

B I G A P P L E

Rich Harvest



London Mayor Ken Livingstone has been studying New York's experience for clues on how London can address its own challenges. Only a few years ago, New York City found itself struggling with an image problem. Its streets were dirty, crime was prevalent, and it was difficult to get around. But New York City has undergone a remarkable renaissance. Here, **Cristyne L. Nicholas**, President and CEO of NYC & Company, the city's tourism and convention promotional body, explains the strategy behind the turnaround. Are there lessons here for London?

It was only a few years ago that New York City suffered from an image problem. Today the turnaround of that image has become one of the most powerful marketing messages in recent history. New York City has undergone a remarkable renaissance – the story of which has resonated with the world and resulted in an unprecedented tourism boom.

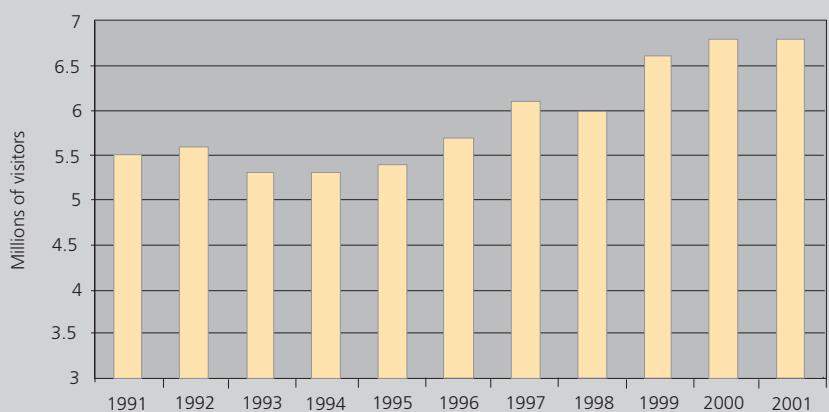
Mayor Rudolph W. Giuliani is the man who has been largely responsible for engineering the top-down transformation of New York City over recent years. Crime has been dramatically reduced, and New York City is now the safest large city in the United States.

Cleaner streets, greener parks, improved services and more efficient transportation have made New York a better place to live and work ... and visit. A chain reaction prompted businesses old and new to thrive, and thousands of jobs were created. Aggressive public and private initiatives in both image and product development have successfully revitalised New York City.

We at NYC & Company have been sure to leverage these strong messages into a compelling market position. By combining the city's best into a cooperative marketing effort, we are able to sell our product – a diverse, energetic travel destination – with a stronger, unified message.

New York City is poised to sustain impressive growth in 2001, despite a flagging global economy

Figure 1: NYC international visitor volume



Source: NYC & Company



The world is listening

New York has experienced a tourism surge of historic proportions. The number of visitors has climbed a dramatic 45% since 1994. Most impressively, New York City is poised to sustain that impressive growth in 2001, despite a flagging global economy.

In 2000, a record-breaking 37.4 million visitors came to New York City – that's almost five times the number of City residents. We welcomed seven million international travellers. In fact, New York is the number one destination in the US for overseas visitors, attracting two million more than Los Angeles and nearly twice the number visiting Orlando.

The single greatest source of our international guests – more than one million – is the United Kingdom. The UK's visitor rate to NYC has more than doubled since 1996 (up 102%), passing perennial leader Canada in 1999. Germany is third on the list, delivering an impressive 461,000 visitors, followed closely by Japan, France, Italy and Brazil.

Building on strengths

The attractions of New York City include some of the world's most recognisable icons: the Statue of Liberty, the Empire State Building, Broadway, Times Square. It also boasts the most cutting-edge scene in fashion, new media, music and the arts, which has developed seemingly overnight.

The endless options and round-the-clock energy of New York are irresistible magnets for visitors from all over the world. The city boasts more than 18,000 eating establishments, over 10,000 stores and shops, 250 hotels, 580 art galleries and museums, 600 theatres and nightclubs, and 580 miles of waterfront. Historically, New York is a cultural melting pot, with fascinating ethnic shops, clubs, restaurants, even entire neighbourhoods, representing virtually every corner of the globe.

The challenge for NYC & Company is to manage and package that tremendous diversity; to simplify rather than overwhelm. Our solution: consistent tourism themes that provide a unifying platform for promoting a multi-faceted New York experience.

