

Massachusetts Advisory Commission for Travel and Tourism Annual Report and Recommendations, 2022

To: Mr. Michael Hurley, Senate Clerk
Mr. Steven James, House Clerk

From: Martha J. Sheridan, Chair, Advisory Commission for Travel and Tourism

RE: 2022 Annual Report and Recommendations

Date: March 28, 2023

On behalf of the Advisory Commission on Travel and Tourism I respectfully submit this annual report and recommendations for the CY 2022.

Summary of Commission Activities for 2022:

Per statute, the Commission met four times in calendar year 2022. At each meeting we reviewed important industry data, heard from the Director of the MA Office of Travel and Tourism on the agency's programs and activities, and hosted guest speakers to brief us on industry specific initiatives. Below is a recap of each meeting.

March 22, 2022

- Presentation from Phil Buttafuoco, Kraft Sports and Entertainment on Army-Navy Game and World Cup
- Presentation from Keiko Orrall of the MA Office of Tourism on current programs
- Updates from Regional Tourism Councils

June 14, 2022

- Legislative Update from Senator Edward Kennedy, Chair of Joint Committee on Tourism, Arts and Culture
- Discover New England Update, Michelle Cota, Executive Director
- Presentation from Keiko Orrall of the MA Office of Tourism on current programs
- Updates from Martha Sheridan on Army-Navy game and World Cup 2026

September 13, 2022

- Update and presentation from Keiko Orrall on the Commonwealth's tourism recovery initiatives
- MassHire overview from Undersecretary Jenn James

Presentation from Department of Conservation and Recreation, Julie Martin
Discussion of Army-Navy Game (12/23) and 250th Commission (2026)

December 13, 2022

Update from MOTT staff on hotel performance and current and future programs
Update on Travel Metrics from MOTT Research Director Tony D'Agostino
Regional updates from RTCs
Nomination and election of Martha Sheridan (Chair) and Rick Kidder (Vice Chair) of
ACT&T for 2023

Situation Analysis:

The first quarter of 2022 was negatively impacted by lingering challenges related to the Covid pandemic and its new variants. Consumers were reluctant to travel and gather, which resulted in low hotel occupancy rates and anemic visitation. The second quarter of the year marked the beginning of the sector's recovery which continued to escalate throughout 2022. While leisure trips remained a key factor in growth metrics, the meetings and events sector also rebounded significantly in the form of increases in the number of gatherings held throughout the Commonwealth and gains in attendance numbers. The remainder of 2022 saw the continuation of these growth trends which contributed to major gains in hotel occupancy and average daily room rates particularly in metropolitan areas such as Boston, Springfield and Worcester that rely on meeting and convention business to support their facilities and hotel properties.

Destination marketing and promotion remains a cornerstone of the tourism industry's recovery efforts. The Massachusetts Office of Travel and Tourism (MOTT) launched an out-of-state campaign last year that featured the state's vast collection of attractions and tourism assets. This campaign yielded positive results and bolstered overnight visitation to the Commonwealth. It also underpinned similar efforts undertaken by the Regional Tourism Councils (RTCs). Utilizing a combination of Tourism Trust Fund dollars and ARPA funding, each of the RTCs was able to develop and deploy area-specific messaging that featured local attractions, hotels, cultural sites, and dining options in their respective regions to encourage visitation. This coordination and collaboration between MOTT and the RTCs is an industry best practice that allows Massachusetts to compete with other states for valuable travel spending market share. MOTT and RTC's remain keenly focused on promoting and lifting up the state's diverse small-businesses and cultural offerings and strive towards greater equity in the tourism sector at large.

Finally, as visitor numbers and hotel demand continue to grow, the industry is still feeling the impact of workforce shortages in the sector. While hospitality and leisure employment figures improved throughout 2022, challenges with getting back to full staffing levels remain, resulting in reduced hours of operation and compromised service.

Recommendations:

Since the recovery of the tourism sector continues to be of paramount importance to the overall revival of the Massachusetts economy, the Commission respectfully submits the following recommendations for 2022.

1. Representatives from the tourism, hospitality and cultural sectors continue to have a voice in decisions being made at the state level relative to Tourism and tourism funding.
2. A continued review of the Tourism Trust Fund appropriation with a goal of increasing the annual investment in tourism promotion for MOTT and the Regional Tourism Councils that include a plan for annual increases predicated on industry grown metrics.
3. Continued collaboration between ACT&T members and MOTT leadership and staff relative to the deployment of a national and international tourism campaign.
4. Ongoing dialogue between ACT&T, the legislature and the executive office in discussions and decisions related to the disbursement of additional ARPA funds.
5. Dedicated financial support for the Commonwealth's visitor information centers which are currently operated and maintained by the RTCs with limited public funding.
6. Recognition of the differing marketing needs of the various regions represented by the RTCs as well as the necessity for statewide marketing efforts.

The Advisory Commission on Travel and Tourism remains committed to working in conjunction with the Legislature and the Executive Office of Housing and Economic Development to lead the way in the recovery of the tourism sector. We thank you for your consideration of these recommendations.

Sincerely,



Martha Sheridan
Chair



Rick Kidder
Vice Chair

Cc: Yvonne Hao, Secretary of the Executive Office of Economic Development
Ms. Keiko Orall, Director, MA Office of Travel and Tourism