ANNUAL REPORT

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Atlantic City
Convention & Visitors Authority
There’s no doubt that 2009 presented Atlantic City with a double dose of challenges and created a business climate that required creativity and flexibility by all sectors of the tourism industry.

Atlantic City started to feel the sting of increased competition in neighboring states, while the economy signaled a downhill slide. A cautious traveling public started to cut back on spending by staying closer to home and shifting dollars from gambling to other forms of entertainment.

The city followed the national downhill trend, but ultimately remained one of the most visited destinations in the country despite continued declines in gaming revenue. Some sectors, such as dining, showed significant strength. Many of Atlantic City’s restaurants maintained their positions at or near the top of their chains, and Atlantic City Restaurant Week proved that fine dining is a preferred activity of visitors from near and far.

Special events also continued to be a strong draw, as witnessed by the success of the Atlantic City Airshow and the Food and Wine Festival, among others.

Hotel occupancy showed significant strength as well, proving that the destination was popular. Hotels reported an 82.5% occupancy rate for the year – almost unheard of in the national hospitality industry, where occupancy rates generally hovered in the 60% to 70% range.

Convention and meeting planners recognized the value of Atlantic City’s popularity, as well. While the number of conventions and meetings held in 2009 were down – again, part of a national trend – new conventions booked for 2010 and beyond showed the market is regaining strength and gave a glimpse of a brighter future.

Smart marketers – and we have many in our Marketing Partnership program – coordinated their efforts to provide cross-marketing opportunities and packages that visitors took advantage of in large numbers, turning 2009 into a positive year for many attractions, restaurants and bed and breakfast operators.

This mixed bag, along with projections for a steadily improving economy, provides the ACCVA team with a clear picture of how we need to bring all parties together to effectively market the destination for a more successful 2010 and beyond.

Sincerely,

Jeff Vasser
2009 ACCVA Annual Report
Awards and Recognitions

Atlantic City continues to prove itself as an industry leader by receiving awards for the quality work we perform, and recognition of the destination as a prime tourist destination.

- ForbesTraveler.com ranked Atlantic City among the Top Ten Golf Cities in America.

- ForbesTraveler.com ranked Atlantic City number 1 of the 10 Top American Boardwalks.

- The Atlantic City Airshow was one of 10 winners selected to receive a 2009 Governor’s tourism Award.

- The Atlantic City Convention Center was named one of the Best Convention Centers in the 2009 Meeting News Planners’ Choice Awards.

- The Hospitality Sales and Marketing Association International (HSMAI) presented the ACCVA two prestigious Adrian Awards on behalf of the ACCVA’s New York City public relations agency, Lou Hammond & Associates:
  - We received a Gold Adrian Award in the category of Feature Placement/Print Consumer Newspaper for a story placement in the *Wall Street Journal*.
  - We received a Bronze Adrian Award in the Marketing Program/Consumer category for multiple placements positioning the revitalization of Atlantic City.

- The ACCVA was honored with an award for Outstanding Achievement in Internet Advertising by the 2009 WebAwards for our 2008 Atlantic City Holiday Stay & Play campaign, on behalf of our Internet marketing partner, USDM.net Interactive Agency and Media Company.

- The 15th Annual Communicator Awards presented by the International Academy of the Visual Arts awarded the ACCVA with a 2009 Award of Distinction for the [www.atlanticcitynj.com](http://www.atlanticcitynj.com) Web site.

- *Billboard* magazine named Boardwalk Hall as the world’s top grossing mid-sized arena for the decade (2000-2009).
2009 ACCVA Annual Report
Tourism Marketing

An active and busy Tourism Marketing Department gave Atlantic City top of mind awareness with bus operators, tour operators, AAA offices and numerous other tourism business interests. Additionally, the department continued to oversee film and sports marketing activities.

For one of the most significant marketing efforts, the Tourism Department and ACCVA marketing partners attended the American Bus Association Travel Marketplace Show (ABA). This is one of the largest bus group marketing organizations in the US. Atlantic City hosted a booth which had a "beach, ocean, fun and frolic" theme. We also had a sign that was noticeable from most aisles at the show. Tour and bus operators commented when stepping onto our "sandy" carpet that they felt like they were actually on the beach. We had a tiki hut with Steel Pier’s roasted pecans and almonds. The aroma of the roasting nuts attracted attendees into the booth. The end result: we spoke with more than 100 tour operators and provided literature about Atlantic City and our many annual events.

