

CAPITAL REGION USA, Inc

TOP 10 HITS

ANNUAL REPORT FY 2010



WASHINGTON, DC
MARYLAND
VIRGINIA
CAPITAL REGION USA

Capital Region USA (CRUSA) is the official regional destination marketing organization promoting Washington, DC, Virginia and Maryland internationally, in partnership with Destination DC, the Virginia Tourism Corporation, the Maryland Office of Tourism Development and the Metropolitan Washington Airports Authority.



TOP MARKETS

Primary: **The United Kingdom and Germany**

Secondary: **France, The Netherlands, Belgium, Mexico and Brazil**

Emerging: **Korea and China**

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CHAIRMAN'S REPORT

Dear Partners,

Despite a challenging world economy, the Capital Region USA (CRUSA) continued its successful efforts to position Washington, DC, Virginia and Maryland as an attractive travel destination for overseas visitors.

Findings from our 2009 Overseas Visitor Arrival Study highlight the important role played by the overseas travel market in strengthening our regional economy:

- CRUSA received record overseas arrivals in 2009. Arrivals grew by 6 percent to 1.85 million overseas visitors
- Total direct spending also set records, posting a 5 percent increase, to \$1.33 billion, making possible 7,805 jobs
- CRUSA grew its market share during 2009; 7.8 percent of all overseas travelers to the USA also visited CRUSA, up from 6.9 percent
- Average length of stay within the region grew by 4 percent, to 8 nights
- Visitors to the region using Washington, DC as a port of entry grew by 13 percent
- Use of the internet to plan trips continued to grow while the role of travel agents declined



- CRUSA visitors continued to travel throughout the region and to other U.S. destinations, visiting 3 states on average
- CRUSA exceeds the U.S. average in the propensity of its visitors to visit historic places, sightsee in cities, visit art galleries, museums and cultural/heritage sites, visit small towns and national parks and tour the countryside

We were pleased to learn during the year that Washington, DC passed Honolulu to move into 7th place among U.S. cities visited by overseas travelers, posting a 5 percent increase in arrivals, the largest growth rate of any city in the top 10. Virginia and Maryland also saw near record increases in visitor arrivals and spending.

CRUSA continues to implement the goals set forward in its five year plan to be recognized as the premiere regional destination marketing organization on the East Coast with a focus on innovation, partnerships and results. We invite you to read more about our accomplishments during 2010 and we thank you for your continued partnership and support.

Sincerely,

A handwritten signature in black ink that reads "Diane Béchamps".

Diane M. Béchamps
*Vice President Marketing, Virginia Tourism Corporation
Chair, Capital Region USA, Inc.*

GOAL 1:

FUNDING & FINANCE

Ensure long range funding stability for CRUSA marketing efforts on behalf of its partners.



Objective: **Leverage primary funding partner's individual annual investments by at least 6:1. Generate cash and in-kind contributions from industry partners equal to at least 60% of annual income.**

I CRUSA generated \$1,302,146 in cash and in-kind marketing contributions from corporate sponsors, grants, tour operator partners and suppliers across the region, surpassing the goal by 67%. These contributions increased by 37% from 2009.

CRUSA leveraged its primary partner's individual annual investments by 7:1.

Objective: **Seek grant opportunities to support CRUSA marketing initiatives.**

CRUSA secured a competitive three-year \$339,000 grant from the U.S. Dept. of Commerce's Market Development Cooperator Program, which funds programs to generate U.S. exports. CRUSA is using the funds to expand its tour operator cooperative marketing program to generate more room night bookings to the region.

GOAL 2: **MARKETING**

Create and implement integrated marketing strategies that are innovative and “leading edge”, that advance the CRUSA brand and that attract funding.



Objective: **Trade Marketing efforts must provide an opportunity to deliver CRUSA brand messages to the consumer to drive room nights and increase length of stay.**

- 2** CRUSA sold the region at 19 trade shows and workshops across all markets, generating 613 sales leads for industry partners. Nearly 45,200 travel trade buyers and media contacts attended these events. CRUSA sales representatives conducted 377 sales calls and trained 878 tour operator and travel agency staff members across all markets. In the UK, CRUSA initiated six promotions that increased travel agent registrations in our Travel Uni online training program by 28%, to 410 participants.
- 3** CRUSA hosted nine trade familiarization tours for tour operators and travel agents from our target markets. These tours were supported by \$183,367 in in-kind support from travel industry partners across the region who provided free or reduced rate accommodations, meals, attraction admissions and transportation for our clients.
- 4** To strengthen outreach to receptive tour operators across the USA, CRUSA created and distributed two e-newsletters to 132 receptive operators during January and May. Eight supplier partners joined the promotion by providing content for each e-news. Open and click-thru rates averaged 30% and 15% respectively. During June, a planning committee consisting of 13 supplier partners met to begin planning for the “Virginia Wine Country” and “Chesapeake Bay Adventures” fall familiarization tours for receptive tour operators.

