history/museums, mountains, arts/crafts, wineries, and breweries.

Virginia is tied with North Carolina and Florida for outdoor recreation. Virginia falls behind New York on food/cuisine, live music, sports, and film, and falls behind Maryland on oysters.

TRAVEL EXPERIENCES	VA	NY	MD	NC	SC	PA	FL	DC
History (Colonial/Civil War)/Museums	Ranked First in Category							
Fall Foliage						Ranked First in Category		
Mountains	Ranked First in Category							
Small towns/villages						Ranked First in Category		
Outdoor recreation	Ranked First in Category			Ranked First in Category			Ranked First in Category	
Wineries	Ranked First in Category							
Festival & special events	Ranked First in Category	Ranked First in Category						
Beaches					Ranked First in Category		Ranked First in Category	
Amusement Parks	Ranked First in Category						Ranked First in Category	
Food/Cuisine		Ranked First in Category	Ranked First in Category					
Craft breweries	Ranked First in Category							
Arts/crafts	Ranked First in Category							
Oysters			Ranked First in Category					
Live music		Ranked First in Category						Ranked First in Category
Golf					Ranked First in Category		Ranked First in Category	
Sports		Ranked First in Category				Ranked First in Category		
Film Locations		Ranked First in Category						Ranked First in Category

Source: Omnitrak

Ranked First in Category





COMPETITION

Today, competition is fierce, and as we saw through the preceding trends, we are competing with the entire world. Moreover, outdoor recreation, craft beer, food, art – these things are no longer unique.

Virginia and its localities must become more coordinated and intentional to land their messages in the crowded and increasingly sophisticated world of tourism marketing.

If marketing efforts only focus on one lure, like outdoor recreation, we face endless competition. But, when we begin to layer multiple lures, the competition begins to shrink. This is the benefit of a hub and spoke approach, where the focus is on the entire product mix, not just the primary lure.

Having a clear sense of who your audience is, what messages resonate most, and the right product mix for each audience is not easy, but it is essential.

In the next few pages, we will focus on a few key competitors. As we do, considering their position, we must keep thinking about what we should be packaging, when we should be promoting it, and to whom.

COOPERATIVE COMPETITION

Washington, D.C.

Many localities consider D.C. a primary competitor, but given Virginia’s proximity to the nation’s capital, D.C. is better viewed as an asset and feeder market. Virginia benefits from having visitors to the D.C. region stay in hotels in northern Virginia and extending their trip down through the Commonwealth. Moreover, D.C. residents are a great feeder market for day trips, overnights, and long weekends.

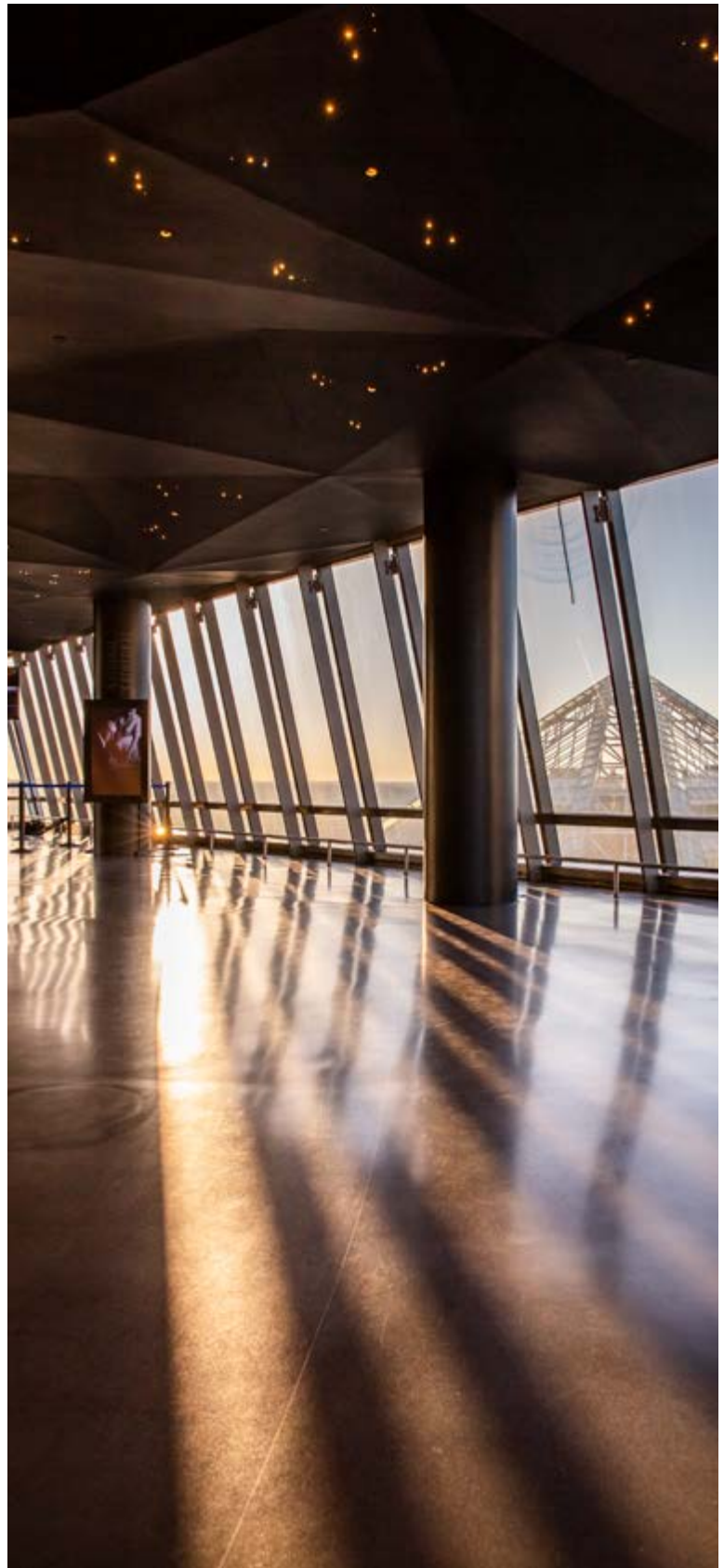
With a marketing budget of \$4.1 million, Destination DC has helped bring in \$7.5 billion in travel expenditures in 2017. Year over year, their visitor spend grew by 3.4% compared to Virginia’s 4.4% year over year (2016-2017).

