

THE CHANGING NATURE OF THE VISITOR ECONOMY IN GLOUCESTER MASSACHUSETTS
A WHITE PAPER
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Tourism in Gloucester

Gloucester, Massachusetts – America’s oldest seaport – has a rich and storied history as both a fishing port and summer resort. This coastal community, 35 miles north of Boston, has changed over the years as vacation trends varied, and the City’s attractions and services expanded and evolved to meet travelers’ changing interests and expectations. Today, the City’s visitor economy is thriving and is recognized as a significant part of the City’s economic revenues and cultural identity.

As the official destination marketing organization (DMO) for the City of Gloucester, **Discover Gloucester** works to promote tourism and the visitor-based economy by increasing awareness of Gloucester as a desirable visitor destination while also improving the quality of life for Gloucester residents and local business owners with positive economic benefits.

In an effort to collect more information about the current state of Gloucester’s visitor economy, Discover Gloucester brought together tourism stakeholders to share insights and outcomes related to their recent summer season. Participation from all industry verticals and cultural attractions was critical to creating the clearest picture of the city’s tourism ecosystem. This paper summarizes the current visitor economy trends that were identified, based on the collaborative input from Gloucester’s key tourism stakeholders.

The Data Gathering Process

The Discover Gloucester organization held five focus group conversations with local business owners and organizational leaders. Each focus group targeted a key segment -- Attractions, Retail, Dining, Lodging, or Arts/Culture – and asked participants similar questions regarding customer profiles, visitor interests, marketing activities, and revenue. Focus group meetings were well-attended and included individuals from the neighboring Cape Ann communities of Rockport, Manchester by-the-Sea, and Essex. The information collected from the meetings was then summarized and shared at a gathering with key partners, the Cape Ann Chamber of Commerce and North of Boston/Convention and Visitors Bureau, who in turn shared critical business, revenue, and member survey data regarding the Cape Ann area and the regional North Shore visitor economy.

Key Findings

1. Diverse Visitor Audience is Interested in Our Authenticity and 400 Years of History

Gloucester continues to attract visitors because of its beaches, seafood, and coastline, but our artistic and maritime heritage coupled with our active cultural scene and working waterfront separates us from many other coastal communities. Our visitors include families and transient boaters in the summer, couples for weekend getaways, and seniors and international travelers in the fall. Family visits and word of mouth recommendations continue to heavily influence the

majority of visitors who come from Massachusetts and the Northeast. Yet, visitors come from all over. The hit television show “Wicked Tuna” attracts a huge following, as did the movie “The Perfect Storm” before it. In the shoulder seasons, many visitors come because of the cultural opportunities– in the arts, literature, and music – that each draw their own followers. Luckily, this is a community that invests in and supports its place-based cultural and maritime economies, and works hard to maintain its storied traditions.

2. Visitors Shape Their Own Destination Experience, but with Guidance

It’s no longer about simply getting visitors here or “telling” visitors what to see or do, as if there is a typical visitor. In fact, our stakeholders expressed frustrations with large Group Tours, where travelers often move quickly through cultural attractions and spend minimally (often, due to tight schedules). Key stakeholders said we need to encourage visitors to find their sweet spot, where they will feel the specialness of this place and be willing to spend money in order to fully experience it. For some, this means finding great seafood or a museum. For others, it means boating or fishing. And for others, it means checking out the local yarn and craft shops. There is no single “typical visitor” so providing tailored guidance to allow a visitor to curate their own experience is essential. Great information on websites and active social media pages for those who research before they get here is essential. It is also important to have an informed workforce (and community) that is friendly to visitors and can recommend activities, events and sites aligned with the interests of the visitor. Discover Gloucester has focused on familiarization tours (FAM tours) for key influencers, like hotel concierges, and found this approach to be successful.

3. Weddings and Multi-Day Events Have Been Great for Local Businesses

Gloucester has a history of catering to day-trippers from the regional area, who come for a day at the beach, a specific event (such as concerts or festivals), or for a meal (primarily at one of the many restaurants specializing in seafood). Gloucester and Cape Ann have more recently become a popular wedding destination, which has the twin impacts of bringing larger numbers of people to the city for overnight or multi-day stays. While many destination weddings in Gloucester are booked at the Beauport Hotel, other venues around the city such as yacht clubs, golf clubs, function halls, and schooners are also seeing a lift. These wedding groups are looking for (and finding) activities, unique experiences, and celebration opportunities for that special multi-day celebration. Accommodations, wedding service providers, retailers, restaurants, and local attractions all benefit from increased business from every Cape Ann wedding. Additionally, weddings are no longer tied to just the weekends; they frequently take place mid-week. The multiplier effect for weddings is significant for the local economy, but goes beyond dollars. The benefits of bringing in younger people and multi-generational groups include boosting the “vibe” and the perception of Gloucester as a fun and exciting place to be. In addition, increasing visitation in general increases the potential for return trips as new people get introduced to the city. The multi-day opportunities have also shed light on opportunities for offering accommodations, dining, or cultural “packages” in conjunction with other events such as festivals, concerts, road races, etc. in order to create multi-day experiences for visitors who might otherwise have planned a single-day visit.