The ACCVA also hosted a tour operator breakfast during the ABA Marketplace, attended by 510 tour operators (the largest attended breakfast at this year’s marketplace). They entered the ballroom walking over the boardwalk to their tables while enjoying the music by the "Beach Bums" who played beach-themed music. Attendees were given Atlantic City information.

In additional activities, we:

- Attended 16 domestic travel shows.
- Hosted three domestic familiarization (FAM) tours.
- Attended 9 AAA shows/site inspections.
- Exhibited at the GLBT Expo, attended by 18,300 people.
- Attended/exhibited at 3 International travel shows.
- Exhibited one film show, where we obtained 65 leads.
- Assisted with 21 Film projects in the city.
- Hosted the A10 Men’s Basketball Championships in Boardwalk Hall.
The meetings and conventions industry has been a positive economic generator for Atlantic City, and a 2009 study found that we perform on a par or above that of other convention centers with similar space and similar national markets.

The benchmark 2009 Convention Center Report by PricewaterhouseCoopers for a leading trade association examined exhibit halls in terms of number of events held in 2009, attendance, occupancy rate and other factors.

The Atlantic City Convention Center hosted 97 conventions, trade shows and consumer shows in 2009, while other centers of the same size averaged 69 events and other centers in national markets hosted an average of 64 events. Because we had so many more trade shows and conventions than the others, our total attendance for conventions and trade shows is very favorable: 221,804, versus 175,600 for other centers of the same size and 169,300 for other centers in national markets.

In 2009, delegate spending from conventions and trade shows at the center was estimated at $128.7 million. Convention and trade show attendees stay overnight and fill our hotels, restaurants, shops and other attractions. For that reason, along with low room rates and an increase in room inventory, convention and trade show attendees could be a contributing factor as to why Atlantic City’s occupied room nights increased last year - up 1.85 percent in 2009 over 2008.

According to the report, attendance per consumer show at the center averaged 11,536, while other centers of the same size averaged 9,500 and other centers in national markets averaged 7,600. The report also tells us something we already knew, that the Atlantic City Convention Center is well utilized, with a 40% occupancy rate. Other centers of the same size averaged occupancy rates of 34% and other centers in national markets averaged occupancy rates of 31.5%.
The ACCVA’s Marketing Partnership program continues to provide a valuable service by providing low-cost marketing options for members. Many small businesses, attractions, restaurants and other businesses utilized our market reach throughout the year as an addition to their own growth strategies.

Membership in the Marketing Partnership program Increased 5.5% over 2008.

Our activities on their behalf in 2009 included:

- Compiled and sent 12 monthly Destination Marketing Update newsletters to partners. The primary function of the DMU is to keep partners abreast of ACCVA activity taken to promote the destination.
- Compiled and posted 12 Monthly Partner Mailings, which include tourism leads, convention development updates and partner forms.
- Hosted four ACCVA Partner Mixers at four different partner properties. The Holiday Mixer includes a charitable component where partners can bring items such as new clothes, toiletry items, baby items, etc to the mixer. They are then donated to the local Women’s Center.
- Hosted 2 ACCVA Marketing Partner Orientations to help them understand the programs we provide them and utilize them to their benefit.
- Hosted the second Atlantic City Restaurant Week in which 83 Atlantic County restaurants participated. The event increased attendance in restaurants and hotels in some cases over 50%.
- Hosted a Partner Seminar presented by Spirit Airlines Top Picks. More than 75 partners attended and learned how to place free top pick offers to Spirit Air, which will then blast them to their client base. The first week after the seminar three offers were placed from partners; five offers from partners were in the Spirit Air Top Picks the second week.
- Hosted with the Atlantic City Chamber a joint social media seminar on May 5, which attracted over 70 people. The seminar consisted of a series of workshops to help partners utilize some free marketing tools available to them through the Internet social sites and covered some basic guerrilla marketing techniques. Pattie Simone of WomenCentric.com hosted two workshops covering the basics of social sites, how to utilize them, the best ones for marketing, new social media with real world examples, strategies to raise user level of awareness as well as best practices, privacy issues, creating buzz and more. Our third workshop hosted by Joe Molineaux, the Director of The Small Business Development Center at The Richard Stockton College of New Jersey. His topic was Recession Proof Your Business, which included creative ways to market, partner and build business brands.
- Sent out a Marketing Partner Survey. Sixty-eight partners responded. Fifty-three completed the survey. Results:
• Majority of respondents were attractions/shopping/entertainment/sports and recreation category that had been members for 1-3 years and were very familiar with the benefits we offered.