D.C.’s current campaign touts the 100+ free things to do with the tagline “Enjoy the land of the free.” A primary focus is on all things history, with its monuments, memorials, and museums. In addition, the destination encourages visitors to explore the unique neighborhoods and restaurants that make up its community. In 2018, D.C. launched its largest advertising campaign focusing on Philadelphia, New York, Chicago, Los Angeles and Richmond DMAs. Their focus on Philadelphia and New York is in direct competition with Virginia’s out-of-state visitors.

Half of travelers to D.C. are visiting for vacation and stay on average 2.6 nights.

Top Other States Visited for Leisure in the Past 12 Months

Washington D.C.	34%
North Carolina	34%
Maryland	32%
Florida	29%
Pennsylvania	27%
New York	24%
South Carolina	23%
Georgia	21%
West Virginia	17%





OUR BIGGEST COMPETITORS

North Carolina

Just to our south is North Carolina. When you look at North Carolina from a broad view, it is very difficult to identify what makes us different – beaches, outdoors, mountains, history, beer, food, small towns – the list goes on.

With a marketing budget of \$8 million, Visit NC has helped bring in \$25.3 billion in travel expenditures in 2018. Year over year, visitor spending grew by 5.6% compared to Virginia’s 4.4% year over year (2017-2018).

Visit NC’s current campaign focuses on “Firsts that Last.” Outdoor, beach, and beer are primary focuses. But rather than focusing on one or two experiences, it offers up dozens of categories focused on passion (e.g., romantic getaway, girls’ weekend, food, history, etc.). The campaign targets Atlanta, Nashville, Northern Virginia/Washington and secondary markets of Columbus, Ohio, Orlando, and Philadelphia. The focus on Philadelphia, Orlando, and Atlanta is in direct competition with Virginia’s out-of-state visitors.

Nearly half of visitors are from within the state (44.8%) followed by Virginia (8%), South Carolina (7%), Georgia (7%), and Florida (5%). Visitors are primarily visiting relatives, the beach, or for shopping.

It should be noted that large marketing budgets for areas like Charlotte (\$5 million) positively influence the effectiveness of overall tourism numbers and economic impact for the state.



Top Other States Visited for Leisure in the Past 12 Months

Washington D.C.	34%
North Carolina	34%
Maryland	32%
Florida	29%
Pennsylvania	27%
New York	24%
South Carolina	23%
Georgia	21%
West Virginia	17%

OUR BIGGEST COMPETITORS (cont'd)