Objective: **Influence the consumer directly.**

5 Through competitive bidding, CRUSA selected fifteen overseas tour operators for joint consumer marketing initiatives. CRUSA's investment of \$136,433 was matched by \$59,467 from the U.S. Dept. of Commerce and \$401,250 from the operators, resulting in campaigns valued at \$597,150. Five supplier partners participated in the UK and German campaigns and contributed an additional \$12,000 in support. The campaigns helped to generate 46,233 hotel room night bookings and visitor spending of \$4.3 million.



6 CRUSA participated in 16 consumer shows across all markets that drew an estimated 715,422 consumers. Eight suppliers partnered with CRUSA to have their brochures distributed at six shows in the UK. To generate traffic at the UK shows, CRUSA partnered with New Horizon Wines on a Virginia wines sweepstakes, generating 1,390 opt-ins to the CRUSA database.

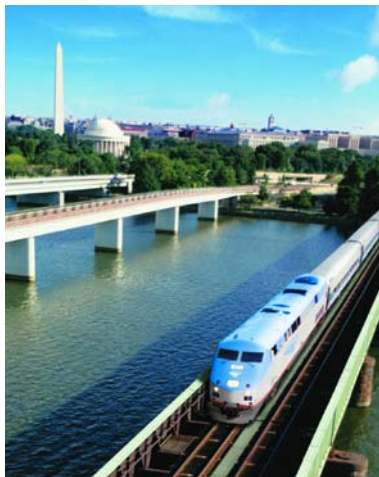
Objective: **Use public relations and promotions to generate \$20 million in earned media by 2013.**

- 7** CRUSA achieved editorial coverage in print and electronic media outlets that generated more than 500 million impressions with an earned media value of \$13.7 million, a 21% increase over 2009. In the UK and Germany, ad value surpassed last year's totals by 26% and 50% respectively. This coverage is largely the result of 28 media familiarization tours hosted by CRUSA and its partners during the year. These tours were supported by approximately \$196,008 in in-kind support from travel industry partners across the region who provided free or reduced rate accommodations, meals, attraction admissions and transportation for our clients.
- 8** CRUSA developed four consumer promotions with the internet service provider Skynet in Belgium and with Lonely Planet and FQ magazines and the Prezzybox website in the UK, which collectively reached 5.9 million consumers. Sweepstakes tied to the promotions generated 21,582 entries and more than 4,387 customers opted in to the CRUSA database. The promotions generated 21,138 clicks to the CRUSA website.

Objective: Create a robust, interactive website that supports the brand, reaches 2 million unique visitors by 2013 and becomes CRUSA's primary marketing tool.

9 CRUSA and TIG Global launched a new English language website in September followed by sites in French, German, Spanish and Portuguese during March. The sites are search engine optimized and were supported by an \$11,000 online marketing campaign. Key metrics for FY10:

- 57,858 unique visitors
- 72,112 total visits
- 195,631 page views
(40% increase year-over-year)
- 7 minute average site visit
- 1,200 database opt-ins + an additional 8,834 opt-ins through various promotions
- 700+ travel guide downloads/month
- Facebook page launched in English



Objective: Strengthen research tools to (1) better understand our customer, (2) assess economic impact of overseas arrivals to region and (3) measure and evaluate marketing programs.

10 CRUSA undertook a pilot research project with the U.S. Dept. of Commerce to expand the Survey of International Air Travelers at Washington Dulles International Airport following decisions by some air carriers to eliminate in-flight surveying. This initiative resulted in 1,768 surveys, in addition to 1,022 surveys collected in-flight, for a total of 2,790 surveys, a 45% increase over 2008. The partnership was responsible for more credible data on overseas arrivals and economic impact for the Capital Region and will be continued for FY 11.



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