• The top five benefits for partners were (in order); listing on the web site; listing in visitor guide; attending networking receptions; brochure display at visitor center and in convention center; access to 12-month convention calendar; and attending ACCVA seminars.

• Schedule conflicts were the most cited reason for partner non-attendance at events.

• Majority of partners were not using the membership extra-net. To correct this, we will send an e-blast once a month as a reminder to partners to check the extra-net for the monthly mailing.

• Partners were asked for feedback on the new web site look. Most partners gave the ACCVA top/near top marks in categories such as: user friendly, dynamic, promotes your product/service well.

• Partners were asked “how satisfied are you with membership?” Most partners gave the ACCVA a very satisfied to satisfied rating.

• Partners were asked a number of questions about the ACCVA staff, such as response, accessible, educated, friendly, helpful. Most partners gave the staff extremely high ratings.

Atlantic City Restaurant Week proved to be a highly anticipated and popular event in 2009, and planning continued throughout the year for the 2010 Atlantic City Restaurant Week. AtlantiCare become a sponsor for AC Restaurant Week for 2010; their sponsorship included a heart healthy component where each restaurant would have a code next to the heart healthy option.

To promote Restaurant Week 2010 we are organizing chef demonstrations at the Atlantic City Boys & Girls Club. Nine chefs will conduct a series of weekly healthy cooking demonstrations for 10-12 boys and girls who range in age from 6-12 years old.
Atlantic City’s E-Marketing efforts continue to grow in both size and importance, keeping pace with the national trend. In addition to maintaining and continually updating the www.atlanticcitynj.com Web site, e-marketing efforts include regularly scheduled, interest specific e-newsletters, social media campaigns and online contests, all intended to drive traffic to the main site and increase visitation to the destination.

Traceable results are as follows:

- 5,329,364 total visits to the Web site – an 18% increase over 2008.
- 3,582,602 unique visitors to the Web site – a 29% increase over 2008.
- 1,806,176 new visitors to the Web site – a 14% increase over 2008.
- 3,177 hotel booking were made through the Web site, amounting to 5,508 room nights with a value of $691,735.
- An additional 2,216 people opted in to our eNews newsletters.
- We fulfilled 40,970 online requests for visitor guides.
The ACCVA continues to rely on the highly effective -- yet relatively low-cost -- method of media relations to change the public’s perceptions about Atlantic City. By generating articles, broadcast feature segments and online buzz, we drove a significant amount of positive interest in visiting the city.

In 2009, in coordination with our PR agency, Lou Hammond & Associates, our Media Relations team produced the following results:

- Articles generated: 943 for 2009 vs. 632 for 2008 – an increase of 49%
- Consumer media impressions: Over 100,000,000 for 2009 vs. 79,891,249 for 2008 – an increase of 25%

In addition, we continued to meet with the media face-to-face to tell our Atlantic City story:

- We hosted 43 targeted media representatives at our annual New York City Media Reception in February.
- We hosted 78 media members in Atlantic City, where they had an opportunity to experience the city’s amenities first-hand. Some were individual visits, usually on assignment for specific story angles. Others came as part of familiarization (FAM) tours organized around a concert or specific event. Many of these visits resulted in the positive articles counted above. We hosted them as follows:
  - 38 individual journalist visits
  - 8 FAM tours:
    - AirTran/Atlanta FAM to mark new air service – 5 media
    - Jimmy Buffet Concert FAM – 6 media
    - Atlantic City Restaurant Week FAM – 8 media
    - WestJet/Canada FAM to mark new air service – 5 media
    - Spa FAM – 5 media
    - Dutch FAM in coordination with Philadelphia’s CVB – 4 media
    - Boston/Spirit FAM to mark new air service – 4 media
    - Food & Wine Festival FAM – 3 media

Our Media Relations team also helps support other citywide events and attractions, most notably the Atlantic City Airshow. Publicity created for the event has made it one of the largest air shows in the United States, with an economic impact estimated at $56,000,000. It supports 619 annual jobs in the region and grew from 150,000 attendees the first year (2003) to more than 500,000 in 2009, making it the largest mid-week air show and the largest beachfront air show in the country.
Through the efforts of the ACCVA Media Relations team, the Atlantic City Airshow generated a significant amount of positive press for Atlantic City:

- 5.5 million broadcast impressions.
- 5.2 million print circulation.
2009 ACCVA Annual Report
Visitor Services

The ACCVA Visitor Services department provides skilled, trained visitor service counselors who provide a personal touch when it comes to providing information and answering visitors’ questions. Our welcome centers on the Atlantic City Expressway and the Boardwalk at Mississippi Avenue offer personal assistance, as well as brochures, maps, souvenirs and more, while our call center answers questions by phone and offers a live online chat to answer questions.