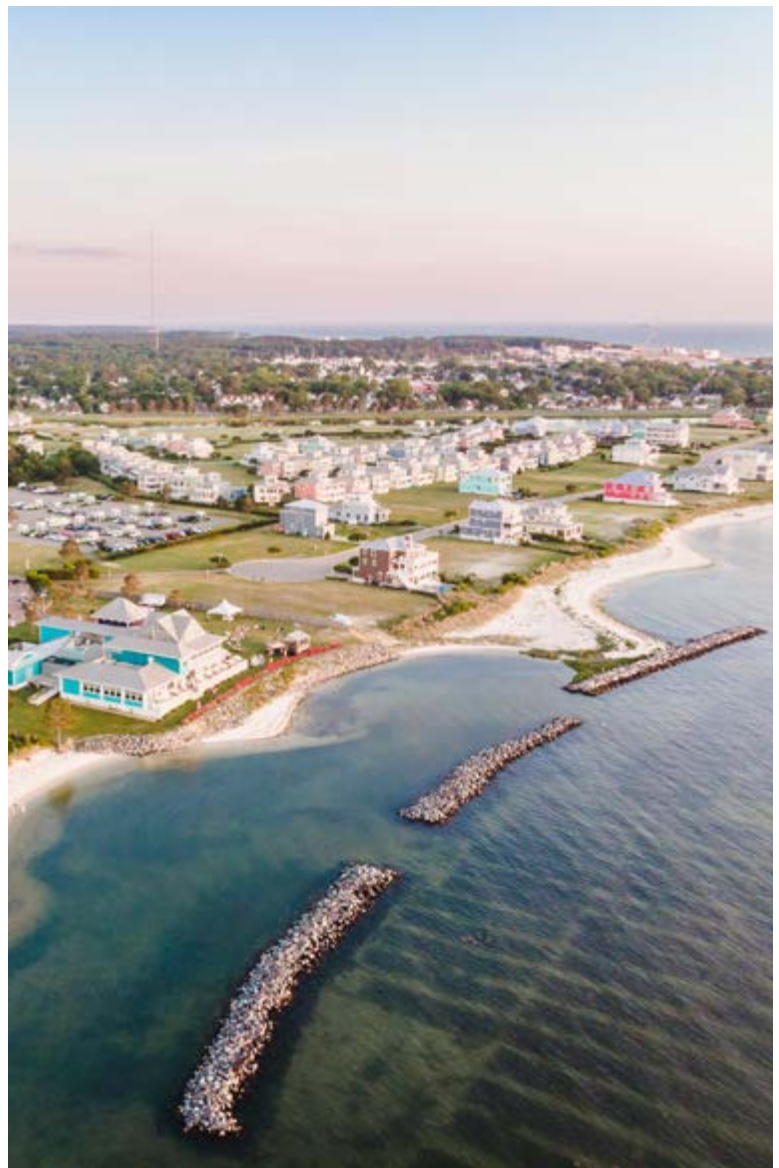
Maryland

Just to our north is Maryland. Like North Carolina, when you look at Maryland from a broad view, it is very difficult to identify what makes us different – beaches, outdoor, mountains, history, beer, food, small towns – the list goes on. And, they are also known for oysters.

With a marketing budget of \$8.25 million, Visit Maryland has helped bring in \$17.3 billion in travel expenditures in 2017. Year over year, visitor spending grew by 2.1% compared to Virginia’s 4.4% year over year (2016-2017).

Maryland’s current campaign, launched in 2018, focuses on “Be Open for IT.” Beach, outdoor water-related activities, and crabs are the primary focus. The campaign targets New York metro, Philadelphia, Harrisburg, Pittsburgh, Cleveland, Washington, D.C., and Baltimore. The focus on Philadelphia, New York, D.C., and Baltimore is in direct competition with Virginia’s out-of-state visitors.

It should be noted that large marketing budgets for areas like Baltimore (\$2.5 million) positively influence the effectiveness of overall tourism numbers and economic impact for the state.



Top Other States Visited for Leisure in the Past 12 Months

Washington D.C.	34%
North Carolina	34%
Maryland	32%
Florida	29%
Pennsylvania	27%
New York	24%
South Carolina	23%
Georgia	21%
West Virginia	17%



OUR BIGGEST COMPETITORS (cont'd)

Pennsylvania

While not an immediate neighbor, Pennsylvania is a big competitor and identified specifically by numerous localities throughout Virginia, for its history, outdoor recreation, and culinary scene (including wineries and breweries).

With a marketing budget of \$7 million, Visit PA has helped bring in \$43.3 billion in travel expenditures in 2017. Year over year, visitor spending grew by 4.2% compared to Virginia's 4.4% year over year (2016-2017).

Pennsylvania's current campaign, launched in 2016, focuses on the slogan "Pursue Your Happiness." The campaign promotes the "happy traveler" highlights experiences related to outdoor adventures, city life, PA to table (food scene and craft beer), and historical pursuits.

Specific creative campaigns focus on seasonal experiences for the happy traveler.

It should be noted that large marketing budgets for areas like Philadelphia (\$14 million) and Pittsburgh (\$12 million) positively influence the effectiveness of overall tourism numbers and economic impact for the state.