4. The New Hotel Brings Positive Change to the Visitor Economy

The economic impact of the Beauport Hotel, a boutique 94-room harbor-front hotel that opened in 2017, can't be overstated. First, it has greatly increased the number of available accommodations and provided a beautiful hotel experience in the heart of Gloucester's downtown. An increase in the city's visitor revenues is clearly tied to the "Beauport Bump." Moreover, the hotel has supported the adage "a rising tide lifts all boats." Its marketing efforts have significantly boosted Gloucester and Cape Ann as a destination, particularly for weddings. Occupancy rates and average room prices are up across the board in Gloucester. The average room rate is up \$40 since 2017 due to the hotel, and rooms and meal taxes are up 8%. While the Beauport may be a destination hub, other motels and bed and breakfasts are benefitting because they can offer additional rooms and/or competitive rates. Summer 2018 occupancy rates for July and August were more than 80%. Finally, a modern, convenient, spacious hotel is playing a role in the burgeoning 21st Century "Blue" or Ocean Economy in Gloucester, which includes a focus on research and technology in addition to traditional fishing and maritime activities. Simply put, the hotel is helping to bridge the gap between old and new.

5. Intentional Seasonal Marketing –Understand All the Issues.

Along with extending the number of days in each stay, every temperate destination region wishes to "extend the season." Gloucester and Cape Ann are no different. Yet, trying to extend the season has its challenges. First, changing New England weather patterns over the last few years has meant that spring is cold and wet. This usually leads to a slower than expected June and delays the visitor's inclination to think about Summer activities like schooner sailing or fishing trips. On the other hand, early fall is spectacular and offers great opportunities for outdoor activities. Yet, that means catering to a different visitor audience (few families with school-aged children, more seniors and empty nesters). It also entails managing with a diminished tourism workforce that is subject to the school calendar and a low unemployment rate in the service work sector. This trend suggests that a destination community like Gloucester -- which offers a myriad of reasons to come here throughout the year -- needs to think long and hard how best to extend the season and whether the best preferred vision is for an all-in proposition (destination for 12 months) or for a discrete, seasonal "all-in" tourist destination (e.g., less than 12 months). Issues of parking, transportation, workforce, and expansion of suburban Boston should all be considered. Year-round destination marketing, and the growth and markets of the community visitor economy, must be informed by the continued collection of data, community and business support, and a solid strategic plan.

6. Visitor Curated Marketing Extends the Story to Family and Friends – and Beyond

A whale watching video, made by students, went viral. The Instagram photo of a treasured childhood beach triggered a family to rent a large house for a family week vacation. While all businesses and cultural attractions should do marketing, word of mouth recommendations and personal stories -- in the form of photos, videos and social media -- can be the most effective marketing tools as they have an authenticity and spontaneity that outcompetes the best, most polished marketing campaigns and programs. Efforts to encourage visitors to share pictures and experiences on social media is an important marketing tool, and also an important data

gathering tool for demographic and psychographic information. This shared story telling should be encouraged.

7. Future Success – Know Your Visitors

More and more businesses and organizations are collecting information about customers. In order for Discover Gloucester to be successful, we need to know who comes here, how many people come here, why they come, what they do, and what they wish to do. Data from state revenue and private data service companies' databases can tell us information about revenue – a critical metric! – but it doesn't answer fundamental questions about who and why. We know from Cape Ann Chamber of Commerce surveys that visitors come to Cape Ann to (1) visit friends and families (2) go to the beach (3) do maritime focused activities or (4) see cultural sites, in that order. We need more and better data to fully understand our visitors, and refine our marketing strategies and offerings accordingly.

Who Visits Gloucester?

- Families and transient boaters in Summer
- Seniors in Fall
- Couples for Weekend Getaways
- Weddings
- International – Canada and Direct Flights (UK, Ireland, Germany, Norway)
- General Visitors
- Friends and Family

Our focus groups found that that local businesses and organizations are increasingly collecting demographic and visitor information and increasingly see the benefit of sharing information which when aggregated and scaled up can give a more accurate picture of our visitors. While much of this data are “lagging” indicators (it's looking at demographics, or past occupancy or meals data) it can help us revise our destination marketing approach based on changing demographics, alternative forms of travel, generational tourism, and the interests of young families and couples.

8. Future Success is Built on Collaboration

This is an area where collaboration between Discover Gloucester, the Cape Ann Chamber of Commerce and the North of Boston/CVB can be expanded to share data for analysis at a macro and micro level, and offer some predictive analytics that can guide future marketing efforts at the regional and local levels.

The value of this local collaboration, from data sharing to focus groups to collaborative planning, was validated by the packed crowd at the Collaborative Conversation where our findings were shared with our members, colleagues and friends. This conversation will surely be continued, and collaborative opportunities pursued.

How Can We Best Collaborate?

- Referral Programs/Punch “Discover Gloucester” Card – promoting local businesses to visitor
- Create Package Programs
- Develop themed Itineraries
- Cooperate Ad Programs
- More Focus Groups within Business Segments
- Internal Calendar of Events
- Workforce Training