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Home to a host of well-known landmarks, NYC remains popular with British visitors in particular
NYC photographs courtesy of Joaquin Villarraga (NYC & Company)

Branded initiatives

Rather than constantly launching something new, NYC & Company has created two annual umbrella themes positioned as seasonal celebrations: 'Paint the Town Red', to develop first quarter travel, traditionally a slow period for New York City, and 'Your Ticket to Summer', to leverage the global leisure market that travels extensively in the summer months. These programmes successfully combine special events, and savings and incentives from hundreds of hotels, restaurants, museums, theatres, attractions, tours and transportation providers. Repeating – and expanding – these programmes year after year is the key to building awareness and encouraging tourists to include New York in their seasonal travel plans.

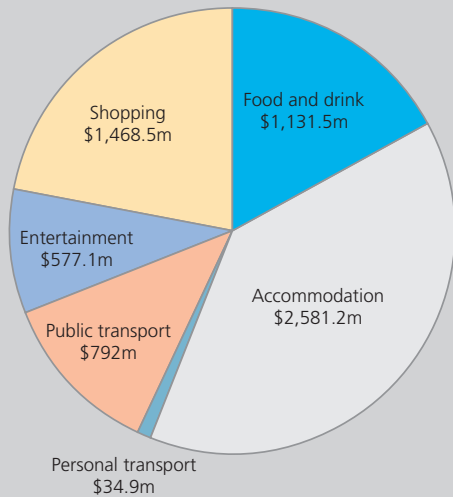
One of the most popular components of these seasonal programs is 'Restaurant Week', when fine dining establishments offer reasonably priced menus. In fact, many restaurants continue the

programme throughout the season. We see 'Restaurant Week' becoming a widely recognised brand, and therefore a powerful marketing tool.

Another simplifying component is 'Insider's Hour', offering 60-minute highlights tours at many of the city's renowned cultural institutions. For visitors trying to maximise their time in New York, these 'best of' tours are invaluable.

The net effect of these umbrella themes and branded initiatives is that visitors see a trip to New York as easy to plan, filled with excitement, and best of all, an excellent value.

Figure 2: NYC international visitor spending (1999)



Source: NYC & Company

Figure 3: NYC key international markets (2000)

International visitor market	2000 NYC visitor volume	NYC% change over 1999	US% change over 1999
1. UK	1,138,000	+19	+11
2. Canada	920,000	+1	+3
3. Germany	461,000	-6	-10
4. Japan	410,000	-4	+5
5. France	341,000	+10	+3
6. Italy	244,000	-7	-2
7. Brazil	183,000	+22	+11
8. Mexico	145,000	+1	+4
9. Netherlands	143,000	+1	+5
10. Australia	124,000	+16	+12

Source: NYC & Company

Come again, wherever you are!

Next time, see what's new ... or see something different. These are the two main incentives for repeat visits to New York. The city is in constant evolution; no matter when you last visited, there is always something new and exciting for visitors to see and do today. This is a key marketing message used by NYC & Company; while simple, it is compelling and serves to reinforce the image people believe about New York.

Equally compelling is the chance to see what was missed. Our marketing strategy is to celebrate the city's rich tapestry, focusing on off-the-beaten-path attractions, the insider's view, the unusual or overlooked. We promote the colourful neighbourhoods and boroughs, the ethnic enclaves and hidden gems. In short, we work hard to give every traveller ample reasons to return to New York City.

The international visitor market is extremely important and lucrative for New York City. In 1999, the total spend by international visitors in NYC amounted to no less than \$6.58 billion (breakdown shown above in Figure 2). In 2000, international visitors, while comprising 18% of all the city's visitors, generated 42% of all visitor spending. The revenue share from shopping is even higher: at 70% of the total, international visitors' shopping expenditures was more than double that of the domestic visitors.

Our strategy is to work extensively with travel industry intermediaries to maximise our message in a timely and cost-effective manner. Cooperative marketing partnerships, creative alliances and strong relationships with wholesalers, tour operators, group incentive planners and other multipliers is an effective use of marketing dollars – particularly when your audience is global.

A direct presence realises the greatest potential: We have opened offices in key markets including the United Kingdom, Germany, Italy, Argentina, Brazil, and Mexico. These outposts handle a mix of travel industry sales and marketing, public relations and in some instances, direct interaction with the consumer, allowing us to hit all our key audiences with consistent New York City messages and service levels.