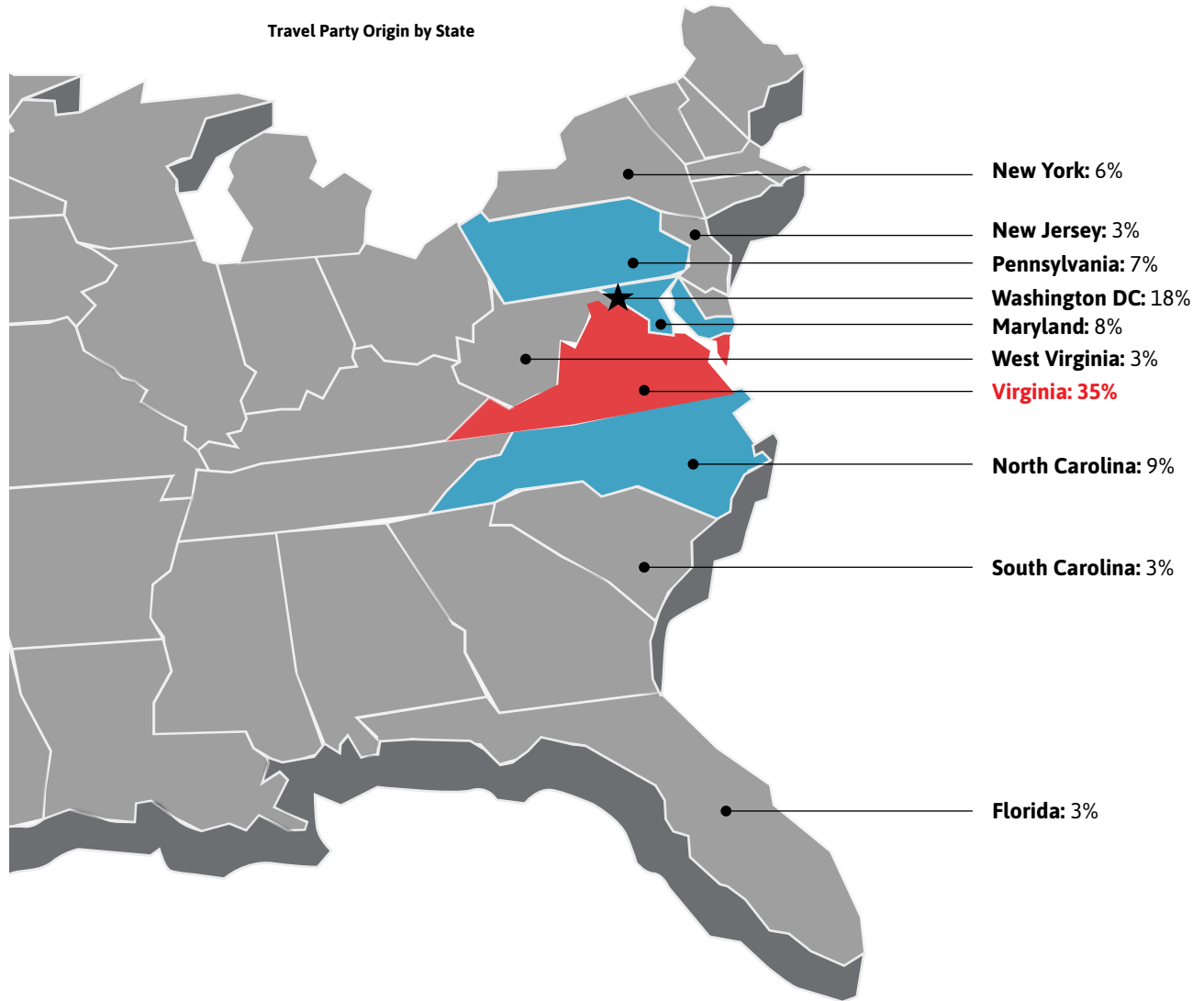
Top Other States Visited for Leisure in the Past 12 Months

Washington D.C.	34%
North Carolina	34%
Maryland	32%
Florida	29%
Pennsylvania	27%
New York	24%
South Carolina	23%
Georgia	21%
West Virginia	17%

WHAT IS HAPPENING IN VIRGINIA?

Visitor Data

Omnitrak’s TravelTrakAmerika study reveals that **most travelers to Virginia are actually local to Virginia**. More specifically, two of the top three DMA feeder markets are Virginia markets. When talking with industry leaders, they also identified in-state markets as their primary feeders and even went on to identify in-state destinations and attractions as their primary competition. It is interesting to note that VA’s top out of state competition is also a top feeder market.