Services by the numbers in 2009:

- 164,262 walk-in visitors served.
- 754 rooms booked, with an economic impact of $883,643.
- 9,573 visitor telephone inquiries answered.
- 60,486 visitor e-mail inquiries answered.
By maintaining an in-house Graphic Communications department, the ACCVA has been able to maintain a consistent visual brand image and provide continuity to all advertising, signage, brochures and collateral. In 2009, the Graphic Communications staff continued to produce edgy, high-energy images for targeted Internet marketing, advertising and promotional use.

In keeping with the ACCVA’s efforts to become “greener,” the department created interactive versions of the Press Kit, Destination Planning Guide and Event Planning Guide on custom USB drives, which eliminates the need for printed versions. This effort produced a savings of more than $45,000.00 to the overall budget.
Atlantic City’s reputation for stellar entertainment continued through 2009, in large part through the top-name acts and quality sports events held at Boardwalk Hall.

While the number of bookings at Boardwalk Hall declined from the previous year due in part to the relative lack of touring artists, the Hall was recognized by *Billboard* magazine as the world’s top grossing mid-sized arena for the decade. From the October 2001 reopening through December 2009, the Hall drew 1,890,033 attendees to 284 shows (60 of them sellouts) and grossed $149,876,617 at the box office.

Top acts of 2009 included:
- The five-day reign of “Walking With Dinosaurs The Arena Spectacular,”
- Multi-day sporting events such as the Atlantic 10 Men’s Basketball Championship, the Legends Classic Basketball Tournament and the NJ State High Schools Wrestling Championships,
- and the return of concert favorites Jimmy Buffett and Fleetwood Mac, among others.

By the numbers:
- Boardwalk Hall hosted 18 ticketed events.
- Those events drew 194,979 patrons.
- Those events generated $8,790,302.49 in box office revenue.

Looking toward the future:
- Following a successful bid, it was announced that Atlantic City and Boardwalk Hall would play host to the 2011, 2012 and 2013 ECAC Hockey Men’s Championship. The two day four-game tournament is contested the weekend following the A-10 Men’s Basketball Championship.
- Atlantic City also won an extension bid to keep the A-10 in Atlantic City for another three years through 2012.

Additional accomplishments:
- The Ballroom Loggia’s upgrade and renovation was completed, providing an open air, ocean view pre-function space that doubles as a smoking area for patrons during events.
- As part of the Boardwalk Hall’s commitment to energy conservation, a full lighting audit was undertaken, a solar power feasibility study was initiated, and steam system survey begun to determine HVAC upgrades.
- Cross training and support from the Convention Center staff has contributed to overall staffing and operations improvements relevant to show set up and break down.
- To keep step with constantly evolving marketing challenges, Boardwalk Hall dipped its toes into the social networking pool by introducing a Facebook page to advertise events or last minute ticket releases, publicize contests, and elicit fan
feedback prior to and following events. E-marketing results via MailManager showed significant gains over 2008’s numbers:
  o 15 campaigns, or a total of 978,839 addresses delivering e-newsletters or pre-sales, yielded direct or indirect ticket purchases totaling $912,399.
Last year, The Atlantic City Convention Center earned high position in the “green” meetings market with the addition of the solar roof and other environmentally friendly efforts. Operated by SMG, the staff continues to search for additional green initiatives and energy conservation.

Atrium ceiling fans were installed, saving approximately $80,000 per year on thermal expenses. Future projects include exploration into wind power, with management working on a grant from ARRA for a 900 kW wind turbine.

Building upgrades included the completion of IP Surveillance system and network infrastructure.

Currently, solar photovoltaic power is providing approximately 28% of the total electricity for the building. The facility and the ACCVA have provided solar power tours and presentations to several groups, including Globalcon, NJ Clean Energy Richard Stockton College, the NJEA and NJ School Boards Association.

The project was the recipient of the PlanSmart NJ 2009 award for Resource Efficiency Achievement and was a finalist for the Platts 2009 Global Energy Awards Energy Construction Project of the Year.

In event related news, the event services team handled ten new exhibit hall events including Herbalife, Starbound Gymnastics, Strictly Corvette Show, Harley Davidson, Value Price Expo, Primerica, Yellow Ribbon, South Jersey Wellness Expo, Reefers Association (MACNA) and the NJ Clean Energy Conference. For the Primerica event in July, more than 16,000 chairs were set for this event making it easily the largest single set up in the Convention Center’s history.