Travel Party Origin by DMA

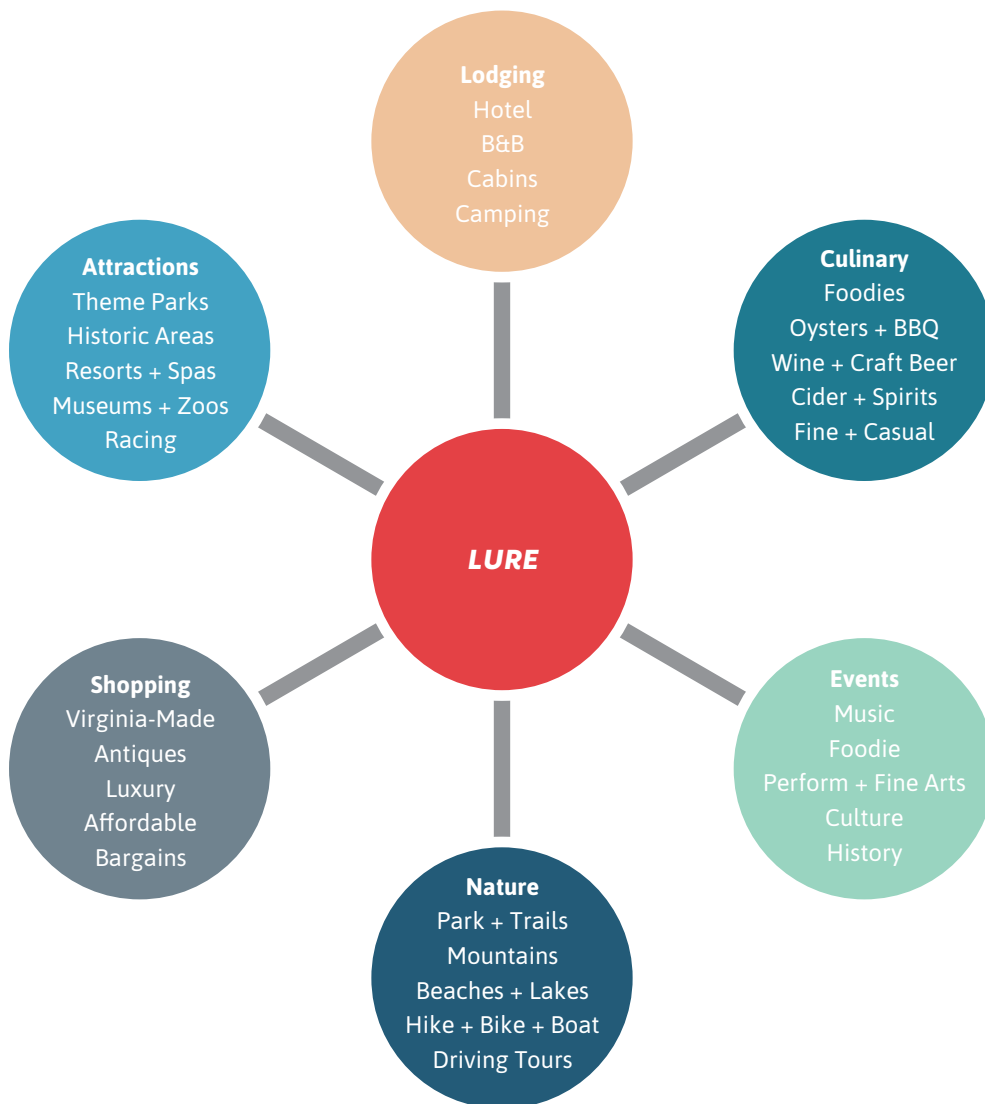
- | | |
|--|--|
| Washington, D.C. (Hagerstown): 17% | Roanoke-Lynchburg: 5% |
| Norfolk-Portsmouth-Newport News: 7% | Baltimore: 4% |
| Richmond-Petersburg: 7% | Charlotte: 3% |
| Philadelphia: 6% | Raleigh-Durham (Fayetteville): 3% |
| New York: 5% | Tri-Cities, TN-VA: 2% |

WHAT IS HAPPENING IN VIRGINIA? (cont'd)

Hub and Spoke

Virginia is varied in its landscape, communities, assets, and experiences. It's hard to highlight it all, especially knowing some localities have budgets larger than the state's budget, while others can't even afford a full-time dedicated staff person.

Drive 2.0's hub and spoke exercise helps to focus efforts around areas of most importance and provide tools to help each locality succeed. The hub & spoke tool outlines the traveler experience starting with the main reason for their trip surrounded by the other things they do while in your destination. The regional plans lay out a direction for each region and should be a great launching point for individual localities. This tool is also utilized in the Drive 2.0 Game Plan's Strategic Imperatives-Initiatives (pg. 46-48).



SWOT ANALYSIS: THE SITUATION TODAY

Strengths

- **VIFL Brand:** Virginia is for Lovers is the most well-known tourism slogan.
- **Virginia tourism industry infrastructure:** Through VTC’s programs such as DRIVE Tourism, MLP, co-ops, listings on Virginia.org, PR, etc., there are great resources and the Commonwealth’s tourism industry leaders and programs have been identified and are communicating.
- **Regional programs:** More regional marketing partnerships have been created and launched, such as Visit Virginia’s Blue Ridge, SWVA, and Virginia’s River Realm.
- **Variety of assets:** Virginia has numerous product options. This product mix contributes to vibrant communities and is attractive to visitors.
- **History:** Virginia’s primary lure is history. Authentic and believable, history is the core of who Virginia is and its offering.
- **Outdoor recreation:** Outdoor is a priority across the board and with the recent opening of the Office of Outdoor Recreation this is becoming a core strength of Virginia.

Opportunities

- **Diversity, inclusivity and equity:** In just two decades minority populations will be the majority. Meanwhile, tourism is seeing growth in travel experiences for the solo female traveler, the LGBTQ community, Hispanic/Latino and Black audiences. Communities everywhere are working to become welcoming places, embracing residents and visitors from all walks of life.
- **Gen Z:** Gen Z are demonstrating a desire to stay close to home, meaning there could be greater desire for more local/regional travel.
- **Outdoor recreation:** While also a strength, this is an area that is gaining momentum as travelers are looking for cost-effective, mini-vacations, camping, and unplugging.

Weaknesses

- **Virginia’s tourism industry lacks funding:** Statewide and local marketing efforts are not funded at the level of the other top U.S. travel destinations.
- **Virginia localities lack an understanding of visitors:** Virginia’s localities struggle to identify who is visiting their locality and why and how to find more of these visitors.
- **Making the case:** Virginia’s localities lack the resources to identify, package, and promote the value of tourism to the leaders of their local communities.
- **Variety of assets:** The wide array of assets can make it difficult to effectively market all there is to see and do.

Threats

- **Potential recession:** This could significantly impact both the amount of and extent of trips taken by travelers.
- **International travel:** As political changes make the visa process more difficult, international travel is likely to decline.
- **Population shifts:** Populations are aging and the replacement rate will soon be 1 to 1. At the same time people are moving to urban areas which is greatly impacting rural communities who are already experiencing a decline in population.
- **History:** History is becoming increasingly less interesting among younger generations and is impacting visitation rates at historic sites everywhere.
- **Potential budget cuts:** elected officials not seeing the value in tourism.

Internal Factors:
Strengths & Weaknesses

External Factors:
Opportunities & Threats

SWOT ANALYSIS: THE SITUATION TODAY (cont'd)

How to Use Strengths to Leverage Opportunities

1. Leverage the brand to have a larger voice by using strong partnerships to repackage and create new experiences that will be attractive to new generations as well as segments of travelers who may otherwise overlook Virginia as a destination.
2. Regional programs can work to create enhanced experiences that cross localities' boundaries. For example, this is a great way to think about trail development for outdoor recreation or even thematic trails related to music or heritage.
3. The entire Commonwealth has the product, the focus is now about how to package and promote these products in a way that is unique and meaningful. And, to the right people at the right time.
4. Accelerate the work of Drive Tourism and Partnership Marketing to provide increased training and support for localities throughout the Commonwealth.
5. The time is now for outdoor recreation! The industry is focused on this, the new Office of Outdoor Recreation means even higher prioritization at a time when visitors are also seeking outdoor recreation experiences.

How to Use Strengths to Shore Up Weaknesses and Minimize Threats

1. Continue to invest in building partnerships across the region and helping these localities better identify who their current visitors are so they are more precise and effective in future marketing efforts. And at the same time identifying opportunity markets like Black audiences.
2. If a recession does happen, tourism funding will likely be at risk. Helping the industry make a case for tourism – that tourism is an economic development imperative, contributes to the vitality of communities, and is a big creator of jobs – will be more important than ever. In the meantime, focus on building relationships with partner organizations who can add a voice and leverage to the tourism case with public officials.
3. History will always be core to Virginia. To remain relevant, the focus needs to be on how to share and tell history with a twist. Invest in ways that make history relevant to what is happening today alongside other prominent lures and experiences, not something static in the past.





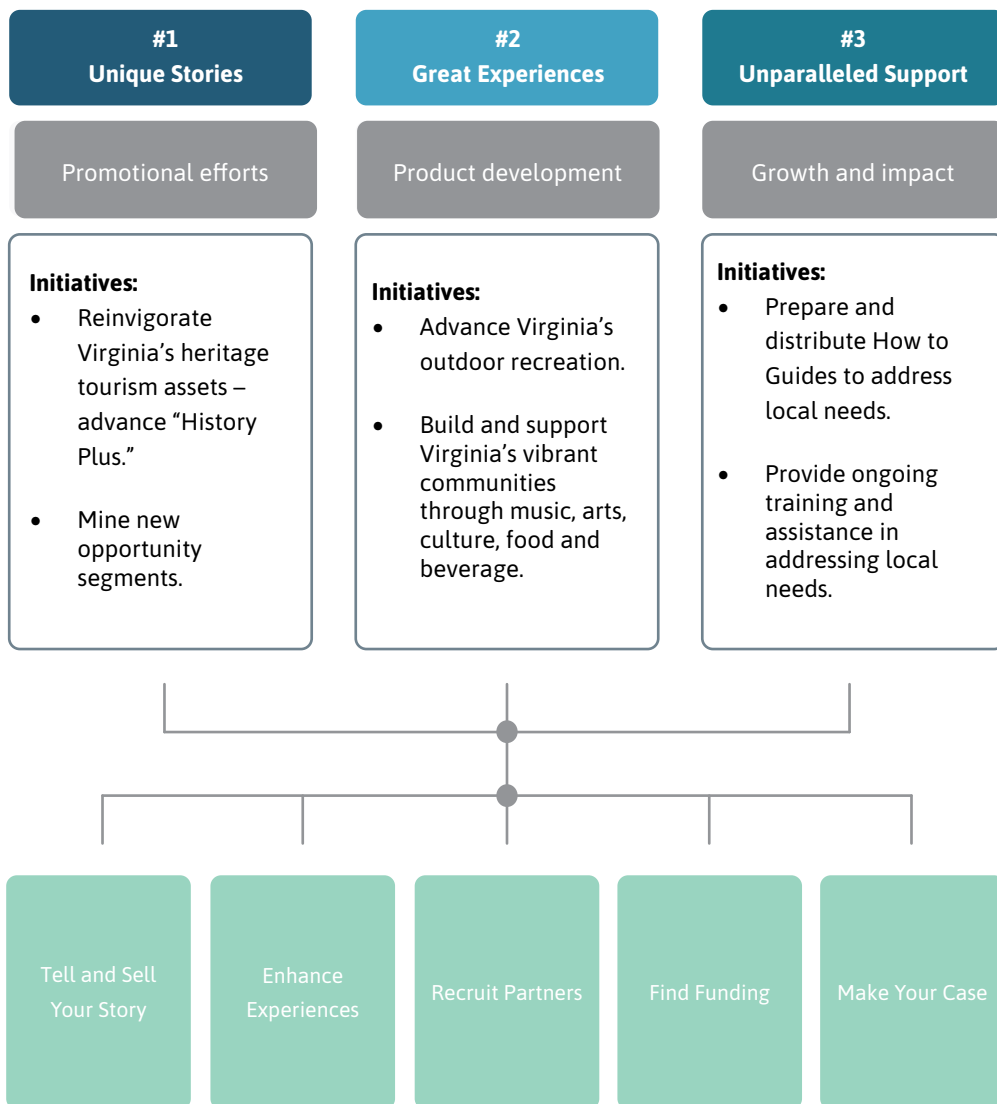
GAME PLAN FOR DRIVE 2.0

STRATEGIC IMPERATIVES

This document has a singular focus: Build the MOMENTUM of Virginia’s tourism industry.

For the past five years, Virginia’s annual increase in domestic traveler expenditures has remained at a relatively steady 3% to 4% growth rate. But while 3% growth on 2018’s \$26 billion spending level represents substantial incremental dollars, as industry leaders, we’re driven to ask: Could Virginia do even better?

The Drive 2.0 Strategic Plan offers up a game plan to help the industry begin to think through product and promotional efforts that could influence the impact of the tourism industry. The game plan lays out the following three (3) strategic imperatives:

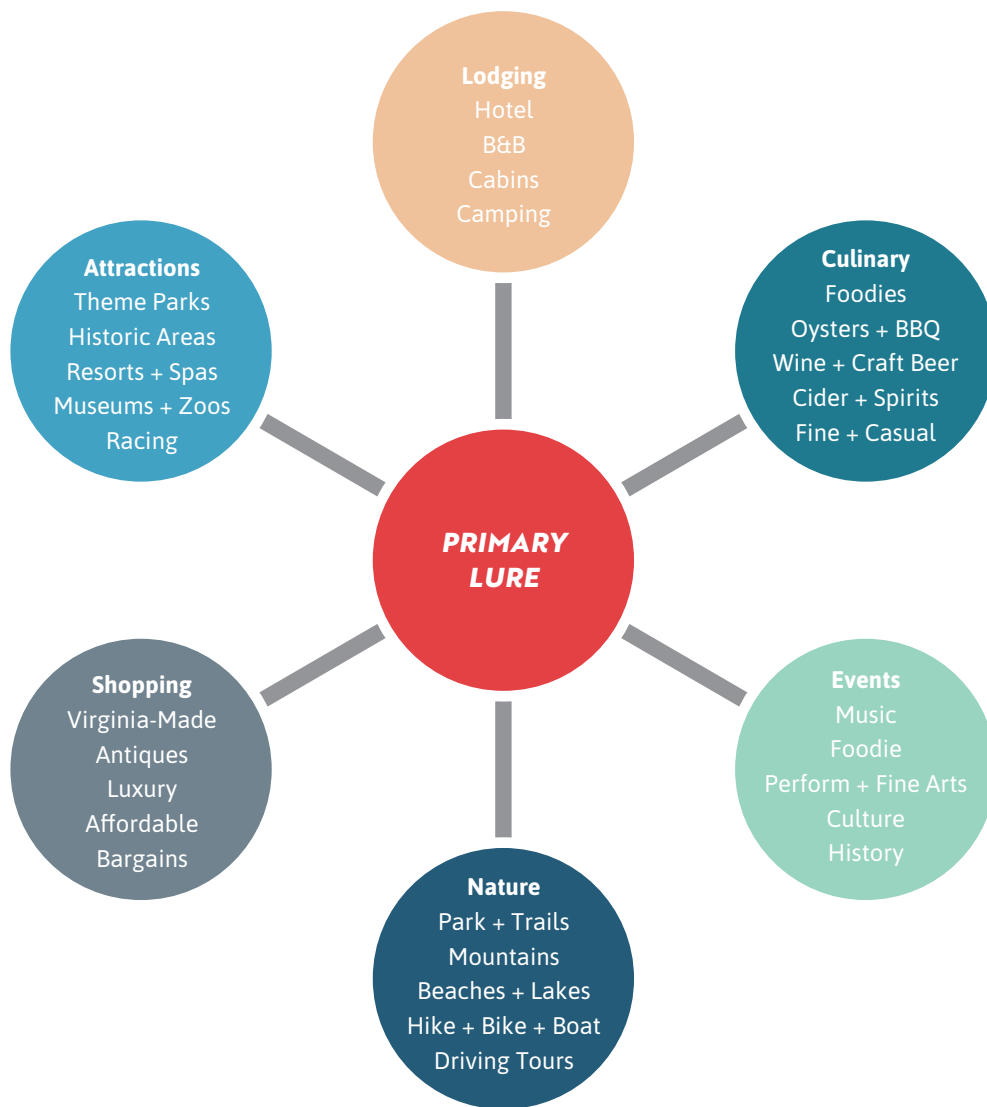


STRATEGIC IMPERATIVES - INITIATIVES

#1 Unique Stories	Promotional efforts
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Through DRIVE 2.0 efforts, VTC will work with DMOs to reinvigorate Virginia’s heritage tourism assets and mine new opportunity segments to better tell Virginia’s unique story.

During DRIVE 2.0 implementation hub and spoke exercises will be used to help Communities identify their best story.



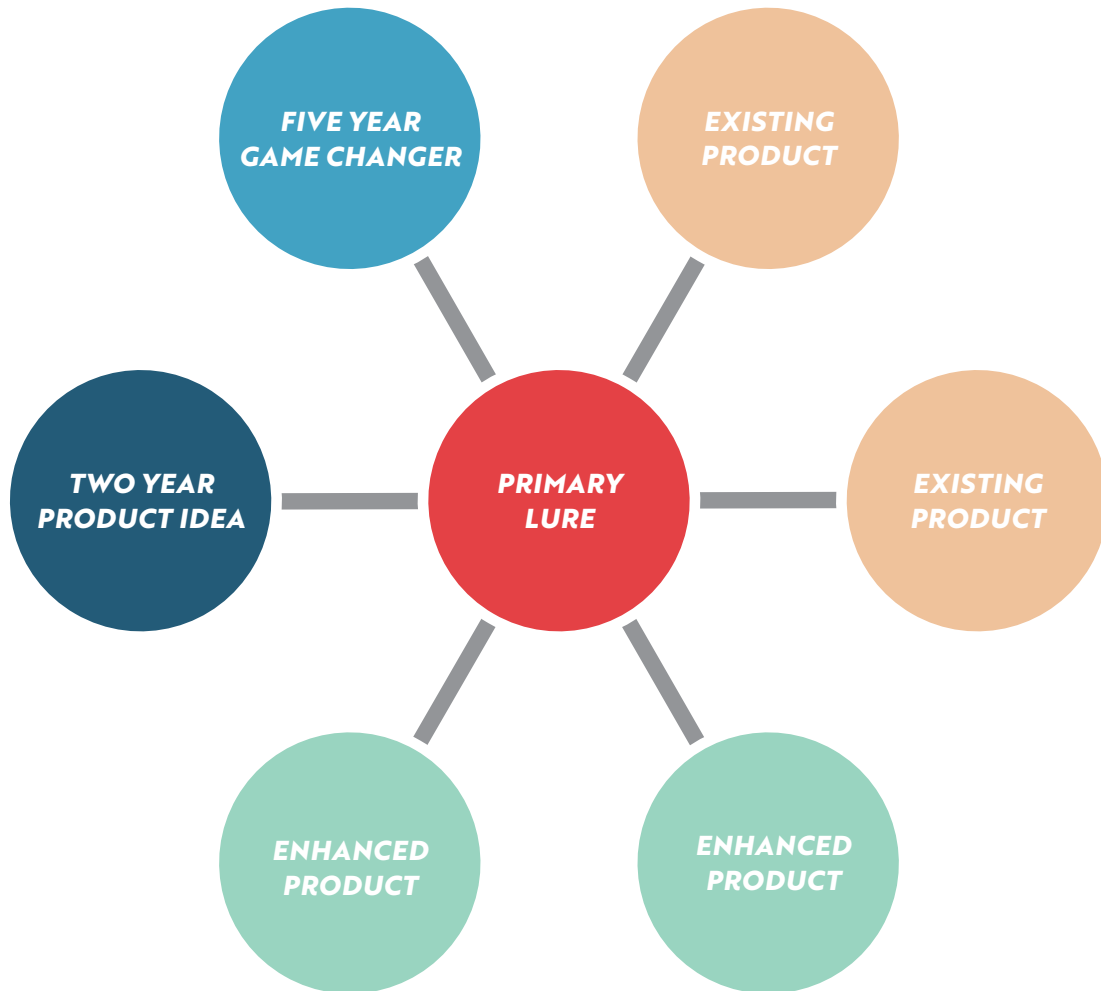
STRATEGIC IMPERATIVES - INITIATIVES (cont'd)

#2
Great Experiences

Product development

Through DRIVE 2.0 efforts, VTC will work with DMOs to incorporate outdoor recreation, music, arts, culture, food and beverage into product development.

During DRIVE 2.0 implementation hub and spoke exercises will be used to help Communities identify their most competitive product mix and how to plan for future product development to deliver the best visitor experience.



STRATEGIC IMPERATIVES - INITIATIVES (cont'd)

#3
Unparalleled Support

Growth and impact

Through DRIVE 2.0 efforts, VTC will prepare and distribute How to Guides to address needs and provide ongoing training and assistance. These guides offer insights and guidance on best practices. Sections include How to:

1. **Tell and Sell Your Story**
2. **Enhance Experiences**
3. **Recruit Partners**
4. **Find Funding**
5. **Make the Case**

During DRIVE 2.0 implementation hub and spoke exercises will be used to help Communities identify the story that resonates most with stakeholders, the metrics that matter and the best way to tell that story in order to make the case for tourism.





VIRGINIA
IS FOR
LOVERS[®]